

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



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



## **AGENDA**

### **EL TORO WATER DISTRICT**

#### **REGULAR MEETING OF THE BOARD OF DIRECTORS**

#### **FINANCE AND INSURANCE COMMITTEE MEETING AND ENGINEERING COMMITTEE MEETING**

**March 20, 2023**

**7:30 a.m.**

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Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may attend the meeting in person at the District's office or may observe and address the Meeting by joining at this link:  
<https://us02web.zoom.us/j/85431516471> (Meeting ID: 854 3151 6471).

Members of the public who wish only to listen to the telephonic meeting may dial in at the following numbers (669) 900-6833 or (346) 248-7799 with the same Meeting ID noted above. Please be advised the Meeting is being recorded.

**CALL TO ORDER – President Havens**

**PLEDGE OF ALLEGIANCE – Director Monin**

#### **ORAL COMMUNICATIONS/PUBLIC COMMENTS**

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

## **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

## **FINANCE AND INSURANCE COMMITTEE MEETING**

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

#### **1. Consent Calendar (Reference Material Included)**

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

- a. Consider approving the minutes of the February 21, 2023 Finance and Insurance Committee meeting (Minutes included)

**Recommended Action:** The Board will be requested to approve the above Consent Calendar.

### **FINANCIAL INFORMATION ITEMS**

#### **2. Update on the Implementation of the Springbrook Software System (Reference Material Included)**

Staff will provide an update on the status of the implementation of the Springbrook Software System.

#### **3. 2023-24 Fiscal Year Budget Status Update**

Staff will provide an update on the preparation of the 2023-24 Fiscal Year Budget.

### **FINANCIAL ACTION ITEMS**

#### **4. Cox Business Services Contract Renewal (Reference Material Included)**

Staff will review and comment on the contract renewal for internet, phone television and firewall services to support operations at the District offices.

**Recommended Action:** Staff recommends that the Board of Directors authorize the General Manager to enter into a three-year contract with Cox Business and RapidScale for hosted firewall, hosted FortiEMS, SD-WAN services, PRI phone circuit and services, TV service in all buildings, analog phone circuits at the WRP and broadband internet access circuits at both WRP and Main Administration Office campus locations at a total cost of \$171,474 billed at a monthly amount of \$4,598.

5. **Financial Package - Authorization to Approve Bills for Consideration dated March 20, 2023 and Receive and File Financial Statements as of February 28, 2023** (Reference Material Included)

The Board will consider approving Bills for Consideration dated, March 20, 2023 and Receive and File Financial Statements as of February 28, 2023.

**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 March 20, 2023, and 2) receive and file the Financial Statements for the period ending February 28, 2023.

**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 February 23, 2023 Engineering Committee meeting. (Minutes Included).

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

**ENGINEERING ACTION ITEMS**

7. **Effluent Transmission Main Backflow Prevention Project**  
(Reference Material Included)

Staff will review and comment on bids received for the construction of the Effluent Transmission Main Backflow Prevention Project.

**Recommended Action:** Staff recommends that the Board of Directors authorize the General Manager to issue a contract to Don Peterson Construction in the amount of \$208,920 for the construction of the Effluent Transmission Main Backflow Prevention Project. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

8. **R-6 Reservoir Floating Cover and Liner Replacement Project Change Order Policy** (Reference Material Included)

Staff will review and comment on the proposed R-6 Reservoir Floating Cover and Liner Project Change Order Policy (Policy). The Policy will provide a change order approval mechanism that maintains adequate control while minimizing project delays and their associated costs.

**Recommended Action:** Staff recommends that the Board of Directors approve the R-6 Reservoir Floating Cover and Liner Replacement Project Change Order Policy.

9. **Joint Regional Water Supply System Meter Replacement**  
(Reference Material Included)

Staff will review and comment on an invoice from the South Coast Water District for the replacement of the meter serving the JTM Pump Station from the Joint Regional Water Supply System.

**Recommended Action:** Staff recommends that the Board of Directors authorize the General Manager to pay an invoice issued by the South Coast Water District in the amount of \$67,479.15 for the replacement of the meter serving the JTM Pump Station. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

## **ENGINEERING INFORMATION ITEMS**

10. **El Toro Water District Capital Project Status Report**  
(Reference Material Included)

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

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

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

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

## **CLOSE ENGINEERING COMMITTEE MEETING**

## ATTORNEY REPORT

### CLOSED SESSION

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

1. Pursuant to Government Code Section 54956.9 (d) (2) to consult with legal counsel and staff – Potential Litigation (one matter).
2. Pursuant to Government Code Section 54956.9(a) to consult with legal counsel and staff. *Plaintiff, Marlene Jean v. Defendants, Dollar Tree Stores, et al./Cross-Complainant, Park Aliso Commercial Center, Ltd, et al. v. Cross-Defendant, El Toro Water District, et al., Superior Court of Los Angeles Case No. 19STCV25234. [Government Code Section 54956.9(a)] – Pending Litigation (one matter).*

### REGULAR SESSION

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

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

### ADJOURNMENT

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

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

*If you require any disability-related accommodation, including auxiliary aids or services, in order to participate in this public meeting, please telephone the District's Recording Secretary, 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

February 21, 2023

At approximately 1:00 p.m. President Havens called the regular meeting to order.

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

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

Also participating were DENNIS P. CAFFERTY, General Manager, JASON HAYDEN, CFO, GILBERT J. GRANITO, General Counsel, MIKE MIAZGA, IT Manager, KEITH STRIBLING, HIGHMARK Representative, JOE LUDIN, Auditor from Clifton, Larsen, & Allen, CAROL MOORE, Laguna Woods City Council Member (zoom), and POLLY WELSCH, Recording Secretary.

SCOTT HOPKINS, Operations Superintendent, and JUDY CIMORELL, Human Resources Manager were absent.

Oral Communications/Public Comments

Ms. Moore commented on the use of galvanized and lead pipes to haul water.

Items Received Too Late to be Agendized

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

Finance & Insurance Committee Meeting

At approximately 1:05 p.m. Director Gaskins called the Finance & Insurance Committee meeting to order.

Consent Calendar

Director Gaskins asked for a Motion.

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

Roll Call Vote:

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

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

Mr. Stribling stated that report is partially a disclosure and partially a report as funds were transferred from US Bank to Empower at the end of December 2022. He further stated that the funds were only in the account from December 22 to December 31, which was when the transfer of custodial and record keeping services was made to Empower.

Mr. Stribling stated that the Securities in the 401(k) Plan were sold December 19<sup>th</sup>, and on the 21<sup>st</sup> and 22<sup>nd</sup> the cash was settled and transferred to Empower where it was reinvested. He further stated that the report reflects HighMark's assets through December 19<sup>th</sup> which US Bank was holding as custodian.

Mr. Stribling stated that most of the benchmarks were up between 20 and 100 basis points. He further stated that the funds didn't perform as well as the benchmarks.

Mr. Stribling stated that he is working with Empower's staff to complete the transition of the District's 401(k) funds.

President Havens stated that she would like to see a cover sheet to go with the report showing what happened when the switchover took place. Mr. Cafferty replied that he will schedule an Employee meeting to discuss the switchover with staff.

Mr. Stribling stated that small cap stocks and international stocks were both down.

Director Monin asked if Mr. Stribling could work on keeping the management fees low.

Mr. Stribling stated that HighMark will be working with the suite of funds to Empower's system, and will continue to work on solutions to carry through year-to-date returns.

At approximately 1:30 p.m. Mr. Stribling left the meeting.

### Financial Information Items

#### Update on the Implementation of the Springbrook Software System

Mr. Hayden provided an update on the implementation of the Springbrook Software System.

#### 2023-24 Fiscal Year Budget Status Update

Mr. Cafferty stated that staff is reviewing the possibility of issuing a multi-year Prop 218 Notice. He further stated that Raftelis is assigning a different person to work on our Rate Study as the person who was handling our project has now moved to other employment.

Mr. Cafferty stated that a Rate Hearing will not be practical until August and implementation of a rate increase in September. He further stated that we will be working on scheduling Board Budget Workshop meetings.

Director Freshley asked if other agencies are issuing multi-year Prop 218 Notices. Mr. Cafferty replied yes.

### Recess

At approximately 2:00 p.m. the Board took a short recess.



## Regular Session

At approximately 2:05 p.m. the Board returned to Regular Session.

## Financial Action Items

### Comprehensive Financial Statement – Audit – Fiscal Year Ended June 30, 2022

Mr. Hayden introduced Mr. Ludin, Principal at the District's audit firm, Clifton Larson & Allen, who provided a presentation on the District's Comprehensive Financial Statements for the Fiscal Year ended June 30, 2022.

Director Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Vergara and unanimously carried across the Board to receive and file the District's Comprehensive Financial Statements for the Fiscal Year ended June 30, 2022.

### Roll Call Vote:

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

### Financial Package - Authorization to Approve Bills for Consideration Dated February 21, 2023 and Receive and File Financial Statements as of January 31, 2023

Director Monin asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Freshley and unanimously carried across the Board to approve, ratify, and confirm payment of the bills set forth in the schedule of bills for consideration dated February 21, 2023, and receive and file the financial statements for the period ending January 31, 2023.

Roll Call Vote:

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

Comments Regarding Non-Agenda FIC Items

There were no comments.

Close Finance and Insurance Committee Meeting

There being no further business the Finance Committee meeting was closed at approximately 2:40 p.m.

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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KAY HAVENS, President  
of the El Toro Water District and the  
Board of Directors thereof

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



## STAFF REPORT

**To: BOARD OF DIRECTORS**

**Meeting Date: March 20, 2023**

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

**Subject: Springbrook Implementation – Progress Update**

Presented below are the activities, challenges, and opportunities of the ongoing Springbrook implementation process:

- Payroll is fully implemented with the exception of the Time and Attendance system. Staff is proceeding with the Springbrook Time and Attendance system and will be converting employees into the Springbrook system throughout 2023. It takes time to get an employee set up in the system and then trained to use it. The District's Payroll Accountant will be working on this process in between other responsibilities.
- Currently, Finance is actively using the following modules: General Ledger, Bank Reconciliation, Project Management, Accounts Payable, Payroll, Cash Receipting, Accounts Receivable, Human Resources, and Employee Self Service.
- The modules that still need to be implemented include Utility Billing, online credit card processing, and Fixed Assets.
- During the week of October 3, 2022, Customer Service Staff worked with the Springbrook consultant to complete a parallel utility billing process. These meetings were extensive, lasting more than 6 hours per day from Tuesday to Friday that week, and involved replicating the current utility billing process in Springbrook. The parallel billing process was successful and accurately generated individual utility bills that equaled the utility bills in the District's current software. Some additional setups have been completed. This has been further delayed due to staffing challenges in the Customer Service Department and the alternate working arrangements which are ongoing due to the HVAC project in the Administration Building. Staff had a conference call with Springbrook representatives in February and set up a revised Utility Billing implementation schedule. In addition, a new Customer Service Office Representative was hired on March 13, 2023 which will help Customer Service operations return to some normalcy.

The revised implementation schedule anticipates an implementation process that occurs in May and June, 2023.

### **Springbrook Finance/Payroll Systems Project Schedule as of 1/23/2023:**

Week or Day	System	Description	Complete
1/13	Finance	Project Kick-off Conference Call	Yes
1/17 – 1/21	Finance	Business Process Questionnaire Review	Yes
1/31 – 2/4	Finance	Discovery Session Meetings	Yes

2/7 – 2/11	Finance	General Ledger/Chart of Accounts Consulting Session	Yes
3/4/22	Finance	Chart of Accounts/Accounts Payable Vendor List Due	Yes
3/4/22	Payroll	Payroll Business Process Questionnaire Due	Yes
3/7 – 3/11	Payroll	Payroll Questionnaire Review	Yes
3/14 – 3/18	Finance	General Ledger & Accounts Payable – Data Review and Load	Yes
3/14 – 3/18	Payroll	Discovery Session between ETWD and Springbrook	Yes
3/21 – 3/25	Finance	Setup & Configuration Session	Yes
5/6	Payroll	Payroll Data / Templates Due	Yes
6/28 – 7/7	Finance	Go Live Sessions	Yes
7/11 – 7/15	Payroll	Go Live Sessions	Yes
7/15 – 7/31	Both	Post Go Live Support	Ongoing

**Springbrook Utility Billing Project Schedule as of 1/23/2023:**

Week/Day	System	Description	Complete
5/2 – 5/6	Utility Billing	Utility billing discovery session begins	Yes
6/3	Utility Billing	Utility billing data transmitted to Springbrook	Yes
6/6 – 6/10	Utility Billing	Springbrook works on Data Mapping from CUSI	Yes
6/13/ - 6/17	Utility Billing	Initial data conversion and load	Yes
6/20 – 6/24	Utility Billing	Initial Data Review	Yes
8/1 – 8/5	Utility Billing	Setup and Configuration Sessions	Yes
8/16	Utility Billing	Continued Configuration Session	Yes
8/29 – 9/2	Utility Billing	Parallel Billing Session	Delayed
10/3 – 10/7	Utility Billing	Parallel Billing Session	Yes
10/24 – 10/28	Utility Billing	Additional Implementation and Setups	
5/8 to 5/12	Utility Billing	2 <sup>nd</sup> Parallel Billing Session	
June	Utility Billing	Final testing for Go Live	
July	Utility Billing	Go Live with Utility Billing	



## STAFF REPORT

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**To: Board of Directors**

**Meeting Date: March 20, 2023**

**From: Dennis Cafferty, General Manager**

**Subject: 2023-24 Fiscal Year Budget Status Update**

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Staff worked closely with Raftelis to identify opportunities to accelerate the budget schedule in an effort to achieve an August 1<sup>st</sup> rate increase implementation date rather than the September 1<sup>st</sup> date described at the February Finance Committee budget status update.

The resulting budget critical path schedule will include the following milestones:

- Budget Committee Meeting #1                      March 31, 2023
- Budget Committee Meeting #2                     April 25, 2023
- Board Budget Workshop                           May 3, 2023
- Distribution of 218 Notice                         June 9, 2023
- Public Rate Hearing                                 July 27, 2023
- Rate Increase Implementation                   August 1, 2023



## **STAFF REPORT**

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**To: Board of Directors**

**Meeting Date: March 20, 2023**

**From: Michael Miazga, IT Manager**

**Subject: Cox Business Services Contract Renewal**

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### **INTRODUCTION AND BACKGROUND**

The Wastewater Recycling Plant (WRP) has always been a difficult location to provide adequate bandwidth services. The location was challenging for line of sight-based technologies because it is in a valley. Satellite technology isn't ideal for the same reason. Until October 2019, the WRP's communications infrastructure consisted of only AT&T copper cabling installed decades ago. This limited the District's options to bonding multiple T1 (1.5 megabits per second (Mbps)) circuits together to get to a supposed 10 Mbps system that never really lived up to its target speed. The reliability of this system was spotty as it went out of service often, requiring someone onsite to 'reboot' it. The District went through a few providers who promised to improve things, but only after a lot of persistence to eventually get Cox to agree to bury Fiber Optic (FO) cable to the location (as well as Coax for Cox Business Internet (CBI) backup circuit and TV service) did the WRP realize actual improvement. Once the FO cabling was in place the bandwidth at the WRP was increased to 30 Mbps, much better than the previous unreliable <10 Mbps. Despite that improvement, due to limitations caused by tiered router expenses, District staff still found the bandwidth to be inadequate over the course of the initial three-year Cox Business contract. The three-year Cox commitment now having expired, staff reached out to Cox to see how services could be improved.

The solution Cox Business and staff propose is to move the District's on-site Fortinet Firewalls and End Point Management server to Cox's cloud service provider 'RapidScale', a Cox Business services company. This solution will eliminate the need for on-site routers. Cox Business will also be installing Software Defined Wide Area Network (SD-WAN) devices at each location (WRP and Main Admin) along with CBI circuits for redundancy and backup cellular (LTE) circuits for fail-over. This solution will improve the Main Administration Office circuit from 150 Mbps to 200 Mbps, the WRP circuit from 30 Mbps to 100 Mbps, reduce Fortinet support/maintenance annual costs, reduce staff time required to maintain the on-site devices, provide redundancy and room for easy growth and other less tangible benefits for around the same cost as the current system. RapidScale will also provide remote

professional support services for a fiscal year 23/24 Core Switch Replacement proposed capital improvement project as part of this project, providing additional value by combining the two projects.

