

SANTIAGO AQUEDUCT COMMISSION
QUARTERLY MEETING
THURSDAY, JUNE 19, 2025

CALL TO ORDER: 8:30 a.m., IRWD Board Room, 15600 Sand Canyon Avenue, Irvine, CA

<u>ATTENDANCE</u>	Commissioner John Withers (IRWD)	_____
	Commissioner Kay Havens (ETWD)	_____
	Commissioner Sherry Wanninger (MNWD)	_____
	Commissioner Jeffery Thomas (MWDOC)	_____
	Commissioner Frank Ury (SMWD)	_____
	Commissioner Ed Manich (TCWD)	_____

<u>ALSO PRESENT</u>	Paul Cook	_____	Kevin Burton	_____
	Malcolm Cortez	_____	Neveen Adly	_____
	Eileen Lin	_____	Diane Squyres	_____
	Christine Franchville	_____	Jessica Craig	_____
	_____		_____	
	_____		_____	
	Legal Counsel: Allison Burns (SYC&R)		_____	

COMMUNICATIONS

1. Pledge of Allegiance
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the Commission subsequent to the agenda being posted.

ELECTION

4. <u>ELECTION OF OFFICERS - COOK</u>	
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Recommendation: That an election be conducted of the Chairman of the Santiago Aqueduct Commission.	
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PUBLIC HEARING

5. <u>ANNUAL NOTICE OF PUBLIC HEARING ON THE STATUS OF VACANCIES AND RECRUITMENT AND RETENTION EFFORTS OF THE SANTIAGO AQUEDUCT COMMISSION IN COMPLIANCE WITH AB 2561</u>	
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Recommendation: Conduct the hearing.	
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ACTION ITEMS

6. <u>MINUTES OF REGULAR COMMISSION MEETING, DECEMBER 12, 2024</u>	
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Recommendation: That the minutes of the December 12, 2024 meeting be approved as presented.	
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ACTION ITEMS (continued)

7. 2025 FINANCIAL REPORT – CRAIG / LIN / ADLY

- A. Ratify Disbursement Resolution No. 726 dated February 2025.
- B. Ratify Disbursement Resolution No. 727 dated April 2025.
- C. Receive and file the Financial Statement dated May 31, 2025.

Recommendation: That the Commission ratify Disbursement Resolutions Nos. 726 and 727, and receive and file the Financial Statement dated May 31, 2025, for the Santiago Aqueduct Commission.

8. PROPOSED FISCAL YEARS 2025-26 AND 2026-27 OPERATIONS, MAINTENANCE, AND RESTORATION PROJECT BUDGET –SMITHSON / ADLY

Recommendation: That the Commission review and approve the proposed Fiscal Years 2025-26 and 2026-27 Operations, Maintenance and Restoration Project Budget as presented.

9. APPOINTMENT OF ACWA-JPIA DIRECTOR AND ALTERNATE DIRECTOR – COOK

Recommendation: That the Commission appoint a Director and Alternate Director to represent the Santiago Aqueduct Commission on the Board of Directors of the ACWA-JPIA.

OTHER BUSINESS

10. GENERAL MANAGER REPORT – COOK

11. ENGINEER REPORT – BURTON

12. MWDOC REPORT

13. ATTORNEY REPORT

14. COMMISSIONER COMMUNICATIONS

Commissioners may discuss meetings, communications, correspondence, or other items of general interest relating to matters within the Commission's jurisdiction. There will be no voting or formal action taken.

15. ADJOURN

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Santiago Aqueduct Commission in connection with a matter subject to discussion or consideration at an open meeting of the Commission are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California. If such writings are distributed to members of the Commission less than 72 hours prior to the meeting, these writings will be available from the IRWD District Secretary at the same time as they are distributed to Commission members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance of the meeting room at the District Office. The IRWD Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in an alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

MINUTES OF THE QUARTERLY REGULAR MEETING OF THE SANTIAGO AQUEDUCT COMMISSION

December 12, 2024

The quarterly meeting of the Santiago Aqueduct Commission (“SAC”) was duly noticed and was held at 8:30 a.m. on December 12, 2024, in the Board Room of the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California. Vice-Chairman WITHERS called the meeting to order at 8:30 a.m. ALLISON E. BURNS recorded the Minutes of the meeting.

COMMISSIONERS PRESENT:

JOHN WITHERS, Irvine Ranch Water District (“IRWD”); ED MANDICH, Trabuco Canyon Water District; SAUNDRA JACOBS, Santa Margarita Water District, KAY HAVENS, El Toro Water District, CHARLES BUSSLINGER, Municipal Water District of Orange County, and SHERRY WANNINGER, Moulton Niguel Water District.

Also present: PAUL COOK, General Manager of SAC (and IRWD), NEVEEN ADLY, Treasurer of SAC (and IRWD), KEVIN BURTON, Engineer of SAC (and IRWD); ALLISON E. BURNS, General Counsel/Secretary; IRWD Staff DIANE SQUYRES CHRISTINE FRANCHVILLE, EILEEN LIN, JESSICA CRAIG, and MALCOLM CORTEZ; EOCWD Staff JEFF SMYTH.

COMMUNICATIONS:

1. Pledge of Allegiance – The Commission recited the Pledge of Allegiance.
2. Public Comments - No public comments.
3. Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the Commission subsequent to the agenda being posted – COOK: None.

