



**REGULAR BOARD MEETING AGENDA
TRABUCO CANYON WATER DISTRICT
32003 DOVE CANYON DRIVE, TRABUCO CANYON, CALIFORNIA
ADMINISTRATIVE FACILITY
JULY 16, 2025 AT 6:00 PM**

BOARD OF DIRECTORS

Edward Mandich, President
Glenn Acosta, Vice President
Mark Anderson, Director
John Horst, Director
Michael Safranski, Director

DISTRICT STAFF

Fernando Paludi, General Manager
Michael Perea, District Secretary
Ian Berg, District Treasurer
Hanson Bridgett LLP, District General Legal Counsel

AGENDA NOTE:

Trabuco Canyon Water District (District) will make this Regular Board Meeting available by telephone audio as follows:

Telephone Audio: 1 (669) 900-6833 (Toll Free) **Access Code:** 913-8681-1652

Persons desiring to monitor the Board meeting agenda items may download the Board meeting agenda and documents on the internet at www.tcwd.ca.gov. You may submit public comments by email to the Board at mperea@tcwd.ca.gov. In order to be part of the record, emailed comments on meeting agenda items must be received by the District, at the referenced e-mail address, not later than 5:00 p.m. (PDT) on the day of the meeting.

CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action on item(s) that arose subsequent to posting the Regular Board Meeting agenda.

PRESENTATION TO THE BOARD FROM OC LAFCO SPECIAL DISTRICTS COMMISSIONER & ISDOC VICE PRESIDENT

VISITOR PARTICIPATION

Members of the public wishing to address the Board regarding a particular item on the agenda are requested to submit public comments by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. The Board President will call on the visitor following the Board's discussion about the matter. Members of the public will be given the opportunity to speak prior to the Board taking action on that item. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

ORAL COMMUNICATION

Members of the public who wish to comment on matters not appearing on the agenda are requested to submit oral communication by email to the Board at mperea@tcwd.ca.gov. Public comments may also be submitted by teleconference during the meeting. Under the requirements of State Law, Directors cannot act on items not identified on the agenda and will not make decisions on such matters. The Board President may direct District Staff to follow up on issues as may be deemed appropriate. For persons desiring to make verbal comments and utilizing a translator to present their comments into English reasonable time accommodations, consistent with State law, shall be provided. Please limit comments to three minutes.

DIRECTORS' COMMENTS AND MEETING REPORTS

REPORT FROM THE GENERAL MANAGER

CONSENT CALENDAR

All matters under the Consent Calendar will be approved by one motion unless a Board member or staff member requests a separate action on a specific item.

ITEM 1: APPROVAL OF MINUTES OF BOARD MEETING(S)

RECOMMENDED ACTION

Approve the minutes of the following Board Meetings:

- 1. May 27, 2025 Special Board Meeting*
- 2. June 16, 2025 Special Board Meeting*
- 3. June 18, 2025 Regular Board Meeting*

ITEM 2: TREASURER'S REPORT

a. *FINANCE/AUDIT COMMITTEE MEETING*

RECOMMENDED ACTION:

Receive and file the following Finance/Audit Committee Meeting Recap(s):

- 1. June 12, 2025*

b. *PRESENTATION OF FINANCIALS*

RECOMMENDED ACTION:

Receive and file the preliminary statement(s) of revenues and expenses and preliminary unaudited financials for the following month(s):

- 1. May 2025*

c. *PAYMENT OF BILLS FOR CONSIDERATION*

RECOMMENDED ACTION:

Ratify the payment of bills for consideration, Payroll and Payroll Taxes for June 2025.

ITEM 3: APPROVAL OF ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP(S)

RECOMMENDED ACTION:

Receive and file the following Engineering/Operational Committee Meeting Recap(s):

- 1. June 4, 2025*

ITEM 4: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP(S)

RECOMMENDED ACTION:

Receive and file the following Executive Committee Meeting Recap(s):

- 1. June 2, 2025*



ACTION CALENDAR

All matters under the Action Calendar have been reviewed by the General Manager and Staff prior to the Board's consideration.

ADMINISTRATIVE MATTERS

ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ ATTENDANCE

RECOMMENDED ACTION(S):

Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees for the following period(s):

1. June 2025

ITEM 6: INFORMATIONAL UPDATES FROM BOARD COMMITTEES

RECOMMENDED ACTION(S):

Receive updates and information from Board Committee Chairs/Members and take action(s) as deemed appropriate.

FINANCIAL MATTERS

ITEM 7: DISCUSSION CONCERNING DISTRICT WATER FIXED CHARGES METHODOLOGY

RECOMMENDED ACTION(S):

Receive information and presentation at the time of the meeting and take action(s) as deemed appropriate.

ITEM 8: PUBLIC HEARING AND ADOPTION OF TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2025-26 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT)

RECOMMENDED ACTION(S):

1. Receive information at the time of the Board Meeting concerning the proposed Fiscal Year 2025-26 Undeveloped Land/Water Standby Charges.
2. Conduct Public Hearing to receive public comments relating to the matter.
3. Adopt Resolution No. 2025-1352 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Water Standby Charges for the Fiscal Year 2025/2026; Making Certain Findings and Taking Related Actions in Connection Therewith.

ITEM 9: APPROVAL OF UPDATED DISTRICT PURCHASING POLICY & GUIDELINES

RECOMMENDED ACTION(S):

Adopt Resolution No. 2025-1353 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting Updated Guidelines for the Procurement of Goods and Services and Cash Disbursements.



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ITEM 10: APPROVAL OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26

RECOMMENDED ACTION(S):

Adopt Resolution No. 2025-1354 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing the Appropriations Limit Applicable to the District during Fiscal Year 2025-2026.

ENGINEERING MATTERS

ITEM 11: AWARD OF DIMENSION WATER TREATMENT PLANT IMPROVEMENTS AND RELATED PROJECT UPDATES

RECOMMENDED ACTION:

1. *Receive Dimension Water Transmission Main Rehabilitation Project status updates.*
2. *Authorize the General Manager to award a construction contract for the DWTP Filter 4 Repair Project to SS Mechanical Construction Corp. in the amount of \$48,910 plus a 10% contingency of \$4,890, for a not-to-exceed amount of \$53,800.*

ITEM 12: APPROVAL OF SCADA INTEGRATION ON-CALL SERVICES AGREEMENT WITH ADVANCED INTEGRATION & CONTROLS (AIC) [A W.M. Lyles Company]

RECOMMENDED ACTION:

Authorize the General Manager to execute a professional services agreement with Advanced Integration & Controls (AIC) [A W.M. Lyles Company] for a not-to-exceed amount of \$100,000.

ITEM 13: QUARTERLY CAPITAL IMPROVEMENT PROGRAM UPDATE

RECOMMENDED ACTION:

Receive information at the time of the meeting. No action required.

ITEM 14: SADDLE CREST DEVELOPMENT – ACCEPTANCE OF ON-SITE AND OFF-SITE WATER AND SEWER FACILITIES CONSTRUCTED FOR TRACT NO. 17388

RECOMMENDED ACTION:

Adopt Resolution No. 2025-1346 – Resolution of the Board of Directors of Trabuco Canyon Water District Accepting On-Site and Off-Site Water and Sewer Facilities Constructed for Tract No. 17388.

LEGISLATIVE AND OTHER MATTERS

ITEM 15: SUPPORT FOR CANDIDATES FOR THE OFFICES OF PRESIDENT AND VICE PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

RECOMMENDED ACTION:

1. *Adopt Resolution No. 2025-1356 – Resolution of the Board of Directors of Trabuco Canyon Water District Supporting Carol Lee Gonzalez-Brady for the position of Vice President of the Association of California Water Agencies.*
2. *Adopt Resolution No. 2025-1355 - Resolution of the Board of Directors of Trabuco Canyon Water District Supporting Ernesto Avila for the position of President of the Association of California Water Agencies.*



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ITEM 16: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

RECOMMENDED ACTION(S):

Receive information at the time of the meeting and take action(s) as deemed appropriate

CLOSED SESSION(S)

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. Code § 54957) - TITLE: GENERAL MANAGER
Pursuant to California Government Code Sections 54957(b) and 54954.5(e), the Board will meet in Closed Session to review and discuss confidential information concerning the District's General Manager (Public Employment)

ITEM 17: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION

RECOMMENDED ACTION(S):

Provide announcement of action(s) taken in Closed Session, if any.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

ITEM 18: _____

ITEM 19: _____

GENERAL COUNSEL REPORT

OTHER INFORMATION/MATTERS

Reports or comments from the General Manager and/or Staff

ADDITIONAL DIRECTORS' COMMENTS

Additional reports or comments from Directors

END ACTION CALENDAR & ADJOURNMENT

AVAILABILITY OF AGENDA MATERIALS

Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Trabuco Canyon Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the Trabuco Canyon Water District Administrative Facility, 32003 Dove Canyon Drive, Trabuco Canyon, California (District Administrative Facility) and will be posted online on the District's website located at www.tcwd.ca.gov. If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available online at www.tcwd.ca.gov at the same time as they are distributed to the Board Members, except that, if such writings are distributed immediately prior to or during the meeting, they will be posted online on the District's website located at www.tcwd.ca.gov.

COMPLIANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2

In compliance with California law and the Americans with Disabilities Act, if you need special disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 858-0277, at least 48 hours in advance of the scheduled Board meeting. Notification at least 48 hours prior to the meeting will assist the District in making reasonable arrangements to accommodate your request. The Board Meeting Room is wheelchair accessible.



**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING AGENDA | JULY 16, 2025**

FUTURE SCHEDULED REGULAR BOARD MEETINGS OF THE BOARD OF DIRECTORS

Upcoming Regular Meetings of the Board are expected to be held at the District Administrative Facility (Board Meeting Room) located at 32003 Dove Canyon Drive, Trabuco Canyon, California 92679 and are currently scheduled as follows:

August 20, 2025 | September 17, 2025 | October 15, 2025



**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

CONSENT CALENDAR

ITEM 1: APPROVAL OF MINUTES OF BOARD MEETING(S)

RECOMMENDED ACTION

Approve the minutes of the following Board Meetings:

- 1. May 27, 2025 Special Board Meeting*
- 2. June 16, 2025 Special Board Meeting*
- 3. June 18, 2025 Regular Board Meeting*

CONTACTS (staff responsible): PALUDI/PEREA



MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | MAY 27, 2025

The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on May 27, 2025, was called to order by President Edward Mandich at 6:00 p.m. in the Board Room at the District Administrative Facility located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Michael Perea, District Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

President Ed Mandich
Vice President Glenn Acosta
Director Mark Anderson
Director John Horst
Director Michael Safranski

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Karen Warner, Principal Accountant

DISTRICT CONSULTANTS

Claire Collins, District General Legal Counsel – Hanson Bridgett, LLP
Ian Berg, Starting Line Advisory
Lora Nichols, Financial Consultant – Fieldman Rolapp & Associates

PUBLIC PRESENT

There were members of the public present.

PLEDGE OF ALLEGIANCE

Director Acosta led the Board of Directors, District staff, and audience in the Pledge of Allegiance.

ITEMS TOO LATE TO BE AGENDIZED

None

VISITOR PARTICIPATION

None

ORAL COMMUNICATION

Ray Chandos – Mr. Chandos requested an update from the Board on the status of the Request for Proposals (RFP) for Rate Relief that was provided to both Irvine Ranch Water District (IRWD) and Santa Margarita Water District (SMWD) and any information related to interagency collaboration.

DIRECTOR'S COMMENTS

Director Safranski reported on his attendance at the South Orange County Agencies Group meeting.

Director Acosta had no comments.

**TRABUCO CANYON WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES | MAY 27, 2025**

Director Horst responded to Mr. Chandos by replying that the responses from IRWD and SMWD are due by June 15th. Director Horst reported that both he and Mr. Perea met with the State Water Resources Control Board (SWRCB) on financial opportunities to assist the District, including State Revolving Fund (SRF) loans and Proposition 4 funding opportunities.

Director Anderson had no comments.

Director Mandich had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported that District staff hosted a tour of the Robinson Ranch Wastewater Treatment Plant (WWTP) for a local Cub Scout group on Saturday, May 24th. Mr. Perea provided a brief overview of the tour and thanked Wastewater Operations staff for their preparation and participation in the event.

ACTION CALENDAR

FINANCIAL MATTERS

ITEM 1: RECOGNITION OF EMPLOYEE BARGAINING UNITS

Mr. Paludi introduced this matter for Board consideration, and he reported that District staff have formed two bargaining units and unionized with the International Brotherhood of Electrical Workers (IBEW) Local 47. Mr. Paludi added that General Counsel advised that the District's General Manager grant voluntary recognition of each bargaining group and that the Board ratify the General Manager's response to the Public Employment Relations Board (PERB). Discussion occurred concerning the process for recognition with PERB and the next steps for District management. Director Safranski expressed concern with this update and inquired what triggered the need for an employee union; Ms. Collins indicated that unless there is a legal basis for disputing the appropriateness of the proposed unit(s), the District is required to recognize IBEW as the representative of TCWD employees' bargaining units.

Director Mandich recognized public comments on this matter.

Ray Chandos – Mr. Chandos expressed concern on the recognition process as the Board should have an opportunity to review this matter prior to the General Manager's approval. Mr. Chandos recommended the Board rescind the initial approval.

Director Mandich asked Ms. Collins the legality of rescinding the initial approval of the voluntary recognition; Ms. Collins replied that there is no legal basis to prevent this action.

MOTION: Ratification of General Manager's response to the Public Employment Relations Board (PERB) on behalf of Trabuco Canyon Water District to voluntarily recognize the International Brotherhood of Electrical Workers, Local 47, as the exclusive representative of the General and Mid-Manager bargaining units of District employees - Director Acosta

SECOND: Director Anderson

AYES: Directors Mandich, Acosta, Anderson, & Horst

NOES: Director Safranski

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 4 -1 with Director Safranski voting No.

**TRABUCO CANYON WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES | MAY 27, 2025**

ITEM 2: TRABUCO CANYON WATER DISTRICT FISCAL YEAR 2025-26 BUDGET WORKSHOP

Mr. Paludi presented this matter for Board consideration, and he introduced Ian Berg with Starting Line Advisory to present the FY 2025-26 proposed budget draft and financial plan.

Mr. Berg delivered a PowerPoint presentation which detailed the proposed Fiscal Year 2025-26 budget including input from the Board from the April 28th Special Board Meeting Budget Workshop. Mr. Berg reviewed two different rate scenario options with the Board consistent with the approved noticed rates; operating and capital improvement plan (CIP) budget updates and financing strategies; an overview of the District's reserves; and 10-Year financial plan dashboard for planning purposes. Discussion occurred concerning the implementation of alternative rate strategies to decrease impacts on customers while meeting the District's financial obligations and capital investments. Mr. Berg suggested further evaluating additional rate strategies, including a two-phased approach over the fiscal year, and that this can be presented at the regular board meeting or another special meeting, if necessary. Discussion occurred regarding community outreach efforts on the proposed budget and rates. Mr. Paludi indicated that staff will bring additional updates for Board consideration at the following regular meeting.

The Board, through President Mandich, expressed their appreciation to Mr. Berg for his presentation on the proposed budget and rates.

MOTION: None

ITEM 3: CONSIDERATION OF PROPOSED UPDATED DISTRICT RESERVES POLICY

Mr. Paludi introduced this matter for Board consideration, and he reported that staff has worked with Mr. Berg to review the District's current reserve policy (adopted in 2015) for potential restructuring and updates. Mr. Berg provided a report which reviewed a proposed updated Cash Reserve Policy which would restructure the reserves into three (3) pools of cash reserves with individualized levels and designated purposes and uses. Mr. Berg reviewed the proposed reserve consolidations with the Board and recommended reviewing this matter in detail with the Finance/Audit Committee and then approval by the Board in June.

MOTION: None

ADJOURNMENT

President Mandich adjourned the May 27, 2025 Special Board Meeting at 7:55 p.m.



MINUTES OF THE SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 16, 2025

The Special Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on June 16, 2025, was called to order by President Edward Mandich at 6:02 p.m. in the Board Room at the District Administrative Facility located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Michael Perea, District Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

President Ed Mandich
Vice President Glenn Acosta
Director Mark Anderson
Director John Horst
Director Michael Safranski

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Gary Kessler, Water Operations Superintendent
Oscar Ulloa, Wastewater Operations Superintendent
Jason Stroud, Maintenance Superintendent
Other staff were present

DISTRICT CONSULTANTS (REMOTE)

Laura Ratcliffe, District General Legal Counsel – Hanson Bridgett, LLP

PUBLIC PRESENT

There were members of public present.

PLEDGE OF ALLEGIANCE

Director Anderson led the Board of Directors, District staff, and audience in the Pledge of Allegiance.

VISITOR PARTICIPATION

None

ORAL COMMUNICATION

None

DIRECTOR'S COMMENTS

Director Safranski reported that the City of Rancho Santa Margarita will be hosting a Fire Safety and Preparedness Community Event on June 25th at the Bell Tower Regional Community Center. Director Safranski also reported that the Community Associations of Rancho (CAR) group is applying to become a 501-C3 Non-Profit organization.

Director Acosta expressed his appreciation to staff for holding the meeting on this topic.

Director Anderson had no comments.

**TRABUCO CANYON WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES | JUNE 16, 2025**

Director Horst had no comments.

Director Mandich had no comments.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported that Ms. Ratcliffe was in attendance, remotely. Mr. Paludi noted the importance of discussing the District's potable water sources and distribution system, and he thanked Mr. Perea for putting the presentation together.

ACTION CALENDAR

FINANCIAL MATTERS

ITEM 1: TCWD WATER SYSTEM OVERVIEW PRESENTATION

Mr. Perea delivered a PowerPoint presentation on the District's water system, and discussed the following matters:

Regional Water System Overview

- Primary Sources of Supply
- Emergency Connections
- Baker Water Treatment Plant

Operations Overview

- District System
- Sources of Supply Costs
- Alternative Operational Scenario
- Storage Capacity & Pumping Systems

System Improvement Plans

- Transmission Main Rehabilitation Project
- Dimension Water Treatment Plant Filter No. 4 Repairs

Discussion occurred with staff, the Board, and members of the public throughout the presentation on matters including the District's interconnections and limitations of other agencies' ability to provide water to certain parts of the District due to capacity constraints, elevation and pressure fluctuations throughout the District, and their respective system demands. Discussion also occurred regarding long-term reliance on other agencies for drinking water as each agency is primarily responsible to their respective customers and cannot guarantee reliability to an outside agency. Discussion occurred regarding the exploration of groundwater on the District's property at Trabuco Creek. Mr. Kessler provided a brief history of the District's ownership capacity in the Baker Water Treatment Plant and the limitations on receiving delivery of capacity through the Plano intertie.

Further discussion occurred regarding the District's system improvement plans, specifically the Dimension Water Treatment Plant (DWTP) transmission main pipeline rehabilitation and DWTP Filter No. 4 rehabilitation. Discussion occurred regarding possible funding options for the transmission main rehabilitation project.

Director Acosta thanked staff for putting the presentation together, and he acknowledged the District's operational constraints and his support of the transmission main pipeline rehabilitation project.

**TRABUCO CANYON WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS MINUTES | JUNE 16, 2025**

Director Safranski expressed his appreciation to staff for the presentation, and he gave kudos to staff for their work on fixing the recent line break at Harris Grade. Mr. Paludi noted that due to the emergency repair, staff was unable to properly notify customers beforehand, and he thanked the customers for their patience with this matter.

Director Mandich thanked staff for the presentation, and he stated that the information shows a need for redundancy. Director Mandich added that he is in favor of the transmission main pipeline rehabilitation project and hopes the Board votes to approve the project at the next Regular Board Meeting.

Director Horst requested information from operations regarding the Harris Grade line break.

Director Anderson provided information regarding the potential for certain improvements to the distribution system at Hamilton Trail and Harris Grade that would be appropriate for the District's Capital Improvement Program.

Mr. Paludi expressed his thanks to the Board for holding the workshop, and the public for their participation.

Mr. Perea also expressed his thanks to the Board for holding the meeting, and he requested that the Board hold another workshop in the future to provide an overview of the District's wastewater and recycled water systems.

MOTION: None. Informational item only.

ADJOURNMENT

President Mandich adjourned the June 16, 2025 Special Board Meeting at 7:49 p.m.

DRAFT



MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT | JUNE 18, 2025

The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District (TCWD or District) conducted on June 18, 2025, was called to order by President Ed Mandich at 6:00 p.m. in the Board Room at the District Administrative Facility located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Mr. Michael Perea, District Secretary, transcribed the minutes thereof.

DIRECTORS PRESENT

President Ed Mandich
Vice President Glenn Acosta
Director Mark Anderson
Director John Horst
Director Michael Safranski

DIRECTORS ABSENT

None

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Gary Kessler, Water Operations Superintendent
Jason Stroud, Maintenance Superintendent
Karen Warner, Principal Accountant
Roseann Lejsek, Executive Assistant
Other staff were present

DISTRICT CONSULTANTS

Claire Collins, District General Legal Counsel - Hanson Bridgett, LLP

PUBLIC PRESENT

There were members of the public present.

PLEDGE OF ALLEGIANCE

Director Safranski led the Board of Directors, District staff, and audience in the Pledge of Allegiance.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

None

VISITOR PARTICIPATION

None

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 18, 2025**

ORAL COMMUNICATION

Director Mandich read the names of members of the public that submitted e-comments after the posting of the agenda.

Sue Marucci – Ms. Marucci addressed the Board of Directors with her concerns regarding repair of the transmission main pipeline when consolidation is being discussed. Ms. Marucci provided her history with the meter downsizing program and, and she stated her concerns with the District’s rates and charges.

Fred Yeakel – Mr. Yeakel addressed the Board of Directors, and he remarked on his preference of last month’s Board Room set up.

Gloria Sefton – Ms. Sefton addressed the Board of Directors with her concerns regarding the District’s rates and charges. Ms. Sefton expressed her support for consolidation, and she requested that the matter be agendized at all future Board meetings.

Chris Kinner – Mr. Kinner addressed the Board of Directors and expressed his support of the transmission main pipeline repair. Mr. Kinner stated that consolidation is a complicated process that may take years, and that he lends his support of the pipeline repairs.

Scott Ijams – Mr. Ijams addressed the Board of Directors and he expressed his appreciation to District staff for their hard work to ensure residents receive clean water. Mr. Ijams explained his property layout and 1” meter size requirement, and he noted that he pays more than his neighbors with smaller meters. Mr. Ijams asked the Board to consider a pricing strategy, and he stated that he would like to better understand the District’s rationale for its rates and charges.

DIRECTOR’S COMMENTS

Director Anderson reported on his attendance at the Water Advisory Committee of Orange County (WACO), and he stated that Las Virgenes Water District delivered a very informative presentation on lessons they learned from the Los Angeles fires. Director Anderson went through key points and takeaways from the presentation.

Director Horst reported on his attendance at the Municipal Water District of Orange County (MWDOC) Finance and Board meetings.

Director Acosta expressed his thanks to staff for the detailed presentation of the District’s water system at the Special Board Meeting earlier in the week.

Director Safranski reported that the City of Rancho Santa Margarita will be hosting a Fire Safety and Preparedness Community Event on June 25th at the Bell Tower Regional Community Center, and that the Community Associations of Rancho (CAR) group will have a booth at the event.

Director Mandich reported that the District Properties Committee met with two land consultant firms to explore potential uses for the District’s Porter property. Director Mandich stated that the District will be contracting with one of the two firms under the General Manager’s authority with terms of 60 days and an amount not-to-exceed \$10k.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 18, 2025**

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported on the following matters:

- The District issued an RFQ for potential rate relief to Irvine Ranch Water District (IRWD) and Santa Margarita Water District (SMWD) and he stated that the District received a joint response letter expressing possible interest. Mr. Paludi stated that there is no action for the Board to take at this time, and he stated that staff will be scheduling a meeting with both agencies within the next week to discuss the District’s water supply and to establish rapport. Mr. Paludi suggested that a dedicated webpage could be added to the District’s website to report any information and updates regarding this matter. Director Acosta noted that the Public Outreach Committee would be meeting to strategize on communication. Director Horst added that an email would be sent to customers with information on this matter.
- The District has completed its annual Water Quality Report, and he reported that the District’s water supply meets or exceeds all regulatory standards. Mr. Paludi added that the report can be found on the District’s website and that hard copies are available in the lobby.

CONSENT CALENDAR

Director Mandich indicated that all matters under the Consent Calendar would be approved by one motion unless a Board member or staff member requests separate action on a specific item. Mr. Paludi presented Items 1-4 for Board consideration and approval in accordance with the agenda.

ITEM 1: APPROVAL OF MINUTES OF BOARD MEETING(S)

1. May 21, 2025 Regular Board Meeting

ITEM 2: TREASURER’S REPORT

1. May 8, 2025 Finance/Audit Committee Meeting Recap
2. April 2025 Preliminary Unaudited Financials
3. May 2025 Bills for Consideration, Payroll and Payroll Taxes

ITEM 3: APPROVAL OF ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP(S)

1. May 7, 2025 Engineering/Operational Committee Meeting Recap

ITEM 4: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP(S)

1. May 12, 2025 Executive Committee Meeting Recap

MOTION: Approve the consent calendar as presented – Director Acosta

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 18, 2025**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/ATTENDANCE

Mr. Paludi presented this matter for Director consideration and comment, and he reported that this matter was reviewed with the Finance/Audit Committee.

MOTION: Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from May 2025 – Director Acosta

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

ENGINEERING MATTERS

ITEM 6: DIMENSION WATER TREATMENT PLANT TRANSMISSION MAIN REHABILITATION PROJECT

Public Comment was received in relation to this item on the agenda.

Alan Burnham – Mr. Burnham addressed the Board of Directors, and he stated that he was pleased to see an article on the District's website regarding consolidation, but that he has not heard any additional information on the matter. Mr. Burnham requested that this matter be agendaized at future board meetings. Mr. Burnham asked for a commitment from the Board to explore all options before approving the transmission main rehabilitation project, and he requested that the Board vote no at this time.

Ray Chandos – Mr. Chandos addressed the Board of Directors, and he commented that the District's Water System Overview presentation at the Special Board Meeting was informative, but that the discussion of the pipeline rehabilitation project was not on the agenda. Mr. Chandos stated that he opposes financing the pipeline rehabilitation project until options with other Districts are explored.

Jay Gentile – Mr. Gentile addressed the Board of Directors, and he commented that any possible dissolution of the District will take time, and that the current supply may not meet the District's needs. Mr. Gentile expressed his support of the transmission main pipeline repair, and he stated that relying on emergency connections and not repairing the pipeline would be negligent.

Mr. Paludi presented this matter for Board consideration, and he thanked Ms. Lausten and staff for their tremendous efforts with this matter. Mr. Paludi stated that staff's recommendation is based on the current supply of treated water and increased costs which are trending \$1 million above budget. Mr. Paludi added that there is currently no certainty of reliability, and that the Board's fundamental mission is to provide safe and reliable water to its customers. Mr. Paludi also stated that the Dimension Water Treatment Plant (DWTP) is a valuable resource, and the District cannot rely on other agencies for its water supply.

Ms. Lausten provided an overview of the phases of the project, focusing on the most critical segments of the pipeline for repair. Ms. Lausten went through the bid comparison, and she stated that staff's recommendation is to award Phase 1 of the project to T.E. Roberts. Ms. Lausten discussed the processes and materials to be used in

**TRABUCO CANYON WATER DISTRICT
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Phase 1A and 1B of the project, as well as the tasks and timeline, as provided in the staff report. Ms. Lausten also noted that guarantees of performance were added to the specs due to the Board's expressed concerns.

Director Acosta expressed his support for projects that provide diverse sources of water. Director Acosta commented that if the District was 100% reliant on IRWD, we would need to buy into their capacity. Which would result in huge costs. Director Acosta stated that it is vital to have different sources and that he believes this is an essential project. Director Acosta noted that the pipeline is a valuable resource that we need to keep in service.

Director Safranski echoed Director Acosta's comments, and he stated that this is a risk management situation and that the District cannot delay this project. Director Safranski added that proceeding with this project is a prudent operational response to the District's needs.

Director Anderson expressed his struggle with this matter early on, but that he now understands the complications. Director Anderson stated that as an Engineer he cannot, in good conscience, delay the project for a year. Director Anderson recommended exploring Phase 2 of the project, but to look for responses from other Districts before moving forward.

Director Horst asked whether staff has asked neighboring agencies whether they are unable to supply us with water, and he stated that without asking all questions to other agencies, we should wait to move forward with the project.

Director Mandich commented that the Sources of Supply Ad Hoc Committee has been considerate of the expense and that Ms. Lausten has worked to bring the costs down. Director Mandich added that the District's main responsibility is to have a safe, reliable, and redundant water supply for its customers.

Mr. Paludi added that although other agencies may be able to supply us with water, they cannot guarantee reliability to an outside agency.

- MOTION:**
1. Authorize the General Manager to award the Dimension Water Treatment Plant Transmission Main Rehabilitation Project, Phase 1A to T.E. Roberts in the amount of \$1,793,012, with a 10% contingency of \$179,301 for a total not-to-exceed amount of \$1,972,313.
 2. Authorize the General Manager to award the Dimension Water Treatment Plant Transmission Main Rehabilitation Project, Phase 1B (Pipe Bursting) to T.E. Roberts in the amount of \$3,721,445, with a 10% contingency of \$372,144 for a total not-to-exceed amount of \$4,093,589 – Director Acosta

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Anderson & Safranski

NOES: Director Horst

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 4 – 1

ITEM 7: ROBINSON RANCH WASTEWATER TREATMENT PLANT BLOWER MODIFICATION PROJECT – CONSTRUCTION CONTRACT AWARD

Mr. Paludi presented this matter for Board consideration, and he reported that the proposal was sent to eight contractors and the District received four responses, one of which came in below the engineer's estimate. Ms. Lausten reported that this matter was discussed with the Engineering/Operational Committee, and she provided an overview of the ongoing issues with increased heat in the blower room. Ms. Lausten reported that staff

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purchased two blowers and that one has been received in house. Ms. Lausten stated that after review of the bids, staff is recommending award of the construction contract to SS Mechanical for line items 1 - 15. Discussion occurred regarding the noise impact study that was completed upon the Committee's recommendation, and it was noted that according to the study, sound panels should not be needed but are included in the design. Ms. Lausten added that upon Legal Counsel's recommendation, line item 16 cannot be awarded at this time.

MOTION: Recommend the Board of Directors authorize the General Manager to award the Robinson Ranch Wastewater Treatment Plant Blower Modification Project to SS Mechanical Construction Corp. in the amount of \$919,022, with a 10% contingency of \$91,900 for a total not-to-exceed amount of \$1,010,922 – Director Acosta

SECOND: Director Mandich

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

ITEM 8: PUBLIC HEARING ON THE ADOPTION OF ORDINANCE NO. 2025-23 TRABUCO CANYON WATER DISTRICT CROSS CONNECTION CONTROL ORDINANCE

Mr. Paludi presented this matter for Board consideration, and he reported that the District joined a multi-agency effort with other Orange County water agencies to prepare a Cross-Connection Control Plan (CCCP) consistent with the adopted Cross-Connection Control Policy Handbook (CCCPH) which became effective July 1, 2024. Mr. Perea reported that the District has had a long-standing practice in place to protect the system, but the District is required to adopt a new CCCP. Mr. Perea stated that the District's AMR/AMI Infrastructure Implementation Project provides additional support in monitoring potential cross-connection issues.

The Board of Directors, through Director Mandich, opened the public hearing at approximately 7:27 p.m.

Mr. Perea reported that the District received no comments on the proposed adoption of Ordinance No. 2025-23 – Trabuco Canyon Water District Cross Connection Control Ordinance.

The Board of Directors, through Director Mandich, closed the public hearing at approximately 7:28 p.m.

Mr. Perea added that Orange County is a leader in the State for Cross-Connection Control compliance.

MOTION: Adopt Ordinance No. 2025-23 Trabuco Canyon Water District Cross Connection Control Ordinance – Director Acosta

SECOND: Director Anderson

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 18, 2025**

ITEM 9: PUBLIC HEARING: ANNUAL NOTICE OF PUBLIC HEARING ON THE STATUS OF VACANCIES AND RECRUITMENT AND RETENTION

Mr. Paludi presented this matter for Board consideration, and he reported that as of January 1, 2025 the District is required to hold a public hearing on the status of vacancies and recruitment retention efforts undertaken by the District each fiscal year. Mr. Paludi reported that there were currently no vacancies, but that one position is proposed for FY25-26.

The Board of Directors, through Director Mandich, opened the public hearing at approximately 7:31 p.m.

Mr. Perea reported that the District received no comments on the status of vacancies and recruitment and retention efforts undertaken by the District.

The Board of Directors, through Director Mandich, closed the public hearing at approximately 7:32 p.m.

- MOTION:** Receive and file the staffing/vacancy report consistent with Government Code Section 3502.3 – Director Horst
SECOND: Director Safranski
AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski
NOES: None
ABSTAIN: None
ABSENT: None
MOTION PASSED/FAILED: Passed 5 – 0

ITEM 10: ADOPTION OF PROPOSED FISCAL YEAR 2026 OPERATING AND CAPITAL IMPROVEMENT PLAN BUDGETS

Mr. Paludi presented this matter for Board consideration, and he highlighted the extensive budget process, which started with a preliminary budget and rates workshop in April. Mr. Paludi reported on the budget workshops held in April and May, along with requests from the Board to analyze different rate increase options, including bifurcating the increase to provide relief to customers during hotter months. Mr. Berg delivered a PowerPoint presentation of the proposed Fiscal Year 2026 Operating and Capital Improvement Plan Budgets, as well as FY 2026 Budgeted Rate Scenario Options, and he recommended option three which shows a 16.8% increase starting July 1, 2025 and a 6.4% increase starting Jan 1, 2026. Mr. Paludi provided a summary of the 95% increase in FY25 and how it relates to option three for FY26.

Director Horst commented that he believes option three has the greatest balance, and that if approved, the Public Outreach committee will work on how to communicate this information to customers, along with potential impacts to their bill.

Director Safranski commented that the Finance/Audit Committee recommended option three, and he stated that he supports communicating to explain to customers that we are increasing rates to keep the District whole and operational.

Director Acosta expressed his thanks to Director Anderson for his idea to bifurcate the rate increase.

Director Anderson commented that the Board has received public comments advising against raising rates, however, he stated that there is no option but to raise rates.

**TRABUCO CANYON WATER DISTRICT
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Mr. Perea reported that the proposed General Fund Budget includes a 3% Cost of Living Adjustment (COLA), and he noted that the CPI is reviewed on an annual basis. Mr. Perea stated that the 3% proposed increase has been adjusted across the pay table.

MOTION: Recommend the Board of Directors approved the proposed District Salary Paytable with Classifications and Monthly Salary Ranges as presented, to be effective as of July 1, 2025 – Director Acosta

SECOND: Director Horst

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

MOTION: Recommend the Board of Directors adopt Resolution No. 2025-1348 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving the District General Fund Budget for Fiscal Year 2026 – Director Safranski

SECOND: Director Acosta

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

MOTION: Recommend the Board of Directors adopt Resolution No. 2025-1349 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving the Capital Improvement Project, Equipment, and Program Budgets for Fiscal Year 2026 – Director Acosta

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

ITEM 11: APPROVAL OF CASH RESERVES POLICY UPDATE

Mr. Paludi presented this matter for Board consideration, and he reported that the District is looking to establish a more responsible reserves policy. Mr. Berg noted that the formal adoption of this updated policy will bring the District’s policy up to industry standards.

MOTION: Recommend the Board of Directors adopt Resolution No. 2025-1350 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving a Cash Reserve Policy, Designating Various Fund Levels, Rescinding and Superseding Certain Prior Reserve Fund Resolutions and Taking Related Actions – Director Acosta

SECOND: Director Horst

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 18, 2025**

ITEM 12: AUTHORIZATION OF ACTIONS FOR FISCAL YEAR 2026 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING DATE

Mr. Paludi presented this matter for Board consideration, and he reported that the District's Standby Charge has not been changed since 1996. Mr. Perea added that changes to the policy have been made over the years, however the fee has remained the same.

- MOTION:** 1. Recommend the Board of Directors authorize District staff to proceed with actions for setting the Fiscal Year 2026 Undeveloped Land/Water Standby Assessment at \$15.00 per acre of portion thereof; and
2. Agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2026 Undeveloped Land/Water Standby Assessments for the July 16, 2025 Regular Board Meeting – Director Acosta

SECOND: Director Mandich

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

LEGISLATIVE AND OTHER MATTERS

ITEM 13: AUTHORIZATION OF FINANCE AND ACCOUNTING ADVISORY RETAINER SERVICES AND APPOINTMENT OF DISTRICT TREASURER

Mr. Paludi presented this matter for Board consideration, and he provided a background of the District's contracted Treasury services with Cindy Byerrum, a Certified Public Accountant (CPA) with Platinum Partners, and later with Eide Bailly, until her retirement in 2024. Mr. Paludi provided a brief overview of Mr. Berg's qualifications and work history with Ms. Byerrum at Eide Bailly and subsequently started his own firm, Starting Line Advisory. Mr. Paludi reported that the District contracted with Mr. Berg upon Ms. Byerrum's retirement, and he emphasized the value and knowledge Mr. Berg brings to the District. Discussion occurred regarding Mr. Berg's scope of work, including appointment as District Treasurer.

Mr. Paludi expressed his appreciation for all of the hard work that Ms. Warner performs as Principal Accountant for the District.

- MOTION:** Recommend the Board of Directors authorize the General Manager to execute a Professional Services Agreement with Starting Line Advisory for finance and accounting advisory retainer services for fiscal year 2026 in an amount not-to-exceed \$152,000 – Director Horst

SECOND: Director Safranski

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED/FAILED: Passed 5 – 0

- MOTION:** Recommend the Board of Directors adopt Resolution No. 2025-1351 – Resolution of the Board of Directors of Trabuco Canyon Water District Appointing Ian Berg with Starting Line Advisory as District Treasurer – Director Acosta

SECOND: Director Horst

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING MINUTES | JUNE 18, 2025**

AYES: Directors Mandich, Acosta, Anderson, Horst & Safranski
NOES: None
ABSTAIN: None
ABSENT: None
MOTION PASSED/FAILED: Passed 5 – 0

LEGISLATIVE AND OTHER MATTERS

ITEM 14: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

There were no items presented.

MOTION: None. Informational item only.

GENERAL COUNSEL REPORT

None.

OTHER INFORMATION/MATTERS

None

ADDITIONAL DIRECTORS' COMMENTS

Director Anderson suggested that the Board consider revisiting 1" meter fixed charges due to the large increase in rates from a ¾" meter to a 1" meter. Director Anderson requested that the District find a way to interact with its ratepayers outside of a public meeting format.

Ms. Collins left the meeting at 8:20 p.m.

Director Anderson suggested that staff take a more aggressive approach with the two other agencies in relation to their response to the RFP. Director Acosta recommended making an inquiry with both agencies on when to enter discussions. Mr. Paludi suggested that the Board President reach out to each agency to set expectations and set a schedule on this matter.

Further discussion occurred regarding the 1" meter fixed charge. Director Safranski asked whether there could be any relief for customers due to Proposition 218 requirements. Mr. Paludi suggested that staff bring back the District's rate consultant to revisit the rate analysis, and he noted that looking into the matter may lead to re-opening the rate study.

ADJOURNMENT

President Mandich adjourned the June 18, 2025 Regular Board Meeting at 8:31 p.m.

TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025

CONSENT CALENDAR

ITEM 2: TREASURER'S REPORT

a. *FINANCE/AUDIT COMMITTEE MEETING*

RECOMMENDED ACTION:

Receive and file the following Finance/Audit Committee Meeting Recap(s):

1. *June 12, 2025*

b. *PRESENTATION OF FINANCIALS*

RECOMMENDED ACTION:

Receive and file the preliminary statement(s) of revenues and expenses and preliminary unaudited financials for the following month(s):

1. *May 2025*

c. *PAYMENT OF BILLS FOR CONSIDERATION*

RECOMMENDED ACTION:

Ratify the payment of bills for consideration, Payroll and Payroll Taxes for June 2025.

EXHIBITS:

1. Disbursement Report – June 2025
2. Summary of Disbursements – June 2025
3. General Fund Warrant Register – June 2025
4. General Fund Payroll Warrant Register – June 2025

CONTACTS (staff responsible): PEREA/WARNER



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JUNE 12, 2025

DIRECTORS PRESENT

John Horst, Committee Chair
Mike Safranski, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Karen Warner, Principal Accountant
Roseann Lejsek, Executive Assistant

STAFF ABSENT

Lorrie Lausten, District Engineer

CONSULTANTS PRESENT

Ian Berg, Starting Line Advisory

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Horst called the June 12, 2025 Finance/Audit Committee Meeting to order at 8:01 a.m.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

Director Safranski reported on his attendance at the City of Rancho Santa Margarita City Council Meeting, and he noted that the city will be hosting a Fire Safety and Preparedness Community event on June 25th at the Bell Tower Regional Community Center.

REPORT FROM THE GENERAL MANAGER

Mr. Paludi reported that staff received bids for the Transmission Main Pipeline Rehabilitation Project, and he stated that the bids will be vetted by Ms. Lausten and brought to the Regular Board Meeting the following week for the Board's consideration. Mr. Paludi also reported that staff will be bringing a recommendation to award the Wastewater Treatment Plant Blower Modification Project Construction contract to the next Regular Board Meeting. Mr. Paludi stated that staff received five bids, and he expressed his appreciation for Ms. Lausten's hard work which resulted in greater interest and increased response.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 12, 2025**

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

Mr. Paludi presented the Finance/Audit Committee Meeting Recap for Committee review in accordance with the agenda.

RECOMMENDATION: The Committee recommended forwarding this matter to the Board of Directors (Consent Calendar).

ITEM 2: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, TENTATIVE FUTURE MEETINGS/ATTENDANCE

Mr. Paludi presented the Directors' Fees and Expenses Report and Tentative Future Meetings/Attendance Report for Committee consideration and review. Director Horst noted a change to his meeting attendance for the month of May. Mr. Paludi noted that he will work with staff to update May's report for presentation at the May Regular Board Meeting.

RECOMMENDATION: Recommend the Board of Directors ratify the Directors' fees and expenses for May 2025 and tentative future meetings/attendance (Action Calendar).

ITEM 3: FINANCIAL REPORT

Ms. Warner presented the preliminary unaudited financials for April 2025.

FINANCIAL ANALYSIS SUMMARY

Discussion occurred concerning a billing calculation error from Southern California Edison (SCE) and credit the District received in the amount of \$300,500. Discussion also occurred concerning the District's source of supply continuing to trend over budget due to increased demand and purchases of treated water.

WATER FUND

Budget v. Actual

Discussion occurred concerning Customer Fees and Property Tax Revenue, including frequency of installments.

District Capital – Water

Discussion occurred concerning Unplanned Repairs/Expenses.

SEWER FUND

District Capital - Sewer

Discussion occurred concerning Unplanned Repairs/Expenses.

RECOMMENDATION: Recommend the Board of Directors receive and file this information (Action Calendar).

ITEM 4: ADOPTION OF PROPOSED FISCAL YEAR 2026 OPERATING AND CAPITAL IMPROVEMENT PLAN BUDGETS

Mr. Paludi presented this matter for Committee consideration, and he reported that the District held two budget workshops, and that staff received instruction from the Board to analyze lower water rate adjustment scenarios for their consideration. Mr. Berg delivered a Fiscal Year 2025-2026 Proposed Budget and Financial Plan presentation which highlighted various rate scenario options, and included average customer bill impacts during cooler versus warmer months, as well as potential impacts to the District's reserves.

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 12, 2025**

- RECOMMENDATION:**
1. Recommend the Board of Directors approve the proposed District Salary Paytable with Classifications and Monthly Salary Ranges as presented, to be effective as of July 1, 2025 (Action Calendar).
 2. Recommend the Board of Directors adopt Resolution No. 2025-1348 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving the District General Fund Budget for Fiscal Year 2026 (Action Calendar).
 3. Recommend the Board of Directors adopt Resolution No. 2025-1349 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving the Capital Improvement Project, Equipment, and Program Budgets for Fiscal Year 2026 (Action Calendar).

ITEM 5: APPROVAL OF CASH RESERVES POLICY UPDATE

Mr. Paludi presented this matter for Committee consideration, and he reported that Mr. Berg laid out the pools of cash reserves within the current policy as well as identifying new reserve pools. Mr. Berg provided an overview of the proposed updates to the policy including updating certain fund pools, as well as dissolving others that the District no longer uses. Discussion occurred concerning other proposed policy changes for Committee consideration.

- RECOMMENDATION:** Recommend the Board of Directors adopt Resolution No. 2025-1350 – Resolution of the Board of Directors of Trabuco Canyon Water District Approving a Cash Reserves Policy, Rescinding and Superseding Certain Prior Resolutions and Taking Related Actions (Action Calendar).

ITEM 6: AUTHORIZATION OF FINANCE AND ACCOUNTING ADVISORY RETAINER SERVICES AND APPOINTMENT OF DISTRICT TREASURER

Mr. Paludi presented this matter for Committee consideration, and he provided a background of the District’s contracted Treasury services with Cindy Byerrum, a Certified Public Accountant (CPA) with Platinum Partners, and later with Eide Bailly, until her retirement in 2024. Mr. Paludi provided a brief overview of Mr. Berg’s qualifications and work history with Ms. Byerrum at Eide Bailly and subsequently started his own firm, Starting Line Advisory. Mr. Paludi reported that the District contracted with Mr. Berg upon Ms. Byerrum’s retirement, and he emphasized the value and knowledge Mr. Berg brings to the District. Discussion occurred regarding Mr. Berg’s scope of work, including appointment as District Treasurer.

Mr. Paludi recognized the District’s Principal Accountant, Ms. Warner, for all of her knowledge and hard work.

- RECOMMENDATION:**
1. Recommend the Board of Directors authorize the General Manager to execute a Professional Services Agreement with Starting Line Advisory for finance and accounting advisory retainer services for fiscal year 2026 in an amount not-to-exceed \$152,000 (Action Calendar).
 2. Recommend the Board of Directors adopt Resolution No. 2025-1351 – Resolution of the Board of Directors of Trabuco Canyon Water District Appointing Ian Berg with Starting Line Advisory as District Treasurer (Action Calendar).

ITEM 7: AUTHORIZATION OF ACTIONS FOR FISCAL YEAR 2026 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT) AND SET PUBLIC HEARING DATE

Mr. Paludi presented this matter for Committee consideration. Mr. Perea reported that the District annually sets an Undeveloped Land/Water Standby Charge (Standby Charge) for undeveloped land within District boundaries,

**TRABUCO CANYON WATER DISTRICT
FINANCE AUDIT COMMITTEE MEETING RECAP | JUNE 12, 2025**

and he stated that the charge is currently set at \$15.00. Mr. Perea provided a timeline for adoption, and he added that the draft notice to customers was included in the meeting materials.

Director Horst requested that staff compare charges set by other agencies to explore the potential of increasing the District's Standby Charge as a means of increasing revenue and aiding in rate relief to the District's ratepayers.

- RECOMMENDATION:**
1. Recommend the Board of Directors authorize District staff to proceed with actions for setting the Fiscal Year 2026 Undeveloped Land/Water Standby Assessment at \$15.00 per acre or portion thereof; and
 2. Agendize Public Hearing and authorize District staff to furnish Notice of Public Hearing on Proposed Fiscal Year 2026 Undeveloped Land/Water Standby Assessments for the July 16, 2025 Regular Board Meeting. (Action Calendar).

ITEM 8: COMPARISON OF ALTERNATIVE CASH INVESTMENT POOLS

Mr. Paludi presented this matter for Committee consideration, and he reported that review of this matter was in response to Director Horst's request to review the District's cash investment pools. Mr. Berg provided a brief overview of the District's switch from Local Agency Investment Fund (LAIF) to California Cooperative Liquid Assets Securities System (CLASS). Mr. Berg presented an investment pool/funds analysis, and he recommended keeping the District's funds invested in CLASS or California Asset Management Program (CAMP) at this time.

RECOMMENDATION: None. Informational item only.

ITEM 9: OTHER MATTERS

Discussion occurred related to a budget handout provided by Mr. Paludi.

Director Horst commented on his attendance at Santa Margarita Water District's (SMWD) Regular Board Meeting due to an item on their agenda in relation to the District's Request for Proposals for Combined Services to Achieve Rate Relief (RFP). Director Horst stated that he believed there would also be discussion in open session related to this matter but that all discussion happened in closed session. Director Horst added that Irvine Ranch Water District listed the same closed session item on their agenda, and he stated that he did not attend this meeting due to the closed session discussion.

Director Horst asked that the order of public comment be moved to after the Board's discussion of each item. Mr. Paludi recommended Director Horst to bring this matter to the next Regular Board meeting.

Director Horst requested that Mr. Paludi provide an update on the District's RFP during his comments at the next Regular Board meeting, along with a press release to the District's customers.

RECOMMENDATION: None. Informational item only.

ADJOURNMENT

Director Horst adjourned the June 12, 2025 Finance/Audit Committee Meeting at 10:15 a.m.



Financial Reporting

May 2025

Prepared by



No assurance is provided on these financial statements. These statements do not include a statement of cash flows. All disclosures required by Generally Accepted Accounting Principles are not included.



**Trabuco Canyon Water District
Financial Analysis Summary
May 2025**

Cash & Investments Report Analysis

Total cash and investments as of the reporting date are \$14.19M and represent an increase of \$24K from the prior month. The District cash balance remained level during the reporting period compared to the prior month. Total cash outflows in the current reporting month were lower by \$1.1M compared to the prior month. In addition, the District received \$202K in property tax receipts during the reporting month.

The District has drawn on loan proceeds throughout the fiscal year to advance Capital projects, most notably for the Golf Club Lift Station Rehabilitation project and Hoffman Blower Building Rehabilitation projects for the Sewer system. The District planned the issuance and drawdown of debt proceeds in the 2023 cost of service study to continue investment into aging capital infrastructure. In addition, pipeline conveyance issues at the Dimension Water Treatment Plant have resulted in increased cash outflows to secure water supply from a more expensive emergency source. The combination of planned capital investments, emergency supply costs and unexpected repairs have created higher-than-expected cash outflows throughout the fiscal year.

Major cash outflows during May 2025 included salaries and benefits, Baker Treatment Plant quarterly maintenance costs, capital improvement program expenditures, ongoing legal matters, and other operating and administrative costs. The top ten total payments to vendors during the reporting month are displayed in the following table:

| Top 10 Payments | | Vendor | Description |
|-----------------|------------|-----------------------------|--|
| \$ | 277,980.00 | ADP | Payroll processing |
| \$ | 213,110.40 | CalPERS | Employee retirement and health benefits |
| \$ | 105,412.97 | Irvine Ranch Water District | \$85.9K for January-March 2025 Baker Treatment Plant maintenance and \$19.5K for April 2025 Portola Hills water deliveries. |
| \$ | 71,618.25 | Hanson Bridgett LLP | Legal services |
| \$ | 70,657.50 | JIG Consultants | MCC Replacement at Robinson Ranch WWTP, Dove Canyon Recycled Water Pump Station Improvement, Heritage Sewer Lift Station Project |
| \$ | 56,611.37 | MWDOC | April 2025 fixed and variable water purchases. |
| \$ | 49,588.71 | Flo-Systems, Inc. | (2) new submersible pumps for Via Allegre Lift Station |
| \$ | 30,441.25 | Hazen & Sawyer | Transmission main hydraulic analysis engineering services |
| \$ | 28,669.40 | Project Partners, Inc. | Project management support services for various capital projects |
| \$ | 19,365.00 | Starting Line Advisory | Monthly retainer accounting advisory services and one-time long-range financial planning and rate option analysis services |



**Trabuco Canyon Water District
Financial Analysis Summary
May 2025**

District Summary Budget v. Actual Report Analysis

This report presents a summary of financial performance in comparison to the adopted budget. The current reporting period represents 92% of the fiscal year. The following line items are discussed below:

- **Line 2 Operating Revenue** exceeds the YTD% budget target due to higher-than-expected variable potable and recycled water sales. From July 2024 through May 2025, potable water consumption increased 17% compared to July 2023 through May 2024. This has positively impacted District revenues; however, it is important to consider that increased demand has resulted in increased water supply needs. The District is currently utilizing an emergency water supply source, and the increased rate of this supply has prevented the District from realizing a greater financial benefit from increased water sales.
- **Line 6 Non-Operating Revenue** has exceeded the total budget as of the reporting period. This is due to earnings on District investments that have exceeded expectations for the fiscal year due to conservative budgeting methods. The District received \$202K of property tax receipts in May 2025.
- **Line 6 Source of Supply** exceeds the adopted budget due to increased customer demand and emergency water supply sources. The Dimension Water Treatment Plant (DWTP) has been out of service this fiscal year due to pipeline conveyance issues, and the District is purchasing water from Irvine Ranch Water District (IRWD). The price of this water stands at \$1,946.69 per Acre-Foot (AF) as of January 1, 2025. When the DWTP is active, untreated water can be purchased from the Metropolitan Water District of Southern California (MET) at \$912.26 per AF as of January 1, 2025. Although this untreated rate excludes capital investments in the plant, personnel costs, chemicals, and other overhead, potential savings on this water supply source are estimated at over \$550 per AF. As an additional point of reference, the fully treated MET rate stands at \$1,395/AF as of January 1, 2025.
- **Line 8 Transmission and Distribution** is trending at 90% of the budget in the current month. This category is trending as expected and is projected to end the year under budget.
- **Line 9 General and Administrative** is trending at 94% of budget in the current reporting period. This category is trending higher than expected due to increased legal services, professional services and contract administrative services than anticipated in the budget.
- **Line 15 Debt Service – Principal and Interest** is trending at 71% of the total budget and is projected to end the year over budget. Debt service payments were difficult to predict during the Fiscal Year 2024-25 budget process, as the District did not have a precise structure and timeline for the 2024 loan issuance. The timing of these payments may differ from what was anticipated in the Fiscal Year 2024-25 budget, but the total debt service payments over the course of the loan are known going forward. The July 1st



Trabuco Canyon Water District Preliminary June 2025 YTD Projections*

Prepared as of May 2025 Financial Reporting

| | Preliminary Projected Year End YTD \$ | FY 25 Adopted Budget | Preliminary Projected (Over) / Under Budget | Preliminary Projected Year End Budget % |
|--|---|----------------------------|---|---|
| 1 Revenue | | | | |
| 2 Operating Revenue | \$ 14,395,760 | \$ 14,125,200 | \$ (270,560) | 102% |
| 3 Non-Operating Revenue | 3,000,964 | 2,901,000 | (99,964) | 103% |
| 4 Total Revenue | 17,396,724 | 17,026,200 | (370,524) | 102% |
| 5 Expense | | | | |
| 6 Source of Supply | 5,808,914 | 4,904,400 | (904,514) | 118% |
| 7 Salaries and Benefits | 5,335,333 | 5,344,100 | 8,767 | 100% |
| 8 Transmission and Distribution | 1,551,107 | 1,581,600 | 30,493 | 98% |
| 9 General and Administrative | 2,263,743 | 2,218,000 | (45,743) | 102% |
| 10 Miscellaneous Expense | 38,579 | 18,100 | (20,479) | 213% |
| 11 Total Expense | 14,997,675 | 14,066,200 | (931,475) | 107% |
| 12 Net Revenue / (Expense) | 2,399,049 | 2,960,000 | 560,951 | 81% |
| <u>Add: Other Inflows</u> | | | | |
| 13 Transfer In - Debt Proceeds for Capital | 3,637,201 | 5,441,589 | 1,804,388 | 67% |
| <u>Subtract: Other Outflows</u> | | | | |
| 14 Capital Improvement Program (CIP) | 4,402,998 | 5,441,589 | 1,038,591 | 81% |
| 15 Debt Service - Principal and Interest | 1,848,940 | 881,600 | (967,340) | 210% |
| 16 Estimated Net Change in Cash | \$ (215,688) | \$ 2,078,400 | \$ 2,294,088 | -10% |
| <u>Analysis Only For June/July Early Debt Service Payment Timing</u> | | | | |
| 17 Add Back Timing of June Debt Service Payment | 1,111,709 | - | (1,111,709) | |
| 18 Adjusted Net Change in Cash | \$ 896,021 | \$ 2,078,400 | \$ 1,182,379 | 43% |

*Projections reflect general total fiscal year 2024-25 expectations after 11 months of the fiscal year have been closed and reported. June 2025 actual results will vary.

Key takeaways from preliminary projections include:

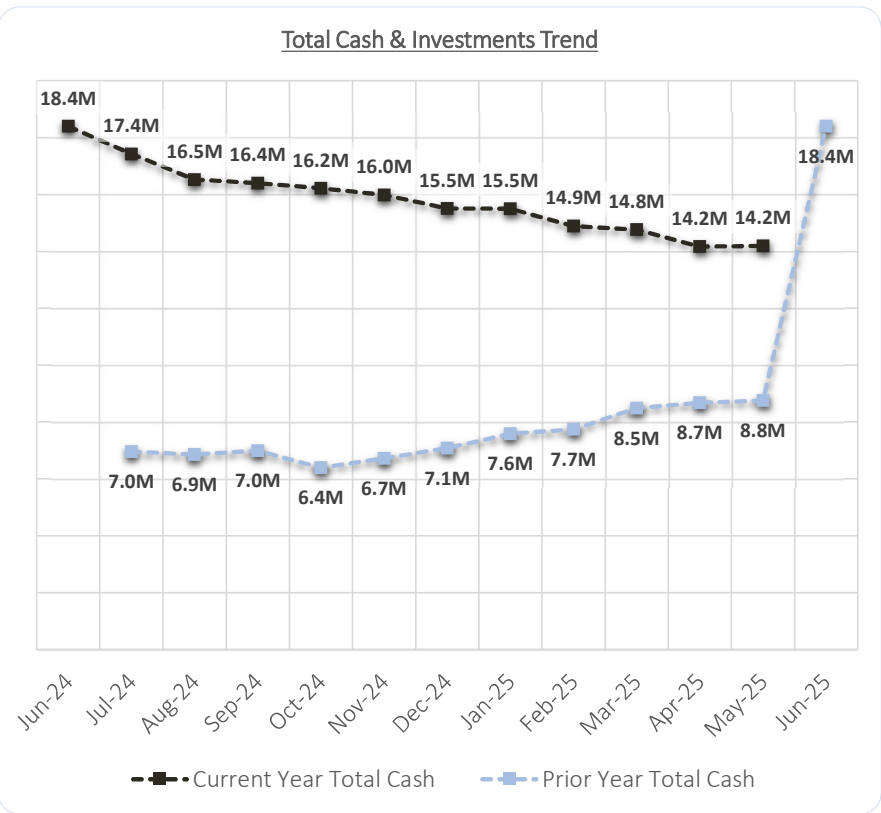
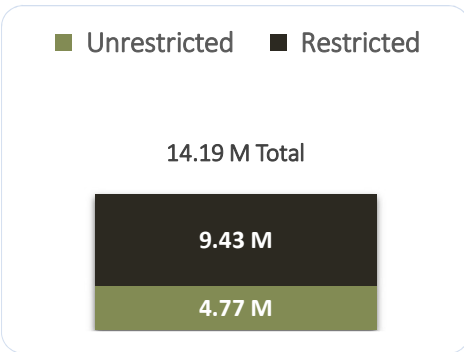
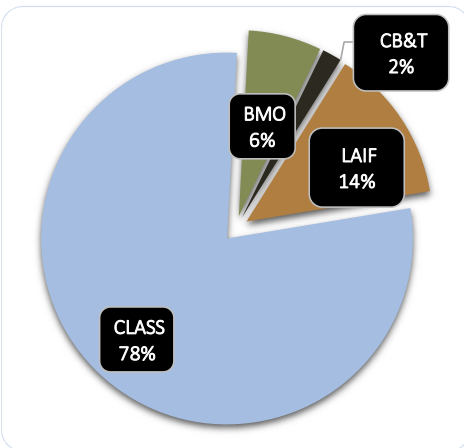
- **Line 4 Total Revenue** is projected to exceed the budget due to increased water consumption by District customers and higher than anticipated interest earnings on investments.
- **Line 11 Total Expense** is projected to exceed the budget due to water supply constraints as well as higher than anticipated legal services (line 9), professional services (line 9), contract administrative services (line 9), and unanticipated bi-annual election costs (line 10).
- **Line 16 Estimated Net Change in Cash** will fall short of the adopted budget by \$2.29M due to:
 - o \$904.5K in additional source of supply expenses.
 - o \$765.8K in unplanned capitalizable repairs and maintenance (this represents the difference in line 13 and line 14, which are is capital not funded by debt).
 - o \$967K in unplanned debt service payments due to the timing and structure of payments.



Trabuco Canyon Water District Cash & Investments Report

As of May 31, 2025

| | Restricted / Unrestricted | Type | Yield | Cost | Market | % Portfolio |
|---|------------------------------|------------|--------|----------------------|----------------------|----------------|
| Local Agency Investment Fund (LAIF) | | | | | | |
| LAIF Unassigned Reserve | Unrestricted | Investment | 4.272% | \$ 613,270 | \$ 613,790 | 4.3% |
| LAIF Water Storage Facilities Reserve | Restricted | Investment | 4.272% | 1,174,218 | 1,175,216 | 8.3% |
| LAIF Oaks at Trabuco Reserve (Goren Deposit) | Restricted | Investment | 4.272% | 128,546 | 128,655 | 0.9% |
| Total LAIF | | | | 1,916,034 | 1,917,661 | 13.5% |
| California Cooperative Liquid Assets Securities System (CLASS) | | | | | | |
| CLASS Unassigned Reserve | Unrestricted | Investment | 4.350% | 637,741 | 637,693 | 4.5% |
| CLASS 2024 Capital Loan Reserve | Restricted | Investment | 4.350% | 7,882,837 | 7,882,244 | 55.5% |
| CLASS Capital Program Reserve | Unrestricted | Investment | 4.350% | 2,613,152 | 2,612,956 | 18.4% |
| Total CLASS | | | | 11,133,730 | 11,132,893 | 78.4% |
| BMO Checking | Unrestricted | Cash | 0.000% | 903,711 | 903,711 | 6.4% |
| CB&T Checking (SRF Loan Covenant) | Restricted | Cash | 0.400% | 239,784 | 239,784 | 1.7% |
| Total Cash & Investments | | | | \$ 14,193,259 | \$ 14,194,048 | 100.0% |



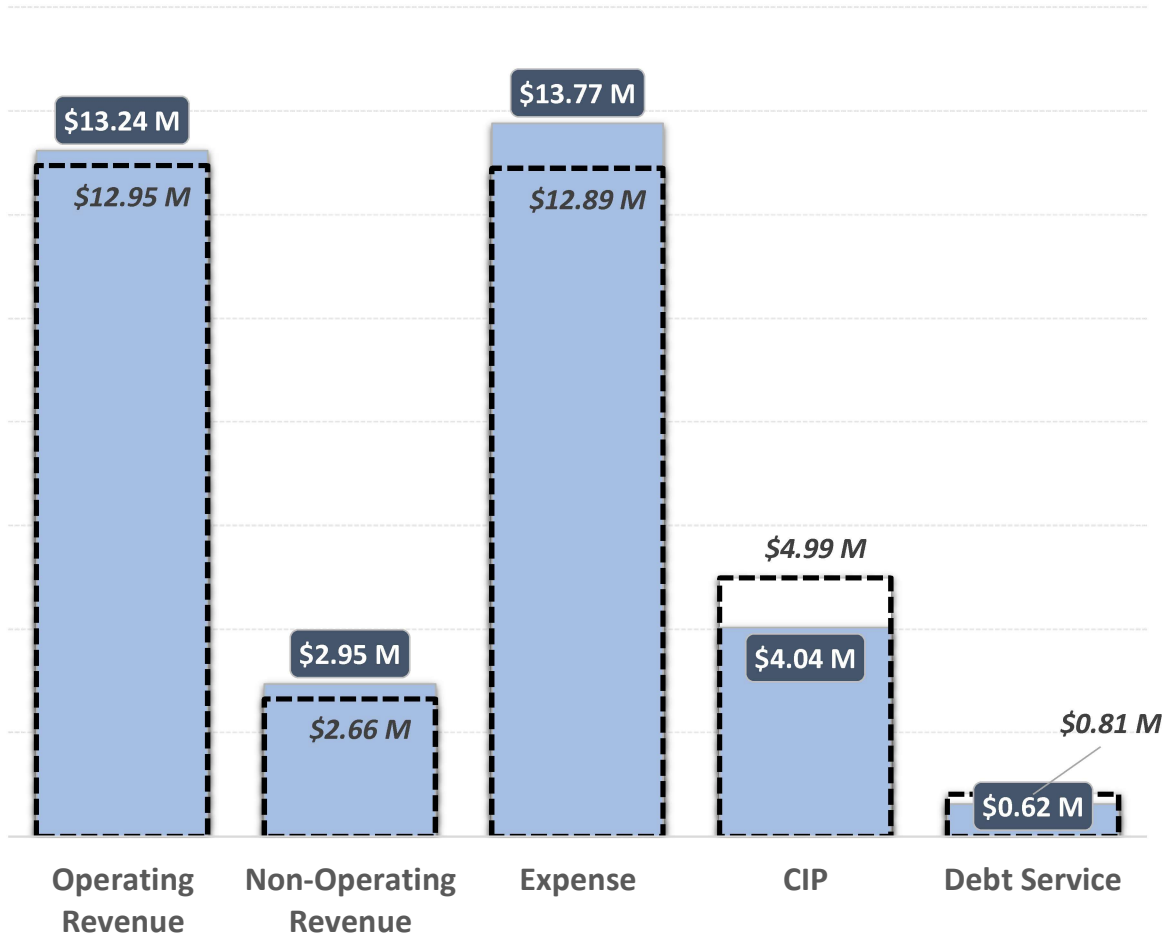


Trabuco Canyon Water District District Summary Budget v. Actual Report

May 2025

| | May 2025 | YTD Actual | FY 25 Adopted Budget | YTD 92% |
|--|-------------------|---------------------|----------------------|------------|
| 1 Revenue | | | | |
| 2 Operating Revenue | \$ 1,133,159 | \$ 13,239,938 | \$ 14,125,200 | 94% |
| 3 Non-Operating Revenue | 248,268 | 2,950,964 | 2,901,000 | 102% |
| 4 Total Revenue | 1,381,427 | 16,190,902 | 17,026,200 | 95% |
| 5 Expense | | | | |
| 6 Source of Supply | 455,132 | 5,344,680 | 4,904,400 | 109% |
| 7 Salaries and Benefits | 442,162 | 4,890,722 | 5,344,100 | 92% |
| 8 Transmission and Distribution | 149,172 | 1,421,848 | 1,581,600 | 90% |
| 9 General and Administrative | 177,114 | 2,075,097 | 2,218,000 | 94% |
| 10 Miscellaneous Expense | 234 | 35,364 | 18,100 | 195% |
| 11 Total Expense | 1,223,813 | 13,767,711 | 14,066,200 | 98% |
| 12 Net Revenue / (Expense) | 157,614 | 2,423,191 | 2,960,000 | 82% |
| 13 Transfer In - Debt Proceeds for Capital | 63,743 | 3,270,284 | 5,441,589 | 60% |
| 14 Capital Improvement Program (CIP) | (73,912) | (4,036,081) | (5,441,589) | 74% |
| 15 Debt Service - Principal and Interest | - | (622,040) | (881,600) | 71% |
| 16 Est. Net Cash Inflow / (Outflow) | \$ 147,445 | \$ 1,035,354 | \$ 2,078,400 | 50% |

■ YTD Actual ▨ 92% Budget Target





Trabuco Canyon Water District Water Budget v. Actual Report

May 2025

| | May 2025 | YTD Actual | FY 25 Adopted Budget | YTD 92% |
|--|--------------------|---------------------|----------------------------|-------------|
| 1 Operating Revenue | | | | |
| 2 Fixed / Capital Service Charges | \$ 317,775 | \$ 3,333,168 | \$ 3,532,800 | 94% |
| 3 Variable Consumption Charges | 355,176 | 4,405,304 | 4,135,900 | 107% |
| 4 Baker Treatment Plant Water Sales | 98,235 | 1,393,821 | 2,115,600 | 66% |
| 5 Customer Fees | 11,200 | 135,433 | 149,000 | 91% |
| 6 Standby Charges | 393 | 26,871 | 37,900 | 71% |
| 7 Uncollectable Accounts | - | - | (25,300) | 0% |
| 8 Total Operating Revenue | 782,778 | 9,294,596 | 9,945,900 | 93% |
| 9 Operating Expense | | | | |
| 10 Source of Supply | | | | |
| 11 Fixed Water Purchases | 35,767 | 366,292 | 406,300 | 90% |
| 12 Variable Water Purchases | 329,269 | 3,250,006 | 2,210,900 | 147% |
| 13 Baker Treatment Plant Water Sold | 81,077 | 1,190,292 | 1,578,700 | 75% |
| 14 Water Treatment | (19,732) | 97,250 | 213,000 | 46% |
| 15 Pumping Electricity | 20,278 | 302,001 | 340,800 | 89% |
| 16 Total Source of Supply | 446,658 | 5,205,841 | 4,749,700 | 110% |
| 17 Salaries and Benefits | | | | |
| 18 Employee/Director Wages | 177,861 | 1,974,048 | 2,191,700 | 90% |
| 19 Employee/Director Benefits | 43,508 | 496,942 | 547,700 | 91% |
| 20 Retiree Health Insurance | 12,504 | 130,629 | 179,300 | 73% |
| 21 Transfer In - 115 OPEB Trust Reimbursement | (12,504) | (130,629) | (179,300) | 73% |
| 22 CalPERS Retirement (Normal) | 29,060 | 321,610 | 349,500 | 92% |
| 23 CalPERS Unfunded Accrued Liability (Minimum) | 18,725 | 205,977 | 171,400 | 120% |
| 24 Payroll Taxes | 15,679 | 157,277 | 160,900 | 98% |
| 25 Total Salaries and Benefits | 284,833 | 3,155,854 | 3,421,200 | 92% |
| 26 Transmission and Distribution | | | | |
| 27 System Repairs and Maintenance | 57,257 | 269,976 | 201,800 | 134% |
| 28 Vehicles and Equipment | 13,599 | 131,039 | 90,300 | 145% |
| 29 Safety, Supplies and Testing | 5,298 | 52,215 | 78,600 | 66% |
| 30 Total Transmission and Distribution | 76,154 | 453,230 | 370,700 | 122% |
| 31 General and Administrative | | | | |
| 32 Professional Services | 54,580 | 689,175 | 635,500 | 108% |
| 33 Office Maintenance, Supplies and Software | 34,342 | 359,942 | 330,900 | 109% |
| 34 District Insurance | 11,900 | 128,225 | 137,600 | 93% |
| 35 Dues and Memberships | 9,718 | 97,595 | 101,200 | 96% |
| 36 Public Outreach | 1,407 | 48,476 | 138,300 | 35% |
| 37 Customer Service and Billing | 4,430 | 59,104 | 77,800 | 76% |
| 38 Conference, Trainings and Travel | 3,237 | 28,355 | 31,900 | 89% |
| 39 Total General and Administrative | 119,614 | 1,410,872 | 1,453,200 | 97% |
| 40 Total Operating Expense | 927,259 | 10,225,797 | 9,994,800 | 102% |
| 41 Net Operating Revenue / (Expense) | (144,481) | (931,201) | (48,900) | |
| 42 Non-Operating Revenue / (Expense) | | | | |
| 43 Property Tax Revenue | 101,471 | 1,150,120 | 1,147,500 | 100% |
| 44 Interest Revenue - Unrestricted | 23,646 | 110,926 | 31,000 | 358% |
| 45 Interest Revenue - Restricted | - | 39,606 | 40,400 | 98% |
| 46 Other Revenue and Reimbursements | 3,903 | 33,647 | 59,200 | 57% |
| 47 Miscellaneous Expense | (117) | (21,550) | (6,500) | 332% |
| 48 Net Non-Operating Revenue / (Expense) | 128,902 | 1,312,750 | 1,271,600 | 103% |
| 49 Net Total Revenue / (Expense) | (15,578) | 381,549 | 1,222,700 | |
| 50 Other Unrestricted Cash Inflow / (Outflow) | | | | |
| 51 Transfer In - Debt Proceeds for Capital | 26,250 | 477,229 | 903,729 | 53% |
| 52 Capital Improvement Program (CIP) | (36,418) | (950,184) | (903,729) | 105% |
| 53 Debt Service - Principal and Interest | - | (313,955) | (526,500) | 60% |
| 54 Net Other Unrestricted Cash Inflow / (Outflow) | (10,169) | (786,910) | (526,500) | 149% |
| 55 Net Total Unrestricted Cash Inflow / (Outflow) | \$ (25,747) | \$ (405,361) | \$ 696,200 | |



Trabuco Canyon Water District Water CIP Report

May 2025

| Project | May 2025 | YTD Actual | FY 25 Adopted Budget | YTD 92% |
|--|------------------|-------------------|----------------------------|-------------|
| 1 Water CIP | | | | |
| 2 Capital Improvements / Replacements | | | | |
| 3 SCADA System Upgrades | \$ - | \$ 151,239 | \$ 184,729 | 82% |
| 4 Water Transmission Pipeline Upsizing | - | 178,184 | 432,250 | 41% |
| 5 Manual Transfer Switch Installations - Water | - | 13,474 | 40,000 | 34% |
| 6 Transmission Main Repair | 26,250 | 83,300 | - | N/A |
| 7 Total Capital Improvements / Replacements | 26,250 | 426,196 | 656,979 | 65% |
| 8 Equipment | | | | |
| 9 Pump Replacements - Water | - | 28,931 | 99,750 | 29% |
| 10 New Servers | - | - | 80,500 | 0% |
| 11 Total Equipment | - | 28,931 | 180,250 | 16% |
| 12 Programs | | | | |
| 13 Pressure Regulating Valve Improvements - Water | - | 19,196 | 26,600 | 72% |
| 14 Valve Replacements - Water | - | 2,906 | 39,900 | 7% |
| 15 Total Programs | - | 22,102 | 66,500 | 33% |
| 16 Unplanned Repairs/Expenses | | | | |
| 17 Motor Rebuild for DWTP | - | 58,667 | - | N/A |
| 18 Line break repairs - Sycamore & Inverary | - | 35,493 | - | N/A |
| 19 Air vac repair - Glen Echo | - | 8,708 | - | N/A |
| 20 Air vac repair - Rose Canyon | - | 5,765 | - | N/A |
| 21 16" repair - El Toro Bike Path | - | 123,040 | - | N/A |
| 22 Filter grate replacements - #1 & 2 | - | 49,873 | - | N/A |
| 23 Repair damaged fence - Porter Property | - | 5,872 | - | N/A |
| 24 Misc. Electrical work - Water | - | 105,491 | - | N/A |
| 25 O'Neill Park - 10" water main repair | - | 16,633 | - | N/A |
| 26 Pave parking lot - Dove Golf Course | - | 32,900 | - | N/A |
| 27 800 gallon water delivery tank | - | 9,471 | - | N/A |
| 28 Flood at Admin Bldg | - | 10,874 | - | N/A |
| 29 Exterior Improvements - Topanga BPS | 10,169 | 10,169 | - | N/A |
| 30 Total Unplanned Repairs/Expenses | 10,169 | 472,955 | - | N/A |
| 31 Total Water CIP | \$ 36,418 | \$ 950,184 | \$ 903,729 | 105% |

Acronym key:

