

2022 - 2023

ANNUAL BUDGET

LAGUNA BEACH COUNTY WATER DISTRICT

LAGUNA BEACH COUNTY WATER DISTRICT

Adopted: June 23, 2022

Board of Directors

Sue Kempf, President
Bob Whalen, Vice President
Peter Blake
Toni Iseman
George Weiss

Commission

Deborah Neev, Chair
David Horne, Vice Chair
John Leonti
Mark Lewis
Walter Stender

TABLE OF CONTENTS

1	Fiscal Year 2022/23 Budget Message	1
2	District Overview	4
	History of the District	4
	The District Today	4
	Operations	4
	How the District is Governed	5
	District Service Area Map	5
3	Departments and Personnel	6
	General Manager’s Office.	6
	Administration.	6
	Finance	8
	Engineering	9
	Operations	10
	2021/22 & 2022/23 Staffing Comparison	12
	District Organization Chart	13
4	District Financial Policies	14
	Reserve Policy	14
	Investment Policy	14
	Debt Management Policy	14
	Capital Asset Policy	14
	Purchasing Policy	14
5	Basis of Accounting and the Budget Process	16
	Budgetary Control	16
	The District’s Budget Process	16
	Budget Timeline	17
6	Budget Assumptions	18
	Labor	18
	Benefits	18
	Water Purchases	18
	Water Sales	19
	Revenues, Expenses, Reserves, and Capital Balances.	19
7	Major Revenue Sources	22
	Water Sales	22
	Property Taxes	22
	Antenna Leases	23
	Investment Interest Income	23
	Analysis of 2022/23 Sources and Uses of Funds	24
	FY 2022/23 Projected Revenues	25
	FY 2022/23 Projected Expenses.	26
	Five-Year Sources and Uses of Funds Forecast	27

TABLE OF CONTENTS (continued)

8	Budget Overview.	.28
	2022/23 Operating Budget . . . . .	.28
	2022/23 Capital Budget . . . . .	.29
	2021/22 & 2022/23 Operating Budget Comparison . . . . .	.32
	2022/23 Operating Budget Summary by Expense . . . . .	.33
	2022/23 Capital Budget Summary . . . . .	.34
9	2022/23 Operating Budget Detail	.35
	Source of Supply. . . . .	.36
	Pumping . . . . .	.37
	Transmission and Distribution . . . . .	.38
	General Manager’s Office. . . . .	.39
	Administration and Customer Service. . . . .	.40
	Water Use Efficiency . . . . .	.41
	Finance . . . . .	.42
	Engineering . . . . .	.43
10	2022/23 Capital Budget Detail	.44
	2022/23 Capital Budget Detail . . . . .	.45
	Joint Powers Projects. . . . .	.46
	Reservoir and Pump Station Projects . . . . .	.47
	Transmission and Distribution Projects . . . . .	.48
	Office Equipment and Technology . . . . .	.49
	Equipment and Vehicles . . . . .	.50
	Facility Projects . . . . .	.51
	Capital Project Detail. . . . .	.52
	Map Overview of Capital Improvement Projects. . . . .	.53
	Facility Projects . . . . .	.54
11	Resolutions.	.59
	Resolution 876 - Laguna Beach Water District Fee Schedule . . . . .	.60
	Resolution 877 - Establishing District Job Classification Plan & Salary Ranges . . . . .	.79
	Resolution 878 - Adopting the Laguna Beach Water District 2022/23 Budget . . . . .	.82
12	Appendices.	.83
	Glossary . . . . .	.84
	Laguna Beach Water District Rate History, 1975-Present . . . . .	.86
	Analysis of Laguna Beach Water District COLA History . . . . .	.88
	2013-2023 Strategic Plan Goals and FY 22/23 Recommended Action. . . . .	.89

FISCAL YEAR 2022/23 BUDGET MESSAGE

To our Ratepayers, Commission, and the Board of Directors of the Laguna Beach County Water District:

On behalf of the Laguna Beach County Water District (LBCWD), we are pleased to present for your consideration our 2022/23 Fiscal Year Operating and Capital Improvement Budget. The budget provides a forecast of the sources and uses of funds and serves as a managerial tool for guiding the District towards achieving its goals outlined in the Strategic Plan. Our Strategic Plan is used to set priorities, focus energy and resources, strengthen operations, ensure that employees are working toward common goals, and assess and adjust the District's direction in response to the changing environment. This plan defines the priorities and influences the development of the budgetary commitments needed in the upcoming fiscal year. This budget message highlights some of the significant goals and priorities accomplished in the current budget year and highlights priorities for the coming year.

As we enter into another significant drought, we are reminded again of the importance of having a resilient and reliable supply of water and the need to continue to look ahead to ensure we never have to worry about our water supply. Water is crucial to the viability of our community, losing that resource can quickly and deeply impact our property values, our business enterprises, and all aspects of our livelihood, down to the simple everyday activities at home. The FY 2022/23 budget is focused on securing and moving toward improving the resiliency and reliability of our water supply as well as the resiliency and reliability of the water system and employees that play critical roles in delivering the water to our homes, schools, and businesses.

The District's Water Supply Sources

Our water supply today comes from the State Water Project and Colorado River water imported to the District through the Metropolitan Water District of Orange County (MWDOC) and through our groundwater that is delivered to the District from the City of Newport Beach. While the MWDOC water continues to be reliable, our groundwater delivery from the City of Newport Beach has become increasingly unreliable. In the upcoming year, we are focused on increasing the reliability of our groundwater through alternate arrangements. As part of this effort, we will be evaluating the Doheny Desalination Project as an additional water source to add to our supply portfolio to offset possible future reliability issues to our MWDOC water from ongoing droughts or seismic events. One of the key focus areas of our Strategic Plan calls for diversification of water supply sources.

Water Affordability and Cost of Service

In January 2021, District staff embarked on a rate study aimed at updating rates to meet the current and projected costs of providing water service to District customers and adjusting the bases and formulas underlying customer rates and charges.

There have been many changes to the District's water supply arrangements, cost structures, and operations since the last cost of service analysis and water rate study was completed in 2014. In addition, the rate setting environment in California has changed, with defensibility and transparency of rate structures and methodologies scrutinized more than ever before. Given these conditions, the rate study effort factored in the following components:

- ◆ An historic state-wide drought in 2015 and a current drought have permanently affected how we view the supply, management, and use of water throughout the state.
- ◆ In 2016, a groundwater rights agreement between the District and the Orange County Water District was executed, allowing the District to procure up to 2,025 acre feet of groundwater from the Santa Ana Basin. Unfortunately, in 2020, the District's conveyor of groundwater, the City of Newport Beach, experienced difficulties with its wells which has restricted groundwater delivery to the District. As a result of this condition, the District has not received groundwater for most of the year and may not receive groundwater in the next year or two until well reliability issues improve at the City. This situation requires that the District buy more expensive imported water to meet customer demand.
- ◆ In 2017, the District installed "smart meters" for each District customer. These meters allow customers the ability to monitor their water usage in 'real time, but also gives District staff new data regarding customer water demand. These data are considered in the new rate study effort.
- ◆ The District is embarking on a much-needed capital asset replacement and rehabilitation program thus improving District assets to ensure water supply reliability to all customers.

In consideration of these components, District staff developed a detailed, cost causative allocation and distribution methodology to set District water rates for the next five years. This approach provides a strong nexus between customer rates and the cost of supplying water service to each customer class. As a result, and after a Proposition 218 noticing and majority protest process, the District's Board voted to increase rates for the first time in almost 3 years in this budget cycle. The increase in rates will cover infrastructure replacement and operating cost increases that have been passed on to us by our vendors. Increasing rates this year will mitigate higher increases in future years.

In addition to the Rate Study, District staff updated the District's comprehensive fee study and resulting schedules for miscellaneous fees (user fees) and water capital fees (water capacity fees). The findings of this study indicate that current fees in both categories need revision to reflect the current cost of providing service to individual applicants, as well as adjusting the water capacity fees for new and upsized meter connections to ensure available capacity for future demand.

Key Budget Items

The FY 2022/23 Budget includes many projects and operating items that support the continued health of the water system and the employees that run the system. Key projects include the replacement of the Rim Rock Reservoir, the Temple Hills 800 Pump



Station replacement, and the annual hydrant and valve replacement projects. The Budget includes a remodel of the outdated employee locker room and the relocation and construction of a new fuel tank. The Budget continues to fund our key annual maintenance programs like the annual reservoir inspection and maintenance program, the annual transmission main maintenance programs, and our annual water quality programs. The FY 2022/23 Budget accounts for unprecedented inflation that all of us are experiencing and includes a 4 percent CPI adjustment, additional funding for paving projects, and additional funding for cost increases from purchased water, purchased power, data management services, and State fees from the California Department of Drinking Water.

Our Financial Health

Today, the District is financially sound, with rates in place to support our ongoing capital and operating needs while sustaining adequate reserve balances for emergencies. Finally, we are pleased to report that the District received an unmodified, clean audit for FY 2020/21. This marks the 3rd consecutive year the District has received a clean audit report.

Future Outlook and Conclusion

The Governor of the State of California has again proclaimed a state of emergency due to unprecedented drought conditions, that continue to worsen, in the state. At this point in time, California is in a more dire situation as compared to this point in time last year. The District will continue to prioritize drought response and preparedness resources, increase resilience of our water supplies and systems, and ensure that the potential impacts of drought are anticipated and proactively addressed. Through an ambitious capital improvement program, the District will ensure a reliable and safe water supply while adhering to a prudent fiscal policy which plans for the future by acting now and prioritizing projects for unknowns like drought and other natural disasters.

In closing, these key initiatives, in addition to District daily operations, enables continued high-quality and reliable water service to our customers. In the coming year, the District will carefully manage appropriate infrastructure expenditures while remaining committed to the strategic management of water resources and finances to meet customer needs. We look forward to another year of meeting the Strategic Plan goals and objectives outlined in detail later in this document.

Respectfully submitted,

Keith Van Der Maaten, General Manager

Brian Jewett, Ph.D, Manager of Finance

DISTRICT OVERVIEW

Since 1925, the Laguna Beach Water District (District) has proudly provided retail water service to our customers. The mission of the District is to furnish a high quality, reliable water supply in a financially responsible manner, while promoting water-use efficiency.

History of the District

Until the early 1920's, the residents of Laguna Beach relied on privately owned shallow wells and intermittent rainfall for their water supply. Then, in the mid-20s, poor water quality and well failure combined to make an alternate water source urgent. The Laguna Beach County Water District was created by public vote in 1925. A year later, District voters approved a \$600,000 bond issue to purchase a well site in Huntington Beach, construct a transmission line, and acquire an existing private water company to provide service. The original bond was paid off in 1955.

With its continuing growth, the District was unable to rely solely on its wells and looked to imported water supplies. In 1943, it started purchasing 100 percent of its supply from Colorado River water supplied by the Metropolitan Water District of Southern California. The District remained solely dependent on imported water supplies until 2016 when an historic agreement was reached with the Orange County Water District. The agreement reestablished the District's right to resume its groundwater pumping in the Santa Ana Basin, ensuring that more than half of the District's water supply would be provided locally.

The District Today

The District's water is provided from local groundwater supplies (Santa Ana River Basin) and imported water from the Colorado River and Northern California. In our continuing efforts to supply a reliable source of water for the community, the District continues to look into other water supply projects as future additional sources of water. The District provides water services to approximately 19,240 people within an 8.5 square mile area of southern Orange County, including portions of the city of Laguna Beach and Crystal Cove State Park.

On January 1, 2004, Emerald Bay Services District was de-annexed from the District's service area. This represents approximately 1,086 customers (551 services) or 6 percent of the District's services and accounts for approximately 247 acre feet of water provided by the District. The District continues to provide water service and administrative support through an agreement with Emerald Bay Services District.

The District's 8,730 service connections are mostly residential water users. This year the District will purchase about 3,440 acre-feet of water. This is equal to approximately 1.12 billion gallons delivered on an annual basis. An acre-foot of water is enough to cover a football field one-foot deep or serve two average sized households for a year.

Operations

There are 21 water storage reservoirs with a total storage capacity of 33.5 million

gallons within the District, providing up to approximately ten days of water to the community in the event of an emergency. These reservoirs are located within five elevation zones to ensure reliable distribution to all customers. They are monitored by the District's state-of-the-art telemetry system, allowing District personnel to manage water distribution throughout the system from the District's headquarters. District staff operates and maintains 37 pumps in 12 pumping stations, a total approximate connected horsepower of 2,660. The system encompasses 135 miles of distribution pipelines, which range in diameter from 4 to 16 inches.

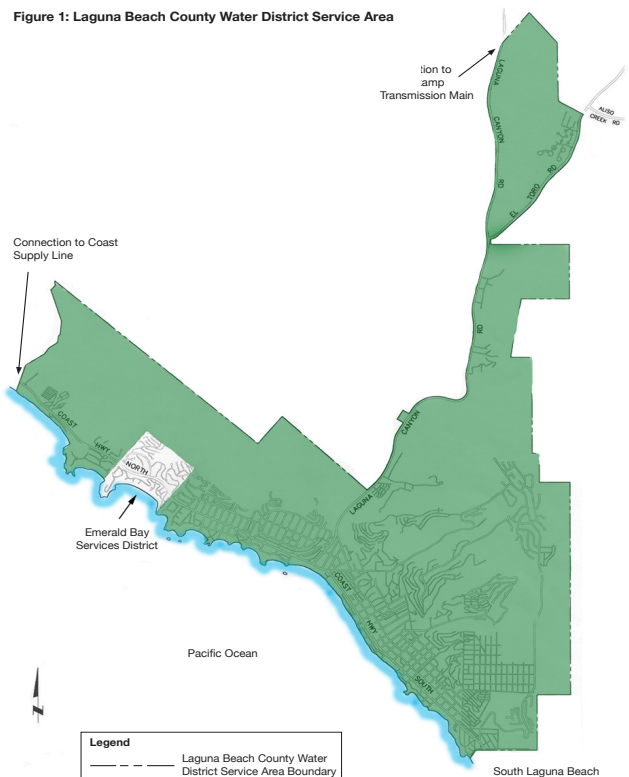
As lead agency in a joint powers relationship with the Irvine Ranch Water District, City of Newport Beach, and the Santa Margarita Water District, the District also operates and maintains the Aufdenkamp and the Coast Supply transmission lines. These pipelines range in size from 24 to 42 inches in diameter and provide the District's imported water supply.

How the District is Governed

The publicly-elected Laguna Beach City Council members serve as the Board of Directors of the District, providing local control over the policies and decisions affecting water service in the community. The Board meets quarterly, the public is always welcome at the meetings.

A District Commission is appointed by the Board to serve in an advisory capacity to the Board. The Commission meets the second Tuesday of each month at 4:30PM in the District's offices at 306 Third Street, Laguna Beach. Meeting dates can be obtained by contacting the District or viewing the calendar on the District's website. The public is always welcome at the meetings.

District Service Area Map



DEPARTMENTS AND PERSONNEL

General Manager's Office

The overall management of the District falls under the responsibility of the General Manager. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The General Manager provides leadership, initiates strategic planning, and implements the goals and the vision of the Board of Directors.

Within the purview of the General Manager's office is the District's Human Resources activities and responsibilities. Human Resources is responsible for ensuring that the District initiates and facilitates strategies for building a workforce which supports and enhances the organizational objectives and values. In addition to workforce development, the division is responsible for overseeing employee benefits, classification and compensation, policies and procedures, employee relations, administrative support, and employee development.

Accomplishments for FY 2021/22

- ◆ Completed an initial evaluation of groundwater reliability and desal options.
- ◆ Completed an update to the District's Strategic Plan.
- ◆ Oversaw the strategic direction associated with the District's 5-year water cost of service and rate study. Communicated frequently with the District Board of Directors and Commission during the process to develop appropriate rate-setting policies, to ensure Board and Commission input was incorporated in the process, and to meet all established milestones from the beginning of the process to final rate implementation.

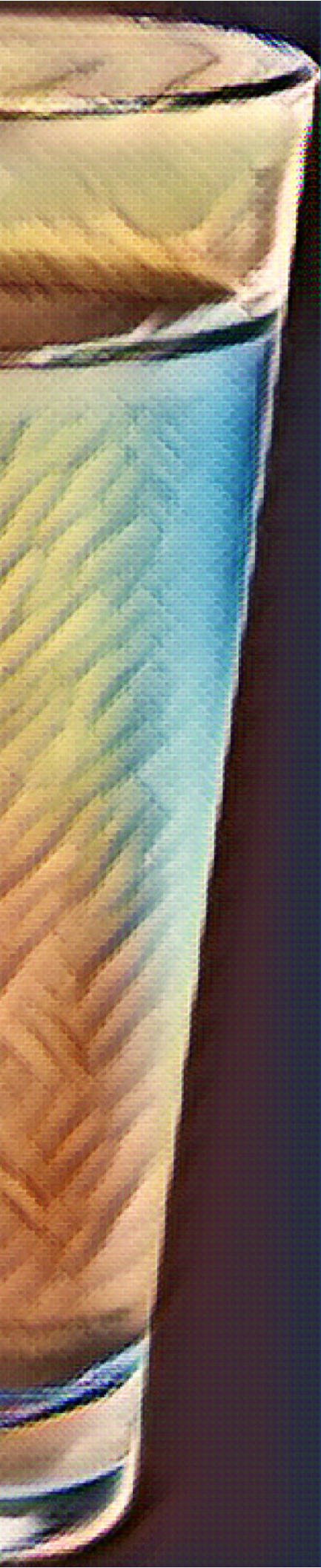
Goals for FY 2022/23

- ◆ Continue Doheny Desal evaluation and obtain board decision on next step(s).
- ◆ Continue Groundwater reliability evaluation and obtain board decision on next step(s).
- ◆ Complete an Update to the Emerald Bay Service Agreement.
- ◆ Complete an Update to the District's Succession Plan.
- ◆ Complete an Update to the District's Employee Appraisal Process.

Administration

The District's Administration Department is responsible for providing support in the District's day-to-day operations including; preparing Board of Directors, Commission, and committee documents; implementing the District's Strategic Initiatives; maintaining public records; executing adopted policies; serving as the liaison to other government agencies; monitoring state and federal legislation; emergency preparedness; and ensuring transparency compliance.

In addition, Public Affairs, Customer Service, Water Use Efficiency, Information Technology, and Risk and Resiliency all fall within the purview of the Administration Department.



Public Affairs: The department is responsible for communicating accurate and timely information about District services, projects, activities and programs, and for promoting the District's water use efficiency initiatives. These efforts utilize multiple platforms, including the internet, print, video, personal contact, education programs, publications, tours, and social media. The District's communication program serves the District and its customers by, creating and maintaining credibility and public trust, by increasing customer awareness of the services we provide, promoting the District's value, activities and events of significance, conveying accurate, timely information to the public on a variety of District-related issues, and promoting transparency and easy-to-access information.)

Customer Service: Customer Service is responsible for timely and effective response to customer requests for service. This department provides frontline interface in the field and all direct office services to District customers. This includes producing bi-monthly water bills, collecting revenues from bi-monthly billings and user fees, and dispatching technicians to satisfy customer requests for service and resolve customer service concerns. Included in this area is data collection, responsibility for smart meter communication and system maintenance, and oversight of outside contractors responsible for customer billing services.

Water Use Efficiency: The District is committed to encouraging efficient water use. Careful water management that includes active water use efficiency measures not only in times of drought, but at all times, is essential to ensure a reliable minimum supply of water to meet current and future water supply needs. Programs, incentives, and informational assistance are offered to customers to help them implement water conserving measures at their homes and place of business. Our Water Use Efficiency goals focus on sustainability through education, leak detection, and innovative programs, all while providing high quality water to our customers and communities in a prudent and sustainable manner. In addition, the District's award winning waterwise and fire safe demonstration garden, established in 2003, is designed to show that landscaping can be fire-safe, water efficient, and beautiful all in one design. Visitors to our office can tour the Garden and obtain free educational materials to help them in their conservation efforts.

Information Technology: The purpose of the District's information technology program is to manage and improve communication internal and external to the District. This involves communication with our customers, other agencies, and internally among staff. The program tracks the cost of developing, maintaining, and delivering the information necessary to manage the District effectively. The program includes costs for developing and maintaining the computer network and its accessibility. This includes secure access to information databases such as web, email, billing, financial, AML, and Internet Services across the local and wide area networks of the District.

Risk and Resiliency: Extreme weather events, the increasing impacts of climate change, and the threat of cyber-attacks pose a daunting challenge to water utilities. The District develops strategies, resources, plans, and procedures that can be implemented in the event of a malevolent act or natural hazard that threatens the ability of the water system to deliver safe drinking water.

