

I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.



DENNIS P. CAFFERTY, Secretary of the El Toro Water District and the Board of Directors thereof



## AGENDA

### EL TORO WATER DISTRICT

#### REGULAR MEETING OF THE BOARD OF DIRECTORS ENGINEERING COMMITTEE MEETING AND FINANCE AND INSURANCE COMMITTEE MEETING

March 22, 2021

7:30 a.m.

This Meeting is being conducted in accordance with Governor Newsom's Executive Order N-29-20 (Paragraph 3) and the conditions specified therein which waive certain provisions of the Brown Act.

In an effort to protect public health and prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20, **there will be no public location for attending in person.**

The Order allows all Board Members to participate telephonically in the Meeting from remote locations. As such, Directors Gaskins, Freshley, Havens, Monin, and Vergara will be participating telephonically.

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may observe and address the Meeting by joining at this link: <https://us02web.zoom.us/j/83405763233>. (Meeting ID: 834 0576 3233). Members of the public who wish only to listen to the telephonic meeting may dial in at the following numbers (669) 900-6833 or (346) 248-7799 with the same Meeting ID noted above. Please be advised the Meeting is being recorded.

**CALL TO ORDER – President Gaskins**

**PLEDGE OF ALLEGIANCE – Director Monin**

**ORAL COMMUNICATIONS/PUBLIC COMMENTS**

Members of the public may address the Board at this time or they may reserve this opportunity with regard to an item on the agenda until said item is discussed by the Board. Comments on other items will be heard at the times set aside for “COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS” or for “COMMENTS REGARDING NON-AGENDA FIC ITEMS.” The public may identify themselves when called on and limit their comments to three minutes.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

Determine need and take action to agendize item(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

**ENGINEERING COMMITTEE**

**CALL MEETING TO ORDER – Director Vergara**

**1. Consent Calendar**

(All matters under the Consent Calendar will be approved by one motion unless a Board member or a member of the public requests separate action or discussion on a specific item)

- a. Consider approving the minutes of the February 22, 2021 Engineering Committee meeting. (Minutes Included)

**Recommended Action:** The Board will be requested to approve the subject minutes.

**APPROVAL OF ITEMS REMOVED FROM TODAY’S ENGINEERING COMMITTEE**

**CONSENT CALENDAR**

The Board will discuss items removed from today’s Engineering Committee Consent Calendar requiring further discussion.

**Recommended Action:** The Board will be requested to approve the items removed from today’s Engineering Committee Consent Calendar.

## ENGINEERING ACTION ITEMS

2. **Emergency Operations Plan Update Change Order**  
(Reference Material Included)

Staff will review and comment on a change order to the existing contract with Claris Strategy to provide consulting services for the El Toro Water District Emergency Operations Plan Update.

**Recommended Action:** Staff recommends that the Board of Directors authorize the District's General Manager to issue an additional Task Order to the current contract with Claris Strategy in the amount of \$5,000.00 for additional consulting services to complete the update to the El Toro Water District Emergency Operations Plan.

3. **WRP Aeration Basin Diffuser Replacement Project**  
(Reference Material Included)

Staff will review and comment on construction bids received for the replacement of the diffusers in the Water Recycling Plant Aeration Basin No. 1.

**Recommended Action:** Staff recommends that the Board of Directors authorize the District's General Manager to enter into a contract with J.R. Filanc Construction Company, Inc. in the amount of \$203,630.00 for the Aeration Basin Diffuser Replacement project. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

4. **Phase II Recycled Water On-Site Retrofits Project Change Order**  
(Reference Material Included)

Staff will review and comment on a change order to the construction contract with Evolution Landscape, Inc. to construct the retrofits of the Phase II Recycled Water Project in the Phase II West (B) area which will bring the Phase II Recycled Water Project to completion.

**Recommended Action:** Staff recommends that the Board of Directors authorize the District's General Manager to issue a construction change order to the existing contract with Evolution Landscape, Inc. in the amount of \$140,241.97 for the construction of the Phase II Recycled Water On-Site Retrofits in project area Phase II West (B). Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

## ENGINEERING GENERAL INFORMATION ITEMS

5. **El Toro Water District Capital Project Status Report**  
(Reference Material Included)

Staff will review and comment on the El Toro Water District Capital Project Status Report.

6. **Engineering Items Discussed at Various Conferences and Meetings**  
(Oral Report)

The Committee will discuss any pertinent Engineering items discussed at Conferences.

**COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS**

**CLOSE ENGINEERING COMMITTEE MEETING**

**FINANCE AND INSURANCE COMMITTEE MEETING**

**CALL MEETING TO ORDER – Director Havens**

7. **Consent Calendar**

(All matters under the Consent Calendar will be approved by one motion unless a Board member or a member of the public requests separate action or discussion on a specific item)

- a. Consider approving the minutes of the February 22, 2021 Finance and Insurance Committee meeting (Minutes Included)

**Recommended Action:** The Board will be requested to approve the subject minutes listed above in the Consent Calendar.

**APPROVAL OF ITEMS REMOVED FROM TODAY'S FINANCE AND INSURANCE COMMITTEE CONSENT CALENDAR**

The Board will discuss items removed from today's Finance and Insurance Committee Consent Calendar requiring further discussion.

**Recommended Action:** The Board will be requested to approve the items removed from today's Finance and Insurance Committee Consent Calendar.

**FINANCIAL ACTION ITEMS**

8. **Financial Package - Authorization to Approve Bills for Consideration dated March 22, 2021 and Receive and File Financial Statements as of February 28, 2021** (Reference Material Included)

The Board will consider approving the Bills for Consideration dated March 22, 2021 and Receive and File Financial Statements as of February 28, 2021.



**Recommended Action:** Staff recommends that the Board 1) approve, ratify and confirm payment of those bills as set forth in the schedule of bills for consideration dated March 22, 2021, and 2) receive and file the Financial Statements for the period ending February 28, 2021.

9. **Resolution No. 21-3-1 Changing the Authorized Signatories for the Local Agency Investment Fund (LAIF)** (Reference Material Included)

Staff will comment on changing the authorized signatories on the District's account with LAIF.

**Recommended Action:** Staff recommends that the Board adopt Resolution No. 21-3-1 changing the authorized signatories on District's account with the Local Agency Formation Investment Fund (LAIF).

RESOLUTION NO. 21-3-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EL TORO WATER DISTRICT CHANGING THE  
AUTHORIZED SIGNATORIES ON THE  
LOCAL AGENCY INVESTMENT FUND ACCOUNT  
(ACCOUNT NO. 90-30-001)

**FINANCIAL INFORMATION ITEMS**

10. **CalTRUST Investment Pool** (Reference Material Included)

Staff will provide an overview and lead a discussion regarding potential investment opportunities in the CalTRUST Investment Pool.

11. **Tiered Water Usage and Revenue Tracking** (Reference Material Included)

Staff will review and comment on monthly and year to date Tiered Water Usage and Revenue tracking.

12. **2021/22 Fiscal Year Budget Preparation and Tentative Schedule Status Report** (Reference Material Included)

Staff will review and comment on the 2021/22 fiscal year Budget Preparation and Tentative Schedule.

**COMMENTS REGARDING NON-AGENDA FIC ITEMS**

**CLOSE FINANCE AND INSURANCE COMMITTEE MEETING**

## ATTORNEY REPORT

### CLOSED SESSION

At this time the Board will go into Closed Session as follows:

1. At this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (1) to consult with legal counsel and staff on a matter of pending litigation. *El Toro Water District v. Rossmoor Sanitation, Inc et al and Does 1through 50 inclusive- Orange County Superior Court- Case No. 30-2020-01152257-CU-OR—CJC.*
2. At this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (1) to consult with legal counsel and staff on a matter of pending litigation. [Class Action] *Kessner et al. v. City of Santa Clara, et al. (Santa Clara County Superior Court - Case No. 20 CV 364054).*
3. At this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (1) to consult with legal counsel and staff on a matter of pending litigation. *The People of the State of California, acting by and through the Department of Transportation. Plaintiff, vs. Laguna Hills Investment Company, L.P., a Delaware Limited Liability Company, et al., inclusive of El Toro Water District and Does 1 through 20, inclusive. Defendants- Orange County Superior Court- Case No. 30-2020-01140132-CU-EI-CXC.*

## REGULAR SESSION

### REPORT ON CLOSED SESSION (Legal Counsel)

Mr. Granito will provide an oral report on the Closed Session.

### ADJOURNMENT

*The agenda material for this meeting is available to the public at the District's Administrative Office, which is located at 24251 Los Alisos Blvd., Lake Forest, Ca. 92630. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate public inspection at the same location.*

#### Request for Disability-Related Modifications or Accommodations

*If you require any disability-related accommodation, including auxiliary aids or services, in order to participate in this public meeting, please telephone the District's Recording Secretary, Polly Welsch at (949) 837-7050, extension 225 at least forty-eight (48) hours prior to said meeting. If you prefer, your request may be submitted in writing to El Toro Water District, P.O. Box 4000, Laguna Hills, California 92654, Attention: Polly Welsch.*

MINUTES OF THE REGULAR MEETING  
& OF THE  
ENGINEERING COMMITTEE MEETING

February 22, 2021

At approximately 8:10 a.m. Director Vergara called the meeting to order.

Committee Members JOSE F. VERGARA, MARK MONIN, KATHRYN FRESHLEY, MIKE GASKINS, and KAY HAVENS participated.

Also participating were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, JASON HAYDEN, CFO, GILBERT J. GRANITO, General Counsel, SCOTT HOPKINS, Operations Superintendent, BOBBY YOUNG, Principal Engineer, MIKE MIAZGA, IT Manager, CAROL MOORE, Laguna Woods City Council member, and POLLY WELSCH, Recording Secretary.

Consent Calendar

Director Vergara asked for a Motion.

Motion: Vice President Freshley made a motion, seconded by President Gaskins and unanimously carried across the Board to approve the Consent Calendar.

Roll Call Vote:

Director Havens	aye
Vice President Freshley	aye
Director Vergara	aye
President Gaskins	aye
Director Monin	aye

Engineering Action Items

Vigilant Technology Solutions CyberDNA® Managed Detection and Response (MDR) Contract Renewal

Mr. Cafferty stated that this is renewal of an existing contract for a 3-year period beginning March 1, 2021.

Mr. Cafferty stated that the total amount is \$68,292.00 which is spread out over 3 years.

Mr. Miazga explained what Vigilant Technology Solutions monitors our network traffic using artificial intelligence to analyze what is normal for our network. He further stated that if there is any deviation from normal activity, Vigilant will investigate and create tickets, and call him to inquire about the legitimacy of the activity.

Mr. Miazga stated that Vigilant provides remediation in case any incidents occur. He further stated that he receives calls from Vigilant a couple times per year, and they assist in remediating any vulnerabilities in the network as well.

Mr. Miazga stated that they prepare reports and give insight into the actual traffic on the network and provide a security operations center where he can see any questionable traffic.

Director Monin asked if Mr. Miazga is familiar with a company called Solar Winds. Mr. Miazga replied yes, they are a network management software application, which is different from Vigilant.

Vice President Freshley asked if we could have Microsoft come in and monitor our network. Mr. Miazga replied if Microsoft gets infected and their Windows updates, 90% of the systems in America would be infected.

Director Monin asked about hybrid clouds and if we are ready to need it. Mr. Miazga replied that we do use certain cloud applications.

Director Monin asked for an update on closed circuit TV monitoring. Mr. Cafferty replied that staff has done extensive research on options and has received some proposals that are currently under review and could be included in the budget process.

Director Vergara asked for a Motion.

Motion: Vice President Freshley made a motion, seconded by Director Havens and unanimously carried across the Board to authorize the District's General Manager to enter into a contract with Vigilant Technology Solutions in the amount of \$68,292.00 for cybersecurity services for a three year period commencing on March 1, 2021.

Roll Call Vote:

Director Havens	aye
Vice President Freshley	aye
Director Vergara	aye
President Gaskins	aye
Director Monin	aye

At approximately 8:30 a.m. Mr. Miazga left the meeting.

El Toro Reservoir and Rossmoor No. 1 Dams Emergency Action Plans

Mr. Cafferty stated that we were subject to a requirement as was every dam owner in the state to complete inundation maps and an Emergency Action Plan (EAP) for our dams and critical appurtenant structures based on the downstream hazard classification, within specific time limits. He further stated that these plans had to be submitted to the Office of Emergency Services (OES).

Mr. Cafferty stated that we engaged Genterra Consultants, Inc. to assist us with the creation of the documents, including outreach, initial submission of the document, and one follow up submittal after addressing responses to the initial submittal. He further stated that the submittals were largely being rejected by the State, and despite the guidance published by the State, it took a number of iterations to get the EAP on the R-6 Reservoir approved.

Mr. Cafferty stated that the rules and goalposts kept getting changed, and reviewers kept changing and there were additional comments. He further stated that the EAP was approved for the R-6 Reservoir, and we are seeking Board approval to

amend the existing contract with Genterra Consultants, Inc. which would take the contract over \$50,000.00.

Mr. Cafferty stated that of the amended amount, \$26,000 is for work that Genterra Consultants, Inc. has already done to secure approval of the R-6 Reservoir. He further stated that on the Rossmoor Dam, we have submitted the first draft, and we have heard from them that it is one of the most complete first drafts that they have seen through this entire process.

Director Vergara asked if we have to follow requirements only from the State, or do we have a Federal mandate. Mr. Cafferty replied that dam regulation comes from the Division of Safety of Dams that do inspections every year.

Director Vergara asked for a Motion.

Motion: Director Havens made a motion, seconded by Vice President Freshley and unanimously carried across the Board to authorize the District's General Manager to issue a new Task Oder to the existing contract with Genterra Consultants, Inc. in the amount of \$31,340.00 for the provision of professional consulting services to assist the District in finalizing the Emergency Action Plans for the El Toro Reservoir and Rossmoor No. 1 dams in compliance with State requirements.

Roll Call Vote:

Director Havens	aye
Vice President Freshley	aye
Director Vergara	aye
President Gaskins	aye
Director Monin	aye

## Engineering General Information Items

### Capital Projects Status Report

#### Phase II Recycled Water Distribution System Expansion Project

Mr. Young stated that included in the Board package is a summary table of Contractor expenses to date and Rebates received. He further stated that we are still waiting on some checks from MET and MWDOC, which will cover half of the Contractor's costs.

Mr. Young stated that we have submitted and received comments from both County and State on Phase II West B sites. He further stated that last week staff was working with VMS and the homeowners to identify some of the County and State's concerns, so we will be re-submitting to County and State addressing some of their comments.

Vice President Freshley asked if there is anything unusual in the County and State's requests. Mr. Young replied no, the State is primarily concerned with the administrative control, and the County is concerned with locations of hose bibs, and where the irrigation system's water touches near the proximity of the homes.

Director Vergara stated that at the WateReuse meeting they mentioned a Retrofit Handbook, and he asked if Mr. Young is aware of this. Mr. Young replied that he is unsure if they are mentioning the County-wide effort to finish the Orange County Recycled Water handbook.

Mr. Cafferty stated that the County has been engaged in an effort to develop what is referred to as the Orange County Guidelines for Recycled Water for several years now.

Mr. Cafferty stated that staff changes at the County and global pandemic slowed the process, but there has been recent discussion on what needs to happen to get these guidelines in place. He further stated that once the County approves the guidelines, we will be changing our Rules and Regulations for Recycled Water to be consistent with those guidelines.

#### Cal Trans

Mr. Young stated that we are still on hold for Phase B. He further stated that the Contractor has been active in our area on Carlota and the freeway on and off ramps at El Toro Road.

Mr. Young stated that the next phase of construction for our relocation efforts is scheduled for October.

#### Dump Truck/Traffic Control Vehicle

Mr. Young stated that the Dump Truck/Traffic Control Vehicle has been received and is currently in use.

#### Oso Lift Station

Mr. Young stated that the wet well shaft has been placed, along with back fill, and the valve vault which will house important components such as the meter, check valves, and other controls has been set. He further stated that the construction in the street is nearly complete, and the project remains on schedule.

Mr. Young stated that SCE has been replacing vaults along the sidewalks in this area, which impacted our construction two weeks ago. He further stated that the City was replacing sidewalks as well.



## East Orange County Feeder #2/Joint Transmission Main (JTM) Turnout

Mr. Young stated that this project has been delayed due to a scheduled shutdown. He further stated that staff has reached out to see when they will re-energize their lines.

## Project Schedules

Mr. Young stated that included in the report is a project schedule for upcoming capital projects.

## Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

## Comments Regarding Non-Agenda Engineering Committee Items

Mr. Cafferty stated that the upcoming shutdown of the Allen-McCullough pipeline through which we receive all of our treated MET water, is lengthy and later in the year than normal. He further stated that the shutdown will be on or around April 3<sup>rd</sup> and go for about 5 weeks.

Mr. Cafferty stated that IRWD is planning a major reconstruction of their Los Alisos Water Recycling Plant which is in Lake Forest on Muirlands Boulevard.

Mr. Cafferty stated that the plant will be out of service for approximately 3 years when they start construction. A large portion of the flow can be pumped to their IRWD Michelson plant, but there is a decent amount of flow can be pumped to their down a pipeline and goes through the splitter at El Toro Road and Muirlands where a portion can be directed to ETWD and the remaining flow goes to IRWD. He further stated that IRWD has asked if it is possible to shut down the splitter on their side and send all of the flow to ETWD, with IRWD paying any incremental costs ETWD would incur to treat their wastewater.

Mr. Cafferty stated that we have begun discussion to see what it might mean to ETWD's plant in both dry and wet weather conditions, and to see if the collections system can accommodate the additional flow.

Director Havens asked if ETWD has a right to use the recycled water since it is now a commodity. Mr. Cafferty replied yes, and an agreement will be drafted between ETWD and IRWD which will detail how ETWD gets compensated for treating their wastewater, and whether ETWD can use any of the water for recycled water purposes.

Mr. Cafferty stated that at the MWDOC Admin/Finance meeting the question was raised about the status of going forward with the WEROC EOC project at the ETWD filtration plant site. He further stated that during the budget part of the meeting, the project was brought up, and referenced that it was not included in their budget, but identified some costs.

Mr. Cafferty stated that MWDOC anticipates this being a 2-year project. He further stated that we have done the Alternatives Analysis and we know where things need to go if WEROC is in or out of the project.

Mr. Cafferty stated that he communicated that ETWD is not dependent on MWDOC to fund the project, but realistically there might be some cost sharing that would reduce ETWD's costs if MWDOC chooses to participate in the project. He further stated that WEROC asked what ETWD is planning to pay for, and stated that ETWD would be paying for engineering associated with demolition of the existing filtration plant, engineering design of a building we build, and would expect any design costs for a WEROC building would be born by WEROC.

Mr. Cafferty stated that the same presentation was shown at the MWDOC Managers meeting, and they referred to their funding agencies because there is more than just MWDOC to make the decision. He further stated that he asked when the final decision would be made, and he discovered that WEROC is mostly funded 50% by MWDOC, which means we all pay through MWDOC a portion of this 50%, but they also get the other 50% of their funding from 6 individual agencies; OCWD pays 25%, and OC Sanitation District pays 10%, and the other 15% is split evenly between SOCWA and the three MET cities, Santa Ana, Fullerton, and Anaheim.

Mr. Cafferty stated that OC Sanitation District has expressed a significant interest in partnering on the project because they view it as an opportunity to have some offsite EOC capability which they don't have now. He further stated that these 3 cities are financially challenged due to the pandemic.

Mr. Cafferty stated that on the R-6 floating cover project, we have a complete RFP and staff is working with Planet Bids to circulate the RFP and we are hoping to bring the project back in April.

Director Monin stated that extreme weather events in Florida and Texas could also impact the ETWD service area, but we could run into heat issues rather than cold. He further stated that he toured the Yorba Linda Water District and he advised other Board members to tour neighboring agencies.

#### Close Engineering Committee Meeting

At approximately 9:15 a.m. the Engineering Committee meeting was closed.

#### Attorney Report

Mr. Granito reported that there is a need for a Closed Session today to discuss item #2 of today's Closed Session agenda.

Closed Session

At approximately 9:15 a.m. the Board went into Closed Session. Also at this time, Ms. Cimorell, Mr. Young, Mr. Hopkins, Mr. Hayden, Mr. Miazga, Ms. Moore, and Ms. Welsch left the meeting.

Report on Closed Session

At approximately 9:45 a.m. the Board returned to Regular Session. Also at this time, Ms. Welsch returned to the meeting.

Mr. Granito reported that the Board did go into Closed Session with regard to item #2 of today's Closed Session agenda, the Kessner litigation, inclusive of a matter impacting that litigation, during which he and Mr. Cafferty led a discussion. No reportable action was taken.

Adjournment

There being no further business, the Engineering Committee meeting was adjourned at approximately 9:50 a.m.

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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MIKE GASKINS, President  
of the El Toro Water District and the  
Board of Directors thereof

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DENNIS P. CAFFERTY, Secretary  
of the El Toro Water District and the  
Board of Directors thereof



## STAFF REPORT

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**To: Board of Directors**

**Meeting Date: March 22, 2021**

**From: Sherri Seitz, Public Relations / Emergency Prep Administrator**

**Subject: Emergency Operations Plan Update Change Order**

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### **Summary:**

In September 2018, ETWD entered into contract with Claris Strategy to update ETWD's Emergency Operations Plan. This update included the following:

1. Update ETWD's Emergency Operations Plan:
  - a. Redevelop ETWD's Emergency Operations Plan to be more actionable and implementable by staff.
  - b. Include an all-hazards approach and include four individual hazards annexes that were identified with staff.
  - c. Use current national, state and local guidelines and standards including NIMS, ICS and SEMS to guide the development of the plan.
  - d. Ensure the plan is aligned with the emergency plans of WEROC and the County of Orange Operational Area.
  - e. Meet regulatory and legal requirements of the Water District for emergency plans.
  - f. Utilize best practices and lessons learned where applicable from comparable water agencies, critical infrastructure organizations and government agencies.
2. Provide ETWD staff training on the updated EOP plan.
3. Conduct a tabletop exercise for ETWD staff based on the updated EOP plan and training.

In the Fall of 2019, ETWD began working with Herndon Solutions Group (HSG) on the America's Water Infrastructure Act (AWIA) (S.3021, Law 115-270). AWIA requires utilities to develop or update their corresponding Emergency Response Plan (ERP) upon completion of the AWIA Crosswalk and Risk and Resilience Assessment (RRA). The ETWD AWIA compliance date for updating the EOP is December 20, 2021.

Since ETWD was working with Claris Strategy on the EOP Update, the District choose the low-level EOP Update in Phase 3 of the AWIA Project. The District completed the AWIA Crosswalk Phase 1 and is currently working on the AWIA RRA Phase II with HSG. The AWIA EOP Update Phase III will include updates of the entire ERP as needed to comply with the requirements and the Phase I and Phase II results. The AWIA Phase III does not include writing specific annex plans that were identified after the start of the contract with HSG and Claris Strategy.

### **Task Order 2 - Overview**

Upon approval of the Task Order 2 agreement between ETWD and Claris Strategy, Claris Strategy will develop five annexes based on additional annexes the District identified as needed and per the results of the AWIA Phase I crosswalk analysis. Those annexes include Water Outage, Active Shooter, Explosive Device, Cyberattack and Pandemic. Completion of additional annexes will include a draft and, following a review of the draft by District staff, a final document. Project timeline for completion is May 31, 2021.

### **Project Costs**

The cost to develop the five annexes is \$5,000. The original contract with Claris Strategy for \$49,700 to update the Emergency Operations Plan. The task 2 change order will increase the total project cost of \$54,700.

### **Agreement**

The contract with the consultant is between El Toro Water District and Claris Strategy. Staff is seeking approval for the General Manager to execute the Emergency Operations Plan Update Task Order Number 2 Agreement.

### **Recommended Action at the March 21, 2021 Board Meeting:**

Staff recommends that the Board of Directors authorize the District's General Manager to issue an additional Task Order to the current contract with Claris Strategy in the amount of \$5,000.00 for additional consulting services to complete the update to the El Toro Water District Emergency Operations Plan.



## STAFF REPORT

**To:** Board of Directors  
Engineering Committee

**Meeting Date:** March 22, 2021

**From:** Bobby Young, Principal Engineer

**Subject:** WRP Aeration Basin Diffuser Replacement Project

### INTRODUCTION / BACKGROUND

The Aeration Basins are an integral component in the secondary treatment process at the District's Water Recycling Plant (WRP). The basins and aeration diffuser equipment were installed during the WRP expansion project in the late 1990s (approximately 1997). Since then, the flexible membrane diffusers and plastic housing assemblies have been on a regular maintenance interval of every 7 to 8 years in which broken diffusers are replaced and the housing assemblies are checked and cleaned. During recent regular maintenance of Aeration Basin No. 1, staff noticed that the housing assemblies were showing significant deterioration. As staff attempted to replace diffusers, the housing units would break while trying to tighten them back in place. Staff also realized that the existing inventory of membrane diffusers were nearly depleted. Staff reached out to the original manufacturer and was told that the parts were no longer in production and had become obsolete. Staff reached out beyond the manufacturer to other equipment representatives and found that there were no replacement parts locally or even internationally. At the time, the manufacturer representatives gave staff a quote for a new replacement aeration diffuser system.



Staff engaged with a consultant to study aeration diffuser replacement technologies to identify and recommend the alternative replacement strategies. The result of the study concluded that a new but similar system be implemented and the consultant prepared drawings and specifications for bidding purposes.

Around the same time, staff was also working separately with a consultant to perform an evaluation of solids handling alternatives at the WRP. The WRP currently operates two of the three Aeration Basins as standard operating procedure. The evaluation recommended to place all three aeration basins in service, as further described below.

In the secondary treatment process wastewater influent is mixed with activated sludge and then aerated for a specific length of time in the aeration basins. During aeration, activated sludge uses organic matter as food to produce suspended solids. As these solids pass into the secondary clarifiers, they settle out and a portion can be returned to the influent of the aeration basins. The majority of the sludge from the secondary clarifiers is thickened via dissolved air flotation thickeners and then trucked to SOCWA's Regional Treatment Plant solids handling facility. Solids handling is one of the largest cost components in the operation of the WRP, as biosolids disposal costs have continued to increase.

The solids handling alternatives evaluation from 2019 concluded that utilizing all three aeration basins concurrently would allow an increase in solids retention time (SRT) to 12 days, from the current operation of 4 to 5 days SRT and would result in a reduction of the total amount of solids produced at the WRP. The report further concluded that based on a 20-year life cycle analysis, this solids reduction operational strategy would result in significant cost savings. This strategy, however, cannot be implemented until the Aeration Basin No. 1 diffuser system is replaced.

The replacement of the diffuser system in Aeration Basin No. 1 will restore the basin to the normal maintenance cycle in which the diffuser membranes are replaced as necessary on an approximately 7 – 8 year cycle. The cost for these maintenance cycles has historically been under \$10,000.

## **BID EVALUATION**

The District issued a Notice Inviting Bids on February 22<sup>nd</sup>, 2021, to six qualified contractors. One of the Contractors opted out due to the timing of the project and their projected workload and two failed to attend the mandatory pre-bid meeting. Three contractors attended the mandatory Pre-Bid meeting. Following the pre-bid meeting and a subsequent deadline for written questions, the District issued one addendum to the original bid documents.





Staff opened three bids on March 18<sup>th</sup>, with the following bid breakdown:

J.R. Filanc Construction	\$ 203,630
SS Mechanical Corp.	\$ 205,968
Pacific Hydrotech	\$ 384,600

The apparent low bid was submitted by J.R. Filanc Construction Company, Inc. Staff performed a detailed evaluation of the bids and did not find any errors or other discrepancies. The very tight spread between the two lowest bids is evidence of the quality of the bids and construction documents. Filanc is a reputable contractor with whom the District has previous successful experience including the current construction of the Oso Lift Station Project.

### **BUDGET ANALYSIS**

A summary of the total project costs in the current fiscal year is as follows:

<b>Organization</b>	<b>Description</b>	<b>Amount</b>
Black & Veatch	Engineering Design Contract	\$ 21,560
J. R. Filanc	Construction Contract	\$ 203,630
	Construction Contingency	\$ 20,000
<b>Total</b>		<b>\$ 245,190</b>
	Original Project Budget	\$ 170,000
	Budget Deficit	(\$ 75,190)

It should be noted that the original project budget was based on a manufacturer's representative's quote from 2019. The quote did not include Engineering Services nor Contingency. However, in reviewing the District's current contract requirements and reviewing the entire scope of work, it became evident that a General Contractor is needed to complete the work in its entirety. Bids from General Contractors typically include a markup for overhead and profit, which is consistent with industry standards and represented in the bids received. Furthermore, recent bid results from neighboring agency's projects of similar scope indicate that equipment prices have increased over the past two years. The bid line items submitted for the equipment are consistent with the slight price increase of the equipment along with a 15% markup for the General Contractor's overhead and profit.

The budget deficit is the result of the cumulative impact of the following project components:

- Engineering costs that were not originally anticipated
- Assumed inflation in costs from the original quote from 2019
- Using a General Contractor to meet the Districts current licensing, bonding, and insurance requirements

In an effort to mitigate the budget impact, staff intends to perform Construction and Inspection Services in-house. Additionally, staff intends to fund the remaining budget deficit during the FY21-22 capital budget process.

It should also be noted that the consultant's efforts to create construction documents and specifications will be able to be utilized on the remaining two basins when the diffuser systems are ready to be replaced in the future. The replacement of the diffuser systems in Aeration Basin Nos. 2 and 3 will be included in the District's future capital budgets.

## **CEQA**

District staff prepared and will submit a Categorical Notice of Exemption, as the work only replaces the existing equipment without an increase in capacity. State CEQA Guideline Section 15301 provides exemption for the operation, repair, maintenance, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

## **RECOMMENDATION**

### **Recommended Action:**

Staff recommends that the Board of Directors authorize the District's General Manager to enter into a contract with J.R. Filanc Construction Company, Inc. in the amount of \$203,630.00 for the Aeration Basin Diffuser Replacement project. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.



