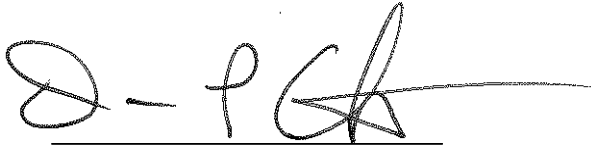


I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.



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

August 25, 2025

7:30 a.m.

Vice President Kathryn Freshley will be attending remotely from:
10000 W O'Hare Ave
Chicago, IL 60666

Director Mark Monin will be attending remotely from:
2235 Wetstone Dr.
Thousand Oaks, CA 91362

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

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

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may attend the meeting in person at the District's office or may observe and address the Meeting by joining at this link:
<https://us02web.zoom.us/j/88656666837> (Meeting ID: 886 5666 6837).

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 Gaskins

PLEDGE OF ALLEGIANCE – Director Havens

ROLL CALL (Determination of a Quorum)

ORAL COMMUNICATIONS/PUBLIC COMMENTS

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

ENGINEERING COMMITTEE MEETING

CALL MEETING TO ORDER – Director McClean

2. **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 July 21, 2025 Engineering Committee meeting. (Minutes Included).

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

ENGINEERING ACTION ITEMS

3. **Resolution No. 25-8-1 El Toro Water District Aliso Creek Lift Station – Utility and Infrastructure Protection Project FEMA Hazard Mitigation Grant Program Application Match Commitment Documentation** (Reference Material Included)

Staff will review and comment on the FEMA Hazard Mitigation Grant Program Application staff is preparing for the proposed Aliso Creek Lift Station – Utility and Infrastructure Protection Project and the need to document the District's commitment to the required matching funds.

Recommended Action:

Staff recommend that the Board of Directors adopt Resolution No. 25-8-1, documenting the District's commitment to the matching funds requirement for the FEMA Hazard Mitigation Grant Program application for the Aliso Creek Lift Station Utility and Infrastructure Protection Project.

RESOLUTION NO. 25-8-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
COMMITTING THE DISTRICT TO THE MATCHING FUNDS REQUIREMENT
FOR THE ALISO CREEK LIFT STATION –
UTILITY AND INFRASTRUCTURE PROTECTION PROJECT
FEMA HAZARD MITIGATION GRANT PROGRAM APPLICATION

4. **Shenandoah Booster Station Pump and Motor Replacement**
(Reference Material Included)

Staff will review and comment on the need to ratify the purchase of the Shenandoah Booster Pump Station pumps and motors.

Recommended Action:

Staff recommend that the Board of Directors (1) rescind the action from July authorizing a purchase order to Powerflo Products, Inc. in the amount of \$132,236.19 to furnish new pumps and motors for the Shenandoah Booster Pump Station; and (2) ratify the purchase of new pumps and motors for the Shenandoah Booster Pump Station from Brax Company, Inc. in the amount of \$132,042.44. Staff further recommend 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.

5. **Freeway Electrical Equipment Replacement Project**

(Reference Material Included)

Staff will review and comment on bids evaluated for the Freeway Electrical Equipment Replacement Project.

Recommended Action:

Staff recommend that the Board of Directors authorize the District's General Manager to enter into a contract with Baker Electric, Inc. in the amount of \$85,215.00 for electrical installation services in connection with the Freeway Electrical Equipment Replacement Project. Staff further recommend 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.

6. **City of Laguna Hills Pavement Rehabilitation Project**

(Reference Material Included)

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

Recommended Action:

Staff recommend that the Board of Directors authorize the District's General Manager to approve payment of a City of Laguna Hills invoice in the amount of \$80,000.

ENGINEERING INFORMATION ITEMS

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

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

8. **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

9. **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

FINANCE AND INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Havens

10. **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 July 21, 2025 Finance and Insurance Committee meeting (Minutes included).

