

I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.



DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and
the Board of Directors thereof



AGENDA
EL TORO WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS

August 22, 2024

7:30 a.m.

**BOARDROOM, DISTRICT OFFICE
24251 LOS ALISOS BLVD., LAKE FOREST, CA
92630**

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the virtual component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may attend the meeting in person at the District's office or may observe and address the Meeting by joining at this link:
<https://us02web.zoom.us/j/82845161795> (Meeting ID: 828 4516 1795).

Members of the public who wish only to listen to the telephonic meeting may dial in at the following numbers (669) 900-6833 or (346) 248-7799 with the same Meeting ID noted above. Please be advised the Meeting is being recorded.

CALL MEETING TO ORDER – President Monin

PLEDGE OF ALLEGIANCE – Director Havens

ROLL CALL (Determination of a Quorum)

ORAL COMMUNICATIONS/PUBLIC COMMENTS

Members of the public may address the Board at this time or they may reserve this opportunity with regard to an item on the agenda, until said item is discussed by the Board. Comments on other items will be heard at the time set aside for "COMMENTS REGARDING NON-AGENDA ITEMS." The public may identify themselves when called on and limit their comments to three minutes.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

1. Presentation of Awards, Recognition, Certifications and Introductions

Service Awards

Mr. Cafferty will recognize and congratulate Robert Hazzard, Customer Service Crew Chief, for 35 years of service with the District.

2. Consider Board Member's Request for Remote Participation (AB 2449)

3. Consent Calendar

(All matters under the Consent Calendar will be approved by one motion unless a Board member or a member of the public requests separate action or discussion on a specific item)

- a. Consider approving the minutes of the July 25, 2024 Board meeting
- b. Consider approving support of the CASA Education Foundation in the amount of \$2,000.

Recommended Action: The Board will consider approving the above Consent Calendar.

4. Director Reports for Meetings Attended (Oral Report)

GENERAL MANAGER ACTION ITEMS

5. **Resolution No. 24-8-1 – ISDOC Executive Committee Nominations**
(Reference Material Included)

Recommended Action: The Board of Directors will consider adopting Resolution No. 24-8-1 which makes nominations for the Executive Committee Officers for ISDOC for a two-year term commencing on January 1, 2025.

RESOLUTION 24-8-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EL TORO WATER DISTRICT
NOMINATING DIRECTOR MARK MONIN TO THE POSITION OF
SECRETARY ON THE ISDOC EXECUTIVE COMMITTEE

6. **Resolution No. 24-8-2 El Toro Water District Administrative Code**
(Reference Materials Included)

Staff will review and comment on proposed revisions to the District Administrative Code.

Recommended Action: The Board of Directors will consider adopting Resolution No. 24-8-2 which adopts the amended El Toro Water District Administrative Code.

RESOLUTION NO. 24-8-2

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
ADOPTING THE AMENDED EL TORO WATER DISTRICT
ADMINISTRATIVE CODE

7. **General Manager Contract** (Reference Material Included)

Staff will review and comment regarding the benefits defined in the District Employee Handbook and the inclusion of same, by reference, in the General Manager Contract.

Recommended Action: The Board of Directors will consider any changes to the General Manager Contract deemed appropriate by the Board.

8. **Orange County Grand Jury Report “Emerging Opportunities in South County Water/Wastewater Systems”** (Reference Material Included)

Staff will lead a discussion regarding the District’s proposed response to the Grand Jury Report titled “Emerging Opportunities in South County Water/Wastewater Systems”.

Recommended Action: Approve the District’s response letter on the Orange County Grand Jury’s findings and recommendations and authorize staff to submit the response letter to the Presiding Judge of the Superior Court before September 20, 2024.

GENERAL MANAGER INFORMATION ITEMS

9. **General Manager’s Monthly Report** (Reference Material Included)

Staff will review and comment on the General Manager’s Monthly Report.

10. **District Transparency Certificate of Excellence Award** (Reference Material Included)

Staff will review and comment on receipt of the District Transparency Certificate of Excellence Award through the Special District Leadership Foundation.

11. **Legislative Reports** (Reference Material Included)

Staff and General Counsel will review and comment on the Legislative reports.

12. **Public Education and Outreach Report** (Reference Material Included)

Staff will review and comment on the Public Education and Outreach report.

13. **Water Use Efficiency Report** (Reference Material Included)

Staff will review and comment on the Water Use Efficiency Report.

14. **SOCWA Report** (Reference Material Included)

- a. SOCWA Board Meeting – August 8, 2024
- b. SOCWA Engineering Committee Meeting – August 15, 2024
- c. SOCWA Finance Committee Meeting – August 20, 2024

15. **Municipal Water District of Orange County (MWDOC) Report** (Reference Material Included)
 - a. MWDOC Planning/Operations Meeting – August 5, 2024
 - b. MWDOC/MET Directors Workshop – August 7, 2024
 - c. MWDOC Admin/Finance Meeting – August 14, 2024
 - d. MWDOC Board Meeting – August 21, 2024
 - e. MWDOC Executive Managers Meeting – August 22, 2024
16. **South Orange County Agencies Group Meeting** (Reference Material Included)
Report on the July 25, 2024 South Orange County Agencies Group Meeting.
17. **Local Agency Formation Commission Report** (Reference Material Included)
Report on the August 14, 2024 LAFCO meeting
18. **ISDOC Meetings Report** (Reference Material Included)
Report on the August 6, 2024 ISDOC Executive Committee meeting
19. **WACO Meetings Report** (Reference Material Included)
 - a. Report on the August 2, 2024 WACO meeting
 - b. Report on the August 20, 2024 WACO Planning meeting

COMMITTEE AND GENERAL INFORMATION

20. **Dates to Remember for August/September** (Reference Material Included)

COMMENTS REGARDING NON-AGENDA ITEMS ATTORNEY REPORT

CLOSED SESSION

At this time the Board will go into Closed Session as follows:

1. Pursuant to Government Code Section 54957(a) to consult with legal counsel and staff regarding matters of security of essential public services including water, drinking water and wastewater treatment.
2. Pursuant to Government Code Section 54956.8 to consult with the District's designated negotiator (Dennis P. Cafferty, General Manager) with respect to the terms and conditions pertaining to the proposed exchange and/or transfer of ownership in the Joint Regional Treatment Plant presently owned and operated by the South Orange County Wastewater Authority (in which the District is a member agency) to the Moulton Niguel Water District and the assignment of capacity in the Effluent Transmission Main and Aliso Creek Ocean Outfall from Moulton Niguel Water District to El Toro Water District.

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

Mr. Granito will provide an oral report on the Closed Session.

ADJOURNMENT

The agenda material for this meeting is available to the public at the District's Administrative Office, which is located at 24251 Los Alisos Blvd., Lake Forest, Ca. 92630. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate public inspection at the same location.

Request for Disability-Related Modifications or Accommodations

If you require any disability-related accommodation, including auxiliary aids or services, in order to participate in this public meeting, please telephone the District's Recording Secretary, Polly Welsch at (949) 837-7050, extension 225 at least forty-eight (48) hours prior to said meeting. If you prefer, your request may be submitted in writing to El Toro Water District, P.O. Box 4000, Laguna Hills, California 92654, Attention: Polly Welsch.

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
July 25, 2024

President Monin called the meeting of the Board of Directors of the EL TORO WATER DISTRICT to order at 7:30 a.m.

Director Freshley led the Pledge of Allegiance to the flag.

Directors KAY HAVENS, MIKE GASKINS, MARK MONIN, FRED ADJARIAN, and KATHRYN FRESHLEY participated.

Also present were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, JUDY CIMORELL, Director of Human Resources, HANNAH FORD, Director of Engineering, VISHAV SHARMA, CFO, SCOTT HOPKINS, Operations Superintendent, SHERRI SEITZ, Public Affairs Manager, VU CHU, Water Use Efficiency Analyst, MIKE MIAZGA, IT Manager (Zoom), VICKI TANIOUS, Senior Accountant (Zoom), and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

Five Board members were present for the meeting, therefore a quorum was determined.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

President Monin asked if there were any items received too late to be agendized.

Mr. Cafferty replied no.

Consent Calendar

President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Adjarian to approve the Consent Calendar.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Directors Reports for Meetings Attended

Director Adjarian stated that he attended the MWDOC MET Directors Workshop, the MWDOC A&F meeting, the WACO meeting, the Districts Engineering and Finance meeting, and todays Board meeting.

Director Freshley stated that she attended the MWDOC P&O Committee meeting, the MWDOC Board Workshop, ETWD’s Engineering and Finance meeting, ETWD’s regular Board meeting, the SOCWA Special Board meeting, two SOCWA closed sessions, the WACO meeting, the LAFCO meeting, the Laguna Woods City Council meeting, and the Orange County Water Association meeting.

Director Havens stated that she attended the MWDOC P&O meeting, the MWDOC Met Directors Workshop, the Laguna Hills Chamber Event, the Aliso Creek Collaboration Workshop, the MWDOC A&F meeting, the WACO meeting, the MWDOC Board meeting, and the regular ETWD Board Meetings.

Vice President Gaskins stated that he attended the MWDOC P&O meeting, the ISDOC Executive Meeting, the MWDOC Board Workshop, the Laguna Hills Chamber Event, the LAFCO meeting, the WACO meeting, the Agenda Review meeting, the MWDOC Board meeting, the President/VP/GM meeting, the ETWD Engineering and Finance meeting, the MWDOC/OCWD meeting, the ETWD regular Board meeting today, the SOCAG meeting today, the Chanel Six event, will be going to CASA next week, and the SOCAL Water Coalition lunch.

President Monin stated that he attended the MWDOC P&O meeting, the ISDOC Executive Committee meeting, the MWDOC/MET Board Workshop, the MWDOC A&F meeting, the WACO meeting, the Agenda Review meeting, the WACO Planning meeting, the MWDOC Board meeting, the Laguna Woods City Council meeting, the OCWA lunch, the President/VP/GM meeting, ETWD's Engineering and Finance meeting, ETWD's Regular Board meeting, the ISDOC Quarterly Luncheon, and will be at CASA next week.

General Manager Action Items

Adoption of the Workplace Violence Prevention Plan for El Toro Water District

Mrs. Cimorell stated that back in September Senate Bill 553 was passed which amended the labor code to include the CAL/OSHA workplace violence plan training. She further stated she attended a webinar hosted by ACWA/JPIA where Shaw Law Group presented and they are providing services to plan and build the District's training. Mrs. Cimorell stated that District staff participated in a Workplace Violence Prevention training last month and Board members will also be required to participate in the one-hour training.

President Monin asked if the plan included any topics on mass shootings. Mrs. Cimorell stated the plan includes several related topics and Mr. Cafferty, Mr. Coppola, and herself each have responsibilities in order to implement the plan.

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Vice President Gaskins to approve the adoption of the Workplace Violence Prevention Plan for El Toro Water District.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Resolution No. 24-7-2 Standing Committee Schedule for the Remainder of the Calendar Year 2024

Mr. Cafferty stated this resolution adopts the standing committee meetings including the Agenda Review meeting, the Regional Reclamation Committee meeting, and CAG for the remainder of the Calendar Year 2024.

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Freshley to adopt Resolution No. 24-7-2 Standing Committee schedule for the remainder of the calendar year 2024.

Roll Call Vote

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Resolution No. 24-7-3 Adopting an Eleventh Amended Conflict of Interest Code

Mr. Cafferty stated the County requires the District to update the Conflict of Interest Code or to indicate that there are no updates and in this case, there were two position title changes for Mrs. Ford and Mr. Harnisch; Director of Engineering and Senior Engineer.

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Adjarian to approve Resolution No. 24-7-3 adopting an eleventh amended Conflict of Interest Code.

Roll Call Vote

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Resolution No. 24-7-4 El Toro Water District Administrative Code

Mr. Cafferty stated that a document in the Rules and Regulations titled “Preliminary Statement” that preceded with several sections defining rates is being moved into the Administrative Code. He further stated that the changes redlined in the Board package are included in sections 7020 through 7100 which consist of updates to services and rates.

Mr. Cafferty stated that in the future, there will be an Administrative Code compilation presented to the Board on a periodic basis to display the work in progress as well as a completed version as an information item during a Board meeting.

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Director Havens to approve Resolution No. 24-7-4 El Toro Water District Administrative Code.

Roll Call Vote

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Resolution No. 24-7-5 Modifying Standing and External Organization Board and Staff

Assignments for the remainder of Calendar Year 2024

Mr. Cafferty stated that Resolution 24-7-5 returns Director Gaskins as the District's primary representative at ACWA JPIA.

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by President Monin to approve Resolution No. 24-7-5 Modifying Standing and External Organization Board and Staff Assignments for the remainder of Calendar Year 2024.

Roll Call Vote

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

General Manager Information Items

General Manager's Monthly Report

Mr. Cafferty stated that the report is in the package and asked if anyone had any questions.

Director Freshley inquired about the credit amount that is owed on page 64 of the Board package. Mr. Cafferty stated credits occasionally occur and examples include a credit due to a customer erroneously putting the decimal in the wrong place or the District might have to process a refund for a construction meter deposit.

Director Havens and President Monin commended Mr. Cafferty's presentations at the MWDOC Member Agency Spotlight and the Laguna Woods City Council meeting.

Legislative Reports

Mr. Cafferty stated that last month's extensive report covered all updates and doesn't have anything to add to this month's report.

Public Education and Outreach Report

Ms. Seitz stated that the next CAG Meeting is scheduled for August 8, 2024 and mentioned the last LWVT presentation is linked in the package.

President Monin suggested to emphasize the matter of rising costs. Mr. Cafferty stated that the rising costs topic has been frequently publicized in District's Public Outreach and will continue to do so.

Ms. Seitz stated staff has received and reviewed the website RFP's and will present a recommendation for award in August. President Monin requested to have the chosen vendor provide a brief presentation to the Board. Mr. Cafferty stated the presentation would likely be done remotely.

Ms. Seitz stated that another letter regarding the lead and copper testing was distributed which informed customers of the secondary confirmation the contractors will be performing.

Director Havens asked how much notice the homeowner is given. Ms. Seitz replied that customers are given a 1-2 week notice in addition to a door hanger after the confirmation is complete.

Ms. Seitz stated that the contractor is returning to Northline and signage is being prepared for the site due to its proximity to the dog park's parking lot.

Ms. Seitz announced the upcoming community events including the State of the County event on August 9, 2024 and the Laguna Woods Village 60th Anniversary event on September 9, 2024.

Water Use Efficiency Report

Mr. Chu stated that June consumption was up approximately 4% compared to last year and the total fiscal year consumption was down 1% compared to last year. He further noted that the State Water Board adopted "Making California a Way of Life" on July 3, 2024 which will go into effect January 1, 2025.

Mr. Cafferty added that the State's intent is to reduce per-capita consumption to 47 gallons per person per day. He further stated that implementing the reduction would affect the District's current tiered billing structure causing an increase to customers' costs which requires a Proposition 218 notice. Mr. Cafferty stated that a detailed conversation will be had during the upcoming budget process to include the implementations.

Director Freshley stated United is concerned about not fully understanding the freshwater landscaping and how upcoming functional vs. non-functional regulations will affect them. Ms. Seitz stated she is available to answer questions United may have. Director Havens offered to highlight the topic in her upcoming TV-6 presentation.

SOCWA Reports

Mr. Cafferty stated he had conversations with Rich Shintaku about the proportional allocation methodology for asset payment reductions from the Coastal and Regional plant and is awaiting a response after Mr. Shintaku hears back from relevant agencies.

Mr. Cafferty also stated he had a conversation with Matt Collings regarding the July 15, 2024 meeting and redline agreements.

Mr. Cafferty stated the District had a Regional Board inspection of the plant recently and there was a District violation of a settleable solids requirement that occurred on an individual day in 2022 for which the District will need to pay a settlement of \$3,000.00. He further stated staff has clearly recognized what happened and improving communication between maintenance and lab has been addressed.

MWDOC

There were no comments.

LAFCO

Director Freshley stated commission appointments were selected by a city committee.

Director Freshley also stated there was a discussion regarding the Grand Jury Report and SOCWA's response.

Director Freshley added that the commissioner handbook was drafted.

ISDOC

President Monin stated that certain individuals that are not on the executive committee would like to exit OCCOG but he believes OCCOG is very valuable and hopes that doesn't occur.

WACO

President Monin reported on the July 12, 2024 and July 16, 2024 meetings.

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for June/July

There were no comments

Comments Regarding Non-Agenda Items

Mr. Cafferty asked the Board if they were willing to have their email addresses displayed on the District website. All Board members provided consent.

Mr. Cafferty stated that the repairs necessary for the Main Office campus will cost approximately \$70,000, the majority of which will be funded by insurance. Mr. Cafferty stated that several staff are currently displaced, and it is in the best interest of the District to commence the repairs and bring the contract back to the Board for ratification in August. The Board concurred.

Mr. Cafferty stated that Staff had followed up on the question raised at the Engineering Committee regarding the use of stainless steel for the DAF MCC. Mr. Cafferty indicated that the difference in cost was relatively small at approximately \$5,000 and the harsh environment makes this a wise investment in the longevity of the new equipment.

Mr. Cafferty stated that Staff had followed upon the question raised at the Engineering Committee regarding fault limiting fuses at the Westline Lift Station Main Switchboard Project. Mr. Cafferty indicated that there is not sufficient space for fault limiting fuses at the site but there is protection downstream of the Main Switchboard.

Mr. Cafferty stated that the District is preparing to distribute payments to employees for the Board approved Occupational Certification/University and College Degree Incentive program. Mr. Cafferty advised the Board that the General Manger is proposed to receive an incentive for a Masters Degree and D-5 Distribution Certification. Mr. Cafferty stated that these incentives are as described in the approved policy but wanted the Board to be aware prior to the payment of the incentive. Director Freshley stated she feels the General Manager is not an employee but serves by virtue of the contract with the Board. Ms. Cimorell pointed out that the General Manager contract includes language extending all employee benefits to the General Manager. Mr. Cafferty stated that exclusion of Certifcation/Education incentive would require and amendment to the General Manager contract for which no action is agendized today. Mr. Cafferty further stated that the General Manager contract will be agendized for discussion at the August Board meeting.

Attorney Report

Mr. Granito reported that there is no need for a closed session today.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 9:10 a.m.

Respectfully submitted,

MARISOL MELENDEZ
Recording Secretary

APPROVED:

MARK MONIN, President of
the El Toro Water District and the
Board of Directors thereof

DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and
the Board of Directors thereof



Invoice

Date	Invoice #
5/8/2024	375

c/o Smith Moore & Associates
 808 R Street, Suite 209
 Sacramento, CA 95811

Bill To

El Toro Water District
 Dennis Cafferty, General Manager
 24251 Los Alisos Blvd
 Lake Forest, CA 92630

Terms	Project

Quantity	Description	Rate	Amount
	2024 Education Foundation Support	2,000.00	2,000.00
Thank you for your support!		Total	\$2,000.00



STAFF REPORT

To: Board of Directors **Meeting Date: August 22, 2024**
From: Dennis Cafferty, General Manager
Subject: Resolution No. 24-8-1 ISDOC Executive Committee Nominations

The Independent Special District's of Orange County has requested nominations for the positions of President, First Vice President, Second Vice President, Third Vice President, Secretary and Treasurer on the ISDOC Executive Committee.

President Mark Monin has served in several positions on the ISDOC Executive Committee and has expressed an interest in continuing to serve by seeking the position of Secretary on the ISDOC Executive Committee. A nomination to this effect must be documented by resolution of the District Board of Directors.

Details regarding the open positions, the nomination process and requirements and the 2024 election timeline are defined in the attached ISDOC materials.

Recommended Action:

The Board of Directors will consider adopting Resolution No. 24-8-1 which makes nominations for the Executive Committee Officers for ISDOC for a two-year term commencing on January 1, 2025.

RESOLUTION 24-8-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EL TORO WATER DISTRICT
NOMINATING DIRECTOR MARK MONIN TO THE POSITION OF
SECRETARY ON THE ISDOC EXECUTIVE COMMITTEE

RESOLUTION NO. 24-8-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EL TORO WATER DISTRICT
NOMINATING DIRECTOR MARK MONIN TO THE POSITION OF
SECRETARY ON THE ISDOC EXECUTIVE COMMITTEE

WHEREAS, the Independent Special Districts of Orange County (ISDOC) has requested nominations for positions on the Executive Committee; and

WHEREAS, the El Toro Water District is a member District of ISDOC; and

WHEREAS, Mark Monin is a Director of El Toro Water District, and therefore qualified to serve on the ISDOC Executive Committee; and

WHEREAS, Director Mark Monin is currently the Past President on the ISDOC Executive Committee; and

WHEREAS, Director Mark Monin has expressed an interest in continuing to serve on the ISDOC Executive Committee.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the EL TORO WATER DISTRICT does hereby nominate Director Mark Monin to the position of Secretary on the ISDOC Executive Committee.

BE IT FURTHER RESOLVED, that the Board Secretary is hereby directed to transmit a certified copy of this Resolution to ISDOC, P.O. Box 20895, Fountain Valley, CA 92728, forthwith.

ADOPTED, SIGNED AND APPROVED this 22nd day of August, 2024.

MARK L. MONIN, President
El Toro Water District and of
The Board of Directors thereof

DENNIS P. CAFFERTY, Secretary
El Toro Water District and of
The Board of Directors thereof



August 5, 2024

PLEASE DISSEMINATE TO ALL BOARD MEMBERS

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

(714) 963-3058
(714) 964-5930 fax

<https://isdoc.net>

Executive Committee

President
Hon. Greg Mills
Serrano Water District

1st Vice President
Hon. Bob McVicker
Municipal Water District of Orange County

2nd Vice President
Hon. Paul Mesmer
Surfside Colony Community Services District

3rd Vice President
Hon. Scott Nelson
Placentia Library District

Secretary
Vacant

Treasurer
Hon. Sandra Jacobs
Santa Margarita Water District

Immediate Past President
Hon. Mark Monin
El Toro Water District

Staff Administration

Heather Baez
Municipal Water District of Orange County

Tina Dubuque
Municipal Water District of Orange County

This email shall serve as official notice and call for candidates for the positions of President, First Vice President, Second Vice President, Third Vice President, Secretary and Treasurer on the Executive Committee of the Independent Special Districts of Orange County (ISDOC).

Terms of office are for two years, commencing on January 1, 2025.

The election will be by mail ballot and new officers will be announced at the October 2024 Quarterly Meeting. Ballots will be mailed to all regular ISDOC members in good standing on **Monday, September 16, 2024, and are due by Friday, October 25, 2024.**

Nominations will close on Friday, September 13, 2024. Any Board Member/Trustee of a regular ISDOC member agency is eligible for nomination to any of the open positions. Individuals who wish to be considered for a position should submit a letter of interest for that position, together with a resolution from their Board authorizing their candidacy.

Responsibilities of the positions are as follows:

PRESIDENT: The President is the chief executive officer of ISDOC. He or she presides at all meetings of the Board of Directors and the Executive Committee, appoints all committees, and represents ISDOC as its official spokesperson.

FIRST VICE PRESIDENT: The First Vice President chairs the Program Committee. Duties include planning the Quarterly Luncheon program, inviting and coordinating with the invited speaker, and in the absence of the President, shall perform all duties of the President.

SECOND VICE PRESIDENT: The Second Vice President chairs the Membership Committee. Duties include maintaining a list of current regular and associate members, follow up with any outstanding membership dues as needed, and in the absence of the President and First Vice President, shall perform all duties of the President.

THIRD VICE PRESIDENT: The Third Vice President chairs the Legislative Committee. Duties include providing a legislative update, making legislative position recommendations to the Executive Committee, and in the absence of the President, First Vice President, and Second Vice President, shall perform all duties of the President.

SECRETARY: The Secretary is responsible for all correspondence and the dissemination of information to members. Duties include preparing and distributing agendas and minutes for the Executive Committee meeting and editing and publishing the quarterly newsletter. All official correspondence to the members will be approved in advance by the President or President's designee.

TREASURER: The Treasurer maintains the complete financial records and bank accounts in the name of the Organization, and pays all bills duly approved by the Executive Committee, with a report to be presented to the membership at the Organizations next membership meeting.

Meetings of the Executive Committee are held virtually on the first Tuesday of each month at 7:30 a.m. Please see ISDOC website for details. <https://isdoc.net>

If you are seeking nomination to a position on the Executive Committee, please send your letter/email of interest and a copy of your Board's authorizing resolution to Heather Baez at hbaez@mwdoc.com. All nomination requests must be received by **Friday, September 13, 2024.**

If you have any questions about the any of the positions or the election process, please contact either Heather Baez at hbaez@mwdoc.com or Tina Dubuque at tdubuque@mwdoc.com.



Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

(714) 963-3058
(714) 964-5930 fax

<https://isdoc.net>

Executive Committee

President

Hon. Greg Mills
Serrano Water District

1st Vice President

Hon. Bob McVicker
Municipal Water District of Orange County

2nd Vice President

Hon. Paul Mesmer
Surfside Colony Community Services District

3rd Vice President

Hon. Scott Nelson
Placentia Library District

Secretary

Vacant

Treasurer

Hon. Sandra Jacobs
Santa Margarita Water District

Immediate Past President

Hon. Mark Monin
El Toro Water District

Staff Administration

Heather Baez

Municipal Water District of Orange County

Tina Dubuque

Municipal Water District of Orange County

Independent Special Districts of Orange County

2024 Election Timeline

August 5, 2024	Call for nominations sent out for the 2025-2026 Executive Committee officer positions. We are seeking candidates for President, 1 st Vice President, 2 nd Vice President, 3 rd Vice President, Secretary, Treasurer, Programs, membership and legislation to the 1 st , 2 nd , 3 rd VP.
September 13, 2024	The Nomination period for Executive Committee officer positions closed. Nominations should include the following: <ol style="list-style-type: none"> 1. Board Resolution authorizing your candidacy; 2. Position for which you are running; 3. What you will bring to ISDOC, and; 4. Introductory about yourself.
September 16, 2024	Ballots sent out – Via US mail and email.
October 25, 2024	Ballots are due – Via US mail or email to Heather Baez: P.O. Box 20895 Fountain Valley, CA 92728 or hbaez@mwdoc.com
October 31, 2024	The names of officers elected announced at ISDOC quarterly meeting.
January 1, 2025	Executive Committee officers begin new term.



STAFF REPORT

To: Board of Directors **Meeting Date: August 22, 2024**
From: Dennis Cafferty, General Manager
Subject: Administrative Code Amendment

At the November 2023 Board meeting the Board approved the initial version of the El Toro Water District Administrative Code. Staff continues to work to transition existing policies into the Administrative Code with revisions or updates as appropriate.

The current proposal moves existing schedules from the District’s Rules and Regulations follows:

Current Policy Designation		Administrative Code Reference
1996-13 (IV)	Purchasing Policy	6100
	Development Procedures Policy	7110
1998-16 (IV)	IT Acceptable Use Policy (Replaces Data Processing Policy)	9040
Resolution No. 87-7-1	Public Records Request Policy	9050

The proposed policy updates and additions are summarized as follows:

Section 6100 Purchasing Policy

A variety of updates have been proposed to the Purchasing Policy. Certain of the proposed changes are intended to clarify existing procedures as well as bring consistency between procedure and policy. The proposed updates grant purchasing authority to the IT Manager similar to the authority that currently exists for the Director of Engineering and Operations Superintendent. The proposed updates also recommend increasing the General Manager’s purchasing authority. The current GM purchasing authority is \$50,000. As costs have increased, the current amount has become out of date. Staff performed a survey of other agencies and found the following General Manager purchasing authorities:

Trabuco Canyon Water District	\$100,000
South Coast Water District	\$100,000
Santa Margarita Water District	\$100,000
Irvine Ranch Water District	\$200,000

The proposed Policy recommends a new GM purchasing authority of \$100,000. Both a redline document identifying proposed changes and updates as well as a clean version of the Purchasing Policy are attached for reference.

Section 7110 Development Procedures Policy

When processing new development or redevelopment within the District service area, District staff have followed long standing practices and procedures that have never been formalized in a District Policy. The proposed Development Procedures Policy identifies two charges typically associated with new development or redevelopment.

Fire Flow Tests

Fire flow tests are requested by developers in an effort to identify the hydraulic capability of the District distribution system. This data is typically required by the fire department as part of the building permit plan check process. The District has historically charged \$150 for a fire flow test. This fee is out of date. Fire flow tests are typically conducted via the hydraulic model. District staff outsource this effort to Carollo at an average cost of approximately \$300 per test. The proposed Fire Flow test cost in the Development Procedures Policy is therefore \$300.

Plan Check and Inspection Fees

The initiation of a new development typically commences with the submittal of project plans for plan check by the District Engineering Department. Historically the District has required a minimum plan check fee of \$300 paid upon submission of plans. For larger projects this fee serves as a deposit that is applied to the final plan check fee. The final plan check fee has historically been calculated at 6.6% of the estimated cost of construction of the water, sewer or recycled water facilities that will be subject to plan check and/or inspection by the District.

These fees have not been adjusted for quite some time. Staff performed a survey of other agencies and recommend a new minimum plan check fee/deposit of \$800. Staff further recommends the final plan check fee be calculated at 8% of the estimated water and sewer infrastructure cost of the domestic water, sewer and recycled water facilities improvements calculated per the ETWD Plan Check and Inspection Fee Estimate worksheet. The worksheet is attached and will be periodically updated by the Engineering Department. The following is a summary of the survey results:

Agency	Minimum Deposit / Fee	Final Plan Check Fee
Santa Margarita Water District	\$300	6.9% of Estimated Cost
Moulton Niguel Water District	\$800 / System	10% of Estimated Cost
South Coast Water District	\$300	6% of Estimated Cost
Irvine Ranch Water District	5% of Estimated Cost	10% of Estimated Cost

Section 9040 IT Acceptable Use Policy

The IT Acceptable Use Policy replaces the existing Data Processing Policy. The Data Processing Policy was last updated in 1998. Portions of the Data Processing Policy are obsolete or no longer relevant to current technology and practices.

The IT Acceptable Use Policy was recommended by Client First, the consultant currently working with the District on the IT Master Plan. The Policy was developed in a team effort with Client First and modified by Mike Miazga to better specifically fit ETWD by incorporating into the new policy components from the District's existing Data Processing Policy.

Relevant portions of the Data Processing Policy have been incorporated in the new IT Acceptable Use Policy along with important additions appropriate to current practices and requirements.

The IT Acceptable Use Policy is enclosed. Text highlighted in blue represent language that has been moved over from the previous Data Processing Policy. Text that was moved from the Data Processing Policy but revised for purposes of its inclusion in the IT Acceptable Use Policy is shown as redline text.

The previous Data Processing Policy is also enclosed for reference. Text highlighted in blue was moved to the new IT Acceptable Use Policy. Text highlighted in red is included, conceptually but not verbatim, in the new IT Acceptable Use Policy. Text highlighted in green was deemed no longer necessary or relevant to current technology and practices.

Section 9050 Public Records Request Policy

The guidelines for responding to Public Records Request were defined by the District in a resolution adopted in 1987. These guidelines have not been updated since that time and have never been formalized in a District Policy. The proposed Public Records Request Policy updates the guidelines to reflect current law and adds these guidelines as a policy within the District Administrative Code. The attached policy identifies redline changes from the guidelines defined by the 1987 resolution. The updated language also includes recommended language from the CSDA sample policy for Public Records Requests as well as updated recommendations by the District's legal counsel.

The redline document as well as a clean version of the proposed Public Records Request Policy are attached. Also attached, for reference, is the 1987 Public Records Request resolution.

Conclusion

In addition to the individual Sections defined above, the redlined cover page and Table of Contents is attached.

Also attached for reference, at the end of this section of the package, is the full clean version of the entire Administrative Code, inclusive of the proposed updates defined herein.

Recommended Action:

The Board of Directors will consider adopting Resolution No. 24-8-2 which adopts the amended El Toro Water District Administrative Code.

RESOLUTION 24-8-2

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
ADOPTING THE AMENDED EL TORO WATER DISTRICT
ADMINISTRATIVE CODE

PLAN CHECK AND INSPECTION (PC&I) FEE ESTIMATE



PROJECT NAME: _____
 WORK ORDER: _____
 PREPARED BY: _____ DATE: _____

WATER CONSTRUCTION COST ESTIMATE

16" C-900 WATER LINE	_____	LF @	\$160.00	\$ -
12" C-900 WATER LINE	_____	LF @	\$135.00	\$ -
10" C-900 WATER LINE	_____	LF @	\$130.00	\$ -
8" C-900 WATER LINE	_____	LF @	\$115.00	\$ -
6" C-900 WATER LINE	_____	LF @	\$105.00	\$ -
4" C-900 WATER LINE	_____	LF @	\$90.00	\$ -
16" RW GATE VALVE	_____	EA @	\$4,000.00	\$ -
12" RW GATE VALVE	_____	EA @	\$3,300.00	\$ -
10" RW GATE VALVE	_____	EA @	\$2,700.00	\$ -
8" RW GATE VALVE	_____	EA @	\$2,000.00	\$ -
6" RW GATE VALVE	_____	EA @	\$1,400.00	\$ -
4" RW GATE VALVE	_____	EA @	\$1,100.00	\$ -
2" WATER SERVICE	_____	EA @	\$3,300.00	\$ -
2" WATER METER	_____	EA @	\$375.00	\$ -
1 1/2" WATER METER	_____	EA @	\$270.00	\$ -
1" WATER SERVICE	_____	EA @	\$2,000.00	\$ -
1" WATER METER	_____	EA @	\$150.00	\$ -
3/4" WATER METER	_____	EA @	\$95.00	\$ -
FIRE HYDRANT ASSEMBLY	_____	EA @	\$3,500.00	\$ -
1" W.Q. SAMPLE PT.	_____	EA @	\$1,000.00	\$ -
1" AIR VAC	_____	EA @	\$2,500.00	\$ -
2" AIR VAC	_____	EA @	\$3,500.00	\$ -
2" BLOW OFF	_____	EA @	\$1,500.00	\$ -
10" DETECTOR CHECK	_____	EA @	\$10,000.00	\$ -
8" DETECTOR CHECK	_____	EA @	\$8,000.00	\$ -
6" DETECTOR CHECK	_____	EA @	\$6,000.00	\$ -
4" DETECTOR CHECK	_____	EA @	\$4,000.00	\$ -
TOTAL WATER CONSTRUCTION COST				\$ -
WATER PC&I FEE (8.0%)				\$ -

SEWER CONSTRUCTION COST ESTIMATE

12" SDR 35 SEWER LINE	_____	LF @	\$80.00	\$ -
10" SDR 35 SEWER LINE	_____	LF @	\$70.00	\$ -
8" SDR 35 SEWER LINE	_____	LF @	\$60.00	\$ -
6" SDR 35 SEWER LINE	_____	LF @	\$50.00	\$ -
4" SDR 35 SEWER LINE	_____	LF @	\$40.00	\$ -
48" MANHOLE	_____	EA @	\$3,000.00	\$ -
60" MANHOLE	_____	EA @	\$4,000.00	\$ -
DROP MANHOLE	_____	EA @	\$3,500.00	\$ -
TOTAL SEWER CONSTRUCTION COST				\$ -
SEWER PC&I FEE (8.0%)				\$ -

NET PC&I FEE

TOTAL WATER AND SEWER CONSTRUCTION COST	\$ -
TOTAL WATER AND SEWER PC&I FEE (8.0%)	\$ -
INITIAL PLAN CHECK FEE	- \$ 800.00
NET PC&I FEE	= \$ (800.00)

RESOLUTION NO. 24-8-2

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
ADOPTING THE AMENDED EL TORO WATER DISTRICT
ADMINISTRATIVE CODE**

WHEREAS, the Board of Directors of the El Toro Water District adopted an Administrative Code defining the policies the El Toro Water District in November, 2023; and

WHEREAS, it is in the best interest of the District that the District's Administrative Code be amended in its entirety to incorporate updates to, and additional policies in, the existing Administrative Code; and

WHEREAS, the Board of Directors of the El Toro Water District has reviewed the Administrative Code which is incorporated herein by this reference.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the El Toro Water District does hereby adopt the Amended El Toro Water District Administrative Code effective August 22, 2024.

ADOPTED, SIGNED AND APPROVED this 22nd day of August 2024.

MARK MONIN, President
El Toro Water District and of the
Board of Directors thereof

ATTEST:

DENNIS P. CAFFERTY, Secretary
El Toro Water District and of the
Board of Directors there of

EL TORO WATER DISTRICT



ADMINISTRATIVE CODE

Adopted

~~July 25~~ August 22, 2024

DISTRICT

1000 Principal Office
1010 Seal

BOARD OF DIRECTORS

2000 General Authority
2010 Membership
2020 Terms of Office
2030 Elections
2040 Meetings
2050 Quorum: Votes Necessary
2060 Compensation
2070 Board Staff Relationship
2080 Guidelines for Board Conduct
2090 Committees of the Board

BOARD OFFICERS AND EMPLOYEES

3000 Officers Other Than Directors
3010 Elimination
3020 President (Term of Office)
3030 Succession to Presidency
3040 Vice President (Election – Term of Office – Succession to Presidency)
3050 Secretary
3060 Treasurer
3070 Duties and Powers of President
3080 Duties and Powers of Vice President
3090 Employees
3100 District Legal Counsel
3110 District Auditors

ETWD DIRECTORS

4000 Directors' Compensation
4010 Directors' Benefits
4020 Directors' Travel & Expense Reimbursement

ETHICS

5000 Ethics Training

FINANCIAL MATTERS

- 6000 District Claim Procedures
- 6010 Board Authorization of Fund Transfers With the District Capital Budget
- 6020 Budget Policy
- 6030 Designated Staff Credit Card Issuance / Usage Policy
- 6040 Cash Reserve Policy
- 6050 Debt Management Policy
- 6060 Capitalization Policy for Capital Assets
- 6070 Disposal of Surplus Property
- 6080 Investment Policy
- 6090 Electronic Funds Transfer Policy
- 6100 Purchasing Policy

SERVICE AND RATES

- 7000 Statement of Service Outside of District Boundaries
- 7010 Statement of Construction of Water and Sewer
- 7020 Rate Schedules Preliminary Statement
- 7030 General Metered Potable Water Service
- 7040 General Sewer Service
- 7050 Commercial, Industrial, Public Authority and Homeowner Association
Recreational Facility Sewer Service
- 7060 Recycled Water Sales and Service
- 7070 Private Fire Protection Service
- 7080 Water Meter and Meter Installation Charges
- 7090 Wholesale Water Service
- 7100 Metered Construction Service
- 7200 Development Procedures

PERSONNEL MATTERS

- 8000 Employee Handbook (Incorporated by Reference)

ORGANIZATION, FUNCTIONS & GENERAL PROVISIONS

- 9000 Fraud in the Workplace
- 9010 District Meeting Rooms Use Policy
- 9020 Identity Theft Prevention Program
- 9030 Legislative Advocacy Policy
- 9040 IT Acceptable Use Policy
- 9050 Public Records Act Response Policy

§6100 **PURCHASING POLICY**

§6100 PURCHASING POLICY

1. DEFINITIONS

The definitions contained in this section govern the interpretation of this policy.

- A. Authorized Agent – when used with respect to the District, means the General Manager or any person designated by the General Manager to have authority to solicit bids or proposals and administer the terms of an awarded contract.
- B. Authorized Approver – means any person given authority by this Policy to approve procurements as defined herein.
- C. Authorized Signer – means any person empowered by this Policy to sign bid documents, contracts, contract amendments, and change orders.
- B.D. Change Order – means an amendment modifying the terms of an existing contract, including price or quantity and quality ordered, ~~of an existing contract.~~
- G.E. Competitive Bidding – means a bidding process in which the bid solicitation is advertised as described herein.
- D.F. Construction – includes the erection, demolition, alteration, repair, replacement, refurbishment or relocation of buildings, infrastructure, or improvements.
- E.G. Contract – means any written agreement, including purchase orders, to which the District is a party.
- F.H. Form of Agreement – means the document evidencing the contractual relationship of the District and the successful vendor, supplier, contractor or consultant.
- G.I. Notice Inviting Bids – means a notice inviting proposals for entering a contract upon the terms of contract documents incorporated in said notice by reference.
- H.J. Notice Inviting Pre-qualification Information – means a notice inviting prospective bidders to submit information that will permit the Authorized Agent to determine in advance of advertising-issuing of a notice inviting bids that a prospective bidder is responsible to perform a proposed contract.
- I.K. Proposal – means an offer to enter into a contract upon the terms set forth in the contract documents.
- J.L. Purchase Order – means an authorization, including Field Requisitions, under which the party designated therein as vendor is to provide materials or services for which the District agrees to pay.

K.M. Selective Competitive Bidding – means a bidding process in which the District solicits bids only from select pre-qualified bidders.

L.N. Sole Source Contracts – means contracts issued directly to a vendor, supplier, contractor or consultant that have not been subject to a competitive bidding or selective competitive bidding process.

2. CONTRACT DOCUMENTS

- A. General – The contract documents shall consist of such documents as the General Manager may deem desirable in addition to those required by law.
- B. Documents Included – The contract documents may consist of, among others, a notice inviting bids, instructions to bidders, the proposal, bid sheets, contractor's licensing and qualifications statement, list of subcontractors, bidder's bond, certificates of insurance, form of agreement, performance bond, payment bond, non-collusion affidavit, notice of award, notice to proceed, general conditions, specifications and drawings.
- C. Authority to Carry out Power – Whenever award is made by ~~an authorized agent of~~ the District, such award shall constitute approval of the contract documents and the ~~authorized~~ Authorized a Agent shall be authorized to carry out the powers described in the contract agreements on behalf of the District.
- D. Authorized ~~signers~~ Signers are hereby empowered to sign bid documents, ~~contracts, contract amendments, purchase orders, and change orders via electronic signature.~~ Authorized Signers are authorized to use an electronic signature but must have their electronic signature certified prior to signing any documents. Authorized Signers include the General Manager and the Director of Engineering.

3. REQUISITIONS AND PURCHASE ORDERS FOR EQUIPMENT, MATERIAL, SUPPLIES OR SERVICES

Requisitions for the furnishing of equipment, material, supplies, or services may originate as a result of normal operating need or due to emergency.

- A. Requisitions for normal operating need:
 - 1. Include those purchases that originate from the Warehouse, when inventory reorder points are reached and from departments for: regular operating needs, as outlined in the District's operation and maintenance budget; and, capital expenditures, as outlined in the District's capital ~~equipment~~ budget.
 - 2. Authorization is required by the Department Head who has budgetary responsibility for the category of expenditure.

- i. For requisitions originating from ~~the~~ Operations & Maintenance Department, including Operations Support, Fleet Services, Pumping Operations, Transmission & Distribution, Collections, and the Water Recycling Plant, authorization by the General Manager and/or the Operations Superintendent is required.
- ii. For requisitions originating from Engineering, authorization by the General Manager and/or the Engineering Manager/Director of Engineering is required.
- iii. For requisitions for Information Technology Resources, authorization by the General Manager and/or the IT Manager is required.
- iv. For requisitions originating from Administration, authorization by the General Manager or the Chief Financial Officer is required.
- v. For requisitions for capital items, authorization by the General Manager and/or the Director of Engineering is required.
- vi. In the absence of the General Manager, the Operations Superintendent, or the Chief Financial Officer may provide authorization.

~~For requisitions originating from Administration, authorization by the General Manager or the Chief Financial Officer is required.~~

B. Requisitions due to Emergency:

1. Emergencies include those purchases that originate for unplanned, sudden and unexpected events of a serious nature requiring immediate furnishing of equipment, material, supplies, or services and where the purchase is necessary within a shorter period of time than required for a requisition in a normal operating period.
2. Due to the nature of the emergency, it may not be possible for the supervisor who has budgetary responsibility to obtain complete authorization of a requisition prior to the furnishing of equipment, material, supplies, or services. If this situation arises, an emergency purchase order number shall be issued by an ~~authorized~~ Authorized Agent. At the earliest convenience, a requisition will be prepared for the emergency purchase including all of the following information: emergency purchase order number, description of and reason for the emergency purchase, vendor information and ~~dollar amount~~ total cost. All requisitions for emergency needs issued without complete authorization must be brought back to the appropriate authorizing

Officer (as described in Section ~~3-a.ii~~3.A.2) for approval.

C. Authorized Approvers

1. Requisitions for IT Resources, up to \$10,000, require the authorization of either the General Manager, the Chief Financial Officer, or the IT Manager. All requisitions over \$10,000 require the authorization of two of the three Approvers.

3.2. All other requisitions, regardless of origination, up to \$10,000 require the authorization of either the General Manager, the Chief Financial Officer, the Operations Superintendent, or the Engineering Manager~~Director of Engineering~~. All requisitions over \$10,000 require the authorization of two of the four approvers, including either the General Manager or the Chief Financial Officer.

G.D. Upon receipt of a properly approved requisition, a purchase order may be created. All purchase orders must be signed-approved by an authorized Authorized agent-Approver of the District.

D.E. In the event that contracts for the furnishing of equipment, material, supplies, or services exceeds 110 percent (110%) of the amount identified in the annual budget for that particular account and sufficient funds are not available within the overall operating budget, the General Manager shall report cost center variances to the Board.

E.F. The General Manager shall report to the Board, on a monthly basis, details of purchases which exceed \$50,000.

4. INVOICE PROCESSING AND CHECK ISSUANCE

Once a service has been completed or material or goods have been received, vendor invoices need to be matched to the original purchase requisition or, if the invoice received is for an ongoing service for which a purchase requisition has not been created, the invoice must be approved and coded to the appropriate account.

A. Prior to processing, invoices must be reviewed and approved by the employee who received the good, material, or service. Invoices shall be reviewed for accuracy and will then be approved by the initials or signature of the receiving employee. The expense account number(s) and or project number(s) with the appropriate amounts will be included as part of the approval of the requisition and verified as part of the invoice approval process.

B. In the event that invoices exceed the amount identified in the approved procurement document, the original Authorized Approver must approve a modification of the procurement document, with the new approved amount, by initials or electronic signature within the approval authority defined in Section 3.C.

~~B.C.~~ Employees are authorized to use an electronic signature for invoices but must have their ~~digital-electronic~~ signature certified prior to signing any documents. The signatures on these documents can then be used by Accounting as authorization for payment of invoices, requisitions, or check requests, ~~purchase orders, or contracts.~~

~~C.D.~~ The District will issue checks for approved invoices on a regular basis as determined by the General Manager or his/her designee. Checks that are issued by the District are required to have two signatures from either the General Manager, the Chief Financial Officer, or the Operations Superintendent. Checks may be signed electronically if the District's financial software provides the capability. Checks that are signed electronically may only be issued after an appropriate approval ~~process from two of the three authorized signers noted above~~ as defined in Section 3.

5. SELECTIVE COMPETITIVE BIDS

Before entering into a contract for the construction of facilities or for the furnishing of equipment, materials, supplies or services, the ~~authorized~~ Authorized agent Agent should ascertain in his/her discretion, the best source of supply. In obtaining the best source of supply, the General Manager may determine, in his/her discretion, that selective competitive bidding should be utilized pursuant to a bid package developed for the particular project.

- A. The following situations will not require selective competitive bidding:
1. Contracts for miscellaneous services, such as telephone, light, power and water, where rates or prices are fixed by legislation or by federal, state, county or municipal regulations;
 2. Contracts required during an emergency;
 3. If the articles are patented, copyrighted or otherwise unique;
 4. If within one year previous to the date of execution of a proposed contract, advertising or posting for identical articles, or articles of the same general character, has failed to secure responsive proposals, and in the opinion of the authorized agent, further advertising or posting will not alter this result
 5. If the purchase is with any governmental agency;
 6. Contracts for insurance or for services of a professional, artistic, scientific, or technical character.
- B. In the event that the General Manager deems it appropriate to procure equipment, material or services without selective competitive bidding ("Sole Source Contracts"), on projects that require the approval of the Board of

Directors the Board shall be so informed and the reasons for the Sole Source contract shall be documented in the ~~minutes of the meeting of the Board~~supporting material provided to the Board for the subject procurement.

- C. The notice inviting bids shall provide for the District's right to reject any and all proposals.

6. PRE-QUALIFICATIONS PROCEDURES

If the District utilizes a selective competitive bidding process in the procurement of a contract it may be necessary to pre-qualify potential bidders. The pre-qualification procedure may, in the discretion of the ~~authorized~~Authorized agentAgent, provide for one or more of the following:

- A. A pre-qualification procedure for determining the ~~responsibility qualifications~~or proponents of potential bidders or proposals and that bidding or proposal solicitation, in that case, shall be restricted to bidders or proponents determined to be ~~responsible-qualified~~ pursuant to said procedure.
- B. In determining ~~responsibility qualifications~~, the factors to consider may include, but shall not be limited to, the following:
1. A bidder's or proponents experience in the design, construction, fabrication, assembly, or manufacture of works or materials similar to what will be called for under this contract;
 2. The experience of others with the bidder or proponent, including references from past projects, in the design, construction, fabrication, assembly, or operation of similar works or material designed, constructed, fabricated or assembled by the bidder or proponent;
 3. The physical plant, facilities, and equipment the bidder or proponent proposes to employ in the performance of the contract.
 4. The experience and expertise of a bidder's or proponents responsible managing personnel, key staff members, and other employees who would be assigned to the work if the ~~applicant~~bidder or proponent were awarded the contract;
 5. The extent to which any part of the contract is to be performed by subcontractors, subconsultants or suppliers;
 6. The financial capability and resources of the bidder or proponent to perform the proposed contract; and,
 7. Any other factor bearing on the responsibility of a bidder or proponent, which factors shall be set forth in the notice inviting pre-qualification

information.

- C. As a result of a pre-qualification procedure, it shall be determined which bidders or proponents are responsible/qualified to perform ~~public work contracts~~ the proposed work. Said procedures may include a time period during which a finding of responsibility/qualification shall be effective. The District may require, in its discretion, that pre-qualified bidders or proponents, bidders or proponents who have not qualified, and new bidders or proponents who need to qualify, to go through the pre-qualification process at any time and from time to time.
- D. A "Dun and Bradstreet Report" may be requested as part of the pre-qualifications procedure.

7. **BONDS**

- A. Every construction contract involving more than \$50,000 and any other contract as determined by the ~~authorized~~ Authorized agent ~~Agent~~ shall be accompanied by separate performance and payment bonds executed by a corporate surety authorized to do business in California and approved by the General Manager. Both types of bonds shall comply with applicable legal requirements and shall be subject to approval by the General Manager or his/her designee. The performance bond shall guarantee the faithful performance of the contract by the contractor and shall be in the form and amount approved by the General Manager. The payment bond shall contain the provisions required by Civil Code Sections 3225 - et. seq. inclusive, and Sections 3247 - 3252 inclusive.
- B. Bidder's Bond. Bids submitted for construction contracts involving more than \$50,000 through selective competitive bidding may require ~~cash or an unconditional certified or cashier's check drawn on a solvent state or national bank, or a~~ bidder's bond executed by a responsible corporate surety authorized to engage in such business in California, made payable to the District. Said bid security or bidder's bond shall be in an amount no less than specified in the notice inviting bids, or, if no amount be so specified, then in an amount not less than 10 percent (10%) of the amount of the bid, and shall guarantee that the bidder will, if an award is made to him in accordance with his/her bid, properly execute a contract with the District secure payment of worker's compensation, if required, and furnish satisfactory performance and payment bonds and proof of insurance coverage.

8. **INSURANCE POLICIES**

As deemed appropriate by the General Manager, contractors, consultants or service providers to whom a contract is awarded shall furnish satisfactory evidence that the requirements of the Insurance Code of the State of California have been observed.

- A. The construction contractor, consultant or service provider shall furnish to the

District a liability insurance policy or certificate naming the District as an additional insured ~~in an amount fixed by the General Manager.~~

- B. The construction contractor, consultant, or service provider and all subcontractors shall cover or insure in accordance with the Workers' Compensation and Insurance Act, Division IV of the Labor Code of the State of California and any Acts amendatory thereof.
- C. The construction contractor shall provide and maintain builder's risk insurance in amounts specified by the contract.

9. **SPECIFICATIONS AND DRAWINGS**

- A. Specifications and necessary drawings for construction or for the furnishing of equipment, materials, supplies, or services shall be prepared by, or under the direction of, the ~~Department Head~~Director of Engineering responsible for seeing the work performed.
- B. Specifications, including drawings, if any, shall be sufficient to clearly describe the work required to be done, the quality and properties of materials to be furnished, the results and performance required, and the method of payment for the work done and material and equipment furnished.

10. **POSTING AND ADVERTISING**

- A. General – Unless waived by the General Manager, no Notice Inviting Bids for any contract subject to selective competitive bidding or competitive bidding shall be posted or advertised unless there is first prepared a complete set of contract documents detailing the agreement and the work to be performed.
- B. Advertised Projects – If the General Manager deems it appropriate to publicly advertise a competitively bid project, a Notice Inviting Bids shall be posted in a public place within the District and shall be published not less than once in a construction periodical designated by the General Manager at least five days, exclusive of Saturday, Sunday and holidays, before the time for opening bids. Alternatively, the project may be published through the Planet Bids electronic bidding platform.
- C. Projects Conducted Without Advertising – Whenever the District elects not to publicly advertise a contract or to award a contract upon competitive bidding, selective competitive bids may be obtained from three or more firms or in any other manner as the General Manager determines to be appropriate.

11. **EVALUATION**

The General Manager or his/her designee shall compare all bids received pursuant to any Notice Inviting Bids or other solicitation for compliance with the terms of the notice inviting bids or other solicitation and shall determine the lowest responsible bid of all those received

and, when award of contract is to be made by the Board, make a recommendation in writing to the Board.

12. REJECTION OF BIDS

The Board of Directors, or the General Manager, as applicable for the particular contract, reserves the right to accept or reject any or all bids and to waive any defects in bids.

13. AWARD OF CONTRACTS

- A. By Board – Award of contracts shall be approved by the Board when the amount of the contract is over ~~\$50,000~~\$100,000.
- B. By General Manager – In all cases other than those referred to in Section 13a hereof, award of contracts may be made by the General Manager unless otherwise directed by the Board.

14. EXECUTION OF CONTRACTS

After award, all contracts shall be executed on behalf of the District by the General Manager unless otherwise directed by the Board. The General Manager shall also execute any subsequent contract amendments or change orders. -The General Manager is authorized to use an electronic signature but must have the electronic signature certified prior to signing any documents.

15. URGENT CONTRACTS

The General Manager is delegated the authority to waive applicable procedures and to execute contracts that exceed ~~\$50,000~~\$100,000 and take any directly related and immediate action required by an emergency when said contracts are determined by the General Manager to be of urgent necessity, subject to the following requirements:

- A. General Manager shall report to the Board not later than its next regularly scheduled meeting the details of the emergency and reasons justifying the actions taken.
- B. At each regularly scheduled meeting following the emergency action, the Board shall determine by majority vote whether the emergency still exists and the need for authorization of the General Manager in such an emergency.

16. CHANGE ORDERS

- A. Unless superseded by provisions of the applicable contract or as otherwise directed by the Board, the following procedures shall apply to change orders:
 - 1. ~~Change orders for the furnishing of equipment, material, supplies, or services.~~The General Manager is authorized to execute change orders for contracts providing for the furnishing of equipment, material,

supplies, or services. Change orders are not required if the additional amount payable is for sales tax or shipping and handling charges in connection with the furnishing of equipment, material or supplies. If the amount payable is more than the contract amount but does not exceed 10% of the contract amount, a change order is not required for the furnishing of equipment, material, supplies, or services but the approval of invoices but comply with Section 4.B of this Policy. Change orders are not required if completed contracts are less than the face value of contract.

2. Change orders for professional and consulting services – Change orders are required for professional and consulting services contracts whenever the costs exceed the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than ~~\$50,000~~\$100,000, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 13.
3. Change orders for the construction of public works and facilities – Change orders are required for construction contracts whenever the costs vary from the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than ~~\$50,000~~\$100,000, or a change order that would cause the amount payable under a contract for construction of works or structure to exceed the limit established by Section 13.

17. APPROVAL BY GENERAL COUNSEL

The General Counsel shall approve, in writing, the District's standard contract form. In the event that the District's standard contract form is not applicable, the General Manager, at his discretion, may direct the District's General Counsel to review and approve any other contract form.

§6100 PURCHASING POLICY

1. DEFINITIONS

The definitions contained in this section govern the interpretation of this policy.

- A. Authorized Agent – when used with respect to the District, means the General Manager or any person designated by the General Manager to have authority to solicit bids or proposals and administer the terms of an awarded contract.
- B. Authorized Approver – means any person given authority by this Policy to approve procurements as defined herein.
- C. Authorized Signer – means any person empowered by this Policy to sign bid documents, contracts, contract amendments, and change orders.
- D. Change Order – means an amendment modifying the terms of an existing contract, including price or quantity and quality ordered.
- E. Competitive Bidding – means a bidding process in which the bid solicitation is advertised as described herein.
- F. Construction – includes the erection, demolition, alteration, repair, replacement, refurbishment or relocation of buildings, infrastructure, or improvements.
- G. Contract – means any written agreement, including purchase orders, to which the District is a party.
- H. Form of Agreement – means the document evidencing the contractual relationship of the District and the successful vendor, supplier, contractor or consultant.
- I. Notice Inviting Bids – means a notice inviting proposals for entering a contract upon the terms of contract documents incorporated in said notice by reference.
- J. Notice Inviting Pre-qualification Information – means a notice inviting prospective bidders to submit information that will permit the Authorized Agent to determine in advance of issuing of a notice inviting bids that a prospective bidder is responsible to perform a proposed contract.
- K. Proposal – means an offer to enter into a contract upon the terms set forth in the contract documents.
- L. Purchase Order – means an authorization, including Field Requisitions, under which the party designated therein as vendor is to provide materials or services for which the District agrees to pay.

- M. Selective Competitive Bidding – means a bidding process in which the District solicits bids only from select pre-qualified bidders.
- N. Sole Source Contracts – means contracts issued directly to a vendor, supplier, contractor or consultant that have not been subject to a competitive bidding or selective competitive bidding process.

2. **CONTRACT DOCUMENTS**

- A. General – The contract documents shall consist of such documents as the General Manager may deem desirable in addition to those required by law.
- B. Documents Included – The contract documents may consist of, among others, a notice inviting bids, instructions to bidders, the proposal, bid sheets, contractor's licensing and qualifications statement, list of subcontractors, bidder's bond, certificates of insurance, form of agreement, performance bond, payment bond, non-collusion affidavit, notice of award, notice to proceed, general conditions, specifications and drawings.
- C. Authority to Carry out Power – Whenever award is made by the District, such award shall constitute approval of the contract documents and the Authorized Agent shall be authorized to carry out the powers described in the contract agreements on behalf of the District.
- D. Authorized Signers are hereby empowered to sign bid documents. Authorized Signers are authorized to use an electronic signature but must have their electronic signature certified prior to signing any documents. Authorized Signers include the General Manager and the Director of Engineering.

3. **REQUISITIONS AND PURCHASE ORDERS FOR EQUIPMENT, MATERIAL, SUPPLIES OR SERVICES**

Requisitions for the furnishing of equipment, material, supplies, or services may originate as a result of normal operating need or due to emergency.

- A. Requisitions for normal operating need:
 - 1. Include those purchases that originate from the Warehouse, when inventory reorder points are reached and from departments for regular operating needs, as outlined in the District's operation and maintenance budget and, capital expenditures, as outlined in the District's capital budget.
 - 2. Authorization is required by the Department Head who has budgetary responsibility for the category of expenditure.
 - i. For requisitions originating from the Operations Department, including Operations Support, Fleet Services, Pumping

Operations, Transmission & Distribution, Collections, and the Water Recycling Plant, authorization by the General Manager and/or the Operations Superintendent is required.

- ii. For requisitions originating from Engineering, authorization by the General Manager and/or the Director of Engineering is required.
- iii. For requisitions for Information Technology Resources, authorization by the General Manager and/or the IT Manager is required.
- iv. For requisitions originating from Administration, authorization by the General Manager or the Chief Financial Officer is required.
- v. For requisitions for capital items, authorization by the General Manager and/or the Director of Engineering is required.
- vi. In the absence of the General Manager, the Operations Superintendent or the Chief Financial Officer may provide authorization.

B. Requisitions due to Emergency:

1. Emergencies include those purchases that originate for unplanned, sudden and unexpected events of a serious nature requiring immediate furnishing of equipment, material, supplies, or services and where the purchase is necessary within a shorter period of time than required for a requisition in a normal operating period.
2. Due to the nature of the emergency, it may not be possible for the supervisor who has budgetary responsibility to obtain complete authorization of a requisition prior to the furnishing of equipment, material, supplies, or services. If this situation arises, an emergency purchase order number shall be issued by an Authorized Agent. At the earliest convenience, a requisition will be prepared for the emergency purchase including all of the following information: emergency purchase order number, description of and reason for the emergency purchase, vendor information and total cost. All requisitions for emergency needs issued without complete authorization must be brought back to the appropriate authorizing Officer (as described in Section 3.A.2) for approval.

C. Authorized Approvers

1. Requisitions for IT Resources, up to \$10,000, require the authorization of either the General Manager, the Chief Financial Officer, or the IT

Manager. All requisitions over \$10,000 require the authorization of two of the three Approvers.

2. All other requisitions, regardless of origination, up to \$10,000 require the authorization of either the General Manager, the Chief Financial Officer, the Operations Superintendent, or the Director of Engineering. All requisitions over \$10,000 require the authorization of two of the four approvers, including either the General Manager or the Chief Financial Officer.
- D. Upon receipt of a properly approved requisition, a purchase order may be created. All purchase orders must be approved by an Authorized Approver of the District.
- E. In the event that contracts for the furnishing of equipment, material, supplies, or services exceeds 110 percent (110%) of the amount identified in the annual budget for that particular account and sufficient funds are not available within the overall operating budget, the General Manager shall report cost center variances to the Board.
- F. The General Manager shall report to the Board, on a monthly basis, details of purchases which exceed \$50,000.

4. INVOICE PROCESSING AND CHECK ISSUANCE

Once a service has been completed or material or goods have been received, vendor invoices need to be matched to the original purchase requisition or, if the invoice received is for an ongoing service for which a purchase requisition has not been created, the invoice must be approved and coded to the appropriate account.

- A. Prior to processing, invoices must be reviewed and approved by the employee who received the good, material, or service. Invoices shall be reviewed for accuracy and will then be approved by the initials or signature of the receiving employee. The expense account number(s) and/or project number(s) with the appropriate amounts will be included as part of the approval of the requisition and verified as part of the invoice approval process.
- B. In the event that invoices exceed the amount identified in the approved procurement document, the original Authorized Approver must approve a modification of the procurement document, with the new approved amount, by initials or electronic signature within the approval authority defined in Section 3.C.
- C. Employees are authorized to use an electronic signature for invoices but must have their electronic signature certified prior to signing any documents. The signatures on these documents can then be used by Accounting as authorization for payment of invoices, requisitions, or check requests.

- D. The District will issue checks for approved invoices on a regular basis as determined by the General Manager or his/her designee. Checks that are issued by the District are required to have two signatures from either the General Manager, the Chief Financial Officer, or the Operations Superintendent. Checks may be signed electronically if the District's financial software provides the capability. Checks that are signed electronically may only be issued after an appropriate approval as defined in Section 3.

5. SELECTIVE COMPETITIVE BIDS

Before entering into a contract for the construction of facilities or for the furnishing of equipment, materials, supplies or services, the Authorized Agent should ascertain in his/her discretion, the best source of supply. In obtaining the best source of supply, the General Manager may determine, in his/her discretion, that selective competitive bidding should be utilized pursuant to a bid package developed for the particular project.

- A. The following situations will not require selective competitive bidding:
1. Contracts for miscellaneous services, such as telephone, light, power and water, where rates or prices are fixed by legislation or by federal, state, county or municipal regulations;
 2. Contracts required during an emergency;
 3. If the articles are patented, copyrighted or otherwise unique;
 4. If within one year previous to the date of execution of a proposed contract, advertising or posting for identical articles, or articles of the same general character, has failed to secure responsive proposals, and in the opinion of the authorized agent, further advertising or posting will not alter this result
 5. If the purchase is with any governmental agency;
 6. Contracts for insurance or for services of a professional, artistic, scientific, or technical character.
- B. In the event that the General Manager deems it appropriate to procure equipment, material or services without selective competitive bidding ("Sole Source Contracts"), on projects that require the approval of the Board of Directors the Board shall be so informed and the reasons for the Sole Source contract shall be documented in the supporting material provided to the Board for the subject procurement.
- C. The notice inviting bids shall provide for the District's right to reject any and all proposals.

6. PRE-QUALIFICATIONS PROCEDURES

If the District utilizes a selective competitive bidding process in the procurement of a contract it may be necessary to pre-qualify potential bidders. The pre-qualification procedure may, in the discretion of the Authorized Agent, provide for one or more of the following:

- A. A pre-qualification procedure for determining the qualifications of potential bidders or proponents in advance of receipt of bids or proposals and that bidding or proposal solicitation, in that case, shall be restricted to bidders or proponents determined to be qualified pursuant to said procedure.
- B. In determining qualifications, the factors to consider may include, but shall not be limited to, the following:
 - 1. A bidder's or proponents experience in the design, construction, fabrication, assembly, or manufacture of works or materials similar to what will be called for under this contract;
 - 2. The experience of others with the bidder or proponent, including references from past projects, in the design, construction, fabrication, assembly, or operation of similar works or material designed, constructed, fabricated or assembled by the bidder or proponent;
 - 3. The physical plant, facilities, and equipment the bidder or proponent proposes to employ in the performance of the contract.
 - 4. The experience and expertise of a bidder's or proponents responsible managing personnel, key staff members, and other employees who would be assigned to the work if the bidder or proponent were awarded the contract;
 - 5. The extent to which any part of the contract is to be performed by subcontractors, subconsultants or suppliers;
 - 6. The financial capability and resources of the bidder or proponent to perform the proposed contract; and,
 - 7. Any other factor bearing on the responsibility of a bidder or proponent, which factors shall be set forth in the notice inviting pre-qualification information.
- C. As a result of a pre-qualification procedure, it shall be determined which bidders or proponents are responsible/qualified to perform the proposed work. Said procedures may include a time period during which a finding of responsibility/qualification shall be effective. The District may require, in its discretion, that pre-qualified bidders or proponents, bidders or proponents who have not qualified, and new bidders or proponents who need to qualify, to go through the pre-qualification process at any time and from time to time.

- D. A "Dun and Bradstreet Report" may be requested as part of the pre-qualifications procedure.

7. **BONDS**

- A. Every construction contract involving more than \$50,000 and any other contract as determined by the Authorized Agent shall be accompanied by separate performance and payment bonds executed by a corporate surety authorized to do business in California and approved by the General Manager. Both types of bonds shall comply with applicable legal requirements and shall be subject to approval by the General Manager or his/her designee. The performance bond shall guarantee the faithful performance of the contract by the contractor and shall be in the form and amount approved by the General Manager. The payment bond shall contain the provisions required by Civil Code Sections 3225 - et. seq. inclusive, and Sections 3247 - 3252 inclusive.
- B. Bidder's Bond. Bids submitted for construction contracts involving more than \$50,000 through selective competitive bidding may require a bidder's bond executed by a responsible corporate surety authorized to engage in such business in California, made payable to the District. Said bid security or bidder's bond shall be in an amount no less than specified in the notice inviting bids, or, if no amount be so specified, then in an amount not less than 10 percent (10%) of the amount of the bid, and shall guarantee that the bidder will, if an award is made to him in accordance with his/her bid, properly execute a contract with the District secure payment of worker's compensation, if required, and furnish satisfactory performance and payment bonds and proof of insurance coverage.

8. **INSURANCE POLICIES**

As deemed appropriate by the General Manager, contractors, consultants or service providers to whom a contract is awarded shall furnish satisfactory evidence that the requirements of the Insurance Code of the State of California have been observed.

- A. The construction contractor, consultant or service provider shall furnish to the District a liability insurance policy or certificate naming the District as an additional insured.
- B. The construction contractor, consultant, or service provider and all subcontractors shall cover or insure in accordance with the Workers' Compensation and Insurance Act, Division IV of the Labor Code of the State of California and any Acts amendatory thereof.
- C. The construction contractor shall provide and maintain builder's risk insurance in amounts specified by the contract.

9. SPECIFICATIONS AND DRAWINGS

- A. Specifications and necessary drawings for construction or for the furnishing of equipment, materials, supplies, or services shall be prepared by, or under the direction of the Director of Engineering responsible for seeing the work performed.
- B. Specifications, including drawings, if any, shall be sufficient to clearly describe the work required to be done, the quality and properties of materials to be furnished, the results and performance required, and the method of payment for the work done and material and equipment furnished.

10. POSTING AND ADVERTISING

- A. General – Unless waived by the General Manager, no Notice Inviting Bids for any contract subject to selective competitive bidding or competitive bidding shall be posted or advertised unless there is first prepared a complete set of contract documents detailing the agreement and the work to be performed.
- B. Advertised Projects – If the General Manager deems it appropriate to publicly advertise a competitively bid project, a Notice Inviting Bids shall be posted in a public place within the District and shall be published not less than once in a construction periodical designated by the General Manager at least five days, exclusive of Saturday, Sunday and holidays, before the time for opening bids. Alternatively, the project may be published through the Planet Bids electronic bidding platform.
- C. Projects Conducted Without Advertising – Whenever the District elects not to publicly advertise a contract or to award a contract upon competitive bidding, selective competitive bids may be obtained from three or more firms or in any other manner as the General Manager determines to be appropriate.

11. EVALUATION

The General Manager or his/her designee shall compare all bids received pursuant to any Notice Inviting Bids or other solicitation for compliance with the terms of the notice inviting bids or other solicitation and shall determine the lowest responsible bid of all those received and, when award of contract is to be made by the Board, make a recommendation in writing to the Board.

12. REJECTION OF BIDS

The Board of Directors, or the General Manager, as applicable for the particular contract, reserves the right to accept or reject any or all bids and to waive any defects in bids.

13. AWARD OF CONTRACTS

- A. By Board – Award of contracts shall be approved by the Board when the amount of the contract is over \$100,000.
- B. By General Manager – In all cases other than those referred to in Section 13a hereof, award of contracts may be made by the General Manager unless otherwise directed by the Board.

14. EXECUTION OF CONTRACTS

After award, all contracts shall be executed on behalf of the District by the General Manager unless otherwise directed by the Board. The General Manager shall also execute any subsequent contract amendments or change orders. The General Manager is authorized to use an electronic signature but must have the electronic signature certified prior to signing any documents.

15. URGENT CONTRACTS

The General Manager is delegated the authority to waive applicable procedures and to execute contracts that exceed \$100,000 and take any directly related and immediate action required by an emergency when said contracts are determined by the General Manager to be of urgent necessity, subject to the following requirements:

- A. General Manager shall report to the Board not later than its next regularly scheduled meeting the details of the emergency and reasons justifying the actions taken.
- B. At each regularly scheduled meeting following the emergency action, the Board shall determine by majority vote whether the emergency still exists and the need for authorization of the General Manager in such an emergency.

16. CHANGE ORDERS

- A. Unless superseded by provisions of the applicable contract or as otherwise directed by the Board, the following procedures shall apply to change orders:
 - 1. The General Manager is authorized to execute change orders for contracts providing for the furnishing of equipment, material, supplies, or services. Change orders are not required if the additional amount payable is for sales tax or shipping and handling charges in connection with the furnishing of equipment, material or supplies. If the amount payable is more than the contract amount but does not exceed 10% of the contract amount, a change order is not required for the furnishing of equipment, material, supplies, or services but the approval of invoices but comply with Section 4.B of this Policy. Change orders are not required if completed contracts are less than the face value of contract.