ACTION ITEMS

4. MINUTES OF REGULAR COMMISSION MEETING, DECEMBER 14, 2023

Recommendation: That the Minutes of the December 14, 2023, meeting be approved as presented. JACOBS moved the item as presented, seconded by HAVENS and passed unanimously with MANDICH abstaining.

5. 2023-24 FINANCIAL REPORT

- A. Ratify Disbursement Resolution No. 721 dated December 2023.
- B. Ratify Disbursement Resolution No. 722 dated April 2024.
- C. Ratify Disbursement Resolution No. 723 dated June 2024.
- D. Ratify Disbursement Resolution No. 724 dated October 2024.
- E. Ratify Disbursement Resolution No. 725 dated November 2024.
- F. Receive and file Financial Statement dated November 30, 2024.

Recommendation: That the Commission ratify Disbursement Resolution Nos. 721 through 725 and receive and file the Financial Statement dated November 30, 2024, for the Santiago Aqueduct Commission.

WANINGER moved the item as presented, seconded by JACOBS and passed unanimously.

6. FISCAL YEAR 2023-2024 FINANCIAL REPORT – CRAIG / LIN / ADLY

Recommendation: That the Commission approve the financial report for the fiscal year ended June 30, 2024.

CRAIG presented the 2023-24 Financial Report. The Auditor issued a clean opinion on the financial statements and found no deficiencies in internal controls.

Pages A-6 through A-9 included the management discussion. The asset decrease on page A-7 was due to use of cash for operations. Liabilities decreased because of landscape, and administrative costs.

The revenues increase on page A-8 was due to Member Charges. Expenses increased due to landscape costs.

Basic financials are on pages A-10 through A-12. Footnotes are on pages A-13 through A-17.

The Auditor noted no disagreement with management. Auditor identified related party transactions between the Commission and IRWD as a “significant risk.” Auditor reviewed all transactions and found no disparities.

JACOBS noted that Auditors are required to find a “significant risk” in each audit RESPONSE- because IRWD does the Commission’s recordkeeping and funds disbursement, the Auditor called the risk out for the first time in this audit.

BUSSLINGER – concurred that auditors are required to identify an area of significant risk. The note does not mean SAC or IRWD are doing something wrong.

JACOBS – asked if there is a volume associated with “Member charges”? RESPONSE: No.

JACOBS – in MWD’s budget issues, is there discussion of treated and untreated water priced the same?

COOK – No. Charges for treatment are increasing at a faster rate than untreated. Baker Project costs are good.

JACOBS moved the item as presented, second by MANDICH and passed unanimously.

OTHER BUSINESS

7. GENERAL MANAGER’S REPORT – COOK

COOK - Officer election and appointment of ACWA JPIA representative will be held at the next meeting. Staff is considering recommending to make the chair the JPIA representative as a standard matter. WITHERS stated he doesn’t need to become the chair.

8. ENGINEER’S REPORT – BURTON

- a. BURTON – Capital replacement for pipeline – from inspection last year, no immediate repairs are needed.
- b. Replaced pipeline in Santiago creek in Irvine Regional Park. Just finished Year 2 of habitat re-establishment period – looks much better than the rest of the park. SAC has to maintain the area for 5 years; hoping to petition to end the maintenance requirement early. Because we will no longer be hand watering, cost will reduce.

- c. Irvine Company is still planning to relocate 3,300 feet of 54-inch pipeline in Orange Heights area. Discovery of an endangered bumble bee has created issues. The project will likely be pushed for another year. There is no cost to SAC; but staff will use the delay to inspect approximately 3,300 feet of the Baker Pipeline. Staff expects a 7-day shutdown for connection when it does happen.

9. MWDOC'S REPORT

Allen McCulloch pipeline repairs are ongoing and ahead of schedule. MWD will be doing return to service starting 1/6/25 to disinfect the pipeline. Expected to be 10 days ahead of schedule.

10. ATTORNEY'S REPORT

None.

11. COMMISSIONERS' COMMUNICATIONS

None.

12. ADJOURN

WITHERS adjourned the meeting at 8:57 a.m. The next meeting is scheduled for Thursday, March 20, 2025.

Respectfully submitted,



Allison E. Burns, Secretary

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SANTIAGO AQUEDUCT COMMISSION
DISBURSEMENT RESOLUTION NO. 726

February 2025

RESOLVED by Santiago Aqueduct Commission that items shown below be approved for payment and charges to the Contracting Agencies and to holders of capacity rights in the Santiago Aqueduct Commission in accordance with the policy with respect to standby charges, water surcharges and operation and maintenance costs adopted by this Commission on April 10, 1963: That the Contracting Public Agencies and other holders of capacity rights in said Santiago Aqueduct be called upon to pay this Commission for their respective shares of such items, and payments, such items and the distribution thereof are as follows:

OPERATIONS AND MAINTENANCE

1	AT&T	
	Charges for October 2024 - January 2025	\$ 663.48
2	Southern California Edison	
	Charges for October 2024 - December 2024	130.91
3	Alliant	
	Bond	1,250.00
4	Micheal Baker	
	Cathodic Protection	3,260.00
5	Irvine Ranch Water District	
	Baker Pipeline Operation (October 2024 - December 2024)	4,200.00
	Baker Pipeline Maintenance (October 2024 - December 2024)	9,683.65
	Labor and G&A for Landscape Baker Pipeline (Reach 1U)	7,413.82
6	LandCare	
	Landscape Baker Pipeline (Reach 1U)	4,166.00
7	State Water Resources Control Board	
	Annual Permit Fee	<u>3,540.00</u>
8	TOTAL DISBURSEMENT RESOLUTION NO. 726	<u><u>\$ 34,307.86</u></u>

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SANTIAGO AQUEDUCT COMMISSION
DISBURSEMENT RESOLUTION NO. 727

April 2025

RESOLVED by Santiago Aqueduct Commission that items shown below be approved for payment and charges to the Contracting Agencies and to holders of capacity rights in the Santiago Aqueduct Commission in accordance with the policy with respect to standby charges, water surcharges and operation and maintenance costs adopted by this Commission on April 10, 1963: That the Contracting Public Agencies and other holders of capacity rights in said Santiago Aqueduct be called upon to pay this Commission for their respective shares of such items, and payments, such items and the distribution thereof are as follows:

OPERATIONS AND MAINTENANCE

1	AT&T	
	Charges for February 2025 - March 2025	\$ 331.74
2	Southern California Edison	
	Charges for January 2025 - February 2025	431.18
3	Stradling Yocca Carlson & Raulth LLP	
	Legal	1,920.00
4	Kill-N-Bugs	
	Landscape	5,120.00
5	Irvine Ranch Water District	
	Baker Pipeline Operation (January 2025 - March 2025)	4,200.00
	Baker Pipeline Maintenance (January 2025 - March 2025)	5,460.00
	Labor and G&A for Landscape Baker Pipeline (Reach 1U)	5,522.44
6	LandCare	
	Landscape Baker Pipeline (Reach 1U)	17,023.80
7	Harmworth Associates	
	Landscape	<u>1,561.00</u>
8	TOTAL DISBURSEMENT RESOLUTION NO. 727	<u><u>\$ 41,570.16</u></u>

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Santiago Aqueduct Commission
Statement of Net Position
May 31, 2025

	Unaudited 5/31/2025
ASSETS	
Current assets:	
Cash and investments	\$ 101,740
Receivables:	
Accounts receivable	28,363
Interest receivable	466
Total receivables	<u>28,829</u>
Total current assets	<u>130,569</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>1,153,505</u>
Total noncurrent assets, net	<u>1,153,505</u>
TOTAL ASSETS	<u><u>1,284,074</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>-</u>
TOTAL LIABILITIES	<u><u>-</u></u>
NET POSITION	
Investment in capital assets	1,153,505
Unrestricted for water services	130,569
TOTAL NET POSITION	<u><u>\$ 1,284,074</u></u>

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Santiago Aqueduct Commission
Statement of Revenues, Expenses and Changes in Net Position
For the Period Ended May 31, 2025

	Unaudited 5/31/2025
OPERATING REVENUES	
Water surcharge	\$ 19,916
Member charges	170,384
Total operating revenues	<u>190,300</u>
OPERATING EXPENSES	
Contract labor	5,550
Equipment usage	
Utilities	1,247
Landscape	12,570
Landscape Baker Pipeline (Reach 1U)	51,189
Cathodic protection monitoring and maintenance	23,912
Telemetry alarm	1,493
General and administrative:	
Audit	5,980
Insurance	8,958
Legal	2,100
Administration management	25,200
Other	1,371
Depreciation	24,821
Total operating expenses	<u>164,391</u>
Operating income (loss)	<u>25,909</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	1,443
Increase (decrease) in fair value of investments	187
Total nonoperating revenues	<u>1,630</u>
Increase (decrease) in net position	27,539
NET POSITION AT BEGINNING OF YEAR	<u>1,256,535</u>
NET POSITION AT END OF MAY	<u><u>\$ 1,284,074</u></u>
	\$ -

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June 19, 2025

Prepared by: C. Smithson

Submitted by: N. Adly

Approved by: Paul A. Cook



SANTIAGO AQUEDUCT COMMISSION

PROPOSED FISCAL YEARS 2025-26 AND 2026-27 OPERATIONS, MAINTENANCE, AND RESTORATION PROJECT BUDGET

SUMMARY:

This year staff proposes that the Santiago Aqueduct Commission continue with a two-year budget cycle, which is consistent with the budget cycles several cities and water districts have adopted.

BACKGROUND:

Operations Budget:

The Operations budget includes the labor and administrative costs associated with operating, monitoring and reading the meters for water deliveries of the Baker Pipeline. It is funded by a surcharge on each acre-foot (AF) of water delivered. The surcharge per AF for each year is shown in Exhibit “A”, page A-3.

Staff recommends an increase from the current fiscal year (FY) 2024-25 surcharge of \$1.12 per AF to \$1.18 per AF in FY 2025-26 and then to \$1.20 per AF in FY 2026-27. The proposed increase from FY 2024-25 results primarily from cost escalations. Expected deliveries of water to member agencies are 31,228 AF for each of the two fiscal years.

In accordance with past practice, depreciation is excluded from the FY 2025-26 and FY 2026-27 budgets based on the Commission’s approach to financing future capital expenditures on a pay-as-you-go basis. Each member agency sets aside funding for future capital projects, which will be funded by cash calls to the member agencies on an as-needed basis.