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

FINANCIAL INFORMATION ITEMS

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

A representative from PFM Asset Management will update the Board on the District's investment holdings and philosophy based on an economic outlook.

12. **Quarterly Review of the District's 401 (k) Retirement Savings Plan** (Reference Material Included)

Keith Stribling will review and comment on the investment performance of the District's 401 (k) Retirement Savings Plan.

13. **El Toro Water District Deferred Compensation Plan (457 Plan) Quarterly Performance Report** (Reference Material Included)

Staff will provide an update on the performance of the investment options in the District's Deferred Compensation Plan (457 Plan).

14. **SAS 114 Letter** (Reference Material Included)

Staff will comment on the District's Statement of Auditing Standards 114 Planning letter.

15. **Financial Statements and Report** (Reference Material Included)

Staff will review and comment on the Financial Statements and Report for the month ending July 31, 2025.

FINANCIAL ACTION ITEMS

16. Financial Package - Authorization to Approve Payment of Bills for the Month Ending July 31, 2025 (Reference Material Included)

The Board will consider approving Bills for Consideration dated July 31, 2025

Recommended Action: Staff recommend that the Board approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending July 31, 2025.

17. Cash Reserves Policy (Reference Material Included)

Staff will review and comment on proposed updates to the District's Cash Reserves Policy – Section 6040 of the Administrative Code.

Recommended Action: Staff recommend the Board of Directors approve the amended Cash Reserve Policy and authorize staff to update the El Toro Water District Administrative Code accordingly.

COMMENTS REGARDING NON-AGENDA FIC ITEMS

CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

ATTORNEY REPORT

REGULAR SESSION REPORT

ADJOURNMENT

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

Request for Disability-Related Modifications or Accommodations

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

MINUTES OF THE REGULAR MEETING
& OF THE
ENGINEERING COMMITTEE MEETING

July 21, 2025

At approximately 7:43 a.m. Vice President Freshley called the Engineering Committee meeting to order.

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

Also participating were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, IT Manager (Zoom), SHERRI SEITZ, Public Affairs Manager, (Zoom), VU CHU, Water Resources Supervisor, RORY HARNISCH, Senior Engineer, VICKI TANIOUS, Senior Accountant (Zoom), CAROL MOORE, Laguna Woods City Council Member (Zoom), JANET FORDUNSKI, Member of the Public (8:03 a.m.), and MARISOL MELENDEZ, Recording Secretary.

Consent Calendar

Vice President Freshley asked for a Motion.

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

Roll Call:

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

Engineering Action Items

Shenandoah Booster Station Pump and Motor Replacement

Ms. Ford reported explained that the original pumps are over 50 years old. The new pumps and motors will be installed by staff, saving the District significant costs. The equipment will be sourced from within the U.S., and the vendor does not anticipate any tariff related cost impacts. The estimated lead time is 20 weeks.

Vice President Freshley asked for a Motion.

Motion: President Gaskins made a Motion, seconded by Director Monin to authorize the District's General Manager to issue a purchase order to Powerflo Products, Inc. in the amount of \$132,236.19 to furnish new pumps and motors for the Shenandoah Booster Pump Station and to authorize the General Manager to fund the project costs from the District's Capital Reserves as recommended by staff in accordance with the District's adopted Capital Reserve Policy.

Roll Call:

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

Westline Main Switchboard Replacement Project

Mr. Harnisch stated that the Arc Flash study identified the Westline Main Switchboard (MSB) as a high priority project due to safety and signs of corrosion. Staff developed the design in-house to reduce costs and pre-purchased the MSB in August 2024. The replacement project will be phased and coordinated with SCE. The MSB will be relocated to improve access for servicing the lift station. Staff recommends Baker Electric for installation, with a projected schedule of 6 to 8 weeks. Ms. Ford added that staff will also manage construction for the project, resulting in additional cost savings.