2. Change orders for professional and consulting services – Change orders are required for professional and consulting services contracts whenever the costs exceed the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than \$100,000, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 13.
3. Change orders for the construction of public works and facilities – Change orders are required for construction contracts whenever the costs vary from the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than \$100,000, or a change order that would cause the amount payable under a contract for construction of works or structure to exceed the limit established by Section 13.

17. APPROVAL BY GENERAL COUNSEL

The General Counsel shall approve, in writing, the District's standard contract form. In the event that the District's standard contract form is not applicable, the General Manager, at his discretion, may direct the District's General Counsel to review and approve any other contract form.

§7110 DEVELOPMENT PROCEDURES POLICY

§7110

DEVELOPMENT PROCEDURES POLICY

1. Fire Flow Tests

A fire flow test provides pressure and flow data at specific fire hydrants within the District's distribution system. The data is used to assess the pressure and flow available for fire protection, sprinkler system design, mainline design, and proper sizing of domestic and/or fire service lines.

The charge to conduct a fire flow test is \$300 per test. Said charge applies regardless of whether the test is conducted by physically flowing fire hydrants or by use of the District hydraulic model.

2. Plan Check and Inspection Fees

An initial minimum plan check deposit of \$800 will be required on all projects upon submission of plans for plan check.

Prior to approval of the improvement plans by the District, the applicant shall pay the final plan check and inspection fee, which will be based on 8 percent of the estimated water and sewer infrastructure cost of the domestic water, sewer and recycled water facilities improvements calculated per the ETWD Plan Check and Inspection Fee Estimate worksheet. The Plan Check and Inspection Fee Estimate worksheet will be periodically updated by the District Engineering Department, with approval by the General Manager. The applicant will be given credit for the initial minimum plan check deposit.

The percentage and minimum fee may be revised, with Board approval, without prior notice to the applicant. Fee shall be paid prior to final approval of plans by the District.

§9040 IT ACCEPTABLE USE POLICY

§9040 IT ACCEPTABLE USE POLICY

1. PURPOSE

The District provides employees with the Information Technology Resources necessary to promote the efficient conduct of business. All Information Technology Resources are to be used as prescribed within this policy.

This policy applies to all individuals who utilize Information Technology Resources and to District-owned or personal property that is connected to or retrieves data from District systems. This policy establishes procedures relating to the acquisition and use of computer hardware and software and establishes procedures to ensure compliance with license agreements, to protect hardware, software and data from loss or abuse and provide guidance regarding the appropriate utilization of District Information Technology Resources.

This policy will pertain to all District Information Technology Resources except those relating to the SCADA system.

2. DEFINITIONS

For purposes of this policy, the following definitions apply:

A. **Information Technology Resource**

Information Technology Resources are computer hardware, computer software, tools that allow access to computer hardware, external network access such as the Internet or tools that service information, access information, and the information itself and all information and data stored on District equipment as well as any other equipment or communications that are considered an Information Technology Resource.

B. **Computer Hardware**

Computer Hardware means the physical equipment associated with the system, including computers and file servers, printer servers, individual desktop workstations, laptop computers, handheld computing and tracking devices, communications devices, peripheral input and output devices cellular and office phones; network devices such as data, voice and wireless networks, routers, switches, and hubs; peripheral devices such as printers, scanners and cameras; pagers, radios, voice messaging, facsimile transmissions, copy machines, electronic communications and auxiliary storage devices.

C. Computer Software

Computer Software means programs and routines, including packaged, licensed or internally developed applications, that facilitate the operations of a computer, including system programs, applications programs and all related documentation.

D. Licensed Software

Licensed Software includes software, which the District does not own but has been licensed to use from outside sources.

3. POLICY STATEMENTS

The District's Information Technology Resources and all information stored on them or on portable media are provided at the District's expense and are the District's property. Communications using Information Technology Resources are not private; they are business records that can be reviewed by the District or subpoenaed under law and may be accessible to the public pursuant to the Public Records Act ~~(PRA)~~. Accordingly, employees should have no expectation of privacy regarding any communication, business-related or personal, that they create, send, receive, or store on any of the District's Information Technology Resources.

The District reserves the right to access, monitor, and review the use of its Information Technology Resources, as well as to retrieve or delete District data that is stored and transmitted, for training purposes, quality assurance purposes, and to determine if there have been any breaches of security or confidentiality, misuse, or other violations of District policy. The District may inspect the contents of any device at any time for any reason, including purposes of investigation.

Use of personal devices or personal accounts for any District business on a personal device may subject that device to a search, if warranted, through legal action.

4. HARDWARE AND SOFTWARE ACQUISITION AND DEVELOPMENT

A. Computer hardware and software design, modification and purchase decisions shall be made by the IT Manager with input from representatives from the user departments.

B. The IT Manager will be responsible for the installation, implementation, testing and maintenance of all software applications. Department Heads will be responsible for running all applications and assisting their staff in the utilization of the respective applications and programs.

C. The IT Manager will maintain custody of system and application programs and documentation.

5. **HARDWARE AND SOFTWARE MAINTENANCE**

- A. The IT Manager shall establish a preventive maintenance program on all hardware to ensure a high degree of reliability in computer equipment.
- B. The IT Manager shall ensure that, when appropriate, the latest version of all software programs is maintained on the District's system and that all employee users are provided appropriate training in the use of such software.
- C. Personal hardware/software will not be connected to or installed on or run from District computers without the approval ~~and under the supervision of~~ the IT Manager.
- D. The IT Manager shall be responsible for maintaining software certificates of license.

6. **DATA PROTECTION AND RECOVERY**

- A. The IT Manager shall ensure that computer applications and data on datacenter servers are backed up regularly with copies maintained off-site to ensure information is current if recovery is required. ~~Data stored on individual workstations will not be protected.~~
- B. For physical protection against environmental hazards, the IT Manager shall maintain off-site storage for copies of important files, software and documentation.
- C. The IT Manager shall ensure the District's network has virus protection at the workstation and server levels so as to protect the District's network, applications and data files from viruses ~~and malware.~~
- D. The IT Manager shall establish a disaster contingency plan to ensure continuity of operations in the event of a disaster.
- E. The IT Manager shall make arrangements to have knowledgeable, professional consultants readily available to assist in re-establishing hardware and software configurations in the event of a disaster.
- F. Computer data shall be maintained in accordance with the District's Records Retention Policy.

7. USE OF INFORMATION TECHNOLOGY RESOURCES

All employees of the District will be provided with access to those computer software programs and data files necessary to complete their duties. The Systems Administrator/IT Manager, along with the Department Heads will determine what programs and data files are applicable to each employee.

The District shall prevent unauthorized use of EDP-Information Technology equipment, data files, E-Mail system, and Internet access and computer programs.

No District employee, contractor, or consultant shall use the District Information Technology Resources for inappropriate purposes, such as (but not limited to) the following:

- A. Personal profit, including commercial solicitation or conducting or pursuing their own business interests or those of another organization.
- B. Unlawful or illegal activities, including downloading licensed material without authorization or downloading copyrighted material without the publisher's permission.
- C. Accessing, creating, transmitting, printing, downloading or soliciting material that is or may be construed to be harassing or demeaning toward any individual or group for any reason, including but not limited to, on the basis of sex, age, race, color, national origin, gender identity, disability, political or organizational affiliation, sexual orientation, or any other protected characteristic.
- D. Accessing, creating, transmitting, printing, downloading, or soliciting sexually oriented messages or images.
- E. Propagating or downloading malware, viruses, hacker tools or other contaminants.

The District, unless authorized by software licensor, does not have the right to rent, lease, de-compile, disassemble, reverse engineer, copy, create a derivative work or otherwise use software except as stated in the license agreement.

Licensed software programs are protected by U.S. copyright laws. Illegal reproduction or acquisition of unauthorized copies is not condoned by the District. District employees conducting such illegal reproductions or acquisitions will be subject to disciplinary action as provided for in the District's Personnel Manual/Employee Handbook.

Only licensed software shall be installed on District computers. No employee shall install, download or use any software on District's computers without the IT Manager's approval.

Information Technology Resources may be used for incidental personal use, so long as such use does not result in a significant monetary expenditure to the District or involve the expenditure of a significant amount of time by the user away from his or her job duties. Supervisory personnel are responsible for limiting personal use of Information Technology Resource.

8. ELECTRONIC MAIL (E-MAIL)

The District's email system exists for the purpose of conducting District business, and all electronic data, messages and/or images placed on this system are District records and are the property of the District. Accordingly, employees should have no expectations of privacy regarding email messages (or any other data files residing on District-owned hardware, software, or cloud-based systems), either sent or received.

As with all other data on the District's Information Technology Resources, the District reserves the right for the General Manager or staff authorized by the General Manager to access, review and disclose all email messages and data files on the District's information system at any time.

The District's Information Technology Resources do not provide any guarantee of personal privacy protection. Employees should use Information Technology Resources with this limitation in mind.

An employee who receives an email message that the employee finds offensive shall immediately report the message to their supervisor or the HR department.

Employees are reminded that, under some circumstances, communications sent by e-mail may be subject to disclosure under the Public Records Act or during litigation. Therefore, it is important not to compromise themselves or the District under these circumstances.

Employees are advised to ~~regularly save and file~~ retain important/essential e-mail communications and regularly purge all other emails.

Employees found to have engaged in improper activities will be subject to disciplinary action as provided for in the District's ~~Personnel Manual~~ Employee Handbook.

9. INTERNET ACCESS

The District's Internet connection exists for the purpose of conducting District business and is not intended for personal use except as described in Section 7 above.

Use of the District's Internet connection is expressly prohibited under the following circumstances:

- A. Compromises the integrity of the District and its business operations in any way.
- B. Commits any illegal act.
- C. Violates the District's affirmative action or sexual harassment avoidance policies.
- D. Results in private gain or advantage for the employee (such as conducting business related to economic interests outside of District employment) or violates the District's ethics policy.

The IT Manager shall block access to internet websites and protocols that are deemed inappropriate. Exception to blocked internet access must be requested through the IT Manager.

The District reserves the right to monitor, access and disclose use of the services on the Internet at the sole discretion of the District. All messages, images and/or transmissions are District records.

The District's Information Technology Resources do not provide any guarantee of personal privacy protection. Employees should use Information Technology Resources with this limitation in mind.

An employee who inadvertently accesses an Internet site that exhibits suspicious activity indicative of malware activity shall immediately report the incident to the IT Manager and their Supervisor.

10. ARTIFICIAL INTELLIGENCE

Generative Artificial Intelligence (AI) is a new branch of AI technology that can generate content such as drafting staff reports, learning repetitive tasks, expanding resident communications, conducting research, and analyzing data. The District recognizes the opportunity for a controlled and responsible approach that acknowledges the benefits of efficiency while minimizing the risks around AI bias, privacy, and cybersecurity.

Employees may use District-provided Artificial Intelligence tools to perform business operations and improve efficiency and resident service. Users must follow the following rules while using Generative AI for District work, including use of direct services like ChatGPT and extensions like Compose.ai.

- A. Information entered into Generative AI systems could be subject to a Public Records Act request, may be viewable and usable by the District, and may be leaked unencrypted in a data breach. No information should be submitted to a Generative AI platform that should not be available to

the general public (such as confidential or personally identifiable information).

- B. Users shall review, revise, and fact-check any output from a Generative AI via multiple sources. Users are responsible for any material created with AI support. Many systems, like ChatGPT, only use information up to a certain date (e.g., 2021 for free version of ChatGPT).
- C. Users shall cite and record usage of Generative AI for any reports or documents.

11. CLOUD SERVICES

Users are not permitted to open any Cloud Service accounts or enter into Cloud Service contracts on behalf of the District, or for use on District assets unless authorized to do so- by the IT Manager.

12. EMPLOYEE RESPONSIBILITY

A. General:

Each employee accessing the District's Information Technology Resources is responsible for understanding and following these guidelines. Unauthorized or improper use of the District's Information Technology Resources may result in terminating access to it and, depending on the severity of the outcome of unauthorized or improper use, may result in disciplinary action, up to and including termination.

Users have a responsibility to promptly report the theft, loss, or unauthorized disclosure of information.

B. Passwords:

Each employee shall have a uniquely assigned username and password for security purposes, which shall be used for all Information Technology Resource access. While this cannot guarantee privacy, confidentiality, or data security, it is an important component of the District's overall system protection.

1. District-approved password standards and/or guidelines shall be applied to the access of all District Information Technology Resources.
2. All users are responsible for creating and maintaining the confidentiality of the password associated with their unique user ID.

3. No user shall give his or her password to another person under any circumstances.
4. Passwords shall be changed periodically as deemed necessary by the IT Manager.
5. Users who suspect that their password has become known by another person shall immediately change their password and report their suspicion to management and the IT Manager.
6. Users should not use a District account assigned to another individual to access Information Technology Resources.
7. Upon termination of an individual with computer access, the ~~Systems Administrator~~ IT Manager shall delete that individual's security password.

C. Smart Devices (smartphone, tablet, etc.):

A user is subject to this Acceptable Use Policy for each device they connect to the District networks and systems. The District reserves the right to perform a remote wipe of a user's Smart Device, erasing all data and contents, if there is a reasonable belief that the device has been compromised and/or poses a potential security risk to District network systems, data, users, residents and/or other District assets and resources. Personal data may be lost in the event that the IT Department must remotely wipe a device. It is the user's responsibility to take additional precautions, such as backing up personal email, contacts, photos etc.

Multifactor Authentication is required for access to District Email and VPN. Personal cellphones may be required as the second authentication factor if a District cellphone is not provided.

13. ENFORCEMENT

Violation of this policy may result in disciplinary action, up to and including termination of employment, legal action, and/or civil or criminal penalties, as applicable. The organization reserves the right to monitor, log, and review all activities associated with the used of District Information Technology Resources to ensure compliance with this policy.

§9040 IT ACCEPTABLE USE POLICY

1. PURPOSE

The District provides employees with the Information Technology Resources necessary to promote the efficient conduct of business. All Information Technology Resources are to be used as prescribed within this policy.

This policy applies to all individuals who utilize Information Technology Resources and to District-owned or personal property that is connected to or retrieves data from District systems. This policy establishes procedures relating to the acquisition and use of computer hardware and software and establishes procedures to ensure compliance with license agreements, to protect hardware, software and data from loss or abuse and provide guidance regarding the appropriate utilization of District Information Technology Resources.

This policy will pertain to all District Information Technology Resources except those relating to the SCADA system.

2. DEFINITIONS

For purposes of this policy, the following definitions apply:

A. Information Technology Resource

Information Technology Resources are computer hardware, computer software, tools that allow access to computer hardware, external network access such as the Internet or tools that service information, access information, and the information itself and all information and data stored on District equipment as well as any other equipment or communications that are considered an Information Technology Resource.

B. Computer Hardware

Computer Hardware means the physical equipment associated with the system, including computers and servers, printer servers, individual desktop workstations, laptop computers, handheld computing and tracking devices, communications devices, peripheral input and output devices cellular and office phones; network devices such as data, voice and wireless networks, routers, switches, and hubs; peripheral devices such as printers, scanners and cameras; pagers, radios, voice messaging, facsimile transmissions, copy machines, electronic communications and auxiliary storage devices.

C. Computer Software

Computer Software means programs and routines, including packaged, licensed or internally developed applications, that facilitate the operations of a computer, including system programs, applications programs and all related documentation.

D. Licensed Software

Licensed Software includes software, which the District does not own but has been licensed to use from outside sources.

3. POLICY STATEMENTS

The District's Information Technology Resources and all information stored on them or on portable media are provided at the District's expense and are the District's property. Communications using Information Technology Resources are not private; they are business records that can be reviewed by the District or subpoenaed under law and may be accessible to the public pursuant to the Public Records Act. Accordingly, employees should have no expectation of privacy regarding any communication, business-related or personal, that they create, send, receive, or store on any of the District's Information Technology Resources.

The District reserves the right to access, monitor, and review the use of its Information Technology Resources, as well as to retrieve or delete District data that is stored and transmitted, for training purposes, quality assurance purposes, and to determine if there have been any breaches of security or confidentiality, misuse, or other violations of District policy. The District may inspect the contents of any device at any time for any reason, including purposes of investigation.

Use of personal devices or personal accounts for any District business on a personal device may subject that device to a search, if warranted, through legal action.

4. HARDWARE AND SOFTWARE ACQUISITION AND DEVELOPMENT

- A. Computer hardware and software design, modification and purchase decisions shall be made by the IT Manager with input from representatives from the user departments.
- B. The IT Manager will be responsible for the installation, implementation, testing and maintenance of all software applications. Department Heads will be responsible for running all applications and assisting their staff in the utilization of the respective applications and programs.
- C. The IT Manager will maintain custody of system and application programs and documentation.

5. HARDWARE AND SOFTWARE MAINTENANCE

- A. The IT Manager shall establish a preventive maintenance program on all hardware to ensure a high degree of reliability in computer equipment.
- B. The IT Manager shall ensure that, when appropriate, the latest version of all software programs is maintained on the District's system and that all employee users are provided appropriate training in the use of such software.
- C. Personal hardware/software will not be connected to or installed on or run from District computers without the approval of the IT Manager.
- D. The IT Manager shall be responsible for maintaining software certificates of license.

6. DATA PROTECTION AND RECOVERY

- A. The IT Manager shall ensure that computer applications and data on datacenter servers are backed up regularly with copies maintained off-site to ensure information is current if recovery is required. Data stored on individual workstations will not be protected.
- B. For physical protection against environmental hazards, the IT Manager shall maintain off-site storage for copies of important files, software and documentation.
- C. The IT Manager shall ensure the District's network has virus protection at the workstation and server levels so as to protect the District's network, applications and data files from viruses and malware.
- D. The IT Manager shall establish a disaster contingency plan to ensure continuity of operations in the event of a disaster.
- E. The IT Manager shall make arrangements to have knowledgeable, professional consultants readily available to assist in re-establishing hardware and software configurations in the event of a disaster.
- F. Computer data shall be maintained in accordance with the District's Records Retention Policy.

7. USE OF INFORMATION TECHNOLOGY RESOURCES

All employees of the District will be provided with access to those computer software programs and data files necessary to complete their duties. The IT Manager, along with the Department Heads will determine what programs and data files are applicable to each employee.

The District shall prevent unauthorized use of Information Technology equipment, data files, E-Mail system, and Internet access and computer programs.

No District employee, contractor, or consultant shall use the District Information Technology Resources for inappropriate purposes, such as (but not limited to) the following:

- A. Personal profit, including commercial solicitation or conducting or pursuing their own business interests or those of another organization.
- B. Unlawful or illegal activities, including downloading licensed material without authorization or downloading copyrighted material without the publisher's permission.
- C. Accessing, creating, transmitting, printing, downloading or soliciting material that is or may be construed to be harassing or demeaning toward any individual or group for any reason, including but not limited to, on the basis of sex, age, race, color, national origin, gender identity, disability, political or organizational affiliation, sexual orientation, or any other protected characteristic.
- D. Accessing, creating, transmitting, printing, downloading, or soliciting sexually oriented messages or images.
- E. Propagating or downloading malware, viruses, hacker tools or other contaminants.

The District, unless authorized by software licensor, does not have the right to rent, lease, de-compile, disassemble, reverse engineer, copy, create a derivative work or otherwise use software except as stated in the license agreement.

Licensed software programs are protected by U.S. copyright laws. Illegal reproduction or acquisition of unauthorized copies is not condoned by the District. District employees conducting such illegal reproductions or acquisitions will be subject to disciplinary action as provided for in the District's Employee Handbook.

Only licensed software shall be installed on District computers. No employee shall install, download or use any software on District's computers without the IT Manager's approval.

Information Technology Resources may be used for incidental personal use, so long as such use does not result in a significant monetary expenditure to the District or involve the expenditure of a significant amount of time by the user away from his or her job duties. Supervisory personnel are responsible for limiting personal use of Information Technology Resource.

8. ELECTRONIC MAIL (E-MAIL)

The District's email system exists for the purpose of conducting District business, and all electronic data, messages and/or images placed on this system are District records and are the property of the District. Accordingly, employees should have no expectations of privacy regarding email messages (or any other data files residing on District-owned hardware, software, or cloud-based systems), either sent or received.

As with all other data on the District's Information Technology Resources, the District reserves the right for the General Manager or staff authorized by the General Manager to access, review and disclose all email messages and data files on the District's information system at any time.

The District's Information Technology Resources do not provide any guarantee of personal privacy protection. Employees should use Information Technology Resources with this limitation in mind.

An employee who receives an email message that the employee finds offensive shall immediately report the message to their supervisor or the HR department.

Employees are reminded that, under some circumstances, communications sent by e-mail may be subject to disclosure under the Public Records Act or during litigation. Therefore, it is important not to compromise themselves or the District under these circumstances.

Employees are advised to retain important/essential e-mail communications and regularly purge all other emails.

Employees found to have engaged in improper activities will be subject to disciplinary action as provided for in the District's Employee Handbook.

9. INTERNET ACCESS

The District's Internet connection exists for the purpose of conducting District business and is not intended for personal use except as described in Section 7 above.

Use of the District's Internet connection is expressly prohibited under the following circumstances:

- A. Compromises the integrity of the District and its business operations in any way.
- B. Commits any illegal act.
- C. Violates the District's affirmative action or sexual harassment avoidance policies.
- D. Results in private gain or advantage for the employee (such as conducting business related to economic interests outside of District employment) or violates the District's ethics policy.

The IT Manager shall block access to internet websites and protocols that are deemed inappropriate. Exception to blocked internet access must be requested through the IT Manager.

The District reserves the right to monitor, access and disclose use of the services on the Internet at the sole discretion of the District. All messages, images and/or transmissions are District records.

The District's Information Technology Resources do not provide any guarantee of personal privacy protection. Employees should use Information Technology Resources with this limitation in mind.

An employee who inadvertently accesses an Internet site that exhibits suspicious activity indicative of malware activity shall immediately report the incident to the IT Manager and their Supervisor.

10. ARTIFICIAL INTELLIGENCE

Generative Artificial Intelligence (AI) is a new branch of AI technology that can generate content such as drafting staff reports, learning repetitive tasks, expanding resident communications, conducting research, and analyzing data. The District recognizes the opportunity for a controlled and responsible approach that acknowledges the benefits of efficiency while minimizing the risks around AI bias, privacy, and cybersecurity.

Employees may use District-provided Artificial Intelligence tools to perform business operations and improve efficiency and resident service. Users must follow the following rules while using Generative AI for District work, including use of direct services like ChatGPT and extensions like Compose.ai.

- A. Information entered into Generative AI systems could be subject to a Public Records Act request, may be viewable and usable by the District, and may be leaked unencrypted in a data breach. No information should be submitted to a Generative AI platform that should not be available to

the general public (such as confidential or personally identifiable information).

- B. Users shall review, revise, and fact-check any output from a Generative AI via multiple sources. Users are responsible for any material created with AI support. Many systems, like ChatGPT, only use information up to a certain date (e.g., 2021 for free version of ChatGPT).
- C. Users shall cite and record usage of Generative AI for any reports or documents.

11. CLOUD SERVICES

Users are not permitted to open any Cloud Service accounts or enter into Cloud Service contracts on behalf of the District, or for use on District assets unless authorized to do so by the IT Manager.

12. EMPLOYEE RESPONSIBILITY

A. General:

Each employee accessing the District's Information Technology Resources is responsible for understanding and following these guidelines. Unauthorized or improper use of the District's Information Technology Resources may result in terminating access to it and, depending on the severity of the outcome of unauthorized or improper use, may result in disciplinary action, up to and including termination.

Users have a responsibility to promptly report the theft, loss, or unauthorized disclosure of information.

B. Passwords:

Each employee shall have a uniquely assigned username and password for security purposes, which shall be used for all Information Technology Resource access. While this cannot guarantee privacy, confidentiality, or data security, it is an important component of the District's overall system protection.

1. District-approved password standards and/or guidelines shall be applied to the access of all District Information Technology Resources.
2. All users are responsible for creating and maintaining the confidentiality of the password associated with their unique user ID.

3. No user shall give his or her password to another person under any circumstances.
4. Passwords shall be changed periodically as deemed necessary by the IT Manager.
5. Users who suspect that their password has become known by another person shall immediately change their password and report their suspicion to management and the IT Manager.
6. Users should not use a District account assigned to another individual to access Information Technology Resources.
7. Upon termination of an individual with computer access, the IT Manager shall delete that individual's security password.

C. Smart Devices (smartphone, tablet, etc.):

A user is subject to this Acceptable Use Policy for each device they connect to the District networks and systems. The District reserves the right to perform a remote wipe of a user's Smart Device, erasing all data and contents, if there is a reasonable belief that the device has been compromised and/or poses a potential security risk to District network systems, data, users, residents and/or other District assets and resources. Personal data may be lost in the event that the IT Department must remotely wipe a device. It is the user's responsibility to take additional precautions, such as backing up personal email, contacts, photos etc.

Multifactor Authentication is required for access to District Email and VPN. Personal cellphones may be required as the second authentication factor if a District cellphone is not provided.

13. ENFORCEMENT

Violation of this policy may result in disciplinary action, up to and including termination of employment, legal action, and/or civil or criminal penalties, as applicable. The organization reserves the right to monitor, log, and review all activities associated with the used of District Information Technology Resources to ensure compliance with this policy.

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Section 1. PURPOSE

To establish El Toro Water District procedure relating to the acquisition and use of computer hardware and software. To insure compliance with license agreements, protect hardware, software and data from loss or abuse and provide guidance regarding the appropriate utilization of this District asset.

This policy will pertain to all District computer hardware and software except those relating to the SCADA system.

Section 2. DEFINITIONS

For purposes of this policy, the following definitions apply:

- a. Computer Hardware - means the physical equipment associated with the system, including file servers, printer servers, individual workstations, communications devices, peripheral input and output devices and auxiliary storage devices.
- b. Computer Software - means programs and routines that facilitate the operations of a computer, including system programs, applications programs and all related documentation.
- c. Electronic Data Processing (EDP) Systems - includes computer hardware, software and procedures related to data processing.
- d. Licensed Software - includes software, which the District does not own but has been licensed to use from outside sources.
- e. Internet - means the world wide web.
- f. E-Mail - means the electronic transmission and receipt of data, both internally and via the Internet.

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Section 3. EDP SYSTEM DEVELOPMENT AND DOCUMENTATION

- a. Computer hardware and software design, modification and purchase decisions shall be made by the Systems Administrator with input from representatives from the user departments.
- b. The Systems Administrator will be responsible for the installation, implementation, testing and maintenance of all software applications. Department Heads will be responsible for running all applications and assisting their staff in the utilization of the respective applications and programs.
- c. The Systems Administrator will maintain custody of system and application programs and documentation.

Section 4. USE OF SOFTWARE

- a. The District, unless authorized by software licensor, does not have the right to rent, lease, de-compile, disassemble, reverse engineer, copy, create a derivative work or otherwise use software except as stated in the license agreement.
- b. Licensed software programs are protected by U.S. copyright laws. Illegal reproduction or acquisition of unauthorized copies is not condoned by the District. District employees conducting such illegal reproductions or acquisitions will be subject to disciplinary action as provided for in the District's Personnel Manual.
- c. The Systems Administrator shall be responsible for maintaining certificates of license.
- d. Only licensed software shall be installed on District computers. No employee shall install, download or use any software on District's computers without the Systems Administrators approval.

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Section 5. HARDWARE AND SYSTEM SOFTWARE MAINTENANCE

- a. The Systems Administrator shall establish a preventive maintenance program on all hardware to ensure a high degree of reliability in computer equipment.
- b. The Systems Administrator shall ensure that, when appropriate, the latest version of all software programs is maintained on the District's system and that all employee users are provided appropriate training in the use of such software.
- c. Personal hardware/software will not be connected to or run from District computers without the approval and under the supervision of the Systems Administrator.

Section 6. ACCESS CONTROLS

The District shall prevent unauthorized use of EDP equipment, data files, E-Mail system, and Internet access and computer programs.

- a. Access to computer hardware shall be limited to individuals authorized by the appropriate Department Head.
- b. Access to program documentation shall be limited to individuals authorized by the Systems Administrator.
- c. All employees of the District will be provided with access to those computer software programs and data files necessary to complete their duties. The Systems Administrator along with the Department Heads will determine what programs and data files are applicable to each employee. Access to such computer software programs and data files shall be controlled by the use of security passwords.
 - i. Security Passwords shall be kept confidential by individuals and be changed periodically as deemed necessary to the Systems Administrator.
 - ii. Upon termination of an individual with computer access, the Systems Administrator shall delete that individual's security password.
- d. On a regular basis, District management shall review computer utilization reports.

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Section 7. DATA PROTECTION & RECOVERY

- a. The Systems Administrator shall ensure that computer applications and data are backed up regularly with copies maintained off-site to ensure information is current if recovery is required. Data stored on individual workstation shall be backed up by the individual assigned to the workstation. Such employees will assume sole responsibility for the security of such data.
- b. For physical protection against environmental hazards, the Systems Administrator shall maintain off-site storage for copies of important files, software and documentation.
- c. Computer data shall be maintained in accordance with the District's Records Retention Policy.
- d. The Systems Administrator shall ensure the District's network has virus protect at the workstation and server levels so as to protect the District's network, applications and data files from viruses.

Section 8. INTERNET AND E-MAIL

- I. The purpose of this section is to ensure that the Internet access and usage available through the District is directly related to an employee's job duties.
- a. Access to services on the Internet is provided to employees for their use to perform tasks directly related to their job duties. All messages, and/or images are District records. The District may monitor, access and disclose usage of the services on the Internet by an employee of the District. **EMPLOYEES SHOULD NOT ASSUME THAT ANY ACCESS TO SERVICES ON THE INTERNET ARE CONFIDENTIAL.**
- b. It is a violation of District policy for any employee to use the services on the Internet in any manner not directly related to their job duties. Employees found to have engaged in improper activities will be subject to disciplinary action as provided for in the District's Personnel Manual.

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<p>c. The District reserves the right to monitor, access and disclose use of the services on the Internet at the sole discretion of the District. All messages, images and/or transmissions are District records. Additionally, the District will maintain records of the names, dates and times of all employees accessing service on the Internet. EMPLOYEES SHOULD NOT ASSUME THAT ANY ACCESS TO SERVICE ON THE INTERNET IS CONFIDENTIAL.</p> <p>d. All employees who have or have access to a PC workstation connected to the District's network are eligible to apply for access to the Internet. Employees will be required to receive approval from their department head and the Systems Administrator.</p> <p>II. The purpose of this section is to ensure that access to and disclosure of electronic mail (E-Mail) messages sent or received by District employees with the use of the District's electronic mail system is directly related to an employee's job duties.</p> <p>a. The District Electronic Mail (E-Mail) System is District property and is provided to employees for their use on District business only. The District may access any E-Mail message sent to or received by any employee of the District. Although security codes may be used to restrict access to the E-Mail system, the District will maintain a directory of all such codes, and may utilize such codes, if necessary, to access information within the system. EMPLOYEES SHOULD NOT ASSUME THAT ANY MESSAGES WITHIN THE E-Mail SYSTEM ARE CONFIDENTIAL.</p> <p>b. It is a violation of District policy for any employee to use the E-Mail system for purposes other than District business.</p> <p>c. The District reserves the right to monitor, access and disclose use of the services on the E-Mail system at the sole discretion of the District. All messages, images and/or transmissions are District records. Additionally, the District will maintain records of the names, dates and times of all employees accessing service on the E-Mail system. Employees should not assume that any access to service on the E-Mail system is confidential.</p>		

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Section 9. DISASTER CONTINGENCY PLAN

- a. The Systems Administrator shall establish a disaster contingency plan to ensure continuity of operations in the event of a disaster.
- b. The Systems Administrator shall make arrangements to have knowledgeable, professional consultants readily available to assist in re-establishing hardware and software configurations in the event of a disaster.

Section 10. Public Records Disclosure

- a. Employees are reminded that, under some circumstances, communications sent by e-mail may be subject to disclosure under the Public Records Act or during litigation. Therefore, it is important not to compromise themselves or the District under these circumstances.
- b. Employees are advised to regularly print and file important/essential e-mail communications and regularly purge all other e-mails.

§9050 PUBLIC RECORDS ACT RESPONSE POLICY

1. PURPOSE

All public records of the El Toro Water District (~~ETWD~~District) are available for review by the public in accordance with the California Public Records Act (~~hereinafter referred to as the "Act"~~); (Government Code Section ~~6250-7920.000 et seq.~~) and following of the Government Code. Records shall be open to inspection at all times during the District's normal office hours. Certain District records may be exempted from disclosure under the Public Records Act or other provisions of law

It is the purpose of ~~these guidelines~~this Policy to set forth the administrative procedures necessary to facilitate such review by the public.

2. DEFINITIONS**A. Public Records;**

For the purposes of these guide-lines, Public Records are defined as those documents defined as Public Records in the Act and identified as such by the Board of Directors of ~~ETWD~~the District, either by resolution or by minute order (~~motion~~) or as determined by the General Manager ~~of ETWD~~.

B. Preliminary Reports;

For the purposes of ~~these guidelines~~this Policy, Preliminary Reports are not public records, unless and until the Board of Directors ~~of ETWD~~ has determined that it is in the best interests of ~~ETWD~~the District to circulate such "preliminary information" in order to obtain the opinions of the public as necessary information for a future action or decision of the Board. Intra-agency reports, Staff Memos, Staff notes, sketches, drafts, etc., are not public records unless and until they meet the criteria of Section 2.12.A of ~~these guidelines~~this Policy.

C. Inter-agency Correspondence;

For the purposes of ~~these guidelines~~this Policy, Inter-agency Correspondence are not public records, unless and until they meet the criteria of Section 2.12.A of ~~these guidelines~~this Policy.

D. Consultant Records

Consultant Records which are the property of the District, but which are in the possession of consultants of the District, for the purposes of ~~these guidelines~~this Policy, are public records if they meet the criteria of Sections 2.12.A or 2.22.B of ~~these guidelines~~this Policy, and then only to

the extent that they are not subject to the limitations of ~~the professional-client-legal/statutory privileges (e.g. attorney-client privilege and physician-patient~~ privilege.

3. WRITTEN REQUEST FOR ACCESS

All requests for public records shall be in writing on a form approved by the Board of Directors, unless the request is to review an agenda, agenda reports, or minutes of the Board or ordinances or resolutions of the Board or any of its committees, which are available in the District office.

The public records of the ~~ETWD-District~~ will be made available for review by the public upon prior written request as follows:

- A. Minutes, Resolutions, Agreements and other specifically identifiable documents are available for public review at the ~~ETWD-District~~ office during normal office hours upon written request for access. The specific document desired should be requested by title, date, number or description.
 - B. Correspondence and miscellaneous public records not readily identifiable are available for public review at the ~~ETWD-District~~ office during normal office hours upon written request for access. The specific document desired should be requested by title, date, name, number or description.
 - C. Audit and Financial public records for prior fiscal years are available for public inspection at the ~~ETWD-District~~ office during normal office hours upon written request for access. The specific document desired should be requested by date or period and title or ledger name. Current year accounting records are available for public inspection and review at the ~~ETWD-District~~ office during normal office hours upon written request for access. The specific document desired should be requested by date or period and title or ledger name.
 - D. Engineering or Planning public records of ~~ETWD-the District~~ in the possession of ~~ETWD-the District~~ are available for public review at the ~~ETWD-District~~ office during normal office hours upon written request for access. If such records are in the possession of ~~ETWD's-the District's~~ consulting engineers, ~~ETWD-the District~~ will promptly request transmittal of such records to its offices. The records will be made available upon receipt by ~~ETWDthe District~~.
- Requests for specific documents must be made with the ~~ETWD-District~~ office, not of the consultant, and should indicate the desired document by date and title or description.
- E. Legal public records of ~~ETWD-the District~~ in the possession of legal counsel of ~~ETWD-the District~~ will be made available by such legal counsel

upon direct written request to counsel. Any such documents are subject to the limitations of the attorney-client privileges to the extent permitted by law.

4. RESPONSE PROCEDURES

A. Staff will respond to all requests as soon as possible after they are received, but not later than 10 days after receipt of the request to either state whether the District has responsive records or request an extension of up to 14 days to make that determination pursuant to Government Code Section 7922.535 (a) and (b).

As described in Government Code Section 7922.535 (c) potential reasons to request and extension include:

1. The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.

2. The need to search for, collect, and appropriately examine voluminous amount of separate and distinct records which are demanded in a single request.

3. The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein.

B. Staff shall review each request and determine whether it seeks identifiable records.

C. Staff shall determine within ten (10) days after the receipt of a written Public Records request whether to comply with the request and shall immediately notify the person making the request of such determination and the reasons therefore.

D. The notification of denial of any request for records required by Section 7922.540 of the Government Code shall set forth the names and titles or positions of each person responsible for the denial.

E. Staff shall request all Directors and staff who may have the records requested to search their files. Directors and staff must report whether they have responsive records and, if so, when the records can be made available to the requestor.

- F. Staff shall respond to the requestor, advising him or her in writing of the availability of the documents, a description of the medium (paper, electronic format, etc.) and location of the records, and whether any are exempt from disclosure under the Public Records Act.
- G. In accordance with the Public Records Act, staff will provide specific, identifiable records but will not research records for particular types of information or analyze information which may be contained in public records. Staff has no obligation to create records in response to a Public Records Act request.
- H. Staff will respond to requests for public records in accordance with the Public Records Act as the Act now exists or may hereafter be amended, and nothing in this Policy is intended nor shall it be construed to conflict with the terms of the Public Records Act.

4.5. SECURITY OF PUBLIC RECORDS

The ETWD-District reserves the right to assign sufficient security personnel to supervise the public review of ETWD-District records in order to ensure the integrity and security of ETWD-District records and to charge for the actual cost of such security personnel. A deposit for such costs may be required in advance.

5.6. COPY SERVICE

~~Under no circumstances will public records of ETWD be released to the possession of the public. However, upon written request for copies of records, ETWD shall determine within ten (10) days after the receipt of such written request whether to comply with the request and shall immediately notify the person making the request of such determination and the reasons therefor. In unusual circumstances as specified in Section 6256.1 of the Government Code, the ten (10) day time limit prescribed above may be extended by written notice by the Board of Directors of ETWD or the General Manager of ETWD to the person making the request setting forth the reasons for the extension and the date on which a determination is expected to be dispatched. No such notice shall specify a date that will result in an extension for more than ten (10) working days.~~

~~As used in Section 6256.1 "unusual circumstances" means, but only to the extent reasonably necessary to the proper processing of the particular request:~~

~~The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.~~

~~The need to search for, collect, and appropriately examine voluminous amount of separate and distinct records which are demanded in a single request.~~

~~The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the~~

~~request or among two or more components of the agency having substantial subject matter interest therein.~~

A. In the event ~~ETWD~~ the District decides ~~determines~~ to comply with the written request for copies, ~~ETWD~~ the District will do so promptly upon prepayment of fees covering direct costs of duplication, or a statutory fee, if applicable.

B. Staff shall advise the requestor of the estimated copying cost.

C. The District shall make any disclosable records it holds in electronic format available in such format when requested.

D. The costs of duplication, described as follows, may be adjusted from time to time by the Board of Directors:

1. \$1.00 for the first page
2. \$0.05 for each additional page
3. \$0.10 for Political Reform Act materials
4. \$5.00 for CDs
5. \$10.00 for DVDs
6. For records produced through other media, the requestor shall be responsible for the direct costs of duplication

~~The cost is 10 cents per black and white copy (8 1/2" x 11" or 8 1/2" x 14") plus handling or the prescribed statutory fee, if applicable, as specified in Section 6257 of the California Public Records Act. The fee for documents larger than 8 1/2" x 14", which require special duplication processing, will include all direct costs of reproducing same. The cost may be adjusted from time to time by resolution of the Board of Directors of ETWD.~~

6.7. RESERVATION OF RIGHTS

~~ETWD~~ The District reserves the right to determine, to the extent and in the manner provided by law, which of its documents are not public records or which of its documents are otherwise exempt or privileged. ~~These guidelines~~ This Policy shall not in any way limit or restrict ~~ETWD~~ the District in the exercise of its rights as set forth in this Section 6.

1. PURPOSE

All public records of the El Toro Water District (District) are available for review by the public in accordance with the California Public Records Act ("Act") (Government Code Section 7920.000 et seq.). Records shall be open to inspection at all times during the District's normal office hours. Certain District records may be exempted from disclosure under the Public Records Act or other provisions of law

It is the purpose of this Policy to set forth the administrative procedures necessary to facilitate such review by the public.

2. DEFINITIONS**A. Public Records**

For the purposes of these guide-lines, Public Records are defined as those documents defined as Public Records in the Act and identified as such by the Board of Directors of the District, either by resolution or by minute order or as determined by the General Manager.

B. Preliminary Reports

For the purposes of this Policy, Preliminary Reports are not public records, unless and until the Board of Directors has determined that it is in the best interests of the District to circulate such "preliminary information" in order to obtain the opinions of the public as necessary information for a future action or decision of the Board. Intra-agency reports, Staff Memos, Staff notes, sketches, drafts, etc., are not public records unless and until they meet the criteria of Section 2.A of this Policy.

C. Inter-agency Correspondence

For the purposes of this Policy, Inter-agency Correspondence are not public records, unless and until they meet the criteria of Section 2.A of this Policy.

D. Consultant Records

Consultant Records which are the property of the District, but which are in the possession of consultants of the District, for the purposes of this Policy, are public records if they meet the criteria of Sections 2.A or 2.B of this Policy, and then only to the extent that they are not subject to the limitations of legal/statutory privileges (e.g. attorney-client privilege and physician-patient privilege).

3. WRITTEN REQUEST FOR ACCESS

All requests for public records shall be in writing on a form approved by the Board of Directors, unless the request is to review an agenda, agenda reports, or minutes of the Board or ordinances or resolutions of the Board or any of its committees, which are available in the District office.

The public records of the District will be made available for review by the public upon prior written request as follows:

- A. Minutes, Resolutions, Agreements and other specifically identifiable documents are available for public review at the District office during normal office hours upon written request for access. The specific document desired should be requested by title, date, number or description.
- B. Correspondence and miscellaneous public records not readily identifiable are available for public review at the District office during normal office hours upon written request for access. The specific document desired should be requested by title, date, name, number or description.
- C. Audit and Financial public records for prior fiscal years are available for public inspection at the District office during normal office hours upon written request for access. The specific document desired should be requested by date or period and title or ledger name. Current year accounting records are available for public inspection and review at the District office during normal office hours upon written request for access. The specific document desired should be requested by date or period and title or ledger name.
- D. Engineering or Planning public records of the District in the possession of the District are available for public review at the District office during normal office hours upon written request for access. If such records are in the possession of the District's consulting engineers, the District will promptly request transmittal of such records to its offices. The records will be made available upon receipt by the District.

Requests for specific documents must be made with the District office, not of the consultant, and should indicate the desired document by date and title or description.

- E. Legal public records of the District in the possession of legal counsel of the District will be made available by such legal counsel upon direct written request to counsel. Any such documents are subject to the limitations of the attorney-client privileges to the extent permitted by law.

4. RESPONSE PROCEDURES

- A. Staff will respond to all requests as soon as possible after they are received, but not later than 10 days after receipt of the request to either state whether the District has responsive records or request an extension of up to 14 days to make that determination pursuant to Government Code Section 7922.535 (a) and (b).

As described in Government Code Section 7922.535 (c) potential reasons to request and extension include:

1. The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.
 2. The need to search for, collect, and appropriately examine voluminous amount of separate and distinct records which are demanded in a single request.
 3. The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein.
- B. Staff shall review each request and determine whether it seeks identifiable records.
- C. Staff shall determine within ten (10) days after the receipt of a written Public Records request whether to comply with the request and shall immediately notify the person making the request of such determination and the reasons therefore.
- D. The notification of denial of any request for records required by Section 7922.540 of the Government Code shall set forth the names and titles or positions of each person responsible for the denial.
- E. Staff shall request all Directors and staff who may have the records requested to search their files. Directors and staff must report whether they have responsive records and, if so, when the records can be made available to the requestor.
- F. Staff shall respond to the requestor, advising him or her in writing of the availability of the documents, a description of the medium (paper, electronic format, etc.) and location of the records, and whether any are exempt from disclosure under the Public Records Act.

- G. In accordance with the Public Records Act, staff will provide specific, identifiable records but will not research records for particular types of information or analyze information which may be contained in public records. Staff has no obligation to create records in response to a Public Records Act request.
- H. Staff will respond to requests for public records in accordance with the Public Records Act as the Act now exists or may hereafter be amended, and nothing in this Policy is intended nor shall it be construed to conflict with the terms of the Public Records Act.

5. SECURITY OF PUBLIC RECORDS

The District reserves the right to assign sufficient security personnel to supervise the public review of District records in order to ensure the integrity and security of District records and to charge for the actual cost of such security personnel. A deposit for such costs may be required in advance.

6. COPY SERVICE

- A. In the event the District determines to comply with the written request for copies, the District will do so promptly upon prepayment of fees covering direct costs of duplication, or a statutory fee, if applicable.
- B. Staff shall advise the requestor of the estimated copying cost.
- C. The District shall make any disclosable records it holds in electronic format available in such format when requested.
- D. The costs of duplication, described as follows, may be adjusted from time to time by the Board of Directors:
 - 1. \$1.00 for the first page
 - 2. \$0.05 for each additional page
 - 3. \$0.10 for Political Reform Act materials
 - 4. \$5.00 for CDs
 - 5. \$10.00 for DVDs
 - 6. For records produced through other media, the requestor shall be responsible for the direct costs of duplication

7. RESERVATION OF RIGHTS

The District reserves the right to determine, to the extent and in the manner provided by law, which of its documents are not public records or which of its documents are otherwise exempt or privileged. This Policy shall not in any way limit or restrict the District in the exercise of its rights as set forth in this Section 7.

RESOLUTION NO. 87-7-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EL TORO WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ESTABLISHING GUIDELINES FOR ACCESSIBILITY
TO PUBLIC RECORDS

WHEREAS, the Legislature of the State of California has heretofore enacted the California Public Records Act, comprising Section 6250 and following of the Government Code applicable in part to Local Agencies of the State of California; and

WHEREAS, the El Toro Water District is a political subdivision of the State of California, formed and existing pursuant to Division 13 of the California Water Code and is a "Local Agency" as defined in Section 6252 of the Government Code; and

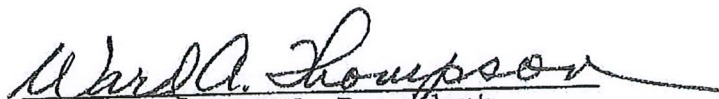
WHEREAS, the Board of Directors of the El Toro Water District believes it will be in the best interests of the District to establish written guidelines for accessibility to all public records of the District consistent with the Board of Directors' policy of insuring maximum involvement of the general public in the affairs of the District consistent with the policy and provisions of the California Public Records Act.

NOW, THEREFORE, the Board of Directors of the El Toro Water District does hereby RESOLVE, ORDER AND DETERMINE as follows:

Section 1. That the guidelines of the El Toro Water District with respect to accessibility to the public records of the El Toro Water District shall be as more particularly set forth in Exhibit "A" -- "Guidelines for Accessibility to Public Records" attached hereto and by this reference made a part hereof.

Section 2. That the District Staff be directed to implement the provisions of the "Guidelines for Accessibility of Public Records" set forth on Exhibit "A" to this Resolution.

ADOPTED, SIGNED AND APPROVED, this 16th day of July, 1987.



WARD A. THOMPSON, President
El Toro Water District and of
the Board of Directors thereof

(SEAL)

ATTEST:



HARLAN G. SCHROTH, Secretary
El Toro Water District and of
the Board of Directors thereof

EXHIBIT "A"

EL TORO WATER DISTRICT
GUIDELINES FOR ACCESSIBILITY OF PUBLIC RECORDS

SECTION I - General and Purpose

All public records of the El Toro Water District (ETWD) are available for review by the public in accordance with the California Public Records Act (hereinafter referred to as the "Act"), Section 6250 and following of the Government Code. It is the purpose of these guidelines to set forth the administrative procedures necessary to facilitate such review by the public.

SECTION II - Definitions

- 2.1 Public Records, for the purposes of these guidelines, are defined as those documents defined as Public Records in the Act and identified as such by the Board of Directors of ETWD, either by resolution or by minute order (motion) or as determined by the General Manager of ETWD.
- 2.2 Preliminary Reports, for the purposes of these guidelines, are not public records, unless and until the Board of Directors of ETWD has determined that it is in the best interests of ETWD to circulate such "preliminary information" in order to obtain the opinions of the public as necessary

information for a future action or decision of the Board. Intra-agency reports, Staff Memos, Staff notes, sketches, drafts, etc., are not public records unless and until they meet the criteria of Section 2.1 of these guidelines.

2.3 Inter-agency Correspondence, for the purposes of these guidelines, are not public records, unless and until they meet the criteria of Section 2.1 of these guidelines.

2.4 Consultant Records, which are the property of the District but which are in the possession of consultants of the District, for the purposes of these guidelines, are public records if they meet the criteria of Sections 2.1 or 2.2 of these guidelines, and then only to the extent that they are not subject to the limitations of the professional-client privilege.

SECTION III - Written Request for Access

The public records of the ETWD will be made available for review by the public upon prior written request as follows:

3.1 Minutes, Resolutions, Agreements and other specifically identifiable documents are available for public review at the ETWD office during normal office hours upon written request for access. The specific document desired should be requested by title, date, number or description.

- 3.2. Correspondence and miscellaneous public records not readily identifiable are available for public review at the ETWD office during normal office hours upon written request for access. The specific document desired should be requested by title, date, name, number or description.
- 3.3. Audit and Financial public records for prior fiscal years are available for public inspection at the ETWD office during normal office hours upon written request for access. The specific document desired should be requested by date or period and title or ledger name. Current year accounting records are available for public inspection and review at the ETWD office during normal office hours upon written request for access. The specific document desired should be requested by date or period and title or ledger name.
- 3.4. Engineering or Planning public records of ETWD in the possession of ETWD are available for public review at the ETWD office during normal office hours upon written request for access. If such records are in the possession of ETWD's consulting engineers, ETWD will promptly request transmittal of such records to its offices. The records will be made available upon receipt by ETWD. Requests for specific documents must be made with the ETWD office, not of the consultant, and should

indicate the desired document by date and title or description.

- 3.5 Legal public records of ETWD in the possession of legal counsel of ETWD will be made available by such legal counsel upon direct written request to counsel. Any such documents are subject to the limitations of the attorney-client privileges to the extent permitted by law.

SECTION IV - Security of Public Records

The ETWD reserves the right to assign sufficient security personnel to supervise the public review of ETWD records in order to ensure the integrity and security of ETWD records and to charge for the actual cost of such security personnel. A deposit for such costs may be required in advance.

SECTION V - Copy Service

Under no circumstances will public records of ETWD be released to the possession of the public. However, upon written request for copies of records, ETWD shall determine within ten (10) days after the receipt of such written request whether to comply with the request and shall immediately notify the person making the request of such determination and the reasons therefor. In unusual circumstances as specified in Section 6256.1 of the Government Code, the ten (10) day time limit prescribed above may be extended by written notice by the Board of Directors of ETWD or the General Manager of ETWD to the

person making the request setting forth the reasons for the extension and the date on which a determination is expected to be dispatched. No such notice shall specify a date that will result in an extension for more than ten (10) working days.

As used in Section 6256.1 "unusual circumstances" means, but only to the extent reasonably necessary to the proper processing of the particular request:

(a) The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.

(b) The need to search for, collect, and appropriately examine voluminous amount of separate and distinct records which are demanded in a single request.

(c) The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein.

In the event ETWD decides to comply with the written request for copies, ETWD will do so promptly upon prepayment of fees covering direct costs of duplication, or a statutory fee, if applicable. The cost is 10 cents per black and white copy (8 1/2" x 11" or 8 1/2" x 14") plus handling or the prescribed statutory fee, if applicable, as specified in Section 6257 of the California Public Records Act. The fee for documents larger than 8 1/2" x 14", which require special duplication processing, will include all direct costs of

reproducing same. The cost may be adjusted from time to time by resolution of the Board of Directors of ETWD.

SECTION VI - RESERVATION OF RIGHTS

ETWD reserves the right to determine, to the extent and in the manner provided by law, which of its documents are not public records or which of its documents are otherwise exempt or privileged. These guidelines shall not in any way limit or restrict ETWD in the exercise of its rights as set forth in this Section VI.

ADMINISTRATIVE CODE

Adopted

August 22, 2024

EL TORO WATER DISTRICT



ADMINISTRATIVE CODE

Adopted

August 22, 2024

DISTRICT

1000 Principal Office
1010 Seal

BOARD OF DIRECTORS

2000 General Authority
2010 Membership
2020 Terms of Office
2030 Elections
2040 Meetings
2050 Quorum: Votes Necessary
2060 Compensation
2070 Board Staff Relationship
2080 Guidelines for Board Conduct
2090 Committees of the Board

BOARD OFFICERS AND EMPLOYEES

3000 Officers Other Than Directors
3010 Elimination
3020 President (Term of Office)
3030 Succession to Presidency
3040 Vice President (Election – Term of Office – Succession to Presidency)
3050 Secretary
3060 Treasurer
3070 Duties and Powers of President
3080 Duties and Powers of Vice President
3090 Employees
3100 District Legal Counsel
3110 District Auditors

ETWD DIRECTORS

4000 Directors' Compensation
4010 Directors' Benefits
4020 Directors' Travel & Expense Reimbursement

ETHICS

5000 Ethics Training

FINANCIAL MATTERS

- 6000 District Claim Procedures
- 6010 Board Authorization of Fund Transfers With the District Capital Budget
- 6020 Budget Policy
- 6030 Designated Staff Credit Card Issuance / Usage Policy
- 6040 Cash Reserve Policy
- 6050 Debt Management Policy
- 6060 Capitalization Policy for Capital Assets
- 6070 Disposal of Surplus Property
- 6080 Investment Policy
- 6090 Electronic Funds Transfer Policy
- 6100 Purchasing Policy

SERVICE AND RATES

- 7000 Statement of Service Outside of District Boundaries
- 7010 Statement of Construction of Water and Sewer
- 7020 Rate Schedules Preliminary Statement
- 7030 General Metered Potable Water Service
- 7040 General Sewer Service
- 7050 Commercial, Industrial, Public Authority and Homeowner Association
Recreational Facility Sewer Service
- 7060 Recycled Water Sales and Service
- 7070 Private Fire Protection Service
- 7080 Water Meter and Meter Installation Charges
- 7090 Wholesale Water Service
- 7100 Metered Construction Service
- 7110 Development Procedures

PERSONNEL MATTERS

- 8000 Employee Handbook (Incorporated by Reference)

ORGANIZATION, FUNCTIONS & GENERAL PROVISIONS

- 9000 Fraud in the Workplace
- 9010 District Meeting Rooms Use Policy
- 9020 Identity Theft Prevention Program
- 9030 Legislative Advocacy Policy
- 9040 IT Acceptable Use Policy
- 9050 Public Records Act Response Policy

DISTRICT

§1000 PRINCIPAL OFFICE

1. The principal office of the District shall be located in Orange County, State of California, at a place designated from time to time by the Board of Directors by resolution of the Board.
2. Until changed by resolution of the Board of Directors, the principal office of the District shall be located at 24251 Los Alisos Boulevard, Lake Forest, California 92630.

§1010 SEAL

The District shall have and maintain a seal, described as follows:

Two concentric circles, the outer circle being approximately one and one-half inches in diameter and the inner circle approximately one inch in diameter; with the words "EL TORO WATER DISTRICT" in the upper part of the space between the circles; with the word "CALIFORNIA" in the lower part of the space between the circles; and with the words "FORMED September 25, 1960" inside the inner circle.

BOARD OF DIRECTORS

§2000 GENERAL AUTHORITY

The Board of Directors, except as otherwise provided by law, shall manage and conduct the business and affairs of the District.

§2010 MEMBERSHIP

The Board of Directors of the District shall consist of five (5) Directors, elected as provided by law. Each Director shall be a resident of the District and shall be a registered voter in the County of Orange at the time of their election and/or appointment and during their term of office.

§2020 TERMS OF OFFICE

The term of office of elected Directors shall be four (4) years and shall be on a staggered basis. The five (5) Directors Seats and the staggered terms of office of each are set forth in Schedule 1 hereto and incorporated herein by this reference.

	Directors	JAN 2015	NOV 2016	JUL 2018	NOV 2018	APR 2019	NOV 2020	NOV 2022	SEPT 2023
Seat 1	Mark Monin	A	E	*	*	*	E	*	*
Seat 2	Fred Adjarian								A
Seat 3	Mike Gaskins				E	*	*	E	*
Seat 4	Kay Havens					A	E	*	*
Seat 5	Kathryn Freshley			A	E	*	*	E	*

LEGEND: A - Appointed
 E - Elected
 * - Served

§2030 ELECTIONS

All general District elections shall be held in November of even-numbered years and shall be consolidated with the November statewide elections. The right to vote and the manner of the voting shall be the same as provided by the laws of the State of California.

§2040 MEETINGS

Regular meetings of the Board of Directors shall be held at such time and place as may be agreed upon by resolution of the Board.

§2050 QUORUM: VOTES NECESSARY

Three (3) Directors shall constitute a quorum of the Board for the transaction of business. The vote of a majority of the Directors present at any meeting attended by a quorum shall be necessary and sufficient to determine any proposition or resolution presented.

§2060 COMPENSATION

The Officers and Directors shall receive the following compensation for their services:

1. The Secretary and Treasurer shall receive sums as shall be fixed by the Board.
2. Each Director shall receive compensation in the amount provided by Ordinance duly adopted by Resolution of the Board pursuant to Section 20200 et seq. of the Water Code of the State of California, together with any expenses incurred in the performance of his/her duties required or authorized by law and the Board.

§2070 BOARD / STAFF RELATIONSHIP

Neither Board members nor Committee members shall give instructions to staff members. Any requests should be conveyed to the General Manager.

05/16/85; R 23-12-2 12/21/23

§2080 GUIDELINES FOR BOARD CONDUCT

All elected or appointed officials of the El Toro Water District should be dedicated to the highest ideals of integrity and accountability to continue to earn the trust, confidence and support of the public they serve.

1. PURPOSE AND SCOPE

The policy of the El Toro Water District is to maintain the highest ethical standards for its Board members. The proper operation of the District requires decisions and policy to be made within the proper channels of governmental structure, that public office not be used for personal gain, and that Board members remain objective and responsive to the needs of the public they serve. Accordingly, it is the policy of the District that Board members and District employees will maintain the highest standard of personal honesty and fairness in carrying out their duties. This policy sets forth the basic ethical standards to be followed by the Board of Directors of the El Toro Water District. The objectives of this policy are to (1) provide guidance for dealing with ethical issues, (2) heighten awareness of ethics and values as critical elements in Board members' conduct, and (3) improve ethical decision-making and values-based management.

2. RESPONSIBILITIES OF PUBLIC OFFICE

Board members are obligated to uphold the Constitution of the United States and the Constitution of the State of California. Board members will comply with applicable laws regulating their conduct, including conflict of interest, financial disclosure and open government laws. Board members will strive to work in cooperation with other public officials unless prohibited from so doing by law or officially recognized confidentiality of their work.

3. FAIR AND EQUAL TREATMENT

Board members, in the performance of their official duties and responsibilities, will not discriminate against or harass any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, gender, sexual orientation, medical condition or disability. A Board member will not grant any special consideration, treatment or advantage to any person or group beyond that which is available to every other person or group in similar circumstances.

4. PROPER USE AND SAFEGUARDING OF DISTRICT PROPERTY AND RESOURCES

Except as specifically authorized, a Board member will not use or permit the use of District-owned vehicles, equipment, telephones, materials or property for personal benefit or profit. A Board member will not ask or require a District employee to perform services for the personal benefit or profit of a Board member or employee. Each Board member must protect and properly use any District asset within his or her control, including information recorded on paper or in electronic form. Board members will safeguard District property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

5. USE OF CONFIDENTIAL INFORMATION

A Director is not authorized, without approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required to be disclosed under the California Public Records Act.

This section does not prohibit any of the following: (1) making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the District, an elected official or employee, (2) expressing an opinion concerning the propriety or legality of actions taken by the District in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation.

A Director who willfully and knowingly discloses for pecuniary gain confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code Section 1098.

6. CONFLICT OF INTEREST

A Board member will not have a financial interest in a contract with the District or be a purchaser at a sale by the District or a vendor at a purchase made by the District, unless the Board member's participation was authorized under Government Code Sections 1091 or 1091.5, or other provisions of law. A Board

member will not participate in the discussion, deliberation or vote on a matter before the Board of Directors, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter, as defined in the Political Reform Act, Government Code Sections 81000, and following, relating to conflicts of interest. Generally, a Director has a financial interest in a matter if it is reasonable foreseeable that the Board decision would have a material financial effect (as defined by Fair Political Practices Commission (FPPC) regulations) that is distinguishable from the effect on the public generally on (a) a business entity in which the Director has direct or indirect investment in the amount specified in FPPC regulations; (b) real property in which the Director has a direct or indirect investment interest, with a worth in the amount specified in FPPC regulations; (c) a source of income of the Director in the amount specified in FPPC regulations, within 12 months before the Board decision; (d) a source of gifts to the Director in an amount specified in FPPC regulations within 12 months before the Board decision; or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director, or by a business entity or trust in which the Director, or the Director's spouse, dependent child or agent, owns directly, indirectly or beneficially a 10 percent interest or greater. An elected official will not accept honoraria, or gifts that exceed the limitations specified in the Fair Political Practices Act or FPPC regulations. Board members will report all gifts, campaign contributions, income and financial information as required under the District's Conflict of Interest Code and the provisions of the Fair Political Practices Act and FPPC regulations. (Government Code Sections 87100 and following.)

If a member of the Board believes that he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be followed: (a) if the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the District's General Manager and the District's legal counsel of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest; (b) if it is not possible for the Director to discuss the potential conflict with the General Manager and the District's legal counsel before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest; and (c) upon a determination that there is a disqualifying conflict of interest, the Director (1) will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, which will be so noted in the Board minutes, and (2) leave the room until after the discussion, vote and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters. The Director may speak on an uncontested matter during the time the general public speaks on the issue.

A Board member will not recommend the employment of a relative by the District. A Board member will not recommend the employment of a relative to any person known by the Board member to be bidding for or negotiating a contract with the District.

A Board member who knowingly asks for, accepts or agrees to receive any gift, reward or promise thereof for doing an official act, except as may be authorized by law, may be guilty of a misdemeanor under Penal Code Section 70.

7. SOLICITING POLITICAL CONTRIBUTIONS

Board members are prohibited from soliciting political funds or contributions at District facilities, or from District employees. A Board member will not accept, solicit or direct a political contribution from (a) District employees, officers, consultants or contractors, and (b) vendors and consultants who have a material financial interest in a contract or other matter while that contract or other matter is pending before the District. A Director will not use the District seal, trademark, stationery or other indicia of the District identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal laws.

8. INCOMPATIBLE OFFICES

Any Board member appointed or elected to a public office of another public entity, the duties of which may require action contradictory or inconsistent with the interests of the first entity, will resign from the former office.

9. IMPROPER ACTIVITIES AND THE REPORTING OF SUCH ACTIVITIES; PROTECTION OF "WHISTLE BLOWERS"

The General Manager has primary responsibility for (1) ensuring compliance with the District Employee Handbook, and ensuring that District employees do not engage in improper activities, (2) investigating allegations of improper activities, and (3) taking appropriate corrective and disciplinary actions. The Board has a duty to ensure that the General Manager is operating the District according to law and the policies approved by the Board. Board members are encouraged to fulfill their obligation to the public and the District by disclosing to the General Manager to the extent not expressly prohibited by law, improper activities within their knowledge. Board members will not interfere with the General Manager's responsibilities in identifying, investigating and correcting improper activities, unless the Board determines that the General Manager is not properly carrying out these responsibilities.

A Board member will not directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding or influencing any other person for the purpose of preventing such person from acting in good faith or report or otherwise bring to the attention of the General Manager or the Board any information that, if true, would constitute: a work-related violation by a Board member or District employee of any law or regulation, gross waste of District funds, gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a District official or employee, use of a District office or position

or of District resources for personal gain, or a conflict of interest of a District Board member or District employee.

A Board member will not use or threaten to use any official authority or influence to effect any action as a reprisal against a District Board member or District employee who reports or otherwise brings to the attention of the General Manager any information regarding the subjects described in this section.

10. COMPLIANCE WITH THE BROWN ACT

The members of the Board of Directors, and persons elected but who have not yet assumed office as members of the Board, will fully comply with the provisions of the State's open meeting law for public agencies (the Brown Act).

11. CANDIDATE'S STATEMENT

A Board member will not include false or misleading information in a candidate's statement for a general District election filed pursuant to Section 13307 of the Elections Code.

12. VIOLATION OF POLICY

A perceived violation of this policy by a Board member should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy, (b) injunctive relief, or (c) referral of the violation to the District Attorney and/or the Grand Jury.

09/28/06; R 23-11-1 11/21/23

§2090 COMMITTEES OF THE BOARD

1. PURPOSE

To facilitate the orderly conduct of business of the El Toro Water District ("District") the Board of Directors ("Directors") shall establish Standing and Ad-Hoc Committees.

2. STANDING COMMITTEES

- A. The Board President shall appoint and submit for ratification by the Board, the members of the standing committees for the ensuing year no later than the Board's regular meeting in January.
- B. The Board's standing committees may be assigned to review District functions, activities, and/or operations pertaining to their designated concerns, as specified below. Any recommendations resulting from said review should be submitted to the Board via a written or oral report.
- C. All meetings of standing committees shall conform to all open meeting laws (e.g., "Brown Act"), compensation policies and reimbursement policies that pertain to regular meetings of the Board of Directors.

The following shall be standing committees of the Board:

1. Agenda Review Committee;
2. Regional Reclamation Committee;
3. Engineering Committee;
4. Finance/Insurance Committee
5. Community Advisory Group
6. Computer Technology Committee
7. Audit Committee
8. Budget Committee
9. Human Resources Committee
10. Water Quality Committee

3. STANDING COMMITTEE SCOPE

A. Agenda Review Committee

The Board's standing Agenda Review Committee shall review and approve agendas for Board meetings.

B. Regional Reclamation Committee (RRC)

The Board's standing Regional Reclamation Committee shall be primarily concerned with coordinating Board policies and oversight of the District's participation in the South Orange County Wastewater Authority (SOCWA).

C. Engineering Committee

The Board's standing Engineering Committee shall be primarily concerned with coordinating Board policies and oversight of the District's construction and maintenance projects. The Engineering Committee consists of the full Board.

D. Finance/Insurance Committee

The Board's standing Finance/Insurance Committee shall be primarily concerned with coordinating Board policies and oversight of the District's financial operations and insurance programs. The Finance/Insurance Committee consists of the Full Board.

E. Community Advisory Group (CAG)

The Board's standing Community Advisory Group shall be primarily concerned with establishing and maintaining open and effective communication with the District's customers through specified representatives of the financial, business and residential sections of the District's Community.

F. Computer Technology

The Board's standing Computer Technology Committee shall be primarily concerned with maintaining the District's computer system.

G. Audit Committee

The Board's standing Audit Committee shall be primarily concerned with reviewing the Auditor's recommendations.

H. Budget Committee

The Board's standing Budget Committee shall be primarily concerned with preparing a draft budget for the fiscal year.

I. Human Resources Committee

The Board's standing Human Resources Committee shall be primarily concerned with personnel matters associated with District staff.

J. Water Quality Committee

The Board's standing Water Quality Committee shall be primarily concerned with issues pertaining to the quality and safety of the drinking water distributed by the District.

4. AD-HOC COMMITTEE SCOPE

A. The Board President shall appoint ad hoc committees as may be deemed necessary or advisable by himself/herself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

B. The ad-hoc committee(s) shall address special and specific issues and consist of no more than two (2) members of the Board for a limited duration and jurisdiction.

BOARD OFFICERS AND EMPLOYEES

§3000 OFFICERS OTHER THAN DIRECTORS

In addition to the Directors, the officers of the District shall be: President, Vice President, Treasurer, and Secretary.

§3010 ELIMINATION

The offices of the Assessor and Tax Collector have been eliminated by appropriate Resolution on or about July 10, 1975 pursuant to Section 34711 of the Water Code of the state of California.

§3020 PRESIDENT (TERM OF OFFICE)

The term of office of the President shall be for (1) one year. The term of office of the President shall expire following the conclusion of the regular meeting of the Board of Directors in December of each year.

§3030 SUCCESSION TO PRESIDENCY

The office of Vice President shall automatically succeed to the office of President when a vacancy occurs in the office of President or the current President's term of office has expired.

§3040 VICE PRESIDENT (ELECTION – TERM OF OFFICE – SUCCESSION TO PRESIDENCY)

At the Board's organizational meeting in December, the Board shall elect a Vice President whose term of office shall be for (1) year. The President for the preceding year shall not be eligible for the Vice Presidency the following year. The term of office of the Vice President shall begin following the conclusion of the regular meeting of the Board of Directors in December of each year. The Vice President shall succeed to the office of President as provided in Section 3030 herein. In the event a vacancy occurs in the office of any President before the terms of said presidency has expired, the Vice President shall succeed to the office of President for the unexpired term of said presidency, in addition, to the one (1) year term regularly specified, had such vacancy not occurred.

§3050 SECRETARY

The Secretary shall be appointed by the Board of Directors and shall serve at its pleasure. The Secretary shall have the duties and authority assigned to him/her by law and such other duties and authority, not inconsistent therewith, as shall be assigned to him/her from time to time by the Board of Directors. The Board may from time to time appoint one or more Assistant Secretaries. Under the direction of the Board and Secretary, each such Assistant Secretary shall assist the Secretary in the performance of his/her duties and shall have such other duties and authority as shall be provided by the Board.

§3060 TREASURER

The Treasurer shall be appointed by the Board of Directors and shall serve at its pleasure. He/she shall have duties and authority assigned to him/her by law and such other duties and authorities, not inconsistent therewith, as shall be assigned to him/her from time to time by the Board of Directors.

§3070 DUTIES AND POWERS OF PRESIDENT

The President of the Board of Directors shall be the presiding officer and shall preserve order and decorum at all District meetings. The President shall appoint (with ratification by the Board) all standing, special, and ad hoc committees (including the Committee Chairpersons). In the absence of the President, Vice President shall act as President. In the absence of the President and Vice President, the immediate past President(s) shall act as President, and in the absence of any immediate Past President(s), the Secretary acts as President until the Board selects one of its members President Pro Tempore, who shall have all of the Board powers of the President during the continuance of the meeting as well as during the absence of the President.

R 24-1-2 01/25/24

§3080 DUTIES AND POWERS OF VICE PRESIDENT

In the absence or disability of the President, the Vice President shall perform all of the duties of the President.

R 24-1-2 01/25/24

§3090 EMPLOYEES

The Board of Directors may employ and appoint, from time to time, such other officers and such agents and employees as it shall deem appropriate to carry on the business of the District. The qualification, duties, authority, and compensation of such other officers and of such agents and employees shall be fixed by the Board of Directors.

§3100 DISTRICT LEGAL COUNSEL

1. The ETWD Legal Counsel shall be the legal adviser of the District and shall perform such duties as may be prescribed by the Board.
2. Counsel shall serve at the pleasure of the Board and shall be compensated for services as authorized by the Board.
3. Legal Counsel shall be present at any regular or special meetings of the Board of Directors.
4. Minutes of Board meetings shall be reviewed by Counsel as to content and legal adequacy.
5. Counsel is to present a detailed monthly billing statement of their legal services with specificity.
6. Board members should not, as a general rule, have access to Legal Counsel. Requests should go through the Board President.

7. Administrative functions should not be included among duties of Legal Counsel, unless there is first management approval and then the action is brought to the attention of the Board.
8. The General Manager or his designated representative shall have access to the Legal Counsel when in their judgment legal advice is required.