## STAFF REPORT

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**To:** Board of Directors  
Engineering Committee

**Meeting Date:** March 22, 2021

**From:** Bobby Young, Principal Engineer

**Subject:** Phase II West (B) Sites Change Order

---

### INTRODUCTION / BACKGROUND

The Phase II Recycled Water Distribution System Expansion Project included on-site retrofits in sub-phases, primarily East and West. The on-site retrofits facilitate the ultimate conversion of the designated potable water dedicated landscape irrigation systems to recycled water.

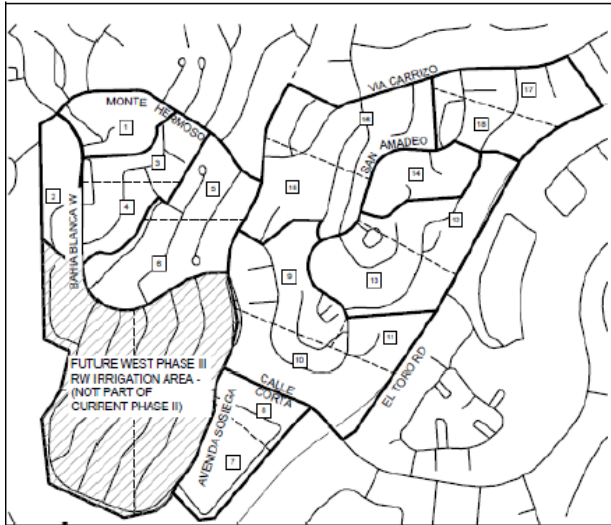
The on-site retrofits include the following standard components:

- Installation of pressure regulating valves on the new recycled water meters
- Replacement of existing irrigation hose bibbs with new recycled water quick couplers
- Connection of the new recycled water service and meter to the existing irrigation system
- Installation of Recycled Water Signs and other system identification

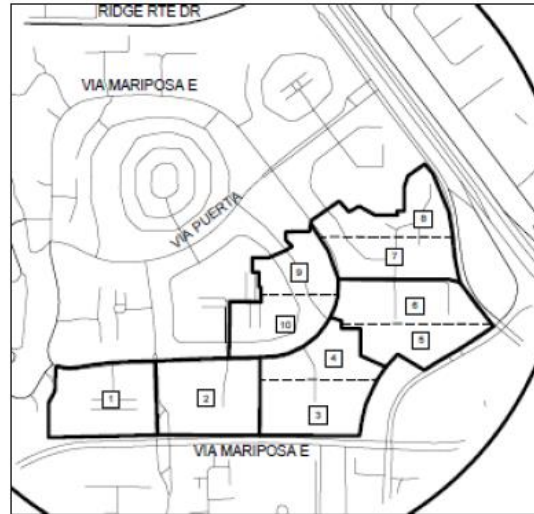
Throughout the approval process of the sites with the State Water Resources Control Board Division of Drinking Water (DDW) and Orange County Health Care Agency (County), it became necessary to defer approval of some of the West sites due to peculiar arrangements of the irrigation system. While the irrigation systems as a whole are not overly concerning, the proximity of manually operated irrigation control valves within the homeowners' entry ways were the main focus of DDW and County's concerns.

The District decided to move forward without these particular sites in order to continue to the project and convert potable irrigation to recycled water. Staff conducted a separate bidding / contracting process for the Phase II East and West Retrofits in 2019 and the Board approved the award of a construction contract.

**West Side Retrofits (Third)**



**East Side Retrofits (United)**



## **RETROFIT BIDS / EVALUATION**

In May 2019, the District solicited and received proposals for construction of on-site retrofits related to East and West (A) sites. Five contractors attended a mandatory pre-bid meeting. Following the pre-bid meeting and a subsequent deadline for written questions, the District issued one addendum to the original bid documents. The District received and opened two formal bids at a public bid opening on June 13, 2019.

Following Board approval, the District awarded a construction contract to Evolution Landscaping, Inc. (Evolution).

## **CHANGE ORDER DEVELOPMENT**

Evolution was able to perform all construction duties within the original construction contract and did not request any change orders. They were able to complete the work in a safe and efficient manner throughout the challenges of COVID and to the satisfaction of VMS staff, who will ultimately be responsible for the new system and components.

Evolution has proven to be an effective and reliable contractor. When approached by staff to consider the change order approach, Evolution offered to hold their unit prices from their original bid. Using only the updated quantities of the West (B) sites, Evolution submitted the proposed change order, which remains consistent with District bidding requirements.

## BUDGET ANALYSIS

A summary of the total project costs is as follows:

<b>Contract</b>	<b>Description</b>	<b>Amount</b>
Original	East and West (A) sites	\$ 522,609.00
<i>Change Order 1</i>	<i>Remaining West (B) sites</i>	<i>\$ 140,241.97</i>
<b>Total</b>		<b>\$ 662,850.97</b>

The Phase II Recycled Water Distribution System Expansion Project budget included \$700,000 for on-site retrofits. As previously described, the Phase II retrofits were split into phases. The proposed change order, in addition to the original contract, is therefore consistent with the budget for the on-site retrofit work.

As described in the monthly Capital Projects Status Report, the District has received \$247,591.50 in rebates for on-site retrofit work through Metropolitan Water District's on-site retrofit rebate program. The MWD rebates provide up to \$975 per acre foot of converted demand and the potential rebates for the remaining work is estimated to be approximately \$40,000.

## RECOMMENDATION

### **Recommended Action:**

Staff recommends that the Board of Directors authorize the District's General Manager to issue a construction change order to the existing contract with Evolution Landscape, Inc. in the amount of \$140,241.97 for the construction of the Phase II Recycled Water On-Site Retrofits in project area Phase II West (B). Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.



**STAFF REPORT**

**To: Board of Directors  
Engineering Committee**

**Meeting Date: March 22, 2021**

**From: Bobby Young, Principal Engineer**

**Subject: Capital Project Status Report**

**I Phase II Recycled Water Distribution System Expansion Project**

The District received the remaining \$86,297.25 from MET for the Phase II West (A) sites. An estimate of the Phase II West (B) sites has been included. A quick summary of the Phase II expenses and rebates is provided below.

<b>Phase II Area</b>	<b>Contractor Expenses</b>	<b>MET Rebates Received</b>	<b>MWDOC Rebates Received</b>	<b>MET Rebates Pending</b>	<b>MWDOC Rebates Pending</b>
East	\$188,949.75	\$104,052.00	\$27,995.10	\$0	\$0
West A	\$324,505.20	\$143,539.50	\$0	\$0	<i>unknown</i>
West B	\$140,241.97	\$0	\$0	\$40,129.87	<i>unknown</i>
<b>Total</b>	<b>\$653,696.92</b>	<b>\$247,591.50</b>	<b>\$27,995.10</b>	<b>\$40,129.87</b>	

The Phase II West (B) sites were re-submitted to the Division of Drinking Water (DDW) and Orange County Environmental Health (OCEH), addressing all comments. After a follow up tele-conference call, County staff requested new changes to help clarify further questions. Staff anticipates approval within the next two weeks.

**II Caltrans I-5 Widening Project**

The District’s utility relocation construction efforts have been completed and reviewed by Caltrans. The District paid its contractor for all applicable work to date. Staff submitted invoices covering the work to Caltrans for payment. Staff continues to monitor and assist with other freeway expansion work that may impact District facilities.

The next phase of construction for the District’s relocation efforts is scheduled for October 2021. The Caltrans Contractor and construction management team has been in contact with the District regarding the next phase of work.

### **III                   Oso Lift Station Improvement Project**

Construction continues with major activities described as follows: wet well connections and overflow line openings have been drilled out and placed, electrical conduits have been installed and concrete encased, and AT&T wiring and the water meters have been reset to allow for the new expanded wall foundation. The current project completion date is scheduled for summer of 2021 and the project remains on schedule at this time.



<b>Project Milestone</b>	<b>Date</b>
Start of Onsite Construction Activities	November 2, 2020
Anticipated End of Construction	July 2021

In mid-February, at the start of bird nesting season, a biological monitor performed a bird nesting survey as part of the Mitigation and Monitoring Reporting Plan (MMRP) for CEQA compliance. The State approved mitigation measure is to perform a California Gnatcatcher survey within 300-ft of the construction site. The biological monitor surveyed an area 500-ft around the site and did not find any nesting nor other activities of the California gnatcatcher.



Since the project is in the middle of heavy construction, the Environmental Analyst concluded that the District is in compliance with the mitigation measure, throughout the nesting season and remainder of construction.



As with all construction projects, there can be many unknowns uncovered throughout the excavation and installation process. Staff has worked closely with the Contractor to identify and resolve conflicts due to unforeseen conditions and minor design discrepancies, and to determine the appropriate level of responsibility and ultimately costs. Several minor Potential Change Orders have come up throughout the project and staff intends to address them all in one change order document.

The financial summary of the project is as follows:

	<b>Contract Amount</b>	<b>Billed to Date</b>
Total Contract Bid Amount	\$1,954,236	\$ 887,247
Approved Change Orders	\$ 87,147	\$ 87,147
Specialty Inspections (Env., Geotech)	\$ 15,875	\$ 8,460
Eng. Services During Construction	\$ 84,000	\$ 55,810
Legal Services / Quiet Title Action	\$ 46,847	
Contingency	\$ 100,131	\$ 0
<b>Total</b>	<b>\$2,288,236</b>	<b>\$ 1,038,664</b>



**IV R-6 Reservoir Floating Cover Design – Request For Proposals**

Staff solicited proposals from Consultants by utilizing the Planet Bids network of nation-wide firms. Staff will continue with the selection process with inclusion of the Reservoir partners for review and feedback. Staff is expected to bring a design contract award recommendation to the Board in April.

**V Irvine Ranch Water District Flow Study – LAW RP**

Staff was approached by IRWD to discuss planning level analysis for IRWD’s upcoming Los Alisos Water Reclamation Plant Reconstruction project. IRWD is requesting to study how much flow the District could potentially accommodate during a bypass scenario. The first step is to perform flow monitoring, which is currently taking place in a cooperative effort between District and IRWD staff.

**VI East Orange County Feeder No. 2 / Joint Transmission Main Turnout**

The Joint Transmission Main was out of service for several weeks for a maintenance project and has recently been restored to normal operations. Staff is resuming the field testing to evaluate the hydraulics associated with the existing connection to the Joint Transmission Main.



**F.Y. 2020/21 CAPITAL REPLACEMENT AND REFURBISHMENT PROGRAM BUDGET ITEMS > \$50,000  
BOARD APPROVAL SCHEDULE**

Project Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Estimate	Board Approved Cost	
<i>2020/21 Capital Projects (reference number corresponds with Approved Budget item numbers)</i>															
1	R-2 Reservoir Interior Recoating		E	E	E	E	E	E	E	E	B	A	C	\$262,500	
2	R-2 Reservoir Exterior Recoating		E	E	E	E	E	E	E	E	B	A	C	\$80,000	
5	4920 Siphon Stabilization											E		\$150,000	
6	WRP Main Electrical Power Breaker Upgrade								ET	ET	B	A		\$80,000	
10	Main Office / Field Office HVAC Replacement & Improvement Project	ET	E	E	E	P	P	P	P	B	A	C	C	\$240,000	
<i>2020/21 Capital Equipment (reference number corresponds with Approved Budget item numbers)</i>															
1	La Paz MCC and PLC Upgrade - Engineering	ET	ET	ET										\$140,000	
2	Aeration Basin No. 1 Diffusers	E	E						B	A	C	C	C	\$170,000	
4	Effluent Pump Station Pump Replacement								E	E	E	B	A	\$100,000	
<i>Carryover</i>															
	Oso Lift Station Improvement Project	C	C	C	C	C	C	C	C	C	C	C	C	\$2,950,432	\$2,288,236
	Grit Chamber Rehab/Re-Coating			E	E	E	E	E	E	E	E	B	A	\$85,000	
	OOPS Emergency Generator Replacement	E	E	E	E	E	B	A	C	C	C	C	C	\$220,000	\$414,523
	R-6 Floating Cover Replacement Project								RFP	ET	A	E	E		
	Caltrans Widening Utility Relocations	C	C	C	C										\$769,777
	Clarifier No. 3 and 4 Scum Pump Station										B	A		\$80,000	
	Master Plan Update	RFP	RFP											\$350,000	
													<b>Total</b>	<b>\$4,907,932</b>	<b>\$3,472,536</b>

E = Engineering/Study  
C = Construction  
O = Order  
N = Negotiate

R = Receive  
P = Permit  
CQ = CEQA  
CO = Carry Over

RFP = Request for Proposal  
B = Bid  
A = Approve by Board  
L = Legal

ET = Evaluate  
M = Monitoring  
BP = Board Presentation

MINUTES OF THE REGULAR MEETING  
OF THE  
FINANCE & INSURANCE COMMITTEE

February 22, 2021

At approximately 7:30 a.m. President Gaskins called the regular meeting to order via Zoom.

Director Vergara led the Pledge of Allegiance to the flag.

Committee Members JOSE F. VERGARA, MARK MONIN, KATHRYN FRESHLEY, MIKE GASKINS, and KAY HAVENS participated.

Also participating were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, JASON HAYDEN, CFO, GILBERT J. GRANITO, General Counsel, SCOTT HOPKINS, Operations Superintendent, BOBBY YOUNG, Principal Engineer, MIKE MIAZGA, IT Manager, CAROL MOORE, Laguna Woods City Council member, KEITH STRIBLING, HIGHMARK Representative, and POLLY WELSCH, Recording Secretary.

Oral Communications/Public Comments

There were no comments.

Items Received too Late to be Agendized

President Gaskins asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Finance and Insurance Committee Meeting

Director Havens called the Finance and Insurance meeting to order.

Consent Calendar

Director Havens asked for a Motion.

Motion: Director Vergara made a motion, seconded by Vice President Freshley and unanimously carried across the Board to approve the Consent Calendar.

Roll Call Vote:

Director Havens	aye
Vice President Freshley	aye
Director Vergara	aye
President Gaskins	aye
Director Monin	aye

Quarterly Review of the District's 401(k) Retirements Savings Plan

Mr. Stribling reviewed the District's 401(k) Retirement Savings Plan with staff and the Board members.

Mr. Stribling reported that it was a good quarter with positive performance on all accounts, and good on the absolute and relative basis.

Mr. Stribling reported that Value had a recovery, and Small Cap had a phenomenal quarter, while some of the Alternative Funds are still struggling a bit.

Mr. Stribling stated the economic risks for the prior quarter included the lack of a new stimulus package, election drama, and Chinese trade tensions, however the market was able to overcome these challenges and moved higher. He further stated that the availability of COVID-19 vaccines are also helping to stimulate the economy.

Director Havens asked if there are any directional changes for the coming year for the portfolio. Mr. Stribling replied yes, some of the central banks are attempting to achieve wage inflation and this may cause overall inflation to move higher and he is therefore re-positioning the portfolios for potentially increasing interest rates and rising inflation.

Mr. Hayden stated that he noticed in the report that HighMark has moved away from the AQR Style Premium Alternative Fund, and asked what process they used to move away from this underperforming fund. Mr. Stribling replied that this fund is still being used at the firm, but it has been a real struggle and is still underperforming and he therefore chose to remove this fund from the ETWD portfolios.

At approximately 7:35 a.m. Mr. Stribling left the meeting.

### Financial Action Items

#### Financial Package – Authorization to Approve Bills for Consideration dated February 22, 2021 and Receive and File Financial Statements as of January 31, 2021

Mr. Hayden stated that on page 4, Summary of Investments, Mr. Richard Babbe of CAMP has started implementing the strategy that the Board instructed him to do a few months ago, and therefore a number of investments were made in January 2021. He further stated that the U.S. Treasuries have gone up to \$1.9 million from \$1.2 million at the end of December, and the Corporate Bonds have gone up from \$415,000 to \$525,000 at the end of December.

Mr. Hayden stated that on page 9, Receivables Ageing, continue to increase which will have a corresponding increase in Bad Debts. Mr. Hayden further stated that when we get into the budget process, we will budget more in this area due to the economy and the pandemic.

Mr. Hayden stated that on page 11, Income Statement, results from July 2020 – January 2021, are approximately the same as we were last year at the same time, so Revenues are trending where we should be.

Director Vergara asked if there is any movement in water districts applying for help for bills that are not being paid. Mr. Cafferty replied that there is a continuing effort to encourage the legislature to include water agencies in some of the relief funds

available, but thus far we haven't had access to any of the funds, and CSDA is working on another bill clarifying that water agencies are impacted as well. Mr. Hayden added that ETWD has responded to some surveys on this as well.

Vice President Freshley asked on page 6, Change in Reserves, she suggests that under "New Cash Provided by Operating Activities", when it's a negative number, indicate that we are taking cash out or where it's coming from.

Director Havens referred to page 9 of the Aged Receivables, and asked if we have a way of seeing who is trying to pay their bill. Mr. Hayden replied that Customer Service does work with customers on working out a way to pay their bill.

Mr. Cafferty stated that we have money in LAIF and the balance invested in various individual security investments, and the question is how much money do we need to have in LAIF. He further stated that when we update our Cash Reserve Policy we will review whether or not to include a liquidity requirement in the policy.

Mr. Cafferty stated that staff will also follow up on the Cal Trust option which has a 1-3 year investment fund that is similar to the type of investments PFM (Richard Babbe) are making on behalf of the District in the CAMP account, and they also have a Money Market but they use LAIF as their benchmark.

Director Monin stated that he is in favor of Cal Trust which could be a good diversification tool, and the Bond market should be monitored. He further stated that Black Rock runs the Cal Trust funds.

Director Vergara asked if staff could prepare a report on the benefits of using Cal Trust so the Board could get a better understanding.

Mr. Granito asked if the investment managers at Cal Trust and Black Rock are acting in a fiduciary role. Mr. Hayden stated that he will obtain additional information on this and include it in the report next month.

Vice President Freshley stated that she agrees that we should review using Cal Trust but cautioned about investing in too many funds because this increases the work for staff who are required to monitor these investments.

President Gaskins stated that his understanding is that our job is not to be investors for profit but rather to ensure the safety of the investments as the first priority.

Director Havens asked for a Motion.

Motion: Vice President Freshley made a Motion, seconded by President Gaskins and unanimously carried across the Board to approve, ratify, and confirm payment of those bills as set forth in the schedule of bills for consideration dated February 22, 2021, and receive and file the Financial statements for the period ending January 31, 2021.

Roll Call Vote:

Director Havens	aye
Vice President Freshley	aye
Director Vergara	aye
President Gaskins	aye
Director Monin	aye

Financial Information Items

Tiered Water Usage and Revenue Tracking

There were no comments.

2021/22 Fiscal Year Budget Preparation and Tentative Schedule Status Report

Mr. Cafferty stated that staff has reached out to the Board members and Budget Committee #1, Budget Committee #2, and the Board Budget Workshop dates work for everyone.

Comments Regarding Non-Agenda FIC Items

There were no comments.

Close Finance and Insurance Committee Meeting

There being no further business the Finance Committee meeting was adjourned at approximately 8:10 a.m.

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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MIKE GASKINS, President  
of the El Toro Water District and the  
Board of Directors thereof

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DENNIS P. CAFFERTY, Secretary  
of the El Toro Water District and the  
Board of Directors thereof



EL TORO WATER DISTRICT  
FINANCIAL REPORT  
March 22, 2021

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**EL TORO WATER DISTRICT  
BALANCE SHEET**

	<b>2/28/21 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$1,068,657	\$2,718,968
Investments:		
Investments Cash	6,526,258	7,863,284
Investments FMV Adjustment	77,101	99,832
Receivables:		
Accounts Receivable	3,906,155	2,706,924
Inventories	688,772	698,779
Prepaid Expenses	375,285	173,851
<b>Total Current Assets</b>	<b>\$12,642,227</b>	<b>14,261,637</b>
<b>Restricted Assets</b>		
Cash & Investments	10,269,596	10,423,655
<b>Total Restricted Assets</b>	<b>10,269,596</b>	<b>10,423,655</b>
<b>Non-Current Assets</b>		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	122,107,134	121,567,548
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,907,153	34,871,067
<b>Total Utility Plant</b>	<b>171,051,961</b>	<b>170,476,289</b>
Less Accumulated Depreciation & Amortization	<b>(82,702,899)</b>	<b>(79,832,055)</b>
<b>Net Utility Plant</b>	<b>88,349,063</b>	<b>90,644,235</b>
Construction Work in Progress	2,266,021	793,303
Deffered Outflow OPEB	3,634,674	3,634,674
<b>Total Non-current Assets</b>	<b>94,249,758</b>	<b>95,072,212</b>
<b>TOTAL ASSETS</b>	<b>\$117,161,581</b>	<b>\$119,757,504</b>

**EL TORO WATER DISTRICT  
BALANCE SHEET**

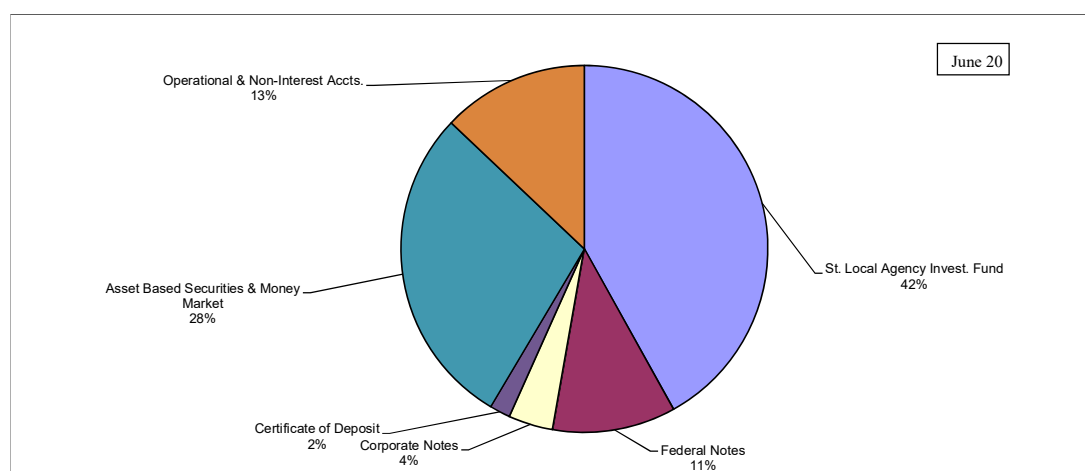
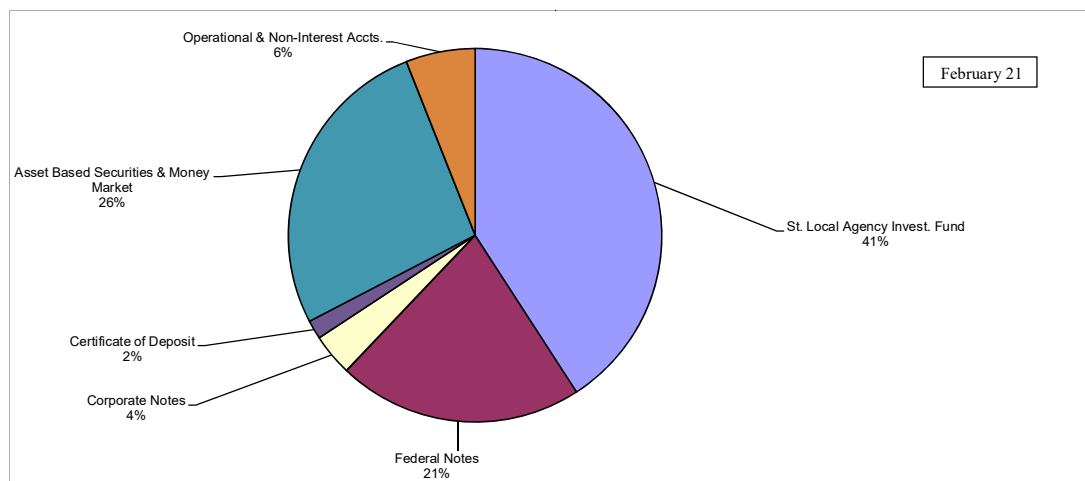
	<b>2/28/21 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
<b>LIABILITIES and EQUITY</b>		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,146,145	\$2,106,030
Current Portion of Long-Term Debt	426,020	2,203,943
Other Current Liabilities	1,978,196	2,116,800
 Total Current Liabilities Payable		
From Current Assets	3,550,361	6,426,773
 Long Term Debt		
Long Term Debt	50,591,444	50,591,444
 Total Long Term Debt	50,591,444	50,591,444
 Total Liabilities	54,141,805	57,018,217
 Fund Equity		
Retained Earnings - Reserved	17,034,893	17,034,893
Contributed Capital	8,744,767	8,744,767
Retained Earnings - Unreserved	36,959,626	38,773,389
Net Income	280,490	(1,813,763)
Total Fund Equity	63,019,776	62,739,286
 Total Liabilities & Fund Equity	\$117,161,581	\$119,757,504

**CASH & INVESTMENTS (General Fund)**  
**SUMMARY OF INVESTMENTS BY TYPE**

	Maturity Dates	Par	Market Value 2/28/21	Financial Institution	YTM 2/28/21	Original Cost 2/28/21
State Local Agency Investment Fund	NA	NA	\$7,269,164	LAIF	0.41%	\$7,269,164
US Treasury N/B - Coupon Rate 2.000%	5/31/2021	490,000	492,373	US Bank/CAMP	2.62%	481,272
US Treasury N/B - Coupon Rate 0.125%	11/30/2022	400,000	400,000	US Bank/CAMP	0.11%	400,109
US Treasury N/B - Coupon Rate 0.125%	12/31/2022	400,000	400,000	US Bank/CAMP	0.11%	400,125
US Treasury N/B - Coupon Rate 0.125%	1/31/2023	400,000	399,938	US Bank/CAMP	0.11%	400,141
US Treasury N/B - Coupon Rate 0.250%	6/15/2023	400,000	400,625	US Bank/CAMP	0.14%	401,047
US Treasury N/B - Coupon Rate 0.125%	7/15/2023	400,000	399,375	US Bank/CAMP	0.14%	399,828
Intl Finance Corporation Note - Coupon Rate 2.635%	3/9/2021	90,000	90,044	US Bank/CAMP	2.66%	89,933
Inter-American Dev Bank Note - Coupon Rate 1.875%	3/15/2021	200,000	200,119	US Bank/CAMP	2.56%	196,046
Inter-American Dev Bank Note - Coupon Rate 2.625%	4/19/2021	70,000	70,226	US Bank/CAMP	2.70%	69,846
CA ST TXBL GO Bonds- Coupon Rate 2.800%	4/1/2021	100,000	100,216	US Bank/CAMP	2.80%	100,004
NJ TPK Auth -B- Txbl Muni Bond - Coupon Rate 0.897%	1/1/2025	20,000	19,848	US Bank/CAMP	0.90%	20,000
FNA 2018-M5 A2- Coupon Rate 3.560%	9/1/2021	8,931	9,013	US Bank/CAMP	2.93%	9,109
FHMS K724 A2 - Coupon Rate 3.062%	11/1/2023	60,000	63,753	US Bank/CAMP	0.58%	64,052
FHMS K133 A1 - Coupon Rate 0.440%	12/25/2025	15,000	14,659	US Bank/CAMP	0.44%	15,000
Federal Farm Credit Bank Note - Coupon Rate 0.125%	2/3/2023	230,000	229,779	US Bank/CAMP	0.15%	229,871
Freddie Mac Notes - Coupon Rate 0.250	11/6/2023	250,000	249,910	US Bank/CAMP	0.23%	250,140
Fannie Mae Notes - Coupon Rate 0.250	11/27/2023	250,000	249,908	US Bank/CAMP	0.24%	250,107
Federal Notes		3,783,931	3,789,787			3,776,630
National Rural Util Coop - Coupon Rate 2.900%	3/15/2021	35,000	35,037	US Bank/CAMP	2.94%	34,961
United Parcel Service Corporate Bond - Coupon Rate 2.050%	4/1/2021	90,000	90,132	US Bank/CAMP	2.10%	89,858
Pepsico Inc. Corp. Note - Coupon Rate 2.000%	4/15/2021	30,000	30,040	US Bank/CAMP	2.01%	29,994
Hershey Company Corp. Note - Coupon Rate 3.100%	5/15/2021	40,000	40,237	US Bank/CAMP	3.12%	39,972
American Express Co. - Coupon Rate 3.375%	5/17/2021	45,000	45,168	US Bank/CAMP	3.38%	44,992
Charles Schwab Corp. Corp. Notes - Coupon Rate 3.250%	5/21/2021	55,000	55,188	US Bank/CAMP	3.25%	54,998
Caterpillar Fin. Ser. Corp. Notes - Coupon Rate 0.250%	3/1/2023	65,000	64,921	US Bank/CAMP	0.29%	64,944
Toyota Motor Credit Corp Corporate Note - Coupon Rate 0.450%	1/11/2024	70,000	70,025	US Bank/CAMP	0.45%	69,996
Morgan Stanley Corp Notes - Coupon Rate 0.529%	1/25/2024	55,000	54,985	US Bank/CAMP	0.53%	55,000
PACCAR Financial Corp Corporate Note - Coupon Rate 0.350%	2/2/2024	65,000	64,800	US Bank/CAMP	0.39%	64,925
National Rural Util Coop Corporate Note - Coupon Rate 0.350%	2/8/2024	25,000	24,955	US Bank/CAMP	0.37%	24,983
Goldman Sachs Corp Notes - Coupon Rate 4.000%	3/3/2024	40,000	43,949	US Bank/CAMP	0.69%	44,062
JPMorgan Chase & Co Corp Note Call - Coupon Rate 0.563%	2/16/2025	30,000	29,924	US Bank/CAMP	0.56%	30,000
Corporate Notes		645,000	649,360			648,685
Royal Bank of Canada NY CD- Coupon Rate 3.240%	6/7/2021	100,000	100,882	US Bank/CAMP	3.24%	100,000
Barclays Bank PLC NY CD- Coupon Rate 0.290%	2/4/2022	190,000	190,072	US Bank/CAMP	0.29%	190,000
Certificate of Deposit		290,000	290,955			290,000
JDOT 2018-A A3 - Coupon Rate 2.660%	4/15/2022	501	502	US Bank/CAMP	2.66%	501
Hart 2018-A A3 - Coupon Rate 2.790%	7/15/2022	8,093	8,132	US Bank/CAMP	2.79%	8,092
MBart 2018-1 A3 - Coupon Rate 3.030%	1/15/2023	20,088	20,271	US Bank/CAMP	3.03%	20,087
MBalt 2021-1 A3 - Coupon Rate 0.250%	1/16/2024	15,000	14,995	US Bank/CAMP	0.25%	14,998
Fordl 2021-A A3 - Coupon Rate 0.260%	2/15/2024	25,000	24,991	US Bank/CAMP	0.26%	24,997
GMALT 2021-1 A3 - Coupon Rate 0.260%	2/20/2024	30,000	29,989	US Bank/CAMP	0.26%	29,997
Harot 2021-A A3 - Coupon Rate 0.270%	4/21/2025	25,000	24,960	US Bank/CAMP	0.27%	25,000
Fordo 2021-A A3 - Coupon Rate 0.300%	8/15/2025	30,000	29,951	US Bank/CAMP	0.30%	29,997
GMCAR 2021-1 A3 - Coupon Rate 0.350%	10/16/2025	15,000	15,001	US Bank/CAMP	0.35%	14,998
Carmx 2021-1 A3 - Coupon Rate 0.340%	12/15/2025	15,000	14,969	US Bank/CAMP	0.34%	14,997
CAMP Money Market Fund	NA	NA	4,551,100	US Bank/CAMP	0.10%	4,551,100
Asset Based Securities & Money Market		183,682	4,734,861			4,734,765
Total Camp Investments		4,902,614	9,464,962			9,450,080

