

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 FINANCE AND INSURANCE COMMITTEE MEETING AND ENGINEERING COMMITTEE MEETING

July 19, 2021

7:30 a.m.

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, attend the meeting in person at the District's office or may observe and address the Meeting by joining at this link:

<https://us02web.zoom.us/j/82027538774>. (Meeting ID: 820 2753 8774).

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.)

## **FINANCE AND INSURANCE COMMITTEE MEETING**

### **CALL MEETING TO ORDER – Director Havens**

#### **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 June 21, 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.

#### **2. California Asset Management Program (CAMP) (Reference Material Included)**

A CAMP Representative will update the Board on the District's investment holdings and philosophy based on the economic outlook. CAMP assists the District with short-term and long-term investment alternatives.

## **FINANCIAL INFORMATION ITEMS**

#### **3. Certificate of Achievement for Excellence in Financial Reporting (Reference Material Included)**

Staff will review and comment on the award of the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the District's Comprehensive Annual Financial Report for the fiscal year that ended June 30, 2020. Staff will also provide an update on the quarterly audits for the first three quarters of the 2020-2021 fiscal year.

**4. 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.

**FINANCIAL ACTION ITEMS**

**5. Quarterly Insurance Report (Reference Material Included)**

Staff will review and comment on the Quarterly Insurance Report for the period April 1, 2021 through June 30, 2021.

**Recommended Action:** Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period of April 1, 2021 through June 30, 2021.

**6. Financial Package - Authorization to Approve Bills for Consideration dated July 19, 2021 and Receive and File Financial Statements as of June 30, 2021 (Reference Material Included)**

The Board will consider approving the Bills for Consideration dated July 19, 2021 and Receive and File Financial Statements as of June 30, 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 July 19, 2021, and 2) receive and file the Financial Statements for the period ending June 30, 2021.

**COMMENTS REGARDING NON-AGENDA FIC ITEMS**

**CLOSE FINANCE AND INSURANCE COMMITTEE MEETING**

**ENGINEERING COMMITTEE**

**CALL MEETING TO ORDER – Director Vergara**

**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 June 21, 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**

8. **WRP Main Electrical Power Breakers Replacement Project**  
(Reference Material Included)

Staff will review and comment on the removal and replacement of one existing 3000 amp circuit breaker and two existing 1600 amp circuit breakers at the Water Recycling Plant.

### **Recommended Action:**

Staff recommends that the Board of Directors authorize the District's General Manager to enter into a contract with Royal Wholesale Electric in the amount of \$134,491.40 for the WRP Main Electrical Power Breakers 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.

9. **Oso Lift Station Improvement Project Change Orders**  
(Reference Material Included)

Staff will review and comment on Change Order #4 to the Oso Lift Station Improvement Project Construction Contract that brings an accumulated change order value of Change Orders Nos. 2 – 4 to \$61,435.67.

### **Recommended Action:**

Staff recommends that the Board of Directors authorize the District's General Manager to issue Construction Change Order No. 4 to the existing contract with Filanc Construction in the amount of \$19,070.65 for the construction of the Oso Lift Station Improvement Project and ratify the approval of Change Order No. 2 in the amount of \$15,289.00 and Change Order No. 3 in the amount of \$27,075.86. 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**

**10. 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.

**11. 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**

## **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. [Class Action] *Kessner et al. v. City of Santa Clara, et al.* (Santa Clara County Superior Court - Case No. 20 CV 364054).

## **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  
FINANCE & INSURANCE COMMITTEE

June 21, 2021

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

Director Havens led in the Pledge of Allegiance to the flag.

Committee Members MIKE GASKINS, KATHRYN FRESHLEY, JOSE VERGARA, MARK MONIN, 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, CODE BRUDER, So Cal Ren Representative, JAMES FERRO, AESC Representative, CAROL MOORE, Laguna Woods Council Member, JACKIE RECH, JPIA 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 & Insurance Committee Meeting

At approximately 7:35 a.m. Director Havens called the Finance meeting to order.

Consent Calendar

Director Havens asked for a Motion.

Motion: Vice President Freshley made a motion, seconded by Director Vergara 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

Financial Information Items

Consumer Driven Health Plan

Mr. Cafferty introduced Jackie Rech from the Joint Powers Insurance Authority. Ms. Rech provided a presentation on the potential implementation of a Consumer Driven Health Plan as an additional medical benefit plan option to be offered by the District to ETWD employees.

Vice President Freshley asked if the money in the Health Savings Account is for the year or a monthly amount. Ms. Rech replied that it's an annual amount that defrays the cost of the deductible and other medical expenses.

Vice President Freshley asked when the money is put into the account. Ms. Rech replied that it is up to the District, but they recommend it be at the beginning of the calendar year. Vice President Freshley asked if the employee contributes anything to the account. Ms. Rech replied that they could if they chose to.

Ms. Rech stated that these accounts are individual accounts and not through the District. She further stated that it is a tax-free account.

Director Vergara asked if Health Savings accounts are not used, are they lost funds. Ms. Rech replied that Flexible Spending Accounts are set up to use it or lose it, but Health Savings Accounts associated with a Consumer Driven Health Plan is not.



Ms. Rech stated that you can get a debit card or use an on-line account to manage the plan. She further stated that Contribution Rules state that the qualified employee must not have another insurance coverage plan, Medicare A/B, or a spouse having access to an FSA, or be a dependent on a tax return.

Ms. Rech explained that the Withdrawal Rules could cost the employee a 20% penalty plus taxes.

President Gaskins stated that this is another option for employee health care and is supportive of the plan.

Director Vergara asked for more detail regarding the potential savings from the proposed plan. Mr. Cafferty replied that today's meeting was informational and staff will bring back the cost analysis to support an action item at a future meeting.

At approximately 8:30 a.m. Ms. Rech left the meeting.

#### Tiered Water Usage and Revenue Tracking

Mr. Cafferty stated that the tables have been modified to be a uniform color in each Tier on each chart.

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

Mr. Cafferty stated that the Public Hearing is on Thursday at the regular Board meeting.

#### Financial Action Items

#### Financial Package – Authorization to Approve Bills for Consideration dated June 21, 2021 and Receive and File Financial Statements as of May 31, 2021

Director Havens asked for a Motion.

Motion: President Gaskins made a Motion, seconded by Vice President Freshley 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 June 21, 2021,

and receive and file the financial statements for the period ending May 31, 2021.

Roll Call Vote:

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

Olin Chlor Alkali Products

Mr. Cafferty stated that this contract is outside the authority of the General Manager, so it requires Board approval.

Director Havens asked for a Motion.

Motion: Director Vergara made a Motion, seconded by President Gaskins and unanimously carried across the Board to approve the purchase order contract for Olin Chlor Alkali Products in the amount not to exceed \$85,000 for the purchase of 12 ½% concentration Sodium Hypochlorite for the Tertiary Treatment Plant.

Roll Call Vote:

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

Nieves Landscape

Mr. Cafferty stated that this is also an annual contract that is beyond the General Managers authority and requires Board approval.

Director Vergara asked how much this contract increased this year. Mr. Cafferty replied approximately 3%.

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 purchase order contract with Nieves Landscape in the amount not to exceed \$141,610.

Roll Call Vote:

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

Comments Regarding Non-Agenda FIC Items

Close Finance and Insurance Committee Meeting

There being no further business the Finance Committee meeting was closed at approximately 8:40 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**

## **Portfolio Update**

**Period Ending June 30, 2021**

**Presented By:**  
**Richard Babbe, CCM, Senior Managing Consultant**

**July 19, 2021**

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PFM Asset Management LLC

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601 South Figueroa  
Suite 4500  
Los Angeles, CA 90017

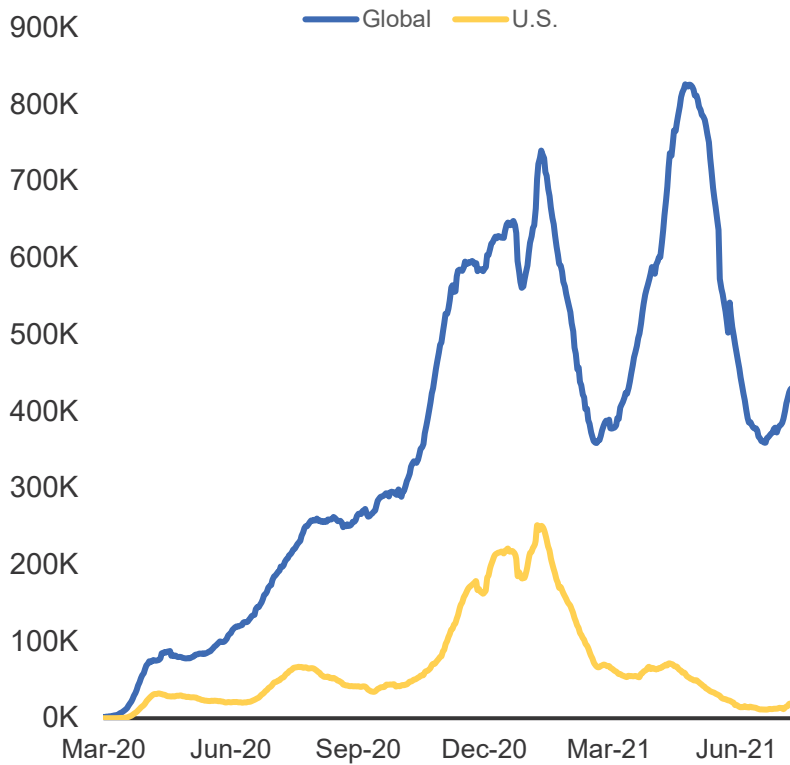
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Tel: (213) 489-4075  
[www.pfm.com](http://www.pfm.com)

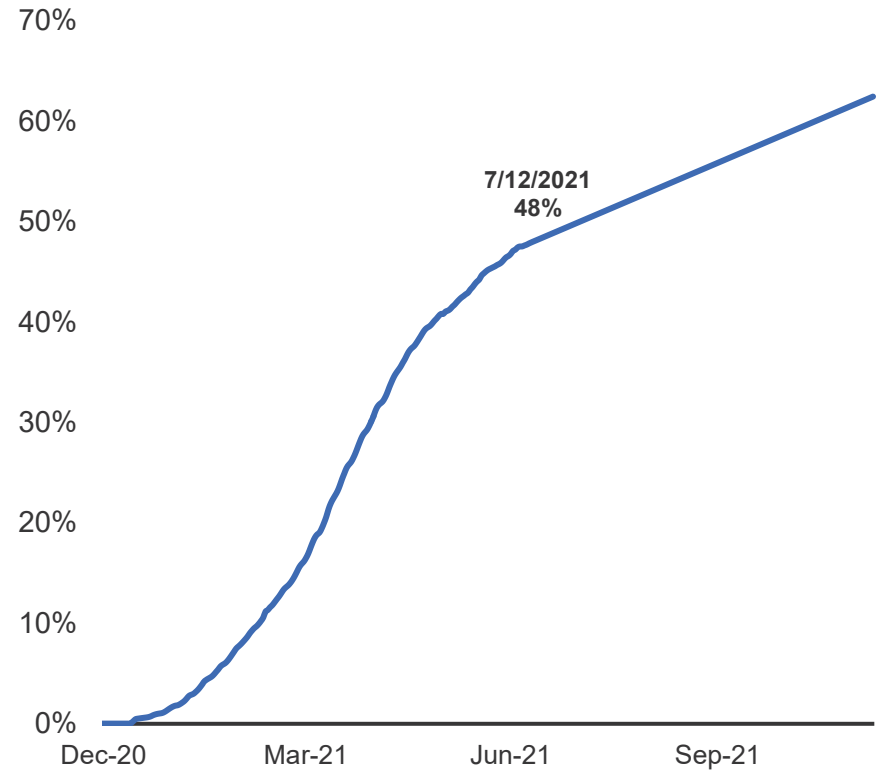


## >150 Million Americans Vaccinated; Daily Average of <15k Cases

### U.S. New Cases Reported Daily 7-Day Moving Average



### Fully Vaccinated Individuals in the U.S. at Current Pace of Vaccination

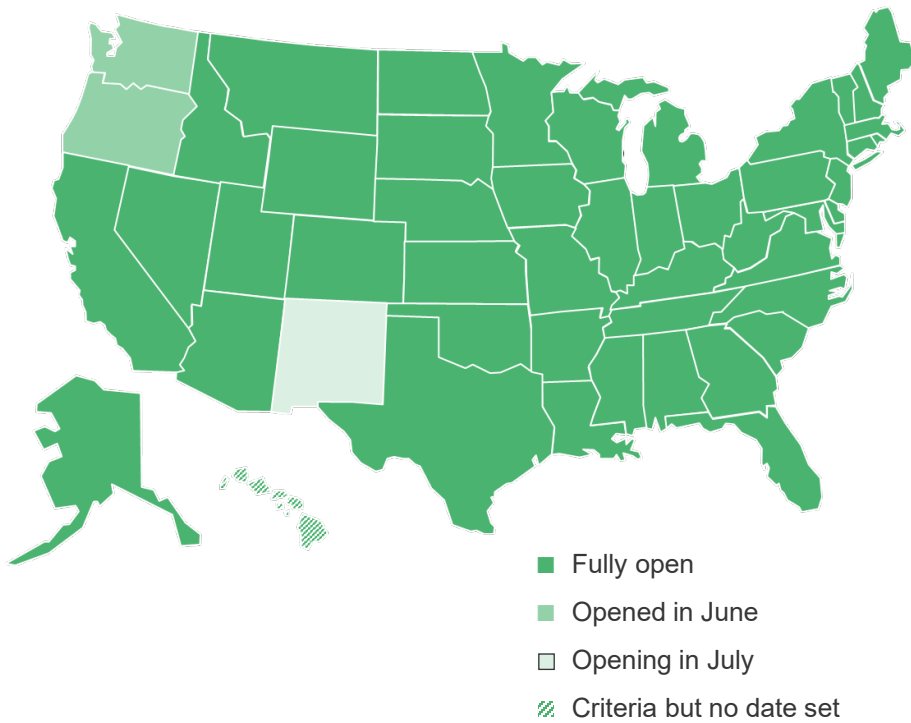


Source: John Hopkins University Coronavirus Resource Center, PFM calculations; as of 7/12/2021.



# Reopening Economy Drives GDP Growth

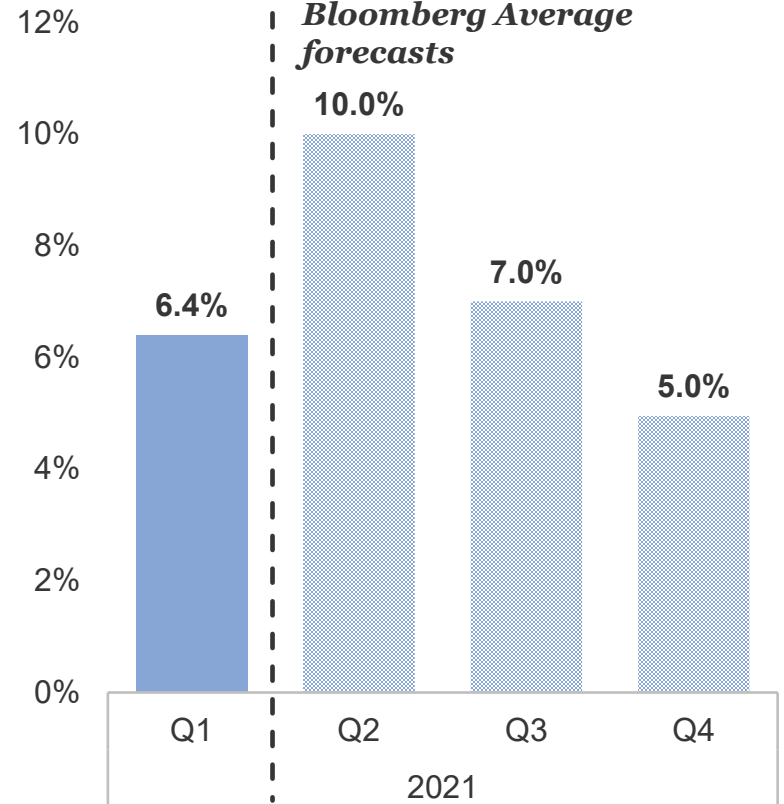
## Reopening Status of U.S. States



## U.S. GDP Forecasts

Annualized Rate

*Bloomberg Average forecasts*

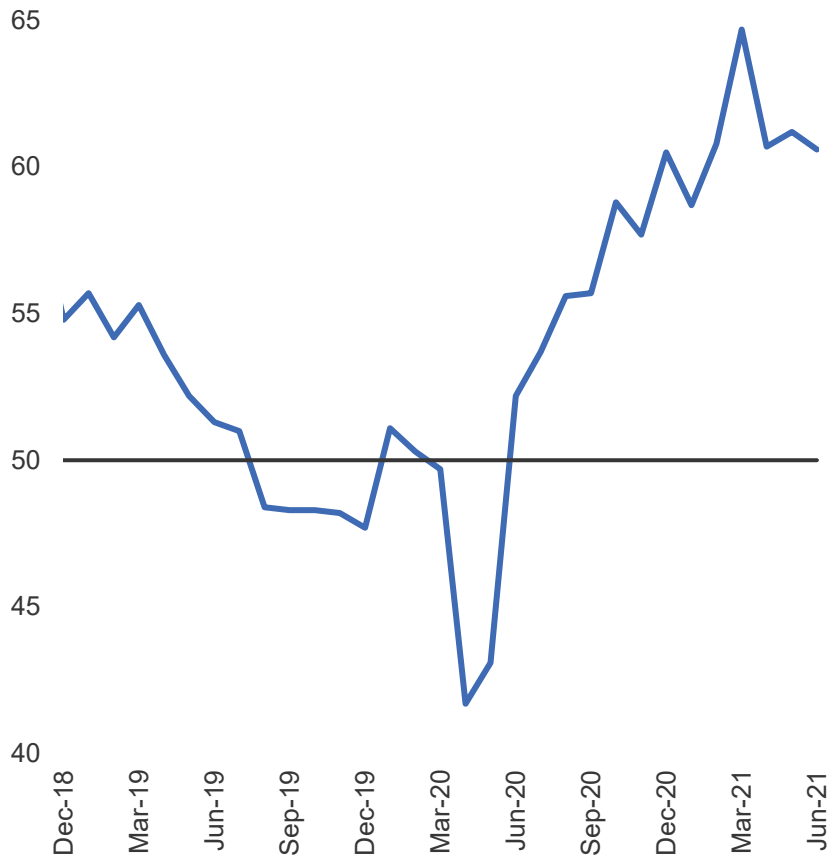


Source: New York Times (left) and Bloomberg (right), Bureau of Economic Analysis, as of June 30, 2021.

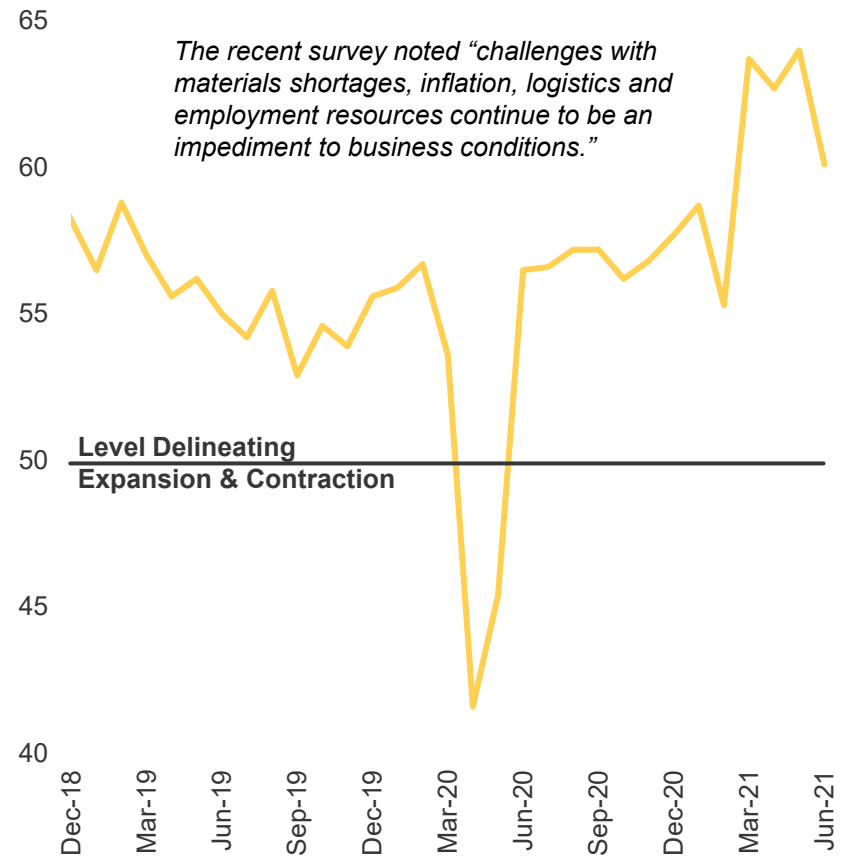


# Services Activity Surprisingly Falls From Record High

## ISM Manufacturing PMI



## ISM Non-Manufacturing PMI

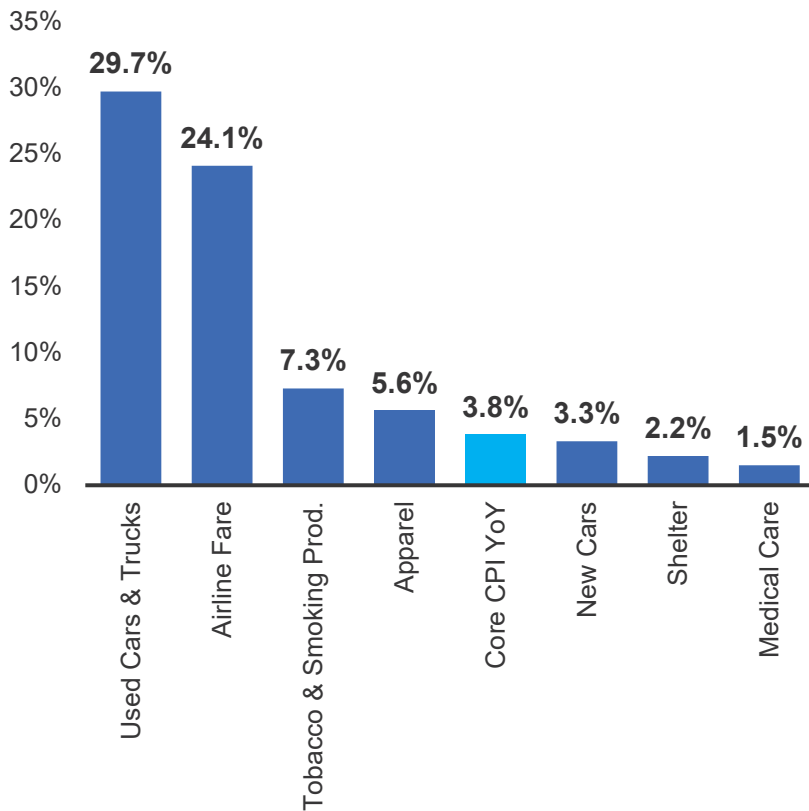


Source: Bloomberg, Institute for Supply Management, as of July 2021.

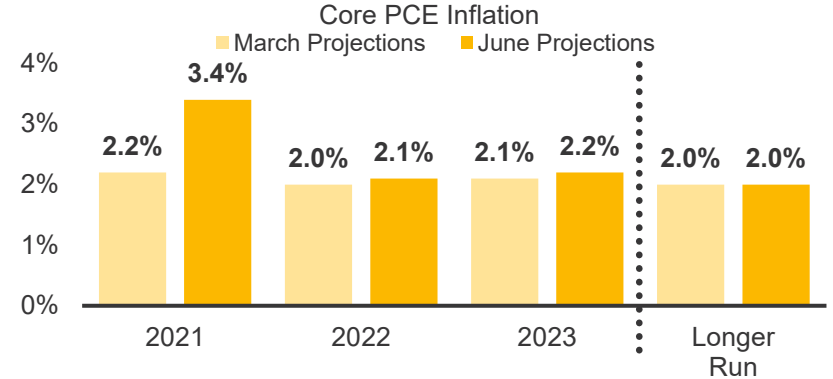


# Inflation Strengthens but Driven by a Few Key Sectors

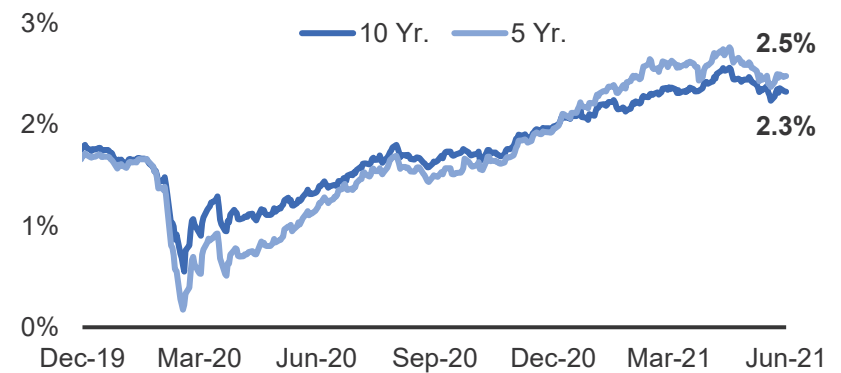
### YOY Price Change in Key Consumer Price Index Components



### Federal Reserve Projections



### Breakeven Inflation Rates



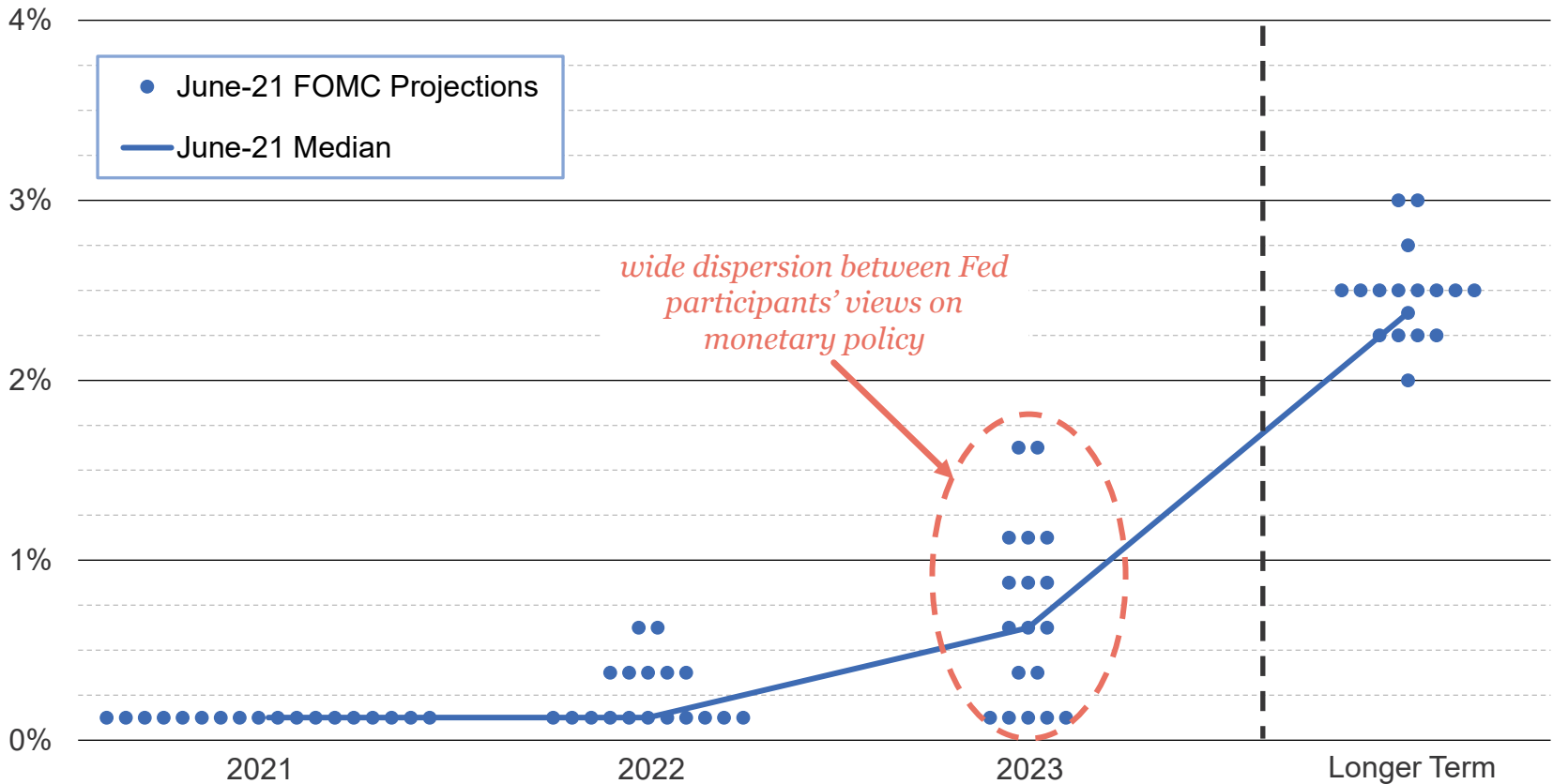
Source: Bloomberg, as of June 30, 2021.





