

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



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



AGENDA

EL TORO WATER DISTRICT

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

May 26, 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://us02web.zoom.us/j/82404491813>. (Meeting ID: 824 0449 1813). 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 Havens

ORAL COMMUNICATIONS/PUBLIC COMMENTS

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

FINANCE AND INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Vergara

1. Consent Calendar

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

- a. Consider approving the minutes of the April 20, 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 INFORMATION ITEMS

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

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

3. **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.

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

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

FINANCIAL ACTION ITEMS

5. **Financial Package - Authorization to Approve Bills for Consideration dated May 26, 2020 and Receive and File Financial Statements as of April 30, 2020** (Reference Material Included)

The Board will consider approving the Bills for Consideration dated May 26, 2020 and Receive and File Financial Statements as of April 30, 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 May 26, 2020, and 2) receive and file the Financial Statements for the period ending April 30, 2020.

COMMENTS REGARDING NON-AGENDA FIC ITEMS

CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

ENGINEERING COMMITTEE

CALL MEETING TO ORDER – Director Freshley

6. 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 April 20, 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

There are no action items.

ENGINEERING GENERAL INFORMATION ITEMS

7. 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.

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

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

COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS

CLOSE ENGINEERING COMMITTEE MEETING

ATTORNEY REPORT

CLOSED SESSION

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

1. At this time, the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (1) to consult with legal counsel and staff on a matter of pending litigation. [Class Action] *Kessner et al. v. City of Santa Clara, et al.* (Santa Clara County Superior Court - Case No. 20 CV 364054.)
2. At this time, the Board will go into Closed session pursuant to Government Code Section 54956.9 (d) (2) to consult with legal counsel and staff - potential litigation (one matter).
3. At this time, the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (2) to consult with legal counsel and staff regarding a Claim dated May 8, 2020 filed by Saddleback Valley Dental Associates.

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

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

ADJOURNMENT TO 7:30 a.m., Monday, June 22, 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
FINANCE/INSURANCE COMMITTEE MEETING

April 20, 2020

Director Vergara called the Finance Committee meeting to order at 8:45 a.m. on April 20, 2020.

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

Also participating 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

Approval of Items Removed from Today's FIC Consent Calendar

There were no items removed.

Finance Action Items

Quarterly Insurance Report

Ms. Cimorell stated that on the Workers Compensation report, there was one claim with no lost time, only modified duty. Ms. Cimorell stated that Genworth is no longer writing Long-term Care policies, so we switched to Mutual of Omaha, and the rates were almost double what we were paying.

Director Vergara asked how much the increase in rates was. Ms. Cimorell replied that the rate increased \$1,012 more a year depending on age and other factors.

President Monin asked if staff could provide the rating Genworth and Mutual of Omaha insurance. Ms. Cimorell replied that she will ask the insurance representative.

Director Vergara asked about a claim where an employee was moved to another position, and asked if the employee is okay. Ms. Cimorell replied that the employee was not moved to another position, he had modified duty.

Director Vergara asked about the Workers Compensation modification rate went from 0.83 to 0.64 for fiscal year 2019/20, is this good. Ms. Cimorell replied yes, as injuries are reviewed for the past 3 years, and then rates are adjusted.

Director Vergara asked about the Medical Insurance average cost per month per employee being \$1,411.99. Ms. Cimorell replied that it is for the third quarter. Mr. Cafferty replied that the rates vary depending whether it's the HMO, PPO, or Kaiser and how many family members are in the Plan.

Director Vergara asked for a Motion.

Motion: Director Freshley made a Motion, seconded by President Monin and unanimously carried across the Board to Receive and File the Quarterly Insurance report for the period of January 1, 2020 through March 31, 2020.

Roll Call Vote:

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

Finance Report

Director Vergara stated that Accounts Receivable is higher this month. Ms. Shahbakhti replied yes, there is a new schedule, Aged Receivable History, which goes back to October of 2019. She further stated that we have some customers who are concerned about not being able to pay their bills.

Director Vergara asked if there is any way that we can keep track of how the average in the past behaved regarding losses, and document the trend. He further asked if there is any documentation of being reimbursed by the State. Mr. Cafferty replied that Customer Service is tracking the volume of dollars that are accumulating in non-payment as well as the number of accounts. Mr. Cafferty stated that as far as a chance to recover any of these funds later, we have not heard any optimistic data on this yet.

Ms. Shahbakhti stated that SB 998 went into effect February 1, 2020 which reflects an increase in Aging in February.

Director Freshley asked if the District has been tracking bad debt. Ms. Shahbakhti replied yes, the bad debt is reflected each month in the Finance report.

Director Vergara stated that if Laguna Woods Village is 38% of the volume of water that we sell, out of the remaining 62% of our customers, 32% could have difficulty paying their bill for 6 months, can we estimate this. He further stated that we have nearly \$19.8 million in Reserves; nearly \$5.5 million in Working Capital, nearly \$1.6 million for SOCWA, a Restricted Reserve of nearly \$4.2 million, and Board mandated Reserves of \$8.5 million.

Director Vergara stated that from the Restricted Reserves, we have \$3 million for Capital Construction, \$2.2 million for Rate Stabilization, \$1.3 million for Operations, and \$2 million for Working Capital. He further stated that we could draw from the Rate Stabilization Reserves so we don't increase rates much.

Director Vergara stated that the 6-month Operating Expense requirement is \$12.8 million, and our Cash Less Restricted Reserve on hand is \$15.5 million, so if all customers don't pay their bills, we have about 7 months of operation. He further stated that once we calculate the amount, we will still be able to pay our bills from the Reserves.

Director Vergara asked if the Directors would like Mr. Cafferty to provide a presentation on the District's costs so we don't panic. He further proposed discussing the actual conditions of our Reserves, and how far we can go.

Mr. Granito reported that discussion could be had at Thursday's meeting, however any action taken would require a Special Board meeting or at a future regular Board meeting. He further reported that the Board could continue this Financial meeting to Thursday's meeting and would not need to post a new agenda.

Mr. Cafferty stated that he understands the request is to provide information to the Board that would allow them to have an understanding of the financial position that the District is in, with some projections of Revenue impacts associated with the pandemic and the inability of some segment of our customer base to pay their bills. He further stated that staff can definitely pull together some information based on assumptions, projections, and estimates, which would allow the Board to have discussion regarding Capital Projects and where we go from here.

Director Vergara asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Havens, and unanimously carried across the Board to continue the Engineering Committee meeting, item #5 Capital Projects report discussion, and the Finance Committee meeting, item #9, Financial Package discussion to Thursday's regular Board meeting.

Roll Call Vote:

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

Mr. Cafferty stated that we will continue discussion of item #9 of the Finance Committee meeting on Thursday at the regular Board meeting, staff will prepare projected assumptions on revenue impact and what future assumptions of customers not paying a certain portion of their bills, along with what our financial position is to provide a more informed basis for some discussion about the Capital Program. He further stated that he will go through some of the Projects and Acquisitions so we can discuss priorities, but there will be no action taken, even though these projects have

already been budgeted, but may still require Board approval, so would need to be agendaized either at the May Board meeting, or a Special Board meeting.

Director Vergara asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Vice President Gaskins, 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 April 20, 2020, and 2) receive and file the financial statements for the period ending March 31, 2020.

Roll Call Vote:

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

Annual Review of the District's Cash Reserve Policy Statement 1994-12 (IV)

Mr. Cafferty stated that we review this policy annually with the Board, and the changes we are recommending are clarifications.

Director Vergara asked for a Motion.

Motion: Vice President Gaskins made a Motion, seconded by Director Freshley and unanimously carried across the Board to adopt Resolution No. 20-4-1 which amends the District's Cash Reserve Policy Statement 1994-12 (IV).

Roll Call Vote:

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

LAFCO Dues Reapportionment

Mr. Cafferty stated that ISDOC recently did a dues analysis for LAFCO Special Districts. He further stated that this revised methodology groups agencies into enterprise and non-enterprise categories based on total annual revenues.

Mr. Cafferty stated that the cost impact to ETWD is \$3,941 which part was due to LAFCO's budget increase, so only \$2,082 of the increase is the direct result of the restructuring of the dues formula.

Mr. Cafferty stated that the ISDOC Executive Committee has approved the new LAFCO dues structure, and are asking each of the Special District's Boards to vote yes or no on the new dues structure. He further stated that staff is recommending that the Board vote "yes" on the new dues structure and authorize the General Manager to submit the ballot to ISDOC.

Director Vergara stated that there are two tables in the package, one is showing our change from the previous year of \$2,565, and the other showing \$3,941, and asked which one we are approving. Mr. Cafferty replied that the \$3,941 is the correct table as the \$2,565 was based on an assumption regarding what LAFCO's 2020/21 budget would be.

Director Freshley asked what the basis was for determining each agencies increase for the dues. President Monin replied that the breakdown was that the bigger agencies wanted to reduce their costs, and the majority of the ISDOC Executive Committee are from the larger agencies.

Vice President Gaskins stated that he feels we should go ahead and approve the new dues structure.

Director Vergara stated that the bigger agencies with larger Revenues should be paying more dues.

Director Vergara asked for a Motion.

Motion: Vice President Gaskins made a Motion, seconded by Director Havens, and unanimously carried across the Board to authorize the General Manager to vote “yes” on the proposed LAFCO dues reapportionment for Special Districts and submit the ballot to ISDOC.

Roll Call Vote:

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

Finance Information Items

Director Travel & Expense Reimbursement Policy Statement

Mr. Cafferty stated that this is an information item. He further stated that with the pandemic and meetings and conferences being canceled or rescheduled, it may impact our Director’s 2020/21 travel budgets.

Mr. Cafferty stated that the Board may consider carrying over any unused portion of the Director’s 2019/20 travel budget to the 2020/21 travel budget to accommodate the rescheduled conferences and meetings.

President Monin stated that the ACWA Spring conference is a good example of this, as they postponed the May Spring Conference to the end of July which now falls into the 2020/21 fiscal year budget.

At approximately 10:00 a.m. Ms. Moore left the meeting.

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

Mr. Cafferty stated that the budget schedule has been revised with a possible rate increase to September 1, 2020. He further stated that this will be decided during the budget process.

Mr. Cafferty stated that the Budget Committee meetings will be held on April 28th, and May 11th, and the full Board Budget meeting will be on June 9th.

Tiered Water Usage and Revenue Tracking

Ms. Shahbakhti stated that the water use charts by class are included in the package.

Director Havens asked if staff could prepare an average usage per month that predicts revenues going up or down in each Tier.

Mr. Cafferty stated that we produce our budget based on how much water we use in each Tier and we could break out how much we budgeted in each Tier and how much was actually used.

Comments Regarding Non-Agenda FIC Items

There were no comments.

Close Finance and Insurance Committee Meeting

At approximately 10:10 a.m. the Finance Committee meeting was deferred to Thursday's regular Board meeting.

Attorney Report

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

Mr. Granito stated that the water supply assessment approved by the Board earlier today does not give rise to a contractual commitment at this point in time.

Mr. Cafferty stated that the Water Supply Assessment does not constitute a commitment for the project. He further stated that a Will Serve letter was issued 5 years ago when the project was 5 Lagunas, and we have since changed the Will Serve letter that includes a specific acknowledgement by the Developer that they are acknowledging the Terms and Conditions.

Adjournment

There being no further business to come before the Board, the meeting was deferred at 10:20 a.m. to Thursday's regular Board meeting.

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

Portfolio Update

Period Ending April 30, 2020

Presented By:
Richard Babbe, CCM, Senior Managing Consultant

May 26, 2020

PFM Asset Management LLC
www.pfm.com

601 South Figueroa
Suite 4500
Los Angeles, CA
90017
Tel: (213) 489-4075

50 California Street
Suite 2300
San Francisco, CA
94111
Tel: (415) 982-5544



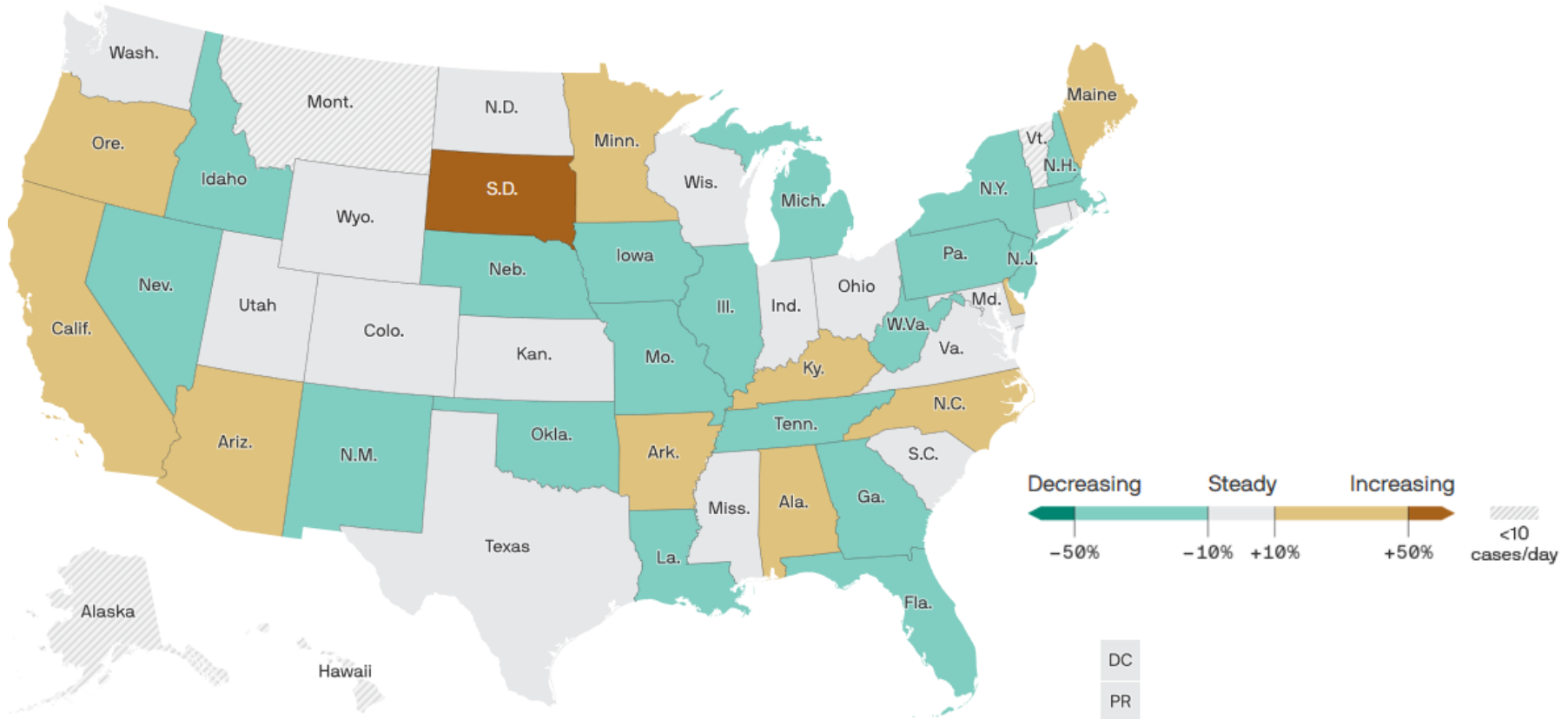
Overview

- We have seen some improvement recently, but there is a high degree of uncertainty of how/when this current crisis will end.
- Interest rates are low and are likely to remain low at least into 2021. The Federal Reserve is not likely to raise rates until they have clear signs that the economy is improving.
- The portfolio, as of April 30, has good quality with 39.1% of the portfolio rated AA+ or better. An additional 52.2% of the portfolio is invested in LAIF, while generally considered of good credit quality is unrated.
- The portfolio, as of April 30, has significant liquidity with almost 80% of the portfolio invested in LAIF, CAMP, and US Treasury securities.
- The corporate/ABS sectors are under pressure due to continued economic uncertainty. However, corporate yield spreads, which are reflective of the market's perception of risk, have decreased slightly from their March highs.
- There likely will be additional credit downgrades. However, we feel comfortable with the names in the portfolio and their ability to pay interest and principal. Our investment team is holding frequent ad-hoc Credit and Investment Committee meetings to assess emerging news and market trends.



New Cases Still Increasing in 11 States

Change in New COVID-19 Cases From May 4 – May 11

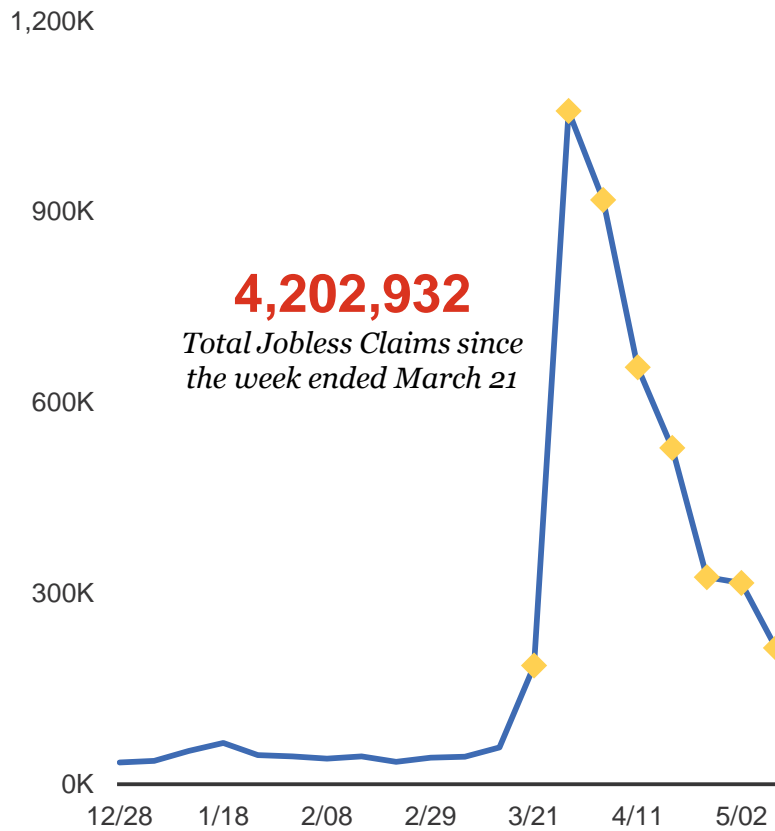


Source: Axios & the Center for Systems Science and Engineering at Johns Hopkins, as of 5/11/2020.

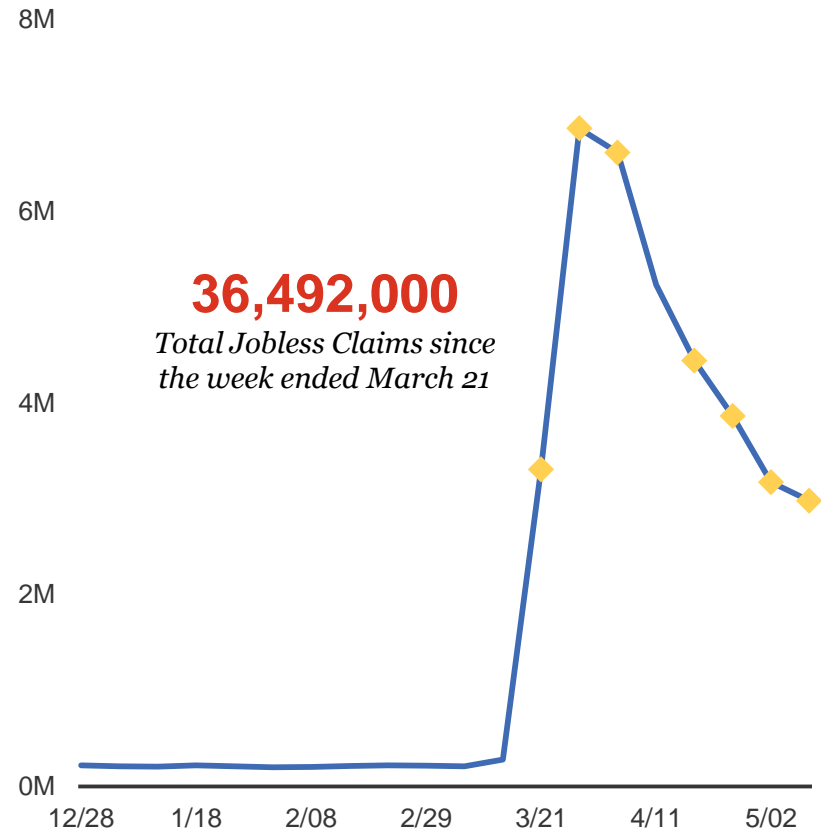


Unprecedented Job Losses, Worst Seems To Be Behind Us

Initial Jobless Claims - California



Initial Jobless Claims - U.S.

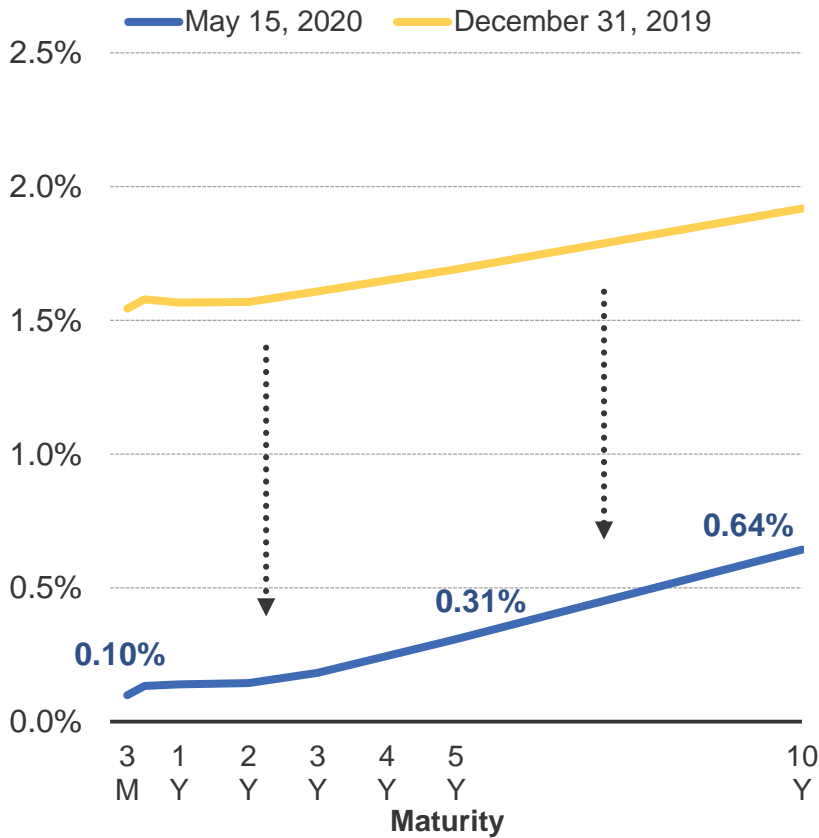


Source: Department of Labor, latest available data as of 5/14/2020. *Most recent CA data is advance claims, which is not directly comparable to claims reported in prior weeks. Advance claims are reported by the state liable for paying the unemployment compensation, whereas previous weeks reported claims reflect claimants by state of residence.

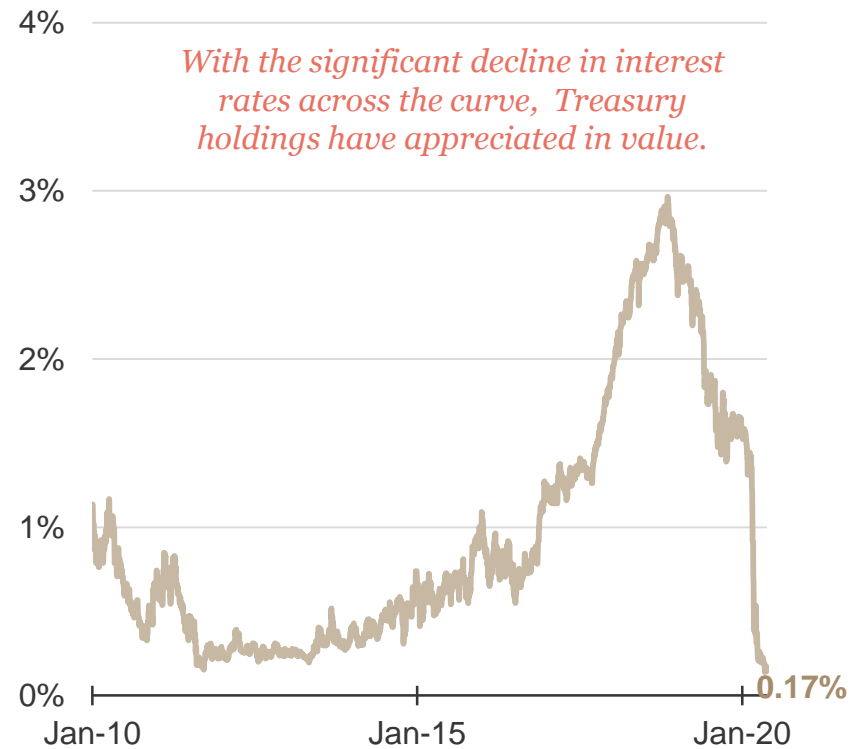


Interest Rates Plunge; Likely to Stay Ultra-Low Through the Crisis

US Treasury Yield Curve



2-Year Treasury Yield

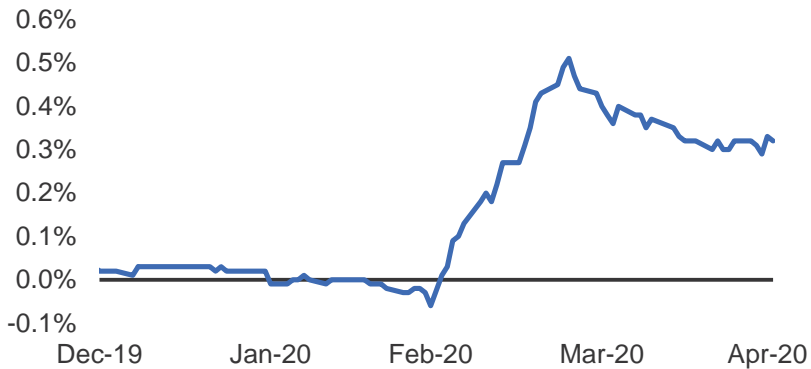


Source: Bloomberg as of 5/15/2020.

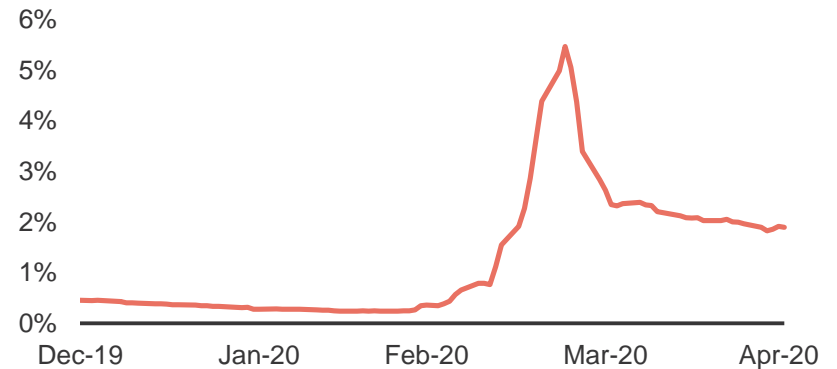


Yield Spreads Recovering

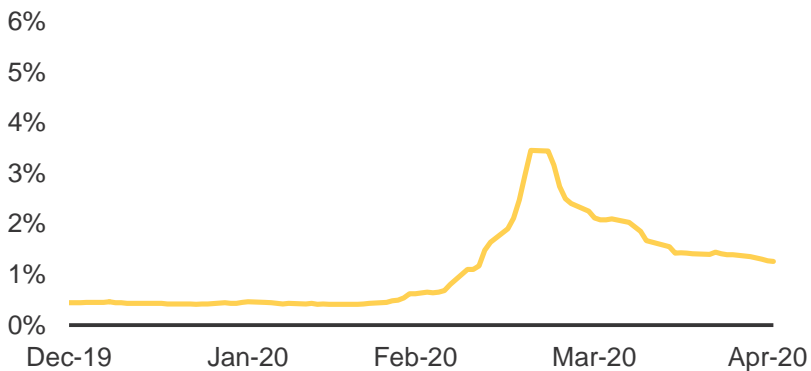
Federal Agency Yield Spreads



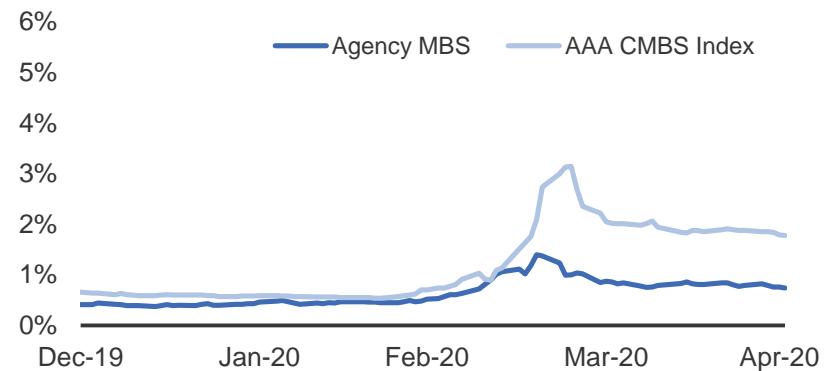
Asset-Backed Securities Yield Spreads



Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFM as of 5/01/20. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.



