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**

## ENGINEERING COMMITTEE MEETING AND FINANCE AND INSURANCE COMMITTEE MEETING

January 20, 2025

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: <u>https://us02web.zoom.us/j/88676999277</u> (Meeting ID: 886 7699 9277).

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 TO ORDER - President Gaskins

### PLEDGE OF ALLEGIANCE – Director Monin

## **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 times set aside for "COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS" or for "COMMENTS REGARDING NON-AGENDA FIC 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 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 of those members present.)

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

## FINANCE AND INSURANCE COMMITTEE MEETING

### **CALL MEETING TO ORDER –** Director Havens

2. <u>Consent Calendar</u> (Reference Material Included)

(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 December 16, 2024 Finance and Insurance Committee meeting (Minutes included).

**Recommended Action:** Staff recommend that the Board of Directors approve the above Consent Calendar.

#### FINANCIAL INFORMATION ITEMS

#### 3. Financial Statements and Report (Reference Material Included)

Staff will review and comment on the Financial Statements and Report for the month ending December 31, 2024.

4. Fiscal Year 2025-26 Budget Process Update (Reference Material Included)

Staff will provide and update on the 2025-26 fiscal year budget schedule and process.

#### 5. <u>Reverse Cyclic Program</u> (Reference Material Included)

Staff will provide an update on the Reverse Cyclic Program.

#### FINANCIAL ACTION ITEMS

#### 6. <u>Directors' Compensation</u> (Reference Material Included)

The Board will discuss and consider whether an increase to the ETWD Director compensation is warranted and appropriate. Staff will provide an update on the statutory process to adopt an ordinance to increase Director compensation if the Directors determine an increase is warranted and appropriate.

**Recommended Action:** The Board will consider directing staff to publish a legal notice of a public hearing for consideration of adopting an Ordinance increasing the Directors Compensation by an amount to be determined by the Board.

### 7. Quarterly Insurance Report (Reference Material Included)

Staff will review and comment on the Quarterly Insurance Report for the period October 1, 2024 through December 31, 2024.

**Recommended Action:** Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period of October 1, 2024 through December 31, 2024.

#### 8. <u>Financial Package - Authorization to Approve Payment of Bills for the Month</u> <u>Ending January 20, 2025</u>(Reference Material Included)

The Board will consider approving Bills for Consideration dated January 20, 2025

**<u>Recommended Action</u>**: Staff recommend that the Board approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending January 20, 2025.

#### 9. Professional Auditing Service Contract (Reference Material Included)

Staff will review and comment on proposals received in response to a Request for Proposals for Professional Auditing Services.

**Recommended Action:** Staff recommend that the Board of Directors authorize the District's General Manager to enter into a consulting contract with LSL, LLP in the amount of \$127,680.00 for Professional Auditing Services for the 2024-25, 2025-26 and 2026-27 fiscal years.

## COMMENTS REGARDING NON-AGENDA FIC ITEMS

### CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

## **ENGINEERING COMMITTEE**

### **CALL MEETING TO ORDER –** Director Freshley

#### 10. <u>Consent Calendar</u>

(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 December 16, 2024 Engineering Committee meeting. (Minutes Included).

**Recommended Action:** Staff recommends that the Board of Directors approve the above consent calendar.

### **ENGINEERING ACTION ITEMS**

#### 11. <u>Main Office Warehouse Improvements Project</u> (Reference Material Included)

Staff will review and comment on proposals received for the Main Office Warehouse Improvements Project.

**Recommended Action:** Staff recommend that the Board of Directors authorize the District's General Manager to enter into a contract with GCI Construction, Inc. in the amount of \$225,000 for the construction of the Main Office Warehouse Improvements Project. Staff further recommend that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

#### 12. <u>New Turbo Blower Installation Project</u> (Reference Material Included)

Staff will review and comment on proposals received for the installation of the new Turbo Blower at the Water Recycling Plant.

**Recommended Action:** Staff recommend that the Board of Directors authorize the District's General Manager to 1) enter into a contract with Don Peterson Contracting, Inc. in the amount of \$150,000 for the mechanical installation of the new Turbo Blower at the Water Recycling Plant and 2) enter into a contract with Halcyon Electric, Inc. in the amount of \$46,448.81 for the electrical portion of the blower installation. Staff further recommend that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

#### **ENGINEERING INFORMATION ITEMS**

#### 13. <u>Wildfire Emergency Preparedness</u>

Staff will provide an update on the District's facilities and emergency preparedness posture with specific emphasis on potential wildfire incidents.

14. <u>El Toro Water District Operations Report</u> (Reference Material Included)

Staff will review and comment on the El Toro Water District Operations Report.

#### 15. <u>El Toro Water District Capital Project Status Report</u> (Reference Material Included)

Staff will review and comment on the El Toro Water District Capital Project Status Report.

#### 16. Engineering Items Discussed at Various Conferences and Meetings

The Committee will discuss any pertinent Engineering items discussed at Conferences.

### COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS

### **CLOSE ENGINEERING COMMITTEE MEETING**

# ATTORNEY REPORT

### **REGULAR SESSION REPORT**

### 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, Marisol Melendez 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: Marisol Melendez.

#### MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS AND THE FINANCE & INSURANCE COMMITTEE MEETING

### December 16, 2024

At approximately 7:30 a.m. President Monin called the regular meeting to order.

Vice President Gaskins led the Pledge of Allegiance to the flag.

Committee Members MARK MONIN, MIKE GASKINS, KAY HAVENS,

KATHRYN FRESHLEY, and WYATT McCLEAN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, VISHAV

SHARMA, CFO, SCOTT HOPKINS, Operations Superintendent, JUDY CIMORELL,

Director of Human Resources, GILBERT J. GRANITO, General Counsel, MIKE

MIAZGA, IT Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom), VICKI

TANIOUS, Senior Accountant (Zoom), CAROL MOORE, Laguna Woods City Council

Member (Zoom), and MARISOL MELENDEZ, Recording Secretary.

### Determination of a Quorum

Roll Call:

Director McClean	Present
Director Freshley	Present
Director Havens	Present
Vice President Gaskins	Present
President Monin	Present

Five Board members are present at the meeting and therefore a quorum has

been determined.

#### Oral Communications/Public Comment

There were no comments.

#### Items Too Late to be Agendized

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

Mr. Cafferty replied no.

#### Finance and Insurance Committee Meeting

At approximately 7:32 a.m. Director Havens called the Finance and Insurance

Committee meeting to order.

#### Consent Calendar

Director Havens asked for a Motion.

<u>Motion:</u> President Monin made a motion, seconded by Vice President Gaskins to approve the Consent Calendar.

#### Roll Call Vote:

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

#### Financial Information Items

#### Rate Setting Legislation

Mr. Cafferty stated that there has been recent legislation that has been highly beneficial to public agencies, providing a reasonable accommodation process that helps avoid costly and challenging litigation. He noted that certain agencies have experienced expensive legal challenges due to the complexities of Proposition 218.

Mr. Cafferty discussed SB 323, which went into effect in 2021. The bill highlights a 120-day statute of limitations, meaning that claims must be filed within 120 days of the new rates' effective date, or the right to challenge the rates is lost. SB 323 also mandates that the Proposition 218 notice to customers include a statement of the 120day statute of limitations for challenging rates.

December 16, 2024 FIC Committee Minutes Mr. Cafferty discussed SB 1072, approved by the Governor in September of 2024, which addresses the financially debilitating impacts of litigations, most notable in the Otay and San Diego cases. Otay Water District is facing an \$18 million refund requirement which will be funded by raising rates and will in turn impact water affordability. SB 1072 provides that rather than giving refunds, these amounts will be applied as credits to future bills. The City of San Diego is currently appealing a case involving approximately \$70 million in refunds. Both cases centered around tiered rates and the use of peaking factors to calculate costs which plaintiffs argued that the use of peaking factors did not comply with Proposition 218 requirements. However, AB 1827 which was also approved in September 2024 affirms that peaking factors are an acceptable method for calculating costs within tiered rate structures.

Mr. Cafferty explained that AB 2257 requires that any claims about deficiencies in the rate-setting process must be raised during the rate setting process itself. Rates cannot be challenged once they are established. The legislation also requires a written substantive objection explaining why the rates are deficient. The new legislation will run parallel to the current Proposition 218 process and the District will implement the requirements of AB 2257 into its budget process through a resolution that adopts the necessary procedures and policies. While the 45-day notice to customers remains a requirement, the Proposition 218 notice must specify a deadline for submitting substantive objections. To allow sufficient time for responses, staff is adjusting the schedule, ensuring that the 45-day notice period ends two weeks before the public hearing to allow time for staff to formulate responses to objections that meet the criteria. Mr. Cafferty concluded by emphasizing the importance of public agencies being held accountable while ensuring they have procedures in place to address challenges.

#### Fiscal Year 2025-26 Budget Process Update

Mr. Cafferty stated that the draft budget timeline is in the package and once the Board Budget Committee is assigned, staff will confirm availability for meetings. He highlighted key considerations for the budget, including the need for a new Proposition 218 notice for the commodity rates, similar to the process followed last year. Regarding the O&M rate increases, Mr. Cafferty explained that these are tied to the CPI Index, which was adjusted during a period of high inflation intended to protect against future inflation. However, with inflation now decreasing, staff will evaluate whether this increase is sufficient to cover rising costs such as power increases and other budget drivers. While staff controlled costs in some areas last year, this year, the O&M rates will be closely examined. The District will need to decide whether to continue with the CPI based approach or adopt a different strategy. Mr. Cafferty stated the Capital charges are still set for an increase, but staff will evaluate what is in the best financial interest of the District particularly regarding reserve levels.

#### Financial Action Items

#### Resolution No. 24-12-1 Director's Compensation Policy

Mr. Cafferty explained that minor revisions to the Directors compensation policy are suggested, as indicated by red lines in the package and a motion is needed to approve the policy changes. The Board members shared their input on potential compensation amounts, considering data from a survey of neighboring agencies. January's agenda will include an action item directing staff and counsel to potentially agendize a public hearing in February.

Director Havens asked for a Motion.

<u>Motion:</u> Director Freshley made a motion, seconded by Vice President Gaskins to approve Resolution No. 24-12-1 which adopts the amended EI Toro Water District Administrative Code.

Roll Call Vote:

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

## Resolution No. 24-12-2 Amending the El Toro Water District Internal Revenue Code

#### Section 125 Premium Only Plan

Mr. Cafferty stated that the Section 125 Premium Only Plan enables the District to implement pre-tax processes, such as the 401k plan and HSA. Following the Board's approval of the FSA last month, the plan had to be modified to include sections for the Healthcare FSA and Dependent Care FSA. During the process, Core Documents, who develops and modifies the plan, also made several mostly non-substantive changes.

Director Havens asked for a Motion.

Motion: President Monin made a motion, seconded by Director Freshley to adopt

Resolution No. 24-12-2 which amends and restates the Districts IRC Section 125

Premium Only Plan.

Roll Call Vote:

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

#### Metropolitan Water District Reverse Cyclic Program

Mr. Cafferty discussed the draft agreement between MET and MWDOC, as well as a brief letter agreement proposed by MWDOC for individual agencies' participation in the Reverse Cyclic program. This program allows agencies to purchase water at current rates for future delivery, rather than paying the rate at the time of delivery. It provides a guaranteed return and is considered beneficial for participating agencies. He noted that the timing of the program requires a prompt response.

Director Freshley inquired about the timing of MET's water release and the lack of guarantee that the District will receive the water. She also expressed concerns regarding the justification of rates, as they are based on the rate at which the District is purchasing the water. Additionally, she inquired about Raftelis' involvement in the process.

Mr. Cafferty acknowledged the concern about the timing of MET's water delivery and explained that it is in MET's financial interest to return the water as soon as possible, as delaying it results in financial losses for MET. The agreement specifies that the water will be delivered within five years. He clarified that the District will continue receiving its normal amount of water each year. He further described the program as a guaranteed return on investment for the District, considering it a safe investment. The District will invest a portion of its reserves in the program, with the water delivered back at no cost, and the savings will be rolled back into reserves. This investment will be tracked separately from the commodity rate and reported monthly on the finance report as a line item. Initially, the line item will show a negative amount until MET delivers the water at which point it will become positive, allowing the District to track the return on investment and transfer the funds back to normal reserves.

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Mr. Cafferty explained that each year, during the District's cost of service study, Raftelis follows the District's direction regarding the use of reserves, either as a supplementary revenue source or as reduction in revenue, ensuring it has no impact on rate setting. Staff will confer with Raftelis to confirm they agree with this approach.

Mr. Cafferty stated that he would inform MWDOC of the Districts intent to participate in the program.

Director Havens asked for a Motion.

<u>Motion:</u> President Monin made a motion, seconded by Vice President Gaskins to 1) authorize the General Manager to request participation in the MWD Reverse Cyclic Program in the amount of up to 1,000-acre feet and at an investment cost of up to \$1,256,000 and 2) authorize the General Manager to execute an agreement with the Municipal Water District of Orange County to formalize the participation with MWDOC and reference the Master agreement with Metropolitan Water District.

Roll Call Vote:

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

<u>Financial Package - Authorization to Approve Payment of Bills for the Month Ending</u> December 16, 2024 and Receive and File Financial Statements as of November 30,

### <u>2024</u>

Director Havens asked for a Motion.

<u>Motion:</u> President Monin made a motion, seconded by Vice President Gaskins to 1) approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending December 16, 2024, and 2) receive and file the Financial Statements for the month ending November 30, 2024.

#### Roll Call Vote:

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

#### Comments Regarding Non-Agenda FIC Items

Mr. Cafferty stated he and Mr. Sharma have discussed the upcoming implementation of the Financial Package and its presentation in the Board package. The financial package serves two purposes: the first portion is the action item for the Board to approve payment of bills and the second portion is the District's financial report, similar to the operations report. Moving forward, these two items will be separated as an action item for bill approval and the other as an informational item to allow the Board to review and comment on the District's financial activities.

Mr. Sharma provided a follow up on the PFM answers from last months meeting. He addressed one question regarding the paydown speed, offering a partial answer. He also explained that the realized gain of \$4 occurred because the District follows a buy and hold strategy, meaning no assets were sold, and gains were realized organically as they matured.

Director Freshley expressed satisfaction with the financial report and inquired if all components of the financial software have been implemented yet. Mr. Sharma responded that a few items are still pending which are scheduled for implementation

## next year.

December 16, 2024 FIC Committee Minutes Director Havens mentioned a process she learned about at the ACWA

conference, called positive pay, which helps prevent check fraud. Mr. Sharma confirmed

that the District currently utilizes positive pay.

#### <u>Adjournment</u>

There being no further business the Finance and Insurance Committee meeting was closed at approximately 8:25 a.m.

Respectfully submitted

MARISOL MELENDEZ Recording Secretary

APPROVED:

MIKE GASKINS, President of the EI Toro Water District and the Board of Directors thereof

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



## **STAFF REPORT**

To:Board of DirectorsMeeting Date: January 20, 2025

From: Vishav Sharma, Chief Financial Officer

Subject: December 2024 Monthly Financial Report and Analysis

Attached report provides an overview of the District's financial performance for the month of December 2024. It includes a comparison of Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and actual revenues and expenses analysis to the budgeted figures, as well as highlights key financial trends and variances to assist the Board in monitoring the District's financial health and performance.

#### Assets

#### Current Assets:

- Cash & Investments increased by \$747,459 from November to December 2024, totaling \$22,428,270. Out of this \$94,244 are restricted for certain capital projects. This reflects an increase in liquid assets available for operational needs.
- Accounts Receivable decreased by \$1,075,358, from \$6,439,449 in November to \$5,364,091 in December. This drop is primarily due to collections and reduced receivables.
- Prepaid Expenses saw a decrease of \$156,154, totaling \$650,302. This reduction reflects adjustments in advance payments for services or goods.

The total for Current Assets decreased by \$461,772, reflecting the combined impacts of the above changes and increase in supply inventory.

#### Non-Current Assets:

 Construction in Progress increased by \$680,826, reflecting ongoing capital projects.

The Non-Current Assets category saw a modest increase of \$270,715, bringing the total assets to \$139,632,876, down by \$191,739 from November 2024.

## Liabilities

- Current Liabilities:
  - Accounts Payable & Accrued Expenses increased by \$60,882, totaling \$1,331,039. This reflects an increase in short-term obligations.
  - Accrued Interest Payable saw a significant increase of \$69,013, reflecting interest payments due on outstanding debt.

Overall, Current Liabilities rose by \$128,748, totaling \$3,813,185.

- Non-Current Liabilities:
  - Loans Payable decreased slightly by \$44,379, bringing the total for long-term loans to \$50,574,157.

The Total Liabilities amounted to \$67,100,894, reflecting a slight increase of \$84,368 compared to November 2024.

#### **Summary of Revenues**

For the month of December 2024, the District's total revenues were \$2,700,690, bringing the Year-to-Date (YTD) total to \$18,991,037. This represents 54.3% of the total budgeted revenue for the fiscal year, with \$16,003,958 remaining to be earned.

### Key Revenues Categories:

• Commodity Supply Charges:

December revenue was \$824,234, with a YTD total of \$7,389,256 (59.9% of the budget). This category is performing slightly ahead of projections. Commodity supply charge includes recycled water revenues. This year recycled revenue has earned almost 80% of the budget as of December 31<sup>st</sup>, 2024.

- Service Charges: December revenue was \$1,231,073, and the YTD total stands at \$7,554,921, which is 50.3% of the annual budget. This is in line with expectations.
- Capital Facility Charges: December revenue was \$419,298, bringing the YTD total to \$2,511,720 (50.1% of the budget). The District is on track with respect to capital charge collections.
- Investment Income: The District received \$35,043 in December, resulting in a YTD total of \$447,610, which is 81.4% of the budgeted amount. This reflects favorable market conditions.
- Grants, Rebates, and Reimbursements: This category exceeded expectations with a YTD total of \$294,151, which is 106.6% of the budget. This positive variance is due to additional LRP subsidy from Metropolitan Water District for recycled water sales during the year.
- Miscellaneous Revenue: December revenue was \$22,423, bringing the YTD total to \$113,402, which is 31.7% of the budget. This category remains below projections, primarily due to timing.

#### Summary of Expenses

Total expenses for December 2024 were \$2,991,824, bringing the Year-to-Date (YTD) total to \$17,210,648, which is 47.8% of the annual budget. There is \$18,800,494 in budgeted expenses remaining for the rest of the fiscal year.

Key Expense Categories:

• Salary Expenses:

December salary-related expenses were \$554,803, resulting in a YTD total of \$3,698,046 (49.0% of the budget). Salary expenses are in line with expectations, although overtime expenses are slightly elevated. Staff is paying a close attention to the overtime cost and analyzing it every pay period.

- Benefit Expenses: Benefit expenses for December totaled \$220,709, bringing the YTD total to \$1,483,223 (52.4% of budget). Medical and dental insurance expenses are the main drivers of this category.
- Water Purchased for Resale: December expenses totaled \$893,616, with a YTD total of \$4,684,915 (47.5% of budget).
- Contracted/Purchased Services: Total expenses for December were \$553,830, with YTD expenses of \$3,068,549 (48.3% of budget). The District continues to manage contracts efficiently.
- Capital Improvement Expenses: December capital improvement expenses were \$47,812, with a YTD total of \$164,291 (49.0% of budget). These expanses will level off in the future months.
- Other Expenses: This category includes costs related to retiree health insurance, depreciation, and debt interest. YTD expenses total \$3,430,072 (46.6% of budget). Notably, depreciation is on track with expectations.

#### **Net Position**

The District's net position as of December 31, 2024 was \$66,974,778. The change in net position for the month of December 2024 was -\$291,134. However, the YTD change in net position is \$1,780,389, reflecting a positive financial position for the year-to-date period. The negative change in December was due to seasonal timing of certain revenue and expenditure items.

### Conclusion

The District's financial performance through December 2024 is generally on track. Revenues are performing as expected, with favorable variances in investment income and grants. Expenses are also in line with the budget, with salary, benefit, and commodity costs being the primary areas of focus for ongoing management. Overall, the District remains in a stable financial position, with a positive YTD change in net position. Attachment 1 Statement of Net Position for the December 31, 2024

Interim Statemen	El Toro Water District It of Net Position for the Mo		)24	
	6/30/2024 Interim	11/30/2024 Interim	12/31/2024 Interim	Change
Assets				
Current Assets				
Cash & Cash Equivalents	9,598,651	14,120,353	14,896,506	776,153
Investments	13,331,929	7,560,377	7,531,002	(29,375)
Accounts Receivable	5,358,280	6,439,449	5,364,091	(1,075,358)
Materials & Supply Inventory	694,365	694,365	716,646	22,281
Prepaid Expenses	272,893	806,457	650,302	(156,154)
Restricted - Cash & Cash Equivalents	2,972	81	762	681
Current Assets - Sub-total	29,259,090	29,621,081	29,159,309	(461,772)
Non-Current Assets				
Lease Receivable	168,271	168,271	168,271	-
Land & Easements	7,451,585	7,451,585	7,451,585	-
Capacity Rights	342,382	342,382	342,382	-
Capital Assets				
Water System	61,492,512	61,492,512	61,492,512	-
Wastewater System	61,524,968	61,524,968	61,524,968	-
Recycled System	55,454,389	55,454,389	55,454,389	-
Combined Assets	15,905,406	15,905,406	15,905,406	-
Construction in Progress	4,916,960	6,637,922	7,318,748	680,826
Accumulated Depreciation	(96,723,816)	(98,773,901)	(99,184,012)	(410,111)
Non-Current Assets - Sub-total	110,532,657	110,203,534	110,474,249	270,715
Total Assets	139,791,747	139,824,615	139,633,558	(191,057)
Deferred Outflows of Resources OPEB Deferred Outflow of Resources	2,480,241	2,480,241	2,480,241	-
Liabilities Current Liabilities				
Accounts Payable & Accrued Expenses	2,920,705	1,270,158	1,331,039	60,882
Accrued Salaries & Related Payables	169,383	153,106	151,959	(1,147)
Customer Deposits	77,741	15,550	15,550	-
Accrued Interest Payable	156,971	84,937	153,950	69,013
Long Term Liabilities - Due in One Year				-
Compensated Absences	236.316	236,316	236.316	-
Loans Payable	1,924,372	1,924,372	1,924,372	-
Current Liabilities - Sub-total	5,485,488	3,684,438	3,813,185	128,748
Non-Current Liabilities		0,001,100	0,010,100	.20,1.10
Compensated Absences	1,456,918	1,456,919	1,456,919	_
Other Post-Employment Benefits Liability	11,256,633	11,256,633	11,256,633	-
Loans Payable	50,840,433	50,618,536	50,574,157	- (44,379)
Non-Current Liabilities - Sub-total	63,553,984	63,332,088	63,287,708	(44,379)
Total Liablities	69,039,472	67,016,526	67,100,894	84,368
				,
Deferred Inflows of Resources				
Deferred Amounts from Leases	336,495	336,495	336,495	-
Deferred Amounts from OPEB	7,701,632	7,701,632	7,701,632	-
Total Deferred Inflows of Resources	8,038,127	8,038,127	8,038,127	-
Net Position				
Net Investment in Capital Assets	57,425,866	57,660,626	57,975,720	315,094
Restricted - Capital Projects	2,895	2,895	2,895	-
Restricted - Debt Service	-	_,000	,000	-
Unrestricted	7,765,628	9,586,683	8,996,163	(590,520)
Total Net Position	65,194,389	67,250,203	66,974,778	(275,426)
	00,104,000	01,200,200	00,017,110	(213,720)

Attachment 2 Statement of Revenues, Expenses, and Changes in Net Position for December 31, 2024

#### Statement of Revenues, Expenses, and Changes in Net Position for the Month of December, 2024

	District		Water Sys		Wastewater S	•	Recycled System		Capital Impr	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating Revenues										
Commodity Supply Charges	\$ 12,336,195 \$	5 7,389,256 5	\$ 10,710,144 \$	5,976,737 \$	- \$	- \$	5 1,626,051 \$	1,412,519 \$	- \$	
Service Provision Charges	15,020,423	7,554,921	4,870,491	2,422,657	9,684,429	4,898,776	465,503	233,488	-	
Capital Facilities Charge	5,009,153	2,511,720	-	-	-	-	-	-	5,009,153	2,511,72
Charges for Services	125,000	4,920	125,000	4,920	-	-	-	-	-	
Miscellaneous Operating Income	45,900	(14,867)	31,000	35,848	14,900	(50,715)	-	-	-	
Grants, Rebates, Reimbursements	281,125	294,151	-	1,971	5,300	11,049	275,825	274,928	-	6,203
Total Operating Revenues	32,817,795	17,740,100	15,736,635	8,442,133	9,704,629	4,859,110	2,367,379	1,920,934	5,009,153	2,517,923
Operating Expenses										
General & Administrative	5,729,652	2,558,123	2,293,818	1,135,058	2,977,629	1,234,120	458,205	188,945	-	
Operations & Maintenance	22,916,785	11,222,453	13,849,372	6,654,424	7,170,785	3,516,185	1,561,603	887,554	335,026	164,29 <sup>-</sup>
Operating Capital Expenses	335,026	-	-	-	-	-	-	-	335,026	
Other Operating Expenses	350,000	192,404	140,000	76,962	182,000	100,050	28,000	15,392	-	
Depreciation & Amortization	4,906,900	2,460,194	-	-	-	-	-	-	4,906,900	2,460,194
Total Operating Expenses	34,238,363	16,433,174	16,283,190	7,866,443	10,330,414	4,850,355	2,047,808	1,091,891	5,576,952	2,624,485
Operating Income/(Loss)	(1,420,568)	1,306,926	(546,555)	575,690	(625,785)	8,755	319,571	829,043	(567,799)	(106,562
Non-operating Revenues										
Property Taxes	1,320,800	660,400	528,320	264,160	686,816	343,408	105,664	52,832	-	
Investment Earnings	550,000	447,610	275,000	194,570	275,000	250,531	-	1,824	-	685
Miscellaneous Revenue	306,400	128,269	296,000	126,072	10,400	2,119	-	78	-	
Interest Expense	(2,107,805)	(777,474)	-	-	-	-	-	-	(2,107,805)	(777,474
Net Non-Operating Revenues	69,395	458,805	1,099,320	584,802	972,216	596,058	105,664	54,734	(2,107,805)	(776,78
Income/(Loss) before Contributions										
& Transfers	(1,351,173)	1,765,732	552,765	1,160,492	346,431	604,813	425,235	883,777	(2,675,604)	(883,35
Transfers										
Transfers In	1,879,100	939,550	-	-	-	-	-	-	1,879,100	939,550
Transfers Out	(1,879,100)	(939,550)	(881,880)	(440,940)	-	-	(997,220)	(498,610)	-	
Net Transfers	-	-	(881,880)	(440,940)	-	-	(997,220)	(498,610)	1,879,100	939,550
Capital Contributions										
Donations & Contributions	-	14,658	-	1,916	-	1,861	-	-	-	10,88
Total Capital Contributions	-	14,658	-	1,916	-	1,861	-	-	-	10,88 <sup>-</sup>
Change in Net Position	(1,351,173)	1,780,389	(329,115)	721,468	346,431	606,674	(571,985)	385,167	(796,504)	67,080
Beginning Net Position	65,194,389	65,194,389								

Attachment 3 Summary of Revenues and Expenses for the December 31, 2024

Account - Description	Month Actual	YTD Actual	2024-2025 Budgeted	Budget Remaining	% of Budget Earned/Spent
		Astual	Padyoleu	Romannig	Lamouropent
Summary of Total District Revenues					
District Totals	004 004	7 200 250	10 000 105	4.046.020	
Commodity Supply Charges	824,234	7,389,256	12,336,195	4,946,938	59.9%
Service Charges	1,231,073	7,554,921	15,020,423	7,465,502	50.3%
Capital Facility Charges	419,298	2,511,720	5,009,153	2,497,433	50.1%
Charges for Services	-	4,920	125,000	120,080	3.9%
Miscellaneous Revenue	22,423	113,402	357,600	244,198	31.7%
Grants, Rebates, Reimbursements	55,344	294,151	275,825	(18,326)	106.6%
Property Taxes	110,067	660,400	1,320,800	660,400	50.0%
Investment Income	35,043	447,610	550,000	102,390	81.4%
Donations & Capital Contributions	3,207	14,658	-	(14,658)	N//
Total Revenue	2,700,690	18,991,037	34,994,995	16,003,958	54.3%
Summary of Total District Expenses					
Salary Expenses					
Directors Fees	8,760	57,159	131,400	74,241	43.5%
Exempt Salaries	120,480	780,275	1,344,300	564,025	58.0%
Non-exempt Salaries	387,475	2,588,541	5,375,400	2,786,859	48.2%
Other Salary Payments	-	-	218,600	218,600	0.0%
Overtime	27,021	198,031	285,000	86,969	69.5%
Overtime - On-call	6,720	43,680	87,300	43,620	50.0%
Stipends/Allowances	4,348	28,259	104,297	76,038	27.1%
Employee Service Awards	-	2,100	700	(1,400)	300.0%
Salary Expenses Sub-total	554,803	3,698,046	7,546,997	3,848,951	49.0%
Benefit Expenses					
Medical Insurance	95,888	653,171	1,133,800	480,629	57.6%
HSA Contributions	-	-	19,400	19,400	0.0%
Dental Insurance	7,933	55,562	85,400	29,838	65.1%
Vision Insurance	1,084	7,538	12,600	5,062	59.8%
Life Insurance	3,281	22,791	39,500	16,709	57.7%
Disability Insurance	4,050	27,947	41,300	13,353	67.7%
Long-term Care Insurance	1,529	5,022	25,800	20,778	19.5%
Workers Compensation Insurance	10,823	75,430	162,198	86,768	46.5%
State Unemployment Insurance	-	-	3,000	3,000	0.0%
401k Retirement Contributions	49,250	325,886	645,600	319,714	50.5%
401k Matching Contributions	33,594	219,834	276,200	56,366	79.6%
457b Matching Contributions	5,079	35,923	263,300	227,377	13.6%
Medicare Insurance	7,738	51,037	110,200	59,163	46.3%
FICA	460	3,083	9,600	6,517	32.1%
Benefit Expenses Sub-total	220,709	1,483,223	2,827,898	1,344,675	52.4%
Commodity Purchased for Resale					
Water Purchases - MWDOC	142,204	910,927	4,503,475	3,592,548	20.2%
Water Purchases - MWDOC Fixed	66,936	413,102	4,503,475 940,169	527,066	43.9%
Water Purchases - MWDOC Fixed	2,590	15,437	33,725	18,288	45.8%
Regional Water Supply Expenses	2,590	3,054	8,000	4,946	38.2%
Water Purchases - Baker WTP	250,853	3,054 1,496,702	3,176,250	4,940 1,679,548	47.19
Water Purchases - Baker O&M	250,853 225,377	233,971	3,176,250 1,054,350	820,379	47.19
			1,004,000		22.29 N//
Water Purch - Other Agencies	193 452	1 553 251	_	(1 553 251)	

