

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.



A handwritten signature in blue ink, appearing to read "D. P. Cafferty", is written over a horizontal line.

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

AGENDA

EL TORO WATER DISTRICT

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

April 20, 2020

7:30 a.m.

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

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

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

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may observe and address the Meeting by joining at this link: <https://zoom.us/j/95414425337>. (Meeting ID: 954-1442-5337). Members of the public who wish only to listen to the telephonic meeting may dial in at the following numbers (669) 900-6833 or (346) 248-7799 with the same Meeting ID noted above.

CALL TO ORDER – President Monin

PLEDGE OF ALLEGIANCE – Director Vergara

ORAL COMMUNICATIONS/PUBLIC COMMENTS

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

ENGINEERING COMMITTEE

CALL MEETING TO ORDER – Director Freshley

1. Consent Calendar

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

- a. Consider approving the minutes of the March 23, 2020 Engineering Committee meeting. (Minutes Included)

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

APPROVAL OF ITEMS REMOVED FROM TODAY’S ENGINEERING COMMITTEE

CONSENT CALENDAR

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

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

ENGINEERING ACTION ITEMS

2. **City of Laguna Hills Street Pavement Rehabilitation Project**
(Reference Material Included)

Staff will review and comment on costs associated with adjustment to grade of District valves and manholes following a City of Laguna Hills street resurfacing project on residential streets within the District service area.

Recommended Action: Staff recommends that the Board of Directors authorize the District's General Manager to approve payment of a City of Laguna Hills invoice in the amount of \$75,880.

3. **Cal Trans Utility Agreement** (Reference Material Included)

Staff will review and comment on the Utility Agreements which document the relocation of certain District facilities at the State's cost to accommodate the expansion of the 1-5 freeway.

Recommended Action: Staff recommends that the Board of Directors authorize the District's General Manager to execute Utility Agreement No. 12-UT-1450 and Utility Agreement No. 12-UT-1285.

4. **The Village at Laguna Hills Water Supply Assessment**
(Reference Material Included)

Staff and Consultant will review and comment on a Water Supply Assessment prepared by Arcadis U.S. Inc. for the Village at Laguna Hills Project.

Recommended Action: Staff recommends that the Board approve and accept the Water Supply Assessment for the Village at Laguna Hills Project and authorize the General Manager to transmit same to the City of Laguna Hills to be incorporated into and/or by reference in the 5 Lagunas Project environmental documents.

ENGINEERING GENERAL INFORMATION ITEMS

5. **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.

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

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

COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS

CLOSE ENGINEERING COMMITTEE MEETING

FINANCE AND INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Vergara

7. **Consent Calendar**

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

- a. Consider approving the minutes of the March 23, 2020 Finance and Insurance Committee meeting. (Minutes Included)

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

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

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

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

FINANCIAL ACTION ITEMS

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

Staff will review and comment on the Quarterly Insurance Report for the period January 1, 2020 through March 31, 2020.

Recommended Action: Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period of January 1, 2020 through March 31, 2020.

9. **Financial Package - Authorization to Approve Bills for Consideration dated April 20, 2020 and Receive and File Financial Statements as of March 31, 2020** (Reference Material Included)

The Board will consider approving the Bills for Consideration dated April 20, 2020 and Receive and File Financial Statements as of March 31, 2020.

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 April 20, 2020, and 2) receive and file the Financial Statements for the period ending March 31, 2020.

10. **Annual Review of the District's Cash Reserve Policy Statement 1994-12 (IV)** (Reference Material Included)

The District performs an annual review of the Cash Reserve Policy Statement 1994-12 (IV). Staff recommends amendments to the Cash Reserve Policy.

Recommended Action: Staff recommends adopting Resolution No. 20-4-1 which amends the Districts Cash Reserve Policy Statement 1994-12 (IV).

RESOLUTION NO. 20-4-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF EL TORO WATER DISTRICT
WHICH AMENDS THE DISTRICT'S
CASH RESERVE POLICY STATEMENT 1994-12 (IV)

11. **LAFCO Dues Reapportionment** (Reference Material Included)

Staff will review and comment on the proposed LAFCO Dues Reapportionment for Special Districts as proposed by the Independent Special Districts of Orange County (ISDOC). The District must vote on the proposed Reapportionment by April 24, 2020.

Recommended Action: Staff recommends the Board of Directors authorize the General Manager to Vote "Yes" on the proposed LAFCO Dues Reapportionment for Special Districts and submit the ballot to ISDOC.

FINANCIAL INFORMATION ITEMS

12. **Director Travel & Expense Reimbursement Policy Statement**

Staff will lead a discussion about a potential temporary suspension of the Director Travel & Expense Policy prohibition of carrying over unused portions of a Director's annual budget for travel related expenses to a subsequent budget period in light of the rescheduling of certain events and conferences typically attended by District Directors due to the COVID-19 pandemic.

13. **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.

14. **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) (1) to consult with legal counsel and staff on a matter of pending litigation. *The People of the State of California, acting by and through the Department of Transportation. Plaintiff, vs. County of Orange; Pacific and Telegraph Co.; Santa Margarita Water District; Laguna Hills Sanitation, Inc., California Corporation; and Does 1 through 50, inclusive. Defendants- Orange County Superior Court- Case No. 30-2020-01122114-CU-EI-CXC.*
2. At this time, the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (1) to consult with legal counsel and staff on a matter of pending litigation. [Class Action] *Kessner et al. v. City of Santa Clara, et al. (Santa Clara County Superior Court - Case No. 20 CV 364054.)*

3. At this time, the Board will go into Closed session pursuant to Government Code Section 54956.9 (d) (4) to consult with legal counsel and staff and decide whether to initiate 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., Tuesday, May 26, 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

March 23, 2020

President Monin called the Meeting of the Board to order at 7:30 a.m. on March 23, 2020.

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

Also participating telephonically via Zoom were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, RICK OLSON, Operations Superintendent, BOBBY YOUNG, Principal Engineer, GILBERT J. GRANITO, General Counsel, and POLLY WELSCH, Recording Secretary.

Pledge of Allegiance

Director Freshley led in the Pledge of Allegiance.

Oral Communications/Public Comments

There was no public and no comments.

Items Received Too Late to be Agendized

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

Coronavirus COVID-19 – El Toro Water District Response Update

Mr. Cafferty stated that we have asked staff to work split schedules and minimize their time at the office. He further stated that we have closed access to the building

and have several staff members telecommunicating using a combination of working from home and minimal time on site.

Mr. Cafferty stated that we have suspended the Recycled Water project and any other non-essential projects at this time. He further stated that staff is following all of the CDC guidelines in terms of social distancing, and hygiene efforts.

Mr. Cafferty stated that WEROC has hosted several conference calls, and Mr. Cafferty has been conferencing and emailing with neighboring agency General Managers to learn from each other.

Mr. Cafferty stated that our Purchasing department has made tremendous efforts prior to this outbreak of maintaining supplies. President Monin asked what the other agencies are running low on supplies. Mr. Cafferty replied that along with us, other agencies are running out of masks and hand sanitizer.

Director Vergara asked if any employees at ETWD are out sick. Mr. Cafferty replied there has not been anyone diagnosed, but we had one employee with a cough who did not report to work, and another employee was potentially exposed to someone who had the virus and that employee is staying home.

Director Havens stated that the employees have Essential Service Worker status, and since things may get worse before better, are they able to show that they are an Essential Service Worker. Mr. Cafferty replied that each employee carries a District badge and on the back side of the badge it states "Disaster Service Worker California Government Code Section 3100-3109".

Resolution No. 20-3-1 Amending the El Toro Water District Employee Handbook

Mr. Cafferty stated that due to the changes we have had to make to our work schedules, and managing staff in an effort to achieve social distancing, it falls outside what's defined in our Employee Handbook so we created some additional language that provides a definition of an Emergency Workweek that allows staff to work as much as 12-hour days without any hours over 9 being overtime. He further stated that the language also allows a work week that keeps essential services running while maintaining the reliability of water quality with less staff.

Mr. Cafferty stated that the revised work schedules and effort to achieve social distancing will result in employees, to varying degrees, working less than 40 hours in a week. Mr. Cafferty further stated that an Emergency Administrative Leave category has been created, that would be invoked only in the event of an emergency, that will allow employees to coded time to ensure receipt of their full paychecks. Mr. Cafferty stated that he proposes to change the language to 160 hours per employee instead of 20 days which will typically accommodate the period until the next Board Meeting.

Director Vergara asked if the proposal will cost additional money and whether there is legislation being passed that might aid the District. Mr. Cafferty replied that the proposed utilization of Emergency Administrative Leave won't cost the District additional money, it is simply continuing to pay existing budgeted payroll. Mr. Cafferty further noted that staff is monitoring legislation but have not yet seen any Federal action that will aid the District to recover any payroll associated costs.

Director Freshley asked if our Human Resources department has discussed with EDD how to report employee hours working at home. Vice President Gaskins stated that there is a difference between Public Sector and Private, and for Private Sector it is

still overtime after 40 hours in a work week, but overtime after 8 hours a day is not overtime. Mr. Cafferty replied that our Human Resources department has checked to see that we are in compliance with the labor law requirements.

Mr. Cafferty stated there is a change in the proposed Handbook language. Mr. Cafferty explained the reference to 20 days of Emergency Administrative Leave is being changed to say 160 hours which is the equivalent of 20 days but will sync better with our varying hours and the definition of a day.

President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Vice President Gaskins and unanimously carried across the Board to approve Resolution No. 20-3-1 which amends the ETWD Employee Handbook.

Roll Call Vote:

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

Delegation of Authority

Mr. Cafferty stated that the proposed change in the Recommended Action clarified that the action was simply to address the ability to increase spending beyond the typical General Managers authority in the event of an emergency. He further stated that thus far our expenses associated with the response to this crisis have not been extraordinary.

Mr. Cafferty stated that if some expense comes up that exceeds the authority of the General Manager, the action would allow the General Manager to approve

expenditures up to \$250,000 with the approval of either the Board President or Vice President. He further stated that he would notify the entire Board when this occurs.

Director Freshley stated that she feels \$250,000 is a large amount and what type of emergency could arise that would exceed \$50,000. Mr. Cafferty acknowledged her concern and noted that he did not have any specifically anticipated costs. Mr. Cafferty further explained that we are dealing with rapid changes and this action provides a means to react quickly to an unanticipated expenditure only if the need should arise.

Director Freshley stated that increased operating costs should be part of the budget process and not part of capital costs. Mr. Cafferty stated that this item would be dealing with this particular emergency which will be included in the amended Purchasing Policy which will be brought before the Board at an upcoming meeting.

President Monin asked for a Motion.

Motion: Director Vergara made a Motion, seconded by Director Havens and unanimously carried across the Board that in the event of an emergency, the Board President and/or Vice President may authorize the General Manager's spending authority to \$250,000 and inform the entire Board when an emergency takes place.

Roll Call Vote:

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

Engineering Committee Meeting

At approximately 8:40 a.m. Director Freshley called the meeting to order.

Consent Calendar

1. Consider approving the minutes of the February 24, 2020 Engineering Committee meeting.

Director Freshley asked for a Motion.

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

Roll Call Vote:

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

Engineering Action Items

There were no action items.

Engineering General Information Items

Capital Project Status Report

Mr. Young stated that most non-essential project work has been suspended at this time.

Oso Lift Station Project

Mr. Young stated that we have received bids for this project and are in discussion with the Contractor regarding the delay in award of the construction contract until the District completes the property acquisition. He further stated that the Contractor has reached out to their suppliers and equipment manufacturers to try to determine the length at which they will hold their current costs, and if they are unable to hold the current costs, we will go out to bid again.

Mr. Cafferty stated that we are waiting on the Property Acquisition. Director

Havens asked who is working on the title issue. Mr. Cafferty replied that Special Counsel who specializes in title acquisition is working to resolve the issue.

Phase II Recycled Water Distribution System Expansion Project

Mr. Young stated that the Contractor is not currently working on the project due to the current crisis. Mr. Young further stated that we continue to work with State and County officials and have received a conditional letter of approval for some of the retrofit sites in the West Side System.

Director Freshley asked if staff foresees any real issues starting this project up again. Mr. Young replied no.

Caltrans I-5 Widening Project

Mr. Young stated that we have been in contact with CalTrans' Right of Way Division and their Design group. He further stated that we are working with their Right of Way Division to get utility agreement letters signed; however some items have risen that we are addressing with them pertaining to payment and who is liable for future payments for improvements.

Mr. Cafferty stated that CalTrans is widening the I-5 freeway that will impact the District between El Toro Road and Los Alisos Blvd. He further stated that there are a number of existing water and sewer facilities that are impacted by the widening, some of which CalTrans has acknowledged to pay for because they are in an existing easement. For utilities in the Right of Way along the Avenida De La Carlota, CalTrans has not agreed to pay for, and neither have we agreed to pay for the cost of relocating those utilities.

Aliso Creek Lift Station Skid Pump & Trailer Mounted Emergency Pump

Mr. Young stated that the piping that is currently used is ETWD's piping and the

Contractor is having difficulty obtaining their required portion of the piping that is necessary to finalize their contract.

Director Freshley asked if the kind of pipe is that unique. Mr. Olson replied that there are only a few vendors that supply the aluminum pipe material.

Director Havens asked if there is anything else we could be investing in now that could help the major economy. Mr. Cafferty replied that the economy is struggling with challenges in construction. He further stated that we intended to bring two projects to the Board this month; one being Oso and one being a significant vehicle acquisition for the Sludge Tanker.

Director Havens asked if the Sludge Tanker could be viewed as a potential weak link during this period. Mr. Cafferty replied that it could be a weak link, but staff is planning to bring this to the Board next month.

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 9:01 a.m. the Engineering Committee meeting was closed.

There being no further business to come before the Board, today's meeting was adjourned at 9:01 a.m. to Monday, April 20, 2020 at 7:30 a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

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

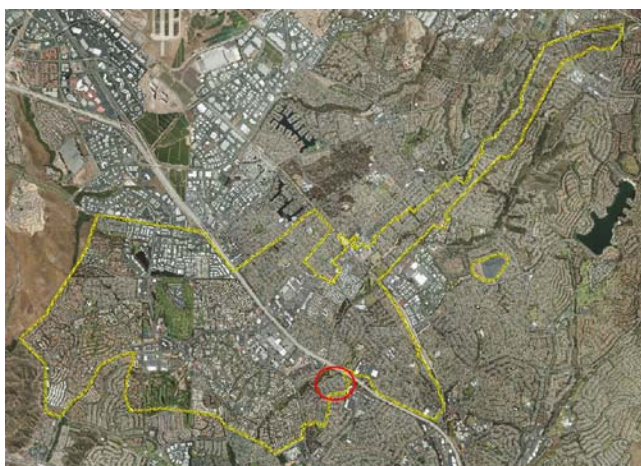
TO: BOARD OF DIRECTORS

MEETING DATE: April 20, 2020

FROM: Bobby Young, Principal Engineer

SUBJECT: City of Laguna Hills Street Pavement Rehabilitation Project

The City of Laguna Hills maintains an annual residential street resurfacing program. As is the case with each of the municipalities the District serves, the City owns the public right of way. The responsibility for relocation or adjustment of ETWD facilities disturbed by a City project in said right of way lies with the District. Typically speaking the District will request the City include the adjustment or relocation of any affected facilities in the City awarded construction contract, subject to reimbursement by the District. The City's 2019 residential resurfacing project involved certain streets within the southern portion of the ETWD service area, between the I-5 freeway and Paseo De Valencia, south of Aliso Creek.



The City's contractor was responsible to adjust to the new street surface any valves or manholes impacted by the project. The City notified the District of the bid quantities and unit costs and completed the project in the summer of 2019. In March of 2020 the City invoiced the District in the amount of \$75,880. Staff has verified the actual quantities identified in the invoice. The City's invoice accurately reflects the following work.

6 Sewer Cleanouts @ \$460 each	\$2,760.00
71 Sewer manholes @ \$415 each	\$29,465.00
1 Water manhole @ \$415 each	\$415.00
94 Water Valves @ \$460 each	\$43,240.00
Total	\$75,880.00

The current fiscal year O&M budget did not contemplate this expense. However, based on financial performance to date the payment of this invoice will not adversely impact the ability to remain within the overall 2019/20 expense budget. District staff is engaging with the staff of the cities the District serves to determine if there are any similar projects that might impact the District's 2021 fiscal year budget.

RECOMMENDATION

Recommended Action: Staff recommends that the Board of Directors authorize the District's General Manager to pay the City of Laguna Hills invoice in the amount of \$75,880.



STAFF REPORT

TO: BOARD OF DIRECTORS

MEETING DATE: APRIL 20, 2020

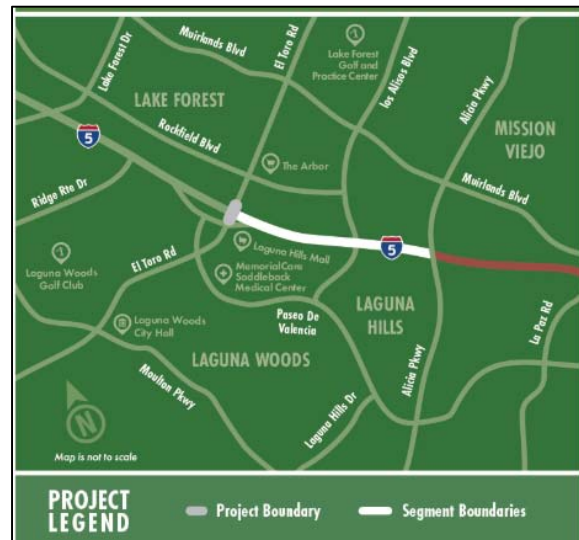
FROM: Bobby Young, Principal Engineer

SUBJECT: Caltrans I-5 Widening Utility Conflict Resolution Design Project

In late 2016, the Caltrans Right-of-Way department contacted the District regarding an upcoming freeway widening project. The project will add one lane in each direction between Alicia Parkway and El Toro Road, extend the second HOV lane in both directions to Alicia Parkway and add auxiliary lanes where needed on Interstate 5 in the City of Lake Forest, the City of Laguna Hills, the City of Laguna Woods, and the City of Mission Viejo between Alicia Parkway and El Toro Road.

At the time, Caltrans had identified a handful of utility conflicts between the proposed freeway widening project and District facilities. The District worked with the Caltrans teams to properly address the utility relocations. The District hired a consultant, Dudek, to prepare construction documents and specifications for the relocations.

Throughout the design process, there were many meetings and delays, including the addition of conflicts not originally identified. Through the iterative design and plan check process, the District's consultant was able to finalize plans and specs incorporating all Caltrans comments.

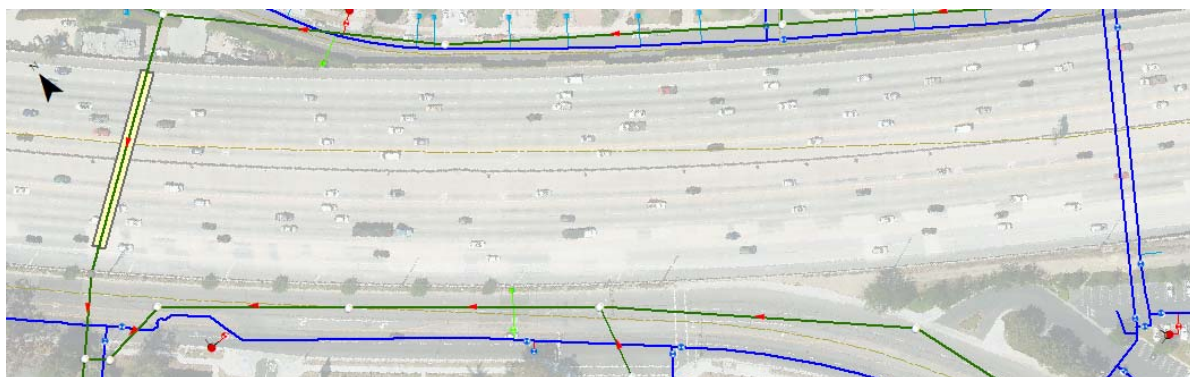


Caltrans I-5 Widening Utility Conflict Resolution Design Project
Page 2

Caltrans and District staff have been working to resolve the cost liability for each conflict resolution and develop formal Utility Agreements as appropriate. The District has informed Caltrans of the District’s position that the utility relocation costs in Avenida De La Carlota (Carlota) should be the responsibility of the State. The letter detailing that position is attached for reference.

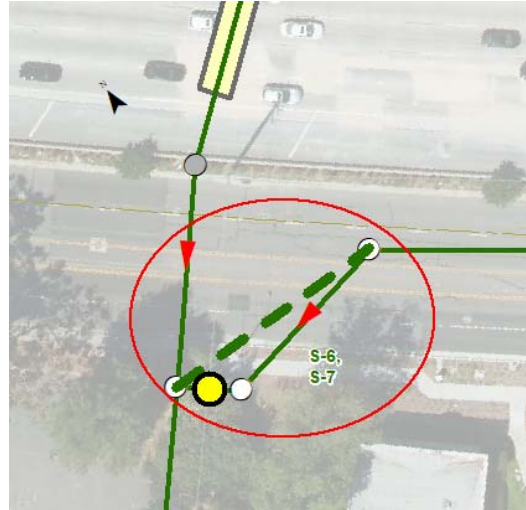
The utility conflicts associated with the I-5 Expansion Project are summarized as follows (with Caltrans ID nomenclature) including the status of the determination of liability for cost.

Conflict ID	Description	Resolution	Liability
S-3B	Existing 10” Sewer line in 24” Steel Casing under the freeway	Caltrans direction to straighten the sewer segment into Carlota	<i>Under review</i>
S-4	Existing 8” Sewer line within Carlota, parallel to new retaining wall	Concrete encase portions of sewer that are within 5-ft of the retaining wall	<i>Under review</i>
S-6	Existing Sewer Manholes on Adjacent property	Adjust to grade	STATE (confirmed)
S-7	Proposed SCE power pole in conflict with existing 8” sewer	Abandon one manhole, install new sewer line and re-route existing lateral	STATE (confirmed)
W-3B	Existing 8” waterline in 16” steel casing	Realign vertical profile of line to avoid new retaining wall	STATE (confirmed)
W-4B	Existing 16” waterline in 30” steel casing	Extend steel casing	STATE (confirmed)
W-10	Three Fire Hydrants along Carlota	Extend / Relocate to new right-of-way	<i>Under review</i>
W-11	One Air Vacuum Combination Valve within LH Mall Property	Extend / Relocate to within existing easement	STATE (confirmed)
W-12	City of Laguna Hills Irrigation Meter along Carlota	Relocate to new right-of-way	<i>Under review</i>

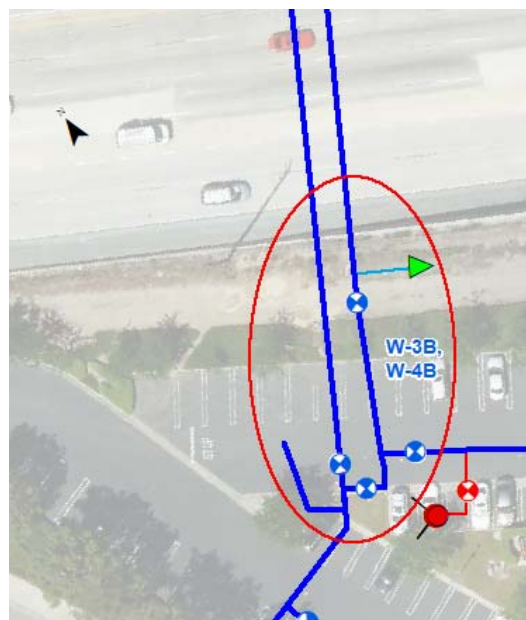


Caltrans I-5 Widening Utility Conflict Resolution Design Project
Page 3

As noted in the table, Caltrans has agreed that the costs to relocate Conflict ID Nos. S-6, S-7, W-3B, W-4B and W-11 are the responsibility of the State. The estimated cost for the work to resolve these conflicts is \$297,500. Caltrans staff prepared the attached Utility Agreements documenting the State's assumption of liability for these relocations and is requesting the District execute the documents as soon as possible. Utility Agreement 12-UT-1450 addresses the sewer relocations (S-6 & S-7). Utility Agreement 12-UT-1285 addresses the water facility relocations (W-3B, W-4B & W-11). District staff and legal counsel have reviewed the document with no objection to the language.



According to Caltrans staff, Caltrans is proceeding with the I-5 Freeway Expansion Project. The Caltrans schedule would require that all necessary utility relocations be completed by the end of September. Some of the utility relocations, such as S-3B, will require the District's Contractor to work with the Caltrans Contractor, as the work efforts will overlap. Assuming the remaining liability conflicts are resolved, the District will bid the project in anticipation of awarding a construction contract at the June Board meeting.



Caltrans staff has indicated that they are analyzing and will soon respond to the District's letter regarding the balance of the utility conflicts. The Utility Agreement Nos. 12-UT-1450 and 12-UT-1285 pertain only to the conflicts for which Caltrans has agreed to bear the cost liability and in no way obligates the District to any costs for the utilities still under negotiation.

Staff believes it is in the District's best interest to execute Utility Agreement Nos. 12-UT-1450 and 12-UT-1285 at this time to finalize the Caltrans obligation for the costs described therein.

Recommended Action at the April 20, 2020 Board Meeting:

Staff recommends that the Board of Directors authorize the District's General Manager to execute Utility Agreement No. 12-UT-1450 and Utility Agreement No. 12-UT-1285.

UTILITY AGREEMENT

RW 13-5 (REV 12/2016)

UTILITY AGREEMENT NO.

12-UT-1450

DISTRICT 12	COUNTY ORANGE	ROUTE 5	POST MILE 17.1 / 18.9	PROJECT ID 1214000100/OK0231
FEDERAL AID NUMBER N/A		OWNER'S 'S FILE NUMBER CALTRANS I-5 WIDENING UTILITY CONFLICT RESOLUTION DESIGN PROJECT, Contract No. 104, March 2020, 12 (sheets) plan drawings, dated 02/24/2020		

FEDERAL PARTICIPATION/FEDERALLY ELIGIBLE/NEPA DOCUMENT

On the Project Yes NoOn the Utilities Yes NoOWNER Payee Data No. _____ or Form STD 204 is attached. UTILITY AGREEMENT NO. **12-UT-1450**

DATE _____

The STATE of California acting by and through the Department of Transportation, hereinafter called "STATE" proposes to add one lane in each direction between Alicia Parkway and El Toro Road, extending the second HOV lane in both directions to Alicia Parkway and add auxiliary lanes where needed in Orange County, in the city of Lake Forest, the city of Laguna Hills, the city of Laguna Woods, and the city of Mission Viejo between Alicia Parkway and El Toro Road, and

El Toro Water District

24251 Los Alisos Boulevard
Lake Forest, CA 92630

hereinafter called "OWNER", owns and maintains sewer facilities at:

Conflict ID	Utility Sheet	Start Station	End Station
S-6	UD-2	27+73	27+97
S-7	UD-2	27+73	27+97

within the limits of STATE'S project which require relocation to accommodate the STATE'S project.

It is hereby mutually agreed that:

I. WORK TO BE DONE

In accordance with Revised Notice to OWNER No. 12-UT-1450-1 dated March 10, 2020, OWNER shall relocate facilities described above. All work shall be performed substantially in accordance with OWNER's plan titled CALTRANS I-5 WIDENING UTILITY CONFLICT RESOLUTION DESIGN PROJECT, Contract No. 104, March 2020, 12 (sheets) plan drawings, dated 02/24/2020, a copy of which is on file in the District Office of the Department of Transportation at 1750 East 4th Street, Suite 100, Santa Ana, CA 92705. Deviations from the OWNER's plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and agreed to/acknowledged by the OWNER, will constitute an approved revision of the OWNER's plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the Revised Notice to Owner.

II. LIABILITY FOR WORK

Conflict ID S-6 & S-7: Existing facilities are located in their present position pursuant to rights superior to those of the STATE and will be relocated at STATE expense.

UTILITY AGREEMENT

RW 13-5 (REV 12/2016)

UTILITY AGREEMENT NO.

12-UT-1450

III. PERFORMANCE OF WORK

OWNER agrees to perform the herein described work with its own forces or to cause the herein described work to be performed by the OWNER's contractor, employed by written contract on a continuing basis to perform work of this type, and to provide and furnish all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion.

OWNER agrees to cause the herein described work to be performed by a contract with the lowest qualified bidder, selected pursuant to a valid competitive bidding procedure, and to furnish or cause to be furnished all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion.

Use of personnel requiring lodging and meal 'per diem' expenses shall not exceed the per diem expense amounts allowed under the California Department of Human Resources travel expense guidelines. Accounting Form FA-1301 is to be completed and submitted for all non-STATE personnel travel per diem. OWNER shall also include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed.

Work performed by OWNER's contractor is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements.

Work performed directly by Owner's employees falls within the exception of Labor Code Section 1720(a)(1) and does not constitute a public work under Section 1720(a)(2) and is not subject to prevailing wages. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

IV. PAYMENT FOR WORK

The STATE shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles.

It is understood and agreed that the STATE will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to the STATE for the salvage value of any material or parts salvaged and retained or sold by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit itemized progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by STATE of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to the STATE within 360 days after the completion of the work described in Section I above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I of this Agreement, and STATE has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements for OWNER'S facilities (if required), STATE will provide written notification to OWNER of its intent to close its file within 30 days. OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the STATE processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.

UTILITY AGREEMENT

RW 13-5 (REV 12/2016)

UTILITY AGREEMENT NO.

12-UT-1450

The final billing shall be in the form of a detailed itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the STATE shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by STATE. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to OWNER as provided for in Section I, a copy of said revised Notice to OWNER shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the California Transportation Commission.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER's final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of STATE.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by STATE and/or Federal auditors. In performing work under this Agreement, OWNER agrees to comply with the Uniform System of Accounts for Public Utilities found at 18 CFR, Parts 101, 201, et al., to the extent they are applicable to OWNER doing work on the project that is the subject of this agreement, the contract cost principles and procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part 645 and 2 CFR, Part 200, et al. If a subsequent STATE and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse AGENCY upon receipt of AGENCY billing. If OWNER is subject to repayment due to failure by STATE/Local Public Agency (LPA) to comply with applicable laws, regulations, and ordinances, then STATE/LPA will ensure that OWNER is compensated for actual cost in performing work under this agreement.

V. GENERAL CONDITIONS

All costs accrued by OWNER as a result of STATE's request of December 12, 2016 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If STATE's project, which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, STATE will notify OWNER in writing and STATE reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

All obligations of STATE and/or LPA under the terms of this Agreement are subject to the acceptance of the Agreement by LPA Board of Directors or the Delegated Authority (as applicable), the passage of the annual Budget Act by the STATE Legislature, and the allocation of those funds by the California Transportation Commission.

OWNER shall submit a Notice of Completion to the STATE within 30 days of the completion of the work described herein.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

In addition, the provisions of 23 CFR 635.410, Buy America, are also incorporated into this agreement. The Buy America requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United STATES for steel and iron products (including the application of coatings) installed on a project receiving funding from the FHWA.

UTILITY AGREEMENT

UTILITY AGREEMENT NO.

12-UT-1450

RW 13-5 (REV 12/2016)

OWNER understands and acknowledges that this project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance. OWNER hereby certifies that in the performance of this Agreement, for products where Buy America requirements apply, it shall use only such products for which it has received a certification from its supplier, or provider of construction services that procures the product certifying Buy America compliance. This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Department's guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

STATE further acknowledges that OWNER, in complying with the Buy America Rule, is expressly relying upon the instructions and guidance (collectively, "Guidance") issued by Caltrans and its representatives concerning the Buy America Rule requirements for utility relocations within the STATE of California. Notwithstanding any provision herein to the contrary, OWNER shall not be deemed in breach of this Agreement for any violations of the Buy America Rule if OWNER's actions are in compliance with the Guidance.

UTILITY AGREEMENT

UTILITY AGREEMENT NO.
12-UT-1450

RW 13-5 (REV 12/2016)

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE:

OWNER:

By _____
Name Erika Irizarry Date _____
Title District Utility Coordinator

By _____
Name _____ Date _____
Title _____
Owner _____

APPROVAL RECOMMENDED:

By _____
Name Antonio Avila Date _____
Title Utility Coordinator

By _____
Name _____ Date _____
Title _____
Owner _____

THIS AGREEMENT SHALL NOT BE EXECUTED BY THE STATE OF CALIFORNIA – DEPARTMENT OF TRANSPORTATION UNTIL FUNDS ARE CERTIFIED.

UTILITY AGREEMENT

UTILITY AGREEMENT NO.
12-UT-1450

RW 13-5 (REV 12/2016)

CT DOCUMENT	EVENT TYPE	DEPT	UNIT	PROJECT ID	PHASE	REPORTING	OBJ CODE (N)	BFY	AMOUNT
1220UA1450	C401	2660	3031	1214000100	9	9	054	19/20	\$132,650.00
	C401	2660				9			
	C401	2660				9			

PROJECT ID FUNDING VERIFIED:

Sign:

Print: Evangelina Washington

R/W Planning and Management

Date

REVIEW / REQUEST FUNDING:

Sign:

Print: Antonio Avila

Utility Coordinator

Date

THE ESTIMATED COST TO THE STATE FOR ITS SHARE OF THE ABOVE-DESCRIBED WORK IS \$ 132,650.00

CERTIFICATION OF FUNDS

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure shown here.

R/W Planning and Management

Date

ITEM	CHAP	STAT	FY	AMOUNT

FUND TYPE	PROJECT ID	AMOUNT
Design Funds		\$ 0.00
Construction Funds		\$ 0.00
R/W Funds	1214000100	\$ 132,650.00

Distribution: 2 originals to R/W Accounting
1 original to Utility OWNER
1 original to Utility File

UTILITY AGREEMENT

RW 13-5 (REV 12/2016)

UTILITY AGREEMENT NO.

12-UT-1285

DISTRICT 12	COUNTY ORANGE	ROUTE 5	POST MILE 17.1 / 18.9	PROJECT ID 1214000100/OK0231
FEDERAL AID NUMBER N/A		OWNER'S 'S FILE NUMBER CALTRANS I-5 WIDENING UTILITY CONFLICT RESOLUTION DESIGN PROJECT, Contract No. 104, March 2020, 12 (sheets) plan drawings, dated 02/24/2020		

FEDERAL PARTICIPATION/FEDERALLY ELIGIBLE/NEPA DOCUMENT

On the Project Yes NoOn the Utilities Yes NoOWNER Payee Data No. _____ or Form STD 204 is attached. **UTILITY AGREEMENT NO.** 12-UT-1285**DATE** _____

The STATE of California acting by and through the Department of Transportation, hereinafter called "STATE" proposes to add one lane in each direction between Alicia Parkway and El Toro Road, extending the second HOV lane in both directions to Alicia Parkway and add auxiliary lanes where needed in Orange County, in the city of Lake Forest, the city of Laguna Hills, the city of Laguna Woods, and the city of Mission Viejo between Alicia Parkway and El Toro Road, and

El Toro Water District

24251 Los Alisos Boulevard
Lake Forest, CA 92630

hereinafter called "OWNER", owns and maintains water facilities at:

Conflict ID	Utility Sheet	Start Station	End Station
W-3B	U-6	188+30	188+30
W-4B	U-6	188+50	188+50
W-11	UD-1 to 3	26+87	29+86

within the limits of STATE'S project which require relocation to accommodate the STATE'S project.

It is hereby mutually agreed that:

I. WORK TO BE DONE

In accordance with the Revised Notice to OWNER No. 12-UT-1285-1 dated March 10, 2020, OWNER shall relocate facilities described above. All work shall be performed substantially in accordance with OWNER's plan titled CALTRANS I-5 WIDENING UTILITY CONFLICT RESOLUTION DESIGN PROJECT, Contract No. 104, March 2020, 12 (sheets) plan drawings, dated 02/24/2020, a copy of which is on file in the District Office of the Department of Transportation at 1750 East 4th Street, Suite 100, Santa Ana, CA 92705. Deviations from the OWNER's plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and agreed to/acknowledged by the OWNER, will constitute an approved revision of the OWNER's plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the Revised Notice to Owner.

