

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



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



## AGENDA

### EL TORO WATER DISTRICT

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

January 21, 2020

7:30 a.m.

**CALL TO ORDER** – President Monin

**PLEDGE OF ALLEGIANCE** – Vice President Gaskins

#### **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 will 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 items(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

## ENGINEERING COMMITTEE

CALL MEETING TO ORDER – Director Freshley

### 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)

1. **Approval of Minutes** (Minutes Included)
  - a. Consider approving the minutes of the December 17, 2019 Engineering Committee.

### **APPROVAL OF ITEMS REMOVED FROM TODAY'S ENGINEERING COMMITTEE**

#### **CONSENT CALENDAR**

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

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

#### **ENGINEERING ACTION ITEMS**

There are no action items.

#### **ENGINEERING GENERAL INFORMATION ITEMS**

2. **EI Toro Water District Capital Project Status Report**  
(Reference Material Included)

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

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

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

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

#### **CLOSE ENGINEERING COMMITTEE MEETING**

## FINANCE / INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Vergara

### 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)

4. **Approval of Minutes** (Minutes Included)

- a. Consider approving the minutes of the December 17, 2019 Finance Committee meeting

### APPROVAL OF ITEMS REMOVED FROM TODAY'S FINANCE COMMITTEE

#### CONSENT CALENDAR

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

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

### FINANCIAL ACTION ITEMS

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

Staff will review and comment on the Quarterly Insurance Report for the period October 1, 2019 through December 31, 2019.

**Recommended Action:** Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period of October 1, 2019 through December 31, 2019.

6. **Nimble Storage Array Replacement** (Reference Material Included)

Staff will review and comment the purchase of network hardware to the existing Nimble Storage Array.

**Recommended Action:** Staff recommends that the Board of Directors authorize the General Manager to enter into a Purchase Order Contract with Dell USA LP in the amount of \$60,801.19 for the purchase of 3 PowerEdge R740 servers and 2 Dell 4128 10G network switches with professional services for help with implementation and migration and enter into a Purchase Order Contract with Dell EMC in the amount of \$63,412.81 for the purchase of an EMC Unity XT380 Storage Array. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

7. **Resolution No. 20-1-1 Adopting Schedule 7-W of the District's Rules and Regulations Consisting of the District's Policy on Discontinuation of Residential Water Service** (Reference Material Included)

Staff will review and comment on Resolution No. 20-1-1 which adopts Schedule 7-W of the District's Rules and Regulations consisting of the District's policy on discontinuation of residential water service as required by Senate Bill 998.

**Recommended Action:** Staff recommends adopting Resolution No. 20-1-1 Schedule 7-W of the District's Rules and Regulations consisting of the District's policy on discontinuation of residential water service as required by Senate Bill 998.

RESOLUTION NO. 20-1-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EL TORO WATER DISTRICT  
ADOPTING SCHEDULE 7-W OF THE DISTRICT'S  
RULES AND REGULATIONS CONSISTING OF THE  
DISTRICT'S POLICY ON DISCONTINUATION OF  
RESIDENTIAL WATER SERVICE

8. **Resolution No. 20-1-2 Amending Schedule 1-W of the District's Rules and Regulations "General Metered Potable Water Service"** (Reference Material Included)

Staff will review and comment on Resolution 20-1-2 which amends Schedule 1-W of the District's Rules and Regulations "General Metered Potable Water Service".

**Recommended Action:** Staff recommends approval of Resolution No. 20-1-2 which amends Schedule 1-W of the District's Rules and Regulations "General Metered Potable Water Service".

RESOLUTION NO. 20-1-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EL TORO WATER DISTRICT  
AMENDING SCHEDULE 1-W  
OF THE DISTRICT'S RULES AND REGULATIONS  
"GENERAL METERED POTABLE WATER SERVICE"

9. **Resolution No. 20-1-3 Amending Policy Statement 1985-3 (IV) (ETWD Investment Policy)** (Reference Material Included)

Staff will review and comment on Resolution No. 20-1-3 amending Policy Statement 1985-3 (IV) (ETWD Investment Policy).

**Recommended Action:** Staff recommends approving Resolution No. 20-1-3 amending Policy Statement 1985-3 (IV) (ETWD Investment Policy).

RESOLUTION NO. 20-1-3

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EL TORO WATER DISTRICT  
AMENDING POLICY STATEMENT 1985-3 (IV)  
(ETWD INVESTMENT POLICY)

10. **Financial Package - Authorization to Approve Bills for Consideration dated January 21, 2020 and Receive and File Financial Statements as of December 31, 2019** (Reference Material Included)

The Board will consider approving the Bills for Consideration dated January 21, 2020 and Receive and File Financial Statements as of December 31, 2019.

**Recommended Action:** Staff recommends that the Board 1) approve, ratify and confirm payment of those bills as set forth in the schedule of bills for consideration dated January 21, 2020, and 2) receive and file the Financial Statements for the period ending December 31, 2019.

**FINANCIAL INFORMATION ITEMS**

11. **Board of Directors Benefits** (Oral Report)

Staff will provide a description of the existing benefits provided to the District Board of Directors as well as options for future consideration.

12. **2020/21 Fiscal Year Budget/Cost of Service Evaluation/Preparation and Tentative Schedule Status Report** (Reference Material Included)

Staff will review and comment on the 2020/21 fiscal year Budget/Cost of Service Evaluation/Preparation and Tentative Schedule.

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

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

**COMMENTS REGARDING NON-AGENDA FIC ITEMS**

## CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

### ATTORNEY REPORT

#### CLOSED SESSION

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

1. At this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (2) to consult with legal counsel and staff –Potential Litigation (one matter).

#### REGULAR SESSION

#### REPORT ON CLOSED SESSION (Legal Counsel)

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

#### ADJOURNMENT TO 7:30 a.m., Monday, February 24, 2020.

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

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

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

MINUTES OF THE REGULAR MEETING  
OF THE  
ENGINEERING COMMITTEE MEETING

December 17, 2019

President Vergara called the Meeting of the Board to order at 7:30 a.m. on December 17, 2019.

Present at today's meeting were Committee Members JOSE F. VERGARA, MARK MONIN, KATHRYN FRESHLEY, MIKE GASKINS, and KAY HAVENS.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, BOBBY YOUNG, Principal Engineer, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, BILL MOORHEAD, MNWD Director, and CAROL MOORE, Laguna Woods Council member.

Pledge of Allegiance

Director Freshley led in the Pledge of Allegiance.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

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

Engineering Committee Meeting

Director Freshley called the meeting to order.

## Consent Calendar

1. Consider approving the minutes of the November 25, 2019 Engineering Committee meeting.

Director Freshley asked for a Motion.

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

## Engineering Action Items

There were no action items.

## Engineering General Information Items

### Capital Project Status Report

#### Oso Lift Station Project

Mr. Young stated that staff received the executed lot line adjustment agreement with the City of Laguna Woods and the executed MNWD emergency overflow agreement. He further stated that we are reaching out to construction management firms throughout the holiday season and anticipate proposals in January and bringing the construction contract and construction management services contract to the Board in February.

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

Mr. Young stated that the 12<sup>th</sup> East Side System meter will be converted today and we are trying to convert 2 meters this week. He further stated that staff received a letter yesterday from the County stating that they no longer need to be physically present when we are conducting the cross connection testing.



Director Freshley asked how much they bill us per hour. Mr. Cafferty replied \$191 per hour.

Mr. Young stated that we are trying to be sensitive to the Residents when temporarily shutting down potable water meters for cross connection testing and are providing advance notice of the shutdowns.

#### Lab Certification Update

Mr. Cafferty stated that staff is waiting for further response from ELAP on the lab certification.

#### Filter Site Use Plan Project

Mr. Young stated that staff we are waiting for the consultant to provide some numbers and we should be ready to report some preliminary costs possibly in January.

#### Aliso Creek Lift Station Skid Pump and Trailer Mounted Emergency Pump

Mr. Young stated that the pumps have been received and the contractor performed an initial site visit to verify dimensions prior to finalizing the materials order, and installation is anticipated within a month.

Director Freshley asked how does the AQMD qualify this skid pump. Mr. Young stated that it is portable and not stationary.

Director Freshley asked if we are limited on the number of hours we can run the diesel engine. Mr. Cafferty replied that it is an emergency pump and should not be running permanently.

#### Baker Treatment Plant

Mr. Cafferty stated that there is no update at this time as MNWD continues to work on property acquisition.

Irvine Lake – Baker Supply

Mr. Cafferty stated that Irvine is working with the agencies on costs of using the Lake for emergency storage, and they are preparing another proposal in an effort to find an arrangement that is acceptable to all impacted parties.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

Close Engineering Committee Meeting

At approximately 8:00 a.m. the Engineering Committee meeting was closed.

Adjournment

There being no further business to come before the Board, the following motion was duly made and passed.

Motion: Vice President Monin made a Motion, seconded by Director Gaskins and unanimously carried that today’s meeting be adjourned at 8:00 o’clock a.m. to Tuesday, January 21, 2020 at 7:30 a.m. at the District’s Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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MARK L. MONIN, 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: January 21, 2020**

**FROM: Bobby Young, Principal Engineer**

**SUBJECT: Capital Project Status Report**

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### **I Oso Lift Station Improvement Project**

The project design is complete.

The design of the Oso Lift Station Improvement Project requires the expansion of the lift station site footprint by ten feet on the northeast side of the property. The proposed lot line adjustment from the City of Laguna Woods required approval from the County of Orange due to an existing lease agreement between the City and the County relative to the Woods End Wilderness Preserve/Laguna Coast Wilderness Park. The County Board of Supervisors approved the lease amendment on July 30<sup>th</sup>. Staff is coordinating the County Right-of-Way request for notarized signatures to finalize the documents.

The City of Laguna Woods worked with the State Coastal Conservancy to secure approval of the lot line adjustment and has finalized the requirements. The Coastal Conservancy requested that the City and District enter into an agreement with terms specified by the Coastal Conservancy. The District and the City have each executed the Agreement.

District staff worked with Moulton Niguel Water District regarding an Agreement for a proposed emergency overflow connection from the Oso Lift Station to the nearby MNWD sewer collection system. Both the MNWD Board and District Board have approved the Overflow Agreement. The District and MNWD have signed and executed the Agreement.

Staff is soliciting construction bids as well as sending out requests for proposals for construction management services. Staff intends to bring the construction contract and construction management services contract to the Board for approval in March.

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

The East Side System plans were approved by the State Water Resources Control Board Division of Drinking Water (DDW) on August 20th. Staff continues to work with DDW to secure approval of the retrofit plans for the West Side System. Certain remaining sites in the West Side System will be handled separately due to unique characteristics that could result in the designation of the sites as “dual-plumbed” as defined in Title 22.

Staff began the cross-connection testing, associated with the on-site retrofits in the East Side System, with County Health and DDW on September 23<sup>rd</sup>. Staff continues to work with the County for all testing requirements and is making progress with the site conversions at the current rate of 1 recycled water meter per week. The County recently conceded to allow the District to proceed without the requirement for the presence of the County Inspector at each test. Following the completion of the cross connection tests at each individual site, the District’s contractor makes the final connection of the recycled water supply to the existing irrigation system.

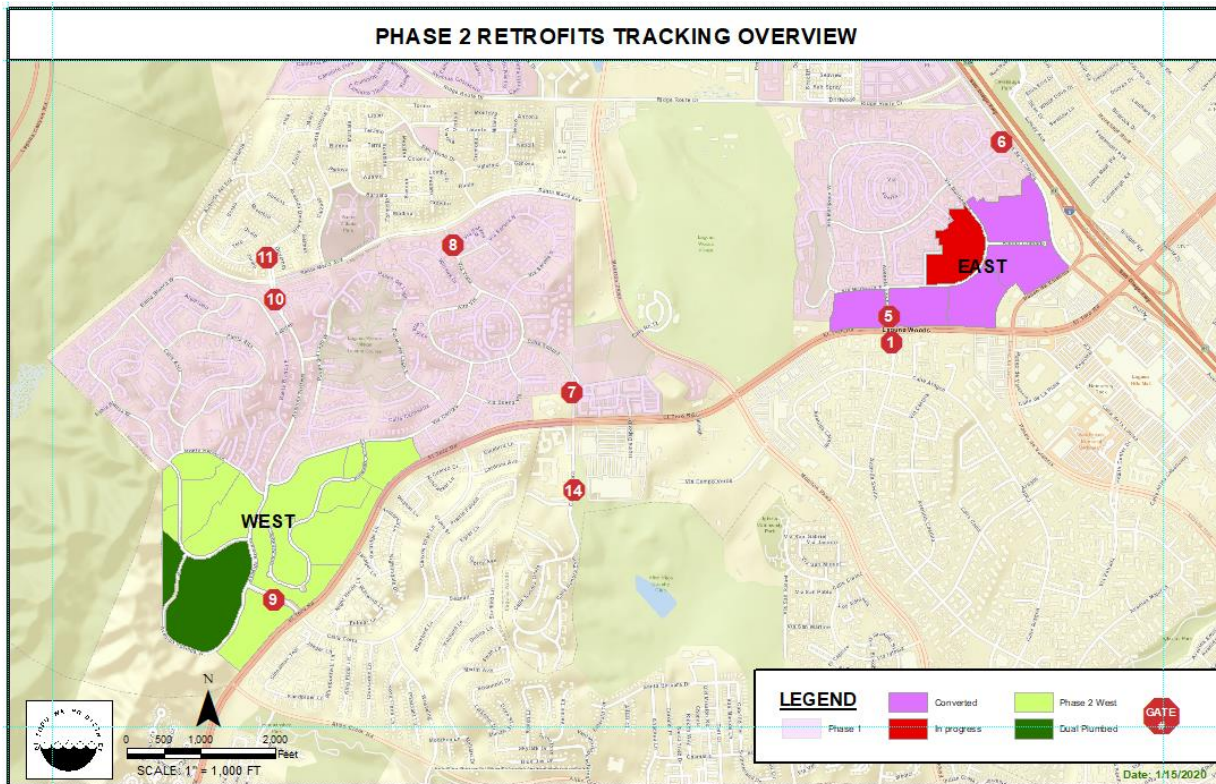
Staff submitted applications for the Metropolitan Water District On-Site Retrofit Rebate Program for all of the sites in the East Side System. A summary table is provided below:

*EAST SUMMARY*

	<b>To Date</b>	<b>Remaining (Estimate)</b>	<b>Total</b>
<b>Contractor Invoices</b>	\$ 123,762	\$ 398,847	\$ 522,609
<b>County Inspection</b>	\$ 2,913	\$ 27,504	\$ 30,417
<b>Meter Cost</b>	\$ 14,396	\$ 12,342	\$ 26,738
<b>Retrofit Rebates</b>	(\$ 0)	(\$ 104,052)	(\$ 104,052)
<b>Totals</b>	\$ 141,071	\$ 334,641	\$ 475,712

The status of the retrofit project in the United (Gate 5/6 area) is summarized as follows:

	<b>Complete</b>	<b>In Progress</b>	<b>Remaining</b>
<b>Sites</b>	5	1	
<b>Meters</b>	16	2	
<b>Demand</b>	98 AF	23 AF	



### III Laboratory Certification Update

ETWD lab personnel continue to perform analyses at the SOCWA lab, thereby minimizing the costs of the outsource effort with a private lab. Staff received notice from ELAP that the District's application for certification had been approved by Staff and forwarded to management for the issuance of the certificate. Upon receipt of the certificate staff will begin the process of transitioning from the SOCWA lab back to the ETWD lab at the WRP.

### IV Filter Site Use Plan Project

Staff will provide an update on the draft report submitted by the Consultant at the Engineering Committee meeting.

### V Caltrans I-5 Widening Project

Caltrans is preparing to implement an I-5 Freeway widening project between El Toro Road and the 73 Toll Road. The portion of the project between Los Alisos Blvd. and El Toro Road will necessitate certain utility relocations. Staff has been working with its consultant (Dudek) regarding the latest Caltrans utility conflicts. Caltrans has requested a final design package, to be able to draft a copy of its User Agreement for Utility Relocations with ETWD.

**VI Aliso Creek Lift Station Skid Pump and Trailer Mounted Emergency Pump**

The pumps have been received. Staff has contracted with a general contractor to install the skid pump at the Aliso Creek Lift Station. The Contractor performed an initial site visit to verify dimensions prior to finalizing the materials order, including associated piping. Installation is expected to be complete by the end of February.

**VII South Orange County Supply and System Reliability Projects**

**A. Baker Water Treatment Product Water Conveyance Options**

MNWD issued a contract to Tetra Tech to perform a surge and water quality analysis of the South County Pipeline to verify there are no fatal flaws in the proposed addition of the new turnouts. MNWD and ETWD staff will soon commence drafting an MOU to define the terms of the joint project. MNWD has verbally indicated they are prepared to continue the temporary conveyance of water through the Los Alisos interconnection until such time that the permanent conveyance facilities are complete.

**B. Irvine Lake – Baker Supply**

There have been discussions about the possibility of storing water in Irvine Lake that could be used to sustain 60 days of supply to the Baker Plant in the event of an interruption of raw water supply from MWD. Issues under consideration include the on-going costs of water lost due to evaporation and any overflows of the Lake as well as capital and maintenance costs associated with the use of the Irvine Lake facilities. A meeting between Serrano Water District and the Baker Agencies, inclusive of IRWD, was held on November 12. IRWD and SWD are working to revise the proposal in an effort to find an arrangement that is acceptable to all the impacted parties.

**C. Poseidon HB Ocean Desalination Project**

Poseidon continues to engage the Santa Ana Regional Water Quality Board for consideration of their NPDES Permit renewal. The feasibility of the project remains contingent upon obtaining all regulatory and environmental approvals/permits along with approval of Met LRP funding based on \$475/AF over 15 years.

Total Net Project Unit Cost inclusive of a MWD LRP Subsidy of \$475/AF to deliver 10 MGD to SOC is estimated to be \$2,125/AF and to deliver 20 MGD to SOC is estimated to be \$1,825/AF.

OCWD has requested that any agency considering participation in the Poseidon project execute a Memorandum of Understanding (MOU). The MOU will not represent a contractual commitment to the project, but it will require approval by governing boards. In light of the considerable time, money and effort OCWD anticipates expending to finalize a project distribution plan OCWA believes an MOU will give them greater confidence in knowing which agencies are serious about the project and ultimately negotiating and considering a final water purchase agreement.

Staff and District General Counsel are reviewing a draft MOU as well as the available information regarding the project. Staff notified OCWD and Poseidon that the District's consideration of the MOU will not be complete until later in the year.

It is Staff's understanding that SMWD and MNWD have agreed to execute the MOU and indicated a potential non-binding interest in the following capacities:

MNWD	2,000 acre feet per year
SMWD	1,000 acre feet per year

**F.Y. 2019/20 CAPITAL REPLACEMENT AND REFURBISHMENT PROGRAM BUDGET ITEMS > \$50,000  
BOARD APPROVAL SCHEDULE**

Project Description		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Estimate	Board Approved Cost	
<i>2019/20 Capital Projects (reference number corresponds with Approved Budget item numbers)</i>																
3	P-3 New MCC w/ TS, Nema 3R Main & Generator and Pump Replacements							ET	ET	ET	ET	RFP	E	\$480,000		
7	Grit Chamber Rehab/Re-Coating							ET	ET	ET	RFP	E	E	\$85,000		
9	AMR / AMI Implementation	Update as part of 2021 Capital Budget												\$200,000		
<i>Carryover / Deferred</i>																
	Oso Lift Station Improvement Project (Construction, CM)							B	A	C	C	C	C	\$1,000,000		
	Caltrans Widening Utility Relocations								E	B	A	C	C	\$295,400		
	AWIA Compliance - Phase II				BP/A									\$83,577		
	Reconstruct (West Side) Drainage Swayle at the Holding Pond							ET	ET	ET	ET	ET		\$68,250		
	Clarifier No. 3 and 4 Scum Pump Station					ET	E	B	B	A	C			\$350,000		
	Master Plan Update									RFP	A			\$350,000		
	Old Treatment Plant / Clear Well Demo	RFP	A	E	E	E	E	E	BP					\$400,000	\$133,143	
<i>2019/20 Capital Equipment (reference number corresponds with Approved Budget item numbers)</i>																
3	OOPS Emergency Generator Replacement								ET	ET	ET	A		\$220,000		
8	Dump Truck/Traffic Control Truck (Unit 4)								ET	A				\$80,000		
10	Nimble Storage Array Replacement		ET	ET	ET	ET	ET	A						\$75,000		
														<b>Total</b>	<b>\$3,687,227</b>	<b>\$133,143</b>

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

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

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

ET = Evaluate  
M = Monitoring  
BP = Board Presentation



MINUTES OF THE REGULAR MEETING  
OF THE  
FINANCE/INSURANCE COMMITTEE MEETING

December 17, 2019

Vice President Monin called the Finance Committee meeting to order at 8:00 a.m. on December 17, 2019.

Present at today's meeting were Committee Members JOSE F. VERGARA, MARK MONIN, KATHRYN FRESHLEY, MIKE GASKINS, and KAY HAVENS.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, BOBBY YOUNG, Principal Engineer, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, BILL MOORHEAD, MNWD Director, and CAROL MOORE, Laguna Woods Council member.

Consent Calendar

Motion: Director Gaskins made a Motion, seconded by Director Freshley and unanimously carried across the Board to approve the November 25, 2019 Finance Committee meeting minutes.

Approval of Items Removed from Today's FIC Consent Calendar

There were no items removed.

Finance Action Items

Professional Auditing Services Contract

Ms. Shahbakhti stated that staff met with the Audit Committee to review the proposals received, and would like to recommend that the Board authorize the District's General Manager to enter into a consulting contract with White Nelson Diehl Evans LLP

in the amount of \$25,700 for Professional Auditing Services.

Ms. Shahbakhti stated that she conducted a survey of 124 agencies and we had 15 responses. She further stated that out of the 15 responses we had 9 agencies that were highly recommended. Ms. Shahbakhti stated that we sent RFP's to the 9 agencies, and 5 firms attended the mandatory pre-proposal meeting, and all 5 submitted proposals.

Vice President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Havens and unanimously carried across the Board to authorize the District's General Manager to enter into a consulting contract with White Nelson Diehl Evans LLP in the amount of \$25,700 for Professional Auditing Services.

#### Finance Report

Ms. Shahbakhti stated that included in the package is the financial information for the month of November.

Vice President Monin asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director Havens, and unanimously carried across the Board to 1) approve, ratify, and confirm payment of those bills as set forth in the schedule of bills for consideration dated December 17, 2019, and 2) receive and file the Financial Statements for the period ending November 30, 2019.

#### Finance Information Items

##### Tiered Water Usage and Revenue Tracking

There were no comments.

### Comments Regarding Non-Agenda FIC Items

There were no comments.

### Close Finance and Insurance Committee Meeting

At approximately 8:07 a.m. the FIC meeting was closed.

### Attorney Report

Mr. Granito reported that there is a need for a Closed Session as agendized on today's Closed Session agenda.

### Closed Session

At approximately 8:07 a.m. the Board went into Closed Session. Also at this time, Ms. Shahbakhti, Ms. Cimorell, Ms. Welsch, Mr. Moorhead, and Ms. Moore left the meeting.

### Report on Closed Session/Open Session

At approximately 8:30 a.m. the Board returned to Regular Session. Also at this time, Ms. Welsch returned to the meeting.

Mr. Granito reported that the Board went into Closed Session as reflected in todays agenda at approximately 8:07 a.m.

Mr. Granito reported that during the Closed Session the General Counsel and the General Manager led a discussion on a matter of potential litigation. No reportable action was taken.

### Adjournment

There being no further business to come before the Board, the following motion was duly made and passed.

Motion: Director Freshley made a Motion, seconded by Director Havens and unanimously carried that today's meeting be adjourned at 8:32 a.m. to Tuesday, January 21, 2020 at 7:30 a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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MARK L. MONIN, President  
of the El Toro Water District and the  
Board of Directors thereof

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

# EL TORO WATER DISTRICT INSURANCE UPDATE

January 2020

## **Liability Program**

The Liability for Auto & General Liability Coverage has been renewed for another year by JPIA effective October 1, 2019. Premium for this year is \$172,271.00. Last year's premium was \$156,333.47. The premium is based on payroll and claims experience from previous year.

## **Property Insurance**

There is nothing new to report this quarter.

## **Excess Public Employee Fidelity Program**

There is nothing new to report this quarter.

## **Underground Storage Tank Pollution Liability**

There is nothing new to report this quarter.

## **Dam Failure Liability**

Dam Failure Liability was renewed on December 11, 2019 for \$10,000,000.00 on ETWD Reservoir & \$5,000,000.00 for Rossmoor Dam by JPIA. The premium for this year \$23,949.00. Last year's premium was \$19,155.00.

## **Fiduciary Liability Policy**

There is nothing new to report this quarter.

## **Liability & Property Claims**

1. The claim filed by Southern California Edison against E. J. Meyer and El Toro Water District filed in October 2018 has now been finalized after a two year dispute. E. J. Meyer, our vendor, has now settled the claim with Edison.
2. The Fuel Bay Roof has been repaired after an employee with a backhoe attached to his vehicle damaged the roof when pulling in to get gas not realizing that the backhoe was too high to fit under the roof. JPIA has paid for the roof repairs minus our \$1,000.00 deductible.

### **Workers' Compensation Policy**

The Workers' Compensation Policy was renewed as of July 1, 2019 and runs through June 30, 2020. The District's experience modification rate is down from 0.83 to 0.64 for FY 19/20.

### **Workers' Compensation Claims**

There was one worker's compensation claim this quarter. The employee was placed on modified duty for six days.

### **Medical Insurance**

The District offers three medical plans as follows:

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

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

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

Average cost per month per employee for the second quarter is \$1358.58.

### **Vision Insurance**

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

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

### **Dental Insurance**

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

Average cost per month per employee for the second quarter is \$80.85.

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

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

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

Average cost per month per employee for the second quarter is \$49.97.

**Long Term Care Insurance**

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

Average cost per month per employee for the second quarter is \$8.49.

**Life Insurance Coverage**

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

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

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

Average cost per month per employee for the second quarter is \$38.86.