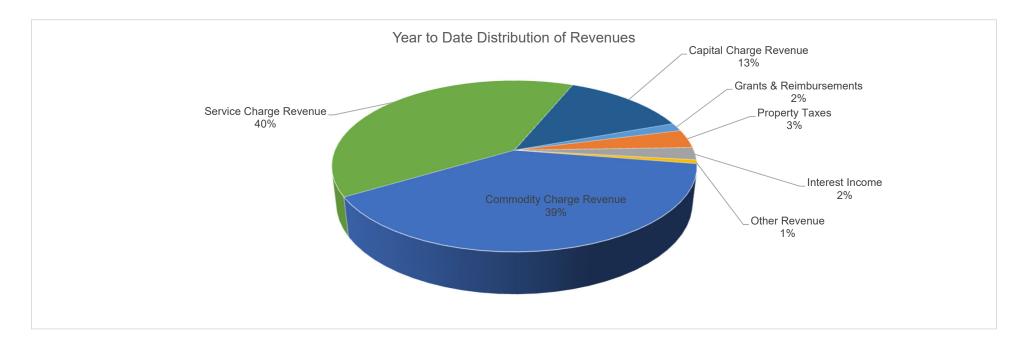
Water Purch - Other Agencies	193,452	1,553,251	-	(1,553,251)	N/A
MWDOC Service Connect Charge	11,694	58,471	140,500	82,029	41.6%
Commodity Purchased for Resale Sub-total	893,616	4,684,915	9,856,469	5,171,554	47.5%

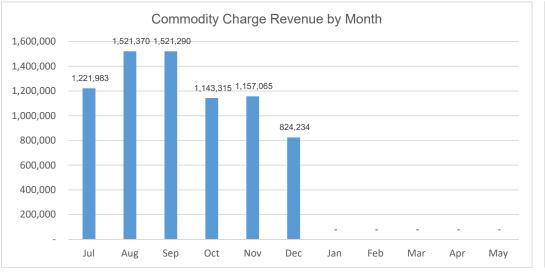
Account - Description	Month Actual	YTD Actual	2024-2025 Budgeted	Budget Remaining	% of Budget Earned/Spent
Contracted/Purchased Services					
Consultants	7,529	74,764	116,939	42,175	63.9%
Engineering Services	2,111	4,716	40,000	35,284	11.8%
Audit & Accounting Services	10,900	28,143	49,300	21,158	57.1%
Technology Consultants	-	9,021	32,000	22,979	28.2%
SOCWA Contract	98,604	496,020	1,200,000	703,980	41.3%
Contractors	15,664	108,142	312,800	204,658	34.6%
Contracted Employees	-	-	9,000	9,000	0.0%
Legal Svcs - General Counsel	9,284	50,043	90,000	39,957	55.6%
Legal Svcs - Specialty Counsel	4,774	4,914	26,600	21,686	18.5%
Other Legal Services	199	571	-	(571)	N/A
Employee Recruitmnt/Compliance	242 2,057	2,474	3,000	526 (8,057)	82.5% N/A
Employee Health & Wellness Employee Relations Expenses	2,057	8,057 703	- 2,400	(8,037) 1,697	29.3%
Professional Services	-	703	2,400	1,097	29.3 % N/A
Landscaping Services	5,058	62,527	- 145,946	83,419	42.8%
Janitorial Contracts	5,058	26,331	45,000	18,669	58.5%
Equipment Rental	745	26,212	15,000	(11,212)	174.7%
Uniform Rental	926	10,528	16,700	6,172	63.0%
Laboratory Services	-	12,541	23,400	10,859	53.6%
Disposal Services	9,963	46,893	59,000	12,107	79.5%
Security Services	-	6,718	80,431	73,712	8.4%
Insurance	31,446	190,640	441,722	251,082	43.2%
Financial Service Fees	9,562	41,741	33,500	(8,241)	124.6%
Printing & Reproduction	112	14,843	28,750	13,907	51.6%
Advertising & Publicity Svcs	736	1,325	8,800	7,475	15.1%
Postage	-	-	10,400	10,400	0.0%
Public Relations/Education	1,529	14,780	69,000	54,220	21.4%
Water Efficiency Services	575	23,535	72,000	48,465	32.7%
Licenses & Permits	72,039	176,300	245,660	69,360	71.8%
Software Maintenance/Licenses	12,203	44,040	322,125	278,085	13.7%
Electrical Power	180,806	1,250,175	2,022,580	772,405	61.8%
Natural Gas	-	561	4,500	3,939	12.5%
	1,341	5,810	-	(5,810)	N/A
Telecommunications	637	11,118	10,000	(1,118)	111.2%
Mobile Telecommunications Data Access	2,486 8,769	17,286	48,000 60,000	30,714	36.0%
Equipment Maintenance & Repair	13,142	30,490 122,608	175,550	29,510 52,942	50.8% 69.8%
Pump Maintenance & Repair	9,068	9,102	49,300	40,198	18.5%
Motor Maintenance & Repair	15,759	46,947	120,400	73,453	39.0%
Electrical Maintenance/Repair	-	14,489	110,000	95,511	13.2%
Meter Maintenance & Repair	4,169	7,042	39,600	32,558	17.8%
Structure Maintenance & Repair	1,771	13,140	34,300	21,160	38.3%
Asphalt Maintenance & Repair	14,447	53,260	176,400	123,140	30.2%
Contracted/Purchased Services Sub-total	553,830	3,068,549	6,350,103	3,281,554	48.3%
Commodities					
Repair Parts & Materials	27,733	164,685	466,400	301,715	35.3%
Tools & Small Equipment	2,563	21,208	89,145	67,937	23.8%
Safety Equipment	850	2,424	22,600	20,176	10.7%
Employee Tools/Safety Equip	11,280	18,076	23,200	5,124	77.9%
Laboratory Tools & Small Equip	221	221	20,000	19,779	1.1%
Technology Tools/Small Equip	444	16,775	8,000	(8,775)	209.7%
Chemicals	49,288	224,969	314,200	89,231	71.6%
Laboratory Chemicals	3,219	11,633	41,000	29,367	28.4%
Gasoline & Oil	13,578	53,050	140,000	86,950	37.9%
Operating Supplies/Accessories	1,524	14,587	73,450	58,863	19.9%
Office Supplies & Accessories	1,687	6,163	30,700	24,537	20.1%
Technology Supplies/Components	1,764	4,680	32,000	27,320	14.6%
Lab Supplies & Accessories	3,223	7,755	20,500	12,745	37.8%
Meeting/Event Supplies & Food	1,713	9,741	36,500	26,759	26.7%
Water Use Efficiency Supplies	-	6,796	15,000	8,204	45.3%
Commodities Sub-total	119,087	562,762	1,332,695	769,933	42.2%

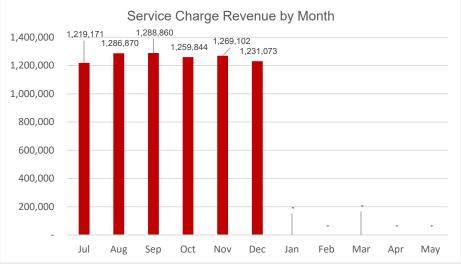
Account - Description	Month Actual	YTD Actual	2024-2025 Budgeted	Budget Remaining	% of Budget Earned/Spent
Professional Development					
Education & Training	5,236	16,055	79,390	63,335	20.2%
Education/Training - Directors	-	-	-	-	N/A
Licenses & Certifications	194	254	3,560	3,306	7.1%
Dues & Memberships	10,800	46,851	125,650	78,799	37.3%
Dues & Memberships - Directors	-	- ,	-	-	N/A
Meetings & Conferences	-	8,583	27,900	19,317	30.8%
Meetings/Conferences-Directors	1,525	9,505	11,000	1,495	86.4%
Travel Reimbursement	147	8,802	39,400	30,598	22.3%
Travel Reimbursement-Directors	630	8,471	35,000	26,529	24.2%
Publications & Subscriptions	1,188	2,560	2,550	(10)	100.4%
Professional Development Sub-total	19,721	101,080	324,450	223,370	31.2%
Miscellaneous Expenses					
Employee Appreciation Expenses	-	-	500	500	0.0%
Internal/External Event Expenses	9,450	9,450	4,500	(4,950)	210.0%
Election Expense	-, -		40,000	40,000	0.0%
Reimbursable Repair Expense	-	-	-	-	N/A
Property Taxes	-	2,510	5,096	2,586	49.2%
Uncollectible Accounts	-	(247)	19,500	19,747	-1.3%
NSFs & Miscellaneous Fees	-	(_ · · · ) _	100	100	0.0%
Refund Overcharges	1,989	5,999	3,104	(2,895)	193.3%
Damage/Repair Reimbursements	-	-	-	-	N/A
Miscellaneous Sub-total	11,439	17,712	72,800	55,088	24.3%
Sub Total - General and O&M Expanses	2,373,205	13,616,286	28,311,411	14,695,125	48.1%
Capital Improvement Expenses					
Water System Projects					
Supply/Storage Projects	28,378	28,378	27,618	(760)	102.8%
Pumping Projects	-	-		(100)	N/A
Main/Service Line Projects	-	-	122,408	122,408	0.0%
Wastewater System Projects	-	-	,	, · • •	N/A
Pumping Projects	-	-	10,000	10,000	0.0%
Wastewater Treatment Projects	-	6,377	15,000	8,623	42.5%
Main/Service Line Projects	-	-	-	-,	N/A
Recycled System Projects	-			-	N/A
Pumping Projects	-	-	-	-	N/A
Tertiary Treatment Projects	-	-	_	_	N/A
Main/Service Line Projects	-	-	_	_	N/A
General Projects		_		_	N/A
Operating Equipment Purchases	-	-	_	_	N/A
Vehicle & Related Equipment Purchases	-	-	-	-	N/A
Technoloy Projects & Purchases	19,272	56,782	40,000	(16,782)	142.0%
Building & Structure Improvements		9,558	-0,000	(9,558)	N/A
General Capital Projects	162	63,196	- 120,000	56,804	52.7%
Construction in Progress	-	00,100	-		N/A
Capital Improvement Expenses Sub-total	47,812	164,291	335,026	170,735	49.0%
	בוס, וד	107,201	000,020	110,100	

Other Expenses					
Retiree Health Insurance	31,117	192,404	350,000	157,596	55.0%
Depreciation	410,111	2,460,194	4,906,900	2,446,706	50.1%
Debt Interest Expense	129,579	777,474	2,107,805	1,330,331	36.9%
Other Expenses Sub-total	570,807	3,430,072	7,364,705	3,934,633	46.6%
Total Expenses	2,991,824	17,210,648	36,011,142	18,800,494	47.8%
Change in Net Position	(291,134)	1,780,389	(1,016,147)		

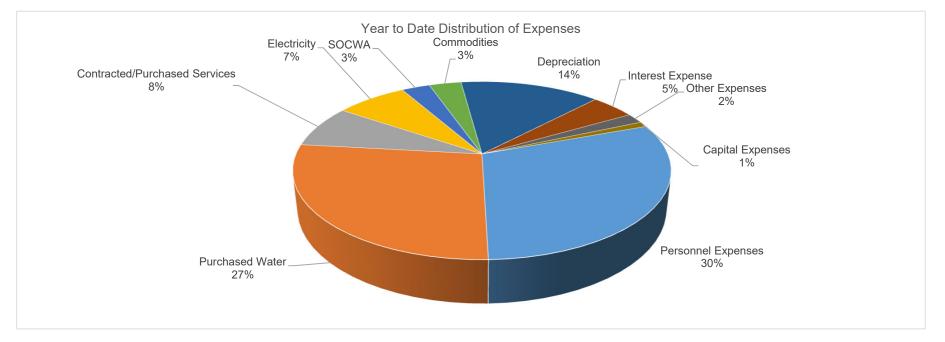
Attachment 4 Revenue and Expense Charts for December 31, 2024

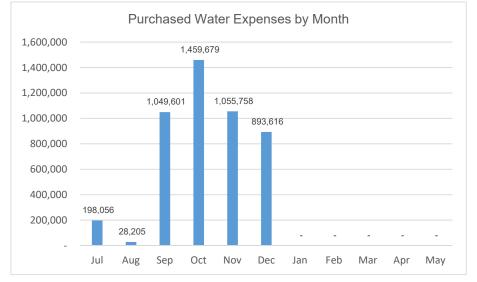






#### Expense Chart -December Financial Report

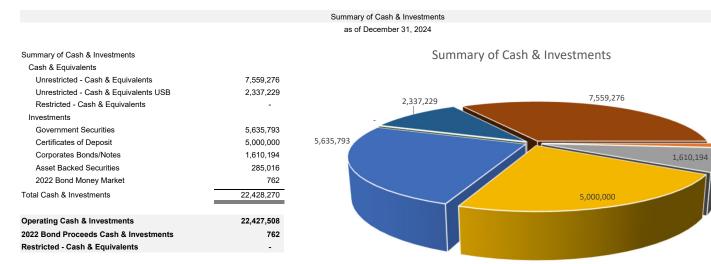






Attachment 5

Summary of Cash & Investments at the end of December 31, 2024



762

285,016

	A	0
	Account	Current
-	Balance	Yield
Cash & Equivalents		
Demand Deposit Accounts		
US Bank - Checking Account	2,337,229	
US - Capital Facilities Checking	-	
US Bank - 2022 Bond Proceeds/Interest/Principal	762	
Petty Cash	700	
Money Market Accounts		
US Bank - Money Market Account		
CAMP Money Market	4,982,206	
LAIF Money Market	2,576,370	
Total Cash & Equivalents	9,897,267	

Investments									
	Purchase	Par	Coupon	oupon Yield to	Purchase	Maturity			
	Cost	Amount	(Discount)	Value	Gain/(Loss)	Rate	Maturity	Date	Date
Governmental Securities									
United States Treasury Bond									
US Treasury N/B - AA+	347,047	350,000	(2,953)	349,599	2,552	1.125%	1.42%	2/4/2022	1/15/2025
US Treasury N/B - AA+	149,566	150,000	(434)	149,175	(391)	2.750%	2.85%	6/1/2022	5/15/2025
US Treasury N/B - AA+	1,045,201	1,050,000	(4,799)	1,054,512	9,311	4.625%	4.90%	6/12/2024	3/15/2026
US Treasury N/B - AA+	1,026,744	1,050,000	(23,256)	1,041,305	14,561	3.625%	4.84%	6/12/2024	5/15/2026
US Treasury N/B - AA+	466,543	500,000	(33,457)	485,508	18,965	2.125%	4.20%	11/30/2022	5/31/2026
US Treasury N/B - AA+	464,531	500,000	(35,469)	479,785	15,254	2.250%	4.10%	11/30/2022	2/15/2027
US Treasury N/B - AA+	480,273	500,000	(19,727)	488,223	7,949	3.250%	4.25%	2/22/2023	6/30/2027
US Treasury N/B - AA+	502,500	500,000	2,500	497,969	(4,531)	4.125%	4.01%	11/30/2022	9/30/2027
US Treasury N/B - AA+	497,930	500,000	(2,070)	497,969	39	4.125%	4.22%	2/22/2023	9/30/2027
US Treasury N/B - AA+	485,332	500,000	(14,668)	488,477	3,144	3.500%	4.16%	2/22/2023	1/31/2028
United States Treasury Bond - Totals	5,465,668	5,600,000	(134,332)	5,532,521	66,853				

	Investments (Continue) Purchase Par Premium/ Market Unrealized					Coursen	Yield to	Purchase	Maturity
	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Gain/(Loss)	Coupon Rate	Maturity	Date	Date
Supra-National Agency Bond / Note		, unount	(Diocount)	Value	Call, (2000)	Hato	matanty	Baio	5000
Supra-National Agency Bond / Note Totals	-	-	-	-	-				
Municipal Bond / Note									
NJ TPK Authority TXBL Revenue Bonds - AA-	20,000	20,000	-	20,000	-	0.897%	0.90%	1/22/2021	1/1/202
Municipal Bond / Note Totals	20,000	20,000	-	20,000	-				
Federal Agency Commercial Mortgage-Backed Security									
FHMS K047 - AA+	84,318	83,782	537	83,272	(1,047)	3.329%	3.11%	5/19/2022	5/1/202
Federal Mortgage-Backed Security Totals	84,318	83,782	537	83,272	(1,047)				
Governmental Securities - Total Balances	5,569,986	5,703,782	(133,795)	5,635,793	65,806				
_		-,, -	(,,	-,,					
Corporate Notes					<i>(</i> <b>- - - - - - - - - -</b>				
Apple Inc Corp Note - AA+	42,786	40,000	2,786	39,978	(2,809)	2.750%	0.89%	3/11/2021	1/13/202
Merck & Co Inc Corp Notes	21,389	20,000	1,389	19,962	(1,427)	2.750%	0.94%	3/9/2021	2/10/202
3M Company Corp Note	69,744	70,000	(256)	69,764	20	2.000%	2.13%	3/3/2022	2/14/202
Exon Mobil Corp Note	29,874	30,000	(126)	29,905	30	2.709%	2.86%	4/1/2022	3/6/202
Intel Corp Notes	30,873	30,000	873	29,896	(976)	3.400%	2.40%	3/8/2022	3/25/202
Burlington North Santa Fe Corp Note Call	21,533	20,000	1,533	19,920	(1,612)	3.000%	1.07%	3/5/2021	4/1/202
Amazon.com Inc Corp Notes	74,881	75,000	(119)	74,698	(182)	3.000%	3.06%	4/11/2022	4/13/202
Home Depot Inc Corp Note	4,991	5,000	(9)	4,975	(16)	2.700%	2.76%	3/24/2022	4/15/202
Target Corp Note	30,015	30,000	15	29,778	(237)	2.250%	2.23%	3/8/2022	4/15/202
Bank of NY Mellon Corp Note	46,148	45,000	1,148	44,564	(1,583)	1.600%	0.97%	3/10/2021	4/24/202
Bank of NY Mellon Corp Note	19,997	20,000	(3)	19,923	(74)	3.350%	3.36%	4/19/2022	4/25/202
Pepsico Inc Corp Note Call	21,400	20,000	1,400	19,891	(1,509)	2.750%	1.02%	3/5/2021	4/30/202
Truist Financial Corp Call	36,373	35,000	1,373	34,917	(1,456)	4.000%	2.69%	3/8/2022	5/1/202
Charles Schwab Corp Note	40,616	40,000	616	39,889	(727)	3.850%	3.30%	6/1/2022	5/21/202
Honeywell Intl Corp Note	20,360	20,000	360	19,740	(621)	1.350%	0.91%	3/5/2021	6/1/202
National Rural Util Coop Corp Note	9,997	10,000	(3)	9,943	(54)	3.450%	3.46%	5/4/2022	6/15/202
Intel Corp Notes	35,821	35,000	821	34,766	(1,055)	3.700%	2.95%	4/4/2022	7/29/202
Morgan Stanley Corp Notes	126,939	130,000	(3,062)	129,038	2,100	3.875%	5.41%	6/12/2024	1/27/202
State Street Corp Note	20,000	20,000	-	19,935	(65)	1.746%	1.75%	2/2/2022	2/6/202
Goldman Sachs Group Inc Corp Note Call	126,585	130,000	(3,415)	128,567	1,982	3.750%	5.38%	6/12/2024	2/25/202
Caterpillar Finl Service Corp Notes	99,911	100,000	(89)	100,703	792	5.050%	5.11%	6/11/2024	2/27/202
United Healthcare Group Inc Corp Notes	125,597	130,000	(4,403)	128,088	2,491	3.100%	5.14%	6/12/2024	3/15/202
Citigroup Inc Corp Notes	15,000	15,000	-	14,944	(56)	3.290%	3.29%	3/10/2022	3/17/202
State Street Corp Note	61,208	60,000	1,208	59,700	(1,508)	2.901%	2.38%	2/17/2022	3/30/202
JPMorgan Chase & Co (Callable)	145,148	150,000	(4,853)	147,713	2,565	3.300%	5.20%	6/12/2024	4/1/202
Bank of America Corp Notes	125,806	130,000	(4,194)	128,052	2,245	3.500%	5.35%	6/12/2024	4/19/202
JPMorgan Chase & Co (Callable)	80,000	80,000	-	79,792	(208)	4.080%	4.08%	4/19/2022	4/26/202
Toyota Motor Credit Corp Notes	130,074	130,000	74	131,153	1,079	5.200%	5.17%	6/12/2024	5/15/202
Corporate Bonds - Total Balances	1,613,064	1,620,000	(6,936)	1,610,194	(2,870)				

			Investments (con	tinued)					
	Purchase	Par	Premium/	Market	Unrealized	Coupon	Yield to	Purchase	Maturity
	Cost	Amount	(Discount)	Value	Gain/(Loss)	Rate	Maturity	Date	Date
Asset Backed Securities									
Harot 2021 - AAA	1,147	1,147	(0)	1,145	(2)	0.410%	0.41%	8/17/2021	11/18/202
Harot 2021 - Aaa	3,921	3,922	(1)	3,891	(30)	0.880%	0.89%	11/16/2021	1/21/2020
TAOT 2021 - AAA	5,062	5,062	(0)	5,025	(37)	0.710%	0.71%	11/9/2021	4/15/202
Hart 2021 - AAA	2,089	2,090	(0)	2,082	(8)	0.740%	0.75%	11/9/2021	5/15/202
Harot 2022 - AAA	14,192	14,194	(2)	14,072	(120)	1.880%	1.88%	2/15/2022	5/15/202
FordO 2022 - AAA	5,051	5,052	(1)	5,015	(36)	1.290%	1.29%	1/19/2022	6/15/202
BMWOT 2021 - AAA	8,193	8,194	(0)	8,157	(37)	3.210%	3.21%	5/10/2022	8/25/202
COPAR 2021 - AAA	5,298	5,298	(0)	5,245	(53)	0.770%	0.77%	10/19/2021	9/15/202
FordO 2022 - Aaa	9,170	9,170	(0)	9,148	(22)	3.740%	3.74%	6/22/2022	9/15/202
TAOT 2022 - AAA	12,134	12,134	(0)	12,060	(73)	2.930%	2.93%	4/7/2022	9/15/202
GMCar 2021 - AAA	5,246	5,246	(0)	5,197	(49)	0.680%	0.68%	10/13/2021	9/16/202
Hart 2022 - AAA	17,987	17,988	(1)	17,853	(134)	2.220%	2.22%	3/9/2022	10/15/202
Allya 2022 - AAA	20,313	20,317	(4)	20,232	(81)	3.310%	3.31%	5/10/2022	11/15/202
GMCar 2022 - AAA	5,383	5,383	(0)	5,334	(48)	1.260%	1.26%	1/11/2022	11/16/202
HDMOT 2022 - AAA	10,254	10,256	(2)	10,206	(49)	3.060%	3.06%	4/12/2022	2/15/202
GMCar 2022 - AAA	11,511	11,514	(2)	11,441	(70)	3.100%	3.10%	4/5/2022	2/16/202
Carmx 2022 - AAA	14,483	14,485	(2)	14,428	(55)	3.490%	3.49%	4/21/2028	2/16/202
Comet 2022 - AAA	69,995	70,000	(5)	69,739	(256)	2.800%	2.80%	3/23/2022	3/15/202
Comet 2022 - AAA	64,990	65,000	(10)	64,745	(245)	3.490%	3.49%	6/6/2022	5/15/202
Corporate Bonds - Total Balances	286,419	286,451	(33)	285,016	(1,403)				

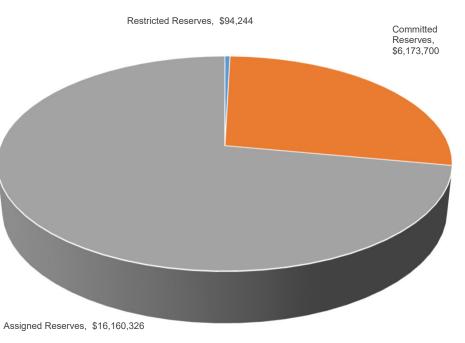
Attachment 6

Cash Reserve Balances for December 31, 2024

#### El Toro Water District Preliminary Cash Reserve Status Report as of December 31, 2024

Balances Targets	3
Reconciled Cash Balance \$ 22,428,270	
Restricted Reserves	
2022 Revenue Bonds Fund 762	-
Capital Facilities Charge Reserve 93,482	-
Sub Total Restricted Reserve 94,244	-
Committed Reserves	
Capital Construction Reserve 1,975,455 3,000,	000
Rate Stabilization Reserve 1,835,600 2,100,	000
Operational Continuity Reserve 2,100,000 2,100,	000
Working Capital Reserve 262,645 2,100,	000
Sub Total Committed Reserves 6,173,700 9,300,	000
Assigned Reserves	
CIP Reserves	
Capital Carryover 2,362,963	-
Accumulated Capital Reserve 221,001	-
CIP - Revenue Bond Unrestricted Reserve 8,017,604	-
SOCWA Capital Projects 3,673,370	-
Recycled Water Capital / Debt Service (1,361,516)	
Capital Plan Working Capital Reserve(1) 2,189,730	
Water Supply Bragrom Becory	-
Water Supply Program Reserves Tiered Conservation Fund 801.309	
Tiered Conservation Fund 801,309	-
Debt Service Reserves	
Baker Debt Service 255,865	-
Sub Total Assigned Reserves 16,160,326	
Total Cash Reserves 22,428,270	
Adjusted Cash Reserves <sup>(2)</sup> 22,334,026 9,300,	000

#### **Distribution of Reserve Balances**



(1) Working Capital reserve amount is net of outstanding checks

(2) The Adjusted Cash Reserves excludes Capital Facilities Charge Reserve and 2022 Revenue Bond fund which are obligated to the projects identified in the 2022 Bond Official Statement and are therefore not available for Operations & Maintenance activities or the annual Capital Improvement Program.