Portfolio Composition

◆ The portfolio is in compliance with the District's Investment Policy.

Security Type	December 31, 2010	% of Portfolio	April 30, 2020	% of Portfolio	% Change vs. 12/31/19	Permitted by Policy	In Compliance
U.S. Treasury	\$1,556,157	7.9%	\$1,572,137	8.6%	+0.7%	100%	✓
Federal Agency	\$199,961	1.0%	\$0	0.0%	-1.0%	100%	✓
Federal Agency CMOs	\$42,333	0.2%	\$39,992	0.2%	-	100%	✓
Municipal Bonds	\$101,296	0.5%	\$101,655	0.6%	+0.1%	30%	✓
Supranationals	\$852,670	4.3%	\$767,762	4.2%	-0.1%	30%	✓
Asset-Backed Securities	\$564,092	2.9%	\$292,429	1.6%	-1.3%	20%	✓
Negotiable CDs	\$678,789	3.4%	\$489,252	2.7%	-0.8%	30%	✓
Corporate Notes	\$1,721,197	8.7%	\$1,163,275	6.3%	-2.4%	30%	✓
Securities Sub-Total	\$5,716,496	29.0%	\$4,426,502	24.2%			
Accrued Interest	\$28,203		\$23,875				
Securities Total	\$5,744,700		\$4,450,377				
CAMP Pool	\$3,716,550	18.8%	\$5,089,142	27.8%	+9.0%	50%	✓
LAIF	\$10,298,880	52.2%	\$8,804,275	48.1%	-4.1%	\$30 million	✓
Total Investments	\$19,760,130	100.0%	\$18,343,793	100.0%			

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



Managed Portfolio Issuer Distribution

- The portfolio is diversified across sectors and issuers, which limits its exposure to any one sector or issuer.

Sector	Issuer	%
Treasury	US Treasury	8.6%
Agency	FNMA	0.2%
Supra	IADB	2.8%
Supra	IBRD	0.5%
Supra	IFC	0.9%
Muni	State of California	0.6%
Corp	Toyota Motor	0.6%
Corp	United Parcel Service	0.5%
Corp	Wal-Mart	0.5%
Corp	Bank of America	0.5%
Corp	Intel	0.5%
Corp	State Street	0.4%
Corp	Caterpillar	0.4%
Corp	Walt Disney	0.4%
Corp	Apple	0.3%
Corp	Charles Schwab	0.3%
Corp	Paccar Financial	0.3%
Corp	General Dynamics	0.3%
Corp	American Express	0.2%
Corp	Hershey	0.2%

Sector	Issuer	%
Corp	CitiGroup	0.2%
Corp	Home Depot	0.2%
Corp	National Rural Utilities	0.2%
Corp	PepsiCo	0.2%
Corp	Visa Inc	0.1%
Corp	Deer &Co	0.1%
CD	Westpac Banking	0.8%
CD	Swedbank	0.7%
CD	RBOC	0.6%
CD	Bank of Nova Scotia	0.5%
ABS	Ford Auto Receivables	0.4%
ABS	Hyundai Auto Receivables	0.4%
ABS	Mercedes Auto Receivables	0.3%
ABS	Ally Auto Receivables	0.2%
ABS	Honda Auto Receivables	0.1%
ABS	John Deere Trust	0.1%
ABS	Nissan Auto Receivables	0.0%
CAMP	CAMP	27.8%
LAIF	LAIF	48.1%
TOTAL		100.0%

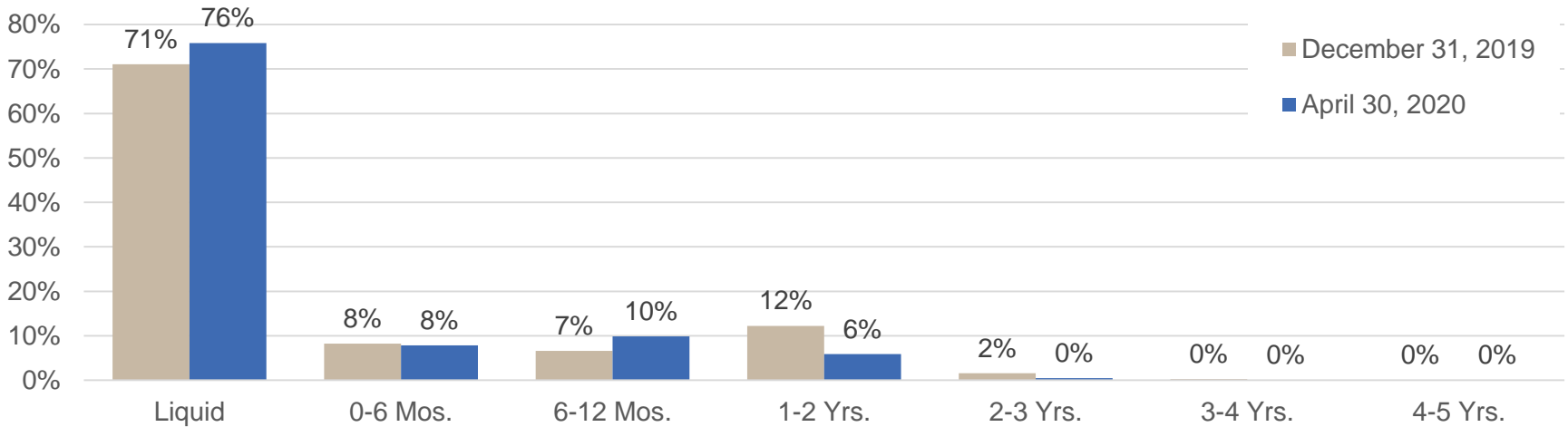
Totals may not add due to rounding.



Overall Portfolio Maturity Distribution

• The portfolio’s average maturity continues to shorten, as we let investment maturities roll into pooled investments as directed.

Portfolio Maturity Distribution
December 31, 2019 versus April 30, 2020



	12/31/19	12/31/19
Weighted Average Duration (portfolio)	0.94 years	0.73 years
Weighted Average Duration (overall)	0.27 years	0.18 years



CAMP Fact Sheet Excerpt as of April 30, 2020

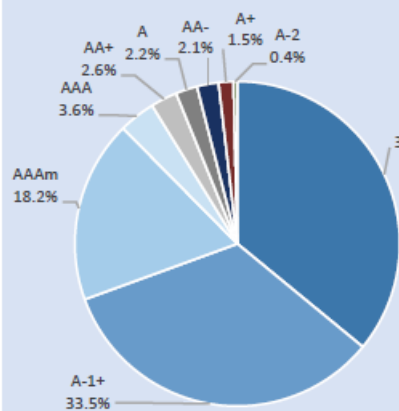
POOL FACTS

As of April 30, 2020

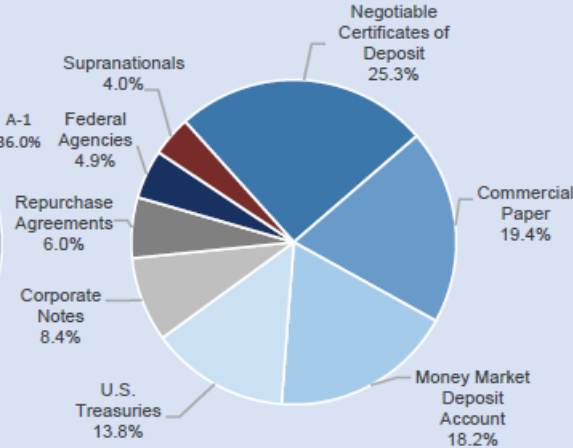
7-Day Net Yield ¹	0.84%
Monthly Distribution Yield ²	0.98%
Weighted Average Maturity ³	54 Days
Fund Rating ⁴	AAAm by Standard and Poor's

Fund Diversification as of April 30, 2020

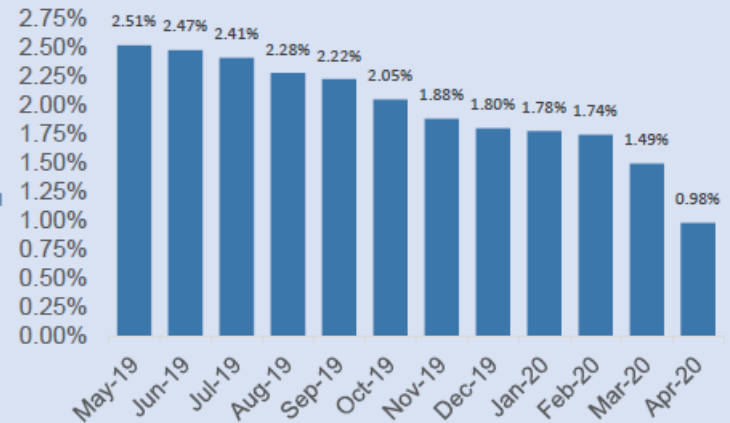
Credit Quality Distribution
(Standard & Poor's Fund Ratings)



Sector Composition



Performance (30-Day Net Yield⁵ %)



Source: www.camponline.com. See the attached CAMP fact sheet for additional details and disclosures.



CAMP Fact Sheet Disclosures

1. 7-day net yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.
2. The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.
3. Weighted Average Maturity: Calculated by the final maturity for a security held in the portfolio and the interest rate reset date. This is a way to measure a fund's sensitivity to potential interest rate changes.
4. Standard & Poor's fund ratings are based on analysis of credit quality, market price exposure, and management. According to Standard & Poor's rating criteria, the AAAM rating signifies excellent safety of investment principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell the securities. For a full description on rating methodology, visit Standard & Poor's website (http://www.standardandpoors.com/ratings/en_US/web/guest/home).
5. As of the last day of the month. The 30-day yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a thirty-day base period expressed as a percentage of the value of one share at the beginning of the thirty-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 30.

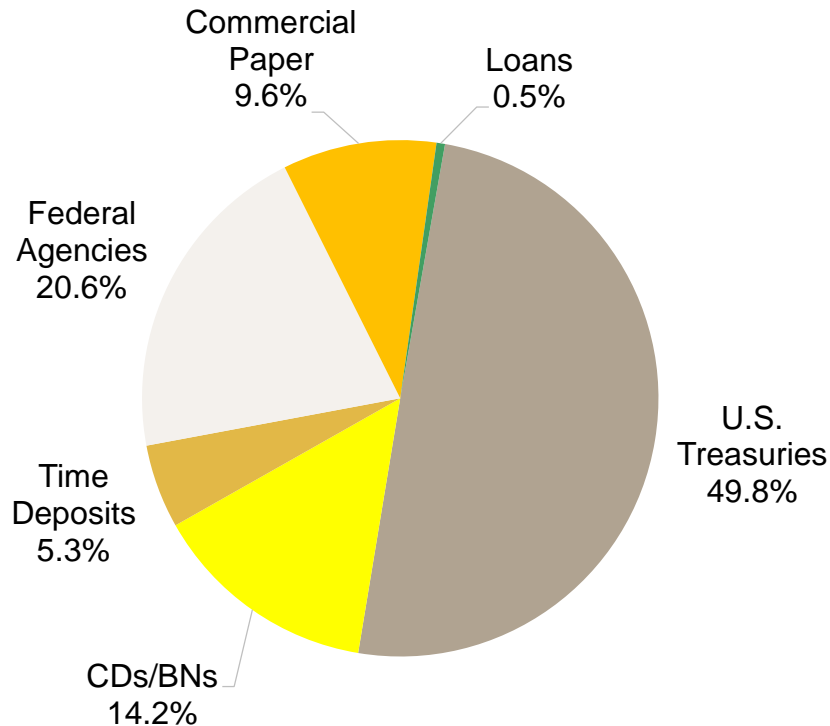
Past performance is no guarantee of future results. Yields will fluctuate as market conditions change. The current fund performance may be higher or lower than that cited. The yields shown may reflect fee waivers by service providers that subsidize and reduce the total operating expenses of the Pool. Pool yields would be lower if there were no such waivers. Important disclosure information is provided on the following page.

This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Trust's investment objectives, risks, charges and expenses before investing in the Trust. This and other information about the Trust is available in the Trust's current Information Statement, which should be read carefully before investing. A copy of the Trust's Information Statement may be obtained by calling 1-800-729-7665 or is available on the Trust's website at www.camponline.com. While the Trust seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.



LAIF Characteristics as of April 30, 2020

Pooled Money Investment Account Sector Distribution



Data as of April 30, 2020

Assets: \$103.6 Billion

Average Maturity: 208 days

Average Monthly Yield: 1.648%

Daily Yield: 1.39% (5/13/20)

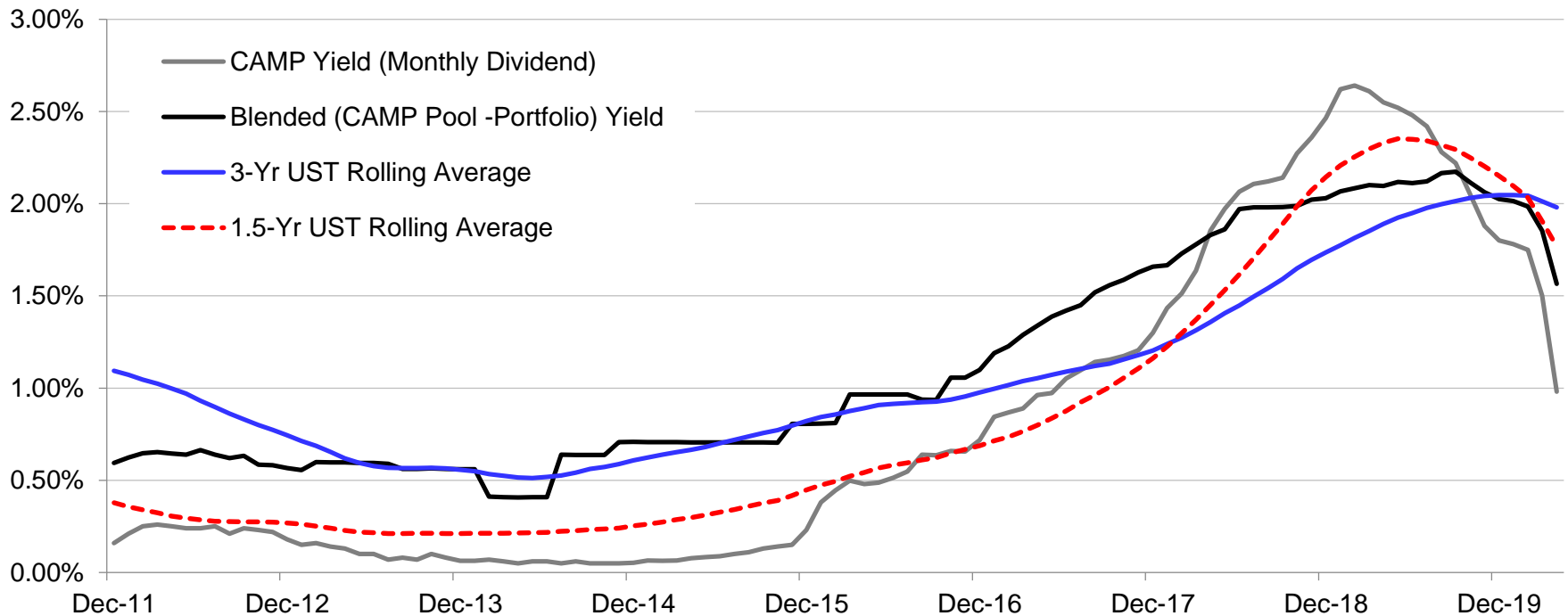
Source: http://www.treasurer.ca.gov/pmia-laif/performance/PMIA-LAIF_perform.pdf



Yield Comparison

- Interest rates fell sharply in response to the developing crisis.
- With no new investments, the managed portfolio's yield remains relatively unchanged.
- With the bulk of the CAMP assets in the pool, the blended yield fell in response to falling interest rates.

Yield Comparison History
December 2011 – April 2020



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



Managed Portfolio Total Return Performance

- Given the portfolio's much shorter average duration relative to the benchmark, the portfolio's performance lagged the benchmark's return as interest rates have fallen sharply since 2018.

Total Return Performance Periods Ending March 31, 2020 ^{1,2,3,4,5,6}					
Portfolio/Benchmark	Effective Duration	Quarter (Unannualized)	1 Year	3 Year	Since Inception
ETWD Portfolio	0.64	0.62%	2.79%	1.97%	1.70%
<i>ETWD (net of fees)⁵</i>		0.60%	2.69%	1.87%	1.60%
ICE BofAML 1-3Yr. Treasury Index	1.81	2.81%	5.42%	2.70%	2.26%

Notes:

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



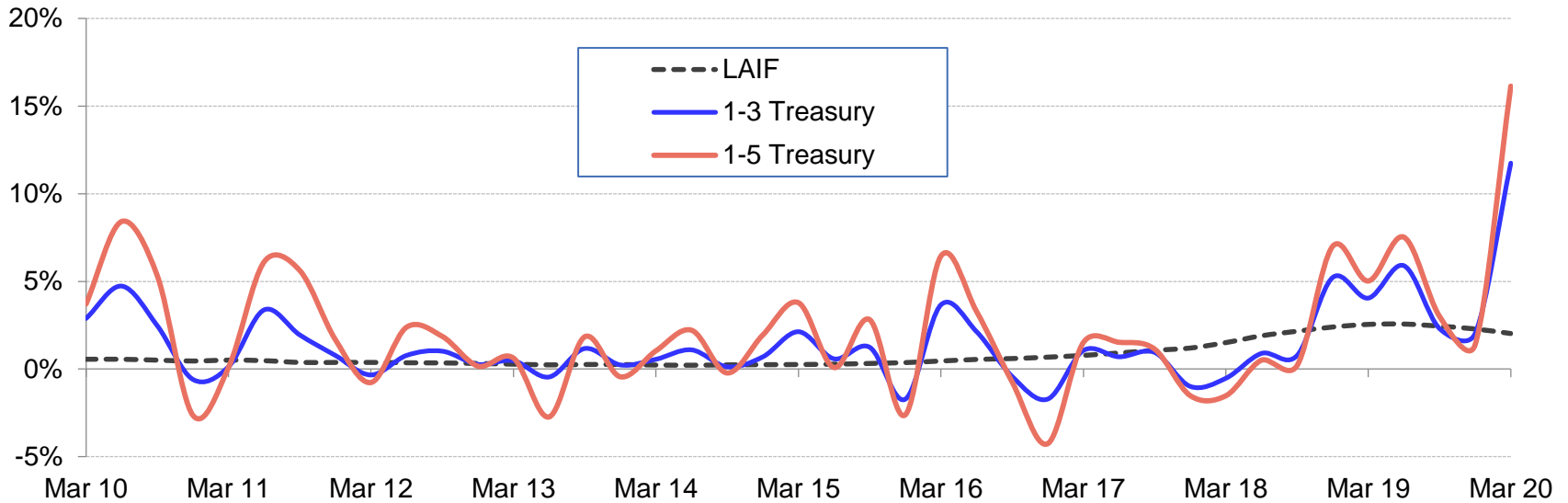
Thinking Ahead

- The managed portfolio at its current size doesn't make sense as a long-term strategy. While no immediate action is needed, the District should evaluate how it wants its funds to be managed long-term, such as:
 - Revert to an active management strategy and build up the size of the managed portfolio to \$10 million or more. This would provide higher average long-term returns but with greater market value and total return volatility.
 - Switch to a pool only approach (or a combination of pools). Pools offer greater liquidity and generally lower market value volatility but with lower average long-term returns.
 - The following are some common pool options could include (it can be a combination of pools). The following isn't to make a recommendation for the District, but to give you an idea of what types of pools are available.
 - Institutional government money market funds. They offer excellent liquidity and high credit quality (investing only in U.S. Treasury and federal agency securities). They offer a stable share price and track very short-term Treasury yields.
 - CAMP Pool (the District is a current participant). The pool is highly rated and offers excellent liquidity. It provides a stable share price. As it includes high quality corporate securities it typically offers a higher return than institutional money market funds.
 - LAIF (the District currently uses). As it is unregulated pool, it can have a longer average maturity and therefore a higher average return than short-term pools while still providing a stable share price.
 - CalTrust. The attributes: credit quality, liquidity and return vary considerably depending on the specific pool. They can provide the risk-return trade-offs of a longer duration portfolio with higher average returns and greater market value and return volatility.
- There is no one investment approach that will provide the best performance throughout all investment cycles.
- The District is most likely to achieve its investment objectives by the maintaining a disciplined investment approach.



Total Return Comparisons

Annualized Quarterly Total returns
March 2010 – March 2020



Risk/Return of Various Investment Strategies
10 Years Ended March 31, 2020

ICE BofAML Treasury Index	Duration (years)	Annualized Total Return	Cumulative Value of \$10 Million	Average Annual Incremental Earnings vs. LAIF	Quarters With Negative Return
LAIF	0.00	0.85%	\$10,881,275	\$0	0 out of 40
1-3 Treasury	1.82	1.43%	\$11,530,353	\$64,908	8 out of 40
1-5 Treasury	2.58	2.01%	\$12,208,152	\$132,688	10 out of 40



Disclosures

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



Additional Materials



COVID-19: A Three-Fold Crisis



Health Crisis/Pandemic

The rapidly spreading coronavirus is overwhelming healthcare facilities around the world as the number of cases and deaths related to the virus continue to grow.



Effects on the Economy

With businesses forced to close their doors and consumers stuck at home “social distancing,” the economy has come to a near standstill over a very short period of time.

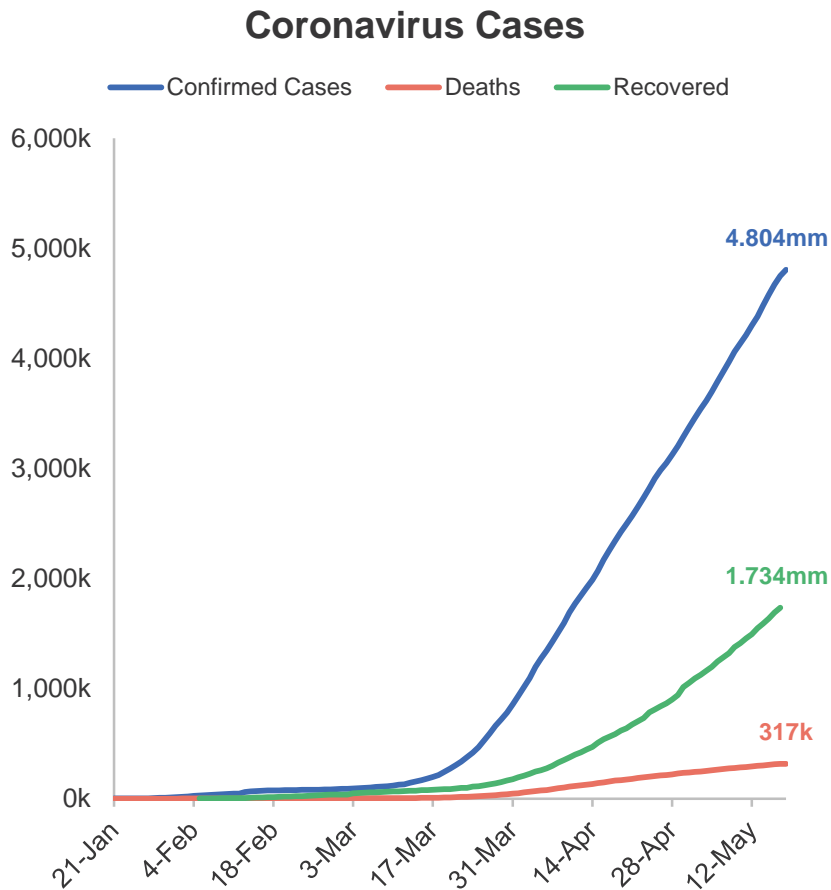


Effects on Financial Markets

Treasury yields and stock prices have plummeted while credit spreads and volatility have soared in reaction to the uncertainty created by the pandemic.