# Fed's "Dot Plot" Reflects Evolving Monetary Policy Views

## Fed Participants' Assessments of "Appropriate" Monetary Policy



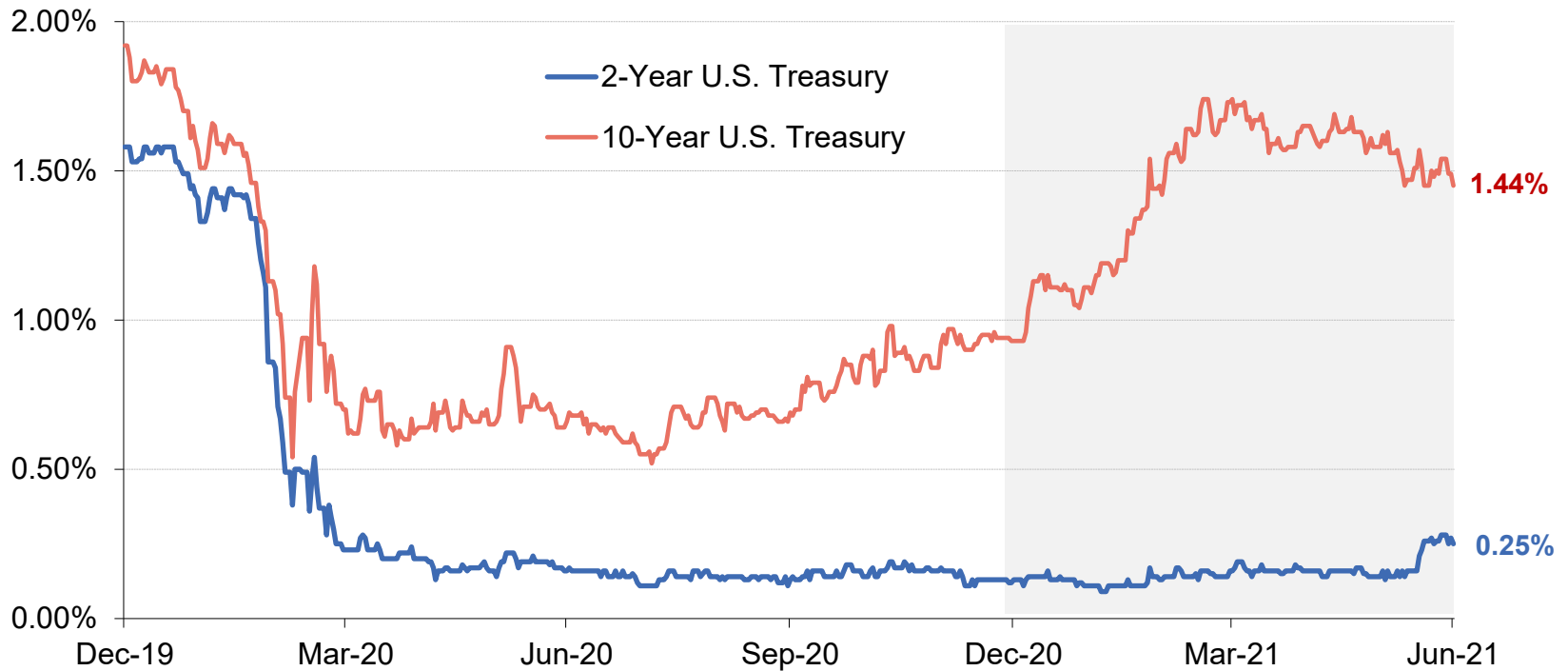
Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year end.



## U.S. Treasury Yields

- Short-term Treasury yields rose at the end of the quarter while longer-term yields were off their highs.

**U.S. Treasury Yields**  
December 31, 2019 – June 30, 2021

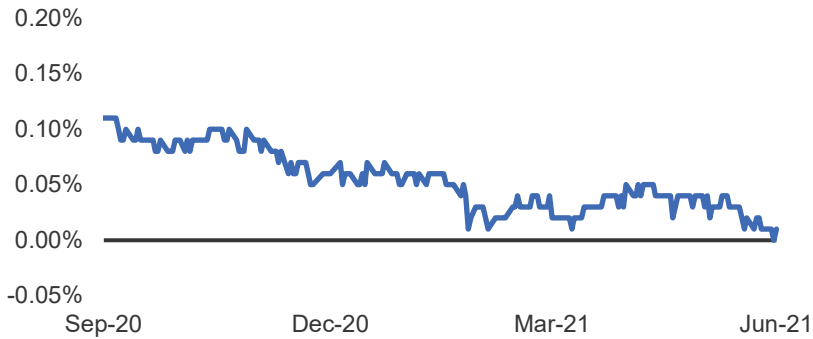


Source: Treasury yields via Bloomberg.

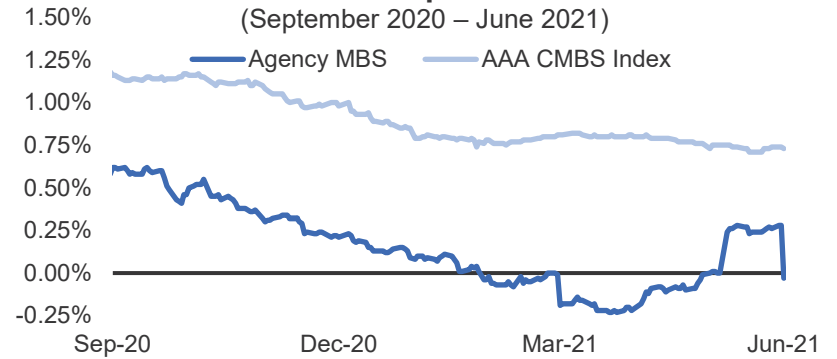


## Spread Sectors Remain near Record Tight Levels (1-3 Year)

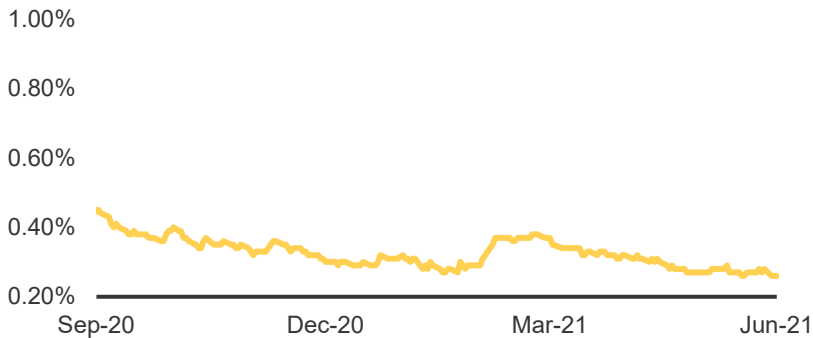
**Federal Agency Yield Spreads**  
(September 2020 – June 2021)



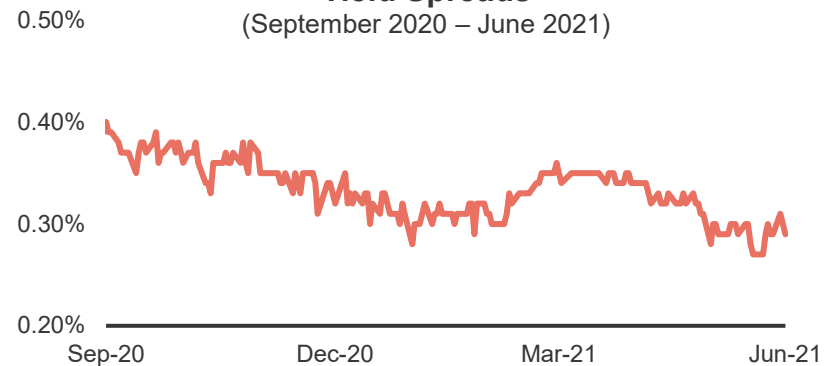
**Mortgage-Backed Securities (MBS) Yield Spreads**  
(September 2020 – June 2021)



**Corporate Notes A-AAA Yield Spreads**  
(September 2020 – June 2021)



**Asset-Backed Securities (ABS) Yield Spreads**  
(September 2020 – June 2021)



Source: ICE BofAML 1-3 year Indices via Bloomberg, MarketAxess, and PFM as of June 30, 2021. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable-maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.



## Portfolio Composition

- The portfolio is in compliance with the District's Investment Policy.
- As discussed, we shifted funds from the CAMP pool into managed investments.

Security Type	December 31, 2020	% of Portfolio	June 30, 2021	% of Portfolio	\$ Change vs. 12/31/20	Permitted by Policy	In Compliance
U.S. Treasury	\$694,033	3.8%	\$5,758,508	34.2%	\$5,064,475	100%	✓
Federal Agency	\$0	0.0%	\$634,169	3.8%	\$634,169	100%	✓
Agency CMOs	\$23,696	0.1%	\$78,823	0.5%	\$55,126	100%	✓
Municipal Bonds	\$100,629	0.5%	\$19,959	0.1%	(\$80,670)	30%	✓
Supranationals	\$431,589	2.3%	\$134,672	0.8%	(\$296,918)	30%	✓
Asset-Backed	\$49,137	0.3%	\$364,001	2.2%	\$314,865	20%	✓
Negotiable CDs	\$101,386	0.6%	\$190,092	1.1%	\$88,706	30%	✓
Corporate Notes	\$417,704	2.3%	\$1,067,103	6.3%	\$649,399	30%	✓
Commercial Paper	\$0	0.0%	\$384,880	2.3%	\$384,880	25%	✓
<b>Sub-Total</b>	<b>\$1,818,174</b>	<b>9.9%</b>	<b>\$8,632,207</b>	<b>51.3%</b>	<b>\$6,814,033</b>		
Accrued Interest	\$7,946		\$8,669		\$723		
<b>Securities Total</b>	<b>\$1,826,120</b>		<b>\$8,640,876</b>		<b>\$6,814,756</b>		
CAMP Pool	\$7,738,119	42.0%	\$921,104	5.5%	(\$6,817,015)	50%	✓
LAIF	\$8,855,163	48.1%	\$7,277,580	43.2%	(\$1,577,583)	\$30 million	✓
<b>Total</b>	<b>\$18,419,402</b>	<b>100.0%</b>	<b>\$16,839,560</b>	<b>100.0%</b>	<b>(\$1,579,842)</b>		

Market value excluding accrued interest. Totals may not add due to rounding.



## Issuer Distribution

- The portfolio is well diversified across sectors and issuers.

Sector	Issuer	Percentage
Treasury	U.S. Treasury	34.2%
Agency	FNMA	1.5%
Agency	FHLMC	1.4%
Agency	FFCB	1.4%
Supra	IBRD	0.8%
Municipal	New Jersey Turnpike Auth	0.1%
Corp	JP Morgan Chase	0.7%
Corp	BNY Mellon Corp	0.6%
Corp	Amazon.com	0.5%
Corp	Bank of America	0.4%
Corp	Toyota Motor Corp	0.4%
Corp	Morgan Stanley	0.4%
Corp	PACCAR Financial	0.4%
Corp	Deere & Co	0.4%
Corp	Goldman Sachs	0.4%
Corp	AstraZeneca PLC	0.3%
Corp	Caterpillar Inc	0.3%
Corp	Apple Inc	0.3%
Corp	CitiGroup	0.2%
Corp	Charles Schwab	0.2%

Sector	Issuer	Percentage
Corp	UnitedHealth Group	0.2%
Corp	National Rural Utilities	0.1%
Corp	Burlington Northern SF	0.1%
Corp	Lockheed Martin Corp	0.1%
Corp	PepsiCo Inc	0.1%
Corp	Merck & Co	0.1%
Corp	Honeywell Int'l	0.1%
NCD	Barclays PLC	1.1%
ABS	CarMax Auto Owner	0.6%
ABS	Ford Credit Auto Owner	0.5%
ABS	Honda Auto Receivables	0.4%
ABS	GM Financial Leasing	0.2%
ABS	Ford Credit Auto Lease	0.1%
ABS	BMW Financial Services	0.1%
ABS	MB Auto Lease Trust	0.1%
ABS	GM Consumer Auto Trust	0.1%
ABS	MB Auto Receivables	0.1%
ABS	Hyundai Auto Receivables	0.0%
CP	Sumitomo Mistsui Trust	1.7%
CP	Mitsubishi UFJ	0.6%
LGIP	CAMP Pool	5.5%
LAIF	LAIF	43.2%

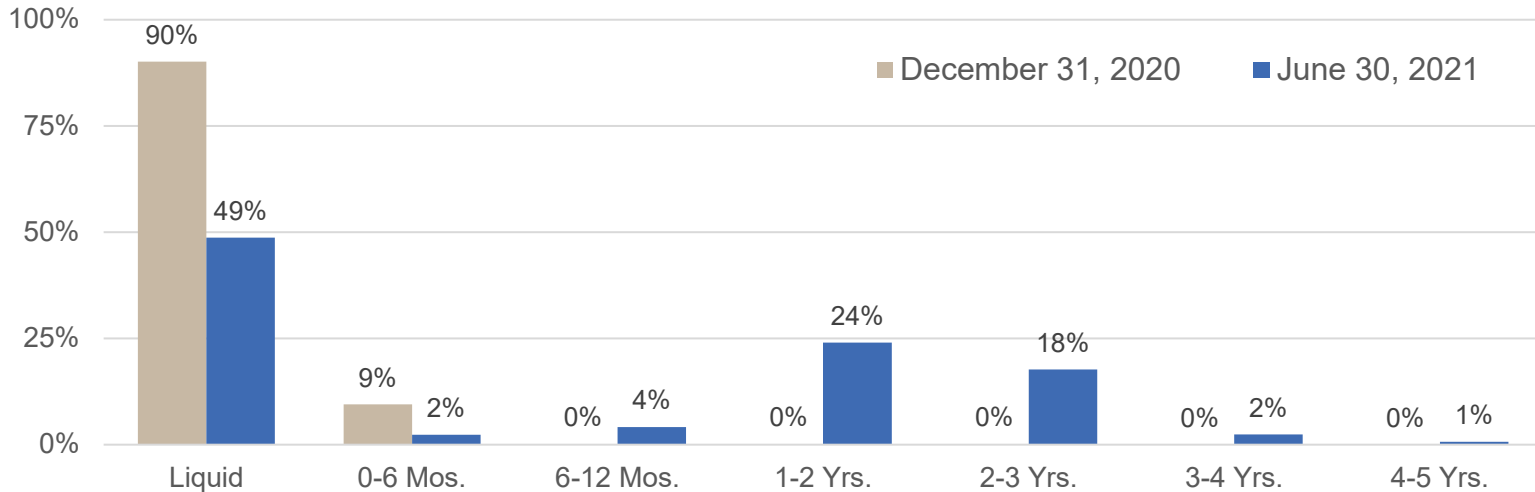
Totals may not add due to rounding.



# Maturity Distribution

As discussed, we extended the portfolio’s duration by scaling in additional investments.

**Portfolio Maturity Distribution**  
December 31, 2020 versus June 30, 2021



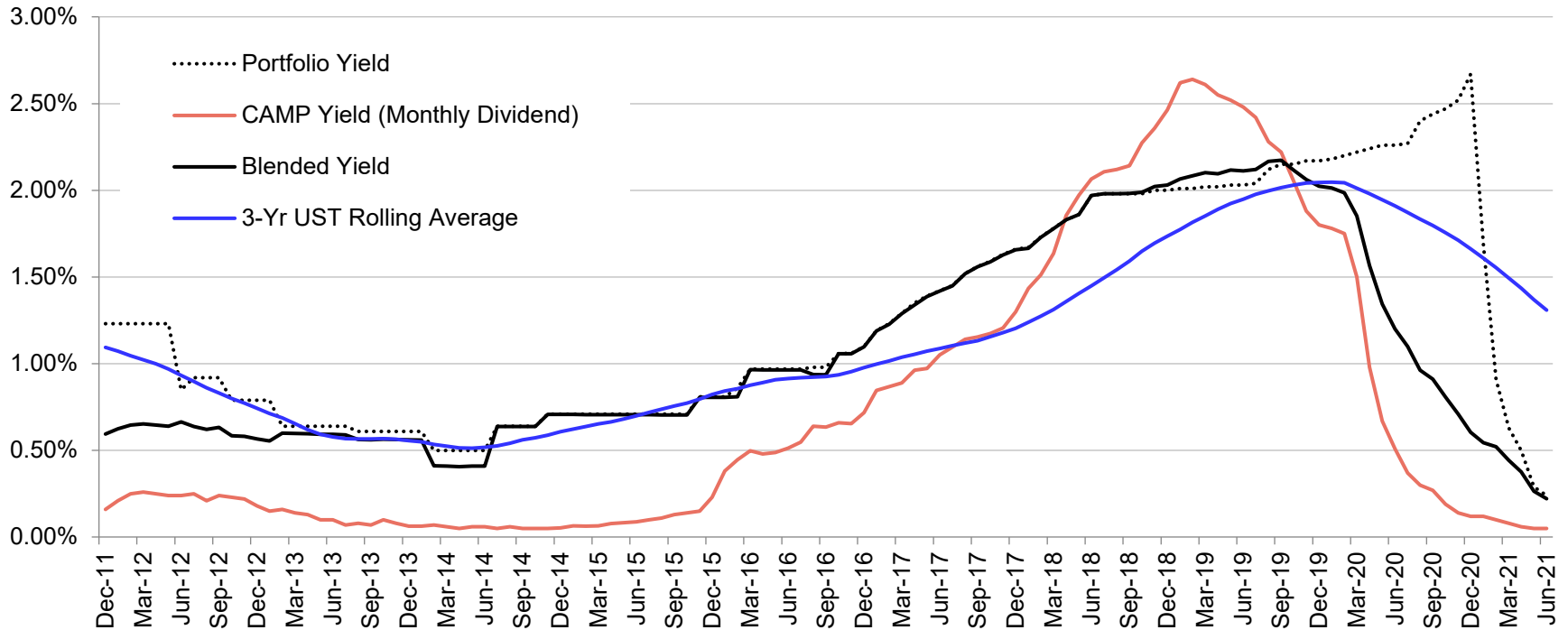
	12/31/20	June 30, 2021
<b>Weighted Average Duration (portfolio)</b>	0.29 years	1.69 years
<b>Weighted Average Duration (overall)</b>	0.03 years	0.87 years



## Yield Comparison

- ◆ The portfolio's yield readjusted to current market levels, as pre-existing securities began to mature, and we shifted funds from the CAMP pool into individual securities.

**Portfolio Yield Comparison History**  
December 2011 – June 2021



Treasury Yield Source: U.S. Department of the Treasury.



## Portfolio Earnings

- Market value earnings were slightly depressed due to declining market values while accrual earnings benefited from appreciation in amortized cost.

Market Value Earnings	Quarters Ending				12-Month
	9/30/20	12/31/20	3/31/21	6/30/21	TOTALS
Interest Earned	\$22,370	\$15,931	\$11,902	\$10,225	<b>\$60,429</b>
Change in Value	(\$14,121)	(\$11,952)	(\$14,592)	(\$6,502)	<b>(\$47,167)</b>
Portfolio Earnings	\$8,249	\$3,979	(\$2,690)	\$3,724	<b>\$13,261</b>
CAMP Dividends	\$4,863	\$2,645	\$1,378	\$264	<b>\$9,151</b>
<b>Total Earnings</b>	<b>\$13,113</b>	<b>\$6,624</b>	<b>(\$1,312)</b>	<b>\$3,988</b>	<b>\$22,412</b>

Book Value Earnings	Quarters Ending				12-Month
	9/30/20	12/31/20	3/31/21	6/30/21	TOTALS
Interest Earned	\$22,370	\$15,931	\$11,902	\$10,225	<b>\$60,429</b>
Change in Value	\$1,656	\$1,714	\$1,476	(\$2,549)	<b>\$2,298</b>
Portfolio Earnings	\$24,026	\$17,645	\$13,378	\$7,676	<b>\$62,726</b>
CAMP Dividends	\$4,863	\$2,645	\$1,378	\$264	<b>\$9,151</b>
<b>Total Earnings</b>	<b>\$28,889</b>	<b>\$20,291</b>	<b>\$14,756</b>	<b>\$7,941</b>	<b>\$71,877</b>





## Managed Portfolio Total Return Performance

- For the quarter, the portfolio outperformed for the benchmark, but absolute returns remain low due to the overall low level of market interest rates.

Total Return Performance Periods Ending June 30, 2021 <sup>1,2,3,4,5,6</sup>					
Portfolio/Benchmark	Effective Duration	Quarter (Unannualized)	1 Year	3 Year	Since Inception
<b>ETWD Portfolio</b>	1.69	0.04%	0.14%	1.89%	1.36%
<i>ETWD (net of fees) <sup>5</sup></i>		<i>0.01%</i>	<i>0.04%</i>	<i>1.79%</i>	<i>1.26%</i>
<b>ICE BofAML 0-3Yr. Treasury Index</b>	1.40	-0.02%	0.10%	2.36%	1.61%

**Notes:**

- Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- ICE BoAML Index and U.S. Treasury yields provided by Bloomberg Financial Markets.
- Returns longer than one year are calculated on an annualized basis
- Excludes money fund balance in performance, duration, and yield computations.
- Net of fees assumes an average annualized fee of 0.10%.
- Inception date is 9/30/16



# Fixed Income Sector Outlook – Third Quarter 2021

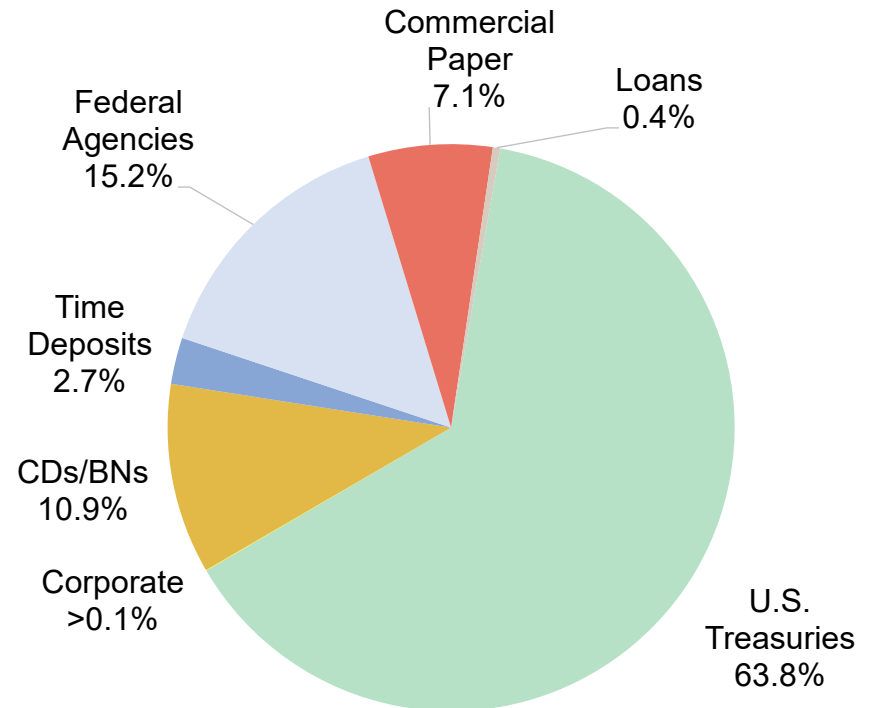
Sector	Our Investment Preferences	Comments
<b>COMMERCIAL PAPER / CD</b>		<ul style="list-style-type: none"> <li>Commercial paper and CD rates began to rise off historical lows after the Fed increased the IOER and RRP rates. However, issuance remained light around the end of Q2. Pockets of opportunity may present themselves over the next several months.</li> </ul>
<b>TREASURIES</b>		
<b>T-Bill</b>		<ul style="list-style-type: none"> <li>T-Bill yields saw some upward pressure towards the end of June, as the Federal Reserve increased two key ultra short-term rates; it is expected that these levels will maintain into the third quarter.</li> </ul>
<b>T-Note</b>		<ul style="list-style-type: none"> <li>While the Treasury yield curve continued to flatten during June—particularly between the 2-year and 10-year—it is possible the move was overdone and will at least partially unwind moving into the third quarter. The market expects both yields to rise and the yield curve to steepen throughout the rest of 2021.</li> </ul>
<b>FEDERAL AGENCIES</b>		
<b>Bullets</b>		<ul style="list-style-type: none"> <li>Agency bullet spreads tightened slightly as Treasury yields rose in the 1-5 year area of the curve in June. With agencies trading in line with, or even through, Treasury yields and supply expected to remain subdued, the sector is unlikely to provide material added value over the coming months.</li> </ul>
<b>Callables</b>		
<b>SUPRANATIONALS</b>		<ul style="list-style-type: none"> <li>Supra spreads narrowed by the end of Q2. The seasonal slowdown in issuance this summer will limit opportunities in the sector over the near term, as the new issue market has been the best entry point into the sector over the last several months. As a result, spreads will likely remain tight until issuance picks back up.</li> </ul>
<b>CORPORATES</b>		
<b>Financials</b>		<ul style="list-style-type: none"> <li>Corporate spreads remain at record tightness despite a more hawkish tone from the June Fed meeting. Demand for credit is likely to remain strong, though valuations are rich. Accommodative monetary policy, along with a positive turn in rating trends, should continue to ensure favorable financing conditions. New issues are expected to provide the bulk of any opportunities, as valuations across the secondary market remain rich.</li> </ul>
<b>Industrials</b>		
<b>SECURITIZED</b>		
<b>Asset-Backed</b>		<ul style="list-style-type: none"> <li>ABS spreads tightened in June, reaching record tightness for both autos and credit card issues. Issuance in June was the heaviest month so far in 2021. Delinquency rates and net losses remain below expectations. Fiscal stimulus and improving employment figures may push back any increases to later in 2021 or beyond.</li> <li>MBS spreads are tight but recently found some reprieve. While prepayments are elevated, they are on a considerable slowing path, and this trend is expected to continue. Lower coupon passthroughs, most susceptible to duration extension, are likely to trail Treasuries as rates move higher. With valuations slightly more reasonable, the sector may present better opportunities than in recent quarters.</li> <li>CMBS returns have held up well throughout the quarter. As spreads have tightened, the relative value proposition has waned, suggesting a gradual reduction in exposure.</li> </ul>
<b>Agency Mortgage-Backed</b>		
<b>Agency CMBS</b>		
<b>MUNICIPALS</b>		<ul style="list-style-type: none"> <li>While the pace of taxable issuances has slowed, overall supply remains robust, but valuations are expensive for both new issuances and secondary markets. Both selective additions and opportunistic selling may be warranted.</li> </ul>



## LAIF Characteristics

Characteristic	Value
Assets (5/31/21)	\$153.4 Billion
Average Maturity (6/30/21)	291 days
QTD Yield (6/30/21)	0.30%
Daily Yield (7/7/21)	0.22%

Pooled Money Investment Account Sector Distribution  
May 31, 2021



Source: [http://www.treasurer.ca.gov/pmia-laif/performance/PMIA-LAIF\\_perform.pdf](http://www.treasurer.ca.gov/pmia-laif/performance/PMIA-LAIF_perform.pdf).

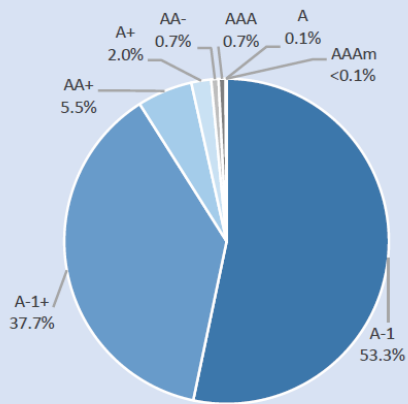


## CAMP Fact Sheet Excerpt as of June 30, 2021

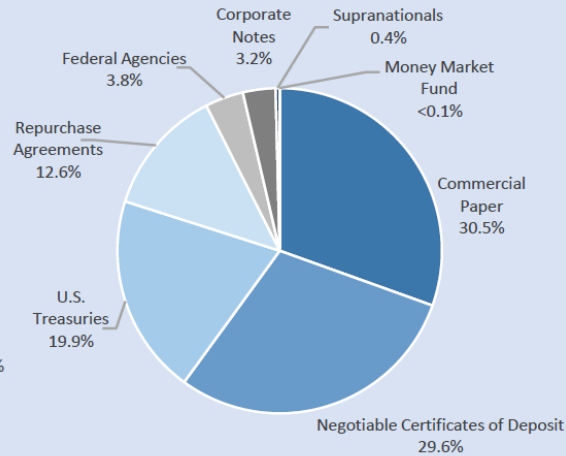
Pool Facts	As of June 30, 2021
7-Day Net Yield <sup>1</sup>	0.05%
Monthly Distribution Yield <sup>2</sup>	0.05%
Weighted Average Maturity <sup>3</sup>	52 Days
Fund Rating <sup>4</sup>	AAAm by S&P

### Fund Diversification as of June 30, 2021

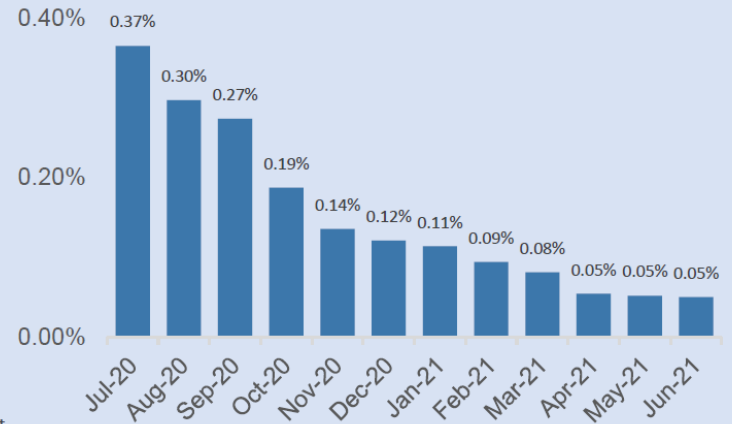
**Credit Quality Distribution**  
(Standard & Poor's Fund Ratings)



**Sector Composition**



### Performance (30-Day Net Yield<sup>5</sup> %)





## CAMP Fact Sheet Excerpt as of June 30, 2021– continued

<sup>1</sup>7-day net yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

<sup>2</sup> The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

<sup>3</sup> Weighted Average Maturity: Calculated by the final maturity for a security held in the portfolio and the interest rate reset date. This is a way to measure a fund's sensitivity to potential interest rate changes.

<sup>4</sup> Standard & Poor's fund ratings are based on analysis of credit quality, market price exposure, and management. According to Standard & Poor's rating criteria, the AAAM rating signifies excellent safety of investment principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell the securities. For a full description on rating methodology, visit Standard & Poor's website ([http://www.standardandpoors.com/ratings/en\\_US/web/guest/home](http://www.standardandpoors.com/ratings/en_US/web/guest/home)).