Attachment 7 Capital Project Expense Report through December 31, 2024

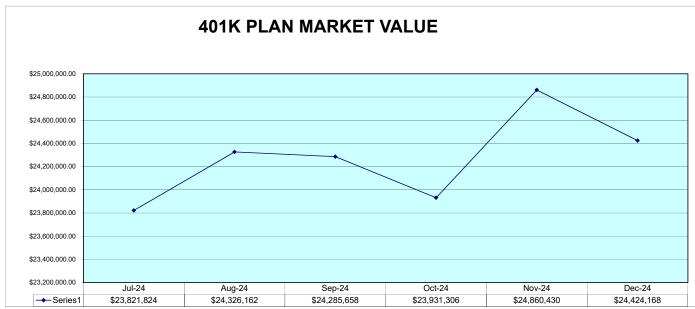
				_	2024-2025	Capital Progra	am Budget Inform	ation									
PM Task		1	т					T		2024 - 2025 Ex	penses				1		
Code	Project Description	Funding Source	Account	Total Budget	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Total
	New Warehouse	Revenue Bond	40-000-15040	2,502,530.00		3,486.38		35,151.53		270,499.15							309,137.06
	Main Office Warehouse Improvements	Carryover	40-000-15040	43,225.18		43,225.18	14,918.79		(48,078.19)	8,140.79							18,206.57
VEH-0010 VEH-0012	Vehicle Purchases Hydro Excavator Rehabilitatior	FY 24/25, Carryover FY 24/25 CIP	40-000-15040 40-000-15040	133,900.00 40,000.00													-
	F-550 with Valve Maintenance Skic	FY 24/25 CIP	40-000-15040	206.000.00					91.694.62								91.694.62
SPS-0050	Asset Management Study 31-050	FY 24/25 and 23/24 CIP	40-840-55110	100,000.00					21,429.24	162.14							21,591.38
	System Arc Flash Coord Study	Carryover	40-840-55110	180,000.00			15,010.00	12,085.00	14,510.00	5,291.70							46,896.70
CAP-0051 CAP-0053	Sewer PLC Upgrade Sewer Station HMI Rplmnl	Carryover FY 24/25 CIP	40-000-15040 40-750-66230	25,000.00 10,000.00													-
RCE-0010	JRWSS Capital Budget	FY 24/25 CIP	40-000-15010	18,618.00					397.43	107.50							504.93
RCE-0011	Baker WTP Replaement Fund	FY 23/24 CIP	40-000-15010	56,200.00	(14,040.25)		14,040.25			28,378.13							28,378.13
	SOCWA Capital Expenses	FY 24/25 CIP	40-000-15020	269,944.00		72,680.00			16,615.84								89,295.84
SLS-0120 SLS-0121	Freeway Electrical Equip Rep Westline Main Switchboard Replacement	FY 24/25, Carryover FY 24/25 CIP	40-000-15020 40-000-15020	263,362.00 37,250.00													
	Westline Generator Unit 213 Replacement	FY 24/25 CIP	40-000-15020	267,000.00													-
WRP-0131	Grit Chamber Rehab 933-131	Accumulated and Carryover	40-000-15020	1,046,502.00		14,376.28	182,712.51	424,209.64	97,073.65	117,097.26							835,469.34
	DAF No 1 MCC Replacement	CIP and Carryover	40-000-15020	149,000.00	113.27												113.27
	Influent Pump Station Isolation Gate Actuator Replacement WRP Historian Configuration to Hach WIMS	FY 24/25 CIP FY 24/25 CIP	40-750-66230 40-750-66230	15,000.00 30,000.00													
	Additional Tertiary Filter Disk:	Recycle Capital Projects	40-000-15030	92,000.00													-
	Tertiary Disinfection Optimization Study	Recycle Capital Projects	40-000-15030	132,000.00			2,952.50	85.00									3,037.50
WRP-0142	Headworks and Secondary Clarifier No. 1 Rehabilitation+I WRP Unit 290 Radiator Replacement	R CIP Bond fund/Rev Bond FY 24/25 CIP	40-000-15020 40-000-15020	1,998,800.00			90,044.64	59,090.11	5,566.00	27,024.75							181,725.50
TBD	Added to Headworks - RAS Pump StationRehabilitation	FY 24/25 CIP FY 24/25 CIP	40-000-15020	150,000.00				139,487.15									139,487.15
	Moulton/El Toro Cathodic Protection Repai	FY 24/25, Carryover	40-000-15010	145,000.00			11,960.00	6,440.00	1,000.00								19,400.00
	New Handheld Meter Readers	FY 24/25	40-720-66120	14,500.00													
	R-4 Reservoir RMS Mixer Replacemen	FY 24/25 CIP	40-000-15010	70,000.00													-
WPS-0098 SLS-0115	Cherry Booster Station Pump & Motor Replacement Aliso Creek Pump Rehab 932-115	FY 24/25 CIP Carryover	40-000-15010 40-000-15020	167,000.00 600,000.00		866.25			68 765 25	183.287.63							- 252,919.13
CAP-0050	Water PLC Upgrade	Carryover	40-000-15020	25,000.00		800.25			00,703.23	100,207.00							-
CAP-0052	Water Station HMI Rplmnt	FY 24/25 CIP	40-720-66120	10,000.00													-
TBD	Regional Potable reuse facility study	Grant	40-710-55100	454,000.00													-
	Orange County Cross Connection Policy Handbool Lead Copper Rule Revision	FY 24/25 CIP FY 24/25 CIP	40-710-55100 40-000-15010	20,000.00 97,908.00		64,595.50			21,633.50								- 86,229.00
SPS-0057	South Orange county Turnout projec	FY 24/25 CIP	40-000-15010	75.000.00		04,595.50			21,000.00								-
	New Turbo Blower	FY 24/25 CIP	40-000-15020	631,000.00						18,430.01							18,430.01
	OOPS MCC and Valve Rehabilitation Project	FY 24/25 CIP	40-000-15020	191,000.00					7,725.68								7,725.68
CAP-0065 CAP-0068	R-6 Outlet flow meter backup System-Wide Security Access Panel Replacement	Water project FY 24/25 CIP	40-720-66120 40-000-15040	9,000.00 49,000.00													-
CAP-0069	Remittance Processing Equipment Update	FY 24/25 CIP	40-000-15040	20,000.00													-
CAP-0070	Documentum Replacement / Corporate Intranet Developm	16 FY 24/25 CIP	40-000-15040	61,000.00													-
	Water Distribution and Sewer Collection System SCADA		40-000-15040	20,000.00 22,092,00	51.71												51.71
TBD CAP-0073	Contigency Warehouse Office HVAC	FY 24/25 CIP FY 24/25 CIP	TBD 40-830-66120	22,092.00			9.558.00										9,558.00
	IPS Check Valve Replacement	FY 24/25 CIP	40-000-15020	20,000.00			3,330.00										-
WRP-0151	Secondary Clarifier No. 3 Drive Replacement	FY 24/25 CIP	40-000-15020	70,000.00													-
	R-6 Reservoir Cover (CIP23)	Revenue Bond	40-000-15040/CIP23	-		11,537.00			7 500 00								11,537.00
	SRV-2 Lid Repair R-6 Security Improvements	FY 23/24 CIP FY 23/24 CIP	40-000-15010 40-000-15010						7,569.00 49,044.44	50,946.81							7,569.00 99,991.25
	R-4 Exterior Recoating	FY 23/24 CIP	40-000-15010	-					43,044.44	50,540.01							-
CAP-0024	P-4 Pump Replacement	Carryover	40-000-15010	59,000.00	103.42	36,544.73		36,229.86								-	72,878.01
WRP-0135	WRP Main Electrical Power Breaker Upgrades	Carryover	40-000-15020	-	1,787.51			77,107.80									78,895.31
	23-24 ATS Replacements 23-24 ATS Replacements	FY 23/24 CIP and Carryover FY 23/24 CIP and Carryover	40-000-15040 40-000-15040	-													
TCP-0006	23-24 ATS Replacements 23-24 Security System Imprmnts	FY 23/24 CIP and Carryover FY 23/24 CIP	40-000-15040 Add in						39,920.75							-	39,920.75
TCP-0008	EOC Technology Upgrade	FY 23/24 CIP	40-820-66120 Add in	-			10,165.75			8,368.00						-	18,533.75
	IT Master Plan	Carryover	40-820-55100 Add in	-			13,748.75		5,185.00	2,817.50						-	21,751.25
SLS-0119 WRP-0149	Northline Coating Impr Project ETM Trail Bridge Mitigation Projec	FY 23/24 CIP 40-000-15020	40-000-15020 Add in Need to track labor as	-			33,345.64									-	33,345.64
	P-3 Pump Station Rehab	40-000-15020	Need to track labor as														
RES-0020	R-6 Reservoir SCE Meter Box Replacement at Seepage a	and Inlet/Outlet Structure	Non budgeted project	-													
	WRP Zoom Room	FY 24/25 CIP	40-820-66120 Non bu	-			8,410.50		5 040	8,086.00							16,496.50
GEN-0514	CalTrans I-5 Widening	Carryover	40-000-15040	5,313.00					5,313.00								
			Gross project cost	10,606,831.18	-11,984.34	247,311.32	406,867.33	789,886.09	405,365.21	728,637.37	0.00	0.00	0.00	0.00	0.00	0.00	2,560,769.98
			• • • =														
	Bond CIP Unrestricted Funds	Bond	CIP Unrestricted Funds	4,476,530.00	-	14,880.32	88,928.09	93,508.92	5,496.98	297,188.79	-		-		-		500,003.11
	2023-24 CIP Budget		2024-25 CIP Budget	2,438,334.00	(13,979.44)	64,738.56	38,375.74	143,047.03	141,918.44	45,283.07	-	-	-	-	-	-	419,383.40
	SOCWA		SOCWA	269,944.00	-	72,680.00	-	-	16,615.84	-	-	-	-	-	-	-	89,295.84
	Carryover Project Fund		Carryover Project Fund	1,412,058.18	1,995.10	82,677.59	62,583.53	189,273.27		213,359.05	-	-	-	-	-	-	600,901.10
	Accumulated Capital Funds	Acc	umulated Capital Funds	1,247,278.00	-	12,334.85	214,027.47	363,971.87	185,008.38	172,806.46	-	-	-		-	-	948,149.03
	Dural Out Date to	_	Grants	454,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
	Recycle Capital Projects	F	Recycle Capital Projects	224,000.00	-	-	2,952.50	85.00	-	-	-	-	-		-	-	3,037.50
				10,522,144.18	(11,984.34)	247,311.32	406,867.33	789,886.09	405,365.21	/28,637.37	-	-	-		-	-	2,560,769.98

Attachment 8

Interim Report on 401k Plan Holdings As of December 31, 2024 Page 8

### **EL TORO WATER DISTRICT**

401K PLAN SUMMARY



		MARK	ET VALUE SUMMAR	Y		62 to 65 um	
	Under 41 yrs. Old	41 to 48 yrs. Old	49 to 55 yrs. Old	56 to 58 yrs. Old	59 to 62 yrs. Old	63 to 65 yrs. Old	Over 65 yrs. Old
Balance at June 30, 2024	\$2,035,902.59	\$3,194,841.09	\$3,978,641.85	\$2,669,523.86	\$6,131,527.99	\$2,755,944.40	\$2,779,433.18
	Under 41 yrs. Old	41 to 48 yrs. Old	49 to 55 yrs. Old	56 to 58 yrs. Old	59 to 62 yrs. Old	63 to 65 yrs. Old	Over 65 yrs. Old
Balance at December 31, 2024	\$2,400,523.98	\$3,485,561.56	\$3,928,663.66	\$2,785,355.16	\$6,271,442.38	\$2,141,645.61	\$3,410,975.15

Disrict Staff is working with Highmark and Empower to design a new 401k report. Once the data for the portfolios is being generated by Empower, the District portfolio information by age group will be updated.

				Interest,	
				Dividends	
				and	
				Appreciation	1000
	Beginning			Net of Fees	Ending
Investments 🔤	Balance	Contributions	Withdrawals	& Charges	Balance
American Beacon AHL Mgd Futs Strat A	647,814.45	3,810.89	0.00	13,383.90	665,009.24
BlackRock Tactical Opportunities K	252,072.19	2,276.51	0.00	(8,377.39)	247,971.31
Columbia Contrarian Core Insti 3	2,270,409.02	26,767.81	0.00	(75,781.67)	2,221,395.16
DFA Large Cap International I	1,359,990.08	17,983.20	0.00	(20,665.99)	1,357,307.29
Dodge & Cox Income - I	2,660,094.18	15,383.58	0.00	(19,800.52)	2,655,677.24
Dodge & Cox International Stock - I	349,423.81	4,100.89	0.00	(10,366.51)	343,158.19
Dodge & Cox Stock - I	1,211,920.51	14,129.00	0.00	(77,877.28)	1,148,372.25
DoubleLine Core Fixed Income R6	2,543,440.57	14,985.00	0.00	(3,786.43)	2,554,639.14
Emerald Growth Institutional	559,856.52	7,542.56	0.00	(52,034.41)	515,364.67
Guaranteed Income Fund	721,073.03	4,181.96	0.00	2,001.80	727,256.79
Harbor Capital Appreciation Retirement	1,087,781.19	13,767.96	0.00	(21,455.44)	1,080,093.71
MFS International Growth R6	349,662.58	4,100.89	0.00	(6,480.97)	347,282.50
Nuveen Real Estate Securities R6	763,866.13	5,708.00	0.00	(48,738.26)	720,835.87
PGIM Total Return Bond R6	2,104,339.78	10,706.95	0.00	(17,520.22)	2,097,526.51
PIMCO income insti	299,352.23	2,454.88	0.00	(3,181.99)	298,625.12
PIMCO RAE US Insti	1,208,709.88	14,129.02	0.00	(72,857.72)	1,150,181.18
The Merger Fund I	243,653.82	2,276.51	0.00	561.92	246,492.25
Undiscovered Mgrs Behavioral Value R6	550,570.38	7,542.56	0.00	(43,410.67)	514,702.27
Vanguard Emerging Mkts Stock ldx Adm	616,901.12	8,062.86	0.00	(2,025.80)	622,938.18
Vanguard Growth & Income Adm	2,288,453.56	26,901.62	0.00	(48,502.40)	2,268,852.78
Vanguard Growth Index Adm	937,738.81	11,821.53	0.00	(24,375.71)	925,184.63
Vanguard Long-Term Investment-Grade Adm	744,958.69	4,117.96	0.00	(24,825.31)	724,451.34
Vanguard Mid Cap Index Fund - Admiral	259,823.17	2,278.51	0.00	(23,498.14)	238,601.54
Macquarle Small Cap Core R6	828,524.06	7,193.27	0.00	(83,468.99)	752,248.34
Grand Total	24,860,429.76	232,221.92	0.00	(668,484.18)	24,424,167.50
		1 S S S S S S S S S S S S S S S S S S S			100 Control 100



# **STAFF REPORT**

То:	Board of Directors	Meeting Date:	January 20, 2025
From:	Dennis Cafferty, General Manager Vishav Sharma, CFO		
Subject:	El Toro Water District 2025-2026 Budget		

The 2025-26 fiscal year budget process is underway. The budget schedule has been adjusted to incorporate the potential AB 2257 procedural requirements.

The draft budget schedule is attached. Once the 2025 Board Budget Committee is assigned, staff will work to verify the specific dates for the Committee meetings as well as the Board Budget Workshop.

Staff are in the process of reviewing draft budgets for each department as well as budgets for labor, purchased water and electrical power.

A Proposition 218 Notice will be required for rate updates for the potable and recycled water commodity rates. Staff intend to continue the third year of the capital revenue rate increase approved through the multi-year Proposition 218 Notice issued during the 2023-24 fiscal year budget process.

As the development of the 2025-26 fiscal year budget process continues, staff will evaluate the adequacy of the CPI based rate increase described in the previous multiyear Proposition 218 Notice. The most recent CPI data reflects an average CPI rate of 3.1%. Staff will evaluate whether the CPI based increase will provide adequate revenue to avoid further reserve depletion.

# El Toro Water District Board of Directors Budget Schedule

# FY 2025/2026

Description	Date	Day
Board Budget Committee #1	3/5/2025	Wednesday
Board Budget Committee #2	3/24/2025	Monday
Board Budget Workshop	4/2/2025	Wednesday
Distribute Prop 218 Notice	4/25/2025	Friday
CAG	5/8/2025	Thursday
FIC Meeting Budget Update	5/19/2025	Monday
AB 2257 Written Objection Deadline	6/12/2024	Thursday
Conduct Public Hearing - Regular Board Meeting	6/26/2025	Thursday
Implement Board Action	7/1/2025	Tuesday



# **STAFF REPORT**

To: Board of Directors

Meeting Date: January 20, 2025

From: Dennis Cafferty, General Manager

Subject: MWD Reverse Cyclic Program

Metropolitan Water District (Metropolitan) has developed the Reverse Cyclic Program in an effort to address financial challenges stemming from fluctuating water demands and revenue needs. Due to the unique circumstances of budget challenges they are facing this fiscal year, Metropolitan adopted the current version of the Reverse-Cyclic Program (Program) on November 19, 2024. The Program generates immediate cash flow for Metropolitan which is critical to its current Biennial Budget revenue challenges.

The Program provides significant financial benefit to participating agencies. Metropolitan's rates for CY 2025 and CY 2026 have already been set. The CY 2025 treated water rate is 11% greater than the CY 2024 rate with a following 9.5% increase adopted for CY 2026. In addition, it is anticipated that further significant rate increases will be required in the next Metropolitan Biennial Budget. Pre-purchasing water at the current year's full- service rate, with deferred delivery, locks in the current rates for future deliveries, thereby mitigating the impact of the already approved rate increases as well as the impact of potential future rate increases.

The ETWD Board approved participation in the Reverse Cyclic Program at a participation level of 1,000 acre-feet at the December 2024 Finance Committee meeting.

Metropolitan has fully allocated 100,000 acre-feet to participants in the Reverse Cyclic Program. The largest Metropolitan member agency participant is MWDOC who received an allocation of 24,988 AF of Reverse Cyclic Water. This amount was determined by MWDOC's prorated share of Metropolitan's total imported water purchases over a fiveyear historical baseline. MWDOC carried that same methodology through to its member agencies to determine the final allocations of requested reverse cyclic water. ETWD received its full request of 1,000 acre feet.

The agreement between Metropolitan and MWDOC, which defines the terms of the program, has been executed. In addition, the District has executed the letter agreement between MWDOC and ETWD committing the District to the Program.

Pursuant to the letter agreement between ETWD and MWDOC and the Master Agreement between MWDOC and Metropolitan, MWDOC executed Reverse Cyclic transactions in December on the behalf of the participating MWDOC agencies in the amounts outlined below. The transactions were at the 2024 Treated Water Rate of \$1,256/AF.

The transactions will be reflected as a purchase included on the regular December water bill, which will also include regular charges and water use.

Agency	Allocation (Acre Feet)	December Water Bill RCP Purchase	Meter Number
El Toro Water District	1,000	\$ 1,256,000.00	RC-OC-TR1
Irvine Ranch Water District	7,264	\$9,123,584.00	RC-OC-TR2
Moulton Niguel Water District	2,000	\$2,512,000.00	RC-OC-TR3
City of Newport Beach	500	\$628,000.00	RC-OC-TR4
City of Orange	1,000	\$1,256,000.00	RC-OC-TR5
Santa Margarita Water District	12,319	\$15,472,664.00	RC-OC-TR6
South Coast Water District	1,300	\$1,632,800.00	RC-OC-TR7
Yorba Linda Water District	1,000	\$1,256,000.00	RC-OC-TR8
MWDOC	496	\$622,976.00	RC-OC-TR



# **STAFF REPORT**

To: Board of Directors

Meeting Date: January 20, 2025

From: Dennis Cafferty, General Manager

Subject: Directors' Compensation

The Directors' Compensation Policy is included as Section 4000 of the District Administrative Code. The Directors' Compensation Policy references District Ordinance No. 2018-1 which defines the compensation Directors receive for each day's service. In February 2018 the Board of Directors adopted Ordinance 2018-1 (attached for reference) which authorized an increase in the amount of compensation for ETWD Directors from \$198 per day to \$219 per day effective on May 1, 2018. The Director compensation has not been increased since that date and currently remains at \$219 per day. A survey of Director compensation for several neighboring agencies is attached.

Section 20202 et seq. of the Water Code of California authorizes an increase in the amount of compensation that each governing board may receive, provided that such increase does not exceed an amount equal to five percent (5%) for each calendar year following the effective date of the last adjustment of compensation.

If the Board of Directors determines that an increase in Director compensation is warranted and appropriate, the following process is required by the Water Code.

- Approval of an increase in Director compensation requires a public hearing. The public hearing would require a notice in a newspaper once a week for two successive weeks commencing at least two weeks prior to the public hearing.
- Following the public hearing the Board can consider an agendized action item for an increase in Director compensation. The action item would include the adoption, by resolution, of a new Ordinance defining the amount of an increase in Director compensation.
- The effective date of a compensation increase would be at least 60 days from the date of the passage of the Ordinance.

Directors' Compensation Policy Page 2

- Attachment 1 Ordinance 2018-1 Providing for Compensation of Members of the Board of Directors
- Attachment 2 Directors' Compensation Survey

# **Recommended Action:**

The Board will consider directing staff to publish a legal notice of a public hearing for consideration of adopting an Ordinance increasing the Directors Compensation by an amount to be determined by the Board.

# **ORDINANCE NO. 2018-1**

# ORDINANCE OF THE BOARD OF DIRECTORS OF THE EL TORO WATER DISTRICT PROVIDING FOR COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS

# THE BOARD OF DIRECTORS OF THE EL TORO WATER DISTRICT, ORANGE COUNTY, CALIFORNIA, DOES ORDAIN as follows:

Section 1. Purpose. This Ordinance is enacted pursuant to Section 20200 et seq. of the Water Code of California, which authorizes an increase in the amount of compensation above the amount of One Hundred Dollars (\$100.00) or more per day that each member of the governing board may receive, provided that such increase does not exceed an amount equal to five percent (5%) for each calendar year following the operative date of the last adjustment of compensation received when the Ordinance is adopted.

Section 2. Compensation. Pursuant to El Toro Water District Ordinance No. 2007-2, which was enacted pursuant to Section 20200 et seq. of the Water Code of California, the operative date of the last adjustment of the compensation received by each member of the Board of Directors was December 1, 2007, which amount of compensation is One Hundred Ninety Eight Dollars (\$198.00) per day for each day's service rendered as a Director pursuant to El Toro Water District Policy Statement 1993-10(IV) as amended from time, not exceeding a total of ten (10) days in any calendar month.

# Section 3. Increase of Compensation and Operative Date.

A. On May 1, 2018, each Director shall receive an increase in compensation of Nine Dollars (\$21.00) per day for each day's service rendered, for a total of Two Hundred and Nineteen (\$219.00) per day for each day's service rendered, not exceeding a total of ten (10) days in any calendar month.

**Section 4.** Effective Date. This Ordinance takes effect on the first day of May, 2018, which is more than sixty (60) days from and after the date of its passage.

THE FOREGOING ORDINANCE was introduced at a meeting of the Board of Directors of the El Toro Water District held on February 22, 2018, following a public hearing, notice of which was published in <u>The Orange County Register</u>, once a week for two successive weeks, on February 7, 2018 and February 14, 2018.

# 2024 ORANGE COUNTY BOARD OF DIRECTORS PER DIEM SURVEY (as of December 16, 2024)

AGENCY	Service Connections	Combined Operating & Capital Budgets	Per Diem Meeting	Effective Date	Maximum Meetings Per Month
El Toro Water District	9,971	\$43.31 million	\$219.00	March 2018	10
Irvine Ranch Water District	131,300	\$345.5 million	\$331.00	January 2024	10
Mesa Water District	~25,000	\$60.6 million	\$352.00 \$369.00	July 2023 January 2025	10
Moulton Niguel Water District	55,144	\$172.5 million	\$294.00	April 2024	10
Municipal Water District of Orange County	n/a	\$232.3 million	\$327.43	January 2020	10
Orange County Water District	~200	\$254.6 million	\$330.75	October 2023	10
Santa Margarita Water District	70,177	\$124.3 million	\$324.00	August 2023	10
South Coast Water District	13,837	\$89.7 million	\$310.00	2024	10
Yorba Linda Water District	25,558	\$55.3 million	\$157.50	April 8, 2024	10



# **STAFF REPORT**

To:Board of DirectorsMeeting Date: January 20, 2025From:Judy Cimorell, Director of Human Resources<br/>Oscar Hernandez, Accounting Technician

Subject: Quarterly Insurance Report

The Quarterly Insurance Report for the period October 1, 2024 through December 31, 2024 is attached.

# **Recommended Action:**

Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period October 1, 2024 through December 31, 2024.

# EL TORO WATER DISTRICT INSURANCE UPDATE

# **JANUARY 2025**

# Liability Program

The Liability Program Insurance has been renewed with JPIA effective October 1, 2024. The new premium is \$229,104.09 from \$207,547 last year.

# **Property Insurance**

There is nothing new to report this quarter.

# Excess Public Employee Fidelity Program

There is nothing new to report this quarter.

# Cyber Security Insurance

There is nothing new to report this quarter.

# Underground Storage Tank Pollution Liability

There is nothing new to report this quarter.

# Dam Failure Liability

There is nothing new to report this quarter.

# **Fiduciary Liability Policy**

There is nothing new to report this quarter.

# Liability & Property Claims

- 1. As of January 15, 2025, JPIA have reached an agreed amount of \$697,690.10 with Service Master regarding the damaged water failure at the Meridian senior residential building. Service Master has acknowledged that there will be no further supplements related to their work on the project.
- 2. On March 5, 2024, one of our field employees was involved in a minor collision with another vehicle. Fortunately, no injuries were sustained. The claim has been closed, and JPIA paid the claimant's insurance \$7,054.81 and the claimant \$373.98.
- On May 22, 2024, a significant water leak occurred at our warehouse due to the Urinal Flush Valve-Diaphragm failing in the on position, resulting in an extensive flood throughout the entire building. The flood damaged the restroom, hallway, kitchen, and three offices. The total insurance reimbursement for damage is \$71,186.82. After the \$10,000 deductible is met, the Insurance pay-out will be \$61,186.82.

- 4. On June 10, 2024 an incident occurred involving one of our field employees and a valve operating machine. While our field employee was driving with the valve operating machine, he made a left-hand turn into the gate 10 at Laguna Woods. During the turn, the operating arm of the machine swung out and struck the crash pole and security gate. This resulted in damage to both the security gate and the valve turning machine. The claim was resolved and JPIA paid \$16,083.35 to the Golden Rain Foundation.
- 5. On July 5, 2024, one of our field employees was reading water meters at gate 14 on Calle Sonora Road and was involved in a minor collision with another vehicle. No Injuries were sustained. The claim has been closed, and JPIA paid the claimants insurance \$827.40.
- 6. On September 7, 2024, while a customer was driving on Ridge Route Drive, their vehicle was damaged by broken manhole pieces. The claim has been settled, and JPIA paid the claimant \$3,764.59 for the damages.

# Workers' Compensation Policy

The Workers' Compensation Policy renewed on July 1, 2024, and runs through June 30, 2025.

# Workers' Compensation Claims

There were three Workers' Compensation injuries this quarter. Two were ergonomic injuries with no restrictive duties or loss work. The third was a strain injury with minimal restrictive duties.

# Medical Insurance

The District offers five medical plans as follows:

Kaiser Health - \$10 office co-pay with no annual deductibles.

Anthem Blue Cross – HMO; Offers a \$10 copay with no annual deductibles.

Anthem Blue Cross – PPO; this plan offers benefits within the physician network and outside of the network. In network, there is a co-pay of \$15.00 with an annual deductible of \$200 per person and \$600 per family. Out of the network, benefits are offered at 20% cost to the employee for all covered services with the same annual deductibles.

Kaiser Consumer Driven Health Plan along with an HSA – A high deductible tax advantaged health plan that provides for current medical and pharmacy expenses and allows saving for future health care expenses. \$1,500 individual / \$3,000 family deductible

Anthem Consumer Driven Health Plan along with a Health Savings Account - A high deductible tax advantaged plan that provides for current medical and pharmacy expenses and allows saving for future health care expenses. \$1,500 individual / \$3,000 family deductible.

The average cost per month per employee for the second quarter is \$1570.29.

# Vision Insurance

VSP provides vision coverage to our employees, Directors and dependents. It provides an annual eye exam and discounted rates for frames, lenses and contacts.

The cost per month per employee for the second quarter is \$17.21.

# Dental Insurance

The District provides dental coverage with Delta Dental. Our dental insurance pays up to \$1,500 for the upcoming year for covered services. All preventative services are offered every six months with the copay waived. Effective February 1, 2024 the dental insurance will increase to \$3,000 per year for covered services.

The average cost per month per employee for the second quarter is \$131.63.

# Long and Short Term Disability Insurance

The District offers Long and Short Term Disability Program through Lincoln National Life Insurance Company. The Long Term Disability program provides a maximum monthly benefit of \$10,000. The Short Term Disability program provides a maximum weekly benefit of \$1,500.

Both Short and Long Term Disability Programs are paid by the District and provides disability payments up to two thirds of an employee's weekly or monthly salary if the claim is approved.

Average cost per month per employee for the second quarter is \$69.74.

# Long Term Care Insurance

Long Term care is a program that provides a monthly benefit of \$2,500 to be applied to home health care or an assisted living facility.

Average cost per month per employee for the second quarter is \$13.03.

# Life Insurance Coverage

The District offers Life Insurance coverage through Lincoln National Life Insurance Company at twice the employee's annual salary up to a maximum of \$300,000.

Lincoln National Life Insurance Company also provides life insurance coverage for the Directors.

Premium rates are based on the age and salary of insured employees. The premium is adjusted on the employee's birthday every fifth year.

The average cost per month per employee for the second quarter is \$56.39.

# Employee Assistance Program (EAP) Coverage

UNUM is the District's carrier for the Employee Assistance Program. This program offers assistance in many areas such as childcare, eldercare, legal consultations, and health information, personal relationship issues, financial planning assistance, stress management, and career development. This benefit also comes with a \$5,000 portable term life insurance benefit.

The cost per month per employee for the second quarter is \$1.81.

An insurance report of Budget vs. Actual Costs for the fiscal year 2024/2025 is attached for the Board's review as well as a summary of currently held District insurance policies.

Submitted by: Judy Cimorell Oscar Hernandez

### Budget vs. Actual - Q2 2024/2025 1/1/2025

	Annual	Actual	Budget	
	Budget	Paid to Date	Remaining	
Insurance Coverage				
Liability	\$220,522	\$229,104	(\$8,582)	
Property	\$148,100	\$153,499	(\$5,399)	
Fiduciary Liability	\$11,700	\$11,543	\$157	
Cyber Liability	\$8,900	\$9,570	(\$670)	
Dam Insurance (Includes Excess)	\$48,000	\$46,565	\$1,435	
Less: SMWD - 50% R-6 Cost Share		(\$23,283)		
MNWD - 5% R-6 Cost Share		(\$2,328)		
Dam Insurance (Rossmoor)	\$4,500	\$2,313	\$2,187	
Underground Storage Tank		\$2,639		
Excess Crime		\$1,912		_
Total Insurance	\$441,722	\$431,535	(\$10,873)	
			Accumulative	
	Annual	Q2	Q2	Budget
Benefits - Directors	Budget	Budget	Actual	Remaining
Medical Employer Paid	\$25,000	\$12,500	\$10,867	\$14,133
Health Savings Account	\$3,400	\$1,700	\$0	\$3,400
Dental	\$3.574	\$1,787	\$1,787	\$1,787

Dental	\$3,574	\$1,787	\$1,787	\$1,787
Vision	\$1,043	\$521	\$516	\$527
Life	\$150	\$75	\$65	\$85
Total Benefits Directors	\$33,167	\$16,583	\$13,235	\$19,932
Retiree Benefits				
Medical Employer Paid	\$312,000	\$156,000	\$161,287	\$150,713
Total retiree benefits	\$312,000	\$156,000	\$161,287	\$150,713
Employee Benefits				
Emp.Assistance Program	\$1,276	\$638	\$616	\$660
Medical Employer Paid	\$1,149,297	\$574,649	\$546,504	\$546,504
Health Savings Account	\$16,000	\$8,000	\$0	\$16,000
Life/AD&D	\$41,151	\$20,576	\$19,445	\$21,706
Dental	\$89,334	\$44,667	\$45,842	\$43,492
Vision	\$12,098	\$6,049	\$5,937	\$6,161
LTD/STD	\$52,730	\$26,365	\$23,896	\$28,834
LTC Employer Paid	\$8,960	\$4,480	\$4,293	\$4,667
Workers comp.	\$167,772	\$83,886	\$67,761	\$100,011
Total Employee Benefits	\$1,538,618	\$769,309	\$714,295	\$824,323

# SUMMARY OF COVERAGE

Type of Coverage	GENERAL LIABILITY	Coverage Term: 10/24-10/25
Coverage Includes	<ol> <li>Commercial General Liability</li> <li>Contractual Liability</li> <li>Products/Completed Operations</li> <li>Personal Injury</li> </ol>	Premium - \$229,104.09
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110
Type of Coverage	AUTO LIABILITY	Coverage Term: 10/24-10/25
Coverage Includes	<ol> <li>Owned Automobiles/Trucks</li> <li>Non-owned Automobiles/Trucks</li> <li>Hired Automobiles/Trucks</li> </ol>	Premium - Included
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110
Type of Coverage	PUBLIC OFFICIALS LIABILITY	Coverage Term: 10/24-10/25
Coverage Includes	1. Errors & Omissions	Premium - Included
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110
Type of Coverage	PROPERTY	Coverage Term: 7/24 - 7/25
Coverage Includes Automobile Physical Damage Comprehensive - 83 Vehicles Collision - 83 Vehicles	<ol> <li>Basic Property Values- Building, Fixed Equipment, Personal Property</li> <li>Mobile Equipment Value</li> <li>Licensed Vehicle - Comprehensive &amp; Collision - Private Passenger, Light Truck, Sport Utility, Other Vehicles</li> </ol>	Premium - \$153,498.88
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	EXCESS CRIME PROGRAM	Coverage Term: 7/24 - 6/25
Coverage Includes	<ol> <li>Public Employee Dishonesty</li> <li>Forgery or Alteration</li> <li>Computer Fraud</li> <li>Faithful Performance of Duty</li> <li>Treasurer/Tax Collector/Board Members (included)</li> </ol>	Premium - \$1,912
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110
Type of Coverage	UNDERGROUND STORAGE TANK POLLUTION LIABILITY	Coverage Term: 7/24 - 06/25
Coverage Includes	1. Claims-Made	Premium - \$2,639
Covers 1 Tank Located at: 23542 Moulton Parkway Laguna Woods, CA 92637	2. Environmental Incident	
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110
Type of Coverage	DAM FAILURE LIABILITY	Coverage Term: 10/24-10/25
Coverage (Includes Excess Ins. for El Toro Reservoir)	\$10,000,000.00	Premium - \$46,565.40
Covers: El Toro Reservoir Rossmoor Dam	\$5,000,000.00	Premium - \$2,313.30
Coverage Limits	Insurance Carrier	Policy Number
		MOLC - 100110
Type of Coverage	FIDUCIARY LIABILITY	Coverage Term: 9/24-9/25
Coverage Includes	1. Executive Protection Policy	Premium - \$11,543
Parent Organization: ETWD Retirement Savings Plan &	Trust Agreement	
Coverage Limits	Insurance Carrier Hudson Insurance Company	Policy Number SFD31211603
Type of Coverage	CYBER SECURITY	Coverage Term: 7/24-7/25
First Year <b>Type of Coverage</b>	<b>GENERAL LIABILITY</b>	Premium - \$9,570.43 Coverage Term: 10/24-10/26

Type of Coverage	WORKERS' COMPENSATION	Coverage Term: 7/24 - 6/25
Coverage Includes	1. Coverage A - Workers' Compensation 2. Coverage B - Employer's Liability	2nd Quarter Premium \$35,290
Coverage Limits Coverage A \$0 - \$2 Million \$2 Million to Statutory	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110
Coverage Limits Coverage B \$0 - \$2 Million \$2 Million excess of \$2 Million SIR	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110

Type of Coverage	LIFE & ACCIDENT	2nd Quarter Premium \$9,843	
Coverage Includes	Coverage - 2 X Annual Income (Max. of \$300,000)		
Insurance Carrier	Lincoln National Life Insurance Co. Policy # 10218807		
Eligibility Period	2 Months After Hire		
Plan Wait or Deductible	60 Days		
Type of Coverage	LONG / SHORT TERM DISABILITY	2nd Quarter Premium \$12,136	
Coverage Includes	Two Thirds of Insured Earnings Max. of \$10,000		
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218808	
Eligibility Period	1 Year After Hire		
Plan Wait or Deductible	30 Days STD 90 Days or 9 Weeks LTD		
Type of Coverage	LONG TERM CARE	2nd Quarter Premium \$2,267	
Coverage Includes	\$2,500/Month \$150,000 Total Benefit	φ2,201	
Insurance Carrier	UNUM	Policy # 220384	
Eligibility Period	1 Year After Hire		
Plan Wait or Deductible	365 Days		

Type of Coverage	MEDICAL	2nd Quarter Premium \$358,940	
Coverage Includes	HMO, PPO, HDP by Employee Choice		
Insurance Carrier	Anthem Blue Cross / Kaiser Insurance thru ACWA/JPIA	Policy #229CA	
Eligibility Period	1 Month After Hire		
Plan Wait or Deductible	<b>30 Days</b> * Premium includes Employees, Retire	ees & Directors	
Type of Coverage	DENTAL	2nd Quarter Premium \$23,798	
Coverage Includes	\$25.00 or \$50.00/Family		
Insurance Carrier	Delta Dental Plan of California	Policy #399-1012	
Eligibility Period	2 Months After Hire		
Plan Wait or Deductible	60 Days		
Type of Coverage	VISION	2nd Quarter Premium \$3,253	
Coverage Includes	Annual Exam/Frame Every 2 Years	ψ3,233	
Insurance Carrier	Vision Service Plan thru ACWA	Policy #399-1012	
Eligibility Period	2 Months After Hire		
Plan Wait or Deductible	60 Days		
Type of Coverage	PERSONAL ACCIDENT INSURANCE	2nd Quarter Premium Employee Paid	
Coverage Includes	\$50,000 or \$100,000		
Insurance Carrier	CIGNA	Policy # OKH-1253-56	
Eligibility Period	Optional		
Plan Wait or Deductible	None		
Type of Coverage	Supplemental Financial Insurance Program	2nd Quarter Premium Employee Paid	
Coverage Includes	Voluntary - Life, Accident / Injury, Hospital, Critical Care, Short-term Disability, Dental		
Insurance Carrier	AFLAC	Policy # E3B26	
Eligibility Period	Optional		
Plan Wait or Deductible	None		



# **STAFF REPORT**

To: Board of Directors Meeting Date: January 20, 2025

From: Vishav Sharma, Chief Financial Officer

Subject: December 2024 bills for Approval

Attached for Board approval is the payment summary report for the month of December, 2024 which presents checks that were paid during the month that exceeded \$50,000 in value.