COVID-19 Pandemic Tops 4 Million Cases Worldwide

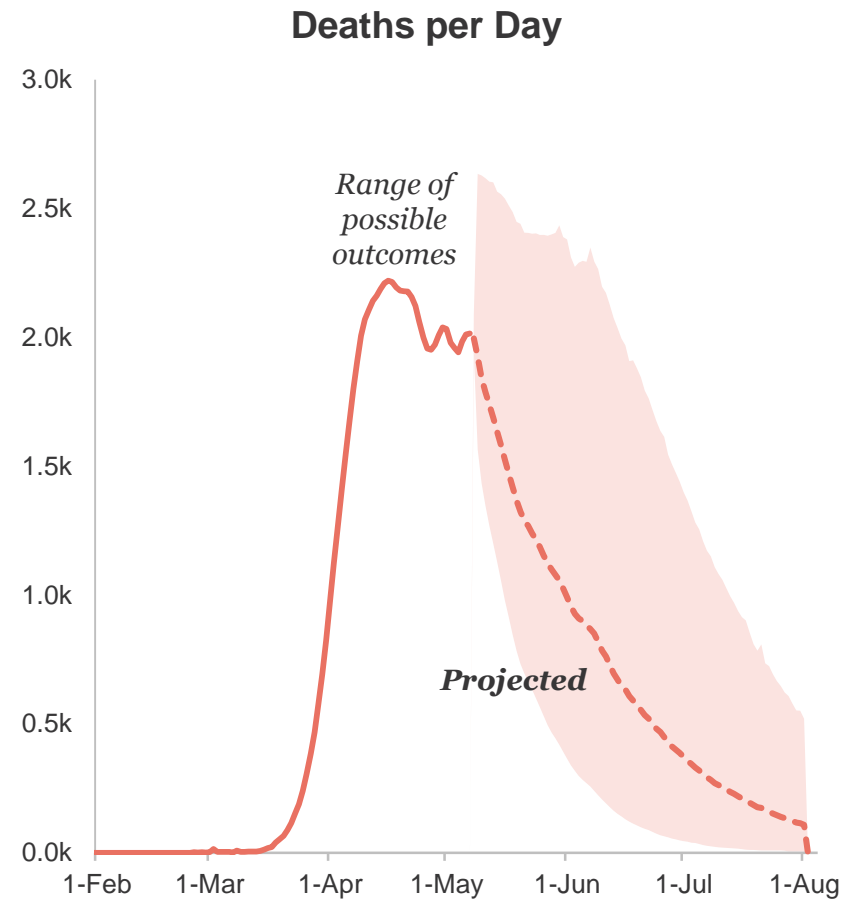
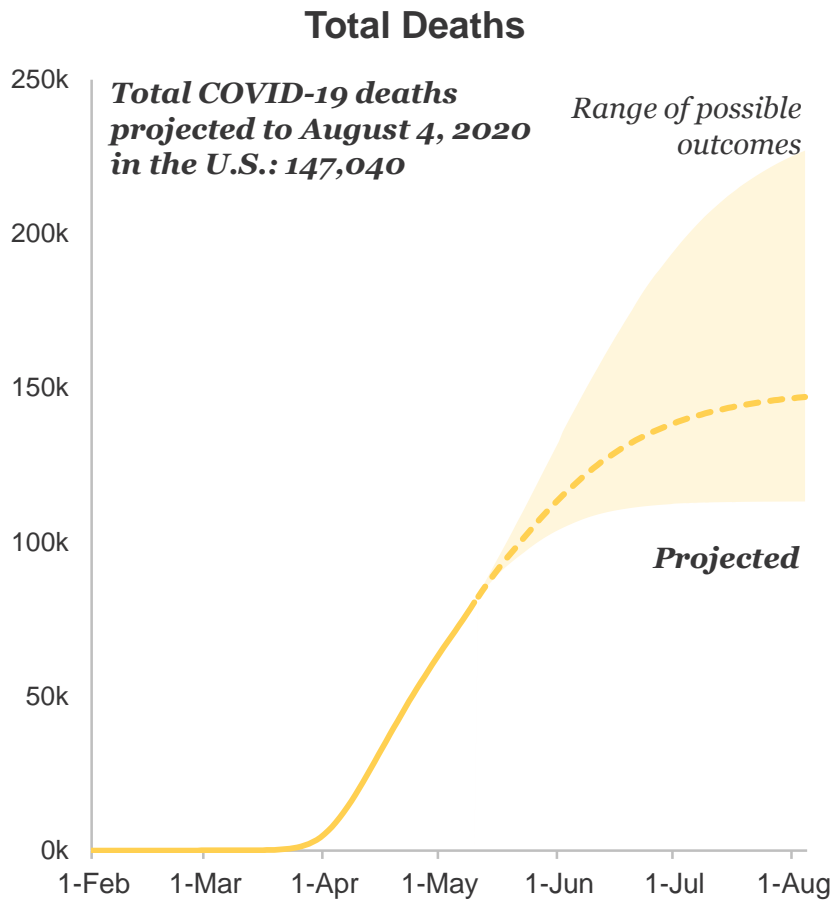


Rank*	Country	# Cases	# Deaths	Death Rate
1	United States	1,496,509	89,874	6.0%
2	China	84,054	4,638	5.5%
3	Japan	16,285	744	4.6%
4	Germany	176,551	8,003	4.5%
5	India	100,340	3,155	3.1%
6	United Kingdom	246,406	34,796	14.1%
7	France	216,526	28,239	13.0%
8	Italy	225,886	32,007	14.2%
9	Brazil	245,595	16,370	6.7%
10	Canada	78,394	5,905	7.5%
11	Russia	290,678	2,722	0.9%
12	South Korea	11,065	263	2.4%
13	Spain	231,606	27,709	12.0%
14	Australia	7,060	99	1.4%
15	Mexico	49,219	5,177	10.5%
23	Sweden	30,377	3,698	12.2%

Source: Bloomberg data compiled from Johns Hopkins University, the World Health Organization, and other sources. *By size of economy, estimates by IMF for 2019. Data as of 5/18/2020.



Due to Relaxed Social Distancing, U.S. Death Projections Rise

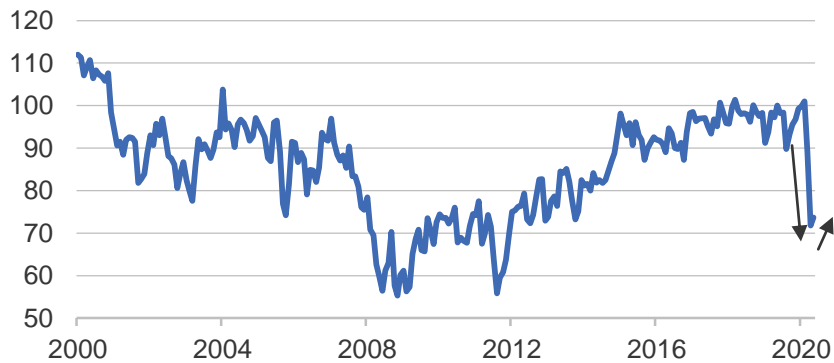


Source: Institute for Health Metrics and Evaluation, as of 5/18/2020. <https://covid19.healthdata.org/projections>

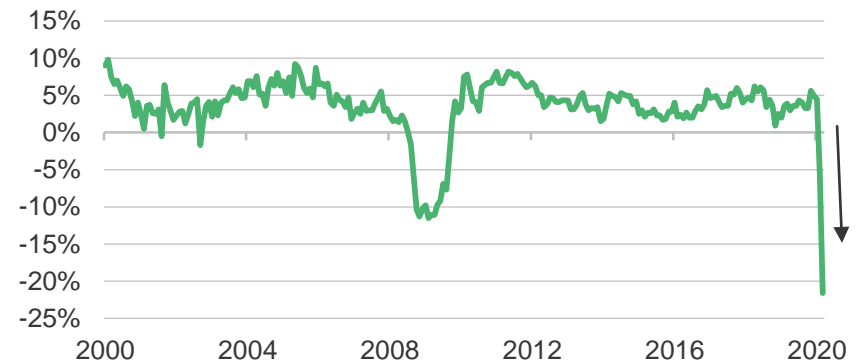


COVID-19 Takes a Toll on Consumer Confidence and Business Activity

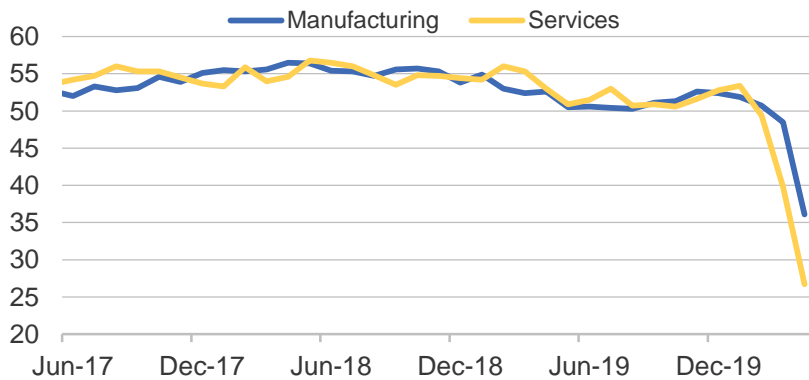
Consumer Sentiment Index



Retail Sales YoY



Markit PMI Index



Industrial Production YoY

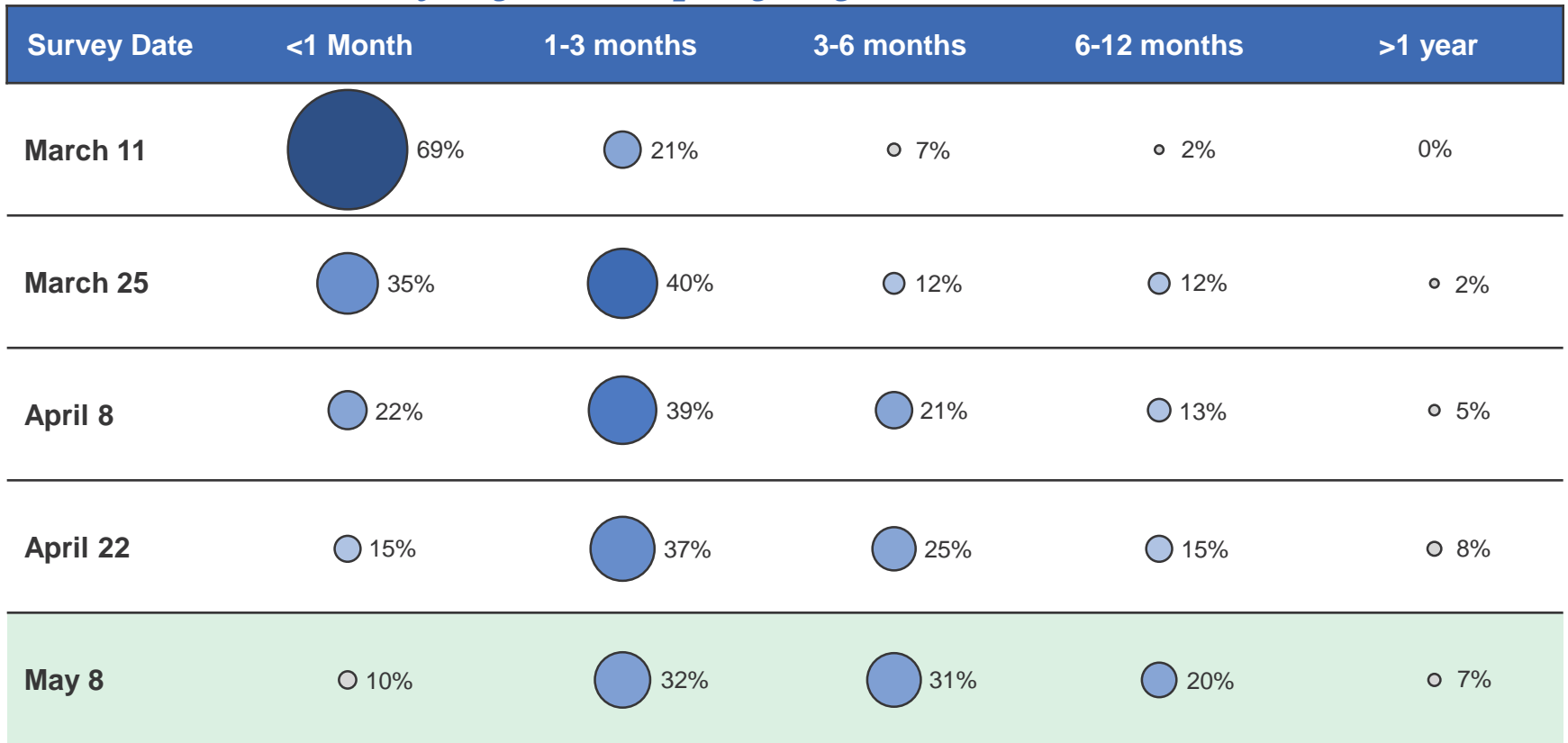


Source: Bloomberg, as of April 2020.



Businesses' Expected Recovery Time Has Increased

If COVID-19 were to end today, how long would you estimate it would take for your company to get back to business as usual?

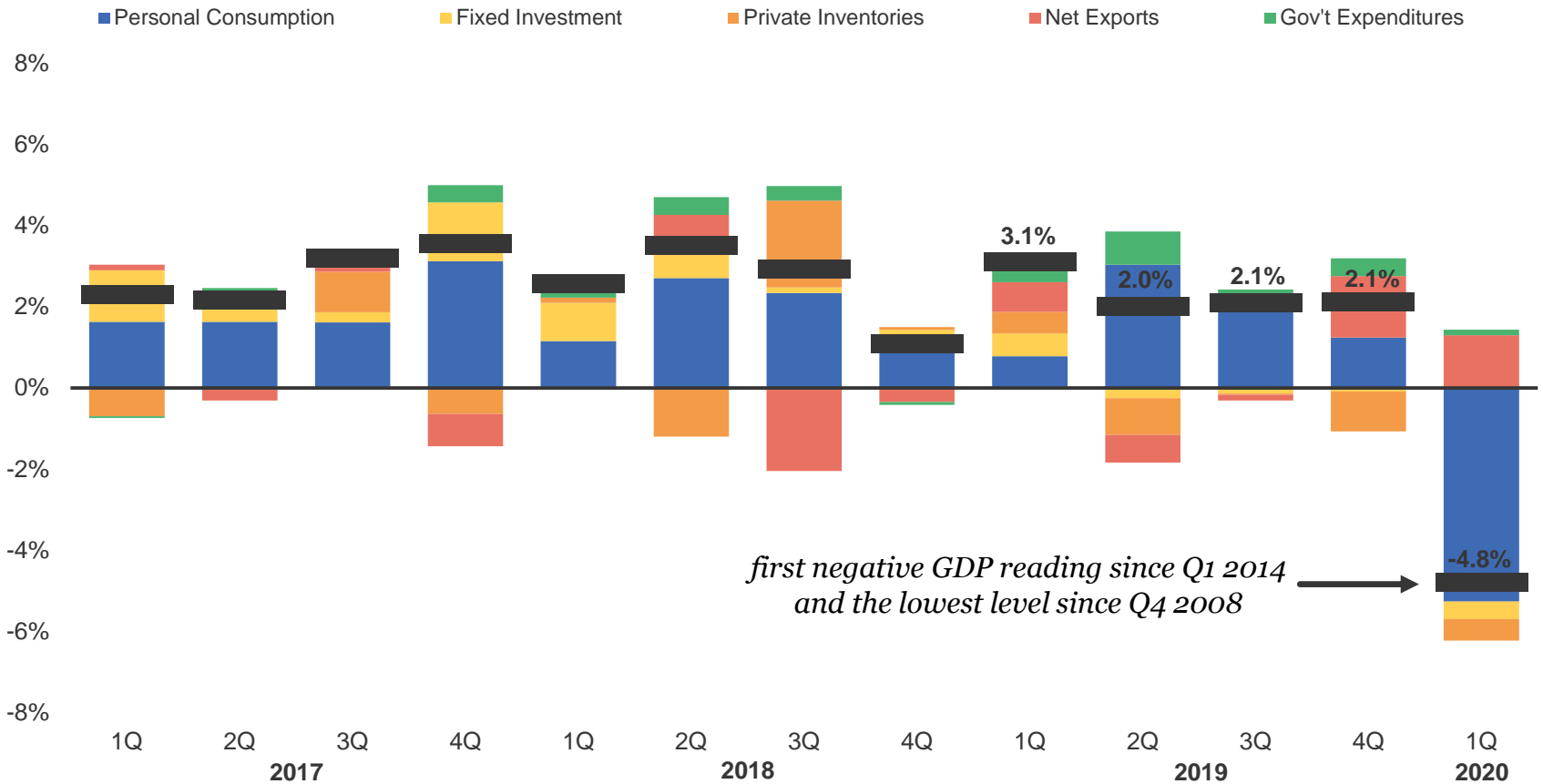


Source: Bloomberg, PwC's COVID-19 CFO Pulse Survey U.S. findings



Q1 U.S. GDP Falls 4.8% as COVID-19 Lockdown Weighs on Growth

U.S. GDP Contributors and Detractors

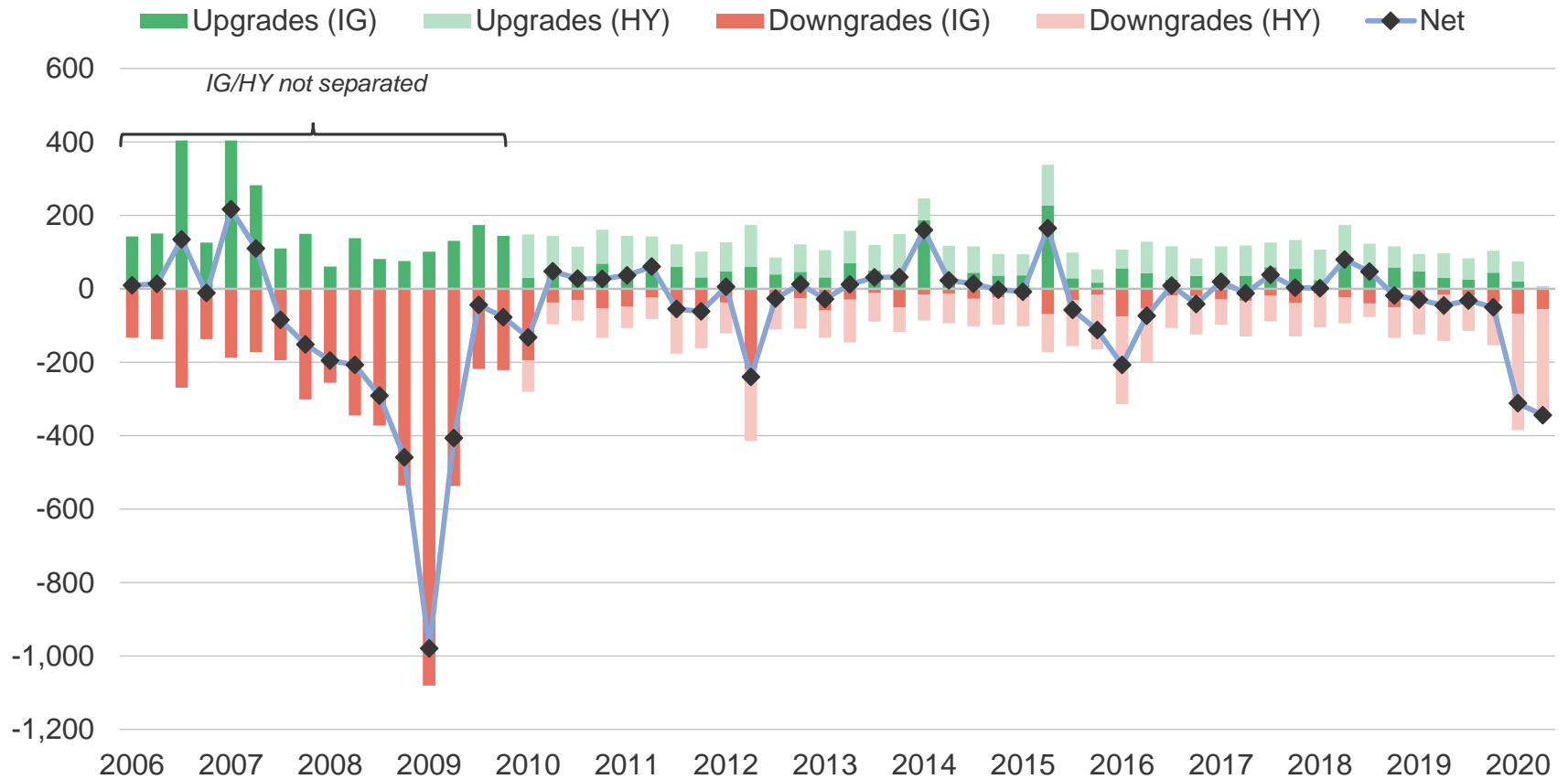


Source: Bureau of Economic Analysis.



Rating Downgrades Likely to Accelerate, Focused in High Yield

Moody's Quarterly Ratings Changes



Source: Bloomberg, as of 5/11/20.



Federal Reserve Broadens Tool Kit to Support Markets

● Zero Interest Rates

- Cut rates by 150 bps at two emergency meetings in March

● Asset Purchase Programs

- Unlimited Treasury and agency MBS purchases

● Repurchase Agreements

- Increased amount and term options to primary dealers

● Discount Window

- Decreased rate and extended term of loans

● Bank Regulatory Relief

- Lowered reserve requirement to 0; capital & liquidity flexibility

● Liquidity Support

- Funding for CP, ABS, MMFs, corporate bonds and more

● U.S. Dollar Swap Lines

- Increased access to U.S. dollars to foreign central banks

● Paycheck Protection Program

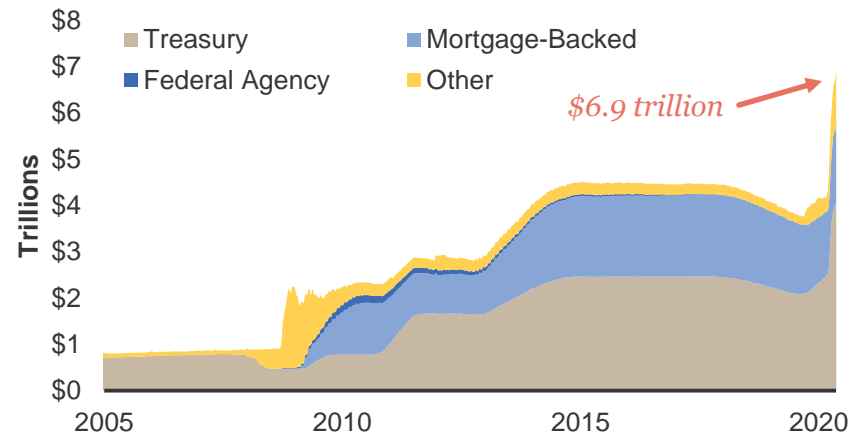
- Support for financial institutions issuing PPP loans

● Main Street Lending Program

- Purchasing loans to small- and mid-size businesses

Source: Federal Reserve, as of 5/18/2020.

Assets of the Federal Reserve



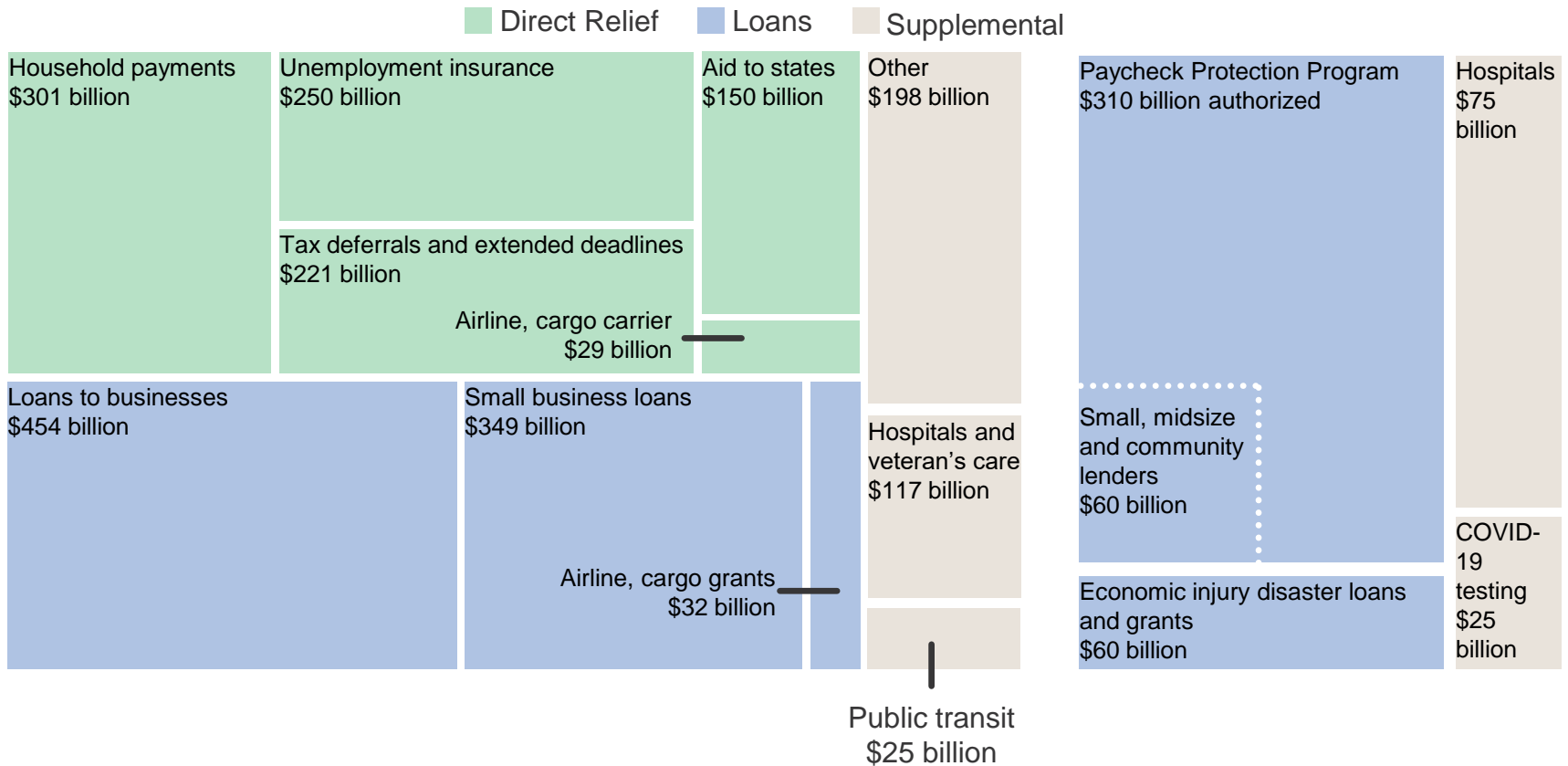
Amount Allocated to Fed's Liquidity Programs	
Facility	Holdings (billions)
Discount Window	\$24.2
PDCF	\$10.3
MMLF	\$39.8
CPFF	\$4.3
PPPLF	\$40.6
Swap Lines	\$440.9
Repurchase Agreements	\$157.3



Congress Providing Fiscal Stimulus to the Economy

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Paycheck Protection Program & Health Care Enhancement Act

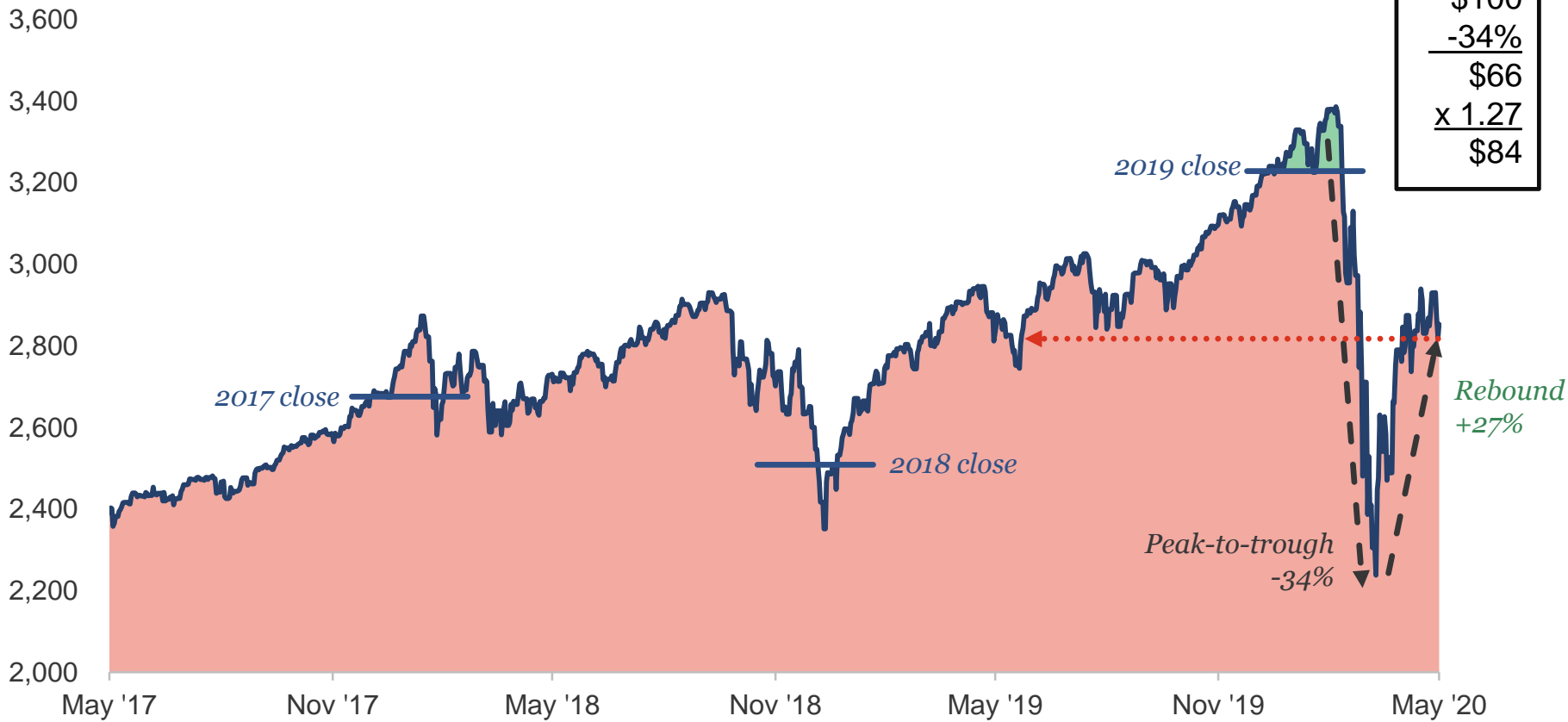


Source: Wall Street Journal, as of April 23, 2020.



