

EL TORO WATER DISTRICT BUDGET 2014/2015



EL TORO WATER DISTRICT BOARD OF DIRECTORS 2014-2015

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MISSION STATEMENT

The mission of the El Toro Water District is to plan and invest appropriately to provide its customers a safe, adequate and reliable supply of water, wastewater and recycled water service in an environmentally and economically responsible way.

FINANCIAL OBJECTIVES

Fiscal 2014-15

- Establish a revenue cash flow plan that is sufficient to fund the operating budget including the capital replacement & refurbishment program.
- Establish a reliable, stable and predictable rate adjustment strategy that minimizes impact to customers.
- ♦ Maintain a minimum reserve level sufficient to fund legal, board mandated and working capital requirements.
- Employ cost containment and reduction strategies and practices as appropriate to cost effectively maintain reliable reserve levels.

FISCAL YEAR 2014-15

Revenue:

- WATER SALES is based on the purchase of 8,700 acre-feet (af) of water and delivery of 8,400 af to customers. This is in line with last year's budget after adjustment for the sale of additional recycled water (100 AF) initial production from the Recycled Water Expansion Project.
- WATER USEAGE CHARGE to cover purchasing water from Metropolitan Water District through Municipal Water District of Orange County has been increased effective July 1, 2014 to match the costs charged to the District for that water. The local water use charge, which covers the District's costs to deliver water, has not increased; however, effective July 1, 2010 the amount was integrated into the overall water usage charge in connection with the Water Budget-Based Tiered Conservation Rate Structure. The allocation of costs within the various budget tiers has been further refined as explained in the most recent independently prepared Cost of Service Study.
- WATER SERVICE CHARGE (Water System Operations & Maintenance "O & M") has been increased effective July 1, 2014 to reflect the current cost of maintaining the system and is supported by an independent Cost of Service Study.
- RECYCLED WATER SALES are projected on the average annual sales to the Golden Rain Foundation and the initial sales generated by the Recycled Water Expansion Project. The rate for disinfected secondary recycled water has been adjusted to reflect the current cost of maintaining the system and is supported by an independent Cost of Service Study. The rate for tertiary disinfected recycled water has been set by Board policy at 90% of the then current Tier II portable water rate.
- NON-RATE REVENUE reflects shared maintenance of joint facilities with neighboring agencies, communication site leases and other miscellaneous revenues.
- PROPERTY TAX REVENUE represents our share of the 1% general property taxes paid to the State.
- SEWER USAGE AND FIXED RATE the Sewer Usage and Fixed Rate has been increased effective July 1, 2014 to reflect the current cost of maintaining the system and is supported by an independent Cost of Service Study.
- INTEREST INCOME is expected to decrease as a result of reduced reserves and declining interest rates.
- CAPITAL REPLACEMENT & REFURBISHMENT WATER AND SEWER CHARGE is designed to assist in covering the cost of water and sewer capital R&R during the year. No changes to this rate are contemplated.

FISCAL YEAR 2014-15

Revenue (continued):

- OTHER CASH FLOWS includes anticipated proceeds from the 1994-95 sale of the Allen-McColloch Pipeline (AMP) to the Metropolitan Water District of Southern California (MWD).
- Rate increases will comply with all applicable state constitutional and statutory mandates.

FISCAL YEAR 2014-15

Expenses:

- PURCHASED WATER costs are increased as a result of rate changes initiated by Metropolitan Water District of Southern California and Municipal Water District of Orange County.
- ENERGY (electrical power) costs have been increased based on expected system operations and information provided by electrical power providers.
- SOCWA OPERATIONS costs for regional bio-solids and effluent treatment disposal have increased.
- LABOR/BENEFITS COST are projected to increase. The increase is driven by final implementation of the succession plan, increases in medical premiums and administration of a Performance Based Merit Program. The proposed increases are partially offset by increased employee contributions to medical benefits.
- OPERATING COSTS exclusive of purchased water and labor are consistent with previous year's budget.

FISCAL YEAR 2014-15

CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM:

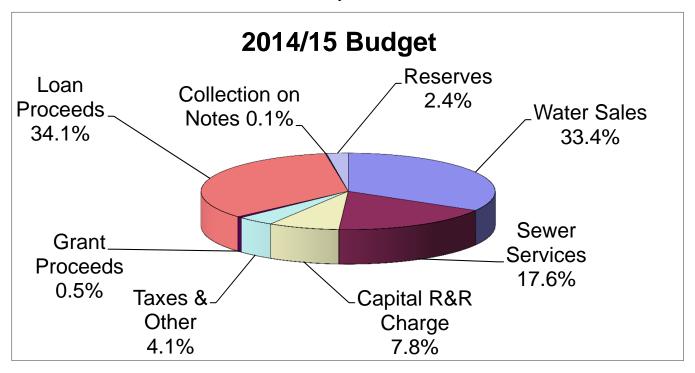
Five-Year Capital Replacement & Refurbishment Program

Staff continues to evaluate and update the on-going five-year Water and Sewer Capital Replacement & Refurbishment Plan (CR&R) to preserve its water and sewer infrastructure investment, meet regulatory requirements and ensure a continuous high level of service. CR&R expenditures for fiscal years 2014/15 total to \$4,030,998. The 2014/15 CR&R costs will be funded by 1) revenue generated by the CR&R charge, 2) grant and loan proceeds and 3) dedicated CR&R and Tier III & IV restricted reserves.

RESERVES:

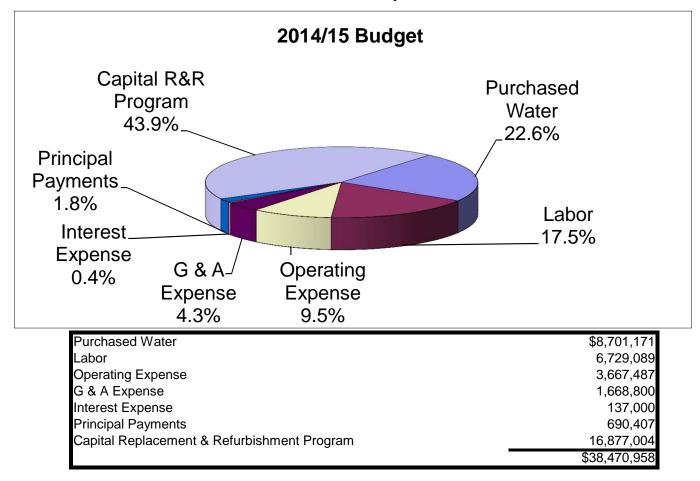
The District maintains two categories of reserves: (1) those legally required to be held as the result of contractual agreement (2) Board Mandated reserves. Board mandated reserves include (1) Capital Replacement & Refurbishment Program reserves for projects approved by the Board of Directors, (2) rate stabilization reserves, (3) operating reserves and (4) working capital. The current minimum reserve level for Board mandated reserves, established by Board policy, is \$8.5 million. The District's fiscal year 2014-15 Budget includes a provision to utilize reserves to fund a portion of the five-year Capital Replacement & Refurbishment Plan.

