

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

March 23, 2026

7:30 a.m.

**BOARDROOM, DISTRICT OFFICE
24251 LOS ALISOS BLVD., LAKE FOREST, CA 92630**

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the virtual component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may 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/84552681305> (Meeting ID: 845 5268 1305).

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 Freshley

PLEDGE OF ALLEGIANCE – Vice President Havens

ROLL CALL (Determination of a Quorum)

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.)

1. Consider Board Member’s Request for Remote Participation (AB 2449)

FINANCE AND INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Monin

2. Consent Calendar (Reference Material Included)

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

- a. Consider approving the minutes of the February 23, 2026 Finance and Insurance Committee meeting (Minutes included).

Recommended Action: Staff recommend that the Board of Directors approve the above Consent Calendar.

FINANCIAL INFORMATION ITEMS

3. Financial Statements and Report (Reference Material Included)

Staff will review and comment on the Financial Statements and Report for the month ending February 28, 2026.

4. Fiscal Year 2026-27 Budget Process Update (Reference Material Included)

Staff will provide an update on the 2026-27 fiscal year budget schedule and process.

FINANCIAL ACTION ITEMS

5. **Quarterly Audit** (Reference Material Included)

Staff will review and comment on the quarterly audits of the District's financials for the period from October 1, 2025 to December 31, 2025.

Recommended Action: Staff recommend that the Board receive and file the quarterly audit report for the period from October 1, 2025 to December 31, 2025 as presented by LSL, LLP.

6. **Financial Package - Authorization to Approve Payment of Bills for the Month Ending February 28, 2026** (Reference Material Included)

The Board will consider approving Bills for Consideration dated February 28, 2026.

Recommended Action: Staff recommend that the Board approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending February 28, 2026.

COMMENTS REGARDING NON-AGENDA FIC ITEMS

CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

ENGINEERING COMMITTEE MEETING

CALL MEETING TO ORDER – Director McClean

7. **Consent Calendar**

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

- a. Consider approving the minutes of the February 23, 2026 Engineering Committee meeting. (Minutes Included).

Recommended Action: Staff recommend that the Board of Directors approve the above consent calendar.

ENGINEERING INFORMATION ITEMS

8. **El Toro Water District Operations Report** (Reference Material Included)

Staff will review and comment on the El Toro Water District Operations Report.

9. **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

10. **Engineering Items Discussed at Various Conferences and Meetings**

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. Pursuant to Government Code Section 54956.9 (d) (4) to consult with legal counsel and staff- Potential Initiation of Litigation. (one matter)

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, Marisol Melendez 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: Marisol Melendez.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
AND THE
FINANCE & INSURANCE COMMITTEE MEETINGS.

February 23, 2026

At approximately 7:30 a.m. President Freshley called the regular meeting to order.

Director McClean led the Pledge of Allegiance to the flag.

Directors MARK MONIN, MIKE GASKINS, KAY HAVENS, KATHRYN FRESHLEY, and WYATT McCLEAN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, JUDY CIMORELL, Director of Human Resources, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent (7:34 a.m.), MIKE MIAZGA, Information Technology Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom, 8:21 a.m.), VU CHU, Water Resources Supervisor (Zoom), VICKI TANIOUS, Senior Accountant (Zoom), CAROL MOORE, City of Laguna Woods (Zoom), KEITH STRIBLING, PFM Asset Management LLC., ROBERT MONTTOYA, PFM Asset Management LLC., and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

Roll Call:

Director McClean	Present
Director Monin	Present
Director Gaskins	Present
Vice President Havens	Present
President Freshley	Present

Five Board members were present at the meeting and therefore a quorum has been determined.

Oral Communications/Public Comment

There were no comments.

Items Too Late to be Agendized

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

Finance and Insurance Committee Meeting

At approximately 7:33 a.m. Director Monin called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Monin asked for a Motion.

Motion: Vice President Havens made a motion, seconded by President Freshley to approve the Consent Calendar.

Roll Call Vote:

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

Financial Information Items

California Asset Management Program (CAMP)

Mr. Montoya provided a brief market update, noting that the U.S. economy remains resilient despite the government shut down. He reported that the Federal Reserve lowered the target rate by 50 basis points in the fourth quarter of 2025, with economic growth supported by consumer and business spending. One additional rate cut is projected in 2026; however, a new Federal Reserve Chair is expected to take office in May and may take a different approach.

Regarding the District's portfolio, Mr. Montoya reported a yield at cost of 4.55% and a yield at market of 3.83%. He stated that the portfolio is managed on a non-discretionary basis and that accrual basis earnings performed well during the last quarter. The outlook for the fixed-income sector remains neutral. He also noted that several maturities are expected in the coming weeks and that PFM staff will proceed with District staff input.

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

Mr. Stribling reported that the District's absolute returns increased between 1.5% and 2.5%, though performance was modestly below the benchmark. He noted that overall performance in 2025 was strong. Since transitioning to Empower three years ago, the Growth fund has compounded nearly 19%, outperforming the benchmark by 110 basis points.

Mr. Stribling stated that the current economic outlook continues to be policy-driven, particularly with respect to trade relationships and tariffs, while other policies are supporting economic growth. He added that the investment outlook remains neutral, reflecting a balance between policy uncertainty and elevated market valuations.

Mr. Montoya and Mr. Stribling left the meeting at approximately 8:19 a.m.

Deferred Compensation Plan (457 Plan) Quarterly Performance Report

Mr. Sharma stated that the first portion of the report provides an overview of market conditions. He noted that the plan is a self-managed portfolio, allowing employees to select from 17 different investment options, including Schwab self-directed accounts. Mr. Sharma reported that the plan currently has 57 participants with total participant assets of approximately \$9.6 million.

Financial Statements and Report

Mr. Sharma reported that the District is in the process of implementing the fixed asset module in Springbrook. He explained that approximately four years ago staff changed the depreciation method for fixed assets from half-year convention to a full-year depreciation method. Previously, depreciation calculations were performed in Excel, and during the system conversion staff determined that prior half-year depreciation need to be accounted for. As a result, approximately \$780,000 in additional depreciation will be recorded following implementation, which will be reflected in retained earnings as recommended by the auditor. Mr. Sharma also reported that the agenda package includes a reverse cyclic program repayment schedule showing the return on investment. The District has received the first 22-acre feet of water.

Mr. Sharma reported that the District's cash and investments totaled approximately \$23.4 million at the end of January. The Current ratio was 9.85 and days of cash on hand was 244 days. The accounts receivable turnover ratio was 37 days for January and 30 days year-to-date, while the accounts payable turnover ratio was 21 days for the month and 33 days year-to-date. He noted that all expense categories are currently at or below budget.

Fiscal Year 2026-27 Budget Process Update

Mr. Cafferty reported that staff has been working with Raftelis since October and has provided detailed budget information as part of the rate study process. Raftelis is currently developing preliminary rate projections in preparation for the next Budget Committee meeting. At the first Budget Committee meeting, staff discussed key concepts and direction to confirm that the process was progressing appropriately.

Mr. Cafferty shared that staff is developing a multi-year Proposition 218 notice for all District rates and will recommend a five-year notice at the next Budget Committee

meeting. This approach would provide flexibility to maintain rates for up to five years, avoid the need for a new rate study each budget cycle, and minimize scheduling impacts associated with issuing a new Proposition 218 notice annually. Staff would still retain the ability to conduct another rate study within that five-year period if necessary. He added that the long-term financial plan projects revenue requirements intended to build reserves in accordance with the District's cash reserves policy. Additional cost drivers include capital investment projects and charges from MET, which have not yet been finalized.

Directors' Travel & Expense Reimbursement Policy

Mr. Cafferty stated that the Directors' Travel and Expense Reimbursement Policy requires an annual review by the Board. Staff does not recommend any revisions to the policy.

Financial Action Items

Financial Package – Authorization to Approve Payment of Bills for the Month Ending January 31, 2026

Director Monin asked for a Motion.

Motion: Director Gaskins made a motion, seconded by Director McClean to ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending January 31, 2026.

Roll Call Vote:

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

Comments Regarding Non-Agenda FIC Items

There were no comments.

Adjournment

There being no further business the Finance and Insurance Committee meeting was closed at approximately 8:58 a.m.

Respectfully submitted

MARISOL MELENDEZ
Recording Secretary

APPROVED:

KATHRYN FRESHLEY, President
of the El Toro Water District and the
Board of Directors thereof

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



STAFF REPORT

To: Board of Directors

Meeting Date: March 23, 2026

From: Vishav Sharma, Chief Financial Officer

Subject: February 2026 Financial Report and Analysis

The attached report provides an overview of the District's financial performance for the month of February 2026. It includes a comparison of Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and actual revenues and expenses analysis to the budgeted figures, as well as highlights key financial trends and variances to assist the Board in monitoring the District's financial health and performance.

Assets

- **Current Assets:**

- The District's total cash & investments as of February 28, 2026 is \$24,493,025. This represents an increase of \$1,099,399 from the prior month, reflecting improved liquidity.
- The Current ratio is 8.46, indicating strong ability of the District to meet its short-term obligations. This ratio measures the District's ability to pay short-term obligations that are due within one year.
- Days Cash on Hand stands at 255 days, showing the District's ability to operate for that period using available cash based on budgeted annual O&M and Debt service expenses excluding depreciation expense. The District continues to maintain strong liquidity levels to support operations and capital needs.
- Accounts Receivable: \$4,671,517, decreased by \$616,391, reflecting improved collections from the utility customers.
- Accounts receivable turnover ratio is 35 days for the month and 27.5 days for the year to date as of February 2026. This ratio is calculated by dividing year to date net sales with average utility customers accounts receivable balance net of accruals. This ratio measures how effectively the District collects cash from its credit sales.
- Prepaid Expenses decreased by \$41,652 to a total of \$718,797, reflecting amortization of prepayments made for insurance, supplies or services (including subscriptions for softwares).

Overall, Current Assets total balance of \$31,933,496, reflects an increase of \$477,566 from the previous month.

Non-Current Assets:

- Construction in Progress increased by \$595,923, reflecting continued investment in capital projects.
- Accumulated Depreciation increased by \$881,791, as expected. This amount includes a onetime non-cash adjustment of \$783,448 for change in the way we calculate depreciation.

The Non-Current Assets balance is \$112,661,011, reflecting a net decrease of \$285,868.

Liabilities

- **Current Liabilities:**

- Accounts Payable & Accrued Expenses increased by \$314,924 to \$1,076,332, reflecting higher vendor obligations.
- Accounts payable turnover ratio is 21 days for the month. This ratio is calculated by dividing monthly/year to date expenses net of Payroll, Benefits, Depreciation and Debt interest expense with average accounts payable balance. This ratio measures how effectively the District pays its bills.
- Accrued Interest Payable increased by \$166,665 to \$481,082, consistent with debt service timing.

Overall, Current Liabilities increased by \$476,436, Reflecting an increase in vendor obligations.

- **Non-Current Liabilities:**

- Loans Payable decreased slightly by \$42,671 with a remaining balance of \$47,952,434. Amortization of 2022 Bond premium contributed for this decrease.

The Total Liabilities amounted to \$64,942,801, reflecting an increase of \$433,765 compared to prior month.

Summary of Revenues

For the month of February 2026 and year to date, the District's total revenues were \$2,757,728 and \$26,551,517, respectively. This represents 67.4% of the total budgeted revenue for the fiscal year.

Key Revenues Categories:

- **Commodity Supply Charges:**

This month's revenue was \$712,852, with a YTD total of \$8,814,214 (66.1% of budget). This category continues to perform in line with expectations. Commodity supply charge includes recycled water revenues. This month recycled revenue is \$43,360 and year to date revenue is \$1,466,194 or 82.2% of the budget. This category is performing as expected.

- **Service Charges:**

This month's revenue was \$1,318,704, and the YTD total stands at \$10,624,604 which is 66.4%. This is in line with expectations.

- **Capital Facility Charges:**

This month's revenue is \$526,522, and the YTD total stands at \$4,177,406, which is 66.7% of the annual budget. The District is on track with respect to capital charge collections.

- **Investment Income:**
The District earned \$56,869 in investment income this month and YTD \$498,182 respectively, resulting in a 71.2% of the budgeted amount.
- **Grants, Rebates, and Reimbursements:**
The District received YTD total of \$1,260,168, or over 97.2% of budgeted rebates and reimbursements from LRP subsidies. This amount also includes the MNWD's 2nd of the three annual payments related to the SOCWA regional plant transfer to MNWD.
- **Miscellaneous Revenue:**
Miscellaneous revenue this month is \$27,305, and YTD \$263,836 represent 75.5% of the budget. Miscellaneous revenue fluctuates from month to month due to some revenues collected only once a year. This category includes cell tower lease revenue and it remains in line with projections.

Summary of Expenses

Total expenses for February 2026 are \$2,217,477 and \$21,989,194 YTD, which is 57.7% of the annual budget.

Key Expense Categories:

- **Salary Expenses:**
Monthly salary-related expenses were \$553,851, resulting in a YTD total of \$4,990,427 (62.9% of budget). Salary expenses are in line with expectations, Staff is paying a close attention to the overtime cost and analyzing it every pay period.
- **Benefit Expenses:**
Benefit expenses totaled \$223,706 for the month, with a YTD total of \$1,958,586 (65.4%). Retirement contribution and medical insurance expenses are the main drivers of this category.
- **Water Purchased for Resale:**
Expenses totaled \$356,061 for the month, with \$5,842,969 YTD (54.4%).
- **Contracted/Purchased Services:**
Monthly expenses were \$697,844, with \$3,678,546 YTD (53.7%). The District continues to manage contracts efficiently.
- **Other Expenses:**
This category includes costs related to retiree health insurance, depreciation, and debt interest. YTD expenses total \$4,293,300 (56.8% of annual budget). Notably, debt service and depreciation are on track as expected.

Net Position

The District's net position as of February 2026 is \$73,005,400. The net position increased this month by \$1,322,569.

Conclusion

Through February 2026, the District continues to demonstrate stable financial performance. Revenues are exceeding budget targets, driven by water sales, while expenses remain within budget across most categories. The District maintains a solid net position, supporting ongoing operations and capital investments.

Attachment 1

Statement of Net Position for the period ended February 2026

El Toro Water District
Interim Statement of Net Position for the Month of February, 2026

	6/30/2025 Audited	1/31/2026 Revised Interim	2/28/2026 Interim	Change
Assets				
Current Assets				
Cash & Cash Equivalents	15,977,712	17,614,196	18,809,578	1,195,383
Investments	6,054,410	5,779,431	5,683,094	(96,337)
Accounts Receivable	4,930,670	5,287,909	4,671,517	(616,391)
Materials & Supply Inventory	2,059,289	2,013,593	2,050,156	36,563
Prepaid Expenses	375,340	760,449	718,797	(41,652)
Restricted - Cash & Investments	1,444	352	353	1
Current Assets - Sub-total	29,398,865	31,455,930	31,933,496	477,566
Non-Current Assets				
Lease Receivable	4,012,747	4,012,747	4,012,747	-
Land & Easements	7,451,585	7,451,585	7,451,585	-
Capacity Rights	228,255	114,127	114,127	-
Capital Assets				
Water System	62,032,584	62,032,584	62,032,584	-
Wastewater System	63,294,850	63,294,850	63,294,850	-
Recycled System	55,554,540	55,554,540	55,554,540	-
Combined Assets	16,201,236	16,201,236	16,201,236	-
Construction in Progress	7,032,386	8,801,914	9,397,837	595,923
Accumulated Depreciation	(101,713,907)	(104,516,703)	(105,398,494)	(881,791)
Non-Current Assets - Sub-total	114,094,275	112,946,880	112,661,011	(285,868)
Total Assets	143,493,140	144,402,810	144,594,507	191,698
Deferred Outflows of Resources				
OPEB Deferred Outflow of Resources	1,917,324	1,917,324	1,917,324	-
Liabilities				
Current Liabilities				
Accounts Payable & Accrued Expenses	3,450,141	761,407	1,076,332	314,924
Accrued Salaries & Related Payables	191,358	(44,247)	(47,300)	(3,053)
Customer Deposits	65,653	12,800	10,700	(2,100)
Accrued Interest Payable	150,929	314,417	481,082	166,665
Long Term Liabilities - Due in One Year				-
Compensated Absences	241,796	241,796	241,796	-
OPEB Liability	464,374	-	-	-
Loans Payable	2,014,077	2,014,077	2,014,077	-
Current Liabilities - Sub-total	6,578,328	3,300,251	3,776,687	476,436
Non-Current Liabilities				
Compensated Absences	1,562,867	1,562,867	1,562,867	-
Other Post-Employment Benefits Liability	11,186,439	11,650,813	11,650,813	-
Loans Payable	48,293,804	47,995,105	47,952,434	(42,671)
Non-Current Liabilities - Sub-total	61,043,110	61,208,785	61,166,114	(42,671)
Total Liabilities	67,621,438	64,509,036	64,942,801	433,765
Deferred Inflows of Resources				
Deferred Amounts from Leases	3,648,223	3,648,223	3,648,223	-
Deferred Amounts from OPEB	6,480,043	6,480,043	6,480,043	-
Total Deferred Inflows of Resources	10,128,266	10,128,266	10,128,266	-
Net Position				
Net Investment in Capital Assets	59,349,999	62,937,697	62,694,500	(243,197)
Depreciation adjustment - change in estimate			782,318	782,318
Restricted - Capital Projects	-	-	-	-
Restricted - Debt Service	-	-	-	-
Unrestricted	8,310,761	8,745,134	9,528,582	783,448
Total Net Position	67,660,760	71,682,832	73,005,400	1,322,569

Attachment 2
Statement of Revenues, Expenses, and Changes in Net Position
for February 2026

Statement of Revenues, Expenses, and Changes in Net Position for the Month of February, 2026

	District		Water System		Wastewater System		Recycled System		Capital Improvments	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating Revenues										
Commodity Supply Charges	\$ 13,340,717	\$ 8,814,214	\$ 11,558,372	\$ 7,348,020	\$ -	\$ -	\$ 1,782,345	\$ 1,466,194	\$ -	\$ -
Service Provision Charges	15,993,872	10,624,604	5,459,145	3,615,912	10,013,671	6,661,440	521,055	347,253	-	-
Capital Facilities Charge	6,259,985	4,177,406	-	-	-	-	-	-	6,259,985	4,177,406
Charges for Services	125,000	-	125,000	-	-	-	-	-	-	-
Miscellaneous Operating Income	45,900	84,936	31,000	44,662	14,900	40,274	-	-	-	-
Grants, Rebates, Reimbursements	1,301,125	1,260,168	-	8,191	5,300	2,869	275,825	246,004	1,020,000	1,003,104
Total Operating Revenues	37,066,599	24,961,329	17,173,517	11,016,786	10,033,871	6,704,582	2,579,225	2,059,450	7,279,985	5,180,510
Operating Expenses										
General & Administrative	5,927,115	3,827,500	2,462,542	1,782,299	3,003,516	1,783,141	461,057	262,060	-	-
Operations & Maintenance	24,384,796	13,683,416	15,007,224	8,439,075	7,746,199	4,328,317	1,631,374	916,024	-	-
Operating Capital Expenses	262,000	184,978	-	-	-	-	-	-	262,000	184,978
Other Operating Expenses	407,000	284,948	162,800	113,979	211,640	148,173	32,560	22,796	-	-
Depreciation & Amortization	5,140,000	3,016,401	-	-	-	-	-	-	5,140,000	3,016,401
Total Operating Expenses	36,120,911	20,997,243	17,632,566	10,335,353	10,961,355	6,259,631	2,124,991	1,200,880	5,402,000	3,201,379
Operating Income/(Loss)	945,688	3,964,085	(459,048)	681,432	(927,483)	444,951	454,234	858,570	1,877,985	1,979,131
Non-operating Revenues										
Property Taxes	1,300,000	866,667	520,000	346,667	676,000	450,667	104,000	69,333	-	-
Investment Earnings	700,000	498,182	350,000	224,418	350,000	273,239	-	-	-	526
Miscellaneous Revenue	298,400	178,899	288,000	164,403	10,400	3,399	-	11,098	-	-
Interest Expense	(2,006,335)	(991,951)	-	-	-	-	-	-	(2,006,335)	(991,951)
Net Non-Operating Revenues	292,065	551,797	1,158,000	735,488	1,036,400	727,304	104,000	80,431	(2,006,335)	(991,425)
Income/(Loss) before Contributions & Transfers										
	1,237,753	4,515,883	698,952	1,416,920	108,917	1,172,255	558,234	939,001	(128,350)	987,706
Transfers										
Transfers In	1,809,100	-	-	-	-	-	-	-	1,809,100	-
Transfers Out	(1,809,100)	-	(881,880)	-	-	-	(927,220)	-	-	-
Net Transfers	-	-	(881,880)	-	-	-	(927,220)	-	1,809,100	-
Capital Contributions										
Donations & Contributions	-	46,439	-	-	-	-	-	-	-	46,439
Total Capital Contributions	-	46,439	-	-	-	-	-	-	-	46,439
Change in Net Position	1,237,753	4,562,322	(182,928)	1,416,920	108,917	1,172,255	(368,986)	939,001	1,680,750	1,034,145
Beginning Net Position	67,660,760	67,660,760								
Ending Net Position	\$ 68,898,513	\$ 72,223,082								

Attachment 3

Summary of Revenues and Expenses for the period ended February 2026

Summary of Revenues and Expenses for the Month of February, 2026					
Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Summary of Total District Revenues					
District Totals					
Commodity Supply Charges	712,852	8,814,214	13,340,717	4,526,503	66.1%
Service Charges	1,318,704	10,624,604	15,993,872	5,369,267	66.4%
Capital Facility Charges	526,522	4,177,406	6,259,985	2,082,579	66.7%
Charges for Services	-	-	125,000	125,000	0.0%
Miscellaneous Revenue	27,305	263,836	349,600	85,764	75.5%
Grants, Rebates, Reimbursements	6,478	1,260,168	1,295,825	35,657	97.2%
Property Taxes	108,333	866,667	1,300,000	433,333	66.7%
Investment Income	56,869	498,182	700,000	201,818	71.2%
Donations & Capital Contributions	665	46,439	-	(46,439)	N/A
Total Revenue	2,757,728	26,551,517	39,364,999	12,813,483	67.4%
Summary of Total District Expenses					
Salary Expenses					
Directors Fees	11,804	90,097	144,616	54,519	62.3%
Exempt Salaries	124,939	1,096,191	1,583,800	487,609	69.2%
Non-exempt Salaries	392,626	3,507,901	5,366,100	1,858,199	65.4%
Other Salary Payments	-	-	250,400	250,400	0.0%
Overtime	13,225	200,171	405,437	205,266	49.4%
Stipend - On-call	6,720	55,104	81,900	26,796	67.3%
Stipends/Allowances	4,537	36,313	106,980	70,667	33.9%
Employee Service Awards	-	4,650	800	(3,850)	581.3%
Salary Expenses Sub-total	553,851	4,990,427	7,940,033	2,949,606	62.9%
Benefit Expenses					
Medical Insurance	101,909	878,359	1,215,016	336,657	72.3%
HSA Contributions	-	-	28,100	28,100	0.0%
Dental Insurance	8,292	72,492	98,200	25,708	73.8%
Vision Insurance	1,084	9,775	12,300	2,525	79.5%
Life Insurance	3,465	31,765	41,300	9,535	76.9%
Disability Insurance	4,452	40,502	41,400	898	97.8%
Long-term Care Insurance	-	6,330	21,600	15,270	29.3%
Workers Compensation Insurance	11,642	90,565	167,800	77,235	54.0%
State Unemployment Insurance	-	-	3,000	3,000	0.0%
401k Retirement Contributions	49,816	453,710	681,500	227,790	66.6%
401k Matching Contributions	34,180	304,589	287,700	(16,889)	105.9%
457b Matching Contributions	5,977	49,825	275,800	225,975	18.1%
Medicare Insurance	8,038	72,338	115,159	42,821	62.8%
FICA	490	3,231	4,300	1,069	75.1%
Capitalized Benefits	(5,640)	(54,895)	-	54,895	N/A
Benefit Expenses Sub-total	223,706	1,958,586	2,993,175	1,034,589	65.4%
Commodity Purchased for Resale					
Water Purchases - MWDOC	49,335	2,439,385	4,992,965	2,553,580	48.9%
Water Purchases - MWDOC Fixed	(0)	587,474	1,026,274	438,800	57.2%
Water Purchases - AMP/SAC	(199)	16,307	41,832	25,525	39.0%
Regional Water Supply Expenses	1,145	6,205	-	(6,205)	N/A
Water Purchases - Baker WTP	(22,435)	1,596,845	3,365,400	1,768,555	47.4%
Water Purchases - Baker O&M	240,578	489,887	1,171,500	681,613	41.8%
Water Purch - Other Agencies	75,525	610,396	-	(610,396)	N/A
MWDOC Service Connect Charge	12,111	96,472	145,000	48,528	66.5%
Commodity Purchased for Resale Sub-total	356,061	5,842,969	10,742,971	4,900,001	54.4%