## PROPOSED SOLUTION

SD-WAN optimally utilizes two active circuits and LTE in standby mode. SD-WAN provides bandwidth aggregation which will use the FO and CBI circuits to form a single flow, leveraging all of the bandwidth for which the District is paying and providing redundancy in case of circuit failure, with LTE Cellular as a third emergency fail-over option. The FO circuit speeds can be easily increased up to the Maximum speeds shown in the below chart, initiated with only a phone call to Cox and a willingness to absorb the higher speed's expense. Speeds above the below maximums can be achieved with SD-WAN on-premises hardware upgrades, effectively future proofing the District with access to virtually unlimited bandwidth at both WRP and Main Admin locations.

	FO Current	FO Proposed	FO Max	CBI Backup	LTE Fail-Over
<b>Main Admin</b>	150 Mbps	200 Mbps	450 Mbps	200 Mbps	30-50 Mbps
<b>WRP</b>	30 Mbps	100 Mbps	250 Mbps	100 Mbps	30-50 Mbps

As part of this project the District will be migrating from an on-premises Fortinet FortiGate firewall cluster (a pair of firewalls in High Availability (HA) configuration in case one firewall fails) to a FortiGate firewall cloud services solution hosted by RapidScale. Staff will also move an on-premises Fortinet Endpoint Management server to RapidScale's datacenter. Moving these devices to RapidScale saves the expense of the annual software support/maintenance costs as well as the replacement costs of the firewall hardware every 5-7 years. Moving these devices to RapidScale's cloud also relieves IT staff of having to apply version maintenance and security updates to the on-premises devices in a timely manner.

RapidScale has included 20 hours of professional services and support to help staff replace the HP Aruba core network switches in each building at the Main Admin and WRP campuses with new Fortiswitches, and configure the FortiLAN application on the cloud firewall to allow staff to administer and manage all Fortinet Fortiswitches, FortiAPs (WiFi Access Points) and FortiGate firewalls under one pane of glass. The hardware quotes for the Core Switch Replacement project have come in well under the \$68,000 that has been proposed in the 23/24 budget for that project, leaving room to cover the one-time fees of this project.

Other, less tangible benefits the District receives by making these changes include the ability to have a granular view of the circuits which allows IT staff the visibility to determine high

users and bandwidth health, and provides tools to alleviate congestion and prioritize bandwidth to certain applications and voice if necessary.

TV and telephone services will be unchanged both in services and cost but are included in the Cox Business current and proposed charges listed in the budget evaluation section below.

## BUDGET

This project will have a net negative effect on overall spending when the Fortinet Maintenance/Support and hardware replacement costs are taken into consideration. Also, the savings from the Core Switch Replacement project will be more than enough to cover the one-time costs to migrate and still allow that project to come in under budget. Total cost of commitment to Cox and RapidScale from the District is approximately \$165,000 cumulative over the three years, plus one-time fees to cover certain hardware and support services.

<b>Cox Network Services</b>				
<b>Current Charges*</b>			<b>Proposed Charges*</b>	
Cox Monthly Bill 1:	\$3,595		Cox Main Admin:	\$1,709
Cox Monthly Bill 2:	\$199		Cox WRP:	\$1,011
^Fortinet Maintenance/Support:	\$550		RapidScale:	\$1,878
^Estimated Hardware Replacement:	\$400		<b>Total Monthly:</b>	<b>\$4,598</b>
<b>Total Charges Replaced:</b>	<b>\$4,744</b>		One-Time Fees:	\$5,946
<b>Estimated Net Monthly decrease in charges: -\$146</b>				

\*Charges include TV, phone and analog phone lines as well as internet circuits (FO, CBI and LTE), taxes and fees.

^Calculated by finding annual cost divided by 12

## RECOMMENDATION

Staff recommends that the Board of Directors authorize the General Manager to enter into a three-year contract with Cox Business and RapidScale for hosted firewall, hosted FortiEMS, SD-WAN services, PRI phone circuit and services, TV service in all buildings, analog phone circuits at the WRP and broadband internet access circuits at both WRP and Main Administration Office campus locations at a total cost of \$171,474 billed at a monthly amount of \$4,598.





## STAFF REPORT

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**To: Board of Directors** **Meeting Date: March 20, 2023**  
**From: Jason Hayden, Chief Financial Officer**  
**Subject: February Financial Report and Bills for Approval**

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Attached for approval is the cash report for the month of February, 2023 which illustrates the expenses for February that exceeded \$50,000. Also attached is the monthly financial report for February, 2023.

Presented below for your consideration are some notes about the financial report:

- The Statement of Net Position indicates a decrease in Net Position from the prior month as the Net Investment in Capital Assets increased and the Net Position Restricted for Debt Service has decreased. This is a result of the District utilizing the 2022 Revenue Bond Proceeds for the designated projects and recognizing the related construction expenses as Construction in Progress. The Unrestricted Net Position declined as the District incurred significant cash outflows for capital project costs.
- The Statement of Revenues, Expenses, and Changes in Net Position indicates the District currently has a negative Change in Net Position of \$939,645 through the end of February. The District has received 63.2% of revenues and incurred 63.6% of expenses (with February being the 8<sup>th</sup> month of the year, revenues and expenses should be around 67% of budget if the budget is an accurate forecast).
- The Cash and Investments report shows a total of \$14,247,302 in Operating Cash (LAIF, CAMP, and Checking accounts) at the end of the month. These funds represent the cash available to the District for operational needs and equal the total cash reserves of the District. The 2022 Bond Project account had a balance of \$22,258,672 as the District is utilizing these funds to reimburse the cost of construction for the 2022 Revenue Bond projects.
- The Cash Sheet includes seven checks greater than \$50,000, with the total equal to \$1,998,358.27. The very large invoice to Layfield USA Corporation was a payment for construction services related to the R-6 Project. These expenses exceed the General Manager's purchase authority and need approval from the Board of Directors. In addition, \$574,593.43 in payroll expenses occurred in February and District employees were reimbursed for \$504.72 in travel expenses.

**Attachment 1. February, 2023 Financial Report**

1. Cash Sheet for the Month ending February 28, 2022
2. Statement of Net Position for the month ended February 28, 2023
3. Statement of Revenues, Expenses, and Changes in Net Position for the Month of February, 2023
4. Summary of Revenues and Expenses for the Month of February, 2023
5. Revenue and Expense Charts for February, 2023
6. Summary of Cash & Investments for the Month ended February 28, 2023
7. Cash Reserve Balances for the Month ended February 28, 2023
8. Capital Project Expense Report through February, 2023
9. Interim Report on 401k Plan Holdings

**EL TORO WATER DISTRICT**  
**Cash Sheet**  
**For the month ending February 28, 2023**

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
743	02/03/2023	Layfield USA Corp	1,553,136.00
749	02/03/2023	Municipal Water District of Orange County	111,163.52
763	02/03/2023	South Orange County Wastewater Authority	96,813.08
741	02/03/2023	J.R. Filanc Construction Company Inc	70,170.31
842	02/16/2023	ACWA JPIA	63,365.00
876	02/16/2023	Southern California Edison Company	52,478.35
740	02/03/2023	Irvine Ranch Water District	51,232.01
<b>TOTAL CHECKS OVER \$50,000</b>			<b>\$ 1,998,358.27</b>
<b>TOTAL CHECKS IN REGISTER</b>			<b>\$ 3,916,135.44</b>

**DEBIT TRANSFERS**

02/10/2023	PAYROLL DIRECT DEPOSIT	157,635.09
02/10/2023	FEDERAL DEPOSIT LIABILITY	33,572.89
02/10/2023	SDI & STATE TAX	13,468.02
02/10/2023	WAGE GARNISHMENTS	282.50
02/10/2023	PRUDENTIAL (401K)	62,294.09
02/10/2023	PRUDENTIAL (457)	19,483.08
02/10/2023	HEALTH SAVINGS ACCOUNT	394.61
02/15/2023	PAYROLL BOARD OF DIRECTOR	5,614.47
02/15/2023	SS, MEDICARE, SDI & STATE TAX	1,999.11
02/15/2023	PRUDENTIAL (457)	2,751.73
02/15/2023	HEALTH SAVINGS ACCOUNT	404.00
02/24/2023	PAYROLL DIRECT DEPOSIT	151,672.21
02/24/2023	FEDERAL DEPOSIT LIABILITY	31,885.30
02/24/2023	SDI & STATE TAX	12,470.18
02/24/2023	WAGE GARNISHMENTS	282.50
02/24/2023	PRUDENTIAL (401K)	59,455.09
02/24/2023	PRUDENTIAL (457)	17,986.65
02/24/2023	HEALTH SAVINGS ACCOUNT	394.61
02/28/2023	BANK FEES	2,547.30
<b>TOTAL INTERBANK WIRES / DEBIT TRANSFERS</b>		<b>\$ 574,593.43</b>

**TOTAL DISBURSEMENTS \$ 4,490,728.87**

**REIMBURSEMENTS TO ETWD EMPLOYEES**

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
808	02/13/2023	Garth Botha (Workboots)	261.27
902	02/27/2023	Jessica Ocampo (Headphones)	255.90
758	02/03/2023	Rory Harnisch (Mileage)	212.78
857	02/16/2023	Daniel Orozco (CWEA Membership)	195.00
861	02/16/2023	Garth Botha (T2 Certificate Renewal)	165.00
912	02/27/2023	Robert Hazzard (Workboots)	140.06
753	02/03/2023	Oscar Hernandez (Phone Allowance)	60.00
873	02/16/2023	Oscar Hernandez (Phone Allowance)	60.00
728	02/03/2023	Daniel Lopez (Class A HAZMAT Renewal)	51.06
829	02/13/2023	Rory Harnisch (Mileage)	27.50
<b>TOTAL CHECKS TO EMPLOYEES</b>			<b>\$ 1,428.57</b>

**REINBURSEMENTS TO ETWD DIRECTORS**

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
868	02/16/2023	Mark Monin (Travel Expenses)	286.17
867	02/16/2023	Kathryn Freshley (Travel Expenses)	197.20
866	02/16/2023	Katherine Havens (Travel Expenses)	21.35
<b>TOTAL CHECKS TO DIRECTORS</b>			<b>\$ 504.72</b>

**El Toro Water District**  
**Interim Statement of Net Position for the Month of February, 2023**

	6/30/2022 Ending	1/31/2023 Interim	2/28/2023 Interim	Change
<b>Assets</b>				
Current Assets				
Cash & Cash Equivalents	(4,015,635)	9,032,949	6,143,767	(2,889,182)
Investments	21,897,583	24,521,094	23,431,580	(1,089,514)
Accounts Receivable	4,039,853	3,483,253	2,992,329	(490,924)
Materials & Supply Inventory	782,349	782,349	782,349	-
Prepaid Expenses	256,087	12,840	12,840	-
Restricted - Cash & Cash Equivalents	26,797,887	9,485,998	8,103,535	(1,382,463)
Current Assets - Sub-total	53,797,977	50,801,737	44,458,729	(6,343,008)
Non-Current Assets				
Lease Receivable	432,962	432,962	432,962	-
Land & Easements	7,451,585	7,451,585	7,451,585	-
Capacity Rights	342,382	342,382	342,382	-
Capital Assets				
Water System	36,908,024	36,908,024	36,908,024	-
Wastewater System	56,969,901	56,969,901	56,969,901	-
Recycled System	55,454,389	55,454,389	55,454,389	-
Combined Assets	14,541,459	14,541,459	14,541,459	-
Construction in Progress	4,714,756	9,162,779	11,296,306	2,133,527
Accumulated Depreciation	(88,231,945)	(90,267,622)	(90,558,433)	(290,811)
Non-Current Assets - Sub-total	88,583,513	90,995,859	92,838,575	1,842,716
<b>Total Assets</b>	<b>142,381,490</b>	<b>141,797,596</b>	<b>137,297,304</b>	<b>(4,500,292)</b>
<b>Deferred Outflows of Resources</b>				
OPEB Deferred Outflow of Resources	4,564,293	4,564,293	4,564,293	-
<b>Liabilities</b>				
Current Liabilities				
Accounts Payable & Accrued Expenses	3,092,683	3,633,645	3,884,883	251,238
Accrued Salaries & Related Payables	111,062	8,877	8,877	-
Customer Deposits	54,147	55,547	56,947	1,400
Accrued Interest Payable	614,910	263,681	263,681	-
Long Term Liabilities - Due in One Year		-	-	-
Compensated Absences	197,729	197,729	197,729	-
Loans Payable	1,557,454	1,111,180	1,111,180	-
Current Liabilities - Sub-total	5,627,985	5,270,659	5,523,297	252,638
Non-Current Liabilities				
Compensated Absences	1,314,487	1,314,487	1,314,487	-
Other Post-Employment Benefits Liability	20,031,266	20,031,266	20,031,266	-
Loans Payable	55,678,799	55,678,799	55,678,799	-
Non-Current Liabilities - Sub-total	77,024,552	77,024,552	77,024,552	-
<b>Total Liabilities</b>	<b>82,652,537</b>	<b>82,295,211</b>	<b>82,547,849</b>	<b>252,638</b>
<b>Deferred Inflows of Resources</b>				
Deferred Amounts from Leases	636,695	636,695	636,695	-
Deferred Amounts from OPEB	953,259	953,259	953,259	-
Total Deferred Inflows of Resources	1,589,954	1,589,954	1,589,954	-
<b>Net Position</b>				
Net Investment in Capital Assets	30,402,906	33,261,526	35,104,242	1,842,716
Restricted - Capital Projects	2,895	2,895	2,895	-
Restricted - Debt Service	26,794,992	23,387,158	22,258,672	(1,128,486)
Unrestricted	1,462,646	2,850,806	357,985	(2,492,821)
<b>Total Net Position</b>	<b>58,663,439</b>	<b>59,502,385</b>	<b>57,723,794</b>	<b>(1,778,591)</b>

**Statement of Revenues, Expenses, and Changes in Net Position for the Month of February, 2023**

	District		Water System		Wastewater System		Recycled System		Capital Improvments	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating Revenues										
Commodity Supply Charges	\$ 11,306,200	\$ 6,800,180	\$ 9,456,200	\$ 5,774,633	\$ -	\$ -	\$ 1,850,000	\$ 1,025,547	\$ -	\$ -
Service Provision Charges	13,346,700	8,781,691	4,449,000	2,919,490	8,495,200	5,598,245	402,500	263,956	-	-
Capital Facilities Charge	3,262,200	2,142,849	-	-	-	-	-	-	3,262,200	2,142,849
Charges for Services	123,000	3,975	123,000	3,975	-	-	-	-	-	-
Miscellaneous Operating Income	52,800	19,958	31,000	9,928	20,800	10,030	1,000	-	-	-
Grants, Rebates, Reimbursements	356,700	464,620	400	-	-	-	356,300	261,278	-	203,342
Total Operating Revenues	28,447,600	18,213,273	14,059,600	8,708,026	8,516,000	5,608,274	2,609,800	1,550,781	3,262,200	2,346,192
Operating Expenses										
General & Administrative	5,089,130	3,465,889	2,034,840	1,462,451	2,647,490	1,706,822	406,800	296,617	-	-
Operations & Maintenance	19,867,260	12,094,099	12,041,680	7,325,600	6,516,760	3,957,682	1,308,820	810,817	-	-
Operating Capital Expenses	1,109,300	857,740	-	-	-	-	-	-	1,109,300	857,740
Other Operating Expenses	320,000	175,838	128,000	70,336	167,000	91,436	25,000	14,067	-	-
Depreciation & Amortization	3,653,600	2,326,488	-	-	-	-	-	-	3,653,600	2,326,488
Total Operating Expenses	30,039,290	18,920,054	14,204,520	8,858,387	9,331,250	5,755,939	1,740,620	1,121,500	4,762,900	3,184,228
Operating Income/(Loss)	(1,591,690)	(706,781)	(144,920)	(150,361)	(815,250)	(147,665)	869,180	429,280	(1,500,700)	(838,036)
Non-operating Revenues										
Property Taxes	1,120,000	746,664	448,000	298,664	582,400	388,264	89,600	59,736	-	-
Investment Earnings	100,000	403,825	40,000	63,808	52,000	70,052	8,000	10,807	-	259,157
Miscellaneous Revenue	255,000	137,644	243,000	137,541	10,400	102	1,600	1	-	-
Interest Expense	(2,240,000)	(1,520,997)	-	-	-	-	-	-	(2,240,000)	(1,520,997)
Net Non-Operating Revenues	(765,000)	(232,864)	731,000	500,013	644,800	458,418	99,200	70,544	(2,240,000)	(1,261,839)
Income/(Loss) before Contributions & Transfers	(2,356,690)	(939,645)	586,080	349,652	(170,450)	310,753	968,380	499,825	(3,740,700)	(2,099,875)
Transfers										
Transfers In	1,673,450	1,211,792	-	-	-	-	-	-	1,673,450	1,211,792
Transfers Out	(1,817,700)	(1,211,792)	(848,550)	(565,696)	-	-	(969,150)	(646,096)	-	-
Net Transfers	(144,250)	-	(848,550)	(565,696)	-	-	(969,150)	(646,096)	1,673,450	1,211,792
Capital Contributions										
Donations & Contributions	-	-	-	-	-	-	-	-	-	-
Total Capital Contributions	-	-	-	-	-	-	-	-	-	-
Change in Net Position	(2,500,940)	(939,645)	(262,470)	(216,044)	(170,450)	310,753	(770)	(146,271)	(2,067,250)	(888,083)
Beginning Net Position	58,663,439	58,663,439								
Ending Net Position	\$ 56,162,499	\$ 57,723,794								