Operational & Non-Interest Bearing Accounts

ETWD General Cash Account	NA	NA	1,065,062	Union Bank of Cal.	0.00%	1,065,062
ETWD Capital Facilities Reserve Account	NA	NA	2,895	Union Bank of Cal.	0.00%	2,895
ETWD Payroll Account	NA	NA	0	Union Bank of Cal.	0.00%	0
ETWD Petty Cash Account	NA	NA	700	Union Bank of Cal.	0.00%	700
Operational & Non-Interest Accts.			1,068,657			1,068,657
			<b>\$17,802,782</b>	<b>Total Investments &amp; Cash</b>		<b>\$17,787,900</b>



**LIQUIDITY**

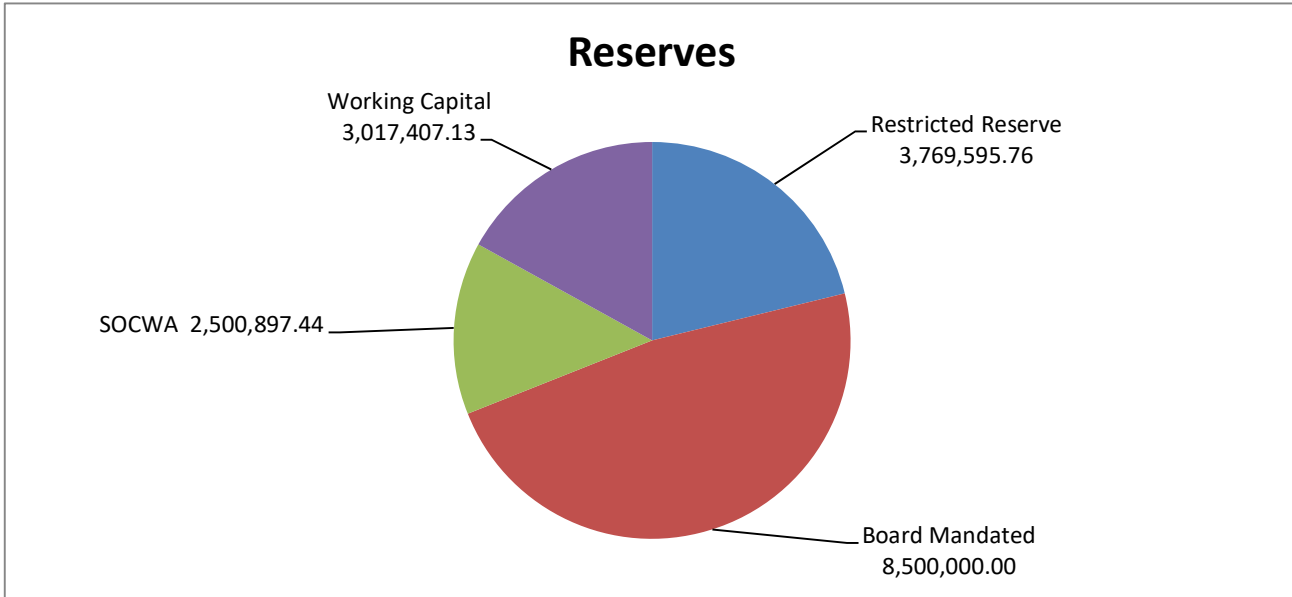
	February 28, 2021		June 30, 2020	
	\$	%	\$	%
DEMAND	\$ 12,888,921	72.87%	\$ 17,297,570	82.35%
30 Days	\$ 320,940	1.81%	\$ -	0.00%
31-180 Days	\$ 910,937	5.15%	\$ 1,310,976	6.24%
181 - 360	\$ 199,109	1.13%	\$ 2,053,566	9.78%
361-1800 Days	\$ 3,367,994	19.04%	\$ 341,855	1.63%
TOTAL	\$ 17,687,900	100.00%	\$ 21,003,967	100.00%

\* The portfolio is in compliance with the investment policy.

\*\* PFM Investment Advisory Services (10bp on first \$25 mm, 8bp over)

\$ 480.91 for January 2020

**EL TORO WATER DISTRICT  
RESERVE ANALYSIS  
28-Feb-21**



Restricted Reserve	\$	3,769,596
Board Mandated	\$	8,500,000
SOCWA	\$	2,500,897
Capital Cash Flow / Compliance	\$	3,017,407
<b>Total</b>	<b>\$</b>	<b>17,787,900</b>

**Restricted Reserve**

SRFL-Recycled Phase I	\$	1,602,958
SRFL-Recycled Phase II	\$	409,046
Capital Facilities Reserve	\$	2,895
Tiered Cons Fund	\$	1,344,664
Baker Funding	\$	410,033
<b>Total</b>	<b>\$</b>	<b>3,769,596</b>

**Board Mandated Minimum Reserve Levels**

Capital Construction	\$	3,000,000
Rate Stabilization	\$	2,200,000
Operations	\$	1,300,000
Working Capital	\$	2,000,000
<b>Total</b>	<b>\$</b>	<b>8,500,000</b>

Six months operating expense requirement:	\$12,800,791
Cash less restricted reserve on hand:	\$14,018,305

ETWD has the ability to meet its expenditure requirements for the next six months.

## EL TORO WATER DISTRICT CHANGE IN RESERVES

	<u>February 28, 2021</u>	<u>Year to Date</u>	<u>Year Ended June 30, 2020</u>
Operating Revenue	1,833,753	17,352,473	24,886,981
Non-operating Revenue	110,827	1,158,324	2,057,794
Total Revenue	<u>1,944,580</u>	<u>18,510,797</u>	<u>26,944,775</u>
Operating Expenses	1,663,905	14,855,031	23,497,422
Depreciation & Amortization	358,855	2,870,844	4,483,605
Non-operating Expenses	63,054	504,432	777,511
Total Expenses	<u>2,085,814</u>	<u>18,230,307</u>	<u>28,758,539</u>
NET INCOME	(141,234)	280,490	(1,813,763)
Add Depreciation & Amortization	358,855	2,870,844	4,483,605
Net Cash Provided by Operating Activities	777,345	(4,113,013)	2,477,046
Net Cash Provided by Investing Activities	(567,181)	(2,048,390)	(1,447,543)
Net Cash Provided by Financing Activities	-	-	(855,860)
Net Increase/(Decrease) Cash for the Period	<u>427,786</u>	<u>(3,010,069)</u>	<u>2,843,484</u>
Cash at End of Period from Balance Sheet		7,672,015	
Restricted Cash		10,269,596	
Unrealized (Gains)/Losses Fair Market Value		<u>(77,101)</u>	
Cash at End of Period		17,864,510	
Net (Increase)/Decrease Cash for the Period		(427,786)	
Net (Increase)/Decrease in Restricted Cash for the Period		572,661	
Net Increase/(Decrease) in Unrealized Gains/(Losses) Fair Market Value		(6,523)	
Void Checks in Prior Period			
Cash at Beginning of Period		<u>18,002,862</u>	

**EL TORO WATER DISTRICT**  
**Cash Sheet**  
**For the month ending February 28, 2021**

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
90107	02/11/2021	J.R. FILANC CONSTRUCTION CO., INC.	516,094.47
90075	02/04/2021	MUNICIPAL WATER DISTRICT OF ORANGE CO.	442,584.58
90094	02/11/2021	ACWA HEALTH BENEFITS AUTHORITY	133,105.54
90181	02/25/2021	SO. CALIFORNIA EDISON CO.	86,758.82
90074	02/04/2021	MOULTON NIGUEL WATER DISTRICT	71,255.80
<b>TOTAL CHECKS OVER \$50,000</b>			<b>\$ 1,249,799.21</b>
<b>TOTAL CHECKS IN REGISTER</b>			<b>\$ 1,585,310.60</b>

**DEBIT TRANSFERS**

02/12/2021	PAYROLL DIRECT DEPOSIT	141,004.74
02/12/2021	FEDERAL DEPOSIT LIABILITY	30,714.86
02/12/2021	SDI & STATE TAX	12,467.80
02/12/2021	WAGE GARNISHMENTS	585.00
02/12/2021	PRUDENTIAL (401K)	51,762.22
02/12/2021	PRUDENTIAL (457)	16,485.66
01/15/2021	PAYROLL BOARD OF DIRECTOR	6,272.87
01/15/2021	SS, MEDICARE, SDI & STATE TAX	1,946.96
01/15/2021	PRUDENTIAL (457)	2,788.97
02/26/2021	PAYROLL DIRECT DEPOSIT	141,004.74
02/26/2021	FEDERAL DEPOSIT LIABILITY	29,741.29
02/26/2021	SDI & STATE TAX	12,022.27
02/26/2021	WAGE GARNISHMENTS	585.00
02/26/2021	PRUDENTIAL (401K)	50,759.80
02/26/2021	PRUDENTIAL (457)	16,404.36
02/28/2021	ADP AND BANK FEES	6,121.29
<b>TOTAL INTERBANK WIRES / DEBIT TRANSFERS</b>		<b>\$ 520,667.83</b>
<b>TOTAL DISBURSEMENTS</b>		<b>\$ 2,105,978.43</b>

**REIMBURSEMENTS TO ETWD EMPLOYEES**

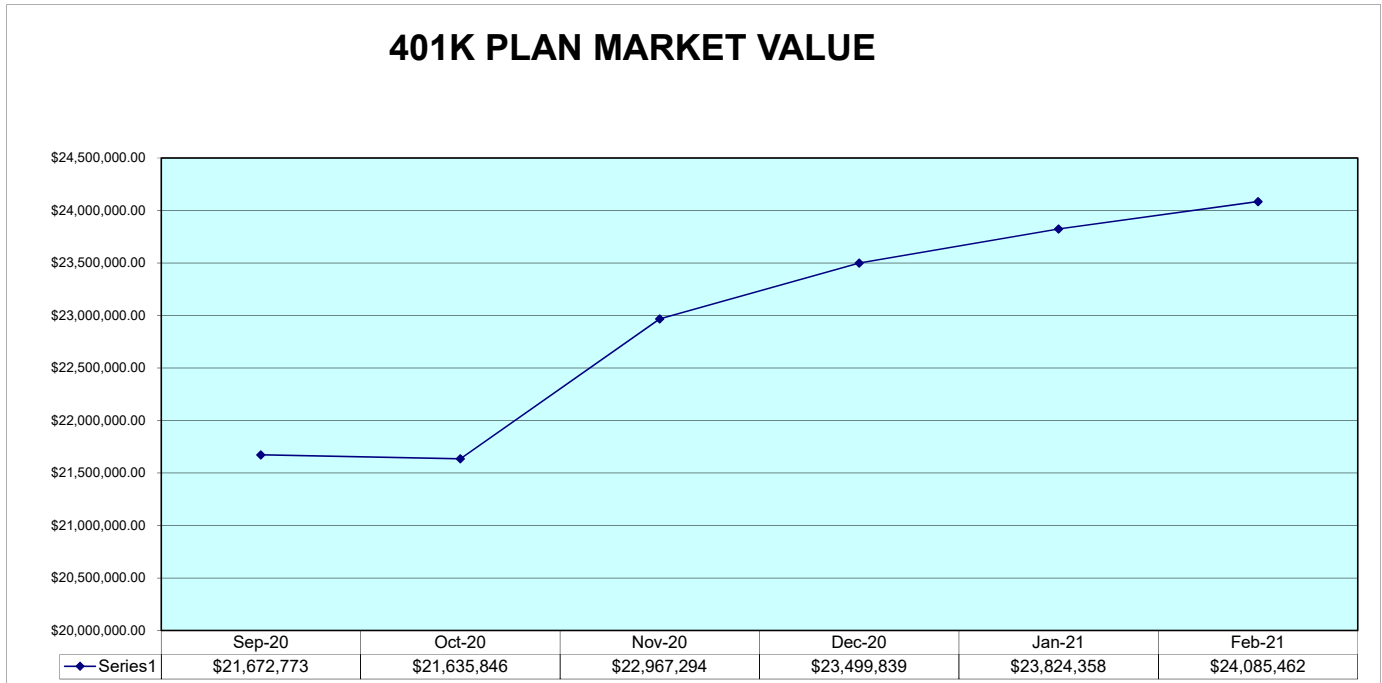
CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
90111	02/11/2021	PAUL GIORDANO (Work boots)	300.00
90116	02/11/2021	RICK BROWN (Work boots)	246.57
90167	02/18/2021	WILLIAM WESSON (Education tuition)	169.00
90193	02/25/2021	YESENIA OCAMPO (Education tuition)	169.00
90127	02/11/2021	VICKI TANIOUS (Office supplies)	89.25
90119	02/11/2021	SCOTT HOPKINS (On-line class)	25.00
<b>TOTAL CHECKS TO EMPLOYEES</b>			<b>\$ 998.82</b>

**REINBURSEMENTS TO ETWD DIRECTORS**

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
No Activity			
<b>TOTAL CHECKS TO DIRECTORS</b>			<b>\$ -</b>

**EL TORO WATER DISTRICT**  
401K PLAN SUMMARY

**401K PLAN MARKET VALUE**

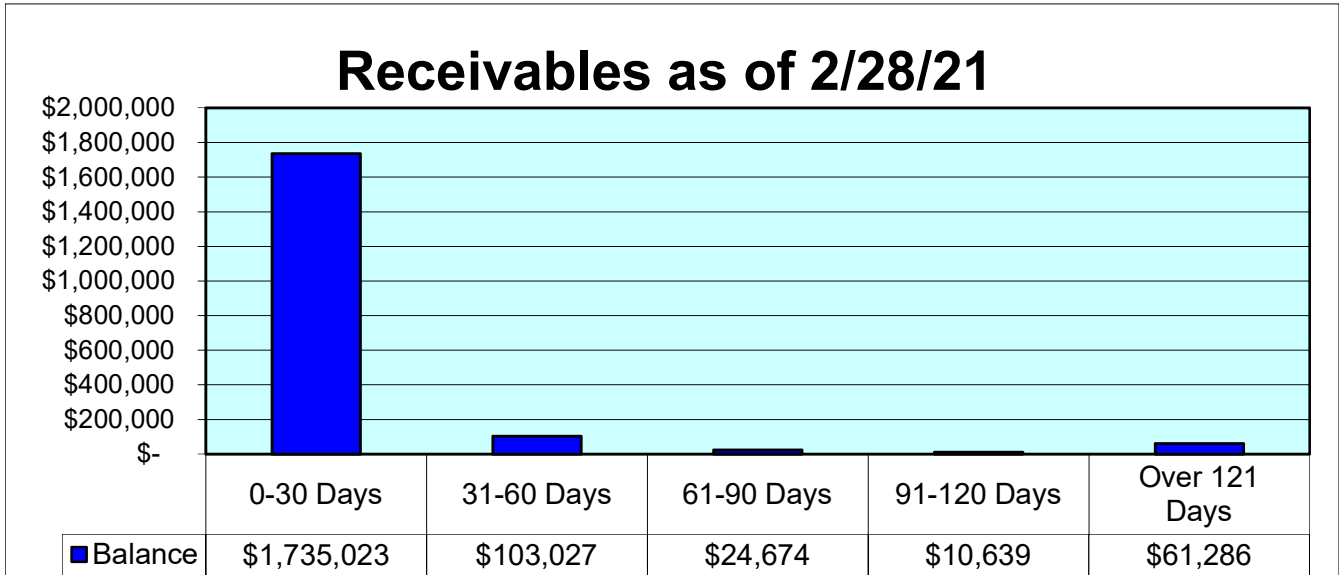


MARKET VALUE SUMMARY							
	Growth Under 40 yrs. Old	Capital Appreciation 40 to 44 yrs. Old	Balanced 45 to 49 yrs. Old	Balanced Income 50 to 54 yrs. Old	Income & Growth 55 to 59 yrs. Old	Income 60 to 64 yrs. Old	Capital Pres. Port Over 65 yrs. Old
Balance at July 1, 2020	\$ 1,792,144.51	\$515,185.81	\$1,342,947.76	\$5,031,746.61	\$7,076,815.63	\$4,137,005.60	\$987,489.23
Contributions	234,816.46	43,834.17	69,005.52	147,371.69	174,706.53	249,731.57	72,232.11
Withdrawals	0.00	0.00	0.00	0.00	(304,244.03)	(562,107.97)	(383,333.34)
Transfers	(233,311.03)	121,616.52	(791,692.87)	(307,035.64)	(242,151.66)	763,611.10	688,963.58
Interest, dividends and appreciation net of fees and charges	407,239.05	162,638.88	153,735.58	951,558.27	1,119,650.77	564,434.62	100,856.76
Balance at February 28, 2021	\$ 2,200,888.99	\$843,275.38	\$773,995.99	\$5,823,640.93	\$7,824,777.24	\$5,152,674.92	\$1,466,208.34
Average return YTD February 28, 2021	22.72%	31.57%	11.45%	18.91%	15.82%	13.64%	10.21%

Average return is calculated by dividing the interest, dividends and appreciation, net of fees by beginning fiscal year fund balance.

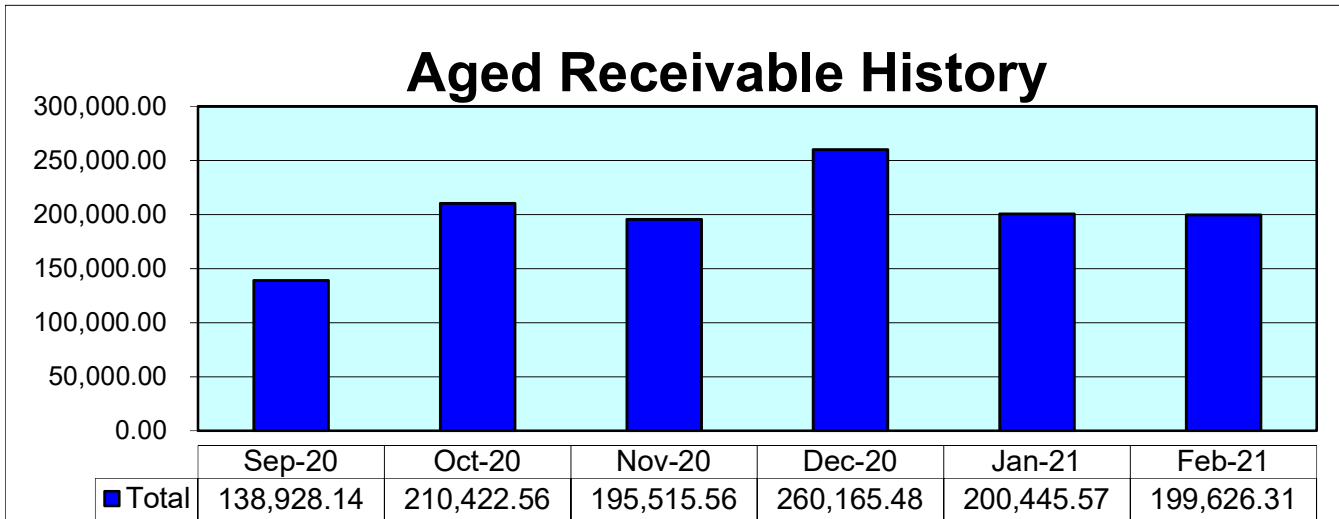


**RECEIVABLES AGEING**



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 121 Days
Feb-20	1,732,414	108,796	6,499	2,658	6,522

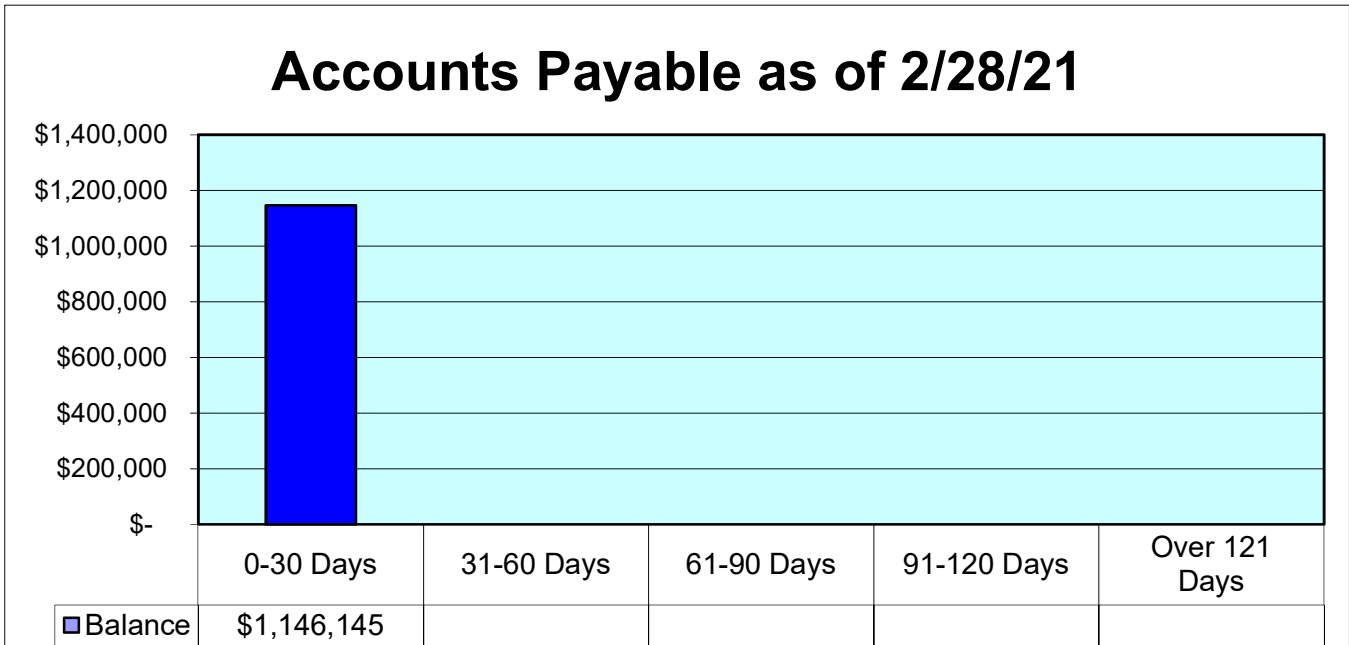
Bad Debts Year to Date: 9,879.62



Total receivables greater than 30 Days

	31-60 Days	61-90 Days	91-120 Days	Over 121 Days	Total
Sep-20	78,337.29	22,581.64	10,542.33	27,466.88	138,928.14
Oct-20	126,229.71	27,177.91	13,996.61	43,018.33	210,422.56
Nov-20	92,212.30	44,999.88	13,988.16	44,315.22	195,515.56
Dec-20	145,683.41	45,818.71	18,061.74	50,601.62	260,165.48
Jan-21	99,527.76	30,526.52	16,241.36	54,149.93	200,445.57
Feb-21	103,027.37	24,673.85	10,638.88	61,286.21	199,626.31