<sup>5</sup>As of the last day of the month. The 30-day yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a thirty-day base period expressed as a percentage of the value of one share at the beginning of the thirty-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 30.

Source: [www.camponline.com](http://www.camponline.com).



## CAMP Monthly Dividend Yield History: Disclosures

- CAMP's Current Annualized Yield: 0.05%, as of June 30, 2021. Past performance is not indicative of future results and yields may vary. The "current annualized yield" of the Pool may, from time to time, be quoted in reports, literature and advertisements published by the Trust. Current annualized yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.
- The Trust also may publish a "monthly distribution yield." The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.
- This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Trust's investment objectives, risks, charges and expenses before investing in the Trust. This and other information about the Trust is available in the Trust's current Information Statement, which should be read carefully before investing. A copy of the Trust's Information Statement may be obtained by calling 1-800-729-7665 or is available on the Trust's website at [www.camponline.com](http://www.camponline.com). While the Trust seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) ([www.finra.org](http://www.finra.org)) and Securities Investor Protection Corporation (SIPC) ([www.sipc.org](http://www.sipc.org)). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.



## Disclosures

*This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.*



## STAFF REPORT

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**To:** Finance Committee **Meeting Date:** July 19, 2021

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

**Subject:** Discussion Regarding the Receipt of the Certificate of Achievement for Excellence in Financial Reporting from GFOA and the Results of the Agreed Upon Procedures Examination by the District's Audit Firm

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Finance Staff was recently notified that the District has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the Comprehensive Annual Financial Report for the fiscal year that ended June 30, 2020. This is the fourth year in a row the District has received this award.

Receiving this award is a significant achievement for the District because it demonstrates that the annual financial report complies with the highest standards of financial reporting for local governments. As stated by the GFOA award notification:

“The GFOA established the Certificate of Achievement for Excellence in Financial Reporting program (Certificate Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Congratulations, again, for having satisfied the high standards of the program.”

The GFOA Award documents are attached for your reference.



In addition to receiving notification of the award of the Certificate of Achievement, the District's auditors recently provided the results of the Agreed Upon Procedures (AUP) analysis of the District's financial operations for the first three quarters of the 2020-2021 Fiscal Year. The District engages the current audit firm to conduct an AUP analysis of the financial operations of the District for each quarter of every fiscal year to provide assurance that District Staff are complying with the internal control procedures and processes that have been established to ensure the integrity of the District's financial assets. The AUP could be considered a mini audit performed every quarter. The AUP utilizes procedures similar to those that are performed during an audit process, including testing random Accounts Payable, Accounts Receivable, and Payroll transactions to ensure the transactions were performed in accordance with the District's policies and procedures and were accurate.

Finance Staff is pleased to report to the Board that no exceptions were identified in the first three quarterly AUPs for the 2020-2021 Fiscal Year.

The AUP reports are attached for your reference.

### **Attachments**

- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Award Notification Documents.
- Agreed Upon Procedures Opinion, Quarters One to Three, Fiscal Year 2020-2021.



**Government Finance Officers Association**  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210  
312.977.9700 fax: 312.977.4806

6/25/2021

Jason Hayden  
Chief Financial Officer  
El Toro Water District, California

Dear Mr. Hayden:

Congratulations!

We are pleased to notify you that your comprehensive annual financial report for the fiscal year ended June 30, 2020 has met the requirements to be awarded GFOA's Certificate of Achievement for Excellence in Financial Reporting. The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (Certificate Program) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Congratulations, again, for having satisfied the high standards of the program.

Your electronic award packet contains the following:

- **A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements.** We strongly encourage you to implement the recommended improvements in your next report. Certificate of Achievement Program policy requires that written responses to these comments and suggestions for improvement be included with your 2021 fiscal year end submission. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.
- **Certificate of Achievement.** A Certificate of Achievement is valid for a period of one year. A current holder of a Certificate of Achievement may reproduce the Certificate in its immediately subsequent comprehensive annual financial report. Please refer to the instructions for reproducing your Certificate in your next report.
- **Award of Financial Reporting Achievement.** When GFOA awards a government the Certificate of Achievement for Excellence in Financial Reporting, we also present an Award of Financial Reporting Achievement (AFRA) to the department identified in the application as primarily responsible for achievement of the Certificate.
- **Sample press release.** Attaining this award is a significant accomplishment. Attached is a sample news release that you may use to give appropriate publicity to this notable achievement.

In addition, award recipients will receive via mail either a plaque (if first-time recipients or if the government has received the Certificate ten times since it received its last plaque) or a brass medallion to affix to the plaque (if the government currently has a plaque with space to affix the medallion). Plaques and medallions will be mailed separately.

As an award-winning government, we would like to invite one or more appropriate members of the team that put together your comprehensive annual financial report to apply to join the Special Review Committee. As members of the Special Review Committee, peer reviewers get exposure to a variety of reports from around the country; gain insight into how to improve their own reports; achieve professional recognition; and provide valuable input that helps other local governments improve their reports. Please see our website for [eligibility requirements](#) and [information on completing an application](#).

Thank you for participating in and supporting the Certificate of Achievement Program. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine  
Director, Technical Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**El Toro Water District  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



**The Government Finance Officers Association of  
the United States and Canada**

*presents this*

## **AWARD OF FINANCIAL REPORTING ACHIEVEMENT**

*to*

**Finance Department**  
El Toro Water District, California



*The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

*Christopher P. Morrill*

Date: 6/25/2021



GOVERNMENT FINANCE OFFICERS ASSOCIATION  
**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

6/25/2021

**For more information contact:**  
**Michele Mark Levine, Director/TSC**  
**Phone: (312) 977-9700**  
**Fax: (312) 977-4806**  
**Email: [mlevine@gfoa.org](mailto:mlevine@gfoa.org)**

(Chicago, Illinois)—Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to **El Toro Water District** for its comprehensive annual financial report for the fiscal year ended June 30, 2020. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

*Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 21,000 members and the communities they serve.*



## INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors  
El Toro Water District  
Lake Forest, CA 92630

We have performed the procedures enumerated below on El Toro Water District's adherence to cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments procedures (procedures) for the quarter ended September 30, 2020. The District's management is responsible for adherence with procedures.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the District's adherence with procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained an understanding of the District's approved internal control procedures over cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments, through discussions with management.

**Results:** We performed procedures 2 to 6 based on our understanding of the District adherence with procedures cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments.

2. We tested compliance with approved cash receipt procedures by selecting three days' receipts. The selected days' receipts were totaled for arithmetic accuracy and then traced to the general ledger for accurate account distribution. The days' total deposit was agreed to the monthly bank statement. A total of fifteen water billing receivable receipts were traced and agreed to the subsidiary ledger detail.

**Results:** No exceptions were noted.

3. We tested compliance with approved water and sewer billing and receivable procedures by selecting ten customer billings. For each billing selected, we traced the billing rates to approved Board of Directors actions and verified the mathematical accuracy of the billing. We also verified that the billing was correctly posted to the customer record and verified subsequent receipt.

**Results:** No exceptions were noted.

4. We tested compliance with approved cash disbursements, purchasing and accounts payable procedures by selecting fifteen voucher packages. For each voucher package selected, we inspected the cancelled check for endorsement and signature. We agreed the date, amount and payee to the cash disbursement journal. We also agreed the amount and payee to supporting invoices or other supporting documents, noting that the invoice was approved by an authorized employee and that the invoice was cancelled to prevent possible resubmission. We verified the account distribution and traced the account distribution to the cash disbursements journal.

**Results:** No exceptions were noted.

5. We tested compliance with approved payroll procedures by selecting five payroll disbursements. We examined supporting time cards for approval by supervisors, agreed hours worked as noted on the time cards to the payroll register, agreed the hourly or salary rate to an authorized pay schedule and recalculated computations of gross and net pay. We verified the posting of the amounts from the payroll register to the general ledger accounts.

**Results:** No exceptions were noted.

6. We tested compliance with the investment policy by selecting the Treasurer's report for the month ended September 30, 2020. For the investments held at month end we reviewed the investment type and verified that the investments were in compliance with the District's policy. We traced investments listed on the Treasurer's report to the trustees' statements and the general ledger.

**Results:** No exceptions were noted.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's adherence with procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of El Toro Water District's management is not intended to be, and should not be, used by anyone other than the specified parties.



**CliftonLarsonAllen LLP**

Irvine, California  
June 29, 2021





## INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors  
El Toro Water District  
Lake Forest, CA 92630

We have performed the procedures enumerated below on El Toro Water District's adherence to cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments procedures (procedures) for the quarter ended December 31, 2020. The District's management is responsible for adherence with procedures.

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**CliftonLarsonAllen LLP**

Irvine, California  
June 29, 2021



## INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors  
El Toro Water District  
Lake Forest, CA 92630

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6. We tested compliance with the investment policy by selecting the Treasurer's report for the month ended March 31, 2021. For the investments held at month end we reviewed the investment type and verified that the investments were in compliance with the District's policy. We traced investments listed on the Treasurer's report to the trustees' statements and the general ledger.

**Results:** No exceptions were noted.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's adherence with procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

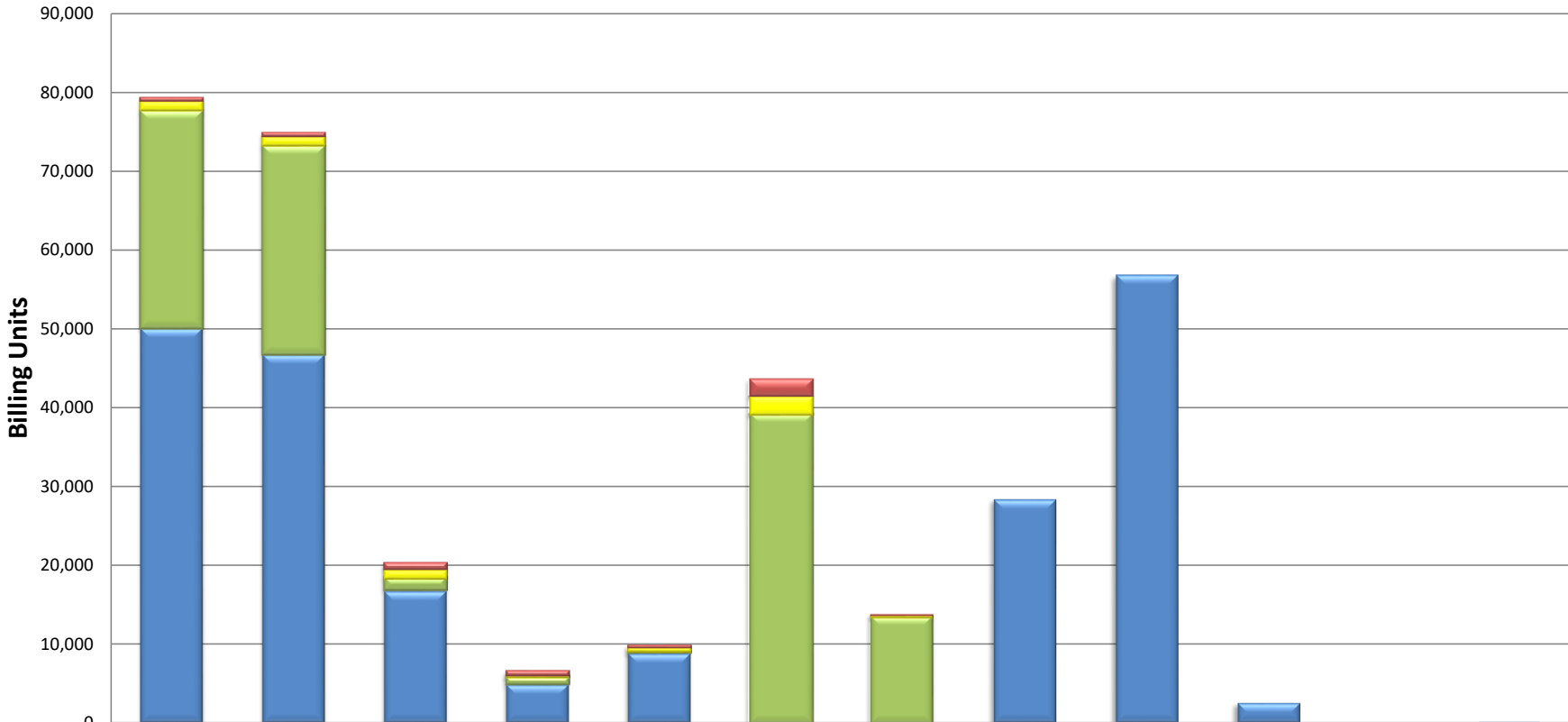
This report is intended solely for the information and use of El Toro Water District's management is not intended to be, and should not be, used by anyone other than the specified parties.



**CliftonLarsonAllen LLP**

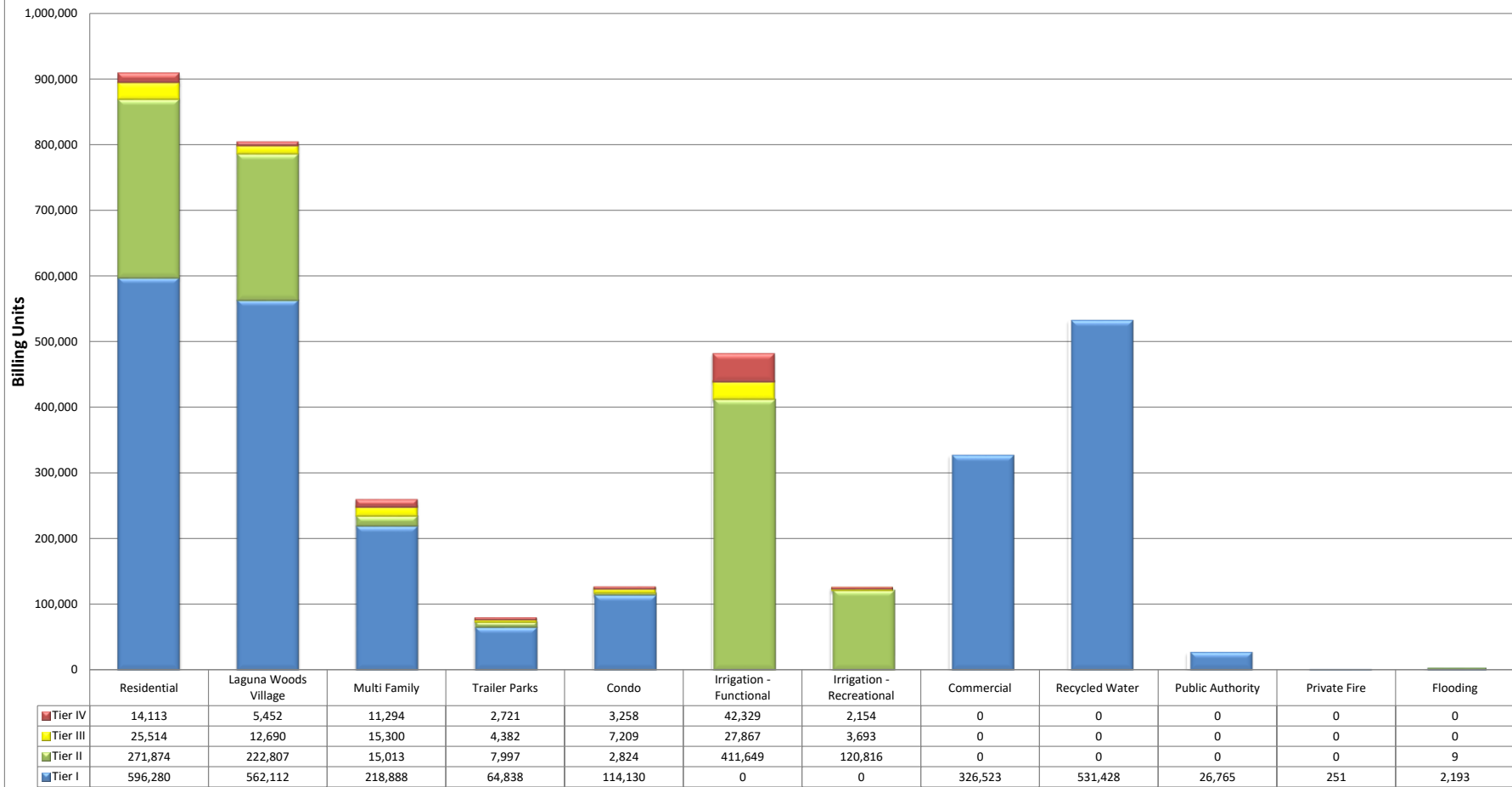
Irvine, California  
June 29, 2021

### June 2021 Water Sales

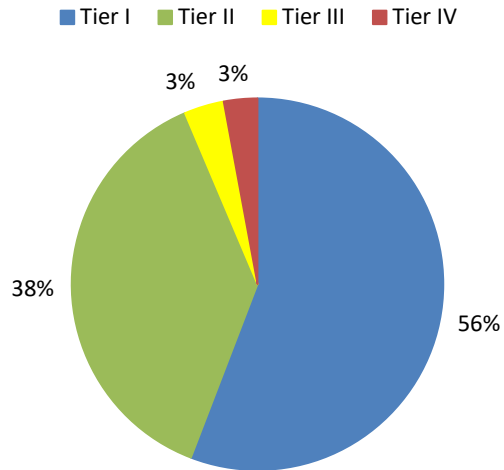


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	378	444	775	583	241	2,065	13	0	0	0	0	0
■ Tier III	1,140	1,089	1,105	240	507	2,282	221	0	0	0	0	0
■ Tier II	27,652	26,524	1,672	903	218	39,263	13,560	0	0	0	0	0
■ Tier I	50,022	46,702	16,873	4,955	8,930	0	0	28,438	56,769	2,595	77	163

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

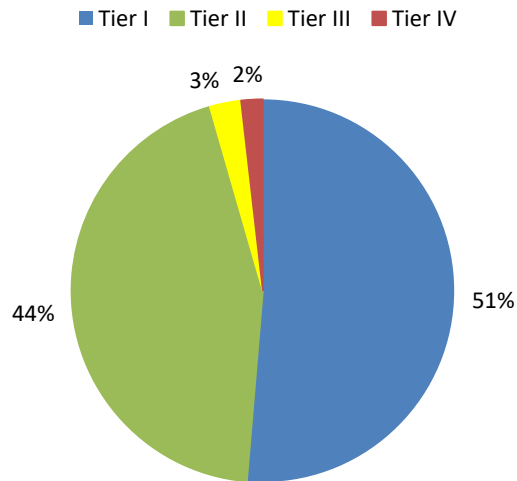


## Year to Date Tiered Sales As of June 2021



Year To Date Sales in ccf		
Tier I	1,556,248	55.84%
Tier II	1,052,980	37.78%
Tier III	96,655	3.47%
Tier IV	81,321	2.92%
	2,787,204	100.00%

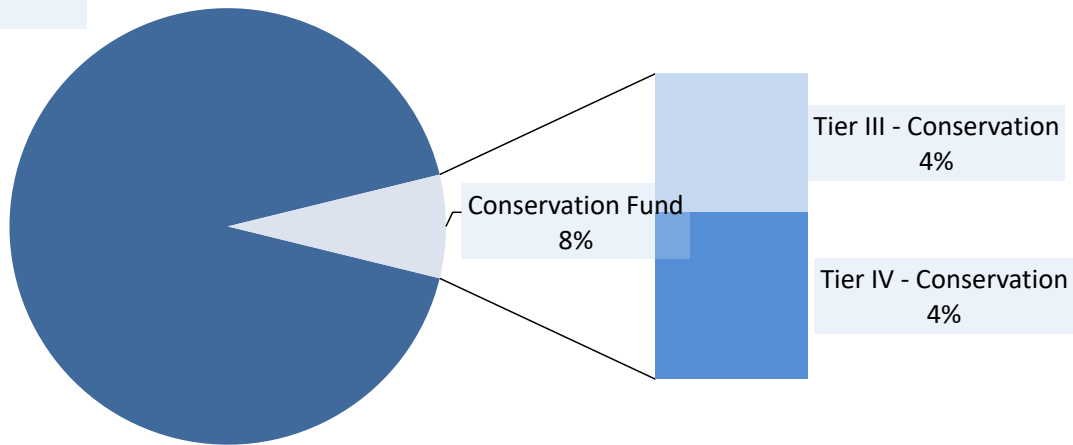
## June 2021 Tiered Sales



Current Month Sales in ccf		
Tier I	127,482	51.33%
Tier II	109,792	44.21%
Tier III	6,584	2.65%
Tier IV	4,499	1.81%
	248,357	100.00%

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

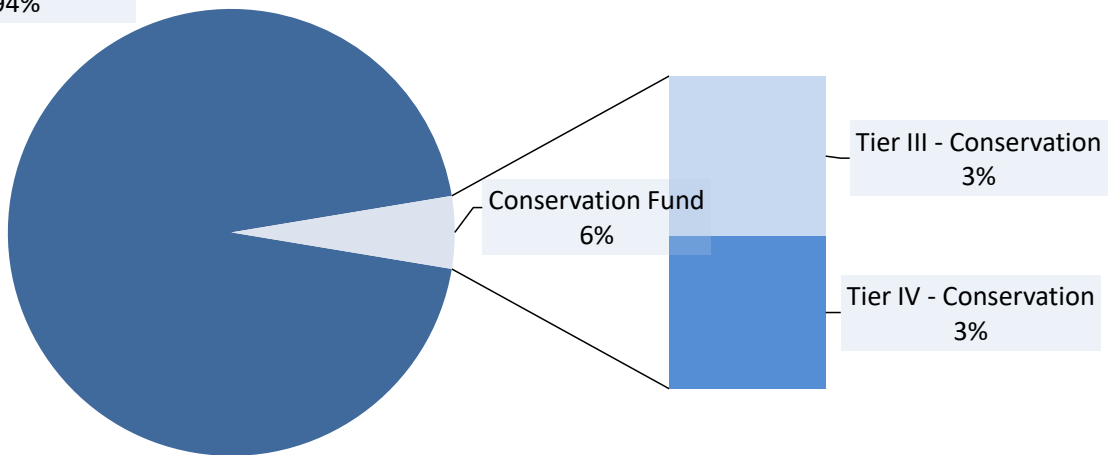
Water Delivery Cost  
92%



Category	Billings	Percentage
Water Delivery Cost	\$7,825,840.21	92.36%
Tier III - Conservation	\$293,831.20	3.47%
Tier IV - Conservation	\$353,713.49	4.17%
	<b>\$8,473,384.90</b>	<b>100.00%</b>

### June 2021 Water Sales

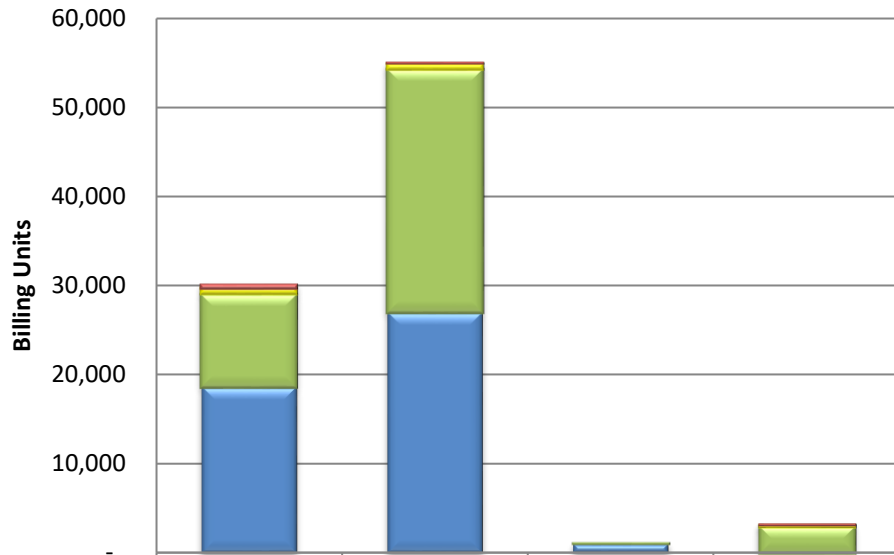
Water Delivery Cost  
94%



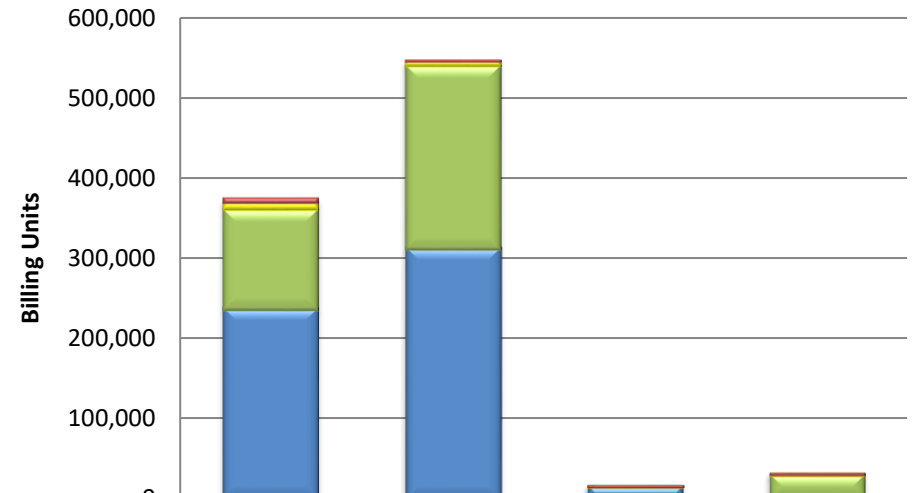
Category	Billings	Percentage
Water Delivery Cost	\$707,672.88	94.77%
Tier III - Conservation	\$20,015.36	2.68%
Tier IV - Conservation	\$19,047.94	2.55%
	<b>\$746,736.18</b>	<b>100.00%</b>



### Laguna Woods Village June 2021 Water Sales



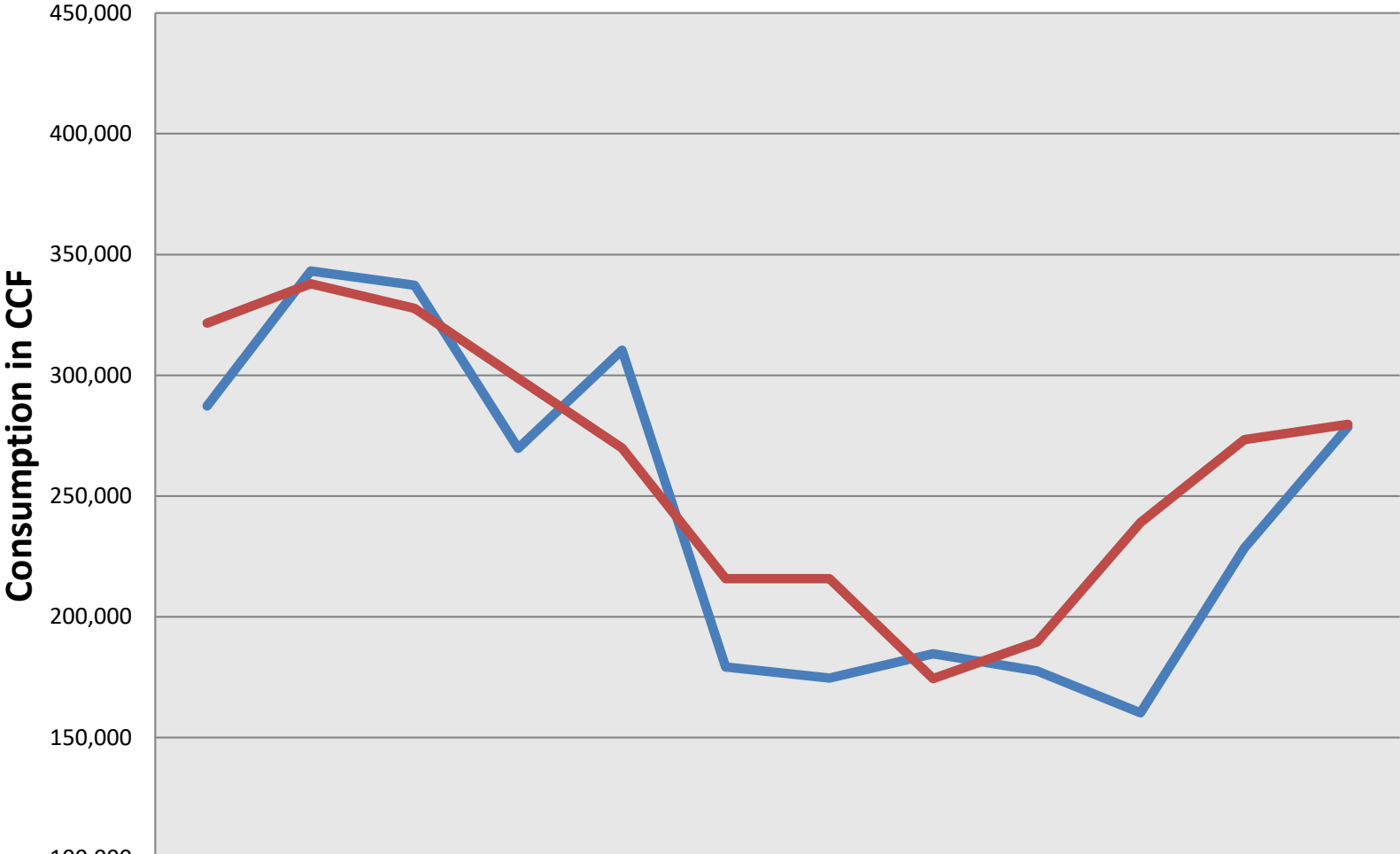
### Laguna Woods Village Year-to-Date Water Sales June 2021



	Third	United	Mutual 50	GRF
Tier 4	405	39	-	37
Tier 3	682	612	-	182
Tier 2	10,409	27,254	2	3,025
Tier 1	18,656	26,983	1,063	-