Summary of Revenues and Expenses for the Month of February, 2023

Account - Description	Month Actual	YTD Actual	2022-2023 Budgeted	Budget Remaining	% of Budget Remaining
Summary of Total District Revenues					
District Totals					
Commodity Supply Charges	464,078	6,800,180	11,306,200	4,506,020	39.9%
Service Charges	1,091,360	8,781,691	13,346,700	4,565,009	34.2%
Capital Facility Charges	267,651	2,142,849	3,262,200	1,119,351	34.3%
Charges for Services	-	3,975	123,000	119,025	96.8%
Miscellaneous Revenue	1,936	157,500	307,800	150,300	48.8%
Grants, Rebates, Reimbursements	22,925	464,620	356,700	(107,920)	-30.3%
Property Taxes	93,333	746,664	1,120,000	373,336	33.3%
Investment Income	6,605	403,825	100,000	(303,825)	-303.8%
Donations & Capital Contributions	-	-	-	-	N/A
Total Revenue	1,947,887	19,501,304	29,922,600	10,421,296	34.8%
Summary of Total District Expenses					
Salary Expenses					
Directors Fees	10,512	84,972	131,400	46,428	35.3%
Exempt Salaries	95,008	935,097	1,262,300	327,203	25.9%
Non-exempt Salaries	373,312	3,508,294	5,343,800	1,835,506	34.3%
Other Salary Payments	-	-	189,400	189,400	100.0%
Overtime	9,629	111,175	230,000	118,825	51.7%
Overtime - On-call	6,600	28,216	72,800	44,584	61.2%
Stipends/Allowances	4,980	16,570	74,900	58,330	77.9%
Employee Service Awards	1,200	2,300	5,000	2,700	54.0%
Salary Expenses Sub-total	501,242	4,686,624	7,309,600	2,622,976	35.9%
Benefit Expenses					
Medical Insurance	84,475	678,470	1,131,500	453,030	40.0%
HSA Contributions	-	-	4,500	4,500	100.0%
Dental Insurance	4,569	36,287	61,000	24,713	40.5%
Vision Insurance	982	7,878	13,300	5,422	40.8%
Life Insurance	3,777	16,279	36,600	20,321	55.5%
Disability Insurance	54,864	54,864	39,590	(15,274)	-38.6%
Long-term Care Insurance	93	3,624	11,600	7,977	68.8%
Workers Compensation Insurance	10,261	89,604	128,900	39,296	30.5%
State Unemployment Insurance	-	-	3,000	3,000	100.0%
401k Retirement Contributions	43,982	410,544	594,300	183,756	30.9%
401k Matching Contributions	26,256	247,500	-	(247,500)	N/A
457b Matching Contributions	8,056	73,283	456,200	382,917	83.9%
Medicare Insurance	6,859	64,181	100,600	36,419	36.2%
FICA	111	2,928	-	(2,928)	N/A
Retiree Medical Insurance Payments	-	-	-	-	N/A
Benefit Expenses Sub-total	244,286	1,685,442	2,581,090	895,648	34.7%
Commodity Purchased for Resale					
Water Purchases - MWDOC	158,648	1,910,359	4,024,200	2,113,841	52.5%
Water Purchases - MWDOC Fixed	54,260	437,143	667,000	229,857	34.5%
Water Purchases - AMP/SAC	2,777	21,698	9,000	(12,698)	-141.1%
Regional Water Supply Expenses	389	5,284	-	(5,284)	N/A
Water Purchases - Baker WTP	238,262	1,847,475	2,881,760	1,034,285	35.9%
Water Purchases - Baker O&M	-	397,829	778,900	381,071	48.9%
Water Purch - Other Agencies	77,066	194,590	-	(194,590)	N/A
MWDOC Service Connect Charge	-	116,224	125,000	8,776	7.0%
Commodity Purchased for Resale Sub-total	531,402	4,930,601	8,485,860	3,555,259	41.9%

Summary of Revenues and Expenses for the Month of February, 2023

Account - Description	Month Actual	YTD Actual	2022-2023 Budgeted	Budget Remaining	% of Budget Remaining
Contracted/Purchased Services					
Consultants	6,145	33,315	75,000	41,686	55.6%
Engineering Services	7,466	13,048	52,000	38,952	74.9%
Audit & Accounting Services	-	18,350	28,600	10,250	35.8%
Technology Consultants	7,390	63,661	60,000	(3,661)	-6.1%
Contractors	247,038	797,713	1,189,200	391,487	32.9%
Contracted Employees	2,863	37,881	-	(37,881)	N/A
Legal Svcs - General Counsel	15,876	60,470	110,000	49,530	45.0%
Legal Svcs - Specialty Counsel	1,962	5,350	5,000	(350)	-7.0%
Other Legal Services	587	3,601	-	(3,601)	N/A
Employee Recruitmnt/Compliance	14,573	16,909	5,000	(11,909)	-238.2%
Employee Health & Wellness	1,205	17,606	17,000	(606)	-3.6%
Employee Relations Expenses	1,959	14,780	2,000	(12,780)	-639.0%
Professional Services	-	18,700	-	(18,700)	N/A
Landscaping Services	29,784	97,284	166,900	69,616	41.7%
Janitorial Contracts	3,209	25,878	45,000	19,122	42.5%
Equipment Rental	1,095	7,680	17,000	9,320	54.8%
Uniform Rental	1,255	9,270	20,000	10,730	53.7%
Laboratory Services	5,034	25,164	42,000	16,836	40.1%
Disposal Services	11,470	60,464	34,000	(26,464)	-77.8%
Security Services	7,269	16,879	24,800	7,921	31.9%
Insurance	4,674	353,377	344,000	(9,377)	-2.7%
Financial Service Fees	1,735	23,689	55,000	31,311	56.9%
Printing & Reproduction	7,299	19,665	23,000	3,335	14.5%
Advertising & Publicity Svcs	-	2,341	11,000	8,659	78.7%
Postage	-	4,453	20,000	15,547	77.7%
Community Relations/Education	10,585	93,878	190,600	96,722	50.7%
Licenses & Permits	48,970	99,926	189,200	89,274	47.2%
Software Maintenance/Licenses	51,717	142,700	217,900	75,200	34.5%
Electrical Power	107,269	1,012,160	1,508,500	496,340	32.9%
Natural Gas	3,083	5,510	4,500	(1,010)	-22.5%
Cable Service	346	2,623	11,500	8,877	77.2%
Telecommunications	3,250	13,657	20,000	6,343	31.7%
Mobile Telecommunications	3,207	22,559	35,000	12,441	35.5%
Data Access	4,133	37,323	65,000	27,677	42.6%
Equipment Maintenance & Repair	26,885	126,386	100,800	(25,586)	-25.4%
Pump Maintenance & Repair	19,565	69,801	103,500	33,699	32.6%
Motor Maintenance & Repair	3,112	15,462	81,500	66,038	81.0%
Electrical Maintenance/Repair	7,827	28,191	136,400	108,209	79.3%
Meter Maintenance & Repair	28,808	37,953	14,800	(23,153)	-156.4%
Structure Maintenance & Repair	2,867	34,021	23,000	(11,021)	-47.9%
Asphalt Maintenance & Repair	17,359	65,370	58,600	(6,770)	-11.6%
Contracted/Purchased Services Sub-total	718,871	3,555,046	5,107,300	1,552,254	30.4%
Commodities					
Repair Parts & Materials	56,331	235,087	389,500	154,413	39.6%
Tools & Small Equipment	12,138	46,780	66,700	19,920	29.9%
Safety Equipment	266	12,153	38,000	25,847	68.0%
Employee Tools/Safety Equip	1,586	9,550	23,500	13,950	59.4%
Laboratory Tools & Small Equip	-	2,553	-	(2,553)	N/A
Technology Tools/Small Equip	-	34,984	35,000	16	0.0%
Chemicals	19,502	158,204	259,200	100,996	39.0%
Gasoline & Oil	14,703	85,060	160,000	74,940	46.8%
Operating Supplies/Accessories	16,786	44,848	49,500	4,652	9.4%
Office Supplies & Accessories	2,095	15,700	23,900	8,200	34.3%
Technology Supplies/Components	6,122	22,978	30,000	7,022	23.4%
Meeting/Event Supplies & Food	1,698	20,655	28,000	7,345	26.2%
Water Use Efficiency Supplies	-	1,340	15,000	13,660	91.1%
Commodities Sub-total	131,227	689,891	1,118,300	428,409	38.3%



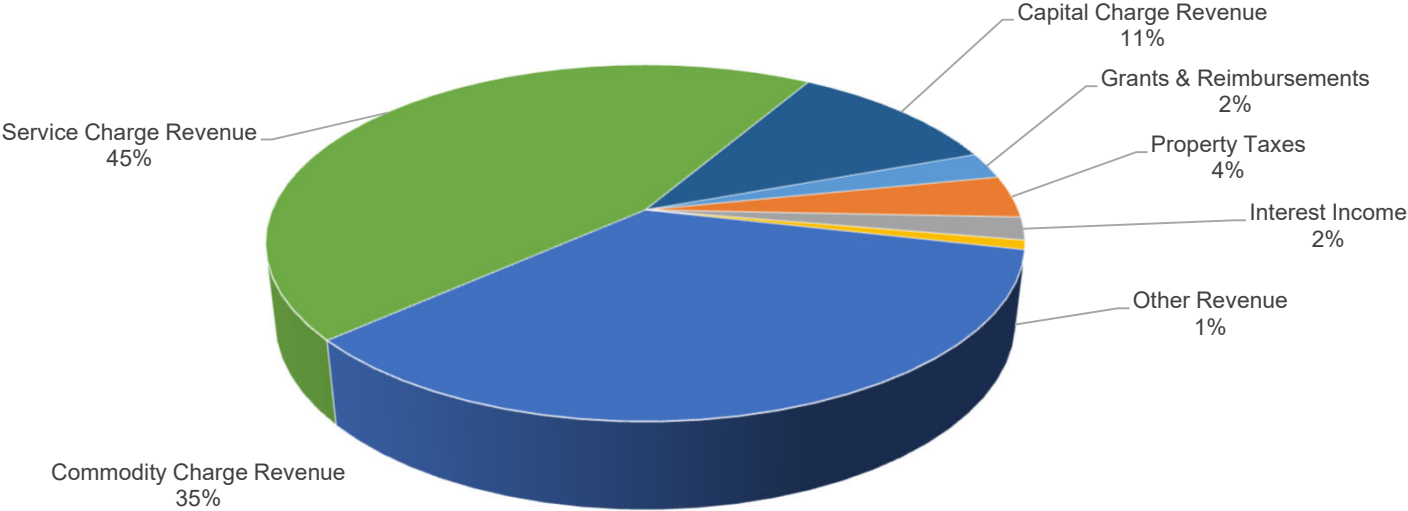
Summary of Revenues and Expenses for the Month of February, 2023

Account - Description	Month Actual	YTD Actual	2022-2023 Budgeted	Budget Remaining	% of Budget Remaining
Professional Development					
Education & Training	2,966	17,690	46,940	29,250	62.3%
Education/Training - Directors	-	-	-	-	N/A
Dues & Memberships	471	46,465	42,080	(4,385)	-10.4%
Dues & Memberships - Directors	561	44,604	63,120	18,516	29.3%
Meetings & Conferences	602	5,470	15,880	10,410	65.6%
Meetings/Conferences-Directors	2,216	8,833	27,420	18,587	67.8%
Travel Reimbursement	1,368	8,844	17,800	8,956	50.3%
Travel Reimbursement-Directors	1,935	13,893	32,600	18,707	57.4%
Publications & Subscriptions	1,679	7,769	22,200	14,431	65.0%
Professional Development Sub-total	11,798	153,568	268,040	114,472	42.7%
Miscellaneous Expenses					
Employee Appreciation Expenses	1,481	-	25,880	25,880	100.0%
Internal/External Event Expenses	-	30	5,760	5,730	99.5%
Election Expense	-	-	16,800	16,800	100.0%
Reimbursable Repair Expense	160	39	54,710	54,671	99.9%
Property Taxes	-	2,617	4,800	2,183	45.5%
Uncollectible Accounts	1,446	7,474	30,240	22,766	75.3%
NSFs & Miscellaneous Fees	712	2,283	4,680	2,397	51.2%
Refund Overcharges	2,069	10,118	16,120	6,002	37.2%
Damage/Repair Reimbursements	663	1,400	19,160	17,760	92.7%
Miscellaneous Sub-total	6,532	23,960	178,150	154,190	86.6%
Capital Improvement Expenses					
Water System Projects					
Supply/Storage Projects	2,085,588	4,911,232	14,540,900	9,629,668	66.2%
Pumping Projects	-	44,800	200,000	155,200	77.6%
Main/Service Line Projects	-	-	-	-	N/A
Wastewater System Projects				-	N/A
Pumping Projects	69,657	399,399	845,000	445,601	52.7%
Wastewater Treatment Projects	159,444	413,320	1,709,800	1,296,480	75.8%
Main/Service Line Projects	-	-	-	-	N/A
Recycled System Projects				-	N/A
Pumping Projects	-	9,546	-	(9,546)	N/A
Tertiary Treatment Projects	-	21,188	-	(21,188)	N/A
Main/Service Line Projects	-	-	-	-	N/A
General Projects				-	N/A
Operating Equipment Purchases	-	24,868	53,000	28,132	53.1%
Vehicle & Related Equipment Purchases	-	-	364,000	364,000	100.0%
Technoloy Projects & Purchases	-	-	120,000	120,000	100.0%
Building & Structure Improvements	83,973	805,723	-	(805,723)	N/A
General Capital Projects	38,137	807,744	377,900	(429,844)	-113.7%
Construction in Progress	(2,133,527)	(6,581,550)	(17,101,300)	(10,519,750)	61.5%
Capital Improvement Expenses Sub-total	303,272	856,271	1,109,300	253,029	22.8%
Other Expenses					
Retiree Health Insurance	23,425	175,838	320,000	144,162	45.1%
Depreciation	290,811	2,326,488	3,653,600	1,327,112	36.3%
Debt Interest Expense	190,125	1,520,997	2,240,000	719,003	32.1%
Other Expenses Sub-total	480,936	3,847,485	5,893,600	2,046,115	34.7%
Total Expenses	2,929,565	20,428,888	32,051,240	11,622,352	36.3%
Change in Net Position	(981,678)	(939,645)	(2,128,640)		