II. LIABILITY FOR WORK

Conflict ID W-3B, W-4B & W-11: Existing facilities are located in their present position pursuant to rights superior to those of the STATE and will be relocated at STATE expense.

UTILITY AGREEMENT

RW 13-5 (REV 12/2016)

UTILITY AGREEMENT NO.

12-UT-1285

III. PERFORMANCE OF WORK

OWNER agrees to perform the herein described work with its own forces or to cause the herein described work to be performed by the OWNER's contractor, employed by written contract on a continuing basis to perform work of this type, and to provide and furnish all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion.

OWNER agrees to cause the herein described work to be performed by a contract with the lowest qualified bidder, selected pursuant to a valid competitive bidding procedure, and to furnish or cause to be furnished all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion.

Use of personnel requiring lodging and meal 'per diem' expenses shall not exceed the per diem expense amounts allowed under the California Department of Human Resources travel expense guidelines. Accounting Form FA-1301 is to be completed and submitted for all non-STATE personnel travel per diem. OWNER shall also include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed.

Work performed by OWNER's contractor is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements.

Work performed directly by Owner's employees falls within the exception of Labor Code Section 1720(a)(1) and does not constitute a public work under Section 1720(a)(2) and is not subject to prevailing wages. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

IV. PAYMENT FOR WORK

The STATE shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles.

It is understood and agreed that the STATE will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to the STATE for the accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit itemized progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by STATE of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to the STATE within 360 days after the completion of the work described in Section I above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I of this Agreement, and STATE has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements for OWNER'S facilities (if required), STATE will provide written notification to OWNER of its intent to close its file within 30 days. OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the STATE processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.

UTILITY AGREEMENT

RW 13-5 (REV 12/2016)

UTILITY AGREEMENT NO.

12-UT-1285

The final billing shall be in the form of a detailed itemized Statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the STATE shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by STATE. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to OWNER as provided for in Section I, a copy of said revised Notice to OWNER shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the California Transportation Commission.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER's final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of STATE.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by STATE and/or Federal auditors. In performing work under this Agreement, OWNER agrees to comply with the Uniform System of Accounts for Public Utilities found at 18 CFR, Parts 101, 201, et al., to the extent they are applicable to OWNER doing work on the project that is the subject of this agreement, the contract cost principles and procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part 645 and 2 CFR, Part 200, et al. If a subsequent STATE and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse AGENCY upon receipt of AGENCY billing. If OWNER is subject to repayment due to failure by STATE/Local Public Agency (LPA) to comply with applicable laws, regulations, and ordinances, then STATE/LPA will ensure that OWNER is compensated for actual cost in performing work under this agreement.

V. GENERAL CONDITIONS

All costs accrued by OWNER as a result of STATE's request of December 12, 2016 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If STATE's project, which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, STATE will notify OWNER in writing and STATE reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

All obligations of STATE and/or LPA under the terms of this Agreement are subject to the acceptance of the Agreement by LPA Board of Directors or the Delegated Authority (as applicable), the passage of the annual Budget Act by the STATE Legislature, and the allocation of those funds by the California Transportation Commission.

OWNER shall submit a Notice of Completion to the STATE within 30 days of the completion of the work described herein.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

In addition, the provisions of 23 CFR 635.410, Buy America, are also incorporated into this agreement. The Buy America requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United STATES for steel and iron products (including the application of coatings) installed on a project receiving funding from the FHWA.

UTILITY AGREEMENT

UTILITY AGREEMENT NO.

RW 13-5 (REV 12/2016)

12-UT-1285

OWNER understands and acknowledges that this project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance. OWNER hereby certifies that in the performance of this Agreement, for products where Buy America requirements apply, it shall use only such products for which it has received a certification from its supplier, or provider of construction services that procures the product certifying Buy America compliance. This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Department's guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

STATE further acknowledges that OWNER, in complying with the Buy America Rule, is expressly relying upon the instructions and guidance (collectively, "Guidance") issued by Caltrans and its representatives concerning the Buy America Rule requirements for utility relocations within the STATE of California. Notwithstanding any provision herein to the contrary, OWNER shall not be deemed in breach of this Agreement for any violations of the Buy America Rule if OWNER's actions are in compliance with the Guidance.

UTILITY AGREEMENT

RW 13-5 (REV 12/2016)

UTILITY AGREEMENT NO.
12-UT-1285

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE:

OWNER:

By _____
Name Erika Irizarry Date _____
Title District Utility Coordinator

By _____
Name _____ Date _____
Title _____
Owner _____

APPROVAL RECOMMENDED:

By _____
Name Antonio Avila Date _____
Title Utility Coordinator

By _____
Name _____ Date _____
Title _____
Owner _____

THIS AGREEMENT SHALL NOT BE EXECUTED BY THE STATE OF CALIFORNIA – DEPARTMENT OF TRANSPORTATION UNTIL FUNDS ARE CERTIFIED.

UTILITY AGREEMENT

UTILITY AGREEMENT NO.
12-UT-1285

RW 13-5 (REV 12/2016)

CT DOCUMENT	EVENT TYPE	DEPT	UNIT	PROJECT ID	PHASE	REPORTING	OBJ CODE (N)	BFY	AMOUNT
1220UA1285	C401	2660	3031	1214000100	9	9	054	19/20	\$164,850.00
	C401	2660				9			
	C401	2660				9			

PROJECT ID FUNDING VERIFIED:

Sign:

Print: Evangelina Washington

R/W Planning and Management

Date

REVIEW / REQUEST FUNDING:

Sign:

Print: Antonio Avila

Utility Coordinator

Date

THE ESTIMATED COST TO THE STATE FOR ITS SHARE OF THE ABOVE-DESCRIBED WORK IS \$ 164,850.00

CERTIFICATION OF FUNDS

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure shown here.

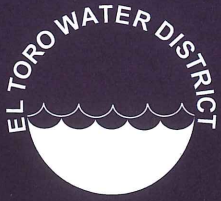
R/W Planning and Management

Date

ITEM	CHAP	STAT	FY	AMOUNT

FUND TYPE	PROJECT ID	AMOUNT
Design Funds		\$ 0.00
Construction Funds		\$ 0.00
R/W Funds	1214000100	\$ 164,850.00

Distribution: 2 originals to R/W Accounting
1 original to Utility OWNER
1 original to Utility File



El Toro Water District

"A District of Distinction"

Serving the Public - Respecting the Environment

March 23, 2020

Board of Directors

Mark L. Monin
President

Mike Gaskins
Vice President

Jose F. Vergara
Director

Kathryn Freshley
Director

Kay Havens
Director

General Manager

Dennis P. Cafferty

Treasurer

Neely Shahbakhti

Via email and U.S. Mail

California Department of Transportation
District 12 – Right of Way
1750 E. 4th Street, Suite 100
Santa Ana, CA 92705
Attn: Erika Irizarry

Re: 12-UT-1285 Utility Agreement
I-5 Freeway Expansion Project ("I-5 Project")

Dear Ms. Irizarry

The District received the Utility Agreement specific to the cost of relocations that Cal Trans has agreed are the State's liability. This letter is intended to address the remaining relocations about which the State and the District have not yet come to an agreement regarding liability. The Conflicts and the basis upon which the District asserts the liability should be borne by the State are described as follows:

Conflict ID: S-3B

Conflict ID S-3B is an existing 10" VCP sewer pipeline in a steel casing that crosses the I-5 Freeway. The work defined in the construction plans the District submitted to the State involved the following components:

- Installation of an extended casing around the sewer pipeline upstream of an abandoned manhole in the State Right-of-Way;
- Installation of a new casing around the sewer pipeline in an area that lies within the current City of Laguna Hills Avenida De La Carlota Right-of-Way that will become State Right-of-Way;
- Installation of a new casing around the existing sewer pipeline to extend the casing five feet beyond the limit of the new State Right-of-Way.

The District acknowledges liability for the cost to construct the casing around the portion of the sewer pipe that lies within the existing State Right-of-Way.

El Toro Water District

The District does not acknowledge liability for the costs to construct the new casing that lies within the current City of Laguna Hills Avenida De La Carlota Right-of-Way. This pipeline was installed in 1963 clearly predating the current I-5 Project. Because the District's pipeline is "first in time" and the fact that it is the I-5 Project that necessitates the installation of the casing, rather than beneficial street improvements to Avenida De La Carlota, the District maintains that the liability for the cost of the work should be borne by the State and the I-5 Project. Further details and authority supporting the District's position are summarized below.

Subsequent to the District's submittal of construction drawings to facilitate the extension of the casings described above, the District received the following notice from Cal Trans on March 13, 2020:

Per Caltrans design, the existing 10" sewer line crossing the mainline needs to be straightened.

The notice provides no explanation or justification for the Caltrans demand. As the District previously explained, the existing 10" sewer line and the associated abandoned manhole exist in a condition pursuant to specific direction by Caltrans during the 1995 expansion of the I-5 freeway and was, in fact, constructed by the Caltrans contractor. The District takes exception to the direction to "straighten" the sewer line without acknowledgement of liability for the cost by the State.

In addition to the fact that the existing facility was acceptable by Caltrans in 1995 and there has been no explanation for the required realignment of a facility that was previously acceptable to and directed by Caltrans, the sewer line that would be "straightened" lies within the City of Laguna Hills Avenida De La Carlota Right-of-Way. As was the case for the casing extension concept, because the District's pipeline is "first in time" and the fact that it is the I-5 Project that necessitates the installation of the casing, rather than beneficial street improvements to Avenida De La Carlota, the District maintains that the liability for the cost of the work should be borne by the State and the I-5 Project. Further details and authority supporting the District's position are summarized below.

Conflict ID: S4

Conflict ID S-4 is an existing 8" VCP sewer line within the existing City of Laguna Hills Avenida De La Carlota Right-of-Way. The existing facility poses no obstacle to the construction of the I-5 Project and will remain in Avenida De La Carlota when the I-5 Project is complete. The purported need to encase the existing pipeline is based on a Cal Trans demand that any portion of the pipeline that is within five feet of the new State Right-of-Way and new retaining wall be encased.

This pipeline was installed in 1977 clearly predating the current I-5 Project. Because the District's pipeline is "first in time" and the fact that it is the I-5 Project that necessitates the installation of the casing, rather than beneficial street improvements to Avenida De La Carlota, the District maintains that the liability for the cost of the work should be borne by the State and the I-5 Project. Further details and authority supporting the District's position are summarized below.

El Toro Water District

Conflict ID: W-10

Conflict ID W-10 requires the relocation of three existing fire hydrants to accommodate the relocation to portions of Avenida De La Carlota that are required to accommodate the I-5 Project. Two of the fire hydrants, installed in 2017, are in existing City of Laguna Hills Avenida De La Carlota Right-of-Way and the third, installed in 1977, is on private property.

Because it is the I-5 Project that necessitates the relocation of the fire hydrants, rather than any beneficial street improvements to Avenida De La Carlota, the District maintains that the liability for the cost of the work should be borne by the State and the I-5 Project. Further details and authority supporting the District's position are summarized below.

Conflict ID: W-12

Conflict ID W-12 requires the relocation of an existing irrigation water meter providing service to the City of Laguna Hills. The meter lies within existing City of Laguna Hills Avenida De La Carlota Right-of-Way.

The meter was installed in 1999 clearly predating the current I-5 expansion project. Because the District's facility is "first in time" and the fact that it is the I-5 Project that necessitates the relocation of the meter, rather than any beneficial street improvements to Avenida De La Carlota, the District maintains that the liability for the cost of the work should be borne by the State and the I-5 Project. Further details and authority supporting the District's position are summarized below.

Liability Discussion

The work described in the above defined Conflict IDs is made necessary by the expansion of the I-5 Freeway. The existing facilities, with the exception of one fire hydrant, all lie within the current City of Laguna Hills Avenida De La Carlota Right-of-Way. The relocations or facility modifications are made necessary only to accommodate the construction of the expansion of the I-5 freeway, an entirely separate roadway. The relocations and facility modifications are not being installed to the benefit of or for street improvements to Avenida De La Carlota.

Near identical facts were considered in the long standing decision in *County of Orange et al. v. Santa Margarita Water District (1996) 44 Cal.App.4th 189* ("*County of Orange*"). The Court held, in the County of Orange Case, that the Santa Margarita Water District would be required to relocate its facilities at its own expense only if necessary for improvements to the underlying County highway. The Court further held that construction on an entirely separate roadway did not constitute "improvements" to the County highway. The court also acknowledged that facilities prior in time are prior in right. To summarize, in the County of Orange case, because the Santa Margarita Water District facilities were first in time and it was the separate roadway project that necessitated the relocation of the facilities, the Sana Margarita District was not required to relocate the facilities at its own expense.

El Toro Water District

The facts in this case are similar to the County of Orange case. The District's existing facilities are prior in time and prior in right to the I-5 Project. In addition, the District's facilities are located within the existing City of Laguna Hills Avenida De La Carlota Right-of-Way and the street itself is not benefitted by the I-5 Project. Rather, construction is occurring on Avenida De La Carlota only to accommodate the I-5 project.

Noteworthy is that in 1995 the STATE constructed an expansion of the I-5 freeway in the same general area. At the time a number of El Toro Water District facilities were relocated to accommodate the STATE project. The STATE acknowledged 100% liability for the cost of all of the relocated facilities. The Utility Agreements included the following language:

"Liability is at 100% State's expense and 0% Owner's expense because your existing facilities are lawfully maintained in the location of work and qualify for performance of the work at State Expense under the provisions of Section 703 of the Streets and Highways code."

The facilities that require relocation to accommodate the current I-5 Project are similarly lawfully maintained in the City of Laguna Hills Avenida De La Carlota Right-of-Way. The facts are similar and warrant a similar determination of liability.

The costs of the relocation or modification of the District's facilities to accommodate the I-5 Project, as in the County of Orange case, are therefore not the responsibility of the El Toro Water District.

Should you have any questions or wish to further discuss the matter please contact Bobby Young at (949) 837-7050, ext. 247.

Sincerely,

EL TORO WATER DISTRICT



Dennis P. Cafferty, P.E.
General Manager

cc: Antonio Avila
Bobby Young
W.O. 34-514



STAFF REPORT

TO: BOARD OF DIRECTORS

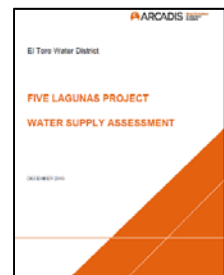
MEETING DATE: APRIL 20, 2020

FROM: Bobby Young, Principal Engineer

SUBJECT: Village at Laguna Hills Water Supply Assessment

In September 2015, the City of Laguna Hills determined that the then named Five Lagunas Project, proposed by Merlone Geier Partners, qualified as a “project” as defined by the California Water Code §10912 and requested the District prepare a Water Supply Assessment (WSA) to satisfy the requirements of Senate Bill (SB) 610. The WSA was required to address whether the projected water supply for the next 20 years – based on normal, single dry, and multiple dry years would meet the demand projected for the project plus existing uses.

The completed WSA evaluated the District’s projected future demands with additional water demands associated with the Five Lagunas project and compared to projected supplies available to the District through 2035. The WSA concluded that the total projected water supplies available to the District during average, single-dry, and multiple-dry water years over the next 20 years were sufficient to meet the projected water demands for the proposed project, in addition to the District’s existing uses.



The Five Lagunas Project has been renamed as the Village at Laguna Hills Project. The scope of the project has also been revised. The Village at Laguna Hills Project proposes to develop multi-family residential units and to redevelop commercial areas in and around the existing Laguna Hills Mall site. The project will result in a net increase in water demand from ETWD’s residential, commercial, and landscape irrigation customer sectors. The

Village at Laguna Hills Water Supply Assessment **Page 2**

project proposes to increase residential dwelling capacity to 1,500 multi-family residential units comprising a mixture of studios, one-, two-, and three-bedroom apartments. These residential units will generate approximately 219 acre-feet per year (AFY) of potable water demand. Commercial potable water demand is estimated to increase by 76 AFY, mainly as a result of the addition of general office space, hotels and restaurants. The Village at Laguna Hills project will result in a net increase of approximately 335,700 square feet (sq. ft.) in landscaped areas to the commercial and residential areas, with an associated irrigation demand of approximately 26 AFY. The total potable water demand associated with the project is therefore estimated to be approximately 321 AFY.



Given the time that has passed since the completion of the original WSA and the revision in the scope of the project a new Water Supply Assessment is required. The District awarded a contract to Arcadis, the consultant that completed the original WSA for the Five Lagunas Project, to perform the updated WSA for the Village at Laguna Hills Project. The cost to perform the WSA work was funded by the developer.

The WSA evaluates the District's projected future demands with additional water demands associated with The Village at Laguna Hills project and compares to projected supplies available to the District through 2040. In accordance with the foregoing and the standards set forth by Water Code §10910, the WSA concludes that the total projected water supplies available to the District during average, single-dry, and multiple-dry water years over the next 20 years are sufficient to meet the projected water demands for the proposed project, in addition to the District's existing uses.

RECOMMENDATION

Recommended Action at the April 20, 2020 Board Meeting:

Staff recommends that the Board approve and accept the Water Supply Assessment for the Village at Laguna Hills Project and authorize the General Manager to transmit same to the City of Laguna Hills to be incorporated into and/or by reference in the Village at Laguna Hills Project environmental documents.

El Toro Water District

THE VILLAGE AT LAGUNA HILLS PROJECT

WATER SUPPLY ASSESSMENT

APRIL 2020

FINAL



**THE VILLAGE AT LAGUNA
HILLS PROJECT WATER
SUPPLY ASSESSMENT**



Sarina Sriboonlue, P.E.

Senior Water Engineer



Shivani Shrotriya

Water Resources Engineer

Prepared for:

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30043687.0000

Date:

April 2020

CONTENTS

Executive Summary	1
1. Introduction	2
1.1 The Village at Laguna Hills Project	2
1.2 Water Supply Assessment Requirement.....	4
1.3 El Toro Water District	5
2. Water Supplies.....	7
2.1 Existing Water Supplies	7
2.1.1 Existing Water Rights and Imported Supplies.....	8
2.1.2 Imported Water.....	9
2.1.3 Recycled Water	11
2.2 Projected Future Supplies	11
2.2.1 Imported Water.....	12
2.2.2 Recycled Water	17
2.2.3 Baker Water Treatment Plant.....	17
3. Water Demands	18
3.1 ETWD Service Area	18
3.1.1 Population.....	18
3.1.2 Climate Conditions.....	19
3.2 Existing Water Demands.....	20
3.3 Projected Water Demands	20
3.3.1 Projected Water Demands without The Village at Laguna Hills Project	20
3.3.2 Projected Water Demands from The Village at Laguna Hills Project.....	21
3.3.3 Projected Water Demands with The Village at Laguna Hills Project	23
4. Supply and Demand Comparison	25

4.1 Average Year	25
4.2 Single Dry Year	25
4.3 Multiple Dry Years.....	26
4.4 Conclusions.....	27
References.....	28

TABLES

Table 2-1: Historical Water Supply Sources	7
Table 2-2: Current Water Supply Sources.....	8
Table 2-3: Existing Water Rights and Supply Sources	8
Table 2-4: Projected Water Supply Sources.....	12
Table 2-5: Metropolitan Average Year Projected Supply Capability and Demands for 2020 to 2040.....	14
Table 2-6: Metropolitan Single Dry Year Projected Supply Capability and Demands for 2020 to 2040	15
Table 2-7: Metropolitan Multiple Dry Year Projected Supply Capability and Demands for 2020 to 2040	16
Table 3-1: Historical Service Area Population	18
Table 3-2: Projected Service Area Population.....	18
Table 3-3: Average Climate Conditions	19
Table 3-4: Current Water Demand.....	20
Table 3-5: Projected Water Demands without The Village at Laguna Hills Project Demand	21
Table 3-6: The Village at Laguna Hills Project’s Residential Water Demands Projection.....	22
Table 3-7: The Village at Laguna Hills Project’s Commercial Water Demands Projection	22
Table 3-8: The Village at Laguna Hills Project’s Landscape Water Demands Projection	23
Table 3-9: The Village at Laguna Hills Project’s Total Water Demands Projection.....	23
Table 3-10: Projected Water Demands with The Village at Laguna Hills Project Demands	24
Table 4-1: Projected Average Year Supply and Demand.....	25
Table 4-2: Projected Single Dry-Year Supply and Demand	26

Table 4-3: Projected Multiple Dry-Years Supply and Demand 27

FIGURES

Figure 1-1: The Village at Laguna Hills Site Plan 3

Figure 1-2: El Toro Water District Service Area Boundary and The Village at Laguna Hills Project Location 6

Figure 2-1: Metropolitan Feeders and Transmission Mains serving in ETWD 10

EXECUTIVE SUMMARY

The City of Laguna Hills (Lead Agency) determined that The Village at Laguna Hills project proposed by Merlone Geier Partners (project applicant) qualified as a “project” as defined by the California Water Code § 10912 and requested El Toro Water District (Water Supplier) to prepare a Water Supply Assessment (WSA) to satisfy the requirements of Senate Bill (SB) 610. The WSA must address whether the projected water supply for the next 20 years – based on normal, single dry, and multiple dry years will meet the demand projected for the project plus existing uses.

The Village at Laguna Hills project is intended to replace the previously proposed Five Lagunas development. The revised project concept proposes to develop multi-family residential units and to redevelop Laguna Hills Mall. It will result in a net increase in water demand from ETWD’s residential, commercial, and landscape irrigation customer sectors. The project proposes to increase dwelling capacity to 1,500 multi-family residential units comprising a mixture of studios, one-, two-, and three-bedroom apartments. These residential units will generate approximately 195,340 gallons per day (gpd) or 219 acre-feet per year (AFY) of potable water demand. Commercial potable water demand is estimated to increase by 68,120 gpd (76 AFY), mainly as a result of the addition of general office space, hotels and restaurants. The Village at Laguna Hills project will result in a net increase of approximately 335,700 square feet (sq. ft.) in landscaped areas to the mall and residential areas, with an associated irrigation demand of approximately 23,080 gpd (26 AFY).

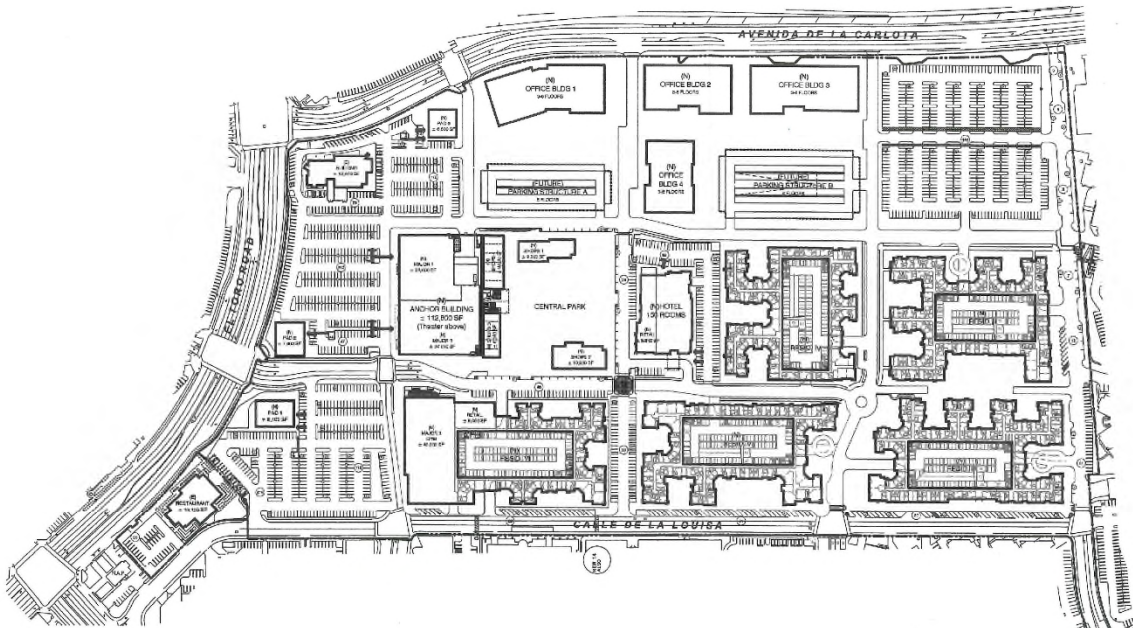
This WSA evaluates ETWD’s projected future demands with additional water demands associated with The Village at Laguna Hills project and compares to projected supplies available to ETWD through 2040. In accordance with the foregoing and the standards set forth by Water Code § 10910, this WSA concludes that the total projected water supplies available to ETWD during average, single-dry, and multiple-dry water years over the next 20 years are sufficient to meet the projected water demands for the proposed project, in addition to ETWD’s existing uses.

1. INTRODUCTION

This section provides background information on the proposed The Village at Laguna Hills project, formerly Five Lagunas under the Urban Village Specific Plan (UVSP) for developing a Water Supply Assessment (WSA) by the public water supplier. This section also provides a summary of the requirements of Senate Bill (SB) 610, and a brief overview of the El Toro Water District (ETWD), the public water supplier that will be supplying water to the proposed project.

1.1 The Village at Laguna Hills Project

In March 2016, the City of Laguna Hills (City) approved a plan to redevelop and expand the existing Laguna Hills Mall per the Urban Village Specific Plan (UVSP) to create a new mixed-use town center. The name of the development was Five Lagunas which consisted of approximately 926,000 square feet (sq. ft.) of commercial space (comprising of a movie theater, an outdoor plaza, a fitness center/health club, restaurants, shops and medical offices) and 988 residential apartment units. On November 4, 2019, Merlone-Geier Partner, submitted a new development proposal to the City. The new proposal is intended to replace the Five Lagunas and is called "The Village at Laguna Hills". The revised project concept proposes to increase dwelling capacity to 1,500 multi-family residential units comprising a mixture of studios, one-, two-, and three-bedroom apartments. The residential construction will consist of five buildings, one of which will be mixed-use retail and residential. The revision also includes an addition of 150 hotel rooms, 465,000 sq. ft of general office space, a slight increase in restaurant space and retail patio while significantly reducing indoor retail to 85,000 sq. ft. Overall, the proposed project consists of 742,400 sq. ft. of commercial gross floor area. The project conceptual site plan is shown on Figure 1-1.



PROJECT INFORMATION

RETAIL/REST/ENTERTAINMENT:	
DISTRICT AREA:	2766,175 SF/17.4 AC
EXISTING PAD BLDGS:	23,985 SF
ANCHOR BLDG W/ THEATER:	112,000 SF
SHOPS BLDG:	34,400 SF
PAD BLDG:	22,600 SF
RETAIL AT HOTEL:	8,940 SF
RETAIL UNDER RESIDENTIAL:	8,000 SF
GYM UNDER RESIDENTIAL:	40,000 SF
TOTAL RETAIL:	248,785 SF
HOTEL:	
DISTRICT AREA:	187,300 SF/12.2 AC
5-STORIES:	150 ROOMS
OFFICE:	
DISTRICT AREA:	2766,175 SF/18.2 AC
OFFICE BLDGS (1,2,3 & 4):	1,465,000 SF
MIXED USE/RESIDENTIAL:	
DISTRICT AREA:	1,288,050 SF/9.0 AC
RESIDENTIAL COMPLEX:	1,500 UNITS
PARKING REQUIRED:	
RETAIL (151,785 SF @ 1.52 stalls/1000 SF):	750 STALLS
THEATER (112,000 SF @ 14 seats/10,000 SF):	310 STALLS
RETAIL UNDER RES (8,000 SF @ 1.25 stalls/1000 SF):	40 STALLS
GYM UNDER RES (40,000 SF @ 1.72 stalls/1000 SF):	400 STALLS
TOTAL RETAIL REQUIRED:	1,500 STALLS
HOTEL (150 rooms @ 1 room/1000 SF):	150 STALLS
OFFICE (1.5 stalls per 1000 SF):	1,550 STALLS
RESIDENTIAL (1.5 stalls @ 1000 SF):	2,250 STALLS
TOTAL PARKING REQUIRED:	6,077 STALLS
PARKING PROVIDED:	
RETAIL PARCEL SURFACE PARKING: (110 stalls assigned for Retail Under Res)	851 STALLS
OFFICE STRUCTURE A (10 stories @ 42):	203 STALLS
OFFICE STRUCTURE B (11 stories @ 42):	260 STALLS
RESIDENTIAL PARCEL SURFACE: (271 Total Stalls @ Surface Area Parcel)	271 STALLS
TOTAL RETAIL PROVIDED:	1,566 STALLS
(RETAIL PARKING RATIO):	(6.28/1,500)
HOTEL PARCEL SURFACE PARKING:	150 STALLS
OFFICE STRUCTURE A:	27 STALLS
TOTAL HOTEL PROVIDED:	150 STALLS
OFFICE SURFACE PARKING:	440 STALLS
PARKING STRUCTURE A (10 stories @ 42):	203 STALLS
PARKING STRUCTURE B (11 stories @ 42):	260 STALLS
TOTAL OFFICE PROVIDED:	1,610 STALLS
RESIDENTIAL SURFACE PARKING:	0 STALLS
RESIDENTIAL STRUCTURES:	2,288 STALLS
TOTAL RESIDENTIAL PROVIDED:	2,288 STALLS
TOTAL PARKING PROVIDED:	6,193 STALLS
(115 STALL EXCESS)	

DISCLAIMER:
This subject is for reference only and is not a presentation of a site plan, drawings, or location of any feature in the shopping center. All building improvements, their occupancy, and their uses as shown on the drawings are subject to modification at the architect's discretion.

NOTE:
Site plan is a study concept and subject to change based on final needs.

SCALE: 1" = 100'-0"
MCG JOB #: 18692.01



Merlone Geier Partners MASTER SITE PLAN - PHASE 3

DATE	REVISIONS
1-19-2020	CLIENT'S COMMENTS ICF
1-19-2020	RES VI UPDATE

THE VILLAGE AT LAGUNA HILLS
Laguna Hills, California

Figure 1-1: The Village at Laguna Hills Site Plan

1.2 Water Supply Assessment Requirement

Effective January 1, 2002, SB 610 was signed into law, requiring preparation of a WSA for certain types of development projects subject to CEQA review. Section 10912 of the Water Code defines a “project” for which a WSA must be prepared as any of the following:

1. A proposed residential development of more than 500 dwelling units.
2. A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space.
3. A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space.
4. A proposed hotel or motel, or both, having more than 500 rooms.
5. A proposed industrial, manufacturing, or processing plant or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor space.
6. A mixed-use project that includes one or more of the projects specified above.
7. A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit project.

The City of Laguna Hills (Lead Agency) has determined that a WSA is required for this project as it proposes the type of development that constitutes a “project” under Water Code § 10912 (above). The WSA must address whether the projected water supply for the next 20 years – based on normal, single dry, and multiple dry years will meet the demand projected for the project plus existing uses.

Once the City or County (Lead Agency) determines that a proposed development project qualifies as a “project”, as defined above, it must identify the public water system that may supply water for the proposed project. ETWD is the water purveyor for the proposed The Village at Laguna Hills project. Accordingly, ETWD, through its consultant, is preparing this WSA to satisfy the requirements of SB 610 and Water Code § 10910-10914.

The Water Code requires ETWD to first determine whether the projected water demand associated with the proposed project was included as part of ETWD’s most recently adopted Urban Water Management Plan (UWMP). A review of ETWD’s most recently adopted UWMP of 2015 revealed that projected demands associated with the original UVSP were accounted. However, ETWD’s 2015 UWMP did not specifically account for subsequent revisions i.e. Five Lagunas and The Village at Laguna Hills developments where water demands from the proposed development may have increased from the original UVSP proposed in 2002.

1.3 El Toro Water District

ETWD was formed in 1960 under provisions of the California Water District Law, Division 13 of the Water Code of the State of California, for the purpose of providing water supply to its service area. ETWD is governed by a publicly elected five-member Board of Directors. Situated in the southern portion of Orange County, ETWD provides potable and recycled water services to nearly 50,000 residents. Figure 1-2 shows the service area of ETWD as well as the proposed The Village at Laguna Hills project location. ETWD's water customers include residential, commercial, institutional, and dedicated landscape customers within all of the City of Laguna Woods and portions of the cities of Lake Forest, Aliso Viejo, Laguna Hills and Mission Viejo. Historically, ETWD's potable water was primarily treated full service water imported from the Metropolitan Water District of Southern California (Metropolitan) through the Municipal Water District of Orange County (MWDOC). As of 2017, about half of the potable supply has been obtained by treating raw water imported from Metropolitan through the Santiago Lateral at the Baker Water Treatment Plant (WTP) that came online in early 2017. ETWD's recycled water program provides additional treatment to a portion of its secondary treated wastewater, and rather than discharging it to the ocean, it is used for landscape irrigation. ETWD has been expanding its recycled water distribution system in recent years. ETWD's water supplies and demands are described in more detail in Sections 2 and 3, respectively.

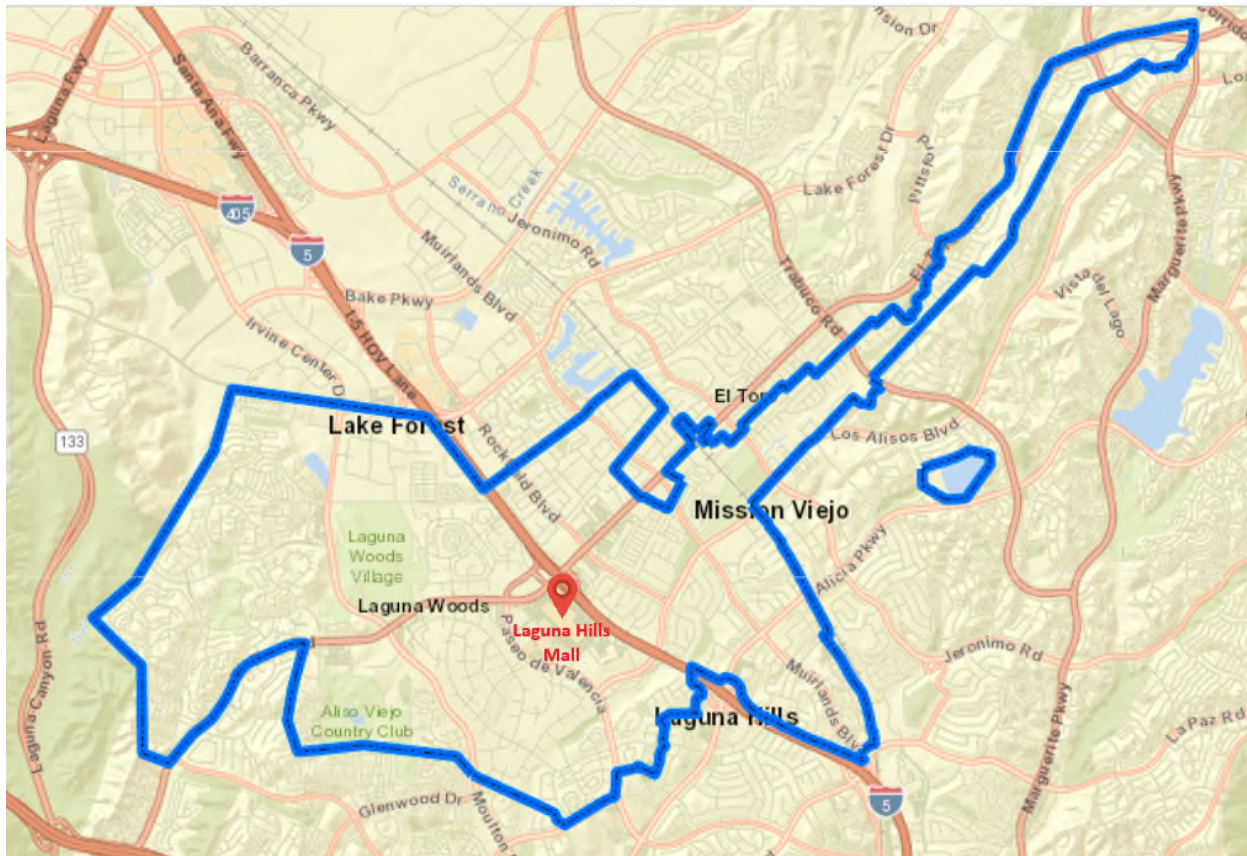


Figure 1-2: El Toro Water District Service Area Boundary and The Village at Laguna Hills Project Location

2. WATER SUPPLIES

This section describes existing water supply sources and quantifies supplies available to meet ETWD’s water demands. Additionally, this section provides an overview of ETWD’s potential future supply sources and quantifies the water supplies projected to be available to ETWD in the next 20 years.

