

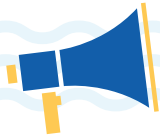


2025 Proposition 218 Notice

EL TORO WATER DISTRICT

SERVING THE PUBLIC, RESPECTING THE ENVIRONMENT

NOTICE OF PUBLIC HEARING ON PROPOSED WATER, SEWER AND RECYCLED WATER RATE/CHARGE INCREASE



PUBLIC HEARING

**Monday, June 16, 2025,
at 7:30 a.m.**

ATTEND IN PERSON

El Toro Water District Board Room
24251 Los Alisos Blvd.,
Lake Forest, CA 92630

ATTEND VIRTUALLY

<https://zoom.us>
Meeting ID: 882 0504 6022

The El Toro Water District Board of Directors invites you to attend and participate in this public hearing. The Board of Directors will consider adopting the proposed water, sewer and recycled water rate/charge increases.



COMMUNITY INFORMATIONAL MEETINGS

May 28, 2025, 5:30 p.m.

Zoom: <https://zoom.us>
Meeting ID: 862 7341 3981

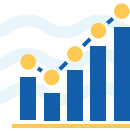
June 4, 2025, 7:00 p.m.

Zoom: <https://zoom.us>
Meeting ID: 889 5586 2615

ATTEND IN PERSON

El Toro Water District Boardroom
24251 Los Alisos Blvd.
Lake Forest, CA 92630

ETWD will answer customer questions and share information about the rate study and the proposed rate increases at two community meetings.



KEEPING PACE WITH RISING COSTS

Proposed Rate Increases

In compliance with Proposition 218, the District is notifying all customers about proposed changes to the District's water, sewer and recycled water rates and charges. You are receiving this notice because you are a customer of the El Toro Water District.

Each year the District's Board of Directors adopts an annual operating budget. Part of the budgeting process is to assess the adequacy of the District's rates and charges. Of utmost importance is the effort to minimize costs (including rates) while maintaining the integrity and reliability of the District's infrastructure and the District's financial stability. To assist the District in this endeavor, the District retains an independent outside financial consultant who specializes in Cost of Service analysis and rate setting. The Cost of Service Study can be found on the District's website www.ETWD.com, under the Governance tab. The District is proposing adopting new rates and charges, effective July 1, 2025.

The proposed rate increases to support the cost of operations are due to the following cost drivers:



ELECTRICITY



THE COST TO PURCHASE AND TREAT WATER



ONGOING MAINTENANCE OF VITAL INFRASTRUCTURE



CONSTRUCTION OF CAPITAL INFRASTRUCTURE IMPROVEMENTS NEEDED FOR AGING WATER, SEWER AND RECYCLED WATER SYSTEMS



DISTRICT LABOR NECESSARY TO MAINTAIN THE OPERATIONS OF THE DISTRICT



THE PROPOSED 2025/2026 FISCAL YEAR BUDGET CAN BE FOUND ON THE DISTRICT’S WEBSITE WWW.ETWD.COM, UNDER THE GOVERNANCE TAB. FOR ASSISTANCE IN DETERMINING THE IMPACT OF THE PROPOSED RATE INCREASE ON YOUR MONTHLY BILL, YOU MAY ACCESS A WATER BUDGET CALCULATOR ON THE DISTRICT’S WEBSITE UNDER THE CUSTOMER SERVICE TAB, OR CALL OUR CUSTOMER SERVICE REPRESENTATIVES AT (949) 837-0660.

WATER AND RECYCLED WATER OPERATIONS AND MAINTENANCE CHARGES

The District administers an ongoing operations and maintenance program to responsibly maintain and preserve its water, sewer and recycled water systems, meet stringent regulatory requirements and ensure high quality and reliable services are provided to its customers. As an industry best practice, to minimize financial impacts to customers and fairly and equitably distribute these costs, the District commissioned an independent Cost of Service Study Report. The District proposes to increase the Water and Recycled Water Operations and Maintenance Charges to offset significant cost increases associated with operating and maintaining the water and recycled water systems. The proposed Water and Recycled Water Operations and Maintenance (O&M) Charges will become effective with the first full billing period after July 1, 2025.