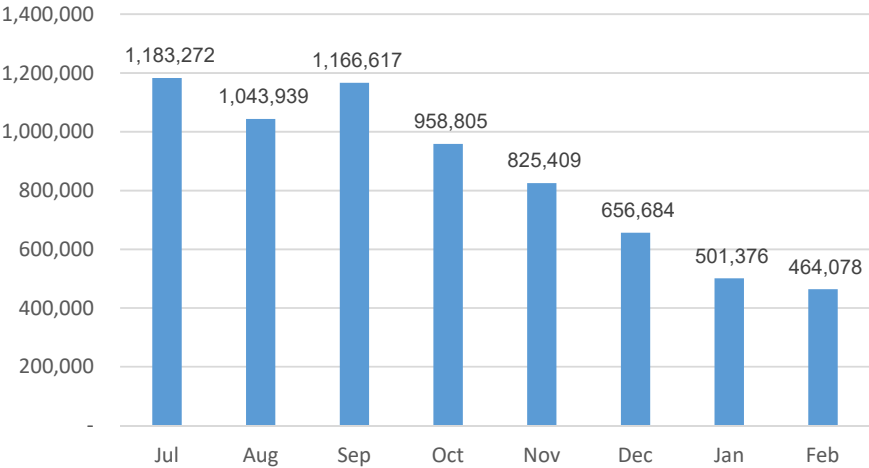


Revenue Charts - February Financial Report

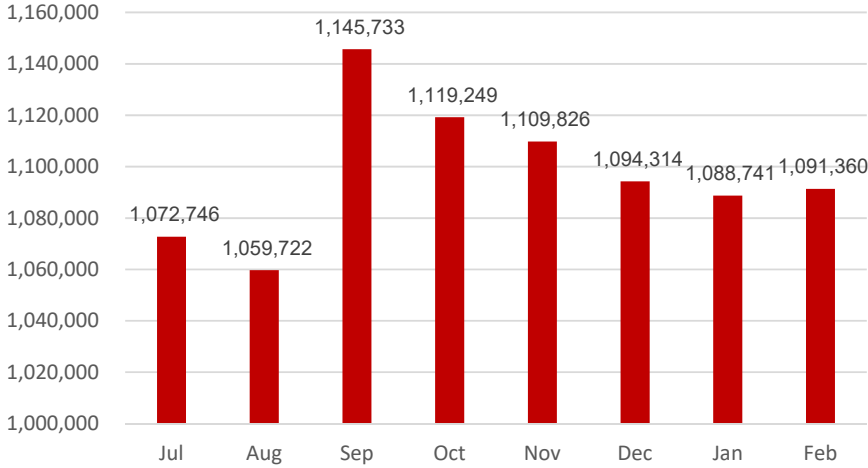
Year to Date Distribution of Revenues



Commodity Charge Revenue by Month

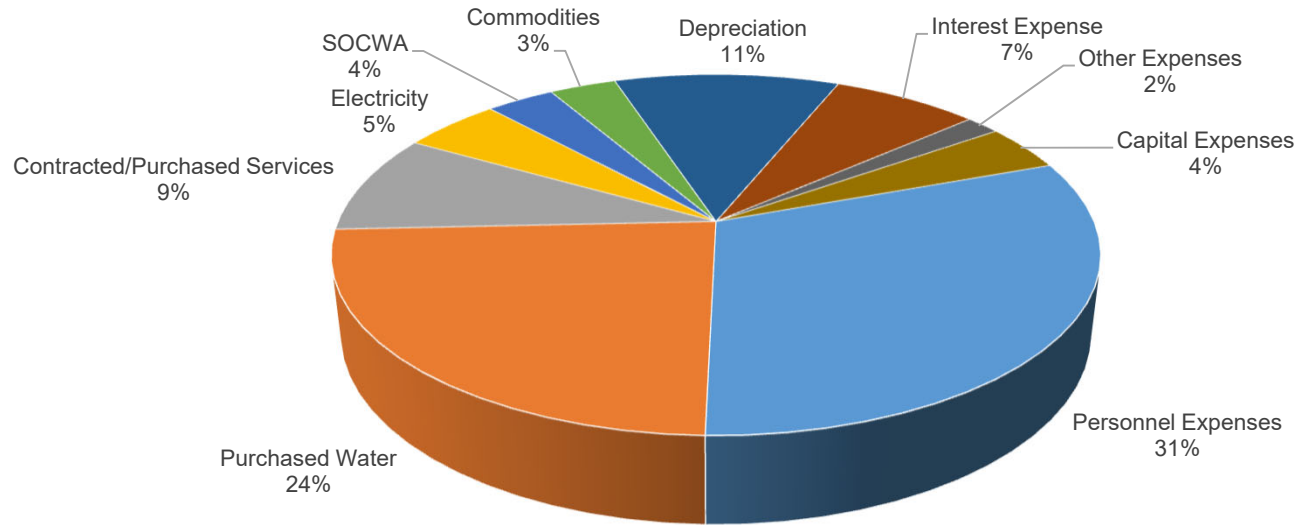


Service Charge Revenue by Month

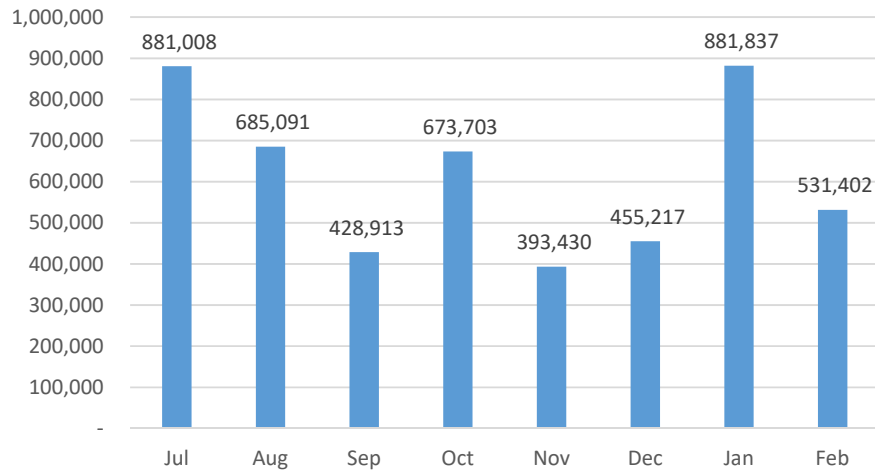


## Expense Chart - February Financial Report

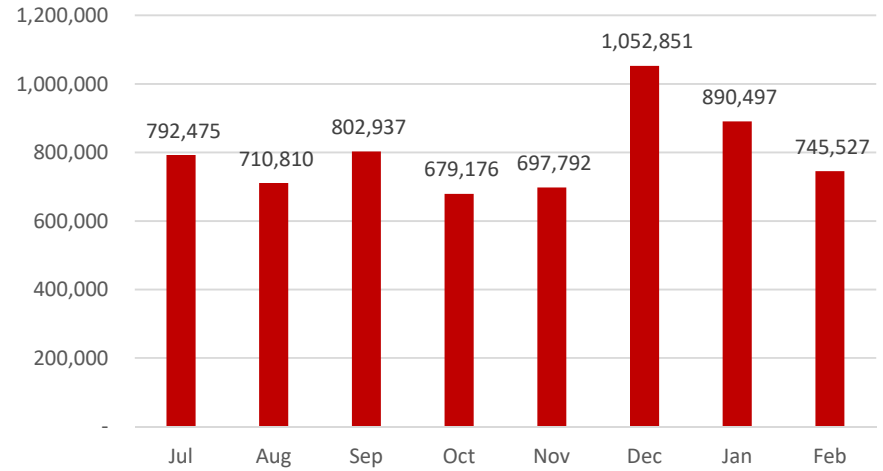
### Year to Date Distribution of Expenses



### Purchased Water Expenses by Month



### Personnel Costs by Month

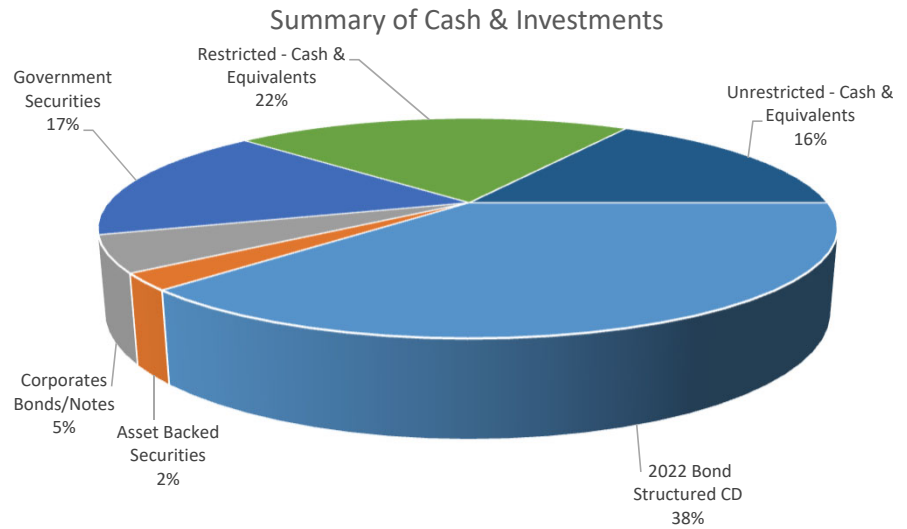


## Summary of Cash & Investments

as of February 28, 2023

### Summary of Cash & Investments

Cash & Equivalents	
Unrestricted - Cash & Equivalents	6,143,767
Restricted - Cash & Equivalents	8,103,535
Investments	
Government Securities	6,342,191
Certificates of Deposit	-
Corporates Bonds/Notes	2,012,145
Asset Backed Securities	922,106
2022 Bond Structured CD	14,155,137
<b>Total Cash &amp; Investments</b>	<b>37,678,882</b>
Unrestricted Cash & Investments	15,420,210



## Cash & Equivalents

	Account Balance	Current Yield
Cash & Equivalents		
Demand Deposit Accounts		
Union Bank - Checking Account	1,701,523	
Union Bank - Capital Facilities Checking	2,895	
US Bank - 2022 Bond Proceeds Checking	8,100,640	
Petty Cash	700	
Money Market Accounts		
CAMP Money Market	68,481	
LAIF Money Market	4,373,063	
<b>Total Cash &amp; Equivalents</b>	<b>14,247,302</b>	

## Investments

	Purchase Cost	Par Amount	Premium/(Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date
Certificates of Deposit									
US Bank Structured Maturity CD	14,155,137	14,155,137	-	14,155,137	-	2.140%	2.14%	8/1/2022	Various
<b>Certificates of Deposit - Total Balances</b>	<b>14,155,137</b>	<b>14,155,137</b>	<b>-</b>	<b>14,155,137</b>	<b>-</b>				

## Investments (continued)

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date
Governmental Securities									
United States Treasury Bond									
US Treasury N/B - AA+	401,047	400,000	1,047	393,375	(7,672)	0.250%	0.14%	2/18/2021	6/15/2023
US Treasury N/B - AA+	199,688	200,000	(313)	195,844	(3,844)	0.125%	0.19%	3/1/2021	7/15/2023
US Treasury N/B - AA+	399,828	400,000	(172)	391,688	(8,141)	0.125%	0.14%	2/1/2021	7/15/2023
US Treasury N/B - AA+	498,809	500,000	(1,191)	487,734	(11,074)	0.125%	0.23%	4/1/2021	8/15/2023
US Treasury N/B - AA+	89,982	90,000	(18)	86,864	(3,118)	0.250%	0.26%	4/26/2021	11/15/2023
US Treasury N/B - AA+	298,734	300,000	(1,266)	286,031	(12,703)	0.250%	0.27%	3/1/2021	2/15/2024
US Treasury N/B - AA+	164,807	165,000	(193)	154,997	(9,810)	0.375%	0.42%	9/3/2021	8/15/2024
US Treasury N/B - AA+	34,854	35,000	(146)	32,818	(2,036)	0.375%	0.52%	10/7/2021	9/15/2024
US Treasury N/B - AA+	347,047	350,000	(2,953)	329,820	(17,227)	1.125%	1.42%	2/4/2022	1/15/2025
US Treasury N/B - AA+	149,566	150,000	(434)	145,688	(3,879)	2.750%	2.85%	6/1/2022	5/15/2025
US Treasury N/B - AA+	466,543	500,000	(33,457)	465,543	(1,000)	2.125%	4.20%	11/30/2022	5/31/2027
US Treasury N/B - AA+	464,531	500,000	(35,469)	462,578	(1,953)	2.250%	4.10%	11/30/2022	2/15/2027
US Treasury N/B - AA+	480,273	500,000	(19,727)	479,766	(507)	3.250%	4.25%	2/22/2023	6/30/2027
US Treasury N/B - AA+	502,500	500,000	2,500	497,422	(5,078)	4.125%	4.01%	11/30/2022	9/30/2027
US Treasury N/B - AA+	497,930	500,000	(2,070)	497,422	(508)	4.125%	4.22%	2/22/2023	9/30/2027
US Treasury N/B - AA+	485,332	500,000	(14,668)	484,844	(488)	3.500%	4.16%	2/22/2023	1/3/2028
United States Treasury Bond - Totals	5,481,471	5,590,000	(108,529)	5,392,434	(89,037)				
Supra-National Agency Bond / Note									
Intl BK of Recon and Dev Note - AAA	134,172	135,000	(828)	133,695	(477)	0.125%	0.23%	4/13/2021	4/20/2023
Inter-American Devel BK Note - AAA	172,377	185,000	(12,623)	173,568	1,192	0.500%	0.52%	9/15/2021	9/23/2024
Supra-National Agency Bond / Note Totals	306,549	320,000	(13,451)	307,264	715				
Municipal Bond / Note									
NJ TPK Authority TXBL Revenue Bonds - AA-	18,604	20,000	(1,396)	18,658	54	0.897%	0.90%	1/22/2021	1/1/2025
Municipal Bond / Note Totals	18,604	20,000	(1,396)	18,658	54				
Federal Agency Commercial Mortgage-Backed Security									
FHMS K724 - AA+	54,842	55,886	(1,044)	54,867	25	3.062%	0.58%	1/28/2021	11/1/2023
FHLMC Multifamily Structured Pool - AA+	90,287	93,113	(2,826)	90,621	335	3.064%	3.00%	5/25/2022	8/1/2024
FHMS K047 - AA+	86,760	90,000	(3,240)	87,787	1,027	3.329%	3.10%	5/19/2022	5/1/2025
Federal Mortgage-Backed Security Totals	231,889	238,998	(7,110)	233,276	1,387				
Federal Agency Bond / Note									
Freddie Mac Notes - AA+	149,952	155,000	(5,048)	149,718	(234)	0.250%	0.23%	1/6/2021	11/6/2023
Fannie Mae Notes - AA+	241,173	250,000	(8,827)	240,843	(331)	0.250%	0.24%	1/6/2021	11/27/2023
Federal Agency Bond / Note Totals	391,125	405,000	(13,875)	390,561	(565)				
Governmental Securities - Total Balances	6,429,638	6,573,998	(144,361)	6,342,191	(87,446)				