Summary of Revenues and Expenses for the Month of February, 2026					
Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Contracted/Purchased Services					
Consultants	23,099	82,226	152,790	70,564	53.8%
Engineering Services	-	31,917	40,390	8,473	79.0%
Audit & Accounting Services	-	54,090	54,150	60	99.9%
Technology Consultants	827	12,924	36,000	23,076	35.9%
SOCWA Contract	312,773	557,247	1,200,000	642,753	46.4%
Contractors	18,106	218,909	282,572	63,663	77.5%
Contracted Employees	-	5,954	10,000	4,046	59.5%
Legal Svcs - General Counsel	6,050	60,368	100,000	39,632	60.4%
Legal Svcs - Specialty Counsel	4,465	5,059	21,600	16,541	23.4%
Other Legal Services	9,529	14,641	1,000	(13,641)	1464.1%
Employee Recruitmnt/Compliance	508	14,613	5,500	(9,113)	265.7%
Employee Health & Wellness	111	8,654	3,800	(4,854)	227.7%
Employee Relations Expenses	(2,592)	483	10,000	9,517	4.8%
Professional Services	-	-	-	-	N/A
Landscaping Services	22,551	86,637	171,341	84,704	50.6%
Janitorial Contracts	5,221	40,596	60,048	19,452	67.6%
Equipment Rental	1,242	8,146	37,000	28,854	22.0%
Uniform Rental	2,352	18,811	16,800	(2,011)	112.0%
Laboratory Services	4,209	20,849	25,500	4,651	81.8%
Disposal Services	8,130	58,598	91,500	32,902	64.0%
Security Services	1,058	16,228	50,340	34,112	32.2%
Insurance	42,328	321,156	452,500	131,344	71.0%
Financial Service Fees	5,748	48,483	53,500	5,017	90.6%
Printing & Reproduction	549	6,746	45,700	38,954	14.8%
Advertising & Publicity Svcs	-	2,282	9,020	6,738	25.3%
Postage	2,421	2,540	19,700	17,160	12.9%
Public Relations/Education	447	12,317	54,400	42,083	22.6%
Water Efficiency Services	7,764	50,551	45,000	(5,551)	112.3%
Licenses & Permits	9,551	171,119	264,290	93,171	64.7%
Software Maintenance/Licenses	21,139	168,405	327,470	159,065	51.4%
Electrical Power	130,351	1,166,899	2,262,300	1,095,401	51.6%
Natural Gas	669	2,910	2,000	(910)	145.5%
Cable Service	353	2,557	10,000	7,443	25.6%
Telecommunications	1,700	14,490	25,000	10,510	58.0%
Mobile Telecommunications	2,394	10,420	48,000	37,580	21.7%
Data Access	6,300	46,289	65,000	18,711	71.2%
Equipment Maintenance & Repair	7,080	77,202	196,100	118,898	39.4%
Pump Maintenance & Repair	-	24,023	54,500	30,477	44.1%
Motor Maintenance & Repair	14,545	42,443	132,500	90,057	32.0%
Electrical Maintenance/Repair	3,379	16,655	143,000	126,345	11.6%
Meter Maintenance & Repair	16,913	21,727	51,000	29,273	42.6%
Structure Maintenance & Repair	3,816	24,538	41,600	17,062	59.0%
Asphalt Maintenance & Repair	2,757	127,841	172,000	44,159	74.3%
Contracted/Purchased Services Sub-total	697,844	3,678,546	6,844,911	3,166,365	53.7%
Commodities					
Repair Parts & Materials	33,378	201,409	472,700	271,291	42.6%
Tools & Small Equipment	7,772	36,238	81,100	44,862	44.7%
Safety Equipment	2,349	12,820	27,200	14,380	47.1%
Employee Tools/Safety Equip	628	8,170	19,900	11,730	41.1%
Laboratory Tools & Small Equip	1,026	3,680	20,000	16,320	18.4%
Technology Tools/Small Equip	2,511	20,428	40,000	19,572	51.1%
Chemicals	11,551	222,181	375,200	153,019	59.2%
Laboratory Chemicals	1,807	28,697	41,000	12,303	70.0%
Gasoline & Oil	15,995	80,692	140,000	59,308	57.6%
Operating Supplies/Accessories	2,071	42,558	35,200	(7,358)	120.9%
Office Supplies & Accessories	1,309	6,558	24,700	18,142	26.5%
Technology Supplies/Components	1,797	7,448	30,000	22,552	24.8%
Lab Supplies & Accessories	2,425	19,158	20,500	1,342	93.5%
Meeting/Event Supplies & Food	1,980	22,416	48,300	25,884	46.4%
Water Use Efficiency Supplies	-	4,213	15,000	10,787	28.1%
Commodities Sub-total	86,599	716,663	1,390,800	674,137	51.5%

Summary of Revenues and Expenses for the Month of February, 2026					
Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Professional Development					
Education & Training	3,768	22,574	95,480	72,906	23.6%
Education/Training - Directors	-	-	-	-	N/A
Licenses & Certifications	-	567	4,142	3,575	13.7%
Dues & Memberships	11,789	81,099	125,900	44,801	64.4%
Dues & Memberships - Directors	-	-	-	-	N/A
Meetings & Conferences	-	4,768	38,100	33,332	12.5%
Meetings/Conferences-Directors	335	12,204	13,500	1,296	90.4%
Travel Reimbursement	-	12,094	36,900	24,806	32.8%
Travel Reimbursement-Directors	3,234	16,416	35,000	18,584	46.9%
Publications & Subscriptions	-	2,193	3,200	1,007	68.5%
Professional Development Sub-total	19,126	151,914	352,222	200,307	43.1%
Miscellaneous Expenses					
Employee Appreciation Expenses	-	-	500	500	0.0%
Internal/External Event Expenses	-	7,673	1,500	(6,173)	511.5%
Election Expense	-	-	20,000	20,000	0.0%
Reimbursable Repair Expense	-	-	-	-	N/A
Property Taxes	-	2,507	3,000	493	83.6%
Uncollectible Accounts	-	161,602	19,500	(142,102)	828.7%
NSFs & Miscellaneous Fees	-	-	100	100	0.0%
Refund Overcharges	-	-	2,624	2,624	0.0%
Damage/Repair Reimbursements	30	30	576	546	5.2%
Misc Exp	-	-	-	-	N/A
Miscellaneous Sub-total	30	171,812	47,800	(124,012)	359.4%
Sub Total - General and O&M Expenses	1,937,217	17,510,916	30,311,911	12,800,995	57.8%
Capital Improvement Expenses					
Water System Projects					
Supply/Storage Projects	32	328	-	(328)	N/A
Pumping Projects	-	-	67,000	67,000	0.0%
Main/Service Line Projects	-	500	-	(500)	N/A
Wastewater System Projects	-	-	-	-	N/A
Pumping Projects	-	-	35,000	35,000	0.0%
Wastewater Treatment Projects	-	(23,404)	-	23,404	N/A
Main/Service Line Projects	-	8,017	-	(8,017)	N/A
Recycled System Projects	-	-	-	-	N/A
Pumping Projects	-	-	-	-	N/A
Tertiary Treatment Projects	-	23,404	-	(23,404)	N/A
Main/Service Line Projects	-	-	-	-	N/A
General Projects	-	-	-	-	N/A
Operating Equipment Purchases	-	-	-	-	N/A
Vehicle & Related Equipment Purchases	14,040	33,899	-	(33,899)	N/A
Technology Projects & Purchases	7,200	30,275	44,000	13,725	68.8%
Building & Structure Improvements	-	-	-	-	N/A
General Capital Projects	1,609	111,958	116,000	4,042	96.5%
Construction in Progress	-	-	-	-	N/A
Capital Improvement Expenses Sub-total	22,881	184,978	262,000	77,022	70.6%
Other Expenses					
Retiree Health Insurance	33,913	284,948	407,000	122,052	70.0%
Depreciation	99,473	3,016,401	5,140,000	2,123,599	58.7%
Debt Interest Expense	123,994	991,951	2,006,335	1,014,384	49.4%
Other Expenses Sub-total	257,379	4,293,300	7,553,335	3,260,035	56.8%
Total Expenses	2,217,477	21,989,194	38,127,246	16,138,052	57.7%
Change in Net Position	540,251	4,562,322	1,237,753		

Attachment 4
Check Register February 2026

El Toro Water District

Check/ Payment Register for the Month of February 2026

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
14992	Aqua-Aerobic Systems, Inc.	02/05/2026	3,893.90
14993	Badger Meter	02/05/2026	7,892.56
14994	CDCE, Inc.	02/05/2026	825.00
14995	Eurofins Environment Testing Southwest, LLC	02/05/2026	242.00
14996	Eversoft Inc	02/05/2026	422.78
14997	HEBT West Los Angeles 1, LLC	02/05/2026	1,590.00
14998	Hill Brothers Chemical Co	02/05/2026	4,740.41
14999	Infosend, Inc	02/05/2026	3,507.89
15000	Life Insurance Company of North America	02/05/2026	166.65
15001	Pacific Plumbing Company of Santa Ana	02/05/2026	527.95
15002	Redwine and Sherrill, LLP	02/05/2026	6,050.00
15003	UNUM Life Insurance - EAP	02/05/2026	111.39
15004	Vestis Group, Inc.	02/05/2026	948.20
15005	ACWA JPIA	02/10/2026	156,816.62
15006	American Family Life Assurance Company of Columbus	02/10/2026	1,292.36
15007	Bigwig Monster, LLC	02/10/2026	7,200.00
15008	Hach Company	02/10/2026	488.86
15009	Hanson Bridgett LLP	02/10/2026	2,110.00
15010	IDEXX Distribution, Inc	02/10/2026	1,418.47
15011	Parkhouse Tire Service Inc	02/10/2026	1,860.50
15012	Quadient Finance USA, Inc.	02/10/2026	2,686.88
15013	Sims-Orange Welding Supply, Inc	02/10/2026	305.48
15014	Southern California Edison Company	02/10/2026	761.00
15015	Supplyrush, Inc	02/10/2026	235.69
15016	Verizon Communications Inc.	02/10/2026	6,900.00
15017	Vigilant LLC	02/10/2026	1,707.30
15018	Walters Wholesale Electric Company	02/10/2026	9,680.13
15019	Aquatic Informatics, Inc.	02/12/2026	3,174.63
15020	Arakelian Enterprises, Inc.	02/12/2026	2,903.55
15021	Aramark Services, Inc	02/12/2026	1,020.06
15022	Fisher Scientific Company, LLC	02/12/2026	238.44
15023	GMU Geotechnical, Inc.	02/12/2026	12,042.50
15024	Life Insurance Company of North America	02/12/2026	166.65
15025	Mc Wane, Inc	02/12/2026	19,548.23
15026	Mingoia's Faxworld, Inc	02/12/2026	645.85
15027	Moulton Niguel Water District	02/12/2026	75,525.30
15028	Santiago Aqueduct Commission	02/12/2026	790.54
15029	Sierra Analytical Labs, Inc	02/12/2026	227.50
15030	U.S. Bank National Association	02/12/2026	14,134.63
15031	W.W. Grainger, Inc	02/12/2026	289.52
15032	Alicia Air Conditioning & Heating, Inc.	02/13/2026	5,398.00
15033	AT&T	02/13/2026	1,657.07
15034	Cox Communications Inc	02/13/2026	1,724.95
15035	Doane and Hartwig Water Systems, Inc	02/13/2026	2,285.38
15036	Eurofins Environment Testing Southwest, LLC	02/13/2026	1,944.00
15037	Maddox Electric Inc.	02/13/2026	49,115.00
15038	MATCON GENERAL ENGINEERING INC	02/13/2026	1,697.61
15039	MDB General Engineering, Inc	02/13/2026	275,785.00
15040	Ovivo USA, LLC	02/13/2026	63,872.05
15041	PUMPKIN CITY'S PUMPKIN FARM, INC.	02/13/2026	1,806.14
15042	Quadient Leasing USA, Inc.	02/13/2026	595.77
15043	Santa Margarita Ford	02/13/2026	215.45
15044	South Coast Water District	02/13/2026	31.83
15045	South Orange County Wastewater Authority	02/13/2026	234,316.75
15046	Southern California Edison Company	02/13/2026	128,411.27
15047	Vestis Group, Inc.	02/13/2026	304.71
15048	Allied Network Solutions, Inc.	02/19/2026	7,932.35
15049	Altec Products, LLC	02/19/2026	310.09
15050	Animal Pest Management Services, Inc	02/19/2026	1,297.00
15051	ATS Communications	02/19/2026	3,881.25
15052	Badger Meter	02/19/2026	3,363.72
15053	Baker Electric & Renewables LLC	02/19/2026	6,314.20

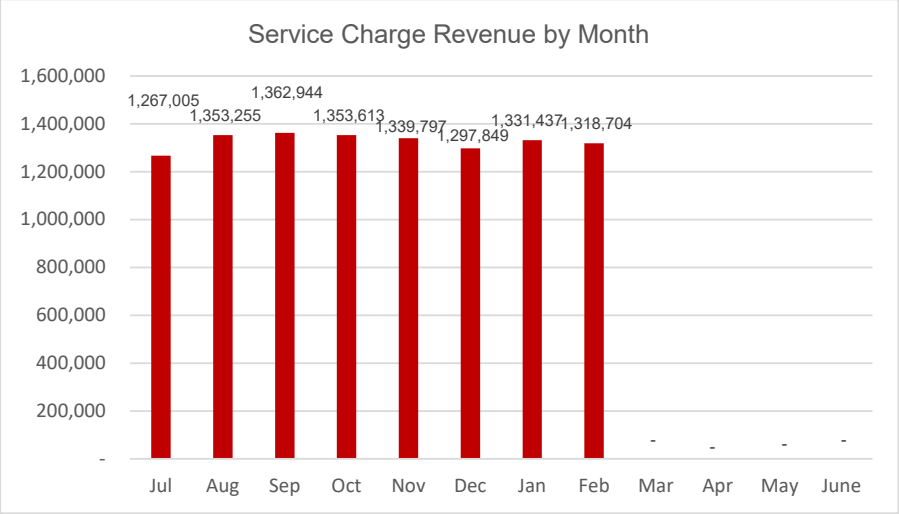
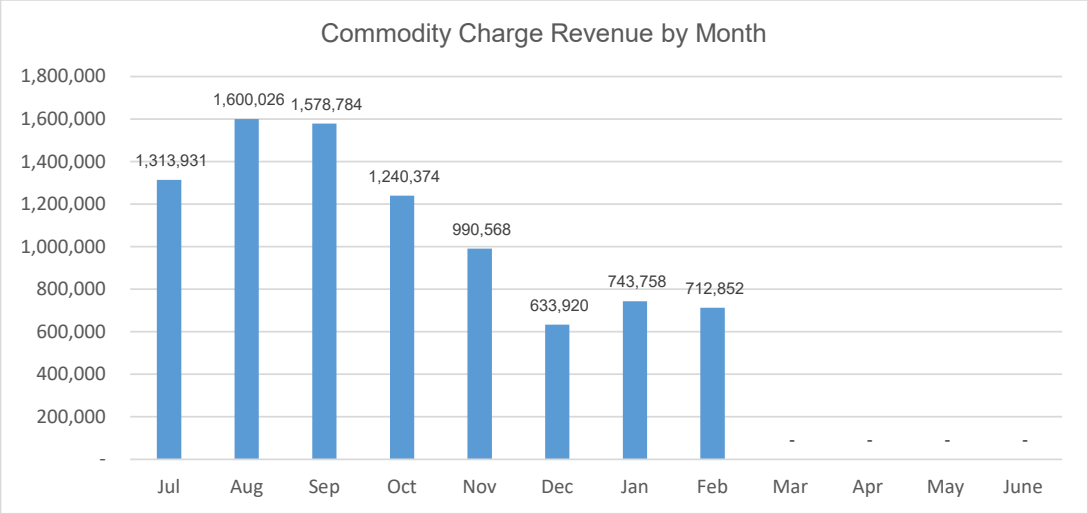
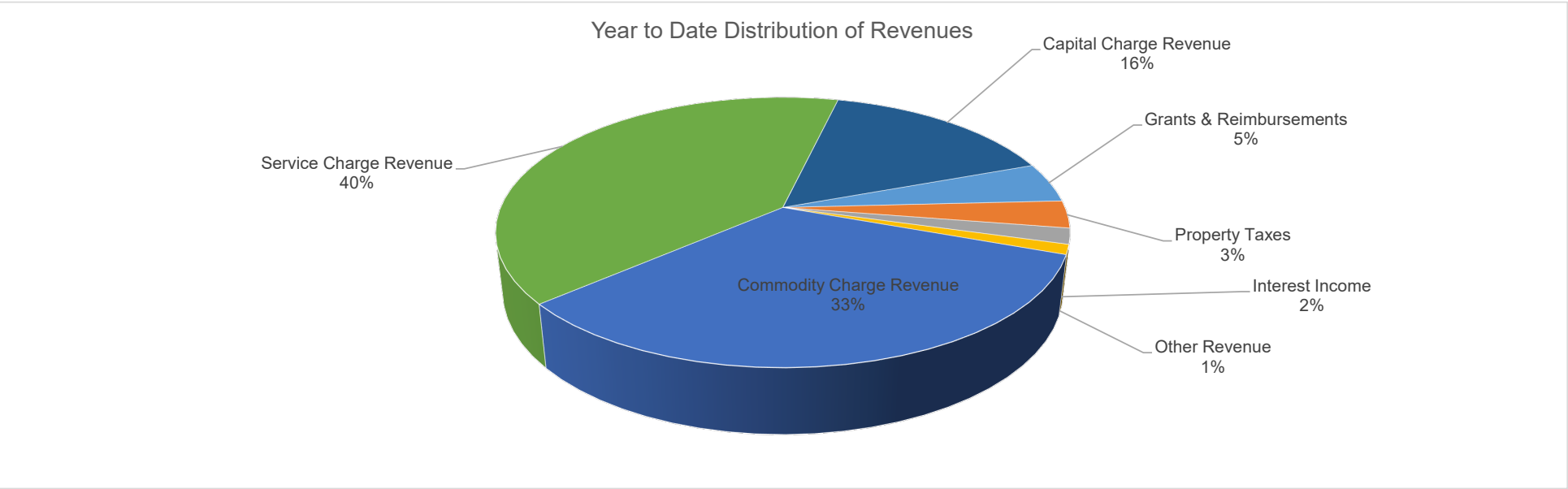
<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
15054	Best Best & Krieger, LLP	02/19/2026	113.00
15055	CC Property Investments, LLC	02/19/2026	826.94
15056	Citibank N.A.	02/19/2026	2,429.94
15057	Colantuono, Highsmith & Whatley, PC	02/19/2026	9,529.00
15058	Cole-Parmer Instrument Company LLC	02/19/2026	1,489.97
15059	CR&R Incorporated	02/19/2026	1,667.61
15060	Delta Motor Co. Inc	02/19/2026	10,853.01
15061	Eric Simonson	02/19/2026	129.30
15062	Faegre Drinker Biddle & Reath LLP	02/19/2026	4,352.00
15063	Ferguson US Holdings, Inc	02/19/2026	2,151.02
15064	Gelco Supply Inc	02/19/2026	6,811.08
15065	Haaker Equipment Company	02/19/2026	4,251.76
15066	Hach Company	02/19/2026	4,529.37
15067	Harrington Industrial Plastics, LLC	02/19/2026	522.49
15068	HEBT West Los Angeles 1, LLC	02/19/2026	5,314.00
15069	Katherine Havens	02/19/2026	47.85
15070	Kathryn Freshley	02/19/2026	226.20
15071	Mark Monin	02/19/2026	437.37
15072	Mc Wane, Inc	02/19/2026	2,705.33
15073	McCall's Meters, Inc	02/19/2026	989.12
15074	McClean Wyatt	02/19/2026	50.75
15075	Michael Gaskins	02/19/2026	30.45
15076	Moulton Niguel Water District	02/19/2026	7,173.12
15077	Pacific Plumbing Company of Santa Ana	02/19/2026	370.00
15078	Parkway Lawnmower Shop	02/19/2026	69.40
15079	Penske Truck Leasing Co., LP	02/19/2026	962.00
15080	RapidScale, Inc	02/19/2026	2,017.62
15081	Rincon Truck Center, Inc	02/19/2026	787.24
15082	RockSpark Inc	02/19/2026	211.25
15083	SC Commercial LLC	02/19/2026	15,995.46
15084	South Coast Water District	02/19/2026	1,145.25
15085	Southern California Edison Company	02/19/2026	171.81
15086	Southern California Gas Company	02/19/2026	669.33
15087	State Water Resources Control Board	02/19/2026	1,950.00
15088	Sue Norberg - Petty Cash	02/19/2026	462.98
15089	Superior Electric Motor Service, Inc	02/19/2026	3,676.39
15090	United Industries, LLC	02/19/2026	188.51
15091	W.W. Grainger, Inc	02/19/2026	2,723.75
15092	Waste Management, Inc of California	02/19/2026	2,542.89
15093	West Coast Safety Supply, Inc	02/19/2026	2,144.62
15094	Altec Products, LLC	02/26/2026	110.07
15095	Angel Z Lopez	02/26/2026	5,003.56
15096	Aramark Services, Inc	02/26/2026	699.36
15097	Arlhey Nunez	02/26/2026	494.10
15098	Babcock Laboratories, Inc.	02/26/2026	300.00
15099	Butier Engineering, Inc	02/26/2026	18,104.50
15100	Carollo Engineers, Inc	02/26/2026	51,001.50
15101	Corodata Records Management, Inc	02/26/2026	133.53
15102	County of Orange - OC Waste & Recycling	02/26/2026	1,205.59
15103	Cox Communications Inc	02/26/2026	1,022.83
15104	Dell Marketing LP	02/26/2026	257.53
15105	DG Investment Intermediate Holdings 2 Inc	02/26/2026	701.25
15106	SCOTT FANBERG	02/26/2026	938.31
15107	Ferguson US Holdings, Inc	02/26/2026	5,656.88
15108	Fisher Scientific Company, LLC	02/26/2026	666.36
15109	FleetCrew	02/26/2026	786.62
15110	Garth Botha	02/26/2026	60.00
15111	Hazen and Sawyer, DPC	02/26/2026	1,608.58
15112	Infosend, Inc	02/26/2026	4,745.39
15113	James Fischer Jr	02/26/2026	15,860.00
15114	Josh Perez	02/26/2026	2,530.23
15115	McMaster-Carr Supply Company	02/26/2026	118.11
15116	Michael Snow	02/26/2026	330.00
15117	Moulton Niguel Water District	02/26/2026	351,157.88
15118	Nieves Landscape, Inc	02/26/2026	22,551.25