Where The Money Comes From



Water Sales	\$12,834,906
Sewer Services	6,790,000
Capital R & R Charge	3,000,000
Taxes & Other	1,575,244
Grant Proceeds	200,000
Loan Proceeds	13,108,295
Collection On Notes	52,000
Reserves	910,513
	\$38,470,958

Where The Money Goes





EL TORO WATER DISTRICT ORGANIZATION CHART 2014- 2015

	Positions		Positions
Department		Department	
Administrative Services		Customer Service	
General Manager	1	Customer Services Mgr.	1
Chief Financial Officer/Assist GM	1	C.S. Admin. Coordinator	1
Director of Operations & Eng	1	Recycled Water Coordinator	1
Administrative Assistant	1	C.S. Office Rep. I/II	2
Human Resources Manager	1	Billing Clerk I / II	1
Exec.Assistant to BOD & GM	1	C.S. Field Rep. I	1
	· ·	·	•
Office Assistant	1	C.S. Field Rep. II	1
Total	7	C.S. Field Rep. III	1
		Total	9
Accounting		Collections & Transmissions	
Controller	1	Technical/Regulatory	4
Accountant	2	Analyst/Mgr. Collections	1
Sr.Accountant	1	Industrial Waste Inspector	1
Total	4	Crew Chief	1
i otal	•	Maintenance Man III	1
		Maintenance Man I	2
Treatment Plant		Total	6
Treatment Plant	4	Total	U
Chief Plant Operator	1		
Truck Driver	2		
Waste Water Operator III	2	Information Systems	
Waste Water Operator II	2	Systems Administrator	1
Lab Supervisor	1	Total	1
Lab Technician II	1		
Total	9		
		<u>Engineering</u>	
		Engineer Associate	1
Pumping Crew		Project Engineer	1
Foreman	1	Total	2
Crew Chief	1	10101	_
Maintenance Man III	2		
Maintenance Man II	3	Purchasing/Receiving	
Maintenance Man I	1		1
	· ·	Purchasing Agent	<u>1</u>
Electrical Sys/SCADA Supervisor	1	Total	1
Total	9		
		<u>Automotive</u>	
Transmission & Distribution Crew	!	Senior Mechanic	1
Foreman	1	Total	1
Crew Chief	2		
Maintenance Man III	1		
Maintenance Man II	1		
Maintenance Man I	3		
Total	8	<u>Total Positions</u>	<u>57</u>
i Jiai	J	<u>Total Lositions</u>	<u> </u>

EL TORO WATER DISTRICT LABOR / BENEFITS COMPARISON 2014-15

	Budget 2012/13	Budget 2013/14	Budget 2014/15	Change
Labor	\$4,442,437	\$4,635,358	\$4,906,930	\$271,572
Benefits	1,510,179	1,572,525	1,681,856	\$109,331
Workers Compensation and Unemployment Ins.	134,200	144,223	140,303	(\$3,920)
	\$6,086,816	\$6,352,106	\$6,729,089	\$376,983
Benefits as % of Labor	24.81%	24.76%	24.99%	

BUDGET COMPARISON - Income Statement

		Budget 2012/13	Budget 2013/14	Budget 2014/15
Operating R	Revenue	2012/10	2010/14	2014/10
Water		\$11,518,692	\$12,163,009	\$12,834,906
Sewer		5,860,029	6,260,029	6,790,000
Capital Facilities Charge		3,000,000	3,000,000	3,000,000
Standby Fee		915,000	0	0
	Total Operating Revenue	21,293,721	21,423,038	22,624,906
Operating E	Expense			
Labor		6,086,816	6,352,106	6,729,089
Source of Supply		891,659	996,954	1,019,427
Purchased Water		7,949,948	8,342,158	8,701,171
Pumping Expense		460,184	497,984	501,895
Treatment Expense		849,135	819,620	890,119
Trans. & Dist. Expense		725,112	699,306	718,738
Operating Support		463,214	513,704	528,807
Customer Accounts Expense		8,000	37,500	8,500
General & Administrative		1,481,500	1,552,122	1,668,800
Depreciation & Amortization		2,906,850	2,906,850	2,906,845
	Total Operating Expense	21,822,418	22,718,304	23,673,392
	Operating Income	(528,697)	(1,295,266)	(1,048,486)
Non Operating Revenue		1,374,000	1,341,874	1,575,244
Non Operating Expense		(515,000)	(461,990)	(137,000)
Internal Resources		769,861	2,454,713	910,513
	Total Non Operating	1,628,861	3,334,597	2,348,757
Excess of Revenues and Ca	sh Flows Over Expense	\$ 1,100,164	\$ 2,039,331	\$ 1,300,271

BUDGET COMPARISON - Operating Expenses

	Budget 2012/13	Budget 2013/14	Budget 2014/15
Operating Expense			
Labor	\$6,086,816	\$6,352,106	\$6,731,684
Purchased Water	7,949,948	8,342,158	8,701,171
Source of Supply	891,659	996,954	1,019,427
Pumping Expense	460,184	497,984	501,895
Treatment Expense	849,135	819,620	890,119
Trans. & Dist. Expense	725,112	699,306	718,738
Operating Support	463,213	513,703	528,806
Customer Accounts Expense	8,000	37,500	8,500
General & Administrative	1,481,500	1,552,122	1,668,800
Depreciation & Amortization Total Operating Expense	2,906,850 \$21,822,417	2,906,850 \$22,718,303	2,906,845 \$23,675,986

BUDGET COMPARISON - Source of Supply

	Budget 2012/13	Budget 2013/14	Budget 2014/15	
SOCWA	\$787,900	\$895,745	\$926,468	
Sources of Supply	103,759	101,209	92,959	
Source of Supply	\$891,659	\$996,954	\$1,019,427	=
Purchased Water	\$7,949,948	\$8,342,158	\$8,701,171	