WATER/RECYCLED WATER (Monthly)

METER SIZE	2024-25 CURRENT CHARGE	2025-26 PROPOSED CHARGE
5/8"	\$18.77	\$21.18
3/4"	\$25.68	\$28.98
1"	\$39.50	\$44.58
1-1/2"	\$74.05	\$83.57
2"	\$143.13	\$161.55
10"	\$1,413.04	\$1,595.00

RECYCLED WATER USAGE RATES

To recover the cost of producing and delivering recycled water for irrigation purposes, the uniform Recycled Water Usage Rate (\$3.27/ccf) is proposed to increase by \$0.32/ccf to \$3.59/ccf. The proposed Recycled Water Usage Rate increase will take effect July 1, 2025 and will become effective with the first full billing period after July 1, 2025.

2024-25 CURRENT RECYCLED WATER USAGE RATE	2025-26 PROPOSED RATE (\$/CCF*)
\$3.27	\$3.59

*1 Billing Unit or "ccf" = 748 gallons

PRIVATE FIRE OPERATIONS AND MAINTENANCE CHARGE

The District provides water service to private entities that have a fire suppression system (usually sprinklers) in their places of business. The District proposes to increase the Private Fire Operations and Maintenance Charge rates to account for the extra capacity demand necessary to fight an average fire in the District. The proposed Private Fire Operations and Maintenance Charge rates, shown below, reflect the proposed changes to the fixed charges, which consider the effective capacity at each fire meter or fire line. This also includes a fire demand rate component calculation to share peaking costs with other water system services. The proposed Private Fire Operations and Maintenance Charge Rate increase will take effect July 1, 2025 and will become effective with the first full billing period after July 1, 2025.

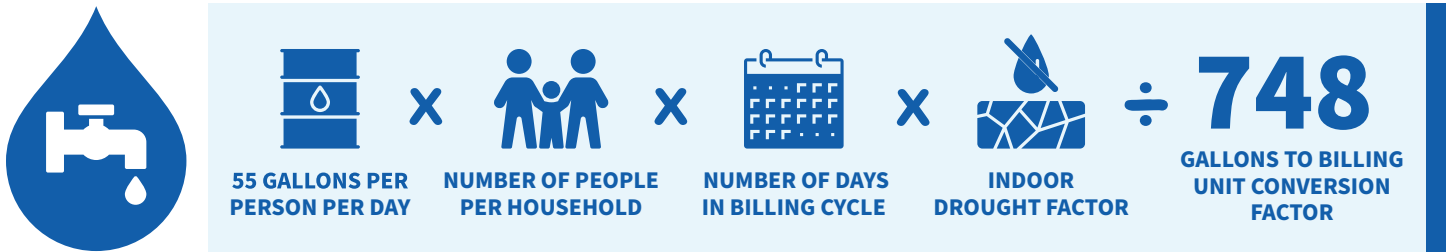


METER SIZE	2024-25 CURRENT CHARGE (\$/MONTH)	2025-26 PROPOSED CHARGE (\$/MONTH)
4"	\$17.93	\$19.82
6"	\$25.76	\$27.84
8"	\$39.25	\$41.67
10"	\$59.55	\$62.48

POTABLE WATER BUDGET CALCULATION · RESIDENTIAL CUSTOMERS

A per-meter, customer-specific water budget is calculated to meet the efficient demands for indoor domestic water use as well as outdoor irrigation under normal operating and water supply conditions. In emergencies or water supply shortage conditions, the District may use a Drought Factor (“DF”) to reduce water budgets and further encourage conservation. A water budget is the sum of the indoor and outdoor water budgets.

INDOOR WATER BUDGET



The indoor water budget is calculated in hundred cubic feet (ccf). 1 billing unit of water is equal to 100 cubic feet, or 748 gallons. The current Drought Factor is set to 100% meaning that there is no current reduction in the indoor water budget due to drought conditions. Household sizes are assumed as follows:

- **SINGLE-FAMILY RESIDENTIAL DETACHED HOMES: 4 PEOPLE**
- **APARTMENTS: 2 PEOPLE**
- **ATTACHED TOWNHOME OR CONDOMINIUM: 3 PEOPLE**
- **ATTACHED TOWNHOME OR CONDOMINIUM WITH AGE RESTRICTIONS: 2 PEOPLE**

OUTDOOR WATER BUDGET



THE OUTDOOR WATER BUDGET ALLOCATION IS CALCULATED IN CCF.