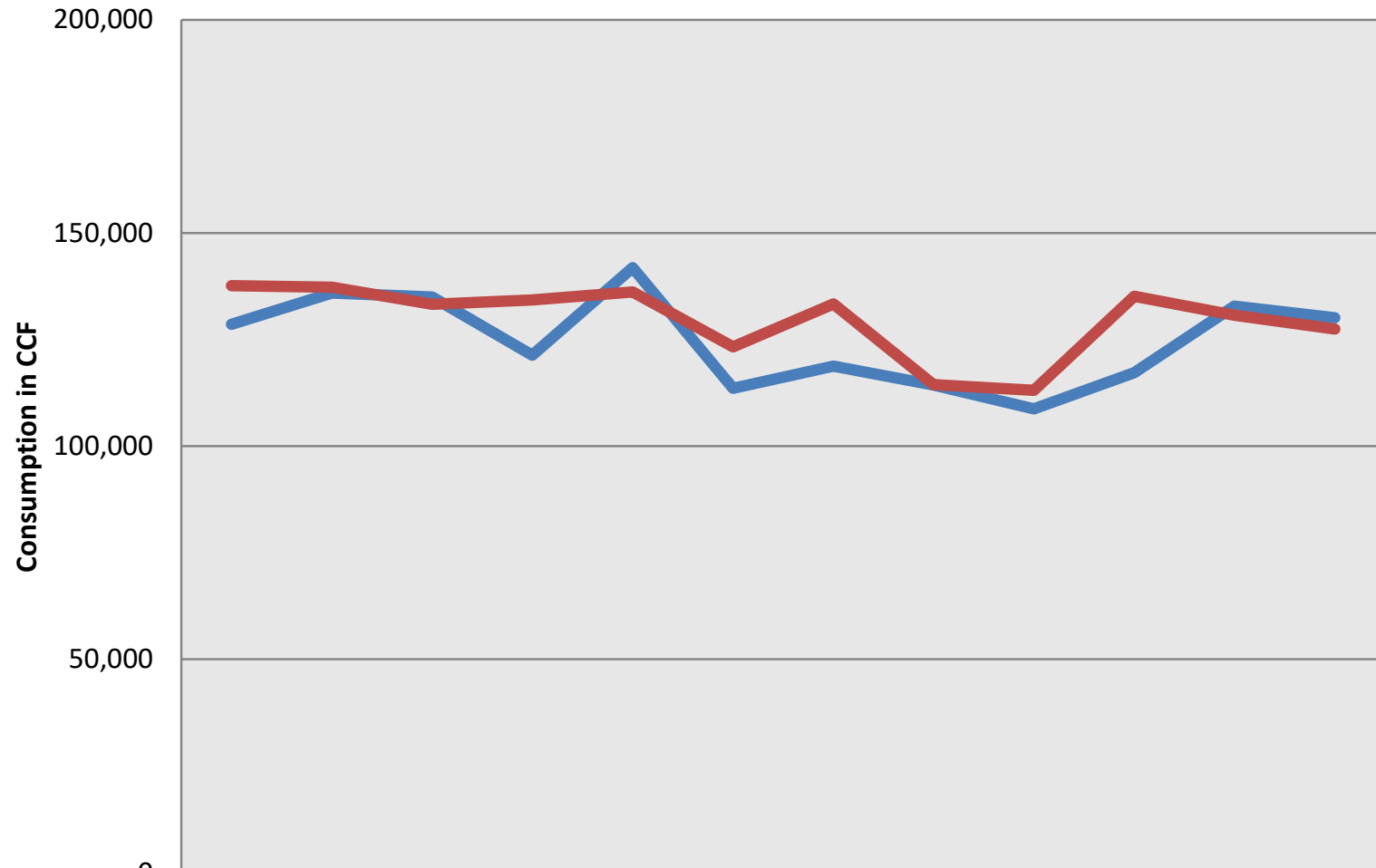
	Third	United	Mutual 50	GRF
Tier 4	5,081	442	20	572
Tier 3	8,832	6,148	155	1,674
Tier 2	124,129	227,784	111	29,068
Tier 1	236,108	311,253	14,751	0

# ETWD Total Consumption



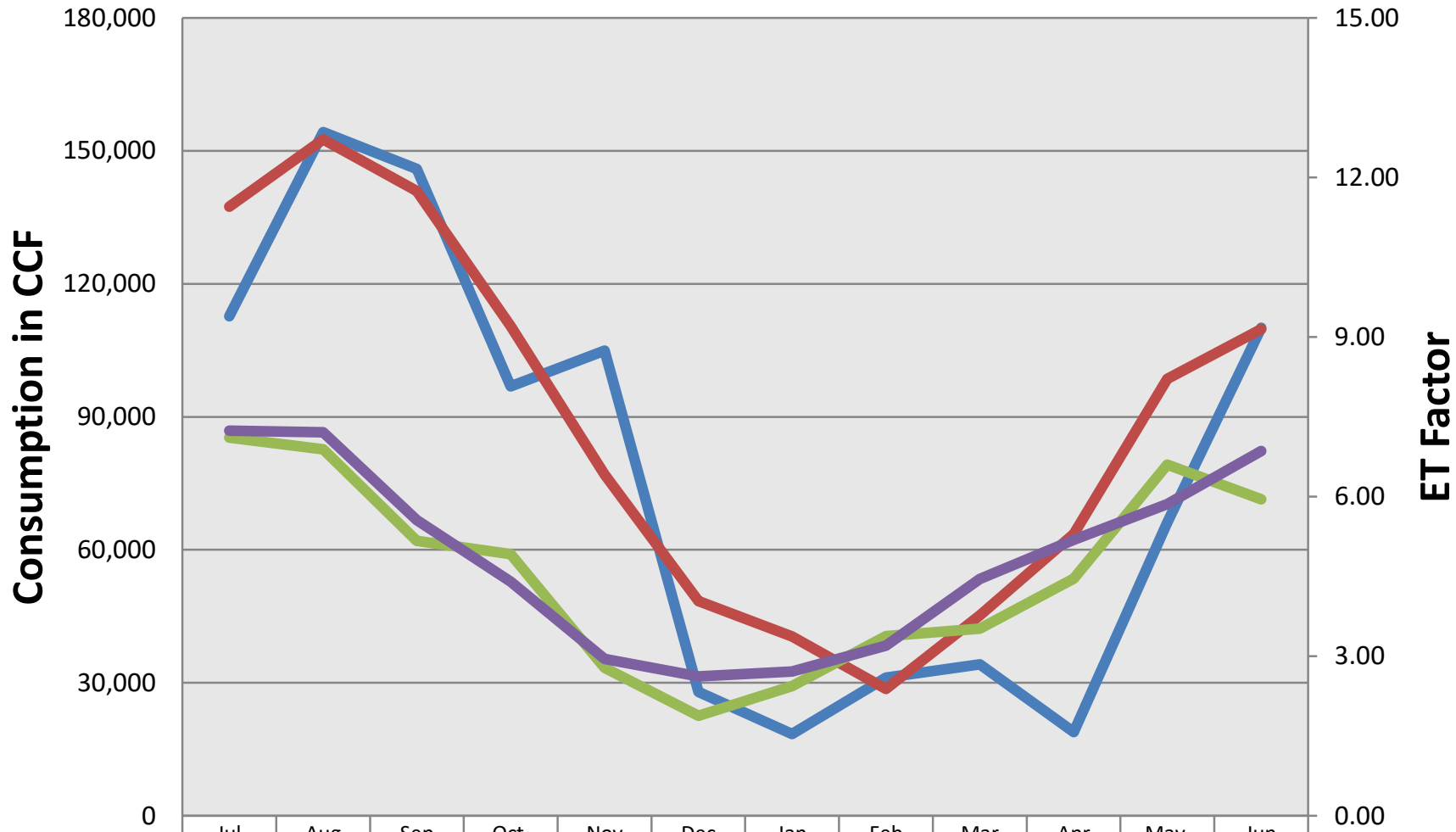
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	287,207	343,163	337,247	269,666	310,344	179,155	174,596	184,609	177,526	160,199	228,443	278,527
2020-2021	321,599	337,881	327,731	298,688	269,822	215,708	215,719	174,359	189,493	239,022	273,284	279,630
%	112%	98%	97%	111%	87%	120%	124%	94%	107%	149%	120%	100%

# Tier I Consumption



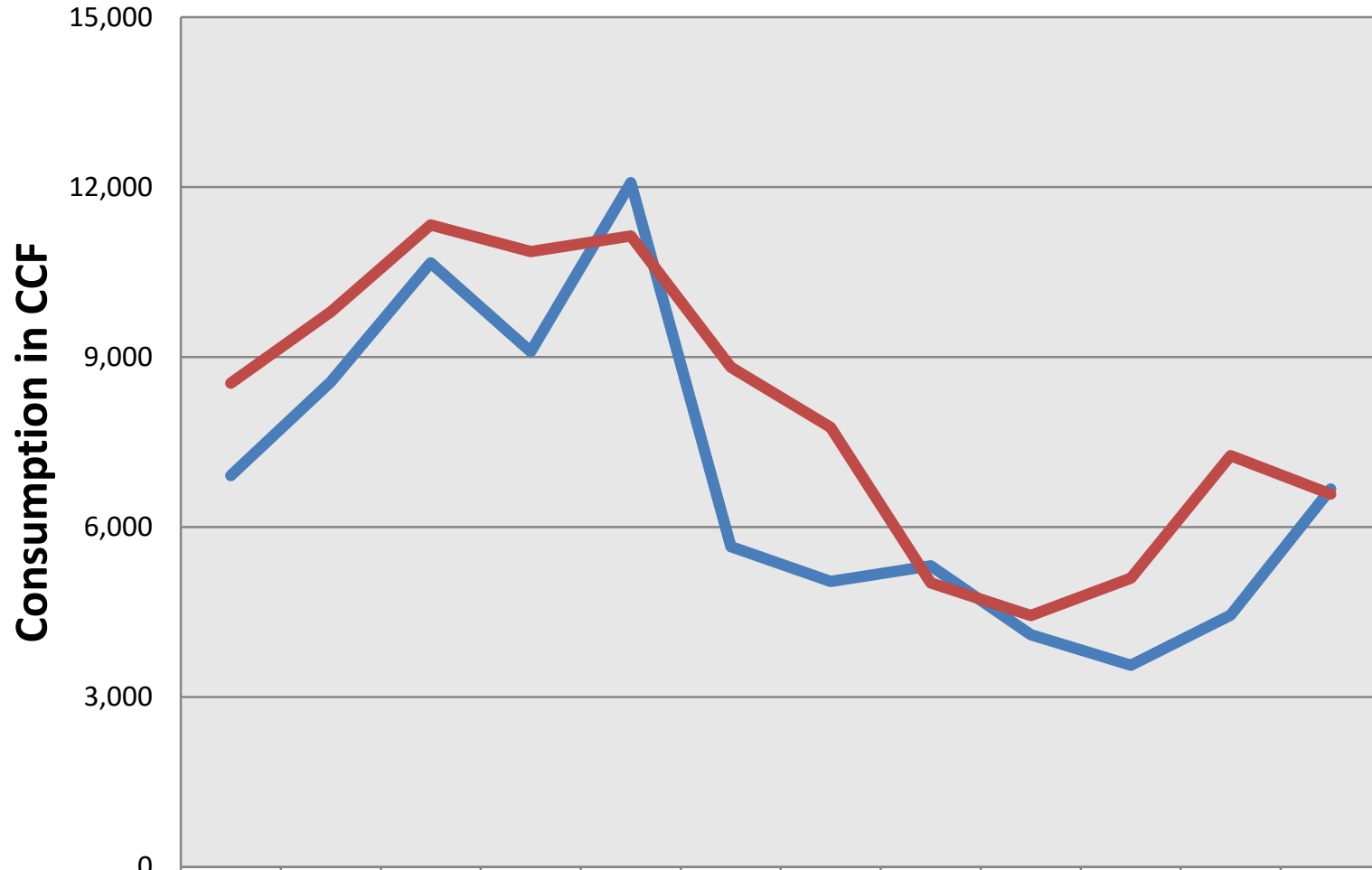
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	128,554	135,906	134,987	121,297	141,878	113,574	118,788	114,338	108,744	117,284	132,878	130,117
2020-2021	137,646	137,282	133,239	134,309	136,195	123,315	133,386	114,443	113,103	135,147	130,701	127,482

# Tier II Consumption



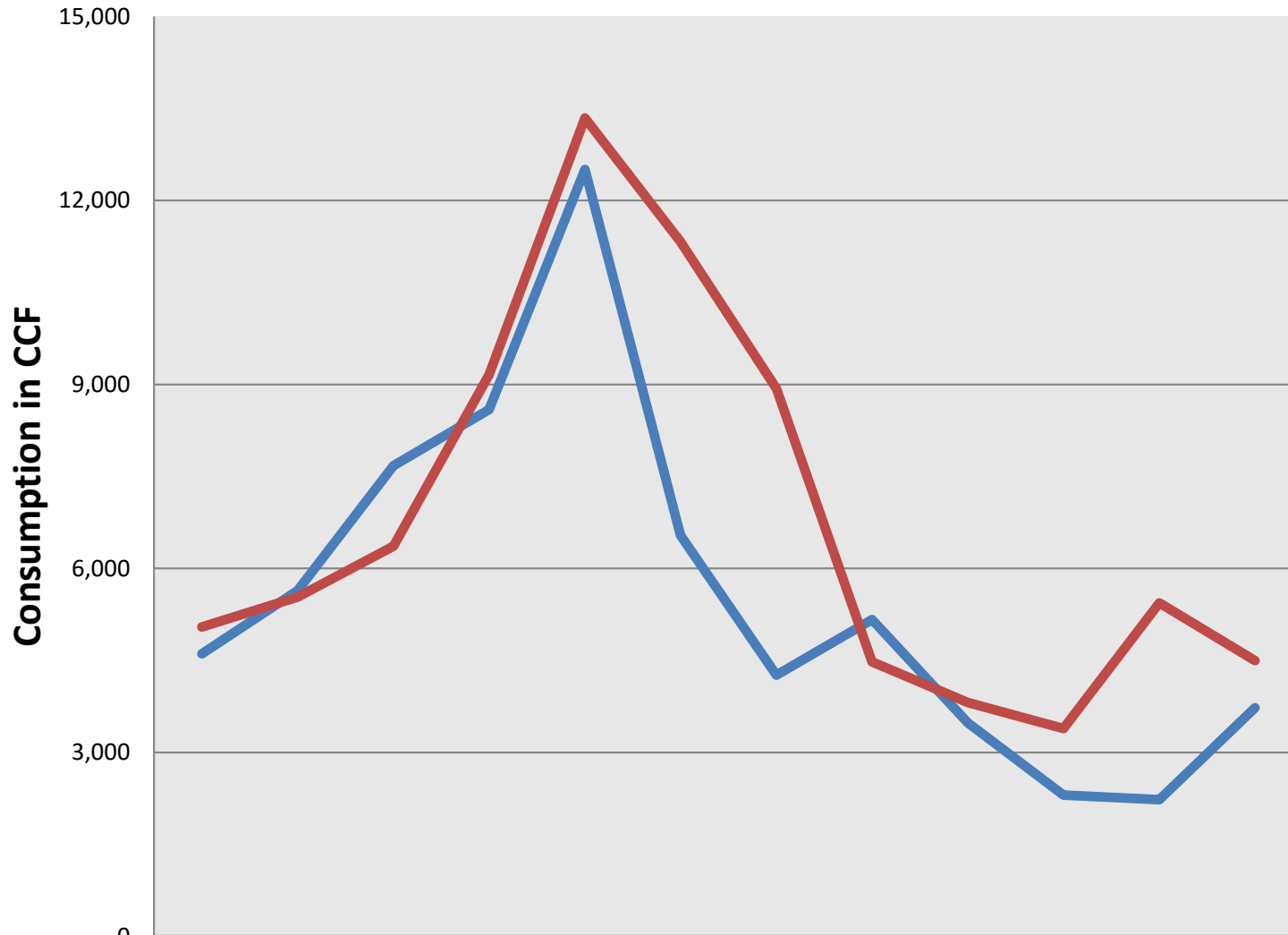
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	112,695	154,237	145,968	96,862	104,906	27,914	18,449	31,164	34,192	18,866	66,147	110,075
2020-2021	137,408	152,593	140,982	110,443	76,968	48,415	40,480	28,615	45,213	63,524	98,547	109,792
19/20 ET	7.11	6.89	5.17	4.92	2.78	1.88	2.44	3.38	3.52	4.46	6.60	5.95
20/21 ET	7.24	7.21	5.56	4.40	2.95	2.62	2.71	3.20	4.45	5.19	5.86	6.86

# Tier III Consumption



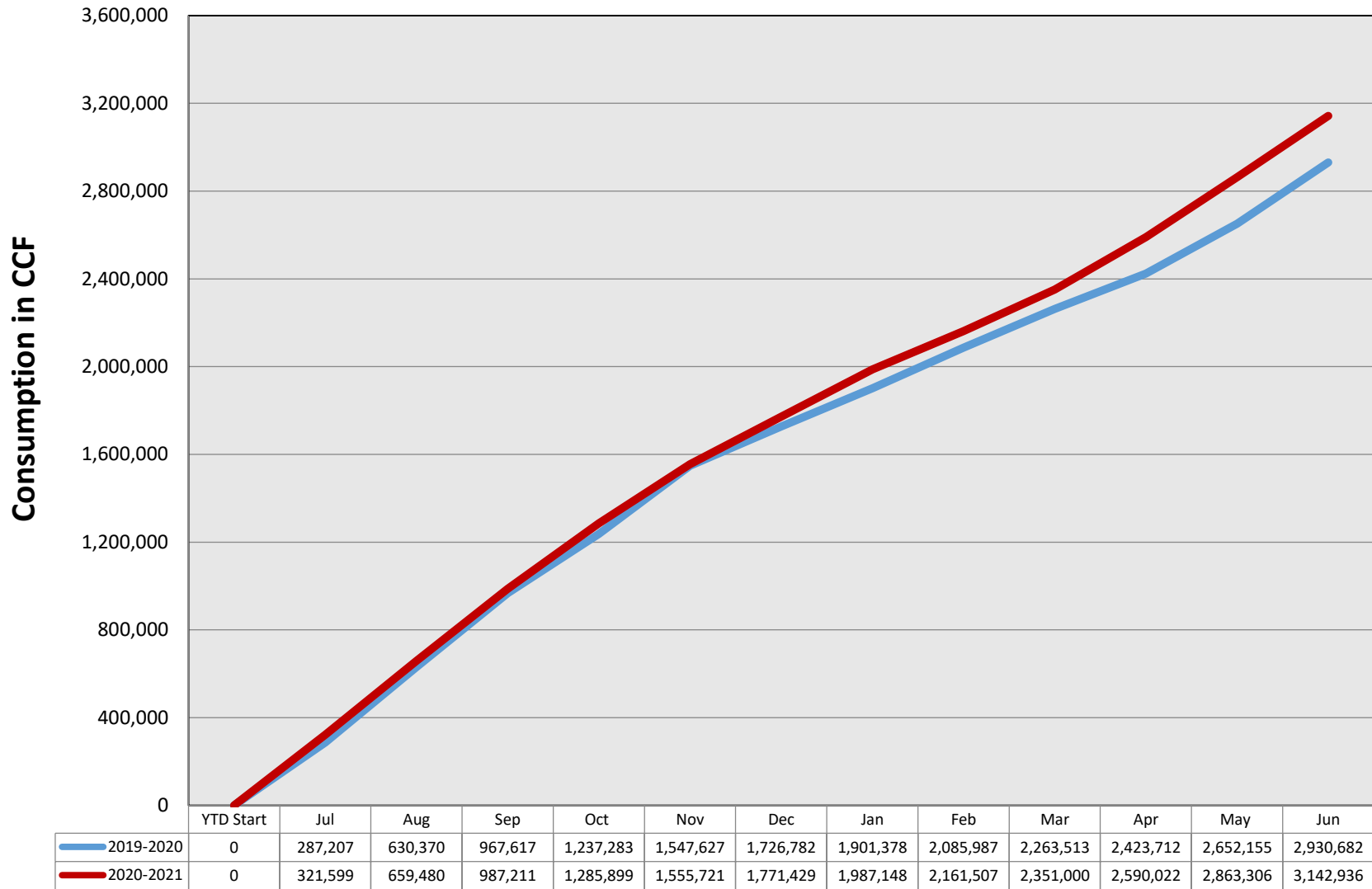
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	6,910	8,567	10,664	9,094	12,078	5,654	5,038	5,318	4,098	3,562	4,446	6,675
2020-2021	8,539	9,799	11,333	10,865	11,140	8,820	7,758	5,016	4,439	5,101	7,261	6,584

# Tier IV Consumption

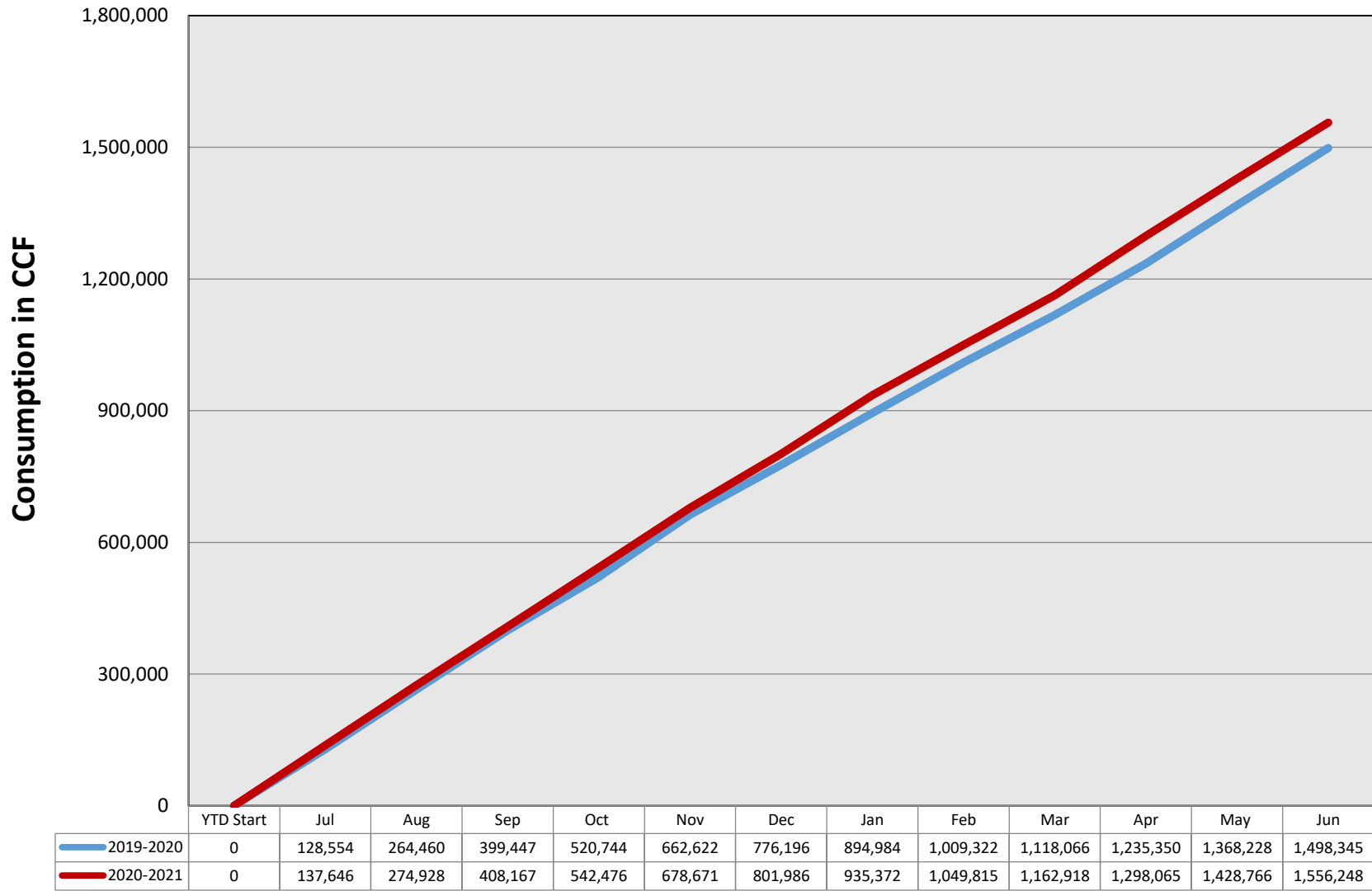


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	4,608	5,639	7,676	8,591	12,505	6,539	4,262	5,166	3,479	2,304	2,229	3,729
2020-2021	5,043	5,531	6,365	9,159	13,344	11,328	8,931	4,479	3,815	3,389	5,438	4,499

