NOTICE OF REGULAR MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
ENGINEERING COMMITTEE
March 19, 2026
8:30 a.m.

Physical Address	Remote Address
34156 Del Obispo Street Dana Point, CA 92629	El Toro Water District Office: 24251 Los Alisos Blvd. Lake Forest, CA 92630

NOTICE IS HEREBY GIVEN that a Regular Meeting of the South Orange County Wastewater Authority (SOCWA) Engineering Committee was called to be held on **March 19, 2026, at 8:30 a.m.** SOCWA staff will be present and conducting the meeting at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California.

THE SOCWA MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5400 AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT WWW.SOCWA.COM. ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY LYNDA MAY AT LMAY@SOCWA.COM WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UN-MUTE YOUR LINE AT THE APPROPRIATE TIME.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY ENGINEERING COMMITTEE IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE ENGINEERING COMMITTEE ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY ADMINISTRATIVE OFFICE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE") OR BY PHONE REQUEST MADE TO THE AUTHORITY OFFICE AT 949-234-5400. IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE ENGINEERING COMMITTEE LESS THAN SEVENTY-TWO (72) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE ENGINEERING COMMITTEE AND SENT TO ANY REMOTE PARTICIPANTS REQUESTING EMAIL DELIVERY OR POSTED ON SOCWA'S WEBSITE. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE MEETING ROOM OR IMMEDIATELY UPON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES PARTICIPATING REMOTELY.

THE PUBLIC MAY PARTICIPATE REMOTELY BY VIRTUAL MEANS. FOR AUDIO OF MEETING USE THE CALL IN PHONE NUMBERS BELOW AND FOR VIDEO USE THE ZOOM LINK BELOW.

Join Zoom Meeting
https://socwa.zoom.us/

Meeting ID: 873 4613 1675
Passcode: 144420

One Tap Mobile
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+16699006833,, 87346131675#,,,,*144420# US (San Jose)

AGENDA

1. Call Meeting to Order

2. Public Comments

THOSE WISHING TO ADDRESS THE ENGINEERING COMMITTEE ON ANY ITEM LISTED ON THE AGENDA WILL BE REQUESTED TO IDENTIFY AT THE OPENING OF THE MEETING AND PRIOR TO THE CLOSE OF THE MEETING. THE AUTHORITY REQUESTS THAT YOU STATE YOUR NAME WHEN MAKING THE REQUEST IN ORDER THAT YOUR NAME MAY BE CALLED TO SPEAK ON THE ITEM OF INTEREST. THE CHAIR OF THE MEETING WILL RECOGNIZE SPEAKERS FOR COMMENT AND GENERAL MEETING DECORUM SHOULD BE OBSERVED IN ORDER THAT SPEAKERS ARE NOT TALKING OVER EACH OTHER DURING THE CALL.

3. Approval of Committee Member Request for Remote Participation (Standing Item)

Recommended Action: Committee Discussion/Direction/Action.

11. Adjournment

I hereby certify that the foregoing Notice was personally emailed or mailed to each member of the SOCWA Engineering Committee at least 72 hours prior to the scheduled time of the Regular Meeting referred to above.

I hereby certify that the foregoing Notice was posted at least 72 hours prior to the time of the above-referenced Engineering Committee meeting at the usual agenda posting location of the South Orange County Wastewater Authority and at www.socwa.com.

Dated this 12th day of March 2026.

Lynda May, Assistant Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

MINUTES OF REGULAR MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Engineering Committee

DRAFT

February 19, 2026

The Regular Meeting of the South Orange County Wastewater Authority (SOCWA) Engineering Committee was held on February 19, 2026, at 8:30 a.m. in-person and via teleconferencing from the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Engineering Committee were present:

MIKE DUNBAR	Emerald Bay Service District
HANNAH FORD	El Toro Water District [Zoom]
ROBERT GRANTHAM	Santa Margarita Water District
MARC SERNA	South Coast Water District
MARK MCAVOY	City of Laguna Beach [Zoom]

Absent:

DAVE REBENSDORF	City of San Clemente

Staff Present:

AMBER BOONE	General Manager
RONI GRANT	Capital Improvement Program (CIP) Manager
JIM BURROR	Deputy GM/Chief Engineer
BRIAN PECK	Project Manager
MATT CLARKE	Chief Technology Officer
LYNDA MAY	Administrative Assistant/Assistant Secretary
ANNA SUTHERLAND	Staff Accountant
ROBERT CULVER	Environmental Service Manager
DINA ASH	Human Resources Administrator
JAMES JONES	Operations Superintendent

Also Present:

DUSTIN BURNSIDE	City of San Clemente
TARYN KJOLSING	South Coast Water District
TRAVIS PLANK	Hazen

1. Call Meeting to Order

   Ms. Roni Grant, Capital Improvement Program (CIP) Manager, called the meeting to order at 8:35 a.m.

2. Public Comments

   None.

3. Approval of Committee Member Request for Remote Participation (Standing Item)

   Ms. Hannah Ford and Mr. Mark McAvoy participated via Zoom.

4. Approval of Minutes

   - Engineering Committee Minutes of January 22, 2026.

ACTION TAKEN
A motion was made by Mr. Dunbar and seconded by Mr. Serna to approve the Engineering Committee Minutes for January 22, 2026.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1	
	Mr. McAvoy	Aye
	Ms. Ford	Aye
	Mr. Dunbar	Aye
	Mr. Grantham	Aye
	Mr. Serna	Aye
	Mr. Rebensdorf	Absent

5. General Manager's Report

Ms. Boone provided a report on the Master Schedule and SOCWA goals. The committee was requested to look at their percentages in the Cost Allocation policy due to be approved at the next board meeting in March.

This was an information item; no action was taken.

6. Operations Report

Mr. Burror provided an update on the Co-Generation System restarting, and the Grit-Screenings re-profiling. Ms. Boone briefed on the upcoming Regional Biosolids Day, and Technology Day, sponsored by MISCO at CTP for the member agency staff to attend.

This was an information item; no action was taken.

7. Capital Improvement Construction Projects Progress and Change Order Report (February) [Project Committees 2 and 15]

Ms. Grant provided an update on the progress of construction projects including the receipt of the CTP Odor Scrubber permit from AQMD, with the JBL permit pending. The committee discussed the schedule for the personnel building reconstruction Phase 2 project.

This was an information item; no action was taken.

8. JBL Energy Building Roof Repair [Project Committee 2]

A brief overview ensued on the additional need for repairs identified during upgrades.

ACTION TAKEN

A motion was made by Mr. Grantham and seconded by Mr. Serna to 1) authorize execution of a construction contract with Pacific Hydrotech in the amount of $174,241 and 2) approve a contract contingency of $17,424, for a total project authorization of $191,665, to address any unforeseen conditions encountered during the work.

Motion carried:	Aye 2, Nay 0, Abstained 0, Absent 0	
	Mr. Grantham	Aye
	Mr. Serna	Aye

9. CTP Storm Drain System Upgrades Construction Contract [Project Committee 15]

A brief overview ensued on the need for improvements to prevent stormwater runoff into the creek.

ACTION TAKEN

A motion was made by Mr. McAvoy and seconded by Mr. Serna to 1) authorize execution of a construction contract with T.E. Roberts in the amount of $570,059.00 and 2) approve a contract contingency of $57,000, for a total project authorization of $627,059 to address any unforeseen conditions encountered during the work

Motion carried:	Aye 3, Nay 0, Abstained 0, Absent 0	
	Mr. McAvoy	Aye
	Mr. Dunbar	Aye
	Mr. Serna	Aye

10. CTP Facility Planning Assessment Contract [Project Committee 15]

A brief discussion ensued on the goals of the plant and the recommendation of AECOM due to their strong understanding of the SOCWA's objectives and methodology.

ACTION TAKEN

A motion was made by Mr. Serna and seconded by Mr. Dunbar to 1) authorize the General Manager to execute a contract with AECOM in the amount of $494,821 upon the CTP Regional Flow Study reaching Project Element 4 and 2) approve a contract contingency of $49,482, for a total project authorization $544,303, to address any unforeseen conditions encountered during the work.

Motion carried:	Aye 3, Nay 0, Abstained 0, Absent 0	
	Mr. McAvoy	Aye
	Mr. Dunbar	Aye
	Mr. Serna	Aye

11. CTP Regional Flow Study Contract [Project Committee 15]

A brief overview ensued on the high-level evaluation to redirect flow away from the CTP, and the selection of MKN for the project. Mr. Dunbar and Mr. Burror suggested a head start to prepare data requests for MKN, and to start scheduling meetings.

ACTION TAKEN

A motion was made by Mr. Dunbar and seconded by Mr. Serna to 1) approve a project budget increase of $20,000 for a total of $100,000, 2) authorize the General Manager to execute a contract with MKN for a fee not to exceed $89,401.00 and 3) approve a project contingency of $10,599 for unforeseen changes in scope.

Motion carried:	Aye 3, Nay 0, Abstained 0, Absent 0	
	Mr. McAvoy	Aye
	Mr. Dunbar	Aye
	Mr. Serna	Aye

12. On-Call Third Party Construction Management RFP

A brief discussion ensued on opening the bid up to more firms, including specialty firms. An inclusion on constructability reviews, and raising the bid limit was suggested. Ms. Grant noted that the RFP will be released in the next week.

ACTION TAKEN

This was an information item; no action was taken.

13. Draft Capital Improvement Program Budget for Fiscal Year 2026-27

An open discussion ensued on updates to the CIP budget, O&M budget, and the impact of UAL and OPEB on the overall budget. Engineering Committee members had no other suggested changes to the current CIP for the FY 26-27 budget.

This was an information item; no action was taken.

14. Adjournment

There being no further business, Ms. Grant adjourned the meeting at 9:40 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Regular Meeting of the South Orange County Wastewater Authority Engineering Committee of February 19, 2026, and approved by the Engineering Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

_____

Lynda May, Assistant Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Agenda Item 7

Engineering Committee Meeting

Meeting Date: March 19, 2026

TO: Engineering Committee

FROM: Roni Grant, Capital Improvement Program Manager

SUBJECT: Capital Improvement Construction Projects Progress and Change Order Report (March) [Project Committees 2 and 15]

Overview

This agenda item provides a status update on active construction projects, including any associated change orders. Updated Capital Improvement Program (CIP) reports are attached for reference.

Project Updates

JBL Electrical Upgrades
Pre-purchasing activities for the Motor Control Center (MCC) and Plant 1 Generator are currently underway. Construction is anticipated to be completed by December 2026, contingent upon the issuance of the AQMD permit to construct for the generator.

JBL Effluent Pump Station and Energy Building Upgrades
Construction is currently in progress. Construction is anticipated to be completed by July 2026. There is one new change order: Change Order 4, in the amount of $31,487.53, was to add pipe spools at the pump discharge location, bringing the revised total contract amount to $3,128,786.73.

JBL Plant 2 Headworks Rehabilitation
Construction is currently in progress. Construction is anticipated to be completed by July 2026. There is one new change order: Change Order 1, in the amount of $7,666.73, was to modify the FRP ductwork and added a new damper, bringing the revised total contract amount to $2,157,266.73.

JBL Old Effluent Pump Station Storage and Staging
Construction is currently in progress. Construction is anticipated to be completed by July 2026. There is one new change order: Change Order 1, in the amount of $12,163.93, was to mitigate the tripping hazard at the previous engineering trailer location, bringing the revised total contract amount to $2,157,266.73.

CTP West Primary and Secondary Scum Skimming System
Construction is currently in progress. Construction is anticipated to be completed by July 2026.

CTP Personnel Building Phase 2 Reconstruction
The construction contract has been approved; construction is anticipated to be completed by July 2026.

CTP Grit Tanks Coating Upgrades
The first phase of the construction has been completed. Phase 2 will be combined with the Foul Air System Upgrades project.

CTP Storm Drain Improvements
The construction contract has been approved; construction is anticipated to be completed by July 2026.

Recommended Action: Information only.