**Employee Assistance Program (EAP) Coverage**

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

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

**An insurance report of Budget vs. Actual Costs for fiscal year 2019/2020 is attached for the Board's review as well as a summary of currently held District insurance policies.**

Submitted by:  
Nancy Laursen  
Judy Cimorell

**Budget vs. Actual - Q2 2019/2020  
1/1/2020**

	<b>Annual Budget</b>	<b>Actual Paid to Date</b>	<b>Difference</b>	
<b>Insurance Coverage</b>				
Liability	Liability	\$150,000	\$172,271	\$22,271
Property	Property	\$70,000	\$65,271	(\$4,729)
Fiduciary Liability <small>(Pd 2 years 9/2018 - 8/2020)</small>	Fiduciary Liability <small>(Pd 2 years 9/2018 - 8/2020)</small>	\$6,300	\$6,164	(\$137)
Dam Ins. (includes Excess) less SMWD- 50% & MNWD 5% - R-6	Dam Ins. (include: less SMWD- 50% MNWD 5% - R-6	\$21,405 (\$7,950) (\$795)	\$23,949 (\$11,975) (\$1,197)	\$2,544 -\$4,025 (\$402)
Underground Storage Tank	Underground Stor	\$1,350	\$1,419	\$69
Excess Crime	Excess Crime	\$1,750	\$1,407	(\$343)
<b>Total Insurance</b>	<b>Total Insurance</b>	<b>\$242,060</b>	<b>\$257,308</b>	<b>\$15,248</b>

	<b>Annual Budget</b>	<b>Q1 &amp; Q2 Budget</b>	<b>Accumulative Q1 &amp; Q2 Actual</b>	<b>Difference</b>
<b>Benefits - Directors</b>				
Long Term Care	\$18,264	\$9,132	\$8,351	(\$781)
Dental	\$4,625	\$2,313	\$1,389	(\$924)
Vision	\$1,049	\$525	\$516	(\$9)
Life	\$173	\$87	\$70	(\$17)
<b>Total Benefits Directors</b>	<b>\$24,111</b>	<b>\$12,056</b>	<b>\$10,326</b>	<b>(\$1,730)</b>
<b>Retiree Benefits</b>				
Medical	\$322,321	\$161,161	\$145,892	(\$15,269)
Employee paid	(\$32,232)	(\$16,116)	(\$14,640)	\$1,476
Anthem Supplement	\$0	\$0	\$0	\$0
<b>Total retiree benefits</b>	<b>\$290,089</b>	<b>\$145,045</b>	<b>\$131,252</b>	<b>(\$13,793)</b>
<b>Employee Benefits</b>				
Emp.Assistance Program	\$1,224	\$612	\$495	(\$117)
Medical	\$1,203,295	\$601,648	\$537,543	(\$64,105)
Emp. Co-pay	(\$88,109)	(\$44,055)	(\$42,541)	\$1,514
Life/AD&D	\$28,741	\$14,371	\$14,102	(\$269)
Dental	\$59,988	\$29,994	\$29,636	(\$358)
Vision	\$12,445	\$6,223	\$6,230	\$8
LTD/STD	\$36,650	\$18,325	\$17,942	(\$383)
LTC	\$8,646	\$4,323	\$4,063	(\$260)
LTC-Emp. Paid	(\$2,598)	(\$1,299)	(\$936)	\$363
Workers comp.	\$135,000	\$67,500	\$21,725	(\$45,775)
<b>Total Employee Benefits</b>	<b>\$1,395,282</b>	<b>\$697,641</b>	<b>\$588,259</b>	<b>(\$109,382)</b>



**SUMMARY OF COVERAGE**

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<b>Type of Coverage</b>	<b><u>GENERAL LIABILITY</u></b>	<b>Coverage Term: 10/19-20</b>
<b>Coverage Includes</b>	1. Commercial General Liability 2. Contractual Liability 3. Products/Completed Operations 4. Personal Injury	<b>Premium - \$172,271</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>  Pooled Self-insured	<b>Policy Number</b>  MOLC - 100110

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<b>Type of Coverage</b>	<b><u>AUTO LIABILITY</u></b>	<b>Coverage Term: 10/19-20</b>
<b>Coverage Includes</b>	1. Owned Automobiles/Trucks 2. Non-owned Automobiles/Trucks 3. Hired Automobiles/Trucks	<b>Premium - Included</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>  Pooled Self-insured	<b>Policy Number</b>  MOLC - 100110

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<b>Type of Coverage</b>	<b><u>PUBLIC OFFICIALS LIABILITY</u></b>	<b>Coverage Term: 10/19-20</b>
<b>Coverage Includes</b>	1. Errors & Omissions	<b>Premium - Included</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>  Pooled Self-insured	<b>Policy Number</b>  MOLC - 100110

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<b>Type of Coverage</b>	<b><u>PROPERTY</u></b>	<b>Coverage Term: 7/19 - 20</b>
<b>Coverage Includes</b>	1. Basic Property Values- Building, Fixed Equipment, Personal Property 2. Mobile Equipment Value 3. Licensed Vehicle - Comprehensive & Collision - Private Passenger, Light Truck, Sport Utility, Other Vehicles	<b>\$65,271</b>
<b>Automobile Physical Damage</b> Comprehensive - 83 Vehicles Collision - 83 Vehicles		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>  Pooled Self-insured	<b>Policy Number</b>  MOLC - 100110

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<b>Type of Coverage</b>	<b><u>EXCESS CRIME PROGRAM</u></b>	<b>Coverage Term: 7/19 - 20</b>
<b>Coverage Includes</b>	<ol style="list-style-type: none"> <li>1. Public Employee Dishonesty</li> <li>2. Forgery or Alteration</li> <li>3. Computer Fraud</li> <li>4. Faithful Performance of Duty</li> <li>5. Treasurer/Tax Collector/Board Members (included)</li> </ol>	<b>Premium - \$1,900</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

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<b>Type of Coverage</b>	<b><u>UNDERGROUND STORAGE TANK POLLUTION LIABILITY</u></b>	<b>Coverage Term: 7/19 - 20</b>
<b>Coverage Includes</b>	<ol style="list-style-type: none"> <li>1. Claims-Made</li> <li>2. Environmental Incident</li> </ol>	<b>Premium - \$1,419</b>
<b>Covers 1 Tank Located at: 23542 Moulton Parkway Laguna Woods, CA 92637</b>		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

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<b>Type of Coverage</b>	<b><u>DAM FAILURE LIABILITY</u></b>	<b>Coverage Term: 10/19-09/20</b>
<b>Coverage (Includes Excess Ins. for El Toro Reservoir)</b>	\$10,000,000.00	<b>Premium - \$23,949.</b>
<b>Covers: El Toro Reservoir Rossmoor Dam</b>	\$5,000,000.00	
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
		MOLC - 100110

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<b>Type of Coverage</b>	<b><u>FIDUCIARY LIABILITY</u></b>	<b>Coverage Term: 9/18-20</b>
<b>Coverage Includes</b>	<ol style="list-style-type: none"> <li>1. Executive Protection Policy</li> </ol>	<b>Premium - \$12,327</b>
2 years Pre-paid Premium		
<b>Parent Organization: ETWD Retirement Savings Plan &amp; Trust Agreement</b>		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Travelers Casualty & Surety Co. of America	105992703

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Type of Coverage	<b><u>WORKERS' COMPENSATION</u></b>	Coverage Term: 7/19 - 6/20
Coverage Includes	1. Coverage A - Workers' Compensation 2. Coverage B - Employer's Liability	Premium - Paid Quarterly Varies per Payroll
Coverage Limits Coverage A \$0 - \$2 Million \$2 Million to Statutory	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110
Coverage Limits Coverage B \$0 - \$2 Million \$2 Million excess of \$2 Million SIR	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110

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Type of Coverage	<b><u>LIFE &amp; ACCIDENT</u></b>	2nd Quarter Premium \$7,029
Coverage Includes	Coverage - 2 X Annual Income (Max. of \$300,000)	
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218807
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

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Type of Coverage	<b><u>LONG / SHORT TERM DISABILITY</u></b>	2nd Quarter Premium \$8,995
Coverage Includes	66 2/3 Insured Earnings Max. of \$10,000	
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218808
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	30 Days STD 90 Days or 9 Weeks LTD	

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Type of Coverage	<b><u>LONG TERM CARE</u></b>	2nd Quarter Premium \$1,529
Coverage Includes	\$2,500/Month \$150,000 Total Benefit	
Insurance Carrier	UNUM	Policy # 220384
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	365 Days	

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Type of Coverage	<u>PERSONAL ACCIDENT INSURANCE</u>	2nd Quarter Premium Employee Paid
Coverage Includes	\$50,000 or \$100,000	
Insurance Carrier	INA	Policy # OKH-1253-56
Eligibility Period	Optional	
Plan Wait or Deductible	None	

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Type of Coverage	<u>DENTAL</u>	2nd Quarter Premium \$15,248
Coverage Includes	\$25.00 or \$50.00/Family	
Insurance Carrier	Delta Dental Plan of California	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

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Type of Coverage	<u>MEDICAL</u>	2nd Quarter Premium \$311,493
Coverage Includes	HMO or PPO by Employee Choice	
Insurance Carrier	Anthem Blue Cross / Kaiser Insurance thru ACWA	Policy #229CA
Eligibility Period	1 Month After Hire	
Plan Wait or Deductible	30 Days	

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\* Premium includes employees and retirees

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Type of Coverage	<u>VISION</u>	2nd Quarter Premium \$3,356
Coverage Includes	Annual Exam/Frame Every 2 Years	
Insurance Carrier	Vision Service Plan thru ACWA	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

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## STAFF REPORT

**TO: BOARD OF DIRECTORS**

**MEETING DATE: January 21, 2020**

**FROM: Mike Miazga, Information Technology Manager**

**SUBJECT: Nimble Storage Array Replacement**

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### **BACKGROUND/PURPOSE:**

The District's business information technology systems are critical to its ability to operate and maintain our potable water, wastewater and recycled water treatment, collection and distribution systems as well as perform business processes such as billing, accounting, payment processing and many others. The District must regularly replace its hardware in order to keep the systems under current support and maintenance agreements with the hardware vendors. These maintenance agreements are necessary in order to assure continued secure operations by providing firmware and software updates from the hardware vendors, as well as either on-site or remote technical support when necessary.

The District's current datacenter storage array, a Nimble CS240, was purchased and put into production in 2014 and reached its End of Support (EOS) date in December of 2019. This project started with the need to replace this Nimble CS240 Storage Area Network (SAN), and has evolved to include a complete data center refresh based on engineering specifications to accommodate the latest SAN technology. During the course of an exhaustive solutions evaluation by staff, it was determined that the District would be better served to perform a 20/21

## Nimble Storage Array Replacement

### Page 2

proposed budgeted server refresh in conjunction with this SAN replacement rather than a separate project next year.

Datacenter technology has evolved over the past five and a half years, with Hyper-Converged Infrastructure (HCI) (see attached *Computer Weekly* article describing HCI vs SAN shared storage for more information) gaining a larger portion of market share of datacenter hardware implementations. HCI technology puts compute (CPU), storage and networking into a single box, where traditional (i.e. otherwise known as 3/2/1 infrastructure (3 servers, 2 switches, 1 SAN)) infrastructure keeps each function in a separate ‘tier’. Each solution has its benefits and challenges, and either solution could work for the District. Staff, therefore, looked closely at a number of HCI vendors as well as traditional SAN solutions.

### PROPOSAL EVALUATION:

Staff solicited proposals for a total of 10 different solutions from 8 different branded vendors. Of these 10 solutions, 4 are traditional 3/2/1 architecture, 5 are HCI solutions and one was a software vSAN solution from VMWare. While any of the 10 solutions could be implemented into the District’s production network, staff’s top 3 ranked solutions are listed as follows.

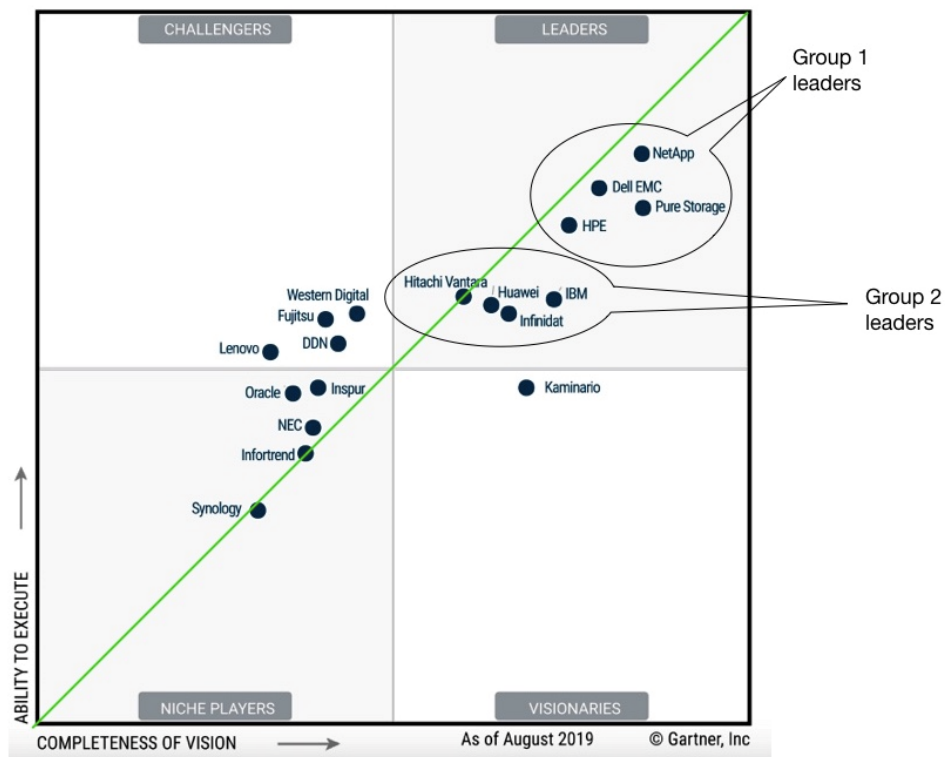
Rank	Vendor/Brand	Infrastructure Type	Usable Capacity	Total Solution Cost
1	Dell/EMC Unity	3/2/1	21 TB	\$124,214
2	Pure Storage	3/2/1	18.6 TB	\$165,619
3	Nutanix	HCI	32 TB	\$115,447

Staff also evaluated Netapp (both HCI and 3/2/1), Scale, Nimble, Dell VxRail, Datrium and VMWare vSAN. Each of these solutions were feasible solutions for our environment, but fell outside of our top three preferences for any variety of reasons including cost, brand maturity/situation, word of mouth, and/or the technology requirements involved in the solution.

One tool used by staff in evaluating the solutions is Gartner rankings (as displayed in the figure below). Gartner, Inc, officially known as Gartner, is a global research and advisory firm providing information, advice, and tools for leaders in IT, finance, HR, customer service and support, communications, legal and compliance, marketing, sales, and supply chain functions. The magic quadrant graph below represents traditional SAN vendors, and shows NetApp, Pure and Dell/EMC as market leaders. HCI vendors have their own magic quadrant and are not displayed in the below graph.

# Nimble Storage Array Replacement

## Page 3



While the Pure Storage solution was a close second in ranking due to the higher Gartner ranking, word of mouth recommendations, the solutions implementor (AMS.net) and the fact that they included 10G Power Over Ethernet (PoE) core switches to the desktops where the other solutions did not (~+-\$15,000 value), staff doesn't see enough value-add to justify the cost difference between the Pure Storage solution and the Dell/EMC solution.

The Nutanix HCI solution as well as Scale and Datruim were very intriguing to staff mainly for their ease of maintenance and ability to be readily moved to a hybrid-cloud disaster recovery solution. However, staff feels these companies are very similar to where Nimble was five years ago when they were eventually bought by Hewlett-Packard in 2017, and with the short life span of the CS240 after that event staff sees undesirable risk of short product life cycles in their solutions. Also, staff are reluctant to replace VMWare vCenter and ESXi as the production hypervisor (computer software, firmware or hardware that creates and runs virtual machines), which would be a requirement moving forward with Nutanix and is a main benefit of moving to an HCI environment in general.

The Dell/EMC solution includes an EMC Unity XT380 storage array, two Dell 4128 10 gigabyte network switches, three PowerEdge R740 servers with 2.3 TB of memory (total, across all three servers), and professional services to help with installation and migration from the District's current system. Staff anticipates this solution to increase performance of the data center network, increase total storage available to the District, and be in place and under support/maintenance for at least 5 years.

## Nimble Storage Array Replacement

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### BUDGET EVALUATION:

The total project cost is summarized in the following table.

Dell USA LP – Servers and Switches:	\$ 60,801.19
Dell EMC – Storage Array:	\$ 63,412.81
<b>Total</b>	<b>\$ 124,214.00</b>

The 2019/2020 capital budget included \$75,000 for the proposed storage array replacement project. In addition, \$50,000 has been carried over from an unused 2017/2018 capital budget line item for a data storage device. The combined capital budget of \$125,000 is adequate to fund the proposed project. In addition, the District's five year capital plan contemplated a \$50,000 expenditure in the 20/21 fiscal year for the replacement of certain network servers. This project will obviate the need for that project, releasing those funds for allocation to other important District needs.

The estimated lead time for delivery of the new equipment is 6 weeks from issuance of the purchase order. The implementation would be performed shortly after receipt of the equipment.

### **Recommended Action for the January 21, 2020 Board Meeting:**

Staff recommends that the Board of Directors authorize the General Manager to enter into a Purchase Order Contract with Dell USA LP in the amount of \$60,801.19 for the purchase of 3 PowerEdge R740 servers and 2 Dell 4128 10G network switches with professional services for help with implementation and migration and enter into a Purchase Order Contract with Dell EMC in the amount of \$63,412.81 for the purchase of an EMC Unity XT380 Storage Array. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.



RESOLUTION NO. 20-1-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EL TORO WATER DISTRICT  
ADOPTING SCHEDULE 7-W  
OF THE DISTRICT'S RULES AND REGULATIONS  
CONSISTING OF THE DISTRICT'S POLICY ON DISCONTINUATION OF  
RESIDENTIAL WATER SERVICE

WHEREAS, Senate Bill No. 998, approved by the Governor of the State of California on September 28, 2018, requires public water systems to have a written policy on discontinuation of water service to certain types of residences for nonpayment and dictates certain components to be included in the policy; and

WHEREAS, the Board of Directors of the El Toro Water District deems it to be in the best interest of the District to amend Schedule 1-W in the District's Rules and Regulations; and

WHEREAS, the Board of Directors of the El Toro Water District has reviewed the Schedule 1-W which is attached hereto marked Exhibit "A" and made a part of this Resolution.

NOW THEREFORE, BE IT RESOLVED, as follows

1. RESOVLED, that the Board of Directors of the El Toro Water District does hereby adopt Schedule 7-W of the District's Rules and Regulations set forth in Exhibit "A", which is attached hereto, effective January 21, 2020.
2. RESOLVED FURTHER, that the action taken herein is exempt from the requirement of the California Environmental Quality Act (CEQA). Reference: Section 21080 of the Public Resources Code.

ADOPTED, SIGNED AND APPROVED, this 21st day of January 2020.

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MARK L. MONIN, President  
E Toro Water District and of the  
Board of Directors thereof

(SEAL)

ATTEST:

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

# EL TORO WATER DISTRICT

## Schedule No. 7-W

### **POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE**

1. **Application of Policy.** This Policy on Discontinuation of Residential Water Service (this "Policy") shall apply to all District accounts for residential water service, but shall not apply to any accounts for non-residential service. To the extent this Policy conflicts with any other rules, regulations, or policies of the District, this Policy shall control.

2. **Contact Information.** For questions or assistance regarding the water bill, the District's Customer Service staff can be reached at (949) 837-0660. Customers may also visit the District's Customer Service desk in person Monday through Thursday, from 7:30 a.m. to 4:00 p.m., Friday 7:30 a.m. to 3:00 p.m. (closed every other Friday) except on District holidays. The District's Customer Service office is located at 24251 Los Alisos Blvd. in Lake Forest.

3. **Rendering of bills and Billing Procedures.** Water and Sewer service charges are payable, in full, to the District 25 days from date issue once every month or at such other frequency as determined by the Board of Directors from time to time. Any bills not paid within such period are considered delinquent.

4. **Discontinuation of Water Service for Nonpayment.** If a bill is delinquent for at least sixty (60) days, the District may discontinue water service to the service address.

4.1 Written Notice to Customer. The District will provide a mailed notice to the customer of record at least ten (10) business days before discontinuation of water service. The notice will contain:

- (a) the name and address of the customer;
- (b) the amount of the delinquency;
- (c) the date by which payment or payment arrangements must be made to avoid discontinuation of service;
- (d) the procedure by which the customer may initiate a complaint or request an investigation or appeal concerning service or charges;
- (e) a description of the procedure by which the customer may request an alternative payment arrangement, which may include an extension, amortization, alternative payment schedule, or payment reduction;
- (f) the procedure for the customer to obtain information regarding the District's Life Line Rate Assistance Program;
- (g) the telephone number where the customer may request a payment arrangement or receive additional information from the District.

4.2 Written Notice to Occupants or Tenants.

(a) The District will also send a notice to the occupants living at the service address at least ten (10) business days before discontinuation of water service under the following circumstances: (i) the District furnishes individually metered service to a single-family dwelling, multi-unit residential structure, mobile home park, or farm labor camp and the owner, manager, or operator is the customer of record; or (ii) the customer of record's mailing address is not the same as the service address. The notice will be addressed to "Occupant," will contain the information required in Section 4.1 above, and will inform the residential occupants that they have the right to become customers of the District without being required to pay the amount due on the delinquent account. Terms and conditions for occupants to become customers of the District are provided in Section 8 below.

# EL TORO WATER DISTRICT

(b) If the District furnishes water to residences through a master meter, the District will make a good faith effort, at least ten (10) business days prior to termination, to notify the residential occupants that the account is in arrears and the service will be terminated on a date specified in the notice. The District will provide notice by either: (i) mailing the notice to each residential unit; (ii) posting the notice on the door of each residential unit, (iii) if providing notice to each unit is impracticable or infeasible, posting two (2) copies of the notice in each accessible common area and at each point of access to the structure or structures; or (iv) making some other good faith, reasonable effort to provide written notice to the occupants. The notice will be addressed to "Occupant," will contain the information required in Section 4.1 above, and will inform the residential occupants that they have the right to become customers of the District without being required to pay the amount due on the delinquent account. Terms and conditions for occupants to become customers of the District are provided in Section 8 below.

4.3 In-Person or Telephonic Notice. The District will also make a reasonable, good faith effort to contact the customer of record or an adult person living at the premises of the customer in person or by telephone at least seven (7) Business days before discontinuation of service. The District will offer to provide in writing a copy of this Policy and to discuss options to avert discontinuation of water service for nonpayment, including the possibility of an extension or other payment arrangement.

4.4 Posting of Notice at Service Address. , the District will make a good faith effort to leave a notice of imminent discontinuation of residential service and a copy of this Policy in a conspicuous place at the service address. The notice and copy of this Policy will be left at the residence at least forty-eight (48) hours before discontinuation of service. The notice shall include:

- (a) the name and address of the customer;
- (b) the amount of the delinquency;
- (c) the date by which payment or payment arrangements must be made to avoid discontinuation of service;
- (d) the procedure for the customer to obtain information on financial assistance, if applicable; and
- (e) the telephone number where the customer may request a payment arrangement or receive additional information from the District.

4.5 Circumstances Under Which Service Will Not Be Discontinued. The District will not discontinue residential water service for nonpayment under the following circumstances:

- (a) During an investigation by the District of a customer dispute or complaint under Section 5.1 below;
- (b) During the pendency of an appeal to the Board of Directors under Section 5.3 below; or
- (c) During the period of time in which a customer's payment is subject to a District-approved extension, amortization, alternative payment schedule, or reduction under Section 6 below, and the customer remains in compliance with the approved payment arrangement.

4.6 Special Medical and Financial Circumstances Under Which Services Will Not Be Discontinued.

- (a) The District will not discontinue water service if all of the following conditions are met:

# EL TORO WATER DISTRICT

- (i) The customer, or a tenant of the customer, submits to the District the certification of a licensed primary care provider that discontinuation of water service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided;
- (ii) The customer demonstrates that he or she is financially unable to pay for residential service within the District's normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if: (a) any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level; and
- (iii) The customer is willing to enter into an alternative payment arrangement, including an extension, amortization, alternative payment schedule, or payment reduction with respect to the delinquent charges.

(b) For any customers who meet all of the above conditions, the District shall offer the customer one of the following options, to be selected by the District in its discretion:

- (i) an extension of the payment period;
- (ii) amortization of the unpaid balance;
- (iii) an alternative payment schedule; or
- (iv) a reduced payment.

The District's General Manager will select the most appropriate payment arrangement, taking into consideration the information and documentation provided by the customer, as well as the District's payment needs.

(c) The customer is responsible for demonstrating that the conditions in subsection (a) have been met. Upon receipt of documentation from the customer, the District will review the documentation within seven (7) days and: (1) notify the customer of the alternative payment arrangement selected by the District and request the customer's signed assent to participate in that alternative arrangement; (2) request additional information from the customer; or (3) notify the customer that he or she does not meet the conditions in subsection (a).

(d) The District may discontinue water service if a customer who has been granted an alternative payment arrangement under this section fails to do any of the following for sixty (60) days or more: (a) to pay his or her unpaid charges by the extended payment date; (b) to pay any amortized amount due under the amortization schedule; (c) to pay any amount due under an alternative payment schedule; (d) to pay the reduced payment amount by its due date; or (e) to pay his or her current charges for water service. The District will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the District.

4.7 Time of Discontinuation of Service. The District will not discontinue water service due to nonpayment on a Saturday, Sunday, legal holiday, or at any time during which the District's office is not open to the public.

# EL TORO WATER DISTRICT

4.8 Restoration of Service. Customers whose water service has been discontinued may contact the District by telephone or in person regarding restoration of service. Restoration shall be subject to payment of: (a) any past-due amounts, including applicable interest or penalties; (b) any reconnection fees, subject to the limitations in Section 7.1, if applicable; (c) and a security deposit, if required by the District.

## 5. **Procedures to Contest or Appeal a Bill.**

5.1 Time to Initiate Complaint or Request an Investigation. A customer may initiate a complaint or request an investigation regarding the amount of a bill within five (5) days of receiving a disputed bill. For purposes of this Section 5.1 only, a bill shall be deemed received by a customer five (5) days after mailing and immediately upon e-mailing.

5.2 Review by District. A timely complaint or request for investigation shall be reviewed by a manager of the District, who shall provide a written determination to the customer. The review will include consideration of whether the customer may receive an extension, amortization, alternative payment schedule, or payment reduction under Section 6. The District may, in its discretion, review untimely complaints or requests for investigation; however, such complaints or requests are not subject to appeal.

5.3 Appeal to Board of Directors. Any customer whose timely complaint or request for an investigation pursuant to this Section 5 has resulted in an adverse determination by the District may appeal the determination to the Board of Directors by filing a written notice of appeal with the District Secretary within ten (10) business days of the District's mailing of its determination. Upon receiving the notice of appeal, the District Secretary will set the matter to be heard at an upcoming Board meeting and mail the customer written notice of the time and place of the hearing at least ten (10) days before the meeting. The decision of the Board shall be final.

## 6. **Extensions and Other Alternative Payment Arrangements.**

If the conditions listed in Section 4.6 (a) are met, as determined by the District, the District shall offer the customer one of the following options:

6.1 Time to Request an Extension or Other Alternative Payment Arrangement. If a customer is unable to pay a bill during the normal payment period, the customer may request an extension or other alternative payment arrangement described in this Section 6. If a customer submits his or her request within thirteen (13) days after mailing of a written notice of discontinuation of service by the District, the request will be reviewed by a manager of the District. District decisions regarding extensions and other alternative payment arrangements are final and are not subject to appeal to the District's Board of Directors.

6.2 Extension. If approved by the District, a customer's payment of his or her unpaid balance may be temporarily extended for a period not to exceed six (6) months after the balance was originally due. The District's General Manager shall determine, in his or her discretion, how long an extension shall be provided to the customer. The customer shall pay the full unpaid balance by the date set by the District and must remain current on all water service charges accruing during any subsequent billing periods. The extended payment date will be set forth in writing and provided to the customer.

6.3 Amortization. If approved by the District, a customer's payment of his or her unpaid balance may be amortized over a period not to exceed twelve (12) months, as determined by the District's General Manager in his or her discretion. If amortization is approved, the unpaid balance will be divided by the number of months in the amortization period, and that amount will be added to the customer's monthly bills for water service until fully paid. During the amortization period, the customer must remain current on all water service charges accruing during any subsequent billing periods. The amortization schedule and amounts due will be set forth in writing and provided to the customer.

# EL TORO WATER DISTRICT

6.4 Alternative Payment Schedule. If approved by the District, a customer may pay his or her unpaid balance pursuant to an alternative payment schedule that will not exceed twelve (12) months, as determined by the District's General Manager in his or her discretion. If approved, the alternative payment schedule may allow periodic lump-sum payments that do not coincide with the District's established payment date or may provide for payments made more or less frequently than the District's regular payment date. During the period of the alternative payment schedule, the customer must remain current on all water service charges accruing during any subsequent billing periods. The alternative payment schedule and amounts due will be set forth in writing and provided to the customer.

6.5 Payment Reduction. If approved by the District, a customer may receive a partial or full reduction of the unpaid balance for water service. Any such reduction shall be funded using unrestricted funds of the District, and not from charges or fees paid by other customers.