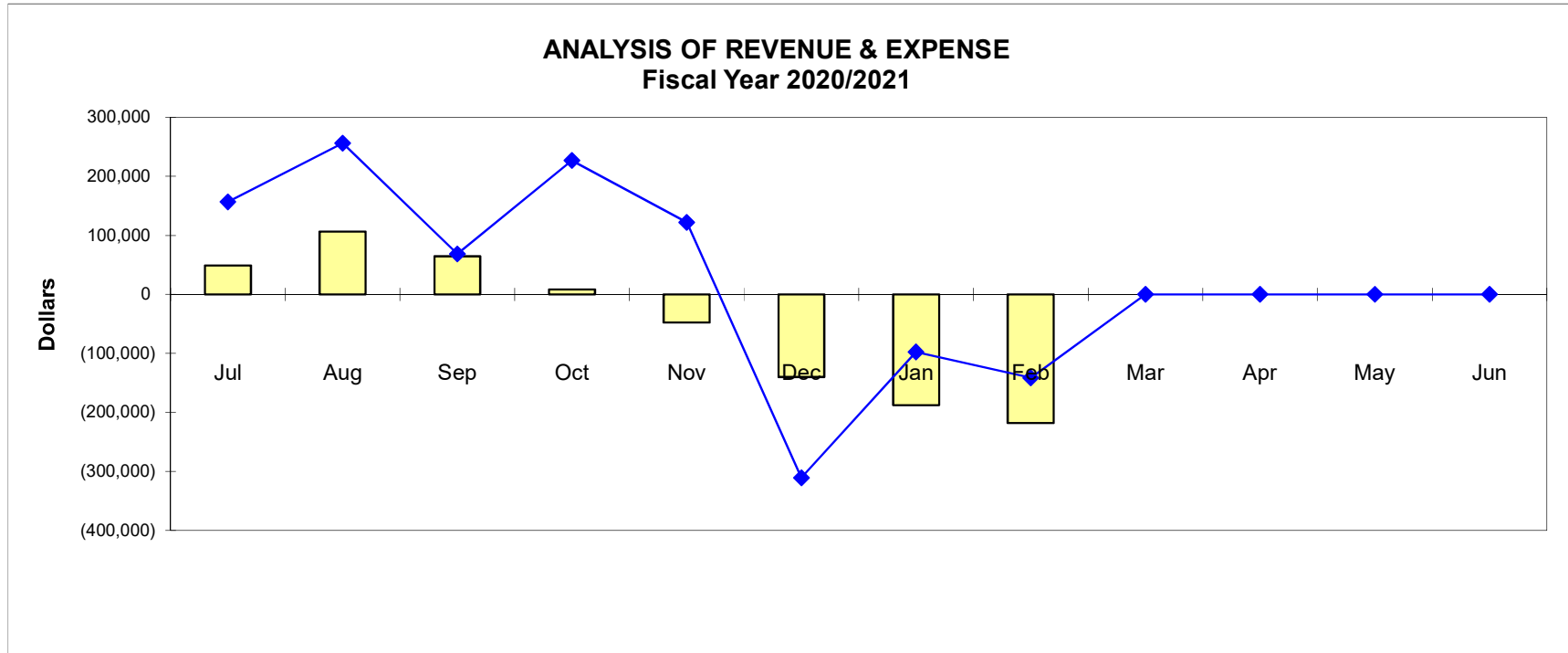
**PAYABLES AGEING**



Year to Date Discounts Taken:                     \$356

**Page 11**  
**EI Toro Water District**  
**Income Statement**  
**February 2021**

	<b>Feb 21</b>	<b>Budget</b>	<b>% of Budget</b>	<b>Jul '19 - Feb 20</b>	<b>Jul '20 - Feb 21</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>Income</b>								
4600 · Water Service Charge	322,100.03	318,682.25	101.07%	2,425,031.44	2,506,764.23	2,549,458.00	98.33%	3,824,187.00
4700 · Sanitary Service	607,360.18	647,916.67	93.74%	5,159,664.35	5,061,273.19	5,183,333.32	97.65%	7,775,000.00
4722 · Recycled Water Tertiary Sales	75,404.05	50,095.48	150.52%	912,476.02	1,158,893.78	1,241,334.58	93.36%	1,663,847.00
4724 · Service Charge - Recycled Water	26,827.55	28,017.25	95.75%	166,834.36	198,390.73	224,138.00	88.51%	336,207.00
4750 · Capital Facilities Charge	250,230.45	251,250.00	99.59%	2,004,857.73	2,003,289.13	2,010,000.00	99.67%	3,015,000.00
4800 · Commodity Charge	551,350.58	397,333.93	138.76%	5,981,599.28	6,402,016.99	6,026,098.24	106.24%	8,904,396.00
4950 · Other Operating Income	480.00	4,583.33	10.47%	37,037.48	10,844.79	36,666.68	29.58%	55,000.00
4960 · Other Income	25,838.70	45,104.17	57.29%	376,720.59	370,132.44	360,833.32	102.58%	541,250.00
4967 · SMWD	0.00	9,333.33	0.0%	90,807.84	0.00	74,666.68	0.0%	112,000.00
4970 · MNWD	0.00	1,958.34	0.0%	20,377.49	11,000.00	15,666.64	70.21%	23,500.00
4980 · Interest Income	2,583.98	29,166.67	8.86%	254,557.75	83,752.18	233,333.32	35.89%	350,000.00
4985 · Changes FMV CAMP	-6,523.07			24,014.57	-32,923.55			
4986 · Changes FMV LAIF	0.00			1,259.94	11,742.77			
4990 · Property Taxes	88,927.30	87,791.67	101.29%	646,312.86	725,619.89	702,333.32	103.32%	1,053,500.00
<b>Total Income</b>	<b>1,944,579.75</b>	<b>1,871,233.09</b>	<b>103.92%</b>	<b>18,101,551.70</b>	<b>18,510,796.57</b>	<b>18,657,862.10</b>	<b>99.21%</b>	<b>27,653,887.00</b>
<b>Gross Profit</b>	<b>1,944,579.75</b>	<b>1,871,233.09</b>	<b>103.92%</b>	<b>18,101,551.70</b>	<b>18,510,796.57</b>	<b>18,657,862.10</b>	<b>99.21%</b>	<b>27,653,887.00</b>
<b>Expense</b>								
5100 · Personnel Cost	624,584.30	715,783.08	87.26%	5,323,741.36	5,337,913.51	5,726,264.68	93.22%	8,589,397.00
5405 · Water Purchases	558,053.83	377,062.05	148.0%	5,152,261.13	5,499,349.51	5,325,339.67	103.27%	7,878,746.00
5410 · Electrical Power	91,244.79	93,616.65	97.47%	720,012.00	833,030.49	748,933.40	111.23%	1,123,400.00
5415 · Repair Parts & Materials	18,113.00	33,823.74	53.55%	207,334.17	176,747.42	270,590.04	65.32%	405,885.00
5420 · Equipment Maintenance & Repair	2,598.43	10,285.82	25.26%	108,373.39	65,160.80	82,286.72	79.19%	123,430.00
5425 · Pump Maintenance & Repair	0.00	8,291.67	0.0%	55,283.96	51,002.17	66,333.32	76.89%	99,500.00
5430 · Motor Maintenance & Repair	0.00	2,791.66	0.0%	8,730.77	9,429.96	22,333.36	42.22%	33,500.00
5440 · Electrical/Contl Maint & Repair	13,376.52	6,633.34	201.66%	34,744.68	53,689.39	53,066.64	101.17%	79,600.00
5445 · Meter Maintenance & Repair	0.00	487.50	0.0%	460.00	1,672.52	3,900.00	42.89%	5,850.00
5455 · Chemicals	12,132.24	18,225.01	66.57%	140,385.93	139,454.11	145,799.96	95.65%	218,700.00
5460 · Structure Maint & Repair	3,713.15	2,694.25	137.82%	34,815.86	34,432.07	21,554.00	159.75%	32,331.00
5465 · Asphalt Maintenance & Repair	10,825.00	6,916.67	156.51%	43,553.00	48,235.00	55,333.32	87.17%	83,000.00
5470 · Consultants	1,792.92	4,695.83	38.18%	52,822.79	13,613.52	37,566.68	36.24%	56,350.00
5475 · Contractors	93,321.45	97,997.16	95.23%	764,541.06	796,467.81	783,977.36	101.59%	1,175,966.00
5480 · Engineers	3,956.75	11,583.33	34.16%	58,893.90	124,560.89	92,666.68	134.42%	139,000.00
5482 · Dump Fees	94.53	1,500.00	6.3%	6,672.83	8,249.39	12,000.00	68.75%	18,000.00
5485 · Laboratory	8,871.71	2,408.33	368.38%	28,702.69	23,683.89	19,266.68	122.93%	28,900.00
5490 · License & Permits	2,445.31	15,025.50	16.27%	95,290.83	110,549.27	120,204.00	91.97%	180,306.00
5495 · Gas & Oil	5,067.44	8,750.00	57.91%	73,819.81	56,980.97	70,000.00	81.4%	105,000.00
5500 · Equipment Rental	655.69	1,675.00	39.15%	13,360.26	11,291.35	13,400.00	84.26%	20,100.00
5505 · Landscaping	8,887.56	13,669.85	65.02%	75,625.86	81,689.02	109,358.60	74.7%	164,038.00
5510 · Small Tools & Equipment	3,963.86	5,583.35	70.99%	45,474.61	31,167.98	44,666.60	69.78%	67,000.00
5515 · Security	0.00	1,587.94	0.0%	11,170.81	11,224.04	12,703.24	88.36%	19,055.00
5520 · Operating Supplies	2,687.65	4,688.33	57.33%	32,974.56	49,308.87	37,506.68	131.47%	56,260.00
5525 · Safety Equipment	5,881.47	2,999.99	196.05%	12,372.78	17,216.15	24,000.04	71.73%	36,000.00
5530 · Temporary Help	0.00	2,291.67	0.0%	17,112.00	0.00	18,333.32	0.0%	27,500.00
5535 · Other Employee Cost	2,730.09	9,250.00	29.51%	81,634.80	113,058.57	74,000.00	152.78%	111,000.00
5540 · Depreciation	358,285.00	408,333.33	87.74%	2,909,400.00	2,866,280.00	3,266,666.68	87.74%	4,900,000.00
5545 · Insurance	29,725.68	25,981.08	114.41%	336,647.83	217,445.49	207,848.68	104.62%	311,773.00
5548 · Retiree Medical Insurance	24,631.42	24,553.75	100.32%	22,222.20	186,931.18	196,430.00	95.16%	294,645.00
5555 · Advertising & Publicity	0.00	166.67	0.0%	960.00	6,200.00	1,333.32	465.01%	2,000.00
5560 · Amortization	570.49	570.83	99.94%	4,563.92	4,563.92	4,566.68	99.94%	6,850.00
5570 · Annual Event	0.00	500.00	0.0%	5,136.24	3,866.19	4,000.00	96.66%	6,000.00
5575 · Audit	0.00	2,141.67	0.0%	22,500.00	21,965.00	17,133.32	128.2%	25,700.00
5580 · Bad Debts	745.93	1,666.67	44.76%	6,258.63	9,879.62	13,333.32	74.1%	20,000.00
5585 · Bank Charges	6,121.29	5,250.00	116.6%	39,757.49	41,545.65	42,000.00	98.92%	63,000.00
5590 · Data Processing Supply & Access	526.51	2,083.34	25.27%	20,870.50	13,788.69	16,666.64	82.73%	25,000.00
5595 · Data Processing Equipment	1,013.19	2,500.00	40.53%	21,117.68	26,290.76	20,000.00	131.45%	30,000.00
5600 · Data Processing Consultants	0.00	3,333.33	0.0%	25,571.51	1,800.00	26,666.68	6.75%	40,000.00
5605 · Directors Fees	10,731.00	10,000.00	107.31%	78,302.00	84,096.00	80,000.00	105.12%	120,000.00
5610 · Dues & Memberships	8,458.34	7,278.33	116.21%	59,242.87	55,258.25	58,226.68	94.9%	87,340.00
5615 · Education & Training	463.00	2,833.33	16.34%	27,642.44	6,236.60	22,666.68	27.51%	34,000.00
5620 · Election Expense	0.00	2,916.67	0.0%	0.00	0.00	23,333.32	0.0%	35,000.00
5625 · Employee Service Awards	300.00	341.67	87.8%	2,328.93	3,150.00	2,733.32	115.24%	4,100.00
5630 · Software Maintenance & Licenses	54,117.18	13,416.67	403.36%	71,713.39	129,572.12	107,333.32	120.72%	161,000.00
5640 · Interest Expense	63,054.00	63,054.08	100.0%	524,972.96	504,432.00	504,432.68	100.0%	756,649.00
5645 · Janitorial	6,624.75	3,133.33	211.43%	25,055.00	53,053.00	25,066.68	211.65%	37,600.00
5650 · Legal	15,420.69	8,941.66	172.46%	102,515.92	103,794.94	71,533.36	145.1%	107,300.00
5655 · Meets, Conventions & Travel	710.00	3,250.00	21.85%	24,172.15	5,618.50	26,000.00	21.61%	39,000.00
5657 · Meets, Con & Travel - Directors	2,625.00	3,541.65	74.12%	21,574.98	5,963.00	28,333.40	21.05%	42,500.00
5660 · Office Supplies	307.98	1,650.00	18.67%	13,301.18	12,359.54	13,200.00	93.63%	19,800.00
5670 · Postage	282.71	1,708.33	16.55%	2,477.69	4,356.81	13,666.68	31.88%	20,500.00
5675 · Printing & Reproduction	4,681.94	1,550.00	302.06%	5,789.38	14,031.63	12,400.00	113.16%	18,600.00
5680 · Property Tax	0.90	716.67	0.13%	3,870.56	3,976.08	5,733.32	69.35%	8,600.00
5685 · Public Education & Outreach	4,943.87	15,391.67	32.12%	60,463.01	53,353.93	123,133.32	43.33%	184,700.00
5690 · Publications & Subscriptions	0.00	250.00	0.0%	153.50	0.00	2,000.00	0.0%	3,000.00
5695 · Communications	14,168.00	9,583.33	147.84%	74,495.07	77,260.69	76,666.68	100.78%	115,000.00
5700 · Utilities	2,307.47	2,275.84	101.39%	16,395.70	14,058.78	18,206.64	77.22%	27,310.00
<b>Total Expense</b>	<b>2,085,814.03</b>	<b>2,089,231.62</b>	<b>99.84%</b>	<b>17,729,638.57</b>	<b>18,230,307.04</b>	<b>19,022,696.39</b>	<b>95.84%</b>	<b>28,424,781.00</b>
<b>Net Income</b>								
	<b>-141,234.28</b>	<b>-217,998.53</b>	<b>64.79%</b>	<b>371,913.13</b>	<b>280,489.53</b>	<b>-364,834.29</b>	<b>-76.88%</b>	<b>-770,894.00</b>

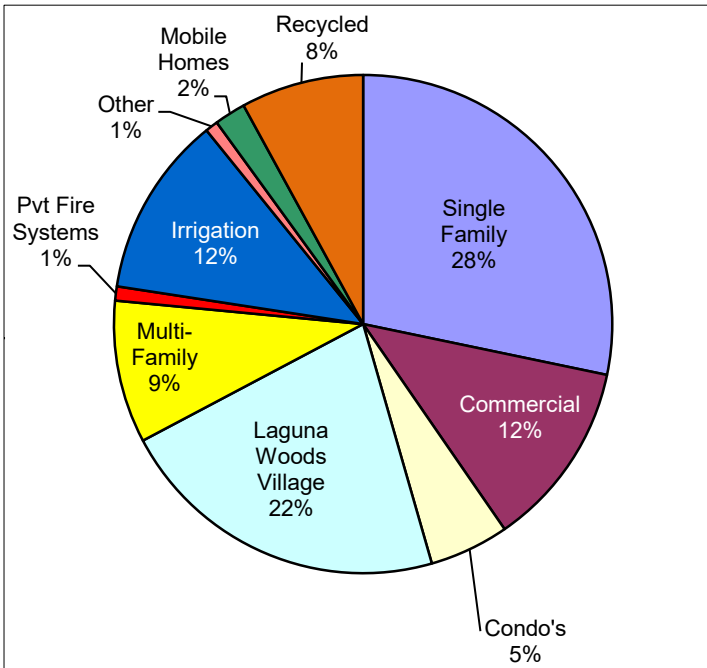
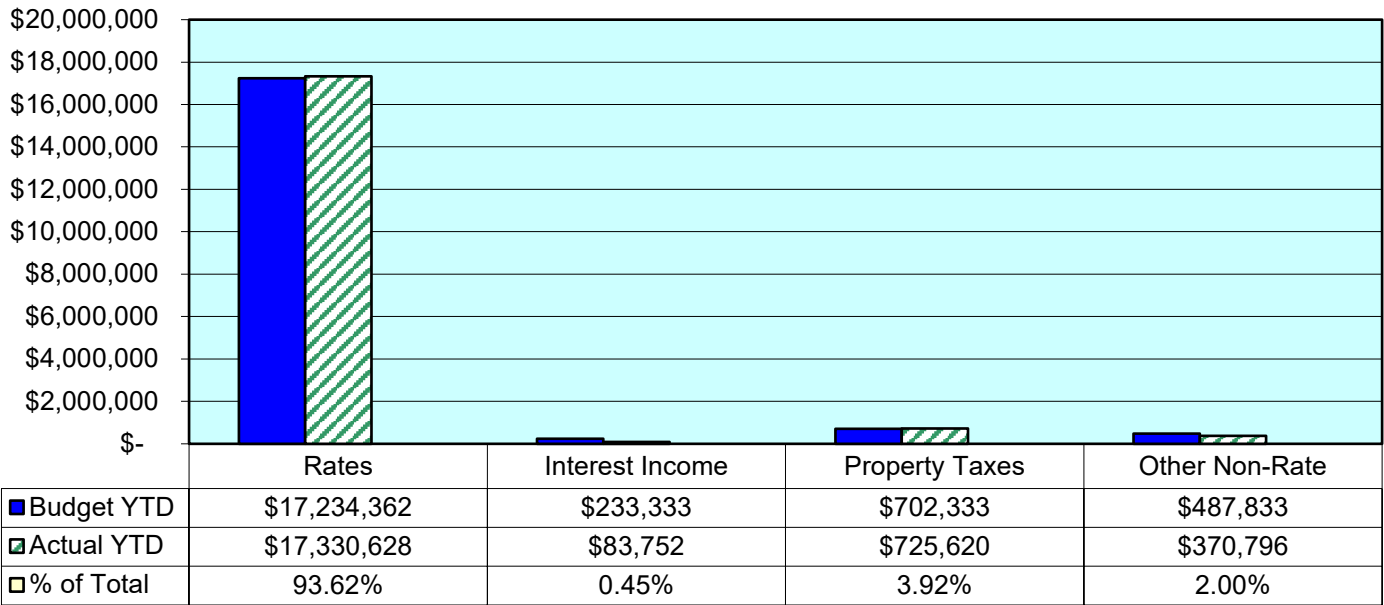


### ANALYSIS OF REVENUES & EXPENSES BUDGET COMPARED TO ACTUAL FISCAL YEAR 2020/2021

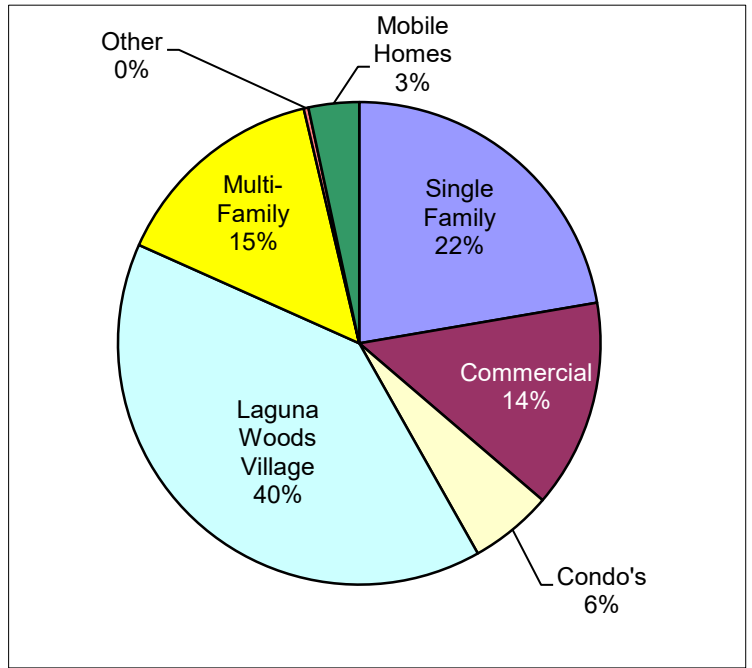
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Budget</b>												
Revenue	2,578,232	2,738,760	2,504,281	2,537,996	2,295,265	2,129,649	2,002,446	1,871,233				
Expense	2,529,347	2,632,043	2,439,655	2,529,502	2,343,096	2,269,512	2,190,309	2,089,232				
Profit/Loss	48,886	106,717	64,626	8,494	(47,831)	(139,864)	(187,864)	(217,999)	0	0	0	0
<b>Actual</b>												
Revenue	2,594,130	2,609,535	2,482,538	2,545,216	2,117,632	2,132,951	2,084,215	1,944,580				
Expense	2,437,346	2,353,227	2,414,001	2,318,539	1,995,487	2,443,827	2,182,065	2,085,814				
Profit/Loss	156,784	256,308	68,536	226,677	122,145	(310,876)	(97,850)	(141,234)	0	0	0	0

## EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 2/28/21

### Where the Money Comes From



**WATER REVENUE YTD 2020/2021**



**WASTE WATER REVENUE YTD 2020/2021**

**EL TORO WATER DISTRICT  
REVENUE COMPARISON  
For the Month Ended February 28, 2021**

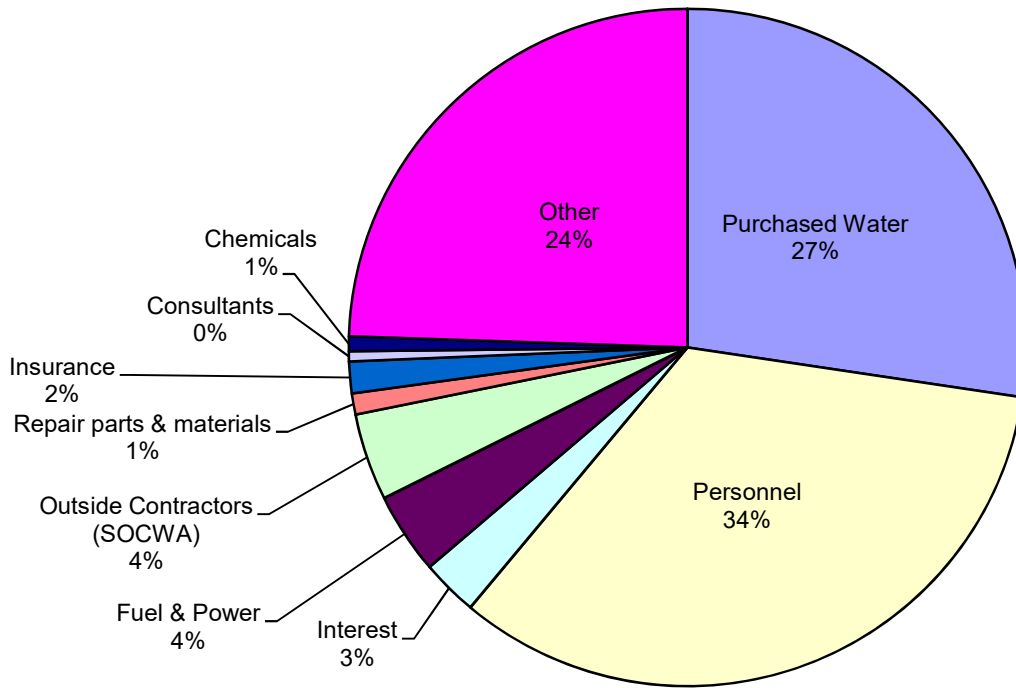
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,230	\$ 251,250	\$ (1,020)	0%	\$ 2,003,289	\$ 2,010,000	\$ (6,711)	0%	\$ 3,015,000	\$ 1,011,711
Water sales - Commodity	551,351	397,334	154,017	39%	6,402,017	6,026,098	375,919	6%	8,904,396	2,502,379
Water sales - Fixed Meter	322,100	318,682	3,418	1%	2,506,764	2,549,458	(42,694)	-2%	3,824,187	1,317,423
Waste water sales	607,360	647,917	(40,556)	-6%	5,061,273	5,183,333	(122,060)	-2%	7,775,000	2,713,727
Recycled water tertiary sales	75,404	50,095	25,309	51%	1,158,894	1,241,335	(82,441)	-7%	1,663,847	504,953
Service charge - Recycled water	26,828	28,017	(1,190)	-4%	198,391	224,138	(25,747)	-11%	336,207	137,816
<b>TOTAL FROM RATES</b>	<b>1,833,273</b>	<b>1,693,296</b>	<b>139,977</b>	<b>8%</b>	<b>17,330,628</b>	<b>17,234,362</b>	<b>96,266</b>	<b>1%</b>	<b>25,518,637</b>	<b>8,188,009</b>
<u>Non-rate Revenue</u>										
Admin fee	420	1,600	(1,180)	-74%	10,255	12,800	(2,545)	-20%	19,200	8,945
48 Hour notice fee	-	2,451	(2,451)	-100%	-	19,611	(19,611)	-100%	29,416.44	29,416
Restoration fee	-	370	(370)	-100%	-	2,960	(2,960)	-100%	4,440	4,440
Unpaid check fee	60	150	(90)	-60%	590	1,200	(610)	-51%	1,800	1,210
Cut lock fee	-	12	(12)	-100%	-	96	(96)	-100%	144	144
<b>TOTAL NON-RATE</b>	<b>480</b>	<b>4,583</b>	<b>(4,103)</b>	<b>-90%</b>	<b>10,845</b>	<b>36,667</b>	<b>(25,822)</b>	<b>-70%</b>	<b>55,000</b>	<b>44,156</b>
<u>Other Revenue</u>										
Interest	2,584	29,167	(26,583)	-91%	83,752	233,333	(149,581)	-64%	350,000	266,248
Change FMV Investment	(6,523)	-	(6,523)	0%	(21,181)	-	(21,181)	0%	-	21,181
Property taxes	88,927	87,792	1,136	1%	725,620	702,333	23,287	3%	1,053,500	327,880
Other	25,839	45,104	(19,266)	-43%	370,132	360,833	9,299	3%	541,250	171,118
<b>TOTAL OTHER REVENUE</b>	<b>110,827</b>	<b>162,063</b>	<b>(51,236)</b>	<b>-32%</b>	<b>1,158,324</b>	<b>1,296,500</b>	<b>(138,176)</b>	<b>-11%</b>	<b>1,944,750</b>	<b>786,426</b>
<u>Contract Service</u>										
Santa Margarita W. D.	-	9,333	(9,333)	-100%	-	74,667	(74,667)	-100%	112,000	112,000
Moulton Niguel W. D.	-	1,958	(1,958)	-100%	11,000	15,667	(4,667)	-30%	23,500	12,500
<b>TOTAL CONTRACT SERVICES</b>	<b>-</b>	<b>11,292</b>	<b>(11,292)</b>	<b>-100%</b>	<b>11,000</b>	<b>90,333</b>	<b>(79,333)</b>	<b>-88%</b>	<b>135,500</b>	<b>124,500</b>
<b>TOTAL REVENUE</b>	<b>\$ 1,944,580</b>	<b>\$ 1,871,233</b>	<b>\$ 73,347</b>	<b>4%</b>	<b>\$ 18,510,797</b>	<b>\$ 18,657,862</b>	<b>\$ (147,066)</b>	<b>-1%</b>	<b>\$ 27,653,887</b>	<b>\$ 9,143,091</b>

**EL TORO WATER DISTRICT  
NON-RATE REVENUE ANALYSIS  
FOR THE MONTH ENDING February 28, 2021**

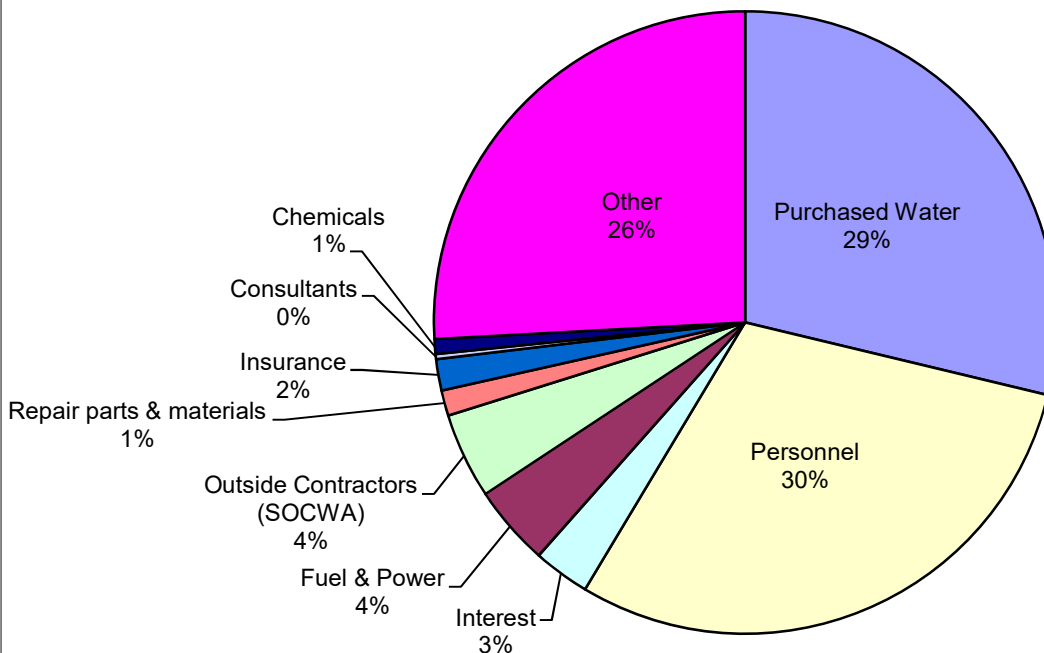
	Feb-21 Actual	Feb-21 Budget	Jul 20- Feb 21 YTD Actual	Jul 20- Feb 21 YTD Budget
Site Leases	12,244	19,583	137,701	156,664
MWD Recycled Water LRP Rebate	13,625	23,854	227,650	190,832
JPIA Refund		-	-	-
SOCWA Refund		-	-	-
Recycled Metal		-	928	-
Diesel Fuel Tax Refund	-	-	740	-
Sale of District Trucks		-	-	-
Misc Work for Customers	-	1,667	3,114	13,336
	<u>\$ 25,869</u>	<u>\$ 45,104</u>	<u>\$ 370,132</u>	<u>\$ 360,832</u>
<b>Other Operating Income</b>				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
<b>Total</b>	<u>25,869</u>		<u>370,132</u>	

# WHERE THE MONEY GOES

## YTD EXPENSES AT 2/28/21



## EXPENSES YEAR ENDING 6/30/20





**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended February 28, 2021**

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b>Operating Expenses</b>										
Personnel cost	\$624,584	\$715,783	\$91,199	13%	\$5,337,914	\$5,726,265	\$388,351	7%	\$8,589,397	3,251,483
Purchased water	558,054	377,062	(180,992)	-48%	5,499,350	5,325,340	(174,010)	-3%	7,878,746	2,379,396
Electrical power	91,245	93,617	2,372	3%	833,030	748,933	(84,097)	-11%	1,123,400	290,370
Repair parts & materials	18,113	33,824	15,711	46%	176,747	270,590	93,843	35%	405,885	229,138
Equipment repairs & maintenance	2,598	10,286	7,687	75%	65,161	82,287	17,126	21%	123,430	58,269
Pump repairs & maintenance	0	8,292	8,292	100%	51,002	66,333	15,331	23%	99,500	48,498
Motor repairs & maintenance	0	2,792	2,792	100%	9,430	22,333	12,903	58%	33,500	24,070
Electrical repairs & maintenance	13,377	6,633	(6,743)	-102%	53,689	53,067	(623)	-1%	79,600	25,911
Meter repairs & maintenance	0	488	488	100%	1,673	3,900	2,227	57%	5,850	4,177
Chemicals	12,132	18,225	6,093	33%	139,454	145,800	6,346	4%	218,700	79,246
Structure repairs & maintenance	3,713	2,694	(1,019)	-38%	34,432	21,554	(12,878)	-60%	32,331	(2,101)
Asphalt repairs & maintenance	10,825	6,917	(3,908)	-57%	48,235	55,333	7,098	13%	83,000	34,765
Consultants - outside	1,793	4,696	2,903	62%	13,614	37,567	23,953	64%	56,350	42,736
Contractors - outside	93,321	97,997	4,676	5%	796,468	783,977	(12,490)	-2%	1,175,966	379,498
Engineers - outside	3,957	11,583	7,627	66%	124,561	92,667	(31,894)	-34%	139,000	14,439
Dump fees	95	1,500	1,405	94%	8,249	12,000	3,751	31%	18,000	9,751
Laboratories	8,872	2,408	(6,463)	-268%	23,684	19,267	(4,417)	-23%	28,900	5,216
License & permits	2,445	15,026	12,580	84%	110,549	120,204	9,655	8%	180,306	69,757
Automotive fuel & oil	5,067	8,750	3,683	42%	56,981	70,000	13,019	19%	105,000	48,019
Equipment rental	656	1,675	1,019	61%	11,291	13,400	2,109	16%	20,100	8,809
Landscaping	8,888	13,670	4,782	35%	81,689	109,359	27,670	25%	164,038	82,349
Small tools & equipment	3,964	5,583	1,619	29%	31,168	44,667	13,499	30%	67,000	35,832
Security	0	1,588	1,588	100%	11,224	12,703	1,479	12%	19,055	7,831
Operating supplies	2,688	4,688	2,001	43%	49,309	37,507	(11,802)	-31%	56,260	6,951
Safety equipment	5,881	3,000	(2,881)	-96%	17,216	24,000	6,784	28%	36,000	18,784
Temporary help	0	2,292	2,292	100%	0	18,333	18,333	100%	27,500	27,500
Other employee cost	2,730	9,250	6,520	70%	113,059	74,000	(39,059)	-53%	111,000	(2,059)
Employee service awards	300	342	42	12%	3,150	2,733	(417)	-15%	4,100	950
Education & training	463	2,833	2,370	84%	6,237	22,667	16,430	72%	34,000	27,763
<b>Total Operating Expenses</b>	<b>1,475,761</b>	<b>1,463,493</b>	<b>(12,268)</b>	<b>-1%</b>	<b>13,708,565</b>	<b>14,016,785</b>	<b>308,220</b>	<b>2%</b>	<b>20,915,914</b>	<b>7,207,349</b>

**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended February 28, 2021**

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b><u>Indirect Cost</u></b>										
Depreciation	358,285	408,333	50,048	12%	2,866,280	3,266,667	400,387	12%	4,900,000	2,033,720
Amortization	570	571	0	0%	4,564	4,567	3	0%	6,850	2,286
Insurance	29,726	25,981	(3,745)	-14%	217,445	207,849	(9,597)	-5%	311,773	94,328
Retiree Medical Insurance	24,631	24,554	(78)	0%	186,931	196,430	9,499	5%	294,645	107,714
Data processing supplies & assc.	527	2,083	1,557	75%	13,789	16,667	2,878	17%	25,000	11,211
Data processing equipment	1,013	2,500	1,487	59%	26,291	20,000	(6,291)	-31%	30,000	3,709
Data processing consultants	-	3,333	3,333	100%	1,800	26,667	24,867	93%	40,000	38,200
Software maintenance & licenses	54,117	13,417	(40,701)	-303%	129,572	107,333	(22,239)	-21%	161,000	31,428
Janitorial	6,625	3,133	(3,491)	-111%	53,053	25,067	(27,986)	-112%	37,600	(15,453)
Printing & reproduction	4,682	1,550	(3,132)	-202%	14,032	12,400	(1,632)	-13%	18,600	4,568
Publications & subscriptions	0	250	250	100%	0	2,000	2,000	100%	3,000	3,000
Communications - voice	2,696	1,833	(863)	-47%	9,604	14,667	5,063	35%	22,000	12,396
Communications - data	7,145	4,750	(2,395)	-50%	39,471	38,000	(1,471)	-4%	57,000	17,529
Communications - mobile	4,327	3,000	(1,327)	-44%	28,185	24,000	(4,185)	-17%	36,000	7,815
Utilities	2,307	2,276	(32)	-1%	14,059	18,207	4,148	23%	27,310	13,251
<b>Total Indirect Cost</b>	<b>496,652</b>	<b>497,565</b>	<b>913</b>	<b>0%</b>	<b>3,605,076</b>	<b>3,980,519</b>	<b>375,442</b>	<b>9%</b>	<b>5,970,778</b>	<b>2,365,702</b>
<b><u>Overhead Cost</u></b>										
Annual events	0	500	500	100%	3,866	4,000	134	3%	6,000	2,134
Audit	0	2,142	2,142	100%	21,965	17,133	(4,832)	-28%	25,700	3,735
Bad debts	746	1,667	921	55%	9,880	13,333	3,454	26%	20,000	10,120
Bank charges	6,121	5,250	(871)	-17%	41,546	42,000	454	1%	63,000	21,454
Directors fees	10,731	10,000	(731)	-7%	84,096	80,000	(4,096)	-5%	120,000	35,904
Dues & memberships	8,458	7,278	(1,180)	-16%	55,258	58,227	2,968	5%	87,340	32,082
Election Expense	0	2,917	2,917	100%	0	23,333	23,333	100%	35,000	35,000
Interest	63,054	63,054	0	0%	504,432	504,433	1	0%	756,649	252,217
Legal	15,421	8,942	(6,479)	-72%	103,795	71,533	(32,262)	-45%	107,300	3,505
Meetings, conventions & travel	710	3,250	2,540	78%	5,619	26,000	20,382	78%	39,000	33,382
Meets, con & travel - Directors	2,625	3,542	917	26%	5,963	28,333	22,370	79%	42,500	36,537
Office supplies	308	1,650	1,342	81%	12,360	13,200	840	6%	19,800	7,440
Postage	283	1,708	1,426	83%	4,357	13,667	9,310	68%	20,500	16,143
Property taxes	1	717	716	100%	3,976	5,733	1,757	31%	8,600	4,624
Advertising & Publicity	0	167	167	100%	6,200	1,333	(4,867)	-365%	2,000	(4,200)
Public education & outreach	4,944	15,392	10,448	68%	53,354	123,133	69,779	57%	184,700	131,346
<b>Total Overhead Cost</b>	<b>113,402</b>	<b>128,174</b>	<b>14,772</b>	<b>12%</b>	<b>916,666</b>	<b>1,025,393</b>	<b>108,727</b>	<b>11%</b>	<b>1,538,089</b>	<b>621,423</b>
<b>TOTAL EXPENSES</b>	<b>\$2,085,814</b>	<b>\$2,089,232</b>	<b>\$3,418</b>	<b>0%</b>	<b>\$18,230,307</b>	<b>\$19,022,696</b>	<b>\$792,389</b>	<b>4%</b>	<b>\$28,424,781</b>	<b>\$10,194,474</b>



**RESOLUTION NO. 21-3-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EL TORO WATER DISTRICT MODIFYING THE  
AUTHORIZED SIGNATORIES ON THE  
LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT  
(ACCOUNT NO. 90-30-001)**

WHEREAS, the Board of Directors of the El Toro Water District deems it to be in the best interest of the District to modify change the authorized signatories on the Local Agency Investment Fund Account (Account No. 90-30-001).