Maintenance Budget:

The Maintenance budget includes the cost of maintaining the pipeline and the administrative costs associated with both maintenance of the pipeline and administration of the Commission. As shown in Exhibit “A”, pages A-1 and A-2, the proposed budget for FY 2025-26 and FY 2026-27 reflect an increase of \$10,795 and \$950, respectively. The increase in FY 2025-26 is primarily due to higher costs for cathodic protection system monitoring, insurance expenses, and an applied inflation factor. These increases are partially offset by a reduction in legal expenses. The increase in FY 2026-27 is primarily driven by anticipated inflation.

Habitat Restoration Project Budget:

The Habitat Restoration Project budget includes site monitoring, watering, weeding land care and IRWD staff time. As shown in Exhibit “A”, pages A-1 and A-2, the proposed budget for FY 2025-26 and FY 2026-27 reflects \$50,000 per year. Funding for the restoration project was discussed in the December 15, 2022, Baker Pipeline Relocation through Santiago Creek Project Update.

The proposed FY 2025-26 and FY 2026-27 Operations, Maintenance and Restoration Project budget is provided as Exhibit “A”. The assumptions used to prepare the budget are included in Exhibit “B”.

FISCAL IMPACTS:

Fiscal impacts to the participating agencies are shown in Exhibit “A”, page A-3.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

That the Commission review and approve the proposed Fiscal Years 2025-26 and 2026-27 Operations, Maintenance and Restoration Project Budget as presented.

LIST OF EXHIBITS:

Exhibit “A” – Proposed FY 2025-26 and FY 2026-27 Operations, Maintenance and Restoration Project (Reach 1U) Budget

Exhibit “B” – Proposed Budget Assumptions

Exhibit "A-1"

SANTIAGO AQUEDUCT COMMISSION
Proposed Budget 2025-26

	FY 2023-24 Actual				FY 2024-25 Actual			
	Oper.	Maint.	Capital	Total	Oper.	Maint.	Capital	Total
Contract Labor and Equipment								
1 Contract Labor	\$ 1,979	\$ 2,083	\$ -	\$ 4,062	\$ -	\$ 3,989	\$ -	\$ 3,989
2 Equipment Usage	113	-	-	113	-	-	-	-
3 Administration/Management	10,867	21,533	-	32,400	8,400	8,400	-	16,800
Outside Services								
4 Telemetry Alarm System/Underground Alert	2,156	-	-	2,156	1,161	-	-	1,161
5 Depreciation ⁽¹⁾		-	33,095	33,095	-	-	16,547	16,547
6 Utilities		1,679	-	1,679	-	816	-	816
7 Cathodic Protection Sys Maintenance/Upgrade		14,107	-	14,107	-	7,490	-	7,490
8 Cathodic Protection Sys Monitoring		9,940	-	9,940	-	15,162	-	15,162
9 Maintenance - Landscape		12,340	-	12,340	-	6,020	-	6,020
10 SAC Baker Pipeline Relocation Project				-				-
11 Landscape Project Reach 1U		81,403	-	81,403	-	30,073	-	30,073
Adminstration								
12 General Liability Insurance	2,380	5,478	-	7,859	3,854	5,104	-	8,958
13 Legal	256	256	-	511	90	90	-	180
14 Bank Charges	855	855	-	1,710	547	547	-	1,093
15 Audit	2,875	2,875	-	5,750	2,990	2,990	-	5,980
16 Total Operations & Maintenance	\$21,481	\$152,549	\$33,095	\$207,126	\$17,042	\$80,680	\$16,547	\$114,269

	Approved FY 2024-25 Budget				Proposed FY 2025-26 Budget				Increase/(Decrease)				
	Oper.	Maint.	Capital	Total	Oper.	Maint.	Capital	Total	Oper.	Maint.	Capital	Total	%
Contract Labor and Equipment													
1 Contract Labor	\$ 4,600	\$ 1,400	\$ -	\$ 6,000	\$ 4,800	\$ 1,500	\$ -	\$ 6,300	\$ 200	\$ 100		\$ 300	5%
2 Equipment Usage	800	90	-	890	800	100	-	900	-	10		10	1%
3 Administration/Management	16,800	16,800	-	33,600	17,450	17,450	-	34,900	650	650		1,300	4%
Outside Services													
4 Telemetry Alarm System/Underground Alert	2,300	-	-	2,300	2,200	-	-	2,200	(100)	-		(100)	-4%
5 Depreciation ⁽¹⁾		-	-	-	-	-	-	-	-	-		-	
6 Utilities		3,400	-	3,400	-	3,500	-	3,500	-	100		100	3%
7 Cathodic Protection Sys Maintenance/Upgrade		10,000	-	10,000	-	10,000	-	10,000	-	-		-	0%
8 Cathodic Protection Sys Monitoring		30,000	-	30,000	-	38,600	-	38,600	-	8,600		8,600	29%
9 Maintenance - Landscape		12,000	-	12,000	-	12,500	-	12,500	-	500		500	4%
10 SAC Baker Pipeline Relocation Project				-				-		-		-	
11 Habitat Restoration		-	70,900	70,900	-	-	50,000	50,000		-	\$(20,900)	(20,900)	100%
Adminstration													
12 General Liability Insurance	4,320	4,320	-	8,640	6,700	6,700	-	13,400	2,380	2,380		4,760	55%
13 Legal	2,060	2,060	-	4,120	500	500	-	1,000	(1,560)	(1,560)		(3,120)	-76%
14 Bank Charges	1,030	1,030	-	2,060	1,100	1,000	-	2,100	70	(30)		40	2%
15 Audit	3,155	3,155	-	6,310	3,300	3,200	-	6,500	145	45		190	3%
16 Total Operations & Maintenance	\$35,065	\$ 84,255	\$70,900	\$190,220	\$36,850	\$95,050	\$50,000	\$181,900	\$ 1,785	\$10,795	\$(20,900)	\$(8,320)	-4%