SCADA - Supervisory Control and Data Acquisition

DWTP - Dimension Water Treatment Plant

WWTP - Wastewater Treatment Plant



Trabuco Canyon Water District Sewer Budget v. Actual Report

May 2025

| | May 2025 | YTD Actual | FY 25 Adopted Budget | YTD 92% |
|--|-------------------|---------------------|----------------------------|-------------|
| 1 Operating Revenue | | | | |
| 2 Sewer Residential Charges | \$ 196,348 | \$ 2,125,503 | \$ 2,301,500 | 92% |
| 3 Sewer Commercial Charges | 20,868 | 223,285 | 257,200 | 87% |
| 4 Customer Fees | 17,205 | 189,705 | 284,600 | 67% |
| 5 Uncollectable Accounts | - | - | (8,400) | 0% |
| 6 Total Operating Revenue | 234,420 | 2,538,494 | 2,834,900 | 90% |
| 7 Operating Expense | | | | |
| 8 Salaries and Benefits | | | | |
| 9 Employee/Director Wages | 86,058 | 942,137 | 1,038,200 | 91% |
| 10 Employee/Director Benefits | 17,835 | 212,723 | 227,700 | 93% |
| 11 Retiree Health Insurance | 4,466 | 46,653 | 64,100 | 73% |
| 12 Transfer In - 115 OPEB Trust Reimbursement | (4,466) | (46,653) | (64,100) | 73% |
| 13 CalPERS Retirement (Normal) | 10,426 | 113,258 | 122,600 | 92% |
| 14 CalPERS Unfunded Accrued Liability (Minimum) | 6,688 | 73,563 | 79,800 | 92% |
| 15 Payroll Taxes | 5,600 | 56,170 | 76,800 | 73% |
| 16 Total Salaries and Benefits | 126,606 | 1,397,851 | 1,545,100 | 90% |
| 17 Transmission and Distribution | | | | |
| 18 System Repairs and Maintenance | 21,312 | 278,984 | 378,700 | 74% |
| 19 T&D Electricity | 25,152 | 262,086 | 276,300 | 95% |
| 20 Vehicles and Equipment | 3,395 | 46,337 | 36,400 | 127% |
| 21 Safety, Supplies and Testing | 862 | 15,651 | 17,900 | 87% |
| 22 Total Transmission and Distribution | 50,721 | 603,059 | 709,300 | 85% |
| 23 General and Administrative | | | | |
| 24 Professional Services | 19,124 | 243,036 | 228,100 | 107% |
| 25 Office Maintenance, Supplies and Software | 18,086 | 187,624 | 179,300 | 105% |
| 26 District Insurance | 4,636 | 48,879 | 49,100 | 100% |
| 27 Dues and Memberships | 4,086 | 35,753 | 121,700 | 29% |
| 28 Public Outreach | 30 | 12,089 | 19,500 | 62% |
| 29 Customer Service and Billing | 1,077 | 13,904 | 20,600 | 67% |
| 30 Conference, Trainings and Travel | 1,156 | 10,127 | 11,500 | 88% |
| 31 Total General and Administrative | 48,194 | 551,411 | 629,800 | 88% |
| 32 Total Operating Expense | 225,521 | 2,552,321 | 2,884,200 | 88% |
| 33 Net Operating Revenue / (Expense) | 8,899 | (13,827) | (49,300) | |
| 34 Non-Operating Revenue / (Expense) | | | | |
| 35 Property Tax Revenue | 101,471 | 1,150,120 | 1,050,900 | 109% |
| 36 Interest Revenue - Unrestricted | 14,126 | 405,592 | 192,600 | 211% |
| 37 Other Revenue and Reimbursements | - | 1,855 | 11,000 | 17% |
| 38 Miscellaneous Expense | (84) | (10,603) | (7,600) | 140% |
| 39 Net Non-Operating Revenue / (Expense) | 115,513 | 1,546,963 | 1,246,900 | 124% |
| 40 Net Total Revenue / (Expense) | 124,412 | 1,533,136 | 1,197,600 | |
| 41 Other Unrestricted Cash Inflow / (Outflow) | | | | |
| 42 Transfer In - Debt Proceeds for Capital | 21,340 | 2,496,354 | 4,086,215 | 61% |
| 43 Capital Improvement Program | (21,340) | (2,762,233) | (4,086,215) | 68% |
| 44 Debt Service - Principal and Interest | - | (260,878) | (304,100) | 86% |
| 45 Net Other Unrestricted Cash Inflow / (Outflow) | - | (526,758) | (304,100) | 173% |
| 46 Net Total Unrestricted Cash Inflow / (Outflow) | \$ 124,412 | \$ 1,006,379 | \$ 893,500 | |



Trabuco Canyon Water District Sewer CIP Report

May 2025

| Project | May 2025 | YTD Actual | FY 25 Adopted Budget | YTD 92% |
|---|------------------|---------------------|----------------------------|------------|
| 1 Sewer CIP | | | | |
| 2 Capital Improvements / Replacements | | | | |
| 3 Golf Club Sewer Lift Station (SLS) Rehabilitation | \$ - | \$ 1,400,482 | \$ 1,350,000 | 104% |
| 4 SCADA System Upgrades | - | 54,014 | 65,975 | 82% |
| 5 WWTP Hoffman Blower Building Rehabilitation | 6,240 | 260,178 | 1,100,000 | 24% |
| 6 Heritage Sewer Lift Station Rehabilitation | 11,900 | 279,737 | 632,250 | 44% |
| 7 Manual Transfer Switch Installations - Sewer | - | 17,149 | 40,000 | 43% |
| 8 WWTP Fiber Optic Upgrade | 3,200 | 282,913 | 300,000 | 94% |
| 9 Chiquita CIP FY25 | - | 64,544 | 236,740 | 27% |
| 10 WWTP Reservoir Gate Improvements | - | 121,024 | 159,600 | 76% |
| 11 WWTP Headworks Replacement | - | - | 172,900 | 0% |
| 12 Barneburg SLS Wetwell Rehab | - | 16,312 | - | N/A |
| 12 Total Capital Improvements / Replacements | 21,340 | 2,496,354 | 4,057,465 | 62% |
| 14 Equipment | | | | |
| 15 New Servers | - | - | 28,750 | 0% |
| 16 Total Equipment | - | - | 28,750 | 0% |
| 17 Unplanned Repairs/Expenses | | | | |
| 18 Chlorine feed system pump replacement | - | 12,311 | - | N/A |
| 19 Asphalt repair - El Toro Rd force main break | - | 24,750 | - | N/A |
| 20 Odor control - Lift stations | - | 14,604 | - | N/A |
| 21 Pump replacement - WWTP | - | 45,828 | - | N/A |
| 22 Repair damaged fence - Porter Property | - | 2,097 | - | N/A |
| 23 Misc. Electrical work - Sewer | - | 50,749 | - | N/A |
| 24 Repair generator - Plano Trabuco | - | 19,537 | - | N/A |
| 25 Pump repair - Barneburg LS | - | 21,793 | - | N/A |
| 26 Pave parking lot - Dove Golf Course | - | 11,750 | - | N/A |
| 27 800 gallon water delivery tank | - | 3,383 | - | N/A |
| 28 Handrails around EQ basin and West SBR | - | 5,606 | - | N/A |
| 29 Flood at Admin Bldg | - | 3,883 | - | N/A |
| 30 Submersible pumps - Via Allegre LS | - | 49,589 | - | N/A |
| 31 Total Unplanned Repairs/Expenses | - | 265,879 | - | N/A |
| 32 Total Sewer CIP | \$ 21,340 | \$ 2,762,233 | \$ 4,086,215 | 68% |

Acronym key:

SCADA - Supervisory Control and Data Acquisition

WWTP - Waste Water Treatment Plant

SLS - Sewer Lift Station



Trabuco Canyon Water District

Recycled Water Budget v. Actual Report

May 2025

| | May 2025 | YTD Actual | FY 25 Adopted Budget | YTD 92% |
|--|------------------|-------------------|----------------------------|-------------|
| 1 Operating Revenue | | | | |
| 2 Fixed / Capital Service Charges | \$ 13,992 | \$ 151,748 | \$ 161,600 | 94% |
| 3 Variable Consumption Charges | 101,969 | 1,237,167 | 1,173,600 | 105% |
| 4 Customer Fees | - | 17,933 | 13,600 | 132% |
| 5 Uncollectable Accounts | - | - | (4,400) | 0% |
| 6 Total Operating Revenue | 115,960 | 1,406,848 | 1,344,400 | 105% |
| 7 Operating Expense | | | | |
| 8 Source of Supply | | | | |
| 9 Recycled Water Purchases | 2,465 | 28,303 | 33,300 | 85% |
| 10 Water Treatment | 6,008 | 110,536 | 121,400 | 91% |
| 11 Total Source of Supply | 8,473 | 138,838 | 154,700 | 90% |
| 12 Salaries and Benefits | | | | |
| 13 Employee/Director Wages | 20,825 | 224,882 | 249,200 | 90% |
| 14 Employee/Director Benefits | 5,187 | 61,748 | 66,600 | 93% |
| 15 Retiree Health Insurance | 893 | 9,331 | 12,800 | 73% |
| 16 Transfer In - 115 OPEB Trust Reimbursement | (893) | (9,331) | (12,800) | 73% |
| 17 CalPERS Retirement (Normal) | 2,254 | 24,440 | 26,400 | 93% |
| 18 CalPERS Unfunded Accrued Liability (Minimum) | 1,338 | 14,713 | 18,000 | 82% |
| 19 Payroll Taxes | 1,120 | 11,234 | 17,600 | 64% |
| 20 Total Salaries and Benefits | 30,723 | 337,016 | 377,800 | 89% |
| 21 Transmission and Distribution | | | | |
| 22 T&D Electricity | 10,760 | 204,403 | 341,200 | 60% |
| 23 System Repairs and Maintenance | 4,800 | 40,247 | 41,400 | 97% |
| 24 Vehicles and Equipment | 735 | 10,280 | 8,200 | 125% |
| 25 Safety, Supplies and Testing | 6,001 | 110,629 | 110,800 | 100% |
| 26 Total Transmission and Distribution | 22,297 | 365,560 | 501,600 | 73% |
| 27 General and Administrative | | | | |
| 28 Professional Services | 3,825 | 48,547 | 45,600 | 106% |
| 29 Office Maintenance, Supplies and Software | 2,992 | 32,288 | 30,400 | 106% |
| 30 District Insurance | 850 | 9,159 | 10,000 | 92% |
| 31 Dues and Memberships | 1,187 | 15,596 | 38,600 | 40% |
| 32 Public Outreach | 6 | 2,418 | 3,800 | 64% |
| 33 Customer Service and Billing | 215 | 2,781 | 4,200 | 66% |
| 34 Conference, Trainings and Travel | 231 | 2,025 | 2,400 | 84% |
| 35 Total General and Administrative | 9,306 | 112,815 | 135,000 | 84% |
| 36 Total Operating Expense | 70,799 | 954,229 | 1,169,100 | 82% |
| 37 Net Operating Revenue / (Expense) | 45,161 | 452,619 | 175,300 | 258% |
| 38 Non-Operating Revenue / (Expense) | | | | |
| 39 Property Tax Revenue | - | - | 341,400 | 0% |
| 40 Interest Revenue - Unrestricted | 3,652 | 58,726 | 24,800 | 237% |
| 41 Other Revenue and Reimbursements | - | 371 | 2,200 | 17% |
| 42 Miscellaneous Expense | (33) | (3,210) | (4,000) | 80% |
| 43 Net Non-Operating Revenue / (Expense) | 3,620 | 55,886 | 364,400 | 15% |
| 44 Net Total Revenue / (Expense) | 48,781 | 508,506 | 539,700 | 94% |
| 45 Other Unrestricted Cash Inflow / (Outflow) | | | | |
| 46 Transfer In - Debt Proceeds for Capital | 16,153 | 296,702 | 451,645 | 66% |
| 47 Capital Improvement Program | (16,153) | (323,665) | (451,645) | 72% |
| 48 Debt Service - Principal and Interest | - | (47,207) | (51,000) | 93% |
| 49 Net Other Unrestricted Cash Inflow / (Outflow) | - | (74,170) | (51,000) | 145% |
| 50 Net Total Unrestricted Cash Inflow / (Outflow) | \$ 48,781 | \$ 434,336 | \$ 488,700 | 89% |



Trabuco Canyon Water District Recycled Water CIP Report

May 2025

| Project | May 2025 | YTD Actual | FY 25 Adopted Budget | YTD 92% |
|--|------------------|-------------------|----------------------------|------------|
| 1 Recycled Water CIP | | | | |
| 2 Capital Improvements / Replacements | | | | |
| 3 SCADA System Upgrades | \$ - | \$ 10,803 | \$ 13,195 | 82% |
| 4 Dove Recycled Booster Pump Station | 320 | 73,460 | 133,000 | 55% |
| 5 Dove Canyon Recycled PRV Improvement | 640 | 166,989 | 180,000 | 93% |
| 6 Tick & Dove Creek Pump Station Improvements | 15,193 | 15,193 | 79,800 | 19% |
| 7 WWTP Reservoir Gate Improvements | - | 30,256 | 39,900 | 76% |
| 8 Dove Lake Repairs | - | - | - | N/A |
| 9 Capital Improvements / Replacements Total | 16,153 | 296,702 | 445,895 | 67% |
| 10 Equipment | | | | |
| 11 New Servers | - | - | 5,750 | 0% |
| 12 Equipment Total | - | - | 5,750 | 0% |
| 13 Unplanned Repairs/Expenses | | | | |
| 14 Chlorine feed system pump replacement | - | 3,078 | - | N/A |
| 15 Repair damaged fence - Porter Property | - | 419 | - | N/A |
| 16 Misc. Electrical work - Recycled | - | 18,261 | - | N/A |
| 17 Pave parking lot - Dove Golf Course | - | 2,350 | - | N/A |
| 18 800 gallon water delivery tank | - | 677 | - | N/A |
| 19 Handrails around EQ basin and West SBR | - | 1,401 | - | N/A |
| 20 Flood at Admin Bldg | - | 777 | - | N/A |
| 21 Total Unplanned Repairs/Expenses | - | 26,963 | - | N/A |
| 22 Total Recycled Water CIP | \$ 16,153 | \$ 323,665 | \$ 451,645 | 72% |

Acronym key:

SCADA - Supervisory Control and Data Acquisition

PRV - Pressure Regulating Valves

WWTP - Waste Water Treatment Plant



Trabuco Canyon Water District, CA

Bank Transaction Report

Transaction Detail

Issued Date Range: 06/01/2025 - 06/30/2025

Cleared Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|-------------------------|--------------|----------------------------|------------------------------------|------------------|-------------|------------|-------------|
| Accounts Payable | | | | | | | |
| Bank Draft | | | | | | | |
| 06/02/2025 | | DFT0004042 | PACE PAYMENT SYSTEMS, INC. | Accounts Payable | Outstanding | Bank Draft | -3,691.41 |
| 06/02/2025 | | DFT0004043 | SANTA MARGARITA WATER DISTRICT | Accounts Payable | Outstanding | Bank Draft | -2,260.15 |
| 06/02/2025 | | DFT0004044 | TAB ANSWER NETWORK | Accounts Payable | Outstanding | Bank Draft | -209.66 |
| 06/02/2025 | | DFT0004045 | THE TOLL ROADS | Accounts Payable | Outstanding | Bank Draft | -140.00 |
| 06/02/2025 | | DFT0004046 | VSP | Accounts Payable | Outstanding | Bank Draft | -814.55 |
| 06/03/2025 | | DFT0004047 | BRINKS HOME SECURITY | Accounts Payable | Outstanding | Bank Draft | -269.99 |
| 06/03/2025 | | DFT0004048 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -139.00 |
| 06/04/2025 | | DFT0004049 | ADP | Accounts Payable | Outstanding | Bank Draft | -143,101.88 |
| 06/06/2025 | | DFT0004050 | COX COMMUNICATIONS | Accounts Payable | Outstanding | Bank Draft | -2,825.47 |
| 06/09/2025 | | DFT0004051 | CALPERS | Accounts Payable | Outstanding | Bank Draft | -34,591.08 |
| 06/09/2025 | | DFT0004052 | THE TOLL ROADS | Accounts Payable | Outstanding | Bank Draft | -140.00 |
| 06/09/2025 | | DFT0004053 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -40.32 |
| 06/10/2025 | | DFT0004054 | ADP | Accounts Payable | Outstanding | Bank Draft | -2,064.46 |
| 06/10/2025 | | DFT0004055 | COX COMMUNICATIONS | Accounts Payable | Outstanding | Bank Draft | -2,164.84 |
| 06/10/2025 | | DFT0004056 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -50.00 |
| 06/11/2025 | | DFT0004057 | SOUTH COAST AQMD | Accounts Payable | Outstanding | Bank Draft | -167.47 |
| 06/11/2025 | | DFT0004058 | TRENCH SHORING COMPANY | Accounts Payable | Outstanding | Bank Draft | -2,551.50 |
| 06/11/2025 | | DFT0004059 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -40.00 |
| 06/12/2025 | | DFT0004060 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -28.94 |
| 06/13/2025 | | DFT0004061 | VERIZON BUSINESS | Accounts Payable | Outstanding | Bank Draft | -165.44 |
| 06/16/2025 | | DFT0004062 | COX COMMUNICATIONS | Accounts Payable | Outstanding | Bank Draft | -75.11 |
| 06/16/2025 | | DFT0004063 | PACE PAYMENT SYSTEMS, INC. | Accounts Payable | Outstanding | Bank Draft | -256.40 |
| 06/16/2025 | | DFT0004064 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -15.00 |
| 06/17/2025 | | DFT0004065 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -20.00 |
| 06/17/2025 | | DFT0004066 | WEX FLEET UNIVERSAL | Accounts Payable | Outstanding | Bank Draft | -5,384.43 |
| 06/17/2025 | | DFT0004067 | XEROX CORPORATION | Accounts Payable | Outstanding | Bank Draft | -265.01 |
| 06/18/2025 | | DFT0004068 | ADP | Accounts Payable | Outstanding | Bank Draft | -142,610.80 |
| 06/18/2025 | | DFT0004069 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -20.00 |
| 06/20/2025 | | DFT0004070 | COX COMMUNICATIONS | Accounts Payable | Outstanding | Bank Draft | -1,409.13 |
| 06/20/2025 | | DFT0004071 | THE TOLL ROADS | Accounts Payable | Outstanding | Bank Draft | -140.00 |
| 06/20/2025 | | DFT0004072 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -161.87 |
| 06/23/2025 | | DFT0004073 | CALPERS | Accounts Payable | Outstanding | Bank Draft | -34,115.04 |
| 06/23/2025 | | DFT0004074 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -75.00 |
| 06/24/2025 | | DFT0004075 | AT&T MOBILITY | Accounts Payable | Outstanding | Bank Draft | -3,619.70 |
| 06/26/2025 | | DFT0004076 | CSDA Commercial Card - UMPQUA BANK | Accounts Payable | Outstanding | Bank Draft | -7,519.87 |

Bank Transaction Report

Issued Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|----------------------------------|--------------|----------------------------|------------------------------------|------------------|-------------|----------------|----------------------|
| 06/27/2025 | | DFT0004077 | THE TOLL ROADS | Accounts Payable | Outstanding | Bank Draft | -140.00 |
| 06/27/2025 | | DFT0004078 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -178.12 |
| 06/30/2025 | | DFT0004079 | TAB ANSWER NETWORK | Accounts Payable | Outstanding | Bank Draft | -270.52 |
| Bank Draft Total: (38) | | | | | | | -391,732.16 |
| Check | | | | | | | |
| 06/04/2025 | | 13386 | DANIEL SPRADLIN | Accounts Payable | Outstanding | Check | -6,841.02 |
| 06/04/2025 | | 13387 | GERMAINE ALBRECHT | Accounts Payable | Outstanding | Check | -604.55 |
| 06/10/2025 | | 13389 | AT&T | Accounts Payable | Outstanding | Check | -738.96 |
| 06/10/2025 | | 13390 | AT&T MOBILITY | Accounts Payable | Outstanding | Check | -124.71 |
| 06/10/2025 | | 13391 | CPS HR CONSULTING | Accounts Payable | Outstanding | Check | -1,407.50 |
| 06/10/2025 | | 13392 | CS-AMSCO | Accounts Payable | Outstanding | Check | -3,778.85 |
| 06/10/2025 | | 13393 | DANIELS TIRE SERVICE, INC. | Accounts Payable | Outstanding | Check | -2,915.47 |
| 06/10/2025 | | 13394 | FERGUSON WATERWORKS | Accounts Payable | Outstanding | Check | -3,887.03 |
| 06/10/2025 | | 13395 | GRAINGER | Accounts Payable | Outstanding | Check | -19.62 |
| 06/10/2025 | | 13396 | HAZEN & SAWYER | Accounts Payable | Outstanding | Check | -21,095.00 |
| 06/10/2025 | | 13397 | IRVINE RANCH WATER DISTRICT | Accounts Payable | Outstanding | Check | -240,260.90 |
| 06/10/2025 | | 13398 | MKN | Accounts Payable | Outstanding | Check | -7,657.00 |
| 06/10/2025 | | 13399 | NEW DIMENSION GENERAL CONSTRUCTION | Accounts Payable | Outstanding | Check | -10,168.84 |
| 06/10/2025 | | 13400 | OCCUPATIONAL HEALTH CENTERS OF CA | Accounts Payable | Outstanding | Check | -346.00 |
| 06/10/2025 | | 13401 | ORANGE COUNTY PUMPING, INC. | Accounts Payable | Outstanding | Check | -1,065.00 |
| 06/10/2025 | | 13402 | O'REILLY AUTOMOTIVE, INC. | Accounts Payable | Outstanding | Check | -53.64 |
| 06/10/2025 | | 13403 | PEBBLE SPRING WATER | Accounts Payable | Outstanding | Check | -108.00 |
| 06/10/2025 | | 13404 | ROBERT BARGERON | Accounts Payable | Outstanding | Check | -356.50 |
| 06/10/2025 | | 13405 | TOUCH TEL MOBILE | Accounts Payable | Outstanding | Check | -625.00 |
| 06/10/2025 | | 13406 | UNDERGROUND SERVICE ALERT/SC | Accounts Payable | Outstanding | Check | -185.75 |
| 06/10/2025 | | 13407 | UNIFIRST FIRST AID CORPORATION | Accounts Payable | Outstanding | Check | -827.16 |
| 06/10/2025 | | 13408 | WECK LABORATORIES | Accounts Payable | Outstanding | Check | -824.00 |
| Check Total: (22) | | | | | | | -303,890.50 |
| Check Reversal | | | | | | | |
| 06/10/2025 | | 13247 | TRENCH SHORING COMPANY Reversal | Accounts Payable | Outstanding | Check Reversal | 1,701.00 |
| Check Reversal Total: (1) | | | | | | | 1,701.00 |
| EFT | | | | | | | |
| 06/11/2025 | | 760 | ACWA JPIA - LIFE | Accounts Payable | Outstanding | EFT | -595.44 |
| 06/11/2025 | | 761 | ALS GROUP | Accounts Payable | Outstanding | EFT | -480.00 |
| 06/11/2025 | | 762 | AMAZON | Accounts Payable | Outstanding | EFT | -3,215.34 |
| 06/11/2025 | | 763 | IRVINE PIPE SUPPLY | Accounts Payable | Outstanding | EFT | -483.96 |
| 06/11/2025 | | 764 | MWDOC | Accounts Payable | Outstanding | EFT | -145.00 |
| 06/11/2025 | | 765 | UNIFIRST CORPORATION | Accounts Payable | Outstanding | EFT | -435.28 |
| 06/20/2025 | | 766 | CALIFORNIA BANK & TRUST | Accounts Payable | Outstanding | EFT | -115,190.52 |
| 06/20/2025 | | 767 | CAPITAL ONE PUBLIC FUNDING, LLC | Accounts Payable | Outstanding | EFT | -1,111,709.40 |
| EFT Total: (8) | | | | | | | -1,232,254.94 |

Bank Transaction Report

Issued Date Range: -

Accounts Payable Total: (69) -1,926,176.60

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|----------------------------|--------------|----------------------------|--|---------------------|-------------|---------|--------------|
| Accounts Receivable | | | | | | | |
| Deposit | | | | | | | |
| 06/03/2025 | | DEP0028617 | OCFA Sewer Contacts 6-2-2025 | Accounts Receivable | Outstanding | Deposit | 150.00 |
| 06/03/2025 | | DEP0028665 | PT Admin fee 6/3/25 | Accounts Receivable | Outstanding | Deposit | 3.52 |
| 06/03/2025 | | DEP0028665 | PT Admin fee 6/3/25 | Accounts Receivable | Outstanding | Deposit | 3.51 |
| 06/03/2025 | | DEP0028665 | PT Admin fee 6/3/25 | Accounts Receivable | Outstanding | Deposit | -3.52 |
| 06/03/2025 | | DEP0028665 | PT Admin fee 6/3/25 | Accounts Receivable | Outstanding | Deposit | -3.51 |
| 06/05/2025 | | DEP0028644 | Oaks at Trabuco Sewage Hauling Acct Invoice 6-5-2025 | Accounts Receivable | Outstanding | Deposit | 12,000.00 |
| 06/05/2025 | | DEP0028668 | County of Orange - Property Taxes 06/03/25 | Accounts Receivable | Outstanding | Deposit | 573.51 |
| 06/05/2025 | | DEP0028668 | County of Orange - Property Taxes 06/03/25 | Accounts Receivable | Outstanding | Deposit | 573.52 |
| 06/09/2025 | | DEP0028689 | County of Orange O'Neill Park Sewer Invoice 6-9-2025 | Accounts Receivable | Outstanding | Deposit | 150.00 |
| 06/09/2025 | | DEP0028689 | County of Orange O'Neill Park Sewer Invoice 6-9-2025 | Accounts Receivable | Outstanding | Deposit | 360.00 |
| 06/09/2025 | | DEP0028689 | County of Orange O'Neill Park Sewer Invoice 6-9-2025 | Accounts Receivable | Outstanding | Deposit | 3,760.00 |
| 06/10/2025 | | DEP0028747 | Apply admin fees = 6/10/25 | Accounts Receivable | Outstanding | Deposit | 0.19 |
| 06/10/2025 | | DEP0028747 | Apply admin fees = 6/10/25 | Accounts Receivable | Outstanding | Deposit | 0.41 |
| 06/10/2025 | | DEP0028747 | Apply admin fees = 6/10/25 | Accounts Receivable | Outstanding | Deposit | -0.61 |
| 06/10/2025 | | DEP0028747 | Apply admin fees = 6/10/25 | Accounts Receivable | Outstanding | Deposit | -0.59 |
| 06/10/2025 | | DEP0028747 | Apply admin fees = 6/10/25 | Accounts Receivable | Outstanding | Deposit | 0.18 |
| 06/10/2025 | | DEP0028747 | Apply admin fees = 6/10/25 | Accounts Receivable | Outstanding | Deposit | 0.42 |
| 06/12/2025 | | DEP0028743 | Payment - 6/12/25 | Accounts Receivable | Outstanding | Deposit | 1,500,000.00 |
| 06/12/2025 | | DEP0028750 | County of Orange - Property Taxes 6/10/25 | Accounts Receivable | Outstanding | Deposit | 97.50 |
| 06/12/2025 | | DEP0028750 | County of Orange - Property Taxes 6/10/25 | Accounts Receivable | Outstanding | Deposit | 73.73 |
| 06/12/2025 | | DEP0028750 | County of Orange - Property Taxes 6/10/25 | Accounts Receivable | Outstanding | Deposit | 165.33 |
| 06/12/2025 | | DEP0028750 | County of Orange - Property Taxes 6/10/25 | Accounts Receivable | Outstanding | Deposit | 1,397.56 |
| 06/12/2025 | | DEP0028750 | County of Orange - Property Taxes 6/10/25 | Accounts Receivable | Outstanding | Deposit | 73.73 |
| 06/12/2025 | | DEP0028750 | County of Orange - Property Taxes 6/10/25 | Accounts Receivable | Outstanding | Deposit | 1,397.57 |
| 06/12/2025 | | DEP0028750 | County of Orange - Property Taxes 6/10/25 | Accounts Receivable | Outstanding | Deposit | 165.33 |
| 06/12/2025 | | DEP0028750 | County of Orange - Property Taxes 6/10/25 | Accounts Receivable | Outstanding | Deposit | 23.55 |
| 06/13/2025 | | DEP0028783 | Prefund reimbursement | Accounts Receivable | Outstanding | Deposit | 298.50 |
| 06/17/2025 | | DEP0028922 | Apply admin fees - 6/17/25 | Accounts Receivable | Outstanding | Deposit | -21.98 |
| 06/17/2025 | | DEP0028922 | Apply admin fees - 6/17/25 | Accounts Receivable | Outstanding | Deposit | 9.34 |
| 06/17/2025 | | DEP0028922 | Apply admin fees - 6/17/25 | Accounts Receivable | Outstanding | Deposit | -21.99 |
| 06/17/2025 | | DEP0028922 | Apply admin fees - 6/17/25 | Accounts Receivable | Outstanding | Deposit | 0.99 |
| 06/17/2025 | | DEP0028922 | Apply admin fees - 6/17/25 | Accounts Receivable | Outstanding | Deposit | 11.65 |
| 06/17/2025 | | DEP0028922 | Apply admin fees - 6/17/25 | Accounts Receivable | Outstanding | Deposit | 11.65 |
| 06/17/2025 | | DEP0028922 | Apply admin fees - 6/17/25 | Accounts Receivable | Outstanding | Deposit | 9.35 |
| 06/17/2025 | | DEP0028922 | Apply admin fees - 6/17/25 | Accounts Receivable | Outstanding | Deposit | 0.99 |
| 06/20/2025 | | DEP0028832 | SMWD FY24 O&M/Water Purchases Invoice 6-20-2025 | Accounts Receivable | Outstanding | Deposit | 899.28 |
| 06/20/2025 | | DEP0028832 | SMWD FY24 O&M/Water Purchases Invoice 6-20-2025 | Accounts Receivable | Outstanding | Deposit | 310.67 |
| 06/20/2025 | | DEP0028832 | SMWD FY24 O&M/Water Purchases Invoice 6-20-2025 | Accounts Receivable | Outstanding | Deposit | 926.01 |
| 06/20/2025 | | DEP0028832 | SMWD FY24 O&M/Water Purchases Invoice 6-20-2025 | Accounts Receivable | Outstanding | Deposit | 698.54 |

Bank Transaction Report

Issued Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|--|--------------|----------------------------|---|---------------------|-------------|---------|---------------------|
| 06/20/2025 | | DEP0028832 | SMWD FY24 O&M/Water Purchases Invoice 6-20-2025 | Accounts Receivable | Outstanding | Deposit | 669.26 |
| 06/20/2025 | | DEP0028925 | County of Orange - Property Taxes 6/17/25 | Accounts Receivable | Outstanding | Deposit | 393.64 |
| 06/20/2025 | | DEP0028925 | County of Orange - Property Taxes 6/17/25 | Accounts Receivable | Outstanding | Deposit | 393.64 |
| 06/20/2025 | | DEP0028925 | County of Orange - Property Taxes 6/17/25 | Accounts Receivable | Outstanding | Deposit | 1,704.93 |
| 06/20/2025 | | DEP0028925 | County of Orange - Property Taxes 6/17/25 | Accounts Receivable | Outstanding | Deposit | 1,704.93 |
| 06/20/2025 | | DEP0028925 | County of Orange - Property Taxes 6/17/25 | Accounts Receivable | Outstanding | Deposit | 4,647.88 |
| 06/20/2025 | | DEP0028925 | County of Orange - Property Taxes 6/17/25 | Accounts Receivable | Outstanding | Deposit | 4,647.88 |
| 06/24/2025 | | DEP0028877 | County of Orange O'Neill Park Invoice 6-24-2025 | Accounts Receivable | Outstanding | Deposit | 7,139.20 |
| Deposit Total: (47) | | | | | | | 1,545,395.69 |
| Accounts Receivable Total: (47) | | | | | | | 1,545,395.69 |

Utility Billing

| Check | | | | | | | |
|-------------------------|--|-----------------------|-------------------|-----------------|-------------|-------|------------------|
| 06/06/2025 | | 13388 | DARWATI SCHUNDLER | Utility Billing | Outstanding | Check | -357.88 |
| 06/17/2025 | | 13409 | RENA BATES-SMITH | Utility Billing | Outstanding | Check | -3,931.08 |
| 06/20/2025 | | 13410 | UNITED PAVING CO. | Utility Billing | Outstanding | Check | -1,670.15 |
| Check Total: (3) | | | | | | | -5,959.11 |

| Deposit | | | | | | | |
|----------------|--|----------------------------|---|-----------------|-------------|---------|-----------|
| 06/02/2025 | | DEP0028596 | Utility Payment Packet UBPKT12817 | Utility Billing | Outstanding | Deposit | 3,414.08 |
| 06/02/2025 | | DEP0028599 | Utility Payment Packet UBPKT12818 | Utility Billing | Outstanding | Deposit | 5,267.03 |
| 06/02/2025 | | DEP0028602 | Utility Payment Packet UBPKT12819 | Utility Billing | Outstanding | Deposit | 6,483.20 |
| 06/02/2025 | | DEP0028605 | Utility Payment Packet UBPKT12821 | Utility Billing | Outstanding | Deposit | 7,919.20 |
| 06/02/2025 | | DEP0028608 | Utility Payment Packet UBPKT12827 | Utility Billing | Outstanding | Deposit | 7,445.78 |
| 06/03/2025 | | DEP0028611 | Utility Payment Packet UBPKT12828 | Utility Billing | Outstanding | Deposit | 6,766.61 |
| 06/03/2025 | | DEP0028614 | Utility Payment Packet UBPKT12829 | Utility Billing | Outstanding | Deposit | 3,670.85 |
| 06/03/2025 | | DEP0028620 | Utility Payment Packet UBPKT12830 | Utility Billing | Outstanding | Deposit | 18,517.96 |
| 06/03/2025 | | DEP0028623 | Utility Payment Packet UBPKT12835 | Utility Billing | Outstanding | Deposit | 7,001.89 |
| 06/04/2025 | | DEP0028626 | Utility Payment Packet UBPKT12836 | Utility Billing | Outstanding | Deposit | 3,267.78 |
| 06/04/2025 | | DEP0028629 | Utility Payment Packet UBPKT12837 | Utility Billing | Outstanding | Deposit | 7,778.98 |
| 06/04/2025 | | DEP0028632 | Utility Payment Packet UBPKT12841 | Utility Billing | Outstanding | Deposit | 10,550.50 |
| 06/04/2025 | | DEP0028635 | Utility Payment Packet UBPKT12842 | Utility Billing | Outstanding | Deposit | 4,632.16 |
| 06/05/2025 | | DEP0028638 | Utility Payment Packet UBPKT12843 | Utility Billing | Outstanding | Deposit | 1,641.52 |
| 06/05/2025 | | DEP0028641 | Utility Payment Packet UBPKT12844 | Utility Billing | Outstanding | Deposit | 6,384.12 |
| 06/05/2025 | | DEP0028647 | Utility Payment Packet UBPKT12845 | Utility Billing | Outstanding | Deposit | 7,344.35 |
| 06/05/2025 | | DEP0028656 | Utility Payment Packet UBPKT12848 | Utility Billing | Outstanding | Deposit | 6,059.60 |
| 06/06/2025 | | DEP0028650 | Utility Reverse Payment Packet UBPKT12846 | Utility Billing | Outstanding | Deposit | -388.94 |
| 06/06/2025 | | DEP0028653 | Utility Reverse Payment Packet UBPKT12847 | Utility Billing | Outstanding | Deposit | -388.94 |
| 06/06/2025 | | DEP0028659 | Utility Payment Packet UBPKT12849 | Utility Billing | Outstanding | Deposit | 2,055.46 |
| 06/06/2025 | | DEP0028662 | Utility Payment Packet UBPKT12850 | Utility Billing | Outstanding | Deposit | 2,503.83 |
| 06/06/2025 | | DEP0028674 | Utility Payment Packet UBPKT12853 | Utility Billing | Outstanding | Deposit | 4,965.06 |
| 06/06/2025 | | DEP0028677 | Utility Payment Packet UBPKT12856 | Utility Billing | Outstanding | Deposit | 17,029.01 |
| 06/09/2025 | | DEP0028680 | Utility Payment Packet UBPKT12857 | Utility Billing | Outstanding | Deposit | 2,162.10 |
| 06/09/2025 | | DEP0028683 | Utility Payment Packet UBPKT12858 | Utility Billing | Outstanding | Deposit | 1,994.99 |

Bank Transaction Report

Issued Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|-------------|--------------|----------------------------|---|-----------------|-------------|---------|------------|
| 06/09/2025 | | DEP0028687 | Utility Payment Packet UBPKT12859 | Utility Billing | Outstanding | Deposit | 3,558.44 |
| 06/09/2025 | | DEP0028692 | Utility Payment Packet UBPKT12863 | Utility Billing | Outstanding | Deposit | 3,558.37 |
| 06/09/2025 | | DEP0028695 | Utility Payment Packet UBPKT12864 | Utility Billing | Outstanding | Deposit | 7,818.77 |
| 06/10/2025 | | DEP0028698 | Utility Payment Packet UBPKT12865 | Utility Billing | Outstanding | Deposit | 3,300.61 |
| 06/10/2025 | | DEP0028701 | Utility Payment Packet UBPKT12866 | Utility Billing | Outstanding | Deposit | 3,675.88 |
| 06/10/2025 | | DEP0028704 | Utility Payment Packet UBPKT12868 | Utility Billing | Outstanding | Deposit | 12,533.62 |
| 06/11/2025 | | DEP0028707 | Utility Payment Packet UBPKT12869 | Utility Billing | Outstanding | Deposit | 1,732.49 |
| 06/11/2025 | | DEP0028710 | Utility Payment Packet UBPKT12870 | Utility Billing | Outstanding | Deposit | 3,464.21 |
| 06/11/2025 | | DEP0028713 | Utility Payment Packet UBPKT12871 | Utility Billing | Outstanding | Deposit | 22,030.13 |
| 06/11/2025 | | DEP0028716 | Utility Payment Packet UBPKT12876 | Utility Billing | Outstanding | Deposit | 8,942.03 |
| 06/12/2025 | | DEP0028719 | Utility Payment Packet UBPKT12877 | Utility Billing | Outstanding | Deposit | 3,991.44 |
| 06/12/2025 | | DEP0028722 | Utility Payment Packet UBPKT12878 | Utility Billing | Outstanding | Deposit | 4,929.24 |
| 06/12/2025 | | DEP0028726 | Utility Payment Packet UBPKT12879 | Utility Billing | Outstanding | Deposit | 3,567.40 |
| 06/12/2025 | | DEP0028731 | Utility Payment Packet UBPKT12880 | Utility Billing | Outstanding | Deposit | 6,346.32 |
| 06/13/2025 | | DEP0028734 | Utility Payment Packet UBPKT12881 | Utility Billing | Outstanding | Deposit | 10,321.75 |
| 06/13/2025 | | DEP0028737 | Utility Payment Packet UBPKT12882 | Utility Billing | Outstanding | Deposit | 20,274.28 |
| 06/13/2025 | | DEP0028774 | Utility Payment Packet UBPKT12895 | Utility Billing | Outstanding | Deposit | 4,953.84 |
| 06/16/2025 | | DEP0028728 | ACH Draft Packet UBPKT12770 | Utility Billing | Outstanding | Deposit | 196,199.21 |
| 06/16/2025 | | DEP0028740 | Utility Payment Packet UBPKT12883 | Utility Billing | Outstanding | Deposit | 12,821.38 |
| 06/16/2025 | | DEP0028753 | Utility Payment Packet UBPKT12884 | Utility Billing | Outstanding | Deposit | 10,970.89 |
| 06/16/2025 | | DEP0028756 | Utility Payment Packet UBPKT12886 | Utility Billing | Outstanding | Deposit | 329,219.55 |
| 06/16/2025 | | DEP0028759 | Utility Payment Packet UBPKT12887 | Utility Billing | Outstanding | Deposit | 2,168.65 |
| 06/16/2025 | | DEP0028777 | Utility Payment Packet UBPKT12896 | Utility Billing | Outstanding | Deposit | 9,012.55 |
| 06/17/2025 | | DEP0028762 | Utility Payment Packet UBPKT12888 | Utility Billing | Outstanding | Deposit | 1,491.43 |
| 06/17/2025 | | DEP0028768 | Utility Payment Packet UBPKT12893 | Utility Billing | Outstanding | Deposit | 5,423.39 |
| 06/17/2025 | | DEP0028780 | Utility Payment Packet UBPKT12897 | Utility Billing | Outstanding | Deposit | 6,205.18 |
| 06/18/2025 | | DEP0028771 | Utility Payment Packet UBPKT12894 | Utility Billing | Outstanding | Deposit | 1,213.30 |
| 06/18/2025 | | DEP0028786 | Utility Reverse Payment Packet UBPKT12899 | Utility Billing | Outstanding | Deposit | -110.00 |
| 06/18/2025 | | DEP0028789 | Utility Reverse Payment Packet UBPKT12900 | Utility Billing | Outstanding | Deposit | -75.00 |
| 06/18/2025 | | DEP0028792 | Utility Reverse Payment Packet UBPKT12901 | Utility Billing | Outstanding | Deposit | -150.47 |
| 06/18/2025 | | DEP0028795 | Utility Reverse Payment Packet UBPKT12902 | Utility Billing | Outstanding | Deposit | -292.91 |
| 06/18/2025 | | DEP0028798 | Utility Reverse Payment Packet UBPKT12903 | Utility Billing | Outstanding | Deposit | -170.00 |
| 06/18/2025 | | DEP0028801 | Utility Reverse Payment Packet UBPKT12904 | Utility Billing | Outstanding | Deposit | -188.00 |
| 06/18/2025 | | DEP0028804 | Utility Reverse Payment Packet UBPKT12905 | Utility Billing | Outstanding | Deposit | -226.92 |
| 06/18/2025 | | DEP0028814 | Utility Payment Packet UBPKT12920 | Utility Billing | Outstanding | Deposit | 1,213.30 |
| 06/18/2025 | | DEP0028817 | Utility Payment Packet UBPKT12921 | Utility Billing | Outstanding | Deposit | 1,970.59 |
| 06/18/2025 | | DEP0028820 | Utility Payment Packet UBPKT12922 | Utility Billing | Outstanding | Deposit | 4,601.21 |
| 06/19/2025 | | DEP0028823 | Utility Payment Packet UBPKT12923 | Utility Billing | Outstanding | Deposit | 1,254.72 |
| 06/20/2025 | | DEP0028826 | Utility Payment Packet UBPKT12924 | Utility Billing | Outstanding | Deposit | 121.70 |
| 06/20/2025 | | DEP0028830 | Utility Payment Packet UBPKT12925 | Utility Billing | Outstanding | Deposit | 1,270.94 |
| 06/20/2025 | | DEP0028838 | Deposit Input Packet UBPKT12928 | Utility Billing | Outstanding | Deposit | 2,000.00 |
| 06/20/2025 | | DEP0028844 | Utility Payment Packet UBPKT12930 | Utility Billing | Outstanding | Deposit | 35,016.02 |
| 06/23/2025 | | DEP0028841 | Utility Reverse Payment Packet UBPKT12929 | Utility Billing | Outstanding | Deposit | -124.87 |

Bank Transaction Report

Issued Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|------------------------------------|--------------|----------------------------|---|-----------------|-------------|---------|---------------------|
| 06/23/2025 | | DEP0028847 | Utility Payment Packet UBPKT12931 | Utility Billing | Outstanding | Deposit | 602.72 |
| 06/23/2025 | | DEP0028850 | Utility Payment Packet UBPKT12932 | Utility Billing | Outstanding | Deposit | 732.41 |
| 06/23/2025 | | DEP0028853 | Utility Reverse Payment Packet UBPKT12937 | Utility Billing | Outstanding | Deposit | -434.62 |
| 06/23/2025 | | DEP0028856 | Utility Reverse Payment Packet UBPKT12938 | Utility Billing | Outstanding | Deposit | -246.92 |
| 06/23/2025 | | DEP0028859 | Utility Payment Packet UBPKT12939 | Utility Billing | Outstanding | Deposit | 4,118.77 |
| 06/24/2025 | | DEP0028862 | Utility Reverse Payment Packet UBPKT12941 | Utility Billing | Outstanding | Deposit | -162.74 |
| 06/24/2025 | | DEP0028865 | Utility Payment Packet UBPKT12942 | Utility Billing | Outstanding | Deposit | 11,925.17 |
| 06/24/2025 | | DEP0028868 | Utility Payment Packet UBPKT12943 | Utility Billing | Outstanding | Deposit | 8,740.51 |
| 06/24/2025 | | DEP0028871 | Utility Payment Packet UBPKT12944 | Utility Billing | Outstanding | Deposit | 1,748.64 |
| 06/24/2025 | | DEP0028875 | Utility Payment Packet UBPKT12947 | Utility Billing | Outstanding | Deposit | 990.52 |
| 06/25/2025 | | DEP0028880 | Utility Payment Packet UBPKT12948 | Utility Billing | Outstanding | Deposit | 5,145.35 |
| 06/25/2025 | | DEP0028883 | Utility Payment Packet UBPKT12949 | Utility Billing | Outstanding | Deposit | 3,632.66 |
| 06/25/2025 | | DEP0028886 | Utility Payment Packet UBPKT12950 | Utility Billing | Outstanding | Deposit | 8,443.36 |
| 06/25/2025 | | DEP0028889 | Utility Payment Packet UBPKT12954 | Utility Billing | Outstanding | Deposit | 7,487.29 |
| 06/26/2025 | | DEP0028892 | Utility Payment Packet UBPKT12955 | Utility Billing | Outstanding | Deposit | 2,096.80 |
| 06/26/2025 | | DEP0028895 | Utility Payment Packet UBPKT12956 | Utility Billing | Outstanding | Deposit | 8,419.15 |
| 06/26/2025 | | DEP0028901 | Utility Payment Packet UBPKT12958 | Utility Billing | Outstanding | Deposit | 6,410.29 |
| 06/26/2025 | | DEP0028908 | Utility Payment Packet UBPKT12960 | Utility Billing | Outstanding | Deposit | 3,289.48 |
| 06/27/2025 | | DEP0028905 | Utility Payment Packet UBPKT12959 | Utility Billing | Outstanding | Deposit | 1,688.46 |
| 06/27/2025 | | DEP0028911 | Utility Payment Packet UBPKT12961 | Utility Billing | Outstanding | Deposit | 15,502.07 |
| 06/30/2025 | | DEP0028898 | Utility Reverse Payment Packet UBPKT12957 | Utility Billing | Outstanding | Deposit | -224.64 |
| 06/30/2025 | | DEP0028914 | Utility Payment Packet UBPKT12962 | Utility Billing | Outstanding | Deposit | 3,226.43 |
| 06/30/2025 | | DEP0028917 | Utility Payment Packet UBPKT12963 | Utility Billing | Outstanding | Deposit | 3,152.74 |
| 06/30/2025 | | DEP0028929 | Utility Reverse Payment Packet UBPKT12968 | Utility Billing | Outstanding | Deposit | -151.46 |
| 06/30/2025 | | DEP0028931 | Utility Payment Packet UBPKT12964 | Utility Billing | Outstanding | Deposit | 8,051.01 |
| 06/30/2025 | | DEP0028933 | Utility Payment Packet UBPKT12965 | Utility Billing | Outstanding | Deposit | 8,573.22 |
| 06/30/2025 | | DEP0028935 | Utility Payment Packet UBPKT12967 | Utility Billing | Outstanding | Deposit | 9,731.40 |
| 06/30/2025 | | DEP0028938 | Utility Payment Packet UBPKT12969 | Utility Billing | Outstanding | Deposit | 7,077.52 |
| Deposit Total: (96) | | | | | | | 1,019,478.43 |
| Utility Billing Total: (99) | | | | | | | 1,013,519.32 |
| Report Total: (215) | | | | | | | 632,738.41 |

Summary

| Bank Account | Count | Amount |
|--|------------|-------------------|
| 030866939 BMO Checking | 215 | 632,738.41 |
| Report Total: | 215 | 632,738.41 |

| Cash Account | Count | Amount |
|---|------------|-------------------|
| 99 99-000-1004 BMO Checking (Pooled Cash) | 215 | 632,738.41 |
| Report Total: | 215 | 632,738.41 |

| Transaction Type | Count | Amount |
|----------------------|------------|-------------------|
| Bank Draft | 38 | -391,732.16 |
| Check | 25 | -309,849.61 |
| Check Reversal | 1 | 1,701.00 |
| Deposit | 143 | 2,564,874.12 |
| EFT | 8 | -1,232,254.94 |
| Report Total: | 215 | 632,738.41 |




Trabuco Canyon Water District
General Fund Warrant Register
6/12/2025

Summary of Disbursements

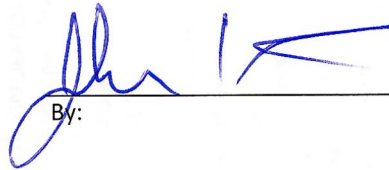
| | |
|----------------------------|---------------------|
| Computer Checks | 783,809.78 |
| UB Refund Checks | 357.88 |
| Void UB Refund | - |
| Bank Drafts | 472,170.63 |
| Bank EFTs | 178,324.45 |
| Voided Payments | (1,701.00) |
| Total Disbursements | 1,432,961.74 |

I hereby certify that the claims or demands covered by the above listed warrants have been audited as to accuracy and the availability of funds for payment thereof; and that the said claims or demands are accurate and that the funds are available.

This is to certify that claims or demands covered by the above listed warrants have been audited by the Finance/Audit Committee of the Trabuco Canyon Water District and that all of the said warrants are approved for payment.

 6-12-2025
General Manager / Assistant General Manager

Michael F. Schronski 6/12/25
By: _____ Date: _____

 6/12/25
By: _____ Date: _____



Bank Transaction Report

Transaction Detail

Issued Date Range: 05/07/2025 - 06/10/2025

Cleared Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|-------------------------|--------------|----------------------------|------------------------------------|------------------|---------------|------------|-------------|
| Accounts Payable | | | | | | | |
| Bank Draft | | | | | | | |
| 05/08/2025 | 05/31/2025 | DFT0004016 | CALPERS | Accounts Payable | Pending Clear | Bank Draft | -72,440.16 |
| 05/08/2025 | 05/31/2025 | DFT0004017 | COX COMMUNICATIONS | Accounts Payable | Pending Clear | Bank Draft | -2,829.75 |
| 05/08/2025 | 05/31/2025 | DFT0004018 | WAGE WORKS, INC. | Accounts Payable | Pending Clear | Bank Draft | -50.00 |
| 05/09/2025 | 05/31/2025 | DFT0004019 | GUARDIAN | Accounts Payable | Pending Clear | Bank Draft | -3,760.72 |
| 05/12/2025 | 05/31/2025 | DFT0004020 | ADP | Accounts Payable | Pending Clear | Bank Draft | -2,064.46 |
| 05/12/2025 | 05/31/2025 | DFT0004021 | COX COMMUNICATIONS | Accounts Payable | Pending Clear | Bank Draft | -1,676.44 |
| 05/13/2025 | 05/31/2025 | DFT0004022 | QUINN COMPANY | Accounts Payable | Pending Clear | Bank Draft | -29.42 |
| 05/15/2025 | 05/31/2025 | DFT0004023 | PACE PAYMENT SYSTEMS, INC. | Accounts Payable | Pending Clear | Bank Draft | -247.00 |
| 05/16/2025 | 05/31/2025 | DFT0004024 | COX COMMUNICATIONS | Accounts Payable | Pending Clear | Bank Draft | -75.92 |
| 05/16/2025 | 05/31/2025 | DFT0004025 | THE TOLL ROADS | Accounts Payable | Pending Clear | Bank Draft | -140.00 |
| 05/19/2025 | 05/31/2025 | DFT0004026 | ADP | Accounts Payable | Pending Clear | Bank Draft | -137,180.76 |
| 05/19/2025 | 05/31/2025 | DFT0004027 | XEROX CORPORATION | Accounts Payable | Pending Clear | Bank Draft | -179.50 |
| 05/20/2025 | 05/31/2025 | DFT0004028 | COX COMMUNICATIONS | Accounts Payable | Pending Clear | Bank Draft | -1,409.13 |
| 05/21/2025 | 05/31/2025 | DFT0004029 | CALPERS | Accounts Payable | Pending Clear | Bank Draft | -34,115.04 |
| 05/21/2025 | 05/31/2025 | DFT0004030 | WAGE WORKS, INC. | Accounts Payable | Pending Clear | Bank Draft | -60.00 |
| 05/21/2025 | 05/31/2025 | DFT0004031 | WEX FLEET UNIVERSAL | Accounts Payable | Pending Clear | Bank Draft | -6,277.19 |
| 05/23/2025 | 05/31/2025 | DFT0004032 | HOME DEPOT CREDIT SERVICES | Accounts Payable | Pending Clear | Bank Draft | -1,381.49 |
| 05/23/2025 | 05/31/2025 | DFT0004033 | SOUTH COAST AQMD | Accounts Payable | Pending Clear | Bank Draft | -2,243.80 |
| 05/23/2025 | 05/31/2025 | DFT0004034 | WAGE WORKS, INC. | Accounts Payable | Pending Clear | Bank Draft | -75.00 |
| 05/27/2025 | 05/31/2025 | DFT0004035 | AT&T MOBILITY | Accounts Payable | Pending Clear | Bank Draft | -4,341.18 |
| 05/27/2025 | 05/31/2025 | DFT0004036 | CSDA Commercial Card - UMPQUA BANK | Accounts Payable | Pending Clear | Bank Draft | -15,038.81 |
| 05/28/2025 | 05/31/2025 | DFT0004037 | CALPERS | Accounts Payable | Pending Clear | Bank Draft | -72,440.16 |
| 05/28/2025 | 05/31/2025 | DFT0004038 | GUARDIAN | Accounts Payable | Pending Clear | Bank Draft | -4,150.84 |
| 05/28/2025 | 05/31/2025 | DFT0004039 | WAGE WORKS, INC. | Accounts Payable | Pending Clear | Bank Draft | -195.00 |
| 05/29/2025 | 05/31/2025 | DFT0004040 | WAGE WORKS, INC. | Accounts Payable | Pending Clear | Bank Draft | -5.00 |
| 05/30/2025 | 05/31/2025 | DFT0004041 | ADP | Accounts Payable | Pending Clear | Bank Draft | -112.00 |
| 06/02/2025 | | DFT0004042 | PACE PAYMENT SYSTEMS, INC. | Accounts Payable | Outstanding | Bank Draft | -3,691.41 |
| 06/02/2025 | | DFT0004043 | SANTA MARGARITA WATER DISTRICT | Accounts Payable | Outstanding | Bank Draft | -2,260.15 |
| 06/02/2025 | | DFT0004044 | TAB ANSWER NETWORK | Accounts Payable | Outstanding | Bank Draft | -209.66 |
| 06/02/2025 | | DFT0004045 | THE TOLL ROADS | Accounts Payable | Outstanding | Bank Draft | -140.00 |
| 06/02/2025 | | DFT0004046 | VSP | Accounts Payable | Outstanding | Bank Draft | -814.55 |
| 06/03/2025 | | DFT0004047 | BRINKS HOME SECURITY | Accounts Payable | Outstanding | Bank Draft | -269.99 |
| 06/03/2025 | | DFT0004048 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -139.00 |
| 06/04/2025 | | DFT0004049 | ADP | Accounts Payable | Outstanding | Bank Draft | -143,101.88 |
| 06/06/2025 | | DFT0004050 | COX COMMUNICATIONS | Accounts Payable | Outstanding | Bank Draft | -2,825.47 |

Bank Transaction Report

Issued Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|-------------------------------|--------------|----------------------------|--|------------------|---------------|------------|--------------------|
| 06/09/2025 | | DFT0004051 | CALPERS | Accounts Payable | Outstanding | Bank Draft | -34,591.08 |
| 06/09/2025 | | DFT0004052 | THE TOLL ROADS | Accounts Payable | Outstanding | Bank Draft | -140.00 |
| 06/09/2025 | | DFT0004053 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -40.32 |
| 06/10/2025 | | DFT0004054 | ADP | Accounts Payable | Outstanding | Bank Draft | -2,064.46 |
| 06/10/2025 | | DFT0004055 | COX COMMUNICATIONS | Accounts Payable | Outstanding | Bank Draft | -2,164.84 |
| 06/10/2025 | | DFT0004056 | WAGE WORKS, INC. | Accounts Payable | Outstanding | Bank Draft | -50.00 |
| Bank Draft Total: (41) | | | | | | | -555,021.58 |
| Check | | | | | | | |
| 05/07/2025 | 05/31/2025 | 13321 | BIG BRAND TIRE & SERVICE | Accounts Payable | Pending Clear | Check | -1,274.17 |
| 05/07/2025 | 05/31/2025 | 13322 | COUNTY OF ORANGE | Accounts Payable | Pending Clear | Check | -4,050.73 |
| 05/07/2025 | 05/31/2025 | 13323 | CS-AMSCO | Accounts Payable | Pending Clear | Check | -1,805.61 |
| 05/07/2025 | 05/31/2025 | 13324 | DMC ENGINEERING | Accounts Payable | Pending Clear | Check | -4,102.33 |
| 05/07/2025 | 05/31/2025 | 13325 | FLO-SYSTEMS, INC. | Accounts Payable | Pending Clear | Check | -49,588.71 |
| 05/07/2025 | 05/31/2025 | 13326 | FULL TRAFFICE MAINTENANCE, INC. | Accounts Payable | Pending Clear | Check | -1,054.60 |
| 05/07/2025 | 05/31/2025 | 13327 | HAAKER EQUIPMENT COMPANY | Accounts Payable | Pending Clear | Check | -621.45 |
| 05/07/2025 | 05/31/2025 | 13328 | HACH COMPANY | Accounts Payable | Pending Clear | Check | -205.16 |
| 05/07/2025 | 05/31/2025 | 13329 | HANSON BRIDGETT LLP | Accounts Payable | Pending Clear | Check | -11,504.90 |
| 05/07/2025 | 05/31/2025 | 13330 | HYDROTECH ELECTRIC | Accounts Payable | Pending Clear | Check | -1,848.41 |
| 05/07/2025 | 05/31/2025 | 13331 | INFOSEND, INC. | Accounts Payable | Pending Clear | Check | -4,536.54 |
| 05/07/2025 | 05/31/2025 | 13332 | ORANGE COUNTY PUMPING, INC. | Accounts Payable | Pending Clear | Check | -2,130.00 |
| 05/07/2025 | 05/31/2025 | 13333 | O'REILLY AUTOMOTIVE, INC. | Accounts Payable | Pending Clear | Check | -414.92 |
| 05/07/2025 | 05/31/2025 | 13334 | ORKIN, INC. | Accounts Payable | Pending Clear | Check | -193.98 |
| 05/07/2025 | 05/31/2025 | 13335 | RSM CHAMBER OF COMMERCE | Accounts Payable | Pending Clear | Check | -500.00 |
| 05/07/2025 | 05/31/2025 | 13336 | SIERRA ANALYTICAL | Accounts Payable | Pending Clear | Check | -4,347.00 |
| 05/07/2025 | 05/31/2025 | 13337 | TOUCH TEL MOBILE | Accounts Payable | Pending Clear | Check | -625.00 |
| 05/07/2025 | 05/31/2025 | 13338 | TT TECHNOLOGIES INC | Accounts Payable | Pending Clear | Check | -425.00 |
| 05/07/2025 | 05/31/2025 | 13339 | UMETECH, INC. | Accounts Payable | Pending Clear | Check | -550.00 |
| 05/07/2025 | 05/31/2025 | 13340 | UNDERGROUND SERVICE ALERT/SC | Accounts Payable | Pending Clear | Check | -141.35 |
| 05/07/2025 | 05/31/2025 | 13341 | WECK LABORATORIES | Accounts Payable | Pending Clear | Check | -624.00 |
| 05/15/2025 | 05/31/2025 | 13342 | AT&T MOBILITY | Accounts Payable | Pending Clear | Check | -124.71 |
| 05/15/2025 | | 13343 | DMC ENGINEERING | Accounts Payable | Outstanding | Check | -6,500.00 |
| 05/15/2025 | 05/31/2025 | 13344 | DMS FACILITY SERVICES | Accounts Payable | Pending Clear | Check | -1,340.98 |
| 05/15/2025 | 05/31/2025 | 13345 | HAZEN & SAWYER | Accounts Payable | Pending Clear | Check | -30,441.25 |
| 05/15/2025 | 05/31/2025 | 13346 | JIG CONSULTANTS | Accounts Payable | Pending Clear | Check | -70,657.50 |
| 05/15/2025 | 05/31/2025 | 13347 | LINDE GAS & EQUIPMENT, INC. | Accounts Payable | Pending Clear | Check | -91.14 |
| 05/15/2025 | 05/31/2025 | 13348 | LORRAINE LAUSTEN | Accounts Payable | Pending Clear | Check | -5,889.44 |
| 05/15/2025 | 05/31/2025 | 13349 | MKN | Accounts Payable | Pending Clear | Check | -220.00 |
| 05/15/2025 | 05/31/2025 | 13350 | PROJECT PARTNERS, INC. | Accounts Payable | Pending Clear | Check | -18,240.00 |
| 05/15/2025 | 05/31/2025 | 13351 | S & J SUPPLY COMPANY | Accounts Payable | Pending Clear | Check | -3,181.86 |
| 05/15/2025 | 05/31/2025 | 13352 | TETRA TECH, INC. | Accounts Payable | Pending Clear | Check | -5,885.00 |
| 05/27/2025 | 05/31/2025 | 13353 | ASBURY ENVIRONMENTAL SERVICES | Accounts Payable | Pending Clear | Check | -239.00 |
| 05/27/2025 | | 13354 | ATKINSON, ANDELSON, LOYA, RUUD, & ROMO | Accounts Payable | Outstanding | Check | -290.00 |

Bank Transaction Report

Issued Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|-------------|--------------|-----------------------|---|------------------|---------------|-------|-------------|
| 05/27/2025 | | 13355 | CS-AMSCO | Accounts Payable | Outstanding | Check | -2,466.12 |
| 05/27/2025 | 05/31/2025 | 13356 | FERGUSON WATERWORKS | Accounts Payable | Pending Clear | Check | -11,294.65 |
| 05/27/2025 | | 13357 | FLEET SERVICES, INC. | Accounts Payable | Outstanding | Check | -109.80 |
| 05/27/2025 | | 13358 | GRAINGER | Accounts Payable | Outstanding | Check | -335.20 |
| 05/27/2025 | | 13359 | HAAKER EQUIPMENT COMPANY | Accounts Payable | Outstanding | Check | -2,305.50 |
| 05/27/2025 | | 13360 | HACH COMPANY | Accounts Payable | Outstanding | Check | -433.37 |
| 05/27/2025 | | 13361 | HANSON BRIDGETT LLP | Accounts Payable | Outstanding | Check | -60,113.35 |
| 05/27/2025 | | 13362 | HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEM | Accounts Payable | Outstanding | Check | -275.50 |
| 05/27/2025 | 05/31/2025 | 13363 | HIGHROAD INFORMATION TECHNOLOGY, LLC. | Accounts Payable | Pending Clear | Check | -7,190.00 |
| 05/27/2025 | 05/31/2025 | 13364 | INFOSEND, INC. | Accounts Payable | Pending Clear | Check | -2,349.88 |
| 05/27/2025 | | 13365 | IRVINE RANCH WATER DISTRICT | Accounts Payable | Outstanding | Check | -105,412.97 |
| 05/27/2025 | | 13366 | JOHN HORST | Accounts Payable | Outstanding | Check | -537.45 |
| 05/27/2025 | | 13367 | LA HABRA FENCE COMPANY LLC | Accounts Payable | Outstanding | Check | -3,987.00 |
| 05/27/2025 | 05/31/2025 | 13368 | LINDE GAS & EQUIPMENT, INC. | Accounts Payable | Pending Clear | Check | -262.28 |
| 05/27/2025 | | 13369 | NEW DIMENSION GENERAL CONSTRUCTION | Accounts Payable | Outstanding | Check | -4,855.38 |
| 05/27/2025 | | 13370 | ORANGE COUNTY PUMPING, INC. | Accounts Payable | Outstanding | Check | -1,065.00 |
| 05/27/2025 | | 13371 | ORKIN, INC. | Accounts Payable | Outstanding | Check | -158.99 |
| 05/27/2025 | | 13372 | PARK WEST LANDSCAPE MANAGEMENT | Accounts Payable | Outstanding | Check | -2,930.00 |
| 05/27/2025 | | 13373 | PEBBLE SPRING WATER | Accounts Payable | Outstanding | Check | -87.75 |
| 05/27/2025 | | 13374 | PROJECT PARTNERS, INC. | Accounts Payable | Outstanding | Check | -10,429.40 |
| 05/27/2025 | | 13375 | QUINCY COMPRESSOR | Accounts Payable | Outstanding | Check | -1,425.00 |
| 05/27/2025 | 05/31/2025 | 13376 | SANTA MARGARITA WATER DISTRICT | Accounts Payable | Pending Clear | Check | -660.00 |
| 05/27/2025 | | 13377 | SECURITAS TECHNOLOGY | Accounts Payable | Outstanding | Check | -2,713.79 |
| 05/27/2025 | | 13378 | SIERRA ANALYTICAL | Accounts Payable | Outstanding | Check | -1,907.50 |
| 05/27/2025 | | 13379 | SOTO RESOURCES | Accounts Payable | Outstanding | Check | -733.75 |
| 05/27/2025 | | 13380 | STARTING LINE ADVISORY | Accounts Payable | Outstanding | Check | -19,365.00 |
| 05/27/2025 | | 13381 | STATE WATER RESOURCES CONTROL BOARD | Accounts Payable | Outstanding | Check | -80.00 |
| 05/27/2025 | | 13382 | TRENCH SHORING COMPANY | Accounts Payable | Outstanding | Check | -850.50 |
| 05/27/2025 | | 13383 | VEGA AMERICAS, INC. | Accounts Payable | Outstanding | Check | -1,595.91 |
| 05/27/2025 | | 13384 | WECK LABORATORIES | Accounts Payable | Outstanding | Check | -312.00 |
| 05/27/2025 | | 13385 | WIENHOFF DRUG TESTING | Accounts Payable | Outstanding | Check | -31.50 |
| 06/04/2025 | | 13386 | DANIEL SPRADLIN | Accounts Payable | Outstanding | Check | -6,841.02 |
| 06/04/2025 | | 13387 | GERMAINE ALBRECHT | Accounts Payable | Outstanding | Check | -604.55 |
| 06/10/2025 | | 13389 | AT&T | Accounts Payable | Outstanding | Check | -738.96 |
| 06/10/2025 | | 13390 | AT&T MOBILITY | Accounts Payable | Outstanding | Check | -124.71 |
| 06/10/2025 | | 13391 | CPS HR CONSULTING | Accounts Payable | Outstanding | Check | -1,407.50 |
| 06/10/2025 | | 13392 | CS-AMSCO | Accounts Payable | Outstanding | Check | -3,778.85 |
| 06/10/2025 | | 13393 | DANIELS TIRE SERVICE, INC. | Accounts Payable | Outstanding | Check | -2,915.47 |
| 06/10/2025 | | 13394 | FERGUSON WATERWORKS | Accounts Payable | Outstanding | Check | -3,887.03 |
| 06/10/2025 | | 13395 | GRAINGER | Accounts Payable | Outstanding | Check | -19.62 |
| 06/10/2025 | | 13396 | HAZEN & SAWYER | Accounts Payable | Outstanding | Check | -21,095.00 |
| 06/10/2025 | | 13397 | IRVINE RANCH WATER DISTRICT | Accounts Payable | Outstanding | Check | -240,260.90 |
| 06/10/2025 | | 13398 | MKN | Accounts Payable | Outstanding | Check | -7,657.00 |

Bank Transaction Report

Issued Date Range: -

| Issued Date | Cleared Date | Number | Description | Module | Status | Type | Amount |
|--------------------------------------|--------------|-----------------------|-------------------------------------|------------------|---------------|----------------|----------------------|
| 06/10/2025 | | 13399 | NEW DIMENSION GENERAL CONSTRUCTION | Accounts Payable | Outstanding | Check | -10,168.84 |
| 06/10/2025 | | 13400 | OCCUPATIONAL HEALTH CENTERS OF CA | Accounts Payable | Outstanding | Check | -346.00 |
| 06/10/2025 | | 13401 | ORANGE COUNTY PUMPING, INC. | Accounts Payable | Outstanding | Check | -1,065.00 |
| 06/10/2025 | | 13402 | O'REILLY AUTOMOTIVE, INC. | Accounts Payable | Outstanding | Check | -53.64 |
| 06/10/2025 | | 13403 | PEBBLE SPRING WATER | Accounts Payable | Outstanding | Check | -108.00 |
| 06/10/2025 | | 13404 | ROBERT BARGERON | Accounts Payable | Outstanding | Check | -356.50 |
| 06/10/2025 | | 13405 | TOUCH TEL MOBILE | Accounts Payable | Outstanding | Check | -625.00 |
| 06/10/2025 | | 13406 | UNDERGROUND SERVICE ALERT/SC | Accounts Payable | Outstanding | Check | -185.75 |
| 06/10/2025 | | 13407 | UNIFIRST FIRST AID CORPORATION | Accounts Payable | Outstanding | Check | -827.16 |
| 06/10/2025 | | 13408 | WECK LABORATORIES | Accounts Payable | Outstanding | Check | -824.00 |
| Check Total: (87) | | | | | | | -783,809.78 |
| Check Reversal | | | | | | | |
| 06/10/2025 | | 13247 | TRENCH SHORING COMPANY Reversal | Accounts Payable | Outstanding | Check Reversal | 1,701.00 |
| Check Reversal Total: (1) | | | | | | | 1,701.00 |
| EFT | | | | | | | |
| 05/08/2025 | 05/31/2025 | 747 | ACWA JPIA - LIFE | Accounts Payable | Pending Clear | EFT | -554.98 |
| 05/08/2025 | 05/31/2025 | 748 | ALS GROUP | Accounts Payable | Pending Clear | EFT | -8,724.00 |
| 05/08/2025 | 05/31/2025 | 749 | AMAZON | Accounts Payable | Pending Clear | EFT | -1,288.56 |
| 05/08/2025 | 05/31/2025 | 750 | MWDOC | Accounts Payable | Pending Clear | EFT | -725.00 |
| 05/08/2025 | 05/31/2025 | 751 | UNIFIRST CORPORATION | Accounts Payable | Pending Clear | EFT | -232.33 |
| 05/16/2025 | 05/31/2025 | 752 | GEMINI GROUP CONSULTING, LLC | Accounts Payable | Pending Clear | EFT | -3,540.00 |
| 05/28/2025 | 05/31/2025 | 753 | AMAZON | Accounts Payable | Pending Clear | EFT | -1,288.74 |
| 05/28/2025 | 05/31/2025 | 754 | BIG O TIRES | Accounts Payable | Pending Clear | EFT | -3,430.14 |
| 05/28/2025 | 05/31/2025 | 755 | DUTHIE ELECTRIC SERVICE CORPORATION | Accounts Payable | Pending Clear | EFT | -7,400.50 |
| 05/28/2025 | 05/31/2025 | 756 | HERC RENTALS | Accounts Payable | Pending Clear | EFT | -5,734.62 |
| 05/28/2025 | 05/31/2025 | 757 | MWDOC | Accounts Payable | Pending Clear | EFT | -55,886.37 |
| 05/28/2025 | 05/31/2025 | 758 | OLIN CHEMICALS | Accounts Payable | Pending Clear | EFT | -6,460.05 |
| 05/28/2025 | 05/31/2025 | 759 | UNIFIRST CORPORATION | Accounts Payable | Pending Clear | EFT | -208.21 |
| EFT Total: (13) | | | | | | | -95,473.50 |
| Accounts Payable Total: (142) | | | | | | | -1,432,603.86 |
| Utility Billing | | | | | | | |
| Check | | | | | | | |
| 06/06/2025 | | 13388 | DARWATI SCHUNDLER | Utility Billing | Outstanding | Check | -357.88 |
| Check Total: (1) | | | | | | | -357.88 |
| Utility Billing Total: (1) | | | | | | | -357.88 |
| Report Total: (143) | | | | | | | -1,432,961.74 |

Summary

| Bank Account | Count | Amount |
|--|------------|----------------------|
| 030866939 BMO Checking | 143 | -1,432,961.74 |
| Report Total: | 143 | -1,432,961.74 |

| Cash Account | Count | Amount |
|---|------------|----------------------|
| 99 99-000-1004 BMO Checking (Pooled Cash) | 143 | -1,432,961.74 |
| Report Total: | 143 | -1,432,961.74 |

| Transaction Type | Count | Amount |
|----------------------|------------|----------------------|
| Bank Draft | 41 | -555,021.58 |
| Check | 88 | -784,167.66 |
| Check Reversal | 1 | 1,701.00 |
| EFT | 13 | -95,473.50 |
| Report Total: | 143 | -1,432,961.74 |



Warrant Registry
Trabuco Canyon Water District
County of Orange
State of California

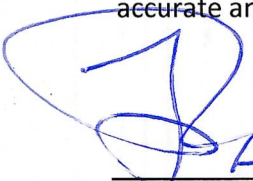
GENERAL FUND PAYROLL WARRANT REGISTER

For the Month of: June 2025

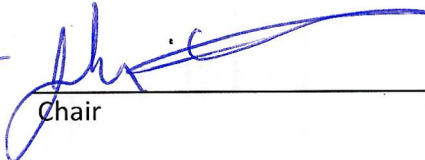
\$ 279,735.47

I hereby certify that the claims or demands covered by the above listed warrants have been audited as to accuracy and the availability of funds for payment thereof; and that the said claims or demands are accurate and that the funds are available.

This is to certify that claims or demands covered by the above listed warrants have been audited by the Finance/Audit Committee of the Trabuco Canyon Water District and that all of the said warrants are approved for payment.


7-10-2025

General Manager / Assistant General Manager



Chair

7-10-25
Date

Michael F. Saphanski 7/10/25

Member

Date

| | | | | | |
|---------|------------------------------------|--|--|--|-----------|
| Net Pay | Checks | | | | .00 |
| | Direct Deposits | | | | 89,698.86 |
| | Subtotal Net Pay | | | | 89,698.86 |
| | Adjustments | | | | .00 |
| | Total Net Pay Liability (Net Cash) | | | | 89,698.86 |

| Taxes | | You are responsible for | | Amount debited | | |
|---------|--|--------------------------|-------------|--------------------|-------------|-------------|
| | | Depositing these amounts | | from your account | | |
| Federal | Agency | Rate | EE withheld | ER contrib. | EE withheld | ER contrib. |
| | Federal Income Tax | | | | 19,966.55 | |
| | Earned Income Credit Advances | | | | | |
| | Social Security | | | | 9,042.52 | 9,042.53 |
| | Medicare | | | | 2,114.82 | 2,114.78 |
| | Medicare Surtax | | | | | |
| | Federal Unemployment Tax | | | | | |
| | Subtotal Federal | | 31,123.89 | 11,157.31 | | 42,281.20 |
| | FMLA-PSL Payments Credit | | | | | |
| | FMLA-PSL ER FICA Credit | | | | | |
| | FMLA-PSL Health Care Premium Credit | | | | | |
| | Employee Retention Qualified Payments Cre | | | | | |
| | Employee Retention Qualified Health Care | | | | | |
| | Cobra Premium Assistance Payments | | | | | |
| | Total Federal | | 31,123.89 | 11,157.31 | | 42,281.20 |
| State | CA State Income Tax | | | | 8,882.52 | |
| | CA State Unemployment Insurance-ER 7000 | | | | | |
| | CA State Disability Insurance-EE | | | | 1,748.22 | |
| | Subtotal CA | | | | 10,630.74 | 10,630.74 |
| | Total Taxes | .00 | .00 | 41,754.63 | 11,157.31 | 52,911.94 |
| | Amount ADP Debited From AccountXXXX6939 | | | Tran/ABA XXXXXXXXX | | 52,911.94 |

Excludes Taxes That Are Your Responsibility

| | | | | | | |
|-------|---|--|--|--------------------|-----------|--------------------------|
| Other | ADP Direct Deposit | | | | 89,698.86 | 26 Employee Transactions |
| | Transfers Amount ADP Debited From AccountXXXX6939 | | | Tran/ABA XXXXXXXXX | | 89,698.86 |
| | Total Amount ADP Debited From Your Accounts | | | | | 142,610.80 |



Statistical Summary Detail

TRABUCO CANYON WATER

Region Name : GKN
Company Code : ADP RESOURCE

Batch : 7306
Quarter Number : 2
Service Center: 580

Period Ending : 06/15/2025
Pay Date : 06/20/2025
Current Date : 06/16/2025

Week 25
Page 2

| | | | | | |
|---------|------------------------------------|--|------------------|--|-----------|
| Net Pay | Checks | | 1,930.37 | | |
| | Direct Deposits | | 87,017.16 | | |
| | Subtotal Net Pay | | | | 88,947.53 |
| | Adjustments | | .00 | | |
| | Total Net Pay Liability (Net Cash) | | | | 88,947.53 |

| Taxes | | You are responsible for | | Amount debited | | |
|---------|--|--------------------------|---------------------|-------------------|------------------|-----------------|
| | | Depositing these amounts | | from your account | | |
| Federal | Agency | Rate | EE withheld | ER contrib. | EE withheld | ER contrib. |
| | Federal Income Tax | | | | 17,957.44 | |
| | Earned Income Credit Advances | | | | | |
| | Social Security | | | | 8,285.76 | 8,285.77 |
| | Medicare | | | | 2,048.49 | 2,048.46 |
| | Medicare Surtax | | | | | |
| | Federal Unemployment Tax | | | | | |
| | Subtotal Federal | | 28,291.69 | 10,334.23 | | 38,625.92 |
| | FMLA-PSL Payments Credit | | | | | |
| | FMLA-PSL ER FICA Credit | | | | | |
| | FMLA-PSL Health Care Premium Credit | | | | | |
| | Employee Retention Qualified Payments Cre | | | | | |
| | Employee Retention Qualified Health Care | | | | | |
| | Cobra Premium Assistance Payments | | | | | |
| | Total Federal | | 28,291.69 | 10,334.23 | | 38,625.92 |
| State | CA State Income Tax | | | | 7,910.35 | |
| | CA State Unemployment Insurance-ER 7000 | | | | | |
| | CA State Disability Insurance-EE | | | | 1,640.87 | |
| | Subtotal CA | | | | 9,551.22 | 9,551.22 |
| | Total Taxes | .00 | .00 | 37,842.91 | 10,334.23 | 48,177.14 |
| | Amount ADP Debited From AccountXXXX6939 | | Tran/ABA XXXXXXXXXX | | | 48,177.14 |

Excludes Taxes That Are Your Responsibility

| | | | | | |
|---|---|--|---------------------|--|---------------------------------|
| Other | ADP Direct Deposit | | 87,017.16 | | 29 Employee Transactions |
| Transfers | ADP Check | | 1,930.37 | | |
| | Amount ADP Debited From AccountXXXX6939 | | Tran/ABA XXXXXXXXXX | | 88,947.53 |
| Total Amount ADP Debited From Your Accounts | | | | | 137,124.67 |

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

CONSENT CALENDAR

ITEM 3: APPROVAL OF ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP(S)

RECOMMENDED ACTION:

Approve the following Engineering/Operational Committee Meeting Recap(s) and recommend that the Board receive and file same (Consent Calendar):

1. *June 4, 2025*

CONTACTS (staff responsible): PALUDI/PEREA



**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JUNE 4, 2025**

DIRECTORS PRESENT

Mark Anderson, Committee Chair
Glenn Acosta, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Lorrie Lausten, District Engineer
Gary Kessler, Water Superintendent
Oscar Ulloa, Wastewater Superintendent
Jason Stroud, Maintenance Superintendent
Roseann Lejsek, Executive Assistant
Karen Warner, Principal Accountant
Phil Serpas, CMMS/SCADA Administrator

STAFF ABSENT

None

DISTRICT CONSULTANTS

None

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Director Anderson called the June 4, 2025 Engineering/Operational Committee Meeting to order at 8:00 a.m.