Accomplishments for FY 2021/22

- ◆ 2022 winner of National Wyland Mayor's Challenge for Water Conservation marking the seventh win for the District.
- ◆ Hosted 11th Annual SmartScape Expo, October 12, 2021.
- ◆ Disposed of District property located in Huntington Beach.
- ◆ Sponsored water-related community programs and events with community partners including LB Sister City Association, LB Garden Club, Wyland Foundation, and KelpFest.
- ◆ Created a Risk and Resiliency Analyst position and reassigned an Operations Employee to the position.
- ◆ Completed move of District servers into an offsite data center, which houses the District's critical applications and data.
- ◆ Navigated through the financial challenges brought on by the COVID-19 Pandemic and maintained delinquency receivables below three (3) percent of the bi-monthly utility charges. This was achieved by offering flexible payment schedules to customers facing financial hardship.
- ◆ Applied for and received COVID Relief funding to assist customers with water arrearages. Through the program the District was able to assist customers reduce water arrearages by \$11,262.09.
- ◆ The registration adoption rate for the customer payment portal reached 50 percent of District customers. Industry standards consider 10 to 15 percent of customer registration a successful adoption.
- ◆ Staff placed over 2,900 calls and responded to over 1,500 service orders alerting customers of nonstop waterflow occurring at the property. These prompt notifications play a significant role in achieving the District's conservation goals and helps customers keep the costs of their bills down.

Goals for FY 2022/23

- ◆ Complete remodel of District Locker room, Breakroom, and Engineering/Operations offices.
- ◆ Secure State Revolving Fund Loan to finance Rimrock Reservoir and Pump Station Replacement Project.
- ◆ Implement an Alert Notification platform that will send precise SMS, email, or phone notifications to residents impacted by scheduled or emergency work.
- ◆ Coordinate with billing software provider to create module that enables mass reduction of water budgets during severe drought emergencies.
- ◆ Expand drought and water conservation awareness by promoting resources and programs available to customers to achieve a 20 percent cutback in overall water usage.
- ◆ Increase public outreach through participation in local events to promote the latest in water conservation practices and water education.

Finance

The Finance Department is responsible for ensuring the financial stability of the District. This includes developing rates, fees, and other revenue sources that support the long-term sustainability of the District. The department maintains the official accounting records of the District and provides financial management of the District's

investments, leases, and a variety of benefit plans. The department provides a wide range of accounting and financial services including payroll, accounts payable, accounts receivable, project accounting, financial analysis, financial reporting, procurement, rate and fee studies, and coordination and preparation of the District's annual operating and capital budgets. The Finance Department also oversees claims against and in support of the District, insurance issues, and antenna and property lease programs. The mission of the department is to safeguard assets and provide financial and accounting services in a timely, reliable, and cost-effective manner that meet the requirements of the District's internal and external customers.

Accomplishments for FY 2021/22

- ◆ Achieved the District's 3rd consecutive unqualified opinion for the FY 2020/21 audited financial statements.
- ◆ Completed the Finance Department critical function staff response manual and ensured that cross-training among staff was completed so that if there is an emergency, Finance-related critical functions can continue without interruption.
- ◆ Developed and managed the District's 5-year water cost of service and rate study. As part of this effort, developed a new methodology for supporting the resulting rate schedules that is more detailed and comprehensive thus enhancing defensibility and customer understanding.
- ◆ Developed a more comprehensive and user-friendly District-wide purchasing policy.
- ◆ The department developed a more dynamic and informative budget for the upcoming fiscal year (2022/23).
- ◆ The department continued its efforts to improve the District's fixed asset records.

Goals for FY 2022/23

- ◆ Work toward a 4th consecutive year of an unqualified opinion for the FY 2021/22 audited financial statements.
- ◆ Submit FY 2022/23 budget to CSMFO for its Budget Award program.
- ◆ Enlist antenna license/lease consulting services to conduct a market analysis of public agency license agreements to compare the District's current license agreement terms and conditions, such as rental amounts and application fees, with other agencies.
- ◆ Continue efforts to improve the District's fixed asset records.
- ◆ Purchase and implement GASB 87 lease reporting software. Software also has the capability to develop reports for the upcoming GASB 96 related to subscription-based IT services.

Engineering

The Engineering Department oversees the management of the District's capital improvement projects, water resource management, water master plan, hydraulic model, and various other engineering and planning aspects. Engineering assists in the evaluation, planning, budgeting, and execution of capital projects to improve the efficiency of the water system. The department provides development oversight by calculating fees and charges, performs hydraulic modeling fire flow requests, checking plans for conformity with District standards, inspecting development and District projects, performing construction outreach, processing and tracking capital progress payments, managing maps and records of completed projects, and overseeing several regulatory functions and related permitting.

The Department also manages the District's water quality programs to ensure the District meets and exceeds all state and federal water quality standards by implementing State-approved testing and monitoring compliance plans. This includes administering a Cross-Connection Control program to keep the public drinking water supply safe from potential contamination through annual testing of backflow prevention devices.

The Department manages the District's Geographic Information Systems; updating and maintaining GIS and AutoCAD databases for water facilities from construction drawings to As-Built information; performs data capturing and conversion, data entry, and graphic editing activities; develops user friendly file management systems and completes geographic data analyses.

Accomplishments for FY 2021/22

- ◆ Completed annual fire hydrant and valve replacement Capital projects.
- ◆ Completed various system improvement Capital projects, including cast-iron pipeline replacement along Mountain Road, isolation valves along PCH, relocation of an air-vac valve for water quality compliance, and a pipeline replacement for improved fire flow along Juanita Way.
- ◆ Completed Joint Powers Agreement rehabilitation work at El Morro No. 1 Reservoir.

Goals for FY 2022/23

- ◆ Implement the Fuel Storage Relocation project to become compliant with the most current Underground Storage Tank (UST) regulations.
- ◆ Implement annual Capital improvement projects, such as fire hydrant and valve replacements.
- ◆ Continue to coordinate with outside agencies for Capital projects related to utility relocations, including the Orange County Flood Control District channel improvement project (at Sawdust Festival), the Caltrans PCH ADA and sidewalk improvements, and County / City Fire authorities helicopter fill stations.

Operations

The mission of the District's Operations Department is to operate and maintain the District's potable water system in an efficient, cost effective and environmentally safe manner that provides a high level of customer satisfaction. The department manages the District's assets to ensure optimal life expectancy, reliability, efficiency and safety goals while providing the highest level of customer satisfaction.

The potable water distribution program delivers clean, reliable potable water to the District's approximately 8,700 service connections in a safe and cost-effective manner. The system includes 135 miles of transmission and distribution pipelines, 21 storage tanks/reservoirs, 37 pumps within 12 pump stations, 3395 valves, and 832 fire hydrants. Maintenance services maintain and repair the District's electrical, mechanical, instrumentation, fleet and facility assets to ensure safe, reliable, and cost effective operation.

The department also administers a safety program that supports the District's efforts to provide a safe work environment for employees. These efforts involve training,

maintaining, and updating safe work practices, supporting incident investigations by capturing pertinent data for analysis, coordinating emergency preparedness, submitting regulatory reports, and providing safety expertise and advice.

Accomplishments for FY 2021/22

- ◆ Completed the El Morro No. 1 Reservoir Rehabilitation project.
- ◆ Completed the SCADA Improvement project.
- ◆ Developed a Department Safety Program.
- ◆ Completed the 2021/2022 Valve Replacement project.
- ◆ Initiated the Viejo Pump Station Pump Control Valve Replacement project.
- ◆ Completed the Tia Juana Reservoir Altitude Valve Rehabilitation project.
- ◆ Completed the Cathodic Protection project on the pipeline from Viejo reservoir to Zitnik reservoir.
- ◆ Completed the Generator Rehabilitation project at Viejo Pump Station.
- ◆ Completed the Meter Replacement project at the Santa Margarita Water District connection.
- ◆ Improved water quality throughout the distribution system by installing mixer pumps at each reservoir site where Reservoir Management Systems (RMS) were not already present.
- ◆ Completed the quinquennial Sanitary Survey with State Water Resources Control Board-Division of Drinking.

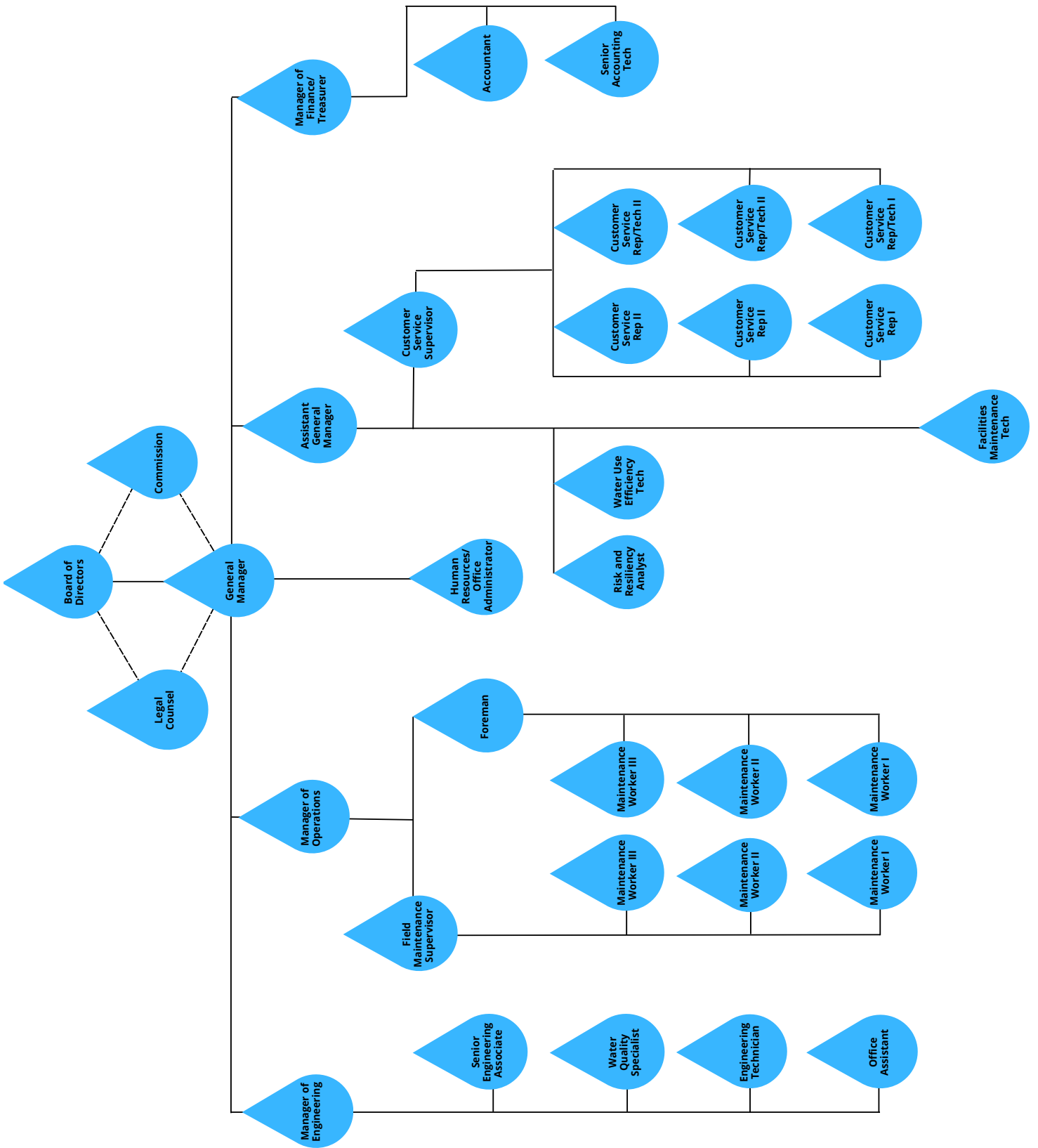
Goals for FY 2022/23

- ◆ Assist Engineering with the design and construction of helicopter water refilling stations at the Zitnik and Ridge reservoir sites.
- ◆ Achieve compliance with the new United States Environmental Protection Agency Federal drinking water regulation; the Lead and Copper Rule Improvements (LCRI). Complete inventory of all water service lines.
- ◆ Assist Engineering with the design and construction of upcoming FY 22/23 Capital Improvements Projects.

2021/22 & 2022/23 STAFFING COMPARISON

DEPARTMENT AND POSITION TITLE	ADOPTED 2021/22	ADOPTED 2022/23
LEGISLATIVE AND ADVISORY		
BOARD OF DIRECTORS	5	5
COMMISSION	5	5
	10	10
GENERAL MANAGERS OFFICE		
GENERAL MANAGER	1	1
HUMAN RESOURCES/OFFICE ADMINISTRATOR	1	1
	2	2
ADMINISTRATION/CUSTOMER SERVICE		
ASSISTANT GENERAL MANAGER	1	1
CUSTOMER SERVICE SUPERVISOR	1	1
PUBLIC AFFAIRS OFFICER	-	-
RISK AND RESILIENCY ANALYST	-	1
CUSTOMER SERVICE REPRESENTATIVE III	-	-
CUSTOMER SERVICE REP/TECH III	-	-
WATER USE EFFICIENCY SPECIALIST II	-	1
WATER USE EFFICIENCY SPECIALIST I	-	-
CUSTOMER SERVICE REPRESENTATIVE II	4	4
CUSTOMER SERVICE REP/TECH II	1	-
CUSTOMER SERVICE REPRESENTATIVE I	-	-
CUSTOMER SERVICE REP/TECH I	-	-
FACILITIES MAINTENANCE TECHNICIAN	1	1
	8	9
OPERATIONS		
MANAGER OF OPERATIONS	1	1
FIELD MAINTENANCE SUPERVISOR (ASST. OPS MANAGER)	1	1
FOREMAN	3	3
MAINTENANCE WORKER III	6	6
MAINTENANCE WORKER II	10	9
MAINTENANCE WORKER I	-	-
	21	20
ENGINEERING		
MANAGER OF ENGINEERING	1	1
SENIOR ENGINEERING ASSOCIATE	1	1
WATER QUALITY SPECIALIST	1	1
ENGINEERING TECHNICIAN	1	1
PERMIT SPECIALIST	-	-
OFFICE ASSISTANT	1	1
	5	5
FINANCE		
MANAGER OF FINANCE/TREASURER	1	1
ACCOUNTANT	1	1
SENIOR ACCOUNTING TECHNICIAN	1	1
	3	3
TOTAL LBCWD POSITIONS	49	49

District Organization Chart



DISTRICT FINANCIAL POLICIES

Reserve Policy

The current version of the District's Reserve Policy was adopted by Resolution of the Board on June 18, 2015. The Reserve Policy is intended to ensure adequate reserves for ongoing operating and capital needs. The reserve levels established in the policy also help provide rate stabilization and ensure adequate fund levels to meet aging infrastructure replacements and unanticipated emergencies. The Board receives reports of the reserve levels monthly and again during a quarterly financial summary process to ensure continued conformance with long-term Board strategy.

Investment Policy

The District's Investment Policy, the most recent version of which was adopted by Resolution of the Board on May 20, 2021, is intended to provide guidelines and restrictions for prudent investment of the District's cash reserves. The District's portfolio is carefully monitored by the General Manager and the Manager of Finance/Treasurer. The Commission and the Board receive monthly reports on the type of investments, the current yield, maturity dates, and market value, as appropriate. The criteria for selecting investment options are, in order of priority, safety, liquidity, and yield.

Debt Management Policy

The District's Debt Management Policy was adopted by Minute Motion of the Board on December 17, 2020. This Policy is intended to provide guidelines for the use of debt for financing District water infrastructure and project needs. The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital projects, and other financing needs while ensuring that debt is used and managed prudently in order to maintain a sound fiscal position and protect credit quality. This Policy provides the following: 1) establishes criteria for the issuance of debt obligations so that acceptable levels of indebtedness are maintained; 2) transmits the message to investors and rating agencies that the District is committed to sound financial management; and 3) provides consistency and continuity to public policy development when the Board of Directors work from guidelines that govern the planning and execution of transactions and projects.

Capital Asset Policy

The current version of the District's Capital Assets Policy was adopted by Minute Motion of the Board on May 20, 2021. The District has a significant investment in a variety of capital assets which are used to provide water services to its customers. The purpose of this policy is to ensure that the District's capital assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, generally accepted accounting principles, internal controls, and audit requirements.

Purchasing Policy

The District's Purchasing Policy, the most recent version of which was adopted by Minute Motion of the Board on December 16, 2021, contains policies and procedures governing the District's acquisition of materials, supplies, equipment, and services. Specifically, this purchasing policy 1) defines the practices governing the procurement

of supplies, materials, equipment, and services, including construction and capital improvements, for the District, 2) ensures District compliance with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (specifically, Subpart D of Uniform Guidance, Sections 200.317 through 200.327, 3) defines decision making with prudent review and internal control procedures, 4) ensures District staff maintain the highest level of integrity in procurement activities and decision making, 5) ensures District staff seek the best value for the goods and services purchased and reduce purchasing costs where feasible, and 6) maintains departmental responsibility and flexibility in evaluating, selecting, and purchasing supplies, equipment, and services. This policy is to be adhered to by all District employees when procuring supplies, services, and equipment in the course of District business.

BASIS OF ACCOUNTING AND THE BUDGET PROCESS

The basis of accounting refers to the timing of revenue and expenditure recognition for purposes of financial reporting. The District maintains its accounts on an accrual basis; that is, revenues are recognized when earned and expenses are recognized when incurred.

The District is operated and reported as a single enterprise fund, which is an accounting entity that funds and accounts for the acquisition, operation, and maintenance of governmental facilities and services that are predominantly self-supporting through customer rates and charges.

Budgetary Control

The District fiscal year budget is an essential tool for proper financial management. During the process of planning and preparing the budget, the District reassesses its plans and goals for the upcoming fiscal year as well as for future years. The budget is developed with input from management staff and is adopted prior to the start of the fiscal year (July 1). Depending on appropriation amount, the Board of Directors and Commission must approve all supplementary appropriations to the budget. The level of budgetary control, that is, the level at which expenditures cannot exceed the appropriated amount, is at the account level. The Board and the Commission monitor the budget through the annual audit, quarterly financial summary reports, and monthly financial and investment reports.

The District's Budget Process

District management staff meet in January of each fiscal year to plan the upcoming budget preparation timeline and develop budgetary and program goals and objectives for the following fiscal year. Staff develop operating budget worksheets for their respective departmental accounts and submit those worksheets to the Finance Department in March. Capital budget requests are developed based on capital facility assessments and needs and in conjunction with the District's 10-year capital improvement plan (CIP). Initial review of the preliminary budget by the Board of Directors and the Commission occurs during each body's respective dedicated budget workshop meeting in May. If the Board requests any modifications to the budget, District staff amends the budget reflecting the Board's direction. The final draft of the budget is then resubmitted to the Commission at its June meeting for approval. The final draft of the budget is then resubmitted to the Board of Directors at its June meeting for formal adoption by a motion and majority vote process. After this action, the budget is then considered final for the upcoming fiscal year. The budget may be amended during the year by Board action. This process involves requests by staff to the Board for additional funding and the Board approves or rejects the requests by motion and majority vote.

The budget timeline on the following page provides a graphical overview of the major milestones that occur for the budget preparation and the corresponding revenue and expenditure cycles.

Budget Timeline

February

- Staff meeting - Initial Budget Discussions; Budget Process begins
- Staff Meeting - Strategic Plan and Action Item review and input from management
- Commission Meeting - Discuss and provide input from Staff input on Strategic Plan Goals and recommended actions for FY 22/23
- Staff begins user fee and capacity fee updates for Fee Schedule
- Operating Budget worksheets distributed to staff

March

- Commission Committee Meetings
- Commission Meeting - Staff provides Updates to Budget and Fee Preparation Process
- Completed Operating Budget Worksheets due to Finance
- Board Meeting - Staff provides updates to budget and Fee Preparation Processes
- Capital Budget Items with descriptions due to Finance

April

- April 12, 2022 - Commission Meeting - Staff provides updates to budget and fee preparation processes

May

- May 10, 2022 - Commission Meeting - Budget Workshop (Includes Draft User and Capacity Fee Schedules)
- May 19, 2022 - Board Meeting - Budget Workshop

June

- June 14, 2022 - Commission Meeting - Budget Approval
- June 23, 2022 - Board Meeting - Budget and Fee Schedule Adoption

BUDGET ASSUMPTIONS

The proposed fiscal year (FY) 2022/23 Operating Budget is \$1,057,470 higher than the FY 2021/22 Operating Budget due to actual and projected cost increases to District operations. The following lists the breakdown of the cost increases:

Purchased Water and Power:	\$ 412,800 (Cost increase)
Equipment/Materials/Outside Services:	\$ 386,830 (Cost increase)
COLA, Merit, Benefits, CalPERS UAL Adjustments:	\$ 257,840 (Cost increase)
Total:	\$ 1,057,470

Labor

The 2022/23 labor budget is based on the following factors:

- 39 Full-time staff positions (39 in 2021/22)
- 0 Part-time positions (0 in 2021/22)
- Cost of Living Adjustment (COLA) 2022/23 - 4.0 percent. (COLA 2021/22 - 2.7 percent). The COLA is based on the U.S. Bureau of Labor Statistics annual change in the March Consumer Price Index, Urban Wage Earners and Clerical Workers, for the Los Angeles region.
- Merit range remains at 0 to 2.5 percent based on performance.