BUDGET COMPARISON - Pumping

	Budget 2012/13	Budget 2013/14	Budget 2014/15
Fuel & Power	\$302,200	\$292,500	\$311,761
Operating & Maintenance Exp.	157,984	205,484	190,134
	\$460,184	\$497,984	\$501,895

BUDGET COMPARISON - Treatment

_	Budget 2012/13	Budget 2013/14	Budget 2014/15
Fuel & Power	\$595,100	\$577,200	\$613,219
Operating & Maintenance Exp	254,035	242,420	276,900
	\$849,135	\$819,620	\$890,119

BUDGET COMPARISON - Transmission & Distribution

_	Budget 2012/13	Budget 2013/14	Budget 2014/15
Operating & Maintenance Exp	\$725,112	\$699,306	\$718,738
<u>=</u>	\$725,112	\$699,306	\$718,738

BUDGET COMPARISON - Operations Support

	Budget 2012/13	Budget 2013/14	Budget 2014/15
Vehicle Maintenance	\$257,700	\$305,390	\$303,893
Warehouse & Facilities	205,514	208,314	224,914
	\$463,214	\$513,704	\$528,807

BUDGET COMPARISON - Customer Accounts

	Budget 2012/13	Budget 2013/14	Budget 2014/15
Conservation Programs	\$8,000	\$37,500	\$8,500
Total Customer Accounts	\$8,000	\$37,500	\$8,500

BUDGET COMPARISON - General & Adminstration

riscal rears Lituing Julie 30	Budget 2012/13	Budget 2013/14	Budget 2014/15
Insurance & Damages	\$353,200	\$439,000	\$408,500
Director's Fees	100,000	100,000	100,000
Meetings & Conventions	36,000	35,000	35,000
Legal Fees	100,000	100,000	125,000
Public Relations	98,000	113,000	152,000
General Plant Maintenance	40,000	63,322	86,000
Utilities, Building Security, Janitorial	69,800	78,700	88,800
Auditing Fee	29,000	29,000	30,000
Dues and Memberships	60,400	76,000	78,000
Voice and Data Communications	70,000	70,000	70,000
Publications and Subscriptions	3,000	3,000	3,000
Printing and Reproduction	25,000	25,000	25,000
Equipment Rental	22,000	15,000	10,000
Other Employee Costs	25,000	25,000	25,000
Bank and Paycheck Services	39,600	39,600	44,000
Bad Debts	30,000	30,000	30,000
Employee Events, Education, and Service Awards	14,500	14,500	14,500
Temporary Help	25,000	25,000	25,000
Computer Supplies	75,000	75,000	75,000
Office Supplies	18,000	18,000	18,000
Property Taxes	3,000	3,000	6,000
Elections/Other	45,000	0	45,000
Outside Contractors and Consultants	190,000	165,000	165,000
Postage	10,000	10,000	10,000
Total General & Administrative	\$1,481,500	\$1,552,122	\$1,668,800
Depreciation & Amortization	\$2,906,850	\$2,906,850	\$2,906,845

BUDGET COMPARISON - Non-Operating Income & Expense

	Budget 2012/13	Budget 2013/14	Budget 2014/15
Tax Revenue	\$700,000	\$700,000	\$740,000
Interest Income	131,000	84,000	80,000
Other Revenue	543,000	557,874	755,244
Total Non-Operating Revenue	\$1,374,000	\$1,341,874	\$1,575,244
Interest Expense	\$515,000	\$461,990	\$137,000
Total Non-Operating Expense	\$515,000	\$461,990	\$137,000



EL TORO WATER DISTRICT FIVE YEAR CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM F.Y. 2014/15 - 2018/2019

ITEM#	DESCRIPTION	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	WATER	SEWER
	Source of Supply / Storage								
1	R-2 Reservoir Interior Recoating (E/C)				250,000		250,000	250,000	
2	R-2 Reservoir Exterior Recoating (E/C)				75,000		75,000	75,000	
3	R-1 / R-2 Reservoir Management System (C)	500,000					500,000	500,000	
4	JRWSS Capital Budget	25,560	102,610	55,700			183,870	183,870	
	Total Source of Supply	525,560	102,610	55,700	325,000	0	1,008,870	1,008,870	0
	Recycled Water								
1	Recycled Water Expansion Project	6,532,822	875,000				7,407,822	7,407,822	
1a	Recycled Water Expansion Project Funding Sources	(6,532,822)	(875,000)				(7,407,822)	(7,407,822)	
2	Recycled Water Phase II Engineering / Environmental	300,000					300,000	300,000	
	Total Treatment (Water)	300,000	0	0	0	0	300,000	300,000	0
	Pumping (Water)								
1	P-3 New MCC with TS, Nema 3R Main & Generator Installation.			320,000			320,000	320,000	
2	Cherry Booster Station Generator Set, ASCO T/S & Installation				200,000		200,000	200,000	
3	Water Stations PLC Upgrade to Control Logix (PLC 5 Discontinued)	50,000	50,000	50,000	50,000		200,000	200,000	
4	Second Street Pump Station	950,000	175,000				1,125,000	1,125,000	
	Total Pumping (Water)	1,000,000	225,000	370,000	250,000	0	1,845,000	1,845,000	0
	<u>Pumping (Sanitation)</u>								
1	Oso Improvement Projct	700,000	200,000				900,000		900,000
4	Aliso Creek Lift Station Skid Pump and Piping		120,000				120,000		120,000
5	Sewer Stations PLC Upgrade to Control Logix (PLC 5 Discontinued)	25,000	25,000	25,000	25,000	50,000	150,000		150,000
6	4920 Siphon Stabilization		150,000				150,000		150,000
	Total Pumping (Sanitation)	725,000	495,000	25,000	25,000	50,000	1,320,000	0	1,320,000

EL TORO WATER DISTRICT FIVE YEAR CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM F.Y. 2014/15 - 2018/2019