Presented below for your consideration are the payments of bills for the months of December 2024:

- 1. The total disbursement including payroll expanse for the month of December 2024 is \$2,871,286.10
- 2. These disbursements include ten checks greater than \$50,000, with the total equal to \$1,635,067.76. Staff recommends the Board approve these checks.
- 3. Payroll expenses of \$630,249.22 occurred during the month. This cost includes the cost of employee and Director's payroll, pension and benefits.
- 4. District employees were reimbursed \$1,999.50 for travel, education, meals, supplies and certification related expenses; and Directors were reimbursed \$66.67 for travel expenses.

<u>Recommended Action:</u> Staff recommend that the Board approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending December 31, 2025

# EL TORO WATER DISTRICT Payment Summary For the month ending December 31, 2024

CHECK NUMBER	PAYMENT DATE	VENDOR NAME		PAYMENT AMOUNT
12255	12/05/2024	024 Municipal Water District of Orange County		422,920.09
12290	12/12/2024	024 Irvine Ranch Water District		253,755.30
12243	12/05/2024	24 Dumarc Corporation		226,422.86
12364	12/31/2024	Moulton Niguel Water District		193,529.42
12359	12/31/2024	ACWA JPIA		148,034.49
12314	12/17/2024	Southern California Edison Company	126,029.59	
12264	12/05/2024	Tetra Tech, Inc		75,591.19
12350	12/20/2024	Tetra Tech, Inc		71,898.81
12272	12/10/2024	Aerzen USA Corp		62,350.01
12366	12/31/2024	State Water Resources Control Board		54,536.00
		TOTAL CHECKS OVER \$50,000	\$	1,635,067.76
		TOTAL CHECKS IN REGISTER	\$	2,229,228.91
DEBIT TRANSFERS				
	12/13/2024	PAYROLL DIRECT DEPOSIT		177,727.92
	12/13/2024	FEDERAL DEPOSIT LIABILITY		37,366.52
	12/13/2024	SDI & STATE TAX		16,318.38
	12/13/2024	WAGE GARNISHMENTS	190.00	
	12/13/2024	EMPOWER (401K)	60,652.93	
	12/13/2024	EMPOWER (457)	19,662.41	
	12/13/2024	HEALTH SAVINGS ACCOUNT	246.15	
	12/13/2024	PAYROLL BOARD OF DIRECTOR	5,496.67	
	12/13/2024	SS, MEDICARE, SDI & STATE TAX	953.97	
		24 EMPOWER (457) 2,5		2,572.16
		HEALTH SAVINGS ACCOUNT		-
		PAYROLL DIRECT DEPOSIT		173,993.83
	12/27/2024 FEDERAL DEPOSIT LIABILITY		37,811.32	
		2024 SDI & STATE TAX		16,614.70
		2024 WAGE GARNISHMENTS		190.00
		/2024 EMPOWER (401K)		61,279.80
		EMPOWER (457)		
	12/27/2024	HEALTH SAVINGS ACCOUNT	246.15	
		Total Payroll Expense		630,249.22
	12/31/2025	BANK FEES		11,807.97
		TOTAL INTERBANK WIRES / DEBIT TRANSFERS	\$	642,057.19

#### TOTAL DISBURSEMENTS \$ 2,871,286.10

#### **REIMBURSEMENTS TO ETWD EMPLOYEES**

CHECK	PAYMENT		PAYMENT	
NUMBER DATE		PAYEE (DESCRIPTION)	AMOUNT	
12305	12/12/2024	Vu Chu (Education Reimbursement)	1,560.0	
12240	12/05/2024	Cesar Cassani (Certificate Renewal)	149.0	
12343	12/20/2024	Roman Kociban (Class A Drivers License Renewal)	144.5	
12348	12/20/2024	Steve Sanchez (Certificate Renewal)	121.0	
12332	12/20/2024	Garth Botha (Parking at Conference)	25.0	

1,999.50

\$

### REINBURSEMENTS TO ETWD DIRECTORS

TOTAL CHECKS TO EMPLOYEES

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	 YMENT MOUNT
12293	12/12/2024	Michael Gaskins (Travel Expense)	46.77
12291	12/12/2024	Kathryn Freshley (Travel Expense)	19.90
		TOTAL CHECKS TO DIRECTORS	\$ 66.67



# **STAFF REPORT**

To: Board of Directors

Meeting Date: January 20, 2025

From: Vishav Sharma, Chief Financial Officer

Subject: Professional Auditing Service Contract

The Government Finance Officers Association (GFOA) best practices recommend that state and local government entities retain an audit firm for multiple years to maintain continuity and reduce administrative costs. In alignment with this practice, EI Toro Water District typically changes its auditors every five years. Our previous auditors, CliftonLarsonAllen CPAs, have completed their five-year term. As a result, staff recommend that the Board of Directors authorize the General Manager to enter into a three-year audit services agreement with LSL, LLP Certified Public Accountants ("LSL CPAs"), with an option to extend the contract for up to two additional years. The proposed agreement covers the following amounts:

- Fiscal Year 2024-25: \$44,150
- Fiscal Year 2025-26: \$41,350
- Fiscal Year 2026-27: \$42,180

The total value of the proposed contract with LSL CPAs for the three-year period is \$127,680.

# **Background and Proposal Process:**

On December 3, 2024, the District issued a Request for Proposals (RFP) for auditing services to five firms. The District received proposals, in response to the RFP, from LSL CPAs and Davis Farr LLP. District staff evaluated the proposals based on several key factors, including compliance with RFP requirements, experience with special districts and CAFR preparation, reputation, staffing capabilities, and pricing. Following this review, staff recommend entering into a professional services agreement with LSL CPAs for the 2024-25, 2025-26 and 2026-27 fiscal years with an option to extend the contract for up to two additional years. The LSL CPAs proposal is attached for reference.

# RECOMMENDATION

# **Recommended Action:**

Staff recommend that the Board of Directors authorize the District's General Manager to enter into a consulting contract with LSL, LLP in the amount of \$127,680.00 for Professional Auditing Services for the 2024-25, 2025-26 and 2026-27 fiscal years.





**PREPARED BY** LSL, LLP Certified Public Accountants License Number 2584

# TECHNICAL PROPOSAL El Toro Water District Audit Services

Date of Submission: January 6, 2025 Valid for 90 Days

# Authorized by:

# **Ryan Domino, CPA, Partner** Ryan.Domino@lslcpas.com 500 Technology Drive Suite 350 Irvine, CA 92618 (949) 829 - 8299

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# EXECUTIVE SUMMARY

January 6, 2025

Vishav Sharma Chief Financial Officer El Toro Water District PO Box 4000 Laguna Hills, CA 92654-4000

Dear Mr. Sharma,

**LSL**, **LLP** ("LSL", "LSL CPAs") is pleased to present our proposal for audit services, and we value the opportunity to demonstrate our professional qualifications and commitment to excellence to El Toro Water District (the "District").

This proposal details our understanding of the scope of work outlined in the District's RFP and showcases our firm's experience, knowledge, and creative problem-solving capabilities in governmental auditing. With our extensive government experience, we are confident that LSL is the best-qualified accounting firm for the District.

We understand that the El Toro Water District is seeking a qualified firm to provide audit services to the District for a contract period of three years, beginning with the fiscal year ending June 30, 2025, through 2027. At LSL, we specialize in high-quality governmental audits aligned with GAAS and current GASB pronouncements. With our extensive experience in local government audits, we prioritize accuracy and thoroughness while ensuring timely report delivery. Our commitment to effective collaboration and transparency with the District ensures the integrity of its financial reporting and compliance with all regulatory requirements.

# License to Practice in California

LSL is a public accounting firm licensed by the State of California Department of Consumer Affairs as a Public Accounting Partnership. Additionally, we are members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. All key members assigned to this engagement are licensed or are in the process of obtaining their license as Certified Public Accountants by the State of California.



### Independence

LSL meets the independence requirements set forth by the *Government Auditing Standards*. Our partners have no ownership in any other business organization that currently or will potentially provide services, supplies, materials, or equipment to the District. We annually distribute a listing of our firm's clients to all employees to ensure that any possible independence threats are properly documented and reviewed.

# **Business License**

LSL affirms that we will obtain and maintain active business licensure with the El Toro Water District upon award of contract.

# **Authorized Representative**

Ryan Domino is the designated Engagement Partner who will serve as the primary point of contact for this proposal. He is authorized to make representations on behalf of our firm and can be reached by phone at (949) 829-8299 or by email at Ryan.Domino@lslcpas.com. Please contact Ryan for any clarification or contract negotiations related to this proposal.

We affirm that our proposal fully aligns with all terms, conditions, and requirements outlined in the District's RFP. Our proposal is a firm and irrevocable offer for ninety (90) calendar days following the closing date of the receipt of proposals.

We welcome the opportunity to discuss any aspect of our proposal to ensure your complete satisfaction.

Sincerely,

Ryan Domino, CPA, Partner LSL, LLP 500 Technology Drive Suite 350 Irvine, CA 92618 (949) 829 - 8299



# OVERVIEW OF LSL AND RELEVANT EXPERIENCES

# **HISTORY & SIZE**

LSL, LLP ("LSL") is a limited liability partnership and is not a wholly owned subsidiary of a parent company.

LSL was established in 1929 and has grown as a leader in the government sector. Our fullservice accounting firm is headquartered in Irvine, California, with a dynamic team of 16 partners and 145 employees. We provide auditing, accounting, and consulting services to over 100 municipal clients, including counties, cities, water and electric utility districts, and specialpurpose government agencies. Our government sector services encompass a broad range of specialties, including attestation, compliance, consulting, outsourced accounting and reporting, year-end close assistance, interim staffing, strategic planning, and tax services.

# LOCATION



IRVINE, CA 500 Technology Dr., Suite 350 Irvine, CA 92618 Phone: (949) 829 - 8299

THE WOODLANDS, TX 21 Waterway Avenue, Suite 30089 The Woodlands, TX 77380 Phone: (936) 828-4587 SACRAMENTO, CA

2151 River Plaza Dr., Suite 150 Sacramento, CA 95833 Phone: (916) 503-9691

LSL's virtual footprint of our government team spans across the United States. At LSL, we regularly share staff and resources across our offices, providing you with access to our entire governmental team. This approach ensures that you receive the highest level of service and expertise possible, allowing us to deliver optimal results.

# LSL'S GOVERNMENT TEAM RESOURCES

Our governmental staff consists of three (3) Partners, (1) Director, three (3) Senior Managers, three (3) Managers, five (5) Supervisors, and nineteen (19) Professional Staff.



LSL will not be subcontracting any portion of the District's audit. All staff assigned to the audit portion of the engagement will be employed by LSL on a full-time basis and have extensive experience providing auditing services for cities, counties, and special-purpose government agencies. However, LSL does collaborate with a third-party for the preparation of the SCO (State Controller's Office) reports to ensure that the reports are prepared and filed correctly and timely by experts in those reports.

Our educational programs are designed to provide our team members with the knowledge and skills necessary to deliver high-quality services to our clients. We offer a variety of training opportunities, including those provided by CalCPA, AICPA, Government Audit Quality Center, and Government Finance Officers Association (GFOA).

# **GOVERNMENT AUDITING STANDARDS**

LSL understands its responsibilities to perform audits and issue opinions on the District's financial statements as well as its fair presentation. Our financial audits are performed in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, and our Single Audits are performed in accordance with the requirements of the Uniform Guidance. We will also evaluate the District's internal control system and provide recommendations for growth and improvement.

A current list of municipal clients can be found in **Appendix A**, which includes LSL's most significant engagements conducted within the last three (3) years that are similar to the engagement described in this request for proposal.

# **DESK REVIEW / DISCIPLINARY ACTION**

There have been no disciplinary actions against our organization since its inception. There have been no litigations against our firm in the past three years. Our Single Audit reports are desk reviewed either by the federal cognizant agency or the State Controller's Office acting as the Oversight Agency. LSL has never had a report rejected by any of these agencies and is highly regarded and recognized by the staff of the State Controller's Office for top-quality reports.

# PEER REVIEW

Our firm has participated in the AICPA Peer Review Program since its inception. All our peer reviews have covered governmental engagements and have received *pass* ratings. Our most recent peer review conducted by Spafford and Landry CPAs is provided on the following pages.





Patrick D. Spafford, CPA Todd C. Landry, CPA

HERE TO MAKE THE COMPLEX SIMPLE.

Licensed by the California Board of Accountancy Member: American Institute of Certified Public Accountants

#### Report on the Firm's System of Quality Control

To Lance, Soll & Lunghard, LLP and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at <u>www.aicpa.org/prsummary</u>. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design and compliance with the firm's system of quality control based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act and employee benefit plan audits.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, *pass with deficiency (ies)*, or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

Spafford & handly , Done .

March 30, 2023



### **GFOA AWARD PROGRAM**

LSL understands the significance of obtaining and maintaining the Certificate of Excellence in Financial Reporting from the GFOA. We have prepared financial statements and footnote disclosures for many of our local government clients who have received this award. Our governmental partners, managers, and seniors are closely involved in the preparation of these reports. Clients currently receiving the GFOA award are noted in **Appendix A**.

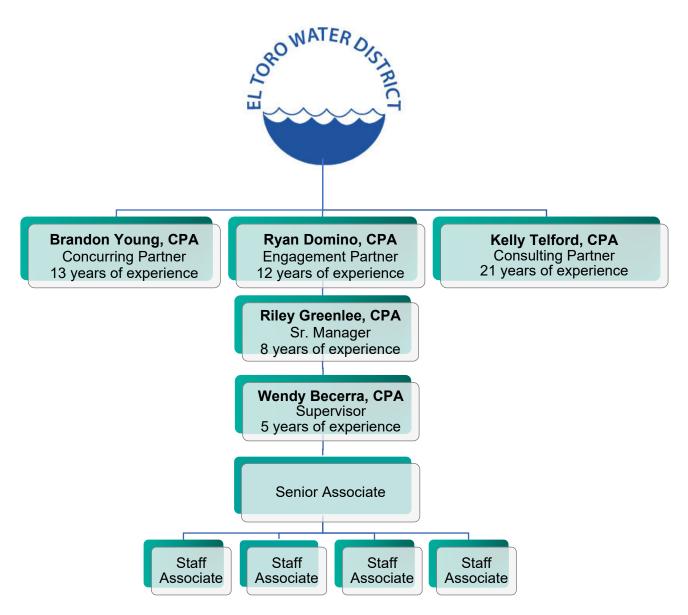
### SINGLE AUDIT EXPERIENCE

Our firm has extensive experience in performing Single Audits for local government agencies under the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements of Federal Awards (Uniform Guidance), and the United States Office of Management and Budget (OMB). **Appendix A** also includes a list of government audit clients for which a Single Audit has been performed in the last fiscal year. Additionally, the table below highlights recent examples of federal programs audited by LSL.

Federal Granting Agency	AL #	Name of Program
U.S. Department of Agriculture	10.557	Special Supplemental Nutrition Program for Women, Infant, and Children
U.S. Department of Housing & Urban Development	14.195	Section 8 Housing Assistance Payment Program
U.S. Department of Housing & Urban Development	14.218	Community Development Block Grants/Entitlement Grants
U.S. Department of Housing & Urban Development	14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
U.S. Department of Housing & Urban Development	14.239	HOME Investment Partnerships Program
U.S. Department of Housing & Urban Development	14.856	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation
U.S. Department of Housing & Urban Development	14.871	Section 8 Housing Choice Vouchers
U.S. Department of Transportation	20.106	Airport Improvement Program
U.S. Department of Transportation	20.205	Highway Planning and Construction
U.S. Department of Transportation	20.507	Federal Transit Formula Grants
U.S. Department of Treasury	21.019	Coronavirus Relief Fund (CRF)
U.S. Department of Treasury	21.027	Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
U.S. Environmental Protection Agency	66.458	Capitalization Grants for Clean Water State Revolving Funds
U.S. Department of Health and Human Services	93.563	Child Support Enforcement
U.S. Department of Health and Human Services	93.667	Social Services Block Grant
U.S. Department of Health and Human Services	93.676	Unaccompanied Alien Children Program
U.S. Department of Health and Human Services	93.778	Medical Assistant Program - Medicaid Cluster
U.S. Department of Homeland Security	97.036	Disaster Grants- Public Assistance (Presidentially Declared Disasters)
U.S. Department of Homeland Security	97.067	Homeland Security Grant Program



# **ORGANIZATIONAL CHART**







Ryan Domino, CPA Engagement Partner



Brandon Young, CPA Concurring Partner

Ryan Domino has a strong technical focus and specializes in governmental accounting and auditing. He currently serves as a technical reviewer for the Government Finance Officers Association (GFOA) and regularly presents at our firm's annual GASB Update and at CSMFO's chapter meetings where he presents and trains on the latest GASB pronouncements. Ryan is an expert on Single Audit planning and execution and holds advanced certification from the AICPA. Ryan provides our clients with a competitive advantage as a member of GFOA's Special Review Committee for the Award for Excellence in Financial Reporting and able to provide valuable insights and recommendations to help organizations achieve excellence in financial reporting.

Brandon is an expert in governmental accounting and auditing and trains our government team on the proper implementation of new GASB pronouncements, ensuring that our clients receive the highest level of service and expertise. Brandon was recently appointed to the AICPA State and Local Government Expert Panel, further demonstrating his expertise in the field. Brandon also serves on the CaICPA Governmental Accounting and Auditing Committee, specific to the State of California, and he is responsible for numerous white papers and technical clarifications, including those for GASB 68, 75, and 87. His contributions to this committee have helped to shape the accounting and auditing practices of government organizations in California.

### 

### **ENGAGEMENT TEAM RESUMES**

Team resumes are available in **Appendix B**, which details the position of each team member in the firm, their educational background, and their years and types of experience. The resumes also provide information on relevant continuing education completed by the team members during the past three years. Proposed team members will be available for ninety (90) days from the proposal due date. LSL will promptly notify the District of any changes in key personnel prior to award.

### **Staff Continuity**

To ensure the quality of our staffing, we have established firm policies that prioritize the continuity of engagement teams, except in cases where an employee has left the firm or has been promoted. In the event of any changes in staffing at the Manager position and above, LSL will first seek written permission from the District.



# **Quality of Staff Assurance**

LSL is committed to providing the District with a stable and experienced team that is dedicated to delivering a high-quality audit and exceptional service. We understand the importance of maintaining a strong and reliable team throughout the engagement, and we will work closely with the District to ensure that any staffing changes are handled with minimal disruption to the continuity of the engagement.

## **Continuing Education**

At LSL, we strongly emphasize professional development and continuing education to ensure that our team members are up to date on the latest developments in governmental accounting and auditing. As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period.

### **ADDITIONAL RESOURCES**

The LSL team is comprised of top talent within the industry with comprehensive experience beyond governmental audit, accounting, and advisory services. When you partner with LSL, you gain access to the experience, knowledge, and resources of our entire team, including our consulting and technology teams. We are committed to helping finance departments thrive by providing the guidance, tools, and services that foster lifelong success for your finance team. We encourage our clients to tap into our full professional team of industry and product experts for your full-service consulting, staffing, and financial report automation solutions.



Financial & Compliance Audits



Consulting, Staffing & Training



**Technology & RPA** 





Kelly Telford, CPA Consulting Partner



Gail Gray, CPA Technology Partner

Kelly is a respected leader in public finance and is known for being a change agent and thought leader in organizational strategy. She has developed her expertise in public and local government accounting and auditing, financial forecasting, budget development, public utilities, investment management, grant management, human resources, and information technology. She has taught classes for GFOA and CSMFO and has presented at annual conferences for GFOA, CSMFO and GFOAA. She has previously served as Finance Director for the cities of Costa Mesa and Seal Beach as well as the Los Angeles Community Development Agency. Kelly has a proven track record of helping agencies identify operating inefficiencies assisted in departmental reorganizations, identify internal control challenges, completing yearend close procedures, and serving as an outsourced Finance Director. Her practical recommendations are instrumental in helping our team and our clients achieve a high-quality and efficient audit while providing valuable feedback for organizational improvements.

Gail is a well-established expert in governmental accounting and finance technology. As a Partner in LSL's Technology Consulting Services, Gail has over 20 years of experience in training, mentoring, and automating finance teams. Gail specializes in process automation consulting, software implementation, customization, and robotic process automation (RPA), leveraging technology and automation for accounting, auditing, and financial reporting. With her extensive background in governmental accounting, Gail uniquely enables LSL to offer top-tier implementation services for government-specific financial management solutions. Gail and her team provide exceptional training and ongoing support, while ensuring that our software partners also uphold high standards and provide high-quality service.

### **TRAINING & SEMINARS**

LSL regularly leads training courses and seminars on introductory governmental accounting, financial reporting, internal control risk assessments, and all GASB updates and best practices. These resources are available to our clients for additional information and continued support. These will be opportunities made available through our firm to the District for training or continuing professional education credits on current issues in governmental auditing and accounting.



# AUDIT APPROACH AND METHODOLOGY

# **OUR UNDERSTANDING OF THE SCOPE OF WORK**

LSL understands that the EI Toro Water District is seeking a qualified firm to perform the District's financial audit and related services, consisting of the following final financial and compliance reports:

- Financial Statement Audit
- AUP Report

# **PROJECT MANAGEMENT METHODOLOGY**

The LSL team holds itself to a high standard for timely delivery and effective communication of key milestones. We understand the importance of being responsive and communicative with our clients, and we are committed to being available on a day-to-day basis to address any questions or concerns that may arise throughout the engagement. Areas of concern and potential findings will be communicated to the District as soon as they are discovered to mitigate any surprises throughout the audit.

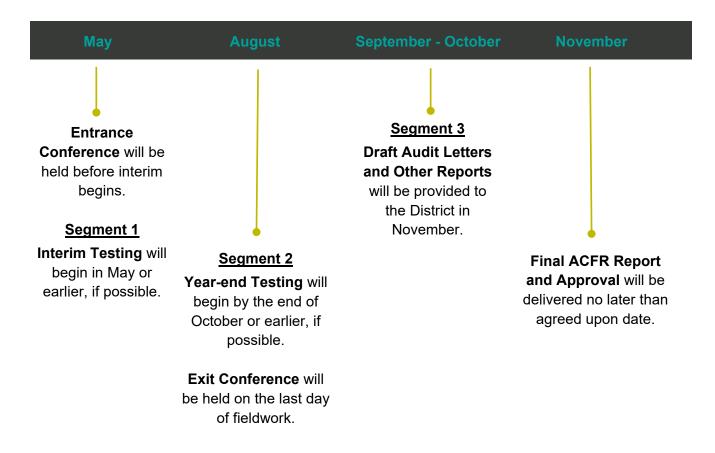
At the beginning of the engagement, we will hold a planning meeting with you to determine the timeline, expectations, and desired outcome of the agreement on the issuance of financial statements. Throughout the process, we will have periodic meetings with you to provide updates and discuss progress. Upon award of contract and per the District's requested timeline, LSL will work closely with the District to develop an audit plan and timeline to ensure compliance and timely deliverables.

As part of the Scope of Work and time requirements, we assume that the District will provide all necessary information needed to complete the financial statement and single audits. We will proactively identify and communicate any pending information from the District that could hinder our ability to complete the objectives of the engagement in a timely manner.



### **PROJECT SCHEDULE**

LSL assumes under the time requirements that the District will have closed its books and will present the LSL team with general ledger balances that are auditable prior to the start of fieldwork. A sample timeline is provided on the following page displaying the key stages of the audit and the deliverables.



### **PROPOSED WORK PLAN**

At LSL, we use a governmental audit program that will be tailored to the District's operations to accommodate its specific circumstances and organizational structure. LSL's audit programs are organized by financial statement category, which we believe is the most effective and efficient approach to substantially reduce the risk of omitting important procedures. Our approach is designed to increase audit efficiency by linking financial statement assertions, audit objectives, and procedures that are basic to most governmental audit engagements.



# **PROPOSED SEGMENTATION**

Our audit services will be divided into the three succeeding segments:

- Segment 1 Planning and Obtaining an Understanding
- Segment 2 Financial Audit Testing
- Segment 3 Conclusion

# Segment 1 – Planning and Obtaining an Understanding

LSL will provide an annual audit communication letter, engagement letter, and Government Audit Quality Center Information letter. The audit communication letter is to be provided to the District Council and/or Board of Directors and can be communicated orally to those charged with governance, if requested, where we will discuss planning stages, responsibilities of the District Council and/or Board of Directors, Auditors, and Management, and provide an opportunity to communicate with us as the auditors.

An entrance conference will be scheduled prior to the agreed-upon week of interim testing to ensure that the transition to new auditors is as seamless as possible. Discussions in this meeting include, but are not limited to, an understanding of reports and key milestones for deliverables, prior audit reportable conditions and issues, and "Prepared by Client" (PBC) schedules.

A trial balance is requested for our planning meeting to assist the LSL team in obtaining knowledge of economic conditions, industry elements, and new standards that may affect the District. We will compile a list of PBC items based on our review of the prior year's financial statements and the gathered information that will be provided to the District one month prior to testing or earlier if requested. We operate on a paperless software system and provide a secured cloud-based portal for all clients. The District will have a separate folder that can be customized to organize, and upload requested schedules, support documents, etc.

After interim testing, we will hold an exit meeting to discuss potential weaknesses, if any, and provide feedback for improvements or valuable information gathered from any outside clientele that would benefit the District.



# Segment 2 – Financial Audit Testing

Based on the information gathered thus far, we will utilize a customized audit program based on the risk assessment developed during our assessment of the District's internal controls and *Government Auditing Standards*. The primary benefit of a tailored program is a focused set of procedures to address relevant areas. We believe that this approach is both effective and efficient and is critical to compliance with other material laws and regulations.

We will annually compile another customized PBC list for the year-end testing provided at least one month prior or earlier if requested. We will request trial balances from the District for our analytical review to be provided one week before testing is scheduled to commence. Year-end testing will include testing of the balance sheet, revenue and expenditures accounts, confirmation of selected balances, analytical procedures, evaluation of the internal controls, and preparation of reports and letters.

### Segment 3 – Conclusion

Based on our year-end exit meeting we will discuss a plan to finalize the financial statements according to the timetable of the District. We will schedule dates for the initial and final drafts including time for LSL's and the District's review and approval of the financial statements. This period will also account for review by the engagement partner and quality assurance partner. After the review and receipt of the signed Representation Letter from the District, LSL will provide a final report by the agreed upon date each year.