R 85-3-1 03/21/85; R 85-5-2 05/16/85; R 03-4-2 04/24/03; R 23-12-2 11/21/23

§3110 DISTRICT AUDITORS

To ensure the integrity of the District's books and records and that they are maintained in accordance with Generally Accepted Accounting Principles and applicable State Law, the District will have its books and records audited annually by a firm of Certified Public Accountants. For purposes of independence and to take advantage of fresh and new prospective, it is the policy of the District that no firm serves as District auditors more than five consecutive years.

The Audit Committee of the Board of Directors will be vested with the responsibility of recommending the selection of an auditing firm to the Board, meeting with the District's auditing firm periodically to review reports and acting as the Board's primary contact with the auditing firm.

R 03-4-2 04/24/03; R 23-11-1 11/21/23

DIRECTORS' COMPENSATION POLICY

1. PURPOSE

- A. Directors in their role of providing governance for the El Toro Water District ("District") are required to:
 - 1. Attend regular, special and committee meetings of the Board of Directors ("Board");
 - 2. Perform assigned duties and responsibilities, as officers;
 - 3. Represent the District at industry and community events; and
 - 4. Attend industry specific conferences and educational events.
- B. The El Toro Water District ("District") shall adhere to Government Code Sections 53232 through 53232.4 when dealing with issues of director remuneration and reimbursement.
- C. The Directors' Compensation Policy shall be reviewed annually at the December meeting of the Board of Directors.

2. QUALIFIED EVENTS

Subject to the District's enabling statutes, attendance at the following qualifies a Director to be eligible to receive compensation.

- A. A meeting of the District's Board of Directors;
- B. A meeting of a Committee of the District's Board of Directors to which the Director has been assigned;
- C. A conference or organized educational activity (subject to the prior approval of the President or Board) conducted in compliance with Government Code Section 54952.2(c), including but not limited to ethics training required by Government Code Section 53234.
- D. Official Business Representing the District (subject to the prior approval of the President or Board) at the following non-exclusive functions and activities:
 - 1. South Orange County Wastewater Authority Board of Directors (SOCWA)
 - 2. SOCWA Finance Committee
 - 3. Santiago Aqueduct Commission (SAC)
 - 4. MWDOC Board Meeting
 - 5. MWDOC Administration & Finance Committee Meeting
 - 6. MWDOC Planning & Operations Committee Meeting
 - 7. MWDOC MET Directors Workshop
 - 8. MWDOC Elected Officials Forum
 - 9. MWDOC/OCWD Joint Planning Committee Meeting
 - 10. MWDOC Policy Forum
 - 11. Local Agency Formation Commission (LAFCO)

12. Water Advisory Committee of Orange County (WACO)
13. WACO Planning Committee
14. Independent Special Districts of Orange County (ISDOC)
15. Local TV-Appearances
16. Orange County Water Association (OCWA)
17. WaterReuse of Orange County
18. Joint Powers Insurance Authority
19. South OC Watershed Management Area Executive Committee
20. South Orange County Agencies Group Meeting
21. So Cal Water Committee
22. South Orange County Economic Coalition
23. Local Chamber of Commerce Functions
24. City Council Meetings in the Cities served by the District
25. Meetings between Board President and Vice President
26. Meetings between Board President and District General Manager or Attorney
27. Other functions defined in the “Board/Staff Organizational and Standing Committee Assignments” as periodically revised and adopted by Resolution of the Board of Directors

- E. Other functions and activities determined on an Ad Hoc basis as being beneficial to the District as approved by the Board President or the Board.

3. COMPENSATION

- A. When serving in the above capacity a Director shall receive a per diem compensation as established by Ordinance of the District for “each day” so served, at the request of the Board. Only one per diem compensation will be paid for each calendar day (regardless of the number of meetings or events attended on a calendar day) up to the maximum number of days permitted by the District’s Ordinance (which presently is set at 10 in any calendar month – Ordinance No. 2018-1). Attendance at meetings and conferences shall be deemed to have been rendered “at the request of the Board” if:
1. The Director’s attendance is requested through posting of a notice of a District meeting;
 2. The Director’s attendance is requested by the President of the Board; or
 3. The Director’s attendance is approved by Board action at a regular or special meeting of the Board of Directors.
- B. Directors shall submit their compensation report form to the District office within the first week of each month for the prior month. The Board President or the General Manager will approve and sign director compensation forms before payment can be processed. The Board President’s compensation Form shall be approved by the General Manager or Assistant General Manager.

- C. It is against the law to falsify compensation reports. Penalties for misuse of public resources or violating this policy may include, but are not limited to, the following:
1. Restitution to the District;
 2. Civil penalties for misuse of public resources pursuant to Government Code Section 8314; and
 3. Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code, penalties for which include 2, 3 or 4 years in prison.
- D. In the event of a dispute or misunderstanding regarding compensation, the matter shall be reviewed by two members of the Board appointed by the Board (other than the Board member whose account is being questioned) and their findings and recommendations will be transmitted to the Board for a determination. The Board determination shall be final.
- E. Changes in the compensation of Board members will require the approval of the Board during a noticed public hearing of the Board held at least 60 days prior to the effective date of the change, no more than once in any twelve-month period.

R 93-9-2 09/16/93; R 94-5-2 05/19/94; R 99-7-2 07/15/99; R 03-4-2 04/24/03; R 06-02-1 02/23/06;
R 06-9-1 09/28/06; R 07-9-2 09/27/07; R 18-3-3 03/22/18; R 20-5-1 05/28/20; R 20-11-3 11/24/20;
R 20-12-6 12/16/20; R 23-4-2 04/24/23; R 24-2-1 02/20/24;

§4010 DIRECTORS' BENEFITS

1. While serving on the El Toro Water District Board of Directors, each Director is eligible for the Board of Directors Benefit Program. Benefit eligibility expires when Directors leave the Board. Benefit eligibility requirements may also be imposed by the individual benefit plans themselves.
2. The District reserves the right to modify, amend or terminate Director benefits and to modify or amend Director benefits eligibility requirements at any time and for any reason, subject to any legal restrictions and approval by the Board.
3. The District offers the following Director benefits
 - A. Health Insurance

Directors, their spouses or Registered Domestic Partners and the Director's dependents are eligible to be provided health insurance through ACWA JPIA. The Directors' Health Insurance program is identical to that provided to the District's employees in the plan options and co-pay requirements. Eligibility for participation begins on the first day of the month following thirty days of continuous service on the Board of Directors of the District. Directors may opt in or out of the Health Insurance program.

The District will cease coverage and payments of Health Insurance premiums when a Director leaves office or is no longer serving on the Board of Directors.

B. Dental Insurance

Directors, their spouses or Registered Domestic Partners and the Director's dependents are covered by a group dental insurance plan. Eligibility for participation begins on the first day of the month following sixty days of continuous service on the Board of Directors of the District. There is no cost to the Director for this benefit.

C. Vision Insurance

Directors, their spouses or Registered Domestic Partners and the Director's dependents are covered by a group vision insurance plan. Eligibility for participation begins on the first day of the month following sixty days of continuous service on the Board of Directors of the District. There is no cost to the Director for this benefit.

D. Life Insurance and Accidental Death and Dismemberment

Directors are covered by a group life insurance and accidental death and dismemberment plan (Plan). The Plan benefit for Directors is \$10,000 each until the Director reaches 75 years of age after which the Plan benefit is \$5,000 each. Eligibility begins on the first day of the month following sixty (60) days of continuous service on the Board of Directors of the District.

E. Deferred Compensation Plan / Social Security

Directors may elect to participate in the District's deferred compensation plan or have the District contribute to Social Security with the Director's compensation subject to Social Security withholding.

4. Eligible Dependents

Eligible dependents for the above insurance plans are defined as set forth in the insurance enrollment materials.

For an eligible dependent to be eligible for coverages, a copy of a marriage license, State of California Declaration of Domestic Partnerships form (NP/SF DP-1), birth certificate, or other identifying paperwork will be required.

It is the Director's responsibility to notify the Director of Human Resources, in writing upon divorce, termination of Domestic Partnership, over-age dependent, or any event that changes the status of dependency.

5. A summary of benefits and information will be provided on these plans during the new Director orientation and each year thereafter.

6. The District reserves the right and discretion to review, revise, or alter its insurance benefits, carriers, coverages and benefits provided subject to the approval of the Board of Directors.
7. The adoption and continuation of any of the insurance programs referred to in this policy are subject to and conditioned upon the District's ability to secure and maintain the required insurance coverage on terms satisfactory to the District unless mandated by law.
8. Consolidated Omnibus Budget Reconciliation Act (COBRA)

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) protects Directors and their eligible family members by allowing them to continue their health, group dental and vision insurance under the District's plan at affordable group rates for terms defined by State and Federal law. Directors are notified upon taking office of their rights under this law and it is the Director's responsibility to notify the Director of Human Resources of any qualifying event within 60 days of the event.

R 93-9-2 09/16/93; R 94-5-2 05/19/94; R 99-7-2 07/15/99; R 03-4-2 04/24/03; R 06-02-1 02/23/06; R 06-9-1 09/28/06; R 07-9-2 09/27/07; R 18-3-3 03/22/18; R 20-5-1 05/28/20; R 20-11-3 11/24/20; R 20-12-6 12/16/20; R 23-4-2 04/24/23; R 24-2-1 02/20/24;

§4020 DIRECTORS' TRAVEL & EXPENSE REIMBURSEMENT

1. PURPOSE

To advance training and professionalism, El Toro Water District (District) encourages and, with prior approval by the Board or Board President, authorizes attendance at conferences (i.e. ACWA, CSDA, WaterReuse, CASA) by its Board members (Directors). Directors may be required to travel both in and outside the state to conduct official District business. The Director's Travel & Reimbursement Policy furnishes guidelines for reimbursement for travel expenses and establishes certain procedures concerning travel authorization and documentation.

Members of the Board of Directors are encouraged to attend, with prior approval by the Board or the Board President, educational conferences and professional meetings when the purposes of such activities are to benefit the El Toro Water District. In addition, subject to prior approval of the Board or the Board President, the District encourages Directors' development and excellence of performance by reimbursing expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses and participation with professional organizations, associated with the interests of the District.

The Director's Travel & Reimbursement Policy will be reviewed annually by the entire Board of Directors at a regular monthly meeting of the Board.

2. GOVERNANCE

The District shall adhere to Government Code Sections 53232 through 53232.4 when dealing with issues of Director remuneration and reimbursement.

3. AUTHORIZED EXPENSES

- A. Reimbursement rates shall coincide with rates set by Internal Revenue Service Publication 463 or its successor publication(s).
- B. If lodging is in connection with the above or other prior approved event, such lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor. If there is no published group rate available, Directors shall be reimbursed for comparable lodging not to exceed \$600 per day.
- C. Reimbursement for lodging shall be limited to the minimum number of nights required for the Director's attendance at the event. Lodging will be reimbursed for the day before a conference, only if it is necessary to be present early the next morning or if early travel is necessary due to limited travel alternatives. Lodging on the day after a conference will only be reimbursed if attendance beyond noon of the last day of the conference is required or if travel the next day is necessary due to limited travel alternatives.
- D. Charges for local and long distance telephone calls and computer access will be reimbursed when such calls are made in conducting official District business or essential personal calls such as a "safe arrival call". There will be no reimbursement for personal telephone calls or other hotel charges not related to District business needs.
- E. A Director's spouse or other family member(s) may accompany the Director on trips authorized under this policy provided that their presence does not detract from the Director's performance of duty. However, no expenses attributable to any companion will be reimbursed by the District.
- F. If travel and lodging is in connection with the above or other prior approved event, Directors shall use government or group rates offered by the provider of transportation when available.
- G. If transportation is by commercial airline, reimbursement shall generally not exceed the standard round-trip airline economy airfare in effect at the time.
- H. Travel shall be by the most direct route. If an indirect route is used, the additional costs shall be at the Director's personal expense. Whenever air travel is used, an advance travel request shall be submitted to the Board Executive Assistant in order to obtain the lowest possible fare.

- I. If the use of the Director's personal automobile is required, the owner will be compensated for the mileage driven at the rate established by the Internal Revenue Service (IRS). Parking charges at the destination will be reimbursed with a receipt.
- J. Maximum reimbursement for car rental will be for a full-size car.
- K. Reimbursement for meals (including tips) during travel to, from and during the event, not included in the registration fee shall be limited to the minimum number of days required for attending the event. Meals will be reimbursed for the day before a conference, only if it is necessary to be present early the next morning or if early travel is necessary due to limited travel alternatives. Meals on the day after a conference will only be reimbursed if attendance beyond noon of the last day of the conference is required or if travel the next day is necessary due to limited travel alternatives.
- L. Any and all expenses that do not fall within the adopted travel reimbursement policy or the IRS reimbursable rates are required to be approved by the District's Board of Directors in a public meeting prior to the expenses being incurred.
- M. Expenses that do not adhere to the adopted travel reimbursement policy or the IRS reimbursable rates, and that do not receive prior approval from the District's Board of Directors in a public meeting prior to the expense being incurred, shall not be eligible for reimbursement.
- N. *Expenses in General and Registration* - Authorized expenses may include registration, lodging, communication (telephone, computers, fax), business meals, common carrier fares, automobile rentals, parking fees, and use of personal automobiles at the standard mileage rate permitted at the time by the Internal Revenue Service.

4. REIMBURSEMENT

- A. The District shall provide expense reimbursement report forms to Directors who attend the above functions on behalf of the District, which shall document that expenses adhere to this policy.
- B. Except when customarily no receipts are provided or available (i.e. baggage handling), receipts are required to be submitted in conjunction with the expense report form. Failure to submit necessary receipts will result in denial of the reimbursement claim.
- C. Directors attending functions consistent with the above or other prior approved events shall submit written or oral reports to the District on the meeting(s) that were attended.

- D. It is against the law to falsify expense reports. Penalties for misuse of public resources or violating this policy may include, but are not limited to, the following:
- 1 The loss of reimbursement privileges;
 - 2 Restitution to the District;
 - 3 Civil penalties for misuse of public resources pursuant to Government Code Section 8314; and
 - 4 Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code, penalties for which include 2, 3 or 4 years in prison

5. TRAVEL ARRANGEMENTS

- A. To ensure the accuracy of travel arrangements, Directors are to complete and sign the appropriate travel forms and submit them to the Board Executive Assistant or designee for processing.
- B. Travel arrangements and registrations are to be made through the Board Executive Assistant. All payment and registration requests must be submitted in a timely manner to allow sufficient time for normal processing.

6. GENERAL PROVISIONS

- A. All costs, including those pre-paid by the District prior to the Director's attendance at an approved meeting, will be listed on the Director's expense report at the end of the month in which the expenses were incurred, and wherever possible, must be substantiated with a receipt attached to the expense report.
- B. Travel related expenses for each Director are limited to \$7,000 per fiscal year. Unused portions of the Director's annual budget for this purpose cannot be carried over to a subsequent budget period. No further reimbursements will be made to any Director if their travel related expenses reach the \$7,000 limit in any fiscal year.
- C. In any situation where extraordinary travel expenses are expected to be incurred, or where this Policy does not adequately cover the situation, or would work an undue hardship, exceptions may be made with prior approval of the Board President and General Manager.
- D. Directors will submit their Travel Expense Claim Form for reimbursement to the District office within the first week, if possible of each month for the prior month's expenses. The Board President, General Manager or designated representative will approve and sign the Claim Form before request for payment can be processed. The Board President's Claim Form shall be approved by the General Manager or Assistant General Manager.

- E. When a Director is obtaining authorization for travel and is aware that the circumstances are such that the charges should not be made against their annual budget, they may request authorization from the Board of Directors or President of the Board that the charges for this activity not be charged against their annual budget.

R 97-07-2 07/31/97; R 99-07-1 07/15/99; R 03-04-2 04/24/03; R 06-02-1 2/23/06; R 11-3-1 03/24/11;
R 15-4-2 04/23/15; R 16-3-1 03/24/16; R 17-3-1 03/28/17; R 18-9-1 09/27/18; R 19-9-1 09/26/19
R 23-4-3 04/27/23; R 24-2-1 02/20/24;

§5000

ETHICS TRAINING

1. PURPOSE

- A. All Directors of the District shall receive two hours of training in general ethics principles and ethics laws relevant to public service within one year of election or appointment to the Board of Directors and at least once every two years thereafter, pursuant to Government Code Sections 53234 and 53235.2.
- B. This policy shall apply to members of all commissions, committees and other bodies of the District that are subject to the Ralph M. Brown Open Meeting Act.
- C. This policy shall also apply to the District's Legal Counsel and all staff members required in the District's Conflict Interest Code to file Form 700 with the Clerk of the Board of Supervisors of Orange County.

2. POLICY

- A. All ethics training shall be provided by entities whose curricula have been approved by the California Attorney General and the Fair Political Practices Commission.
- B. Directors shall obtain proof of participation after completing the ethics training.
- C. District staff shall maintain records indicating both the dates that directors completed the ethics training and the name of the entity that provided the training. These records shall be maintained for at least five years after Directors receive the training and are public records subject to disclosure under the California Public Records Act.
- D. District staff shall provide the Board of Directors with information on available training that meets the requirements of this policy at least once every year.
- E. Ethics training may consist of either a training course or a set of self-study materials with tests, and may be taken at home, in person or online.
- F. Any director of the District that serves on the board of another agency is only required to take the training once every two years.

FINANCIAL MATTERS

§6000 DISTRICT CLAIM PROCEDURES

In order to provide uniform handling of all claims against the District, the following procedures shall generally be followed:

1. Upon the occurrence of an event potentially leading to a cause of action against the District, the following action shall be taken:
 - A. The District's Administrative staff shall cause an incident report, identifying details of the claim, to be prepared and forwarded to the offices of JPIA, and the District's Legal Counsel.
 - B. The District's Legal Counsel, after first consulting with the District's General Manager, or their delegate, shall notify the potential claimant of the fact that the District is a public entity and of the necessity to follow the statutory claim procedures.
2. As a general rule, the District's Board of Directors will not take any action on claims that are filed. Instead, the District's Administrative staff shall forward said claims to JPIA for their appropriate handling of same. The District's Administrative Staff shall also forward copies of claims to the District's Legal Counsel.

Accordingly, at the expiration of 45-days following the presentation of any claim to the District, and in the event the Board has not acted on said claim, the District's Legal Counsel shall notify the claimant that said claim is deemed rejected by operation of law and shall provide the necessary warnings pursuant to Government Code Section 913.

3. The District's Administrative staff shall provide the Board of Directors with a quarterly status report on claims activities.

R 91-08-1 08/15/91; R 92-10-2 10/15/92; R 03-04-2 04/24/03; R 23-11-1 11/21/23

§6010 BOARD AUTHORIZATION OF FUND TRANSFERS WITH THE DISTRICT CAPITAL BUDGET

Occasionally, after the Annual Capital Budget has been adopted by the Board of Directors, the need arises to allocate funds to projects or equipment whose priority has increased or was not contemplated when the budget was adopted. When this occurs for projects or equipment costs that exceed the General Manager's purchasing authority, staff may demonstrate to the Board that funds are available by utilizing a combination of surplus funds from jobs completed during the current budget year or by the utilization of Accumulated Capital reserves. If staff is unable to reallocate funds between current projects or reserves, the Board may consider revising the adopted budget.

R 92-10-2 10/15/92; R 23-11-1 11/21/23

§6020 BUDGET POLICY

There shall be prepared, under the direction of the General Manager, a final draft Budget which shall be submitted to the Board subsequent to review and discussion of same during two Standing Ad-Hoc Budget Committee Meetings consisting of two Board Members appointed by the President and a Budget Workshop consisting of the full Board. The proposed Budget shall indicate all anticipated expenses and required reserves. The proposed Budget shall also indicate the source of all revenues to be used to meet such expenses and provide such reserves.

After considering the proposed budget and making any revisions thereto that it may deem advisable, the Board shall adopt the Budget before the beginning of the fiscal year to which the budget applies.

The adoption of the Budget shall have no effect upon appropriations for capital projects/equipment except the amount provided in the proposed Budget for same with an estimated unit cost of \$50,000 or under shall be deemed to be appropriated from the funds indicated in the Budget.

R 94-5-4 05/19/94; R 03-4-2 04/24/03; R 18-3-2 03/22/18; R 23-11-1 11/21/23

§6030 DESIGNATED STAFF CREDIT CARD ISSUANCE/USAGE POLICY

The District will issue District credit cards to designated administrative and operations staff inclusive of the General Manager, Assistant General Manager, Human Resources Manager, Chief Financial Officer, Purchasing Agent, Executive Assistant, IT Manager, Operations Superintendent, and the Public Affairs Manager. The credit cards are the property of the District and are to be used for authorized District expenditures as outlined below. The credit cards are issued in the name of the designated administrative and operations staff and are not to be loaned or otherwise used by any other individual. Upon termination of employment or at the discretion of the General Manager, District credit cards will be returned to the District and cancelled.

The credit cards are issued as a convenient means for the recipients to pay for otherwise authorized expenditures. Possession of a District credit card is not in and of itself authorization for expenditures.

Designated administrative and operations staff may use the credit cards for authorized expenditures within their respective spending limits, including the limitations placed on the credit card or with proper prior approval within any approved category or expense classification. Documentation is required for all credit card expenditures. At a minimum, documentation will include a copy of the bill or charge, proof of receipt if goods are involved and an explanation of the nature of the expenditure along with the proper general ledger classification. For expenditures, which require pre-approval, the approved administrative or field requisition should be attached. All documentation must be turned into the Accounts Payable department monthly. Expenditures without documentation will be treated as personal charges.

R 02-5-1 05/16/02; R 06-3-1 03/23/06; R 16-4-2 04/28/16; R 23-11-1 11/21/23

The District allocates its cash and investment balances into the following reserve categories.

- Restricted Reserves
- Committed Reserves
- Assigned Reserves

1. Restricted Reserves

The District is required to establish, maintain, and restrict certain Cash reserves to comply with external contractual and/or legal obligations ("Restricted Reserves"). Accordingly, the District restricts Cash from operational revenues and various other sources to fulfill the following potential Restricted Reserve obligations.

- A. Debt Covenant Reserve: Bond and Debt Indenture Agreements (including State Revolving Fund Loans) may require the District to establish and maintain certain reserve funds. These amounts may change from year to year as annual debt service requirements change, debt is retired or new debt is issued.
- B. Debt Project Reserve: Debt is typically issued by the District for specific projects and debt covenants may require the District to expend the debt proceeds within a certain timeframe or for the purposes identified in the Official Statement or loan document. Debt proceeds will be maintained in this Reserve until expended in compliance with the Debt Covenants.
- C. Capital Facilities Fee Reserve: State law requires the District to establish, maintain and separately account for Capital Facility fees collected from commercial and residential developments for improvements to the District's infrastructure. Funds are held in reserve until disbursed for the designated purpose.

2. Committed Reserves

Committed Reserves have been established by Board action and are intended to provide stability to the District's finances by establishing reserves that will be maintained unless the District is experiencing an emergency or other extreme circumstance. The Board may authorize the utilization of the Committed Reserves but a plan to replenish them will be identified when they are utilized. Any shortfalls in the Committed Reserves balances will be reported to the Board on a timely basis. The Committed Reserves include:

- A. Rate Stabilization Reserve: (7.5% to 15% of annual Operations & Maintenance expenses, excluding depreciation and interest expenses) This reserve is established to provide a source of funds when unusually wet weather or drought restrictions cause water sales to fall below levels used to prepare the budget for the year in question or when unusual conditions result in revenue shortfalls. In addition, the rate stabilization reserve will provide necessary funds in those years where budgeted revenues from all sources are not sufficient to meet budgeted expenses.

- B. Operations & Maintenance Reserve: (7.5% to 15% of annual Operations & Maintenance expenses, excluding depreciation and interest expenses) This reserve is established to provide a source of funds to ensure continual operations in challenging circumstances, such as:
1. Other revenue sources fall short of expectations. (i.e. interest income, property taxes, etc.)
 2. Budget overages are experienced; such as the need to complete major repairs to critical operating equipment when such equipment was not scheduled for major repair.
 3. SOCWA operations expenditures that exceed the budgeted amounts.
 4. Needed repairs that may be necessary to restore operations after a natural disaster. As a public agency providing a vital service to the community, the District cannot afford to be inoperable for an extended period of time.

- C. Capital Improvement Reserve: This reserve provides a funding source for the Capital Improvement Program. In addition, the reserve serves as a source of funds to meet construction project progress payments for planned or unplanned capital improvement projects for which other financing sources are not immediately adequate. Typically, capital expenditures are funded out of the current year collections of the water, sewer and recycled water Capital Charge. To the extent that the current year Capital Charge collections are not sufficient to cover capital expenditures for a particular year, the District then relies on capital reserves. Based on historical expenditures and future revenues, the Capital Improvement Reserve is targeted to be \$3.0 million at the end of each fiscal year.

Any funds remaining in the Capital Improvement Reserve at the end of a fiscal year greater than \$3.0 million that are not allocated to the Carryover Capital Reserve, should be allocated to future capital improvement related activities (Accumulated Capital Reserve, SOCWA Capital Reserve).

- D. Working Capital Reserve: The Working Capital Reserve is intended to provide working capital for the operations and maintenance activities of the District. This Reserve will fluctuate throughout the year as revenues are received and expenses and liabilities are paid. At the end of each Fiscal Year, the District's goal is to have 7.5% to 15% of annual operations and maintenance expenses, excluding depreciation and interest, in the Working Capital Assigned Reserve. The Working Capital Reserve is the net cash remaining after the reconciled cash balance has been allocated to all of the other Reserve Balances.

The minimum total Committed Reserves has been set at \$9,300,000 as noted below. Interest earned on those funds held in reserve will be deemed unreserved and be utilized as a source of revenue to meet the needs of the operating budget. If the Board of Directors authorizes the General Manager to utilize a Committed Reserve balance and the balance is less than the minimum level established by this policy, the reserves will be replenished, to the extent available, from operating revenues or other revenue or cash

flow sources as required. If operating revenues or other revenues or cash flow sources are not immediately sufficient to replenish any reserve that has been drawn below the minimum reserve level, the General Manager shall present the Board with a plan to replenish the reserve. If, in a particular year or for multiple years, the District anticipates it will not meet the Minimum Total Committed Reserve Balance, during the budget development process, the General Manager and Chief Financial Officer will develop a plan to replenish the reserves as necessary to meet the minimum total balance and present the plan to the Board of Directors for discussion. The Committed Reserve balances shall be reported to the Board as part of the monthly financial report.

<u>Committed Reserves</u>	<u>Minimum Level</u>
Capital Improvement Reserve	\$3,000,000
Rate Stabilization Reserve	\$2,100,000
Operating Continuity Reserve	\$2,100,000
Working Capital Reserve	\$2,100,000
Total	\$9,300,000

3. Assigned Reserves

The District has established the following three categories of Assigned Reserves:

- CIP Reserves
- Water Supply Program Reserves
- Debt Service Reserves

A. CIP Reserves

CIP Reserves consist of collected Capital Charge rate revenues or other capital funding sources that are allocated to capital projects.

The General Manager is authorized to create, amend, or close CIP Reserves provided such action does not impair any obligation that has been incurred by the District. Any remaining cash in a CIP Reserve that is closed will be returned to another CIP Reserve. The following CIP Reserves include:

1. Carryover Capital Projects Reserve – This Reserve is for capital budget items from prior years that were not completed but are intended to be completed in a future Capital Budget. The revenue for these projects was collected from the Capital Charge rates in the year in which the project was budgeted and is therefore allocated to this reserve to maintain budget funding for the project.

2. Accumulated Capital Reserve – This Reserve is cash that has been accumulated from capital budget items that were either cancelled or completed under budget and therefore had cash remaining at the end of the project. The Accumulated Capital Reserve is intended to provide resources for capital projects that may exceed their initial budget or for necessary capital projects that are unanticipated but need to be funded prior to the next fiscal year budget.
3. SOCWA Capital Projects Reserve – This Reserve is intended to provide stability to the District’s finances by accumulating cash in anticipation of future SOCWA capital obligations. The District is contractually required to pay a portion of SOCWA capital projects but in certain years the District’s obligation may exceed the entire Capital Facilities revenue received in that year. The SOCWA Capital Projects Reserve accumulates cash reserves in anticipation of these future SOCWA capital obligations.
4. Revenue Bond Unrestricted Reserve – This reserve accumulates cash recovered from partners in certain bond funded projects. This reserve is not subject to the timing restrictions of the Debt Project Reserve. The Revenue Bond Unrestricted Reserve will be used to supplement the Debt Project Reserve in the funding of significant infrastructure capital projects.
5. Current Year Capital Working Capital Reserve – During the course of a fiscal year, the Current Year Capital Working Capital Reserve will accumulate resources (primarily from Capital Charge revenues) and pay capital expenditures for the current year Capital Improvement Program. At the end of each fiscal year, the General Manager, working with the Finance Department, will allocate any remaining capital budget to the Carryover Capital Reserve for those projects or purchases that will be completed in future years or to other CIP Reserves as appropriate.

B. Water Supply Program Reserve

The Water Supply Program Reserve is made up of funds collected through the District’s tiered rates. The amount of this reserve varies based upon Tier III and Tier IV water sales less the water supply and delivery rate component. This reserve is established to provide a source of revenue to fund Water Use Efficiency efforts and development of Water Supply Resources as follows:

1. The Water Use Efficiency program inclusive of personnel, outreach, newsletters, website support, consultant support and any other efforts dedicated to supporting, encouraging and promoting water use efficiency and water conservation.
2. To enhance, expand and/or add to water use efficiency rebate programs the District participates or initiates.
3. To fund the investigation, study, design and construction of Recycled Water Treatment and Delivery Projects.

4. To fund supplemental revenue as necessary to balance the revenues and operational expenses of the Recycled Water Enterprise.
5. To fund the investigation, study, design and construction of Supplemental Potable Water Supply Projects.

C. Debt Service Reserve

Baker Funding Reserve – This Reserve accumulates a portion of the revenue generated from the Water Capital Facility Charge which is used to fund the debt associated with the Baker Water Treatment Plant project. Beginning with the 2021-2022 Budget, this amount will increase through 2025-2026 to eventually fully fund the Baker Water Treatment Plant Debt Service. This portion of the Water Capital Facility Charge revenue is accumulated in the Baker Funding Reserve to be used when the Baker Water Treatment Plant loan payments are due.

R 94-6-1 06/16/94; R 95-2-2 02/12/95; R 96-7-1 07/18/96; R 97-6-5 07/19/97; R 98-6-1 06/18/98;
R 99-6-1 06/17/99; R 00-6-3 06/22/00; R 01-6-2 06/21/01; R 03-4-2 04/24/03; R 04-5-1 05/27/04;
R 06-9-1 09/28/06; R 11-3-2 03/24/11; R 12-3-1 03/22/12; R 13-3-1 03/28/13; R 15-4-1 04/23/15;
R 16-4-1 04/28/16; R 17-3-2 03/28/17; R 20-4-1 04/20/20; R 21-5-1 05/24/21; R 22-7-1 07/25/22;
R 23-12-2 12/21/23

§6050 DEBT MANAGEMENT POLICY

POLICY STATEMENT

This policy documents the El Toro Water District (“ETWD” or the “District”) goals for the use of debt instruments and provides guidelines for the use of debt for financing the District’s infrastructure needs. While capital programs are primarily funded by reserves in accordance with the District’s existing practice and while the District intends to limit long-term borrowing to capital improvements or projects that cannot be financed from current revenues, the District will evaluate on a case-by-case basis the merits of debt financing as part of the successful implementation of its goals and objectives.

ETWD’s primary objective when issuing debt is to respond to and provide for the infrastructure and capital project needs of its customers while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District-held debt proceeds and makes debt service payments, acting with prudence, diligence, and attention to prevailing economic conditions.

ETWD will endeavor to pay for all infrastructure and other projects from a combination of current revenues, user fees (rates), use of available reserves on a pay-as-you-go basis and prudently issued debt. The pay-as-you-go method (using current revenues to pay for long-term infrastructure and other projects) may be the preferred means of financing when sufficient revenues and reserves are available as it avoids interest expense. It is ETWD’s intent to issue debt only when necessary to meet the capital improvement costs which exceed amounts reasonably available through pay-as-you-go funding, where a dedicated use-based revenue stream is attached to the project. The District believes that upon approval by its Board the issuance of debt can provide not only an equitable means of financing projects but also access to new capital that is needed for future infrastructure and project needs. Debt will be used to finance projects if: (i) there is an identified source

of repayment, (ii) the debt meets the goals of equitable treatment of all customers, both current and future, including the concept of inter-generational equity, (iii) the debt is the most cost effective means available, and (iv) it is fiscally prudent, responsible, and diligent under the prevailing economic conditions.

1. PURPOSE OF POLICY

ETWD's debt management policy is designed to:

- A. Establish parameters for issuing debt;
- B. Provide guidance to decision makers with respect to options available to finance infrastructure and other capital projects so that the most prudent, equitable and/or cost-effective method of financing can be chosen;
- C. Document the objectives to be achieved by staff both prior to issuance and subsequent to issuance;
- D. Promote objectivity in the decision-making process; and
- E. Facilitate the financing process by establishing important policy decisions in advance.

When issuing public debt, ETWD will adhere to the following legal requirements:

- A. The state law which authorizes the issuance of the debt;
- B. The federal and state laws which govern the eligibility of the debt for tax-exempt status;
- C. The federal and state laws which govern the issuance of taxable debt; and
- D. The federal and state laws which govern disclosure, sale and trading of the debt.

2. GENERAL PROVISIONS

- A. ETWD will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting and rate setting process.
- B. Necessary appropriations for annual debt service requirements will be routinely included in ETWD's annual budget.
- C. The District will maintain proactive communication with the investment community, rating agencies, credit enhancers and investors, as needed and if applicable, to ensure future capital market access at the lowest possible rates.
- D. ETWD utilizes a Capital Improvement Plan ("CIP") to determine its long-term infrastructure and other project needs with a specific emphasis on the next 5 years. The District's CIP is reviewed and adjusted annually. ETWD evaluates each project in relation to established levels of reserves, current rate structure, expected asset life/replacement timeline, and available revenue sources to ensure that adequate financial resources are available to support the District's financial obligations.

- E. ETWD's Cash Reserve Policy and Investment Policy are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such the following principles outline the District's approach to debt management:
1. ETWD will evaluate funding for each capital project on a case-by-case basis. The District will assess whether to pay for such projects from current revenues and available reserves prior to or in combination with the use of debt. In general, debt will only be issued when necessary to meet the CIP costs which exceed amounts reasonably available through pay-as-you-go funding, where a dedicated use-based revenue stream is attached to the project.
 2. ETWD will not issue debt to cover operating or minor routine repair and replacement needs.
 3. ETWD will issue debt only in the case where there is an identified source of repayment. Bonds will be issued to the extent that (i) projected existing revenues and reserves are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
 4. Rates and charges will be set at adequate levels, which are fair and nondiscriminatory, to generate sufficient revenues to pay all operation and administration expenses, to maintain sufficient operating reserves, and to pay debt service costs.

3. CONDITIONS FOR DEBT ISSUANCE

The following guidelines formally establish parameters for evaluating, issuing, and managing ETWD's debt to promote sound financial management.

In issuing debt, ETWD's objectives will be to:

- Achieve the lowest cost of capital;
- Ensure ratepayer equity;
- Maintain high credit ratings and access to credit enhancement, if applicable, and
- Preserve financial flexibility.

A. Standards for Use of Debt Financing

When appropriate, ETWD will use long-term debt financing to achieve an equitable allocation of capital costs/charges between current and future customers, to provide more manageable rates in the near and medium term, and to minimize rate volatility.

ETWD shall not construct or acquire a project if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the project throughout its expected life.

Capital projects financed through debt issuance will not be financed for a term longer than the expected useful life of the project.

B. Financing Criteria

Each debt issuance should be evaluated on an individual basis within the framework of ETWD's Long Term Finance Projection, as well as within the context of ETWD's overall financing objectives and current market conditions.

ETWD will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

1. *Credit Enhancement* – ETWD will consider the use of credit enhancement on a case-by-case basis if and as applicable. Only when clearly demonstrable savings can be realized shall credit enhancement be utilized.
2. *Cash-Funded Reserve vs. Surety* – If the issuance of debt requires a cash-funded Debt Service Reserve Fund, then ETWD may purchase a surety policy or replace an already existing cash-funded Debt Service Reserve Fund when deemed prudent and advantageous. ETWD may permit the use of guaranteed investment agreements for the investment of reserve funds pledged to the repayment of any ETWD debt when it is approved by the Board.
3. *Call Provisions* – In general, ETWD's securities should include optional call provisions. ETWD will avoid the sale of non-callable, long-term fixed rate bonds, absent careful evaluation of the cost and value of the call option.
4. *Additional Bonds Test/Rate Covenants* – The amount and timing of debt issuance will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and these policies.
5. *Short-Term Debt* – ETWD may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing or future bond issues.
6. *Variable Rate Debt* – Variable rate debt products can take various forms. Some products are rolling series of short-term investments that are resold periodically and others are long-dated with adjustable interest rates. Each product is priced at the short-end of the yield curve. Variable rate debt may be appropriate for the District's portfolio, especially in an environment where increased interest earnings on invested funds offset the increased cost of variable rate debt. Variable rate debt products include variable rate demand obligations, commercial paper, and short-term notes. The District may consider the use of variable rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In determining to use variable rate debt, the District will consult with its Municipal Advisor to analyze the benefits and risks associated with the variable rate debt products, including derivative products.

7. *Investment of Bond Proceeds* – Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction, unless further restricted or limited in ETWD’s Investment Policy. ETWD will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position and evaluating alternative debt structures and refunding savings on a “net” debt service basis, where appropriate.

C. Refinancing Outstanding Debt

The Chief Financial Officer in consultation with the General Manager and the Board, as applicable, shall have the responsibility to evaluate potential refunding opportunities. ETWD will consider the following issues when analyzing potential refinancing opportunities:

1. *Debt Service Savings* – ETWD shall establish a target savings level greater than or equal to **3%** of the par of debt refunded on a net present value (NPV) basis for current refundings and **5%** for advance refundings. These figures will serve only as a guideline; ETWD shall evaluate each refunding opportunity on a case-by-case basis. In addition to the savings guideline, the following shall be taken into consideration:

- The remaining time to maturity;
- Size of the issue;
- Current interest rate environment;
- Annual cash flow savings; and
- The value of the call option.

The decision to take all savings upfront or on a deferred basis will be reviewed and ultimately approved by the General Manager in consultation with the Board, as applicable.

2. *Restructuring* – ETWD may seek to refinance a bond issue on a non-economic basis, in order to restructure debt, to mitigate irregular debt service payments, accommodate revenue shortfalls, release reserve funds, or comply with and/or eliminate rate/bond covenants.
3. *Term/Final Maturity* – ETWD may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is legal. The term of the bonds shall not extend beyond the reasonably expected useful life of the asset being financed. ETWD may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of inter-generational equity should guide these decisions.

4. *Economic versus Legal Defeasance* – When evaluating an economic versus legal defeasance, ETWD shall take into consideration both the financial impact on a net present value basis as well as the rating/credit impact. ETWD shall take all necessary steps to optimize the yield on its refunding defeasance escrows investments and avoid negative arbitrage. A defeasance escrow is efficient if the yield on the defeasance escrow is as close as possible (i.e., generally less than 100th of a basis point) to the arbitrage yield on the refunding bonds. The Chief Financial Officer will select the appropriate defeasance securities.

D. Outstanding Debt Limitations

Prior to issuance of new debt, ETWD shall consider and review the latest credit rating agency reports and guidelines, if applicable, and/or projected future credit ratings, if applicable, to ensure ETWD's financial flexibility remain at levels consistent with the most highly-rated comparable public agencies.

E. Method of Issuance

ETWD will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation. Unless otherwise recommended, the District shall issue debt through a negotiated sale.

1. *Competitive Sale* – In a competitive sale, ETWD's bonds shall be awarded to the bidder providing the lowest true interest cost ("TIC"), as long as the bid adheres to requirements set forth in the official notice of sale.
2. *Negotiated Sale* – ETWD recognizes that some bond issues are best sold through negotiation with a selected underwriter. ETWD has identified the following circumstances below in which this would likely be the case:
 - Issuance of variable rate or taxable bonds;
 - Complex structures or credit considerations (such as non-rated bonds), which require a strong pre-marketing effort;
 - Significant par value, which may limit the number of potential bidders;
 - Unique/proprietary financing mechanism (such as a financing pool), or specialized knowledge of financing mechanism or process;
 - Market volatility, such that ETWD would be better served by flexibility in the timing of its sale in a changing interest rate environment;
 - When an underwriter has identified new financing opportunities or presented alternative structures that financially benefit ETWD; and

- As a result of an underwriter's familiarity with the project/financing, that enables ETWD to take advantage of efficiency and timing considerations.
3. *Private Placement* – From time to time ETWD may elect to issue debt on a private placement basis. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable or inefficient at the given point in time and timing considerations require that a financing be completed.

F. Market Communication, Debt Administration and Reporting Requirements

1. *Rating Agencies* – Once ETWD has established a credit profile, the General Manager, or his (her) designee, shall be responsible for maintaining ETWD's relationships with Standard & Poor's Rating Services, Fitch Ratings and Moody's Investors Service, as applicable. ETWD may, from time to time, choose to deal with one, two, or all of these agencies as circumstances dictate. In addition to general communication, the General Manager shall: (1) communicate with credit analysts at least once each fiscal year or as requested by the rating agencies and (2) prior to each competitive or negotiated sale, offer conference calls with agency analysts in connection with the planned sale.
2. *Observance of Debt Covenants* – The General Manager shall periodically, and at least annually, ensure that ETWD is, and is expected to remain, in compliance with all legal covenants for each debt issue.
3. *Board Communication* – The General Manager shall include in an annual report to the Board feedback from rating agencies and/or investors and the District's independent auditor regarding ETWD's financial strengths and weaknesses and recommendations for addressing any weaknesses.
4. *Continuing Disclosure* – ETWD shall remain in compliance with Rule 15c2-12(b)(5) by filing its annual financial statements and other financial and operating data for the benefit of its bondholders as covenanted in each applicable debt issue's Continuing Disclosure Agreement.
5. *Record-Keeping* – A copy of all debt-related records shall be retained at ETWD's offices. At minimum, these records shall include all official statements, bid documents, bond documents / transcripts, resolutions, trustee statements, leases, and title reports for each ETWD financing (to the extent available). To the extent possible, ETWD shall retain an electronic copy of each document.

6. *Arbitrage Rebate* – The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code Arbitrage Rebate Requirements. The General Manager shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation and that if a rebate payment is due, such payment is made in a timely manner.
7. *State Reporting Requirements* – Pursuant to Government Code section 8855(k), the District will submit annual debt transparency reports for any debt for which it has submitted a report of final sale on or after January 21, 2017 every year until the later date on which the debt is no longer outstanding and the proceeds have been fully spent. Pursuant to Government Code Section 5852.1, the District shall disclose specified good faith estimates in a public meeting prior to the authorization of the issuance of debt.
8. *Internal Controls* - In order to comply with CDIAC rules and regulations promulgated pursuant to SB 1029, the following internal controls shall be followed:

The Chief Financial Officer, or duly appointed designee, and the District's designated project manager for the project shall share responsibility to assure that disbursements are made only after each request for disbursement is substantiated with appropriate invoices, requisitions and other supporting documentation. Each of the aforementioned shall thoroughly review any request for disbursement and may request further documentation as may be deemed appropriate.

Proceeds of any Debt shall be managed and accounted for in accordance with its governing documents and this Policy. No disbursements shall be made without the written approval of the Chief Financial Officer, or designee. All draw requests shall be provided to the District by the designated project manager for the project with the consent of the Chief Financial Officer, or designee. Approval shall only be provided when the Chief Financial Officer, or designee, is in receipt of all appropriate certifications with supporting invoices from suppliers and or contractors evidencing appropriate expenses in connection with the project.

R 22-1-2 01/24/22; R 23-12-2 12/21/23

§6060 CAPITALIZATION POLICY FOR CAPITAL ASSETS

1. PURPOSE OF POLICY

To establish an accounting policy for capitalizing significant capital expenses, including land purchases, land improvements, building construction and improvements, infrastructure construction and improvements, and the purchase of vehicles and equipment.

A capital asset is defined as property, infrastructure, or equipment that meets all of the following requirements:

- A. The asset is tangible and complete.
- B. The asset is used in the operation of the District.
- C. The asset has a useful life of at least five years.
- D. The asset is of significant value, as noted below.

The District will regard the purchase of software programs as fixed assets subject to this capitalization policy if those software programs meet the capitalization requirements and will depreciate the software in accordance with the depreciation procedure included in this document. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.

Capital assets can be acquired through donation or purchase, or can be constructed or consist of significant improvements to an existing asset. The asset value for donations will be the fair market value at the time of the donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The cost of constructed or improved assets will include all costs of engineering, design, construction and installation. For a financed project, interest during the construction period will be capitalized.

The District will capitalize assets when the cost of the asset (including installation) is \$25,000 or more. For assets acquired or constructed by the District where the cost is less than \$25,000 for individual components but the aggregate total is \$25,000 or more, such assets will be capitalized.

2. REPAIRS AND MAINTENANCE

Repair and maintenance expenses that keep assets in ordinary efficient operating condition and do not add to the value or prolong the life of the asset will be considered ordinary expenses. All repair and maintenance expenses should be charged to the appropriate expense account when incurred.

3. DEPRECIATION POLICY

The “straight line” method of depreciation should be utilized to depreciate capital assets, except for land, over the estimated useful lives of the related assets principally as follows:

<u>Asset Category</u>	<u>Estimated Useful Life</u>
Building	25 to 40 years
Vehicles	5 to 25 years
Office Furniture & Equipment	5 to 10 years
Computer Software	3 to 5 years
Land Improvements	20 to 50 years
Water Facilities	
Reservoir	100 Years
Transmission & Distribution	20 to 60 years
Filtration Plant	30 to 40 years
Other Plant & Equipment	5 to 15 years
Sanitation Facilities	
Collection & Transmission	15 to 50 years
Treatment & Disposal Plant	15 to 30 years
Other Plant & Equipment	5 to 15 years

Depreciation will be calculated utilizing the “Zero-Year convention.” Under this convention, an asset is treated as though it were placed in service in the first month of the fiscal year following the year in which it was acquired or constructed. In the year the asset is disposed, a full year’s depreciation expense will be recognized.

4. DISPOSITION OF ASSETS

When capital assets are sold or otherwise disposed of, Capital Assets should be relieved of the cost of the asset and the associated accumulated depreciation. Assets will be removed from the books and records on a periodic basis in conjunction with an updating of the capital assets books and records. The appropriate depreciation will be taken for the year of disposal.

For additional information see Policy Statement 1997-15 (IV), Disposal of Surplus Personal Property.

R 10-7-1 07/01/10; R 21-10-1 10/28/21; R 23-12-2 12/21/23

§6070 DISPOSAL OF SURPLUS PROPERTY

1. APPLICATION OF POLICY

This Policy applies to the disposal of surplus personal property. This Policy shall not apply to the disposition of surplus real property which is subsequent to the notification and disposition procedures set forth in Government Code Section 54220 et seq.

2. DISPOSAL OF SURPLUS PERSONAL PROPERTY

Any personal property belonging to the District which, in the opinion of the General Manager, is no longer required for the use of the District may be sold, or exchanged as part payment for the purchase of new equipment of like kind and nature, such sale or exchange to be made under such procedure, at such prices and upon such terms and conditions, as the General Manager may prescribe.

3. ACCEPTABLE BIDDERS ON DISPOSAL OF SURPLUS PERSONAL PROPERTY

District directors and the selected employees noted below, their spouses and dependent children may not bid on or otherwise purchase surplus personal property (as noted) from the District under any terms and conditions.

<u>Title</u>	<u>Type of Property</u>
Directors -----	All property
General Manager-----	All property
Assistant GM -----	All property
Chief Financial Officer -----	All property
Director Engineering-----	All property
Purchasing Agent -----	All property
Senior Mechanic-----	Vehicles
Information Technology Manager-----	Computer Equipment

INVESTMENT POLICY**1. Policy**

It is the duty of the El Toro Water District ("ETWD" or the "District") to invest ETWD funds in a manner that is consistent with safe and prudent management to maximize yield while preserving safety and liquidity. Cash in excess of immediate operating requirements shall be invested in institutions meeting all legal requirements for the deposit of public funds.

The primary objectives of this Investment Policy are to maintain a mix of investments that:

- A. Preserves the safety of the District's funds;
- B. Provides liquidity to meet the daily cash flow needs of the District;
- C. Obtains the highest return on investments available after ensuring the safety and liquidity of the District's funds.

2. Scope

This Investment Policy applies to all financial assets of ETWD. These funds are accounted for in ETWD's Books & Records and Annual Financial Report and include:

- A. General Funds
- B. Capital Project Funds
- C. Other Funds as Approved by the Board

Bond proceeds shall be invested in the securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this policy, the percentage or dollar portfolio limitations listed elsewhere in this policy do not apply to bond proceeds. In addition to the securities listed in Section 8.0, bond proceeds may be invested in a structured investment product if approved by the Chief Financial Officer.

3. Standard of Care

The Standard of Care to be used by all participants in the investment process shall be the "Prudent Investor Standard" as set forth in Government Code Section 53600.3 and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of ETWD. Investments shall be made in a manner that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and like aims.

Investment Officers acting in accordance with this written procedure and Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and that appropriate action is taken to control adverse developments. Collectively, the General Manager and the Chief Financial Officer are hereby defined as Investment Officers.

4. **Objective**

In accordance with Government Code Section 53600.5, the primary objectives, in priority order, for ETWD's Investment activities shall be as follows:

- a. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of ETWD funds shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities are minimal in comparison to the overall portfolio and do not exceed the income generated from the remainder of the portfolio.
- b. **Liquidity:** ETWD's investment portfolio will remain sufficiently liquid to enable ETWD to meet all reasonably anticipated operating requirements.
- c. **Return on Investment:** ETWD's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account ETWD's investment risk constraints and the cash flow characteristics of the portfolio.

5. **Delegation of Authority**

Authority to manage ETWD's Investment Program is derived from the approval of Resolution 85-3-1 which adopted the Investment Policy as well as a series of superseding resolutions adopting periodic updates to the Investment Policy. Management responsibility for the program is hereby delegated to the Chief Financial Officer of ETWD until such time as the Board may decide to change the delegation of management responsibility. The Chief Financial Officer, through the approval of this Investment Policy, has established procedures for the operation of the Investment Program. No person may engage in an investment transaction except as provided under the terms of this policy and other procedures that may be established by the Chief Financial Officer.

As authorized by the Board of Directors, ETWD may engage an Investment Advisor to assist with its investment program. The Investment Advisor shall be responsible for all transactions undertaken. Investments made by the Investment Advisor will conform to this Policy and the limitations of the Government Code. The Chief Financial Officer shall provide monitoring and oversight of the investments made by the Investment Manager.

6. Ethics and Conflicts of Interests

Investment Officers, Board Members and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Board Members and employees involved in the investment process shall disclose to the General Manager any material financial interests in financial institutions that conduct business with the District, and they shall further disclose any personal financial/investment positions that could be related to the performance of ETWD's portfolio. Affected Employees and Investment Officers shall sub-ordinate their personal investment transactions to those of ETWD, particularly with regard to the time of purchases and sales. The General Manager Chief Financial Officer, affected employees, and the Investment Advisor, if one is used, will be required to prepare an Annual Conflict of Interest Statement (FPPC Form 700).

7. Authorized Financial Institutions

No public deposit shall be made except in a qualified public depository as established by state laws.

If Broker/Dealers are required to complete a transaction, they should be associated with Primary Dealers. For transactions initiated through the Investment Advisor, the firm may use their own list of approved Broker/Dealers and financial institutions, which it will maintain and review periodically.

8. Authorized and Suitable Investments

Sections 53600 et. seq. of the California Government Code provides basic investment limits and guidelines for government entities. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence.

- A. U.S. Treasury Instruments.** United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the full faith and credit of the United States is pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio invested in this category.
- B. Federal Agency and Instrumentality Securities.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio invested in this category.
- C. Supra-nationals.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a

maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by a Nationally Recognized Statistical Rating Organization (“NRSRO”) and shall not exceed 30% of the portfolio.

- D. Municipal Debt.** Registered treasury notes or bonds of any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in a rating category of “A” or its equivalent or better by an NRSRO. A maximum of 10% of ETWD’s portfolio may be invested in this category.

- E. Medium-Term Notes.** Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of “A” or its equivalent or better by an NRSRO. A maximum of 30% of ETWD’s portfolio may be invested in this category.

- F. Asset-Backed Securities.** Asset-backed securities include mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, and consumer receivable-backed bonds. For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivision (A) or (B) above, the following limitations apply:

1. The security must be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of 5 years or less.
2. A maximum of 20% of the portfolio may be invested in this category.

- G. Commercial Paper.** Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions:

1. Is organized and operating in the United States as a general corporation

2. Has total assets in excess of five hundred million dollars (\$500,000,000)
3. Has debt other than commercial paper that is rated in a rating category of "AA" or its equivalent or better by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10% of the outstanding paper of an issuing corporation.

A maximum of 25% of ETWD's portfolio may be invested in this category.

H. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions which have long-term debt rated in a rating category of "A" or its equivalent or better by an NRSRO; and/or have short-term debt rated "A-1" or its equivalent or better by an NRSRO. A maximum of 30% of ETWD's portfolio may be invested in this category.

I. Placement Service Deposit. Deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by Federal Deposit Insurance. A maximum of 30% of ETWD's portfolio may be invested in this category.

J. State of California's Local Agency Investment Fund (LAIF). If ETWD has funds invested in LAIF, ETWD shall maintain on file LAIF's current investment policy and its requirements for participation, including limitations on deposits or withdrawals. In addition, ETWD's investments in LAIF should be reviewed periodically. A maximum of \$30 million dollars may be invested in the State pool.

K. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following). The company shall have met either of the following criteria:

1. Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.
2. Retained an investment adviser registered or exempt from registration with the SEC with not less than 5 years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

A maximum of 10% of ETWD's portfolio may be invested in this category.

- L. California Asset Management Program (CAMP).** If ETWD has funds invested in CAMP, ETWD shall maintain on file CAMP's current investment policy and its requirements for participation, including limitations on deposits and withdrawals. In addition, ETWD's investments in CAMP should be reviewed periodically. A maximum of 60% of ETWD's portfolio may be invested in this category.
- M. Bank Deposits.** FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") or other bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. To be eligible to receive ETWD deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq.

The Chief Financial Officer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. ETWD shall have a signed agreement with any depository accepting ETWD funds per Government Code Section 53649. The maximum maturity of TCDs is one (1) year and the District should limit its investment in a TCD to \$250,000 per institution to protect the investment through FDIC insurance unless a collateral agreement covering the TCD is in place with the Institution. A maximum of 20% of ETWD's portfolio may be invested in TCDs.

9. Safekeeping and Custody

All cash and securities in ETWD's portfolio, including those that are being managed by the Investment Advisor, shall be held in ETWD's name. All deliverable securities shall be held by a third-party bank trust department, acting as agent for the ETWD under the terms of a custody agreement executed by the bank and ETWD. If an Investment Advisor is used by ETWD, they may never take possession of ETWD's cash or assets.

All deliverable securities will be received and delivered using standard delivery-versus-payment (DVP) procedures. ETWD's third-party bank trust department will only release payment for a security after the security has been properly delivered. The only exception to the foregoing shall be depository accounts and securities purchases made with (i) local government investment pools; (ii) bank deposits; and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held by ETWD.

10. Diversification

The purpose of Diversification is to reduce overall portfolio risks while obtaining Market Average Rates of return and avoiding losses. The investment portfolio shall be diversified among security types, issuers and maturities to prevent

incurring unreasonable and avoidable risks regarding specific security types, individual financial institutions or maturity segments. In addition to the percentage limitations specified in Section 8.0 Permitted Investments, the maximum amount of the portfolio ETWD may invest with any one issuer in the following categories (Medium-Term Notes, Asset-Backed Securities, Commercial Paper, Bankers' Acceptances, and Negotiable Certificates of Deposit) is 3%. In addition, the maximum amount of the portfolio ETWD may invest in these categories in aggregate is limited to 40%.

Percentage holding and diversification limits listed in this Policy apply at the time the security is purchased. If a holding or diversification limit listed in this Policy is exceeded due a subsequent change in this Policy or in the portfolio's size, those securities may be held to maturity while still remaining in compliance with this Policy.

11. Maximum Maturities

To the extent possible, ETWD will attempt to match its investments with anticipated cash flow requirements. The maximum maturity of individual investments shall not exceed the limits set forth in Section 8.0. Where no maturity limit is stated, no investment shall exceed a maturity of five years from the date of purchase unless the Board of Directors has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board of Directors no less than three months prior to the investment.

Reserve funds may be invested in securities exceeding (2) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

12. Internal Control

The Chief Financial Officer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

13. Performance Standards

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account ETWD's investment risk constraints and cash flow needs.

Market Yield (Benchmark): ETWD's investment strategy is active. Given this strategy, the Chief Financial Officer or the Investment Advisor, shall select an appropriate, readily available index to use as a performance benchmark.

14. Reporting

The Chief Financial Officer is charged with the responsibility of providing monthly reports to the Board. The monthly reports shall encompass all investments and monies held by ETWD, and/or under management of any outside party and shall include the type of investment, issuer, date of maturity, par and dollar amount

invested on all securities, current market value on all securities (including the source of this valuation), a statement that the portfolio is in compliance with this policy or the manner in which it is not in compliance and a statement that ETWD has the ability to meet its expenditure requirements for the next six months or an explanation as to why sufficient money may not be available. The Chief Financial Officer shall report whatever additional information or data the Board may deem necessary.

Credit Ratings Changes

In the event a security held by ETWD is subject to a rating change that brings it below the minimum credit ratings specified in this policy, the Chief Financial Officer should notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

15. Investment Policy Adoption

ETWD's investment policy shall be adopted by resolution of the ETWD's Board of Directors. The policy shall be reviewed on an annual basis by the Chief Financial Officer and the Board of Directors. Any modifications made thereto must be approved in the form of a resolution by the Board of Directors.

R 91-02-02 02/02/91; R 94-02-02 02/16/94; R 95-02-16 02/16/95; R 95-12-04 12/21/95;
R 98-02-01 02/19/98; R 00-02-01 02/17/00; R 01-15-01 11/15/01; R 02-09-01 09/19/02;
R 03-04-02 04/24/03; R 04-04-01 04/22/04; R 05-02-01 02/04/05; R 08-9-1 09/23/08;
R 11-9-3 09/22/11; R 15-9-1 09/24/15; R 16-9-1 09/22/16; R 17-9-1 09/26/17; R 20-1-3 01/21/20;
R 21-1-1 01/25/21; R 22-1-3 01/24/22; R 24-2-1 02/20/24;

§6090 ELECTRONIC FUNDS TRANSFER POLICY

1. POLICY

All Electronic Funds Transfers (EFT) payments (Wire / Bank transfers / ACH) from and between El Toro Water District (District) bank and investment fund accounts and debt service payments, will be initiated, executed and approved in a secure manner, which includes complete and proper documentation.

2. PURPOSE

To establish guidelines for the payment of expenses (Payroll and other transactions that are deemed necessary) and investment of funds via electronic funds transfer from or between the District's US Bank account and the District's investment fund accounts and making payments for the District's debt service. These transactions are infrequent in nature, require immediate and/or guaranteed funds, and generally have a negative consequence if payment is not made in a timely manner. Some transactions are more appropriately paid via wire which may include, but are not limited to:

- A. Debt service payments for long-term debt obligations
- B. Payroll transactions
- C. Investment fund accounts
- D. Other transactions that are deemed necessary

3. **RESPONSIBILITIES**

It is the responsibility of the General Manager and Chief Financial Officer/Finance Department staff to ensure the implementation and enforcement of this policy and procedure.

4. **PROCEDURE**

US Bank (Bank)

- A. Checks, ACH payments and wires are issued to and from the District's US bank account, which is the District's day-to-day operating bank.
- B. A "Request for Outgoing Wire" form, with the original authorized invoice or signed check request form, must be completed and approved by the following two authorized signers
 - General Manager
 - Chief Financial Officer
- C. A "Request for Outgoing ACH transfer" form, with the original authorized invoice or signed check request form, must be completed and approved by any of the following two authorized signers
 - General Manager
 - Chief Financial Officer
 - Accounting Supervisor
- D. The "Request for Outgoing Wire, Bank Transfer or ACH" form must include the following information:
 - Bank Name
 - Bank Address
 - ABA (American Bankers Association) Routing Number
 - Name on the Bank Account
 - Bank Account Number
 - Amount in US Dollars
 - Date of Transfer of Funds
 - Purpose/Special Instructions with backup
- E. Two designated District staff members are required to process a "Request for Outgoing Wire" form in the US bank single point system; one designator will initiate the wire and another designator will approve the wire.

The following staff members are authorized to initiate a wire transfer in the US bank single point system:

- General Manager
- Chief Financial Officer

The following District staff members are authorized to approve the wire in the US bank single point system:

- Chief Financial Officer
- General Manager

Local Agency Investment Fund (LAIF)

1. Check issuance is not permitted in the District's LAIF account.
2. LAIF is an investment pool with the District's participation governed by the District's Investment Policy.
3. Any two of the following District staff members are authorized to deposit or withdrawal from the District's LAIF account
 - General Manager
 - Chief Financial Officer
 - Accounting Supervisor
4. Transactions: Deposits are made via wire transfer or bank transfer by telephone or online secure website by the authorized District staff members. Withdrawals are conducted by telephone bank transfer with two authorized District staff members and require the following information:
 - LAIF PIN Number, Agency Name, Caller Name, Transfer Date, Deposit Amount, and Bank Name
 - LAIF can only deposit money into our US bank checking account.
 - A confirmation number will be provided after LAIF staff enters the transaction
 - LAIF staff will only accept deposits from the following District accounts
 - US bank Account
 - Staff will keep a record of the following:
 - Name of LAIF staff who took the deposit or withdrawal
 - Date and time the phone call was made
 - Effective date of the transaction
 - LAIF confirmation number
 - Name of the staff that executed the transaction

California Asset Management Program (CAMP)

1. Check issuance is not permitted from the District's CAMP account.
2. CAMP is an investment pool with the District's participation governed by the District's Investment Policy.
3. Any two of the following District staff members are authorized to deposit CAMP funds to the District's US Bank account or withdraw funds from the District's US Bank account for purposes of investment in CAMP:
 - General Manager
 - Chief Financial Officer
 - Accounting Supervisor
4. Transactions: Deposits and Withdrawals are conducted by a "Transaction Request" form.
5. CAMP staff will transfer funds, by wire or ACH, only to the District's US bank accounts.

5. INTERNAL CONTROLS

- A. Responsibilities for preparing and approving bank account reconciliations are segregated from cash receipt and disbursement functions.
- B. Responsibilities for cash receipts functions are separated from cash disbursements.
- C. Bank general ledger accounts are reconciled to the bank statements monthly, reviewed by management, and reconciling items are investigated promptly.
- D. Staff members who initiate, execute or approve wire transfers do not reconcile bank accounts.
- E. The District General Manager, Accounting Supervisor and Chief Financial Officer receive notifications via email of all wires initiated and executed in the US bank system.
- F. Use of multi-factor identification is required in the US bank System including numerous passwords and user specific security tokens.
- G. Two party authorizations (initiation and release) are required on all US bank wires.
- H. Wires, bank transfers, and checks issued are presented to the Board for review at each Finance Committee meeting.

§6100 PURCHASING POLICY

1. DEFINITIONS

The definitions contained in this section govern the interpretation of this policy.

- A. Authorized Agent – when used with respect to the District, means the General Manager or any person designated by the General Manager to have authority to solicit bids or proposals and administer the terms of an awarded contract.
- B. Authorized Approver – means any person given authority by this Policy to approve procurements as defined herein.
- C. Authorized Signer – means any person empowered by this Policy to sign bid documents, contracts, contract amendments, and change orders.
- D. Change Order – means an amendment modifying the terms of an existing contract, including price or quantity and quality ordered.
- E. Competitive Bidding – means a bidding process in which the bid solicitation is advertised as described herein.
- F. Construction – includes the erection, demolition, alteration, repair, replacement, refurbishment or relocation of buildings, infrastructure, or improvements.
- G. Contract – means any written agreement, including purchase orders, to which the District is a party.
- H. Form of Agreement – means the document evidencing the contractual relationship of the District and the successful vendor, supplier, contractor or consultant.
- I. Notice Inviting Bids – means a notice inviting proposals for entering a contract upon the terms of contract documents incorporated in said notice by reference.
- J. Notice Inviting Pre-qualification Information – means a notice inviting prospective bidders to submit information that will permit the Authorized Agent to determine in advance of issuing of a notice inviting bids that a prospective bidder is responsible to perform a proposed contract.
- K. Proposal – means an offer to enter into a contract upon the terms set forth in the contract documents.
- L. Purchase Order – means an authorization, including Field Requisitions, under which the party designated therein as vendor is to provide materials or services for which the District agrees to pay.

- M. Selective Competitive Bidding – means a bidding process in which the District solicits bids only from select pre-qualified bidders.
- N. Sole Source Contracts – means contracts issued directly to a vendor, supplier, contractor or consultant that have not been subject to a competitive bidding or selective competitive bidding process.

2. **CONTRACT DOCUMENTS**

- A. General – The contract documents shall consist of such documents as the General Manager may deem desirable in addition to those required by law.
- B. Documents Included – The contract documents may consist of, among others, a notice inviting bids, instructions to bidders, the proposal, bid sheets, contractor's licensing and qualifications statement, list of subcontractors, bidder's bond, certificates of insurance, form of agreement, performance bond, payment bond, non-collusion affidavit, notice of award, notice to proceed, general conditions, specifications and drawings.
- C. Authority to Carry out Power – Whenever award is made by the District, such award shall constitute approval of the contract documents and the Authorized Agent shall be authorized to carry out the powers described in the contract agreements on behalf of the District.
- D. Authorized Signers are hereby empowered to sign bid documents. Authorized Signers are authorized to use an electronic signature but must have their electronic signature certified prior to signing any documents. Authorized Signers include the General Manager and the Director of Engineering.

3. **REQUISITIONS AND PURCHASE ORDERS FOR EQUIPMENT, MATERIAL, SUPPLIES OR SERVICES**

Requisitions for the furnishing of equipment, material, supplies, or services may originate as a result of normal operating need or due to emergency.

- A. Requisitions for normal operating need:
 - 1. Include those purchases that originate from the Warehouse, when inventory reorder points are reached and from departments for regular operating needs, as outlined in the District's operation and maintenance budget and, capital expenditures, as outlined in the District's capital budget.
 - 2. Authorization is required by the Department Head who has budgetary responsibility for the category of expenditure.
 - i. For requisitions originating from the Operations Department, including Operations Support, Fleet Services, Pumping Operations, Transmission & Distribution, Collections, and the

Water Recycling Plant, authorization by the General Manager and/or the Operations Superintendent is required.

- ii. For requisitions originating from Engineering, authorization by the General Manager and/or the Director of Engineering is required.
- iii. For requisitions for Information Technology Resources, authorization by the General Manager and/or the IT Manager is required.
- iv. For requisitions originating from Administration, authorization by the General Manager or the Chief Financial Officer is required.
- v. For requisitions for capital items, authorization by the General Manager and/or the Director of Engineering is required.
- vi. In the absence of the General Manager, the Operations Superintendent or the Chief Financial Officer may provide authorization.

B. Requisitions due to Emergency:

1. Emergencies include those purchases that originate for unplanned, sudden and unexpected events of a serious nature requiring immediate furnishing of equipment, material, supplies, or services and where the purchase is necessary within a shorter period of time than required for a requisition in a normal operating period.
2. Due to the nature of the emergency, it may not be possible for the supervisor who has budgetary responsibility to obtain complete authorization of a requisition prior to the furnishing of equipment, material, supplies, or services. If this situation arises, an emergency purchase order number shall be issued by an Authorized Agent. At the earliest convenience, a requisition will be prepared for the emergency purchase including all of the following information: emergency purchase order number, description of and reason for the emergency purchase, vendor information and total cost. All requisitions for emergency needs issued without complete authorization must be brought back to the appropriate authorizing Officer (as described in Section 3.A.2) for approval.

C. Authorized Approvers

1. Requisitions for IT Resources, up to \$10,000, require the authorization of either the General Manager, the Chief Financial Officer, or the IT Manager. All requisitions over \$10,000 require the authorization of two of the three Approvers.

2. All other requisitions, regardless of origination, up to \$10,000 require the authorization of either the General Manager, the Chief Financial Officer, the Operations Superintendent, or the Director of Engineering. All requisitions over \$10,000 require the authorization of two of the four approvers, including either the General Manager or the Chief Financial Officer.
- D. Upon receipt of a properly approved requisition, a purchase order may be created. All purchase orders must be approved by an Authorized Approver of the District.
- E. In the event that contracts for the furnishing of equipment, material, supplies, or services exceeds 110 percent (110%) of the amount identified in the annual budget for that particular account and sufficient funds are not available within the overall operating budget, the General Manager shall report cost center variances to the Board.
- F. The General Manager shall report to the Board, on a monthly basis, details of purchases which exceed \$50,000.

4. INVOICE PROCESSING AND CHECK ISSUANCE

Once a service has been completed or material or goods have been received, vendor invoices need to be matched to the original purchase requisition or, if the invoice received is for an ongoing service for which a purchase requisition has not been created, the invoice must be approved and coded to the appropriate account.

- A. Prior to processing, invoices must be reviewed and approved by the employee who received the good, material, or service. Invoices shall be reviewed for accuracy and will then be approved by the initials or signature of the receiving employee. The expense account number(s) and/or project number(s) with the appropriate amounts will be included as part of the approval of the requisition and verified as part of the invoice approval process.
- B. In the event that invoices exceed the amount identified in the approved procurement document, the original Authorized Approver must approve a modification of the procurement document, with the new approved amount, by initials or electronic signature within the approval authority defined in Section 3.C.
- C. Employees are authorized to use an electronic signature for invoices but must have their electronic signature certified prior to signing any documents. The signatures on these documents can then be used by Accounting as authorization for payment of invoices, requisitions, or check requests.
- D. The District will issue checks for approved invoices on a regular basis as determined by the General Manager or his/her designee. Checks that are

issued by the District are required to have two signatures from either the General Manager, the Chief Financial Officer, or the Operations Superintendent. Checks may be signed electronically if the District's financial software provides the capability. Checks that are signed electronically may only be issued after an appropriate approval as defined in Section 3.

5. SELECTIVE COMPETITIVE BIDS

Before entering into a contract for the construction of facilities or for the furnishing of equipment, materials, supplies or services, the Authorized Agent should ascertain in his/her discretion, the best source of supply. In obtaining the best source of supply, the General Manager may determine, in his/her discretion, that selective competitive bidding should be utilized pursuant to a bid package developed for the particular project.

- A. The following situations will not require selective competitive bidding:
 - 1. Contracts for miscellaneous services, such as telephone, light, power and water, where rates or prices are fixed by legislation or by federal, state, county or municipal regulations;
 - 2. Contracts required during an emergency;
 - 3. If the articles are patented, copyrighted or otherwise unique;
 - 4. If within one year previous to the date of execution of a proposed contract, advertising or posting for identical articles, or articles of the same general character, has failed to secure responsive proposals, and in the opinion of the authorized agent, further advertising or posting will not alter this result
 - 5. If the purchase is with any governmental agency;
 - 6. Contracts for insurance or for services of a professional, artistic, scientific, or technical character.
- B. In the event that the General Manager deems it appropriate to procure equipment, material or services without selective competitive bidding ("Sole Source Contracts"), on projects that require the approval of the Board of Directors the Board shall be so informed and the reasons for the Sole Source contract shall be documented in the supporting material provided to the Board for the subject procurement.
- C. The notice inviting bids shall provide for the District's right to reject any and all proposals.