2.1 Existing Water Supplies

Prior to 2017, all of ETWD’s potable water supply was treated full service imported water from Metropolitan through MWDOCT from the Robert B. Diemer (Diemer) Filtration Plant located north of Yorba Linda. A large portion of the potable water now comes from the Baker WTP which treats raw imported water from Metropolitan. The District started the Recycled Water Expansion Project in 2012, which included the conversion of 210 dedicated irrigation meters to recycled water in the cities of Laguna Woods and Laguna Hills. The District is currently in the process of completing an expansion of the system that will add another 65 recycled water meters. The irrigation meter retrofits are expected to be completed around mid-2020. This Phase II expansion is estimated to increase ETWD’s recycled water usage to 1,560 AFY. The Phase III expansion would occur in the next few years by 2025 and would convert 100 AFY of dedicated irrigation demand from potable water to recycled water, making the total recycled water supply to 1,660 AFY. Groundwater sources are not available due to underlying geology and a lack of an aquifer within the service area. Table 2-1 shows ETWD’s historical water consumption from 1990 to 2015 in fiscal year (July 1 to June 30). Through 2018 calendar year (January 1 to December 31) treated, imported water represented about 38 percent of ETWD’s total water supply, 50 percent of the total supply came from Baker WTP and the remaining 12 percent is (non-potable) recycled water used for landscape irrigation. Table 2-2 shows ETWD’s water consumption for the calendar year 2018.

Table 2-1: Historical Water Supply Sources

Water Supply Sources	Fiscal Year Ending (AFY)					
	1990	1995	2000	2005	2010	2015
MWDOC (Imported Treated, Full Service)	12,279	10,351	11,868	10,317	8,574	8,649
Recycled Water	336	339	606	605	418	496
Total	12,615	10,690	12,474	10,922	8,992	9,145

Table 2-2: Current Water Supply Sources

Water Supply Sources	2018 Calendar Year (AFY)
MWDOC (Imported Treated, Full Service)	3,308
Baker WTP (Imported Untreated, Full Service) [1]	4,325
Recycled Water	1,031
Total	8,664

[1] Baker WTP supply offsets and reduces purchased Metropolitan treated water from Diemer Filtration Plant.

2.1.1 Existing Water Rights and Imported Supplies

Table 2-3 provides a summary of existing water rights and rights to import supplies available to ETWD, including supply from the Baker Water Treatment Plant described in Section 2.2.3. ETWD owns capacity rights to regional pipelines that convey imported water from Metropolitan’s facilities to ETWD. However, capacity rights in pipelines do not guarantee supply, which is subject to availability from Metropolitan and MWDOC. Additionally, as a matter of practice, Metropolitan does not provide annual estimates of the minimum supplies available to its member agencies and to the local agencies. However, historical deliveries of imported water to ETWD have been as high as 12,279 AFY. In response to potential future water shortages, Metropolitan developed a Water Supply Allocation Plan (WSAP) to allocate wholesale imported water supplies among its member agencies should demand exceed available imported supplies. Subsequently, MWDOC also developed a WSAP to allocate imported supplies at the retail level in Orange County. Under these Water Supply Allocation Plans, water allocations are based primarily on the need for imported supplies relative to the total need for imported supplies within the Metropolitan and MWDOC service areas.

Table 2-3: Existing Water Rights and Supply Sources

Supply	Amount (AFY)	Availability	Right	Contract	Ever Used
MWDOC [1]	12,279	X		X	Yes
Recycled Water [2]	4,145	X	X		Yes [4]
Baker WTP [3]	3,600	X		X	Yes

[1] Based on historical deliveries.

[2] ETWD has a maximum of 3.7 MGD (4,145 AFY) of tertiary treatment capacity from existing Water Recycling Plant (WRP) as of 2020.

[3] ETWD has capacity rights of 5 cfs (3,600 AFY) for Baker Water Treatment Plant that came online in early 2017. Baker WTP is not a “new” day-to-day water supply, it merely offsets and reduces amount of purchased Metropolitan treated water from Diemer Filtration Plant.

[4] Recycled water use has never reached the 3.7 MGD capacity.

2.1.2 Imported Water

In calendar year (CY) 2018, ETWD received 3,308 AFY of imported water from Metropolitan. Metropolitan's principal water sources originate from the Colorado River via the Colorado River Aqueduct and from Northern California through the State Water Project (SWP). These raw water sources are treated at the Diemer Filtration Plant located north of Yorba Linda. Typically, the Diemer Filtration Plant receives a blend of Colorado River water from Lake Mathews through Metropolitan's Lower Feeder and SWP water through the Yorba Linda Feeder.

ETWD has service connection agreements with Metropolitan's member agency, MWDOC. These agreements entitle ETWD to receive water from available Metropolitan sources via the regional transmission system located in Orange County. MWDOC delivers water from Metropolitan in the amount requested by ETWD, subject to capacity limitations of the service connections and the capacity limits of ETWD in the Feeder. ETWD has three service connections to the Allen-McColloch Pipeline (AMP) and one service connection to the Joint Regional Water Supply System (JRWSS) which is directly supplied from the East Orange County Feeder No.2 (EOCF #2) operated by Metropolitan. Figure 2-1 shows the Metropolitan feeders and major pipelines delivering water in ETWD.

Although pipeline capacity rights do not guarantee the availability of water, per se, pipeline capacity does guarantee the ability to convey water when it is available from Metropolitan sources to the ETWD system and, therefore, demonstrates not only water supply reliability, but also physical delivery system reliability. All imported water supplies assumed in this document are available to ETWD from existing infrastructure.

Allen-McColloch Pipeline – The AMP is the primary source of domestic water in which ETWD owns specific capacity rights. Metropolitan owns and operates the AMP. ETWD's AMP capacity ownership, expressed as rate of flow, is 26.3 cubic feet per second (cfs) or 19,040 acre-feet per year. The Agreement for Sale and Purchase of Allen-McColloch Pipeline (Metropolitan Agreement No. 4623) among Metropolitan, MWDOC, MWDOC Water Facilities Corporation and certain other identified participants, including ETWD, dated July 1, 1994 (the AMP Sale Agreement) requires Metropolitan, among other things, to meet ETWD's requests for water deliveries (subject to the availability of water from Metropolitan). The AMP Sale Agreement further requires Metropolitan to augment/increase capacity necessary to meet ETWD projected ultimate service area water demands and other undeveloped lands within ETWD.

East Orange County Feeder No. 2 – The EOCF #2 is a pipeline jointly owned by several local agencies and Metropolitan, which operates it. ETWD has 2 cfs, or 1,450 acre-feet per year of capacity rights in the JRWSS which is directly supplied from the EOCF #2 operated by Metropolitan.



Figure 2-1: Metropolitan Feeders and Transmission Mains serving in ETWD (Municipal Water District of Orange County, 2016)

2.1.3 Recycled Water

Almost all of the wastewater generated within the ETWD service area is conveyed to their Water Recycling Plant (WRP) where it is treated and either used for irrigation or disposed of through the South Orange County Wastewater Authority's (SOCWA) Effluent Transmission Main and Aliso Creek Ocean Outfall. The WRP is located in the western portion of ETWD's service area, adjacent to the Laguna Woods Village Golf Course. ETWD's WRP is one of the oldest water recycling plants in Orange County, and was designed and permitted to provide secondary-treated recycled water for restricted irrigation at the nearby golf course. A small portion of flow in the southeast portion of ETWD is conveyed directly to the Moulton Niguel Water District (MNWD) collection system.

ETWD began the expansion of its recycled water treatment facilities and recycled water distribution system in 2012. The WRP upgrade and expansion was completed in late 2014. ETWD completed an expansion of the recycled water distribution system in 2018 and is in the process of retrofitting dedicated irrigation meters in the city of Laguna Woods. Prior to the WRP upgrade, ETWD supplied approximately 500 AFY of disinfected secondary-treated recycled water for irrigation use at the Laguna Woods Village Golf Course and for in plant irrigation and process water. The remaining secondary effluent is discharged to the Pacific Ocean via SOCWA's Effluent Transmission Main and Aliso Creek Ocean Outfall. Section 2.2.2 describes the Recycled Water Tertiary Treatment Plant and system expansion project.

2.2 Projected Future Supplies

While imported water from Metropolitan will continue to meet the majority of ETWD's demands over the next 20 years, ETWD's supply portfolio has continued to change to reduce reliance on imported supplies and increase reliance on local recycled supplies as a result of the Recycled Water Expansion Project. In addition, the Baker WTP, a partnership among several local retail water agencies, has further reduced ETWD's dependence on treated imported water from the Metropolitan Diemer Filtration Plant and provides the project participants the potential to receive and treat local surface water from Irvine Lake¹ water. ETWD has an expected delivery of 3,600 AFY over the next 20 years from the Baker WTP. Construction of the Baker WTP began in February 2014 and the plant came online early 2017.

ETWD's projected water supplies from 2020 to 2040 are summarized in Table 2-4.

¹ Irvine Lake is supplied with untreated water from Metropolitan and local surface runoff.

Table 2-4: Projected Water Supply Sources

Water Supply Sources	Fiscal Year Ending (AFY)				
	2020	2025	2030	2035	2040
MWDOC (Imported Treated, Full Service) [1]	8,679	8,679	8,679	8,679	8,679
Baker WTP (Imported Untreated, Full Service) [2]	3,600	3,600	3,600	3,600	3,600
Recycled Water [3]	1,560	1,660	1,660	1,660	1,660
Total	13,839	13,939	13,939	13,939	13,939

[1] 2020 to 2040 projections reflect availability of imported water based on the highest historical deliveries per Table 2-3 less Baker WTP supply.

[2] Baker WTP supply offsets and reduces purchased Metropolitan treated water from Diemer Filtration Plant.

[3] For commercial and irrigation uses.

2.2.1 Imported Water

Metropolitan’s most recent (2015) Urban Water Management Plan (UWMP) reports on its water reliability and identifies projected supplies to meet the long-term demand within its service area. It presents Metropolitan’s supply capacities from 2020 through 2040 under the three hydrologic conditions specified in the UWMP Act: average year, single dry-year, and multiple dry-years.

Colorado River Aqueduct (CRA) supplies include supplies that would result from existing and committed programs and from implementation of the Quantification Settlement Agreement (QSA) and related agreements to transfer water from agricultural agencies to urban uses. Colorado River transactions are potentially available to supply additional water up to the CRA capacity of 1.2 million acre-feet (MAF) on an as-needed basis.

The 2015 SWP Delivery Capability Report presents Department of Water Resources (DWR) estimates of the amount of Metropolitan’s SWP deliveries for conditions 20 years in the future. The projected supplies consider restrictions on SWP operations in accordance with the biological opinions of the U.S. Fish and Wildlife Service and National Marine Fishery Service issued on December 15, 2008 and June 4, 2009, respectively. The 2015 Integrated Water Resources Plan (IRP) Update has a goal to manage flow and export regulations in the near term and ultimately to achieve a long-term Bay-Delta solution. In dry and below-normal conditions, Metropolitan has increased the supplies received from the California Aqueduct by developing flexible Central Valley/SWP water storage and transfer programs. The goal of the storage/transfer programs is to develop additional dry-year

supplies that can be conveyed with available storage and pumping capacity to maintain deliveries through the California Aqueduct during dry hydrologic conditions and regulatory restrictions.

Because a large portion of Metropolitan's water supply comes from the SWP via the Sacramento and San Joaquin River Delta (Delta), in June 2007, Metropolitan's Board approved a Delta Action Plan that provides a framework for staff to pursue actions with other agencies and stakeholders to create a sustainable Delta and reduce water use conflicts between water supply needs and environmental needs. The Delta Action Plan aims to prioritize immediate short-term actions to stabilize the Delta while an ultimate solution is selected, and mid-term steps to maintain the Delta while a long-term solution is implemented.

In June 2019, the Bay Delta Initiatives Manager updated the Metropolitan Bay Delta Committee on the Governor's water resilience portfolio and the continuing planning efforts for Delta conveyance. The state administration is in the process of generating a statewide water resilience approach, while considering the various possible water resources impacts to climate change. The elements of the portfolio would most likely be built upon recycling, conservation, stormwater capture, groundwater recharge, and Delta conveyance. Based on the timeline of Delta conveyance planning process presented by the Bay Delta Initiatives Manager, the State is currently in the process of completing the environmental document and permits for Delta conveyance

Storage is a major component of Metropolitan's water supply capability. Stored water can be used in dry years and in times when augmented water supplies are required. Over the past two decades, Metropolitan has developed a large regional storage portfolio that includes both dry-year and emergency storage capacity. Metropolitan's likelihood of having adequate supply capability to meet projected demands, without implementing its WSAP, is dependent on its storage resources.

Metropolitan evaluated supply reliability by projecting supply and demand conditions for the single- and multi-year drought cases based on conditions affecting the SWP (Metropolitan's largest and most variable supply). For this supply source, the single driest-year was 1977 and the three-year dry period was 1990-1992². Metropolitan's analyses are illustrated in Tables 2-5, 2-6, and 2-7 which correspond to Metropolitan's 2015 UWMP's Tables 2-6, 2-4 and 2-5, respectively. These tables show that the region can provide reliable water supplies not only under normal conditions but also under both the single dry year (1977 hydrology), and the multiple dry-year hydrologies for the 20-year horizon.

² This analysis is based on Metropolitan's most recent (2015) UWMP.

Table 2-5: Metropolitan Average Year Projected Supply Capability and Demands for 2020 to 2040

(Metropolitan, June 2016)

Table 2-6
Average Year
Supply Capability¹ and Projected Demands
Average of 1922-2012 Hydrologies
(Acre-feet per year)

Forecast Year	2020	2025	2030	2035	2040
Current Programs					
In-Region Supplies and Programs	693,000	774,000	852,000	956,000	992,000
California Aqueduct ²	1,555,000	1,576,000	1,606,000	1,632,000	1,632,000
Colorado River Aqueduct					
Total Supply Available ³	1,468,000	1,488,000	1,484,000	1,471,000	1,460,000
Aqueduct Capacity Limit ⁴	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Colorado River Aqueduct Capability	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Capability of Current Programs	3,448,000	3,550,000	3,658,000	3,788,000	3,824,000
Demands					
Total Demands on Metropolitan	1,586,000	1,636,000	1,677,000	1,726,000	1,765,000
IID-SDCWA Transfers and Canal Linings	274,000	282,000	282,000	282,000	282,000
Total Metropolitan Deliveries⁵	1,860,000	1,918,000	1,959,000	2,008,000	2,047,000
Surplus	1,588,000	1,632,000	1,699,000	1,780,000	1,777,000
Programs Under Development					
In-Region Supplies and Programs	43,000	80,000	118,000	160,000	200,000
California Aqueduct	20,000	20,000	268,000	268,000	268,000
Colorado River Aqueduct					
Total Supply Available ³	5,000	25,000	25,000	25,000	25,000
Aqueduct Capacity Limit ⁴	0	0	0	0	0
Colorado River Aqueduct Capability	0	0	0	0	0
Capability of Proposed Programs	63,000	100,000	386,000	428,000	468,000
Potential Surplus	1,651,000	1,732,000	2,085,000	2,208,000	2,245,000

¹ Represents Supply Capability for resource programs under listed year type.

² California Aqueduct includes Central Valley transfers and storage program supplies conveyed by the aqueduct.

³ Colorado River Aqueduct includes programs, IID-SDCWA transfer and exchange and canal linings conveyed by the aqueduct.

⁴ Maximum CRA deliveries limited to 1.20 MAF including IID-SDCWA transfer and exchange and canal linings.

⁵ Total demands are adjusted to include IID-SDCWA transfer and exchange and canal linings. These supplies are calculated as local supply, but need to be shown for the purposes of CRA capacity limit calculations without double counting.

Table 2-6: Metropolitan Single Dry Year Projected Supply Capability and Demands for 2020 to 2040
(Metropolitan, June 2016)

Table 2-4
Single Dry-Year
Supply Capability¹ and Projected Demands
Repeat of 1977 Hydrology
(Acre-feet per year)

Forecast Year	2020	2025	2030	2035	2040
Current Programs					
In-Region Supplies and Programs	693,000	774,000	852,000	956,000	992,000
California Aqueduct ²	691,000	712,000	723,000	749,000	749,000
Colorado River Aqueduct					
Total Supply Available ³	1,451,000	1,457,000	1,456,000	1,455,000	1,454,000
Aqueduct Capacity Limit ⁴	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Colorado River Aqueduct Capability	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Capability of Current Programs	2,584,000	2,686,000	2,775,000	2,905,000	2,941,000
Demands					
Total Demands on Metropolitan	1,731,000	1,784,000	1,826,000	1,878,000	1,919,000
IID-SDCWA Transfers and Canal Linings	274,000	282,000	282,000	282,000	282,000
Total Metropolitan Deliveries⁵	2,005,000	2,066,000	2,108,000	2,160,000	2,201,000
Surplus	579,000	620,000	667,000	745,000	740,000
Programs Under Development					
In-Region Supplies and Programs	43,000	80,000	118,000	160,000	200,000
California Aqueduct	20,000	20,000	198,000	198,000	198,000
Colorado River Aqueduct					
Total Supply Available ³	155,000	125,000	75,000	25,000	25,000
Aqueduct Capacity Limit ⁴	0	0	0	0	0
Colorado River Aqueduct Capability	0	0	0	0	0
Capability of Proposed Programs	63,000	100,000	316,000	358,000	398,000
Potential Surplus	642,000	720,000	983,000	1,103,000	1,138,000

¹ Represents Supply Capability for resource programs under listed year type.

² California Aqueduct includes Central Valley transfers and storage program supplies conveyed by the aqueduct.

³ Colorado River Aqueduct includes programs, IID-SDCWA transfer and exchange and canal linings conveyed by the aqueduct.

⁴ Maximum CRA deliveries limited to 1.20 MAF including IID-SDCWA transfer and exchange and canal linings.

⁵ Total demands are adjusted to include IID-SDCWA transfer and exchange and canal linings. These supplies are calculated as local supply, but need to be shown for the purposes of CRA capacity limit calculations without double counting.

Table 2-7: Metropolitan Multiple Dry Year Projected Supply Capability and Demands for 2020 to 2040
(Metropolitan, June 2016)

Table 2-5
Multiple Dry-Year
Supply Capability¹ and Projected Demands
Repeat of 1990-1992 Hydrology
(Acre-feet per year)

Forecast Year	2020	2025	2030	2035	2040
Current Programs					
In-Region Supplies and Programs	239,000	272,000	303,000	346,000	364,000
California Aqueduct ²	664,000	682,000	687,000	696,000	696,000
Colorado River Aqueduct					
Total Supply Available ³	1,403,000	1,691,000	1,690,000	1,689,000	1,605,000
Aqueduct Capacity Limit ⁴	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Colorado River Aqueduct Capability	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Capability of Current Programs	2,103,000	2,154,000	2,190,000	2,242,000	2,260,000
Demands					
Total Demands on Metropolitan	1,727,000	1,836,000	1,889,000	1,934,000	1,976,000
IID-SDCWA Transfers and Canal Linings	274,000	282,000	282,000	282,000	282,000
Total Metropolitan Deliveries⁵	2,001,000	2,118,000	2,171,000	2,216,000	2,258,000
Surplus	102,000	36,000	19,000	26,000	2,000
Programs Under Development					
In-Region Supplies and Programs	36,000	73,000	110,000	151,000	192,000
California Aqueduct	7,000	7,000	94,000	94,000	94,000
Colorado River Aqueduct					
Total Supply Available ³	80,000	75,000	50,000	25,000	25,000
Aqueduct Capacity Limit ⁴	0	0	0	0	0
Colorado River Aqueduct Capability	0	0	0	0	0
Capability of Proposed Programs	43,000	80,000	204,000	245,000	286,000
Potential Surplus	145,000	116,000	223,000	271,000	288,000

¹ Represents Supply Capability for resource programs under listed year type.

² California Aqueduct includes Central Valley transfers and storage program supplies conveyed by the aqueduct.

³ Colorado River Aqueduct includes programs, IID-SDCWA transfer and exchange and canal linings conveyed by the aqueduct.

⁴ Maximum CRA deliveries limited to 1.20 MAF including IID-SDCWA transfer and exchange and canal linings.

⁵ Total demands are adjusted to include IID-SDCWA transfer and exchange and canal linings. These supplies are calculated as local supply, but need to be shown for the purposes of CRA capacity limit calculations without double counting.

2.2.2 Recycled Water

ETWD completed the construction of a tertiary treatment facility at the existing Water Recycling Plant (WRP) in late 2014. The uses of tertiary-treated water are less restrictive than secondary-treated water, thus allowing recycled water to be used more extensively for commercial and public applications. The Tertiary Treatment Plant (TTP) is located within ETWD's WRP site at the northeast corner of the Laguna Woods Village Golf Course. Local access to the project site is via Moulton Parkway and Ridge Route Drive (Dudek, March 2012).

The TTP is designed to produce 3.7 MGD of recycled water, based on projected maximum day non-potable demand with the ability to expand to 4.0 MGD with the addition of more cloth media disc filters. Simultaneous to the TTP construction, 100,000 feet of recycled water distribution system pipelines were constructed to deliver tertiary treated recycled water to irrigation users in the ETWD service area. The District subsequently expanded the recycled water distribution system in 2018. The recycled water distribution system consists of approximately 25 miles of pipeline (4-20 inch diameter) within existing public rights-of-way and private roads in residential neighborhoods within the Cities of Laguna Woods and Laguna Hills.

Approximately 275 dedicated irrigation meters are being converted to recycled water in the cities of Laguna Woods and Laguna Hills. As of early 2020, 47 meters remain to be retrofitted, with 33 of those in active construction. Meter retrofitting is estimated to be complete by mid-2020. The current conversions will bring the recycled water supply to approximately 1,560 AFY after the completion of the Phase II meter retrofits. The Phase III expansion would convert 100 AFY of dedicated irrigation demand from potable water to recycled water, which would increase the ETWD's recycled water supply to 1,660 AFY.

2.2.3 Baker Water Treatment Plant

The Baker WTP is a new 28.1 MGD plant at the site of the former Irvine Ranch Water District's (IRWD) Baker Filtration Plant in the City of Lake Forest. The Baker WTP treats raw imported water from Metropolitan and Irvine Lake water. Given that the facility primarily relies on imported raw water from Metropolitan, it does not create a day-to-day new supply but provides increased water reliability to southern Orange County by providing locally treated water to customers of IRWD, ETWD, MNWD, Santa Margarita Water District (SMWD) and Trabuco Canyon Water District (TCWD). It provides a reliable water supply in the event of emergency conditions or scheduled maintenance on the Metropolitan delivery system such as the Diemer Filtration Plant, Lower Feeder Pipeline or AMP. Additionally, the potential exists for the project participants to receive and treat Irvine Lake water when available. Irvine Lake is supplied by untreated water from Metropolitan and local surface runoff. The Baker WTP came online in early 2017 and has supplied water to ETWD since. ETWD has a capacity right of approximately 3.2 MGD (3,600 AFY) from the Baker WTP and expects to maintain a supply of 3,600 AFY through 2040.

3. WATER DEMANDS

This section provides an overview of ETWD’s current and projected population and climate conditions which are the main drivers affecting water demand. This section also presents the water demand projected for The Village at Laguna Hills project over the next 20 years.

3.1 ETWD Service Area

ETWD provides water to a population of approximately 50,000 customers throughout its 5,350 acre service area. The ETWD service area is almost entirely developed encompassing all of the City of Laguna Woods and portions of four other cities: Lake Forest, Aliso Viejo, Laguna Hills and Mission Viejo.

The ETWD service area ranges in elevation between 230 feet above sea level at its lowest point to 904 feet at its highest. In general, elevations increase from west to east. Interstate 5 bisects ETWD’s service area from north to south, with the higher elevations located on the east side. ETWD is bordered by IRWD to the north, the Laguna Beach County Water District (LBCWD) to the west, MNWD to the west and south, and SMWD to the south and east. ETWD also shares a small border with TCWD in the northern part of its service area.

3.1.1 Population

Based on the 2010 census, the Center for Demographic Research (CDR) at California State University Fullerton estimated a population of 47,861 in 2010 within ETWD’s service area and the projected population for 2020 is 52,743. This represents a 10% increase in population in the last decade. Table 3-1 shows historical population in five-year increments.

Table 3-1: Historical Service Area Population

	1990	1995	2000	2005	2010	2015
Population	43,602	46,262	49,796	48,890	47,861	48,797

Source: Center for Demographic Research (CDR) at California State University, Fullerton, September 2015

The 2020 to 2040 projections shown in Table 3-2 are based on the 2010 census. It is expected that the population within ETWD service area will remain relatively stable until 2025, with a nearly 1 percent decrease over the next five years and then tapering off to minimal change through 2040.

Table 3-2: Projected Service Area Population

	2020	2025	2030	2035	2040
Population	52,743	52,750	53,225	53,245	53,196

Source: Center for Demographic Research (CDR) at California State University, Fullerton, September 2015

3.1.2 Climate Conditions

The ETWD service area encompasses portions of south Orange County located in an area known as the South Coast Air Basin (SCAB). The SCAB climate is characterized by a “Mediterranean” climate: a semi-arid environment with mild winters, warm summers and moderate rainfall. Table 3-3 below shows climate data for ETWD service area. The service area’s average temperature ranges from 44.4°F in December to 83.4°F in August. The average annual rainfall is 12.32 inches, and the average evapotranspiration (ET₀) is 49.85 inches, which is over four times the annual average rainfall. This translates to a high demand for landscape irrigation for homes, commercial properties, parks, and golf courses. Moreover, a region with low rainfall like Southern California is also more prone to drought conditions.

Table 3-3: Average Climate Conditions

Month	Standard Monthly Average ET ₀ (inches) [1]	Total Rainfall (inches) [2]	Air Temperature (°F) [3]	
			Max	Min
Jan	2.34	2.09	67.4	44.9
Feb	2.61	3.52	67.0	45.1
Mar	3.82	1.62	69.0	47.1
Apr	4.82	0.68	71.1	49.4
May	5.21	0.34	73.2	54.0
Jun	5.73	0.12	76.7	57.0
Jul	6.21	0.07	81.8	60.6
Aug	6.00	0.04	83.4	60.4
Sep	4.77	0.24	82.3	58.7
Oct	3.64	0.59	77.6	54.6
Nov	2.63	0.86	72.3	48.6
Dec	2.07	2.15	66.4	44.4
Annual	49.85	12.32	74.0	52.1

[1] CIMIS Station #75, Irvine, California from October 1987 to March 2020.

[2], [3] CIMIS Station #75, Irvine, California from October 1987 to February 2020.

3.2 Existing Water Demands

ETWD has maintained approximately 10,000 customer connections to its potable water distribution system since 2005. The current number of connections is 9,804. All connections in the service area are metered. Slightly less than 60 percent of ETWD's water demand is residential. Commercial/industrial and dedicated landscape sectors represent approximately 40 percent of ETWD's water demand. A small portion of ETWD's demand is from government/institutional establishments such as municipal buildings and hospitals (approximately 1 percent of total demand).

Table 3-4 summarizes ETWD's existing water demand for CY 2018.

Table 3-4: Current Water Demand

Water Supply Sources	2018 Calendar Year (AFY)
Potable Water	7,256
Recycled Water	1,031
Total	8,287

3.3 Projected Water Demands

As noted previously, ETWD's most recently adopted 2015 UWMP did not include projected demands associated with The Village at Laguna Hills project. Since the adoption of the 2015 UWMP, ETWD has not developed new water demand projections for its service area. The water demand analysis of this WSA will use the 2015 UWMP water demand as a basis and add the net increase from The Village at Laguna Hills project to those demands.

3.3.1 Projected Water Demands without The Village at Laguna Hills Project

Table 3-5 presents the 20-year projected water demand without demands from The Village at Laguna Hills. The total demand by year in five-year increments are based on ETWD's 2015 UWMP.

Table 3-5: Projected Water Demands without The Village at Laguna Hills Project Demand

Water Supply Sources	Fiscal Year Ending (AFY)				
	2020	2025	2030	2035	2040
MWDOC (Imported Treated, Full Service)	3,161	3,794	3,823	3,715	3,685
Baker WTP (Imported Untreated, Full Service) [1]	3,600	3,600	3,600	3,600	3,600
Recycled Water	1,560	1,660	1,660	1,660	1,660
Total	8,321	9,054	9,083	8,975	8,945

[1] Baker WTP supply offsets and reduces purchased Metropolitan treated water from Diemer Filtration Plant.

3.3.2 Projected Water Demands from The Village at Laguna Hills Project

The Village at Laguna Hills project proposes 512 residential units in addition to the Five Lagunas project and the redevelopment of Laguna Hills Mall accompanied by a net increase in water demand for ETWD’s residential, commercial, and landscape irrigation customer sectors. The project proposes a total of 1500 multi-family residential units comprising a mixture of studios, one-, two-, and three-bedroom apartments. These residential units will generate approximately 195,340 gallons per day (gpd) or 219 AFY of potable (indoor) water demands (Table 3-6), which is about 72 AFY greater than the residential demands estimated for the Five Lagunas project. Commercial potable (indoor) water demand for The Village at Laguna Hills is estimated to increase by about 36 AFY in addition to that of the Five Lagunas project. The total commercial potable demand is estimated to be 68,120 gpd (76 AFY), mainly as a result of the addition of general office space, hotels and restaurants (Table 3-7). The Village at Laguna Hills project will result in a net increase of approximately 335,700 sq. ft. in landscaped areas to the mall and residential areas, with an associated irrigation demand of approximately 23,080 gpd (26 AFY) (Table 3-8). This is about 9 AFY higher than the estimated irrigation demand for the landscaped area proposed in the Five Lagunas project.

Table 3-6: The Village at Laguna Hills Project's Residential Water Demands Projection

Use Category	Dwelling Units (DU)	Sewer Generation Factor (gpd/DU)	Sewer Demand [1] (gpd)	Water Demand [2] (gpd)
Studio	90	75	6,750	7,105
One bedroom	835	110	91,850	96,684
Two bedroom	557	150	83,550	87,947
Three bedroom	18	190	3,420	3,600
Total Residential	1,500		185,570	195,337

[1] Sewer demand is 95% of water demand per [City of Los Angeles/Los Angeles County Sanitation Districts' Characteristics Sewage Generation Factors](#).

[2] Assume sewer demand is 95% of water demand.

Table 3-7: The Village at Laguna Hills Project's Commercial Water Demands Projection

Use Category	Sewer Generation Factor (gpd/ksf) [1], [2]	Existing Gross Floor Area (sq. ft)	Existing Sewer Demand (gpd)	Total Future Gross Floor Area (sq. ft.)	Total Future Sewer Demand (gpd)	Change in Sewer Demand [3] (gpd)	Change in Water Demand [4] (gpd)
Restaurant	300	78,795	23,639	125,000	37,500	13,862	14,591
Restaurant patio	300	4,603	1,381	20,000	6,000	4,619	4,862
Retail	50	873,551	43,678	85,000	4,250	-39,428	-41,503
Retail Patio	50	1,512	76	5,000	250	174	184
Fitness	200	0	0	40,000	8,000	8,000	8,421
Cinema	3	1,020	3,060	2,250	6,750	3,690	3,884
Flex Retail/Med Office	50	0	0	0	0	0	0
Hotel	120	0	0	150	18,000	18,000	18,947
General Office	120	0	0	465,000	55,800	55,800	58,737
Total Commercial		959,481	71,833	742,400	136,550	64,717	68,124

[1] Sewer generation factor for cinema is in gpd/seat, existing and proposed number of seats are 1,020 and 2,250, respectively.

[2] Sewer generation factor for hotel is in gpd/room, existing and proposed number of seats are 0 and 150, respectively.

[3] Sewer demand is 95% of water demand per [City of Los Angeles/Los Angeles County Sanitation Districts' Characteristics Sewage Generation Factors](#).

[4] Assume sewer demand is 95% of water demand.

Table 3-8: The Village at Laguna Hills Project’s Landscape Water Demands Projection

Existing Area [1] (sq. ft.)	Water Use Factor (gpm/ac)	Existing Water Demand (gpd)	Total Future Area [2] (sq. ft.)	Water Use Factor (gpm/ac)	Total Future Water Demand (gpd)	Change in Water Demand (gpd)
173,690	2.08	11,943	509,394	2.08	35,026	23,083

[1] This area also includes existing Laguna Hills Mall landscape that will become part of the residential landscape.

[2] Source: [Overall Landscape Plan in Plan set of The Village at Laguna Hills project](#).

Table 3-9 summarizes the 20-year estimated water demands from The Village at Laguna Hills development, which is planned to be constructed in three phases. The construction will begin after 2020, with all three phases expected to be completed by 2025.

Table 3-9: The Village at Laguna Hills Project’s Total Water Demands Projection

Demand by Sector	Fiscal Year Ending (AFY)				
	2020	2025	2030	2035	2040
Residential (indoor)	0	219	219	219	219
Commercial (indoor)	0	76	76	76	76
Dedicated Landscape	0	26	26	26	26
Total	0	321	321	321	321

[1] It is assumed that the project will be constructed in phases. The construction will start after 2020 and the first phase is expected to be completed in 2021.

3.3.3 Projected Water Demands with The Village at Laguna Hills Project

Table 3-10 summarizes the 20-year estimated water demands for ETWD service area, including demand from The Village at Laguna Hills development. It is assumed that all 321 AFY of water demand generated by The Village at Laguna Hills project will result in an increase in treated full-service imported demand from MWDOC.

Table 3-10: Projected Water Demands with The Village at Laguna Hills Project Demands

Water Supply Sources	Fiscal Year Ending (AFY)				
	2020	2025	2030	2035	2040
MWDOC (Imported Treated, Full Service)	3,161	4,115	4,144	4,036	4,006
Baker WTP (Imported Untreated, Full Service) [1]	3,600	3,600	3,600	3,600	3,600
Recycled Water	1,560	1,660	1,660	1,660	1,660
Total	8,321	9,375	9,404	9,296	9,266

[1] Baker WTP supply offsets and reduces purchased Metropolitan treated water from Diemer Filtration Plant.

4. SUPPLY AND DEMAND COMPARISON

4.1 Average Year

The average year represents average hydrologic conditions. The total demand presented in Table 4-1 represents the sum of ETWD’s demand projections without The Village at Laguna Hills demands and the demand projections for The Village at Laguna Hills project which imposes a 321 AFY net increase in potable water, 26 AFY of which are dedicated irrigation demand.

ETWD has written contracts to receive imported water from Metropolitan via the regional distribution system. All imported water supplies assumed in this section are available to ETWD from existing water transmission facilities. Table 4-1 shows supply and demand under normal year conditions. Additional water supplies are projected to be available from Metropolitan, but are not included here since projected supplies meet or exceed projected demands.

Table 4-1: Projected Average Year Supply and Demand

	Fiscal Year Ending (AFY)				
	2020	2025	2030	2035	2040
Total Demand [1]	8,321	9,375	9,404	9,296	9,266
Potable	6,761	7,715	7,744	7,636	7,606
Recycled Water	1,560	1,660	1,660	1,660	1,660
Total Supply	8,321	9,375	9,404	9,296	9,266
Potable	6,761	7,715	7,744	7,636	7,606
Recycled Water	1,560	1,660	1,660	1,660	1,660

[1] Includes projected demands associated with The Village at Laguna Hills project.

4.2 Single Dry Year

The impacts of single dry-year conditions on water demands in this WSA were determined by the same methodology provided by MWDOC employed in ETWD’s 2015 UWMP. MWDOC used a water demand forecasting model in the 2016 Orange County Reliability Study that provided demand projections for three regions within Orange County- Brea/La Habra, Orange County Groundwater Basin, and South County. The ETWD’s portion was estimated as the percentage of the ETWD’s five year (FY 2010-11 to FY 2014-15) average usage compared to the South County region total demand for the same period. The model reflects the impacts of hot/dry weather condition as a percentage increase in water demands from the average condition (1990-2014). For a single dry year condition (FY2013-14), the model projects a 9 percent increase in demand from normal conditions for the South County area where the ETWD’s service area is located.