		TOTAL PROPOSED HOURS									
		Senior Experienced									
Segment/Task	Partners	Manager	Supervisor	Staff	Staff	Clerical	Total				
Financial Statement Audit											
Interim test work	0	0	0	14	24	0	38				
Year-End test work	0	0	0	40	73	0	113				
Report/Review/Supervision	6	11	32	0	0	15	64				
Subtotal	6	11	32	54	97	15	215				
Agreed-Upon Procedures Rep	port (per qua	arter)				·					
Test work	0	0	0	5	9	0	14				
Report/Review/Supervision	0	1	3	1	0	1	6				
Subtotal	0	1	3	6	9	1	20				
TOTAL PROPOSED HOURS:	6	12	35	60	106	16	235				

# LEVEL OF STAFF ASSIGNED AND NUMBER OF HOURS TO BE ASSIGNED



### **AUDIT SAMPLING**

For tests of controls, we use audit sampling. Tests of controls are procedures directed towards determining the effectiveness of the design or operation of an internal structure policy or procedures. Audit sampling is typically used for tests of controls and compliance that involve the inspection of documents and reports indicating the performance of the applicable policy or procedures and compliance with the applicable laws and regulations. Sample sizes vary based on the population and risk-based calculations.

### **TYPE AND EXTENT OF ANALYTICAL PROCEDURES**

For the audits of the financial statements, we will use analytical procedures as an overall review of the financial information in the preliminary and final stages of the audits. These procedures are designed to assist us in planning our audits and in assessing the propriety of the conclusions reached and evaluating the overall financial statement presentation.

The procedures to be utilized consist of determining expectations for changes to significant revenue, expenditure, and balance sheet accounts, reading the financial statements and related notes, reviewing the budget and related material, and focusing on overall relationships within the financial statements.

Once determined, these are reviewed to evaluate if the changes appear reasonable or require further analysis. For all significant differences, explanations are obtained as to why the situation occurred and additional substantive procedures may be applied, and related evidence is gathered to resolve concerns and questions.

### **ELECTRONIC DATA PROCESSING SOFTWARE & AI TECHNOLOGY**

LSL is always at the forefront of technology and finding ways to increase efficiency in our audits. Our goal is to effectively streamline the audit process to make the burden of an audit easier on our clients and ease any technical disagreements.

### Caseware

At LSL, we partner with and utilize **Caseware** to perform our audits and retain electronic workpapers and supporting documentation in a fully cloud-based platform. During our preparation of the ACFR, all financial statements and schedules are linked to Caseware and audit documentation, ensuring accuracy and consistency with District records and eliminating the risk of manual errors.



### LSL Caseware Cloud Portal

Our web-based portal system provides clients with the ability to securely share information in a user-friendly platform. Integrated with **Caseware OnPoint Collaborate**, this state-ofthe-art tool enhances collaboration in accounting and auditing. It enables direct communication with clients throughout the audit process for feedback exchange and tracks activities such as audit requests, client uploads, and progress. Access to the secure hub can be restricted to relevant individuals. This tool eliminates the necessity of sending sensitive documents via email, enhancing efficiency. Client dashboards are customizable to meet specific needs.

# **Data Extraction & Audit Analytics**

We believe software is only as effective as those who know how to use it. That's why we train all our staff and incorporate the use of **Caseware Analytics AI** and **IDEA** into our audit approach. These two complement each other to create a risk-based transaction analysis tool. We utilize them to scan transaction sets, identify exceptions warranting further investigation, and provide additional assurances to our clients. These tools offer users a high-level summary and reduce time spent in transaction analysis by automatically performing multiple tests on the entire transaction set. They assist in identifying duplicate payments, high-risk journal entries, and developing expectations for analytical procedures used during the audit.

### **Experience With ERP Systems**

Many of our clients have updated their system software with new Enterprise Resource Planning (ERP) systems over the years. We make ourselves available for questions and recommendations, including assistance with the vendor selection process. Our clients' transition to more sophisticated ERP systems has allowed us to gain a better understanding of each system and its unique capabilities. We often obtain read-only access to our clients' software and can work directly within the system. This allows us to provide useful observations and recommendations regarding internal controls and facilitates efficient audit test work. Some of the ERP and Property Tax Systems we have extensive experience with include **Tyler Technologies (Munis, New World, Eden, Incode)**, **One Solution**, **Oracle**, **SAP**, **Infor**, **Megabyte**, and more.

# DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT TEST WORK

The Laws and Regulations that will be subject to audit test work are determined by the applicable laws, regulations, contracts, and grant agreements which we identify through the understanding we obtain of the City and our extensive experience with other governmental entities.



# DRAWING AUDIT SAMPLES FOR COMPLIANCE

The sampling procedures test the operating effectiveness of an internal control structure policy or procedure by determining how the policy or procedure was applied, the consistency with which it was applied during the audit period, and by whom it was applied. We will draw samples for disbursements, receipts, and payroll when applicable. Each document selected will be tested for various attributes that are designed to verify compliance with different aspects of internal controls and applicable laws and regulations. Additionally, each sample item will be tested for coding to the proper accounts and posting to the general ledger.

# LSL'S APPROACH TO UNDERSTANDING THE DISTRICT'S INTERNAL CONTROL STRUCTURE

LSL will perform procedures as required by SAS 122-125 to obtain an understanding of the District and its environment along with assessing the risks of material misstatements in order to gain insight into the internal control structure over the financial statements. Our review will encompass various areas such as financial reporting, cash, revenues and receivables, utility billing, expenses, accounts payable, payroll, capital assets, long-term debt, and grant reporting. We will issue a management letter (SAS 115 Letter) that identifies any significant deficiencies and/or material weaknesses found as required by the Government Auditing Standards.

Throughout the year, LSL will conduct interviews with the management of finance and responsible parties of each audit section to understand the processes and controls through observation and discussions. We will also perform sampling transactions as part of a "walk-through" process to verify that the system of control is functioning as per the policies and procedures.

# ANTICIPATION OF POTENTIAL AUDIT PROBLEMS, ROLES & RESPONSIBILITIES OF THE DISTRICT

Outside of the complexities that arise with the implementation of GASB pronouncements, LSL does not anticipate any audit problems or conflicts in the performance of the services requested in this RFP. Our approach is to partner with our clients to provide information, training, and the resources necessary to successfully implement any new changes in accounting principles.

As mentioned previously, LSL assumes that the District will provide all necessary information to complete the financial statement audit. The LSL staff assigned to this engagement will help identify and communicate any pending information needed from the District that may hinder the engagement's objectives and timely completion. Additionally, LSL assumes that the District will have closed its books and present auditable general ledger balances.



# WORKING PAPER RETENTION AND ACCESS

All working papers and reports will be retained at LSL's expense for a minimum of five (5) years unless otherwise notified in writing by the District of the need to extend that retention period. Upon written request, we will make working papers available to parties designated by the District. Furthermore, we will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

[Cost bid on the following page]



# FEE STRUCTURE AND TERMS

# ALL-INCLUSIVE MAXIMUM PRICE

All-Inclusive Maximum Price by Report										
Report         2024-25         2025-26         2025-27         TOTAL										
Financial Statement Audit	\$36,270	\$37,000	\$37,740	\$111,010						
Agreed-Upon Procedures Report (per quarter)	\$3,260	\$3,330	\$3,400	\$9,990						
New Client Onboarding Fee *	\$3,620	\$0	\$0	\$3,620						
SUBTOTAL FOR FISCAL YEAR	\$43,150	\$40,330	\$41,140	\$124,620						
Out-of-Pocket Expenses (Meals, Travel, Lodging, as necessary)	\$1,000	\$1,020	\$1,040	\$3,060						
Total for Fiscal Year (Not-to-Exceed)	\$44,150	\$41,350	\$42,180	\$127,680						

\*LSL charges a one-time onboarding fee due to an estimated 10% increase in audit hours necessary during the first year of an engagement to gain an understanding of the entity and its environment, perform initial audit procedures, and build the financial statement model. This fee is not repeated in subsequent years of the contract.

# LSL'S STANDARD HOURLY BILLING RATES

Position			
	2023-24	2024-25	2025-26
Partner	\$390	\$398	\$406
Senior Manager	\$290	\$296	\$302
Manager	\$250	\$255	\$261
Supervisor	\$210	\$215	\$220
Senior Accountant	\$190	\$194	\$198
Experienced Staff	\$160	\$164	\$168
Staff Accountant	\$140	\$143	\$146
Clerical	\$120	\$123	\$126



# ADDITIONAL PROFESSIONAL SERVICES

If it should become necessary for the EI Toro Water District to request LSL to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in a written addendum to the contract between the District and LSL. Any such additional work agreed to between the District and LSL shall be performed at the same rates set forth in LSL's Standard Hourly Rates provided in this cost bid.

### MANNER OF PAYMENT

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month. The final ten percent (10%) of the total all-inclusive maximum price will be paid upon delivery of the firm's final reports.



# **REFERENCES**

The following references highlight our experience in providing professional auditing services to other governmental organizations with similar size and scope as the El Toro Water District. We invite you to contact them to gain insight into our working relationships and quality of service.

Orange County Water District						
Contact	Randy Fick, CFO/Treasurer					
Email Address	rfick@ocwd.com					
Address	18700 Ward Street					
	Fountain Valley, CA 92708					
Telephone	(714) 378-3200					
Dates of Services	2022 - Presentt					
Scope of Work	Audit of an Annual Comprehensive Financial Report (ACFR); Single Audit; 457 Deferred Compensation Plan Audit & Money Purchase Plan (MPP) Audit; OCWD State Controller Report; MPP State Controller Report; Ratio Analysis AUP					

Yorba Linda Water District						
Contact	Christine McIlrevey, Finance Manager					
Email Address	cmcilrevey@ylwd.com					
Address	1717 E. Miraloma Avenue Placentia CA 92870					
Telephone	714-701-3042					
Dates of Services	2022 – Present					
Scope of Work	YLWD Financial Audit and Financing Authority Audit					

San Bernardino Municipal Water Department						
Contact	Cynthia Mouser, Director of Finance					
E-mail Address	cindy.mouser@sbmwd.org					
Address	1350 S. E Street					
	San Bernardino, CA 92408					
Telephone	909-453-6010					
Dates of Service	2019 – Present					
Scope of Work	Audit of an Annual Comprehensive Financial Report (ACFR) which receives the GFOA award. In addition, we audit the Department's annual single audit.					



# **INSURANCE**

LSL confirms that we will maintain the minimum insurance requirements throughout the entire term of this engagement. We have provided evidence of coverage with the submission of our proposal in **Appendix C**, and the actual insurance form will be provided upon the award of contract.

# **BENEFITS OF WORKING WITH LSL**

LSL is a multi-location firm with formidable resources that provides a personal feel and handson client experience.





Ranked # 14 on the Orange County Business Journal's CPA Firm Book of Lists

95 years young and the wisdom to go with it!



16 Partners who are dedicated to solving your issues



145 employees (and growing!)

# ACCOUNTING TODAY REGIONAL LEADER

LSL CPAs has again been recognized as an Accounting Today Regional Leader in 2024. The list ranks the top CPA firms that have shown exceptional growth, embraced technology, and who 'think outside the box' when providing solutions.





# **OUR CORE VALUES**

As we continue to grow and evolve, we recognize our core values needed to grow and change with us. Our values weren't decided on by management and handed down, every member of the LSL team worked together to share what values matter most to us. From there, we came up with the following five core values that embody how we approach each other, our work, and our clients.











PURSUE EXCELLENCE

LOVE WHAT YOU DO

LEAD WITH INTEGRITY

ACCOMPLISH MORE TOGETHER

FORWARD THINKING

# **BEST OF ACCOUNTING AWARD**

LSL CPAs delivers high-quality service and has consistently secured the ClearlyRated *Best of Accounting* award. This exclusive program awards accounting firms who demonstrate high-level service of excellence within the accounting industry and solely leverages statistically validated survey responses from our clients.



4.7 based on 646 ratings



# APPENDIX A – CURRENT LIST OF MUNICIPAL CLIENTS



-		Current List of Municipal Clients			
	Client	Contact Person	Services	Years	Phone
*	Agoura Hills	Mr. D. Ibanez, Director of Finance	F, S	8	818-597-7312
*	Barstow	Ms. H. Riley, Admin Services Manager	F, S	3	760-255-5115
*	Big Bear Lake	Ms. K. Ent, Director of Government Services	F, S	25	909-866-5831
*	Burbank	Mr. C. Wood, Deputy Finance Director	C, F, S	12	818-238-5487
	Canyon Lake	Mr. C. Mann, City Manager	F	28	909-244-2955
*	Carlsbad	Mr. Z. Korach, Finance Director	F, S	2	442-339-2127
*	Cathedral City	Mr. K. Biersack, Financial Services Director	F, S	13	760-770-0378
ŧ	Chino Hills	Ms. C. Buhagiar, Finance Director	F, S	26	909-364-2600
•	Chula Vista	Ms. S. Schoen, Director of Finance	F, S	9	619-409-3818
ŧ	Citrus Heights	Mr. A. Preciado, Accounting Manager	F, S	4	916-727-4705
ŧ	Citrus Heights Water District	Ms. A. Liu, Director of Admin Services	F, U	2	916-735-7703
ł	Cypress	Ms. D. Mullally, Assistant Finance Director	F, S	6	714-229-6700
•	Diamond Bar	Mr. J. Jacobsen, Finance Director	F, S	13	909-839-7051
ł	Dixon	Ms. K. Zawadzki, Director of Finance	F, S	9	707-678-7000
•	Downey	Mr. S. Hannah, Finance Director	F, S	8	562-904-7265
ĸ	East Bay Municipal Utility District	Ms. S. Skoda, Director of Finance	F. U	5	510-847-0018
•	Eastern Municipal Water District	Ms. W. Garriz, Controller	F, S, U	2	951-928-3777
	Fullerton	Ms. T. Smart, Fiscal Services Manager	C, F, S	12	714-738-3139
	Galt	Mr. M. Boring, Finance Director	F, S	6	209-366-7140
	Georgetown Divide Public Utility District	Ms. J. Buckle, Accounting Manager	C, F, S, U	6	530-333-4356
	Grand Terrace	Ms. C. Clayton, Senior Accountant	F	9	909-824-6621
	Indio	Ms. S. Lopez, Finance Manager	F, S	7	760-541-4237
	Inglewood	Ms. L. Gomez, Accounting Manager	F, S	8	310-412-5127
	Irwindale		F	28	626-430-2221
		Mr. K. Borhani, Finance Director/City Treasurer		20	209-394-5550
	Livingston	Mr. H. Bains, Senior Accountant	F, S		
	Lodi	Ms. M. Munoz, Accounting Manager	F, S	1	209-333-6700
	Lompoc	Ms. C. Donnelly, Management Service's Director	F, S	2	805-875-8283
	Malibu	Ms. R. Feldman, City Manager	F, S	19	310-456-2489
	Manhattan Beach	Mr. S. Charelian, Finance Director	F, S	18	310-802-5553
	Monrovia	Ms. B. Bullis, Director of Administrative Services	F, S	22	626-932-5510
	Monterey One Water	Mr. F. Marsh, Chief Financial Officer	F, S, U	9	831-645-4623
	Monterey Peninsula Airport District	Mr. M. Wilson, Controller	F, S	5	831-648-7000 x20
	Moorpark	Ms. Y. Cunning, Director of Finance	F, S	5	805-517-6213
	Newark	Ms. K. Lee, Finance Director	F	5	510-578-4288
	Oceanside	Ms. J. Moya, Financial Services Director	F, S	14	760-435-3887
	Ontario International Airport	Ms. K. Snow, Finance Manager	F, S	6	714-415-9636
	Orange	Ms. T. Nguyen, Director of Finance	F, S	2	714-744-5500
	Orange County Fire Authority	Ms. G. Cheung, Accounting Manager	F, S	4	714-573-6000
	Orange County Water District	Mr. R. Fick, CFO/Treasurer	F, S, U	2	714-378-3200
	Orchard Dale Water District	Mr. R. Richard, Finance Manager	F, U	4	562-941-0114
	Palm Desert	Mr. V. Chavez, Finance Director	F, S	6	760-346-0611
	Pleasanton	Ms. D. Punzo, Financial Services Manager	F, S	3	925-931-5402
	Rainbow Municipal Water District	Ms. R. Poole, Accounting Supervisor	F, S, U	3	760-728-1178
	Rancho Cucamonga	Mr. N. Daniels, Finance Director	F, S	45	909-989-1851
	Redondo Beach	Ms. W. Collazo, Chief Deputy City Treasurer	F, S	6	310-372-1171 x242
,	Rialto	Ms. K. Stevens, Deputy Director of Finance	F, S	2	909-421-7242
t	Riverside	Ms. N. Garcia, Controller	F, S, U	4	951-826-5466
	Rolling Hills	Mr. R. Samario, Interim Finance Director	F	14	310-377-1521



*	Rosemead	Mr. B. Chua, Director of Finance	F, S	5	626-569-2146
*	Roseville	Mr. D. Kaufman, Assistant City Manager/CFO	F, S	2	916-774-5314
*	San Bernardino Municipal Water Dept.	Ms. C. Mouser, Director of Finance	F, S, U	4	909-453-6010
*	San Clemente	Mr. J. Rahn, Finance Director	F, S	5	949-361-8360
*	San Joaquin Council of Governments	Ms. G. Orosco, Manager of Finance	F, S	4	209-235-0454
*	San Juan Capistrano	Mr. K. Al-Imam, Chief Financial Officer	F, S	2	949-443-6301
*	San Marino	Mr. M. Siegfried, Controller	F	29	626-300-0700
*	Santa Clarita Valley Water Agency	Ms. A. Aguer, Controller	F, U	4	661-513-1237
*	Santa Monica	Mr. S. Gomez, Financial Operations Manager	F, S	7	310-458-8281
	Shafter	Mr. R. Sanchez, Administrative Services Director	F, S	2	661-746-5043
	Sonoma County Fair & Exposition, Inc.	Mr. M. Margetts, Fair Financial Officer	F	5	707-573-9342
	Sutter County	Mr. N. Black, Auditor-Controller	F, S	4	530-822-7439
*	Three Valleys Water District	Mr. J. Velasquez, Chief Financial Officer	F, U	15	909-621-5568
*	United Water Conservation District	Mr. B. Zahn, Chief Financial Officer	F, S, U	1	805-695-3870
*	Vacaville	Mr. K. Matsumiya, Director of Finance	F, S	3	707-449-5688
*	Vallejo	Ms. F. Cruz, Assistant Director, Finance	F, S	4	707-648-5542
*	West Sacramento	Ms. B. Robertson, Finance Manager	F, S	1	916-617-4584
*	Yolo County	Mr. T. Haynes, Chief Financial Officer	F, S	4	530-666-8050
*	Yorba Linda Water District	Ms. D. Lugo, Finance Manager	F	2	714-701-3040

#### Service Codes:

F - Financial Audit

S - Single Audit

I - Internal Audit

C - Consulting

U - Utility Agency

\* Participated in the GFOA Award Programs and has received or anticipates receiving outstanding awards



# APPENDIX B – ENGAGEMENT TEAM RESUMES





### LICENSES

Certified Public Accountant California Texas

#### **AUDIT ENGAGEMENTS**

City of Agoura Hills, CA City of Big Bear Lake, CA City of Brea, CA City of Burbank, CA City of Carlsbad, CA City of Cathedral City, CA City of Chino Hills, CA City of Dana Point, CA City of Kress, TX City of La Quinta, CA City of Lompoc, CA City of Monrovia, CA City of Moorpark, CA City of Oceanside, CA City of Orange, CA City of Palm Desert, CA City of Rialto, CA City of Rosemead, CA City of San Clemente, CA City of San Juan Capistrano, CA City of Santa Monica, CA Monterey Peninsula Airport District Orange County Water District **Orchard Dale Water District** Rainbow Municipal Water District San Bernardino Muni. Water Dept. Three Valleys Muni. Water District United Water Conservation District Yorba Linda Water District

# Ryan Domino, CPA

ENGAGEMENT PARTNER

### ACHIEVEMENTS

Ryan currently serves as a technical reviewer for the Government Finance Officers Association (GFOA), and has been a presenter for CSMFO's annual conference and various chapter meetings. He has been involved with teaching current audit and accounting-related material at LSL's in-house training seminars, and annual GASB Update.

### **CONTINUING EDUCATION**

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Ryan meets the requirements for Government Auditing Standards in governmental CPE.

#### **EXPERIENCE**

Ryan has over 11 years of experience in governmental auditing including financial statement audits, preparation of Annual Comprehensive Financial Reports, Housing Successor compliance audits, TDA compliance audits, Single Audits, Federal Student Financial Aid audits, and various consulting and agreed-upon procedures projects.

Ryan is one of the firm's leaders in ensuring audit quality control and Government Practice training for staff. He is a regular presenter at the firm's annual GASB Update where he has presented training to our clients on the latest GASB pronouncements and has been a presenter for CSMFO's chapter meetings and the annual CSFMO Conference.

Some of his presentations have covered:

- General auditing in accordance with GAGAS
- Accounting for capital assets
- GASB Statement Nos. 89, 90, 91, 94, 100, 101, and 102
- Fraud risks and internal controls

#### **MEMBERSHIPS**

AICPA, CalCPA, CSMFO, GFOA, GFOAT

#### **EDUCATION**

Bachelor of Arts Degree in Business Administration, with an emphasis in Accounting – California State University, Fullerton





### LICENSE

Certified Public Accountant California

#### **ENGAGEMENTS**

City of Chula Vista **City of Citrus Heights** City of Dixon City of Lodi City of Galt City of Livingston City of Menlo Park City of Newark City of Pasadena City of Pleasanton City of Riverside City of Roseville City of Santa Monica City of Shafter **Coachella Valley Water District** County of Placer County of Nevada County of Sutter County of Yolo East Bay Municipal Utility District GDPUD Inland Empire Utilities Agency Monterey Peninsula Airport District Orange County Water District San Joaquin Council of Gov. Santa Clarita Valley Water Agency Union Sanitary District

# Brandon Young, CPA

CONCURRING PARTNER

### ACHIEVEMENTS

Brandon is an expert in Governmental Accounting and Auditing, with over 13 years of experience serving a wide range of clients. He is appointed to serve on the prestigious AICPA State and Local Government Expert Panel, with a three-year the term beginning in May of 2023, and also has served on the CalCPA Governmental Accounting and Auditing Committee since 2018.

### **CONTINUING EDUCATION**

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Brandon meets the requirements for Government Auditing Standards in governmental CPE.

#### **EXPERIENCE**

Brandon has performed all phases of governmental audits with numerous presentations to City Councils, Board of Supervisors, Board of Directors, and Audit Committees over the past thirteen years. He routinely presents at CSMFO, local chapter meetings and CalSACA on current accounting and auditing material. He also regularly teaches current audit and accounting-related material at LSL training seminars, webinars, and client education workshops and training events.

His work has entailed:

- The preparation of the ACFR for entities involved in CSMFO and GFOA in the U.S.
- Audit review and technical assistance throughout the year to deliver the most up-to-date information with current GASB pronouncements
- Presentation of audit results to Audit Committees or others charged with governance
- Risk assessment and evaluation of internal controls with COSO and Federal Green Book
- Single Audits in accordance with new Uniform Guidance

#### **MEMBERSHIPS**

AICPA, AICPA SLG Expert Panel CalCPA, CalCPA State GAA, CSMFO, GFOA

### **EDUCATION**

Bachelor of Arts Degree in Accounting, Magna Cum Laude – Vanguard University





LICENSE

Certified Public Accountant: California Texas

### CONSULTING ENGAGEMENTS

City of Manteca, CA City of Marfa, TX City of Moses Lake, WA City of Rancho Cucamonga, CA City of Redondo Beach, CA City of Tustin, CA City of Winters, CA County of Hidalgo, TX County of San Bernardino, CA Georgetown Divide Public Utilities District. CA Pomona Valley Transportation Authority, CA Puente Hills Habitat Preservation Authority, CA Yolo County Public Agency Risk Management Insurance Auth., CA

# AUDIT ENGAGEMENTS

- City of Barstow City of Downey City of Inglewood City of Irwindale City of Lake Elsinore City of Manhattan Beach City of Palm Desert City of Redondo Beach City of Shafter Mesa Water District
- Ontario International Airport Auth.

# Kelly A. Telford, CPA

CONSULTING PARTNER

# ACHIEVEMENTS

Kelly has developed her expertise in accounting and auditing, financial forecasting, budget development, public utilities, investment management, grant management, human resources, and information technology. She has taught classes for GFOA and has presented at annual conferences for CSMFO and GFOA. She is a respected leader in public finance and is known for being a change agent and thought leader in organizational strategy.

# **CONTINUING EDUCATION**

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Kelly meets the requirements for Government Auditing Standards in governmental CPE.

### EXPERIENCE

Kelly has over 20 years of experience working both in and with government agencies including counties, cities, successor agencies, special districts, and Native American tribes and tribal casinos. She served as a Director of Finance/City Treasurer for the cities of Seal Beach and Costa Mesa and has served as the Director of Financial Management for the Los Angeles County Community Development Agency. She has also been an auditor and consultant for 14 years specializing in the audits of government agencies.

Her work has entailed:

- Implementation of month-end and year-end close procedures, and preparation of the ACFR submissions for the GFOA award
- Implementation of new ERP systems, including PeopleSoft, Incode and QuickBooks.
- Audit review and technical assistance to deliver the most up-todate information with current GASB pronouncements
- Presentations to City Councils, Board of Supervisors, Boards of Directors, and Audit Committees
- Technical reviewer for the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting and the Distinguished Budget Presentation Award Program
- Serves on the CSMFO Professional Standards Committee

### **MEMBERSHIPS**

AICPA, CalCPA, CSMFO, GFOA, TML (Texas Municipal League), GFOA-T (GFOA of Texas)

# **EDUCATION**

Bachelor of Arts, Accounting – California State University, Fullerton





LICENSE Certified Public Accountant California

AICPA Intermediate Single Audit Certificate

AICPA Advanced Single Audit Certificate

### ENGAGEMENTS

City of Burbank City of Santa Monica City of Roseville City of San Juan Capistrano City of Inglewood City of Monrovia City of Dana Point City of Palm Desert City of Pasadena City of Riverside City of Orange City of Cypress City of Lompoc City of Brea City of Laguna Beach San Bernardino Municipal Water Department Los Angeles County Development Agency Sacramento Transportation Authority Orange County Fire Authority **Orange County Water District** Yorba Linda Water District Mesa Water District

# Riley Greenlee, CPA

SENIOR MANAGER

### ACHIEVEMENTS

Riley helps our clients prepare and implement their Annual Comprehensive Financial Report (ACFR) for the Government Finance Officers Association (GFOA) award. His background is in government and specializes in leveraging technology in accounting and cybercrime. Riley is certified by the AICPA in cybersecurity advisory services. Riley also serves as a technical review for the Government Finance Officers Association (GFOA).

#### **CONTINUING EDUCATION**

As a firm policy, all LSL government staff are required to complete a minimum of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Riley meets the requirements for Government Auditing Standards in governmental CPE.

#### EXPERIENCE

Riley has over 8 years of experience in governmental auditing including financial statement audits, preparation of Annual Comprehensive Financial Reports, Housing Successor compliance audits, TDA compliance audits, Single Audits, and various consulting and agreed-upon procedures projects.

Riley is a regular presenter for the firm's webinars. Some of his presentations have covered accounting and auditing for: cash and investments, pensions, OPEB and treasury controls.

His work has entailed:

- Assisting in the preparation of the Annual Comprehensive Financial Report
- Assisting clients with obtaining the GFOA award of excellence for the first time.
- Presentation of audit results to Aduit Committees or other charged with governance.
- Planning the nature, timing, and extent of procedures involved in the audit process audits in accordance with the provisions of Government Auditing Standards and the provisions of the Single Audit Act and the Uniform Guidance
- Risk assessment and evaluation of internal controls with COSO and Federal Green Book.
- Assisting clients with the implementation of new GASB pronouncements including GASB 68, 75, 84, 87, 96 and 100.

#### **MEMBERSHIPS**

CalCPA, GFOA

### **EDUCATION**

Bachelor of Arts Degree in Economics and Accounting – University of California, Santa Barbara





LICENSE CPA in progress

#### **ENGAGEMENTS**

City of Barstow City of Brea City of Dixon City of Downey City of Fullerton City of Inglewood City of Lake Elsinore City of Malibu City of Manhattan Beach City of Newark City of Orange City of Pleasanton City of Pomona City of Rialto City of Redondo Beach City of Santa Monica City of Vallejo City of West Sacramento Jurupa Community Services District Mesa Water District **Orange County Water District** San Joaquin Council of Govts. Three Valleys Municipal Water Dist.

Wendy Becerra

SUPERVISOR

### ACHIEVEMENTS

Wendy is a skilled and dedicated audit supervisor with a comprehensive understanding of all audit procedures and the ability to identify and resolve complex issues. As an experienced auditor, Wendy has also supervised audit teams, ensuring compliance with all regulatory and professional standards.

### **CONTINUING EDUCATION**

200 total hours over the last three years, **99 of which were in governmental accounting and auditing subjects**. Wendy meets the requirements of governmental CPE Government Auditing Standards.

### EXPERIENCE

With five years of experience in governmental auditing, Wendy has honed her expertise in all phases of government audits, including ACFR audits, successor agency audits, and Single Audits.

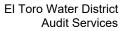
Her work has entailed:

- Assisting in the preparation of the Annual Comprehensive Financial Report (ACFR)
- Performing analytical and substantive audit procedures on account balances
- Planning the nature, timing and extent of procedures involved in the audit process
- Assisting clients with the preparation and review of GASB 68, 75, 87, and 96 journal entries
- Review of capital asset, debt service, federal and state award schedules

### **EDUCATION**

Bachelor of Science in Business Administration with an emphasis in Accounting – University of California, Riverside





# APPENDIX C – COI EVIDENCE OF COVERAGE



This Certificate Is ISUED AS A MATTER OF INFORMATION ONLY AND COVERS NO Rights UPON THE CERTIFICATE HOLDER. THE POLICES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUED INSURERS), AUTHORIZE BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUED INSURERS), AUTHORIZE BERRESULTATION OF PRODUCES, AND THE CERTIFICATE HOLDER. The policyles) must have ADDITIONAL INSURED provisions or be endorsed this certificate does not confer rights to the certificate holder in Bur of Note information on the insure of t	ACORD	ERTIF	ICATE OF LIA	BILITY INS	URANC	E	DATE (MM/D) 10/12/23	
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# CERTIFICATE OF LIABILITY INSURANCE

									/12/2023
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.									
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PRODUCER				CONTAC NAME:	T Lindsey J	amall			
The Liberty Company Insurance Brokers				PHONE (A/C, No		18-3960	FAX (A/C, No):		
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# MINUTES OF THE REGULAR MEETING & OF THE ENGINEERING COMMITTEE MEETING

December 16, 2024

At approximately 8:25 a.m. Director Freshley called the Engineering Committee meeting to order.