## Investments (continued)

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date
Corporate Notes									
Toyota Motor Credit Corp Corporate Note - A+	69,996	70,000	(4)	67,154	(2,842)	0.450%	0.45%	1/6/2021	1/11/2024
John Deere Corp Notes - A	54,961	55,000	(39)	52,828	(2,133)	0.450%	0.48%	3/4/2021	1/17/2024
Morgan Stanley Corp Notes - A-	55,000	55,000	-	54,934	(66)	0.529%	0.53%	1/20/2021	1/25/2024
PACCAR Financial Corp Corporate Note - A+	64,925	65,000	(75)	62,118	(2,807)	0.350%	0.39%	1/28/2021	2/2/2024
Microsoft Corp (Callable) Note - AAA	46,864	45,000	1,864	44,041	(2,823)	2.875%	0.95%	12/1/2021	2/6/2024
National Rural Util Coop Corporate Note - A-	24,983	25,000	(17)	23,842	(1,141)	0.350%	0.37%	2/8/2021	2/8/2024
Apple Inc (Callable) Note - AA+	52,381	50,000	2,381	48,986	(3,395)	3.000%	0.870%	11/1/2021	2/9/2024
Goldman Sachs Corp Notes - BBB+	44,062	40,000	4,062	39,407	(4,655)	4.000%	0.690%	1/21/2021	3/3/2024
Merck & Co Inc Corp Notes	31,377	30,000	1,377	29,309	(2,068)	2.900%	0.880%	11/16/2021	3/7/2024
Goldman Sachs Corp Notes	20,000	20,000	-	19,936	(64)	0.673%	0.670%	3/1/2021	3/8/2024
Charles Schwab Corp Note	29,985	30,000	(15)	28,621	(1,364)	0.750%	0.770%	3/16/2021	3/18/2021
Suntrust Bank (Callable) Corp Note	63,197	60,000	3,197	58,641	(4,557)	3.200%	0.960%	11/1/2021	4/1/2024
Comcast Corp (Callable) Corp Note	53,305	50,000	3,305	49,115	(4,191)	3.700%	0.960%	11/1/2021	4/15/2024
Bank of NY Mellon Corp Note	54,941	55,000	(59)	52,046	(2,895)	0.500%	0.540%	4/19/2021	4/26/2024
Novartis Capital Corp Note	53,112	50,000	3,112	49,014	(4,097)	3.400%	0.890%	11/1/2021	5/6/2024
Amazon.com Inc Corp Note	79,883	80,000	(117)	75,722	(4,161)	0.450%	0.500%	5/10/2021	5/12/2024
Unitedhealth Group Inc Corp Note	29,969	30,000	(31)	28,335	(1,634)	0.550%	0.590%	5/17/2021	5/15/2024
Unitedhealth Group Inc Corp Note	29,476	30,000	(524)	28,335	(1,141)	0.550%	1.320%	1/21/2022	5/15/2024
Caterpillar Finl Service Corp Note	44,940	45,000	(60)	42,420	(2,520)	0.450%	0.500%	5/10/2021	5/17/2024
Astrazeneca Finance LLC (Callable) Corp	49,996	50,000	(5)	47,274	(2,722)	0.700%	0.700%	5/25/2021	5/28/2024
John Deere Capital Corp Notes	9,988	10,000	(13)	9,419	(568)	0.450%	0.490%	6/7/2021	6/7/2024
Target Corp Notes	31,879	30,000	1,879	29,307	(2,573)	3.500%	1.040%	11/23/2021	7/1/2024
American Express Co Corp Notes	36,253	35,000	1,253	33,676	(2,578)	2.500%	1.140%	11/19/2021	7/30/2024
American Honda Finance Corp Notes	29,980	30,000	(20)	28,095	(1,885)	0.750%	0.770%	9/7/2021	8/9/2024
American Honda Finance Corp Notes	35,025	35,000	25	32,777	(2,248)	0.750%	0.720%	9/13/2021	8/9/2024
Caterpillar Finl Service Corp Notes	19,973	20,000	(27)	18,670	(1,303)	0.600%	0.650%	9/7/2021	9/13/2024
Bank of NY Mellon Corp Note	24,984	25,000	(16)	23,364	(1,619)	0.850%	0.870%	10/20/2021	10/25/2024
Apple Inc Corp Note - AA+	42,786	40,000	2,786	38,409	(4,378)	2.750%	0.890%	3/11/2021	1/13/2025
Goldman Sachs Corp Notes	10,000	10,000	-	9,626	(374)	1.757%	1.760%	1/19/2022	1/24/2025
Bank of America Corp Notes	20,000	20,000	-	19,288	(713)	1.843%	1.840%	2/1/2022	2/4/2025
Merck & Co Inc Corp Notes	21,389	20,000	1,389	19,178	(2,211)	2.750%	0.940%	3/9/2021	2/10/2025
3M Company Corp Note	69,744	70,000	(256)	65,793	(3,951)	2.000%	2.130%	3/3/2022	2/14/2025
JPMorgan Chase & Co Corp Note Call	30,000	30,000	-	28,460	(1,540)	0.563%	0.560%	2/9/2021	2/16/2025
Exon Mobil Corp Note	29,874	30,000	(126)	28,628	(1,247)	2.709%	2.860%	4/1/2022	3/6/2025
Bank of America Corp Notes	42,714	40,000	2,714	39,071	(3,643)	3.458%	1.530%	7/22/2021	3/15/2025
Intel Corp Notes	30,873	30,000	873	28,989	(1,884)	3.400%	2.400%	3/8/2022	3/25/2025
Burlington North Santa Fe Corp Note Call	21,533	20,000	1,533	19,110	(2,423)	3.000%	1.070%	3/5/2021	4/1/2025
Amazon.com Inc Corp Notes	74,881	75,000	(119)	72,191	(2,690)	3.000%	3.060%	4/11/2022	4/13/2025
Home Depot Inc Corp Note	4,991	5,000	(9)	4,766	(225)	2.700%	2.760%	3/24/2022	4/15/2025
Target Corp Note	30,015	30,000	15	28,345	(1,670)	2.250%	2.230%	3/8/2022	4/15/2025
Bank of America Corp Notes (Callable)	70,000	70,000	-	66,007	(3,993)	0.976%	0.980%	4/16/2021	4/22/2025
Bank of NY Mellon Corp Note	46,148	45,000	1,148	41,643	(4,505)	1.600%	0.970%	3/10/2021	4/24/2025
Bank of NY Mellon Corp Note	19,997	20,000	(3)	19,266	(731)	3.350%	3.360%	4/19/2022	4/25/2025
Pepsico Inc Corp Note Call	21,400	20,000	1,400	19,087	(2,313)	2.750%	1.020%	3/5/2021	4/30/2025
Citigroup Inc Corp Notes	35,000	35,000	-	32,991	(2,009)	0.981%	0.980%	4/27/2021	5/1/2025
Suntrust Banks Inc Corp Notes	36,373	35,000	1,373	34,113	(2,259)	4.000%	2.690%	3/8/2022	5/1/2025
Charles Schwab Corp Note	40,616	40,000	616	38,884	(1,732)	3.850%	3.300%	6/1/2022	5/21/2025
Morgan Stanley Corp Notes (Callable)	10,000	10,000	-	9,345	(655)	0.790%	0.790%	5/26/2021	5/30/2025
Honeywell Intl Corp Note	20,360	20,000	360	18,380	(1,980)	1.350%	0.910%	3/5/2021	6/1/2025
JPMorgan Chase & Co Corp Note	25,000	25,000	-	23,398	(1,603)	0.824%	0.82%	5/24/2021	6/1/2025
National Rural Util Coop Corp Note	9,997	10,000	(3)	9,580	(417)	3.450%	3.46%	5/4/2022	6/15/2025
Intel Corp Notes	35,821	35,000	821	33,848	(1,974)	3.700%	2.95%	4/4/2022	7/29/2025
Citigroup Inc Corp Notes	20,000	20,000	-	18,511	(1,489)	1.281%	1.28%	10/27/2021	11/3/2025
State Street Corp Note	20,000	20,000	-	18,595	(1,405)	1.746%	1.75%	2/2/2022	2/6/2026
Citigroup Inc Corp Notes	15,000	15,000	-	14,308	(692)	3.290%	3.29%	3/10/2022	3/17/2022
State Street Corp Note	61,208	60,000	1,208	57,188	(4,020)	2.901%	2.38%	2/17/2022	10/29/2020
JPMorgan Chase & Co (Callable)	80,000	80,000	-	77,765	(2,235)	4.080%	4.08%	4/19/2022	4/26/2020
Corporate Bonds - Total Balances	2,137,152	2,100,000	37,152	2,012,145	(125,007)				

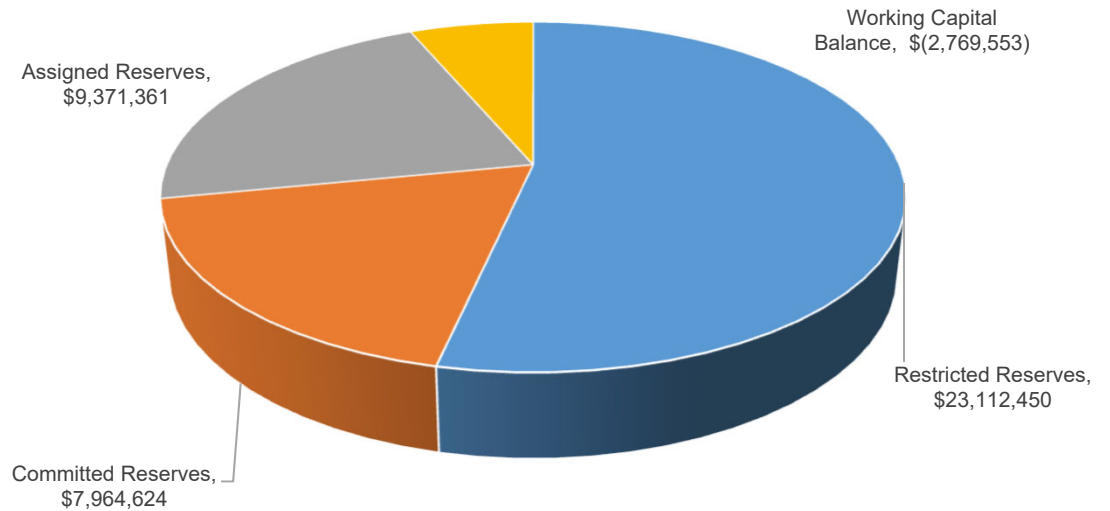
## Investments (continued)

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date
Asset Backed Securities									
MBalt 2021 - AAA	11,281	11,283	(1)	3,945	(7,336)	0.250%	0.25%	1/20/2021	1/16/2024
BMWLT 2021 - AAA	11,727	11,727	(0)	3,201	(8,526)	0.290%	0.29%	3/10/2021	1/25/2024
BMWLT 2021 - AAA	42,981	43,000	(18)	11,736	(31,246)	0.290%	0.31%	10/19/2021	1/25/2024
GMALT 2021 - Aaa	22,651	22,653	(2)	5,209	(17,442)	0.260%	0.26%	2/17/2021	2/20/2024
Woart 2021 - AAA	25,206	25,206	(0)	3,663	(21,543)	0.220%	0.220%	8/3/2021	9/16/2024
FordL 2021 - AAA	59,989	60,000	(11)	59,025	(965)	0.370%	0.380%	9/21/2021	10/15/2024
Harot 2021 - Aaa	23,398	23,399	(0)	14,519	(8,879)	0.270%	0.270%	2/17/2021	4/21/2025
FordO 2021 - AAA	29,498	29,500	(2)	19,439	(10,059)	0.300%	0.300%	2/17/2021	8/15/2025
Harot 2021 - Aaa	39,998	40,000	(2)	32,605	(7,393)	0.330%	0.330%	5/18/2021	8/15/2025
GMCa 2021 - AAA	13,344	13,347	(2)	8,783	(4,561)	0.350%	0.350%	1/12/2021	10/16/2025
Harot 2021 - AAA	39,999	40,000	(1)	38,308	(1,692)	0.410%	0.410%	8/17/2021	11/18/2025
Carmx 2021 - AAA	14,066	14,069	(3)	9,591	(4,476)	0.340%	0.340%	1/20/2021	12/15/2025
Harot 2021 - Aaa	24,995	25,000	(5)	23,757	(1,238)	0.880%	0.890%	11/16/2021	1/21/2026
TAOT 2021 - AAA	29,999	30,000	(1)	28,425	(1,575)	0.710%	0.710%	11/9/2021	4/15/2026
Hart 2021 - AAA	19,996	20,000	(4)	18,987	(1,008)	0.740%	0.750%	11/9/2021	5/15/2026
Harot 2022 - AAA	44,993	45,000	(7)	42,855	(2,139)	1.880%	1.880%	2/15/2022	5/15/2026
FordO 2022 - Aaa	24,997	25,000	(3)	23,808	(1,189)	1.290%	1.290%	1/19/2022	6/15/2026
BMWOT 2021 - AAA	24,999	25,000	(1)	24,294	(704)	3.210%	3.210%	5/10/2022	8/25/2026
COPAR 2021 - AAA	25,000	25,000	(0)	23,638	(1,362)	0.770%	0.770%	10/19/2021	9/15/2026
FordO 2022 - Aaa	24,999	25,000	(1)	24,310	(689)	3.740%	3.740%	6/22/2022	9/15/2026
TAOT 2022 - AAA	29,999	30,000	(1)	28,941	(1,058)	2.930%	2.930%	4/7/2022	9/15/2026
DCENT 2021 - AAA	54,988	55,000	(12)	51,191	(3,798)	0.580%	0.580%	9/20/2021	9/15/2026
GMCa 2021 - AAA	24,999	25,000	(1)	23,601	(1,398)	0.680%	0.680%	10/13/2021	9/16/2026
Hart 2022 - AAA	54,998	55,000	(2)	52,554	(2,444)	2.220%	2.220%	3/9/2022	10/15/2026
Comet 2021 - AAA	49,993	50,000	(7)	46,609	(3,385)	1.040%	1.040%	11/18/2021	11/15/2026
Ally 2022 - AAA	59,988	60,000	(12)	58,311	(1,678)	3.310%	3.310%	5/10/2022	11/15/2026
GMCa 2022 - AAA	19,998	20,000	(2)	19,066	(933)	1.260%	1.260%	1/11/2022	11/16/2026
HDMOT 2022 - AAA	34,994	35,000	(6)	33,945	(1,050)	3.060%	3.060%	4/12/2022	2/15/2027
GMCa 2022 - AAA	24,995	25,000	(5)	24,113	(882)	3.100%	3.100%	4/5/2022	2/16/2027
Carmx 2022 - AAA	34,995	35,000	(5)	34,016	(979)	3.490%	3.490%	4/21/2028	2/16/2027
Comet 2022 - AAA	69,995	70,000	(5)	66,861	(3,133)	2.800%	2.800%	3/23/2022	3/15/2027
Comet 2022 - AAA	64,990	65,000	(10)	62,803	(2,186)	3.490%	3.490%	6/6/2022	5/15/2027
Corporate Bonds - Total Balances	1,079,049	1,079,183	(134)	922,106	(156,943)				

**El Toro Water District**  
**Cash Reserve Status Report for the month ended February 28, 2023**

	Cash Reserve Balances	Reserve Targets
<b>Reconciled Cash Balance</b>	<b>\$ 37,678,882</b>	
<b>Restricted Reserve</b>		
Bond Project Reserve	22,254,779	-
Capital Facilities	2,895	-
Tiered Conservation	854,776	-
<b>Restricted Reserve Total</b>	<b>23,112,450</b>	-
<b>Committed Reserves</b>		
Rate Stabilization	2,100,000	2,100,000
Operational Continuity	2,100,000	2,100,000
Capital Improvements	3,000,000	3,000,000
Current CIP Working Cash	764,624	-
<b>Committed Reserves Total</b>	<b>7,964,624</b>	<b>7,200,000</b>
<b>Assigned Reserves</b>		
Capital Improvement		
Carryover Capital	2,410,038	-
Accumulated Capital	1,375,026	-
SOCWA Capital Projects	3,544,781	-
Bond Project Reserve	1,648,811	-
Debt Service		
Baker Funding	392,705	-
O&M Working Capital	(2,769,553)	2,100,000
<b>Assigned Reserves Total</b>	<b>6,601,808</b>	<b>2,100,000</b>
<b>Total Cash Reserves</b>	<b><u>37,678,882</u></b>	
<b>Adjusted Cash Reserves<sup>(1)</sup></b>	<b>15,421,208</b>	<b>9,300,000</b>

Distribution of Reserve Balances



(1) the Adjusted Cash Reserves excludes the 2022 Bond Proceeds which are obligated to the projects identified in the 2022 Bond Official Statement and are therefore not available for Operations & Maintenance activities or the annual Capital Improvement Program.

El Toro Water District - Capital Projects Report, Fiscal Year 2022-2023																
	2022 - 2023								2022 - 2023 Expenses							2022 - 2023
	Capital Project	Carryover Project	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Budget Remaining
Source of Supply / Water Storage Projects (40-710)																
R-6 Reservoir Cover/Line Project (RES-0047)	9,465,300	-	-	2,057	-	40,575	-	592,230	1,646,439	1,798,442					4,079,743	5,385,557
JRWSS Capital Contribution (RCE-0001)	12,400	-	-	-	-	-	816	-	2,057	389					3,262	9,138
Baker WTP Capital Contribution (RCE-0002)	56,200	-	-	-	-	-	-	-	28,080	-					28,080	28,120
JTM Pump Station (WPS-0093)	2,176,000	-	-	350	-	3,369	6,523	42,560	98,033	188,340					339,175	1,836,825
Reservoir Mixer Improvements (RES-0014)	77,000	-	-	-	-	-	-	-	19,469	48,237					67,706	9,294
R-2 Interior Recoating Project (GEN-0115)	-	219,080	-	221,426	-	25,576	56,074	-	6,140	17,017					326,233	(107,153)
Water Pumping Projects (40-720)																
P-4 Pump Replacement (CAP-0024)	59,000	-	-	-	-	-	-	-	-	-					-	59,000
Reservoir Mixer Improvements (RES-0014)	77,000	-	-	-	-	-	-	-	-	-					-	77,000
Water Stations PLC Upgrade (CAP-0001)	-	76,734	-	-	-	-	-	-	-	-					-	76,734
Spartan Pump Rehabilitation	32,000	-	-	-	-	-	-	-	-	-					-	32,000
Wastewater Pumping Projects (40-740)																
Aliso Creek Lift Station (CAP-0019)	310,510	275,000	-	2,948	-	-	-	-	5,645	351					8,944	576,566
4920 Siphon Project (CAP-0003)	-	170,000	-	2,417	-	-	-	-	-	-					2,417	167,583
Sewer Stations PLC Upgrade (CAP-0002)	-	118,295	-	-	-	-	-	-	-	-					-	118,295
Oso LS Improvement (SLS-0112)	-	-	-	-	544	-	-	-	-	-					544	(544)
Wastewater Treatment Projects (40-750)																
Secondary Clarifier & WAC Rehabilitation (CAP-0020)	200,000	-	-	-	-	-	-	-	-	-					-	200,000
DAF Unit #2 Rehabilitation (CAP-0018)	128,000	72,815	-	-	-	-	-	-	15,219	-					15,219	185,596
Ocean Outfall LS Rehabilitation (SLS-0114)	75,000	33,962	-	217,061	-	-	-	-	-	-					217,061	(108,099)
SOCWA Capital Contributions (RCE-0003)	501,800	-	20,279	-	-	26,178	-	-	-	101,063					147,520	354,280
WRP Effluent PS Rehabilitation (SLS-0133)	-	142,000	-	12,350	15,200	-	41,088	-	-	-					68,638	73,362
Headworks Barscreen Retrofit (CAP-0021)	515,000	-	-	-	-	-	-	-	-	-					-	515,000
Fine Screen Facility Rehabilitation (CAP-0022)	230,000	-	-	-	-	-	-	-	-	-					-	230,000
Headworks Barscreen PLC Panel Replacement	60,000	-	-	-	-	-	-	-	-	-					-	60,000
WRP Main Electrical Breaker Upgrade (WRP-0132)	-	124,547	-	-	-	97,284	-	-	-	-					97,284	27,263
Wash Press System at Headworks (WRP-0133)	-	-	-	-	-	-	70,221	-	-	59					70,280	(70,280)
Grit Chamber Rehabilitation/Recoating (WRP-0131)	-	65,661	-	-	-	-	-	-	-	-					-	65,661
Ammonia Analyzer (WRP-0138)	-	-	-	-	-	-	24,868	-	-	-					24,868	(24,868)
Recycled Treatment Projects (40-780)																
Tertiary Disinfection Optimizer (WRP-0137)	-	-	-	8,606	-	1,963	-	-	10,619	-					21,188	(21,188)
Operating Equipment Purchases (40-800)																
Laboratory Equipment Purchases (OEP-0001)	33,000	-	-	-	-	-	-	-	-	-					-	33,000
Collections Equipment Purchases (OEP-0002)	9,000	-	-	-	-	-	-	-	-	-					-	9,000
Petroleum Equipment (OEP-0010)	11,000	-	-	-	-	-	-	-	-	-					-	11,000
Vehicle & Equipment Purchases (40-810)																
Boom Truck (VEH-0002)	315,000	-	-	-	-	-	3,553	-	-	-					3,553	311,447
Trailer (VEH-0001)	49,000	-	-	-	-	-	5,128	-	-	-					5,128	43,872
Technology Purchases (40-820)																
22/23 ATS Replacements (TCP-0005)	30,000	-	-	-	-	-	-	-	-	-					-	30,000
Technology Master Plan (TCP-0003)	90,000	-	-	-	-	-	-	-	-	-					-	90,000
Security System Improvements (TCP-0006)	-	-	-	-	9,546	-	-	-	-	-					9,546	(9,546)
Boardroom AV System Upgrade (CAP-0025)	-	-	-	-	-	26,929	-	-	-	-					26,929	(26,929)