VISITOR PARTICIPATION

No comments were received.

ORAL COMMUNICATION

No comments were received.

COMMITTEE MEMBER COMMENTS

None

REPORT FROM THE GENERAL MANAGER

None

ITEM 1: ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP

Mr. Paludi presented the Engineering/Operational Committee Meeting Recap for Committee review in accordance with the agenda.

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JUNE 4, 2025**

RECOMMENDATION: The Committee recommended forwarding this matter to the Board of Directors (Consent Calendar).

ITEM 2: ROBINSON RANCH WASTEWATER TREATMENT PLANT BLOWER MODIFICATION PROJECT – CONSTRUCTION CONTRACT AWARD

Mr. Paludi presented this matter for Committee consideration, and he expressed his thanks to Ms. Lausten and staff for their hard work putting together the bid packet, which resulted in multiple responses. Mr. Paludi noted that one bid came in lower than the engineer’s estimate. Ms. Lausten complimented Mr. Ulloa and his team for their joint effort in putting together the bid packet for this project. Ms. Lausten reported that the bid was sent to eight contractors and that the District received four bids, and that staff recommends awarding the construction contract to SS Mechanical. Ms. Lausten provided an overview of the bid summary, and she stated that items 1 through 15 would be awarded, but that optional item 16 – sound panels and accessories, will not be awarded. Ms. Lausten added that the sound study does not indicate that sound panels will be needed and therefore, will not be awarded at this time. Mr. Paludi stated that this project is expected to be completed in early 2026.

RECOMMENDATION: Committee recommended the Board of Directors authorize the General Manager to award the Robinson Ranch Wastewater Treatment Plant Blower Modification Project to SS Mechanical Construction Corp. in the amount of \$919,022, with a 10% contingency of \$91,900 for a not to exceed amount of \$1,010,922 (Action Calendar).

ITEM 3: DIMENSION WATER TREATMENT PLANT TRANSMISSION MAIN REHABILITATION PROJECT

Mr. Paludi presented this matter for Committee consideration. Ms. Lausten reported that she worked with Mr. Kessler to address bid questions from vendors, and she stated that she will be sending out an addendum responding to these questions in advance of the bid due date of June 10. Discussion occurred regarding the proposed construction methods. Mr. Paludi stated that this item will be added to the Regular Board Meeting agenda for award, and he added that Director Mandich requested that the Sources of Supply Ad Hoc Committee schedule a meeting for June 16 to review the bids prior to the Board meeting.

RECOMMENDATION: None – Informational item only.

ITEM 4: PRELIMINARY 10-YEAR CAPITAL IMPROVEMENT PROGRAM

Mr. Paludi presented this matter for Committee consideration, and he reported that staff provided a District-wide 10-Year Capital Improvement Program (CIP) handout for discussion. Mr. Paludi highlighted proposed FY 2026 CIP projects for Potable Water, Recycled Water, and Wastewater Systems, including costs. Discussion occurred regarding the difference in rates between potable water and recycled water. Mr. Paludi provided a brief history of discounts provided to customers as an incentive to purchase recycled water. Further discussion occurred regarding the value of recycled water and possibly reviewing recycled water use and the cost of recovery.

RECOMMENDATION: None – Informational item only.

ITEM 5: OTHER ENGINEERING AND OPERATIONS PROJECT UPDATES

1. Heritage Sewer Lift Station Rehabilitation Update

Ms. Lausten reported that this project is in the design phase. Ms. Lausten stated that the design will be completed in approximately six weeks and that the plans will be brought to the Committee for review. Ms. Lausten added that the previous Committee requested a block wall be installed, and she stated that she is looking for an alternative solution. Ms. Lausten noted that she is working with the HOA on this matter.

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JUNE 4, 2025**

2. 2025 Consumer Confidence Report

Mr. Paludi reported that the District entered into a shared services agreement with Municipal Water District of Orange County (MWDOC) to assist Ms. Lausten and Mr. Kessler in completing the annual water quality report. Mr. Paludi stated that the report is published on the District's website and a notice of the website address is provided to customers on the June utility bill, and he added that as a cost savings measure, a limited number of physical copies are printed and made available.

3. Saddle Crest Development Update

Mr. Paludi reported that the Saddle Crest agreement has been signed and that the District is waiting for the bills of sale to be completed and sent over. Mr. Paludi stated that staff will bring this item to the Board for acceptance of on-site water and sewer facilities.

4. Saddleback Meadows Development Update

Mr. Paludi reported that Trumark (developer) is in discussions with California Quartet to acquire the development, and that there are ongoing discussions regarding the water storage requirements. Mr. Paludi noted that the Board approved an agreement related to this matter that no other actions have been taken by the District at this time.

5. District CMMS Asset Summary Update

Mr. Perea provided a brief update in Mr. Serpas' absence. Mr. Perea reported that staff is updating asset information in the CMMS system, and that Mr. Serpas prepared a Department CMMS Monthly Status Report handout to ensure the Committee was updated with the most current information. Mr. Perea also reported that Mr. Serpas sent out an RFP for SCADA On Call Maintenance services to five firms and that the District received three proposals. Mr. Perea stated that Mr. Serpas will bring an update to the Committee next month.

6. Other Projects

Urban Water Management Plan (UWMP) – Ms. Lausten reported that the District will be entering into a shared services agreement with MWDOC to complete the District's UWMP.

Cross Connection Control Management Plan – Mr. Perea reported that a Public Hearing will be held at the June Regular Board Meeting to receive public comment relating to adoption of the TCWD Cross Connection Control Ordinance.

Director Anderson noted that he has received feedback from members of his community that staff is doing a great job with the meter downsizing program.

RECOMMENDATION: None – Informational item only.

ITEM 6: WATER SYSTEM UPDATES

Mr. Kessler reviewed the projects and repairs for the prior month, and he reported that Water Operations staff had completed the following tasks:

1. Repaired a potable water service line leak on Saratoga in the Dove Canyon community.
2. Worked with Ferreira Construction to abandon two valves in the Cooks Corner intersection on Santiago Canyon Road.
3. Conducted two fire flow tests in the Saddle Crest community and Dove Canyon Plaza.
4. Repaired two air vacs on Live Oak Canyon Road and Hamilton Trail.
5. Serviced 59 valves in the Trabuco Oaks community.

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JUNE 4, 2025**

Mr. Kessler presented the Water System Summary for Committee review, and he noted that the District had not been made aware that Santa Margarita Water District (SMWD) changed their meter from gallons to cubic feet at the beginning of this year. Mr. Kessler stated that the information in the report has been corrected.

RECOMMENDATION: None – Informational item only.

ITEM 7: WASTEWATER SYSTEM UPDATES

Mr. Ulloa reported that due to an oversight, the Wastewater System Updates report provided with the meeting materials was outdated. Mr. Ulloa provided a current staff report handout to the Committee at the time of the meeting. Mr. Ulloa reviewed the projects and repairs for the prior month, and he reported that Wastewater Operations staff had completed the following tasks:

1. Replaced five 8" filter valves at the WWTP.
2. Cleaned and repaired the wash assembly for the Belt Filter Press at the WWTP.
3. Installed new D.O. probes for the SBR tanks at the WWTP.
4. Prepped and conducted a plant tour for the Scouts.
5. Removed an old irrigation system on the reservoir and performed weed abatement.

Mr. Ulloa presented the Recycled Water System Summary for Committee review, and he reported that the reclaimed reservoir was at 1,270 feet and that Dove Lake is spilling.

Mr. Ulloa presented the annual Sewer System Monitoring Plant Program Audit, and he provided an overview of the audit results for Committee consideration. Mr. Ulloa indicated that the final audit report will be filed with the State Water Resources Control Board.

RECOMMENDATION: None – Informational item only.

ITEM 8: MAINTENANCE DEPARTMENT UPDATES

Mr. Stroud reviewed the projects and repairs for the prior month, and he reported that Maintenance staff completed the following tasks:

Projects and Repairs

Maintenance staff performed and/or completed the following tasks and projects:

Water Operations

1. Assisted Water Operations in meeting with Orange County Public Works (OCPW).
2. Worked with Hydrotech Electric at Field Office/Booster Pump Station (BPS) One to replace damaged wiring in attic.
3. Attended job walk at Dimension Water Treatment Plant (DWTP) and Bike Trail for Transmission Main Pipeline Rehabilitation Project.
4. Performed Preventative Maintenance at DWTP, Falcon BPS, Topanga BPS, Robinson BPS, and Field Office – Oil change and grease motors/pumps.

**TRABUCO CANYON WATER DISTRICT
ENGINEERING/OPERATIONAL COMMITTEE MEETING RECAP | JUNE 4, 2025**

Wastewater Operations

1. Assisted Operations and Beavens Systems on new SCADA system at WWTP.
2. Performed weed abatement at WWTP and Porter Ranch.

District Fleet Upgrades & Other Projects

1. Fleet Preventative Maintenance on Vehicle No. 30
2. Inspect CAT Skid Steer and worked with vendor to install non-pneumatic wheels and tires.
3. Maintenance team attended pump class training.
4. Ordered and received sand, base, and rock from GreenStone Materials.
5. UPDATE: District mobile generator repairs are almost completed; new fuel tank installation.

Mr. Perea reported that due to slides and debris flow, Orange County Public Works (OCPW) will be installing a gate at Trabuco Creek Road, which will go across the District’s property. Mr. Perea reported the area will be closed to the public, and that access to the area will be limited to property owners.

RECOMMENDATION: None – Informational item only.

ITEM 9: OTHER MATTERS/REPORTS

There were no other matters reported.

RECOMMENDATION: None

ADJOURNMENT

Director Anderson adjourned the June 4, 2025 Engineering/Operational Committee Meeting at 9:24 a.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

CONSENT CALENDAR

ITEM 4: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP(S)

RECOMMENDED ACTION:

Approve the following Executive Committee Meeting Recap(s) and recommend that the Board receive and file same (Consent Calendar):

1. *June 2, 2025*

CONTACTS (staff responsible): PALUDI/PEREA



TRABUCO CANYON WATER DISTRICT EXECUTIVE COMMITTEE MEETING RECAP | JUNE 2, 2025

DIRECTORS PRESENT

Vice President Glenn Acosta, Committee Chair
President Edward Mandich, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager
Roseann Lejsek, Executive Assistant
Karen Warner, Principal Accountant

CONSULTANTS PRESENT (REMOTE)

Laura Ratcliffe, District General Legal Counsel – Hanson Bridgett, LLP

PUBLIC PRESENT

None

CALL MEETING TO ORDER

Vice President Acosta called the June 2, 2025 Executive Committee Meeting to order at 5:00 PM.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

None

REPORT FROM THE GENERAL MANAGER

None

ADMINISTRATIVE MATTERS

ITEM 1: APPROVAL OF EXECUTIVE COMMITTEE MEETING RECAP

Mr. Paludi presented the Executive Committee Meeting Recap(s) for Committee consideration in accordance with the agenda.

RECOMMENDATION: The Committee recommended forwarding this matter to the Board of Directors (Consent Calendar).

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP | JUNE 2, 2025**

DISCUSSION MATTERS

ITEM 2: BOARD AGENDA PLANNING CALENDAR

Mr. Paludi provided a handout that included the following agenda planning items for Committee review and consideration:

June 2025

Special Board Meeting – (6/16)

- Water System Overview Presentation

Regular Board Meeting (6/18)

- Award DWTP Transmission Main Rehab Project (SOS Ad Hoc)
- Adopt Ordinance for Cross Connection Control Plan Handbook (E/O)
- Award WWTP Blower Room Construction (E/O)
- Accept Saddle Crest On-Site Facilities (tent)
- Adopt FY 26 Operating and CIP Budgets by Resolution (F/A)
- Adopt Updated Reserves Policy by Resolution (F/A)
- Approve Professional Services Agreement with Starting Line Advisory/Ian Berg (F/A)
- Appoint District Treasurer (Ian Berg) by Resolution (F/A)

July 2025

Regular Board Meeting – (7/16)

- Award Professional Services Agreement for On-Call SCADA Support Services (E/O)
- Adopt Updated TCWD Procurement Policy by Resolution (F/A)
- Adopt Appropriations Limit for FY 26 by Resolution (F/A)
- Public Hearing/Adopt Water Standby Charges for FY 26 by Resolution (F/A)
- Approve Ridgeline Connection Agreement with IRWD (tent)

August 2025

Regular Board Meeting – (8/20)

- Award Heritage SLS Improvements Construction Contract (E/O)
- Adopt Health Benefit Employer Contribution for 2026 by Resolution (F/A)
- Approve GM Contract Amendment (Exec)

Other Potential Future Board Items

- Approve Collective Bargaining Agreement (Exec)
- Special Board Meeting on Porter Property Options

Discussion occurred regarding the Special Board Meeting – Water System Overview and Mr. Perea highlighted the discussion points that will be presented at the meeting.

Discussion occurred concerning the District’s proposed Ridgeline Connection Agreement with Irvine Ranch Water District (IRWD), and Mr. Paludi noted that the District will need to engage Special Counsel on this matter due to IRWD’s General Legal Counsel representation by Hanson Bridgett.

Mr. Perea stated that staff has received two responses to the RFQ regarding the District’s Porter Property, and he stated that he will be reaching out to each firm to arrange interviews with the District Properties Committee.

**TRABUCO CANYON WATER DISTRICT
EXECUTIVE COMMITTEE MEETING RECAP | JUNE 2, 2025**

Discussion occurred regarding the scheduling of the Trabuco Canyon Improvement Corporation and Trabuco Canyon Public Financing Authority annual meetings.

RECOMMENDATION: None – Informational item only.

OTHER MATTERS

ITEM 3: REPORTS OR COMMENTS FROM THE GENERAL MANAGER AND/OR STAFF

RFP for Combined Services to Achieve Rate Relief

Mr. Paludi reported that Santa Margarita Water District (SMWD) held a closed session regarding this matter at their last Board meeting, and he stated no communications have been received from IRWD.

Saddleback Meadows Development

Ms. Ratcliffe provided a brief update related to the District’s agreement with California Quartet which requires the developer to identify a site for the construction of a reservoir.

Director Mandich stated that he planned on attending SMWD’s Water Festival on June 7th.

RECOMMENDATION: None

ADJOURNMENT

Vice President Acosta adjourned the June 2, 2025 Executive Committee Meeting at 5:59 p.m.

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

**ITEM 5: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, AND TENTATIVE FUTURE MEETINGS/
ATTENDANCE**

FEES AND EXPENSES

Consistent with Board policy, Directors are reimbursed for expenses incurred while serving in their capacity as Directors. Additionally, Directors earn a per diem stipend for attendance at meetings or functions in a Director capacity. Per Ordinance No. 91-15 (adopted July 17, 1991), Directors' per diem amount is limited to \$125 per day for a maximum of ten days per calendar month. The attached spreadsheet provides a recap of the meetings, seminars, and conferences attended by Directors along with expenses recorded to date.

TENTATIVE FUTURE MEETINGS

The attached spreadsheet provides a schedule of the tentative future meetings and attendance items.

FUNDING SOURCE:

General Fund

FISCAL IMPACT

FY 2024-25 Budgeted Board Expenses: \$45,200

Directors receive \$125.00 per diem, not to exceed ten (10) per diems per month, for meetings approved by the Board.

COMMITTEE STATUS:

This matter was reviewed with the Finance/Audit Committee.

RECOMMENDED ACTION:

Approve the tentative future meetings/attendance items and ratify the Directors' expenses and fees from the following period(s):

1. *June 2025*

EXHIBITS:

1. Directors Fees and Expenses Monthly Report for June 2025
2. Directors Future/Tentative Meeting/Attendance Schedule for Calendar Year 2025

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
DIRECTORS' FEES AND EXPENSES MONTHLY REPORT | JUNE 2025**

| MEETING DESCRIPTION | ACOSTA | ANDERSON | HORST | MANDICH | SAFRANSKI |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| DISTRICT MEETINGS | | | | | |
| District Properties Committee - Consultant Interview No. 1 | | 06/06/25 | | 06/06/25 | |
| District Properties Committee - Consultant Interview No. 2 | | 06/17/25 | | 06/17/25 | |
| Executive Committee Meeting | 06/02/25 | | | 06/02/25 | |
| Engineering/Operational Committee Meeting | 06/04/25 | 06/04/25 | | | |
| Finance/Audit Committee Meeting | | | 06/12/25 | | 06/12/25 |
| Individual Meeting with General Manager | 06/17/25 | 06/18/25 | 06/17/25 | 06/16/25 | 06/17/25 |
| Public Outreach Ad Hoc Committee Meeting | 06/19/25 | | 06/19/25 | | |
| Regular Board Meeting | 06/18/25 | 06/18/25 | 06/18/25 | 06/18/25 | 06/18/25 |
| Sources of Supply Ad Hoc Committee Meeting | | 06/16/25 | | 06/16/25 | |
| Special Board Meeting | 06/16/25 | 06/16/25 | 06/16/25 | 06/16/25 | 06/16/25 |
| TCWD Updates Meeting w/ General Manager | | 06/11/25 | | | |
| REPRESENTATIVE MEETINGS | | | | | |
| Community Associations of Rancho (CAR) Meeting | | | | | 06/03/25 |
| City of Rancho Santa Margarita - City Council Meeting | | | | | |
| Independent Special Districts of Orange County (ISDOC) Monthly Meeting | | 06/03/25 | | | |
| Independent Special Districts of Orange County (ISDOC) Quarterly Meeting | | | | | |
| MWDOC Administration/Finance Committee Meeting | | | 06/11/25 | | |
| MWDOC Board Meeting | | | 06/18/25 | | |
| MWDOC Water Policy Forum & Dinner | 06/26/25 | | | | |
| South Orange County Integrated Regional Watershed Management Executive Committee Meeting | | | | 06/05/25 | |
| Orange County Local Agency Formation Commission (OC LAFCO) | | 06/11/25 | | | |
| South Orange County Water Agencies Group Meeting | | | | | |
| Santiago Aqueduct Commission Meeting (SAC) | | | | 06/19/25 | |
| Water Advisory Commission of Orange County (WACO) | | 06/06/25 | | | |
| NUMBER OF MEETINGS ATTENDED | 7 | 7 | 6 | 7 | 5 |
| PER DIEMS (\$125 per each meeting*) | \$875.00 | \$875.00 | \$750.00 | \$875.00 | \$625.00 |
| DIRECT REIMBURSABLE EXPENSES | | | | | |
| | | | | | |
| DIRECT REIMBURSABLE EXPENSES TOTALS | | | | | |
| INDIRECT REIMBURSABLE EXPENSES | | | | | |
| | | | | | |
| INDIRECT REIMBURSABLE EXPENSES TOTALS | | | | | |
| TOTAL (PER DIEMS + DIRECT REIMBURSABLE EXPENSES) | \$875.00 | \$875.00 | \$750.00 | \$875.00 | \$625.00 |
| <i>* Maximum per diem per day is one; maximum per month is 10</i> | | | | | |

DIRECTOR SIGNATURE

TRABUCO CANYON WATER DISTRICT | 2025 PUBLIC MEETING AND CONFERENCE CALENDAR

| | | 2025 | | | | | | | | | | | |
|---------------------------------|--|----------|-------------|----------|-------------|-------------|-------------|----------|-------------|----------|----------|----------|-------------|
| LINE ITEM | MEETING DESCRIPTION | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
| DISTRICT PUBLIC MEETINGS | | | | | | | | | | | | | |
| 1 | Executive Committee Meeting | 01/06/25 | 02/03/25 | 03/03/25 | 04/07/25 | 05/05/25 | 06/02/25 | 07/07/25 | 08/04/25 | 09/01/25 | 10/06/25 | 11/03/25 | 12/01/25 |
| 2 | Engineering/Operational Committee Meeting | 01/08/25 | 02/05/25 | 03/05/25 | 04/02/25 | 05/07/25 | 06/04/25 | 07/02/25 | 08/06/25 | 09/03/25 | 10/01/25 | 11/05/25 | 12/03/25 |
| 3 | Finance/Audit Committee Meeting | 01/09/25 | 02/13/25 | 03/13/25 | 04/10/25 | 05/08/25 | 06/12/25 | 07/10/25 | 08/14/25 | 09/11/25 | 10/09/25 | 11/13/25 | 12/11/25 |
| 4 | Regular Board Meeting | 01/16/25 | 02/20/25 | 03/19/25 | 04/16/25 | 05/21/25 | 06/18/25 | 07/16/25 | 08/20/25 | 09/17/25 | 10/15/25 | 11/19/25 | 12/17/25 |
| 5 | District Properties Ad Hoc Committee Meeting | - | - | - | - | - | - | - | - | - | - | - | - |
| PUBLIC MEETINGS | | | | | | | | | | | | | |
| 6 | City of RSM City Council Meeting - Meeting No. 1 | 01/08/25 | 02/12/25 | 03/12/25 | 04/09/25 | 05/14/25 | 06/11/25 | 07/09/25 | 08/13/25 | 09/10/25 | 10/08/25 | 11/12/25 | 12/10/25 |
| 7 | City of RSM City Council Meeting - Meeting No. 2 | 01/22/25 | 02/26/25 | 03/26/25 | 04/23/25 | 05/28/25 | 06/25/25 | 07/23/25 | 08/27/25 | 09/24/25 | 10/22/25 | 11/26/25 | 12/24/25 |
| 8 | City of RSM Planning Commission Meeting | 01/01/25 | 02/05/25 | 03/05/25 | 04/02/25 | 05/07/25 | 06/04/25 | 07/02/25 | 08/06/25 | 09/03/25 | 10/01/25 | 11/05/25 | 12/03/25 |
| 9 | Independent Special Districts of Orange County Meeting - Executive | 01/07/25 | 02/04/25 | 03/04/25 | 04/01/25 | 05/06/25 | 06/03/25 | 07/01/25 | 08/05/25 | 09/02/25 | 10/07/25 | 11/04/25 | 12/09/25 |
| 10 | Independent Special Districts of Orange County Meeting - Quarterly | 01/30/25 | - | - | 04/24/25 | - | - | 07/31/25 | - | - | 10/30/25 | - | - |
| 11 | Orange County Local Agency Formation Commission (OC LAFCO) | 01/08/25 | 02/12/25 | 03/12/25 | 04/09/25 | 05/14/25 | 06/11/25 | 07/09/25 | 08/13/25 | 09/10/25 | 10/08/25 | 11/12/25 | 12/10/25 |
| 12 | Municipal Water District of Orange County (MWDOC) Board Meeting | 01/15/25 | 02/19/25 | 03/19/25 | 04/16/25 | 05/21/25 | 06/18/25 | 07/16/25 | 08/20/25 | 09/17/25 | 10/15/25 | 11/19/25 | 12/17/25 |
| 13 | Santiago Aqueduct Commission Meeting | - | - | 03/20/25 | - | - | 06/19/25 | - | - | 09/18/25 | - | - | 12/18/25 |
| 14 | Quarterly South Orange County Integrated Regional Watershed Management Executive Committee | | | | | | | | | | | | |
| 15 | Monthly South Orange County Integrated Regional Watershed Management Executive Committee | | | | | | | | | | | | |
| 16 | South Orange County Water Agencies Group Meeting* | 01/27/25 | - | 03/24/25 | - | 05/26/25 | - | 07/28/25 | - | 09/22/25 | - | 11/24/25 | - |
| 17 | Water Advisory Committee of Orange County | 01/03/25 | 02/07/25 | 03/07/25 | 04/04/25 | 05/02/25 | 06/06/25 | 07/11/25 | 08/01/25 | 09/05/25 | 10/03/25 | 11/07/25 | 12/05/25 |
| CONFERENCES | | | | | | | | | | | | | |
| 18 | ACWA Spring Conference - Monterey, CA | | | | | 05/13-05/15 | | | | | | | |
| 19 | ACWA Fall Conference - San Diego, CA | | | | | | | | | | | | 12/02-12/04 |
| 20 | CSDA Annual Conference -Monterey, CA | | | | | | | | 08/25-08/28 | | | | |
| 21 | CSDA GM Leadership Summit - Lake Tahoe, CA | | | | | | 06/29-07/01 | | | | | | |
| 22 | CSDA SDLA Conference - La Quinta, CA | | | | 04/21-04/24 | | | | | | | | |
| 23 | Colorado River Water User's Association (CRWUA) Annual Conference – Las Vegas, NV | | | | | | | | | | | | 12/16-12/18 |
| 24 | Urban Water Institute (UWI) Annual Conference - San Diego, CA | | | | | | | | 08/20-08/22 | | | | |
| 25 | Urban Water Institute (UWI) Spring Conference - Palm Springs, CA | | 02/26-02/28 | | | | | | | | | | |

LEGEND
 District Observed Holiday - Reschedule Meeting
 *4th Tuesday of the Odd Numbered Month

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

ACTION CALENDAR

ADMINISTRATIVE MATTERS

ITEM 6: INFORMATIONAL UPDATES FROM BOARD COMMITTEES

The Trabuco Canyon Water District (TCWD or District) Board of Directors have established standing committees for designated purposes, and occasionally, may establish ad hoc committees for specific purposes for a short term. Each committee has a Chair that may provide an update at the time of the meeting.

Standing Committees

1. Executive Committee
2. District Properties Committee
3. Engineering/Operational Committee
4. Finance/Audit Committee

Ad Hoc Committees

5. Public Outreach Ad Hoc Committee
6. Shared Services Ad Hoc Committee
7. Sources of Supply Ad Hoc Committee

FUNDING SOURCE:

General Fund

FISCAL IMPACT

Not applicable

RECOMMENDED ACTION:

Receive updates and information from Board Committee Chairs/Members and take action(s) as deemed appropriate.

EXHIBITS:

None

CONTACTS (staff responsible): PALUDI/PEREA

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

**ACTION CALENDAR
FINANCIAL MATTERS**

ITEM 7: DISCUSSION CONCERNING DISTRICT WATER FIXED CHARGES METHODOLOGY

Trabuco Canyon Water District's (TCWD or District) potable water rates and charges are determined through a rigorous rate-setting process that adheres to the cost-of-service provisions of Proposition 218. The District's most recent rate study, included as an Exhibit, was completed in early 2023 and established the five-year potable water rate schedule beginning fiscal year (FY) 2024 through FY 2028.

TCWD's potable water rates include both fixed charges and commodity, or consumption-based, rates that reflect the cost of providing potable water service to customers. Fixed charges recover District costs that don't vary with the quantity of water delivered and are allocated to customers based on the service demands that each place on the system.

Based on recent questions from District Board members regarding the water meter capacity component of fixed charges, the Board President requested that a discussion item be added to the July Regular Board Meeting agenda that includes the District's rate study consultant.

RECOMMENDED ACTION:

Receive information and presentation at the time of the meeting and take action(s) as deemed appropriate.

EXHIBITS:

1. Trabuco Canyon Water District 2023 Cost-of-Service Study, IB Consulting, June 29, 2023

CONTACTS (staff responsible): PALUDI

Public Hearing
June 29, 2023

*Trabuco Canyon Water District
2023 Cost-of-Service Study*



IB Consulting, LLC

31938 Temecula Parkway, Suite A #350

Temecula, CA. 92592

Trabuco Canyon Water District – 2023 Cost-of-Service Study

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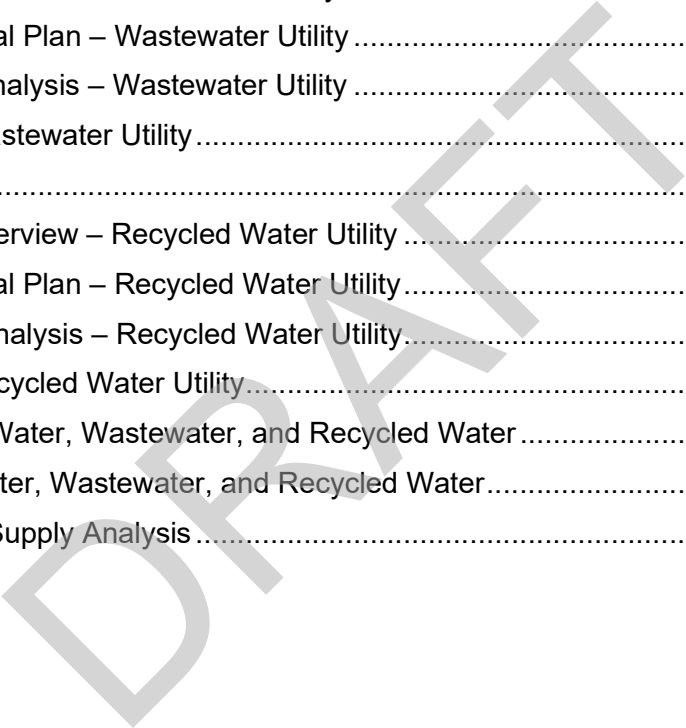
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Trabuco Canyon Water District – 2023 Cost-of-Service Study

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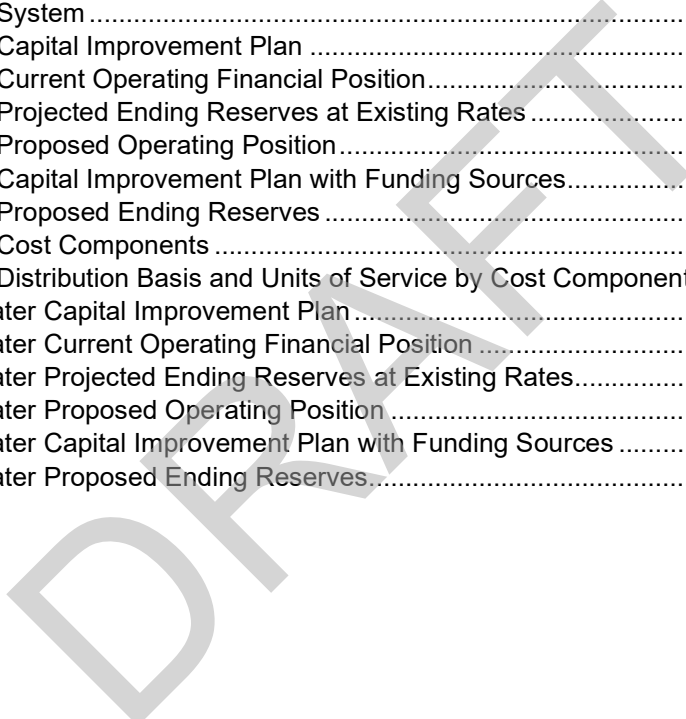
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Trabuco Canyon Water District – 2023 Cost-of-Service Study

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Executive Summary

The Trabuco Canyon Water District (District) is a local public agency that provides water, wastewater, and recycled water services to customers in portions of the cities of Rancho Santa Margarita, Mission Viejo, Lake Forest, and unincorporated Orange County. The District provides these services to its customers at cost and does not have shareholders or derive any profit. The District must collect sufficient revenues from its customers to pay the costs to (1) prudently operate and maintain each of its three enterprise systems or “utilities” - water, wastewater, and recycled water; (2) build, renew, replace, and upgrade its infrastructure, which includes pipelines, treatment plants, reservoirs, and pumps, as well as administration buildings and related facilities; and (3) ensure a prudent reserve of funds.

The District collects revenues primarily through user fees (rates and charges) that are designed to ensure that each customer pays their fair share of their total use of the District’s systems. This Cost-of-Service Study is intended to (1) establish the total projected cost for each system over a five-year period (the financial plan); (2) allocate those costs among customers in a way that ensures that each customer pays its fair share of those costs in compliance with California Constitution Article XIII D, section 6, also known as Proposition 218 (the rate structure).

The District’s most recent 5-year rate schedule was adopted in December 2020. Due to increases in capital expenses and the recent hyper-inflationary climate, the District determined that the financial plan needed to be updated to reflect increased costs, and that rate increases would be needed to replace the current noticed rates for Fiscal Year 2023-24 (FY 2024) and FY 2025. The District selected IB Consulting to conduct a comprehensive cost-of-service analysis to establish rates for the District’s three systems for the 5-year period from FY 2024 through FY 2028 (Rate Setting Period). That analysis is set forth below.

Water Utility Summary

Financial Plan

Updating the water utility’s long-term financial plan and performing a comprehensive cost-of-service analysis is a prudent business practice to ensure that the District can fully fund its revenue needs through FY 2028 and beyond. In reviewing and updating water rates, the first step is to thoroughly check the financial health of the District’s water utility. Based on a financial review of the water utility at current rates and noticed rates through FY 2025, the District is projected to end FY 2024 with an operating deficit of \$833k, which will grow to approximately \$1.48M by FY 2028. Separate from operating expenses, the water utility also has significant capital projects over the next five years totaling \$13.2M, which includes a transmission pipeline upsizing (\$2.5M) and a new reservoir at Harris Grade (\$5.9M). The District has an existing loan with almost \$3M of available funding remaining to support the planned capital projects, with the balance of funding coming from reserves. However, without increases to rates, reserves would be depleted by FY 2026. The proposed financial plan generates an additional \$21.3M in rate revenue, phased in over the Rate Setting Period. In addition, a new debt issuance is proposed to occur in FY 2024 that will convert the District’s existing short-term credit line into long-term debt over a 30-year amortization schedule, and will provide additional proceeds of \$3M to cover the capital expenses projected for FY 2025 and a portion of FY 2026 capital projects. The new debt issue and related proceeds will allow rate revenue to increase more slowly over time and fund capital on a Pay-As-You-Go (PAYGO) basis by FY 2027.

Trabuco Canyon Water District – 2023 Cost-of-Service Study

The total proposed debt issue, covering all three utilities, is expected to equal \$18M, with \$10M for the water utility (\$7M of short-term debt refinanced and \$3M in new money), \$7M for the wastewater utility (\$2.5M of short-term debt refinanced and \$4.5M in new money), and \$1M for the recycled water utility (\$500k of short-term debt refinanced and \$500k in new money). The debt financing assumes a 30-year term at a 5% annual interest rate, with a 10% debt reserve requirement and 2% in cost of issuance. As such, to generate \$10M in proceeds, the total debt amount is estimated at \$11.4M.

Rate Structure

The District's water rate structure has both fixed and variable components. The fixed component includes a base fixed charge and a separate Water Reliability and Emergency Storage (WRES) fixed charge. Both fixed charges vary by meter size and are charged to all customers, except that customers in the area known as Portola Hills no longer pay the WRES (the Portola Hills area was only obligated to pay the WRES fixed charge through FY 2018 for that area's share of certain applicable project costs).

Variable rates differ by customer class due to variations in their use of the system and therefore the costs to serve those customer classes. Single-Family customers are currently subject to a four-tiered rate structure, charged in Hundred Cubic Feet¹ (HCF) increments. All other customer classes pay their proportionate share of costs through uniform rates per HCF. The District also has variable pumping rates for certain areas of the District that require booster pumps (and hence additional energy costs) to cover the cost of conveying water up to the higher elevations.

The detailed cost-of-service analysis within this report includes adjustments to the existing rate structure. The WRES will sunset after FY 2023 as the remaining facilities associated with the WRES-dedicated funding are part of this rate cycle's capital improvement plan. However, fixed charges will continue to fund a portion of capital needs and will be adjusted upward to recover approximately 40% of total rate revenue to ensure revenue stability. Single-Family tiers will reduce from four tiers to a three-tiered rate structure reflecting water usage characteristics throughout the year (Tier 1 = winter average, Tier 2 = summer average, and Tier 3 = greater than Tier 2). The differentials between the proposed tiered rates have been adjusted and solely reflect the differences in water supply costs as allocated among the tiers. A detailed analysis of the District's water supplies was conducted to determine the variable unit cost of water supply. The District's four water supplies include water from the Baker Water Treatment Plant (operated by Irvine Ranch Water District or IRWD), Dimension Water Treatment Plant (owned and operated by the District), imported treated water from IRWD (IRWD – Treated) and imported treated water from Santa Margarita Water District (SMWD – Treated).

The total projected water demand within each tier is served by first allocating the lowest cost water supplies among all Single-Family customers up to the winter average consumption volume, representing average indoor water use among all Single-Family customers. Each successively more expensive source of water is then allocated among all Single-Family customers up to the summer average consumption (representing average indoor + outdoor water use among all Single-Family customers), and then up to the most expensive source of water. In some cases, multiple water supplies are needed to serve the total demand within each tier and a weighted unit rate is derived.

Multi-Family customers will adjust to a 2-tiered rate structure based on usage characteristics (Tier 1 = winter average and Tier 2 = usage above Tier 1). This rate structure reflects the assumption that multi-family customers have minimal irrigation water uses. Due to the broad spectrum of land uses within the Commercial category, the Commercial rate structure will maintain a uniform rate to ensure equity between accounts within the customer class and a blended water supply unit rate is applied to ensure Commercial customers are paying their proportionate share of costs. The Portola Hills uniform rate has been adjusted to account for

¹ 1 HCF = 748 gallons

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operational costs of the District to distribute water to Portola Hills, in line with all other customers, but this area only receives water from Irvine Ranch Water District (IRWD) and is not subject to treatment-related costs from the Dimension water treatment plant. The District’s variable pumping rates have been recalibrated based on the most recent known current energy costs, except for the Portola Hills pumping charge, which has been eliminated and incorporated into a fully loaded water supply unit rate.

If customers as a whole were able to limit their water use levels, then the District would not need to purchase more expensive sources of supply. Allocating water costs to customer classes, including to residential tiers ensures that the burden of the District’s costs to buy more expensive water supplies are borne by those creating the demand, and avoids lower-volume users from subsidizing higher-volume users.

By adopting the proposed financial plan and approving rates through FY 2028, the water utility will generate positive net income above operating expenses, cover its system reinvestments and exceed its minimum reserve requirement by FY 2028.

The proposed rates have been incorporated into a Proposition 218 Notice and mailed to each customer. A Public Hearing is scheduled for June 29, 2023, on the proposed rates identified in Table 1 through Table 3. If there is no majority protest, and the Board of Directors approves this Cost-of-Service study and the proposed rates, then the proposed rates for FY 2024 will go into effect on July 1, 2023, with subsequent adjustments occurring each July 1st thereafter.

Table 1: Proposed Monthly Water Fixed Charges

| Potable Fixed Meter Charges (\$/Month) | | | | | | |
|--|----------|----------|----------|----------|----------|--|
| Meter Size | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | |
| 5/8" | \$ 46.84 | \$ 55.28 | \$ 65.24 | \$ 71.77 | \$ 78.95 | |
| 3/4" | 46.84 | 55.28 | 65.24 | 71.77 | 78.95 | |
| 1" | 94.93 | 112.02 | 132.19 | 145.41 | 159.96 | |
| 1 1/2" | 175.08 | 206.60 | 243.79 | 268.17 | 294.99 | |
| 2" | 271.26 | 320.09 | 377.71 | 415.49 | 457.04 | |
| 3" | 575.83 | 679.48 | 801.79 | 881.97 | 970.17 | |
| 4" | 1,024.67 | 1,209.12 | 1,426.77 | 1,569.45 | 1,726.40 | |
| 6" | 2,098.68 | 2,476.45 | 2,922.22 | 3,214.45 | 3,535.90 | |

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Table 2: Proposed Variable Water Rates

| Potable Variable Rates (\$/HCF) | | | | | | |
|---------------------------------|------------------------|---------|---------|---------|---------|---------|
| Customer Class | Tier Definitions (HCF) | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Single-Family | | | | | | |
| Tier 1 | 0 - 13 | \$ 4.40 | \$ 5.20 | \$ 6.14 | \$ 6.76 | \$ 7.44 |
| Tier 2 | 14 - 21 | 5.12 | 6.05 | 7.14 | 7.86 | 8.65 |
| Tier 3 | >21 | 5.64 | 6.66 | 7.86 | 8.65 | 9.52 |
| Multi-Family | | | | | | |
| Tier 1 | 0 - 6 | \$ 4.62 | \$ 5.46 | \$ 6.45 | \$ 7.10 | \$ 7.81 |
| Tier 2 | >6 | 5.64 | 6.66 | 7.86 | 8.65 | 9.52 |
| Commercial | | \$ 4.73 | \$ 5.59 | \$ 6.60 | \$ 7.26 | \$ 7.99 |
| Irrigation | | \$ 4.73 | \$ 5.59 | \$ 6.60 | \$ 7.26 | \$ 7.99 |
| Agricultural | | \$ 4.73 | \$ 5.59 | \$ 6.60 | \$ 7.26 | \$ 7.99 |
| Portola Hills | | \$ 5.25 | \$ 6.20 | \$ 7.32 | \$ 8.06 | \$ 8.87 |

Table 3: Variable Pumping Water Rates

| Pumping Variable Rates (\$/HCF) | | | | | |
|---------------------------------|---------|---------|---------|---------|---------|
| Pumping Zone | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Zone 1 - Base | \$ - | \$ - | \$ - | \$ - | \$ - |
| Zone 2 - Topanga / Saddlecrest | 0.53 | 0.63 | 0.75 | 0.83 | 0.92 |
| Zone 3 - Canyon Creek | 0.94 | 1.11 | 1.31 | 1.45 | 1.60 |
| Zone 4 - Falcon | 1.44 | 1.70 | 2.01 | 2.22 | 2.45 |
| Zone 5 - Joplin | 0.14 | 0.17 | 0.21 | 0.24 | 0.27 |

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Wastewater Utility Summary

Based on a financial review of the wastewater utility at current rates and approved rates through FY 2025, the District will cover operating expenses and generate positive net income for each fiscal year over the Financial Plan Period. However, net annual operating income alone cannot cover the capital spending needs for system reinvestment. Therefore, additional rate revenue is needed to fund system reinvestment and build up reserves to satisfy the utility’s minimum reserve requirements. The proposed financial plan and recommended adjustments would generate an additional \$5.285M over the Rate Setting Period, and the proposed FY 2024 debt issuance would provide \$4.5M in new money to fund capital costs in FY 2024 and FY 2025. The proposed financial plan would leverage debt to fund capital in the short-term, while rate revenue increases through a phase-in approach to cover the capital spending needs on a PAYGO by FY 2026.

The District's existing wastewater rate structure consists of flat monthly fixed charges to residential customers for each dwelling unit that vary between Single-Family and Multi-Family. Commercial customers are charged a monthly fixed charge and variable rates based on the level of strength concentration generated by the type of commercial use. Variable rates are categorized between three Low, Medium, and High.

The proposed wastewater rates derived within this report include a restructuring of wastewater rates. All residential customers will be charged the same monthly rate as the residential density factors in the area reflect 2.75 people per household (pph), based on population statistics from the E-5 Table of the Department of Finance and the multi-family complex within the District’s service area does not have any age restrictions limiting the household size. Residential rates are currently noticed and collected on a monthly basis but will transition to recovery on the Property Tax Bill. The Residential charges herein will still be derived as a monthly charge for comparison to existing rates. Within the Proposition 218 Notice, residential charges will show the month charge as well as the annual amount levied and collected on the Property Tax Bill. Commercial customers will continue to be a monthly fixed charge and variable rates that vary between Low, Medium, and High. However, the current monthly fixed charge to Commercial is low (\$5.69 per month) and will be recalibrated to generate slightly more fixed revenue. The recommended wastewater rates are included within the Proposition 218 Notice, and a Public Hearing is scheduled for June 29, 2023, on the proposed rates identified in Table 4. If there's not a majority protest, proposed rates for FY 2024 will go into effect on July 1, 2023, with subsequent adjustments occurring each July 1st thereafter.

Table 4: Proposed Wastewater Rates

| Flat Charges (\$/Month) | | | | | | |
|-------------------------|----------|----------|----------|----------|----------|--|
| Customer Class | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | |
| Residential | \$ 45.92 | \$ 53.27 | \$ 61.80 | \$ 69.22 | \$ 77.53 | |
| Commercial | \$ 12.58 | \$ 14.60 | \$ 16.94 | \$ 18.98 | \$ 21.26 | |

| Variable Rates (\$/HCF) | | | | | | |
|-------------------------|---------|---------|---------|---------|---------|--|
| Customer Class | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | |
| Commercial | | | | | | |
| Low | \$ 4.78 | \$ 5.55 | \$ 6.44 | \$ 7.22 | \$ 8.09 | |
| Medium | 8.00 | 9.28 | 10.77 | 12.07 | 13.52 | |
| High | 12.36 | 14.34 | 16.64 | 18.64 | 20.88 | |

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Recycled Water Utility

Based on a financial review of the recycled water utility at current rates and approved rates through FY 2025, the recycled water utility generates sufficient revenue to cover operating expenses and \$1.2M in net income over the Rate Setting Period, but the capital improvement plan for recycled water over the same period exceeds \$2.5M with an additional \$1.7M in capital projects the following year (FY 2029) related to the Dove Dam Outlet Replacement. With these critical capital needs, rate increases are needed to cover the system reinvestment and build up reserve to satisfy minimum reserve requirements. The proposed financial plan and recommended adjustments would generate \$4.1M in additional revenue over the Rate Setting Period and \$500k in debt proceeds from the proposed FY 2024 debt issuance. Collectively, the increased rate revenue and debt-financing would cover the utility’s revenue requirements and build up reserves to the ideal target by FY 2028 in anticipation of drawing it down for the Dove Dam project.

The District's recycled water rates include the same fixed charges as potable rates and a uniform variable rate. The proposed recycled water rates will continue to be pegged to the proposed potable meter charges, equal to 55% of potable meter charges and variable rates will remain as a uniform rate applied to all recycled water customers. The recommended recycled water rates are included within the Proposition 218 Notice, and a Public Hearing is scheduled for June 29, 2023, on the proposed rates identified in Table 5 and Table 6. If there is no majority protest, then the Board may adopt the proposed rates for FY 2024, which will go into effect on July 1, 2023, with subsequent adjustments occurring each July 1st thereafter.

Table 5: Proposed Recycled Water Fixed Charges

| Recycled Fixed Meter Charges (\$/Month) | | | | | |
|---|----------|----------|----------|----------|----------|
| Meter Size | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| 5/8" | \$ 25.76 | \$ 30.40 | \$ 35.88 | \$ 39.47 | \$ 43.42 |
| 3/4" | 25.76 | 30.40 | 35.88 | 39.47 | 43.42 |
| 1" | 52.21 | 61.61 | 72.70 | 79.98 | 87.98 |
| 1 1/2" | 96.29 | 113.63 | 134.08 | 147.49 | 162.24 |
| 2" | 149.19 | 176.05 | 207.74 | 228.52 | 251.37 |
| 3" | 316.71 | 373.71 | 440.98 | 485.08 | 533.59 |
| 4" | 563.57 | 665.02 | 784.72 | 863.20 | 949.52 |
| 6" | 1,154.27 | 1,362.05 | 1,607.22 | 1,767.95 | 1,944.75 |
| 8" | 2,476.75 | 2,922.57 | 3,448.63 | 3,793.50 | 4,172.85 |
| 10" | 3,711.06 | 4,379.05 | 5,167.28 | 5,684.01 | 6,252.42 |

Table 6: Proposed Recycled Water Variable Rates

| Proposed Recycled Variable Rates (\$/HCF) | | | | | |
|---|---------|---------|---------|---------|---------|
| Variable Rates | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Recycled | \$4.08 | \$4.90 | \$5.89 | \$6.81 | \$7.49 |

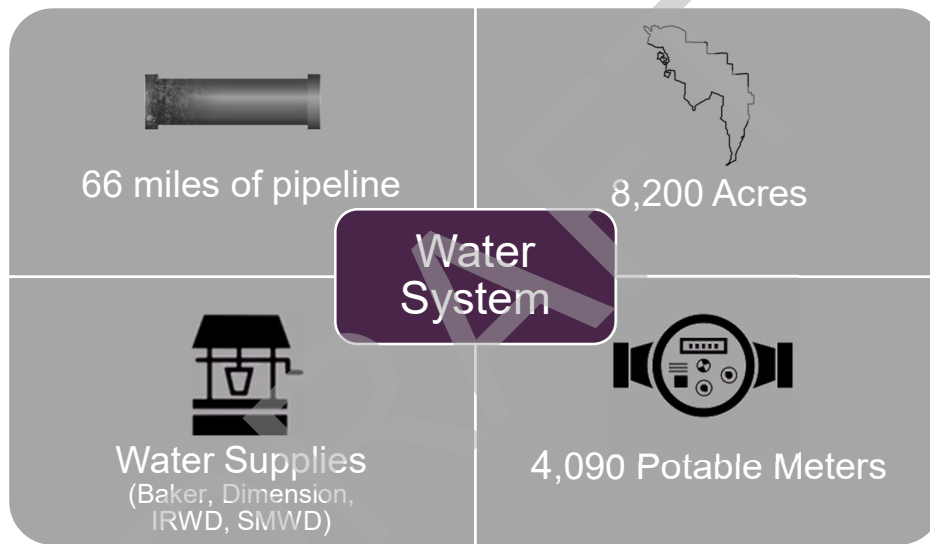
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Water Utility

Water System

The District encompasses an area of approximately 8,200 acres in the southeastern portion of Orange County at the foothills of the Santa Ana Mountains and its service area includes communities within the City of Rancho Santa Margarita, City of Lake Forest, City of Mission Viejo, Trabuco Canyon and other areas of unincorporated Orange County. The District is a regional partner in the Baker Water Treatment Plant and operates the Dimension Water Treatment Plant. The District water facilities also include two wells, nine pump stations, eight treated water storage reservoirs and 66 miles of water distribution pipelines with approximately 4,090 service connections (excluding temporary construction meters).

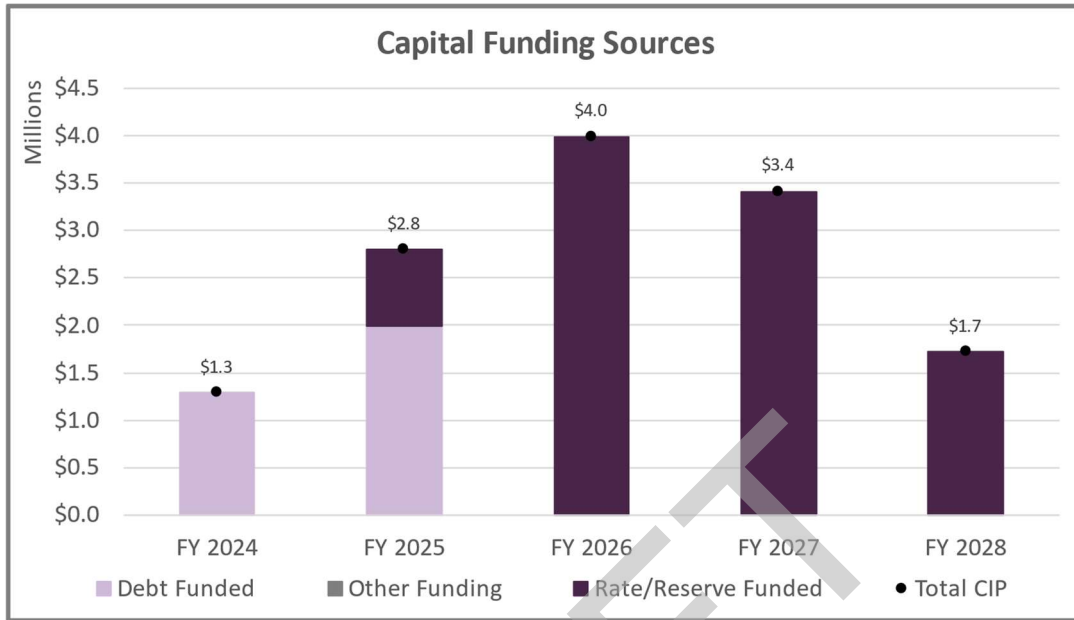
Figure 1: District Water System



The District recently completed a new asset management plan that identified capital project needs of \$30M over the next ten years. Through the District's review of the asset management plan and prioritizing projects between critical, less critical, and non-critical improvements, a final proposed Capital Improvement Plan (CIP) for this study was provided requiring \$13.2M in capital spending over the Rate Setting Period. Figure 2 shows the District's CIP through FY 2028 with current funding sources.

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Figure 2: Water Capital Improvement Plan



Customers

The District serves 4,090 water meters, with over 80% of accounts classified as residential. Table 7 provides a summary of meters by meter size.

Table 7: Water Meters by Meter Size

| Meter Size | Single-Family | Multi-Family | Commercial | Irrigation | Agricultural | Portola Hills | Total |
|--------------|---------------|--------------|------------|------------|--------------|---------------|--------------|
| 5/8" | 2,143 | 0 | 17 | 1 | 0 | 463 | 2,624 |
| 3/4" | 795 | 0 | 7 | 0 | 1 | 68 | 871 |
| 1" | 359 | 18 | 15 | 1 | 1 | 0 | 394 |
| 1 1/2" | 19 | 13 | 7 | 4 | 1 | 0 | 44 |
| 2" | 45 | 0 | 30 | 70 | 0 | 0 | 145 |
| 3" | 1 | 0 | 1 | 5 | 0 | 0 | 7 |
| 4" | 0 | 0 | 1 | 0 | 2 | 0 | 3 |
| 6" | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Total | 3,362 | 31 | 80 | 81 | 5 | 531 | 4,090 |

As previously mentioned, the existing rate structure consists of a base monthly fixed meter charge, a WRES fixed charge for capital spending, and variable rates that vary by customer class, with Single-Family subject to a four-tiered rate structure. Current monthly fixed charges are identified in Table 8 and Table 9, followed by variable rates shown in Table 10 and Table 11.

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Table 8: FY 2023 Monthly Base Fixed Water Charges

| Base Fixed Meter Charges (\$/Month) | |
|-------------------------------------|----------|
| Meter Size | Existing |
| 5/8" | \$ 21.04 |
| 3/4" | 21.04 |
| 1" | 30.70 |
| 1 1/2" | 54.85 |
| 2" | 83.81 |
| 3" | 175.57 |
| 4" | 310.77 |
| 6" | 779.18 |

Table 9: FY 2023 Monthly WRES Fixed Water Charges

| WRES Fixed Meter Charges (\$/Month) | |
|-------------------------------------|----------|
| Meter Size | Existing |
| 5/8" | \$ 16.04 |
| 3/4" | 16.04 |
| 1" | 25.25 |
| 1 1/2" | 38.48 |
| 2" | 51.30 |
| 3" | 76.95 |
| 4" | 102.60 |
| 6" | 153.90 |

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Table 10: FY 2023 Variable Water Rates

| Potable Variable Rates (\$/HCF) | |
|---------------------------------|----------|
| Customer Class | Existing |
| Single-Family | |
| Tier 1 | \$ 2.92 |
| Tier 2 | 3.72 |
| Tier 3 | 7.06 |
| Tier 4 | 9.16 |
| Multi-Family | \$ 3.43 |
| Commercial | \$ 3.76 |
| Irrigation | \$ 4.86 |
| Agricultural | \$ 6.17 |
| Portola Hills | \$ 2.56 |

Table 11: FY 2023 Variable Water Pumping Rates

| Pumping Variable Rates (\$/HCF) | |
|---------------------------------|----------|
| Pumping Zone | Existing |
| Zone 1 - Base | \$ - |
| Zone 2 - Topanga / Saddlecrest | 0.99 |
| Zone 3 - Canyon Creek | 4.36 |
| Zone 4 - Falcon | 2.08 |
| Zone 5 - Joplin | 1.69 |
| Zone 6 - Portola Hills | 0.35 |

Financial Plan Overview – Water Utility

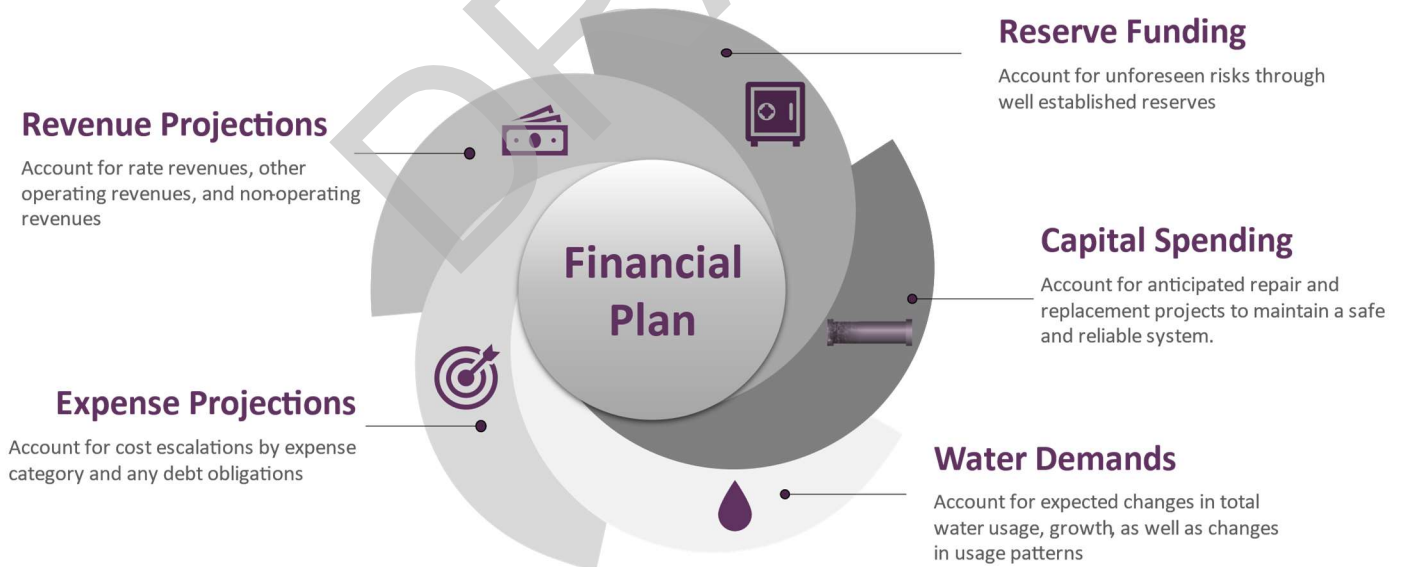
Financial Planning

Financial planning incorporates numerous considerations, including projecting revenues and forecasting expected costs using various inflationary adjustments. Utilities also need to account for changes in water demand driven by variations in weather, changes to water supplies and water availability, state mandates, growth, and economic factors. In addition, system maintenance and reinvestment, reserves, and debt service requirements all influence the revenues needed in future years. Therefore, a comprehensive financial plan reviews the following:

- 1) Historical water sales and consumption patterns to determine an appropriate usage level for projecting future water demands.
- 2) Operational costs that may change over the planning period because of inflation, unique circumstances of the agency, new expenditures added to meet strategic goals, state mandates, or changes in operations.
- 3) Multi-year system improvement needs, and scheduling based on priority. This review also considers available funding sources to complete projects such as PAYGO, grants, loans, and debt financing.
- 4) Reserve funding to meet adopted reserve policies. The goal is to generate adequate cash on hand to mitigate financial risks related to operating cashflow needs, unexpected increases in expenses, shortages in system reinvestment, and mitigating potential system failures.

Figure 3 illustrates the key elements when developing a long-term financial plan.

Figure 3: Financial Plan Key Elements



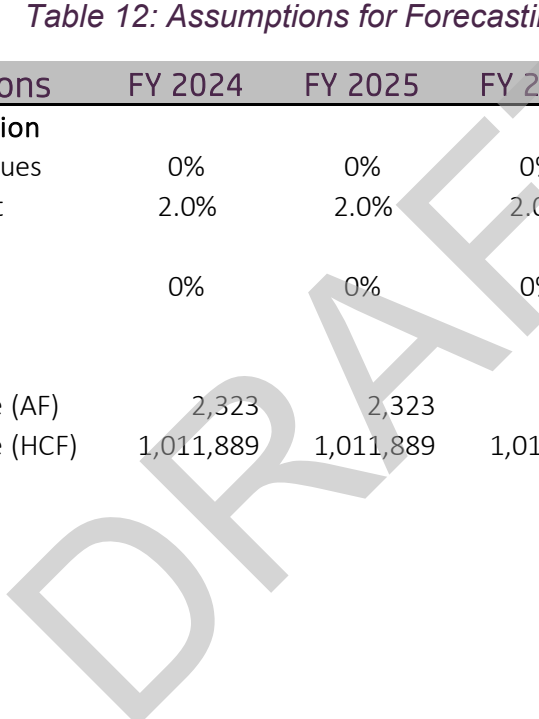
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Financial Planning Assumptions

Developing a long-term financial plan requires an understanding of the District’s financial position by evaluating existing revenue streams, ongoing expenses, how those expenses will change over time, existing debt requirements, and reserve policies. With these considerations, certain assumptions are required for projecting revenues, expenses, and expected ending fund balances. Through discussions with staff and their understanding of historical budget data and future obligations, Table 12 identifies assumptions used for forecasting revenues. Table 13 provides details on the number of accounts by meter size and Table 14 identifies projected usage by customer class and tier. For forecasting revenues, our analysis assumes no growth in accounts as a conservative assumption so projected revenues do not rely on growth to occur. In addition, water sales assume a slight reduction to 2,323 AF for FY 2024 and beyond. Table 15 identifies the amount of projected usage through each elevation zone.

Table 12: Assumptions for Forecasting Revenues

| Key Assumptions | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenue Escalation | | | | | |
| Non-Rate Revenues | 0% | 0% | 0% | 0% | 0% |
| Reserve Interest | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Account Growth | 0% | 0% | 0% | 0% | 0% |
| Water Sales | | | | | |
| Customer Usage (AF) | 2,323 | 2,323 | 2,323 | 2,323 | 2,323 |
| Customer Usage (HCF) | 1,011,889 | 1,011,889 | 1,011,889 | 1,011,889 | 1,011,889 |



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Table 13: Accounts by Meter Size – FY 2024 through FY 2028

| Customer Accounts | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| All Potable Meters | | | | | |
| Meter Size | | | | | |
| 5/8" | 2,624 | 2,624 | 2,624 | 2,624 | 2,624 |
| 3/4" | 871 | 871 | 871 | 871 | 871 |
| 1" | 394 | 394 | 394 | 394 | 394 |
| 1 1/2" | 44 | 44 | 44 | 44 | 44 |
| 2" | 145 | 145 | 145 | 145 | 145 |
| 3" | 7 | 7 | 7 | 7 | 7 |
| 4" | 3 | 3 | 3 | 3 | 3 |
| 6" | 2 | 2 | 2 | 2 | 2 |
| Total All Potable Meters | 4,090 | 4,090 | 4,090 | 4,090 | 4,090 |

Table 14: Projected Consumption (HCF) – FY 2024 through FY 2028

| Consumption by Customer Class | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---|------------------|------------------|------------------|------------------|------------------|
| Single-Family | | | | | |
| Tier 1 | 297,504 | 297,504 | 297,504 | 297,504 | 297,504 |
| Tier 2 | 229,662 | 229,662 | 229,662 | 229,662 | 229,662 |
| Tier 3 | 95,704 | 95,704 | 95,704 | 95,704 | 95,704 |
| Tier 4 | 40,603 | 40,603 | 40,603 | 40,603 | 40,603 |
| Subtotal Single-Family Consumption (HCF) | 663,473 | 663,473 | 663,473 | 663,473 | 663,473 |
| Multi-Family | 12,075 | 12,075 | 12,075 | 12,075 | 12,075 |
| Commercial | 34,008 | 34,008 | 34,008 | 34,008 | 34,008 |
| Irrigation | 143,718 | 143,718 | 143,718 | 143,718 | 143,718 |
| Agricultural | 95,593 | 95,593 | 95,593 | 95,593 | 95,593 |
| Portola Hills | 63,022 | 63,022 | 63,022 | 63,022 | 63,022 |
| Total Potable Consumption (HCF) | 1,011,889 | 1,011,889 | 1,011,889 | 1,011,889 | 1,011,889 |

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Table 15: Projected Pumping Consumption (HCF) – FY 2024 through FY 2028

| Potable Consumption by Pumping Zone | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|------------------|------------------|------------------|------------------|------------------|
| Pumping Zone | | | | | |
| Zone 1 - Base | 932,738 | 932,738 | 932,738 | 932,738 | 932,738 |
| Zone 2 - Topanga / Saddlecrest | 8,282 | 8,282 | 8,282 | 8,282 | 8,282 |
| Zone 3 - Canyon Creek | 2,179 | 2,179 | 2,179 | 2,179 | 2,179 |
| Zone 4 - Falcon | 2,632 | 2,632 | 2,632 | 2,632 | 2,632 |
| Zone 5 - Joplin | 3,036 | 3,036 | 3,036 | 3,036 | 3,036 |
| Zone 6 - Portola Hills | 63,022 | 63,022 | 63,022 | 63,022 | 63,022 |
| Total Potable Consumption by Pumping Zone (HCF) | 1,011,889 | 1,011,889 | 1,011,889 | 1,011,889 | 1,011,889 |

Table 16 identifies assumptions used for forecasting increases in expenses over the Rate Setting Period. Purchased water costs are held constant and any increases will be captured through the pass-through provisions of Government Code section 53756.

Table 16: Assumptions for Forecasting Expense Requirements²

| Key Assumptions | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Expenditure Escalation | | | | | |
| Benefits | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| Capital Construction | 6.63% | 3.93% | 3.93% | 3.93% | 3.93% |
| Energy Costs | 8.00% | 8.00% | 5.00% | 5.00% | 5.00% |
| Fuel | 20.00% | 20.00% | 5.00% | 5.00% | 5.00% |
| General Costs | 6.20% | 3.95% | 3.95% | 3.95% | 3.95% |
| Retirement | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Salaries | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Water Purchases | Pass-Through | Pass-Through | Pass-Through | Pass-Through | Pass-Through |

Current Financial Position

Revenues

Based on the forecasting assumptions, fixed revenues were calculated using account data by meter size (Table 13) and existing fixed charges (Table 8 and Table 9³). Variable revenues were calculated using existing variable rates (Table 10 and Table 11) and projected total water sales by customer class (Table 14) and projected usage by pumping zone (Table 15). Table 17 shows the calculated rate revenues through the Rate Setting Period. Table 18 summarizes calculated rate revenues from Table 17 and other operating and non-rate revenues available through the Rate Setting Period with projections rounded to the nearest thousands.

² Capital Construction inflation and General Costs for FY 2024 were increased to 6.63% and 6.2%, respectively, to account for recent increases due to inflation. Outer years reduce to 3.93% and 3.95%, reflecting the 5-year average of the Engineering News-Record – Construction Cost index and the Los Angeles Area Consumer Price Index, respectively.

³ Portola Hills customers do not get charged the WRES fixed charge.

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Table 17: Water Calculated Rate Revenues

| Potable Fixed Revenues | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Meter Flat Rates | | | | | |
| Single-Family | \$ 933,912 | \$ 933,912 | \$ 933,912 | \$ 933,912 | \$ 933,912 |
| Multi-Family | 15,188 | 15,188 | 15,188 | 15,188 | 15,188 |
| Commercial | 70,901 | 70,901 | 70,901 | 70,901 | 70,901 |
| Irrigation | 84,188 | 84,188 | 84,188 | 84,188 | 84,188 |
| Agricultural | 8,738 | 8,738 | 8,738 | 8,738 | 8,738 |
| Portola Hills | 134,067 | 134,067 | 134,067 | 134,067 | 134,067 |
| Total Meter Flat Rates | \$ 1,246,993 | \$ 1,246,993 | \$ 1,246,993 | \$ 1,246,993 | \$ 1,246,993 |
| WRES Fees | | | | | |
| Single-Family | \$ 711,682 | \$ 711,682 | \$ 711,682 | \$ 711,682 | \$ 711,682 |
| Multi-Family | 11,457 | 11,457 | 11,457 | 11,457 | 11,457 |
| Commercial | 36,713 | 36,713 | 36,713 | 36,713 | 36,713 |
| Irrigation | 50,052 | 50,052 | 50,052 | 50,052 | 50,052 |
| Agricultural | 3,420 | 3,420 | 3,420 | 3,420 | 3,420 |
| Portola Hills | 0 | 0 | 0 | 0 | 0 |
| Total WRES Fees | \$ 813,323 | \$ 813,323 | \$ 813,323 | \$ 813,323 | \$ 813,323 |
| Variable Revenues | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Single-Family | | | | | |
| Tier 1 | \$ 868,712 | \$ 868,712 | \$ 868,712 | \$ 868,712 | \$ 868,712 |
| Tier 2 | 854,343 | 854,343 | 854,343 | 854,343 | 854,343 |
| Tier 3 | 675,670 | 675,670 | 675,670 | 675,670 | 675,670 |
| Tier 4 | 371,923 | 371,923 | 371,923 | 371,923 | 371,923 |
| Single-Family Variable Revenue | \$ 2,770,648 | \$ 2,770,648 | \$ 2,770,648 | \$ 2,770,648 | \$ 2,770,648 |
| Multi-Family | \$ 41,417 | \$ 41,417 | \$ 41,417 | \$ 41,417 | \$ 41,417 |
| Commercial | \$ 127,870 | \$ 127,870 | \$ 127,870 | \$ 127,870 | \$ 127,870 |
| Irrigation | \$ 698,469 | \$ 698,469 | \$ 698,469 | \$ 698,469 | \$ 698,469 |
| Agricultural | \$ 589,809 | \$ 589,809 | \$ 589,809 | \$ 589,809 | \$ 589,809 |
| Portola Hills | \$ 161,462 | \$ 161,462 | \$ 161,462 | \$ 161,462 | \$ 161,462 |
| Total Potable Variable Rate Revenue | \$ 4,389,676 | \$ 4,389,676 | \$ 4,389,676 | \$ 4,389,676 | \$ 4,389,676 |
| Pumping - Variable | | | | | |
| Zone 1 - Base | \$ - | \$ - | \$ - | \$ - | \$ - |
| Zone 2 - Topanga / Saddlecrest | 8,199 | 8,199 | 8,199 | 8,199 | 8,199 |
| Zone 3 - Canyon Creek | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 |
| Zone 4 - Falcon | 5,475 | 5,475 | 5,475 | 5,475 | 5,475 |
| Zone 5 - Joplin | 5,131 | 5,131 | 5,131 | 5,131 | 5,131 |
| Zone 6 - Portola Hills | 22,058 | 22,058 | 22,058 | 22,058 | 22,058 |
| Total Variable Pumping Revenue | \$ 50,363 | \$ 50,363 | \$ 50,363 | \$ 50,363 | \$ 50,363 |
| Total Rate Revenue | \$ 6,541,772 | \$ 6,541,772 | \$ 6,541,772 | \$ 6,541,772 | \$ 6,541,772 |

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Table 18: Water Projected Revenues

| Revenue Summary | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Revenues | | | | | |
| Fixed Revenue | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 |
| Variable Revenue | 4,440,000 | 4,440,000 | 4,440,000 | 4,440,000 | 4,440,000 |
| WRES Revenue | 813,000 | 813,000 | 813,000 | 813,000 | 813,000 |
| Subtotal Rate Revenues | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 |
| Operating Revenues | | | | | |
| Backflow/Fireflow Test | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 |
| Late Charges | 143,000 | 143,000 | 143,000 | 143,000 | 143,000 |
| New Account Fee | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Standby Charges | 46,000 | 46,000 | 46,000 | 46,000 | 46,000 |
| BTP Water Sales | 717,000 | 717,000 | 717,000 | 717,000 | 717,000 |
| BTP Sales - O&M | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 |
| BTP Sales - Capital | 167,000 | 167,000 | 167,000 | 167,000 | 167,000 |
| Subtotal Operating Revenues | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 |
| Non-Operating Revenues | | | | | |
| Uncollectable Accounts | (26,000) | (26,000) | (26,000) | (26,000) | (26,000) |
| Property Taxes | 1,070,000 | 1,070,000 | 1,070,000 | 1,070,000 | 1,070,000 |
| Other Non-Operating Revenue | 59,000 | 59,000 | 59,000 | 59,000 | 59,000 |
| Interest Revenue | 0 | 0 | 25,000 | 16,000 | 0 |
| Subtotal Non-Operating Revenues | \$ 1,103,000 | \$ 1,103,000 | \$ 1,128,000 | \$ 1,119,000 | \$ 1,103,000 |
| Total Revenues | \$ 8,914,000 | \$ 8,914,000 | \$ 8,939,000 | \$ 8,930,000 | \$ 8,914,000 |

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Expenses

The FY 2023 budget was used as the baseline expenses of the utility and adjusted in subsequent years based on the escalation factors shown in Table 16. Table 19 provides projected Operational & Maintenance (O&M) costs through the Rate Setting Period, with future projections (except for debt) rounded to the nearest thousands. Each O&M expense category includes detailed line-item expenditures that were discussed with staff to determine the appropriate escalation factor for forecasting how costs will increase over time. The projected price of purchased water for FY 2024 is held constant for all years because any increase will be captured through the pass-through provisions of Government Code section 53756 and will be identified within the Proposition 218 notice.

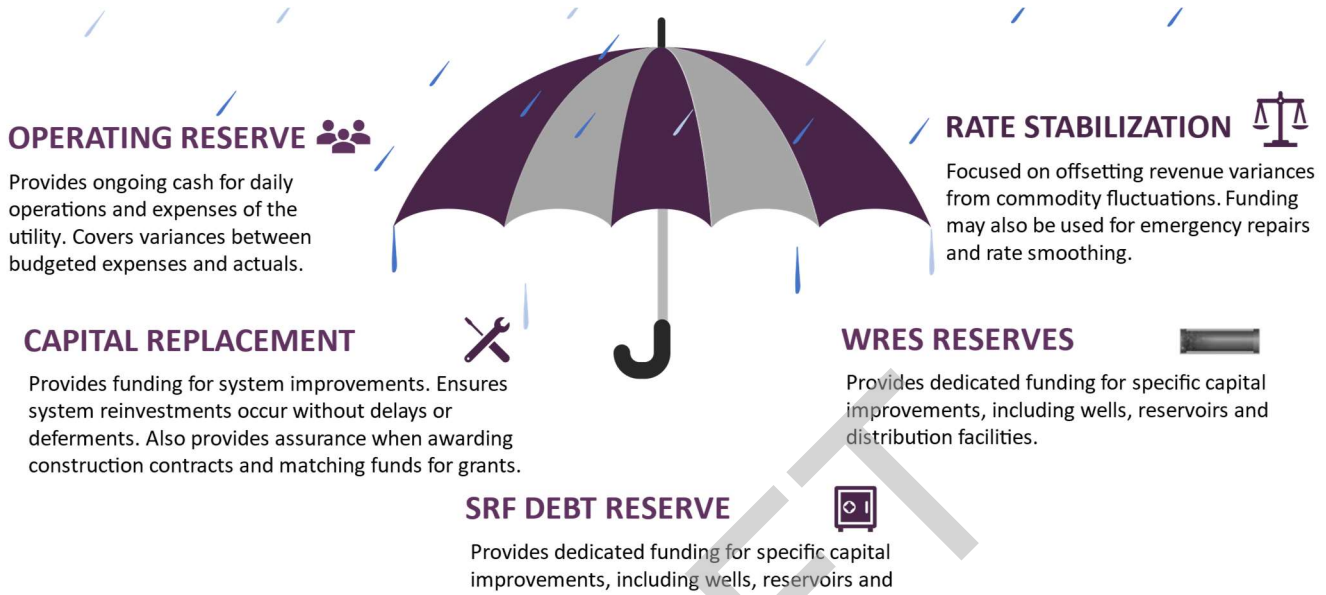
Table 19: Projected O&M Expenses

| O&M Expenses | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|
| Water Supply Costs | | | | | |
| Fixed Purchased Water Costs | | | | | |
| MWDOC | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 |
| SMWD | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| IRWD | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| Portola Hills | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| Subtotal Fixed Purchased Water Costs | \$ 661,000 | \$ 661,000 | \$ 661,000 | \$ 661,000 | \$ 661,000 |
| Variable Purchased Water Costs | | | | | |
| TCWD | | | | | |
| Baker (BTP) | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| SMWD - Treated | 32,000 | 32,000 | 32,000 | 32,000 | 32,000 |
| IRWD - Treated | 805,000 | 805,000 | 805,000 | 805,000 | 805,000 |
| Dimension (DWTP) | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 |
| Portola Hills | 202,000 | 202,000 | 202,000 | 202,000 | 202,000 |
| Water Sales - BTP | 742,000 | 742,000 | 742,000 | 742,000 | 742,000 |
| Subtotal Variable Purchased Water Cos | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 |
| Pumping Costs | | | | | |
| T&D - Electricity | \$ 264,000 | \$ 285,000 | \$ 299,000 | \$ 314,000 | \$ 330,000 |
| Subtotal Pumping Costs | \$ 264,000 | \$ 285,000 | \$ 299,000 | \$ 314,000 | \$ 330,000 |
| Water Supply Costs | \$ 4,194,000 | \$ 4,215,000 | \$ 4,229,000 | \$ 4,244,000 | \$ 4,260,000 |
| Operating Expenses | | | | | |
| General and Administrative | \$ 1,279,000 | \$ 1,338,000 | \$ 1,400,000 | \$ 1,464,000 | \$ 1,531,000 |
| Salaries & Benefits | 2,878,000 | 3,036,000 | 3,203,000 | 3,379,000 | 3,565,000 |
| Transmission & Distribution | 438,000 | 465,000 | 484,000 | 504,000 | 524,000 |
| Treatment | 284,000 | 303,000 | 317,000 | 331,000 | 347,000 |
| CalPERS & OPEB | 169,000 | 163,000 | 152,000 | 140,000 | 125,000 |
| Subtotal Operating Expenses | \$ 5,048,000 | \$ 5,305,000 | \$ 5,556,000 | \$ 5,818,000 | \$ 6,092,000 |
| Debt Service | | | | | |
| SRF Loan | \$ 230,382 | \$ 230,380 | \$ 230,380 | \$ 230,381 | \$ 230,382 |
| Refinancing/Proposed New Debt | 397,727 | 517,455 | 517,455 | 517,455 | 517,455 |
| Subtotal Debt Service | \$ 628,109 | \$ 747,835 | \$ 747,835 | \$ 747,836 | \$ 747,837 |
| Total Expenses | \$ 9,870,109 | \$ 10,267,835 | \$ 10,532,835 | \$ 10,809,836 | \$ 11,099,837 |

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Reserves

Figure 4: Water Utility Reserves



Established reserves include Operating, Capital Replacement, Rate Stabilization, SFR Debt, and WRES. These reserves help mitigate risks to the utility by ensuring sufficient cash is on hand for daily operations, cover funding for annual system improvements, and secure outstanding debt obligations. In addition, these reserves help smooth rates and mitigate rate spikes due to emergencies or above-average system costs. The WRES Reserves will be closed, and remaining funds will be transferred to the Operating Reserve because the remaining facilities associated with the WRES dedicated funding are part of this rate cycle’s CIP. Table 20 summarizes the minimum reserve requirements and ideal targets of each reserve.