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
15119	Raftelis Financial Consultants, Inc	02/26/2026	7,027.50
15120	Rincon Truck Center, Inc	02/26/2026	128.61
15121	Santa Margarita Ford	02/26/2026	1,273.55
15122	Sierra Analytical Labs, Inc	02/26/2026	1,495.50
15123	The Lincoln National Life Insurance Company	02/26/2026	7,917.04
15124	TLM ONE, INC.	02/26/2026	1,894.52
15125	Trussell Technologies, Inc	02/26/2026	1,842.12
15126	Uline, Inc	02/26/2026	251.69
15127	Vestis Group, Inc.	02/26/2026	304.71
15128	Walters Wholesale Electric Company	02/26/2026	4,653.16
Total Checks issued from General and Payroll Accounts:			<u><u>1,762,900.02</u></u>

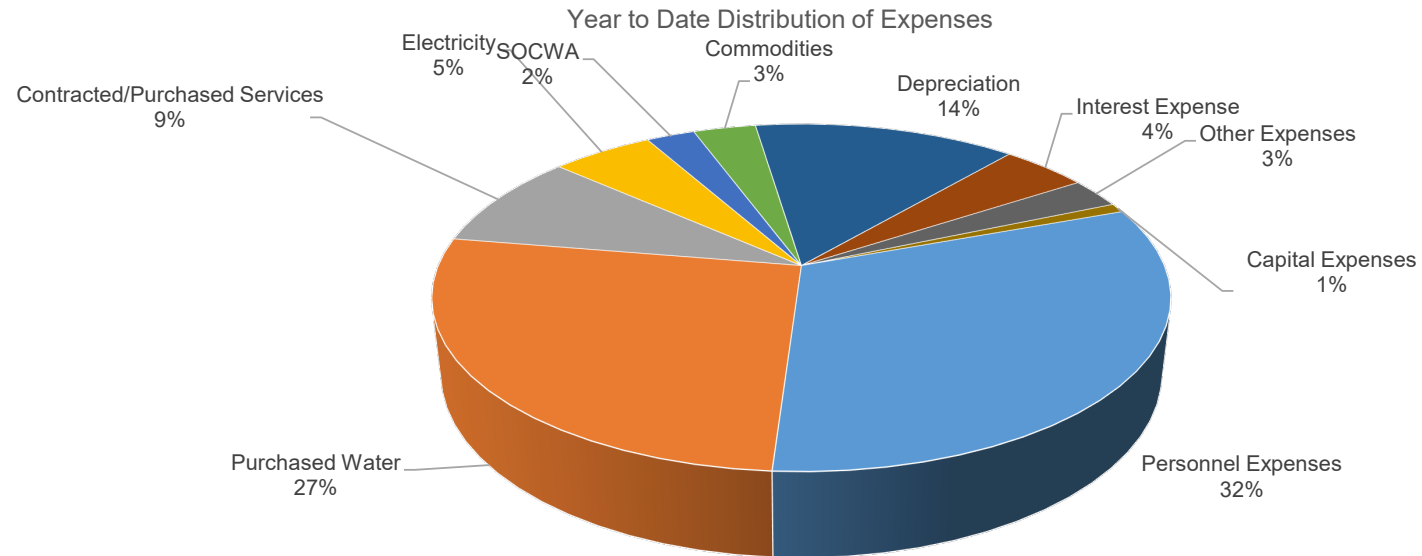
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300000082	ADP, Inc.	02/13/2026	423.95
300000084	ADP, Inc.	02/20/2026	497.05
300000085	ADP, Inc.	02/25/2026	303.39
300000089	ADP, Inc.	02/27/2026	423.95
300000087	US Bank Trust Company, National Association	02/13/2026	2,477.73
300000083	Xpress Solutions	02/05/2026	1,000.90
300000079	Health Equity	02/09/2026	78.65
300000080	Health Equity	02/10/2026	2.30
300000081	Health Equity	02/11/2026	284.23
300000086	Health Equity	02/18/2026	880.39
300000088	Health Equity	02/04/2026	3,150.70
300000090	Health Equity	02/25/2026	605.88
Total ACH payments from General and Payroll Accounts:			<u><u>10,129.12</u></u>

Attachment 5
Revenue and Expense Charts for February 2026

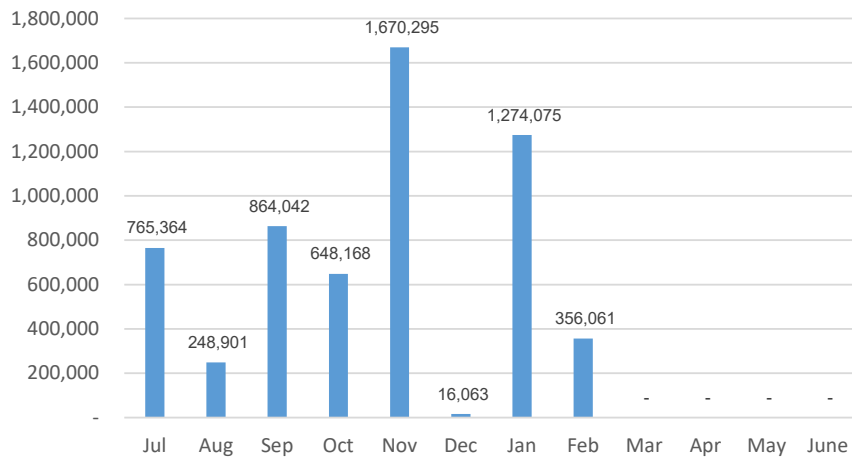
Revenue Charts -February 2026 Financial Report



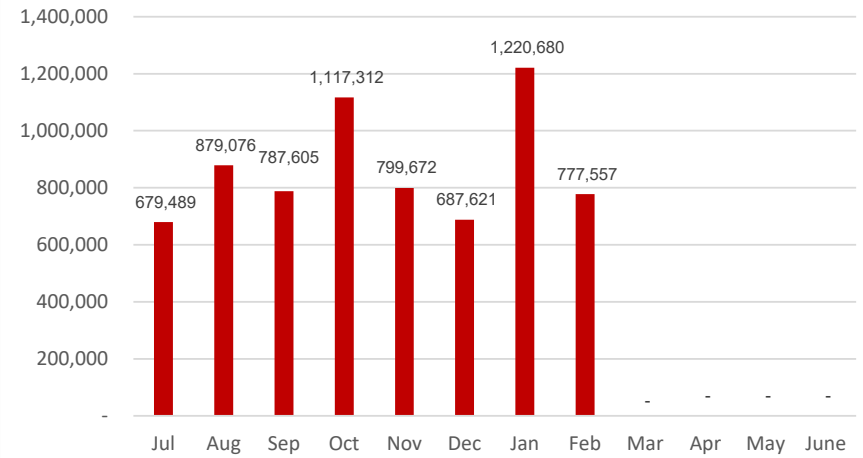
Expense Chart -February 2026 Financial Report



Purchased Water Expenses by Month



Personnel Costs by Month



Attachment 6

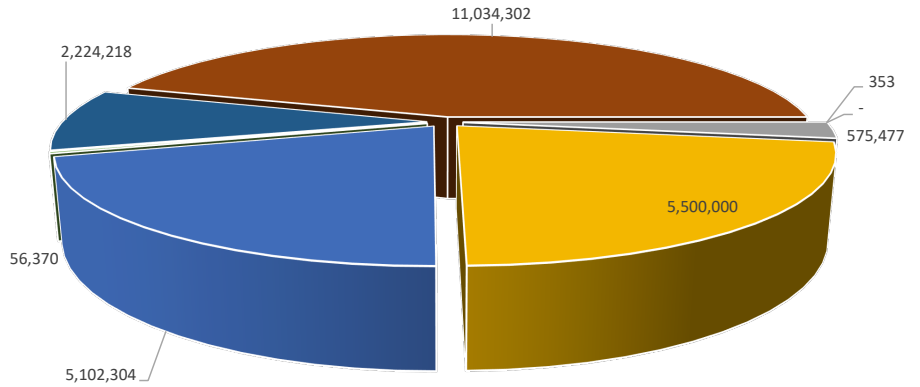
Summary of Cash & Investments at the end of February 2026

Summary of Cash & Investments
as of February 28, 2026

Summary of Cash & Investments

Cash & Equivalents	
Unrestricted - Cash & Equivalents	11,034,302
Unrestricted - Cash & Equivalents USB	2,224,218
Restricted - Cash & Equivalents	56,370
Investments	
Government Securities	5,102,304
CAMP -Term	5,500,000
Corporates Bonds/Notes	575,477
Asset Backed Securities	-
2022 Bond Money Market	353
Total Cash & Investments	24,493,025
Operating Cash & Investments	24,436,302
2022 Bond Proceeds Cash & Investments	353
Restricted - Cash & Equivalents	56,370

Summary of Cash & Investments



Cash & Equivalents

	Account Balance	Current Yield
Cash & Equivalents		
Demand Deposit Accounts		
US Bank - Checking Account	2,224,218	
US - Bank Capital Facilities Fee	56,370	
US Bank - 2022 Bond Proceeds/Interest/Principal	353	
Petty Cash	700	
Money Market Accounts		
US Bank - Money Market Account		
CAMP Money Market	4,703,345	
LAIF Money Market	6,330,257	
Total Cash & Equivalents	13,315,244	

Investments

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity
Governmental Securities									
United States Treasury Bond									
US Treasury N/B - AA+	1,045,201	1,050,000	(4,799)	1,050,307	5,105	4.625%	4.90%	6/12/2024	3/15/2026
US Treasury N/B - AA+	1,026,744	1,050,000	(23,256)	1,049,783	23,039	3.625%	4.84%	6/12/2024	5/15/2026
US Treasury N/B - AA+	466,543	500,000	(33,457)	498,024	31,481	2.125%	4.20%	11/30/2022	5/31/2026
US Treasury N/B - AA+	464,531	500,000	(35,469)	493,957	29,426	2.250%	4.10%	11/30/2022	2/15/2027
US Treasury N/B - AA+	480,273	500,000	(19,727)	498,653	18,379	3.250%	4.25%	2/22/2023	6/30/2027
US Treasury N/B - AA+	502,500	500,000	2,500	505,313	2,813	4.125%	4.01%	11/30/2022	9/30/2027
US Treasury N/B - AA+	497,930	500,000	(2,070)	505,313	7,383	4.125%	4.22%	2/22/2023	9/30/2027
US Treasury N/B - AA+	485,332	500,000	(14,668)	500,957	15,625	3.500%	4.16%	2/22/2023	1/31/2028
United States Treasury Bond - Totals	4,969,055	5,100,000	(130,945)	5,102,304	133,250				

Investments (Continue)									
	Purchase	Par	Premium/	Market	Unrealized	Coupon	Yield to	Purchase	Maturity
	Cost	Amount	(Discount)	Value	Gain/(Loss)	Rate	Maturity	Date	Date
Supra-National Agency Bond / Note									
Supra-National Agency Bond / Note Totals	-	-	-	-	-				
Municipal Bond / Note									
Municipal Bond / Note Totals	-	-	-	-	-				
Federal Agency Commercial Mortgage-Backed Security									
Federal Mortgage-Backed Security Totals	-	-	-	-	-				
Governmental Securities - Total Balances	4,969,055	5,100,000	(130,945)	5,102,304	133,250				
Corporate Notes									
United Healthcare Group Inc Corp Notes	125,597	130,000	(4,403)	129,949	4,352	3.100%	5.14%	6/12/2024	3/15/2026
JPMorgan Chase & Co (Callable)	145,148	150,000	(4,853)	149,928	4,781	3.300%	5.20%	6/12/2024	4/1/2026
Bank of America Corp Notes	125,806	130,000	(4,194)	129,910	4,104	3.500%	5.35%	6/12/2024	4/19/2026
Toyota Motor Credit Corp Notes	130,074	130,000	74	130,361	287	5.200%	5.17%	6/12/2024	5/15/2026
American Express Co (Callable)	34,952	35,000	(48)	35,329	378	4.351%	4.39%	7/25/2025	7/20/2029
Corporate Bonds - Total Balances	561,576	575,000	(13,424)	575,477	13,901				

Investments (continued)									
	Purchase	Par	Premium/	Market	Unrealized	Coupon	Yield to	Purchase	Maturity
	Cost	Amount	(Discount)	Value	Gain/(Loss)	Rate	Maturity	Date	Date
Asset Backed Securities									
Corporate Bonds - Total Balances	-	-	-	-	-				

Attachment 7

Cash Reserve Balances for February 2026

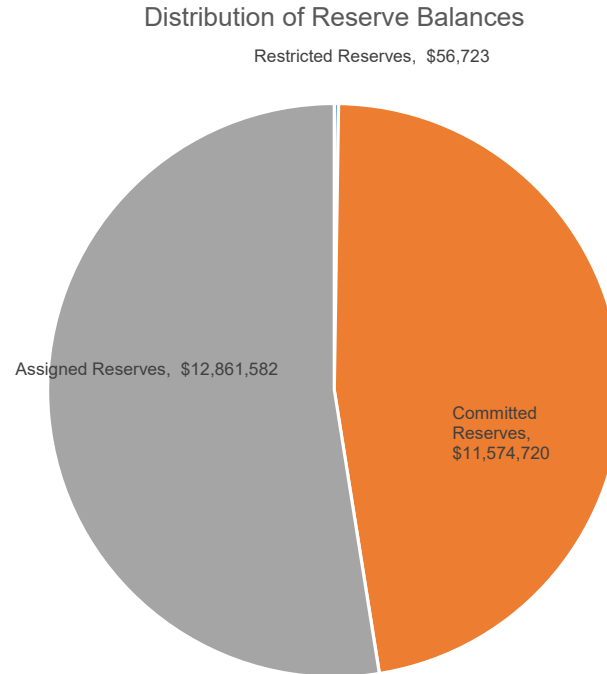
**El Toro Water District
as of February 28, 2026**

	Cash Reserve Balances	Reserve Targets
Reconciled Cash Balance	\$ 24,493,025	
Restricted Reserves		
Debt Covenant Reserve	-	-
2022 Revenue Bonds Fund	353	-
Capital Facilities Charge Reserve	56,370	-
Sub Total Restricted Reserve	56,723	-
Committed Reserves		
Capital Construction Reserve	3,000,000	3,000,000
Rate Stabilization Reserve	2,400,000	2,400,000
Operational Continuity Reserve	2,400,000	2,400,000
Working Capital Reserve (1)	3,774,720	2,400,000
Sub Total Committed Reserves	11,574,720	10,200,000
Assigned Reserves		
CIP Reserves		
Capital Carryover	3,376,966	-
Accumulated Capital Reserve	377,723	-
CIP - Revenue Bond Unrestricted Reserve	6,025,644	-
SOCWA Capital Projects	3,627,694	-
Recycled Water Capital / Debt Service	113,626	-
Capital Plan Working Capital Reserve	2,759,514	-
Sub Total CIP Reserves	16,281,167	-
Water Supply Program Reserves		
Tiered Conservation Fund	(2,218,849)	-
Reverse Cyclic Water Purchase Program	(1,200,736)	
Sub Total Assigned Reserves	12,861,582	
Total Cash Reserves	24,493,025	
Adjusted Cash Reserves⁽²⁾	24,436,302	10,200,000

(1) Working Capital reserve amount is net of outstanding checks

(2) The Adjusted Cash Reserves excludes Capital Facilities Charge Reserve and 2022 Revenue Bond fund.

(3) The cyclic water purchase program started delivering water in January 2026.



* The District Investment portfolio is in compliance with the District's Investment policy.

* The District has the ability to meet its expenditure requirements for the next six months.

Attachment 8

Capital Project Expense Report through February 2026

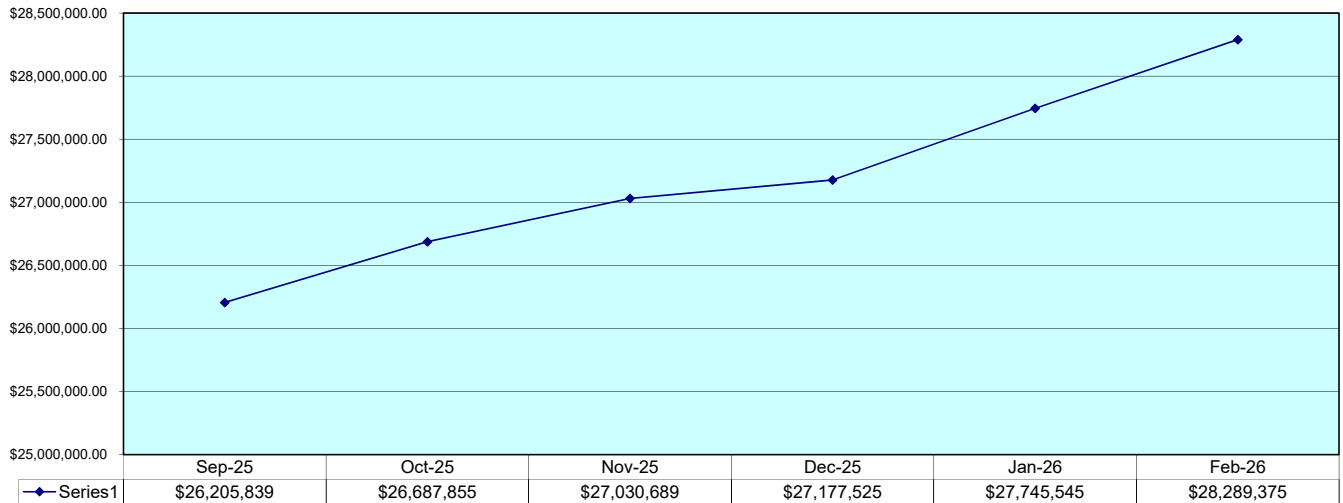
2025-2026 Capital Program Budget Information

				2025 - 2026 Expenses														
PM Task Code	Account	Total Budget	Prior Year Ending Balance	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Total	Budget Remaining	
CAP-0014 Scum Station/Clarifiers 3 & 4	40-000-15020	80,000.00	-				12,740.00									12,740.00	67,260.00	
CAP-0050 Alscot PLC Upgrade/Water	40-000-15010	31,000.00	47,449.24		1,324.54	(10,131.18)										(8,806.64)	39,806.64	
CAP-0051 Sewer PLC Upgrade	40-750-66230	31,000.00														-	31,000.00	
CAP-0052 Water Station HMI Rplmnt	40-720-66120	10,000.00	9,431.52													-	10,000.00	
CAP-0053 Sewer Station HMI Rplmnt	40-750-66230	10,000.00	24,817.29													-	10,000.00	
CAP-0067 Influent Pump Station Isolation Gate Actuator Replacement	40-750-66230	-	12,068.00													-	-	
CAP-0069 Remittance Processing Equipment Update	40-810-66120	-	4,600.00													-	-	
CAP-0070 Documentum Replacement / Corporate Intranet Development	40-820-55100	-				6,225.00				4,575.00						10,800.00	(10,800.00)	
CAP-0074 Puller Cable	40-800-66120	-					5,818.50									5,818.50	(5,818.50)	
CAP-0075 OOPS HVAC Replacement	40-000-15020	-				14,592.00										14,592.00	(14,592.00)	
CAP-0076 R-5 Reservoir PLC Upgrade	40-000-15010	-				10,131.18				361.90						10,493.08	(10,493.08)	
Contingency	TBD	-														-	-	
GEN-0112 New Warehouse	40-000-15040	-	4,078,864.32													-	-	
GEN-0119 Main Office Warehouse Improvements	40-000-15040	-	147,776.53			85,295.50	121,000.00	28,727.19								235,022.69	(235,022.69)	
GEN-0120 Main PR Hydro Turbine	40-000-15010	-														-	-	
GEN-0121 Main Office Bathroom Rehab	40-000-15040	-														-	-	
RCE-0013 JRWSS Capital Budget	40-710-66120	24,435.00				110.96		185.57				31.83				328.36	24,106.64	
RCE-0014 Baker WTP Capital Fund	40-810-66120	-			4,932.74			14,040.26				14,040.25				33,013.25	(33,013.25)	
RCE-0015 SOCWA Capital Expenses	40-000-15020	170,571.00	-		36,646.32		(9,851.81)	26,794.51		(26,794.51)	65,863.39					92,657.90	77,913.10	
RCE-0016 MNWD Regional Treatment Plant	40-000-15020	-	36,646.32							46,806.86	407.50					47,216.36	(47,216.36)	
RES-0016 Moulton/EI Toro Cathodic Protection Repair	40-000-15010	218,000.00	38,060.00				2,540.00			5,000.00						7,540.00	210,460.00	
RES-0019 R-4 Reservoir RMS Mixer Replacement	40-000-15010	-	24,308.72			45,125.00										45,125.00	(45,125.00)	
RES-0020 R-6 Reservoir SCE Meter Box Replacement at Seepage and Inlet	40-000-15010	-														-	-	
RES-0021 R-6 Reservoir Southern Slope Stabilization	40-000-15010	500,000.00	7,905.73			11,120.03	(6,116.02)		20,565.55	(131,330.38)	302,342.50					196,581.68	303,418.32	
RES-0022 R-5 Reservoir Rehabilitation	40-000-15010	194,000.00														-	194,000.00	
RES-0023 PRV-19 Rehabilitation	40-000-15010	20,000.00														-	20,000.00	
SLS-0115 Aliso Creek Pump Rehab 932-115	40-000-15020	-	642,632.80		924.00	5,598.25	6,605.75	33,340.00	9,118.00	3,150.00						58,736.00	(58,736.00)	
SLS-0120 Freeway Electrical Equip Repl	40-000-15020	-	71,766.64		96,371.85							761.00				97,132.85	(97,132.85)	
SLS-0121 Westline Main Switchboard Replacement	40-000-15020	113,000.00	-			5,282.40	779.22	2,896.88	26,798.84	124,203.37	4,653.16					164,613.87	(51,613.87)	
SLS-0122 Westline Generator Unit 213 Replacement	40-000-15020	-														-	-	
SLS-0123 4920 Lift Station Pump Replace	40-000-15020	25,000.00														-	25,000.00	
SLS-0124 Freeway Lift Station Survey	40-000-15020	-					3,710.00									3,710.00	(3,710.00)	
SLS-0125 Northline Lift Station Flow Meter	40-000-15020	-							11,536.08							11,536.08	(11,536.08)	
SLS-0126 Aliso Creek VFD Replacement	40-000-15020	-						19,057.51								19,057.51	(19,057.51)	
SPS-0050 Asset Management Study 31-050	40-840-55110	86,000.00	159,029.94			21,270.00	36,465.00		12,799.92	20,796.25	1,608.58					92,939.75	(6,939.75)	
SPS-0051 Technology Master Plan	40-820-55110	-				500.00										500.00	(500.00)	
SPS-0053 System Arc Flash Coord Study	40-840-55110	-	181,359.28						10,015.00							10,015.00	(10,015.00)	
SPS-0055 Orange County Cross Connection Policy Handbook	40-710-55100	-														-	-	
SPS-0056 Website Redesign, Hosting, and Maintenance Services	40-820-55100	-	14,400.00				18,000.00				7,200.00					25,200.00	(25,200.00)	
SPS-0059 Potable Reuse Implementation	40-710-55100	-														-	-	
SPS-0060 Energy Consulting Services	40-840-55110	-	22,441.52													-	-	
SPS-0062 Radio Communications Conversion from Cellular	40-000-15040	70,000.00														-	70,000.00	
TBD General Studies Fund	TBD	30,000.00														-	30,000.00	
TCP-0009 WEROC Radios	40-000-15040	24,000.00														-	24,000.00	
TCP-0010 Satellite Phones	40-820-66120	5,000.00														-	5,000.00	
TCP-0011 Cyber Security Improvements	40-820-55100	15,000.00														-	15,000.00	
VEH-0014 Solids Hauling Trailer	40-000-15020	307,000.00					197,845.83									197,845.83	109,154.17	
VEH-TBD Vehicle Purchases	TBD	64,000.00														-	64,000.00	
WPS-0095 P-3 Pump Station Rehab	40-000-15010	-	-													-	-	
WPS-0099 P-1 Battery Project	40-000-15010	900,000.00	54,702.84		2,166.41					5,850.52	1,055.00					9,071.93	890,928.07	
WPS-0100 Shenandoah BS Pump & Motor	40-000-15010	198,000.00								131,606.80						131,606.80	66,393.20	
WPS-0101 P-3 Motor Replacement	40-000-15010	15,000.00							6,020.83							6,020.83	8,979.17	
WPS-0102 P-1 Chlorine Tank Replacement	40-000-15010	22,000.00	24,513.20													-	22,000.00	
WRP-0134 Hach WIMS Implementation Proje	40-000-15020	-	40,410.00													-	-	
WRP-0137 Tertiary Disinfection Optimization Project	40-000-15030	148,000.00	97,910.66			18,247.71		7,272.06	18,409.49	25,532.18	1,884.08					71,345.52	76,654.48	
WRP-0142 Headworks and Secondary Clarifier No. 1 Rehabilitation	40-000-15020	4,785,000.00	824,836.10		8,648.50	21,509.00		109,167.55	99,067.50	72,927.00	69,106.00					380,425.55	4,404,574.45	
WRP-0143 New Turbo Blower	40-000-15020	-	520,705.00		25,508.91	4,342.33	2,192.71	2,610.00								34,653.95	(34,653.95)	
WRP-0144 OOPS MCC and Valve Rehabilitation Project	40-000-15020	-	41,821.18													61,380.13	(61,380.13)	
WRP-0147 DAF No 1 MCC Replacement	40-000-15020	-	73,406.47													20,560.00	(20,560.00)	
WRP-0149 ETM Trail Bridge Mitigation Project	40-000-15020	-	3,997.86		27,759.00	(7,199.00)						61,380.13				-	-	
WRP-0150 IPS Check Valve Replacement	40-000-15020	-	19,901.43													-	-	
WRP-0151 Secondary Clarifier No. 3 and 4 Drive Replacement	40-000-15020	-	135,185.17		25,047.50	1,037.06	60,883.00		242.44		63,872.05					151,082.05	(151,082.05)	
WRP-0152 OOPS Motor Rehabilitation	40-000-15020	-	25,377.93		25,930.04											25,930.04	(25,930.04)	
WRP-0154 OOPS Battery Project	40-000-15020	-	38,469.83		2,166.40					5,850.52	1,055.00					9,071.92	(9,071.92)	
WRP-0155 Regional ETM Reliability and Resilience Project	40-000-15020	-	-													-	-	
WRP-0156 DAF No. 2 Transformer Replacement Project	40-000-15020	-	-			7,199.00										7,199.00	(7,199.00)	
Labor Distribution			116,168.16	28,934.35	31,737.34	32,396.92	35,465.55	24,700.25	27,441.07	26,691.28	23,543.25	-	-	-	-	230,910.01	(230,910.01)	
Gross project cost excludes labor		8,096,006	7,540,963.68	28,934.35	289,163.55	272,652.16	488,077.73	268,791.78	242,376.62	314,866.89	618,803.72	0.00	0.00	0.00	0.00	2,523,666.80	5,572,339.20	
Carryover Project Fund	852,215.00	-		-	98,620.39	62,841.61	220,510.80	36,422.45	46,293.74	136,928.37	5,445.99					607,063.35		
2025-26 CIP Budget	3,823,982.00	-	28,934.35	38,836.49	64,786.95	65,814.53	147,908.06	165,894.87	126,541.47	411,695.58						1,050,412.30		
Bond CIP Unrestricted Funds	2,213,259.00	-		-	45,294.82	21,509.00	(9,851.81)	26,794.51	-	(26,794.51)	65,863.39					122,815.40		
Recycle Capital Projects	148,000.00	-		-	-	18,247.71	-	7,272.06	18,409.49	25,532.18	1,884.08					71,345.52		
MNWD Payout	1,000,000.00	-	-	-	-	-	-	-	-	-	-					-		
Accumulated Capital/Grants	869,750.00	-	-	-	-	-	-	-	-	-	-					-		
Accumulated Capital Funds	-	-	-	-	106,411.85	105,266.89	211,604.21	50,394.70	11,778.52	52,659.38	133,914.68					672,030.23		
		8,907,206.00	-	28,934.35	289,163.55	272,652.16	488,077.73	268,791.78	242,376.62	314,866.89	618,803.72	-	-	-	-	2,523,666.80		