Note:
⁽¹⁾ No depreciation will be charged for all fixed assets including the Pipeline Relocation Project in the current or future budgets based on the prior Board's discussion of financing future capital expenditures on a pay-as-you-go basis.

Exhibit "A-2"

SANTIAGO AQUEDUCT COMMISSION
Proposed Budget 2026-27

	FY 2023-24 Actual				FY 2024-25 Actual			
	Oper.	Maint.	Capital	Total	Oper.	Maint.	Capital	Total
Contract Labor and Equipment								
1 Contract Labor	\$ 1,979	\$ 2,083	\$ -	\$ 4,062	\$ -	\$ 3,989	\$ -	\$ 3,989
2 Equipment Usage	113	-	-	113	-	-	-	-
3 Administration/Management	10,867	21,533	-	32,400	8,400	8,400	-	16,800
Outside Services								
4 Telemetry Alarm System/Underground Alert	2,156	-	-	2,156	1,161	-	-	1,161
5 Depreciation ⁽¹⁾	-	-	33,095	33,095	-	-	16,547	16,547
6 Utilities		1,679	-	1,679	-	816	-	816
7 Cathodic Protection Sys Maintenance/Upgrade		14,107	-	14,107	-	7,490	-	7,490
8 Cathodic Protection Sys Monitoring		9,940	-	9,940	-	15,162	-	15,162
9 Maintenance - Landscape		12,340	-	12,340	-	6,020	-	6,020
10 SAC Baker Pipeline Relocation Project				-				-
11 Landscape Project Reach 1U		81,403	-	81,403	-	30,073	-	30,073
Adminstration								
12 General Liability Insurance	2,380	5,478	-	7,859	3,854	5,104	-	8,958
13 Legal	256	256	-	511	90	90	-	180
14 Bank Charges	855	855	-	1,710	547	547	-	1,093
15 Audit	2,875	2,875	-	5,750	2,990	2,990	-	5,980
16 Total Operations & Maintenance	\$21,481	\$152,549	\$ 33,095	\$207,126	\$17,042	\$80,680	\$ 16,547	\$114,269

	Proposed FY 2025-26 Budget				Proposed FY 2026-27 Budget				Increase/(Decrease)				
	Oper.	Maint.	Capital	Total	Oper.	Maint.	Capital	Total	Oper.	Maint.	Capital	Total	%
Contract Labor and Equipment													
1 Contract Labor	\$ 4,800	\$ 1,500	\$ -	\$ 6,300	\$ 4,900	\$ 1,500	\$ -	\$ 6,400	\$ 100	\$ -		\$ 100	2%
2 Equipment Usage	800	100	-	900	800	100	-	900	-	-		-	0%
3 Administration/Management	17,450	17,450	-	34,900	17,800	17,800	-	35,600	350	350		700	2%
Outside Services													
4 Telemetry Alarm System/Underground Alert	2,200	-	-	2,200	2,200	-	-	2,200	-	-	-	-	0%
5 Depreciation ⁽¹⁾		-	-	-	-	-	-	-	-	-	-	-	
6 Utilities		3,500	-	3,500	-	3,600	-	3,600	-	100	-	100	3%
7 Cathodic Protection Sys Maintenance/Upgrade		10,000	-	10,000	-	10,000	-	10,000	-	-	-	-	0%
8 Cathodic Protection Sys Monitoring		38,600	-	38,600	-	38,600	-	38,600	-	-	-	-	0%
9 Maintenance - Landscape		12,500	-	12,500	-	12,800	-	12,800	-	300	-	300	2%
10 SAC Baker Pipeline Relocation Project		-	-	-				-	-	-	-	-	
11 Habitat Restoration		-	50,000	50,000	-	-	50,000	50,000	-	-	-	-	0%
Adminstration													
12 General Liability Insurance	6,700	6,700	-	13,400	6,900	6,800	-	13,700	200	100	-	300	2%
13 Legal	500	500	-	1,000	500	500	-	1,000	-	-	-	-	0%
14 Bank Charges	1,100	1,000	-	2,100	1,100	1,000	-	2,100	-	-	-	-	0%
15 Audit	3,300	3,200	-	6,500	3,300	3,300	-	6,600	-	100	-	100	2%
16 Total Operations & Maintenance	\$36,850	\$ 95,050	\$ 50,000	\$181,900	\$37,500	\$96,000	\$ 50,000	\$183,500	\$ 650	\$ 950	\$ -	\$ 1,600	1%

Note:

⁽¹⁾ No depreciation will be charged for all fixed assets including the Pipeline Relocation Project in the current or future budgets based on the prior Board's discussion of financing future capital expenditures on a pay-as-you-go basis.