El Toro Water District - Capital Projects Report, Fiscal Year 2022-2023																
	2022 - 2023								2022 - 2023 Expenses							2022 - 2023
	Capital Project	Carryover Project	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Budget Remaining
Building & Structure Improvements (40-830)																
Filter Plant Demolition/Re-use Project (GEN-0112)	-	221,548	-	2,057	-	16,879	68,063	305,969	277,630	46,286					716,884	(495,336)
Administration Bldg HVAC Project (GEN-0114)	-	201,384	-	-	-	-	930	1,146	237,420	37,849					277,345	(75,961)
General Capital Projects (40-840)																
Asset Management Study (CAP-0023)	100,000	-	-	-	-	-	-	-	70,170						70,170	29,830
Water & Sewer Master Plan (SPS-0049)	-	227,936	-	24,195	-	3,742	6,585	-	170,035	20,093					224,650	3,286
CalTrans I-5 Widening Project (GEN-0514)	-	-	-	-	-	-	100,133	10,440	-	-					110,573	(110,573)
Contingency (RCE-0004)	7,901	-	-	-	-	13,823	-	-	26,662	69,282					109,767	(101,867)
Capital Expenses by Project Area																
Source of Supply/Water Storage Projects	11,786,900	219,080	-	223,833	-	69,520	63,413	634,790	1,800,218	2,052,425	-	-	-	-	4,844,199	7,161,781
Water Pumping Projects	168,000	76,734	-	-	-	-	-	-	-	-	-	-	-	-	-	244,734
Water Main/Service Line Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wastewater Pumping Projects	310,510	563,295	-	5,365	544	-	-	-	5,645	351	-	-	-	-	11,905	861,900
Wastewater Treatment Projects	1,709,800	438,985	20,279	229,411	15,200	123,462	136,177	-	15,219	101,122	-	-	-	-	640,870	1,507,915
Wastewater Main/Service Line Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recycled Pumping Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recycled Treatment Projects	-	-	-	8,606	-	1,963	-	-	10,619	-	-	-	-	-	21,188	(21,188)
Recycled Main/Service Line Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Equipment Purchases	53,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,000
Vehicle & Equipment Purchases	364,000	-	-	-	-	-	8,681	-	-	-	-	-	-	-	8,681	355,319
Technology Purchases	120,000	-	-	-	9,546	26,929	-	-	-	-	-	-	-	-	36,475	83,525
Building/Structure Improvement Projects	-	422,932	-	2,057	-	16,879	68,993	307,115	515,050	84,135	-	-	-	-	994,229	(571,297)
General Capital Projects	107,901	227,936	-	24,195	-	17,565	106,718	10,440	266,867	89,374	-	-	-	-	515,159	(179,323)
Total Capital Expenses	14,620,111	1,948,962	20,279	493,467	25,290	256,318	383,982	952,345	2,613,618	2,327,408	-	-	-	-	7,072,707	9,496,365

Project Management Designations

- CAP - Capital Projects (No Work Order)
- EFF - Effluent System\*
- GEN - General Facility Improvements\*
- OEP - Operating Equipment Purchases
- RCE - Recurring Capital Expenses
- RES - Water Reservoir Improvements\*
- SCS - Wastewater Collection System\*
- SLS - Sewer Lift Stations\*
- SPS - Special Studies\*
- TCP - Technology Capital Purchases\*
- WPS - Water Pump Stations\*
- WRP - Water Recycling Plant\*
- VEH - Vehicle Capital Expense

\* These projects will generally have an Engineering work order associated with them

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	American Beacon AHI Managed Futures Strategy Fund A Class	Blackrock Tactical Opportunities Fund Class K Shares	Blackrock Total Factor Fund Institutional Shares	Columbia Contrarian Core Fund Institutional 3 Class	Delaware Small Cap Core Fund Class R6	Dfa Large Cap International Portfolio Institutional Class	Dodge & Cox Income Fund Class I	Dodge & Cox Internationa I Stock Fund Class I	Dodge & Cox Stock Fund Class I	Doubleline Core Fixed Income Fund Class R6	Emerald Growth Fund Institutional Class	Guaranteed Income Fund	Harbor Capital Appreciation Fund Retirement Class	Mfs International Growth Fund Class R6	Nuveen Real Estate Securities Fund Class R6	Pgim Total Return Bond Fund -class R6	Pimco Income Fund Institutional Class	Pimco Rae Us Fund Institutional Class	The Merger Fund Class I	Undiscovered Managers Behavioral Value Fund Class R6	Vanguard Emerging Markets Stock Index Fund Admiral Shares	Vanguard Growth And Income Fund Admiral Shares	Vanguard Growth Index Fund Admiral Shares	Vanguard Long-term Investment- grade Fund Admiral Shares	Vanguard Mid- cap Index Fund Admiral Shares
Balance at June 30, 2022	\$1,733,972.40	\$1,464,595.40	\$953,052.03	\$3,481,975.23	\$7,738,613.81	\$6,406,094.97	\$1,462,806.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contributions	145,622.49	73,504.23	32,930.28	91,821.09	164,076.12	140,141.11	114,019.04	9,571.68	3,566.73	1,089.53	30,234.06	10,613.18	19,728.78	33,366.23	4,642.42	16,471.83	34,243.55	7,118.41	24,823.52	13,502.92	4,642.23	11,314.30	32,385.83	3,566.77	16,472.09	3,566.96	7,118.23	8,862.22	30,728.29	13,994.34	11,498.63	3,567.07
Withdrawals	(12,989.63)	0.00	0.00	0.00	(108,018.04)	(1,538,693.56)	(118,893.83)	(41,126.97)	(10,040.31)	(10,324.93)	(48,028.69)	(22,365.88)	(37,094.68)	(155,598.58)	(7,561.88)	(29,428.74)	(155,363.54)	(7,837.93)	(98,667.14)	(19,203.45)	(7,602.40)	(48,479.41)	(155,527.77)	(10,467.82)	(28,678.69)	(10,243.02)	(7,727.86)	(10,834.05)	(47,621.75)	(30,561.59)	(48,461.03)	(11,045.54)
Transfers	(1,870,889.98)	(1,519,959.08)	(988,529.64)	(3,546,156.91)	(7,777,558.88)	(4,982,670.27)	(1,441,962.28)	660,858.18	221,202.70	65,148.85	1,733,366.35	651,521.98	1,109,825.21	2,270,044.94	261,150.26	927,508.01	2,361,638.26	393,349.82	1,699,326.44	717,703.09	261,150.35	724,061.37	2,232,876.80	221,202.68	927,508.10	221,202.74	393,349.75	480,407.36	1,799,189.43	771,454.05	801,477.48	221,202.84
Interest, dividends and appreciation net of fees and charges	4,284.72	(18,140.55)	2,547.33	(27,639.41)	(17,113.01)	(24,872.25)	(15,969.87)	2,405.95	968.53	1,642.84	57,256.71	39,708.48	55,126.83	8,120.19	12,575.14	33,114.98	10,966.46	27,687.69	11,034.29	52,573.83	8,316.59	37,652.16	4,863.21	2,125.53	10,360.24	1,506.84	25,371.66	4,944.84	53,315.88	52,777.74	(5,836.62)	9,993.44
Balance at February 28, 2023	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$631,708.84	\$215,697.65	\$57,556.29	\$1,772,828.43	\$679,477.76	\$1,147,586.14	\$2,155,932.78	\$270,805.94	\$947,666.08	\$2,251,484.73	\$420,317.99	\$1,636,517.11	\$764,576.39	\$266,506.77	\$724,548.42	\$2,114,598.07	\$216,427.16	\$925,661.74	\$216,033.52	\$418,111.78	\$483,380.37	\$1,835,611.85	\$807,664.54	\$758,678.46	\$223,717.81
Average return YTD February 28, 2023	0.25%	-1.24%	0.27%	-0.79%	-0.22%	-0.39%	-1.09%																									

1. Average return is calculated by dividing the interest, dividends and appreciation, net of fees by beginning fiscal year fund balance. The average return currently only includes the changes in balances through December 19, 2022 when the change from US Bank to Empower occurred.  
2. District Staff is working with Highmark and Empower to design a new 401k report. Once the data for the portfolios is being generated by Empower, the District portfolio information by age group will be updated.

MINUTES OF THE REGULAR MEETING  
& OF THE  
ENGINEERING COMMITTEE MEETING

February 21, 2023

At approximately 2:40 p.m. Director Freshley called the Engineering Committee meeting to order.

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

Also participating were DENNIS P. CAFFERTY, General Manager, JASON HAYDEN, CFO, GILBERT J. GRANITO, General Counsel, MIKE MIAZGA, IT Manager, JOSH PEREZ, SCADA Foreman, CAROL MOORE, Laguna Woods City Council Member (zoom), and POLLY WELSCH, Recording Secretary.

SCOTT HOPKINS, Operations Superintendent, and JUDY CIMORELL, Human Resources Manager were absent.

Consent Calendar

Director Freshley asked for a Motion.

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

Roll Call Vote:

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

## Engineering Action Items

### Boom Truck Replacement

Mr. Cafferty stated that the District's current boom truck is 32 years old and difficult to maintain. He further stated that staff was able to secure another vehicle at a more reasonable price and a much better lead time for delivery.

Director Freshley asked for a Motion.

Motion: Vice President Vergara made a Motion, seconded by Director Monin and unanimously carried across the Board to authorize the General Manager to issue a purchase order contract with Alt Sales Corp. in the amount of \$360,633.00 for the purchase of a replacement boom truck.

#### Roll Call Vote:

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

### Main Office HVAC Improvement Project Change Order

Mr. Cafferty stated that the Orange County Fire Authority needs to approve the plan for the connection of the duct detectors to the fire monitoring system. He further stated that the current contractor was estimating \$50,000 to connect them, so staff engaged another contractor for a second quote.

Mr. Cafferty stated that the City of Lake Forest inspector stated that the existing ductwork needs repairing, and the contractor quoted \$95,000 to repair the ductwork, install dampers, and repair the leaks between the ductwork and ceiling registers.

Mr. Cafferty stated that staff requested a breakdown of the costs including labor, but the contractor refused to provide the breakdown. He further stated that staff

requested Alicia Air, who is our current HVAC maintenance contractor, to provide an assessment of the ductwork issue.

Mr. Cafferty stated that Alicia Air suggested replacing all of the ductwork and provided a proposal for \$65,000. He further stated that Alicia Air would need a third party to provide a necessary air balance.

Mr. Cafferty stated that Alicia Air anticipates 2 weeks to complete the work.

Director Freshley asked for a Motion.

Motion: President Havens made a Motion, seconded by Director Monin and unanimously carried across the Board to authorize the General Manager to authorize the General Manager to issue a contract to Alicia Air in the amount of \$75,000 for the replacement of the HVAC ductwork in the Main Office Building.

Roll Call Vote:

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

General Information Items

Arc Flash Requirements

Mr. Perez provided an update regarding Arc Flash requirements relative to the District's electrical panels and facilities.

Capital Projects Status Report

R-6 Reservoir Floating Cover and Liner Replacement Project

Mr. Cafferty stated that the contractor has completed removal of the existing cover material. He further stated that most of the drainage piping and electrical work has been completed and the outlet valves have been installed.

Mr. Cafferty stated that staff continues to evaluate the condition of the road and will work with the contractor to refine the necessary scope of paving work towards the end of the project.

#### Filter Building Site Use Project

Mr. Cafferty stated that the contractor has completed most of the demolition work and is working on backfill operations. He further stated that the warehouse project is out to bid.

#### JTM Pump Station Project

Mr. Cafferty stated that Filanc finished mechanical installation of the pump and piping, installed the temporary MCC and performed civil activities with the exception of final paving. He further stated that staff met with SCWD staff to coordinate the operation of the JTM Pump Station while the R-6 is out of service. He also stated that staff is waiting on the delivery of pre-purchased MCC which is scheduled for delivery in July.

#### Grit Chamber Rehabilitation Project

Mr. Cafferty stated that staff continues to work with Carollo to develop the design modifications necessary to update the project construction drawings.

#### Water and Sewer Master Plan Update

Mr. Cafferty stated that the Carollo will summarize the recommended water quality issues in the northwest portion of the Districts distribution system and address options to improve Aliso Creek lift station operations.

#### Pump Station Asset Management Plan

Mr. Cafferty stated that the consultant conducted workshops to review failure designations and CIP recommendations.

### Tertiary System Optimization

Mr. Cafferty stated that Trussell Tech is assembling the operation, maintenance, and control strategy for chlorine dosing documentation.

### DAF Unit 2 Rehabilitation Project

Mr. Cafferty stated that staff is reviewing the equipment submittal documents and will release for fabrication upon completion of the submittal review.

### WRP Main Electrical Power Breaker

Mr. Cafferty stated that staff is working with Schneider Electric to install the breakers at the WRP.

### Effluent Transmission Main Backflow Prevention Project

Mr. Cafferty stated that staff reviewed design documents and provided notice of bid notifications to various contractors and held a mandatory pre-bid meeting with four prospective bidders.

### Effluent Pump Station Rehabilitation Project

Mr. Cafferty stated that the motor manufacturer has experienced delays and projects the pump and motor shipment date to be early May.

### Caltrans I-5 Widening Utility Relocations

Mr. Cafferty stated that the District is awaiting reimbursements from Caltrans staff, and is working with their contractor for Phase C.

### Energy Efficiency Analysis

Mr. Cafferty stated that staff continues to work on energy efficiency projects for the WRP and pump stations.

### Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

### Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

### Adjournment

There being no further business, the Engineering Committee meeting was adjourned at approximately 3:50 p.m.

### Attorney Report

Mr. Granito reported that there is no need for a Closed Session today, and as such the Regular Session resumed.

### Adjournment

At approximately 3:55 p.m. the meeting was adjourned.