Attachment 9
Interim Report on 401k Plan Holdings
As of February 2026

Page 8
EL TORO WATER DISTRICT
401K PLAN SUMMARY

401K PLAN MARKET VALUE



MARKET VALUE SUMMARY							
	Under 41 yrs. Old	41 to 48 yrs. Old	49 to 55 yrs. Old	56 to 58 yrs. Old	59 to 62 yrs. Old	63 to 65 yrs. Old	Over 65 yrs. Old
Balance at June 30, 2025	\$2,779,712.25	\$3,692,847.59	\$2,903,472.36	\$3,904,515.38	\$5,874,750.66	\$1,558,231.69	\$3,819,217.18
	Under 41 yrs. Old	41 to 48 yrs. Old	49 to 55 yrs. Old	56 to 58 yrs. Old	59 to 62 yrs. Old	63 to 65 yrs. Old	Over 65 yrs. Old
Balance at February 28, 2026	\$3,445,141.18	\$3,620,744.65	\$4,053,224.07	\$3,568,690.55	\$7,134,433.89	\$946,348.28	\$5,520,791.94

District Staff is working with Highmark and Empower to design a new 401k report. Once the data for the portfolios is being generated by Empower, the District portfolio information by age group will be updated.

Investments	Beginning Balance	Contributions	Withdrawals	Interest, Dividends and Appreciation Net of Fees & Charges	Ending Balance
American Beacon AHL Mgd Futs Strat A	155,456.66	317.33	0.00	6,792.25	162,566.24
Cohen & Steers Instl Realty Shares	1,040,552.42	4,473.38	0.00	66,379.59	1,111,405.39
Columbia Contrarian Core Instl 3	2,187,360.21	12,114.93	0.00	(11,896.02)	2,187,579.12
DFA Large Cap International I	1,780,783.98	8,810.18	0.00	39,417.00	1,837,991.12
Dodge & Cox Income - I	3,837,435.83	15,187.82	0.00	129,300.08	3,981,923.73
Dodge & Cox International Stock - I	358,441.21	2,248.44	0.00	4,827.17	365,516.82
Dodge & Cox Stock - I	1,092,089.71	5,892.46	0.00	12,006.97	1,109,989.14
DoubleLine Core Fixed Income R6	3,830,333.88	15,103.87	0.00	114,020.10	3,968,547.85
Emerald Growth Institutional	518,183.13	547.36	0.00	(175,990.01)	342,720.48
Fidelity Mid Cap Index	35,845.38	1,110.31	0.00	98,727.13	135,682.82
Guaranteed Income Fund	836,262.71	3,319.19	0.00	9,808.74	849,390.64
Harbor Capital Appreciation Retirement	972,089.70	1,518.27	0.00	(379,899.74)	593,708.23
Lazard Global Listed Infra Port Inst	776,833.85	3,951.99	0.00	55,437.77	836,223.61
MFS International Growth R6	335,995.71	1,836.71	0.00	8,330.25	346,162.67
Nomura Small Cap Core R6	705,086.20	525.19	0.00	(271,635.74)	433,975.65
PGIM Total Return Bond R6	1,982,514.15	7,748.73	0.00	64,012.30	2,034,275.18
PIMCO Income Instl	386,244.29	1,667.50	0.00	6,439.08	394,350.87
PIMCO RAE US Instl	1,057,826.20	843.85	0.00	(363,729.55)	694,940.50
Undiscovered Mgrs Behavioral Value R6	488,833.82	380.56	0.00	(170,572.81)	318,441.57
Vanguard 500 Index Admiral	113,899.93	8,845.44	0.00	654,280.73	776,826.10
Vanguard Emerging Mkts Stock Idx Adm	668,380.41	4,079.00	0.00	11,524.75	683,984.16
Vanguard Growth & Income Adm	2,213,428.48	12,890.45	0.00	(12,482.72)	2,213,836.21
Vanguard Growth Index Adm	970,299.72	6,939.38	0.00	19,467.57	996,706.67
Vanguard Long-Term Investment-Grade Adm	1,033,434.90	4,070.88	0.00	(30,227.17)	1,007,278.61
Vanguard Mid Cap Index Fund - Admiral	251,743.82	685.40	0.00	(91,500.53)	160,928.69
Vanguard Small Cap Index Adm	117,801.08	8,258.23	0.00	618,565.34	744,622.63
Grand Total	27,744,717.20	133,254.63	0.00	411,402.73	28,289,374.56



STAFF REPORT

To: Board of Directors

Meeting Date: March 23, 2026

**From: Dennis Cafferty, General Manager
Vishav Sharma, CFO**

Subject: El Toro Water District 2026-2027 Budget

The 2026-27 fiscal year budget process is underway. The contract for the Cost of Service Rate Study was issued to Raftelis in September of last year.

The draft budget schedule is attached including the Board Budget Committee meeting dates as well as the date for the Board Budget Workshop.

Staff developed draft budgets for each department as well as budgets for labor, purchased water and electrical power. The data was submitted to Raftelis to facilitate the development of the Cost of Service Rate Study.

The previous multi-year Proposition 218 Notice issued in 2023 for a three-year period has expired. The current budget and rate setting process are proposed to develop a new five-year Proposition 218 Notice.

Staff met with the Budget Committee on February 13 and March 5. A third budget committee meeting is scheduled for March 24.

Staff will provide a detailed update at the Finance Committee meeting.

**El Toro Water District Board of Directors
Budget Schedule**

FY 2026/2027

Description	Date	Day
Board Budget Committee #1	2/13/2026	Friday
Board Budget Committee #2	3/5/2026	Thursday
Board Budget Committee #3	3/24/2026	Tuesday
Board Budget Workshop	4/9/2026	Thursday
Distribute Prop 218 Notice	4/24/2026	Friday
CAG	5/14/2026	Thursday
FIC Meeting Budget Update	5/26/2026	Tuesday
Conduct Public Hearing - Special Board Meeting	6/11/2026	Thursday
Implement Board Action	7/1/2026	Wednesday



STAFF REPORT

To: BOARD OF DIRECTORS **Meeting Date: March 23, 2026**
From: Vishav Sharma, Chief Financial Officer
Subject: Quarterly Audit Report for the period October 1, 2025 to December 31, 2025

Attached to this memo please find the quarterly audit (Agreed-Upon Procedures (AUP)) Report for the El Toro Water District for the quarter ended December 31, 2025.

The District's current auditors LSL CPAs are hired to perform this special audit on a quarterly basis. As part of this procedure the auditor obtained an understanding of the District's internal controls and tested transactions related to cash receipts, cash disbursements, investments, payroll, purchasing, accounts payable, and water and sewer billing. The Finance Staff is pleased to report that the audit found no exceptions.

Recommended Action: Staff recommends that the Board receive and file the quarterly audit report for the period from October 1, 2025 to December 31, 2025.

Attachments

- Attachment 1 - Agreed-Upon Procedures for the quarter Ended December 31, 2025



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on El Toro Water District's (the "District") adherence to cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments procedures (the "procedures") for the quarter ended December 31, 2025. The District's management is responsible for adherence with the 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 the 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 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's adherence with procedures for cash receipts, cash disbursements, purchasing and accounts payable, payroll, water and sewer billings and receivables, and investments.

2. We tested adherence to approved cash receipt procedures by selecting three days' receipts. Each 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 sixty-one water billing receivable receipts were traced and agreed to the subsidiary ledger detail.

Results: No exceptions were noted.

3. We tested adherence to 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.



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

4. We tested adherence to 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 adherence to 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 adherence to the investment policy by selecting the Treasurer's report for the month ended December 31, 2025. 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 the 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, and is not intended to be and should not be used by anyone other than those specified parties.

LSL, LLP

Irvine, California

March 9, 2026



STAFF REPORT

To: Board of Directors

Meeting Date: March 23, 2026

From: Vishav Sharma, Chief Financial Officer

Subject: February 2026 bills for Approval

Attached for Board approval is the payment summary report for the month of February, 2026 which presents checks, ACH and Wire Transfers that were paid during the month that exceeded \$75,000 in value.

Presented below for your consideration are the payments of bills for the months of February 2026:

1. The total disbursement including payroll expense and ACH/Direct debts for the month of February 2026 is \$2,419,235.97
2. These disbursements include six checks greater than \$75,000, with the total equal to \$1,222,012.82. Staff recommends the Board approve these checks.
3. District employees were reimbursed \$2,590.23 for travel, education, meals, supplies and certification related expenses; and Directors were reimbursed \$355.25 for travel expenses.
4. Payroll and benefits expenses of \$646,206.83 occurred during the month. This cost includes the cost of employee and Director's payroll, pension and benefits.
5. Total disbursement via ACH, Wire or direct debit for the month is \$10,129.12.

Recommended Action:

Staff recommend that the Board approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending February 28, 2026.

EL TORO WATER DISTRICT
Payment Summary
For the month ending February 28, 2026

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
15117	02/26/2026	Moulton Niguel Water District	351,157.88
15039	02/13/2026	MDB General Engineering, Inc	275,785.00
15045	02/13/2026	South Orange County Wastewater Authority	234,316.75
15005	02/10/2026	ACWA JPIA	156,816.62
15046	02/13/2026	Southern California Edison Company	128,411.27
15027	02/12/2026	Moulton Niguel Water District	75,525.30
CHECKS OVER \$75,000			\$ 1,222,012.82
CHECKS UNDER \$75,000			\$ 540,887.20
TOTAL CHECKS PAID			\$ 1,762,900.02

REIMBURSEMENTS TO ETWD EMPLOYEES

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
15114	02/26/2026	Josh Perez (Educational Reimbursement)	2,530.23
15110	02/26/2026	Garth Botha (Certification)	60.00
TOTAL CHECKS TO EMPLOYEES			\$ 2,590.23

REINBURSEMENTS TO ETWD DIRECTORS

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
15070	02/19/2026	Kathryn Freshley (Travel Expense)	226.20
15074	02/19/2026	McClean Wyatt (Travel Expense)	50.75
15069	02/19/2026	Katherine Havens (Travel Expense)	47.85
15075	02/19/2026	Michael Gaskins (Travel Expense)	30.45
TOTAL CHECKS TO DIRECTORS			\$ 355.25

DEBIT TRANSFERS

02/06/2026	PAYROLL DIRECT DEPOSIT	173,911.07
02/06/2026	FEDERAL DEPOSIT LIABILITY	36,495.04
02/06/2026	SDI & STATE TAX	15,930.71
02/06/2026	EMPOWER (401K)	67,577.53
02/06/2026	EMPOWER (457)	22,939.92
02/06/2026	HEALTH SAVINGS ACCOUNT	440.76
02/06/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT	769.26
02/06/2026	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	980.78
02/13/2026	PAYROLL BOARD OF DIRECTOR	7,940.15
02/13/2026	SS, MEDICARE, SDI & STATE TAX	1,408.00
02/13/2026	EMPOWER (457)	2,597.85
02/13/2026	HEALTH SAVINGS ACCOUNT	108.33
02/13/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT	208.34
02/20/2026	PAYROLL DIRECT DEPOSIT	171,699.79
02/20/2026	FEDERAL DEPOSIT LIABILITY	36,261.91
02/20/2026	SDI & STATE TAX	15,771.25
02/20/2026	EMPOWER (401K)	65,677.10
02/20/2026	EMPOWER (457)	23,682.86
02/20/2026	HEALTH SAVINGS ACCOUNT	440.76
02/20/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT	769.26
02/20/2026	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	596.16
Total Payroll Expense		646,206.83

ACH or Direct Debits

02/28/2026	BANK and ADP FEES	5,126.97
02/28/2026	ACH payments	-
02/28/2026	ACH payments (Health Equity)	5,002.15
Total Other Expense		10,129.12

TOTAL INTERBANK WIRES/ ACH / DEBIT TRANSFERS \$ 656,335.95

TOTAL DISBURSEMENTS \$ 2,419,235.97

MINUTES OF THE REGULAR MEETING
& OF THE
ENGINEERING COMMITTEE MEETING

February 23, 2026

At approximately 8:59 a.m. Director McClean called the Engineering Committee meeting to order.

Directors MARK MONIN, MIKE GASKINS, KAY HAVENS, KATHRYN FRESHLEY, and WYATT McCLEAN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, JUDY CIMORELL, Director of Human Resources, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, Information Technology Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom), VU CHU, Water Resources Supervisor (Zoom), RORY HARNISCH, Senior Engineer (9:30 a.m.), VICKI TANIOUS, Senior Accountant (Zoom), CAROL MOORE, City of Laguna Woods (Zoom), and MARISOL MELENDEZ, Recording Secretary.

Consent Calendar

Director McClean asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Havens to approve the Consent Calendar.

Roll Call Vote:

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

Engineering Action Items

Moulton Parkway / El Toro Road Cathodic Protection Repair

Ms. Ford reported that the project bid was issued to a short list of contractors and three valid bids were received, all of which were higher than the engineers estimate. She explained that the project location at Moulton Parkway and El Toro Road includes some of the most critical sections of pipeline in terms of consequence of failure and has been flagged by the District's Water Distribution Asset Management Plan.

Ms. Ford emphasized the importance of investing in the water distribution system to ensure reliable water conveyance. Staff is recommending the low bidder, Farwest who previously identified a discontinuity in the cathodic protection system approximately ten years ago. The District has worked with Farwest on other projects and has received positive references from other agencies.

Mr. Cafferty explained that the pipeline is metallic and subject to corrosion, and the purpose of the project is to prevent future failures. He added that there is likely a discontinuity in the current somewhere along the pipeline, possibly at a joint.

Director McClean asked for a Motion.

Motion: Vice President Havens made a Motion, seconded by Director Gaskins to authorize the District's General Manager to enter into a contract with Farwest Corrosion Control Company in the amount of \$367,000.00 for construction of the Moulton Parkway / El Toro Road Cathodic Protection Repair Project and that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves as recommended by staff in accordance with the District's adopted Capital Reserve Policy.

Roll Call Vote:

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

Solar/Battery Projects Consulting Support for Contract Negotiation

Ms. Ford reported that the existing contract with TerraVerde covered services through RFP development but additional funding is needed to continue contract negotiations and support services. Staff plans to finalize contract negotiations by the end of March, aligned with and contingent upon approval from the SGIP confirmation of approval and non-FEOC verification. The amounts included in the report reflect both battery storage and solar components. Staff continues to evaluate solar proposals for the WRP through a Power Purchase Agreement. The battery component remains under review with respect to potential payback. Staff has developed preliminary estimates based on assumptions that may be offset through funding available under the IRA. Staff is monitoring the financial viability of the projects and will present a final financial analysis once it becomes available.

Director McClean asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by President Freshley to authorize the District's General Manager to amend its contract with TerraVerde Energy LLC in the amount of \$69,500.00 for contract negotiation services for the Solar/Battery Projects and that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves as recommended by staff in accordance with the District's adopted Capital Reserve Policy.

Roll Call Vote:

Director McClean	aye
Director Monin	no
Director Gaskins	aye
Vice President Havens	aye
President Freshley	aye

Resolution No. 26-2-1 Authorizing Designated Representatives to Apply for and Receive Federal and State Financial Assistance

Ms. Ford reported that this item ensures the District remains eligible to apply for and receive federal and state financial assistance. She noted that staff updated the resolution to address FEMA requirements and to identify the appropriate governing body representatives.

Director McClean asked for a Motion.

Motion: Vice President Havens made a Motion, seconded by Director Gaskins to adopt Resolution No. 26-2-1 authorizing designated representatives to apply for and receive federal and state financial assistance, including but not limited to funding through the FEMA HMGP and related disaster and mitigation programs.

Roll Call Vote:

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

Engineering Information Items

El Toro Water District Operations Report

Mr. Hopkins reported that staff is off to a good start and that work is progressing well.

Distribution System Asset Management Plan Overview

Ms. Ford presented the findings from the Water Distribution System Asset Management Plan. She reviewed information regarding the District's pipeline age, pipe materials and estimated useful life. Ms. Ford also summarized the distribution system likelihood of failure scoring, which considers factors such as age, material, break history, and other conditions. The majority of the system's pipelines scored as medium risk or lower.

Ms. Ford also reviewed the consequence of failure scoring which is based on loss of service, damage, and restoration impacts. Based on the combined likelihood of failure and consequence failure scores, none of the District's pipelines were identified as high or extreme risk. Although 19 Capital Improvement projects were recommended, staff is not currently budgeting for those projects but plans to continue proactive monitoring and targeted pipeline replacements in certain areas.

El Toro Water District Capital Project Status Report

Headworks and Secondary Clarifier No. 1 Rehabilitation Project

Mr. Harnisch reported that the project is currently in the submittal phase. The contractor has moved a trailer onto the site and plans to begin yard piping modifications in late February.

Ocean Outfall Pump Station (OOPS) MCC and Valve Rehabilitation Project

Mr. Harnisch reported that construction is complete, and he provided a summary of project expenditures.

R-6 Reservoir Southern Slope Repair Project

Mr. Harnisch reported that the project is nearing completion and will soon enter the 120-day maintenance phase. He noted that recent rain events delayed construction but the contractor is expected to return to the site on Wednesday to resume work.

Aliso Creek Lift Station Improvement Project

Ms. Ford reported that staff has completed project presentations to United Mutual and GRF and is now working on the temporary construction agreements. She added that staff has also completed the 90 percent design for the lift station.

Freeway Electrical Equipment Replacement

Ms. Ford reported that staff is working with SCE to evaluate whether installing underground utilities at the site is feasible and worthwhile.

Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

Adjournment

There being no further business, the Engineering Committee meeting was adjourned at approximately 10:00 a.m.

Attorney Report

Mr. Granito reported that there is no need for a Closed Session today.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 10:00 a.m.