6.6 Failure To Comply. If a customer has been granted a payment arrangement under this Section 6 and fails to: (1) pay the unpaid charges by the extension date; (2) pay an amount due under an amortization schedule; (3) pay an amount due under an alternative payment schedule; or (4) pay a reduced payment amount by its due date, then the District may terminate water service. The District will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the District.

## 7. **Specific Programs for Low-Income Customers.**

7.1 Reconnection Fee Limits and Waiver of Interest. For residential customers who demonstrate to the District a household income below 200 percent of the federal poverty line, the District will:

- (a) Limit any reconnection fees during normal operating hours to fifty dollars (\$50), and during non-operational hours to one hundred fifty dollars (\$150). The limits will only apply if the District's reconnection fees actually exceed these amounts. These limits are subject to an annual adjustment for changes in the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) beginning January 1, 2021.
- (b) Waive interest charges on delinquent bills once every 12 months. The District will apply the waiver to any interest charges that are unpaid at the time of the customer's request.

7.2 Qualifications. The District will deem a residential customer to have a household income below 200 percent of the federal poverty line if: (a) any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level.

## 8. **Procedures for Occupants or Tenants to Become Customers of the District.**

8.1 Applicability. This Section 8 shall apply only when the property owner, landlord, manager, or operator of a residential service address is listed as the customer of record and has been issued a notice of intent to discontinue water service due to nonpayment.

# EL TORO WATER DISTRICT

8.2 Agreement to District Terms and Conditions of Service. The District will make service available to the actual residential occupants if each occupant agrees to the terms and conditions of service and meets the requirements of the District's rules and regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively discontinuing service to those occupants who have not met the requirements of the District's rules and regulations, the District shall make service available to the occupants who have met those requirements.

8.3 Verification of Tenancy. To be eligible to become a customer without paying the amount due on the delinquent account, the occupant shall verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code, at the discretion of the District.

8.4 Methods of Establishing Credit. If prior service for a period of time is a condition for establishing credit with the District, residence and proof of prompt payment of rent for that period of time is a satisfactory equivalent.

8.5 Deductions from Rental Payment. Pursuant to Government Code Section 60371(d), any occupant who becomes a customer of the District pursuant to this Section 8 and whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the District for those services during the preceding payment period.

9. **Language for Certain Written Notices.** All written notices under Section 4 and Section 6.6 of this Policy shall be provided in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten percent (10%) or more people within the District's service area.

10. **Other Remedies.** In addition to discontinuation of water service, the District may pursue any other remedies available in law or equity for nonpayment of water service charges, including, but not limited to: securing delinquent amounts by filing liens on real property, filing a claim or legal action, or referring the unpaid amount to collections. In the event a legal action is decided in favor of the District, the District shall be entitled to the payment of all costs and expenses, including attorneys' fees and accumulated interest.

11. **Discontinuation of Water Service for Other Customer Violations.** The District reserves the right to discontinue water service for any violations of District ordinances, rules, or regulations other than nonpayment.

12. **Fees and Charges Incurred.** Except as otherwise expressly stated in this Policy, any fees and charges incurred by a customer under any other rules, regulations, or policies of the District, including, but not limited to, delinquent charges, shall be due and payable as set forth therein.

13. **Decisions by District Staff.** Any decision which may be taken by the District's General Manager under this Policy may be taken by his or her designee.



RESOLUTION NO. 20-1-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EL TORO WATER DISTRICT  
AMENDING SCHEDULE 1-W  
OF THE DISTRICT'S RULES AND REGULATIONS  
"GENERAL METERED POTABLE WATER SERVICE"

WHEREAS, the Board of Directors previously adopted Schedule 7-W of the District's Rules and Regulations establishing a policy on discontinuation of water service to certain types of residences for nonpayment; and

WHEREAS, Schedule 7-W of the District's Rules and Regulations, as adopted by Resolution No. 20-1-1, supersedes previous provisions regarding discontinuation of water service to certain types of residences for nonpayment defined in Schedule 1-W of the District's Rules and Regulations; and

WHEREAS, the Board of Directors of the El Toro Water District deems it to be in the best interest of the District to amend Schedule 1-W in the District's Rules and Regulations to remove any conflicting provision regarding the policy on discontinuation of water service to certain types of residences for nonpayment the ; and

WHEREAS, the Board of Directors of the El Toro Water District has reviewed the amended Schedule 1-W which is attached hereto marked Exhibit "A" and made a part of this Resolution.

NOW THEREFORE, BE IT RESOLVED, as follows

1. RESOVLED, that the Board of Directors of the El Toro Water District does hereby adopt Schedule 1-W of the District's Rules and Regulations as amended and set forth in Exhibit "A", which is attached hereto, effective January 21, 2020.

2. RESOLVED FURTHER, that the action taken herein is exempt from the requirement of the California Environmental Quality Act (CEQA). Reference: Section 21080 of the Public Resources Code.

ADOPTED, SIGNED AND APPROVED, this 21st day of January 2020.

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MARK L. MONIN, President  
E Toro Water District and of the  
Board of Directors thereof

(SEAL)

ATTEST:

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

# EL TORO WATER DISTRICT

## Schedule No. 1-W

### GENERAL METERED POTABLE WATER SERVICE

**Water Usage Charge: Applicable to all residential and potable irrigation metered water service.**

Water use is charged on a Water-Budget Based Tiered Conservation Rate Structure. Water Budgets for each residential and potable irrigation customer includes an Indoor Budget and an Outdoor Budget

Budgets are based on the following:

#### **Indoor Budget:**

55 gallon/ person/ day \* number of occupancies \* number of days in the billing cycle/ 748 gallon per billing units plus approved variances.

Occupancy is assumed to be four residents for single family detached, three residents for attached unrestricted and two residents for attached and detached restricted residential communities. Occupancy adjustments will be made where warranted.

The calculation of the Indoor budget is subject to a Drought Factor as determined by the Board. The current Drought Factor is 1.0.

#### **Outdoor Budget:**

Landscape area\* weather factor\*efficiency factor/1200 per billing unit plus approved variances.

The calculation of the Outdoor budget is subject to a Drought Factor as determined by the Board. The current Drought Factor is 1.0.

The Indoor water budget, as determined above, will be billed at Tier I (“Indoor – Efficient”) rates. The Outdoor water budget, as determined above, will be billed at Tier II (“Outdoor – Efficient”) rates. Water use in excess of the Tier I and II water budget would be deemed inefficient and/or excessive. Tier III (“Inefficient”) water use would be usage between 100% and 130% of the total Tier I and II water budget and Tier IV (“Excessive”) usage would be consumption over Tier III.

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Approved by Resolution 20-1-2

Effective 01/21/20

Approved by Resolution 19-6-1

Effective 07/01/19

Approved by Resolution 18-6-1

Effective 07/01/18

Approved by Resolution 17-6-1

Effective: 07/01/17

Approved by Resolution 16-6-2

Effective: 07/01/16

Approved by Resolution 15-7-1

Effective: 08/01/15

Exhibit “A” to Resolution No. 19-6-1

# EL TORO WATER DISTRICT

Effective July 1, 2019 Potable Water Usage Rates will be:

Tier I – Indoor - Efficient	\$2.58/CCF
Tier II – Outdoor - Efficient	\$2.97/CCF
Tier III – Inefficient	\$6.14/CCF
Tier IV – Excessive	\$7.88/CCF

## **Water Budget - Variance/Adjustment Process**

**Adjustments** – Individual water budgets are primarily based on permanent residency (occupancy) and landscape irrigation area in square feet.

**Occupancy** - In general, residency is assumed to be as follows

- 1) Single Family – 4 permanent residence
- 2) Multi-family, unrestricted (including condo, trailer parks and townhomes)  
- 3 permanent residence
- 3) Multi-family, restricted (restricted due to age limitations)  
– 2 permanent residence, and
- 4) Multi-family, apartments – 2 permanent residence

Customers who believe their permanent occupancy differs from the above may request an adjustment to their occupancy factor. All adjustment requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for additional permanent occupants.

Request for additional permanent occupants will be granted based on criteria established by the General Manager.

**Landscape Irrigation Area** – Each customer’s landscape irrigation area was established based on the county of Orange Assessor’s parcel data, on-line parcel information, customer representations and/or independent measurements.

Customers who believe their landscape irrigation area is incorrect may request an adjustment. All adjustment requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for additional landscape irrigation area. Request for adjustments to landscape irrigation area will be granted based on criteria established by the General Manager.

# EL TORO WATER DISTRICT

**Variations** – Water budgets have been developed using industry standards to provide all customers with the appropriate amount of water given then current hydrological conditions. If, for any reason a customer believes that their water budget is inadequate due to extenuating circumstances they may request a temporary or permanent variance for additional water. All variance requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for an increase in the water budget.

Request for temporary or permanent variations will be granted based on criteria established by the General Manager.

**General** - All requests for variance/adjustments must be in writing and signed by the customer (account holder). The District reserves the right to request additional documentation in support of the request. Approved variations/adjustments will become effective at the beginning of the billing period after approval, and will remain active for a period of 24 months, at which time the customer will be required to re-confirm the circumstances surrounding the original request.

The General Manager must act upon any completed application no later than ten (10) days after submittal and may approve, conditionally approve, or deny the request for variance/adjustment. The customer requesting the variance/adjustment must be promptly notified in writing of any action taken. The decision of the General Manager will be final.

**Potable Water Usage Charge: Applicable to all commercial, institutional and industrial (CII) metered water service.**

Effective July 1, 2019, the uniform CII Potable Water Usage Rate will be \$2.95/CCF.

## **Water Operations & Maintenance (O&M) Charge**

Effective July 1, 2019 , the Water O&M Charges are as follows:

	<b><u>Per Meter Per Month</u></b>
For 5/8 inch meter	\$14.14
For 3/4 inch meter	\$18.99
For 1 inch meter	\$28.70
For 1 ½ inch meter	\$52.98
For 2 inch meter	\$101.52

# EL TORO WATER DISTRICT

## Capital Replacement and Refurbishment (R&R) Charge – Water

Effective July 1, 2018, the Capital R&R Charges - Water are as follows:

	Per Meter Per Month
For 5/8 x 3/4 inch meter	\$4.66
For 3/4 inch meter	\$4.66
For 1 inch meter	\$7.78
For 1 ½ inch meter	\$18.91
For 2 inch meter	\$47.47

The Water O&M Charge and the Capital R&R Charge are applicable to all active general metered water service, which is added to the charge for water used during the month computed at the Water Usage Charge.

# EL TORO WATER DISTRICT

## Schedule No. 1-W

### SPECIAL PROVISIONS:

#### 1. LIFE LINE RATE ASSISTANCE PROGRAM:

Customers providing the District with satisfactory evidence of having a household income of \$15,000 or less per calendar year may qualify for the Life Line Rate Assistance program. The Life Line Rate Assistance Program provides a waiver for the Water O&M Charge for qualified customers. In order to qualify, a customer must submit an application and Statement of Eligibility (Form 3/98 attached).

An approved application is valid for three years from the date of acceptance and is not automatically transferred or renewed.

The waiver will apply only to the customer's primary residence.

Proof of eligibility may be required.

#### 2. NON-REGISTERING METERS:

The District may bill the customer for water consumed while the meter was non-registering. Billing will be based upon an estimate of the consumption according to the customer's prior use during the same season of the year, or upon an estimate based upon a reasonable comparison with the use of other customers during the same period receiving the same class of service under similar circumstances and conditions. Billing estimation will not exceed two consecutive billings.

#### ~~3. RESIDENTIAL UNITS:~~

##### ~~Termination of Service~~

~~1.—The District may terminate service for non-payment of a delinquent account. In such event, at least 10 days prior to the proposed termination the District shall first give notice of the delinquency and impending termination by means of a notice mailed, postage prepaid, to the customer of record to whom service is billed not earlier than 19 days from the date of mailing of the District's bill for services, and the 10 day period shall not commence until 5 days after the mailing of the notice.~~

~~2.—The District shall make a reasonable, good faith effort to contact an adult person residing on the premises of the customer by telephone or in person at least 48 hours prior to any termination of service except that whenever telephone or personal contact cannot be accomplished, the District shall give by mail or by posting in a conspicuous location at the premises, a notice of termination of service, at least 48 hours prior to termination.~~

# EL TORO WATER DISTRICT

~~3. Every notice of termination of service pursuant to paragraph 1 above shall include all of the following information:~~

- ~~(1) The name and address of the customer whose account is delinquent;~~
- ~~(2) The amount of the delinquency;~~
- ~~(3) The date by which payment or arrangements for payment is required in order to avoid termination;~~
- ~~(4) The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges;~~
- ~~(5) The procedure by which the customer may request amortization of the unpaid charges;~~
- ~~(6) The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state or federal sources if applicable; and~~
- ~~(7) The telephone number of a representative of the District who can provide additional information or institute arrangements for payment.~~

~~The District shall not terminate residential service for non-payment in any of the following situations:~~

- ~~1. During the pendency of an investigation by the District of a customer dispute or complaint.~~
- ~~2. When a customer has been granted an extension of the period for payment of a bill.~~
- ~~3. On the certification of a licensed physician that to do so would be life threatening to the customer and the customer is financially unable to pay for service within the normal payment period and is willing to enter into an amortization agreement with the District with respect to all charges that the customer is unable to pay prior to delinquency.~~



# EL TORO WATER DISTRICT

## Schedule No. 1-W

### Payment Extension

~~Any residential customer who has initiated a complaint or requested an investigation within five days of receiving the disputed bill, or has within 13 days of the District's 10-day notice of termination made a request for extension of the payment period of a bill asserted to be beyond the means of a customer to pay in full during the normal period of payment, shall be given an opportunity for review of the complaint, investigation or request by General Manager of the District or their designee. The review shall include consideration of whether the customer shall be permitted to amortize the unpaid balance of the account over a reasonable period of time, not to exceed twelve months. No termination of service shall be effected for any customer complying with an amortization agreement, if the customer also keeps the account current as charges accrue in each subsequent billing period.~~

~~Any customer whose complaint or request for an investigation pursuant to these provisions has resulted in an adverse determination by the District may appeal the determination to the District's Board of Directors.~~

~~Any customer meeting the requirements of these provisions shall upon request, be permitted to amortize, over a period not to exceed 12 months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal period for payment.~~

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~~Termination of residential service may not be effected without compliance with these provisions and any service wrongfully terminated shall be restored without charges for the restoration of service. In addition, termination of service may not be effected on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the District are not open to the public.~~

# EL TORO WATER DISTRICT

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**APPLICATION and STATEMENT of ELIGIBILITY  
For EL TORO WATER DISTRICT LIFE LINE RATE ASSISTANCE  
PROGRAM**

# EL TORO WATER DISTRICT

## 1. APPLICATION INFORMATION: PLEASE PRINT

Your Name: \_\_\_\_\_  
Last First Middle

Name as it appears on billing statement: \_\_\_\_\_  
Last First Middle

Service Address: \_\_\_\_\_  
Street City Zip Code

Telephone No: ( ) \_\_\_\_\_ Number of Persons in the Household: \_\_\_\_\_

Your ETWD Account Number as shown on your billing statement: \_\_\_\_\_

## 2. SIGN APPLICATION:

By signing this application, I declare under penalty of perjury that I have read and understand my responsibilities if I am approved for the life line rate. I further declare that I do meet the qualifications for the lifeline income rate benefits that I have requested. I understand that if I move or become ineligible to receive the discount that I must notify ETWD immediately. I understand that I must renew my application for the discount each time I change residences. If I do not change residences, I must reapply every three years or sooner *as set forth in Schedule No. 1-W of the Rules and Regulations of the El Toro Water District*. I also understand that the discount applies only to one residence at any one time and that it must be my permanent residence. I understand that if I am approved for the discount, I will begin receiving it no more than one billing period after ETWD receives my completed application.

\_\_\_\_\_  
**Applicant's Signature**

\_\_\_\_\_  
**Date**

24251 Los Alisos Boulevard Lake Forest, CA 92630 (949) 837-7050 FAX (949) 837-7092 E-mail:district@etwd.com

# EL TORO WATER DISTRICT

## CUSTOMER APPLICATION DOMESTIC LIFE LINE RATE

Any customer of the El Toro Water District whose account is in his or her name and can provide to the District satisfactory evidence of having a household income of \$15,000 or less per year may request that the service charge of waived.

To find out what your combined income is add together the income for each person living with you. Sources of that income include, but are not limited to the following:

Social Security Benefits	\$ _____	Disability Benefits	\$ _____
Royalties & Rental Income	\$ _____	Interests & Dividends	\$ _____
Wages, Tips & Salary	\$ _____	Retirement Benefits	\$ _____
Unemployment Benefits	\$ _____	Cash Public Assistance	\$ _____
Veteran's Benefits	\$ _____	Food Stamps	\$ _____
<b>TOTAL \$ _____</b>			

**REMEMBER** only qualified customers can sign up for the program. When you fill out your application form, you will be signing a document under penalty of perjury that states you meet the qualifications. **WE MAY ASK YOU TO PROVIDE PROOF OF INCOME.** Proof of income includes but is not limited to copies of any of the following documents:

- State or Federal income tax returns
- Paycheck stubs
- W-2 or 1099 tax forms
- Copies of state and federal records proving income such as military pensions
- Social Security
- Other documents that would prove income levels

# EL TORO WATER DISTRICT

## HOUSEHOLD MEMBERS

NAMES	AGES

RESOLUTION NO. 20-1-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EL TORO WATER DISTRICT AMENDING POLICY  
STATEMENT 1985-3 (IV)  
(ETWD INVESTMENT POLICY)

WHEREAS, the Board of Directors of the El Toro Water District deems it to be in the best interest of the District to amend Policy Statement 1985-3 (IV) regarding the El Toro Water District's Investment Policy; and

WHEREAS, the Board of Directors of the El Toro Water District has reviewed the amended policy as set forth in Exhibit "A" which is attached hereto and incorporated by this reference.

NOW THEREFORE, BE IT RESOLVED, as follows

1. RESOLVED, that the Board of Directors of the El Toro Water District does hereby adopt Policy Statement 1985-3 (IV), as amended and set forth in Exhibit "A", which is attached hereto, effective January 21, 2020.
2. RESOLVED FURTHER, that the action taken herein is exempt from the requirement of the California Environmental Quality Act (CEQA). Reference: Section 21080 of the Public Resources Code.

ADOPTED, SIGNED AND APPROVED, this 21st day of January 2020.

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MARK L. MONIN, President  
E Toro Water District and of the  
Board of Directors thereof

(SEAL)

ATTEST:

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

Prepared by: Staff	<b>EL TORO WATER DISTRICT POLICY STATEMENT 1985-3 (IV) INVESTMENT POLICY</b>	Pages 1 of 8 Item 2 Section IV
Approved by: Board of Directors		Date: 01-23-20 Revision: 17

**TABLE OF CONTENTS**

- 1.0 Policy
- 2.0 Scope
- 3.0 Standard of Care
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- 5.0 Delegation of Authority
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- 7.0 Authorized Financial Dealers and Institutions
- 8.0 Authorized & Suitable Investments
- 9.0 Safekeeping and Custody
- 10.0 Diversification
- 11.0 Maximum Maturities
- 12.0 Internal Control
- 13.0 Performance Standards
- 14.0 Reporting
- 15.0 Investment Policy Adoption

Superseded by Resolution: 91-02-02	Date: 02/02/91
Superseded by Resolution: 94-02-02	Date: 02/16/94
Superseded by Resolution: 95-02-16	Date: 02/16/95
Superseded by Resolution: 95-12-04	Date: 12/21/95
Superseded by Resolution: 98-02-01	Date: 02/19/98
Superseded by Resolution: 00-02-01	Date: 02/17/00
Superseded by Resolution: 01-15-01	Date: 11/15/01
Superseded by Resolution: 02-09-01	Date: 09-19-02
Superseded by Resolution: 03-04-02	Date: 04/24/03
Superseded by Resolution: 04-04-01	Date: 04/22/04
Superseded by Resolution: 05-02-01	Date: 02/04/05
Superseded by Resolution: 08-9-1	Date: 09/23/08
Superseded by Resolution: 11-9-3	Date: 09/22/11
Superseded by Resolution: 15-9-1	Date: 09/24/15
Superseded by Resolution: 16-9-1	Date: 09/22/16
Superseded by Resolution: 17-9-1	Date: 09/26/17
Superseded by Resolution: 20-1-3	Date: 01/21/20

Prepared by: Staff	<b>EL TORO WATER DISTRICT POLICY STATEMENT 1985-3 (IV) INVESTMENT POLICY</b>	Pages 2 of 8 Item 2 Section IV
Approved by: Board of Directors		Date: 01-23-20 Revision: 17

### 1.0 Policy

It is the duty of the El Toro Water District's (ETWD) Finance Manager/Controller to invest ETWD money consistent with safe and prudent management in such manner as to maximize yield without sacrificing safety or liquidity. Cash in excess of immediate operating requirements shall be invested in institutions meeting all legal requirements for the deposit of public funds.

The objective of this Investment Policy is to maintain a prudent mix of investments to provide the highest investment return while meeting the daily cash flow demands of ETWD.

### 2.0 Scope

This Investment Policy applies to all financial assets of ETWD. These funds are accounted for in ETWD's Books & Records and Annual Financial Report and include:

#### 2.1 Funds:

General Funds

Capital Project Funds

Other Funds as Approved by the Board

Bond proceeds shall be invested in the securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this policy, the percentage or dollar portfolio limitations listed elsewhere in this policy do not apply to bond proceeds. In addition to the securities listed in Section 8.0, bond proceeds may be invested in a structured investment product if approved by the Finance Manager/Controller.

### 3.0 Standard of Care

The Standard of Care to be used by all participants in the investment process shall be the "Prudent Investor Standard" as set forth in Government Code Section 53600.3 and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of ETWD that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and like aims.

Investment Officers acting in accordance with this written procedure and Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and that appropriate action is taken to control adverse developments. Collectively, the General Manager and the Finance Manager/Controller are hereby defined as Investment Officers.



Prepared by: Staff	<b>EL TORO WATER DISTRICT POLICY STATEMENT 1985-3 (IV) INVESTMENT POLICY</b>	Pages 3 of 8 Item 2 Section IV
Approved by: Board of Directors		Date: 01-23-20 Revision: 17

#### 4.0 Objective

In accordance with Government Code Section 53600.5, the primary objectives, in priority order, for ETWD's Investment activities shall be as follows:

- 4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of ETWD shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, **diversification** is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 4.2 **Liquidity:** ETWD's investment portfolio will remain sufficiently liquid to enable ETWD to meet all operating requirements, which might be reasonably anticipated.
- 4.3 **Return on Investment:** ETWD's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account ETWD's investment risk constraints and the cash flow characteristics of the portfolio.

#### 5.0 Delegation of Authority

Authority to manage ETWD's Investment Program is derived from the approval of Resolution 85-3-1 adopting policy statement 1985-3 (IV) Investment Policy as well as a series of superseding resolutions adopting periodic updates to the Investment Policy. Management responsibility for the program is hereby delegated to the Finance Manager/Controller of ETWD until such time the Board may decide to change the delegation of management responsibility.. The Finance Manager/Controller, through the approval of this Investment Policy, has established procedures for the operation of the Investment Program. No person may engage in an investment transaction except as provided under the terms of this policy and other procedures that may be established by the Finance Manager/Controller.

As authorized by the Board of Directors, ETWD may engage an Investment Advisor to assist with its investment program. The Investment Advisor shall be responsible for all transactions undertaken. Investments made by the Investment Advisor will conform to this Policy and the limitations of the Government Code. The Finance Manager/Controller shall provide monitoring and oversight of the investments made by the Investment Manager.

#### 6.0 Ethics and Conflicts of Interests

Investment Officers, Board Members and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Board Members and employees involved in the investment process shall disclose to the General Manager any material financial interests in financial institutions that conduct business with the District, and they shall further disclose any personal financial/investment positions that could be related to the performance of ETWD's portfolio. Affected Employees and Investment Officers

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shall sub-ordinate their personal investment transactions to those of ETWD, particularly with regard to the time of purchases and sales. The General Manager, Finance Manager/Controller, affected employees, and the Investment Advisor, if one is used, will be required to prepare an Annual Conflict of Interest Statement (FPPC Form 700).

7.0 Authorized Financial Institutions

No public deposit shall be made except in a **qualified public depository** as established by state laws.

If Broker/Dealers are required to complete a transaction, they should be associated with Primary Dealers. For transactions initiated through the Investment Advisor, the firm may use their own list of approved broker/dealers and financial institutions, which it will maintain and review periodically.

8.0 Authorized and Suitable Investments

Sections 53600 et. seq. of the California Government Code provides basic investment limits and guidelines for government entities. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence.

- A. U.S. Treasury Instruments. United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the full faith and credit of the United States is pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio invested in this category.
- B. Federal Agency and Instrumentality Securities. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio invested in this category.
- C. Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by a Nationally Recognized Statistical Rating Organization ("NRSRO") and shall not exceed 30% of the portfolio.
- D. Municipal Debt. Registered treasury notes or bonds of any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a revenue-producing

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property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in a rating category of “A” or its equivalent or better by an NRSRO. A maximum of 10% of ETWD’s portfolio may be invested in this category.

- E. Medium-Term Notes. Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of “A” or its equivalent or better by an NRSRO. A maximum of 30% of ETWD’s portfolio may be invested in this category.
  
- F. Asset-Backed Securities. Asset-backed securities include mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, and consumer receivable-backed bonds. Purchases are limited to securities rated in a rating category of “AA” or its equivalent or better by an NRSRO. Additionally, securities must have a maximum remaining maturity of 5 years or less. A maximum of 20% of the portfolio may be invested in this category.
  
- G. Commercial Paper. Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of “AA” or its equivalent or better by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10% of the outstanding paper of an issuing corporation. A maximum of 25% of ETWD’s portfolio may be invested in this category.
  
- H. Bankers’ Acceptances. Bankers’ acceptances, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank. Purchases are limited to bankers’ acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers’ acceptances may not exceed 180 days maturity. Eligible bankers’ acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by a NRSRO. A maximum of 15% of ETWD’s portfolio may be invested in this category.
  
- I. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. . Purchases are limited to institutions which have long-term debt rated in a rating category of “A” or its equivalent or better by an NRSRO; and/or have short-term debt rated “A-1” or its equivalent or better by an NRSRO. A maximum of 30% of ETWD’s portfolio may be invested in this category.

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- J. Placement Service Deposit. Deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. A maximum of 30% of ETWD’s portfolio may be invested in this category.
- K. State of California’s Local Agency Investment Fund (LAIF). If ETWD has funds invested in LAIF, ETWD shall maintain on file LAIF’s current investment policy and its requirements for participation, including limitations on deposits or withdrawals. In addition, ETWD’s investments in LAIF should be reviewed periodically. A maximum of \$30 million dollars may be invested in the State pool.
- L. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following). The company shall have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment adviser registered or exempt from registration with the SEC with not less than 5 years’ experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). A maximum of 10% of ETWD’s portfolio may be invested in this category.
- M. California Asset Management Program (CAMP). If ETWD has funds invested in CAMP, ETWD shall maintain on file CAMP’s current investment policy and it’s requirements for participation, including limitations on deposits and withdrawals. In addition, ETWD’s investments in CAMP should be reviewed periodically. A maximum of 60% of ETWD’s portfolio may be invested in this category.
- N. Bank Deposits. FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits (“TCDs”) or other bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder’s equity. To be eligible to receive ETWD deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Finance Manager/Controller, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. ETWD shall have a signed agreement with any depository accepting ETWD funds per Government Code Section 53649. The maximum maturity of TCDs is one (1) year. A maximum of 20% of ETWD’s portfolio may be invested in TCDs

9.0 Safekeeping and Custody

All cash and securities in ETWD’s portfolio, including those that are being managed by the Investment Advisor, shall be held in in ETWD’s name. All deliverable securities shall be held by a third-party bank trust department, acting as agent for the ETWD under the terms of a custody

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agreement executed by the bank and ETWD. If an Investment Advisor is used by ETWD, they may never take possession of ETWD's cash or assets.