- Weather data is measured by the reference EvapoTranspiration (ET_0) data in inches of water per billing cycle. ET is the amount of water that is lost by plants through evaporation and transpiration, and needs to be replaced for the plants to remain healthy. ET_0 data is obtained from California Irrigation Management Information System (CIMIS) Station 75 established by the State of California Department of Water Resources, Office of Water Use Efficiency;
- The landscape area for multi-family accounts, including apartments, condominiums and mobile homes, is 25 square feet of landscape per dwelling unit plus any dedicated landscape area associated with the account;
- The landscape area for single-family detached homes is calculated by taking the building area and dividing it by the number of floors and subtracting that from the parcel area. The result is then multiplied by 70% to obtain the landscape area as follows:
 - Landscape area = (lot size - [building area / number of floors]) X 70%
 - ET Adjustment Factor ($ETAF$) is a coefficient that adjusts the EvapoTranspiration (ET_0) values based on type of plants and irrigation system efficiency. Based on the updated Model Water Efficient Landscape Ordinance developed by the California Department of Water Resources, any landscape installed before January 1, 2010, has an $ETAF$ of 0.8, and new landscape has an $ETAF$ of 0.7. New landscape is defined as new or re-developments. Any new construction installed after 1/1/2019 will be assigned an $ETAF$ of 0.55.
 - 1200 is the conversion factor from inches of water (derived from weather data) X square feet (landscape area) to ccf (outdoor water budget).
 - $DF_{outdoor}$ is the outdoor drought factor set by the Board of Directors. The current drought factor is set to 100% meaning that there is no current reduction in the outdoor water budget due to drought conditions. This factor is not necessarily the same as the DF for indoor.

Under normal water supply conditions and circumstances, customers may request a variance/adjustment to provide an equitable water budget for special circumstances, such as occupancy greater than the assumed baseline, medical needs, establishing new landscaping and changes in irrigation landscape area. In emergency or water supply shortage conditions, variances/adjustments may be limited.

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

POTABLE IRRIGATION CUSTOMERS

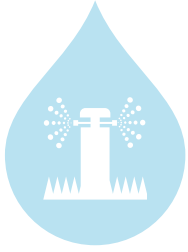
Potable Irrigation customers fall into one of two categories: Recreational or Non-Functional. Recreational irrigation customers are those whose landscape is used mostly for recreational purposes (i.e., parks, golf courses, soccer fields, etc.), while Non-Functional irrigation customers will be those whose landscape is ornamental in nature (greenbelts, medians, etc.).

The irrigation water budget for dedicated irrigation customers in ccf is calculated as follows:

- (Weather data X Landscape area X $ETAF/1200$) X $DF_{outdoor}$
- Weather data (ET_0) as described in the section above,
- Landscape area is assumed to be the lesser of 100% of total parcel area or 100% of the measured landscape area served by each meter. ET adjustment factor ($ETAF$) is equal to 0.8 for Non-Functional irrigation and 1 for Recreational irrigation customers based on the updated Model Water Efficient Landscape Ordinance. The $DF_{outdoor}$ is the outdoor drought factor (set by the Board of Directors). The current drought factor is set to 100% meaning that there is no current reduction in the outdoor water budget due to drought conditions. This factor is not necessarily the same as the DF for indoor.

All of an irrigation customer’s Water Budget will be at Tier II (“Outdoor - Efficient”). Water use in excess of the Tier II water budget would be deemed inefficient and/or excessive. Tier III (“Inefficient”) water usage would be between 100% and 130% of the Tier II budget and Tier IV (“Excessive”) water usage would be consumption over 130% of the Tier II budget.

POTABLE IRRIGATION CUSTOMERS' BUDGET



POTABLE WATER USAGE RATES

Given the lack of available groundwater supply, the District purchases 100% of its potable (drinking) water supply to meet residential, potable irrigation, commercial/public authority and fire protection demands from its wholesale water provider, the Municipal Water District of Orange County (MWDOC). MWDOC purchases water from the Metropolitan Water District of Southern California (MWD). MWDOC/MWD's costs to import water from Northern California and the Colorado River are driven by continued investment in regional water treatment and delivery system infrastructure, increased water importation costs, securing higher cost water supplies and water storage arrangements due to Northern California Bay-Delta (Bay-Delta) regulatory exportation restrictions and increased funding to pursue long term Bay-Delta solutions (The Delta Conveyance Project) and other water supply projects that will ensure a greater degree of future water supply reliability to Orange County and Southern California more generally.