Respectfully submitted,

MARISOL MELENDEZ
Recording Secretary

APPROVED:

KATHRYN FRESHLEY, President
of the El Toro Water District and the
Board of Directors thereof

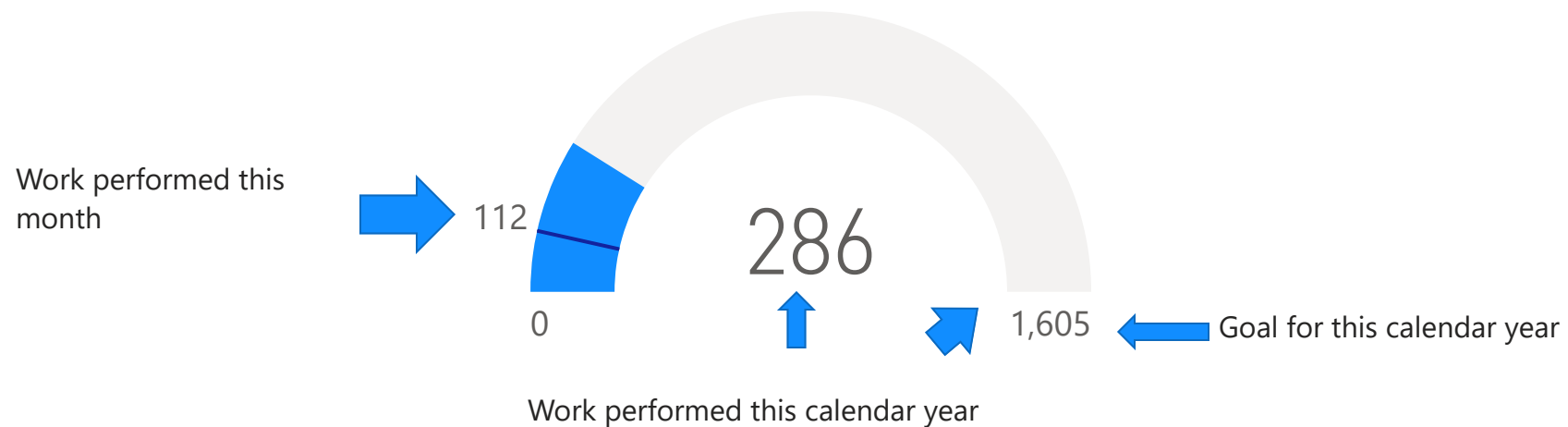
DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and the
Board of Directors thereof



Operations Report

February 2026

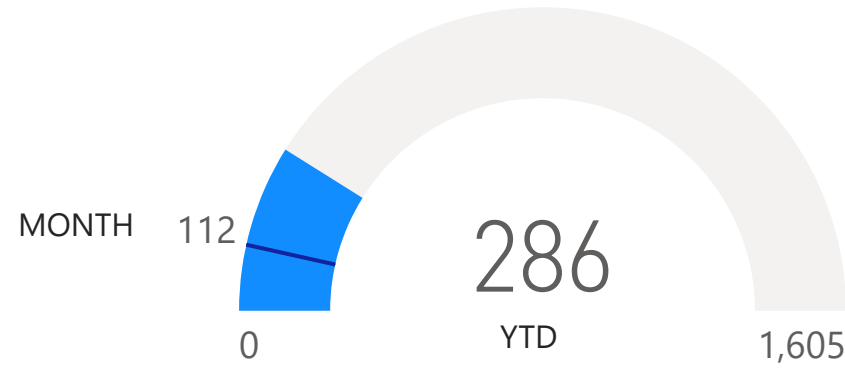
How to read the graphics in this report:



Valves

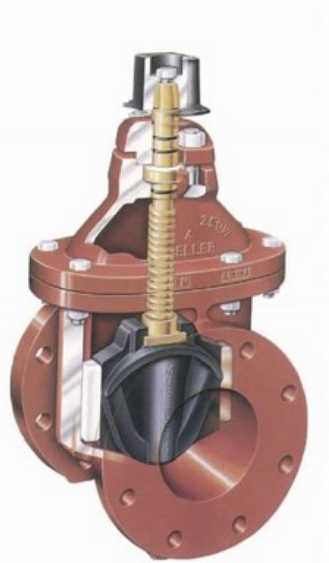
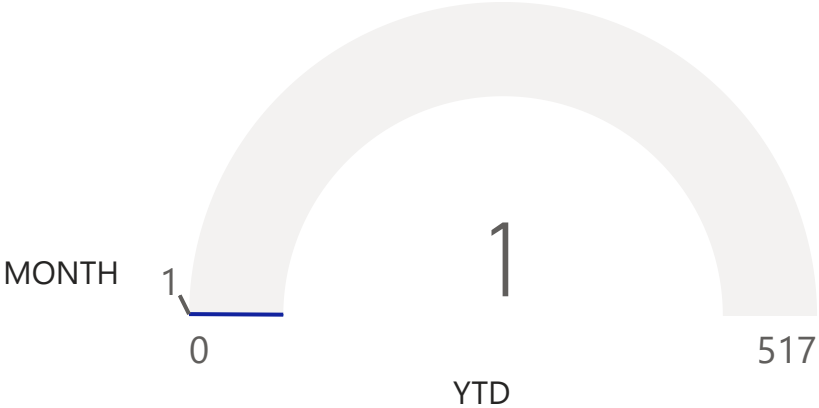
Distribution Valves Operated

Mainline



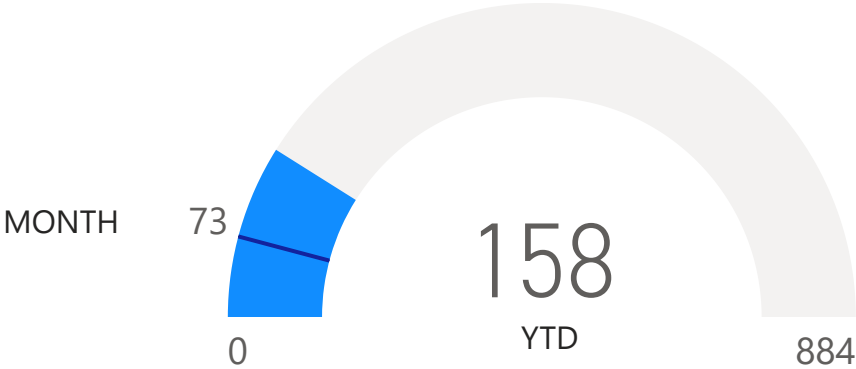
Arterial Valves Operated

Mainline



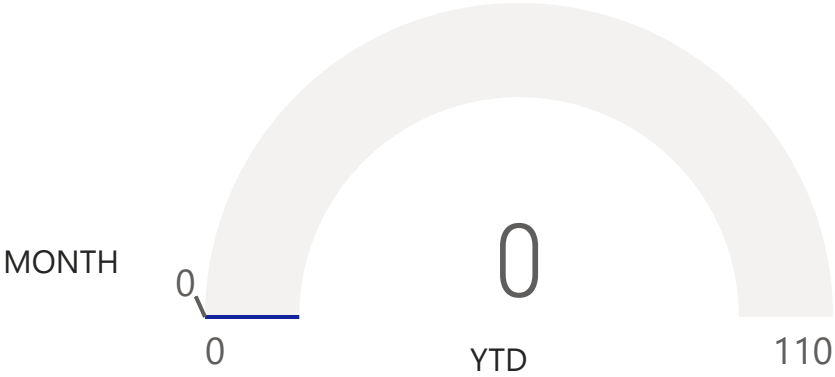
Distribution Valves Operated

Fire Hydrant



Arterial Valves Operated

Fire Hydrant

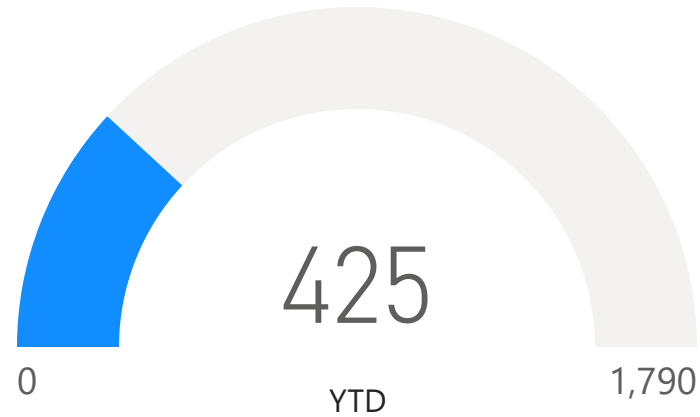


Asset	Month	YTD
Potable Valves Repaired	0	0
Potable Valves Replaced	2	3
Valve Cans Adjusted/Replaced	6	14
Valve Cans Cleaned	192	459
Total	200	476

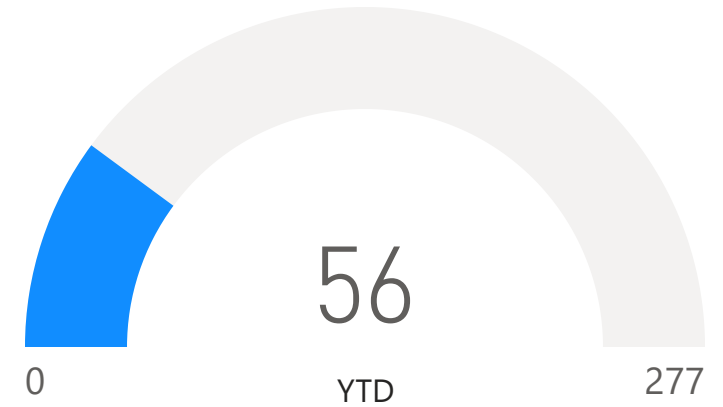
- Note:
- 1. The distribution valve operation program strives to operate all distribution valves (mainline and fire) every two years. Goals shown on this page represent that for the calendar year (i.e., total number of distribution valves divided by two).
 - 2. The arterial valve operation program strives to operate all arterial valves (mainline and fire) every year. Normally scheduled at the end of the year.

Cross Connection Program

Backflow Assemblies Tested

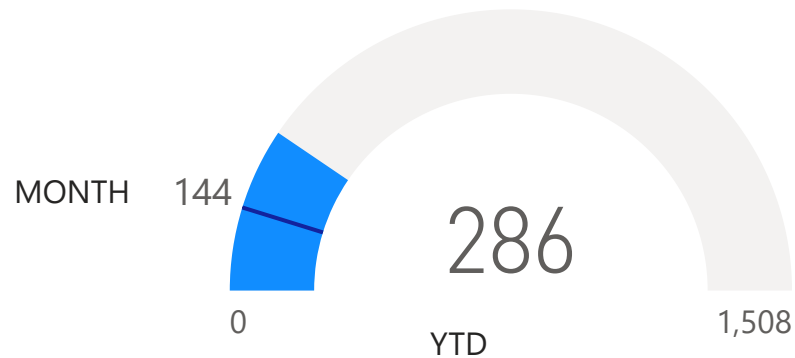


Recycled Water Inspections



Other Facility Maintenance

Generator Inspections



Underground Service Alerts Marked

224
Month

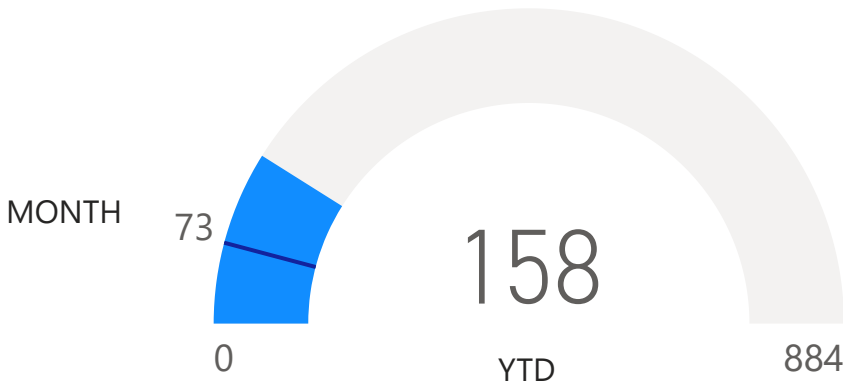
Underground Service Alerts Marked

489
YTD

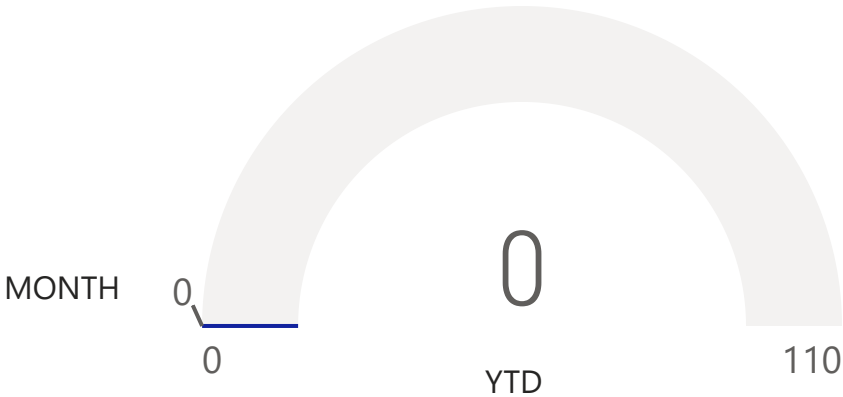
Fire Hydrants



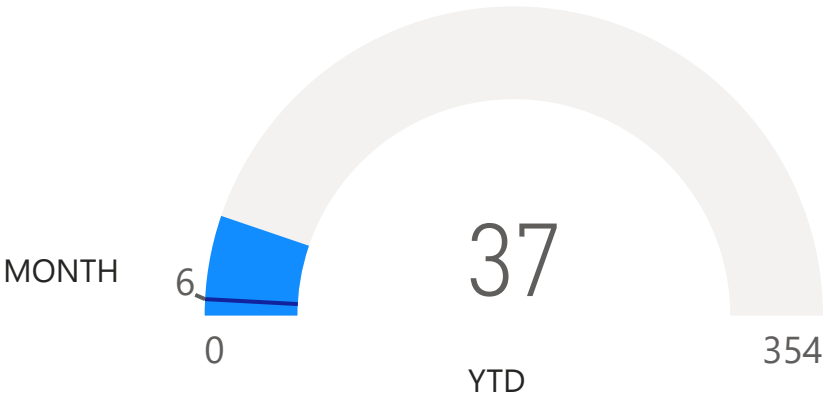
Distribution Hydrants Maintained



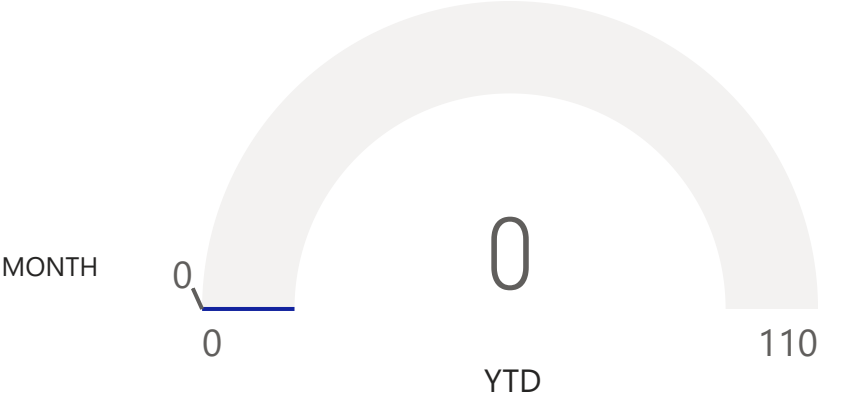
Arterial Hydrants Maintained



Distribution Hydrants Painted



Arterial Hydrants Painted



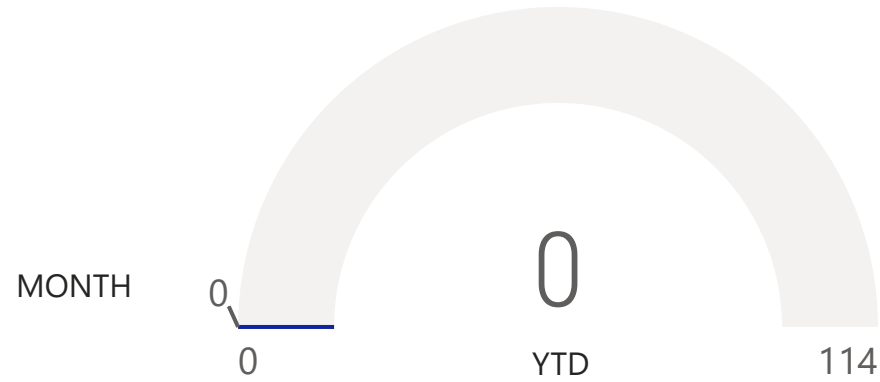
Asset	Month	YTD
Hydrants Repaired	0	0
Hydrants Replaced	3	5
Total	3	5

Note:

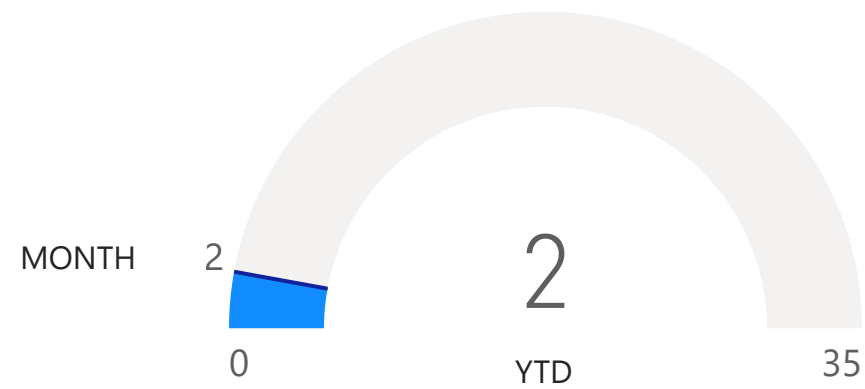
- 1. The hydrant program strives to maintain all distribution hydrants every two years and arterial hydrants every year. Goals shown on this page represent that for the calendar year (i.e., total number of distribution hydrants divided by two).
- 2. The hydrant program strives to paint all hydrants every five years. Goals shown on this page represent that for the calendar year (i.e., total number of hydrants divided by five).

Water Appurtenances

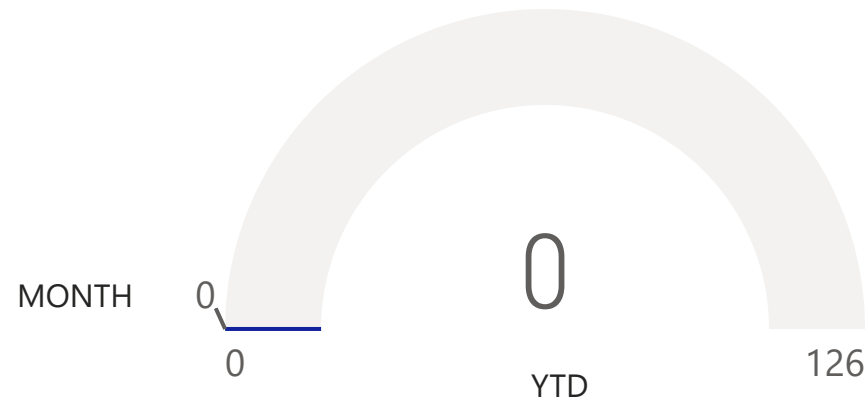
Air Vacs Maintained



PRVs Maintained

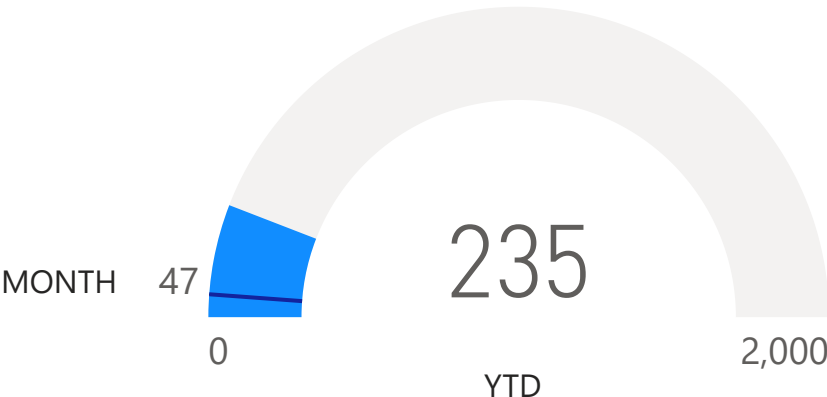


Blow Offs Flushed



Water Distribution System

Leak Detection Survey



Asset

	Month	YTD
Main Line Repairs	1	1
Service Line Repairs	0	1
Service Line Replacement	3	6
Water Pump Motor Services	0	0
Water Pump Services	0	0
Water Reservoir and Pump Station Inspections	336	708



System Flushing
gallons

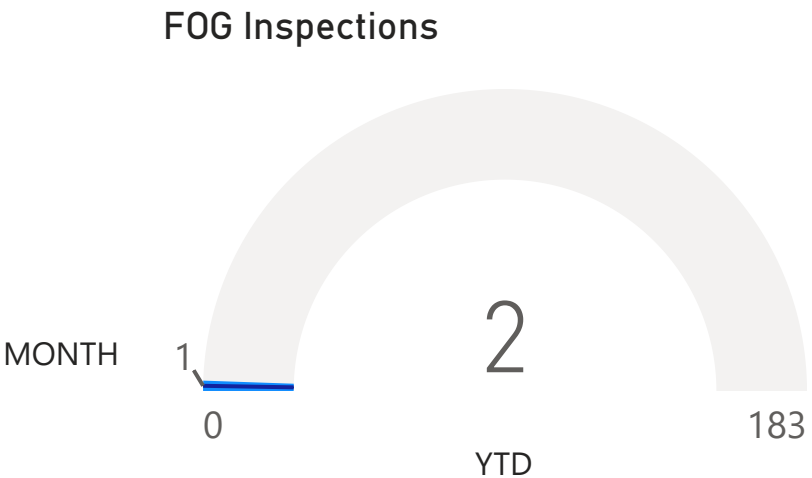
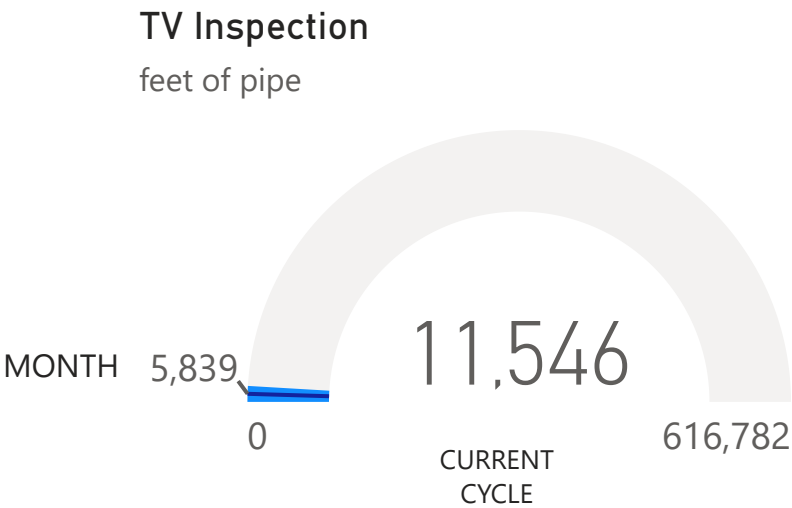
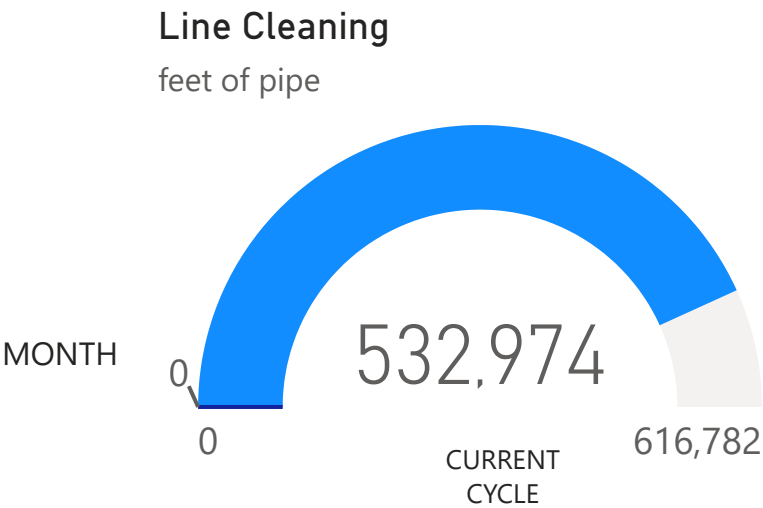
7,191
Month



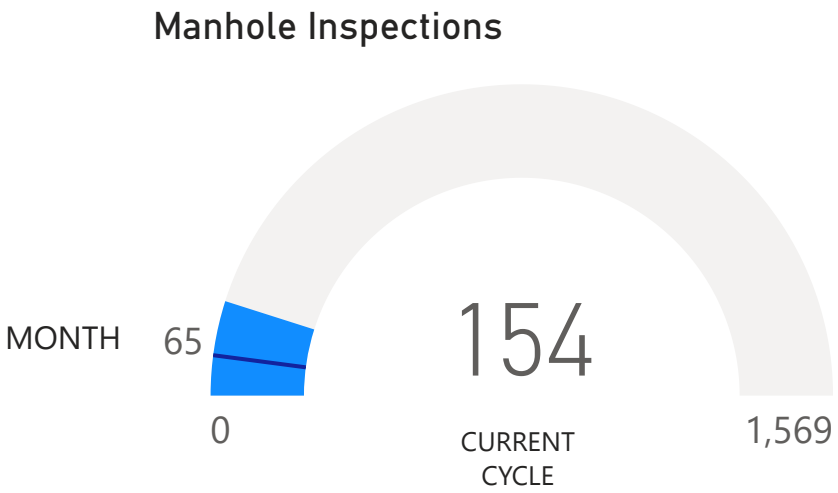
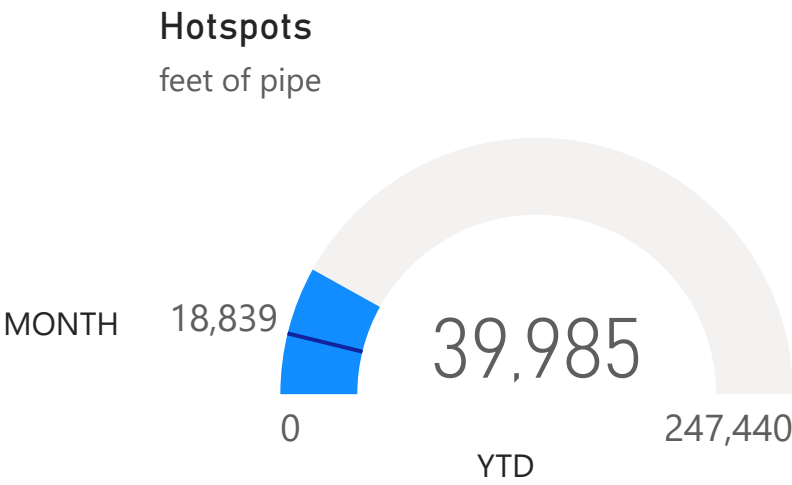
System Flushing
gallons