Committee Members MARK MONIN, MIKE GASKINS, KAY HAVENS,

KATHRYN FRESHLEY, and WYATT McCLEAN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, VISHAV

SHARMA, CFO, SCOTT HOPKINS, Operations Superintendent, JUDY CIMORELL,

Director of Human Resources, GILBERT J. GRANITO, General Counsel, MIKE

MIAZGA, IT Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom), VICKI

TANIOUS, Senior Accountant (Zoom), CAROL MOORE, Laguna Woods City Council

Member (Zoom), and MARISOL MELENDEZ, Recording Secretary.

# Consent Calendar

Director Freshley asked for a Motion.

<u>Motion:</u> President Monin made a Motion, seconded by Director Havens to approve the Consent Calendar.

Roll Call:

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

### Secondary Clarifier No. 3 Drive Replacement Project

Mr. Cafferty explained that the project resulted from an unanticipated catastrophic failure of the drive unit for Secondary Clarifier No. 3. The plant has three clarifiers, and while it can operate with two, it is important to restore this clarifier before construction work begins on Clarifier No. 1. He stated the equipment was purchased several months ago under the General Manager's authority. However, the total project cost, including installation, is \$85,868.84, which exceeds the General Manager's authority. Staff received several quotes, with Don Peterson Contracting Inc. being the most cost-effective option. Don Peterson Contracting Inc. will begin work once the equipment arrives in January.

Director Freshley inquired whether the new equipment would include a variable frequency drive. Mr. Cafferty clarified that the Clarifier Drive operates at a constant speed and does not have variable frequency drive. He explained that the equipment runs continuously at a fixed speed and does not start and stop.

Director Freshley asked for a Motion.

<u>Motion:</u> Director Havens made a Motion, seconded by President Monin to authorize the District's General Manager to enter into a contract with Don Peterson Contracting Inc. in the amount of \$28,562 for work associated with the installation of the new secondary clarifier drive for Clarifier No. 3. and that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve policy.

### Roll Call:

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

### Engineering Information Items

### ETWD Operations Report

Mr. Hopkins reported that staff will complete the valves this year, including any outstanding valves from the previous year.

Director Havens noted that R-19 had the lowest chlorine residual among all zones. Mr. Cafferty explained that the minimum detectable residual requirement is 0.2, and as long as this goal is met it is considered acceptable. He also pointed out that R-19 is located in a corner of the zone, where water circulation may be less efficient, which could contribute to the lower residual. Additionally, Mr. Cafferty mentioned that water age impacts chlorine residuals and nitrites more then anything else, and the circulation patterns may differ from other areas that have stronger chlorine residuals.

Director Freshley noted that the WRP Battery Storage System report is showing improvements. Mr. Cafferty stated that the system is performing well financially and on track to exceed last year's performance. It was within Terra Verde's scope to assess the battery performance and independently validate the savings reported by STEM to the District. He also stated that staff has an upcoming meeting to discuss preliminary findings and to explore potential opportunities which will be reported on next month.

# El Toro Water District Capital Project Status Report

### Grit Chamber Rehabilitation

Mr. Cafferty reported that the project is nearly complete. Most of the change order work identified last month has been finished, with only a few minor items remaining. The contractor is scheduled to begin the final 7-day test in the next couple of weeks to complete the work.

### New Warehouse

Mr. Cafferty reported that the new warehouse now has electricity. Staff is finalizing a punch list with Dumarc, aiming for project completion within the next few weeks. At the same site, staff continues to work with AQMD. The lease document has been updated, and AQMD will complete the final installation of the relocated air monitoring station, with an estimated completion by the end of January. Staff is also working with MWD to finalize an agreement to share costs for the final paving. Main Office Warehouse Drainage Improvement Project

Mr. Cafferty stated this project is currently out to bid and is expected to be presented for Board approval in January.

### Aliso Creek Lift Station Rehabilitation Project

Mr. Cafferty reported that the largest completed task is the tribal outreach portion of the CEQA process, which involved sending consultation letters to 23 tribes who have 30 days to respond. After finalizing the design, staff will determine the next steps. Staff is exploring FEMA Hazard Mitigation program grants for funding, though a declared disaster is required that would provide funding.

# System Wide Arc Flash and Coordination Study

Director Freshley inquired whether staff has discovered any necessary changes to meet current safety standards, noting that many of the District's facilities are outdated. Mr. Cafferty responded that there are separate projects addressing this, such as improvements to the Ocean Outfall Pump Station Motor Control Center, which include upgrades to Arc Flash. Mr. Cafferty mentioned that staff will compile a list of findings from the Arc Flash study and the improvements made as a result.

### Additional Tertiary Filter Disks

Mr. Cafferty reported that staff has received the filter disks for the tertiary filters upgrade and are expected to be installed next month.

### Freeway Electrical Equipment Replacement

Director Freshley inquired about the two-year wait for equipment. Mr. Cafferty explained that although supply chain timing is improving, in some cases equipment is ordered with an anticipated long lead time.

### Engineering Items Discussed at Various Conferences and Meetings

Director Havens shared that she virtually attended the Orange County Water Reuse meeting where she heard an insightful presentation by Soquel Creek. She noted that Soquel Creek is similar in size as El Toro Water District, and is in the final stages of completing their DPR project. She added that their experience could be valuable to the District when it takes on a similar project.

### Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

### <u>Adjournment</u>

There being no further business, the Engineering Committee meeting was adjourned at approximately 8:51 a.m.

### Regular Session

### Attorney Report

Mr. Granito reported that there is a need for a Closed Session today to discuss the item on the Closed Session Agenda.

### Closed Session

At approximately 8:52 a.m. the Board went into Closed Session to discuss the item on the Closed Session Agenda. Also, at this time everyone left the meeting except the Board members and General Counsel.

### Open Session Report

At approximately 9:06 a.m. the Board returned to Regular Session. Also, at this time, Mr. Cafferty, Ms. Cimorell, and Ms. Melendez returned to the meeting.

Mr. Granito reported that the Board went into Closed Session to discuss the item on today's Closed Session agenda. Mr. Granito stated that no reportable action was taken.

### General Manager Compensation

The Board members expressed their appreciation for Mr. Cafferty's hard work and long hours, particularly in his efforts with SOCWA, and acknowledged his excellent leadership.

<u>Motion:</u> Director Freshley made a Motion, seconded by President Monin to grant the District's General Manager a superior performance award of approximately 25% amounting to \$75,000.00.

6

Roll Call:

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

# <u>Adjournment</u>

There being no further business to come before the Board, the meeting was

adjourned at 9:11 a.m.

Respectfully submitted,

MARISOL MELENDEZ Recording Secretary

APPROVED:

MIKE GASKINS, President of the EI Toro Water District and the Board of Directors thereof

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



# **STAFF REPORT**

To: Board of Directors

Meeting Date: January 20, 2025

From: Dennis Cafferty, General Manager Hannah Ford, Director of Engineering

Subject: Main Office Warehouse Drainage Improvement Project

# BACKGROUND

Originally constructed in the 1960s, the District's wood frame Main Office Warehouse lacks proper drainage. The Main Office Warehouse houses a mechanic bay, inventory storage, and office space of three employees. A recent leak in the urinal adjacent to the office spaces resulted in water damage that has since been repaired. During the repairs associated with the urinal leak, staff discovered that the lack of proper drainage on the outside of the Main Office Warehouse caused termite damage and black mold growth within the walls of the office space.

The District contracted with Richard Brady and Associates, Inc. (Brady) to develop engineering design and a cost estimate to improve the drainage around the Main Office Warehouse in order to prevent further water damage in the office space area. The project involves modification of the finished surface around portions of the building to promote drainage away from the building and the construction of a trench drain and pumping system to convey water to the existing drain system.

Following completion of design staff solicited bids from four contractors with experience working for the District. Staff received three bids, summarized as follows:

GCI Construction, Inc.	\$225,000
Kingmen Construction, Inc.	\$279,300
J.R. Filanc Construction Company, Inc.	\$299,500

The construction cost estimate prepared by Brady estimated the cost to be approximately \$100,000. Following receipt of the bids, staff discussed the estimate with Brady. Brady's estimate significantly underestimated the cost of the pumping and discharge system but was also low on all aspects of the job. Brady's estimate was based on costs from projects that were two to three years old with no escalation for inflation. While staff are disappointed to see the higher costs, the three bids are within a reasonable range and are the more determinate indication of the actual cost for the proposed project.

# CALIFORNIA ENVIRNOMENTAL QUALITY ACT

The project is considered "categorically exempt" under Class 1 Section 15301 of the California Environmental Quality Act (CEQA). Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The District filed the Notice of Exemption with the County on October 24, 2024.

# COST EVALUATION

Table 1 summarizes the costs for the Project. As this is a response to an emergency situation, the project was not included in the capital budget for the 2024-25 fiscal year. The project will be funded from capital construction reserves.

# Table 1 – New Turbo Blower Project Cost Summary

Scope	Cost	
Brady Design	\$35,782	
GCI Construction	\$225,000	
Contingency	\$22,000	
Total	\$282,782	

# RECOMMENDATION

# **Recommended Action:**

Staff recommend that the Board of Directors authorize the District's General Manager to enter into a contract with GCI Construction, Inc. in the amount of \$225,000 for the construction of the Main Office Warehouse Improvements Project. Staff further recommend that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.



# **STAFF REPORT**

To: Board of Directors

Meeting Date: January 20, 2025

- From: Dennis Cafferty, General Manager Hannah Ford, Director of Engineering
- Subject: New Turbo Blower Installation

# BACKGROUND

Currently, the WRP has three blowers that provide air to the Aeration Basins, a critical function for removing biological oxygen demand (BOD) and facilitating biological treatment of the wastewater for permit compliance. One of the blowers is a high-efficiency Turbo blower (Figure 1), installed in 2016. The other two blowers are less efficient, centrifugal-type blowers (Figure 2) installed during the 1995 reconstruction project. The WRP operates the Turbo blower at all times due to enhanced efficiency and aeration capacity. However, low dissolved oxygen (DO) concentrations in the Aeration Basins necessitate operation of one of the standby, centrifugal blowers to assist the duty Turbo blower and meet performance goals.



Figure 1 – Turbo Blower

Figure 2 – Centrifugal Blower

# New Turbo Blower Installation Page 2

The WRP would benefit from a second Turbo blower to replace one of the aging centrifugal blowers and provide necessary redundancy for this critical process. Further, one of the centrifugal blowers catastrophically failed in February 2024. The blower's motor inlet bearing erupted and interrupted the shaft, as shown in Figure 3. This failure left the WRP in a vulnerable position without a true standby blower during low DO conditions – creating urgency around the need for a new Turbo blower.

Lead times on new Turbo blowers are approximately 7 months. Given the criticality of this equipment, the District pursued a low-cost interim repair solution by purchasing an inexpensive, used centrifugal blower to replace the failed blower and provide backup during emergencies. District staff completed installation of the used centrifugal blower in May 2024, as shown in Figure 4. In parallel, District staff developed a design for a new Turbo blower and associated harmonic filter. Given its long lead time, the District pre-purchased the new Turbo blower and harmonic filter.



Figure 3 – Catastrophic Failure of Centrifugal Blower

Figure 4 – Interim Repair with Used Centrifugal Blower

# INSTALLATION

The new turbo blower is anticipated to be delivered in late January. The District has received the harmonic blower. The installation of the blower and harmonic filter will be performed by mechanical and electrical contractors. Staff negotiated a proposal for the mechanical installation with Don Peterson Contracting, Inc. Don Peterson installed the existing turbo blower several years ago and recently installed the interim repair blower. Don Peterson has unique intimate knowledge of the specific piping modifications necessary to accommodate the new blower.

Staff received two proposals for the electrical installation work summarized as follows:

Halcyon Electric, Inc.	\$46,448.81
Gilbert & Stearns, Inc.	\$48,696.00

New Turbo Blower Installation Page 3

Staff proposes to award the electrical installation contract to Halcyon Electric, Inc. Halcyon is a reputable electrical contractor with which the District has had prior successful experience.

# COST EVALUATION

Table 1 summarizes the costs for each element of this Project, including the interim repair. The Fiscal Year (FY) 2024/2025 budget includes \$631,000 for a New Turbo Blower. Total Project costs, including a 10% contingency, are likely below budget by over \$36,000.

Table 1 – New Turbo Blower Project Cost Summary

Scope	Cost
Interim Repair	\$32,254
Harmonics Evaluation	\$9,100
Blower	\$279,834
Harmonic Filter	\$22,805
Mechanical Demo/Installation	\$150,000
Electrical Installation	\$46,449
Contingency	\$54,000
Total	\$594,442
Budget	\$631,000
Difference	\$36,558

# **Recommended Action:**

Staff recommend that the Board of Directors authorize the District's General Manager to 1) enter into a contract with Don Peterson Contracting, Inc. in the amount of \$150,000 for the mechanical installation of the new Turbo Blower at the Water Recycling Plant and 2) enter into a contract with Halcyon Electric, Inc. in the amount of \$46,448.81 for the electrical portion of the blower installation. Staff further recommend that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.



# **STAFF REPORT**

To: Board of Directors

Meeting Date: January 20, 2025

From: Dennis Cafferty, General Manager

Subject: Wildfire Emergency Preparedness

Staff will provide an update and presentation on the District's facilities and emergency preparedness posture with specific emphasis on potential wildfire incidents.



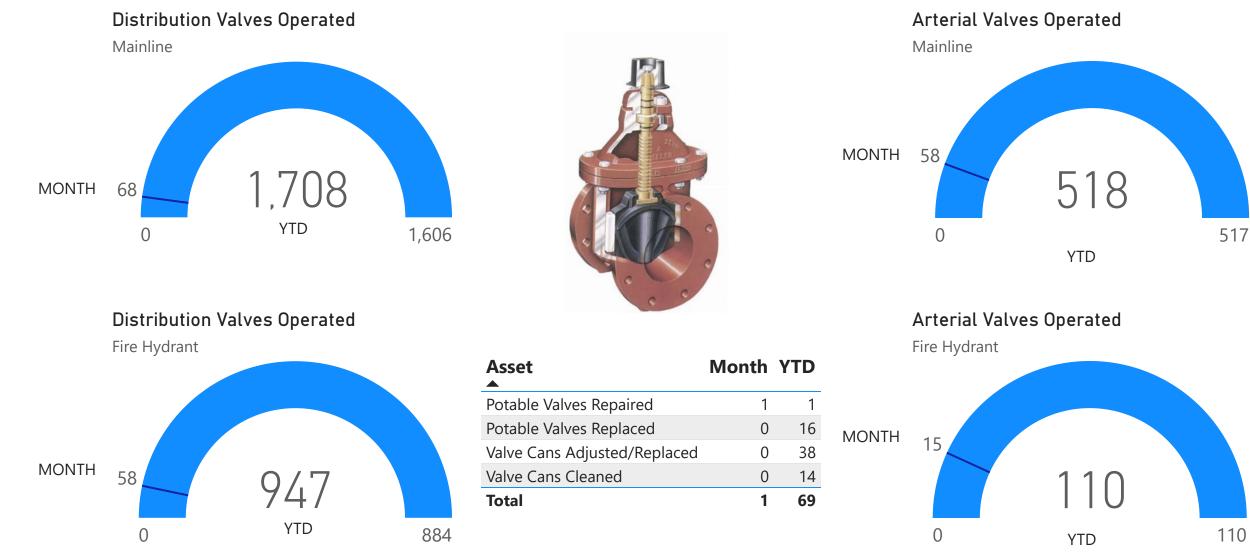
# **Operations Report**

# December 2024

How to read the graphics in this report:



# Valves

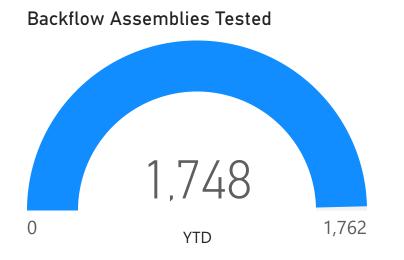


# Note:

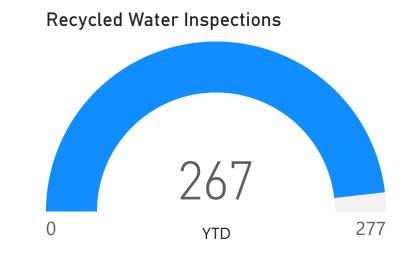
1. The distribution valve operation program strives to operate all distribution valves (mainline and fire) every two years. Goals shown on this page represent that for the calendar year (i.e., total number of distribution valves divided by two).

2. The arterial valve operation program strives to operate all arterial valves (mainline and fire) every year.

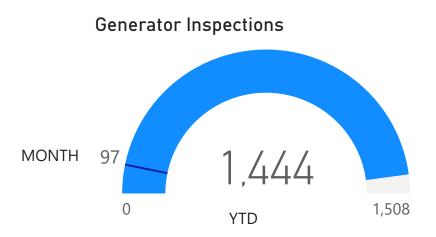
# **Cross Connection Program**







# **Other Facility Maintenance**



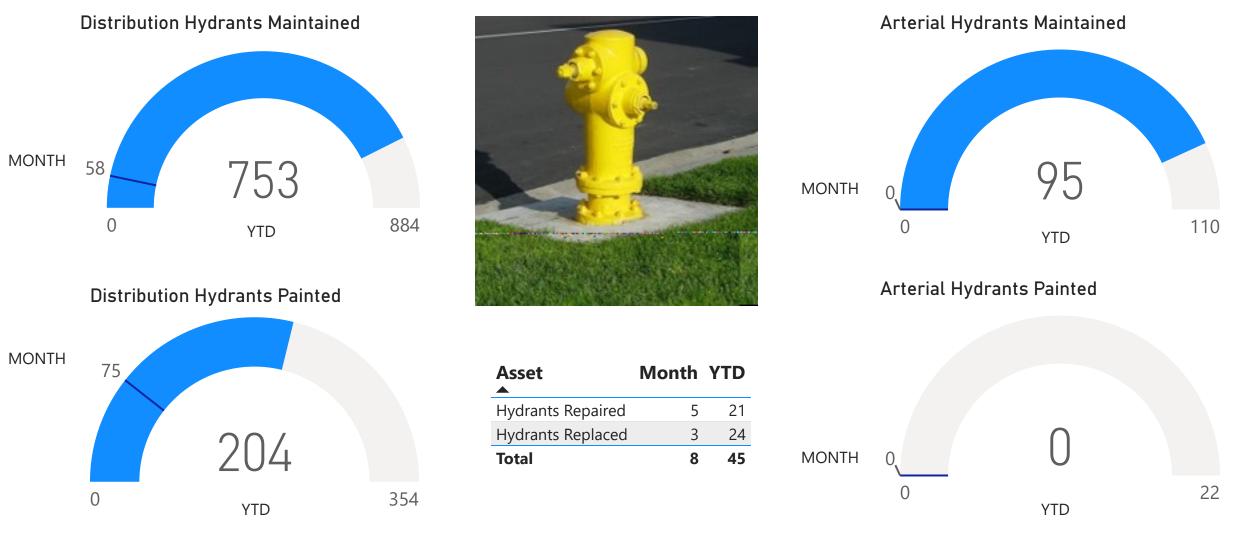
Underground Service Alerts Marked

Underground Service Alerts Marked

**91** 

**1,959** 

# Fire Hydrants



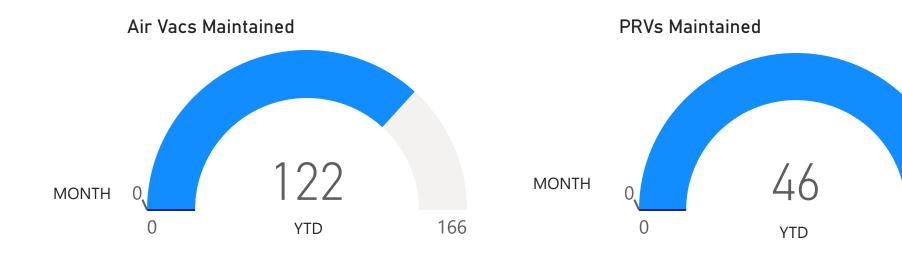
# Note:

1. The hydrant program strives to maintain all distribution hydrants every two years and arterial hydrants every year. Goals shown on this page represent that for the calendar year

(i.e., total number of distribution hydrants divided by two).

2. The hydrant program strives to paint all hydrants every five years. Goals shown on this page represent that for the calendar year (i.e., total number of hydrants divided by five).

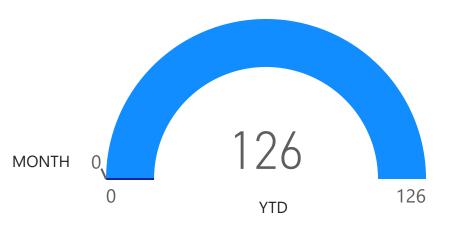
# Water Appurtenances





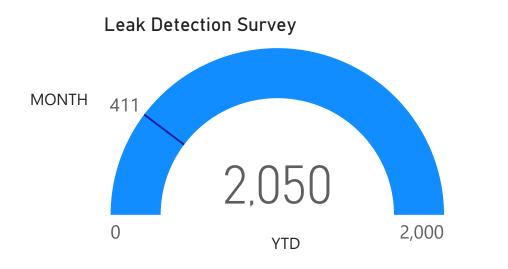
34

Blow Offs Flushed





# Water Distribution System





System Flushing gallons

21K

Asset **Month YTD** Main Line Repairs 12 0 Service Line Repairs 33 5 Service Line Replacement 28 0 Water Pump Motor Services 13 0 Water Pump Services 13 0 Water Reservoir and Pump Station Inspections 104 1,298

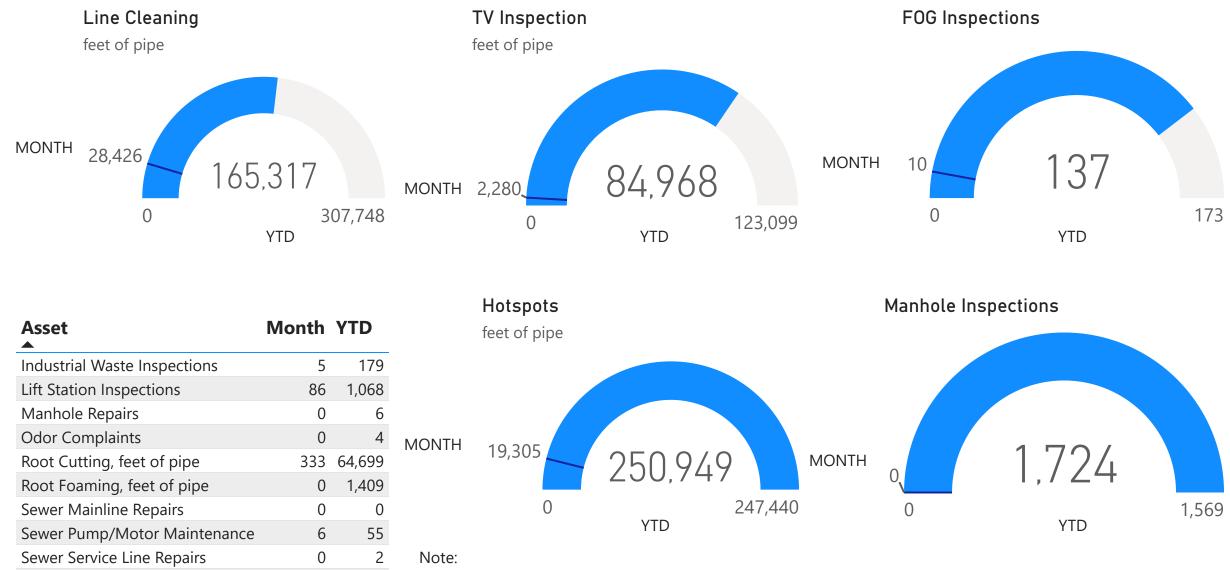


System Flushing gallons



YTD

# **Collection System**



40

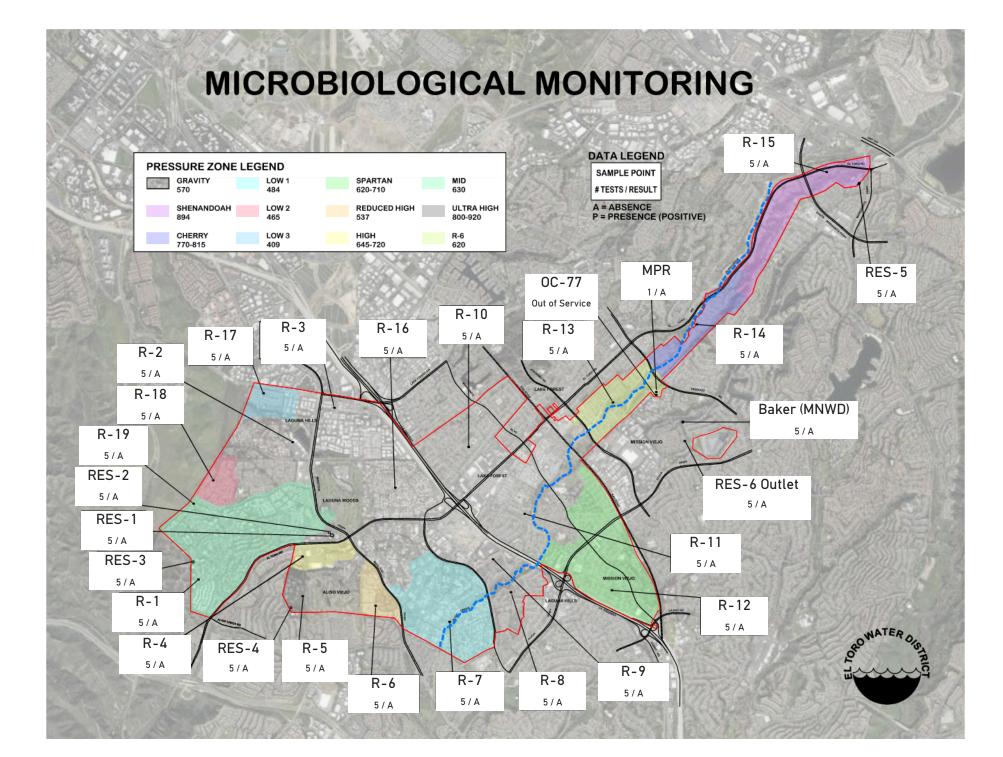
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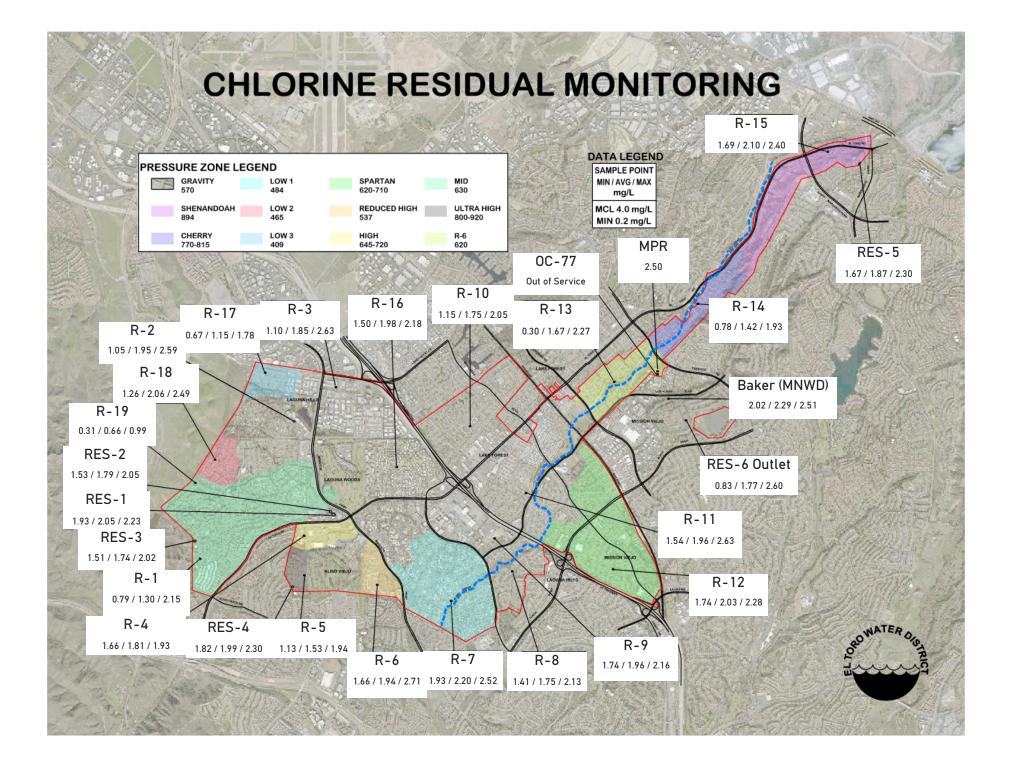
Wet Well Cleaning

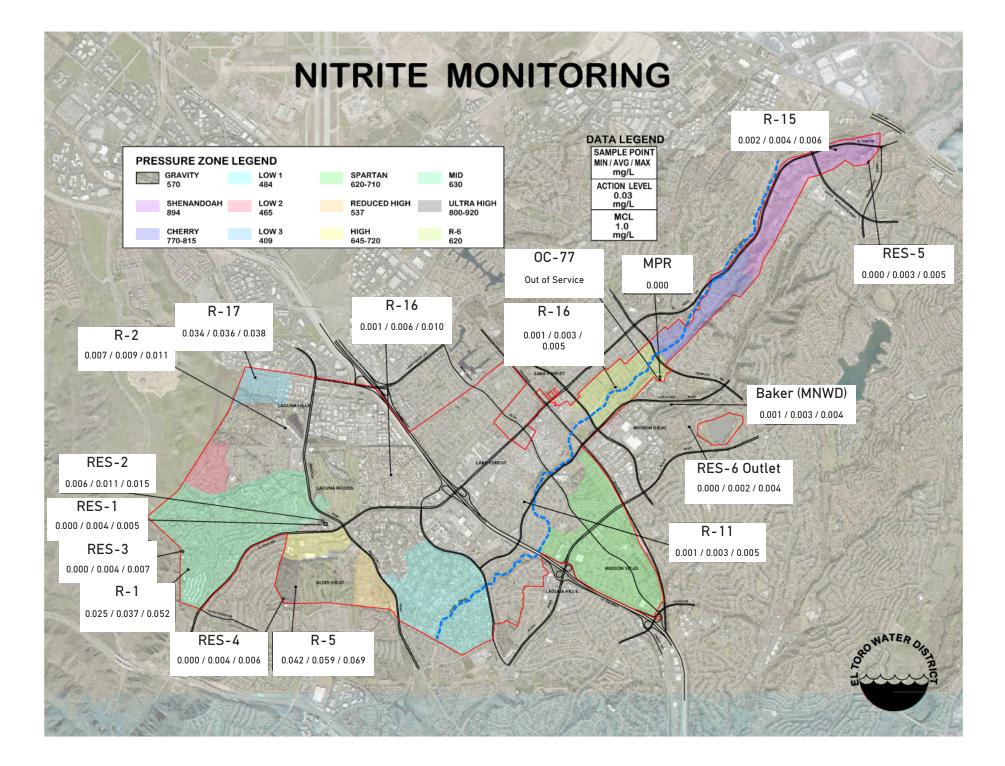
The line cleaning objective is a two year cycle to clean the entire system. The current cycle began on 7/1/2024.
 The TV inspection objective is a five year cycle to inspect the entire system. The current cycle began on 1/25/2021.