SCAQMD Permit Status Updates for Upcoming CIP Projects

JBL Plant 1 Generator (A/N 654624)				
Application Date	**Communication Dates from SCAQMD**	**Information requested from SCAQMD**	**Information provided to SCAQMD**	**Response Dates from SOCWA**
08/01/24	9/11/24	CG18 gas engine technical data	Provided technical data	9/25/24
	10/8/24	Serial number and model year	Serial number and model year not available, confirmed flapper type rain cap	10/9/24
	10/17/24	Maintenance and testing requirements	Confirmed requirements	10/18/24
	1/15/25	Confirmed receipt of serial number and model year	Provided serial number and model year	1/13/25
	4/25/25	Requested to confirm EPA family code	Confirmed EPA family code and provided EPA certificate	4/25/25
JBL Flare System (A/N 657267)				
Application Date	**Communication Dates from SCAQMD**	**Information requested from SCAQMD**	**Information provided to SCAQMD**	**Response Dates from SOCWA**
12/13/24	1/8/25	Requested additional fee	Paid online	1/21/25
	1/24/25	Requested voucher or receipt from the online payment	Provided voucher payment and receipt number	1/24/25
	4/1/25 and 4/18/25	Requested clarification on facility ownership	Clarified the facility ownership	4/23/25
	5/14/25	Additional information needed on the flare Varec 244E unit	Provided additional information	5/19/25
	5/21/25	Requested specifications on the flare retention time and temperature	Provided additional information	5/22/25
	8/7/25	Additional questions regarding the existing flare and proposed flare system	Responses provided	8/14/25

CTP Odor Scrubber System (A/N 656320)				
Application Date	**Communication Dates from SCAQMD**	**Information requested from SCAQMD**	**Information provided to SCAQMD**	**Response Dates from SOCWA**
10/2/24	11/8/24	Additional information needed	Design intent clarified	11/19/24
	7/15/25	Additional information needed	Additional information provided	7/18/25
	1/28/2026	Permit to Construct Issued		

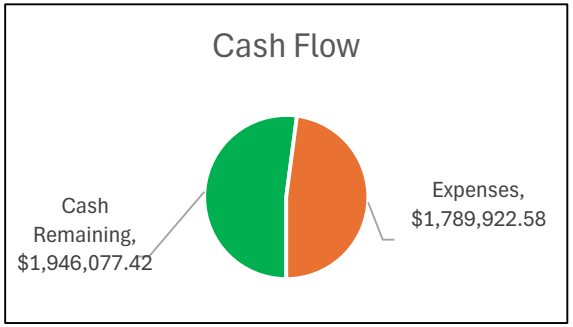
Recommended Action: Information only.

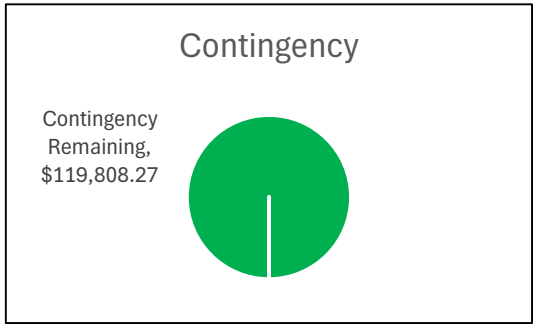
Project Financial Status

Project Committee	2
Project Name	Effluent Pump Station and Energy Building Upgrades
Project Description	Replacement of effluent valves and piping; installation of monorail, roof, safety upgrades and seimsic retrofit in the Energy Building

Data Last Updated

March 11, 2026





Cash Flow

Collected	$	3,736,000.00
Expenses	$	1,789,922.58

Project Completion

Schedule	50%
Budget	47.91%

Construction Contracts

Company	PO No.	Original	Change Orders	Amendments	Total	Costs to Date
Pacific Hydrotech	21280	$ 3,093,900.00	$ 34,886.73		$ 3,128,786.73	$ 1,682,570.48
Carollo Engineers	20453	$ 119,316.00			$ 119,316.00	$ 59,985.40
Project Partners	21283	$ 12,500.00			$ 12,500.00	
SOCWA Staff Time	32226L/32225S/3216					$ 47,366.70
		$ 3,225,716.00	**$ 34,886.73**	**$ -**	**$ 3,260,602.73**	**$ 1,789,922.58**

Construction Contingency

Area	Project Code	Amount	Change Orders	Total Remaining	Percent Used
Liquids/Solids/Common	32226L/32225S/3216	$ 154,695.00	$ 34,886.73	$ 119,808.27	22.6%
		$ 154,695.00	**$ 34,886.73**	**$ 119,808.27**	22.6%

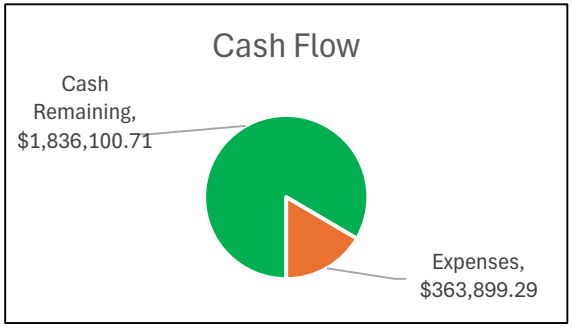
Change Order No.	Vendor Name	Project ID	Description	Status Date	Days	Amount
1	Pacific Hydrotech	32225S	Guardrail Mounting Plate Anchor Conflict	12/11/2025		$ 31,955.35
2	Pacific Hydrotech	32226L	Effluent Pump Station Manifold Tee Addition	12/23/2025		$ 9,432.35
3	Pacific Hydrotech	32226L	Elimiating Line Stop on the Outfall Line	12/23/2025		$ (37,988.50)
4	Pacific Hydrotech	32226L	Adding Pipe Spools at the Pump Discharge Location	2/13/2026		$ 31,487.53
						$ 34,886.73

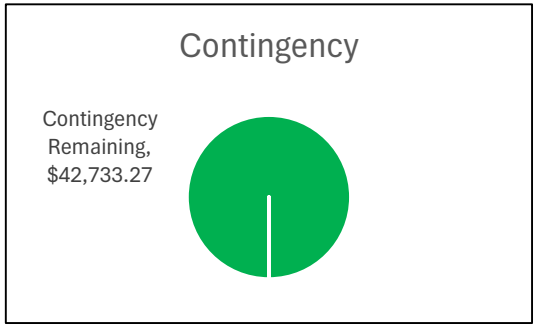
Project Financial Status

Project Committee	2
Project Name	Plant 2 Headworks Rehabilitation - 32243L
Project Description	Plant 2 Headworks building roof replacement, channel concrete repair and cover replacement, and electrical modification

Data Last Updated

March 11, 2026





Cash Flow

Collected	$	2,200,000.00
Expenses	$	363,899.29

Project Completion

Schedule	25%
Budget	16.47%

Construction Contracts

Company	PO No.	Original	Change Orders	Amendments	Total	Costs to Date
Pacific Hydrotech	21351	$ 2,149,600.00	$ 7,666.73		$ 2,157,266.73	$ 323,898.58
Dudek Engineers	20250	$ 47,858.00			$ 47,858.00	$ 11,754.50
Project Partners	21283	$ 5,000.00			$ 5,000.00	
SOCWA Staff Time	32243L					$ 28,246.21
		$ 2,202,458.00	**$ 7,666.73**	**$ -**	**$ 2,210,124.73**	**$ 363,899.29**

Construction Contingency

Area	Project Code	Amount	Change Orders	Total Remaining	Percent Used
Liquids	32243L	$ 50,400.00	$ 7,666.73	$ 42,733.27	15.2%
		$ 50,400.00	**$ 7,666.73**	**$ 42,733.27**	**15.2%**

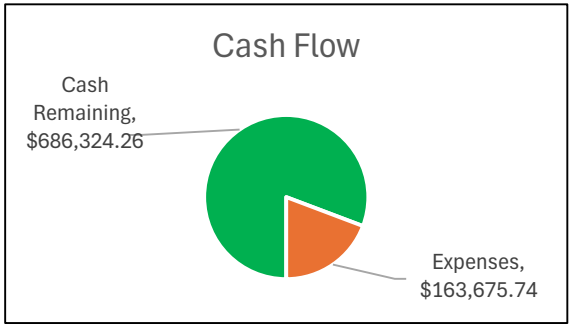
Change Order No.	Vendor Name	Project ID	Description	Status Date	Days	Amount
1	Pacific Hydrtech	32243L	FRP Ductwork Modifications and New Damper	2/23/2026	0	$ 7,666.73

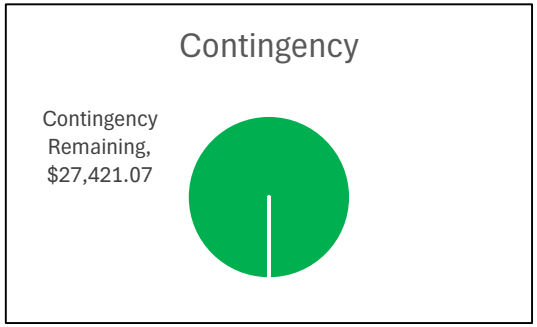
Project Financial Status

Project Committee	2
Project Name	Effluent Pump Station Stroage and Staging Area (32241L)
Project Description	Demolition of the existing Effluent Pump Station and Repurpose into parking and storage area

Data Last Updated

March 11, 2026





Cash Flow

Collected	$	850,000.00
Expenses	$	163,675.74

Project Completion

Schedule	50%
Budget	19.71%

Construction Contracts

Company	PO No.	Original	Change Orders	Amendments	Total	Costs to Date
Pacific Hydrotech	21640	$ 791,700.00	$ 12,163.93		$ 803,863.93	$ 154,625.00
Z&K/Ardurra	21446	$ 26,640.00			$ 26,640.00	
SOCWA Staff Time	32241L					$ 9,050.74
		$ 818,340.00	**$ 12,163.93**	**$ -**	**$ 830,503.93**	**$ 163,675.74**

Construction Contingency

Area	Project Code	Amount	Change Orders	Total Remaining	Percent Used
Liquids	32241L	$ 39,585.00	$ 12,163.93	$ 27,421.07	30.7%
		$ 39,585.00	**$ 12,163.93**	**$ 27,421.07**	**30.7%**

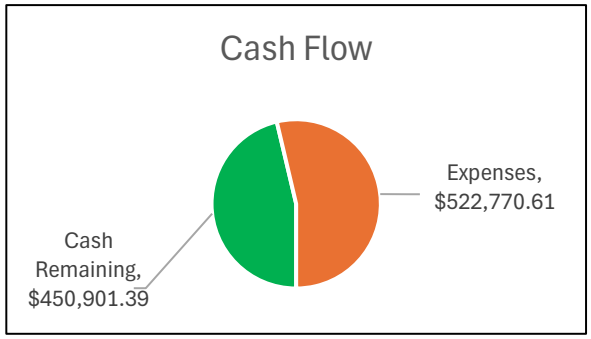
Change Order No.	Vendor Name	Project ID	Description	Status Date	Days	Amount
1	Pacific Hydrotech	32241L	Tripping Hazard Repair	2/18/2026	0	$ 12,163.93

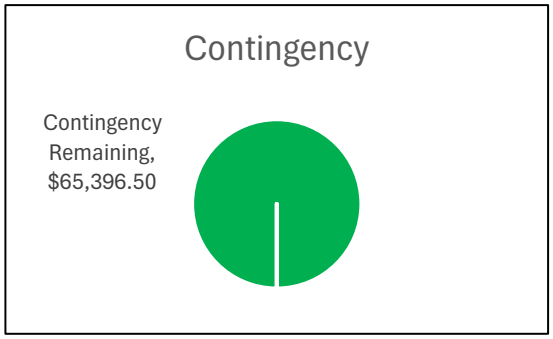
Project Financial Status

Project Committee	2
Project Name	Electrical System Upgrades - 3252
Project Description	Electrical System upgrades including MCC and Plant 1 Generator

Data Last Updated

March 11, 2026





Cash Flow

Collected	$	973,672.00
Expenses	$	522,770.61

Project Completion

Schedule	40%
Budget	64%

Construction Contracts

Company	PO No.	Original	Change Orders	Amendments	Total	Costs to Date
Quinn Power	20975	$ 414,940.00			$ 414,940.00	$ 264,999.15
Pacific Parts	20561	$ 239,025.00			$ 239,025.00	$ 56,331.22
Hazen	14331	$ 164,350.00			$ 164,350.00	$ 149,354.49
SOCWA Staff Time	3252					$ 52,085.75
		$ 818,315.00	**$ -**	**$ -**	**$ 818,315.00**	**$ 522,770.61**

Construction Contingency

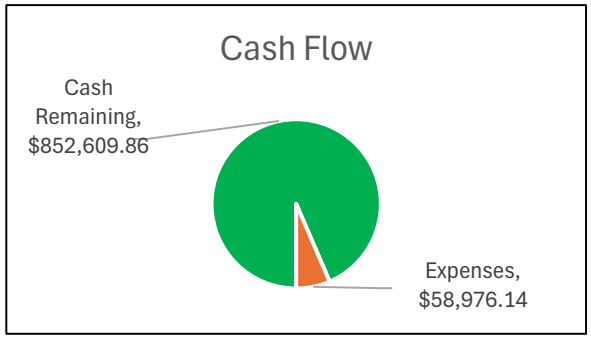
Area	Project Code	Amount	Change Orders	Total Remaining	Percent Used
Liquids	3252	$ 65,396.50		$ 65,396.50	0.0%
		$ 65,396.50	**$ -**	**$ 65,396.50**	**0.0%**

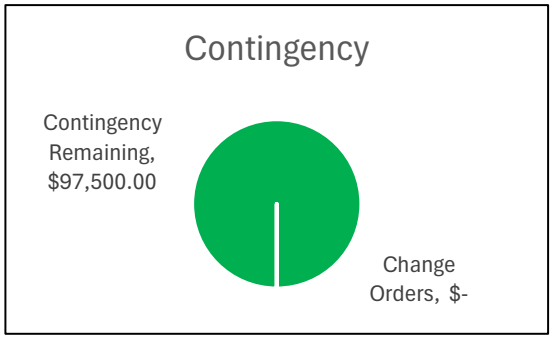
Project Financial Status

Project Committee	15
Project Name	Personnel Building Reconstruction Phase II- 3525
Project Description	Personnel building reconstruction including fixtures, lightings, ceiling, tiles and minor electrical