All deliverable securities will be received and delivered using standard **delivery-versus-payment (DVP)** procedures. ETWD's third-party bank trust department will only release payment for a security after the security has been properly delivered. The only exception to the foregoing shall be depository accounts and securities purchases made with (i) local government investment pools; (ii) bank deposits; and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held by ETWD.

#### 10.0 Diversification

The purpose of Diversification is to reduce overall portfolio risks while obtaining Market Average Rates of return and avoiding losses. The investment portfolio shall be diversified among security types, issuers and maturities to prevent incurring unreasonable and avoidable risks regarding specific security types, individual financial institutions or maturity segments. In addition to the percentage limitations specified in Section 8.0 Permitted Investments, the maximum amount of the portfolio ETWD may invest with any one issuer in the following categories (Medium-Term Notes, Asset-Backed Securities, Commercial Paper, Bankers' Acceptances, and Negotiable Certificates of Deposit) is 5%. In addition, the maximum amount of the portfolio ETWD may invest in these categories in aggregate is limited to 40%.

Percentage holding and diversification limits listed in this section Policy apply at the time the security is purchased. If a holding or diversification limit listed in this Policy is exceeded due a subsequent change in this Policy or in the portfolio's size, those securities may be held to maturity while still remaining in compliance with this Policy.

#### 11.0 Maximum Maturities

To the extent possible, ETWD will attempt to match its investments with anticipated cash flow requirements. The maximum maturity of individual investments shall not exceed the limits set forth in Section 8.0. Where no maturity limit is stated, no investment shall exceed a maturity of five years from the date of purchase unless the Board of Directors has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board of Directors no less than three months prior to the investment.

Reserve funds may be invested in securities exceeding (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

#### 12.0 Internal Control

The Finance Manager/Controller shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

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### 13.0 Performance Standards

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account ETWD's investment risk constraints and cash flow needs.

**Market Yield (Benchmark):** ETWD's investment strategy is active. Given this strategy, the Finance Manager/Controller or the Investment Advisor, shall select an appropriate, readily available index to use as a performance benchmark.

### 14.0 Reporting

The Finance Manager/Controller is charged with the responsibility of providing monthly reports to the Board. The monthly reports shall encompass all investments and monies held by ETWD, and/or under management of any outside party and shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, current market value on all securities (including the source of this valuation), a statement that the portfolio is in compliance with this policy or the manner in which it is not in compliance and a statement that ETWD has the ability to meet its expenditure requirements for the next six months or an explanation as to why sufficient money may not be available. The Finance Manager/Controller shall report whatever additional information or data the Board may deem necessary.

#### Credit Ratings Changes

In the event a security held by ETWD is subject to a rating change that brings it below the minimum credit ratings specified in this policy, the Finance Manager/Controller should notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

### 15.0 Investment Policy Adoption

ETWD's investment policy shall be adopted by resolution of the ETWD's Board of Directors. The policy shall be reviewed on an annual basis by the Finance Manager/Controller and the Board of Directors. Any modifications made thereto must be approved in the form of a resolution by the Board of Directors.

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### 1.0 Policy

It is the duty of the El Toro Water District's (ETWD) Finance Manager/Controller to invest ETWD money consistent with safe and prudent management in such manner as to maximize yield without sacrificing safety or liquidity. Cash in excess of immediate operating requirements shall be invested in institutions meeting all legal requirements for the deposit of public funds.

The objective of this Investment Policy is to maintain a prudent mix of investments to provide the highest investment return while meeting the daily cash flow demands of ETWD.

### 2.0 Scope

This Investment Policy applies to all financial assets of ETWD. These funds are accounted for in ETWD's Books & Records and Annual Financial Report and include:

#### 2.1 Funds:

General Funds

Capital Project Funds

Other Funds as Approved by the Board

Bond proceeds shall be invested in the securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this policy, the percentage or dollar portfolio limitations listed elsewhere in this policy do not apply to bond proceeds. In addition to the securities listed in Section 8.0, bond proceeds may be invested in a structured investment product if approved by the Finance Manager/Controller.

### 3.0 ~~Prudence~~Standard of Care

The Standard of ~~Prudence-Care~~ to be used by ~~investment officials~~all participants in the investment process shall be the "Prudent Investor Standard" ~~standard as set forth in Government Code Section 53600.3~~ and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of ETWD that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and like aims.

Investment ~~officers-Officers~~ acting in accordance with this written procedure and Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and that appropriate action is taken to control adverse developments. Collectively, the General Manager and the Finance Manager/Controller are hereby defined as Investment Officers.



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#### 4.0 Objective

In accordance with Government Code Section 53600.5, ~~the~~ primary objectives, in priority order, for ETWD's Investment activities shall be as follows:

- 4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of ETWD shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, **diversification** is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 4.2 **Liquidity:** ETWD's investment portfolio will remain sufficiently liquid to enable ETWD to meet all operating requirements, which might be reasonably anticipated.
- 4.3 **Return on Investment:** ETWD's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account ETWD's investment risk constraints and the cash flow characteristics of the portfolio.

#### 5.0 Delegation of Authority

Authority to manage ETWD's Investment Program is derived from the approval of Resolution 85-3-1 adopting policy statement 1985-3 (IV) Investment Policy as well as a series of superseding resolutions adopting periodic updates to the Investment Policy. Management responsibility for the program is hereby delegated to the Finance Manager/Controller of ETWD until such time the Board may decide to change the delegation of management responsibility. ~~for a one-year period. Subject to review, the Board of Directors may renew the delegation of authority pursuant to this section each year.~~ The Finance Manager/Controller, through the approval of this Investment Policy, has established procedures for the operation of the Investment Program. No person may engage in an investment transaction except as provided under the terms of this policy and other procedures that may be established by the Finance Manager/Controller.

As authorized by the Board of Directors, ETWD may engage an Investment Advisor to assist with its investment program. The Investment Advisor shall be responsible for all transactions undertaken. Investments made by the Investment Advisor ~~will conform to this Policy and~~ within the limitations of the Government Code. The Finance Manager/Controller shall provide monitoring and oversight of the investments made by the Investment Manager.

#### 6.0 Ethics and Conflicts of Interests

Investment Officers, Board Members and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment

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program, or which could impair their ability to make impartial investment decisions. Board Members and employees involved in the investment process ~~Employees and investment officials~~ shall disclose to the General Manager any material financial interests in financial institutions that conduct business ~~within this jurisdiction~~with the District, and they shall further disclose any ~~large~~ personal financial/investment positions that could be related to the performance of ETWD's portfolio. Affected Employees and Investment Officers~~officers~~

shall sub-ordinate their personal investment transactions to those of ETWD, particularly with regard to the time of purchases and sales. The General Manager, Finance Manager/Controller, ~~key-affected~~ employees, and the Investment Advisor, if one is used, will be required to prepare an Annual Conflict of Interest Statement (FPPC Form 700).

#### 7.0 Authorized Financial Institutions

No public deposit shall be made except in a **qualified public depository** as established by state laws.

If Broker/Dealers are required to complete a transaction, they should be associated with Primary Dealers. For transactions initiated through the Investment Advisor, the firm may use their own list of approved broker/dealers and financial institutions, which it will maintain and review periodically.

#### 8.0 Authorized and Suitable Investments

Sections 53600 et. seq. of the California Government Code provides basic investment limits and guidelines for government entities. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence.

- A. U.S. Treasury Instruments. United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the full faith and credit of the United States is pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio invested in this category.
- B. Federal Agency and Instrumentality Securities. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio invested in this category.
- C. Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category

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of “AA” or its equivalent or better by a Nationally Recognized Statistical Rating Organization (“NRSRO”) and shall not exceed 30-% of the portfolio.

- D. Municipal Debt. Registered treasury notes or bonds of any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a revenue-producing

property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated in a rating category of “A” or its equivalent or better by an NRSRO. A maximum of 10% of ETWD’s portfolio may be invested in this category.

- E. Medium-Term Notes. Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of “A” or its equivalent or better by an NRSRO. A maximum of 30% of ETWD’s portfolio may be invested in this category.

- F. Asset-Backed Securities. Asset-backed securities include mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, and consumer receivable-backed bonds. Purchases are limited to securities rated in a rating category of “AA” or its equivalent or better by an NRSRO. ~~Additionally, securities must be issued by an issuer whose debt is rated in a rating category of “A” or its equivalent or better by an NRSRO. Additionally, securities must have a maximum remaining maturity of 5 years or less.~~ A maximum of 20-% of the portfolio may be invested in this category.

- G. Commercial Paper. Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of “AA” or its equivalent or better by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10% of the outstanding paper of an issuing corporation. A maximum of 25% of ETWD’s portfolio may be invested in this category.

- H. Bankers’ Acceptances. Bankers’ acceptances, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank. Purchases are limited to bankers’ acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers’ acceptances may not exceed 180 days

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maturity. Eligible bankers' acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by a NRSRO. A maximum of 15% of ETWD's portfolio may be invested in this category.

- I. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. . Purchases are limited to institutions which have long-term debt rated in a rating category of "A" or its equivalent or better by an NRSRO; and/or have short-term debt rated "A-1" or its equivalent or better by an NRSRO. A maximum of 30% of ETWD's portfolio may be invested in this category.
  
- J. Placement Service Deposit. Deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. A maximum of 30% of ETWD's portfolio may be invested in this category.
  
- K. State of California's Local Agency Investment Fund (LAIF). If ETWD has funds invested in LAIF, ETWD shall maintain on file LAIF's current investment policy and its requirements for participation, including limitations on deposits or withdrawals. In addition, ETWD's investments in LAIF should be reviewed periodically. A maximum of \$30 million dollars ~~should~~may be invested in the State pool.
  
- L. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following). The company shall have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment adviser registered or exempt from registration with the SEC with not less than 5 years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). A maximum of 10% of ETWD's portfolio may be invested in this category.
  
- M. California Asset Management Program (CAMP). If ETWD has funds invested in CAMP, ETWD shall maintain on file CAMP's current investment policy and it's requirements for participation, including limitations on deposits and withdrawals. In addition, ETWD's investments in CAMP should be reviewed periodically. A maximum of ~~50%~~60% of ETWD's portfolio may be invested in this category.
  
- N. Bank Deposits. FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") or other bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. To be eligible to receive ETWD deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California

Prepared by: Staff	<b>EL TORO WATER DISTRICT POLICY STATEMENT 1985-3 (IV) INVESTMENT POLICY</b>	Pages <u>7</u> of <u>8</u> <del>total</del> Item 2 Section IV
Approved by: Board of Directors		Date: <del>9-26-</del> <u>1701-23-20</u> Revision: <del>16</del> <u>17</u>

Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Finance Manager/Controller, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. ETWD shall have a signed agreement with any depository accepting ETWD funds per Government Code Section 53649. The maximum maturity of TCDs is one (1) year. A maximum of 20% of ETWD's portfolio may be invested in TCDs

#### 9.0 Safekeeping and Custody

All cash and securities in ETWD's portfolio, including those that are being managed by the Investment Advisor, shall be held in in ETWD's name. All deliverable securities shall be held by a third-party bank trust department, acting as agent for the ETWD under the terms of a custody

agreement executed by the bank and ETWD. If an Investment Advisor is used by ETWD, they may never take possession of ETWD's cash or assets.

All deliverable securities will be received and delivered using standard **delivery-versus-payment (DVP)** procedures. ETWD's ~~third-party bank trust department~~~~safekeeping agent~~ will only release payment for a security after the security has been properly delivered. The only exception to the foregoing shall be depository accounts and securities purchases made with (i) local government investment pools; (ii) bank deposits; and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held by ETWD.

#### 10.0 Diversification

The purpose of Diversification is to reduce overall portfolio risks while obtaining Market Average Rates of return and avoiding losses. The investment portfolio shall be diversified among security types, issuers and maturities to prevent incurring unreasonable and avoidable risks regarding specific security types, individual financial institutions or maturity segments. In addition to the percentage limitations specified in Section 8.0 Permitted Investments, the maximum amount of the portfolio ETWD may invest with any one issuer in the following categories (Medium-Term Notes, Asset-Backed Securities, Commercial Paper, Bankers' Acceptances, and Negotiable Certificates of Deposit) is 5%. In addition, the maximum amount of the portfolio ETWD may invest in these categories in aggregate is limited to 40%.

Percentage holding and diversification limits listed in this section Policy apply at the time the security is purchased. If a holding or diversification limit listed in this Policy is exceeded due a subsequent change in this Policy or in the portfolio's size, those securities may be held to maturity while still remaining in compliance with this Policy.

#### 11.0 Maximum Maturities

To the extent possible, ETWD will attempt to match its investments with anticipated cash flow requirements. The maximum maturity of individual investments shall not exceed the limits set forth in Section 8.0. Where no maturity limit is stated, no investment shall exceed a maturity of

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five years from the date of purchase unless the Board of Directors has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board of Directors no less than three months prior to the investment.

Reserve funds may be invested in securities exceeding (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

#### 12.0 Internal Control

The Finance Manager/Controller shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

#### 13.0 Performance Standards

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account ETWD's investment risk constraints and cash flow needs.

**Market Yield (Benchmark):** ETWD's investment strategy is active. Given this strategy, the Finance Manager/Controller or the Investment Advisor, shall select an appropriate, readily available index to use as a performance benchmark.

#### 14.0 Reporting

The Finance Manager/Controller is charged with the responsibility of providing monthly reports to the Board. The monthly reports shall encompass all investments and monies held by ETWD, and/or under management of any outside party and shall include ~~a list of security transactions,~~ the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, current market value on all securities (including the source of this valuation), a statement that the portfolio is in compliance with this policy or the manner in which it is not in compliance and a statement that ETWD has the ability to meet its expenditure requirements for the next six months or an explanation as to why sufficient money may not be available. The Finance Manager/Controller shall report whatever additional information or data the Board may deem necessary.

##### Credit Ratings Changes

In the event a security held by ETWD is subject to a rating change that brings it below the minimum credit ratings specified in this policy, the Finance Manager/Controller should notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

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15.0 Investment Policy Adoption

ETWD's investment policy shall be adopted by resolution of the ETWD's Board of Directors. The policy shall be reviewed on an annual basis by the Finance Manager/Controller and the Board of Directors. Any modifications made thereto must be approved in the form of a resolution by the Board of Directors.

EL TORO WATER DISTRICT  
FINANCIAL REPORT  
January 21, 2020

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**EL TORO WATER DISTRICT  
BALANCE SHEET**

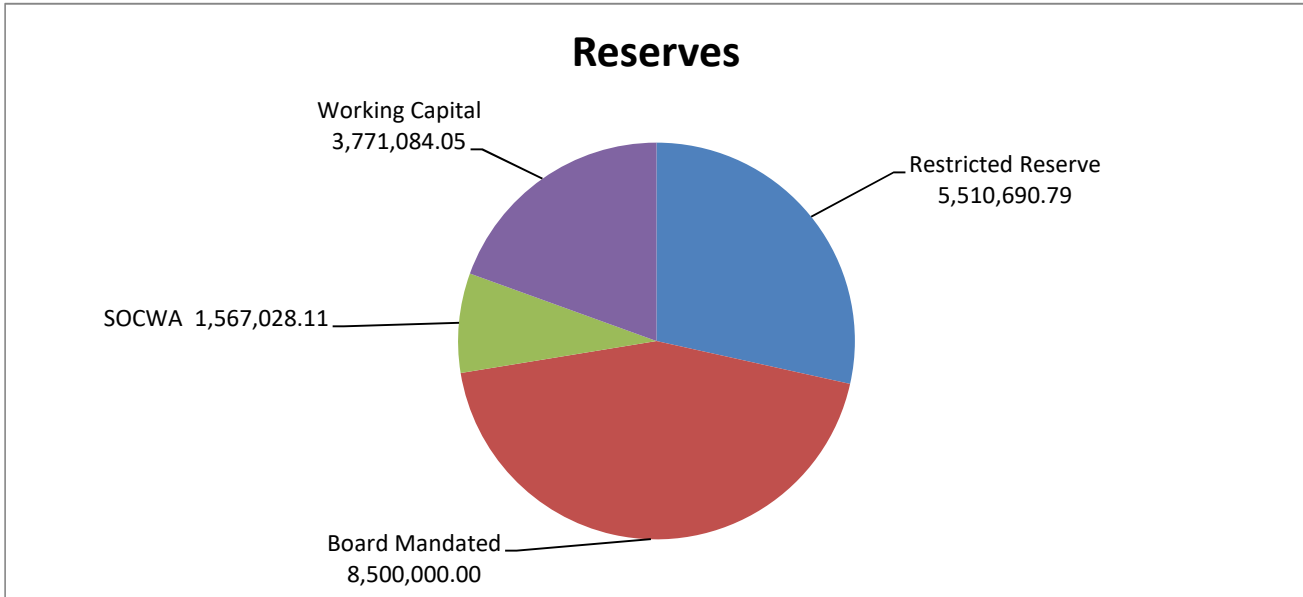
	<b>12/31/19 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$652,702	\$1,704,132
Investments:		
Investments Cash	6,685,410	\$6,095,362
Investments FMV Adjustment	52,910	\$39,107
Receivables:		
Accounts Receivable	3,203,489	3,337,975
Notes Receivable	-	-
Inventories	656,318	625,472
Prepaid Expenses	375,703	201,078
<b>Total Current Assets</b>	<b>\$11,626,531</b>	<b>12,003,125</b>
<b>Restricted Assets</b>		
Cash & Investments	12,010,691	12,035,381
<b>Total Restricted Assets</b>	<b>12,010,691</b>	<b>12,035,381</b>
<b>Non-Current Assets</b>		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	114,826,481	114,139,715
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,847,327	34,806,127
<b>Total Utility Plant</b>	<b>163,711,482</b>	<b>162,983,517</b>
Less Accumulated Depreciation & Amortization	(77,533,923)	(75,348,450)
<b>Net Utility Plant</b>	<b>86,177,560</b>	<b>87,635,067</b>
Construction Work in Progress	7,123,916	6,838,533
Notes Receivable	-	-
Deffered Outflow OPEB	3,337,168	3,337,168
<b>Total Non-current Assets</b>	<b>96,638,644</b>	<b>97,810,768</b>
<b>TOTAL ASSETS</b>	<b>\$120,275,866</b>	<b>\$121,849,273</b>

**EL TORO WATER DISTRICT  
BALANCE SHEET**

	<b>12/31/19 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
<b>LIABILITIES and EQUITY</b>		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,149,047	\$1,964,675
Current Portion of Long-Term Debt	413,397	2,173,134
Other Current Liabilities	2,089,663	2,008,617
Total Current Liabilities Payable		
From Current Assets	3,652,107	6,146,426
Long Term Debt		
Long Term Debt	51,149,798	51,149,798
Total Long Term Debt	51,149,798	51,149,798
Total Liabilities	54,801,905	57,296,224
Fund Equity		
Retained Earnings - Reserved	17,034,893	17,034,893
Contributed Capital	8,744,767	8,744,767
Retained Earnings - Unreserved	38,773,389	37,178,785
Net Income	920,911	1,594,605
Total Fund Equity	65,473,961	64,553,049
Total Liabilities & Fund Equity	\$120,275,866	\$121,849,273



**EL TORO WATER DISTRICT  
RESERVE ANALYSIS  
31-Dec-19**



Restricted Reserve	\$	5,510,691
Board Mandated	\$	8,500,000
SOCWA	\$	1,567,028
Capital Cash Flow / Compliance	\$	3,771,084
<b>Total</b>	<b>\$</b>	<b>19,348,803</b>

**Restricted Reserve**

SRFL-Recycled Phase I	\$	1,602,958
SRFL-Recycled Phase II	\$	409,046
Capital Facilities Reserve	\$	64,514
Tiered Cons Fund	\$	1,857,478
Baker Funding	\$	1,576,695
<b>Total</b>	<b>\$</b>	<b>5,510,691</b>

**Board Mandated Minimum Reserve Levels**

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

Six months operating expense requirement: \$12,800,791

Cash less restricted reserve on hand: \$13,838,112

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

## EL TORO WATER DISTRICT CHANGE IN RESERVES

	<u>December 31, 2019</u>	<u>Year to Date</u>	<u>June 30, 2019</u>
Operating Revenue	1,900,285	13,393,677	26,368,844
Non-operating Revenue	165,334	971,424	2,908,390
Total Revenue	<u>2,065,618</u>	<u>14,365,101</u>	<u>29,277,234</u>
Operating Expenses	1,576,019	10,864,987	22,462,405
Depreciation & Amortization	364,245	2,185,473	4,466,431
Non-operating Expenses	65,622	393,730	753,794
Total Expenses	<u>2,005,887</u>	<u>13,444,190</u>	<u>27,682,629</u>
NET INCOME	59,732	920,911	1,594,605
Add Depreciation & Amortization	364,245	2,185,473	4,466,431
Net Cash Provided by Operating Activities	(714,434)	(2,540,613)	(584,951)
Net Cash Provided by Investing Activities	(257,698)	(1,013,349)	(2,691,563)
Net Cash Provided by Financing Activities	-	-	2,594,367
Net Increase/(Decrease) Cash for the Period	<u>(548,155)</u>	<u>(447,578)</u>	<u>5,378,889</u>
Cash at End of Period from Balance Sheet		7,391,022	
Restricted Cash		12,010,691	
Unrealized (Gains)/Losses Fair Market Value		<u>(52,910)</u>	
Cash at End of Period		19,348,803	
Net (Increase)/Decrease Cash for the Period		548,155	
Net (Increase)/Decrease in Restricted Cash for the Period		601,514	
Net Increase/(Decrease) in Unrealized Gains/(Losses) Fair Market Value		1,712	
Void Checks in Prior Period		<u>(344)</u>	
Cash at Beginning of Period		<u>20,499,839</u>	

**EL TORO WATER DISTRICT**  
**Cash Sheet**  
**For the month ending December 31, 2019**

<b>CHECK NUMBER</b>	<b>PAYMENT DATE</b>	<b>VENDOR NAME</b>	<b>PAYMENT AMOUNT</b>
88067	12/12/2019	STATE WATER RESOURCES CONTROL BOARD	1,602,958.00
88015	12/05/2019	MUNICIPAL WATER DISTRICT OF ORANGE CO.	555,887.04
88136	12/30/2019	STATE WATER RESOURCES CONTROL BOARD	258,145.84
88110	12/19/2019	TEXAS CAPITAL BANK LEASING DIVISION	138,522.99
88013	12/05/2019	MOULTON NIGUEL WATER DISTRICT	137,963.10
88073	12/19/2019	ACWA HEALTH BENEFITS AUTHORITY	123,756.16
88128	12/30/2019	MOULTON NIGUEL WATER DISTRICT	103,523.10
88135	12/30/2019	SO. CALIFORNIA EDISON CO.	73,438.42
<b>TOTAL CHECKS OVER \$50,000</b>			<b>\$ 2,994,194.65</b>
<b>TOTAL CHECKS IN REGISTER</b>			<b>\$ 3,383,702.54</b>

**DEBIT TRANSFERS**

12/06/2019	PAYROLL DIRECT DEPOSIT	142,295.32
12/06/2019	FEDERAL DEPOSIT LIABILITY	29,964.38
12/06/2019	SDI & STATE TAX	11,049.05
12/06/2019	WAGE GARNISHMENTS	585.00
12/06/2019	PRUDENTIAL (401K)	50,839.45
12/06/2019	PRUDENTIAL (457)	15,822.43
12/13/2019	PAYROLL BOARD OF DIRECTOR	6,489.05
12/13/2019	SS, MEDICARE, SDI & STATE TAX	1,874.99
12/13/2019	PRUDENTIAL (457)	2,409.90
12/20/2019	PAYROLL DIRECT DEPOSIT	134,763.71
12/20/2019	FEDERAL DEPOSIT LIABILITY	29,890.58
12/20/2019	SDI & STATE TAX	11,079.88
12/20/2019	WAGE GARNISHMENTS	585.00
12/20/2019	PRUDENTIAL (401K)	48,591.65
12/20/2019	PRUDENTIAL (457)	14,333.32
12/31/2019	ADP AND BANK FEES	4,811.04
<b>TOTAL INTERBANK WIRES / DEBIT TRANSFERS</b>		<b>\$ 505,384.75</b>

**TOTAL DISBURSEMENTS** **\$ 3,889,087.29**

**ETWD EMPLOYEES**

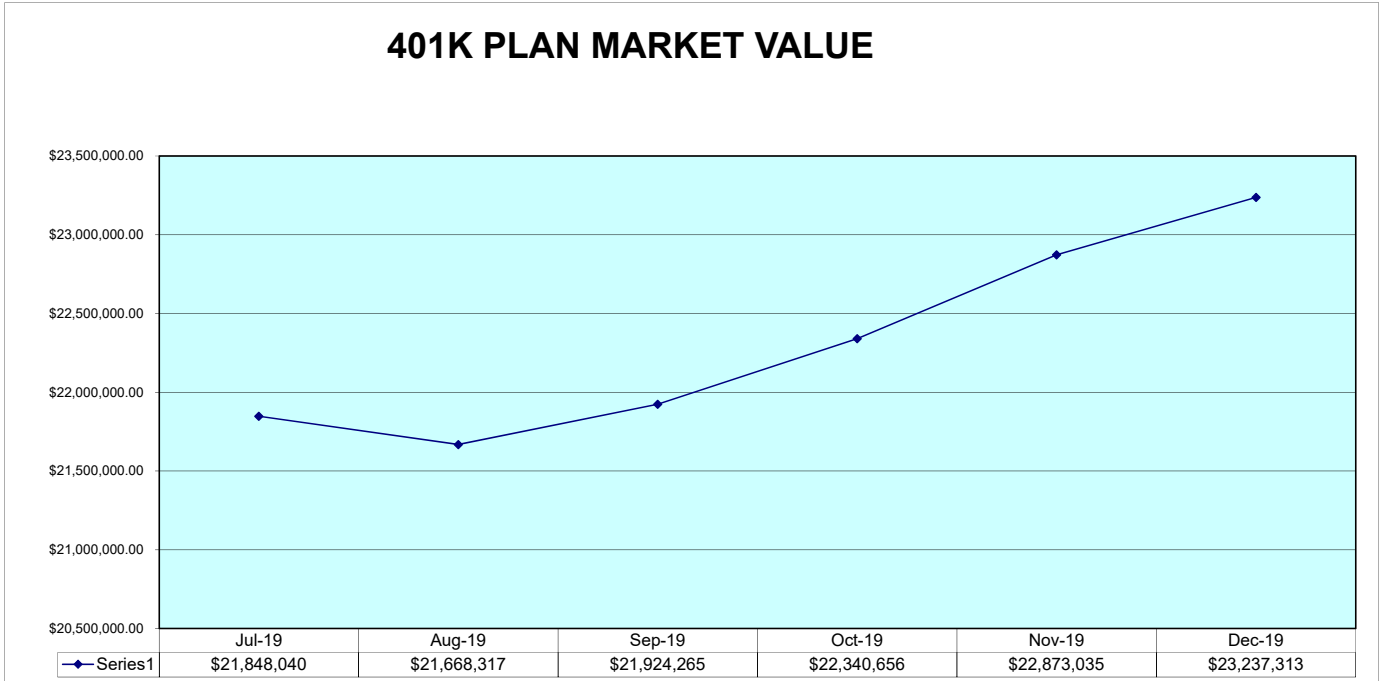
<b>CHECK NUMBER</b>	<b>PAYMENT DATE</b>	<b>PAYEE (DESCRIPTION)</b>	<b>PAYMENT AMOUNT</b>
88049	12/12/2019	JUDY CIMORELL (Expense Reimbursement)	240.13
88139	12/30/2019	WILLIAM WESSON (Expense Reimbursement)	172.30
88104	12/19/2019	SHERRI A. SEITZ (Expense Reimbursement)	110.37
88068	12/12/2019	STEVE SANCHEZ (Expense Reimbursement)	89.00
88023	12/05/2019	TROY DAVIS (Expense Reimbursement)	86.50
88102	12/19/2019	ROMAN KOCIBAN (Expense Reimbursement)	86.50
88046	12/12/2019	JAY M. CURRY (Expense Reimbursement)	79.26
88089	12/19/2019	DANIEL LOPEZ (Expense Reimbursement)	45.00
<b>TOTAL CHECKS TO EMPLOYEES</b>			<b>\$ 909.06</b>