## ETWD YTD Consumption

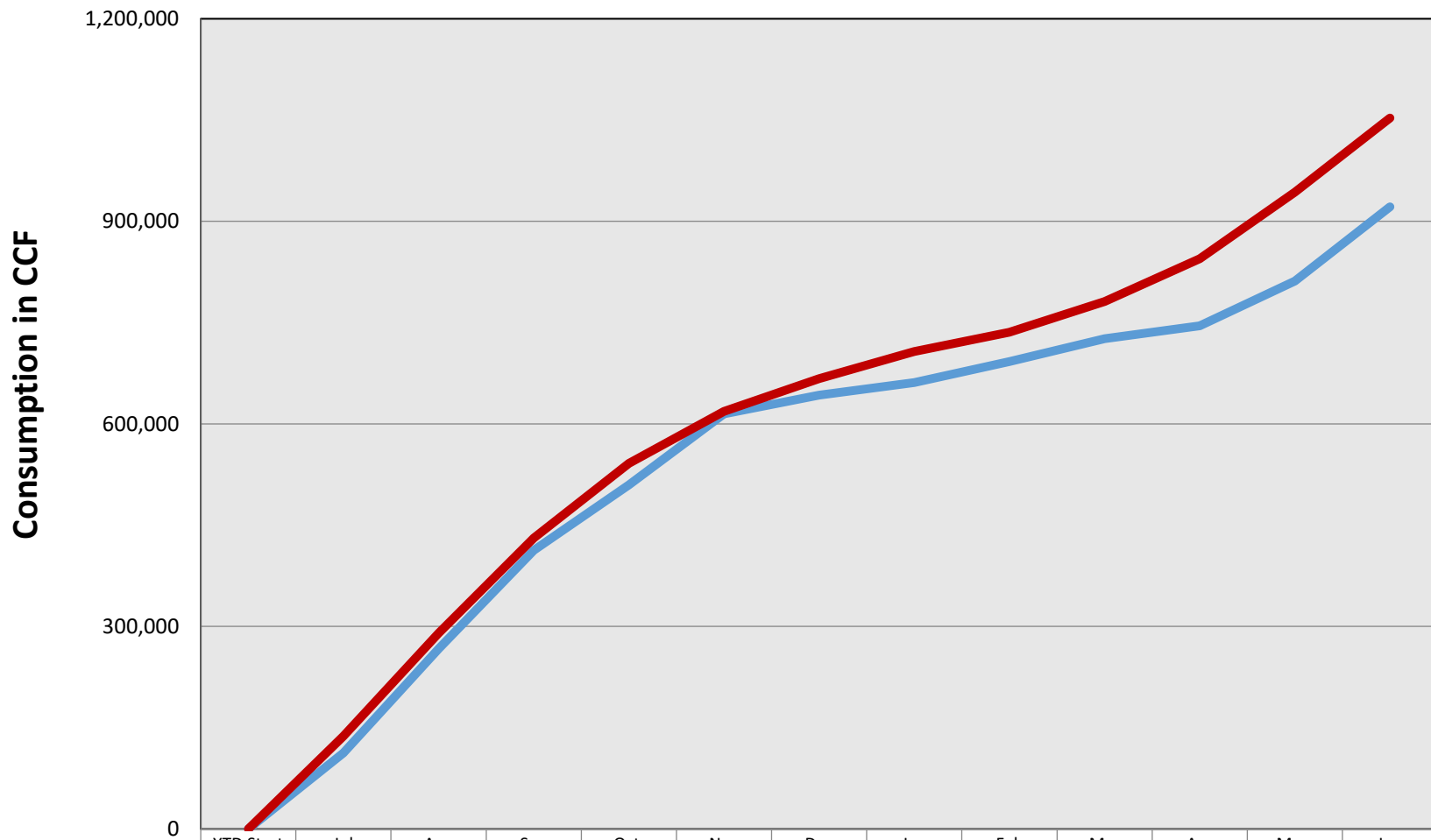


## Tier I YTD Consumption



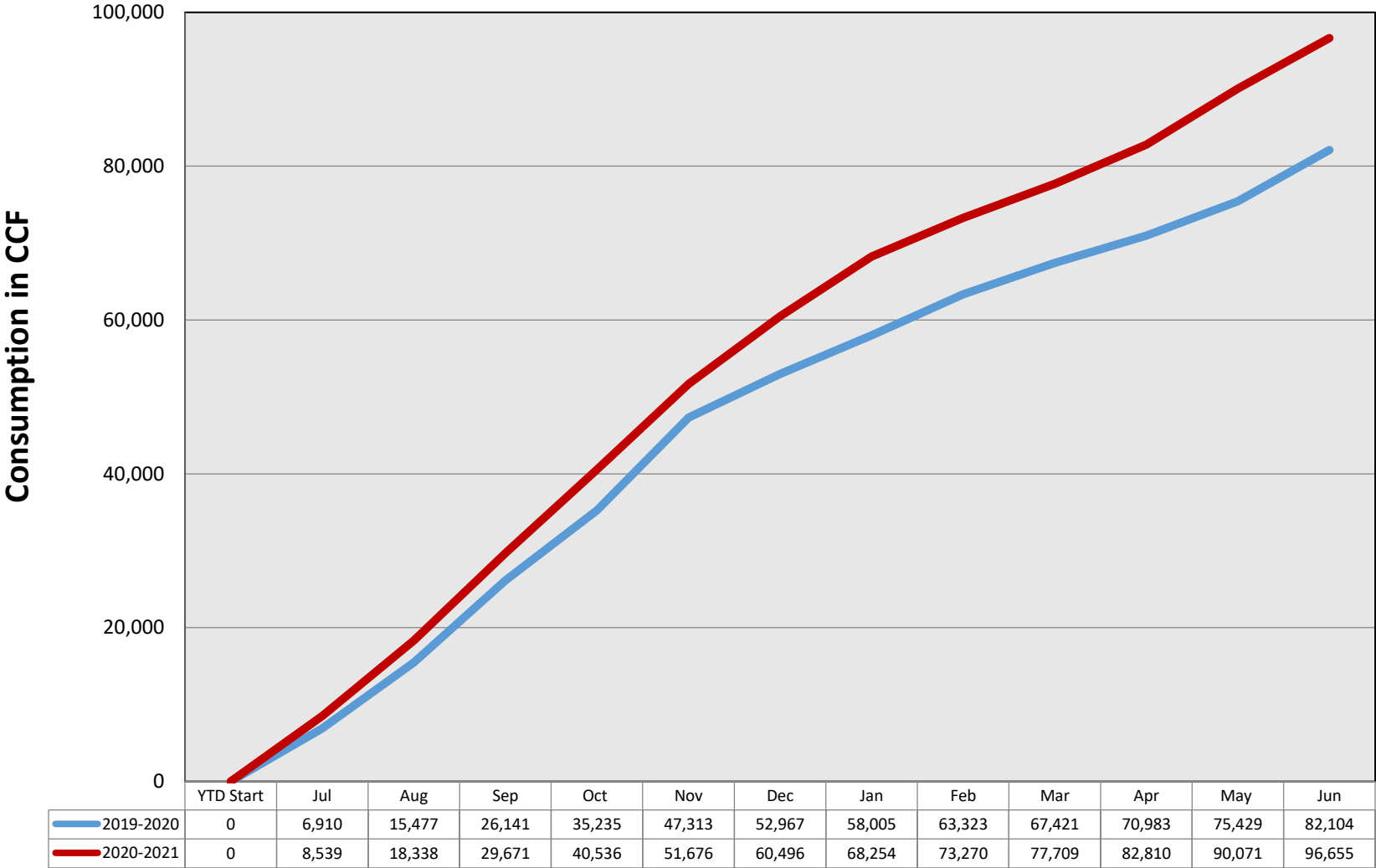


## Tier II YTD Consumption

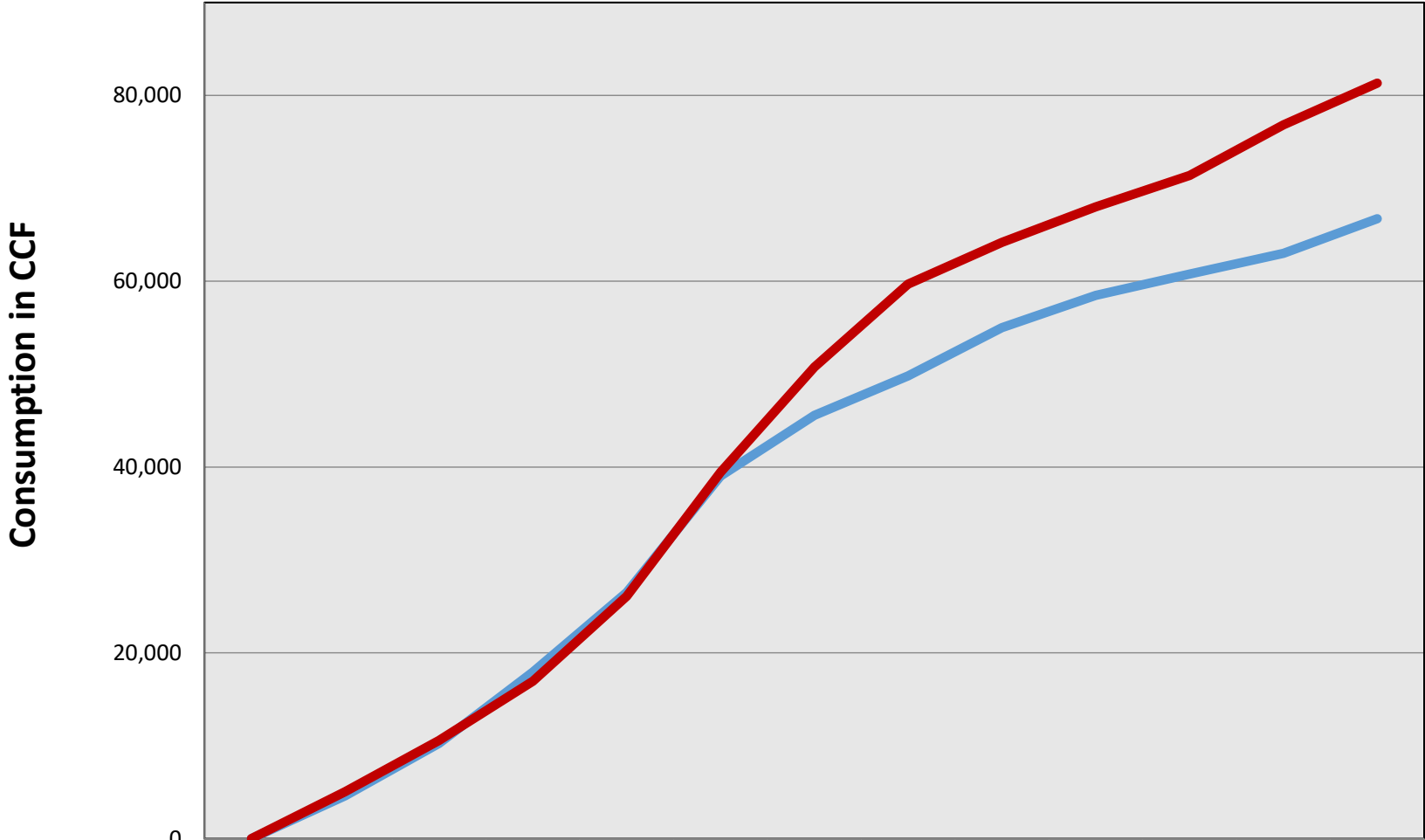


	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	0	112,695	266,932	412,900	509,762	614,668	642,582	661,031	692,195	726,387	745,253	811,400	921,475
2020-2021	0	137,408	290,001	430,983	541,426	618,394	666,809	707,289	735,904	781,117	844,641	943,188	1,052,980

### Tier III YTD Consumption

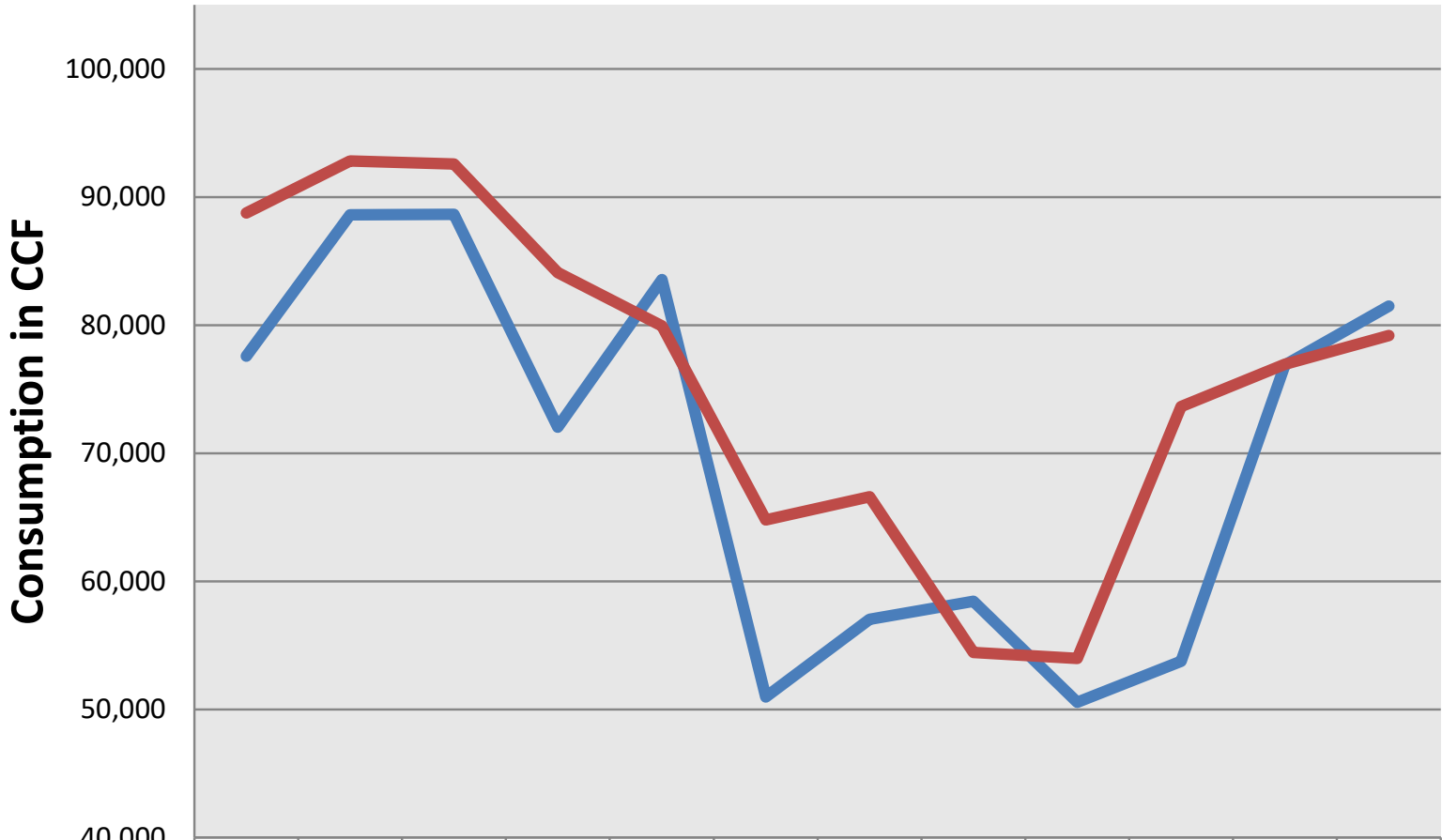


### Tier IV YTD Consumption



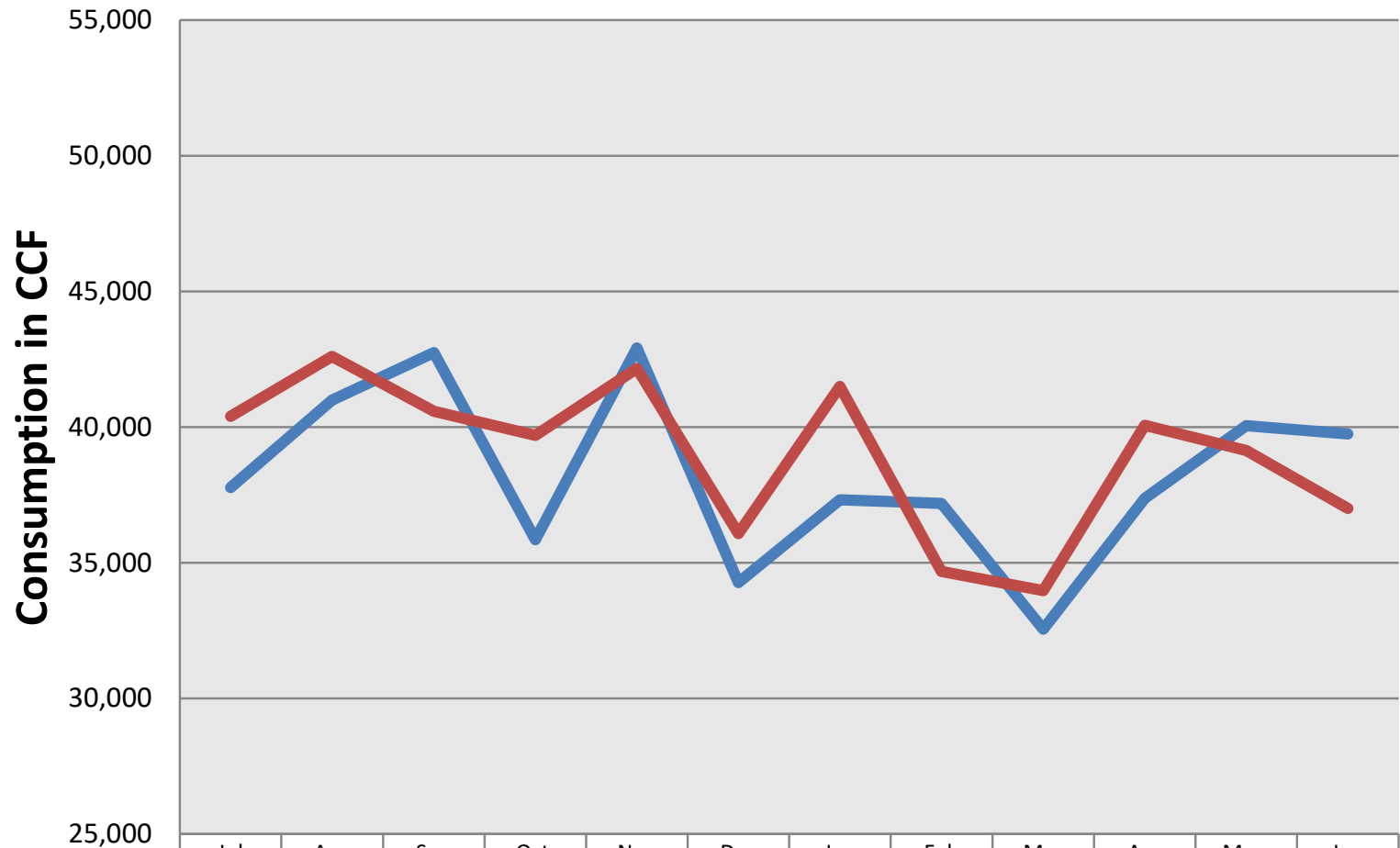
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	0	4,608	10,247	17,923	26,514	39,019	45,558	49,820	54,986	58,465	60,769	62,998	66,727
2020-2021	0	5,043	10,574	16,939	26,098	39,442	50,770	59,701	64,180	67,995	71,384	76,822	81,321

# Single Family Residents Consumption



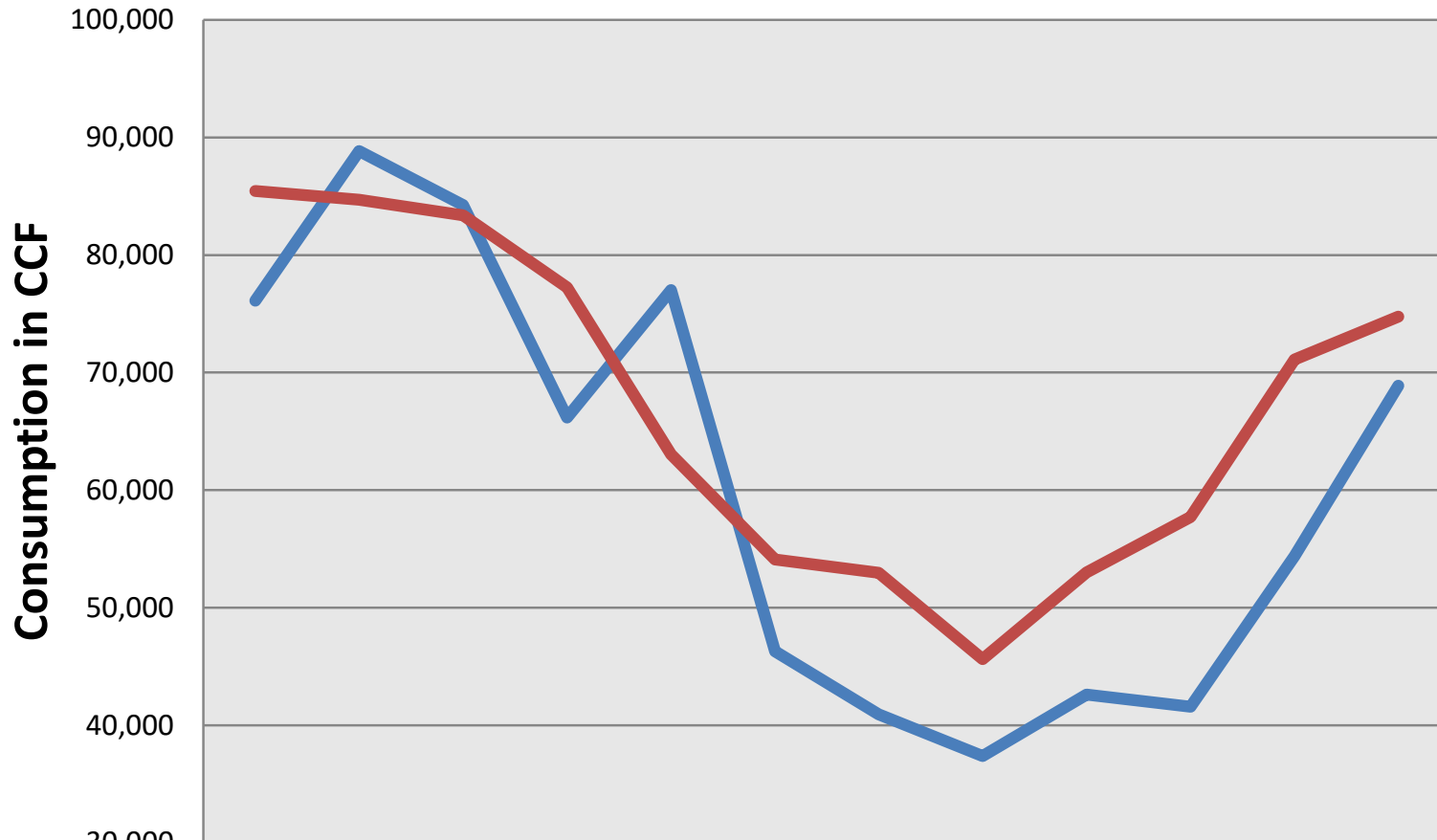
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	77,586	88,625	88,650	72,040	83,550	50,955	57,031	58,453	50,557	53,765	76,880	81,484
2020-2021	88,770	92,815	92,568	84,099	79,933	64,791	66,587	54,456	53,977	73,644	76,949	79,192
%	114%	105%	104%	117%	96%	127%	117%	93%	107%	137%	100%	97%

## Multi Family Residents Consumption



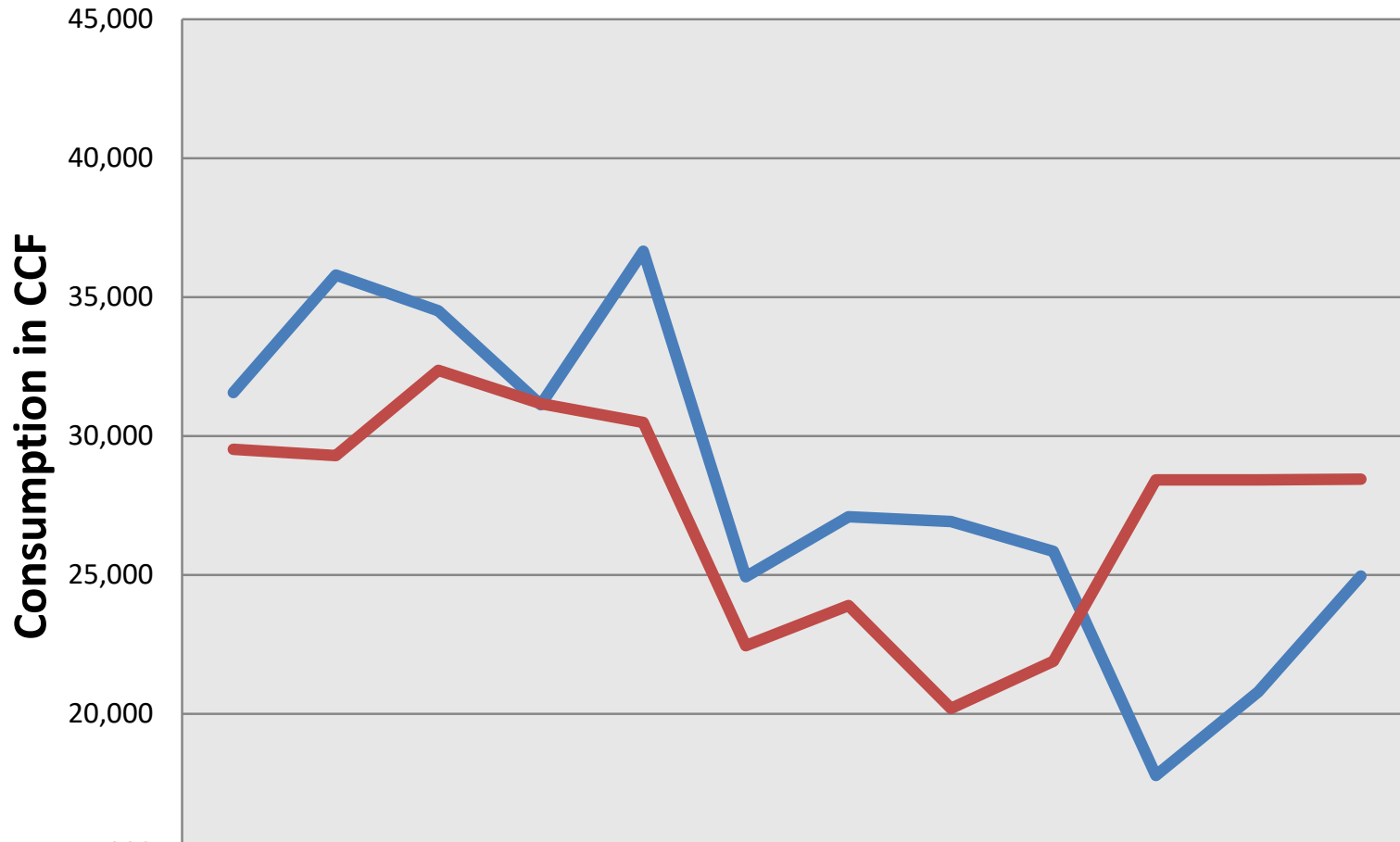
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	37,764	40,990	42,748	35,846	42,915	34,269	37,314	37,185	32,549	37,372	40,056	39,751
2020-2021	40,396	42,602	40,575	39,694	42,162	36,065	41,502	34,683	33,970	40,062	39,141	37,002
%	107%	104%	95%	111%	98%	105%	111%	93%	104%	107%	98%	93%

## Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



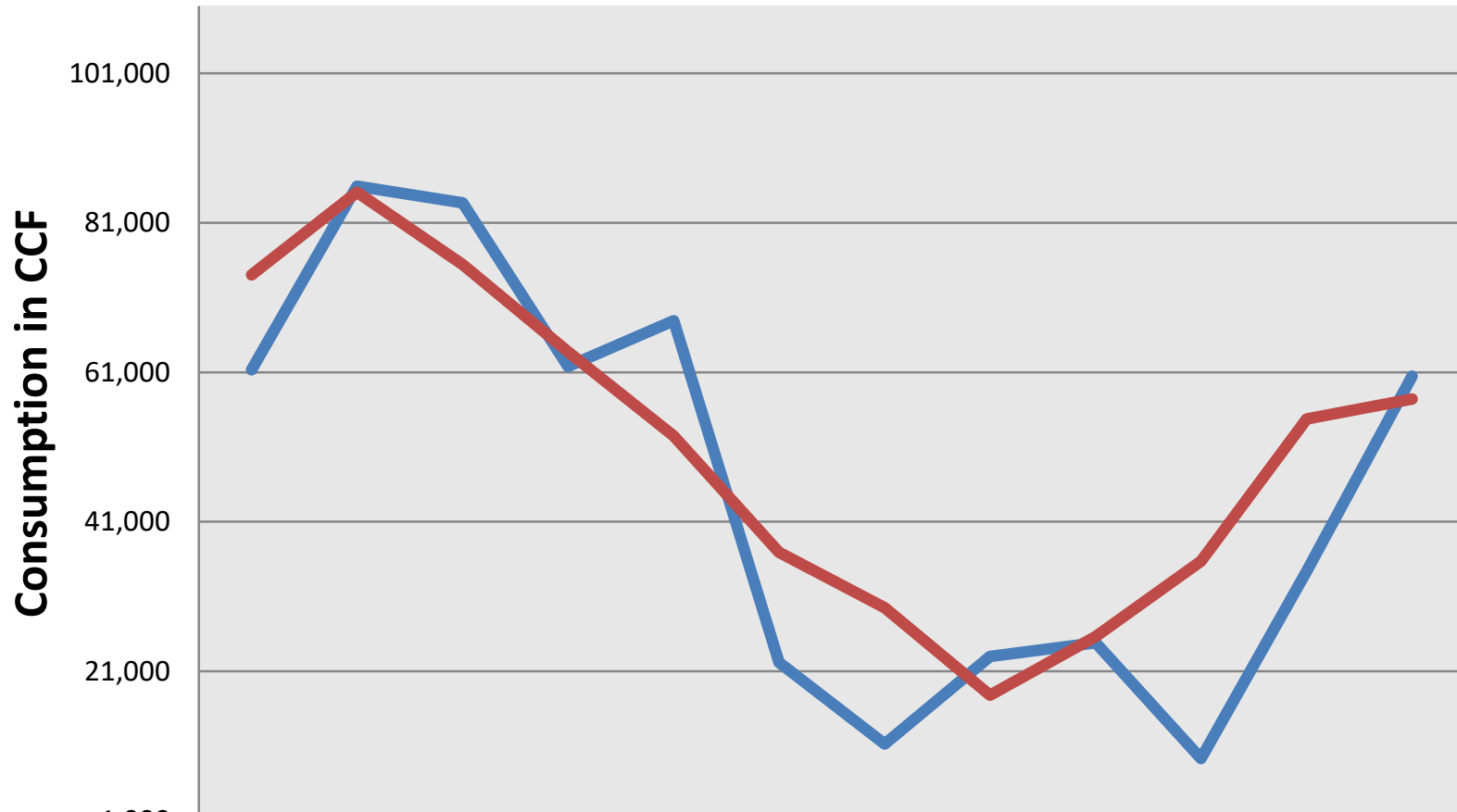
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019-2020	76,109	88,839	84,242	66,165	77,014	46,268	40,923	37,375	42,605	41,567	54,391	68,893
2020-2021	85,444	84,697	83,360	77,251	63,052	54,106	52,957	45,620	52,987	57,707	71,121	74,759
%	112%	95%	99%	117%	82%	117%	129%	122%	124%	139%	131%	109%

# 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	21,899	28,412	28,421	28,438
— %	94%	82%	94%	100%	83%	90%	88%	75%	85%	160%	137%	114%

## 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	25,636	35,748	54,736	57,404
%	121%	99%	90%	103%	77%	166%	262%	77%	103%	384%	159%	95%



# EL TORO WATER DISTRICT INSURANCE UPDATE

July 2021

## **Liability Program**

There is nothing new to report this quarter.

## **Property Insurance**

There is nothing new to report this quarter.

## **Excess Public Employee Fidelity Program**

There is nothing new to report this quarter.

## **Underground Storage Tank Pollution Liability**

There is nothing new to report this quarter.

## **Dam Failure Liability**

There is nothing new to report this quarter.

## **Fiduciary Liability Policy**

There is nothing new to report this quarter.

## **Liability & Property Claims**

There is nothing new to report this quarter.

## **Workers' Compensation Policy**

The Workers' Compensation Policy was renewed as of July 1, 2020 and runs through June 30, 2021.

## **Workers' Compensation Claims**

There were no workers' compensation claims this quarter.

### **Medical Insurance**

The District offers three medical plans as follows:

Kaiser Health - \$10 office co-pay with no annual deductibles.

Anthem Blue Cross – HMO; Offers a \$10 copay with no annual deductibles.

Anthem Blue Cross – PPO; this plan offers benefits within the physician network and outside of the network. In network there is a co-pay of \$15.00 with an annual deductible of \$200 per person and \$600 per family. Out of the network, benefits are offered at 20% cost to the employee for all covered services with the same annual deductibles.

Average cost per month per employee for the fourth quarter is \$1486.92.

### **Vision Insurance**

VSP provides vision coverage to our employees, Directors and dependents. It provides an annual eye exam and discounted rates for frames, lenses and contacts.

The cost per month per employee for the fourth quarter is \$17.21.

### **Dental Insurance**

The District provides dental coverage with Delta Dental. Our dental insurance pays up to \$1,500 for the upcoming year for covered services. All preventative services are offered every six months with the copay waived.

Average cost per month per employee for the fourth quarter is \$80.19.

### **Long and Short Term Disability Insurance**

The District offers Long and Short Term Disability Program through Lincoln National Life Insurance Company. The Long Term Disability program provides a maximum monthly benefit of \$10,000. The Short Term Disability program provides a maximum weekly benefit of \$ 1,500.

Both Short and Long Term Disability Programs are paid by the District and provides disability payments up to 66 2/3 of an employee's weekly or monthly salary if the claim is approved.

Average cost per month per employee for the fourth quarter is \$53.76.

### **Long Term Care Insurance**

Long Term care is a program that provides a monthly benefit of \$2,500 to be applied to home health care or an assisted living facility.

Average cost per month per employee for the fourth quarter is \$9.89.

**Life Insurance Coverage**

The District offers Life Insurance coverage through Lincoln National Life Insurance Company at twice the employee's annual salary up to a maximum of \$300,000.

Lincoln National Life Insurance Company also provides life insurance coverage for the Directors.

Premium rates are based on age and salary of insured employees. The premium is adjusted on the employee's birthday every fifth year.

Average cost per month per employee for the fourth quarter is \$45.54.

**Employee Assistance Program (EAP) Coverage**

UNUM is our carrier for our Employee Assistance Program. This program offers assistance in many areas such as: childcare, eldercare, legal consultations, and health information, personal relationship issues, financial planning assistance, stress management and career development. This benefit also comes with a \$5,000 portable term life insurance benefit.

The cost per month per employee for the fourth quarter is \$1.70.