DATE	PUBLIC / PRIVATE	SPILL TYPE	LOCATION	REASON	IMMEDIATE CORRECTIVE MEASURES	POST- INCIDENT PREVENTIVE MEASURES	RWQCB	DISCHARGED TO	SPILL VOLUM Gallo CONTAINED		SPILL VOLUME Gallor CONTAINED		REGULATORY NOTIFICATION AND RESPONSE
January	No Spill												
February	No Spill												
March	No Spill												
April	No Spill												
Мау	No Spill												
June	No Spill												
July	No Spill												
August	No Spill												
September	No Spill												
October	No Spill												
November	No Spill												
December	No Spill												
LEGEND									0	0	0	0	
S.DC = San Die	ego Creek	RES. = Re	sidential	R.S. = Rocks									
<b>S.D.</b> = Storm	Drain	C. = Co	ommercial	C.W.D. = Calc	ium Water Deposits								
A.C. = Aliso $C$	Creek	S.B. = $Sip$	phon	B.P, = Broker	n Pipe								
G.B. = Grease	e Blockage	P.F. = Po	wer Failure	U.W. = Untre	ated Water								
S. = Sticks		P. = Pa	per	R. $=$ Roots									

# EL TORO WATER DISTRICT UNAUTHORIZED DISCHARGE SUMMARY YEAR OF 2024







#### EL TORO WATER DISTRICT MONTHLY POTABLE WATER QUALITY REPORT

The quality and safety of drinking water in the U.S. is regulated by the federal government through the U.S. Environmental Protection agency (USEPA). In California, those standards are enforced by the California Department of Public Health (CDPH). Water Quality parameters must meet both primary and secondary water quality standards as established by the CDPH.

**PRIMARY STANDARDS** - are intended to protect public health against substances in the water that may be harmful to humans if consumed for long periods of time.

SECONDARY STANDARDS - are to ensure esthetic qualities of water such as taste, odor or clarity. Rather than its healthfulness, these standards govern substances that may influence consumer acceptance of water.

Given that 100% of ETWD's potable water resource is fully treated and delivered by Metropolitan Water District of southern California (MWDSC) through an enclosed and protected conveyance system, the majority of the State and federal primary and secondary source water quality monitoring requirements are performed by MWDSC. The District's physical responsibility for water quality monitoring is associated with the distribution system. To monitor the distribution system water quality the District utilizes both in house and outside lab services. Routine distribution analysis conforming to CDPH requirements is conducted for the following constituents:

- Microbiological The number of microbiological samples and the frequency of analysis during the month is based on the population and/or service connections served. Utilizing a population of 50,000, the CDPH requires that 20 "representative" samples be collected and analyzed for coliform bacteria. The objective is to maintain water quality that is absent of coliform bacteria which is a general indicator for the existence of fecal coliform.
- 2) Chlorine
   Residual
   - The chlorine residual monitoring is performed in conjunction with the microbiological monitoring. The CDPH requirement for treated surface water mandates that the distribution system maintain a "detectable" residual. The number of and frequency of sampling is determined utilizing the same formula applied to microbiological requirements. At a minimum, we are obligated to collect and analyze for chlorine residual each time we collect the representative microbiological samples. Per EPA Disinfectants & Disinfection Byproduct Rule (D/DBP), which was effective January 2002, requires quarterly reporting for all sampling.

3) TTHM & HAA5 The U.S. Environmental Protection Agency (EPA) published the Stage 2 Disinfectants and Stage 2 DBPR Disinfection Byproducts Rule (Stage 2 DBPR) on January 4, 2006. The Stage 2 DBPR builds on existing regulations by requiring water systems to meet disinfection byproduct (DBP)\* Compliance maximum contaminant levels (MCLs) at each monitoring site in the distribution system to better protect public health. The Stage 2 DBP rule is intended to reduce potential cancer and reproductive and developmental health risks from disinfection byproducts (DBPs) in drinking water, which form when disinfectants are used to control microbial pathogens. This final rule strengthens public health protection for customers of systems that deliver disinfected water by requiring such systems to meet maximum contaminant levels as an average at each compliance monitoring location (instead of as a system-wide average as in previous rules) for two groups of DBPs, trihalomethanes (TTHM) and five haloacetic acids (HAA5). The rule targets systems with the greatest risk and builds incrementally on existing rules. This regulation will reduce DBP exposure and related potential health risks and provide more equitable public health protection. The Stage 2 DBPR is being released simultaneously with the Long Term 2 Enhanced Surface Water Treatment Rule to address concerns about risk tradeoffs between pathogens and DBPs.

The mandatory requirement under the Stage 2 DBP rule, known as an Initial Distribution System Evaluation (IDSE) was completed by ETWD in 2008 and a Stage 2 monitoring plan has been approved by CDPH. Full Stage 2 compliance begins in 2012. The IDSE identified the locations with high disinfection byproduct concentrations. These locations will then be used by the District as the 8 sampling sites for Stage 2 DBP rule compliance monitoring. Compliance with the maximum contaminant levels for two groups of disinfection byproducts (TTHM and HAA5) will be calculated for each monitoring location in the distribution system. This approach, referred to as the locational running annual average (LRAA), differs from current requirements, which determine compliance by calculating the running annual average of samples from all monitoring locations across the system. The Stage 2 DBP rule also requires each system to determine if they have exceeded an operational evaluation level, which is identified using their compliance monitoring results. The operational evaluation level provides an early warning of possible future MCL violations, which allows the system to take proactive steps to remain in compliance. A system that exceeds an operational evaluation level is required to review their operational practices and submit a report to the state that identifies actions that may be taken to mitigate future high DBP levels, particularly those that may jeopardize their compliance with the DBP MCLs.

 4) Physical Quality
 Physical Quality analysis is associated with the esthetic qualities of the finished water.
 Primarily, we are performing analysis for taste, odor and Turbidity (Clarity). In accordance with CDPH requirements, the District collects a minimum of 15 samples per month.

5) Nitrites - Although the chloramine disinfection process has been effective in controlling TTHM levels, it requires increased monitoring and adjustment as a result of its susceptibility to the Nitrification process. Nitrification is a biological process caused by naturally occurring ammonia oxidizing bacteria. Nitrification in chloraminated drinking water can have various adverse impacts on water quality, the most serious of which is the loss of total chlorine residual which is required by the CDPH and the subsequent potential to increase bacteriaiological activity within the finished or treated water system. MWD has developed an effective nitrification monitoring and prevention program which ETWD staff have adopted and incorporated into the District's daily water quality monitoring and action plan. The number and frequency of this type of monitoring is not currently regulated by CDPH. Staff monitor the level of nitrites in source water, reservoirs and the distribution system daily and weekly in conjunction with the microbiological and chlorine sampling program. A nitrite level of between 0.015 and 0.030 would signal an alert. > 0.030 would require action such as the addition of chlorine to produce a chloramine residual.

	EL TORO WATER DISTRICT											
	MONTHLY POTABLE WATER QUALITY ANALYSIS											
MONTH: December YEAR : 2024												
CONSTITUENT		INSIDE	E LAB	OUTS	DE LAB							
ANALYSIS	MCL	NO.	RESULTS	NO.	RESULTS							
1 Microbiological	Pres/Absence	137	Absence		Average							
2 Chlorine (ppm) In Field	Detectable Resid	128	*Average = 1.75 ppm									
3 TTHM (ppb) (Stage 2)	80 ppb			8	28.5							
3 HAA5 (ppb) (Stage 2)	60 ppb			8	9.2							
4 Physical Quality:			RANGE									
Turbidity (ppm)	5 NTU	20	0.01 to 0.10									
Odor	3 Units	20	ND<1									
Color	15 Units	20	ND<5									
Temperature	No standard	20	63°F To 72°F									
5 Nitrite (Alert/Action level) ppm	0.015 to 0.030 ppm	127	0.000 to 0.069									

To ensure water quality compliance, the District annually performs approximately 8,750 water quality analytical evaluations of the samples collected from the distribution system.

#### Abbreviations:

*Average	Monthly sample point CL2 average (R1-R19 & MPR)
RES	Indicates that the nitrification was isolated to a reservoir and treated
ND	None detected
Pres/Absence	Presence (P) or Absence (A) related to a positive or negative bacteriological result
MCL	Maximum Contaminant Level
NTU	Nephelometric Turbidity Units, a measure of the suspended material in the water
ppm	Parts per million
ppb	Parts per billion
Total Coliform	No more than 5% of the monthly samples may be total coliform-positive
N/A	Not available

# **4th Quarter Compliance Reports**

# **November Monthly Reports**

October's Surface Water Treatment (Bactis)	Due November 10th Submitted November 5th	Sent to Reg
Octobers's Revised Total Coliform Monitoring (Bactis)	Due November 10th Submitted November 5th	Sent to Reg
October's Self-Monitoring Report for Recycled Water	Due November 30th Submitted November 20th	Sent to Reg
October's Self-Monitoring Report for Planned Discharges	Due November 30th Submitted November 5th	Sent to Reg
December Monthly Reports		
		L
November's Surface Water Treatment (Bactis)	Due December 10th Submitted December 6th	Sent to Reg
November's Revised Total Coliform Monitoring (Bactis)	Due December 10th Submitted December 6th	Sent to Reg
November's Self-Monitoring Report for Recycled Water	Due December 30th Submitted December 23rd	Sent to Reg
November's Self-Monitoring Report for Planned Discharges	Due December 10th Submitted December 6th	Sent to Reg
Annual Toxic Substances Control Reporting	Due December 1st for previous Year Submitted November 28th	De [

egion 8, Dennis Cafferty and Scott Hopkins

Dept. Toxic Substance Control and Dept. of Tax and Fees websites

# **Staff Training Log 2024**



# **Third Quarter**

Training Topic	Duration/Total Hrs.Completed	Frequency	Modality	Pa
Safety Tailgate Meeting	.5 hours / 165.5 hours	Weekly	In Person	Fie
Low Voltage Electrical Safety	1 Hour / 34 hours	Annual	Online	Fie
Working in Extreme Temperatures	1 Hour / 35 hours	Annual	Online	Fie
General Office Ergonomics	1 Hour / 14 hours	Annual	Online	Fie
Health and Wellness	1 Hour / 14 hours	Annual	Online	Fie
HAZWOPER	8 Hours / 280 hours	Annual	In Person	Fie
	Total Hrs Complete	ed- 542.5		

# **Fourth Quarter**

Training Topic	Duration/Total Hrs.Completed	Frequency	Modality	Participants
Safety Tailgate Meeting	.5 hours / 178.5 hours	Weekly	In Person	Field Staff/Co
Indoor Air Quality (1379)	1 Hour / 41 hours	Annual	Online	All Staff/Assi
Building Evac. & Emergency (1358)	1 Hour / 39 hours	Annual	Online	All Staff/Assi
Confined Space Entry/Rescue	8 hours / 208 Hours	Annual	In Person	Completed
SCBA	1 hour / 21 Hours	Annual	In Person	Completed
	Total Hrs Complete	ed- 487.5		

Participants ield Staff/Completed ield Staff/Completed ield Staff/Completed ield Staff/Completed ield Staff/Completed ield Staff/Completed

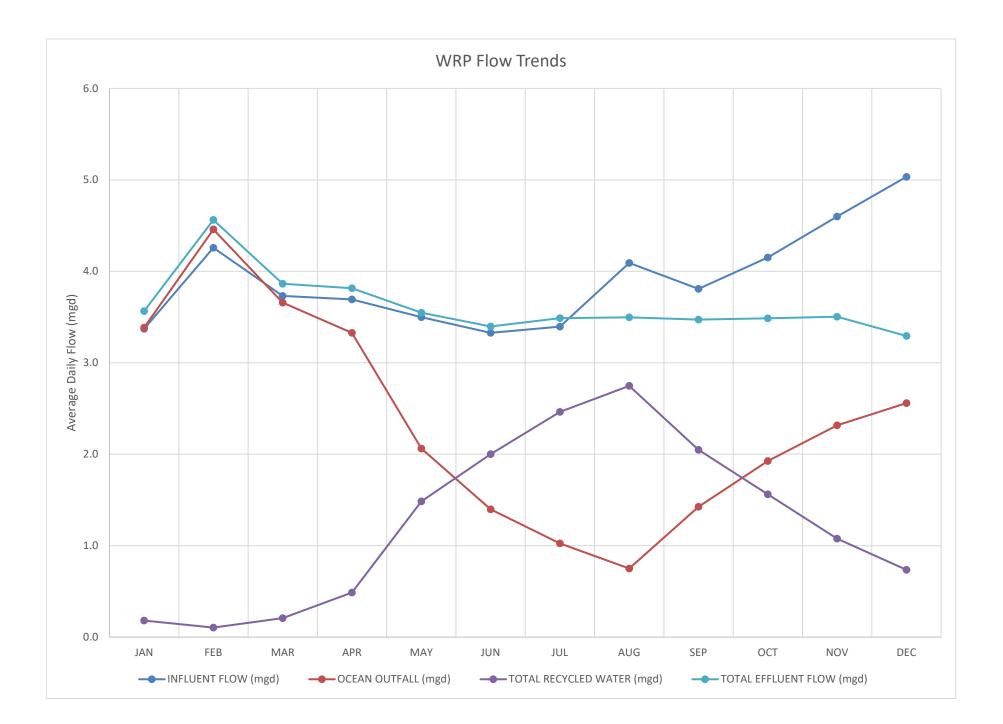
orticipants and Staff/Completed I Staff/Assigned I Staff/Assigned ompleted ompleted

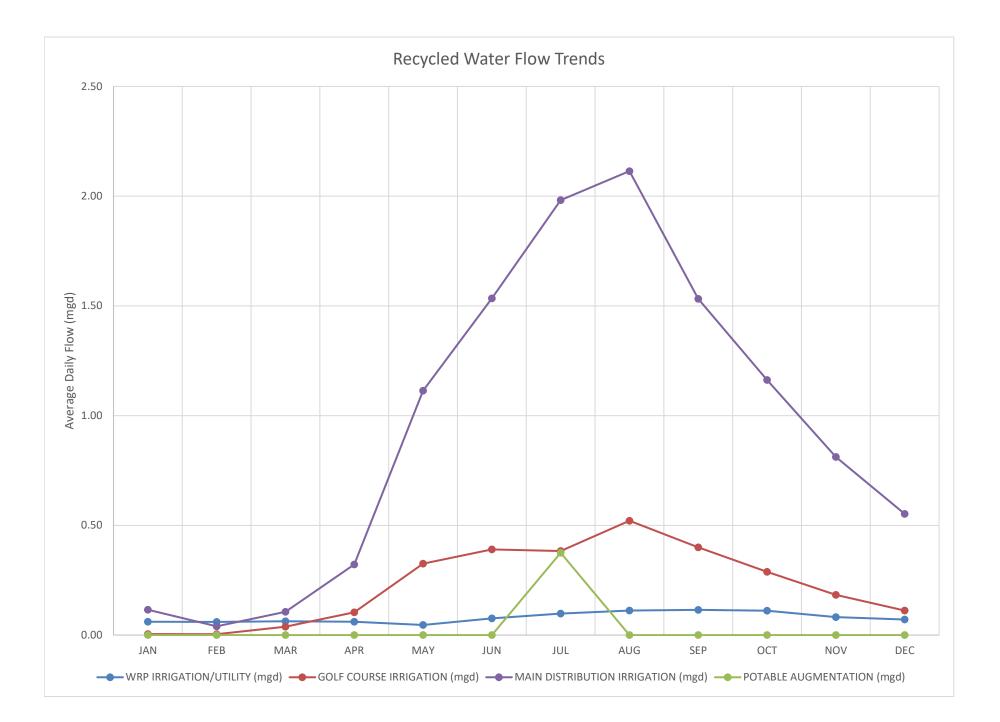
# EL TORO WATER DISTRICT

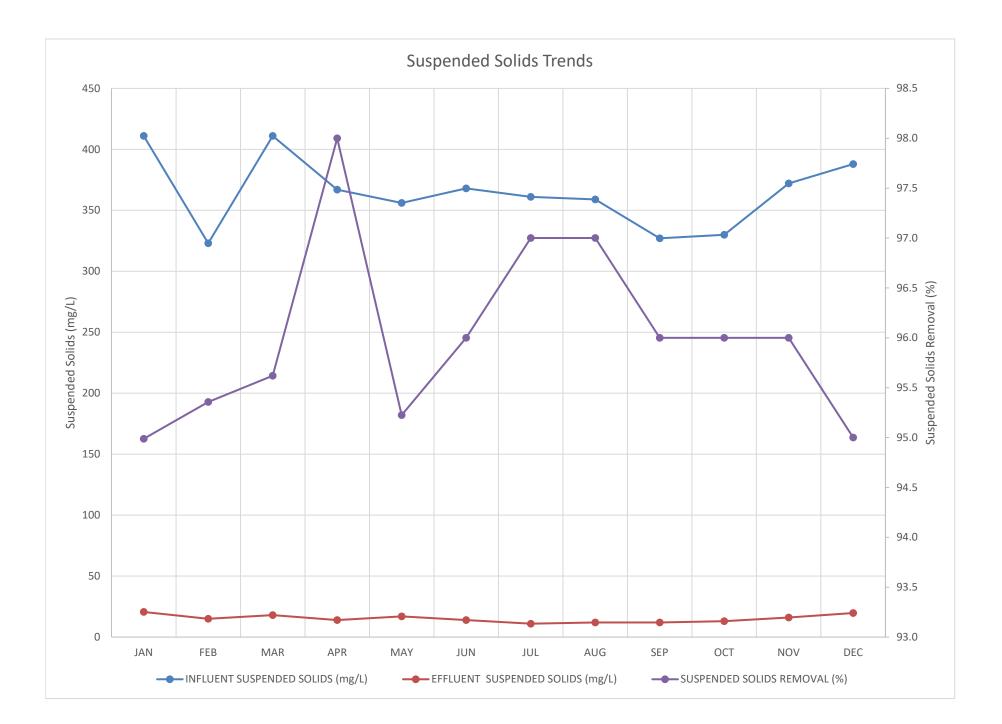
# **OPERATIONAL DATA FROM WATER RECYCLING PLANT**

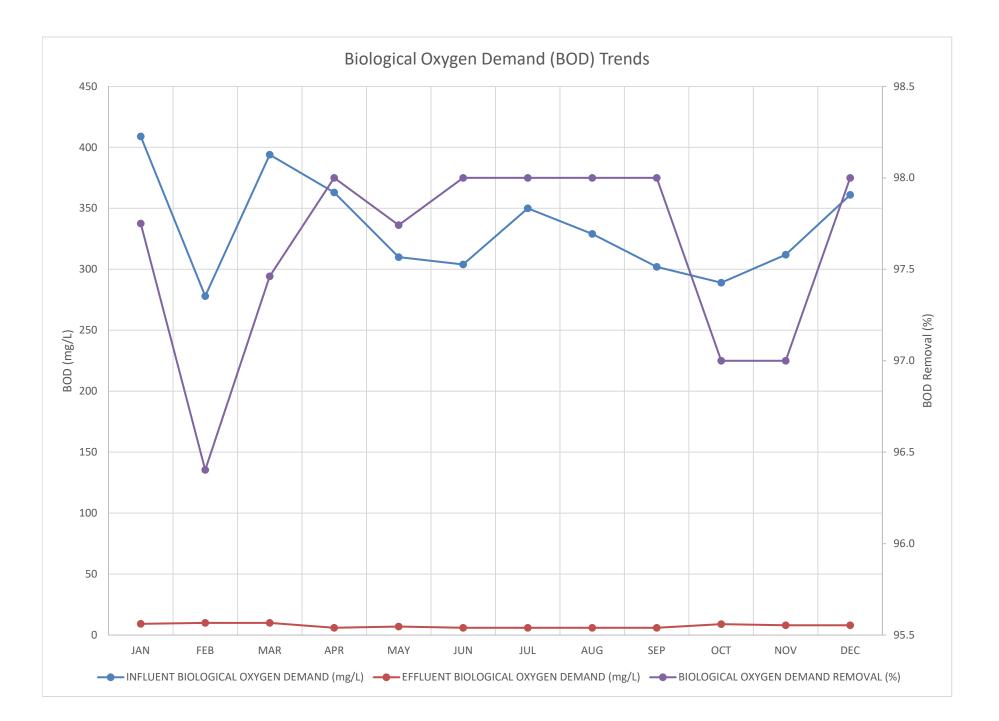
WATER OU

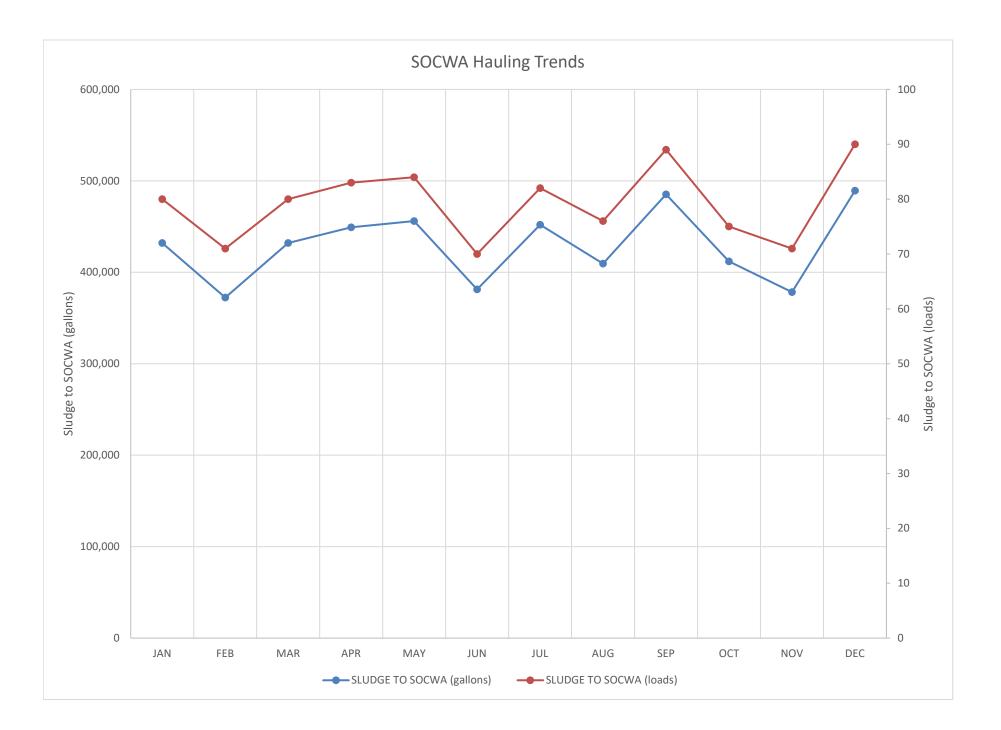
2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ОСТ	NOV	DEC	YTD Average
INFLUENT FLOW (mgd)	3.371	4.258	3.731	3.692	3.499	3.327	3.395	4.092	3.807	4.151	4.599	5.033	3.913
OCEAN OUTFALL (mgd)	3.384	4.458	3.657	3.327	2.062	1.397	1.024	0.750	1.425	1.925	2.316	2.559	2.357
WRP IRRIGATION/UTILITY (mgd)	0.061	0.060	0.063	0.061	0.046	0.076	0.098	0.112	0.115	0.111	0.082	0.071	0.080
GOLF COURSE IRRIGATION (mgd)	0.005	0.004	0.038	0.104	0.325	0.390	0.383	0.521	0.400	0.288	0.183	0.112	0.229
MAIN DISTRIBUTION IRRIGATION (mgd)	0.115	0.040	0.106	0.322	1.114	1.534	1.982	2.114	1.532	1.162	0.812	0.552	0.949
POTABLE AUGMENTATION (gallons)	0.000	0.000	0.000	0.000	0.000	0.000	375.000	0.000	0.000	0.000	0.000	0.000	31.250
POTABLE AUGMENTATION (mgd)	0.000	0.000	0.000	0.000	0.000	0.000	0.375	0.000	0.000	0.000	0.000	0.000	0.031
TOTAL RECYCLED WATER (mgd)	0.181	0.104	0.207	0.487	1.485	2.000	2.463	2.747	2.047	1.561	1.077	0.735	1.258
TOTAL EFFLUENT FLOW (mgd)	3.565	4.562	3.864	3.814	3.547	3.397	3.487	3.497	3.472	3.486	3.503	3.293	3.624
INFLUENT SUSPENDED SOLIDS (mg/L)	411	323	411	367	356	368	361	359	327	330	372	388	364
EFFLUENT SUSPENDED SOLIDS (mg/L)	21	15	18	14	17	14	11	12	12	13	16	20	15
SUSPENDED SOLIDS REMOVAL (%)	95	95	96	98	95	96	97	97	96	96	96	95	96
INFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)	409	278	394	363	310	304	350	329	302	289	312	361	333
EFFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)	9	10	10	6	7	6	6	6	6	9	8	8	8
BIOLOGICAL OXYGEN DEMAND REMOVAL (%)	98	96	97	98	98	98	98	98	98	97	97	98	98
SLUDGE TO SOCWA (gallons)	432,101	372,379	432,101	449,188	456,108	381,322	452,011	409,568	485,215	411,922	378,320	489,178	429,118
SOLIDS (dry lb/day)	4,541	5,058	5,436	5,371	5,289	4,905	5,184	4,910	5,466	4,893	4,704	5,417	5,098
TOTAL SOLIDS (%)	3.9	4.3	4.2	4.2	4.3	4.7	4.2	4.5	3.9	4.4	4.4	4.0	4.3
SLUDGE TO SOCWA (loads)	80	71	80	83	84	70	82	76	89	75	71	90	79
TRUCKED BY ETWD (loads)	80	71	80	44	84	70	67	76	89	75	71	90	75
TRUCKED BY OTHERS (loads)	0	0	0	39	0	0	15	0	0	0	0	0	5
TOTAL RAIN FALL (inches)	2.77	9.79	6.72	1.77	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.77

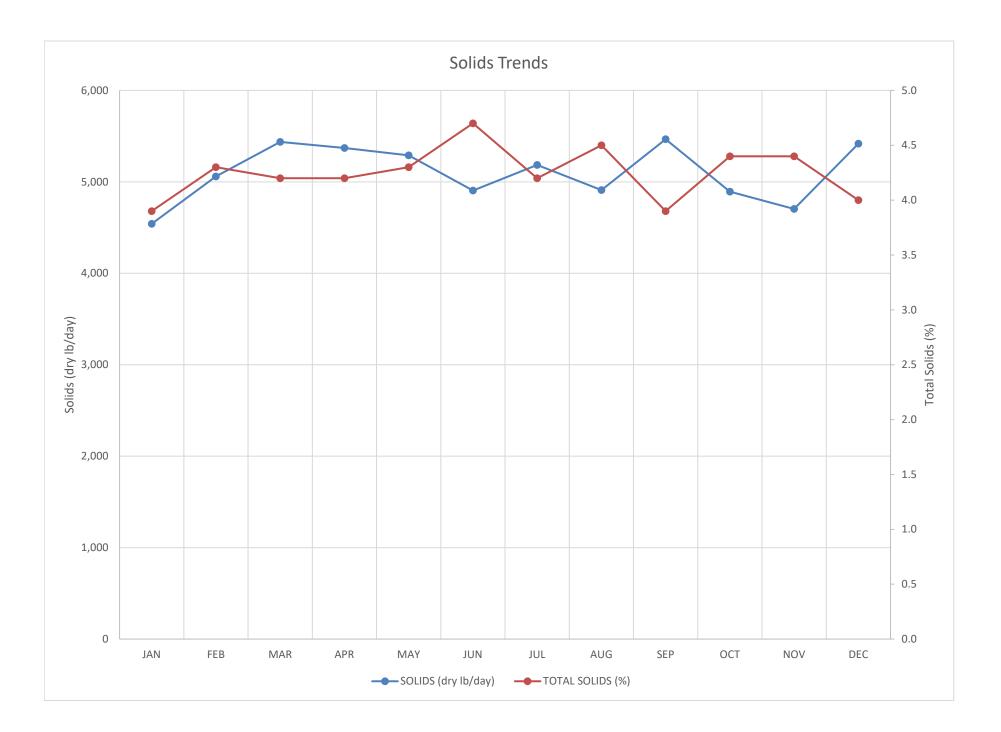












# WRP BATTERY STORAGE SYSTEM MONTHLY REPORT

# December 2024



YEAR	<b>BILLING PERIOD</b>	 BILL SAVINGS	NET SAVINGS	YEAR TOTAL
	08/13/19 - 09/12/19	\$ 5,529.24 \$	3,939.24	
	09/12/19 - 10/11/19	\$ 2,556.42 \$	966.42	
	10/11/19 - 11/13/19	\$ (471.94) \$	(2,061.94)	
	11/13/19 - 12/13/19	\$ 168.96 \$	(1,421.04)	
	12/13/19 - 01/14/20	\$ (2,149.49) \$	(3,739.49)	
1	01/14/20 - 02/12/20	\$ 989.24 \$	(600.76)	
<b>–</b>	02/12/20 - 03/13/20	\$ 397.27 \$	(1,192.73)	
	03/13/20 - 04/13/20	\$ (2,879.16) \$	(4,469.16)	
	04/13/20 - 05/13/20	\$ 459.74 \$	(1,130.26)	
	05/13/20 - 06/12/20	\$ 3,613.71 \$	2,023.71	
	06/12/20 - 07/15/20	\$ 5,171.20 \$	3,581.20	
	07/15/20 - 08/13/20	\$ 5,783.19 \$	4,193.19	\$ 88.38
	08/13/20 - 09/14/20	\$ 1,727.18 \$	137.18	
	09/14/20 - 10/14/20	\$ 1,142.91 \$	(447.09)	
	10/14/20 - 11/13/20	\$ 993.16 \$	(596.84)	
	11/13/20 - 12/15/21	\$ 1,814.40 \$	224.40	
	12/15/20 - 01/14/21	\$ 252.77 \$	(1,337.23)	
2	01/14/21 - 02/12/21	\$ 2,598.74 \$	1,008.74	
2	02/12/21 - 03/16/21	\$ 2,545.66 \$	955.66	
	03/16/21 - 04/14/21	\$ 442.16 \$	(1,147.84)	
	04/14/21 - 05/13/21	\$ 4,658.68 \$	3,068.68	
	05/13/21 - 06/14/21	\$ 5,828.63 \$	4,238.63	
	06/14/21 - 07/14/21	\$ 7,090.27 \$	5,500.27	
	07/14/21 - 08/12/21	\$ 11,656.05 \$	10,066.05	\$ 21,670.61
	08/12/21 - 09/13/21	\$ 3,251.24 \$	1,661.24	
	09/13/21 - 10/13/22	\$ 4,854.74 \$	3,264.74	
	10/13/21 - 11/12/21	\$ 1,835.55 \$	245.55	
	11/12/21 - 12/14/21	\$ 1,953.12 \$	363.12	
	12/14/21 - 01/13/22	\$ (624.65) \$	(2,214.65)	
3	01/13/22 - 02/11/22	\$ 40.42 \$	(1,549.58)	
J	02/11/22 - 03/15/22	\$ 647.37 \$	(942.63)	
	03/15/22 - 04/13/22	\$ 2,556.61 \$	966.61	
	04/13/22 - 05/13/22	\$ 92.84 \$	(1,497.16)	
	05/13/22 - 06/14/22	\$ 8,377.93 \$	6,787.93	
	06/14/22 - 07/14/22	\$ 20,486.96 \$	18,896.96	
	07/14/22 - 08/12/22	\$ 6,915.19 \$	5,325.19	\$ 31,307.32