Table 20: Reserve Requirements and Targets

| Reserve | Minimum Requirement | Reserve Target |
|---------------------|--|--|
| Unrestricted | | |
| Operating | 90 days of operating expenses | 180 days of operating expenses |
| Capital Replacement | Annual CIP costs based on 5-year average | 2 years of CIP costs based on 5-year average |
| Rate Stabilization | 10% of operating revenue | N/A |
| Restricted | | |
| WRES | N/A | N/A |
| SFR Debt | Annual debt payment | N/A |

The reserve balance as of July 1, 2022, equaled approximately \$4.0M, excluding the debt reserve.

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Financial Outlook at Existing Rates

Calculating revenue using existing rates and projecting expenses helps determine the current financial health of the utility. Revenues from current rates and the noticed rates through FY 2025 will not cover operating expenses. In addition, capital spending towards repair & replacement would require the use of reserves as the primary funding source once the remaining debt proceeds are expended, which is not sustainable. Table 21 forecasts existing revenues and expenses through the Rate Setting Period. Table 22 identifies reserve transfers and reserve activity, with projected FY 2024 starting reserve balances shown for each reserve.

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Table 21: Water Financial Plan at Existing Rates

| Revenue | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Rate Revenues | | | | | | |
| Fixed Revenue | | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 |
| Variable Revenue | Table 18 | 4,440,000 | 4,440,000 | 4,440,000 | 4,440,000 | 4,440,000 |
| WRES Revenue | | 813,000 | 813,000 | 813,000 | 813,000 | 813,000 |
| Total Rate Revenues | | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 |
| Operating Revenues | | | | | | |
| Backflow/Fireflow Test | | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 |
| Late Charges | | 143,000 | 143,000 | 143,000 | 143,000 | 143,000 |
| New Account Fee | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Standby Charges | Table 18 | 46,000 | 46,000 | 46,000 | 46,000 | 46,000 |
| BTP Water Sales | | 717,000 | 717,000 | 717,000 | 717,000 | 717,000 |
| BTP Sales - O&M | | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 |
| BTP Sales - Capital | | 167,000 | 167,000 | 167,000 | 167,000 | 167,000 |
| Subtotal Operating Revenues | | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 |
| Non-Operating Revenues | | | | | | |
| Supplemental Water DIF | | \$ - | \$ - | \$ - | \$ - | \$ - |
| Uncollectable Accounts | Table 18 | (26,000) | (26,000) | (26,000) | (26,000) | (26,000) |
| Property Taxes | | 1,070,000 | 1,070,000 | 1,070,000 | 1,070,000 | 1,070,000 |
| Other Non-Operating Revenue | | 59,000 | 59,000 | 59,000 | 59,000 | 59,000 |
| Subtotal Non-Operating Revenues | | \$ 1,103,000 | \$ 1,103,000 | \$ 1,103,000 | \$ 1,103,000 | \$ 1,103,000 |
| Total Revenues | | \$ 8,914,000 | \$ 8,914,000 | \$ 8,914,000 | \$ 8,914,000 | \$ 8,914,000 |
| O&M Expenses | | | | | | |
| Water Supply Costs | | | | | | |
| Fixed Purchased Water Costs | | | | | | |
| MWDOC | | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 |
| SMWD | Table 19 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| IRWD | | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| Portola Hills | | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| Subtotal Fixed Purchased Water Costs | | \$ 661,000 | \$ 661,000 | \$ 661,000 | \$ 661,000 | \$ 661,000 |
| Variable Purchased Water Costs | | | | | | |
| TCWD | | | | | | |
| Baker (BTP) | | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| SMWD - Treated | | 32,000 | 32,000 | 32,000 | 32,000 | 32,000 |
| IRWD - Treated | Table 19 | 805,000 | 805,000 | 805,000 | 805,000 | 805,000 |
| Dimension (DWTP) | | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 |
| Portola Hills | | 202,000 | 202,000 | 202,000 | 202,000 | 202,000 |
| Water Sales - BTP | | 742,000 | 742,000 | 742,000 | 742,000 | 742,000 |
| Subtotal Variable Purchased Water Costs | | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 |
| Pumping Costs | | | | | | |
| T&D - Electricity | Table 19 | \$ 264,000 | \$ 285,000 | \$ 299,000 | \$ 314,000 | \$ 330,000 |
| Subtotal Pumping Costs | | \$ 264,000 | \$ 285,000 | \$ 299,000 | \$ 314,000 | \$ 330,000 |
| Water Supply Costs | | \$ 4,194,000 | \$ 4,215,000 | \$ 4,229,000 | \$ 4,244,000 | \$ 4,260,000 |
| Operating Expenses | | | | | | |
| General and Administrative | | \$ 1,279,000 | \$ 1,338,000 | \$ 1,400,000 | \$ 1,464,000 | \$ 1,531,000 |
| Salaries & Benefits | | 2,878,000 | 3,036,000 | 3,203,000 | 3,379,000 | 3,565,000 |
| Transmission & Distribution | Table 19 | 438,000 | 465,000 | 484,000 | 504,000 | 524,000 |
| Treatment | | 284,000 | 303,000 | 317,000 | 331,000 | 347,000 |
| CalPERS & OPEB | | 169,000 | 163,000 | 152,000 | 140,000 | 125,000 |
| Subtotal Operating Expenses | | \$ 5,048,000 | \$ 5,305,000 | \$ 5,556,000 | \$ 5,818,000 | \$ 6,092,000 |
| Debt Service | | | | | | |
| SRF Loan | | \$ 230,382 | \$ 230,380 | \$ 230,380 | \$ 230,381 | \$ 230,382 |
| Credit Line | Table 19 | 101,500 | 50,750 | - | - | - |
| Refinancing/Proposed New Debt | | 397,727 | 517,455 | 517,455 | 517,455 | 517,455 |
| Subtotal Debt Service | | \$ 729,609 | \$ 798,585 | \$ 747,835 | \$ 747,836 | \$ 747,837 |
| Total Expenses | | \$ 9,971,609 | \$ 10,318,585 | \$ 10,532,835 | \$ 10,809,836 | \$ 11,099,837 |
| Net Cashflow | | \$ (1,057,609) | \$ (1,404,585) | \$ (1,618,835) | \$ (1,895,836) | \$ (2,185,837) |

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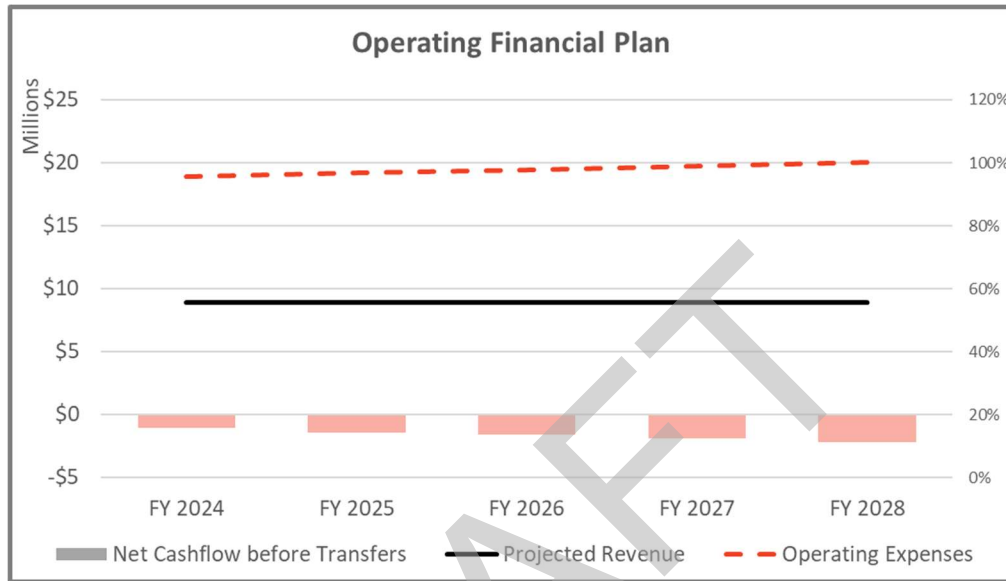
Table 22: Water – Transfers and Reserve Activity at Existing Rates

| Transfers | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|-----------------------|-----------------------|------------------------|------------------------|
| Net Cashflow | \$ (1,057,609) | \$ (1,404,585) | \$ (1,618,835) | \$ (1,895,836) | \$ (2,185,837) |
| Transfers to Reserves | | | | | |
| Water Storage DIF | \$0 | \$0 | \$1,051,427 | \$0 | \$0 |
| WRES - Wells | 1,629,973 | 0 | 0 | 0 | 0 |
| WRES - Res/DIST | 2,676,069 | 0 | 0 | 0 | 0 |
| Subtotal Transfers to Reserves | \$4,306,041 | \$0 | \$1,051,427 | \$0 | \$0 |
| Net Cashflow (after Transfers) | \$ 3,248,432 | \$ (1,404,585) | \$ (567,408) | \$ (1,895,836) | \$ (2,185,837) |
| Operating Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ (1,936,270) | \$ 1,312,161 | \$ (92,423) | \$ (659,831) | \$ (2,555,667) |
| Transfers (Net Cashflow) | 3,248,432 | (1,404,585) | (567,408) | (1,895,836) | (2,185,837) |
| Transfers from/(to) Capital Reserve | - | - | - | - | - |
| Ending Balance | \$ 1,312,161 | \$ (92,423) | \$ (659,831) | \$ (2,555,667) | \$ (4,741,503) |
| Capital Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ 328,403 | \$ 2,010,989 | \$ (786,870) | \$ (4,775,416) | \$ (8,184,555) |
| Plus: | | | | | |
| Use of Existing Debt Proceeds | 2,947,600 | - | - | - | - |
| Less: | | | | | |
| CIP | (1,288,176) | (2,797,858) | (3,988,546) | (3,409,139) | (1,717,060) |
| Transfers from/(to) Water Rate Stabilization | - | - | - | - | - |
| Subtotal Capital Reserve | \$ 1,987,826 | \$ (786,870) | \$ (4,775,416) | \$ (8,184,555) | \$ (9,901,615) |
| Interest Earnings | 23,162 | - | - | - | - |
| Ending Balance | \$ 2,010,989 | \$ (786,870) | \$ (4,775,416) | \$ (8,184,555) | \$ (9,901,615) |
| Water Rate Stabilization Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers from/(to) Capital Reserve | - | - | - | - | - |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Unrestricted Reserves Balance | \$ 3,323,150 | \$ (879,293) | \$ (5,435,247) | \$ (10,740,222) | \$ (14,643,118) |
| Restricted Reserves | | | | | |
| Water Storage DIF | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ 1,051,427 | \$ 1,051,427 | \$ 1,051,427 | \$ - | \$ - |
| Direct Transfer | - | - | (1,051,427) | - | - |
| Ending Balance | \$ 1,051,427 | \$ 1,051,427 | \$ - | \$ - | \$ - |
| WRES - Wells | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ 1,629,973 | \$ - | \$ - | \$ - | \$ - |
| Direct Transfer | (1,629,973) | - | - | - | - |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| WRES - Res/Dist | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ 2,676,069 | \$ - | \$ - | \$ - | \$ - |
| Direct Transfer | (2,676,069) | - | - | - | - |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| SRF Loan | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ 236,996 | \$ 236,996 | \$ 236,996 | \$ 236,996 | \$ 236,996 |
| Direct Transfer | - | - | - | - | - |
| Subtotal SRF Loan | \$ 236,996 | \$ 236,996 | \$ 236,996 | \$ 236,996 | \$ 236,996 |
| Release of Final Debt Payment | - | - | - | - | - |
| Ending Balance | \$236,996 | \$236,996 | \$236,996 | \$236,996 | \$236,996 |

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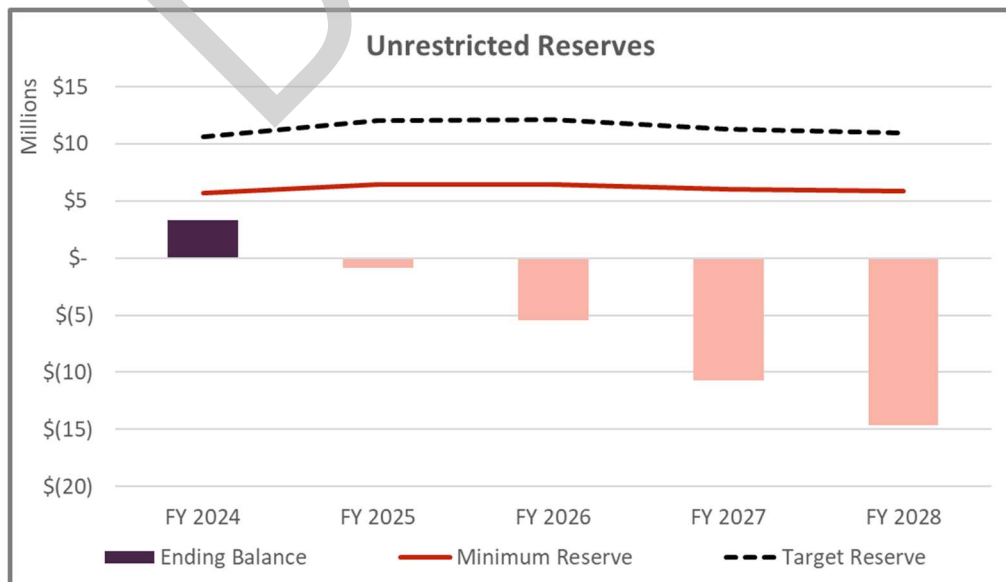
Figure 5 illustrates the operating position of the utility, where O&M expenses are identified with the dashed red trendline, and the horizontal black trendline shows total revenues at existing rates. The bars represent the net operating income, with grey bars reflecting positive net income for capital spending and reserve funding and red bars reflecting an operating deficit absorbed by reserves.

Figure 5: Current Operating Financial Position



With capital spending of \$13.2M over the Rate Setting Period, as shown in Figure 2, reserves would be depleted and there would be no capital funding available by FY 2025. Figure 6 reflects the projected ending balances of undesignated reserves after funding operating and capital projects. Undesignated reserves include Operating, Replacement, Rate Stabilization, and the release of WRES reserves.

Figure 6: Projected Ending Reserves at Existing Rates



Proposed Financial Plan – Water Utility

From our review of the utility's financial outlook at existing rates, a proposed financial plan is developed to fund the multi-year revenue requirements. The proposed financial plan generates approximately \$24.2M in additional revenue over the Rate Setting Period. The additional revenue generates positive net operating income each year to go towards capital spending and satisfy reserve requirements. Table 23 forecasts projected revenues, **with annual revenue adjustments**, and expenses through FY 2028, including \$10M in proposed debt that converts the existing short-term debt of \$7M to long-term debt plus an additional \$3M in new proceeds. Table 24 identifies the projected FY 2024 total starting reserve balances, activity within each reserve (including net income transfer from Table 23, transfers between reserves, use of capacity fees, and annual CIP), and projected ending balances for each fiscal year of the Rate Setting Period.

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Table 23: Proposed Water Financial Plan

| Revenue | | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---|---------------------------|------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Rate Revenues | | | | | | | |
| Fixed Revenue | | | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 | \$ 1,247,000 |
| Variable Revenue | Table 18 | | 4,440,000 | 4,440,000 | 4,440,000 | 4,440,000 | 4,440,000 |
| WRES Revenue | | | 813,000 | 813,000 | 813,000 | 813,000 | 813,000 |
| Total Rate Revenues | | | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 | \$ 6,500,000 |
| Additional Revenue (from revenue adjustments): | | | | | | | |
| Fiscal Year | Revenue Adjustment | Effective Month | | | | | |
| FY 2024 | 22.0% | July | 1,430,000 | 1,430,000 | 1,430,000 | 1,430,000 | 1,430,000 |
| FY 2025 | 18.0% | July | | 1,427,000 | 1,427,000 | 1,427,000 | 1,427,000 |
| FY 2026 | 18.0% | July | | | 1,684,000 | 1,684,000 | 1,684,000 |
| FY 2027 | 10.0% | July | | | | 1,104,000 | 1,104,000 |
| FY 2028 | 10.0% | July | | | | | 1,214,000 |
| Total Additional Revenue | | | \$ 1,430,000 | \$ 2,857,000 | \$ 4,541,000 | \$ 5,645,000 | \$ 6,859,000 |
| Projected Rate Revenues | | | \$ 7,930,000 | \$ 9,357,000 | \$ 11,041,000 | \$ 12,145,000 | \$ 13,359,000 |
| Operating Revenues | | | | | | | |
| Backflow/Fireflow Test | | | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 | \$ 11,000 |
| Late Charges | | | 143,000 | 143,000 | 143,000 | 143,000 | 143,000 |
| New Account Fee | | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Standby Charges | Table 18 | | 46,000 | 46,000 | 46,000 | 46,000 | 46,000 |
| BTP Water Sales | | | 717,000 | 717,000 | 717,000 | 717,000 | 717,000 |
| BTP Sales - O&M | | | 225,000 | 225,000 | 225,000 | 225,000 | 225,000 |
| BTP Sales - Capital | | | 167,000 | 167,000 | 167,000 | 167,000 | 167,000 |
| Subtotal Operating Revenues | | | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 | \$ 1,311,000 |
| Non-Operating Revenues | | | | | | | |
| Supplemental Water DIF | | | \$ - | \$ - | \$ - | \$ - | \$ - |
| Uncollectable Accounts | Table 18 | | (26,000) | (26,000) | (26,000) | (26,000) | (26,000) |
| Property Taxes | | | 1,070,000 | 1,070,000 | 1,070,000 | 1,070,000 | 1,070,000 |
| Other Non-Operating Revenue | | | 59,000 | 59,000 | 59,000 | 59,000 | 59,000 |
| Subtotal Non-Operating Revenues | | | \$ 1,103,000 | \$ 1,106,000 | \$ 1,149,000 | \$ 1,151,000 | \$ 1,152,000 |
| Total Revenues | | | \$10,344,000 | \$11,774,000 | \$ 13,501,000 | \$ 14,607,000 | \$ 15,822,000 |
| O&M Expenses | | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Water Supply Costs | | | | | | | |
| Fixed Purchased Water Costs | | | | | | | |
| MWDOC | | | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 |
| SMWD | Table 19 | | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| IRWD | | | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| Portola Hills | | | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| Subtotal Fixed Purchased Water Costs | | | \$ 661,000 | \$ 661,000 | \$ 661,000 | \$ 661,000 | \$ 661,000 |
| Variable Purchased Water Costs | | | | | | | |
| TCWD | | | | | | | |
| Baker (BTP) | | | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| SMWD - Treated | | | 32,000 | 32,000 | 32,000 | 32,000 | 32,000 |
| IRWD - Treated | Table 19 | | 805,000 | 805,000 | 805,000 | 805,000 | 805,000 |
| Dimension (DWTP) | | | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 |
| Portola Hills | | | 202,000 | 202,000 | 202,000 | 202,000 | 202,000 |
| Water Sales - BTP | | | 742,000 | 742,000 | 742,000 | 742,000 | 742,000 |
| Subtotal Variable Purchased Water Costs | | | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 |
| Pumping Costs | | | | | | | |
| T&D - Electricity | Table 19 | | \$ 264,000 | \$ 285,000 | \$ 299,000 | \$ 314,000 | \$ 330,000 |
| Subtotal Pumping Costs | | | \$ 264,000 | \$ 285,000 | \$ 299,000 | \$ 314,000 | \$ 330,000 |
| Water Supply Costs | | | \$ 4,194,000 | \$ 4,215,000 | \$ 4,229,000 | \$ 4,244,000 | \$ 4,260,000 |
| Operating Expenses | | | | | | | |
| General and Administrative | | | \$ 1,279,000 | \$ 1,338,000 | \$ 1,400,000 | \$ 1,464,000 | \$ 1,531,000 |
| Salaries & Benefits | | | 2,878,000 | 3,036,000 | 3,203,000 | 3,379,000 | 3,565,000 |
| Transmission & Distribution | Table 19 | | 438,000 | 465,000 | 484,000 | 504,000 | 524,000 |
| Treatment | | | 284,000 | 303,000 | 317,000 | 331,000 | 347,000 |
| CalPERS & OPEB | | | 169,000 | 163,000 | 152,000 | 140,000 | 125,000 |
| Subtotal Operating Expenses | | | \$ 5,048,000 | \$ 5,305,000 | \$ 5,556,000 | \$ 5,818,000 | \$ 6,092,000 |
| Debt Service | | | | | | | |
| SRF Loan | | | \$ 230,382 | \$ 230,380 | \$ 230,380 | \$ 230,381 | \$ 230,382 |
| Credit Line | Table 19 | | 101,500 | 50,750 | - | - | - |
| Refinancing/Proposed New Debt | | | 568,182 | 739,221 | 739,221 | 739,221 | 739,221 |
| Subtotal Debt Service | | | \$ 900,064 | \$ 1,020,351 | \$ 969,601 | \$ 969,602 | \$ 969,603 |
| Total Expenses | | | \$10,142,064 | \$10,540,351 | \$ 10,754,601 | \$ 11,031,602 | \$ 11,321,603 |
| Net Cashflow | | | \$ 201,936 | \$ 1,233,649 | \$ 2,746,399 | \$ 3,575,398 | \$ 4,500,397 |

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Table 24: Water – Transfers and Reserves Activity through FY 2028

| Transfers | Source | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---|-------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Cashflow | | \$ 201,936 | \$ 1,233,649 | \$ 2,746,399 | \$ 3,575,398 | \$ 4,500,397 |
| Transfers to Reserves | | | | | | |
| Water Storage DIF | (Dashboard) | \$0 | \$0 | \$1,051,427 | \$0 | \$0 |
| WRES - Wells | (Dashboard) | 1,629,973 | 0 | 0 | 0 | 0 |
| WRES - Res/DIST | (Dashboard) | 2,676,069 | 0 | 0 | 0 | 0 |
| Subtotal Transfers to Reserves | | \$4,306,041 | \$0 | \$1,051,427 | \$0 | \$0 |
| Net Cashflow (after Transfers) | | \$ 4,507,977 | \$ 1,233,649 | \$ 3,797,826 | \$ 3,575,398 | \$ 4,500,397 |
| Operating Reserve | Source | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | (Input Tab) | \$ (1,936,270) | \$ 2,278,849 | \$ 2,347,397 | \$ 2,412,740 | \$ 2,481,041 |
| Transfers (Net Cashflow) | (Formula) | 4,507,977 | 1,233,649 | 3,797,826 | 3,575,398 | 4,500,397 |
| Transfers from/(to) Capita | (Formula) | (292,857) | (1,165,101) | (3,732,484) | (3,507,097) | (4,428,890) |
| Ending Balance | | \$ 2,278,849 | \$ 2,347,397 | \$ 2,412,740 | \$ 2,481,041 | \$ 2,552,548 |
| Capital Reserve | Source | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | (Input Tab) | \$ 328,403 | \$ 5,336,399 | \$ 3,794,043 | \$ 3,611,300 | \$ 3,782,463 |
| Plus: | | | | | | |
| Use of Existing Debt Proce | (Input Tab) | 2,947,600 | - | - | - | - |
| Less: | | | | | | |
| CIP | (CIP Tab) | (1,288,176) | (2,797,858) | (3,988,546) | (3,409,139) | (1,717,060) |
| Transfers from/(to) Water | (Formula) | (372) | - | - | - | (1,454,218) |
| Subtotal Capital Reserve | | \$ 5,280,312 | \$ 3,703,642 | \$ 3,537,980 | \$ 3,709,258 | \$ 5,040,076 |
| Interest Earnings | | 56,087 | 90,400 | 73,320 | 73,206 | 88,225 |
| Ending Balance | | \$ 5,336,399 | \$ 3,794,043 | \$ 3,611,300 | \$ 3,782,463 | \$ 5,128,301 |
| Water Rate Stabiliza | Source | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | (Input Tab) | \$ - | \$ 372 | \$ 372 | \$ 372 | \$ 372 |
| Transfers from/(to) Capita | (Formula) | 372 | - | - | - | 1,454,218 |
| Ending Balance | | \$ 372 | \$ 372 | \$ 372 | \$ 372 | \$ 1,454,590 |
| Ending Unrestricted Reserves Balance | | \$ 7,615,620 | \$ 6,141,812 | \$ 6,024,412 | \$ 6,263,876 | \$ 9,135,439 |
| Restricted Reserves | | | | | | |
| Water Storage DIF | Source | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | (Input Tab) | \$ 1,051,427 | \$ 1,051,427 | \$ 1,051,427 | \$ - | \$ - |
| Direct Transfer | (Dashboard) | - | - | (1,051,427) | - | - |
| Ending Balance | | \$ 1,051,427 | \$ 1,051,427 | \$ - | \$ - | \$ - |
| WRES - Wells | Source | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | (Input Tab) | \$ 1,629,973 | \$ - | \$ - | \$ - | \$ - |
| Direct Transfer | (Dashboard) | (1,629,973) | - | - | - | - |
| Ending Balance | | \$ - | \$ - | \$ - | \$ - | \$ - |
| WRES - Res/Dist | Source | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | (Input Tab) | \$ 2,676,069 | \$ - | \$ - | \$ - | \$ - |
| Direct Transfer | (Dashboard) | (2,676,069) | - | - | - | - |
| Ending Balance | | \$ - | \$ - | \$ - | \$ - | \$ - |
| SRF Loan | Source | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | (Input Tab) | \$ 236,996 | \$ 236,996 | \$ 236,996 | \$ 236,996 | \$ 236,996 |
| Direct Transfer | (Dashboard) | - | - | - | - | - |
| Subtotal SRF Loan | | \$ 236,996 | \$ 236,996 | \$ 236,996 | \$ 236,996 | \$ 236,996 |
| Release of Final Debt Payn | (Formula) | - | - | - | - | - |
| Ending Balance | | \$236,996 | \$236,996 | \$236,996 | \$236,996 | \$236,996 |

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The operating position based on the proposed financial plan is identified in Figure 7, including debt service coverage. Figure 8 and Figure 9 show the capital plan with funding sources and projected ending reserve balances, respectively.

Figure 7: Water – Proposed Operating Position

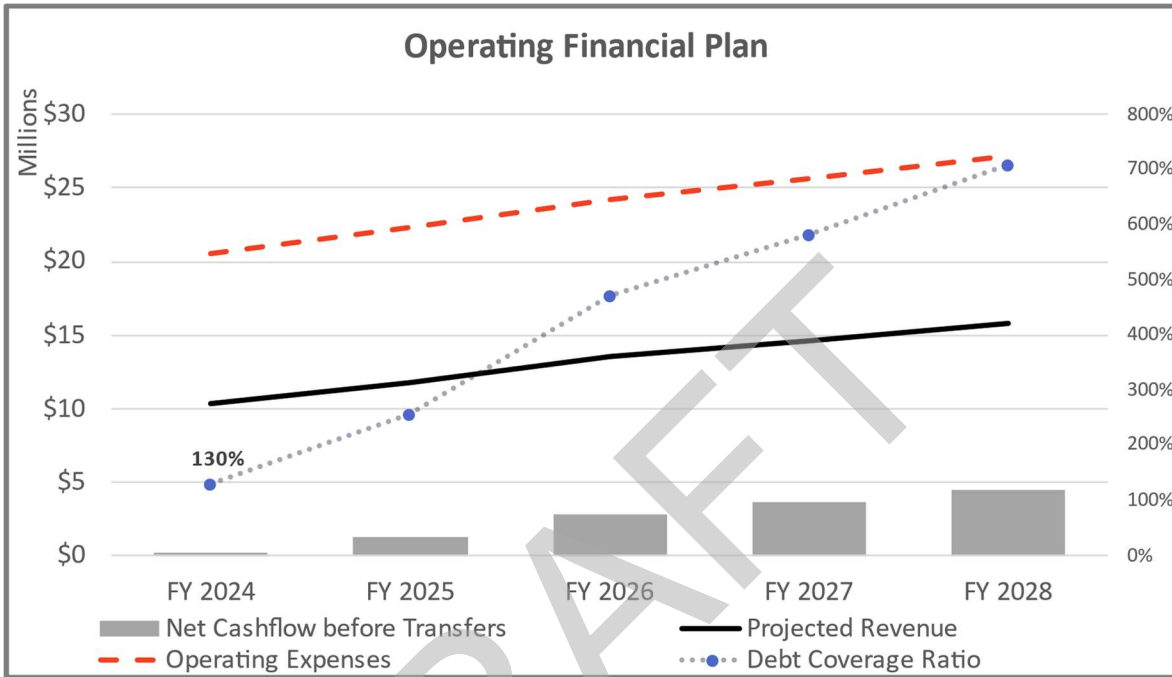
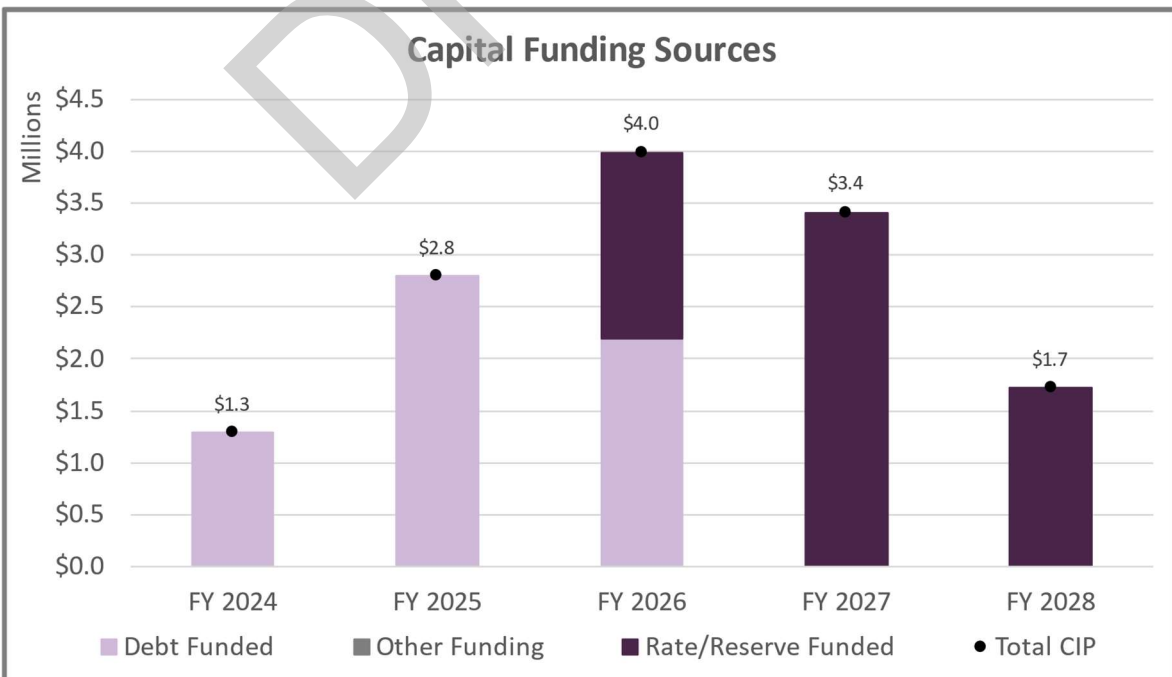
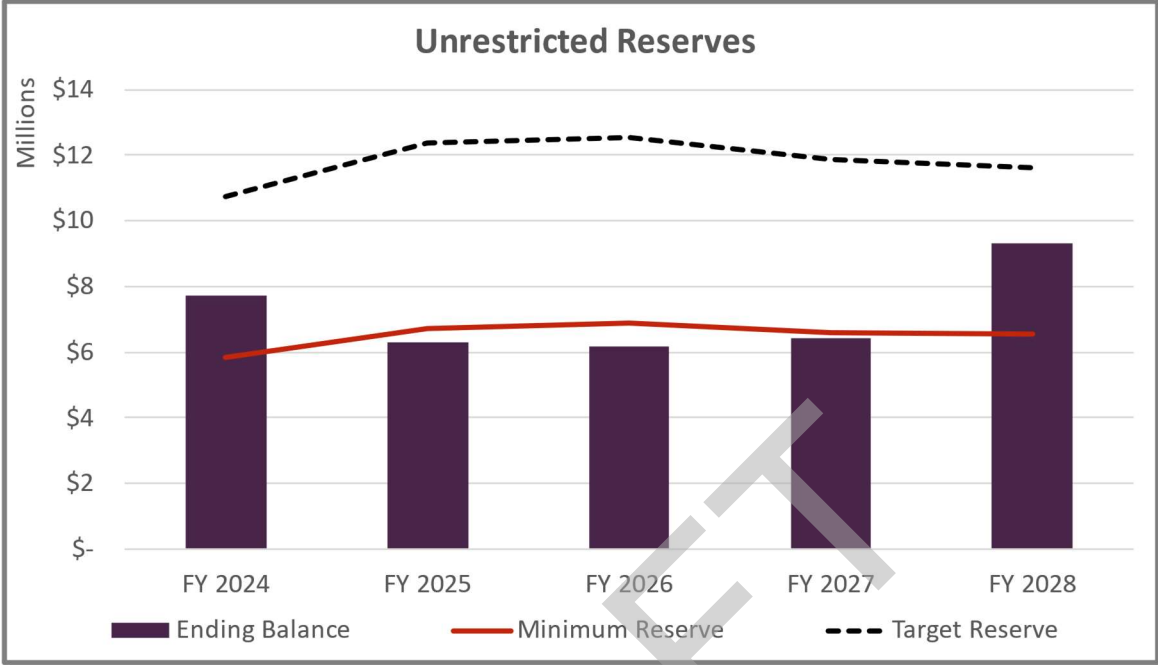


Figure 8: Water – Capital Improvement Plan with Funding Sources



Trabuco Canyon Water District – 2023 Cost-of-Service Study

Figure 9: Water – Proposed Ending Reserves



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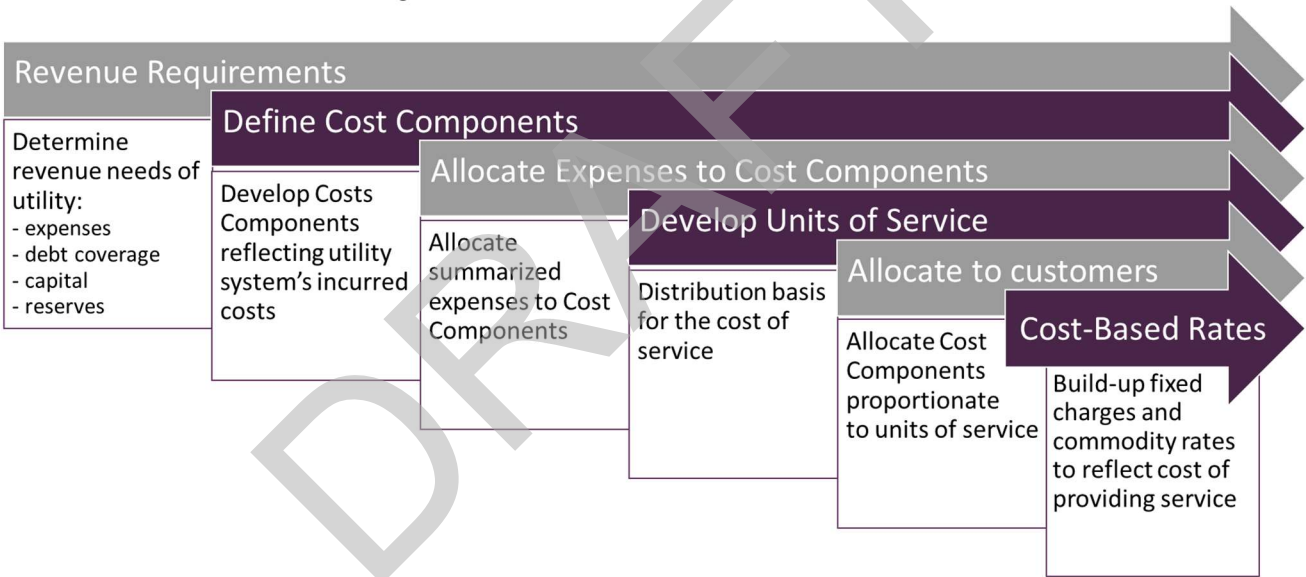
Cost-of-Service Analysis – Water Utility

Cost-of-Service Process

The next step in developing rates is to perform a cost-of-service analysis. This step develops proposed water rates that are cost-based and equitable. Meeting the requirements of Proposition 218 is of paramount importance in developing utility rates. Proposition 218 does not provide a particular methodology for establishing cost-based rates. This study and analysis herein, allocates costs proportionately to each parcel served by the District and derives water rates that adheres to the cost-of-service provisions of Proposition 218.

It is important to understand **how** costs are incurred to determine the most appropriate way to recover them. The following graphic summarizes the cost-of-service process. This process allocates costs incurred to customer classes and tiers based on their proportional share. As a result, the proposed rates are cost-based and reflect the costs incurred to deliver water service to all customers.

Figure 10: Cost-of-Service Process



Revenue Requirements

With FY 2024 as the first year of the proposed rate schedule, revenue requirements are determined for FY 2024 and used for the cost-of-service. Revenue requirements include O&M expenses, available offsets from other operating and non-operating revenues, annual net income, and any mid-year adjustments if rates are implemented after the start of the fiscal year. The proposed revenue adjustments and corresponding rates collectively accumulate the necessary funding over the Rate Setting Period to fund total revenue requirements, including capital, while meeting minimum reserve requirements by FY 2028. The results of the financial plan analysis are summarized in Table 25 and represent the revenue required from rates over the Rate Setting Period.

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Table 25: Water Revenue Requirements

| Revenue Requirements | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Total | Total | Total | Total | Total |
| Water Supply Costs | | | | | |
| <i>Fixed Purchased Water Costs</i> | | | | | |
| MWDOC | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 |
| SMWD | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| IRWD | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| Portola Hills | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| <i>Variable Purchased Water Costs</i> | | | | | |
| TCWD | | | | | |
| Baker (BTP) | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| SMWD - Treated | 32,000 | 32,000 | 32,000 | 32,000 | 32,000 |
| IRWD - Treated | 805,000 | 805,000 | 805,000 | 805,000 | 805,000 |
| Dimension (DWTP) | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 |
| Portola Hills | 202,000 | 202,000 | 202,000 | 202,000 | 202,000 |
| Water Sales - BTP | 742,000 | 742,000 | 742,000 | 742,000 | 742,000 |
| <i>Pumping Costs</i> | | | | | |
| T&D - Electricity | 264,000 | 285,000 | 299,000 | 314,000 | 330,000 |
| Total Water Supply Costs | \$ 4,194,000 | \$ 4,215,000 | \$ 4,229,000 | \$ 4,244,000 | \$ 4,260,000 |
| Operating Expenses | | | | | |
| General and Administrative | \$ 1,279,000 | \$ 1,338,000 | \$ 1,400,000 | \$ 1,464,000 | \$ 1,531,000 |
| Salaries & Benefits | 2,878,000 | 3,036,000 | 3,203,000 | 3,379,000 | 3,565,000 |
| Transmission & Distribution | 438,000 | 465,000 | 484,000 | 504,000 | 524,000 |
| Treatment | 284,000 | 303,000 | 317,000 | 331,000 | 347,000 |
| CalPERS & OPEB | 169,000 | 163,000 | 152,000 | 140,000 | 125,000 |
| Total Operating Expenses | \$ 5,048,000 | \$ 5,305,000 | \$ 5,556,000 | \$ 5,818,000 | \$ 6,092,000 |
| Debt Service | | | | | |
| SRF Loan | \$ 230,382 | \$ 230,380 | \$ 230,380 | \$ 230,381 | \$ 230,382 |
| Credit Line | 101,500 | 50,750 | - | - | - |
| Refinancing/Proposed New Debt | 568,182 | 739,221 | 739,221 | 739,221 | 739,221 |
| Total Debt Service | \$ 900,064 | \$ 1,020,351 | \$ 969,601 | \$ 969,602 | \$ 969,603 |
| Other Funding | | | | | |
| <i>Revenue Offsets</i> | | | | | |
| Operating Revenues | (202,000) | (202,000) | (202,000) | (202,000) | (202,000) |
| BTP Sales | (1,109,000) | (1,109,000) | (1,109,000) | (1,109,000) | (1,109,000) |
| Non-Operating Revenues | (1,103,000) | (1,106,000) | (1,149,000) | (1,151,000) | (1,152,000) |
| <i>Subtotal Revenue Offsets</i> | <i>\$ (2,414,000)</i> | <i>\$ (2,417,000)</i> | <i>\$ (2,460,000)</i> | <i>\$ (2,462,000)</i> | <i>\$ (2,463,000)</i> |
| <i>Adjustments</i> | | | | | |
| Reserve Funding | \$ 201,936 | \$ 1,233,649 | \$ 2,746,399 | \$ 3,575,398 | \$ 4,500,397 |
| <i>Subtotal Adjustments</i> | <i>\$ 201,936</i> | <i>\$ 1,233,649</i> | <i>\$ 2,746,399</i> | <i>\$ 3,575,398</i> | <i>\$ 4,500,397</i> |
| Total Other Funding | \$ (2,212,064) | \$ (1,183,351) | \$ 286,399 | \$ 1,113,398 | \$ 2,037,397 |
| Revenue Requirement from Rates | \$ 7,930,000 | \$ 9,357,000 | \$ 11,041,000 | \$ 12,145,000 | \$ 13,359,000 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Define Cost Components

The utility incurs costs to accommodate total water demand throughout the year, including water supply costs, treatment, operating expenses, and pumping to name a few. Therefore, to determine the most appropriate way to recover the utility's expenses, cost components are identified to allocate expenses based on how they are incurred. The cost components shown in Figure 11 reflect the cost components used for this study.

Figure 11: Cost Components



Fixed Purchased Water – Fixed monthly water supply costs incurred by the District from its water wholesalers.

Account Services – Fixed expenses that do not necessarily fluctuate based on usage or meter size.

Meter Capacity – O&M expenses, including an executive staff, legal, professional services, and a portion of capital and reserves.

Water Supplies – variable costs related to the District's four water supplies.

Portola Hills – A subsection of the District's service area that allows specific costs allocations to the area.

Delivery – Operating and capital expenses of the water system associated with conveying water to customers throughout the year. These costs tend to vary with the total water used.

Treatment – Treatment costs associated with water from the Dimension water treatment plant.

Pumping – Energy costs incurred to pump water to the five elevation zones.

Allocate Expenses to Cost Components

When allocating expenses to the defined costs components, it is important to have a sound basis as to why an expense was allocated to a certain fixed cost component versus a variable cost component or split between both fixed and variable. The distribution of expenses to the cost components should be straightforward to ensure the method of apportionment is **understandable** and easily **correlates to how expenses are incurred**. A description of each expense category is identified on the next page.

Trabuco Canyon Water District – 2023 Cost-of-Service Study

O&M Expense Categories:

Fixed Purchased Water Costs: Fixed charges from the various water supplies of the District that are incurred irrespective of water usage.

Variable Purchased Water Costs: Variable charges from the various water supplies of the District that vary with total water demand.

Pumping: Energy costs to pump water to higher elevations.

General and Administrative: Administrative expenses associated with the District as a whole, including office supplies, insurance, financial services, legal, professional services, and other miscellaneous expenses.

General and Administrative: Personnel costs of the District

Transmission & Distribution: Costs associated with the daily operation of the water system and related facilities, including capital outlay, lab testing, fuel, tools, and vehicles.

Treatment: Costs associated with the treatment of water from the District’s treatment plant, including energy, chemicals, and repairs & maintenance.

CalPERS & OPEB: Retirement related obligations of the District.

Table 26 summarizes the percent allocation of water supply costs to the water supply cost components. Table 27 reflects the dollars to each cost component based on the percent allocations in Table 26. All the fixed charges are allocated to the Fixed Purchased Water cost component and each variable water supply expense is allocated 100% to its respective water supply cost component to clearly identify the variable cost of each water supply and provide the ability to develop unit rates for each. Pumping costs is also included and allocated between Delivery and Pumping cost components. The amount of electricity costs to pump water to the surface level was allocated to Delivery (96%) with the remainder of 4% allocated to Pumping, which is the costs incurred to pump water to the higher elevations.

Table 26: Water Supply and Pumping Expense Allocation to Cost Components (%)

| Water Supply Costs | Methodology / Allocation Basis | Fixed Purchased Water | Baker (BTP) | SMWD - Treated | IRWD - Treated | Dimension (DWTP) | Portola Hills | Delivery | Pumping | Total |
|---------------------------------------|--------------------------------|-----------------------|-------------|----------------|----------------|------------------|---------------|----------|---------|-------|
| <i>Fixed Purchased Water Costs</i> | | | | | | | | | | |
| MWDOC | Specific | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| SMWD | Specific | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| IRWD | Specific | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| Portola Hills | Specific | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| <i>Variable Purchased Water Costs</i> | | | | | | | | | | |
| <i>TCWD</i> | | | | | | | | | | |
| IRWD - Untreated | Specific | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| Baker (BTP) | Specific | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| SMWD - Treated | Specific | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| IRWD - Treated | Specific | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100% |
| Dimension (DWTP) | Specific | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 100% |
| Portola Hills | Specific | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 100% |
| Water Sales - BTP | Specific | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 100% |
| <i>Pumping Costs</i> | | | | | | | | | | |
| T&D - Electricity | Specific | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 96.0% | 4.0% | 100% |

Trabuco Canyon Water District – 2023 Cost-of-Service Rate Study

Table 27: Water Supply and Pumping Expense Allocation to Cost Components (\$)

| Water Supply Costs | Methodology / Allocation Basis | Fixed Purchased Water | Baker (BTP) | SMWD - Treated | IRWD - Treated | Dimension (DWTP) | Portola Hills | Delivery | Pumping | Total |
|---------------------------------------|--------------------------------|-----------------------|-------------------|------------------|-------------------|---------------------|-------------------|-------------------|------------------|---------------------|
| <i>Fixed Purchased Water Costs</i> | | | | | | | | | | |
| MWDOC | Specific | \$ 281,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 281,000 |
| SMWD | Specific | 16,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,000 |
| IRWD | Specific | 320,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 320,000 |
| Portola Hills | Specific | 44,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 44,000 |
| <i>Variable Purchased Water Costs</i> | | | | | | | | | | |
| <i>TCWD</i> | | | | | | | | | | |
| IRWD - Untreated | Specific | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Baker (BTP) | Specific | 0 | 320,000 | 0 | 0 | 0 | 0 | 0 | 0 | 320,000 |
| SMWD - Treated | Specific | 0 | 0 | 32,000 | 0 | 0 | 0 | 0 | 0 | 32,000 |
| IRWD - Treated | Specific | 0 | 0 | 0 | 805,000 | 0 | 0 | 0 | 0 | 805,000 |
| Dimension (DWTP) | Specific | 0 | 0 | 0 | 0 | 1,168,000 | 0 | 0 | 0 | 1,168,000 |
| Portola Hills | Specific | 0 | 0 | 0 | 0 | 0 | 202,000 | 0 | 0 | 202,000 |
| Water Sales - BTP | Specific | 0 | 0 | 0 | 0 | 0 | 0 | 742,000 | 0 | 742,000 |
| <i>Pumping Costs</i> | | | | | | | | | | |
| T&D - Electricity | Specific | 0 | 0 | 0 | 0 | 0 | 0 | 253,445 | 10,555 | 264,000 |
| Total Allocation (\$) | | \$ 661,000 | \$ 320,000 | \$ 32,000 | \$ 805,000 | \$ 1,168,000 | \$ 202,000 | \$ 995,445 | \$ 10,555 | \$ 4,194,000 |

Table 28 summarizes the percent allocation of O&M revenue requirements to the cost components, and Table 29 uses the percent allocations in Table 28 to allocate expenses in dollars to each cost component. The General and Administrative expense is allocated 100% to the fixed cost components of Account Services and Meter Capacity, with the percentage of cost associated with legal and professional services assigned to Meter Capacity (40.7%), with the remaining 59.3% allocated to Account Services. Legal and Professional Services encompass matters of the entire system and therefore, assigned to Meter Capacity, which reflects the demand on the entire system. Salaries & Benefits were split between fixed and variable, with executive staff, such as the General Manager and the Assistance General Manager, assigned to Meter Capacity and the remainder of District staffing allocated to Delivery. Executive Staff accounts for 35% of total personnel costs and 65% includes staffing in the field.

Table 28: O&M Expense Allocation to Cost Components (%)

| Operating Expenses | Methodology / Allocation Basis | Fixed Purchased Water | Account Services | Meter Capacity | Delivery | Treatment | Total |
|-----------------------------|--------------------------------|-----------------------|------------------|----------------|----------|-----------|-------|
| General and Administrative | Specific | 0.0% | 59.3% | 40.7% | 0.0% | 0.0% | 100% |
| Salaries & Benefits | Specific | 0.0% | 0.0% | 35.0% | 65.0% | 0.0% | 100% |
| Transmission & Distribution | Average Day | 0.0% | 0.0% | 0.0% | 100.0% | 0.0% | 100% |
| Treatment | Specific | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | 100% |
| CalPERS & OPEB | Specific | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% | 100% |

Table 29: O&M Expense Allocation to Cost Components (\$)

| Operating Expenses | Methodology / Allocation Basis | Fixed Purchased Water | Account Services | Meter Capacity | Delivery | Treatment | Total |
|-------------------------------|--------------------------------|-----------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| General and Administrative | Specific | \$ - | \$ 759,000 | \$ 520,000 | \$ - | \$ - | \$ 1,279,000 |
| Salaries & Benefits | Specific | 0 | 0 | 1,007,300 | 1,870,700 | 0 | 2,878,000 |
| Transmission & Distribution | Average Day | 0 | 0 | 0 | 438,000 | 0 | 438,000 |
| Treatment | Specific | 0 | 0 | 0 | 0 | 284,000 | 284,000 |
| CalPERS & OPEB | Specific | 0 | 169,000 | 0 | 0 | 0 | 169,000 |
| Total Allocation (\$) | | \$ - | \$ 928,000 | \$ 1,527,300 | \$ 2,308,700 | \$ 284,000 | \$ 5,048,000 |
| O&M Allocation (%) | | 0.0% | 18.4% | 30.3% | 45.7% | 5.6% | 100% |

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The District's debt was allocated to Meter Capacity because the debt is used for capital improvements of the water system, and Meter Capacity is a fixed cost recovery component that reflects the demand each meter places on the water system. Table 30 identifies the percent allocation of the debt expense to the cost components, and Table 31 reflects the debt expense in dollars.

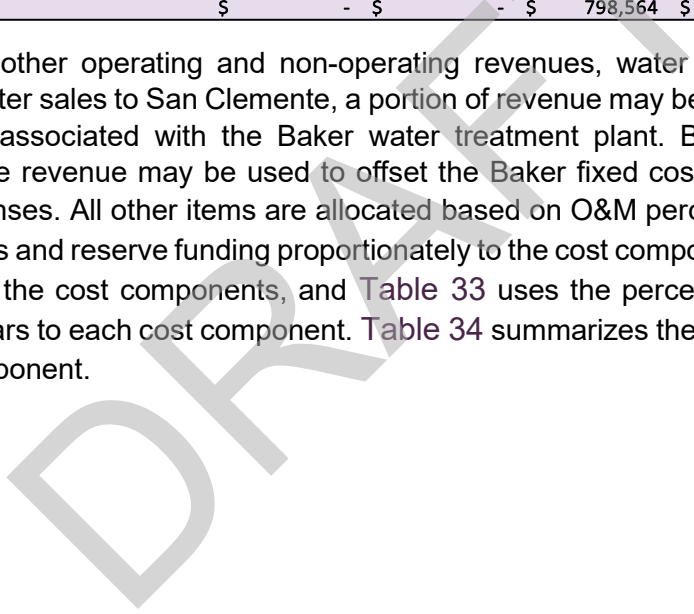
Table 30: Water Debt Allocation to Cost Components (%)

| Debt Service | Methodology / Allocation Basis | Fixed Purchased Water | Account Services | Meter Capacity | Delivery | Treatment | Total |
|-------------------------------|--------------------------------|-----------------------|------------------|----------------|----------|-----------|-------|
| SRF Loan | Specific | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 100% |
| Refinancing/Proposed New Debt | Specific | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% | 100% |

Table 31: Water Debt Allocation to Cost Components (\$)

| Debt Service | Methodology / Allocation Basis | Fixed Purchased Water | Account Services | Meter Capacity | Delivery | Treatment | Total |
|-------------------------------|--------------------------------|-----------------------|------------------|-------------------|-------------|-------------|-------------------|
| SRF Loan | Specific | \$ - | \$ - | \$ 230,382 | \$ - | \$ - | \$ 230,382 |
| Refinancing/Proposed New Debt | Specific | 0 | 0 | 568,182 | 0 | 0 | 568,182 |
| Total Allocation (\$) | | \$ - | \$ - | \$ 798,564 | \$ - | \$ - | \$ 798,564 |

Other Funding includes other operating and non-operating revenues, water sales to San Clemente and Reserve Funding. For water sales to San Clemente, a portion of revenue may be used to offset the fixed costs incurred by the District associated with the Baker water treatment plant. Based on these water sales, approximately 33% of the revenue may be used to offset the Baker fixed costs and the remaining amount covers the variable expenses. All other items are allocated based on O&M percentages derived in Table 29 to allocate revenue offsets and reserve funding proportionately to the cost components. Table 32 summarizes the percent allocation to the cost components, and Table 33 uses the percent allocations in Table 32 to allocate expenses in dollars to each cost component. Table 34 summarizes the revenue requirement derived in Table 25 by cost component.



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Table 32: Other Funding to Cost Components (%)

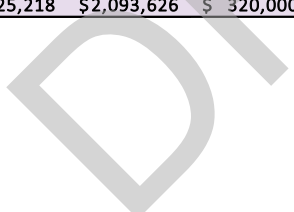
| Other Funding | Methodology / Allocation Basis | Fixed Purchased Water | Account Services | Meter Capacity | Delivery | Treatment | Total |
|------------------------|--------------------------------|-----------------------|------------------|----------------|----------|-----------|-------|
| <i>Revenue Offsets</i> | | | | | | | |
| Operating Revenues | O&M Allocation | 0.0% | 18.4% | 30.3% | 45.7% | 5.6% | 100% |
| BTP Sales | Specific | 33.1% | 0.0% | 0.0% | 66.9% | 0.0% | 100% |
| Non-Operating Revenues | O&M Allocation | 0.0% | 18.4% | 30.3% | 45.7% | 5.6% | 100% |
| <i>Adjustments</i> | | | | | | | |
| Reserve Funding | O&M Allocation | 0.0% | 18.4% | 30.3% | 45.7% | 5.6% | 100% |

Table 33: Other Funding Allocation to Cost Components (\$)

| Other Funding | Methodology / Allocation Basis | Fixed Purchased Water | Account Services | Meter Capacity | Delivery | Treatment | Total |
|------------------------------|--------------------------------|-----------------------|---------------------|---------------------|-----------------------|--------------------|-----------------------|
| <i>Revenue Offsets</i> | | | | | | | |
| Operating Revenues | O&M Allocation | \$ - | \$ (37,135) | \$ (61,116) | \$ (92,385) | \$ (11,365) | \$ (202,000) |
| BTP Sales | Specific | (367,000) | 0 | 0 | (742,000) | 0 | (1,109,000) |
| Non-Operating Revenues | O&M Allocation | 0 | (202,770) | (333,719) | (504,456) | (62,055) | (1,103,000) |
| <i>Adjustments</i> | | | | | | | |
| Reserve Funding | O&M Allocation | 0 | 55,782 | 91,806 | 138,776 | 17,071 | 303,436 |
| Total Allocation (\$) | | \$ (367,000) | \$ (184,123) | \$ (303,029) | \$ (1,200,065) | \$ (56,348) | \$ (2,110,564) |

Table 34: FY 2024 Water Cost-of-Service Requirements by Cost Component

| Revenue Requirement | Fixed Purchased Water | Account Services | Meter Capacity | Baker (BTP) | SMWD - Treated | IRWD - Treated | Dimension (DWTP) | Portola Hills | Delivery | Pumping | Total |
|------------------------|-----------------------|-------------------|---------------------|-------------------|------------------|-------------------|---------------------|-------------------|---------------------|------------------|---------------------|
| Water Supply | \$ 661,000 | \$ - | \$ - | \$ 320,000 | \$ 32,000 | \$ 805,000 | \$ 1,168,000 | \$ 202,000 | \$ 995,445 | \$ 10,555 | \$ 4,194,000 |
| Operating | 0 | 928,000 | 1,527,300 | 0 | 0 | 0 | 0 | 0 | 2,308,700 | 0 | 5,048,000 |
| Debt Service | 0 | 0 | 900,064 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 900,064 |
| Other Funding | (367,000) | (202,782) | (333,738) | 0 | 0 | 0 | 0 | 0 | (1,246,486) | 0 | (2,212,064) |
| COS Requirement | \$ 294,000 | \$ 725,218 | \$ 2,093,626 | \$ 320,000 | \$ 32,000 | \$ 805,000 | \$ 1,168,000 | \$ 202,000 | \$ 2,057,659 | \$ 10,555 | \$ 7,930,000 |



Rate Design – Water Utility

Develop Units of Service

Unit rates for each cost component are derived by spreading the corresponding revenue requirements over appropriate units of service (distribution basis). This approach provides a clear connection between costs incurred and the proportionate share attributable to each customer class, corresponding tier, and customer account. When designing rates, the most critical component is to connect costs to the proposed rates, resulting in a rate structure that is cost-based and in compliance with Proposition 218. The previous section summarized costs by expense category and then allocated to cost components based on how each cost is incurred. The next step in designing rates is to allocate each cost component to customers in relation to their use of the system and facilities. The method of apportionment considers each customer's share of system costs and is reflected by the units of service used to equitably distribute the cost components to each customer account. The distribution basis varies by cost component and includes total accounts, Meter Equivalents (MEs), which reflect demand placed on the system based on meter size, total water sales, and usage by tier. In Table 35 each meter size was assigned an equivalency factor using the flow characteristics of a 5/8" meter. The District's meter inventory was reviewed, and 3/4" meters were used in the past by a developer for 871 accounts, but it wasn't a requirement, and these accounts could've been served by a 5/8" meter. Therefore, historically, 3/4" meters have been assigned the same gallons per minute (gpm) as a 5/8". Based on the District's meter inventory, the safe maximum operating flow capacity for these meter types, as identified in the AWWA M1 Manual, 6th Edition, Table B-2, were used for determining meter equivalencies.

The safe maximum operating flow capacity for each meter was divided by the 5/8" meters' safe operating flow capacity of 20 gpm to determine the equivalent meter ratio. In other words, the calculations convert all larger sized meters to an equivalent number of 5/8" meters based on the safe operating flow capacity of 20 gpm. The Capacity Ratio represent the potential flow through each meter size compared to the flow through the base 5/8" meter to establish parity between meter sizes. Total MEs are determined by multiplying the number of meters by the Capacity Ratio and then multiplying the result by the billing periods in a year (12 billing periods)⁴. Table 35 summarizes the units of service related to Total Annual Bills and Annual MEs.

⁴ The District bills customers on a monthly basis; therefore, there are 12 billing periods during the fiscal year.

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Table 35: Accounts and Meter Equivalents

| Meter Size | AWWA Capacity (gpm) | Capacity Ratio | Number of Accounts | Meter Equivalents |
|---------------------------------|---------------------|----------------|--------------------|-------------------|
| | [A] | [B] = A ÷ 20 | [C] | [D] = B x C |
| 5/8" | 20 | 1.00 | 2,624 | 2,624 |
| 3/4" | 20 | 1.00 | 871 | 871 |
| 1" | 50 | 2.50 | 394 | 985 |
| 1 1/2" | 100 | 5.00 | 44 | 220 |
| 2" | 160 | 8.00 | 145 | 1,160 |
| 3" | 350 | 17.50 | 7 | 123 |
| 4" | 630 | 31.50 | 3 | 95 |
| 6" | 1,300 | 65.00 | 2 | 130 |
| Total | | | 4,090 | 6,207 |
| Annual Units (Total x 12 Bills) | | | 49,080 | 74,484 |

Total usage by customer class and tier must be known to derive the units of service for allocating variable costs. Table 36 provides the projected usage for FY 2024 from Table 12, broken out by customer class and proposed tiers for Single-Family and Multi-Family.

Table 36: Projected Usage by Customer Class and Tier (HCF)

| Customer Class & Tier | Tier Definitions (HCF) | Projected Usage (HCF) |
|-----------------------|------------------------|-----------------------|
| Single-Family | | |
| Tier 1 | 0 - 13 | 436,062 |
| Tier 2 | 14 - 21 | 127,345 |
| Tier 3 | >21 | 100,066 |
| Multi-Family | | |
| Tier 1 | 0 - 6 | 10,829 |
| Tier 2 | >6 | 1,246 |
| Commercial | Uniform | 34,008 |
| Irrigation | Uniform | 143,718 |
| Agricultural | Uniform | 95,593 |
| Portola Hills | Uniform | 63,022 |
| Total | | 1,011,889 |

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Table 37: Projected Usage by Pumping Zone (HCF)

| Pump Zone | All Pumping Usage (HCF) |
|--------------------------------|-------------------------|
| Zone 1 - Base | 932,738 |
| Zone 2 - Topanga / Saddlecrest | 8,282 |
| Zone 3 - Canyon Creek | 2,179 |
| Zone 4 - Falcon | 2,632 |
| Zone 5 - Joplin | 3,036 |
| Total | 948,867 |

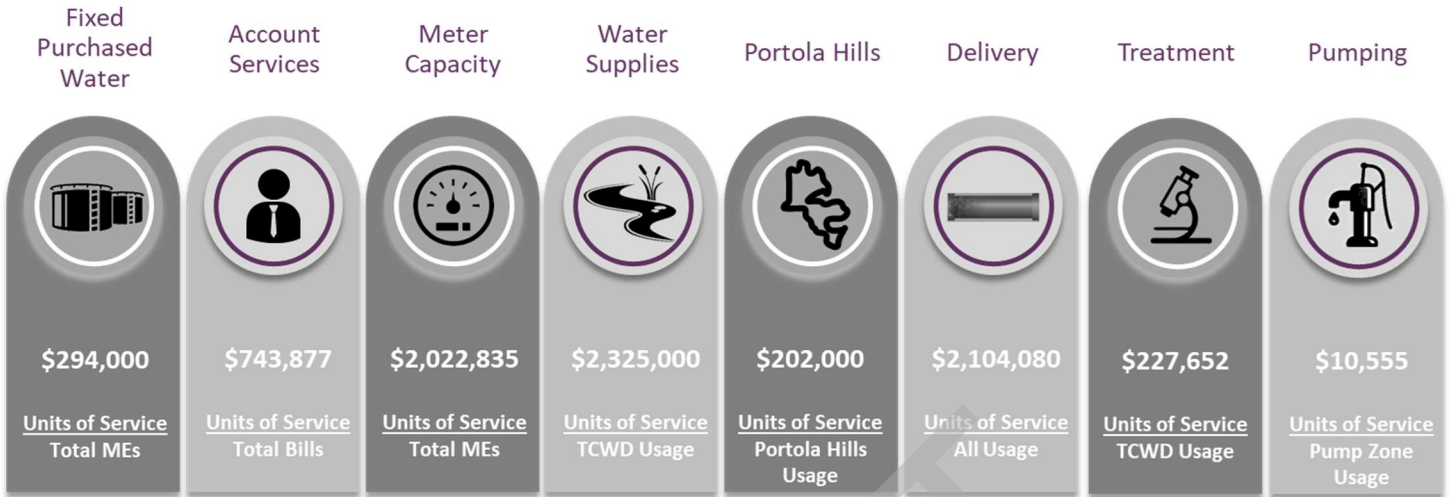
Table 36 identifies the tiered usage for Single-Family and Multi-Family based on the revised tiered allotments. The Tier 1 allotments for both residential customer classes are based on the lowest winter usage period, primarily comprised of indoor use, as outdoor watering needs are limited in the winter. Single-Family Residential Tier 1 equals 13 HCF per dwelling unit, and Multi-Family Residential equals 6 HCF per dwelling unit. Single-Family Residential also includes two additional tiers, with Tier 2 covering the maximum month (August) usage per dwelling unit equal to 21 HCF, and Tier 3 capturing all remaining usage over Tier 2.

Multi-Family only includes two tiers because multi-family units have limited outdoor needs. Therefore, a two-tiered rate structure is recommended and proposed as part of this study. The tiered usage characteristics will be used to further apportion the total variable costs allocated to each residential customer class to the corresponding tiers. Allocating variable costs to customer classes first, then to tiers, ensures each customer class is only recovering its proportionate share of costs. The proposed Commercial, Irrigation, Agricultural, and Portola Hills rate structure reflects a uniform rate that captures each customer class's proportional share of the revenue requirements over its corresponding usage. A uniform rate is recommended for Commercial to enhance equity between accounts within the customer class due to the broad spectrum of commercial uses that vary substantially with water needs that wouldn't fit into one tiered rate structure applied to all. Irrigation and Agricultural are also structured as uniform rates because the landscape areas and crop areas, respectively, would need to be known for structuring appropriate tiered rates. Lastly, Portola Hills is structured as a uniform a rate because they currently only receive one water supply source, and a tiered rate structure would not reflect different rates as each tier would reflect the same water supply.

With the units of service shown in Table 35, Table 36, and Table 38, we can select the appropriate distribution basis for each cost component. Figure 12 identifies the total revenue requirements by cost component from Table 34 and the corresponding units of service.

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Figure 12: Distribution Basis and Units of Service by Cost Component



Using the FY 2024 revenue requirements, the cost-of-service allocates expenses to customers based on the service demands that each place on the system (cost causation). This approach ensures that each customer proportionately shares in the financial obligation of the water utility. For the following unit rate computations for each cost component, unit rates were rounded up to the nearest penny.

Fixed Cost Recovery

Fixed Purchased Water

Fixed costs are incurred by the District from its various available water supplies regardless of total amount of water used. Therefore, these costs are spread based on meter size similar to how the costs are incurred by the District. The revenue requirement for Fixed Purchased Water is apportioned based on meter size as represented by total annual MEs (Table 35) in Table 39.

Table 38: FY 2024 Fixed Purchased Water Monthly Unit Rate

| Fixed Purchased Water Component Unit Rate | |
|---|---------------|
| Revenue Requirement | \$ 294,000 |
| ÷ Total ME's | 74,484 |
| Monthly Unit Rate | \$3.95 |

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Account Services

Each customer incurs Account Services costs regardless of the type of land use, meter size, or total amount of water used. These costs should be spread equally across all accounts. This is achieved by using the distribution basis of Total Bills. Total Bills are determined by multiplying the total accounts by the number of billing periods over the fiscal year (12 billing periods). Therefore, the revenue requirement for Account Services is apportioned based on the Total Bills (Table 35) to determine the monthly unit cost-of-service shown in Table 39.

Table 39: FY 2024 Account Services Monthly Unit Rate

| Account Services Component Unit Rate | |
|--------------------------------------|----------------|
| Revenue Requirement | \$ 725,218 |
| ÷ Total Bills | 49,080 |
| Monthly Unit Rate | \$14.78 |

Meter Capacity

The Meter Capacity Component includes operational costs, debt and a portion of system-wide operations capital and reserve funding. The revenue requirement for Meter Capacity is apportioned based on meter size. Larger sized meters can generate a greater demand on the system from the amount of potential water flow that may pass through the meter in gpm. The revenue requirement for Meter Capacity is apportioned to meter size as represented by total annual MEs as shown in Table 40.

Table 40: FY 2024 Meter Capacity Monthly Unit Rate

| Meter Capacity Component Unit Rate | |
|------------------------------------|----------------|
| Revenue Requirement | \$ 2,093,626 |
| ÷ Total ME's | 74,484 |
| Monthly Unit Rate | \$28.11 |

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Variable Cost Recovery

The remaining cost components are recovered through the variable rates. The proposed variable rate structure includes tiers for Single-Family Residential and Multi-Family Residential and a uniform rate for Non-Residential. Tiered rates differ solely by water supplies available to serve each tier, with the lowest water supply unit rate applied to tier 1 followed by more expensive water supplies as total water demand increases through the higher tiers. As part of this study, a detailed analysis was conducted to first separate fixed costs and variable costs of each water supply, and then a decoupling of variable costs between each water supply source to derive water supply unit rates. Through this approach, water supply variable costs were separated between Baker Treatment Plant (BTP), SMWD Treated, IRWD – Treated, and Dimension Treatment Plant (DWTP). The District’s water loss is 7.1%, which is caused by evaporation, exfiltration, and leaks/breaks in the distribution system. The water loss percentage was applied to the water production to derive the net amount of each water supply available to serve customer demands. Table 41 summarizes the unit rates for each water supply available to the District. Appendix A includes a detailed analysis of water supply costs.

Table 41: FY 2024 Water Supply Unit Rates per HCF

| Water Supplies | Production/Purchases [A] = Acre Feet | Water Loss [B] | Net Water Supply [C] = A x (1-B) | Available Supply (AS) [D] = C x 435.6 | Revenue Requirement [E] | Unit Rate [F] = E ÷ D |
|---------------------------|---|-------------------|-------------------------------------|--|----------------------------|--------------------------|
| Baker (BTP) | 368 | 7.1% | 342 | 149,104 | \$ 320,000 | \$2.15 |
| SMWD - Treated | 26 | 7.1% | 24 | 10,519 | 32,000 | \$3.04 |
| IRWD - Treated | 591 | 7.1% | 549 | 239,280 | 805,000 | \$3.36 |
| Dimension (DWTP) | 1,359 | 7.1% | 1,263 | 549,964 | 1,168,000 | \$2.12 |
| Total Water Supply | 2,344 | | 2,178 | 948,867 | \$ 2,325,000 | |

Unit rates must be determined for each tier that corresponds to the water source serving the usage within each tier. Table 42 summarizes the amount of water - by source - used to serve total water demand in each tier and the corresponding unit rate rounded up to the nearest penny. Each customer class is allocated a proportionate share of each water supply (except Portola Hills which only receives water from IRWD as a pass through and is shown separately) based on percentage of total water sales. As such, irrespective of a customer class rate structure reflecting tiers or uniform rates, each customer class is receiving and paying its fair share of water supplies. As shown in Table 42, Dimension (DWTP) cannot cover the total demand in Tier 1 of Single-Family on its own and a portion of Baker (BTP) is required to meet the total demand in Single-Family Tier 1. Similarly, Single-Family Tier 2 requires Baker (BTP), all of SMWD – Treated, and a portion of IRWD – Treated to meet total demand. Single-Family Tier 3 uses IRWD – Treated as all other water supplies are no longer available. This approach is also applied to Multi-Family. For non-residential customer classes (Commercial, Irrigation, and Agricultural), all four water supplies are applied to each customer class based on their percentage of total water demand (Table 42 – Column B).

Trabuco Canyon Water District – 2023 Cost-of-Service Rate Study

Table 42: FY 2024 Customer Class and Tier Water Supply Unit Rates per HCF

| Water Supply Allocation | Projected Usage (HCF) [A] | % Allocation [B] = A as % | Dimension (DWTP) [C] = AS x B | Baker (BTP) [D] = AS x B | SMWD - Treated [E] = AS x B | IRWD - Treated [F] = AS x B | Total Cost [G] = Sum Product (Unit Rate x Usage) | Unit rate [H] = G ÷ A |
|-------------------------------|------------------------------|------------------------------|----------------------------------|-----------------------------|--------------------------------|--------------------------------|---|--------------------------|
| Available Supply (AS) | | | 549,964 | 149,104 | 10,519 | 239,280 | | |
| Effective Unit Cost (\$/HCF) | | | \$2.12 | \$2.15 | \$3.04 | \$3.36 | | |
| Single-Family | | | | | | | | |
| Tier 1 | 436,062 | | 384,550 | 51,512 | - | - | \$ 927,250 | \$2.13 |
| Tier 2 | 127,345 | | - | 52,745 | 7,355 | 67,244 | 361,802 | \$2.85 |
| Tier 3 | 100,066 | | - | - | - | 100,066 | 336,649 | \$3.37 |
| Subtotal Single-Family | 663,473 | 69.9% | 384,550 | 104,258 | 7,355 | 167,311 | 1,625,702 | |
| Multi-Family | | | | | | | | |
| Tier 1 | 10,829 | | 6,999 | 1,897 | 134 | 1,799 | \$ 25,396 | \$2.35 |
| Tier 2 | 1,246 | | - | - | - | 1,246 | 4,192 | \$3.37 |
| Subtotal Multi-Family | 12,075 | 1.3% | 6,999 | 1,897 | 134 | 3,045 | 29,587 | |
| Commercial | 34,008 | 3.6% | 19,711 | 5,344 | 377 | 8,576 | \$ 83,329 | \$2.46 |
| Irrigation | 143,718 | 15.1% | 83,299 | 22,584 | 1,593 | 36,242 | \$ 352,151 | \$2.46 |
| Agricultural | 95,593 | 10.1% | 55,406 | 15,021 | 1,060 | 24,106 | \$ 234,231 | \$2.46 |
| Total | 948,867 | 100% | 549,964 | 149,104 | 10,519 | 239,280 | \$ 2,325,000 | |

Portola Hills

Based on the location of Portola Hills and connectivity to IRWD, this area of the District only receives water from IRWD as a fully-loaded pass through. Therefore, the Portola Hills cost component isolates water supply costs attributable to Portola Hills customers. The cost includes a 5% surcharge by IRWD for water loss and cost associated with pumping. The revenue requirement for Portola Hills is apportioned based on the projected total potable usage identified in Table 36 to determine the unit cost-of-service, as shown in Table 44.

Table 43: FY 2024 Portola Hills Cost Unit Rate per HCF

Portola Hills Component Unit Rate

| | | |
|---------------------|----|---------------|
| Revenue Requirement | \$ | 202,000 |
| ÷ Portola Usage | | 63,022 |
| Unit Rate | | \$3.21 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Delivery

Delivery costs are incurred based on the total volume of water produced and delivered to customers throughout the year. Therefore, the revenue requirement for Delivery is apportioned based on the projected total potable usage identified in Table 36 to determine the unit cost-of-service, irrespective of tier, as shown in Table 44.