6. PRE-QUALIFICATIONS PROCEDURES

If the District utilizes a selective competitive bidding process in the procurement of a contract it may be necessary to pre-qualify potential bidders. The pre-qualification procedure may, in the discretion of the Authorized Agent, provide for one or more of the following:

- A. A pre-qualification procedure for determining the qualifications of potential bidders or proponents in advance of receipt of bids or proposals and that bidding or proposal solicitation, in that case, shall be restricted to bidders or proponents determined to be qualified pursuant to said procedure.
- B. In determining qualifications, the factors to consider may include, but shall not be limited to, the following:
 - 1. A bidder's or proponents experience in the design, construction, fabrication, assembly, or manufacture of works or materials similar to what will be called for under this contract;
 - 2. The experience of others with the bidder or proponent, including references from past projects, in the design, construction, fabrication, assembly, or operation of similar works or material designed, constructed, fabricated or assembled by the bidder or proponent;
 - 3. The physical plant, facilities, and equipment the bidder or proponent proposes to employ in the performance of the contract.
 - 4. The experience and expertise of a bidder's or proponents responsible managing personnel, key staff members, and other employees who would be assigned to the work if the bidder or proponent were awarded the contract;
 - 5. The extent to which any part of the contract is to be performed by subcontractors, subconsultants or suppliers;
 - 6. The financial capability and resources of the bidder or proponent to perform the proposed contract; and,
 - 7. Any other factor bearing on the responsibility of a bidder or proponent, which factors shall be set forth in the notice inviting pre-qualification information.
- C. As a result of a pre-qualification procedure, it shall be determined which bidders or proponents are responsible/qualified to perform the proposed work. Said procedures may include a time period during which a finding of responsibility/qualification shall be effective. The District may require, in its discretion, that pre-qualified bidders or proponents, bidders or proponents who have not qualified, and new bidders or proponents who need to qualify, to go through the pre-qualification process at any time and from time to time.

- D. A "Dun and Bradstreet Report" may be requested as part of the pre-qualifications procedure.

7. BONDS

- A. Every construction contract involving more than \$50,000 and any other contract as determined by the Authorized Agent shall be accompanied by separate performance and payment bonds executed by a corporate surety authorized to do business in California and approved by the General Manager. Both types of bonds shall comply with applicable legal requirements and shall be subject to approval by the General Manager or his/her designee. The performance bond shall guarantee the faithful performance of the contract by the contractor and shall be in the form and amount approved by the General Manager. The payment bond shall contain the provisions required by Civil Code Sections 3225 - et. seq. inclusive, and Sections 3247 - 3252 inclusive.
- B. Bidder's Bond. Bids submitted for construction contracts involving more than \$50,000 through selective competitive bidding may require a bidder's bond executed by a responsible corporate surety authorized to engage in such business in California, made payable to the District. Said bid security or bidder's bond shall be in an amount no less than specified in the notice inviting bids, or, if no amount be so specified, then in an amount not less than 10 percent (10%) of the amount of the bid, and shall guarantee that the bidder will, if an award is made to him in accordance with his/her bid, properly execute a contract with the District secure payment of worker's compensation, if required, and furnish satisfactory performance and payment bonds and proof of insurance coverage.

8. INSURANCE POLICIES

As deemed appropriate by the General Manager, contractors, consultants or service providers to whom a contract is awarded shall furnish satisfactory evidence that the requirements of the Insurance Code of the State of California have been observed.

- A. The construction contractor, consultant or service provider shall furnish to the District a liability insurance policy or certificate naming the District as an additional insured.
- B. The construction contractor, consultant, or service provider and all subcontractors shall cover or insure in accordance with the Workers' Compensation and Insurance Act, Division IV of the Labor Code of the State of California and any Acts amendatory thereof.
- C. The construction contractor shall provide and maintain builder's risk insurance in amounts specified by the contract.

9. SPECIFICATIONS AND DRAWINGS

- A. Specifications and necessary drawings for construction or for the furnishing of equipment, materials, supplies, or services shall be prepared by, or under the direction of the Director of Engineering responsible for seeing the work performed.
- B. Specifications, including drawings, if any, shall be sufficient to clearly describe the work required to be done, the quality and properties of materials to be furnished, the results and performance required, and the method of payment for the work done and material and equipment furnished.

10. POSTING AND ADVERTISING

- A. General – Unless waived by the General Manager, no Notice Inviting Bids for any contract subject to selective competitive bidding or competitive bidding shall be posted or advertised unless there is first prepared a complete set of contract documents detailing the agreement and the work to be performed.
- B. Advertised Projects – If the General Manager deems it appropriate to publicly advertise a competitively bid project, a Notice Inviting Bids shall be posted in a public place within the District and shall be published not less than once in a construction periodical designated by the General Manager at least five days, exclusive of Saturday, Sunday and holidays, before the time for opening bids. Alternatively, the project may be published through the Planet Bids electronic bidding platform.
- C. Projects Conducted Without Advertising – Whenever the District elects not to publicly advertise a contract or to award a contract upon competitive bidding, selective competitive bids may be obtained from three or more firms or in any other manner as the General Manager determines to be appropriate.

11. EVALUATION

The General Manager or his/her designee shall compare all bids received pursuant to any Notice Inviting Bids or other solicitation for compliance with the terms of the notice inviting bids or other solicitation and shall determine the lowest responsible bid of all those received and, when award of contract is to be made by the Board, make a recommendation in writing to the Board.

12. REJECTION OF BIDS

The Board of Directors, or the General Manager, as applicable for the particular contract, reserves the right to accept or reject any or all bids and to waive any defects in bids.

13. AWARD OF CONTRACTS

- A. By Board – Award of contracts shall be approved by the Board when the amount of the contract is over \$100,000.
- B. By General Manager – In all cases other than those referred to in Section 13a hereof, award of contracts may be made by the General Manager unless otherwise directed by the Board.

14. EXECUTION OF CONTRACTS

After award, all contracts shall be executed on behalf of the District by the General Manager unless otherwise directed by the Board. The General Manager shall also execute any subsequent contract amendments or change orders. The General Manager is authorized to use an electronic signature but must have the electronic signature certified prior to signing any documents.

15. URGENT CONTRACTS

The General Manager is delegated the authority to waive applicable procedures and to execute contracts that exceed \$100,000 and take any directly related and immediate action required by an emergency when said contracts are determined by the General Manager to be of urgent necessity, subject to the following requirements:

- A. General Manager shall report to the Board not later than its next regularly scheduled meeting the details of the emergency and reasons justifying the actions taken.
- B. At each regularly scheduled meeting following the emergency action, the Board shall determine by majority vote whether the emergency still exists and the need for authorization of the General Manager in such an emergency.

16. CHANGE ORDERS

- A. Unless superseded by provisions of the applicable contract or as otherwise directed by the Board, the following procedures shall apply to change orders:
 - 1. The General Manager is authorized to execute change orders for contracts providing for the furnishing of equipment, material, supplies, or services. Change orders are not required if the additional amount payable is for sales tax or shipping and handling charges in connection with the furnishing of equipment, material or supplies. If the amount payable is more than the contract amount but does not exceed 10% of the contract amount, a change order is not required for the furnishing of equipment, material, supplies, or services but the approval of invoices but comply with Section 4.B of this Policy. Change orders are not required if completed contracts are less than the face value of contract.

2. Change orders for professional and consulting services – Change orders are required for professional and consulting services contracts whenever the costs exceed the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than \$100,000, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 13.
3. Change orders for the construction of public works and facilities – Change orders are required for construction contracts whenever the costs vary from the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than \$100,000, or a change order that would cause the amount payable under a contract for construction of works or structure to exceed the limit established by Section 13.

17. APPROVAL BY GENERAL COUNSEL

The General Counsel shall approve, in writing, the District's standard contract form. In the event that the District's standard contract form is not applicable, the General Manager, at his discretion, may direct the District's General Counsel to review and approve any other contract form.

SERVICE AND RATE

§7000 SERVICE OUTSIDE OF DISTRICT BOUNDARIES

The El Toro Water District will not generally provide permanent water and/or sewer service outside of its legal boundaries, except in those areas in which it is already providing such services, until the new areas requesting services are legally incorporated within the boundaries of El Toro Water District. Temporary service outside District boundaries may be provided for a reasonably short period of time where appropriate financial and legal safeguards are provided.

R 24-1-2 01/25/24

§7010 CONSTRUCTION OF WATER AND SEWER CONVEYANCE FACILITIES FOR THE PURPOSE OF PROVIDING SERVICE TO NEW AND EXISTING CUSTOMERS

El Toro water District is a public entity responsible for the use and direction of public funds. Therefore, it is the responsibility of its directors and staff to coordinate the development of water and sewer conveyance facilities by which service is provided to its customers in a manner which is most cost effective. Public liability exposure and maintenance expense to its local ratepayers must be minimized while providing property owners flexibility for future development.

The following guidelines are established for the purpose of coordinating construction of facilities to provide water and sewer service to new property and to property development.

1. New Property Development

The property owner will construct, at no cost to El Toro Water District, domestic water, recycled water and sewer facilities in accordance with District standards that are required to provide service to the property and maintain the District's ability to meet existing water and sewer demands. A point of service shall be established.

Prior to construction of new facilities or alteration to the District's existing facilities, the owner shall prepare and submit for approval detailed construction plans showing extensions, modifications and connections up to and including the point of service.

2. In situations where redevelopment requires expansion and modifications to existing on-site water sewer facilities currently operated and maintained by the District, the District will convey existing easements and facilities wherever physically and economically feasible to the property owner and provide service to the property line.

Facilities required to serve the property and enable the District to meet existing water and sewer demands shall be constructed in accordance with the guidelines established for new property development.

R 24-1-2 01/25/24

§7020 PRELIMINARY STATEMENT

The following Rate Schedules (Sections 7030 – 7070) have been reviewed and approved by Resolution of the Board of Directors of El Toro Water District "District" and are the effective rates and rules of the District.

The Board of Directors may amend or cancel these rates and rules from time to time by formal procedure. The General Manager of the District shall have broad authority and discretion in the administration of these rates and rules. Said authority includes the power to grant reasonable variances when facts and circumstances warrant same.

1. TERRITORY SERVED BY THE DISTRICT

The District operates exclusively within Orange County California and provides water and sanitary sewer and recycled water service to all of the City of Laguna Woods and portions of the cities of Lake Forest, Mission Viejo, Laguna Hills, and Aliso Viejo, and miscellaneous contiguous areas as may be requested.

2. TYPES OF CLASSES OF SERVICE

The types and classes of service furnished are set forth in each rate schedule under the designation "Applicability".

3. DESCRIPTION OF SERVICE

- A. Whenever furnished for human consumption or for domestic uses, the District will endeavor to provide water that is wholesome, potable, in no way harmful or dangerous to health and, insofar as practicable, free from objectionable odors, taste, color and turbidity.
- B. The District will maintain standards for water, recycled water and wastewater services in accordance with applicable State and Federal Statutes as revised from time-to-time.

4. PROCEDURE TO OBTAIN SERVICE

Service as described herein will be furnished to any person or legal entity whose premises are within the District's service area as described in Section (1), provided applicant for service and customers conform and comply with the other established rules as provided herein or as may be adopted from time to time

1. WATER USAGE CHARGE

Applicable to all residential and potable irrigation metered water service.

Water use is charged on a Water-Budget Based Tiered Conservation Rate Structure. Water Budgets for each residential and potable irrigation customer includes an Indoor Budget and an Outdoor Budget.

Budgets are based on the following:

A. Indoor Budget

55 gallon / person / day * number of occupants * number of days in the billing cycle / 748 gallon per billing unit plus approved variances.

Occupancy is assumed to be four residents for single family detached, three residents for attached unrestricted and two residents for attached and detached restricted residential communities. Occupancy adjustments will be made where warranted.

The calculation of the Indoor budget is subject to a Drought Factor as determined by the Board. The current Drought Factor is 1.0.

B. Outdoor Budget

Landscape area * weather factor * efficiency factor / 1200 per billing unit plus approved variances.

The calculation of the Outdoor budget is subject to a Drought Factor as determined by the Board. The current Drought Factor is 1.0.

The Indoor water budget, as determined above, will be billed at Tier I (“Indoor – Efficient”) rates. The Outdoor water budget, as determined above, will be billed at Tier II (“Outdoor – Efficient”) rates. Water use in excess of the Tier I and II water budget would be deemed inefficient and/or excessive. Tier III (“Inefficient”) water use would be usage between 100% and 130% of the total Tier I and II water budget and Tier IV (“Excessive”) usage would be consumption over Tier III.

Effective July 1, 2024, Potable Water Usage Rates will be:

Tier I – Indoor – Efficient	\$3.26 / CCF
Tier II – Outdoor – Efficient	\$3.63 / CCF
Tier III – Inefficient	\$6.96 / CCF
Tier IV – Excessive	\$8.93 / CCF

2. WATER BUDGET - VARIANCE/ADJUSTMENT PROCESS

A. Adjustments

Individual water budgets are primarily based on permanent residency (occupancy) and landscape irrigation area in square feet.

B. Occupancy

In general, residency is assumed to be as follows

1. Single Family – 4 permanent residents
2. Multi-family, unrestricted (including condo, trailer parks and townhomes) – 3 permanent residents
3. Multi-family, restricted (restricted due to age limitations) – 2 permanent residents
4. Multi-family, apartments – 2 permanent residents

Customers who believe their permanent occupancy differs from the above may request an adjustment to their occupancy factor. All adjustment requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for additional permanent occupants.

Requests for additional permanent occupants will be granted based on criteria established by the General Manager.

C. Landscape Irrigation Area

Each customer's landscape irrigation area was established based on the county of Orange Assessor's parcel data, on-line parcel information, customer representations and/or independent measurements.

Customers who believe their landscape irrigation area is incorrect may request an adjustment. All adjustment requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for additional landscape irrigation area.

Requests for adjustments to landscape irrigation area will be granted based on criteria established by the General Manager.

D. Variances

Water budgets have been developed using industry standards to provide all customers with the appropriate amount of water given then current hydrological conditions. If, for any reason, a customer believes that their water budget is inadequate due to extenuating circumstances they may

request a temporary or permanent variance for additional water. All variance requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for an increase in the water budget.

Requests for temporary or permanent variances will be granted based on criteria established by the General Manager.

E. General

All requests for variance/adjustments must be in writing and signed by the customer (account holder). The District reserves the right to request additional documentation in support of the request. Approved variances/adjustments will become effective at the beginning of the billing period after approval and will remain active for a period of 24 months, at which time the customer will be required to re-confirm the circumstances surrounding the original request.

The General Manager must act upon any completed application no later than ten (10) days after submittal and may approve, conditionally approve, or deny the request for variance/adjustment. The customer requesting the variance/adjustment must be promptly notified in writing of any action taken. The decision of the General Manager will be final.

3. COMMERCIAL POTABLE WATER USAGE CHARGE

Applicable to all commercial, institutional and industrial (CII) metered water service.

Effective July 1, 2024, the uniform CII Potable Water Usage Rate will be \$3.75/CCF.

4. WATER OPERATIONS & MAINTENANCE (O&M) CHARGE

Effective July 1, 2024, the Water O&M Charges are as follows:

	<u>Per Meter Per Month</u>
5/8 inch meter	\$18.77
3/4 inch meter	\$25.68
1 inch meter	\$39.50
1 ½ inch meter	\$74.05
2 inch meter	\$143.13
10 inch meter	\$1,413.04

5. CAPITAL REPLACEMENT AND REFURBISHMENT (R&R) CHARGE – WATER

Effective July 1, 2024, the Capital R&R Charges - Water are as follows:

	<u>Per Meter Per Month</u>
5/8 meter	\$6.95
3/4 inch meter	\$10.42
1 inch meter	\$17.35
1 ½ inch meter	\$34.70
2 inch meter	\$69.40
10 inch meter	\$800.00

6. The Water O&M Charge and the Capital R&R Charge are applicable to all active general metered water service, which is added to the charge for water used during the month computed at the Water Usage Charge.

7. SPECIAL PROVISIONS

A. Life Line Rate Assistance Program

Customers providing the District with satisfactory evidence of having a household income of \$15,000 or less per calendar year may qualify for the Life Line Rate Assistance program. The Life Line Rate Assistance Program provides a waiver for the Water O&M Charge for qualified customers. In order to qualify, a customer must submit an application and Statement of Eligibility (Form 3/98 attached).

An approved application is valid for three years from the date of acceptance and is not automatically transferred or renewed.

The waiver will apply only to the customer's primary residence.

Proof of eligibility may be required.

B. Non-Registering Meters

The District may bill the customer for water consumed while the meter was non-registering. Billing will be based upon an estimate of the consumption according to the customer's prior use during the same season of the year, or upon an estimate based upon a reasonable comparison with the use of other customers during the same period receiving the same class of service under similar circumstances and conditions. Billing estimation will not exceed two consecutive billings.

§7040 GENERAL SEWER SERVICE

1. APPLICABILITY

Applicable to General Sewer Service.

2. SEWER OPERATIONS & MAINTENANCE (O&M) CHARGE/RATES

Effective July 1, 2024, the sewer O&M Rates are as follows:

<u>User Category</u>	<u>User Rate</u>	<u>Billing Unit</u>
Single Family Residential	\$39.46	\$/Month
Multi-Family Restricted	\$18.75	\$/Month
Multi-Family Unrestricted	\$28.84	\$/Month
Low Strength Commercial	\$4.62	\$/CCF
Medium Strength Commercial	\$5.75	\$/CCF
High Strength Commercial	\$10.99	\$/CCF
Restaurants	\$5.87	\$/CCF

3. CAPITAL REPLACEMENT AND REFURBISHMENT (R&R) CHARGE – SEWER

Effective July 1, 2024, the Capital R&R - Sewer Charges are as follows:

<u>User Category</u>	<u>User Rate</u>	<u>Billing Unit</u>
Single Family Residential	\$11.09	\$/Month
Multi-Family Restricted	\$5.27	\$/Month
Multi-Family Unrestricted	\$8.11	\$/Month
Commercial:		
Low Strength Commercial	\$1.30	\$/CCF
Medium Strength Commercial	\$1.62	\$/CCF
High Strength Commercial	\$3.09	\$/CCF
Restaurants	\$1.65	\$/CCF

4. Associations, Apartments, Condominiums, and other Multiple Residences

When more than one residential dwelling unit is connected to the system by single service connections (meter), the rates per residential dwelling unit, as set forth above, shall be due and payable for each and every living or dwelling unit connected to the system.

Restricted Multi-Family Residences are residences within developments, which shall, pursuant to recorded restrictions or leases, be occupied only by adults.

Unrestricted Multi-Family Residences are all residences other than Restricted Family Residences.

R 11-6-3 Effective 07/01/11; R 12-6-3 Effective 07/01/12; R 13-6-2 Effective 07/01/13;
R 14-6-2 Effective 07/01/14; R 15-7-1 Effective 08/01/15; R 16-6-2 Effective 07/01/16;
R 17-6-1 Effective 07/01/17; R 18-6-1 Effective 07/01/18; R 21-6-1 Effective 07/01/21;
R 22-7-2 Effective 08/01/22; R 23-7-2 Effective 08/01/23; R 24-6-2 Effective 07/01/24;

**§7050 COMMERCIAL, INDUSTRIAL, PUBLIC AUTHORITY AND
HOMEOWNER ASSOCIATION RECREATIONAL SEWER SERVICE**

1. APPLICABILITY

This Rate shall apply to Commercial, Industrial and Public Authority sewer service inclusive of Recreational Facilities owned by Homeowners' Associations requiring sanitary sewer services (hereinafter referred to as "Customer(s)").

2. CAPITAL REPLACEMENT AND REFURBISHMENT (R&R) CHARGE

The Capital R&R Charge is billed based on a flow charge which is determined by a combination of the quantity of domestic water delivered to the customer combined with the classification of the customer's sewage discharge into Low, Medium, High and Restaurant categories.

3. SEWER OPERATIONS & MAINTENANCE (O&M) CHARGES

- A. The O&M charge to commercial, industrial, public authority and Homeowner Association Recreational facility customers shall be based on the amount of sewage discharged into the system, the Biochemical Oxygen Demand (BOD), and the total Suspended Solids (TSS).
- B. A minimum O&M charge shall be the amount equal to the minimum flat rate O&M charge for a single family residential customer as set forth in Schedule No. 1-S.
- C. The amount of sewage discharged shall be defined and determined in accordance with one of the following methods:

Method 1:

Customer Accounts shall be classified according to the nature of the business activity conducted at the site. Each customer will be assigned to one of four categories of flow strength, Low, Medium, High and Restaurant. These categories are based on the BOD and TSS characteristics of the activity occurring at the customer's site.

The volume of sewage returning to the District's Water Recycling Plant shall be based upon the quantity of domestic water delivered to the site through a metered water service line.

- (a) The basic rate for sewer service shall apply where sewage discharge is equivalent in strength to ordinary domestic sewage. For the purpose of these rules, ordinary domestic sewage shall be defined as sewage continually having a suspended solids concentration not exceeding 300 ppm, a five-day BOD of not more than 300 ppm, and having no unusual concentration of chemicals and minerals which would have an adverse effect on the District's sewage system.
- (b) The District may require from any prospective commercial customer, and prior to commencement of service to that customer, a statement as to the quantity and quality of sewage to be discharged into its system. At the option of the District the statement will be used to any degree in determining the category of service and the charge for service to be charged to the customer. In the event there is a difference between the basis for the O&M Charge determined by the District and that received from the prospective customer, the District shall make the final determination.

Method 2:

This method shall be used only where water delivered to a customer may be used for purposes other than domestic or commercial applications and where an undetermined amount of water may not return to the sewer system.

Example: A single meter used for irrigation as well a commercial use.

In such cases a Return Factor as determined by the General Manager shall be applied to the quantity of water delivered through the customer's water meter before applying the appropriate rate for service.

Example: A basic commercial customer uses 10 ccf for domestic and irrigation purposes. The General Manager determined a return rate factor of .90. The customer's sewer O&M charge is calculated as follows:

$$10 \text{ ccf} \times .90 \text{ factor} \times \$5.75 \text{ per ccf} = \$51.75$$

4. APPEALS PROCESS FOR CLASSIFICATION INTO A FLOW CATEGORY

In the event a customer believes their account has been misclassified into a Low, Medium, High, or Restaurant flow category, the customer may appeal the District's classification.

- A. Appeals will be allowed for purposes of determining proper classification only.
- B. All appeals must be in writing and in a form acceptable to the District. Appeals are limited to one per 12-month period.
- C. Written appeals will be evaluated and acted upon by District Staff.
- D. At the District's option, the customer may be required to demonstrate (by sampling) that the strength of their actual discharge (BOD and TSS) consistently meets the requirements of a classification other than the one determined by the District, using District approved sampling methods.
- E. If sampling is required all tests must be performed by the District or by a District approved contractor/ consultant/lab.
- F. The cost associated with testing will be the responsibility of the customer. In the event the customer demonstrates to the District's satisfaction that it has been misclassified, then the District will reimburse the customer for the cost associated with the testing which allowed that conclusion.
- G. Customers may, at their cost, request re-testing at any time. All test results will be averaged and evaluated accordingly.
- H. Based on the results of sampling, if required, the Return Factor customer will be classified in the commercial rate classification, which is closest to the sample results. This may result in an increase or decrease in rates.
- I. Classification changes will become effective retroactive to the date of the original classification change, but in no event will classification changes be more than three months prior to the date of appeal, nor will rates and/or classifications be changed more than once per 12 month period.
- J. Staff classification determinations may be appealed to the Board or a committee of the Board of Directors, whose decision will be final.

5. DISCHARGE OF WASTE BRINE SOLUTION FROM WATER SOFTENERS

The District currently encourages its customers to voluntarily not use or install self-generating water softeners and conditioning appliances because these items discharge brine solution waste to the District's sewer system.

In the future, the District may adopt an ordinance prohibiting the use and installation of self-generating water softeners in accordance with applicable statutes. See Section 11686 of the Health and Safety Code of the State of California.

§7060 RECYCLED WATER SALES AND SERVICE

1. RECYCLED WATER USAGE RATES

Effective July 1, 2024, the Recycled Water Usage Rate will be \$3.27/CCF.

2. RECYCLED WATER OPERATIONS & MAINTENANCE (O&M) CHARGE

Effective July 1, 2024, the Recycled Water O&M Charges are as follows:

	<u>Per Meter Per Month</u>
5/8 inch meter	\$18.77
3/4 inch meter	\$25.68
1 inch meter	\$39.50
1 ½ inch meter	\$74.05
2 inch meter	\$143.13
10 inch meter	\$1,413.04

**3. CAPITAL REPLACEMENT AND REFURBISHMENT (R&R) CHARGE –
RECYCLED WATER**

Effective July 1, 2024, the Capital R&R Charges – Recycled Water are as follows:

	<u>Per Meter Per Month</u>
5/8 inch meter	\$6.95
3/4 inch meter	\$10.42
1 inch meter	\$17.35
1 ½ inch meter	\$34.70
2 inch meter	\$69.40
10 inch meter	\$800.00

4. The Recycled Water O&M Charge and the Capital R&R Charge are applicable to all active general metered Recycled Water service, which is added to the charge for Recycled Water used during the month computed at the Recycled Water Usage Rate.

R 12-6-3 Effective 07/01/12; R 13-6-2 Effective 07/01/13; R 14-3-1 Effective 03/27/14
R 14-6-2 Effective 07/01/14; R 15-7-1 Effective 08/01/15; R 16-6-2 Effective 07/01/16;
R 17-6-1 Effective 07/01/17; R 18-6-1 Effective 07/01/18; R 19-6-1 Effective 07/01/19;
R 20-9-1 Effective 10/01/20; R 21-6-1 Effective 07/01/21; R 22-7-2 Effective 08/01/22;
R 23-7-2 Effective 08/01/23; R 24-6-2 Effective 07/01/24;

§7070 PRIVATE FIRE PROTECTION SERVICE

1. APPLICABILITY

Applicable to water service rendered for privately owned fire protection systems other than to fire hydrants on private property.

Effective July 1, 2024, the Private Fire Operations and Maintenance Charges will be:

<u>Meter Size</u>	<u>Charge \$/Month</u>
4"	\$17.93
6"	\$25.76
8"	\$39.25
10"	\$59.55

2. SPECIAL CONDITIONS

- A. The fire protection service connection will be installed at the expense of the applicant.

- B. The minimum diameter for fire protection service will be four inches, and the maximum diameter will not be more than the diameter of the main to which the service is connected.

- C. If a distribution main of adequate size to serve a private fire protection system, in addition to all other normal services, does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed at the expense of the applicant.

- D. The customer's installation must be such as to effectively separate the fire protection system from that of the customer's regular water service.

- E. As part of the Fire Protection Service installation, there shall be a detector check or other similar device acceptable to the District, which will indicate and/or accurately measure the water flow. Water deliveries to the privately owned fire protection system shall be utilized strictly for fire protection purposes. Unauthorized uses include, but are not limited to construction, domestic, and landscape uses and water flow resulting from pipeline failures within the private fire protection system. Any unauthorized uses will be charged pursuant to the rates contained in Schedule 1-W of the District's Rules and Regulations, and/or may be grounds for the District to discontinue the Fire Protection Service without liability to the District.

- F. There shall be no cross connection between the Fire Protection System supplied with water through the District's Fire Protection Service to any other source of supply without the specific approval of the District. This specific approval will require, at the customer's expenses, a special double check valve installation or other device acceptable to the District. Any such unauthorized cross connection may be grounds for immediate disconnection of the Fire Protection Service without liability to the District.

R 03-9-1 Effective 10/01/03; R 16-6-2 Effective 07/01/16; R 18-6-1 Effective 07/01/18;
R 21-6-1 Effective 07/01/21; R 22-7-2 Effective 08/01/22; R 23-7-2 Effective 08/01/23;
R 24-6-2 Effective 07/01/24;

§7080 WATER METER AND WATER INSTALLATION CHARGES

1. Applicability

This section shall be applicable to each new meter installation and the change in size of an existing meter when performed by the District. All such changes must be approved by the District.

2. New Water Meter Installations

The developer or customer shall provide the complete service and meter box.

<u>Size of Meter</u>	<u>Charge</u>
3/4-inch	\$250.00
1-inch	\$350.00
1-1/2-inch	\$550.00
2-inch	\$750.00

3. Increase in Size of Meter Service

The charge will be determined by the District for each change requested and will be based on the established meter installation charge, less the salvage value of the materials recovered.

If the customer's rate of consumption results in excessive wear of the meter or is such that the meter is unable to measure the flow of water accurately, the District may increase the size of the meter and require payment of the actual cost of installing the new meter, not to exceed the new meter installation costs shown above.

4. Reduction in Size of an Existing Meter

Charges will be based on estimated service installation charge less the salvage value of the materials recovered.

R 83-12-3; R 03-9-1 Effective 10/10/03; R 24-7-4 Effective 07/25/24;

§7090 WHOLESALE WATER SERVICE

1. Applicability

Applicable to wholesale potable water deliveries to other public agencies.

2. Rate

The charge shall be the Municipal Water District of Orange County rate for “Treated Full Service” water.

R 84-01-1; R 03-9-1 Effective 10/10/03; R 24-7-4 Effective 07/25/24;

§7100 METERED CONSTRUCTION SERVICE

1. Applicability

Applicable to all measured water service furnished for general construction.

2. Rates

Monthly Meter/Usage Charge

Service Charge	Equal to the current 2” Water O&M Charge
Water Usage Charge	Equal to the current uniform Commercial, Institutional & Industrial Potable Water Usage Rate Per 100 cu. ft

The service charge is applicable to all metered service, which is added to the charge for water used during the month computed at the Water Usage Charge Rates.

3. Special Conditions

- A. A \$2,000.00 refundable deposit will be required on each meter.
- B. The District reserves the right to discontinue the service without notice if water is not used for a period of 15 consecutive days.

R 83-12-3; R 86-6-2; R 96-6-3; R 03-9-1 Effective 10/10/03; R 14-2-1 Effective 03/1/14;
R 24-7-4 Effective 07/25/24;

§7110

DEVELOPMENT PROCEDURES POLICY

1. Fire Flow Tests

A fire flow test provides pressure and flow data at specific fire hydrants within the District's distribution system. The data is used to assess the pressure and flow available for fire protection, sprinkler system design, mainline design, and proper sizing of domestic and/or fire service lines.

The charge to conduct a fire flow test is \$300 per test. Said charge applies regardless of whether the test is conducted by physically flowing fire hydrants or by use of the District hydraulic model.

2. Plan Check and Inspection Fees

An initial minimum plan check deposit of \$800 will be required on all projects upon submission of plans for plan check.

Prior to approval of the improvement plans by the District, the applicant shall pay the final plan check and inspection fee, which will be based on 8 percent of the estimated water and sewer infrastructure cost of the domestic water, sewer and recycled water facilities improvements calculated per the ETWD Plan Check and Inspection Fee Estimate worksheet. The Plan Check and Inspection Fee Estimate worksheet will be periodically updated by the District Engineering Department, with approval by the General Manager. The applicant will be given credit for the initial minimum plan check deposit.

The percentage and minimum fee may be revised, with Board approval, without prior notice to the applicant. Fee shall be paid prior to final approval of plans by the District.

PERSONNEL MATTERS

§8000 EMPLOYEE HANDBOOK

Incorporated by Reference

ORGANIZATION, FUNCTIONS & GENERAL PROVISIONS

§9000 FRAUD IN THE WORKPLACE

1. PURPOSE AND SCOPE

To establish policy and procedures for clarifying acts that are considered to be fraudulent, describing the steps to be taken when fraud or other related dishonest activities are suspected, and providing procedures to follow in accounting for missing funds, restitution and recoveries.

2. GENERAL

A. The El Toro Water District ("District") is committed to protecting its assets against the risk of loss or misuse. Accordingly, it is the policy of the District to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the District and, when appropriate, to pursue legal remedies available under the law.

B. DEFINITIONS

1. Fraud – Fraud and other similar irregularities include, but are not limited to:
 - a. Claim for reimbursement of expenses that are not job-related or authorized by the current Personnel Manual.
 - b. Forgery or unauthorized alteration of documents (checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.).
 - c. Misappropriation of District assets (funds, securities, supplies, furniture, equipment, etc.).
 - d. Improprieties in the handling or reporting of money transactions.
 - e. Authorizing or receiving payment for goods not received or services not performed.
 - f. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of District-owned software.
 - g. Misrepresentation of information on documents.
 - h. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.

- i. Seeking or accepting anything of material value from those doing business with the District including vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the District's Guidelines for Board Conduct policy which incorporates the Fair Political Practices Commission's regulations.
 2. Employee – In this context, employee refers to any individual or group of individuals who receive compensation, either full- or part-time, from the District. The term also includes any volunteer who provides services to the District through an official arrangement with the District or a District organization.
 3. Management – In this context, management refers to any administrator, manager, director, supervisor, or other individual who manages or supervises funds or other resources, including human resources.
 4. Internal Auditor – In this context, Internal Auditor refers to any person or persons assigned by the General Manager to investigate any fraud or similar activity.
 5. External Auditor – In this context, External Auditor refers to independent audit professionals who perform quarterly and/or annual audits of the District's financial statements.
- C. It is the District's intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, length of service or relationship with the District of any party who might be or become involved in or becomes the subject of such investigation.
- D. Each department of the District is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.
- E. The Internal Auditor, in conjunction with the District's Attorney, has the primary responsibility for the investigation of all activity as defined in this policy.
- F. Throughout the investigation, the Internal Auditor will inform the General Manager of pertinent investigative findings.
- G. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the District nor any person acting on behalf of the District shall:

1. Dismiss or threaten to dismiss the employee:
2. Discipline, suspend, or threaten to discipline or suspend the employee:
3. Impose any penalty upon the employee: or
4. Intimidate or coerce the employee.

Violations of the whistle-blower protection will result in discipline up to and including dismissal.

- H. Upon conclusion of the investigation, the results will be reported to the General Manager. The General Manager will report the results of official fraud investigations to the Board of Directors.
- I. The General Manager, following review of the investigation results, will take appropriate action regarding employee misconduct. Disciplinary action can include termination, and referral of the case to the District's Attorney's Office for possible prosecution.
- J. The District will pursue every reasonable effort, including court ordered restitution, to obtain recovery of District losses from the offender, or other appropriate sources.

3. PROCEDURES

A. Members of the Board of Directors

1. If a Board member has reason to suspect that a fraud has occurred, he or she shall immediately contact the General Manager.
2. The Board member shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the General Manager.
3. The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the General Manager in consultation with the District's Attorney and the Internal Auditor.

B. Management Responsibilities

1. Management is responsible for being alert to and reporting fraudulent or related dishonest activities in their areas of responsibility.
2. Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication

that improper activity, misappropriation, or dishonest activity is or was in existence in his or her area.

3. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
4. If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor.
5. Supervisors should inform the General Manager.
6. Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
7. Management should support the District's responsibilities and cooperate fully with the Internal Auditor, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
8. Management must give full and unrestricted access to all necessary records and personnel. All District furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
9. In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:
 - a. Incorrect accusations:
 - b. Alerting suspected individuals that an investigation is underway:
 - c. Treating employees unfairly:
 - d. Making statements that could lead to claims of false accusations or other offenses.
10. In handling dishonest or fraudulent activities, management has the responsibility to:
 - a. Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under

no circumstances should there be any reference to “what you did”, “the crime”, “the fraud”, “the misappropriation”, etc:

- b. Avoid discussing the case, facts, suspicions, or allegations with anyone outside the District, unless specifically directed to do so by the District’s Attorney:
- c. Avoid discussing the case with anyone inside the District other than employees who have a need to know such as the General Manager, Internal Auditor, or District’s Attorney or law enforcement personnel:
- d. Direct all inquiries from the suspected individual, or his or her representative, to the General Manager or District’s Attorney. All inquiries by an attorney of the suspected individual should be directed to the District’s Attorney. All inquiries from the media should be directed to the General Manager:
- e. Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with Human Resources, in conformance with the District’s Personnel Policies and Procedures.

C. Employee Responsibilities

- 1. A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee’s supervisor for reporting to the proper management official.
- 2. When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management and/or the General Manager.
- 3. The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the General Manager, Internal Auditor, District’s Attorney or law enforcement personnel.

D. Internal Auditor Responsibilities

- 1. Upon assignment by the General Manager, the Internal Auditor will promptly investigate the alleged fraud.
- 2. In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Internal Auditor, in consultation with the District’s Attorney, will contact the Sheriff’s Department. Reports of suspected fraud activity to the Sheriff’s Department will subsequently be reported to the Board of Directors.

3. The Internal Auditor shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.
4. If evidence is uncovered showing possible dishonest or fraudulent activities, the Internal Auditor will proceed as follows:
 - a. Discuss the findings with the General Manager.
 - b. Advise the General Manager, if the case involves staff members, to meet with Human Resources (or his/her designated representative) to determine if disciplinary actions should be taken.
 - c. Report to the External Auditor such activities in order to assess the effect of the illegal activity on the District's financial statements.
 - d. Coordinate with the District's risk management personnel regarding notification to insurers and filing of insurance claims.
 - e. Take immediate action, in consultation with the District's Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 1. Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist;
 2. Preventing the individual suspected of committing the fraud from having access to the records.
5. In consultation with the District's Attorney and the Sheriff's Department, the Internal Auditor may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
6. If the Internal Auditor is contacted by the media regarding an alleged fraud or audit investigation, the Internal Auditor will consult with the General Manager and the District's Attorney, as appropriate, before responding to a media request for information or interview.
7. At the conclusion of the investigation, the Internal Auditor will document the results in a confidential memorandum report to the General Manager and the District's Attorney. If the report concludes that the allegations are founded, the report will be

forwarded to the Sheriff's Department. The General Manager will report any instances of documented fraud to the Board of Directors.

8. Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Internal Auditor no later than seven calendar days after notice is received.
9. The Internal Auditor will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
10. Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material obtained from the department under investigation will be returned by the Internal Auditor to that department.

4. EXCEPTIONS

There will be no exceptions to this policy unless provided and approved by the General Manager and the District's Attorney.

R 06-9-1 09/28/06; R 24-4-2 04/25/24

§9010 DISTRICT MEETING ROOMS USE POLICY

1. The District Meeting Rooms may be used by individuals, nonprofit corporations/associations, or other outside organizations or groups that were formed, and are primarily operating, for a purpose other than for profit ("Organization").
2. An Organization shall make a request to use the Meeting Rooms by completing an application provided by the District ("Application").
 - A. The Application may be requested over the phone at (949) 837-7050, by mail at P.O. Box 4000 Laguna Hills, CA 92654, or in person at the District's administrative offices.
 - B. A request for use will only be granted to persons 21 years and older.
 - C. The person signing the Application must be present at the event.
 - D. The Application form shall include the following language:

Applicant shall be solely responsible for any and all injuries, damages, and claims to persons or property arising out of its use of the Meeting Rooms.

Applicant shall defend, hold harmless, and indemnify the District or its Directors, Officers, employees or volunteers against any and all such injuries, damages, and claims. This indemnification shall not be restricted to any insurance proceeds. Applicant must attach to this Application the Certificate of Insurance and additional insured endorsement as required by the District Meeting Rooms Use Policy.

3. The Board hereby delegates to the General Manager, or a representative or agent of the General Manager as so deemed by the General Manager, the authority to implement this Policy for the management, direction, and control of the Meeting Rooms. The Policy shall be comprised of the terms and conditions of this Resolution, the Application, and the Schedule of Costs referred to in Paragraph 10 below.
4. The General Manager shall notify an Organization in the event a submitted Application is incomplete and shall state what information is needed in order for said Application to be deemed complete.
5. Upon receipt of a completed Application, the General Manager shall determine whether the Meeting Rooms are an appropriate facility for the proposed use and if so, whether the Meeting Rooms are available on the requested date and time. The General Manager shall determine whether the Organization and the proposed use meet the standards of this Policy.
6. Meeting Rooms may be used after District regular business hours, Monday through Friday from 4:00 p.m to 10:00 p.m. Meeting rooms are also available on Saturday and Sunday from 9:00 a.m. to 9:00 p.m. Exceptions to this schedule must be approved by the General Manager.
7. The maximum allowed in the Multipurpose Room in the Field Administration Office is 84 persons. The maximum allowed in the Board of Directors Room is 30 persons.
8. In the event the Organization is granted use of the Meeting Rooms, the Organization shall be notified of the time period for use and the amount of the charge. The General Manager shall determine the terms for payment which in most cases, shall require payment of the total costs in advance of the use. The Organization shall also be notified in the event a request is rejected and the basis for said rejection.
9. The charging of fees by users of the meeting rooms and the solicitation of contributions are each prohibited. In addition, no products or services may be sold on the premises. No District meeting rooms may be used for political activities including but not limited to political campaigning or fundraising. The District Meeting Rooms may be used as a Voting Center by the Orange County Registrar of Voters with the approval of the General Manager.
10. No alcohol is permitted on the premises. No firearms are permitted on the premises. Smoking is prohibited inside and outside (within 20 feet of an exit or

entrance). Animals will not be permitted in the meeting rooms unless they are a service animal accompanying a person with a disability.

11. A clean-up deposit will be required prior to use of the Meeting Rooms. The Meeting Rooms must be cleaned up and left in the same condition as found; all furniture and fixtures in the room are to remain in place. Portable furniture may be moved to accommodate the Organization's needs but must be restored to its original location by the Organization. If an Organization fails to do so, the actual cost will be deducted from the clean-up deposit.
12. In the event the General Manager determines that an approved use is interfering, or will interfere, with the District's activities, the Organization shall cease use of the Meeting Rooms. Upon completion of the District's particular activities, the Organization may be allowed to resume its use.
13. A District employee or employees will be required to be present during the Organization's use of the Meeting Rooms to oversee the use of the Meeting Rooms as well as to safely direct traffic and parking as deemed necessary by the General Manager. The General Manager will determine the number of employees to be present. The charge imposed for use of the Meeting Rooms shall include an amount to cover the District's employees involvement. The District reserves the right to full access by its personnel to all activities at any time in order to ensure the Policy is being observed.
14. The charge for use of the Meeting Rooms shall include a daily fee, charges for the presence of District employees and a cleaning deposit as follows:
 - A. The daily charge for use of the Meeting Rooms shall be \$50.00 per day of use;
 - B. The charges for the presence of District employees shall be \$50.00 per hour, per District Employee, in the event any District employees or representatives are required to be involved. The requirement for the involvement of District employees and the number of District employees involved shall be at the sole discretion of the General Manager. Such an hourly charge will not be pro-rated for less than an hour.
 - C. The charge for the use of the Meeting Rooms may further include the costs of supplies, utilities, security janitorial services, services of any other District employees or representatives, and salaries paid District employees necessitated by the Organization's use of the Meeting Rooms and accompanying facilities and grounds. The amount of the cleaning deposit (refundable) is \$100.00. A single deposit may be made and held by the District, to apply to continuing uses over a period of item, for as long as the Meeting Room is left in a neat, clean, and undamaged condition after each use.
15. Pursuant to California law, the Meeting Rooms shall not be used in a manner that would prohibit the admittance of any person, or persons, on the basis of race, religions creed, color, national origin, ancestry, or sex, or which would make the

Meeting Rooms inaccessible to disabled persons, or where members of the public may not be present without making payment or purchase. In addition, the general public may not be excluded from attending any meetings or other functions of an Organization during its use of the Meeting Rooms.

16. An Organization shall be solely responsible for any and all injuries, damages, and claims to persons or property arising out of its use of the Meeting Rooms. An Organization shall defend, hold harmless, and indemnify the District or its Directors, Officers, employees or volunteers against any and all such injuries, damages, and claims. This indemnification shall not be restricted to any insurance proceeds. The District is not responsible for the loss, damage, or theft of equipment or articles owned by an Organization. Any person or Organization causing damage to District property or equipment will be required to pay for same based on current cost, repair, or replacement.
17. An Organization shall provide and maintain:
 - A. General Liability - General Liability Coverage including property damage, bodily injury and personal & advertising injury with limits of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If Commercial General Liability Insurance or other form with a general aggregate limit, either the general aggregate limit shall apply separately to the project/location or insurer's equivalent endorsement provided to El Toro Water District or the general aggregate limit shall be twice the required occurrence limit.
 - B. Automobile Liability - Auto Coverage covering any auto with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.
 - C. Workers' Compensation Insurance - The Event Holder shall provide workers' compensation coverage as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. Waiver of Subrogation: The insurer(s) named above agree to waive all rights of subrogation against the El Toro Water District, its directors, officers, employees, and authorized volunteers for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency, but this provision applies regardless of whether or not the El Toro Water District has received a waiver of subrogation from the insurer.

The District, its Officers employees or agents shall be named as additional insureds. An Organization shall provide the District with a Certificate of Insurance and additional insured endorsement before use of the Meeting Room. Any insurance, self-insurance or other coverage maintained by the District shall not contribute to it. Coverage is to be placed with a carrier with an A.M. Best rating of at least A-:VII.

These Practices and Procedures were created to comply with regulations issued by the Federal Trade Commission (FTC) Red Flag Rule (Rule). The regulations require that creditors implement written programs which provide for detection of and response to specific activities (“Red Flags”) that could be related to identity theft.

1. OVERVIEW

El Toro Water District’s (“ETWD”) Identity Theft Prevention Program is tailored to the size, complexity and nature of ETWD’s operations. Any Customer information collected or maintained by ETWD is covered by this Rule.

The FTC regulations require the Program:

- A. Identify relevant warning signs (Red Flags) including patterns, practices or specific activities that are indicative of identity theft.
- B. Identify ways to detect Program warning signs.
- C. Provide for appropriate responses to warning signs to prevent or mitigate identity theft.
- D. Provide for annual review of new and changing risks.
- E. Record and monitor detected warning signs.
- F. Provide for Program administration and oversight.

2. DESIGNATION OF AUTHORITY

The Board of Directors of ETWD has designated the authority to develop, oversee, implement and administer the Program to the General Manager.

3. PRACTICES AND PROCEDURE

- A. Rule definitions
 - 1. “Red Flag” is a pattern, practice or specific activity that indicates the possibility of Identity Theft.
 - 2. “Identity Theft” is fraud committed using the identifying information of another person or business.
 - 3. “Identifying information” includes: name, address, telephone number, unique identification number, internet address or routing code used alone or combined to identify a specific person or business.

B. Identification of Red Flags

To identify billed account warning signs ETWD must consider the methods it provides to: open, access, make payments on, change and close accounts. ETWD must also consider its previous experiences with Identity Theft.

C. Summary of the Red Flag categories

Red flags are warning signs that signal potential identity theft.

1. Presentation of suspicious documents.
2. Presentation of suspicious identifying information.
3. Unusual use of an account.
4. Suspicious activity related to an account.
5. Identity theft notice from customers, victims of identity theft or law enforcement authorities.

D. Details of the Red Flag categories

1. Presentation of suspicious documents:
 - a. Identification documents appear to be altered, forged or not authentic.
 - b. Document photograph is not consistent with the customer's physical appearance.
 - c. Other information documents are not consistent with existing customer information (signature on check appears forged).
 - d. ETWD forms appear to be altered or forged.
2. Presentation of unusual identifying information:
 - a. Information presented is inconsistent with other information provided.
 - b. Information presented is inconsistent with other sources of information.
 - c. Information presented is the same as information shown on other fraudulent ETWD forms.
 - d. Information presented is consistent with fraudulent activity (invalid phone number or fictitious billing address).

- e. Address or phone number presented is the same as that of another person or business.
 - f. Refusal to provide complete identifying information on an ETWD form when reminded to do so.
 - g. Identifying information not consistent with information on file.
3. Unusual use of an account or other suspicious account activity.
- a. Person other than the customer of record requests information or asks to make changes to an account.
 - b. Requested account address change followed by a request to change the customer of record.
 - c. Payments stop on an otherwise consistently up-to-date account.
 - d. Mail sent to customer of record is repeatedly returned as undeliverable.
 - e. Unauthorized access to or use of customer account information.
 - f. ETWD staff member requests access to or information about an account and the request is inconsistent with normal business practice (fails the “need to know” test).
 - g. A customer notifies ETWD of the following:
 - Customer is not receiving ETWD bills or forms.
 - Unauthorized changes to an account.
 - Fraudulent activity on the customer’s bank account or credit card.
4. ETWD notified by customer, identity theft victim or a member of law enforcement that an account has been opened by a person engaging in identity theft.

E. Detecting, preventing and mitigating identity theft

When warning signs are detected, staff must respond depending upon the degree of risk posed:

1. Continue to monitor account.

2. Contact the customer.
3. Create or change passwords.
4. Refuse to open a new account, change an existing account or close an account until the customer appears in person with acceptable identification.
5. Close an account.
6. Reopen an account with a new number.
7. Ask supervisor for determination of the appropriate step(s) to take.
8. Notify law enforcement.
9. Determine that no response is warranted under the particular circumstances.
10. Require additional identifying documents or information.
11. Require the caller to appear in person with proper identification.
12. All instances of identifying and responding to warning signs are attached to the customer's account in the form of a Red Flag note.

F. Protect customer identifying information

Internal operating procedures:

1. Ensure website is secure or provide clear notice that it is not.
2. Ensure complete and secure destruction of paper documents.
3. Ensure computers are password protected and computer screens lock after a set period of time.
4. Ensure customer information documents are stored in secure areas.
5. Ensure network protection is current.
6. Require and keep only necessary customer information.
7. Access to customer information is based on staff member duties.
8. In order to access information online, customers must enroll using their ETWD account number and information already associated with their ETWD account including one of the following: phone number, Tax ID or last four digits of the Social Security number associated with the account. They must create a unique online account user

identification name and password and must associate the online account with a personal email address.

9. Continually look for ways to reduce the amount of customer information documents.
10. Ensure service providers that receive and process customer information have programs in place to detect and prevent identity theft.

G. Examples of detecting, preventing and mitigating Identity Theft

1. Refusal to provide required information.
 - a. When establishing, making changes to, or closing an account the customer will not provide the required information.
 - b. Response: Do not respond to the request. Ask the customer to appear in person and provide identification.
2. Altered documents.
 - a. Staff is presented with documents that appear altered or inconsistent with the information provided by the customer.
 - b. Response: Do not establish, make changes to, accept payment or close the account until the customer's identity has been confirmed.
3. Inquiries.
 - a. Someone other than the customer of record asks for information about a customer's account or asks to make changes to the information on an account.
 - b. Response: Inform the person that only the customer of record has access to the account information. Do not make changes to or provide any information about the account with one exception: if the service on the account has been interrupted for non-payment, staff may provide the payment amount needed for reconnection of service.
4. ETWD staff requests customer information:
 - a. Unauthorized staff may submit requests for customer information.
 - b. Response: All requests by unauthorized staff for access to customer information must be approved by the department supervisor.

5. Unauthorized activity notification.
 - a. Customer alerts ETWD about fraudulent activity related to their ETWD account, bank account or credit card.
 - b. Response: Verify the customer's identity and notify the department supervisor immediately. Take the appropriate actions to correct the account which may include:
 - i. Assisting the customer with deactivation of their payment method.
 - ii. Issuing a service order to connect or disconnect services.
 - iii. Updating information on the customer's account.
 - iv. Updating the mailing address on the customer's account.
 - v. Updating account Red Flag notes.
 - vi. Adding or changing an account password.
 - vii. Notifying and working with law enforcement officials.
 - viii. Notifying and working with third party service providers.
6. Notification of active Identity Theft.
 - a. Receiving notification that the ETWD account has been established by a person engaged in identity theft.
 - b. Response: These issues should be reviewed by the department supervisor immediately. The claim must be investigated, and appropriate action must be taken to resolve the issue as quickly as possible.

H. Program review and reports

Initially ETWD will undertake a detailed review including:

1. Identify the types of customer information currently maintained,
2. Assess the security of current customer accounting system inclusive of an analysis of any prior incidents of identity theft,

3. Identify our potential vulnerabilities and the particular Red Flags that would prompt staff to react,
4. Develop a process to maintain or enhance the maintenance of identifying customer information.

This Program will be annually reviewed for compliance and effectiveness. Changes in Identity Theft methods, detection and prevention will be analyzed. The District's staff will present any recommended changes and Identity Theft Activity to the Board for approval.

I. Staff Training

ETWD staff responsible for implementing the Identity Theft Prevention Program shall be trained by their immediate supervisors.

J. Service Provider Arrangements

ETWD will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

1. Require, by contract, that service providers have such policies and procedures in place.

R 17-3-3 03/28/17; R 18-3-1 03/22/18; R 24-5-2 05/23/24

§9030 LEGISLATIVE ADVOCACY POLICY

1. PURPOSE

The purpose of the policy is to guide El Toro Water District ("District") officials and staff in considering legislative or regulatory proposals that are likely to have an impact on the District, and to allow for a timely response to important legislative issues. Although the expenditure of public funds for the purpose of supporting or opposing a ballot measure or candidate is prohibited (Cal. Gov. Code § 54964), the expenditure of public funds is allowed to advocate for or against proposed legislation or regulatory actions which will affect the public agency expending the funds (Cal. Gov. Code § 53060.5; *Stanson v. Mott* (1976) 17 Cal. 3d 206).

The purpose for identifying Legislative Advocacy Procedures is to provide clear direction to District staff with regard to monitoring and acting upon bills during state and federal legislative sessions. Adherence to Legislative Advocacy Procedures will ensure that legislative inquiries and responses will be administered consistently with "one voice" as to the identified Advocacy Priorities adopted by the Board of Directors. The Legislative Advocacy Procedures and Advocacy Priorities will provide the General Manager, or other designee, discretion to advocate in the District's best interests in a manner consistent with the goals and priorities adopted by the Board

of Directors. This policy is intended to be manageable, consistent, and tailored to the specific needs and culture of the District.

2. POLICY GOALS

- A. Advocate the District legislative interests at the State, County, and Federal levels.
- B. Inform and provide information to the Board of Directors and District staff on the legislative process and key issues and legislation that could have a potential impact on the District.
- C. Serve as an active participant with other local governments, the California Special Districts Association, the Association of California Water Agencies and local government associations on legislative and regulatory issues that are important to the District and the region.
- D. Seek grant and funding assistance for District projects, services, and programs to enhance services for the community.

3. POLICY PRINCIPLES

The Board of Directors recognizes the need to protect District interests and local control, and to identify various avenues to implement its strategic and long-term goals. It is the policy of the District to proactively monitor and advocate for legislation as directed by the Advocacy Priorities and by the specific direction of the Board of Directors.

This policy provides the General Manager, or other designee, the flexibility to adopt positions on legislation in a timely manner, while allowing the Board of Directors to set Advocacy Priorities to provide policy guidance. The Board of Directors shall establish various Advocacy Priorities and, so long as the position fits within the Advocacy Priorities, staff is authorized to take a position without Board approval.

Whenever an applicable Advocacy Priority does not exist pertaining to legislation affecting the District, the matter shall be brought before the Board of Directors at a regularly scheduled board meeting for formal direction from the Board of Directors.

Generally, the District will not address matters that are not pertinent to the District's local government services, such as social issues or international relations issues.

4. LEGISLATIVE ADVOCACY PROCEDURES

It is the policy of the District to proactively monitor and advocate for legislation as directed by the Advocacy Priorities and by the specific direction of the Board of Directors. This process involves interaction with local, state, and federal government entities both in regard to specific items of legislation and to promote positive intergovernmental relationships. Accordingly, involvement and participation in regional, state, and national organizations is encouraged and supported by the District.

Monitoring legislation is a shared function of the Board of Directors and General Manager or designated staff. The Legislative Advocacy Procedures are the process by which staff will track and respond to legislative issues in a timely and consistent manner. The General Manager, or other designee, will act on legislation utilizing the following procedures:

- A. The General Manager or other designee shall review requests that the District take a position on legislative issues to determine if the legislation aligns with the District's current approved Advocacy Priorities.
- B. The General Manager or other designee will conduct a review of positions and analysis completed by the California Special Districts Association, the Association of California Water Agencies and other local government associations when formulating positions.
- C. If the matter aligns with the approved priorities, the District response shall be supplied in the form of a letter to the legislative body reviewing the bill or measure. Advocacy methods utilized on behalf of the district, including but not limited to letters, phone calls, emails, and prepared forms, will be communicated through the General Manager or designee. The General Manager or designee shall advise staff to administer the form of advocacy, typically via letters signed by the General Manager, or designee, on behalf of the Board of Directors.
- D. All draft legislative position letters initiated by the General Manager or designee shall state whether the district is requesting "support", "support if amended", "oppose", or "oppose unless amended" action on the issue, and shall include adequate justification for the recommended action. If possible, the letter should include examples of how a bill would specifically affect the District.
 1. Support – legislation in this area advances the District's goals and priorities.
 2. Oppose – legislation in this area could potentially harm, negatively impact or undo positive momentum for the District, or does not advance the District's goals and priorities.
- E. The General Manager may also provide a letter of concern or interest regarding a legislative issue without taking a formal position on a piece of legislation. Letters of concern or interest are to be administered through the General Manager or designee.
- F. When a letter is sent to a state or federal legislative body, the appropriate federal or state legislators representing the District shall be included as a copy or "cc" on the letter. The appropriate contacts at the California Special Districts Association, Association of California Water Agencies and other local government associations, if applicable, shall be included as a cc on legislative letters.

- G. A position may be adopted by the General Manager or designee if any of the following criteria is met:
1. The position is consistent with the adopted Advocacy Priorities;
 2. The position is consistent with that of organizations to which the District is a member, such as the California Special Districts Association or Association of California Water Agencies; or
 3. The position is approved by the Board of Directors.
- H. All legislative positions adopted via a process outside of a regularly scheduled Board Meeting shall be communicated to the Board of Directors at the next regularly scheduled Board Meeting. When appropriate, the General Manager or other designee will submit a report (either written or verbal) summarizing activity on legislative measures to the Board of Directors.

5. **ADVOCACY PRIORITIES**

A. Revenue, Finances, and Taxation

Ensure adequate funding for special districts' safe and reliable core local service delivery. Protect special districts' resources from the shift or diversion of revenues without the consent of the affected districts. Promote the financial independence of special districts and afford them access to revenue opportunities equal to that of other types of local agencies. Protect and preserve special districts' property tax allocations and local flexibility with revenue and diversify local revenue sources.

Support opportunities that allow the district to compete for its fair share of regional, state, and federal funding, and that maintain funding streams. Opportunities may include competitive grant and funding programs. Opportunities may also include dedicated funding streams at the regional, state, or federal levels that allow the district to maximize local revenues, offset and leverage capital expenditures, and maintain district goals and standards.

B. Governance and Accountability

Enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant or one-size-fits all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preferences of each community.

Oppose additional public meeting and records requirements that unnecessarily increase the burden on public resources without effectively fostering public engagement and enhancing accountability of government agencies.

Promote local-level solutions, decision-making, and management concerning service delivery and governance structures while upholding voter control and maintaining LAFCO authority over local government jurisdictional reorganizations and/or consolidations.

C. Human Resources and Personnel

Promote policies related to hiring, management, and benefits and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees.

Maintain special districts' ability to exercise local flexibility by minimizing state mandated contract requirements. Oppose any measure that would hinder the ability of special districts to maximize local resources and efficiencies through the use of contracted services.

D. Infrastructure, Innovation, and Investment

Encourage prudent planning for investment and maintenance of innovative long-term infrastructure. Support the contracting flexibility and fiscal tools and incentives needed to help special districts meet California's changing demands. Promote the efficient, effective, and sustainable delivery of core local services.

Prevent restrictive one-size-fits-all public works requirements that increase costs to taxpayers and reduce local flexibility.

R 24-5-2 05/23/24

§9040 IT ACCEPTABLE USE POLICY

1. PURPOSE

The District provides employees with the Information Technology Resources necessary to promote the efficient conduct of business. All Information Technology Resources are to be used as prescribed within this policy.

This policy applies to all individuals who utilize Information Technology Resources and to District-owned or personal property that is connected to or retrieves data from District systems. This policy establishes procedures relating to the acquisition and use of computer hardware and software and establishes procedures to ensure compliance with license agreements, to protect hardware, software and data from loss or abuse and provide guidance regarding the appropriate utilization of District Information Technology Resources.

This policy will pertain to all District Information Technology Resources except those relating to the SCADA system.

2. DEFINITIONS

For purposes of this policy, the following definitions apply:

A. Information Technology Resource

Information Technology Resources are computer hardware, computer software, tools that allow access to computer hardware, external network access such as the Internet or tools that service information, access information, and the information itself and all information and data stored on District equipment as well as any other equipment or communications that are considered an Information Technology Resource.

B. Computer Hardware

Computer Hardware means the physical equipment associated with the system, including computers and servers, printer servers, individual desktop workstations, laptop computers, handheld computing and tracking devices, communications devices, peripheral input and output devices cellular and office phones; network devices such as data, voice and wireless networks, routers, switches, and hubs; peripheral devices such as printers, scanners and cameras; pagers, radios, voice messaging, facsimile transmissions, copy machines, electronic communications and auxiliary storage devices.

C. Computer Software

Computer Software means programs and routines, including packaged, licensed or internally developed applications, that facilitate the operations of a computer, including system programs, applications programs and all related documentation.

D. Licensed Software

Licensed Software includes software, which the District does not own but has been licensed to use from outside sources.

3. POLICY STATEMENTS

The District's Information Technology Resources and all information stored on them or on portable media are provided at the District's expense and are the District's property. Communications using Information Technology Resources are not private; they are business records that can be reviewed by the District or subpoenaed under law and may be accessible to the public pursuant to the Public Records Act. Accordingly, employees should have no expectation of privacy regarding any communication, business-related or personal, that they create, send, receive, or store on any of the District's Information Technology Resources.

The District reserves the right to access, monitor, and review the use of its Information Technology Resources, as well as to retrieve or delete District data that is stored and transmitted, for training purposes, quality assurance purposes, and to determine if there have been any breaches of security or confidentiality, misuse, or other violations of District policy. The District may inspect the contents of any device at any time for any reason, including purposes of investigation.

Use of personal devices or personal accounts for any District business on a personal device may subject that device to a search, if warranted, through legal action.

4. HARDWARE AND SOFTWARE ACQUISITION AND DEVELOPMENT

- A. Computer hardware and software design, modification and purchase decisions shall be made by the IT Manager with input from representatives from the user departments.
- B. The IT Manager will be responsible for the installation, implementation, testing and maintenance of all software applications. Department Heads will be responsible for running all applications and assisting their staff in the utilization of the respective applications and programs.
- C. The IT Manager will maintain custody of system and application programs and documentation.

5. HARDWARE AND SOFTWARE MAINTENANCE

- A. The IT Manager shall establish a preventive maintenance program on all hardware to ensure a high degree of reliability in computer equipment.
- B. The IT Manager shall ensure that, when appropriate, the latest version of all software programs is maintained on the District's system and that all employee users are provided appropriate training in the use of such software.
- C. Personal hardware/software will not be connected to or installed on or run from District computers without the approval of the IT Manager.
- D. The IT Manager shall be responsible for maintaining software certificates of license.

6. DATA PROTECTION AND RECOVERY

- A. The IT Manager shall ensure that computer applications and data on datacenter servers are backed up regularly with copies maintained off-site to ensure information is current if recovery is required. Data stored on individual workstations will not be protected.
- B. For physical protection against environmental hazards, the IT Manager shall maintain off-site storage for copies of important files, software and documentation.
- C. The IT Manager shall ensure the District's network has virus protection at the workstation and server levels so as to protect the District's network, applications and data files from viruses and malware.
- D. The IT Manager shall establish a disaster contingency plan to ensure continuity of operations in the event of a disaster.

- E. The IT Manager shall make arrangements to have knowledgeable, professional consultants readily available to assist in re-establishing hardware and software configurations in the event of a disaster.
- F. Computer data shall be maintained in accordance with the District's Records Retention Policy.

7. USE OF INFORMATION TECHNOLOGY RESOURCES

All employees of the District will be provided with access to those computer software programs and data files necessary to complete their duties. The IT Manager, along with the Department Heads will determine what programs and data files are applicable to each employee.

The District shall prevent unauthorized use of Information Technology equipment, data files, E-Mail system, and Internet access and computer programs.

No District employee, contractor, or consultant shall use the District Information Technology Resources for inappropriate purposes, such as (but not limited to) the following:

- A. Personal profit, including commercial solicitation or conducting or pursuing their own business interests or those of another organization.
- B. Unlawful or illegal activities, including downloading licensed material without authorization or downloading copyrighted material without the publisher's permission.
- C. Accessing, creating, transmitting, printing, downloading or soliciting material that is or may be construed to be harassing or demeaning toward any individual or group for any reason, including but not limited to, on the basis of sex, age, race, color, national origin, gender identity, disability, political or organizational affiliation, sexual orientation, or any other protected characteristic.
- D. Accessing, creating, transmitting, printing, downloading, or soliciting sexually oriented messages or images.
- E. Propagating or downloading malware, viruses, hacker tools or other contaminants.

The District, unless authorized by software licensor, does not have the right to rent, lease, de-compile, disassemble, reverse engineer, copy, create a derivative work or otherwise use software except as stated in the license agreement.

Licensed software programs are protected by U.S. copyright laws. Illegal reproduction or acquisition of unauthorized copies is not condoned by the District. District employees conducting such illegal reproductions or acquisitions will be subject to disciplinary action as provided for in the District's Employee Handbook.

Only licensed software shall be installed on District computers. No employee shall install, download or use any software on District's computers without the IT Manager's approval.

Information Technology Resources may be used for incidental personal use, so long as such use does not result in a significant monetary expenditure to the District or involve the expenditure of a significant amount of time by the user away from his or her job duties. Supervisory personnel are responsible for limiting personal use of Information Technology Resource.

8. ELECTRONIC MAIL (E-MAIL)

The District's email system exists for the purpose of conducting District business, and all electronic data, messages and/or images placed on this system are District records and are the property of the District. Accordingly, employees should have no expectations of privacy regarding email messages (or any other data files residing on District-owned hardware, software, or cloud-based systems), either sent or received.

As with all other data on the District's Information Technology Resources, the District reserves the right for the General Manager or staff authorized by the General Manager to access, review and disclose all email messages and data files on the District's information system at any time.

The District's Information Technology Resources do not provide any guarantee of personal privacy protection. Employees should use Information Technology Resources with this limitation in mind.

An employee who receives an email message that the employee finds offensive shall immediately report the message to their supervisor or the HR department.

Employees are reminded that, under some circumstances, communications sent by e-mail may be subject to disclosure under the Public Records Act or during litigation. Therefore, it is important not to compromise themselves or the District under these circumstances.

Employees are advised to retain important/essential e-mail communications and regularly purge all other emails.

Employees found to have engaged in improper activities will be subject to disciplinary action as provided for in the District's Employee Handbook.

9. INTERNET ACCESS

The District's Internet connection exists for the purpose of conducting District business and is not intended for personal use except as described in Section 7 above.

Use of the District's Internet connection is expressly prohibited under the following circumstances:

- A. Compromises the integrity of the District and its business operations in any way.

- B. Commits any illegal act.
- C. Violates the District's affirmative action or sexual harassment avoidance policies.
- D. Results in private gain or advantage for the employee (such as conducting business related to economic interests outside of District employment) or violates the District's ethics policy.

The IT Manager shall block access to internet websites and protocols that are deemed inappropriate. Exception to blocked internet access must be requested through the IT Manager.

The District reserves the right to monitor, access and disclose use of the services on the Internet at the sole discretion of the District. All messages, images and/or transmissions are District records.

The District's Information Technology Resources do not provide any guarantee of personal privacy protection. Employees should use Information Technology Resources with this limitation in mind.

An employee who inadvertently accesses an Internet site that exhibits suspicious activity indicative of malware activity shall immediately report the incident to the IT Manager and their Supervisor.

10. ARTIFICIAL INTELLIGENCE

Generative Artificial Intelligence (AI) is a new branch of AI technology that can generate content such as drafting staff reports, learning repetitive tasks, expanding resident communications, conducting research, and analyzing data. The District recognizes the opportunity for a controlled and responsible approach that acknowledges the benefits of efficiency while minimizing the risks around AI bias, privacy, and cybersecurity.

Employees may use District-provided Artificial Intelligence tools to perform business operations and improve efficiency and resident service. Users must follow the following rules while using Generative AI for District work, including use of direct services like ChatGPT and extensions like Compose.ai.

- A. Information entered into Generative AI systems could be subject to a Public Records Act request, may be viewable and usable by the District, and may be leaked unencrypted in a data breach. No information should be submitted to a Generative AI platform that should not be available to the general public (such as confidential or personally identifiable information).
- B. Users shall review, revise, and fact-check any output from a Generative AI via multiple sources. Users are responsible for any material created with AI support. Many systems, like ChatGPT, only use information up to a certain date (e.g., 2021 for free version of ChatGPT).

- C. Users shall cite and record usage of Generative AI for any reports or documents.

11. **CLOUD SERVICES**

Users are not permitted to open any Cloud Service accounts or enter into Cloud Service contracts on behalf of the District, or for use on District assets unless authorized to do so by the IT Manager.

12. **EMPLOYEE RESPONSIBILITY**

A. General:

Each employee accessing the District's Information Technology Resources is responsible for understanding and following these guidelines. Unauthorized or improper use of the District's Information Technology Resources may result in terminating access to it and, depending on the severity of the outcome of unauthorized or improper use, may result in disciplinary action, up to and including termination.

Users have a responsibility to promptly report the theft, loss, or unauthorized disclosure of information.

B. Passwords:

Each employee shall have a uniquely assigned username and password for security purposes, which shall be used for all Information Technology Resource access. While this cannot guarantee privacy, confidentiality, or data security, it is an important component of the District's overall system protection.

1. District-approved password standards and/or guidelines shall be applied to the access of all District Information Technology Resources.
2. All users are responsible for creating and maintaining the confidentiality of the password associated with their unique user ID.
3. No user shall give his or her password to another person under any circumstances.
4. Passwords shall be changed periodically as deemed necessary by the IT Manager.
5. Users who suspect that their password has become known by another person shall immediately change their password and report their suspicion to management and the IT Manager.
6. Users should not use a District account assigned to another individual to access Information Technology Resources.

7. Upon termination of an individual with computer access, the IT Manager shall delete that individual's security password.

C. Smart Devices (smartphone, tablet, etc.):

A user is subject to this Acceptable Use Policy for each device they connect to the District networks and systems. The District reserves the right to perform a remote wipe of a user's Smart Device, erasing all data and contents, if there is a reasonable belief that the device has been compromised and/or poses a potential security risk to District network systems, data, users, residents and/or other District assets and resources. Personal data may be lost in the event that the IT Department must remotely wipe a device. It is the user's responsibility to take additional precautions, such as backing up personal email, contacts, photos etc.

Multifactor Authentication is required for access to District Email and VPN. Personal cellphones may be required as the second authentication factor if a District cellphone is not provided.

13. ENFORCEMENT

Violation of this policy may result in disciplinary action, up to and including termination of employment, legal action, and/or civil or criminal penalties, as applicable. The organization reserves the right to monitor, log, and review all activities associated with the used of District Information Technology Resources to ensure compliance with this policy.

R 24-8-2 08/22/24

§9050 PUBLIC RECORDS ACT RESPONSE POLICY

1. PURPOSE

All public records of the El Toro Water District (District) are available for review by the public in accordance with the California Public Records Act ("Act") (Government Code Section 7920.000 et seq.). Records shall be open to inspection at all times during the District's normal office hours. Certain District records may be exempted from disclosure under the Public Records Act or other provisions of law

It is the purpose of this Policy to set forth the administrative procedures necessary to facilitate such review by the public.