**ETWD DIRECTORS**

<b>CHECK NUMBER</b>	<b>PAYMENT DATE</b>	<b>PAYEE (DESCRIPTION)</b>	<b>PAYMENT AMOUNT</b>
88052	12/12/2019	MARK MONIN (Expense Reimbursement)	265.49
88048	12/12/2019	JOSE VERGARA (Expense Reimbursement)	147.90
88055	12/12/2019	MICHAEL GASKINS (Expense Reimbursement)	130.15
<b>TOTAL CHECKS TO DIRECTORS</b>			<b>\$ 543.54</b>

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

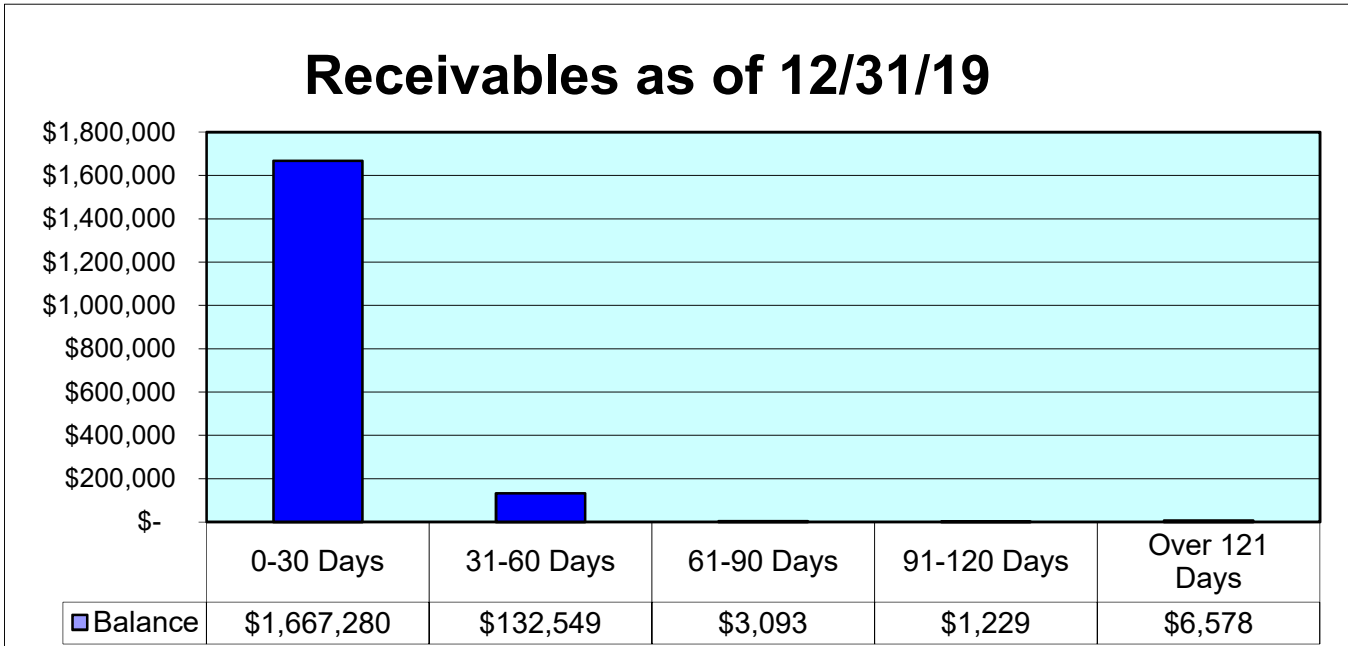
**401K PLAN MARKET VALUE**



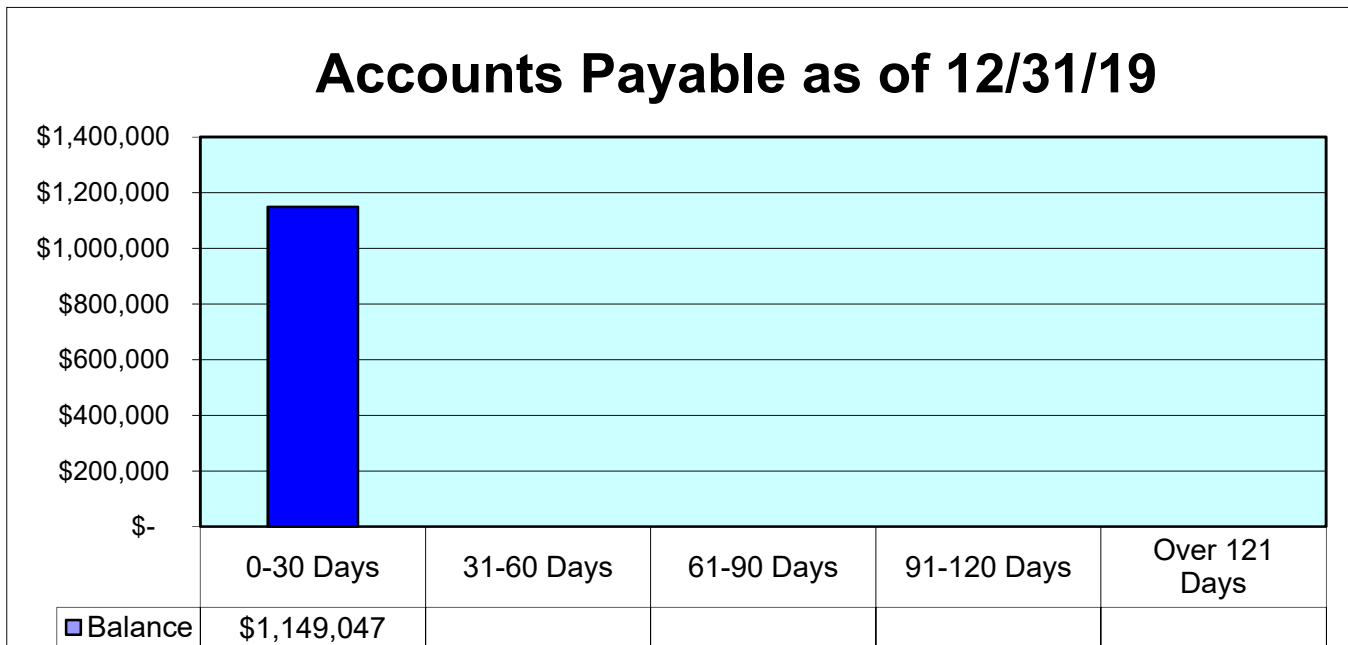
MARKET VALUE SUMMARY							
	Growth Under 40 yrs. Old	Capital Appreciation 40 to 44 yrs. Old	Balanced 45 to 49 yrs. Old	Balanced Income 50 to 54 yrs. Old	Income & Growth 55 to 59 yrs. Old	Income 60 to 64 yrs. Old	Capital Pres. Port Over 65 yrs. Old
Balance at July 1, 2019	\$ 1,506,787.68	\$549,062.24	\$1,801,553.21	\$5,954,287.10	\$6,260,620.08	\$2,461,760.00	\$2,894,379.39
Contributions	139,215.19	29,571.03	42,986.04	103,827.99	119,853.41	157,520.55	80,333.81
Withdrawals	0.00	0.00	0.00	(54,817.47)	0.00	(7,692.31)	(19,960.00)
Transfers	(20,538.08)	(91,674.24)	(576,278.95)	(1,257,870.85)	396,540.67	1,222,682.82	327,138.63
Interest, dividends and appreciation net of fees and charges	125,508.99	26,353.53	92,493.35	324,284.05	377,559.05	164,577.67	107,248.12
Balance at December 31, 2019	\$ 1,750,973.78	\$513,312.56	\$1,360,753.65	\$5,069,710.82	\$7,154,573.21	\$3,998,848.73	\$3,389,139.95
Average return YTD December 31, 2019	7.17%	5.13%	6.80%	6.40%	5.28%	4.12%	3.16%

Average return is calculated by dividing the interest, dividends and appreciation, net of fees by ending fund balance and then annualize.

**RECEIVABLES & PAYABLES AGEING**



Bad Debts Year to Date:                     \$4,907                    

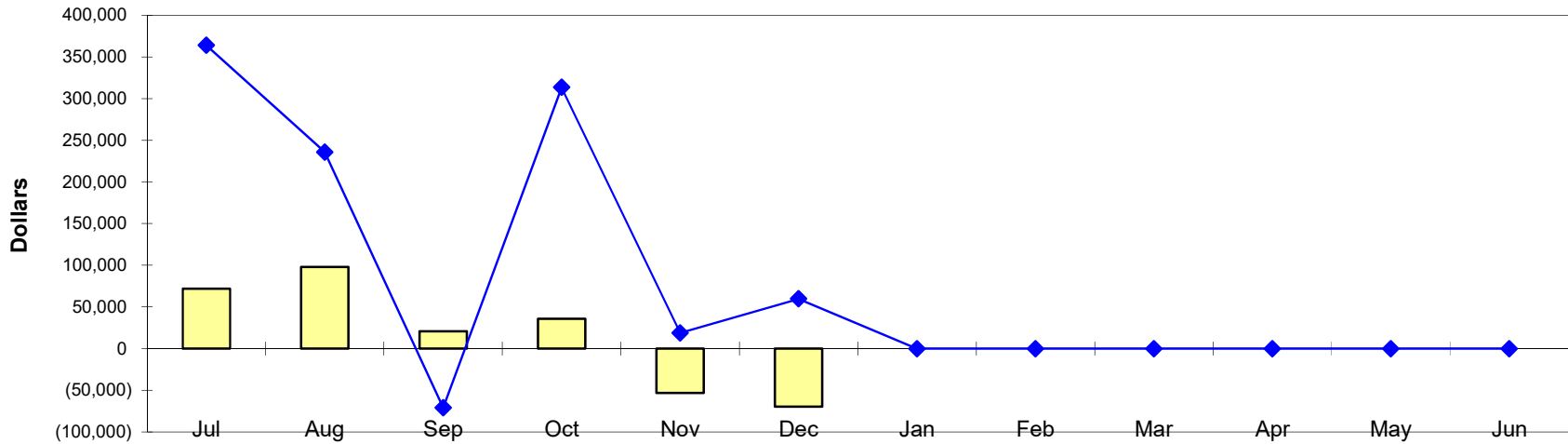


Year to Date Discounts Taken:                                     \$415





**ANALYSIS OF REVENUE & EXPENSE  
Fiscal Year 2019/2020**

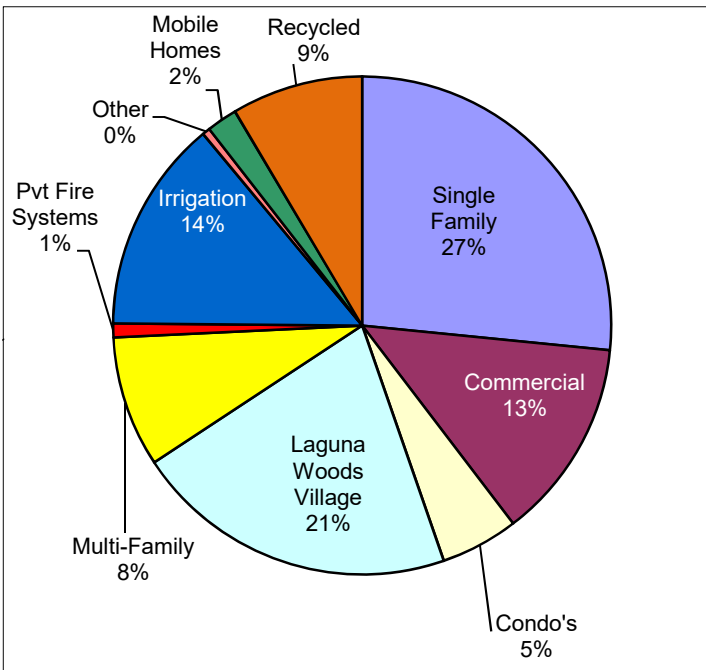
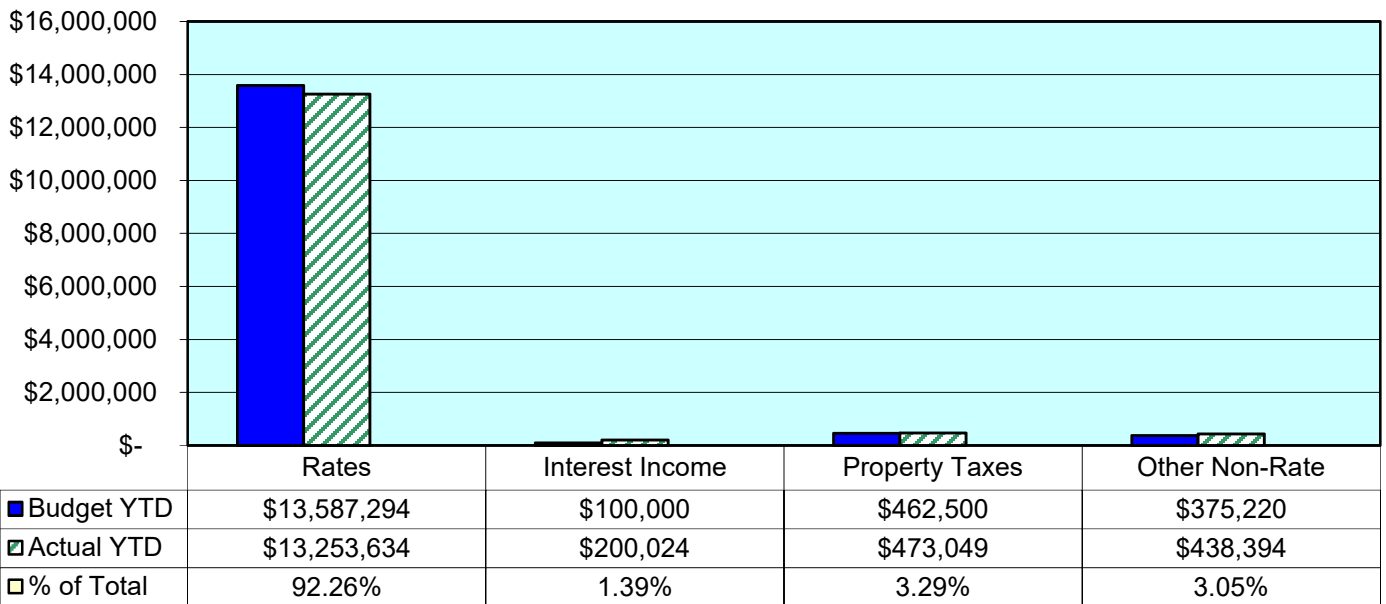


**ANALYSIS OF REVENUES & EXPENSES  
BUDGET COMPARED TO ACTUAL  
FISCAL YEAR 2019/2020**

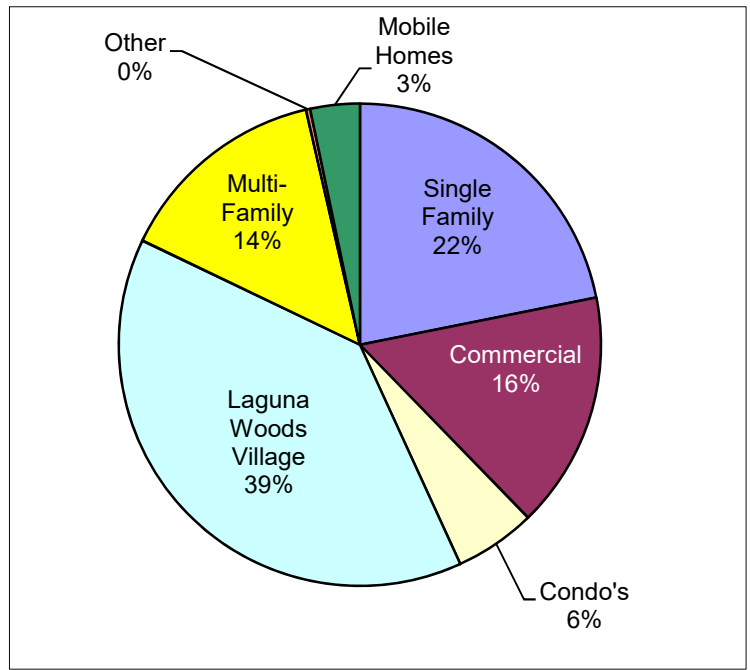
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Budget</b>												
Revenue	2,586,223	2,665,941	2,431,150	2,477,021	2,207,515	2,157,163						
Expense	2,514,586	2,568,034	2,410,622	2,441,375	2,260,690	2,226,932						
Profit/Loss	71,637	97,908	20,528	35,646	(53,174)	(69,769)	0	0	0	0	0	0
<b>Actual</b>												
Revenue	2,510,117	2,623,770	2,383,674	2,549,780	2,232,142	2,065,618						
Expense	2,146,058	2,388,030	2,454,694	2,236,133	2,213,388	2,005,887						
Profit/Loss	364,059	235,739	(71,020)	313,647	18,754	59,732	0	0	0	0	0	0

## EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 12/31/19

### Where the Money Comes From



**WATER REVENUE YTD 2019/2020**



**WASTE WATER REVENUE YTD 2019/2020**

**EL TORO WATER DISTRICT  
REVENUE COMPARISON  
For the Month Ended December 31, 2019**

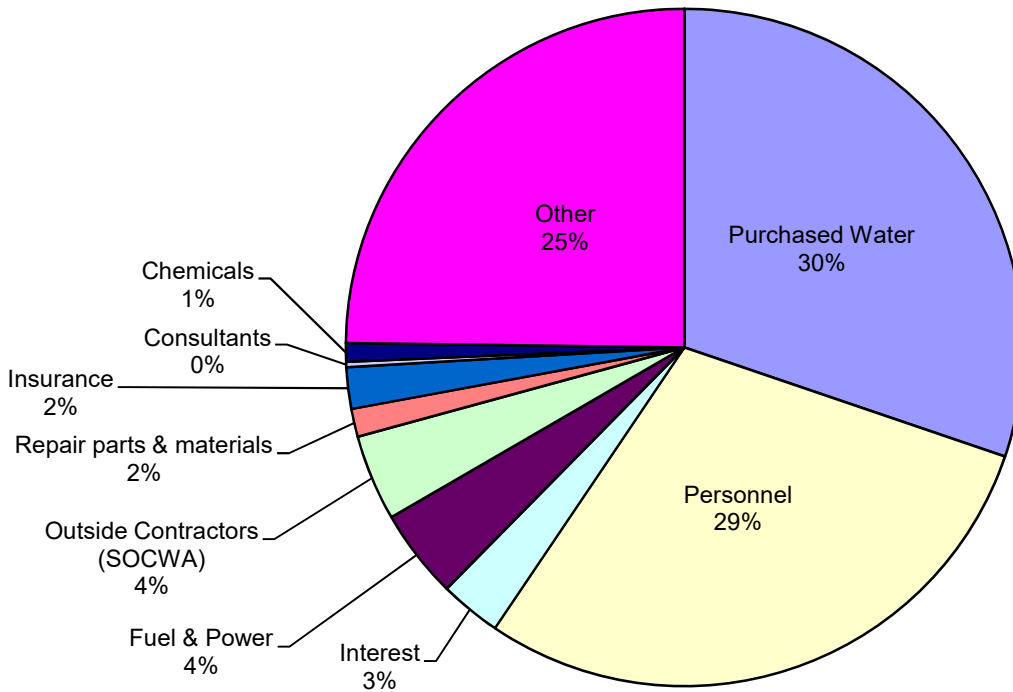
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,453	\$ 251,221	\$ (768)	0%	\$ 1,503,166	\$ 1,507,328	\$ (4,162)	0%	\$ 3,014,656	\$ 1,511,490
Water sales - Commodity	565,209	655,278	(90,069)	-14%	5,035,880	5,272,104	(236,225)	-4%	9,356,441	4,320,561
Water sales - Fixed Meter	306,248	301,792	4,456	1%	1,812,224	1,810,752	1,472	0%	3,621,504	1,809,280
Waste water sales	623,269	647,917	(24,648)	-4%	3,896,670	3,887,500	9,170	0%	7,775,000	3,878,330
Recycled water tertiary sales	29,936	118,109	(88,173)	-75%	882,018	950,256	(68,238)	-7%	1,686,426	804,408
Service charge - Recycled water	21,222	26,559	(5,337)	-20%	123,676	159,353	(35,677)	-22%	318,707	195,031
<b>TOTAL FROM RATES</b>	<b>1,796,337</b>	<b>2,000,876</b>	<b>(204,539)</b>	<b>-10%</b>	<b>13,253,634</b>	<b>13,587,294</b>	<b>(333,659)</b>	<b>-2%</b>	<b>25,772,734</b>	<b>12,519,100</b>
<u>Non-rate Revenue</u>										
Admin fee	1,177	1,600	(423)	-26%	14,303	9,600	4,703	49%	19,200	4,897
48 Hour notice fee	2,115	2,451	(336)	-14%	12,195	14,708	(2,513)	-17%	29,416.44	17,221
Restoration fee	240	370	(130)	-35%	1,510	2,220	(710)	-32%	4,440	2,930
Unpaid check fee	230	150	80	53%	850	900	(50)	-6%	1,800	950
Cut lock fee	-	12	(12)	-100%	-	72	(72)	-100%	144	144
<b>TOTAL NON-RATE</b>	<b>3,762</b>	<b>4,583</b>	<b>(821)</b>	<b>-18%</b>	<b>28,858</b>	<b>27,500</b>	<b>1,358</b>	<b>5%</b>	<b>55,000</b>	<b>26,143</b>
<u>Other Revenue</u>										
Interest	33,774	16,667	17,107	103%	200,024	100,000	100,024	100%	200,000	(24)
Change FMV Investment	1,712	-	1,712	0%	13,803	-	13,803	0%	-	(13,803)
Property taxes	79,946	77,083	2,863	4%	473,049	462,500	10,549	2%	925,000	451,951
Other	49,902	46,667	3,234	7%	284,548	280,000	4,548	2%	560,000	275,452
<b>TOTAL OTHER REVENUE</b>	<b>165,334</b>	<b>140,417</b>	<b>24,917</b>	<b>18%</b>	<b>971,424</b>	<b>842,500</b>	<b>128,924</b>	<b>15%</b>	<b>1,685,000</b>	<b>713,576</b>
<u>Contract Service</u>										
Santa Margarita W. D.	90,808	9,333	81,475	873%	90,808	56,000	34,808	62%	112,000	21,192
Moulton Niguel W. D.	9,377	1,953	7,424	380%	20,377	11,720	8,658	74%	23,440	3,063
<b>TOTAL CONTRACT SERVICES</b>	<b>100,185</b>	<b>11,287</b>	<b>88,899</b>	<b>788%</b>	<b>111,185</b>	<b>67,720</b>	<b>43,465</b>	<b>64%</b>	<b>135,440</b>	<b>24,255</b>
<b>TOTAL REVENUE</b>	<b>\$ 2,065,618</b>	<b>\$ 2,157,163</b>	<b>\$ (91,544)</b>	<b>-4%</b>	<b>\$ 14,365,101</b>	<b>\$ 14,525,014</b>	<b>\$ (159,912)</b>	<b>-1%</b>	<b>\$ 27,648,174</b>	<b>\$ 13,283,073</b>

**EL TORO WATER DISTRICT  
NON-RATE REVENUE ANALYSIS  
FOR THE MONTH ENDING December 31, 2019**

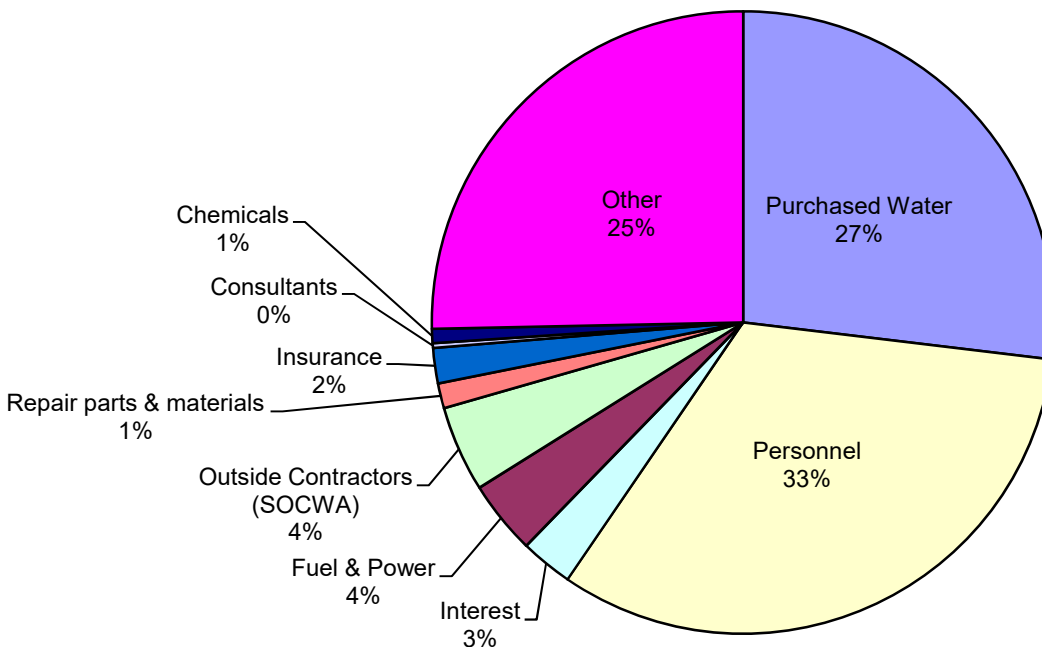
	Dec-19 Actual	Dec-19 Budget	Jul 19- Dec 19 YTD Actual	Jul 19- Dec 19 YTD Budget
Site Leases	22,026	19,167	117,479	115,000
MWD Recycled Water LRP Rebate	27,000	25,833	163,250	155,000
JPIA Refund		-	-	-
SOCWA Refund		-	-	-
Recycled Metal		-	1,473	-
Diesel Fuel Tax Refund	-	-	71	-
Misc Work for Customers	876	1,667	2,275	10,000
	<u>\$ 49,902</u>	<u>\$ 46,667</u>	<u>\$ 284,548</u>	<u>\$ 280,000</u>
<b>Other Operating Income</b>				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
<b>Total</b>	<u>49,902</u>		<u>284,548</u>	