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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KAY HAVENS, President  
of the El Toro Water District and the  
Board of Directors thereof

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





## STAFF REPORT

To: Board of Directors

Meeting Date: March 20, 2023

From: Dennis Cafferty, General Manager  
Rory Harnisch, Project Engineer

Subject: ETM Backflow Prevention Project

### BACKGROUND

El Toro Water District's (ETWD) Ocean Outfall Pump Station (OOPS) was originally constructed in 1979 to pump treated effluent from the Water Recycling Plant (WRP) through the South Orange County Wastewater Authority (SOCWA) Effluent Transmission Main (ETM) to eventually discharge into the ocean, as shown in Figure 1. Flow from Irvine Ranch Water District's (IRWD's) Los Alisos Water Recycling Plant (WRP) as well as two IRWD brine dischargers enter the ETM upstream of ETWD's WRP.

In 2015, the District constructed the Tertiary Treatment Plant (TTP). The feed to the TTP branches off the OOPS discharge manifold as shown in Figure 1. There is no backflow prevention mechanism on the OOPS discharge connection to the ETM such that when the OOPS pumps are not actively pumping or if all the OOPS discharge is directed to the TTP, flow from the ETM has the potential to flow in the reverse direction through the discharge manifold and eventually into the plant's recycled water system.

To avoid allowing backflow into the recycled water system, the District currently maintains a minimum OOPS discharge flow rate of 300 gallons per minute (gpm). In an effort to maximize recycled water production, the District proposes to install a check valve to prevent backflow and allow the District to use all of the available secondary effluent, thereby freeing up the secondary effluent currently maintained as a minimum flow rate to the ETM.

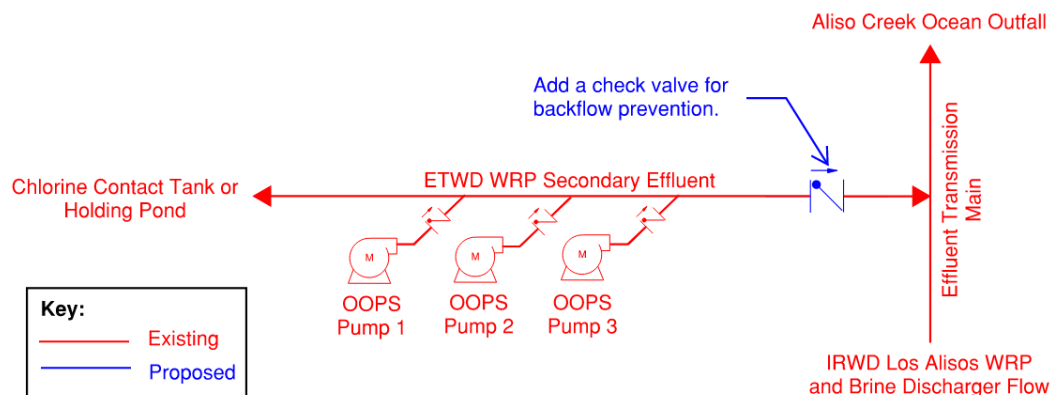


Figure 1 – ETWD WRP OOPS and ETM Process Flow Diagram

## **IMPLEMENTATION**

District staff hired Dudek to evaluate alternatives, impact on hydraulics, and develop a final design for the ETM check valve. In December 2022 the District Board of Directors approved the pre-purchase of the Surgebuster Check Valve to avoid lead time delays during the construction project. Staff subsequently issued the purchase order and approved submittals for the pre-purchased check valve and expects delivery in June 2023. During the construction bidding phase, the District staff realized a potential schedule delay due to butterfly valve fabrication lead times. In order to mitigate this potential issue, staff pre-purchased the two 18-inch butterfly valves in late February. The first butterfly valve has been delivered to the WRP staff and the second is scheduled for delivery in late March.

The construction of the ETM Backflow Prevention Project will require a shutdown of the ETM. Staff worked with IRWD Operations staff to determine a construction period in which IRWD can accommodate the shutdown of the ETM. IRWD indicated an ability to accommodate a 3-day shutdown of the ETM in a June or July 2023 time period. Staff continues to maintain communication with IRWD Operations to verify they can still accommodate the anticipated ETM shutdown.

## **BIDDING PROCESS**

Upon completion of the project design documents the District invited five contractors to submit construction bids. Four contractors attended the mandatory pre-bid meeting. Prior to the bid date, two of the contractors notified the District they would not submit bids due to other commitments. On March 9, 2023 District staff opened bids submitted by Don Peterson Contracting, Inc. (Don Peterson) and J.R. Filanc Construction Company (Filanc). Don Peterson was the apparent low bidder at a bid price of \$195,990. Filanc was a reasonably close second at a bid price of \$233,500.

Following the bid opening staff completed a detailed evaluation of the bids. During that evaluation staff identified an error in the bid documents that were provided to the contractors. The project bid schedule did not correctly identify the bid quantities for three of the bid items. It appears the design engineer inadvertently sent an incorrect file with the final bid documents resulting in the error. Each of the bid schedule items cost was defined by the quantity multiplied by the bid unit cost. Extending the low bidder's unit cost to the new quantities would have increased the bid amount by nearly 60% amounting to an increase of approximately \$113,000.

Staff inquired whether the low bidder could honor the bid price with the revised quantities. As expected, Don Peterson was unable to honor the original bid price. Staff formally rejected both original bids and issued revised bid documents with the corrected quantities to both bidders. Both contractors indicated a willingness to re-bid the project. On March 16, 2023 Don Peterson and Filanc submitted revised bids. Don Peterson was the low bidder at a bid price of \$208,920. The second bid submitted by Filanc Construction identified a bid price of \$244,600.

## BUDGET EVALUATION

Table 1 summarizes total project costs, inclusive of the pre-purchase of the Check Valve.

**Table 1- ETM Backflow Prevention Project Costs**

<b>Task Description</b>	<b>Cost</b>
Design Consultant (Dudek)	\$22,140
Pre-Purchased Check Valve	\$32,597
Pre-Purchased Butterfly Valves	\$10,821
Construction Cost	\$208,920
Engineering Services during Construction	\$9,985
Contingency	\$20,000
<b>Total</b>	<b>\$304,463</b>

For a variety of reasons, there are occasional needs to supplement the recycled water system with potable water. In the 2021-22 fiscal year, the District added 49 acre-feet of potable to the recycled system at a purchased water cost of approximately \$55,000. The ability to beneficially reuse nearly all of the WRP effluent will help to mitigate the need for the current potable water supplement.

There are clear water use efficiency benefits as well as a monetary benefit in the reduction or elimination of the need for the potable water supplement of the recycled water system. Future expansions of recycled water production, either through the TTP or as part of a Direct Potable Reuse project will also benefit from the ability to divert all of the WRP effluent to the recycled water system.

Although this Project was not included as part of the 5-Year CIP, staff recommends pursuing based on the need for more recycled water production. The Project funding will be funded through existing the recycled water reserves.

## RECOMMENDATION

### **Recommended Action:**

Staff recommends that the Board of Directors authorize the General Manager to issue a contract to Don Peterson Contracting in the amount of \$208,920 for the construction of the Effluent Transmission Main Backflow Prevention Project. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.



## **STAFF REPORT**

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**To: Board of Directors** **Meeting date: March 20, 2023**  
**From: Dennis P. Cafferty, General Manager**  
**Subject: R-6 Reservoir Floating Cover and Liner Replacement Project**  
**Change Order Policy**

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A project of the magnitude of the R-6 Reservoir Floating Cover and Liner Replacement Project is likely to generate the need for periodic construction change orders in amounts exceeding the General Manager's typical \$50,000 authority. In order to avoid costly and time-consuming delays to the project, Staff is requesting the Board authorize the R-6 Reservoir Floating Cover and Liner Replacement Project Change Order Policy giving the General Manager authority to approve change orders in amounts up to \$200,000 for the duration of the Project.

The policy is identical in concept to change order policies previously adopted for other large projects including the Phase I and Phase II Recycled Water Projects.

The Recycled Water Expansion Project Change Order Policy is attached.

### **RECOMMENDATION**

#### **Recommended Action:**

Staff recommends that the Board approve the R-6 Reservoir Floating Cover and Liner Replacement Project Change Order Policy.



**EL TORO WATER DISTRICT**  
**R-6 RESERVOIR FLOATING COVER & LINER REPLACEMENT PROJECT**  
**CHANGE ORDER POLICY**

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The El Toro Water District R-6 Reservoir Floating Cover & Liner Project will replace the existing floating cover and liner after over 20 years of useful service.

The project is unique in the magnitude of the project cost. The construction contract issued to Layfield identifies a construction cost of \$23.2 million. The project budget, approved by the District Board, includes a contingency budget of \$1.16 million. In a project of this nature and scope it is likely that there will be individual change order requests or an accumulation of change order requests in amounts exceeding the District General Manager's typical authority. Providing additional authority to the General Manager to approve such change orders will avoid potentially costly and time consuming delays to the project. The following Change Order Policy has been developed to clearly define the process and procedures which will govern the authority of the District General Manager during the construction of the R-6 Reservoir Floating Cover & Liner Project. The Change Order Policy will provide a change order mechanism that maintains adequate control while minimizing delays and their associated costs.

**1. CHANGE ORDERS IN AMOUNTS UP TO \$200,000**

Change orders in amounts up to \$200,000 may be approved by the El Toro Water District General Manager. Change orders may include an accumulation of individual change order requests. All change orders will be presented to the Board as information items in monthly status reports regarding the progress of the R-6 Reservoir Floating Cover & Liner Project.

**2. CHANGE ORDERS IN AMOUNTS EXCEEDING \$200,000**

Change orders in amounts exceeding \$200,000 will require prior approval by the Board of Directors.

**3. CREDIT CHANGE ORDERS**

The change order limits described herein will apply to added costs despite offsetting costs associated with credit change orders.



## STAFF REPORT

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**To:** Board of Directors

**Meeting Date:** March 20, 2023

**From:** Dennis Cafferty, General Manager

**Subject:** Joint Regional Water Supply System Meter Replacement

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### BACKGROUND

The supply to the JTM Pump Station is provided through a takeout meter on the Joint Regional Water Supply System Pipeline. The District has not used its capacity in the JRWSS for many years. As the District began construction of the JTM Pump Station, staff conferred with South Coast Water District (SCWD), the operator of the Joint Regional Water Supply System Pipeline regarding the impending consistent use of the District's capacity. SCWD inspected the meter and found it to be obsolete and in need of replacement to provide adequate service to the new ETWD JTM Pump Station.

SCWD completed the replacement of the meter and submitted an invoice to ETWD as the sole beneficiary of the meter replacement project. The cost will be incorporated into the funding for the JTM Pump Station Project.

### RECOMMENDATION

#### **Recommended Action:**

Staff recommends that the Board of Directors authorize the General Manager to pay an invoice issued by the South Coast Water District in the amount of \$67,479.15 for the replacement of the meter serving the JTM Pump Station. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.



## STAFF REPORT

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**To:** Board of Directors

**Meeting Date:** March 20, 2023

**From:** Dennis Cafferty, General Manager  
Rory Harnisch, Project Engineer

**Subject:** Capital Project Status Report

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### **I. R-6 Reservoir Floating Cover and Liner Replacement Project**

Construction of the R-6 liner continues. The liner installation is approximately 65% complete. 100% of the liner material is on-site. Fabrication of the cover material is in progress and cover installation will commence upon completion of the liner installation. Cover material deliveries to the site have commenced. Photos of the liner installation can be found in Figure 1. Substantial completion of the project is scheduled to occur in September 2023.

The District is working with the contractor, Layfield USA Inc. (Layfield), to develop the cost for the first change order which will include costs and credits for several individual change order requests.

Layfield has performed preliminary work for temporary stabilization of the perimeter road as seen in Figure 2. This work is being tracked and will be compensated on a time and materials basis. Staff will continue to evaluate the condition of the road and will work with the contractor to refine the scope of work towards the end of the project.

Table 1 summarizes the total budget, timeframe, and percent complete for the current construction contract with Layfield.

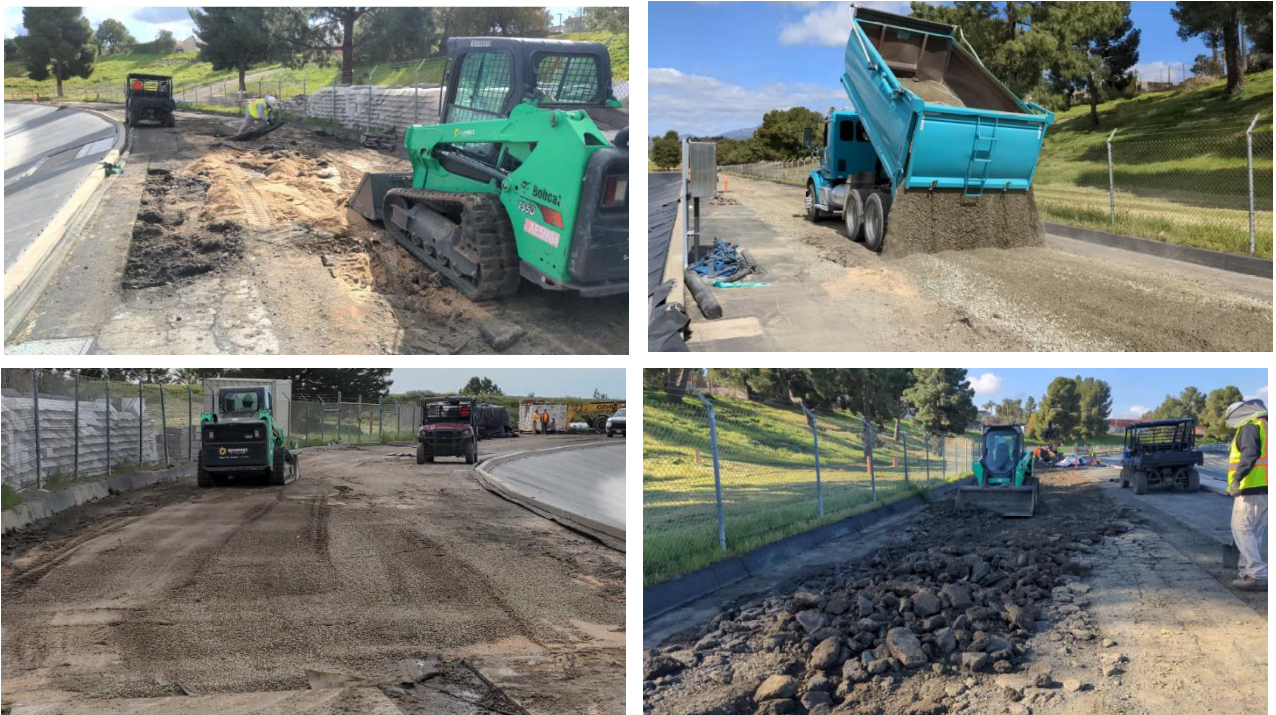
**Table 1 – R-6 Floating Cover and Liner Replacement Schedule and Budget Status**

Construction Contract	Total	Invoiced to Date	Percent Complete
Budget	\$23,608,825	\$10,334,140	44%
Schedule	August 18, 2022 – September 30, 2023		50%





**Figure 1 - Liner Installation**



**Figure 2 – Road Stabilization**



## II. Filter Building Demolition Project

The demolition project is nearly complete. The contractor, Resource Environmental, Inc. (REI) has completed the removal of all the above ground structures, including the Clearwell. REI continues to work on backfill operations as illustrated in Figure 3 and Figure 4.

The project schedule has been impacted by the recent weather. The contractor has been very limited in work they could complete due to wet conditions at the Filter Building Site as well as wet conditions at the export site from which they are bringing backfill material. The contractor estimates final backfill should only take a few days once they have workable weather conditions. Table 2 summarizes the total budget, timeframe, and percent complete for the demolition contract.

**Table 2 – Filter Plant Demolition Schedule and Budget Status**

Construction Contract	Total	Paid to Date	Percent Complete
Budget	\$685,000	\$456,713	67%
Schedule	1, 2022 – February 1, 2023		100%



**Figure 3 - Filter Plant Backfill**



**Figure 4 – Clearwell Curb Demolition**

### III. Warehouse Construction Project

WEROC has notified the District that they have abandoned the concept of constructing an EOC at the District's Via Pera site. The MWDOC Planning and Operations Committee made a point to "thank and release" the El Toro Water District from any encumbrance of the site for the WEROC EOC.

Staff has directed the design engineer and architect to remove the WEROC EOC from the construction drawings and to re-orient the building so the access doors face the site entrance gate and driveway. The design consultant indicated the revised drawings would be available in early April.

Five contractors attended a pre-bid meeting on February 14, 2023. Upon receipt of the revised design, the updated construction documents will be issued to the contractors with bids due on May 9, 2023. Staff anticipates bringing a construction contract award recommendation to the Board at the May Engineering Committee meeting.