Data Last Updated

March 11, 2026





Cash Flow

Collected	$ 911,586.00
Expenses	$ 58,976.14

Project Completion

Schedule	5%
Budget	6%

Construction Contracts

Company	PO No.	Original	Change Orders	Amendments	Total	Costs to Date
T.E. Roberts	21768	$ 649,849.00			$ 649,849.00	
Project Partners	20877	$ 50,000.00			$ 50,000.00	$ 26,869.00
Project Lines	21767	$ 50,368.00				$ -
SOCWA Staff Time	3525					$ 32,342.64
		$ 750,217.00	**$ -**	**$ -**	**$ 699,849.00**	**$ 58,976.14**

Construction Contingency

Area	Project Code	Amount	Change Orders	Total Remaining	Percent Used
Liquids	3525	$ 97,500.00		$ 97,500.00	0.0%
		$ 97,500.00	**$ -**	**$ 97,500.00**	**0.0%**

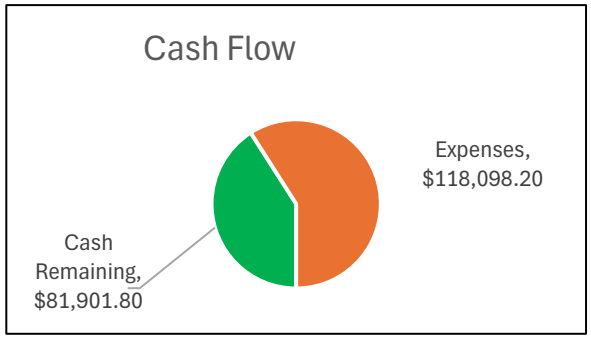
Change Order No.	Vendor Name	Project ID	Description	Status Date	Days	Amount
						$ -

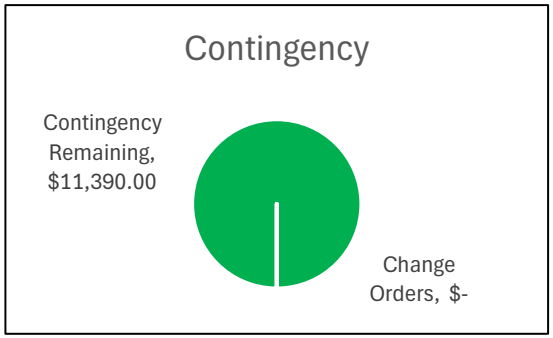
Project Financial Status

Project Committee	15
Project Name	Grit Tanks Coating Upgrades (35242L)
Project Description	Coating of grit tanks

Data Last Updated

March 11, 2026





Cash Flow

Collected	$	200,000.00
Expenses	$	118,098.20

Project Completion

Schedule	50%
Budget	59%

Construction Contracts

Company	PO No.	Original	Change Orders	Amendments	Total	Costs to Date
Murphy Coating	21425	$ 113,894.00			$ 113,894.00	$ 113,984.00
SOCWA Staff Time	35228L					$ 4,114.20
		$ 113,894.00	**$ -**	**$ -**	**$ 113,894.00**	**$ 118,098.20**

Construction Contingency

Area	Project Code	Amount	Change Orders	Total Remaining	Percent Used
Liquids	35242L	$ 11,390.00		$ 11,390.00	0.0%
		$ 11,390.00	**$ -**	**$ 11,390.00**	**0.0%**

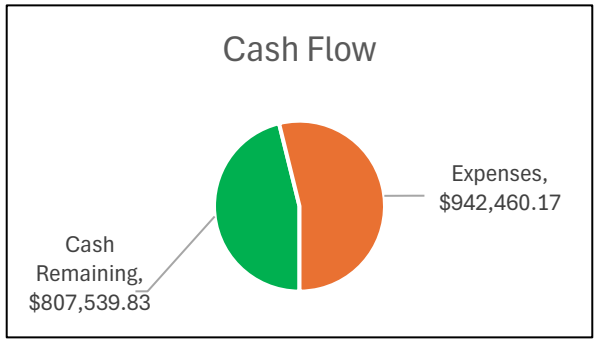
Change Order No.	Vendor Name	Project ID	Description	Status Date	Days	Amount

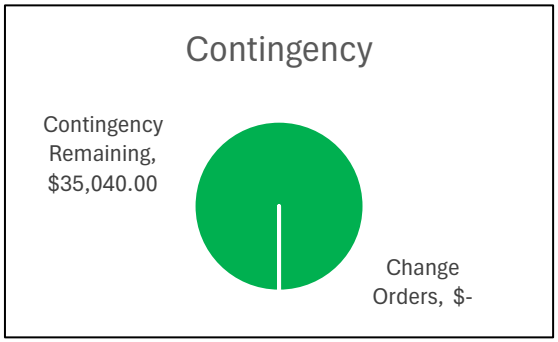
Project Financial Status

Project Committee	15
Project Name	West Primary and Secondary Sludge Skimming System - 35246L/35239L
Project Description	Replacement of west primary and secondary sludge skimming system

Data Last Updated

March 11, 2026





Cash Flow

Collected	$	1,750,000.00
Expenses	$	942,460.17

Project Completion

Schedule	50%
Budget	54%

Construction Contracts

Company	PO No.	Original	Change Orders	Amendments	Total	Costs to Date
Filanc		$ 784,000.00			$ 784,000.00	
Brentwood	20496	$ 930,960.00			$ 930,960.00	$ 930,960.00
Z&K/Ardurra	21446	$ 39,860.00			$ 39,860.00	
SOCWA Staff Time	35246L/35239L					$ 11,500.17
		$ 970,820.00	**$ -**	**$ -**	**$ 1,754,820.00**	**$ 942,460.17**

Construction Contingency

Area	Project Code	Amount	Change Orders	Total Remaining	Percent Used
Liquids	35246L/35239L	$ 35,040.00	$ -	$ 35,040.00	0.0%
		$ 35,040.00	**$ -**	**$ 35,040.00**	**0.0%**

Change Order No.	Vendor Name	Project ID	Description	Status Date	Days	Amount

Agenda Item 8

Engineering Committee Meeting

Meeting Date: March 19, 2026

TO: Engineering Committee

FROM: Roni Young Grant, Capital Improvement Program Manager

SUBJECT: Contract Award for Coastal Treatment Plant Access Road Repaving Project [Project Committee 15]

Overview

The existing AWMA Road serves as a critical access route at the entrance of Aliso and Wood Canyons Wilderness Park, connecting visitors to the AWMA Road parking area and providing essential utility access to the Coastal Treatment Plant (CTP).

After decades of heavy use by park visitors, utility vehicles, and emergency responders, the roadway surface has significantly deteriorated. Repaving is now necessary to ensure safe, reliable, and long-term access for both public recreation and essential infrastructure operations.

Background

Constructed in the late 1970s, the original AWMA Road and the accompanying AWMA Bridge over Aliso Creek were built to provide access to the wastewater treatment facilities in Aliso Canyon. Over time, as the surrounding land was dedicated for park and recreation purposes, the road evolved into one of the primary access points for:

- The park's extensive and heavily used trail system, supporting thousands of visitors each year.
- Public parking for visitors entering via Alicia Parkway, making it a key entryway to the 4,500-acre wilderness park.
- Maintenance, utility, and emergency access into Aliso Canyon, supporting critical wastewater operations and public safety needs.

Bids

On January 19, 2026, SOCWA issued a formal solicitation for bids via the PlanetBids platform, inviting qualified contractors to participate in the procurement process for the CTP Access Road Repaving project. A site walk was conducted to provide interested parties with an opportunity to assess existing conditions and ask questions.

Bid submissions were due by March 4, 2026. SOCWA received one bid from T.E. Roberts. A summary of the bid result is provided in Table 1 below.

Table 1- Summary of Bid

Item No.	Description	T.E. Roberts
	BASE BID ITEM	
1	Mobilization/Demobilization	$48,442
2	Adjust Water Valve Frame and Cover to Grade	$607
3	Survey Monument Protection and Restoration	$3,600
	BID ITEMS FOR STA 0+00 to 25+00	
1	Traffic control and Construction Phasing	$4,853
2	Stormwater Best Management Practices	$3,203
3	Clearing and Grubbing/Preparation for Paving	$8,688
4	Remove and Construct PCC Swale Crossing per Plan Detail	$50,479
5	Cold Mill Asphalt Concrete Pavement	$5,400
6	Construct Asphalt Rubber Hot Mix Asphalt-Gap Graded Pavement Overlay	$167,076
	BID ITEMS FOR STA 25+00 to 78+00	
1	Traffic control and Construction Phasing	$4,853
2	Stormwater Best Management Practices	$3,203
3	Clearing and Grubbing/Preparation for Paving	$17,746
4	Remove and Construct PCC Swale Crossing per Plan Detail	$50,479
5	Cold Mill Asphalt Concrete Pavement	$11,400
6	Construct Asphalt Rubber Hot Mix Asphalt-Gap Graded Pavement Overlay	$352,716
	BID ITEMS FOR STA 78+00 to 139+00	
1	Traffic control and Construction Phasing	$4,853

2	Stormwater Best Management Practices	$3,203
3	Clearing and Grubbing/Preparation for Paving	$20,334
4	Remove and Construct PCC Swale Crossing per Plan Detail	$50,479
5	Cold Mill Asphalt Concrete Pavement	$13,200
6	Construct Asphalt Rubber Hot Mix Asphalt-Gap Graded Pavement Overlay	$408,408
	BID ADDITIVE ITEM	
A1	Remove and Construct 4" Asphalt Concrete Pavement Repairs as Directed	$108,000
	TOTAL CONTRACT PRICE	$1,341,222

Cost Allocation

Table 2 shows the allocation of costs by member agencies.

Table 2 – Cost Allocation by Member Agency (35248L)

Agency	Cost
City of Laguna Beach	$728,283.55
Emerald Bay Service District	$40,236.66
South Coast Water District	$572,701.79
Total	$1,341,222.00

Budget

The budget for CTP Access Road Repaving is $1.75M. The budget impact for award of the construction contract will involve the related expenses as shown in Table 3.

Table 3 – Budget Impacts of Construction Cost Award

Cost Item	Percentage of Construction Contract	Cost
Construction Contract		$1,341,222.00
Construction Contingency	5%	$67,061.00
Construction Services	10%	$134,122.00
Total		$1,542,405.00

Recommended Action

Committee Discussion, Direction and Action.

Attachment: T.E. Roberts Bid

BID FORM

PROPOSAL TO

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

FOR THE CONSTRUCTION OF: COASTAL TREATMENT PLANT ACCESS ROAD PAVEMENT REHABILITATION PROJECT

Name of Bidder: T.E. Roberts, Inc., a California Corporation

Business Address: 17771 Mitchell North, Irvine, CA 92614

Phone No.: 714-669-0072

TO THE BOARD OF DIRECTORS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA)

The undersigned, as Bidder, hereby certifies and declares that:

Pursuant to, and in compliance with, the Notice Inviting Bids and the other documents relating thereto, the undersigned bidder, being fully familiar with the terms of the Contract Documents, local conditions affecting the performance of the Contract, the character, quality, quantities, and scope of the Work, and the cost of the Work at the place where the Work is to be done, hereby proposes and agrees to perform within the time stipulated in the Contract, including all of its component parts and everything required to be performed, and to furnish any and all of the labor, materials, tools, equipment, transportation, services, permits, utilities, and all other items necessary to perform the Contract and complete, in a workmanlike manner, all of the Work required in connection with the construction of said Work all in strict conformity with the Plans and Specifications and other Contract Documents, for the prices hereinafter set forth.