Table 4-2 compiles supply and demand projections for a single dry water year. The available imported supply is greater than shown; however, it is not included because all demands are met.

Table 4-2: Projected Single Dry-Year Supply and Demand

	Fiscal Year Ending (AFY)				
	2020	2025	2030	2035	2040
Total Demand [1]	9,070	10,219	10,250	10,133	10,100
Imported	7,510	8,559	8,590	8,473	8,440
Recycled Water	1,560	1,660	1,660	1,660	1,660
Total Supply	9,070	10,219	10,250	10,133	10,100
Imported	7,510	8,559	8,590	8,473	8,440
Recycled Water	1,560	1,660	1,660	1,660	1,660

[1] Includes projected demands associated with The Village at Laguna Hills project.

4.3 Multiple Dry Years

MWDOC conservatively assumed that a three-year multi dry year scenario is a repeat of the single dry year over three consecutive years with a demand increase of 9 percent from normal demand. This means having three highest-demand years in a row. ETWD, in its 2015 UWMP, projects that it will be capable of providing its customers all their demands with significant reserves in multiple dry years from 2020 through 2040 with a demand increase of 9 percent from normal in each of the three years.

Table 4-3 shows supply and demand projections under multiple dry year conditions.

Table 4-3: Projected Multiple Dry-Years Supply and Demand

		Fiscal Year Ending (AFY)				
		2020	2025	2030	2035	2040
First Year Supply	Total Demand [1]	9,070	10,219	10,250	10,133	10,100
	Imported	7,510	8,559	8,590	8,473	8,440
	Recycled Water	1,560	1,660	1,660	1,660	1,660
	Total Supply	9,070	10,219	10,250	10,133	10,100
Second Year Supply	Total Demand	9,070	10,219	10,250	10,133	10,100
	Imported [1]	7,510	8,559	8,590	8,473	8,440
	Recycled Water [2]	1,560	1,660	1,660	1,660	1,660
	Total Supply	9,070	10,219	10,250	10,133	10,100
Third Year Supply	Total Demand	9,070	10,219	10,250	10,133	10,100
	Imported [1]	7,510	8,559	8,590	8,473	8,440
	Recycled Water [2]	1,560	1,660	1,660	1,660	1,660
	Total Supply	9,070	10,219	10,250	10,133	10,100

[1] Includes projected demands associated with The Village at Laguna Hills project.

4.4 Conclusions

This WSA has evaluated ETWD’s projected future demands and the potential additional water demands associated with The Village at Laguna Hills project and compared those demands to projected supplies available to ETWD through 2040. In accordance with the foregoing and the standards set forth by Water Code § 10910, this WSA concludes that the total projected water supplies available to ETWD during average, single-dry, and multiple-dry water years over the next 20 years are sufficient to meet the projected water demands for the proposed project, in addition to ETWD’s existing uses.

Based on Metropolitan’s 2015 UWMP supply projections, MWDOC concludes in its 2015 UWMP that it will be able to meet full service demands of its retail agencies under average, single-dry, and multiple-dry year conditions.

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STAFF REPORT

TO: BOARD OF DIRECTORS

MEETING DATE: April 20, 2020

FROM: Bobby Young, Principal Engineer

SUBJECT: Capital Project Status Report

I Oso Lift Station Improvement Project

Staff is coordinating with legal counsel to provide the appropriate documentation for the legal name change of the title to the Oso Lift Station property from Rossmoor Sanitation to the District. It is anticipated that the resolution of the property transfer may take several months.

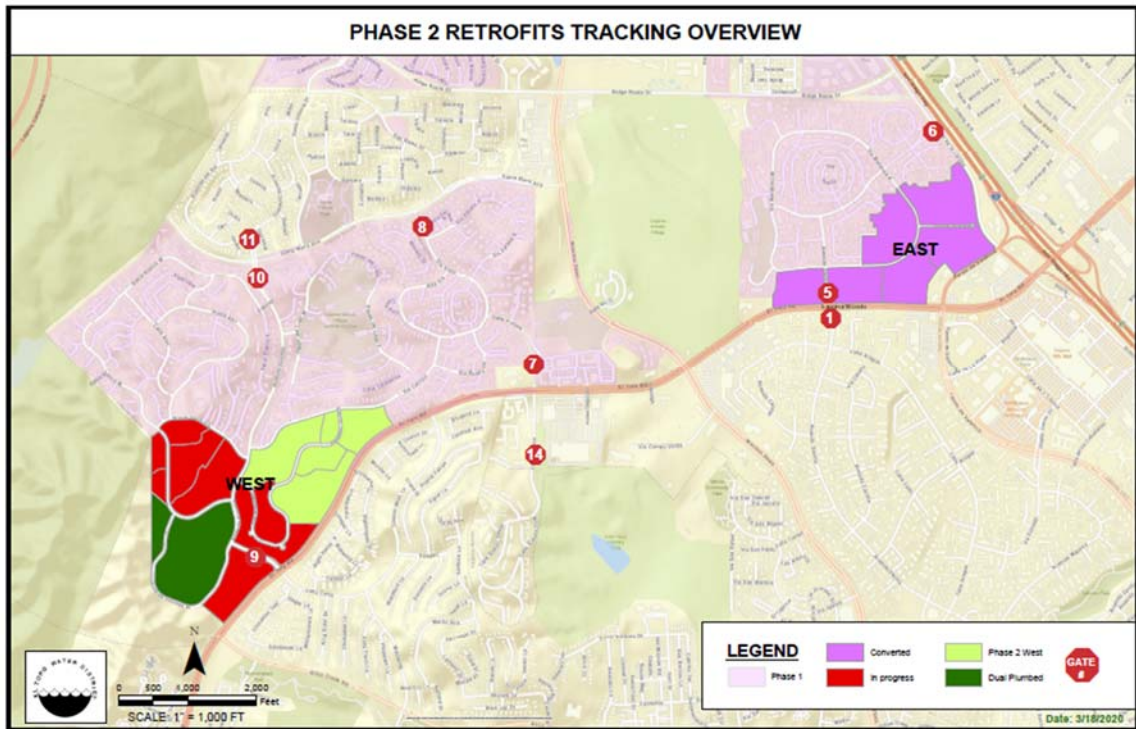
Due to the unknown time frame regarding the pending lot line adjustment, staff reached out to Filanc to see if they would honor their bid at a later date. Filanc has responded that their equipment manufacturers and sales reps can hold current prices for three months but are not sure beyond that time frame. Staff will revisit the schedule with Filanc in June when a more definitive timeline for the property transfer is available.

II Phase II Recycled Water Distribution System Expansion Project

Staff continues to work with the State Water Resources Control Board Division of Drinking Water (DDW) to secure approval of the retrofit plans for the West Side System. Staff received an official conditional approval letter of several, but not all, West Side System sites.

The on-site retrofit construction and testing remains on-hold. District Staff will commence the cross connection tests when the project resumes, after which the contractor can install the final connections.

The retrofit project in the United (Gate 5/6) area is complete, covering 6 total sites including 18 meters with an estimated annual demand of 121 AFY and on-site retrofit rebates totaling \$104,052. The original rebate checks were mistakenly issued to the site Owner. However, new checks have since been re-issued and are being sent to the District.



III 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 and has deemed the project as essential. The portion of the project between Los Alisos Blvd. and El Toro Road will necessitate certain utility relocations.

Staff continues discussions with Caltrans regarding final Utility Agreements for terms and payment sharing of the utility relocations. In order to keep the project on schedule, Caltrans and ETWD staff decided to separate out the Utility Agreements for several of the relocation efforts. Staff has sent a letter to Cal Trans taking the position that the utility relocation costs in Avenida De La Carlota should be the responsibility of the State and is awaiting the State's response.

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

ETWD has the portable pump hooked up in stand-by mode and continues to test on regular intervals. ETWD is still waiting for the Contractor to procure final materials but does not deem this work essential for completion of the project in the near-term.

**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	M	M	M	\$480,000	
7	Grit Chamber Rehab/Re-Coating													ET	ET	ET	M	M	M	\$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	M	M	M	M	\$1,000,000		
	Caltrans Widening Utility Relocations													E	N	N	B	A			
	AWIA Compliance - Phase II									BP/A											
	Reconstruct (West Side) Drainage Swayle at the Holding Pond													ET	ET	ET	M	M	M	\$68,250	
	Clarifier No. 3 and 4 Scum Pump Station										ET	ET	ET	ET	ET	ET	M	M	M	\$40,000	
	Master Plan Update																M	M	M	\$350,000	
	Old Treatment Plant / Clear Well Demo						RFP	A	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	M	M	M	\$220,000		
8	Dump Truck/Traffic Control Truck (Unit 4)													ET	ET	M	M	M	\$80,000		
10	Nimble Storage Array Replacement							ET	ET	ET	ET	ET	A						\$75,000		
													Total	\$2,998,250	\$133,143						

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

March 23, 2020

Director Vergara called the Finance Committee meeting to order at 9:02 a.m. on March 23, 2020.

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

Also telephonically present via Zoom were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, GILBERT J. GRANITO, General Counsel, and POLLY WELSCH, Recording Secretary.

Consent Calendar

Director Vergara asked for a Motion.

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

Roll Call Vote:

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

Director Freshley asked what was the change in the Financial report for last month. Mr. Cafferty replied that there was an error on page 4, Reserve Investments

that didn't affect anything else. He further stated that this error is highlighted in today's package and also reflects what the number should have been.

Director Freshley asked how this error occurred. Mr. Cafferty stated that the number was pulled from the previous month which was an Excel formula error that dragged the number from the wrong month.

Ms. Shahbakhti stated that last minute changes were made to the Finance report and the Excel spreadsheet pulled the numbers from the previous month's report, and the person preparing the report was having some computer issues which caused the error.

Approval of Items Removed from Today's FIC Consent Calendar

There were no items removed.

Finance Action Items

Finance Report

Director Vergara stated that on page 8, the 401(k) Plan took a huge drive downward. Mr. Cafferty acknowledged that this was not a good month, but a portion of the decline in value was due to a retiree's significant withdrawal from the 401(k) Plan in January.

Director Freshley asked if any of the employees have withdrawn funds from the 401(k) Plan. Ms. Cimorell replied no one has withdrawn funds, but some employees have lowered their contribution rate.

Director Vergara stated that on page 11, Analysis of Revenue and Expense, the graphic projects Revenue as zero and shows negative, are we going positive at the end of June. Mr. Cafferty replied that these are not cumulative numbers, they reflect each

month separately and the Income on page 10 shows overall we are slightly under Budget on expense and overall net positive.

Director Vergara stated that on page 16, Expense Comparison, he sees a big change in Legal expenses, and is asking if staff anticipated a higher number in the budget for next year. Mr. Cafferty replied that staff anticipates higher legal expenses next year but is recommending accommodating the non-recurring portion of that expense with reserve funds rather than an increased budget due to the impact a budget increase would have on the calculation of rates..

Director Vergara asked if the Directors Fees budget will be increased. Mr. Cafferty replied yes we are increasing the Directors Fees Budget to accommodate the current level of Director meeting attendance.

Director Havens asked if we have a way of filtering out natural variation in water use and an impact on water costs. Mr. Cafferty replied that there are a lot of variables that might drive costs making it difficult to isolate any single cost driver.

Director Vergara asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Freshley, 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 March 23, 2020, and 2) receive and file the Financial Statements for the period ending February 29, 2020.

Roll Call Vote:

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

Finance Information Items

2020/21 Fiscal Year Budget/Cost of Service Evaluation/Preparation and Tentative

Schedule Status Report

Mr. Cafferty stated that staff is recommending that we reschedule the Budget Committee meetings and Board Budget Workshop. He further stated that staff will be recommending revised dates for the meetings.

Mr. Cafferty stated that we will need to adopt a Budget at the June Board meeting but recommended that the implementation of a rate increase would be delayed for at least two months allowing time to assess conditions associated with the economic impact of the COVID-19 issues.

The Budget Committee agreed to delay the meetings and rate increase at this time.

Tiered Water Usage and Revenue Tracking

There were no comments.

Comments Regarding Non-Agenda FIC Items

Director Havens stated that she is scheduled for TV-6 on Friday, and asked if Mr. Cafferty could reiterate the bullet points from his statement in order to reassure residents. Mr. Cafferty replied that we could reach out to reassure the residents;

however TV-6 has notified us that the typical TV-6 programs have been suspended until further notice.

Close Finance and Insurance Committee Meeting

At approximately 9:22 a.m. the FIC meeting was closed.

Attorney Report

Mr. Granito reported that there is a need for a Closed Session to discuss those items noted in today's Closed Session agenda. Also at this time Ms. Shahbakhti, Ms. Cimorell, and Ms. Welsch left the meeting.

Closed Session

At approximately 9:23 a.m. the Board went into Closed Session as agendized on today's Closed Session agenda.

Open Session Report

At approximately 9:30 a.m. the Board returned to Regular Session. Also at this time, Ms. Welsch returned to the meeting.

Mr. Granito reported that the Board did go into Closed Session for the purpose reflected in Item 1 of today's agenda (Pending Litigation) during which he and Mr. Cafferty, led a discussion. No reportable action was taken.

Mr. Granito further reported that the Board also went into Closed Session for the purpose reflected in Item 2 of today's agenda (Pending Litigation) during which he and Mr. Cafferty, led a discussion. No reportable action was taken.

Mr. Granito further reported that the Board also went into Closed Session for the purpose reflected in Item 3 of today's agenda (Initiation of Litigation) during which Mr.

Cafferty and he led a discussion with regard to said matter. The Board authorized the initiation of litigation with regard to same (one matter).

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:40 a.m. to Monday, April 20, 2020 at 7:30 a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

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

**EL TORO WATER DISTRICT
INSURANCE UPDATE
April 2020**

Liability Program

There is nothing new to report this quarter.

Property Insurance

There is nothing new to report this quarter.

Excess Public Employee Fidelity Program

There is nothing new to report this quarter.

Underground Storage Tank Pollution Liability

There is nothing new to report this quarter.

Dam Failure Liability

There is nothing new to report this quarter.

Fiduciary Liability Policy

There is nothing new to report this quarter.

Liability & Property Claims

There is nothing new to report this quarter

Workers' Compensation Policy

The Workers' Compensation Policy was renewed as of July 1, 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 five days. No loss time.

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 third quarter is \$1411.99.

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 third 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 third quarter is \$81.99.

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 third quarter is \$50.35.

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 third quarter is \$8.64.

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 third quarter is \$39.52.

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 third 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 Wilson
Judy Cimorell

Budget vs. Actual - Q3 2019/2020
4/1/2020

	Annual Budget	Actual Paid to Date	Difference
Insurance Coverage			
Liability	\$150,000	\$172,271	\$22,271
Property	\$70,000	\$65,271	(\$4,729)
Fiduciary Liability	\$6,300	\$6,164	(\$137)
<i>(Pd 2 years 9/2018 - 8/2020)</i>			
Dam Ins. (includes Excess) 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	\$1,350	\$1,419	\$69
Excess Crime	\$1,750	\$1,900	\$150
Total Insurance	\$242,060	\$257,801	\$15,741

Benefits - Directors	Annual Budget	Q1, Q2 & Q3 Budget	Accumulative Q1, Q2 & Q3 Actual	Difference
Long Term Care	\$18,264	\$13,698	\$18,993	\$5,295
Dental	\$4,625	\$3,469	\$2,084	(\$1,385)
Vision	\$1,049	\$787	\$774	(\$13)
Life	\$173	\$130	\$104	(\$26)
Total Benefits Directors	\$24,111	\$18,083	\$21,955	\$3,872

Retiree Benefits				
Medical	\$322,321	\$241,741	\$219,401	(\$22,340)
Employee paid	(\$32,232)	(\$24,174)	(\$21,991)	\$2,183
Anthem Supplement	\$0	\$0	\$0	\$0
Total retiree benefits	\$290,089	\$217,567	\$197,410	(\$20,157)

Employee Benefits				
Emp.Assistance Program	\$1,224	\$918	\$885	(\$33)
Medical	\$1,203,295	\$902,471	\$808,746	(\$93,725)
Emp. Co-pay	(\$88,109)	(\$66,082)	(\$63,822)	\$2,260
Life/AD&D	\$28,741	\$21,556	\$21,096	(\$460)
Dental	\$59,988	\$44,991	\$44,149	(\$842)
Vision	\$12,445	\$9,334	\$9,293	(\$41)
LTD/STD	\$36,650	\$27,488	\$26,853	(\$635)
LTC	\$8,646	\$6,485	\$6,054	(\$431)
LTC-Emp. Paid	(\$2,598)	(\$1,949)	(\$1,398)	\$551
Workers comp.	\$135,000	\$101,250	\$67,694	(\$33,556)
Total Employee Benefits	\$1,395,282	\$1,046,462	\$919,550	(\$126,912)

SUMMARY OF COVERAGE

Type of Coverage	<u>GENERAL LIABILITY</u>	Coverage Term: 10/19-20
Coverage Includes	<ol style="list-style-type: none"> 1. Commercial General Liability 2. Contractual Liability 3. Products/Completed Operations 4. Personal Injury 	Premium - \$172,271
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>AUTO LIABILITY</u>	Coverage Term: 10/19-20
Coverage Includes	<ol style="list-style-type: none"> 1. Owned Automobiles/Trucks 2. Non-owned Automobiles/Trucks 3. Hired Automobiles/Trucks 	Premium - Included
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>PUBLIC OFFICIALS LIABILITY</u>	Coverage Term: 10/19-20
Coverage Includes	<ol style="list-style-type: none"> 1. Errors & Omissions 	Premium - Included
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>PROPERTY</u>	Coverage Term: 7/19 - 20
Coverage Includes	<ol style="list-style-type: none"> 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 	\$65,271
Automobile Physical Damage		
Comprehensive - 83 Vehicles		
Collision - 83 Vehicles		
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

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

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

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

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

Type of Coverage	<u>WORKERS' COMPENSATION</u>	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

Type of Coverage	<u>LIFE & ACCIDENT</u>	3rd 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	

Type of Coverage	<u>LONG / SHORT TERM DISABILITY</u>	3rd Quarter Premium \$8,911
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	

Type of Coverage	<u>LONG TERM CARE</u>	3rd 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	

Type of Coverage	<u>PERSONAL ACCIDENT INSURANCE</u>	3rd 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	

Type of Coverage	<u>DENTAL</u>	3rd Quarter Premium \$15,206
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	

Type of Coverage	<u>MEDICAL</u>	3rd Quarter Premium \$316,080
Coverage Includes	HMO or PPO by Employee Choice	
Insurance Carrier	Anthem Blue Cross / Kaiser Insurance thru ACWA	Policy #229CA
Eligibility Period	1 Month After Hire	
Plan Wait or Deductible	30 Days	

* Premium includes employees and retirees

Type of Coverage	<u>VISION</u>	3rd Quarter Premium \$3,321
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	

EL TORO WATER DISTRICT
FINANCIAL REPORT
April 20, 2020

I.	Balance Sheet	2 - 3
	A. Cash & Investments	
	1) Mix and Liquidity	4
	2) Reserve Analysis	5
	3) Change in Reserves	6
	4) Bills for consideration	7
	5) 401K Plan	8
	B. Other balance sheet items	
	1) A/R aging	9
	2) A/P aging	10
II	Revenue & Expense	11
	A. Analysis of Revenue & Expenses	12
	B. Revenues	
	1) Where the money comes from	13
	2) Who the money comes from	13
	3) Revenue budget comparison	14
	4) Miscellaneous Revenue	15
	C. Expenses	
	1) Where the money goes	16
	2) Expense budget comparison	17 - 18
	3) Capital expenditures – equipment	19
	4) Capital expenditures – projects	19

**EL TORO WATER DISTRICT
BALANCE SHEET**

	3/31/20 (Unaudited)	June 30, 2019 (Audited)
ASSETS		
Current Assets		
Cash	\$1,569,675	\$1,704,132
Investments:		
Investments Cash	7,521,704	6,095,362
Investments FMV Adjustment	67,442	39,107
Receivables:		
Accounts Receivable	2,975,112	3,337,975
Notes Receivable	-	-
Inventories	644,613	625,472
Prepaid Expenses	291,488	201,078
Total Current Assets	\$13,070,034	12,003,125
Restricted Assets		
Cash & Investments	10,678,084	12,035,381
Total Restricted Assets	10,678,084	12,035,381
Non-Current Assets		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	115,051,089	114,139,715
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,871,067	34,806,127
Total Utility Plant	163,959,830	162,983,517
Less Accumulated Depreciation & Amortization	(78,626,659)	(75,348,450)
Net Utility Plant	85,333,171	87,635,067
Construction Work in Progress	7,292,403	6,838,533
Notes Receivable	-	-
Deffered Outflow OPEB	3,337,168	3,337,168
Total Non-current Assets	95,962,742	97,810,768
TOTAL ASSETS	\$119,710,860	\$121,849,273

**EL TORO WATER DISTRICT
BALANCE SHEET**

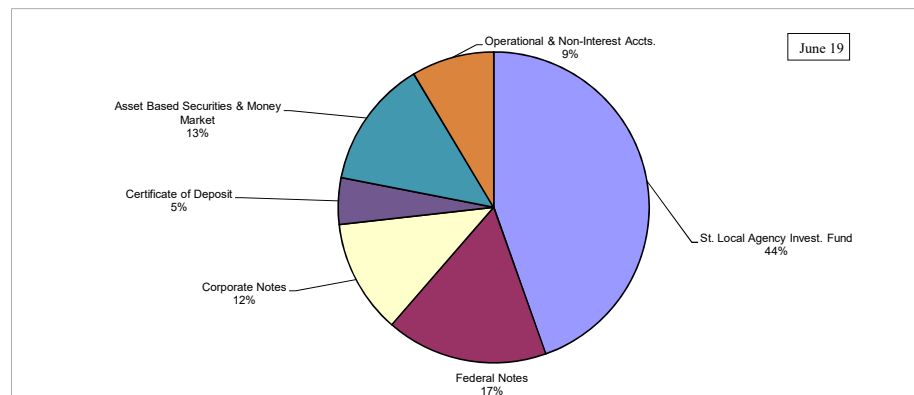
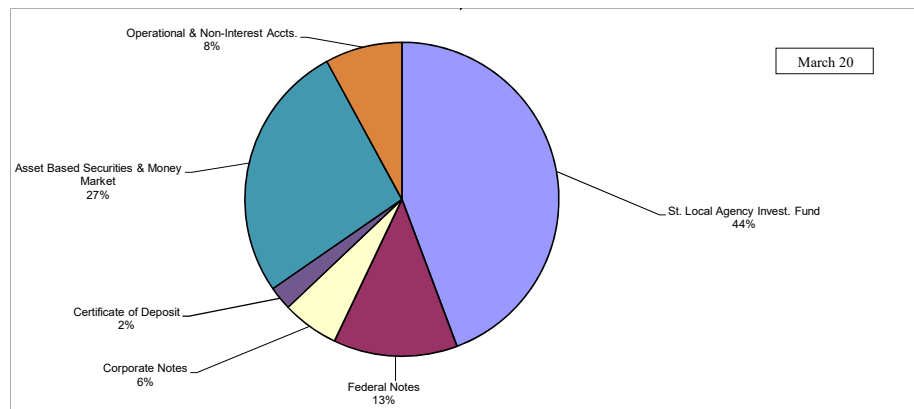
	3/31/20 (Unaudited)	June 30, 2019 (Audited)
LIABILITIES and EQUITY		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,111,569	\$1,964,675
Current Portion of Long-Term Debt	413,397	2,173,134
Other Current Liabilities	1,818,539	2,008,617
 Total Current Liabilities Payable From Current Assets	 3,343,505	 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	 54,493,303	 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	664,507	1,594,605
Total Fund Equity	65,217,557	64,553,049
 Total Liabilities & Fund Equity	 \$119,710,860	 \$121,849,273

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

	Maturity Dates	Par	Market Value	Financial Institution	YTM	Original Cost
			3/31/20			
State Local Agency Investment Fund	NA	NA	\$8,758,106	LAIF	1.79%	\$8,758,106
US Treasury N/B - Coupon Rate 1.625%	7/31/2020	60,000	60,281	US Bank/CAMP	1.60%	60,038
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	110,000	110,516	US Bank/CAMP	1.53%	109,502
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	260,000	261,219	US Bank/CAMP	1.44%	259,523
US Treasury N/B - Coupon Rate 1.375%	10/31/2020	95,000	95,653	US Bank/CAMP	1.65%	94,228
US Treasury N/B - Coupon Rate 1.750%	12/31/2020	340,000	343,931	US Bank/CAMP	1.90%	338,513
US Treasury N/B - Coupon Rate 1.375%	1/31/2021	50,000	50,492	US Bank/CAMP	2.05%	49,006
US Treasury N/B - Coupon Rate 1.125%	2/28/2021	150,000	151,289	US Bank/CAMP	2.41%	144,428
US Treasury N/B - Coupon Rate 2.000%	5/31/2021	490,000	500,183	US Bank/CAMP	2.62%	481,272
Intl BK of Recon & Dev Notes - Coupon Rate 1.875%	4/21/2020	90,000	90,048	US Bank/CAMP	1.90%	89,922
Inter-American Devel BK Note - Coupon Rate 1.625%	5/12/2020	150,000	150,126	US Bank/CAMP	1.70%	149,645
Intl BK of Recon & Dev Notes - Coupon Rate 1.561%	9/12/2020	90,000	90,343	US Bank/CAMP	1.64%	89,784
Inter-American Development Bank - Coupon Rate 2.125%	11/9/2020	90,000	90,815	US Bank/CAMP	1.81%	90,834
Intl Finance Note - Coupon Rate 2.250%	1/25/2021	70,000	70,967	US Bank/CAMP	2.35%	69,794
Intl Finance Corporation Note - Coupon Rate 2.635%	3/9/2021	90,000	91,885	US Bank/CAMP	2.66%	89,933
Inter-American Dev Bank Note - Coupon Rate 1.875%	3/15/2021	200,000	202,529	US Bank/CAMP	2.56%	196,046
Inter-American Dev Bank Note - Coupon Rate 2.625%	4/19/2021	70,000	71,535	US Bank/CAMP	2.70%	69,846
CA ST TXBL GO Bonds- Coupon Rate 2.800%	4/1/2021	100,000	101,370	US Bank/CAMP	2.80%	100,004
FNA 2018-M5 A2- Coupon Rate 3.560%	9/25/2021	40,247	40,518	US Bank/CAMP	2.27%	41,048
Federal Notes		2,545,247	2,573,700			2,523,363
General Dynamics Corp. - Coupon Rate 2.875%	5/11/2020	50,000	50,076	US Bank/CAMP	3.06%	49,823
Apple Inc. Bonds - Coupon Rate 1.800%	5/11/2020	60,000	60,030	US Bank/CAMP	1.84%	59,939
Intel Corp Notes - Coupon Rate 1.850%	5/11/2020	90,000	89,992	US Bank/CAMP	1.86%	89,966
Home Depot Inc Corp Notes - Coupon Rate 1.800%	6/5/2020	40,000	39,989	US Bank/CAMP	1.82%	39,977
Walt Disney Corp Notes - Coupon Rate 1.800%	6/5/2020	70,000	69,927	US Bank/CAMP	1.84%	69,919
John Deere Capital Corp Notes - Coupon Rate 1.950%	6/22/2020	20,000	19,983	US Bank/CAMP	1.97%	19,988
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	10,000	10,013	US Bank/CAMP	1.83%	10,208
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	70,000	70,088	US Bank/CAMP	1.82%	71,471
Caterpillar Finl Service Note - Coupon Rate 1.850%	9/4/2020	70,000	69,827	US Bank/CAMP	1.88%	69,941
Citigroup Inc Corp Notes - Coupon Rate 2.650%	10/26/2020	40,000	40,100	US Bank/CAMP	2.34%	40,360
Paccar Financial Corp Notes - Coupon Rate 2.050%	11/13/2020	20,000	20,076	US Bank/CAMP	2.05%	19,998
VISA Inc. (Callable) Corp Notes - Coupon Rate 2.200%	12/14/2020	20,000	20,108	US Bank/CAMP	1.85%	20,220
Wal-Mart Stores Inc. Corp. Note - Coupon Rate 1.900%	12/15/2020	90,000	90,280	US Bank/CAMP	1.95%	89,870
Paccar Financial Corp Notes - Coupon Rate 2.800%	3/1/2021	30,000	30,163	US Bank/CAMP	2.82%	29,985
National Rural Util Coop - Coupon Rate 2.900%	3/15/2021	35,000	35,045	US Bank/CAMP	2.94%	34,961
United Parcel Service Corporate Bond - Coupon Rate 2.050%	4/1/2021	90,000	89,871	US Bank/CAMP	2.10%	89,858
Toyota Motor Credit Corp Notes - Coupon Rate 2.950%	4/13/2021	90,000	90,312	US Bank/CAMP	2.96%	89,964
Pepsico Inc. Corp. Note - Coupon Rate 2.000%	4/15/2021	30,000	29,974	US Bank/CAMP	2.01%	29,994
Hershey Company Corp. Note - Coupon Rate 3.100%	5/15/2021	40,000	40,182	US Bank/CAMP	3.12%	39,972
American Express Co. - Coupon Rate 3.375%	5/17/2021	45,000	45,515	US Bank/CAMP	3.38%	44,992
Charles Schwab Corp. Corp. Notes - Coupon Rate 3.250%	5/21/2021	55,000	55,139	US Bank/CAMP	3.25%	54,998
Bank of America Note - Coupon Rate 2.328%	10/1/2021	90,000	89,036	US Bank/CAMP	2.33%	90,000
Corporate Notes		1,155,000	1,155,725			1,156,404
Bank of Nova Scotia Houston CD - Coupon Rate 3.080%	6/5/2020	100,000	100,359	US Bank/CAMP	3.10%	99,962
Westpac Banking Corp NY CD - Coupon Rate 2.050%	8/3/2020	150,000	150,554	US Bank/CAMP	2.05%	150,000
Swedbank (NewYork) CD- Coupon Rate 2.270%	11/16/2020	135,000	135,925	US Bank/CAMP	2.30%	135,000
Royal Bank of Canada NY CD- Coupon Rate 3.240%	6/7/2021	100,000	102,445	US Bank/CAMP	3.24%	100,000
Certificate of Deposit		485,000	489,284			484,962
Toyota ABS 2017-A A3 - Coupon Rate 1.730%	3/31/2021	1,823	1,822	US Bank/CAMP	1.74%	1,822
John Deere ABS 2017-A A3 - Coupon Rate 1.780%	4/15/2021	518	518	US Bank/CAMP	1.79%	518
Toyota ABS 2017-B A3 - Coupon Rate 1.760%	7/15/2021	24,850	24,614	US Bank/CAMP	1.76%	24,848
Honda ABS 2017-1 A3 - Coupon Rate 1.720%	7/21/2021	6,626	6,593	US Bank/CAMP	1.72%	6,626
Ally ABS 2017-2 A3 - Coupon Rate 1.780%	8/15/2021	7,924	7,916	US Bank/CAMP	1.79%	7,924
Nissan ABS 2017-2 A3 - Coupon Rate 1.740%	8/15/2021	11,181	11,160	US Bank/CAMP	1.74%	11,180
Honda ABS 2017-2 A3 - Coupon Rate 1.680%	8/15/2021	25,152	25,091	US Bank/CAMP	1.68%	25,150
Hyundai ABS 2017-A A3 - Coupon Rate 1.760%	8/16/2021	7,542	7,505	US Bank/CAMP	1.76%	7,541
John Deere ABS 2017-B A3 - Coupon Rate 1.820%	10/15/2021	8,172	8,160	US Bank/CAMP	1.82%	8,172
Ford ABS 2017-B A3 - Coupon Rate 1.690%	11/15/2021	23,299	23,112	US Bank/CAMP	1.69%	23,298
Hyundai ABS 2017-B A3 - Coupon Rate 1.770%	1/18/2022	33,554	33,242	US Bank/CAMP	1.78%	33,548
Ally 2017-5 A3 - Coupon Rate 1.990%	3/15/2022	28,144	27,817	US Bank/CAMP	1.99%	28,142
Ford 2017-C A3 - Coupon Rate 2.010%	3/15/2022	54,849	54,208	US Bank/CAMP	2.02%	54,840
Citibank 2017-A3 A3 - Coupon Rate 1.920%	4/7/2022	100,000	99,943	US Bank/CAMP	1.82%	100,267
JDOT 2018-A A3 - Coupon Rate 2.660%	4/15/2022	12,414	12,397	US Bank/CAMP	2.66%	12,413
Hart 2018-A A3 - Coupon Rate 2.790%	7/15/2022	34,950	34,707	US Bank/CAMP	2.80%	34,945
MBart 2018-1 A3 - Coupon Rate 3.030%	1/15/2023	55,000	54,499	US Bank/CAMP	3.03%	54,998
CAMP Money Market Fund	NA	NA	4,840,723	US Bank/CAMP	1.50%	4,840,723
Asset Based Securities & Money Market		435,999	5,274,026			5,276,954
Total Camp Investments		4,621,246	9,492,734			9,441,682

Operational & Non-Interest Bearing Accounts

ETWD General Cash Account	NA	NA	1,566,080	Union Bank of Cal.	0.00%	1,566,080
ETWD Capital Facilities Reserve Account	NA	NA	2,895	Union Bank of Cal.	0.00%	2,895
ETWD Payroll Account	NA	NA	0	Union Bank of Cal.	0.00%	0
ETWD Petty Cash Account	NA	NA	700	Union Bank of Cal.	0.00%	700
Operational & Non-Interest Accts.			1,569,675			1,569,675
			\$19,820,515	Total Investments & Cash		\$19,769,463



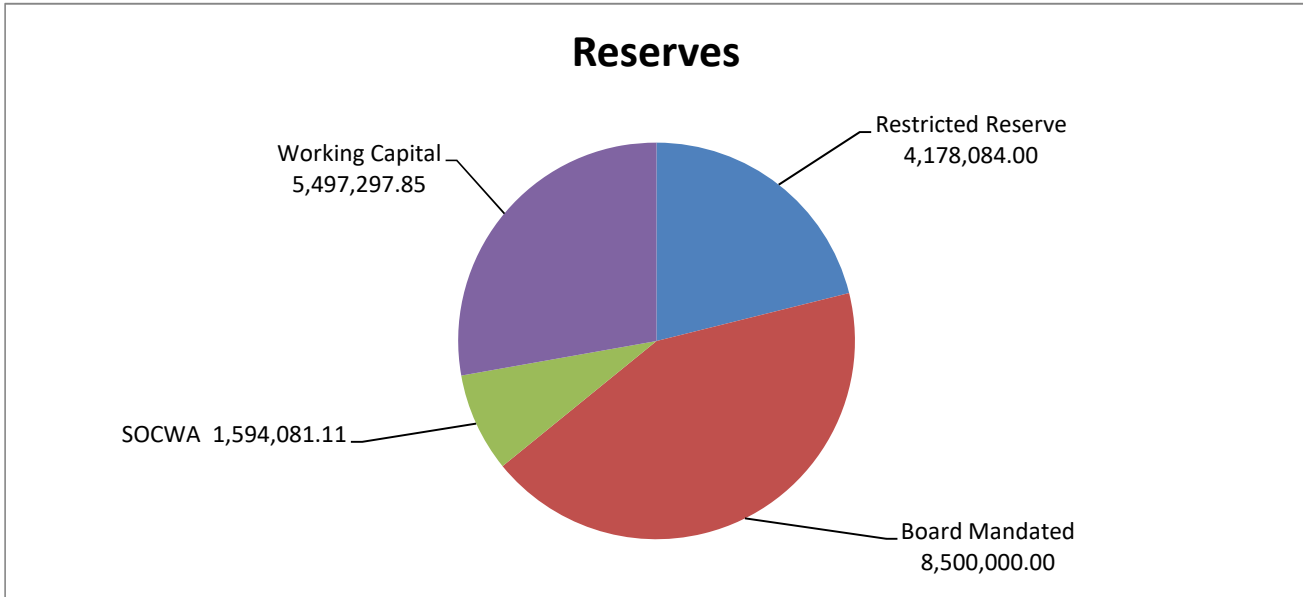
LIQUIDITY

	March 31, 2020		June 30, 2019	
	\$	%	\$	%
DEMAND	\$ 15,168,504	76.73%	\$ 12,245,220	61.74%
30 Days	\$ 89,922	0.45%	\$ 208,880	1.05%
31-180 Days	\$ 1,399,684	7.08%	\$ 1,161,829	5.86%
181 - 360	\$ 1,443,175	7.30%	\$ 1,771,413	8.93%
361-1800 Days	\$ 1,668,179	8.44%	\$ 4,447,532	22.42%
TOTAL	\$ 19,769,463	100.00%	\$ 19,834,874	100.00%

* The portfolio is in compliance with the investment policy.