Table 44: FY 2024 Delivery Cost Unit Rate per HCF

| Delivery Component Unit Rate | | |
|------------------------------|----|---------------|
| Revenue Requirement | \$ | 2,057,659 |
| ÷ All Usage | | 1,011,889 |
| Unit Rate | | \$2.04 |

Treatment

Treatment costs of the District are associated with the operations of the Dimension water treatment plant. These costs are recovered over all water usage, except for Portola Hills as their primary water source is Irvine Ranch Water District. Therefore, the revenue requirement for Treatment is apportioned over projected total usage identified in Table 36, less Portola Hills (TCWD Usage) to determine the unit cost-of-service, as shown in Table 45.

Table 45: FY 2024 Treatment Unit Rate per HCF

| Treatment Component Unit Rate | | |
|-------------------------------|----|---------------|
| Revenue Requirement | \$ | 221,942 |
| ÷ TCWD Usage | | 948,867 |
| Unit Rate | | \$0.23 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

FY 2024 Cost-of-Service Rates – Water Utility

Proposed FY 2024 Monthly Fixed Charges

Table 46 reflects the combined charges of the District's proposed fixed charge of Fixed Purchased Water, Account Services and Meter Capacity. Account Services are constant for all meter sizes. Fixed Purchased Water and Meter Capacity are multiplied by the corresponding Capacity Ratios of each meter size to derive the FY 2024 fixed charges.

Table 46: FY 2024 Monthly Fixed Charges by Meter Size

| Meter Size | Capacity Ratio | TCWD Meters | Fixed Purchased Water | Account Services | Meter Capacity | FY 2024 Proposed Base Fixed Charge |
|------------|----------------|-------------|-----------------------|------------------|-----------------|------------------------------------|
| | [A] | | [B] = \$3.95 x A | [C] = \$15.16 | [D] = 27.16 x A | [E] = B+C+D |
| 5/8" | 1.00 | 2,161 | \$ 3.95 | \$ 14.78 | \$ 28.11 | \$ 46.84 |
| 3/4" | 1.00 | 803 | 3.95 | 14.78 | 28.11 | 46.84 |
| 1" | 2.50 | 394 | 9.88 | 14.78 | 70.28 | 94.93 |
| 1 1/2" | 5.00 | 44 | 19.75 | 14.78 | 140.55 | 175.08 |
| 2" | 8.00 | 145 | 31.60 | 14.78 | 224.88 | 271.26 |
| 3" | 17.50 | 7 | 69.13 | 14.78 | 491.93 | 575.83 |
| 4" | 31.50 | 3 | 124.43 | 14.78 | 885.47 | 1,024.67 |
| 6" | 65.00 | 2 | 256.75 | 14.78 | 1,827.15 | 2,098.68 |

Proposed FY 2024 Variable Rates

The proposed variable rates for FY 2024 are shown in Table 47 for each customer class and tier, reflecting the combined rate components of Water Supply, Portola Hills, Delivery and Treatment.

Table 47: FY 2024 Variable Rates by Customer Class and Tier (HCF)

| Customer Class & Tier | Tier Definitions (HCF) | Projected Usage (HCF) | Water Supply [A] | Portola Hills [B] | Delivery [C] | Treatment [D] | FY 2024 Proposed Base Variable Rate [E] = A+B+C+D |
|-----------------------|------------------------|-----------------------|------------------|-------------------|--------------|---------------|---|
| Single-Family | | | | | | | |
| Tier 1 | 0 - 13 | 436,062 | \$ 2.13 | \$ - | \$ 2.04 | \$ 0.23 | \$ 4.40 |
| Tier 2 | 14 - 21 | 127,345 | 2.85 | - | 2.04 | 0.23 | 5.12 |
| Tier 3 | >21 | 100,066 | 3.37 | - | 2.04 | 0.23 | 5.64 |
| Multi-Family | | | | | | | |
| Tier 1 | 0 - 6 | 10,829 | \$ 2.35 | \$ - | \$ 2.04 | \$ 0.23 | \$ 4.62 |
| Tier 2 | >6 | 1,246 | 3.37 | - | 2.04 | 0.23 | 5.64 |
| Commercial | Uniform | 34,008 | \$ 2.46 | \$ - | \$ 2.04 | \$ 0.23 | \$ 4.73 |
| Irrigation | Uniform | 143,718 | \$ 2.46 | \$ - | \$ 2.04 | \$ 0.23 | \$ 4.73 |
| Agricultural | Uniform | 95,593 | \$ 2.46 | \$ - | \$ 2.04 | \$ 0.23 | \$ 4.73 |
| Portola Hills | Uniform | 63,022 | \$ - | \$ 3.21 | \$ 2.04 | \$ - | \$ 5.25 |

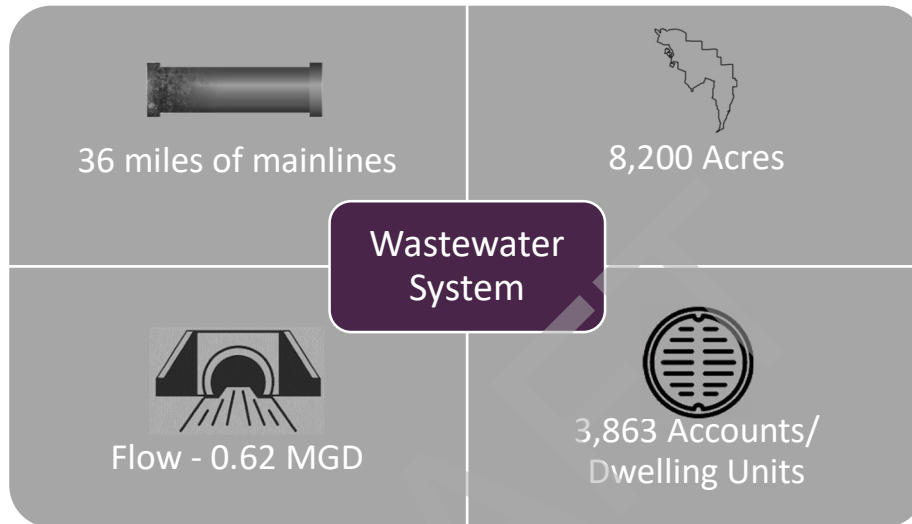
Trabuco Canyon Water District – 2023 Cost-of-Service Study

Wastewater Utility

Wastewater System

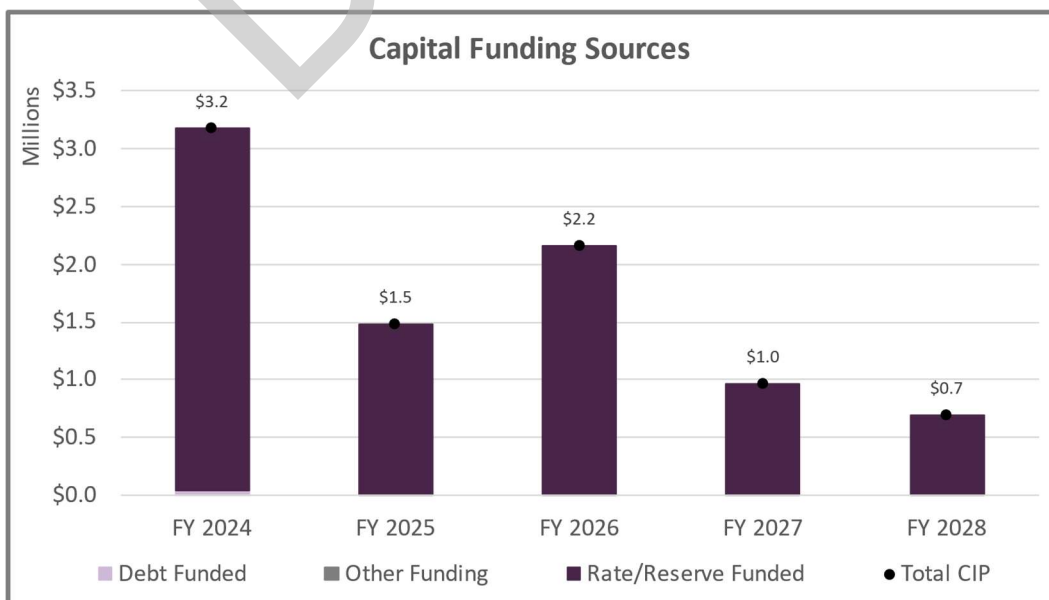
The District owns and operates gravity sewer pipelines and force mains, sewer lift stations, and pump stations and treats collected wastewater at its Robinson Wastewater Treatment Plant (WWTP) and Chiquita WWTP.

Figure 13: Wastewater System



The District recently completed asset management plan identified capital project needs of \$15M over the next ten years. Through the District's review of the asset management plan and prioritizing projects between critical, less critical, and non-critical improvements, a final proposed Capital Improvement Plan (CIP) for this study was provided requiring \$15M in capital spending over the next ten years, of which \$8.5M is needed during the Rate Setting Period. Figure 14 shows the District's CIP through FY 2028 with funding sources.

Figure 14: Wastewater Capital Improvement Plan



Trabuco Canyon Water District – 2023 Cost-of-Service Study

Customers

At the start of FY 2023, the District had 3,863 active billable units, which includes total residential dwelling units and commercial accounts. Table 48 provides a summary of billable units by customer class.

Table 48: Wastewater Billable Units by Customer Class

| Customer Class | Accounts [A] | Billing Units [B] | Annual Billing Units [C] = B x 12 |
|----------------|-----------------|----------------------|--------------------------------------|
| Residential | 3,664 | 3,819 | 45,828 |
| Commercial | 44 | 44 | 528 |
| Total | 3,708 | 3,863 | 46,356 |

The current wastewater rate structure consists of monthly fixed charges charged against each billing unit, which includes accounts and additional dwelling units, and variable rates charged against commercial accounts. Variable rates are separated into three different categories of strength levels of discharge – Low, Medium, and High. Existing charges and rates are identified in Table 49.

Table 49: Existing Wastewater Monthly Fixed Charges

| Flat Charges (\$/Month) | |
|-------------------------|----------|
| Customer Class | Existing |
| Residential | \$ 39.56 |
| Commercial | \$ 5.14 |

| Variable Rates (\$/HCF) | |
|-------------------------|----------|
| Customer Class | Existing |
| Commercial | |
| Low | \$ 5.69 |
| Medium | 7.21 |
| High | 9.44 |

Financial Plan Overview - Wastewater Utility

Financial Planning Assumptions

Developing a long-term financial plan requires understanding the utility's financial position by evaluating existing revenue streams, ongoing expenses, how those expenses will change over time, new strategic objectives, and reserve policies. These considerations require certain assumptions for projecting revenues, expenses, and expected ending fund balances. Table 50 identifies assumptions used for forecasting revenues, and Table 51 identifies assumptions used for forecasting increases in expenses through the Rate Setting Period.

Table 50: Wastewater Assumptions for Forecasting Revenues

| Key Assumptions | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue Escalation | | | | | |
| Non-Rate Revenues | 0% | 0% | 0% | 0% | 0% |
| Reserve Interest | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Account Growth | 0% | 0% | 0% | 0% | 0% |
| Billing Units | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Single-Family | 3,633 | 3,633 | 3,633 | 3,633 | 3,633 |
| Multi-Family | 186 | 186 | 186 | 186 | 186 |
| Commercial | 44 | 44 | 44 | 44 | 44 |
| Total Billing Units | 3,863 | 3,863 | 3,863 | 3,863 | 3,863 |
| Billed Flow by Customer Class | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Commercial | | | | | |
| Low | 7,784 | 7,784 | 7,784 | 7,784 | 7,784 |
| Medium | 5,752 | 5,752 | 5,752 | 5,752 | 5,752 |
| High | 1,615 | 1,615 | 1,615 | 1,615 | 1,615 |
| Total Billed Flow (HCF) | 15,151 | 15,151 | 15,151 | 15,151 | 15,151 |

Table 51: Wastewater Assumptions for Forecasting Expense Requirements⁵

| Key Assumptions | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------|---------|---------|---------|---------|---------|
| Expenditure Escalation | | | | | |
| Benefits | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% |
| Capital Construction | 6.63% | 3.93% | 3.93% | 3.93% | 3.93% |
| Energy Costs | 8.00% | 8.00% | 5.00% | 5.00% | 5.00% |
| Fuel | 20.00% | 20.00% | 5.00% | 5.00% | 5.00% |
| General Costs | 6.20% | 3.95% | 3.95% | 3.95% | 3.95% |
| Non-Inflated | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Retirement | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Salaries | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |

⁵ Capital Construction inflation and General Costs for FY 2024 and FY 2025 were increased to 6.6% and 6.2%, respectively to account for recent annual increase due to inflation. Outer years reduce to 3.93% and 3.95%, reflecting the 5-year average of the Engineer's News Record – CCI index and the LA Consumer Price Index, respectively.

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Current Financial Position

Revenues

Based on the forecasting assumptions, revenues were calculated using billable units (Table 48) and existing wastewater rates (Table 49). Table 52 shows the calculated revenues for FY 2024 through the Rate Setting Period. Table 53 summarizes calculated rate revenues (rounded to thousands) and other non-rate revenues available through the Rate Setting Period.

Table 52: Wastewater Calculated Rate Revenues

| Fixed Revenues | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Base Fixed Charge | | | | | |
| Single-Family | \$ 1,724,658 | \$ 1,724,658 | \$ 1,724,658 | \$ 1,724,658 | \$ 1,724,658 |
| Multi-Family | 79,169 | 79,169 | 79,169 | 79,169 | 79,169 |
| Commercial | 2,714 | 2,714 | 2,714 | 2,714 | 2,714 |
| Total Base Fixed Charge | \$ 1,806,541 | \$ 1,806,541 | \$ 1,806,541 | \$ 1,806,541 | \$ 1,806,541 |
| Variable Revenues | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Commercial | | | | | |
| Low | \$ 44,291 | \$ 44,291 | \$ 44,291 | \$ 44,291 | \$ 44,291 |
| Medium | 41,472 | 41,472 | 41,472 | 41,472 | 41,472 |
| High | 15,246 | 15,246 | 15,246 | 15,246 | 15,246 |
| Total Non-Potable Variable Rate Revenue | \$ 101,008 | \$ 101,008 | \$ 101,008 | \$ 101,008 | \$ 101,008 |
| Total Rate Revenue | \$ 1,907,549 | \$ 1,907,549 | \$ 1,907,549 | \$ 1,907,549 | \$ 1,907,549 |

Table 53: Wastewater Projected Wastewater Revenues

| Revenue Summary | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Revenues | | | | | |
| Residential | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 |
| Commercial | 104,000 | 104,000 | 104,000 | 104,000 | 104,000 |
| Subtotal Rate Revenues | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 |
| Operating Revenues | | | | | |
| Late Charges | \$ 39,000 | \$ 39,000 | \$ 39,000 | \$ 39,000 | \$ 39,000 |
| New Account Fee | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Wastewater Discharge Permit | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Sewer Contracts | 53,000 | 53,000 | 53,000 | 53,000 | 53,000 |
| Chiquita/El Toro Fixed Cost | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 |
| ETRLS (SMWD) | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 |
| Subtotal Operating Revenues | \$ 251,000 | \$ 251,000 | \$ 251,000 | \$ 251,000 | \$ 251,000 |
| Non-Operating Revenues | | | | | |
| Uncollectable Accounts | \$ (1,000) | \$ (1,000) | \$ (1,000) | \$ (1,000) | \$ (1,000) |
| Property Taxes | 780,000 | 790,000 | 800,000 | 810,000 | 820,000 |
| Other Non-Operating Revenue | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Interest Revenue | 14,000 | 12,000 | 12,000 | 13,000 | 13,000 |
| Subtotal Non-Operating Revenues | \$ 809,000 | \$ 817,000 | \$ 827,000 | \$ 838,000 | \$ 848,000 |
| Total Revenues | \$ 2,968,000 | \$ 2,976,000 | \$ 2,986,000 | \$ 2,997,000 | \$ 3,007,000 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Expenses

The FY 2023 budget was used as the utility's baseline expenses and adjusted over the Rate Setting Period based on the escalation factors shown in Table 51. Table 54 provides projected O&M expenses through the Rate Setting Period (rounded to thousands). Each expense category includes detailed line-item expenditures that were discussed with staff to determine the appropriate escalation factor to use for forecasting how costs will increase over time.

Table 54: Wastewater Projected O&M Expenses

| O&M Expenses | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Expenses | | | | | |
| General and Administrative | 563,000 | 589,000 | 616,000 | 645,000 | 675,000 |
| Salaries & Benefits | 1,242,000 | 1,310,000 | 1,382,000 | 1,459,000 | 1,539,000 |
| Treatment | 539,000 | 573,000 | 598,000 | 624,000 | 652,000 |
| CalPERS & OPEB | 74,000 | 71,000 | 66,000 | 61,000 | 55,000 |
| Subtotal Operating Expenses | \$2,418,000 | \$2,543,000 | \$2,662,000 | \$2,789,000 | \$2,921,000 |
| Debt Service | | | | | |
| Credit Line | \$ - | \$ - | \$ - | \$ - | \$ - |
| Refinancing/New Proposed Debt | 184,805 | 184,805 | 184,805 | 184,805 | 184,805 |
| Subtotal Debt Service | \$ 184,805 | \$ 184,805 | \$ 184,805 | \$ 184,805 | \$ 184,805 |
| Total Expenses | \$2,602,805 | \$2,727,805 | \$2,846,805 | \$2,973,805 | \$3,105,805 |

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Trabuco Canyon Water District – 2023 Cost-of-Service Study

Reserves

The wastewater utility reserves include Operating, Replacement and Emergency. Similar to the water utility, these reserves help mitigate risks to the utility by ensuring sufficient cash is on hand for daily operations and to fund annual system improvements, including unforeseen system failures. Table 55 summarizes the minimum reserve requirements and the ideal funding targets of each reserve.

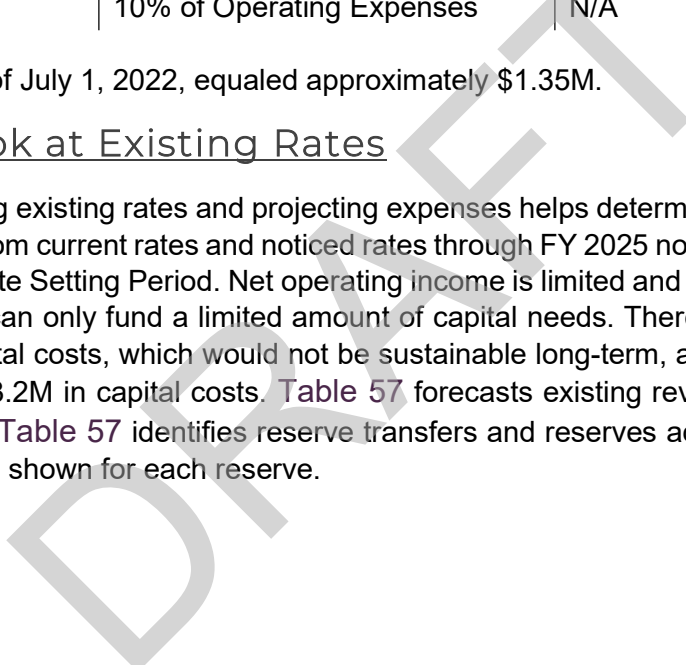
Table 55: Wastewater Reserve Requirements and Targets

| Reserve | Minimum Requirement | Reserve Target |
|---------------------|--|--|
| Operating | 90 days of operating expenses | 120 days of operating expenses |
| Capital Replacement | Annual CIP costs based on 5-year average | 2 years of CIP costs based on 5-year average |
| Rate Stabilization | 10% of Operating Expenses | N/A |

The reserve balance as of July 1, 2022, equaled approximately \$1.35M.

Financial Outlook at Existing Rates

Calculating revenue using existing rates and projecting expenses helps determine the current financial health of the utility. Revenues from current rates and noticed rates through FY 2025 noticed rates will cover operating expenses through the Rate Setting Period. Net operating income is limited and reduces annually as projected expenses increase and can only fund a limited amount of capital needs. Therefore, reserves would need to cover the remaining capital costs, which would not be sustainable long-term, as reserves would be depleted in FY 2024 due to the \$3.2M in capital costs. Table 57 forecasts existing revenues and expenses through the Rate Setting Period. Table 57 identifies reserve transfers and reserves activity, with projected FY 2024 starting reserve balances shown for each reserve.



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Table 56: Wastewater Financial Plan at Existing Rates

| Revenue | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|----------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Revenues | | | | | | |
| Residential | Table 53 | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 |
| Commercial | | 104,000 | 104,000 | 104,000 | 104,000 | 104,000 |
| Total Rate Revenues | | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 |
| Projected Rate Revenues | | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 |
| Operating Revenues | | | | | | |
| Late Charges | | \$ 39,000 | \$ 39,000 | \$ 39,000 | \$ 39,000 | \$ 39,000 |
| New Account Fee | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Wastewater Discharge Permit | Table 53 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Sewer Contracts | | 53,000 | 53,000 | 53,000 | 53,000 | 53,000 |
| Chiquita/El Toro Fixed Cost | | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 |
| ETRLS (SMWD) | | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 |
| Subtotal Operating Revenues | | \$ 251,000 | \$ 251,000 | \$ 251,000 | \$ 251,000 | \$ 251,000 |
| Non-Operating Revenues | | | | | | |
| Uncollectable Accounts | | \$ (1,000) | \$ (1,000) | \$ (1,000) | \$ (1,000) | \$ (1,000) |
| Property Taxes | Table 53 | 780,000 | 790,000 | 800,000 | 810,000 | 820,000 |
| Other Non-Operating Revenue | | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Interest Revenue | | 14,000 | 12,000 | 12,000 | 13,000 | 13,000 |
| Subtotal Non-Operating Revenues | | \$ 809,000 | \$ 817,000 | \$ 827,000 | \$ 838,000 | \$ 848,000 |
| Total Revenues | | \$ 2,968,000 | \$ 2,976,000 | \$ 2,986,000 | \$ 2,997,000 | \$ 3,007,000 |
| O&M Expenses | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Operating Expenses | | | | | | |
| General and Administrative | | 563,000 | 589,000 | 616,000 | 645,000 | 675,000 |
| Salaries & Benefits | Table 54 | 1,242,000 | 1,310,000 | 1,382,000 | 1,459,000 | 1,539,000 |
| Treatment | | 539,000 | 573,000 | 598,000 | 624,000 | 652,000 |
| CalPERS & OPEB | | 74,000 | 71,000 | 66,000 | 61,000 | 55,000 |
| Subtotal Operating Expenses | | \$ 2,418,000 | \$ 2,543,000 | \$ 2,662,000 | \$ 2,789,000 | \$ 2,921,000 |
| Debt Service | | | | | | |
| Credit Line | Table 54 | \$ 36,250 | \$ 18,125 | \$ - | \$ - | \$ - |
| Refinancing/New Proposed Debt | | 184,805 | 184,805 | 184,805 | 184,805 | 184,805 |
| Subtotal Debt Service | | \$ 221,055 | \$ 202,930 | \$ 184,805 | \$ 184,805 | \$ 184,805 |
| Total Expenses | | \$ 2,639,055 | \$ 2,745,930 | \$ 2,846,805 | \$ 2,973,805 | \$ 3,105,805 |
| Net Cashflow | | \$ 328,945 | \$ 230,070 | \$ 139,195 | \$ 23,195 | \$ (98,805) |

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Table 57: Wastewater – Transfers and Reserve Activity at Existing Rates

| Operating/Working Capital | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Beginning Balance | \$ 566,384 | \$ 596,219 | \$ 627,041 | \$ 656,384 | \$ 679,578 |
| Transfers (Net Cashflow) | 328,945 | 230,070 | 139,195 | 23,195 | (98,805) |
| Transfers from/(to) Capital Reserve | (299,109) | (199,248) | (109,852) | 0 | 0 |
| Ending Balance | \$ 596,219 | \$ 627,041 | \$ 656,384 | \$ 679,578 | \$ 580,773 |

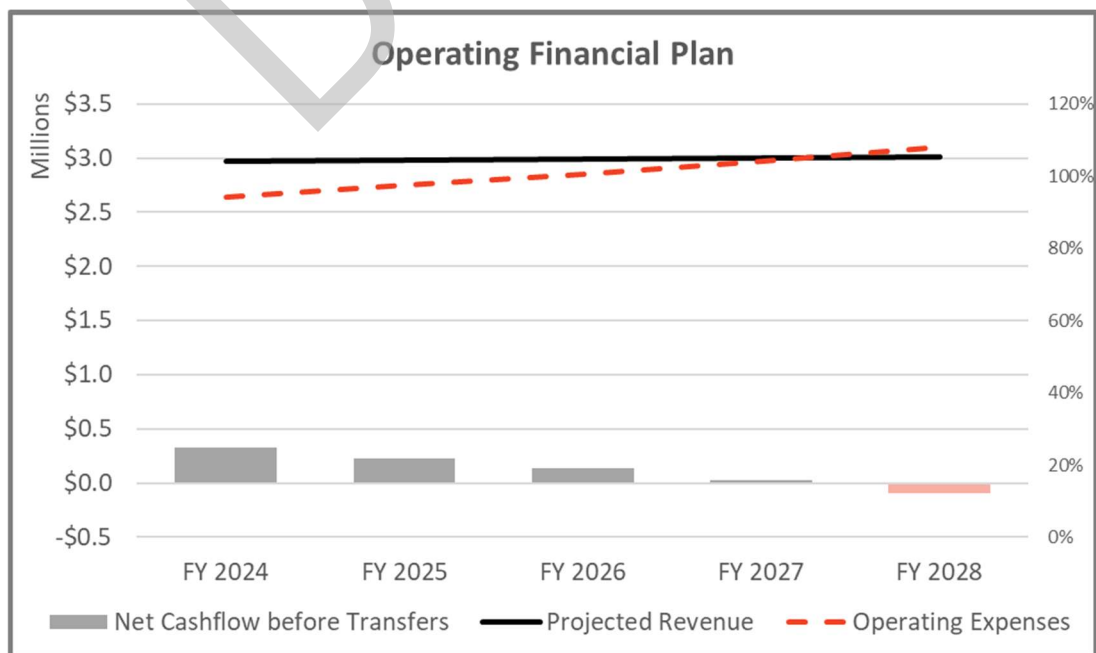
| Capital Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Beginning Balance | \$ 1,472,018 | \$ (1,406,662) | \$ (2,690,309) | \$ (4,742,213) | \$ (5,712,473) |
| <u>Plus:</u> | | | | | |
| Transfers from/(to) Operating/Working Capital | 299,109 | 199,248 | 109,852 | 0 | 0 |
| <u>Less:</u> | | | | | |
| CIP | (3,177,790) | (1,482,895) | (2,161,756) | (970,260) | (693,336) |
| Transfers from/(to) Sewer Rate Stabilization Reserve | - | - | - | - | - |
| Subtotal Capital Reserve | \$ (1,406,662) | \$ (2,690,309) | \$ (4,742,213) | \$ (5,712,473) | \$ (6,405,808) |
| Interest Earnings | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$ (1,406,662) | \$ (2,690,309) | \$ (4,742,213) | \$ (5,712,473) | \$ (6,405,808) |

| Sewer Rate Stabilization Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Beginning Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers from/(to) Capital Reserve | - | - | - | - | - |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - |

| | | | | | |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Ending Unrestricted Reserve Balance | \$ (810,443) | \$ (2,063,268) | \$ (4,085,829) | \$ (5,032,895) | \$ (5,825,035) |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|

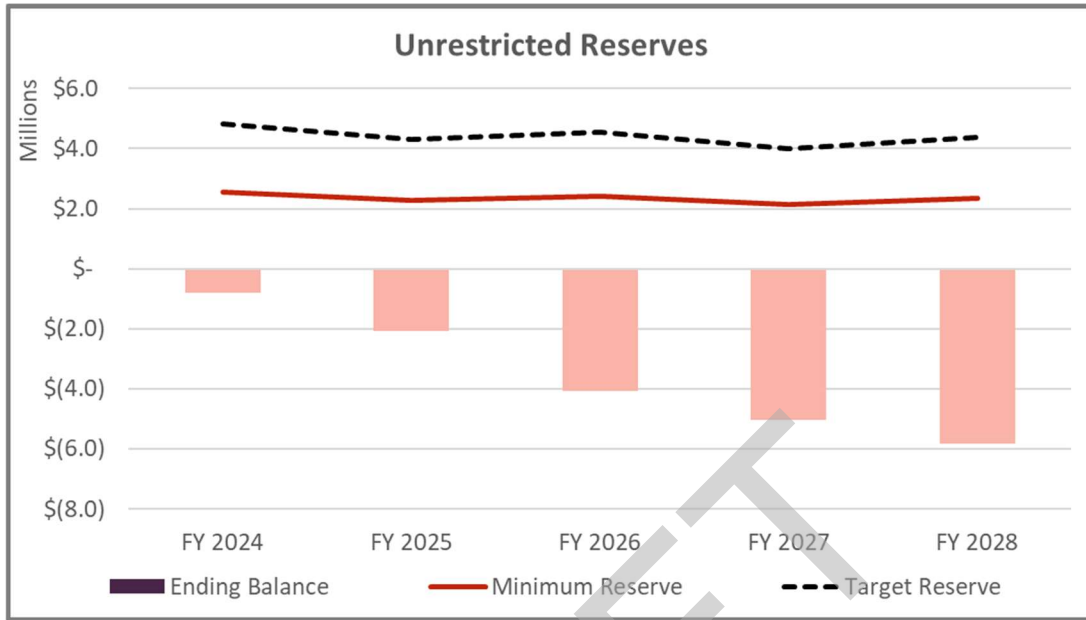
Figure 15 illustrates the operating position of the utility, where O&M expenses are identified with the dashed red trendline, and the horizontal black trendline shows total revenues at existing rates. The bars represent the amount of net operating income available. Figure 16 reflects the projected ending balances of unrestricted reserves after funding operating and capital projects through the Rate Setting Period. Unrestricted reserves include the Operating, Capital Replacement, and Rate Stabilization reserves.

Figure 15: Wastewater Current Operating Financial Position



Trabuco Canyon Water District – 2023 Cost-of-Service Study

Figure 16: Wastewater Projected Ending Reserves at Existing Rates



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Proposed Financial Plan – Wastewater Utility

From the financial outlook at existing rates, a proposed financial plan can be developed to adequately fund the multi-year revenue requirements, while meeting reserve requirements. The proposed financial plan generates approximately \$5.285M in additional revenue over the Rate Setting Period. The additional revenue generates positive net operating income each year to go towards capital spending and satisfy reserve requirements. Table 23 forecasts projected revenues, **with annual revenue adjustments**, and expenses through FY 2028, including \$7M in proposed debt that converts the existing short-term debt of \$2.5M to long-term debt plus an additional \$4.5M in new proceeds. Table 24 identifies the projected FY 2024 total starting reserve balances, activity within each reserve (including net income transfer from Table 23, transfers between reserves, and annual CIP), and projected ending balances for each fiscal year of the Rate Setting Period.

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Trabuco Canyon Water District – 2023 Cost-of-Service Study

Table 58: Proposed Wastewater Financial Plan

| Revenue | | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---|--------------------|-----------------|--------------|--------------|--------------|--------------|--------------|
| Rate Revenues | | | | | | | |
| Residential | Table 53 | | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 | \$ 1,804,000 |
| Commercial | | | 104,000 | 104,000 | 104,000 | 104,000 | 104,000 |
| Total Rate Revenues | | | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 | \$ 1,908,000 |
| Additional Revenue (from revenue adjustments): | | | | | | | |
| Fiscal Year | Revenue Adjustment | Effective Month | | | | | |
| FY 2024 | 16.0% | July | 305,000 | 305,000 | 305,000 | 305,000 | 305,000 |
| FY 2025 | 16.0% | July | | 354,000 | 354,000 | 354,000 | 354,000 |
| FY 2026 | 16.0% | July | | | 410,000 | 410,000 | 410,000 |
| FY 2027 | 12.0% | July | | | | 357,000 | 357,000 |
| FY 2028 | 12.0% | July | | | | | 400,000 |
| Total Additional Revenue | | | \$ 305,000 | \$ 659,000 | \$ 1,069,000 | \$ 1,426,000 | \$ 1,826,000 |
| Projected Rate Revenues | | | \$ 2,213,000 | \$ 2,567,000 | \$ 2,977,000 | \$ 3,334,000 | \$ 3,734,000 |
| Operating Revenues | | | | | | | |
| Late Charges | Table 53 | | \$ 39,000 | \$ 39,000 | \$ 39,000 | \$ 39,000 | \$ 39,000 |
| New Account Fee | | | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Wastewater Discharge Permit | | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Sewer Contracts | | | 53,000 | 53,000 | 53,000 | 53,000 | 53,000 |
| Chiquita/El Toro Fixed Cost | | | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 |
| ETRLS (SMWD) | | | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 |
| Subtotal Operating Revenues | | | \$ 251,000 | \$ 251,000 | \$ 251,000 | \$ 251,000 | \$ 251,000 |
| Non-Operating Revenues | | | | | | | |
| Uncollectable Accounts | Table 53 | | \$ (1,000) | \$ (1,000) | \$ (1,000) | \$ (1,000) | \$ (1,000) |
| Property Taxes | | | 780,000 | 790,000 | 800,000 | 810,000 | 820,000 |
| Other Non-Operating Revenue | | | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Interest Revenue | | | 14,000 | 12,000 | 12,000 | 13,000 | 13,000 |
| Subtotal Non-Operating Revenues | | | \$ 809,000 | \$ 817,000 | \$ 827,000 | \$ 838,000 | \$ 848,000 |
| Total Revenues | | | \$ 3,273,000 | \$ 3,635,000 | \$ 4,055,000 | \$ 4,423,000 | \$ 4,833,000 |
| O&M Expenses | | | | | | | |
| Operating Expenses | | | | | | | |
| General and Administrative | Table 54 | | 563,000 | 589,000 | 616,000 | 645,000 | 675,000 |
| Salaries & Benefits | | | 1,242,000 | 1,310,000 | 1,382,000 | 1,459,000 | 1,539,000 |
| Treatment | | | 539,000 | 573,000 | 598,000 | 624,000 | 652,000 |
| CalPERS & OPEB | | | 74,000 | 71,000 | 66,000 | 61,000 | 55,000 |
| Subtotal Operating Expenses | | | \$ 2,418,000 | \$ 2,543,000 | \$ 2,662,000 | \$ 2,789,000 | \$ 2,921,000 |
| Debt Service | | | | | | | |
| Credit Line | Table 54 | | \$ 36,250 | \$ 18,125 | \$ - | \$ - | \$ - |
| Refinancing/New Proposed Debt | | | 517,455 | 517,455 | 517,455 | 517,455 | 517,455 |
| Subtotal Debt Service | | | \$ 553,705 | \$ 535,580 | \$ 517,455 | \$ 517,455 | \$ 517,455 |
| Total Expenses | | | \$ 2,971,705 | \$ 3,078,580 | \$ 3,179,455 | \$ 3,306,455 | \$ 3,438,455 |
| Net Cashflow | | | \$ 301,295 | \$ 556,420 | \$ 875,545 | \$ 1,116,545 | \$ 1,394,545 |

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Table 59: Wastewater – Undesignated Reserves Activity through FY 2028

| Operating/Working Capital | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Balance | \$ 566,384 | \$ 596,219 | \$ 627,041 | \$ 656,384 | \$ 687,699 |
| Transfers (Net Cashflow) | 301,295 | 556,420 | 875,545 | 1,116,545 | 1,394,545 |
| Transfers from/(to) Capital Reserve | (271,460) | (525,598) | (846,203) | (1,085,230) | (1,361,997) |
| Ending Balance | \$ 596,219 | \$ 627,041 | \$ 656,384 | \$ 687,699 | \$ 720,247 |
| Capital Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ 1,472,018 | \$ 3,111,065 | \$ 2,206,417 | \$ 921,837 | \$ 1,056,394 |
| <u>Plus:</u> | | | | | |
| Transfers from/(to) Operating/Working Capital | 271,460 | 525,598 | 846,203 | 1,085,230 | 1,361,997 |
| <u>Less:</u> | | | | | |
| CIP | (3,177,790) | (1,482,895) | (2,161,756) | (970,260) | (693,336) |
| Transfers from/(to) Sewer Rate Stabilization Reserve | - | - | - | - | (403,479) |
| Subtotal Capital Reserve | \$ 3,065,688 | \$ 2,153,769 | \$ 890,865 | \$ 1,036,808 | \$ 1,321,577 |
| Interest Earnings | 45,377 | 52,648 | 30,973 | 19,586 | 23,780 |
| Ending Balance | \$ 3,111,065 | \$ 2,206,417 | \$ 921,837 | \$ 1,056,394 | \$ 1,345,356 |
| Sewer Rate Stabilization Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers from/(to) Capital Reserve | - | - | - | - | 403,479 |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ 403,479 |
| Ending Unrestricted Reserves Balance | \$ 3,707,284 | \$ 2,833,458 | \$ 1,578,221 | \$ 1,744,093 | \$ 2,469,082 |

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Trabuco Canyon Water District – 2023 Cost-of-Service Study

The operating position based on the proposed financial plan is identified in Figure 17, including debt service coverage. Figure 18 shows the capital plan with funding sources. Figure 19 identifies the ending undesignated reserve balances after funding capital expenses.

Figure 17: Wastewater Proposed Operating Position

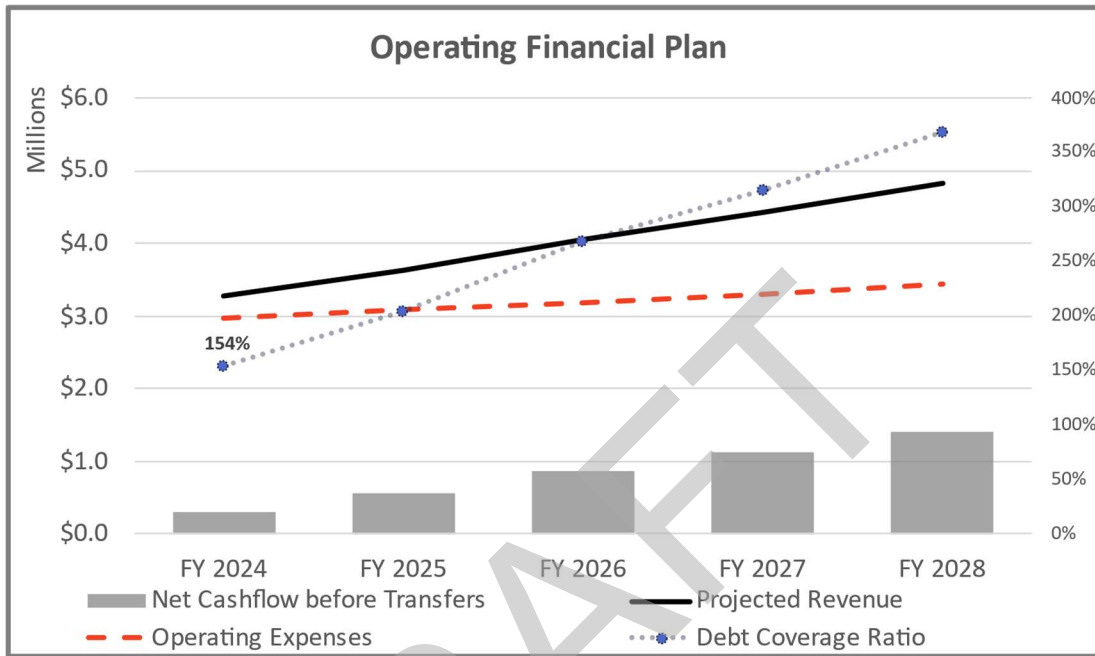
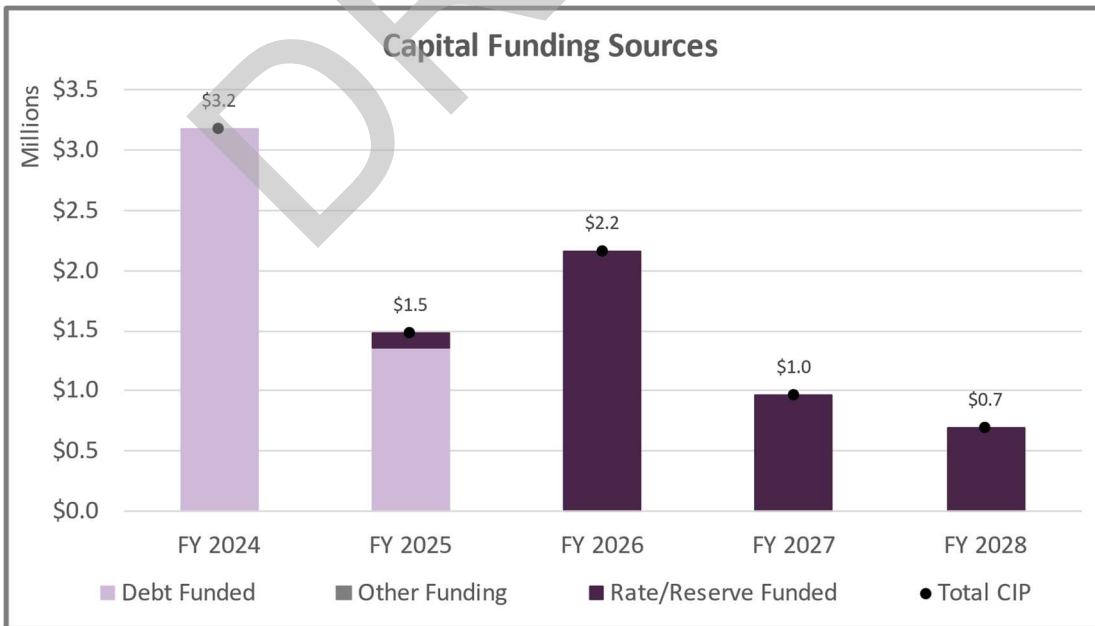
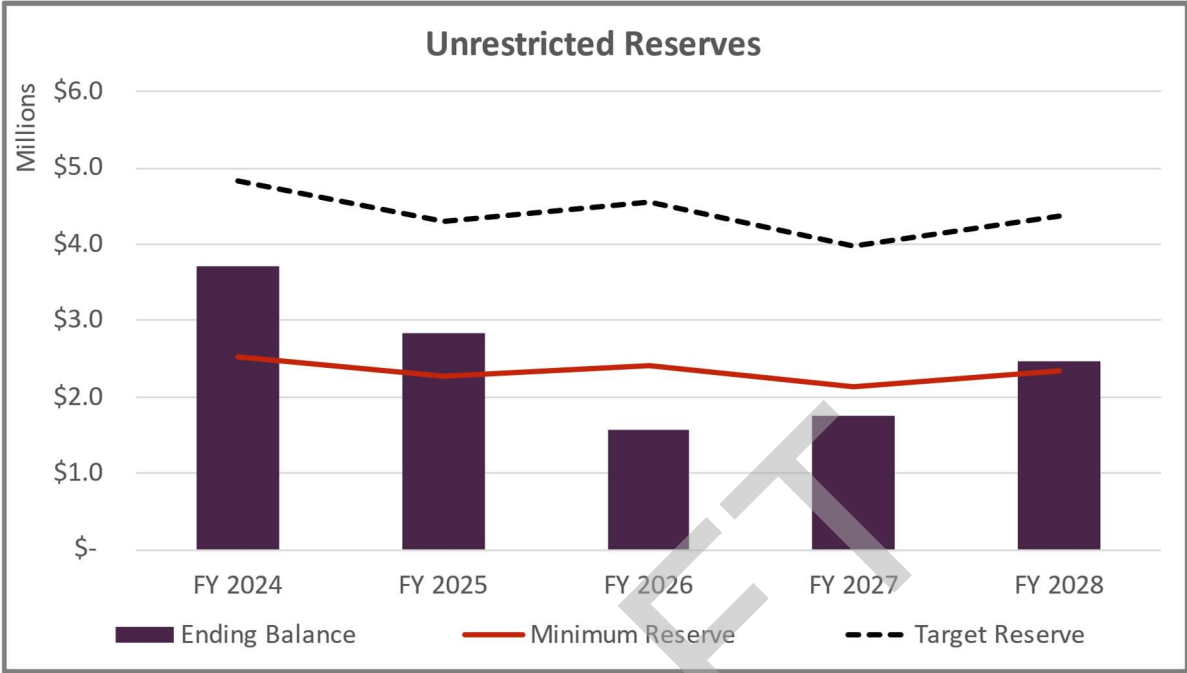


Figure 18: Wastewater Capital Improvement Plan with Funding Sources



Trabuco Canyon Water District – 2023 Cost-of-Service Study

Figure 19: Wastewater Proposed Ending Reserves



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Trabuco Canyon Water District – 2023 Cost-of-Service Study

Cost of Service Analysis – Wastewater Utility

Cost of Service Process

The next step in developing wastewater rates is to perform a cost-of-service analysis. Through this process, costs incurred are allocated to customer classes based on their proportional share. As a result, proposed rates are cost-based and reflect the costs incurred to provide service to customers.

Revenue Requirements

FY 2024 revenue requirements were used for the cost-of-service analysis. Revenue requirements include O&M expenses, treatment expenses, available revenue offsets, non-rate revenues, and reserve funding. The proposed revenue adjustments and corresponding rates accumulate the necessary funding over the Rate Setting Period to fund O&M, capital projects, and meet minimum reserve requirements. The results of the financial plan analysis are summarized in Table 60 and represent the revenue required from rates over the Rate Setting Period.

Table 60: Wastewater Revenue Requirements

| | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue Requirements | Total | Total | Total | Total | Total |
| Operating Expenses | | | | | |
| General and Administrative | \$ 563,000 | \$ 589,000 | \$ 616,000 | \$ 645,000 | \$ 675,000 |
| Salaries & Benefits | 1,242,000 | 1,310,000 | 1,382,000 | 1,459,000 | 1,539,000 |
| Treatment | 539,000 | 573,000 | 598,000 | 624,000 | 652,000 |
| CalPERS & OPEB | 74,000 | 71,000 | 66,000 | 61,000 | 55,000 |
| Total Operating Expenses | \$ 2,418,000 | \$ 2,543,000 | \$ 2,662,000 | \$ 2,789,000 | \$ 2,921,000 |
| Debt Service | | | | | |
| Credit Line | \$ 36,250 | \$ 18,125 | \$ - | \$ - | \$ - |
| Refinancing/New Proposed Debt | 517,455 | 517,455 | 517,455 | 517,455 | 517,455 |
| Total Debt Service | \$ 553,705 | \$ 535,580 | \$ 517,455 | \$ 517,455 | \$ 517,455 |
| Other Funding | | | | | |
| Revenue Offsets | | | | | |
| Operating Revenues | \$ (251,000) | \$ (251,000) | \$ (251,000) | \$ (251,000) | \$ (251,000) |
| Non-Operating Revenues | (809,000) | (817,000) | (827,000) | (838,000) | (848,000) |
| Total Revenue Offsets | \$ (1,060,000) | \$ (1,068,000) | \$ (1,078,000) | \$ (1,089,000) | \$ (1,099,000) |
| Adjustments | | | | | |
| Reserve Funding | \$ 301,295 | \$ 556,420 | \$ 875,545 | \$ 1,116,545 | \$ 1,394,545 |
| Total Adjustments | \$ 301,295 | \$ 556,420 | \$ 875,545 | \$ 1,116,545 | \$ 1,394,545 |
| Subtotal Other Funding | \$ (758,705) | \$ (511,580) | \$ (202,455) | \$ 27,545 | \$ 295,545 |
| Revenue Requirement from Rates | \$2,213,000 | \$2,567,000 | \$2,977,000 | \$3,334,000 | \$3,734,000 |

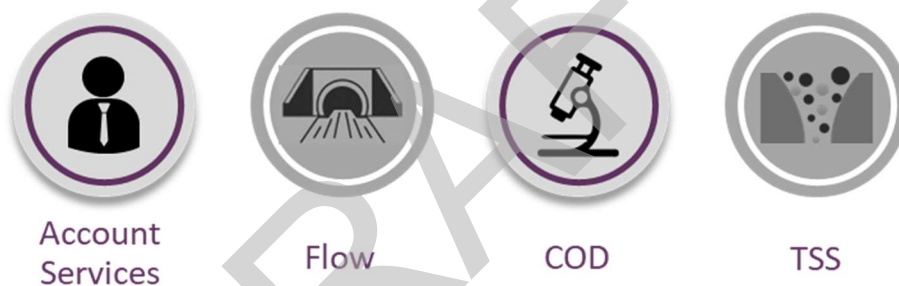
Trabuco Canyon Water District – 2023 Cost-of-Service Rate Study

Define Cost Components

The District's wastewater cost-of-service requirements were allocated to cost components and then to customers classes to develop cost-based rates in compliance with Proposition 218. The utility incurs costs to accommodate the total flow demand generated by different customer classes. Therefore, to determine the most appropriate way to recover the utility's expenses, cost components are identified and used to allocate expenses based on how they are incurred. Through our review of the revenue requirements and understanding of the wastewater system, the cost-of-service allocation documented in this report is based on total billing units (accounts plus additional dwelling units), flow (volume influent in HCF), and the strength characteristics of each customer class.

Strength loading factors for chemical oxygen demand (COD) and total suspended solids (TSS) are based on the Los Angeles County Sanitation District (LACSD) 2007 update. The LACSD's 2007 update reflects a substantial dataset of the most up-to-date discharge characteristics for various commercial uses, which typically would not vary by geographical location. The cost components shown in Figure 20 are used within the cost-of-service to allocate costs to customer classes in relation to the demand that each place on the system.

Figure 20: Wastewater Cost Components



Account Services – Fixed expenses related to the collection system and treatment plants that do not necessarily fluctuate based on flow. Administration, utility billing services, and overhead costs are incurred based on having an account. In addition, a portion of maintenance is recovered as part of Account Services.

Flow – Expenses associated with the collection system and volume of flow treated at the WWTPs.

COD – Expenses associated with treating microbial and organic compounds at the WWTP.

TSS – Expenses associated with treating TSS at the WWTP.

Allocate Expenses to Cost Components

When allocating expenses to the defined cost components, it is important to have a sound basis as to why an expense was allocated to a certain fixed cost component versus a variable cost component or split between both fixed and variable. The distribution of expenses to the cost components should be straightforward to ensure the method of apportionment is **understandable** and easily **correlates to how expenses are incurred**. A description of each expense category is identified below.

Table 61 summarizes the percent allocation of Operating expenses to the cost components with Account Services as a fixed component and Flow, COD, and TSS as variable cost components. General and Administration and CalPERS & OPEB were allocated to the cost component of Account Services. Salaries & Benefits and Treatment expense categories are associated with the daily operating costs of the treatment plants and allocated to Flow, COD and TSS based on the District's review of its treatment plant processes

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and how costs are incurred at the plants in treated influent, equal to 20% Flow, 40% COD and 40% TSS. Table 62 uses the percent allocations in Table 61 to allocate expenses in dollars to each cost component.

Table 61: Wastewater O&M Expense Allocation to Cost Components (%)

| Operating Expenses | Methodology / Allocation Basis | Account Services | Flow | COD | TSS | Total |
|----------------------------|--------------------------------|------------------|-------|-------|-------|--------|
| General and Administrative | Specific | 100.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| Salaries & Benefits | Treatment | 0.0% | 20.0% | 40.0% | 40.0% | 100.0% |
| Treatment | Treatment | 0.0% | 20.0% | 40.0% | 40.0% | 100.0% |
| CalPERS & OPEB | Specific | 100.0% | 0.0% | 0.0% | 0.0% | 100.0% |

Table 62: Wastewater O&M Expense Allocation to Cost Components (\$)

| Operating Expenses | Methodology / Allocation Basis | Account Services | Flow | COD | TSS | Total |
|-------------------------------|--------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| General and Administrative | Specific | \$ 563,000 | \$ - | \$ - | \$ - | \$ 563,000 |
| Salaries & Benefits | Treatment | - | 248,400 | 496,800 | 496,800 | 1,242,000 |
| Treatment | Treatment | - | 107,800 | 215,600 | 215,600 | 539,000 |
| CalPERS & OPEB | Specific | 74,000 | - | - | - | 74,000 |
| Total Allocation (\$) | | \$ 637,000 | \$ 356,200 | \$ 712,400 | \$ 712,400 | \$ 2,418,000 |
| O&M Allocation (%) | | 26.3% | 14.7% | 29.5% | 29.5% | 100.0% |

The District's debt was allocated based on O&M percentages derived in Table 62 to equitable charge commercial customers their proportionate share of debt based on their percentage of total flow and strength, instead of solely based on percentage of accounts. Table 30 identifies the percent allocation of the debt expense to the cost components, and Table 31 reflects the debt expense in dollars.

Table 63: Wastewater Debt Allocation to Cost Components (%)

| Debt Service | Methodology / Allocation Basis | Account Services | Flow | COD | TSS | Total |
|-------------------------------|--------------------------------|------------------|-------|-------|-------|--------|
| Credit Line | O&M Allocation | 26.3% | 14.7% | 29.5% | 29.5% | 100.0% |
| Refinancing/New Proposed Debt | O&M Allocation | 26.3% | 14.7% | 29.5% | 29.5% | 100.0% |

Table 64: Wastewater Debt Allocation to Cost Components (\$)

| Debt Service | Methodology / Allocation Basis | Account Services | Flow | COD | TSS | Total |
|-------------------------------|--------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| Credit Line | O&M Allocation | \$ 9,550 | \$ 5,340 | \$ 10,680 | \$ 10,680 | \$ 36,250 |
| Refinancing/New Proposed Debt | O&M Allocation | 136,319 | 76,227 | 152,454 | 152,454 | 517,455 |
| Total Allocation (\$) | | \$ 145,868 | \$ 81,567 | \$ 163,134 | \$ 163,134 | \$ 553,705 |

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Other Funding includes other operating revenue, non-operating revenue, and reserve funding. All line items under "Other Funding" are allocated based on O&M percentages derived in Table 62 to allocate each line item to the cost components proportionately. Table 65 summarizes the percent allocation to the cost components, and Table 66 uses the percent allocations in Table 65 to allocate expenses in dollars to each cost component. Table 67 summarizes the FY 2024 revenue requirement derived in Table 60 by cost component

Table 65: Wastewater Other Funding to Cost Components (%)

| Other Funding | Methodology / Allocation Basis | Account Services | Flow | COD | TSS | Total |
|----------------------------------|--------------------------------|------------------|-------|-------|-------|--------|
| <i>Revenue Offsets</i> | | | | | | |
| Operating Revenues | O&M Allocation | 26.3% | 14.7% | 29.5% | 29.5% | 100.0% |
| Non-Operating Revenues | O&M Allocation | 26.3% | 14.7% | 29.5% | 29.5% | 100.0% |
| <i>Adjustments</i> | | | | | | |
| Reserve Funding | O&M Allocation | 26.3% | 14.7% | 29.5% | 29.5% | 100.0% |
| Adjustment for Mid-Year Increase | O&M Allocation | 26.3% | 14.7% | 29.5% | 29.5% | 100.0% |

Table 66: Wastewater Other Funding to Cost Components (\$)

| Other Funding | Methodology / Allocation Basis | Account Services | Flow | COD | TSS | Total |
|------------------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Revenue Offsets</i> | | | | | | |
| Operating Revenues | O&M Allocation | \$ (66,124) | \$ (36,975) | \$ (73,951) | \$ (73,951) | \$ (251,000) |
| Non-Operating Revenues | O&M Allocation | (213,124) | (119,175) | (238,351) | (238,351) | (809,000) |
| <i>Adjustments</i> | | | | | | |
| Reserve Funding | O&M Allocation | 79,374 | 44,384 | 88,769 | 88,769 | 301,295 |
| Total Allocation (\$) | | \$ (199,874) | \$ (111,766) | \$ (223,532) | \$ (223,532) | \$ (758,705) |

Table 67: FY 2024 Wastewater Cost-of-Service Requirements by Cost Component

| Revenue Requirement | Account Services | Flow | COD | TSS | Total |
|------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Operating | \$ 637,000 | \$ 356,200 | \$ 712,400 | \$ 712,400 | \$ 2,418,000 |
| Debt Service | 145,868 | 81,567 | 163,134 | 163,134 | 553,705 |
| Other Funding | (199,874) | (111,766) | (223,532) | (223,532) | (758,705) |
| COS Requirement | \$ 582,995 | \$ 326,001 | \$ 652,002 | \$ 652,002 | \$ 2,213,000 |

Rate Design – Wastewater Utility

Develop Units of Service

Residential customer flows were projected using expected indoor use based on a gallons per capita per day (gpcd) and people per household (pph) basis. Residential pph was based on the Department of Finance E-5 report for 2022, reflecting 2.75 pph, which is the weighted average based on population of Lake Forest, Mission Viejo, and Rancho Santa Margarita. Residential projected flows were based on 55 gpcd for indoor use with a 95% return factor ($55 \text{ gpcd} \times 0.95 = 52.3 \text{ gpcd}$). The 5% reduction accounts for indoor water use that does not return to the collection system (i.e., does not go down the drain). The annual residential flow reflects the product of Net Flow GPCD, total residential billing units, and 365 days. The result is then converted to HCF for a total annual projected residential flow of 268,201 HCF, as shown in Table 68.

Table 68: Residential Projected Flows

| Residential Flow Projections | Assumptions |
|--------------------------------------|--------------------|
| Gallons per capita per day (GPCD) | 55.0 |
| Projected indoor return factor | 95% |
| Net Flow GPCD | 52.3 |
| × People per household (Residential) | 2.75 |
| × Number of Residential accounts | 3,819 |
| Projected Residential Flow | 549,665 GPD |
| Annual Residential Flow (× 365) | 200,627,556 |
| Converted to HCF (÷ 748.05) | 268,201 |

Commercial customer flows were determined by estimating flow return factors for the Commercial customer class. To determine the appropriate flow return factor, we used the amount of total influent conveyed in FY 2022 to the District wastewater treatment plants of Robinson WWTP and Chiquita WWTP. The total treated influent is reduced by percentage of infiltration/inflow (known as I/I, which is a measure of the amount of water that enters the collection system that is not sewage, such as stormwater or groundwater that infiltrates into the collection system), equal to 7%, and less the projected residential flow derived in Table 68. The remainder is the estimated amount generated by Commercial customers. Table 69 provides the calculations used to derive the amount of projected flow expected to be generated by Commercial customers.

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Table 69: Non-Residential Projected Flows (HCF)

| Flow Assumptions (HCF) | | FY 2022 |
|--|------|----------------|
| Total Treated Flow | | 302,506 |
| Less: Inflow and Infiltration (I&I) | 7.0% | (21,175) |
| Flow from Customers | | 281,330 |
| Less Projected Residential Flow | | 268,201 |
| Projected Non-Residential Flows | | 13,130 |

| Customer Class | Water Usage [A] | Flow Return [B] | Projected Flow [C] = A x B |
|----------------|--------------------|--------------------|-------------------------------|
| Commercial | 15,151 | 86.7% | 13,130 |

Applying a return factor of 86.7% against Commercial water usage generates a calculated flow of 13,130 HCF, which is in-line with what is expected when compared to the amount of projected treated flow from Commercial.

Unit rates for the cost components are derived by identifying the units of service for each cost component (distribution basis). The distribution basis varies by cost component and includes billable units (total accounts/dwelling units) and projected flow, weighted COD, and weighted TSS. Table 70 summarizes the units of service for each cost component. Strength concentrations are weighted by total flow in Million Gallons (MG) to develop COD units of service (Weighted COD) and TSS units of service (Weighted TSS).

Table 70: Wastewater Units of Service

Annual Fixed Units of Service

| Customer Class | Accounts [A] | Billing Units [B] | Annual Billing Units [C] = B x 12 |
|----------------|-----------------|----------------------|--------------------------------------|
| Residential | 3,664 | 3,819 | 45,828 |
| Commercial | 44 | 44 | 528 |
| Total | 3,708 | 3,863 | 46,356 |

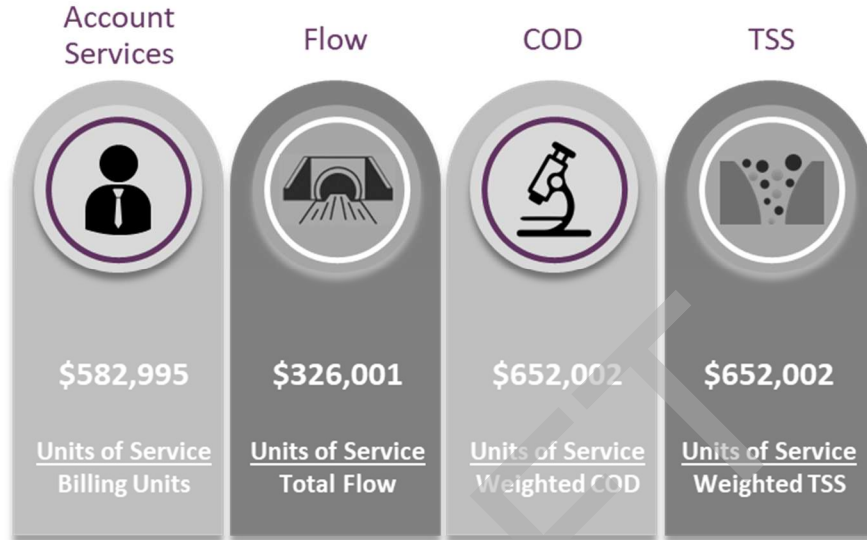
Annual Variable Units of Service

| Customer Class | Commercial Water Usage (HCF) [A] | Return Factor [B] | Projected Flow (HCF) [C] = (A x B) | Conversion Factor (HCF to MG) [D] | COD (ppm) [E] | TSS (ppm) [F] | Weighted COD [G] = (C x D x E) | Weighted TSS [H] = (C x D x F) |
|----------------|-------------------------------------|----------------------|---------------------------------------|--------------------------------------|------------------|------------------|-----------------------------------|-----------------------------------|
| Residential | | | 268,201 | 0.075% | 562 | 272 | 112,805 | 54,553 |
| Commercial | | | | | | | | |
| Low | 7,784 | 86.7% | 6,746 | 0.075% | 515 | 271 | 2,597 | 1,370 |
| Medium | 5,752 | 86.7% | 4,985 | 0.075% | 1,106 | 431 | 4,124 | 1,609 |
| High | 1,615 | 86.7% | 1,400 | 0.075% | 1,798 | 699 | 1,883 | 732 |
| Total | 15,151 | | 281,331 | | | | 121,410 | 58,264 |

Trabuco Canyon Water District – 2023 Cost-of-Service Rate Study

With the units of service shown in Table 70, the distribution basis can be identified for each cost component. The total revenue requirements by cost component from Table 67 is shown in Figure 21 with the corresponding units of service.

Figure 21: Wastewater Distribution Basis and Units of Service by Cost Component



Allocate to Customer Class

Using the FY 2024 revenue requirements, the cost-of-service allocates expenses to customer classes based on the service demands that each place on the system (cost causation). Using this approach provides a clear connection between costs incurred and the proportionate share attributable to each customer class. When designing rates, the most critical component is to connect costs to the proposed rates, resulting in a cost-based rate structure in compliance with Proposition 218. In the previous section, costs were summarized by expense category and allocated to cost components based on how each cost is incurred. The next step in designing rates is to allocate each cost component to customers in relation to their use of the system and facilities. This ensures that each customer proportionately shares in the financial obligation of the wastewater utility. For the following unit rate computations, unit rates were rounded up to the nearest penny.

Fixed Cost Recovery

Account Services

Account Services costs are spread equally across all billable units over 12 months. Therefore, the revenue requirement for Account Services is apportioned based on the annual billing units to determine the monthly unit cost-of-service shown in Table 71.

Table 71: FY 2024 Wastewater Account Services Monthly Unit Rate

| Account Services Component - Unit Rate | |
|--|----------------|
| Revenue Requirement | \$ 582,995 |
| ÷ Annual Billing Units | 46,356 |
| Monthly Unit Rate | \$12.58 |

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Variable Cost Recovery

Flow

Flow is a function of total volume of influent conveyed through the collection system and pumped through the treatment plants. Therefore, the revenue requirement for Flow is apportioned to each customer class based on their percentage of the total projected flow, as summarized in Table 72.

Table 72: FY 2024 Wastewater Collection Allocation by Customer Class

| Flow Charge Component - Unit Rate | |
|-----------------------------------|---------------|
| Revenue Requirement (RR) | \$ 326,001 |
| ÷ Projected Flow (HCF) | 281,331 |
| Monthly Unit Rate | \$1.16 |

| Customer Class | Projected Flow (HCF) [A] | % Allocation [B] = A as a % | Revenue Requirement [C] = RR x B |
|----------------|-----------------------------|--------------------------------|-------------------------------------|
| Residential | 268,201 | 95.3% | \$ 310,786 |
| Commercial | | | |
| Low | 6,746 | 2.4% | 7,817 |
| Medium | 4,985 | 1.8% | 5,776 |
| High | 1,400 | 0.5% | 1,622 |
| Total | 281,331 | 100% | \$ 326,001 |

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Trabuco Canyon Water District – 2023 Cost-of-Service Study

COD

COD costs relate to the treatment process of breaking down organic material in wastewater. Higher COD strengths require increased costs and longer periods of treatment time to dilute the high levels of COD prior to discharging effluent into waterways. Therefore, the revenue requirement for COD is apportioned based on Weighted COD for each customer class, as shown in Table 73.

Table 73: FY 2024 Wastewater COD Allocation by Customer Class

| COD Charge Component - Unit Rate | |
|----------------------------------|---------------|
| Revenue Requirement (RR) | \$ 652,002 |
| ÷ Weighted COD | 121,410 |
| Monthly Unit Rate | \$5.38 |

| Customer Class | Weighted COD [A] | % Allocation [B] = A as a % | Revenue Requirement [C] = RR x B |
|----------------|---------------------|--------------------------------|-------------------------------------|
| Residential | 112,805 | 92.9% | \$ 605,794 |
| Commercial | | | |
| Low | 2,597 | 2.1% | 13,949 |
| Medium | 4,124 | 3.4% | 22,149 |
| High | 1,883 | 1.6% | 10,110 |
| Total | 121,410 | 100% | \$ 652,002 |

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TSS

TSS costs relate to the treatment process of removing solids from wastewater through settling, screening, and filtering. Higher TSS strengths require increased costs and additional filtration to treat and remove the high levels of TSS prior to discharging effluent into waterways. Therefore, the revenue requirement for TSS is apportioned based on Weighted TSS for each customer class, as shown in Table 74.

Table 74: FY 2024 Wastewater TSS Allocation by Customer Class

| TSS Charge Component - Unit Rate | |
|----------------------------------|----------------|
| Revenue Requirement (RR) \$ | 652,002 |
| ÷ Weighted TSS | 58,264 |
| Monthly Unit Rate | \$11.20 |

| Customer Class | Weighted TSS [A] | % Allocation [B] = A as a % | Revenue Requirement [C] = RR x B |
|----------------|---------------------|--------------------------------|-------------------------------------|
| Residential | 54,553 | 93.6% | \$ 610,483 |
| Commercial | | | |
| Low | 1,370 | 2.4% | 15,329 |
| Medium | 1,609 | 2.8% | 18,000 |
| High | 732 | 1.3% | 8,189 |
| Total | 58,264 | 100% | \$ 652,002 |

Collectively, the total allocation of costs associated with Account Services, Flow, COS and TSS (Total Revenue Requirement) derives the cost of providing service to each customer class. Table 75 summarizes the combined revenue requirement by customer class.

Table 75: FY 2024 Wastewater Total Revenue Requirement by Customer Class

| Customer Class | Account Services | Flow | COD | TSS | Allocated Revenue Requirements |
|----------------|-------------------|-------------------|-------------------|-------------------|--------------------------------|
| Residential | \$ 576,354 | \$ 310,786 | \$ 605,794 | \$ 610,483 | \$ 2,103,418 |
| Commercial | 6,640 | - | - | - | 6,640 |
| Low | | 7,817 | 13,949 | 15,329 | 37,095 |
| Medium | | 5,776 | 22,149 | 18,000 | 45,926 |
| High | | 1,622 | 10,110 | 8,189 | 19,921 |
| Total | \$ 582,995 | \$ 326,001 | \$ 652,002 | \$ 652,002 | \$ 2,213,000 |

The revenue requirements for residential customers are noticed as flat monthly charges as residential flows are relatively constant throughout the year and will be collected on the property tax bill. Table 76 derives the monthly flat charges for Residential customers.

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Table 76: FY 2024 Residential Flat Monthly Charge

| Customer Class | Account Services | Flow | COD | TSS | Total Monthly Flat Charge |
|---------------------|------------------|---------------|----------------|----------------|---------------------------|
| Residential | | | | | |
| Revenue Requirement | \$ 576,354 | \$ 310,786 | \$ 605,794 | \$ 610,483 | |
| ÷ Units of Service | 45,828 | 45,828 | 45,828 | 45,828 | |
| Unit Rate | \$12.58 | \$6.79 | \$13.22 | \$13.33 | \$45.92 |

For Commercial customer classes, each account is charged a monthly fixed amount for Account Services and commodity rates that vary between the categories of Low, Medium, and High. Variable rates are derived for the variable components of Flow, COD, and TSS by dividing the total allocated cost by total water usage as wastewater flows are not metered. Table 77 and Table 78 derives the monthly fixed charges and variable rates for Commercial, respectively.

Table 77: FY 2024 Commercial Monthly Fixed Charge

| Customer Class | Annual Billing Units | Account Services | Total Monthly Fixed Charge |
|----------------|----------------------|------------------|----------------------------|
| | [A] | [B] | [C] = B ÷ A |
| Commercial | 528 | \$ 6,640 | \$12.58 |

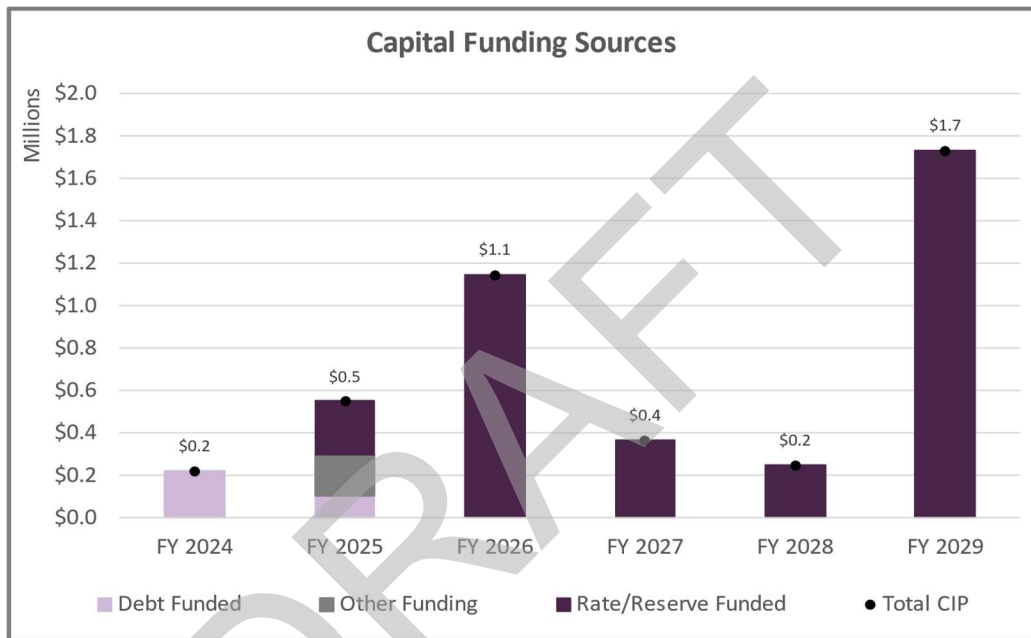
Table 78: FY 2024 Commercial Variable Rates

| Customer Class | Commercial Water Usage (HCF) | Flow | COD | TSS | Flow | COD | TSS | Total Variable Rates |
|-------------------|------------------------------|----------|-----------|-----------|-------------|-------------|-------------|----------------------|
| | [A] | [B] | [C] | [D] | [E] = B ÷ A | [F] = C ÷ A | [G] = D ÷ A | [H] = E + F + G |
| Commercial | | | | | | | | |
| Low | 7,784 | \$ 7,817 | \$ 13,949 | \$ 15,329 | \$ 1.01 | \$ 1.80 | \$ 1.97 | \$4.78 |
| Medium | 5,752 | 5,776 | 22,149 | 18,000 | 1.01 | 3.86 | 3.13 | \$8.00 |
| High | 1,615 | 1,622 | 10,110 | 8,189 | 1.01 | 6.27 | 5.08 | \$12.36 |

Recycled Water

The wastewater system produces approximately 800 AF of recycled water annually. The District has major repair and replacement projects over the next six years, including Booster Station Improvements, Dove Creek Pump Station Improvement and the Dove Lake Dam Outlet Works Replacement planned in FY 2029. With the significant Dove Dam replacement project occurring outside the Rate Setting Period, the financial plan tables and related charts extend through FY 2029 (Financial Plan Period). Figure 22 shows the District’s CIP through the Financial Plan Period.

Figure 22: Recycled Water Capital Improvement Plan



Customers

As of July 1, 2022, the District serves a total of 28 recycled water accounts as shown in Table 79 by meter size.

Table 79: Recycled Water Accounts by Meter Size

| Meter Size | Number of Accounts |
|--------------|--------------------|
| 1 1/2" | 4 |
| 2" | 17 |
| 3" | 3 |
| 4" | 2 |
| 10" | 2 |
| Total | 28 |

Trabuco Canyon Water District – 2023 Cost-of-Service Rate Study

The current recycled water rate structure is charged the same monthly base and WRES fixed charges as potable customers and a uniform variable rate. Existing meter charges and variable rate are identified in Table 80 through Table 82.

Table 80: FY 2023 Recycled Water Monthly Base Fixed Charges

| Base Fixed Meter Charges (\$/Month) | |
|-------------------------------------|----------|
| Meter Size | Existing |
| 5/8" | \$ 21.04 |
| 3/4" | 21.04 |
| 1" | 30.70 |
| 1 1/2" | 54.85 |
| 2" | 83.81 |
| 3" | 175.57 |
| 4" | 310.77 |
| 6" | 779.18 |

Table 81: FY 2023 Recycled Water Monthly WRES Fixed Charges

| WRES Fixed Meter Charges (\$/Month) | |
|-------------------------------------|----------|
| Meter Size | Existing |
| 5/8" | \$ 16.04 |
| 3/4" | 16.04 |
| 1" | 25.25 |
| 1 1/2" | 38.48 |
| 2" | 51.30 |
| 3" | 76.95 |
| 4" | 102.60 |
| 6" | 153.90 |

Table 82: FY 2023 Recycled Water Variable Rate

| Recycled Variable Rates (\$/HCF) | |
|----------------------------------|----------|
| Customer Class | Existing |
| Recycled | 3.47 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Financial Plan Overview – Recycled Water Utility

Financial Planning Assumptions

Similar to the other utilities, certain assumptions are required for projecting revenues, expenses, and expected ending fund balances for the recycled water utility. Table 83 identifies assumptions used for forecasting revenues. Table 84 identifies assumptions used for forecasting increases in expenses through the Financial Plan Period.

Table 83: Recycled Water Assumptions for Forecasting Revenues

| Key Assumptions | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue Escalation | | | | | | |
| Non-Rate Revenues | 0% | 0% | 0% | 0% | 0% | 0% |
| Reserve Interest | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Account Growth | 0% | 0% | 0% | 0% | 0% | 0% |
| All Non-Potable Meters | | | | | | |
| Meter Size | | | | | | |
| 1 1/2" | 4 | 4 | 4 | 4 | 4 | 4 |
| 2" | 17 | 17 | 17 | 17 | 17 | 17 |
| 3" | 3 | 3 | 3 | 3 | 3 | 3 |
| 4" | 2 | 2 | 2 | 2 | 2 | 2 |
| 10" | 2 | 2 | 2 | 2 | 2 | 2 |
| Total All Non-Potable Meters | 28 | 28 | 28 | 28 | 28 | 28 |
| Total Non-Potable Consumption (HCF) | 306,630 | 306,630 | 306,630 | 306,630 | 306,630 | 306,630 |

Table 84: Recycled Water Assumptions for Forecasting Expenses⁶

| Key Assumptions | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| Expenditure Escalation | | | | | | |
| Benefits | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% |
| Capital Construction | 6.6% | 3.9% | 3.9% | 3.9% | 3.9% | 3.9% |
| Energy Costs | 8.0% | 8.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Fuel | 20.0% | 20.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| General Costs | 6.2% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Non-Inflated | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Retirement | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Salaries | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Water Purchases (Fixed) | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Water Purchases SMWD - Recycled | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |

⁶ Capital Construction inflation and General Costs for FY 2024 were increased to 6.63% and 6.2%, respectively, to account for recent increases due to inflation. Outer years reduce to 3.93% and 3.95%, reflecting the 5-year average of the Engineer's News Record – CCI index and the LA Consumer Price Index, respectively.

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Current Financial Position

Revenues

Based on the forecasting assumptions, revenues were calculated using existing fixed charges (Table 80 and Table 81), multiplied by meters by size and variable rates (Table 83) multiplied by recycled water usage. Table 85 shows the calculated revenues through the Financial Plan Period. Table 86 provides a summary of calculated rate revenues and other non-rate revenues available through the Financial Plan Period (rounded to thousands).