Vice President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by President Gaskins to authorize the District's General Manager to enter into a contract with Baker Electric, Inc. in the amount of \$119,967.00 for electrical installation services in connection with the Westline Main Switchboard Replacement Project and to authorize the General Manager to fund the project costs from the District's Capital Reserves as recommended by staff in accordance with the District's adopted Capital Reserve Policy.

Engineering Information Items

El Toro Water District Operations Report

Mr. Cafferty explained that the battery storage system report showed a loss caused by an error in the function of the battery which set an unusually high peak instead of shaving peaks. The battery operated at a high peak for the remainder of the month and did not accomplish any peak shaving. STEM is reviewing the issue and will reimburse the District for certain calculated costs related to the error.

El Toro Water District Capital Project Status Report

New Turbo Blower

Ms. Ford reported that the new turbo blower project is complete and the new unit is performing better than expected. Staff is waiting on a new permanent inlet filter to place the turbo blower into full operation. The project is under budget, helping to offset costs of other projects.

New Warehouse and Asphalt Improvements Projects

Mr. Harnisch stated that staff continues to coordinate with AQMD to complete work on the air monitoring system. Staff is also working with the paving contractor to complete the paving project. He added that staff has nearly completed moving equipment into the warehouse.

Main Office Warehouse Drainage Improvement Project

Mr. Harnisch stated that the project was originally scheduled to begin in May, but cost saving substitution requests caused delays. Additionally, the subcontractor is experiencing delays in receiving project equipment. The project is anticipated to begin in early August and will take approximately four weeks to complete.

R-6 Reservoir Southern Slope Stabilization Project

Ms. Ford reported that staff reviewed the 75% design and met onsite to check field conditions against the drawings. Coordination has begun with the City of Mission Viejo, and the Division of Safety of Dams has already granted approval.

Aliso Creek Lift Station Improvements Project

Ms. Ford reported that Tetra Tech is progressing towards the 90% design milestone. Staff has prepared presentation materials for upcoming meetings with the United and GRF Boards. She noted that Cal OES clarified its funding priorities for the \$1.35 billion grant round, which received over \$7 billion in Notices of Interest. Cal OES is prioritizing shovel ready projects, projects that specifically harden against wildfire risks, and Local Hazard Mitigation Plan (LHMP) development. This project qualifies as shovel ready and is part of critical infrastructure, making it a strong candidate for funding. Other projects that the District had previously hoped for consideration under this round of funding, such as the Effluent Transmission Main (ETM) Techite Replacement and Direct Potable Reuse Study, would not be prioritized because they are not shovel ready.

Tertiary Disinfection Optimization Project

Ms. Ford reported that staff completed the design in-house, resulting in significant cost savings for the District. Three new free chlorine analyzers and a sample

pump will be installed, with mechanical installation also being performed by District staff to further reduce costs.

Headworks and Secondary Clarifier No. 1 Rehabilitation Project

Ms. Ford stated that staff issued the Notice of Award and Notice to Proceed to Filanc, with project completion anticipated by January 2028.

Secondary Clarifier No. 3 and No. 4 Drive Replacement Project

Ms. Ford reported that the Secondary Clarifier No. 3 Drive replacement and bridge repairs have been completed, and staff is currently waiting for the Secondary Clarifier No. 4 drive to arrive.

Freeway Electrical Equipment Replacement

Ms. Ford reported that staff developed the design in-house, and the work will require coordination with SCE. A recommendation for the installation contract award will be presented at next month's Board meeting.

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

Ms. Ford stated that staff is waiting for the delivery of the automatic transfer switch and staff will develop in-house design documents when it arrives.

Asset Management

Ms. Ford stated that staff is responding to a large data request and continuing meetings with the consultant to close data gaps.

Main PR Hydro Turbine Project

Ms. Ford stated that the vendor was not selected for the grant funding, and staff recommend deferring the project due its long-term payback time frame. The Board agreed with the recommendation to not proceed with the project.