**An insurance report of Budget vs. Actual Costs for fiscal year 2020/2021 is attached for the Board's review as well as a summary of currently held District insurance policies.**

Submitted by:  
Nancy Laursen  
Judy Cimorell

**Budget vs. Actual - Q4 2020/2021  
7/1/2021**

	<b>Annual Budget</b>	<b>Actual Paid to Date</b>	<b>Difference</b>	
<b>Insurance Coverage</b>				
Liability	\$175,000	\$192,860	\$17,860	
Property	\$70,000	\$73,254	\$16,689	
Fiduciary Liability	\$6,300	\$10,337	\$4,037	
Dam Ins. (includes Excess) less SMWD- 50% & MNWD 5% - R-6	\$21,405 (\$7,950) (\$795)	\$34,565 (\$17,283) (\$1,728)	\$13,160 -\$9,333 (\$933)	
Underground Storage Tank	\$1,500	\$1,555	\$55	
Excess Crime	\$2,000	\$2,095	\$95	
<b>Total Insurance</b>	<b>\$267,460</b>	<b>\$309,090</b>	<b>\$41,630</b>	
			<b>Cummulative</b>	
	<b>Annual Budget</b>	<b>Q1, Q2. Q3 &amp; Q4 Budget</b>	<b>Q1, Q2. Q3 &amp; Q4 Actual</b>	<b>Difference</b>
<b>Benefits - Directors</b>				
Long Term Care	\$27,878	\$27,878	\$18,993	(\$8,885)
Medical	\$0	\$0	\$9,341	\$9,341
Director Paid Medical	\$0	\$0	(\$515)	(\$515)
Dental	\$3,226	\$3,226	\$2,432	(\$794)
Vision	\$1,058	\$1,058	\$1,033	(\$25)
Life	\$169	\$169	\$137	(\$32)
<b>Total Benefits Directors</b>	<b>\$32,331</b>	<b>\$32,331</b>	<b>\$31,421</b>	<b>(\$910)</b>
<b>Retiree Benefits</b>				
Medical	\$327,383	\$327,383	\$312,271	(\$15,112)
Employee paid	(\$32,738)	(\$32,738)	(\$31,227)	\$1,511
<b>Total retiree benefits</b>	<b>\$294,645</b>	<b>\$294,645</b>	<b>\$281,044</b>	<b>(\$13,601)</b>
<b>Employee Benefits</b>				
Emp.Assistance Program	\$1,242	\$1,242	\$1,160	(\$82)
Medical	\$1,207,490	\$1,207,490	\$1,097,936	(\$109,554)
Emp. Co-pay	(\$88,006)	(\$88,006)	(\$85,103)	\$2,903
Life/AD&D	\$36,971	\$36,971	\$31,705	(\$5,266)
Dental	\$60,128	\$60,128	\$56,605	(\$3,523)
Vision	\$12,550	\$12,550	\$12,167	(\$383)
LTD/STD	\$39,455	\$39,455	\$38,133	(\$1,322)
LTC	\$15,770	\$15,770	\$10,405	(\$5,365)
LTC-Emp. Paid	(\$3,270)	(\$3,270)	(\$1,895)	\$1,375
Workers comp.	\$141,750	\$141,750	\$119,127	(\$22,623)
<b>Total Employee Benefits</b>	<b>\$1,424,080</b>	<b>\$1,424,080</b>	<b>\$1,280,240</b>	<b>(\$143,840)</b>

## SUMMARY OF COVERAGE

Page 5

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<b>Type of Coverage</b>	<b><u>GENERAL LIABILITY</u></b>	<b>Coverage Term: 10/20-21</b>
<b>Coverage Includes</b>	1. Commercial General Liability 2. Contractual Liability 3. Products/Completed Operations 4. Personal Injury	<b>Premium - \$19,2860</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>  Pooled Self-insured	<b>Policy Number</b>  MOLC - 100110

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<b>Type of Coverage</b>	<b><u>AUTO LIABILITY</u></b>	<b>Coverage Term: 10/20-21</b>
<b>Coverage Includes</b>	1. Owned Automobiles/Trucks 2. Non-owned Automobiles/Trucks 3. Hired Automobiles/Trucks	<b>Premium - Included</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>  Pooled Self-insured	<b>Policy Number</b>  MOLC - 100110

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<b>Type of Coverage</b>	<b><u>PUBLIC OFFICIALS LIABILITY</u></b>	<b>Coverage Term: 10/20-21</b>
<b>Coverage Includes</b>	1. Errors & Omissions	<b>Premium - Included</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>  Pooled Self-insured	<b>Policy Number</b>  MOLC - 100110

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<b>Type of Coverage</b>	<b><u>PROPERTY</u></b>	<b>Coverage Term: 7/20 - 21</b>
<b>Coverage Includes</b>	1. Basic Property Values- Building, Fixed Equipment, Personal Property 2. Mobile Equipment Value 3. Licensed Vehicle - Comprehensive & Collision - Private Passenger, Light Truck, Sport Utility, Other Vehicles	<b>Premium - \$73,254</b>
<b>Automobile Physical Damage</b> Comprehensive - 83 Vehicles Collision - 83 Vehicles		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>  Pooled Self-insured	<b>Policy Number</b>  MOLC - 100110

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<b>Type of Coverage</b>	<b><u>EXCESS CRIME PROGRAM</u></b>	<b>Coverage Term: 7/20-21</b>
<b>Coverage Includes</b>	<ol style="list-style-type: none"> <li>1. Public Employee Dishonesty</li> <li>2. Forgery or Alteration</li> <li>3. Computer Fraud</li> <li>4. Faithful Performance of Duty</li> <li>5. Treasurer/Tax Collector/Board Members (included)</li> </ol>	<b>Premium - \$1995.</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

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<b>Type of Coverage</b>	<b><u>UNDERGROUND STORAGE TANK POLLUTION LIABILITY</u></b>	<b>Coverage Term: 7/20-21</b>
<b>Coverage Includes</b>	<ol style="list-style-type: none"> <li>1. Claims-Made</li> <li>2. Environmental Incident</li> </ol>	<b>Premium - \$1,453</b>
<b>Covers 1 Tank Located at: 23542 Moulton Parkway Laguna Woods, CA 92637</b>		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

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<b>Type of Coverage</b>	<b><u>DAM FAILURE LIABILITY</u></b>	<b>Coverage Term: 10/20-09/21</b>
<b>Coverage (Includes Excess Ins. for El Toro Reservoir)</b>	\$10,000,000.00	<b>Premium - \$34,078.</b>
<b>Covers: El Toro Reservoir Rossmoor Dam</b>	\$5,000,000.00	
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
		MOLC - 100110

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<b>Type of Coverage</b>	<b><u>FIDUCIARY LIABILITY</u></b>	<b>Coverage Term: 9/20-21</b>
<b>Coverage Includes</b>	1. Executive Protection Policy	<b>Premium - \$10,337</b>
<b>Parent Organization: ETWD Retirement Savings Plan &amp; Trust Agreement</b>		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Hudson Insurance Company	SFD31211603

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Type of Coverage	<b><u>WORKERS' COMPENSATION</u></b>	Coverage Term: 7/20 - 6/21
Coverage Includes	1. Coverage A - Workers' Compensation 2. Coverage B - Employer's Liability	4th Quarter Premium \$28,213
Coverage Limits	Insurance Carrier	Policy Number
Coverage A \$0 - \$2 Million \$2 Million to Statutory	Pooled Self-insured	MOLC - 100110
Coverage Limits	Insurance Carrier	Policy Number
Coverage B \$0 - \$2 Million \$2 Million excess of \$2 Million SIR	Pooled Self-insured	MOLC - 100110

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Type of Coverage	<b><u>LIFE &amp; ACCIDENT</u></b>	4th Quarter Premium \$8,095
Coverage Includes	Coverage - 2 X Annual Income (Max. of \$300,000)	
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218807
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

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Type of Coverage	<b><u>LONG / SHORT TERM DISABILITY</u></b>	4th Quarter Premium \$9,516
Coverage Includes	66 2/3 Insured Earnings Max. of \$10,000	
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218808
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	30 Days STD 90 Days or 9 Weeks LTD	

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Type of Coverage	<b><u>LONG TERM CARE</u></b>	4th Quarter Premium \$1,750
Coverage Includes	\$2,500/Month \$150,000 Total Benefit	
Insurance Carrier	UNUM	Policy # 220384
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	365 Days	

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Type of Coverage	<u>MEDICAL</u>	4th Quarter Premium \$340,728
Coverage Includes	HMO or PPO by Employee Choice	
Insurance Carrier	Anthem Blue Cross / Kaiser Insurance thru ACWA	Policy #229CA
Eligibility Period	1 Month After Hire	
Plan Wait or Deductible	30 Days * Premium includes Employees, Retirees & Directors	

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Type of Coverage	<u>DENTAL</u>	4th Quarter Premium \$14,793
Coverage Includes	\$25.00 or \$50.00/Family	
Insurance Carrier	Delta Dental Plan of California	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

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Type of Coverage	<u>VISION</u>	4th Quarter Premium \$3,331
Coverage Includes	Annual Exam/Frame Every 2 Years	
Insurance Carrier	Vision Service Plan thru ACWA	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

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Type of Coverage	<u>PERSONAL ACCIDENT INSURANCE</u>	4th Quarter Premium Employee Paid
Coverage Includes	\$50,000 or \$100,000	
Insurance Carrier	CIGNA	Policy # OKH-1253-56
Eligibility Period	Optional	
Plan Wait or Deductible	None	

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Type of Coverage	<u>Supplemental Financial Insurance Program</u>	4th Quarter Premium Employee Paid
Coverage Includes	Voluntary - Life, Accident / Injury, Hospital, Critical Care, Short-term Disability, Dental	
Insurance Carrier	AFLAC	Policy # E3B26
Eligibility Period	Optional	
Plan Wait or Deductible	None	

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EL TORO WATER DISTRICT  
FINANCIAL REPORT  
July 19, 2021

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**EL TORO WATER DISTRICT  
BALANCE SHEET**

	<b>6/30/21 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$3,118,166	\$2,718,968
Investments:		
Investments Cash	7,043,535	7,863,284
Investments FMV Adjustment	9,241	99,832
Receivables:		
Accounts Receivable	3,591,474	2,706,924
Inventories	1,192,207	698,779
Prepaid Expenses	150,916	173,851
<b>Total Current Assets</b>	<b>\$15,105,540</b>	<b>14,261,637</b>
<b>Restricted Assets</b>		
Cash & Investments	9,787,357	10,423,655
<b>Total Restricted Assets</b>	<b>9,787,357</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	121,918,078	121,567,548
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,950,613	34,871,067
<b>Total Utility Plant</b>	<b>170,906,365</b>	<b>170,476,289</b>
Less Accumulated Depreciation & Amortization	(83,904,879)	(79,832,055)
<b>Net Utility Plant</b>	<b>87,001,487</b>	<b>90,644,235</b>
Construction Work in Progress	2,956,254	793,303
Deffered Outflow OPEB	3,634,674	3,634,674
<b>Total Non-current Assets</b>	<b>93,592,415</b>	<b>95,072,212</b>
<b>TOTAL ASSETS</b>	<b>\$118,485,312</b>	<b>\$119,757,504</b>

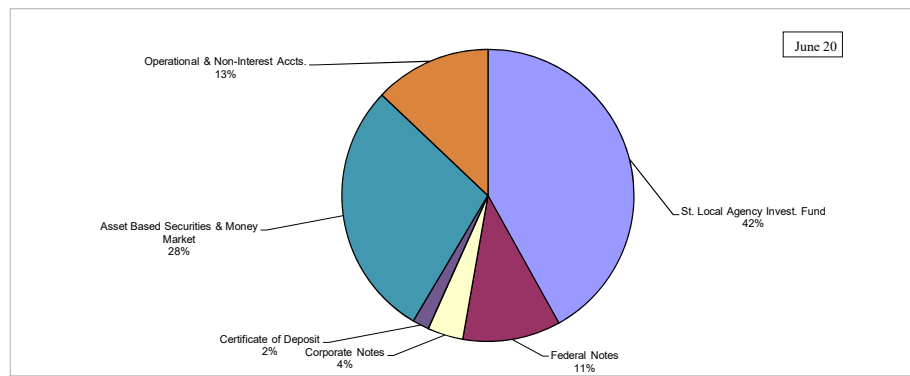
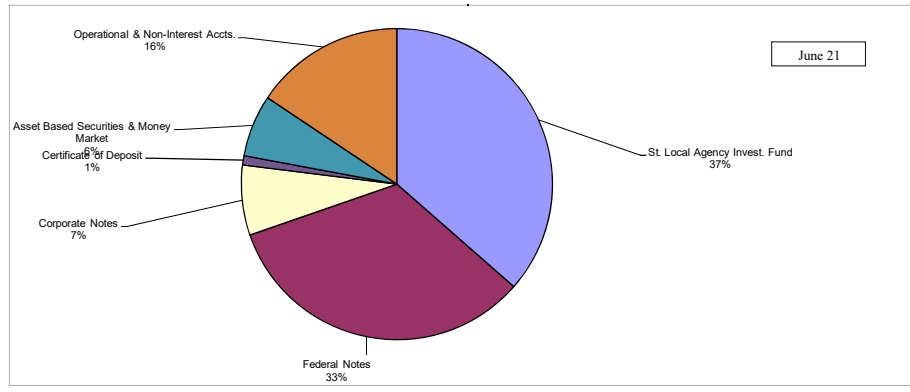
**EL TORO WATER DISTRICT  
BALANCE SHEET**

	<b>6/30/21 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
<b>LIABILITIES and EQUITY</b>		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$2,225,218	\$2,106,030
Current Portion of Long-Term Debt	6,180	2,203,943
Other Current Liabilities	1,987,469	2,116,800
Total Current Liabilities Payable		
From Current Assets	4,218,867	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	54,810,311	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	935,715	(1,813,763)
Total Fund Equity	63,675,001	62,739,286
Total Liabilities & Fund Equity	\$118,485,312	\$119,757,504

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

	Maturity Dates	Par	Market Value	Financial	YTM	Original Cost
			6/30/21	Institution	6/30/21	6/30/21
State Local Agency Investment Fund	NA	NA	\$7,277,581	LAIF	0.26%	\$7,277,581
US Treasury N/B - Coupon Rate 0.875%	5/31/2022	500,000	508,125	US Bank/CAMP	0.09%	508,223
US Treasury N/B - Coupon Rate 0.125%	7/31/2022	600,000	600,094	US Bank/CAMP	0.11%	600,117
US Treasury N/B - Coupon Rate 0.125%	9/30/2022	500,000	499,922	US Bank/CAMP	0.11%	500,098
US Treasury N/B - Coupon Rate 1.875%	10/31/2022	250,000	255,742	US Bank/CAMP	0.10%	256,328
US Treasury N/B - Coupon Rate 1.875%	10/31/2022	500,000	511,484	US Bank/CAMP	0.12%	513,027
US Treasury N/B - Coupon Rate 0.125%	11/30/2022	400,000	399,812	US Bank/CAMP	0.11%	400,109
US Treasury N/B - Coupon Rate 0.125%	12/31/2022	400,000	399,688	US Bank/CAMP	0.11%	400,125
US Treasury N/B - Coupon Rate 0.125%	1/31/2023	200,000	199,813	US Bank/CAMP	0.13%	199,977
US Treasury N/B - Coupon Rate 0.125%	1/31/2023	400,000	399,625	US Bank/CAMP	0.11%	400,141
US Treasury N/B - Coupon Rate 0.250%	6/15/2023	400,000	400,062	US Bank/CAMP	0.14%	401,047
US Treasury N/B - Coupon Rate 0.125%	7/15/2023	200,000	199,469	US Bank/CAMP	0.19%	199,688
US Treasury N/B - Coupon Rate 0.125%	7/15/2023	400,000	398,938	US Bank/CAMP	0.14%	399,828
US Treasury N/B - Coupon Rate 0.125%	8/15/2023	500,000	498,438	US Bank/CAMP	0.23%	498,809
US Treasury N/B - Coupon Rate 0.250%	11/15/2023	90,000	89,859	US Bank/CAMP	0.26%	89,982
US Treasury N/B - Coupon Rate 0.125%	2/15/2024	400,000	397,438	US Bank/CAMP	0.27%	398,313
Intl BK of Recon and Dev Note - Coupon Rate 0.125%	4/20/2023	135,000	134,672	US Bank/CAMP	0.23%	134,721
NJ TPK Auth -B- Txbi Muni Bond - Coupon Rate 0.897%	1/1/2025	20,000	19,959	US Bank/CAMP	0.90%	20,000
FNA 2018-M5 A2- Coupon Rate 3.560%	9/1/2021	1,252	1,252	US Bank/CAMP	2.93%	1,277
FHMS K724 A2 - Coupon Rate 3.062%	11/1/2023	60,000	62,977	US Bank/CAMP	0.58%	64,052
FHMS K133 A1 - Coupon Rate 0.440%	12/1/2025	14,864	14,594	US Bank/CAMP	0.44%	14,864
Federal Farm Credit Bank Note - Coupon Rate 0.125%	2/3/2023	230,000	229,724	US Bank/CAMP	0.15%	229,871
Freddie Mac Notes - Coupon Rate 0.250	11/6/2023	155,000	154,791	US Bank/CAMP	0.23%	155,087
Fannie Mae Notes - Coupon Rate 0.250	11/27/2023	250,000	249,654	US Bank/CAMP	0.24%	250,107
Federal Notes		6,606,116	6,626,130			6,635,790
Toyota Motor Credit Corp Corporate Note - Coupon Rate 0.450%	1/11/2024	70,000	69,730	US Bank/CAMP	0.45%	69,996
John Deere Corp Notes - Coupon Rate 0.450%	1/17/2024	55,000	54,795	US Bank/CAMP	0.48%	54,961
Morgan Stanley Corp Notes - Coupon Rate 0.529%	1/25/2024	55,000	54,927	US Bank/CAMP	0.53%	55,000
PACCAR Financial Corp Corporate Note - Coupon Rate 0.350%	2/2/2024	65,000	64,821	US Bank/CAMP	0.39%	64,925
National Rural Util Coop Corporate Note - Coupon Rate 0.350%	2/8/2024	25,000	24,902	US Bank/CAMP	0.37%	24,983
Goldman Sachs Corp Notes - Coupon Rate 4.000%	3/3/2024	40,000	43,445	US Bank/CAMP	0.69%	44,062
Goldman Sachs Corp Notes - Coupon Rate 0.673%	3/8/2024	20,000	20,025	US Bank/CAMP	0.67%	20,000
JPMorgan Chase & Co Corp Note Call - Coupon Rate 0.697%	3/16/2024	70,000	70,169	US Bank/CAMP	0.70%	70,000
Charles Schwab Corp Note - Coupon Rate 0.750%	3/18/2024	30,000	30,158	US Bank/CAMP	0.77%	29,985
Bank of NY Mellon Corp Note - Coupon Rate 0.500%	4/26/2024	55,000	54,928	US Bank/CAMP	0.54%	54,941
Amazon.com Inc Corp Note - Coupon Rate 0.450%	5/12/2024	80,000	79,826	US Bank/CAMP	0.50%	79,883
UnitedHealth Group Inc Corp Note - Coupon Rate 0.550%	5/15/2024	30,000	29,917	US Bank/CAMP	0.59%	29,969
Caterpillar Finl Service Corp Note - Coupon Rate 0.450%	5/17/2024	45,000	44,832	US Bank/CAMP	0.50%	44,940
Astrazeneca Finance LLc (Callable) Corp - Coupon Rate 0.700%	5/28/2024	50,000	49,937	US Bank/CAMP	0.70%	49,996
John Deere Capital Corp Notes - Coupon Rate 0.450%	6/7/2024	10,000	9,946	US Bank/CAMP	0.49%	9,988
Apple Inc Corp Note - Coupon Rate 2.750%	1/13/2025	40,000	42,765	US Bank/CAMP	0.89%	42,786
Merck & Co Inc Corp Note - Coupon Rate 2.750%	2/10/2025	20,000	21,303	US Bank/CAMP	0.94%	21,389
JPMorgan Chase & Co Corp Note Call - Coupon Rate 0.563%	2/16/2025	30,000	29,813	US Bank/CAMP	0.56%	30,000
Lockheed Martin Corp Note - Coupon Rate 2.900%	3/1/2025	20,000	21,395	US Bank/CAMP	1.06%	21,422
Burlington North Santa Fe Corp Note Call - Coupon Rate 3.000%	4/1/2025	20,000	21,498	US Bank/CAMP	1.07%	21,533
Bank of America Corp Notes (Callable) - Coupon Rate 0.976%	4/22/2025	70,000	70,221	US Bank/CAMP	0.98%	70,000
Bank of NY Mellon Corp Note - Coupon Rate 1.600%	4/24/2025	45,000	46,142	US Bank/CAMP	0.97%	46,148
Pepsico Inc Corp Note Call - Coupon Rate 2.750%	4/30/2025	20,000	21,365	US Bank/CAMP	1.02%	21,400
Citigroup Inc Corp Notes - Coupon Rate 0.981%	5/1/2025	35,000	34,952	US Bank/CAMP	0.98%	35,000
Morgan Stanley Corp Notes (Callable) - Coupon Rate 0.790%	5/30/2025	10,000	9,961	US Bank/CAMP	0.79%	10,000
Honeywell Intl Corp Note - Coupon Rate 1.350%	6/1/2025	20,000	20,369	US Bank/CAMP	0.91%	20,360
JPMorgan Chase & Co Corp Note - Coupon Rate 0.824%	6/1/2025	25,000	24,960	US Bank/CAMP	0.82%	25,000
MUFG Bank LTD/NY Comm Paper - Coupon Rate 0.000%	10/8/2021	100,000	99,978	US Bank/CAMP	0.10%	99,972
Sumitomo Mitui Trust NY Comm Paper - Coupon Rate 0.000%	11/1/2021	285,000	284,902	US Bank/CAMP	0.17%	284,758
Corporate Notes		1,440,000	1,451,983			1,453,394
Barclays Bank PLC NY CD- Coupon Rate 0.290%	2/4/2022	190,000	190,092	US Bank/CAMP	0.29%	190,000
Certificate of Deposit		190,000	190,092			190,000
Hart 2018-A A3 - Coupon Rate 2.790%	7/15/2022	142	142	US Bank/CAMP	2.79%	142
MBart 2018-1 A3 - Coupon Rate 3.030%	1/15/2023	10,300	10,356	US Bank/CAMP	3.03%	10,299
MBalt 2021-1 A3 - Coupon Rate 0.250%	1/16/2024	15,000	15,001	US Bank/CAMP	0.25%	14,998
BMWLT 2021-1 A3 - Coupon Rate 0.290%	1/25/2024	15,000	15,012	US Bank/CAMP	0.29%	15,000
FordL 2021-A A3 - Coupon Rate 0.260%	2/15/2024	25,000	24,995	US Bank/CAMP	0.26%	24,997
Carmx 2021-1 A2A- Coupon Rate 0.220%	2/15/2024	90,000	90,019	US Bank/CAMP	0.24%	89,944
GMALT 2021-1 A3 - Coupon Rate 0.260%	2/20/2024	30,000	30,010	US Bank/CAMP	0.26%	29,997
FordO 2019-C A3 - Coupon Rate 1.870%	3/15/2024	53,103	53,703	US Bank/CAMP	1.38%	53,840
Harot 2021-A A3 - Coupon Rate 0.270%	4/21/2025	25,000	24,977	US Bank/CAMP	0.27%	25,000
Fordo 2021-A A3 - Coupon Rate 0.300%	8/15/2025	30,000	29,967	US Bank/CAMP	0.30%	29,997
Harot 2021-2 A3 - Coupon Rate 0.640%	8/15/2025	40,000	39,865	US Bank/CAMP	0.33%	39,998
GMCar 2021-1 A3 - Coupon Rate 0.350%	10/16/2025	15,000	14,973	US Bank/CAMP	0.35%	14,998
Carmx 2021-1 A3 - Coupon Rate 0.340%	12/15/2025	15,000	14,982	US Bank/CAMP	0.34%	14,997
CAMP Money Market Fund	NA	NA	921,104	US Bank/CAMP	0.05%	921,104
Asset Based Securities & Money Market		363,545	1,285,106			1,285,311
Total Camp Investments		8,599,661	9,553,312			9,564,495

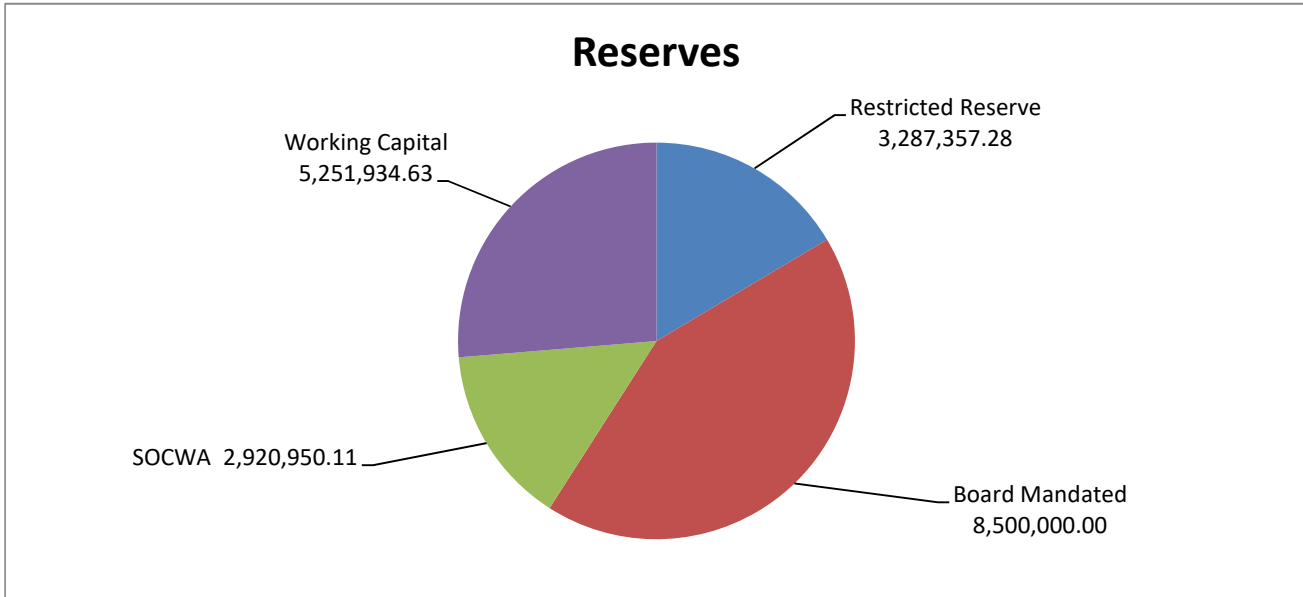
Operational & Non-Interest Bearing Accounts						
ETWD General Cash Account	NA	NA	3,114,571	Union Bank of Cal.	0.00%	3,114,571
ETWD Capital Facilities Reserve Account	NA	NA	2,895	Union Bank of Cal.	0.00%	2,895
ETWD Payroll Account	NA	NA	0	Union Bank of Cal.	0.00%	0
ETWD Petty Cash Account	NA	NA	700	Union Bank of Cal.	0.00%	700
Operational & Non-Interest Accts.			3,118,166			3,118,166
			\$19,949,058	<b>Total Investments &amp; Cash</b>		\$19,960,242



LIQUIDITY					
	June 30, 2021		June 30, 2020		
	\$	%	\$	%	
DEMAND	\$ 11,316,851	56.70%	\$ 17,297,570	82.35%	
30 Days	\$ -	0.00%	\$ -	0.00%	
31-180 Days	\$ 386,007	1.93%	\$ 1,310,976	6.24%	
181 - 360	\$ 698,223	3.50%	\$ 2,053,566	9.78%	
361-1800 Days	\$ 7,559,161	37.87%	\$ 341,855	1.63%	
<b>TOTAL</b>	\$ 19,960,242	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  
30-Jun-21**



Restricted Reserve	\$	3,287,357
Board Mandated	\$	8,500,000
SOCWA	\$	2,920,950
Capital Cash Flow / Compliance	\$	5,251,935
<b>Total</b>	<b>\$</b>	<b>19,960,242</b>

**Restricted Reserve**

SRFL-Recycled Phase I	\$	1,602,958
SRFL-Recycled Phase II	\$	409,046
Capital Facilities Reserve	\$	2,895
Tiered Cons Fund	\$	695,758
Baker Funding	\$	576,701
<b>Total</b>	<b>\$</b>	<b>3,287,357</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: \$16,672,885

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

## EL TORO WATER DISTRICT CHANGE IN RESERVES

	<u>June 30, 2021</u>	<u>Year to Date</u>	<u>Year Ended June 30, 2020</u>
Operating Revenue	2,404,876	26,393,477	24,886,981
Non-operating Revenue	132,190	1,724,396	2,057,794
Total Revenue	<u>2,537,065</u>	<u>28,117,873</u>	<u>26,944,775</u>
Operating Expenses	1,921,218	22,725,135	23,497,422
Depreciation & Amortization	358,855	4,306,266	4,483,605
Non-operating Expenses	976	150,757	777,511
Total Expenses	<u>2,281,050</u>	<u>27,182,158</u>	<u>28,758,539</u>
NET INCOME	256,016	935,715	(1,813,763)
Add Depreciation & Amortization	358,855	4,072,824	4,483,605
Net Cash Provided by Operating Activities	772,887	(2,926,654)	2,477,046
Net Cash Provided by Investing Activities	(231,873)	(2,593,027)	(1,447,543)
Net Cash Provided by Financing Activities	-	-	(855,860)
Net Increase/(Decrease) Cash for the Period	<u>1,155,885</u>	<u>(511,142)</u>	<u>2,843,484</u>
Cash at End of Period from Balance Sheet		10,170,943	
Restricted Cash		9,787,357	
Unrealized (Gains)/Losses Fair Market Value		<u>(9,241)</u>	
Cash at End of Period		19,949,058	
Net (Increase)/Decrease Cash for the Period		(1,155,885)	
Net (Increase)/Decrease in Restricted Cash for the Period		733,508	
Net Increase/(Decrease) in Unrealized Gains/(Losses) Fair Market Value		(455,000)	
Void Checks in Prior Period		-	
Cash at Beginning of Period		<u>19,071,682</u>	