# WHERE THE MONEY GOES

## YTD EXPENSES AT 12/31/19



## EXPENSES YEAR ENDING 6/30/19



**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended December 31, 2019**

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b><u>Operating Expenses</u></b>										
Personnel cost	\$666,791	\$712,174	\$45,383	6%	\$3,929,819	\$4,273,042	\$343,223	8%	\$8,546,083	4,616,264
Purchased water	391,312	571,708	180,396	32%	4,062,668	4,490,899	428,231	10%	8,041,949	3,979,281
Electrical power	68,173	93,783	25,610	27%	573,232	562,700	(10,532)	-2%	1,125,400	552,168
Repair parts & materials	39,089	35,861	(3,228)	-9%	179,797	215,166	35,369	16%	430,332	250,535
Equipment repairs & maintenance	7,160	10,260	3,101	30%	57,530	61,562	4,032	7%	123,125	65,595
Pump repairs & maintenance	16,180	9,483	(6,697)	-71%	51,333	56,900	5,567	10%	113,800	62,467
Motor repairs & maintenance	0	2,192	2,192	100%	8,731	13,150	4,419	34%	26,300	17,569
Electrical repairs & maintenance	414	5,971	5,556	93%	13,208	35,825	22,617	63%	71,650	58,442
Meter repairs & maintenance	0	667	667	100%	460	4,000	3,540	88%	8,000	7,540
Chemicals	20,309	17,450	(2,859)	-16%	120,759	104,700	(16,059)	-15%	209,400	88,641
Structure repairs & maintenance	18,442	2,524	(15,919)	-631%	28,326	15,142	(13,184)	-87%	30,284	1,958
Asphalt repairs & maintenance	0	7,717	7,717	100%	36,473	46,300	9,827	21%	92,600	56,127
Consultants - outside	9,604	5,317	(4,287)	-81%	33,168	31,900	(1,268)	-4%	63,800	30,632
Contractors - outside	110,043	101,658	(8,385)	-8%	552,464	609,950	57,486	9%	1,219,900	667,436
Engineers - outside	3,449	6,333	2,884	46%	49,235	38,000	(11,235)	-30%	76,000	26,765
Dump fees	211	1,333	1,122	84%	4,581	8,000	3,419	43%	16,000	11,419
Laboratories	5,264	2,992	(2,273)	-76%	19,167	17,950	(1,217)	-7%	35,900	16,733
License & permits	36,260	12,533	(23,728)	-189%	92,536	75,196	(17,340)	-23%	150,393	57,857
Automotive fuel & oil	8,040	7,917	(124)	-2%	55,918	47,500	(8,418)	-18%	95,000	39,082
Equipment rental	1,812	1,675	(137)	-8%	7,853	10,050	2,197	22%	20,100	12,247
Landscaping	6,614	12,273	5,659	46%	44,084	73,637	29,554	40%	147,275	103,191
Small tools & equipment	8,281	5,833	(2,447)	-42%	41,055	35,000	(6,055)	-17%	70,000	28,945
Security	3,189	1,588	(1,601)	-101%	9,576	9,527	(49)	-1%	19,055	9,479
Operating supplies	5,320	4,333	(987)	-23%	27,259	26,000	(1,259)	-5%	52,000	24,741
Safety equipment	0	1,692	1,692	100%	6,034	10,150	4,116	41%	20,300	14,266
Temporary help	0	3,042	3,042	100%	0	18,250	18,250	100%	36,500	36,500
Other employee cost	8,691	7,442	(1,249)	-17%	62,153	44,650	(17,503)	-39%	89,300	27,147
Employee service awards	550	317	(233)	-74%	2,179	1,900	(279)	-15%	3,800	1,621
Education & training	2,406	3,583	1,177	33%	18,101	21,500	3,399	16%	43,000	24,899
<b>Total Operating Expenses</b>	<b>1,437,607</b>	<b>1,649,650</b>	<b>212,043</b>	<b>13%</b>	<b>10,087,699</b>	<b>10,958,546</b>	<b>870,847</b>	<b>8%</b>	<b>20,977,246</b>	<b>10,889,547</b>

**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended December 31, 2019**

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b><u>Indirect Cost</u></b>										
Depreciation	363,675	372,500	8,825	2%	2,182,050	2,235,000	52,950	2%	4,470,000	2,287,950
Amortization	570	571	0	0%	3,423	3,425	2	0%	6,850	3,427
Insurance	46,595	46,480	(116)	0%	266,273	278,878	12,604	5%	557,755	291,482
Data processing supplies & assc.	4,435	1,917	(2,518)	-131%	15,672	11,500	(4,172)	-36%	23,000	7,328
Data processing equipment	8,029	3,000	(5,029)	-168%	21,118	18,000	(3,118)	-17%	36,000	14,882
Data processing consultants	2,214	6,250	4,036	65%	21,972	37,500	15,528	41%	75,000	53,028
Software maintenance & licenses	3,122	13,750	10,628	77%	50,308	82,500	32,192	39%	165,000	114,692
Janitorial	3,098	2,817	(281)	-10%	18,381	16,900	(1,481)	-9%	33,800	15,420
Printing & reproduction	755	1,500	745	50%	5,789	9,000	3,211	36%	18,000	12,211
Publications & subscriptions	54	250	196	79%	154	1,500	1,347	90%	3,000	2,847
Communications - voice	2,145	3,333	1,188	36%	11,988	20,000	8,012	40%	40,000	28,012
Communications - data	7,942	3,289	(4,653)	-141%	28,300	19,735	(8,565)	-43%	39,470	11,170
Communications - mobile	600	2,173	1,573	72%	12,028	13,035	1,007	8%	26,070	14,042
Utilities	2,494	1,583	(910)	-58%	9,736	9,500	(236)	-2%	19,000	9,264
<b>Total Indirect Cost</b>	<b>445,727</b>	<b>459,412</b>	<b>13,685</b>	<b>3%</b>	<b>2,647,189</b>	<b>2,756,472</b>	<b>109,284</b>	<b>4%</b>	<b>5,512,945</b>	<b>2,865,756</b>
<b><u>Overhead Cost</u></b>										
Annual events	5,089	500	(4,589)	-918%	5,089	3,000	(2,089)	-70%	6,000	911
Audit	0	2,500	2,500	100%	22,500	15,000	(7,500)	-50%	30,000	7,500
Bad debts	816	1,667	851	51%	4,907	10,000	5,093	51%	20,000	15,093
Bank charges	4,730	4,750	20	0%	29,158	28,500	(658)	-2%	57,000	27,842
Directors fees	10,512	9,167	(1,345)	-15%	57,716	55,000	(2,716)	-5%	110,000	52,284
Dues & memberships	7,302	7,783	481	6%	42,143	46,695	4,553	10%	93,390	51,248
Election Expense	0	0	0	0%	0	0	0	0%	0	0
Interest	65,622	60,963	(4,659)	-8%	393,730	365,779	(27,951)	-8%	731,557	337,827
Legal	8,462	8,333	(129)	-2%	59,422	50,000	(9,422)	-19%	100,000	40,578
Meetings, conventions & travel	3,187	3,250	63	2%	22,881	19,500	(3,381)	-17%	39,000	16,119
Meets, con & travel - Directors	6,039	2,474	(3,565)	-144%	15,292	14,845	(447)	-3%	29,690	14,398
Office supplies	2,307	1,650	(657)	-40%	11,442	9,900	(1,542)	-16%	19,800	8,358
Postage	1,429	1,708	279	16%	2,155	10,250	8,095	79%	20,500	18,345
Property taxes	823	458	(365)	-80%	3,763	2,750	(1,013)	-37%	5,500	1,737
Advertising & Publicity	0	167	167	100%	560	1,000	440	44%	2,000	1,440
Public education & outreach	6,235	12,500	6,265	50%	38,545	75,000	36,455	49%	150,000	111,455
<b>Total Overhead Cost</b>	<b>122,552</b>	<b>117,870</b>	<b>(4,683)</b>	<b>-4%</b>	<b>709,302</b>	<b>707,219</b>	<b>(2,083)</b>	<b>0%</b>	<b>1,414,437</b>	<b>705,135</b>
<b>TOTAL EXPENSES</b>	<b>\$2,005,887</b>	<b>\$2,226,932</b>	<b>\$221,045</b>	<b>10%</b>	<b>\$13,444,190</b>	<b>\$14,422,237</b>	<b>\$978,047</b>	<b>7%</b>	<b>\$27,904,628</b>	<b>\$14,460,438</b>







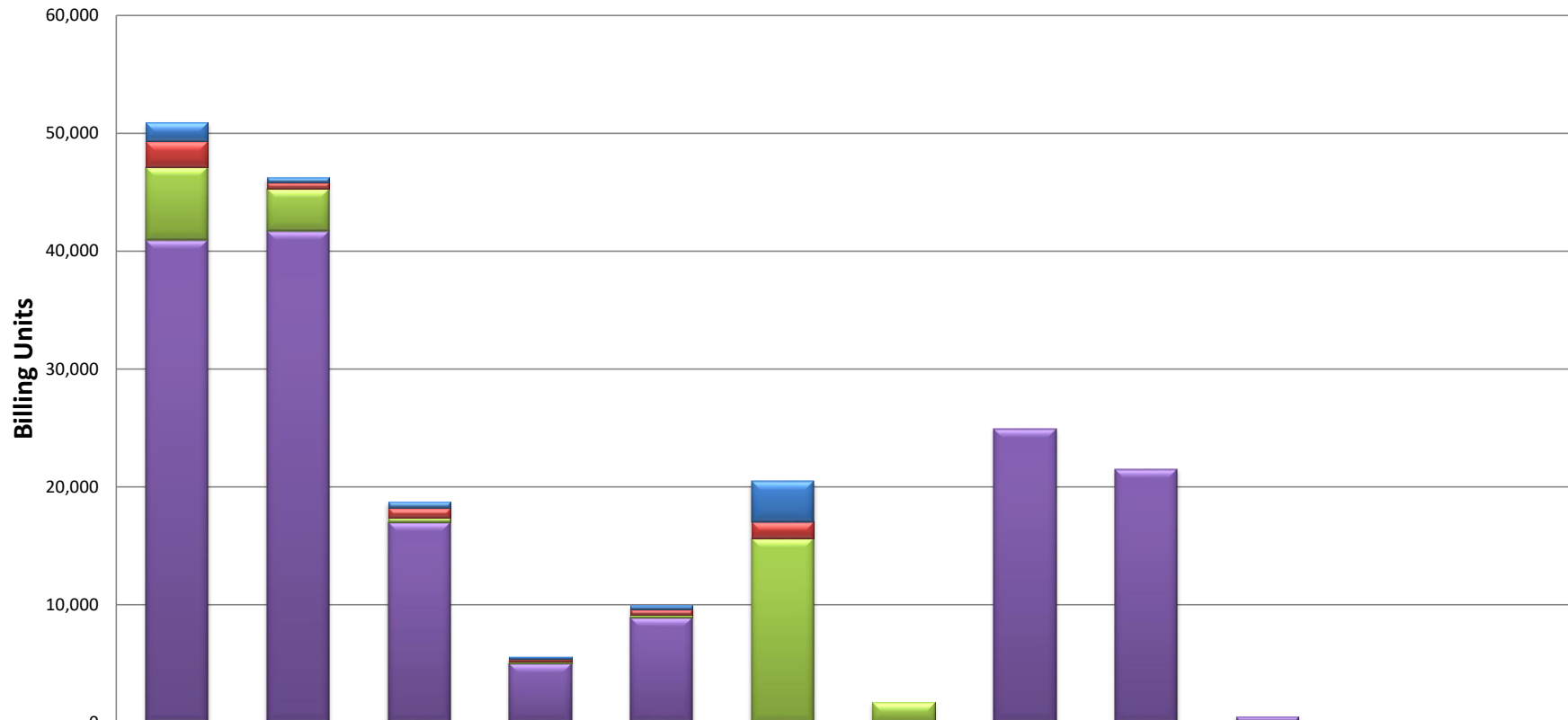
## BUDGET SCHEDULE

### FY 2020/2021

DESCRIPTION	DATE	DAY
Board Budget Committee #1	3/23/2020	Mon
Board Budget Committee #2	4/1/2020	Wed
Board Budget Workshop	4/16/2020	Thurs
E, F & I Budget Update	4/20/2020	Mon
Distribute Prop 218 Notice	5/4/2020	Mon
CAG	5/14/2020	Thurs
Publish Public Hearing Notice - Newspaper	6/1/2020	Mon
E, F & I Budget Update	6/22/2020	Mon
Conduct Public Hearing - Regular Board Meeting	6/25/2020	Thurs
Implement Board Action	7/1/2020	Wed

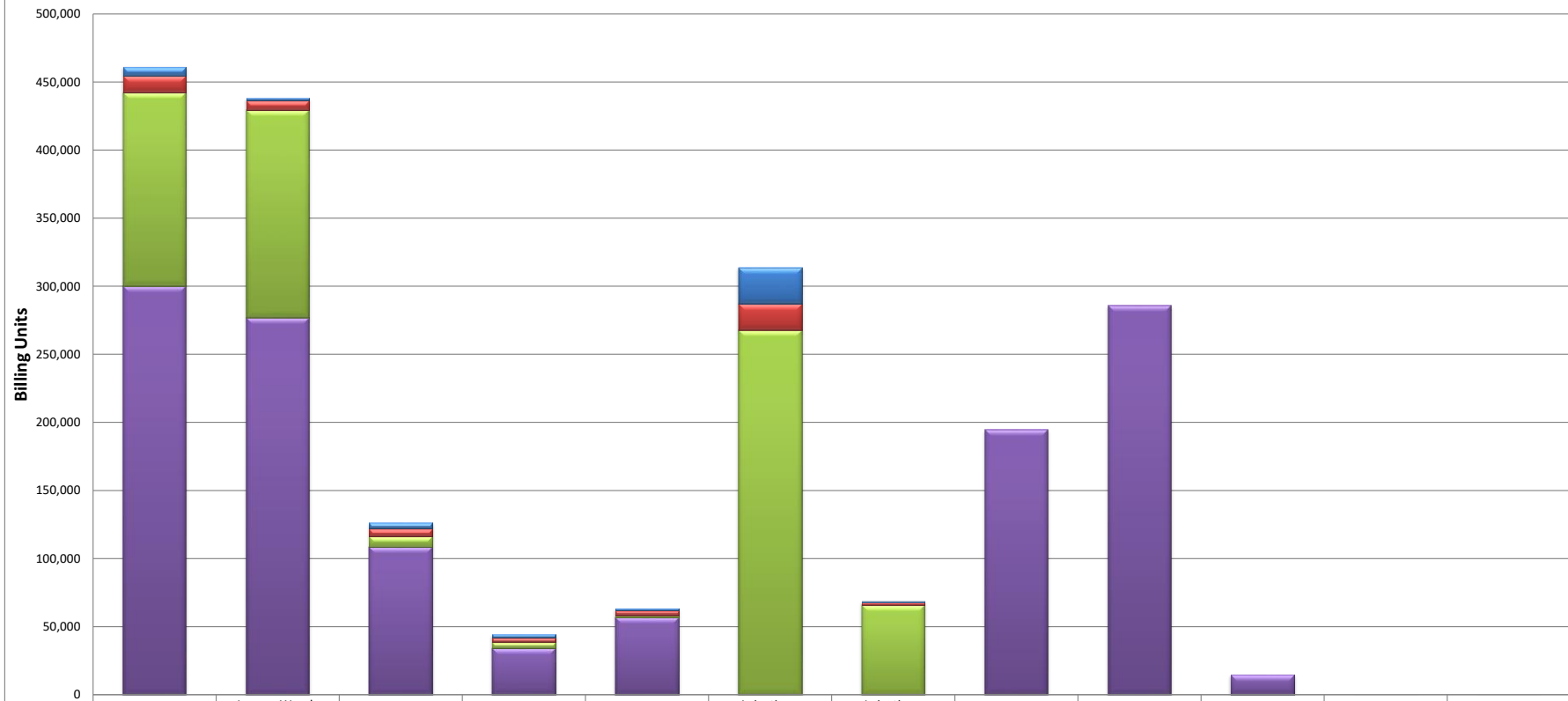
**Note: Board Budget Committee #1, Committee #2, and Workshop are at 7:30 am**

## December 2019 Water Sales



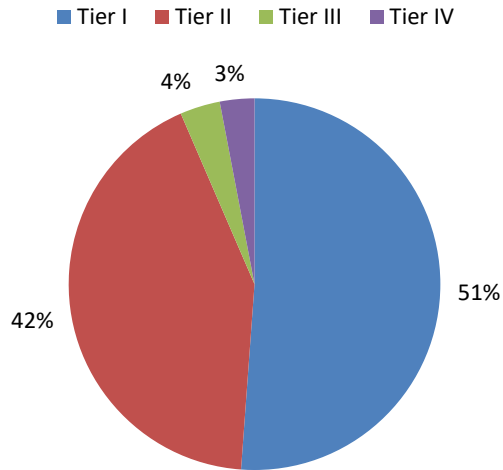
	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	1,618	459	516	168	339	3,439	0	0	0	0	0	0
■ Tier III	2,192	512	838	231	488	1,393	0	0	0	0	0	0
■ Tier II	6,197	3,593	404	178	185	15,649	1,708	0	0	0	0	0
■ Tier I	40,948	41,704	16,974	5,024	8,924	0	0	24,924	21,488	521	14	15

### Year-to-Date Water Sales as of December 2019



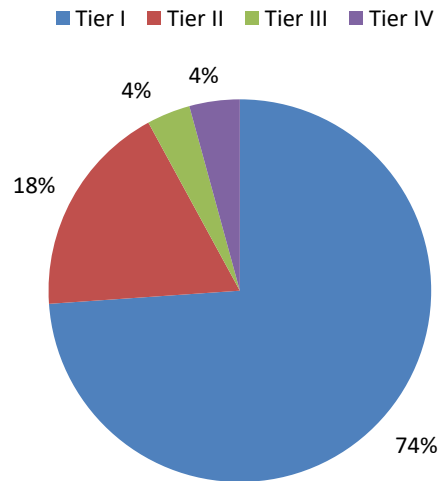
	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
Tier IV	6,576	2,175	4,185	2,832	2,006	26,644	1,140	0	0	0	0	0
Tier III	12,644	6,881	5,556	3,080	3,389	19,811	1,606	0	0	0	0	0
Tier II	142,114	152,872	8,283	4,474	1,312	267,384	66,143	0	0	0	0	0
Tier I	300,072	276,709	108,334	34,120	56,961	0	0	194,562	285,708	14,645	74	198

## Year to Date Tiered Sales As of December 2019



Year To Date Sales in ccf		
Tier I	776,196	51.16%
Tier II	642,582	42.35%
Tier III	52,967	3.49%
Tier IV	45,558	3.00%
	1,517,303	100.00%

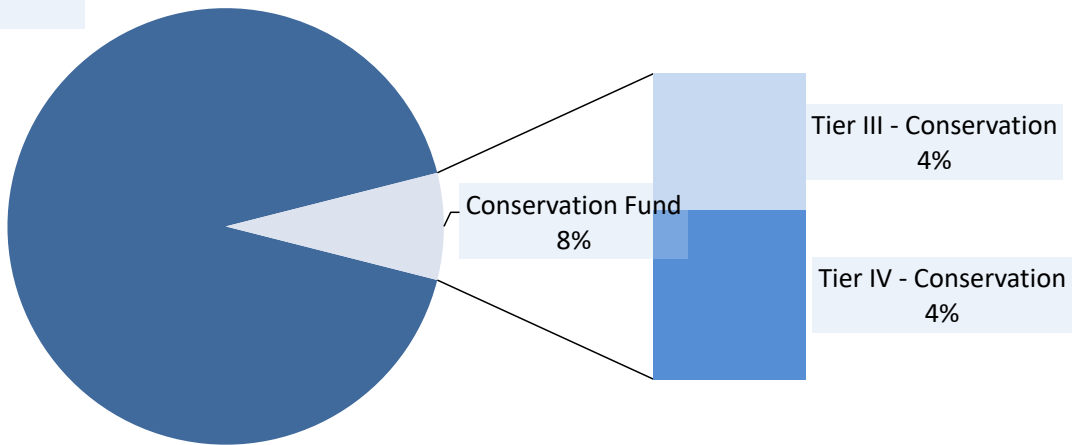
## December 2019 Tiered Sales



Current Month Sales in ccf		
Tier I	113,574	73.90%
Tier II	27,914	18.16%
Tier III	5,654	3.68%
Tier IV	6,539	4.25%
	153,681	100.00%

### Year to Date Water Sales as of December 2019

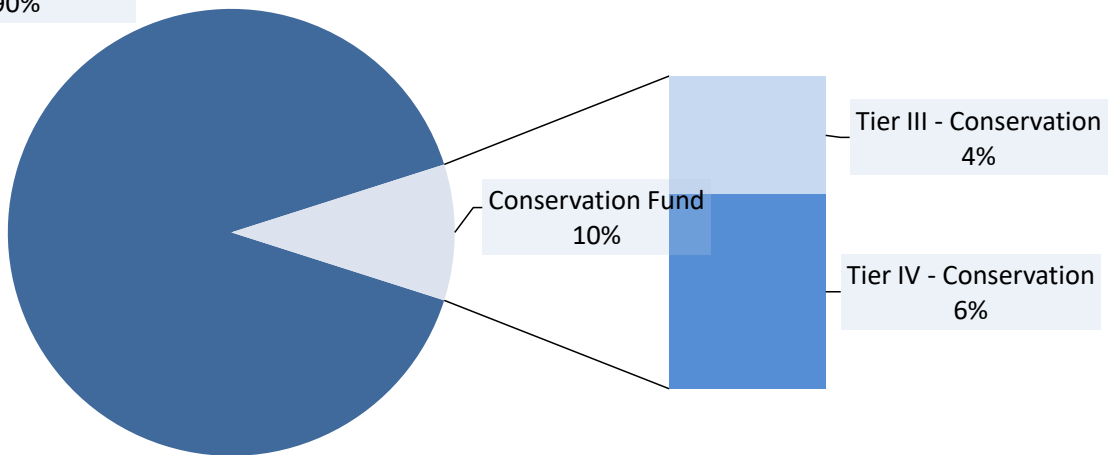
Water Delivery Cost  
92%



Category	Billings	Percentage
Water Delivery Cost	\$4,210,882.88	92.10%
Tier III - Conservation	\$161,019.68	3.52%
Tier IV - Conservation	\$200,162.10	4.38%
	<b>\$4,572,064.66</b>	<b>100.00%</b>

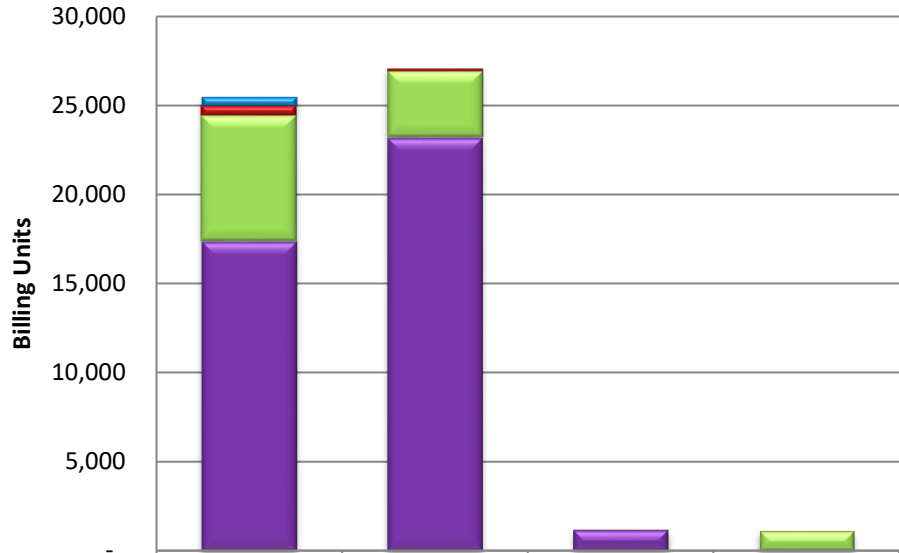
### December 2019 Water Sales

Water Delivery Cost  
90%



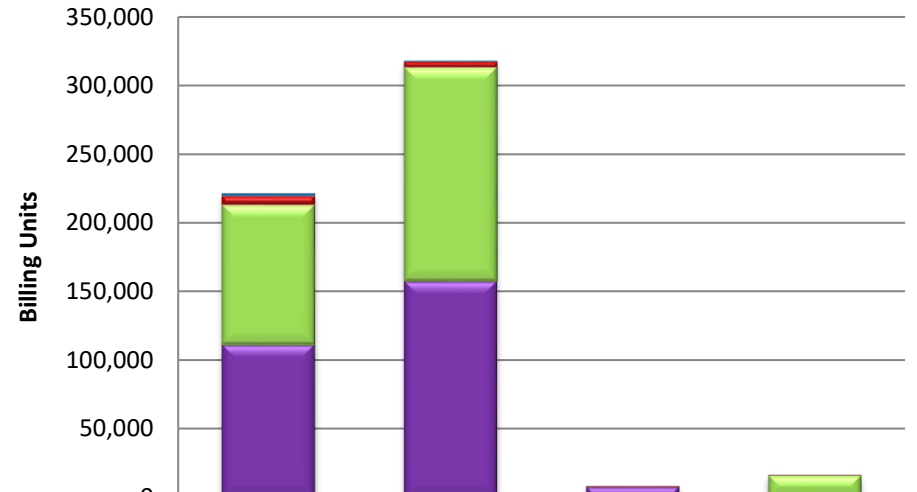
Category	Billings	Percentage
Water Delivery Cost	\$415,096.99	90.16%
Tier III - Conservation	\$17,188.16	3.73%
Tier IV - Conservation	\$28,092.82	6.10%
	<b>\$460,377.97</b>	<b>100.00%</b>

### Laguna Woods Village December 2019 Water Sales



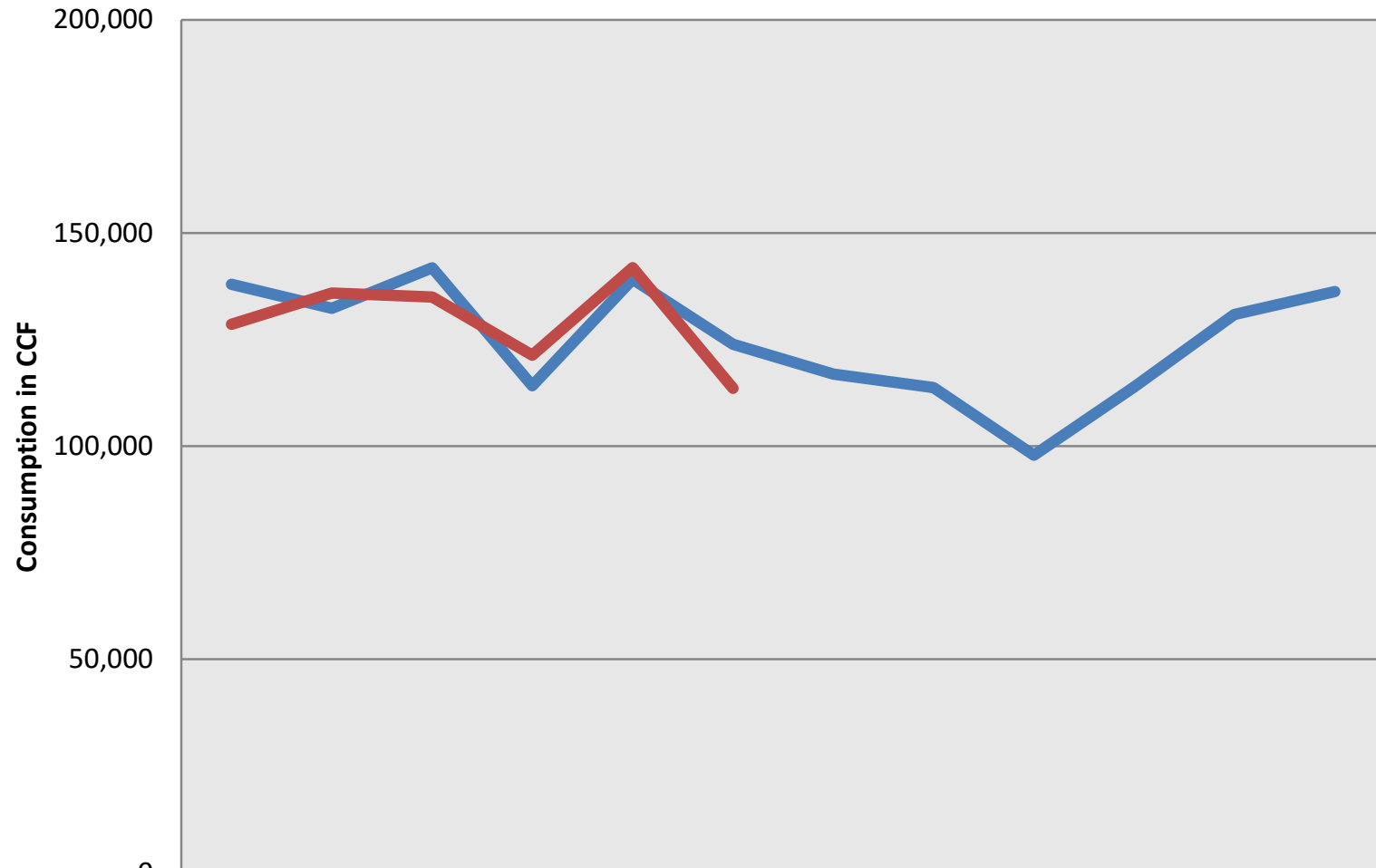
	Third	United	Mutual 50	GRF
Tier 4	535	29	-	-
Tier 3	570	140	-	5
Tier 2	7,077	3,745	1	1,128
Tier 1	17,344	23,157	1,203	-