Exhibit"A-3"

SANTIAGO AQUEDUCT COMMISSION Baker Pipeline Proposed 2025-26 and 2026-27 Surcharge and Allocation

	Proposed FY 2025-26 Budget				Proposed FY 2026-27 Budget			
	Operating	Maintenance	Habitat Restoration ⁽¹⁾	Total	Operating	Maintenance	Habitat Restoration ⁽¹⁾	Total
1 Contract Labor	\$ 4,800	\$ 1,500	\$ -	\$ 6,300	\$ 4,900	\$ 1,500	\$ -	\$ 6,400
2 Equipment Usage	800	100	-	900	800	100	-	900
3 Administration/Management	17,450	17,450	-	34,900	17,800	17,800	-	35,600
4 Telemetry Alarm System/Underground Alert	2,200	-	-	2,200	2,200	-	-	2,200
5 Depreciation	-	-	-	-	-	-	-	-
6 Utilities	-	3,500	-	3,500	-	3,600	-	3,600
7 Cathodic Protection Sys Maintenance/Upgrade	-	10,000	-	10,000	-	10,000	-	10,000
8 Cathodic Protection Sys Monitoring	-	38,600	-	38,600	-	38,600	-	38,600
9 Maintenance - Landscape	-	12,500	-	12,500	-	12,800	-	12,800
10 Habitat Restoration	-	-	50,000	50,000	-	-	50,000	50,000
11 General Liability Insurance	6,700	6,700	-	13,400	6,900	6,800	-	13,700
12 Legal	500	500	-	1,000	500	500	-	1,000
13 Bank Charges	1,100	1,000	-	2,100	1,100	1,000	-	2,100
14 Audit	3,300	3,200	-	6,500	3,300	3,300	-	6,600
15 Total	\$ 36,850	\$ 95,050	\$ 50,000	\$ 181,900	\$ 37,500	\$ 96,000	\$ 50,000	\$ 183,500

Proposed FY 2025-26 and FY 2026-27

Member Agencies	Proposed Acre Feet	Capacity per Linear Foot	Habitat Restoration ⁽¹⁾				Habitat Restoration ⁽¹⁾			
16 East Orange County Wtr District		2.58%		\$ 2,452	\$ 4,765	\$ 7,217		\$ 2,477	\$ 4,765	\$ 7,242
17 Irvine Ranch Wtr Dist (NonBaker and Baker Project)	7,200	30.68%	\$ 8,496	29,162	25,395	63,053	\$ 8,645	29,453	25,395	63,493
18 Santa Margarita Wtr Dist (Baker Project)	8,454	22.28%	9,976	21,177	6,675	37,828	10,152	21,389	6,675	38,216
19 Trabuco Canyon Wtr Dist (NonBaker and Baker Projec	3,778	13.71%	4,458	13,031	4,075	21,564	4,537	13,162	4,075	21,774
20 El Toro Wtr Dist (Baker Project)	3,342	8.54%	3,944	8,117	2,525	14,586	4,013	8,198	2,525	14,736
21 Moulton Niguel Wtr Dist (Baker Project)	8,454	22.21%	9,976	21,111	6,565	37,652	10,152	21,322	6,565	38,039
22 Total	31,228	100.00%	\$ 36,850	\$ 95,050	\$ 50,000	\$ 181,900	\$ 37,499	\$ 96,001	\$ 50,000	\$ 183,500

23 Proposed Surcharge per Acre Foot	\$ 1.18	\$ 1.20
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Note:

⁽¹⁾ SAC Habitat Restoration		FY 2025-26	FY 2026-27
24 East Orange County Water District	9.53%	\$ 4,765	\$ 4,765
25 Irvine Ranch Water District	50.79%	25,395	25,395
26 Santa Margarita Water District	13.35%	6,675	6,675
27 Trabuco Canyon Water District	8.15%	4,075	4,075
28 El Toro Water District	5.05%	2,525	2,525
29 Moulton Niguel Water District	13.13%	6,565	6,565
30 Total	100.00%	\$ 50,000	\$ 50,000

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Exhibit “B”

SANTIAGO AQUEDUCT COMMISSION PROPOSED BUDGET FY 2025-26 OPERATIONS & MAINTENANCE ASSUMPTIONS

CONTRACT LABOR AND EQUIPMENT

OPERATIONS

1. Annual Meter Reading Expense

Contract Labor

3 hours per month required

Assume 10% contingency (rereads, access issues, etc)

36 hours per year required

Meter reader at \$36.58 per hour rate

36 hours X \$36.58 per hour = \$1317 direct cost

Add 150% overhead per agreement or \$1976

Total direct and overhead labor expense: \$3293

Equipment Usage

36 hours X \$20.36 per hour (Medium Duty Vehicle) = \$733

However, staff does not always charge usage amount use - \$650

Total Annual Meter Reading Expense: \$3943

2. System Operations

Contract Labor

1 hour per month or 12 hours per year required – System review/ changes/reports and respond to system problems in the field