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the El Toro Water District hereby consents to, adopts and incorporates by reference the authorized signatories, which is attached hereto marked Exhibit "A" and made a part of this Resolution.

ADOPTED, SIGNED AND APPROVED, this 22nd day of March 2021.

\_\_\_\_\_  
MIKE GASKINS, President  
of the El Toro Water District and  
of the Board of Directors thereof

ATTEST:

\_\_\_\_\_  
DENNIS P. CAFFERTY, Secretary  
El Toro Water District and of  
the Board of Directors thereof

EL TORO WATER DISTRICT  
AUTHORIZED SIGNATORIES

Dennis P. Cafferty  
General Manager

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Jason Hayden  
CFO

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Exhibit "A"



## STAFF REPORT

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**To:** Board of Directors  
Finance and Insurance Committee

**Meeting Date:** 3/22/2021

**From:** Jason Hayden, Chief Financial Officer

**Subject:** Review of CalTRUST Investment Options

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Attached to this Staff Report are three documents that provide information about the investment opportunities available from CalTRUST, including:

- A basic overview of the five funds available from CalTRUST;
- A fact sheet for the CalTRUST Medium Term Fund which is most similar to what the District is doing with its investments in the CAMP managed portfolio;
- A brief overview of the CalTRUST program received by Director Monin and provided to Staff.

CalTRUST is a Joint Powers Authority organized to invest assets on behalf of “Public Agencies” located within California. CalTRUST’s general purpose is to consolidate investment activities of its participants to efficiently invest participant assets through a consolidated investment strategy that is intended to “attain as high a level of current income as is consistent with the preservation of capital”. CalTRUST provides participants with five fund offerings:

- Short Term Fund – seeks to attain as high a level of current income as is consistent with the **preservation of principal**, has a benchmark of LAIF and the Barclays Short-Term Government/Corporate Index and has a target duration of 0-2 years;
- Medium Term Fund – seeks to attain as high a level of current income as is consistent with the **preservation of principal**, has a benchmark of Bank of America Merrill Lynch 1-3 Year AAA-A US Corporate & Government Index and has a target duration of 1-3 years;
- Liquidity Fund – seeks to attain as high a level of current income as is consistent with the **stability of principal**, has a benchmark of the 3-Month US Treasury Bill Index and has a target duration of 60 days;
- ESG Money Market Fund and Government Fund – both funds seek to attain as high a level of current income as is consistent with the **stability of principal**, neither have a benchmark and they have weighted average maturities of 43 and 29 days respectively;

The remainder of this analysis will focus on the CalTRUST Medium Term Fund because this is the fund that best fits the District’s investment policy relative to the portion of the District’s investment portfolio that is available to invest. In addition, the District is already using LAIF for short term investments (and CalTRUST uses LAIF as a benchmark) and the CAMP money market account for immediate liquidity needs (the CAMP money market is similar to the Liquidity, ESG, and Government

Funds from CalTRUST). Listed below in a table format is a comparison of the District's current investment strategy versus the CalTRUST Medium Term Fund:

PFM Managed Investments in CAMP	CalTRUST Medium Term Fund
<p><b>How it works:</b> PFM Asset Management has been hired by the District to manage the District's investable assets by purchasing individual securities which are then owned by the District and held in the CAMP Investment Account which is the depository for District owned investment securities. The District earns interest from the coupon rates of the purchased securities and achieves capital gains or losses based on the market performance of the owned securities.</p>	<p><b>How it works:</b> the District would purchase shares of the Medium Term Fund and effectively pool its investable assets with other public agencies. The investment manager for CalTRUST, Blackrock Financial Management Inc., then uses the pooled assets from all of the public agencies to purchase securities. The District would earn interest and achieve capital gains or losses based on the performance of the Medium Term Fund and the District's percentage ownership of the Fund.</p>
<p><b>Advantages of this Investment Choice:</b></p> <ul style="list-style-type: none"> <li>• Investments are directed by the District or the Investment Advisor providing flexibility in choosing different investments (i.e., corporate bonds, government securities, brokered CDs, or Asset Backed Securities) or maturities (the District/Advisor can choose securities with maturities that are more than three years, potentially securing higher coupon rates).</li> <li>• If the District needs to sell securities to achieve liquidity, the District/Advisor has a choice regarding what securities to sell and can choose to sell only securities with capital gains, thereby avoiding a realized capital loss on the sale of a security.</li> <li>• The District receives semi-annual personal reports from the Investment Advisor and has significant input in the investment strategy.</li> <li>• Smaller targeted investments allow for a wide variety of positions and diversification.</li> <li>• Keeping the District's investment portfolio in one account makes it simpler to account for all of the assets of the District. Subdividing cash assets into other accounts can lead to complexity in cash reconciliations and future Finance Staff may not understand why multiple accounts were established.</li> <li>• Total Management fees equal 0.11% including all custodial, record keeping, investment, and operating costs (.10% for investment advisor, .01% for custodial, record keeping, and operating).</li> </ul>	<p><b>Advantages of this Investment Choice:</b></p> <ul style="list-style-type: none"> <li>• Investments are directed by Blackrock Financial Management which has a very good reputation for achieving positive investment results and is investing in similar types of securities (corporate bonds, government securities, brokered CDs, and asset backed securities). Blackrock is somewhat more constrained because they are not allowed to invest in securities with longer maturities since the Medium Term Fund is a 1 to 3 Year Fund.</li> <li>• District Staff would not need to monitor investments as closely since there is no control over the investment strategy and the District is relying on Blackrock's expertise with investments.</li> <li>• The District has access to immediate liquidity in case of an emergency, District Staff can call CalTRUST and request a sale of shares and transfer of cash on the same day provided the request is made prior to 9:30 am.</li> <li>• Total Management fees equal 0.1343% including all custodial, record keeping, investment, and operating costs.</li> </ul>

PFM Managed Investments	CalTRUST Medium Term Fund
<p><b>Challenges of this Investment Choice:</b></p> <ul style="list-style-type: none"> <li>• District Staff needs to monitor investments closely to ensure security purchases comply with the investment policy and adhere to the general strategy that has been agreed between the District and the PFM Investment Advisor.</li> <li>• The District is exposed to more volatility in unrealized investment gains and losses because it owns individual securities and may choose to invest in longer maturities.</li> </ul>	<p><b>Challenges of this Investment Choice:</b></p> <ul style="list-style-type: none"> <li>• The District has little or no control over the investment strategy and must accept the direction of the investment manager for the pooled fund. The District's investment in the fund may be negatively impacted by any losses that occur and if the investment manager chooses to sell an underperforming security the District could experience a permanent impairment of its investment in the Fund as realized losses are recognized.</li> <li>• If the District has a need for liquidity, there is no choice of selling certain securities. The District would need to liquidate a portion (or all) of its investment in the fund by selling shares at the current price and accepting the realized loss or gain that is achieved upon the sale of the shares.</li> <li>• Blackrock has not been able to equal the performance of the benchmark for any period, as displayed on the attached Medium Term Fund Overview for February, 2021. As shown in the attached Month End Portfolio Statistics for the Medium Term Fund, since inception the Medium Term Fund has achieved an annualized average net total return of 2.17% whereas the BofAML 1-3 Corp &amp; Gov't A Rated and Above Benchmark has achieved an annualized average net total return of 2.52%.</li> <li>• The CalTRUST Management Fees are slightly higher than the PFM Management Fees.</li> </ul>

The best analogy for the difference between the current method of investing the District's portfolio and investing in CalTRUST is the difference an individual would experience if they were self-directing stock investments versus investing in a mutual fund or Exchange Traded Fund (ETF). With a self-directed strategy, similar to the current District investment strategy, an individual can choose investments as well as choosing when to make a purchase or sale of each investment. With an investment in a Fund, an individual (or the District), simply accepts the investment choices of the manager of the Fund and can only choose when to make an investment in the Fund.

If the Board directs Staff to move a portion of the portfolio to the CalTRUST Medium Term Fund, the District's Investment Policy will need to be modified and an amount to invest will need to be determined based on the size of the investment portfolio and the liquidity needs of the District.



**Attachments**

- Overview of CalTRUST Funds
- Month End Portfolio Statistics for CalTRUST Medium Term Fund for February 28, 2021
- CalTRUST Program Summary Document



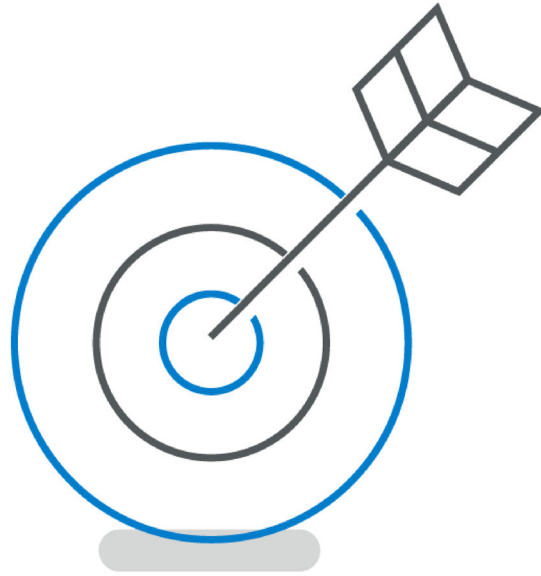
# Our Funds

A convenient method of pooling funds

## Five Great Account Options

### One Convenient & Safe Method of Pooling Funds

Each of our accounts seek to attain as high a level of current income as is consistent with the preservation of principal by investing only in high-quality, fixed-income securities. All CalTRUST accounts comply with the limits and restrictions placed on local investments by California statutes; no leveraging is permitted in any of the CalTRUST accounts.



## Liquidity Fund

**Liquidity:** Same-Day

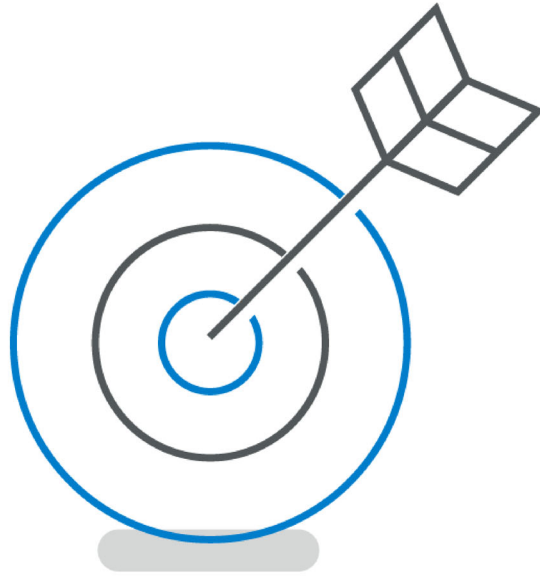
**Cut-Off Time:** 12:00pm PST

**Maximum Duration:** 60 Days

**S&P Rating:** [AAAm](#)

**Benchmarks:** 3-Month US Treasury Bill Index

**Portfolio Holdings:** [Available here](#)



## Short Term Fund

**Liquidity:** Next-Day

**Cut-Off Time:** 9:30am PST

**Target Duration:** 0-2 Years

**S&P Rating:** [AAf](#)

**Benchmarks:** Local Agency Investment Fund (LAIF) and the Barclays Short-Term Government/Corporate Index

**Portfolio Holdings:** [Available here](#)



## Medium Term Fund

**Liquidity:** Two-Days

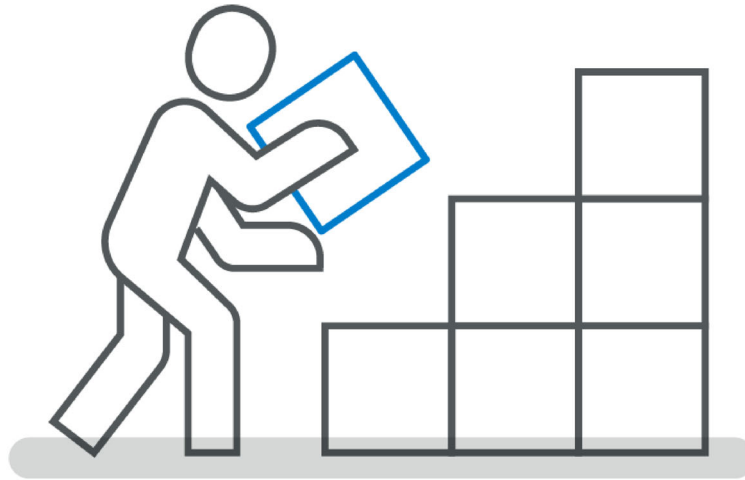
**Cut-Off Time:** 9:30am PST

**Target Duration:** 1 – 3 Years

**S&P Rating:** AA-f

**Benchmark:** Bank of America Merrill Lynch 1-3 Year AAA-A US Corporate & Government Index

**Portfolio Holdings:** [Available here](#)



## ESG Money Market Fund

**Liquidity:** Same-Day

**Cut-Off Time:** 11:00am PST

**Weighted Average Maturity (August 2019):** 43 Days

**S&P Rating:** AAAM

**Additional Information & Portfolio Holdings:** [More here](#)



## Government Fund

**Liquidity:** Same-Day

**Cut-Off Time:** 1:00pm PST

**Weighted Average Maturity (August 2019):** 29 Days

**S&P Rating:** AAAM

**Additional Information & Portfolio Holdings:** [More here](#)

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**Disclaimer:** For the CalTRUST Short-Term and Medium-Term Accounts, funds from all participants are pooled in each of the accounts. Participants receive units in the Trust and designated shares for the particular accounts in which they invest. CalTRUST invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601, et. seq. and 53635, et. seq. Investment guidelines adopted by the Board of Trustees may further restrict the types of investments held by the Trust. Leveraging within the Trust's portfolios is prohibited.



	CalTRUST Medium Term	BofAML 1-3 Corp & Gov't, A Rated and Above		CalTRUST Medium Term Net Total Return	CalTRUST Medium Term Yield	BofAML 1-3 Corp & Gov't, A Rated and Above
Net Assets	\$647,496,105.68	N/A	One Month	-0.15%	0.05%	-0.05%
NAV per Share	\$10.27	N/A	Three Month	-0.04%	0.16%	0.07%
30 Day SEC Yield	0.11%	N/A	Six Month	0.00%	0.39%	0.22%
Period Net Total Return	-0.15%	-0.05%	One Year*	1.93%	1.13%	1.96%
Effective Duration	1.76 yrs	N/A	Two Year*	3.27%	1.66%	3.41%
Average Maturity	2.07 yrs	N/A	Three Year*	2.98%	1.81%	3.12%
Weighted Average Life	1.98 yrs	N/A	Five Year*	1.95%	1.59%	2.10%
			Ten Year*	1.42%	1.24%	1.61%
			Since Inception*	2.17%	1.99%	2.52%

\*Annualized

**Portfolio Sector Breakdown**

- ASSET BACKED SECURITIES - 4.95%
- MONEY MARKET FUNDS - 2.49%
- CERTIFICATE OF DEPOSIT - 8.83%
- CORPORATE BONDS - 31.96%
- NON U.S. GOVERNMENT & AGENCIES - 1.25%
- U.S. GOVERNMENT & AGENCIES - 46.12%
- MUNICIPAL BONDS - 3.34%

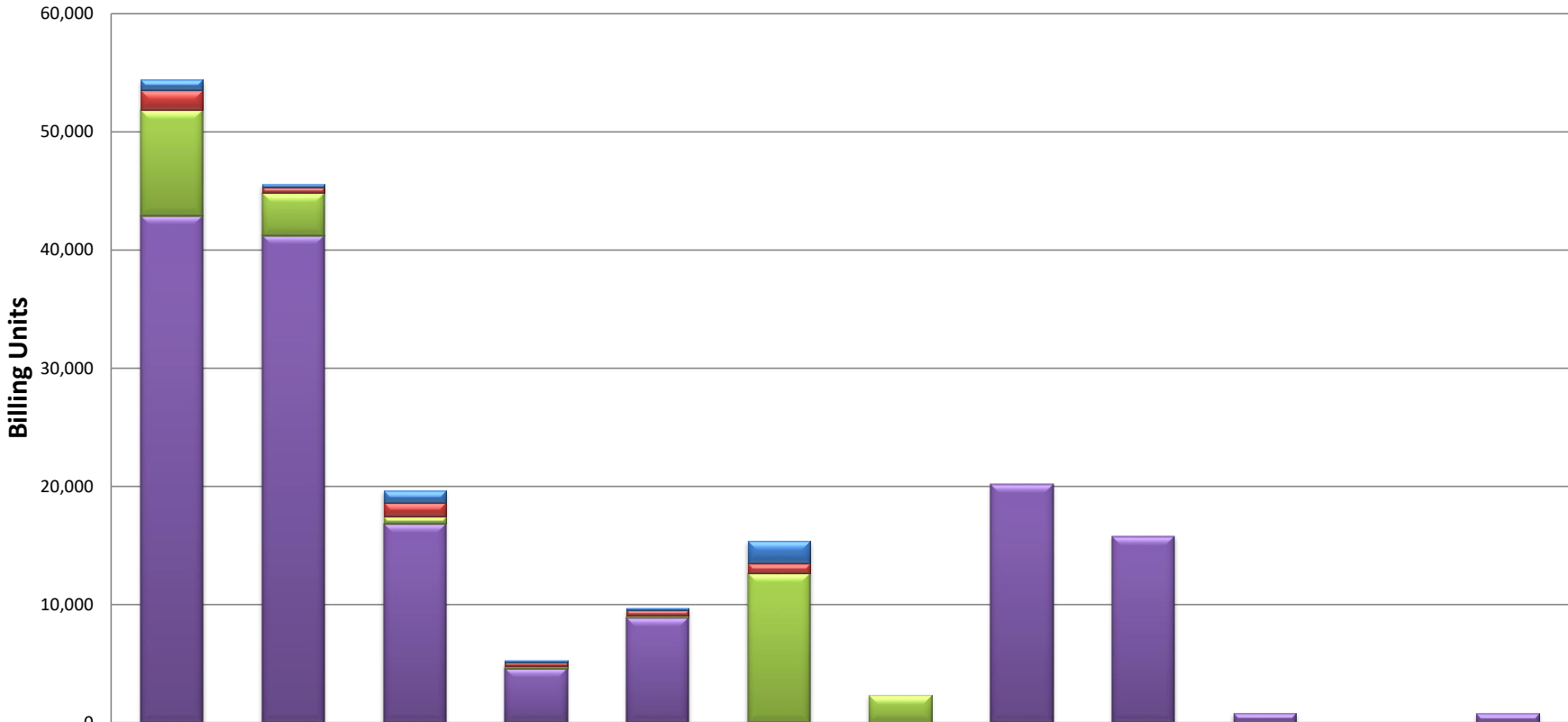
Rated AA-f by S&P Global Ratings



## KEY FEATURES OF CALTRUST

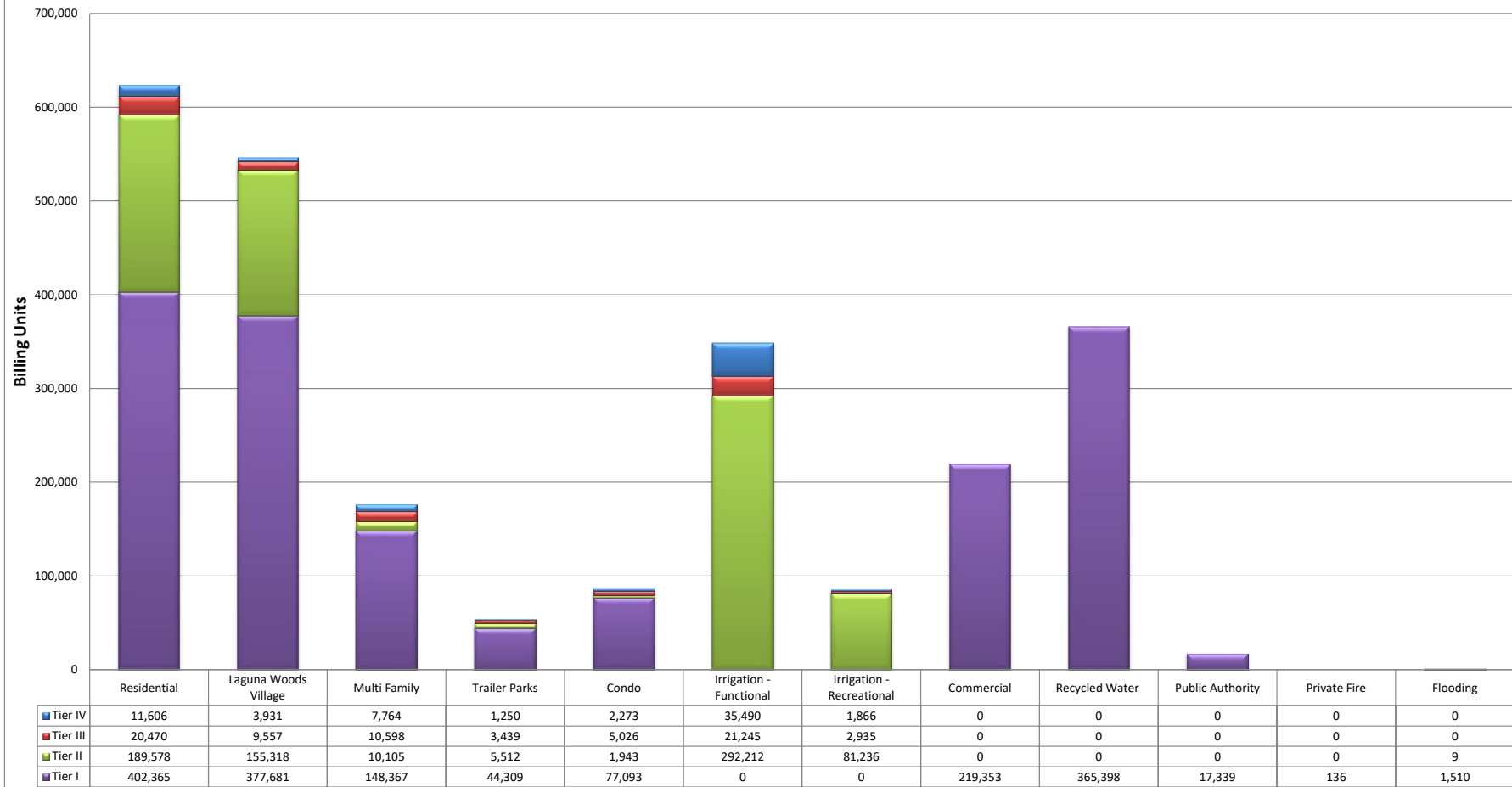
- CalTRUST is governed by a Board of Trustees that is fully comprised of public agency treasurers and investment officers;
- No minimum or maximum investment amount - you can have as much or as little invested with us as you'd like;
- No minimum or maximum transaction allowances - you can do as many transactions as often as you'd like;
- Fully transparent with updated holdings available daily;
- No limit to the amount of subaccounts you can have;
- Access to BlackRock investment expertise;
- Ability to easily move assets between our different accounts as you'd like to meet your cash flow needs;
- Online shareholder portal allows you to utilize online trading features and set levels of access for individuals (ie: you could have staff authorized to perform trades or just to view statements and other information);
- Agencies do not have to join the JPA to participate in CalTRUST;
- CalTRUST is only open to California public agencies so our investment policy mirrors California investment code; and
- Currently, over 140 California public agencies invest with CalTRUST.