Stocks Rally Strongly, But Remain Down from February Highs

S&P 500 Price Change

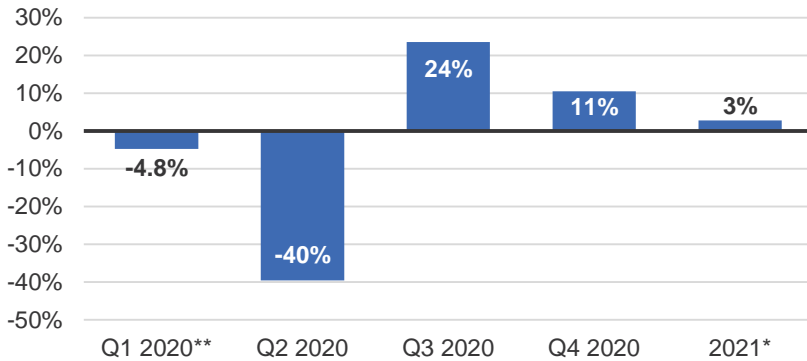


Source: Bloomberg, as of 5/14/2020.

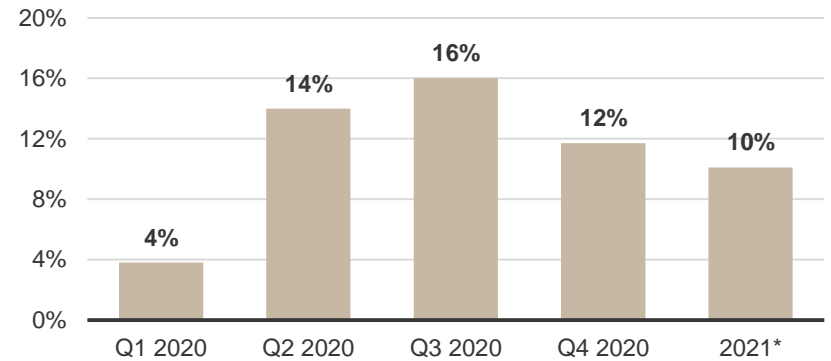


CBO Projections of Key Economic Variables

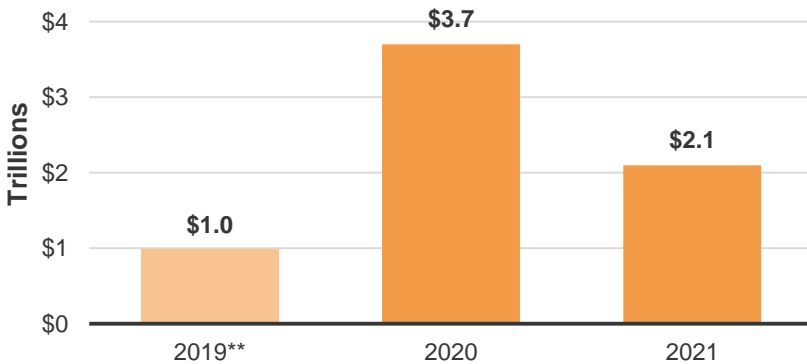
Real GDP (annualized rate)



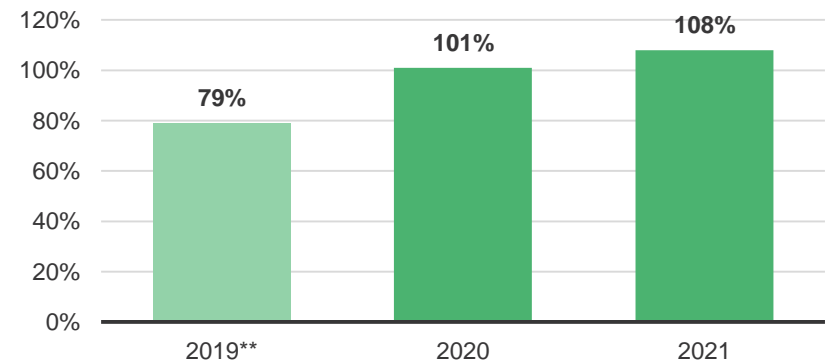
Unemployment Rate



Federal Deficit



Debt Held by Public as % of GDP



Source: Congressional Budget Office: "CBO's Current Projections of Output, Employment, and Interest Rates and a Preliminary Look at Federal Deficits for 2020 and 2021" released April 24, 2020. *Average for year. **Actual results.

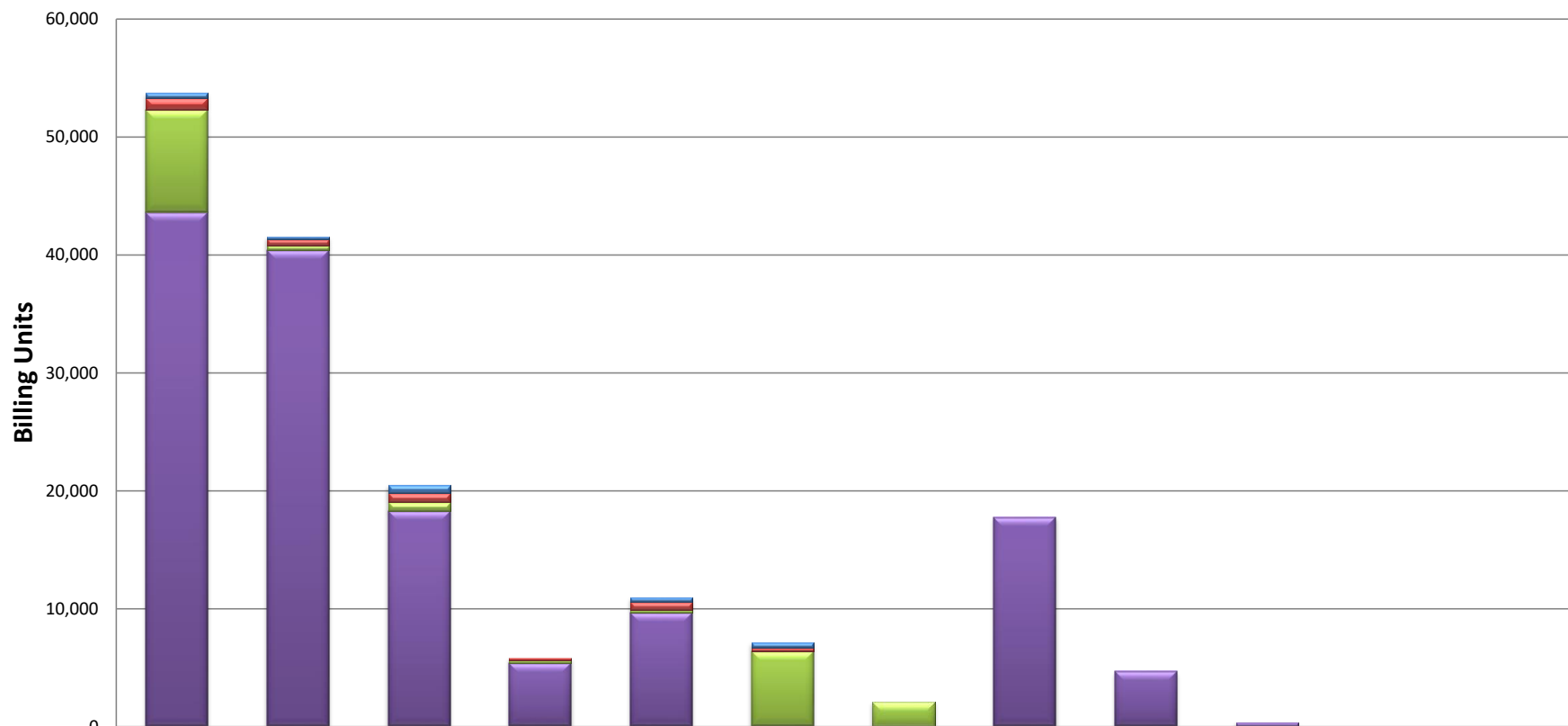


BUDGET SCHEDULE FY 2020/2021

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	5/26/2020	Tues
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

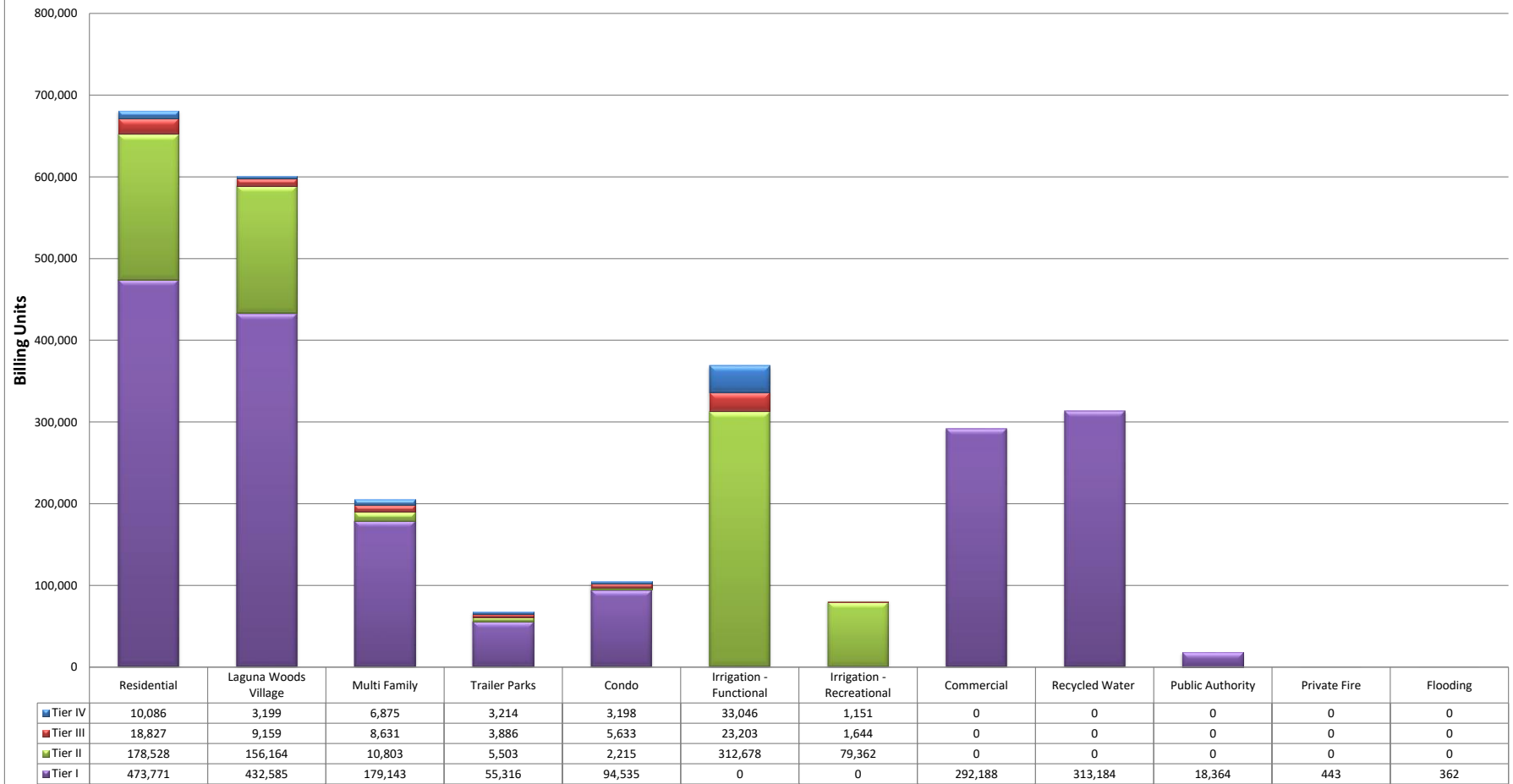
Note: Board Budget Committee #1, Committee #2, and Workshop are at 7:30 am

April 2020 Water Sales

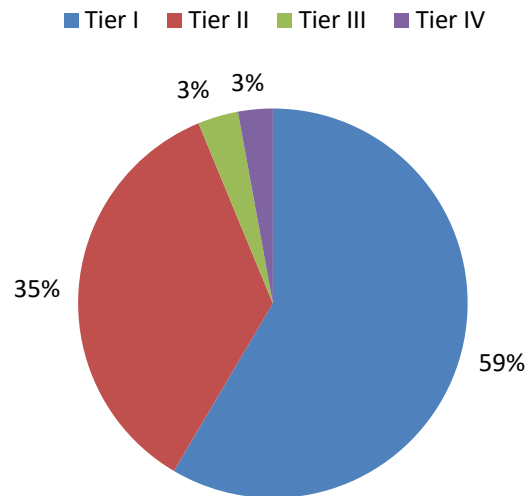


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	454	228	696	68	393	454	11	0	0	0	0	0
■ Tier III	1,034	554	777	186	691	288	32	0	0	0	0	0
■ Tier II	8,654	418	760	253	254	6,405	2,122	0	0	0	0	0
■ Tier I	43,623	40,367	18,267	5,396	9,631	0	0	17,778	4,674	370	9	26

Year-to-Date Water Sales as of April 2020

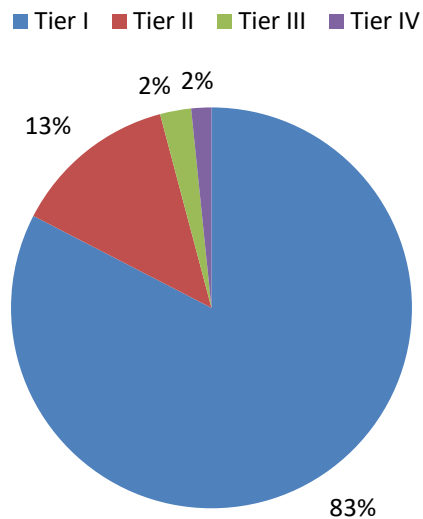


Year to Date Tiered Sales As of April 2020



Year To Date Sales in ccf		
Tier I	1,235,350	58.48%
Tier II	745,253	35.28%
Tier III	70,983	3.36%
Tier IV	60,769	2.88%
	2,112,355	100.00%

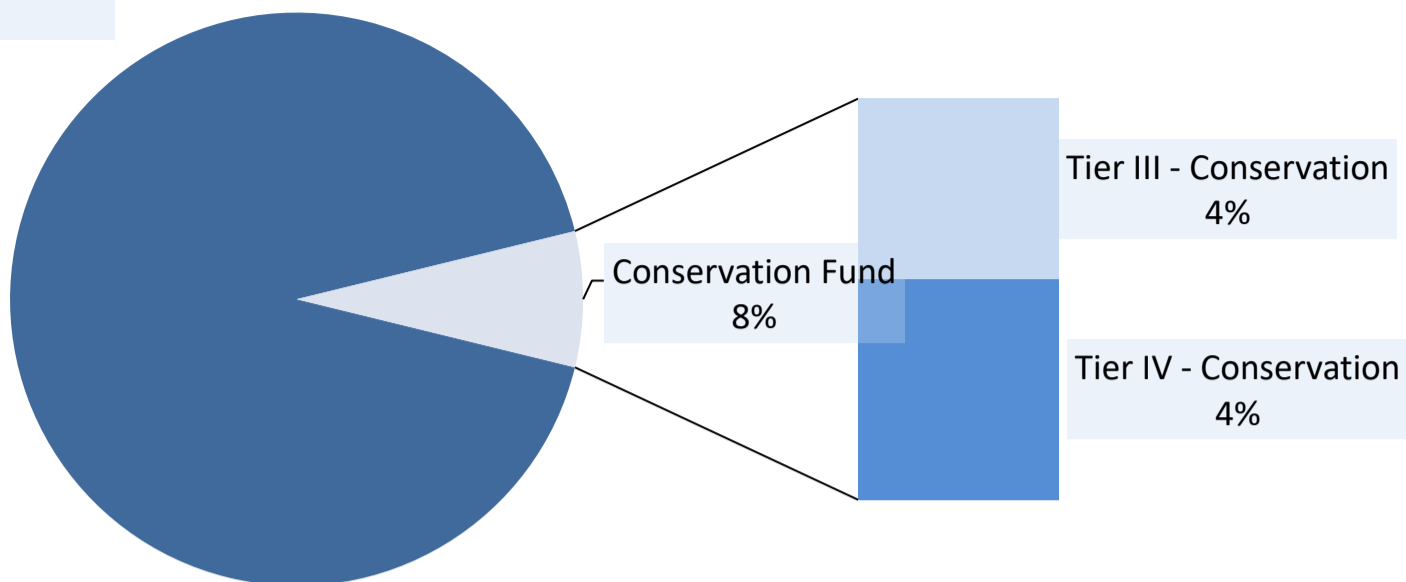
April 2020 Tiered Sales



Current Month Sales in ccf		
Tier I	117,284	82.59%
Tier II	18,866	13.28%
Tier III	3,562	2.51%
Tier IV	2,304	1.62%
	142,016	100.00%

Year to Date Water Sales as of April 2020

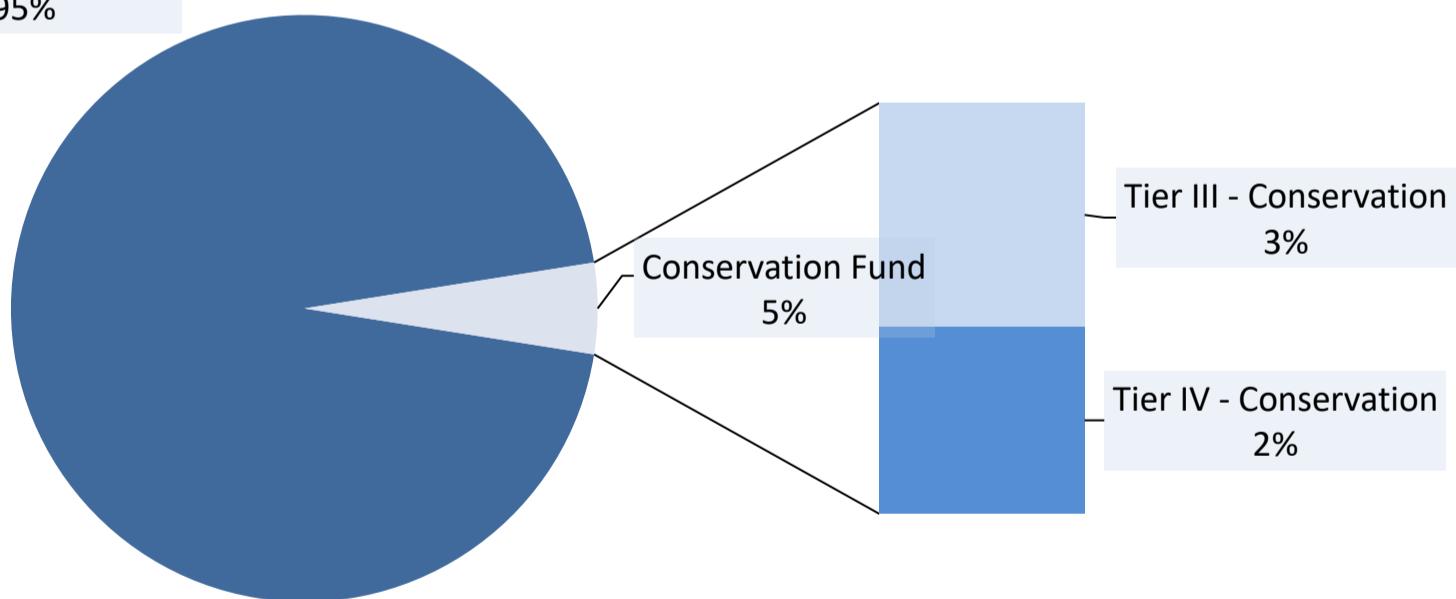
Water Delivery Cost
92%



Category	Billings	Percentage
Water Delivery Cost	\$5,806,631.08	92.36%
Tier III - Conservation	\$215,788.32	3.43%
Tier IV - Conservation	\$264,532.60	4.21%
	\$6,286,952.00	100.00%

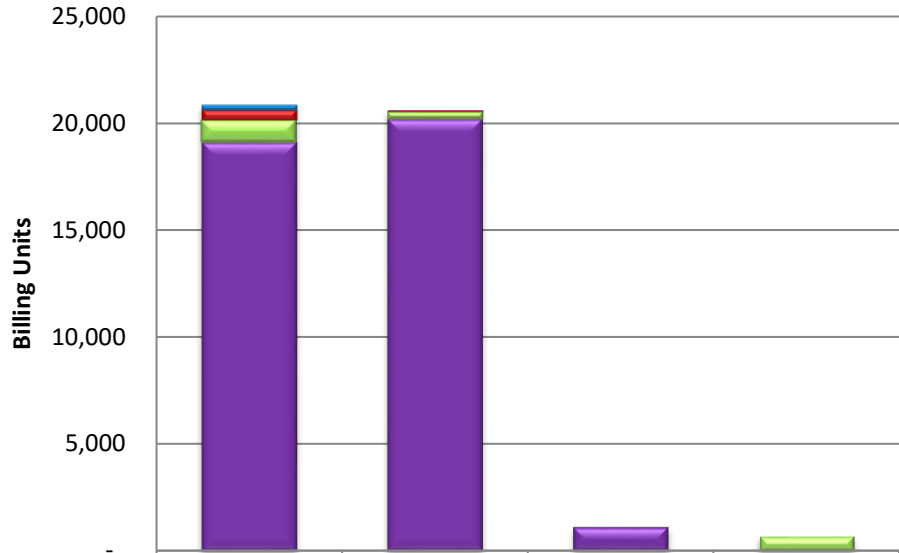
April 2020 Water Sales

Water Delivery Cost
95%



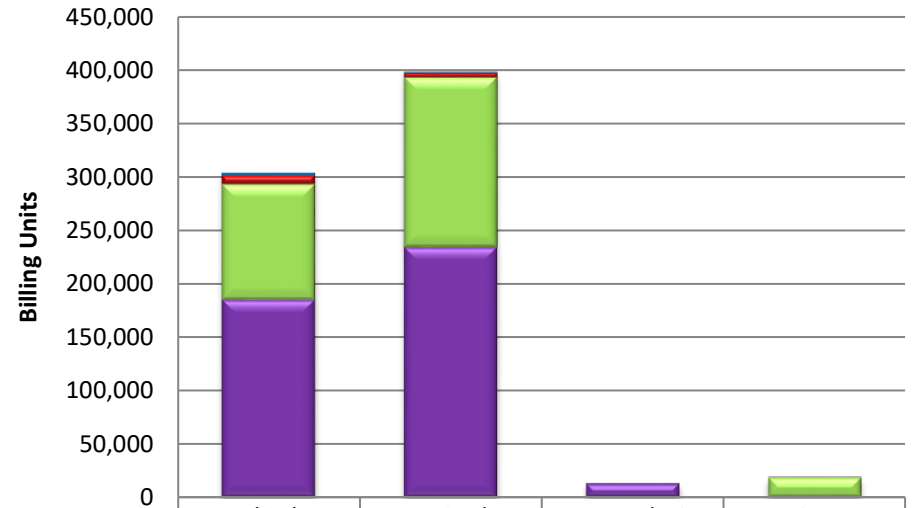
Category	Billings	Percentage
Water Delivery Cost	\$377,293.18	94.99%
Tier III - Conservation	\$10,828.48	2.73%
Tier IV - Conservation	\$9,051.73	2.28%
	\$397,173.39	100.00%

Laguna Woods Village April 2020 Water Sales



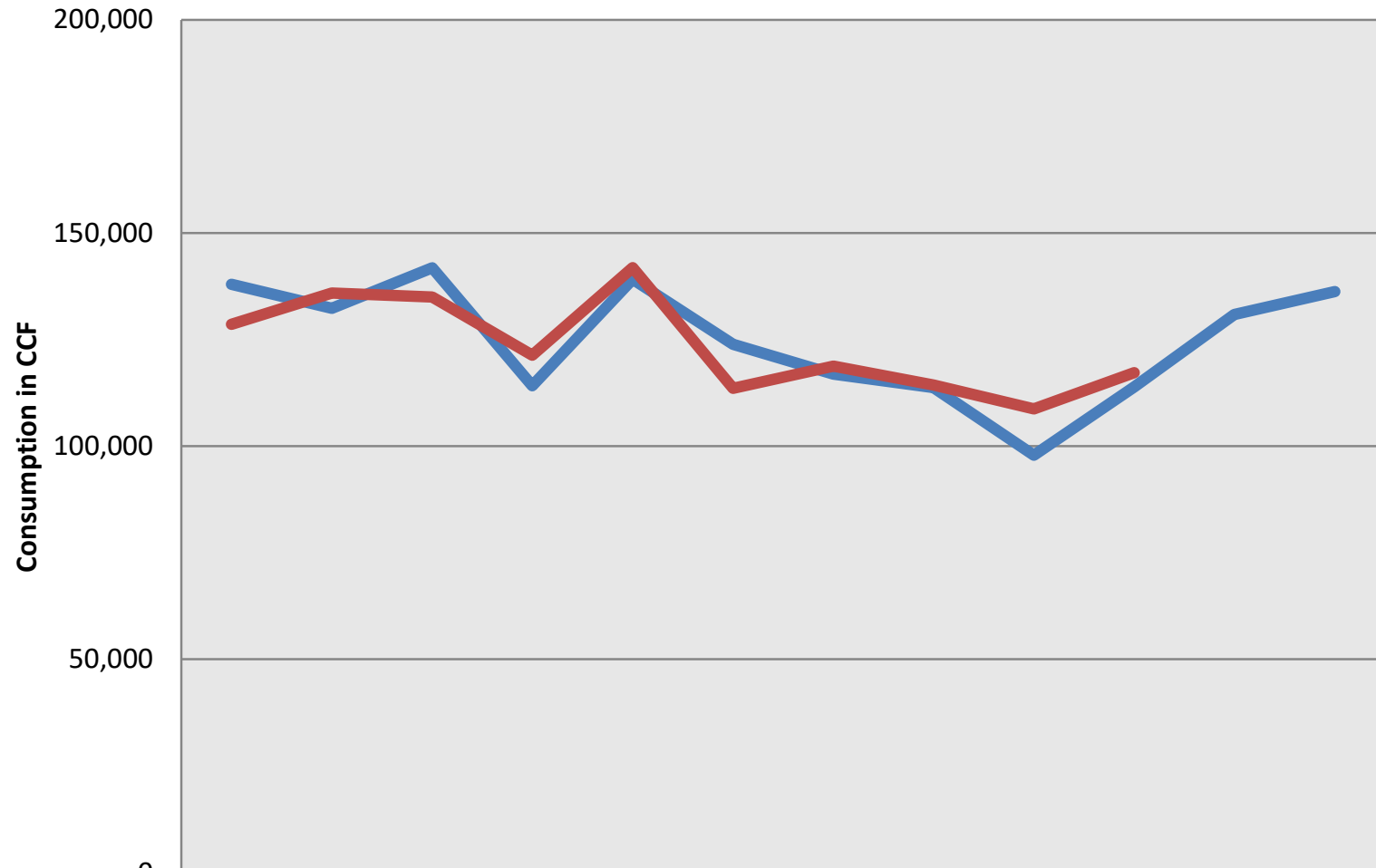
	Third	United	Mutual 50	GRF
Tier 4	204	24	-	-
Tier 3	480	74	-	-
Tier 2	1,075	359	3	691
Tier 1	19,073	20,157	1,137	-