The only persons or parties interested in this Proposal as principals are those named herein and that this Proposal is made without collusion with any person, firm, or corporation as set forth in more detail in the Noncollusion Affidavit executed herewith. Further, the undersigned proposes and agrees, if the Proposal is accepted, that he/she will execute a Contract with the SOCWA in the form set forth in the Contract Documents and that he/she will accept in full payment thereof the following prices to with:

SCHEDULE OF WORK ITEMS

SCHEDULE OF WORK ITEMS

BASE BID ITEM	UNIT	UNIT PRICE	QTY	TOTAL PRICE
1. MOBILIZATION AND DEMOBILIZATION	LS	$ 48,442.-	1	$ 48,442.-
2. ADJUST WATER VALVE FRAME AND COVER TO GRADE	EA	$ 607.-	1	$ 607.-
3. SURVEY MONUMENT PROTECTION AND RESTORATION	EA	$ 900.-	4	$ 3,600.-

BID ITEMS FOR STA 0+00 to 25+00	UNIT	UNIT PRICE	QTY	TOTAL PRICE
1. TRAFFIC CONTROL AND CONSTRUCTION PHASING	LS	$ 4,853.-	1	$ 4,853.-
2. STORMWATER BEST MANAGEMENT PRACTICES	LS	$ 3,203.-	1	$ 3,203.-
3. CLEARING AND GRUBBING/ PREPARATION FOR PAVING	LS	$ 8,688.-	1	$ 8,688.-
4. REMOVE AND CONSTRUCT PCC SWALE CROSSING PER PLAN DETAIL	LS	$ 50,479.-	1	$ 50,479.-
5. COLD MILL ASPHALT CONCRETE PAVEMENT	SF	$ 6.-	900	$ 5,400.-
6. CONSTRUCT ASPHALT RUBBER HOT MIX ASPHALT-GAP GRADED PAVEMENT OVERLAY	TON	$ 273.-	612	$ 167,076.-

BID ITEMS FOR STA 25+00 to 78+00	UNIT	UNIT PRICE	QTY	TOTAL PRICE
1. TRAFFIC CONTROL AND CONSTRUCTION PHASING	LS	$ 4,853.-	1	$ 4,853.-
2. STORMWATER BEST MANAGEMENT PRACTICES	LS	$ 3,203.-	1	$ 3,203.-
3. CLEARING AND GRUBBING/ PREPARATION FOR PAVING	LS	$ 17,746.-	1	$ 17,746.-
4. REMOVE AND CONSTRUCT PCC SWALE CROSSING PER PLAN DETAIL	LS	$ 50,479.-	1	$ 50,479.-
5. COLD MILL ASPHALT CONCRETE PAVEMENT	SF	$ 6.-	1900	$ 11,400.-
6. CONSTRUCT ASPHALT RUBBER HOT MIX ASPHALT-GAP GRADED PAVEMENT OVERLAY	TON	$ 273.-	1292	$ 352,716.-

BID ITEMS FOR STA 78+00 to 139+00	UNIT	UNIT PRICE	QTY	TOTAL PRICE
1. TRAFFIC CONTROL AND CONSTRUCTION PHASING	LS	$ 4,853.-	1	$ 4,853.-
2. STORMWATER BEST MANAGEMENT PRACTICES	LS	$ 3,203.-	1	$ 3,203.-
3. CLEARING AND GRUBBING/ PREPARATION FOR PAVING	LS	$ 20,334.-	1	$ 20,334.-
4. REMOVE AND CONSTRUCT PCC SWALE CROSSING PER PLAN DETAIL	LS	$ 50,479.-	1	$ 50,479.-
5. COLD MILL ASPHALT CONCRETE PAVEMENT	SF	$ 6.-	2200	$ 13,200.-
6. CONSTRUCT ASPHALT RUBBER HOT MIX ASPHALT-GAP GRADED PAVEMENT OVERLAY	TON	$ 273.-	1496	$ 408,408.-

BID ADDITIVE ITEM	UNIT	UNIT PRICE	QTY	TOTAL PRICE
A1. REMOVE AND CONSTRUCT 4" ASPHALT CONCRETE PAVEMENT REPAIR AS DIRECTED (ALLOWANCE)	SF	$ 54.-	2000	$ 108,000.-

SUBTOTAL ADD (+)/DEDUCT(-) ITEMS:

($ 0.00)

*Provision is made here for the bidder to include an addition or deduction in their Bid, if bidder wishes, to reflect any last-minute adjustments in price. The addition or deduction, if made, will be applied to the listed bid item.

TOTAL CONTRACT PRICE (Sum of Subtotal Lump Sum Price and Subtotal Add/Deduct Items):

($ 1,341,222.00 **)**

Total amount of bid (written in words):

One million, three hundred forty-one thousand two hundred and twenty-two **Dollars**

Award of contract will be made to the lowest responsive, responsible bidder on the basis of the TOTAL CONTRACT PRICE.

Award of contract is based on the Total Contract Price noted above and is not impacted by the proposed cost of any additive bid item. Owner retains the right to include any additive bid item value in the overall project at the time of contract award.

Signature of Bidder: _____

Timothy Roberts

Date: March 4, 2026

LIST OF SUBCONTRACTORS

The name, California Contractor's license number, registration number issued pursuant to Labor Code Section 1725.5, and location of place of business of each subcontractor who will perform work or labor or render service to the Bidder in or about the construction of the work or improvements in an amount in excess of one-half of one percent (.5%) of the Bidder's Total Contract Price, and the portion of the Work which will be done by each subcontractor is set forth as follows (attach additional sheets as necessary). Circumvention by the Bidder of the requirement to list subcontractors by the device of listing one subcontractor who will in turn sublet portions constituting the majority of the Work covered by this Contract shall be considered a violation of Chapter

4 of the California Public Contract Code and shall subject the Bidder to the penalties set forth in Sections 4110 and 4111 of said Code. Bidder shall conduct substitutions of subcontractors in compliance with Public Contract Code Sections 4106 et seq. detailing the process and conditions under which a public agency may consent to a subcontractor substitution. Except as hereinabove provided, bidder acknowledges and agrees that bidder will perform all required Work in accordance with Section 4106 of the Public Contract Code.

Contractor's Name	Contractor's License & Registration Number	Place of Business	Type of Work
Inland Structure Inc.	1144522 2000016090	8751 Holly Lane Riverside, CA 92503	Concrete
All American Asphalt	267073 1000001051	P.O. Box 2229 Corona, CA 92878	Paving

LIST OF EQUIPMENT MANUFACTURERS (Not Used)

COMPANY DATA

Legal name of Bidder: T.E. Roberts, Inc.

Primary Contact: Timothy Roberts

Business address: 17771 Mitchell North

Irvine, CA 92614

Telephone: 714.669.0072

Facsimile: 714.200.0241

Email: troberts@terobertsinc.com

California Contractor's License:

Primary Class: A

License No.: 603008

Expiration Date: October 31, 2026

Supplemental Classification held, if any: C34

The full names of all persons and parties interested in the foregoing Bid Form as principals are as follows *(NOTICE: Give first and last names in full; in case of corporation, give names of President, Secretary, Treasurer, and Manager, and in case of partnerships and joint ventures, give names of all the individual members, attached additional sheets as necessary)*:

President : Timothy Roberts

Secretary : Justin Roberts

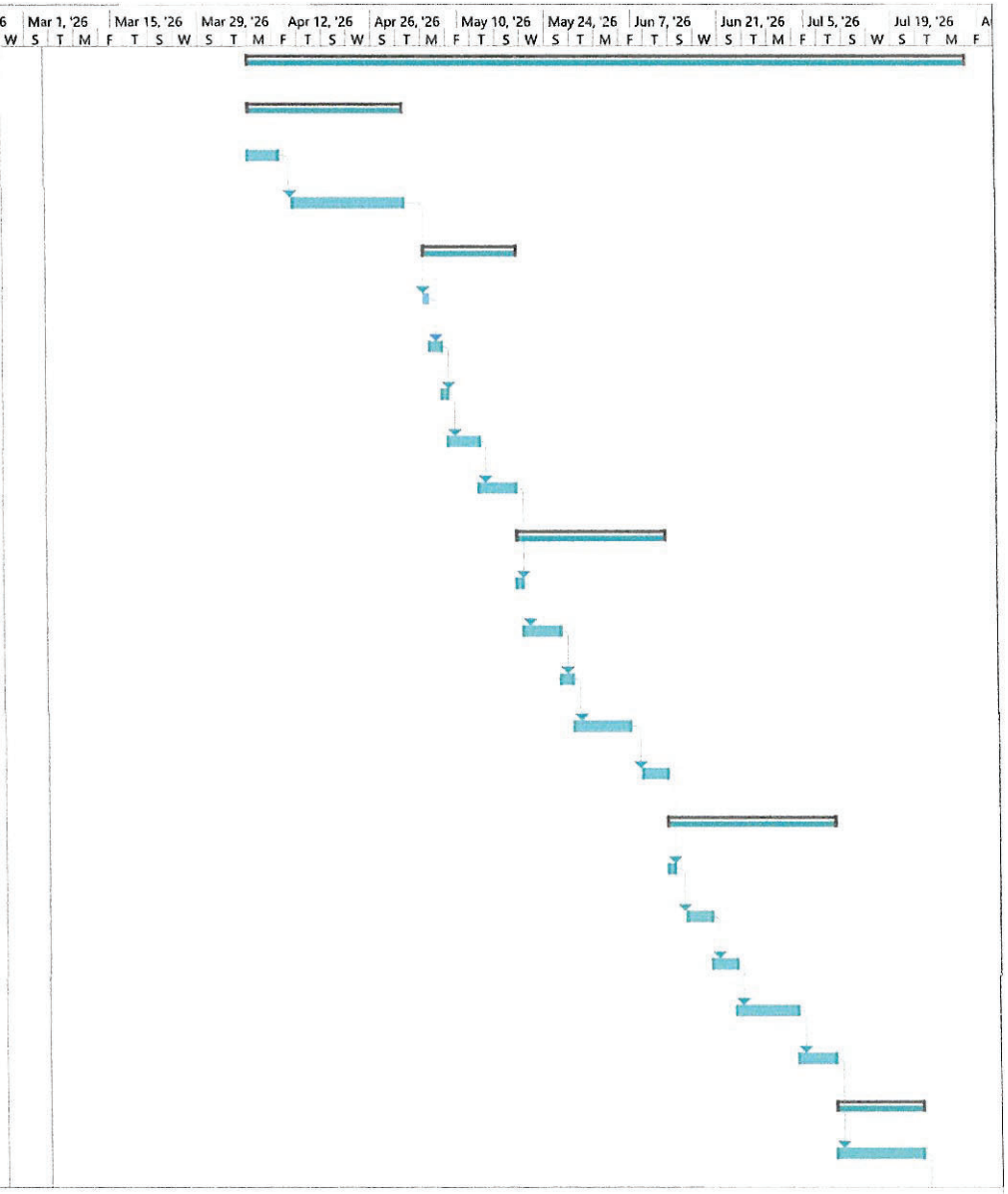
Treasurer : Kimberlee Roberts

Manager : Timothy Roberts

PROPOSED CONSTRUCTION PROJECT SCHEDULE

Bidder has attached hereto a proposed construction progress schedule showing the sequence of activities for completion of the Work, in bar chart format. The proposed construction progress schedule includes major construction activities, major equipment procurement and delivery activities, working time limits imposed by permits, and substantial and final completion milestones, and identifies critical path tasks. The schedule is displayed in elapsed numerical days rather than calendar dates and equals the Contract Time.

ID	Task Mode	Task Name	Duration	Start	Finish
1		**SOCWA - Access Road Overlay Pavement Construction**	**84 days**	**Mon 4/6/26**	**Thu 7/30/26**
2		**Preconstruction**	**19 days**	**Mon 4/6/26**	**Thu 4/30/26**
3		Submittals	5 days	Mon 4/6/26	Fri 4/10/26
4		Preconstruction photo video	14 days	Mon 4/13/26	Thu 4/30/26
5		**Construction - STA 0+00 to 25+00**	**11 days**	**Mon 5/4/26**	**Mon 5/18/26**
6		Mobilization and set up traffic control	1 day	Mon 5/4/26	Mon 5/4/26
7		Clearing and grubbing, Prep for paving	2 days	Tue 5/5/26	Wed 5/6/26
8		Cold mill asphalt	1 day	Thu 5/7/26	Thu 5/7/26
9		Asphalt overlay	3 days	Fri 5/8/26	Tue 5/12/26
10		Remove and replace PCC swale crossing	4 days	Wed 5/13/26	Mon 5/18/26
11		**Construction - STA 25+00 to 78+00**	**18 days**	**Tue 5/19/26**	**Thu 6/11/26**
12		Mobilization and set up traffic control	1 day	Tue 5/19/26	Tue 5/19/26
13		Clearing and grubbing, Prep for paving	4 days	Wed 5/20/26	Mon 5/25/26
14		Cold mill asphalt	2 days	Tue 5/26/26	Wed 5/27/26
15		Asphalt overlay	7 days	Thu 5/28/26	Fri 6/5/26
16		Remove and replace PCC swale crossing	4 days	Mon 6/8/26	Thu 6/11/26
17		**Construction - STA 78+00 to 139+00**	**19 days**	**Fri 6/12/26**	**Wed 7/8/26**
18		Mobilization and set up traffic control	1 day	Fri 6/12/26	Fri 6/12/26
19		Clearing and grubbing, Prep for paving	4 days	Mon 6/15/26	Thu 6/18/26
20		Cold mill asphalt	2 days	Fri 6/19/26	Mon 6/22/26
21		Asphalt overlay	8 days	Tue 6/23/26	Thu 7/2/26
22		Remove and replace PCC swale crossing	4 days	Fri 7/3/26	Wed 7/8/26
23		**Asphalt knockouts and Overlay**	**10 days**	**Thu 7/9/26**	**Wed 7/22/26**
24		Remove and reconstruct 4" asphalt and overlay	10 days	Thu 7/9/26	Wed 7/22/26



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Agenda Item 9

Engineering Committee Meeting

Meeting Date: March 19, 2026

TO: Engineering Committee

FROM: Roni Grant, Capital Improvement Program Manager

SUBJECT: Coastal Treatment Plant Capital Projects Update [Project Committee 15]

Overview

The current development of capital projects must be done with respect to master planning efforts for SOCWA facilities. The objective is to avoid capital investments which might become obsolete in the short term. This issue was recently discussed by the Engineering Committee in relation to the Coastal Treatment Plant (CTP) Storm Drainage Improvements Project. The same rationale bears on the two following CTP projects in design:

- Foul Air Upgrade
- Drainage Pump Station Improvements

This agenda item provides an update on the two subject projects.