### February 2021 Water Sales

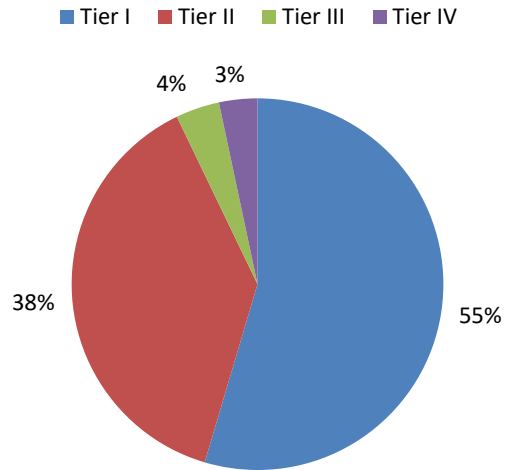


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
Tier IV	917	291	1,027	167	166	1,911	0	0	0	0	0	0
Tier III	1,721	478	1,171	313	476	835	22	0	0	0	0	0
Tier II	8,917	3,650	584	231	207	12,650	2,376	0	0	0	0	0
Tier I	42,901	41,201	16,873	4,594	8,874	0	0	20,192	15,766	820	10	784

### Year-to-Date Water Sales as of February 2021

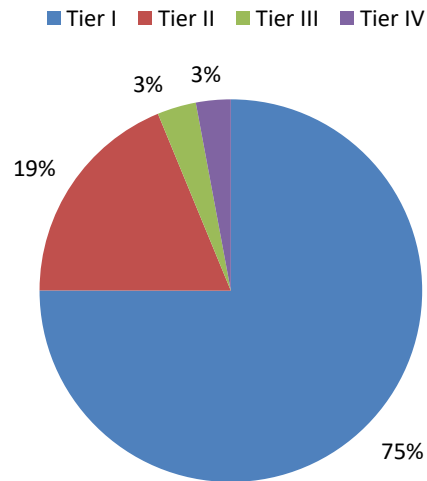


## Year to Date Tiered Sales As of February 2021



Year To Date Sales in ccf		
Tier I	1,049,815	54.59%
Tier II	735,904	38.27%
Tier III	73,270	3.81%
Tier IV	64,180	3.34%
	1,923,169	100.00%

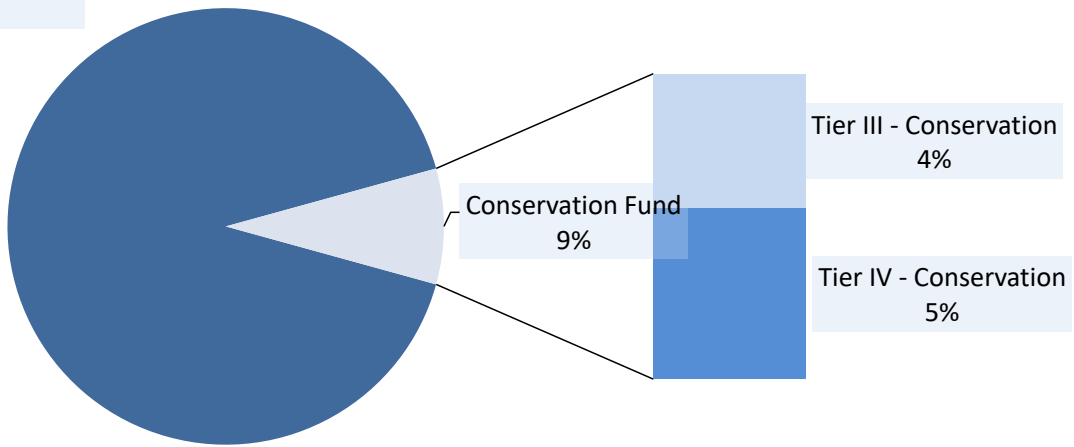
## February 2021 Tiered Sales



Current Month Sales in ccf		
Tier I	114,443	75.02%
Tier II	28,615	18.76%
Tier III	5,016	3.29%
Tier IV	4,479	2.94%
	152,553	100.00%

### Year to Date Water Sales as of February 2021

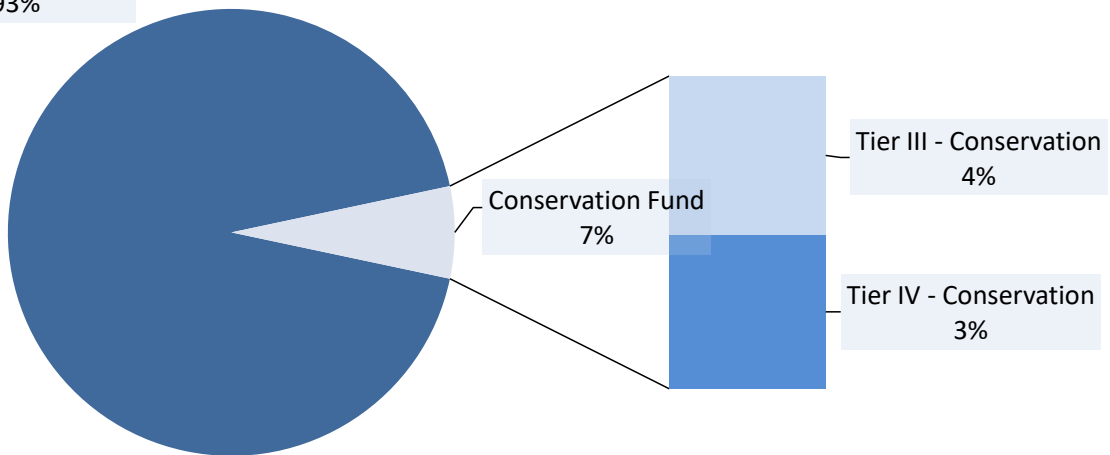
Water Delivery Cost  
91%



Category	Billings	Percentage
Water Delivery Cost	\$5,387,814.69	91.44%
Tier III - Conservation	\$222,740.80	3.78%
Tier IV - Conservation	\$281,516.81	4.78%
	<b>\$5,892,072.30</b>	<b>100.00%</b>

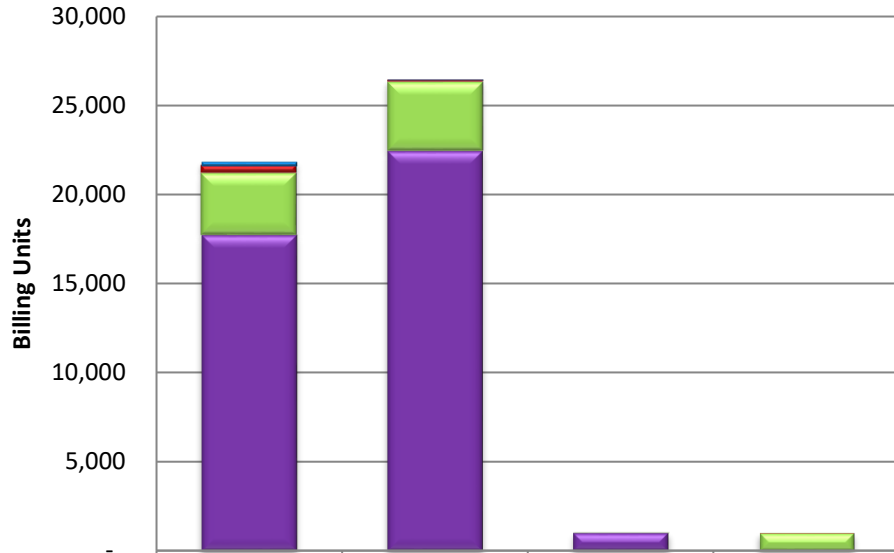
### February 2021 Water Sales

Water Delivery Cost  
93%



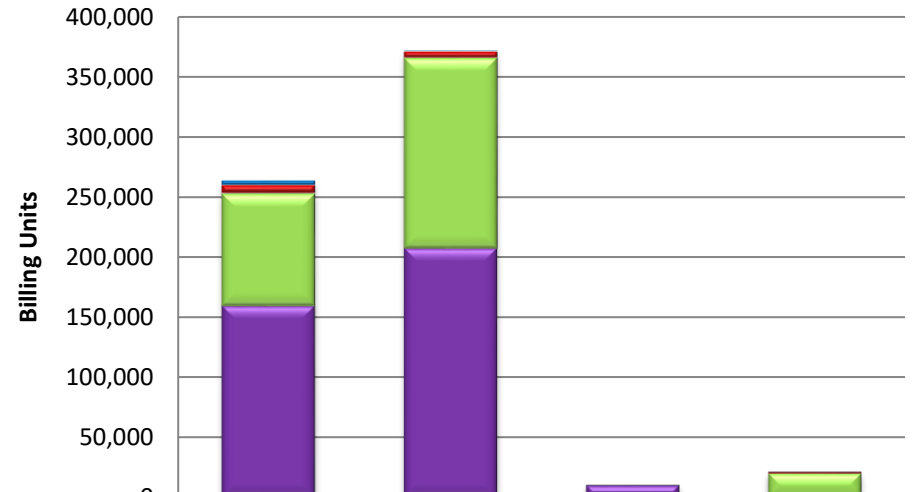
Category	Billings	Percentage
Water Delivery Cost	\$421,303.29	93.35%
Tier III - Conservation	\$15,248.64	3.38%
Tier IV - Conservation	\$14,769.47	3.27%
	<b>\$451,321.40</b>	<b>100.00%</b>

### Laguna Woods Village February 2021 Water Sales



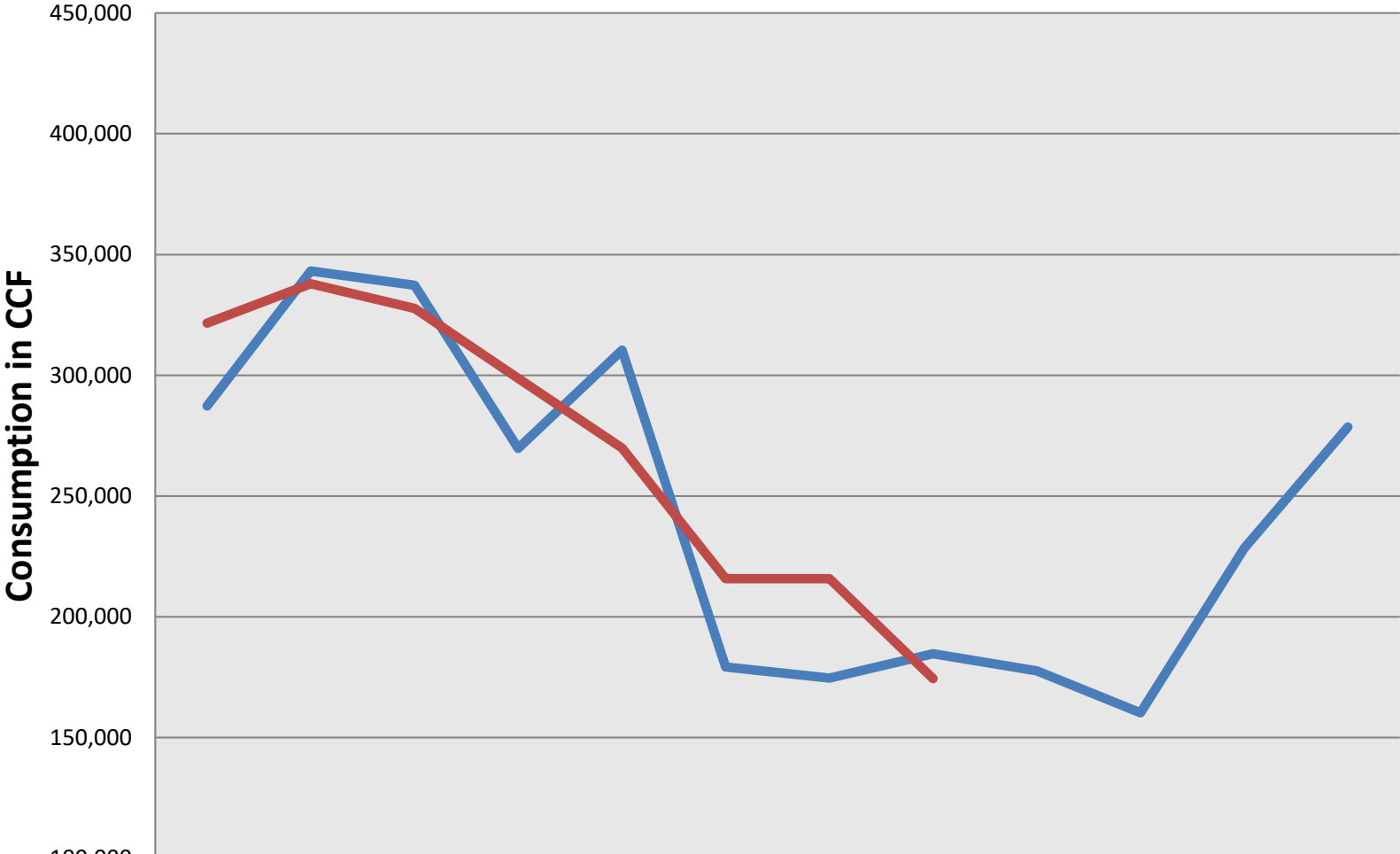
	Third	United	Mutual 50	GRF
Tier 4	252	43	-	-
Tier 3	437	109	-	16
Tier 2	3,470	3,860	1	1,029
Tier 1	17,732	22,434	1,035	-

### Laguna Woods Village Year-to-Date Water Sales February 2021



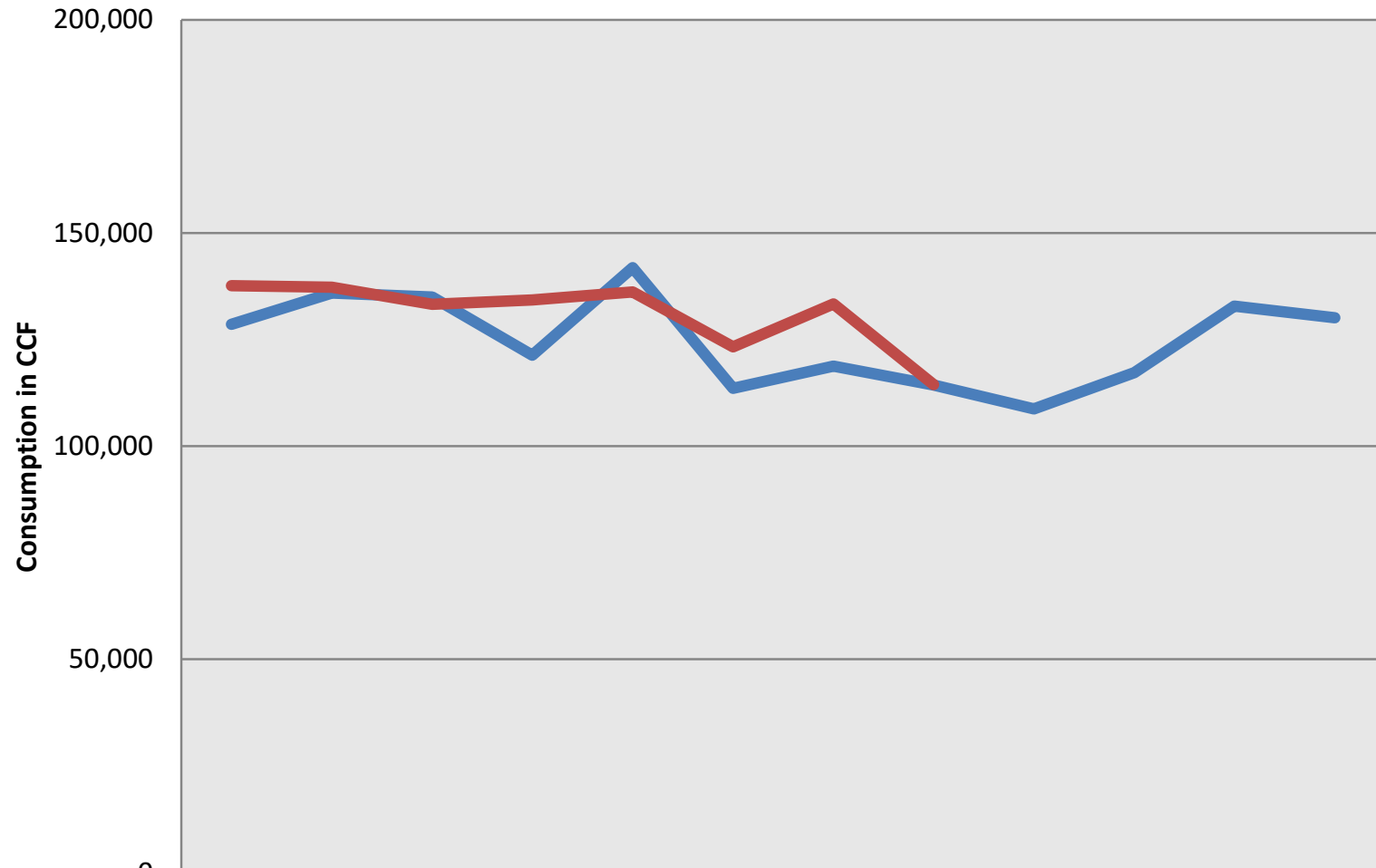
	Third	United	Mutual 50	GRF
Tier 4	3,607	394	20	499
Tier 3	6,413	4,755	155	1,213
Tier 2	93,443	158,501	102	20,115
Tier 1	159,835	207,551	10,295	0

# ETWD Total Consumption



2019-2020	287,207	343,163	337,247	269,666	310,344	179,155	174,596	184,609	177,526	160,199	228,443	278,527
2020-2021	321,599	337,881	327,731	298,688	269,822	215,708	215,719	174,359				
%	112%	98%	97%	111%	87%	120%	124%	94%	0%	0%	0%	0%

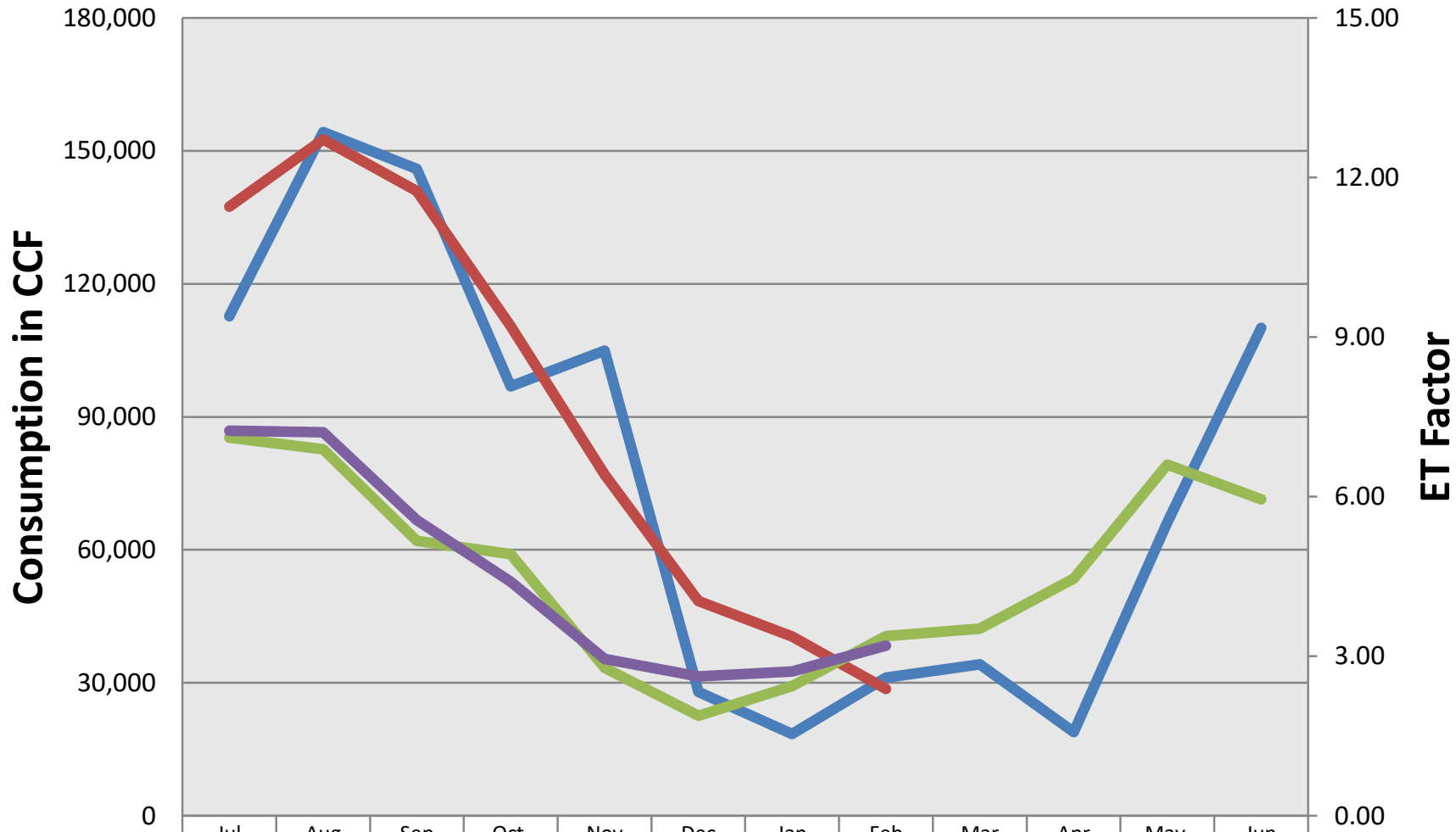
# Tier I Consumption



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	128,554	135,906	134,987	121,297	141,878	113,574	118,788	114,338	108,744	117,284	132,878	130,117
2020-2021	137,646	137,282	133,239	134,309	136,195	123,315	133,386	114,443				

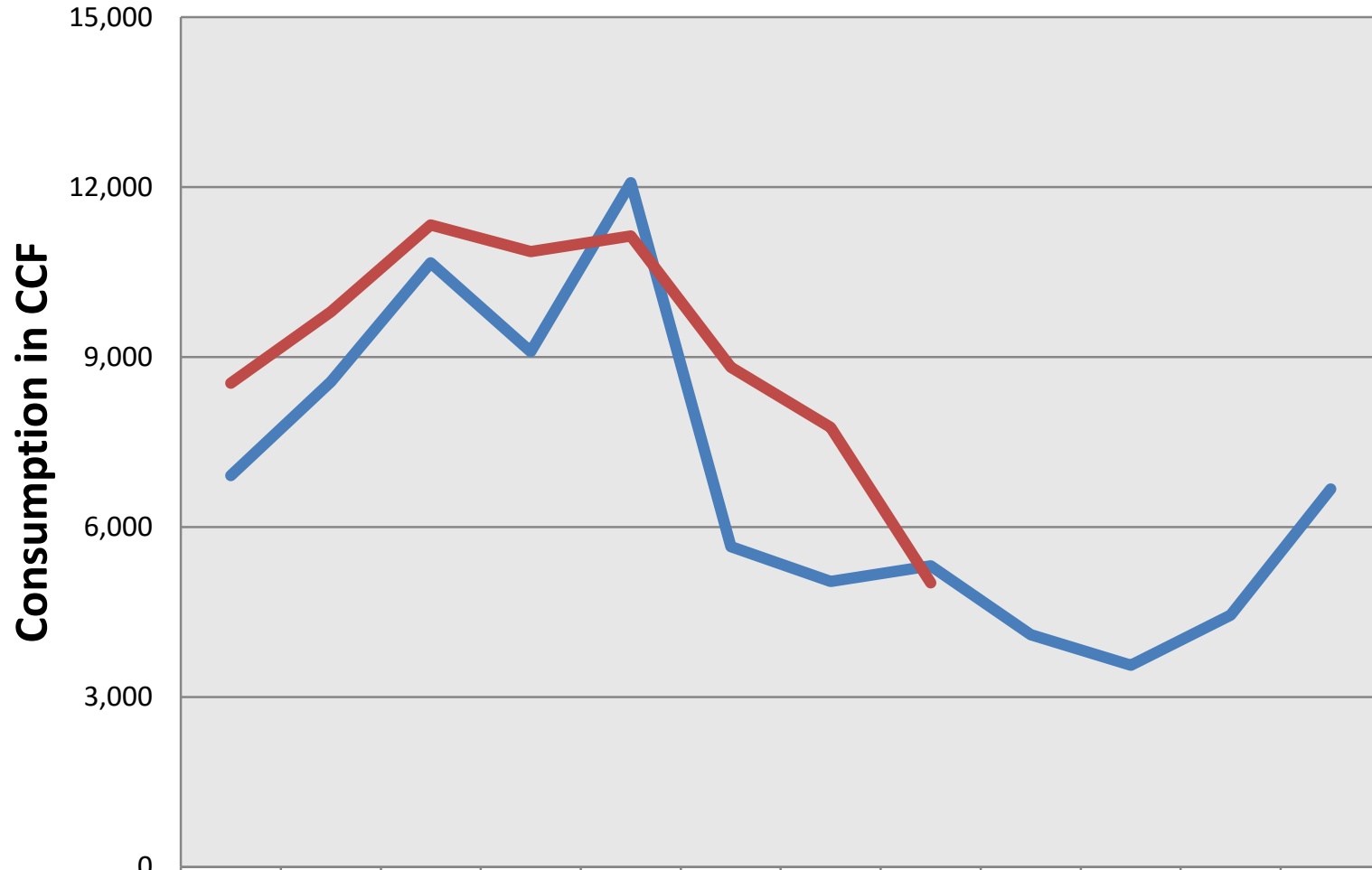


# Tier II Consumption



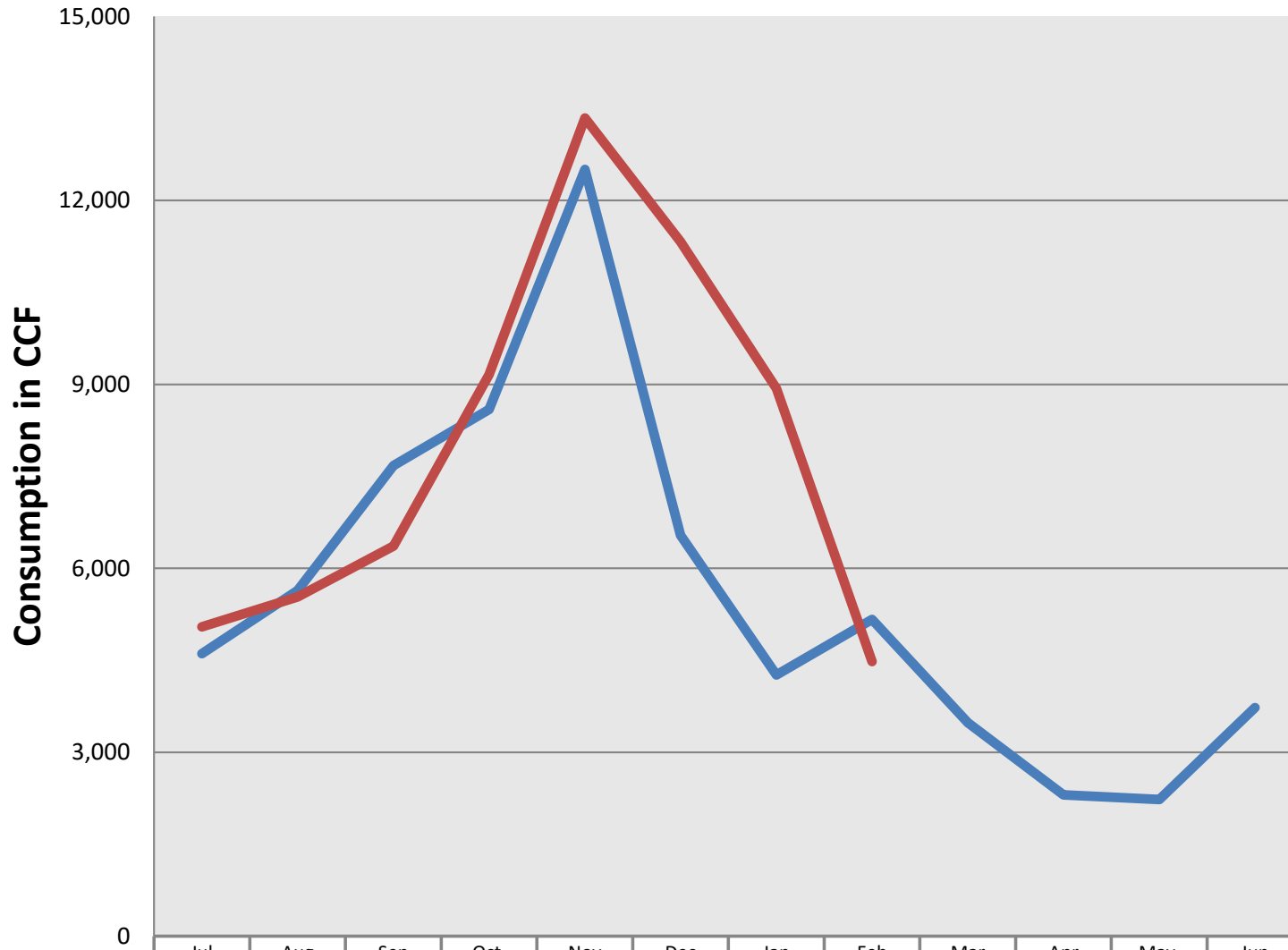
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	112,695	154,237	145,968	96,862	104,906	27,914	18,449	31,164	34,192	18,866	66,147	110,075
2020-2021	137,408	152,593	140,982	110,443	76,968	48,415	40,480	28,615				
19/20 ET	7.11	6.89	5.17	4.92	2.78	1.88	2.44	3.38	3.52	4.46	6.60	5.95
20/21 ET	7.24	7.21	5.56	4.40	2.95	2.62	2.71	3.20				

# Tier III Consumption



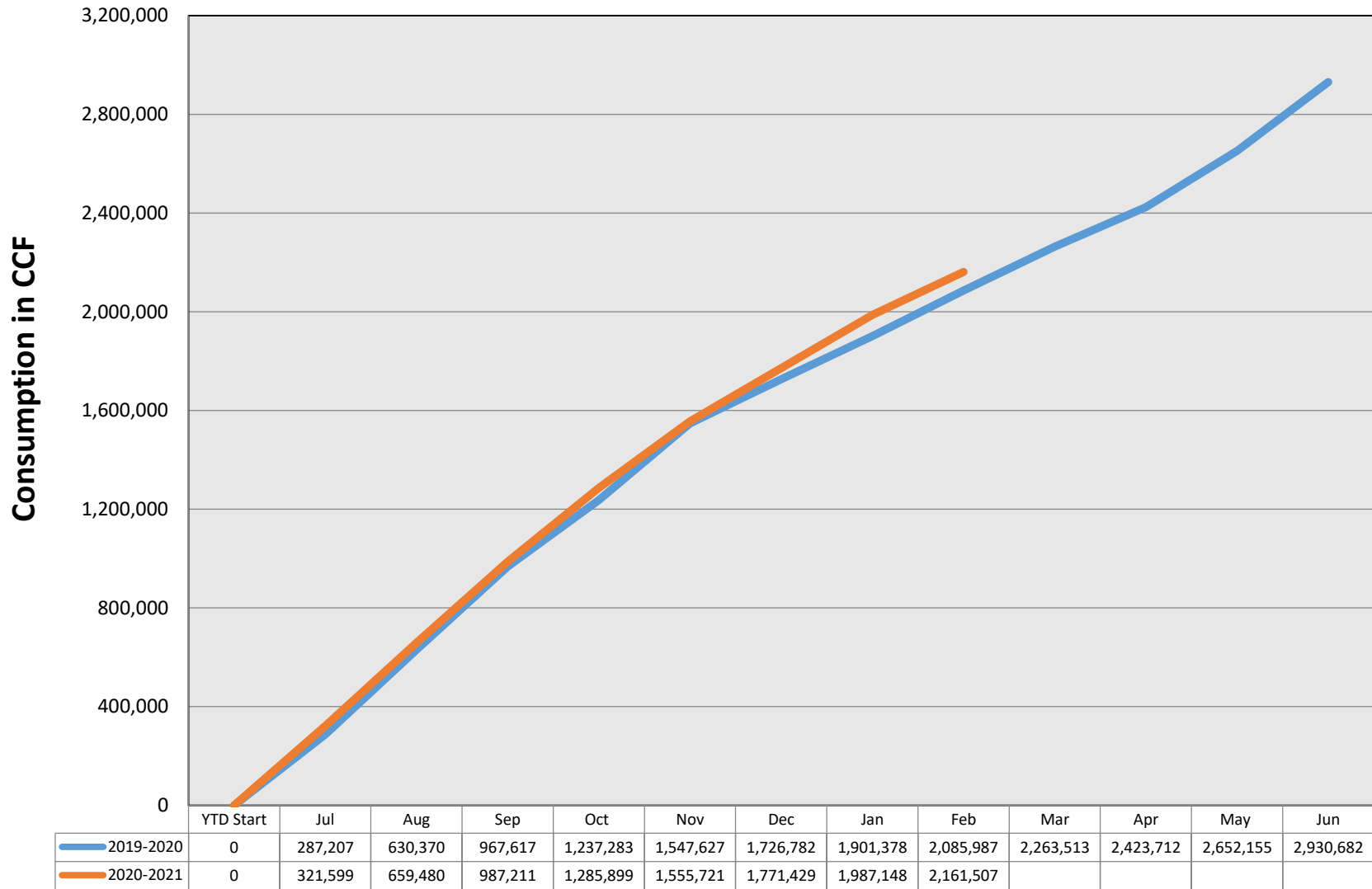
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	6,910	8,567	10,664	9,094	12,078	5,654	5,038	5,318	4,098	3,562	4,446	6,675
2020-2021	8,539	9,799	11,333	10,865	11,140	8,820	7,758	5,016				