Table 85: Recycled Water Calculated Rate Revenues

| Calculated Recycled Revenue | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Revenues | | | | | | |
| Fixed Revenue | \$ 82,342 | \$ 82,342 | \$ 82,342 | \$ 82,342 | \$ 82,342 | \$ 82,342 |
| Variable Revenue | 1,064,006 | 1,064,006 | 1,064,006 | 1,064,006 | 1,064,006 | 1,064,006 |
| WRES Revenue | 20,145 | 20,145 | 20,145 | 20,145 | 20,145 | 20,145 |
| Total Rate Revenues | \$ 1,166,493 | \$ 1,166,493 | \$ 1,166,493 | \$ 1,166,493 | \$ 1,166,493 | \$ 1,166,493 |

Table 86: Recycled Water Projected Revenues

| Revenue Summary | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Revenues | | | | | | |
| Fixed Revenue | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 |
| Variable Revenue | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 |
| WRES Revenue | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Subtotal Rate Revenues | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 |
| Operating Revenues | | | | | | |
| Late Charges | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Subtotal Operating Revenues | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Non-Operating Revenues | | | | | | |
| Other Non-Operating Revenue | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Interest Revenue | - | - | - | 4,000 | 6,000 | 6,000 |
| Property Tax | 290,000 | 280,000 | 270,000 | 260,000 | 250,000 | 250,000 |
| Subtotal Non-Operating Revenue: | \$ 291,000 | \$ 281,000 | \$ 271,000 | \$ 265,000 | \$ 257,000 | \$ 257,000 |
| Total Revenues | \$ 1,460,000 | \$ 1,450,000 | \$ 1,440,000 | \$ 1,434,000 | \$ 1,426,000 | \$ 1,426,000 |

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Expenses

The FY 2023 budget was used as the utility's baseline expenses and adjusted in subsequent years based on the escalation factors shown in Table 84. Table 87 provides projected O&M expenses through the Financial Plan Period (rounded to thousands). Each expense category includes detailed line-item expenditures that were discussed with staff to determine the appropriate escalation factor to use for forecasting how costs will increase over time.

Table 87: Recycled Water Projected O&M Expenses

| O&M Expenses | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Expenses | | | | | | |
| Source of Supply | \$ 64,000 | \$ 67,000 | \$ 70,000 | \$ 73,000 | \$ 77,000 | \$ 80,000 |
| General and Administrative | 115,000 | 120,000 | 125,000 | 131,000 | 137,000 | 143,000 |
| Salaries & Benefits | 316,000 | 333,000 | 352,000 | 372,000 | 392,000 | 414,000 |
| Transmission & Distribution | 459,000 | 491,000 | 514,000 | 538,000 | 563,000 | 589,000 |
| CalPERS & OPEB | 17,000 | 16,000 | 15,000 | 14,000 | 13,000 | 13,000 |
| Other Expenses | 69,000 | 72,000 | 75,000 | 78,000 | 81,000 | 84,000 |
| Subtotal Operating Expenses | \$ 1,040,000 | \$ 1,099,000 | \$ 1,151,000 | \$ 1,206,000 | \$ 1,263,000 | \$ 1,323,000 |
| Debt Service | | | | | | |
| Refinancing/New Proposed Debt | 36,961 | 36,961 | 36,961 | 36,961 | 36,961 | 36,961 |
| Subtotal Debt Service | \$ 36,961 | \$ 36,961 | \$ 36,961 | \$ 36,961 | \$ 36,961 | \$ 36,961 |
| Total Expenses | \$ 1,076,961 | \$ 1,135,961 | \$ 1,187,961 | \$ 1,242,961 | \$ 1,299,961 | \$ 1,359,961 |

Reserves

For financial planning, similar reserve targets for water and wastewater were used, except for the rehabilitation fund. The rehabilitation target was set at a rolling 5-year average of upcoming capital due to the increase in capital spending planned. These reserves help mitigate risks to the utility by ensuring sufficient cash is on hand for daily operations and to fund annual system improvements. These reserves help smooth rates and mitigate rate spikes due to emergencies or above-average system costs. Table 88 summarizes the recommended minimum reserve requirements and the ideal funding targets of each reserve.

Table 88: Recycled Water Reserve Requirements and Targets

| Reserve | Minimum Requirement | Reserve Target |
|---------------------|--|--|
| Operating | 90 days of operating expenses | 180 days of operating expenses |
| Capital Replacement | Annual CIP costs based on 5-year average | 2 years of CIP costs based on 5-year average |
| Rate Stabilization | 20% of operating revenues | N/A |

The reserve balance as of July 1, 2022, reflected a deficit of approximately (\$908k).

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Financial Outlook at Existing Rates

Calculating revenue using existing rates and projecting expenses helps determine the current financial health of the utility. Revenues from existing rates are sufficient to fund O&M through the Financial Plan Period. However, only a portion of the system rehabilitation needs can be funded with projected net operating income resulting in a growing deficit shown as a negative reserve ending balance. Without rate increases, there would not be available funding for capital spending. Table 89 forecasts existing revenues and expenses through the Financial Plan Period. Table 90 identifies reserve transfers and reserves activity, with projected FY 2024 starting reserve balances shown for each reserve.

Table 89: Recycled Water Financial Plan at Existing Rates

| Revenue | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--|----------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Revenues | | | | | | | |
| Fixed Revenue | | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 |
| Variable Revenue | Table 86 | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 |
| WRES Revenue | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Total Rate Revenues | | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 |
| Operating Revenues | | | | | | | |
| Late Charges | Table 86 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Subtotal Operating Revenues | | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Non-Operating Revenues | | | | | | | |
| Other Non-Operating Revenue | | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Property Tax | Table 86 | 290,000 | 280,000 | 270,000 | 260,000 | 250,000 | 250,000 |
| Subtotal Non-Operating Revenues | | \$ 291,000 | \$ 281,000 | \$ 271,000 | \$ 265,000 | \$ 257,000 | \$ 257,000 |
| Total Revenues | | \$ 1,460,000 | \$ 1,450,000 | \$ 1,440,000 | \$ 1,434,000 | \$ 1,426,000 | \$ 1,426,000 |
| O&M Expenses | | | | | | | |
| Operating Expenses | | | | | | | |
| Source of Supply | | \$ 64,000 | \$ 67,000 | \$ 70,000 | \$ 73,000 | \$ 77,000 | \$ 80,000 |
| General and Administrative | | 115,000 | 120,000 | 125,000 | 131,000 | 137,000 | 143,000 |
| Salaries & Benefits | Table 87 | 316,000 | 333,000 | 352,000 | 372,000 | 392,000 | 414,000 |
| Transmission & Distribution | | 459,000 | 491,000 | 514,000 | 538,000 | 563,000 | 589,000 |
| CalPERS & OPEB | | 17,000 | 16,000 | 15,000 | 14,000 | 13,000 | 13,000 |
| Other Expenses | | 69,000 | 72,000 | 75,000 | 78,000 | 81,000 | 84,000 |
| Subtotal Operating Expenses | | \$ 1,040,000 | \$ 1,099,000 | \$ 1,151,000 | \$ 1,206,000 | \$ 1,263,000 | \$ 1,323,000 |
| Debt Service | | | | | | | |
| Credit Line | | \$ 7,250 | \$ 3,625 | \$ - | \$ - | \$ - | \$ - |
| Refinancing/New Proposed Debt | Table 87 | \$ 36,961 | \$ 36,961 | \$ 36,961 | \$ 36,961 | \$ 36,961 | \$ 36,961 |
| Subtotal Debt Service | | \$ 44,211 | \$ 40,586 | \$ 36,961 | \$ 36,961 | \$ 36,961 | \$ 36,961 |
| Total Expenses | | \$ 1,084,211 | \$ 1,139,586 | \$ 1,187,961 | \$ 1,242,961 | \$ 1,299,961 | \$ 1,359,961 |
| Net Cashflow | | \$ 375,789 | \$ 310,414 | \$ 252,039 | \$ 191,039 | \$ 126,039 | \$ 66,039 |

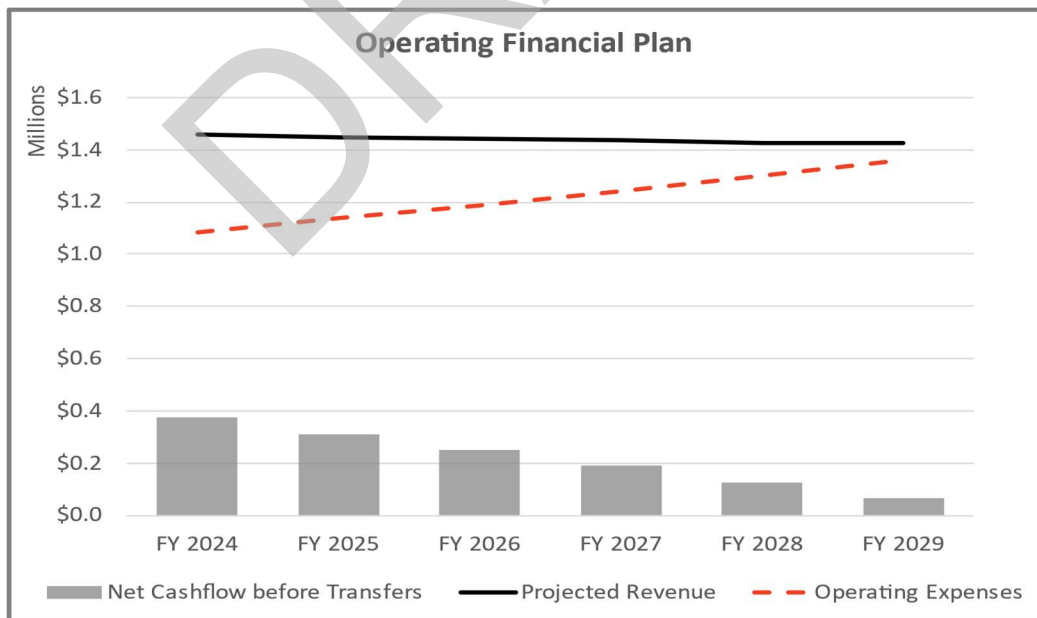
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Table 90: Recycled Water – Transfers and Reserve Activity at Existing Rates

| Operating/Working Capital | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|---|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Beginning Balance | \$ (542,569) | \$ (166,780) | \$ 143,634 | \$ 283,808 | \$ 297,370 | \$ 311,425 |
| Transfers (Net Cashflow) | 375,789 | 310,414 | 252,039 | 191,039 | 126,039 | 66,039 |
| Transfers from/(to) Capital Reserve | - | - | (111,865) | (177,477) | (111,984) | (51,244) |
| Ending Balance | \$ (166,780) | \$ 143,634 | \$ 283,808 | \$ 297,370 | \$ 311,425 | \$ 326,219 |
| Capital Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Beginning Balance | \$ (221,206) | \$ (221,206) | \$ (475,246) | \$ (1,507,215) | \$ (1,696,653) | \$ (1,833,509) |
| <u>Plus:</u> | | | | | | |
| Transfers from/(to) Operating/Working Capital | - | - | 111,865 | 177,477 | 111,984 | 51,244 |
| Grant Revenue | - | 194,750 | - | - | - | - |
| Use of Existing Debt Proceeds | 220,347 | 100,353 | - | - | - | - |
| <u>Less:</u> | | | | | | |
| CIP | (220,347) | (549,143) | (1,143,834) | (366,915) | (248,840) | (1,733,318) |
| Transfers from/(to) Recycled Water Rate Stabilization Reserve | - | - | - | - | - | - |
| Subtotal Capital Reserve | \$ (221,206) | \$ (475,246) | \$ (1,507,215) | \$ (1,696,653) | \$ (1,833,509) | \$ (3,515,582) |
| Interest Earnings | - | - | - | - | - | - |
| Ending Balance | \$ (221,206) | \$ (475,246) | \$ (1,507,215) | \$ (1,696,653) | \$ (1,833,509) | \$ (3,515,582) |
| Recycled Water Rate Stabilization Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Beginning Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers from/(to) Capital Reserve | - | - | - | - | - | - |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Unrestricted Reserves Balance | \$ (387,986) | \$ (331,612) | \$ (1,223,407) | \$ (1,399,283) | \$ (1,522,084) | \$ (3,189,363) |

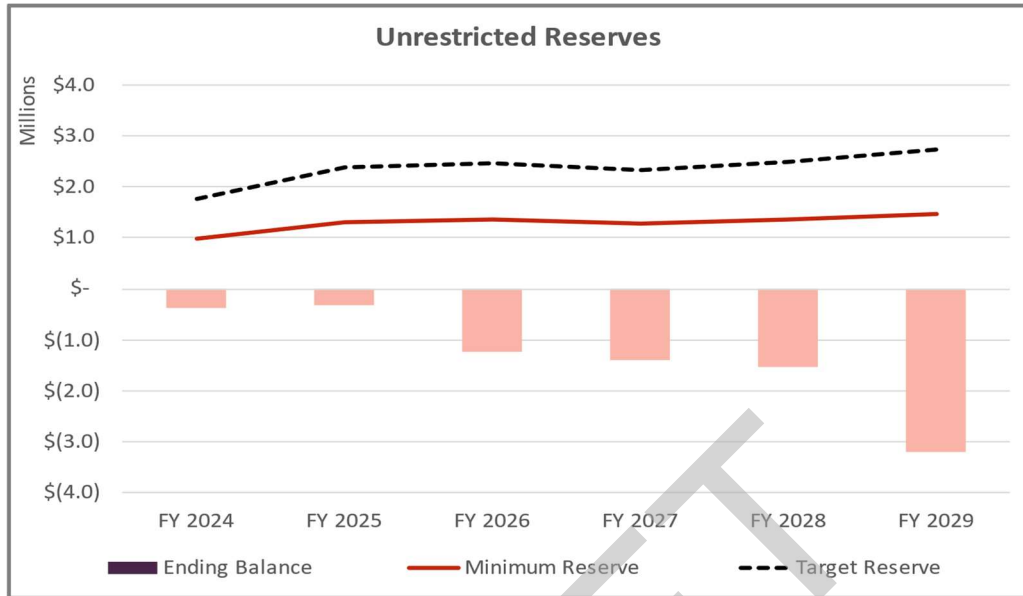
Figure 23 illustrates the operating position of the utility, where O&M expenses are identified with the dashed red trendline, and total revenues at existing rates are shown by the horizontal black trendline. The bars represent the amount of net operating income available. Figure 24 reflects the projected ending balances of reserves after operating, and capital projects are funded through the Financial Plan Period.

Figure 23: Recycled Water Current Operating Financial Position



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Figure 24: Recycled Water Projected Ending Reserves at Existing Rates



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Proposed Financial Plan – Recycled Water Utility

From the financial outlook at existing rates, a proposed financial plan can be developed to adequately fund the multi-year revenue requirements while meeting reserve requirements. Based on funding the capital plan and ensuring reserves meet minimum targets over the Rate Setting Period, Table 91 forecasts projected revenues and expenses over the Financial Plan Period.

Table 91: Recycled Water Proposed Financial Plan

| Revenue | | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|---|---------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Revenues | | | | | | | |
| Fixed Revenue | | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 | \$ 82,000 |
| Variable Revenue | Table 86 | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 | 1,064,000 |
| WRES Revenue | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Total Rate Revenues | | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 | \$ 1,166,000 |
| Additional Revenue (from revenue adjustments): | | | | | | | |
| Fiscal Year | Revenue Adjustment | Effective Month | | | | | |
| FY 2024 | 20.0% | July | 233,000 | 233,000 | 233,000 | 233,000 | 233,000 |
| FY 2025 | 20.0% | July | | 279,000 | 279,000 | 279,000 | 279,000 |
| FY 2026 | 20.0% | July | | | 335,000 | 335,000 | 335,000 |
| FY 2027 | 15.0% | July | | | | 301,000 | 301,000 |
| FY 2028 | 10.0% | July | | | | | 231,000 |
| FY 2029 | 0.0% | July | | | | | - |
| Total Additional Revenue | | \$ 233,000 | \$ 512,000 | \$ 847,000 | \$ 1,148,000 | \$ 1,379,000 | \$ 1,379,000 |
| Projected Rate Revenues | | \$ 1,399,000 | \$ 1,678,000 | \$ 2,013,000 | \$ 2,314,000 | \$ 2,545,000 | \$ 2,545,000 |
| Operating Revenues | | | | | | | |
| Late Charges | Table 86 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Subtotal Operating Revenues | | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Non-Operating Revenues | | | | | | | |
| Other Non-Operating Revenue | Table 86 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Property Tax | | 290,000 | 280,000 | 270,000 | 260,000 | 250,000 | 250,000 |
| Subtotal Non-Operating Revenues | | \$ 291,000 | \$ 281,000 | \$ 274,000 | \$ 267,000 | \$ 257,000 | \$ 267,000 |
| Total Revenues | | \$ 1,693,000 | \$ 1,962,000 | \$ 2,290,000 | \$ 2,584,000 | \$ 2,805,000 | \$ 2,815,000 |
| O&M Expenses | | | | | | | |
| Operating Expenses | | | | | | | |
| Source of Supply | | \$ 64,000 | \$ 67,000 | \$ 70,000 | \$ 73,000 | \$ 77,000 | \$ 80,000 |
| General and Administrative | | 115,000 | 120,000 | 125,000 | 131,000 | 137,000 | 143,000 |
| Salaries & Benefits | Table 87 | 316,000 | 333,000 | 352,000 | 372,000 | 392,000 | 414,000 |
| Transmission & Distribution | | 459,000 | 491,000 | 514,000 | 538,000 | 563,000 | 589,000 |
| CalPERS & OPEB | | 17,000 | 16,000 | 15,000 | 14,000 | 13,000 | 13,000 |
| Other Expenses | | 69,000 | 72,000 | 75,000 | 78,000 | 81,000 | 84,000 |
| Subtotal Operating Expenses | | \$ 1,040,000 | \$ 1,099,000 | \$ 1,151,000 | \$ 1,206,000 | \$ 1,263,000 | \$ 1,323,000 |
| Debt Service | | | | | | | |
| Credit Line | Table 87 | \$ 7,250 | \$ 3,625 | \$ - | \$ - | \$ - | \$ - |
| Refinancing/New Proposed Debt | | 73,922 | 73,922 | 73,922 | 73,922 | 73,922 | 73,922 |
| Subtotal Debt Service | | \$ 81,172 | \$ 77,547 | \$ 73,922 | \$ 73,922 | \$ 73,922 | \$ 73,922 |
| Total Expenses | | \$ 1,121,172 | \$ 1,176,547 | \$ 1,224,922 | \$ 1,279,922 | \$ 1,336,922 | \$ 1,396,922 |
| Net Cashflow | | \$ 571,828 | \$ 785,453 | \$ 1,065,078 | \$ 1,304,078 | \$ 1,468,078 | \$ 1,418,078 |

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Table 92: Recycled Water Transfers and Reserve Activity

| Operating/Working Capital | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|---|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Beginning Balance | \$ (542,569) | \$ 29,259 | \$ 270,986 | \$ 283,808 | \$ 297,370 | \$ 311,425 |
| Transfers (Net Cashflow) | 571,828 | 785,453 | 1,065,078 | 1,304,078 | 1,468,078 | 1,418,078 |
| Transfers from/(to) Capital Reserve | - | (543,726) | (1,052,256) | (1,290,516) | (1,454,023) | (1,403,283) |
| Ending Balance | \$ 29,259 | \$ 270,986 | \$ 283,808 | \$ 297,370 | \$ 311,425 | \$ 326,219 |
| Capital Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Beginning Balance | \$ (221,206) | \$ 279,370 | \$ 577,540 | \$ 496,597 | \$ 1,439,366 | \$ 1,662,101 |
| <u>Plus:</u> | | | | | | |
| Transfers from/(to) Operating/Working Capital | - | 543,726 | 1,052,256 | 1,290,516 | 1,454,023 | 1,403,283 |
| Grant Revenue | - | 194,750 | - | - | - | - |
| Use of Existing Debt Proceeds | 220,347 | 100,353 | - | - | - | - |
| <u>Less:</u> | | | | | | |
| CIP | (220,347) | (549,143) | (1,143,834) | (366,915) | (248,840) | (1,733,318) |
| Transfers from/(to) Recycled Water Rate Stabilization Reserve | - | - | - | - | (1,013,155) | - |
| Subtotal Capital Reserve | \$ 278,794 | \$ 569,055 | \$ 485,962 | \$ 1,420,198 | \$ 1,631,394 | \$ 1,332,067 |
| Interest Earnings | 576 | 8,484 | 10,635 | 19,168 | 30,708 | 29,942 |
| Ending Balance | \$ 279,370 | \$ 577,540 | \$ 496,597 | \$ 1,439,366 | \$ 1,662,101 | \$ 1,362,009 |
| Recycled Water Rate Stabilization Reserve | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
| Beginning Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,013,155 |
| Transfers from/(to) Capital Reserve | - | - | - | - | 1,013,155 | - |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ 1,013,155 | \$ 1,013,155 |
| Ending Unrestricted Reserves Balance | \$ 308,629 | \$ 848,526 | \$ 780,405 | \$ 1,736,736 | \$ 2,986,681 | \$ 2,701,383 |

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Figure 25 identifies the operating position based on the proposed financial plan, and Figure 26 show the capital plan with funding sources. Figure 27 identifies the ending reserve balances.

Figure 25: Recycled Water Proposed Operating Position

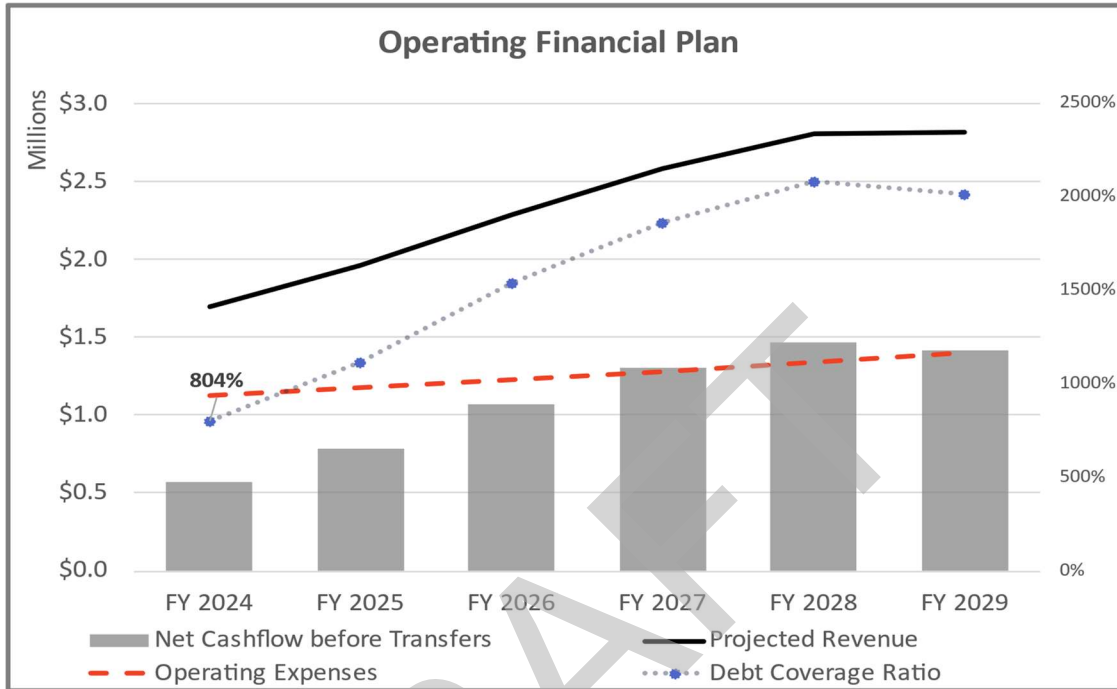
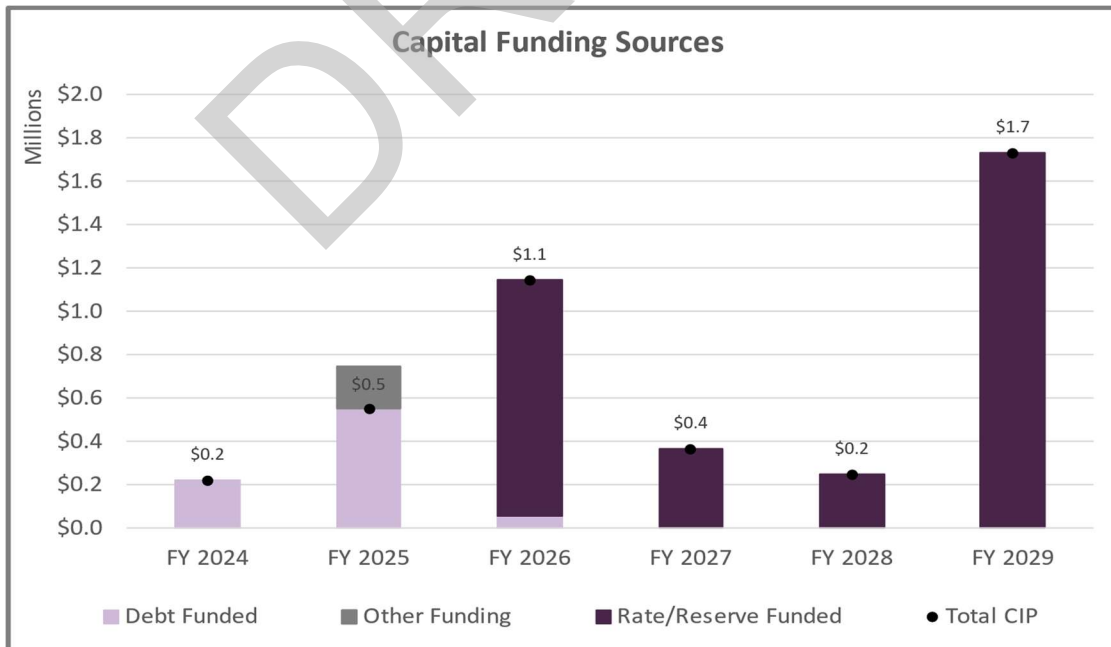
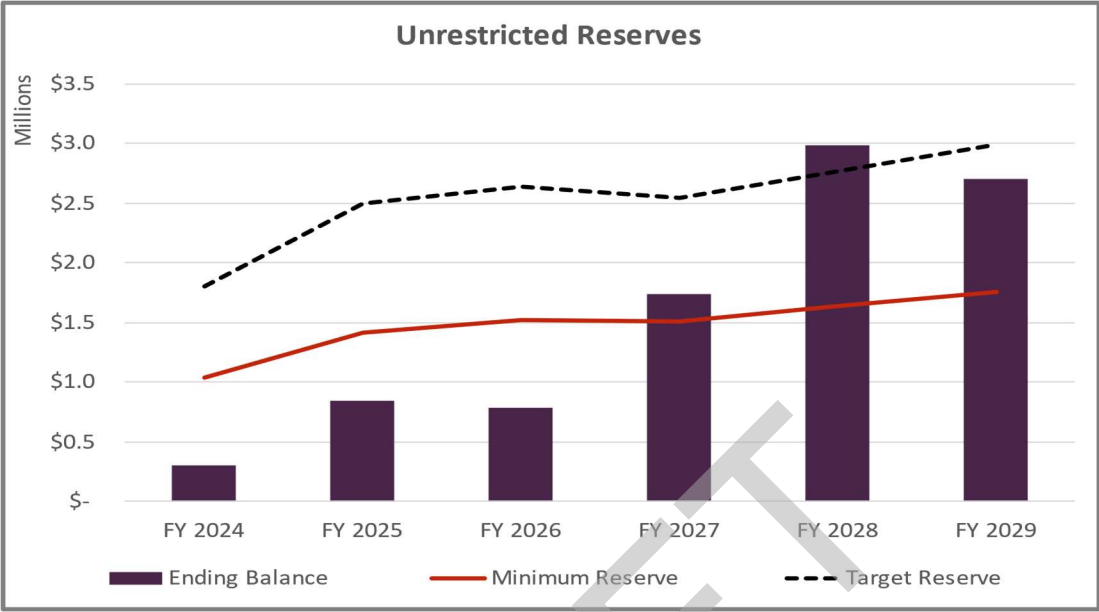


Figure 26: Recycled Water Capital Improvement Plan with Funding Sources



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Figure 27: Recycled Water Proposed Ending Reserves



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Cost-of-Service Analysis – Recycled Water Utility

Cost-of-Service Process

The next step in developing recycled water rates is to perform a cost-of-service analysis. Through this process, costs incurred are allocated to customers based on their proportional share. As a result, proposed rates are cost-based and reflect the costs incurred to provide service to customers.

Revenue Requirements

FY 2024 revenue requirements were used for the cost-of-service analysis. Revenue requirements include O&M expenses, treatment plant expenses, debt, revenue offsets, and reserve funding. The proposed revenue adjustments and corresponding rates accumulate the necessary funding over the Rate Setting Period to fund O&M, capital projects, and comply with minimum reserve requirements by FY 2027. The results of the financial plan analysis are summarized in Table 93 and represent the revenue required from rates over the Rate Setting Period.

Table 93: Recycled Water Revenue Requirements

| | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue Requirements | Total | Total | Total | Total | Total |
| Operating Expenses | | | | | |
| Source of Supply | \$ 64,000 | \$ 67,000 | \$ 70,000 | \$ 73,000 | \$ 77,000 |
| General and Administrative | 115,000 | 120,000 | 125,000 | 131,000 | 137,000 |
| Salaries & Benefits | 316,000 | 333,000 | 352,000 | 372,000 | 392,000 |
| Transmission & Distribution | 459,000 | 491,000 | 514,000 | 538,000 | 563,000 |
| CalPERS & OPEB | 17,000 | 16,000 | 15,000 | 14,000 | 13,000 |
| Other Expenses | 69,000 | 72,000 | 75,000 | 78,000 | 81,000 |
| Total Operating Expenses | \$ 1,040,000 | \$ 1,099,000 | \$ 1,151,000 | \$ 1,206,000 | \$ 1,263,000 |
| Debt Service | | | | | |
| Credit Line | \$ 7,250 | \$ 3,625 | \$ - | \$ - | \$ - |
| Refinancing/New Proposed Debt | 73,922 | 73,922 | 73,922 | 73,922 | 73,922 |
| Total Debt Service | \$ 81,172 | \$ 77,547 | \$ 73,922 | \$ 73,922 | \$ 73,922 |
| Total Operating Expenditures | \$ 1,121,172 | \$ 1,176,547 | \$ 1,224,922 | \$ 1,279,922 | \$ 1,336,922 |
| Revenue Offsets | | | | | |
| Operating Revenues | \$ (3,000) | \$ (3,000) | \$ (3,000) | \$ (3,000) | \$ (3,000) |
| Non-Operating Revenues | (291,000) | (281,000) | (274,000) | (267,000) | (257,000) |
| Total Revenue Offsets | \$ (294,000) | \$ (284,000) | \$ (277,000) | \$ (270,000) | \$ (260,000) |
| Adjustments | | | | | |
| Reserve Funding | \$ 571,828 | \$ 785,453 | \$ 1,065,078 | \$ 1,304,078 | \$ 1,468,078 |
| Total Adjustments | \$ 571,828 | \$ 785,453 | \$ 1,065,078 | \$ 1,304,078 | \$ 1,468,078 |
| Revenue Requirement from Rates | \$1,399,000 | \$1,678,000 | \$2,013,000 | \$2,314,000 | \$2,545,000 |

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Rate Design – Recycled Water Utility

Currently, recycled water fixed charges are set at 100% of potable fixed charges; however, given the proposed revenue adjustments within the water utility and the shift in fixed cost recovery from 31% up to approximately 40%, maintaining the 100% equivalency would cause recycled water variable rates to reduce substantially. Therefore, based on direction from District Staff, recycled water fixed charges will be set to 55% of potable, with the remaining multi-year revenue requirements recovered from variable rates. to cover the cost of providing service. Therefore, the amount of annual revenues generated by the meter rates for each fiscal year are determined and then used to derive variable rates for the Rate Setting Period.

Fixed Cost Recovery

Table 94 derives the recycled water monthly meter charges based on 55% potable meter charges over the Rate Setting Period and calculates total revenue generated by the proposed fixed charges based on the meter counts by size in Table 83.

Table 94: Proposed Recycled Water Monthly Meter Charges

| Potable Fixed Meter Charges (\$/Month) | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Meter Size | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| 5/8" | \$ 46.84 | \$ 55.28 | \$ 65.24 | \$ 71.77 | \$ 78.95 |
| 3/4" | 46.84 | 55.28 | 65.24 | 71.77 | 78.95 |
| 1" | 94.93 | 112.02 | 132.19 | 145.41 | 159.96 |
| 1 1/2" | 175.08 | 206.60 | 243.79 | 268.17 | 294.99 |
| 2" | 271.26 | 320.09 | 377.71 | 415.49 | 457.04 |
| 3" | 575.83 | 679.48 | 801.79 | 881.97 | 970.17 |
| 4" | 1024.67 | 1,209.12 | 1,426.77 | 1,569.45 | 1,726.40 |
| 6" | 2098.68 | 2,476.45 | 2,922.22 | 3,214.45 | 3,535.90 |
| 8" | 4503.18 | 5,313.76 | 6,270.24 | 6,897.27 | 7,587.00 |
| 10" | 6747.38 | 7,961.91 | 9,395.06 | 10,334.57 | 11,368.03 |
| % of Potable | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% |
| Recycled Fixed Meter Charges (\$/Month) | | | | | |
| Meter Size | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| 5/8" | \$ 25.76 | \$ 30.40 | \$ 35.88 | \$ 39.47 | \$ 43.42 |
| 3/4" | 25.76 | 30.40 | 35.88 | 39.47 | 43.42 |
| 1" | 52.21 | 61.61 | 72.70 | 79.98 | 87.98 |
| 1 1/2" | 96.29 | 113.63 | 134.08 | 147.49 | 162.24 |
| 2" | 149.19 | 176.05 | 207.74 | 228.52 | 251.37 |
| 3" | 316.71 | 373.71 | 440.98 | 485.08 | 533.59 |
| 4" | 563.57 | 665.02 | 784.72 | 863.20 | 949.52 |
| 6" | 1,154.27 | 1,362.05 | 1,607.22 | 1,767.95 | 1,944.75 |
| 8" | 2,476.75 | 2,922.57 | 3,448.63 | 3,793.50 | 4,172.85 |
| 10" | 3,711.06 | 4,379.05 | 5,167.28 | 5,684.01 | 6,252.42 |
| Total | \$149,050 | \$175,880 | \$207,539 | \$228,294 | \$251,123 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Variable Cost Recovery

Table 95 derives the proposed variable rates by taking the total revenue requirement identified in Table 93 and reducing the amount by total fixed revenue calculated in Table 94. The net amount is divided by total recycled water sales to determine the recycled water variable rate for the Rate Setting Period.

Table 95: Proposed Recycled Water Variable Rates

| Proposed Recycled Variable Rates (\$/HCF) | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Variable Rates | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Recycled Revenue Requirement | \$ 1,399,000 | \$ 1,678,000 | \$ 2,013,000 | \$ 2,314,000 | \$ 2,545,000 |
| Less: Projected Revenue from Fixed | (149,050) | (175,880) | (207,539) | (228,294) | (251,123) |
| Variable Revenue Requirement | \$ 1,249,950 | \$ 1,502,120 | \$ 1,805,461 | \$ 2,085,706 | \$ 2,293,877 |
| ÷ Units of Service (Projected Non-Potable Usage) | 306,630 | 306,630 | 306,630 | 306,630 | 306,630 |
| Recycled | \$4.08 | \$4.90 | \$5.89 | \$6.81 | \$7.49 |

DRAFT

Cost-Based Rates – Water, Wastewater, and Recycled Water

Cost-of-Service and Rate Summary

The comprehensive cost-of-service analysis and rate development meet the requirements of Proposition 218 and identify the cost components that make up the proposed water, wastewater, and recycled water fixed charges and variable rates. Proposition 218 requires the following conditions:

1. An agency cannot collect revenue beyond what is necessary to provide service.
The long-term financial plan identifies the District's revenue requirements for each utility, including operating expenses, capital improvement programs, debt, and reserves.
2. Revenues derived by the charge shall not be used for any other purpose other than that for which the charge was imposed.
The District's water, wastewater, and recycled water utilities are analyzed as separate business enterprises to track revenues and expenses and do not fund services other than those necessary for the provision of water, wastewater, and recycled water, respectively.
3. The amount of the fee may not exceed the proportional cost-of-service for the parcel.
The comprehensive cost-of-service analysis, updated fixed charges, and variable rates reflect each customer's fair share of water, wastewater, and recycled water costs, respectively. Through this updated analysis, each customer will pay the proportional cost of providing service to that parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of a property.
Only properties that are actually receiving utility service or have service immediately available to them are required to pay the fixed and variable charges described in this study.
5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing.
Notices were mailed to each affected parcel owner on May 15, 2023 which is 45 days before the June 29, 2023, Public Hearing.

The proposed water, wastewater, and recycled water 5-year rate schedules (FY 2024 through FY 2028) are shown in the following section. If a majority protest does not occur by or at the June 29th Public Hearing, the District Board may adopt the rates with an effective date of July 1, 2023.

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Rate Schedules – Water, Wastewater, and Recycled Water

Water

Table 96 through Table 98 provide the five-year water rate schedule over the Rate Setting Period for monthly fixed charges, variable rates, and variable pumping rates, respectively. For FY 2025 through FY 2028, the revenue adjustments are applied across the board to the cost-of-service rates derived for FY 2024 as account growth and usage characteristics are projected to remain constant for financial planning.

Table 96: Proposed Water Monthly Fixed Charge (FY 2024 – FY 2028)

| Potable Fixed Meter Charges (\$/Month) | | | | | |
|--|----------|----------|----------|----------|----------|
| Revenue Adjustment: | 18% | | 10% | | 10% |
| Meter Size | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| 5/8" | \$ 46.84 | \$ 55.28 | \$ 65.24 | \$ 71.77 | \$ 78.95 |
| 3/4" | 46.84 | 55.28 | 65.24 | 71.77 | 78.95 |
| 1" | 94.93 | 112.02 | 132.19 | 145.41 | 159.96 |
| 1 1/2" | 175.08 | 206.60 | 243.79 | 268.17 | 294.99 |
| 2" | 271.26 | 320.09 | 377.71 | 415.49 | 457.04 |
| 3" | 575.83 | 679.48 | 801.79 | 881.97 | 970.17 |
| 4" | 1,024.67 | 1,209.12 | 1,426.77 | 1,569.45 | 1,726.40 |
| 6" | 2,098.68 | 2,476.45 | 2,922.22 | 3,214.45 | 3,535.90 |

Table 97: Proposed Water Variable Charge (FY 2024 – FY 2028)

| Potable Variable Rates (\$/HCF) | | | | | |
|---------------------------------|---------|---------|---------|---------|---------|
| Revenue Adjustment: | 18% | | 10% | | 10% |
| Customer Class | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Single-Family | | | | | |
| Tier 1 | \$ 4.40 | \$ 5.20 | \$ 6.14 | \$ 6.76 | \$ 7.44 |
| Tier 2 | 5.12 | 6.05 | 7.14 | 7.86 | 8.65 |
| Tier 3 | 5.64 | 6.66 | 7.86 | 8.65 | 9.52 |
| Multi-Family | | | | | |
| Tier 1 | \$ 4.62 | \$ 5.46 | \$ 6.45 | \$ 7.10 | \$ 7.81 |
| Tier 2 | 5.64 | 6.66 | 7.86 | 8.65 | 9.52 |
| Commercial | \$ 4.73 | \$ 5.59 | \$ 6.60 | \$ 7.26 | \$ 7.99 |
| Irrigation | \$ 4.73 | \$ 5.59 | \$ 6.60 | \$ 7.26 | \$ 7.99 |
| Agricultural | \$ 4.73 | \$ 5.59 | \$ 6.60 | \$ 7.26 | \$ 7.99 |
| Portola Hills | \$ 5.25 | \$ 6.20 | \$ 7.32 | \$ 8.06 | \$ 8.87 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Table 98: Proposed Water Variable Pumping Rates (FY 2024 – FY 2028)

| Pumping Variable Rates (\$/HCF) | | | | | |
|---------------------------------|---------|---------|---------|---------|---------|
| Revenue Adjustment: | | 18% | 18% | 10% | 10% |
| Pumping Zone | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Zone 1 - Base | \$ - | \$ - | \$ - | \$ - | \$ - |
| Zone 2 - Topanga / Saddlecrest | 0.53 | 0.63 | 0.75 | 0.83 | 0.92 |
| Zone 3 - Canyon Creek | 0.94 | 1.11 | 1.31 | 1.45 | 1.60 |
| Zone 4 - Falcon | 1.44 | 1.70 | 2.01 | 2.22 | 2.45 |
| Zone 5 - Joplin | 0.14 | 0.17 | 0.21 | 0.24 | 0.27 |

Wastewater

Table 99 provides the five-year wastewater rate schedule over the Rate Setting Period for monthly fixed charges and variable rates. For FY 2025 through FY 2028, the revenue adjustments are applied across the board to the cost-of-service rates derived for FY 2024 as account growth and usage characteristics are projected to remain constant for financial planning.

Table 99: Proposed Wastewater Monthly Fixed Charge (FY 2024 – FY 2028)

| Wastewater Rates | | | | | |
|-------------------------|----------|----------|----------|----------|----------|
| Revenue Adjustment: | | 16.0% | 16.0% | 12.0% | 12.0% |
| Flat Charges (\$/Month) | | | | | |
| Customer Class | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Residential | \$ 45.92 | \$ 53.27 | \$ 61.80 | \$ 69.22 | \$ 77.53 |
| Commercial | \$ 12.58 | \$ 14.60 | \$ 16.94 | \$ 18.98 | \$ 21.26 |
| Variable Rates (\$/HCF) | | | | | |
| Commercial | | | | | |
| Low | \$ 4.78 | \$ 5.55 | \$ 6.44 | \$ 7.22 | \$ 8.09 |
| Medium | 8.00 | 9.28 | 10.77 | 12.07 | 13.52 |
| High | 12.36 | 14.34 | 16.64 | 18.64 | 20.88 |

Trabuco Canyon Water District – 2023 Cost-of-Service Rate Study

Recycled Water

Table 100 and Table 101 provide the five-year recycled water fixed charges and variable rates over the Rate Setting Period, respectively. For FY 2025 through FY 2028, fixed charges are 55% of potable rates and the remaining revenue requirements for recycled water services are recovered from the variable rates.

Table 100: Proposed Recycled Water Monthly Fixed Charge (FY 2024 – FY 2028)

| % of Potable | 55.0% | 55.0% | 55.0% | 55.0% | 55.0% |
|---|------------------|------------------|------------------|------------------|------------------|
| Non-Potable Fixed Meter Charges (\$/Month) | | | | | |
| Meter Size | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| 5/8" | \$ 25.45 | \$ 30.03 | \$ 35.44 | \$ 38.98 | \$ 42.88 |
| 3/4" | 25.45 | 30.03 | 35.44 | 38.98 | 42.88 |
| 1" | 51.11 | 60.32 | 71.18 | 78.30 | 86.14 |
| 1 1/2" | 93.89 | 110.79 | 130.74 | 143.81 | 158.19 |
| 2" | 145.22 | 171.36 | 202.21 | 222.44 | 244.68 |
| 3" | 307.77 | 363.18 | 428.55 | 471.41 | 518.55 |
| 4" | 547.32 | 645.84 | 762.09 | 838.30 | 922.14 |
| 6" | 1,120.52 | 1,322.22 | 1,560.22 | 1,716.24 | 1,887.87 |
| 8" | 2,403.81 | 2,836.50 | 3,347.07 | 3,681.78 | 4,049.96 |
| 10" | 3,601.54 | 4,249.82 | 5,014.80 | 5,516.28 | 6,067.91 |
| Total | \$144,784 | \$170,846 | \$201,600 | \$221,760 | \$243,937 |

Table 101: Proposed Recycled Water Variable Rates (FY 2024 – FY 2028)

| Proposed Recycled Variable Rates (\$/HCF) | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Variable Rate Analysis | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Recycled Revenue Requirement | \$ 1,399,000 | \$ 1,678,000 | \$ 2,013,000 | \$ 2,314,000 | \$ 2,545,000 |
| Less: Projected Revenue from Fixed | (144,784) | (170,846) | (201,600) | (221,760) | (243,937) |
| Variable Revenue Requirement | \$ 1,254,216 | \$ 1,507,154 | \$ 1,811,400 | \$ 2,092,240 | \$ 2,301,063 |
| ÷ Units of Service (Projected Non-Potable Usage) | 306,630 | 306,630 | 306,630 | 306,630 | 306,630 |
| Proposed Variable Rates | \$4.10 | \$4.92 | \$5.91 | \$6.83 | \$7.51 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Appendix A – Water Supply Analysis

Table 102: Water Supply Analysis

| Key Inputs / Assumptions | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Water Loss | 7.1% | 7.1% | 7.1% | 7.1% | 7.1% |
| Purchased Water Rates | | | | | |
| Variable Purchased Water Costs (\$/AF) | | | | | |
| Baker (BTP) | | | | | |
| Commodity Rate | \$ 858 | \$ 858 | \$ 858 | \$ 858 | \$ 858 |
| SAC Operational Surcharge | 0.97 | 0.97 | 0.97 | 0.97 | 0.97 |
| SCP Operational Surcharge | 8.14 | 8.14 | 8.14 | 8.14 | 8.14 |
| SMWD - Treated | | | | | |
| Commodity Rate | \$ 1,209 | \$ 1,209 | \$ 1,209 | \$ 1,209 | \$ 1,209 |
| SCP Operational Surcharge | 8.14 | 8.14 | 8.14 | 8.14 | 8.14 |
| IRWD - Treated | | | | | |
| Treated Commodity Rate | \$ 1,209 | \$ 1,209 | \$ 1,209 | \$ 1,209 | \$ 1,209 |
| SCP Operational Surcharge | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Pumping Surcharge | 152 | 152 | 152 | 152 | 152 |
| Dimension (DWTP) | | | | | |
| Untreated Commodity Rate | \$ 858 | \$ 858 | \$ 858 | \$ 858 | \$ 858 |
| SAC Operational Surcharge | 0.97 | 0.97 | 0.97 | 0.97 | 0.97 |
| Portola Hills | | | | | |
| Commodity Rate | \$ 1,396 | \$ 1,396 | \$ 1,396 | \$ 1,396 | \$ 1,396 |
| City of San Clemente | | | | | |
| BTP Commodity Rate | \$ 855 | \$ 855 | \$ 855 | \$ 855 | \$ 855 |
| Fixed Purchased Water Costs | | | | | |
| MWDOC | | | | | |
| Capacity Charge - 1st Half (Jul - Dec) | \$ 28,796 | \$ 28,796 | \$ 28,796 | \$ 28,796 | \$ 28,796 |
| Capacity Charge - 2nd Half (Jan - Jun) | 28,796 | 28,796 | 28,796 | 28,796 | 28,796 |
| Readiness to Serve | 166,838 | 166,838 | 166,838 | 166,838 | 166,838 |
| Annual Connection Fees | 56,073 | 56,073 | 56,073 | 56,073 | 56,073 |
| SMWD | | | | | |
| Chiquita Fixed O&M | 12,191 | 12,191 | 12,191 | 12,191 | 12,191 |
| Chiquita Variable O&M | 2,952 | 2,952 | 2,952 | 2,952 | 2,952 |
| IRWD | | | | | |
| BTP O&M | 305,227 | 305,227 | 305,227 | 305,227 | 305,227 |
| BTP Standby Charge | 13,878 | 13,878 | 13,878 | 13,878 | 13,878 |
| Portola Hills | | | | | |
| Fixed Charge | 43,541 | 43,541 | 43,541 | 43,541 | 43,541 |
| Subtotal Fixed Purchased Water Costs | \$ 658,291 | \$ 658,291 | \$ 658,291 | \$ 658,291 | \$ 658,291 |
| Variable Purchased Water Costs | | | | | |
| Total Billings/Sales (AF) | 2,323 AF | 2,323 AF | 2,323 AF | 2,323 AF | 2,323 AF |
| Portola Sales (AF) | 145 AF | 145 AF | 145 AF | 145 AF | 145 AF |
| Sales less Portola | 2,178 AF | 2,178 AF | 2,178 AF | 2,178 AF | 2,178 AF |
| Water Purchases (AF) | | | | | |
| TCWD Demand (AF) (including water loss) | 2,344 AF | 2,344 AF | 2,344 AF | 2,344 AF | 2,344 AF |
| Baker (BTP) | 368 AF | 368 AF | 368 AF | 368 AF | 368 AF |
| SMWD - Treated | 26 AF | 26 AF | 26 AF | 26 AF | 26 AF |
| IRWD - Treated | 591 AF | 591 AF | 591 AF | 591 AF | 591 AF |
| Dimension (DWTP) | 1,359 AF | 1,359 AF | 1,359 AF | 1,359 AF | 1,359 AF |
| Portola Hills | | | | | |
| Water Sales - BTP | 867 AF | 867 AF | 867 AF | 867 AF | 867 AF |
| Calculated Variable Purchased Water Costs | | | | | |
| TCWD | | | | | |
| Baker (BTP) | \$ 319,442 | \$ 319,442 | \$ 319,442 | \$ 319,442 | \$ 319,442 |
| SMWD - Treated | 31,633 | 31,633 | 31,633 | 31,633 | 31,633 |
| IRWD - Treated | 804,895 | 804,895 | 804,895 | 804,895 | 804,895 |
| Dimension (DWTP) | 1,167,189 | 1,167,189 | 1,167,189 | 1,167,189 | 1,167,189 |
| Portola Hills | | | | | |
| Water Sales - BTP | 741,392 | 741,392 | 741,392 | 741,392 | 741,392 |
| Total Calculated Variable Purchased Water Costs | \$ 3,266,506 | \$ 3,266,506 | \$ 3,266,506 | \$ 3,266,506 | \$ 3,266,506 |
| Pumping Costs | | | | | |
| T&D - Electricity | \$ 263,412 | \$ 284,485 | \$ 298,709 | \$ 313,645 | \$ 329,327 |
| Subtotal Pumping Costs | \$ 263,412 | \$ 284,485 | \$ 298,709 | \$ 313,645 | \$ 329,327 |

Trabuco Canyon Water District – 2023 Cost-of-Service Study

Table 103: Water Supply Analysis Summary

| Purchased Water Costs Summary | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Fixed Purchased Water Costs | | | | | |
| MWDOC | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 | \$ 281,000 |
| SMWD | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| IRWD | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 |
| Portola Hills | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| Subtotal Fixed Purchased Water Costs | \$ 661,000 | \$ 661,000 | \$ 661,000 | \$ 661,000 | \$ 661,000 |
| Variable Purchased Water Costs | | | | | |
| TCWD | | | | | |
| Baker (BTP) | \$ 320,000 | \$ 320,000 | \$ 320,000 | \$ 320,000 | \$ 320,000 |
| SMWD - Treated | 32,000 | 32,000 | 32,000 | 32,000 | 32,000 |
| IRWD - Treated | 805,000 | 805,000 | 805,000 | 805,000 | 805,000 |
| Dimension (DWTP) | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 | 1,168,000 |
| Portola Hills | 202,000 | 202,000 | 202,000 | 202,000 | 202,000 |
| Water Sales - BTP | 742,000 | 742,000 | 742,000 | 742,000 | 742,000 |
| Subtotal Variable Purchased Water Costs | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 | \$ 3,269,000 |
| Pumping Costs | | | | | |
| T&D - Electricity | \$ 264,000 | \$ 285,000 | \$ 299,000 | \$ 314,000 | \$ 330,000 |
| Subtotal Pumping Costs | \$ 264,000 | \$ 285,000 | \$ 299,000 | \$ 314,000 | \$ 330,000 |
| Total Water Supply Costs | \$ 4,194,000 | \$ 4,215,000 | \$ 4,229,000 | \$ 4,244,000 | \$ 4,260,000 |

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**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

**ACTION CALENDAR
FINANCIAL MATTERS**

ITEM 8: PUBLIC HEARING AND ADOPTION OF TRABUCO CANYON WATER DISTRICT'S FISCAL YEAR 2025-26 UNDEVELOPED LAND/WATER STANDBY CHARGES (ASSESSMENT)

BACKGROUND

The Trabuco Canyon Water District (District) annually levies an Undeveloped Land/Water Standby Charge (Standby Charge), currently set at \$15.00 per acre or portion thereof, for undeveloped land within District boundaries. The standby charge is levied to cover the fixed costs of the existing District water system to make water available, when requested, to serve currently undeveloped land.

At the March 18, 1997, Regular Board Meeting, District general legal counsel addressed the standby charge as it related to Proposition 218 (adopted in November 1996), noting that the District can continue to levy the standby charge if the amount of the charge is not increased over the previously existing rate (\$15.00) and if the standby charge was levied using the same methodology. Under the provisions of Proposition 218, the water standby charges are considered to be "assessments." Provided that the amount of water standby charges (Assessments) do not increase, they are "grandfathered" under Proposition 218 and do not have to comply with the more extensive assessment proceedings and voting process required for new assessments under Proposition 218. The procedure for the adoption of the water standby charge (assessment) for Fiscal Year 2025-26 is shown below:

| DATE | DESCRIPTION OF ACTION |
|----------------|--|
| June 18, 2025 | At the Regular Board Meeting, the Board: <ul style="list-style-type: none">• Directs staff to prepare the required written Water Standby Charge (Assessment) Report. The Report contains a description of each parcel of real property and the amount of the Water Standby Charges (Assessments) for each parcel for the year.• Directs staff to agendize a Public Hearing concerning the proposed Water Standby Charges (Assessments) Report to be held at the July 16, 2025 Regular Board Meeting. |
| Late June 2025 | The Notice to Property Owners is published in conformance with the statutory requirements, <u>once a week for two successive weeks</u> in the Orange County Register newspaper. The Notice is mailed not less than fifteen (15) days prior to the public hearing to each effected property owner within the District. At the time the Notice is mailed, the Report must be made available for public review upon request. |
| July 16, 2025 | A Public Hearing is held for public comments concerning the proposed FY 2024-25 Water Standby Charges (Assessments). Following the conclusion of the Public Hearing, the Board considers adoption of a Resolution to set and collect the Water Standby Charges (Assessments) for FY 2024-25. |

FUNDING SOURCE:

Levy and collection of the annual water standby charges results in an estimated \$45,000 annual credit to the District's General Fund.

FISCAL IMPACT:

The cost of completing the report, publication and mailing of the Notice - *Approximately \$3,500*

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

COMMITTEE STATUS:

This matter was reviewed with Finance/Audit Committee

RECOMMENDED ACTIONS:

1. *Receive information at the time of the Board Meeting concerning the proposed Fiscal Year 2025-26 Undeveloped Land/Water Standby Charges.*
2. *Conduct Public Hearing to receive public comments relating to the matter.*
3. *Adopt Resolution No. 2025-1352 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing Water Standby Charges for the Fiscal Year 2025/2026; Making Certain Findings and Taking Related Actions in Connection Therewith.*

EXHIBIT(S):

1. DRAFT Notice to Property Owners
2. Draft Resolution No. 2025-1352

CONTACTS (staff responsible): PALUDI/PEREA



NOTICE TO PROPERTY OWNERS WITHIN THE TRABUCO CANYON WATER DISTRICT SERVICE AREA

Dear Property Owner:

The Trabuco Canyon Water District (*formerly named the Santa Ana Mountains County Water District*) plans to fix a water standby or availability assessment on all undeveloped land within the District for the fiscal year 2025/2026. This assessment will remain at \$15.00 per acre for undeveloped developable parcels over one acre or \$15.00 for each undeveloped parcel of less than one acre, per year.

This assessment or charge is being imposed by the District because the Board of Directors has determined that this is an equitable means of raising funds necessary to make water available to your property.

A report has been prepared and filed with the District that lists all undeveloped parcels of land and the assessment on each. This report is available for public inspection at the District Administration Facility during normal business hours. The District Administration Facility is located at:

**32003 Dove Canyon Drive
Trabuco Canyon, California 92679
(949) 858-0277**

The Board of Directors will hear and consider all public comments on this report at a public hearing to be held on **July 16, 2024 at 6:00 p.m.**, or as soon thereafter as the agenda permits, at the District Administration Facility at the above-stated address.

TRABUCO CANYON WATER DISTRICT

By: _____

Michael Perea
Secretary to the Board of Directors

RESOLUTION NO. 2025-1352

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT ESTABLISHING WATER STANDBY CHARGES FOR THE FISCAL YEAR 2025/2026; MAKING CERTAIN FINDINGS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Trabuco Canyon Water District (“TCWD”) is a county water district organized and existing pursuant to California Water Code (“Water Code”) Sections 30000, and following; and

WHEREAS, provisions of the Water Code permit county water districts to fix water standby or availability charges in amounts not to exceed thirty dollars (\$30) per acre per year for each acre of land, or each parcel of the land less than one acre, to which such district makes water available whether or not such water is used; and

WHEREAS, the TCWD water standby charges were established and imposed prior to the adoption of Proposition 218 in 1996 and the amount of such TCWD water standby charges has not been increased since 1996; and

WHEREAS, certain provisions of the California Government Code (“Government Code”) apply to the procedures for the levy of such standby charges; and

WHEREAS, the Board of Directors of TCWD (“Board”) has previously directed that notice of a public hearing, to be conducted on July 16, 2025 concerning the continued levy of such water standby charges be mailed and published as required by law; and

WHEREAS, notice of such public hearing, including information concerning the continued levy of such water standby charges and the proposed amount thereof, was mailed to affected property owners and was published in a newspaper of general circulation within TCWD and confirmation of such mailing and publication is on file with the District Secretary; and

WHEREAS, on July 16, 2025 the Board conducted a public hearing concerning the continued levy of the TCWD water standby charges and a full and fair hearing on such matter was held; and

WHEREAS, the Board of Directors of TCWD has considered existing or possible land uses, the degree of availability and the quantity and extent of use of water and water service within TCWD; and

WHEREAS, a written report concerning the proposed 2025/2026 TCWD water standby charges (“Report”) has been drafted, has been made available for public inspection, has been made available to members of the Board, is on file with the District Secretary and is incorporated herein by this reference; and

WHEREAS, the County of Orange (“County”) is currently imposing certain requirements on the levy and collection of certain charges and assessments, such as the TCWD water standby charges; and

WHEREAS, the Board has determined to adopt this Resolution to provide for the findings and matters set forth herein, to continue the levy of the TCWD water standby charges in Fiscal Year 2025/2026 and to take the related actions set forth herein.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals. The foregoing Recitals are true and correct and are hereby incorporated by this reference.

Section 2. Findings. With respect to the within-referenced assessments (water standby charges) the Board hereby finds and determines as follows:

- (a) The TCWD water standby charges were initially imposed prior to the adoption of Proposition 218 in 1996. TCWD has complied with the requirements of Water Code Section 31032.1 as it read at the time such water standby charges were initially imposed.
- (b) The TCWD water standby charges rates have not been increased since Proposition 218 was approved in 1996.
- (c) This Resolution is adopted by the Board pursuant to Water Code Section 31032.1 and related law.
- (d) The Report has been prepared, presented to the Board, is on file with the District Secretary and is hereby accepted and approved by the Board as required by Water Code Section 31032.1.
- (e) Notice of the proposed 2025/2026 TCWD water standby charges, and the public hearing thereon, has been provided as required by Water Code Section 31032.2 and confirmation thereof is on file with the District Secretary.
- (f) A noticed public hearing concerning the proposed 2025/2026 TCWD water standby charges was conducted at the Regular Board Meeting held on July 16, 2025 in conformance with Water Code Section 31032.3.
- (g) The continuance of the TCWD water standby charges are not subject to the provisions of Governing Code Section 54954.6.
- (h) The continuance of the TCWD water standby charges are not subject to the provisions of Governing Code Sections 53750, *et seq.* and/or Section 4 of Article XIID of the California Constitution as set forth in such Article of California Constitution and Government Code Section 53753.5(a) & (b).

Section 3. Water Standby Charges (Fiscal Year 2025/2026). Pursuant to the applicable provisions of the Water Code, the Board directs that a water standby charge (availability assessment) for the 2025/2026 fiscal year be and the same hereby is fixed for each parcel of property within TCWD, as set forth in the Report, which Report also sets forth the amounts of such water standby charges.

Section 4. Water Standby Charge Filing, Levy and Collection. The General Manager, the Secretary, and any Assistant Secretary, shall be, and the same hereby are, directed to take whatever action(s) is required by the Tax Collector and/or the Auditor of the County in regard to the water standby charges (assessments) set forth in the Report to indicate that the water standby charges (assessments), as set forth in the Report, were adopted by this Board on July 16, 2025 and as needed for the levy and collection of such water standby charges (assessments). Such actions include, but are not limited to,

entering into an agreement with the County for the levy and collection of the TCWD water standby charges.

Section 5. **Additional Filing.** The Secretary or Treasurer shall be, and the same hereby are, directed to file a copy of the Report together with a certified copy of this Resolution with the Auditor of the County.

Section 6. **Other Actions.** All actions heretofore taken by officers and consultants of TCWD with respect to determining and setting such water standby charges are hereby approved, confirmed, and ratified. TCWD staff, consultants and legal counsel are hereby authorized to take such other and further actions as are necessary or desirable to carry out the intentions and directives of this Resolution.

Section 7. **Effective Date.** This Resolution shall take effect upon adoption by the Board.

[Remainder of page left blank.]

DRAFT

ADOPTED, SIGNED, and APPROVED this 16th day of July 2025 by the Board of Directors of the Trabuco Canyon Water District.

TRABUCO CANYON WATER DISTRICT:

President/Vice President

District Secretary

DRAFT

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a meeting of said Board held on the 16th day of July 2025, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 2025-1352 of such Board and that the same has not been amended or repealed.

Dated this 16th day of July 2025.

District Secretary,
Trabuco Canyon Water District

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

**ACTION CALENDAR
FINANCIAL MATTERS**

ITEM 9: APPROVAL OF UPDATED DISTRICT PURCHASING POLICY & GUIDELINES

Background

Over several months, staff and legal counsel have met to review and update the District’s Purchasing Policy and Guidelines, the provisions of TCWD’s Rules and Regulations relating to procurement, draft form contracts, and TCWD’s internal processes and procedures. As a County Water District organized and operating under the Water Code 30000 and following, TCWD has broad authority to procure goods and services. The District’s policy creates procedures to enhance transparency, including reporting to the Board or committees of the Board, and encouraging competitive bidding, that exceed the baseline requirements of state law. The District has evaluated its policies, procedures, and form documents to appropriately balance efficiency with transparency. Updates to the Policy and Guidelines include:

- Inclusion of a new “definitions” section
- Updated some key terms (for example, “Non-Professional Services” are now “General Services”)
- Combine and harmonize procurement-related provisions of the District’s Rules and Regulations, to ensure that all relevant provisions can be found in one place.
- Clarify and streamline the sole-source acquisition process.
- Internal tracking of quotes, bids, or proposals on projects and services

The District’s Purchasing Policy and Guidelines were last updated and approved by the Board at the March 16, 2023 Regular Board Meeting (Resolution No. 2023-1313).

FUNDING SOURCE:

Not applicable

FISCAL IMPACT:

Not applicable

COMMITTEE STATUS:

This matter was reviewed with the Finance/Audit Committee.

RECOMMENDED ACTION:

Adopt Resolution No. 2025-1353 – Resolution of the Board of Directors of Trabuco Canyon Water District Adopting Updated Guidelines for the Procurement of Goods and Services and Cash Disbursements

EXHIBITS:

1. Purchasing Policy & Guidelines (2023)
2. DRAFT Purchasing Policy & Guidelines
3. DRAFT Resolution No. 2025-1353

CONTACTS (staff responsible): PALUDI/PEREA/BERG

TRABUCO CANYON WATER DISTRICT
PURCHASING POLICY & GUIDELINES

1. Goals/Objectives

1.1 The Trabuco Canyon Water District (“TCWD” or “District”) seeks to obtain, wherever possible, high-quality materials, supplies, and services at a reasonable value and in a timely manner.

1.2 The purposes of this Procurement Policy include: 1) to promote efficiency and clarity in the District's procurement process; 2) to provide guidance on proper standards of conduct by employees, officers, and the Board of Directors of the District; 3) to ensure compliance with applicable laws and regulations; and 4) promote the appropriate transparency in the District's procurement processes to ensure that the District's funds are expended in a reasonable manner. To that end, this Policy has been prepared to provide direction to District personnel engaged in procurement of materials, supplies, and services.

2. Conflicts of Interest

No director, officer, employee or agent of the District shall participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. A conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in a District procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (Section 8100 et seq. of the California Government Code) and in Sections 1090, 1091, and 1091.5 of the California Government Code.

3. Competitive Procurement

3.1 It is TCWD’s goal to utilize a competitive procurement process when reasonably possible, whether by informal bidding or formal bidding. The method of procurement, such as informal bids or formal competitive bidding shall be appropriate for the type of procurement and in the best interest of the District.

3.2 Where possible, the District will obtain a minimum of three quotes, bids or proposals, as applicable, prior to the procurement of goods and/or services. The receipt of less than three quotes, bids or proposals shall not invalidate the solicitation process or require the solicitation of additional quotes, bids or proposals. Some goods and services may only be available from fewer than three vendors/providers. Where this is the case, the goal shall be to obtain more than one quote, bid or proposal where possible; subject to Section 3.4 and 3.5.

3.3 The District may purchase items or services without further competition under the following conditions:

3.3.1 If the District rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, or

3.3.2 When no responsive bids or proposals are received in response to an Invitation to Bid or Request for Proposals, in which case the General Manager is authorized to procure the required item or services through direct negotiations with a vendor or to resolicit as appropriate.

3.4 Notwithstanding anything to the contrary in this Policy, it is expressly acknowledged that the District is a county water district, organized and operating in accordance with Water Code Sections 30000 and following, that is not mandated by State law to bid competitively and that, to the extent the District determines that competitive bidding is unavailing or not in the best interest of the District, the District may choose not to utilize competitive bidding for construction projects, contract for design-build work, enter into cooperative agreements with private entities for the design, construction and maintenance of public works, utilize job-order contracting, or undertake any other form of contracting determined to be in the District's best interest, except as otherwise expressly restricted by law.

3.5 Sole source procurement must be deemed appropriate by the General Manager. In the event it is necessary for a good or service to be sole sourced, a written memo shall be provided by, or written to, the General Manager for approval. The memo must include a complete and specific justification of the sole source procurement for the referenced project(s). The TCWD Board of Directors (Board) will be notified annually of all sole sourced contracts entered into by TCWD.

4. Authority. The General Manager is authorized to procure goods and services in accordance with the budget approved by the District's Board of Directors and with the limits established in this Section.

4.1 Board Authority is required for all procurements over \$100,000.

4.2 The General Manager is authorized to approve all procurements, execute agreements, amend agreements and change orders in an amount up to \$100,000.

4.3 Change Orders. When the original contract exceeds \$100,000 (and has been approved by the board), the General Manager may approve subsequent amendments and change orders up to a total cumulative amount not to exceed \$100,000.

4.3.1 If the cumulative change orders are anticipated to exceed \$100,000, there will be no further change orders until the Board authorizes additional funds for the project under the terms of the agreement (subject to change order terms). The Engineering/Operational Committee shall review all requests for additional construction funds.

4.3.2 The General Manager is authorized to approve an emergency field change order when failure to authorize the change order will cause TCWD to incur significant additional

costs and/or significant delays, even if the change order will exceed the General Manger’s delegated authority. The General Manager will promptly inform the Board of such action(s). The Engineering/Operational Committee will review the change order and the Board will consider ratification of the General Manager’s decision(s).

4.3.3 All change orders shall be in written form and executed by the General Manager or the General Manager’s designee(s).

5. Written Agreements

Written Agreements or Purchase Orders are required for the acquisition of all goods and services, and District staff will adhere to the following threshold limits for the respective purchase types:

- Purchase orders for supplies, equipment, and materials up to \$100,000.
- Purchase orders for professional/non-professional/construction work under \$50,000 with a current on-call services agreement.
- Negotiated Agreements for professional/non-professional/construction work over \$50,000.

The above thresholds are intended as general guidance to the District, and the District may substitute a negotiated agreement in place of a purchase order any time the circumstances warrant, such as a complex or unique procurement.

The General Manager is authorized to approve and execute all agreements for the acquisition of goods and services in accordance with the approved annual budget. Written agreements, within the limits set by the annual budget, may be for one-year, or multi-year with annual renewals. It is TCWD’s policy that contracts shall not normally include terms for automatic renewal(s).

6. Public Works Contractor Registration Certification Requirements

6.1 Pursuant to Labor Code Sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the California Department of Industrial Relations (DIR) if the small project exemption is not met. The small project exemption applies for all public works projects that do not exceed twenty-five thousand dollars (\$25,000) for new construction, alteration, installation, demolition, or repair and fifteen thousand dollars (\$15,000) for maintenance. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information. All parties involved should be aware that for federally funded projects, contractors and subcontractors must be registered to perform public work pursuant to Labor Code section 1725.5 at the time the contract is awarded.

6.2 As defined by California Labor Code Sections 1720 et seq., “public works” includes construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds. Maintenance work is also included in this definition as a public work. A public works project greater than one thousand dollars (\$1,000) triggers the registration requirement and further requires that not less than the general prevailing

rate of per diem wages be paid to all workers employed on the public work, but does not require registration with the DIR. A public works project that exceeds (\$25,000) for new construction, alteration, installation, demolition, or repair and fifteen thousand dollars (\$15,000) for maintenance triggers the registration requirement with the DIR.

6.3 No bid or proposal will be accepted, nor any contract entered into without proof of the contractor's and subcontractor's current registration with the DIR to perform public work unless the small project exemption shall apply; provided however, for federally funded projects, contractors and subcontractors must be registered to perform public work pursuant to Labor Code Section 1725.5 at the time of contract award.

7. Prequalification of Contractors/Vendors

7.1 The District may periodically establish a list of contractors for various types of work by requiring each prospective contractor to complete and submit to the District a standardized questionnaire and financial statement including a complete statement of the prospective contractor's experience in performing public works or specific types of public works projects. The District shall determine, using standard criteria, whether a contractor/vendor is qualified for the performance of such work for the District. If the District has prequalified contractors and/or vendors, the District shall update each list of qualified vendors for various types of work periodically as necessary, but not less than every five (5) years. For federally funded contracts, vendors shall be permitted, to the extent required by applicable federal law and/or regulations, to be qualified up until the date and time set for receipt of bids/proposals and have provided proof of registration certification with the DIR (as described herein) if the project does not meet the small project exemption.

7.2 For federally funded contracts, vendors shall be permitted, to the extent required by applicable federal law and/or regulations, to be qualified up until the date and time set for receipt of bids/proposals and have provided proof of registration certification with the DIR if the project does not meet the small project exemption.

8. Capital Construction Projects

For capital construction projects, the following procedures will apply:

8.1 **Bid and Award.** The Engineering/Operational Committee will review all bids on a project when TCWD staff proposes to recommend approval of a bid for a project that is greater than \$50,000, or the General Manager's signing authority. The Board may award the bid and authorize an amount for the project/construction that may include a contingency. Unless otherwise directed by the Board, the General Manager shall execute approved construction contracts.

9. Professional Services

When professional services are required, the following procedures will apply:

9.1 Professional service providers are defined as attorneys, engineering consultants, real property consultants/appraisers, water quality consultants, architects, auditors, actuarial

consultants, financial advisors, human resource consultants, information systems/technology consultants, meeting facilitators and firms hired to perform construction inspection, construction management and/or engineering surveying.

9.2 If the work of a professional service provider is anticipated to cost more than \$50,000 per year, the selection of the professional service provider will be reviewed by the appropriate Board Committee and will be subject to approval by the Board. The Board will authorize a budgeted amount for the specified work. Unless otherwise specified by the Board, the General Manager is authorized to approve and execute the agreement between TCWD and the approved professional service provider.

9.3 If the cost of the work is anticipated to exceed the amount authorized by the Board there will be no further work until the Board authorizes additional funds. The appropriate Board Committee will review all requests for additional funds.

10. Emergencies

In the case of any sudden, unexpected occurrence that poses a clear and imminent danger or requires immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public service, the Board authorizes the General Manager full authority to commit TCWD funds in excess of the approved budget limits, or reallocation of funds within those limits, in accordance with, and subject to the limitations set out in Resolution No. 2018-1252.

11. Federal Procurement Addendum for Supplies, Equipment, and Materials Purchase Orders, or Services Contracts

In the event a contract for goods and/or services includes federal funding, TCWD shall require the proposed vendor to comply with any applicable laws and procedures, in addition to fulfilling any procurement requirements of non-federally funded purchase orders or service contracts.

12. Guidelines for Disbursements

12.1 The use and expenditure of all TCWD funds is subject to Resolution No. 2018-1252: Delegation of Authority to the General Manager.

12.2 Wherever in this policy the General Manager is delegated authority, such authority will include the designee of the General Manager.

12.3 All checks, wires, electronic funds transfer authorizations and other documents (except petty cash requests) containing instructions that cause funds to leave TCWD's control shall have two authorized signatures. Authorized signers are:

Members of the Board of Directors
General Manager
District Secretary
Treasurer/Chief Financial Officer
Assistant Treasurer

12.4 Electronic or facsimile signatures may be used on routine payments provided adequate safeguards are used to protect the signature plates, chip, or other source. Such safeguards shall be set out in writing.

12.5 An authorized manager or supervisor can approve petty cash requests subject to the limits of TCWD's current petty cash policy.

12.6 The General Manager, or his/her designee, District Treasurer, and Senior Accountant may authorize inter-bank transfers for purposes of satisfying payroll requirements.

12.7 The Finance/Audit Committee shall review and sign, or approve, as applicable, checks, wires and electronic fund transfer authorizations that meet the following criteria:

12.7.1 \$50,000 or more will leave TCWD's control except when paying for:

- (a) Payroll or payroll related expenses, including employee benefits;
- (b) Utilities;
- (c) Chemicals used in water treatment; and./or

(d) Water and water related costs to the Municipal Water District of Orange County or other agencies from which the District may purchase water or water related services.

12.7.2 \$1,000 or more payable to employees or members of the Board for any purpose other than payroll, except when the reimbursement request has been previously approved through the Finance/Audit Committee process. All reimbursements to Board members shall be subject to TCWD's current Board Reimbursement Policies.

13. NON-DISCRETIONARY EXPENSES

Non-discretionary Expenses are items that do not require Board Action for payment, even when such expenses exceed the General Manager's approval limit of \$100,000. Non-Discretionary Expenses include, but are not limited to, those listed below.

Bond Related/Contractual Agreements/Budgeted Expenses

Arbitrage Rebate Payment

Bank Fees

Bonds

Cash Management Fees for Bond funds – Investment Portfolio Manager

Cash Management Fees for Operating funds – Investment Portfolio Manager

Computer System Maintenance Contracts, including HVAC Equipment/Support and IT Systems

County Regional Participation – OC LAFCO Costs

County Tax Collection Fees – including, but not limited to, General Fund and Bond Funds

Customer Bill Processing and Distribution

Debt Service Payments

Payments related to Joint Powers Agreements, including, but not limited to, the District's participation in the South Orange County Wastewater Authority (SOCWA)

Loans

Operating Leases:

- Baker Water Treatment Plant Operating & Maintenance
- Chiquita System Quarterly Operating & Maintenance

State Regulatory Fees – Permit Fees for Dams and other District Facilities

Trustee Fees

Essential Expenses

Drinking Water for Treatment Plants

Chemicals/Media

Employee Payroll and Benefits Payments, including, but not limited to:

- CalPERS Pension/Health Benefit Payments/OPEB Trust/Pension Trust
- Dental & Vision Benefit Payments
- Flexible Spending Plan Payments
- Life Insurance Payments

Federal and State Employee Taxes

Fuel: bulk and gasoline credit card purchases

Medicare Tax

Metering Equipment

Sales and Use Tax Payments

Solids and Residual Disposal

Trash Disposal

Utilities (includes power, gas, phone, mobile phones, postage, & data lines/communications)

Water Purchases

Trabuco Canyon Water District Procurement Reference Sheet

| Supplies, Equipment and Materials | Contract Form | Delegation of Authority |
|--|-----------------------------|--------------------------------|
| Less than \$50,000 | Purchase Order | General Manager |
| \$50,000 - \$100,000 | Purchase Order or Agreement | General Manager |
| Greater than \$100,000 | Purchase Order or Agreement | Board of Directors |
| Non-Professional Services | | |
| Non-Professional Services | Contract Form | Delegation of Authority |
| Less than \$50,000 | Purchase Order | General Manager |
| \$50,000 - \$100,000 | Purchase Order or Agreement | General Manager |
| Greater than \$100,000 | Agreement | Board of Directors |
| Professional Services | | |
| Professional Services | Contract Form | Delegation of Authority |
| Less than \$50,000 | Purchase Order | General Manager |
| \$50,000 - \$100,000 | Agreement | General Manager |
| Greater than \$100,000 | Agreement | Board of Directors |
| Construction | | |
| Construction | Contract Form | Delegation of Authority |
| Less than \$50,000 | Purchase Order | General Manager |
| \$50,000 - \$100,000 | Agreement | General Manager |
| Greater than \$100,000 | Agreement | Board of Directors |

Procurement Process, non-capital expenditures: where possible, but not required, obtain a minimum of three bids for competitive bidding or informal bidding process.