Background

Foul Air System Upgrade

The existing Foul Air System is largely as constructed in 2001. Foul air is drawn from the headworks rotary screening units, headworks solids handling structure, aerated grit basins, primary effluent channels, and sludge storage. The foul air system consists of one chemical scrubber (Odor Reduction System [ORS] No.1) manufactured by RJ Environmental/U.S. Filter/Siemens, the foul air collection and conveyance ductwork, and the fans. CTP influent has a heavy hydrogen sulfide (H_2S) loading resulting from lengthy residence times in the collection system conveyance from the City of Laguna Beach (CLB) and the South Coast Water District (SCWD). With the highly odorous and H_2S laden wastewater constituents, the existing chemical scrubber requires frequent acid wash cycles, periodic major scrubber maintenance (e.g., packing replacement) and large consumption of make-up water and chemicals to provide the odor reduction as specified in the South Coast Air Quality Management District (AQMD) permit.

The upgrade to the Foul Air System is intended to address four issues:

- Potential safety issues related to breakthrough and or/discharge of air with high H_2S concentrations
- Wear of equipment, ducting, and electrical appurtenances installed 25 years ago
- Deterioration of concrete exposed to high chemical concentrations
- Replacement of drains that have become prone to clogging due to chemical precipitation.

Discussions regarding the near-term and long-term odor control system plans have focused on diverting the highly potent foul air associated with the rotary screens, aerated grit, and sludge storage processes and providing a separate biological treatment system. Removal of the relatively small potent foul air streams (about 20% of the total foul air capacity) would relieve the load and reduce operational and maintenance issues at the existing chemical scrubber.

The SOCWA Board of Directors awarded a contract for the final design of the CTP Foul Air System Reconstruction to Dudek on November 7, 2024.

The development of the project included the consideration of three different approaches for handling ORS No.1:

- Complete replacement of ORS No.1. This approach offered the advantage allowing completed rehabilitation or replacement of the concrete pad.
- Rehabilitation of ORS No.1. This approach involves replacement of pumps, piping, media, instrumentation, and control panel.
- Deferred action on ORS No.1. No action on ORS No.1 as part of the current project. This would allow assessment of the impact of ORS No.2 on H_2S loading.

The determination was made to rehabilitate the existing scrubber given the uncertainty regarding the long term configuration of the Coastal Plant. The removal of ORS No.1 from service for either rehabilitation or replacement will require the installation of temporary foul air carbon treatment units.

A comparison of alternative technologies during the preliminary phase of the project led to the selection of a combination biomedia/carbon system for ORS No.2.

Drainage Pump Station Improvements

The Drainage Pump Station (DPS) was originally constructed as the Moulton Niguel Water District Pump Station in 1967. The DPS was subsequently re-built in 1987. The pump station receives flows from several CTP processes including filter backwash waste flow, Dissolved Air Flotation Thickener (DAFT) overflow, and drainage flow from primary clarifiers, aeration basins, secondary clarifiers, or tertiary filters when these tanks are drained. The DPS also handles wet weather flows from numerous storm drains around the treatment plant. It is located west of the headworks and primaries in an enclosed building. The area where the DPS is located is within the 100-year flood zone of Aliso Creek. The DPS includes three pumps. Two pumps are located in the lower floor of the DPS building (the “Drywell”). These pumps vertical, non-clog centrifugal pumps each have a capacity of 2,300 gpm. The third pump is a submersible pump with a capacity of 350 gpm located in the wetwell.

The DPS Improvements are intended to address a wide array of issues:

- Existing DPS is at lower elevation than main treatment plant and is vulnerable to flooding events in Aliso Creek.
- Condition assessment of the DPS wetwell has indicated deterioration, including most notably exposure of reinforcing steel in the wetwell roof.

- The existing pump station is not in compliance with NFPA 70 and NFPA 820 due to the electrical system in the upper floor being directly exposed to the atmosphere in the drywell below.
- Overall deterioration of mechanical and electrical systems within the DPS through long term wear creates a reliability concern.

The SOCWA Board of Directors awarded a contract for the final design of the CTP Drainage Pump Station Improvements to TetraTech on September 5, 2024.

TetraTech and CTP staff went through several iterations of alternative development specific to size and configuration of the existing piping. The potential impact of a long term master plan was discussed in evaluating options. Project development came to the following conclusions.

- The existing pumping configuration offers the best flexibility to meet multiple flow conditions. Each of the pumps along with associated piping and valves should be replaced. A second smaller submersible pump in the wetwell would enhance operating reliability.
- Given the continued use of the pump station drywell the NFPA issues are best resolved by installing new electrical equipment in a new, nearby structure. This would also aid in construction phasing,
- Given the uncertainty in the long term configuration of the plant it is proposed to split the project into two construction phases. The first phase of the project will address what are perceived to be the most critical issues: flood protection and wetwell deterioration.

Project Status, Scope and Schedule

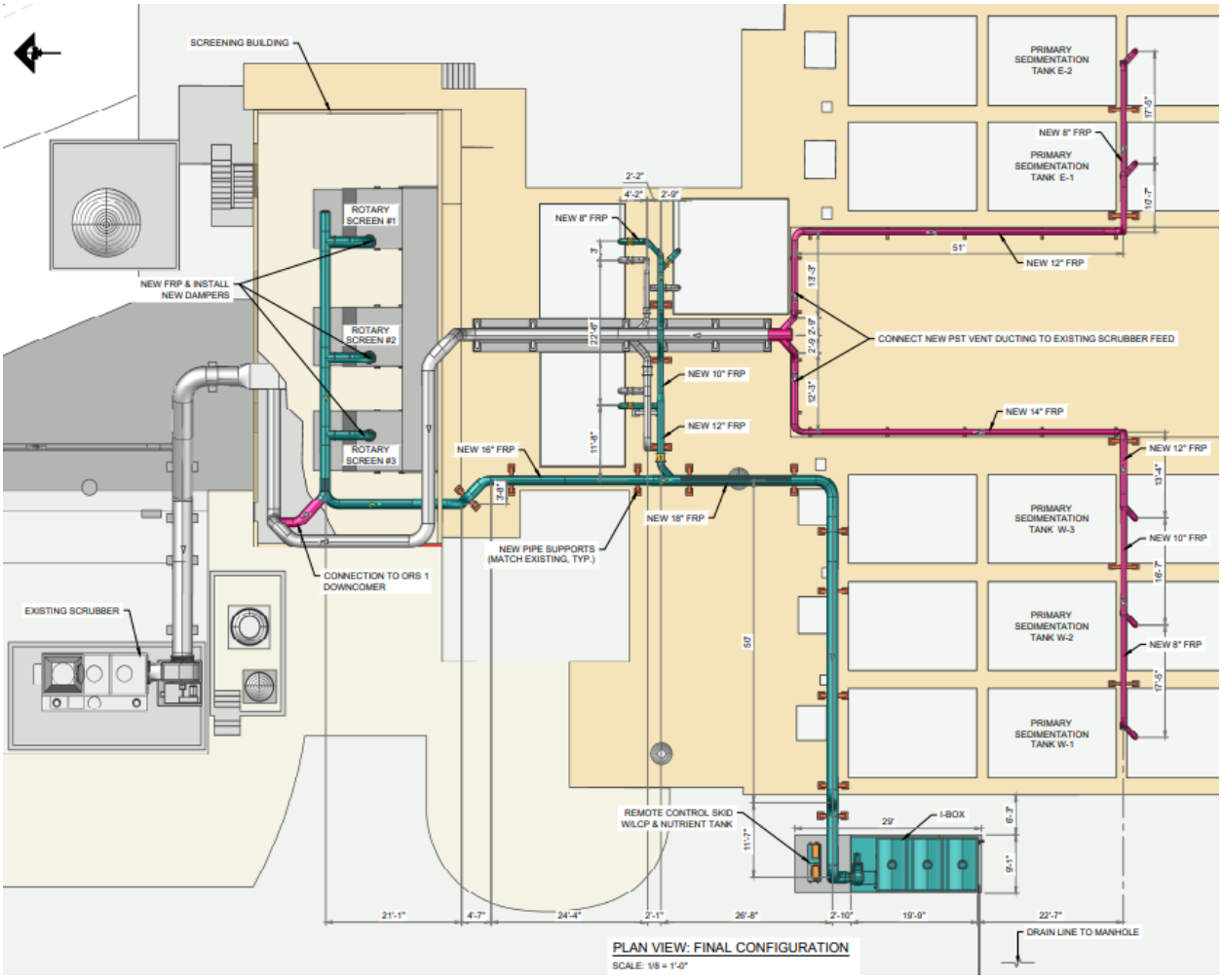
Foul Air System Upgrade

The Foul Air System Upgrade includes the following scope items:

- Supply and Installation of Odor Control Scrubber No.2 (ORS No.2)
- Reconstruction Foul Air Ducting From Grit and Screenings Building to Primary Basins
- Refurbishment of Odor Control Scrubber No.1 (ORS No.1)
- Repair To Exposed Area Of ORS No.1 Concrete Pad
- Installation and Operation of Temporary Carbon Scrubbers during Refurbishment of ORS No.1
- Electrical System Upgrades Including Replacement of ORS No.1 Contol Panel
- Repair of Concrete Weirs in Grit Basins
- Replacement of Drain Lines From ORS No.1 to Drainage Pump Station

The modifed configuration of the Foul Air System is depicted in Figure 1.

Figure 1
Modified Foul Air System



Dudek has transmitted a 95% design submittal for the project. It is anticipated that the project will begin bidding in May, 2026.

Drainage Pump Station Improvements

The Drainage Pump Station Project will be split into two phases. Each phase includes the following scope items:

Phase 1:

- Construct flood walls
- Install manholes on bypass piping to facilitate bypass
- Installation temporary pumping and piping for bypass operation
- Rehabilitate the existing wetwell

- Construct new wetwell roof
- Replace existing submersible pumps and piping

Phase 2:

- Install two new fixed pumps in dry well driven by VFDs and replace discharge piping/valves/meter
- Construct new electrical building with new electrical and control equipment
- Dispose of all existing electrical equipment.
- Construct new discharge piping with two discharge locations to the Primary Influent Channel.

TetraTech has transmitted a 35% design submittal for the project. It is anticipated that the project will begin bidding in August, 2026.

Budget

The estimates of probable cost for the two CTP projects are presented in Table 1. The varied contingencies are due to the varied level of design completeness for each project.

Table 2 – Comparison of Estimated Construction Cost with Budget

	35229L /35235L	3522AL	
	Foul Air System Upgrade	Drainage Pump Station - Phase 1	Drainage Pump Station - Phase 2
Budget	$1,650,000	$4,200,000	
Study and Design	$330,000	$380,000	$380,000
Opinion of Probable Cost (Base) Jan. '26	$2,475,000	$1,050,000	$2,540,000
Opinion of Probable Cost (15% Foul Air; 40% DPS Contingency) Jan. '26	$371,250	$420,000	$1,016,000
Opinion of Probable Cost (Total) Jan. '26	$2,846,250	$1,470,000	$3,556,000
Construction Management (20% of Const.)	$569,250	$294,000	$711,200
Total Estimated Cost	$3,745,500	$2,144,000	$4,647,200

Recommended Action

There is no recommended action for this agenda item. It is presented for information only.

Agenda Item 10

Engineering Committee Meeting
Legal Counsel Review: Yes
Meeting Date: March 19, 2026

TO: Engineering Committee

FROM: Amber Boone, General Manager

SUBJECT: Draft Cost Allocation Policy

Summary

Based on the discussion at the February and March, 2026 SOCWA Board meetings, staff is bringing this updated policy back to the Engineering Committee for discussion, review, and input.

Discussion

Staff met with interested parties on the allocation of costs which is summarized below for review for inclusion in the draft cost allocation policy.

The current Budget allocations are based on the Operational Cost Distribution Analysis Technical Memorandum prepared by Carollo Engineers dated March 20, 2019. These allocations were discussed at several Board workshops and were ultimately approved through their incorporation into the FY 2019–20 Budget. The allocations are periodically reviewed by SOCWA staff and updated with subsequent budget approvals.

Laboratory – PC17

The Regional Treatment Plant was included in the 2019 assessment by Carollo Engineers. Thus, the apportionment to functional areas has had material changes. The cost allocation has been updated to reflect the following approaches:

1) MNWD Only (100% MNWD)

These costs include contracted laboratory services for MNWD that are not passed through to other SOCWA Member Agencies for billing.

2) Actual Laboratory Usage

This allocation methodology is based on the utilization of laboratory services and is currently being used for the laboratory renovation feasibility study. The following are the lab use allocations:

Agency	Allocation
CLB	9.203%
CSC	3.777%
ETWD	5.533%
EBSD	0.513%
IRWD (co ETWD)	3.298%
MNWD	35.170%
SMWD	23.977%
SCWD	18.530%
Total	100.000%

3) Other Cost Methodologies

Other allocation methodologies may be used in the future with the unanimous consent of the SOCWA Board.