2. **DEFINITIONS**

A. Public Records

For the purposes of these guide-lines, Public Records are defined as those documents defined as Public Records in the Act and identified as such by the Board of Directors of the District, either by resolution or by minute order or as determined by the General Manager.

B. Preliminary Reports

For the purposes of this Policy, Preliminary Reports are not public records, unless and until the Board of Directors has determined that it is in the best interests of the District to circulate such "preliminary information" in order to obtain the opinions of the public as necessary information for a future action or decision of the Board. Intra-agency reports, Staff Memos, Staff notes, sketches, drafts, etc., are not public records unless and until they meet the criteria of Section 2.A of this Policy.

C. Inter-agency Correspondence

For the purposes of this Policy, Inter-agency Correspondence are not public records, unless and until they meet the criteria of Section 2.A of this Policy.

D. Consultant Records

Consultant Records which are the property of the District, but which are in the possession of consultants of the District, for the purposes of this Policy, are public records if they meet the criteria of Sections 2.A or 2.B of this Policy, and then only to the extent that they are not subject to the limitations of legal/statutory privileges (e.g. attorney-client privilege and physician-patient privilege).

3. **WRITTEN REQUEST FOR ACCESS**

All requests for public records shall be in writing on a form approved by the Board of Directors, unless the request is to review an agenda, agenda reports, or minutes of the Board or ordinances or resolutions of the Board or any of its committees, which are available in the District office.

The public records of the District will be made available for review by the public upon prior written request as follows:

- A. Minutes, Resolutions, Agreements and other specifically identifiable documents are available for public review at the District office during normal office hours upon written request for access. The specific document desired should be requested by title, date, number or description.

- B. Correspondence and miscellaneous public records not readily identifiable are available for public review at the District office during normal office hours upon written request for access. The specific document desired should be requested by title, date, name, number or description.
- C. Audit and Financial public records for prior fiscal years are available for public inspection at the District office during normal office hours upon written request for access. The specific document desired should be requested by date or period and title or ledger name. Current year accounting records are available for public inspection and review at the District office during normal office hours upon written request for access. The specific document desired should be requested by date or period and title or ledger name.
- D. Engineering or Planning public records of the District in the possession of the District are available for public review at the District office during normal office hours upon written request for access. If such records are in the possession of the District's consulting engineers, the District will promptly request transmittal of such records to its offices. The records will be made available upon receipt by the District.

Requests for specific documents must be made with the District office, not of the consultant, and should indicate the desired document by date and title or description.

- E. Legal public records of the District in the possession of legal counsel of the District will be made available by such legal counsel upon direct written request to counsel. Any such documents are subject to the limitations of the attorney-client privileges to the extent permitted by law.

4. RESPONSE PROCEDURES

- A. Staff will respond to all requests as soon as possible after they are received, but not later than 10 days after receipt of the request to either state whether the District has responsive records or request an extension of up to 14 days to make that determination pursuant to Government Code Section 7922.535 (a) and (b).

As described in Government Code Section 7922.535 (c) potential reasons to request and extension include:

1. The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.
2. The need to search for, collect, and appropriately examine voluminous amount of separate and distinct records which are demanded in a single request.

3. The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein.
- B. Staff shall review each request and determine whether it seeks identifiable records.
- C. Staff shall determine within ten (10) days after the receipt of a written Public Records request whether to comply with the request and shall immediately notify the person making the request of such determination and the reasons therefore.
- D. The notification of denial of any request for records required by Section 7922.540 of the Government Code shall set forth the names and titles or positions of each person responsible for the denial.
- E. Staff shall request all Directors and staff who may have the records requested to search their files. Directors and staff must report whether they have responsive records and, if so, when the records can be made available to the requestor.
- F. Staff shall respond to the requestor, advising him or her in writing of the availability of the documents, a description of the medium (paper, electronic format, etc.) and location of the records, and whether any are exempt from disclosure under the Public Records Act.
- G. In accordance with the Public Records Act, staff will provide specific, identifiable records but will not research records for particular types of information or analyze information which may be contained in public records. Staff has no obligation to create records in response to a Public Records Act request.
- H. Staff will respond to requests for public records in accordance with the Public Records Act as the Act now exists or may hereafter be amended, and nothing in this Policy is intended nor shall it be construed to conflict with the terms of the Public Records Act.

5. SECURITY OF PUBLIC RECORDS

The District reserves the right to assign sufficient security personnel to supervise the public review of District records in order to ensure the integrity and security of District records and to charge for the actual cost of such security personnel. A deposit for such costs may be required in advance.

6. COPY SERVICE

- A. In the event the District determines to comply with the written request for copies, the District will do so promptly upon prepayment of fees covering direct costs of duplication, or a statutory fee, if applicable.
- B. Staff shall advise the requestor of the estimated copying cost.
- C. The District shall make any disclosable records it holds in electronic format available in such format when requested.
- D. The costs of duplication, described as follows, may be adjusted from time to time by the Board of Directors:
 - 1. \$1.00 for the first page
 - 2. \$0.05 for each additional page
 - 3. \$0.10 for Political Reform Act materials
 - 4. \$5.00 for CDs
 - 5. \$10.00 for DVDs
 - 6. For records produced through other media, the requestor shall be responsible for the direct costs of duplication

7. RESERVATION OF RIGHTS

The District reserves the right to determine, to the extent and in the manner provided by law, which of its documents are not public records or which of its documents are otherwise exempt or privileged. This Policy shall not in any way limit or restrict the District in the exercise of its rights as set forth in this Section 7.



STAFF REPORT

To: Board of Directors

Meeting Date: August 22, 2024

From: Dennis Cafferty, General Manager

Subject: General Manager Contract

At the July 2024 Board meeting the Board directed the General Manager to agendize a discussion of the General Manager Contract (Contract) relative to the benefits defined in the District Employee Handbook and the extension of those benefits to the General Manager.

Section 6.5.1 of the Contract reads:

- 6.5.1 District will provide Employee with the same benefits as regular full-time employees of the District including but not limited to: participation in the District's 401(k) plan and 457 deferred compensation plan, vacation and sick leave (including financial reconciliation of any payouts for same), paid holidays, medical insurance, dental insurance, vision care, life insurance, accidental death and dismemberment insurance, long term care, and long-term disability benefits.

At the July Board meeting the District's General Counsel confirmed the language in the Contract clearly extends all benefits defined in the Employee Handbook to the General Manager. Should the Board determine that any individual benefit not be extended to the General Manager, the Contract will require amendment to specifically exclude any such benefits.

Certain of the benefits are explicitly listed in Section 6.5.1 of the contract. Additional benefits defined in the Employee Handbook, not individually listed Section 6.5.1 of the General Manager contract include the following:

- Retiree Medical Plan
- Bereavement Leave
- Jury Duty Leave
- Employee Assistance Program
- Education Reimbursement
- Occupational Certification Program / University and College Degrees Incentives (\$1,100)
- Commercial Driver's License Incentive
- Wellness Program (\$300 Annually)
- Service Recognition Award Program (Value based on longevity. \$1,050 @ 35 Years)

Recommended Action:

The Board of Directors will consider any changes to the General Manager Contract deemed appropriate by the Board.



STAFF REPORT

To: Board of Directors

Meeting Date: August 22, 2024

From: Dennis Cafferty, General Manager

Subject: OC Grand Jury Report Response

The Orange County Grand Jury released a report titled *Emerging Opportunities in South County Water/Wastewater Systems* (Report) on June 21, 2024. The Report addresses issues associated with the consolidation of the City of San Juan Capistrano water and wastewater systems into the Santa Margarita Water District as well as evolving issues at the South Orange County Wastewater Authority (SOCWA).

As stated in the Report "California Penal Code Section 933 requires the governing body of any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body." Responses are required no later than 90 days after the Grand Jury publishes its report from SOCWA, each of the SOCWA member agencies, the City of San Juan Capistrano, Irvine Rance Water District, Trabuco Canyon Water District and Laguna Beach County Water District.

The Grand Jury Report is attached for reference following the District's proposed response letter.

Recommended Action: Approve the District's response letter on the Orange County Grand Jury's findings and recommendations and authorize staff to submit the response letter to the Presiding Judge of the Superior Court before September 20, 2024.



El Toro Water District

"A District of Distinction"

Serving the Public – Respecting the Environment

Board of Directors

Mark L. Monin
President

Mike Gaskins
Vice President

Kathryn Freshley
Director

Kay Havens
Director

Fred Adjarian
Director

General Manager

Dennis P. Cafferty

August 22, 2024

The Honorable Maria Hernandez
Presiding Judge of the Superior Court of California
700 Civic Center Drive west
Santa Ana, CA 92701

Re: Responses to the Orange County Grand Jury Report "*Emerging Opportunities in South County Water/Wastewater Systems*"

Dear Presiding Judge Hernandez,

On June 21 2024, the Orange County Grand Jury released a report titled "*Emerging Opportunities in South County Water/Wastewater Systems*" (Report). This Report requested that El Toro Water District (District) respond to findings and recommendations contained in the Report. The District appreciates the opportunity to provide feedback and comments on the Orange County Grand Jury Report. The District recognizes and similarly appreciates the efforts made by the Grand Jury to evaluate the important issues of water and wastewater service in Orange County.

The El Toro Water District provides water, wastewater and recycled water service to over 50,000 residents in portions of the cities of Aliso Viejo, Laguna Hills, Lake Forest, Mission Viejo and all of the City of Laguna Woods.

The District owns and operates its own Water Recycling Plant which provides full secondary treatment of wastewater generated within the District service area as well as tertiary treatment to make beneficial use of the treated effluent to supply the District's recycled water distribution system for use in landscape irrigation. The District is a longstanding member agency of the South Orange County Wastewater Authority (SOCWA) at which the District owns capacity in the solids handling facilities at the Regional Treatment Plant and in the Aliso Creek Ocean Outfall. The District remains an active member of SOCWA with representation on the SOCWA Board of Directors as well as on the SOCWA Finance and Engineering Committees.

Per the Orange County Grand Jury's request, and in accordance with Penal Code 933.05, below are the District's responses to each of the Findings and Recommendations outlined in the Report for which the District was requested to respond.

El Toro Water District

FINDINGS

Finding F3: *SOCWA's member agencies have widely diverse populations, requirements, and revenues. This has led to conflicts over governance, facility operation, and control, affecting the evolving potential for wastewater reuse.*

The District disagrees partially with this Finding.

The District agrees with portions of this Finding. The seven SOCWA member agencies represent cities and special districts, coast communities and inland communities, large agencies and smaller agencies all with diverse populations, requirements and revenues.

While there have been conflicts within SOCWA, there are also many examples of collaborative efforts to the mutual benefit of the member agencies.

The evolution of wastewater reuse in South Orange County remains strong. The majority of the SOCWA member agencies operate recycled water systems. The discussion regarding potential further reuse projects at the current SOCWA plants continue.

Finding F4: *There is currently no unified strategy for the future of water/wastewater provision in South Orange County.*

The District disagrees partially with this Finding.

While the unique characteristics of each service area impact the individual strategy for water supply and wastewater service, the South Orange County agencies have a long history of collaboration on multiple projects. Each agency makes diligent efforts to ensure the provision of reliable service to its customers in the most efficient means possible. As the South Orange County agencies look to the future of water/wastewater provision, there exists quite a bit of collaboration, sharing of ideas and work towards regional projects that might have mutual benefits.

Recommendation R2: *The OCGJ recommends that by January 1, 2025, LAFCO form a task force comprising representatives of affected water agencies to study the transformation of SOCWA and prepare a report on the future of water/wastewater in South Orange County. (F3, F4)*

The recommendation will not be implemented

The recommendation suggests action by LAFCO that is not within the purview of the El Toro Water District.

El Toro Water District

The District notes, however, that the suggested “*task force comprising representatives of affected water agencies*” already exists. Representatives of each SOCWA member agency meet, typically three times each month, at SOCWA Board meetings, Finance Committee meetings and Engineering Committee meetings.

In addition, the SOCWA member agencies have continued to hold extremely productive meetings regarding the potential transformation of SOCWA. Those meetings and that process should continue to its conclusion before engaging in a further external process.

The District, once again, appreciates the efforts of the Grand Jury and the opportunity to provide responses to the Findings and Recommendations of the Report.

Sincerely,

EL TORO WATER DISTRICT

Mark Monin
President



Emerging Opportunities in South County Water/Wastewater Systems



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SUMMARY

This Orange County Grand Jury (OCGJ) report examines the 2021 consolidation of the City of San Juan Capistrano's (SJC) water and wastewater utilities with the Santa Margarita Water District (SMWD). It sheds light on the challenges encountered and benefits achieved through consolidation. The reorganization revealed unforeseen infrastructure costs. Also, different rate structures between the combined systems resulted in a dramatic fire line service rate increase for non-residential customers that prompted protest from some of the affected ratepayers. Going forward, the lessons learned from the SMWD experience are relevant for future consolidations. Based on the findings presented in this report, the OCGJ recommends that the Orange County Local Agency Formation Commission (LAFCO) develop an ongoing practice of evaluating post-consolidation outcomes and public impacts.

Further, this OCGJ report delves into the interrelationship of water and wastewater in South Orange County. The OCGJ studied the South Orange County Wastewater Authority (SOCWA), one of the largest collaborations of wastewater service providers in the region. Disputes among its member agencies, including litigation, have strained relations causing a bureaucratic entanglement that hinders operational effectiveness. Proposals and negotiations are underway that could ultimately affect the status of its members and the realignment of treatment plants serving South Orange County.

SOCWA is a long-standing joint powers authority (JPA) that shares several wastewater facilities managed through agreements that are due to expire in 2030. Its continuance as a JPA is tenuous yet its regulatory function remains relevant. As such, the OCGJ recommends LAFCO form a task force comprising representatives from affected water agencies to study the transformation of SOCWA and prepare a report identifying the optimal future of water and wastewater systems in South Orange County.

Technologies, innovation, and increased State and federal funding are on the horizon for the water and resource recovery industry. The OCGJ finds an urgent need to unite the South Orange County water and wastewater agencies so that South Orange County is in a better position to seize the opportunities that lie ahead.

BACKGROUND

Providing water and processing wastewater in Orange County has consistently captured the public's attention. Over the past 25 years, Grand Juries have issued 15 reports addressing various water-related challenges. Many of these reports emphasize the importance of consolidating water and wastewater agencies. Orange County is home to numerous governmental entities, including special districts and JPAs that oversee an array of countywide functions, particularly those related to water and wastewater service

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providers. Specifically, there are 29 retail water suppliers¹ in Orange County with their own independent governing boards and associated bureaucracies.

Previous OCGJs have raised concerns about the redundancy, laden costs, and complexity of public agencies for decades. Reports investigated the intricate web of independent special districts. Consolidating the large number of public agencies overseeing water and wastewater systems is a matter of significant concern.²

Over the past six decades, Orange County's history reflects a transformation from an agricultural hub to a thriving residential and commercial community. Rapid growth during this period caused a proliferation of water districts throughout the county. This resulted in an overabundance of water retailers operating within one of the geographically smallest counties in California.

In more recent times, water districts have found it necessary and advantageous to consolidate with other compatible public agencies. The Irvine Ranch Water District (IRWD) successfully acquired 5 water agencies in the last 27 years, with the most recent consolidation occurring in 2008.³ The latest annexation within Orange County occurred in 2021 when the Santa Margarita Water District (SMWD) acquired the water and wastewater systems of the City of San Juan Capistrano (SJC) through annexation.

Additionally, the potential consolidation of Orange County Water District (OCWD) and Municipal Water District of Orange County (MWDOC)—the county's two major water wholesalers—is currently under review by the Orange County LAFCO. This is highlighted in the 2021-2022 OCGJ report titled "Water in Orange County Needs One Voice."⁴

Advancing technology has made wastewater a sought-after commodity essentially adding to the water supply. In the realm of Orange County wastewater, there are two main wastewater service providers: the Orange County Sanitation District (OCSAN) and SOCWA. Both handle regional wastewater collection and treatment within their respective areas. Despite providing similar services, they operate under different governance structures. OCSAN is a special district, while SOCWA operates as a JPA. OCSAN serves 25 agencies covering north and central Orange County, totaling 2.5 million residents, while SOCWA currently represents 7 water and sewer agencies in South Orange County, serving approximately 600,000 residents. (See figures 1 and 2)

¹ Retail water suppliers provide potable municipal water to more than 3,000 end users or supply more than 3,000 acre-feet of potable water annually at retail for municipal purposes. (Cal. Water Code § 10608.12.)

² 2011-2012 Orange County Grand Jury report titled "[Dragging Special Districts from The Shadows](#)"
³ [Consolidations \(irwd.com\)](#)

⁴ 2021-2022 Orange County Grand Jury report titled "Water in Orange County Needs One Voice"
https://www.ocgrandjury.org/sites/jury/files/2023-06/2022-06-22_Water_in_Orange_County_Needs_One_Voice.pdf

Orange County Wastewater Agencies

	OCSAN	SOCWA
Services	Regional wastewater collection and treatment	Regional wastewater collection and treatment
Governing Structure	Special District	JPA
Agencies Served	25 agencies covering North and Central Orange County	7 water and wastewater agencies covering South Orange County
Funding	Property taxes, utility bills, grants and loans	Directly from member agencies. (no taxing authority)
# Residents Served	~2.5 million	~600,000

Figure 1-Wastewater Agencies

Water Agencies in South Orange County



Figure 2

Courtesy of SOCWA

Note: Santa Margarita Water District annexed the City of San Juan Capistrano Utilities in 2021. Laguna Beach County Water District serves the City of Laguna Beach and the Emerald Bay Service District.

REASON FOR THE STUDY

The public is generally unaware of the intricate processes and unseen operators who control the flow of their household water and sewage. However, the public has recently become keenly aware of rising utility bills. Media coverage has highlighted various water agencies raising rates to address escalating water costs, aging infrastructure, lack of upgrades, and deferred maintenance. The condition of water and wastewater infrastructure must be regularly assessed for an effective capital improvement program to maintain optimum performance.⁵ A recent example is the proactive April 16, 2024 “Huntington Beach Water/Wastewater Rate Report” proposal needed to ensure reliable water and wastewater systems through 2040.⁶ Over the past few years, several water agencies across Orange County have faced backlash from ratepayers for massive hikes to cover such expenses.

In 2023, public attention was drawn to the aftermath of the SMWD’s 2021 annexation of the SJC water systems. Media reports cited SMWD officials claiming neglect under prior SJC management. News coverage also focused on proposed rate increases so excessive that they generated protests from some of the most severely impacted customers. This being the most recent water systems consolidation, OCGJ was curious about the overall process, pre-existing condition of city’s water systems, and reasons underlying these major rate differences.

Additionally, with an interest in regional water matters, the OCGJ decided to extend its scope and examine the broader network of water and wastewater entities in South Orange County. The OCGJ identified a group of major water/wastewater providers that, through a long-standing JPA, manage and provide regional collection and treatment of wastewater to support their respective service areas. The OCGJ then undertook an investigation to assess the governance structure and operational effectiveness of this collaborative legal network. The OCGJ was particularly interested in the interrelationship of these water and wastewater providers and the prospect of future consolidations in South Orange County.

METHOD OF STUDY

The OCGJ conducted interviews with key personnel, attended tours, observed meetings, and reviewed documents relevant to the topic. Research focused primarily on public agencies serving South Orange County.

⁵ Capital Improvement Program, <https://efc.sog.unc.edu/resource/capital-planning-resources-for-water-and-wastewater-utilities/>

⁶ Huntington Beach Water / Wastewater Rate Report, <https://huntingtonbeach.legistar.com/View.ashx?M=F&ID=12846347&GUID=CF0B144A-8C49-4FFE-BC0F-EADFC70C317C>

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Interviews:

- Shea Therapeutic Riding Center
- City of Laguna Beach
- ATS Financial Services
- City of San Clemente
- City of San Juan Capistrano
- South Coast Water District
- Santa Margarita Water District
- Moulton-Niguel Water District
- Irvine Ranch Water District
- Laguna Beach County Water District
- Municipal Water District of Orange County
- Trabuco Canyon Water District
- El Toro Water District
- South Orange County Wastewater Authority
- Orange County Water District
- Orange County LAFCO
- Berkson Associates Consulting
- Emerald Bay Service District

Site Visits:

- Orange County Emergency Operating Center at Loma Ridge
- Orange County Sanitation District
- Santa Margarita Water District
- Irvine Ranch Water District
- San Clemente Public Works Department
- South Coast Water District
- South Orange County Wastewater Authority
- Coastal Treatment Plant
- Municipal Water District of Orange County
- Orange County Water District
- Moulton Niguel Water District
- Laguna Beach County Water District
- JB Latham Treatment Plant
- City of Laguna Beach Public Works
- El Toro Water District
- Robert B. Diemer Treatment Plant

Meetings:

- LAFCO
- Municipal Water District of Southern California
- OCWD Water Summit
- Water Advisory Committee of Orange County (WACO)

Documents and Websites Reviewed:

- Previous Grand Jury reports
- M1 Manual-Association of California Water Agencies the *Manual of Standard Practices* by the American Water Works Association
- Websites, staff reports, agendas, and meeting recordings for water agencies in South Orange County
- Review of applicable State and local laws and regulations
- Local news articles and reports

INVESTIGATION AND ANALYSIS

WATER SYSTEMS – THE CONSOLIDATION PROCESS

Case Study: City of San Juan Capistrano and Santa Margarita Water District

The City of San Juan Capistrano's (SJC) water utilities transfer offers an insightful case study highlighting the challenges and benefits with consolidating its municipal water systems with the Santa Margarita Water District (SMWD). Records dating back to 2000 reveal a decades-long struggle marked by local political tensions, financial strain from ratepayer lawsuits, deferred maintenance, and insufficient capital reinvestment in the water system. These factors, compounded by a reluctance to adjust rates to cover ongoing water costs, culminated in a critical junction where the city eventually found itself seeking a more capable water provider to assume control of its water systems.

In the pivotal year of 2011, the financial hardships plaguing SJC intensified. A series of multimillion dollar lawsuits led to a substantial decrease in the city's bond rating, creating an additional \$7.5 million deficit in the city's budget. Faced with this fiscal crisis, the city resorted to extreme budgetary measures with city-wide cutbacks affecting the utility sector.

This financial rollercoaster persisted through Fiscal Years 2012 to 2014, until 2015 delivered yet another major economic hit. There was an unfavorable Court of Appeal's decision in a lawsuit concerning the City's billing rate system that impacted affluent and high-water users. It mandated an additional \$4.1 million refund, exacerbating the City's already precarious financial state.⁷ It was at this point, in 2015, that the City began to explore divesting its water and wastewater utilities. By August 2016, the City took a decisive step by filing an application with Orange County LAFCO to conduct a focused Municipal Service Review (MSR). The purpose was to explore the potential transfer of its water and wastewater operations and facilities to a public successor agency.

LAFCO's Regulatory Role: Municipal Service Reviews

LAFCOs are independent regulatory commissions throughout California that were created by the legislature in 1959 and are charged with controlling and adjusting the boundaries of cities and most special districts in all 58 counties. (See Cal. Gov. Code §§ 56001, 56325.) Besides regulating local government boundaries, LAFCOs play an important role in evaluating municipal services within their counties and making recommendations for improvements. LAFCOs review and update the designated sphere of influence for each city and special district under their jurisdiction. Prior to establishing or updating a sphere of influence, LAFCO must perform a special MSR. MSRs are comprehensive studies to determine the adequacy of governmental services being provided by the local agencies under LAFCO jurisdiction. MSRs can be conducted

⁷ Meghann M Cuniff, "San Juan Capistrano to pay \$4.1 million to refund customers for illegal water rates" *Orange County Register*, June 18, 2015.

Emerging Opportunities in South County Water/Wastewater Systems

individually for specific cities or districts, covering all services, or on a county-wide or regional basis focused on specific services.

As the local regulatory agency, Orange County's LAFCO was tasked with reviewing the annexation proposal submitted by SJC and analyzing the financial suitability and operational capability of potential public successor agencies. On October 10, 2018, LAFCO issued its Focused MSR,⁸ which assessed the SJC's utilities and identified potential successor public agencies to assume their operations.⁹ This report held significant weight in the City's search for a solution to off-loading its distressed assets.

The MSR identified three interested special water districts for further consideration: South Coast Water District (SCWD), Santa Margarita Water District (SMWD), and Moulton Niguel Water District (MNWD). Notably, the report underscored that all three potential agencies were generally better positioned than the city to provide water and sewer services to the community,¹⁰ thus marking a turning point in SJC's search for a viable solution to its long-standing water system challenges.

Following presentations from three qualified special districts and input from the public, SJC selected SMWD on February 19, 2019, for further discussion on the transfer of the City's water and sewer utility systems. The City Council's rationale for this decision was based on the potential for an economy of scale, enhanced operations, infrastructure improvements, and stabilized utility rates for its ratepayers.¹¹ Subsequently, on January 21, 2020, the City unanimously approved the annexation agreement with SMWD¹² and in late winter of 2020, SMWD filed an annexation application with LAFCO.¹³ As part of the process, SMWD submitted a Plan of Service proposing enhanced efficiency and cost-effective delivery of services to the affected ratepayers.¹⁴

On August 19, 2021, LAFCO approved the SMWD annexation of SJC's water and wastewater utilities, citing such benefits as stabilization of rates and immediate, long-term improvements of both utilities.¹⁵ SMWD assumed operational control of the City's water systems on November 15, 2021¹⁶, designating the area formerly serviced by the

⁸ FOCUSED MUNICIPAL SERVICE REVIEW (oclafco.org)

⁹ Orange County Local Agency Formation Commission Agenda Report Proposed "Santa Margarita Water District Annexation of the City of San Juan Capistrano Water and Wastewater Utilities" August 19, 2021, p. 1.

¹⁰ *Ibid.* pp. 1-2.

¹¹ *Ibid.*

¹² San Juan Capistrano City Council Meeting Minutes dated January 21, 2020, p. 4.

¹³ Santa Margarita Water District Letter to Local Agency Formation Commission, Orange County Subject: City of San Juan Capistrano Potable Water, Recycled Water, and Wastewater Utilities – Santa Margarita Water District's Plan of Service and Application Form, December 23, 2020, pp. 1-2.

¹⁴ *Ibid.*

¹⁵ Orange County Local Agency Formation Commission Agenda Report Proposed "Santa Margarita Water District Annexation of the City of San Juan Capistrano Water and Wastewater Utilities" August 19, 2021, pp. 21-22.

¹⁶ FAQs • Why does SMWD want to take over San Juan Capistrano's Water and Wastewater service from the City? <https://www.smwd.com/faq.aspx?qid=180>

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SJC as Improvement District 9 (ID 9), distinct from SMWD's Improvement Districts 1 through 8.¹⁷

In May 2023, SMWD issued a Cost of Service and Rate Study concerning ID 9 that focused on determining rates necessary to cover water service costs as required by the California Constitution under Proposition 218.¹⁸ The study found 135 prominent ratepayers, including shopping centers, industrial buildings, schools, churches, and a major non-profit, that would be significantly impacted by the proposed monthly rate increases,¹⁹ specifically for their fire service lines. For instance, businesses faced increases from nearly \$9,700 to over \$14,000 annually for fire service lines, a result of SMWD's new rate methodology based on capacity. In contrast, residential lines saw more modest increases of no more than \$30 a month.²⁰

SMWD responded to the rate increase concerns by sending out required notices to new ID 9 ratepayers and met with those severely impacted. The proposed rate increases were publicized by local media, leading to protests from some affected ratepayers. At a July 12, 2023, public hearing on proposed rates, SMWD staff highlighted the City's deferred maintenance of infrastructure, and the lack of rate increases since July 2018. They argued that the increases were necessary to align ID 9 with the rest of the district. Protesting ratepayers claimed the proposed rate hikes were unjust. One ratepayer hired a consultant to evaluate the SMWD rate study. Thirteen water districts in Orange and Riverside Counties were included in the investigation. The rate methodology employed in the SMWD Cost of Service and Rate Study was not used in any of the 13 districts that were studied.²¹

In response to this feedback, SMWD's Board of Directors voted to continue the meeting to August 2, 2023. On that date, the Board approved ID 9 water rate increases proposed by staff, except for the capital charge component for fire meter owners. Additionally, the Board ordered a new Cost of Service and Rate Study for all districts within SMWD to be completed by June 30, 2024.

¹⁷ <https://www.smwd.com/DocumentCenter/View/4247/SMWD-ID-9-Cost-of-Service-and-Rate-Study> p.3.

¹⁸ *Ibid.*

¹⁹ Santa Margarita Water District Memorandum to: Board of Directors From Daniel Ferons, Erica Castillo Subject: Public Hearing on Proposition 218 Rate Structure; and Consideration and Action on Adoption of Resolution No. 2023-07-01 Adopting Adjustments in its Potable Water, Recycled Water, and Wastewater Service Charges and Water Shortage Contingency Rates for Improvement District No. 9 (San Juan Capistrano) Agenda Packet July 12, 2023, p.7.

²⁰ Brandon Pho, Noah Biesiada, San Juan Capistrano Businesses Shocked over Staggering Proposed Water Bill Hike, Voice of OC, June 22, 2023.

²¹ Findings Report, ATS Financial Services, July 6, 2023 "Analysis of ID 9 (SJC) of the SMWD Cost of Service and Rate Study and Proposed Rate Adjustments."

SJC/SMWD Consolidation Timeline

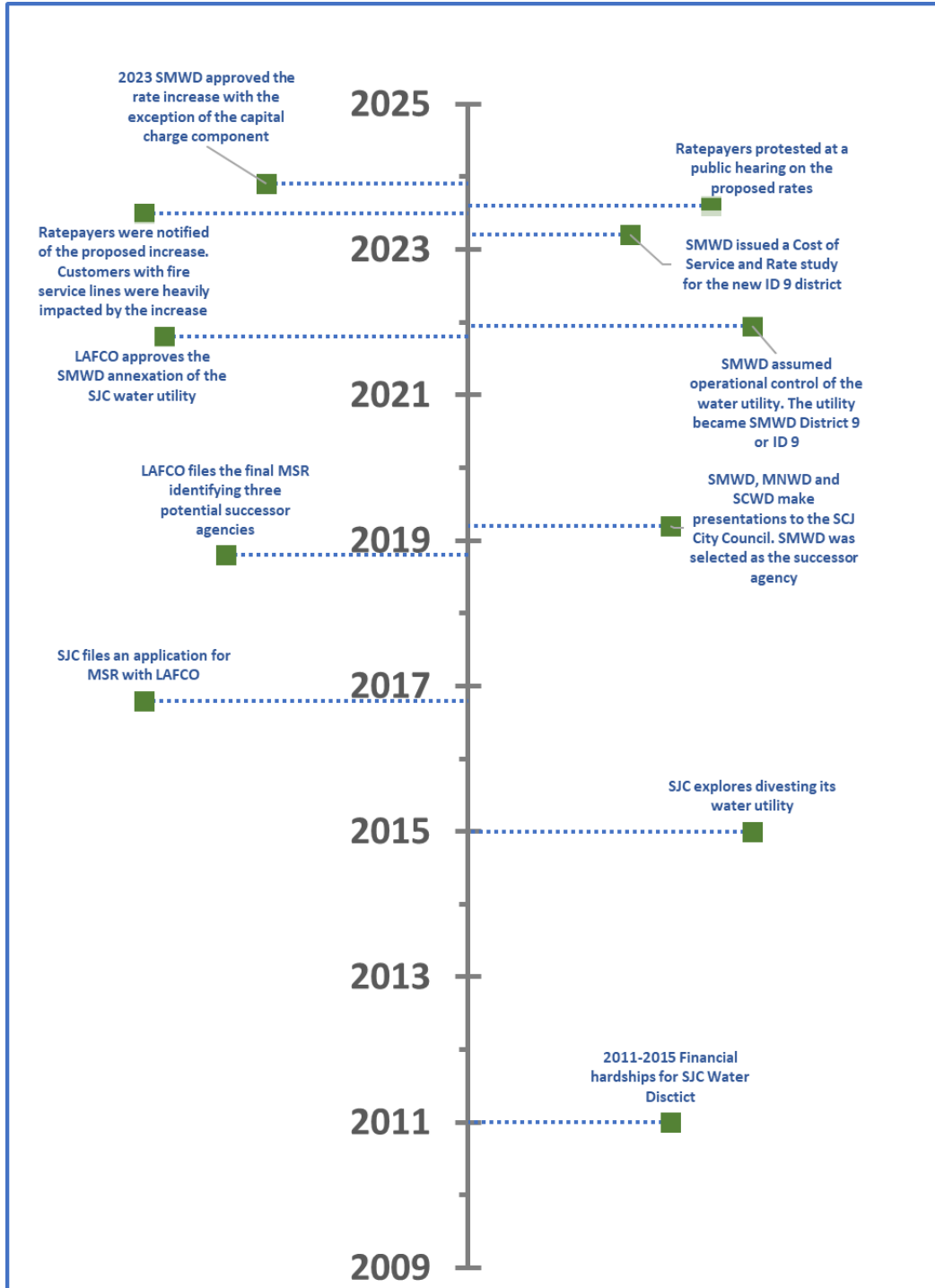


Figure 3

Summation

Although initial rate increases drew some criticism from the community, after the consolidation, the average monthly residential rate went up \$30. Overall, the SMWD consolidation signaled a positive direction for SJC's water future. Since the transfer, new SMWD customers have generally expressed satisfaction with their new provider's service and water quality, as reflected in polls and customer surveys.²² Additionally, SMWD is actively addressing deferred maintenance needs and making necessary infrastructure capital improvements neglected over time. Also, customer rates for ID 9 are on schedule to be consistent with the entire district by 2030.²³

The case of the SJC's water systems having undetected deficiencies underscores the need for an extensive assessment of the utilities in advance of such reorganizations. Transparency and more due diligence would have mitigated some consolidation concerns and helped smooth the transition of service providers. Research also suggests the need for a more extensive analysis of rate increases for non-residential customers.

WASTEWATER SYSTEMS - REGIONAL COLLABORATION

Case Study: South Orange County Wastewater Authority (SOCWA)

SOCWA was formed in 2001 when the South East Regional Reclamation Authority, Aliso Water Management Agency, and South Orange County Reclamation Authority consolidated to meet the wastewater needs of more than 500,000 homes.

The mission of SOCWA is to collect, treat, beneficially reuse, and dispose of wastewater in a manner that protects and respects the environment; maintains the public's health; and meets local, state, and federal regulations.²⁴ (See figure 4)

SOCWA exists to handle the wastewater needs of homes and businesses throughout South Orange County. It oversees the entire process from collection to disposal, ensuring water is treated properly. Additionally, SOCWA plays an important role in producing recycled water for irrigation and commercial purposes, saving a substantial amount of domestic water annually. This translates to preserving around 1.6 billion gallons of water, equivalent to 16,259 acre-feet.

SOCWA operates in collaboration with member agencies, including local water providers and local cities. It manages various programs to fulfill the Clean Water Act and National Pollutant Discharge Elimination System (NPDES)²⁵ permit requirements. It also operates two ocean outfalls and three wastewater treatment plants. The facilities

²² [One Year Later: A Look at Santa Margarita Water District's Acquisition of San Juan Capistrano's Water Utilities | Eye on SJC | picketfencemedia.com.](#)

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ [National Pollutant Discharge Elimination System \(NPDES\) | US EPA](#)

owned and/or operated by SOCWA include the Coastal Treatment Plant located in the City of Laguna Beach, the JB Latham Treatment Plant located in the City of Dana Point, and the Regional Treatment Plant located in the City of Laguna Niguel. Together these three plants provide regional collection and treatment to approximately one third of the County's population.

Wastewater Purification and Recycling

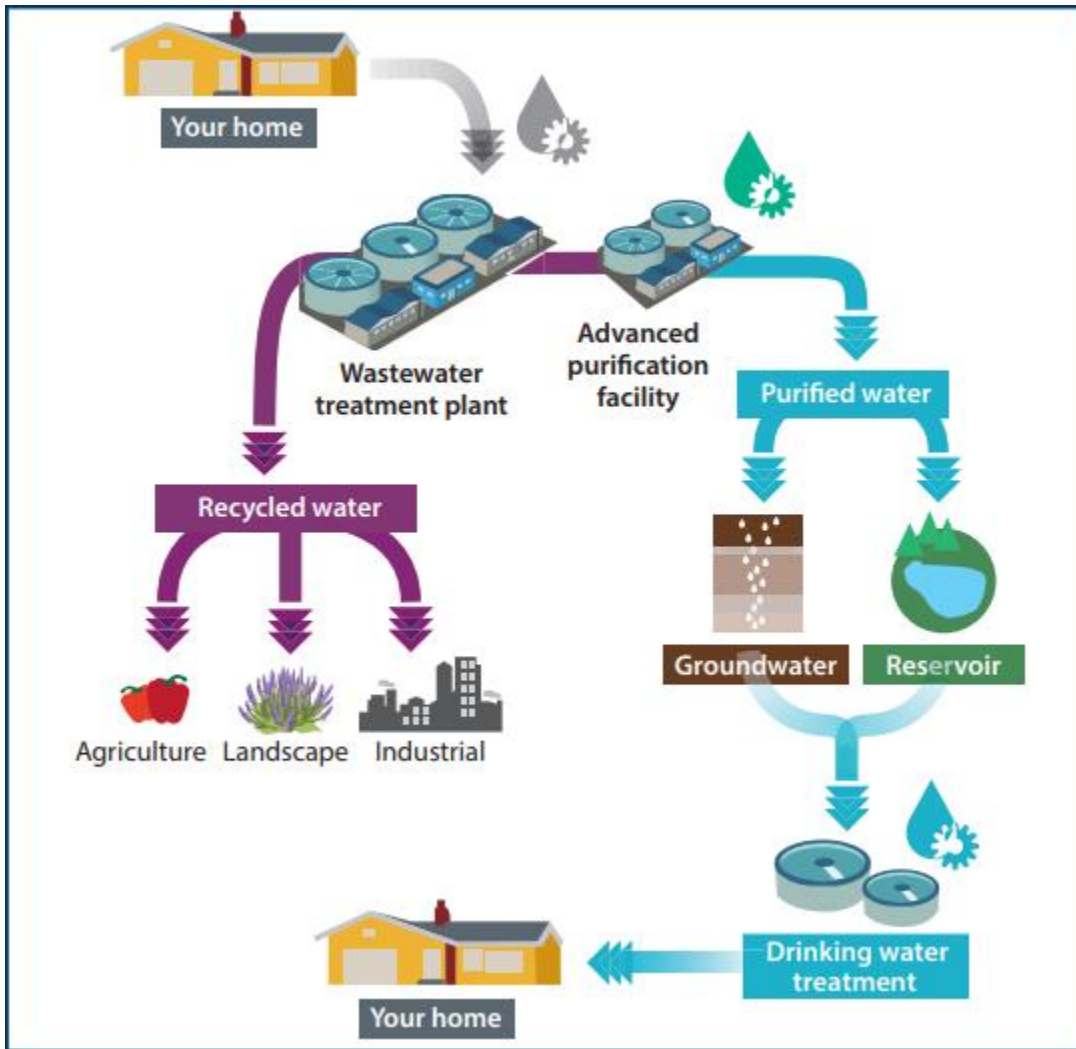


Figure 4

Source: sdwa.org waternewsnetwork.com

Joint Power Authority: Governing Structure

SOCWA is a JPA originally founded by 10 member agencies consisting of local water and service districts and cities. A JPA is a membership between two or more public agencies to jointly exercise common powers.²⁶ SOCWA currently has 7 member agencies which include two cities, four water districts, and a community services district. The four water districts in SOCWA provide sewer and water service to their customers. (See Appendices 1 and 2).

SOCWA's Board of Directors is made up of one representative from each of SOCWA's members. Each director has one vote regardless of their individual levels of contribution to SOCWA's revenues or the size of the population or territory they serve. Among other functions, the Board is responsible for approving SOCWA's budget, appointing its general manager, and taking other administrative actions. While SOCWA's Board governs matters that affect SOCWA as a whole, members enter into agreements with each other to establish project committees to serve their specific needs.²⁷

A project committee forms when members enter into agreements to share the cost of an existing SOCWA wastewater processing facility or to construct a new facility in exchange for their use of the facility for processing their wastewater products or for other purposes. By entering into these agreements, members establish a right to a certain amount of capacity in a SOCWA facility. Capacity here refers to the member's right to use the facility to process wastewater liquids and solids or to perform advanced water treatment. Project committee agreements and budgets express these capacities as a percentage of the total capacity of the facility for its different functions.²⁸

Voting at the project committee level also follows a one-member, one-vote structure. Members of a project committee vote on matters directly related to that project committee, including budgets to maintain or expand the facility. Members of project committees are bound by the terms of their agreements to pay their share of project costs. Members may only be relieved of this obligation by mutual consent of all participating members of the particular project committee.²⁹

SOCWA has no direct taxing authority, and nearly all funding for its operations comes directly from the contribution of members. SOCWA bills project committee members for their share of SOCWA's costs to construct, operate, and maintain the facilities the project committees utilize. Project committee agreements establish each participating

²⁶ <https://www.auditor.ca.gov/reports/2017-113/introduction>.

²⁷ *Ibid.*

²⁸ *Ibid.*

²⁹ *Ibid.*

member's share of operation and maintenance costs and capital costs generally based on the member's level of usage or capacity rights.³⁰

SOCWA: Disputes and Succession

In May 2017, SOCWA, along with three of its members, filed a lawsuit alleging that one of its members – Moulton Niguel Water District (MNWD) had failed to pay its contractual share of project costs for the Coastal Treatment Plant (CTP).³¹ MNWD entered into a project committee with the City of Laguna Beach, SCWD, and Emerald Bay Service District (EBSD) in 1999 to use CTP's capacity to process up to 1.96 million gallons per day (MGD) of its wastewater products. In response, MNWD stated it no longer used any of its contractual capacity to CTP and filed an answer and cross-complaint in August 2017 alleging fiscal mismanagement, fiscal improprieties, and poor retention of financial records on the part of SOCWA.³²

In March 2018, the California State Auditor released its audit report (SOCWA State Audit Report)³³ concerning the financial management practices and governance structure of SOCWA. It found that the elements of SOCWA's governance structure were generally similar to that of other wastewater and water JPAs in California. The report found evidence of financial mismanagement and inadequate record keeping but indicated that SOCWA had taken steps to correct its fiscal and record keeping practices. In response to the audit SOCWA agreed to the recommendations contained in the report.³⁴

In February 2019, the Riverside Superior Court issued its tentative ruling holding that MNWD was legally obligated to pay its proportional share of all costs, including capital costs and items necessary to maintain and operate the Coastal Treatment Plant until February 19, 2030 when the CTP project agreement ended.³⁵ In May 2019, SOCWA, MNWD, SCWD, EBSD, and the City of Laguna Beach issued a public statement regarding the litigation on the coastal treatment plant, and that the parties had agreed to resolve their differences on mutually agreeable terms.³⁶

On August 9, 2023, LAFCO issued its MSR Sphere of Influence Reviews covering the Southwest Region (OCLAFCO SW MSR).³⁷ It identified all agencies in the region that receive wastewater services in some capacity from SOCWA. Services provided by SOCWA generally fit into two areas:

³⁰ <https://www.auditor.ca.gov/reports/2017-113/introduction>.

³¹ *Ibid*

³² *Ibid*.

³³ <https://www.auditor.ca.gov/reports/2017-113/summary.html>

³⁴ <https://www.auditor.ca.gov/reports/2017-113/response.html>

³⁵ <https://www.oregister.com/2019/02/27/judge-rules-on-2-million-dispute-over-orange-county-sewage-plant/>

³⁶ <https://www.oregister.com/2019/05/20/moulton-niguel-water-district-agrees-to-pay-4-8-million-in-wastewater-dispute/>

³⁷ https://oclafco.org/wp-content/uploads/2024/01/OCLAFCO_Southwest_MSR_-_Final_8.28.23.pdf

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1. Permitting and regulatory support for the operation of all wastewater treatment plants in south Orange County
2. Operation of three wastewater treatment plants

The MSR also noted the SOCWA's JPA agreement previously included ten agencies but had recently been reduced to seven voting members including the El Toro Water District (ETWD), MNWD, SCWD, EBSD, the City of Laguna Beach, SMWD, and the City of San Clemente. As of July 1, 2023, the following three agencies were no longer members of SOCWA: Irvine Ranch Water District (IRWD), Trabuco Canyon Water District (TCWD), and SJC. San Juan Capistrano's wastewater services and infrastructure were assumed by SMWD through an annexation to the district in 2021 and TCWD and IRWD had arranged for former SOCWA services to be provided through other means.³⁸

The MSR stated SOCWA staff were aware of the evolving issues regarding SOCWA's management, purpose, and structure, and had hired a facilitator at the request of SCWD to assist in moving the discussion forward. Additionally, SOCWA staff noted that the agencies have full authority to make any changes they desire to the JPA agreement, provided they get the appropriate majority.

The MSR further noted within SOCWA there are numerous shared facilities for wastewater collection and treatment. These are managed by SOCWA through separate project agreements or committees among various member agencies. Many of these agreements predate SOCWA and are due to expire in 2030. MNWD had expressed strong interest in assuming the operational responsibility of one of SOCWA's regional facilities, the Regional Treatment Plant. In its justification, MNWD saw a potential benefit if several of SOCWA's assets were operated by each member agency. In their view, which was shared by SMWD, SOCWA is not structured to meet the wastewater service needs of some member agencies and should focus on providing enhanced permitting and regulatory compliance support for the SOCWA member agencies.

The MSR found that SCWD had expressed a strong interest in preserving the existing structure of SOCWA while also expressing openness to evaluating the agreements for efficiency and improvement. The other agencies reviewed in the MSR did not express similar interest in a reexamination of the SOCWA arrangements, nor did they share any complaints or concerns about SOCWA's service level. While they did not express a desire to advance these ideas during the MSR process, they stressed their openness to reevaluating the project agreements as they approach their respective expiration dates. After the MSR, SOCWA members conducted facilitator directed meetings to address member concerns.

At the Board of Directors meeting on March 7, 2024, SOCWA presented a \$20 million buyout proposal to transition the Regional Treatment Plant to MNWD and other

³⁸ *Ibid*

Emerging Opportunities in South County Water/Wastewater Systems

considerations to facilitate MNWD's withdrawal from SOCWA.³⁹ The proposed agreement will become effective on June 30, 2024, and is contingent on several conditions including the required unanimous vote of all SOCWA members to authorize MNWD's withdrawal from SOCWA.⁴⁰

On May 1, 2024, a special meeting was held to address the March 7, 2024, proposal to transition the Regional Treatment Plant to MNWD and to facilitate MNWD's withdrawal from SOCWA. There was unanimous approval of the proposal in principle with members set to return to their respective boards for official approval by June 1, 2024.

The steps ahead are to continue negotiations and require MNWD to provide its official response. If consensus is reached, then terms and conditions would be laid out to adopt the necessary amendments to various JPA agreements and Project Committee agreements. MNWD would need to develop and adopt an agreement with SCWD, EBSD, City of Laguna Beach, and ETWD for handling solid waste. Treatment, conveyance, and outfall agreements would need to be developed and adopted between SOCWA and MNWD.

Lastly, upon MNWD's withdrawal from SOCWA, and after the buyout payment, the transfer of the Regional Treatment Plant and its operation to MNWD would be complete.

Summation

The history of SOCWA shows the divergent approaches of its member agencies. While some agencies embraced long-range regional collaboration, it could be argued that smaller districts with overweighted voting authority hindered them. Past litigation among JPA members has created a legacy of distrust, and Balkanized decision-making among its governing directors. Water officials interviewed by the OCGJ clearly indicated tension among rival SOCWA members. It appears some members are entrenched in transactional approaches aimed solely at addressing ownership, operation, and modernization of treatment plants within their own boundaries.

Water and wastewater agencies, like SOCWA, have worked together through legal agreements in the past. However, SOCWA's collaborative efforts have not always been successful which may be reflective of its JPA governing structure.⁴¹ Over time, changes in local support, leadership, and financial pressures have led member agencies to reconsider their involvement in the JPA.

³⁹ https://www.socwa.com/event/board-of-directors-meeting-3-7-2024/?instance_id=716

⁴⁰ <https://www.socwa.com/wp-content/uploads/2023/12/7f-2024-03-06-SOCWA-Proposal-to-Transition-RTP-to-MNWD.pdf>

⁴¹ Trish Cypher and Colin Grinnell, "Governments Working Together: Citizen's Guide to JPAs" (California State Legislature, 2007).

It was evident from the SOCWA special meeting of May 1, 2024, that leaving a JPA can be complicated.⁴² SOCWA started with 10 members but is now down to 7, and negotiations are ongoing for yet another member to leave. Now, SOCWA needs new agreements to govern its operations going forward. This leaves uncertainty about SOCWA's future beyond the expiration of its original contracts in 2030. However, with California's ocean discharge regulations being so extensive, JPA members have expressed support for SOCWA to continue in some form to handle permitting as well as other regulatory support functions within its purview.

THE PATH FORWARD

Water System - Consolidations

Consolidating, restructuring, or merging agencies is a function of assessing the costs and benefits regarding safety, security,⁴³ reliability, financial and operational efficiencies, and economies of scale, versus the attraction of local control. A thorough assessment of this "balancing act" will benefit future generations of Orange County residents.

South Orange County is served by ten water providers in jurisdictions ranging in size from 540 customers in EBSD to 116,000 customers in IRWD (Appendices 1 and 2). To advance consolidations, over the past decade the State of California has developed financial incentives for larger water systems to absorb small systems, introduced new authorities to mandate consolidation under specific circumstances, and invested significantly in technical assistance resulting in over 200 completed projects throughout the State with more underway.⁴⁴ Interviews identified the benefit of having a single entity to discuss the optimal management/structure of water, wastewater, and reuse operations with a common vision for the future of Southern Orange County.

In recent years, water districts have experienced the benefits of consolidation with one another, as evidenced by IRWD. It has successfully acquired five other agencies over the past twenty-seven years, including the Santa Ana Heights Mutual Water Company in 1997, Carpenter Irrigation District in 2000, Los Alisos Water District in 2001, Santiago County Water District in 2006, and the Orange Park Acres Mutual Water Company in 2008.⁴⁵

Irvine Ranch Water District's process involves a selective approach, emphasizing efficiencies and mutual benefits. It begins with a consolidation request to IRWD from the prospective water agency, followed by mutual agreement on terms, and then an application to LAFCO for their evaluation. Irvine Ranch Water District has a proven track

⁴² <https://www.socwa.com/wp-content/uploads/2023/12/7f-2024-03-06-SOCWA-Proposal-to-Transition-RTP-to-MNWD.pdf>

⁴³ [EPA warns of increasing cyberattacks on water systems | AP News](#)

⁴⁴ Luskin Center for Innovation, Trends in California Water Systems Consolidation (December 2023) [Policy-Brief-Trends-in-California-Water-Systems-Consolidation.pdf \(ucla.edu\)](#)

⁴⁵ [Consolidations \(irwd.com\) https://www.irwd.com/about-us/consolidations](#)

Emerging Opportunities in South County Water/Wastewater Systems

record since 1997 of having successfully unified five providers benefitting 57,000 residents with improved water reliability and standardized rates. With extensive cash reserves, IRWD is poised to maintain and enhance its water systems over the next fifty years.

It is evident that past consolidations among water agencies have yielded positive outcomes by enhancing efficiencies and fostering mutual benefits through shared expertise and resources. With the multitude of water districts and the risk of financial strain comparable to SJC, future consolidations are not just probable but beneficial. Hence, it is imperative to draw lessons from past experiences. By reviewing the issues and concerns encountered by SMWD and by adopting the strategies employed by IRWD, there is an opportunity to improve the process for future consolidations (Appendices 1 and 2).

Wastewater Systems - Collaboration

In South Orange County, collaboration among water and wastewater providers can drive positive changes for the region's future. Despite past challenges posed by differing governing boards and environmental perspectives across separate jurisdictions, officials have shown the willingness to unify and address shared concerns. The future of SOCWA involves reorganizing the structure so that it can resolve the operational issues of treatment plants. This allows major water agencies to focus on maximizing wastewater reuse and to minimize ocean discharge, with the aspirational goal of zero discharge. Collaboration among all agencies operating treatment plants is paramount, to adopt a more integrated management approach.

The Moulton Niguel Water District, one of the leading service providers, has embraced a transformative drive to water management. Since 2019, MNWD has pursued federal funds to strengthen its infrastructure against seismic and severe storm damage. In 2024 the district was awarded \$10.3 million in federal grants to strengthen and improve its wastewater infrastructure. The grant is administered by the California Office of Emergency Services and funded by the Federal Emergency Management Agency (FEMA) to replace sewer lines that move more than half of all district wastewater.⁴⁶ Advocating for funding as a region to address aging infrastructure is vital to ensure the long-term sustainability of water management efforts. By working collectively towards these goals, South Orange County can lead the way in sustainable water management practices for the benefit of current and future generations.

The Moulton Niguel Water District is also working on a reverse osmosis project called OASIS (Optimal, Adaptive, Sustainable, Integrated, Supply) to receive wastewater from homes and businesses, and treat it for potable reuse. The OASIS project emerges as a beacon of innovation and sustainability, offering not only reliable water reuse but also an opportunity for education and public engagement. By demonstrating the safety and effectiveness of direct potable reuse, South Orange County can pave the way for similar

⁴⁶ <https://www.mnwd.com/moulton-niguel-water-district-awarded-federal-grant/>

Emerging Opportunities in South County Water/Wastewater Systems

projects across California. Building partnerships with neighboring regions, environmental organizations, and governmental bodies will be crucial to securing state, federal, and private funding dedicated to advancing water reuse in South Orange County, with OASIS as the flagship project, being a top priority.

Another transformative advancement is the Doheny Ocean Desalination Project, planned by the South Coast Water District as part of the Joint Regional Water Supply System. This project would create a new, local, drought-proof water supply that would provide emergency water supplies.⁴⁷ Benefits would provide a water source at a reasonable cost, up to 5 million gallons per day of drinking water and the potential for long-term regional benefits. The proposed facility would be located near Doheny State Beach in the City of Dana Point and is planned to be on-line in 2028.

Looking ahead, the integration of treatment plant operations and the advancement of technologies like direct potable use and desalination are key focal points. As such, the OCGJ recommends LAFCO form a task force comprising representatives of affected water districts to study the transformation of SOCWA and prepare a report identifying the optimal future of water and wastewater systems in South Orange County.

In an era of emerging opportunities, a comprehensive regional plan developed in conjunction with all stakeholders is needed for guiding future projects and addressing evolving needs. As the task force facilitator, LAFCO can also play a pivotal role in studying future consolidations and a unified regional approach to water and wastewater management and service delivery. By planning and working together, South Orange County is poised to lead the way in securing a better future for generations to come.

COMMENDATIONS

Irvine Ranch Water District (IRWD) - The Irvine Ranch Water District successfully acquired 5 water providers serving 57,000 residents since 1999. These consolidations provide reliable water supply at equitable rates, which are mutually beneficial to all customers.

City of San Clemente – Based on interviews and a comprehensive site visit, the OCGJ found the City of San Clemente does an excellent job in maintaining and operating its water and wastewater utility systems. This integrated system augments the City's local recycled water sources and is beneficial in reusing urban runoff and reducing biosolids.

⁴⁷ [South Coast Water District, CA \(scwd.org\)](https://www.scwd.org)

FINDINGS

In accordance with California Penal Code Sections 933 and 933.05, the 2023-2024 Grand Jury requires responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described here, the 2023-2024 OCGJ has arrived at the following principal findings:

- F1. San Juan Capistrano’s deferred maintenance of the water/wastewater utility resulted in the need to transition the facility to a larger water provider to allow more efficient management and maintenance of the infrastructure.
- F2. The SMWD proposed rate increase severely impacted San Juan Capistrano’s non-residential customers and led to protests of unfairness and negative attention from the local media.
- F3. SOCWA’s member agencies have widely diverse populations, requirements, and revenues. This has led to conflicts over governance, facility operation, and control, affecting the evolving potential for wastewater reuse.
- F4. There is currently no unified strategy for the future of water/wastewater provision in South Orange County

RECOMMENDATIONS

In accordance with California Penal Code Sections 933 and 933.05, the 2023–2024 Grand Jury requires responses from each agency affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation titled “Emerging Opportunities in South County Water/Wastewater Systems,” the 2023-2024 OCGJ makes the following two recommendations:

- R1. The OCGJ recommends that by January 1, 2025, LAFCO studies a policy of conducting a post-consolidation agency review to be held within 24 months of agency reorganizations to determine their overall impact on the public. (F1, F2)
- R2. The OCGJ recommends that by January 1, 2025, LAFCO form a task force comprising representatives of affected water agencies to study the transformation of SOCWA and prepare a report on the future of water/wastewater in South Orange County. (F3, F4)

RESPONSES

California Penal Code Section 933 requires the governing body of any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. Such comment shall be made no later than 90 days after the Grand Jury publishes its report (filed with the Clerk of the Court). Additionally, in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected county official shall comment on the findings and recommendations pertaining to the matters under that elected official's control within 60 days to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section 933.05 specifies the manner in which such comment(s) are to be made as follows:

- (a) As to each Grand Jury finding, the responding person or entity shall indicate one of the following:
 - (1) The respondent agrees with the finding.
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.
- (b) As to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:
 - (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the Grand Jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation, thereof.

Emerging Opportunities in South County Water/Wastewater Systems

- (c) If a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Responses Required

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code Section 933.05 are required from:

Findings – 90 Day Response Required

City of Laguna Beach	F3, F4
City of San Clemente	F3, F4
City of San Juan Capistrano	F1, F2
El Toro Water District	F3, F4
Emerald Bay Service District	F3, F4
Irvine Ranch Water District	F4
Laguna Beach County Water District	F4
Moulton Niguel Water District	F3, F4
Santa Margarita Water District	F1, F2, F3, F4
SOCWA Board of Directors	F3, F4
South Coast Water District	F3, F4
Trabuco Canyon Water District	F4

Recommendations – 90 Day Response Required

Orange County LAFCO Board of Commissioners	R1, R2
City of Laguna Beach	R2
City of San Clemente	R2

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El Toro Water District	R2
Emerald Bay Service District	R2
Irvine Ranch Water District	R2
Laguna Beach County Water	R2
Moulton Niguel Water District	R2
Santa Margarita Water District	R2
SOCWA Board of Directors	R2
South Coast Water District	R2
Trabuco Canyon Water District	R2

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GLOSSARY

Acre-foot - A unit of measure used to calculate volumes of water. One acre-foot equals the volume of water that would cover an acre of land at a depth of one foot.

AWWA - American Water Works Association is a non-profit organization. Its mission is to improve water quality and supply.

Desalination - A process that removes salt and other minerals from water.

ISDOC - Independent Special Districts of Orange County is an association that advocates for Orange County’s independent special districts.

JPA - Joint Powers Authority is a membership between two or more public agencies to jointly exercise common powers.

LAFCO - Local Agency Formation Commission is a countywide commission, required in each California county. LAFCO’s powers include approving, establishing, expanding, reorganizing, and, in limited circumstances, dissolving cities and special districts.

MSR - Municipal Service Review is a comprehensive analysis conducted by LAFCO to assess the performance of municipal services within a specific geographic area.

NPDES - National Pollutant Discharge Elimination System

OASIS - A initiative for advanced integrated water management started by MNWD. (Optimal, Adaptive, Sustainable, Integrated, Supply)

OCSAN - Orange County Sanitation District provides wastewater collection, treatment, and recycling North and Central Orange County.

Potable Water - Water that is suitable for human consumption.

Recycled Water - Wasterwater that has been treated (filtered and disinfected). It is used as irrigation for golf courses and parks.

Special District - A local government entity that was created to provide a specific public service. Examples are water service, cemeteries and fire protection.

SOCWA - South Orange County Wastewater Authority is a Joint Powers Authority with seven member agencies, consisting of local retail water agencies and cities that provide

Emerging Opportunities in South County Water/Wastewater Systems

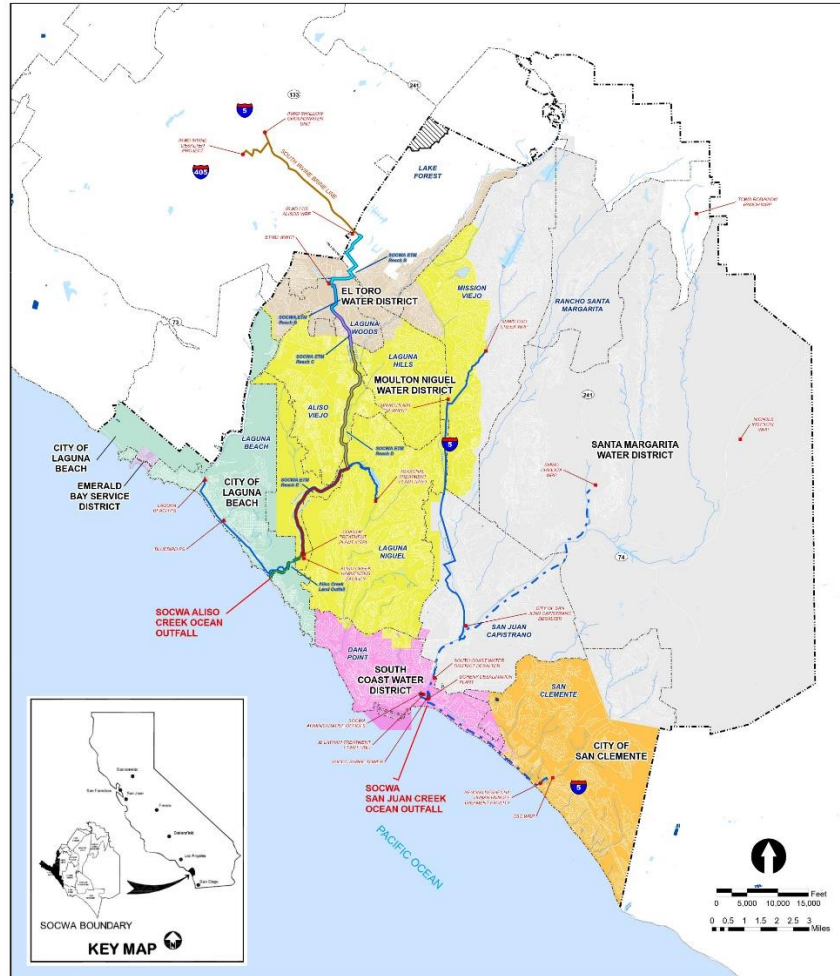
water to their residents. SOCWA manages the collection, transmission, treatment, and disposal of wastewater across South Orange County.

WACO - Water Advisory Committee of Orange County

APPENDICES

APPENDIX 1

South Orange County Water Resource Agencies



Emerging Opportunities in South County Water/Wastewater Systems

APPENDIX 2

South Orange County Water Resource Agencies Summary Data

Location	Type	Established	Services	SOCWA Member	Water Lines (Miles)	Sewer Lines (Miles)	Sewage Treatment Plants	Residents Served	Service Connections	Area (sq mi)	# Employees	Board / Council Members
Emerald Bay Service District (EBSD) *	Community Services District	1961	Water & Sewer	Yes	6	6	0	2,000	540	1	1	5
Trabuco Canyon Water District (TCWD)	Special District	1961	Water & Sewer	No	66	45	1	14,000	4,200	13	21	5
City of Laguna Beach	Municipal Utility	1927	Sewer	Yes	n/a	95	0	23,000	8,000	9	14	5
Laguna Beach County Water District (LBCWD)	Dependent Special District**	1925	Water	n/a	135	n/a	n/a	25,000	8,450	9	40	5
South Coast Water District (SCWD)	Special District	1932	Water & Sewer	Yes	158	136	0	39,000	12,600	8	85	5
El Toro Water District (ETWD)	Special District	1960	Water & Sewer	Yes	170	158	1	51,000	10,000	9	61	5
City of San Clemente	Municipal Utility	1928	Water & Sewer	Yes	230	162	1	64,000	17,800	19	45	5
Moulton Niguel Water District (MNWD)	Special District	1960	Water & Sewer	Yes	656	500	1	170,000	55,000	37	163	7
Santa Margarita Water District (SMWD)	Special District	1964	Water & Sewer	Yes	1,080	665	3	200,000	65,000	111	200	5
South Orange County Totals				7	2,501	1,767	7	588,000	181,590	216	630	47
Irvine Ranch Water District (IRWD)	Special District	1961	Water & Sewer	No	1,976	1,374	2	465,000	122,000	181	337	5
South Orange County Wastewater Authority	Joint Powers Authority	2001	Sewage Treatment	n/a	n/a	51	3	600,000	n/a	n/a	64	7***

Notes

- Data obtained from agency websites and interviews.
- South Orange County imports approximately 90% of Water from Metropolitan Water District of Southern California
- TCWD operates the only potable water treatment facility in South Orange County
- IRWD Listed Separately as Majority of Customers in Central Orange County
- SOCWA operates the two ocean outfalls: Aliso Creek and San Juan Creek
- * Water system operated and maintained by LBCWD
- ** LBCWD is a Subsidiary (Dependent) District of the City whose Council serves as the Board.
- *** 7 Appointed by Member Agencies

APPENDIX 3

South Orange County Water Districts/Providers

El Toro Water District (ETWD) - Provides water and wastewater service in the cities of Laguna Hills, Laguna Woods, Lake Forest, Aliso Viejo, and Mission Viejo.

Emerald Bay Service District (EBSD) - Provides fresh water supply under contract with the Laguna Beach County Water District. Collects wastewater and transmits to Laguna Beach.

Irvine Ranch Water District (IRWD) - Serves Central Orange County, including the following cities: Irvine, Newport Beach, Tustin, Orange, Lake Forest, and Costa Mesa.

Laguna Beach County Water District (LBCWD) - Provides water service to portions of the city of Laguna Beach, a portion of Crystal Cove State Park, and the unincorporated community of Emerald Bay.

City of Laguna Beach - Provides wastewater collection and/or transmission services to the city of Laguna Beach, a portion of Crystal Cove State Park, and the unincorporated community of Emerald Bay.

Moulton Niguel Water District (MNWD) - Provides water and wastewater services to customers in Laguna Niguel, Aliso Viejo, Mission Viejo, Laguna Hills, and Dana Point.

Municipal Water District of Orange County (MWDOC) is a wholesale water provider. It purchases imported water through the Metropolitan Water District of Southern California (MET) and delivers this water to its 27 member agencies, who in turn, provide retail water services to the public. It is the only agency with members from all water providers in South Orange County.

Orange County Water District (OCWD) - Manages the ground water supply for Orange County. It is a wholesale agency.

City of San Clemente - Provides water/wastewater services to the residents of San Clemente

Santa Margarita Water District (SMWD) - Serves the cities of Mission Viejo, San Juan Capistrano, Rancho Santa Margarita, and the communities of Coto de Caza, Las Flores, Ladera Ranch, Rancho Mission Viejo, and Talega in San Clemente.

South Coast Water District (SCWD) - Serves the communities of Dana Point, South Laguna Beach, and areas of San Clemente and San Juan Capistrano.

Trabuco Canyon Water District (TCWD) - Serves the Communities of Trabuco Canyon, Robinson Ranch, Trabuco Highlands, Walden, Rancho Cielo, Portola Hills, Santiago Canyon Estates, and Dove Canyon.

GENERAL MANAGER'S REPORT

August 2024

I. OFFICE OF THE GENERAL MANAGER

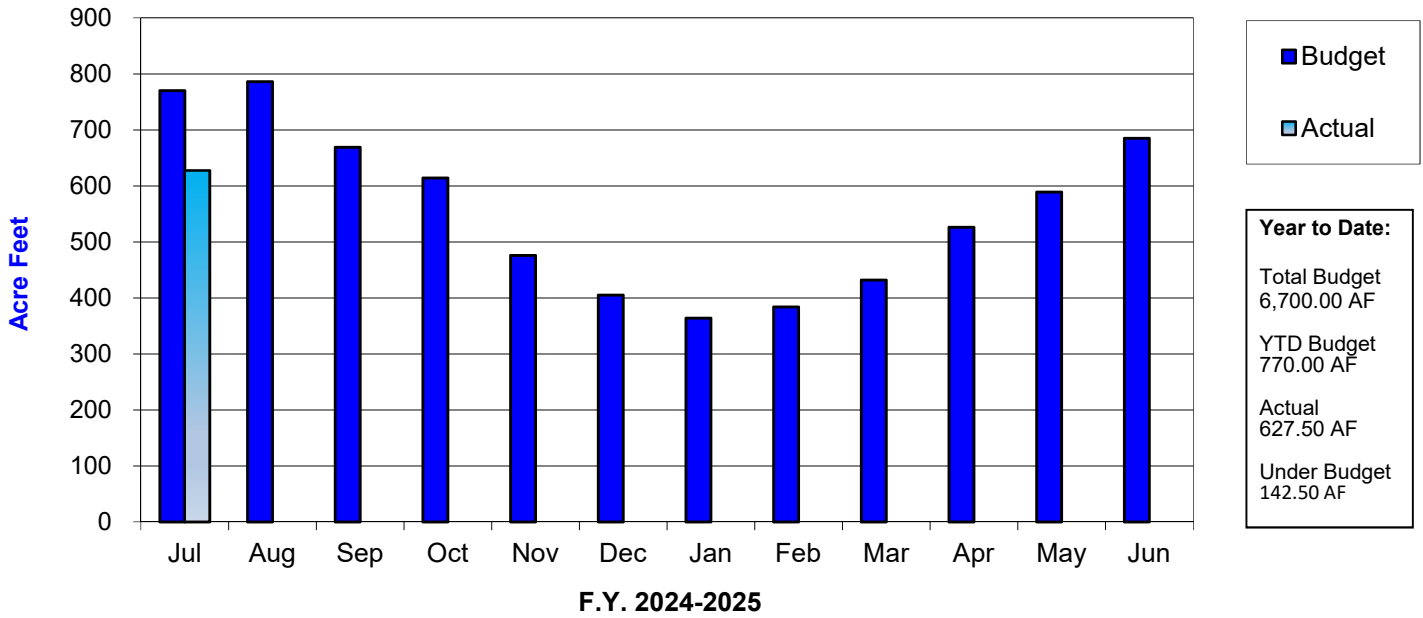
- MWDOC Board Meeting
- MWDOC P&O Committee Meeting
- MWDOC A&F Committee Meeting
- MWDOC / MET Directors Workshop
- SOCWA Board Meeting
- SOCWA Managers Meeting
- South Orange County Agencies Group Meeting
- ATS Communications Meeting
- WACO
- State of the County Event
- Meeting with Raftelis
- Meeting with Granicus
- Joint Regional Water Supply System Meeting
- Website Proponent Interviews
- Community Advisory Group Meeting
- Meeting with Robert Grantham – SMWD General Manager
- Certified Special District Manager Study Group Meeting
- ETWD President / Vice President / GM Meeting
- ETWD RRC Meeting
- ETWD Agenda Review Meeting
- ETWD Regular Engineering & Finance Committee Meetings
- ETWD Regular Board Meeting

II. DOMESTIC AND RECYCLED WATER SALES

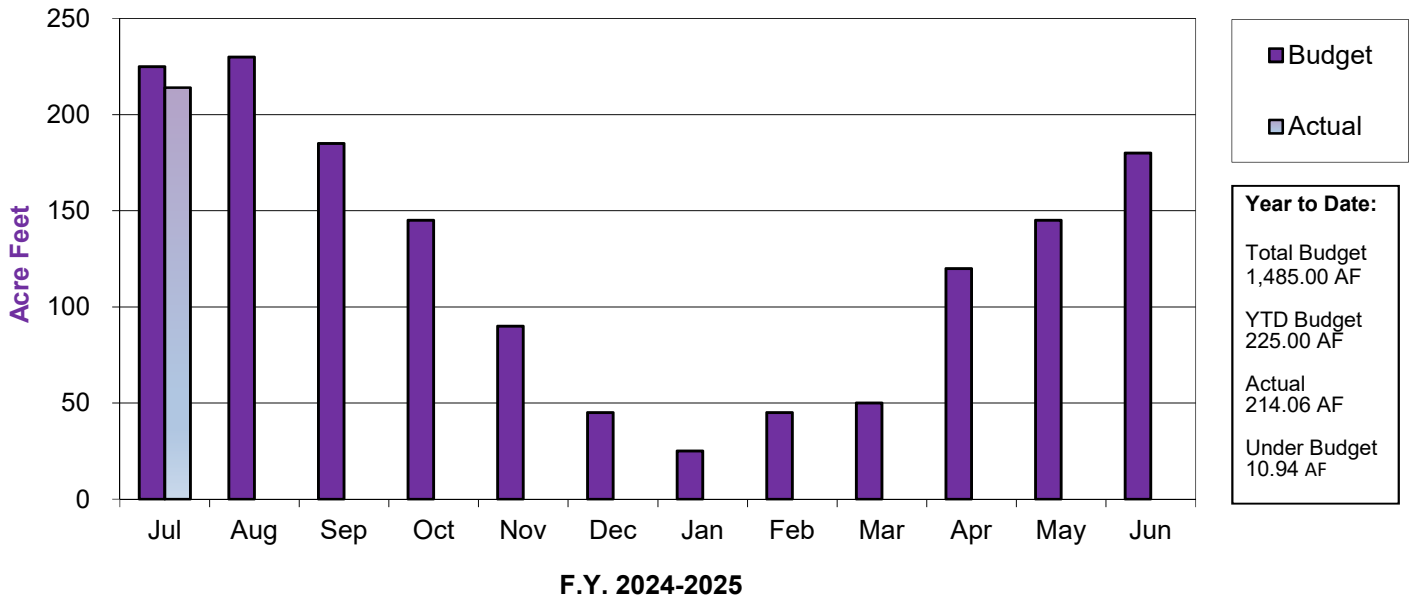
Actual domestic sales for the year-to-date as of July 31, 2024 are 627.50 acre-feet. This compares to year-to-date budgeted domestic sales of 770.00 acre-feet. The year-to-date variation in actual to budgeted sales reflects a decrease of 142.50 acre-feet. Actual sales are 37.20 acre-feet higher than last year-to-date actual sales for the same period.