Contracts for Capital Expenditures over \$50,000 must be competitively bid, except as provided in Section 9.2.1 of the District's rules and regulations.

TRABUCO CANYON WATER DISTRICT

PURCHASING POLICY & GUIDELINES

1. Definitions

- 1.1 **Board** means the Board of Directors of the Trabuco Canyon Water District
- 1.2 **Capital Construction Project** means a project involving the expenditure of District funds for the construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.
- 1.3 **District** means the Trabuco Canyon Water District (or “TCWD”).
- 1.4 **General Manager** means the General Manager of the District or the person appointed by the General Manager or Board of Directors to act in the capacity of the General Manager and authorized to administer this Policy on their behalf.
- 1.5 **Negotiated Agreement or Contract** means a formal written agreement for procurement of goods and services (professional and general).
- 1.6 **General Services** means Services other than Professional Services, to include supply and maintenance services.
- 1.7 **Professional Services** means Services involving the provision of a report, study, plan, design, specification, document, program, advice, recommendation, analysis, review, opinion, inspection, investigation, audit, brokering or representation of the District before or in dealings with another party, or any other services which require a special skill or expertise of a professional, scientific, or technical nature. These Services include, but are not limited to, attorneys, engineering consultants, real property consultants/appraisers, water quality consultants, architects, auditors, actuarial consultants, financial advisors, human resource consultants, information systems/technology consultants, meeting facilitators and firms hired to perform construction inspection, construction management and/or engineering surveying.
- 1.8 **Purchase Order** means an authorization, using a standardized form, in which the party designated as the “provider” provides materials and/or services for which the District agrees to pay. This is used for 1) goods and/or services that are required on an as needed basis or for replenishment of the District’s revolving inventory, or 2) repetitive, routine commitments for goods and/or services with frequently used vendors and billed to the District on a regular monthly or quarterly basis, or 3) procurements that do not fall under the criteria for a negotiated agreement.

1.9 **Request for Proposal (RFP) or Invitation to Bid** means a written request for the submission of a proposal in accordance with specifications, conditions and other requirements included in the request.

2. Goals/Objectives

2.1 The Trabuco Canyon Water District seeks to obtain, wherever possible, high-quality materials, supplies, and services at a reasonable value and in a timely manner.

2.2 The purposes of this Procurement Policy include: 1) to promote efficiency and clarity in the District's procurement process; 2) to provide guidance on proper standards of conduct by employees, officers, and the Board of Directors of the District; 3) to ensure compliance with applicable laws and regulations; and 4) to promote transparency in the District's procurement processes to ensure that the District's expenditures are reasonable. To that end, this Policy has been prepared to provide direction to District personnel engaged in procurement of materials, supplies, and services.

3. Conflicts of Interest

3.1 No director, officer, employee or agent of the District may participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. A conflict of interest arises when (a) a director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above-described individuals has a financial or other interest in a firm that participates in a District procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (Section 81000 et seq. of the California Government Code) and in Sections 1090, 1091, 1091.5, and 1097.6 of the California Government Code.

4. Competitive Procurement

4.1 TCWD will utilize a competitive procurement process when reasonably possible, whether by informal bidding or formal bidding. Methods of procurement, such as informal bids or formal competitive bidding, must be appropriate for the type of procurement, consistent with state law and in the best interest of the District.

4.2 Where possible, the District will obtain a minimum of three quotes, bids or proposals, as applicable, prior to procuring goods or services. The District's receipt of less than three quotes, bids or proposals will not invalidate the solicitation process or require the solicitation of additional quotes, bids or proposals. Some goods and services may only be available from less than three vendors or providers. If less than three vendors or providers are available, the District will attempt to obtain more than one quote, bid or proposal where possible; subject to Sections 4.4 and 4.5. District staff will internally track

the number of quotes, bids, or proposals received on projects and services and, in the event the quotes, bids, or proposals requested/received are less than recommended per policy, staff will provide a written memorandum with a justification subject to Sections 4.4 and 4.5.

4.3 The District may purchase items or services without further competition under the following conditions:

4.3.1 If the District rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, or

4.3.2 When no responsive bids or proposals are received in response to an Invitation to Bid or Request for Proposals. In that case, the General Manager may procure the required item or service through direct negotiations with a vendor or to resolicit as appropriate.

4.4 The District is a county water district, organized and operating in accordance with Water Code Section 30000 et seq. that is not required by State law to use competitive bidding. To the extent the District determines that competitive bidding is impractical or not in the best interest of the District, the District may choose not to utilize competitive bidding for construction projects, may contract for design-build work, may enter into cooperative agreements with private entities for the design, construction and maintenance of public works, may utilize job-order contracting, or undertake any other form of contracting determined to be in the District's best interest except as otherwise expressly restricted by law.

4.5 Sole source procurement must be approved by the General Manager. If it is necessary for the District to acquire a good or service using sole source procurement in excess of \$10,000, the General Manager shall write or approve a written memorandum explaining the need to sole source the good or service. The memorandum must include a complete and specific justification of the sole source procurement for the referenced project(s). The TCWD Board of Directors (Board) will be notified periodically, but at a minimum annually, of all sole-sourced contracts entered into by TCWD that exceed \$10,000.

5. Authority. The General Manager is authorized to procure goods and services in accordance with the budget approved by the Board and within the limits established in this Section.

5.1 Board Authority is required for all procurements over \$100,000.

5.2 The General Manager is authorized to approve all procurements, execute agreements, amend agreements and change orders in an amount up to \$100,000.

5.2.1 The General Manager will report to the Board regarding the award of contracts that exceed \$50,000.

5.3 Change Orders. When an original contract exceeds \$100,000 (and has been approved by the Board), the General Manager may approve subsequent amendments and change orders up to a total cumulative amount not to exceed \$100,000.

5.3.1 If the cumulative change orders under a contract are anticipated to exceed \$100,000, no change orders in excess of that amount will be issued until the Board authorizes additional funds for the project under the terms of the agreement (subject to change order terms). The Engineering/Operational Committee shall review all requests for additional construction funds.

5.3.2 The General Manager may approve an emergency field change order when the failure to approve the change order will cause TCWD to incur significant additional costs and/or significant delays even if the change order will exceed the General Manager's delegated authority. The General Manager shall promptly inform the Board of such approvals. The Engineering/Operational Committee will review the change order and the Board will consider ratification of the General Manager's decision(s).

5.3.3 All change orders must be in written form and be executed by the General Manager or the General Manager's designee(s).

6. Written Agreements

Written Agreements or Purchase Orders are required for the acquisition of all goods and services, and District staff must adhere to the following threshold limits for the following purchases and agreements:

- Purchase Orders for supplies, equipment, and materials up to \$100,000.
- General Services Agreement for general/maintenance/construction work.
- Professional Services Agreement for professional services work.

These thresholds are intended as general guidance to the District, and the District may substitute a negotiated agreement in place of a purchase order any time, including with a complex or unique procurement.

The General Manager may approve and execute all agreements for the acquisition of goods and services in accordance with the approved annual budget. It is TCWD's policy that contracts will not normally include terms for automatic renewal(s).

7. Public Works Contractor Registration Certification Requirements

7.1 Pursuant to Labor Code Sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to

perform public work must be registered with the California Department of Industrial Relations (DIR) if the small project exemption is not met. The small project exemption applies to all public works projects that do not exceed twenty-five thousand dollars (\$25,000) for new construction, alteration, installation, demolition, or repair and fifteen thousand dollars (\$15,000) for maintenance. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information. Contractors and subcontractors on federally funded projects must be registered to perform public work pursuant to Labor Code section 1725.5 at the time the contract is awarded.

7.2 As defined by California Labor Code Sections 1720 et seq., “public works” includes construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds. Maintenance work is also included in this definition as a public work. A public works project greater than one thousand dollars (\$1,000) further requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on the public work. A public works project that exceeds (\$25,000) for new construction, alteration, installation, demolition, or repair and fifteen thousand dollars (\$15,000) for maintenance triggers the registration requirement with the DIR.

7.3 No bid or proposal will be accepted, nor any contract entered into, without proof of the contractor’s and subcontractor’s current registration with the DIR to perform public work unless the small project exemption applies or, for federally-funded projects, contractors and subcontractors are registered at the time of contract award.

8. Prequalification of Contractors/Vendors

8.1 The District may periodically establish a list of pre-qualified contractors or vendors for various types of work by requiring each prospective contractor or vendor to complete and submit to the District a standardized questionnaire, financial statement, or other information requested by the District to assess the contractor’s experience in performing the services sought by the District. The District shall determine, using standard criteria, whether a contractor/vendor is qualified to perform such work for the District. If the District has established one or more lists of prequalified contractors and/or vendors, the District shall update each list of qualified vendors for various types of work periodically as necessary. For federally-funded contracts, vendors shall be permitted, to the extent required by applicable federal law and/ or regulations, to be qualified for the list or lists until the date and time set for receipt of bids/proposals if they have provided proof of registration certification with the DIR (as described herein) or if the project does not meet the small project exemption.

9. Procedures for Capital Construction Projects

9.1 **Bid and Award.** The appropriate Board committee will review all bids on a project where TCWD staff recommends approval of a bid for that project that is greater than \$100,000. The Board will authorize construction contracts that include a contingency

that cumulatively exceeds the General Manager's signing authority. Unless otherwise directed by the Board, the General Manager shall execute Board-approved construction contracts.

9.2 Performance and Payment Bond Requirements.

9.2.1 In accordance with Civil Code Section 9550 *et seq.*, and other applicable provisions of California law, a contractor awarded a public works contract involving an expenditure in excess of \$25,000, shall furnish a payment bond in an amount not less than 100% of the contract price.

9.2.2 The contractor shall also furnish a faithful performance/warranty bond in the sum of one hundred percent (100%) of the contract price with respect to the performance of the equipment.

9.2.3 Any bonds issued pursuant to this section must be issued by an admitted surety insurer authorized to issue bonds in the State of California.

9.3 Security Deposit in Lieu of Retention

9.3.1 Pursuant to Public Contract Code Section 22300, a contractor can deposit securities to act as a substitute for the retention of contract earnings by the District. A contractor desiring to deposit such securities in lieu of retention shall notify the District at the earliest possible time, and in no event later than the signing of the contract documents, of its desire to enter into such an agreement with the District. Any contractor entering into such a contract with the District shall comply with the provisions of Public Contract Code Section 22300.

9.4 Bid Bond

9.4.1 At its discretion, the District may require a bid bond of 10% of the total proposal for competitively bid contracts that exceed \$25,000.

10. Procedures for Procurement of Professional Services

10.1 If the work of a professional service provider is anticipated to cost more than \$100,000 per year, the appropriate Board Committee will review the selection of the professional service provider and the selection is subject to approval by the Board. Unless otherwise specified by the Board, the General Manager may approve and execute the agreement between TCWD and the approved professional service provider.

10.2 If the cost of the services to be provided is anticipated to exceed the amount authorized by the Board performance of the services will cease until the Board authorizes additional funds. The appropriate Board Committee will review all requests for additional funds.

11. Emergencies

11.1 In the case of any sudden, unexpected occurrence that poses a clear and imminent danger or requires immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the Board authorizes the General Manager full authority to commit TCWD funds in excess of the approved budget limits, or to reallocate funds within those limits, in accordance with, and subject to the limitations contained in, Resolution No. 2018-1252.

11.2 Where possible, the Board will declare a state of emergency prior to commencement of emergency work. If the Board may not be immediately convened, authority is granted to the General Manager to declare an emergency. A declaration of emergency shall be ratified at the next meeting of the Board. Emergency work may be done by day labor or by contract, or by combination of these. The Board, by majority vote, may delegate to the General Manager the power to declare a public emergency subject to confirmation by the Board, by a 4/5ths vote, at its next meeting.

12. Federal Procurement Addendum for Supplies, Equipment, and Materials Purchase Orders, or Services Contracts

12.1 If a contract for goods and/or services is funded in whole or in part by the federal government, TCWD shall require the proposed vendor to comply with any applicable laws and procedures, in addition to fulfilling any procurement requirements of non-federally funded purchase orders or service contracts.

13. Guidelines for Disbursements

13.1 The use and expenditure of all TCWD funds is subject to Resolution No. 2018-1252: Delegation of Authority to the General Manager.

13.2 Wherever in this policy the General Manager is delegated authority, that authority will also be provided to the designee of the General Manager.

13.3 All checks, wires, electronic funds transfer authorizations and other documents (except petty cash requests) containing instructions that cause funds to leave TCWD's control shall have two authorized signatures. Authorized signers are:

Members of the Board of Directors
General Manager
District Secretary
Principal Accountant (or designee)
District Treasurer

13.4 Electronic or facsimile signatures may be used on routine payments provided adequate safeguards are used to protect the signature plates, chip, or other source. Such safeguards shall be set out in writing.

13.5 The General Manager or his/her designee, Principal Accountant and Senior Accountant may authorize inter-bank transfers for purposes of satisfying payroll requirements.

13.6 The Finance/Audit Committee shall review and sign, or approve, as applicable, checks, wires and electronic fund transfer authorizations that meet the following criteria:

13.6.1 Transfers of \$100,000 or more except when paying for:

- (a) Payroll or payroll related expenses, including employee benefits;
- (b) Utilities;
- (c) Chemicals used in water treatment; and./or
- (d) Water and water related costs to the Municipal Water District of Orange County or other agencies from which the District may purchase water or water related services.

13.6.2 \$1,000 or more payable to employees or members of the Board for any purpose other than payroll, except when the reimbursement request has been previously approved by the Finance/Audit Committee. All reimbursements to Board members shall be subject to TCWD's current Board Reimbursement Policies.

14. NON-DISCRETIONARY EXPENSES

14.1 Non-discretionary Expenses are items that do not require Board Action for payment, even when such expenses exceed the General Manager's approval limit of \$100,000. Non-Discretionary Expenses include, but are not limited to, those listed below.

Bond Related/Contractual Agreements/Budgeted Expenses

Arbitrage Rebate Payment

Bank Fees

Bonds

Cash Management Fees for Bond funds – Investment Portfolio Manager

Cash Management Fees for Operating funds – Investment Portfolio Manager

Computer System Maintenance Contracts, including HVAC Equipment/Support and IT Systems

County Regional Participation – OC LAFCO Costs

County Tax Collection Fees – including, but not limited to, General Fund and Bond Funds

Customer Bill Processing and Distribution

Debt Service Payments

Payments related to Joint Powers Agreements, including, but not limited to, the District's participation in the South Orange County Wastewater Authority (SOCWA)

Loans

Operating Leases:

- Baker Water Treatment Plant Operating & Maintenance
- Chiquita System Quarterly Operating & Maintenance

State Regulatory Fees – Permit Fees for Dams and other District Facilities

Trustee Fees

Essential Expenses

Drinking Water for Treatment Plants

Chemicals/Media

Employee Payroll and Benefits Payments, including, but not limited to:

- CalPERS Pension/Health Benefit Payments/OPEB Trust/Pension Trust
- Dental & Vision Benefit Payments
- Flexible Spending Plan Payments
- Life Insurance Payments

Federal and State Employee Taxes

Fuel: bulk and gasoline credit card purchases

Medicare Tax

Metering Equipment

Sales and Use Tax Payments

Solids and Residual Disposal

Trash Disposal

Utilities (includes power, gas, phone, mobile phones, postage, & data lines/communications)

Water Purchases

Trabuco Canyon Water District Procurement Reference Sheet

| Supplies, Equipment and Materials | Contract Form | Delegation of Authority |
|--|---|--|
| Less than \$50,000 | Purchase Order | General Manager |
| \$50,000 - \$100,000 ¹ | Purchase Order or Agreement | General Manager |
| Greater than \$100,000 ² | Negotiated Agreement | Board of Directors |
| General Services | Contract Form | Delegation of Authority |
| Less than \$50,000 | General Services Agreement | General Manager |
| \$50,000 - \$100,00 | General Services Agreement | General Manager, with report to Board ³ |
| Greater than \$100,000 | General Services Agreement | Board of Directors |
| Professional Services | Contract Form | Delegation of Authority |
| Less than \$50,000 | Professional Services Agreement | General Manager |
| \$50,000 - \$100,000 | Professional Services Agreement | General Manager, with report to board ³ |
| Greater than \$100,000 | Professional Services Agreement | Board of Directors |
| Construction | Contract Form | Delegation of Authority |
| Less than \$50,000 | General Services Agreement (Construction) | General Manager |
| \$50,000 - \$100,000 | General Services Agreement (Construction) | General Manager, with report to board ³ |
| Greater than \$100,000 | General Services Agreement (Construction) | Board of Directors |

Where possible, except as provided in the Purchasing Policy and Guidelines, obtain a minimum of three bids for competitive bidding or informal bidding process.

Staff must report to the board sole source procurements in excess of \$10,000 (Procurement Policy Section 4.5)

¹For procurement of goods and services, the General Manager may approve subsequent amendments and change orders in an amount up to \$100,000 (See Procurement Policy Section 5).

² For procurement of goods and services where the original contract exceeds \$100,000, the General Manager may approve subsequent amendments and change orders up to a total cumulative amount not to exceed \$100,000 (See Section 5).

³ All contracts awarded in excess of \$50,000 will be reported to the board (Section 5.2.1)

RESOLUTION NO. 2025-1353

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT ADOPTING UPDATED GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS

WHEREAS, the Trabuco Canyon Water District (“District” or “TCWD”) is a county water district which provides potable water and water service to its customers; and

WHEREAS, as a county water district, TCWD is not obligated to solicit competitive bids on its contracts for goods or services for its construction projects or for contracts for purchase of various goods and services; and

WHEREAS, TCWD’s goal is to acquire needed goods and services for fair and competitive prices from reliable vendors or providers, as applicable; and

WHEREAS, in certain cases, where funds from the United States government are involved, various conditions and requirements are imposed on TCWD for projects and purchase of goods/services and TCWD desires to provide for compliance with such requirements; and

WHEREAS, the Board of Directors of the District (Board) adopted a procurement policy by resolution (2023-1313) concerning the procurement of goods and services, including, but not limited to certain matters relating to public works contracts and concerning funds leaving TCWD’s control;

WHEREAS, the District Board desires to update the adopted policy concerning the procurement of goods and services.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The guidelines for the procurement of goods and services for TCWD, as set forth in Attachment A, attached hereto and incorporated herein by this reference, are hereby adopted.

Section 2. The District’s General Manager, Treasurer/Chief Financial Officer, and District staff and consultants, are authorized to take such other and further actions as are necessary or desirable to carry out the directives set out in this Resolution.

Section 2. This Resolution shall take effect upon adoption.

(Remainder of this page left intentionally blank)

ADOPTED, SIGNED AND APPROVED this 16th day of July, 2025.

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

DRAFT

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a regular meeting of such Board held on the 16th day of July, 2025, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2025-1353 of such Board and that the same has not been amended, rescinded or repealed.

Dated this 16th day of July, 2025.

District Secretary,
Trabuco Canyon Water District

ATTACHMENT "A"

PROCUREMENT GUIDELINES

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

**ACTION CALENDAR
FINANCIAL MATTERS**

ITEM 10: APPROVAL OF APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26

In July 1988, the District’s Board of Directors adopted Resolution No. 88-516 (Resolution of the Board of Directors of the Santa Ana Mountains County Water District Regarding Appropriations Policy) which codified a policy and methodology for establishing a District Appropriations Limit consistent with California Constitution Article XIII B. The State Constitution specifies that appropriations by local governments may increase annually by a factor determined by information provided by the State of California.

The District previously set its appropriations limit for Fiscal Year (FY) 2024-25 in the amount of **\$4,070,250.94**. The calculation for FY 2025-26 utilizes the County of Orange Overall Population Change Figures, and was calculated as follows:

Trabuco Canyon Water District Gann Limit Formula

| | |
|---|------|
| 2024-25 Per Capita Cost of Living Percent Change | 6.44 |
|---|------|

| | Pop. Growth Ratio | Pop |
|--|--------------------------|------------|
| Rancho Santa Margarita | -0.46 | 46,341 |
| Lake Forest | 0.1 | 87,639 |
| Mission Viejo | -0.28 | 91,740 |
| Unincorporated Orange County | 0.54 | 133,033 |
| Orange County (Aggregate) | 0.17 | 3,175,427 |
| FY 2024-25 Appropriations Limit | \$4,070,250.94 | |

Per Capita Personal Income Change Rate 1.0644

Weighted Option

| | |
|------------------------------|-----------------------|
| Population Ratio | 1.00093651 |
| Adjustment Factor | 1.06539682 |
| Weighted Option Limit | \$4,336,432.42 |

Countywide Option

| | |
|--------------------------------|-----------------------|
| Population Ratio | 1.0017 |
| Adjustment Factor | 1.06620948 |
| Countywide Option Limit | \$4,339,740.14 |

| | |
|---|-----------------------|
| Proposed FY 2025-26 Appropriations Limit | \$4,339,740.14 |
|---|-----------------------|

District staff has complied with the noticing requirements consistent with State law. It is the opinion of General Counsel and District staff that the proposed calculated appropriations limit does not appear to impact the District’s overall ability to generate the necessary revenue required to meet its obligations.

FUNDING SOURCE:

Not applicable

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

FISCAL IMPACT:

Increase in Appropriations Limit: \$269,489.20 (approximately 6%)

COMMITTEE STATUS:

This matter was reviewed with the Finance/Audit Committee.

RECOMMENDED ACTION:

Adopt Resolution No. 2025-1354 – Resolution of the Board of Directors of Trabuco Canyon Water District Establishing the Appropriations Limit Applicable to the District during Fiscal Year 2025-2026.

EXHIBITS:

1. Resolution No. 88-516 – Resolution of the Board of Directors of the Santa Ana Mountains County Water District Regarding Appropriations Policy
2. Hanson Bridget Appropriations Limit Memo to General Manager dated June 27, 2025
3. Notice of Determination of Appropriations Limit 2025-26
4. Draft Resolution No. 2025-1354

CONTACTS (staff responsible): PALUDI/PEREA

RESOLUTION NO. 88-516

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA ANA MOUNTAINS COUNTY WATER DISTRICT
REGARDING APPROPRIATIONS POLICY

WHEREAS, the Santa Ana Mountains County Water District ("SAMCWD") is a county water district formed and operating pursuant to Section 30000, et seq., of the Water Code of the State of California; and

WHEREAS, Article XIII B of the California Constitution concerns appropriations of local agencies from revenues derived from specified sources; and

WHEREAS, SAMCWD is subject to the provisions of Article XIII B of the California Constitution; and

WHEREAS, Article XIII B of the California Constitution provides that certain revenues collected by SAMCWD shall not be subject to appropriations limitations upon satisfaction of certain criteria; and

WHEREAS, under California Constitution Article XIII B, the appropriations limit of the local agency may be adjusted by increases in population within that local agency service area; and

WHEREAS, the Board of Directors of SAMCWD desires to adopt a Resolution expressing a policy on appropriations for SAMCWD.

NOW, THEREFORE, the Board of Directors of the Santa Ana Mountains County Water District DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. California Constitution Article XIII B provides that certain revenues to local agencies are not subject to the appropriations limitation set forward in that Article. Such revenues include the proceeds to an entity of government from regulatory licenses, user charges, and user fees to the extent that such proceeds do not exceed the costs to that agency of providing service for which the fees are imposed. The Board of Directors of SAMCWD hereby adopts the policies that revenues derived from the SAMCWD Capital Improvement Charge, supplemental water fee, water storage fees and sewage fees imposed upon development within SAMCWD shall be used to satisfy the financial obligations of providing water and/or sewer service by SAMCWD, including expenditures for Capital Facilities needed to provide such water and/or sewer service. The Board of Directors of SAMCWD hereby expresses its policy that such revenues are not subject to the appropriations limit established under California Constitution Article XIII B.

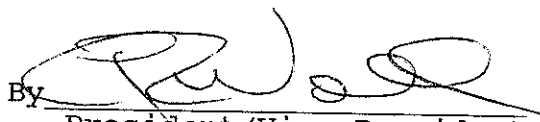
Section 2. Under California Constitution Article XIIIIB, the appropriations limit for local public agencies may be adjusted to reflect changes in populations within the area where such agency provides its service. The Board of Directors of SAMCWD notes that there has been a significant population increase within the service area of SAMCWD within the past two years for which population increased data was not available. It is the policy of the Board of Directors that when population data is made available that the appropriations limit will be adjusted to reflect the actual population within the service area of SAMCWD and will comply with the provisions and requirements of Article XIIIIB.

Section 3. The Board of Directors hereby directs the SAMCWD staff to obtain direct population data for the SAMCWD service area in order to make appropriate calculations to the SAMCWD appropriations limit for future fiscal years and to take all actions necessary to comply with the policy of the Board of Directors.

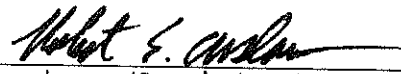
Section 4. The Board of Directors of SAMCWD hereby determines that tax revenues collected by SAMCWD for the 1962 General Obligation Bonded Indebtedness of SAMCWD are not subject to the provisions of California Constitution Article XIIIIB by way of its Section 9(a).

Section 5. The provisions and policies expressed in this Resolution shall become effective immediately.

ADOPTED, SIGNED AND APPROVED this 20th day of July, 1988.

By 
President/Vice President
SANTA ANA MOUNTAINS COUNTY WATER
DISTRICT and of the Board of
Directors thereof

ATTEST:

By 
Secretary/Assistant Secretary
SANTA ANA MOUNTAINS COUNTY
WATER DISTRICT and of the
Board of Directors thereof

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, ROBERT E. ANSLOW, Assistant Secretary of the Board of Directors of the Santa Ana Mountains County Water District do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 88-516 of said Board, and that the same has not been amended or repealed.

DATED: July 22, 1988



Assistant Secretary

Memorandum

TO: Fernando Paludi, General Manager
Michael Perea, Assistant General Manager and Board Secretary

FROM: Hanson Bridgett LLP
Jacob T. Zarone

DATE: June 27, 2025

RE: **Appropriations Limit for Fiscal Year 2025-2026**

We have prepared for your review a Notice of Determination of the Appropriations Limit for Fiscal Year 2025-2026 and a Resolution establishing the District's appropriations limit. The appropriations limit and the calculations are based on the financial and population data posted on the California Department of Finance's website.

Pursuant to Revenue and Taxation Code Section 2228, Trabuco Canyon Water District has the option of calculating its appropriations limit based on the total population change for Orange County, or the weighted averages of the population of the Cities of Rancho Santa Margarita, Lake Forest, Mission Viejo, and the unincorporated areas of Orange County. The text of Revenue and Taxation Code Section 2228(a)(3) states: "If a special district is located within a single county or within more than one city or any combination of cities and unincorporated areas within a single county, the annual percentage change in population for the district shall be that established for the county or the weighted average of the percentage change of each city and the unincorporated area."

For Fiscal Year 2025-2026, the population change for Rancho Santa Margarita was -0.46%, the population change for Lake Forest was 0.1%, the population change for Mission Viejo was -0.28%, and the population change for unincorporated Orange County was 0.72%, while the total population change for Orange County was 0.17%. Because the total population number for Orange County is greater than the weighted average population number of Rancho Santa Margarita, Lake Forest, Mission Viejo, and the unincorporated areas of Orange County, the District's Fiscal Year 2025-2026 appropriations limit was calculated using the countywide population growth ratio (0.17%).

In order to satisfy legal requirements, the Notice of Determination of Appropriations Limit must be posted at least 15 days before the July 16 Board Meeting (by July 1). We have inserted the date at the bottom of the Notice. Also, please include both the Notice and the Resolution in the Agenda packet.

Please do not hesitate to contact me at izarone@hansonbridgett.com or (415) 785-2767 if you have any questions.

STAFF MEMBERS

Fernando Paludi, General Manager
Michael Perea, District Secretary
Ian Berg, District Treasurer
Hanson Bridgett, LLP, Legal Counsel



BOARD OF DIRECTORS

Edward Mandich, President
Glenn Acosta, Vice President
Mark Anderson, Director
John Horst, Director
Michael Safranski, Director

**NOTICE OF DETERMINATION OF APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2025–2026**

State law (Section 7910 of the Government Code) requires each local government agency to determine during each fiscal year the appropriations limit pursuant to Article XIII B of the California Constitution applicable during the following fiscal year. The limit must be adopted at a regularly scheduled meeting or a noticed special meeting and the documentation used in determining the limit must be made available for public review fifteen days prior to such meeting.

Set out below is the methodology proposed to be used to calculate the Fiscal Year 2025–2026 appropriations limit for the District. The limit as set forth below will be considered and adopted at the meeting of the Board of Directors on July 16, 2025.

| | |
|--|----------------|
| 1. Appropriations Limit for Fiscal Year 2024–2025 | \$4,070,250.94 |
| 2. Population Change (January 1, 2024–January 1, 2025) | 0.17% |
| 3. Change in California per Capita Personal Income Fiscal Year 2024–2025 | 6.44% |
| 4. Fiscal Year 2025–2026 Adjustment Factor (1.00407753 x 1.0362) | 1.06620948 |
| 5. Fiscal Year 2025–2026 Appropriations Limit (\$3,912,103.63 x 1.04042513) | \$4,339,740.14 |

Dated: July 1, 2025

RESOLUTION NO. 2025-1354

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TRABUCO CANYON WATER DISTRICT
ESTABLISHING THE APPROPRIATIONS LIMIT
APPLICABLE TO THE DISTRICT DURING FISCAL YEAR 2025-2026**

Article XIII B of the California Constitution requires that each local agency establish an appropriations limit primarily applicable to expenditure of proceeds of property taxes, and to adjust that appropriations limit annually based on changes in the cost of living and population.

The Board of Directors of the Trabuco Canyon Water District established the appropriations limit applicable to the District during the Fiscal Year 2024-2025 as \$4,070,250.94.

The District is now required to establish by resolution the applicable appropriations limit during Fiscal Year 2025-2026 by applying the factors issued by the California Department of Finance reflecting changes in the California per capita personal income and in population to the limit for Fiscal Year 2024-2025.

The calculations showing the application of those factors have been forwarded to the Board of Directors for review, made available for public inspection at least fifteen days prior to the date of this hearing, and are attached as Exhibit A.

The change in the California per capita personal income was 6.44% and the applicable change in population from January 2024 to January 2025 was 0.17%.

These factors are applied to determine District's appropriations limit for Fiscal Year 2025-2026 as follows: $1.06620948 \times \$4,070,250.94 = \$4,339,740.14$.

NOW, THEREFORE, the Board of Directors of Trabuco Canyon Water District **RESOLVES** that the appropriations limit for Fiscal Year 2025-2026 is established as \$4,339,740.14.

ADOPTED, SIGNED AND APPROVED on July 16, 2025.

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a meeting of said Board held on the 16th day of July 2025, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 2025-1354 of such Board and that the same has not been amended or repealed.

Dated this 16th day of July 2025.

District Secretary,
Trabuco Canyon Water District

EXHIBIT A

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

ACTION CALENDAR

ENGINEERING MATTERS

ITEM 11: AWARD OF DIMENSION WATER TREATMENT PLANT IMPROVEMENTS AND RELATED PROJECT UPDATES

Trabuco Canyon Water District (District) operates the Dimension Water Treatment Plant (DWTP) in the City of Lake Forest. DWTP is one of the only local drinking water treatment facilities of its kind in Orange County and the District’s only independent source of water with the capacity to serve all District customers. DWTP can process up to six cubic feet per second (cfs) of untreated water from Metropolitan Water District (MWD). On August 12, 2024, a magnitude 4.4 earthquake occurred and Operations at DWTP observed that the inlet side of Filter Tank 4 lifted off the concrete foundation approximately 1 to 2 inches during operations. On August 15, 2024, District Staff contracted with Hazen to conduct a site visit to assess the situation. Hazen determined that the uplift could be caused by the filter media pushing up on the screen and the tank during influent flow condition and that the pressure pushing up against the media created an upward force on the tank. Hazen recommended draining and cleaning the tank, designing and implementing an anchorage system for the tank and connected piping.

Staff has been working with their consulting Engineers, Arcon Structural, to prepare structural calculations and plans for the seismic retrofit to the DWTP Filter 4 Tank. Staff prepared a scope of work and structural plans and invited contractors to bid on the repair work, and the results are as follows:

| DWUP Filter 4 Seismic Repairs | |
|--------------------------------------|-------------|
| Contractor | Cost |
| SS Mechanical | \$48,910 |
| Pacific Hydrotech | \$51,600 |

FUNDING SOURCE:

Capital Improvement Program

FISCAL IMPACT:

\$65,000 (Design & Construction)

ENVIRONMENTAL COMPLIANCE:

Notice of Exemption

COMMITTEE STATUS:

This matter was reviewed with the Engineering/Operations Committee.

RECOMMENDED ACTION:

1. Receive Dimension Water Transmission Main Rehabilitation Project status updates.
2. Authorize the General Manager to award a construction contract for the DWTP Filter 4 Repair Project to SS Mechanical Construction Corp. in the amount of \$48,910 plus a 10% contingency of \$4,890, for a not-to-exceed amount of \$53,800.

EXHIBIT(S):

1. Bid Plans

CONTACTS (staff responsible): PALUDI/LAUSTEN

GENERAL:

1. CONTRACTOR SHALL CHECK AND VERIFY ALL DIMENSIONS AND CONDITIONS ON THE JOB SITE AND REPORT ANY ERRORS, OMISSIONS, OR POSSIBLE DISCREPANCIES BETWEEN FIELD CONDITIONS AND DRAWINGS TO THE ENGINEER PRIOR TO PROCEEDING WITH THE WORK. SPECIAL CARE SHALL BE GIVEN TO SITE AND BUILDING LAYOUT THEREON.
2. NOTES AND DETAILS ON THE DRAWINGS SHALL TAKE PRECEDENCE OVER THESE GENERAL NOTES.
3. ALL MATERIAL AND WORKMANSHIP SHALL CONFORM TO THE REQUIREMENTS OF THE 2022 CALIFORNIA BUILDING CODE AND THE LOCAL BUILDING OFFICIAL.
4. CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD CLIENT AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF CLIENT OR THE ENGINEER.
5. THE CONTRACT DRAWINGS AND SPECIFICATIONS REPRESENT THE FINISHED STRUCTURE. THEY DO NOT INDICATE THE METHOD OF CONSTRUCTION. THE CONTRACTOR SHALL PROVIDE ALL MEASURES NECESSARY TO PROTECT THE STRUCTURE, WORKERS AND PEDESTRIANS DURING CONSTRUCTION. SUCH MEASURES SHALL INCLUDE, BUT NOT BE LIMITED TO BRACING, SHORING FOR LOADS DUE TO CONSTRUCTION EQUIPMENT, TEMPORARY STRUCTURES, AND PARTIALLY COMPLETED WORK, ETC. OBSERVATION VISITS TO THE SITE BY THE ARCHITECT/ENGINEER SHALL NOT INCLUDE INSPECTION OF SUCH ITEMS.
6. THE DESIGN, ADEQUACY AND SAFETY OF ERECTION, BRACING, SHORING, TEMPORARY SUPPORTS, ETC. IS THE SOLE RESPONSIBILITY OF THE CONTRACTOR AND HAS NOT BEEN CONSIDERED BY THE STRUCTURAL ENGINEER.
7. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO LOCATE ALL EXISTING PIPING WHETHER SHOWN HEREON OR NOT AND TO PROTECT THEM FROM DAMAGE. THE CONTRACTOR SHALL BEAR ALL EXPENSE OF REPAIR OR REPLACEMENT IN CONJUNCTION WITH PROSECUTION OF THIS WORK.
8. ALL DETAIL CALLOUTS AS SHOWN ON THE DRAWINGS, SECTIONS AND ELEVATIONS SHALL APPLY TO ALL SIMILAR CONDITIONS WHETHER REFERENCED OR NOT. TYPICAL DETAILS AND NOTES SHALL APPLY UNLESS SHOWN OTHERWISE IN DRAWINGS.
9. DESIGN LOADS:
 FILTER TANK 33,000 LBS
 OPERATING WEIGHT 407,000 LBS
 RISK CATEGORY: IV
EARTHQUAKE
 SEISMIC IMPORTANCE FACTOR I = 1.5
 $S_g = 1.267 g$
 $S_1 = 0.452 g$
 SITE CLASS : D (DEFAULT)
 $S_{ps} = 1.01 g$
 $S_{p1} = 0.56 g$
10. NO CHANGES SHALL BE MADE TO THESE DRAWINGS WITHOUT THE EXPRESSED WRITTEN CONSENT OF THE STRUCTURAL ENGINEER.

11. A REGISTERED DEPUTY INSPECTOR LISTED, APPROVED BY, AND RESPONSIBLE TO THE TRABUCO CANYON WATER DISTRICT AND THE ENGINEER SHALL BE EMPLOYED BY THE DISTRICT DURING THE CONSTRUCTION OF THE FOLLOWING TASKS OF WORK:

| VERIFICATION AND INSPECTION TASK | SPECIAL INSPECTION |
|----------------------------------|---------------------|
| EPOXY ANCHORS TO FOOTINGS | PERIODIC INSPECTION |

12. OPTIONS, IF PROVIDED HEREIN, ARE FOR THE CONTRACTOR'S CONVENIENCE. HE SHALL BE RESPONSIBLE FOR ALL CHANGES NECESSARY, SHALL COORDINATE ALL DETAILS, SHALL OBTAIN ALL REQUIRED APPROVALS, AND PAY ALL COSTS INCIDENT THERETO.

REINFORCED CONCRETE:

1. EPOXY ANCHORS SHALL BE INSTALLED W/ SPECIAL INSPECTION W/ HILTI HIT-HY 200 ADHESIVE, IN ACCORDANCE W/ ICC-ES REPORT No. ESR-4868, OR APPROVED EQUAL (ANCHORS EXPOSED TO WEATHER SHALL BE GALVANIZED OR STAINLESS STEEL 316).

STRUCTURAL STEEL:

1. STRUCTURAL STEEL SHALL CONFORM TO ASTM A36 OR UNLESS OTHERWISE NOTED.
2. ANCHOR BOLTS SHALL CONFORM TO F1554 GRADE 55 UNLESS NOTED OTHERWISE.
3. HIGH STRENGTH FASTENERS SHALL CONFORM TO ASTM A325N UNLESS NOTED OTHERWISE.
4. ALL WORKMANSHIP AND MATERIALS SHALL CONFORM TO THE LATEST EDITION OF THE "AISC SPECIFICATION FOR THE DESIGN, FABRICATION AND ERECTION OF STRUCTURAL STEEL FOR BUILDINGS".
5. ALL STRUCTURAL STEEL MUST BE SUPPLIED BY A CITY OF LAKE FOREST APPROVED FABRICATOR SHOP AND ALL WELDING PERFORMED ON SITE SHALL BE DONE IN THE PRESENCE OF A CITY OF LAKE FOREST APPROVED SPECIAL INSPECTOR (CBC SECTIONS 1704.2 & 1704.3) A CERTIFICATE OF COMPLIANCE FROM THE SHOP PERFORMING THE FABRICATION SHALL BE SUBMITTED BY THE CONTRACTOR TO THE BUILDING INSPECTOR PRIOR THE ERECTION OF THE STRUCTURAL STEEL.



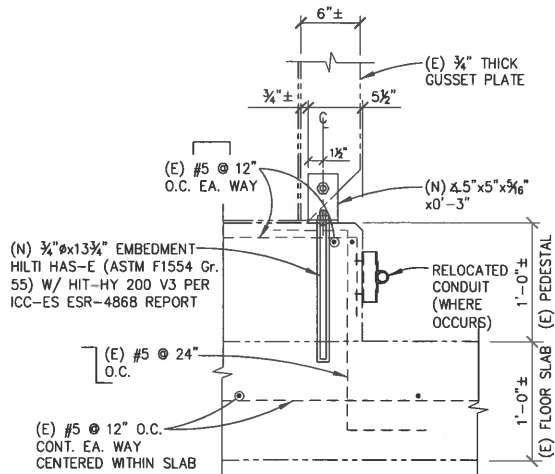
TRABUCO CANYON WATER DISTRICT
 CANADA FILTER UNIT No. 4 EVALUATION
 20904 DIMENSION DR. LAKE FOREST, CA

STRUCTURAL NOTES

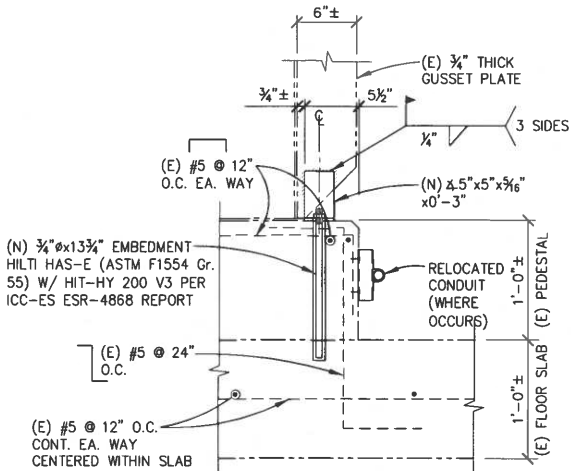
EXHIBIT NO.

1

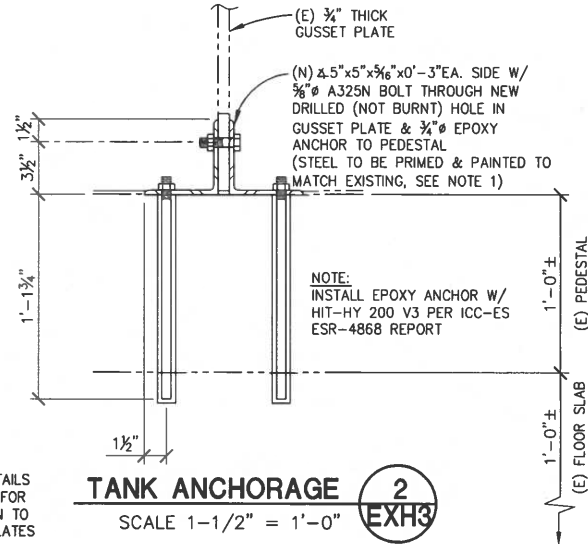
JN 202500.03



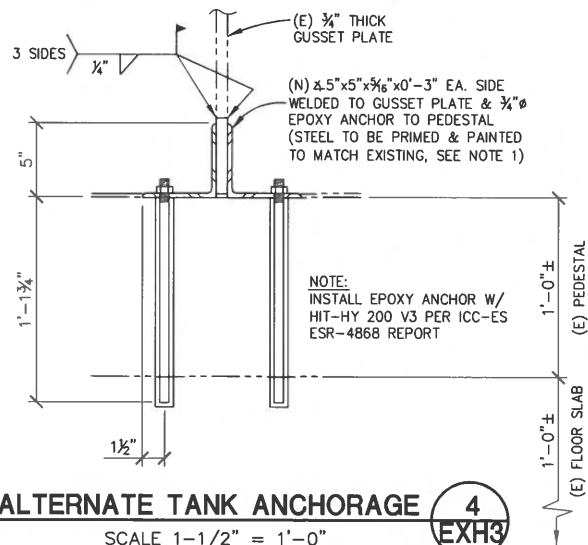
TANK ANCHORAGE 1
SCALE 1" = 1'-0"
EXH3



ALTERNATE TANK ANCHORAGE 3
SCALE 1" = 1'-0"
EXH3



TANK ANCHORAGE 2
SCALE 1-1/2" = 1'-0"
EXH3



ALTERNATE TANK ANCHORAGE 4
SCALE 1-1/2" = 1'-0"
EXH3

LEGEND:
 (E) --- INDICATES EXISTING CONSTRUCTION
 (N) --- INDICATES NEW CONSTRUCTION

NOTES:
 1. FOR PAINTING AND COATING REFER TO TRABUCO CANYON WATER DISTRICT SPECIFICATION 09900, PART 2, SECTION E, SUBSECTION 1, SYSTEM No. C-1 - "EXPOSED METAL."

NOTE:
 SEE ALTERNATE DETAILS 3/EXH3 & 4/EXH3 FOR WELDED CONNECTION TO EXISTING GUSSET PLATES

JN 202500.03



TRABUCO CANYON WATER DISTRICT
 CANADA FILTER UNIT No. 4 EVALUATION
 20904 DIMENSION DR. LAKE FOREST, CA

EXHIBIT NO.

3

STRUCTURAL DETAILS



**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

ACTION CALENDAR

ENGINEERING MATTERS

ITEM 12: APPROVAL OF SCADA INTEGRATION ON-CALL SERVICES AGREEMENT WITH ADVANCED INTEGRATION & CONTROLS (AIC) [A W.M. Lyles Company]

Trabuco Canyon Water District (TCWD or District) uses a Supervisory Control and Data Acquisition (SCADA) system to control its facilities and equipment through automation and real-time monitoring to ensure the continuity of water, wastewater, and recycled water services to its customers. The District’s SCADA system was upgraded in phases over several agreements and multiple fiscal years with a prior vendor TESCO Controls (TESCO). In late 2023 through early 2024, the District’s SCADA upgrade project experienced significant delays, faulty equipment, and other serious contract performance issues which resulted in the District terminating the outstanding agreements with TESCO in April 2024.

The District subsequently issued a temporary contract with W.M. Lyles (Lyles) on an emergency basis to address critical communications failures and other urgent work related to the SCADA upgrade project. Lyles was selected primarily because they hired several programmers and integrators from TESCO that had worked on the District SCADA project and thus have a sound working knowledge of District systems and facilities. District staff prepared a scope of services to address the remaining portions of the SCADA upgrade project that needed completion, and the Board of Directors approved a professional services agreement with Lyles to perform SCADA integration services at the July 2024 Regular Board Meeting. At this time, the SCADA upgrade project has been completed, and on-call integration services are needed to augment staff and to provide necessary integration support services.

District staff issued a request for proposals for on-call SCADA integration services in April 2025 to seven firms and received three proposals from the following integrators:

| SCADA Integration Firms Responding to RFP |
|--|
| Advanced Integration & Controls (AIC) [A W.M. Lyles Company] |
| Enterprise Automation [A Tetra Tech Company] |
| Vertech Industrial Automation & Information Services |

After careful review of the proposals received, District staff recommends the Board of Directors award a professional services agreement with Advanced Integration & Controls (AIC) for on-call SCADA integration services for Fiscal Year 2025-26. Staff’s recommendation is based primarily on the following advantages: (1) AIC has first-hand knowledge and experience of the District’s system because of completing the SCADA upgrade project, and (2) their proposal includes a locked in rate for the first 200 hours of service. A summary of the proposals and the associated rates of service is attached for consideration. More information may be provided at the time of the meeting.

FUNDING SOURCE:

General Fund – Consultant Services

FISCAL IMPACT:

FY 2025-26 Budget: \$100,000

ENVIRONMENTAL COMPLIANCE:

Not applicable

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

COMMITTEE STATUS:

This matter was reviewed with the Engineering/Operations Committee.

RECOMMENDED ACTION:

Authorize the General Manager to execute a professional services agreement with Advanced Integration & Controls (AIC) [A W.M. Lyles Company] for a not-to-exceed amount of \$100,000.

EXHIBIT(S):

1. Summary of Proposals
2. Advanced Integration & Controls (AIC) Proposal

CONTACTS (staff responsible): PEREA/SERPAS

Trabuco Canyon Water District

SCADA Integration On-Call Service RFP - Summary of Proposals

| Advanced Integration & Controls (AIC) | | | |
|--|-----------------------|----------------------|--------------------|
| Classification | Normal Rate | Overtime | Double Time |
| Initial 200 Hours | \$195 | N/A | N/A |
| Field Technician | \$225 | \$350 | \$550 |
| I&C Engineer | \$225 | \$350 | \$550 |
| Automations Engineer | \$250 | \$375 | \$600 |
| Project Manager | \$225 | N/A | N/A |
| Production (In-House) | \$200 | \$275 | \$450 |
| Rate Hours | 7:00 a.m. - 4:00 p.m. | 4:00 p.m - 7:00 a.m. | 12 Hour + |

| Enterprise Automation | | | |
|------------------------------|--------------------|-------------------------|-----------------------------|
| Classification | Normal Rate | After Hours Rate | Holiday/Weekend Rate |
| Engineering Intern | \$105 | \$158 | \$210 |
| I&C Technician | \$150 | \$225 | \$300 |
| Automation Specialist | \$200 | \$300 | \$400 |
| Project Technician Lead | \$275 | \$413 | \$550 |
| Project Manager | \$225 | \$338 | \$450 |
| Automation Architect | \$280 | \$420 | \$560 |

| Vertech Industrial Automation & Information Services | | | |
|---|--------------------|-------------------------|---------------------|
| Classification | Normal Rate | After Hours Rate | Holiday Rate |
| Field Technician | \$140 | \$210 | \$280 |
| I&C Technician/Programmer | \$205 | \$310 | \$410 |
| Network Engineer | \$230 | \$345 | \$460 |
| Project Manager | \$205 | \$310 | \$410 |
| Solutions Architect | \$255 | \$360 | \$510 |

May 15, 2025



32003 Dove Canyon Drive
Trabuco Canyon, California 92679

Attn: Phil Serpas, CMMS/SCADA
Administrator
Phone: (949) 858-0277
Email: pserpas@tcwd.ca.gov

FOR PROJECT:

SCADA SYSTEMS INTEGRATOR ON-CALL SERVICES

SUBMITTED BY:

Advanced Integration & Controls
9332 Tech Center Drive,
Suite 200/300
Sacramento, CA 95826

POINT OF CONTACT:
Keith Webb,
Business Development
(916) 337-9368
keith.webb@wateraic.com



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1



INTRODUCTORY
LETTER

May 15, 2025

Trabuco Canyon Water District
32003 Dove Canyon Drive
Trabuco Canyon, CA 92679

Re: Proposal for SCADA System Integrator On-Call Services

Attn: Phil Serpas CMMS/SCADA Administrator

Phil,

Advanced Integration & Controls (AIC) is pleased to present this proposal to Trabuco Canyon Water District for the SCADA System Integrator on-call services project. This proposal specifically addresses troubleshooting and field repair needs including system software update, Cybersecurity assistance, hardware engineering and design assistance, software programming, parts and supplies, 24-hour support, as well as documentation and training services.

We are excited about this opportunity to partner with the District and continue the journey of modernizing your control system. We believe that both AIC and the District share a common goal: not only to establish a robust control system but also to elevate it to the next level where technology and optimized processes are leveraged for enhanced operational efficiency and ultimately achieve District self-sufficiency. We look forward to collaborating and enhancing your control system where operation staff is comfortable managing your complex telemetry architecture.

Thank you for the opportunity to submit this proposal and please feel free to reach out to us with any questions and/or concerns.

Regards,

Advanced Integration & Controls



Michael R. Prosser
Collaborative Delivery Manager – Design-Build Services
Advanced Integration & Controls
Mobile – (916) 296-2016

2

SERVICE PROVIDER DESCRIPTION



Service Provider Description

Service Provider Description:

AIC is a full-service ICS integration and manufacturing firm, specializing in the Water and Wastewater industry. AIC was established in 2023 to fulfill the integration and support services needs of clients relying on ICS products including SCADA, PLC, and network telemetry. Our parent company, W. M. Lyles Construction Group has been in business for over 80 years serving Water and Wastewater districts throughout California and employs over 800 individuals. Both W. M. Lyles Construction and AIC are staffed and equipped to support your systems.

With office locations in Sacramento and Temecula, California, and a UL508A and UL698A-certified manufacturing facility in Sacramento, AIC is equipped to provide comprehensive control system integration services to Trabuco Canyon Water District. AIC's Temecula California office has 15 automation and field activity engineers on staff who are available to assist the District. Our Sacramento office has an additional 40 team members who can provide supplemental support whenever it is needed. Additionally, AIC has the administrative and financial backing of W.M. Lyles

Construction Group, who is one of California's largest family-owned General Contractors.

AIC is an integrator who will fulfill all your integration needs. We specialize in SCADA configuration, PLC programming, cybersecurity compliant network infrastructure, pump and motor control panels, as well as instrumentation used throughout your systems. We have an ISA accredited staff with over twenty years experience in the Water / Wastewater Industry and have the programming tools and knowledge to service Allen-Bradley, Modicon, and other major PLC platforms. In addition, our staff is certified in major SCADA platforms, such as Inductive Automation, AVEVA, and Rockwell FactoryTalk. AIC has multiple ISA Certified Cybersecurity Experts to assist with securing the existing control system and assisting with designs for future needs. We have an in-depth understanding of your system including wireless communication methodologies, network switches and routers, SCADA field investigations and system audits, and remote access equipment used in your ICS.



3

PROJECT UNDERSTANDING, MANAGEMENT & APPROACH



Project Understanding, Management and Approach

Project Understanding

It is understood that the District is seeking a qualified Control System Integrator (CSI) to provide 24/7/365 on-call services for their SCADA and control system equipment within the Water and Wastewater systems. In addition to 24/7/365 on-call services, the District seeks qualified CSI capable of hardware/software design and supply, programming, configuration, installation, training and maintenance. The District expects CSI to follow the District standards and policies while adhering to industry best practices. All documentation and digital assets associated with work performed by CSI are to be delivered to the District, which aligns with AIC policy.

Approach and Methodology

AIC believes a collaborative partnership with the District is a necessity to achieve goals set forth by the District. To ensure there is clear and open communication between AIC and the District, we have assigned two dedicated teams to support the District, one for 24/7/365 emergency support and another for non-emergency tasks. Non-emergency tasks will be referred to as Task Order (TO).

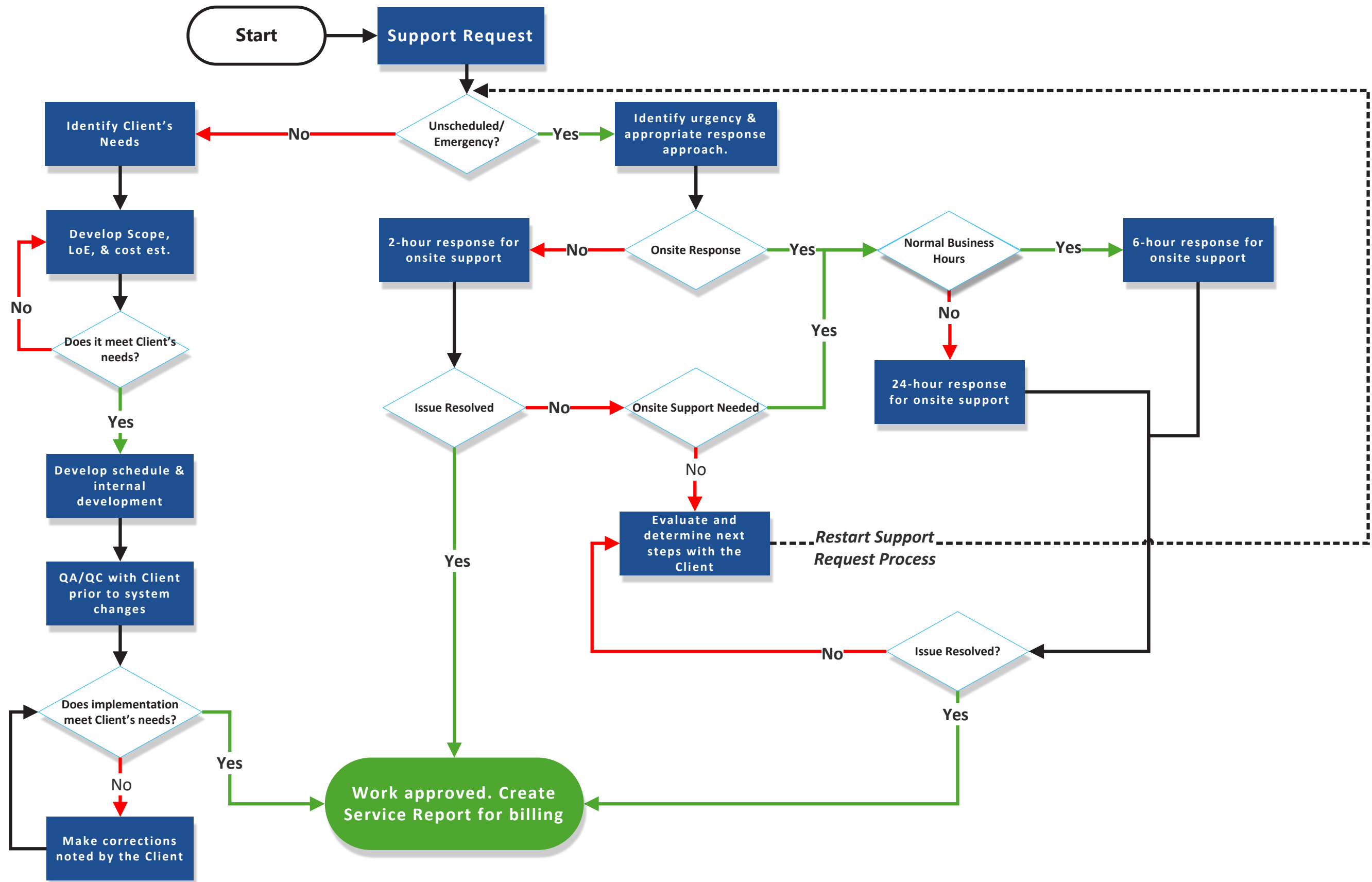
Our Project Manager will be your main point of contact during regular business hours, ensuring all tasks are managed effectively and communicated promptly. If the primary manager is unavailable, the backup Project Manager will step in ensuring continuity in service. For non-business hour emergencies, the District will be provided with a dedicated number to our on-call support team.

We propose two initial workshops to ensure the District's needs are well-understood (one for Water Department stakeholders and one for Wastewater). Feedback collected from the District stakeholders during workshops will be documented, reviewed, and tracked in a centralized system. This ensures all feedback is acted upon and stakeholders can see the outcomes of their suggestions. During these workshops, our team will review the format of our customer service reports, technical memorandums, and project workshops to explain our suggested collaborative approach. Quality control and schedule review procedures will be discussed and the feedback loop for stakeholders will be explained. We believe that by maintaining a collaborative and transparent approach to all projects, the District stakeholders will receive the best experience. AIC will work with stakeholders to establish clear proj-

ect timelines, with milestones for each phase of work. Our Project Manager will keep our internal AIC team members and stakeholders informed through regular meetings, with detailed written updates on schedule, budget, quality control, and progress. Regular updates will be provided not only in scheduled meetings but also through proactive communications whenever important developments arise, ensuring that everyone is always informed.

We are proposing an initial allotment of 200 hours of service at a discounted rate of \$195/hr that can be used to service emergency calls or TOs as they arise. While RFP calls for certain services based on the District request, AIC believes it is beneficial for the District ICS to be maintained on schedule. For example, per industry standard/recommendation, the District ICS software should be updated on regular basis for security and stability. We believe this is the proper preventive maintenance approach versus reactive services, which can be costly.

The District requests for products or services will be processed through our organization as shown in the following chart:






4

TEAM &
EXPERIENCE

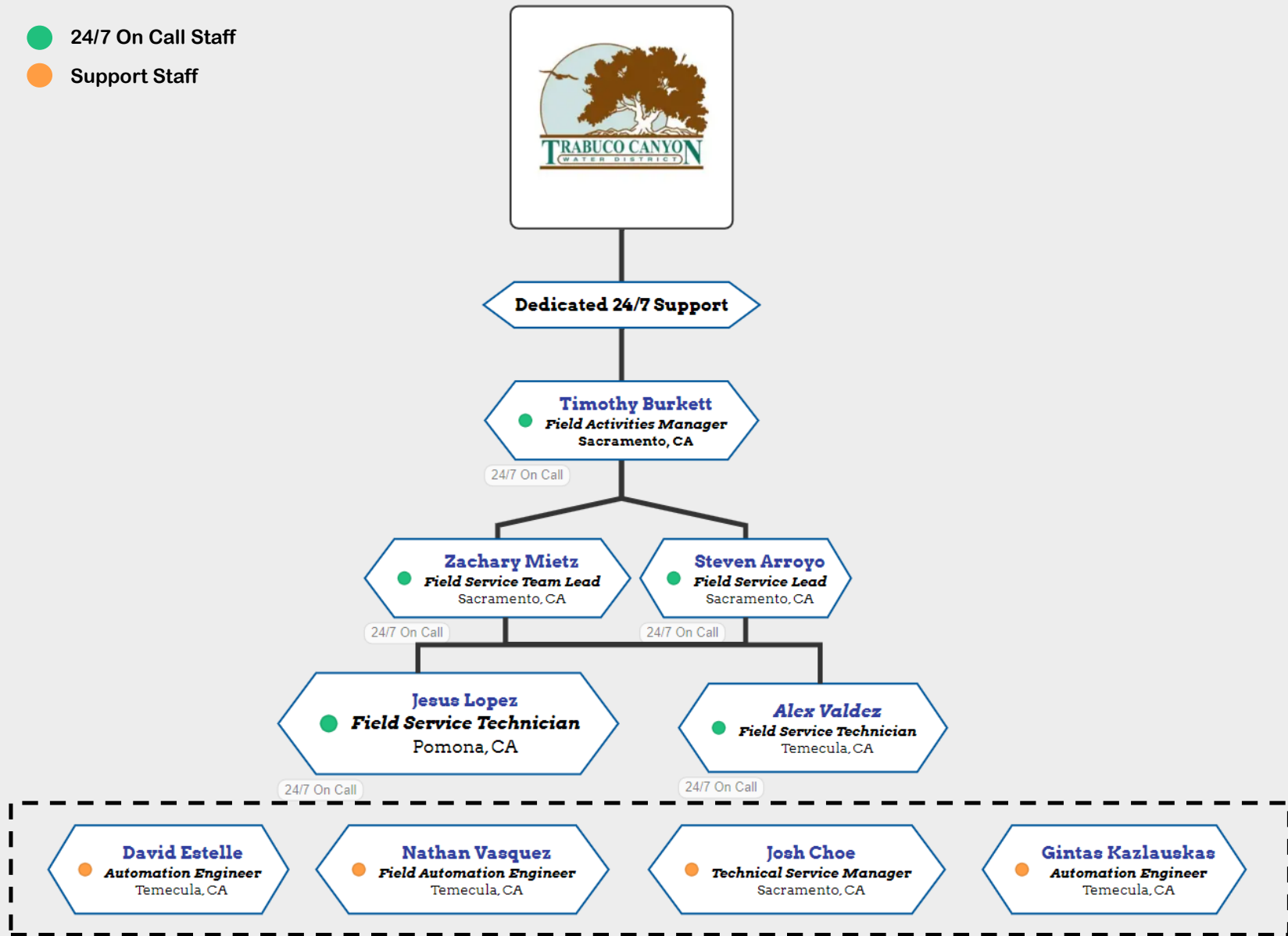
AIC Project Team



| | | |
|--|--|---|
|  | | |
| <p><u>Project Management</u> Scheduling / Coordination / Point-of-Contact</p> | <p>Sydne Shearer Project Manager Temecula, CA</p> | <p>Kevin Ford, PMP Project Manager Sacramento, CA</p> |
| <p><u>Networking</u> Communications / Cybersecurity</p> | <p>Josh Choe Technical Service Manager Sacramento, CA</p> | <p>Matt Wong Automation Engineer Sacramento, CA</p> |
| <p><u>Automation Engineering</u> PLC / SCADA</p> | <p>David Estelle Automation Engineer Temecula, CA</p> | <p>Nathan Vasquez Automation Engineer Temecula, CA</p> |
| <p><u>Electrical, Instrumentation & Controls Engineering</u></p> | <p>Alfonso Ducreux Technical Service Manager Temecula, CA</p> | |
| <p><u>Field Activities</u> Instrumentation / Installation / Testing</p> | <p>Tim Burkett Field Activities Manager Sacramento, CA</p> | <p>Zach Mietz Field Service Engineer Sacramento, CA</p> |
| | | <p>Quinn LaPoint Field Service Engineer Sacramento, CA</p> |
| | | <table border="1" style="width: 100%;"> <tr> <td> <p>Jesus Lopez Field Service Technician Temecula, CA</p> </td> <td> <p>Alex Valdez Field Service Technician Temecula, CA</p> </td> </tr> </table> |
| <p>Jesus Lopez Field Service Technician Temecula, CA</p> | <p>Alex Valdez Field Service Technician Temecula, CA</p> | |

On-Call Chart

- 24/7 On Call Staff
- Support Staff



Josh Choe

Technical Services Manager



Northern Ca.

9332 Tech Center Drive, Ste. 300
Sacramento, CA 95826



916.644.9500



joshua.choe@WaterAIC.com



Summary:

With 25+ years of experience in system integration for the Water & Wastewater industry, Josh has held key roles, including SCADA Engineer, Networking Engineer, SCADA Manager, and now leads AIC's Technical Team. His diverse expertise allows him to navigate complex challenges seamlessly.

Josh is highly focused on cybersecurity, continuously evaluating new and emerging technologies to ensure robust and secure solutions for our clients.

Project Experience:

Role: Technical Lead / System Architect

Baton Rouge, City of



2021 - 2022



Louisiana

Baton Rouge was faced with an aging SCADA system and operational constraints and management concerns about the systems viability into the future. The goal was to modernize and migrate from iFix to Ignition with a focus on cybersecurity and resilience & stable communications to over 500 TESCO PLCs.

Primary Activities:

- Developed system architecture leveraging virtualization, Stratus hardware and Next-Generation networking equipment meeting NIST 800.82 and ISA 62443 guidelines.
- Created a migration path leading to zero downtime during the project migration and installation
- Lead the development team in converting iFix Historical data to Ignition.
- Ensured communication to Baton Rouge's 550+ sites with TESCO PLCs was secure and viable with the project upgrade

Role: Technical Lead / System Architect

East Orange County Water District (EOCWD)



2024 - 2025



Southern California

EOCWDs replaced nine (9) of their remote site control panels, including wireless communications, PLCs, and integration into SCADA. The District was faced with a hard shutdown date of their aging analog phonelines, making the project schedule a challenge.

Primary Activities:

- Performed telemetry modeling and field survey to develop a viable wireless communications architecture. A mix of RF and cellular was required due to the complex geography
- Lead cybersecurity assessment to ensure EOCWD is meeting AWIA guidelines and provided recommendations
- Developed a migration plan to meet EOCWDs analog phoneline shutdown allowing operations to maintain monitor and control of the system

Did you know:

- Josh moved to California from South Korea when he was 9 years old
- Is an acting member of the ISA committee developing SCADA standards guidelines
- Enjoys travelling with his family when his kids have time off from school

Products & Technologies:

- AVEVA, InTouch / System Platform
- Ignition, Vision / Perspective
- Rockwell Factory Talk View
- Wireless communication design and configurations
- Virtualization
- Network & System Architecture

Licenses & Certifications:

- OSHA 30
- ISA, Cybersecurity Expert
- ISA, Design Specialist
- ISA, Risk Assessment Specialist
- ISA, Fundamentals Specialist
- ISA, Maintenance Specialist
- AVEVA System Platform
- Rockwell Plant PAX System Design
- Ignition Core
- MDS Radios
- Fortinet Networking Equipment

Industry History:

- 26 Years
- 2 with AIC

Education:



BS - Computer Science

University of California, Davis



CERTIFICATE



Scan to validate



ISA/IEC 62443 Expert

Is awarded to

Joshua Choe

by

International Society of Automation

Issue Date

November 16, 2023

Expiration Date

October 04, 2026

Verify Badge here

<https://bcert.me/stvfrjvvh>

Kevin Ford, PMP

Manager of Project Management



Northern Ca.

9332 Tech Center Drive, Ste. 300
Sacramento, CA 95826



916.644.9500



kevin.ford@WaterAIC.com



Summary:

With over 20 years of project management experience in the Water & Wastewater Industry, Kevin has a deep understanding of projects both large and small. His industry expertise allows him to approach projects with a team-focused perspective, ensuring the needs of clients and partners are met.

Kevin is highly focused on schedules, collaboration, and communication, driving efficiency and success throughout the project life-cycle.

Project Experience:

Role: Project Manager

South Orange County Wastewater Authority (SOCWA)



2024 - 2025



Southern California

SOCWA's objective with this project is to upgrade the SCADA hardware and software at two (2) of their wastewater treatment plants. As part of the upgraded and modernization in combatting aging hardware, they also wanted to bolster their cybersecurity posture.

Primary Activities:

- Led bi-weekly meetings with the client and activities team
- Developed a project schedule with regular review and updates to the client
- Delivered submittal packages and lead AICs procurement efforts
- Managed billings as set forth with the client
- Ensured proper team engagement throughout the project

Role: Project Manager

East Orange County Water District (EOCWD)



2024 - 2025



Southern California

EOCWDs replaced nine (9) of their remote site control panels, including wireless communications, PLCs, and integration into SCADA. The District was faced with a hard shutdown date of their aging analog phonelines, making the projects schedule a challenge.

Primary Activities:

- Lead bi-weekly meetings with the client and activities team
- Developed a project schedule that would allow the District to have monitor and control access of their system without interruptions with the looming analog phone-line shutdown
- Managed nine (9) sites through development, procurement and startup in a four (4) month timeframe
- Ensured proper team engagement throughout the project
- Manage team coordination with operations team, electrical contactor and vendors

Did you know:

- Kevin has successfully managed over \$400 million in projects throughout his career
- Enjoys camping with his family of four (4) throughout the year
- Is an avid golfer and enjoys spending time on the course with his friend

Products & Technologies:

- Primavera
- MS Project
- ViewPoint
- Instrumentation & Controls
- Contract Requirements Management

Licenses & Certifications:

- OSHA 10
- OSHA Hazardous Waste Operations
- Project Management Profession - PMP
- ISA - Automation Engineer, Integrator Version
-

Industry History:

- 22 Years
- 2 with AIC

Education:




BS - Environmental Science

California State University, Sacramento



Alfonso Ducreux

Technical Services Manager

 Southern California
42142 Roick Drive
Temecula, CA 92590

 916.644.9500
 alfonso.ducreux@WaterAIC.com



Summary:

Alfonso brings over 17 years of experience as a Senior Project Engineer and Electrical Engineer (BSEE), with extensive expertise in planning and leading multi-disciplinary teams and contractors to successfully deliver both short- and long-term projects on time and within budget.

He has dedicated the majority of his career to the Water and Wastewater Industry, allowing him to fine-tune his EI&C (Electrical, Instrumentation, and Controls) skills to meet the specific needs and challenges of this sector.

Project Experience:

Role: Lead EI&C Engineer

East Orange County Water District (EOCWD)

 2024 - 2025  Southern California

EOCWDs replaced nine (9) of their remote site control panels, including wireless communications, PLCs, and integration into SCADA. The District was faced with a hard shutdown date of their aging analog phonelines, making the projects schedule a challenge.

Primary Activities:

- Onsite investigation of incomplete control cabinets, to identify missing components and cross reference wiring to drawing sets.
- Update/redline as-built drawings for all control cabinets
- Developed & architected system and network overview drawings
- Led workshop in review of existing drawings & involved with startup & commissioning plan to minimize system downtime

Role: Lead EI&C Engineer

City of Redlands

 2023 - 2024  Southern California

The City of Redlands had a multi-year well rehabilitation & Booster Pump Replacement project; four (4) potable water wells and three (3) non-potable water wells. This work involve full site investigation, design, & installation of each control panel

Primary Activities:

- Coordinated internal tracking of Engineering activities via bi-weekly meetings with the City.
- Work with Design Engineering Team to develop Contract drawings and Bill of Materials for the upgrade.
- Led Design team efforts on Control Panels and Motor Control Center design.
- Led Instrumentation design team on part selection and supplier of components including Site investigations

Did you know:

- Enjoys about playing soccer
- Guitarist, exploring rock, classical, and flamenco genres.
- Annual international trips with my family.

Products & Technologies:

- Electrical Engineering Design & Installation for Water/Wastewater Treatment systems
- Power Design & Studies
- Manufacturing of Electrical and Instrumentation & Controls Equipment
- Control Panel/MCC/Switch-Board/VFD Design
- AutoCAD
- SolidWorks


Licenses & Certifications:

- OSHA 30
- AutoCAD Electrical
- ISA, Bootcamp for control systems

Industry History:

- 17 Years
- 1 with AIC

Education:

 BS - Electrical Engineering, Specialization: Power, Controls, and Computers

California State University, Los



David Estelle, PE

Automation Engineering Lead

 **Southern California**
42142 Roick Drive
Temecula, CA 92590

 916.644.9500
 david.estelle@WaterAIC.com



Summary:

David has over 8 years of controls experience, with a strong focus on the Water and Wastewater Industry. He is well-versed in field activities, PLC and SCADA programming, electrical engineering, and system design. His experience also includes leading project teams and facilitating technical workshops for projects of varying sizes.

David brings a strong drive for continuous improvement and professional growth. He consistently explores new technologies and pursues knowledge—not only to enhance his own expertise but also to support the development of his team.

Project Experience:

Role: Lead Automation Engineer

Irvine Ranch Water District (IRWD)

 2024 - 2024  Southern California

Conducted comprehensive end-to-end PLC and SCADA development for a new biosolids facility installation. The project utilized Modicon Quantum and M340 PLCs along with the AVEVA System Platform SCADA application.

Primary Activities:

- Collaborated closely with the owner's representation to meticulously test and validate the system's full functionality in a controlled bench test environment.
- Engaged with various vendors specializing in screening, centrifuge, conveyance, digested gas conditioning, and flare systems.
- Demonstrated aptitude in incorporating feedback from both operations staff and process design teams to optimize the system during the commissioning phase of the project.
- Performed extensive troubleshooting of the Modbus TCP industrial network. Established historical trending based on specification requirements and process optimization feedback from staff.

Role: Lead Automation Engineer

Trabuco Canyon Water District (TCWD)

 2024 - 2024  Southern California

TCWD had an aging controls system that was due to be upgraded, many of the PLCs were over 20 years old. The scope addressed the replacement or upgrade to 40+ sites control panels, PLCs, OITs, Radio network and the conversion of their InTouch SCADA system to Ignition.

Primary Activities:

- Led a team of PLC Applications engineers in successfully retrofitting over twenty water and wastewater sites with new Modicon M340 PLCs.
- Led workshops with operations staff to determine desired control strategy.
- Collaborated closely with SCADA and Networking Teams to minimize downtime during the commissioning phase.
- Engaged with operations staff to implement feedback and incorporate additional functionalities into the system.

Did you know:

- Enjoys all things outdoors - snowboarding, biking, hiking.
- Playing piano is my favorite indoor hobby.
- Currently working towards goal of visiting every national park with my wife.

Products & Technologies:

- Allen-Bradley, Control Logix, SLC500, MicroLogix PLCs
- AVEVA InTouch/Historian/System Platform
- Schneider Modicon M340/M580
- Wireless communication configuration & commissioning
- Ethernet/IP, DeviceNet, ControlNet, Modbus Protocols
- Ignition, Vision / Perspective


Licenses & Certifications:

- OSHA 30
- Professional Engineer (PE), Controls System Engineering
- OSHA Electrical Safety OTC 306
- AVEVA InTouch
- Inductive Automation University
- GE - MDS Orbit

Industry History:

- 8 Years
- 1 with AIC


Education:



 BS - Mechanical Engineering
California State University, Fullerton



Jesus Lopez

Field Service Technician

 **Southern California**
42142 Roick Drive
Temecula, CA 92590

 916.644.9500
 jesus.lopez@WaterAIC.com



Summary:

Jesus brings 25 years of extensive field service experience, specializing in servicing and troubleshooting a wide range of equipment, including PLCs, OITs, VFDs, and field instrumentation. His expertise also encompasses the demolition and installation of control panels, wire termination, and performing loop checks.

Highly skilled in instrument calibration and operations training, Jesus ensures seamless system performance and efficiency. His technical proficiency and commitment to customer satisfaction consistently contribute to successful outcomes in complex service environment.

Project Experience

Role: Field Service Technician

East Orange County Water District (EOCWD)

 2024 - 2025  Southern California

Primary Activities:

- Commissioned all remote sites.
- Led the Field Team during the commissioning phase.
- Tested all PLC Programming and SCADA Graphics with system.
- Coordinated on-site activities with Electrician and Operations team.

Role: Field Service Technician

Trabuco Canyon Water District (TCWD)

 2024 - 2025  Southern California

TCWD was in need of a reliable and responsive System Integrator to provide task based and on-call support services for their Water system. Their needs included remote support four (4) hour response time & on-site support within a 24-hour mobilization.

Primary Activities:

- Diagnose and resolve control wiring issues within MCC Panels (Troubleshoot control wiring in MCC Panels)
- Configure and program VFD parameters for optimal performance (Program VFD Parameters)
- Comprehensive commissioning and testing of VFDs (Full Commissioning Testing of VFD)
- Instrument validation including 4-20 mA spanning

Did you know:

- Enjoys working cars.
- Avid Dodger & Laker Fan.
- Has a to do list that never ends.