Based on current operations, staff recommends continuing the current allocation method(s).

JB Latham Treatment Plant PC-2

Natural Gas

These allocations are based on apportionment to functional areas using metering data from major equipment. Major equipment includes:

- Cogeneration system
- Effluent pumps
- Standby generators
- Digester level sensing bubblers
- Administrative building HVAC/Plumbing

Carollo recommended the following allocations:

65.0% Liquids
25.0% Solids
5.0% Common Liquids
5.0% Common Solids

Based on current operations, staff recommends continuing the current allocation method.

Chlorine / Sodium Hypochlorite

These allocations are based on apportionment to functional areas according to usage by major equipment. There can be incidental and intermittent use of bleach for process control; however, the primary use is in foul air scrubbers, which include:

- One (1) liquids area scrubber
- One (1) solids area scrubber

Carollo recommended the following allocation:

50.0% Liquids
50.0% Solids

Based on current operations, staff recommends continuing the current allocation method.

Ferric Chloride

This allocation is based on Ferric Chloride being used for advanced primary treatment, which reduces blower electricity costs in the aeration system.

The addition of ferric chloride also lowers hydrogen sulfide (H_2S) concentrations in digester gas used in the cogeneration system.

H_2S is not a regulatory or operational limitation for SOCWA's cogeneration system or flare. Instead, H_2S is used as an indicator for siloxane, which can interfere with cogeneration operation and damage the emissions catalyst.

Lower H_2S levels in digester gas could potentially reduce operating costs associated with removing the indicator H_2S gas. However, operating experience with the gas cleaning system indicates that performance does not appear to depend on H_2S concentrations within the typical range of 100 ppm to 50 ppm.

SOCWA's operating experience shows that media type is the controlling parameter:

- Wood-based media: up to ~3 years of service life
- Coal-based media: as little as ~3 months of service life

Carollo recommended:

100.0% Liquids

Based on current operations, staff recommends continuing the current allocation method.

Grit

Grit removal was not specifically assessed in the Carollo analysis and has historically been allocated to the solids category.

Grit removed at the headworks would otherwise:

- Impact solids pumping equipment, and/or
- End up in the biosolids stream.

Because both scenarios affect the solids processing systems, it is reasonable to retain Grit as a solids-related cost. Therefore, staff recommends continuing the current allocation method.

Coastal Treatment Plant PC-15

Natural Gas

These allocations are based on functional uses associated with plumbing and HVAC systems. The budget for this line item is approximately $3,000 per year.

Carollo recommended:

95% Liquids
5% Common

Based on current operations, staff would recommend allocating 100% to Common, although the financial impact would be minimal.

Potable Water

These allocations are based on functional uses.

Primary potable water uses at CTP include:

- Cooling water for aeration blower gearboxes

The blower gearbox cooling water has since been re-plumbed to supply the odor control scrubber with make-up water, allowing SOCWA to benefit from higher-quality water and reduce chemical usage in the scrubber.

SOCWA recently disconnected from SCWD's Title 22 recycled water system and switched to secondary effluent where recycled water was being used. This has lower water bills at CTP and changed the site's functional uses.

Carollo recommended:

95% Liquids
5% AWT

Based on current operations, staff would recommend allocating 100% to liquids because the primary use is now gearbox cooling water.

Chlorine / Sodium Hypochlorite

These allocations are based on actual uses:

- Primary use: AWT disinfection
- Secondary use: intermittent process control

Carollo recommended:

99% AWT
1% Liquids

Based on current operations, staff recommends reverting to the Carollo allocation.

Petroleum

These allocations are based on equipment horsepower and run-time.

Carollo recommended:

50% Liquids
3.4% Common
41.2% AWT

Based on current operations, staff recommends continuing the current allocation method.

Solids Pumping Costs

The sludge export system allocations were not specifically discussed during the 2019 Carollo assessment.

As a result, these costs are currently allocated to Liquids, because PC-15 agreements do not contemplate a solids allocation.

Staff recommends retaining the current approach of allocating these costs 100% to Liquids at this time.

Recommended Action: Engineering Committee Discussion, Direction, and Action

Attachment: Draft Cost Allocation Policy

Cost Allocation Policy

Purpose

This policy establishes the methodology for allocating costs associated with the operation, maintenance, administration, and unfunded liabilities of the South Orange County Wastewater Authority (SOCWA). It ensures fair, transparent, and consistent distribution of costs among member agencies and project committees and shall govern the allocation of costs reflected in SOCWA's Budgets, including costs related to administration, operation, and maintenance, capital projects, information technology, fringe benefits, Unfunded Accrued Liabilities (UAL), and Other Post-Employment Benefits (OPEB).

Budget Components

SOCWA's budget consists of four principal components outlined below.

1. **Capital Improvement Plan (CIP) Budget** – The CIP Plan is a multi-year plan outlining SOCWA's planned investments in public facilities and infrastructure, and more specifically, the financing, location, and timing of capital improvement projects. The CIP Budget is created with input from the Engineering Committee. The CIP Budget includes maintenance costs not directly related to use of the Project facilities, including necessary capital improvements, repairs, adjustments, replacements, and extraordinary or standby maintenance, and incidental accounting and administrative costs in connection therewith. Any change to the cost allocation methodology for the CIP Budget set forth in this Policy must be made by the unanimous consent of all the SOCWA Board of Directors in accordance with Section 6.3.1 of the SOCWA Joint Powers Agreement.
2. **Operations and Maintenance (O&M) Budgets** – Operations and maintenance budgets are prepared for each Project operated and maintained by SOCWA and approved at or prior to each June meeting of the Board for the ensuing Fiscal Year. Operations and maintenance costs directly related to the use of the Project facilities, including necessary improvements, repairs, adjustments, and replacement costs in connection therewith, are paid by each Member Agency using the Project facilities in proportion to its use, consistent with Section 6.3.1 of the SOCWA Joint Powers Agreement. The O&M Budgets include (a) the estimated expenses of operating the Project; (b) the estimated expenses of maintaining the Project, (c) an estimate of income from operations, if any; and (d) the allocation of operation and maintenance expenses among the Member Agencies in each particular Project Committee (the "Participating Member Agencies") in accordance with the formulas set forth in this Policy. O&M Budgets must be approved by a two-thirds (2/3) vote of the Participating Directors in that Project in accordance with Section 6.3 of the SOCWA Joint Powers Agreement. The O&M Budget includes two departments:
    - Department 01: Operations and Maintenance
    - Department 02: Environmental Services

3. **Administration Budget**: The Administrative Budget contains the administrative and incidental accounting costs arising specifically from the operations and maintenance of the Project facilities, as well as the allocation among the Member Agencies of the amounts necessary to cover the Administrative Budget expenditures. Because the Administrative Budget is a Project; the O&M costs for a Project, the Administrative Budget also must be approved by a two-thirds (2/3) vote of the Participating Directors in that Project in accordance with Section 6.3 of the SOCWA Joint Powers Agreement. The Administration Budget includes the following:

    - Department 03: Engineering. Greater than 60% of non-labor expenses (residual engineering) in this department are administrative in nature, which were combined with administrative expenses. Engineering labor is billed directly to Capital projects in the CIP Budget with minimal time billed to administration.
    - Department 04: Administration. Includes administration and incidental accounting costs arising specifically from the operations and maintenance of the Project facilities.
    - Department 05: Information Technology - Expenses are budgeted as direct costs where technology services or equipment are needed at SOCWA facilities or as indirect costs based on the IT pool of expenses. Department 05 expenses are distributed to all project committees and departments based on the "where labor worked" methodology.

4. **General Fund Budget**: The General Fund Budget includes the general administrative expenses of SOCWA and the allocation among the Member Agencies of the amounts necessary to cover the General Budget expenditure. The General Fund Budget is allocated evenly among the six participating Member Agencies. If the General Fund Budget provides an allocation to the Member Agencies on some basis other than equal amounts, the General Fund Budget must be approved by the unanimous consent of all the Member Agencies in accordance with Section 6.1 of the SOCWA Joint Powers Agreement. Certain expenses are split between the General Fund Budget and the Administrative Budget.”. Items included in the General Fund Budget include portions of the following categories, as allocated in Table 1 and described below Table 1 for clarity.

    Please note that the percentages in Table 1 are the General Fund percentage allocations, and the remaining percentage allocations for each category of expense are allocated entirely to the Administration Budget. For example, Regular Salaries of the General Manager shall be split 50% into the General Fund (allocated equally to the SOCWA member agencies) and 50% into the Administration budget, which is allocated based on where labor worked, following O&M expenses.

Table 1: **General Fund Expenses and Percentage Allocations**

General Fund Allocation	
Salary and Fringe	
Regular Salaries-Admin	50% (General Manager)
Assistant Clerk	50%
Comp Time - Admin	50%
Other Expenses	
Car Allowance (General Manager)	50%
Public Notices	100%
Public Relations/Government Affairs	Board ~~Member Agency~~ Directed
Contract Labor/Part-Time Labor	25%
Audit	100%
Legal Fees	40%
Memberships, Conferences, Training, and Travel	75%
Small Purchases and Consumables	5%
IT Allocations into PC's & Depts.	5%

Definitions of the General Fund:

Audit: Annual audit shall be filed with the State Controller, Orange County Auditor and each Member Agency within six (6) months of the end of the Fiscal Year under examination. All costs associated with this requirement shall be included in this category.

Car Allowance: Monthly allowance for vehicle expense per the General Manager's contract.

Contract Labor/Part-Time Labor: Board approved budget for this additional work as needed.

General Fund: Also known as the General Budget as described in the SOCWA: “(i) "General Budget" means the approved budget applicable to the expenses of administration of the Authority.”

IT Allocations into PC’s & Depts: IT allocations follow O&M labor.

Legal: For matters related to conducting Board-related business for labor and general counsels.

Public Notices~~/Public Relations~~: Expenses incurred related to any public ~~relations~~ notices required for the business of the Authority.

Public Relations/Governmental Affairs: Expenses incurred to support Public Relations or Governmental Affairs efforts based on Board-directed or Member Agency requests. Public Relations/Governmental Affairs expenses ~~and~~may be funded or co-funded through ~~respective~~ Member Agency partnerships. Public Relations/Governmental Affairs expenses shall be allocated on a case-by-case basis at the direction of the SOCWA Board. Public Relations/Governmental Affairs expenses shall first be presented to the SOCWA Board for discussion regarding whether the expense, or a portion of the expense, belongs in the General Budget, or whether the expense should be subject to a different allocation. Upon the unanimous vote of the SOCWA Board, a Public Relations/Governmental Affairs expense may be added to the General Budget (and thereby allocated evenly among the six participating Member Agencies) or allocated on some basis other than equal amounts among all Member Agencies. If there is not unanimous consent regarding the proposed allocation by the SOCWA Board, then ~~that~~a Public Relations/Governmental Affairs expense may be funded by one or more Project Committees~~, or by two or more Member Agencies~~, subject to the unanimous consent of the Participating Directors representing the Member Agencies that will fund the expense.

Regular Salaries-Admin: Regular salary of the SOCWA General Manager

Small Purchases and Consumables: Small tools and supplies, subscriptions, postage, office supplies in admin, miscellaneous, and shipping/freight that support Board-related business.

5. **Other Budget Components**:

   - UAL - "UAL" is an abbreviation for Unfunded Actuarial Liability, which is the gap between a pension plan's total obligations to employees and the assets it has on hand to pay for those benefits. This liability represents the portion of accumulated benefits that an organization is committed to paying but for which it has not yet set aside sufficient funding. For example, in the UAL calculation for a public agency, the UAL represents the amount of promised benefits that is greater than the plan's assets.
   - OPEB - An OPEB liability is an accounting term for the financial obligation an employer has to pay for Other Postemployment Benefits (OPEB) provided to its retired

employees and their beneficiaries. These benefits are non-pension benefits earned during an employee's service period but paid after employment has ended.

Cost Allocations

The following sections provide the allocations by each component outlined above.

Engineering Allocations

Capital costs are considered projects that maintain the SOCWA facilities and follow Section 6.3.1 of the SOCWA JPA agreement, which states that capital costs “shall be paid by the Participating Member Agencies in proportion to their respective percentage share of the ownership of capacity in said Project facilities.” The December 2024 reorganization agreements contain the most current cost allocations for capital projects and are utilized in the budget creation.

The capital portion of the O&M Budget is presented to the SOCWA Board’s Engineering Committee for review, comment, and incorporation by consensus of each project committee member.

Administrative Cost Allocation

Administrative costs follow Section 6.2 of the SOCWA JPA agreement. The methodology divides costs per agency by the total Operations and Maintenance budget (Departments 01 & 02) without including Admin, UAL, or OPEB costs. This ensures administrative costs remain proportional to services received, as identified in the annual budget. Any changes to this methodology require unanimous consent from all Participating Member Agencies per Section 6.3.1 of the SOCWA JPA.