**EL TORO WATER DISTRICT**  
**Cash Sheet**  
**For the month ending June 30, 2021**

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
90734	06/24/2021	SUNFLOWER PUBLIC FINANCE, LLC.	552,051.13
90631	06/03/2021	MOULTON NIGUEL WATER DISTRICT	362,112.00
90678	06/17/2021	ACWA HEALTH BENEFITS AUTHORITY	124,889.62
90627	06/03/2021	J.R. FILANC CONSTRUCTION CO., INC.	98,874.33
90632	06/03/2021	MUNICIPAL WATER DISTRICT OF ORANGE CO.	80,512.56
90722	06/24/2021	J.R. FILANC CONSTRUCTION CO., INC.	54,796.95
<b>TOTAL CHECKS OVER \$50,000</b>			<b>\$ 1,273,236.59</b>
<b>TOTAL CHECKS IN REGISTER</b>			<b>\$ 1,543,177.72</b>

**DEBIT TRANSFERS**

06/04/2021	PAYROLL DIRECT DEPOSIT	145,861.11
06/04/2021	FEDERAL DEPOSIT LIABILITY	33,625.14
06/04/2021	SDI & STATE TAX	12,879.54
06/04/2021	WAGE GARNISHMENTS	585.00
06/04/2021	PRUDENTIAL (401K)	53,459.84
06/04/2021	PRUDENTIAL (457)	17,599.22
06/15/2021	PAYROLL BOARD OF DIRECTOR	6,440.46
06/15/2021	SS, MEDICARE, SDI & STATE TAX	2,015.13
06/15/2021	PRUDENTIAL (457)	2,788.97
06/18/2021	PAYROLL DIRECT DEPOSIT	146,918.13
06/18/2021	FEDERAL DEPOSIT LIABILITY	33,643.19
06/18/2021	SDI & STATE TAX	12,852.11
06/18/2021	WAGE GARNISHMENTS	585.00
06/18/2021	PRUDENTIAL (401K)	53,345.98
06/18/2021	PRUDENTIAL (457)	17,693.98
06/30/2021	ADP AND BANK FEES	6,347.36
<b>TOTAL INTERBANK WIRES / DEBIT TRANSFERS</b>		<b>\$ 546,640.16</b>
<b>TOTAL DISBURSEMENTS</b>		<b>\$ 2,089,817.88</b>

**REIMBURSEMENTS TO ETWD EMPLOYEES**

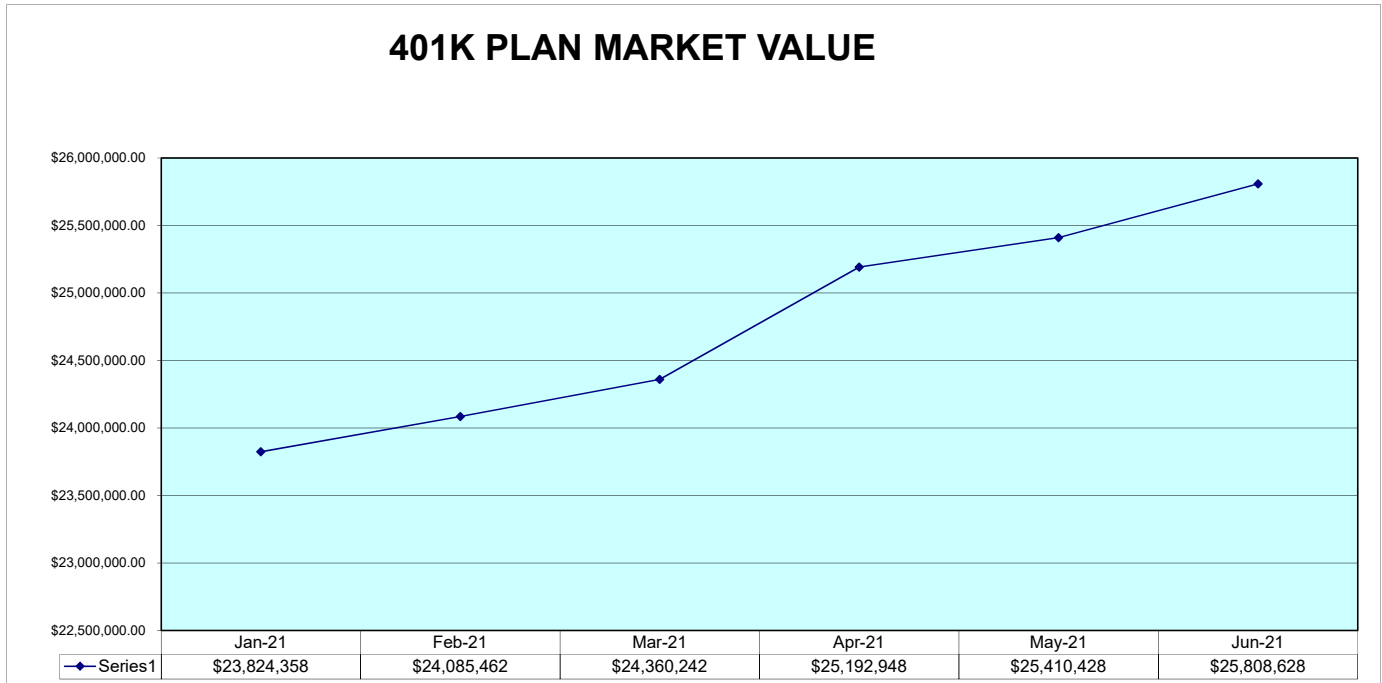
CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
90713	06/24/2021	CESAR CASSANI (Membership)	96.00
<b>TOTAL CHECKS TO EMPLOYEES</b>			<b>\$ 96.00</b>

**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**

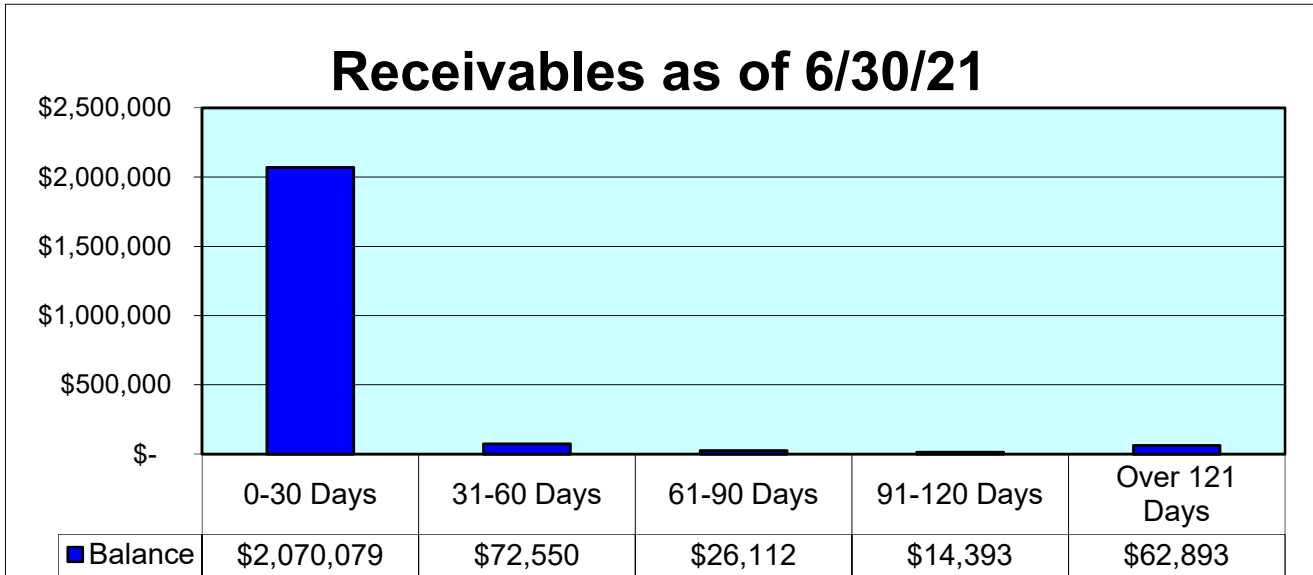


MARKET VALUE SUMMARY							
	Growth Under 40 yrs. Old	Capital Appreciation 40 to 44 yrs. Old	Balanced 45 to 49 yrs. Old	Balanced Income 50 to 54 yrs. Old	Income & Growth 55 to 59 yrs. Old	Income 60 to 64 yrs. Old	Capital Pres. Port Over 65 yrs. Old
Balance at July 1, 2020	\$ 1,792,144.51	\$515,185.81	\$1,342,947.76	\$5,031,746.61	\$7,076,815.63	\$4,137,005.60	\$987,489.23
Contributions	354,980.53	61,381.46	106,953.84	212,601.96	256,962.66	335,948.69	99,657.46
Withdrawals	0.00	0.00	0.00	0.00	(429,204.03)	(562,107.97)	(531,684.99)
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	602,318.57	233,673.68	213,403.36	1,393,051.63	1,610,359.48	819,298.76	147,698.16
Balance at June 30, 2021	\$ 2,516,132.58	\$931,857.47	\$871,612.09	\$6,330,364.56	\$8,272,782.08	\$5,493,756.18	\$1,392,123.44
Average return YTD June 30, 2021	33.61%	45.36%	15.89%	27.69%	22.76%	19.80%	14.96%

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

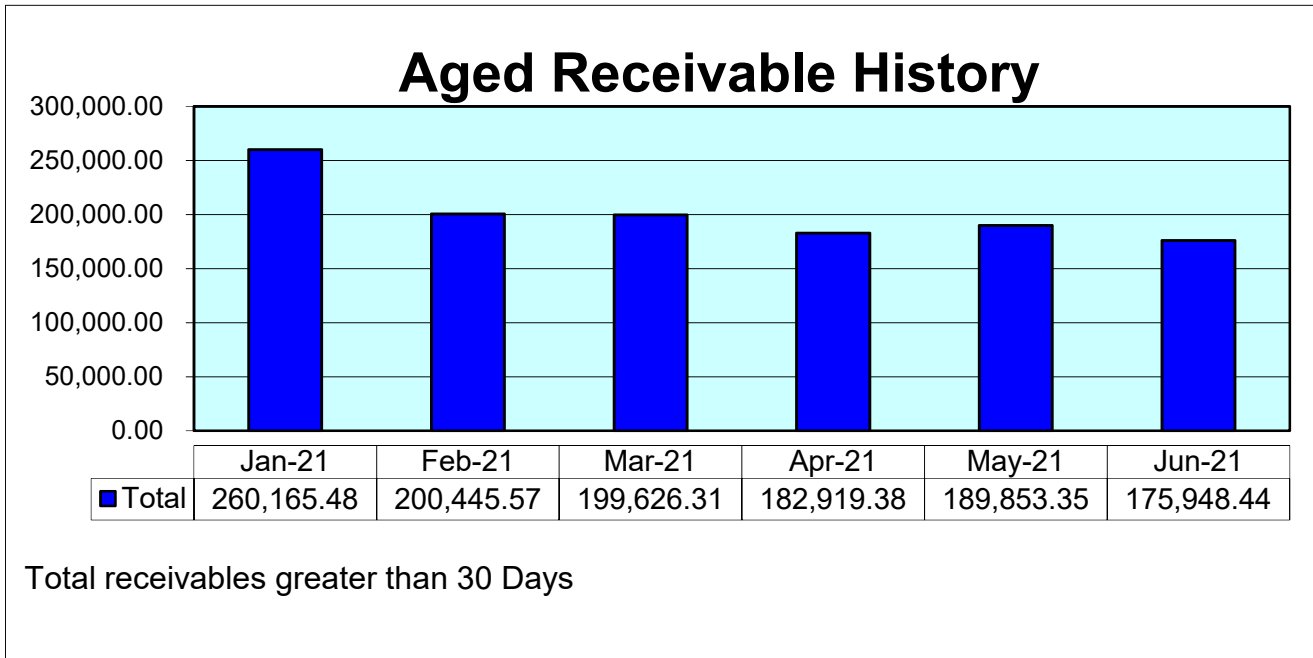


**RECEIVABLES AGEING**



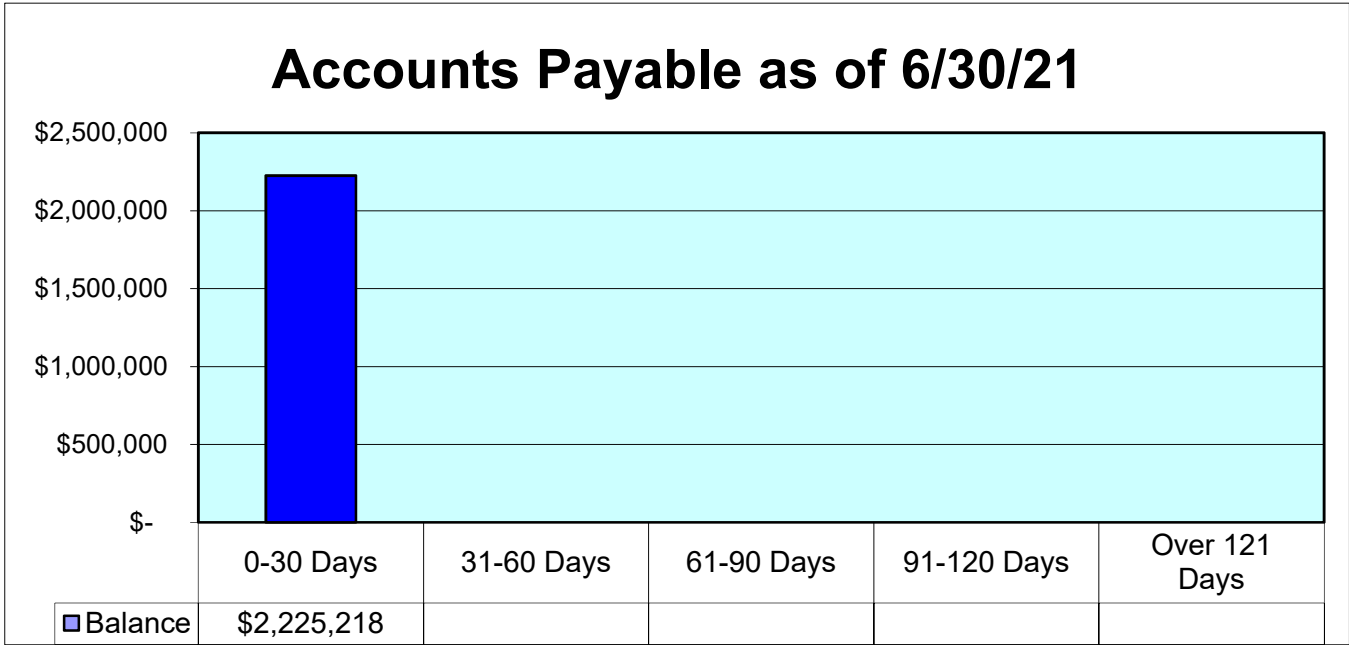
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 121 Days
Jun-20	1,212,979	89,567	22,697	13,295	26,397

Bad Debts Year to Date: 18,672.05



	31-60 Days	61-90 Days	91-120 Days	Over 121 Days	Total
Jan-21	99,527.76	30,526.52	16,241.36	54,149.93	260,165.48
Feb-21	103,027.37	24,673.85	10,638.88	61,286.21	200,445.57
Mar-21	89,008.45	28,620.10	17,470.84	65,388.13	199,626.31
Apr-21	74,004.52	26,830.40	16,267.66	65,816.80	182,919.38
May-21	84,696.77	24,630.82	15,028.52	65,497.24	189,853.35
Jun-21	72,550.13	26,112.09	14,393.41	62,892.81	175,948.44

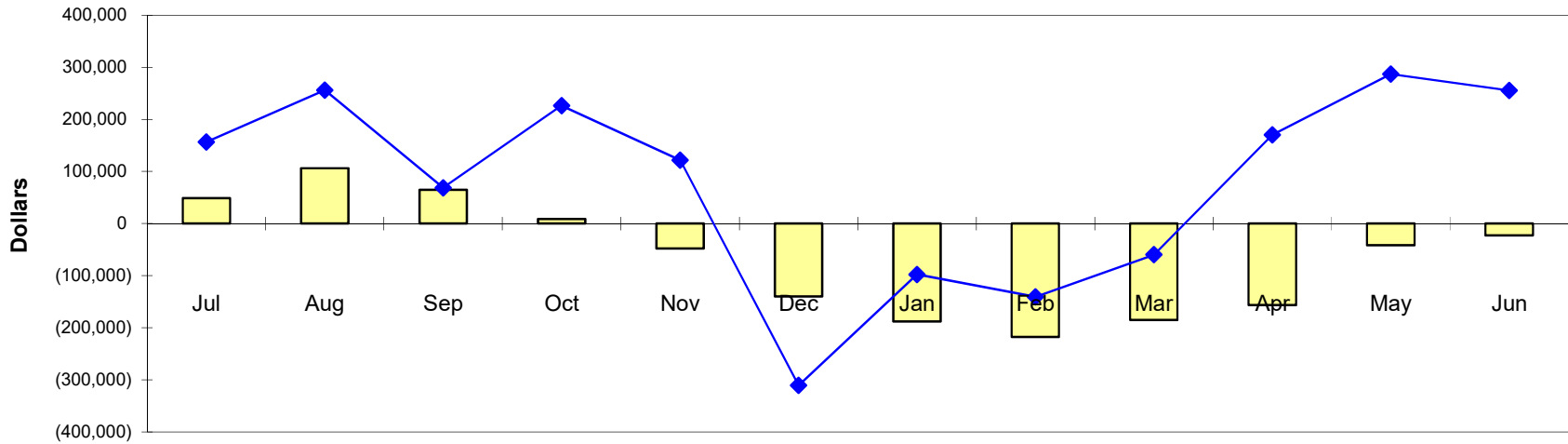
**PAYABLES AGEING**



Year to Date Discounts Taken:                     \$849



**ANALYSIS OF REVENUE & EXPENSE**  
**Fiscal Year 2020/2021**

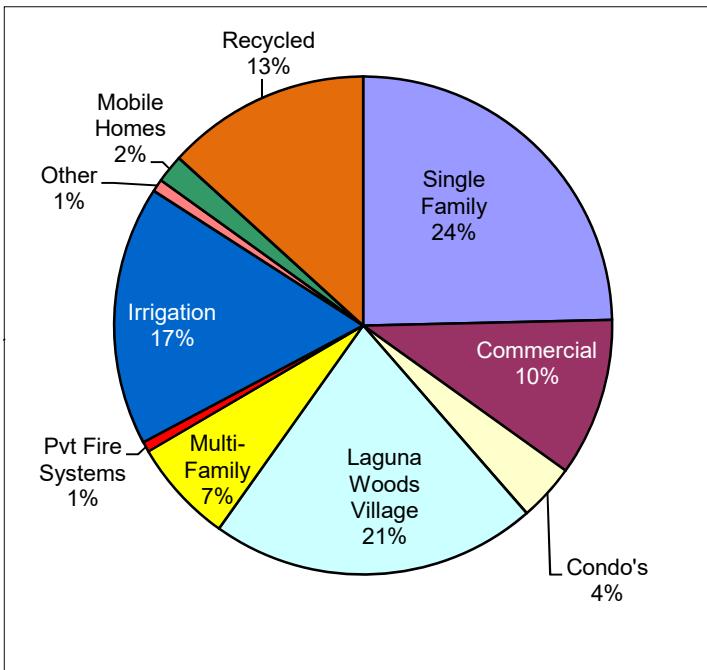
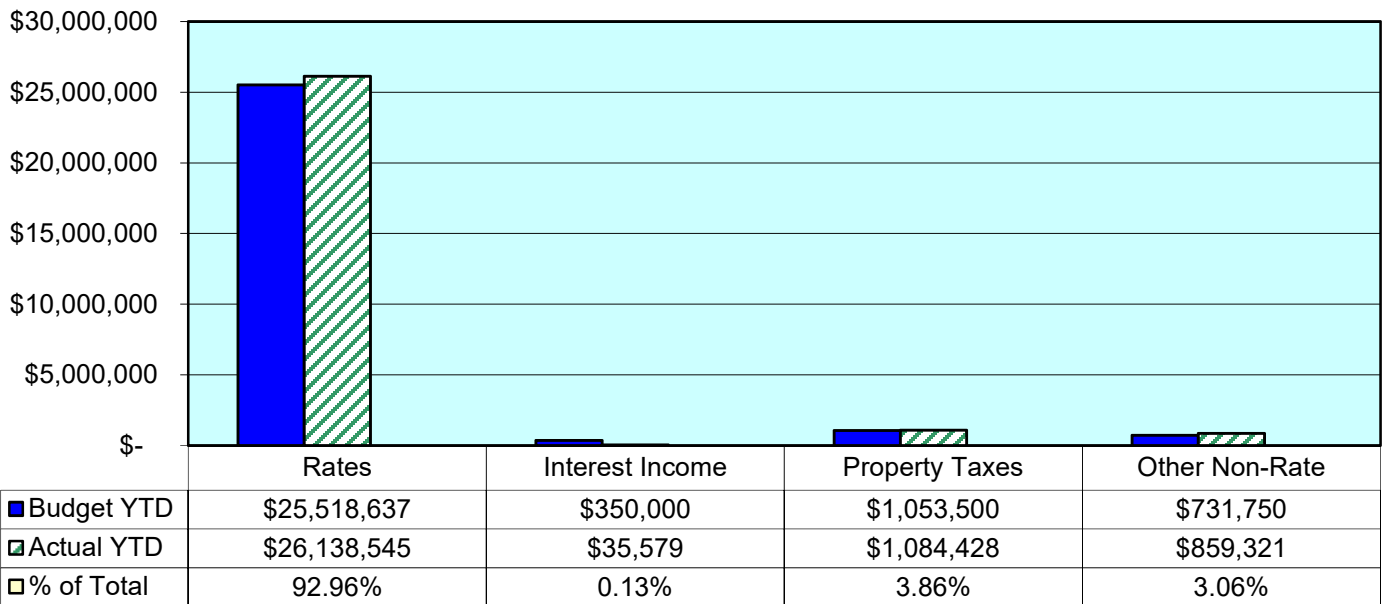


**ANALYSIS OF REVENUES & EXPENSES**  
**BUDGET COMPARED TO ACTUAL**  
**FISCAL YEAR 2020/2021**

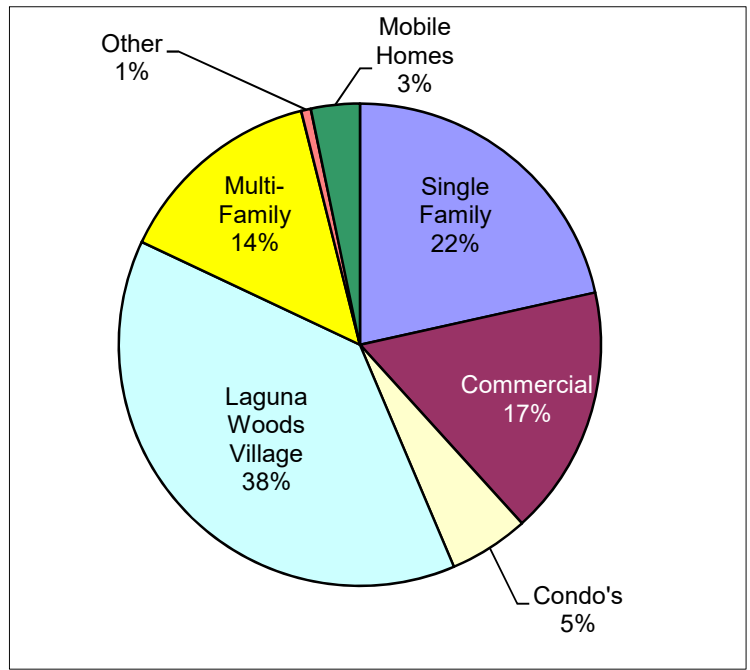
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Budget</b>												
Revenue	2,578,232	2,738,760	2,504,281	2,537,996	2,295,265	2,129,649	2,002,446	1,871,233	2,035,656	2,163,705	2,411,639	2,385,025
Expense	2,529,347	2,632,043	2,439,655	2,529,502	2,343,096	2,269,512	2,190,309	2,089,232	2,220,608	2,320,261	2,453,431	2,407,785
Profit/Loss	48,886	106,717	64,626	8,494	(47,831)	(139,864)	(187,864)	(217,999)	(184,953)	(156,556)	(41,792)	(22,760)
<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	2,128,950	2,258,216	2,682,845	2,537,065
Expense	2,437,346	2,353,227	2,414,001	2,318,539	1,995,487	2,443,827	2,182,065	2,085,014	2,188,580	2,087,520	2,395,501	2,281,050
Profit/Loss	156,784	256,308	68,536	226,677	122,145	(310,876)	(97,850)	(140,434)	(59,630)	170,696	287,344	256,016

## EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 6/30/21

### 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 June 30, 2021**

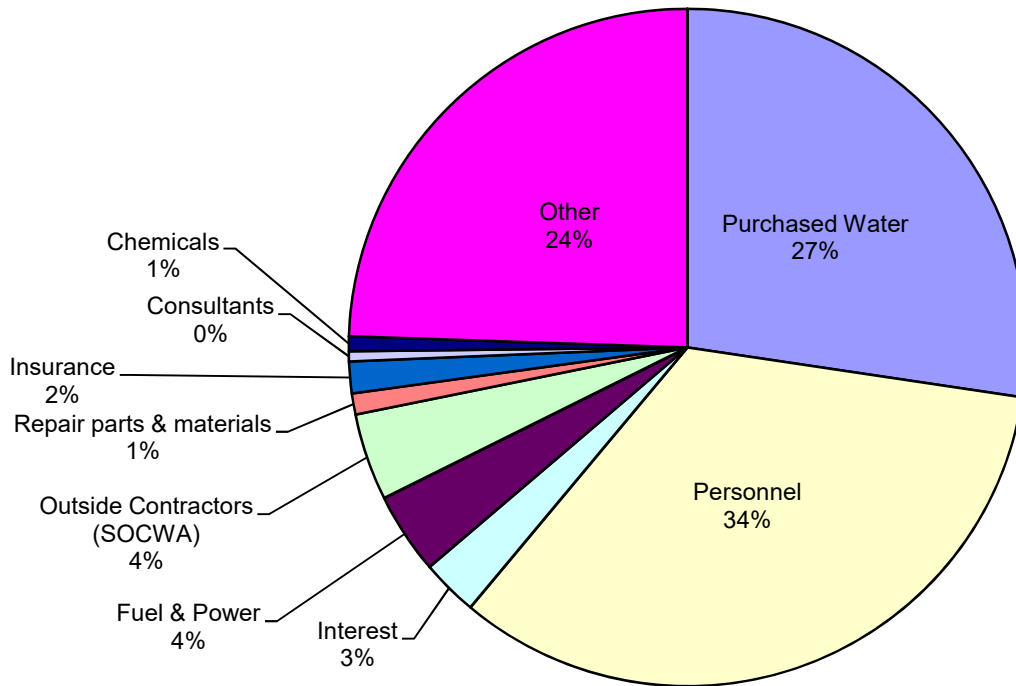
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,343	\$ 251,250	\$ (907)	0%	\$ 3,005,273	\$ 3,015,000	\$ (9,727)	0%	\$ 3,015,000	\$ 9,727
Water sales - Commodity	930,248	790,196	140,052	18%	9,571,561	8,904,396	667,165	7%	8,904,396	(667,165)
Water sales - Fixed Meter	331,131	318,682	12,448	4%	3,805,648	3,824,187	(18,539)	0%	3,824,187	18,539
Waste water sales	603,623	647,917	(44,294)	-7%	7,549,752	7,775,000	(225,248)	-3%	7,775,000	225,248
Recycled water tertiary sales	250,008	171,025	78,982	46%	1,898,112	1,663,847	234,265	14%	1,663,847	(234,265)
Service charge - Recycled water	29,326	28,017	1,309	5%	308,199	336,207	(28,008)	-8%	336,207	28,008
<b>TOTAL FROM RATES</b>	<b>2,394,678</b>	<b>2,207,088</b>	<b>187,590</b>	<b>8%</b>	<b>26,138,545</b>	<b>25,518,637</b>	<b>619,908</b>	<b>2%</b>	<b>25,518,637</b>	<b>(619,908)</b>
<u>Non-rate Revenue</u>										
Admin fee	10,163	1,600	8,563	535%	122,987	19,200	103,787	541%	19,200	(103,787)
48 Hour notice fee	-	2,451	(2,451)	-100%	20	29,416	(29,396)	-100%	29,416.44	29,396
Restoration fee	-	370	(370)	-100%	-	4,440	(4,440)	-100%	4,440	4,440
Unpaid check fee	35	150	(115)	-77%	825	1,800	(975)	-54%	1,800	975
Cut lock fee	-	12	(12)	-100%	50	144	(94)	-65%	144	94
<b>TOTAL NON-RATE</b>	<b>10,198</b>	<b>4,583</b>	<b>5,615</b>	<b>123%</b>	<b>123,882</b>	<b>55,000</b>	<b>68,881</b>	<b>125%</b>	<b>55,000</b>	<b>(68,881)</b>
<u>Other Revenue</u>										
Investment Income	(4,434)	29,167	(33,601)	-115%	35,579	350,000	(314,421)	-90%	350,000	314,421
Property taxes	89,551	87,792	1,760	2%	1,084,428	1,053,500	30,928	3%	1,053,500	(30,928)
Other	47,073	45,104	1,967	4%	604,389	541,250	63,139	12%	541,250	(63,139)
<b>TOTAL OTHER REVENUE</b>	<b>132,190</b>	<b>162,063</b>	<b>(29,873)</b>	<b>-18%</b>	<b>1,724,396</b>	<b>1,944,750</b>	<b>(220,354)</b>	<b>-11%</b>	<b>1,944,750</b>	<b>220,354</b>
<u>Contract Service</u>										
Santa Margarita W. D.	-	9,333	(9,333)	-100%	108,813	112,000	(3,187)	-3%	112,000	3,187
Moulton Niguel W. D.	-	1,958	(1,958)	-100%	22,237	23,500	(1,263)	-5%	23,500	1,263
<b>TOTAL CONTRACT SERVICES</b>	<b>-</b>	<b>11,292</b>	<b>(11,292)</b>	<b>-100%</b>	<b>131,050</b>	<b>135,500</b>	<b>(4,450)</b>	<b>-3%</b>	<b>135,500</b>	<b>4,450</b>
<b>TOTAL REVENUE</b>	<b>\$ 2,537,065</b>	<b>\$ 2,385,025</b>	<b>\$ 152,040</b>	<b>6%</b>	<b>\$ 28,117,873</b>	<b>\$ 27,653,887</b>	<b>\$ 463,985</b>	<b>2%</b>	<b>\$ 27,653,887</b>	<b>\$ (463,985)</b>