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



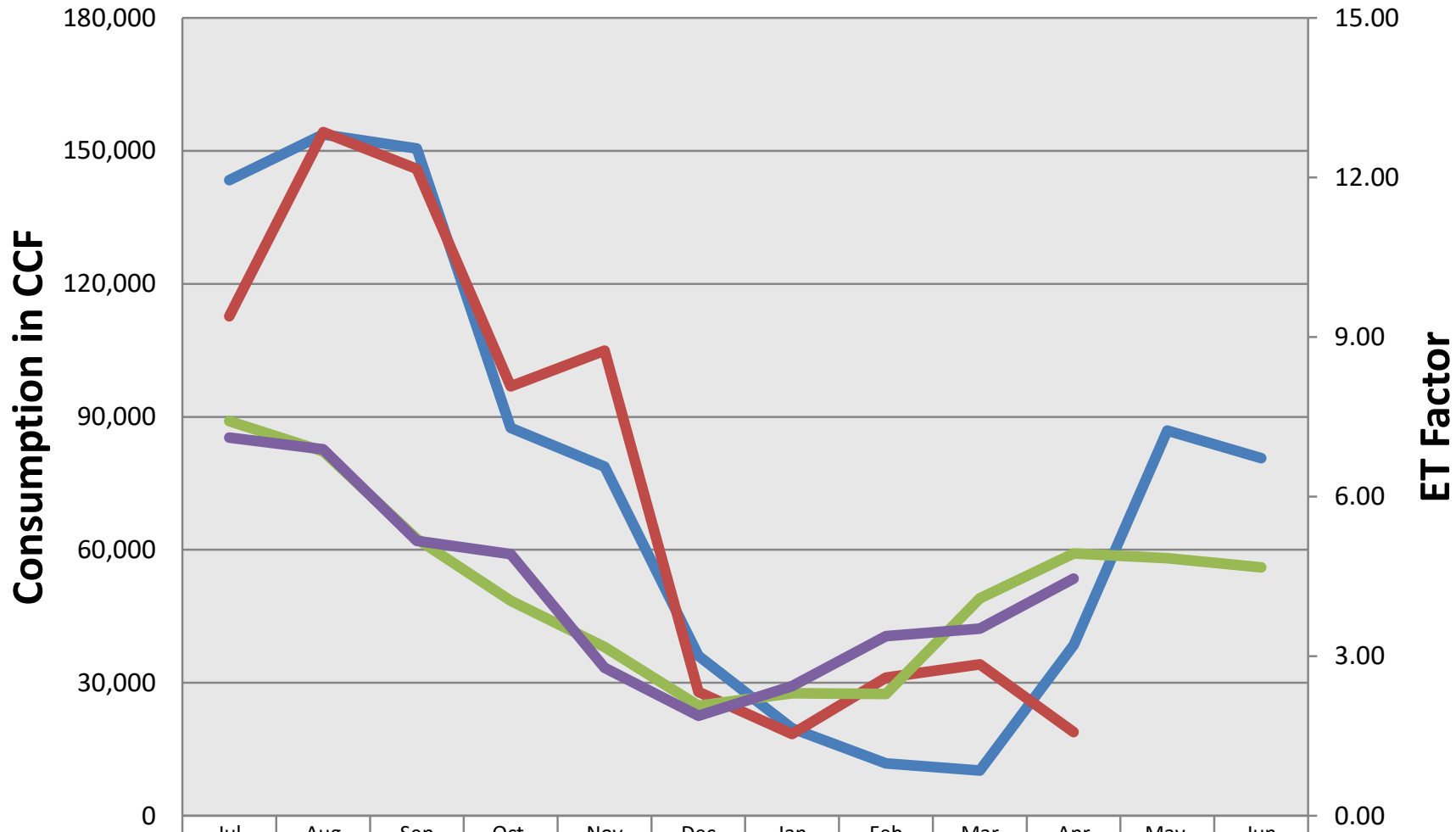
	Third	United	Mutual 50	GRF
Tier 4	2,690	699	2	93
Tier 3	8,249	4,463	223	364
Tier 2	108,312	158,999	138	18,652
Tier 1	185,208	234,384	12,993	0

Tier I Consumption



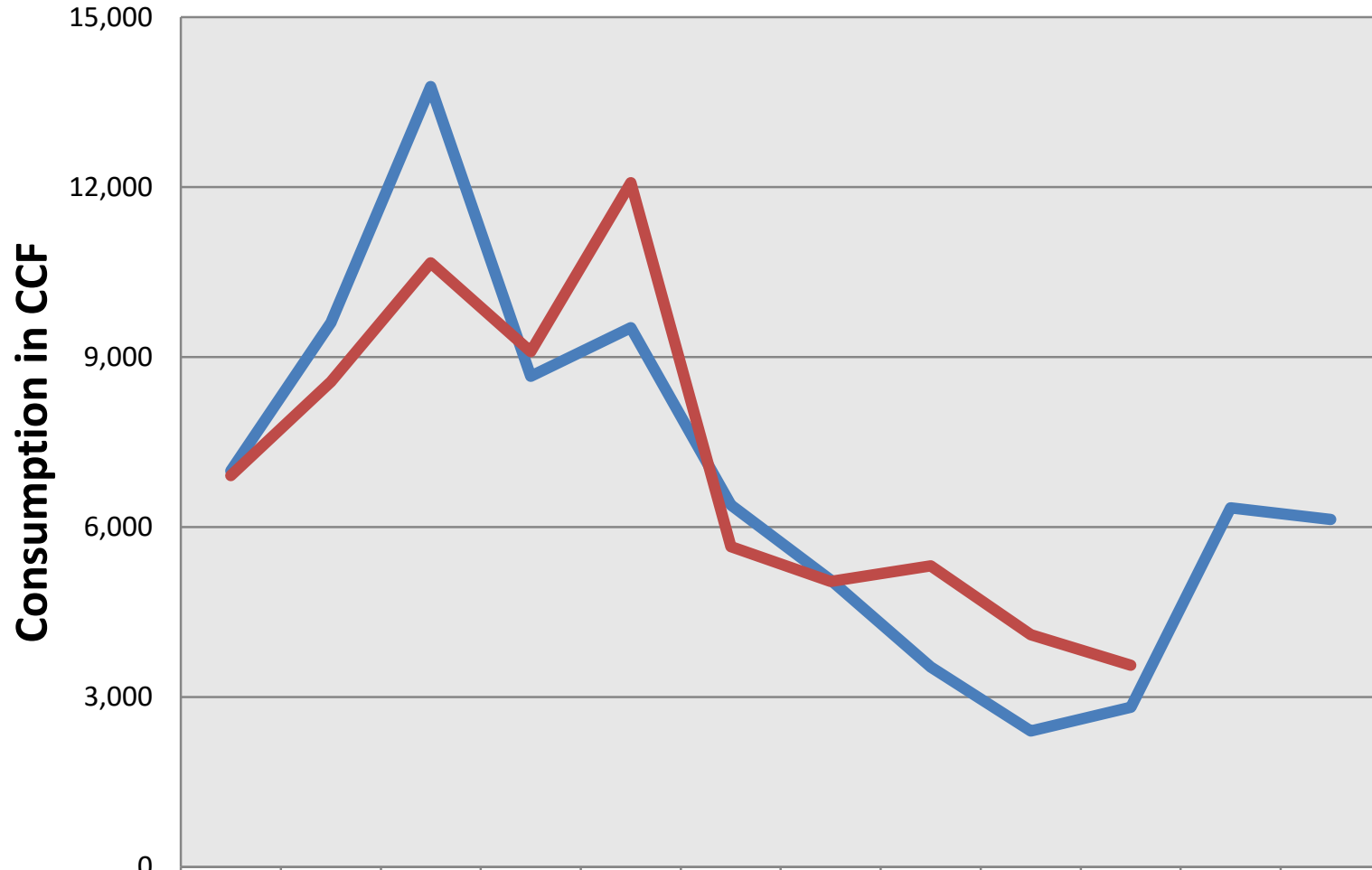
2018-2019	137,942	132,362	141,843	114,216	139,130	123,888	116,895	113,728	97,880	113,892	130,856	136,272
2019-2020	128,554	135,906	134,987	121,297	141,878	113,574	118,788	114,338	108,744	117,284		

Tier II Consumption



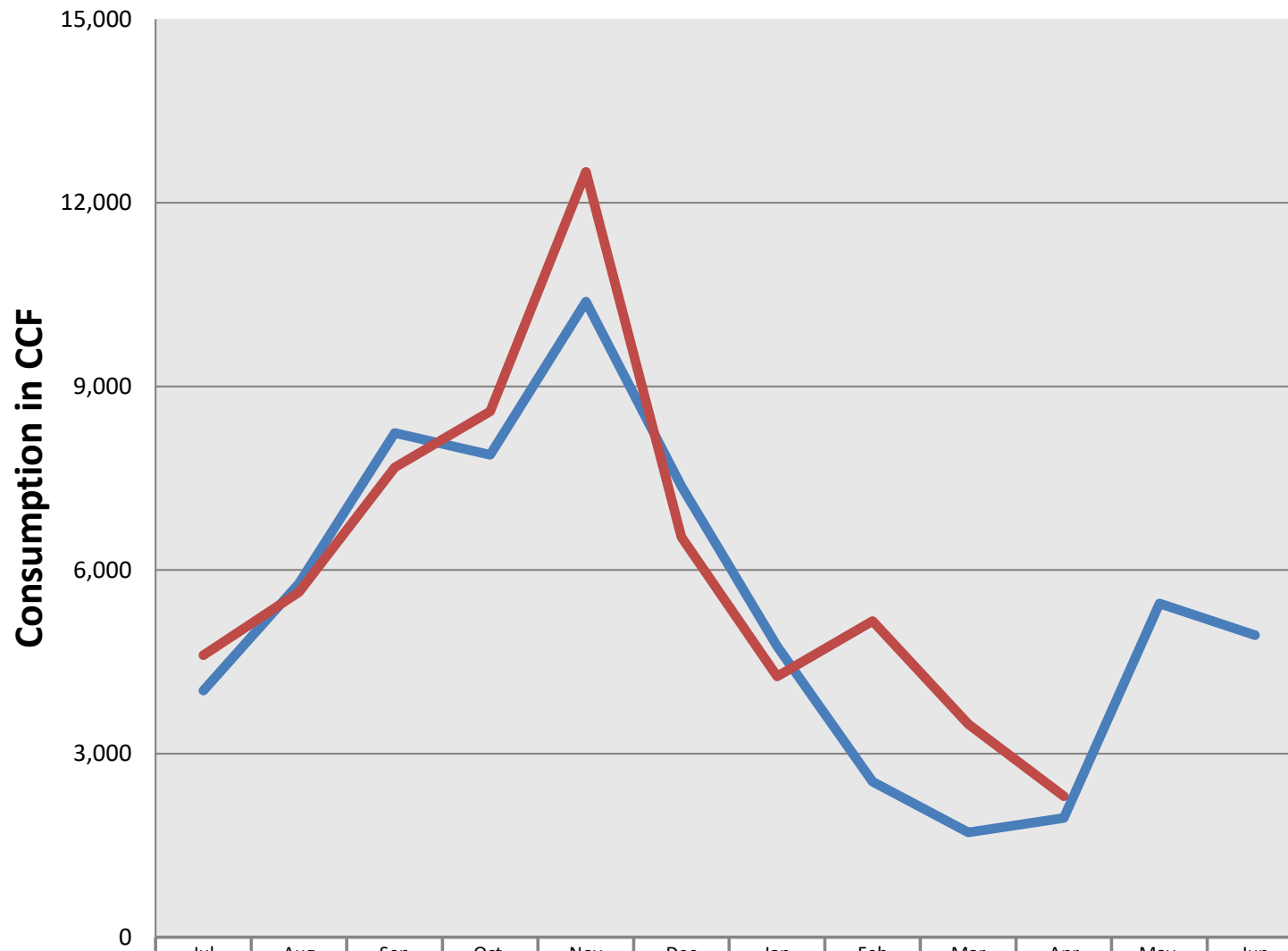
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	143,435	153,711	150,513	87,549	78,787	36,095	19,755	11,856	10,206	38,497	86,912	80,692
2019-2020	112,695	154,237	145,968	96,862	104,906	27,914	18,449	31,164	34,192	18,866		
18/19 ET	7.42	6.85	5.21	4.04	3.17	2.07	2.30	2.29	4.09	4.93	4.84	4.67
19/20 ET	7.11	6.89	5.17	4.92	2.78	1.88	2.44	3.38	3.52	4.46		

Tier III Consumption



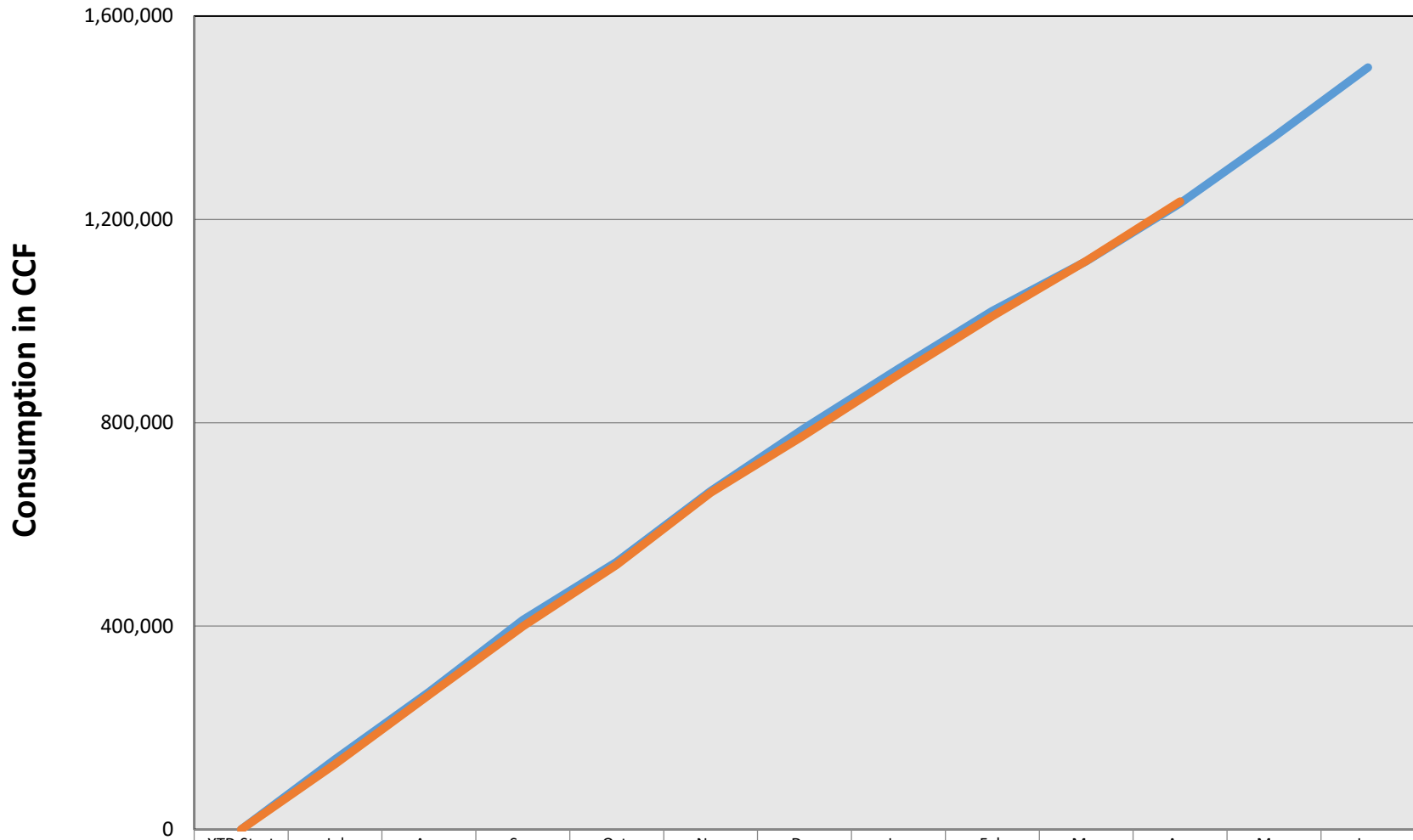
2018-2019	6,994	9,606	13,775	8,664	9,520	6,389	5,069	3,533	2,401	2,818	6,339	6,135
2019-2020	6,910	8,567	10,664	9,094	12,078	5,654	5,038	5,318	4,098	3,562		

Tier IV Consumption



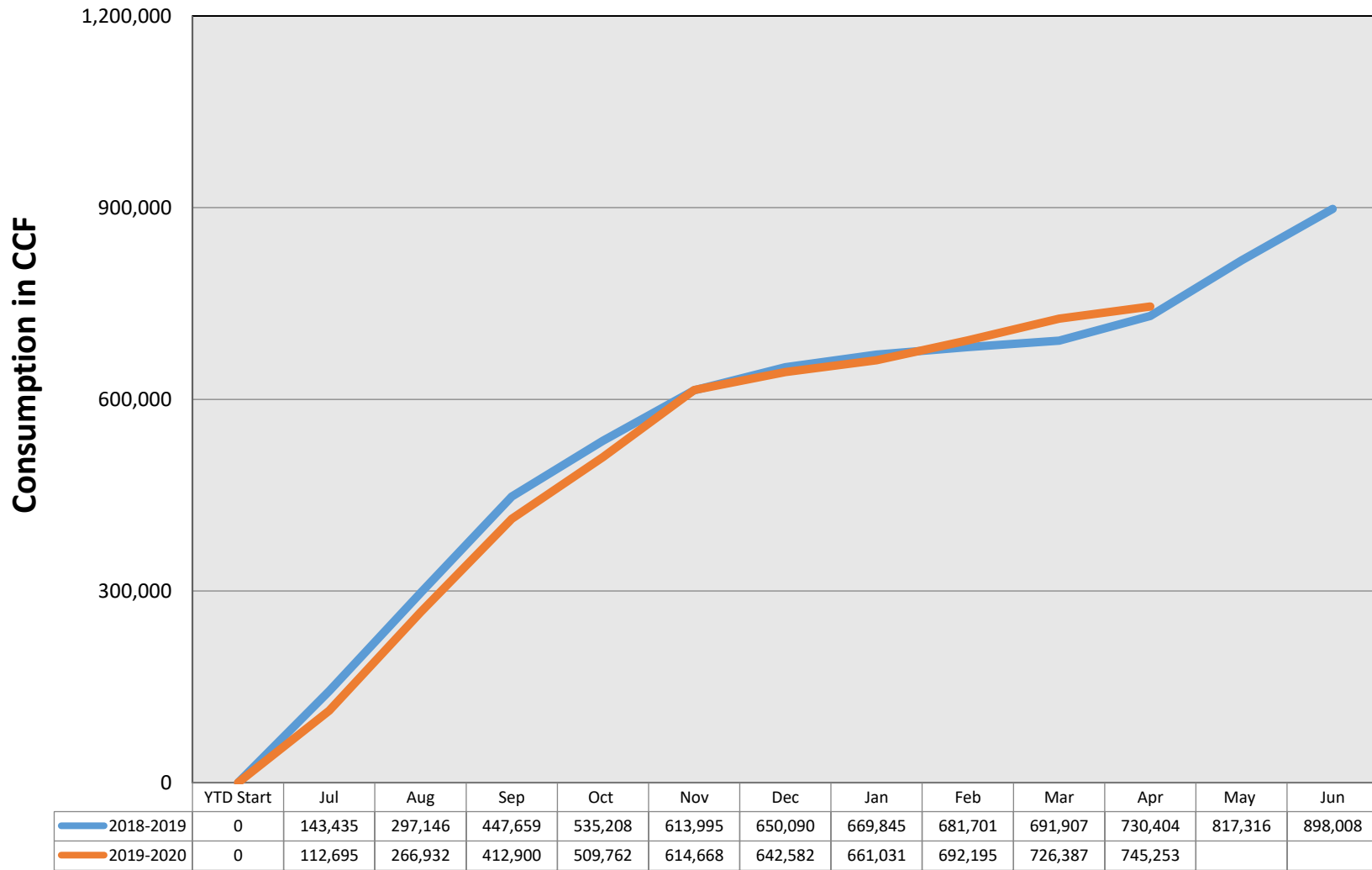
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	4,028	5,777	8,236	7,879	10,384	7,370	4,752	2,539	1,712	1,945	5,454	4,936
2019-2020	4,608	5,639	7,676	8,591	12,505	6,539	4,262	5,166	3,479	2,304		

Tier I YTD Consumption

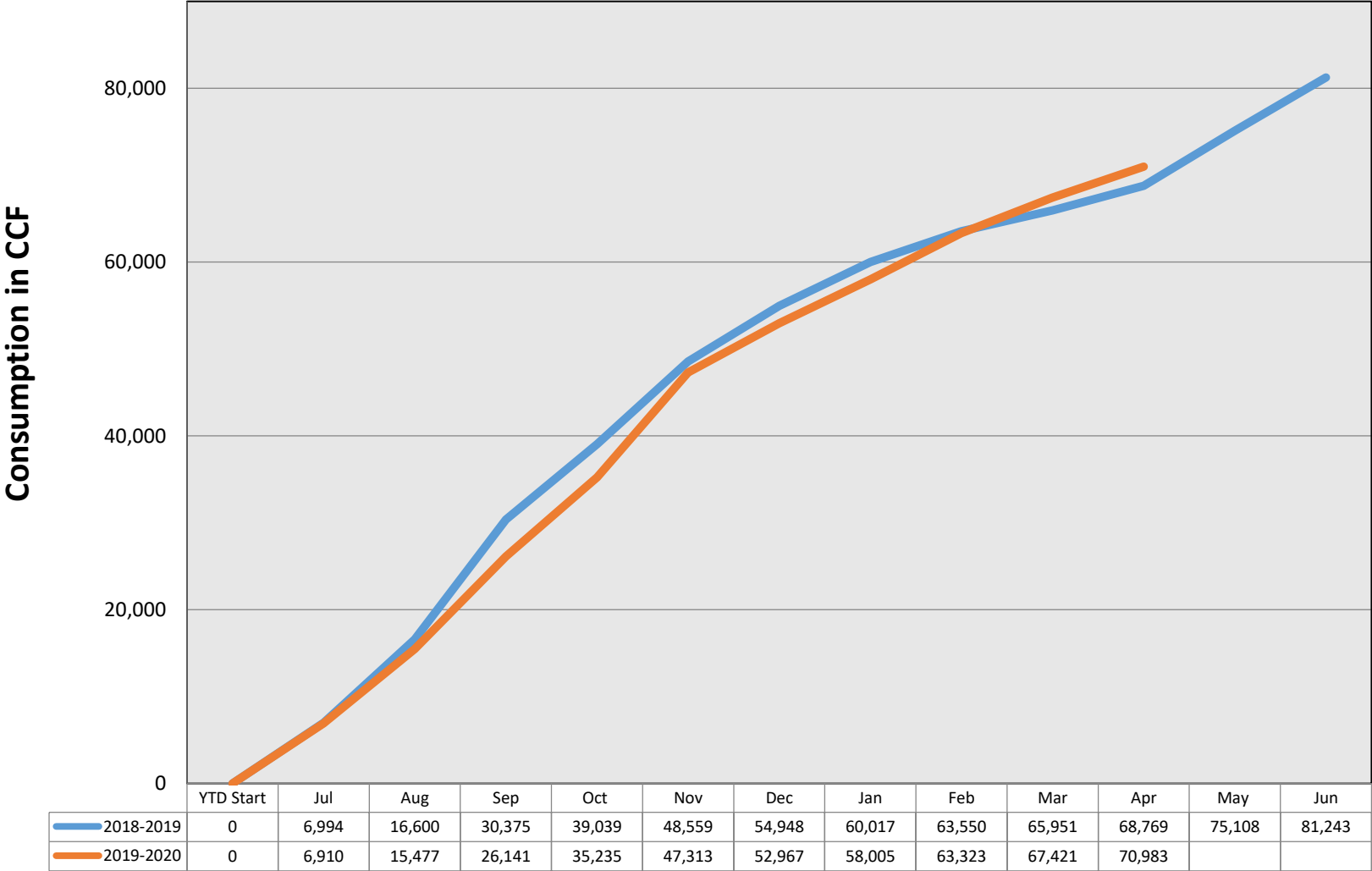


	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
— 2018-2019	0	137,942	270,304	412,147	526,363	665,493	789,381	906,276	1,020,004	1,117,884	1,231,776	1,362,632	1,498,904
— 2019-2020	0	128,554	264,460	399,447	520,744	662,622	776,196	894,984	1,009,322	1,118,066	1,235,350		