** PFM Investment Advisory Services (10bp on first \$25 mm, 8bp over) \$ 480.91 for January 2020

**EL TORO WATER DISTRICT
RESERVE ANALYSIS
31-Mar-20**



Restricted Reserve	\$	4,178,084
Board Mandated	\$	8,500,000
SOCWA	\$	1,594,081
Capital Cash Flow / Compliance	\$	5,497,298
Total	\$	19,769,463

Restricted Reserve

SRFL-Recycled Phase I	\$	1,602,958
SRFL-Recycled Phase II	\$	409,046
Capital Facilities Reserve	\$	2,895
Tiered Cons Fund	\$	1,411,489
Baker Funding	\$	751,696
Total	\$	4,178,084

Board Mandated Minimum Reserve Levels

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

Six months operating expense requirement:	\$12,800,791
Cash less restricted reserve on hand:	\$15,591,379

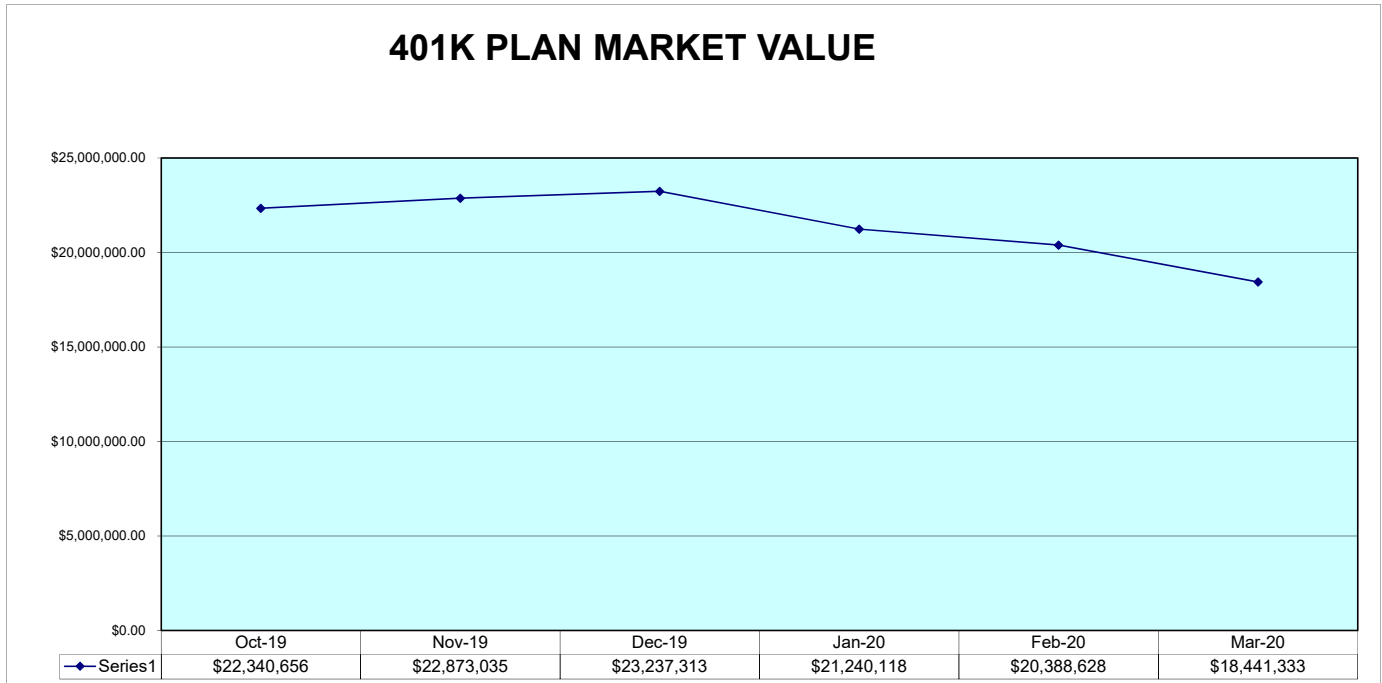
ETWD has the ability to meet its expenditure requirements for the next six months.

EL TORO WATER DISTRICT CHANGE IN RESERVES

	<u>March 31, 2020</u>	<u>Year to Date</u>	<u>June 30, 2019</u>
Operating Revenue	1,920,321	18,719,007	26,368,844
Non-operating Revenue	249,424	1,552,289	2,908,390
Total Revenue	<u>2,169,745</u>	<u>20,271,297</u>	<u>29,277,234</u>
Operating Expenses	1,445,143	15,737,985	22,462,405
Depreciation & Amortization	364,245	3,278,209	4,466,431
Non-operating Expenses	65,622	590,595	753,794
Total Expenses	<u>1,875,011</u>	<u>19,606,789</u>	<u>27,682,629</u>
NET INCOME	294,734	664,507	1,594,605
Add Depreciation & Amortization	364,245	3,278,209	4,466,431
Net Cash Provided by Operating Activities	12,476	(1,192,312)	(584,951)
Net Cash Provided by Investing Activities	(35,591)	(1,430,184)	(2,691,563)
Net Cash Provided by Financing Activities	-	-	2,594,367
Net Increase/(Decrease) Cash for the Period	<u>635,865</u>	<u>1,320,221</u>	<u>5,378,889</u>
Cash at End of Period from Balance Sheet		9,158,821	
Restricted Cash		10,678,084	
Unrealized (Gains)/Losses Fair Market Value		<u>(67,442)</u>	
Cash at End of Period		19,769,463	
Net (Increase)/Decrease Cash for the Period		(635,865)	
Net (Increase)/Decrease in Restricted Cash for the Period		35,328	
Net Increase/(Decrease) in Unrealized Gains/(Losses) Fair Market Value		3,061	
Void Checks in Prior Period		-	
Cash at Beginning of Period		<u>19,171,986</u>	

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

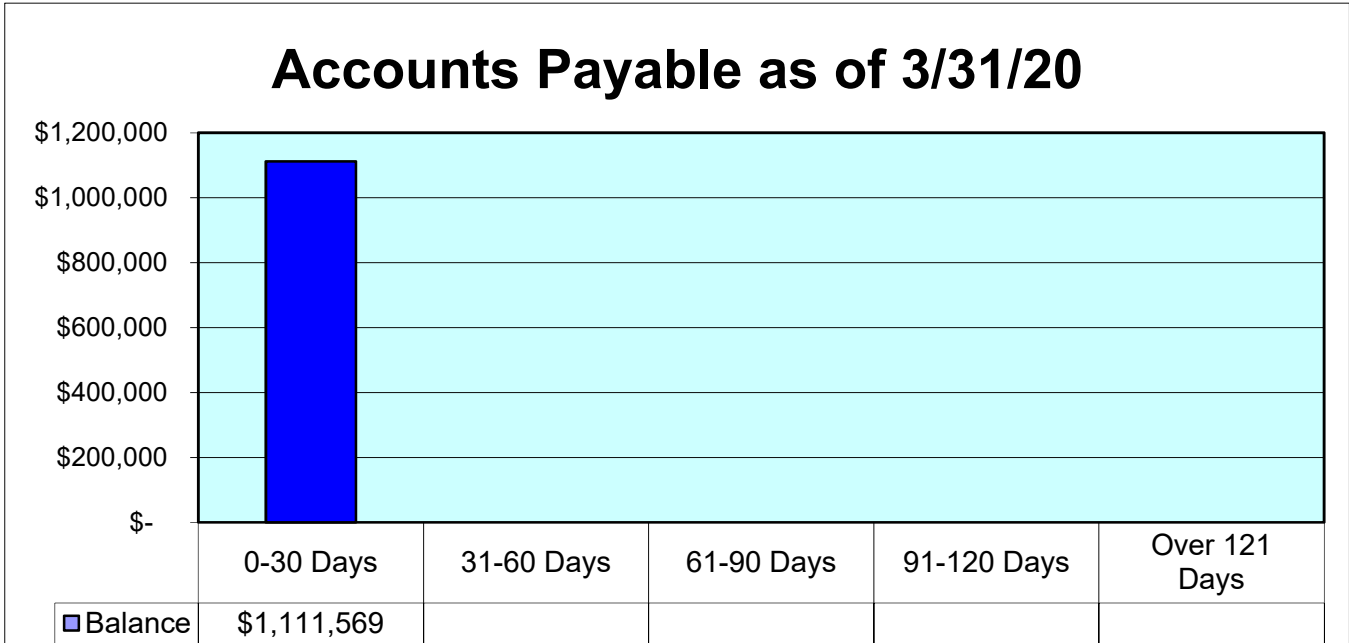
401K PLAN MARKET VALUE



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	220,505.99	44,710.18	71,086.31	170,863.65	203,023.92	260,391.62	98,102.15
Withdrawals	0.00	0.00	0.00	(54,817.47)	0.00	(7,692.31)	(2,461,658.05)
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	(219,065.86)	(67,950.03)	(131,697.01)	(406,989.06)	(531,728.51)	(225,338.83)	51,136.92
Balance at March 31, 2020	\$ 1,487,689.73	\$434,148.15	\$1,164,663.56	\$4,405,473.37	\$6,328,456.16	\$3,711,803.30	\$909,099.04
Average return YTD March 31, 2020	-14.54%	-12.38%	-7.31%	-6.84%	-8.49%	-9.15%	1.77%

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

PAYABLES AGEING

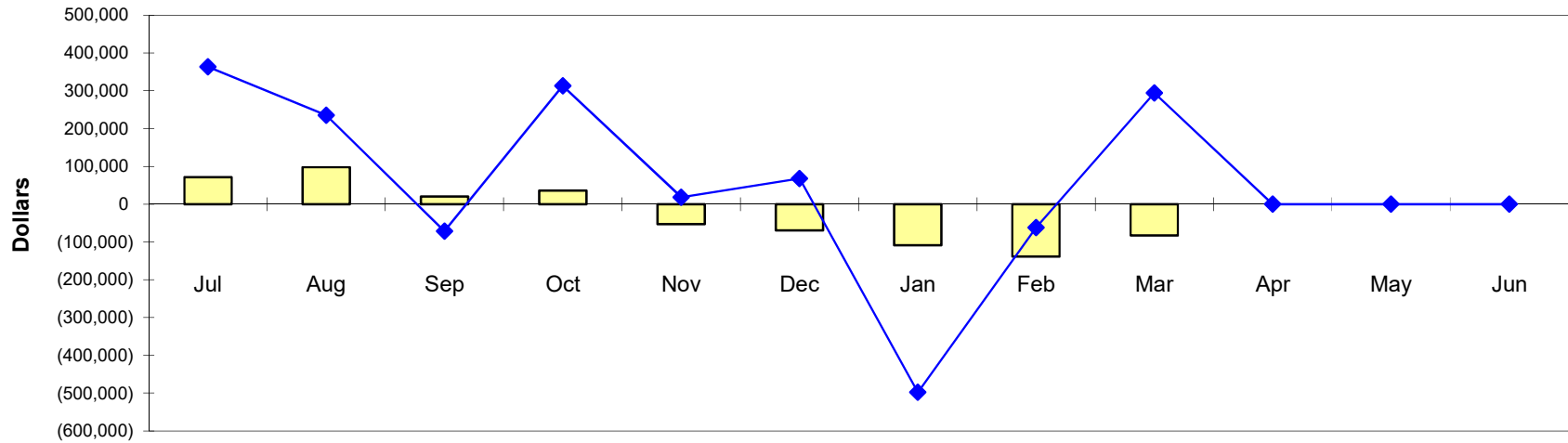


Year to Date Discounts Taken: \$415

Page 11
El Toro Water District
Income Statement
March 2020

	<u>Mar 20</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Jul '19 - Mar 20</u>	<u>YTD Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Income							
4600 · Water Service Charge	305,368.72	301,792.00	101.19%	2,730,400.16	2,716,128.00	100.53%	3,621,504.00
4700 · Sanitary Service	626,567.05	647,916.67	96.71%	5,786,231.40	5,831,249.99	99.23%	7,775,000.00
4722 · Recycled Water Tertiary Sales	63,808.94	111,979.22	56.98%	976,284.96	1,248,326.18	78.21%	1,686,426.00
4724 · Service Charge - Recycled Water	21,787.44	26,558.92	82.03%	188,621.80	239,030.24	78.91%	318,707.00
4750 · Capital Facilities Charge	250,248.39	251,221.33	99.61%	2,255,106.12	2,260,992.01	99.74%	3,014,656.00
4800 · Commodity Charge	650,094.47	621,270.69	104.64%	6,631,693.75	6,925,824.36	95.75%	9,356,441.00
4950 · Other Operating Income	2,446.27	4,583.33	53.37%	39,483.75	41,250.01	95.72%	55,000.00
4960 · Other Income	137,329.64	46,666.67	294.28%	514,050.23	419,999.99	122.39%	560,000.00
4967 · SMWD	0.00	9,333.33	0.0%	90,807.84	84,000.01	108.11%	112,000.00
4970 · MNWD	0.00	1,953.34	0.0%	20,377.49	17,579.98	115.91%	23,440.00
4980 · Interest Income	30,224.17	16,666.67	181.35%	284,781.92	149,999.99	189.86%	200,000.00
4985 · Changes FMV CAMP	3,060.62			27,075.19			
4986 · Changes FMV LAIF	0.00			1,259.94			
4990 · Property Taxes	78,809.21	77,083.33	102.24%	725,122.07	693,750.01	104.52%	925,000.00
Total Income	2,169,744.92	2,117,025.50	102.49%	20,271,296.62	20,628,130.77	98.27%	27,648,174.00
Gross Profit	2,169,744.92	2,117,025.50	102.49%	20,271,296.62	20,628,130.77	98.27%	27,648,174.00
Expense							
5100 · Personnel Cost	663,166.40	712,173.54	93.12%	5,986,907.76	6,409,562.38	93.41%	8,546,083.00
5405 · Water Purchases	347,634.35	544,798.81	63.81%	5,499,895.48	5,959,055.18	92.3%	8,041,949.00
5410 · Electrical Power	80,249.80	93,783.34	85.57%	800,261.80	844,049.98	94.81%	1,125,400.00
5415 · Repair Parts & Materials	27,980.55	35,861.08	78.03%	235,314.72	322,748.76	72.91%	430,332.00
5420 · Equipment Maintenance & Repair	4,851.79	10,260.43	47.29%	113,225.18	92,343.71	122.61%	123,125.00
5425 · Pump Maintenance & Repair	0.00	9,483.33	0.0%	55,283.96	85,350.01	64.77%	113,800.00
5430 · Motor Maintenance & Repair	3,131.00	2,191.66	142.86%	11,861.77	19,725.02	60.14%	26,300.00
5440 · Electrical/Contl Maint & Repair	20,039.89	5,970.85	335.63%	54,784.57	53,737.45	101.95%	71,650.00
5445 · Meter Maintenance & Repair	0.00	666.67	0.0%	460.00	5,999.99	7.67%	8,000.00
5455 · Chemicals	10,808.70	17,450.00	61.94%	151,194.63	157,050.00	96.27%	209,400.00
5460 · Structure Maint & Repair	2,389.36	2,523.67	94.68%	38,895.22	22,712.99	171.25%	30,284.00
5465 · Asphalt Maintenance & Repair	0.00	7,716.66	0.0%	43,553.00	69,450.02	62.71%	92,600.00
5470 · Consultants	3,564.85	5,316.67	67.05%	56,387.64	47,849.99	117.84%	63,800.00
5475 · Contractors	80,223.08	101,658.35	78.91%	844,764.14	914,924.95	92.33%	1,219,900.00
5480 · Engineers	4,128.93	6,333.33	65.19%	63,022.83	57,000.01	110.57%	76,000.00
5482 · Dump Fees	282.15	1,333.34	21.16%	6,954.98	11,999.98	57.96%	16,000.00
5485 · Laboratory	1,547.51	2,991.67	51.73%	30,250.20	26,924.99	112.35%	35,900.00
5490 · License & Permits	2,113.01	12,532.78	16.86%	97,403.84	112,794.66	86.36%	150,393.00
5495 · Gas & Oil	7,235.24	7,916.67	91.39%	81,055.05	71,249.99	113.76%	95,000.00
5500 · Equipment Rental	696.49	1,675.00	41.58%	14,056.75	15,075.00	93.25%	20,100.00
5505 · Landscaping	6,113.66	12,272.92	49.81%	82,189.52	110,456.24	74.41%	147,275.00
5510 · Small Tools & Equipment	6,063.81	5,833.34	103.95%	51,538.42	52,499.98	98.17%	70,000.00
5515 · Security	0.00	1,587.94	0.0%	11,170.81	14,291.18	78.17%	19,055.00
5520 · Operating Supplies	10,913.77	4,333.33	251.86%	43,888.33	39,000.01	112.53%	52,000.00
5525 · Safety Equipment	794.67	1,691.67	46.98%	13,167.45	15,224.99	86.49%	20,300.00
5530 · Temporary Help	3,657.00	3,041.67	120.23%	20,769.00	27,374.99	75.87%	36,500.00
5535 · Other Employee Cost	2,408.86	7,441.67	32.37%	84,043.66	66,974.99	125.49%	89,300.00
5540 · Depreciation	363,675.00	372,500.00	97.63%	3,273,075.00	3,352,500.00	97.63%	4,470,000.00
5545 · Insurance	24,702.56	46,479.58	53.15%	361,350.39	418,316.26	86.38%	557,755.00
	22,222.20	0.00	100.0%	44,444.40	0.00	100.0%	0.00
5555 · Advertising & Publicity	0.00	166.67	0.0%	960.00	1,499.99	64.0%	2,000.00
5560 · Amortization	570.49	570.83	99.94%	5,134.41	5,137.51	99.94%	6,850.00
5570 · Annual Event	0.00	500.00	0.0%	5,136.24	4,500.00	114.14%	6,000.00
5575 · Audit	5,000.00	2,500.00	200.0%	27,500.00	22,500.00	122.22%	30,000.00
5580 · Bad Debts	250.46	1,666.67	15.03%	6,509.09	14,999.99	43.39%	20,000.00
5585 · Bank Charges	4,836.77	4,750.00	101.83%	44,594.26	42,750.00	104.31%	57,000.00
5590 · Data Processing Supply & Access	1,013.14	1,916.68	52.86%	21,883.64	17,249.96	126.86%	23,000.00
5595 · Data Processing Equipment	2,338.94	2,999.99	77.97%	23,456.62	27,000.03	86.88%	36,000.00
5600 · Data Processing Consultants	1,800.00	6,250.00	28.8%	27,371.51	56,250.00	48.66%	75,000.00
5605 · Directors Fees	10,731.00	9,166.67	117.07%	89,033.00	82,499.99	107.92%	110,000.00
5610 · Dues & Memberships	7,171.39	7,782.50	92.15%	66,414.26	70,042.50	94.82%	93,390.00
5615 · Education & Training	17,860.55	3,583.33	498.43%	45,502.99	32,250.01	141.09%	43,000.00
5620 · Election Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00
5625 · Employee Service Awards	0.00	316.67	0.0%	2,328.93	2,849.99	81.72%	3,800.00
5630 · Software Maintenance & Licenses	13,370.46	13,750.00	97.24%	85,083.85	123,750.00	68.76%	165,000.00
5640 · Interest Expense	65,621.62	60,963.08	107.64%	590,594.58	548,667.76	107.64%	731,557.00
5645 · Janitorial	4,233.79	2,816.67	150.31%	29,288.79	25,349.99	115.54%	33,800.00
5650 · Legal	13,377.64	8,333.33	160.53%	115,893.56	75,000.01	154.53%	100,000.00
5655 · Meets, Conventions & Travel	1,613.99	3,250.00	49.66%	25,786.14	29,250.00	88.16%	39,000.00
5657 · Meets, Con & Travel - Directors	3,796.12	2,474.16	153.43%	25,371.10	22,267.52	113.94%	29,690.00
5660 · Office Supplies	1,259.95	1,650.00	76.36%	14,561.13	14,850.00	98.06%	19,800.00
5670 · Postage	177.08	1,708.33	10.37%	2,654.77	15,375.01	17.27%	20,500.00
5675 · Printing & Reproduction	1,131.38	1,500.00	75.43%	6,920.76	13,500.00	51.27%	18,000.00
5680 · Property Tax	166.30	458.33	36.28%	4,036.86	4,125.01	97.86%	5,500.00
5685 · Public Education & Outreach	7,284.04	12,500.00	58.27%	67,747.05	112,500.00	60.22%	150,000.00
5690 · Publications & Subscriptions	0.00	250.00	0.0%	153.50	2,250.00	6.82%	3,000.00
5695 · Communications	9,512.46	8,795.00	108.16%	84,007.53	79,155.00	106.13%	105,540.00
5700 · Utilities	1,298.38	1,583.34	82.0%	17,694.08	14,249.98	124.17%	19,000.00
Total Expense	1,875,010.58	2,200,022.22	85.23%	19,606,789.15	20,856,063.95	94.01%	27,904,628.00
Net Income							
	<u>294,734.34</u>	<u>-82,996.72</u>	<u>-35.12%</u>	<u>664,507.47</u>	<u>-227,933.18</u>	<u>-291.54%</u>	<u>-256,454.00</u>

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

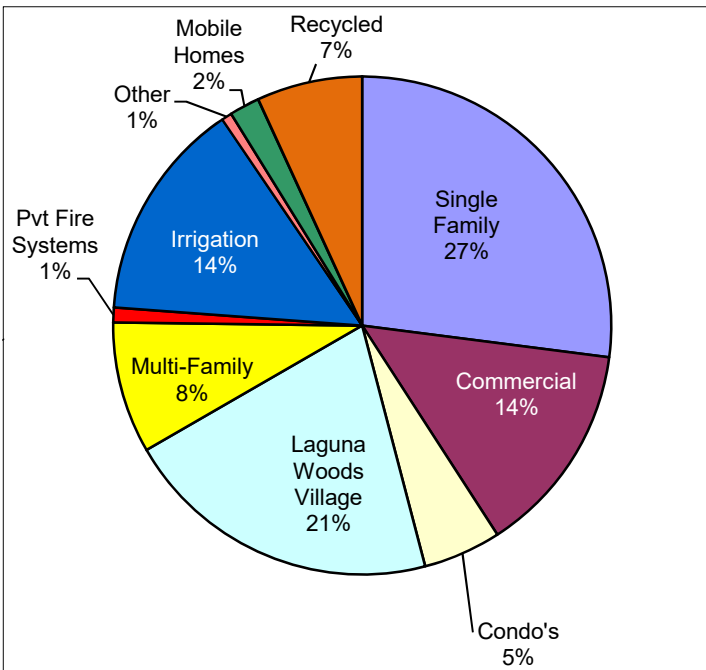
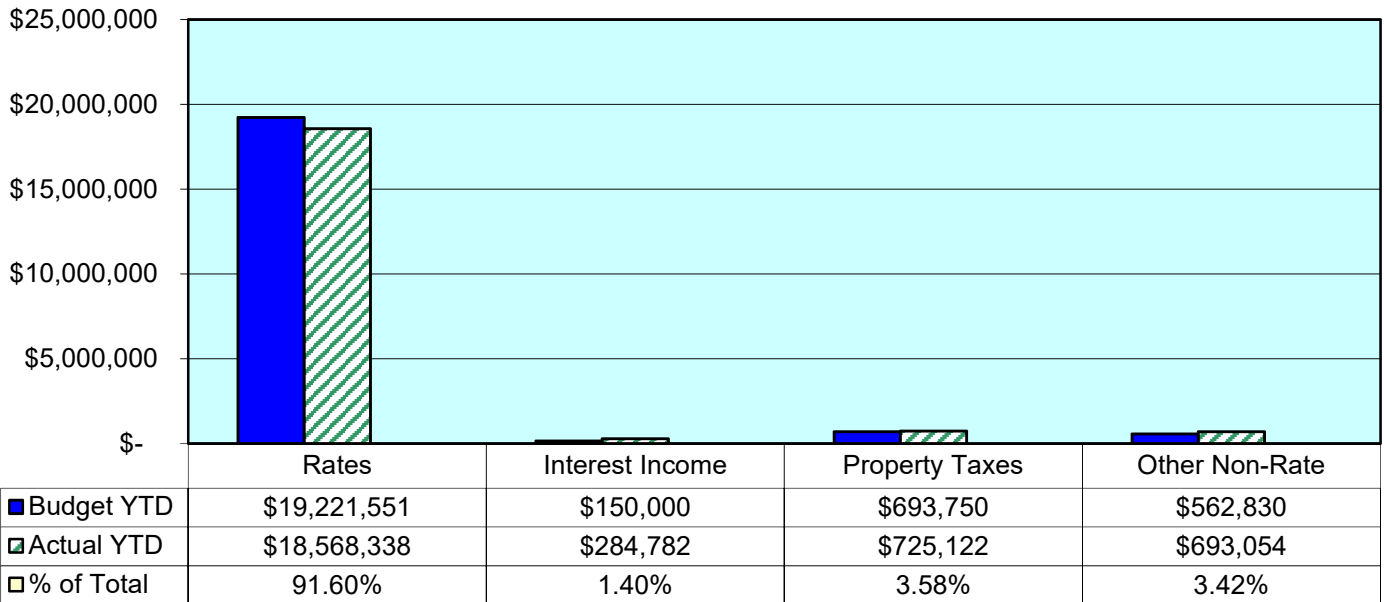


**ANALYSIS OF REVENUES & EXPENSES
BUDGET COMPARED TO ACTUAL
FISCAL YEAR 2019/2020**

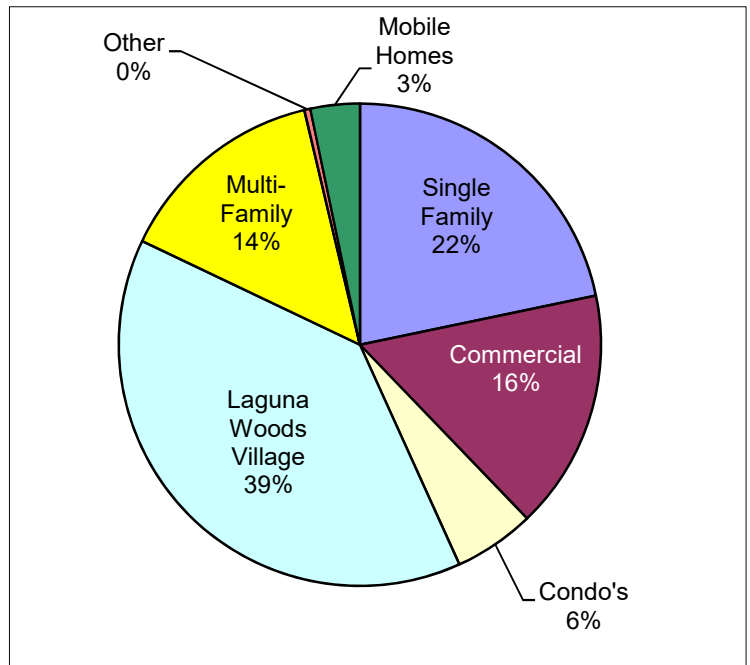
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget												
Revenue	2,586,223	2,665,941	2,431,150	2,477,021	2,207,515	2,157,163	2,037,661	1,948,431	2,117,026			
Expense	2,514,586	2,568,034	2,410,622	2,441,375	2,260,690	2,226,932	2,146,813	2,086,991	2,200,022			
Profit/Loss	71,637	97,908	20,528	35,646	(53,174)	(69,769)	(109,153)	(138,560)	(82,997)	0	0	0
Actual												
Revenue	2,510,117	2,623,770	2,383,674	2,549,780	2,232,142	2,065,618	1,844,446	1,892,004	2,169,745			
Expense	2,146,058	2,388,030	2,454,694	2,236,133	2,213,388	1,997,714	2,342,233	1,953,528	1,875,011			
Profit/Loss	364,059	235,739	(71,020)	313,647	18,754	67,904	(497,787)	(61,523)	294,734	0	0	0

EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 3/31/20

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 March 31, 2020**

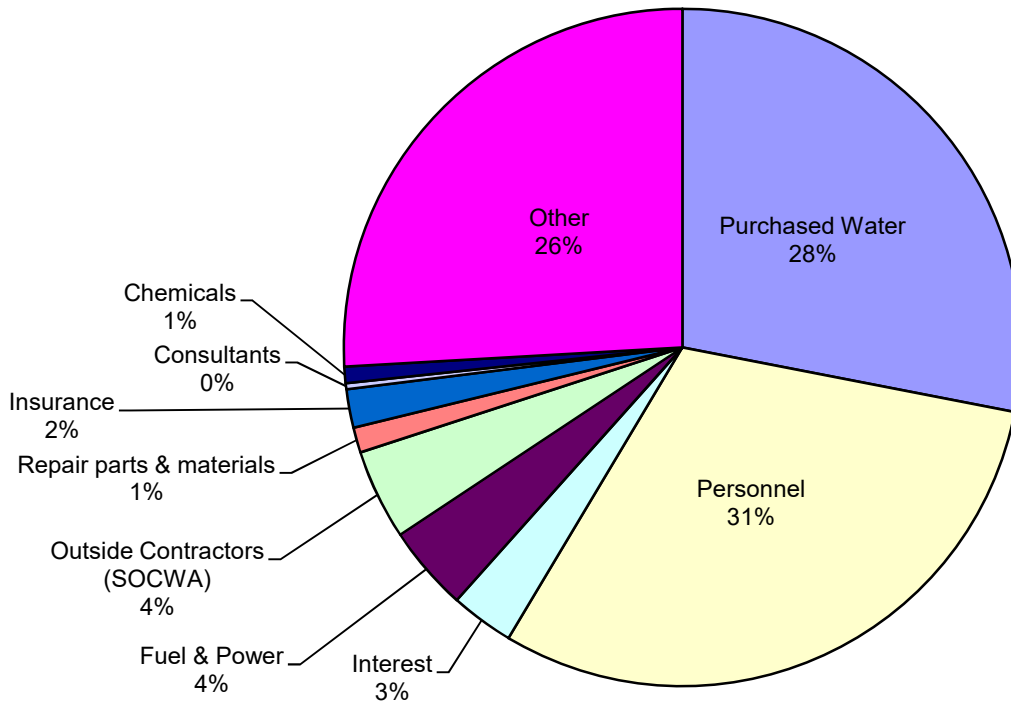
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,248	\$ 251,221	\$ (973)	0%	\$ 2,255,106	\$ 2,260,992	\$ (5,886)	0%	\$ 3,014,656	\$ 759,550
Water sales - Commodity	650,094	621,271	28,824	5%	6,631,694	6,925,824	(294,131)	-4%	9,356,441	2,724,747
Water sales - Fixed Meter	305,369	301,792	3,577	1%	2,730,400	2,716,128	14,272	1%	3,621,504	891,104
Waste water sales	626,567	647,917	(21,350)	-3%	5,786,231	5,831,250	(45,019)	-1%	7,775,000	1,988,769
Recycled water tertiary sales	63,809	111,979	(48,170)	-43%	976,285	1,248,326	(272,041)	-22%	1,686,426	710,141
Service charge - Recycled water	21,787	26,559	(4,771)	-18%	188,622	239,030	(50,408)	-21%	318,707	130,085
TOTAL FROM RATES	1,917,875	1,960,739	(42,864)	-2%	18,568,338	19,221,551	(653,213)	-3%	25,772,734	7,204,396
<u>Non-rate Revenue</u>										
Admin fee	2,376	1,600	776	49%	22,089	14,400	7,689	53%	19,200	(2,889)
48 Hour notice fee	-	2,451	(2,451)	-100%	14,205	22,062	(7,857)	-36%	29,416.44	15,211
Restoration fee	-	370	(370)	-100%	1,950	3,330	(1,380)	-41%	4,440	2,490
Unpaid check fee	70	150	(80)	-53%	1,140	1,350	(210)	-16%	1,800	660
Cut lock fee	-	12	(12)	-100%	100	108	(8)	-7%	144	44
TOTAL NON-RATE	2,446	4,583	(2,137)	-47%	39,484	41,250	(1,767)	-4%	55,000	15,517
<u>Other Revenue</u>										
Interest	30,224	16,667	13,558	81%	284,782	150,000	134,782	90%	200,000	(84,782)
Change FMV Investment	3,061	-	3,061	0%	28,335	-	28,335	0%	-	(28,335)
Property taxes	78,809	77,083	1,726	2%	725,122	693,750	31,372	5%	925,000	199,878
Other	137,330	46,667	90,662	194%	514,050	420,000	94,050	22%	560,000	45,950
TOTAL OTHER REVENUE	249,424	140,417	109,007	78%	1,552,289	1,263,750	288,539	23%	1,685,000	132,711
<u>Contract Service</u>										
Santa Margarita W. D.	-	9,333	(9,333)	-100%	90,808	84,000	6,808	8%	112,000	21,192
Moulton Niguel W. D.	-	1,953	(1,953)	-100%	20,377	17,580	2,798	16%	23,440	3,063
TOTAL CONTRACT SERVICES	-	11,287	(11,287)	-100%	111,185	101,580	9,605	9%	135,440	24,255
TOTAL REVENUE	\$ 2,169,745	\$ 2,117,026	\$ 52,719	2%	\$ 20,271,297	\$ 20,628,131	\$ (356,834)	-2%	\$ 27,648,174	\$ 7,376,878

**EL TORO WATER DISTRICT
NON-RATE REVENUE ANALYSIS
FOR THE MONTH ENDING March 31, 2020**

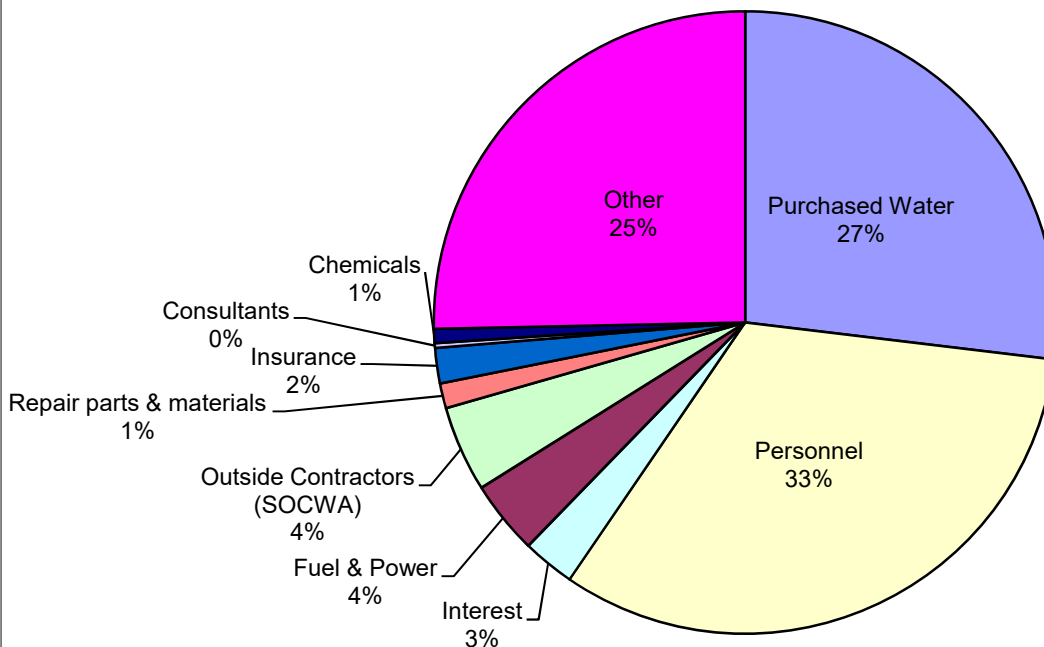
	Mar-20 Actual	Mar-20 Budget	Jul 19- Mar 20 YTD Actual	Jul 19- Mar 20 YTD Budget
Site Leases	27,833	19,167	181,093	172,500
MWD Recycled Water LRP Rebate	1,750	25,833	204,000	232,500
JPIA Refund	96,058	-	96,058	-
SOCWA Refund	10,677	-	28,035	-
Recycled Metal	697	-	2,170	-
Diesel Fuel Tax Refund	314	-	420	-
Misc Work for Customers	-	1,667	2,275	15,000
	<u>\$ 137,330</u>	<u>\$ 46,667</u>	<u>\$ 514,050</u>	<u>\$ 420,000</u>
Other Operating Income				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
Total	<u>137,330</u>		<u>514,050</u>	