# WRP BATTERY STORAGE SYSTEM MONTHLY REPORT

December 2024



YEAR	BILLING PERIOD	BILL SAVINGS	NET SAVINGS	YEAR TOTAL
	08/12/22 - 09/13/22	\$ 8,171.50 \$	6,581.50	
	09/13/22 - 10/13/22	\$ 2 <i>,</i> 943.86 \$	1,353.86	
	10/13/22 - 11/14/22	\$ 2,083.92 \$	493.92	
	11/14/22 - 12/14/22	\$ 1 <i>,</i> 960.66 \$	370.66	
	12/14/22 - 01/12/23	\$ (3,571.97) \$	(5,161.97)	
4	01/12/23 - 02/11/23	\$ 311.28 \$	(1,278.72)	
-	02/11/23 - 03/14/23	\$ 2,755.08 \$	1,165.08	
	03/14/23 - 04/12/23	\$ 1,994.90 \$	404.90	
	04/12/23 - 05/11/23	\$ (558.88) \$	(2,148.88)	
	05/11/23 - 06/12/23	\$ (487.47) \$	(2,077.47)	
	06/12/23 - 07/13/23	\$ 21,318.66 \$	19,728.66	
	07/13/23 - 08/11/23	\$ 3,262.26 \$	1,672.26	\$ 21,103.80
	08/11/23 - 09/12/23	\$ 1,749.86 \$	159.86	
	09/12/23 - 10/11/23	\$ 16,350.56 \$	14,760.56	
	10/11/23 - 11/09/23	\$ 4,659.23 \$	3,069.23	
	11/09/23 - 12/12/23	\$ 9,302.30 \$	7,712.30	
	12/12/23 - 01/11/24	\$ 5,204.44 \$	3,614.44	
5	01/11/24 - 02/12/24	\$ (828.52) \$	(2,418.52)	
5	02/14/24 - 03/13/24	\$ (2,433.90) \$	(4,023.90)	
	03/13/24 - 04/12/24	\$ 2,204.14 \$	614.14	
	04/12/24 - 05/13/24	\$ (37.79) \$	(1,627.79)	
	05/13/24 - 6/12/2024	\$ 6,939.57 \$	5 <i>,</i> 349.57	
	06/12/24 - 7/15/2024	\$ 7,871.04 \$	6,281.04	
	07/16/24 - 8/13/2024	\$ (308.78) \$	(1,898.78)	\$ 31,592.15

# WRP BATTERY STORAGE SYSTEM MONTHLY REPORT

# December 2024



YEAR	BILLING PERIOD	BILL SAVINGS	NET SAVINGS	YEAR TOTAL
	8/13/2024-9/12/2024	\$ 5,410.44	\$ 3,820.44	
	9/12/2024-10/11/2024	\$ 8,270.47	\$ 6,680.47	
	10/11/2024-11/12/2024	\$ 3,470.89	\$ 1,880.89	
	11/12/2024-12/11/2024	\$ 2,864.46	\$ 1,274.46	
6				
D				
				\$ 13,656.26
	TOTAL	\$ 221,178.52		\$ 119,418.52

#### Sewerage Treatment Plant

POWERED BY GENABILITY

# stem

23542 Moulton Pkwy, Laguna Woods, CA 92637

#### Savings Report - 2024-12

#### Nov 12, 2024 - Dec 11, 2024

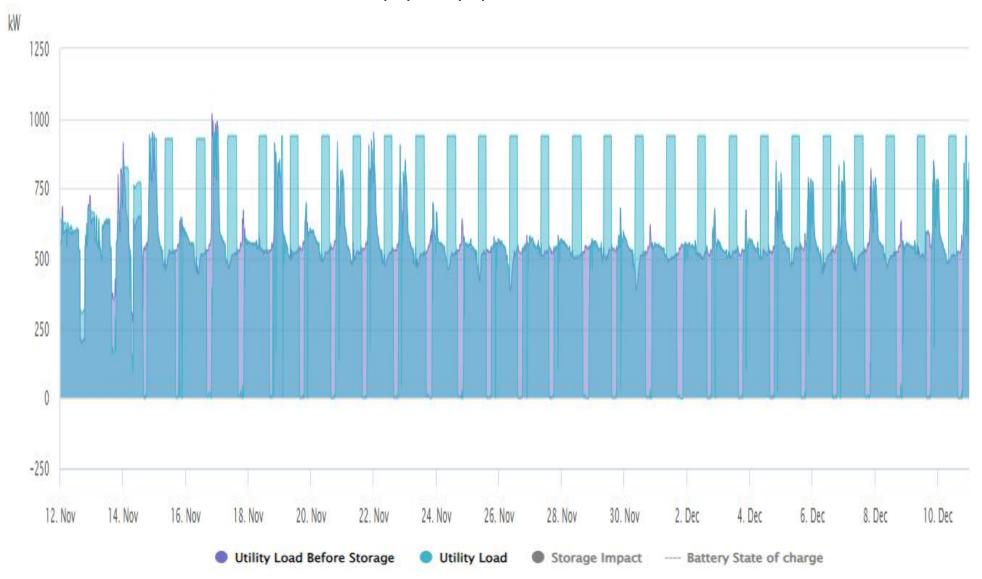
SCE TOU 8 Option D (< 2kV)

Demand Charges	Before S	Storage	After S	torage	Sav	ings
Facilities Related - Distribution	1,018kW	\$21,050.09	953kW	\$19,712.74	65kW	\$1,337.34
Facilities Related - Transmission	1,018kW	\$4,478.74	953kW	\$4,194.20	65kW	\$284.54
Time Related - Distribution - Winter						
Mid-Peak	936kW	\$3,360.83	941kW	\$3,377.36	(5)kW	\$(16.52)
Time Related - Utility Retained Generation -						
Winter Mid-Peak	936kW	\$5,448.48	941kW	\$5,475.27	(5)kW	\$(26.79)
Sub-total		\$34,338.15		\$32,759.58		\$1,578.57

Energy Charges	Before S	torage	After St	orage	Savi	ngs
Competition Transition Charge	388,402kWh	\$(108.75)	396,502kWh	\$(111.02)	(8,100)kWh	\$2.27
Competition Transition Charge (URG						
Component)	388,402kWh	\$108.75	396,502kWh	\$111.02	(8,100)kWh	\$(2.27)
Distribution - Winter Mid-Peak	81,794kWh	\$1,302.98	32,579kWh	\$518.99	49,215kWh	\$783.99
Distribution - Winter Off-Peak	186,695kWh	\$2,703.34	182,975kWh	\$2,649.48	3,720kWh	\$53.86
Distribution - Winter Super Off-Peak	119,913kWh	\$1,635.62	180,947kWh	\$2,468.12	(61,034)kWh	\$(832.51)
Fixed Recovery Charge	388,402kWh	\$446.66	396,502kWh	\$455.98	(8,100)kWh	\$(9.31)
New System Generation Charge	388,402kWh	\$2,843.10	396,502kWh	\$2,902.39	(8,100)kWh	\$(59.29)
Nuclear Decommissioning Charge	388,402kWh	\$34.96	396,502kWh	\$35.69	(8,100)kWh	\$(0.73)
Public Purpose Programs Charge	388,402kWh	\$6,777.61	396,502kWh	\$6,918.95	(8,100)kWh	\$(141.34)
PUC Reimbursement Fee	388,402kWh	\$388.40	396,502kWh	\$396.50	(8,100)kWh	\$(8.10)
State Tax	388,402kWh	\$116.52	396,502kWh	\$118.95	(8,100)kWh	\$(2.43)
Transmission	388,402kWh	\$(15.54)	396,502kWh	\$(15.86)	(8,100)kWh	\$0.32
Utility Retained Generation - Winter						
Mid-Peak	81,794kWh	\$6,104.28	32,579kWh	\$2,431.39	49,215kWh	\$3,672.90
Utility Retained Generation - Winter Off-Peak	186,695kWh	\$14,018.91	182,975kWh	\$13,739.59	3,720kWh	\$279.32
Utility Retained Generation - Winter						
Super-Off-Peak	119,913kWh	\$4,725.78	180,947kWh	\$7,131.14	(61,034)kWh	\$(2,405.36)
Wildfire Fund Non-Bypassable Charge	388,402kWh	\$2,178.94	396,502kWh	\$2,224.37	(8,100)kWh	\$(45.44)
Sub-total		\$43,261.57		\$41,975.68		\$1,285.89

Other Monthly Charges	Before	Before Storage		After Storage		Savings	
Customer Charge		\$460.86		\$460.86		\$ -	
Sub-total		\$460.86		\$460.86		\$ -	
Total	Before	Before Storage		After Storage		Savings	
		\$78,060.58		\$75,196.12		\$2,864.46	

# WRP BATTERY STORAGE SYSTEM MONTHLY REPORT 11/12/24 - 12/11/2024





# STAFF REPORT

# To: Board of Directors

Meeting Date: January 20, 2025

# From: Dennis Cafferty, General Manager Hannah Ford, Director of Engineering

# Subject: Capital Project Status Report

# I. Grit Chamber Rehabilitation

The project is nearly complete. The contractor, Kingmen Construction, Inc. (Kingmen) conducted an initial successful startup test with no problems.

Kingmen has completed final change order items. Kingmen will return to the site to install a pressure transmitter that was damaged during piping modifications in mid February.

Following the installation of the repaired pressure transmitter, WRP staff will start the final seven-day start up test. Following a successful startup test, the project will be complete. It is anticipated that the project will be complete by the end of February.

Table 1 summarizes the project cost as percent complete. Kingmen's billings reflect work through November 2024. The change order cost for the recently completed change order work is anticipated to be approximately \$17,000. The total change order cost for the project was less than 4% of the original contract cost.

Table 1 – Grit Chamber Rehabilitation Project Schedule and Budget Status					
<b>Construction Contract</b>	Total	Earned to Date	Percent Complete		
Budget	\$825,318 <sup>1</sup>	\$814,577	99%		

<sup>1</sup>Includes Change Order No. 1 of \$10,418.04 and Change Order No. 2 of \$2,825.07.

# II. New Warehouse

On December 10, the electrical issues with the existing cellular site meter pedestals were resolved and SCE energized the New Warehouse electrical panel. The contractor, Dumarc, is working on final punchlist items. Staff anticipate completing the punchlist and filing the Notice of Completion by the end of January.

Staff are working with Convergint Technologies to complete the security and fire monitoring system installation. Staff anticipate completing the installation of the security and fire monitoring system in February.

District staff continue coordinating with the Air Quality Management District (AQMD) in order for them to install facilities and equipment for the relocated air monitoring station. AQMD is working on final permitting with the City of Mission Viejo and anticipates completing construction of the new air monitoring station by the end of January or first week of February.

With the completion of the MWD work Staff is negotiating the cost sharing agreement with MWD for final site paving. The paving project is out to bid. Four contractors attended a prebid meeting. Bids are due on February 12. Staff anticipate bringing the paving contract to the Board for approval at the February Engineering Committee meeting.

Table 2 shows project budget expenditure. Dumarc's billings reflect work through October 2024. Budget is nearly completely expended because most of the work is complete.

<b>Construction Contract</b>	Total	Earned to Date	Percent Complete		
Budget	\$2,091,222 <sup>1</sup>	\$2,064,666	99%		
<sup>1</sup> Includes Change Order Nos. 1, 2, 3, and 4 with a net credit of \$92,777.83.					

### III. Secondary Clarifier No. 3 Drive Replacement

District staff placed the purchase order for a new Secondary Clarifier No. 3 drive in October and anticipates delivery in February 2025. The construction contract for installation of the Clarifier drive was approved by the Board at the December Engineering Committee Meeting.

### IV. Main Office Warehouse Drainage Improvement Project

Approval of a construction contract award for the Main Office Warehouse Drainage Improvement Project is agendized in the January Engineering Committee.

### V. Asset Management Program

District staff finalized the WRP asset management plan and now are focused on integration with the Computerized Maintenance Management System (CMMS). District staff conducted interviews with a short list of four vendors and are working to evaluate District staff preferences and negotiate costs for the top-ranking vendors. After evaluation, District staff will recommend implementation of CMMS at the WRP, where no CMMS is currently employed.

### VI. System Wide Arc Flash and Coordination Study

The District is completing its review of the draft reports and identifying the plan to comply with all recommendations from the study. The reports for each individual facility identify a variety of recommendations including circuit breaker replacements, relocation of certain equipment, adjustment of settings, wiring upgrades, meter box replacements and installation of specific and unique safety labels for every panel.

Staff are in the process of implementing the recommendations. Settings adjustments and installation of labels is an on-going effort. Other equipment modifications or replacements are scheduled as part of the Capital Improvement Plan.

# VII. Headworks and Secondary Clarifier No. 1 Rehabilitation Project

The District reviewed the 90% design deliverable, conducted a workshop to review its contents with Carollo Engineers, Inc., (Carollo) staff, and returned comments on the design to Carollo. Carollo plans to wrap up the final design so that the District can place to bid in the first quarter of 2025.

# VIII. Aliso Creek Lift Station Rehabilitation Project

The designer, Tetra Tech, submitted the 60% design deliverable, and District staff returned their review comments. Design progress will pause until early 2025 due to District staff resource constraints and the anticipated timing of grant funding. District staff leveraged the 60% deliverable to apply in advance for FEMA Hazard Mitigation Grant Program (HMGP) funding; applications are accepted on a rolling basis until FEMA posts a formal notice of funding opportunity.

District staff continue to work with Rincon Consultants, Inc., (Rincon) on the environmental compliance component of the Project. Rincon submitted the draft Cultural Resources Report as well as a draft Initial Study-Mitigated Negative Declaration. With guidance from Rincon, District staff distributed 23 letters for tribal consultation in early December. One response was received. Staff will follow up with the responding tribe.

# IX. Valve Truck

The District received the new valve truck and has put it into operation.



### X. Ocean Outfall Pump Station (OOPS) Motor Control Center (MCC) and Valve Rehabilitation Project

The District placed a purchase order for an Automatic Transfer Switch and anticipate delivery in early 2025. District staff worked with the vendor to revise the design of the MCC to make sure it would fit within the existing cabinet space in the OOPS. District staff issued a purchase order for the MCC an anticipate delivery in approximately March 2025. District staff will recommend award of an installation contract following receipt of the equipment.

# XI. Tertiary Disinfection Optimization Project

The District continues to wait for DDW to respond to its letter, submitted at the end of August 2024. Implementation of the low CT approach at the Tertiary Treatment Plant (TTP) is delayed until DDW approves the revised proposal approval. District staff are aiming for implementation by the second quarter of 2025.

### XII. New Turbo Blower

District staff issued the purchase order for the new Turbo Blower in July. The blower is anticipated to arrive onsite in January 2025. Staff placed the purchase order for and have received the associated harmonic filter. Approval of construction contract awards for the mechanical and electrical installation of the new turbo blower is agendized in the January Engineering Committee.

# XIII. Additional Tertiary Filter Disks

District staff placed the purchase order for the additional filter disks at the end of July. The disks were recently delivered to the WRP in December. WRP staff will install the disks and are coordinating with the manufacturer, Aqua-Aerobics, for a site visit to assist with startup in late February 2025.

# XIV. Freeway Electrical Equipment Replacement

District staff placed the purchase order for the new Main Switchboard (MSB), MCC, safety switch, and meter box at the end of August 2023. The MSB arrived at the end of August 2024 while the remaining components remain on track to arrive in April 2025. District staff will hire a contractor for installation in the second quarter of 2025.

# XV. DAF No. 1 MCC Replacement

District staff placed the purchase order for the DAF No. 1 MCC in early August 2024. With a 35-week lead time, District staff anticipates receipt in April 2025. District staff will hire a contractor for installation in the second quarter of 2025.

# XVI. Westline Lift Station Main Switchboard Replacement Project

District staff negotiated below \$25,000 for the new Westline Lift Station MSB with the selected vendor and placed a purchase order in August 2024. Equipment receipt is delayed until July 2025 at which time the District will hire a contractor for installation.

Capital Project Status Report January 2025 Page 5

# **XVII. Energy Efficiency Analysis**

District staff continue to explore additional energy efficiency opportunities with SoCalREN and SW WISE to discuss potential energy efficiency opportunities. Potential opportunities include water pump replacements, Headworks and Secondary Clarifier No. 1 Rehabilitation Project, and Aliso Creek Lift Station Rehabilitation.

The District received notice of approval of its application for the Department of Energy's Industrial Assessment Center Grant Program related to the waste activated cell (WAC) portion of the Headworks and Secondary Clarifier No. 1 Rehabilitation Project. The approved grant amount is \$300,000. Staff anticipate receipt of a grant agreement in the next few weeks.



InPipe Energy has applied for a funding opportunity through the California Energy Commission (CEC) Bringing Rapid Innovation Development to Green Energy (BRIDGE) program for implementing the HydroXS energy recovery turbine at the Main Pressure Reducing Station (MPR). CEC funding has the potential to fund 75% of the project cost which could reduce the payback to less than one year with implementation costs potentially as low as \$11,000.

District staff contracted with Terre Verde to analyze potential solar and battery energy efficiency projects at the WRP and P-1 Pump Station. Staff met with Terre Verde in December to review preliminary results of the analysis. Staff is working with Terre Verde to evaluate funding opportunities and potential project feasibility.

## EL TORO WATER DISTRICT Glossary of Water Terms

<u>Accumulated overdraft</u>: 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.

<u>Acre-foot</u>, 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.

<u>ACWA</u>: Association of California Water Agencies. A statewide group based in Sacramento that actively lobbies State and Federal Government on water issues.

<u>Advanced treatment</u>: 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.

<u>AMP</u>: 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.

<u>Annual overdraft</u>: 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.

<u>Aquifer</u>: 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.

<u>Artesian</u>: 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.

<u>Artificial recharge</u>: 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.)

<u>AWWA</u>: American Water Works Association. Nationwide group of public and private water purveyors and related industrial suppliers.

<u>Base flow</u>: The portion of river surface flow which remains after deduction of storm flow and/or purchased imported water.

<u>Bay-Delta</u>: The Sacramento-San Joaquin Bay-Delta is a unique natural resource of local, state and national significance. The Delta is home to more then 500,000 people; contains 500,000 acres of agriculture; provides habitat for 700 native plant and animal species; provides water for more then 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 bacteria film (biofilm) on fragile reverse osmosis membrane surfaces.

<u>Biosolids</u>: Solid organic matter recovered from a sewage treatment process and used especially as fertilizer.

<u>BMP</u>: 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

<u>Brown Act</u>: Ralph M. Brown Act enacted by the State legislature governing all meetings of legislative bodies. Also known as Open Meeting Requirements.

<u>Canal</u>: A ditch used to move water from one location to another.

<u>CASA</u>: 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.

<u>CERCLA</u>: 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 use to purify water.

<u>Clarify</u>: To make clear or pure by separation and elimination of suspended solid material.

<u>Coagulation</u>: The clumping together of solids so they can more easily be settled out of filtered out of water. A chemical called aluminum sulfate (alum) is generally used to aid coagulation in water treatment and reclamation.

<u>Coastkeepers</u>: 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.

<u>Colored Water</u>: Groundwater extracted from the basin that is unsuitable for domestic use without treatment due to high color and odor exceeding drinking water standards.

<u>Condensation</u>: 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.

<u>Confined aquifer</u>: An aquifer that is bound above and below by dense layers of rock and contains water under pressure.

<u>Conjunctive use</u>: 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.

<u>CPCFA</u>: California Pollution Control Financing Authority. State agency providing funds for wastewater reclamation projects.

Crisis:

- 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)
- 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

<u>CWPCA</u>: 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.

<u>Deep percolation</u>: The percolation of surface water through the ground beyond the lower limit of the root zone of plants into a groundwater aquifer.

<u>Degraded water</u>: Water within the groundwater basin that, in one characteristic or another, does not meet primary drinking water standards.

<u>Delta</u>: Where the rivers empty; an outlet from land to ocean, also where the rivers deposit sediment they carry forming landforms.

<u>Delta Vision</u>: 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.

<u>Demineralize</u>: To reduce the concentrations of minerals from water by ion exchange, distillation, electro-dialysis, or reverse osmosis.

<u>De-nitrification</u>: The physical process of removing nitrate from water through reverse osmosis, microfiltration, or other means.

<u>Desalting (or desalination)</u>: Removing salts from salt water by evaporation or distillation. Specific treatment process, 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.

<u>Drainage basin</u>: 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.

<u>DPHS</u>: California Department of Pubic 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.

<u>DVL</u>: Diamond Valley Lake. Metropolitan's major reservoir near Hemet, in southwestern Riverside County.

<u>DWR</u>: 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.

<u>Endangered Species Act of 1973</u> (ESA): The most wide-ranging of the dozens of United States environmental laws passed in the 1970's. 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 untendered by adequate concern and conservation.

Ecosystem: Where living and non-living things interact (coexist) in order to survive.

<u>Effluent</u>: Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

<u>Evaporation</u>: The process that changes water (liquid) into water vapor (gas). <u>Estuary</u>: Where fresh water meets salt water. <u>Evapotranspiration</u>: The quantity of water transpired (given off), retained in plant tissues, and evaporated from plant tissues and surrounding soil surface. Quantitively, 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

<u>Filtration</u>: 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.

<u>Flocculation</u>: A chemical process involving addition of a coagulant to assist in the removal of turbidity in water.

<u>Forebay</u>: 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.

<u>Gray water reuse</u>: 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.

<u>Green Acres Project (GAP)</u>: 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 Satna Ana.

<u>God Squad</u>: 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.

<u>Groundwater</u>: Water that has percolated into natural, underground aquifers; water in the ground, not water puddled on the ground.

<u>Groundwater basin</u>: 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.

<u>Groundwater mining</u>: 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.

<u>Groundwater overdraft</u>: 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.

<u>Groundwater recharge</u>: The action of increasing groundwater storage by natural conditions or by human activity. See also: Artificial recharge.

<u>Ground water replenishment system</u> (GWRS): A joint project of the Orange County Water District and the Orange County Sanitation District that will provide up to 1000,000 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.

<u>Groundwater table</u>: The upper surface of the zone of saturation (all pores of subsoil filled with water), except where the surface if formed by an impermeable body.

<u>GPM</u>: Gallons per minute.

<u>Ground Water Replenishment System</u> (GWRS): Orange County Water District's state of the art, highly advanced, waste-water treatment facility.

<u>Hydrologic balance</u>: An accounting of all water inflow to, water outflow from, and changes in water storage within a hydrologic unit over a specified period.

<u>Hydrologic cycle</u>: 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.

<u>Imported water</u>: Water that has originated from one hydrologic region and is transferred to another hydrologic region.

<u>Inflatable rubber dams</u>: 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.

<u>Influent</u>: 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.

<u>JPIA</u>: Joint Powers Insurance Authority. A group of water agencies providing self-insurance to member of the ACWA.

<u>LAIF</u>: 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.

<u>MCL</u>: 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.

<u>Microfiltration</u>: A physical separation process where tiny, hollow filaments members separate particles from water.

Microorganism: An animal or plant of microscopic size.

<u>MWD</u>: Metropolitan Water District of Southern California.

<u>MWDOC</u>: Municipal Water District of Orange County. Intermediate wholesaler between MWD and 27member agencies including ETWD.

<u>Non-point source pollution</u>: 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

OCBD: 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

<u>PCM</u>: Professional Community Management, Inc. Property Management company providing services to Laguna Woods Village and other homeowners associations.

<u>Perched groundwater</u>: 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.

<u>Percolation</u>: The downward movement of water through the soil of alluvium to the groundwater table

Permeability: The capability of soil or other geologic formations to transmit water

<u>Point source</u>: 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

<u>Precipitation</u>: Water from the atmosphere that falls to the ground as a liquid (rain) or a solid (snow, sleet, hail).

<u>Primary treated water</u>: First major treatment in a wastewater treatment facility, usually sedimentation but not biological oxidation.

<u>Primary treatment</u>: Removing solids and floating matter from wastewater using screening, skimming and sedimentation (settling by gravity).

<u>Prior appropriation doctrine</u>: 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.

<u>Recharge</u>: The physical process where water naturally percolates or sinks into a groundwater basin.

<u>Recharge basin</u>: A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

<u>Reclaimed wastewater</u>: Wastewater that becomes suitable for a specific beneficial use as a result of treatment. See also: wastewater reclamation.

<u>Reclamation project</u>: 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.

<u>Recycling</u>: 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.

<u>Reservoir</u>: A place where water is stored until it is needed. A reservoir can be an open lake or an enclosed storage tank.

<u>Reverse osmosis</u>: (RO) A method of removing salts or other ions from water by forcing water through a semi-permeable membrane.

**<u>RFP</u>**: Request for Proposal

<u>Riparian</u>: Of or on the banks of a stream, river, or other body of water.

RO: Reverse osmosis. See the listing under "reverse osmosis."

<u>R-O-W</u>: Right-of-way

<u>Runoff</u>: 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.

<u>RWQCB</u>: 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 naturallyoccurring 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.

<u>Safe yield</u>: 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

<u>Salinity</u>: 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

<u>SCAP</u>: Southern California Alliance of Publicity. Newly formed group of public agencies seeking reasonable regulation of sewer industry.

SCH: State Clearing House - Environmental Review/Processing

<u>Seasonal Storage</u>: A three-part program offered by Metropolitan Water District of Southern California:

<u>STSS</u> (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;

<u>LTSS</u> (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.

<u>Seawater intrusion</u>: The movement of salt water into a body of fresh water. It can occur in either surface water or groundwater basins.

<u>Seawater barrier</u>: A physical facility or method of operation designed to prevent the intrusion of salt water into a body of freshwater.

<u>Secondary treatment</u>: 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.

<u>Settle</u>: To clarify water by causing impurities/solid material to sink to a container's bottom.

<u>Sewer</u>: 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.

<u>SigAlert</u>: Any unplanned event that causes the closing of one lane of traffic for 30 minutes or more, as opposed to a planned event, like the road construction, which is planned.

#### SJBA: San Juan Basin Authority

<u>Sludge</u>: The solids that remain after wastewater treatment. This material is separated from the cleaned water, treated and composted into fertilizer. Also called biosolids.

<u>SOCWA</u>: South Orange County Wastewater Authority. Regional Joint Powers Authority form 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

<u>Storm Drain</u>: 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.

<u>Storm flow</u>: Surface flow originating from precipitation and run-off which has not percolated to an underground basin.

<u>SWP</u>: State Water Project. An aqueduct system that delivers water from Northern California to central and Southern California.

SWRCB: State Water Resources Control Board

<u>TDS</u>: 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.

<u>Tertiary treatment</u>: 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.

<u>THM</u>: Trihalomethanes. Any of several synthetic organic compounds formed when chlorine or bromine combine with organic materials in water.

TMA: Too many acronyms.

<u>TMDL</u>: 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.

<u>Transpiration</u>: The process in which plant tissues give off water vapor to the atmosphere as an essential physiological process.

Turbidity: Thick of opaque with matter in suspension; muddy water

<u>Ultraviolet light disinfection</u>: A disinfection method for water that has received either secondary or tertiary treatment used as an alternative to chlorination.

VE: Value Engineering

<u>VOC</u>: Volatile organic compound; a chemical compound that evaporates readily at room temperature and contains carbon.

<u>Wastewater</u>: Water that has been previously used by a municipality, industry or agriculture and has suffered a loss of quality as a result.

<u>Water Cycle</u>: 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.

<u>Water rights</u>: A legally protected right to take possession of water occurring in a natural waterway and to divert that water for beneficial use.

<u>Water-use Efficiency</u>: The water requirements of a particular device, fixture, appliance, process, piece of equipment, or activity.

<u>Water year (USGS)</u>: The period between October 1<sup>st</sup> of one calendar year to September 30<sup>th</sup> of the following calendar year.

<u>Watermaster</u>: A court appointed person(s) that has specific responsibilities to carry out court decisions pertaining to a river system or watershed.

<u>Water Reclamation</u>: The treatment of wastewater to make it suitable for a beneficial reuse, such as landscape irrigation. Also called water recycling.

<u>Watershed</u>: 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.

<u>WEF</u>: 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.

<u>Wellhead treatment</u>: Water quality treatment of water being produced at the well site.

<u>Wetland</u>: 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.