Actual recycled sales for the year-to-date as of July 31, 2024 are 214.06 acre-feet. This compares to year-to-date budgeted recycled sales of 225.00 acre-feet. The year-to-date variation in actual to budgeted sales reflects a decrease of 10.94 acre-feet. Actual sales are 40.10 acre-feet higher than last year-to-date actual sales for the same period.

POTABLE WATER SALES



RECYCLED WATER SALES



Customer Service Activity Report

Regular Service Calls	JULY 2024	JULY2023	Telephone Calls	JULY 2024	JULY 2023
Serviceman Dispatched to Read, Connect/Disconnect Service	93	77	Change of Service: Connections and Disconnections	65	76
Field Investigations:			Billing / Payments & Graph Inquires	545	147
Check for leaks - calls to CS Office:(irrigation,meter,street leaks)			Assistance with online payments and ETWD's portal (cc, e-checks, other.)	120	32
Customer Responsible	9	23	Variance / Adjustment Inquiries	17	13
District Responsible	7	16	Variance / Adjustment Requests	7	6
None found/other	26	17	Processed	7	6
High Reads Checked - High Consumption (Billing Dept.)			Ordinance Infraction / Water Waste Complaints	0	1
Cust Leaks: 0 No Leaks: 5	5	26			
Check Stopped Slowed Meters-Low Consumption (Billing)	0	10	Outside Utility Districts	43	57
Re-Check Read	7	7	Phone calls Transfer to other Departments within ETWD	47	68
Ordinance Infraction	0	1	Phone calls for the Board of Directors	0	0
Recycled Water	0	0	Recycled Water	0	2
Water Quality: Taste / Odor / Color	3	2	Water Quality Taste - Odor - Color	1	5
Phone response: 3 Field response: 0			Leaks / Breaks	21	26
Flooding (Hydrant) Meters issued	0	2	Flooding Meter calls (Hydrant)	0	2
Sewer - Odor/Stoppage/ Manhole Covers	0	1	Sewer Problems (odor / spills)	3	2
Meter Box: Lids / Covers Replaced	4	19			
Meter Box Clean, Digout	0	0	Backflow / Cross Connection (questions or yearly testing forms)	0	3
Raised Meter Box	0	1	ETWD facilities inquiries: Boxes/Covers/Lids/Hydrants/Pump Stations/Graffiti/ "Gen. Maint"	1	4
Trim Bushes / Meter Obstruction	0	24			
General Maintenance Response	7	5	Tyco (ADT) Calls (Alarms to ETWD facilities)	2	0
Fire Hydrants: Hit / Leaks / Caps	0	3	ATT Calls (access to tower sites)	0	1
Pressure(psi) Checks / Reads	4	4	SCE Calls (access to tower sites)	0	1
CSSOV (Angle Meter/Ball Valve/Gate Valve/Globe Valve) chk,repair,replaced	12	5	Pager Calls specifically for Pump Stations - SCADA	0	0
AMS angle-meter-stop replace/repair	0	0			
Bees Removed	1	0			
Backflow / Cross Connection	0	1	Payment Extensions	8	24
Fogged Registers	0	7	Delinquent Payment Calls to Customer 's prior to shut off per billing calendar (automatic courtesy dialer)	0	43
OMCOP: Old Meter Change - Out Program	0	1	Return Calls from customers left on our voice mail system. Ext 500		14
Other: (uncommon non-maintenance calls)	0	15	Email Correspondence:	84	47
On-Call After Hrs. CS Response	14	25	Maintenance Service Order Requests (bees, psi, fogged-dirty registers)	12	8
# Posting Notice & 24 Hr. Door Hangers Hung	0	86	Misc. (other: employment, deliveries, sales calls)	28	35
#Shut Offs/Disconnect for Non-Payment (DNP)	0	8	Payment Processing Fee Complaints	0	0
Removed Meter	0	2	Customers Complaints non bill related.	0	0
New Meter	0	3	Billing Disputes	0	0
Unread Meters	0	0			
Total Field Investigations	192	391	Total Telephone Calls	997	617

Uncollectible Accounts:			Credit Card Payments		
			JULY 2024	JULY 2023	
Budget YTD	\$ 1,625.00	\$ 1,416.67	REGULAR	1,454	\$220,241.26
Actual YTD	0.00	\$ (301.00)		1,398	\$239,419.02

CA Water & Wastewater Arrearage payment program	\$105,210.32
LIHWAP (CA Low Income Housing Water Assistance Program	\$24,942.83

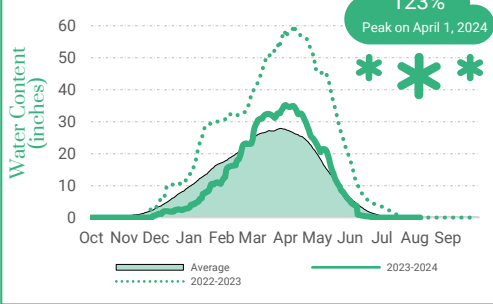


The Metropolitan Water District of Southern California's Water Supply Conditions Report (WSCR)

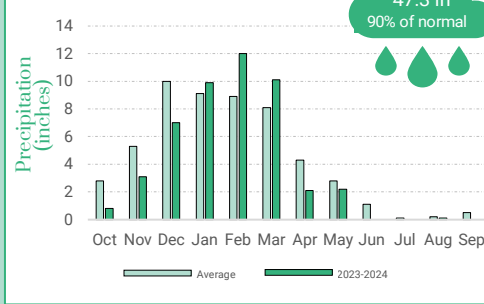
Water Year 2023-2024
As of: 08/06/2024

State Water Project

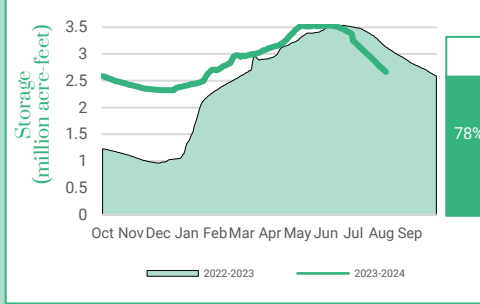
Northern Sierra Snow



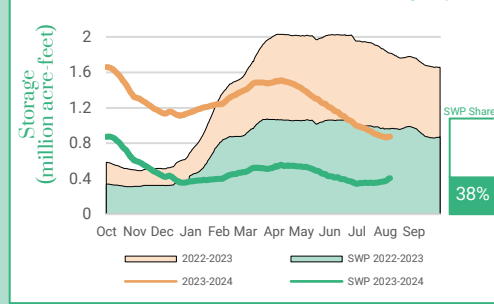
8 Station Index Rain



Lake Oroville

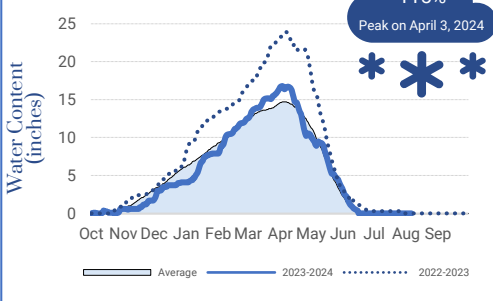


San Luis Reservoir

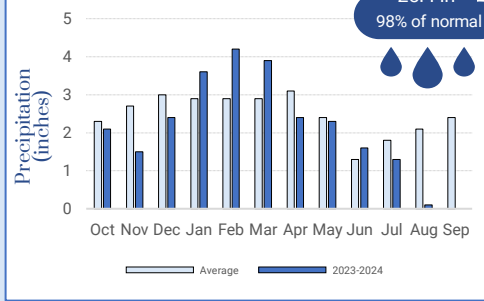


Colorado River

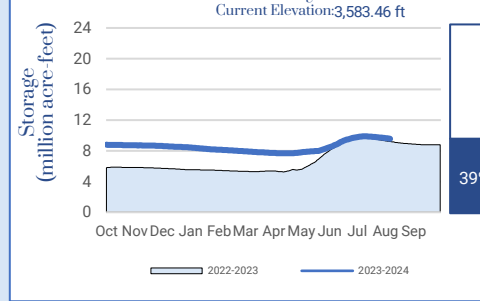
Colorado River Basin Snow



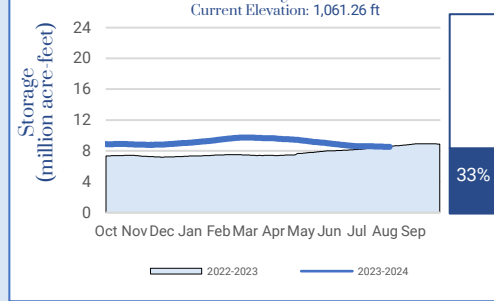
Colorado River Basin Rain



Lake Powell

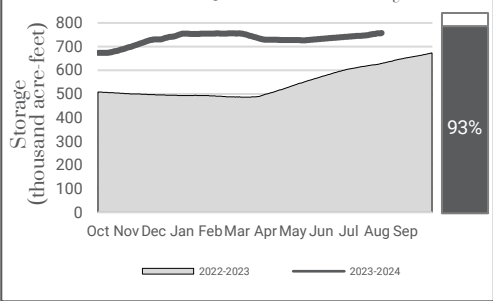


Lake Mead

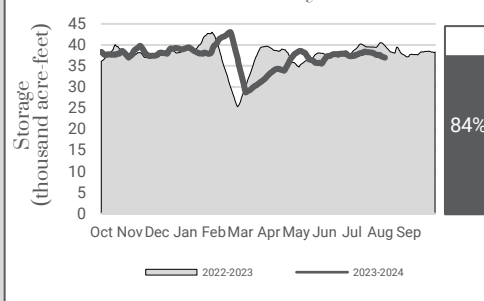


Metropolitan

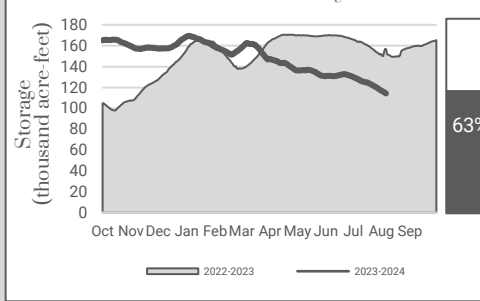
Diamond Valley Lake



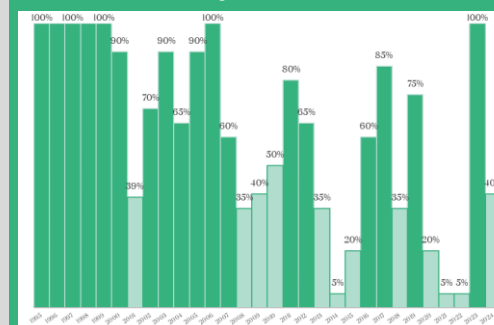
Lake Skinner



Lake Mathews



State Water Project Allocation (1995-2024)



This report is produced by the Imported Supply Unit staff and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information.

<https://www.mwdh2o.com/WSCR>

WILL SERVE SUMMARY REPORT

July 2024

PROJECT NAME	PROJECT DESCRIPTION	PHASE	CFF
The Village at Laguna Hills (Retail Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	Not Yet Calculated
The Village at Laguna Hills (Central Residential Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	Not Yet Calculated
The Village at Laguna Hills (Southern Residential Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	Not Yet Calculated
Womens Health Pavilion	New construction of a health pavilion with water services, irrigation services, sewer services, and fire water services.	Close-Out	\$ 21,856
Target	Addition of an irrigation service, fire services, and potable water services (24440 Alicia Pkwy Bldg B Suite "A" Potable Service, 24440 Alicia Pkwy Bldg B Fire Service, 24420 Alicia Pkwy Bldg A Fire Service, 24440 Alicia Pkwy Irrigation)	Construction	\$ 157,176
Laguna Hills Inn Fire Sprinkler Upgrade	Fire System upgrades including conversion of a fire hydrant to private and addition of a 6-inch DCDA	Construction	\$ -
Moulton Parkway Commercial Kitchens	Upgrade the existing domestic service, sewer service and installation of a DCDA.	Plan Check	Not Yet Calculated
25376 Maximus Group Home	Upgrading the water service.	Plan Check	Not Yet Calculated
Indian Super Mart Kitchen	Addition of a kitchen.	Plan Check	Not Yet Calculated
Parentis Health Sewermain Relocation	Relocating an existing sewermain.	Plan Check	Not Yet Calculated
Whoop Axe Water Service Upgrade	Upgrade of existing water service.	Plan Check	Not Yet Calculated
Central Utilities Plant 24451 Health Center Drive	Additional domestic and fire services for a medical central utility plant.	Plan Check	Not Yet Calculated
Yummyland Icecream and Juice Bar	Tenant improvement converting from a mail center into an icecream and juicebar.	Plan Check	Not Yet Calculated
24178 Me Spa Massage	Conversion of existing chiropractic office into a massage parlor.	Plan Check	Not Yet Calculated
23272 Mill Creek	Residential development for 43 attached condo units	Planning	Not Yet Calculated
23161 Mill Creek	Residential development for 43 attached condo units	Planning	Not Yet Calculated



STAFF REPORT

To: Board of Directors

Meeting Date: August 22, 2024

From: Dennis Cafferty, General Manager

Subject: Transparency Certificate of Excellence

The CSDA Special District Leadership Foundation maintains a program to incentivize transparency. The following description is noted on the SDLF website:

District Transparency Certificate of Excellence

It is now more important than ever for local governments (including special districts), to be open and accessible to the public. The Special District Leadership Foundation's Transparency Certificate of Excellence showcases the many steps your district takes to show it is available and transparent to the constituents and customers you serve.

Attainment of the Transparency Certificate of Excellence requires submission of an application along with an extensive amount of information to demonstrate the District's dedication to transparency.

The District has previously achieved the Transparency Certificate but it requires renewal every three years. To provide an indication of the breadth of information required, the application form is attached.

On August 14 the District received notice that ETWD had successfully completed the Certificate program.



SDLF



SPECIAL DISTRICT
LEADERSHIP FOUNDATION

August 14, 2024

El Toro Water District
24251 Los Alisos Blvd.
Lake Forest, CA 92630

RE: District Transparency Certificate of Excellence Approval

Congratulations El Toro Water District has successfully completed the District Transparency Certificate of Excellence program through the Special District Leadership Foundation (SDLF).

On behalf of the SDLF Board of Directors, I would like to congratulate your district on achieving this important certificate. By completing the District Transparency Certificate of Excellence Program, El Toro Water District has proven its dedication to being fully transparent as well as open and accessible to the public and other stakeholders.

Congratulations and thank you for your dedication to excellence in local government.

Most sincerely,

Sandy Raffelson
SDLF Board President



SHOWCASE YOUR DISTRICT'S COMMITMENT TO TRANSPARENCY

District Transparency Certificate of Excellence

Purpose

To promote transparency in the operations and governance of special districts to the public/constituents and provide special districts with an opportunity to showcase their efforts in transparency.

Valid

3 Years from date of award

Application Cost

FREE

Electronic Filing is preferable

info@sdlf.org

District Receives

- Certificate for display (covering 3 years)
- Press release template
- Recognition on the SDLF website
- Letter to legislators within the district's boundaries announcing the achievement
- Recognition in social media and the CSDA eNews
- Window cling

Basic Requirements

Current Ethics Training for All Board Members *(Government Code Section 53235)*

- Provide names of board members and copies of training certificates along with date completed

Current Harassment Prevention Training for Supervisory and Non-Supervisory Employees

(Government Code section 12950.1; 53237.1)

- Provide training log or certificates confirming completion along with dates completed

Compliance with the Ralph M. Brown Act *(Government Code Section 54950 et. al)*

- Provide copy of current policy related to Brown Act compliance
- Provide copy of a current meeting agenda (including opportunity for public comment)

Adoption of Policy Related to Handling Public Records Act Requests

- Provide copy of current policy

Adoption of Reimbursement Policy, If District Provides Any Reimbursement of Actual and Necessary Expenses

(Government Code Section 53232.2 (b))

- Provide copy of current policy

Annual disclosure of board member or employee reimbursements for individual charges over \$100 for services or products.

This information is to be made available for public inspection. "Individual charge" includes, but is not limited to: one meal, lodging for one day, or transportation. *(Government Code Section 53065.5)*

- Provide copy of the most recent document and how it is accessible

Timely Annual Filing of State Controller's Special Districts Financial Transactions Report and Compensation Report

(Government Code Section 53891, 53892)

- Provide copy of most recent filings

SDLF staff will verify that district is not listed on the State Controller's 'non-compliance list'

Conduct Audits As Required By Law *(Government Code Section 26909 and 12410.6)*

- Provide copy of most recent audit, management letter, and a description of how/where documents were made available to the public

Other Policies – Have Current Policies Addressing the Following Areas

Provide copies of each:

- Conflict of Interest
- Provide copies of Form 700 cover sheet for board members and general manager
- Code of Ethics/Values/Norms or Board Conduct
- Financial Reserves Policy
- Records Retention Policy

Website Requirements

Maintain a district website with the following items Required. (provide direct website links for each item) - Required items available to the public:

- Names of board members and their full terms of office to include start and end date
- Name of general manager and key staff along with contact information
- Election/appointment procedure and deadlines
- Board meeting schedule
(Regular meeting agendas must be posted 72 hours in advance pursuant to *Government Code Section 54954.2 (a)(1) and Government Code Section 54956 (a)*)
- District's mission statement
- Description of district's services/functions and service area
- Authorizing statute/Enabling Act (Principle Act or Special Act)
- Current district budget
- Most recent financial audit
- Archive of Board meeting minutes for at least the last 6 months
- Link to State Controller's webpages for district's reported board member and staff compensation (*Government Code Section 53908*)
- Link to State Controller's webpages for district's reported Financial Transaction Report (*Government Code Section 53891 (a)*)
- Reimbursement and Compensation Policy
- Home page link to agendas/board packets (*Government Code Section 54957.5*)
- SB 272 compliance-enterprise catalogs (*Government Code Section 6270.5*)

Additional items – website also must include at least 4 of the following items:

- Post board member ethics training certificates
- Picture, biography and e-mail address of board members
- Last (3) years of audits
- Financial Reserves Policy
- Online/downloadable public records act request form
- Audio or video recordings of board meetings
- Map of district boundaries/service area
- Link to California Special Districts Association mapping program
- Most recent Municipal Service Review (MSR) and Sphere of Influence (SOI) studies (full document or link to document on another site)
- Link to www.districtsmakethedifference.org site or a general description of what a special district is
- Link to most recently filed FPPC forms

Outreach/Best Practices Requirements - (Must complete at least 2 of the following items)

Regular district newsletter or communication (printed and/or electronic) that keeps the public, constituents and elected officials up-to-date on district activities (at least twice annually)

- Provide copy of most recent communication and short description on the frequency of the communication, how it's distributed and to whom

Community notification through press release to local media outlet announcing upcoming filing deadline for election or Appointment and process for seeking a position on the district board, prior to that election (or prior to the most recent deadline For consideration of new appointments for those districts with board members appointed to fixed-terms)

- Provide copy of the press release (and the printed article, if available)

Complete salary comparison/benchmarking for district staff positions using a reputable salary survey (at least every 5 years)

- Provide brief description of the survey and process used as well as the general results

Special Community Engagement Project

Designed and completed a special project promoting community engagement with the district (potential projects may be broad in nature or focus on specific issues such as rate-setting, recycled water, identifying community needs, etc.)

- Submit an overview of the community engagement project reviewing the process undertaken and results achieved

Hold annual informational public budget hearings that engage the public (outreach, workshops, etc.) prior to adopting the budget

- Provide copy of most recent public budget hearing notice and agenda

Community Transparency Review

The district would be required to obtain a completed overview checklist from at least 2 of the following individuals (the district may choose to conduct the overview with these individuals simultaneously or separately):

- Chair of the County Civil Grand Jury
- Editor of a reputable local print newspaper (only one may count toward requirement)
- LAFCO Executive Officer
- County Auditor-Controller
- Local Legislator (only one may count toward requirement)
- Executive Director or President of local Chamber of Commerce
- General Manager of a peer agency (special district, city, county, neighborhood association, community organization or county administrative officer)
 - Provide proof of completion signed by individuals completing Community Transparency Review
- President of local Special Districts Chapter or the Chapter designee



SHOWCASE YOUR DISTRICT'S COMMITMENT TO TRANSPARENCY

District Transparency Certificate of Excellence

Submit Application

Submit this application along with all required documentation to:

Special District Leadership Foundation
1112 I Street, Suite 200
Sacramento, CA 95814
Phone: 916-231-2909 • Fax: 916-442-7889

Electronic filing is preferable.

info@sdlf.org

District: El Toro Water District		
Mailing Address: 24251 Los Alisos Blvd		
City: Lake Forest	State: CA	Zip: 92630
Contact Name: Marisol Melendez		
Contact Title: Executive Assistant		
Phone: 949-837-7050 Ext 225	Fax: 949-837-7092	
Email: mmelendez@etwd.com	Website: www.etwd.com	
Assembly Member(s)*: Diane Dixon		
Senator*: Dave Min		
Local Newspaper(s): Orange County Register		
I certify that the information submitted is accurate and complete to the best of my knowledge.	Signature: <i>Marisol Melendez</i>	

**include all state legislators representing the district's area of operation*



To: Board of Directors, *Municipal Water District of Orange County*

From: Natural Resource Results

RE: Monthly Board Report – August 2024

Appropriations

The appropriations process continues to hit log jam after log jam, particularly in the House, where the FY25 Energy and Water Development, which funds the Bureau of Reclamation, was pulled from the House floor at the last minute because Republicans did not have enough votes to pass it. The bill includes language that essentially mandates that Reclamation operates the CVP pursuant to the 2019 biological opinion although this language will not survive negotiations with the Democratic Senate later this year.

Congressman Harder offered an amendment to the Energy and Water bill that would have blocked funding for the Army Corps of Engineers to issue any permit related to the Delta Conveyance Project. The amendment was cosponsored by Representatives Garamendi, Thompson, DeSaulnier, and Lofgren, all of whom represent the Bay Area. The amendment was not made in order and never received a vote.

At this point, the House has passed five of the twelve appropriations bills but does not currently have plans to pass the remaining twelve. The Senate has not passed any of the twelve appropriations bills but will have moved them all through the committee process by the end of this week.

Looking ahead, there will be a Continuing Resolution at the end of September to fund the government through December (after the election). Final negotiations on the FY25 spending bills will pick up in earnest during the Lame Duck.

Water Resources Development Act

On July 22nd, the House of Representatives passed its version of Water Resources Development Act of 2024. Included in the bill is a provision to make water supply as a primary mission of the Army Corps of Engineers (Corps). The Corps' current primary mission areas include flood control, navigation, and ecosystem restoration. The addition of water supply as a primary mission will allow the Corp to better account for drought during the planning and development of projects and prioritize water supply at new projects.

The Senate Environment and Public Works Committee has passed its version of WRDA, but the full Senate is yet to act on the bill. Because of that, the two chambers will likely begin negotiations over the differences in each of the bills (House passed bill and Senate committee passed bill). The final product of these negotiations will likely get attached to an appropriations

package or the National Defense Authorization Act during the lame duck as those are two of the few remaining legislative vehicles that Congress needs to pass this year.

Longfin Smelt

The Fish and Wildlife Service (FWS) recently listed the longfin smelt population in the Sacramento and San Joaquin River basins as endangered under the Endangered Species Act. The FWS noted that dams and water delivery infrastructure have had an adverse impact on the species, which warranted a listing.

Longfin smelt are already listed by the State of California, thus State Water Project operations already take longfin smelt into account. This is a big change at the federal level as the Central Valley Project will now have to do the same. This listing could delay the new biological opinion as the FWS will now need to analyze the impacts of the project on another species.

Colorado River Board of California

Later this month, Chris Harris will retire from his current role as the Executive Director at which time Jessica Neuwerth, Chris' Deputy, will step into the Acting Executive Director role.



To:	MWDOC Workshop
From:	Syrus Devers
Date:	August 7th, 2024
Re:	State Legislative Report

Legislature

This report will be brief due the legislative recess that ran from July 3rd to Aug 5th.

The major outstanding issue going into the final 30 days of session is SB 1255 (Durazo), which would require all water agencies to establish a Low Income Rate Assistance (LIRA) program funded by “voluntary” contributions. (MWDOC adopted a straight “oppose” in July.)

There are many amendments under discussion, and the author is negotiating in good faith, but there is a fundamental disconnect between the author’s approach to amendments and the water industry’s. It appears the author simply does not understand the administrative burdens public agencies labor under.

To give just one example, ACWA has proposed that a LIRA program need not be established *unless* sufficient funds are collected through the voluntary contributions. The author countered with a proposal that would allow an agency to seek an exemption allowing it to *discontinue* the program if it could demonstrate that the amounts collected were insufficient to cover the administrative costs “directly related” to the LIRA program. No doubt it seems like splitting hairs to the author and the sponsors, but it makes a huge difference in the administrative burden on the water agency.

The ACWA approach means water agencies do nothing until and unless the funds are available. The author’s approach means water agencies must establish the program, with all of the costs and administrative burdens, and wait for it to fail, and then apply to the state for an exemption, which will require documentation that all the criteria for the exemption have been met.

Then there are all the undefined terms such as “directly related” costs. What are the indirect costs and who decides? How much discretion does the state have when reviewing what the water agency submitted?

The bill is currently in the Assembly Appropriations Committee and did not have a hearing date at the time this report was prepared. The Department of Finance (DOF) opposed based on future cost pressure on the General Fund if voluntary contributions are insufficient to cover the costs imposed on water agencies. Without using the words, DOF was rejecting the language in the bill that it was not a state-mandated program. This is more than it seems: if a bill does create a state-mandated program, and the state does not fund it, public agencies are not required to implement the program until funding is made available.

Syrus Devers Advocacy

The result is that the bill will almost certainly be sent to the infamous “Suspense File”. (The Suspense File has been covered previously in this report. If any members of the Board would like more information, please contact Syrus directly.) If the bill does make it out of the Assembly, there will be an opportunity to argue that it needs to be heard again in the Senate policy committees.

There is not much more to cover heading into August, which is good news. A lot of good work was done in June to stop the bad bills. The first two weeks of August are mainly devoted to the Appropriations Committees vetting the surviving bills, then the final two weeks are all about Floor Session. Of course, there are a lot of details regarding the budget. Although the total budget amounts have been decided, how those funds will be administered is the majority of the work.

Administration

Advanced Clean Fleets - In order to be of assistance to member agencies, MWDOC staff has focused on the implementation of regulations/rules under development due to the passage of AB 1594 (Garcia) last session. That bill required the California Air Resources Control Board (CARB) to provide exemptions to public agencies from the ACF requirement where electric vehicles are not available to do the jobs for which public agencies are responsible.

CARB’s last public action on AB 1594 was on March 25th where it heard from stakeholders about how the exemption process should be implemented. The issue is that AB 1594 did not specify when and how an exemption should be granted. Instead, the bill said that public agencies may purchase traditional medium and heavy duty vehicles “when needed to maintain reliable service and respond to major foreseeable events...” The bill did not specify what satisfies that need, which leaves it up to CARB to interpret. The bill also stated what CARB cannot do when determining the end of a vehicle’s useful life, but did not state what it must do, which again leaves CARB wide latitude in interpreting the bill’s requirements.

It appears that CARB and the stakeholders, including CMUA and ACWA, are not in complete agreement about what the bill requires of CARB. This may result in a sponsored bill next year along the same lines as AB 1594, only this time more specific. Draft regulations, or rules, are expected sometime in the fall. MWDOC staff will continue to monitor and participate in the CARB process, and will provide information to affect retail agencies as it becomes available.

ACKERMAN CONSULTING

Legal and Regulatory

August 7, 2024

- 1. Chicken Water Savings:** We all know that everyone is looking for opportunities to save water. This is a particular interest to agriculture and farming industries. The University of Arkansas is comparing breeds of chicken to find out which are the most water efficient. They have established a new breed of chicken which uses less water and less food while still producing quality chicken. The overall savings per chicken is somewhat small, but it becomes significant when looking at the millions of chickens raised in the United States every year. Water is extremely critical to chickens. They can go many days without food but only a few hours without water. The research shows that the information they are obtaining can be applied to all poultry operations including turkeys. Who knows? Chicken McNuggets may be affordable again.
- 2. Snow Melt Study:** The Swiss Federal Institute of Technology in Zurich is conducting a study regarding the melt water and groundwater reaction in mountain areas. Much of the world is dependent on water sources beginning in the mountain areas. The mountains collect snow and rain which eventually migrates to water systems which supply millions of people. An unstudied portion of this formula is how much of the water from the mountains ends up in the groundwater versus supplying rivers and lakes. The difficulty of this type of research is that much of this process occurs in remote mountain areas which are difficult to access and measure. The institute is trying to gather research from around the world on this topic so that we have a better idea of what amount goes in the groundwater versus surface water. A better understanding of this phenomena will aid water managers in the future to more accurately predict how much of the snow and rainfall in the mountains will make its way to public use.
- 3. Air to Water Converters:** It seems that new ideas are coming up in the area of converting air to water on a regular basis. The University of Utah thinks that it has come up with a better mousetrap in this regard. Working with the Department of Defense it has developed a new device which is more efficient and cheaper to operate than prior ones. This is becoming more important since it is estimated that the water content of the atmosphere is equal to the content of our oceans. This particular device uses hydroscopic material such as that contained in diapers to absorb and hold water. The material in this one is aluminum fumarate. This compound does not react with water but captures it. Their small device can generate 4 to 5 gallons per day and operate 24/7.
- 4. Golden State Investment:** Golden State Water Company as part of a rate settlement case has announced it intends to invest \$573 million in infrastructure in California. This agreement includes probable revenue hikes for 2025, 2026 and 2027. The report also indicates that they have one of the highest credit ratings of any US investor-owned water utility. At the same time, they have paid dividends consistently since their inception in 1931. A final decision is expected by the end of this year.

5. **PFAS Bacteria:** Solutions to the PFAS problem have been popping up all over the United States. One of the more recent ones is a proposal from UC Riverside to use a certain type of bacteria which break down the PFAS particles. The type of bacteria, Acetobacterium, is commonly found in wastewater around the world. This particular bacterium can breakdown the fluorine to carbon bonds which are typical in PFAS structures. This solution does not apply to all PFAS compounds but the chemical theory behind that may be applicable to others. While I generally do not put the title of these papers or articles in my report, this one, I had to. The title is “Electron-bifurcation and fluoride efflux systems in Acetobacterium SPP. Drive defluorination of perfluorinated unsaturated carboxylic acids.”
6. **Panama Canal Assist:** Continuing drought conditions at the Panama Canal has forced major cutbacks to this important shipping lane. While the canal usually averages 38 ships per day it is down to 31 at the current time. This condition as well as problems in the Middle East are forcing many vessels to longer and more costly trips around Africa. The canal has been trying to add a new reservoir for several years but until recently was having difficulties with the regulatory process. However, a recent Panama Supreme Court decision is clearing the way for the construction of another reservoir. This reservoir is needed because of the lack of water in Lake Gatun which is the reason for the reduced number of ships going through the canal. A prior regulation precluded this new reservoir because it was outside the traditional watershed of the area. The proposed reservoir is in an area which is inhabited by about 12,000 people and 200 rural villages. These folks and areas will have to be moved for construction to begin. The entire process is estimated to take six years.
7. **PUC Reversed:** The California Public Utilities Commission had issued a prior order to stop private water companies from making certain surcharges related to the drought and conservation. The Golden State Water Company and California American Water company appealed to the California Supreme Court. The Court overruled the PUC allowing the surcharges to continue. The Court ruled that the scoping memos which are a basis for PUC orders did not mention the surcharge elimination possibility. Therefore, the applicants had no prior notice that such an action was imminent. Do not be surprised if the PUC takes another run at this issue.
8. **Toxic Algae at Elsinore:** Lake Elsinore is the largest natural freshwater lake in Southern California. It is normally a hub of activity during the summertime. However, for the past few months it has been closed for safety reasons as a result of toxic algae blooms. The toxic actor is microcystin. Other lakes in the area, Lake Hemet and Lake Gregory, are also under algae advisories. The algae is caused by warm, slow water which has excessive nutrients pouring in. Lake Elsinore is trying to combat the condition with a barge which forces oxygen bubbles into the water. They are also adding algaecide to the lake. They are hoping for early improvement.
9. **Subsidence Battle:** Stanford University has been studying the impact of groundwater recharge in the Central Valley. Groundwater recharge is not the exact science we would like. But progress is being made. The goal for groundwater recharge is to stop subsidence and to create a situation where the ground is uplifted. In some areas of the valley the water merely travels below the ground and has no impact. Other areas which are central to the study showed areas with no uplift as in Fresno compared to Visalia which did have uplift. The areas with the most uplift had significant clay beneath the surface. Areas composed more of sand and gravel had no uplift because the water simply moved through it. This information is also important for future development. Some areas will not

improve or continue to subside. Stanford is confirming the groundwater recharge and the resulting impact are new areas for study.

10. **Arrowhead Water Again:** Another suit has been filed against the Arrowhead water operation. The new group, Save Our Forest Association, is an environmental group who is suing the Forest Service to stop Arrowhead from producing further water. This is the latest attempt of several activist lawsuits tempting to terminate production. It is unclear the impact of this lawsuit on the other lawsuits in which orders are pending.
11. **Klamath Litigation:** The Klamath basin has seen a lot of activity lately. Dams are being removed and the river is set to return to close to original flow for the first time in 100 years. Recently a summary judgment was issued against Klamath Water Users Association giving priority to the Endangered Species Act and local tribes. The Association recently appealed this decision to the 9th circuit asking them to reverse this decision. The Associations rights are based on historical water rights and contracts which are over 100 years old. The contracts include the US Bureau of reclamation and other parties. The appeal states that the summary judgment was not warranted because there are issues of fact regarding the rights of the various parties. This case will certainly get more attention in the future.



August 7, 2024

TO: MWDOC Board of Directors

FROM: Peter Whittingham

SUBJECT: August 2024 Report

The month of July was marked by a variety of proposed sales tax measures in Orange County cities. Following is a few of the more notable developments and issues of the month:

- A coalition that includes Mesa Water® and the Orange County Water District, along with the cities of Newport Beach and Huntington Beach, have received \$250,000 in federal money to examine the possibility of converting brackish water to potable, similar to what is currently being done in Torrance and parts of Riverside and San Bernardino counties. The Supply Improvement Project (SIP) is slated to begin this month and the first phase should be concluded in April 2025.
- New City Managers took the helm at two Orange County cities. New Mission Viejo City Manager Elaine Lister replaced Dennis Wilberg, who retired after leading the City for more than 20 years – Elaine has worked at the City for many years and served most recently as the City’s Director of Community Development. The City of Tustin welcomed its new City Manager, Aldo Schindler, who most recently served in a similar capacity in Artesia.
- County of Orange Chief Financial Officer Michelle Aguirre was appointed interim Chief Executive Officer by the Orange County Board of Supervisors. Longtime CEO Frank Kim officially retired July 11; the Board of Supervisors meets next on August 13, at which time they are expected to determine the path forward to determining the next CEO, who will oversee 16,000 employees and a \$9.3 billion budget.
- The Orange City Council voted to place a one-half cent local sales tax measure on the November ballot, and the Seal Beach and Buena Park City Councils have similarly placed one cent sales tax measures before their respective voters in November. The San Clemente City Council will consider placing a three-quarters cent measure before its voters on August 6 after a motion to place a one cent sales tax increase failed to get support from a majority of the Council.

- The much-delayed project to add sand to North Beach in San Clemente began July 31. The replenishment effort involves hauling truckloads of sand to the eroded stretch of beach, with a goal of bringing roughly 30,000 cubic yards that was dredged from the Santa Ana River in Newport Beach. A similar project at nearby Capistrano Beach in Dana Point is already underway and will bring in about 20,000 cubic yards, with trucks moving around the sand to carve out added space for beachgoers. City officials declared an emergency to get through permitting quickly, expected to cost an estimated \$2 million – this cost is one of the drivers behind the proposed sales tax measure currently being considered by the City Council.
- The Moulton Niguel Water District will host the Future Housing & Sustainability Conference at their Laguna Hills headquarters on Tuesday, August 20, in collaboration with the BIA of Southern California Orange County Chapter (BIA/OC) and the Orange County Association of Realtors (OCAR).

It is a pleasure to work with you and to represent the Municipal Water District of Orange County.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Whittingham".

Peter Whittingham

MWDOC Workshop

Bill Matrix – Aug 2024

Prepared by SDA Government Relations

Priority: A. High

[AB 460](#) ([Bauer-Kahan, D](#)) **State Water Resources Control Board: water rights and usage: civil penalties.**

Calendar: 08/05/24 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 06/25/2024 - Senate Appropriations

Summary: Under current law, the diversion or use of water other than as authorized by specified provisions of law is a trespass, subject to specified civil liability. This bill would require the State Water Resources Control Board to adjust for inflation, by January 1 of each year, beginning in 2025, the amounts of civil and administrative liabilities or penalties imposed by the board in water right actions, as specified. (Based on 06/12/2024 text)

Position: B. Watch

Priority: A. High

Notes - Amended to only address fines

[AB 1820](#) ([Schiavo, D](#)) **Housing development projects: applications: fees and exactions.**

Calendar: 08/05/24 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CABALLERO, ANNA, Chair

Location: 07/03/2024 - Senate Appropriations

Summary: Current law requires a city or county to deem an applicant for a housing development project to have submitted a preliminary application upon providing specified information about the proposed project to the city or county from which approval for the project is being sought. Current law requires a housing development project be subject only to the ordinances, policies, and standards adopted and in effect when the preliminary application was submitted. This bill would authorize a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate, as defined, and would require a city, county, or city and county to provide the estimate within 30 business days of the submission of the preliminary application. For development fees imposed by an agency other than a city, county, or city and county, the bill would require the development proponent to request the fee schedule from the agency that imposes the fee without delay. (Based on 06/05/2024 text)

Position: watch

Priority: A. High

Notes - Flagged by CSDA

[AB 1827](#) ([Papan, D](#)) **Local government: fees and charges: water: higher consumptive water parcels.**

Location: 06/27/2024 - Senate THIRD READING

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing. Current law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. Current law defines, among other terms, the term "water" for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source. This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. (Based on 04/04/2024 text)

Position: support

Priority: A. High

Notes - Support position adopted on May 1st

AB 2257 (Wilson, D) Local government: property-related water and sewer fees and assessments: remedies.

Location: 07/03/2024 - Senate Local Government

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including notice, hearing, and protest procedures, depending on the character of the assessment, fee, or charge. Current law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements. This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance, as specified. This bill would provide that local agency responses to the timely submitted written objections shall go to the weight of the evidence supporting the agency's compliance with the substantive limitations on fees and assessments imposed by the constitutional provisions. (Based on 06/20/2024 text)

Position: support

Priority: A. High

Notes - ACWA sponsored. Support position adopted May 1st.

SB 366 (Caballero, D) The California Water Plan: long-term supply targets.

Location: 06/25/2024 - Assembly Appropriations

Summary: Would revise and recast certain provisions regarding The California Water Plan to, among other things, require the Department of Water Resources to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply targets established by the bill for purposes of The California Water Plan. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all designated beneficial uses. The bill would require the plan to include specified components, including a discussion of various strategies that may be pursued in order to meet the water supply targets, a discussion of agricultural water needs, and an analysis of the costs and benefits of achieving the water supply targets. The bill would require the department to submit to the Legislature an annual report between updates to the plan that includes progress made toward meeting the water supply targets once established, as specified. The bill would also require the department to conduct public workshops to give interested parties an opportunity to comment on the plan and to post the preliminary draft of the plan on the department's internet website. (Based on 06/26/2024 text)

Position: support

Priority: A. High

Notes - CMUA sponsored bill from 2023

SB 867 (Allen, D) Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.

Location: 07/03/2024 - Senate CHAPTERED

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. (Based on 07/03/2024 text)

Position: watch

Priority: A. High

SB 1072 (Padilla, D) Local government: Proposition 218: remedies.

Location: 06/27/2024 - Assembly THIRD READING

Summary: The California Constitution sets forth various requirements for the imposition of local taxes. The California Constitution excludes from classification as a tax assessments and property-related fees imposed in accordance with provisions of the California Constitution that establish requirements for those assessments and property-related fees. Under these requirements, an assessment is prohibited from being imposed on any parcel if it exceeds the reasonable cost of the

proportional special benefit conferred on that parcel, and a fee or charge imposed on any parcel or person as an incident of property ownership is prohibited from exceeding the proportional cost of the service attributable to the parcel. The Proposition 218 Omnibus Implementation Act prescribes specific procedures and parameters for local compliance with the requirements of the California Constitution for assessments and property-related fees. This bill would require a local agency, if a court determines that a fee or charge for a property-related service, as specified, violates the above-described provisions of the California Constitution relating to fees and charges, to credit the amount of the fee or charge attributable to the violation against the amount of the revenues required to provide the property-related service, unless a refund is explicitly provided for by statute. (Based on 06/17/2024 text)

Position: watch

Priority: A. High

SB 1164 (Newman, D) Property taxation: new construction exclusion: accessory dwelling units.

Location: 06/03/2024 - Assembly Revenue and Taxation

Summary: The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. This bill would exclude from classification as "newly constructed" and "new construction" the construction of an accessory dwelling unit, as defined, if construction on the unit is completed on or after January 1, 2025, and before January 1, 2030, until one of specified events occurs. The bill would require the property owner to, among other things, notify the assessor that the property owner intends to claim the exclusion for an accessory dwelling unit and submit an affidavit stating that the owner shall make a good faith effort to ensure the unit will be used as residential housing for the duration the owner receives the exclusion. (Based on 05/16/2024 text)

Position: watch

Priority: A. High

Notes - Brought up on 4/3. Keep watch position pending feedback from agencies.

SB 1210 (Skinner, D) New housing construction: electrical, gas, sewer, and water service: service connection information.

Location: 06/26/2024 - Assembly Appropriations

Summary: Current law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations, gas corporations, sewer system corporations, and water corporations, while local publicly owned utilities, including municipal utility districts, public utility districts, and irrigation districts, are under the direction of their governing boards. This bill would, for new housing construction, require the above-described utilities, on or before January 1, 2026, to publicly post on their internet websites (1) the schedule of estimated fees for typical service connections for each housing development type, including, but not limited to, accessory dwelling unit, mixed-use, multifamily, and single-family developments, except as specified, and (2) the estimated timeframes for completing typical service connections needed for each housing development type, as specified. The bill would exempt from its provisions a utility with fewer than 4,000 service connections that does not establish or maintain an internet website due to a hardship and would authorize the utility to establish that a hardship exists by annually adopting a resolution that includes detailed findings, as provided. (Based on 06/24/2024 text)

Position: watch

Priority: A. High

Notes - OUA adopted on 4/3. Amendments removed impacts to special districts. Moved to "watch."

SB 1218 (Newman, D) Water: emergency water supplies.

Location: 06/25/2024 - Assembly Appropriations

Summary: The Urban Water Management Planning Act requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. The act requires an urban water management plan to include a water shortage contingency plan, as provided. This bill would declare that it is the established policy of the state to encourage, but not mandate, the development of emergency water supplies, and to support their use during times of drought or unplanned service or supply disruption, as provided. (Based on 06/18/2024 text)

Position: support

Priority: A. High

Notes - IRWD sponsored. Support position adopted on March 6th.

SB 1255 (Durazo, D) Public water systems: needs analysis: water rate assistance program.

Location: 07/01/2024 - Assembly Appropriations

Summary: Current law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Current law requires the state board to annually adopt a fund expenditure plan, as provided, and requires expenditures from the fund to be consistent with the fund expenditure plan. Current law requires the state board to base the fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment. This bill would require the state board to update a needs analysis of the state's public water systems to include an assessment, as specified, of the funds necessary to provide a 20% bill credit for low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet a specified affordability threshold on or before July 1, 2026, and on or before July 1 of every 3 years thereafter. (Based on 06/19/2024 text)

Position: Oppose

Priority: A. High

Priority: B. Watch

[AB 2579](#) ([Quirk-Silva, D](#)) **Inspections: exterior elevated elements.**

Location: 07/02/2024 - Senate THIRD READING

Summary: Current law provides authority for an enforcement agency to enter and inspect any buildings or premises whenever necessary to secure compliance with or prevent a violation of the building standards published in the California Building Standards Code and other rules and regulations that the enforcement agency has the power to enforce. Current law requires an inspection, by January 1, 2025, and by January 1 every 6 years thereafter, of exterior elevated elements and associated waterproofing elements, as defined, including decks and balconies, for buildings with 3 or more multifamily dwelling units, as specified. Current law that provides that, if the property was inspected within 3 years prior to January 1, 2019, as specified, no new inspection is required until January 1, 2025. This bill would extend the deadline for initial inspection until January 1, 2026. (Based on 07/02/2024 text)

Position: watch

Priority: B. Watch

[AB 2911](#) ([McKinnor, D](#)) **Campaign contributions: agency officers.**

Location: 05/29/2024 - Senate Elections and Constitutional Amendments

Summary: The Political Reform Act of 1974 prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party, participant, or a party or participant's agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, if the officer knows or has reason to know that the participant has a financial interest, as defined. Current law permits an officer who violates this prohibition to cure the violation by returning the contribution, or portion of the contribution in excess of \$250, within 14 days of accepting, soliciting, or directing the contribution, as specified. Current law also prohibits a party or party's agent from making a contribution of more than \$250 to any officer of an agency while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered by the agency in that proceeding. This bill would raise the threshold for contributions regulated by these provisions to \$1,500, as specified. (Based on 04/16/2024 text)

Position: watch

Priority: B. Watch

[AB 3121](#) ([Hart, D](#)) **Urban retail water suppliers: informational order: written notice: conservation order: water use efficiency standards and water use reporting: dates.**

Location: 06/27/2024 - Senate THIRD READING

Summary: Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2025, to issue a written notice to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2026, to issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. This bill would instead provide that the date the board is authorized to issue informational orders is on or after January 1, 2026, the date to issue a written notice is on or after January 1, 2027, and the date to issue a conservation order is on or after January 1, 2028, respectively. (Based on 06/12/2024 text)

Position: watch

Priority: B. Watch

SB 937 (Wiener, D) Development projects: permits and other entitlements: fees and charges.

Location: 06/26/2024 - Assembly Appropriations

Summary: The Planning and Zoning Law requires each county and each city to adopt a comprehensive, long-term general plan for its physical development, and the development of specified land outside its boundaries, that includes, among other mandatory elements, a housing element. The Permit Streamlining Act, among other things, requires a public agency that is the lead agency for a development project to approve or disapprove that project within specified time periods. Current law extended by 18 months the period for the expiration, effectuation, or utilization of a housing entitlement, as defined, that was issued before, and was in effect on, March 4, 2020, and that would expire before December 31, 2021, except as specified. Current law provides that if the state or a local agency extended the otherwise applicable time for the expiration, effectuation, or utilization of a housing entitlement for not less than 18 months, as specified, that housing entitlement would not be extended an additional 18 months pursuant to these provisions. This bill would extend by 24 months the period for the expiration, effectuation, or utilization of a housing entitlement for a priority designated residential development project, as those terms are defined, that was issued before January 1, 2024, and that will expire before December 31, 2025, except as specified. The bill would toll this 24-month extension during any time that the housing entitlement is the subject of a legal challenge. (Based on 06/27/2024 text)

Position: watch

Priority: B. Watch

Notes - OUA position adopted on 4/3. Amendments removed opposed provisions. Move to "watch."

SB 1110 (Ashby, D) Water reports: urban retail water suppliers: informational order: conservation order.

Location: 06/25/2024 - Assembly Appropriations

Summary: Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective, as provided. Current law authorizes the board, on and after January 1, 2025, to issue a written notice to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2026, to issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. This bill would instead authorize the board to issue the informational orders on and after January 1, 2026, the written notice on and after January 1, 2027, and the conservation order on and after January 1, 2028. (Based on 06/26/2024 text)

Position: watch

Priority: B. Watch

SB 1181 (Glazer, D) Campaign contributions: agency officers.

Location: 06/26/2024 - Assembly Appropriations

Summary: The Political Reform Act of 1974 prohibits certain contributions of more than \$250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, as specified. The act requires disclosure on the record of the proceeding, as specified, of certain contributions of more than \$250 within the preceding 12 months to an officer from a party or participant, or party's agent. This bill would clarify both when a proceeding is pending for purposes of these provisions, and when a person is considered to be an agent of a party to, or participant in, a pending proceeding. The bill would specify that certain types of contracts, including the periodic review or renewal of development agreements, contracts between 2 or more agencies, contracts where neither party receives financial compensation, and other types of contracts, as specified, are not considered a license, permit, or other entitlement for these purposes. (Based on 06/27/2024 text)

Position: watch

Priority: B. Watch

SB 1243 (Dodd, D) Campaign contributions: agency officers.

Location: 07/01/2024 - Assembly THIRD READING

Summary: The Political Reform Act of 1974 prohibits certain contributions of more than \$250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, as specified. The act requires disclosure on the record of the proceeding, as specified, of certain contributions of more than \$250 within the preceding 12 months to an officer from a party or participant, or party's agent. The act disqualifies an officer from participating in a decision in a proceeding if the officer has willfully or knowingly received a contribution of more than \$250 from a party or a party's agent, or a participant or a participant's agent, as specified. The act allows an officer to cure certain violations of these provisions by returning a contribution, or the portion of the contribution of

in excess of \$250, within 14 days of accepting, soliciting, or receiving the contribution, whichever comes latest. This bill would raise the threshold for contributions regulated by these provisions to \$1,000, as specified. The bill would extend the period during which an officer may cure a violation to within 30 days of accepting, soliciting, or directing the contribution, whichever is latest. The bill would specify that a person is not a "participant" for the purposes of these provisions if their financial interest in a decision results solely from an increase or decrease in membership dues. (Based on 06/27/2024 text)

Position: watch

Priority: B. Watch

SB 1330 (Archuleta, D) Urban retail water supplier: water use.

Location: 06/25/2024 - Assembly Appropriations

Summary: Current law requires an urban retail water supplier to calculate its urban water use objective no later than January 1, 2024, and by January 1 every year thereafter, and to be composed of the sum of specified data, including aggregate residential water use. Current law requires each urban retail water supplier's water use objective to be composed of the sum of specified aggregate estimates, including efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with water used by commercial water users, industrial water users, institutional water users, and large landscape water users (CII). Current law requires an urban retail water supplier to submit reports to the Department of Water Resources, as provided, by the same dates. This bill would require the department to, no later than January 1, 2035, conduct necessary studies and investigations regarding the efficiency performance of newly constructed residential landscapes and landscape areas with dedicated irrigation meters in connection with CII water use, as specified. (Based on 06/26/2024 text)

Position: watch

Priority: B. Watch

SB 1390 (Caballero, D) Groundwater recharge: floodflows: diversion.

Location: 06/25/2024 - Assembly Appropriations

Summary: Current law declares that all water within the state is the property of the people of the state, but the right to the use of the water may be acquired by appropriation in the manner provided by law. Current law requires the appropriation to be for some useful or beneficial purpose. Current law provides, however, that the diversion of floodflows for groundwater recharge does not require an appropriative water right if certain conditions are met, including that a local or regional agency that has adopted a local plan of flood control or has considered flood risks as part of its most recently adopted general plan has given notice, as provided, of imminent risk of flooding and inundation of lands, roads, or structures. Current law defines "floodflow" for these purposes, to include circumstances in which flows would inundate ordinarily dry areas in the bed of a terminal lake to a depth that floods dairies and other ongoing agricultural activities, or areas with substantial residential, commercial, or industrial development. Current law defines "imminent" for these purposes to mean a high degree of confidence that a condition will begin in the immediate future. Current law also requires the person or entity making the diversion for groundwater recharge purposes to file with the State Water Resources Control Board and any applicable groundwater sustainability agency for the basin, a notice containing specified information no later than 48 hours after initially commencing diversion of floodflows for groundwater recharge, a preliminary report no later than 14 days after initially commencing that diversion, and a final report no later than 15 days after the diversions cease. These requirements apply to diversions commenced before January 1, 2029. This bill would also require an entity making the diversions for groundwater recharge that is required to file the notice and the reports, including the final report, as described above, with the board and the applicable groundwater sustainability agency for the basin, to also file those documents with the agency that issued the applicable flood determination. The bill would require the final report to contain information, if applicable, describing the forecasting models used to determine a likely imminent escape of surface water and a description of the methodology used to determine the abatement of flood conditions. (Based on 06/26/2024 text)

Position: watch

Priority: B. Watch

Total Measures: 20

Total Tracking Forms: 20

Metropolitan Water District of Southern California State Legislative Matrix July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 400 B. Rubio (D – Baldwin Park) Sponsors: California State Association of Counties, League of California Cities	Chapered Signed by Governor Chapter 201, Statutes of 2023	Local agency design-build projects: authorization. This measure would extend the existing sunset date to January 1, 2031, for the use of design- build as a delivery method for public works contracts.	Support Based on October 2021 Board Action	Metropolitan’s current authority to use design-build under AB 1845 (Calderon, CH: 275, 2022) will sunset on January 1, 2028. The provisions of this bill allow Metropolitan to use design-build for future projects through January 1, 2031.
AB 460 Bauer- Kahan (D – Orinda)	Amended 6/12/2024 Two-year bill Senate Judiciary Committee	State Water Resources Control Board: water rights and usage: civil penalties. This bill would require the State Water Resources Control Board to adjust for inflation, by January 1 of each year, beginning in 2025, the amounts of civil and administrative liabilities or penalties imposed by the board in water right actions, as specified.	Support Based on Metropolitan Policy Principles for Modernization of Water Rights Administration, adopted April 2023	The bill now would provide for enhanced civil penalties for violations of any State Board regulation or curtailment order.
AB 1337 Wicks (D – Oakland)	Amended 5/18/23 Two-year bill Senate Natural Resources and Water Committee	State Water Resources Control Board: water diversion curtailment. This bill would authorize SWRCB to adopt regulations for various water conservation purposes and implement these regulations through orders curtailing the diversion or use of water under any claim of right.	Oppose Based on Metropolitan Policy Principles for Modernization of Water Rights Administration, adopted April 2023	Regardless of whether there is a drought emergency, this bill would allow the State Board, by regulation, to permanently reduce permit rights (including SWP, Colorado River pre-1914 rights, or Delta Island license, pre-1914 or riparian right diversions) upon a finding that current diversions result in a waste or unreasonable use of water or that they harm public trust (fish and wildlife) resources. This would be a new broad power to the State Board that could permanently reallocate any water rights under any water year conditions without the protection or process of individual adjudications.

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1567 Garcia (D-Coachella)	Amended 5/26/2023 Two-year bill Senate Natural Resources and Water Committee	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024. This measure would authorize a \$15.995 billion general obligation bond for the March 5, 2024, ballot to fund a broad range of resource-based programs that will assist California to improve its climate resiliency.	Support, if Amended Based on June 2023 Board Action	This measure is consistent with Metropolitan’s current policy priorities and supports the objectives of Metropolitan’s Climate Adaptation Master Plan. Metropolitan is seeking amendments to increase funding for recycled water, dam safety, regional conveyance, drought and conservation projects.
AB 1572 Friedman (D - Glendale) Co-sponsors: Metropolitan, Heal the Bay, National Resources Defense Council	Chaptered Signed by Governor Chapter 849, Statutes of 2023	Potable water: nonfunctional turf. This measure prohibits the use of potable water for the irrigation of non-functional turf located on commercial, industrial, institutional. This measure provides the State Water Resources Control Board with the authority to postpone compliance dates as prescribed.	Co-sponsor Based on April 2023 Board action	Based on input from the Board and member agencies, Metropolitan secured amendments to exclude multi-family residential buildings and protect the authority and local control of public water systems. Metropolitan is a co-sponsor of this measure.
AB 1573 Friedman (D - Glendale) Sponsor: Earth Advocacy and California Native Plant Society	Amended on 9/1/2023 Two Year Bill Senate Floor – Inactive File	Water conservation: landscape design: model ordinance. This measure would update the model water efficient landscape ordinance for new or renovated nonresidential areas to require at least 25% local native plants beginning January 1, 2026. This measure would also prohibit the use of nonfunctional turf in nonresidential landscape projects after January 1, 2026.	Support Based on 2023 Legislative Priorities and Principles, adopted December 2022	This measure is consistent with Metropolitan’s effort to reduce nonfunctional turf within its service area.

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1648 Bains (D - Bakersfield)	Amended 3/16/2023 Dead	Water: Colorado River Conservation This measure would specifically prohibit Metropolitan and LADWP to offset federally required reductions on Colorado River resources with increased water deliveries from other regions of California, including the Delta, retroactively as of January 1, 2023.	Oppose Based on 2023 Legislative Priorities and Principles, adopted December 2022	This measure would impair Metropolitan’s flexibility with its entire water portfolio, including the Integrated Water Resources Plan and the Annual Operating Plan. Metropolitan’s reliability and its ability to meet demands would also be impaired by restrictions on partnerships with its State Water Project and Colorado River Basin stakeholders.
SB 122 Senate Committee on Budget and Fiscal Review	Chaptered Signed by the Governor Chapter 51, Statutes of 2023	Flood Flow Streamlining Provisions in this trailer bill provide that diversion of flood flows for groundwater recharge do not require an appropriate water right if specified conditions regarding the diversion are met. These provisions exempt from the California Environmental Quality Act (CEQA) specified actions related to the implementation of Colorado River water conservation agreements with the US Bureau of Reclamation.	Seek Amendments Based on Metropolitan Policy Principles for Modernization of Water Rights Administration 2023 Water Rights Principles, adopted April 2023	The no-permit authorization poses a significant concern to Metropolitan’s State Water Project supplies. There is no protest process, no requirement that diverters avoid harm to other legal water users with water rights senior to the flood flow diverter, and no protection of SWP and CVP rights to divert “excess flows” when they exist in the system up to the full capacity of the projects. Metropolitan will work with the Administration to address these issues as the program is implemented.
SB 124 Senate Committee on Budget and Fiscal Review	Chaptered Signed by the Governor Chapter 53, Statutes of 2023	Green Financing Programs for Federal IRA Funding This measure contains various provisions to implement the 2023 State Budget Act, which includes authorizing the State Infrastructure and Economic Development Bank and the Department of Water Resources (DWR) to access and utilize federal funding in the Inflation Reduction Act to finance projects that reduce greenhouse emissions.	Support Based on 2023 Legislative Priorities and Principles, adopted December 2022	For the State Water Project, DWR’s direct investment in qualifying projects could lower its capital costs, which would ultimately be passed on to Metropolitan and other SWP contractors.

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 146 Gonzalez (D-Long Beach)	Chaptered Signed by the Governor Chapter 58, Statutes of 2023	Public resources: infrastructure: contracting. This measure is part of the negotiated infrastructure trailer bill package and authorizes DWR to use the progressive design-build (PDB) project delivery method for up to eight public works projects that exceed \$25 million. The Delta conveyance facilities and seawater desalination are expressly prohibited under this measure.	Support Based on October 2021 Board Action	By utilizing PDB and awarding a project contract prior to the completion of all design work, DWR can potentially reduce overall costs and execute shorter project delivery schedules. This could lead to reduced costs for SWP-related projects-resulting in cost savings being passed on to Metropolitan.
SB 147 Ashby (D- Sacramento)	Chaptered Signed by the Governor Chapter 59, Statutes of 2023	Fully protected species: California Endangered Species Act: authorized take This measure is part of the negotiated infrastructure trailer bill package and authorizes the take of fully protected species for certain infrastructure projects if specified conditions are met. Eligible projects include the maintenance, repair and improvement of the State Water Project, as well as critical regional and local water infrastructure.	Support and Amend Based on 2023 Legislative Priorities and Principles, adopted December 2022	While this alternative may have benefits over current FPS regulations, the requirements are extensive and may make permit terms infeasible or cost prohibitive and could create other litigation risks for permittees.
SB 149 Caballero (D- Merced)	Chaptered Signed by the Governor Chapter 60, Statutes of 2023	California Environmental Quality Act: administrative and judicial procedures: record of proceedings: judicial streamlining. This measure is part of the negotiated infrastructure trailer bill package and makes various changes to CEQA. This bill provides clarification for what is considered as part of the administrative record, as well as allowing a public agency to deny a request to prepare the record of proceedings. This bill also provides for expedited judicial review for specified energy and transportation projects.	Support and Amend Based on 2023 Legislative Priorities and Principles, adopted December 2022	Administrative Records Streamlining: Overall, the provisions would be beneficial to Metropolitan as they could lower CEQA litigation costs and shorten litigation timelines. Expedited Judicial Review: The process for preparing the administrative record for any governor-certified infrastructure project must follow certain extensive and potentially costly specifications. While expedited judicial review is beneficial in concept, unless amended, the prerequisites may be infeasible or costly to implement.

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 150 Durazo (D-Los Angeles)	Chaptered Signed by the Governor Chapter 61, Statutes of 2023	<p>Construction: workforce development: public contracts.</p> <p>This measure is part of the negotiated infrastructure trailer bill package and focuses on strengthening the state’s workforce and community benefits with infrastructure investments through California’s share of federal funds.</p>	<p>Support</p> <p>Based on 2023 Legislative Priorities and Principles, adopted December 2022</p>	<p>This bill is intended to help develop procurement models to enhance the state’s training and access pipeline for jobs while ensuring community benefits on infrastructure and manufacturing investments.</p> <p>This bill is consistent with Metropolitan’s policy and practice and could benefit the district by helping build the next generation of the state’s construction workforce.</p>
SB 366 Caballero (D - Merced) Sponsors: California Municipal Utilities Association, California Council for Environmental and Economic Balance, California State Association of Counties	Amended 6/13/2024 Assembly Water, Parks, and Wildlife Committee	<p>The California Water Plan: long-term supply targets.</p> <p>This measure would revise the California Water Plan to require the DWR to update the California Water Plan by December 31, 2028, and every five years after, to include a long-term water supply target for 2050 and discussion on the development of specified water supply sources to meet demand.</p>	<p>Support, if Amended</p> <p>Based on 2023 Legislative Priorities and Principles, adopted December 2022</p>	<p>The intent of this bill is to help modernize California’s water management practices and provide long-term reliable supplies in response to the current climate challenges.</p> <p>Metropolitan is seeking amendments that include, but are not limited to, ensuring the 2050 target reflects statewide, regional, and local planning efforts and clarifying that the CA Water Plan should not establish a separate plan for complying with the Delta Plan, but should be complimentary and focus on supporting the co-equal goals of the Delta.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
<p>SB 659 Ashby (D – Sacramento)</p> <p>Sponsors: Sacramento Regional Water Authority</p>	<p>Chaptered</p> <p>Signed by the Governor Chapter 624, Statutes of 2023</p>	<p>California Water Supply Solutions Act of 2023.</p> <p>This bill would require DWR to develop a groundwater recharge plan by January 1, 2026, to create additional groundwater recharge capacity and include the plan as part of the 2028 update to the California Water Plan.</p>	<p>Support, if Amended</p> <p>Based on 2023 Legislative Priorities and Principles adopted December 2022.</p>	<p>This bill intends to elevate the importance of groundwater in the state’s planning efforts. Additional recharge capacities developed through implementation of this bill could potentially help in the successful implementation of projects such as Metropolitan’s Pure Water project, LADWP’s Operation Next project, and the Pure Water San Diego, potentially helping to maximize stormwater capture and increase sustainability of groundwater basins within Metropolitan’s service area.</p>
<p>SB 687 Eggman (D - Stockton)</p>	<p>Amended 5/2/2023</p> <p>Dead</p>	<p>Water Quality Control Plan: Delta Conveyance Project.</p> <p>This measure will require the State Water Resources Control Board to adopt a final update of the Bay-Delta Water Quality Control Plan before the Board considers a change in the point of diversion or any other water rights permit or order for the Delta Conveyance Project.</p>	<p>Oppose</p> <p>Based on 2023 Legislative Priorities and Principles, adopted December 2022</p>	<p>Metropolitan supports updating the Water Quality Control Plan to protect beneficial uses in the Delta. This bill would result in halting or delaying planning efforts on the Delta Conveyance Project and potentially prevent the project from operating if approved.</p>
<p>SB 706 Caballero (D-Merced)</p> <p>Sponsors: CA State Association of Counties; County of San Diego; Design Build Institute of America Western Pacific Chapter; League of California Cities</p>	<p>Chaptered</p> <p>Signed by the Governor Chapter 500, Statutes of 2023</p>	<p>Public contracts: progressive design-build: local agencies.</p> <p>This bill would provide additional authority, until January 1, 2023, for cities, counties, and special districts to use progressive design-build (PDB) authority for up to 10 public works projects that are in excess of \$5 million. In addition, any local agency that uses this authorized progressive-design build process must submit a report to the Legislature.</p>	<p>Support</p> <p>Based on 2023 Legislative Priorities and Principles, adopted December 2022</p>	<p>Currently, PDB-eligible projects are limited to wastewater treatment facilities, park and recreational facilities, solid waste management facilities and water recycling facilities. This bill now authorizes cities, counties and special districts, including Metropolitan, to use PDB for public works projects. This supports Metropolitan’s priority of ensuring reliable water supply deliveries throughout its service area.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 867 Allen (D-Santa Monica)	Amended 6/22/2023 Assembly Natural Resources Committee	<p>Drought, Flood and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.</p> <p>This measure would authorize a \$15.5 billion general obligation bond for a range of resource-based programs that will improve California’s climate resiliency. If approved, this measure would be on the March 5, 2024 statewide ballot.</p>	<p>Support, if Amended</p> <p>Based on June 2023 Board Action</p>	<p>This measure is consistent with Metropolitan’s current policy priorities and supports the objectives of Metropolitan’s Climate Adaptation Master Plan.</p> <p>Metropolitan is seeking amendments to increase funding for recycled water, dam safety, regional conveyance, drought, and conservation projects.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
<p>AB 2610 E. Garcia (D – Coachella)</p>	<p>Amended 4/10/2024</p> <p>Senate Natural Resources and Water Committee</p>	<p>Protected species: authorized take: Salton Sea Management Program: System Conservation Implementation Agreement.</p> <p>Current law authorizes the Department of Fish and Wildlife, if certain conditions are fulfilled, to authorize the take of species, including fully protected species, resulting from impacts attributable to implementation of the Quantification Settlement Agreement on specified lands and bodies of water, including the Salton Sea. This bill would additionally authorize the department, if certain conditions are fulfilled, to authorize the take of species resulting from impacts attributable to the implementation of the Salton Sea Management Program or implementation of any System Conservation Implementation Agreement between the United States Bureau of Reclamation and the Imperial Irrigation District to implement the Lower Colorado River Basin System Conservation and Efficiency Program, as provided, on the specified lands and bodies of water.</p>	<p>Support</p> <p>Based on 2024 Legislative Priorities and Principles, adopted January 2024</p>	<p>This bill will help to advance conservation agreements and collective conservation goals related to reducing reliance of the Colorado River in order to account for changes in climate and low water supplies by allowing IID to advance their short-term conservation goals between 2024 – 2026.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1827 D. Papan (D – San Mateo)	Amended 4/4/2024 Senate Local Government Committee	<p>Local government: fees and charges: water: higher-consumptive water parcels.</p> <p>The Legislature passed the Proposition 218 Omnibus Implementation Act in 1997 to provide guidance for implementation of the new constitutional provisions. AB 1827 (Papan) proposes to add Government Code section 53750.6 to the Act to clarify that the costs that may be recovered through retail water service fees may include the incrementally higher costs of water service due to (1) the higher water usage demand of parcels, (2) the maximum potential water use of parcels, or (3) projected peak water usage.</p>	<p>Support</p> <p>Based on 2024 Legislative Priorities and Principles, adopted January 2024.</p>	<p>Metropolitan’s wholesale water service rates to its co-op members are not subject to Proposition 218 and therefore, the bill does not have an effect on Metropolitan. It will, however, provide clearer guidance for its member agencies that provide retail water service and any retail water service provider within Metropolitan service area.</p>
AB 2257 L. Wilson (D – Suisun City)	Amended 4/23/2024 Senate Judiciary Committee	<p>Local government: property-related water and sewer fees and assessments: remedies.</p> <p>AB 2257 establishes a process for objections to be submitted by any party objecting to the proposed fee or assessment, notice to the public of the requirements, and prerequisites for suing an agency on the basis of the validity of the fee or assessment. The bill requires exhaustion of the administrative procedures provided therein before a plaintiff may file suit and it limits the administrative record that may be reviewed in that litigation to evidence presented to or available to the agency prior to the adoption of the fee or assessment.</p>	<p>Support</p> <p>Based on 2024 Legislative Priorities and Principles, adopted January 2024</p>	<p>Metropolitan does not currently collect any fee or assessment on properties within its service area that is subject to Article XIII D. It does, however, have the authority to do so. Should it decide to adopt such a fee or assessment, it would be required to follow these proposed additional procedural requirements. Any litigation challenging such a fee or assessment would also be subject to the administrative remedy exhaustion and evidence limitation provided for by AB2257.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
<p>AB 2409 D. Papan (D – San Mateo)</p>	<p>Amended 4/11/2024</p> <p>Dead</p>	<p>Office of Planning and Research: permitting accountability transparency dashboard.</p> <p>Would require the Office of Planning and Research, on or before January 1, 2026, to create and maintain, as specified, a permitting accountability transparency internet website (dashboard). The bill would require the dashboard to include a display for each permit to be issued by specified state agencies for all covered projects. The bill would define various terms for these purposes. The bill would also require the dashboard to include, but not be limited to, information for each permit to be issued by a state agency that is required for the completion of the project, including, among other requirements, the permit application submission date. The bill would require each state agency with a responsibility for issuing a permit for a covered project to provide information in the appropriate time and manner as determined by the office. The bill would also make related findings and declarations.</p>	<p>Support</p> <p>Based on 2024 Legislative Priorities and Principles, adopted January 2024</p>	<p>AB 2409 requires the Governor’s Office of Planning and Research (OPR) to create and maintain a permitting transparency website with a project dashboard showing the status of each state permit for specific projects with an estimated cost of \$100 million or more. AB 2409 would be beneficial to Metropolitan by making environmental permitting more transparent and would help the public understand why large projects take years to permit (e.g., Pure Water Southern California or Delta Conveyance).</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
<p>AB 2060 E. Soria (D – Fresno)</p>	<p>Amended 5/16/2024</p> <p>Senate Natural Resources and Water Committee</p>	<p>Lake and streambed alteration agreements: exemptions.</p> <p>This bill would exempt qualifying temporary permit diversions of water from streams at or near flood stage to groundwater storage from the requirements of Fish & Game Code section 1602. Section 1602 requires anyone proposing to substantially alter the bed, banks or natural flows of a stream, river or lake to notify the California Department of Fish and Wildlife (CDFW). If CDFW determines the proposed activity may have a significant adverse impact on fish or wildlife, it will require a Lake or Stream Alteration Agreement (LSAA) that functions as a permit for the activity, and which always requires mitigation, monitoring and reporting to CDFW. It is designed to prevent harm to fish and wildlife from covered activities. AB 2060 would exempt qualifying diversions from this requirement. The only “mitigation” required to qualify is installation of basic fish screens, with no requirement that they meet any standards, including those adopted by CDFW and the federal fish services.</p>	<p>Support if Amended</p> <p>Based on Metropolitan Policy Principles for Modernization of Water Rights Administration 2023 Water Rights Principles, adopted April 2023 and 2024 Legislative Priorities and Principles, adopted January 2024</p>	<p>This bill was amended to ensure the temporary permit authorization is consistent with existing law on diversion authorizations for current water rights holders. Metropolitan is seeking additional amendments to ensure the inclusion of fish screens on all intakes, not just “temporary pump” intakes, and that the screens minimize both entrainment and impingement.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 903 N. Skinner (D – Berkeley)	Amended 4/11/2024 Dead	<p>Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances.</p> <p>Starting January 1, 2025, certain substances called perfluoroalkyl and polyfluoroalkyl substances (PFAS) will be prohibited in new textiles, cosmetics, food packaging, and juvenile products in the state. This means that manufacturers and sellers cannot add PFAS to these products. A new bill, starting January 1, 2032, will also require the Department of Toxic Substances Control to determine if using PFAS in a product is necessary and unavoidable before it can be offered for sale. The department will keep a list of these determinations on its website and use any penalties collected for administering and enforcing these laws. By January 1, 2027, the department will adopt regulations to carry out this bill, including setting an application fee and creating an appeal process for penalties and decisions made under this law. A PFAS Oversight Fund will be created from the application fees to cover the department's expenses for administering this act, with funds allocated by the legislature.</p>	<p>Support</p> <p>Based on 2024 Legislative Priorities and Principles, adopted January 2024</p>	<p>From a source water protection standpoint, the bill creates provisions to reduce PFAS contamination and enhance protection of water quality and public health. By limiting PFAS in consumer products, the bill indirectly aims to reduce PFAS contamination in water sources, potentially decreasing treatment costs and complexity for water providers. The bill encourages the development and adoption of PFAS alternatives, potentially impacting the types of materials and products used within the water industry and by consumers, promoting safer water handling and packaging materials.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 1072 S. Padilla (D – San Diego)	Amended 4/24/2024 Assembly Local Government Committee	<p>Local government: Proposition 218: remedies.</p> <p>The California Constitution has rules for imposing taxes at a local level. It excludes certain fees and assessments if they meet certain criteria, such as not exceeding the benefit given to a property or the cost of the service provided. There is also a law known as the Proposition 218 Omnibus Implementation Act that outlines how local agencies must comply with these requirements. This bill, if passed, would require local agencies to correct any fees or charges for property-related services that violate these constitutional provisions and credit the amount of the violation against the revenues needed for the service. This bill supports the purposes and intent of Proposition 218 and the Omnibus Implementation Act.</p>	<p>Support</p> <p>Based on 2024 Legislative Priorities and Principles, adopted January 2024</p>	<p>Metropolitan does not currently collect any revenue from any property related fees or assessments subject to Articles XIII C or D. However, Metropolitan does have statutory authority to collect such fees. If Metropolitan were to adopt such a fee or assessment in the future, the revenues from those fees or assessment would be subject to the limitation added by SB 1072.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
<p>SB 1169 H. Stern (D – Los Angeles)</p>	<p>Amended 3/18/2024</p> <p>Assembly Desk</p>	<p>Los Angeles County Flood Control District: finances.</p> <p>This law, known as the Los Angeles County Flood Control Act, sets up a district responsible for managing and preserving flood and wastewaters in the county. It permits the district to borrow money from certain sources to fund flood control work and repay the loan within 20 years with a maximum interest rate of 4.25% annually. The district must also collect enough taxes from property owners each year to cover the loan payments. Currently, the district is limited to borrowing a maximum of \$4.5 million and issuing bonds up to the same amount. This proposed bill would extend the loan repayment period to 35 years with a maximum interest rate of 5.5% annually. It would also remove the borrowing and bond limits for the district. The bill justifies these changes by stating the need for a special law for the Los Angeles County Flood Control District.</p>	<p>Support</p> <p>Based on 2024 Legislative Priorities and Principles, adopted January 2024</p>	<p>Support for this bill will help with Los Angeles County’s flood control program and is consistent with the Board’s policy to support development of local resources and conservation efforts.</p>

Metropolitan Water District of Southern California State Legislative Matrix

July 8, 2024 – Second Year of Legislative Session

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 1390 A. Caballero (D – Merced)	Amended 4/24/2024 Assembly Water, Parks, and Wildlife Committee	<p>Groundwater recharge: floodflows: diversion.</p> <p>Under current law, all water in the state belongs to the people, but individuals can gain the right to use it through a legal process. This process requires the water to be used for a purpose that is helpful or beneficial. However, if certain conditions are met, using floodwater for groundwater recharge does not require a specific legal right. These conditions include receiving notice from a local or regional agency that there is a risk of flooding, and filing a report with the State Water Resources Control Board once the diversion is finished. This applies to diversions that began before January 1, 2029. This bill would extend these requirements to diversions that began before June 1, 2032. It would also add additional conditions that must be met for the diversion to be allowed, such as the local agency declaring that the diversion is in line with specific plans or emergency operations plans. The diversion must also stop within 90 days unless it is renewed, and the final report must include information about the methods used to predict and prevent flooding. Finally, the diversion must not harm any prior water rights holders in the area.</p>	<p>Support</p> <p>Based on Metropolitan Policy Principles for Modernization of Water Rights Administration 2023 Water Rights Principles, adopted April 2023 and 2024 Legislative Priorities and Principles, adopted January 2024</p>	<p>SB 1390 has been amended to clarify which agencies may make the declaration that flood flow conditions exist and when they are required to declare they no longer exist. The amendments include language to protect Metropolitan’s SWP supplies, which also supports our operations to maintain water quality standards in the Delta.</p>



STAFF REPORT

To: Board of Directors

Meeting Date: August 22, 2024

From: Sherri Seitz, Public Affairs Manager

Subject: Public Education and Outreach Report

Laguna Woods Village Television (LWVT)

A link to Vice President Gaskins July 24, 2024 LWVT “This Day” interview can be found at:

https://www.youtube.com/watch?v=jQC5jPHe-W8&list=PL42xcltr8DpOq7sept9pAKQCoegTI_km6&index=41

Director Havens is scheduled for a “This Day” interview on August 27th at 8:45 a.m. She will discuss the State’s Conservation is a California Way of Life Regulations.