63K
YTD

Collection System



Asset	Month	YTD
Industrial Waste Inspections	0	0
Lift Station Inspections	280	590
Manhole Repairs	0	0
Odor Complaints	0	0
Root Cutting, feet of pipe	47	1,533
Root Foaming, feet of pipe	0	0
Sewer Mainline Repairs	0	0
Sewer Pump/Motor Maintenance	0	1
Sewer Service Line Repairs	0	0
Wet Well Cleaning	4	8



Note:

1. The line cleaning objective is a two year cycle to clean the entire system. The current cycle began on 7/1/2024.

2. The TV inspection objective is a five year cycle to inspect the entire system. The current cycle began on 1/01/2026.

**EL TORO WATER DISTRICT
UNAUTHORIZED DISCHARGE SUMMARY
YEAR OF 2026**

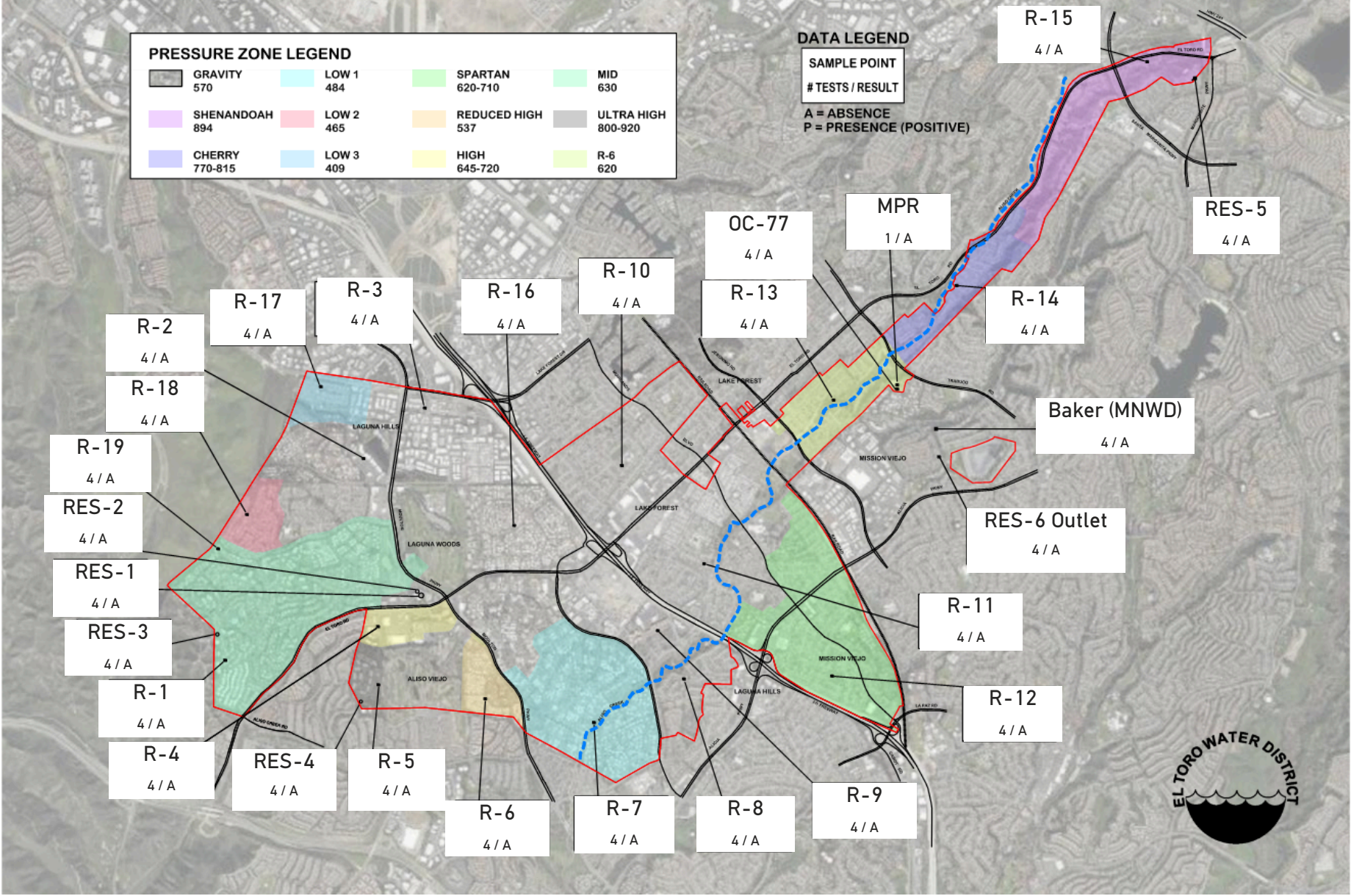
DATE	PUBLIC / PRIVATE	SPILL TYPE	LOCATION	REASON	IMMEDIATE CORRECTIVE MEASURES	POST-INCIDENT PREVENTIVE MEASURES	RWQCB	DISCHARGED TO	SPILL VOLUME (PUBLIC) Gallons		SPILL VOLUME (PRIVATE) Gallons		REGULATORY NOTIFICATION AND RESPONSE
									CONTAINED	SPILED	CONTAINED	SPILED	
January	NO SPILL												
February	NO SPILL												
March													
April				a									
May													
June													
July													
August													
September													
October													
November													
December													
LEGEND									0	0	0	0	

S.D.C = San Diego Creek		RES. = Residential	R.S. = Rocks
S.D. = Storm Drain		C. = Commercial	C.W.D. = Calcium Water Deposits
A.C. = Aliso Creek		S.B. = Siphon	B.P. = Broken Pipe
G.B. = Grease Blockage		P.F. = Power Failure	U.W. = Untreated Water
S. = Sticks		P. = Paper	R. = Roots

MICROBIOLOGICAL MONITORING

PRESSURE ZONE LEGEND			
GRAVITY 570	LOW 1 484	SPARTAN 620-710	MID 630
SHENANDOAH 894	LOW 2 465	REDUCED HIGH 537	ULTRA HIGH 800-920
CHERRY 770-815	LOW 3 409	HIGH 645-720	R-6 620

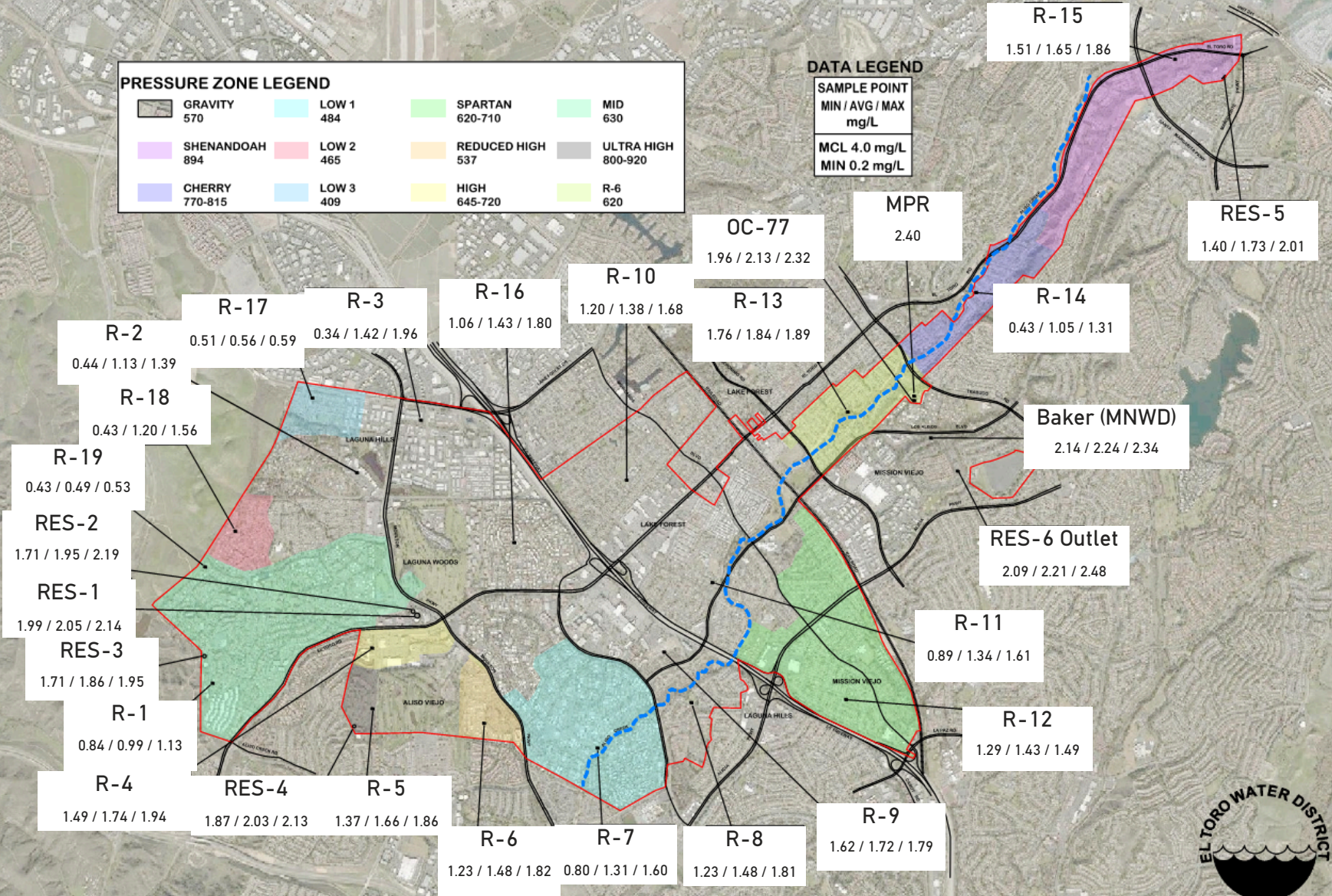
DATA LEGEND	
SAMPLE POINT	
# TESTS / RESULT	
A = ABSENCE	
P = PRESENCE (POSITIVE)	



CHLORINE RESIDUAL MONITORING

PRESSURE ZONE LEGEND			
GRAVITY 570	LOW 1 484	SPARTAN 620-710	MID 630
SHENANDOAH 894	LOW 2 465	REDUCED HIGH 537	ULTRA HIGH 800-920
CHERRY 770-815	LOW 3 409	HIGH 645-720	R-6 620

DATA LEGEND	
SAMPLE POINT	MIN / AVG / MAX mg/L
MCL 4.0 mg/L	
MIN 0.2 mg/L	



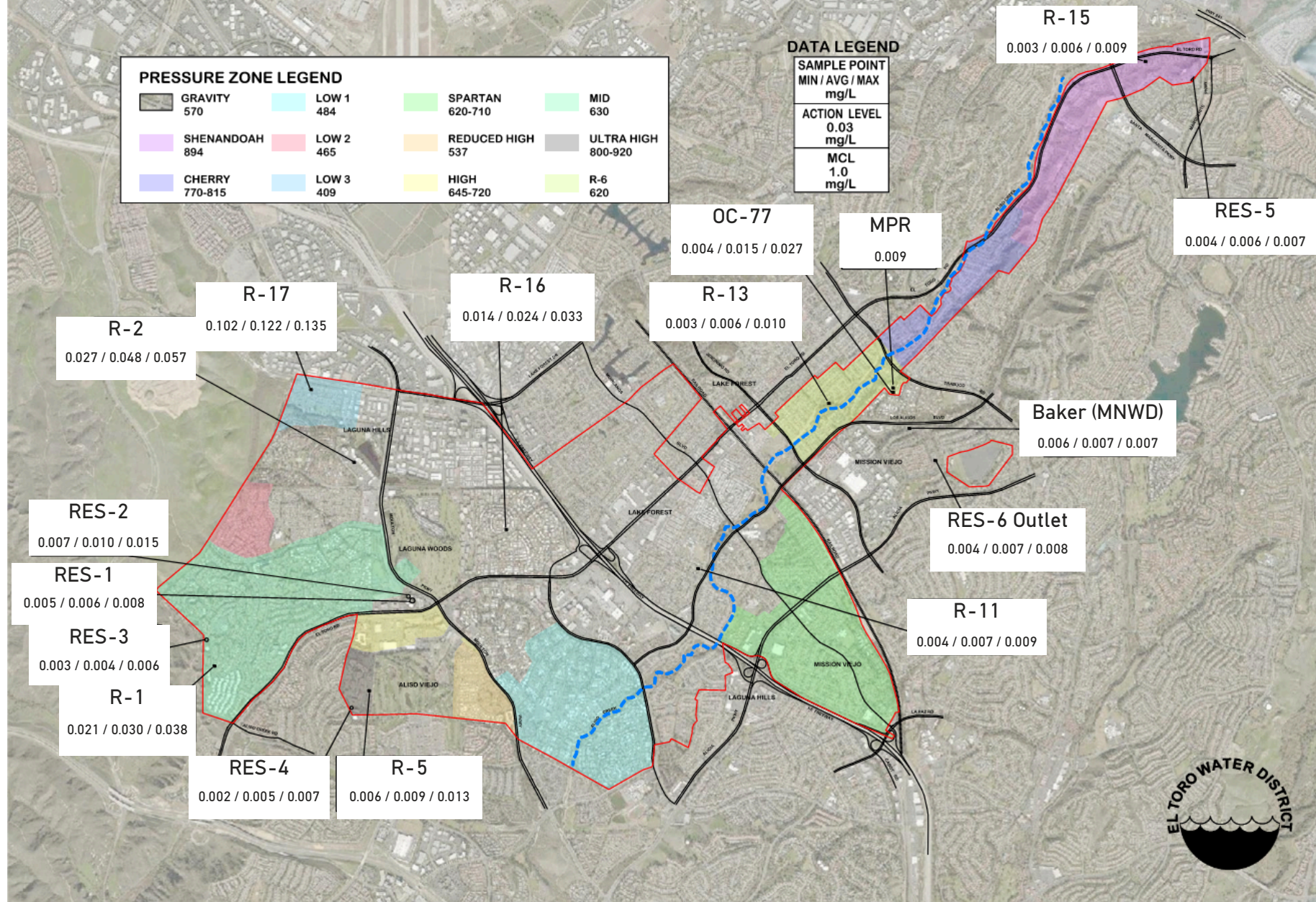
NITRITE MONITORING

PRESSURE ZONE LEGEND

GRAVITY 570	LOW 1 484	SPARTAN 620-710	MID 630
SHENANDOAH 894	LOW 2 465	REDUCED HIGH 537	ULTRA HIGH 800-920
CHERRY 770-815	LOW 3 409	HIGH 645-720	R-6 620

DATA LEGEND

SAMPLE POINT MIN / AVG / MAX mg/L
ACTION LEVEL 0.03 mg/L
MCL 1.0 mg/L



**EL TORO WATER DISTRICT
MONTHLY POTABLE WATER QUALITY REPORT**

The quality and safety of drinking water in the U.S. is regulated by the federal government through the U.S. Environmental Protection agency (USEPA). In California, those standards are enforced by the California Department of Public Health (CDPH). Water Quality parameters must meet both primary and secondary water quality standards as established by the CDPH.

PRIMARY STANDARDS - are intended to protect public health against substances in the water that may be harmful to humans if consumed for long periods of time.

SECONDARY STANDARDS - are to ensure esthetic qualities of water such as taste, odor or clarity. Rather than its healthfulness, these standards govern substances that may influence consumer acceptance of water.

Given that 100% of ETWD's potable water resource is fully treated and delivered by Metropolitan Water District of southern California (MWDSC) through an enclosed and protected conveyance system, the majority of the State and federal primary and secondary source water quality monitoring requirements are performed by MWDSC. The District's physical responsibility for water quality monitoring is associated with the distribution system. To monitor the distribution system water quality the District utilizes both in house and outside lab services. Routine distribution analysis conforming to CDPH requirements is conducted for the following constituents:

- 1) **Microbiological** - The number of microbiological samples and the frequency of analysis during the month is based on the population and/or service connections served. Utilizing a population of 50,000, the CDPH requires that 20 "representative" samples be collected and analyzed for coliform bacteria. The objective is to maintain water quality that is absent of coliform bacteria which is a general indicator for the existence of fecal coliform.
- 2) **Chlorine Residual** - The chlorine residual monitoring is performed in conjunction with the microbiological monitoring. The CDPH requirement for treated surface water mandates that the distribution system maintain a "detectable" residual. The number of and frequency of sampling is determined utilizing the same formula applied to microbiological requirements. At a minimum, we are obligated to collect and analyze for chlorine residual each time we collect the representative microbiological samples. Per EPA Disinfectants & Disinfection Byproduct Rule (D/DBP), which was effective January 2002, requires quarterly reporting for all sampling.
- 3) **TTHM & HAA5 Stage 2 DBPR Compliance** The U.S. Environmental Protection Agency (EPA) published the Stage 2 Disinfectants and Disinfection Byproducts Rule (Stage 2 DBPR) on January 4, 2006. The Stage 2 DBPR builds on existing regulations by requiring water systems to meet disinfection byproduct (DBP)* maximum contaminant levels (MCLs) at each monitoring site in the distribution system to better protect public health. The Stage 2 DBP rule is intended to reduce potential cancer and reproductive and developmental health risks from disinfection byproducts (DBPs) in drinking water, which form when disinfectants are used to control microbial pathogens. This final rule strengthens public health protection for customers of systems that deliver disinfected water by requiring such systems to meet maximum contaminant levels as an average at each compliance monitoring location (instead of as a system-wide average as in previous rules) for two groups of DBPs, trihalomethanes (TTHM) and five haloacetic acids (HAA5). The rule targets systems with the greatest risk and builds incrementally on existing rules. This regulation will reduce DBP exposure and related potential health risks and provide more equitable public health protection. The Stage 2 DBPR is being released simultaneously with the Long Term 2 Enhanced Surface Water Treatment Rule to address concerns about risk tradeoffs between pathogens and DBPs.

The mandatory requirement under the Stage 2 DBP rule, known as an Initial Distribution System Evaluation (IDSE) was completed by ETWD in 2008 and a Stage 2 monitoring plan has been approved by CDPH. Full Stage 2 compliance begins in 2012. The IDSE identified the locations with high disinfection byproduct concentrations. These locations will then be used by the District as the 8 sampling sites for Stage 2 DBP rule compliance monitoring. Compliance with the maximum contaminant levels for two groups of disinfection byproducts (TTHM and HAA5) will be calculated for each monitoring location in the distribution system. This approach, referred to as the locational running annual average (LRAA), differs from current requirements, which determine compliance by calculating the running annual average of samples from all monitoring locations across the system. The Stage 2 DBP rule also requires each system to determine if they have exceeded an operational evaluation level, which is identified using their compliance monitoring results. The operational evaluation level provides an early warning of possible future MCL violations, which allows the system to take proactive steps to remain in compliance. A system that exceeds an operational evaluation level is required to review their operational practices and submit a report to the state that identifies actions that may be taken to mitigate future high DBP levels, particularly those that may jeopardize their compliance with the DBP MCLs.

- 4) **Physical Quality** - Physical Quality analysis is associated with the esthetic qualities of the finished water. Primarily, we are performing analysis for taste, odor and Turbidity (Clarity). In accordance with CDPH requirements, the District collects a minimum of 15 samples per month.
- 5) **Nitrites** - Although the chloramine disinfection process has been effective in controlling TTHM levels, it requires increased monitoring and adjustment as a result of its susceptibility to the Nitrification process. Nitrification is a biological process caused by naturally occurring ammonia oxidizing bacteria. Nitrification in chloraminated drinking water can have various adverse impacts on water quality, the most serious of which is the loss of total chlorine residual which is required by the CDPH and the subsequent potential to increase bacteria-logical activity within the finished or treated water system. MWD has developed an effective nitrification monitoring and prevention program which ETWD staff have adopted and incorporated into the District's daily water quality monitoring and action plan. The number and frequency of this type of monitoring is not currently regulated by CDPH. Staff monitor the level of nitrites in source water, reservoirs and the distribution system daily and weekly in conjunction with the microbiological and chlorine sampling program. A nitrite level of between 0.015 and 0.030 would signal an alert. > 0.030 would require action such as the addition of chlorine to produce a chloramine residual.

EL TORO WATER DISTRICT MONTHLY POTABLE WATER QUALITY ANALYSIS					
MONTH:		February		YEAR : 2026	
CONSTITUENT ANALYSIS	MCL	INSIDE LAB		OUTSIDE LAB	
		NO.	RESULTS	NO.	RESULTS
1 Microbiological	Pres/Absence	113	Absence		Average
2 Chlorine (ppm) In Field	Detectable Resid	150	*Average = 1.34 ppm		
3 TTHM (ppb) (Stage 2)	80 ppb				
3 HAA5 (ppb) (Stage 2)	60 ppb				
4 Physical Quality:			RANGE		
Turbidity (ppm)	5 NTU	20	0.05 to 0.15 Res.		
Odor	3 Units	20	ND<1		
Color	15 Units	20	ND<5		
Temperature	No standard	20	59°F To 66°F		
5 Nitrite (Alert/Action level) ppm	0.015 to 0.030 ppm	125	0.001 to 0.135		

To ensure water quality compliance, the District annually performs approximately 8,750 water quality analytical evaluations of the samples collected from the distribution system.