**EL TORO WATER DISTRICT  
NON-RATE REVENUE ANALYSIS  
FOR THE MONTH ENDING June 30, 2021**

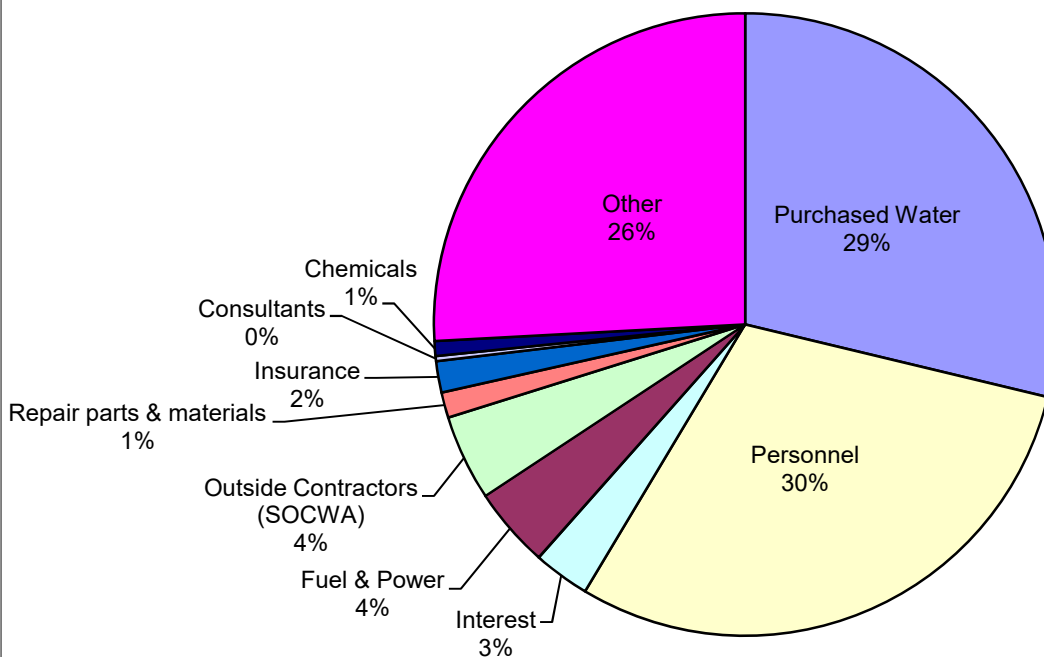
	Jun-21 Actual	Jun-21 Budget	Jul 20- Jun 21 YTD Actual	Jul 20- Jun 21 YTD Budget
Site Leases	31,606	19,583	236,387	234,996
MWD Recycled Water LRP Rebate	13,100	23,854	270,175	286,248
JPIA Refund	-	-	54,187	-
SOCWA Refund	-	-	-	-
Recycled Metal	-	-	3,336	-
Diesel Fuel Tax Refund	-	-	937	-
Sale of District Trucks	-	-	29,078	-
Misc Work for Customers	2,367	1,667	10,290	20,004
	<u>\$ 47,073</u>	<u>\$ 45,104</u>	<u>\$ 604,389</u>	<u>\$ 541,248</u>
<b>Other Operating Income</b>				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
<b>Total</b>	<u>47,073</u>		<u>604,389</u>	

# WHERE THE MONEY GOES

## YTD EXPENSES AT 6/30/21



## EXPENSES YEAR ENDING 6/30/20





**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended June 30, 2021**

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b><u>Operating Expenses</u></b>										
Personnel cost	\$701,969	\$715,783	\$13,814	2%	\$8,131,111	\$8,589,397	\$458,286	5%	\$8,589,397	458,286
Purchased water	746,905	695,615	(51,289)	-7%	7,932,248	7,878,746	(53,502)	-1%	7,878,746	(53,502)
Electrical power	(30,723)	93,617	124,339	133%	1,152,428	1,123,400	(29,028)	-3%	1,123,400	(29,028)
Repair parts & materials	20,345	33,824	13,478	40%	268,168	405,885	137,717	34%	405,885	137,717
Equipment repairs & maintenance	30,210	10,286	(19,924)	-194%	140,956	123,430	(17,526)	-14%	123,430	(17,526)
Pump repairs & maintenance	10,422	8,292	(2,130)	-26%	110,318	99,500	(10,818)	-11%	99,500	(10,818)
Motor repairs & maintenance	4,142	2,792	(1,350)	-48%	25,640	33,500	7,860	23%	33,500	7,860
Electrical repairs & maintenance	7,869	6,633	(1,236)	-19%	68,070	79,600	11,530	14%	79,600	11,530
Meter repairs & maintenance	0	488	488	100%	7,446	5,850	(1,596)	-27%	5,850	(1,596)
Chemicals	25,234	18,225	(7,009)	-38%	223,460	218,700	(4,760)	-2%	218,700	(4,760)
Structure repairs & maintenance	1,869	2,694	825	31%	50,597	32,331	(18,266)	-56%	32,331	(18,266)
Asphalt repairs & maintenance	0	6,917	6,917	100%	60,675	83,000	22,325	27%	83,000	22,325
Consultants - outside	42,151	4,696	(37,455)	-798%	88,112	56,350	(31,762)	-56%	56,350	(31,762)
Contractors - outside	98,314	97,997	(317)	0%	1,202,288	1,175,966	(26,322)	-2%	1,175,966	(26,322)
Engineers - outside	7,681	11,583	3,902	34%	170,906	139,000	(31,906)	-23%	139,000	(31,906)
Dump fees	234	1,500	1,266	84%	13,241	18,000	4,759	26%	18,000	4,759
Laboratories	1,166	2,408	1,243	52%	29,375	28,900	(475)	-2%	28,900	(475)
License & permits	5,844	15,026	9,182	61%	155,088	180,306	25,218	14%	180,306	25,218
Automotive fuel & oil	10,330	8,750	(1,580)	-18%	93,064	105,000	11,936	11%	105,000	11,936
Equipment rental	773	1,675	902	54%	14,917	20,100	5,183	26%	20,100	5,183
Landscaping	37,008	13,670	(23,338)	-171%	138,526	164,038	25,512	16%	164,038	25,512
Small tools & equipment	2,221	5,583	3,362	60%	50,440	67,000	16,560	25%	67,000	16,560
Security	0	1,588	1,588	100%	16,051	19,055	3,004	16%	19,055	3,004
Operating supplies	4,337	4,688	352	7%	67,009	56,260	(10,749)	-19%	56,260	(10,749)
Safety equipment	0	3,000	3,000	100%	28,537	36,000	7,463	21%	36,000	7,463
Temporary help	0	2,292	2,292	100%	0	27,500	27,500	100%	27,500	27,500
Other employee cost	11,330	9,250	(2,080)	-22%	164,090	111,000	(53,090)	-48%	111,000	(53,090)
Employee service awards	300	342	42	12%	4,400	4,100	(300)	-7%	4,100	(300)
Education & training	2,804	2,833	29	1%	10,986	34,000	23,015	68%	34,000	23,015
<b>Total Operating Expenses</b>	<b>1,742,734</b>	<b>1,782,046</b>	<b>39,312</b>	<b>2%</b>	<b>20,418,145</b>	<b>20,915,914</b>	<b>497,769</b>	<b>2%</b>	<b>20,915,914</b>	<b>497,769</b>

**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended June 30, 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%	4,299,420	4,900,000	600,580	12%	4,900,000	600,580
Amortization	570	571	0	0%	6,846	6,850	4	0%	6,850	4
Insurance	29,299	25,981	(3,318)	-13%	335,461	311,773	(23,688)	-8%	311,773	(23,688)
Retiree Medical Insurance	22,609	24,554	1,945	8%	280,577	294,645	14,068	5%	294,645	14,068
Data processing supplies & assc.	119	2,083	1,965	94%	16,365	25,000	8,635	35%	25,000	8,635
Data processing equipment	247	2,500	2,253	90%	38,208	30,000	(8,208)	-27%	30,000	(8,208)
Data processing consultants	2,090	3,333	1,243	37%	6,561	40,000	33,439	84%	40,000	33,439
Software maintenance & licenses	3,821	13,417	9,596	72%	183,535	161,000	(22,535)	-14%	161,000	(22,535)
Janitorial	6,625	3,133	(3,491)	-111%	79,552	37,600	(41,952)	-112%	37,600	(41,952)
Printing & reproduction	0	1,550	1,550	100%	6,359	18,600	12,241	66%	18,600	12,241
Publications & subscriptions	15	250	235	94%	561	3,000	2,439	81%	3,000	2,439
Communications - voice	1,416	1,833	418	23%	15,204	22,000	6,796	31%	22,000	6,796
Communications - data	5,356	4,750	(606)	-13%	60,832	57,000	(3,832)	-7%	57,000	(3,832)
Communications - mobile	3,738	3,000	(738)	-25%	41,261	36,000	(5,261)	-15%	36,000	(5,261)
Utilities	648	2,276	1,628	72%	19,538	27,310	7,772	28%	27,310	7,772
<b>Total Indirect Cost</b>	<b>434,839</b>	<b>497,565</b>	<b>62,726</b>	<b>13%</b>	<b>5,390,279</b>	<b>5,970,778</b>	<b>580,499</b>	<b>10%</b>	<b>5,970,778</b>	<b>580,499</b>
<b><u>Overhead Cost</u></b>										
Annual events	0	500	500	100%	3,866	6,000	2,134	36%	6,000	2,134
Audit	0	2,142	2,142	100%	21,160	25,700	4,540	18%	25,700	4,540
Bad debts	(203)	1,667	1,869	112%	18,672	20,000	1,328	7%	20,000	1,328
Bank charges	6,347	5,250	(1,097)	-21%	67,714	63,000	(4,714)	-7%	63,000	(4,714)
Directors fees	10,950	10,000	(950)	-10%	127,896	120,000	(7,896)	-7%	120,000	(7,896)
Dues & memberships	9,621	7,278	(2,343)	-32%	90,113	87,340	(2,773)	-3%	87,340	(2,773)
Election Expense	0	2,917	2,917	100%	0	35,000	35,000	100%	35,000	35,000
Interest	63,054	63,054	0	0%	756,648	756,649	1	0%	756,649	1
Legal	976	8,942	7,966	89%	150,757	107,300	(43,457)	-41%	107,300	(43,457)
Meetings, conventions & travel	220	3,250	3,030	93%	6,899	39,000	32,101	82%	39,000	32,101
Meets, con & travel - Directors	-	3,542	3,542	100%	8,013	42,500	34,487	81%	42,500	34,487
Office supplies	828	1,650	822	50%	14,765	19,800	5,035	25%	19,800	5,035
Postage	236	1,708	1,473	86%	15,641	20,500	4,859	24%	20,500	4,859
Property taxes	47	717	669	93%	9,379	8,600	(779)	-9%	8,600	(779)
Advertising & Publicity	2,400	167	(2,233)	-1340%	11,360	2,000	(9,360)	-468%	2,000	(9,360)
Public education & outreach	8,999	15,392	6,393	42%	70,851	184,700	113,849	62%	184,700	113,849
<b>Total Overhead Cost</b>	<b>103,477</b>	<b>128,174</b>	<b>24,697</b>	<b>19%</b>	<b>1,373,734</b>	<b>1,538,089</b>	<b>164,355</b>	<b>11%</b>	<b>1,538,089</b>	<b>164,355</b>
<b>TOTAL EXPENSES</b>	<b>\$2,281,050</b>	<b>\$2,407,785</b>	<b>\$126,735</b>	<b>5%</b>	<b>\$27,182,158</b>	<b>\$28,424,781</b>	<b>\$1,242,623</b>	<b>4%</b>	<b>\$28,424,781</b>	<b>\$1,242,623</b>



MINUTES OF THE REGULAR MEETING  
& OF THE  
ENGINEERING COMMITTEE MEETING

June 21, 2021

At approximately 8:45 a.m. Director Vergara called the Engineering Committee meeting to order.

Committee Members MIKE GASKINS, KATHRYN FRESHLEY, JOSE VERGARA, MARK MONIN, 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, CODE BRUDER, Southern California Regional Energy Network Representative, JAMES FERRO, Alternative Energy Systems Consulting Representative, CAROL MOORE, Laguna Woods Council Member, and POLLY WELSCH, Recording Secretary.

Consent Calendar

Director Vergara asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Monin and unanimously carried across the Board to approve the May 24, 2021 Engineering Committee meeting minutes.

Roll Call Vote:

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

## Engineering General Information Items

### Energy Efficiency Opportunities Analysis

Mr. Hopkins introduced James Ferro of Alternative Energy Systems Consulting.

Mr. Ferro also introduced Code Bruder who is the Project Manager from Southern California Regional Energy Network. Mr. Bruder showed a presentation which focused on project opportunity timelines for evaluation of audits, procurement, and construction.

Mr. Bruder stated that the Revolving Savings Fund offers short-term construction financing for small and mid-size projects at 0% interest. He further stated that funds come in prior to construction.

Mr. Ferro stated that they will provide a final report in August or September on potential energy savings for the water, wastewater and distribution system. He further stated that they will focus on solving current operating and maintenance analysis and suggest improvements for optimization.

Mr. Ferro stated that the Battery Storage System will also be reviewed for optimization.

Mr. Ferro stated that pressure drop energy recovery entails installing pressure reducing turbines to recover the energy that is being dissipated. He further stated that they hope to be able to identify significant energy savings at the Treatment Plant.

Director Monin asked if there is a cost for the audit. Mr. Ferro replied no, the SoCal Ren Program pays for AESC's services which includes conducting an audit.

Director Vergara asked if the projects developed through this program will be approved individually by the Board. Mr. Cafferty replied yes.

Director Havens asked if this would roll into the aeration diffuser project. Mr. Cafferty replied that staff will review the project.

At approximately 9:15 a.m. Mr. Bruder and Mr. Ferro left the meeting.

#### ETWD Capital Project Status Report

##### Recycled Water Distribution Expansion Project

Mr. Cafferty stated that staff has made significant progress on the retrofits. He further stated that 6 of the 14 remaining meters are currently in service, and staff continues to perform cross connection testing for the remaining meters.

##### Oso Lift Station Improvement Project

Mr. Cafferty stated that staff had to ask SCE to commit to a date to convert the new transformer for the site, which has now been done, so the project should be complete by the end of July.

Mr. Cafferty stated that judgement was signed and the Title reflecting ETWD as the owner of the Oso Lift Station should be received soon.

##### IRWD Flow Study – LAWRP

Mr. Cafferty stated that IRWD and ETWD have conducted flow testing to evaluate the potential for ETWD to accept IRWD wastewater while IRWD rebuilds their Los Alisos Water Recycling Plant. Mr. Cafferty explained that the flow testing indicated that ETWD can't commit to accepting the IRWD flow under all conditions. He further stated that IRWD may pump some wastewater to the IRWD Michelson Plant, and divert some into our system during construction as conditions allow.

##### Filter Plant Building/WEROC EOC

Mr. Cafferty stated that this project is underway, and a Consultant is helping develop the RFP for design.

## R-6 Reservoir Cover Replacement & Improvement Project

Mr. Cafferty stated that the design is in progress and the proposal from the Hilts Consulting Group for the R-6 Reservoir Floating Cover Design is in the package.

## Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

## Comments Regarding Non-Agenda Engineering Committee Items

Mr. Cafferty stated that the District interviewed 5 candidates for the Director of Engineering position. He further stated that staff is also reviewing design for a reconstruction of the heating and air conditioning system at the Main Office as the existing system is aged and failing. Mr. Cafferty noted that the project was bid and the low bid was \$370,000. Mr. Cafferty further stated that staff is reviewing the design to maximize efficiency of the project while still complying with current COVID requirements to maximize ventilation in office spaces. Staff intends to rebid the project and will bring it to the Board for contract award in the near future.

Mr. Cafferty stated that he had a discussion with Brian Probolsky, who was inquiring about potential funding opportunities for a landscape project at the Temple of Judeah on Moulton Parkway.

Mr. Cafferty stated that included in Thursday's Board package is a detailed COVID-19 update, and this will be an Action item. Mr. Cafferty noted that staff has implemented changes in accordance with the changing OSHA requirements immediately and will seek Board approval as agenda item at the Board meeting.

Vice President Freshley stated that at the ACWA Engineering Committee meeting they discussed electric vehicle purchase requirements, SB 100 solar panels proposal, and standby controls in response to power shutoffs. She further stated that

the Cal Isle GM gave a presentation on demand response and backup capability.

Director Monin stated that at the ACWA Audit Committee meeting the audit was submitted to the Board.

Close Engineering Committee Meeting

At approximately 9:40 a.m. the Engineering Committee meeting was closed and the Board returned to Regular session.

Attorney Report

Mr. Granito reported that there is no need for a Closed Session today, as such Regular session continued.

Adjournment

There being no further business, the Engineering Committee meeting was adjourned at approximately 9:40 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: July 19, 2021**

**From: Dennis Cafferty, General Manager**

**Subject: WRP Main Electrical Power Breakers Replacement Project**

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The Southern California Edison electrical service to the Water Recycling Plant is provided through a 3000 amp circuit breaker. The electrical system is subsequently split into two separate systems protected individually by 1600 amp circuit breakers. Each of the three breakers was installed when the WRP was reconstructed in the late nineties. The District's Electrical Systems Supervisor, in conjunction with Schneider Electric, performed maintenance and testing on the breakers in an effort to extend their useful service life. The conclusion of that effort determined that each of the breakers have reached the end of their useful service life and must be replaced to preserve the reliability of the WRP electrical system and comply with current National Electric Code requirements.

As noted above, the WRP electrical service is provided through a 3000 amp main circuit breaker. The distribution of power to the WRP facilities and processes is provided through two downstream 1600 amp circuit breakers. While the two 1600 amp breakers provide protection to the downstream facilities, it remains critical that the 3000 amp breaker be replaced to restore the reliability consistent with the original design of the WRP electrical system. National Electric Code requirements mandate that over current and ground fault protection be provided for the bussing system between the 3000 amp breaker and the two 1600 amp breakers.

The District solicited proposals from three manufacturers of power breakers to provide and install the three circuit breakers as well as conduct the required arc flash testing associated with an installation of this nature. The District received written proposals from Schneider Electric (Square D), Eaton Electrical Engineering Services and Systems and a verbal estimate from Siemens. The proposals are summarized as follows:

Schneider Electric (Square D)	\$134,491.40
Siemens	\$150,000.00
Eaton	\$155,911.00

The District has a long successful history with Square D equipment, especially at the Water Recycling Plant.

The 2021-22 fiscal year capital budget included a budget of \$140,000 for the WRP Main Electrical Power Breakers Replacement Project. The Schneider proposal, as submitted by Royal Wholesale Electric, the local distributor, is within the project budget.

## **RECOMMENDATION**

### **Recommended Action:**

Staff recommends that the Board of Directors authorize the District's General Manager to enter into a contract with Royal Wholesale Electric in the amount of \$134,491.40 for the WRP Main Electrical Power Breakers 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**

**Meeting Date: July 19, 2021**

**From: Dennis Cafferty, General Manager**

**Subject: Oso Lift Station Improvement Project Change Orders**

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The Oso Lift Station Improvement Project has been under construction since July of 2020. The original contract award amount was \$1,954,236. The Board previously approved Change Order No. 1 in the amount of \$71,857.69 to add Variable Frequency Drives to the project. Change Orders Nos. 2 and 3 were issued under the General Manager's authority as they individually and cumulatively amounted to less than \$50,000. Change Orders Nos. 2 and 3 are attached and summarized as follows:

<b>Change Order</b>	<b>Description</b>	<b>Amount</b>
Change Order No. 2	Provided for additional labor and equipment necessary to relocate the existing standby generator to preserve emergency power capability until the new generator is installed.	\$15,289.00
Change Order No. 3	Provided for additional labor, materials and equipment necessary to install the Variable Frequency Drives, re-route the emergency overflow sewer connection to the Moulton Niguel sewer system and make modifications to the wet well and sump pump structures.	\$27,075.86

The sum of Change Orders Nos. 2 and 3 is \$42,364.86. A series of additional construction changes, collectively included in Change Order No. 4, will bring the total changes for Change Orders Nos. 2 – 4 to \$61,435.67 which exceeds the General Managers authority as defined in the ETWD Purchasing Policy. Staff is therefore seeking approval by the Board of Change Order No. 4 and ratification of the previously issued Change Orders Nos. 2 and 3. Change Order No. 4 is summarized as follows:

<b>Description</b>	<b>Amount</b>
MCC Pad Connection to Wall Footing	\$1,667.59
Light Pole Foundation Unmarked Utility	\$5,231.97
Wet Well Epoxy Injection	\$3,213.35
El Toro Road Median Landscaping	\$768.86
CMU Wall Footing Rebar	\$3,914.53
Discharge Piping Gasket Replacement	\$2,803.55
<b>Change Order No. 4 Total</b>	<b>\$19,070.65</b>

The total change orders (Change Order Nos. 1 – 4) to the Oso Lift Station Improvement Project construction contract amount to \$133,293.36 which is approximately 7% of the original construction contract. Keeping in mind that the addition of Variable Frequency Drives (Change Order No. 1) was a discretionary choice made by the District, the subsequent change orders (Change Orders Nos. 2 – 4) amount to only 3% of the construction contract value. The project contingency approved by the Board provides adequate funds for the construction change orders. The project is nearing completion and it is anticipated the project will be completed under budget. The project financial summary is as follows:

	<b>Contract Amount</b>	<b>Billed to Date</b>
Total Contract Bid Amount	\$1,954,236	\$ 1,589,946
Approved Change Orders	\$ 114,223	\$ 114,223
Change Order No. 4	\$19,071	\$0
Specialty Inspections (Env., Geotech)	\$ 15,875	\$ 12,203
Eng. Services During Construction	\$ 84,000	\$ 80,388
Contingency	\$ 100,831	\$ 0
<b>Total</b>	<b>\$2,288,236</b>	<b>\$ 1,796,760</b>

**RECOMMENDATION**

**Recommended Action:**

Staff recommends that the Board of Directors authorize the District’s General Manager to issue Construction Change Order No. 4 to the existing contract with Filanc Construction in the amount of \$19,070.65 for the construction of the Oso Lift Station Improvement Project and ratify the approval of Change Order No. 2 in the amount of \$15,289.00 and Change Order No. 3 in the amount of \$27,075.86. 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.



**CHANGE ORDER NO. 2**

**Project:** Oso Lift Station Improvement Project  
Construction Agreement No. 79

**Owner:** El Toro Water District

**To:** J.R. Filanc Construction Company, Inc.  
740 North Andreasen Drive  
Escondido, CA 92029-1418

**Date of Issuance:** 10/29/20  
**Contract Date:** 07/20/20

The following changes have been agreed upon in this contract:

ITEM NO.	DESCRIPTION	TIME	AMOUNT
1	Additional labor, material and equipment to relocate the standby generator per PCO #2.	-	<b>ADD</b> <b>\$ 15,289.16</b>
2	A non-compensable time extension for extra working days associated with PCO #2 – Relocating Standby Generator.	14 Days	<b>\$ 0</b>
<b>TOTAL CHANGE ORDER NO. 2</b>			<b>ADD</b> <b>\$ 15,289.16</b>

Unless otherwise noted on this form the dollar amount indicated above shall be full compensation for the addition/deletion of work authorized by this document.

Original Contract Sum	\$ 2,026,093.69
Amount of This Change Order	\$ 15,289.16
Total Contract Sum Including This Change Order	\$ 2,041,382.85
Original Contract Completion Date	May 17, 2021
This Change Order	14 Calendar Days
Total Contract Sum Including This Change Order	July 10, 2021

**CONTRACTOR'S ACCEPTANCE**  
J.R. FILANC CONSTRUCTION COMPANY, INC.

**EL TORO WATER DISTRICT**

By \_\_\_\_\_

By \_\_\_\_\_

Dennis P. Cafferty  
General Manager

Date 11/04/2020

Date 10/30/2020



**CHANGE ORDER NO. 3**

**Project:** Oso Lift Station Improvement Project  
Construction Agreement No. 79

**Owner:** El Toro Water District

**To:** J.R. Filanc Construction Company, Inc.  
740 North Andreasen Drive  
Escondido, CA 92029-1418

**Date of Issuance:** 04/14/21  
**Contract Date:** 07/20/20

The following changes have been agreed upon in this contract:

ITEM NO.	DESCRIPTION	TIME	AMOUNT
1	Additional labor and materials to accompany the VFD equipment (CO #1) per PCO #3.	-	<b>ADD</b> <b>\$ 11,381.38</b>
2	Additional labor, materials, and equipment to re-route the overflow sewer emergency connection with MNWD per PCO #5.	2 Days	<b>ADD</b> <b>\$ 31,710.55</b>
3	Credit for grind and overlay quantity change per City of Laguna Woods direction, per PCO #6.	-	<b>DEDUCT</b> <b>\$ 18,070.70</b>
4	Additional labor, materials, and equipment to demolish the existing MH for the overflow pipe between the new and existing wet well per PCO #7.	-	<b>ADD</b> <b>\$ 1,158.83</b>
5	Additional labor, materials, and equipment to enlarge the sump pump excavation and increase the concrete wall and slab thickness by 6-inches per PCO #8.	-	<b>ADD</b> <b>\$ 895.80</b>
<b>TOTAL CHANGE ORDER NO. 3</b>		<b>ADD</b> <b>2 DAYS</b>	<b>ADD</b> <b>\$ 27,075.86</b>


Unless otherwise noted on this form the dollar amount indicated above shall be full compensation for the addition/deletion of work authorized by this document.

Amended Contract Sum (CO1 and CO2)	\$ 2,041,382.85
Amount of This Change Order	\$ 27,075.86
<b>Total Contract Sum Including This Change Order</b>	<b>\$ 2,068,458.71</b>

Amended Contract Completion Date (CO1 and CO2)	July 26, 2021
This Change Order	2 Calendar Days
<b>Total Contract Sum Including This Change Order</b>	<b>July 28, 2021</b>

**CONTRACTOR'S ACCEPTANCE**  
**J.R. FILANC CONSTRUCTION COMPANY, INC.**

**EL TORO WATER DISTRICT**

By   
CHAD CORNWELL

By   
Dennis P. Cafferty  
General Manager

Date 4/16/21

Date 4/16/2021



**STAFF REPORT**

**To: Board of Directors**

**Meeting Date: July 19, 2021**

**From: Dennis Cafferty, General Manager**

**Subject: Capital Project Status Report**

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

All of the Phase II West (B) sites meters have been converted and are currently in service, delivering recycled water. The contractor is completing final site retrofit tasks including the installation of signage and hose bib vacuum breakers.

**II Oso Lift Station Improvement Project**

The cutover to the new lift station pumping facilities is scheduled for week of July 26. Once the new pumps are in service the existing pump station building will be demolished, the new generator will be installed and final punch list items will be completed. The total project is anticipated to be complete by October of 2021.

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	\$ 1,589,946
Approved Change Orders	\$ 114,223	\$ 114,223
Change Order No. 4	\$19,071	\$0
Specialty Inspections (Env., Geotech)	\$ 15,875	\$ 12,203
Eng. Services During Construction	\$ 84,000	\$ 80,388
Contingency	\$ 100,831	\$ 0
<b>Total</b>	<b>\$2,288,236</b>	<b>\$ 1,796,760</b>



The District has received the recorded amended judgement from the court finalizing the Quiet Title Action and thereby documenting the District's ownership of the existing Oso Lift Station property. The Judgement has been provided to the Title Company to update the title report. Once the Title Report is updated Staff will provide the Report to the County to finalize the Lot Line Adjustment for the additional property incorporated into the Oso Lift Station site.

### **III Filter Plant Building / WEROC EOC**

Staff has conducted several meetings with MWDOC/WEROC to discuss the project and next steps. Staff is currently working with a consultant to help craft an RFP for the engineering design effort. Staff anticipates issuing the RFP in late July and brining a design contract award recommendation to the Board for approval in October.

### **IV R-6 Reservoir Cover Replacement & Improvement Project**

The design contract has been issued to Hilts Consulting Group (HCG). Preliminary survey has been completed and the design effort is in progress. Staff is working to schedule a meeting with HCG and the R-6 Reservoir partners to discuss the selection of a material for the cover and the implications of leaving the existing liner in place.

### **V Main Office HVAC Replacement and Improvement Project**

As noted at the June Engineering Committee meeting, the Main Office HVAC Project was previously bid with a low bid in the amount of \$370,000. The bids were rejected while Staff evaluates the project to determine if design modifications can implement efficiencies that would achieve the project objectives at a lower cost.

### **VI Energy Efficiency Analysis**

Staff continues in its effort to evaluate energy efficiency opportunities that might allow the District to save money on energy costs.

Currently, AESC is analyzing the remaining Edison Pump test data and looking at possible operations improvements at the WRP along with controls optimization through the District's SCADA system. The District is providing information as it is requested. AESC plans to present a report to the District at the end of August or early September. The report will include recommendations from SoCalREN for financing through the Revolving Savings Fund if the District chooses to move forward. Staff has also requested AESC consider solar energy opportunities for the District.

# 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

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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.