Products & Technologies:

- Allen-Bradley PLC
- Allen-Bradley-VFD
- Endress+Hausser Promag
- Modicon PLC
- C-More OIT
- Yasakawa VFD
- Instrument Calibrations
- Operations Training


Licenses & Certifications:

- OSHA 30
- OSHA Electrical Safety OTC 306 OTC 306

Industry History:

- 26 Years
- 1 with AIC

Education:

 AA - Applied Science Electronic Technology
DeVry Institute of Technology



Zach Mietz

Field Activities Lead



Northern California

9332 Tech Center Drive, Ste. 300
Sacramento, CA 95826



916.644.9500



zach.meitz@WaterAIC.com



Summary:

Zach has over 7 years of experience in control systems within the Water and Wastewater Industry. He brings extensive knowledge in PLC programming—including TESCO PLCs—as well as startup and commissioning, process control narratives, and field activities.

His industry expertise enables him to deliver reliable and comprehensive automation solutions. With a strong focus on customer satisfaction and solutions that meet design expectations, Zach is a valuable asset to any team.

Project Experience:

Role: Lead Field Engineer

East Orange County Water District (EOCWD)



2024 - 2025



Southern California

EOCWDs replaced nine (9) of their remote site control panels, including wireless communications, PLCs, and integration into SCADA. The district was faced with a hard shutdown date of their aging analog phonelines, making the projects schedule challenge.

Primary Activities:

- Appointed and successfully commissioned and launched all remote sites, ensuring seamless integration and optimal functionality
- Led the Field Team through the commissioning phase, ensuring timely and efficient project execution.
- Conducted comprehensive testing of all PLC programming and SCADA graphics to ensure seamless system integration and functionality.
- Conducted comprehensive testing of all PLC programming and SCADA graphics to ensure seamless system integration and functionality.

Role: Lead Field Technical Engineer

City of Napa



2025 - 2025



Northern California

To support this critical infrastructure, the City contracts with a systems integrator to provide emergency backup services in the event City staff are unavailable. This includes troubleshooting and repair of SCADA hardware and software during unscheduled outages or system issues. The integrator is required to meet the remote and onsite response times

Primary Activities:

- Replaced legacy ControlNet PLC modules with Ethernet modules to modernize communication protocols.
- Upgraded ten (10) Allen-Bradley ControlLogix PLC processors at one of the District's water treatment facilities.
- Remote troubleshooting of the SCADA and virtualized server environment to minimize downtime impacts to the operations team
- VFD configuration & validation

Did you know:

- Enjoys Snowboarding in Tahoe most weekends.
- Like spending time outdoors (camping, fishing, hiking).
- Enjoy traveling abroad (spent a month in Asia in 2023).

Products & Technologies:

- Tesco PLCs
- Allen-Bradley, Control Logix, SLC500, MicroLogix PLCs
- AVEVA InTouch/Historian/System Platform
- Schnieder Modicon M340/M580
- Wireless communication configuration & commissioning
- Ethernet/IP, DeviceNet, ControlNet, Modbus Protocols

Licenses & Certifications:

- OSHA 30
- GE - MDS Orbit
- OSHA Electrical Safety OTC 306 Safety Training

Industry History:

- 6 Years
- 1 with AIC

Education:



BS - Electrical Engineering
California State University, Sacramento



Sydne Shearer

Project Manager

 Southern California

42142 Roick Drive
Temecula, CA 92590

 916.644.9500

 sydne.shearer@WaterAIC.com



Summary:

Sydne brings over 10 years of experience as a project manager and is a results-driven, detail-oriented leader with a proven track record of guiding cross-functional teams and delivering successful projects on time and within budget. Her expertise includes adapting and implementing both Agile and traditional project management methodologies to boost team performance, drive efficiency, and ensure client satisfaction throughout the entire project lifecycle.

Project Experience:

Role: Project Manager

Caltrans

 2025 - 2025  Northern California

Caltrans (2025) Upgrade of SCADA hardware and PLC programming, and new equipment deliveries including data cabinets, control cabinets, seismic panels and metered pedestals.

Primary Activities:

- Worked with technical team to deliver submission packages on time. (Collaborated with the technical team to ensure the timely delivery of submission packages.)
- Developed and managed billings established by the client (Developed and managed client-established billing processes.)
- Ensured active team engagement, across cross-functional teams, throughout the project lifecycle.
- Lead kickoff meetings with the client and activities teams (Led kickoff meetings with clients and cross-functional teams to ensure alignment and project success.)
- Created and maintained project schedules to ensure milestones, and adjust as needed (Created and maintained project schedules, ensuring milestones were met and making adjustments as needed to stay on track.)

Role: Project Manager

DRP Construction

 2021 - 2024  Northern California

(DRP Construction) Implementation of 3rd party software certificate of insurance tracking with API interface and OCR technology.

Primary Activities:

- Coordinated weekly project milestone meetings with client and internal teams.
- Developed a project plan and schedule, providing regular updates to the client.
- Ensured project deliverables were completed on time.
- Managed client billings and project budget.
- Developed a hyper care plan to facilitate smooth deployments and track issues for efficient resolution.

Did you know:

- Enjoys running.
- Own a signed Vince Scully baseball.
- Serial documentary TV Show and movie watcher.

Products & Technologies:

- Primavera
- MS Project
- ViewPoint
- Instrumentation & Controls
- Contract Requirements Management


Licenses & Certifications:

- OSHA 10
- Certified Associate of Project Management (CAPM)
- Construction Risk and Insurance Specialist (CRIS) Certification

Industry History:

- 1 Years
- 1 with AIC


Education:



 BA - Communication
University of Arizona



Alex Valdez

Field Service Technician

 **Southern California**
42142 Roick Drive
Temecula, CA 92590

 916.644.9500
 alex.valdez@WaterAIC.com



Summary:

Alex is a results-driven Field Service Technician with extensive experience in RTU and UPS replacements, telemetry communications troubleshooting, and control cabinet repairs. He is well-versed in startup, commissioning, and maintenance services, ensuring seamless integration and optimal system performance.

Alex excels at delivering high-quality technical support in fast-paced, complex industrial environments. Committed to enhancing operational efficiency and client satisfaction, he brings innovative solutions and a proactive approach to every project.

Project Experience:

Role: Field Service Technician

City of Tracy

 2024 - 2024  Northern California

City of Tracy needed their flow meters to be verified for accuracy. This was done at the John Jones Water Treatment Plant, the Wastewater Treatment Plant, and various remote sites for a total of Twenty-four (24) Flow meters.

Primary Activities:

- Utilized a third party verified clamp on flow meter to verify the accuracy of the City's process flow meters.
- Installed the clamp-on meter onto the existing pipe in accordance with the manufacturer's recommendations to ensure an accurate flow measurement.
- Prepare a report for the city detailing the accuracy of each flow meter and assess whether they fall within the manufacturer's specified range.

Role: Field Service Technician

City of Santa Cruz

 2024 - 2024  Northern California

Santa Cruz required a comprehensive evaluation of all control panels at their Water Treatment Plant in preparation for a major plant upgrade, which will introduce new process areas to the facility.

Primary Activities:

- Examine all field I/O points for each PLC control panel throughout the treatment plant.
- Test all applicable I/O points from the field through the PLC to SCADA.
- Update existing I/O list with findings from the investigation.

Did you know:

- Loves playing soccer throughout the week.
- Always working on electrical and woodwork side projects (family or stores).
- Enjoys playing any sports.

Products & Technologies:

- Endress+Hausser Promag
- ABB Magmaster
- Schnieder Modicon M340/M580
- Allen-Bradley PLC
- C-More OIT
- Yasakawa VFD


Licenses & Certifications:

- OSHA 30
- OSHA Electrical Safety OTC 306 OTC 306

Industry History:

- 1 Years
- 1 with AIC


Education:


 Electrical Technician
Perry Technical Institute



Nathan Vasquez

Automation Engineer

 **Southern California**
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 916.644.9500
 nathan.vasquez@WaterAIC.com



Summary:

Nathan has a strong passion for control systems and a deep interest in understanding the inner workings of water and wastewater treatment processes. He excels in delivering exceptional customer service and is continuously exploring new technologies to bring added value to AIC and its clients.

Project Experience:

Role: Automation Engineer

East Orange County Water District (EOCWD)

 2024 - 2025  Southern California

EOCWDs replaced nine (9) of their remote site control panels, including wireless communications, PLCs, and integration into SCADA. The district was faced with a hard shutdown date of their aging analog phonelines, making the projects schedule challenge.

Primary Activities:

- Programmed/Testing/Commissioned new M340 PLCs for all new sites
- Performed as-needed Ignition SCADA modifications in support of the Field Activities team.
- Remotely supported the customer as needed throughout the duration of the project
- Provided operations training for the SCADA system.

Role: Automation Engineer

Trabuco Canyon Water District (TCWD)

 2024 - 2024  Southern California

TCWD had an aging controls system that was due to be upgraded, many of the PLCs were over 20 years old. The scope addressed the replacement or upgrade to 40+ sites control panels, PLCs, OITs, Radio network and the conversion of their InTouch SCADA system to Ignition.

Primary Activities:

- Developed process control narratives for remote site PLCs
- Performed SCADA conversion efforts from InTouch to Ignition
- Programmed M340 PLCs, along with testing and commission in-house & field start-up and commissioning

Did you know:

- I can solve a Rubik's cube in about 30 seconds.
- I hold a swim record at my high school (only recently broken).
- I enjoy gardening and botany.

Products & Technologies:

- VM Ware
- Control experts/Modicons PLC
- In Touch
- Ignition
- Palo Alto Networks
- Modbus TCP


Licenses & Certifications:

- OSHA 30
- NCEES FE Electrical and Computer
- VTSCADA Advanced Configuration
- Inductive Automation Core

Industry History:

- 2 Years
- 1 with AIC


Education:



 BS - Computer Science
University of California, Merced



Gintas Kazlauskas

Automation Engineer

 **Southern California**
42142 Roick Drive
Temecula, CA 92590

 916.644.9500
 gintas.kazlauskas@wateraic.com



Summary:

Gintas is an Automation Engineer with a background in IT and system networking. He has experience in PLC and SCADA programming, working on both greenfield and brownfield systems. Gintas is highly skilled in troubleshooting complex issues and consistently delivers effective, reliable solutions.

Project Experience:

Role: Senior IT Specialist

Automation Engineering Services

 2022 - 2023  Southern California

Administration over various business software like Google Workspace, Microsoft 365, SolidWorks, AutoCAD, Rockwell, DeltaV and Confluence.

Primary Activities:

- Implemented an all-in-one networking solution to enhance network performance and security.
- Provided network administration support, overseeing operations for a global team of 200+ employees.”
- Implemented and maintained disaster recovery plans to protect servers, data and computers

Role: Automation Engineer

Automation Engineering Services

 2023 - 2024  Southern California

Worked in the pharmaceutical industry performing a wide variety of Automation Engineering tasks

Primary Activities:

- Software Lead for OEM projects in the biotech industry using Allen Bradley and Rockwell software to PLC program and develop HMI's.
- Reviewed, advised and followed electrical and mechanical designs and P&IDs.
- Conducted Factory Acceptance Testing (FAT) and Site Acceptance Testing (SAT) to ensure the functionality of systems, alongside testing and troubleshooting PLC programs. “
- Collaborated with clients to translate user requirements into functional specifications and ensured project compliance with industry standards.
- Reviewed and created URS, FS, FAT, SAT documentation.

Did you know:

- I enjoy the outdoors; fishing, camping, hiking, snowboarding, offroad, etc. “
- I was born in Lithuania, but grew up in San Diego.
- When home, I enjoy watching movies and playing video games.

Products & Technologies:

- Allen-Bradley, Control Logix, SLC500, MicroLogix PLCs
- Rockwell Factory Talk View
- Studio5000
- Schnieder Modicon M340/M580
- Ignition, Vision / Perspective
- Windows Servers/Active Directory/ Domain Controllers
- Virtualization
- TCP/IP


Licenses & Certifications:

- OSHA 30
- Inductive Automation Core
- Fortinet FCCF
- CISA 100W/210W

Industry History:

- 2 Years
- 1 with AIC

Education:

 BS - Computer Science
California State University, San Marcos



Tim Burkett

Field Activities Manager



Northern California

9332 Tech Center Drive, Ste. 300
Sacramento, CA 95826



916.644.9500



timothy.burkett@wateraic.com



Summary:

Tim is a dynamic and results driven Field Activities Managers with 29 years of experience in leading and managing field operations, overseeing technical support teams, and ensuring the efficient execution of on-site activities. Tim is adept at troubleshooting, system installations, and maintenance of complex technical equipments.

Project Experience:

Role: Emerson Technical Lead

Emerson Channel Partner



2021 - 2023



Northern California

Collaborated with Consulting Engineer to verify Emerson's CPE115 PLC & RSTi-EP RIO would meet Pierce County's specification. Once the CPE115 PLC & RSTi-EP was approved, provided programming support and additional engineering for Cellular Remote Communications to the PLC and SCADA System.

Primary Activities:

- Managed 24/7 support calls in collaboration with Emerson's Technical Support Team, addressing customer issues requiring additional assistance, including RMAs, hardware failure analysis, and firmware-related troubleshooting.
- Manage all aspects of technical field activities, including scheduling, resource allocation, and client coordination, resulting in customer satisfaction.
- Provided Tier 1 Technical Support to customers located throughout California, Oregon, Washington, and Alaska.
- Provided onsite support to customers, troubleshooting and resolving hardware issues to ensure smooth operations.

Role: Service Department Team Lead

Automation Group



2015 - 2018



Northern California

Managed a service department, and handled 400-450 service calls per year, including 24/7 support. Developed and implemented a comprehensive maintenance program and streamlined processes to improve operational efficiency and service delivery.

Primary Activities:

- Provided customers with On-site Troubleshooting, Installation, Calibration and Repair of Automated and Control systems.
- Coordinated the calibration of flow meters to guarantee precise measurements and maintain optimal system performance.
- Troubleshoot complex system failures and provided timely, cost-effective solutions, reducing downtime and maintaining operational efficiency
- Provided ongoing technical support for clients, performing preventive maintenance

Did you know:

- Walked around the world within 10 seconds...during visit to the South Pole in 2007.
- 2022 rode 4210 miles in 2 days on my Harley
- Within 6 months, Tim traveled to the most northernmost US state, and then at the most southern state in Hawaii.

Products & Technologies:

- Allen-Bradley, Control Logix, SLC500, MicroLogix PLCs
- Schneider Modicon M340/M580
- Automation Direct / C-More
- Emerson / Movicon / PAC Edge
- Siemens Step 7 and TIA Portal


Licenses & Certifications:

- OSHA 30
- NFP70E
- Rockwell 5000
- Emerson (PAC Machine, Movicon SCADA Software Trainer)
- Schneider Electric
- NFP70E

Industry History:

- 28 Years
- 1 with AIC

Education:

 IC3 (Interior Communications Electrician)

U.S. Navy



Steven Arroyo

Field Service Team Lead



Norther California

9332 Tech Center Drive, Ste. 300
Sacramento, CA 95826



916.644.9500



steven.arroyo@wateraic.com



Summary:

Steven is a results-driven Field Service Team Leader with 16 years of experience leading teams to deliver exceptional customer service, ensure timely installation and provide troubleshooting support in high-pressure environments. Steven is skilled in managing field activities, maintaining technical equipment, and driving continuous improvements in service efficiency and safety.

Project Experience:

Role: Junior Engineer

Bronco Wine Company

2018 - 2019 Northern California

Bronco Winery upgraded 30 cabinets used to control sensor fuses and tank presses. After upgrade completion, the newly installed cabinets increased efficiency during crush season.

Primary Activities:

- Led redline completion for facility plans by conducting detailed site assessments across various locations
- Identified areas requiring upgrades and improvements to enhance system performance.
- Contributed to the assembly and on-site installation of panels in the field.
- Provide direct support at customer facilities, troubleshooting and resolving issues with new cabinets.

Role: Junior Engineer

Delicato Family Wines

2019 - 2020 Northern California

Delicato Winery replaced 40 aging machine control centers that managed critical processes such as fillers and case formers. The new control centers were fabricated and installed to improve operational efficiency and enhance production capabilities.

Primary Activities:

- Provided technical support for machine ignition and implemented PLC-to-Ignition tagging to ensure seamless system functionality.
- Developed binary code-based charts for the tank farm to optimize operations and prevent wine spillage, significantly reducing waste.
- Installed electro-pneumatic valves with integrated electrical displays to ensure proper operation by maintaining consistent PSI levels.
- Provided on-site troubleshooting and support to the customer during system start-up to ensure a smooth and successful handoff to operations.

Did you know:

- 6 years in the army 2003-2009
- I have 2 Emus, Bonnie & Clyde
- Played Guitar for 23 years

Products & Technologies:

- Allen-Bradley, Control Logix, SLC500, MicroLogix PLCs
- Schnieder Modicon M340/M580
- Ignition, Vision / Perspective
- Siemens Step 7 and TIA Portal
- Modbus
- Profibus
- Ethernet IP Communication

Licenses & Certifications:

- OSHA 30
- Theomography Cert
- Arc Flash
- OSHA Electrical Safety OTC 306
- CPR

Industry History:

- 15 Years
- 1 with AIC

Education:

AA - Industrial Maintenance Technology

San Joaquin Valley College





5



SCOPE OF
SERVICES

Scope of Services

Approach and Plan

When AIC is contacted for assistance during normal working hours, the Project Manager will generate a task order, scope of work, schedule with project milestones, and a cost estimate for the District review and approval before any work begins. The Project Manager will host a consensus building workshop with AIC and the District stakeholders to review the proposed scope of work to ensure that goal and any concerns are addressed. Any changes identified in the scope of services workshop will be incorporated into the task order and presented for a follow up review.

When contacted for after-hours support, our on-call support team will document the request and work performed and will coordinate with the assigned Project Manager to finalize services, billings, and a customer service report with any recommendations identified during the challenge. All our proposed team members will be available to assist with configuration backups, training, field audits, and documentation requirements. Regarding approved task orders, AIC will schedule at least two weeks in advance of their start date.

At AIC we prioritize compliance and safety, adhering strictly to the District and industry standards. Our commitment includes rigorous adherence to the District safety protocols includes lockout/tagout procedures to ensure the utmost safety during project executions. The District requests for products or services will be processed through our organization as shown Support Service Flow Chart in section 3 of this proposal.

Task-1: Troubleshooting and Field Repairs

The District will be provided with a dedicated 24/7/365 support number. Our dedicated support team will assist the District in requested 30 minutes response time, either remotely or on-site.

Task-2: System Software Updates

AIC proposes to provide pre-scheduled SCADA and PLC software updates and services on a bi-annual basis. Manufacturer-recommended updates will be provided as they become available. Necessary software and firmware updates will first be tested on a replica of your system located at our corporate office. Once our Automation Engineering team has fully evaluated the update, an installation date will be scheduled with District stakeholders.

Critical SCADA computer operating system updates, PLC firmware updates, Operator Interface updates, firewall, and router updates will be scheduled as necessary, but only after testing on our replica of your SCADA system. Any other updates requested by the District will be evaluated, tested and installed as requested.

Task-3: Hardware Engineering and Design Layout

AIC is prepared to provide support and replacement products for any SCADA, PLC, networking, and wireless communications equipment in use at the District. Additionally, we are a full-service manufacturing company capable of servicing or supplying field instruments, control panels, motor control equipment, or custom fabrication. Our team has extensive experience and programming equipment required to work with Tesco, Allen-Bradley, and Modicon PLCs, as well as certified SCADA and PLC engineers.

Engineering and design support will be provided by our team of professional engineers. When assistance is requested, our Project Manager will coordinate resources to collaborate with District stakeholders to define the project and provide a lump-sum estimate for the task order. The design effort can use pre-allocated service contract hours to complete this work; however, the task order itself will be quoted independently.

Task-4: Hardware Upgrades

AIC's goal is to ensure the District ICS is up to date and exceeds industry standards. Our SMEs will collaborate with the District on any hardware request to ensure functionality and best practices are met. Additionally, your dedicated project team SMEs will inform you of any hardware that may be approaching End-of-Life and/or support. We believe that a preventative maintenance approach will provide the District with long-term benefits in both cost and downtime.

Task-5: Software Programming

When requested by the District, AIC team will collaborate with the District on the best approach for implementing program modifications. SMEs will ensure proper implementation through process control workshop, quality control, in-house testing, and witness testing (if desired by the District). Proper training, documentation and backups will be provided with commissioning.

Task-6: Parts and Supplies

When requested by district stakeholders, AIC will provide a written cost estimate for any requested parts or supplies. Any items provided shall be the same manufacture as an existing or approved equal that meets District standards. Parts and supplies will be billed at cost plus 20% and accounting will be transparent where any discounts that we are provided will be passed through to the District.

Task-7: Installation

When the District contacts AIC for installation services, the Project Manager will generate a task order, scope of work, schedule with project milestones, and a cost estimate for district review and approval before any work begins.

Task-8: User Training and Documentation

AIC will be available to provide training for any product or service provided to the District. We have close relationships with product suppliers and often use manufacturer-provided training materials for our classes. Training services can be in-person, on-site, computer-based, or virtual, depending on the District's preference. Updates to District documentation shall be provided for each task order performed. Additional documentation services for existing equipment are available upon request.

Conclusion

We understand that unforeseen challenges may arise during the term of this service contract. We have a risk management plan in place to address potential issues, including sudden loss of network or radio telemetry equipment, failed PLCs, corrupted application software, and failed computer hardware. We are uniquely positioned to support every component of your industrial control systems.



6

COMPARABLE
PROJECTS

Water & Wastewater Treatment SCADA Upgrades & On-Call Services

Project Team:

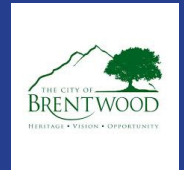
- AIC

AIC Role:

- System Integrator

Project Type:

- Bid, Direct to Owner



Contact

Casey Wichert

Director of Public Works

925.516.6070

cwitchert@brentwoodca.gov

2201 Elkins Way

Brentwood, Ca 94513

Key Project Elements:

- GE Fix32 Conversion to Ignition Vision
- VMWare
- VEEAM - backup software
- Kepware - communications driver
- Automatic scheduled NAS backups
- Field testing & verification
- Next-Generation network equipment
- NIST 800.82 - security design
- ISA 62443- cybersecurity standards
- Active Project Management
- System assessment & gap analysis
- Field startup & Commissioning
- System Wireless modeling and field validation

AIC Team:

- AJ Cottengim - I&C and Automation Engineering Manager

- Tim Burkett - Field Activities Manager

- Josh Choe - Technical Services Manager

- Kevin Ford - Project Manager



Summary:

The Water Operations Division is responsible for the production and delivery of the City's drinking water supply. State certified/licensed treatment and distribution operators monitor and maintain the City's water storage tanks, reservoirs and delivery system and ensure the safety of the drinking water supply. The Water Operations Division also provides programs and information about water quality and supply, water conservation, non-potable water, water pressure, meter reading and leak detection.

The City of Brentwood is undertaking SCADA and PLC upgrades for both its water and wastewater systems. The water system requires modernization, including replacing legacy GE iFix SCADA and Modicon PLCs. The project scope includes upgrading radio/telemetry networks, PLC hardware, and integrating all remote sites into the City's new Ignition SCADA system. Additionally, support will be provided for final wastewater improvements, including Pond 6 upgrades and on-site interface enhancements.

The City is was also looking for on-call support services to assist their team with ongoing and upcoming initiatives, or emergency support.

Project Highlights:

- Performed on-site system evaluation of 17 remote water sites
- Conducted wireless communication modeling and field surveys to determine appropriate radio selection, antenna heights, and radio configurations
- Implemented NIST 800-82 and ISA 62443 guidelines to align with industry best practices
- Developed standardized programming templates to promote consistency and ease of troubleshooting across the system
- Built all water sites into a unified Ignition SCADA application for both Water and Wastewater systems, incorporating role-based access permissions
- Performed internal QA/QC of fully developed hardware and software
- Executed on-site system installation and commissioning
- Provided as-needed, on-call support services including remote access configuration and SCADA communications troubleshooting

Testamonial:

"We had an exceptional experience with AIC. Their attention to detail, professionalism, and dedication to customer satisfaction exceeded our expectations. We highly recommend their services to anyone seeking top-notch quality and reliability" Casey Witchert



Project Team:

- AIC

AIC Role:

- System Integrator

Project Type:

- Bid, Direct to Owner

Contact

Kelly Pennington

Water Control Systems Superintendent

707.257.9615

kpennington@cityofnapa.org

270 Kirkland Ranch Rd.

American Canyon, CA 94503

Key Project Elements:

- Rockwell Factory Talk View, SCADA
- Allen-Bradley PLCs
- Microsoft HyperV, virtualization
- Active Project Management
- Task based scheduling and coordination
- Field troubleshooting
- Single SCADA system across three (3) treatment facilities
- Forty (40) + PLCs throughout the system

AIC Team:

Zach Meitz - Field Activities Engineer

Daniel Tam - Automation Engineer

Josh Choe - Technical Services Manager

Kevin Ford - Project Manager

Summary:

The City of Napa's Water Division, part of the Utilities Department, is responsible for the operation, maintenance, and ongoing improvement of the municipal drinking water system, which serves more than 85,000 residents in Napa and surrounding areas. The system includes three water treatment plants and fifteen remote sites—primarily pump stations and reservoirs—all of which rely heavily on the City's control system to ensure continuous, 24/7 water delivery.

To support this critical infrastructure, the City contracts with a systems integrator to provide emergency backup services in the event City staff are unavailable. This includes troubleshooting and repair of SCADA hardware and software during unscheduled outages or system issues.

The integrator is required to meet the following response times:

- Phone/Remote Support (During Business Hours): Response within 2 hours of notification.
- Onsite Support (During Business Hours): Response to site within 6 hours of notification.
- Onsite Support (After Hours, Holidays, Weekends): Response to site within 24 hours of notification.

Project Highlights:

- Conducted onsite system assessments to strengthen team collaboration with the District and provide actionable recommendations.
- Replaced legacy ControlNet PLC modules with Ethernet modules to modernize communication protocols.
- Upgraded ten (10) Allen-Bradley ControlLogix PLC processors at one of the District's water treatment facilities.
- Provided secure remote access support to assist the District during events, offering our expertise as needed.

SCADA & Field Site RTU Programming

Project Team:

- AIC, Big Bear Electric

AIC Role:

- System Integrator

Project Type:

- Bid, Direct to Owner



Contact

David Youngblood, P.E.

General Manager

📞 714.538.5815

✉️ dyoungblood@eocwd.com

📍 185 N. McPherson Rd.

Orange, CA 92869

Key Project Elements:

- Inductive Automation, Ignition SCADA
- Inductive Automation, Edge OITs
- Modicon M340 PLCs
- VMWare, virtualization
- MDS Orbit Radios
- Cisco Cellular Radios
- Collaborative Workshops
- Active Project Management
- Task based scheduling and coordination

AIC Team:

Zach Meitz - Field Activities Engineer

Jesus Lopez - Field Services Technician

Josh Choe - Technical Services Manager

Kevin Ford - Project Manager

David Estelle - Automation Engineer

Nathan Vasquez - Automation Engineer

Quinn LaPoint - Field Activities Engineer



Summary:

Established in 1961, East Orange County Water District (EOCWD) serves the East Orange and North Tustin areas. With all five board members residing locally, the District is deeply rooted in the community it serves. EOCWD is committed to providing high-quality, reliable water service at a fair and reasonable price.

EOCWD's aging controls system has been going through a recent overhaul and the next phase was to upgrade the control panels & radio network. Faced with a hard deadline due to the scheduled shutdown of its aging analog phonelines, EOCWD needed to replace nine (9) remote site control panels and upgrade its communication infrastructure. The scope included wireless communications, PLCs, and full integration into the District's SCADA system—presenting a significant scheduling challenge.

AIC successfully developed, deployed, and commissioned all nine (9) sites—completing the project within just four (4) months of receiving the purchase order. This included full SCADA integration and establishing a new radio communication network. The timely cutover avoided any disruptions to EOCWD's ability to monitor and control its remote sites during the phoneline shutdown.

Project Highlights:

- Telemetry and Field Survey: Conducted telemetry modeling and field surveys to design a robust wireless communication architecture, incorporating both RF and cellular technologies to accommodate the area's complex terrain.
- Cybersecurity Assessment: Performed a cybersecurity evaluation to ensure compliance with AWIA guidelines and provided actionable recommendations.
- Workshops: Conducted extensive workshops with EOCWD and Big Bear Electric. This allowed the project to stay ahead of schedule, meet design and functional expectations, and reduce operational impacts.
- Migration Planning: Developed and implemented a comprehensive migration plan to maintain uninterrupted operations throughout the transition from analog to digital communications.
- Startup & Commissioning: Developed strategic cut-over plan to mitigate operational impact for each remote site.

Testimonial:

"We at EOCWD were faced with an unexpected phoneline shutdown by AT&T, with all communication lines scheduled to be disconnected by the end of 2024. We anticipated this would disrupt our ability to monitor and control remote sites. AIC responded quickly—deploying a new radio system and installing all new control panels before the year's end, ensuring a seamless transition."

— David Youngblood

7

SERVICE PRICING & RATE SCHEDULE



2025 Professional Service Rate Sheet for Trabuco Canyon Water District

| Employee Classification | Standard Hourly Rate | Overtime Hourly Rate | Double-Time Hourly Rate |
|-------------------------|----------------------|----------------------|-------------------------|
| Initial 200 Hours | \$195.00 | N/A | N/A |
| Project Management | \$225.00 | N/A | N/A |
| I&C Engineering | \$225.00 | \$350.00 | \$550.00 |
| Automation Engineering | \$250.00 | \$375.00 | \$600.00 |
| Production (In-House) | \$200.00 | \$275.00 | \$450.00 |
| Field Services | \$225.00 | \$350.00 | \$550.00 |


Terms & Conditions

1. Not to Exceed On-Call, and task-based service contracts are available.
2. **Hourly Rate Breakdown**
 - A. **Standard Rates: 7:00 AM to 4:00 PM**
 - B. **Overtime Rates: 4:00 PM to 7:00 AM**
 1. Must be pre-authorized by AIC Division Manager
 - C. **Double-Time Rates: Hours 12+**
 1. Must be pre-authorized by AIC Division Manager
3. **Saturday Working Hours**
 - A. **Billed at Double-Time Rates defined above.** A maximum of 8-hours of On-Site time is allowed on Saturday's – not Including drive time.
4. **Sunday & Holiday Working Hours**
 - A. **Billed at three-(3) times the Standard Rate defined above.** A maximum of 8-hours On-Site time is allowed on Sunday's & holidays – not Including drive time.
5. **Airfare, rental equipment, lodging and meals (travel expenses) are billed at cost plus 25%**
6. **On-Site requests include a 4-hour minimum charge**
7. **Travel time**
 - A. \$150.00 per hour for employee travel to site
 - B. Milage rate is \$1.00 per mile
8. **Customer Service Report**
 - A. Will be provided after completion of any On-Site visit or Remote Support
9. **Hardware & Material Requests**
 - A. Lump sum quotations Include professional services, tax and freight – if applicable
10. Scheduling of work is subject to an approved timeline between the owner, general contractor, electrical contractor, and Advanced Integration & Controls (AIC)
11. Interest will be applied on all past due invoices
12. Final retention to be paid within 10-days of project completion
13. Terms are Net 30 days on approved credit accounts

Advanced Integration & Controls (AIC)



Tim Fassio
Sales Manager
Phone: 916-644-9500



Advanced Integration & Controls was founded with a commitment to providing cutting-edge solutions in infrastructure development. Specializing in the design and implementation of control systems, PLC programming, instrumentation and control, network and communication systems, system integration and testing, and cybersecurity, we aim to deliver seamless, efficient, and innovative solutions for complex projects.

Our in-house expertise allows us to self-perform critical aspects of infrastructure projects, ensuring precision, control, and exceptional quality at every stage. By leveraging our advanced technologies and deep technical knowledge, we offer unparalleled service and ensure that every project meets the highest standards of safety, efficiency, and excellence.

Advanced Integration & Controls continues to set new benchmarks in the industry, consistently exceeding expectations and delivering results that prioritize both performance and reliability.

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

ACTION CALENDAR

ENGINEERING MATTERS

ITEM 13: QUARTERLY CAPITAL IMPROVEMENT PROGRAM UPDATE

This report summarizes the status of Trabuco Canyon Water District’s (District’s) twenty-six projects included in the Fiscal Year 2024-25 Capital Improvement Program (CIP), as summarized below. Project specific information will be presented to the Committee at the time of the meeting.

| Status of the CIP Projects | |
|-----------------------------------|-----------------|
| No. | Status |
| 10 | Completed |
| 5 | Design/Planning |
| 1 | Out to Bid |
| 7 | Ongoing |
| 3 | In Construction |

FUNDING SOURCE:

Capital Improvement Program

FISCAL IMPACT (PROJECT BUDGET):

Original Budget: \$5,918,453

Revised Budget (with carryover): \$4,315,141

ENVIRONMENTAL COMPLIANCE:

Not Applicable

COMMITTEE STATUS:

This matter was reviewed with the Engineering/Operations Committee

RECOMMENDED ACTION:

Receive information at the time of the meeting. No action required at this time.

EXHIBIT(S):

1. CIP FY24-25 Budget Update

CONTACTS (staff responsible): PALUDI/LAUSTEN

**TRABUCO CANYON WATER DISTRICT
CAPITAL IMPROVEMENT PLAN BUDGET
FY 2024/2025 UPDATE**

| Item | Name | Status | Project Basis | FY24/25 Budget | FY24/25 Revised Budget | Multi-Year Budget |
|------------------------------------|---|------------------|---------------------------------|--------------------|------------------------|-------------------|
| WATER PROJECTS | | | | | | |
| 1 | <i>Live Oak Canyon Pipeline Replacement - Ridgeline to Harris Grade (4)</i> | Design/Planning | Reliability | \$375,000 | <i>\$250,000</i> | \$3,488,871 |
| 2 | Manual Transfer Switch Upgrade-Water | Completed | Reliability | \$60,000 | \$60,000 | - |
| 3 | Pump Replacement | Ongoing | End of Service Life | \$99,671 | \$99,671 | - |
| 4 | PRV Maintenance | Ongoing | General Maintenance | \$26,579 | \$26,579 | - |
| 5 | Valve Replacement | Ongoing | General Maintenance | \$39,868 | \$39,868 | - |
| 6 | <i>Saddlecrest Reservoir Outlet Pipe (NEW) (4)</i> | Design/Planning | Reliability | \$300,000 | <i>\$20,000</i> | \$300,000 |
| Sub-Total | | | | \$901,118 | \$496,118 | |
| SEWER PROJECTS | | | | | | |
| 7 | Golf Club SLS Improvement | Completed | End of Service Life | \$1,412,000 | \$1,412,000 | \$3,302,920 |
| 8 | <i>WWTP Blower Bldg Rehab-Blowers and MCC (4)</i> | In Construction | Reliability | \$1,009,994 | <i>\$325,000</i> | \$1,995,216 |
| 9 | Chiquita Capital Reim. (SMWD) | Ongoing | Contract Agreement | \$178,000 | \$178,000 | - |
| 10 | Heritage SLS Pump Replacement | Completed | End of Service Life | \$265,788 | \$218,576 | - |
| 11 | Manual Transfer Switch Upgrade-Sewer | Completed | Reliability | \$60,000 | \$60,000 | - |
| 12 | WWTP SCADA/Fiber Optic Upgrade | Completed | End of Service Life | \$330,000 | \$330,000 | - |
| 13 | <i>Heritage SLS Rehabilitation (Site, Electrical & Mechanical) (4)</i> | Out to Bid | End of Service Life | \$132,900 | <i>\$100,000</i> | \$1,506,359 |
| 14 | WWTP Reservoir Outlet Gate Improvements | Completed | End of Service Life | \$199,341 | \$151,000 | - |
| 15 | WWTP Handrail Replacement - Segment B&C (NEW) (1) | Completed | Safety | \$108,000 | \$20,000 | - |
| 16 | Pump Replacement (NEW) | Ongoing | End of Service Life | \$66,447 | \$66,447 | - |
| 17 | Wetwell Recoating | Ongoing | End of Service Life | \$39,868 | \$0 | - |
| 18 | Manhole Recoating | Ongoing | End of Service Life | \$26,579 | \$0 | - |
| 19 | <i>WWTP Headworks Rehabilitation (4)</i> | In Construction | End of Service Life | \$130,000 | <i>\$5,000</i> | \$380,000 |
| 20 | Dam V-Ditch and Culvert Repairs (NEW) | Completed | End of Service Life | \$0 | \$178,000 | - |
| Sub-Total | | | | \$3,958,917 | \$3,044,023 | |
| NON-DOMESTIC WATER PROJECTS | | | | | | |
| 21 | <i>Dove/Robinson Ranch Recycled BPS Improvements (4)</i> | Design/Planning | End of Service Life | \$132,894 | <i>\$50,000</i> | \$1,431,129 |
| 22 | Dove Lake Dam Improvements (MOVED UP) | Design/Planning | End of Service Life | \$0 | \$30,000 | \$3,475,000 |
| 23 | <i>Recycled PRV Improvements (2) (4)</i> | Completed/Design | End of Service Life | \$265,788 | <i>\$105,000</i> | \$265,788 |
| 24 | <i>Dove & Tick Creek Pump Station Improvements (3) (4)</i> | Design/Planning | Reliability | \$79,736 | <i>\$10,000</i> | \$1,119,340 |
| Sub-Total | | | | \$478,418 | \$195,000 | |
| Shared Projects | | | | | | |
| 25 | SCADA System Upgrades | Completed | Reliability/End of Service Life | \$280,000 | \$280,000 | - |
| 26 | New Server Upgrades | In Constructon | End of Service Life | \$300,000 | \$300,000 | - |
| Sub-Total | | | | \$580,000 | \$580,000 | |
| Total | | | | \$5,918,453 | \$4,315,141 | |

(1) Staff completed project in house

(2) Dove Golf Course Vault Rehab. is completed; Dove HOA Vault Rehab. is in planning.

(3) Dove & Tick Creek PS Improvements have been awarded an IRWM grant for \$389,500 and a USBR grant for \$577,584=\$967,084. The budget does not reflect these funds.

(4) Project will carryover to FY25/26

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

**ACTION CALENDAR
ENGINEERING MATTERS**

ITEM 14: SADDLE CREST DEVELOPMENT – ACCEPTANCE OF ON-SITE AND OFF-SITE WATER AND SEWER FACILITIES CONSTRUCTED FOR TRACT NO. 17388

The Saddle Crest residential development consists of 65 single family residences located in unincorporated County of Orange on the east side of Santiago Canyon Road between Crystal Canyon Road and Modjeska Grade Road, within Trabuco Canyon Water District’s (District) service area. Of the total 65 homes, 38 have been built by Tri Pointe Homes (Adler at Saddle Crest) and 27 by Rutter Development (Viewpoint at Saddle Crest).

The developer has paid all required impact fees and has installed the required on-site and off-site water and sewer infrastructure and has submitted the required Grant of Easement in accordance with the Agreement for Construction of Water and Sewer Facilities, dated April 19, 2017.

Separately, a Grant Deed from Rutter Development for the on-site reservoir and pump station property was accepted by the Board of Directors at a Regular Board Meeting on June 15, 2023.

Staff is recommending that the Board of Directors accept all on-site and off-site domestic water and sewer facilities at this time.

FUNDING SOURCE:

Funded by Developer

FISCAL IMPACT:

Not applicable

ENVIRONMENTAL COMPLIANCE:

Compliance by Developer

COMMITTEE STATUS:

This item was not reviewed by a Committee

RECOMMENDED ACTION:

Adopt Resolution No. 2025-1346 – Resolution of the Board of Directors of Trabuco Canyon Water District Accepting On-Site and Off-Site Water and Sewer Facilities Constructed for Tract No. 17388.

EXHIBIT(S):

1. Bills of Sale
2. Draft Resolution No. 2025-1346

CONTACTS (staff responsible): PALUDI/LAUSTEN

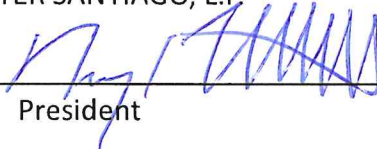
TRABUCO CANYON WATER DISTRICT
BILL OF SALE
DOMESTIC WATER SYSTEM FACILITIES (ON-SITE)

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby transfers and conveys to the Trabuco Canyon Water District, a County Water District organized under California Law, and its successors and assigns, all right, title, and interest in and to the water installation, including pipelines, valves, service connections, fire hydrants, meters, other appurtenances to said water installation, constructed, installed, and located in the property described below, and further warrants that the same is free and clear of any encumbrances.

Said property is described as follows: Tract No. 17388

Executed this 10th day of July 2025

RUTTER SANTIAGO, L.P.

By 
President

By _____
Secretary

CERTIFICATE OF ACCEPTANCE

As per Resolution No. _____ as set forth in the minutes of a meeting of the Board of Directors of the Trabuco Canyon Water District held on _____ the above Bill of Sale of Domestic Water System Facilities (On-Site), dated _____ is hereby accepted by order of the Board of Directors of the Trabuco Canyon Water District, a County Water District organized under State Law.

By _____
General Manager
TRABUCO CANYON WATER DISTRICT

TRABUCO CANYON WATER DISTRICT
COST OF CONSTRUCTION STATEMENT
DOMESTIC WATER SYSTEM FACILITIES (ON-SITE)

Developer's Name: RUTTER SANTIAGO L.P.

Tract No: 17388 Date Prepared: _____

| Item No. | Item | Quantity | | Unit Price | Total Cost |
|----------|---|----------|----|-------------|-----------------------|
| 1 | 8" Water Line CL 200* | 4,230 | LF | \$30.00 | \$126,900.00 |
| 2 | 12" Water Line CL 200* | 2,033 | LF | \$47.00 | \$95,551.00 |
| 3 | 8" RW GV Per W9 | 13 | EA | \$1,375.00 | \$17,875.00 |
| 4 | 12" BV Per W9 | 9 | EA | \$1,523.00 | \$13,707.00 |
| 5 | 1" Water Service Per W1 | 65 | EA | \$525.00 | \$34,125.00 |
| 6 | Meter for 1" Service | 65 | EA | \$350.00 | \$22,750.00 |
| 7 | 2" Water Service W/BF Per W3 & W22 | 6 | EA | \$4,000.00 | \$24,000.00 |
| 8 | Meter for 2" Service | 6 | EA | \$1,800.00 | \$10,800.00 |
| 9 | Fire Hydrant Assembly W/Check Valve | 3 | EA | \$4,900.00 | \$14,700.00 |
| 10 | 1" Air/Vac Per W18 | 2 | EA | \$2,500.00 | \$5,000.00 |
| 11 | 2" Blow Off per W20 | 2 | EA | \$1,450.00 | \$2,900.00 |
| 12 | 4" Blow Off per W19 | 4 | EA | \$3,500.00 | \$14,000.00 |
| 13 | Install Concrete Slope Anchor | 8 | EA | \$1,250.00 | \$10,000.00 |
| 14 | Install 1604 Zone Hydro-Pneumatic Booster Station | 1 | EA | \$1,238,574 | \$1,238,574.00 |
| 15 | Install 1.5 MG Domestic Water Tank and Facilities | 1 | EA | \$1,733,467 | \$1,733,467.00 |
| | GRAND TOTAL INSTALLATION COST* | | | | \$3,364,349.00 |

* Excludes fees paid directly to Trabuco Canyon Water District.

Prepared by: Ray Rutter

My signature as witnessed here below attests that the above statement is true and correct to the best of my knowledge.

Date: 7/10/25

By Ray Rutter
 Developer
 By Pves
 Official Title

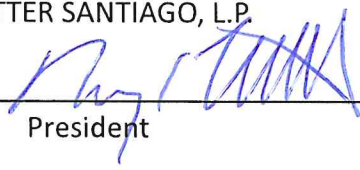
TRABUCO CANYON WATER DISTRICT
BILL OF SALE
DOMESTIC WATER SYSTEM FACILITIES (OFF-SITE)

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby transfers and conveys to the Trabuco Canyon Water District, a County Water District organized under California Law, and its successors and assigns, all right, title, and interest in and to the water installation, including pipelines, valves, service connections, fire hydrants, meters, other appurtenances to said water installation, constructed, installed, and located in the property described below, and further warrants that the same is free and clear of any encumbrances.

Said property is described as follows: Tract No. 17388

Executed this 10th day of July 2025

RUTTER SANTIAGO, L.P.

By 
President

By _____
Secretary

CERTIFICATE OF ACCEPTANCE

As per Resolution No. _____ as set forth in the minutes of a meeting of the Board of Directors of the Trabuco Canyon Water District held on _____ the above Bill of Sale of Domestic Water System Facilities (Off-Site), dated _____ is hereby accepted by order of the Board of Directors of the Trabuco Canyon Water District, a County Water District organized under State Law.

By _____
General Manager
TRABUCO CANYON WATER DISTRICT

TRABUCO CANYON WATER DISTRICT
BILL OF SALE
SEWER SYSTEM FACILITIES (ON-SITE)

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby transfers and conveys to the Trabuco Canyon Water District, a County Water District organized under California Law, and its successors and assigns, all right, title, and interest in and to the water installation, including pipelines, valves, service connections, fire hydrants, meters, other appurtenances to said water installation, constructed, installed, and located in the property described below, and further warrants that the same is free and clear of any encumbrances.

Said property is described as follows: Tract No. 17388

Executed this 10th day of July 2025.

RUTTER SANTIAGO, L.P.

By 
President

By _____
Secretary

CERTIFICATE OF ACCEPTANCE

As per Resolution No. _____ as set forth in the minutes of a meeting of the Board of Directors of the Trabuco Canyon Water District held on _____ the above Bill of Sale of Domestic Water System Facilities (On-Site), dated _____ is hereby accepted by order of the Board of Directors of the Trabuco Canyon Water District, a County Water District organized under State Law.

By _____
General Manager
TRABUCO CANYON WATER DISTRICT

TRABUCO CANYON WATER DISTRICT
COST OF CONSTRUCTION STATEMENT
SEWER SYSTEM FACILITIES (ON-SITE)

Developer's Name: RUTTER SANTIAGO L.P.

Tract No: 17388 Date Prepared: _____

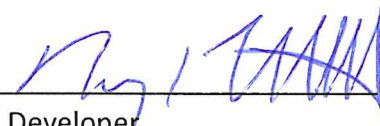

| Item No. | Item | Quantity | Unit Price | Total Cost |
|----------|---------------------------------------|----------|------------|---------------------|
| 1 | 4" Sewer Lateral | 66 | \$550.00 | \$36,300.00 |
| 2 | 8" Sewer Line | 5,844 | \$27.00 | \$157,788.00 |
| 3 | 48" STD MH per S1 | 35 | \$1,890.00 | \$66,150.00 |
| 4 | 72" STD MH per S1 | 1 | \$7,500.00 | \$7,500.00 |
| 5 | Cleanout per S3 | 2 | \$698.00 | \$1,396.00 |
| 6 | Install Concrete Slope Anchor | 21 | \$1,250.00 | \$26,250.00 |
| 7 | 12' Wide Interim All-Weather Access | 2,978 | \$1.25 | \$3,722.50 |
| 8 | 12' Wide Concrete Turf Block Access | 17,379 | \$8.50 | \$147,721.50 |
| | GRAND TOTAL INSTALLATION COST* | | | \$446,828.00 |

* Excludes fees paid directly to Trabuco Canyon Water District.

Prepared by: Ray Rutter

My signature as witnessed here below attests that the above statement is true and correct to the best of my knowledge.

Date: 7/10/25

By 
 Developer
 By 
 Official Title

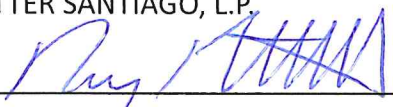
TRABUCO CANYON WATER DISTRICT
BILL OF SALE
SEWER SYSTEM FACILITIES (OFF-SITE)

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby transfers and conveys to the Trabuco Canyon Water District, a County Water District organized under California Law, and its successors and assigns, all right, title, and interest in and to the water installation, including pipelines, valves, service connections, fire hydrants, meters, other appurtenances to said water installation, constructed, installed, and located in the property described below, and further warrants that the same is free and clear of any encumbrances.

Said property is described as follows: Tract No. 17388

Executed this 10th day of July 2025.

RUTTER SANTIAGO, L.P.

By 
President

By _____
Secretary

CERTIFICATE OF ACCEPTANCE

As per Resolution No. _____ as set forth in the minutes of a meeting of the Board of Directors of the Trabuco Canyon Water District held on _____ the above Bill of Sale of Domestic Water System Facilities (Off-Site), dated _____ is hereby accepted by order of the Board of Directors of the Trabuco Canyon Water District, a County Water District organized under State Law.

By _____
General Manager
TRABUCO CANYON WATER DISTRICT

TRABUCO CANYON WATER DISTRICT
COST OF CONSTRUCTION STATEMENT
SEWER SYSTEM FACILITIES (OFF-SITE)

Developer's Name: RUTTER SANTIAGO L.P.

Tract No: 17388 Date Prepared: _____

| Item No. | Item | Quantity | Unit Price | Total Cost |
|----------|---------------------------------------|----------|------------|--------------------|
| 1 | 8" Sewer Line | 203 | \$27.00 | \$5,481.00 |
| 2 | 48" STD MH per S1 | 2 | \$1,890.00 | \$3,780.00 |
| 3 | Cleanout per S3 | 2 | \$698.00 | \$1,396.00 |
| 4 | Raise MH to Grade | 1 | \$400.00 | \$400.00 |
| 5 | Rechannel MH | 1 | \$1,750.00 | \$1,750.00 |
| 6 | Other (Core Drill & Join EX. MH) | 1 | \$1,500.00 | \$1,500.00 |
| | | | | |
| | | | | |
| | GRAND TOTAL INSTALLATION COST* | | | \$14,307.00 |

* Excludes fees paid directly to Trabuco Canyon Water District.

Prepared by: Ray Rutter

My signature as witnessed here below attests that the above statement is true and correct to the best of my knowledge.

Date: 7/10/20

By Ray Rutter
 Developer

By Pres
 Official Title

RESOLUTION NO. 2025-1346

**RESOLUTION OF THE BOARD OF DIRECTORS OF
TRABUCO CANYON WATER DISTRICT
ACCEPTING ON-SITE AND OFF-SITE WATER AND SEWER
FACILITIES CONSTRUCTED FOR TRACT NO. 17388
AND ACCEPTING OFF-SITE IMPROVEMENTS
(SADDLE CREST BY RUTTER DEVELOPMENT)**

WHEREAS, the Trabuco Canyon Water District (the "District") previously approved the plans for the construction of the onsite water and sewer facilities in Tract No. 17388 and the Off-Site Improvements for Tract No. 17388; and

WHEREAS, the District required the construction of onsite water and sewer facilities and off-site improvements and entered into the Agreement for Construction of Water and Sewer Facilities; and

WHEREAS, the onsite water and sewer facilities in Tract No. 17388 and the off-site improvements for Tract No. 17388 have each been completed in substantial conformance with the approved plans and specifications.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF TRABUCO CANYON WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The onsite water and sewer facilities constructed in Tract No. 17388 and dedicated to the District are hereby accepted.

Section 2. The off-site improvements constructed for Tract No. 17388 and dedicated to the District are hereby accepted.

Section 3. The warranty period established under the subject Agreement shall commence on the date this Resolution No. 2025-1346 is adopted by the Board of Directors and shall end three hundred sixty-five (365) days thereafter.

Section 4. Subject to the foregoing, the District's General Manager and other District officers and staff and District consultants and legal counsel are hereby authorized and directed to take all necessary and appropriate actions as may be required or desirable to carry out the determinations and directives of this Resolution, including, but not limited to, counter-signing and delivering dedication and bill of sale documents for the above-reference facilities and improvements.

Section 5. This Resolution shall be effective upon adoption by the Board of Directors.

ADOPTED, SIGNED AND APPROVED this 16th day of July 2025.

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

DRAFT

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a regular meeting of such Board held on the 16th day of July 2025, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

DRAFT

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE

)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2025-1346 of such Board and that the same has not been amended, rescinded or repealed.

Dated this 16th day of July 2025.

District Secretary,
Trabuco Canyon Water District

DRAFT

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

ACTION CALENDAR

LEGISLATIVE AND OTHER MATTERS

ITEM 15: SUPPORT FOR CANDIDATES FOR THE OFFICES OF PRESIDENT AND VICE PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

Every two years, the California Association of Water Agencies' (ACWA) members elect the ACWA President, Vice President, and Region Boards of Directors. The next election is scheduled to open on July 21, 2025 and close on September 19, 2025 and will be conducted electronically. The Trabuco Canyon Water District's (TCWD) Board of Directors has designated Director Mike Safranski as TCWD's primary liaison to ACWA and its voting representative.

ACWA's Candidate Filing deadline for the 2025 election closed on June 20, 2025. Mrs. Carol Lee Gonzalez-Brady, Director of the Rancho California Water District, has been nominated for Vice President by her agency. Included as Exhibit 1 is Mrs. Gonzalez-Brady's qualifications flyer, candidate statement, and biography.

Mr. Ernesto Avila, Board President of the Contra Costa Water District, has been nominated for ACWA President by his agency. Included as Exhibit 2 is Mr. Avila's qualifications flyer, candidate statement, and biography.

There are no other candidates for the offices of President and Vice President. Staff recommends that the Board adopt Resolutions supporting Carol Lee Gonzalez-Brady for the position of Vice-President and Ernesto Avila for the position of President of ACWA.

RECOMMENDED ACTION:

1. *Adopt Resolution No. 2025-1356 – Resolution of the Board of Directors of Trabuco Canyon Water District Supporting Carol Lee Gonzalez-Brady for the position of Vice President of the Association of California Water Agencies.*
2. *Adopt Resolution No. 2025-1355 - Resolution of the Board of Directors of Trabuco Canyon Water District Supporting Ernesto Avila for the position of President of the Association of California Water Agencies.*

EXHIBIT(S):

1. Carol Lee Gonzalez-Brady ACWA Vice President Candidate Information Packet
2. Draft Resolution No. 2025-1356
3. Ernesto Avila ACWA President Candidate Information Packet
4. Draft Resolution No. 2025-1355

CONTACTS (staff responsible): PALUDI



ELECT CAROL LEE GONZALES-BRADY ACWA VICE PRESIDENT

PROTECTING OUR WATER, TODAY AND TOMORROW

BACKGROUND

As an elected Director of Rancho California Water District in Temecula, I understand that water issues are complex and we sometimes have different opinions on solutions. I serve as Vice-Chair for ACWA's Region 9, representing members - desert, coastal, residential, commercial, and agricultural - with diverse priorities and perspectives. ACWA's Regions statewide may be different, but we can agree on one thing - that the need for prudent, sustainable water management in California is critical.

I've served as a member on several Standing Committees, Sub-committees, Task Forces and Work Groups. My experience on our ACWA Board, on our Executive Committee, and on our Strategic Planning and Water Policy Task Forces has prepared me for our next steps as we execute the initiatives of our recently streamlined strategic plan. It will provide us with a clear, focused framework as we address water issues and position ACWA in its continued role as a strong, vital industry leader.

I earned my Bachelor of Science degree (magna cum laude) in Business Management from Pepperdine University. My professional career in procurement, contracts and strategic management has spanned federally regulated industries including water and electric utilities. I am committed to building relationships, partnerships and alliances with other water, business and community leaders. In addition to my work at ACWA, I serve on the Boards of Southern California Water Coalition and Urban Water Institute, and was twice appointed by our Board of Supervisors as a Director of a Resource Conservation District.

I'm a grower for local wineries, and my husband and I have lived on our family vineyard for over 20 years. I support important causes and my community through participation and memberships in charities, churches, associations, and advocacy groups such as the Farm Bureau and Southwest California Legislative Council.

You can learn more about me by visiting RanchoWater.com/ACWAVP. Thank you for your support.

RANCHO CALIFORNIA WATER DISTRICT (RCWD)

Vice President, Board of Directors
Elected 2017; Re-elected 2022
Past Board President (2021 & 2022)

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

Executive Committee (2024-2025)
Board of Directors (2024-2025)
Region 9 Vice Chair (2024-2025)
Region 9 Board Member (2019-2025)
Committees: Membership, Communications, Election (past)
Task Forces: Strategic Planning, Water Policy (Vice Chair)

ACWA/JOINT POWERS INSURANCE AUTHORITY (JPIA)

JPIA Director, representing Rancho Water (2022-2024)

SOUTHERN CALIFORNIA WATER COALITION (SCWC)

Board of Trustees, Water Segment (2021-present)
Co-Chair, Legislative Task Force (2021-present)

URBAN WATER INSTITUTE (UWI)

Board Member (2023-present)



CAROL LEE
GONZALES-BRADY
FOR ACWA VICE PRESIDENT

RanchoWater.com/ACWAVP

The ACWA Election Committee has formally endorsed and recommended Carol Lee Gonzales-Brady as the preferred candidate for ACWA Vice President for the 2026-2027 term.

**CAROL LEE GONZALES-BRADY IS PROUD TO BE
ENDORSED BY THE FOLLOWING AGENCIES**

ACWA ELECTION COMMITTEE

**CHINO BASIN WATER CONSERVATION
DISTRICT**

COACHELLA VALLEY WATER DISTRICT

DESERT WATER AGENCY

EASTERN MUNICIPAL WATER DISTRICT

**ELSINORE VALLEY MUNICIPAL WATER
DISTRICT**

FALLBROOK PUBLIC UTILITY DISTRICT

HELIX WATER DISTRICT

IMPERIAL IRRIGATION DISTRICT

INLAND EMPIRE UTILITIES AGENCY

IRVINE RANCH WATER DISTRICT

**LAS VIRGENES MUNICIPAL WATER
DISTRICT**

MESA WATER DISTRICT

MONTE VISTA WATER DISTRICT

MONTECITO WATER DISTRICT

MOULTON NIGUEL WATER DISTRICT

**MUNICIPAL WATER DISTRICT OF ORANGE
COUNTY**

OLIVENHAIN MUNICIPAL WATER DISTRICT

RAINBOW MUNICIPAL WATER DISTRICT

RANCHO CALIFORNIA WATER DISTRICT

SALTON SEA AUTHORITY

SANTA CLARITA VALLEY WATER DISTRICT

SANTA FE IRRIGATION DISTRICT

SANTA MARGARITA WATER DISTRICT

**VALLEY CENTER MUNICIPAL WATER
DISTRICT**

VISTA IRRIGATION DISTRICT

WESTERN CANAL WATER DISTRICT

WESTERN MUNICIPAL WATER DISTRICT

YUIMA MUNICIPAL WATER DISTRICT





Carol Lee Gonzales-Brady
Director, Rancho California Water District

Biography and Qualifications

Candidate for ACWA Vice President

Carol Lee Gonzales-Brady was elected to the Rancho California Water District (RCWD) Board of Directors in 2017 and re-elected in 2022, serving as Board President for two terms. Rancho Water is a Special District that provides water and wastewater services to residential, commercial, and agricultural customers. It is the 10th largest retail water district in California (based on water sales), serves more than 150,000 people, and covers 100,000 acres of service area.



Director Gonzales-Brady has been a member of the Association of California Water Agencies (ACWA) since 2017. She joined the Region 9 Board in 2019 and currently serves as Vice Chair, representing the Region on ACWA's Board of Directors. In 2024, she was elected by the Board to the Executive Committee.

She has been active on standing committees and task forces in volunteer and appointed roles such as the Membership and Communications Committees, Communications Ag Sub-Committee, Election Committee, Region 9 Membership Engagement Work Group (Chair), Strategic Planning Task Force, and Water Policy Task Force (Vice Chair). Sound water policy, aligned with the guiding principles of ACWA's Strategic Plan, will be key as ACWA navigates complex water issues and advocates on behalf of its members.

Dedicated to building alliances and cultivating partnerships, Director Gonzales-Brady serves on the Board of Trustees of Southern California Water Coalition (SCWC) and is co-Chair of their Legislative Task Force. She is also on the Board of Directors of Urban Water Institute (UWI) and is a past Director of ACWA/JPIA, representing RCWD. Prior to her election to Rancho Water's Board, she was twice appointed by the Riverside County Board of Supervisors to the Board of Directors of their Resource Conservation District.

Director Gonzales-Brady earned her Bachelor of Science degree (*magna cum laude*) from Pepperdine University's Graziadio School of Business and Management. Her international professional experience, with an emphasis in procurement, contracts, and strategic management includes federally regulated industries such as water and electric utilities, nuclear procurement, geothermal power plant design/engineering/construction, and medical device manufacturing.

A native Californian and winegrape grower in Temecula's Wine Country, Director Gonzales-Brady and her husband have lived on their vineyard for over 20 years. She is immersed in her community and supports the outreach and assistance provided by local organizations, charities, and advocacy groups. Her volunteer efforts and memberships include Temecula Winegrowers' Association, Riverside County Farm Bureau, Temecula Valley Horsemen's Association, and Southwest California Legislative Council.



42135 Winchester Road, Temecula, CA
(951) 296-6900 RanchoWater.com



Carol Lee Gonzales-Brady

Director, Rancho California Water District

Candidate Statement

Candidate for ACWA Vice President

I am pleased to offer my Statement of Qualifications as a Candidate for ACWA Vice President. I'm passionate about delivering prudent fiscal and environmental stewardship and advocating for sound policy. My philosophy: Protect our water, today and tomorrow, with a diversified portfolio of both immediate and long-range strategies and solutions.

I was elected to the Rancho California Water District (RCWD)'s Board of Directors in 2017 and re-elected in 2022, serving two terms as Board President. I joined ACWA in 2017 and became a Region 9 Director in 2019, serving as Vice Chair for the 2024-25 term. I represent the Region on ACWA's Board of Directors, and in 2024 was honored to be elected by the Board to the Executive Committee.

Other committees and task forces include:

- Water Policy Task Force - Vice Chair
- Membership and Communications Committees
- Region 9 Membership Engagement Work Group - Chair
- Strategic Planning Task Force (past)
- Election Committee (past)

Committed to building alliances and cultivating partnerships, I also am a past Director of ACWA/JPIA and serve on other industry Boards including Urban Water Institute (UWI) and Southern California Water Coalition (SCWC) - Legislative Task Force co-Chair.

I earned my BS (magna cum laude) in Business Management from Pepperdine University. My professional career in procurement, contracts, and strategic management has spanned federally regulated industries including water and electric utilities. A native Californian and vineyard owner, I have given back to my community as an appointed Director on a Resource Conservation District Board and through charities, associations, and local advocacy groups such as the Southwest California Legislative Council.

It has been my honor to serve alongside my dedicated colleagues on the ACWA Board. I look forward to continuing to build upon ACWA's work to promote and advance the priorities, initiatives, and interests of our members.

Please visit RanchoWater.com/ACWAVP. Thank you for your support.



42135 Winchester Road, Temecula, CA
(951) 296-6900 RanchoWater.com

RESOLUTION NO. 2025-1356

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TRABUCO CANYON WATER DISTRICT
IN SUPPORT OF THE NOMINATION OF CAROL LEE GONZALEZ-BRADY
AS VICE PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES**

Trabuco Canyon Water District (“**TCWD**”) is a member of the Association of California Water Agencies (“**ACWA**”).

ACWA has formed a Nominating Committee for the positions of President and Vice President for a two-year term of office beginning on January 1, 2026.

The individual who fills an officer position will need to have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be able to provide the dedication of time and energy to effectively serve in this capacity.

Mrs. Carol Lee Gonzales-Brady, Director of Rancho California Water District, has been nominated by her agency for the position of Vice President of ACWA.

The Board of Directors has reviewed Mrs. Gonzales-Brady’s experience, background, and representation in various associations, and believes she possesses the qualities needed to well serve ACWA and fulfill the duties of Vice President.

THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT THEREFORE RESOLVES AS FOLLOWS:

Section 1. Trabuco Canyon Water District hereby supports the nomination of Carol Lee Gonzalez-Brady for the position of Vice President of ACWA.

Section 2. The Secretary is hereby directed to send a certified copy of this Resolution to ACWA.

ADOPTED, SIGNED AND APPROVED this 16th day of July, 2025.

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a regular meeting of such Board held on the 16th day of July, 2025, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

STATE OF CALIFORNIA)

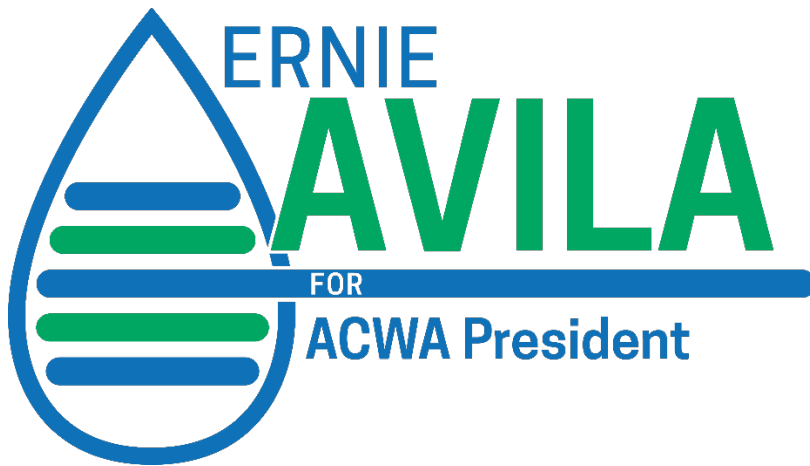
) ss.

COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2025-1356 of such Board and that the same has not been amended, rescinded or repealed.

Dated this 16th day of July, 2025.

District Secretary,
Trabuco Canyon Water District



“The Association of California Water Agencies (ACWA) truly represents the nexus of knowledge and leadership in water for California. As the current Vice-President of the Association of California Water Agencies (ACWA), I am most proud of the thought, energy and collaboration that went into developing the 2025-’29 Strategic Plan. I want to be the next ACWA President to continue the momentum we have built focusing on four primary goals of Advocacy, Connections, Education and Organizational Effectiveness. This Strategic Plan is about finding new ways to benefit the members of ACWA as we navigate the shifts in water policy at the state and federal level. My commitment is to unify our collective efforts and better assert ACWA’s leadership in shaping California’s water policy.”

– Ernesto (Ernie) Avila, P.E.

ACWA LEADERSHIP

- Vice-President
- Executive Committee of the ACWA Board of Directors
- ACWA Strategic Plan Task Force Chair
- ACWA Region 5 Board of Directors
- ACWA JPIA Executive Committee

ACWA COMMITTEES

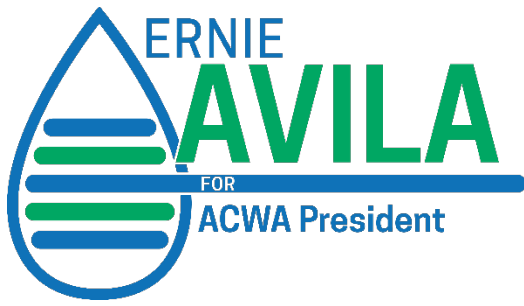
- Local Government Committee, Chair
 - Property Tax Working Group
 - Housing Densification Working Group
 - Paving Standards Working Group
- Federal Affairs Committee
- Foundation Fundraising Working Group

CONTRA COSTA WATER DISTRICT

- Contra Costa Water District, Board President
- Operations & Engineering, Committee Chair
- East Bay Leadership Council, Director

PROFESSIONAL EXPERIENCE

- Vice-President, Avila and Associates Consulting Engineers, Inc.
- Monterey Peninsula Water Management District, General Manager
- Director of Engineering, Contra Costa Water District
- California Urban Water Agencies, Executive Director



Ernesto (Ernie) Avila, PE Board President Contra Costa Water District

Recent ACWA and Regional Water Coalition Experience

Association of CA Water Agencies (ACWA). I have had the honor of supporting ACWA over twenty years at the regional, state and federal level. My recent ACWA experience has included serving on ACWA's:

- Vice President
- Executive Committee of the ACWA Board of Directors
- Strategic Plan Task Force Chair
- Region 5 Board of Directors
- ACWA JPIA Executive Committee of the Board
- Local Government Committee (Chair)
 - Property Tax Working Group
 - Housing Densification Working Group
 - Paving Standards Working Group
- Federal Affairs Committee
- Foundation Steering Committee
 - Foundation Fundraising Working Group



Most recently, I led ACWA's effort to develop the 2025 – 2029 Five-Year Strategic Plan. This work included revising ACWA's mission, vision and values followed by identifying four primary goals: Advocacy, Connections, Education and Organizational Effectiveness. This Plan will provide a framework to unify the ACWA community and better assert our leadership in shaping California Water Policy.

I led ACWA's assessment of potential water industry impacts associated with Sacramento-based housing initiatives including Auxiliary Dwelling Units, Commercial Properties and Transit Center Hubs and led a workshop to consider potential ACWA next steps associated with these new initiatives and their related changes to water agency fees and charges. I also participated in the ACWA Foundation Steering Committee including several related Ad Hoc committees and contributed to Federal Affairs Committee work groups associated with the Water Infrastructure Finance and Innovation Act (WIFIA).

Multi-State Salinity Coalition (MSSC). For over 20 years, I have served as Program Director and Board member of MSSC which consists over 30+ water agencies from New Mexico, northern and southern California, Nevada, Colorado, Arizona and Texas. The MSSC mission is to promote advancements in technologies for desalination, reuse, salinity control strategies (watersheds and agriculture), water/energy efficiencies and related policies that will assist communities in meeting their water needs. I also helped to establish relationships regarding salinity management and desalination with water agencies in Australia, Mexico and Israel. In February 2023, the MSSC awarded me with the **MSSC "Salt of**

the Earth” National Award for outstanding commitment, leadership, vision and dedication to our water industry.

Contra Costa Water District (CCWD). As President of CCWD, I am focused on the investments needed in infrastructure to serve our community and improve water supply reliability today and into the future. The aging Contra Costa Canal, built by the Bureau of Reclamation in 1930s, is the backbone of CCWD’s water system and essential to water system reliability for the region. In order to move forward with plans to replace the aging canal with a pipeline, I worked closely with federal legislators to secure needed legislation to transfer title of the facility from Reclamation to CCWD.

California Urban Water Agencies (CUWA). As Executive Director, I led CUWA’s effort in the development of Department of Water Resources (DWR) Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use as part of the Water Conservation Act of 2009 (Senate Bill X7-7) with our southern and northern California water agency members. I also made certain that CUWA’s finances and practices were sound and transparent.

Northern California Salinity Coalition. As Executive Director, I led a coalition of ten San Francisco Bay Area water agencies in crafting grant application strategies and DWR outreach that would demonstrate the value of supporting watershed management, brackish desalination and groundwater project associated with salinity management. Working with the Coalition agencies, we secured the largest Proposition 50 grant funding for our region.

Professional Work Experience (40 years)

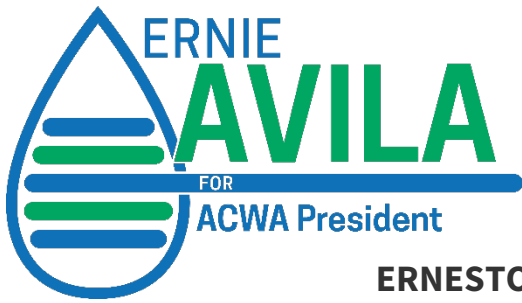
- Vice-President, Avila and Associates Consulting Engineers, Inc.
- General Manager, Monterey Peninsula Water Management District
- Director of Engineering, Contra Costa Water District
- Associate Engineer, East Bay Municipal Water District
- Construction Manager, CH2M Hill
- Professional Civil Engineer (California – C41727)

Community Service Experience

- Contra Costa Water District, President of the Board
- John Muir Community Health Fund Board of Directors (Treasurer)
- Association of California Engineering Companies – Chair of the Healthcare Trust (non-profit)
- Knights of Columbus, Scholarship Chair
- St. Francis of Assisi School Board, President
- City of Concord, CA – Planning Commission, Chair
- City of Concord, CA – Design Review Board
- City of Walnut Creek, CA – Transportation Commission, Vice-Chair

Education and Related Credentials

- B.S. – Civil Engineering, Santa Clara University
- M.B.A. – St. Mary’s College of California
- Professional Civil Engineer (California – C41727)
- California Farm Bureau Member



ERNESTO (ERNIE) AVILA | BIOGRAPHY AND QUALIFICATIONS

Ernesto (Ernie) A. Avila, P.E., was appointed in March 2016 to represent Division 3 for the Contra Costa Water District, which includes eastern Concord, Clayton, and part of Walnut Creek and Pleasant Hill. He began serving as President in May 2022.

Mr. Avila has over 42 years of professional experience in planning, environmental compliance, regulation, design, and construction of water, wastewater and recycled water works and municipal facilities in excess of \$10 Billion in value. He is currently Vice-President of a private civil and environmental engineering firm.

Mr. Avila has been involved with the Association of California Water Agencies (ACWA) for over twenty years at the regional, state and federal level. He currently serves as Vice President. He has also represented ACWA members on the Executive Committee of the ACWA Board of Directors, Region 5 Board, Local Government Committee (Chair), Federal Affairs Committee, ACWA Foundation Steering Committee and the ACWA JPIA Executive Committee of the Board.

Over his first year as Vice President, Mr. Avila led ACWA's effort to develop the 2025-'29 Strategic Plan which identifies four primary goals of Advocacy, Connections, Education and Organizational Effectiveness. This Plan provides clearly defined strategies and objectives to achieve each goal and 50 key performance indicators to gauge progress. The aim of this effort is to unify our collective efforts and better assert ACWA's leadership in shaping California's water policy

For the community, Mr. Avila has volunteered for many citizen-based committees / organizations including the Walnut Creek Transportation Commission, the Concord Planning Commission, the John Muir/Mount Diablo Community Health Fund, the Knights of Columbus, the East Bay Leadership Council, and the St. Francis of Assisi School Board. While working full time, he has made volunteering in the community a priority, representing his neighbors and family on important issues that affect their everyday life.

Mr. Avila is passionate about water issues in his professional life, working on a variety of issues statewide during his career. Among several relevant positions, he served as Director of Engineering at Contra Costa Water District before moving on to become General Manager of Monterey Peninsula Water Management District. He also served as Executive Director for the California Urban Water Agencies, Program Director for the Multi-State Salinity Coalition, and

is on the Executive Committee of the Association of California Water Agencies Board of Directors and ACWA JPIA. He has experience on water projects of all shapes and sizes, including water treatment plant improvements, dam retrofits, and watershed management and habitat conservation projects. In recognition of his work, Mr. Avila recently received the 2023 ***“Salt of Earth” Award*** by the Multi State Salinity Coalition for his commitment, leadership, vision and dedication to the water industry by promoting advancements in technologies for desalination, reuse, salinity control strategies, water/energy efficiencies, and related public policies that assist communities in meeting water needs.

Mr. Avila lives in Clayton with his family and is a licensed civil engineer with a Bachelor of Science in Civil Engineering from Santa Clara University and a master’s degree in Business Administration from St. Mary’s College of California. He is also a proud member of the California Farm Bureau.

RESOLUTION NO. 2025-1355

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TRABUCO CANYON WATER DISTRICT
IN SUPPORT OF THE NOMINATION OF ERNIE AVILA
AS PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES**

Trabuco Canyon Water District (“**TCWD**”) is a member of the Association of California Water Agencies (“**ACWA**”).

ACWA has formed a Nominating Committee for the positions of President and Vice President for a two-year term of office beginning on January 1, 2026.

The individual who fills an officer position will need to have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be able to provide the dedication of time and energy to effectively serve in this capacity.

Mr. Ernesto Avila, President of Contra Costa Water District, has been nominated by his agency for the position of President of ACWA.

The Board of Directors has reviewed Mr. Avila’s experience, background, and representation in various associations, and believes he possesses the qualities needed to well serve ACWA and fulfill the duties of President.

THE BOARD OF DIRECTORS OF THE TRABUCO CANYON WATER DISTRICT THEREFORE RESOLVES AS FOLLOWS:

Section 1. Trabuco Canyon Water District hereby supports the nomination of Ernesto Avila for the position of President of ACWA.

Section 2. The Secretary is hereby directed to send a certified copy of this Resolution to ACWA.

ADOPTED, SIGNED AND APPROVED this 16th day of July, 2025.

TRABUCO CANYON WATER DISTRICT

By: _____
President/Vice President

By: _____
District Secretary

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of said District at a regular meeting of such Board held on the 16th day of July, 2025, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at said meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Secretary,
Trabuco Canyon Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE)

I, Michael Perea, District Secretary of the Trabuco Canyon Water District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2025-1355 of such Board and that the same has not been amended, rescinded or repealed.

Dated this 16th day of July, 2025.

District Secretary,
Trabuco Canyon Water District

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

ACTION CALENDAR

LEGISLATIVE AND OTHER MATTERS

ITEM 16: LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL MATTER(S)

Staff may provide information at the time of the meeting.

RECOMMENDED ACTION:

Receive information at the time of the meeting and take action(s) as deemed appropriate.

CONTACTS (staff responsible): PALUDI/COLLINS

**TRABUCO CANYON WATER DISTRICT
REGULAR BOARD MEETING | JULY 16, 2025**

**ACTION CALENDAR
LEGISLATIVE AND OTHER MATTERS
ITEM 17: REPORT OF ACTION(S) TAKEN IN CLOSED SESSION**

RECOMMENDED ACTION:

Provide announcement of action(s) taken in Closed Session, if any.

CONTACTS (staff responsible): PALUDI/COLLINS