12 hours X \$49.91 per hour (Medium Duty Vehicle) = \$599

Add 150% overhead per agreement or \$899

Total direct and overhead labor expense: \$1498

Equipment Usage

12 hours X \$20.97 per hour (Medium Duty Vehicle) = \$252

However, staff does not always charge usage amount use - \$220

Total Annual System Operations Expense: \$1718

TOTAL OPERATIONS EXPENSE

CONTRACT LABOR: \$4791 – Rounded \$4800

EQUIPMENT USAGE: \$870 – Rounded \$800

MAINTENANCE

1. Meter Maintenance

Contract Labor

6 hours per year required – Test and calibrate all active SAC Meters

6 hours X \$41.93 per hour = \$252 direct cost

Add 150% overhead per agreement or \$378

Total direct and overhead labor expense: \$630

Equipment Usage

6 hours X \$20.97 per hour (Medium Duty Vehicle) = \$126

However, staff does not always charge usage amount use - \$50

Total Annual Meter Maintenance Expense: \$680

2. Air Vac Valve / Valve Maintenance

Contract Labor

4 hours per year required – Locate, exercise all SAC valves – includes structures maintenance

4 hours X \$41.93 per hour = \$168 direct cost

Add 150% overhead per agreement or \$252

Total direct and overhead labor expense: \$420

Equipment Usage

4 hours X \$20.97 per hour (Medium Duty Vehicle) = \$84

However, staff does not always charge usage amount use - \$20

Total annual Valve Maintenance expense: \$440

3. Maintenance and Repairs Contingency

Contract Labor

4 hours X \$41.93 per hour = \$168 direct cost

Add 150% overhead per agreement or \$252

Total direct and overhead labor expense: \$420

Equipment Usage

4 hours X \$20.97 per hour (Medium Duty Vehicle) = \$84

However, staff does not always charge usage amount use - \$30

Total Annual Maintenance and Repairs Contingency: \$450

TOTAL MAINTENANCE EXPENSE

CONTRACT LABOR: \$1470 – Rounded \$1500

EQUIPMENT USAGE: \$100 – Rounded \$100

ADMINISTRATION/MANAGEMENT

Administration and management of the SAC Commission activities includes a number of responsibilities. Among the responsibilities are: Preparation of all Commission agendas, scheduling of meetings, management of SAC contracts (Liability insurance, engineering fees, consultant management, legal counsel), accounting and treasury functions, and communications with outside entities. This includes payment for services provided by the General Manager.

This is a fixed fee, allocated evenly over four quarters. The annual budgeted fixed fee shall be \$34900.

OUTSIDE SERVICES

From time to time, the Commission will require outside services such as engineering assistance, audit services, contract repair beyond the scope as defined under maintenance, or capital improvements to the SAC system. These are brought to the Commission on a case by case basis or included in the annual budget.

Outside Services are included in the proposed 2025-26 budget as follows:

Operations

1. Telemetry Alarm System/Underground Alert - \$2200

Maintenance

1. Utilities – Electrical power for cathodic protection stations - \$3500
2. Cathodic Protection System Maintenance – \$10000
3. Cathodic Protection System Monitoring – Provide corrosion services for the monitoring of the cathodic protection system for the Baker Pipeline: total budget \$38600
4. Landscape - \$12500
5. Habitat Restoration – \$50000

ADMINISTRATION

The proposed administration includes the following:

1. General Liability Insurance - \$13400
2. Legal – Attendance and preparation of minutes for Commission meetings. Budget assumes 3 meetings of the Commission - \$1000
3. Bank Charges - \$2100
4. Audit – Annual audit fee by independent CPA - \$6500

SANTIAGO AQUEDUCT COMMISSION
PROPOSED BUDGET FY 2026-27
OPERATIONS & MAINTENANCE ASSUMPTIONS

CONTRACT LABOR AND EQUIPMENT

OPERATIONS

1. Annual Meter Reading Expense

Contract Labor

3 hours per month required

Assume 10% contingency (rereads, access issues, etc)

36 hours per year required

Meter reader at \$37.68 per hour rate

36 hours X \$37.68 per hour = \$1356 direct cost

Add 150% overhead per agreement or \$2034

Total direct and overhead labor expense: \$3390

Equipment Usage

36 hours X \$20.97 per hour (Medium Duty Vehicle) = \$755

However, staff does not always charge usage amount use - \$650

Total Annual Meter Reading Expense: \$4040

2. System Operations

Contract Labor

1 hours per month or 12 hours per year required – System review/ changes/reports and respond to system problems in the field

12 hours X \$51.41 per hour (Medium Duty Vehicle) = \$617

Add 150% overhead per agreement or \$926

Total direct and overhead labor expense: \$1543

Equipment Usage

12 hours X \$21.6 per hour (Medium Duty Vehicle) = \$259

However, staff does not always charge usage amount use - \$220

Total Annual System Operations Expense: \$1763

TOTAL OPERATIONS EXPENSE

CONTRACT LABOR: \$4933 – Rounded \$4900

EQUIPMENT USAGE: \$870 – Rounded \$800

MAINTENANCE

1. Meter Maintenance

Contract Labor

6 hours per year required – Test and calibrate all active SAC Meters
6 hours X \$43.19 per hour = \$259 direct cost
Add 150% overhead per agreement or \$389

Total direct and overhead labor expense: \$648

Equipment Usage

6 hours X \$21.6 per hour (Medium Duty Vehicle) = \$130
However, staff does not always charge usage amount use - \$50