Benefits

The 2022/23 benefits budget is based on the following factors:

- PERS
 - Employer Contribution (Classic) 2022/23 – 10.87 percent (2021/22 – 10.88 percent)
 - Employee Contribution (Classic) 2022/23 – 7.00 percent
 - Employer Unfunded Liability Payment (Classic) 2022/23 - \$593,693
 - Employer Contribution (PEPRA) 2022/23 - 7.47 percent (2021/22 - 7.59 percent)
 - Employee Contribution (PEPRA) 2022/23 - 6.75 percent
 - Employer Unfunded Liability Payment (PEPRA) 2021/22 - \$4,766
- Insurance
 - Workers Comp Insurance E-Mod Rate 2022/23 - Budgeted 1.40 (Budgeted FY 2021/22 - 1.10)
 - All other Workers Comp Insurance factors estimated to remain the same for 2022/23.
 - Medical insurance premiums projected to increase January 2023 by an estimated 4.0 percent. Employee portion of medical insurance premium 2022/23 - 25 percent over single rate
 - No Dental Insurance increase.
 - All other insurance coverages remain at same levels as 2021/22.

Water Purchases

The 2022/23 projected cost for water purchases increases by \$337,800 above the 2021/22 budget. This projected increase is due to increased costs of purchased water passed on to the District by its imported water supplier.

- Water Purchases
 - Projected volume of water purchases is 3,440 acre feet (AF) of imported supply.

BUDGET ASSUMPTIONS (continued)

- 2. MWD Water Rates
 - A. Water Rate - \$1,143/AF - July through December 2022 and \$1,209/AF - January through June 2023.
 - B. Readiness to Serve Charges RTS - 2022/23 - \$138,484/yr (2021/22 - \$98,197/yr)
 - C. MWD Capacity Charges - 2022/23 - \$58,949 (2021/22 - \$63,093/yr)
- 3. MWDOC Charges
 - A. 2022/23 - \$13.75 per meter (\$13.00 in 2021/22)
- 4. Groundwater Charge

The District is not budgeting for groundwater in FY 2022/23.

Water Sales

Water sales are estimated at 3,268 AF. The District is estimating a 5.0 percent unaccounted for water loss, which is the difference between the amount of water received and the amount billed to customers. In February 2022, the District’s Board of Directors adopted Resolution 873, setting a 5-year rate setting strategy. The first increase took effect March 1, 2022. All following increases became effective on and after March 1 of each year with the last adopted rate becoming effective March 1, 2026. The Tier 1 commodity rate for 2022 is \$6.74 and the Tier 2 commodity rate is \$9.33.

Commodity Rate: The FY 2022/23 water sales revenue projection is based on the following commodity rates:

2022 Tier 1 Rate:	\$6.74	2023 Tier 1 Rate:	\$7.23
2022 Tier 2 Rate:	\$9.33	2023 Tier 2 Rate:	\$10.07

Water sales revenue from Tier 2, which is used to fund the District’s Water Use Efficiency Programs and groundwater reliability/alternate sources of supply, is estimated to be \$440,000. Funds not expended can be deposited into the District’s Rate Stabilization Reserve Fund and/or Water Supply Reliability Reserve Fund.

Bi-monthly Service Charge: The bi-monthly service charge, which is based on the size of the customer meter, is as follows:

Meter Size	2022	2023
3/4-inch meter (Typical single-family residence)	\$35.18	\$38.12
1-inch meter	\$44.02	\$47.44
1.5-inch meter	\$53.92	\$58.09
2-inch meter	\$65.73	\$70.72
3-inch meter	\$647.84	\$695.39
6-inch meter	\$675.45	\$725.01

Revenues, Expenses, Reserves and Capital Balances

The following section presents an overview of the projected FY 2022/23 sources and uses of funds as well as the projected reserves and capital fund balances. The table on the following page presents the projected sources and uses of funds including revenue (operating and non-operating), planned expenses (operating and capital), and transfers for the upcoming fiscal year. Total expenses are projected to be greater than total revenues with transfers from the PAYGO Capital Fund supplementing revenue sources.

BUDGET ASSUMPTIONS (continued)

	PROJECTED
	2022/23
REVENUE	
OPERATING REVENUE	\$ 12,569,360
NON OPERATING REVENUE	4,576,250
TOTAL REVENUE	17,145,610
EXPENSES	
OPERATING EXPENSES	\$ 14,584,260
PLANNED CIP EXPENSES (NON-OPERATING EXPENSES)	9,228,245
TOTAL EXPENSES	(23,812,505)
TRANSFERS	
TRANSFERS IN FROM PAYGO CAPITAL FUND	6,666,895
TRANSFERS OUT TO OTHER FUNDS	-
TOTAL TRANSFERS	6,666,895
NET INCOME/(LOSS)	-

The following table presents the estimated FY 21/22 balances in the PAYGO Capital Fund and Other Reserves, the projected FY 22/23 balances, and the impact to the fund balance of the planned FY23 transfer from the PAYGO Capital Fund.

	Estimated	Projected
	FY 21/22	FY 22/23
TOTAL RESERVES BALANCES		
OPERATING FUND	\$2,336,000	\$2,556,000
SELF INSURANCE/EMERGENCY FUND	1,484,000	1,484,000
RATE STABILIZATION FUND	1,007,000	1,091,000
EMPLOYEE LIABILITIES FUND	422,000	488,000
TOTAL RESERVES	5,249,000	5,619,000
PAYGO CAPITAL FUND BALANCE		
PAYGO CAPITAL FUND	\$14,016,000	6,979,105
TOTAL CAPITAL AND RESERVES BALANCE	\$19,265,000	\$12,598,106

In 2015, the Board adopted Resolution 805 which established minimum target balances for Pay-As-You-Go (PAYGO) Capital and reserves. The purpose of establishing minimum reserve and PAYGO Capital balance levels is to ensure long-term financial stability and to preserve and protect the ratepayers’ investment in the District’s water system infrastructure and water supply reliability. The District’s minimum target levels include reserves related to operating, emergency/major asset failure, rate stabilization, and employee liabilities.

The policy target balances fluctuate from year to year based on projected capital needs, water purchase costs, and level of operating expenses. Based on the revenue expenditure and transfer assumptions and projections contained in this FY 2022/23 budget, a net decrease in the PAYGO Capital Fund is projected. Both reserves balances are projected to be within the Board adopted policy ranges.

The District plans to cash fund as much of its capital project requirements this year. However, the District is also exploring debt financing for its Rim Rock Reservoir Replacement Project of approximately \$10 million over the next two years. Should financing be available this year, the PAYGO Capital Fund balance will change.

MAJOR REVENUE SOURCES

Approximately 97 percent of the District's revenues are derived from 4 major revenue categories: Water Sales, Property Taxes, Antenna Leases, and Interest Income. Like most single-purpose water agencies, Water Sales represent the main revenue source of the District (approximately 70 percent of total revenues). This section of the budget reviews these four major revenue sources, their historical trends, and the basis and assumptions used for their FY 2022/23 budget forecasts. These revenue categories are considered by the District as unrestricted and can be used to fund both operating and non-operating expenditures.


Water Sales

Water sales revenues are the major source of revenues for the District. The District goal is to conduct a rate study at least every 5 years, if not sooner, depending on near-term operating and capital obligations of the District. The District just completed a 5-year cost of service and rate study with the new rate schedule effective March 1, 2022 and March 1 of each of the subsequent 4 years. The rate analysis included a comprehensive forecasting analysis of revenues and expenditures for the next five years based on current available cost data, historical and projected water demand, historical and projected operating and capital asset price inflation, historical and current interest rate levels, and a multi-year capital needs assessment. During each year's upcoming budget process, District management staff review prior year and current year water sales actuals and estimated actuals and compare them to the rate model projections. If there are any substantial deviations from projections, staff addresses these with the District advisory Commission and Board of Directors to determine an appropriate course of action.

A potential deviation for the upcoming fiscal year is the projected cost of imported water (from MWDOC) in the District rate model compared to the budgeted cost of imported water for FY 2022/23. The rate model estimated that the cost per acre foot of imported water from January 2023 through June 2023 would be \$1,197. After the 5-year rate scheduled was adopted by the Board of Directors in February, 2022, MWDOC adopted a \$1,209 rate per acre foot for the January, 2023 through June, 2023 period, representing a \$12 per acre foot cost difference. Per the current District rate resolution, the District is allowed to pass on this cost difference to customers without triggering a new Proposition 218 notice requirement. This cost difference can be applied to the Tier 1 commodity rate. Once the District begins incurring the higher-than-projected import water cost in January, 2023, District staff will present a plan to address the cost differential to the Commission and Board of Directors for review and consideration.

Property Taxes

The County of Orange levies an ad valorem tax of 1 percent on the assessed valuation of property within the County. The District receives a portion of this 1 percent levy for property co-located both within the District's service area and the limits of the City of Laguna Beach (the City and other governmental agencies receive the remaining portion of the levy). The rate of increase in annual property taxes received by the District has historically been in the range of 2 percent to 3 percent, depending on current



development conditions in the service area. District staff monitor City building permit and remodel application activity each year to better gauge the forecast value to use for the upcoming fiscal year budget.

Antenna Leases

The District has an active antenna lease program whereby private telecommunications companies and the District enter into license agreements allowing the companies to site their wireless telecommunications equipment at District reservoir sites in exchange for monthly compensation to the District. All current license agreements contain a 3 percent annual escalator which is applied to the license fees paid to the District and factored into the revenue projections each budget year. In addition to the monthly license fees, the District charges an application fee to each site installation and modification request submitted by these companies. These fees are \$3,000 per request and help cover the cost of staff time and materials involved in processing these requests; the District typically receives 4 to 6 requests each year. Forecasting antenna lease revenues each budget year is a fairly routine process based on the agreed upon flat rate escalator with each company and the steady application activity experienced by the District.

Investment Interest Income

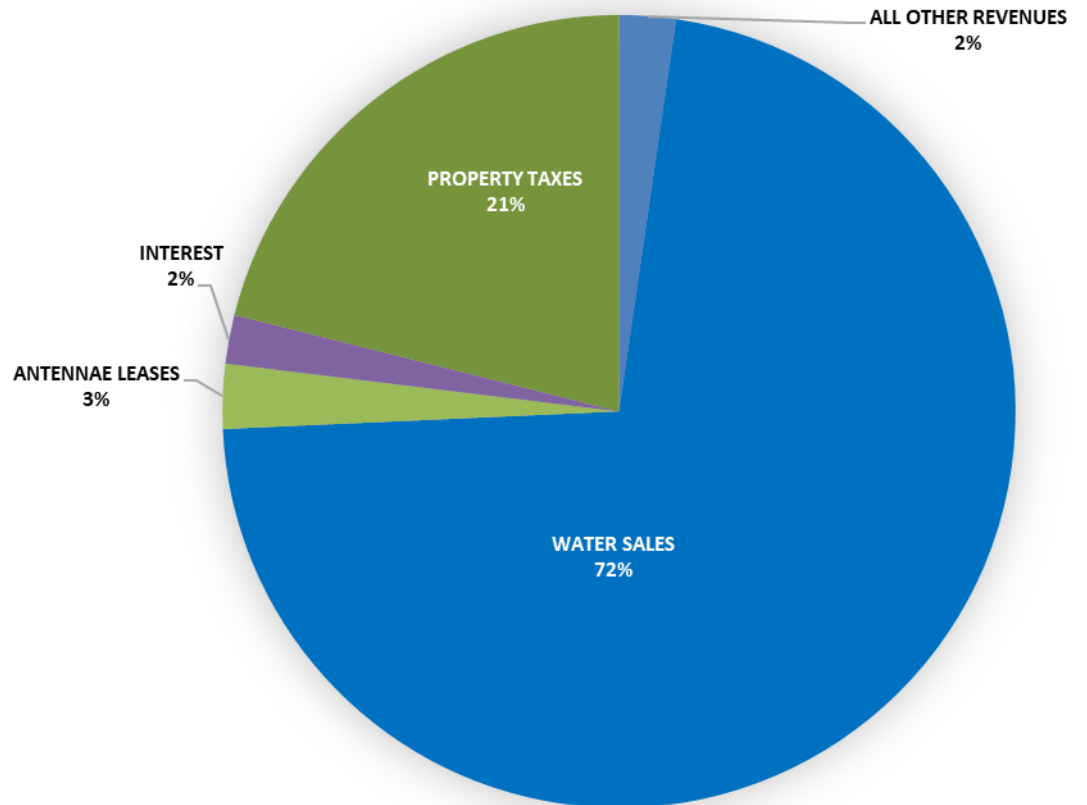
All interest earnings from non-restricted funds are transferred from the District's investment account to its demand account with Bank of America to be used for funding operating and non-operating expenditures. Over the past year, the District's book and current yields declined due to market volatility and declining interest rates. However, in the first few months of 2022, rates have increased and will likely continue this trajectory resulting in projected increased interest earnings. As rates continue to climb, the District will consider portfolio adjustments to shift from lower yielding investments to higher yielding ones thus increasing projected interest earnings for the FY 23 budget year.

Analysis of 2022/23 Sources and Uses of Funds

	BUDGET 2021/22	BUDGET 2022/23
OPERATING REVENUE		
WATER SALES	\$ 11,337,910	\$ 12,324,650
FIRE SERVICE	11,040	25,710
ADMINISTRATIVE FEES & PENALTIES	32,000	32,000
ENGINEERING/PLANNING FEES	6,000	8,000
OVERHEAD CHARGE	5,000	4,000
EQUIPMENT CHARGE	15,000	15,000
MISCELLANEOUS REVENUE	20,000	40,000
SERVICE INSTALLATION FEES	100,000	120,000
TOTAL OPERATING REVENUE	11,526,950	12,569,360
TOTAL OPERATING EXPENSE	13,532,160	14,584,260
NET OPERATING INCOME/(LOSS)	(2,005,210)	(2,014,900)
 NON-OPERATING REVENUE		
WATER CAPACITY FEES	140,000	100,000
PROPERTY LEASE REVENUE	56,740	49,500
ANTENNAE LEASE REVENUE	438,820	476,650
INTEREST REVENUE	330,000	340,000
PROPERTY TAX REVENUE	3,446,650	3,610,100
TOTAL NON-OPERATING REVENUE	4,412,210	4,576,250
TOTAL PLANNED CAPITAL EXPENDITURES (FY 23 PROJECTS NEW AND CARRYOVER CIP)	9,043,000	9,228,245
NET NON-OPERATING INCOME/(LOSS)	(4,630,790)	(4,651,995)
 TRANSFERS		
TRANSFERS IN FROM PAYGO CAPITAL FUND	6,636,000	6,666,895
TRANSFERS OUT TO OTHER FUNDS	-	-
TOTAL TRANSFERS	6,636,000	6,666,895
NET INCOME/(LOSS)	\$ -	\$ -

FY 2022/23 Projected Revenues

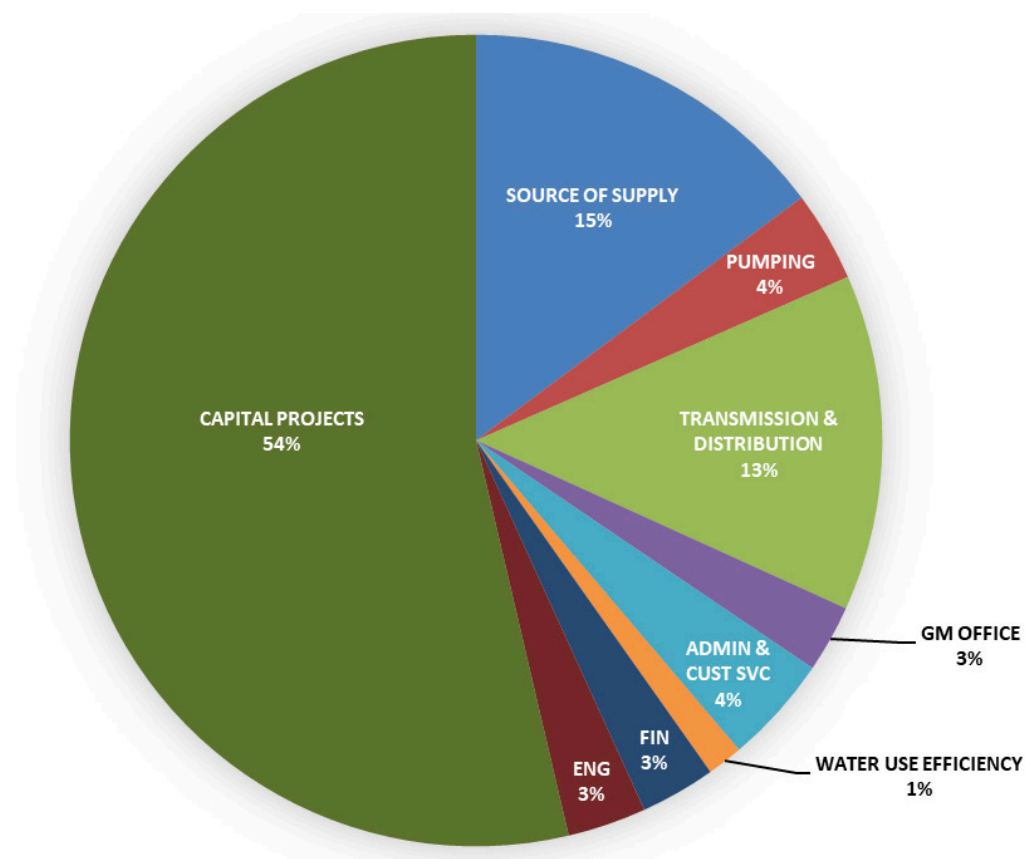
The following graph presents the allocation of the District's projected revenues by major revenue category for FY 2022/23. Below the graph is a tabular representation of these major revenue categories. Please note that the percentages shown are rounded to the nearest integer.



MAJOR REVENUE CATEGORIES	AMOUNT	% OF TOTAL
WATER SALES	\$ 12,324,650	72%
PROPERTY TAXES	3,610,100	21%
ANTENNAE LEASES	476,650	3%
INTEREST	340,000	2%
ALL OTHER REVENUES	394,210	2%
TOTAL REVENUES	\$ 17,145,610	100%

FY 2022/23 Projected Expenses

The following graph presents the allocation of the District’s projected expenses by major expense category for FY 2022/23. Below the graph is a tabular representation of these major expense categories. Please note that the percentages shown are rounded to the nearest integer.



MAJOR EXPENSE CATEGORIES	AMOUNT	% OF TOTAL
CAPITAL PROJECTS	\$ 16,871,766	54%
SOURCE OF SUPPLY	4,650,050	15%
TRANSMISSION AND DISTRIBUTION	4,225,520	13%
ADMIN AND CUSTOMER SERVICE	1,357,860	4%
PUMPING	1,134,690	4%
ENGINEERING	986,140	3%
FINANCE	940,300	3%
GM OFFICE	844,030	3%
WATER USE EFFICIENCY	445,670	1%
TOTAL REVENUES	\$ 31,456,026	100%

Five-Year Sources and Uses of Funds Forecast

The following table presents a five-year forecast of the District's Sources and Uses of Funds, beginning with FY 2022/23 budget year. The projected revenues and expenses are based on estimates derived for the District's current water rate analysis and staff's best estimates given currently available data and information. The 'Transfers In' line item includes anticipated transfers from the PAYGO Capital Fund and estimated proceeds from the proposed Rim Rock debt financing effort. The 'Transfers Out' line item includes additional funds not required for expenses that would be deposited in the PAYGO Capital Fund. The bottom of the table includes the projected balances in Other Reserves and the PAYGO Capital Fund for each year of the forecast period. These balances for each year are projected to be within the policy ranges as set forth in the District's Reserves Policy.

DESCRIPTION	BUDGET FY 2022/23	FORECAST FY2023/24	FORECAST FY 2024/25	FORECAST FY 2025/26	FORECAST FY 2026/27
OPERATING REVENUES	\$12,569,360	\$13,274,966	14,082,553	\$14,939,936	\$15,924,376
NON-OPERATING REVENUES	4,576,250	4,764,510	4,805,614	4,975,131	5,159,615
TRANSFERS IN	6,666,895	9,710,717	1,027,408	-	-
TOTAL REVENUES	\$23,812,505	\$27,750,193	\$19,915,575	\$19,915,067	\$21,083,991
OPERATING EXPENSES	\$14,584,260	\$13,822,494	\$14,323,236	\$14,836,240	\$15,331,817
NON-OPERATING EXPENSES	9,228,245	13,927,699	5,592,339	3,621,486	2,721,911
TRANSFERS OUT	-	-	-	1,457,341	3,030,263
TOTAL EXPENSES	23,812,505	27,750,193	19,915,575	19,915,067	21,083,991
NET INCOME	\$ -	\$ -	\$ -	\$ -	\$ -
PAYGO CAPITAL BALANCE	\$ 6,979,105	\$ 6,836,780	\$ 5,734,395	\$ 7,012,39	\$ 9,867,428
OTHER RESERVES BALANCE	5,619,000	5,646,608	5,721,586	5,900,983	6,046,157
TOTAL ENDING BALANCES	\$12,598,105	\$12,483,388	\$11,455,981	\$12,913,322	\$15,943,585

BUDGET OVERVIEW

2022/23 Operating Budget

The operating budget includes the day-to-day operations of the District, which includes operations, water purchases, customer service, engineering, water use efficiency, human resources, finance, and administration.

Water Purchases

In 2016, the District secured its groundwater right of 2,025 acre-feet of water from the Santa Ana Groundwater Basin reducing its 100 percent dependence on imported water supplies. However, due to anticipated well rehabilitation projects scheduled in the City of Newport Beach (by agreement, the City transmits groundwater to the District), the District projects that no groundwater deliveries for FY 23 will occur. This situation requires that the District purchase significantly more import water in FY 23 than in past years.