ITEM#	DESCRIPTION	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	WATER	SEWER
	Treatment (Sanitation)								
2	WRP Main Electrical Power Breaker Upgrade			35,000			35,000		35,000
3	Aeration Basin Piping Coating	30,000					30,000		30,000
5	Grit Chamber Rehab/Re-Coating				85,000		85,000		85,000
6	New Scum Station for Clarifiers #3 & #4		30,000				30,000		30,000
7	Turbo Blower for the Aeration System		300,000				300,000		300,000
8	Secondary Clarifier Component Replacement			150,000		150,000	300,000		300,000
9	New MCCS-D Elecrical Cabinet & Breakers (DAF Unit #1)			45,000			45,000		45,000
10	Reconstruct (west side) drainage swayle at the Holding Pond			65,000			65,000		65,000
11	WAC Cleaning (Grit Removal)			115,000			115,000		115,000
12	Equalization Basins Cleaning (Grit Removal)		35,000	35,000			70,000		70,000
13	HACH (WIMS) Maint. Job Cal Database Management Software System				10,500		10,500		10,500
14	Upgrade & Remodel the WRP Operations Control Building	45,000					45,000		45,000
	Total Treatment (Sanitation)	75,000	365,000	445,000	95,500	150,000	1,130,500	0	1,130,500
	Outside Treatment (SOCWA)								
1	PC-17 (R)	416,438	348,328	213,535	320,078	946,958	2,245,337		2,245,337
2	PC-21		225,000	500,000			725,000		725,000
3	PC-24						0		0
	Total Treatment (SOCWA)	416,438	573,328	713,535	320,078	946,958	2,970,337	0	2,970,337
	<u>Transmission & Distribution</u>								
1	Gate 11 Hydraulic Improvement Project					180,000	180,000	180,000	
	Total Mainline	0	0	0	0	180,000	180,000	180,000	
	G IN W								
	General Building								
1	Main Office Demonstration Garden	125,000					125,000	62,500	62,500
2	Utility Billing System	75,000			***		75,000	37,500	37,500
3	Master Plan Update	200.000			200,000	•	200,000	100,000	100,000
	Total General Building	200,000	0	0	200,000	0	400,000	200,000	200,000

EL TORO WATER DISTRICT FIVE YEAR CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM F.Y. 2014/15 - 2018/2019

ITEM #	#	DESCRIPTION		2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	WATER	SEWER
	Contingency										
1	Contingency			50,000	100,000	100,000	250,000	325,000	825,000	412,500	412,500
2	Inflation @ 5%				55,650	44,100	47,014	19,950	166,714	83,357	83,357
			Total Contingency	50,000	155,650	144,100	297,014	344,950	991,714	495,857	495,857
		Total Capital Projects	=	3,291,998	1,916,588	1,753,335	1,512,592	1,671,908	10,146,421	4,029,727	6,116,694
			_								
		WATER		1,950,560	405,435	497,750	823,507	352,475	4,029,727	4,029,727	
		SEWER		1,341,438	1,511,153	1,255,585	689,085	1,319,433	6,116,694		6,116,694
		Total Capital Projects		3,291,998	1,916,588	1,753,335	1,512,592	1,671,908	10,146,421	4,029,727	6,116,694
		Total Capital Equipment	=	739,000	564,363	737,296	935,507	590,071	3,566,237	1,172,918	2,393,318
		<u>Total Capital Budget</u>		4,030,998	2,480,951	2,490,631	2,448,099	2,261,979	13,712,657	5,202,645	8,510,012
		WATER		2,101,060	637,017	674,398	1,254,760	535,411	5,202,645	5,202,645	
		SEWER		1,929,938	1,843,935	1,816,233	1,193,338	1,726,569	8,510,012		8,510,012

EL TORO WATER DISTRICT FIVE YEAR CAPITAL EQUIPMENT REPLACEMENT & REFURBISHMENT PROGRAM F.Y. 2014/15 - 2018/2019

ITEM#	DESCRIPTION	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	WATER	SEWER
	Pumping (Water) Equipment								
1	Spare P-4 40 Hp Motor	7,000					7,000	7,000	
	Total Pumping (Water)	7,000	0	0	0		7,000	7,000	0
	Pumping (Sanitation) Equipment								
2	Spare Panel View	6,000					6,000		6,000
3	Aliso Creek Lift Station Skid Pump					160,000	160,000		160,000
4	Oso Lift Station Spare Starter	9,000					9,000		9,000
	Total Pumping (Sanitation)	15,000	0	0	0	160,000	175,000	0	175,000
	<u>Treatment (Sanitation) Equipment</u>								
1	Aeration Basin Diffusers		9,200			9,200	18,400		18,400
2	Automatic Weir Washer System for Clarifiers #3 & #4	55,000					55,000		55,000
3	RAS Pumps Upgrade		25,000		25,000		50,000		50,000
4	Extend DAF Unit #2's Catwalk/Handrail across to its other side	15,000					15,000		15,000
5	One Set of Stairs/Handrails to be Installed at each Biofilter		12,000				12,000		12,000
6	OOPS Butterfly Valves			10,000			10,000		10,000
7	Rotostrainer Drum Replacement			30,000			30,000		30,000
8	Pathway, Small Retaining Wall/Handrail for Spill Prevention Gate Access	7,000					7,000		7,000
9	Effluent Pump Station Pump Replacements			100,000			100,000		100,000
10	Convert EQ Basin Influent Gates to MOV Control		15,000				15,000		15,000
11	Cerlic TSS Sensor & Controller for RAS Suspended Solids Measurement	12,000					12,000		12,000
12	Grinder / Muffin Monster for Headworks Bypass Channel	65,000					65,000		65,000
13	Kubota Utility Vehicle for the Plant			9,000			9,000		9,000
	Total Treatment (Sanitation)	154,000	61,200	149,000	25,000	9,200	398,400	0	398,400