Battery and Solar Projects

Ms. Ford reported that staff is collaborating with TerraVerde, which developed a RFP to obtain vendor cost proposals for a solar project at the WRP and a battery project at both OOPS and P-1. The RFP deadline is mid-August, and staff will confirm payback data after reviewing the draft RFP package.

Mr. Harnisch left the meeting at approximately 8:28 a.m.

Comments Regarding Non-Agenda Engineering Committee Items

President Gaskins commented on SMWD's OCWA presentation last week, noting their operational changes saved approximately \$1 million. Mr. Cafferty added that the District has historically identified and utilized available opportunities and will continue to do so.

Adjournment

There being no further business, the Engineering Committee meeting was adjourned at approximately 8:42 a.m.

Regular Session

Attorney Report

Mr. Granito noted that he is working with staff to update the District's Claims procedures and standing settling authority.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 8:43 a.m.

Respectfully submitted,

MARISOL MELENDEZ
Recording Secretary

APPROVED:

MIKE GASKINS, President
of the El Toro Water District and the
Board of Directors thereof

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



STAFF REPORT

To: Board of Directors

Meeting Date: August 25, 2024

From: Hannah Ford, Director of Engineering

Subject: Resolution No. 25-8-1 El Toro Water District Aliso Creek Lift Station -
Utility and Infrastructure Protection Project FEMA HMGP Application
Match Commitment Documentation

BACKGROUND

The Aliso Creek Lift Station (ACLS) provides critical wastewater service to over 13,200 customers in Laguna Woods, Lake Forest, and Laguna Hills. Originally constructed in 1965, ACLS suffers from degraded pump performance such that it can only handle 2,980 gallons per minute (gpm), which is inadequate to handle flooding and severe storm events, especially upon expansion of the Village at Laguna Hills, which will increase flow to ACLS.

The FEMA Hazard Mitigation Grant Program (HMGP) provides funding to support long-term, cost-effective mitigation measures that reduce the risk of disaster damage to people and property. It is designed to aid communities in strengthening their infrastructure against natural hazards, such as floods, wildfires, and earthquakes, enhancing resilience and reducing future repair costs. The ACLS Improvements Project aligns well with HMGP goals by addressing significant vulnerabilities in an essential wastewater facility located in a flood-prone area. By upgrading the lift station's capacity and reliability, the project mitigates risks of sewage overflow and environmental contamination, particularly during severe storm events, ensuring consistent service for over 13,200 residents. This critical infrastructure improvement not only enhances public health and environmental protection but also reduces the likelihood of costly emergency repairs, making it an ideal candidate for HMGP funding.

The District hired Tetra Tech, Inc. to develop a final design and Rincon Consultants, Inc. to develop the necessary environmental compliance documentation. The District continues to work on finalizing the design so that the project can be placed to bid and constructed as soon as HMGP funds are awarded. Figure 1 shows the proposed improvements at ACLS.