Import water purchases from Metropolitan Water District of Orange County (MWDOC) are estimated at 3,440 acre-feet for the fiscal year. The District's wholesale rates charged by MWDOC, which incorporate supply costs from Metropolitan Water District (MWD), will increase from \$1,143 to \$1,209 per acre-foot in January 2023, or 5.8 percent. In addition, MWDOC increased its meter connection charge from \$13.00 to \$13.75. Therefore, the budgeted total water purchase costs, including related MWDOC service charges and cost of groundwater delivery, are projected to increase by \$337,800 (or 8.4%) compared to last year's budgeted amount.

Labor and Benefits

Actual labor and benefit costs are projected to increase by approximately \$257,840. These increases are due to increases in the District's FY 2022/23 PERS unfunded liability premium (UAL), cost-of-living adjustments, and projected employee merit increases. This year's UAL obligation for Classic PERS employees is \$593,693 and for PEPRAs employees is \$4,740. All other benefit coverages are either projected to remain the same as last year or have been adjusted accordingly for inflation. Workers' Compensation Insurance premiums are expected to increase as the carrier's experience modification ("e-mod") rate is projected to increase from the budgeted FY 21/22 1.10 value to a projected FY 22/23 1.40 value.

Field and Maintenance

The field operations component of the budget, excluding labor, benefits, and water purchase costs, is projected to remain at similar levels as the FY 2021/22 budget. This area covers operation of the District's facilities, which include supply lines, reservoirs, pump stations, distribution pipelines and appurtenances, vehicle maintenance, and buildings. No appreciable program changes are projected for this fiscal year.

General Manager's Office

Expenses relating to the Board, Commission, General Manager, Legal, Audit, Human Resources, and professional memberships, such as the Association of California Water Agencies (ACWA) and the American Water Works Association (AWWA), are under the

General Manager's Office section. The General Manager office budget is expected to decrease by \$14,910.

Administration and Customer Service

Expenses in Administration and Customer Service budget are projected to increase by \$239,370 this year largely due to the transfer of staff from Operations to Administration. Expenses included in the Administration and Customer Service area include meter reading, records retention and destruction, data management, and customer billing.

Water Use Efficiency

The water use efficiency program budget is projected to be similar to the FY 2021/22 budget. The District's water use efficiency efforts focus on establishing a long-term water conservation framework, community education, outreach, program development, and increased program participation, all while improving the District's drought resiliency. It is important to note the District's water use efficiency programs are funded through the District's Tier 2 Rate generated by those customers using in excess of their water budget. Tier 2 rates fund the District's conservation programs and public information related to water use efficiency as well as supply reliability/alternate source of supply efforts.

Finance

The finance section of the budget is projected to increase \$42,040 over the FY 21/22 budget primarily in the office expense budget.

Engineering


The engineering section of the budget is projected to increase by \$366,000. The engineering department provides technical expertise to support operations of the District. The increase is due to Labor and Benefits being re-allocated from Operations activities to Engineering Services.

2022/23 Capital Budget

When budgeting for a capital improvement project that will span two or more fiscal years, the full project and its associated budget should be approved in the fiscal year budget representing the project's first year of planned expenditure. Past District practice has been to split multi-year project budgets between fiscal years. This practice occurred because past budgets were based on managing projected cash flows. For the FY 23 budget, District staff are presenting both the upcoming fiscal year (FY 23) new capital projects and the prior year open projects that are being carried over to FY 23. This format allows the Board, Commission and staff to see the full picture of both present and past project approvals that are still in progress. The proposed capital budget includes \$9.16 million in new project appropriations and \$7.71 million in prior year carry-over projects, for a total appropriation of \$16.87 million in capital projects. This fiscal year, the District projects to expend approximately 55 percent of these total appropriated funds, or roughly \$9.23 million of the \$16.87 million [this includes expenditures on both carryover and new (FY 23) appropriations].

Joint Powers Projects

The District manages the Aufdenkamp Transmission Main and the Coast Supply Line,



which are both jointly owned with other water agencies. This category covers projects specific to these facilities and costs are shared by each agency according to its capacity rights in each pipeline. The District's share of costs is projected to be \$15,000 for FY 23 with approximately \$61,000 in carryover projects.

Reservoir and Pump Station Projects

These projects are too large to be considered maintenance items. Seven (7) projects totaling \$6,465,000 are proposed for this fiscal year. They include upgrades and replacements at various District pump stations and reservoirs, with \$4,800,000 of this year's total budget attributed to the planned Rim Rock Reservoir replacement project.

Transmission and Distribution

The majority of work in this category includes upgrades to, and replacements of, District service lines, valves, fire hydrants, and meters before asset failure occurs. This year, \$1,810,000 is proposed to be expended in this category, with a combined \$725,000 being allocated for the replacement of various valves and hydrants within the District service area.

Office Equipment and Technology

This category, totaling \$63,480, includes network infrastructure upgrades/replacements and computer replacements.

Equipment and Vehicles

The District replaces equipment and vehicles based on wear and tear, cost of maintenance, and mileage. Scheduled for purchase or replacement this year is a vacuum system for truck #5 and two light-duty trucks for \$105,000 with a carryover of \$575,000. One of the light duty trucks will be dedicated to the Water Use Efficiency Department. Prior to Covid, the department had a dedicated vehicle that was used for WUE calls, audits, water waste calls etc. During the two years of the Pandemic, WUE site visits were suspended and the WUE vehicle was reallocated to the operations department to replace a vehicle that was surplus due to having served its useful life.

Facilities

This category covers replacements and remodels to District facilities that are not covered under reservoirs, pump stations, or pipelines. This fiscal year, \$700,000 is budgeted for four items: 1) relocation of District fuel storage tanks (\$200,000), 2) Boardroom Teleconference Equipment (\$25,000), 3) site security improvements at District facilities (\$75,000), and 4) remodel of the District's operations training room, locker room, and employee break room (\$400,000). The FY 2021/22 budget (\$330,000) for the employee training room, locker room, and break room was intended for design and bidding and possibly a portion of construction if the project was started in FY 22. It was expected that additional funding would be required in the FY 23 budget to complete the project based on final design. The District now has the final design and have included what is believed to be sufficient funding to complete. District staff are proposing to add \$400,000 in FY 23 for a total project amount of \$730,000. It was originally envisioned that the locker room remodel could be done within the existing locker room space. However, the final design indicates that the existing space is not large enough to accommodate the needs for the new locker room, so the locker room will

be moved to within the existing operations building and that space will be remodeled into the new locker room. The existing locker room space will then be remodeled into office space. It is possible to split the project into two phases (locker room, office spaces), but staff is recommending at this time to proceed as one project.

2021/22 & 2022/23 OPERATING BUDGET COMPARISON

SECTION/PAGE	DESCRIPTION	BUDGET 2021/22	BUDGET 2022/23
9-36	OPERATIONS - SOURCE OF SUPPLY (51000)		
	SOURCE OF SUPPLY - SYSTEM OPERATIONS (51100)	\$ -	\$ -
	SOURCE OF SUPPLY-CSL (51200)	87,460	97,640
	SOURCE OF SUPPLY-ATM (51300)	169,270	189,270
	SOURCE OF SUPPLY-WELLS (51400)	-	-
	PURCHASED WATER (51500)	4,025,340	4,363,140
	TOTAL SOURCE OF SUPPLY	4,282,070	4,650,050
9-37	OPERATIONS - PUMPING (52000)		
	PUMPING EXPENSE (52100)	793,700	784,690
	PUMPING POWER (52200)	275,000	350,000
	TOTAL PUMPING	1,068,700	1,134,690
9-38	OPERATIONS - TRANSMISSION & DISTRIBUTION (54000)		
	RESERVOIR EXPENSE (54100)	1,118,090	1,050,700
	MAINLINE EXPENSE (54200)	2,060,070	1,858,010
	METER EXPENSE (54300)	259,410	279,770
	VALVE, VAULT, FIRE HYDRANT EXPENSE (54400)	451,530	432,040
	PAVING EXPENSE (54500)	48,000	300,000
	GENERAL PLANT - BUILDING (54700)	252,340	248,000
	SCADA EXPENSE (54800)	50,400	57,000
	TOTAL TRANSMISSION & DISTRIBUTION	4,239,840	4,225,520
9-39	GENERAL MANAGERS OFFICE (55000)		
	GENERAL MANAGERS EXPENSE (55100)	423,480	443,250
	HUMAN RESOURCES (55200)	197,100	205,750
	COMMISSION/BOARD (55400)	86,640	74,720
	LEGAL (55500)	132,000	100,200
	AUDIT(55600)	19,720	20,110
	TOTAL GENERAL MANAGERS OFFICE	858,940	844,030
9-40	ADMINISTRATION AND CUSTOMER SERVICE (56000 & 57000)		
	ADMINISTRATIVE EXPENSE (56100)	220,920	392,070
	DATA MANAGEMENT (56200)	116,160	146,400
	RECORDS RETENTION (56300)	1,020	1,020
	PUBLIC INFORMATION (56400)	27,180	28,440
	DISTRICT RECOGNITION (56800)	26,640	26,640
	CUSTOMER SERVICE (57200)	726,570	763,290
	TOTAL ADMINISTRATION AND CUSTOMER SERVICE	1,118,490	1,357,860
9-41	WATER USE EFFICIENCY (57500)		
	OFFICE EXPENSE (57510)	264,170	258,070
	PROGRAMS/REBATES (57520)	52,500	52,500
	OUTREACH/EVENTS/SPONSORSHIPS (57530)	58,800	68,400
	DEVICES/MATERIALS (57540)	12,000	12,000
	SMARTSCAPE INFO/EXPO (57550)	50,810	47,500
	WATERWISE GARDEN (57560)	7,440	7,200
	TOTAL WATER USE EFFICIENCY	445,720	445,670
9-42	FINANCE (58000)		
	FINANCE EXPENSE (58100)	593,460	630,820
	GENERAL OFFICE EXPENSE (58200)	78,600	83,880
	INSURANCE (58300)	226,200	225,600
	INSURANCE CLAIMS (58400)	-	-
	TOTAL FINANCE	898,260	940,300
9-43	ENGINEERING (59000)		
	ENGINEERING EXPENSE (59100)	374,060	671,500
	WATER QUALITY EXPENSE (59200)	246,080	314,640
	TOTAL ENGINEERING	620,140	986,140
	TOTAL OPERATING BUDGET	\$ 13,532,160	\$ 14,584,260

2022/23 OPERATING BUDGET SUMMARY BY EXPENSE

SECTION/PAGE	DESCRIPTION	BUDGET 2021/22	BUDGET 2022/23
9-36	OPERATIONS - SOURCE OF SUPPLY (51000)		
	LABOR	\$ 148,340	\$ 166,480
	BENEFITS	97,790	114,240
	MATERIALS	3,675,190	4,034,480
	EQUIPMENT	2,560	1,350
	OUTSIDE SERVICES	358,190	333,500
	TOTAL SOURCE OF SUPPLY	4,282,070	4,650,050
9-37	OPERATIONS - PUMPING (52000)		
	LABOR	374,310	378,750
	BENEFITS	257,460	249,610
	MATERIALS	37,810	44,420
	EQUIPMENT	62,640	51,390
	OUTSIDE SERVICES	336,480	410,520
	TOTAL PUMPING	1,068,700	1,134,690
9-38	OPERATIONS - TRANSMISSION & DISTRIBUTION (54000)		
	LABOR	1,801,510	1,570,080
	BENEFITS	1,146,970	1,041,780
	MATERIALS	379,770	393,840
	EQUIPMENT	195,560	221,020
	OUTSIDE SERVICES	716,030	998,800
	TOTAL TRANSMISSION & DISTRIBUTION	4,239,840	4,225,520
9-39	GENERAL MANAGERS OFFICE (55000)		
	LABOR	361,900	372,830
	BENEFITS	273,260	273,050
	MATERIALS	7,140	4,580
	EQUIPMENT	-	1,020
	OUTSIDE SERVICES	216,640	192,550
	TOTAL GENERAL MANAGERS OFFICE	858,940	844,030
9-40	ADMINISTRATION AND CUSTOMER SERVICE (56000 & 57000)		
	LABOR	478,980	595,130
	BENEFITS	309,870	396,310
	MATERIALS	27,360	23,880
	EQUIPMENT	-	-
	OUTSIDE SERVICES	302,280	342,540
	TOTAL ADMINISTRATION AND CUSTOMER SERVICE	1,118,490	1,357,860
9-41	WATER USE EFFICIENCY (57500)		
	LABOR	178,900	174,170
	BENEFITS	109,020	105,840
	MATERIALS	43,320	49,200
	EQUIPMENT	1,020	2,040
	OUTSIDE SERVICES	113,460	114,420
	TOTAL WATER USE EFFICIENCY	445,720	445,670
9-42	FINANCE (58000)		
	LABOR	335,370	352,680
	BENEFITS	189,150	187,300
	MATERIALS	27,600	27,960
	EQUIPMENT	-	-
	OUTSIDE SERVICES	346,140	372,360
	TOTAL FINANCE	898,260	940,300
9-43	ENGINEERING (59000)		
	LABOR	262,330	491,310
	BENEFITS	166,230	279,670
	MATERIALS	19,380	19,500
	EQUIPMENT	11,400	10,620
	OUTSIDE SERVICES	160,800	185,040
	TOTAL ENGINEERING	620,140	986,140
	TOTAL OPERATING BUDGET	\$ 13,532,160	\$ 14,584,260

2022/23 CAPITAL BUDGET SUMMARY

PAGE	DESCRIPTION	FY 22/23 APPROPRIATIONS	PRIOR YEAR CARRY OVER APPROPRIATIONS	TOTAL CAPITAL BUDGET FY 2022/23
10-46	JOINT POWERS PROJECTS			
	ATM/CSL ANNUAL CP EVALUATION (LBCWD COSTS)	\$ 15,000	\$ 23,510	\$ 38,510
	ATM PIPELINE EVALUATION (LBCWD COSTS)		37,500	37,500
	TOTAL JOINT POWERS PROJECTS	15,000	61,010	76,010
10-47	RESERVOIR AND PUMP STATION PROJECTS			
	RIMROCK RESERVOIR/TEMPLE HILLS 600 - DESIGN/CEQA		315,542	315,542
	RIMROCK RESERVOIR/TEMPLE HILL 600 - CONSTRUCTION	4,800,000	4,800,000	9,600,000
	TEMPLE HILLS 800 RESERVOIR & PUMP STATION/SCADA	750,000	418,901	968,901
	TIJUANA RESERVOIR (NO. 1) REHABILITATION (CONTINGENCY)	300,000	427,275	727,275
	PAVING AT EL MORRO RESERVOIR	40,000	75,000	115,000
	HASTIE RESERVOIR REPAIRS	125,000		125,000
	EMERGENCY GENERATOR AT SAN JUAN	450,000		450,000
	TOTAL RESERVOIR AND PUMP STATION PROJECTS	6,465,000	5,973,723	12,238,723
10-48	TRANSMISSION AND DISTRIBUTION PROJECTS			
	VALVE REPLACEMENT	500,000		400,000
	HYDRANT REPLACEMENT	325,000		325,000
	PACIFIC VISTA PIPELINE IN EASEMENT REPLACEMENT	75,000	103,439	178,439
	EL TORO WATER DISTRICT EMERGENCY INTERTIE - DESIGN		20,000	20,000
	FRONTAGE ROAD RELOCATIONS (COUNTY PROJECT)	500,000		500,000
	PCH FIRE HYDRANT RELOCATIONS (CAL TRANS PROJECT)	60,000		60,000
	HELO POD IMPROVEMENTS (ZITNIK, FIRE ROAD)	100,000		100,000
	AGATE CONTROL VALVE FOR SUMMIT FLOW	350,000	49,830	299,830
	TOTAL TRANSMISSION AND DISTRIBUTION PROJECTS	1,810,000	173,269	1,883,269
10-49	OFFICE EQUIPMENT/TECHNOLOGY			
	COMPUTERS, PERIPHERALS, & NETWORK INFRASTRUCTURE	33,480		33,480
	DROUGHT FACTOR MODULE	14,000		14,000
	SMS NOTIFICATION	16,000		16,000
	TOTAL OFFICE EQUIPMENT	63,480	0	63,480
10-50	EQUIPMENT AND VEHICLES			
	REPLACEMENT OF HYDRO EXCAVATOR		485,000	485,000
	REPLACEMENT OF TRUCK #57		45,000	45,000
	REPLACEMENT OF TRUCK #5		45,000	45,000
	REPLACEMENT OF TRUCK #66	45,000		45,000
	WATER USE EFFICIENCY VEHICLE	45,000		45,000
	REPLACEMENT OF VACUUM SYSTEM FOR TRUCK #5	15,000		15,000
	TOTAL EQUIPMENT AND VEHICLES	105,000	575,000	680,000
10-51	FACILITY PROJECTS			
	TRAINING ROOM/LOCKER ROOM/BREAK ROOM REMODEL	400,000	330,284	730,284
	RELOCATION OF FUEL STORAGE TANKS	200,000	300,000	500,000
	BOARD ROOM TELECONFERENCE UPGRADES	25,000		25,000
	RISK AND RESILIENCY (SITE SECURITY IMPROVEMENTS)	75,000		75,000
	TOTAL FACILITIES UPGRADES	700,000	630,284	1,330,284
10-52	WATER SUPPLY PROJECTS			
	GROUNDWATER RELIABILITY		300,000	300,000
	TOTAL WATER SUPPLY PROJECTS		300,000	300,000
	TOTAL CAPITAL BUDGET	\$ 9,158,480	\$ 7,713,286	\$ 16,871,766

2022/23 OPERATING BUDGET DETAIL

The operating budget includes the day-to-day operations of the District, which includes operations and maintenance, customer service, engineering, water use efficiency, human resources, finance, and administration.



Source of Supply	Labor	Benefits	Materials	Equipment	Outside Services	Totals
SOURCE OF SUPPLY (51000)						
SYSTEM OPERATIONS (51100)						
SYSTEM OPERATION - EXPENSE (51110)	\$ 224,290	\$ 148,590	\$ 1,200	\$ 4,800	\$ 50,000	\$ 428,880
SYSTEM OPERATION - REALLOCATION (51120)	(224,290)	(148,760)	(1,200)	(4,800)	(50,000)	(428,880)
SOURCE OF SUPPLY - COAST SUPPLY LINE (51200)						
REACH 1 (51210)	17,240	11,890	40	130	1,320	30,620
REACH 2 (51220)	17,240	11,890	40	130	320	29,620
REACH 3 (51230)	21,790	14,800	60	210	540	37,400
LBCWD METER (51250)						
SOURCE OF SUPPLY - AUFDENKAMP TRANS. LINE (51300)						
REACH 1 (51310)	48,130	32,500	140	500	1,300	82,570
IRWD METER (51320)						
SMWD METER (51330)						
REACH 2 (51340)	32,180	22,310	60	210	540	55,300
REACH 3 (51350)	29,900	20,850	50	170	430	51,400
LBCWD METER - AGATE (51360)						
PURCHASED WATER (51500)						
WATER CHARGE (51510)			4,034,090			4,034,090
METROPOLITAN WATER DISTRICT CHARGES (51520)					197,430	197,430
MUNICIPAL WD OF ORANGE COUNTY CHARGES (51530)					131,620	131,620
GROUNDWATER CHARGES (51540)						
TOTAL SOURCE OF SUPPLY (51000)	\$ 166,480	\$ 114,240	\$ 4,034,480	\$ 1,350	\$ 333,500	\$ 4,650,050

Pumping

	Labor	Benefits	Materials	Equipment	Outside Services	Totals
PUMPING (52000)						
PUMPING EXPENSE(52100)						
GENERAL EXPENSE (52110)	\$ 378,750	\$ 249,610	\$ 44,420	\$ 51,390	\$ 60,520	\$ 784,690
POWER (52200)					350,000	350,000
TOTAL PUMPING (52000)	\$ 378,750	\$ 249,610	\$ 44,420	\$ 51,390	\$ 410,520	\$ 1,134,690