EL TORO WATER DISTRICT FIVE YEAR CAPITAL EQUIPMENT REPLACEMENT & REFURBISHMENT PROGRAM F.Y. 2014/15 - 2018/2019

ITEM#	DESCR	IPTION	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	WATER	SEWER
	<u>Laboratory</u>									
1	Hach LAB Cal Software and Services		10,000					10,000		10,000
2	Composite Samplers		6,000					6,000		6,000
3	Laboratory Refrigerator			10,000				10,000		10,000
4	Ion Chromatography System				30,000			30,000		30,000
		Total Laboratory	16,000	10,000	30,000	0		56,000	0	56,000
	Collection Equipment									
1	P332 Flexiprobe Inspection System			20,000				20,000		20,000
2	P350 Flexiprobe Inspection System					38,000		38,000		38,000
3	24" Smart Covers Manhole Covers		10,000	10,000	10,000	10,000	10,000	50,000		50,000
4	Backup Tractor & TV Camera						45,000	45,000		45,000
5	Arrow Board Trailer				15,000			15,000		15,000
		Total Collection	10,000	30,000	25,000	48,000	55,000	168,000	0	168,000
	Earthquake / Emergency Preparedness									
2	Yard Generator Enclosure			65,000				65,000	32,500	32,500
		Total Earthquake/Emerg. Preparedness	0	65,000	0	0		65,000	32,500	32,500
	<u>Vehicles/Vehicle Equipment</u>									
1	Vehicle Replacement		80,000	65,000	50,000	50,000	50,000	295,000	147,500	147,500
2	Backhoe			160,000				160,000	80,000	80,000
3	Hydrocleaner		250,000					250,000		250,000
4	Portable Motorized Hydro Jetter				30,000			30,000		30,000
5	WRP Tractor				150,000			150,000		150,000
8	Dump Truck Replacement (Unit 50)				170,000			170,000	85,000	85,000
9	Hydro Excavator					525,000		525,000	262,500	262,500
10	Warehouse Forklift			50,000				50,000	25,000	25,000
		Total Vehicles / Vehicle Equipment	330,000	275,000	400,000	575,000	50,000	1,630,000	600,000	1,030,000

EL TORO WATER DISTRICT FIVE YEAR CAPITAL EQUIPMENT REPLACEMENT & REFURBISHMENT PROGRAM F.Y. 2014/15 - 2018/2019

ITEM	# DESCRIPTION	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL	WATER	SEWER
	Construction/Mechanical/Electical Equipment								
1	Wackers	7,000					7,000	3,500	3,500
	Total Consruction Equipment	7,000	0	0	0	0	7,000	3,500	3,500
	Office Equipment/Furniture								
1	GIS / IMS	150,000				0	150,000	75,000	75,000
	Total Office Equipment / Furniture	150,000	0	0	0	0	150,000	75,000	75,000
	<u>Contingency</u>								
1	Contingency	50,000	100,000	100,000	250,000	300,000	800,000	400,000	400,000
2	Inflation @ 5%		23,163	33,296	37,507	15,871	109,837	54,918	54,918
	Total Miscellaneous	50,000	123,163	133,296	287,507	315,871	909,837	454,918	454,918
	<u>Total Capital Equipment</u>	\$739,000	\$564,363	\$737,296	\$935,507	\$590,071	\$3,566,237	1,172,918	2,393,318
	WATER	150,500	231,582	176,648	431,254	182,936	1,172,918	1,172,918	
	SEWER	588,500	332,782	560,648	504,254	407,136	2,393,318		2,393,318
	Total Capital Equipment	\$739,000	\$564,363	\$737,296	\$935,507	\$590,071	\$3,566,237	1,172,918	2,393,318
	<u>Total Capital Projects</u>	\$3,291,998	\$1,916,588	\$1,753,335	\$1,512,592	\$1,671,908	\$10,146,421		
	<u>Total Capital Budget</u>	\$4,030,998	\$2,480,951	\$2,490,631	\$2,448,099	\$2,261,979	\$13,712,657	1,172,918	2,393,318
	WATER	2,101,060	637,017	674,398	1,254,760	535,411	5,202,645		
	SEWER	1,929,938	1,843,935	1,816,233	1,193,338	1,726,569	8,510,012		
					12,512,657	12,137,657	13,337,657		
					2,502,531	2,427,531	2,667,531		



2014/15 CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM

	<u>Projects</u>		Equipment	
	Source of Supply / Storage		Pumping (Water) Equipment	
1	R-1 / R-2 Reservoir Management System (C)	500,000	1 Spare P-4 40 Hp Motor	7,000
2	JRWSS Capital Budget	25,560	Total Pumping (Water)	7,000
	Total Source of Supply	525,560		
			Pumping (Sanitation) Equipment	
	Recycled Water		2 Spare Panel View	6,000
3	Recycled Water Expansion Project	6,532,822	3 Oso Lift Station Spare Starter	9,000
3a	Recycled Water Expansion Project Funding Sources	(6,532,822)	Total Pumping (Sanitation)	15,000
4	Recycled Water Phase II Engineering / Environmental	300,000		
	Total Recycled Water	300,000	Treatment (Sanitation) Equipment	
	Total Recycles Water	300,000	4 Automatic Weir Washer System for Clarifiers #3 & #4	55,000
	Pumping (Water)		5 Extend DAF Unit #2's Catwalk/Handrail	15,000
5	Water Stations PLC Upgrade to Control Logix	50,000	6 Spill Prevention Gate Access	7,000
6		950,000	7 RAS Suspended Solids TSS Sensor & Controller	12,000
O	Second Street Pump Station Total Pumping (Water)	1,000,000	8 Grinder / Muffin Monster for Headworks Bypass Channel	65,000
	10th Fumping (water)	1,000,000	• •	
	D (G (4 (1)		Total Treatment (Sanitation)	154,000
	Pumping (Sanitation)	=00.000		
7	Oso Improvement Projet	700,000	<u>Laboratory</u>	
8	Sewer Stations PLC Upgrade to Control Logix	25,000	9 Hach LAB Cal Software and Services	10,000
	Total Pumping (Sanitation)	725,000	10 Composite Samplers	6,000
			Total Laboratory	16,000
	<u>Treatment (Sanitation)</u>			
9	Aeration Basin Piping Coating	30,000	Collection Equipment	
10	Remodel the WRP Operations Control Building	45,000	11 24" Smart Covers Manhole Covers	10,000
	Total Treatment (Sanitation)	75,000	Total Collection	10,000
	Outside Treatment (SOCWA)		Vehicles/Vehicle Equipment	
11	PC-17 (R)	416,338	12 Vehicle Replacement	80,000
	Total Treatment (SOCWA)	416,338	13 Hydrocleaner	250,000
			Total Vehicles / Vehicle Equipment	330,000
	General Building			
12	Main Office Demonstration Garden	125,000	Construction/Mechanical/Electical Equipment	
13	Utility Billing System	75,000	14 Wackers	7,000
	Total Collection	200,000	Total Consruction Equipment	7,000
	Contingency		Office Equipment/Furniture	
14	Short Term Contingency	50,000	15 GIS / IMS	150,000
	Total Contingency	50,000	Total Office Equipment / Furniture	150,000
			Contingency	
			16 Short Term Contingency	50,000
			Total Miscellaneous	50,000
			1014117130014110043	20,000
			Total Capital Equipment	\$739,000
			Total Gapital Equipment	φ132,000
	Total Conital Projects	¢2 201 000		
	Total Capital Projects	\$3,291,898		
			Total Capital Projects	3,291,898
			T	
			Total Capital Equipment	739,000
			Total Canital Builting	4 020 000
			Total Capital Budget	4,030,898
				LEGEND
				WATER
				WAILK