WHERE THE MONEY GOES

YTD EXPENSES AT 3/31/20



EXPENSES YEAR ENDING 6/30/19



EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended March 31, 2020

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Operating Expenses</u>										
Personnel cost	\$663,166	\$712,174	\$49,007	7%	\$5,986,908	\$6,409,562	\$422,655	7%	\$8,546,083	2,559,175
Purchased water	347,634	544,799	197,164	36%	5,499,895	5,959,055	459,160	8%	8,041,949	2,542,054
Electrical power	80,250	93,783	13,534	14%	800,262	844,050	43,788	5%	1,125,400	325,138
Repair parts & materials	27,981	35,861	7,881	22%	235,315	322,749	87,434	27%	430,332	195,017
Equipment repairs & maintenance	4,852	10,260	5,409	53%	113,225	92,344	(20,881)	-23%	123,125	9,900
Pump repairs & maintenance	0	9,483	9,483	100%	55,284	85,350	30,066	35%	113,800	58,516
Motor repairs & maintenance	3,131	2,192	(939)	-43%	11,862	19,725	7,863	40%	26,300	14,438
Electrical repairs & maintenance	20,040	5,971	(14,069)	-236%	54,785	53,737	(1,047)	-2%	71,650	16,865
Meter repairs & maintenance	0	667	667	100%	460	6,000	5,540	92%	8,000	7,540
Chemicals	10,809	17,450	6,641	38%	151,195	157,050	5,855	4%	209,400	58,205
Structure repairs & maintenance	2,389	2,524	134	5%	38,895	22,713	(16,182)	-71%	30,284	(8,611)
Asphalt repairs & maintenance	0	7,717	7,717	100%	43,553	69,450	25,897	37%	92,600	49,047
Consultants - outside	3,565	5,317	1,752	33%	56,388	47,850	(8,538)	-18%	63,800	7,412
Contractors - outside	80,223	101,658	21,435	21%	844,764	914,925	70,161	8%	1,219,900	375,136
Engineers - outside	4,129	6,333	2,204	35%	63,023	57,000	(6,023)	-11%	76,000	12,977
Dump fees	282	1,333	1,051	79%	6,955	12,000	5,045	42%	16,000	9,045
Laboratories	1,548	2,992	1,444	48%	30,250	26,925	(3,325)	-12%	35,900	5,650
License & permits	2,113	12,533	10,420	83%	97,404	112,795	15,391	14%	150,393	52,989
Automotive fuel & oil	7,235	7,917	681	9%	81,055	71,250	(9,805)	-14%	95,000	13,945
Equipment rental	696	1,675	979	58%	14,057	15,075	1,018	7%	20,100	6,043
Landscaping	6,114	12,273	6,159	50%	82,190	110,456	28,267	26%	147,275	65,085
Small tools & equipment	6,064	5,833	(230)	-4%	51,538	52,500	962	2%	70,000	18,462
Security	0	1,588	1,588	100%	11,171	14,291	3,120	22%	19,055	7,884
Operating supplies	10,914	4,333	(6,580)	-152%	43,888	39,000	(4,888)	-13%	52,000	8,112
Safety equipment	795	1,692	897	53%	13,167	15,225	2,058	14%	20,300	7,133
Temporary help	3,657	3,042	(615)	-20%	20,769	27,375	6,606	24%	36,500	15,731
Other employee cost	2,409	7,442	5,033	68%	84,044	66,975	(17,069)	-25%	89,300	5,256
Employee service awards	0	317	317	100%	2,329	2,850	521	18%	3,800	1,471
Education & training	17,861	3,583	(14,277)	-398%	45,503	32,250	(13,253)	-41%	43,000	(2,503)
Total Operating Expenses	1,307,855	1,622,740	314,885	19%	14,540,133	15,660,527	1,120,395	7%	20,977,246	6,437,113

EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended March 31, 2020

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Indirect Cost</u>										
Depreciation	363,675	372,500	8,825	2%	3,273,075	3,352,500	79,425	2%	4,470,000	1,196,925
Amortization	570	571	0	0%	5,134	5,138	3	0%	6,850	1,716
Insurance	24,703	46,480	21,777	47%	361,350	418,316	56,966	14%	557,755	196,405
Retiree Medical Insurance	22,222	0	(22,222)	0%	44,444	0	(44,444)	0%	0	(44,444)
Data processing supplies & assoc.	1,013	1,917	904	47%	21,884	17,250	(4,634)	-27%	23,000	1,116
Data processing equipment	2,339	3,000	661	22%	23,457	27,000	3,543	13%	36,000	12,543
Data processing consultants	1,800	6,250	4,450	71%	27,372	56,250	28,878	51%	75,000	47,628
Software maintenance & licenses	13,370	13,750	380	3%	85,084	123,750	38,666	31%	165,000	79,916
Janitorial	4,234	2,817	(1,417)	-50%	29,289	25,350	(3,939)	-16%	33,800	4,511
Printing & reproduction	1,131	1,500	369	25%	6,921	13,500	6,579	49%	18,000	11,079
Publications & subscriptions	0	250	250	100%	154	2,250	2,097	93%	3,000	2,847
Communications - voice	934	3,333	2,399	72%	14,421	30,000	15,579	52%	40,000	25,579
Communications - data	5,126	3,289	(1,837)	-56%	42,117	29,603	(12,514)	-42%	39,470	(2,647)
Communications - mobile	3,452	2,173	(1,279)	-59%	27,469	19,553	(7,917)	-40%	26,070	(1,399)
Utilities	1,298	1,583	285	18%	17,694	14,250	(3,444)	-24%	19,000	1,306
Total Indirect Cost	445,869	459,412	13,543	3%	3,979,864	4,134,709	154,844	4%	5,512,945	1,533,081
<u>Overhead Cost</u>										
Annual events	0	500	500	100%	5,136	4,500	(636)	-14%	6,000	864
Audit	5,000	2,500	(2,500)	-100%	27,500	22,500	(5,000)	-22%	30,000	2,500
Bad debts	250	1,667	1,416	85%	6,509	15,000	8,491	57%	20,000	13,491
Bank charges	4,837	4,750	(87)	-2%	44,594	42,750	(1,844)	-4%	57,000	12,406
Directors fees	10,731	9,167	(1,564)	-17%	89,033	82,500	(6,533)	-8%	110,000	20,967
Dues & memberships	7,171	7,783	611	8%	66,414	70,043	3,628	5%	93,390	26,976
Election Expense	0	0	0	0%	0	0	0	0%	0	0
Interest	65,622	60,963	(4,659)	-8%	590,595	548,668	(41,927)	-8%	731,557	140,962
Legal	13,378	8,333	(5,044)	-61%	115,894	75,000	(40,894)	-55%	100,000	(15,894)
Meetings, conventions & travel	1,614	3,250	1,636	50%	25,786	29,250	3,464	12%	39,000	13,214
Meets, con & travel - Directors	3,796	2,474	(1,322)	-53%	25,371	22,268	(3,104)	-14%	29,690	4,319
Office supplies	1,260	1,650	390	24%	14,561	14,850	289	2%	19,800	5,239
Postage	177	1,708	1,531	90%	2,655	15,375	12,720	83%	20,500	17,845
Property taxes	166	458	292	64%	4,037	4,125	88	2%	5,500	1,463
Advertising & Publicity	0	167	167	100%	960	1,500	540	36%	2,000	1,040
Public education & outreach	7,284	12,500	5,216	42%	67,747	112,500	44,753	40%	150,000	82,253
Total Overhead Cost	121,286	117,870	(3,417)	-3%	1,086,792	1,060,828	(25,964)	-2%	1,414,437	327,645
TOTAL EXPENSES	\$1,875,011	\$2,200,022	\$325,012	15%	\$19,606,789	\$20,856,064	\$1,249,275	6%	\$27,904,628	\$8,297,839



STAFF REPORT

TO: BOARD OF DIRECTORS

MEETING DATE: April 20, 2020

FROM: Dennis Cafferty, General Manager

SUBJECT: Cash Reserve Policy Statement

Staff performs an annual review of the District Cash Policy and makes recommendations for changes.

The recommended revisions to the Cash Reserve Policy include clarifications, terminology updates and procedural updates to make the Policy consistent with the District's financial operations and tracking procedures. There are no recommendations to change the defined reserve levels.

A redline version of the document, identifying the proposed changes, as well as a clean version of the updated Cash Reserve Policy are enclosed.

RECOMMENDATION

Recommended Action: Staff recommends adopting Resolution No. 20-4-1 which amends the Districts Cash Reserve Policy Statement 1994-12 (IV).

RESOLUTION NO. 20-4-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF EL TORO WATER DISTRICT
WHICH AMENDS THE DISTRICT'S
CASH RESERVE POLICY STATEMENT 1994-12 (IV)

RESOLUTION NO. 20-4-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
AMENDING IN IT'S ENTIRETY
POLICY STATEMENT 1994-12 (IV)
"CASH RESERVE POLICY"

WHEREAS, the Board of Directors of the El Toro Water District desires to amend its existing policy with regard to Cash Reserve Policy;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

Policy Statement – Cash Reserve Policy 1994-12 (IV) is hereby amended, approved and adopted in the form and content attached to this Resolution marked Exhibit "A";

ADOPTED, SIGNED AND APPROVED this 20th day of April 2020.

(SEAL)

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

ATTEST

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

Prepared by: Staff	EL TORO WATER DISTRICT POLICY STATEMENT 1994-12 (IV) CASH RESERVE POLICY	Pages 1 of 5 Item 9 Section IV
Approved by: Board of Directors		Date: 03-28- <u>1704/20/20</u> Revision: 17 <u>18</u>

The District maintains the following three categories of reserves.

- Legally Restricted Reserves
- Board Mandated Reserves
- Board Restricted Reserves

Legally Restricted Reserves

The District is required to establish, maintain, and restrict certain Cash reserves to comply with contractual and/or legal obligations (“Legally Restricted Reserves”). Accordingly, the District reserves Cash from operational revenues and various other sources to restrict cash as necessary to fulfill the following reserve requirements.

- A. Bond Reserve Investment:** Bond Indentures (including ~~the~~ State Revolving Fund Loans) require that the District establish and maintain certain reserve funds as established by the ~~debt service~~ loan agreements. These amounts will change from year to year as annual debt service requirements change, bonds are retired and new bonds are issued.
- B. Capital Facility Fee:** State law requires that the District establish, maintain and separately account for Capital Facility fees collected from customers. Funds are held in reserve until disbursed for the designated purpose.

Superseded by Resolution: 94-6-1	Date: 06/16/94
Superseded by Resolution: 95-2-2	Date: 02/12/95
Superseded by Resolution: 96-7-1	Date: 07/18/96
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Superseded by Resolution: 01-6-2	Date: 06/21/01
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Prepared by: Staff	EL TORO WATER DISTRICT POLICY STATEMENT 1994-12 (IV) CASH RESERVE POLICY	Pages 2 of 5 Item 9 Section IV
Approved by: Board of Directors		Date: 03-28- 1704/20/20 Revision: 1718

Board Mandated Reserves

The Board mandated reserves are maintained for funding basic needs of the District, including revenue shortfalls, unplanned expenses or unanticipated risks (“Rate Stabilization” and “Operating” Reserves). Also included in Board Mandated Reserves are the Board mandated minimum funds utilized to support monthly cash flow (“Working Capital”) and cash ear-marked for funding the Capital Replacement and Refurbishment Restoration Program (“Capital Reserves”).

Reserves may be amended or closed by the Board provided such action does not impair any obligation that has been incurred by the District. Upon completion of a project for which a reserve exists, the General Manager shall close that reserve after all work has been completed and all other costs have been paid. Unused reserve balances shall be returned to Working Capital. All reserves shall be reviewed at least annually to determine the status of work and changes. The General Manager shall report annually to the Board on the status of reserves to permit the Board to consider which, if any, of such reserves should remain open, should ~~or~~ be closed or should have their minimum levels adjusted.

The General Manager is authorized to restrict the source of funds for reserves to pay for capital programs or other contractual or legal obligations. The General Manager shall report quarterly to the Board all changes in sources of funding from those restricted at the time of approval of the reserve.

Reserves should be maintained at a level that will provide for financial security required of a fiscally responsible local government. The minimum level of Board Mandated reserves has been deemed to be \$8,500,000 excluding contractual or legal obligations. Interest earned on those funds held in reserve will be deemed unreserved and be utilized as a source of revenue to meet the needs of the operating budget. If reserves are drawn below contractual or legal requirements or the minimum level established by this policy, the reserves would be replenished from Working Capital to the extent available, operating revenues or other revenue or cash flow sources as required. If Working Capital, operating revenues or other revenue or cash flow sources are not immediately sufficient to replenish any reserve that has been drawn below the minimum reserve level the General Manager shall present the Board with a plan to replenish the reserve.

Prepared by: Staff	EL TORO WATER DISTRICT POLICY STATEMENT 1994-12 (IV) CASH RESERVE POLICY	Pages 3 of 5 Item 9 Section IV
Approved by: Board of Directors		Date: 03-28- 17 04/20/20 Revision: 17 18

<u>Board Mandated Reserves</u>	<u>Minimum Level</u>
Capital Reserves	\$ 3,000,000
Rate Stabilization Reserve	\$ 2,200,000
Operating Reserves	\$ 1,300,000
Working Capital	<u>\$ 2,000,000</u>
TOTAL	<u>\$ 8,500,000</u>

Board Mandated Reserve Description/Purpose

- A. **Capital Reserve**: (approx. 100% of average annual capital expenditures) This reserve is established to provide a funding source for the Long Term Capital Replacement and ~~Refurbishment~~ Restoration Program "Capital R&R Program". In addition, it is a source of funds to meet construction project progress payments for planned or unplanned capital replacement and restoration projects that for which other financing sources ~~do are not immediately~~ adequate. ~~ly provide for planned or unplanned capital restoration and replacement projects.~~

Typically capital expenditures are funded out of the current year collections of the water, sewer and recycled water Capital Replacement and ~~Refurbishment~~ Restoration charge ("Capital R & R Charge"). To the extent that the current year Capital R & R Charge collections are not sufficient to cover capital expenditures for a particular year, then the District relies on capital reserves. If current annual Capital R & R Charge collections plus capital reserves are not sufficient to cover the District's five-year capital expenditure program, then the District will investigate alternative funding sources and/or rate adjustments.

It is the District's intent to fund capital expenditures out of current cash flows and to have adequate capital reserves to assure total funding of the District's ongoing five-year ~~capital Restoration and Replacement~~ Capital R & R Program. The determination of the ~~capital~~ Capital reserve ~~Reserve~~ will be as follows:

Prepared by: Staff	EL TORO WATER DISTRICT POLICY STATEMENT 1994-12 (IV) CASH RESERVE POLICY	Pages 4 of 5 Item 9 Section IV
Approved by: Board of Directors		Date: 03-28- 17 04/20/20 Revision: 17 18

1) Funds available from Capital R & R Charge collections, based on the District's current year operating budget, will be projected for the five-year period.

2) Funds carried over from previous fiscal years Capital R & R Charge collections for projects that have not yet been completed, have been cancelled or have been completed under budget.

2)3) Capital expenditures, as included in the operating budget, will be projected for the five-year period.

The Capital Reserve will be the difference between the funds available (items 1 and 2) and the funds required (item 23) but not less than \$3 million.

B. Rate Stabilization Reserve: (approx. 7.5% to 15% of annual O & M cost, excluding depreciation.) This reserve is established to provide a source of funds when unusually wet weather or drought restrictions cause water sales to fall below levels used to prepare the budget for the year in question or when unusual conditions result in revenue shortfalls. In addition, the rate stabilization reserve will provide necessary funds in those years where budgeted revenues from all sources is not sufficient to meet budgeted expenses.

C. Operating Reserves: (approx. 5% to 10% of annual O & M cost, excluding depreciation.) This reserve is established to provide a source of funds to ensure continual operations as follows:

- Other revenue sources fall short of expectations. (i.e. interest income, property taxes, etc.)
- Budget overages are experienced; such as the need to complete major repairs to critical operating equipment when such equipment was not scheduled for major repair.
- SOCWA operations and/or capital expenditures that exceed the budgeted amounts.
- Needed repairs that may be necessary to restore operations after a natural disaster. As a public agency providing a vital service to the community, the District cannot afford to be inoperable for an extended period of time.

D. Working Capital: ~~(approx. 7.5% to 10% of annual O & M cost, excluding depreciation.)~~ In order to ensure adequate operating cash the District will

Prepared by: Staff	EL TORO WATER DISTRICT POLICY STATEMENT 1994-12 (IV) CASH RESERVE POLICY	Pages 5 of 5 Item 9 Section IV
Approved by: Board of Directors		Date: 03-28- 17 04/20/20 Revision: 17 18

maintain Working Capital funds equal to at least 1 month of cash flow requirements (O&M costs excluding depreciation). Reserve funds in excess of the Board Mandated Reserves, not otherwise designated as Legally Restricted, Board Restricted or Capital Reserves, will be considered as Working Capital.

Board Restricted Reserves

Conservation/Water Supply Reserve: The amount of this restricted reserve varies based upon Tier III and Tier IV water sales less the water supply and delivery rate component. This reserve is established to provide a source of revenue to fund Conservation efforts and development of Water Supply Resources (Conservation/Water Supply Reserves) as follows:

- The conservation program inclusive of personnel, outreach, newsletters, website support and any other efforts dedicated to supporting, encouraging and promoting water conservation.
- To enhance, expand and/or add to customer water use efficiency rebate programs in which the District participates in or initiates.
- To fund the investigation, study, design and construction of Recycled Water Treatment and Delivery Projects.
- To fund supplemental revenue as necessary to balance the revenues and operational expenses of the Recycled Water Enterprise.
- To fund the investigation, study, design and construction of Supplemental Potable Water Supply Projects.

Baker Funding Reserve: A portion of the revenue generated from the ~~water~~ Water Capital R&R Charge ~~capital charge~~ will be used to fund a portion of the debt associated with the Baker Water Treatment Plant project in the amount of \$500,000. ~~A-This~~ portion of the Water Capital R&R ~~charge~~ Charge revenue is accumulated in the Baker Funding Reserve to be used when the Baker Water Treatment Plant loan payments ~~is~~ are due.

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STAFF REPORT

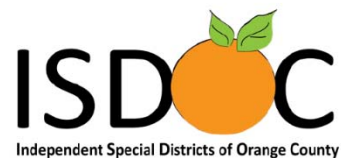
TO: BOARD OF DIRECTORS

MEETING DATE: April 20, 2020

FROM: Dennis Cafferty, General Manager

SUBJECT: LAFCO Dues Reapportionment

An ISDOC Ad Hoc Committee recently endeavored to update the ISDOC LAFCO dues structure to allocate the Special District portion of the LAFCO budget. The dues formula had not been updated since 2001 and was deemed by some agencies to be inequitable.



The detail of the Ad Hoc Committee's objectives, process and recommendation are described in the attached letter, dated February 24, 2020, to the ISDOC Members from Sandra Jacobs, ISDOC President.

The analysis and cost impact defined in the letter were based on an assumed 3% increase in the LAFCO fiscal year 2019-20 revenue requirement. On March 11, 2020 LAFCO published a proposed fiscal year 2020-21 budget that is higher than the assumptions made in the February 24 letter.



The LAFCO dues table, incorporating the Ad Hoc Committee recommendation has been updated accordingly and is attached. The following breakdown identifies the impact of the proposed change to ETWD resulting from both the LAFCO budget and the proposed change in the dues calculation.

LAFCO 2020-21 Fiscal Year Budget	\$1,310,930
County, Cities, Special District Apportionment	\$1,169,500
Special District Apportionment (ISDOC)	\$389,833
ETWD 2020 Dues	\$20,078
ETWD 2021 Dues – Previous Allocation Formula	\$21,937
ETWD 2021 Dues – Proposed Allocation Formula	\$24,019
ETWD Dues Increase – Budget Increase	\$1,859
ETWD Dues Increase – Formula Change	\$2,082
ETWD Total Dues Increase	\$3,941

The District's total dues are expected to increase in 2021 by \$3,941. However, only \$2,082 of the increase is the direct result of the restructuring of the Special District dues formula.

The ISDOC Executive Committee voted unanimously to approve the Ad Hoc Committee recommendation for a new LAFCO dues structure to pay the Special District portion of the LAFCO budget.

RECOMMENDATION

Recommended Action: Staff recommends the Board of Directors authorize the General Manager to Vote "Yes" on the proposed LAFCO Dues Reapportionment for Special Districts and submit the ballot to ISDOC.



February 24, 2020

Dear Members,

The ISDOC Executive Committee voted unanimously to approve the Ad Hoc committee recommendation for a new LAFCO dues structure to pay for our Special District portion of the LAFCO budget.

As a brief background, the ISDOC dues formula has not been updated since 2001. As such, several inequities in the dues apportionment were brought to the attention of the ISDOC Executive Committee by Director Nederhood with Yorba Linda Water District.

The Ad Hoc committee was formed to review a new dues structure. After numerous meetings and dues structure iterations, the Ad Hoc committee selected a Revenues-Based Factoring formula that will adjust as Special District revenues increase.

The recommended dues calculation builds upon the methodology that was originally adopted and implemented in 2001. In developing the proposed approach, the Ad Hoc committee wished to achieve the following objectives:

- Balance an agency's ability to pay with its share of service received from LAFCO;
- Limit significant cost shifts between agencies; and
- Create a methodology that was dynamic and easy to administer by LAFCO staff.

The committee recognized that non-enterprise agencies, which are primarily supported by property taxes, have less ability to increase revenues to account for higher dues. The committee also acknowledged that larger, enterprise agencies might not receive a greater share of services from LAFCO merely due the fact that they have greater annual revenues. These two factors, along with the requirement to proportionally allocate costs under Proposition 26, guided the committee's approach and its recommended methodology. The full methodology and spreadsheet are attached to this letter.

Lastly, the Ad Hoc committee recommended that this dues structure be reviewed every 5 years.

Today we ask for your support of this new dues formula and 5-year review. If approved by a majority of the membership, this formula would take effect in FY 2021-22. If a majority of the membership vote No, the current formula remains in place.

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

(714) 963-3058
(714) 964-5930 fax

www.mwdoc.com/isdoc

Executive Committee

President

Hon. Sandra Jacobs
Santa Margarita Water District

1st Vice President

Hon. Mark Monin
El Toro Water District

2nd Vice President

Hon. Arlene Schafer
Costa Mesa Sanitary District

3rd Vice President

Hon. Mary Aileen Matheis
Irvine Ranch Water District

Secretary

Hon. William "Bill" Green
South Coast Water District

Treasurer

Hon. Joan C. Finnegan
Municipal Water District of Orange County

Immediate Past President

Hon. James Fisler
Mesa Water District

Staff Administration

Heather Baez

Municipal Water District of Orange County

Christina Hernandez

Municipal Water District of Orange County

I would like to personally thank the Ad Hoc committee members for all their hard work, time and diligence to this matter: First and foremost Director Al Nederhood with Yorba Linda Water District who tirelessly pursued this change for nearly 2 years; General Manager Mike Dunbar with Emerald Bay CSD who was at the table in 2001 and brought with him historic knowledge and current know-how to move us forward; Director Bill Nelson Orange County Cemetery District & Orange County Vector Control represented non-enterprise districts, and staff from Santa Margarita Water District CFO Robb Grantham and Mesa Water District CFO Marwan Khalifa both of whom were our financial heavy-hitters and made sure our formulas made sense.

Your vote to support this new dues structure will be greatly appreciated.

Thank you.

Saundra F. Jacobs

Saundra F. Jacobs, President ISDOC, Ad Hoc Committee Chair, and Director, Santa Margarita Water District

METHODOLOGY

Consistent with the 2001 dues, the proposed methodology groups agencies into non-enterprise and enterprise categories. These general groups were further subdivided based on total annual revenues. For non-enterprise agencies, the Ad Hoc committee recommended four groups based on annual revenues. For enterprise agencies, the committee recommended ten revenue groups. Based on the assigned agency type and revenue, each group was assigned a revenue factor, which is used to apportion annual dues. The following tables illustrate the revenue groupings and assigned factors.

Non-Enterprise Agencies		
Group Min	Group Max	Factor
\$ -	\$ 999,999	0.1
\$ 1,000,000	\$ 4,999,999	0.5
\$ 5,000,000	\$ 9,999,999	0.75
\$ 10,000,000		1

Enterprise Agencies		
Group Min	Group Max	Factor
\$ -	\$ 999,999	0.1
\$ 1,000,000	\$ 1,999,999	1
\$ 2,000,000	\$ 4,999,999	2
\$ 5,000,000	\$ 9,999,999	3
\$ 10,000,000	\$ 19,999,999	4
\$ 20,000,000	\$ 39,999,999	5
\$ 40,000,000	\$ 79,999,999	6
\$ 80,000,000	\$ 159,999,999	7
\$ 160,000,000	\$ 239,999,999	8
\$ 240,000,000		9

The committee wishes to implement a methodology that is easy to administer and update annually. Using revenue factors helps to achieve this objective. The assigned factor is based on annual revenues. As an agency's revenue grows, the agency is then moved into the next revenue group, that agency will then be assigned a higher revenue factor.

Each year, the allocation of the LAFCO Special District dues will be allocated based on each agency's percentage share of the revenue factors as shown in the following formula.

$$\text{LAFCO Dues} \div \text{Sum of Total Revenue Factors} \times \text{Agency Revenue Factor}$$

For Fiscal Year 2021, the total dues to be collected from the Special Districts is estimated to be \$367,504. Based on the Revenue Groupings, the total Revenue Factors is 81.15. For each Revenue Factor of 1.0, an agency would have annual dues of \$4,529, or \$367,504 ÷ 81.15.

The following table shows the recommended revenue factors, the current LAFCO dues for 2020, and the estimated dues for FY 2021. To note, as of the writing of this memorandum, the latest revenues available from the State Controller's website are for 2017. Additionally, for the purpose of illustration, the FY 2021 dues are assumed to be 3% higher than the FY 2020 total dues.

A larger spreadsheet is also attached to this letter.

LAFCO Dues by Agency				Annual Dues ⁽¹⁾ : \$ 367,504			
#	District	Revenue 2017	Recommended Revenue Based Factors	Percentage Share of Annual Dues	FY 2020 Dues	Estimated 2021 LAFCO Dues	Change from Previous Year
1	Silverado-Modjeska Rec & Park	\$312,556	0.1	0.12%	500	453	(47)
2	Surfside Colony Stormwater	\$312,929	0.1	0.12%	500	453	(47)
3	Rossmoor-Los Alamitos Sewer District	\$479,985	0.1	0.12%	500	453	(47)
4	Surfside Colony CSD	\$797,129	0.1	0.12%	500	453	(47)
5	Capistrano Bay CSD	\$1,151,362	0.5	0.62%	2,000	2,264	264
6	Rossmoor CSD	\$1,377,917	0.5	0.62%	2,000	2,264	264
7	Three Arch Bay CSD	\$1,859,915	0.5	0.62%	2,000	2,264	264
8	Emerald Bay CSD	\$2,188,987	0.5	0.62%	9,775	2,264	(7,511)
9	Buena Park Library	\$2,362,865	0.5	0.62%	2,000	2,264	264
10	Placentia Library	\$2,675,129	0.5	0.62%	2,000	2,264	264
11	Orange County Cemetery	\$5,988,529	0.75	0.92%	2,000	3,397	1,397
12	Orange County Vector Control	\$13,682,024	1	1.23%	2,000	4,529	2,529
13	Sunset Beach Sanitary District	\$1,083,390	1	1.23%	9,775	4,529	(5,246)
14	Serrano Irrigation District	\$6,045,914	3	3.70%	14,794	13,586	(1,208)
15	East Orange County Water	\$6,286,331	3	3.70%	14,794	13,586	(1,208)
16	Midway City Sanitary	\$9,685,641	3	3.70%	20,078	13,586	(6,492)
17	Trabuco Canyon Water District	\$11,320,583	4	4.93%	20,078	18,115	(1,963)
18	Costa Mesa Sanitary District	\$12,041,937	4	4.93%	20,078	18,115	(1,963)
19	El Toro Water District	\$27,600,993	5	6.16%	20,078	22,643	2,565
20	Mesa Water	\$31,150,322	5	6.16%	26,419	22,643	(3,775)
21	Yorba Linda Water	\$35,160,485	5	6.16%	26,419	22,643	(3,775)
22	South Coast Water District	\$36,197,754	5	6.16%	26,419	22,643	(3,775)
23	Moulton Niguel Water District	\$87,485,580	7	8.63%	26,419	31,701	5,282
24	Santa Margarita Water District	\$104,567,483	7	8.63%	26,419	31,701	5,282
25	MWDOC	\$163,412,555	8	9.86%	26,419	36,230	9,811
26	OCWD	\$165,150,987	8	9.86%	26,419	36,230	9,811
27	Irvine Ranch Water District	\$215,481,000	8	9.86%	26,419	36,230	9,811
			81.15	100.00%	356,800	367,504	
(1) Revenue requirement based on FY 2020 dues plus 3 percent							

LAFCO Dues by Agency

Annual Dues: \$389,833.33

#	District	Revenue 2017	Recommended Revenue Based Factors	Percentage Share of Annual Dues	Previous Dues	Estimated 2000-2021 LAFCO Dues	Change from Previous Year
1	Silverado-Modjeska Rec & Park	\$312,556	0.1	0.12%	500	480	(20)
2	Surfside Colony Stormwater	\$312,929	0.1	0.12%	500	480	(20)
3	Rossmoor-Los Alamitos Sewer District	\$479,985	0.1	0.12%	500	480	(20)
4	Surfside Colony CSD	\$797,129	0.1	0.12%	500	480	(20)
5	Capistrano Bay CSD	\$1,151,362	0.5	0.62%	2,000	2,402	402
6	Rossmoor CSD	\$1,377,917	0.5	0.62%	2,000	2,402	402
7	Three Arch Bay CSD	\$1,859,915	0.5	0.62%	2,000	2,402	402
8	Emerald Bay CSD	\$2,188,987	0.5	0.62%	9,775	2,402	(7,373)
9	Buena Park Library	\$2,362,865	0.5	0.62%	2,000	2,402	402
10	Placentia Library	\$2,675,129	0.5	0.62%	2,000	2,402	402
11	Orange County Cemetery	\$5,988,529	0.75	0.92%	2,000	3,603	1,603
12	Orange County Vector Control	\$13,682,024	1	1.23%	2,000	4,804	2,804
13	Sunset Beach Sanitary District	\$1,083,390	1	1.23%	9,775	4,804	(4,971)
14	Serrano Irrigation District	\$6,045,914	3	3.70%	14,794	14,412	(383)
15	East Orange County Water	\$6,286,331	3	3.70%	14,794	14,412	(383)
16	Midway City Sanitary	\$9,685,641	3	3.70%	20,078	14,412	(5,667)
17	Trabuco Canyon Water District	\$11,320,583	4	4.93%	20,078	19,215	(863)
18	Costa Mesa Sanitary District	\$12,041,937	4	4.93%	20,078	19,215	(863)
19	El Toro Water District	\$27,600,993	5	6.16%	20,078	24,019	3,941
20	Mesa Water	\$31,150,322	5	6.16%	26,419	24,019	(2,399)
21	Yorba Linda Water	\$35,160,485	5	6.16%	26,419	24,019	(2,399)
22	South Coast Water District	\$36,197,754	5	6.16%	26,419	24,019	(2,399)
23	Moulton Niguel Water District	\$87,485,580	7	8.63%	26,419	33,627	7,208
24	Santa Margarita Water District	\$104,567,483	7	8.63%	26,419	33,627	7,208
25	MWDOC	\$163,412,555	8	9.86%	26,419	38,431	12,012
26	OCWD	\$165,150,987	8	9.86%	26,419	38,431	12,012
27	Irvine Ranch Water District	\$215,481,000	8	9.86%	26,419	38,431	12,012
			81.15	100.00%	356,800	389,833	

Non-Enterprise Agencies		
Group Min	Group Max	Factor
\$ -	\$ 999,999	0.1
\$ 1,000,000	\$ 4,999,999	0.5
\$ 5,000,000	\$ 9,999,999	0.75
\$ 10,000,000		1

Enterprise Agencies		
Group Min	Group Max	Factor
\$ -	\$ 999,999	0.1
\$ 1,000,000	\$ 1,999,999	1
\$ 2,000,000	\$ 4,999,999	2
\$ 5,000,000	\$ 9,999,999	3
\$ 10,000,000	\$ 19,999,999	4
\$ 20,000,000	\$ 39,999,999	5
\$ 40,000,000	\$ 79,999,999	6
\$ 80,000,000	\$ 159,999,999	7
\$ 160,000,000	\$ 239,999,999	8
\$ 240,000,000		9

INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

LAFCO DUES REAPPORTIONMENT FOR SPECIAL DISTRICTS

The Question:

"Does your special district approve the updated LAFCO dues structure for Special Districts?"

How to Vote:

Please cast your vote by using an "X" on the line next to "Yes" or "No" below.

_____ YES

_____ NO

DISTRICT NAME

SIGNATURE OF VOTING REPRESENTATIVE

Ballots must be received no later than 5 p.m. April 24, 2020.