ETWD Website Redesign Vendor Selection

Background: The El Toro Water District (ETWD) website, a crucial communication tool for the District, serves the community by providing essential information, facilitating bill payments, and promoting District services. The website's content includes details on utility bills, water rates, customer services, public notices, financial information, government



transparency, water conservation, and more. Last redesigned in 2014 using the WordPress platform, the website has become outdated, and a redesign is necessary to ensure continued effective communication and compliance with current industry standards.

Project Scope: In July 2024, ETWD issued a Request for Proposal (RFP) for the redesign, development, maintenance, and hosting of the District’s website. The goal is to create a secure, modern, user-friendly, and accessible website that effectively communicates information about the District’s water, wastewater and recycled water services, enhances public engagement and complies with industry regulations and standards. The project budget was set at \$50,000.

Vendor Selection Process: ETWD received eight proposals and conducted interviews with six website design consultants. After careful consideration, Big Wig Monster Media was selected as the vendor for the ETWD website redesign. Big Wig Monster Media was chosen for its proposal to migrate the website from WordPress to the Joomla platform, which offers a user-friendly content management system (CMS), an intuitive interface, and enhanced security features.

Financial Implications: The total cost of the website redesign is \$41,940, which is within the allocated budget. The project is scheduled to begin in August 2024, with completion expected in Spring 2024.

Conclusion: The selection of Big Wig Monster Media for the ETWD website redesign will ensure that the District's website remains a vital and effective resource for the community, providing up-to-date information and supporting public engagement. The new Joomla platform will enhance the website's functionality, security, and ease of use, aligning with ETWD's commitment to transparency and customer service.

Construction Project Alerts

Staff developed and distributed a construction alert to residents surrounding the Aliso Creek Sewer Lift Station regarding preliminary work that would include loud noise due to boring work. Construction alerts will be sent to those residents as needed as the project continues.

Staff provided signage along the pathway in front of ETWD's Northline Lift Station between the Laguna Woods Dog Park and the parking area while work was being completed at the station.

Community Events

Orange County (OC) Grand Jury Inspection Trip of OC Water Supply and Infrastructure – August 26, 2024

MET and MWDOC are hosting an OC Grand Jury Inspection Trip and stops will include MWDOC, Diemer Water Treatment Plant, ETWD/EI Toro Regional Reservoir, and SCWD. Tour participants will arrive at ETWD between 11:30 a.m. and 12 noon and conclude at 2:00 p.m.

Laguna Woods Village 60th Anniversary - September 9, 2024

Laguna Woods Village is celebrating its 60th anniversary on Monday, September 9, 2024 from 5:00 p.m. to 7:30 p.m. at Clubhouse 2 facility and grounds. There will be

entertainment, food, ice cream, picnic space, GRF no-host bar, giveaways and yoga classes. ETWD staff will host a booth in Clubhouse 2 for the event.

United/VMS/ETWD Meeting – September 18, 2024

ETWD staff, Dennis, Vu and Sherri will meet with representatives from United Mutual and VMS on Wednesday, September 18, 2024 from 2:00 p.m. – 3:00 p.m. to discuss Assembly Bill AB 1572 which prohibits the use of potable water to irrigate nonfunctional turf on commercial, municipal, and multifamily properties beginning with a phased in approach in January 2026.

Third Mutual Gate 11 Fall Meeting – September 24, 2024

ETWD staff will host a booth at the Third Mutual Gate 11 Fall meeting from 3:30 p.m. to 6:30 p.m. in Clubhouse 2.

California Association of Public Information Officials (CAPIO) Budget and Rate Communications Webinar – September 24, 2024

Sherri will participate with four other panelists in CAPIO's Budget and Rate Communications webinar to discuss how to relaying complex budget and rate information to our communities in a clear, transparent, timely, and engaging manner.

H2O for HOA's – October 17, 2024

ETWD will participate in the H2O for HOA event on October 17, 2024 from 8:00 a.m. to 12 noon at the City of Laguna Hills Community Center.

City of Lake Forest Leadership Academy – October 23, 2024

Dennis Cafferty will present at the City of Lake Forest Leadership Academy on October 24, 2024 at 6:00 p.m. at the City of Lake Forest City Hall.



STAFF REPORT

To: Board of Directors

Meeting Date: August 22, 2024

From: Vu Chu, Water Use Efficiency Analyst

Subject: Water Use Efficiency Report

Rebate Programs:

The SoCal WaterSmart regional rebate program is available to ETWD customers through the collaboration of the Metropolitan Water District of Southern California, the Municipal Water District of Orange County, and ETWD.

Eligible device purchases may qualify for rebates, contingent on meeting eligibility criteria and subject to fund availability. Detailed residential and commercial rebate information is accessible at:

www.etwd.com/conservation/rebates
www.etwd.com/commercial-rebates

Actual Customer Rebates Analysis:

The following ETWD residential customer and commercial customer device rebates were approved by the Metropolitan Water District and the Municipal Water District of Orange County during July 2024.

The table below also shows the ETWD residential and commercial rebates approved between July 1, 2024, and June 30, 2025.

Rebate Program	July 2024	FY 2024/25
High Efficiency Clothes Washer	3	3

Water Use Efficiency Plan Update:

The District Water Budget-Based Tiered Conservation Rate Structure (WBBTCRS) pricing structure is the primary plan that gives customers the incentive needed to be efficient. The Plan efforts initially will concentrate on those customers continually in the Inefficient and Excessive Tiers (Tiers 3 and 4). During July 2024, residential customers accounted for 66.8% of Tier 3 usage and dedicated irrigation accounted for 33.2%. For Tier 4, residential customers accounted for 50.5% and dedicated irrigation accounted for 49.5% during the same period.

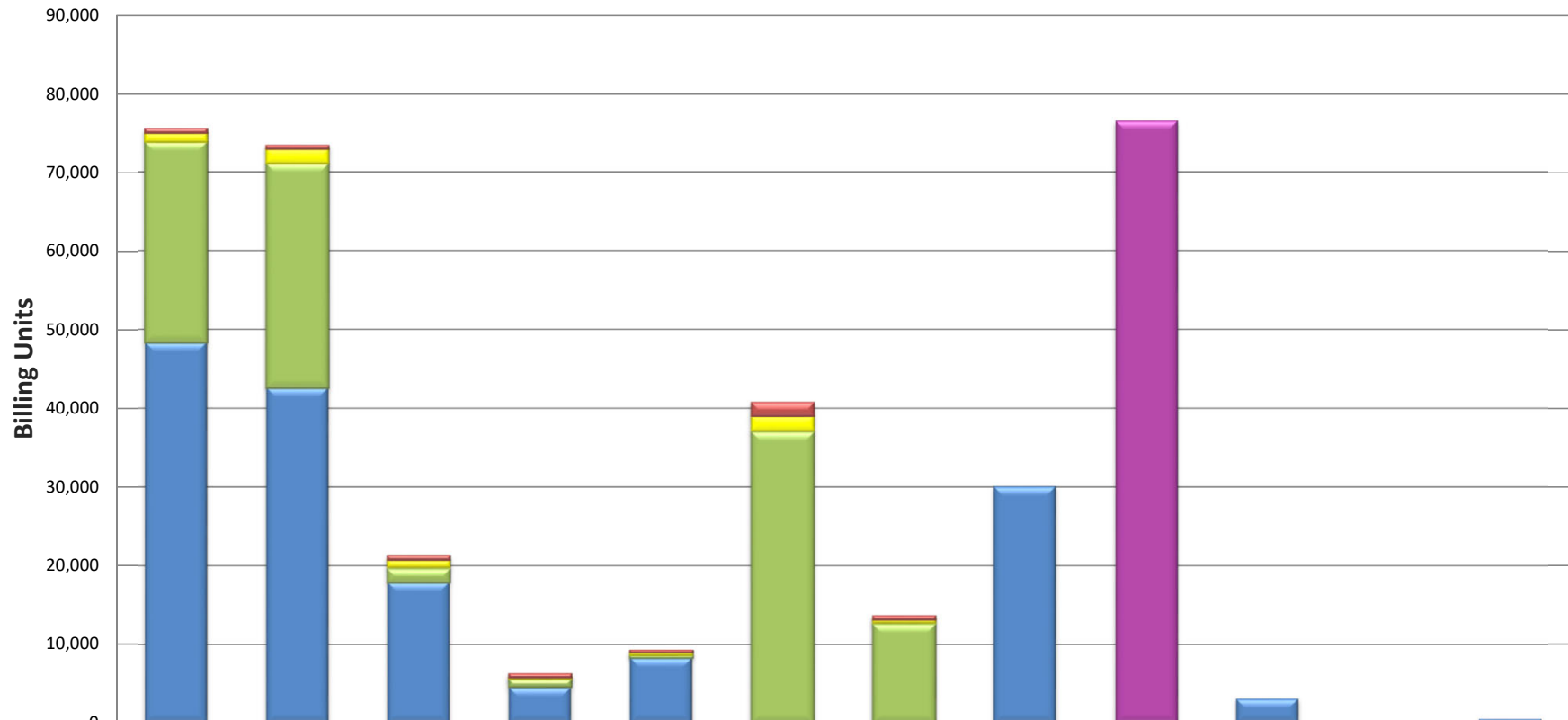
Total Consumption Comparison to Evapotranspiration (ET) Factor:

Included in this month's Water Use Efficiency Report is a chart comparing the current fiscal year consumption and ET factor to the fiscal 2023/24 consumption and ET factor. Total potable water consumption increased 6.30% in July 2024 versus July 2023. The ET factor decreased from 7.03 to 6.99 during the same period.

ETWD Tier Consumption Information and Usage Information Compared to Previous Years:

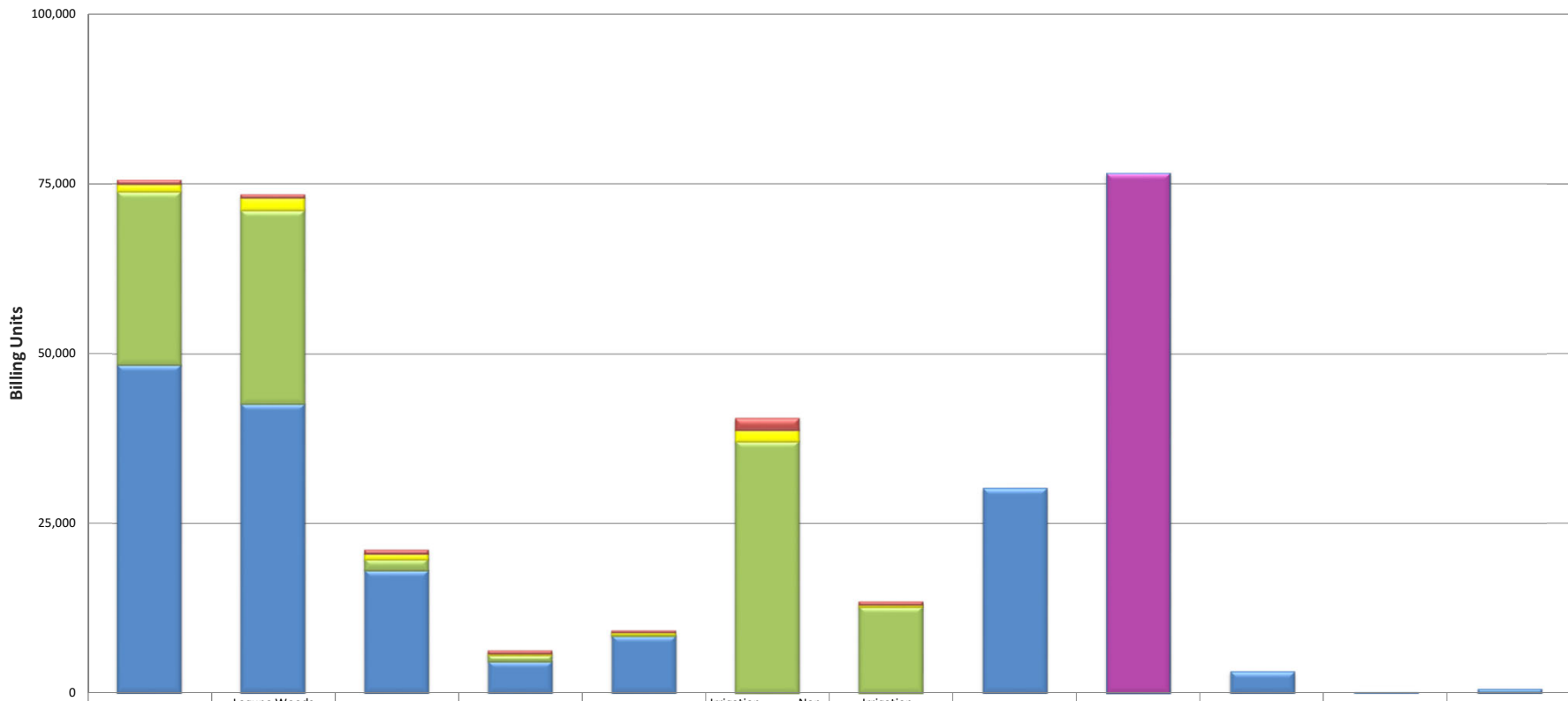
The following graphs highlight ETWD year-to-date consumption and consumption by tier for the current fiscal year compared to the 2023-2024 fiscal year. ETWD water consumption compared to 2013 and 2020 are also included.

July 2024 Water Sales



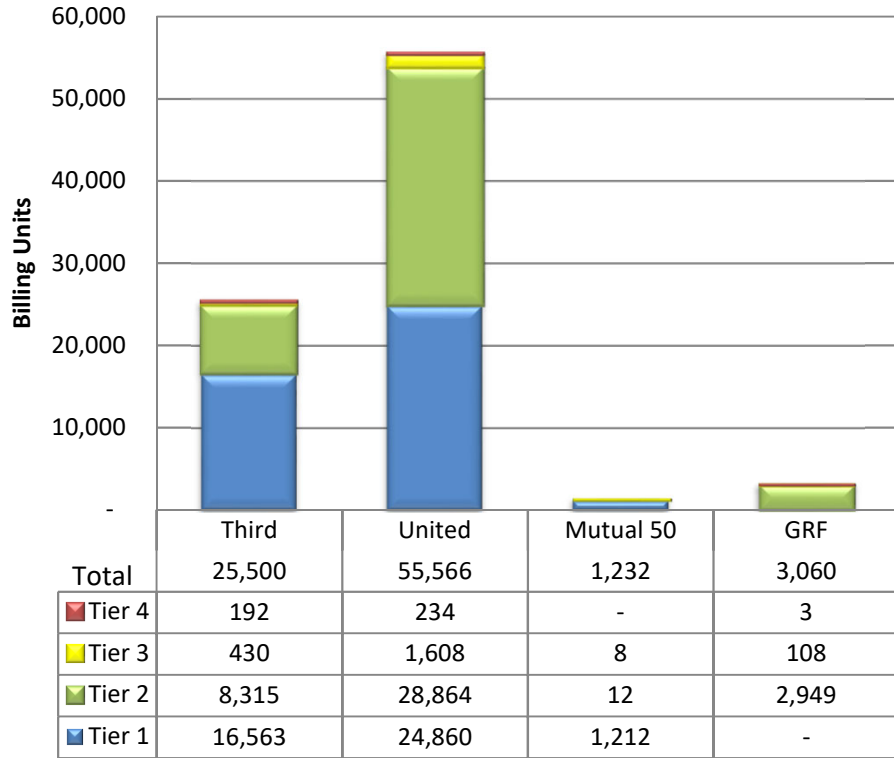
	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Non-Functional	Irrigation - Functional	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	569	426	562	430	217	1,733	426	0	0	0	0	0
■ Tier III	1,134	1,867	894	220	395	1,849	395	0	0	0	0	0
■ Tier II	25,403	28,391	1,720	960	216	37,054	12,709	0	0	0	0	0
■ Tier I	48,368	42,635	18,011	4,623	8,378	0	0	30,101	76,508	3,125	4	526

Year-to-Date Water Sales as of July 2024

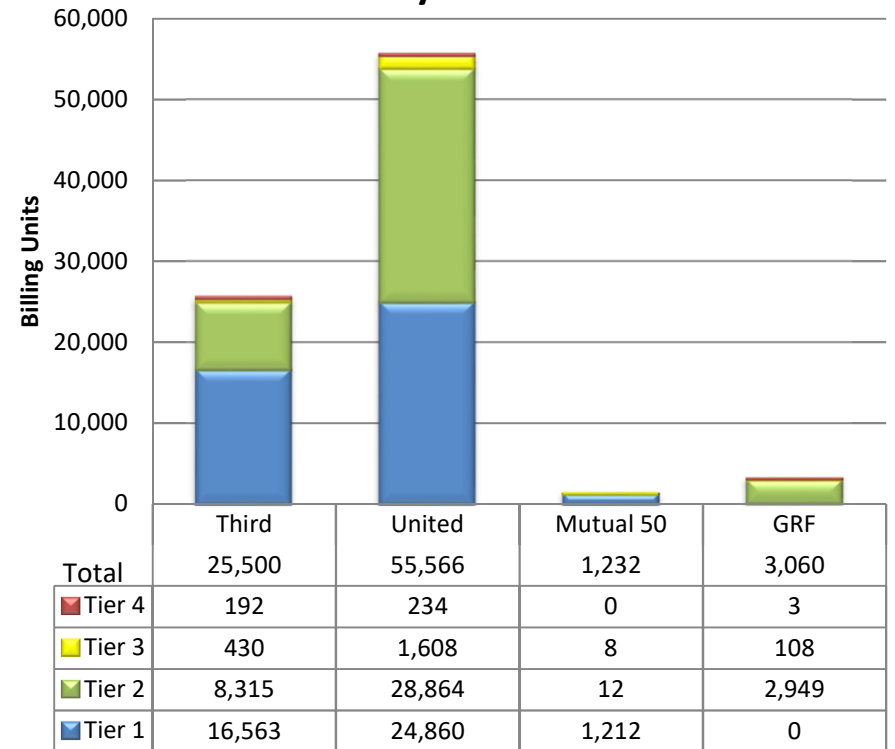


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Non-Functional	Irrigation - Functional	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
Tier IV	569	426	562	430	217	1,733	426	0	0	0	0	0
Tier III	1,134	1,867	894	220	395	1,849	395	0	0	0	0	0
Tier II	25,403	28,391	1,720	960	216	37,054	12,709	0	0	0	0	0
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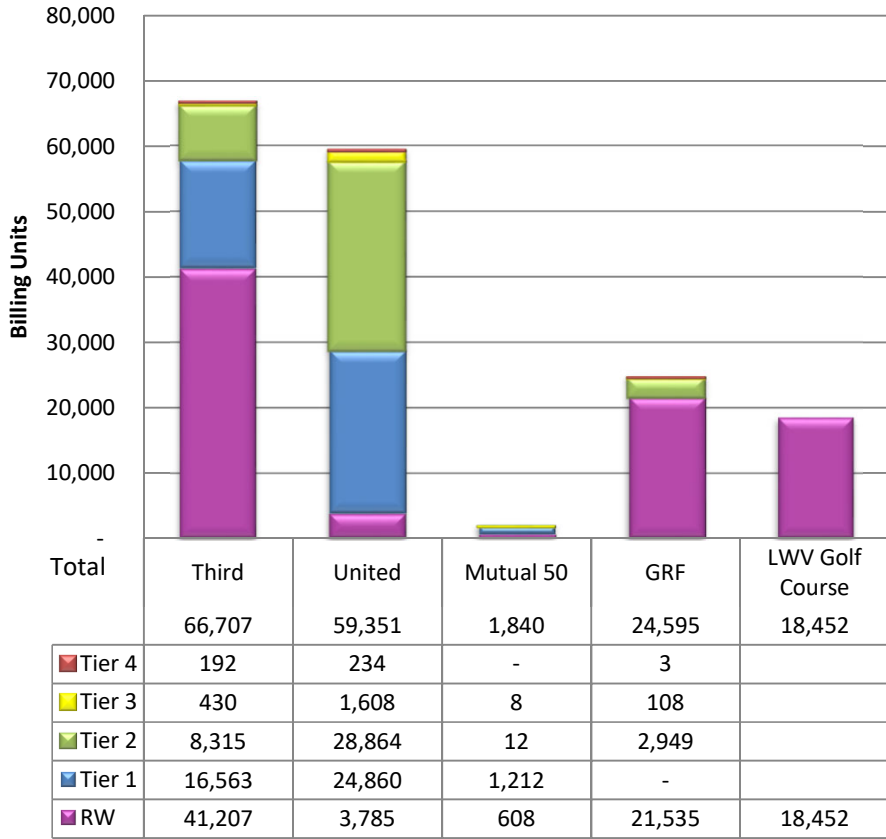
Laguna Woods Village July 2024 Water Sales



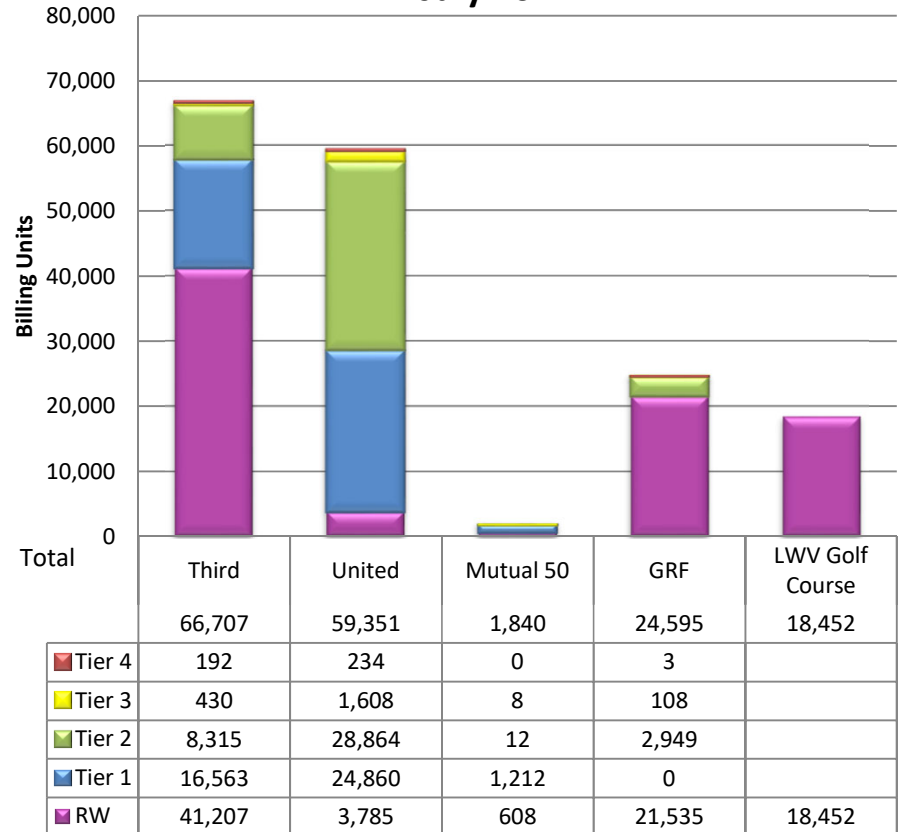
Laguna Woods Village Year-to-Date Water Sales July 2024



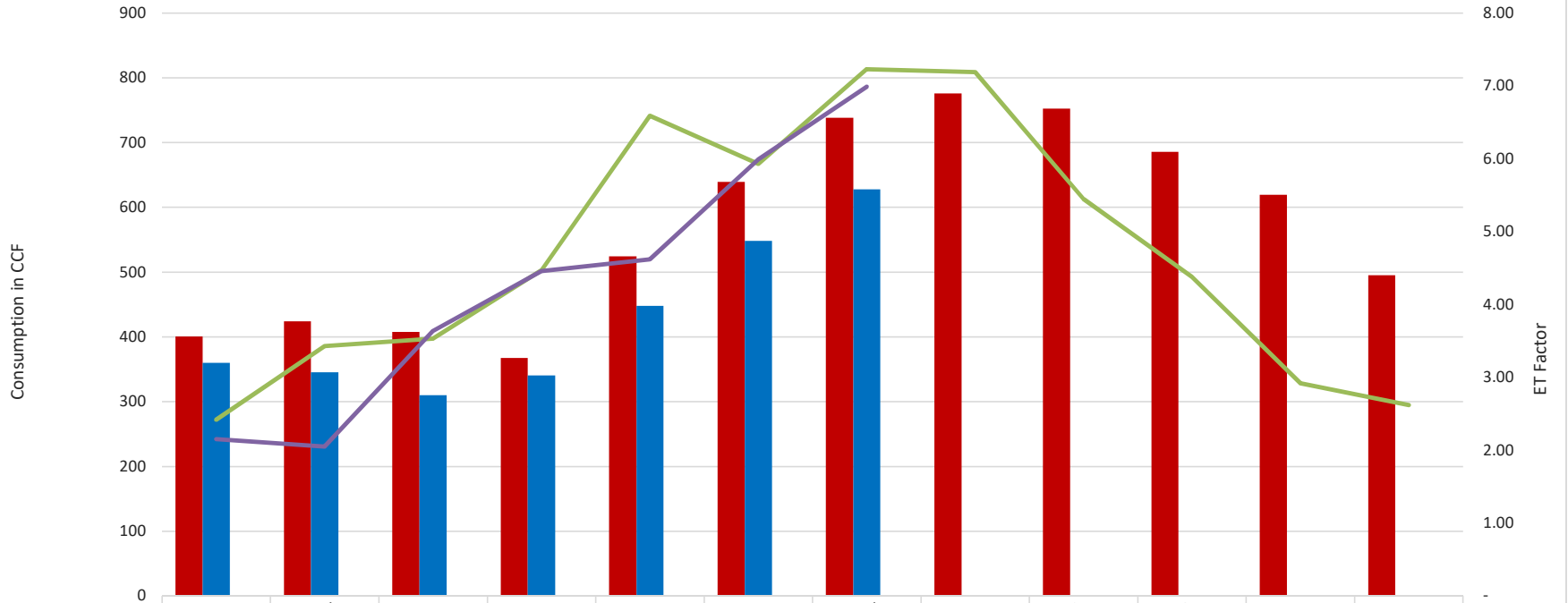
Laguna Woods Village July 2024 Water & RW Sales



Laguna Woods Village Year-to-Date Water & RW Sales July 2024

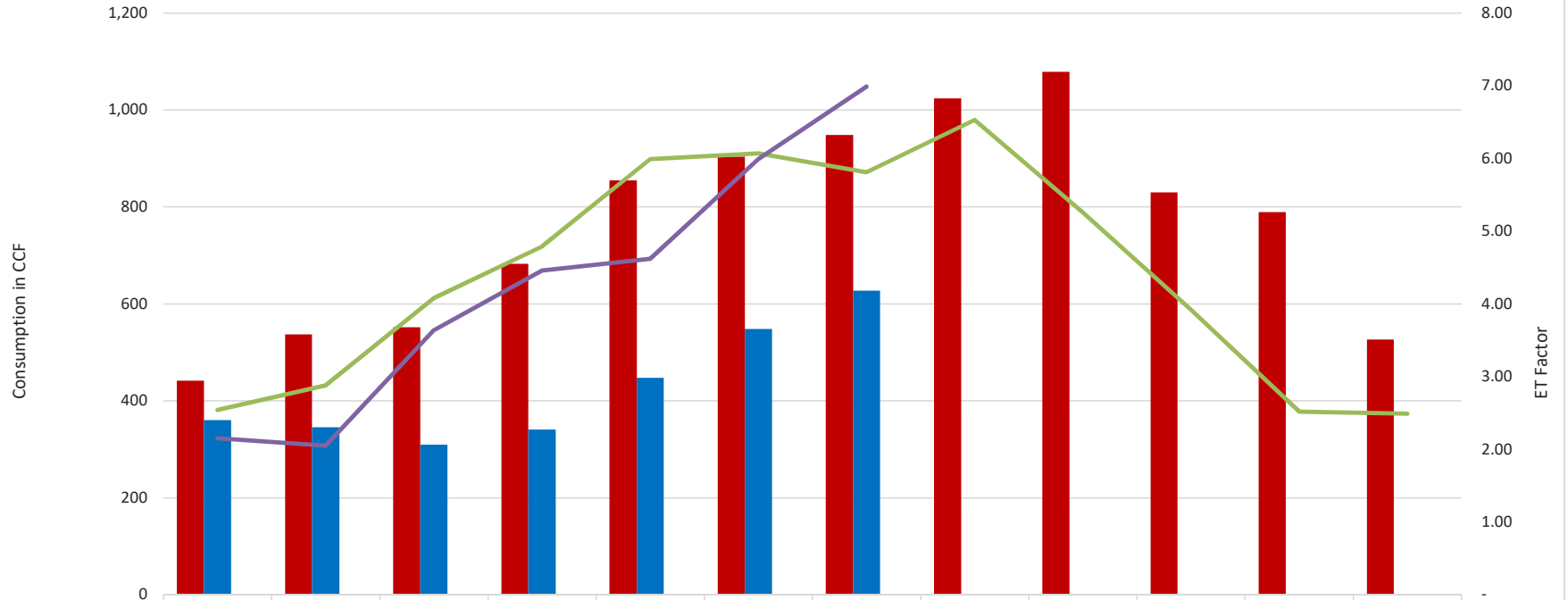


ETWD Customer Consumption vs 2020 (Potable AF)



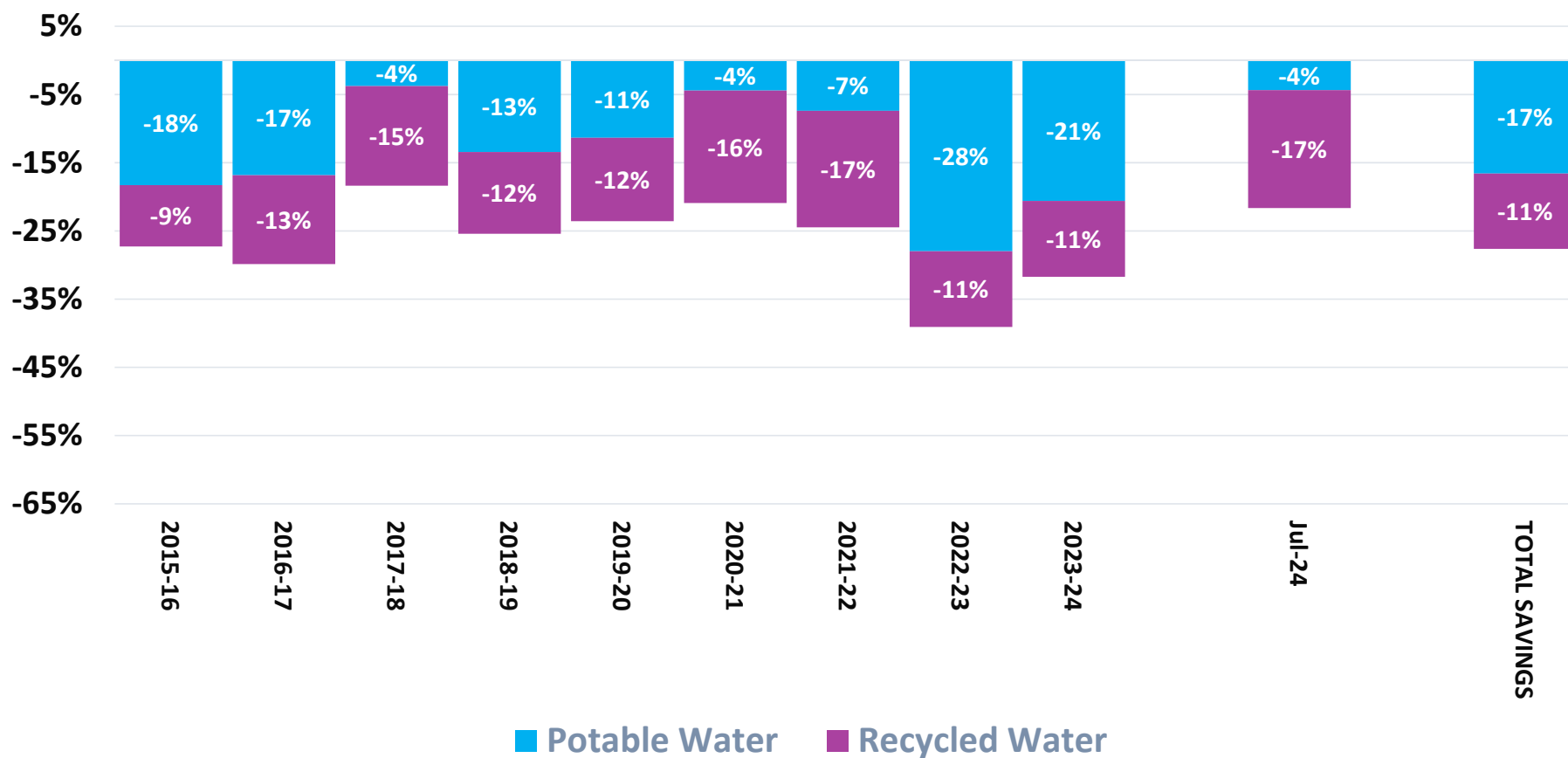
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020 Potable	400.80	423.80	407.54	367.77	524.43	639.41	738.29	775.67	752.37	685.68	619.43	495.20
2024 Potable	360.14	345.36	309.80	340.56	447.92	548.21	627.50					
Potable % Change	-10.14%	-18.51%	-23.98%	-7.40%	-14.59%	-14.26%	-15.01%					
2020 ET	2.42	3.43	3.53	4.47	6.59	5.93	7.23	7.19	5.45	4.38	2.92	2.62
2024 ET	2.15	2.05	3.64	4.46	4.62	5.99	6.99					

ETWD Customer Consumption vs 2013 (Potable AF)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013 Potable	441.82	537.37	551.75	682.75	855.14	903.87	948.61	1023.72	1079.11	830.36	789.23	526.37
2024 Potable	360.14	345.36	309.80	340.56	447.92	548.21	627.50					
Potable % Change	-18.49%	-35.73%	-43.85%	-50.12%	-47.62%	-39.35%	-33.85%					
2013 ET	2.54	2.88	4.08	4.79	5.99	6.07	5.81	6.53	5.26	3.92	2.52	2.49
2024 ET	2.15	2.05	3.64	4.46	4.62	5.99	6.99					

ETWD WATER USAGE COMPARED TO 2013



I hereby certify that the following Agenda was posted at least 24 hours prior to the time of the Board Meeting so noticed below at the usual agenda posting location of the South Orange County Wastewater Authority (SOCWA) and at www.socwa.com.



Danita Hirsh, Assistant Secretary
SOCWA and the Board of Directors thereof

*Special Meeting of The
South Orange County Wastewater Authority
Board of Directors*

August 8, 2024
8:30 a.m.

PHYSICAL MEETING LOCATION:
South Orange County Wastewater Authority
34156 Del Obispo Street
Dana Point, CA 92629

THE BOARD OF DIRECTORS MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT WWW.SOCWA.COM. ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT DHIRSH@SOCWA.COM WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UNMUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UNMUTE YOUR LINE AT THE APPROPRIATE TIME.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY BOARD OF DIRECTORS IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE BOARD OF DIRECTORS ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY ADMINISTRATIVE OFFICE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE") OR BY PHONE REQUEST MADE TO THE AUTHORITY OFFICE AT 949-234-5452. IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE BOARD OF DIRECTORS LESS THAN TWENTY-FOUR (24) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE BOARD OF DIRECTORS AND SENT TO ANY REMOTE PARTICIPANTS REQUESTING EMAIL DELIVERY OR POSTED ON SOCWA'S WEBSITE. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE MEETING ROOM OR IMMEDIATELY UPON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES PARTICIPATING REMOTELY.

THE PUBLIC MAY PARTICIPATE REMOTELY BY VIRTUAL MEANS. FOR AUDIO OF MEETING USE THE CALL IN PHONE NUMBERS BELOW AND FOR VIDEO USE THE ZOOM LINK BELOW.

Join Zoom Meeting
<https://socwa.zoom.us/>

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Passcode: 985081

Dial by your location:

+1 669 900 6833 US (San Jose) +1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston) +1 312 626 6799 US (Chicago)

Find your local number: <https://socwa.zoom.us/j/kbrKkjVpxv>

Agenda

- 1. CALL TO ORDER
- 2. PLEDGE OF ALLEGIANCE
- 3. ORAL COMMUNICATIONS

Members of the public may address the Board regarding an item on the agenda or may reserve this opportunity during the meeting at the time the item is discussed by the Board. There will be a three-minute limit for public comments.

- 4. APPROVAL OF BOARD MEMBER REQUEST FOR REMOTE PARTICIPATION

ACTION Board Discussion/Direction and Action.

PAGE NO.

- 5. CONSENT CALENDAR

A. Minutes of Board of Directors.....1

- 1. Board of Directors Meeting of June 6, 2024
- 2. Board of Directors Special Meeting of July 8, 2024
- 3. Board of Directors Special Meeting of July 25, 2024

ACTION The Board will be requested to approve the subject Minutes.

B. Minutes of PC 2 Committee20

- PC 2 Committee Meeting of July 15, 2024

ACTION The PC 2 Members will be requested to approve the subject Minutes and the Board will be requested to approve the subject Minutes.

C. Minutes of Engineering Committee 22

- Engineering Committee Meeting of April 11, 2024

ACTION The Board will be requested to receive and file the subject Minutes.

D. Minutes of Finance Committee..... 25

- Finance Committee Meeting of April 30, 2024

ACTION The Board will be requested to receive and file the subject Minutes.

Agenda

PAGE NO.

E. Financial Reports for the Month of April 2024 and Q3 FY 2023-24 Cash Roll Forward..... 28

The reports included are as follows:

1. Summary of Disbursements for April 2024 (Exhibit A)
2. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
3. Schedule of Cash and Investments (Exhibit C)
4. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
5. Budget vs. Actual Expenses:

ACTION The Finance Committee recommends that the Board of Directors (i) receive and file the April 2024 Financial Reports, (ii) ratify the April 2024 disbursement for the period from April 1, 2024, through April 30, 2024, totaling \$1,967,764, (iii) receive and file the Fiscal Year 2023-24 Q3 Cash Roll Forward as submitted.

F. May 2024 Operations Report.....58

1. Monthly Operational Report
2. SOCWA Ocean Outfall Discharges by Agency
3. Beach Ocean Monitoring Report
4. Recycled Water Report

ACTION The Board will be requested to receive and file subject reports as submitted.

G. June 2024 Operations Report.....87

1. Monthly Operational Report
2. SOCWA Ocean Outfall Discharges by Agency
3. Fiscal Year Report on Key Operational Expenses
4. Beach Ocean Monitoring Report
5. Recycled Water Report
6. Pretreatment Report (May thru July)

ACTION The Board will be requested to receive and file subject reports as submitted.

H. Capital Improvement Program Status Report (June/July)..... 136

ACTION Information item.

I. Capital Improvement Construction Projects Progress and Change Order Report (June) [Project Committees 2 and 15]..... 142

ACTION Information item.

Agenda

PAGE NO.

6. ENGINEERING MATTERS

- A. Regional Treatment Plant (RTP) Motor Control Centers (MCC) A, C, G, and H Replacement Design [Project Committee 17]..... 145

ACTION The Engineering Committee recommends that the PC 17 Board of Directors i) approve a contract with Carollo Engineers for a total of \$492,503 for the RTP MCC A, C, G, and H Replacement Design, and ii) approve a contract contingency of \$20,000 for unknown issues discovered during design.

- B. J.B. Latham Treatment Plant (JBL) Effluent Pump Station and Energy Building Design Contract [Project Committee 2].....212

ACTION The Engineering Committee recommends that the PC 2 Board approve the contract to Carollo Engineers for a total of \$175,516 for the JBL Effluent Pump Station and Energy Building improvements.

- C. Contract Amendment for Coastal Treatment Plant (CTP) Export Sludge Forcemain Temporary Impact Area Restoration Monitoring and Maintenance [Project Committee 15]....219

ACTION The Engineering Committee recommends that the PC 15 Board of Directors approve Amendment 2 to Dudek for a total of \$84,960 for the Export Sludge Temporary Impact Area Restoration Monitoring and Maintenance.

- D. Coastal Treatment Plant (CTP) Funding Plan Implementation [Project Committee 2] 236

ACTION The Engineering Committee recommends that the PC 15 Board i) approve the amended contract to Hazen for a total not to exceed \$150,000 and ii) approve an additional \$150,000 to the project budget for the CTP Funding Plan Implementation.

- E. Contract Award for Effluent Transmission Reaches D and E Main Air Valves Bidding and Engineering Services During Construction [Project Committee 21].....246

ACTION The Engineering Committee recommends that the PC 21 Board of Directors approve the contract to Tetra Tech in the amount of \$47,500 for the bidding and ESDC services for the ETM Reaches D and E Air Valve Replacement project.

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Agenda

PAGE NO.

- F. Contract Award for Coastal Treatment Plant (CTP) West Primary and Secondary Scum Skimming System Pre-Procurement [Project Committee 15] 253

ACTION The Engineering Committee recommends that the PC 15 Board of Directors i) approve a contract with Brentwood Polychem, represented by Coombs Hopkins, for a total of \$930,960 for the Coastal Treatment Plant West Primary and Secondary Scum Skimming Systems and. ii) approve a contract contingency of 10% in the amount of \$93,096 to cover delivery and unloading charges.

7. GENERAL MANAGER'S REPORT

- A. SOCWA Laboratory Feasibility Study Contract Award 288

ACTION The Engineering Committee recommends that the Board of Directors award the SOCWA Laboratory Feasibility Study contract to the Austin Company for \$83,800 using the allocations in Table 4 of the staff report.

- B. RESOLUTION NO. 2024-04: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY TO SUBMIT THE SALT NUTRIENT MANAGEMENT PLAN (SNMP) TO THE SAN DIEGO REGIONAL WATER CONTROL BOARD (SDRWQCB) AND POST THE SNMP TO THE SOCWA WEBSITE 368

ACTION Staff recommends that the Board of Directors approve RESOLUTION NO. 2024-07: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY TO SUBMIT THE SALT NUTRIENT MANAGEMENT PLAN (SNMP) TO THE SAN DIEGO REGIONAL WATER CONTROL BOARD (SDRWQCB) AND POST THE SNMP TO THE SOCWA WEBSITE.

- C. Orange County Grand Jury Report – Emerging Opportunities in South County Water/Wastewater Systems 374

ACTION Board Discussion/Direction and Action.

- D. Discussion on the SCWD/SMWD Proposal Framework
• SCWD Proposal March 7, 2024 - PROPOSAL TO TRANSITION THE REGIONAL TREATMENT PLANT (RTP) TO MOULTON NIGUEL WATER DISTRICT (MNWD) & FACILITATE MNWD'S WITHDRAWAL FROM SOCWA [PC 2, 5, 8, 12, 15, 17, 21, 24]

ACTION Board Discussion/Direction and Action.

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South Orange County Wastewater Authority
Board of Directors Meeting
August 8, 2024

Agenda

PAGE NO.

- E. General Counsel's Update.....
- JPA Revision Process (Standing item)
 - PC 10 Exit Agreement
- ACTION Board Discussion/Direction and Action.
- F. Acting General Manager's Report410
- ACTION Board Discussion/Direction and Action.
- G. Upcoming Meetings Schedule:
- August 5, 2024 – Board of Directors Special Meeting – Closed Session
 - August 8, 2024 – Board of Directors Special Meeting
 - August 15, 2024 – Engineering Committee Meeting
 - August 20, 2024 – Finance Committee Meeting
 - September 5, 2024 – Board of Directors Regular Meeting
- ACTION Information Item.

8. CLOSED SESSION

- A. Closed Session Conference with Legal Counsel for Existing Litigation Pursuant to Government Code § 54956.9(d)(1)).
- Commissioners of Public Works of the City of Charleston (dba Charleston Water System) v. DUDE Products Inc.
Case No. 2:24-cv-02935-RMG
- B. Report Out of Closed Session

9. OTHER MATTERS

Determine the need to take action on the following item(s) introduced by the Acting General Manager/Director of Operations, which arose after the posted agenda. [Adoption of this action requires a two-thirds vote of the Board, or if less than two-thirds are present a unanimous vote.]

10. ADJOURNMENT

THE NEXT SOCWA BOARD MEETING
September 5, 2024

**NOTICE OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
ENGINEERING COMMITTEE**

**August 15, 2024
8:30 a.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Engineering Committee was called to be held on **August 15, 2024, at 8:30 a.m.** SOCWA staff will be present and conducting the meeting at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California.

THE SOCWA MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT WWW.SOCWA.COM. ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT DHIRSH@SOCWA.COM WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UN-MUTE YOUR LINE AT THE APPROPRIATE TIME.

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+1 346 248 7799 US (Houston) +1 312 626 6799 US (Chicago)
Find your local number: <https://socwa.zoom.us/j/kdzPZ1R6Cd>

**NOTICE OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
FINANCE COMMITTEE**

**August 20, 2024
10:30 a.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was called to be held on **August 20, 2024, at 10:30 a.m.** SOCWA staff will be present and conducting the meeting at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California.

THE SOCWA MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT WWW.SOCWA.COM, ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT DHIRSH@SOCWA.COM WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UN-MUTE YOUR LINE AT THE APPROPRIATE TIME.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY FINANCE COMMITTEE IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE FINANCE COMMITTEE ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY ADMINISTRATIVE OFFICE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE") OR BY PHONE REQUEST MADE TO THE AUTHORITY OFFICE AT 949-234-5452. IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE FINANCE COMMITTEE LESS THAN TWENTY-FOUR (24) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE FINANCE COMMITTEE AND SENT TO ANY REMOTE PARTICIPANTS REQUESTING EMAIL DELIVERY OR POSTED ON SOCWA'S WEBSITE. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE MEETING ROOM OR IMMEDIATELY UPON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES PARTICIPATING REMOTELY.

**THE PUBLIC MAY PARTICIPATE REMOTELY BY VIRTUAL MEANS FOR AUDIO OF MEETING USE
THE CALL IN PHONE NUMBERS BELOW AND FOR VIDEO USE THE ZOOM LINK BELOW.**

Join Zoom Meeting
<https://socwa.zoom.us/>

Meeting ID: 850 5260 0660
Passcode: 410963

Dial by your location:
+1 669 900 6833 US (San Jose) +1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston) +1 312 626 6799 US (Chicago)
Find your local number: <https://socwa.zoom.us/j/kcogHADYHh>

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Jointly with the

PLANNING & OPERATIONS COMMITTEE

18700 Ward Street, Conf. Room 101, Fountain Valley, CA 92708

August 5, 2024, 8:30 a.m.

Teleconference Sites:

25652 Paseo De La Paz, San Juan Capistrano, CA 92675

17420 Walnut Street, Fountain Valley, CA 92708

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Computer Audio: You can join the Zoom meeting by clicking on the following link:

<https://zoom.us/j/8828665300>

**Telephone Audio: (669) 900 9128 fees may apply
(877) 853 5247 Toll-free**

Webinar ID: 882 866 5300#

P&O Committee:

Director Seckel, Chair
Director Yoo Schneider
Director Dick

Staff: H. De La Torre, C. Harris,
H. Chumpitazi, M. Baum-Haley,
T. Dubuque, M. Goldsby

Ex Officio Member: President McVicker

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

ROLL CALL

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee).

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING -- Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

ACTION ITEMS

- 1. WATER LOSS CONTROL PROGRAM STAFFING ANALYSIS

INFORMATION ITEMS (The following items are for informational purposes only – background information is included in the packet. Discussion is not necessary unless requested by a Director.)

- 2. ESRI GIS SOFTWARE SOLE SOURCE CONTRACT
- 3. STATUS OF WEROC MOBILE EOC
- 4. OC WATER SUMMIT UPDATE
- 5. PUBLIC AFFAIRS HIGHLIGHTS
- 6. DEPARTMENT ACTIVITIES REPORTS
 - a. Ongoing MWDOC Reliability and Engineering/Planning Projects
 - b. WEROC
 - c. Water Use Efficiency Projects
 - d. Public and Government Affairs
- 7. REVIEW OF ISSUES RELATED TO PLANNING OR ENGINEERING PROJECTS, WEROC, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, PUBLIC AFFAIRS PROGRAMS AND EVENTS, PUBLIC INFORMATION PROJECTS, PUBLIC INFORMATION CONSULTANTS, DISTRICT FACILITIES, and MEMBER-AGENCY RELATIONS

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Conference Room 101, Fountain Valley, California
August 7, 2024, 8:30 a.m.

Teleconference Sites:
25652 Paseo De La Paz, San Juan Capistrano, CA 92675
17420 Walnut Street, Fountain Valley, CA 92708

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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Webinar ID: 882 866 5300#**

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC PARTICIPATION/COMMENTS

At this time members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present a unanimous vote.)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

NEXT RESOLUTION NO. 2149

PRESENTATION/DISCUSSION ITEMS

1. **UPDATE ON DELTA CONVEYANCE PROJECT - COSTS ESTIMATE AND BENEFIT-COST ANALYSIS**

Recommendation: Review and discuss the information presented.

2. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (NRR)
- b. State Legislative Report (SDA)
- c. Legal and Regulatory Report (Ackerman)
- d. County Legislative Report (Whittingham)
- e. MWDOC Legislative Matrix
- f. Metropolitan Legislative Matrix

Recommendation: Review and discuss the information presented.

3. QUESTIONS OR INPUT ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Recommendation: Receive input and discuss the information presented.

INFORMATION ITEMS

4. MET ITEMS CRITICAL TO ORANGE COUNTY (The following items are for informational purposes only – a write up on each item is included in the packet. Discussion is not necessary unless requested by a Director).

- a. MET’s Finance and Rate Issue
- b. MET’s Water Supply Condition Update
- c. MET’s Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

Recommendation: Review and discuss the information presented.

5. METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding July MET Board Meeting
- b. Review items of significance for MET Board and Committee Agendas

Recommendation: Review and discuss the information presented.

ADJOURNMENT

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MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
18700 Ward Street, Conf. Room 101, Fountain Valley, CA 92708
August 14, 2024, 8:30 a.m.

Teleconference Sites:
25652 Paseo De La Paz, San Juan Capistrano, CA 92675
17420 Walnut Street, Fountain Valley, CA 92708

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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Webinar ID: 882 866 5300#

A&F Committee:
Director Crane, Chair
Director Thomas
Director Nederhood

Staff: H. De La Torre, C. Harris,
H. Chumpitazi, M. Baum-Haley,
K. Davanaugh, M. Goldsby

Ex Officio Member: President McVicker

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ROLL CALL

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee).

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PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – July 2024
 - b. Disbursement Approval Report for the month of August 2024
 - c. Disbursement Ratification Report for the month of July 2024
 - d. GM Approved Disbursement Report for the month of August 2024
 - e. Consolidated Summary of Cash and Investment – June 2024
 - f. OPEB and Pension Trust Fund statement

2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the Period Ending June 30, 2024
 - b. Quarterly Budget Review (deferred to FY 2023-24 Audited Annual Financials)

ACTION ITEMS

3. 2024 CONFLICT OF INTEREST CODE -- BIENNIAL REVIEW

DISCUSSION ITEM

4. PRESENTATION ON THE CALIFORNIA ON THE CALIFORNIA COUNCIL OF ENVIRONMENTAL AND ECONOMIC BALANCE (CCEEB)

5. PRESENTATION REGARDING THE DISTRICT'S INVESTMENTS

INFORMATION ITEMS – (THE FOLLOWING ITEMS ARE FOR INFORMATIONAL PURPOSES ONLY – BACKGROUND INFORMATION IS INCLUDED IN THE PACKET. DISCUSSION IS NOT NECESSARY UNLESS REQUESTED BY A DIRECTOR.)

6. SEMI-ANNUAL OVERTIME REPORT

7. DIRECTORS ACTIVITIES REPORT

8. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology

9. MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION

OTHER ITEMS

10. REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

ADJOURNMENT

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REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
August 21, 2024, 8:30 a.m.

Teleconference Sites:
25652 Paseo De La Paz, San Juan Capistrano, CA 92675
17420 Walnut Street, Fountain Valley, CA 92708

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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Webinar ID: 882 866 5300#

AGENDA

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

At this time, members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken. If the item is on the Consent Calendar, please inform the Board Secretary before action is taken on the Consent Calendar and the item will be removed for separate consideration.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

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EMPLOYEE SERVICE AWARD

NEXT RESOLUTION NO. 2149

CONSENT CALENDAR (Items 1 to 6)

(All matters under the Consent Calendar will be approved by one motion unless a Board member requests separate action on a specific item)

1. MINUTES

- a. July 3, 2024 Workshop Board Meeting
- b. July 17, 2024 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee: July 1, 2024
- b. Administration & Finance Committee: July 10, 2024
- c. Executive Committee Meeting: July 18, 2024
- d. MWDOC/OCWD Joint Planning Committee: July 24, 2024

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of July 31, 2024
- b. Disbursement Registers (July/August)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of June 30, 2024
- d. PARS Monthly Statement (OPEB Trust)

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the Period Ending June 30, 2024
- b. Quarterly Budget Review (deferred to FY 2023-24 Audited Annual Financials)

Recommendation: Receive and file as presented.

5. MWDOC WATER LOSS CONTROL PROGRAM STAFFING ANALYSIS

Recommendation: Authorize the General Manager to transition two part-time Water Loss Control Intern positions (totaling approximately 1 FTE) into one fully choice-funded full-time Water Loss Control Technician (1 FTE) to better serve participating agencies with Distribution System Leak Detection and other Water Loss Control Shared Services.

6. 2024 CONFLICT OF INTEREST CODE -- BIENNIAL REVIEW

Recommendation: Authorize staff to submit the 2024 Biennial Review Code changes to the Orange County Clerk of the Board of Supervisors as recommended by the Administration & Finance Committee.

End Consent Calendar

DISCUSSION ITEMS

7. MEMBER AGENCY SPOTLIGHT – MOULTON NIGUEL WATER DISTRICT

Recommendation: Receive and file presentation.

INFORMATION CALENDAR (All matters under the Information Calendar will be Received/Filed as presented following any discussion that may occur)

8. GENERAL MANAGER'S REPORT, AUGUST (ORAL AND WRITTEN)

Recommendation: Receive and file report(s) as presented.

9. MWDOC GENERAL INFORMATION ITEMS

- a. Board of Directors - Reports re: Conferences and Meetings
- b. Requests for Future Agenda Topics

Recommendation: Receive and file as presented.

CLOSED SESSION ITEMS

10. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: General Manager
Government Code Section 54957

11. CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: General Counsel
Unrepresented employee: General Manager

12. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water of Southern California on April 8, 2014, et al., former Los Angeles Superior Court Case No. BC547139, transferred on December 2, 2014, to San Francisco Superior Court, now Case No. CPF-14-514004.

- 13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 12, 2016, effective January 1, 2017 and January 1, 2018, et al., former Los Angeles Superior Court Case No. BS161729, transferred to San Francisco Superior Court, now Case CPF-16-515282.
- 14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2018 to be effective January 1, 2019, and Jan. 1, 2020, et al., Los Angeles Superior Court Case No. BS 173868, Transferred to San Francisco Superior Court, now Case CPF-18-516389.

ADJOURNMENT

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GENERAL MANAGER REPORT OF STAFF ACTIVITIES

August 2024

ENGINEERING & PLANNING

LEAD AND COPPER RULE REVISIONS – LEAD SERVICE LINE INVENTORY CHOICE PROGRAM

In mid-March 2023, multiple agencies requested MWDOC's assistance in complying with the U.S. Environmental Protection Agency (USEPA) Lead and Copper Rule Revisions (LCRR) - Service Line Inventories, which all water systems are required to complete and submit to the primacy agency (for California it is the State Water Resources Control Board - SWRCB) by October 16, 2024.

On September 20, 2023, the MWDOC Board approved a contract award to Hazen and Sawyer (Hazen) to provide technical assistance for a Service Line Inventory shared services program. The shared services program has 13 participating agencies, each with a customized scope of work.

On November 30, 2023, the USEPA announced draft rule changes to the LCRR, which are known as the Lead and Copper Rule Improvements (LCRI). The LCRI proposes significant changes to the LCRR in terms of both changed requirements and timelines.

In April 2024, USEPA formally declared its intent to take final action on the LCRI by October 2024. This declaration clarifies the documentation agencies must submit by October 16, 2024, but leaves additional ambiguity until the final proposed rules are published.

The Project remains on schedule.

As of late May 2024, baseline inventories for the participating agencies were completed, and agencies moved to the field verification Phase 1, which was completed in mid-July.

Completion of the final field verification phase is anticipated by the end of August 2024. Inventories will then be prepared for review by participants in time for submission to DDW in early October 2024.

SHUTDOWNS

Allen McColloch Pipeline (AMP) Prestressed Concrete Cylinder Pipe (PCCP) Inspection and Rehabilitation

In response to the November 2023 AMP PCCP inspection findings, MET initiated Special Operating Conditions (SOC) for the AMP to reduce pressure on the pipeline.

In April 2024, MET shut down the lower reaches of the AMP down gradient of OC-70 and installed steel liners to segments of PCCP between OC-70 and OC-88. A bulkhead was also installed down gradient of OC-88. This work has been completed, and the upper reaches of the AMP have returned to normal operations.

The reaches below OC-88 (down gradient of the bulkhead) remain dry to allow for permanent repairs to the most critical PCCP segments in the lower reaches of the AMP.

MET's Board awarded a construction contract for the downstream reach work to JF Shea Construction on May 14, 2024, and the contractor mobilized to the first site on June 17, 2024. Construction began in early July 2024 and will continue through the end of January 2025.

The shutdown remains on schedule.

Affected retail agencies have coordinated extensively with neighboring agencies, MET, and MWDOC to accommodate the extended AMP shutdown through January 2025. The planned use of the AMP through OC-88 into the South County Pipeline, the Baker Water Treatment Plant, EOCF#2, ATM, O.C. Feeder, El Toro Reservoir, Upper Chiquita Reservoir, as well as local resources are all being used extensively to support this shutdown.

Water Quality & Operational Planning Workshops

Significant changes to Orange County's imported water demands are expected over the next few years as a number of local supply projects are completed and water use efficiency efforts continue to reduce water demands.

The reduction of imported water demands, anticipated to be particularly significant during the winter months, has the potential to increase water aging in the imported water distribution system. The additional water aging potentially could lead to water quality issues (e.g. disinfection by-product formation, disinfectant decay, nitrification).

MWDOC Engineering is working with MET staff and the retail agencies on a series of workshops to begin discussions on coordinating efforts to change how the imported water system is operated in Orange County. The first workshop, scheduled for August 29, 2024, will provide a review of the state of the science of understanding of nitrification in water distribution systems, initiate discussions on future water quality and operations considerations, and provide a foundation for a shared understanding of operations and control measures.

EMERGENCY PREPAREDNESS

JULY EVENTS

- Agency Cyber Incident
- WACO Participant Event
- CrowdStrike Cyber Software Incident
- July 29, 4.9 Barstow Earthquake

WEROC AGENCY PLANNING, COORDINATION AND PROGRAM EFFORTS

AWIA & Multi-Jurisdictional Hazard Mitigation Multi-Plan Project

The Multi-Jurisdictional Hazard Mitigation Plan held 17 meetings in July, and the Project is off and running.

On July 22, AWIA was kicked off, and the participating agencies were advised of the SOW and timelines. Vicki is finalizing the payment schedule and has been working with HSG on the timing of invoices. Vicki is working with BBK on the contracts for the participating agencies as part of this choice program. Vicki will provide a presentation on the projects at the September P.O. Meeting,

Cyber Security and OCIAC Partnership

WEROC continues to send out important information to the Cyber Security Distribution Group as received from DHS or the OCIAC. WEROC has been providing information to the member agencies as required about highlighted threats to the water industry and other current world events as required. Vicki reached out to her points of contact at the OCIAC and secured a speaker for the O.C. Water Summit.

Diesel Engine CARB Emissions Advocacy Project

Last month Vicki reported that different agencies have been reaching out regarding the ZEV/CARB requirements and changes and the challenges with finding vehicles to replace their aging fleet. Currently, law and fire have received exemptions to the engine rules for their fleet, but public works and water/wastewater have not received these for their overall fleets. This month, Vicki has had meetings to discuss this important item with CalOES Deputy Director of Operations and the new Deputy Director of External Affairs and Policy, CSDA Legislative contact, and AWWA at the national level. Update: still waiting to hear back from CalOES. WEROC will continue to follow up on the matter and advocate in Sacramento with CalOES Partners.

Operational Area Plans

Vicki is currently reviewing the following plans as the Operational Area Mutual Aid Coordinator for Water and Wastewater as the agency's advocate.

- Regional Mutual Aid/Assistance Plans
- Alert and Warning Plan

Regional Mapping Project

Janine continues to work on updating the 2018 WEROC Water/Wastewater Atlas and Public Safety Power Shut-Off (PSPS) maps. CDR has a new GIS employee, and this Project is moving slowly to create an appropriate shape and KMZ files.

Regional Water Distribution Plan

Water Distribution TTXs are being scheduled for the fall. They will be conducted at the Orange County EOC.

Training, Exercises, and National Qualification System Training Plan

- **Training:**

Vicki conducted a G611 Operations course. There were 36 people in attendance.

Emergency Management Instructor Certification (EMIC), as conducted at MWDOC, allows people to teach and train EOC sections (as I do). This course usually costs \$60,000.00. We got it for free in Orange County because Vicki is one of the certified state instructors for this course. The majority of the participants were from water and wastewater and included partners from Riverside and San Diego Water Authority.

Safety Assessment Program (SAP) The Safety Assessment Program (SAP) utilizes volunteers and mutual aid resources to provide professional engineers, architects, and certified building inspectors to assist local governments in the safety evaluation of their built environment in the aftermath of a disaster. The program is managed by Cal OES, in cooperation with professional organizations. Cal OES Recovery SAP issues registration I.D. cards to all SAP Evaluators that have successfully completed the program requirements. This training allows our agencies to look at our infrastructure and ensure it is safe to occupy. This course costs \$10,000, but Vicki has been able to get it for free through her relationships at the state level.

- **Exercises:**

Vicki wrote and facilitated a Tabletop Exercise (TTX) for the City of Fullerton.

WEROC Staffing Update

WEROC hired a new WEROC Specialist who started on July 22.

MET ITEMS CRITICAL TO ORANGE COUNTY

MET FINANCE AND RATE ISSUES

Water Transactions for May 2024 (for water delivered in March 2024) totaled 78.8 thousand acre-feet (TAF), which was 21.6 TAF lower than the budget of 100.4 TAF and translates to \$77.1 million in receipts for May 2024, which was \$22.4 million lower than the budget of \$99.5 million.

Year-to-date water transactions through May 2024 (for water delivered in May 2023 through March 2024) were 1,093.7 TAF, which was 324.4 TAF lower than the budget of 1,418.1 TAF. Year-to-date water receipts through May 2024 were \$1,092.5 million, which was \$322.4 million lower than the budget of \$1,414.9 million.

On May 8, 2024, Metropolitan closed its \$367 million Water Revenue Refunding Bonds, 2024 Series A. The bonds were priced on April 22, 2024. The bond sale was very successful, with over \$884 million in orders from 34 separate investment firms. The Series A bonds were priced at interest rates that were well below comparable indices for tax-exempt bonds, resulting in an all-in true interest cost of 3.10 percent.

In May, the Board approved a resolution to continue Metropolitan's Water Standby Charge for fiscal year 2024/25. In addition, Metropolitan had its first Member Agency Manager, Treated Water Cost Recovery Workshops.

MET'S SUPPLY CONDITION UPDATE

The 2023-24 Water Year (2023-24 W.Y.) officially started on October 1, 2023. Thus far, Northern California's accumulated precipitation (8-Station Index) has been reported at **47.2 inches or 97% of normal** as of July 24. The Northern Sierra Snow Water Equivalent peaked at **35.1 inches on April 2**, which is **124% of normal** for that day. The Department of Water Resources (DWR) in April has increased the State Water Project (SWP) initial **"Table A" allocation for WY 2023-24 at 40%**.