Transmission and Distribution

	Labor	Benefits	Materials	Equipment	Outside Services	Totals
TRANSMISSION AND DISTRIBUTION (54000)						
RESERVOIR EXPENSE (54100)						
RESERVOIR EXPENSE (54110)	\$ 287,970	\$ 193,250	\$ 33,370	\$ 51,260	\$ 110,960	\$ 676,810
LANDSCAPING (54120)					180,000	180,000
TREE TRIMMING (54130)					30,000	30,000
CHLORINATION/INSPECTION (54140)						
EL MORRO #1 (54160)	11,390	7,280	60	360	720	19,810
WATER TREATMENT (54170)	26,170	17,790	75,500	20,000	4,620	144,080
MAINLINE EXPENSE (54200)						
MAINLINE EXPENSE (54210)	860,590	569,420	150,000	85,200	102,000	1,767,210
UNIFORMS EXPENSE (54220)			8,100		19,200	27,300
PROFESSIONAL DEVELOPMENT (54230)			300		23,000	23,300
COMMUNICATIONS (54240)					10,200	10,200
TRUCKING/COUNTY FEES (54260)					30,000	30,000
METER EXPENSE (54300)						
METER EXPENSE (54310)	108,570	71,830	61,510	24,000	13,860	279,770
VALVE, VAULT, FIRE HYDRANT EXPENSE (54400)						
VALVE, VAULT, FIRE HYDRANT EXPENSE (54410)	209,190	138,410	35,000	40,200	9,240	432,040
PAVING EXPENSE (54500)						
					300,000	300,000
EQUIPMENT EXPENSE (54600)						
EQUIPMENT EXPENSE (54610)	105,920	70,080	20,040		80,400	276,440
FUEL (54620)			90,000		12,000	102,000
REALLOCATION (54650)	(105,920)	(70,080)	(110,040)		(92,400)	(378,440)
BUILDING/WAREHOUSE EXPENSE (54700)						
BUILDING EXPENSE (54710)	66,200	43,800	24,000		36,000	170,000
LANDSCAPING (54720)					8,400	8,400
UTILITIES (54730)					30,000	30,000
JANITORIAL (54740)			6,000		33,600	39,600
SCADA (54800)						
SCADA EXPENSE (54810)					57,000	57,000
TOTAL TRANSMISSION AND DISTRIBUTION (54000)	\$ 1,570,080	\$ 1,041,780	\$ 393,840	\$ 221,020	\$ 998,800	\$ 4,225,520

General Manager's Office

	Labor	Benefits	Materials	Equipment	Outside Services	Totals
GENERAL MANAGER (55000)						
GENERAL MANAGER EXPENSE (55100)						
OFFICE EXPENSE (55110)	\$ 239,680	\$ 149,030	\$ 840	\$ 1,020	\$ 8,400	\$ 398,970
PUBLICATIONS/MEMBERSHIPS (55120)			300		40,080	40,380
PROFESSIONAL DEVELOPMENT (55130)			300		3,600	3,900
HUMAN RESOURCES (55200)						
OFFICE EXPENSE (55210)	109,630	79,740	540		7,200	197,110
PUBLICATIONS/MEMBERSHIPS (55220)			360		540	900
PROFESSIONAL DEVELOPMENT (55230)			120		2,220	2,340
HEALTH AND WELLNESS PROGRAM (55250)			1,200			1,200
EMPLOYEE EDUCATION (55260)					1,200	1,200
EMPLOYEE RECRUITMENT (55270)					3,000	3,000
COMMISSION/BOARD (55400)						
OFFICE EXPENSE (55410)	23,520	44,280	720			68,520
PROFESSIONAL DEVELOPMENT (55420)			200		6,000	6,200
LEGAL (55500)					100,200	100,200
AUDIT (55600)					20,110	20,110
TOTAL GENERAL MANAGER'S OFFICE (55000)	\$ 372,830	\$ 273,050	\$ 4,580	\$ 1,020	\$ 192,550	\$ 844,030

Admin & Customer Service

	Labor	Benefits	Material	Equipment	Outside Services	Totals
ADMINISTRATION/CUSTOMER SERVICE (56000 & 57000)						
ADMINISTRATIVE EXPENSE (56100)						
OFFICE EXPENSE (56110)	\$ 229,820	\$ 148,750	\$ 6,000		\$ 600	\$ 385,170
PUBLICATIONS/MEMBERSHIPS (56120)			60		720	780
PROFESSIONAL DEVELOPMENT (56130)			120		6,000	6,120
DATA MANAGEMENT (56200)						
CONSULTING SERVICES (56210)			1,200		70,800	72,000
SOFTWARE LICENSE RENEWALS (56220)					74,400	74,400
RECORDS RETENTION (56300)						
RECORDS MANAGEMENT (56320)					1,020	1,020
PUBLIC INFORMATION (56400)						
PUBLIC INFORMATION OUTREACH (56410)			6,000		12,000	18,000
COMMUNITY PARTICIPATION (56420)			2,100		900	3,000
SCHOOL EDUCATION (56430)			2,400		5,040	7,440
DISTRICT RECOGNITION (56800)						
MISCELLANEOUS DISTRICT ACTIVITIES (56810)			780		14,040	14,820
EMPLOYEE RECOGNITION PROGRAMS (56820)			1,200		10,620	11,820
CUSTOMER SERVICE OFFICE (57200)						
OFFICE EXPENSE (57210)	365,310	247,560	3,480		12,000	628,350
PROFESSIONAL DEVELOPMENT (57230)			540		3,600	4,140
BILL OUTSOURCING (57240)					37,200	37,200
LICENSE & MAINTENANCE SERVICES FEES (57250)					81,600	81,600
UNCOLLECTIBLES (57260)					12,000	12,000
TOTAL ADMIN AND CUSTOMER SERVICE (56000 & 57000)	\$ 595,130	\$ 396,310	\$ 23,880		\$ 342,540	\$ 1,357,860

Water Use Efficiency

	Labor	Benefits	Materials	Equipment	Outside Services	Totals
WATER USE EFFICIENCY (57500)						
WATER USE EFFICIENCY (57500)						
OFFICE EXPENSE (57510)	\$ 156,750	\$ 95,260		\$ 2,040	\$ 4,020	\$ 258,070
PROGRAMS/REBATES (57520)			\$ 4,500		48,000	52,500
OUTREACH/EVENTS/SPONSORSHIPS (57530)			24,000		44,400	68,400
DEVICES/MATERIALS (57540)			12,000			12,000
SMARTSCAPE INFO/EXPO (57550)	17,420	10,580	7,500		12,000	47,500
WATERWISE GARDEN (57560)			1,200		6,000	7,200
TOTAL WATER USE EFFICIENCY (57500)	\$ 174,170	\$ 105,840	\$ 49,200	\$ 2,040	\$ 114,420	\$ 445,670

Finance

	Labor	Benefits	Materials	Equipment	Outside Services	Totals
FINANCE (58000)						
FINANCE EXPENSE (58100)						
OFFICE EXPENSE (58110)	\$ 352,680	\$ 187,300	\$ 1,800		\$ 2,880	\$ 544,660
PUBLICATIONS/MEMBERSHIPS (58120)					480	480
PROFESSIONAL DEVELOPMENT (58130)			480		8,400	8,880
PAYROLL SERVICES (58140)					12,000	12,000
BANKING SERVICES (58150)					14,400	14,400
SAFEKEEPING - INVESTMENTS (58160)						
CONSULTING SERVICES (58170)					50,400	50,400
GENERAL OFFICE EXPENSE (58200)						
OFFICE EXPENSE (58210)			25,200		900	26,100
POSTAGE (58220)			480		4,800	5,280
UTILITIES (58230)					50,400	50,400
MAINTENANCE - OFFICE EQUIPMENT (58240)					2,100	2,100
INSURANCE (58300)						
GENERAL LIABILITY (58310)					180,000	180,000
PROPERTY (58320)					32,400	32,400
STORAGE TANKS (58330)					12,000	12,000
MISCELLANEOUS (58340)					1,200	1,200
INSURANCE CLAIMS (58400)						
GENERAL LIABILITY (58410)						0
PROPERTY (58420)						0
TOTAL FINANCE (58000)	\$ 352,680	\$ 187,300	\$ 27,960		\$ 372,360	\$ 940,300

Engineering

	Labor	Benefits	Materials	Equipment	Outside Services	Totals
ENGINEERING (59000)						
ENGINEERING EXPENSE (59100)						
OFFICE EXPENSE (59110)	\$ 353,740	\$ 201,360	\$ 480		\$ 60,000	\$ 615,580
PUBLICATIONS/MEMBERSHIPS (59120)					1,020	1,020
PROFESSIONAL DEVELOPMENT (59130)					4,500	4,500
GEOGRAPHICAL INFORMATION SYSTEM - GIS (59150)					50,400	50,400
WATER QUALITY EXPENSE (59200)						
ROUTINE SAMPLING (59210)	29,480	16,780	18,000	4,020	16,020	84,300
RESERVOIR SAMPLING (59220)	34,390	19,580		3,600	2,040	59,610
BACKFLOW (59230)	73,700	41,950	1,020	3,000	3,000	122,670
DHS FEES (59240)					40,020	40,020
ANNUAL WATER QUALITY REPORT (59250)					8,040	8,040
TOTAL ENGINEERING (59000)	\$ 491,310	\$ 279,670	\$ 19,500	\$ 10,620	\$ 185,040	\$ 986,140

2022/23 CAPITAL BUDGET DETAIL

Since its incorporation, the District has provided a reliable source of high quality potable water and excellent service to the community at a reasonable cost. The Capital portion of the budget has always been an integral part of the District's overall program of system upgrades and replacements. The Capital Budget is typically funded by property taxes, lease revenue, capacity fees, interest income, and available PAYGO Capital funds.

Categories within the Capital Budget include:

Joint Powers Projects

The District manages two jointly owned water transmission lines that convey potable water into the District. These pipelines are the District's only source of supply.

Reservoir and Pump Station Projects

This category funds reservoir and pump station projects.

Transmission and Distribution Projects

This category funds pipeline, valve, fire hydrant, and meter replacement projects.

Office Equipment/Technology

This category funds office improvements.

Equipment and Vehicles

The items listed in this category cover replacement of District equipment and vehicles.

Facility Projects

This category funds remodels and improvements to District headquarter facilities.

Water Supply Projects

As the reliability of the region's and state's water supply becomes more fragile, finding new sources that can augment that supply is a priority. Projects in this category improve the District's source of supply, as well as its flexibility in the event of a major catastrophe.

2022/23 CAPITAL BUDGET DETAIL

WO	PROJECT	CATEGORY	CARRYOVER PRIOR YEAR APPROPRIATIONS	NEW FY 22/23 APPROPRIATIONS	TOTAL FY 23 APPROPRIATIONS (\$ AND %)	TOTAL PLANNED EXPENDITURES (\$ AND %)
2390	REPLACEMENT OF HYDRO EXCAVATOR	EQUIP/VEHICLES	\$ 485,000	-	\$ 485,000 2.9%	\$ 485,000 100%
2392	REPLACEMENT OF TRUCK #57	EQUIP/VEHICLES	45,000	-	45,000 0.3%	45,000 100%
2393	REPLACEMENT OF TRUCK #5	EQUIP/VEHICLES	45,000	-	45,000 0.3%	45,000 100%
2413	REPLACEMENT OF TRUCK #66	EQUIP/VEHICLES	-	\$ 45,000	45,000 0.3%	45,000 100%
2419	WATER USE EFFICIENCY WORK TRUCK	EQUIP/VEHICLES	-	45,000	45,000 0.3%	45,000 100%
2414	REPLACEMENT OF VACUUM SYSTEM FOR TRUCK #5	EQUIP/VEHICLES	-	15,000	15,000 0.1%	15,000 100%
8821	HEADQUARTERS REMODEL (LOCKERROOM/BREAKROOM/OFFICES)	FACILITY	330,284	400,000	730,284 4.3%	365,142 50%
2395	RELOCATION OF FUEL STORAGE TANKS	FACILITY	300,000	200,000	500,000 3.0%	500,000 100%
2420	BOARD ROOM TELECONFERENCE EQUIPMENT	FACILITY	-	25,000	25,000 0.1%	25,000 100%
2421	RISK AND RESILIENCY SITE SECURITY IMPROVEMENTS	FACILITY	-	75,000	75,000 0.4%	75,000 100%
2250	ATM/CSL ANNUAL CP EVALUATIONS (LBCWD COSTS)	JOINT POWERS	23,510	15,000	38,510 0.2%	38,510 100%
2379	ATM PIPELINE EVALUATION (LBCWD COSTS)	JOINT POWERS	37,500	-	37,500 0.2%	- 0%
2411	COMPUTERS, PERIPHERALS, & NETWORK INFRASTRUCTURE	OFF EQUIP/TECH	-	33,480	33,480 0.2%	33,480 100%
2422	SMS NOTIFICATION MODULE	OFF EQUIP/TECH	-	16,000	16,000 0.1%	16,000 100%
2423	BUDGET-BASED RATES DROUGHT FACTOR MODULE	OFF EQUIP/TECH	-	14,000	14,000 0.1%	14,000 100%
2210	RIMROCK RESERVOIR REPLACE & TH 600 RELOCATE (CONSTR)	RES/PUMPS	5,115,542	4,800,000	9,915,542 58.8%	2,974,663 30%
2322	TEMPLE HILLS 800 RESERVOIR & PUMP STATION/SCADA	RES/PUMPS	418,901	750,000	1,168,901 6.9%	1,168,901 100%
2382	TIJUANA RESERVOIR (NO. 1) REHABILITATION (CONTINGENCY)	RES/PUMPS	427,275	300,000	727,275 4.3%	727,275 100%
2412	EMERGENCY GENERATOR AT SAN JOAQUIN	RES/PUMPS	-	450,000	450,000 2.7%	450,000 100%
2407	HASTIE RESERVOIR REPAIR	RES/PUMPS	-	125,000	125,000 0.7%	125,000 100%
2385	PAVING AT EL MORRO RESERVOIR	RES/PUMPS	12,005	40,000	52,005 0.3%	52,005 100%
2408	FRONTAGE ROAD RELOCATIONS (COUNTY PROJECT)	TRANS/DISTR	-	500,000	500,000 3.0%	500,000 100%
8123	FY 23 VALVE REPLACEMENT	TRANS/DISTR	-	400,000	400,000 2.4%	400,000 100%
8223	FY 23 HYDRANT REPLACEMENT	TRANS/DISTR	-	325,000	325,000 1.9%	325,000 100%
2326	AGATE CONTROL VALVE VAULT	TRANS/DISTR	49,830	350,000	399,830 2.4%	399,830 100%
2388	PACIFIC VISTA PIPELINE IN EASEMENT REPLACEMENT	TRANS/DISTR	103,439	75,000	178,439 1.1%	178,439 100%
2409	HELO POD IMPROVEMENTS (ZITNIK, FIRE ROAD)	TRANS/DISTR	-	100,000	100,000 0.6%	100,000 100%
2410	PCH FIRE HYDRANT RELOCATIONS (CAL TRANS PROJECT)	TRANS/DISTR	-	60,000	60,000 0.4%	60,000 100%
2360	EL TORO WATER DISTRICT EMERGENCY INTERTIE - DESIGN	TRANS/DISTR	20,000	-	20,000 0.1%	20,000 100%
2396	GROUNDWATER RELIABILITY	WATER SUPPLY	300,000	-	300,000 1.8%	- 0%
TOTAL CAPITAL BUDGET			\$7,713,286	\$9,158,480	16,871,766 100%	\$9,228,245 55%

* Certain projects are multi-year and will be expended past FY 23.

TOTAL BY CATEGORY				
EQUIP/VEHICLES	\$ 575,000	\$ 105,000	\$ 680,000	4.0%
FACILITY	630,284	700,000	1,330,284	7.9%
JOINT POWERS	61,010	15,000	76,010	0.5%
OFF EQUIP/TECH	-	63,480	63,480	0.4%
RES/PUMPS	5,973,723	6,465,000	12,438,723	73.7%
TRANS/DISTR	173,269	1,810,000	1,983,269	11.8%
WATER SUPPLY	300,000	-	300,000	1.8%
TOTAL	\$7,713,286	\$ 9,158,480	\$ 16,871,766	100%

When budgeting for a capital improvement project that spans two or more fiscal years, the full project and its associated budget should be approved in the fiscal year budget representing the project’s first year of planned expenditure. Past District practice has been to split multi-year project budgets between fiscal years. This practice occurred because past budgets were based on managing projected cash flows. For the FY 23 budget, District staff are presenting both the upcoming fiscal year (FY 23) new capital projects and the prior year open projects that are being carried over to FY 23. This format allows the Board, Commission, and staff to see the full picture of both present and past project approvals that are still in progress. The proposed capital budget includes \$9.16 million in new project appropriations and \$7.71 million in prior year carryover projects, for a total appropriation of \$16.87 million in capital projects. This fiscal year, the District projects to expend approximately 55 percent of these total appropriated funds, or roughly \$9.23 million of the \$16.87 million [this includes expenditures on both carryover and new (FY 23) appropriations].

Joint Powers Projects

The District operates two jointly owned water delivery systems, the Coast Supply Line (CSL) and the Aufdenkamp Transmission Main (ATM). Both systems were constructed to deliver imported water from the Metropolitan Water District of Southern California (MWD) to the District and its partners.

The Coast Supply Line (CSL) ranges in diameter from 24 to 27-inches and takes imported water from MWD at a connection point in Newport Beach along the coast down to San Joaquin Street in Laguna Beach. The partners in this system include City of Newport Beach, Irvine Ranch Water District (IRWD), and the District. The El Morro Reservoir No. 1 serves as flow equalization for the pipeline and is also jointly owned.

The Aufdenkamp Transmission Main (ATM) ranges in diameter from 30 to 42-inches and takes imported water from MWD at a connection point in Irvine through Laguna Canyon and along the coast to Agate Street in Laguna Beach. IRWD, SMWD, SCWD and the District are partners in this jointly owned facility.

1.1 Aufdenkamp Pipeline Evaluation - The budget amount covers testing, analysis, final reporting, and any recommendations for future budget purposes for LBCWD's approximate portions.	<u>\$ 15,000</u>
TOTAL	<u><u>\$ 15,000</u></u>

Reservoir and Pump Station Projects

The District currently has 21 reservoirs and 14 pump stations that serve areas within the District from sea level to over 1,000 feet in elevation. All of these reservoirs and pump stations must be maintained. Constant preventive maintenance is performed throughout the year that is part of the Operations and Maintenance Budget. Larger projects occur on a regular basis and are included in this Capital Budget.

2.1	Rimrock Reservoir Replace and Temple Hills 600 Relocate - Construction - The FY 22 and FY 23 budget amounts are for the construction (construction management, environmental compliance, and labor compliance programs) of the new Rim Rock reservoir and new TH 600 pump station. Design was completed in FY 2022 and includes components for compliance with SRF terms and conditions. Work originally started on this project in FY 2017.	\$ 4,800,000
2.2	Temple Hills 800 Reservoir & Pump Station Replacement - The FY 23 budget amount is to cover the increase in estimated construction costs of the new TH 800 pump station including pumps, piping, flow meters, Motor Control Centers, and appurtenances, and repairs to the pump building.	750,000
2.3	Tijuana Reservoir (No. 1) Rehabilitation - The FY 23 budget amount is for contingency related to the additional internal coating, if necessary, which was included as an additional bid item (non base-bid item).	300,000
2.4	Paving at El Morro and Moorhead Reservoir Sites - The FY 23 Budget amount is for full pavement rehabilitation at El Morro reservoir site, with some carryover from the FY 22 budget.	40,000
2.5	Hastie Reservoir Repairs - The budgeted amount is for repair of the internal concrete joints, installation of new handrailing, a new roof hatch, and personal fall restraint system for compliance with Cal/OSHA regulations.	125,000
2.6	Emergency Generator at San Joaquin - The budgeted amount includes purchase and installation of a backup generator, permitting, and other work as needed.	450,000
	TOTAL	<u>\$ 6,465,000</u>

Transmission and Distribution Projects

From the Aufdenkamp Transmission Main and Coast Supply Line, the District's water is fed into smaller transmission and distribution lines. Most of the work required within this category includes pipeline, valves, fire hydrants and meters replacement. The programs of pipeline, meter, fire hydrant, and valve replacement were developed to address those facilities identified as potential problems during the District's yearly inspection program. The goal is preventive replacement before these items fail. Capital funds are designated annually for ongoing replacement programs and miscellaneous projects that are large enough to be considered capital in

3.1	Valve Replacement - The FY 23 Budget amount is for the replacement of 20 valves.	\$ 400,000
3.2	Hydrant Replacement - The FY 23 Budget amount is for the replacement of 16 hydrants.	325,000
3.3	Pacific Vista Pipeline Replacement (In Easement) - The FY 22 amount is for the design and construction of a new, above-ground, air/vacuum release valve	75,000
3.4	Frontage Road Relocations (County SD Project) - The FY 23 amount is for the design and construction of a new pipeline along Frontage Rd and includes new points-of-connection for existing customer water services.	500,000
3.5	PCH Fire Hydrant Relocations (CalTrans Project) - The FY 23 amount is for the construction of three new Fire Hydrants along South Coast Highway near Nyes Place.	60,000
3.6	Helo Pod Improvements - The FY 23 amount is for the construction of a permanent Helo-Pod structure near the Zitnik Reservoir in the northwest end of the City and a permanent concrete pad for a mobile unit along the Fire Road ridge line in the southeast portion of the City.	100,000
3.7	Agate Control Valve Vault - The FY 23 amount is for the construction of new metering and flow control components at the Agate Flow Control structure.	<u>350,000</u>
	TOTAL	<u><u>\$ 1,810,000</u></u>

Office Equipment And Technology

The items listed under this category cover necessary office system upgrades as well as larger office needs.

4.1	Computers, Peripherals, Network Infrastructure - Annual program of computer, peripheral, and network infrastructure replacement as needed. Purchase of ten (10) HP PC's	\$ 33,480
4.2	Budget Based Rates Drought Factor Module - The FY 23 budget amount is for the development of a custom feature for the District's billing software that allows for mass adjustments to Water Budgets. The module is needed in preparation for State mandated water reductions.	14,000
4.3	SMS Notification Module - The FY 23 budget amount is for the purchase and implementation of an SMS and Alert Notification Platform. The Platform will allow the District to send SMS, Email, and Voice notifications to targeted or all District customers during main breaks or other water related emergencies.	<u>16,000</u>
	TOTAL	<u><u>\$63,480</u></u>

Equipment and Vehicles

The District assesses its fleet of vehicles yearly and budgets for vehicle replacement based upon wear and tear, cost of maintenance, and mileage. The current fleet consists of 33 light-medium duty vehicles (pick-up trucks and administration vehicles) and 6 heavy duty vehicles (dump trucks and flat-beds). This does not include equipment such as backhoes, bobcats, tractors, portable generators, or portable pumps.