# Tier IV Consumption

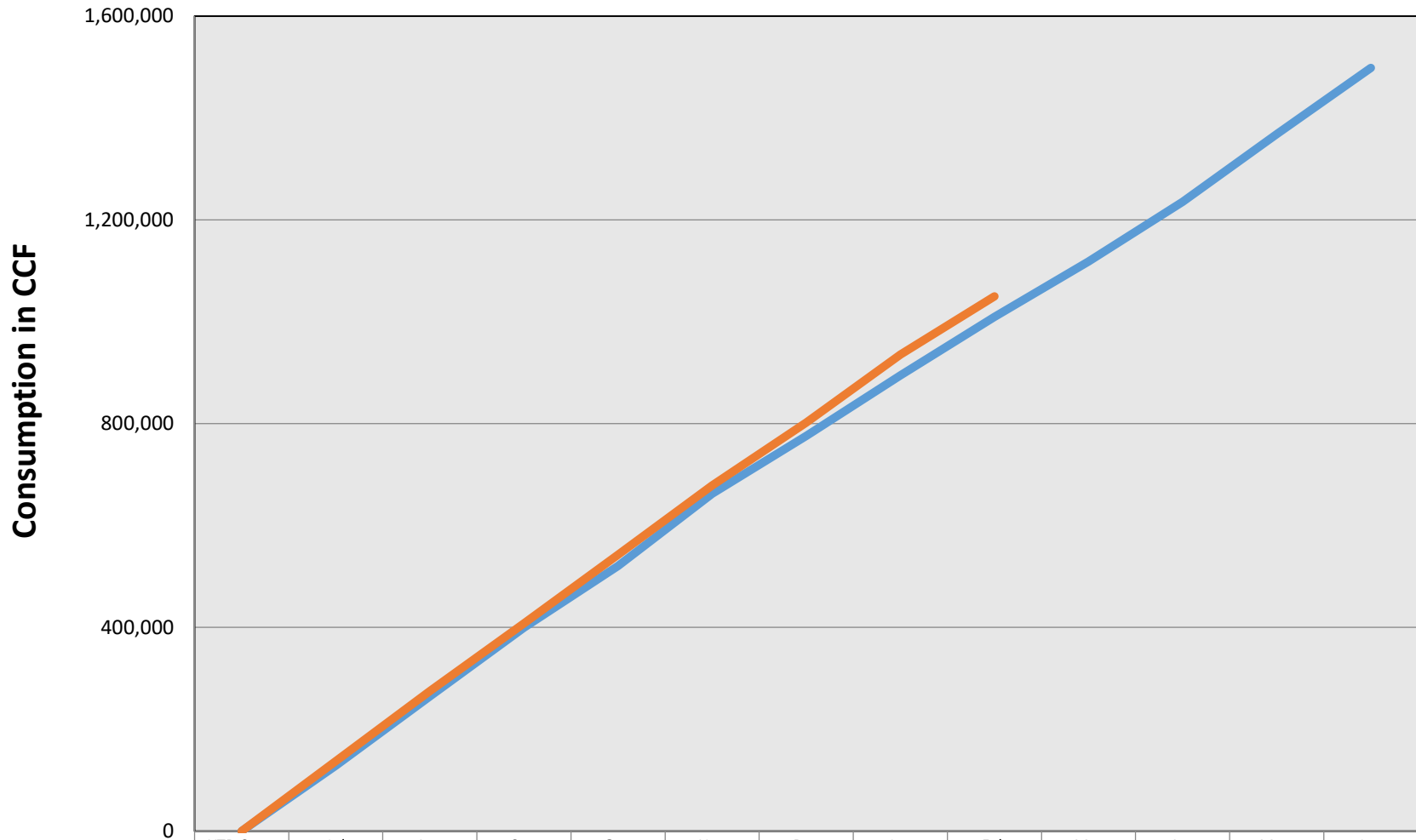


2019-2020	4,608	5,639	7,676	8,591	12,505	6,539	4,262	5,166	3,479	2,304	2,229	3,729
2020-2021	5,043	5,531	6,365	9,159	13,344	11,328	8,931	4,479				

## ETWD YTD Consumption

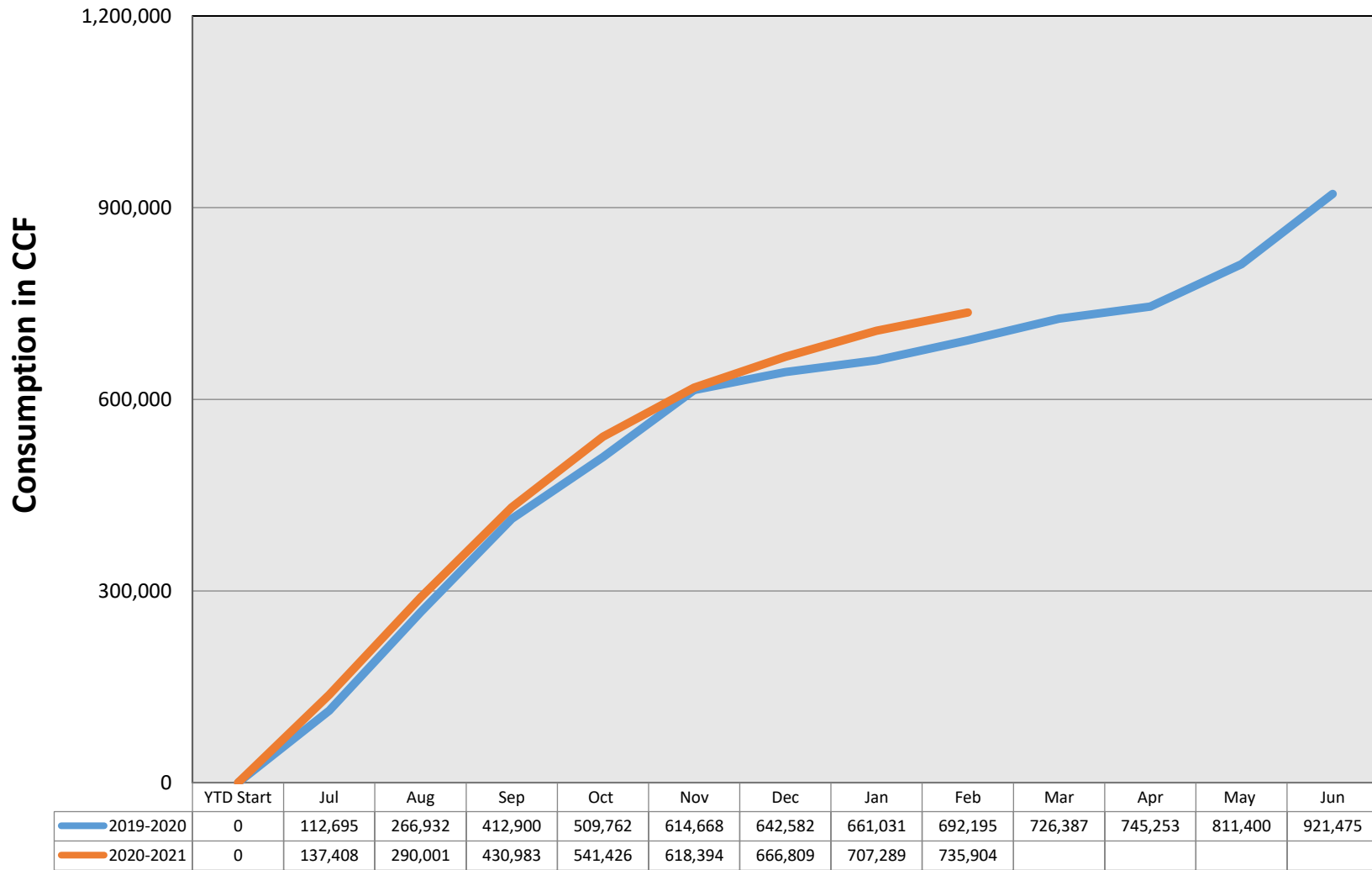


## Tier I YTD Consumption

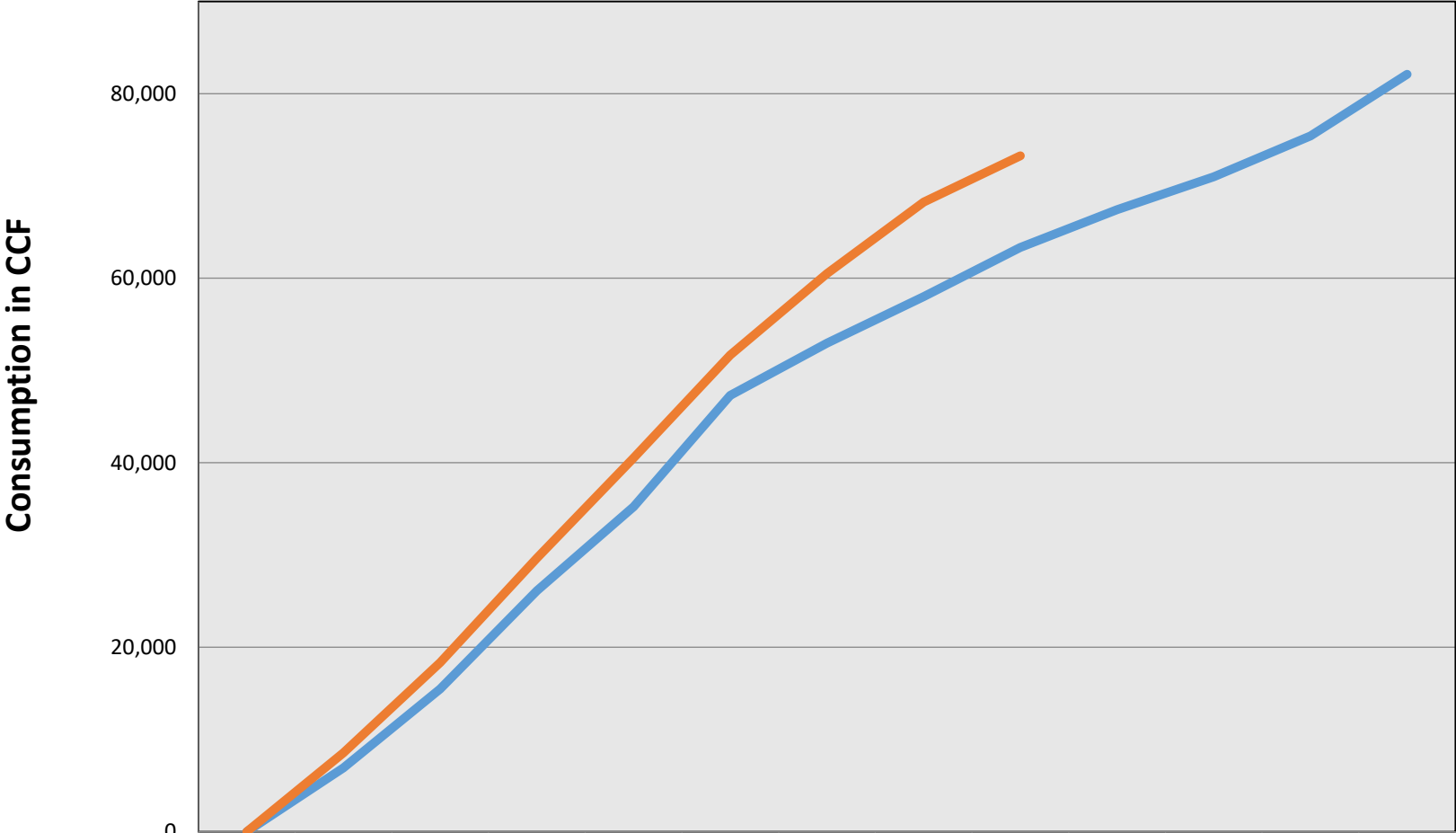


	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	0	128,554	264,460	399,447	520,744	662,622	776,196	894,984	1,009,322	1,118,066	1,235,350	1,368,228	1,498,345
2020-2021	0	137,646	274,928	408,167	542,476	678,671	801,986	935,372	1,049,815				

## Tier II YTD Consumption

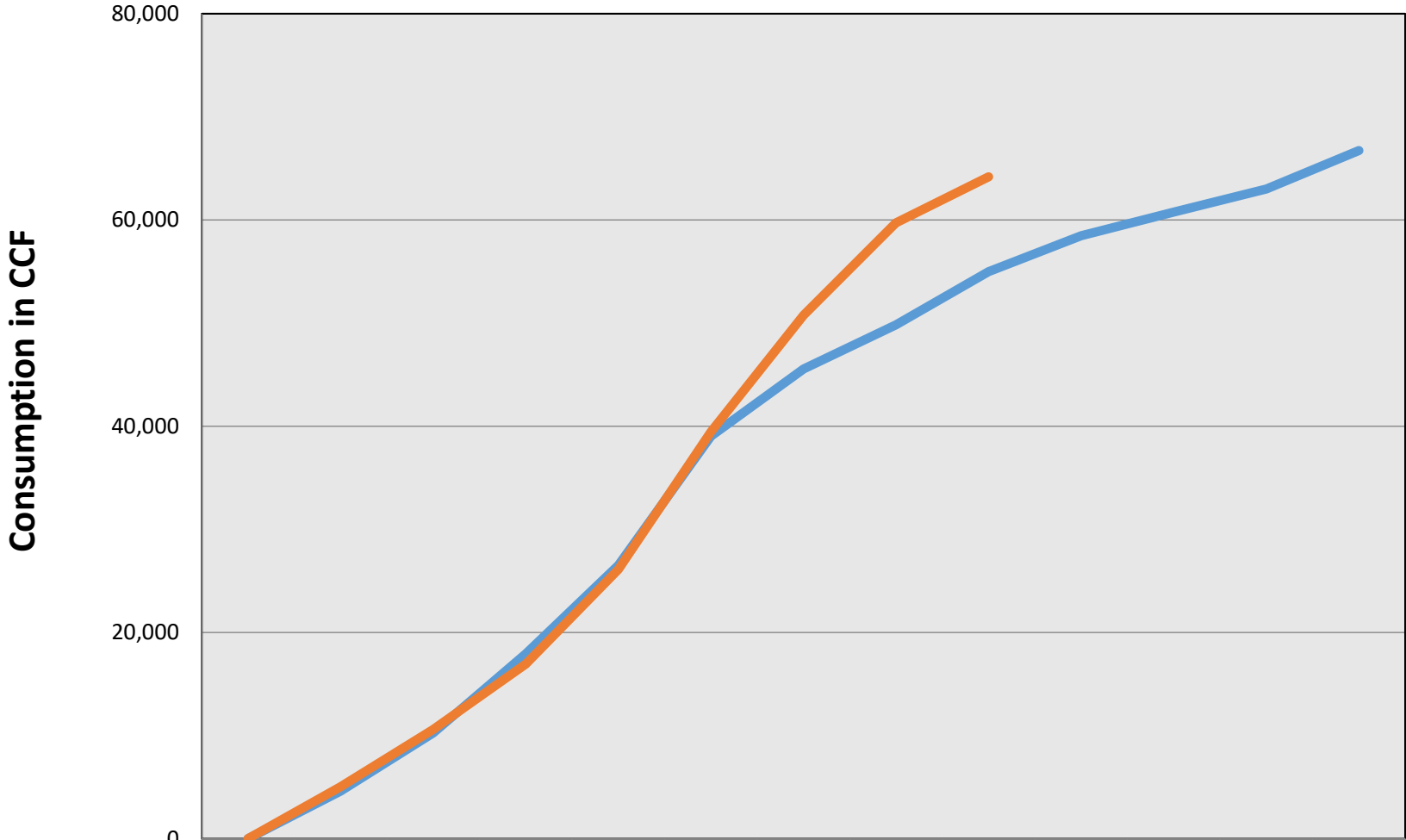


### Tier III YTD Consumption



	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	0	6,910	15,477	26,141	35,235	47,313	52,967	58,005	63,323	67,421	70,983	75,429	82,104
2020-2021	0	8,539	18,338	29,671	40,536	51,676	60,496	68,254	73,270				

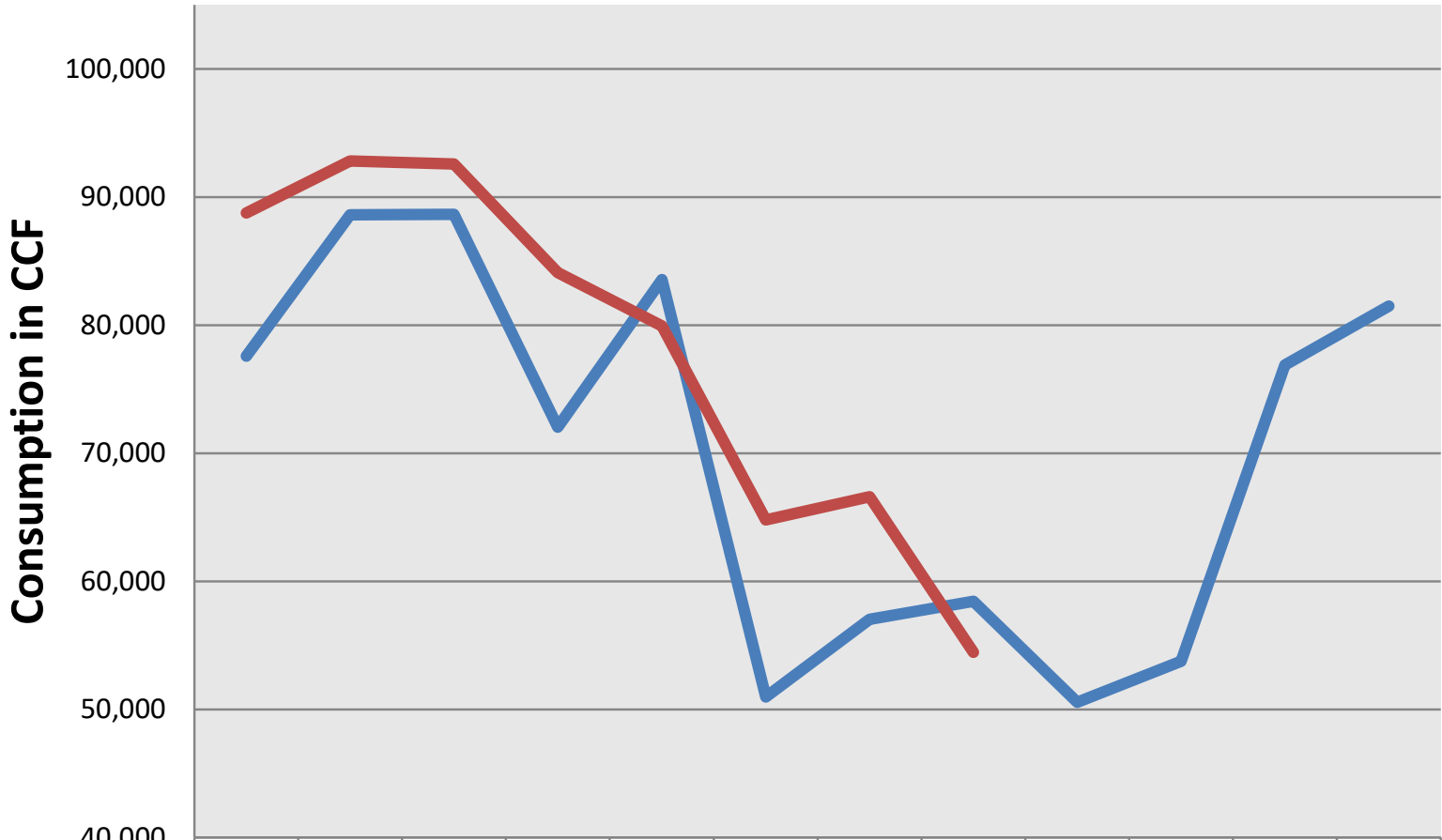
### Tier IV YTD Consumption



	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	0	4,608	10,247	17,923	26,514	39,019	45,558	49,820	54,986	58,465	60,769	62,998	66,727
2020-2021	0	5,043	10,574	16,939	26,098	39,442	50,770	59,701	64,180				

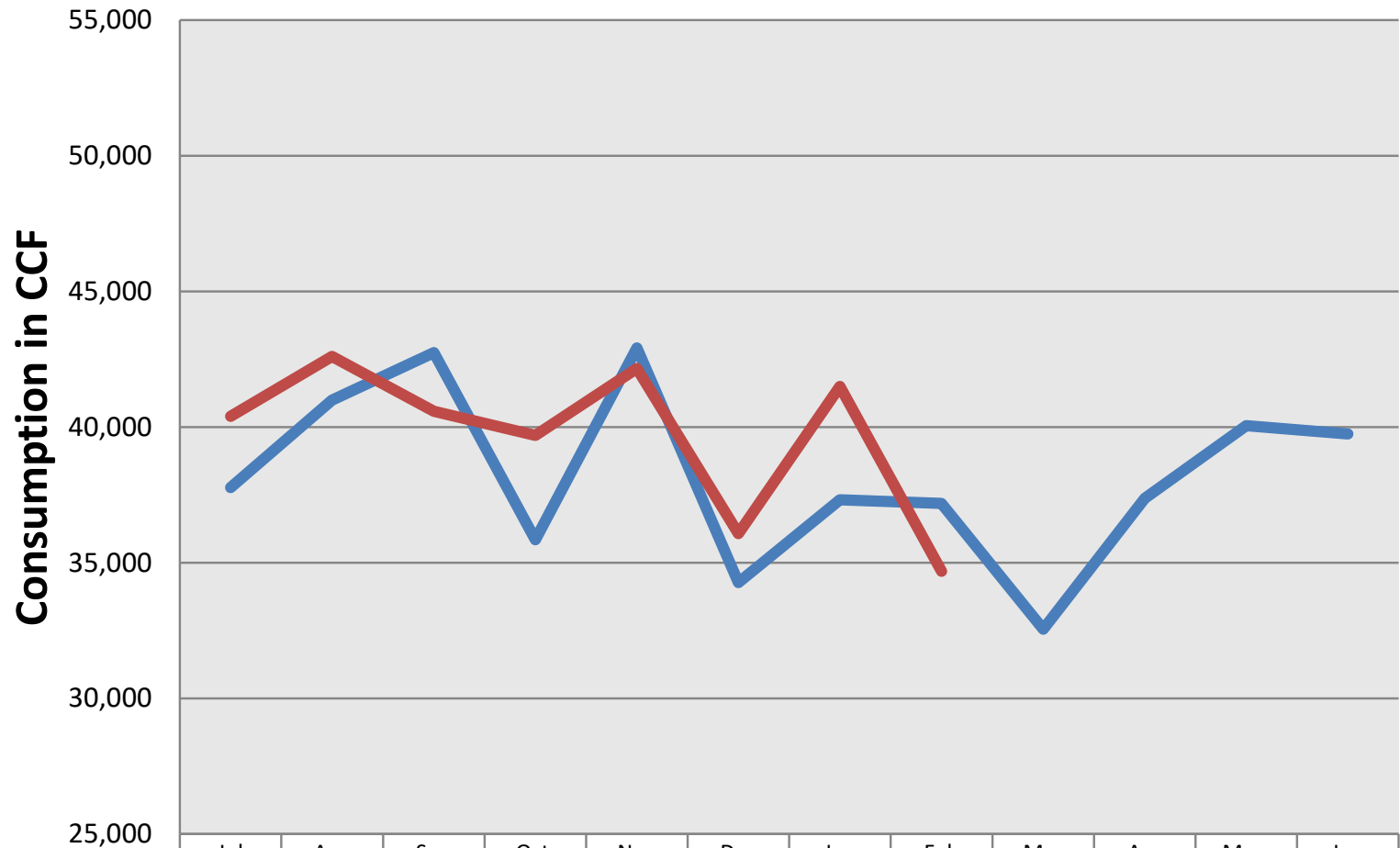


# Single Family Residents Consumption



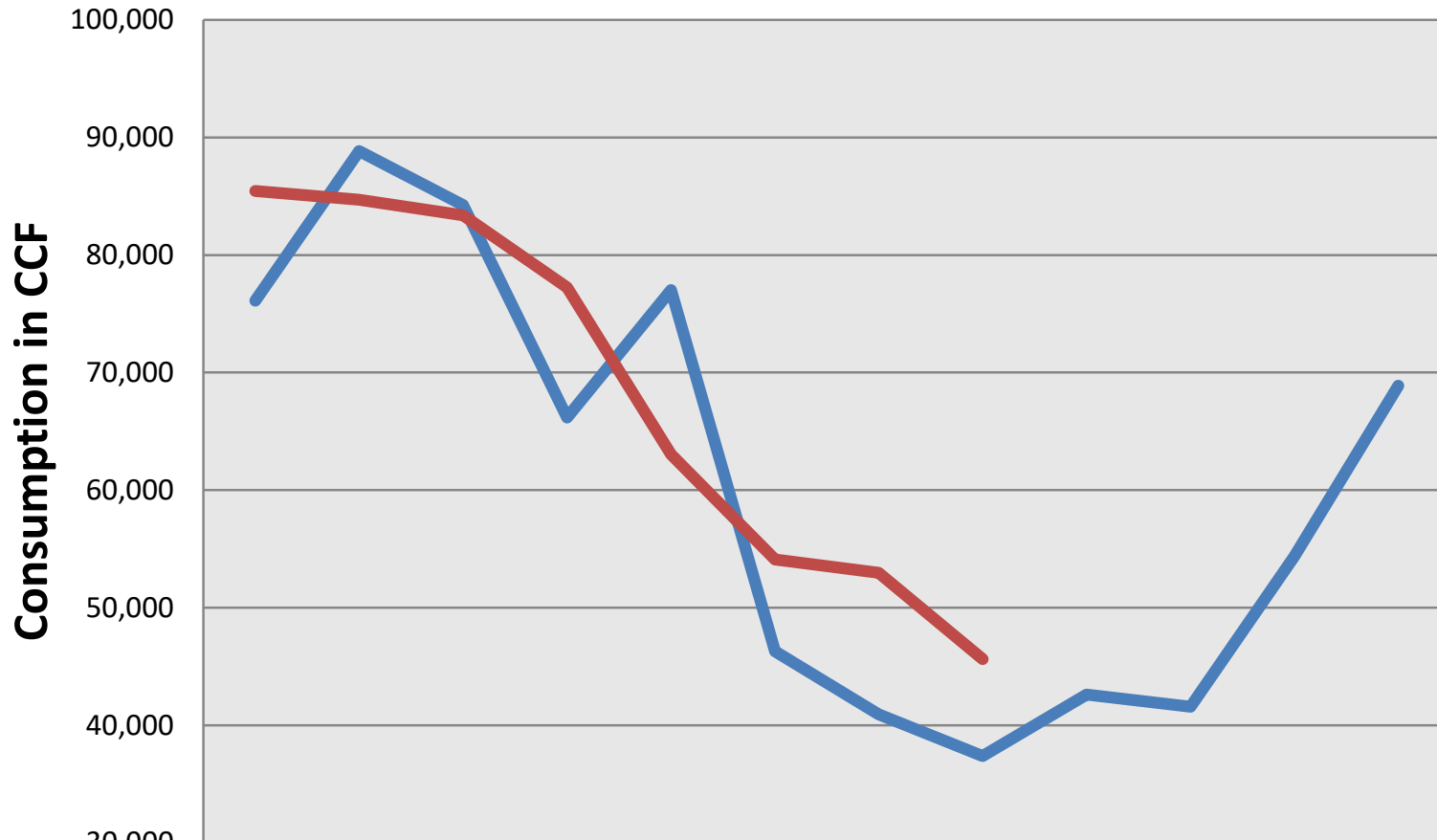
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	77,586	88,625	88,650	72,040	83,550	50,955	57,031	58,453	50,557	53,765	76,880	81,484
2020-2021	88,770	92,815	92,568	84,099	79,933	64,791	66,587	54,456				
%	114%	105%	104%	117%	96%	127%	117%	93%	0%	0%	0%	0%