### IV. Joint Transmission Main (JTM) Pump Station Project

District staff is finalizing the construction of this contract with the contractor, J.R. Filanc Construction Co. (Filanc). Filanc completed all mechanical, electrical, and civil work activities and is awaiting to perform commissioning of the pump station. Due to a rain event, the commissioning was initially delayed to the first week of March. On the initial commissioning day SCWD notified District staff that operation of the JTM pipeline will have to cease due to lowered system demand and return to normal operation on March 13<sup>th</sup>. The District scheduled commissioning activities on March 14<sup>th</sup> and continues its commissioning phase with Filanc.



**Figure 5 – JTM Pump Station**

Staff is currently waiting on delivery of the pre-purchased MCC, which is scheduled to be delivered late July 2023. Table 3 summarizes the total budget, timeframe, and percent complete for Filanc's construction contract. Due to constraints posed by SCWD and Gravity Zone customer usage, Staff could not accurately estimate the commissioning end date, which coincides with project completion. Therefore, staff will produce a contract extension change order as the commissioning comes to an end.

**Table 3 – JTM Pump Station Schedule and Budget Status**

Construction Contract	Total	Paid to Date	Percent Complete
Budget	\$499,194.22 <sup>1</sup>	\$459,694	92%
Schedule	August 19, 2022 – March 10, 2023		100% <sup>2</sup>

<sup>1</sup>Original contract value plus Change Order 1 which amounted to \$1,806.93, Change Order 2 which amounted to \$14,098.82, and Change Order 3 which amounted to \$8,288.47.

<sup>2</sup>District staff will issue a time extension change order near the end of commissioning in order to finalize the project.

## V. Main Office HVAC Improvement Project

The project contractor, Empire Design and Build, has completed the structural upgrades to the roof, the new HVAC installation, and performed cleanup activities. The Empire contract is complete.

The District recently issued a contract to its HVAC maintenance contractor, Alicia Air, to completely replace the ducting in the Main Office with a start date of February 23<sup>rd</sup>. The ducting replacement is expected to be complete by the end of March.



**Figure 6 – Main Office Duct Replacement**

District staff continues coordination with its fire alarm panel maintenance contractor, Johnson Controls Inc, on the work associated with the fire alarm panel. JCI produced, submitted, and received approval through Orange County Fire Authority on the fire alarm panel upgrade drawings. JCI is scheduled to be on site to perform the panel upgrades beginning March 20<sup>th</sup> with a one-week construction schedule.

The total project cost is summarized in Table 4.

## VI. Table 4 – Main Office HVAC Improvement Project Cost Summary

<b>Contract Type</b>	<b>Total</b>
HVAC Design (RPM)	\$20,000
Structural Design (Scott Wallace SE)	\$14,679
HVAC and Structural Construction (Empire Design & Build)	\$273,191
Fire Panel Upgrades (JCI)	\$11,786
Duct Replacement (Alicia Air)	\$78,264
City of Lake Forest Building Division	\$1,673
Other Construction costs (AIS and GMEP)	\$6,900
<b>Total Project Costs</b>	<b>\$406,493</b>

## VII. Grit Chamber Rehabilitation Project

District staff is in review of the design modifications to the Grit Chamber project construction drawings as conducted by Carollo. These changes were defined in the Headworks Rehabilitation Study presented to the Board at the December Engineering Committee Meeting. Staff has maintained communication with the construction contractor, SS Mechanical, and is reviewing scheduling and financial impacts to the overall project due to these modifications.



## VIII. Boom Truck Replacement

Staff issued the purchase order and down payment for the replacement of the Boom Truck. Staff anticipates delivery of the Boom Truck in June.

## IX. Water and Sewer Master Plan Update

The bulk of the Mater Plan effort is complete. Staff is reviewing the Master Plan Report and has provided comments to Carollo.

The team continues to refine recommendations that will resolve water quality issues in the Northwest of the District's distribution system and improve Aliso Creek lift station operations. Carollo will summarize these recommendations, results from the hydraulic modeling, and additional operational changes that could improve efficiency in an upcoming report.

Table 5 summarizes the total budget, timeframe, and percent complete for this project. Because the consultant's last invoice reflects expenditures through September, project progress is behind schedule expenditure.

**Table 5 – Water and Sewer Master Plan Update Schedule and Budget Status**

Design Contract	Total	Paid to Date	Percent Complete
<b>Budget</b>	\$358,318 <sup>1</sup>	\$283,264	79%
<b>Schedule</b>	March 23, 2022 – January 1, 2023		100%

<sup>1</sup>Includes an additional \$8,367 for District staff training on the new water model as well as consultant support to run up to 10 fire flows.

## X. Pump Station Asset Management Plan

The consultant, Hazen and Sawyer, conducted workshops to review criticality of failure designations as well as CIP recommendations. Remaining work, such as formalizing the report and determining the computerized maintenance management system integration with asset management will take place in the second quarter of 2023.

Table 6 summarizes the total budget, timeframe, and percent complete for this project.

**Table 6 – Pump Station Asset Management Plan Schedule and Budget Status**

Contract	Total	Paid to Date	Percent Complete
<b>Budget</b>	\$132,179	\$70,170	53%
<b>Schedule</b>	October 3, 2022 – May 31, 2023		45%

## **XI. Tertiary System Optimization**

The District's consultant, Trussel Tech, is developing the Technical Memorandum (TM) that will be submitted to the Division of Drinking Water (DDW) for approval of the proposed disinfection modifications at the Tertiary Treatment Plant. Trussel Tech completed the draft TM for District review in late February. District staff met with Trussel Tech on March 15 to discuss comments and answer questions. Trussel Tech is currently making revisions per District comments and is on schedule for submission to DDW in April. DDW approval is expected to extend into August.

## **XII. DAF Unit 2 Rehabilitation Project**

The District issued a purchase order to the original equipment manufacturer, Ovivo, to pre-purchase long lead mechanical components back in December 2022. Plant and office staff approved the equipment submittal and released it for fabrication. The equipment is scheduled for delivery in September 2023. District staff still plans to develop construction bid documents for the installation of the pre-purchased equipment by July 2023.

## **XIII. WRP Main Electrical Power Breaker**

District staff issued the purchase order for the new ATSS and anticipates delivery in August 2023. In parallel, District staff is working with Schneider Electric to install the breakers at the WRP. Staff has asked and is waiting for a status update from Schneider Electric. Table 7 summarizes the total budget.

**Table 7 – WRP Main Electrical Power Breaker Schedule and Budget Status**

<b>Construction Contract</b>	<b>Total</b>	<b>Paid to Date</b>	<b>Percent Complete</b>
Budget	\$196,124 <sup>1</sup>	\$112,737	57%

<sup>1</sup>Includes \$61,633 change order for two new ATSSs.

## **XIV. Effluent Transmission Main (ETM) Backflow Prevention Project**

The status of the ETM Backflow Prevention Project as well as the Staff recommendation for issuance of construction contract are discussed in Item No. 7 of the Engineering Committee agenda.

## **XV. Effluent Pump Station Rehabilitation Project**

The contractor, Filanc, is still demobilized from the site and plans to return prior to the pump delivery. Currently the pumps are scheduled to ship at the end of May with an early June delivery. In early January Filanc notified District staff that the motor manufacturer, Nidec, has experienced manufacturing delays. Filanc provided a tentative overall project schedule with projected project completion of early August. This is due to installing and commissioning

each pump separately in order for the Effluent Pump Station Rehabilitation Project (EPS) to remain in service during the project. District staff will maintain communication with Filanc as the delivery date nears in order to coordinate remaining construction activities.

Because this construction schedule encroaches into the Effluent Transmission Main (ETM) Backflow Prevention Project's critical shutdown window, the District may delay this project until after the ETM project is complete.

Table 8 summarizes the total budget, timeframe, and percent complete for Filanc's construction contract. Due to the ETM contractor's project schedule and actual delivery date of the EPS pumps, the District cannot accurately predict project completion. Therefore, once both constraints have a more predictable schedule, staff will issue a time extension change order to this contract.

**Table 8 – Effluent Pump Station Construction Schedule and Budget Status**

Construction Contract	Total	Paid to Date	Percent Complete
Budget	\$390,221 <sup>1</sup>	\$80,250	21%
Schedule	March 23, 2022 – March 15, 2023		100% <sup>2</sup>

<sup>1</sup>Original contract value plus Change Order 1 which amounted to \$3,221.14. Does not include anticipated deduct of \$20,000.

<sup>2</sup>District staff will issue a time extension change order once the schedule can be clearly defined.

## XVI. Caltrans I-5 Widening Utility Relocations

Staff finalized the invoice to Caltrans for the Phase B work activities. The District is now waiting for project reimbursement. Staff has also maintained communication with the Caltrans contractor and Caltrans construction management team for Phase C activities.

Table 9 summarizes the total budget, timeframe, and percent complete for Paulus' construction contract. The project is split into three segments: Phase A, B, and C. Phase A work was completed between September and October of 2020. Phase B was completed on the first week of October 2022. Phase C will take place in late-2023 including relocation of two fire hydrants and an irrigation meter.

**Table 9 – Caltrans I-5 Widening Utility Relocations Construction Schedule and Budget Status**

Construction Contract	Total	Paid to Date	Percent Complete
<b>Budget (Phase B)</b>	\$109,828 <sup>1</sup>	\$109,828	100%
<b>Budget (Total Project)</b>	\$639,235 <sup>2</sup>	\$587,410	92%
<b>Schedule (Phase B)</b>	September 19, 2022 – October 4, 2022		100%

<sup>1</sup>Caltrans will be reimbursing the District for Phase B per utility agreement 12-UT-1450 and 12-UT-1451.

<sup>2</sup>Original contract value of \$769,777 plus deductive Change Order 1 for \$141,531 finalized in November 2020 and Change Order 2 for \$10,989.

## XVII. Revenue Bond Expense Tracking

District staff have been closely tracking project actuals compared to revenue bond budget, as summarized in Table 10. Based on the current net negative difference of all budgeted projects, the net revenue bond funding available for the AMI project is \$4,900,432.

**Table 10 –Revenue Bond Expense Tracking**

<b>Projects</b>	<b>Revenue Bond Budget</b>	<b>Actual</b>	<b>Difference</b>
R-6 Floating Cover and Liner Replacement Project	\$9,776,400	\$11,880,187	(\$2,103,787)
South County Pipeline Turnout Project	\$3,000,000	\$3,000,000 <sup>1</sup>	\$0
Joint Transmission Main Pump Station	\$2,400,000	\$989,546	\$1,410,454
Water Filtration Plant Reuse Project	\$2,917,000	\$3,538,915 <sup>1</sup>	(\$621,915)
SOCWA Capital Projects	\$9,974,000	\$9,974,000 <sup>1,2</sup>	\$0
AMI Remote Meter Reading	\$6,161,900	\$6,161,900 <sup>1</sup>	\$0
<b>Total Project Costs</b>	<b>\$34,229,300</b>	<b>\$35,490,768</b>	<b>(\$1,261,468)</b>
Capital Reserves	(\$6,428,700)		
Release of Restricted SRF Reserves	(\$2,270,000)		
<b>Total Funding Needed</b>	<b>\$25,530,600</b>		

<sup>1</sup>Contains some costs that remain estimates (not yet bid).

<sup>2</sup>Actual represents capital required for the next five years FY 2022/23 through 2026/27 is estimated at \$7,374,183. Excess revenue bond funding above this amount (anticipated at \$2,599,818) will be applied to the following years of SOCWA capital needs.

## XVIII. Energy Efficiency Analysis

District staff continues to work on developing the recommended energy efficiency projects for the WRP and pump stations. Table 11 summarizes the projects staff are developing. Staff continues coordination with SCE to re-test the pump stations that have been rehabilitated since last testing, SoCalREN to obtain a rebate on the ammonia analyzer implementation, and Wildan for the replacement of inefficient pumps and motors.

**Table 11 – Energy Efficiency Progress Summary**

Facility	Recommended Project	Projected Savings (kWh/yr)	Budgetary Cost	Projected Payback (years) <sup>(1)</sup>	Status
WRP					
ABAC based Aeration Control	Introduce ammonia-based aeration control (ABAC) in aeration basins.	334,000	\$84,000	1.7	Will install once rebate has been obtained through SoCalREN and SCE.
WAC Rehabilitation	Eliminate waste activated clarifier (WAC) sludge blower. Replace with polymer addition.	147,000	\$112,000	4.9	Will remove WAC operation and its associated blower as part of Secondary Clarifier No. 1 Rehabilitation Project.
Odor Control System Optimization	Install H <sub>2</sub> S analyzers for trimming and VFDs on blowers.	29,000	\$31,000	5.0	Will evaluate as part of next year’s WRP asset management work.
Aerated Grit Chamber Optimization	Optimize blower for aerated grit chamber.	54,000	\$65,000	5.6	Developing design scope to add to Grit Chamber Rehabilitation Project.
RAS Pump Optimization	Flow pace and trim based on sludge blanket monitoring.	113,000	\$156,000	6.4	Will evaluate as part of next year’s WRP asset management work.
Aeration Distribution Optimization	Automate valves on droplegs to zones of aeration basins.	94,000	\$254,000	12.5	
Large Bubble Mixing in Equalization Basin	Replace mixing pumps with large bubble diffusers.	235,000	\$880,000	17.3	
Water Pump Stations					
P-1	Rehabilitate due to degraded efficiency.	98,000	\$107,000	6.4	Included in FY 24/25 CIP budget.
P-4	Following recent testing, rehabilitate due to degraded efficiency.	62,000	\$92,000	12.1	Confirming possible rebate with Wildan. Costs have increased significantly from FY 22/23 budget of \$59,000.
Cherry	Rehabilitate due to end of service life.	12,000	\$29,000	12.1	Included in FY 24/25 CIP budget. Based on pump station asset management evaluation only one pump needs to be replaced from an energy efficiency perspective.
Shenandoah	Rehabilitate due to degraded efficiency.	33,000	\$43,000	6.8	Deferred based on pump station asset management evaluation. Current



					condition and efficiency do not warrant replacement.
Spartan	Rehabilitate due to degraded efficiency.	59,000	\$29,000	3.5	Issued a purchase order for pump rehabilitation
Towers	Potentially rehabilitate due to degraded efficiency based on November 2015 test data.	1,488	\$12,000	5.4	Waiting for results of completed SCE test.
<b>Sewer Lift Stations</b>					
Aliso Creek – Pump 1	Tested in April 2021, and pump and motor were replaced thereafter in December 2021.	37,276	\$30,000	7.3	Waiting for results of completed SCE test.
Aliso Creek – Pump 2	Pump and motor were replaced in September 2020 and SCE testing conducted in April 2021. Evaluate deficiencies to understand causation of rapid efficiency decline in one of the duty pumps.	87,000	\$36,000	3.1	Conducting a pressure and head test to identify hydraulic issues of the lift station. Will include a rehabilitation project in FY 23/24 CIP budget.
Northline – Pump 3	Pump and motor were replaced in January 2020 and SCE testing conducted in April 2021. Evaluate deficiencies to understand causation of rapid efficiency decline in one of the duty pumps.	24,000	\$18,000	4.5	Operations staff indicate that Northline Pump 3 is under frequent strain because it serves to regularly pump down the wet well, at which time it is subject to poor suction conditions.
Westline	Following recent testing, defer rehabilitation for another 5 years.	13,000	\$20,000	7.2	Efficiency has not yet significantly degraded to merit rehabilitation.
Freeway	Potentially rehabilitate due to degraded efficiency based on October 2015 test data.	75,457	19,500	1.7	Waiting for results of completed SCE test.
Veeh – Pumps 3 and 4	Potentially rehabilitate due to degraded efficiency based on September 2015 test data.	33,828	11,000	2.1	Waiting for results of completed SCE test.

<sup>(1)</sup>Does not include potential rebate from SCE.

# EL TORO WATER DISTRICT

## Glossary of Water Terms

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

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

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

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

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

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

**AMP:** Allen McCulloch pipeline.

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

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

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

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

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

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

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

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

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

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

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

**BIA:** Building Industry Association.

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

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

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

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

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

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

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

**CEQA:** California Environmental Quality Act.

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

**CFS:** Cubic feet per second.

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

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

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

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

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

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

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

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

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

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

**Crisis:**

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

**CTP** Coastal Treatment Plant

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**FEMA** Federal Emergency Management Agency

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

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

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

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

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

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

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

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

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**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.

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**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.

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**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.

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

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

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

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

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

**SJBA** San Juan Basin Authority

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

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

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

**SRF** State Revolving Fund

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

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

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

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

**SWRCB** State Water Resources Control Board

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

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

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

**TMA:** Too many acronyms.

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

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

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

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

**VE** Value Engineering

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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