5.1	Replacement of Truck #66 - This is for the purchase of a new replacement truck.	\$ 45,000
5.2	Replacement of Vacuum System for Truck #5 - This is for the purchase of a new replacement truck.	15,000
5.3	Water Use Efficiency Department Work Truck - This is for the purchase of a truck for the Water Use Efficiency Department. Prior to Covid, the department had a dedicated vehicle that was used for WUE calls, audits, water waste calls etc. During the two years of the Pandemic, WUE site visits were suspended and the WUE vehicle was reallocated to the operations department to replace a vehicle that was surplus due to having served its useful life.	<u>45,000</u>
	TOTAL	<u><u>\$ 105,000</u></u>

Facility Projects

This category covers improvements to the District's facilities that are not covered under reservoir, pump station, or pipeline facilities.

<p>6.1 Training Room/Locker Room/Breakroom Remodel – The FY 23 budget amount is for additional scope of remodeling the training, locker room, breakroom, offices, storage areas, and gym facilities. The FY 2021/22 budget (\$330,000) for the employee training room, locker room, and break room was intended for design and bidding and possibly a portion of construction if the project were started in FY 22. It was expected that additional funding would be required in the FY 23 budget to complete the project based on the final design. The District now has the final design and have included what is believed to be sufficient funding to complete. District staff are proposing to add \$400,000 in FY 23 for a total project amount of \$730,000.</p>	<p>\$ 400,000</p>
<p>6.2 Relocation of Fuel Storage Tanks - The FY 23 Budget Amount is to cover increased construction costs of new Fuel Storage tanks at El Morro and the abandonment of the existing tanks at the District Headquarters, as prices have continued to increase.</p>	<p>200,000</p>
<p>6.3 Boardroom Teleconference Equipment - The FY 23 budget amount is for audio/visual equipment that will provide a reliable, easy-to-use solution, which will integrate phone and video conferencing to enable the District to conduct Zoom/teleconference meetings in the Boardroom.</p>	<p>25,000</p>
<p>6.4 Risk and Resiliency Site Security Improvements - The FY 23 budget amount is for additional security measures at District facilities including automatic security gates, lighting, cameras, locks, signage, etc.</p>	<p><u>75,000</u></p>
<p>TOTAL</p>	<p><u><u>\$ 700,000</u></u></p>

CAPITAL PROJECT DETAIL

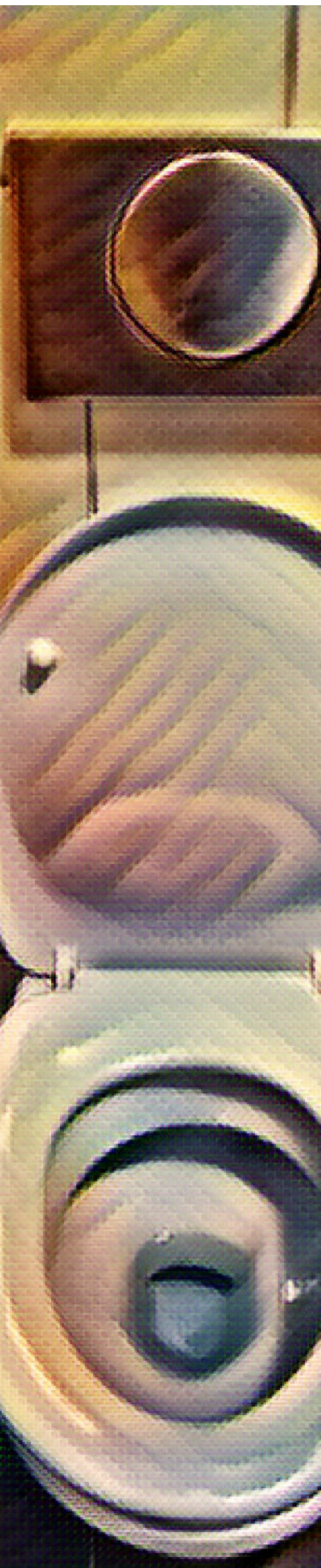


Map Overview of Capital Improvement Projects



1. Helo Pod Fill Station (North)
2. San Joaquin Pump Station Emergency Generator
3. Frontage Road Pipeline Relocation
4. Locker Room/Breakroom/ Operations Offices Remodel
5. Fuel Storage Relocation
6. Temple Hills 800 Pump Station Improvements
7. Rimrock Reservoir/Temple Hills Replacement Project
8. Hastie Reservoir Repairs
9. Agate Vault Improvements
10. Pacific Vista Pipe Lining
11. Helo Pod Fill Station (South)
12. Tijuana Reservoir 1 Rehabilitation

- Not shown for clarity: Annual fire hydrant and valve replacements throughout the City.



No. 1 & 11 - Helo-Pod Improvements (North & South)

As a follow up to the recent Emerald fire, several emergency response agencies determined that the addition of Helo-Pods, or valve-actuated open air tanks used by fire fighting helicopters, would provide a significant improvement for fire response. The two locations for the improvements are near the Zitnik Reservoir in the northwest end of the City and along the Fire Road ridgeline in the southeast portion of the City.



No. 2 - San Joaquin Pump Station Emergency Generator

The San Joaquin Pump Station was upgraded in 2012 to significantly increase flows in the northwestern portion of the City between Zitnik and Moorhead reservoirs. The addition of a permanent backup generator would allow for reliable backup power during an outage due to fire or other unplanned event.



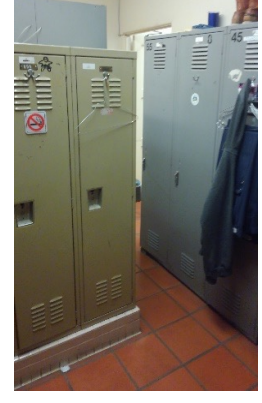
No. 3 - Frontage Road Pipeline Relocation

The County Flood Control District storm channel running adjacent to the Sawdust festival grounds had several wall failures during recent storm events and temporary plates were installed. The project will rebuild the entire storm drain and the County is requiring all utilities to relocate facilities away from the existing channel walls.



No. 4 - Locker Room/Breakroom/Operations Offices Remodel

The District's crew restroom, locker room, and breakroom have not been updated since the late 1980's when they were constructed as part of a larger main office renovation and expansion. ADA compliance, new technology, amenities, and staff needs will be addressed in the remodel.



No. 5 - Relocation of Fuel Storage Tanks

The fuel tanks located at the District's headquarters are out of compliance with Environmental Protection Agency (EPA) regulations and need to be replaced. This project involves relocating the tanks to the District's El Morro Reservoir Site, updating them to meet EPA regulations, and increasing their size to accommodate emergency fuel storage.



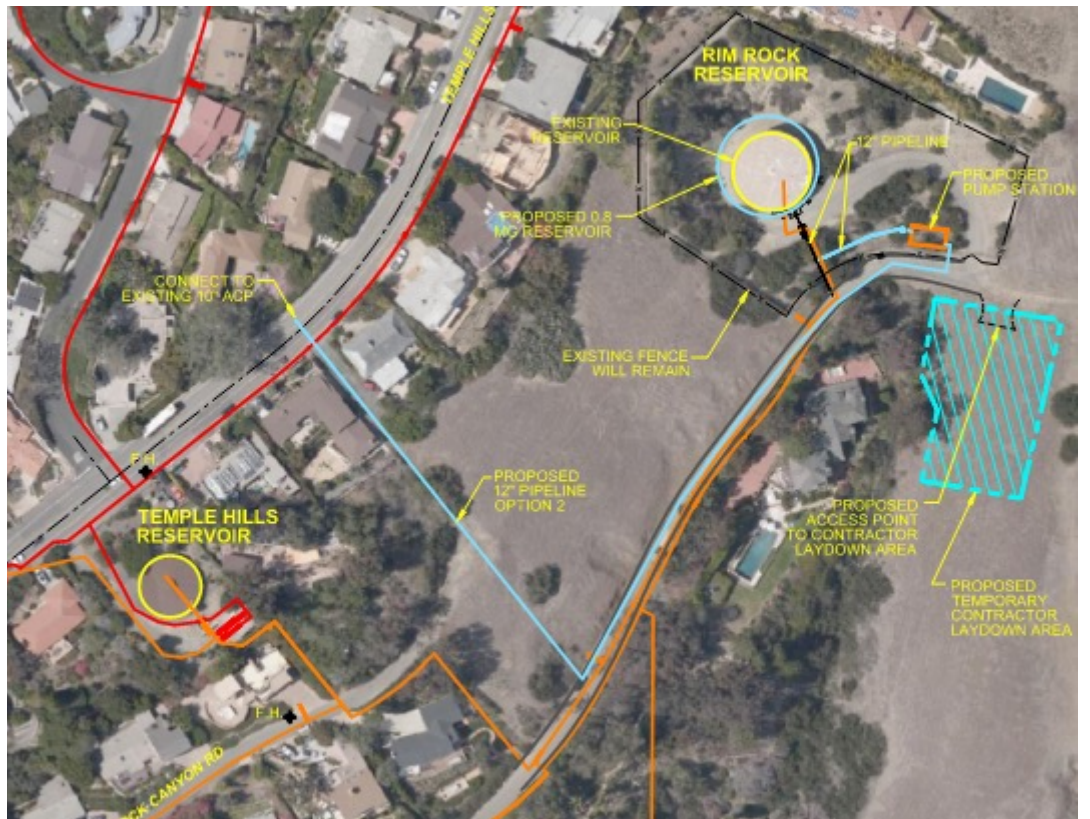
No. 6 - Temple Hills 800 Pump Station Improvement

This station is made up of custom pump, piping, and fittings which makes replacement parts hard to obtain. The pumps need to be replaced and there are structural issues with the pump building (cracking, hatch issues, water infiltration) which will all be addressed with these improvements.



No. 7 - Rimrock Reservoir & Pump Station Replacement

Through inspection of the Rim Rock reservoir staff found that cathodic protection was removed and never replaced, which resulted in a large amount of corrosion to the tank. Temple Hills 600 reservoir has issues with the site itself and has found movement in the surrounding base. It is one of the oldest and smallest tanks in the system and needs to be removed. Staff determined that combining these facilities into one larger reservoir and a pump station at the Rim Rock site was both more cost effective and significantly easier for operations and maintenance. The overall project includes design, environmental documentation and compliance, construction management and inspection services, and labor compliance programs to be consistent with the State Revolving Fund terms and conditions.



No. 8 - Hastie Reservoir Repairs

During cleaning and inspection of the reservoir, the interior concrete joints in the walls and floor were found to be deficient. This project involves removing and replacing the interior joint sealants and improving access hatches and appurtenances.



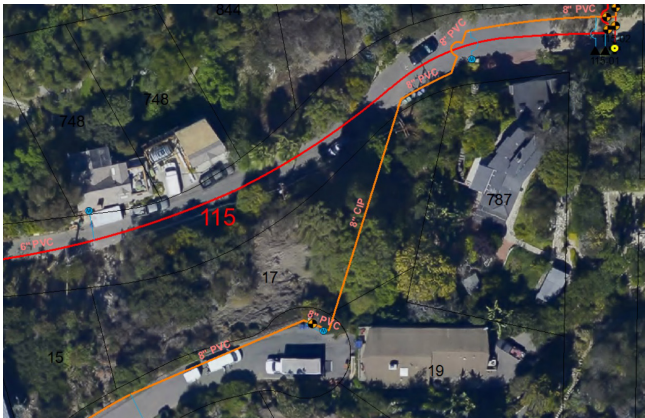
No. 9 - Agate Control Valve Vault Improvements

Agate flow control and metering components are showing signs of deterioration. In addition, the control scheme needs improvement to properly monitor flow through the structure. This project will replace aging infrastructure and includes new metering and flow control components.



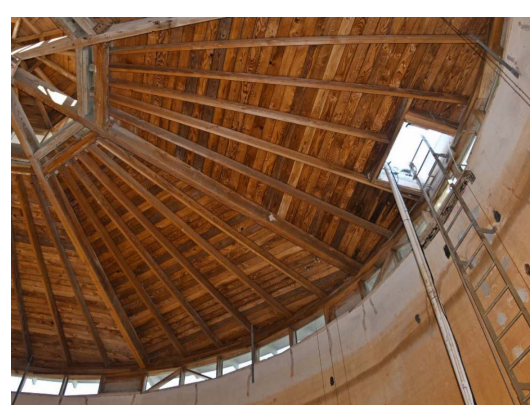
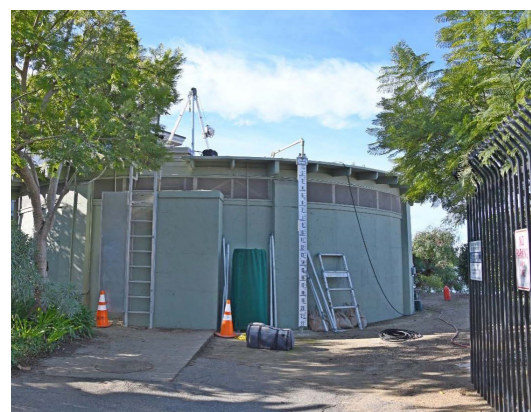
No. 10 - Pacific Vista Pipe lining

The preliminary design report concluded that lining the pipe is the best approach for rehabilitation of an aging cast iron pipeline that runs in a steep slope in an easement between Pacific Vista and Diamond. The FY 23 amount is for the increase in construction costs of the rehabilitation work as prices continue to increase.



No. 12 - Tijuana Reservoir 1 Rehabilitation

This project involves rehabilitating the tank by removing the existing deficient coating system and repairing the concrete, along with improving access hatches and other safety features. The FY 23 budget amount is for contingency related to extra repair measures, which were included as alternate bid items (non base-bid item) and will depend upon further inspection after the existing coating is removed.



RESOLUTIONS



RESOLUTION NO. 876

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAGUNA BEACH COUNTY WATER DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING THE LAGUNA BEACH COUNTY WATER DISTRICT FEE SCHEDULES AND REPEALING ALL RESOLUTIONS AND MOTIONS INCONSISTENT HEREWITH TO THE EXTENT OF SUCH INCONSISTENCY

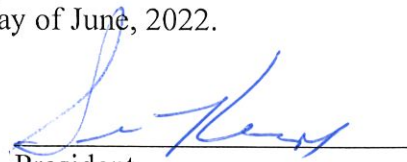
WHEREAS, the Laguna Beach County Water District (“District”) is a County Water District formed and existing pursuant to the County Water District Law, commencing at Section 30000 of the Water Code of the State of California, and is a subsidiary district of the City of Laguna Beach; and

WHEREAS, the Board of Directors of the District is charged by the District’s principal act, specifically Water Code Section 31007, to set rates and charges sufficient to pay the operating expenses of the District;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the District, that:

1. The Laguna Beach County Water District of Orange County, California is the sole provider of water within District boundaries.
2. That with respect to the Fee Schedules of the District: (a) the revenues from the fees and charges will not exceed the revenue required to provide the service, (b) the revenues from the fee or charge will only be used for the purpose the fee or charge was imposed, (c) the amount of fee or charge imposed on a customer will not exceed the proportional cost of the service, and (d) service charges are only imposed for services that are used by the property owner or customer or which are immediately available to the property owner or customer, and (e) no fee or charge may be imposed for general governmental services, where the service is available to the public in substantially the same manner as it is to the property owners.
3. That the Fee Schedule of this District as submitted by the General Manager be and hereby is approved, and all resolutions and motions inconsistent therewith the extent of such inconsistency are repealed.
4. That such Fee Schedule will be reviewed at least annually and any changes thereto shall be approved by subsequent resolution.

ADOPTED, SIGNED, AND APPROVED this 23rd day of June, 2022.



 President

ATTEST:



 Secretary

Adopted June 23, 2022 by Resolution 876

SCHEDULE NO.	SECTION	PAGE
--	INTRODUCTION	1
01	ESTABLISHMENT OF WATER SERVICE	2
02	GENERAL METERED WATER SERVICE RATE	5
03	PRIVATE FIRE PROTECTION SERVICE RATES	6
04	TEMPORARY FIRE HYDRANT METER SERVICE	8
05	MISCELLANEOUS CHARGES	9
06	SERVICE INSTALLATION CHARGES	11
07	WATER CAPACITY FEES & PRIVATE FIRE LINE FEES	13
08	ENGINEERING & OPERATIONS FEES AND CHARGES	15
09	EQUIPMENT & VEHICLE RATES	16

INTRODUCTION

SERVICE AREA

The Laguna Beach County Water District provides water service to approximately 20,000 people within an 8.5 square mile area of Southern Orange County, including portions of the City of Laguna Beach, Emerald Bay Services District, Crystal Cove State Park, and adjacent unincorporated areas of Orange County.

APPLICABILITY

The rates, charges, and fees contained in these fee schedules apply to all customers within the Laguna Beach County Water District service area and Emerald Bay Services District service area.

FEE SCHEDULE UPDATES

The Laguna Beach County Water District reviews this Fee Schedule annually.

Fee Schedule No. 01

ESTABLISHMENT OF WATER SERVICE

NEW ACCOUNT ESTABLISHMENT FEE

New Service Address

Laguna Beach County Water District assesses a one-time non-refundable New Account Establishment Fee of **\$40.00** for each new account opened at a new service address. The fee is assessed on the customer's first bill.

New Account Name at Current Service Address

Laguna Beach County Water District assesses a one-time non-refundable New Account Establishment Fee of **\$20.00** for each new account opened under a new account name at a current service address. The fee is assessed on the customer's first bill.

CUSTOMER INFORMATION

When establishing service, each new customer will be required to provide the following information:

1. Residential Customers
 - a. Customer Name
 - b. Service Address and Phone Number
 - c. Billing Address if different than Service Address
 - d. Social Security Number of Primary Customer
 - e. Landlord's Name, Address, and Phone Number if customer is a tenant.
2. Non-Residential Customers
 - a. Business or Organization Name
 - b. Service Address and Phone Number
 - c. Billing Address if different than Service Address
 - d. Federal Identification Number
 - e. Name of Contact Person.

ESTABLISHMENT OF ACCOUNTS

Credit Worthiness - All customers will be assumed credit worthy when they initially establish service from the District. A customer will be deemed not credit worthy if they:

1. Fail or refuse to accurately provide all information required by the District to establish service.
2. Is a former customer with an unpaid balance or have been sent to collections by the District.
3. Have two unpaid checks returned by the bank during the course of any twelve (12) consecutive month period.
4. Have two Final Notices of Disconnection posted on the account during the course of any twelve (12) consecutive month period.

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

Any Residential customer who is deemed not credit worthy (as defined above) will be required to place on deposit with the District an amount equal to the greater of \$250.00 or two (2) times his/her average bi-monthly charges for water over the past twelve (12) months before service is established or continued. After eighteen (18) consecutive months of good payment history, the customer's deposit will be applied to the account balance or refunded without interest.

Any Non-Residential customer who is deemed not credit worthy (as defined above) will be required to place on deposit with the District an amount equal to the greater of \$500.00 or two (2) times their average bi-monthly charges for water over the past twelve (12) months before service is established or continued. After eighteen (18) consecutive months of good payment history, the customer's deposit will be applied to the account balance or refunded without interest.

REESTABLISHMENT OF ACCOUNT FOR BANKRUPTCY CASES

To protect the interests of its customers and the financial integrity of the Laguna Beach County Water District, the following procedures are required for any customer who files bankruptcy:

1. As of the date the bankruptcy petition is filed, the existing account is closed and a closing bill generated. The closing bill and/or claim will be mailed directly to the Trustee/Administrator of the bankruptcy case for payment, and a copy mailed to the customer for reference.
 - a. Any deposits paid on the account prior to the filing of the bankruptcy petition will be applied toward payment of the closing bill.
 - b. A copy of the bankruptcy petition and/or the case number must be given to the District before a new account can be processed and/or before service is restored.
2. A new account will be established as of the date the bankruptcy petition is filed.
3. Assurance Deposit - The law requires customers who have filed for Bankruptcy to provide "Assurance" that bills will be paid after filing for bankruptcy. A new account will be established after payment of a deposit in the following amount:
 - a. **Residential:** The greater of \$250.00 per account or two (2) times their average bi-monthly charges for water over the past twelve (12) months, or if service has been provided for less than twelve (12) months, the number of billings available, whichever is higher.
 - b. **Non-Residential:** The greater of \$500.00 per account or two (2) times their average bi-monthly charges for water over the past twelve (12) months, or if service has been provided for less than twelve (12) months, the number of billings available. The amount of deposit may not exceed \$1,500.00.

The entire amount of the deposit must be paid before service can be reestablished. Payment installments are at the discretion of the District. Failure to adhere to the payment schedule shall cause the nonpayment procedures set forth under "Nonpayment Charges" to be implemented. Deposits will not be used for payment of services, except for the closing bill.