Fringe Benefit Allocation

SOCWA utilizes a fringe benefit pool methodology that is applied to salaries with a utilization rate. The fringe benefit pool encompasses costs for accrued leave, group insurance, PERS Normal Costs, and other paid benefits. The utilization rate is the pay-for-time-worked rate based on the number of hours on leave divided by the total number of hours available to work. SOCWA plans to transition from the fringe pool method to an actual cost allocation approach to better accommodate labor changes throughout the fiscal year.

Information Technology Allocation

IT costs are distributed using a labor-based ("where labor worked") allocation methodology, distinguishing between:

- Direct costs: Technology services or equipment needed at specific SOCWA facilities.
- Indirect costs: Distributed across project committees and departments based on labor allocation.

Unfunded Liabilities Allocation

The allocation of Unfunded Accrued Liability (UAL) requires annual payments based on actuarial distributions. Distribution adheres to a proportional methodology based on labor services received by each Member Agency and is updated by an actuarial firm, when necessary, to account for

structural changes at the agency. Employer retirement costs are allocated according to labor distribution and agency participation levels, reviewed and updated periodically by an outside consulting firm. Certain agencies (referred to as Contract Agencies as defined herein) are contractually obligated to cover certain UAL and OPEB costs based on terms set forth in individual agreements, such as withdrawal or continuing services agreements.

Contracted Services Allocations

SOCWA may contract from time to time with partners to provide those partners with certain specialty services, such as recycled water permitting, permitting compliance services (such as NPDES and master recycled water permits), pretreatment program services, and/or laboratory services using the same general facilities and standard of care as provided to SOCWA's Member Agencies. Generally, SOCWA provides these services and invoices for the contracted partners, such as the Trabuco Canyon Water District and the Moulton Niguel Water District, on a quarterly or annual basis for actual costs, plus reasonable administration and overhead costs, which are calculated proportionately based on the same overhead and administration methodology used for Member Agencies.

De minimis contracts that provide revenue sources of under $100k annually will have a flat overhead and administration rate, which will be set and reviewed annually, and these revenues will be used to offset costs associated with the specific Project Committee applicable to the service provided, if applicable, and shall be reconciled and credited as appropriate during the use audit process.

SOCWA will defer to agreed-upon contract language from previous member agencies negotiated as part of subsequent withdrawal agreements related to unfunded public system liability while agencies were members of the Authority.

SOCWA will provide notice to each contracted services partner no later than March 1 each year to determine whether they desire to continue using SOCWA's services for the following fiscal year, to determine inclusion in the budget, where and as applicable.

Project Committee Allocation

SOCWA operates through a series of Project Committees (PCs), each with specific operational responsibilities and Participating Member Agencies. The Project Committee costs are inclusive of facility usage, operational needs, special studies determined by Engineering or Finance Committees, permit requirements, regulatory drivers, labor, and utility operational costs. Specific allocation methodologies vary by Project Committee. SOCWA will utilize the capacity ownership amounts set forth in the December 2024 Reorganization Agreements as normal budgeted costs and resolve the usage in the Use Audit process.

Table 2 sets forth the current SOCWA Project Committees, Member Agencies, and Contract Agencies. "Contract Agencies" are agencies that have contracted capacity through other SOCWA Member Agencies and/or otherwise receive services through contracts directly with SOCWA.

Table 2: SOCWA Project Committee Participating Member Agencies and Contract Agencies

Project Committee	Description	SOCWA Participating Member Agencies	Contract Agencies
PC 2	JB Latham WWTP	SCWD, SMWD	MNWD
PC 5	San Juan Creek Ocean Outfall (SJCOO)	CSC, SCWD, ~~MNWD~~, SMWD	MNWD
PC 8	Pre-Treatment Program	CLB, CSC, EBSD, ETWD, SCWD, SMWD	IRWD, MNWD
PC 12	Recycled Water Permit	SCWD, SMWD	MNWD, TCWD
PC 15	Coastal WWTP	CLB, EBSD, SCWD	N/A
PC 21	Effluent Transmission Main (ETM)	ETWD	IRWD, MNWD
PC23	North Coast Interceptor (NCI)	CLB, EBSD	N/A
PC 24	Aliso Creek Ocean Outfall (ACOO)	CLB, EBSD, ETWD, SCWD	IRWD, MNWD

Agency Abbreviations:

- CLB: City of Laguna Beach
- CSC: City of San Clemente
- EBSD: Emerald Bay Service District
- ETWD: El Toro Water District
- IRWD: Irvine Ranch Water District (a Contract Agency, not a Member of SOCWA)
- MNWD: Moulton Niguel Water District (a Contract Agency, not a Member Agency of SOCWA)
- SCWD: South Coast Water District
- SMWD: Santa Margarita Water District
- TCWD: Trabuco Canyon Water District (a Contract Agency, not a Member Agency of SOCWA)

PC 2 (JB Latham WWTP)

PC 2 O&M costs are budgeted and allocated based on the capacity rights specified in the Assignment and Assumption Agreement (PC 2) (Agreement No.5/Agreement #7 to PC 2, effective December 12, 2024), as outlined in Table 3. Please note that, based on the agreement, *MNWD costs are combined with SCWD costs, effective December 12, 2024:*

"MNWD's 23.08% liquids treatment capacity allocation in (and effluent from) the JB Latham Treatment Plant, totaling 3.00 mgd; and (ii) MNWD's 21.62% solids treatment capacity allocation in the JB Latham Treatment Plant, totaling 8,340 lbs/day ((i))".

Table 3: PC 2 Capacity Summary (Owned and Operated by SOCWA)

PC 2 - SOCWA JBL Capacity Summary (Owned and Operated by SOCWA)					
Agency	Liquids (mgd)	Solids (mgd) (1)	Solids (lbs)(1)	Common-S (%)	Common - L (%)
SCWD	6.75	7.70	16055	41.62%	51.92%
SMWD	6.25	10.80	22518	58.38%	48.08%
Total	13.00	18.50	38573	100%	100%

PC 5 (San Juan Creek Ocean Outfall)

PC 5 O&M costs are budgeted and allocated based on the hydraulic capacity ownership amounts set forth in the Assignment and Assumption Agreement (Agreement No.6, effective December 12, 2024) and represent fixed costs as noted in Table 4. Please note that, based on the agreement, *MNWD costs are combined with SMWD costs effective December 12, 2024:* "MNWD hereby permanently assigns to (a) SMWD and SMWD hereby accepts 59% of MNWD's assigned Outfall Capacity, and (b) SCWD and SCWD hereby accepts 41% of MNWD's Assigned Outfall Capacity and 100% of MNWD's Assigned Pumping Capacity."

Table 4: PC 5 - SOCWA San Juan Creek Ocean Outfall Capacity Summary (Owned and Operated by SOCWA)

Agency	Ownership (%)	Hydraulic Capacity (mgd)
CSC	16.620%	13.296
SCWD	18.829%	15.063
SMWD	64.551%	51.64
Total	100.000%	80.00

PC 8 (Pretreatment Costs)

PC 8 costs remain in the budget with direct costs billed to Contract Agencies based on where labor worked.

PC 12 (Water Reclamation Permits)

The PC 12 costs are volume based (recycled water produced) and are allocated by Agency in the following manner.

- MNWD: The amount of reclaimed water produced from the Regional Treatment Plant (RTP) and the 3A Treatment Plant (split with SMWD).
- South Coast Water District (SCWD): The total reclaimed water produced from the Coastal Treatment Plant (CTP).
- Santa Margarita Water District (SMWD): The combined sum of reclaimed water produced from the Oso Creek Water Reclamation Plant (OCWRP), the Chiquita Water Reclamation Plant (CWRP), and the Nichols Water Reclamation Plant (NWRP), the acre-foot sum of the Rosembaum well, the Mission Street Well, and the total reclaimed water from the SMWD/CSJC intertie.
- Trabuco Canyon Water District (TCWD): Reclaimed water produced from the Robinson Ranch Water Reclamation Plant (RRWRP).

PC 15 (Coastal Treatment Plant) Allocation

PC 15 O&M costs are budgeted and allocated according to the Liquids, AWT, and Common capacity amounts set forth December 12, 2024, Coastal Treatment Plant Capacity Rights Transfer Agreement (Agreement No.3MNWD Capacity Rights in Project Committee 15), as noted in Table 5.

Table 5: PC 15 - Coastal Treatment Plant Capacity Summary (CTP Owned and Operated by SOCWA: AWT is owned by SCWD but operated by SOCWA)

Agencies	Liquids (mgd)	AWT (%)	Common (%)
CLB	3.64	0	54.30%
EBSD	0.2	0	3.00%
SCWD	2.86	100	42.70%
Total	6.7	100	100.00%

PC 21 (Effluent Transmission Main) Costs

PC 21 O&M costs are budgeted and allocated according to hydraulic capacity ownership as set forth in the Assignment and Assumption Agreement (Agreement No.7, effective December 12, 2024) (Project Committees 21 and 24) as noted in Table 6. Please note that *IRWD costs are combined with ETWD costs, effective July 1, 2023, with 50% capacity rights to IRWD and 50% capacity rights to ETWD for ETM reach B/C/D, and IRWD and MNWD costs are combined with ETWD costs, effective December 12, 2024, with 23.29% allocated to ETWD, 23.29% allocated to IRWD, and 53.43% allocated to MNWD for Reach E.*

Table 6: PC 21 - Effluent Transmission Main (ETM) Capacity Summary Reach B/C/D/E (Owned and Maintained by SOCWA)

Agency	Hydraulic Capacity	Ownership Percentage (%)
ETWD - B/C/D	15	100%
ETWD - E	32.2	100%

PC 23 North Coast Interceptor Costs

PC 23 O&M costs are budgeted and allocated according to hydraulic capacity ownership as set forth in the November 22, 2006, Amendment No. 3 to the Agreement for Design, Construction, Use, Operation, Maintenance, Repair, and Replacement of Phase I North Coastal Interceptor Sewer Pipeline and Pumping Stations for AWMA for and on Behalf of PC No. 7-A as noted in Table 7.

Table 7: PC23 North Coast Interceptor

Agency	Capacity Ownership Percentage (%)
CLB	95.88
EBSD	4.12

PC 24 (Aliso Creek Ocean Outfall) Costs

PC 24 O&M costs are budgeted and allocated according to hydraulic capacity ownership as set forth in the December 12, 2024, Assignment and Assumption Agreement (Agreement No.7) (Project Committees 21 and 24) as noted in Table 8. As noted in the Agreement: "*Note MNWD costs are combined with ETWD costs, effective December 12, 2024.* Assignment and Acceptance of MNWD's Assigned Capacity and Rights and Obligations. MNWD hereby permanently assigns to ETWD, and ETWD hereby accepts from MNWD, (1) MNWD's 53.42% capacity allocation in Reach E of the Effluent Transmission Main; (2) MNWD's 43.848% capacity allocation in the ACO Outfall ((1) and (2) are collectively referred to herein as "MNWD's Assigned Capacity"). Note that IRWD transferred capacity rights to ETWD effective July 1, 2023 via an Assignment and Assumption Agreement.

Table 8: PC 24 - Aliso Creek Ocean Outfall (ACOO) Capacity Summary (Owned and Operated by SOCWA)

Agency	Hydraulic Capacity (mgd)	Ownership Percent (%)
CLB	5.500	11.00%
EBSB	0.390	0.78%
ETWD	37.955	75.91%
SCWD	6.155	12.31%
Total	50.000	100.00%

Cost Allocation Principles for SOCWA Wastewater Treatment Facilities

The following principles guide SOCWA's cost allocation methodologies and are applicable to PC 2 & PC 15. The other PCs have fixed cost distribution (PC 5 & PC 24), and are based on production (PC 12), or labor allocation (PC 8). Additional allocation categories are described below. Cost allocations are used in the Use Audit to reconcile actual use in the facilities.

Treatment Plant Cost Allocation Categories

1. Process-Based Allocation: Costs are allocated based on operational processes (Liquids, Solids, Common, AWT).
2. Facility-Specific Considerations: Each facility has a unique allocation structure reflecting its operational characteristics.
3. Direct vs. Shared Costs: Direct costs are allocated to specific processes; shared resources are allocated proportionally.
4. Labor Distribution: Based on actual time spent supporting each facility or project committee.
5. Utility-Specific Allocation: Based on metering data and operational requirements.
6. Chemical Usage Tracking: Based on actual usage by treatment process, resolved in the use audit.
7. Equipment-Based Allocation: Based on the primary function of equipment (solids, liquids, or common costs).

PC 2 Cost Allocation Structure

PC 2 operates with a four-way allocation system distributing costs among Liquids (55.1%), Solids (43.4%), Common/Liquids (0.8%), and common Solids (0.8%) treatment processes. This allocation structure applies to regular labor costs, benefits, and most operational expenditures. Notable variations include:

- Electricity: 65.0% Liquids, 25.0% Solids, 5.0% Common/Liquids, 5.0% Common/Solids

- Natural Gas: 65.0% Liquids, 25.0% Solids, 5.0% Common/Liquids, 5.0% Common/Solids
- Chlorine/Sodium Hypochlorite: 50.0% Liquids, 50.0% Solids
- Polymer Products: 100% Solids
- Ferric Chloride: 100% Liquids
- Other Chemicals: 54.0% Liquids, 46.0% Solids
- Non-Control Chemicals: 50.0% Common/Liquids, 50.0% Common/Solids
- Laboratory Services: 75.0% Liquids, 25.0% Solids
- Grit Hauling: 100% Solids
- Capital projects follow the ownership allocations, depending on the type of project, that are presented as the Common-L or Common-S.