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PROJECT TITLE: R-1/R-2 RESERVOIR MANAGEMENT SYSTEM



CAPITAL PLAN SOURCE OF SUPPLY / STORAGE - WATER

CLASSIFICATION: (PROJECT #1)

LOCATION: R-1 & R-2 RESERVOIR SITE

PROJECT BASIS: Water Quality; Reliability; Safety; Regulatory Compliance

DESCRIPTION: Over the last several years the District has installed reservoir

management systems in three of its five storage tanks in an effort to preserve critical chlorine residuals as well as mitigate the development of Nitrites and disinfection by-products in the stored water. The R-1 and R-2 Reservoirs are the only remaining tanks lacking the RMS technology. These two tanks continue to experience subpar chlorine residuals as well as numerous nitrite issues. The discharge of the water then carries the water quality problems throughout the local distribution network. The proposed system will preserve water quality in the tanks and in the local distribution system as well as maximize the benefit of reservoir management systems in the downstream tanks and help position the District for continued compliance with the recent Stage 2 Disinfection Byproducts Rule. The project design is complete. The 2014/15 budget has been carried over from a previous budget

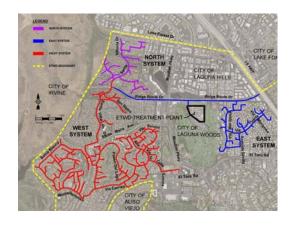
year to fund construction of the project.

PROJECT BUDGET: \$500,000

BASIS OF

COST ESTIMATE: Cost estimate developed during project design.

PROJECT TITLE: RECYCLED WATER EXPANSION PROJECT





CAPITAL PLAN RECYCLED WATER **CLASSIFICATION:** (PROJECT #3/3a)

LOCATION: SYSTEM WIDE

PROJECT BASIS: Water Supply Reliability

DESCRIPTION: The District has secured grant funding as well as a State Revolving

Fund Loan for the Recycled Water Expansion Project taking supply from a new Tertiary Treatment Plant to be constructed at the ETWD WRP. Construction is in progress on the Distribution System to install over 100,000 feet of pipe and convert over 200 dedicated irrigation meters to recycled water. Construction is also in progress on the Tertiary Treatment Plant. The estimated total project cost is \$35.6 million over a multi-year period inclusive of the on-site conversion costs. The 14/15 budget anticipates the

continuation of the construction phase of the project.

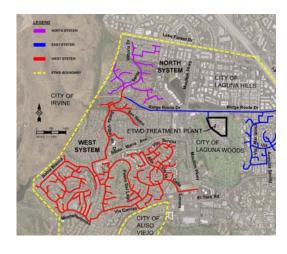
PROJECT BUDGET: \$6,532,822 (funded by SRF Loan disbursements)

BASIS OF

COST ESTIMATE: Bid results, design construction cost estimates and staff cash flow

estimate

PROJECT TITLE: RECYCLED WATER PHASE II ENGINEERING/ENVIRONMENTAL





CAPITAL PLAN RECYCLED WATER

CLASSIFICATION: (PROJECT #4)

LOCATION: SYSTEM WIDE

PROJECT BASIS: Water Supply Reliability

DESCRIPTION: It is anticipated that funding opportunities for the future expansion

of the Recycled Water Expansion Project may develop based on existing funding sources as well as possible funding decisions made to deal with the on-going drought conditions. The competitiveness of an ETWD funding application will be improved by advancing the project to a more "shovel-ready" posture. The subject project will provide biddable construction plans as well as CEQA compliant environmental documents for an expansion of

the recycled water distribution system.

PROJECT BUDGET: \$300,000

BASIS OF

COST ESTIMATE: Consultant Design proposal and staff estimates

PROJECT TITLE: WATER STATIONS PLC UPGRADE TO CONTROL LOGIX





CAPITAL PLAN PUMPING - WATER CLASSIFICATION: (PROJECT #5)

LOCATION: VARIOUS LOCATIONS

PROJECT BASIS: Reliability; Operational Efficiency; End of Useful Life

DESCRIPTION: The District's remote water facilities are controlled at the site by

> programmable logic controllers (PLC). The PLCs provide local control, communication to Central and are fully capable of controlling and operating the facility in the event of a communication failure. The existing PLCs are from the Allen Bradley PLC5 family of controllers. Allen Bradley has stopped manufacturing and supporting the PLC5s. The technology is over 20 years old and spare parts are no longer available. The latest Allen Bradley PLC technology is the Control Logix 6.1L which the District has migrated to at several sites. The systematic replacement of the PLC5s and migration to the Control Logix PLCs is an essential, critical element for the continued reliability

and operation of all of the District water and sewer stations.

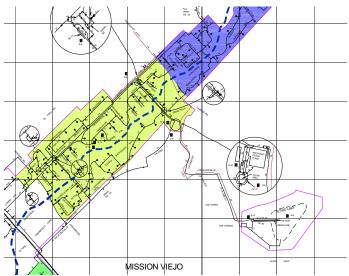
\$50,000 **PROJECT BUDGET:**

BASIS OF

COST ESTIMATE: Staff estimates based on consultant and vendor cost estimates.

PROJECT TITLE: SECOND STREET PUMP STATION





CAPITAL PLAN PUMPING WATER **CLASSIFICATION:** (PROJECT #6)

LOCATION: SECOND STREET / EL TORO ROAD, LAKE FOREST

PROJECT BASIS: Reliability

DESCRIPTION: After considering a number of alternatives it was determined the

optimum conveyance system alternative for Baker Water Treatment Plant product water is an interconnection between the IRWD distribution system and the District's R-6 pressure zone. The District previously entered into an Interconnection Agreement with IRWD in which Baker WTP product water will be conveyed through the IRWD distribution system to a new interconnection/pump station located in the R-6 pressure zone near the intersection of El Toro Road and 2nd Street in Lake Forest. The Interconnection will require ETWD design and construction improvements to the pump station as well as construction pipeline

improvements within the ETWD system.