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

all bankruptcy cases and accounts. In some cases, the Bankruptcy Judge may determine the amount of deposit allowable.

Fee Schedule No. 02**GENERAL METERED WATER SERVICE RATES****APPLICABILITY**

Applicable to all measured water service furnished for general domestic use. Rates are effective March 1 of each year, beginning March 1, 2022.

BI-MONTHLY SERVICE CHARGE (ALL CUSTOMER CLASSES)

Bi-monthly Service Charge – This is a service charge, which is added to the bill during the billing period. It covers operation and maintenance expenses for the entire water system regardless of water consumed.

METER SIZE	BI-MONTHLY SERVICE CHARGE				
	2022	2023	2024	2025	2026
¾" Meter	\$ 35.18	\$ 38.12	\$ 43.57	\$ 48.27	\$ 51.23
1" Meter	44.02	47.44	53.27	58.38	61.76
1 ½" Meter	53.92	58.09	64.61	70.45	74.61
2" Meter	65.73	70.72	77.94	84.53	89.49
3" Meter	647.84	695.39	740.10	787.11	834.96
6" Meter	675.45	725.01	771.49	820.41	870.28

WATER AND DELIVERY CHARGE

Water and Delivery Charge – Charge for actual water used during a two-month billing period, based on the total number of units registered by the meter. (One unit equals 748 gallons or 100 cubic feet)

ALL LBCWD CUSTOMER CLASSES

Tiers	2022	2023	2024	2025	2026
Tier 1 – Usage within Water Budget	\$ 6.74	\$ 7.23	\$ 7.61	\$ 8.02	\$ 8.45
Tier 2 – Usage in excess of Water Budget	\$ 9.33	\$ 10.07	\$ 10.62	\$ 11.19	\$ 11.79

Fee Schedule No. 03**PRIVATE FIRE PROTECTION SERVICE LINE CHARGES****APPLICABILITY**

Applicable to all private fire protection service lines.

BI-MONTHLY PRIVATE FIRE LINE CHARGE (ALL CUSTOMER CLASSES WITH A PRIVATE FIRE LINE CONNECTION)

Bi-monthly Service Charge – This is a service charge, which is added to the bill during the billing period. It covers portions of fire-flow-related operation and maintenance and capital expenses of the water system.

FIRE LINE SIZE	BI-MONTHLY PRIVATE FIRE LINE CHARGE				
	2022	2023	2024	2025	2026
2-inch	\$ 8.19	\$ 8.39	\$ 8.58	\$ 8.77	\$ 8.97
4-inch	23.90	31.80	39.70	47.60	55.50
6-inch	51.44	78.89	106.33	133.78	161.22
8-inch	94.31	156.63	218.94	281.25	343.57
10-inch	155.57	271.14	386.71	502.28	617.85

CONDITIONS

1. The fire protection service connection will be installed at the expense of the applicant.
2. The maximum diameter will be not more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal services does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed at the expense of the applicant.
4. The customer's private fire protection service, as well as the customer's domestic water service, must have approved backflow prevention devices.
5. There shall be no cross connection between the fire protection systems supplied with water from the District to any other source of supply. Any such unauthorized cross connection may be grounds for immediate disconnection of the fire protection service without liability to the District.
6. As part of the private fire protection service installation, there shall be a detector check or other similar device acceptable to the District, which will indicate the use of water. Any unauthorized usage will be charged as indicated in Fee Schedule 02, General Metered

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

Water Service Rates, and/or may be grounds for the District to discontinue the private fire protection service without liability to the District.

7. Any rates for private fire protection service sizes not shown on this schedule will be determined by District staff.

Fee Schedule No. 04**CONSTRUCTION WATER METER SERVICE****APPLICABILITY**

Applicable to all measured water service furnished from a fire hydrant connection.

FEES	AMOUNT
DEPOSIT PER METER (for return of meter & for any unpaid meter service and water use charges)	\$2,500.00
SERVICE RENTAL CHARGE (charges not pro-rated)	Based on Meter Size – See Schedule No. 02
WATER USE CHARGE (\$/hcf)	Tier 1 Rate – See Schedule No. 02
METER RELOCATION (each additional time after 3 rd relocation)	\$55.00
BACKFLOW TEST (construction meters only)	\$114.00

CONDITIONS

1. The District reserves the right to discontinue the service without notice if water is not used for a period of sixty (60) consecutive days.
2. The customer shall notify the District to have service discontinued. The regular rates, including the minimum charge, shall continue until such notice has been received, unless the service is discontinued under #1 above.
3. The District will relocate a meter within the project three times at no additional cost. Additional relocations will be at a charge as noticed above for each move after the 3rd move. A request for meter relocation must be made 24 hours in advance of the time needed.
4. If any damage to the District facilities is caused as a result of this connection, the applicant is liable for such damage and will be billed.
5. The billing cycle begins the day that the meter is set.
6. The Deposit will be used for payment of services on the closing bill. Any money left is refundable after the meter is returned to the District in good working condition.

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

Fee Schedule No. 05

MISCELLANEOUS CHARGES

FEES	AMOUNT
1. Past Due Notice - Past Due Notices are mailed 22 days after the original bill is mailed. The notice allows 15 additional days to pay before a Final Notice of Disconnection tag is issued.	\$3.00
2. Past Due/Final Notice of Disconnection – Site visit to post Final Notice of Disconnection.	\$14.00
3. Return Payment Charge/NSF – First returned payment.	\$25.00
4. Return Payment Charge/NSF – Each subsequent returned payment after first by same person.	\$35.00
5. Reconnection/Turn-On Service – During regular District hours.	\$58.00 (\$50.00 if SB 998 exempt)
6. Reconnection/Turn-On Service – After regular District hours.	\$100.00
7. Cut Lock Replacement - First time – replace lock	\$91.00
8. Cut Lock Replacement - Second time – pull meter	Time & Materials
9. Landscape Trim/Obstacle Removal - To access meter if customer does not trim/remove obstacle after notice.	\$81.00
10. Meter Test Fee	\$267.00
11. System Pressure Check – if performed by Customer Service staff.	\$79.00
12. Copy of Public Records - In cases where it is necessary to send a document or documents to a printer or commercial copying service, the requestor shall pay the total direct cost of such outside services.	\$0.10 per page
13. Antenna/Cell Tower Equipment Application Review Fee	\$3,200.00
14. After Hours Administration Labor Rate - Non-exempt staff only.	1.5X staff labor rates up to 4 hours. After 4 hours, 2.0X staff labor rates
15. Miscellaneous/Special Requests for Service - Outside of District fee schedule categories.	Staff labor rate plus materials costs, if applicable

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

<p>16. Unauthorized Water Use Fee - Based on average water use during a 2-month billing period for the meter size and customer class associated with the unauthorized use.</p>	<p>Tier 2 Rate – See Schedule No. 02</p>
<p>17. Unauthorized Water Use Penalty – Ordinance No. 101 permits the District to collect administrative penalties due to unauthorized water use in addition to the Unauthorized Water Use Fee.</p>	<p>\$1,000 for the first violation. \$2,500 for a second violation within a two-year period. \$5,000 for each violation thereafter within a two-year period.</p>

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

Fee Schedule No. 06**SERVICE INSTALLATION FEES****APPLICABILITY**

Applicable to all measured water service furnished for general domestic use.

FEES	AMOUNT
Angle Meter Stop Located in Dirt: ¾-inch & 1-inch Stops	\$655.00
Angle Meter Stop Located in Dirt: 1 1/2-inch and greater Stops	\$820.00
Angle Meter Stop Located in Concrete: ¾-inch & 1-inch Stops	\$1,360.00
Angle Meter Stop Located in Concrete: 1 1/2-inch and greater Stops	\$1,572.00
Meter Drop-In/Replacement/Upgrade: ¾-inch Meter (at established service and no new lateral required)	\$567.00
Meter Drop-In/Replacement/Upgrade: 1-inch Meter (at established service and no new lateral required)	\$775.00
Meter Drop-In/Replacement/Upgrade: 1 1/2-inch Meter (at established service and no new lateral required)	\$1,616.00
Meter Drop-In/Replacement/Upgrade: 2-inch Meter (at established service and no new lateral required)	\$2,108.00
Meter Drop-In/Replacement/Upgrade: 3-inch Meter or Larger (at established service and no new lateral required)	District Estimate (collect deposit)
Meter Size Upgrade (at customer request and if new service/new lateral is required)	Charge new construction amount less cost of any materials not required of new service/construction
MXU 520-M SP Radio Replacement Fee	\$318.00
New Service to Main – Meter/Meter Box Installation for New Construction – ¾-inch meter	\$7,560.00
New Service to Main – Meter/Meter Box Installation for New Construction – 1-inch meter	\$7,925.00
New Service to Main – Meter/Meter Box Installation for New Construction – 1 1/2-inch meter	\$9,728.00

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

New Service to Main – Meter/Meter Box Installation for New Construction – 2-inch meter	\$10,121.00
New Service to Main – Meter/Meter Box Installation for New Construction – 3-inch and greater meter	District Estimate (collect deposit)

CONDITIONS

1. Angle Meter Stop fee applies in situations where customer damages meter stop.
2. Customer is responsible for full meter replacement fee per Fee Schedule No. 06 if meter/service connection is damaged due to customer negligence.

Note: Meter Drop-In/Replacement/Upgrade customer requests apply to established service connections where no new lateral is required.

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

Fee Schedule No. 07**WATER CAPACITY FEES****APPLICABILITY**

Applicable to all measured water service furnished for general domestic use.

NON-ACCESSORY DWELLING UNIT FEES

<u>Meter Size</u>	<u>Amount</u>
3/4"	\$4,679.00
1"	\$7,198.00
1 1/2"	\$19,164.00
2"	\$25,461.00
3"	\$50,652.00
4"	\$101,034.00
6"	\$201,797.00

ACCESSORY DWELLING UNIT FEES

<u>Meter Size</u>	<u>Amount</u>
3/4"	\$1,048.00
1"	\$1,612.00
1 1/2"	\$4,292.00

**PRIVATE FIRE LINE CONNECTION
CAPACITY FEES**

<u>Meter Size</u>	<u>Amount</u>
2"	\$318.00
4"	\$7,353.00
6"	\$21,114.00
8"	\$44,848.00
10"	\$80,549.00

CONDITIONS

- The above fees are water capacity fees for single-metered lots or private fire line connections.
- Water Capacity Fees for meters and Private Fire Line Connection Capacity Fees for private fire line connections that are upsized will be credited the fee for the current size of the existing meter or the current size of the existing private fire line connection. There

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

will be no refunds or credits issued for downsizing meters and private fire line connections.

Note: See District Comprehensive Fee Study Report for description and basis of fees.

Fee Schedule No. 08**ENGINEERING & OPERATIONS FEES AND CHARGES****APPLICABILITY**

Applicable to fees and charges required for work done in the Engineering and Operations Department.

FEES	AMOUNT
1. Availability Letter/Will Serve	\$80.00
2. Daily Inspection Rate (District-approved contractor forces performing the water system improvement work)	\$1,258.00
3. Encroachment Clearance Letter	\$113.00
4. Fire Flow Modeling - (pressure check & hydrant check)	\$183.00
5. Main Extension	Time & Materials Estimate (collect deposit)
6. Plan Check	\$205.00
7. Service Abandonment	\$1,686.00
8. After Hours Engineering & Operations Labor Rate - (non-exempt staff only)	1.5X staff labor rates up to 4 hours. After 4 hours, 2.0X staff labor rates
9. Miscellaneous/Special Requests for Service - (outside of District fee schedule categories)	Staff labor rate plus materials costs, if applicable

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

Fee Schedule No. 09

EQUIPMENT & VEHICLE RATES

APPLICABILITY

These rates apply to all District owned equipment and do not include operator.

EQUIPMENT RATES

VEH #	DESCRIPTION		RATES	
			HOURLY	DAILY
82	CATERPILLAR BACKHOLE/LOADER	EQUIPMENT	\$75.00	\$450.00
85	CATERPILLAR SKIDSTEER	EQUIPMENT	\$75.00	\$450.00
B-2	KUBOTA MINI EXCAVATOR	EQUIPMENT	\$75.00	\$450.00
EDG-1	EMERGENCY GENERATOR	EQUIPMENT	\$75.00	\$450.00
EDG-2	EMERGENCY GENERATOR	EQUIPMENT	\$75.00	\$450.00
EDG-3	EMERGENCY GENERATOR	EQUIPMENT	\$75.00	\$450.00
EDG-4	EMERGENCY GENERATOR	EQUIPMENT	\$75.00	\$450.00
EDP-1	EMERGENCY PORTABLE PUMPER	EQUIPMENT	\$75.00	\$450.00
EDP-2	EMERGENCY PORT. FIRE PUMPER	EQUIPMENT	\$75.00	\$450.00
EDP-3	EMERGENCY PORTABLE PUMPER	EQUIPMENT	\$75.00	\$450.00
E-15	TOYOTA FORKLIFT	EQUIPMENT	\$75.00	\$450.00
	MOBILE PUMP & TRAILER	EQUIPMENT	\$75.00	\$450.00
	CATERPILLAR GENERATOR	EQUIPMENT	\$75.00	\$450.00

VEHICLE RATES

VEH #	DESCRIPTION	CLASS (Ton)	RATES	
			HOURLY	DAILY
5	2003 FORD F-250	3/4	\$12.00	\$70.00
7	2015 FORD F-250	1/2	\$12.00	\$70.00
18	1960 CHEVROLET SEDAN		N/A	N/A
41	2016 FREIGHTLINER		\$50.00	\$300.00
42	1996 FORD F-250 HD4X4	3/4	\$12.00	\$70.00
43	1996 FORD 250HD STAKE	3/4	\$25.00	\$150.00
48	2016 HONDA CRV		\$12.00	\$70.00
53	2003 FORD RANGER	1/4	\$12.00	\$70.00
54	2017 CHEVROLET 1500 4X4	1/2	\$12.00	\$70.00
55	2017 FORD F-250 4X4	1/2	\$12.00	\$70.00
56	2006 FORD ESCAPE		\$12.00	\$70.00
57	2006 FORD F-150 4X4	1/2	\$12.00	\$70.00
58	2006 TOYOTA HIGHLANDER		\$12.00	\$70.00
59	2019 FORD F-250	3/4	\$12.00	\$70.00
61	2017 CHEVROLET 1500 4X4		\$12.00	\$70.00
62	2018 FORD F-150 SUPERCAB	1/2	\$12.00	\$70.00

LAGUNA BEACH COUNTY WATER DISTRICT

FEE SCHEDULE

63	2016 TOYOTA TACOMA	1/4	\$12.00	\$70.00
64	2008 FORD F-650 DUMP TRUCK		\$42.00	\$250.00
65	2009 FORD F-150	1/2	\$12.00	\$70.00
66	2009 FORD F-250 UTILITY	3/4	\$12.00	\$70.00
67	2010 FORD F-250	3/4	\$25.00	\$150.00
68	2011 FORD F-250	3/4	\$19.00	\$114.00
69	2011 FORD F-350	1	\$25.00	\$150.00
70	2011 FORD F-250 4X2 XL	3/4	\$25.00	\$150.00
71	2012 FORD F-250	3/4	\$25.00	\$70.00
72	2012 FORD F-250	3/4	\$25.00	\$70.00
73	2012 FORD F-150	1/2	\$12.00	\$70.00
74	2013 FORD F-350	1	\$25.00	\$150.00
75	2013 HONDA PILOT		\$12.00	\$70.00
76	2013 MAZDA CX5		\$12.00	\$70.00
77	WATER TRAILER		CAL WARN	CAL WARN
78	2013 FORD F-150	1/2	\$12.00	\$70.00
79	2013 FORD F-150	1/2	\$12.00	\$70.00
80	2015 FORD F-DUMP		\$42.00	\$250.00
81	2016 GMC CANYON	1/2	\$12.00	\$70.00
82	2016 PETERBUILT (VAC-HYDRO)		\$75.00	\$450.00

RESOLUTION NO. 877

A RESOLUTION OF THE LAGUNA BEACH COUNTY WATER DISTRICT, OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING A JOB CLASSIFICATION PLAN AND SALARY RANGES; AND REPEALING RESOLUTION NO. 867 AND ALL OTHER RESOLUTIONS AND MOTIONS INCONSISTENT HEREWITH TO THE EXTENT OF SUCH INCONSISTENCY.

NOW, THEREFORE BE IT RESOLVED, The Board of Directors of the Laguna Beach County Water District, does hereby resolve and order as follows:

1. That pursuant to the authorization contained in Ordinance No. 91, adopted June 2, 1987, authorizing the Salary Schedule of Section 11 entitled "Basic Pay Plan" of Ordinance No. 65, adopted February 6, 1973, as amended, to be established from time to time by resolution of this District, the Board of Directors does hereby resolve and order as follows:
2. That effective the first pay date in July 2022, the "Salary Schedule" of the "Job Classification Plan" is hereby fixed and established as follows:

MONTHLY SALARY SCHEDULE

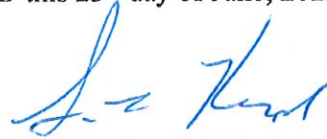
Salary Grade	Monthly Minimum	Monthly Control Point	Monthly Maximum
31	19,575	24,209	27,840
30	15,016	18,769	21,586
29	12,257	15,321	17,621
28	10,660	13,325	15,323
27	9,268	11,585	13,322
26	8,060	10,075	11,585
25	7,495	9,369	10,775
24	7,138	8,923	10,260
23	6,779	8,498	9,773
22	6,475	8,093	9,308
21	6,165	4,900	8,862
20	5,872	7,340	8,440
19	5,594	6,990	8,040
18	5,325	6,657	7,655
17	5,072	6,341	7,293
16	4,831	6,039	6,945
15	4,600	5,752	6,615

3. That effective the first pay date period in July 2022, the following pay grade numbers shall replace those as set forth in Section 11 of Ordinance No. 65 of this District and are hereby allocated and assigned to the following employment positions of the Laguna Beach County Water District, as follows:

<u>POSITION TITLE</u>	<u>SALARY GRADE</u>
GENERAL MANAGER’S OFFICE:	
General Manager	31
Human Resources and Office Administrator	26
ADMINISTRATION / CUSTOMER SERVICE	
Assistant General Manager	30
Customer Service Supervisor	27
Public Affairs Officer	23
Risk and Resiliency Analyst	23
Customer Service Representative III	22
Customer Service Rep/Tech II	22
Water Use Efficiency Tech II	22
Water Use Efficiency Technician	19
Customer Service Representative II	19
Customer Service Rep/Tech II	19
Customer Service Rep/Tech I	15
Customer Service Representative I	15
Facilities Maintenance Technician	15
ENGINEERING:	
Manager of Engineering	29
Senior Engineering Associate	26
Water Quality Specialist	24
Engineering Technician	23
Permit Specialist	19
Office Assistant	15
FINANCE:	
Manager of Finance/Treasurer	29
Accountant	24
Senior Accounting Technician	20
OPERATIONS:	
Manager of Operations	29
Field Maintenance Supervisor/Assistant Manager of Operations	27
Foreman	26
Maintenance Worker III	24
Maintenance Worker II	20
Maintenance Worker I	16

4. That Resolution No. 867 and all other resolutions and motions inconsistent herewith be and the same are hereby repealed to the extent of such inconsistency. This resolution shall be in effect the first pay date in July 2022.

ADOPTED, SIGNED AND APPROVED this 23rd day of June, 2022.



President

ATTEST:



Secretary

RESOLUTION NO. 878

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAGUNA
BEACH COUNTY WATER DISTRICT OF ORANGE COUNTY,
CALIFORNIA, ADOPTING THE LAGUNA BEACH COUNTY WATER
DISTRICT FISCAL YEAR 2022/23 BUDGET**

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of Laguna Beach County Water District, does hereby resolve and order as follows:

1. That the budget estimate for the General Fund and Capital Fund of the Laguna Beach County Water District as submitted for fiscal year 2022/23 is hereby approved.

ADOPTED, SIGNED, AND APPROVED this 23rd day of June, 2022.



President

ATTEST:



Secretary


APPENDICES



Glossary

The FY 2022/23 budget contains terminology that is unique to water agencies and to public finance and budgeting. The following Budget Glossary provides assistance in understanding these terms.