Abbreviations:

*Average	Monthly sample point CL2 average (R1-R19 & MPR)
RES	Indicates that the nitrification was isolated to a reservoir and treated
ND	None detected
Pres/Absence	Presence (P) or Absence (A) related to a positive or negative bacteriological result
MCL	Maximum Contaminant Level
NTU	Nephelometric Turbidity Units, a measure of the suspended material in the water
ppm	Parts per million
ppb	Parts per billion
Total Coliform	No more than 5% of the monthly samples may be total coliform-positive
N/A	Not available

1st Quarter 2026 Compliance Reports		
<u>February's Monthly Reports</u>		
January's Surface Water Treatment (Bactis)	Due February 10th Submitted February 9th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
January's Revised Total Coliform Monitoring (Bactis)	Due February 10th Submitted February 9th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
January's Self Monitoring Report for Planned Discharges	Due February 28th Submitted February 9th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
January's Self Monitoring Report for Recycled Water	Due February 28th Submitted February 17th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<u>March's Monthly Reports</u>		
2025 Annual Drinking Water Flushing Report	Due March 1st Submitted January 20th	Sent to dmr@waterboards.ca.gov, Dennis Cafferty and Scott Hopkins
HazMat Annual Update	Due March 1st Submitted February 2nd	Submitted Electronically on CERS Website
DOORS Annual Report	Due March 1st Submitted January 8th	Submitted Electronically on DOORS Website
2025 Throughput Data for Gasoline Used	Due March 1st Submitted February 3rd	Email throughput form as an attachment to rule461throughput@aqmd.gov or Fax to (909)396-3761
Annual R6 Floating Cover Report	Due March 31st Submitted March 5th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
February's Surface Water Treatment (Bactis)	Due March 10th Submitted March 5th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
February's Revised Total Coliform Monitoring (Bactis)	Due March 10th Submitted March 5th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
February's Self Monitoring Report for Planned Discharges	Due March 30th Submitted March 5th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
February's Self Monitoring Report for Recycled Water	Due March 30th	Sent to Region 8, Dennis Cafferty and Scott Hopkins



Staff Training Log 2026

First Quarter

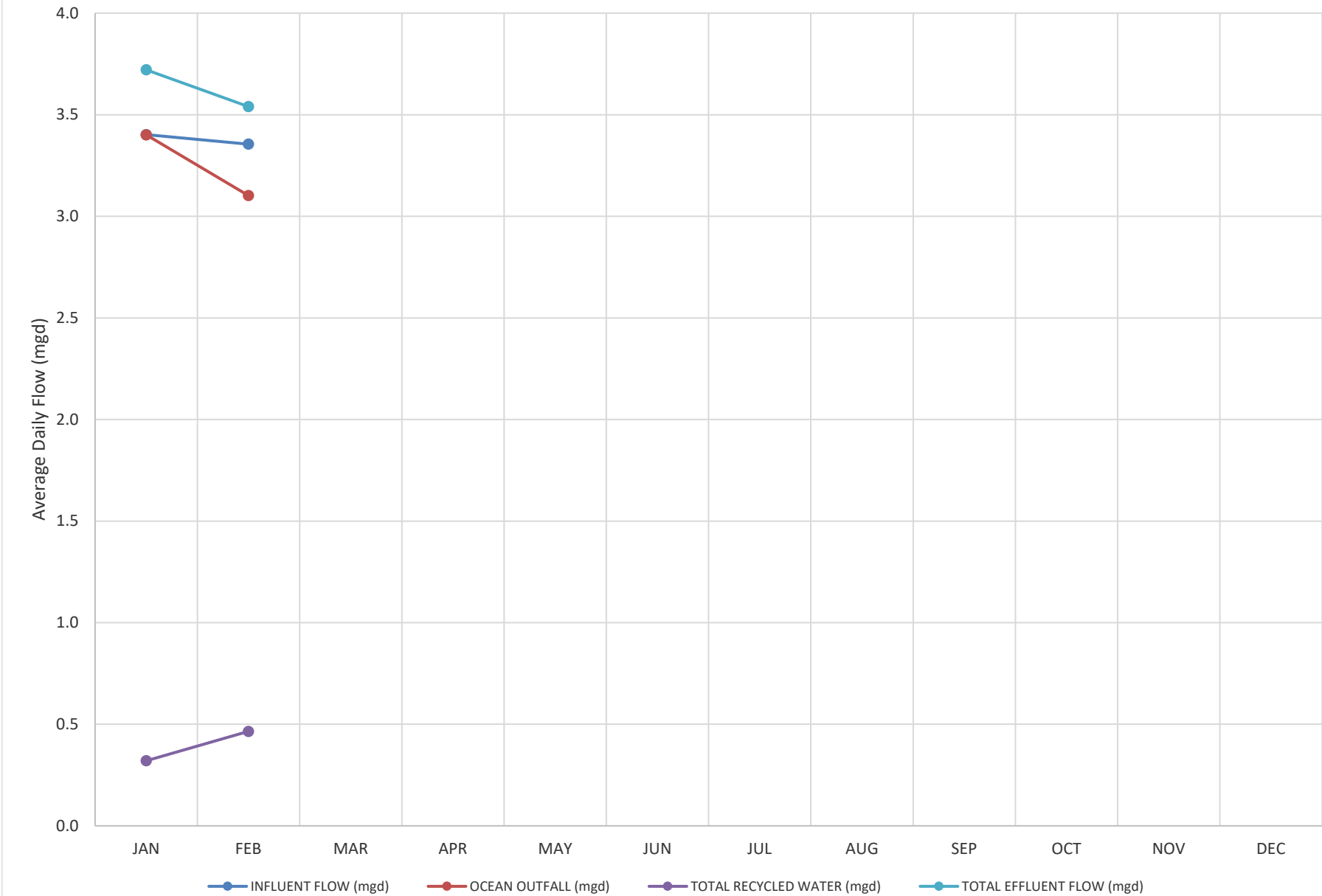
Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	146.5	146.5	Weekly	In Person	Field Staff
Alcohol Free Workplace	1	58	36	Every 2 Years	In Person	All Staff/Assigned
Bloodborne Pathogens	1	58	29	Annual	Online	All Staff/Assigned
Emergency Preparedness	4	192	164	Annual	Online	Completed
SERP Training (Sewer Spills)	4	144	116	As Needed	In Person	Completed
		Total- 598.5	Total- 491.5			

Second Quarter

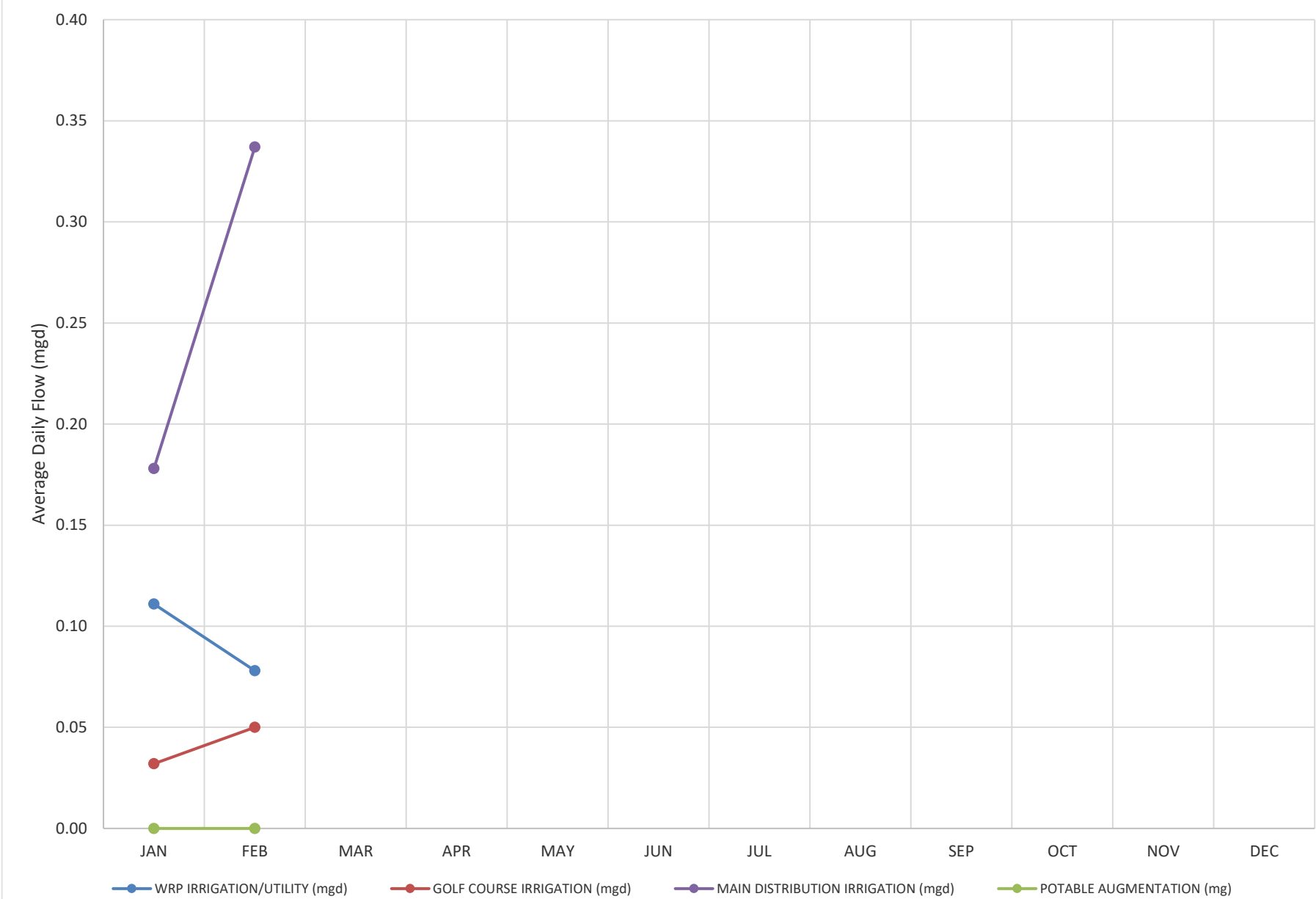
Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	0	0	Weekly	In Person	Field Staff
Fire Prevention	1	58	0	Annual	Online	All Staff
Fire Extinguisher	1	58	0	Annual	Online	All Staff
SPCC Training	1	41	0	Annual	Online	Field Staff
WVPP	1	58	0	Annual	In Person	Need to Schedule
Fit Testing	1	36	0	Annual	In Person	Need to Schedule
CPR	4	232	0	2 Years	In Person	Need to Schedule
		Total- 483	Total- 0			

[illegible]

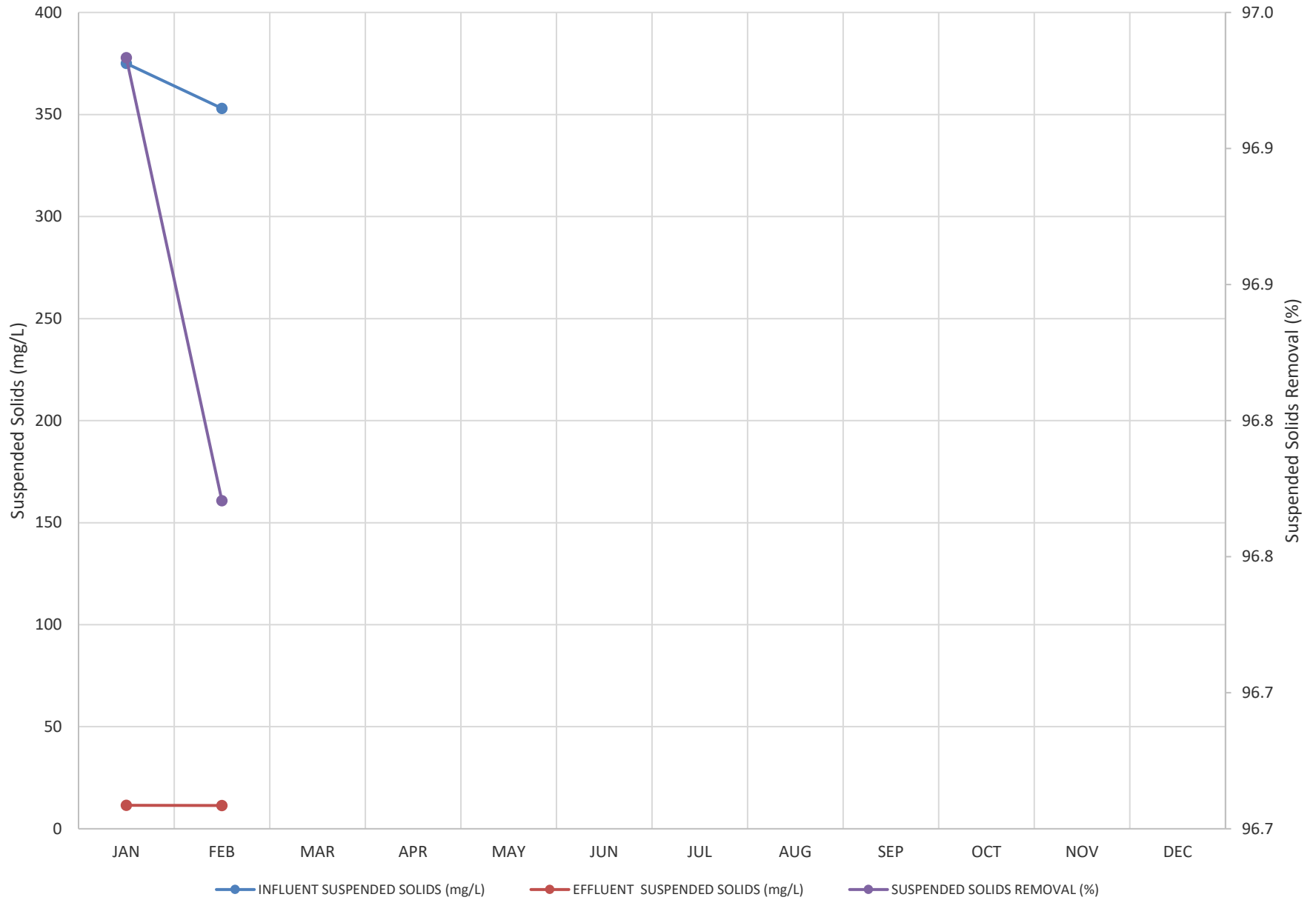
WRP Flow Trends



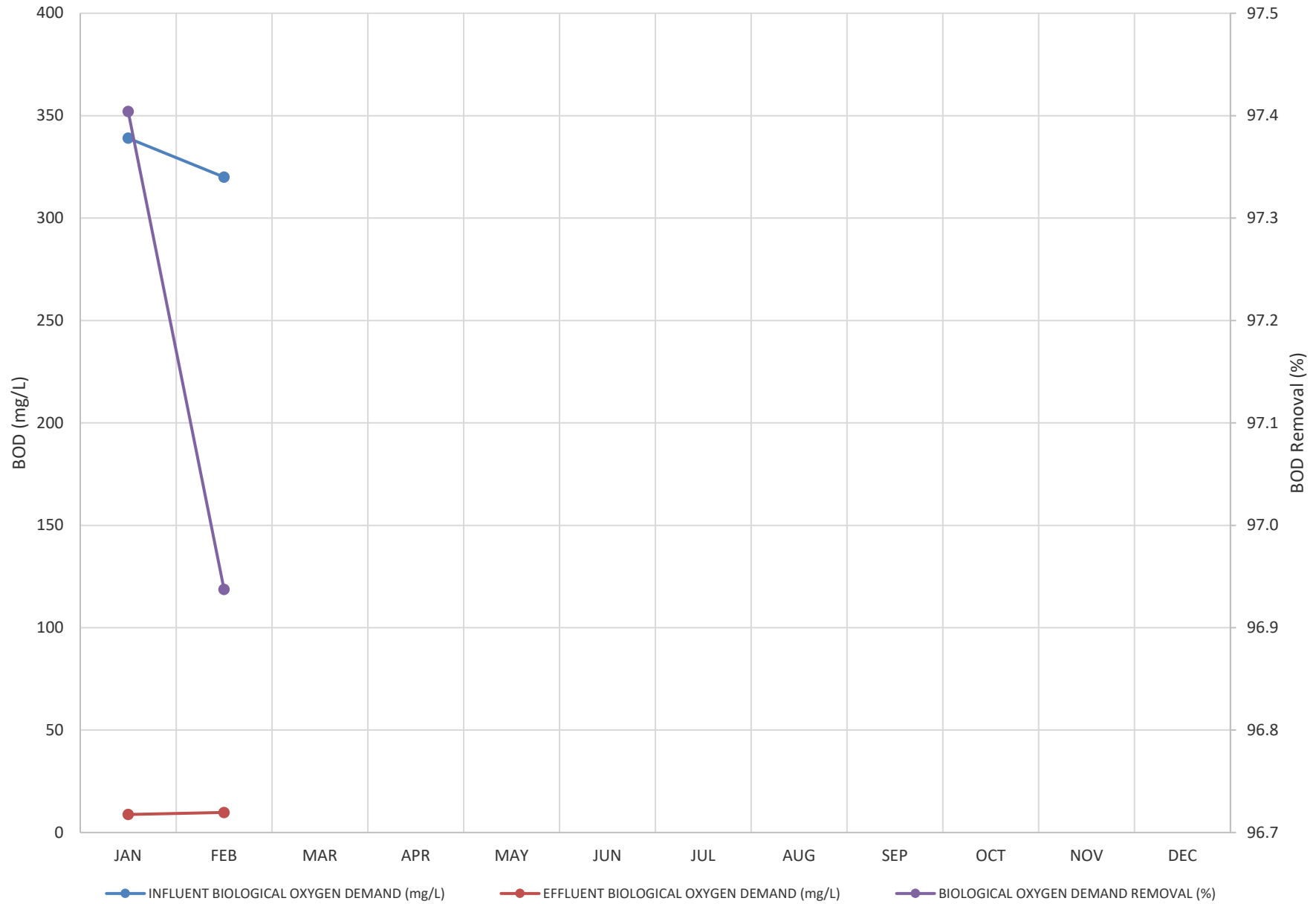
Recycled Water Flow Trends



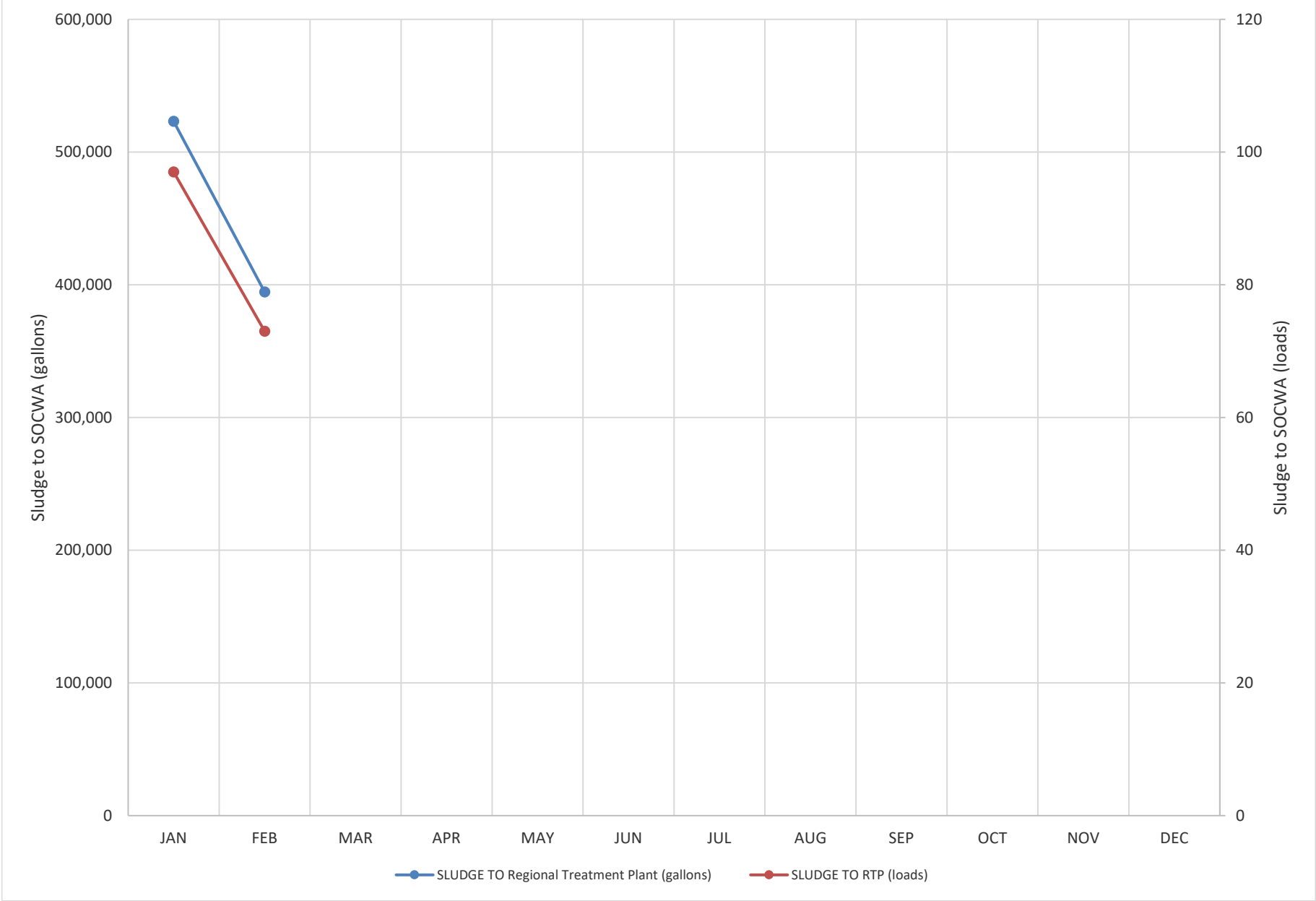
Suspended Solids Trends



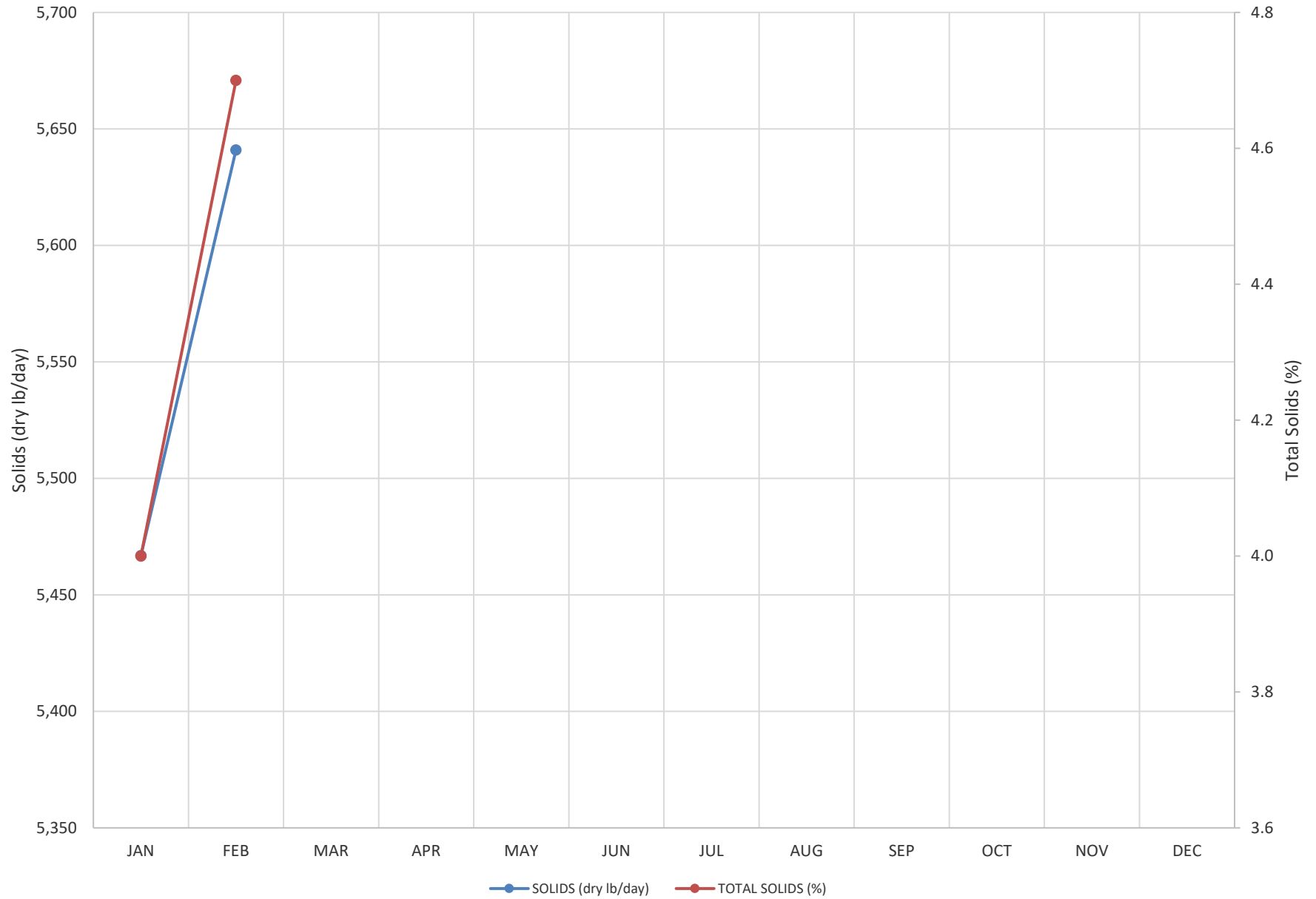
Biological Oxygen Demand (BOD) Trends



RTP Hauling Trends



Solids Trends



WRP BATTERY STORAGE SYSTEM

MONTHLY REPORT

JANUARY 2026 - FEBRUARY 2026



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	BATTERY SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
1	08/13/19 - 09/12/19	(917.75)		(2,507.75)	
	09/12/19 - 10/11/19	3,265.76		1,675.76	
	10/11/19 - 11/13/19	(483.66)		(2,073.66)	
	11/13/19 - 12/13/19	232.10		(1,357.90)	
	12/13/19 - 01/14/20	(2,223.61)		(3,813.61)	
	01/14/20 - 02/12/20	1,004.27		(585.73)	
	02/12/20 - 03/13/20	432.82		(1,157.18)	
	03/13/20 - 04/13/20	(2,953.81)		(4,543.81)	
	04/13/20 - 05/13/20	414.86		(1,175.14)	
	05/13/20 - 06/12/20	3,464.46		1,874.46	
	06/12/20 - 07/15/20	898.72		(691.28)	
	07/15/20 - 08/13/20	497.61		(1,092.39)	
	AMS PAYMENT		3,631.77	15,448.00	0
2	08/13/20 - 09/14/20	1,727.18		137.18	
	09/14/20 - 10/14/20	1,142.91		(447.09)	
	10/14/20 - 11/13/20	993.16		(596.84)	
	11/13/20 - 12/15/21	1,814.40		224.40	
	12/15/20 - 01/14/21	252.77		(1,337.23)	
	01/14/21 - 02/12/21	2,598.74		1,008.74	
	02/12/21 - 03/16/21	2,545.66		955.66	
	03/16/21 - 04/14/21	442.16		(1,147.84)	
	04/14/21 - 05/13/21	4,658.68		3,068.68	
	05/13/21 - 06/14/21	5,828.63		4,238.63	
	06/14/21 - 07/14/21	7,090.27		5,500.27	
	07/14/21 - 08/12/21	11,656.05	40,750.61	10,066.05	21,670.61
3	08/12/21 - 09/13/21	3,251.24		1,661.24	
	09/13/21 - 10/13/22	4,854.74		3,264.74	
	10/13/21 - 11/12/21	1,835.55		245.55	
	11/12/21 - 12/14/21	1,953.12		363.12	
	12/14/21 - 01/13/22	(624.65)		(2,214.65)	
	01/13/22 - 02/11/22	40.42		(1,549.58)	
	02/11/22 - 03/15/22	647.37		(942.63)	
	03/15/22 - 04/13/22	2,556.61		966.61	
	04/13/22 - 05/13/22	92.84		(1,497.16)	
	05/13/22 - 06/14/22	8,377.93		6,787.93	
	06/14/22 - 07/14/22	20,486.96		18,896.96	
	07/14/22 - 08/12/22	6,915.19		5,325.19	
	Performance Bonus		50,387.32	(1,817.00)	29,490.32