The Upper Colorado River Basin accumulated precipitation is reporting **24.4 inches or 100% of normal as of July 24**. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent peaked at **17.2 inches as of April 9**, which is **86% of normal** for that day. Due to the below-average inflows into Lake Powell over the past several years, the United States Bureau of Reclamation **declared a shortage at Lake Mead that has been ongoing since January 1, 2022**. As of June 2024, **there is a 100% chance of shortage continuing in C.Y. 2025, an 80% chance in C.Y. 2026, and a 70% chance in C.Y. 2027. In addition, there is a 3% chance of a California shortage in 2027.**

As of July 23rd, Lake Oroville's storage is at 84% of the total capacity and 119% of the normal capacity. As of July 23, San Luis Reservoir has a current volume of **44% of the reservoir's total capacity and is 96% of normal**.

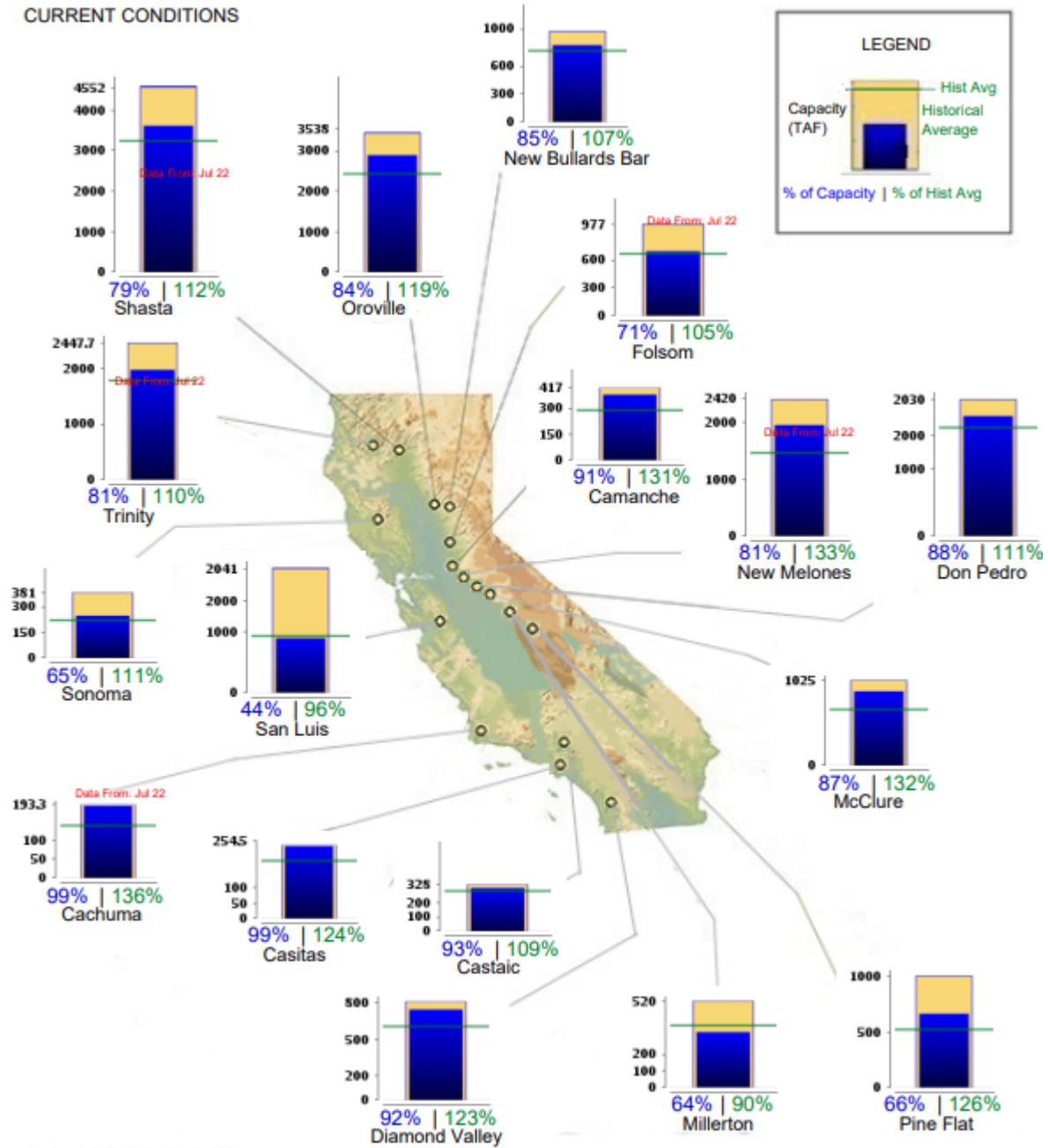
With CY 2024 estimated total demands and losses of 1.41 million acre-feet (MAF) and with a 40% SWP Table A Allocation, Metropolitan is projecting that supplies will exceed demand levels in Calendar Year (C.Y.) 2024. Based on this, the estimated total dry-year storage for Metropolitan at the end of **C.Y. 2024 will increase to approximately 3.7 MAF.**

A projected dry-year storage supply of **3.7 MAF would be approximately 2.6 MAF above a typical level where Metropolitan goes into Water Supply Allocations.** A large factor in maintaining a high-water storage level is lower than expected water demands. We are seeing regional water demands reaching a 40-year low. **However, with a majority of MWD's water supplies stored in Lake Mead and still a 5-year shortage projection at Lake Mead, there remains a lot of uncertainty about where supply balances will be in the future. In addition, Colorado River Basin States have been meeting for months to negotiate new post-2026 operations at Glen Canyon Dam at Lake Powell and Hoover Dam at Lake Mead.**

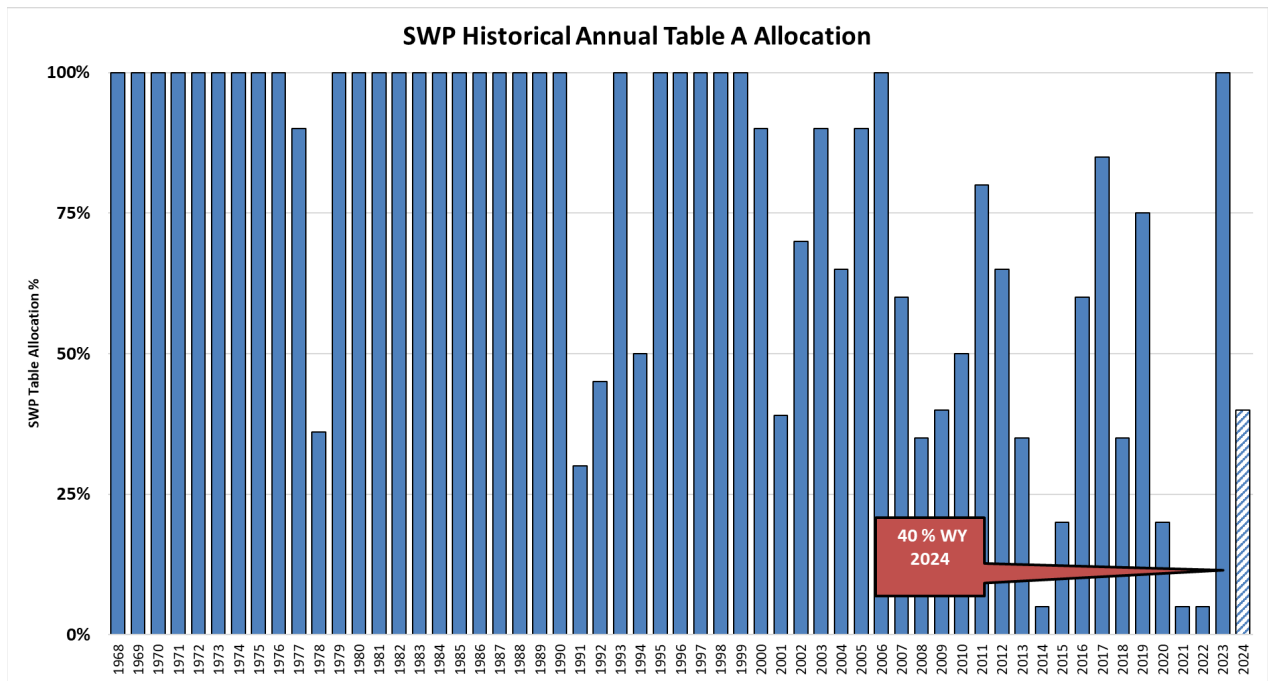
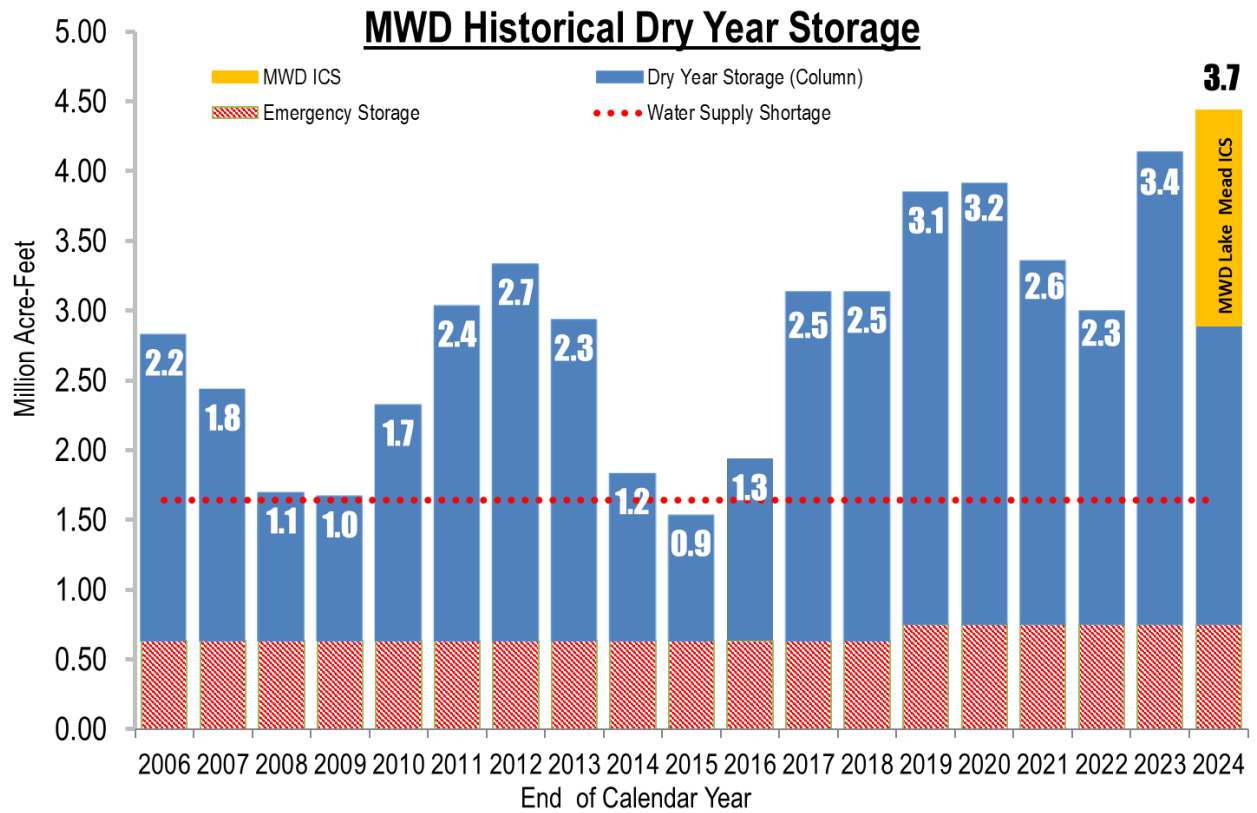
CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

CURRENT CONDITIONS

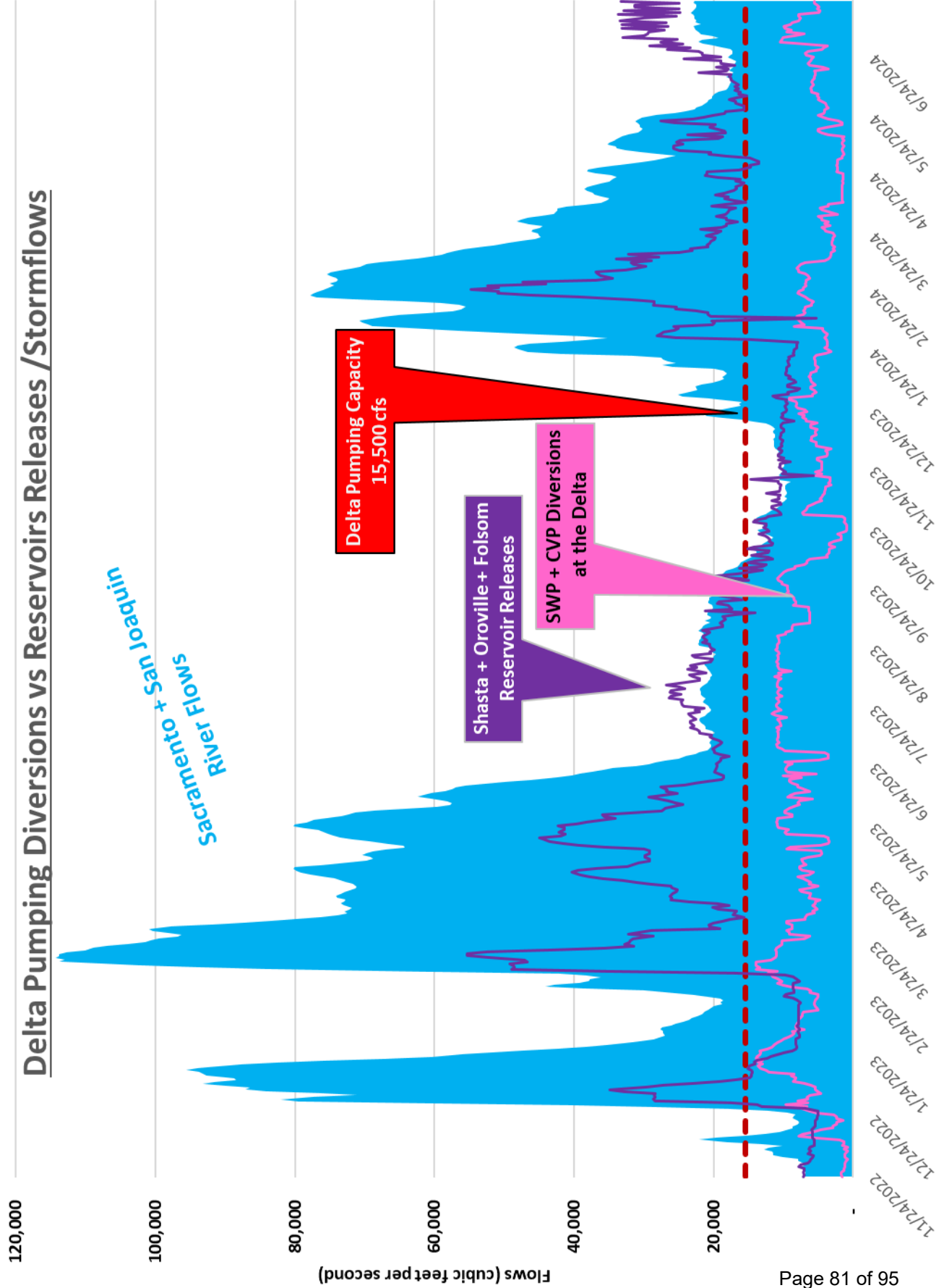
Midnight - July 23, 2024



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Delta Pumping Diversions vs Reservoirs Releases / Stormflows



2024 WSDM Storage Detail

	1/1/2024 Estimated Storage Levels	CY 2024 Put Capacity ¹	2024 Total Storage Capacity
WSDM Storage			
Colorado River Aqueduct Delivery System	1,544,000	78,000	1,657,000
Lake Mead ICS	1,544,000 ²	78,000	1,657,000
State Water Project System	1,033,000	295,000	2,131,000
MWD & DWCV Carryover	297,000	149,000	350,000 ³
MWD Articles 14(b) and 12(e)	28,000 ⁴	0	N/A
Castaic and Perris DWR Flex Storage	219,000	0	219,000
Arvin Edison Storage Program	100,000	0 ⁵	350,000
Semitropic Storage Program	190,000	59,000	350,000
Kern Delta Storage Program	141,000	48,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
AVEK High Desert Water Bank Program	11,000	40,000	252,000 ⁶
In-Region Supplies and WSDM Actions	1,016,000	106,000	1,246,000
Diamond Valley Lake	753,000	57,000	810,000
Lake Mathews and Lake Skinner	207,000	19,000	226,000
Conjunctive Use Programs (CUP) ⁷	56,000	30,000	210,000
Other Programs	586,000	269,000	1,181,000
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	205,000	269,000	800,000
Total	4,180,000	747,000	6,215,000
Emergency	750,000	0	750,000
Total WSDM Storage (AF) ⁸	3,430,000	747,000	5,465,000

¹ Put capacity assumed under a 40 percent SWP Table A Allocation. Storage program losses included where applicable.

² Reflects USBR's final accounting for 2023, released May 2024. This amount is net of the water Metropolitan stored for IID in Lake Mead in an ICS sub-account.

³ Total storage capacity varies year-to-year potentially increasing as the contractual annual storage limit combines with the remaining balance from the previous year. Metropolitan may opt to exceed the 350 TAF storage capacity as shown to enhance drought protection for the service area, however there is a potential risk that Metropolitan's stored water be converted to SWP contractor water if San Luis Reservoir approaches full capacity.

⁴ Approved carryover supplies under Articles 14 (b) and 12 (e) of the State Water Project Contract for delivery in 2024.

⁵ Puts are limited due to water quality considerations.

⁶ Reflects 90 percent of the AVEK High Desert Water Bank Program's total storage capacity that has been constructed. The total storage capacity for the AVEK High Desert Water Bank is 280 TAF. Full recharge and recovery operation anticipated by 2027.

⁷ Total of all CUP programs including IEUA/TVMWD (Chino Basin); Long Beach (Central Basin); Long Beach (Lakewood); Foothill (Raymond and Monk Hill); MWDOC (Orange County Basin); Three Valleys (Live Oak); Three Valleys (Upper Claremont); and Western.

⁸ Total WSDM Storage level subject to change based on accounting adjustments. Total may not sum due to rounding.

MET'S WATER QUALITY UPDATE

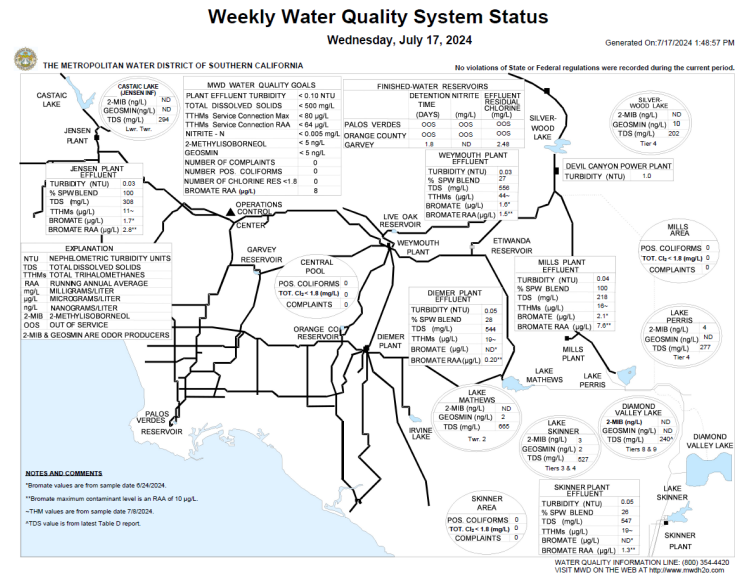
Water System Operations

Metropolitan member agency water deliveries were 101,600 acre-feet (A.F.) for June with an average of 3,400 AF per day, which was about 300 AF per day higher than in May. Metropolitan continued delivering water to the Cyclic and Conjunctive Use Programs. Treated water deliveries were 6,300 AF higher than in May for a total of 58,500 AF, or 58 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) pumped a total of 96,000 AF in June. State Water Project (SWP) imports averaged 2,000 AF per day, totaling about 60,000 AF monthly. The target SWP blend is 25 percent for Weymouth, Diemer, and Skinner plants.

Metropolitan expects to have sufficient SWP and Colorado River supplies to meet demands in 2024. Water continues to be managed according to Water Surplus and Drought Management (WSDM) principles and operational objectives with an emphasis to position SWP supplies to meet future demands in the SWP-dependent area. Metropolitan has resumed deliveries to Desert Water Agency and Coachella Valley Water District because of the improved supply conditions. Metropolitan continues to minimize the use of Table A supplies this year to improve SWP carryover for next year.

Water Treatment and Distribution

The SWP target blend entering the Weymouth and Diemer plants was 25 percent during June. The SWP target blend entering Lake Skinner was 25 percent, while the blend leaving Lake Skinner was close to 20 percent. Flow-weighted running annual averages for total dissolved solids from April 2023 through March 2024 for Metropolitan's treatment plants capable of receiving a blend of supplies from the SWP and the CRA were 358, 445, and 466 mg/L for the Weymouth, Diemer, and Skinner plants, respectively.



The Metropolitan Water District of Southern California

Weekly Operations Plan for 7/18/2024 – 7/25/2024

For additional information, please contact James Bodnar at (213) 217-6099

1. **COLORADO RIVER AQUEDUCT:** The CRA is at a 7-pump flow.
2. **EAST BRANCH SPW:** Rialto Pipeline will average a flow of 1,240 AF/day. Santa Ana Valley Pipeline will average a flow of 300 AF/day. Inland Feeder will average a flow of 1,200 AF/day.
3. **WEST BRANCH SPW:** The flow from Castaic Lake will be at 640 AF/day. Flow to SCVWA (formerly CLWA) is currently at 110 AF/day.
4. **TERMINAL RESERVOIRS:**

Reservoir	Current Storage* (AF)	Percent of Capacity
Lake Mathews	124,700	69%
Lake Skinner	38,300	87%
DVL	745,800	92%

*as of 7/17/2024

5. **WATER QUALITY:**

Plant	Targeted Blend (% SPW)	TDS (mg/L)	TTHMs (µg/L)
	As of 7/17/2024	As of 7/17/2024	As of 7/8/2024
Weymouth	25	556	44
Diemer	25	544	19
Skinner	25	547	19
Jensen	100	308	11
Mills	100	218	16

6. **WATER DELIVERIES:** July deliveries are forecasted to be about 133 TAF. As of July 17, 2024, total system demands are about 5,900 AF/day, an increase of 100 AF/day from last week.
7. **HYDROELECTRIC GENERATION:** As of July 17, 2024, the total daily average generation for the week was about 13.4 MW, with 4 of 15 hydroelectric plants in operation.

COLORADO RIVER ISSUES

Salinity Forum Meetings

Metropolitan staff chaired meetings of the Colorado River Basin Salinity Control Forum (Forum) and Forum Technical Work Group in Durango, Colorado. Key meeting topics included (1) a report on progress toward passage of the Colorado River Salinity Control Fix Act (see item below); (2) a report that ongoing two-thirds capacity operation of the Paradox Valley Unit (PVU), a deep injection well used to dispose of salt in the Paradox Valley, has begun to yield local earthquakes near magnitude 2.5, the level at which humans can feel them, suggesting new urgency to find a long-term alternative to the PVU; (3) preparations for the 2026 "Triennial Review," in which the Forum communicates to the U.S. Environmental Protection Agency an assessment of the sufficiency of existing water quality criteria for salinity on the Lower Colorado River; and (4) updates from key federal agencies involved in the Colorado River Salinity Control Program (Program), including the U.S. Bureau of Reclamation (Reclamation), the Natural Resources Conservation Service, the U.S. Bureau of Land Management, and the U.S. Geological Survey.

H.R.7872 - Colorado River Salinity Control Fix Act

Congress is considering a bill that would reduce the state cost-share for Salinity Control projects in the Colorado River Basin. This bill would be a first step toward correcting a long-standing funding deficit that has constrained congressional appropriations for the Program. In California, Metropolitan generates most of the state cost-share funding for the Program by way of an assessment of power sales from Hoover Dam. After a public hearing, the House Committee on Natural Resources ordered the bill out by unanimous consent. An identical bill has been referred to the Senate Committee on Agriculture, Nutrition, and Forestry as part of the 2024 Farm Bill package.

H.R. 7776 – Help Hoover Dam Act

The annual costs of operating and maintaining Hoover Dam and Powerplant are paid by revenues generated from the sale of hydropower generated at the facilities. The Bureau of Reclamation operates the powerplant and the power is sold through the Western Area Power Administration. A dispute between these agencies resulted in power rates covering the cost of federal employee benefits that were being paid through other appropriations. The funds paid by Hoover power contractors to cover these costs have been accumulating in a Treasury account with no authorization to expend them. This bill provides that express authorization and specifically allows the use of the funds to be spent on operations, maintenance, and cleanup actions at the dam. The spending authorization provides two benefits to Metropolitan: first, as the largest contractor for Hoover Power, Metropolitan will benefit from these funds offsetting operating costs; and second, the use of the funds for cleanup actions on a potentially hazardous disposal site at the dam will protect the quality of Metropolitan's Colorado River water supply. On June 12, the bill was reported out of the House Natural Resources Committee by unanimous consent. SB 4016 is a companion bill pending in the Senate Committee on Energy and Natural Resources.

Upper Colorado River Division States Letter to Reclamation Commissioner

The Governors' representatives of Colorado, New Mexico, Utah, and Wyoming sent a letter (June 11 letter) to Commissioner Touton regarding assumptions that the Reclamation would make in the No Action Alternative for the Post-2026 Operational Guidelines Environmental Impact Statement (Post 2026 EIS). The National Environmental Policy Act requires agencies to analyze a no-action alternative in their environmental analyses of any new proposed agency actions. Reclamation has indicated that its intent in the Post-2026 EIS is to have the No Action Alternative truly reflect no action, meaning that the current agreements and actions like Treaty Minute 323 and the 2019 Drought Contingency Plan would not be included in the No Action Alternative. The Upper and Lower Division Colorado River Basin States have different views on what should and should not be included in the No Action Alternative assumptions. In the June 11 letter, the Upper Division States took issue with Reclamation's assumptions regarding fixed annual releases of 8.23 million acre-feet of water from Lake Powell. The June 11 letter states that Reclamation's No Action Alternative fails to consider the Upper Basin storage requirements identified in section 602(a) of the Colorado River Basin Project in making release determinations from Lake Powell. Representatives of the Lower Division States are evaluating responses to the June 11 letter.

DELTA CONVEYANCE ACTIVITIES AND STATE WATER PROJECT ISSUES

Delta Conveyance

At the June 21 Delta Conveyance Design and Construction Authority (DCA) Board of Directors meeting, the DCA Board adopted a final Fiscal Year 2024/25 budget. The \$43 million budget includes \$1.85 million in unallocated reserves. Planned work in the coming year will focus on (1) providing support to the California Department of Water Resources (DWR) in permit application processes, (2) continued development of the Delta Conveyance Project delivery plan, including analyses of construction innovations, and (3) continued execution of the geotechnical program to better understand underground conditions.

Sites Reservoir

At the May 19 Joint Sites Reservoir Committee and Authority Board meeting, the Authority Board and Reservoir Committee approved a new Investment Policy that describes the parameters for investing Authority funds.

The Authority Board and Reservoir Committee also discussed and approved preliminary final allocations of available storage, the proportionate shares of diverted water for storage partners, and the transition from yield-based to storage-based participation. The transition to storage-based participation is necessary for contracting benefits and obligations in the Sites Reservoir. Cost allocation needs to be based on the physical capacity attributes of the facilities and will be reflected in the future negotiated Benefits and Obligations Contracts. Based on the most current surveying data, the current

assumption of the total storage space available in Sites Reservoir is 1,470,000 acre-feet. Of this total storage amount, the allocation of deadpool is 60,000 acre-feet. Given the methodology for allocating storage space in Sites Reservoir to local storage partners using the approach of one acre-foot participation to 6.234 acre-feet of storage space, Metropolitan's Amendment 3 participation level of 50,000 acre-feet of participation equates to 311,700 acre-feet of storage allocation which is 22.1 percent of storage.

Regulatory & Science Activities

Metropolitan staff published "Sub-Lethal Responses of Delta Smelt to Contaminants Under Different Flow Conditions" in the San Francisco Estuary and Watershed Science Journal. The study covered three years and evaluated the effects of contaminants on Delta smelt. Results of the study suggest that there may be conflicting effects for wetter years, creating low salinity habitat while also being more toxic to Delta smelt.

Delta Island Activities

Metropolitan staff continues to make progress on the Multi-Benefit Landscape Restoration Projects on Webb Tract. In June, the second conceptual design workshop was completed. Thirty percent of the design is expected to be reached in August. Invitations were sent for the first public meeting for the projects to be held at Big Break Regional Park on July 10, 2024. Additionally, Metropolitan staff released a Request for Proposals to convert and cultivate rice on approximately 1,350 acres of land on Webb Tract. Staff partnered with Environmental Planning, the Delta Stewardship Council, and the California Department of Fish and Wildlife for early consultation on the use of the Cutting the Green Tape Initiative's Statutory Exemption for Restoration Projects to streamline the California Environmental Quality Act process.

Metropolitan staff hosted the U.S. Bureau of Reclamation, DWR, and UC Davis on Bouldin Island to explore the potential of utilizing pond culture on Bouldin Island to raise Delta smelt. Scientists at that culture facility are evaluating alternative culturing tools for expanding their production and meeting permit requirements for the long-term operations of the Central Valley Project and State Water Project.

Two levee improvement projects reinitiated construction in June. Ninety-five percent of the cost of both levee improvement projects is funded by DWR's Delta Levees Special Flood Control Projects Program.

PUBLIC/GOVERNMENT AFFAIRS

MEMBER AGENCY SUPPORT

Public Affairs Staff:

- Created and sent an invite to the Workshop Board Meeting for the Presentation on the Delta Conveyance Project on August 7
- Designed fall bill inserts for the member agencies
- Coordinated and provided Metropolitan approved photos of the Diemer Treatment Plant at the request of Yorba Linda Water District
- Worked with Hashtag Pinpoint to complete filming of the latest Member Agency Spotlight with Trabuco Canyon Water District
- Provided El Toro Water District (ETWD) staff photos from the Board meeting ETWD member agency spotlight presentation

Government Affairs Staff:

- Provided an overview and update on SB 1255 (Low-Income Rate Assistance program) to the O.C. Met Managers
- Circulated the Grant Tracking and Acquisition monthly report to all participating member agencies

COMMUNITY AND SPECIAL EVENTS

Public Affairs Staff:

- Submitted student art to the 2025 Metropolitan Water District of Southern California's (Metropolitan) Water is Life calendar contest
- Executed F.Y. 24-25 MOUs for the MWDOC Scouts Programs with Boy Scouts of America, Orange County Council, and Girl Scouts of Orange County
- Designed a sponsorship flyer for the Independent Special Districts of Orange County (ISDOC) upcoming event
- Coordinated and participated in an O.C. Water Summit committee meeting with Directors Thomas, Nederhood, and Crane
 - Prepared the 2024 O.C. Water Summit First Invite, Sponsorship Brochure, and Website updates
 - Met with the A.V. contractor

Government Affairs Staff:

- Attended the ACC-OC Legislative and Regulatory Committee meeting

K-12 WATER EDUCATION

Public Affairs Staff:

- Met with MWDOC Choice K-12 School Program contractors Shows That Teach and Orange County Department of Education's Inside the Outdoors to demonstrate the new shared calendar system for the upcoming school year (member agency and board notifications to follow)

- Executed a one-year contract extension for Building Block Entertainment (Shows That Teach) and Orange County Department of Education (Inside the Outdoors). Authorization has been approved in the final F.Y. 24-25 board-approved budget - see Exhibit J1.
- Coordinated with the Department of Water Resources, Metropolitan, and Shipley Nature Center to confirm a date and location for an Orange County Project WET teacher training on November 2

WORKFORCE INITIATIVE

Public Affairs Staff:

- Speakers Bureau: Presented to the Water Environment Federation's Operator Advisory Panel on the Water Energy Education Alliance (WEEA) initiative
- Speakers Bureau: Presented to the Water Workforce Ad Hoc Committee on the release of the California Environmental Literacy Initiative's "Call to Action: Educating for a Green Economy" white paper, where several WEEA sponsors and MWDOC's K-16 education initiatives are introduced as model programs.
- Met with the Water Replenishment District to discuss a skill craft video project introducing various careers to students
- Met with Long Beach City College to discuss support and partnership options for their recent nearly \$11M workforce grant awards. One grant explicitly requires a Los Angeles/Orange County collaboration – and the other is funded by NOAA's Climate-Ready Workforce initiative to support training and jobs to accelerate climate resilience.
- Met with the Association of California Water Agencies Region 9 Regional Affairs Representative and proposed a workforce panel for their event, "Building the Future: Water Workforce Development Solutions."
- Participated in the Statewide Advisory Council meeting of the California Municipal Utilities Association High Roads Training Partner Grant
- Confirmed a speaker from the San Diego County Office of Education for the next WEEA Leadership Roundtable on October 24

DIGITAL COMMUNICATIONS, PUBLICATIONS, AND MEDIA ENGAGEMENT

Public Affairs Staff:

- Completed several updates for the MWDOC.com website
- Developed and distributed social media content across MWDOC's social media channels
- Attended the California Association of Public Information Officials webinar: "Mastering the Op-Ed: From Concept to Publication."

SPECIAL PROJECTS

Public Affairs Staff:

- Scheduled two inspection trips for Director Dick, Director Seckel, and Director Erdman, which includes a Grand Jury trip on August 26 and a State Water Project trip on September 20-21

Governmental Affairs Staff:

- Met with the ISDOC Ad-Hoc Committee to plan the upcoming Associate Member Expo
- Staffed the ISDOC Executive Committee meeting
- Staffed the WACO meeting featuring speakers from ACWA's state and federal government relations team
- Met with the County's Deputy Director of Environmental Sustainability to learn more about their Climate Action Plan and invite her to speak at an upcoming WACO meeting
- Reviewed and updated security protocols for future WACO meetings
- Staffed the WACO Planning meeting

OUTREACH METRICS

Public Affairs Staff:

- Google Performance Analytics (G.M. Report Timeframe)
 - 225 business profile interactions
 - 1,984 people viewed the business profile
- Website Analytics (G.M. Report Timeframe)
 - 10,836 pageviews
 - Top pages for this date range
 - Home Page – 1,624
 - Water Use Efficiency – 1,041
 - Residential Rebates – 724
 - Agendas, Packets, Minutes – 431
 - Turf Replacement Program – 387
 - Careers – 376
 - RFPs / RFQs – 327
 - ocwatersmartparks.com: 5 site sessions
- ocwatersmartgardens.com Analytics (June 2024)
 - 561 Sessions, 379 New Users
 - Top pages for this date range
 - Eligible Sustainability Feature Trees
 - Landing Page
 - Helpful Plant List
- Social Media (G.M. Report Timeframe)

According to Hootsuite – the global leader in social media management – a good engagement rate is between 1% to 5%.
For this period, MWDOC's engagement rate is at 8.64%

- 161,254 post reach (number of people)
 - 13,929 Post engagement (actions taken – likes, shares, etc.)

LEGISLATIVE AFFAIRS

Governmental Affairs Staff:

- Participated in the CMUA LIRA Strike Force Team meetings
- Attended a pre-evaluation meeting with the County of Orange's review team for their state legislative advocacy contract
- Attended the CCEEB Summer Issues Seminar and attended panels such as:
 - Pressure on the Grid
 - Consensus on California's Climate Strategy
 - An update on hydrogen
 - SCAQMD Challenges
 - CESA & CEQA
 - Water Supply & Resiliency
- Completed and filed the Quarterly Lobbying Report
- Participated in the County of Orange's evaluation process (reviewed, ranked, and discussed proposal received) for their state advocacy services
- Participated in the Metropolitan Member Agency Legislative Coordinators meeting

WATER USE EFFICIENCY

Metropolitan Water Use Efficiency Workgroup Meeting

On July 18, Rachel Davis, Rachel Waite, Sam Fetter, and Tina Fann participated in Metropolitan's Water Use Efficiency Workgroup meeting. Items on the agenda included:

- Board Update
 - Board Report
 - Other Metropolitan Updates
- MWD Conservation Program Updates
 - Addendum 22 and Master Agreements Update
 - Conservation Credits Program and Budget
 - SoCal WaterSmart Overview and Dashboard
 - Grant Funding Update
- External Affairs Update
 - Puppet Show Video

The next meeting is scheduled for August 15.

Meeting with City of Santa Ana Staff

On July 23, Beth Fahl and Rachel D. met with the City of Santa Ana staff to discuss the Metropolitan's Member Agency Administered Program funding and possible proposals the City could submit to assist with Leak Detection and other local projects. MWDOC staff advised the City on the projects MWDOC has submitted that could also be submitted by the City and sent samples to the City for review.

California Data Collaborative (CaDC) Quarterly Steering Committee Meeting and Workshop

On July 15, Rachel W. attended the CaDC Quarterly Steering Committee meeting. Topics on the agenda included:

- Membership and Growth
- Committee Updates
- Core Programs: AMI Platform, Water Use Analytics
- New AMI Tools
- Data Summit
- Financial Update

Following the Steering Committee, a public workshop was held with speakers from Alameda County Water District and the Bay Area Water Supply and Conservation Agency.

Conservation Framework Updates and Education

On July 26 and 29, Rachel W. and Sam met with City of Santa Ana staff to review the Conservation Framework, City data utilized in the Urban Water Use Objective Calculation, and other Framework-related topics.

Follow-up meetings will be scheduled as needed.

Leak Detection Demonstration

On July 25, Beth, Tina, and Alondra Renteria Solis attended a Leak Detection Demonstration hosted by Rachel D. and Willie Zavala of the Water Loss Control Team. The purpose of the demonstration was to educate staff and showcase the process of detecting and reporting leaks.

Metropolitan Program Advisory Committee (PAC) Meeting

On July 24, Rachel W. and Beth participated in the Metropolitan PAC meeting. Items on the agenda included:

- HET Modifications and Peripherals
- Device "Off-Ramps:" Policy / Process / Determinations
- Commercial Defrosting
- Dipper Wells
- Devices/Technologies Roundtable

The next meeting is scheduled for October 23.

Orange County Water Use Efficiency Workgroup Meeting

On August 1, Joe Berg, Rachel D., Rachel W., Beth, Sam, and Tina hosted the Orange County Water Use Efficiency Workgroup meeting via Zoom. Items on the agenda included:

- Water Use Efficiency Standards/Framework Update
 - Standards Adopted
 - Request for Proposals for Conservation Framework Assistance
- MET Conservation Program Updates
 - Identifying SoCal Water\$mart to the Public
 - Procedure for Issues with Dashboard/other EGIA-Related Issues
- Water Use Efficiency Updates
 - MWDOC Choice WUE Invoices Coming in August
 - AMI Survey and Workgroup Meetings
 - Addenda Update
 - Grant Funding Update
 - Tree Rebate Update
 - Landscape Design Rebate Update

The next meeting is scheduled for September 5.

Conservation Framework - Dedicated Irrigation Meter (DIM) Landscape Area Measurement (LAM) Project Kick-off Meeting with City of Buena Park

On August 6, Rachel W. and Sam met with the City of Buena Park staff and project consultant NV5 for a DIM Area Measurements Project kickoff meeting. The DIM Area Measurements Project provides Orange County retail water agencies access to MWDOC's NV5 consultant to obtain DIM landscape area measurements and classifications as required by SB606 and AB1668 (Conservation Framework). MWDOC, NV5, and retailer staff discussed the Project, workflow, and next steps.

Follow-up meetings will be scheduled as needed.

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
EXECUTIVE COMMITTEE
August 22, 2024, 8:30 a.m.
18700 Ward Street, Conf. Room 101, Fountain Valley, CA 92708

Teleconference Sites:
25652 Paseo De La Paz, San Juan Capistrano, CA 92675
17420 Walnut Street, Fountain Valley, CA 92708

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Computer Audio: You can join the Zoom meeting by clicking on the following link:

<https://zoom.us/j/8828665300>

**Telephone Audio: (669) 900 9128 fees may apply
(877) 853 5247 Toll-free
Webinar ID: 882 866 5300#**

Bob McVicker, President
Jeffery Thomas, Vice President
Megan Yoo Schneider, Immediate Past President

Staff: H. De La Torre, M. Goldsby, D. Micalizzi

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

ROLL CALL

PUBLIC PARTICIPATION

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee).

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING -- Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

1. EXECUTIVE COMMITTEE REVIEW OF FUTURE AGENDAS
2. DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE
3. MEMBER AGENCY RELATIONS
4. GENERAL MANAGER'S REPORTS
5. REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

SOUTH ORANGE COUNTY AGENCIES GROUP JOINT MEETING
THURSDAY, JULY 25, 2024
12:00 P.M. to 1:30 P.M.
AGENDA

EL TORO WATER DISTRICT
24251 LOS ALISOS BLVD., LAKE FOREST, CA 92630

1. Welcome and Introductions
2. MWDOC Update/Discussion
 - a. MWDOC Current Issues
 - b. Other Matters
3. MET Update/Discussion
 - a. MET Current Issues
 - b. AMP Repair Project
 - c. MET Water Supply Issues
 - d. Colorado River Negotiations
 - e. Other Matters
4. Legislative/Regulatory Update
 - a. Local
 - i. OC-LAFCO Matters
 - b. State
 - c. Federal
5. Regional Project Interests/Updates
 - a. Regional Recycled Water Discussion
 - b. South County Emergency GW Supply Project
 - c. Doheny Ocean Desalination Project Update
 - d. San Juan Watershed Project
 - e. Other Project Interests/Updates
6. Any Agency/City Updates
7. Adjournment

SOUTH ORANGE COUNTY AGENCIES' GROUP CONSISTS OF MEMBERS AND REPRESENTATIVES FROM
City of San Clemente • El Toro Water District • Emerald Bay Service District
Irvine Ranch Water District • Laguna Beach County Water District • Moulton Niguel Water District
Santa Margarita Water District • South Coast Water District • Trabuco Canyon Water District

**LOCAL AGENCY FORMATION COMMISSION OF
ORANGE COUNTY**

REGULAR MEETING AGENDA

**Wednesday, August 14, 2024
8:15 a.m.**

**County Administrative North (CAN)
First Floor Multipurpose Room 101
400 W. Civic Center Drive, Santa Ana, CA 92701**

Any member of the public may request to speak on any agenda item at the time the Commission is considering the item.

1. CALL THE MEETING TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

**4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION
(Communications received after agenda distribution for agenda items.)**

5. PUBLIC COMMENT

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken by the Commission on off-agenda items unless authorized by law.

6. CONSENT CALENDAR

a.) July 10, 2024 – Regular Commission Meeting Minutes

The Commission will consider approval of the July 10, 2024 meeting minutes.

7. PUBLIC HEARING

No public hearing items scheduled.

8. COMMISSION DISCUSSION AND ACTION

a.) Grand Jury Report

The Commission will review and consider approval of response to the Orange County Grand Jury's Report, "*Emerging Opportunities in South County Water/Wastewater Systems*," as required by state law.

b.) Personnel Policies and Procedures

The Commission will consider a proposed amendment to the Personnel Policies and Procedures involving employment categories.

c.) Rates Validation for Accounting Services

The Commission will receive a report and provide direction on validation of rates involving the provision of accounting services to the agency.

9. COMMISSIONER COMMENTS

This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken except to place the item on a future agenda if approved by the Commission majority.

10. EXECUTIVE OFFICER'S REPORT

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

No informational items and announcements.

12. CLOSED SESSION

a.) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code section 54957

Title: Executive Officer

b.) CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6

Agency designated representative: Commission Chair Donald P. Wagner and William Kelly of Kelly Associates Management Group

Unrepresented employee: Executive Officer

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The next Regular Commission Meeting will be held on Wednesday, September 11, 2024 at 8:15 a.m. at the County Administrative North (CAN), First Floor Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701.

PUBLIC PARTICIPATION:

The Local Agency Formation Commission of Orange County welcomes your participation. The public may share general comments or comments on agenda items through the following options:

- 1) **In-person** comments may be provided during the general comment period on off-agenda items and during the hearing of a specific agenda item. In accordance with the OC LAFCO guidelines, each speaker's comments may not exceed three (3) minutes for the respective item. If you have documents for the Commission, please bring 15 copies and submit to the Commission Clerk for distribution.
- 2) **Written** general comments or comments on specific agenda items may be submitted by email to the Commission Clerk at ccarter-benjamin@oclafco.org. Comments received no less than twenty-four (24) hours prior to the regular meeting will be distributed to the Commission and included in the record.

Pursuant to Government Code Section 54957.5, public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be made available to the public on the OC LAFCO website at <https://oclafco.org/meetings/>.

State law requires that a participant in an OC LAFCO proceeding who has a financial interest in a decision and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the hearing.

AMERICANS WITH DISABILITIES ACT (ADA)

All regular meeting agendas and associated reports are available at <https://oclafco.org/meetings/>. Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations shall be made with OC LAFCO staff at (714) 640-5100 at least three business days prior to the respective meeting.

2024 MEETING AND EVENTS CALENDAR

Approved November 8, 2023

2024



January						
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- OC LAFCO Regular Meeting (*begins at 8:15 a.m.*)
Location: County Administrative North, First Floor Multipurpose Room 101, 400 W. Civic Center Dr., Santa Ana, CA 92701.
- Office closure due to legal holidays and flexible work schedule.
- CALAFCO Annual Conference - October 16 - 18, 2024 at Tenaya Lodge at Yosemite.



Executive Committee Meeting

Tuesday, August 6, 2024

7:30 a.m.

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

(714) 963-3058
(714) 964-5930 fax

<https://isdoc.specialdistrict.org/>

Executive Committee

President
Hon. Greg Mills
Serrano Water District

1st Vice President

Hon. Bob McVicker
*Municipal Water District
Orange County*

2nd Vice President
Hon. Paul Mesmer
*Surfside Colony Community
Services District*

3rd Vice President
Hon. Scott Nelson
Placentia Library District

Secretary
Vacant

Treasurer
Hon. Sandra Jacobs
Santa Margarita Water District

Immediate Past President
Hon. Mark Monin
El Toro Water District

Staff Administration

Heather Baez
*Municipal Water District of Orange
County*

Tina Dubuque
*Municipal Water District of Orange
County*

The next meeting of the ISDOC Executive Committee will be via teleconference only.
The MWDOC/OCWD offices are closed to the public. Please use the information below to access the meeting.

Join Zoom Meeting

<https://us06web.zoom.us/j/3840960436>

Dial by your location
669 900 9128 US (San Jose)
877 853 5247 US Toll-free
888 788 0099 US Toll-free

AGENDA

I. Welcome, Introductions

[Please mute yourself when not speaking. Please raise hand on Zoom if you have a question or comment.]

II. Approval of Minutes

- Approval of Minutes: July 2, 2024

III. Public Comments on items not on the agenda

IV. New Business

- Consider a CSDA Conference Membership for an incentive to serve on the ISDOC Board.
- ACTION REQUIRED: OCCOG Renewal, Dues = \$ 1,000.

V. Old Business

- October 2024 Quarterly Meeting - Associate Member Expo
 - Review Flyer and Approve Sponsorship Levels
 - Consider Date Change

VI. Treasurer's Report – Director Jacobs

- Report of accounts

VII. CSDA Report – Director Schafer or Chris Palmer

- Receive, discuss and file the CSDA Report

VIII. LAFCO Report – Director Fisler

- Receive, discuss and file the LAFCO report

IX. ACWA Report – Director Jacobs

- Receive, discuss and file the ACWA report

X. OCCOG Report – Director Scheafer

- Receive, discuss and file OCCOG report

XI. California Association of Sanitation Agencies (CASA) Report – OCSD Representative

- Receive, discuss and file the CASA report

XII. Subcommittee Reports

- Programs – Director McVicker
- Membership - Director Mesmer
- Legislative – Trustee Nelson

XIII. Adjourn



**Water Advisory Committee of Orange County
(WACO) Virtual Meeting**

**Friday, August 2, 2024
7:30 a.m. – 9:00 a.m.**

Zoom Registration:
[Click here to register](#)

Officers

Chair
Hon. Mark Monin
El Toro Water District

Vice Chair
Hon. Greg Mills
Serrano Water District

Staff Contacts

Medha Paliwal / Dani Berch
Orange County Water District (OCWD)
(714) 378-3200
www.ocwd.com/news-events/events/waco

Heather Baez / Christina Hernandez
Municipal Water District of Orange County (MWDOC)
(714) 963-3058
www.mwdoc.com/waco

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AGENDA

Welcome & Announcements

- Mark Monin, El Toro Water District

Reports

- Metropolitan Water District of Southern California (MET)
- Association of California Water Agencies (ACWA)

Program

“The Salton Sea – The Beating Heart of the Colorado River Delta and a Lynchpin to Water Security in the West”

Speaker:
Patrick O'Dowd
Executive Director and General Manager
Salton Sea Authority

Adjourn
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Next WACO Meeting

Friday, September 6, 2024 at 7:30 a.m. via Zoom

Next WACO Planning Committee Meeting

Tuesday, August 20, 2024 at 7:30 a.m. via Zoom

DATES TO REMEMBER

AUGUST/SEPTEMBER

1. Aug 23 – DISTRICT OFFICE CLOSED
2. Aug 26 – 11:30 a.m. – Grand Jury Presentation Lunch & R-6 Tour
3. Aug 30 – 1:30 p.m. – Pres/VP/GM Meeting
4. Sep 2 – Labor Day - DISTRICT OFFICE CLOSED
5. Sep 3 – 7:30 a.m. – ISDOC Executive Meeting
6. Sep 3 – 8:30 a.m. – MWDOC P&O Meeting
7. Sep 3 – 10:00 a.m. – RRC Meeting
8. Sep 4 – 8:30 a.m. – MWDOC Bd Workshop
9. Sep 5 – 8:30 a.m. – SOCWA Board Meeting
10. Sep 6 – DISTRICT OFFICE CLOSED
11. Sep 6 – 7:30 a.m. – WACO Meeting
12. Sep 9 – 12 – CSDA Annual Conference: Indian Wells
13. Sep 9 – 5:00 p.m. – Laguna Woods Village 60th Anniversary
14. Sep 11 – 8:15 a.m. – LAFCO
15. Sep 11 – 8:30 a.m. – MWDOC Admin/Finance Meeting
16. Sep 12 – 8:30 a.m. – SOCWA Engineering Committee
17. Sep 13 – 1:30 p.m. – Pres/VP/GM Meeting
18. Sep 15 – 17 – Water Reuse: Garden Grove
19. Sep 16 – 1:30 p.m. – Agenda Review Meeting
20. Sep 17 – 7:30 a.m. – WACO Planning Meeting
21. Sep 17 – 10:30 a.m. – SOCWA Finance Meeting
22. Sep 18 – 8:30 a.m. – MWDOC Board Meeting
23. Sep 19 – 8:30 a.m. – MWDOC Managers Meeting
24. Sep 19 – 8:30 a.m. – SAC Quarterly Meeting – IRWD Bd Rm
25. Sep 20 – DISTRICT OFFICE CLOSED
26. Sep 23 – 7:30 a.m. – Engineering and Finance Meeting
27. Sep 26 – 7:30 a.m. – Regular Board Meeting

28. Sep 26 – 12:00 p.m. – SOCAG Meeting
29. Sep 27 – 7:30 a.m. – OC Water Summit: Costa Mesa
30. Sep 27 – 1:30 p.m. – Pres/VP/GM Meeting

EL TORO WATER DISTRICT

Glossary of Water Terms

Accumulated overdraft: The amount of water necessary to be replaced in the intake area of the groundwater basin to prevent the landward movement of ocean water into the fresh groundwater body.

Acre-foot, AF: A common water industry unit of measurement. An acre-foot is 325,851 gallons, or the amount of water needed to cover one acre with water one foot deep. An acre-foot serves annual needs of two typical California families.

ACWA: Association of California Water Agencies.
A statewide group based in Sacramento that actively lobbies State and Federal Government on water issues.

Advanced treatment: Additional treatment processes used to clean wastewater even further following primary and secondary treatment. Also known as tertiary treatment.

AFY: Acre-foot per year.

Alluvium: A stratified bed of sand, gravel, silt, and clay deposited by flowing water.

AMP: Allen McCulloch pipeline.

Major pipeline transporting treated water to water districts between Yorba Linda, where it starts to El Toro Water District reservoir, where it terminates.

Annexation: The inclusion of land within a government agency's jurisdiction.

Annual overdraft: The quantity by which the production of water from the groundwater supplies during the water year exceeds the natural replenishment of such groundwater supplies during the same water year.

Aqueduct: A man-made canal or pipeline used to transport water.

Aquifer: An underground geologic formation of rock, soil or sediment that is naturally saturated with water; an aquifer stores groundwater.

Arid: Dry; deserts are arid places. Semi-arid places are almost as dry as a desert.

Artesian: An aquifer in which the water is under sufficient pressure to cause it to rise above the bottom of the overlying confining bed, if the opportunity is provided.

Artificial recharge: The addition of surface water to a groundwater reservoir by human activity, such as putting surface water into recharge basins. (See also: groundwater recharge and recharge basin.)

AWWA American Water Works Association
Nationwide group of public and private water purveyors and related industrial suppliers.

Base flow: The portion of river surface flow which remains after deduction of storm flow and/or purchased imported water.

Bay-Delta: The Sacramento-San Joaquin Bay-Delta is a unique natural resource of local, state and national significance. The Delta is home to more than 500,000 people; contains 500,000 acres of agriculture; provides habitat for 700 native plant and animal species; provides water for more than 25 million Californians and 3 million acres of agriculture; is traversed by energy, communications and transportation facilities vital to the economic health of California; and supports a \$400 billion economy.

BIA: Building Industry Association.

Biofouling: The formation of bacterial film (biofilm) on fragile reverse osmosis membrane surfaces.

Biosolids: Solid organic matter recovered from a sewage treatment process and used especially as fertilizer.

BMP: Best Management Practice. An engineered structure or management activity, or combination of these, that eliminates or reduces adverse environmental effects.

Brackish water: A mixture of freshwater and saltwater.

Brown Act: Ralph M. Brown Act enacted by the State legislature governing all meetings of legislative bodies. Also known as the Open Meeting requirements.

Canal: A ditch used to move water from one location to another.

CASA: California Association of Sanitation Agencies The sanitation equivalent of ACWA concerned solely with issues affecting the treatment and disposal of solid waste and wastewater.

CEQA: California Environmental Quality Act.

CERCLA: Comprehensive Environmental Response, Compensation and Liability Act. This federal law establishes the Superfund program for hazardous waste sites. It provides the legal basis for the United States EPA to regulate and clean up hazardous waste sites, and if appropriate, to seek financial compensation from entities responsible for the site.

CFS: Cubic feet per second.

Chloramines: A mixture of ammonia and chlorine used to purify water.

Clarify: To make clear or pure by separation and elimination of suspended solid material.

Coagulation: The clumping together of solids so they can more easily be settled out or filtered out of water. A chemical called aluminum sulfate (alum) is generally used to aid coagulation in water treatment and reclamation.

Coastkeepers: A non-profit organization dedicated to the protection and preservation of the marine habitats and watersheds of Orange County through programs of education, restoration, enforcement and advocacy.

Colored water: Groundwater extracted from the basin that is unsuitable for domestic use without treatment due to high color and odor exceeding drinking water standards.

Condensation: The process of water vapor (gas) changing into liquid water. An example of condensation can be seen in the tiny water droplets that form on the outside of a glass of iced tea as warmer air touches the cooler glass.

Confined aquifer: An aquifer that is bound above and below by dense layers of rock and contains water under pressure.

Conjunctive use: Storing imported water in a local aquifer, in conjunction with groundwater, for later retrieval and use.

Contaminate: To make unclean or impure by the addition of harmful substances.

CPCFA: California Pollution Control Financing Authority. State agency providing funds for wastewater reclamation projects.

Crisis:

1. **a:** The turning point for better or worse **b:** a paroxysmal attack of pain, distress, or disordered function **c:** an emotionally significant event or radical change of status in a person's life <a midlife *crisis*>
2. The decisive moment (as in a literary plot)
3. **a:** An unstable or crucial time or state of affairs in which a decisive change is impending; *especially* : one with the distinct possibility of a highly undesirable outcome <a financial *crisis*> **b:** a situation that has reached a critical phase

CTP Coastal Treatment Plant

CWPCA California Water Pollution Control Association. A 7000 member non-profit educational organization dedicated to water pollution control.

Dam: A barrier built across a river or stream to hold water.

Decompose: To separate into simpler compounds, substances or elements.

Deep percolation: The percolation of surface water through the ground beyond the lower limit of the root zone of plants into a groundwater aquifer.

Degraded water: Water within the groundwater basin that, in one characteristic or another, does not meet primary drinking water standards.

Delta: Where the rivers empty; an outlet from land to ocean, also where the rivers deposit sediment they carry forming landforms.

Delta Vision: Delta Vision is intended to identify a strategy for managing the Sacramento-San Joaquin Delta as a sustainable ecosystem that would continue to support environmental and economic functions that are critical to the people of California.

Demineralize: To reduce the concentrations of minerals from water by ion exchange, distillation, electro-dialysis, or reverse osmosis.

De-nitrification: The physical process of removing nitrate from water through reverse osmosis, microfiltration, or other means.

Desalting (or desalination): Removing salts from salt water by evaporation or distillation. Specific treatment processes, such as reverse osmosis or multi-stage flash distillation, to demineralize seawater or brackish (saline) waters for reuse. Also sometimes used in wastewater treatment to remove salts other pollutants.

Desilting: The physical process of removing suspended particles from water.

Dilute: To lessen the amount of a substance in water by adding more water.

Disinfection: Water treatment which destroys potentially harmful bacteria.

Drainage basin: The area of land from which water drains into a river, for example, the Sacramento River Basin, in which all land area drains into the Sacramento River. Also called catchment area, watershed, or river basin.

Drought: A prolonged period of below-average precipitation.

DPHS: California Department of Public Health Services. Regulates public water systems; oversees water recycling projects; permits water treatment devices; certifies drinking water treatment and distribution operators; supports and promotes water system security; provides support for small water systems and for improving technical, managerial, and financial (TMF) capacity; provides funding opportunities for water system improvements.

DVL: Diamond Valley Lake. Metropolitan's major reservoir near Hemet, in southwestern Riverside County.

DWR: California Department of Water Resources. Guides development/management of California's water resources; owns/operates State Water Project and other water facilities.

Endangered Species: A species of animal or plant threatened with extinction.

Endangered Species Act of 1973 (ESA): The most wide-ranging of the dozens of United States environmental laws passed in the 1970s. As stated in section 2 of the act, it was designed to protect critically imperiled species from extinction as a "consequence of economic growth and development untended by adequate concern and conservation.

Ecosystem: Where living and non-living things interact (coexist) in order to survive.

Effluent: Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

Evaporation: The process that changes water (liquid) into water vapor (gas).

Estuary: Where fresh water meets salt water.

Evapotranspiration: The quantity of water transpired (given off), retained in plant tissues, and evaporated from plant tissues and surrounding soil surface. Quantitatively, it is expressed in terms of depth of water per unit area during a specified period of time.

FCH Federal Clearing House – Environmental Review/Processing

FEMA Federal Emergency Management Agency

Filtration: The process of allowing water to pass through layers of a porous material such as sand, gravel or charcoal to trap solid particles. Filtration occurs in nature when rain water soaks into the ground and it passes through hundreds of feet of sand and gravel. This same natural process of filtration is duplicated in water and wastewater treatment plants, generally using sand and coal as the filter media.

Flocculation: A chemical process involving addition of a coagulant to assist in the removal of turbidity in water.

Forebay: A reservoir or pond situated at the intake of a pumping plant or power plant to stabilize water level; also, a portion of a groundwater basin where large quantities of surface water can recharge the basin through infiltration.

Gray water reuse: Reuse, generally without treatment, of domestic type wastewater for toilet flushing, garden irrigation and other non-potable uses. Excludes water from toilets, kitchen sinks, dishwashers, or water used for washing diapers.

Green Acres Project (GAP): A 7.5 million gallons per day (MGD) water reclamation project that serves tertiary treated recycled water to irrigation and industrial users in Costa Mesa, Fountain Valley, Huntington Beach, Newport Beach, and Santa Ana.

God Squad: A seven-member committee that is officially called the "Endangered Species Committee". Members consist of Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Army, the Chairman of the Council of Economic Advisers, the Administrator of the National Oceanic and Atmospheric Administration and one individual from the affected state. The squad was established in 1978 by an amendment to the 1973 Endangered Species Act (ESA). It has only been called into action three times to deal with proposed federal agency actions that have been determined to cause "jeopardy" to any listed species. Such actions may receive an exemption from the ESA if five members of the committee determine that the action is of regional or national significance, that the benefits of the action clearly outweigh the benefits of conserving the species and that there are no reasonable and prudent alternatives to the action.

Groundwater: Water that has percolated into natural, underground aquifers; water in the ground, not water puddled on the ground.

Groundwater basin: A groundwater reservoir defined by the overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of success-ively deeper aquifers may differ and make it difficult to define the limits of the basin.

Groundwater mining: The withdrawal of water from an aquifer in excess of recharge over a period of time. If continued, the underground supply would eventually be exhausted or the water table could drop below economically feasible pumping lifts.

Groundwater overdraft: The condition of a groundwater basin in which the amount of water withdrawn by pumping exceeds the amount of water that recharges the basin over a period of years during which water supply conditions approximate average.

Groundwater recharge: The action of increasing groundwater storage by natural conditions or by human activity. See also: Artificial recharge.

Ground Water Replenishment System (GWRS): A joint project of the Orange County Water District and the Orange County Sanitation District that will provide up to 100,000 acre-feet of reclaimed water annually. The high-quality water will be used to expand an existing underground seawater intrusion barrier and to replenish the groundwater basin underlying north and central Orange County.

Groundwater table: The upper surface of the zone of saturation (all pores of subsoil filled with water), except where the surface is formed by an impermeable body.

GPM: Gallons per minute.

Ground Water Replenishment System (GWRS): Orange County Water District's state-of-the-art, highly advanced, waste-water treatment facility.

Hydrologic balance: An accounting of all water inflow to, water outflow from, and changes in water storage within a hydrologic unit over a specified period.

Hydrologic cycle: The process of water constantly circulating from the ocean, to the atmosphere, to the earth in a form of precipitation, and finally returning to the ocean.

Imported water: Water that has originated from one hydrologic region and is transferred to another hydrologic region.

Inflatable rubber dams: Designed to replace temporary sand levees that wash out during heavy storm flow, the dams hold back high-volume river flows and divert the water into the off-river system for percolation.

Influent: Water or wastewater entering a treatment plant, or a particular stage of the treatment process.

Irrigation: Applying water to crops, lawns or other plants using pumps, pipes, hoses, sprinklers, etc.

JPIA Joint Powers Insurance Authority. A group of water agencies providing self-insurance to members of the ACWA.

LAIF Local Agency Investment Fund. Statewide pool of surplus public agency money managed by State Treasurer.

Leach: To remove components from the soil by the action of water trickling through.

MAF: Million acre feet.

MCL: Maximum contaminant level set by EPA for a regulated substance in drinking water. According to health agencies, the maximum amount of a substance that can be present in water that's safe to drink and which looks, tastes and smells good.

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

Microfiltration: A physical separation process where tiny, hollow filaments members separate particles from water.

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

MWDOC: Municipal Water District of Orange County. Intermediate wholesaler between MWD and 27 member agencies including ETWD.

Non-point source pollution: Pollution that is so general or covers such a wide area that no single, localized source of the pollution can be identified.

NPDES National Pollution Discharge Elimination System

OCBC: Orange County Business Council.

OCEMA Orange County Environmental Management Agency

OCWD: Orange County Water District.

Opportunity:

1. A favorable juncture of circumstances.
2. A good chance for advancement or progress .

Organism: Any individual form of life, such as a plant, animal or bacterium.

PCM Professional Community Management, Inc. Property Management company providing services to Laguna Woods Village and other homeowner associations.

Perched groundwater: Groundwater supported by a zone of material of low permeability located above an underlying main body of groundwater with which it is not hydrostatically connected.

Percolation: The downward movement of water through the soil or alluvium to the groundwater table.

Permeability: The capability of soil or other geologic formations to transmit water.

Point source: A specific site from which waste or polluted water is discharged into a water body, the source of which is identified. See also: non-point source.

Potable water: Suitable and safe for drinking.

PPB: Parts per billion.

Precipitation: Water from the atmosphere that falls to the ground as a liquid (rain) or a solid (snow, sleet, hail).

Primary treated water: First major treatment in a wastewater treatment facility, usually sedimentation but not biological oxidation.

Primary treatment: Removing solids and floating matter from wastewater using screening, skimming and sedimentation (settling by gravity).

Prior appropriation doctrine: Allocates water rights to the first party who diverts water from its natural source and applies the water to beneficial use. If at some point the first appropriator fails to use the water beneficially, another person may appropriate the water and gain rights to the water. The central principle is beneficial use, not land ownership.

Pumping Plant: A facility that lifts water up and over hills.

Recharge: The physical process where water naturally percolates or sinks into a groundwater basin.

Recharge basin: A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

Reclaimed wastewater: Wastewater that becomes suitable for a specific beneficial use as a result of treatment. See also: wastewater reclamation.

Reclamation project: A project where water is obtained from a sanitary district or system and which undergoes additional treatment for a variety of uses, including landscape irrigation, industrial uses, and groundwater recharge.

Recycling: A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term "recycled water" to reclaimed water.

Reservoir: A place where water is stored until it is needed. A reservoir can be an open lake or an enclosed storage tank.

Reverse osmosis: (RO) A method of removing salts or other ions from water by forcing water through a semi-permeable membrane.

RFP Request for Proposal

Riparian: Of or on the banks of a stream, river, or other body of water.

RO: Reverse osmosis. See the listing under "reverse osmosis."

R-O-W Right-of-way

Runoff: Liquid water that travels over the surface of the Earth, moving downward due to gravity. Runoff is one way in which water that falls as precipitation returns to the ocean.

RWQCB Regional Water Quality Control Board. State agency regulating discharge and use of recycled water.

Safe Drinking Water Act (SDWA): The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and its sources: rivers, lakes, reservoirs, springs, and ground water wells. (SDWA does not regulate private wells which serve fewer than 25 individuals.) SDWA authorizes the United States Environmental Protection Agency (US EPA) to set national health-based standards for drinking water to protect against both naturally-occurring and man-made contaminants that may be found in drinking water. US EPA, states, and water systems work together to make sure that these standards are met.

Safe yield: The maximum quantity of water that can be withdrawn from a groundwater basin over a long period of time without developing a condition of overdraft, sometimes referred to as sustained yield.

SAFRA Santa Ana River Flood Protection Agency

Salinity: Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids - TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SAWPA: Santa Ana Watershed Project Authority.

SCADA Supervisory Control and Data Acquisition

SCAP Southern California Alliance of Publicly. Newly formed group of public agencies seeking reasonable regulation of sewer industry.

SCH State Clearing House – Environmental Review/Processing

Seasonal storage: A three-part program offered by Metropolitan Water District of Southern California:

STSS (Short Term Seasonal Storage) financially encourages agencies with local groundwater production capabilities to produce a higher percentage of their demand in the summer from their local groundwater supplies, thus shifting a portion of their demand on the MWD system from the summer to winter;

LTSS (Long Term Seasonal Storage) financially encourages retail agencies to take and store additional amounts of MWD water above their normal annual demands for later use; Replenishment Water provides less expensive interruptible water that is generally available and used to increase the operating yield of groundwater basins.

Seawater intrusion: The movement of salt water into a body of fresh water. It can occur in either surface water or groundwater basins.

Seawater barrier: A physical facility or method of operation designed to prevent the intrusion of salt water into a body of freshwater.

Secondary treatment: The biological portion of wastewater treatment which uses the activated sludge process to further clean wastewater after primary treatment. Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids. Usually carried out through the use of trickling filters or by the activated sludge process.

Sedimentation: The settling of solids in a body of water using gravity.

Settle: To clarify water by causing impurities/solid material to sink to a container's bottom.

Sewer: The system of pipes that carries wastewater from homes and businesses to a treatment plant or reclamation plant. Sewers are separate from storm drains, which is a system of drains and pipes that carry rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain water is not treated before it is discharged.

SigAlert: Any unplanned event that causes the closing of one lane of traffic for 30 minutes or more, as opposed to a planned event, like road construction, which is planned.

SJBA San Juan Basin Authority

Sludge: The solids that remain after wastewater treatment. This material is separated from the cleaned water, treated and composted into fertilizer. Also called biosolids.

SOCWA South Orange County Wastewater Authority. Regional Joint Powers Authority formed for collection and treatment of sewerage (previously known as AWMA/SERRA/SOCRA). SOCWA member agencies:

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

SRF State Revolving Fund

Storm Drain: The system of pipes that carries rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain

water is not treated before it is discharged. Storm drains are separate from sewers, which is a separate system of pipes to carry wastewater from homes and businesses to a treatment plant or reclamation plant for cleaning.

Storm flow: Surface flow originating from precipitation and run-off which has not percolated to an underground basin.

SWP: State Water Project. An aqueduct system that delivers water from northern California to central and southern California.

SWRCB State Water Resources Control Board

TDS: Total dissolved solids. A quantitative measure of the residual minerals dissolved in water that remain after evaporation of a solution. Usually expressed in milligrams per liter.

Tertiary treatment: The treatment of wastewater beyond the secondary or biological stage. Normally implies the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

THM: Trihalomethanes. Any of several synthetic organic compounds formed when chlorine or bromine combine with organic materials in water.

TMA: Too many acronyms.

TMDL: Total maximum daily load; A quantitative assessment of water quality problems, contributing sources, and load reductions or control actions needed to restore and protect bodies of water.

Transpiration: The process in which plant tissues give off water vapor to the atmosphere as an essential physiological process.

Turbidity: Thick or opaque with matter in suspension; muddy water.

Ultraviolet light disinfection: A disinfection method for water that has received either secondary or tertiary treatment used as an alternative to chlorination.

VE Value Engineering

VOC: Volatile organic compound; a chemical compound that evaporates readily at room temperature and contains carbon.

Wastewater: Water that has been previously used by a municipality, industry or agriculture and has suffered a loss of quality as a result.

Water Cycle: The continuous process of surface water (puddles, lakes, oceans) evaporating from the sun's heat to become water vapor (gas) in the atmosphere. Water condenses into clouds and then falls back to earth as rain or snow (precipitation). Some precipitation soaks into the ground (percolation) to replenish groundwater supplies in underground aquifers.

Water rights: A legally protected right to take possession of water occurring in a natural waterway and to divert that water for beneficial use.

Water-use Efficiency: The water requirements of a particular device, fixture, appliance, process, piece of equipment, or activity.

Water year (USGS): The period between October 1st of one calendar year to September 30th of the following calendar year.

Watermaster: A court appointed person(s) that has specific responsibilities to carry out court decisions pertaining to a river system or watershed.

Water Reclamation: The treatment of wastewater to make it suitable for a beneficial reuse, such as landscape irrigation. Also called water recycling.

Watershed: The total land area that from which water drains or flows to a river, stream, lake or other body of water.

Water table: The top level of water stored underground.

WEF Water Environment Federation. Formerly – Water Pollution Control Federation (WPCF). International trade group advising members of sewage treatment techniques and their effect on the environment.

Weir box: A device to measure/control surface water flows in streams or between ponds.

Wellhead treatment: Water quality treatment of water being produced at the well site.

Wetland: Any area in which the water table stands near, at, or above the land surface for a portion of the year. Wetlands are characterized by plants adapted to wet soil conditions.

Xeriscape: Landscaping that requires minimal water.