To diversify and improve water treatment reliability for South Orange County, the District and four other water agencies partnered to fund and construct the Baker Water Treatment Plant in Lake Forest. The Baker plant provides increased water reliability from a diversity of water sources, including imported untreated water from MWD and local surface water from Irvine Lake.

The cost of purchased water includes what the District pays MWDOC for wholesale imported water treated by MWD, the amount the District pays MWDOC or the Irvine Ranch Water District for untreated imported water supplied to the Baker Water Treatment Plant and what the District pays Irvine Ranch Water District for Operations and Maintenance (O&M) costs associated with the treatment and delivery of water from the Baker Water Treatment Plant. The amount the District pays for the purchase of water delivered to its customers is the amount "passed through" to the District's customers and is part of the Potable Water Usage Charge. The indoor Tier I and Uniform Commercial Usage rates are reduced by an offsetting credit (funded by non-rate revenue) to recognize that the highest and best use of potable water is for indoor health, safety and sanitation purposes. Tier II rates are applied to usage in volumes typically used outside the home for landscape irrigation. Tiers III and IV rates are applied to usage exceeding the combined Tier I indoor and Tier II outdoor efficient water use budgets. Tiers III and IV rates include the actual costs to purchase and deliver water from the District's wholesale water provider plus charges to fund the District's conservation and alternative water supply development programs. The proposed Potable Water Usage Rate increase will take effect July 1, 2025 and will become effective with the first full billing period after July 1, 2025.

PROPOSED MONTHLY TIERED WATER USAGE RATES

WATER USAGE RATES	2024-25 CURRENT RATE (\$/CCF*)	2025-26 PROPOSED RATE (\$/CCF*)
Tier I - Indoor Efficient	\$3.26	\$3.59
Tier II - Outdoor Efficient	\$3.63	\$3.98
Tier III - Inefficient	\$6.96	\$7.26
Tier IV - Excessive	\$8.93	\$9.14
Commercial, Institutional and Industrial ("CII")	\$3.75	\$4.09

*1 Billing Unit or "ccf" = 748 gallons

Notice of Public Hearing on Proposed Water and Recycled Water Rate/Charge Increase



El Toro Water District
24251 Los Alisos Blvd.
Lake Forest, CA 92630

Public Hearing and Protest Proceeding

The Governing Board of the El Toro Water District will conduct a public hearing on **June 16, 2025, at 7:30 a.m.** The purpose of the hearing will be to consider adoption of the proposed Potable Water Usage Rate increase, the proposed Recycled Water Usage Rate increase and the proposed Water, Recycled Water, and Private Fire Operations and Maintenance Charge increases.

How to Submit a Written Protest

Property (parcel) owners or customers of record may comment and file a written protest (one vote per parcel) on the proposed increases. California law prohibits the District from increasing charges if protests are filed from a majority of the affected parcels before the end of the public hearing. Written protests must be mailed to the District at **P.O. Box 4000, Laguna Hills, CA 92654**, emailed to the District at **District@etwd.com** or personally submitted at or before the end of the public hearing, which is scheduled for **7:30 a.m. on June 16, 2025**. Each protest must identify the affected property and include the signature of a record property owner or customer of record unless the protest is emailed, in which case no signature is required. Oral protests at the public hearing will not qualify as a protest, unless accompanied by a written protest. The District's Board of Directors welcomes input from the public during the public hearing. California law (Government Code Section 53759) provides a 120-day statute of limitations for judicially challenging the adoption of the rates and charges which are the subject of this notice.

Procedures for Challenges to the District's Rates, Fees, Charges

If a written protest specifies the grounds for alleging non-compliance with the California Constitution or other applicable law for any new, increased, or extended fee, charge, or assessment levied by the District the protest must be submitted to the Secretary of the District, at or before the end of the public hearing, which is scheduled for **7:30 a.m. on June 16, 2025**. Failure to protest in writing bars any right to challenge that fee, charge, or assessment in court. The issues raised in any such action or proceeding shall be limited to those raised in such a protest unless a court finds the issue could not have been raised in such a protest by those exercising reasonable diligence. Written protests must be mailed to the District at **P.O. Box 4000, Laguna Hills, CA 92654**, emailed to the District at **District@etwd.com** or personally submitted at or before the end of the public hearing.