WRP BATTERY STORAGE SYSTEM

MONTHLY REPORT

JANUARY 2026 - FEBRUARY 2026



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	BATTERY SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
4	08/12/22 - 09/13/22	8,171.50		6,581.50	
	09/13/22 - 10/13/22	2,943.86		1,353.86	
	10/13/22 - 11/14/22	2,083.92		493.92	
	11/14/22 - 12/14/22	1,960.66		370.66	
	12/14/22 - 01/12/23	(3,571.97)		(5,161.97)	
	01/12/23 - 02/11/23	311.28		(1,278.72)	
	02/11/23 - 03/14/23	2,755.08		1,165.08	
	03/14/23 - 04/12/23	1,994.90		404.90	
	04/12/23 - 05/11/23	(558.88)		(2,148.88)	
	05/11/23 - 06/12/23	6,377.33		4,787.33	
	06/12/23 - 07/13/23	21,318.66		19,728.66	
	07/13/23 - 08/11/23	3,262.26		1,672.26	
	Performance Bonus		47,048.60	(148.00)	27,820.60
5	08/11/23 - 09/12/23	1,749.86		159.86	
	09/12/23 - 10/11/23	16,350.56		14,760.56	
	10/11/23 - 11/09/23	4,659.23		3,069.23	
	11/09/23 - 12/12/23	9,302.30		7,712.30	
	12/12/23 - 01/11/24	5,204.44		3,614.44	
	01/11/24 - 02/12/24	(828.52)		(2,418.52)	
	02/14/24 - 03/13/24	(2,433.90)		(4,023.90)	
	03/13/24 - 04/12/24	2,204.14		614.14	
	04/12/24 - 05/13/24	(37.79)		(1,627.79)	
	05/13/24 - 6/12/24	6,965.53		5,375.53	
	06/12/24 - 7/15/24	7,871.04		6,281.04	
	07/16/24 - 8/13/24	(308.78)		(1,898.78)	
	Performance Bonus		50,698.11	(1,973.00)	29,645.11
6	8/13/24-9/12/24	5,410.44		3,820.44	
	9/12/24-10/11/24	8,270.47		6,680.47	
	10/11/24-11/12/24	3,470.89		1,880.89	
	11/12/24-12/11/24	2,864.46		1,274.46	
	12/11/24-01/11/25	5,471.53		3,881.53	
	01/11/25-02/11/25	3,099.11		1,509.11	
	02/11/25-03/13/25	513.45		(1,076.55)	
	03/13/25-04/11/25	3,793.31		2,203.31	
	04/11/25-05/13/25	7,880.66		6,290.66	
	05/13/25-06/12/25	(4,962.65)		(6,552.65)	
	STEM Credit	11,365.00		11,365.00	
	06/12/25-07/15/25	11,961.11		10,371.11	
	07/12/25-08/13/25	8,326.07		6,736.07	
	Performance Bonus		67,463.85	0.00	48,383.85

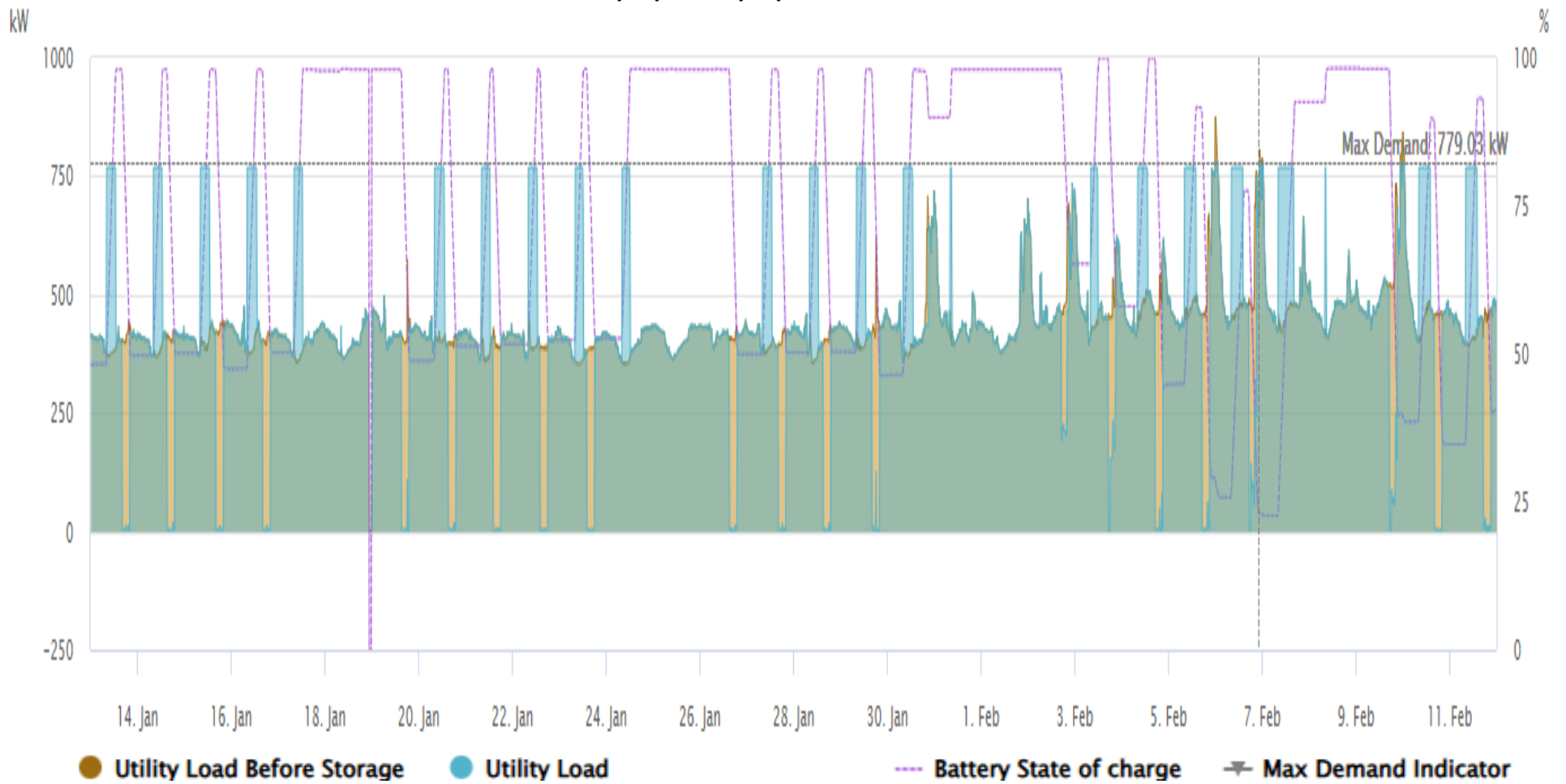
WRP BATTERY STORAGE SYSTEM
MONTHLY REPORT

JANUARY 2026 - FEBRUARY 2026



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	BATTERY SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
7	08/13/25 - 09/12/25	10,886.89		9,296.89	
	09/12/25 - 10/13/25	10,365.71		8,775.71	
	10/13/25 - 11/12/25	7,260.24		5,670.24	
	11/11/25 - 12/12/25	1,722.67		132.67	
	12/12/25 - 01/13/26	755.78		(834.22)	
	01/13/25 - 02/12/26	5,903.43		4,313.43	
			36,894.72		27,354.72
TOTAL		193,933.78			105,383.68

WRP BATTERY STORAGE SYSTEM
MONTHLY REPORT
01/13/25 - 02/12/26



Max Demand: 779.03 kW

Sewerage Treatment Plant



23542 Moulton Pkwy, Laguna Woods, CA 92637

Savings Report - 2026-02

Jan 13, 2026 - Feb 12, 2026

SCE TOU 8 Option D (< 2kV)

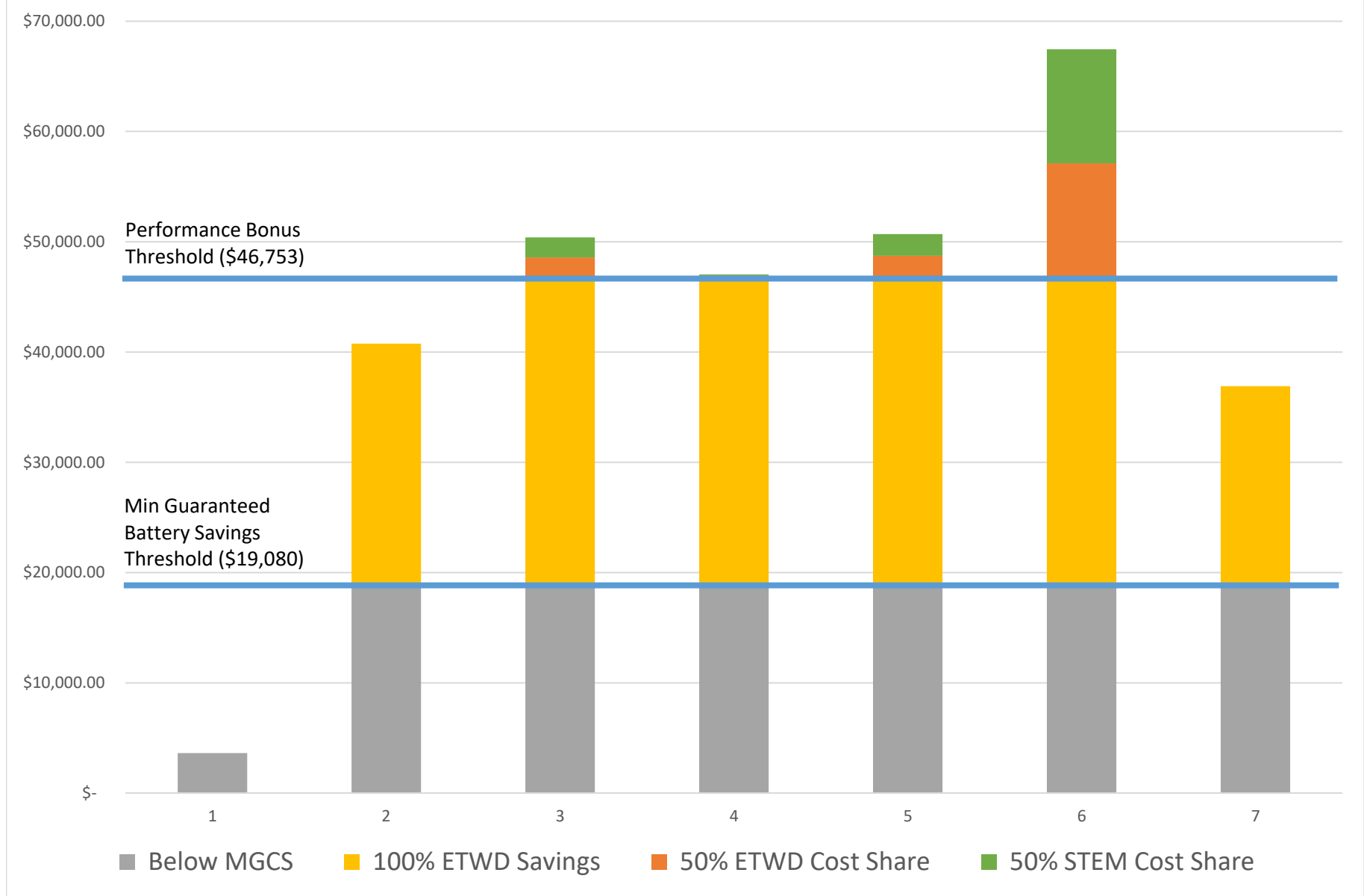
Demand Charges	Before Storage		After Storage		Savings	
Facilities Related - Distribution	874kW	\$20,850.50	779kW	\$18,579.76	95kW	\$2,270.74
Facilities Related - Transmission	874kW	\$5,114.27	779kW	\$4,557.30	95kW	\$556.97
Time Related - Distribution - Winter Mid-Peak	760kW	\$3,034.20	514kW	\$2,050.52	247kW	\$983.67
Time Related - Utility Retained Generation - Winter Mid-Peak	760kW	\$4,281.34	514kW	\$2,893.35	247kW	\$1,387.99
Sub-total		\$33,280.30		\$28,080.93		\$5,199.37

Energy Charges	Before Storage		After Storage		Savings	
Competition Transition Charge	315,358kWh	\$(31.54)	319,842kWh	\$(31.98)	(4,484)kWh	\$0.45
Competition Transition Charge (URG Component)	315,358kWh	\$31.54	319,842kWh	\$31.98	(4,485)kWh	\$(0.45)
Distribution - Winter Mid-Peak	67,028kWh	\$1,019.50	36,581kWh	\$556.40	30,447kWh	\$463.10
Distribution - Winter Off-Peak	148,916kWh	\$2,026.74	149,077kWh	\$2,028.94	(162)kWh	\$(2.20)
Distribution - Winter Super Off-Peak	99,414kWh	\$1,259.57	134,184kWh	\$1,700.11	(34,770)kWh	\$(440.53)
Energy Surcharge	315,358kWh	\$94.61	319,842kWh	\$95.95	(4,485)kWh	\$(1.35)
Fixed Recovery Charge	315,358kWh	\$1,151.06	319,842kWh	\$1,167.42	(4,485)kWh	\$(16.37)
New System Generation Charge	315,358kWh	\$1,709.24	319,842kWh	\$1,733.54	(4,485)kWh	\$(24.31)
Nuclear Decommissioning Charge	315,358kWh	\$9.46	319,842kWh	\$9.60	(4,484)kWh	\$(0.13)
Public Purpose Programs Charge	315,358kWh	\$7,158.62	319,842kWh	\$7,260.42	(4,484)kWh	\$(101.80)
PUC Reimbursement Fee	315,358kWh	\$315.36	319,842kWh	\$319.84	(4,485)kWh	\$(4.48)
Transmission	315,358kWh	\$170.29	319,842kWh	\$172.71	(4,485)kWh	\$(2.42)
Utility Retained Generation - Winter Mid-Peak	67,028kWh	\$4,840.11	36,581kWh	\$2,641.52	30,447kWh	\$2,198.59
Utility Retained Generation - Winter Off-Peak	148,916kWh	\$10,820.21	149,077kWh	\$10,831.97	(162)kWh	\$(11.76)
Utility Retained Generation - Winter Super-Off-Peak	99,414kWh	\$3,790.65	134,184kWh	\$5,116.42	(34,770)kWh	\$(1,325.77)
Wildfire Fund Non-Bypassable Charge	315,358kWh	\$1,863.76	319,842kWh	\$1,890.27	(4,484)kWh	\$(26.50)
Sub-total		\$36,229.18		\$35,525.12		\$704.06

Other Monthly Charges	Before Storage		After Storage		Savings	
Customer Charge		\$511.87		\$511.87		\$ -
Sub-total		\$511.87		\$511.87		\$ -

Total	Before Storage		After Storage		Savings	
		\$70,021.35		\$64,117.92		\$5,903.43

TERM YEAR SAVINGS





STAFF REPORT

To: Board of Directors

Meeting Date: March 23, 2026

**From: Hannah Ford, Director of Engineering
Rory Harnisch, Senior Engineer**

Subject: Capital Project Status Report

I. Battery and Solar Projects

District staff had previously planned to bring forward a contract award for the battery projects this month; however, that action has been paused after updated financial analysis indicates the project may not achieve a favorable payback. Key uncertainties surround new rates from SCE, demand response revenue assumptions, project costs, and evolving regulatory requirements (including SGIP and IRA/non-FEOC compliance). The District's consultant, TerraVerde, is continuing to support evaluation efforts at risk while staff reassess project viability. Current efforts include value engineering the solar project to improve economics and exploring third-party (P3) ownership options for the battery systems, for which there has been strong market interest from approximately 14 vendors. Staff will return to the Board with a recommendation once the financial feasibility and project risks are better defined.

II. Headworks and Secondary Clarifier No. 1 Rehabilitation Project

District staff and the contractor, Filanc Construction (Filanc), are working through the submittal phase of this project and conducting regular progress meetings with District staff. District staff are coordinating with the Laguna Woods Golf Club to perform potholing activities near the Northline Lift Station for early April. Filanc performed exploratory excavation efforts near the Influent Pump Station in preparation for upcoming yard piping activities.

III. R-6 Reservoir Southern Slope Repair Project

The project contractor, MDB General Engineering, Inc. (MDB), continues construction efforts. MDB completed hydroseeding, fabric installation, and fire hydrant relocation activities (Figures 1). MDB entered the landscape maintenance phase of the project in late March.

Table 1 summarizes the project cost as percent complete. MDB's billings reflect work through January 2026 and have yet to submit further invoices. Construction costs are ahead of schedule

because most expenditures occur during the initial slope repair phase, prior to the landscape maintenance phase.

Table 1 – R-6 Reservoir Southern Slope Repair Project Schedule and Budget Status			
Construction Contract	Total	Earned to Date	Percent Complete
Budget	\$390,800	\$290,300	75%
Schedule	November 5, 2025 – July 2, 2026		55%



Figure 1 – Slope Landscaping and Hydrant Relocation

IV. Freeway Electrical Equipment Replacement

Staff is working with Southern California Edison and Baker Electric & Renewables, LLC (Baker) to convert the existing power from an overhead pole to underground conduit. Initial estimates indicate that undergrounding the electrical service would cost approximately \$15,000. District staff is also working with Carollo Engineers, Inc. (Carollo) to develop a structural design that would raise the existing canopy structure at the Freeway Lift Station. Construction is delayed until both items are complete.

V. Moulton/El Toro Cathodic Repair Project

District staff issued Notice of Award in late February to the project contractor, Farwest Corrosion Control Company (Farwest). Staff is working with Farwest to execute the construction agreement and start initial construction activities.

VI. Aliso Creek Lift Station Improvement Project

District staff drafted temporary construction agreements to enter with GRF and United Mutual for the trail and lane closures necessary to enable the construction of this project. Tetra Tech is finalizing the design based on District feedback on the 90 percent submittal. Next month, District staff expect to learn whether CalOES included this project as part of its HMGP submission for FEMA review.

F.Y. 2025/26 CAPITAL IMPROVEMENT PROGRAM BUDGET ITEMS > \$75,000
BOARD APPROVAL SCHEDULE

Category	Project Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	CIP Budget	Board Approved Cost
<i>2025/26 Capital Projects</i>															
	R-5 Reservoir Rehabilitation	Moved to carryover for future reservoir rehabilitation												\$194,000	
	R-6 Reservoir Southern Slope Stabilization	E	E	A / B	A	C	C	C	C	C	C	C	C	\$500,000	\$218,822
	Asset Management	E	E	E	A	E	E	E	BP	E	E	BP		\$86,000	\$194,420
<i>2025/26 Capital Equipment</i>															
	Shenandoah Booster Station Pump & Motor Replacement	A	A				R							\$198,000	\$132,042
	P-1 Battery Project	E	B	B	B	B	N	N	A	N	A	C	C	\$900,000	
	OOPS Battery Project	E	B	B	B	B	N	N	A	N	A	C	C	\$0	
	Main PR Hydro Turbine	Deferred unless alternative funding becomes available												\$603,000	
	Headworks and Secondary Clarifier No. 1 Rehabilitation	C	C	C	C	C	C	C	C	C	C	C	C	\$11,962,000	\$13,060,285
	Solids Hauling Trailer			R										\$307,000	\$199,635
<i>Previous Fiscal Year Carryover</i>															
	Moulton/El Toro Cathodic Protection Study	E	B	B	B	B	B	B	A	C	C	C		\$218,000	
	Aliso Creek Pump Station Improvements Project	E	A / E	BP / E	E	E	E	E	E					\$600,000	\$484,000
	OOPS MCC and Valve Replacement Project	R	E	E	B	A	C	C						\$191,000	\$112,872
	Secondary Clarifier No. 3 and 4 Drive Replacement Project		R	C	C	C								\$0	\$206,083
	Westline Main Switchboard Replacement	A	C	C	C	C	C							\$113,000	\$164,778
	Freeway Electrical Equipment Replacement	E	A					C	C	C	C	C	C	\$263,362	\$277,385
	Tertiary Disinfection Optimization Project	B	O	R	C	C	C	P						\$132,000	
	Westline Generator Unit 213 Replacement	E	E	E	B	A	O				E	E	E	\$267,000	\$266,804
Total														\$14,788,000	\$13,875,962

Key:		Abbreviations:			
	Water	A = Approve by Board	E = Engineering/Study	O = Order	
	Wastewater	B = Bid	ET = Evaluate	P = Permit	
	Recycled Water	BP = Board Presentation	L = Legal	RFP = Request for Proposal	
	Split between All Departments	C = Construction	N = Negotiate	R = Receive	
	Board Involvement				

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 bacteria 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 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 process, 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 1970's. 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.

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.

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 1000,000 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 member of the ACWA.

LAI: 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

OCBD: 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 homeowners 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 of 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 Publicity. 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 the 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 form 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

SRE: State Revolving Fund

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

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

SWP: State Water Project. An aqueduct system that delivers water from Northern California to central and Southern California.

SWRCB: State Water Resources Control Board

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

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

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

TMA: Too many acronyms.

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

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

Turbidity: Thick of 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 30th 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.