- Accrual Basis of Accounting:** The basis of accounting under which transactions are recognized when they occur, regardless of the timing of cash receipts and disbursements.
- Acre-Foot:** The volume of water that will cover one acre to a depth of one foot. One acre-foot equals 435.6 units or 325,850 gallons.
- Appropriation:** The annual budget adopted by the District's Board for monitoring and control purposes, serving as a financial plan.
- Balanced Budget:** A balanced financial plan for a specified period of time that matches all planned revenues and expenditures with various services. The District uses a fiscal year beginning July 1 and ending June 30 for budgetary and financial reporting purposes.
- Capital Budget:** The portion of the annual budget that appropriates funds for the purchase of capital equipment items and capital improvements. These expenditures are separate from regular operating items, such as salaries, utilities, and office supplies.
- Capital Improvement Program:** A long-range plan for the construction, rehabilitation and modernization of District owned and operated infrastructure.
- Class of Service:** All customers are classified based on the primary use of water on their parcel; broad classifications include (but are not limited to) residential, commercial, hotel, etc. The water rate per unit is determined by this classification.
- Commodity Rate:** Charges to recover expenses that vary with water use.
- Depreciation:** An expense recorded to allocate a tangible asset's cost over its useful life.
- Enterprise Fund:** Fund that provides goods or services to the public for a fee that makes the entity self-supporting.
- Expenditure:** The outflow of funds paid or to be paid for assets, goods or services obtained regardless of when actually paid. *Note: An encumbrance is not an expenditure; an encumbrance reserves funds to be expended in a future period.
- Fiscal Year:** Twelve-month term designating the beginning and ending period for recording financial transactions. The District has specified July 1 to June 30 as its fiscal year.
- Fund Balances:** The current funds on hand resulting from the historical collection and use of monies. The District maintains fund balances in other Reserves and PAYGO Capital Reserves.
- Interest Income:** Earnings from the investment portfolio.
- Late Charges/Penalties:** Charges and Penalties are imposed on customer accounts for late payments, returned payments, and other infringement of the District's Rules and Regulations.
- Metropolitan Water District (MWD):** MWD is one of 30 agencies that have contracted for imported water service from the State Water Project, owned by the State and operated by the California Department of Water Resources.



Municipal Water District of Orange County (MWDOC): The District has access to Metropolitan Water District (MWD) imported water through MWDOC's entitlement as a member agency of MWD.

Set-up Fees for Accounts: A charge is added for each new account, and whenever an existing account is transferred to another customer. This fee contributes to the administrative costs associated with establishing new accounts.

Service Charge: A fixed amount to recover costs related to serving customers that do not vary with water use. The charge is based on the size of the meter and class of service.

Service Installation: A new customer connection to the District's water system

State Water Project: The State Water Project (SWP) transports water from the Sacramento-San Joaquin Delta via the California Aqueduct to four delivery points near the northern and eastern boundaries of the MWD service area. The SWP is owned by the State and operated by the California Department of Water Resources.

Unit: 748 gallons of water equals a single Hundred Cubic Feet (HCF) Unit. The District bills its customers in HCF Units.

Water Budget: A form of increasing tiered rates where the amount of water within the first tier is based on the estimated efficient water needs of each customer.

Water Capacity Fees: Charges paid by customers to connect to the District water system for water service. Capacity fees are the cost of buying into the existing distribution system and are determined by the meter size.

**LAGUNA BEACH COUNTY WATER DISTRICT
WATER RATE HISTORY
1975 TO PRESENT**

RESOLUTION OR ORDINANCE #	EFFECTIVE DATE	SERVICE CHARGE BI-MONTHLY		WATER CHARGE (PER CCF)	%WATER CHARGE INCREASE	MWD WATER RATE (AF)	%MWD WATER RATE INCREASE
ORD. #69	07/01/75	3/4" - 5.00 1 1/2" - 11.25 3" - 25.00	1" - 7.50 2" - 15.00 4" - 40.00	0.28			
	07/01/77					75	
RES. # 301	07/01/78	3/4" - 7.50 1 1/2" - 16.88 3" - 37.50	1" - 11.25 2" - 22.50 4" - 60.00	0.52	86%	84	12%
	07/01/81		SAME	SAME		121	44%
RES. # 367	07/01/82		SAME	0.62	19%	192	59%
RES. # 377	07/01/83		SAME	0.71	15%	SAME	
RES. # 384 (AMENDS SEC 2-377)	07/01/83		SAME	0.83	17%	SAME	
RES. # 395	07/01/84		SAME	0.87	5%	SAME	
RES. # 406 (AMENDS SEC 2-395)	07/01/85		SAME	0.91	5%	224	17%
RES. # 424 (AMENDS SEC 2-406)	07/01/86		SAME	0.96	5%	230	3%
RES. # 499 (REPEALS 377,384,395)	07/01/91		SAME	1.11	16%	261	13%
RES. # 503 (REPEALS ORD.67,69, RES.301,367,395,424,499)	07/01/92	3/4" - 10.00 1 1/2" - 22.50 3" - 50.00	1" - 15.00 2" - 30.00 4" - 80.00	1.37	23%	322	23%
BOARD MOTION	01/06/93		SAME	1.65	20%*	SAME	
RES. # 523 (REPEALS RES. #503)	07/01/93		SAME	1.98	20%	385	20%
	07/01/94		SAME	1.98		412	7%
BOARD MOTION	02/01/95		SAME	2.12	7%	SAME	
	07/01/95		SAME	2.12		426	3%
BOARD MOTION	09/01/95	3/4" - 11.50 1 1/2" - 45.00 3" - 100.00	1" - 23.00 2" - 60.00 4" - 160.00	2.20	4%	SAME	
	01/01/97		SAME	2.20		431	1%
BOARD MOTION	03/01/99		SAME	2.31	5%	SAME	
BOARD MOTION	04/01/00		SAME	2.43	5%	SAME	
BOARD MOTION	07/01/01		SAME	2.50	3%	SAME	
BOARD MOTION	07/01/02	3/4" - 15.00 1 1/2" - 60.00 3" - 130.00	1" - 30.00 2" - 75.00 4" - 205.00	2.50			
BOARD MOTION	07/01/03		SAME	2.64	6%	435	1%
	01/01/04		SAME	2.64		451	3%
BOARD MOTION	07/01/04		SAME	2.74	4%	451	
	01/01/04		SAME	2.74		476	6%
RESOLUTION # 680	07/01/05		SAME	2.82	3%	473	-1%
	01/01/06		SAME	2.82		482	2%
RESOLUTION # 700	07/01/06	3/4" - 18.00 1 1/2" - 72.00 3" - 156.00	1" - 36.00 2" - 90.00 4" - 246.00	2.85	1%	479	-1%
	01/01/07		SAME	2.85		490	2%
RESOLUTION #710	07/01/07	3/4" - 20.00 1 1/2" - 80.00 3" - 173.00	1" - 40.00 2" - 100.00 4" - 273.00	2.94	3%	490	

continued next page

**WATER RATE HISTORY
1975 TO PRESENT**

RESOLUTION OR ORDINANCE #	EFFECTIVE DATE	SERVICE CHARGE BI-MONTHLY		WATER CHARGE (PER CCF)	%WATER CHARGE INCREASE	PURCHASED WATER RATE (AF)	% WATER RATE INCREASE
RESOLUTION # 729	12/01/08	3/4" - 21.60 1 1/2"-107.98 3" - 345.52	1" - 53.99 2" - 172.76 4" - 539.88	30 - 3.02 over - 3.29 (single fam) 3.17 (all others)	3%	604	14%
RESOLUTION # 736	07/01/09	3/4" - 22.69 1 1/2"-113.46 3" - 363.06	1" - 56.73 2" - 181.53 4" - 567.28	30 - 3.23 over - 3.58 (single fam) 3.42 (all others)	7%	586 701	-3% 16%
RESOLUTION # 765	01/01/11	3/4" - 24.04 1 1/2"-120.18 3" - 360.55	1" - 60.09 2" - 192.29 4" - 600.92	Tier 1 - 3.56 (Budgeted) Tier 2 - 5.96 (Inefficient)	10% 66%	744	6%
RESOLUTION # 765	01/01/12	3/4" - 24.77 1 1/2"-123.84 3" - 371.53	1" - 61.92 2" - 198.15 4" - 619.21	Tier 1 - 3.66 (Budgeted) Tier 2 - 6.10 (Inefficient)	3% 2%	794	7%
RESOLUTION # 765	01/01/13	3/4" - 25.52 1 1/2"-127.59 3" - 382.78	1" - 63.80 2" - 204.15 4" - 637.97	Tier 1 - 3.77 (Budgeted) Tier 2 - 6.26 (Inefficient)	3% 3%	847	7%
RESOLUTION # 765	01/01/14	3/4" - 26.28 1 1/2"-131.42 3" - 394.27	1" - 65.71 2" - 210.28 4" - 657.11	Tier 1 - 3.89 (Budgeted) Tier 2 - 6.45 (Inefficient)	3% 3%	890	5%
RESOLUTION # 799	11/01/14	3/4" - 27.57 1 1/2"-137.85 3" - 413.55	1" - 68.92 2" - 220.56 4" - 689.25 6" - 1,378.49	Tier 1 - 4.25 (Budgeted) Tier 2 - 7.21 (Inefficient)	9.3% 11.8%	923	3.7%
RESOLUTION # 799	11/01/15	3/4" - 29.87 1 1/2"-149.33 3" - 448.00	1" - 74.67 2" - 238.93 4" - 746.66 6" - 1,493.32	Tier 1 - 4.61 (Budgeted) Tier 2 - 7.65 (Inefficient)	8.5% 6.1%	942	2.1%
RESOLUTION # 799	11/01/16	3/4" - 32.36 1 1/2"-161.82 3" - 485.45	1" - 80.91 2" - 258.91 4" - 809.09 6" - 1,618.18	Tier 1 - 4.86 (Budgeted) Tier 2 - 8.13 (Inefficient)	5.4% 6.3%	979	3.9%
RESOLUTION # 799	11/01/17	3/4" - 34.91 1 1/2"- 174.56 3" - 523.68	1" - 87.28 2" - 279.30 4" - 872.80 6" - 1,745.60	Tier 1 - 5.25 (Budgeted) Tier 2 - 8.61 (Inefficient)	8.0% 5.9%	1015	3.7%
RESOLUTION # 799	11/01/18	3/4" - 37.36 1 1/2"- 186.79 3" - 560.36	1" - 93.39 2" - 298.86 4" - 933.93 6" - 1,867.87	Tier 1 - 5.25 (Budgeted) Tier 2 - 8.61 (Inefficient)	0.0% 0.0%	1050	3.4%
RESOLUTION # 799	11/01/19	3/4" - 37.36 1 1/2"- 186.79 3" - 560.36	1" - 93.39 2" - 298.86 4" - 933.93 6" - 1,867.87	Tier 1 - 5.25 (Budgeted) Tier 2 - 9.09 (Inefficient)	0.0% 5.6%	1078	2.7%
RESOLUTION # 799	11/01/19	3/4" - 37.36 1 1/2"- 186.79 3" - 560.36	1" - 93.39 2" - 298.86 4" - 933.93 6" - 1,867.87	Tier 1 - 5.25 (Budgeted) Tier 2 - 9.09 (Inefficient)	0.0% 0.0%	1104	2.4%
RESOLUTION # 799	11/01/19	3/4" - 37.36 1 1/2"- 186.79 3" - 560.36	1" - 93.39 2" - 298.86 4" - 933.93 6" - 1,867.87	Tier 1 - 5.25 (Budgeted) Tier 2 - 9.09 (Inefficient)	0.0% 0.0%	1143 (Import) 507 (GW)	3.5% 4.1%
RESOLUTION # 873	03/01/22	3/4" - 35.18 1 1/2"- 53.92 3" - 647.84	1" - 44.02 2" - 65.73 4" - 675.45	Tier 1 - 6.74 (Budgeted) Tier 2 - 9.33 (Inefficient)	28.4% 2.6%	1209 (Import)	5.8%

* Offsets Property Tax Revenue Loss

Revised 6/23/22

LAGUNA BEACH COUNTY WATER DISTRICT COLA HISTORY		
MARCH OF:	CPI	LBCWD COLA
1987/88		4.00%
1988/89		3.00%
1989/90		4.70%
1990/91		5.50%
1991/92		3.10%
1992/93		3.86%
1993/94		1.50%
1994/95		1.80%
1995/96		1.40%
1996/97	1.70%	1.70%
1997/98	1.50%	1.60%
1998/99	0.60%	3.00%
1999/00	2.10%	3.00%
2000/01	3.50%	3.40%
2001/02	3.20%	3.20%
2002/03	2.80%	2.80%
2003/04	4.50%	2.80%
2004/05	1.80%	1.80%
2005/06	3.90%	3.00%
2006/07	4.50%	4.36%
2007/08	4.00%	3.86%
2008/09	3.60%	3.45%
2009/10	-1.60%	0.00%
2010/11	2.40%	2.40%
2011/12	3.50%	3.50%
2012/13 *	2.00%	2.00%
2013/14	1.30%	2.00%
2014/15 *	1.00%	1.00%
2015/16	0.20%	2.00%
2016/17 *	1.30%	3.50%
2017/18 *	2.50%	3.00%
2018/19	3.90%	3.00%
2019/20	3.70%	3.80%
2020/21	2.20%	0
2021/22	2.70%	2.70%
2022/23	8.67%	4.0% (PROPOSED)

* CalPERS Employee Contribution (Classic): 2012/13 = 2%, 2014/15 = 3%, 2016/17 = 1%, 2017/18 = 1%. Total = 7%

2013-2023 STRATEGIC PLAN GOALS AND FY22/23 RECOMMENDED ACTION

Strategic Element	ID	Strategic Plan Goal	Status	FY 22/23 Recommended Actions	Lead Dept.
1.0 Water Source and Reliability	1.1	Pursue Ocean Desalination Opportunities	In progress	Continue to evaluate Desal, make recommendations for participation level, and take necessary next steps	GM
	1.2	Develop Groundwater as a Water Source	In progress	Evaluate options for solving the groundwater uncertainty issue (resolve by FY 2024/25)	GM
	1.3	Explore Opportunities for a Recycled Water Project	Completed study		
	1.4	Increase Water Storage to 14 Days	In progress	Achieve 100% local and emergency interconnection supplies for a minimum 14 day Metropolitan outage.	GM
				Evaluate emergency interconnection agreements and update agreements to meet goal of 100% local and emergency interconnection supplies for a minimum 14 day MET outage (resolve by FY 2024/2025).	GM
				Evaluate and confirm the need for Moulton Meadows as part of the 10 year CIP plan	ENG
				Obtain an SRF for Rim Rock and establish a process for financing future similar large projects	AGM
				Same as 1.1: Continue to Evaluate Desal, make recommendations for participation level, and take necessary next steps	GM
				Same as 1.2: Evaluate options for solving the groundwater uncertainty issue (resolve by FY 2024/2025)	GM
	1.5	Be Proactive in Preparing for Emergencies	In progress	Update the District's Emergency Operations Plan and provide training to all staff	AGM
				Continue to track, prepare, and respond to the Drought	AGM
	1.6	Comply with Environmental and Regulatory Requirements	Ongoing efforts		
1.7	Protect Water Supplies	In progress	Perform visual risk assessment and AWIA Risk assessment follow-up for each District Site and provide budget	AGM	
			Evaluate reservoir access issues at Jahraus and Zitnik, work with the CA Dept of Drinking Water (DDW) to assess risk, implement fixes	ENG	
2.0 Water Infrastructure	2.1	Plan for improvements and Expansion of Infrastructure	In progress	Evaluate CIP list as part of budget process and make recommended changes based on current priorities; Implement CIP as approved	ENG
	2.1a	Laguna Canyon Road Pipeline Improvements	Completed		
	2.1b	Arroyo Drive Pipeline Improvements	Completed		
	2.1c	Pipeline Replacement Project	In progress	Same as 2.1: Evaluate CIP list as part of budget process and make recommended change based on current priorities; Implement CIP as approved	ENG
	2.1d	Viejo Pump Station Discharge Pipeline	Completed		
	2.1e	Upgrade Temple Hills Reservoir (800 Zone) and Pump Station	In progress	Same as 2.1: Evaluate CIP list as part of budget process and make recommended change based on current priorities; Implement CIP as approved	ENG
				Evaluate if Temple Hills 800 Reservoir needs to be upsized	ENG

Strategic Element	ID	Strategic Plan Goal	Status	FY 22/23 Recommended Actions	Lead Dept.
2.0 Water Infrastructure (cont.)	2.2	Continue Small Capital Replacement Program	Ongoing efforts		
	2.3	Maintain Existing Preventative Maintenance Program	Ongoing efforts		
	2.4	Improve Security at District Facilities	In progress	Same as 1.7: Perform visual risk assessment and AWIA Risk assessment follow-up for each District Site and provide budget recommendations to address risks	AGM
				Same as 1.7: Evaluate reservoir access issues at Jahraus and Zitnik, work with the CA Dept of Drinking Water (DDW) to assess risk, implement Fixes	ENG
	2.5	Operate and Maintain Facilities	In progress	Evaluate energy sustainability efforts at district sites (Photovoltaic and battery backup systems) and make recommendations for future budgets.	GM
Evaluate fleet for possible replacement from gas to electric and make recommendations for future budgets				OPS	
3.0 Workforce	3.1	Maintain and Update Personnel Policies and Procedures	In progress	Update and codify our own codes and standards in one place (LBCWD Code Manual): Development processes and polices, standard specs, customer service rules/regs	GM
				Evaluate and implement a system to standardize tracking fees, permits, and invoices (e.g. Track-IT)	ENG
	3.2	Provide a Safe Workplace	In progress	Start Construction of the Locker Room project (Complete work in FY 2023/24)	AGM
				Continue to track, prepare, and respond to COVID	HR
	3.3	Perform Periodic Recruitment and Compensation Reviews	In progress	Perform an in-house review of compensation between local agencies and make recommendations for future budgets	HR
	3.4	Support Effective Employee Retention and Training Programs	In progress	Establish Quaterly All-Hands events	HR
	3.5	Maintain Employee Evaluation and Performance Management System	In progress	Update the District's employee appraisal process	HR
3.6	Develop a Succession Plan	Not started	Update the District's Succession Plan	HR	
4.0 Administration	4.1	Enhance Records Retention	Ongoing efforts		
	4.2	Improve Internal Communication by Developing District-wide Intranet	Ongoing efforts		
	4.3	Foster a Positive District Image through External Communication	In progress	Increase the District's involvement in ACWA	GM
				Continue LBCWD's attendance at all Regional Meetings of MWDOC, South County Agencies, South Orange County Watershed Management, Orange County Water District Producers Meeting, and other key meetings as they come up.	GM
	4.4	Implement a District-Wide GIS	Completed		
4.5	Maintain Existing Policies and Procedures Manual	Ongoing efforts			

Strategic Element	ID	Strategic Plan Goal	Status	FY 22/23 Recommended Actions	Lead Dept.
4.0 Administration (cont.)	4.6	Sustain Effective Governance Structure	In progress	Track and respond accordingly to the South Laguna annexation process	GM
				Work with the Board to establish a non-temporary District General Counsel	GM
				Continue to track, prepare, and respond to State and Federal Legislation	GM
5.0 Finances	5.1	Perform annual reviews of Financial policies and Guidelines	Ongoing efforts		
	5.2	Conduct an Annual Financial Audit	Ongoing efforts		
	5.3	Perform Periodic Risk Management Assessments	In progress	Same as 1.7: Perform visual risk assessment and AWIA Risk assessment follow-up for each District Site and provide budget recommendations to address risks	AGM
				Evaluate the possibility to self-insure for certain risks and make Board recommendation	FIN
	5.4	Institute an Asset Management Plan	In progress	Update the 2018 Master Plan Asset Management Condition Assessment List and make budget recommendations.	ENG
	5.5	Perform Annual Rate Assessments	Ongoing efforts		
	5.6	Review and Update Transparency Guidelines	Ongoing efforts		
	5.7	Integrate Strategic Planning Process with Budget development	In progress	Annually update the actions in the District's Strategic Plan as part of the budget process	GM
	5.8	Evaluate Revenue Stream from Cell sites	New	Perform analysis and provide report on cell site revenue and recommendations.	FIN
	5.9	Evaluate Potential for other Revenue Stream	New	Perform analysis and provide report on the possibility of developing other revenue streams and provide recommendations.	FIN
6.0 Community Relations	6.1	Maintain an active community Presence	Ongoing efforts		
	6.2	Meet 20 Percent Water Use Reduction by 2020	Completed		
	6.3	Seek out and Develop Community partnerships	In progress	Improve coordination of permits and projects with the City and outside agencies	ENG
				Update the Emeral Bay Service agreement	GM
				Improve graffiti and O&M coordination at the Carolyn Wood View Knolls property	OPS
				Coordinate with the City on CCA/CCE efforts	GM
				Improve Wildfire Coordination with the City	GM
				Improve Wildfire Coordination with the Greater Laguna Fire Safe Council	GM
	6.4	Continue Customer Education Program	Ongoing efforts		
6.4a	Continue to maintain Water-wise/Fire Safe Demo Garden	Ongoing efforts			
6.4b	Continue to send out New Customer Information Packets	Ongoing efforts			

Strategic Element	ID	Strategic Plan Goal	Status	FY 22/23 Recommended Actions	Lead Dept.
6.0 Community Relations (cont.)	6.4c	Continue to provide bill inserts, newsletters, website info	Ongoing efforts		
	6.4d	Continue to provide outreach to customers impacted by projects	Ongoing efforts		
	6.5	Maintain and Enhance District website	Ongoing efforts		
7.0 Customer Service	7.1	Evaluate and Implement Technologies that improve service	Ongoing efforts		
	7.1a	Investigate new customer notification options	Ongoing efforts		
	7.1b	Investigate and Implement AMI	Completed		
	7.1c	Provide online payment option	Completed		
	7.2	Conduct Customer Satisfaction Survey	Not started	Hire professional PR firm to conduct Customer Service Survey (not just a satisfaction survey, but also what's important to our customers) and provide findings report to District	AGM
	7.3	Introduce a customer service Rules and Regulations Manual	In progress	Same as 3.1: Update and codify our own codes and standards in one place (LBCWD Code Manual): Development processes and policies, standard specs, customer service rules/regs	GM