You may return your ballot by mail or email to:

Heather Baez
P.O. Box 20895
Fountain Valley, CA 92728
Attention: ISDOC
OR Email: hbaez@mwdoc.com



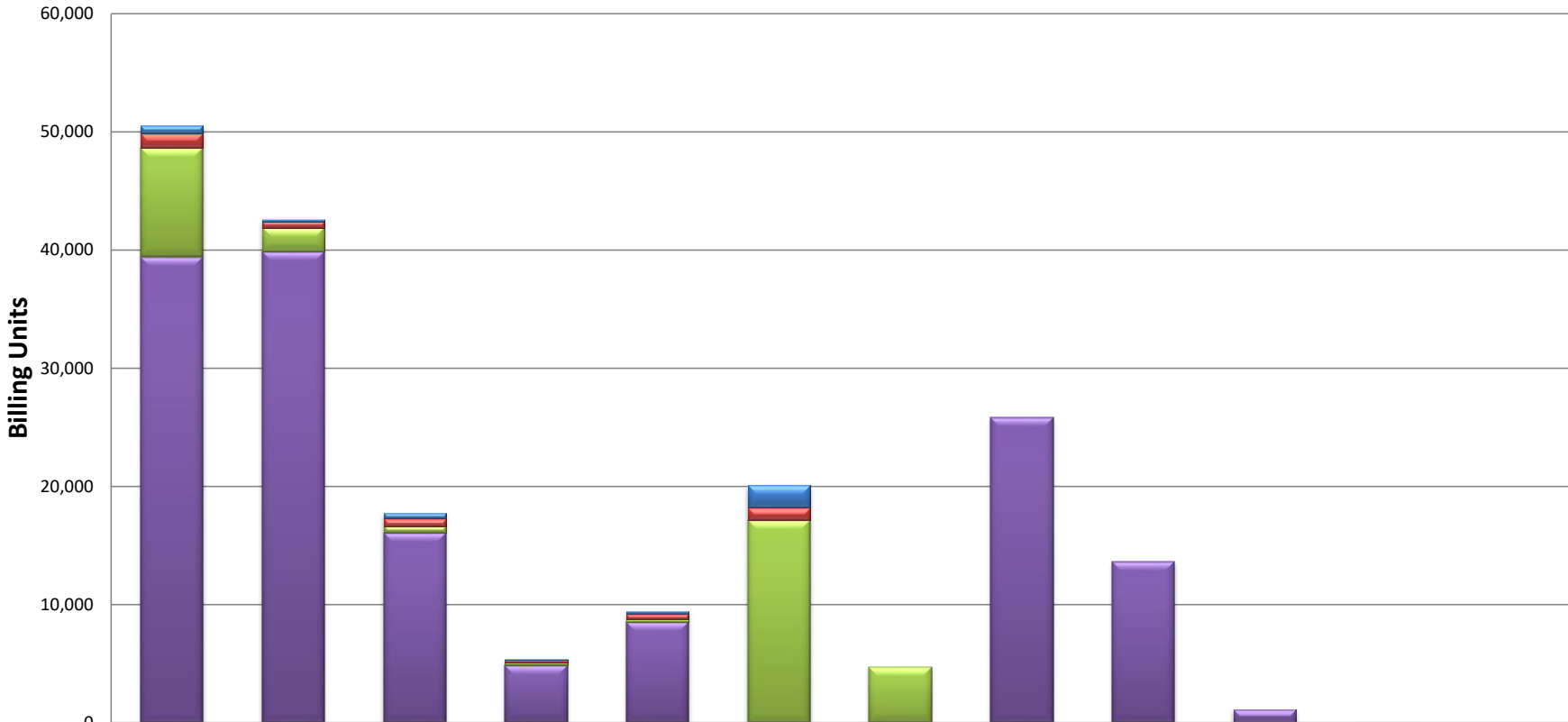
BUDGET SCHEDULE

FY 2020/2021

DESCRIPTION	DATE	DAY
E, F & I Budget Update	4/20/2020	Mon
Board Budget Committee #1	4/28/2020	Tues
Board Budget Committee #2	5/11/2020	Mon
E, F & I Budget Update	5/25/2020	Mon
Board Budget Workshop	6/9/2020	Tues
Budget Approval	6/22/2020	Mon
Distribute Prop 218 Notice	7/6/2020	Mon
Publish Public Hearing Notice - Newspaper	8/3/2020	Mon
Conduct Public Hearing - Regular Board Meeting	8/27/2020	Thurs
Implement Board Action	9/1/2020	Tues

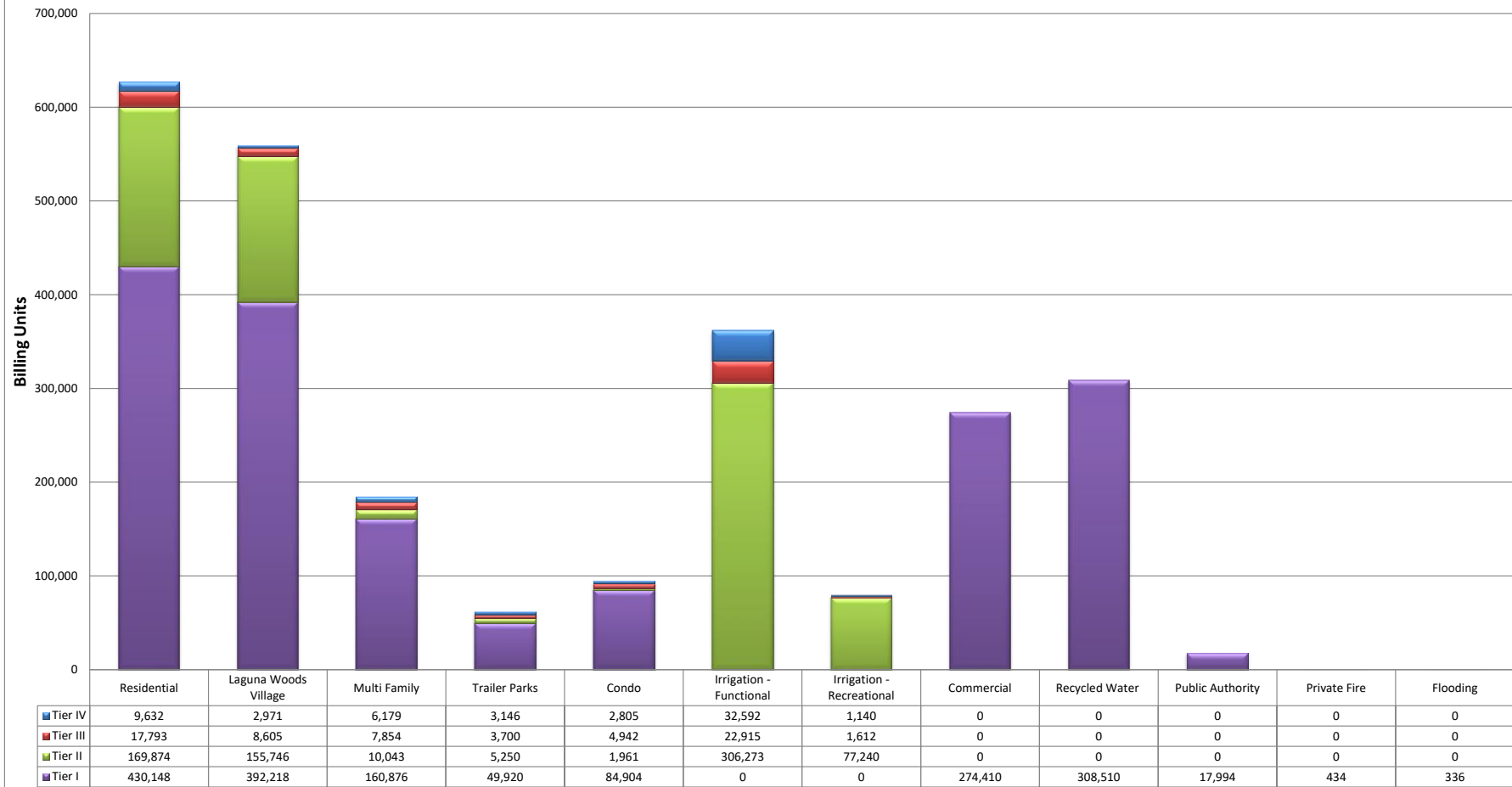
Note: Board Budget Committee #1, Committee #2, and Workshop are at 7:30 am

March 2020 Water Sales

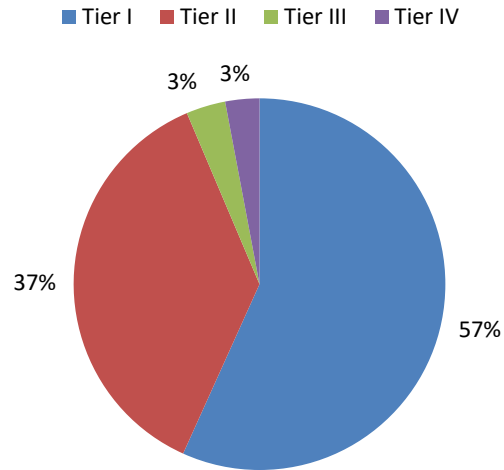


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	669	173	484	71	201	1,881	0	0	0	0	0	0
■ Tier III	1,263	521	622	195	462	1,029	6	0	0	0	0	0
■ Tier II	9,176	2,060	601	267	202	17,162	4,724	0	0	0	0	0
■ Tier I	39,449	39,851	16,055	4,842	8,547	0	0	25,842	13,633	1,117	48	6

Year-to-Date Water Sales as of March 2020

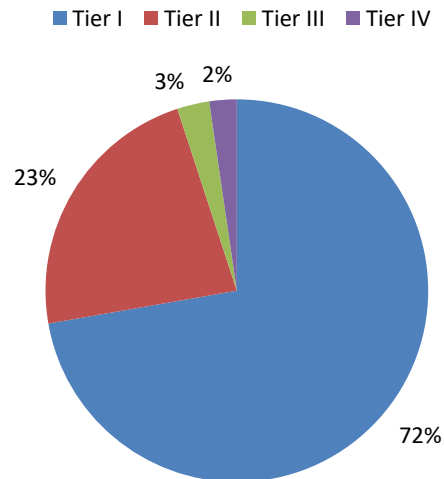


Year to Date Tiered Sales As of March 2020



Year To Date Sales in ccf		
Tier I	1,118,066	56.74%
Tier II	726,387	36.87%
Tier III	67,421	3.42%
Tier IV	58,465	2.97%
	1,970,339	100.00%

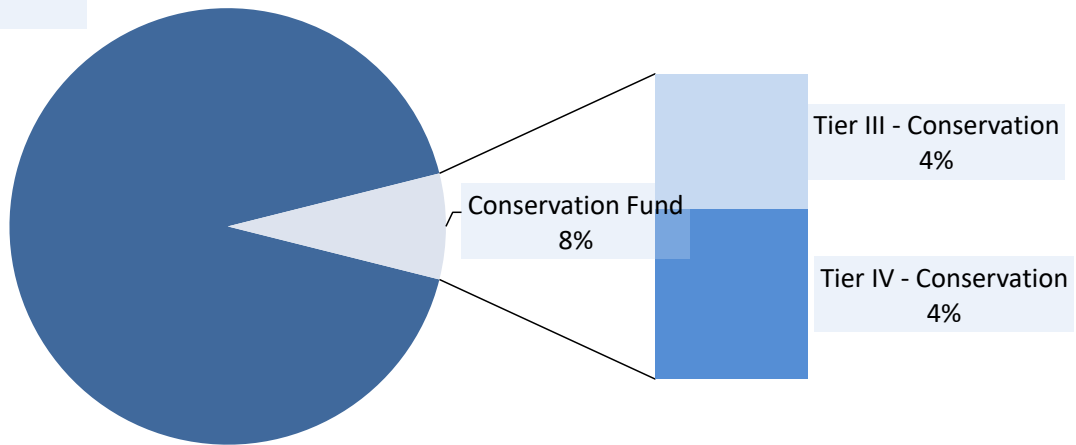
March 2020 Tiered Sales



Current Month Sales in ccf		
Tier I	108,744	72.25%
Tier II	34,192	22.72%
Tier III	4,098	2.72%
Tier IV	3,479	2.31%
	150,513	100.00%

Year to Date Water Sales as of March 2020

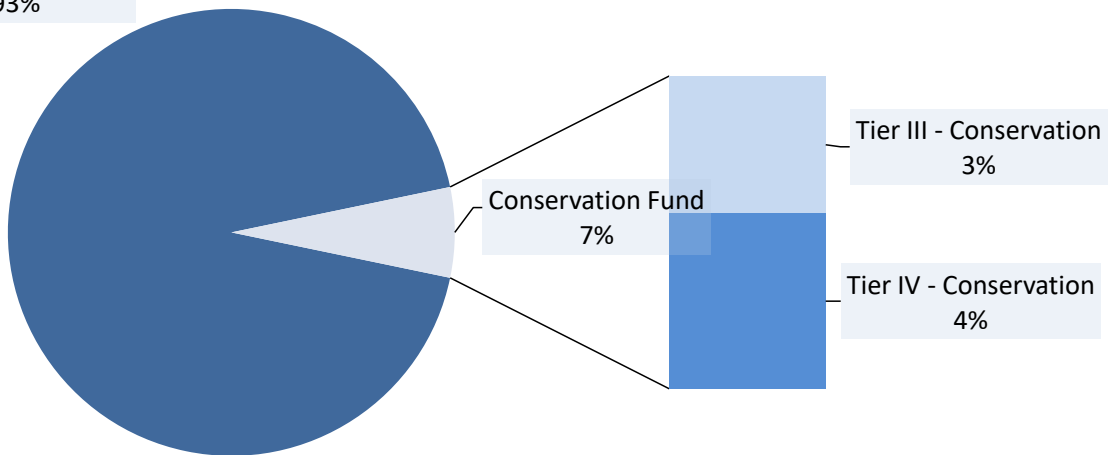
Water Delivery Cost
92%



Category	Billings	Percentage
Water Delivery Cost	\$5,429,337.90	92.18%
Tier III - Conservation	\$204,959.84	3.48%
Tier IV - Conservation	\$255,480.87	4.34%
	\$5,889,778.61	100.00%

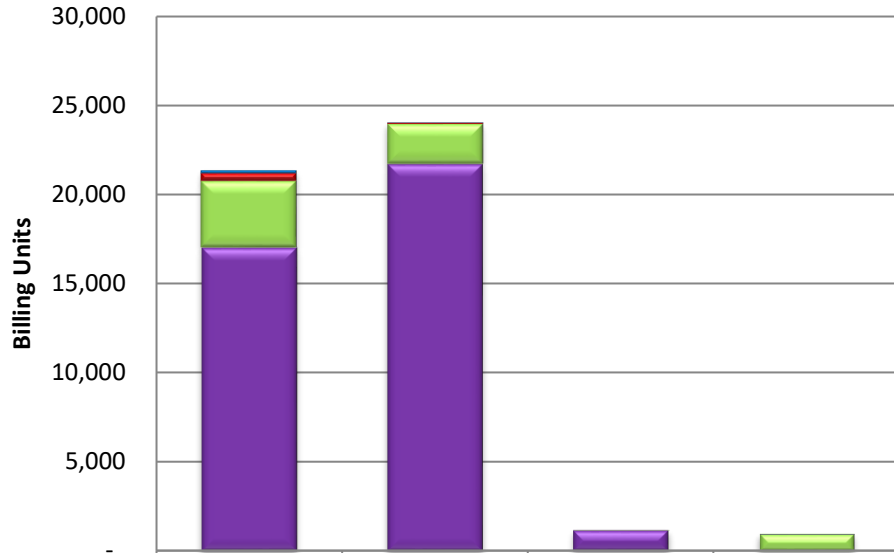
March 2020 Water Sales

Water Delivery Cost
93%



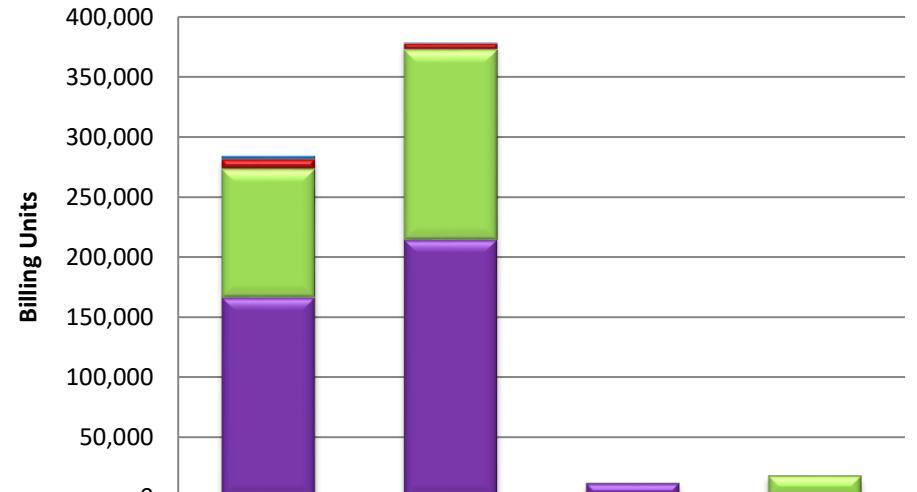
Category	Billings	Percentage
Water Delivery Cost	\$406,329.05	93.48%
Tier III - Conservation	\$12,457.92	2.87%
Tier IV - Conservation	\$15,869.36	3.65%
	\$434,656.33	100.00%

Laguna Woods Village March 2020 Water Sales



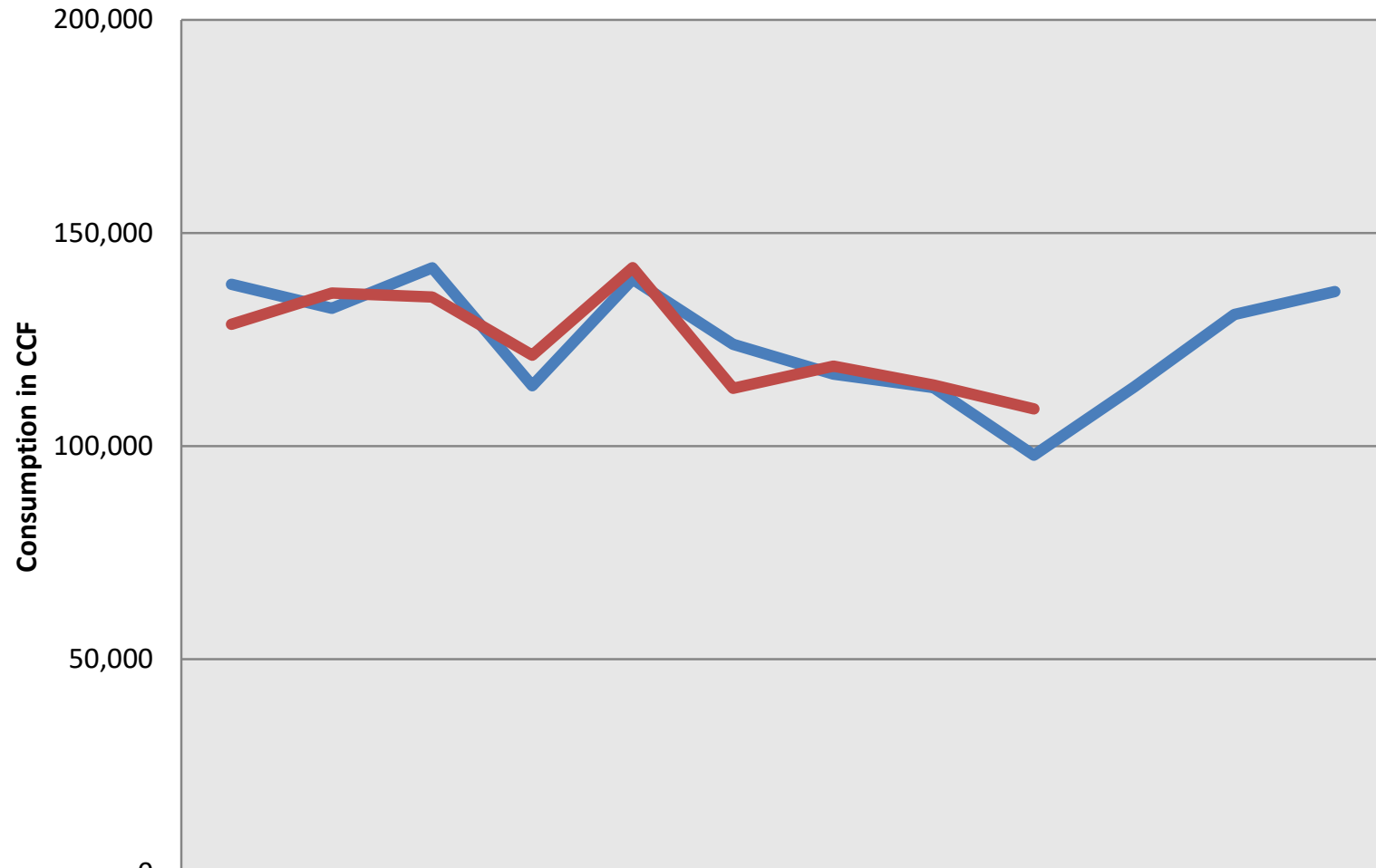
	Third	United	Mutual 50	GRF
Tier 4	165	8	-	11
Tier 3	447	74	-	4
Tier 2	3,741	2,237	1	959
Tier 1	16,996	21,675	1,180	-

Laguna Woods Village Year-to-Date Water Sales March 2020



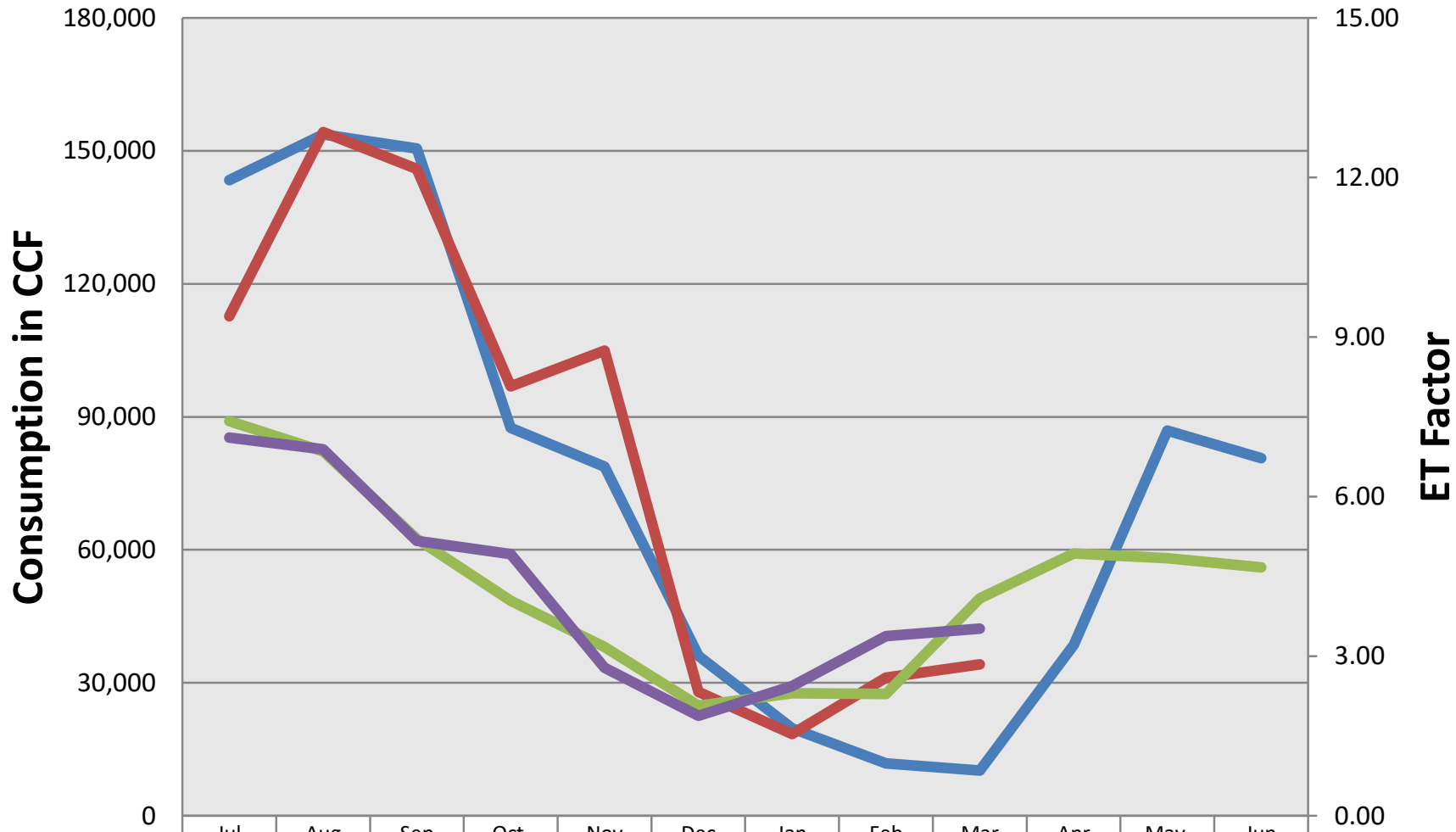
	Third	United	Mutual 50	GRF
Tier 4	2,486	675	2	93
Tier 3	7,769	4,389	223	364
Tier 2	107,237	158,640	135	17,961
Tier 1	166,135	214,227	11,856	0

Tier I Consumption



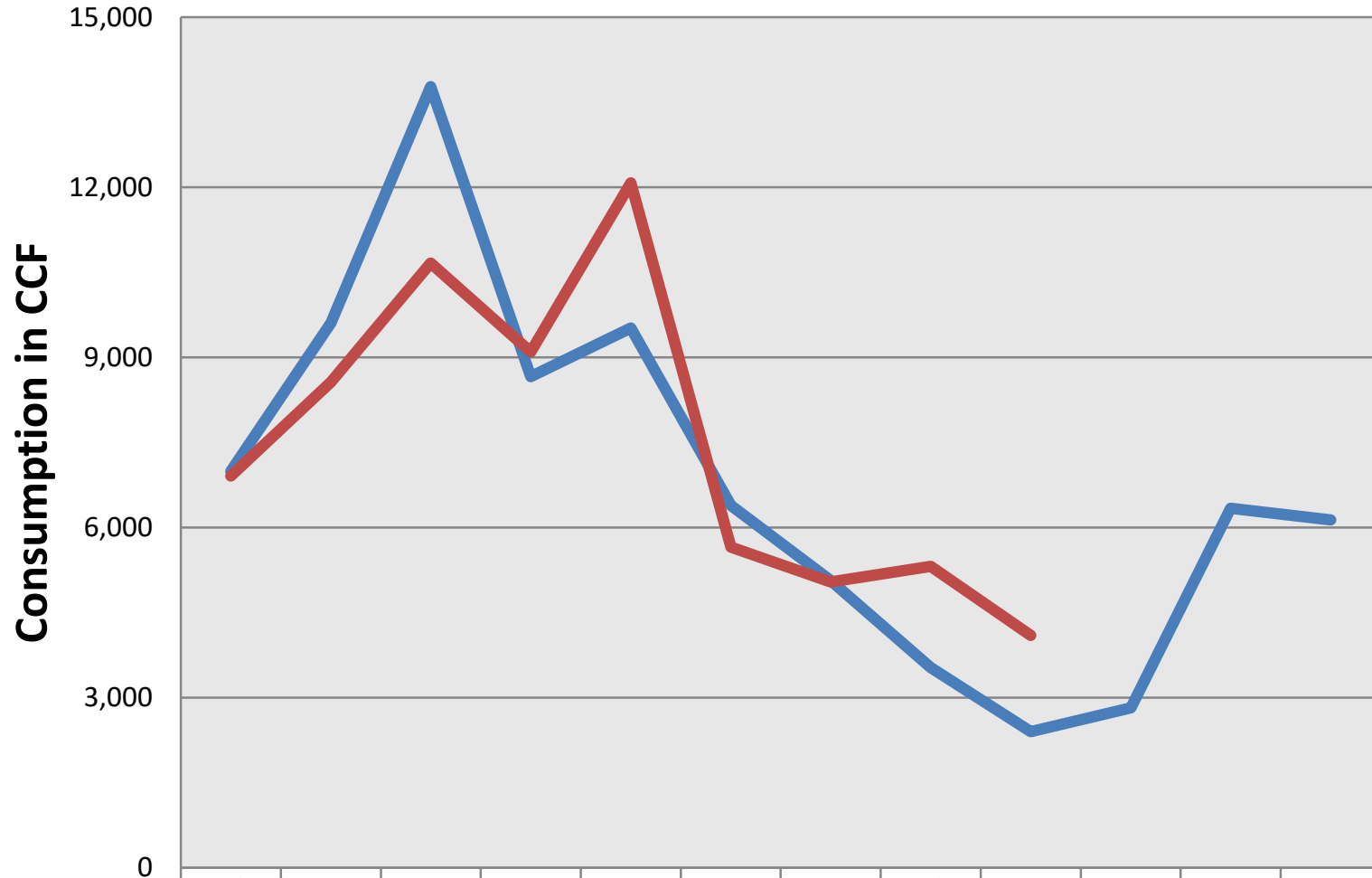
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	137,942	132,362	141,843	114,216	139,130	123,888	116,895	113,728	97,880	113,892	130,856	136,272
2019-2020	128,554	135,906	134,987	121,297	141,878	113,574	118,788	114,338	108,744			

Tier II Consumption



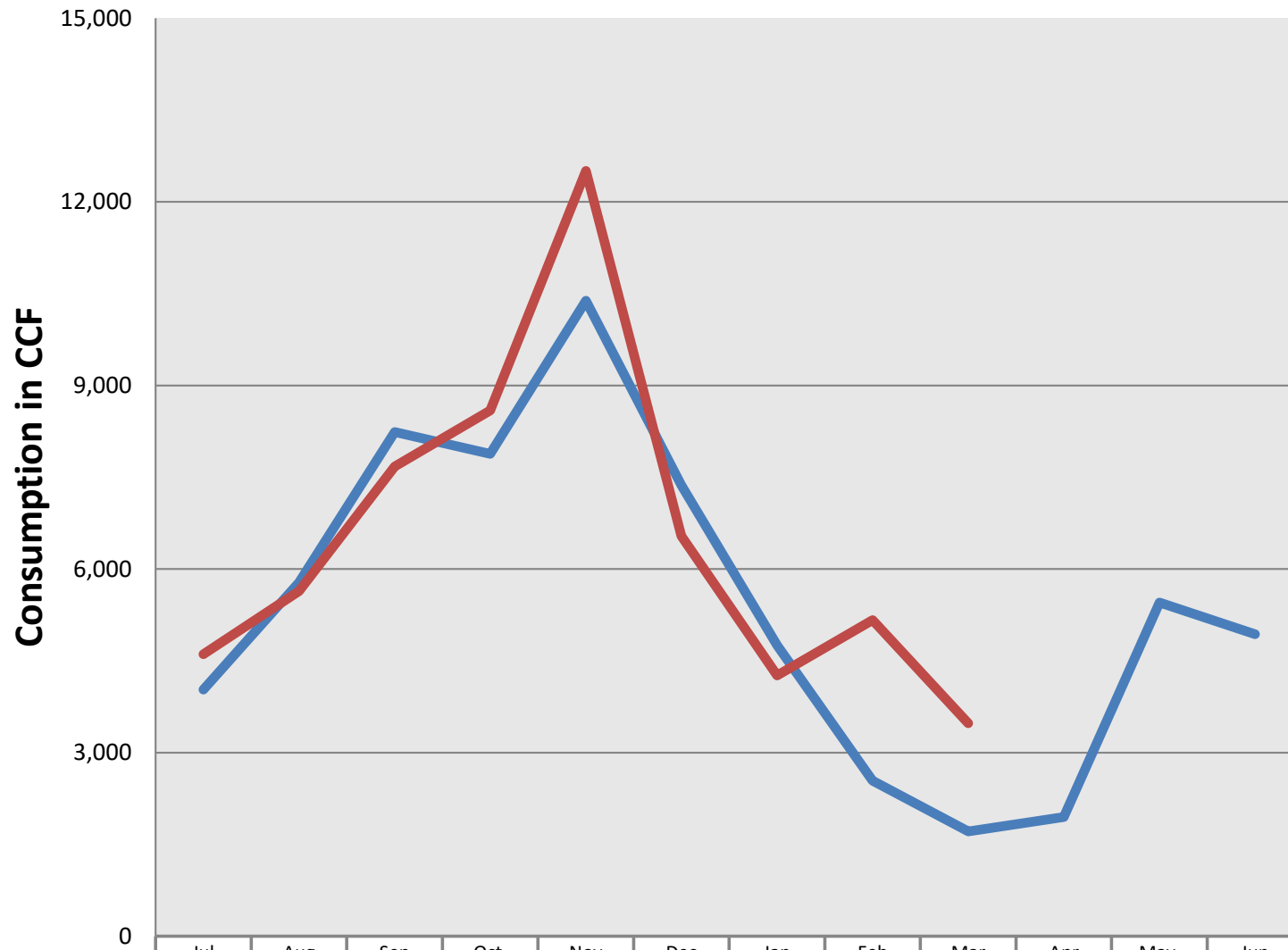
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	143,435	153,711	150,513	87,549	78,787	36,095	19,755	11,856	10,206	38,497	86,912	80,692
2019-2020	112,695	154,237	145,968	96,862	104,906	27,914	18,449	31,164	34,192			
18/19 ET	7.42	6.85	5.21	4.04	3.17	2.07	2.30	2.29	4.09	4.93	4.84	4.67
19/20 ET	7.11	6.89	5.17	4.92	2.78	1.88	2.44	3.38	3.52			

Tier III Consumption



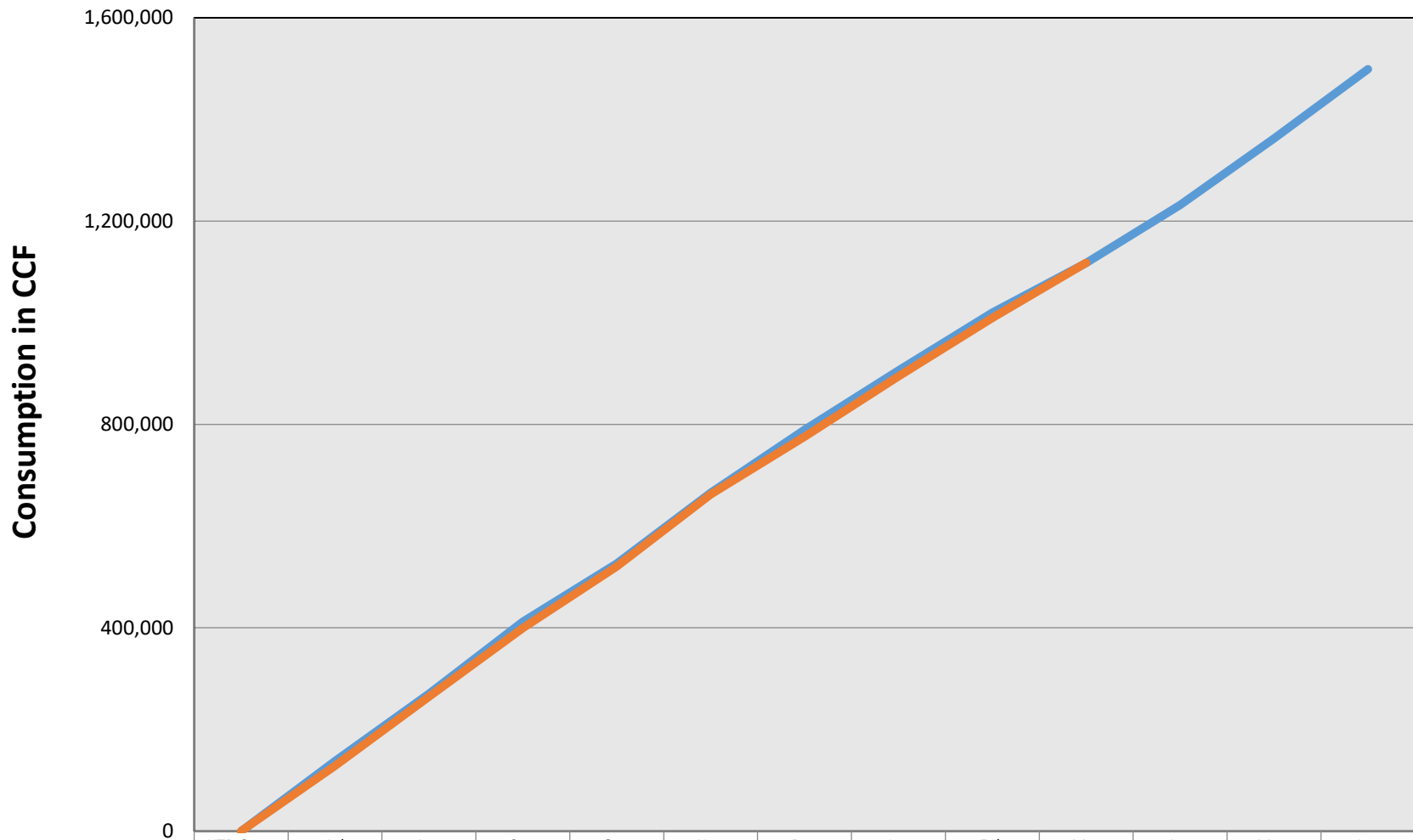
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	6,994	9,606	13,775	8,664	9,520	6,389	5,069	3,533	2,401	2,818	6,339	6,135
2019-2020	6,910	8,567	10,664	9,094	12,078	5,654	5,038	5,318	4,098			