PROJECT BUDGET: \$950,000

BASIS OF

COST ESTIMATE: Staff Estimate based on consultant estimate.

PROJECT TITLE: OSO LIFT STATION IMPROVEMENT PROJECT





CAPITAL PLAN PUMPING - SEWER CLASSIFICATION: (PROJECT #7)

LOCATION: OSO LIFT STATION

PROJECT BASIS: End of Useful Life; Protect Facilities; Reliability; Safety;

Energy Efficiency; Environmental Protection

DESCRIPTION: The Oso Lift Station conveys raw wastewater from the western

edge of the District's service area. The pumps are over 25 years old while the motors are over 30 years old. Both are worn out and The current configuration utilizes an extended driveshaft between the motors on the upper level and the pumps on the lower level. The lower level is extremely small making maintenance of these pumps both difficult and hazardous. The safety of the maintenance of this facility will be significantly enhanced by the proposed project. The proposed project will replace the existing worn-out pumps with new submersible pumps. The project also contemplates the negotiation with the Moulton Niguel Water District for the addition of an emergency overflow connection to a nearby MNWD lift station to enhance reliability. The elimination of the extended driveshaft and the replacement of the aged pumps with new submersible pumps, similar to the Northline Lift Station Project, will make the Oso Lift Station consistent with other ETWD sewer pumping facilities. 2014/15 budget has been carried over from a previous budget year.

PROJECT BUDGET: \$700,000

BASIS OF

COST ESTIMATE: Staff Estimate.

PROJECT TITLE: SEWER STATIONS PLC UPGRADE TO CONTROL LOGIX





CAPITAL PLAN TREATMENT - SEWER

CLASSIFICATION: (PROJECT #8)

LOCATION: VARIOUS LOCATIONS

PROJECT BASIS: End of Useful Life; Reliability; Environmental Protection

DESCRIPTION: The District's remote sewer facilities are controlled at the site by

programmable logic controllers (PLC). The PLCs provide local control, communication to Central and are fully capable of controlling and operating the facility in the event of a communication failure. The existing PLCs are from the Allen Bradley PLC5 family of controllers. Allen Bradley has stopped manufacturing and supporting the PLC5s. The technology is over 20 years old and spare parts are no longer available. The latest Allen Bradley PLC technology is the Control Logix 6.1L which the District has migrated to at several sites. The systematic replacement of the PLC5s and migration to the Control Logix PLCs is an essential, critical element for the continued reliability and operation of all of the District water and sewer stations.

PROJECT BUDGET: \$25,000

BASIS OF

COST ESTIMATE: Staff Estimate based on similar previous projects.

PROJECT TITLE: AERATION BASIN PIPING COATING





CAPITAL PLAN TREATMENT - SEWER

CLASSIFICATION: (PROJECT #9)

LOCATION: WATER RECYCLING PLANT

PROJECT BASIS: Protection of Existing Piping; Increase Life Expectancy of Process

Equipment: Ensure Reliability of Facilities

DESCRIPTION: The new Aeration Basin (Activated Sludge) Secondary Treatment

Facilities were originally placed into service 16 years ago. The main air supply headers to each Aeration Basin and the seven individual air supply lines at each Aeration Basin are in need of recoating. All of the air lines are steel pipe at hand-rail level and then transition to stainless steel pipe the rest of the way under water to the diffuser distribution grids. All of the steel air lines need to be re-coated with a special heat resistant coating for the best long

term protection.

PROJECT BUDGET: \$30,000

BASIS OF

COST ESTIMATE: Contractor proposal.

PROJECT TITLE: REMODEL WRP OPERATIONS CONTROL BUILDING





CAPITAL PLAN TREATMENT – SEWER

CLASSIFICATION: (PROJECT #10)

LOCATION: WATER RECYCLING PLANT

PROJECT BASIS: End of Useful Life;

DESCRIPTION: The Operations Building was originally constructed in 1991. The

building has seen some modifications to the Men's restroom to accommodate new water heaters, janitorial wash sinks, transforming the building's electrical room into the computer/SCADA server room, and converting the building's office supply room into additional office space and a technical reference library. After 23 years, the kitchen is in need of remodeling, the offices require new carpeting, new window treatments through-out, new office furniture for the SCADA reception area, and new office furniture for the collections cubical

area.

PROJECT BUDGET: \$45,000

BASIS OF

COST ESTIMATE: Staff Estimate.

PROJECT TITLE: SOCWA

CAPITAL PLAN OUTSIDE TREATMENT - SOCWA

CLASSIFICATION: (PROJECT #11)

LOCATION: SOCWA REGIONAL TREATMENT PLANT

PROJECT BASIS: End of Useful Life; Reliability; Environmental Protection;

Regulatory Compliance

DESCRIPTION: The District contribution to support the South Orange County

Wastewater Authority is based on capacity ownership in the various Project Committees. SOCWA collects funding to support the capital improvements on a cash flow basis. The funds collected are intended to support actual costs rather than project budgets. The 1415 Capital Budget for SOCWA is focused on the

Regional Treatment Plant.

There are two primary projects driving the ETWD share of the SOCWA capital cost. The first is the design of the Cogeneration Engine replacement. The ETWD share of this project is approximately \$225,000. The second project is a digester recoating project for which the District share is approximately

\$65,000.

The remaining capital cost is driven by several smaller projects in and around the Regional Treatment Plant including, amongst others, site fencing, plant access improvements and a detailed

safety evaluation of the Plant.

PROJECT BUDGET: \$416,338

BASIS OF

COST ESTIMATE: Staff Estimate based on similar previous projects.

PROJECT TITLE: MAIN OFFICE DEMONSTRATION GARDEN





CAPITAL PLAN GENERAL BUILDING

CLASSIFICATION: (PROJECT #12)

LOCATION: MAIN ADIMINSTRATION OFFICE

PROJECT BASIS: End of Useful Life; Reliability; Environmental Protection

DESCRIPTION: The District is working with the Saddleback College's LDAA

(Landscape Designers Alumni Association) and landscape architect to develop a California Friendly and drought tolerant landscape. The project will rehabilitate the front landscaping on the east and west sides of the Main Office driveway entrance. In keeping with the District's objective to promote the efficient use of water in its service area the landscaping will be designed as a demonstration garden that will include colorful drought tolerant California friendly and native species. The project will also incorporate other features including boulders, dry creek bed concepts, mulch and synthetic turf. The irrigation system will include a weather based irrigation timer and water saving irrigation

system.