PC15 Cost Allocation Structure

PC 15 employs a different allocation structure than PC 2, with costs distributed among Liquids (55.4%), Common/Liquids (3.4%), and AWT (41.2%) treatment processes. This reflects the facility's distinct operational focus. Key allocation patterns include:

- Regular Salaries: 76.4% Liquids, 18.2% Common/Liquids, 5.4% AWT
- Overtime Salaries: 64.9% Liquids, 21.9% Common/Liquids, 13.2% AWT
- Electricity: 100% Liquids
- Natural Gas: 50.0% Liquids, 50.0% Common/Liquids
- Water: 90.0% Liquids, 10.0% AWT
- Chlorine/Sodium Hypochlorite: 100% Liquids
- Ferric Chloride: 100% Liquids
- Laboratory Supplies: 75.0% Liquids, 25.0% AWT
- Petroleum Products: 50.0% Liquids, 3.4% Common/Liquids, 41.2% AWT
- Uniforms: 55.4% Liquids, 3.4% Common/Liquids, 41.2% AWT
- Maintenance Equipment & Facilities (Liquids): 100% Liquids
- Maintenance Equipment & Facilities (Common): 100% Common/Liquids
- Maintenance Equipment & Facilities (AWT): 100% AWT
- Solids Pumping Costs (discussion item with Engineering Committee)
- Capital projects follow the ownership allocations, depending on the type of project, that are presented as Common or AWT.

PC 5, 21, 23, and 24 Cost Allocation Structure

All budgeted capital and O&M costs for PCs 5, 21, 23, and 24 are allocated based on the Member Agencies' ownership of hydraulic capacity of the pipelines.

Contract Agency Services

SOCWA provides services for Contract Agencies through contractual agreements, such as laboratory and permitting services. The budget for these services is provided to the Contract Agencies by March of each year for approval of continuation of services.

Budget Allocations

Once the total cost of providing staffing and services on behalf of MAs is completed by SOCWA staff and approved by the Board, the following standardized methodology allocates costs to

project committees (PCs) and ultimately rolled up to each SOCWA Member Agency. It ensures equitable distribution of operations and maintenance (O&M) expenses, administrative costs, general fund (GF) contributions, unfunded actuarial liability (UAL), and other post-employment benefits (OPEB) liabilities. All allocations shall be based on verifiable data sources, such as capacity rights, labor utilization, or flow percentages, and shall adhere to board-approved guidelines and reorganization agreements. SOCWA staff shall provide Member Agency staff with the raw data for the allocations and methodology employed with a statement of quality assurance in adherence with the allocation steps below with the annual SOCWA Budget.

The steps for cost allocation are as follows:

1. Allocation Based on Capacity Rights: Utilize established capacity rights to determine the proportional contribution per agency for each PC and MA.
2. Alternative Allocation Methods: In instances where capacity rights are unavailable, employ labor utilization metrics (e.g., “where employee worked”) or flow percentages to calculate the proportional utilization by each agency.
3. Calculation of MA Operating Cost Percentages: Determine the percentage that each MA's operating costs represent relative to the total O&M budgeted expenses. This calculation excludes administrative costs, GF contributions, UAL, and OPEB liabilities.
4. Determination of Administrative Costs per MA: Multiply the percentage derived in Step 3 for each MA by the draft budget amount to compute the total administrative cost attributable to that MA.
5. Computation of Administrative Cost Allocation Percentage: Divide the O&M cost per facility or service budget by the total MA budget to establish the administrative cost allocation percentage.
6. Allocation of General Fund: Calculate the percentage of costs based on Table 1, subtract that amount from the administrative costs and divide equally between the six member agencies.
7. Allocation of Administrative Costs per PC or Service: Multiply the percentage from Step 5 by the total administrative cost from Step 4 to allocate administrative costs to each PC or service.
8. Allocation of UAL and OPEB Liabilities: Use the admin cost allocation percentages per PC (that follows where labor worked) for the liability distribution of the UAL and OPEB. The total liability is the sum of the PCs that the MA is a member of based on UAL Methodology established by the SOCWA Board in 2018[1].
9. Total Budget per Agency: Sum all allocated costs (including O&M, administrative, GF (if applicable), UAL, and OPEB) to derive the total budget attributable to each agency.
10. Allocation of Capacity Rights Transfer: Staff will allocate costs to contract agencies utilizing “care of (c/o)” methodology per the 2025 reorganization agreements.

This procedure shall be reviewed as needed to incorporate any updates to board methodologies, reorganization agreements, or budgetary frameworks. All calculations must be documented and auditable, with supporting data retained as required by the SOCWA Records Retention Policy.

[1] Actuaries Marilyn Jones of Nyhart and Mary Beth Redding of Bartel Associates provided the updated UAL methodology at the June 17, 2018 Finance Committee meeting. The Finance Committee recommended to use the methodology on August 29, 2018, further discussion at the September 19, 2018 Finance Committee meeting, final action to approve the methodology for use in the audited financial statements on October 4, 2018 by the Finance Committee. This methodology was used in the distribution of liability in FY 2017-2018 audited financials that was brought to the Board to receive and file at the December 6, 2018 SOCWA Board meeting. The SOCWA Board voted to receive and file the audited financial statements and approved the methodology in the approval of the FY 2017-18 Annual Use Audit.

Use Audit Allocation

The Use Audit is completed by applying established flow allocation methodologies, circulated annually for review to SOCWA member agencies, which distribute costs among member agencies based on their proportional usage of treatment facilities. The process involves collecting actual flow data (measured in million gallons per day) and solids loading data (calculated from BOD and TSS measurements) for each Member Agency during the fiscal year, then comparing these actual values against budgeted amounts to determine each agency's percentage share of total system usage.

The allocation methodology varies by project committee - some use average flows over multiple years, others incorporate solids loading calculations, and some account for special agreements between agencies (like the 2018 MNWD-SMWD agreement for solids allocation). Once the actual usage percentages are calculated and compared to budgeted percentages, any differences result in either disbursement of funds to agencies that were overcharged or collection of additional funds from agencies that were undercharged, with the final results reviewed through the Engineering and Finance Committees and recommended to the SOCWA Board of Directors before implementation. Table 9 provides a summary of the Use Audit Methodology with PC descriptions below Table 9.

Table 9: Use Audit Methodology Table

Project Committee (PC)	Method	O & M Costs - Variable	O & M Costs - Fixed	Capital Costs
PC 2	Variable	Liquids-related costs are based on each agency's prior calendar year flows to prepare the budget. Solids-related costs are based on each agency's three (3) year prior pounds (BOD + TSS)/2) to prepare the budget. The Use Audit process utilizes the actual FY totals for Liquids and the actual FY solids, along with the two prior FY solids totals.	Common costs are allocated based on the average ownership of liquids and solids capacity percentages, or ((L% + S%)/2).	For facilities or equipment with a service life equal to or greater than 5 years, or a value in excess of $1,000, costs are allocated on the basis of liquid treatment capacity ownership and/or solids treatment capacity ownership as may be applicable.
PC 5	Fixed	Allocated to PC members based on fixed ownership.	Allocated to PC members based on fixed ownership.	Allocated to PC members based on fixed ownership.
PC 8	Variable	Allocated based on percentage of staff time.	Shared equally among all member agencies.	Shared equally among all member agencies.

PC 12	Variable	Total costs are split 50/50 between fixed and variable. Allocated proportionally to each PC member based on non-potable water production and projections.	Total costs are split 50/50 between fixed and variable. Divided equally between each PC member. Insurance is allocated equally amongst the Participating Member Agencies.	Not applicable
PC 15	Variable	Liquids related costs are allocated based on the agency's prior calendar year's flows to prepare the budget. The Use Audit process uses the actual FY totals for Liquids. 100% of the AWT costs are attributed to SCWD.	Common costs are allocated to the PC members based on their liquids ownership allocations.	Plant Liquids and Common capital costs are allocated to the PC members based on their liquids ownership allocations. 100% of the AWT capital costs are allocated to SCWD.
PC 17*	Variable	All costs are allocated to MNWD unless otherwise stated in the Budget/Use Audit.	All costs are allocated to MNWD unless otherwise stated in the Budget/Use Audit.	Any designated capital costs will be allocated to the Budget/Use Audit based on the accompanying agreement.
PC 21	Fixed	Not applicable.	Allocated to each PC member based on percentage of ownership.	Allocated to PC members based on percentage of ownership.
PC 23	Fixed	None or NA - All Costs are considered to be allocated using the Fixed method	All O&M Costs are allocated by ownership percentages per PC23 agreements (see Section 7 of the 11-4-1976 agreement).	All Capital O&M Costs are allocated by ownership percentages per PC23 agreements (see Section 7 of the 11-4-1976 agreement).
PC 24	Fixed	Allocated to PC members based on fixed ownership.	Allocated to PC members based on fixed ownership.	Allocated to PC members based on fixed ownership.

*Included to complete the FY 24-25 Use Audit and will be no longer after the FY 24-25 Use Audit is completed.

The following provides the method for the Use Audit by PC:

PC 2

Member Agency average flows for the FY were used in the flow allocation and applied proportionally from the total combined flow from each tributary trunk line. The PC 2 uses FY flows and three-year FY average solid loadings to reconcile the budgeted amounts. Solids loadings are calculated from adding the average FY BOD and TSS and, dividing by 2, and then multiplying the result by the flow and the 8.34 pounds conversion factor. In March 2018, PC2 members Moulton Niguel Water District (MNWD) and Santa Margarita Water District (SMWD) came to an agreement on how to allocate solids for budgeting and use audit purposes. The new method captures the influent loading at Plant 3A, as it was recognized that this allocation would isolate MNWD's solids contributions to JBL to a single variable. SMWD solids to JBL would then be the balance of solids contributed by the Oso Creek Water Reclamation Plant, 3A, and any other discharges to the Oso Trabuco line to JBL.

PC 5

Fixed costs based on ownership capacity per Member Agency.

PC 8

Allocation is based on timecard (where labor worked).

PC 12

The PC 12 method of production is detailed by Member Agency in the following narrative. San Juan Capistrano is the acre-foot sum of the Rosembaum well, the Mission Street Well, and the total reclaimed water from the SMWD/CSJC intertie. For MNWD, it is the amount of reclaimed water produced from the Regional Treatment Plant (RTP) and the 3A Treatment Plant (split with SMWD). South Coast Water District (SCWD) is the total reclaimed water produced from the Coastal Treatment Plant (CTP). The Santa Margarita Water District (SMWD) is the combined sum of reclaimed water produced from the 3A Treatment Plant (split with MNWD), the Oso Creek Water Reclamation Plant (OCWRP), the Chiquita Water Reclamation Plant (CWRP), and the Nichols Water Reclamation Plant (NWRP). The Trabuco Canyon Water District (TCWD) is reclaimed water produced from the Robinson Ranch Water Reclamation Plant (RRWRP).

PC 15

Due to the lack of solids handling capacity at the Coastal Treatment Plant (CTP), allocation methodology is based on flows to the treatment plant. In addition, there are no current flow meters installed to account for any flow sent to CTP from MNWD, so no flow is being accounted for in this PC flow allocation methodology, unless for emergency use as needed through authorization by the PC15 members, with billing based on use, reconciled in the annual use audit. The City of Laguna Beach (CLB) is the average annual flow into CTP (metered). The Emerald Bay Services District (EBSD) is the average annual flow into CTP (calculated from monthly meter read from the

lift station divided by the days in the month). The South Coast Water District (SCWD) is the average annual flow into CTP (metered). The meter calibration is performed annually in June.

PC 17

The final use audit will be for FY 24-25 due to the reorganization agreements. The method is therefore included in this policy for memorialization.

PC 17 has liquid and solids contribution. The liquid flow allocation is based on influent flow to the plant. The influent flow is solely contributed by the MNWD. The export sludge line transports solids to RTP from CTP for further processing. The liquid flow from CTP's export sludge line is divided by five and distributed to each agency, then summed up to create a total liquid flow to RTP. The flows are then distributed on a proportional basis. The solids contribution is based on the total daily average pounds contributed by each agency distributed proportionally. The meter calibration is performed annually in June.

PC21

Fixed costs based on ownership capacity per Member Agency.

PC 24

Fixed costs based on ownership capacity per Member Agency.

Review and Adjustment

Budgeted administrative costs may be adjusted mid-year as necessary to ensure accurate cost allocation, with all adjustments promptly communicated to member agencies. This policy undergoes periodic review during the budget development process, allowing for modifications based on operational changes, financial circumstances, or evolving Member Agency needs. Changes to this policy may only be made by the unanimous consent of all the Participating Member Agencies as set forth in Section 6.3.1 of the SOCWA Joint Powers Agreement.

Policy Approval and Adoption

This Policy has been reviewed by the Authority Board of Directors and adopted by Resolution No. 2025-16 on December 11, 2025, superseding all previous versions.