Tier IV Consumption



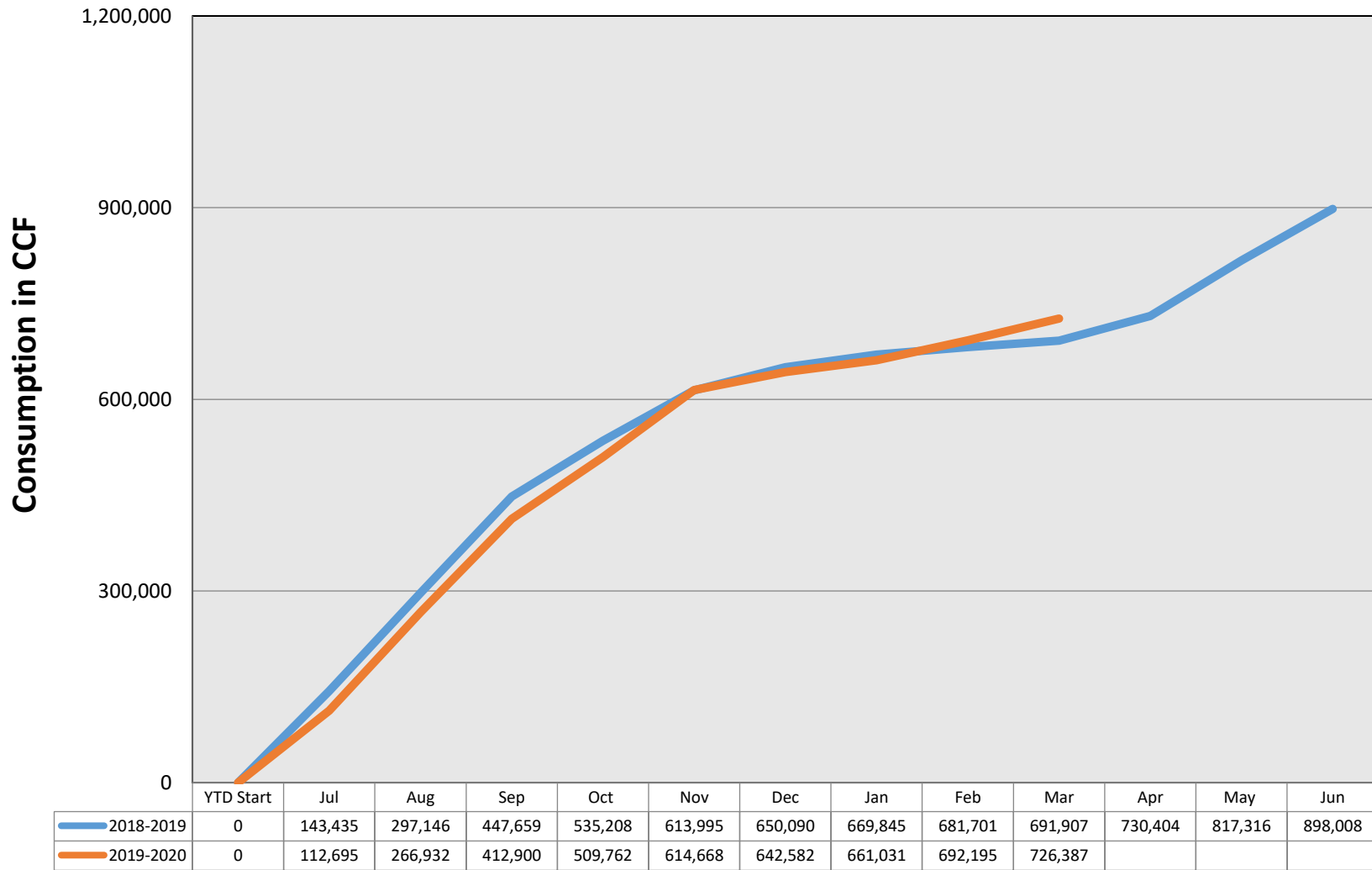
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	4,028	5,777	8,236	7,879	10,384	7,370	4,752	2,539	1,712	1,945	5,454	4,936
2019-2020	4,608	5,639	7,676	8,591	12,505	6,539	4,262	5,166	3,479			

Tier I YTD Consumption

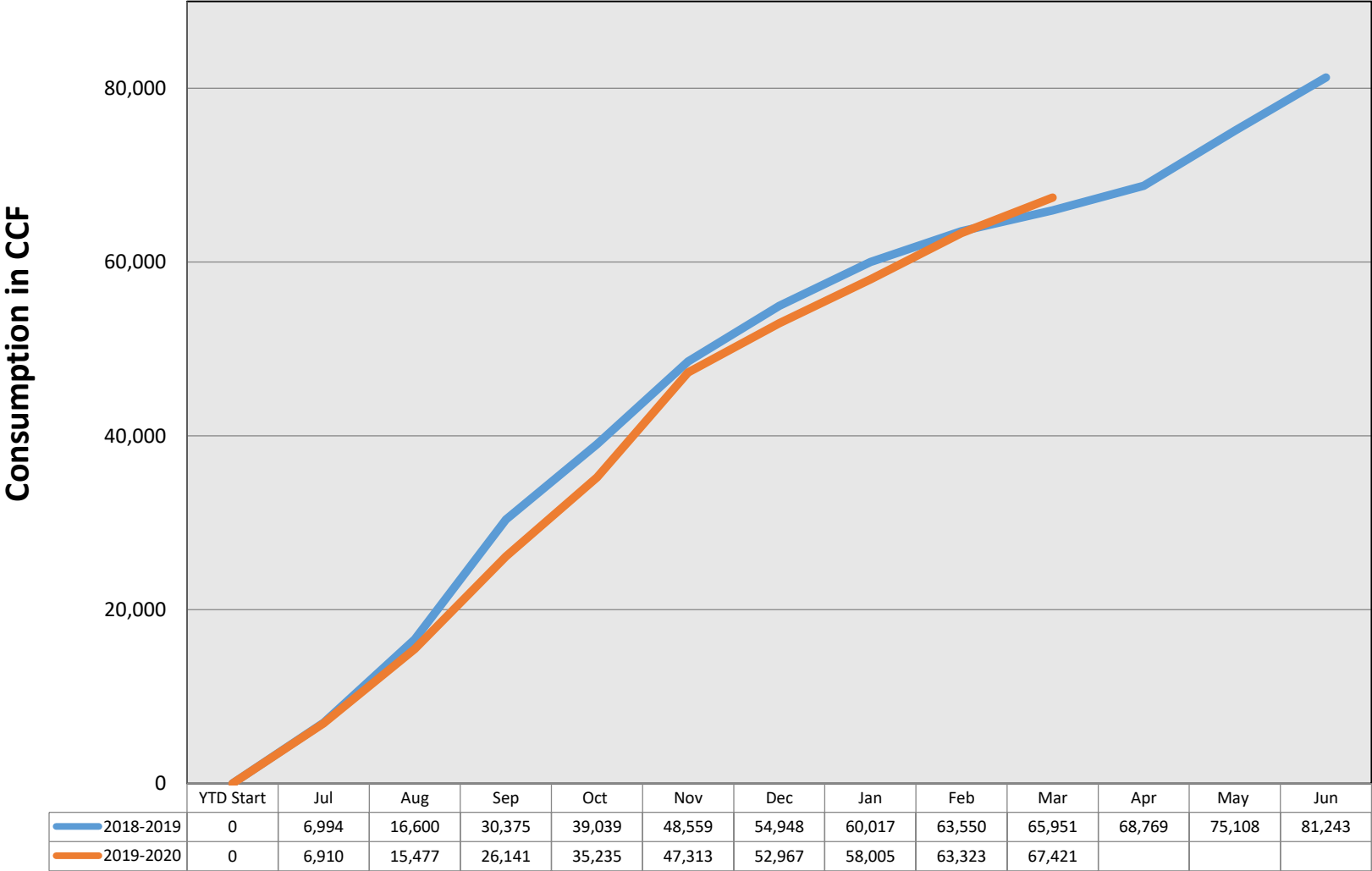


	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
— 2018-2019	0	137,942	270,304	412,147	526,363	665,493	789,381	906,276	1,020,004	1,117,884	1,231,776	1,362,632	1,498,904
— 2019-2020	0	128,554	264,460	399,447	520,744	662,622	776,196	894,984	1,009,322	1,118,066			

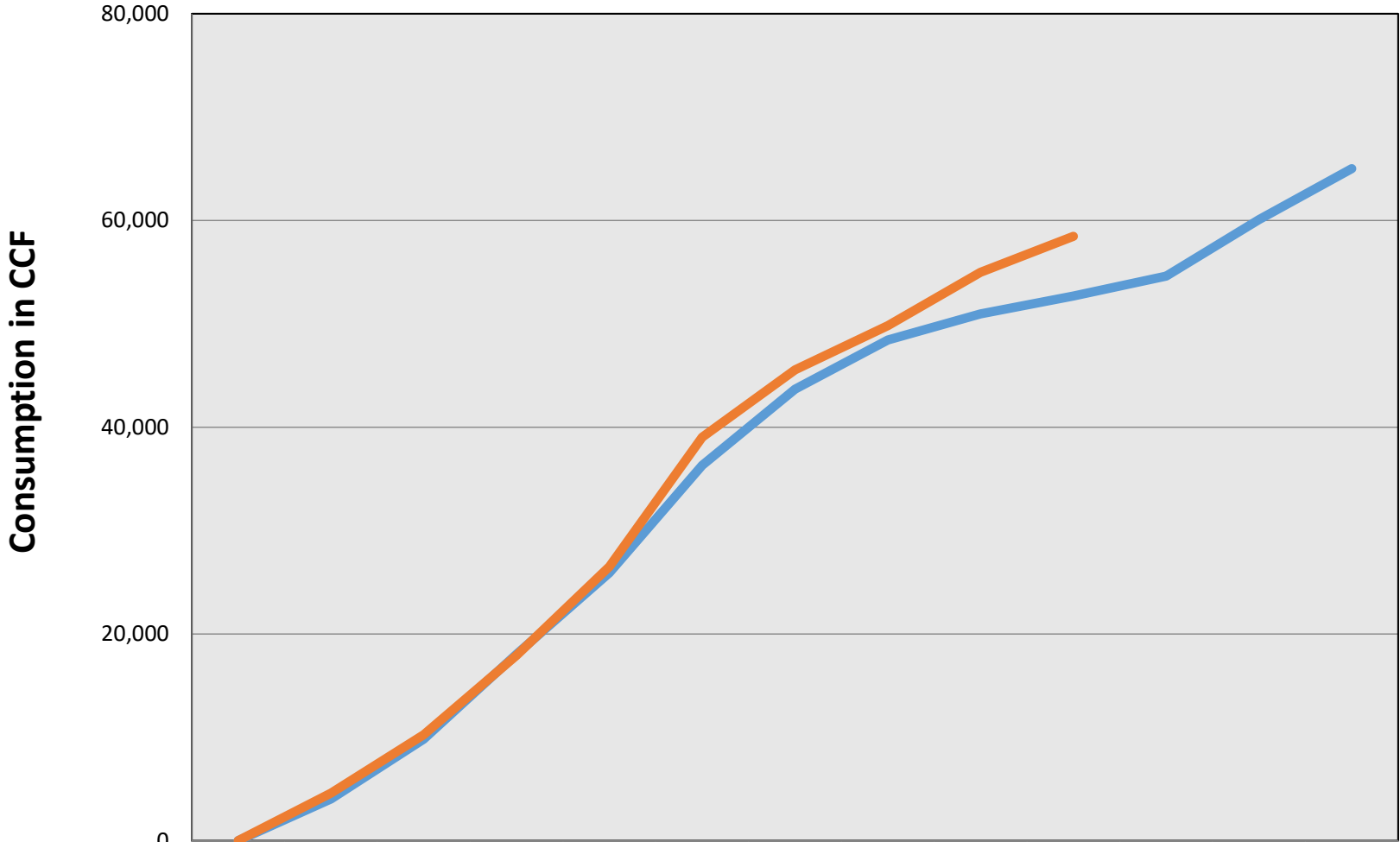
Tier II YTD Consumption



Tier III YTD Consumption

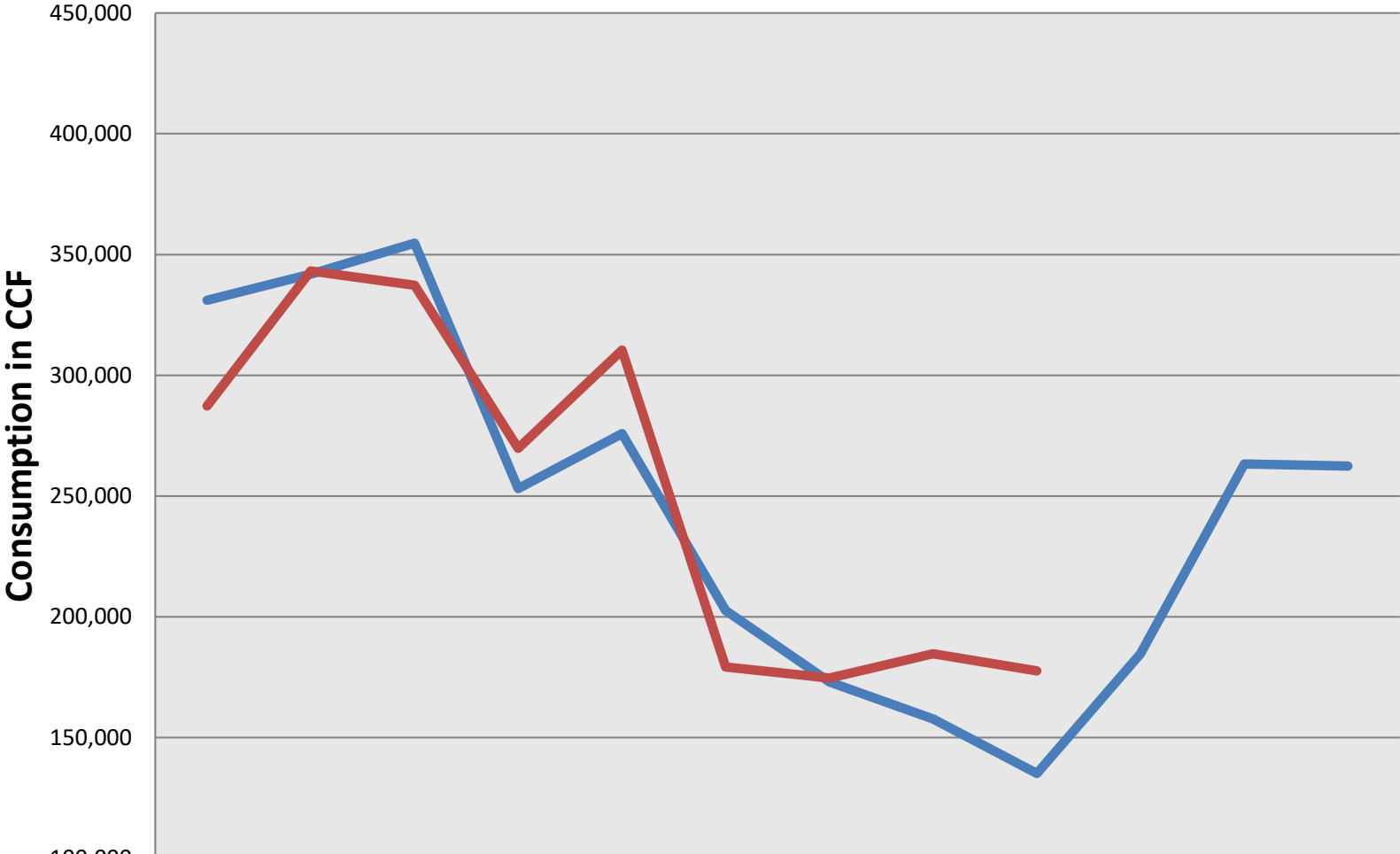


Tier IV YTD Consumption



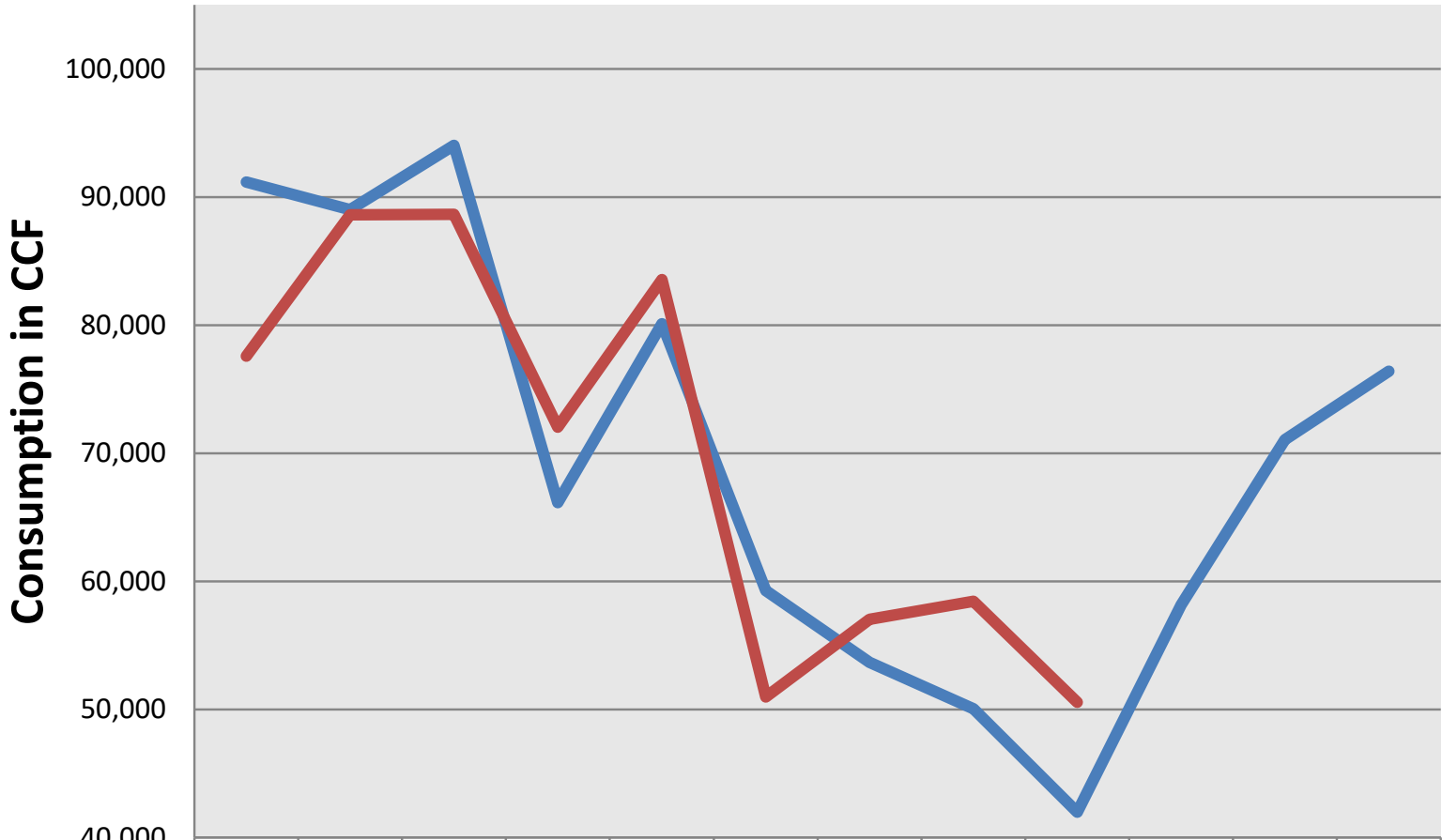
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	0	4,028	9,805	18,041	25,920	36,304	43,674	48,426	50,965	52,677	54,622	60,076	65,012
2019-2020	0	4,608	10,247	17,923	26,514	39,019	45,558	49,820	54,986	58,465			

ETWD Total Consumption



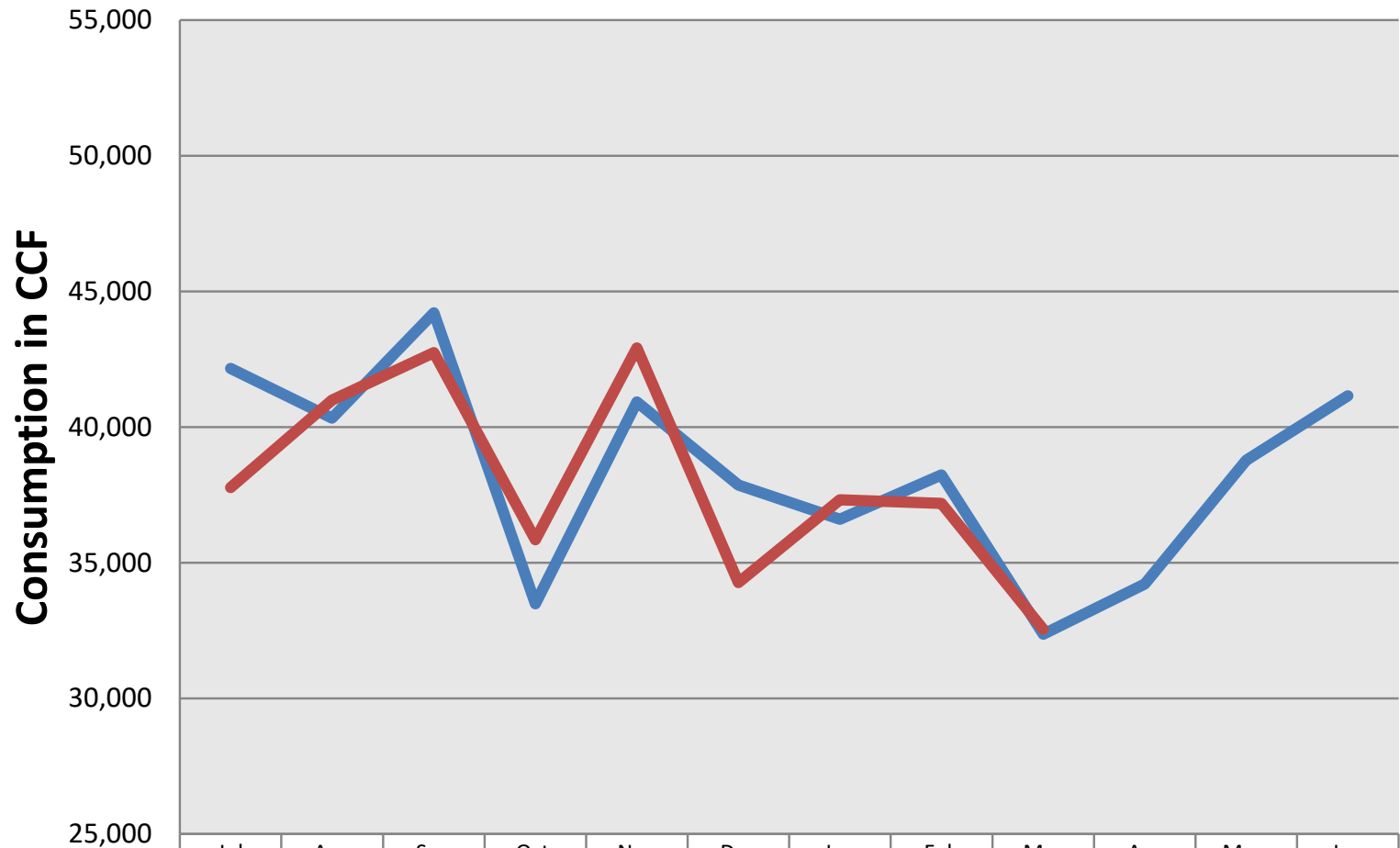
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	331,098	341,819	354,683	253,007	275,853	202,506	172,911	157,696	135,090	184,628	263,218	262,396
2019-2020	287,207	343,163	337,247	269,666	310,344	179,155	174,596	184,609	177,526			
%	87%	100%	95%	107%	113%	88%	101%	117%	131%	0%	0%	0%

Single Family Residents Consumption



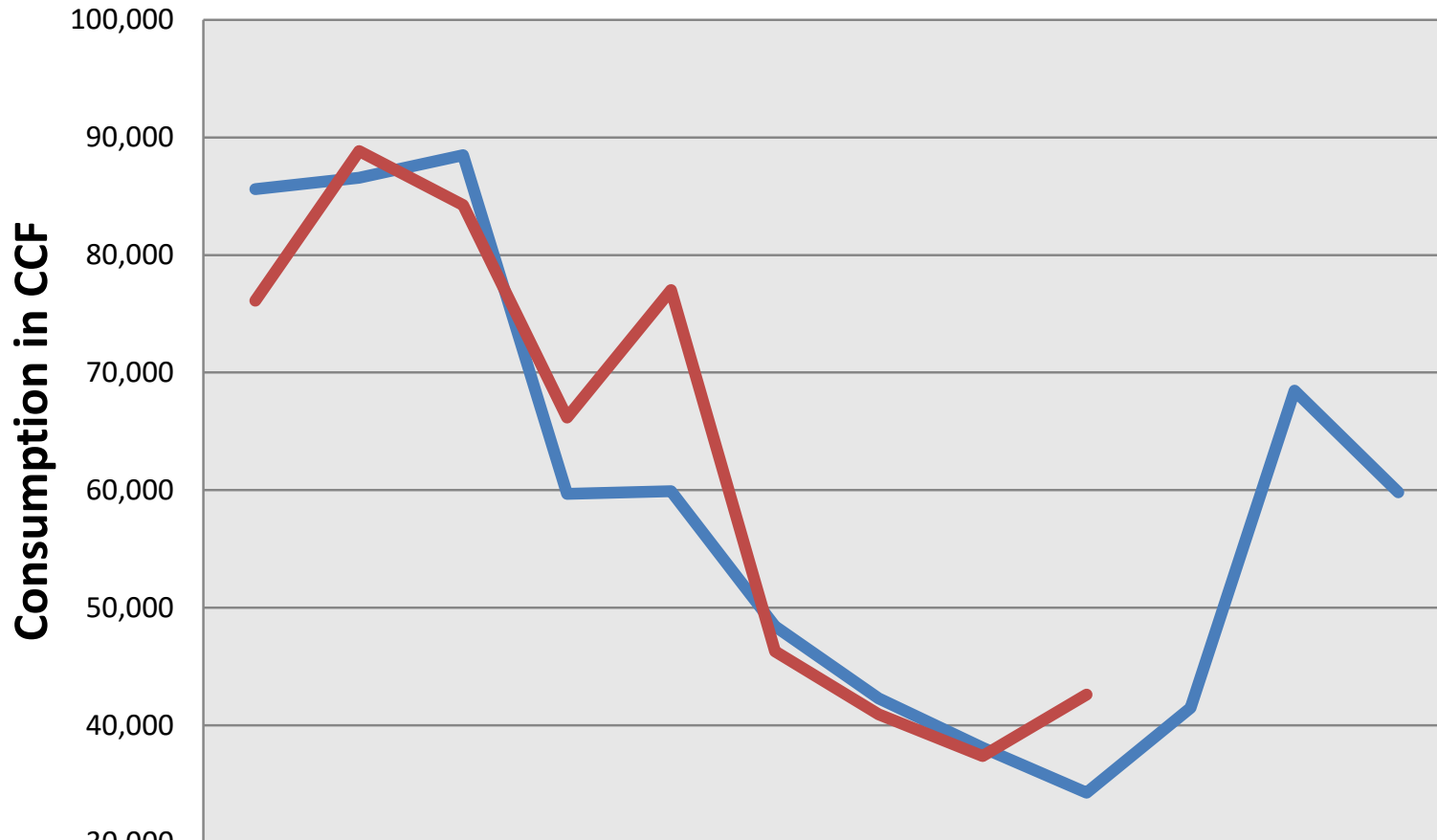
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	91,178	89,009	94,035	66,147	80,118	59,264	53,677	50,046	41,974	58,165	71,066	76,403
2019-2020	77,586	88,625	88,650	72,040	83,550	50,955	57,031	58,453	50,557			
%	85%	100%	94%	109%	104%	86%	106%	117%	120%	0%	0%	0%

Multi Family Residents Consumption



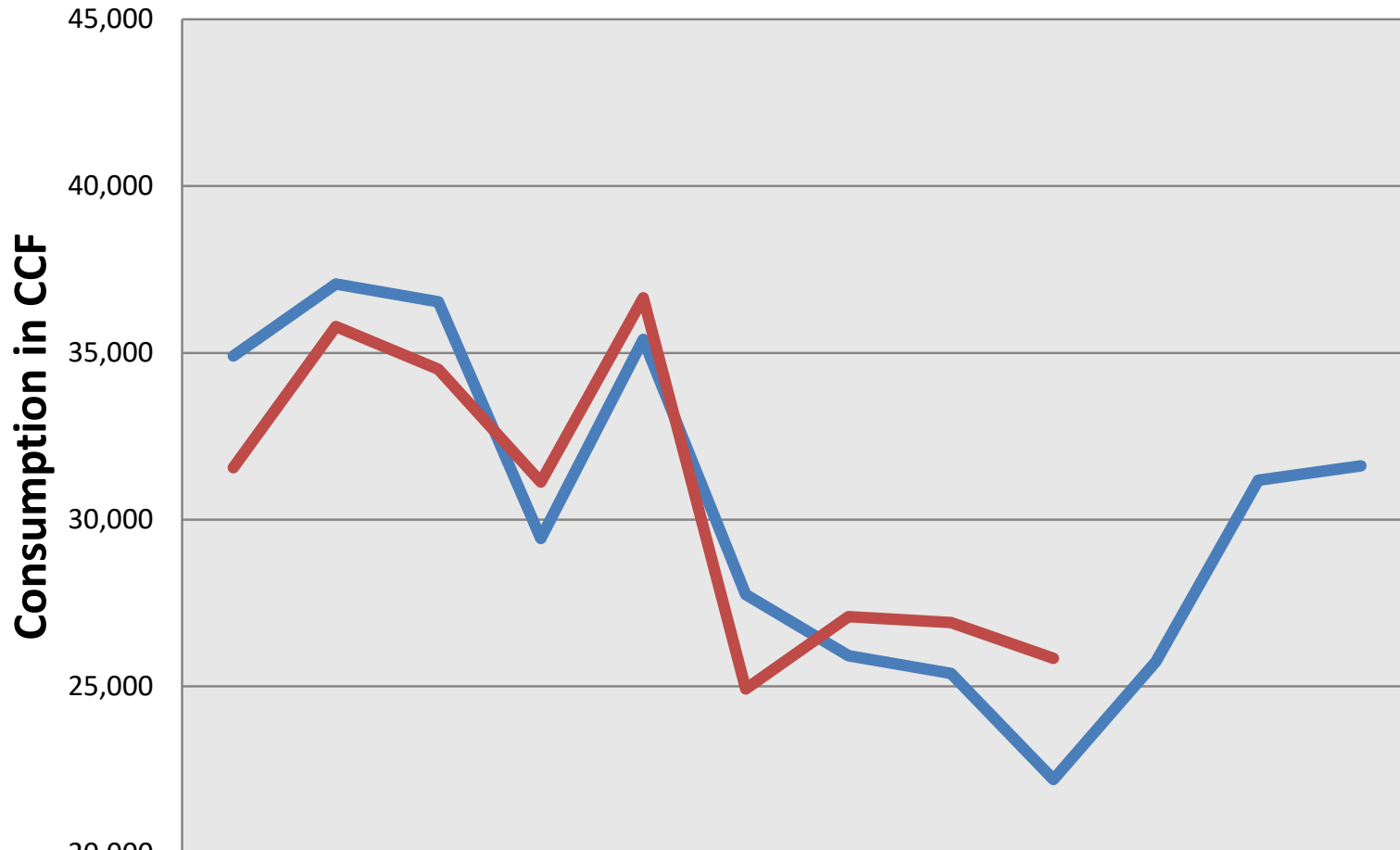
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	42,163	40,322	44,209	33,491	40,924	37,866	36,596	38,228	32,364	34,208	38,774	41,146
2019-2020	37,764	40,990	42,748	35,846	42,915	34,269	37,314	37,185	32,549			
%	90%	102%	97%	107%	105%	91%	102%	97%	101%	0%	0%	0%

Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



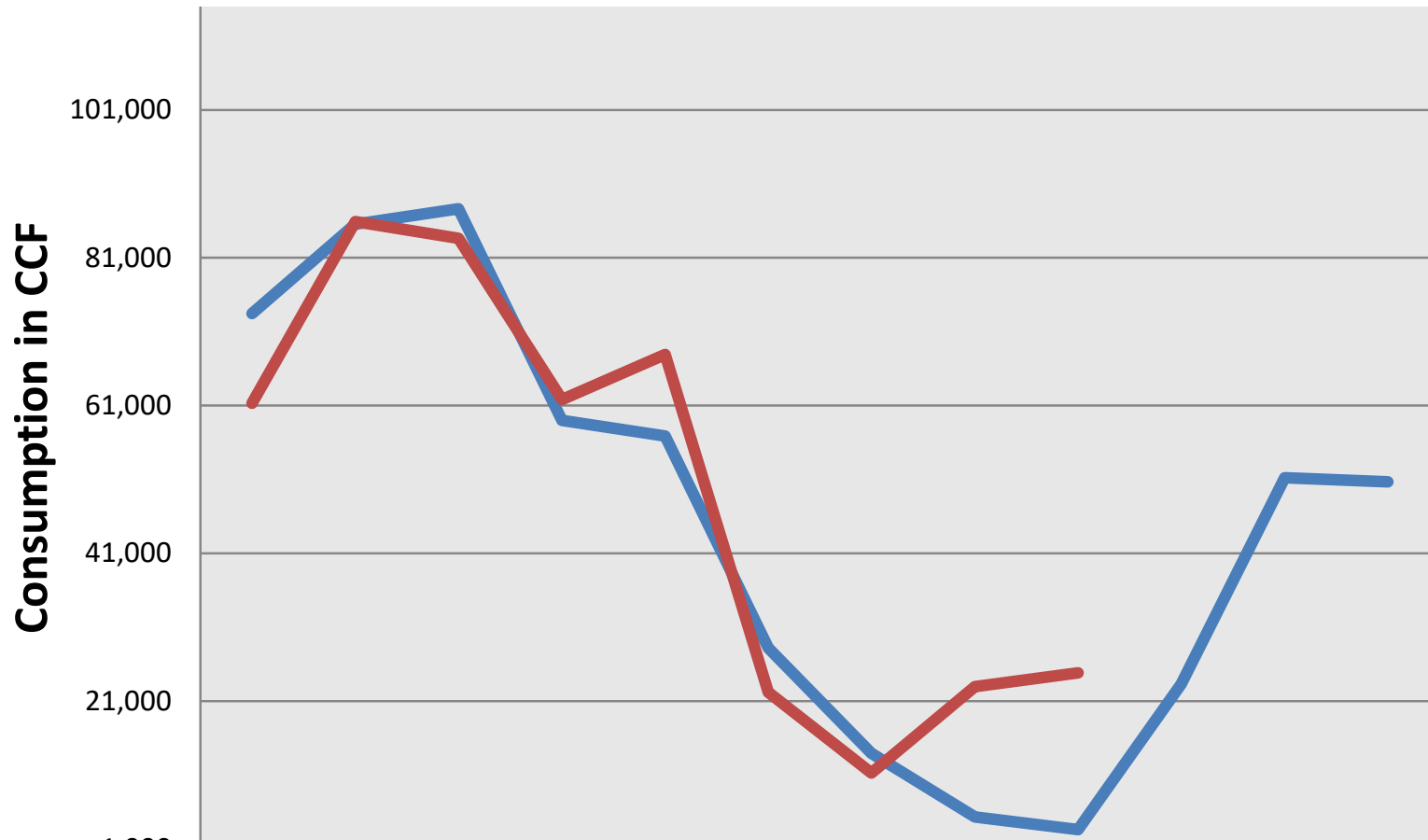
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
— 2018-2019	85,610	86,572	88,490	59,693	59,905	48,420	42,272	38,076	34,256	41,488	68,468	59,811
— 2019-2020	76,109	88,839	84,242	66,165	77,014	46,268	40,923	37,375	42,605			
— %	89%	103%	95%	111%	129%	96%	97%	98%	124%	0%	0%	0%

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	27,092	26,914	25,842			
— %	90%	97%	94%	106%	104%	90%	105%	106%	116%	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	11,269	22,973	24,802			
%	83%	100%	95%	105%	119%	79%	81%	433%	688%	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.

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 30th of the following calendar year.

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

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

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

Water table: The top level of water stored underground.

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

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

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

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

Xeriscape: Landscaping that requires minimal water.