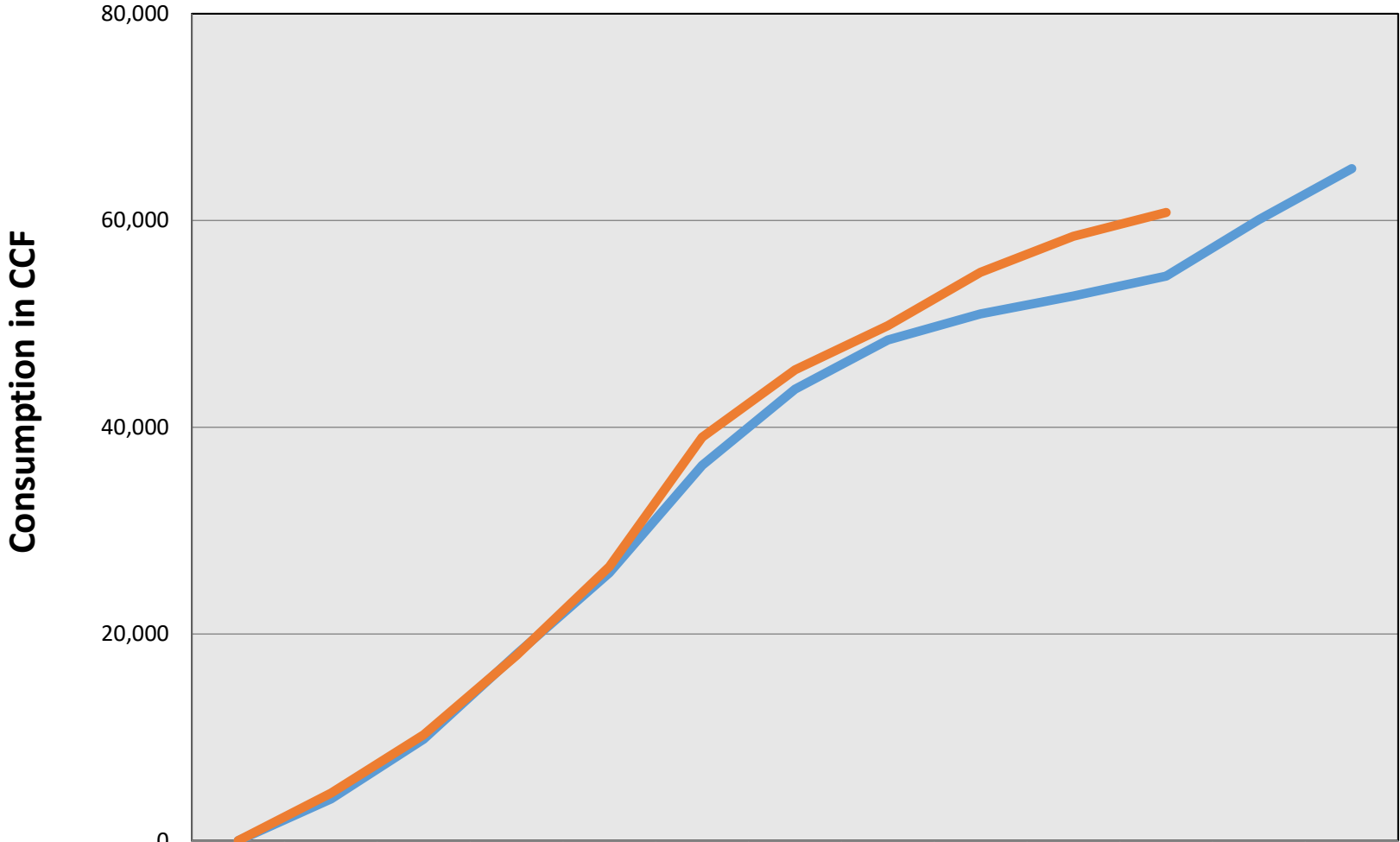
Tier II YTD Consumption



Tier III YTD Consumption

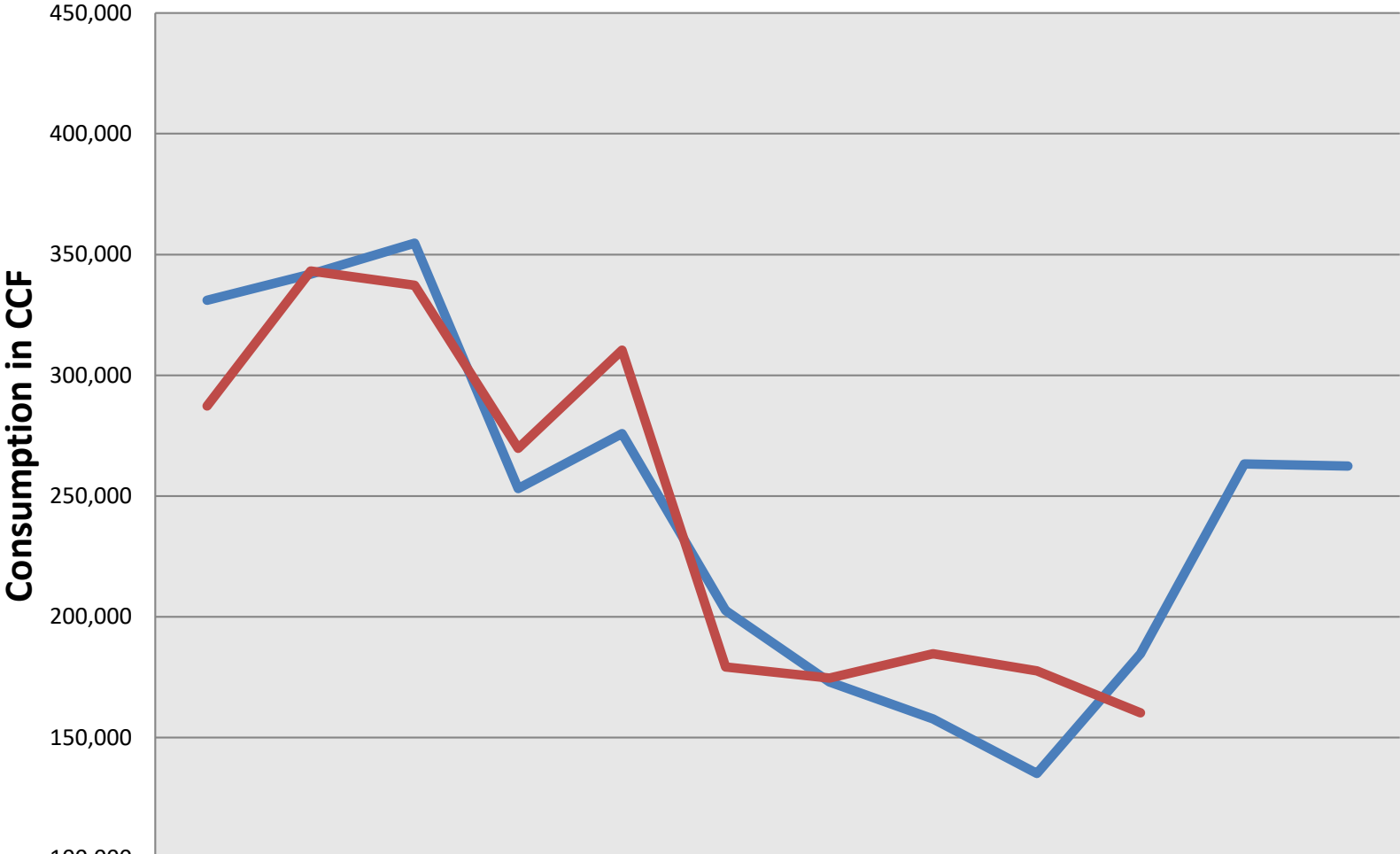


Tier IV YTD Consumption



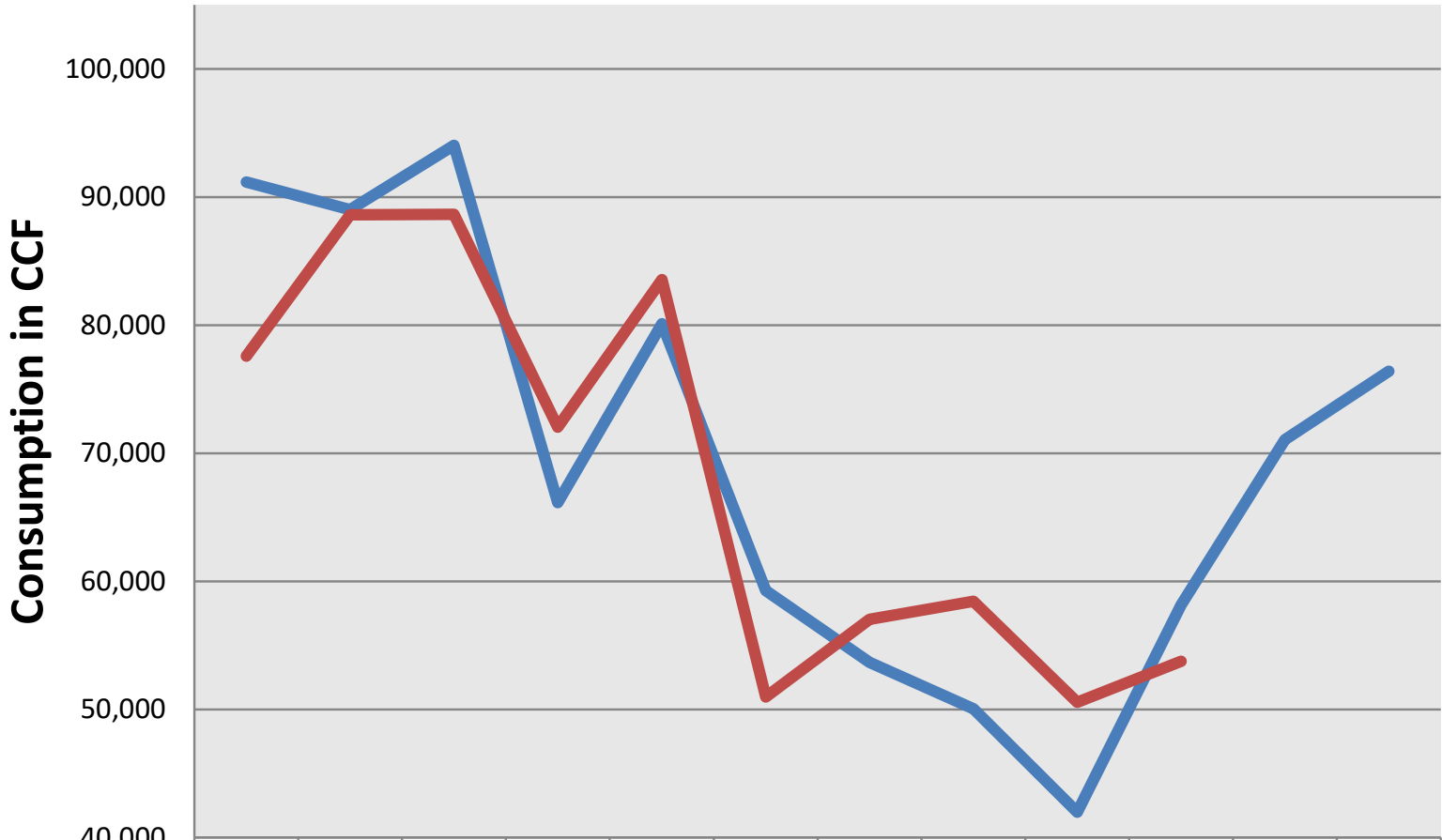
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	0	4,028	9,805	18,041	25,920	36,304	43,674	48,426	50,965	52,677	54,622	60,076	65,012
2019-2020	0	4,608	10,247	17,923	26,514	39,019	45,558	49,820	54,986	58,465	60,769		

ETWD Total Consumption



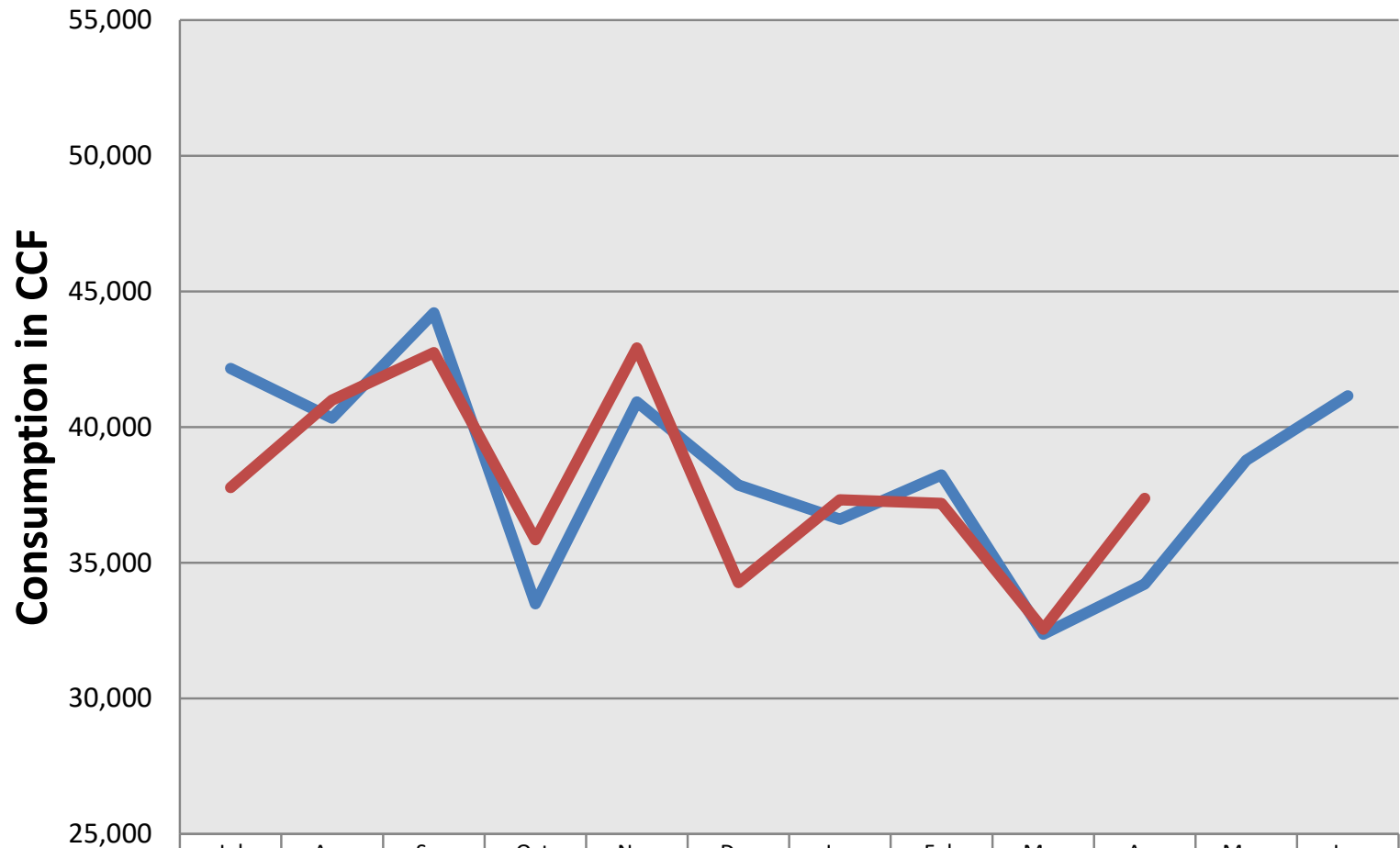
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	331,098	341,819	354,683	253,007	275,853	202,506	172,911	157,696	135,090	184,628	263,218	262,396
2019-2020	287,207	343,163	337,247	269,666	310,344	179,155	174,596	184,609	177,526	160,199		
%	87%	100%	95%	107%	113%	88%	101%	117%	131%	87%	0%	0%

Single Family Residents Consumption



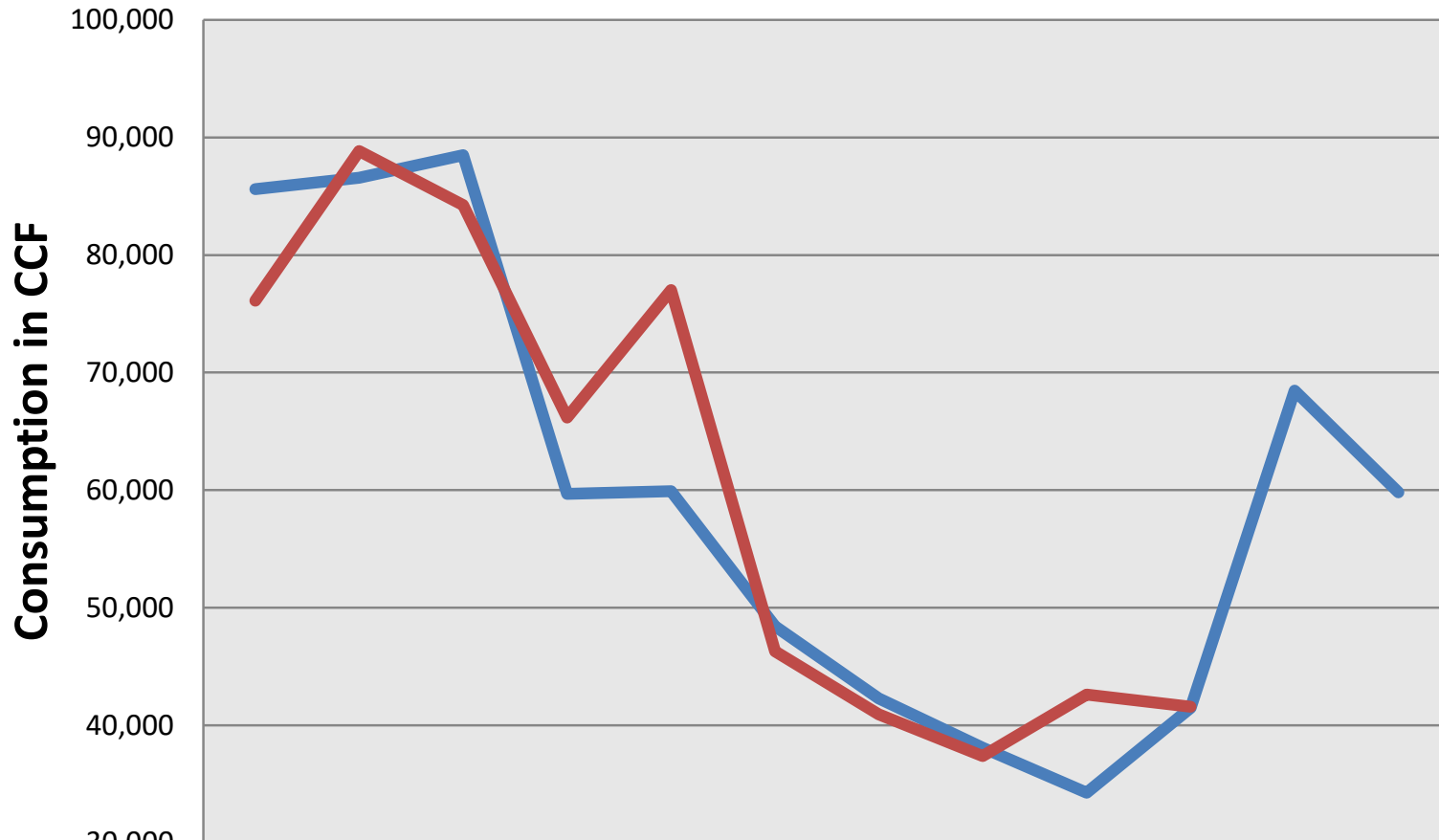
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	91,178	89,009	94,035	66,147	80,118	59,264	53,677	50,046	41,974	58,165	71,066	76,403
2019-2020	77,586	88,625	88,650	72,040	83,550	50,955	57,031	58,453	50,557	53,765		
%	85%	100%	94%	109%	104%	86%	106%	117%	120%	92%	0%	0%

Multi Family Residents Consumption



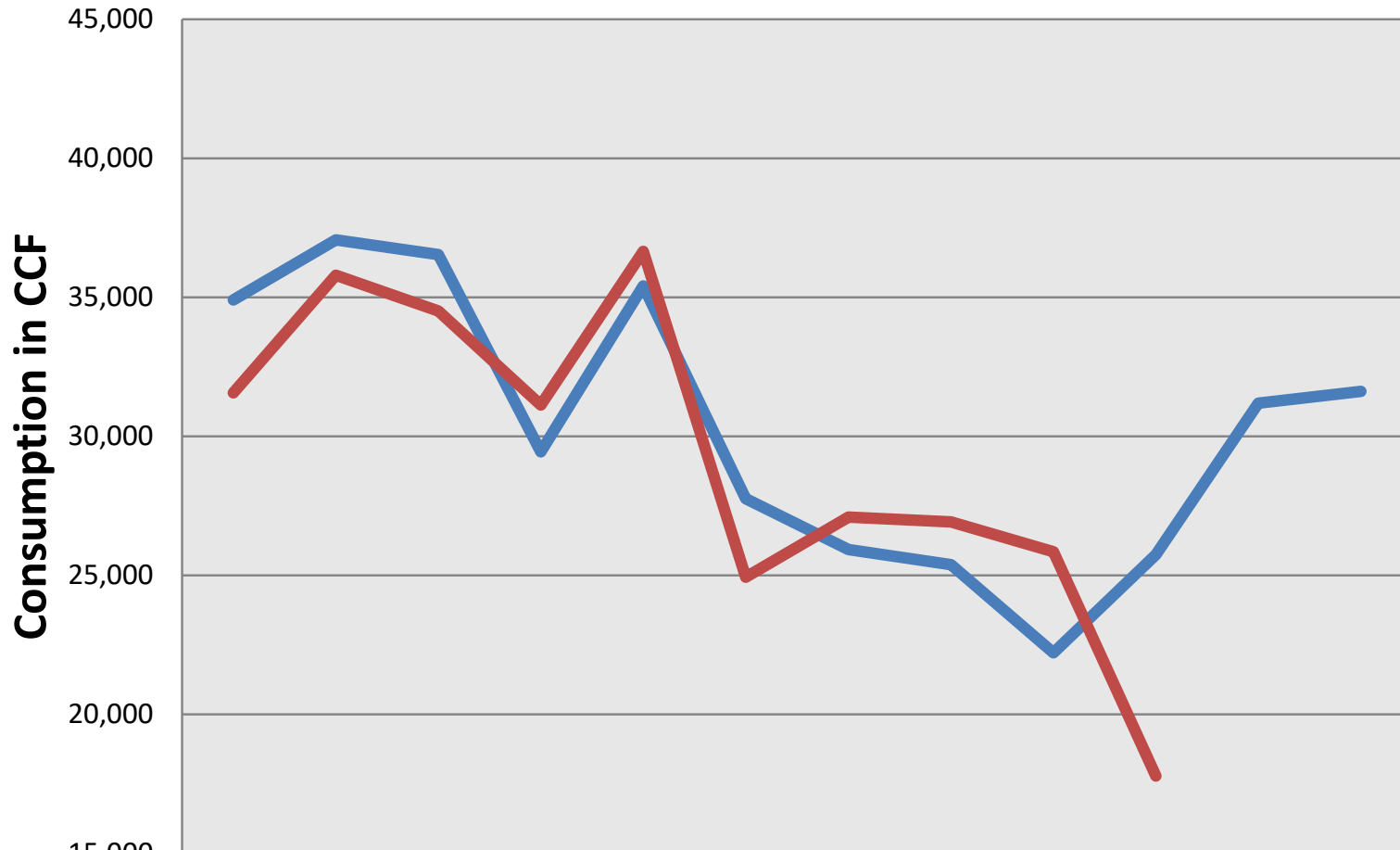
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2018-2019	42,163	40,322	44,209	33,491	40,924	37,866	36,596	38,228	32,364	34,208	38,774	41,146
2019-2020	37,764	40,990	42,748	35,846	42,915	34,269	37,314	37,185	32,549	37,372		
%	90%	102%	97%	107%	105%	91%	102%	97%	101%	109%	0%	0%

Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



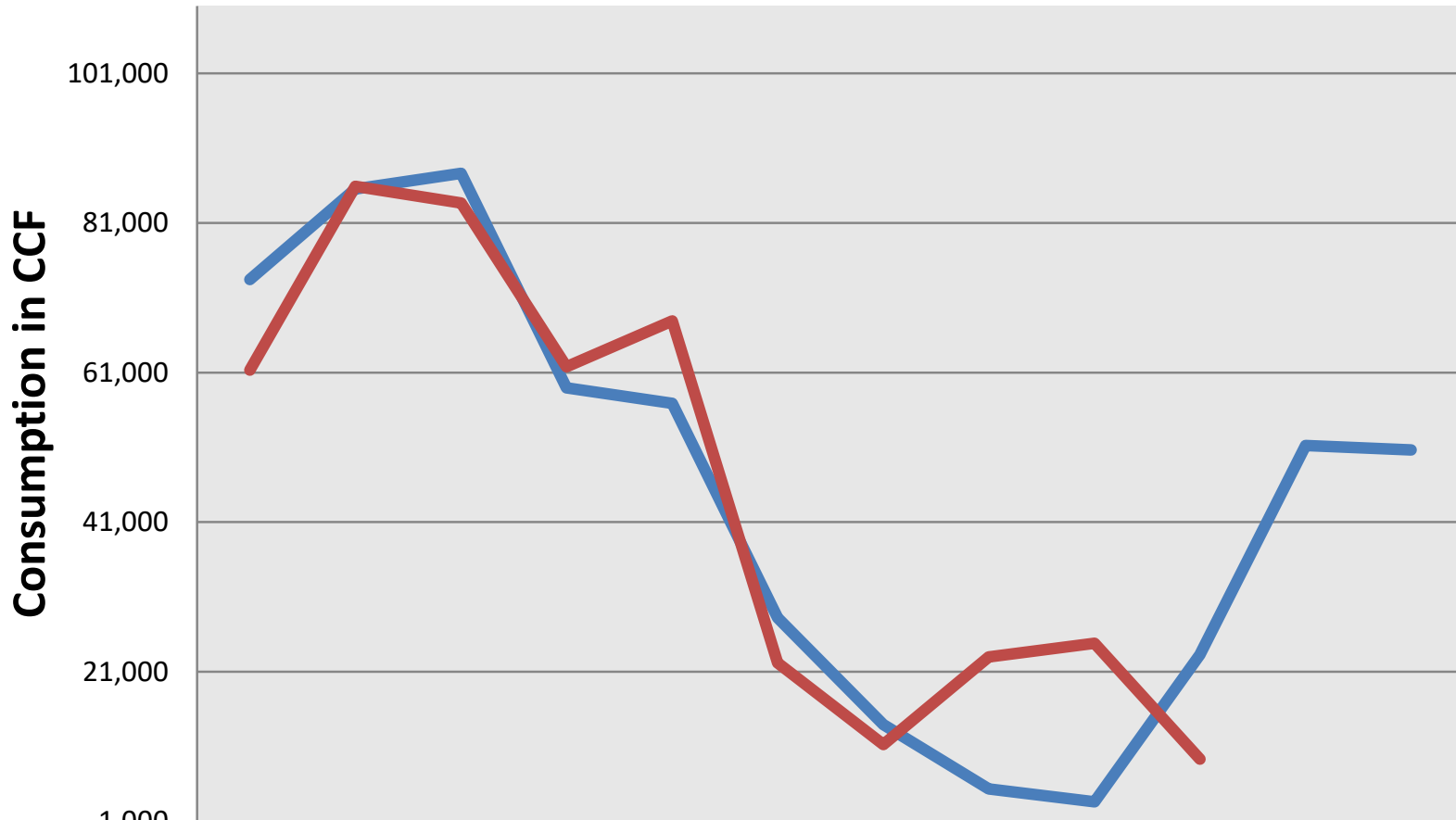
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
— 2018-2019	85,610	86,572	88,490	59,693	59,905	48,420	42,272	38,076	34,256	41,488	68,468	59,811
— 2019-2020	76,109	88,839	84,242	66,165	77,014	46,268	40,923	37,375	42,605	41,567		
— %	89%	103%	95%	111%	129%	96%	97%	98%	124%	100%	0%	0%

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	17,778		
%	90%	97%	94%	106%	104%	90%	105%	106%	116%	69%	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	9,312		
%	83%	100%	95%	105%	119%	79%	81%	433%	688%	40%	0%	0%

EL TORO WATER DISTRICT
FINANCIAL REPORT
May 26, 2020

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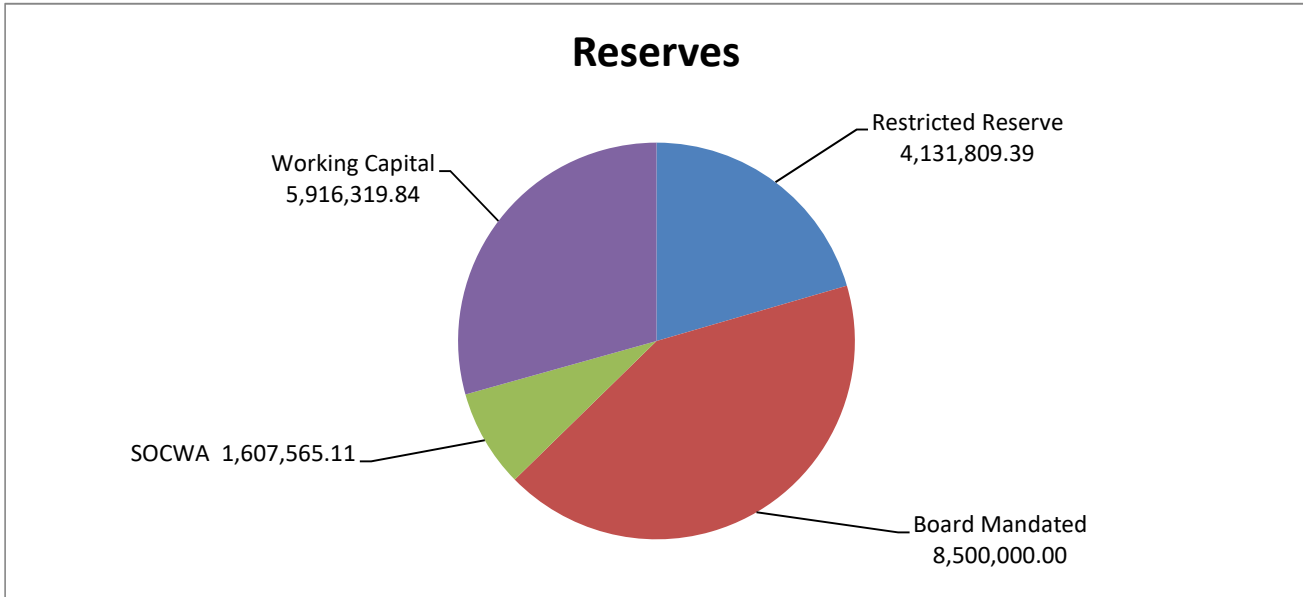
**EL TORO WATER DISTRICT
BALANCE SHEET**

	4/30/20 (Unaudited)	June 30, 2019 (Audited)
ASSETS		
Current Assets		
Cash	\$1,896,808	\$1,704,132
Investments:		
Investments Cash	7,627,077	6,095,362
Investments FMV Adjustment	126,898	39,107
Receivables:		
Accounts Receivable	2,682,338	3,337,975
Notes Receivable	-	-
Inventories	632,696	625,472
Prepaid Expenses	413,274	201,078
Total Current Assets	\$13,379,090	12,003,125
Restricted Assets		
Cash & Investments	10,631,809	12,035,381
Total Restricted Assets	10,631,809	12,035,381
Non-Current Assets		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	115,185,649	114,139,715
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,871,067	34,806,127
Total Utility Plant	164,094,390	162,983,517
Less Accumulated Depreciation & Amortization	(78,990,905)	(75,348,450)
Net Utility Plant	85,103,485	87,635,067
Construction Work in Progress	7,258,688	6,838,533
Notes Receivable	-	-
Deffered Outflow OPEB	3,337,168	3,337,168
Total Non-current Assets	95,699,341	97,810,768
TOTAL ASSETS	\$119,710,241	\$121,849,273