### Laguna Woods Village Year-to-Date Water Sales December 2019



	Third	United	Mutual 50	GRF
Tier 4	1,816	549	0	82
Tier 3	6,468	4,051	137	360
Tier 2	101,734	155,741	114	16,197
Tier 1	111,432	157,318	7,959	0

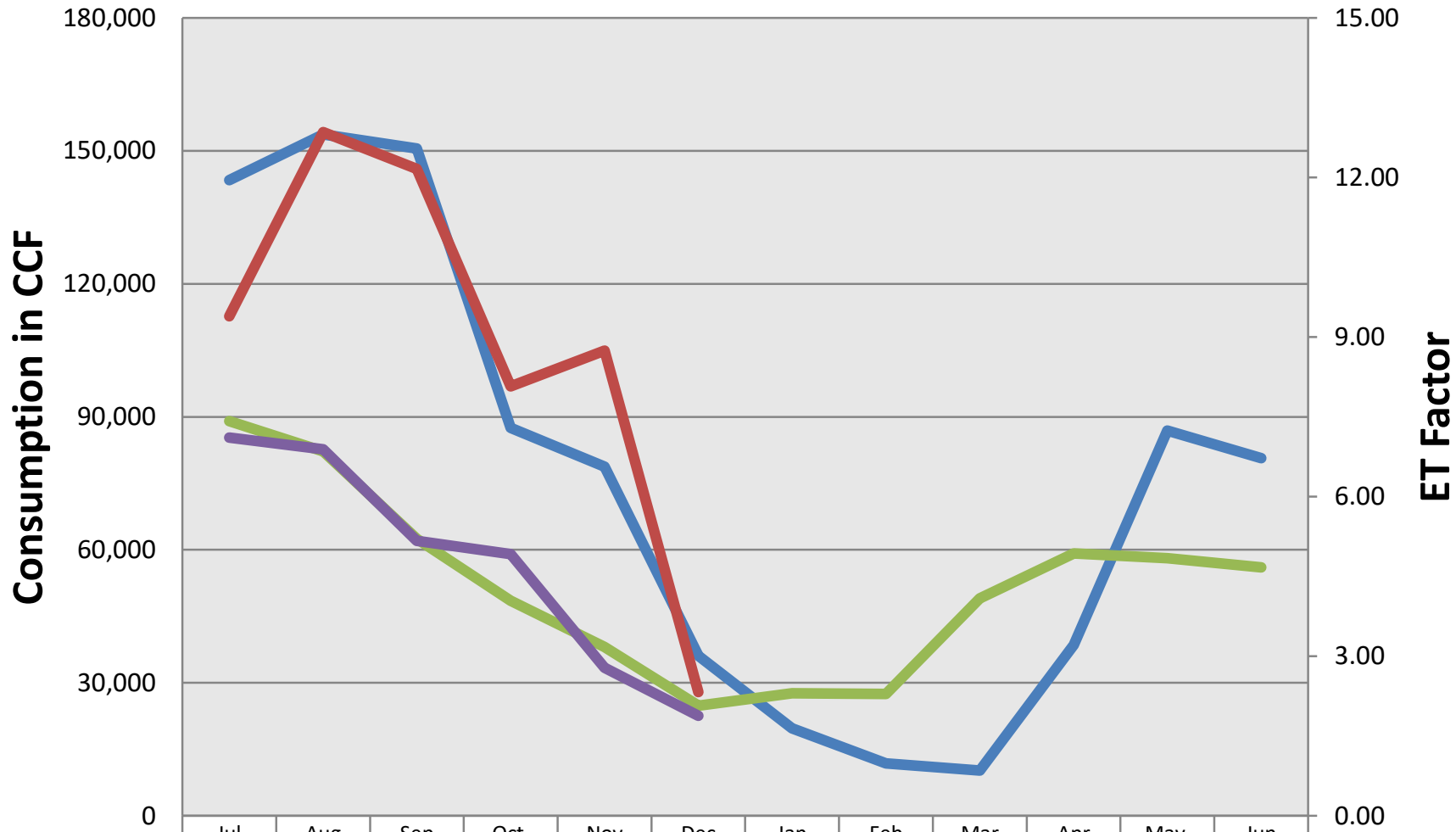
# Tier I Consumption



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	137,942	132,362	141,843	114,216	139,130	123,888	116,895	113,728	97,880	113,892	130,856	136,272
2019-2020	128,554	135,906	134,987	121,297	141,878	113,574						

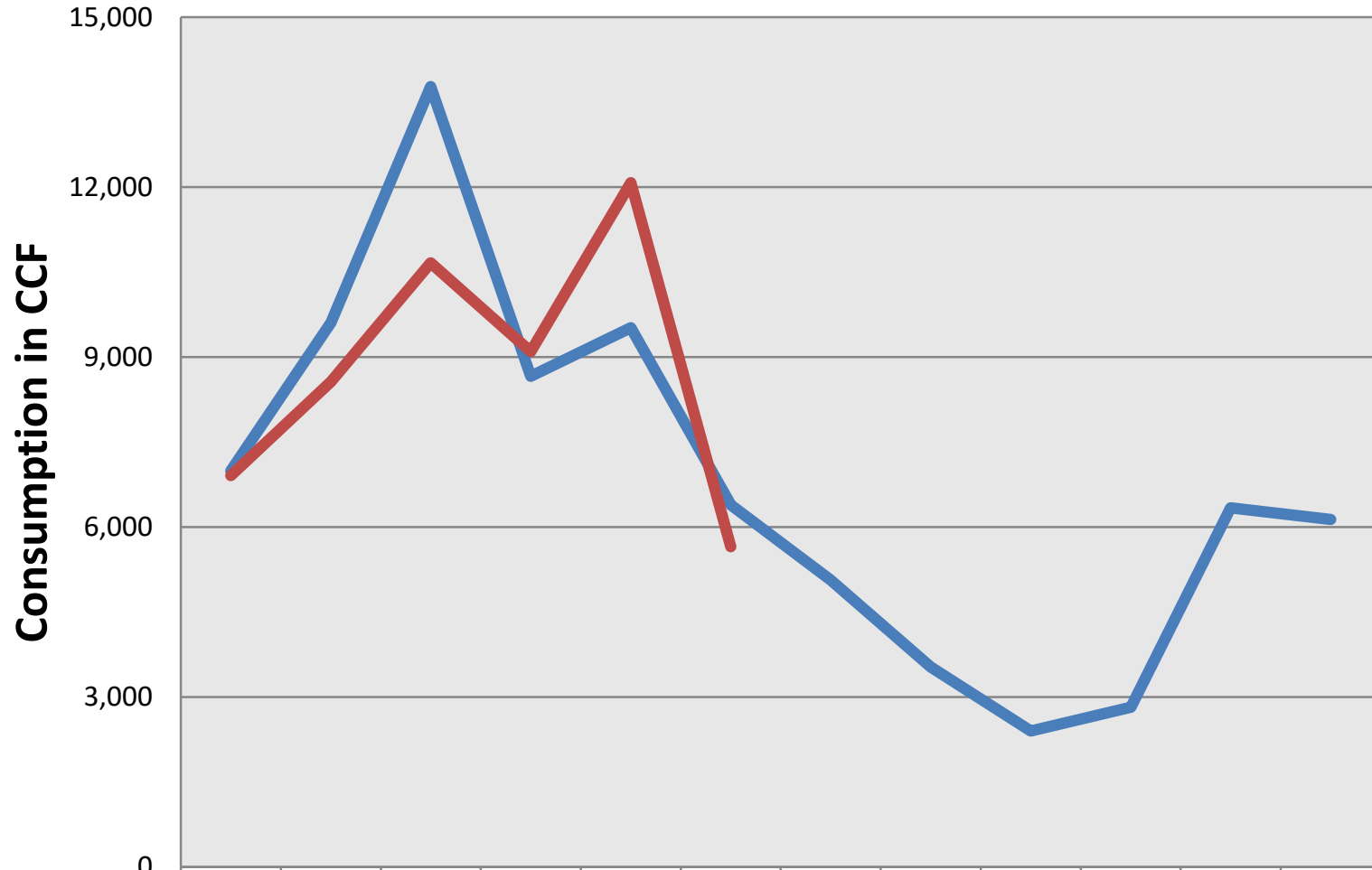


# Tier II Consumption



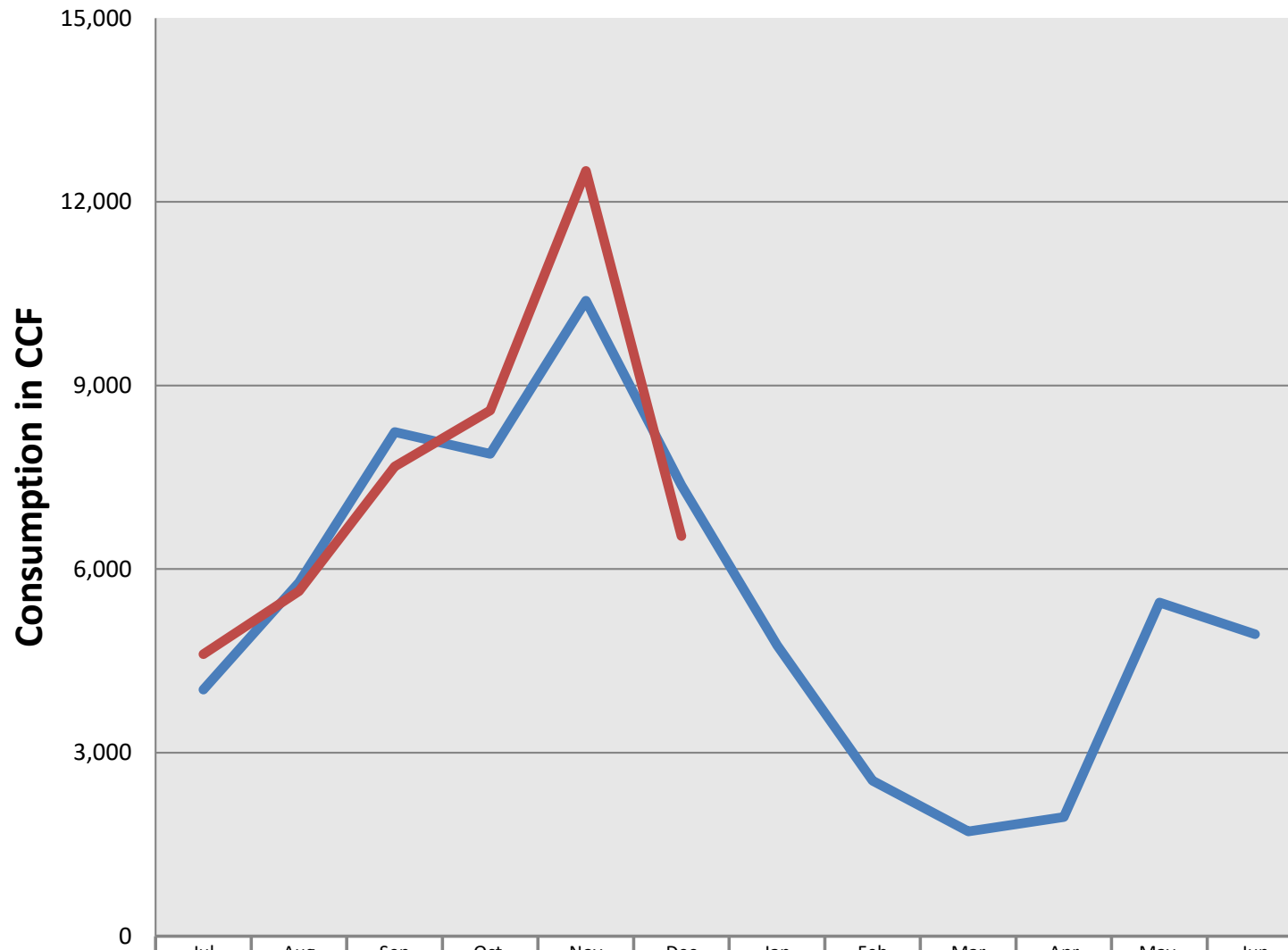
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	143,435	153,711	150,513	87,549	78,787	36,095	19,755	11,856	10,206	38,497	86,912	80,692
2019-2020	112,695	154,237	145,968	96,862	104,906	27,914						
18/19 ET	7.42	6.85	5.21	4.04	3.17	2.07	2.30	2.29	4.09	4.93	4.84	4.67
19/20 ET	7.11	6.89	5.17	4.92	2.78	1.88						

# Tier III Consumption



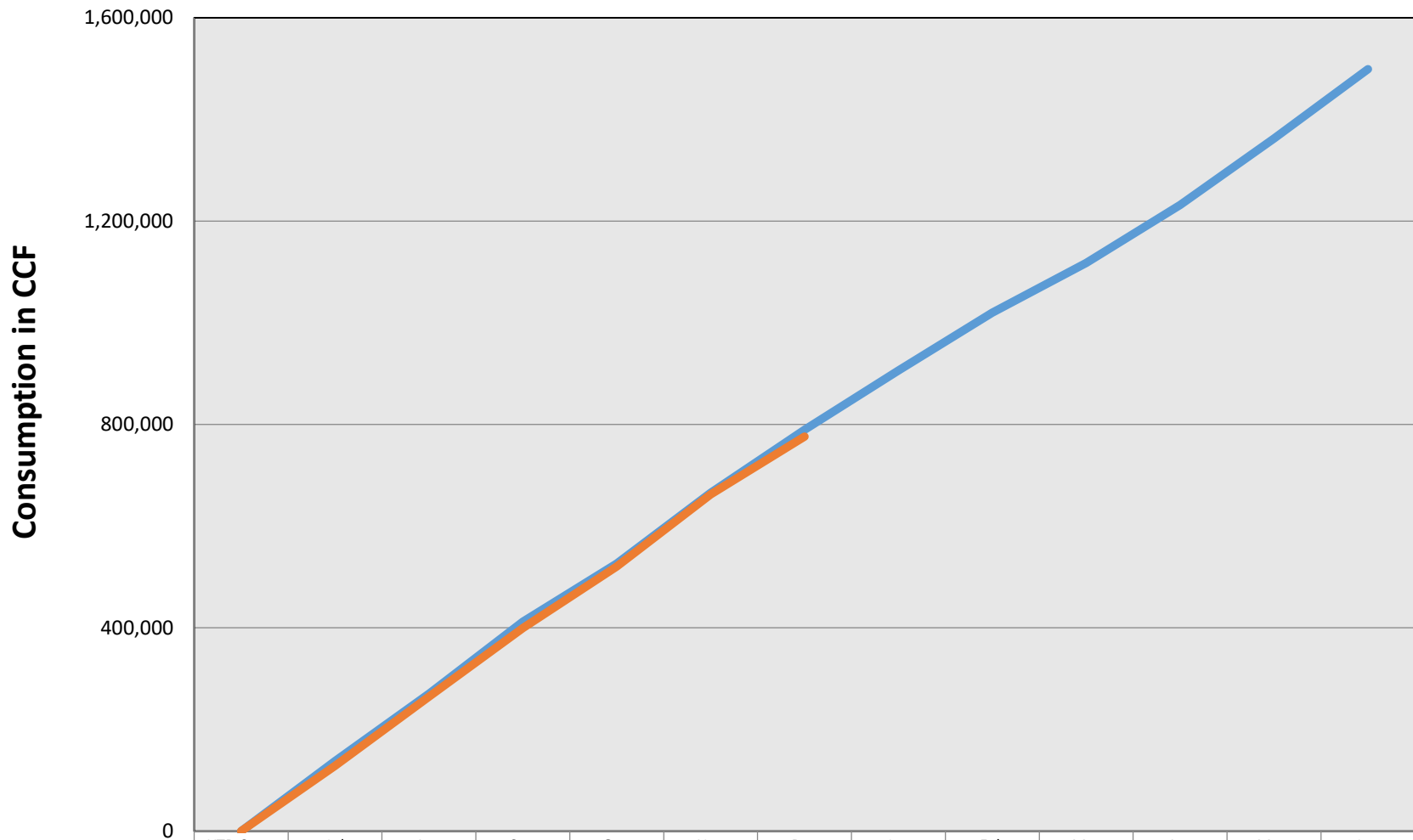
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	6,994	9,606	13,775	8,664	9,520	6,389	5,069	3,533	2,401	2,818	6,339	6,135
2019-2020	6,910	8,567	10,664	9,094	12,078	5,654						

## Tier IV Consumption



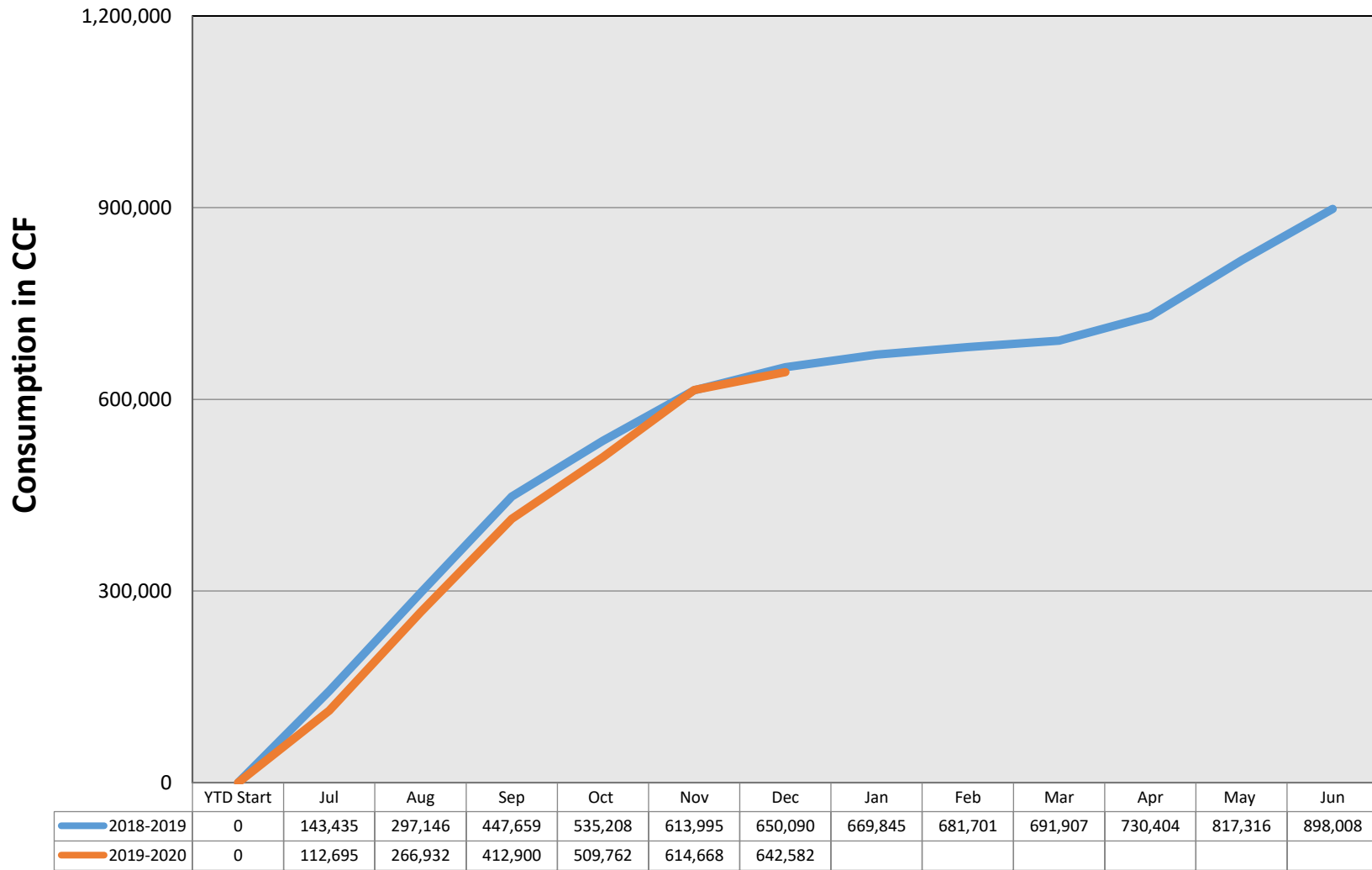
2018-2019	4,028	5,777	8,236	7,879	10,384	7,370	4,752	2,539	1,712	1,945	5,454	4,936
2019-2020	4,608	5,639	7,676	8,591	12,505	6,539						

## Tier I YTD Consumption

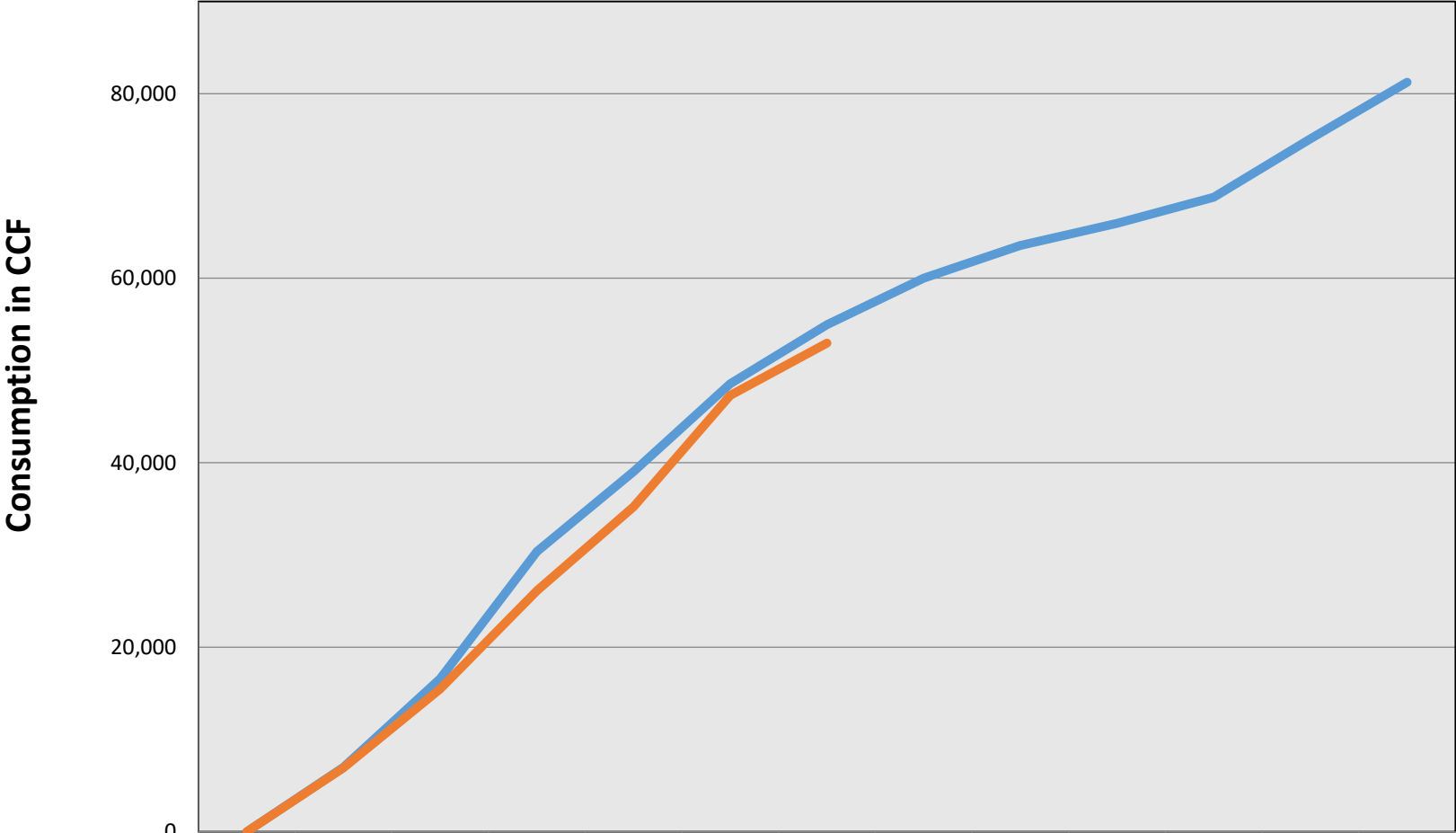


	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	0	137,942	270,304	412,147	526,363	665,493	789,381	906,276	1,020,004	1,117,884	1,231,776	1,362,632	1,498,904
2019-2020	0	128,554	264,460	399,447	520,744	662,622	776,196						