Total Annual Meter Maintenance Expense: \$698

2. Air Vac Valve / Valve Maintenance

Contract Labor

4 hours per year required – Locate, exercise all SAC valves – includes structures maintenance
4 hours X \$43.19 per hour = \$173 direct cost
Add 150% overhead per agreement or \$260

Total direct and overhead labor expense: \$433

Equipment Usage

4 hours X \$21.6 per hour (Medium Duty Vehicle) = \$86
However, staff does not always charge usage amount use - \$20

Total annual Valve Maintenance expense: \$453

3. Maintenance and Repairs Contingency

Contract Labor

4 hours X \$43.19 per hour = \$173 direct cost
Add 150% overhead per agreement or \$260

Total direct and overhead labor expense: \$433

Equipment Usage

4 hours X \$21.6 per hour (Medium Duty Vehicle) = \$86
However, staff does not always charge usage amount use - \$30

Total Annual Maintenance and Repairs Contingency: \$463

TOTAL MAINTENANCE EXPENSE

CONTRACT LABOR: \$1514 – Rounded \$1500

EQUIPMENT USAGE: \$100 – Rounded \$100

ADMINISTRATION/MANAGEMENT

Administration and management of the SAC Commission activities includes a number of responsibilities. Among the responsibilities are: Preparation of all Commission agendas, scheduling of meetings, management of SAC contracts (Liability insurance, engineering fees, consultant management, legal counsel), accounting and treasury functions, and communications with outside entities. This includes payment for services provided by the General Manager.

This is a fixed fee, allocated evenly over four quarters. The annual budgeted fixed fee shall be \$35600.

OUTSIDE SERVICES

From time to time, the Commission will require outside services such as engineering assistance, audit services, contract repair beyond the scope as defined under maintenance, or capital improvements to the SAC system. These are brought to the Commission on a case by case basis or included in the annual budget.

Outside Services are included in the proposed 2025-26 budget as follows:

Operations

1. Telemetry Alarm System/Underground Alert - \$2200.

Maintenance

1. Utilities – Electrical power for cathodic protection stations - \$3600.
2. Cathodic Protection System Maintenance – \$10000.
3. Cathodic Protection System Monitoring – Provide corrosion services for the monitoring of the cathodic protection system for the Baker Pipeline: total budget \$38600
4. Landscape - \$12800.
5. Habitat Restoration – \$50000.

ADMINISTRATION

The proposed administration includes the following:

1. General Liability Insurance - \$13700.
2. Legal – Attendance and preparation of minutes for Commission meetings. Budget assumes 3 meetings of the Commission - \$1000
3. Bank Charges - \$2100.
4. Audit – Annual audit fee by independent CPA - \$6600.

June 19, 2025
Prepared and
submitted by: D. Squyres
Approved by: Paul A. Cook

SANTIAGO AQUEDUCT COMMISSION

APPOINTMENT OF ACWA-JPIA DIRECTOR AND ALTERNATE DIRECTOR

SUMMARY:

As described in Exhibit “A”, Article 7 of the Joint Powers Agreement creating the ACWA-JPIA provides for each Member Agency to appoint a Director and at least one Alternate Director to represent the Member Agency on the Board of Directors of the ACWA-JPIA. The appointed Director must be a member of the Member Agency’s governing board, while the Alternate Director(s) may be an officer or employee of the Member Agency.

The Santiago Aqueduct Commission’s current Director and Alternate Director positions are vacant. To fill the vacant positions, staff recommends that the Santiago Aqueduct Commission designate its Chair as a Director of the ACWA JPIA and that the Commission designate its Vice-Chair as an Alternate Director of the ACWA JPIA to represent the Santiago Aqueduct Commission.

FISCAL IMPACTS:

Provision for attendance at ACWA-JPIA Board meetings has not been provided for in the budget for 2025-26.

RECOMMENDATION:

That the Commission designate its Chair as a Director of the ACWA JPIA and that the Commission designate its Vice-Chair as an Alternate Director of the ACWA JPIA to represent the Santiago Aqueduct Commission.

LIST OF EXHIBITS:

Exhibit “A” – ACWA-JPIA Board of Directors – Member/Alternate Form

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JPIA Board of Directors - Member/Alternate

An excerpt from the JPIA Agreement:

"Article 7 - Board of Directors"

- (a) The Authority shall be governed by the Board of Directors which is hereby established, and which shall be composed of one representative from each Member, who shall be a Member director selected by the governing board of that Member. Each Member, in addition to appointing its member of the Board, shall appoint at least one alternate who shall be an officer, member of the governing board, or employee of that Member. The alternate appointed by a Member shall have the authority to attend and participate in any meeting of the Board when the regular member for whom he or she is an alternate is absent from said meeting.
- (b) Each Director or alternate of the Board shall serve until a successor is appointed. Each Director or alternate shall serve at the pleasure of the Member by which he or she has been appointed.
- (c) Each Director representing a Member, or his or her alternate, shall have one vote.

Member Agency: _____

JPIA Director Representative: _____

Must be a member of the agency's board of directors.

Preferred mailing address: _____

E-mail address: _____

Phone number: _____

Assuming office date: _____

JPIA Alternate Representative: _____

Preferred mailing address: _____

E-mail address: _____

Phone number: _____

Please mail or fax the form to: Chimene Camacho
ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082
Fax: (916) 774-7040

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