**EL TORO WATER DISTRICT
BALANCE SHEET**

	4/30/20 (Unaudited)	June 30, 2019 (Audited)
LIABILITIES and EQUITY		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,525,574	\$1,964,675
Current Portion of Long-Term Debt	413,397	2,173,134
Other Current Liabilities	1,856,689	2,008,617
Total Current Liabilities Payable		
From Current Assets	3,795,660	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	54,945,458	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	211,733	1,594,605
Total Fund Equity	64,764,783	64,553,049
Total Liabilities & Fund Equity	\$119,710,241	\$121,849,273

**EL TORO WATER DISTRICT
RESERVE ANALYSIS
30-Apr-20**



Restricted Reserve	\$	4,131,809
Board Mandated	\$	8,500,000
SOCWA	\$	1,607,565
Capital Cash Flow / Compliance	\$	5,916,320
Total	\$	20,155,694

Restricted Reserve

SRFL-Recycled Phase I	\$	1,602,958
SRFL-Recycled Phase II	\$	409,046
Capital Facilities Reserve	\$	2,895
Tiered Cons Fund	\$	1,373,548
Baker Funding	\$	743,363
Total	\$	4,131,809

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: \$16,023,885

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

EL TORO WATER DISTRICT CHANGE IN RESERVES

	April 30, 2020	Year to Date	June 30, 2019
Operating Revenue	1,814,143	20,533,151	26,368,844
Non-operating Revenue	175,504	1,727,793	2,908,390
Total Revenue	1,989,648	22,260,944	29,277,234
Operating Expenses	2,019,224	17,750,540	22,462,405
Depreciation & Amortization	364,245	3,642,455	4,466,431
Non-operating Expenses	65,622	656,216	753,794
Total Expenses	2,449,091	22,049,211	27,682,629
NET INCOME	(459,444)	211,733	1,594,605
Add Depreciation & Amortization	364,245	3,642,455	4,466,431
Net Cash Provided by Operating Activities	692,920	(510,977)	(584,951)
Net Cash Provided by Investing Activities	(107,951)	(1,531,028)	(2,691,563)
Net Cash Provided by Financing Activities	-	-	2,594,367
Net Increase/(Decrease) Cash for the Period	489,771	1,812,183	5,378,889
Cash at End of Period from Balance Sheet		9,650,782	
Restricted Cash		10,631,809	
Unrealized (Gains)/Losses Fair Market Value		(126,898)	
Cash at End of Period		20,155,694	
Net (Increase)/Decrease Cash for the Period		(489,771)	
Net (Increase)/Decrease in Restricted Cash for the Period		46,275	
Net Increase/(Decrease) in Unrealized Gains/(Losses) Fair Market Value		59,456	
Void Checks in Prior Period		(2,191)	
Cash at Beginning of Period		19,769,463	

EL TORO WATER DISTRICT
Cash Sheet
For the month ending April 30, 2020

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
88601	04/02/2020	MUNICIPAL WATER DISTRICT OF ORANGE CO.	484,787.51
88697	04/23/2020	MOULTON NIGUEL WATER DISTRICT	128,411.36
88671	04/23/2020	ACWA HEALTH BENEFITS AUTHORITY	118,832.67
88678	04/23/2020	CITY OF LAGUNA HILLS	75,880.00
88725	04/30/2020	SO. CALIFORNIA EDISON CO.	69,120.81
88686	04/23/2020	EMC CORPORATION	62,381.30
TOTAL CHECKS OVER \$50,000			\$ 939,413.65
TOTAL CHECKS IN REGISTER			\$ 1,280,178.31

DEBIT TRANSFERS

04/10/2020	PAYROLL DIRECT DEPOSIT	139,408.84
04/10/2020	FEDERAL DEPOSIT LIABILITY	30,119.33
04/10/2020	SDI & STATE TAX	11,772.49
04/10/2020	WAGE GARNISHMENTS	585.00
04/10/2020	PRUDENTIAL (401K)	51,457.27
04/10/2020	PRUDENTIAL (457)	16,835.89
04/15/2020	PAYROLL BOARD OF DIRECTOR	4,940.94
04/15/2020	SS, MEDICARE, SDI & STATE TAX	1,242.96
04/15/2020	PRUDENTIAL (457)	2,299.50
04/24/2020	PAYROLL DIRECT DEPOSIT	146,772.65
04/24/2020	FEDERAL DEPOSIT LIABILITY	32,108.58
04/24/2020	SDI & STATE TAX	12,717.09
04/24/2020	WAGE GARNISHMENTS	585.00
04/24/2020	PRUDENTIAL (401K)	54,046.19
04/24/2020	PRUDENTIAL (457)	17,667.84
04/30/2020	ADP AND BANK FEES	4,692.20
TOTAL INTERBANK WIRES / DEBIT TRANSFERS		\$ 527,251.77

TOTAL DISBURSEMENTS \$ 1,807,430.08

ETWD EMPLOYEES

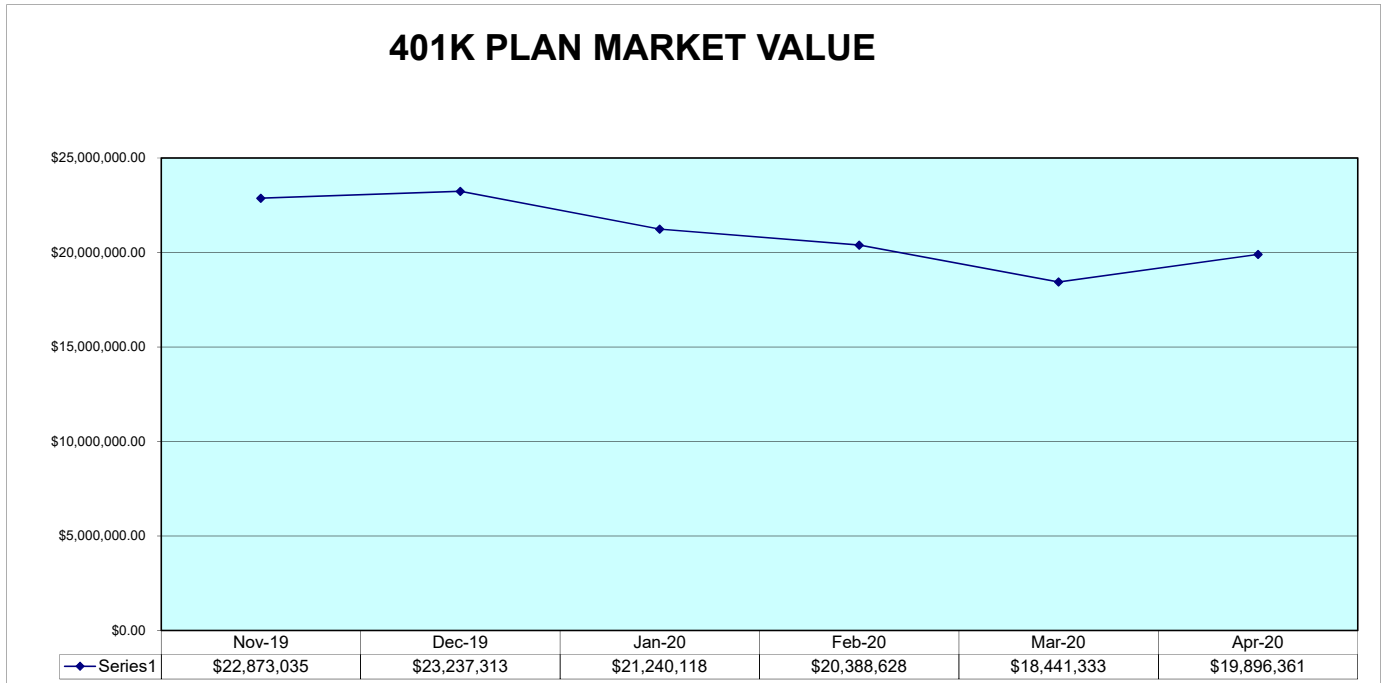
CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
88705	04/23/2020	STEVE SANCHEZ (Expense Reimbursement)	276.58
88728	04/30/2020	STEVE SANCHEZ (Expense Reimbursement)	150.00
TOTAL CHECKS TO EMPLOYEES			\$ 426.58

ETWD DIRECTORS

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
88626	04/09/2020	KATHRYN FRESHLEY (Expense Reimbursement)	114.44
TOTAL CHECKS TO DIRECTORS			\$ 114.44

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

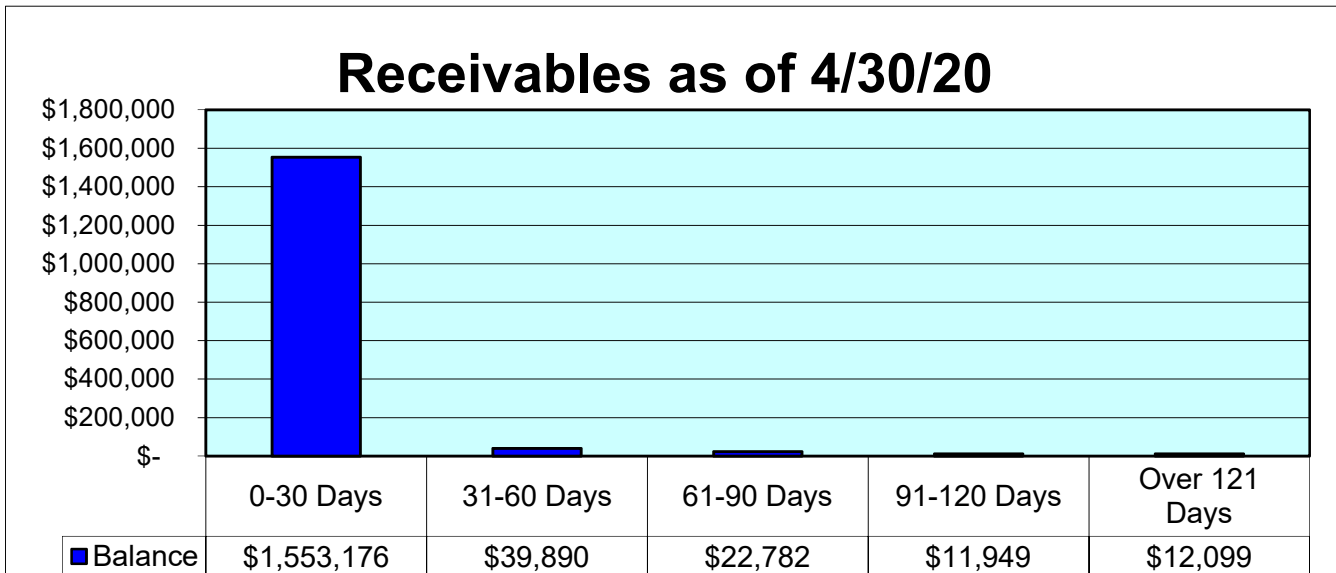
401K PLAN MARKET VALUE



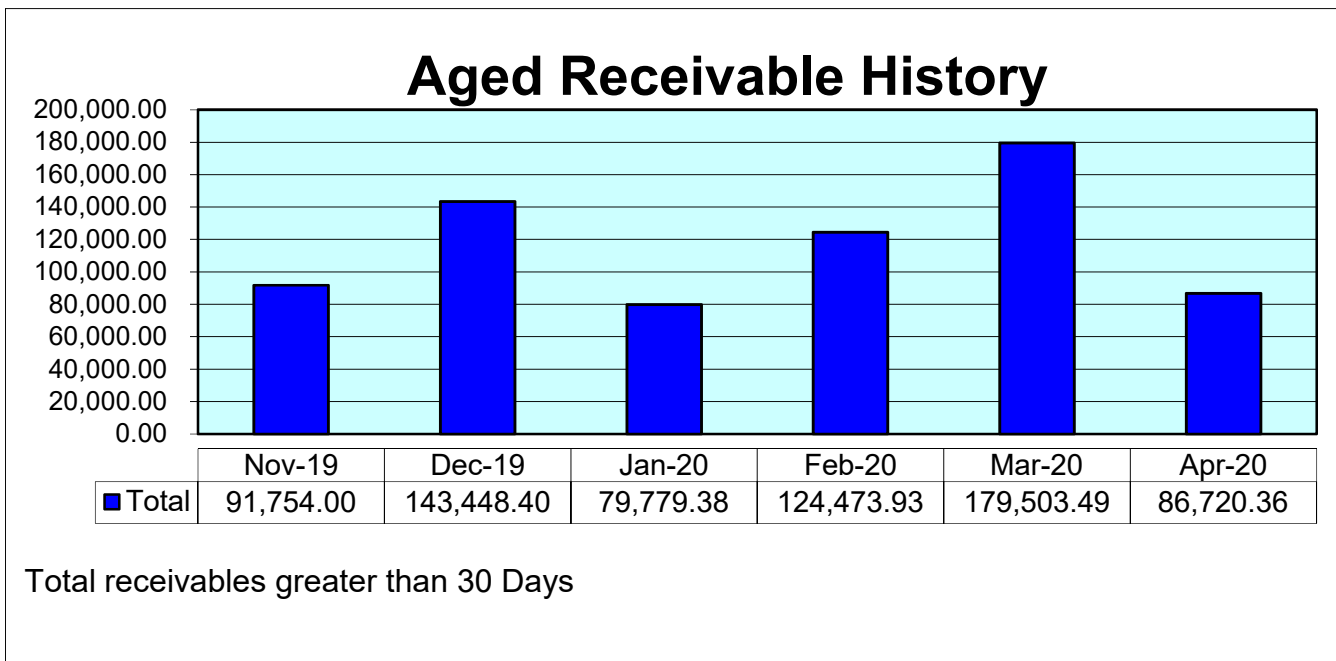
MARKET VALUE SUMMARY							
	Growth Under 40 yrs. Old	Capital Appreciation 40 to 44 yrs. Old	Balanced 45 to 49 yrs. Old	Balanced Income 50 to 54 yrs. Old	Income & Growth 55 to 59 yrs. Old	Income 60 to 64 yrs. Old	Capital Pres. Port Over 65 yrs. Old
Balance at July 1, 2019	\$ 1,506,787.68	\$549,062.24	\$1,801,553.21	\$5,954,287.10	\$6,260,620.08	\$2,461,760.00	\$2,894,379.39
Contributions	246,253.45	50,300.52	78,182.20	187,284.12	223,633.05	286,479.89	102,054.05
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	(64,623.17)	(24,807.41)	(28,164.53)	(54,870.98)	(88,574.96)	(12,064.47)	90,997.84
Balance at April 30, 2020	\$ 1,667,879.88	\$482,881.11	\$1,275,291.93	\$4,774,011.92	\$6,792,218.84	\$3,951,165.93	\$952,911.86
Average return YTD April 30, 2020	-4.29%	-4.52%	-1.56%	-0.92%	-1.41%	-0.49%	3.14%

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

RECEIVABLES AGEING



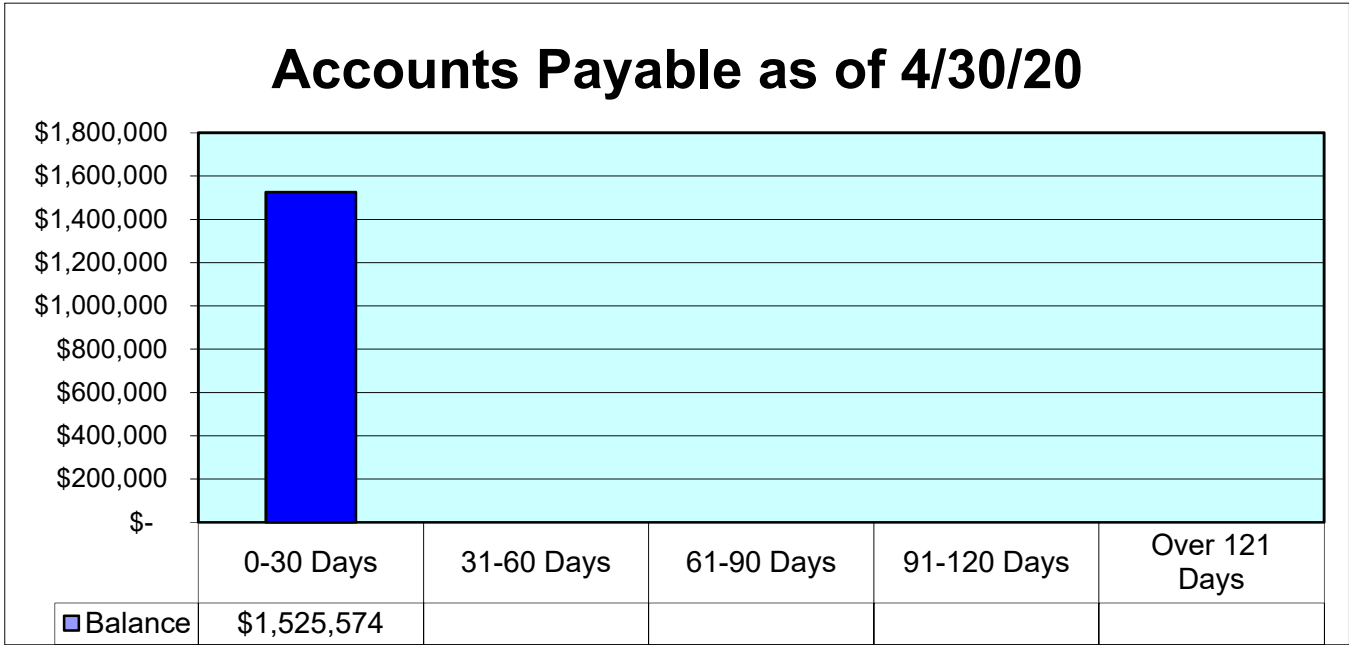
Bad Debts Year to Date:

\$6,509

Total receivables greater than 30 Days

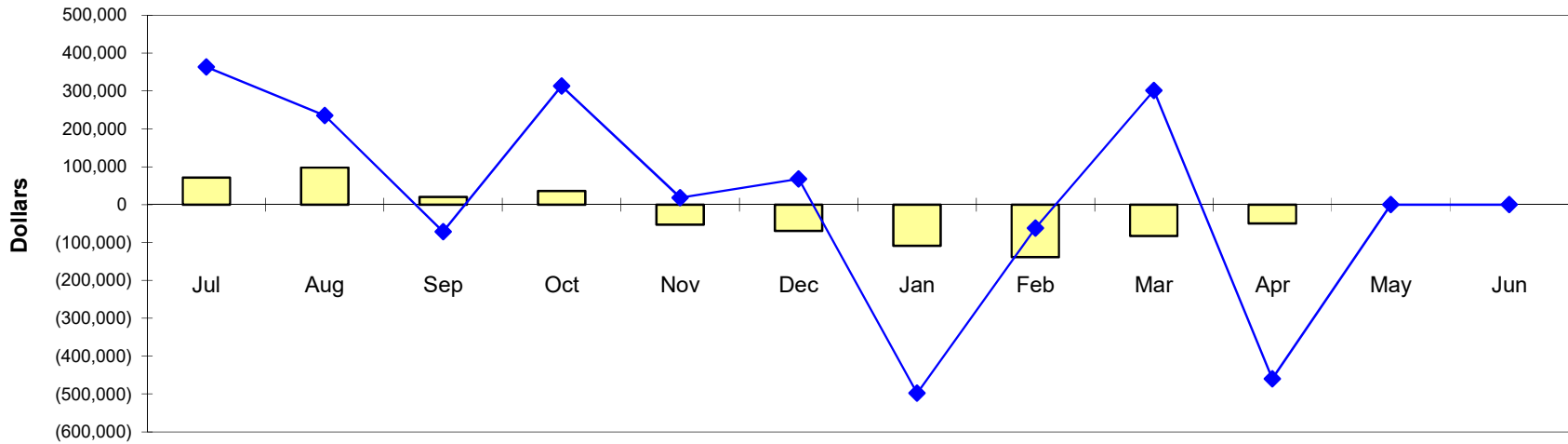
	31-60 Days	61-90 Days	91-120 Days	Over 121 Days	Total
Nov-19	75,055.00	4,257.00	1,383.00	11,059.00	91,754.00
Dec-19	132,549.11	3,093.16	1,228.54	6,577.59	143,448.40
Jan-20	66,546.98	4,376.43	1,590.54	7,265.43	79,779.38
Feb-20	108,795.76	6,498.71	2,657.73	6,521.73	124,473.93
Mar-20	119,914.61	45,063.03	7,036.61	7,489.24	179,503.49
Apr-20	39,890.33	22,781.81	11,948.97	12,099.25	86,720.36

PAYABLES AGEING



Year to Date Discounts Taken: \$1,005

ANALYSIS OF REVENUE & EXPENSE
Fiscal Year 2019/2020

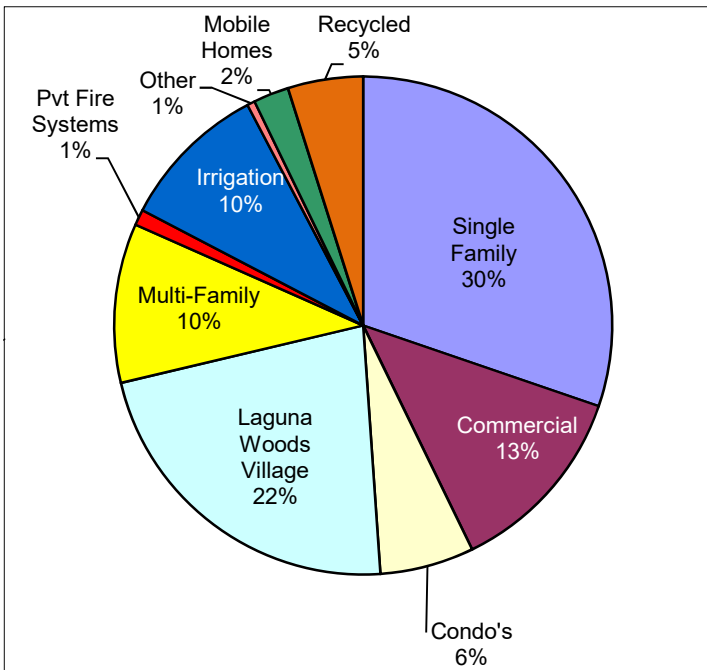
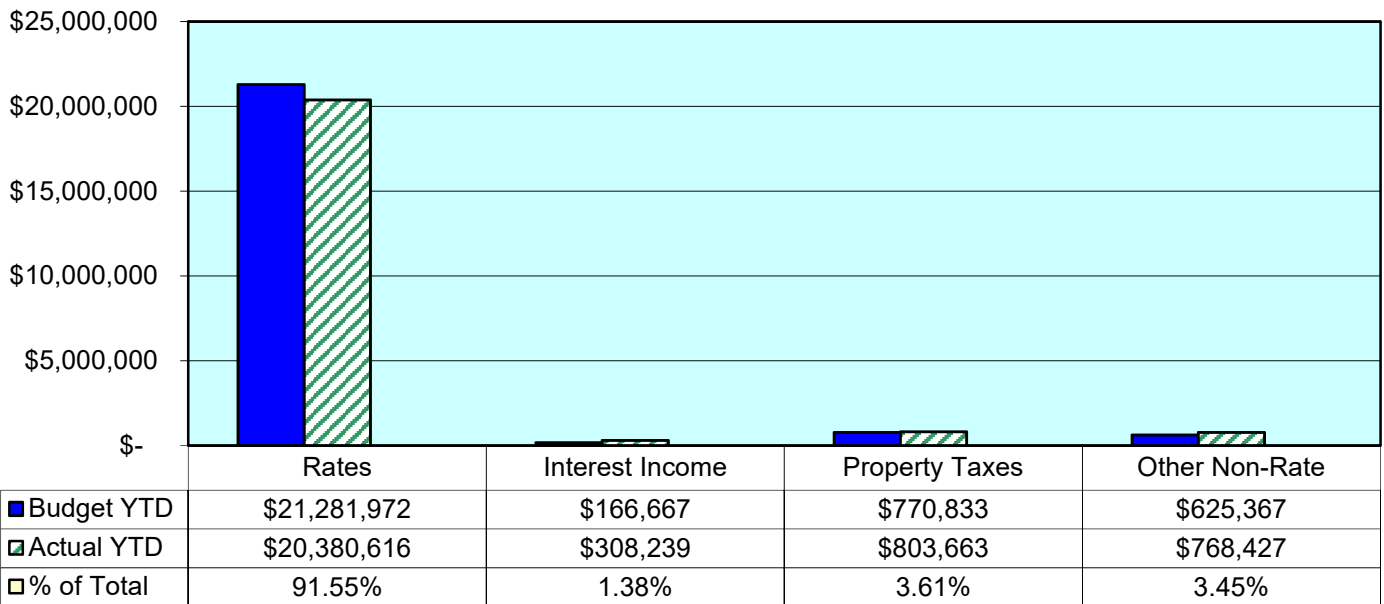


ANALYSIS OF REVENUES & EXPENSES
BUDGET COMPARED TO ACTUAL
FISCAL YEAR 2019/2020

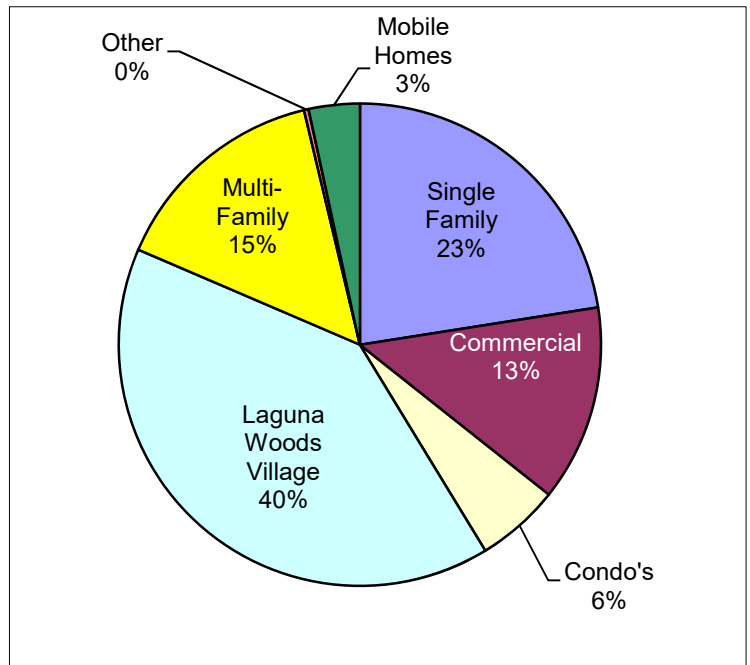
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget												
Revenue	2,586,223	2,665,941	2,431,150	2,477,021	2,207,515	2,157,163	2,037,661	1,948,431	2,117,026	2,216,708		
Expense	2,514,586	2,568,034	2,410,622	2,441,375	2,260,690	2,226,932	2,146,813	2,086,991	2,200,022	2,266,853		
Profit/Loss	71,637	97,908	20,528	35,646	(53,174)	(69,769)	(109,153)	(138,560)	(82,997)	(50,145)	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	1,989,648		
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	1,868,341	2,449,091		
Profit/Loss	364,059	235,739	(71,020)	313,647	18,754	67,904	(497,787)	(61,523)	301,404	(459,444)	0	0

EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 4/30/20

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 April 30, 2020**

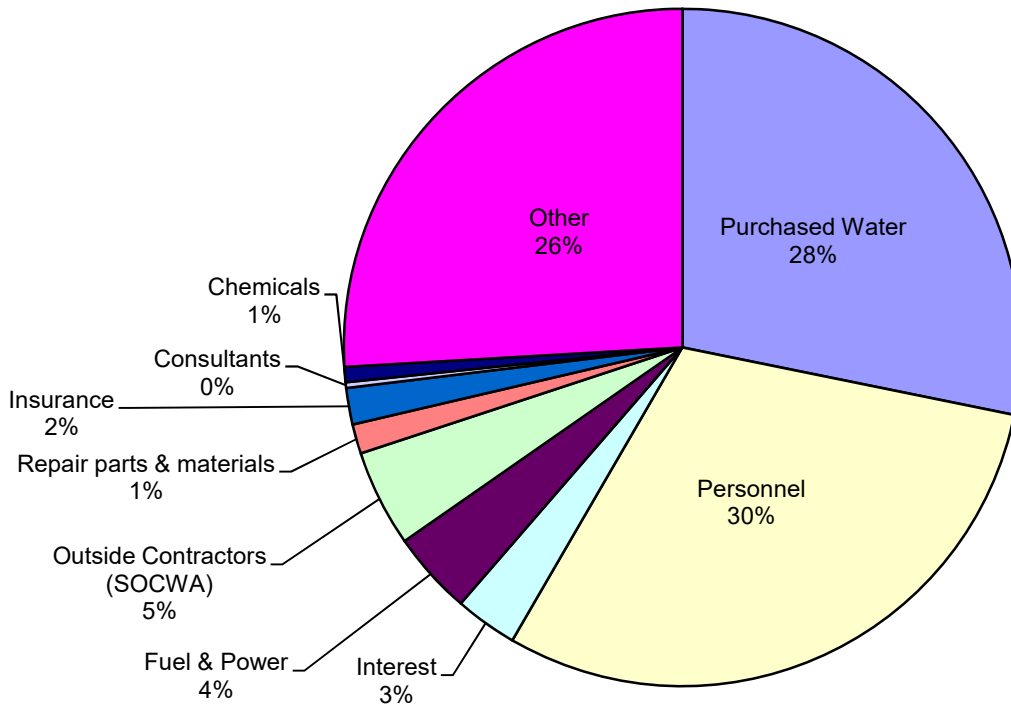
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,819	\$ 251,221	\$ (402)	0%	\$ 2,505,925	\$ 2,512,213	\$ (6,288)	0%	\$ 3,014,656	\$ 508,731
Water sales - Commodity	532,455	705,730	(173,276)	-25%	7,164,148	7,631,555	(467,406)	-6%	9,356,441	2,192,293
Water sales - Fixed Meter	305,896	301,792	4,104	1%	3,036,296	3,017,920	18,376	1%	3,621,504	585,208
Waste water sales	601,403	647,917	(46,514)	-7%	6,387,634	6,479,167	(91,533)	-1%	7,775,000	1,387,366
Recycled water tertiary sales	99,865	127,202	(27,337)	-21%	1,076,150	1,375,529	(299,379)	-22%	1,686,426	610,276
Service charge - Recycled water	21,840	26,559	(4,719)	-18%	210,462	265,589	(55,127)	-21%	318,707	108,245
TOTAL FROM RATES	1,812,278	2,060,422	(248,144)	-12%	20,380,616	21,281,972	(901,357)	-4%	25,772,734	5,392,118
<u>Non-rate Revenue</u>										
Admin fee	1,761	1,600	161	10%	23,850	16,000	7,850	49%	19,200	(4,650)
48 Hour notice fee	-	2,451	(2,451)	-100%	14,205	24,514	(10,309)	-42%	29,416.44	15,211
Restoration fee	-	370	(370)	-100%	1,950	3,700	(1,750)	-47%	4,440	2,490
Unpaid check fee	105	150	(45)	-30%	1,245	1,500	(255)	-17%	1,800	555
Cut lock fee	-	12	(12)	-100%	100	120	(20)	-17%	144	44
TOTAL NON-RATE	1,866	4,583	(2,718)	-59%	41,350	45,834	(4,484)	-10%	55,000	13,651
<u>Other Revenue</u>										
Interest	23,457	16,667	6,790	41%	308,239	166,667	141,572	85%	200,000	(108,239)
Change FMV Investment	59,456	-	59,456	0%	87,791	-	87,791	0%	-	(87,791)
Property taxes	78,540	77,083	1,457	2%	803,663	770,833	32,829	4%	925,000	121,337
Other	14,051	46,667	(32,617)	-70%	528,101	466,667	61,435	13%	560,000	31,899
TOTAL OTHER REVENUE	175,504	140,417	35,087	25%	1,727,793	1,404,167	323,627	23%	1,685,000	(42,793)
<u>Contract Service</u>										
Santa Margarita W. D.	-	9,333	(9,333)	-100%	90,808	93,333	(2,526)	-3%	112,000	21,192
Moulton Niguel W. D.	-	1,953	(1,953)	-100%	20,377	19,533	844	4%	23,440	3,063
TOTAL CONTRACT SERVICES	-	11,287	(11,287)	-100%	111,185	112,867	(1,681)	-1%	135,440	24,255
TOTAL REVENUE	\$ 1,989,648	\$ 2,216,708	\$ (227,061)	-10%	\$ 22,260,944	\$ 22,844,839	\$ (583,895)	-3%	\$ 27,648,174	\$ 5,387,230

**EL TORO WATER DISTRICT
NON-RATE REVENUE ANALYSIS
FOR THE MONTH ENDING April 30, 2020**

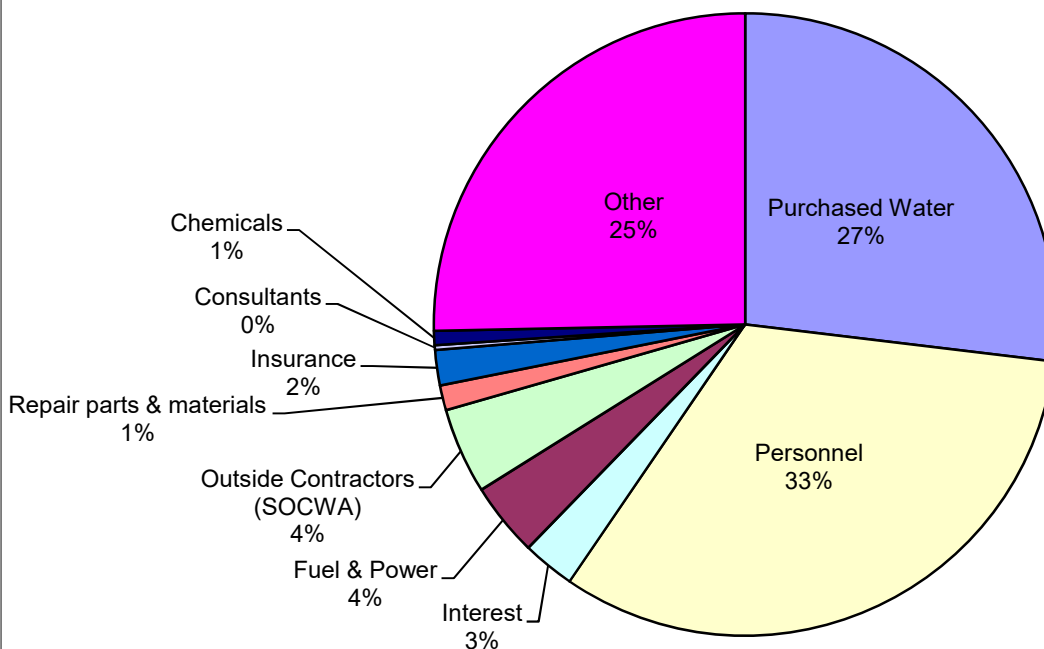
	Apr-20 Actual	Apr-20 Budget	Jul 19- Apr 20 YTD Actual	Jul 19- Apr 20 YTD Budget
Site Leases	11,001	19,167	192,094	191,667
MWD Recycled Water LRP Rebate		25,833	204,000	258,333
JPIA Refund		-	96,058	-
SOCWA Refund		-	28,035	-
Recycled Metal		-	2,170	-
Diesel Fuel Tax Refund		-	420	-
Misc Work for Customers	3,050	1,667	5,325	16,667
	<u>\$ 14,051</u>	<u>\$ 46,667</u>	<u>\$ 528,101</u>	<u>\$ 466,667</u>
Other Operating Income				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
Total	<u>14,051</u>		<u>528,101</u>	

WHERE THE MONEY GOES

YTD EXPENSES AT 4/30/20



EXPENSES YEAR ENDING 6/30/19



EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended April 30, 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	\$667,588	\$712,174	\$44,586	6%	\$6,654,496	\$7,121,736	\$467,240	7%	\$8,546,083	1,891,587
Purchased water	717,198	611,629	(105,568)	-17%	6,217,093	6,570,685	353,591	5%	8,041,949	1,824,856
Electrical power	73,113	93,783	20,671	22%	873,374	937,833	64,459	7%	1,125,400	252,026
Repair parts & materials	75,103	35,861	(39,242)	-109%	310,418	358,610	48,192	13%	430,332	119,915
Equipment repairs & maintenance	18,647	10,260	(8,387)	-82%	131,873	102,604	(29,268)	-29%	123,125	(8,748)
Pump repairs & maintenance	0	9,483	9,483	100%	55,284	94,833	39,549	42%	113,800	58,516
Motor repairs & maintenance	8,086	2,192	(5,894)	-269%	19,947	21,917	1,969	9%	26,300	6,353
Electrical repairs & maintenance	9,574	5,971	(3,604)	-60%	64,359	59,708	(4,651)	-8%	71,650	7,291
Meter repairs & maintenance	2,529	667	(1,862)	-279%	2,989	6,667	3,678	55%	8,000	5,011
Chemicals	9,320	17,450	8,130	47%	160,515	174,500	13,985	8%	209,400	48,885
Structure repairs & maintenance	7,715	2,524	(5,191)	-206%	44,076	25,237	(18,839)	-75%	30,284	(13,792)
Asphalt repairs & maintenance	500	7,717	7,217	94%	44,053	77,167	33,114	43%	92,600	48,547
Consultants - outside	2,835	5,317	2,482	47%	59,222	53,167	(6,056)	-11%	63,800	4,578
Contractors - outside	173,653	101,658	(71,995)	-71%	1,018,417	1,016,583	(1,834)	0%	1,219,900	201,483
Engineers - outside	5,923	6,333	410	6%	68,946	63,333	(5,613)	-9%	76,000	7,054
Dump fees	524	1,333	810	61%	7,479	13,333	5,855	44%	16,000	8,521
Laboratories	340	2,992	2,652	89%	30,590	29,917	(673)	-2%	35,900	5,310
License & permits	37,148	12,533	(24,615)	-196%	134,552	125,327	(9,224)	-7%	150,393	15,841
Automotive fuel & oil	5,040	7,917	2,877	36%	86,095	79,167	(6,928)	-9%	95,000	8,905
Equipment rental	1,336	1,675	339	20%	15,393	16,750	1,357	8%	20,100	4,707
Landscaping	14,924	12,273	(2,651)	-22%	96,663	122,729	26,066	21%	147,275	50,612
Small tools & equipment	5,378	5,833	456	8%	56,916	58,333	1,417	2%	70,000	13,084
Security	1,599	1,588	(11)	-1%	12,770	15,879	3,109	20%	19,055	6,285
Operating supplies	12,976	4,333	(8,642)	-199%	53,451	43,333	(10,118)	-23%	52,000	(1,451)
Safety equipment	6,568	1,692	(4,877)	-288%	19,464	16,917	(2,547)	-15%	20,300	836
Temporary help	6,555	3,042	(3,513)	-116%	27,324	30,417	3,093	10%	36,500	9,176
Other employee cost	15,443	7,442	(8,001)	-108%	99,486	74,417	(25,070)	-34%	89,300	(10,186)
Employee service awards	200	317	117	37%	2,529	3,167	638	20%	3,800	1,271
Education & training	150	3,583	3,433	96%	45,653	35,833	(9,820)	-27%	43,000	(2,653)
Total Operating Expenses	1,879,962	1,689,571	(190,391)	-11%	16,413,425	17,350,098	936,673	5%	20,977,246	4,563,821

EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended April 30, 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%	3,636,750	3,725,000	88,250	2%	4,470,000	833,250
Amortization	570	571	0	0%	5,705	5,708	3	0%	6,850	1,145
Insurance	24,703	46,480	21,777	47%	386,053	464,796	78,743	17%	557,755	171,702
Retiree Medical Insurance	22,222	0	(22,222)	0%	66,667	0	(66,667)	0%	0	(66,667)
Data processing supplies & assoc.	184	1,917	1,732	90%	22,068	19,167	(2,901)	-15%	23,000	932
Data processing equipment	0	3,000	3,000	100%	23,457	30,000	6,543	22%	36,000	12,543
Data processing consultants	1,800	6,250	4,450	71%	29,172	62,500	33,328	53%	75,000	45,828
Software maintenance & licenses	26,138	13,750	(12,388)	-90%	111,222	137,500	26,278	19%	165,000	53,778
Janitorial	6,625	2,817	(3,808)	-135%	35,914	28,167	(7,747)	-28%	33,800	(2,114)
Printing & reproduction	0	1,500	1,500	100%	6,921	15,000	8,079	54%	18,000	11,079
Publications & subscriptions	519	250	(269)	-108%	673	2,500	1,827	73%	3,000	2,327
Communications - voice	2,302	3,333	1,031	31%	16,724	33,333	16,610	50%	40,000	23,276
Communications - data	3,676	3,289	(387)	-12%	45,793	32,892	(12,901)	-39%	39,470	(6,323)
Communications - mobile	3,147	2,173	(975)	-45%	30,617	21,725	(8,892)	-41%	26,070	(4,547)
Utilities	1,268	1,583	315	20%	18,962	15,833	(3,129)	-20%	19,000	38
Total Indirect Cost	456,830	459,412	2,582	1%	4,436,695	4,594,121	157,426	3%	5,512,945	1,076,250
<u>Overhead Cost</u>										
Annual events	0	500	500	100%	5,136	5,000	(136)	-3%	6,000	864
Audit	0	2,500	2,500	100%	27,500	25,000	(2,500)	-10%	30,000	2,500
Bad debts	-	1,667	1,667	100%	6,509	16,667	10,158	61%	20,000	13,491
Bank charges	4,692	4,750	58	1%	49,286	47,500	(1,786)	-4%	57,000	7,714
Directors fees	8,322	9,167	845	9%	97,355	91,667	(5,688)	-6%	110,000	12,645
Dues & memberships	9,488	7,783	(1,706)	-22%	75,903	77,825	1,922	2%	93,390	17,487
Election Expense	0	0	0	0%	0	0	0	0%	0	0
Interest	65,622	60,963	(4,659)	-8%	656,216	609,631	(46,585)	-8%	731,557	75,341
Legal	12,740	8,333	(4,407)	-53%	128,633	83,333	(45,300)	-54%	100,000	(28,633)
Meetings, conventions & travel	(60)	3,250	3,310	102%	25,726	32,500	6,774	21%	39,000	13,274
Meets, con & travel - Directors	(90)	2,474	2,564	104%	25,281	24,742	(539)	-2%	29,690	4,409
Office supplies	-	1,650	1,650	100%	14,561	16,500	1,939	12%	19,800	5,239
Postage	4,816	1,708	(3,108)	-182%	7,471	17,083	9,612	56%	20,500	13,029
Property taxes	780	458	(321)	-70%	4,817	4,583	(233)	-5%	5,500	683
Advertising & Publicity	0	167	167	100%	960	1,667	707	42%	2,000	1,040
Public education & outreach	5,989	12,500	6,511	52%	73,736	125,000	51,264	41%	150,000	76,264
Total Overhead Cost	112,299	117,870	5,571	5%	1,199,091	1,178,698	(20,393)	-2%	1,414,437	215,346
TOTAL EXPENSES	\$2,449,091	\$2,266,853	(\$182,238)	-8%	\$22,049,211	\$23,122,917	\$1,073,706	5%	\$27,904,628	\$5,855,417

MINUTES OF THE REGULAR MEETING
OF THE
ENGINEERING COMMITTEE MEETING

April 20, 2020

President Monin called the Meeting of the Board to order at 7:30 a.m. on April 20, 2020.

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

Also participating 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, RORY HARNISCH, Engineer, GILBERT J. GRANITO, General Counsel, SARINA SRIBOONLUE, ARCADIS Representative, POLLY WELSCH, Recording Secretary, and CAROL MOORE, Laguna Woods City Council Member.

Pledge of Allegiance

Director Vergara led in the Pledge of Allegiance.

Oral Communications/Public Comments

Ms. Moore commented that she appreciates the District taking care of its customers during this challenging time.

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.

Engineering Committee Meeting

At approximately 7:50 a.m. Director Freshley called the Engineering Committee meeting to order.

Consent Calendar

1. Consider approving the minutes of the March 23, 2020 Engineering Committee meeting.

Director Freshley asked for a Motion.

Motion: President Monin 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

Engineering Action Items

City of Laguna Hills Street Pavement Rehabilitation Project

Mr. Cafferty stated that the City will periodically resurface streets within their jurisdiction. He further stated that when this is done, our valves and manholes get buried.

Mr. Cafferty stated that the normal process is that the City's contractor raises the valves and manholes to the new street surface as part of their contract then the City requests reimbursement from the District. He further stated that our inspector will then make sure that everything is properly raised to grade.

Director Freshley asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Vergara, and unanimously carried across the Board to authorize the District's General Manager to approve payment to the City of Laguna Hills invoice in the amount of \$75,880 for digging out valves and manholes in the District's service area as part of the City of Laguna Hills' Capital Improvement Program.

Roll Call Vote:

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

Cal Trans Utility Agreement

Mr. Cafferty stated that Cal Trans is expanding the I-5 freeway from El Toro Road to Alicia Parkway. He further stated that the portion of the project that directly impacts the District is along Avenida de la Carlota between El Toro Road and Los Alisos Blvd where there are a number of existing water facilities that will need to be relocated to accommodate the expansion of the freeway.

Mr. Cafferty stated that Cal Trans is determining who is responsible for the costs of the relocations. He further stated that some of the water lines were relocated 25 years ago when Cal Trans expanded the freeway previously.

Mr. Cafferty stated that the proposed agreements address the relocations for which Cal Trans has accepted responsibility of the cost. . Mr. Cafferty further stated that there are several other utility relocations for which the District and Caltrans are still negotiating cost responsibility.

Mr. Cafferty stated that he would like to get these agreements executed while we continue to determine who is liable for the remainder of the relocations.

Director Freshley asked what happens if we don't come to agreement on the other facilities. Mr. Granito responded that if we fail to arrive at a solution that both are mutually agreeable to, the parties could enter into a stipulation so as not to hold up the freeway expansion project. Mr. Granito further reported that they could proceed at their cost with the reservation of the right to argue and discuss the legal liability for the costs in court, which would not necessarily delay the freeway expansion project.

Director Freshley asked for a Motion.

Motion: Vice President Gaskins made a Motion, seconded by Director Havens, and unanimously carried across the Board to authorize the District's General Manager to execute Utility Agreement No. 12-UT-1450 and Utility Agreement No. 12-UT-1285.

Roll Call Vote:

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

The Village at Laguna Hills Water Supply Assessment

Mr. Cafferty stated that this project is evolving after being on hold for quite some time. He further stated that Merlone Geier has defined a new plan and requested that the District prepare a Water Supply Assessment based on their new plan.

Mr. Cafferty stated that Merlone Geier has agreed to pay for the new Water Supply Assessment and the District has awarded a contract to Arcadis, the consultant who completed the original Water Supply Assessment for the 5 Lagunas Project. He further stated that Sarina Sriboonlue from Arcadis is participating in today's meeting and will provide an overview of the effort and their conclusions.

Ms. Sriboonlue stated that the Water Supply Assessment will address whether the projected water supply for the next 20 years would meet the demand for the project. She further stated that the report concluded that the total projected water supplies available to the District over the next 20 years were sufficient to meet the water demands for the project.

Ms. Sriboonlue stated that they have reviewed the Plan's water demand compared to existing usage, and projected out over a 20-year period.

Ms. Sriboonlue stated that the study concluded that the District would have a sufficient supply of water during the next 20 years for this project.

President Monin asked how many people during the course of a day would be occupying the planned office space once it's fully occupied. Ms. Sriboonlue replied that for the threshold as a rule of thumb, 250,000 square feet which could hold approximately 1,000 people depending what the specific business is. Mr. Cafferty stated that 2,000 people could occupy the Commercial space, and approximately another 3,000 people in the Residential space (based on 2 people per unit) at full occupancy. He further stated that there would also be additional people in the Retail and hotel spaces.

Mr. Cafferty stated that when the project is complete, there will be mostly Restaurants, some Retail, and mostly Commercial use in this Phase of the Project.

Mr. Cafferty stated that we asked what time frame do they expect to complete this Phase of the Project, and the answer is driven by the market, with the first Phase being some Retail, one of the Office buildings, and a few apartment buildings.

Director Vergara asked if the demand will be 321 acre feet per year, with 9% being irrigation, will this be potable water. Mr. Cafferty replied that we don't have recycled water in that area.

Director Havens asked what our projected major infrastructure deliverables would look like on this project. Mr. Cafferty replied that the Developer will build everything needed to serve this project.

President Monin asked about the area called "Central Park", will this be grass, turf, or what type of surface. Mr. Cafferty replied that we haven't seen that type of detail yet.

President Monin asked if there are any plans for storm water recapture. Mr. Cafferty replied that there isn't that detail yet.

Director Freshley asked on page 25, in the chart it shows Total Demand in 2020 of 8,321 acre feet and the Total Supply needed at 8,321, and asked why the Supply is equal to the Demand. Ms. Sriboonlue replied that they followed the Urban Water Management Plan approach, and if you look on page 8, Table 2-3 is where we reviewed Water Rights and Imported Supplies. Mr. Cafferty added that the focus of the analysis is specific to this Project.

Director Freshley asked for a Motion.

Motion: Director Vergara made a Motion, seconded by President Monin, and unanimously carried across the Board to approve and accept the Water Supply Assessment for the Village at Laguna Hills Project, and authorize the District's 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.

Roll Call Vote:

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

The Board thanked Sarina for Arcadis' hard work on preparing the Water Supply Assessment report.

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

Engineering General Information Items

Capital Project Status Report

Director Freshley asked why all of a sudden we have suspended the Capital projects. Mr. Cafferty replied that the current challenges we face are creating more difficult issues, as some projects involve bringing a Contractor onto the site when we are taking aggressive steps to minimize even our own staff on the site.

Mr. Cafferty stated that the Recycled Water project, for example, sending Contractors running through Laguna Woods Village which is a vulnerable community, generates some concern.

Mr. Cafferty stated that we put most of the Capital projects on hold while we assess what is happening and what the future might look like due to the undetermined end to the pandemic.

Director Vergara stated that he feels it is not fair to leave the decision to make regarding the Capital Projects to one person, the General Manager. He further stated that he feels that the Board should look into what is going on, and we expect to have a number of customers who are unable to pay their water bills, and then the Governor made it mandatory in the state of California that we cannot shut off customers' water for

unpaid bills during this pandemic.

Director Vergara stated concern for the District and how much it can sustain with customers not paying their water bills. He proposed that at the next meeting he would like the Board to add to the agenda a discussion of what approach the Board would need to take on how to manage the Reserves, and take action in case this pandemic goes long and how the District's Revenues will be impacted.

Director Vergara stated that since we are a Public Entity we should keep working as normal in order to keep providing the service and the economy moving, and so he is proposing that we defer discussion on the Capital Projects and any impact on the District's Reserves until Thursday's Board meeting.

Director Havens stated that she attended an ACWA webinar last week on long-term financial impacts of the COVID-19 pandemic that could happen. She further stated that the speaker talked of any agencies with bond issues, if they stop spending money on essential infrastructure, to be able to justify the reasons.

President Monin stated that he agrees with Director Vergara, when talking with Consultants and Engineers, they are worried about people not paying their bills.

Vice President Gaskins stated that regarding maintenance of infrastructure and preventing maintenance, he feels we should proceed with essential Capital Projects.

President Monin stated that he feels we could slow down any non-immediate projects during this pandemic.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

Close Engineering Committee Meeting

At approximately 8:45 a.m. the Engineering Committee meeting was deferred to Thursday's regular Board meeting to further discuss the District's Capital Projects.

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: May 26, 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 property from Rossmoor Sanitation to the District. It is anticipated that the resolution of the property transfer may take several months.

II Phase II Recycled Water Distribution System Expansion Project

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

District Staff will commence the cross connection tests when it is deemed safe to resume the project, after which the contractor can install the final connections.

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 executed the Utility Agreements describing the relocations for which Caltrans has accepted liability for cost. Staff continues discussions with Caltrans regarding the utility relocations for which agreement regarding cost liability has not yet been reached. Staff sent a letter to Caltrans taking the position that the utility relocation costs in Avenida De La Carlota should be the responsibility of the State and is awaiting the Caltrans response.

In order to meet the I-5 Freeway Expansion Project schedule staff has commenced the bidding process for the utility relocation work. Staff anticipates bringing a construction contract to the Board for approval at the June Engineering Committee meeting.

IV Dump Truck / Traffic Control Truck

The purchase of a new vehicle to provide service as both a dump truck and a traffic control installation vehicle was approved at the May 7 Special Board Meeting. Purchased orders for the truck chassis and the truck body have been issued. Staff has communicated with the truck chassis and truck body vendors and expects to receive the vehicle by September.

V WRP Sludge Truck Tractor Replacement

At the Special Board meeting on May 7, 2020 the Board approved the recommended action to purchase the specified 2021 Freightliner 122SD vehicle from Velocity Truck Centers. During the discussion Director Monin noted that he had identified a lower priced truck on a website. Staff subsequently invested significant time researching the vehicle described on the website to identify the differences in the vehicle specifications between the approved vehicle and the lower priced alternative along with the associated differences in cost. Staff will provide an update at the May Engineering Committee meeting.

VI On-Going Capital Projects

At the Special Board meeting on May 7, 2020, staff described the status of several other Capital projects. At the conclusion of the meeting, the Board directed staff to continue moving forward with these projects. The following table summarizes the current status of these projects.

<i>Project Title</i>	<i>Status</i>
WRP Grit Chamber Rehab	Staff is working to engage a consultant to develop a specification to facilitate bidding of the Grit Chamber coating work.
Master Plan Update	Staff is working to finalize the Request for Proposals document.
OOPS Generator Replacement	Staff is working to develop the electrical drawings and specifications in preparation to solicit bids for the project.
WRP Aeration Basin Diffuser Replacement Project	Staff is reviewing a draft technical memorandum prepared by Black & Veatch. Upon concurrence regarding the recommended alternative staff will solicit bids for the project.
Multi-Purpose Room & Main Office HVAC Projects	Staff is working to engage a consultant to evaluate the HVAC solution for the two buildings and develop applicable contract documents for bidding.

**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	defer to MP		\$480,000	
7	Grit Chamber Rehab/Re-Coating							ET	ET	ET	M	E	E	\$85,000	
9	AMR / AMI Implementation	Update as part of 2021 Capital Budget												\$200,000	
<i>2019/20 Capital Equipment (reference number corresponds with Approved Budget item numbers)</i>															
3	OOPS Emergency Generator Replacement								ET	ET	M	E	E	\$220,000	
8	Dump Truck/Traffic Control Truck (Unit 4)								ET	ET	M	A/O		\$80,000	\$71,749
10	Nimble Storage Array Replacement		ET	ET	ET	ET	ET	A						\$75,000	\$124,214
<i>Carryover / Deferred</i>															
	Oso Lift Station Improvement Project (Construction, CM)								B	L	L	L	L	\$1,000,000	
	Caltrans Widening Utility Relocations								E	N	N	B	A		
	WRP Sludge Truck Tractor Replacement											A	O		\$160,800
	Reconstruct (West Side) Drainage Swayle at the Holding Pond							ET	ET	ET	M	E	E	\$68,250	
	Clarifier No. 3 and 4 Scum Pump Station					ET	ET	ET	ET	ET	M	B	C	\$80,000	
	Master Plan Update										M	RFP	RFP	\$350,000	
	Old Treatment Plant / Clear Well Demo	RFP	A	E	E	E	E	BP						\$400,000	\$133,143
Total														\$3,038,250	\$489,906

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

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

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

ET = Evaluate
M = Monitoring
BP = Board Presentation

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.