## Multi Family Residents Consumption



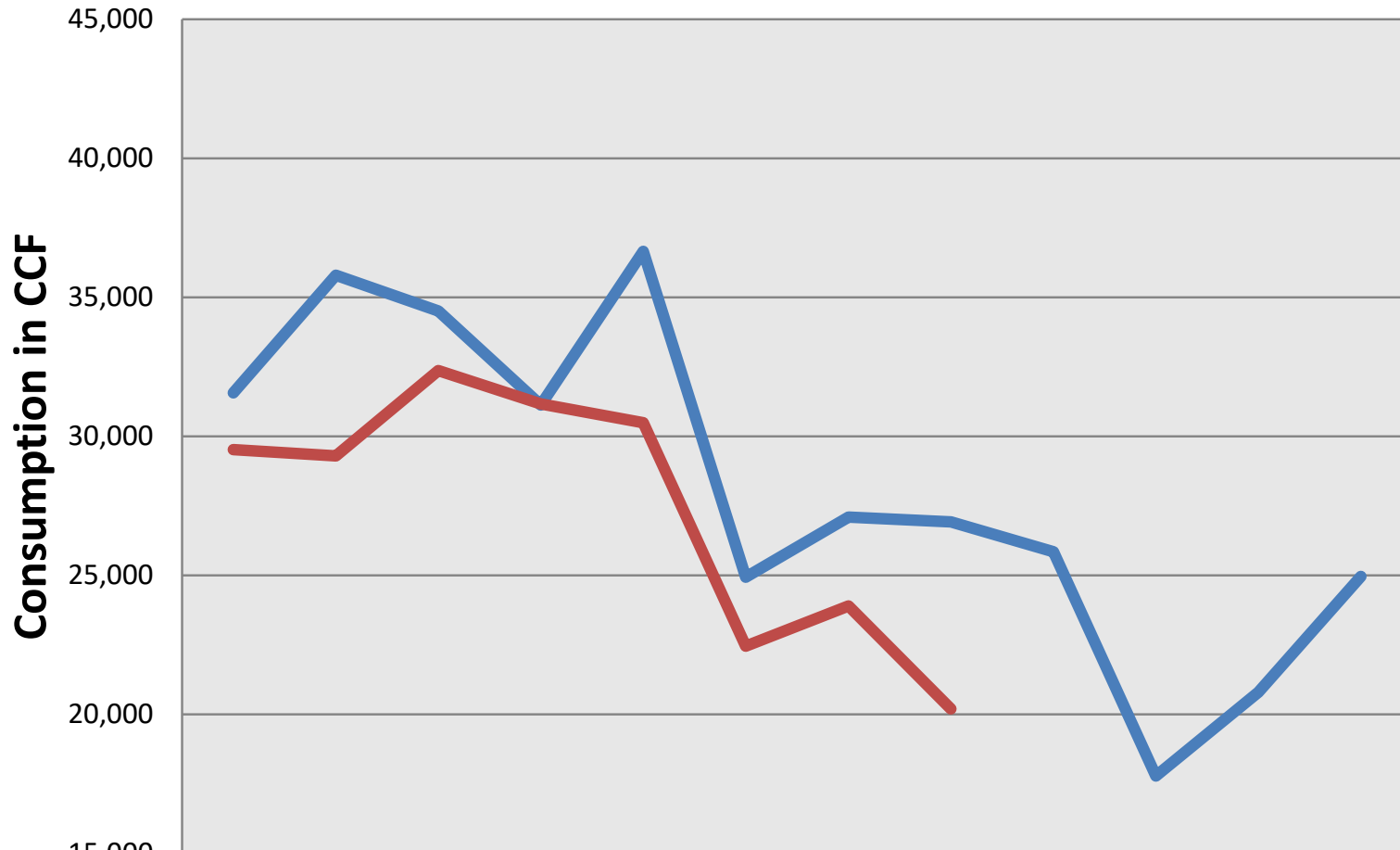
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	37,764	40,990	42,748	35,846	42,915	34,269	37,314	37,185	32,549	37,372	40,056	39,751
2020-2021	40,396	42,602	40,575	39,694	42,162	36,065	41,502	34,683				
%	107%	104%	95%	111%	98%	105%	111%	93%	0%	0%	0%	0%

## Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



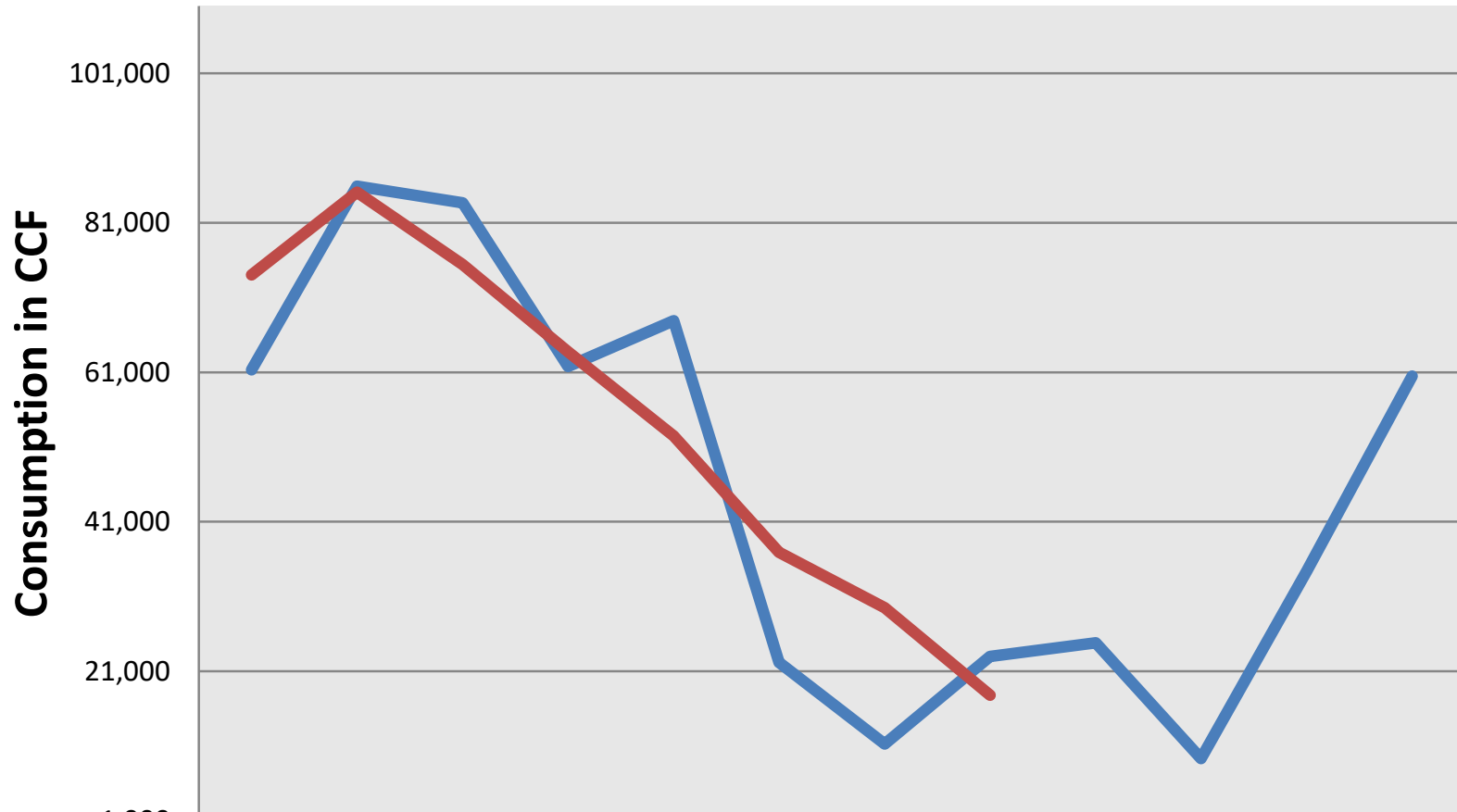
2019-2020	76,109	88,839	84,242	66,165	77,014	46,268	40,923	37,375	42,605	41,567	54,391	68,893
2020-2021	85,444	84,697	83,360	77,251	63,052	54,106	52,957	45,620				
%	112%	95%	99%	117%	82%	117%	129%	122%	0%	0%	0%	0%

# Commercial Consumption



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	31,560	35,793	34,506	31,129	36,650	24,924	27,092	26,914	25,842	17,778	20,786	24,962
2020-2021	29,513	29,290	32,362	31,164	30,493	22,444	23,895	20,192				
%	94%	82%	94%	100%	83%	90%	88%	75%	0%	0%	0%	0%

## Dedicated Irrigation Consumption (including LWV)



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	61,308	85,895	83,655	61,793	67,888	22,189	11,269	22,973	24,802	9,312	34,373	60,468
2020-2021	74,026	85,091	75,416	63,732	52,500	36,916	29,509	17,794				
%	121%	99%	90%	103%	77%	166%	262%	77%	0%	0%	0%	0%

# BUDGET SCHEDULE

## FY 2021/2022

<b>DESCRIPTION</b>	<b>DATE</b>	<b>DAY</b>
Board Budget Committee #1	3/23/2021	Tues
Board Budget Committee #2	4/5/2021	Mon
Board Budget Workshop	4/15/2021	Thurs
E, F & I Budget Update	4/19/2021	Mon
Distribute Prop 218 Notice	5/3/2021	Mon
CAG	5/13/2021	Thurs
Publish Public Hearing Notice - Newspaper	5/28/2021	Fri
E, F & I Budget Update	6/21/2020	Mon
Conduct Public Hearing - Regular Board Meeting	6/24/2020	Thurs
Implement Board Action	7/1/2020	Thurs

**Note: Board Budget Committee #1, Committee #2, and Workshop are at 7:30 am**

# EL TORO WATER DISTRICT

## Glossary of Water Terms

**Accumulated overdraft:** The amount of water necessary to be replaced in the intake area of the groundwater basin to prevent the landward movement of ocean water into the fresh groundwater body.

**Acre-foot, AF:** A common water industry unit of measurement. An acre-foot is 325,851 gallons, or the amount of water needed to cover one acre with water one foot deep. An acre-foot serves annual needs of two typical California families.

**ACWA:** Association of California Water Agencies.  
A statewide group based in Sacramento that actively lobbies State and Federal Government on water issues.

**Advanced treatment:** Additional treatment processes used to clean wastewater even further following primary and secondary treatment. Also known as tertiary treatment.

**AFY:** Acre-foot per year.

**Alluvium:** A stratified bed of sand, gravel, silt, and clay deposited by flowing water.

**AMP:** Allen McCulloch pipeline.

Major pipeline transporting treated water to water districts between Yorba Linda, where it starts to El Toro Water District reservoir, where it terminates.

**Annexation:** The inclusion of land within a government agency's jurisdiction.

**Annual overdraft:** The quantity by which the production of water from the groundwater supplies during the water year exceeds the natural replenishment of such groundwater supplies during the same water year.

**Aqueduct:** A man-made canal or pipeline used to transport water.

**Aquifer:** An underground geologic formation of rock, soil or sediment that is naturally saturated with water; an aquifer stores groundwater.

**Arid:** Dry; deserts are arid places. Semi-arid places are almost as dry as a desert.

**Artesian:** An aquifer in which the water is under sufficient pressure to cause it to rise above the bottom of the overlying confining bed, if the opportunity is provided.

**Artificial recharge:** The addition of surface water to a groundwater reservoir by human activity, such as putting surface water into recharge basins. (See also: groundwater recharge and recharge basin.)

**AWWA** American Water Works Association  
Nationwide group of public and private water purveyors and related industrial suppliers.

**Base flow:** The portion of river surface flow which remains after deduction of storm flow and/or purchased imported water.

**Bay-Delta:** The Sacramento-San Joaquin Bay-Delta is a unique natural resource of local, state and national significance. The Delta is home to more than 500,000 people; contains 500,000 acres of agriculture; provides habitat for 700 native plant and animal species; provides water for more than 25 million Californians and 3 million acres of agriculture; is traversed by energy, communications and transportation facilities vital to the economic health of California; and supports a \$400 billion economy.

**BIA:** Building Industry Association.

**Biofouling:** The formation of bacterial film (biofilm) on fragile reverse osmosis membrane surfaces.

**Biosolids:** Solid organic matter recovered from a sewage treatment process and used especially as fertilizer.

**BMP:** Best Management Practice. An engineered structure or management activity, or combination of these, that eliminates or reduces adverse environmental effects.

**Brackish water:** A mixture of freshwater and saltwater.

**Brown Act:** Ralph M. Brown Act enacted by the State legislature governing all meetings of legislative bodies. Also known as the Open Meeting requirements.

**Canal:** A ditch used to move water from one location to another.

**CASA:** California Association of Sanitation Agencies The sanitation equivalent of ACWA concerned solely with issues affecting the treatment and disposal of solid waste and wastewater.

**CEQA:** California Environmental Quality Act.

**CERCLA:** Comprehensive Environmental Response, Compensation and Liability Act. This federal law establishes the Superfund program for hazardous waste sites. It provides the legal basis for the United States EPA to regulate and clean up hazardous waste sites, and if appropriate, to seek financial compensation from entities responsible for the site.

**CFS:** Cubic feet per second.

**Chloramines:** A mixture of ammonia and chlorine used to purify water.

**Clarify:** To make clear or pure by separation and elimination of suspended solid material.

**Coagulation:** The clumping together of solids so they can more easily be settled out or filtered out of water. A chemical called aluminum sulfate (alum) is generally used to aid coagulation in water treatment and reclamation.



**Coastkeepers:** A non-profit organization dedicated to the protection and preservation of the marine habitats and watersheds of Orange County through programs of education, restoration, enforcement and advocacy.

**Colored water:** Groundwater extracted from the basin that is unsuitable for domestic use without treatment due to high color and odor exceeding drinking water standards.

**Condensation:** The process of water vapor (gas) changing into liquid water. An example of condensation can be seen in the tiny water droplets that form on the outside of a glass of iced tea as warmer air touches the cooler glass.

**Confined aquifer:** An aquifer that is bound above and below by dense layers of rock and contains water under pressure.

**Conjunctive use:** Storing imported water in a local aquifer, in conjunction with groundwater, for later retrieval and use.

**Contaminate:** To make unclean or impure by the addition of harmful substances.

**CPCFA:** California Pollution Control Financing Authority. State agency providing funds for wastewater reclamation projects.

**Crisis:**

1. **a:** The turning point for better or worse **b:** a paroxysmal attack of pain, distress, or disordered function **c:** an emotionally significant event or radical change of status in a person's life <a midlife *crisis*>
2. The decisive moment (as in a literary plot)
3. **a:** An unstable or crucial time or state of affairs in which a decisive change is impending; *especially* : one with the distinct possibility of a highly undesirable outcome <a financial *crisis*> **b:** a situation that has reached a critical phase

**CTP** Coastal Treatment Plant

**CWPCA** California Water Pollution Control Association. A 7000 member non-profit educational organization dedicated to water pollution control.

**Dam:** A barrier built across a river or stream to hold water.

**Decompose:** To separate into simpler compounds, substances or elements.

**Deep percolation:** The percolation of surface water through the ground beyond the lower limit of the root zone of plants into a groundwater aquifer.

**Degraded water:** Water within the groundwater basin that, in one characteristic or another, does not meet primary drinking water standards.

**Delta:** Where the rivers empty; an outlet from land to ocean, also where the rivers deposit sediment they carry forming landforms.

**Delta Vision:** Delta Vision is intended to identify a strategy for managing the Sacramento-San Joaquin Delta as a sustainable ecosystem that would continue to support environmental and economic functions that are critical to the people of California.

**Demineralize:** To reduce the concentrations of minerals from water by ion exchange, distillation, electro-dialysis, or reverse osmosis.

**De-nitrification:** The physical process of removing nitrate from water through reverse osmosis, microfiltration, or other means.

**Desalting (or desalination):** Removing salts from salt water by evaporation or distillation. Specific treatment processes, such as reverse osmosis or multi-stage flash distillation, to demineralize seawater or brackish (saline) waters for reuse. Also sometimes used in wastewater treatment to remove salts other pollutants.

**Desilting:** The physical process of removing suspended particles from water.

**Dilute:** To lessen the amount of a substance in water by adding more water.

**Disinfection:** Water treatment which destroys potentially harmful bacteria.

**Drainage basin:** The area of land from which water drains into a river, for example, the Sacramento River Basin, in which all land area drains into the Sacramento River. Also called catchment area, watershed, or river basin.

**Drought:** A prolonged period of below-average precipitation.

**DPHS:** California Department of Public Health Services. Regulates public water systems; oversees water recycling projects; permits water treatment devices; certifies drinking water treatment and distribution operators; supports and promotes water system security; provides support for small water systems and for improving technical, managerial, and financial (TMF) capacity; provides funding opportunities for water system improvements.

**DVL:** Diamond Valley Lake. Metropolitan's major reservoir near Hemet, in southwestern Riverside County.

**DWR:** California Department of Water Resources. Guides development/management of California's water resources; owns/operates State Water Project and other water facilities.

**Endangered Species:** A species of animal or plant threatened with extinction.

**Endangered Species Act of 1973 (ESA):** The most wide-ranging of the dozens of United States environmental laws passed in the 1970s. As stated in section 2 of the act, it was designed to protect critically imperiled species from extinction as a "consequence of economic growth and development untended by adequate concern and conservation.

**Ecosystem:** Where living and non-living things interact (coexist) in order to survive.

**Effluent:** Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

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**Evaporation:** The process that changes water (liquid) into water vapor (gas).

**Estuary:** Where fresh water meets salt water.

**Evapotranspiration:** The quantity of water transpired (given off), retained in plant tissues, and evaporated from plant tissues and surrounding soil surface. Quantitatively, it is expressed in terms of depth of water per unit area during a specified period of time.

**FCH** Federal Clearing House – Environmental Review/Processing

**FEMA** Federal Emergency Management Agency

**Filtration:** The process of allowing water to pass through layers of a porous material such as sand, gravel or charcoal to trap solid particles. Filtration occurs in nature when rain water soaks into the ground and it passes through hundreds of feet of sand and gravel. This same natural process of filtration is duplicated in water and wastewater treatment plants, generally using sand and coal as the filter media.

**Flocculation:** A chemical process involving addition of a coagulant to assist in the removal of turbidity in water.

**Forebay:** A reservoir or pond situated at the intake of a pumping plant or power plant to stabilize water level; also, a portion of a groundwater basin where large quantities of surface water can recharge the basin through infiltration.

**Gray water reuse:** Reuse, generally without treatment, of domestic type wastewater for toilet flushing, garden irrigation and other non-potable uses. Excludes water from toilets, kitchen sinks, dishwashers, or water used for washing diapers.

**Green Acres Project (GAP):** A 7.5 million gallons per day (MGD) water reclamation project that serves tertiary treated recycled water to irrigation and industrial users in Costa Mesa, Fountain Valley, Huntington Beach, Newport Beach, and Santa Ana.

**God Squad:** A seven-member committee that is officially called the "Endangered Species Committee". Members consist of Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Army, the Chairman of the Council of Economic Advisers, the Administrator of the National Oceanic and Atmospheric Administration and one individual from the affected state. The squad was established in 1978 by an amendment to the 1973 Endangered Species Act (ESA). It has only been called into action three times to deal with proposed federal agency actions that have been determined to cause "jeopardy" to any listed species. Such actions may receive an exemption from the ESA if five members of the committee determine that the action is of regional or national significance, that the benefits of the action clearly outweigh the benefits of conserving the species and that there are no reasonable and prudent alternatives to the action.

**Groundwater:** Water that has percolated into natural, underground aquifers; water in the ground, not water puddled on the ground.

**Groundwater basin:** A groundwater reservoir defined by the overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of success-ively deeper aquifers may differ and make it difficult to define the limits of the basin.

**Groundwater mining:** The withdrawal of water from an aquifer in excess of recharge over a period of time. If continued, the underground supply would eventually be exhausted or the water table could drop below economically feasible pumping lifts.

**Groundwater overdraft:** The condition of a groundwater basin in which the amount of water withdrawn by pumping exceeds the amount of water that recharges the basin over a period of years during which water supply conditions approximate average.

**Groundwater recharge:** The action of increasing groundwater storage by natural conditions or by human activity. See also: Artificial recharge.

**Ground Water Replenishment System (GWRS):** A joint project of the Orange County Water District and the Orange County Sanitation District that will provide up to 100,000 acre-feet of reclaimed water annually. The high-quality water will be used to expand an existing underground seawater intrusion barrier and to replenish the groundwater basin underlying north and central Orange County.

**Groundwater table:** The upper surface of the zone of saturation (all pores of subsoil filled with water), except where the surface is formed by an impermeable body.

**GPM:** Gallons per minute.

**Ground Water Replenishment System (GWRS):** Orange County Water District's state-of-the-art, highly advanced, waste-water treatment facility.

**Hydrologic balance:** An accounting of all water inflow to, water outflow from, and changes in water storage within a hydrologic unit over a specified period.

**Hydrologic cycle:** The process of water constantly circulating from the ocean, to the atmosphere, to the earth in a form of precipitation, and finally returning to the ocean.

**Imported water:** Water that has originated from one hydrologic region and is transferred to another hydrologic region.

**Inflatable rubber dams:** Designed to replace temporary sand levees that wash out during heavy storm flow, the dams hold back high-volume river flows and divert the water into the off-river system for percolation.

**Influent:** Water or wastewater entering a treatment plant, or a particular stage of the treatment process.

**Irrigation:** Applying water to crops, lawns or other plants using pumps, pipes, hoses, sprinklers, etc.

**JPIA** Joint Powers Insurance Authority. A group of water agencies providing self-insurance to members of the ACWA.

**LAIF** Local Agency Investment Fund. Statewide pool of surplus public agency money managed by State Treasurer.

**Leach:** To remove components from the soil by the action of water trickling through.

**MAF:** Million acre feet.

**MCL:** Maximum contaminant level set by EPA for a regulated substance in drinking water. According to health agencies, the maximum amount of a substance that can be present in water that's safe to drink and which looks, tastes and smells good.

**MET:** Metropolitan Water District of Southern California.

**MGD:** Million gallons per day.

**Microfiltration:** A physical separation process where tiny, hollow filaments members separate particles from water.

**Microorganism:** An animal or plant of microscopic size.

**MWD:** Metropolitan Water District of Southern California.

**MWDOC:** Municipal Water District of Orange County. Intermediate wholesaler between MWD and 27 member agencies including ETWD.

**Non-point source pollution:** Pollution that is so general or covers such a wide area that no single, localized source of the pollution can be identified.

**NPDES** National Pollution Discharge Elimination System

**OCBC:** Orange County Business Council.

**OCEMA** Orange County Environmental Management Agency

**OCWD:** Orange County Water District.

**Opportunity:**

1. A favorable juncture of circumstances.
2. A good chance for advancement or progress .

**Organism:** Any individual form of life, such as a plant, animal or bacterium.

**PCM** Professional Community Management, Inc. Property Management company providing services to Laguna Woods Village and other homeowner associations.

**Perched groundwater:** Groundwater supported by a zone of material of low permeability located above an underlying main body of groundwater with which it is not hydrostatically connected.

**Percolation:** The downward movement of water through the soil or alluvium to the groundwater table.

**Permeability:** The capability of soil or other geologic formations to transmit water.

**Point source:** A specific site from which waste or polluted water is discharged into a water body, the source of which is identified. See also: non-point source.

**Potable water:** Suitable and safe for drinking.

**PPB:** Parts per billion.

**Precipitation:** Water from the atmosphere that falls to the ground as a liquid (rain) or a solid (snow, sleet, hail).

**Primary treated water:** First major treatment in a wastewater treatment facility, usually sedimentation but not biological oxidation.

**Primary treatment:** Removing solids and floating matter from wastewater using screening, skimming and sedimentation (settling by gravity).

**Prior appropriation doctrine:** Allocates water rights to the first party who diverts water from its natural source and applies the water to beneficial use. If at some point the first appropriator fails to use the water beneficially, another person may appropriate the water and gain rights to the water. The central principle is beneficial use, not land ownership.

**Pumping Plant:** A facility that lifts water up and over hills.

**Recharge:** The physical process where water naturally percolates or sinks into a groundwater basin.

**Recharge basin:** A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

**Reclaimed wastewater:** Wastewater that becomes suitable for a specific beneficial use as a result of treatment. See also: wastewater reclamation.

**Reclamation project:** A project where water is obtained from a sanitary district or system and which undergoes additional treatment for a variety of uses, including landscape irrigation, industrial uses, and groundwater recharge.

**Recycling:** A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term "recycled water" to reclaimed water.

**Reservoir:** A place where water is stored until it is needed. A reservoir can be an open lake or an enclosed storage tank.

**Reverse osmosis:** (RO) A method of removing salts or other ions from water by forcing water through a semi-permeable membrane.

**RFP** Request for Proposal

**Riparian:** Of or on the banks of a stream, river, or other body of water.

**RO:** Reverse osmosis. See the listing under "reverse osmosis."

**R-O-W** Right-of-way

**Runoff:** Liquid water that travels over the surface of the Earth, moving downward due to gravity. Runoff is one way in which water that falls as precipitation returns to the ocean.

**RWQCB** Regional Water Quality Control Board. State agency regulating discharge and use of recycled water.

**Safe Drinking Water Act (SDWA):** The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and its sources: rivers, lakes, reservoirs, springs, and ground water wells. (SDWA does not regulate private wells which serve fewer than 25 individuals.) SDWA authorizes the United States Environmental Protection Agency (US EPA) to set national health-based standards for drinking water to protect against both naturally-occurring and man-made contaminants that may be found in drinking water. US EPA, states, and water systems work together to make sure that these standards are met.

**Safe yield:** The maximum quantity of water that can be withdrawn from a groundwater basin over a long period of time without developing a condition of overdraft, sometimes referred to as sustained yield.

**SAFRA** Santa Ana River Flood Protection Agency

**Salinity:** Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids - TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

**SAWPA:** Santa Ana Watershed Project Authority.

**SCADA** Supervisory Control and Data Acquisition

**SCAP** Southern California Alliance of Publicly. Newly formed group of public agencies seeking reasonable regulation of sewer industry.

**SCH** State Clearing House – Environmental Review/Processing

**Seasonal storage:** A three-part program offered by Metropolitan Water District of Southern California:

**STSS (Short Term Seasonal Storage)** financially encourages agencies with local groundwater production capabilities to produce a higher percentage of their demand in the summer from their local groundwater supplies, thus shifting a portion of their demand on the MWD system from the summer to winter;

**LTSS (Long Term Seasonal Storage)** financially encourages retail agencies to take and store additional amounts of MWD water above their normal annual demands for later use; Replenishment Water provides less expensive interruptible water that is generally available and used to increase the operating yield of groundwater basins.

**Seawater intrusion:** The movement of salt water into a body of fresh water. It can occur in either surface water or groundwater basins.

**Seawater barrier:** A physical facility or method of operation designed to prevent the intrusion of salt water into a body of freshwater.

**Secondary treatment:** The biological portion of wastewater treatment which uses the activated sludge process to further clean wastewater after primary treatment. Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids. Usually carried out through the use of trickling filters or by the activated sludge process.

**Sedimentation:** The settling of solids in a body of water using gravity.

**Settle:** To clarify water by causing impurities/solid material to sink to a container's bottom.

**Sewer:** The system of pipes that carries wastewater from homes and businesses to a treatment plant or reclamation plant. Sewers are separate from storm drains, which is a system of drains and pipes that carry rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain water is not treated before it is discharged.

**SigAlert:** Any unplanned event that causes the closing of one lane of traffic for 30 minutes or more, as opposed to a planned event, like road construction, which is planned.

**SJBA** San Juan Basin Authority

**Sludge:** The solids that remain after wastewater treatment. This material is separated from the cleaned water, treated and composted into fertilizer. Also called biosolids.

**SOCWA** South Orange County Wastewater Authority. Regional Joint Powers Authority formed for collection and treatment of sewerage (previously known as AWMA/SERRA/SOCRA). SOCWA member agencies:

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

**SRF** State Revolving Fund

**Storm Drain:** The system of pipes that carries rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain



water is not treated before it is discharged. Storm drains are separate from sewers, which is a separate system of pipes to carry wastewater from homes and businesses to a treatment plant or reclamation plant for cleaning.

**Storm flow:** Surface flow originating from precipitation and run-off which has not percolated to an underground basin.

**SWP:** State Water Project. An aqueduct system that delivers water from northern California to central and southern California.

**SWRCB** State Water Resources Control Board

**TDS:** Total dissolved solids. A quantitative measure of the residual minerals dissolved in water that remain after evaporation of a solution. Usually expressed in milligrams per liter.

**Tertiary treatment:** The treatment of wastewater beyond the secondary or biological stage. Normally implies the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

**THM:** Trihalomethanes. Any of several synthetic organic compounds formed when chlorine or bromine combine with organic materials in water.

**TMA:** Too many acronyms.

**TMDL:** Total maximum daily load; A quantitative assessment of water quality problems, contributing sources, and load reductions or control actions needed to restore and protect bodies of water.

**Transpiration:** The process in which plant tissues give off water vapor to the atmosphere as an essential physiological process.

**Turbidity:** Thick or opaque with matter in suspension; muddy water.

**Ultraviolet light disinfection:** A disinfection method for water that has received either secondary or tertiary treatment used as an alternative to chlorination.

**VE** Value Engineering

**VOC:** Volatile organic compound; a chemical compound that evaporates readily at room temperature and contains carbon.

**Wastewater:** Water that has been previously used by a municipality, industry or agriculture and has suffered a loss of quality as a result.

**Water Cycle:** The continuous process of surface water (puddles, lakes, oceans) evaporating from the sun's heat to become water vapor (gas) in the atmosphere. Water condenses into clouds and then falls back to earth as rain or snow (precipitation). Some precipitation soaks into the ground (percolation) to replenish groundwater supplies in underground aquifers.

**Water rights:** A legally protected right to take possession of water occurring in a natural waterway and to divert that water for beneficial use.

**Water-use Efficiency:** The water requirements of a particular device, fixture, appliance, process, piece of equipment, or activity.

**Water year (USGS):** The period between October 1st of one calendar year to September 30<sup>th</sup> of the following calendar year.

**Watermaster:** A court appointed person(s) that has specific responsibilities to carry out court decisions pertaining to a river system or watershed.

**Water Reclamation:** The treatment of wastewater to make it suitable for a beneficial reuse, such as landscape irrigation. Also called water recycling.

**Watershed:** The total land area that from which water drains or flows to a river, stream, lake or other body of water.

**Water table:** The top level of water stored underground.

**WEF** Water Environment Federation. Formerly – Water Pollution Control Federation (WPCF). International trade group advising members of sewage treatment techniques and their effect on the environment.

**Weir box:** A device to measure/control surface water flows in streams or between ponds.

**Wellhead treatment:** Water quality treatment of water being produced at the well site.

**Wetland:** Any area in which the water table stands near, at, or above the land surface for a portion of the year. Wetlands are characterized by plants adapted to wet soil conditions.

**Xeriscape:** Landscaping that requires minimal water.