District staff is working to obtain grant funding through MET and MWDOC programs for the project. The District will also work with the LDDA to set up an internship with the college to provide landscape care after the garden is complete. Project design will

start in May 2014.

PROJECT BUDGET: \$125,000

BASIS OF

COST ESTIMATE: Staff Estimate

PROJECT TITLE: UTILITY BILLING SYSTEM

CAPITAL PLAN GENERAL BUILDING

CLASSIFICATION: (PROJECT #13)

LOCATION: MAIN ADMINISTRATION OFFICE

DESCRIPTION: Acquire and implement a new Utility Billing computer program

replacing the current 10 year old Continental Billing System. The proposed system with better integrate with the in-progress GIS system, enhance information reporting for staff and the Board and provide better customer interface for electronic bill presentment, customer payment options (electronic) and storage of historical

data.

PROJECT BUDGET: \$75,000

BASIS OF

COST ESTIMATE: Vendor proposal.

PROJECT TITLE: AUTOMATIC WEIR WASHER SYSTEM FOR WRP CLARIFIERS #3 AND #4



CAPITAL PLAN TREATMENT – SEWER EQUIPMENT

CLASSIFICATION: (EQUIPMENT #4)

LOCATION: WATER RECYCLING PLANT

PROJECT BASIS: Operational Efficiency; Treatment Quality; Odor Reduction

DESCRIPTION: The proposed Weir Washer System uses a cluster of nozzles at the

end of each Clarifier's surface rake arms, WRP recycled water pressure, two in-line solenoids, and a programmable timer to activate the washing cycles. This automated system will reduce a total of 6 man hours/week in the winter months and a total of 12 man hours/week in the spring & summer months currently spent manually hosing down the clarifier weirs. This particular system will also prevent Effluent turbidity spikes caused by manual weir washing practices, which will be very beneficial to the downstream

Filtration Treatment Process.

PROJECT BUDGET: \$55,000

BASIS OF

COST ESTIMATE: Contractor Proposal.

PROJECT TITLE: GRINDER FOR WRP HEADWORKS BYPASS CHANNEL



CAPITAL PLAN TREATMENT – SEWER EQUIPMENT

CLASSIFICATION: (EQUIPMENT #8)

LOCATION: WATER RECYCLING PLABNT

PROJECT BASIS: Reliability & Redundancy; Environmental Protection; Safety

DESCRIPTION: This project involves installing a Channel Grinder in the

Headwork's By-pass channel, with a new slide gate & actuator. This grinder would provide critical back-up to the Plant's Barscreen rake. The channel grinder would also be able to work in conjunction with the Barscreen rake during periods of high flow conditions. The slide gate actuator will be programmed to automatically open when a high channel level or higher flow rates occur. As the slide gate is opening the grinder will automatically start. The local PLC will monitor the channel differential level and flow rate. When the level and flow rate drop to an acceptable range the slide will automatically close and the grinder will turn off. This equipment will remain in a stand-by ready "Auto" position for these types of conditions or if the Barscreen rake were to fail. If the Barscreen rake is taken out of service for preventative or corrective maintenance the slide gate will be opened and the grinder will be

placed in the "Hand" position.

PROJECT BUDGET: \$65,000

BASIS OF

COST ESTIMATE: Staff estimates based on vendor cost estimates.

PROJECT TITLE: VEHICLE REPLACEMENTS





CAPITAL PLAN VEHICLES / VEHICLE EQUIPMENT

CLASSIFICATION: (EQUIPMENT #12)

PROJECT BASIS: End of Useful Life

DESCRIPTION: The El Toro Water District fleet includes 50 vehicles ranging from

small pickup trucks to large crew trucks and dump trucks. The District's Senior Mechanic does an excellent job preserving and extending the useful life of each vehicle to the maximum extent possible. As vehicles age and accumulate significant mileage they are replaced or rotated to less intensive duty to further extend their usefulness. The proposed budget contemplates the purchase of

three new Ford pick-up trucks.

PROJECT BUDGET: \$80,000

BASIS OF

COST ESTIMATE: The cost estimate was developed by the ETWD Mechanic and is

inclusive of vehicle purchase costs, tax and license fees as well as

associated costs to outfit the vehicles for District service.

PROJECT TITLE: HYDROCLEANER REPLACEMENT





CAPITAL PLAN VEHICLES / VEHICLE EQUIPMENT

CLASSIFICATION: (EQUIPMENT #13)

PROJECT BASIS: End of Useful Life; Maintenance Efficiency

DESCRIPTION: The existing Hydrocleaner is over 12 years old and has exceeded

its expected useful life. Due to continuous heavy usage, age and the associated wear and tear on the various components, increasingly frequent breakdowns have been occurring. Delays in repairs are common due to difficulty in locating obsolete parts.

The frequent breakdowns and the subsequent time required for repairs impacts Staff's ability to maintain the production schedule necessary to maintain the sewer collection system.

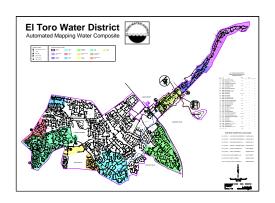
The new proposed Hydrocleaner truck and system is a critical component of the District's sewer collection system maintenance program. The new equipment will help ensure the District continues to reliably meet the stated production and system maintenance programs as defined in the District's Sewer System Management Plan.

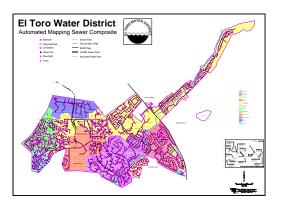
PROJECT BUDGET: \$250,000

BASIS OF

COST ESTIMATE: Staff Estimate

PROJECT TITLE: GIS / IMS





CAPITAL PLAN OFFICE EQUIPMENT / FURNITURE

CLASSIFICATION: (EQUIPMENT #15)

LOCATION: MAIN OFFICE

PROJECT BASIS: Operational Efficiency, Maintenance Efficiency

DESCRIPTION: The proposed project continues the implementation phase of an

integrated GIS and Computer Maintenance/Asset Management System. The project contemplates the further development of

certain applications.

PROJECT BUDGET: \$200,000

BASIS OF

COST ESTIMATE: Staff Estimate Based on Consultant Provided Cost Estimate