## Tier II YTD Consumption

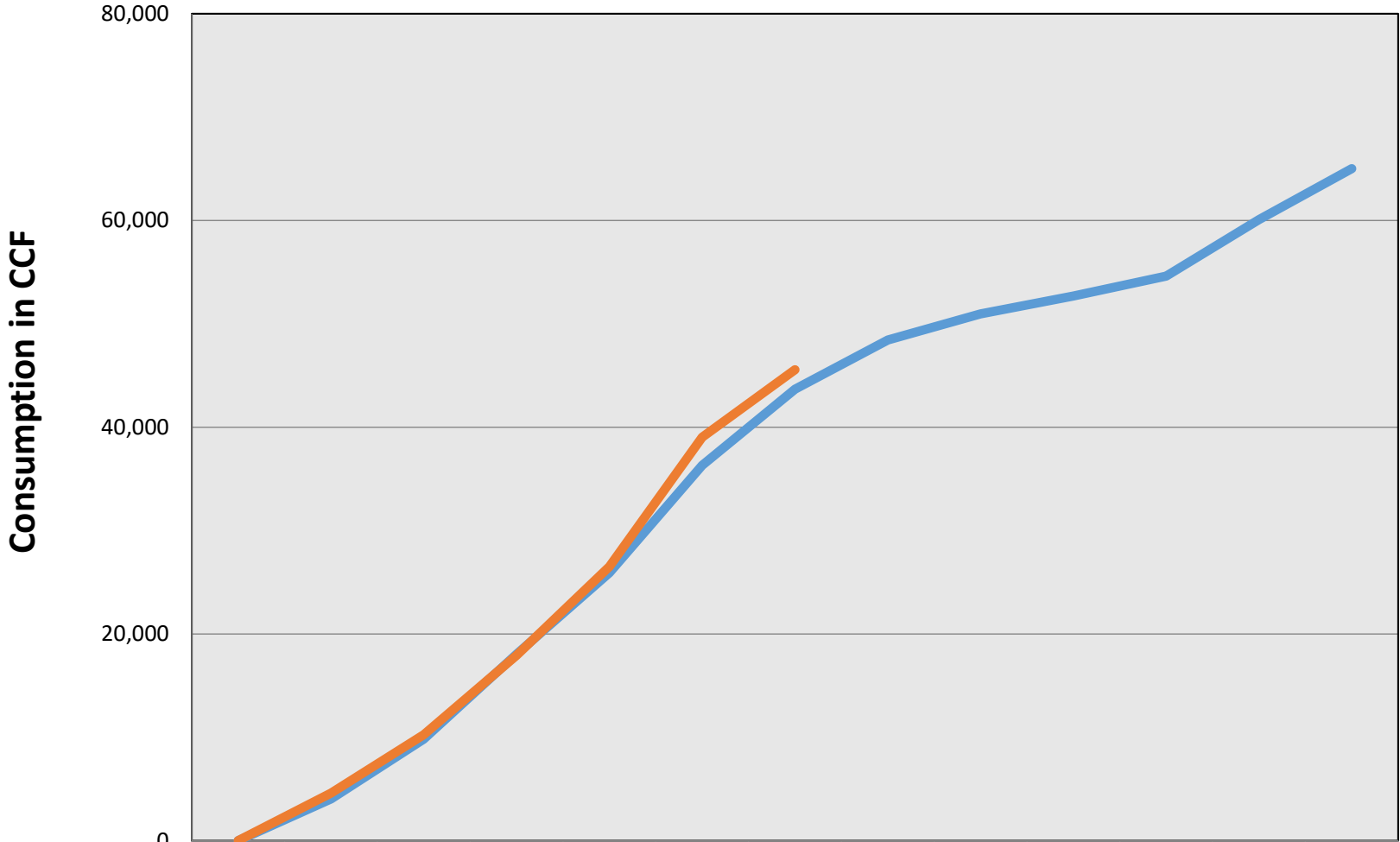


### Tier III YTD Consumption



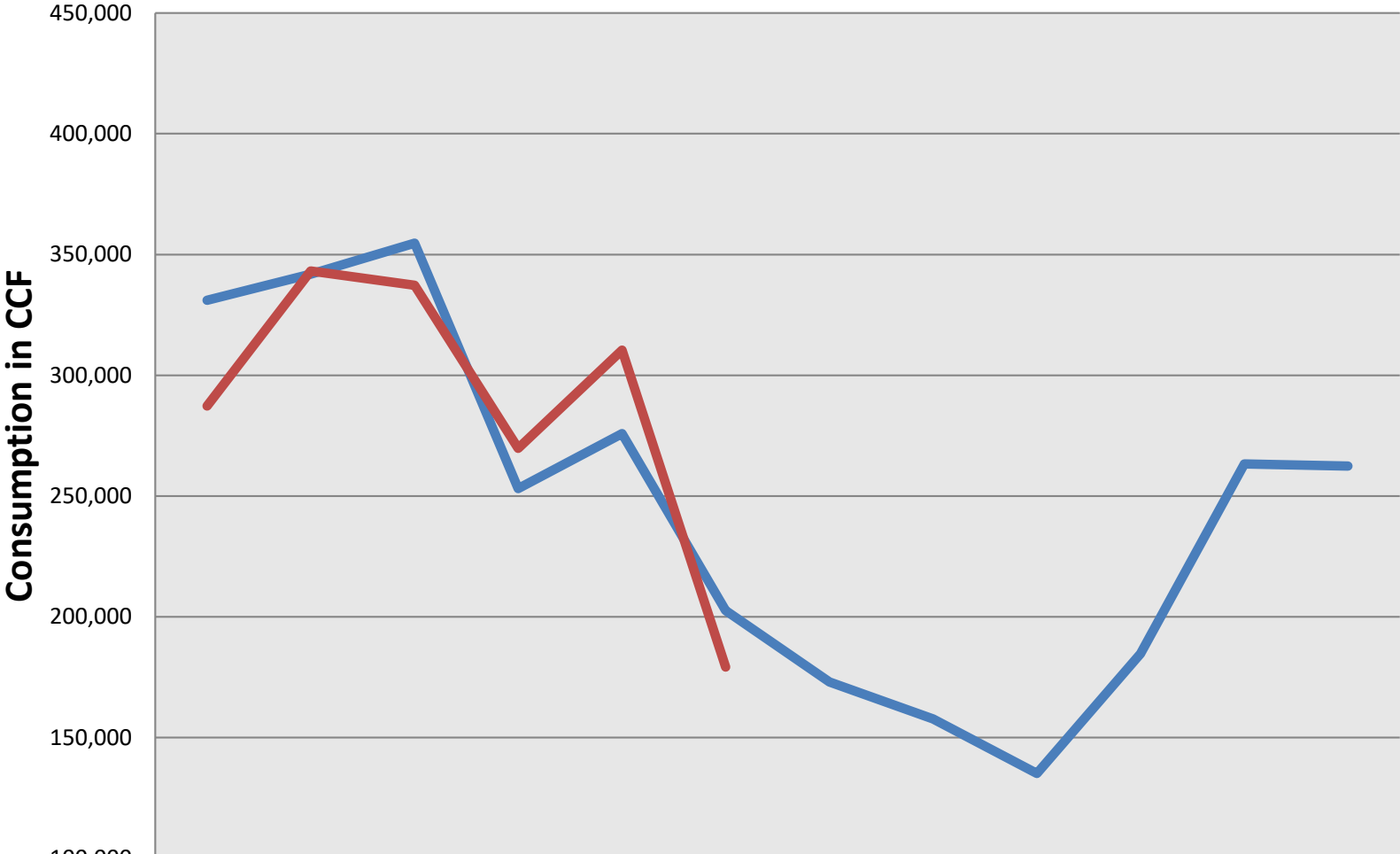
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	0	6,994	16,600	30,375	39,039	48,559	54,948	60,017	63,550	65,951	68,769	75,108	81,243
2019-2020	0	6,910	15,477	26,141	35,235	47,313	52,967						

### Tier IV YTD Consumption



	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	0	4,028	9,805	18,041	25,920	36,304	43,674	48,426	50,965	52,677	54,622	60,076	65,012
2019-2020	0	4,608	10,247	17,923	26,514	39,019	45,558						

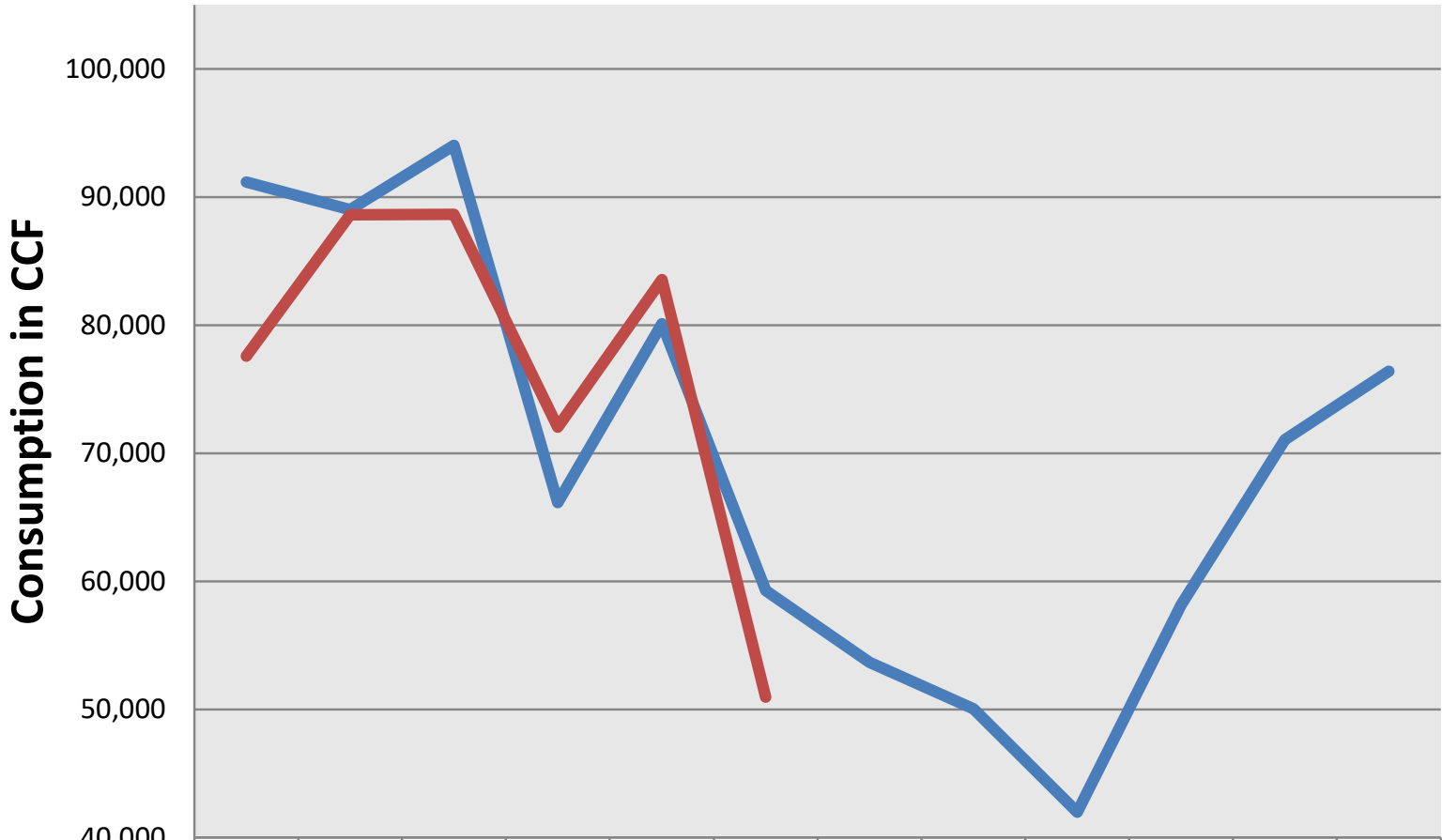
# ETWD Total Consumption



2018-2019	331,098	341,819	354,683	253,007	275,853	202,506	172,911	157,696	135,090	184,628	263,218	262,396
2019-2020	287,207	343,163	337,247	269,666	310,344	179,155						
%	87%	100%	95%	107%	113%	88%	0%	0%	0%	0%	0%	0%

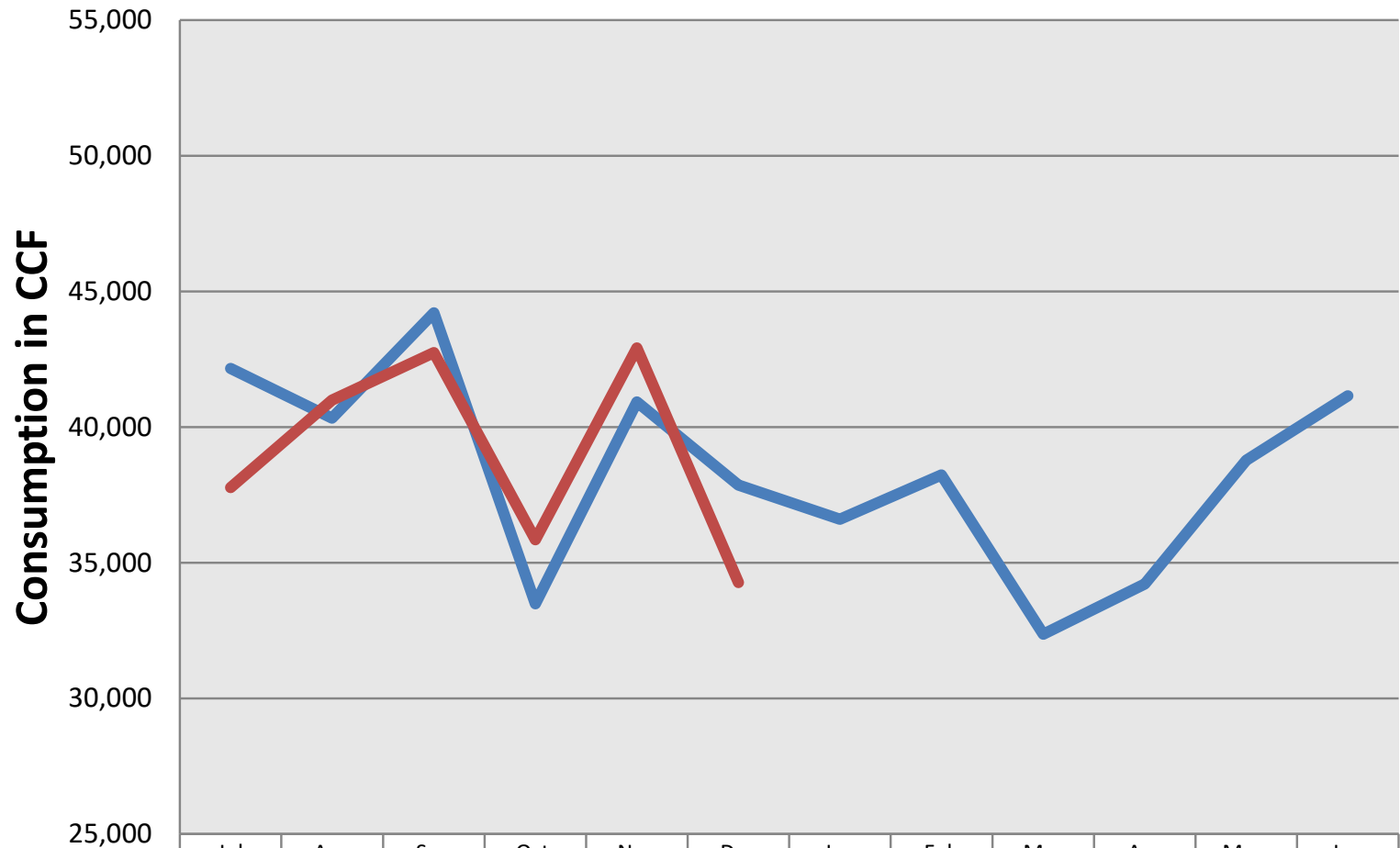


# Single Family Residents Consumption



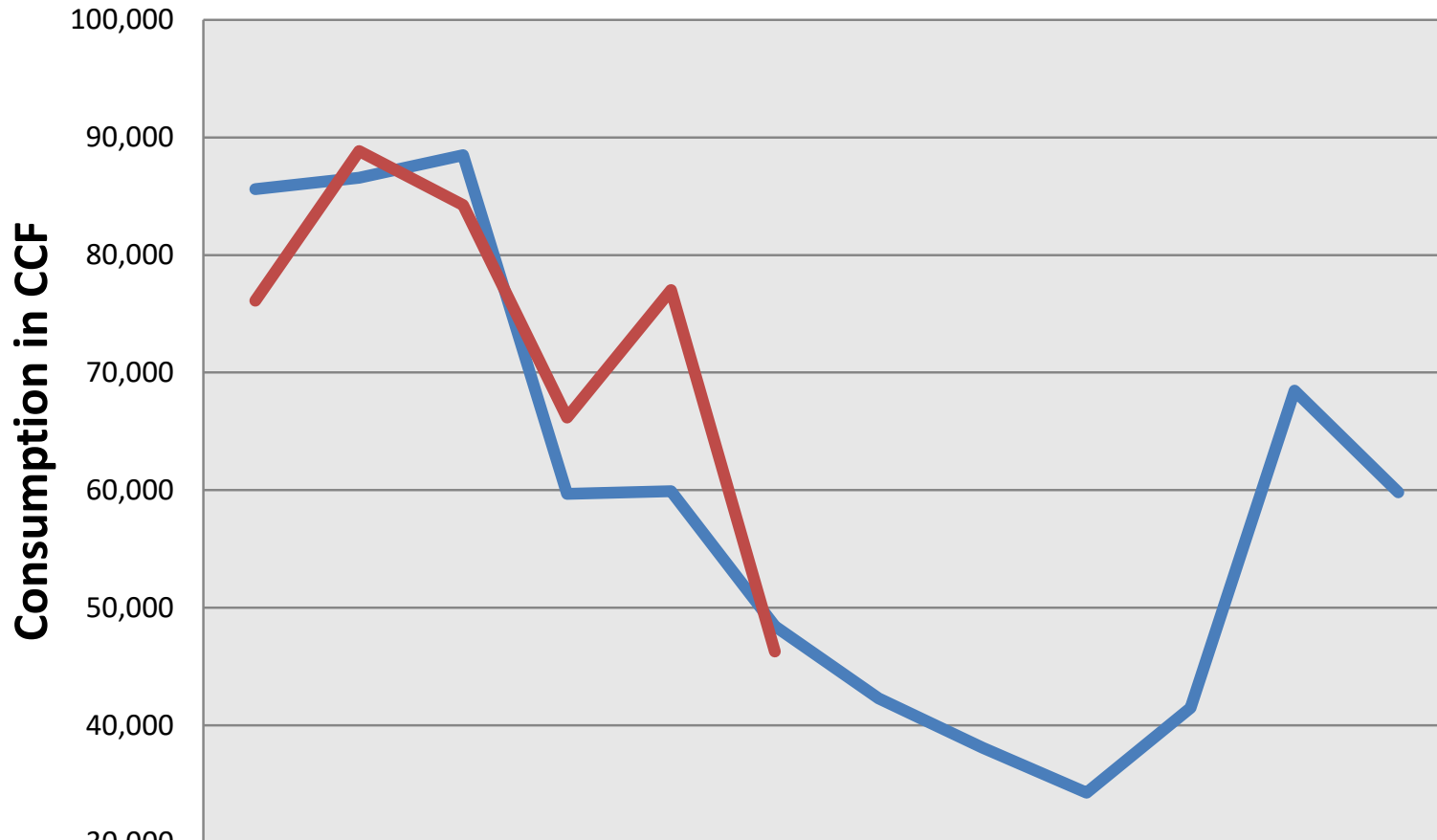
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	91,178	89,009	94,035	66,147	80,118	59,264	53,677	50,046	41,974	58,165	71,066	76,403
2019-2020	77,586	88,625	88,650	72,040	83,550	50,955						
%	85%	100%	94%	109%	104%	86%	0%	0%	0%	0%	0%	0%

## Multi Family Residents Consumption



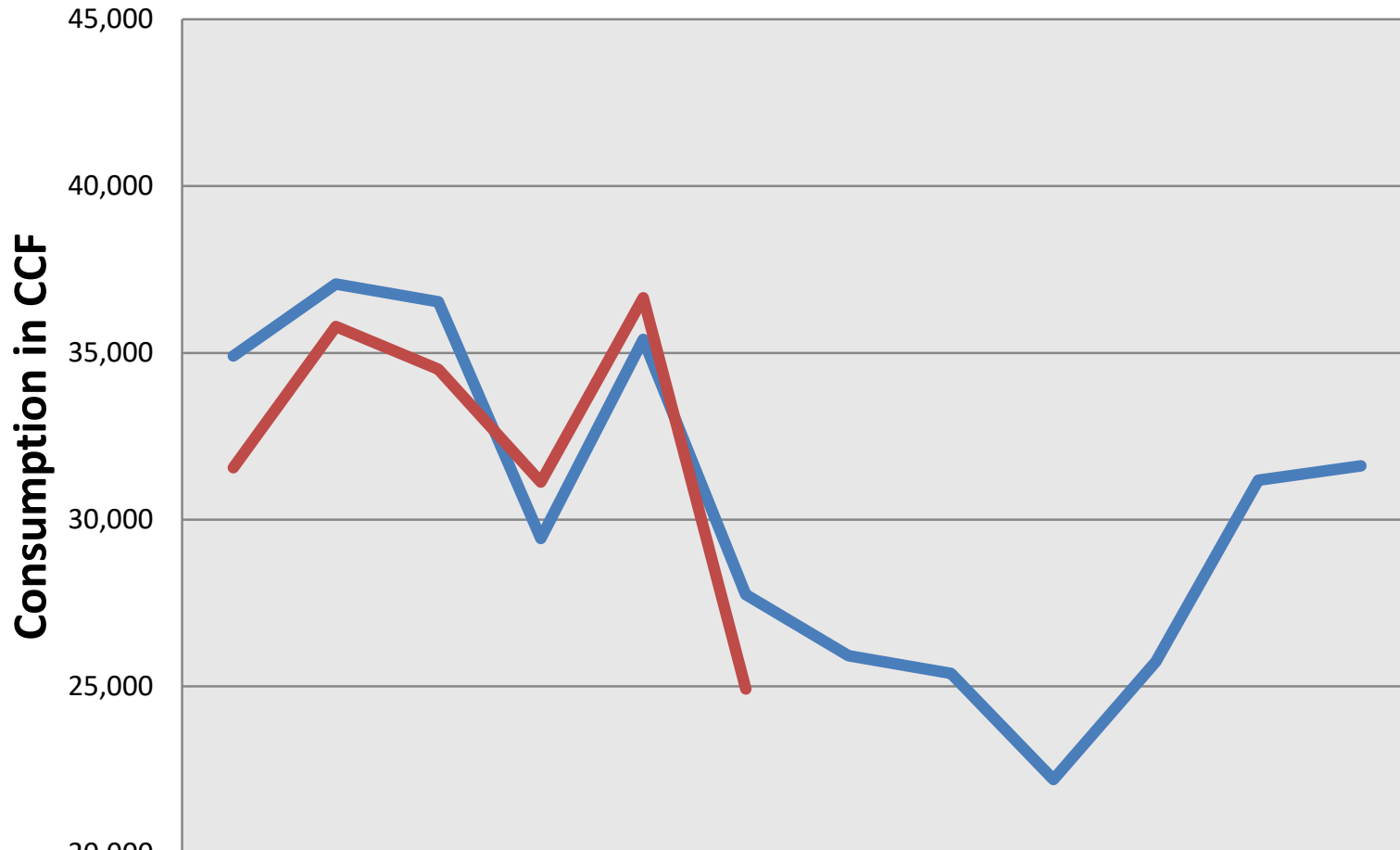
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	42,163	40,322	44,209	33,491	40,924	37,866	36,596	38,228	32,364	34,208	38,774	41,146
2019-2020	37,764	40,990	42,748	35,846	42,915	34,269						
%	90%	102%	97%	107%	105%	91%	0%	0%	0%	0%	0%	0%

## Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



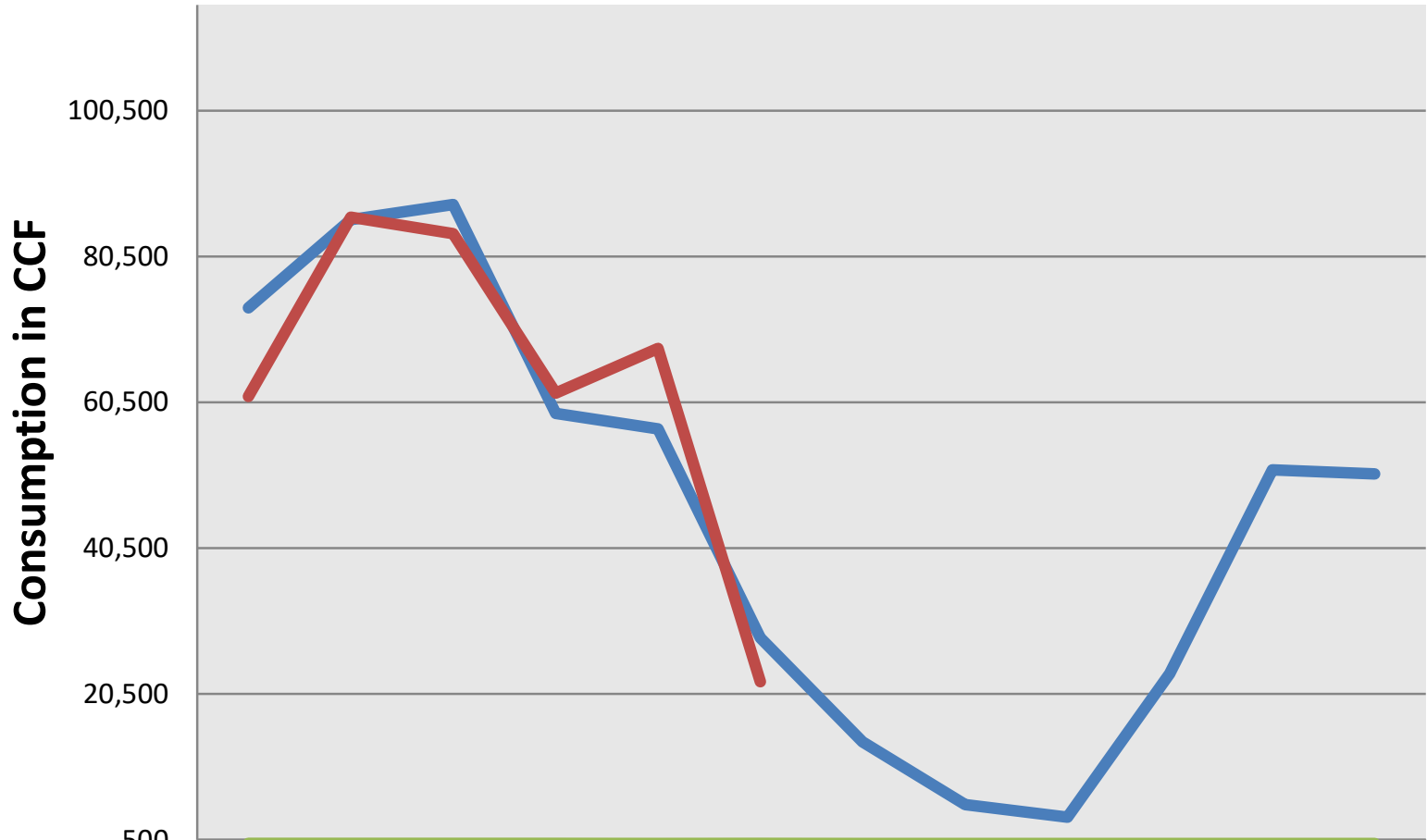
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
— 2018-2019	85,610	86,572	88,490	59,693	59,905	48,420	42,272	38,076	34,256	41,488	68,468	59,811
— 2019-2020	76,109	88,839	84,242	66,165	77,014	46,268						
— %	89%	103%	95%	111%	129%	96%	0%	0%	0%	0%	0%	0%

# Commercial Consumption



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	34,907	37,064	36,532	29,437	35,401	27,750	25,918	25,385	22,210	25,740	31,185	31,612
2019-2020	31,560	35,793	34,506	31,129	36,650	24,924						
%	90%	97%	94%	106%	104%	90%	0%	0%	0%	0%	0%	0%

## Dedicated Irrigation Consumption (including LWV)



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	73,448	85,554	87,633	58,977	56,874	28,192	13,926	5,306	3,605	23,291	51,253	50,675
2019-2020	61,308	85,895	83,655	61,793	67,888	22,189						
%	83%	100%	95%	105%	119%	79%	0%	0%	0%	0%	0%	0%

# EL TORO WATER DISTRICT

## Glossary of Water Terms

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

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

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

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

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

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

**AMP:** Allen McCulloch pipeline.

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

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

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

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

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

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

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

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

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

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

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

**BIA:** Building Industry Association.

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

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

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

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

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

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

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

**CEQA:** California Environmental Quality Act.

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

**CFS:** Cubic feet per second.

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

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

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

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

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

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

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

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

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

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

**Crisis:**

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

**CTP** Coastal Treatment Plant

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**FEMA** Federal Emergency Management Agency

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

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

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

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

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

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

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

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

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

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

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

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

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

**GPM:** Gallons per minute.

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

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

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

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

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

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

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

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

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

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

**MAF:** Million acre feet.

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

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

**MGD:** Million gallons per day.

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

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

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

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

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

**NPDES** National Pollution Discharge Elimination System

**OCBC:** Orange County Business Council.

**OCEMA** Orange County Environmental Management Agency

**OCWD:** Orange County Water District.

**Opportunity:**

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

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

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

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

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

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

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

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

**PPB:** Parts per billion.

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

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

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

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

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

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

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

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

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

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

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

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

**RFP** Request for Proposal

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

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

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

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

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

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

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

**SAFRA** Santa Ana River Flood Protection Agency

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

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

**SCADA** Supervisory Control and Data Acquisition

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

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

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

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

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

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

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

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

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

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

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

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

**SJBA** San Juan Basin Authority

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

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

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

**SRF** State Revolving Fund

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

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

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

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

**SWRCB** State Water Resources Control Board

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

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

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

**TMA:** Too many acronyms.

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

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

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

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

**VE** Value Engineering

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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