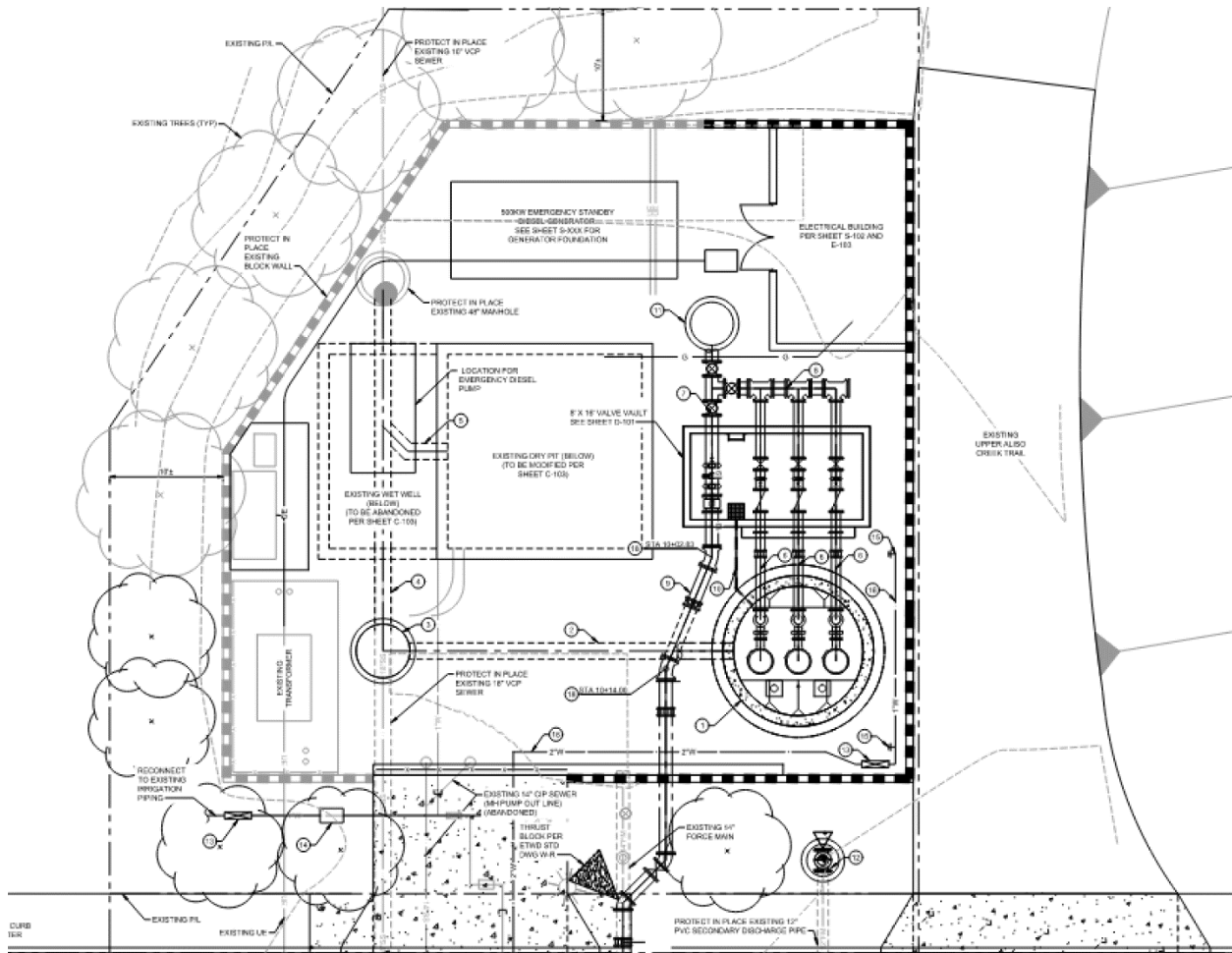


Figure 1. Proposed ACLS Improvements

BUDGET

This round of funding for DR-4856 (California Wildfires and Straight-line Winds) allocated \$1.35 billion for the State of California. Table 1 summarizes the District's draft budget request for the FEMA HMGP, which estimates total Project costs at \$8,646,709. With a 75 percent federal cost share, the District's responsibility would be approximately \$2,161,678. The District's cost share would be funded by a combination of:

- (1) operating budget for staff time (estimated at \$112,348),
- (2) capital budget currently allocated starting in Fiscal Year 2027/2028 (for the remaining \$2,049,330)

District staff recommend the Board pass Resolution 25-8-1 to strengthen the grant application and commit to cost sharing expenses, which are already budgeted within the 10-year capital improvement plan.

Table 1 – ACLS Utility and Infrastructure Protection Project Budget

Description	Cost
Bidding	\$16,320
Construction	\$7,702,629
Construction Management	\$369,600
Engineering Services During Construction	\$385,120
Geotechnical Inspections	\$76,992
Environmental Surveying during Construction	\$21,000
Public Outreach	\$9,708
Project Management (by District staff)	\$65,340
Total	\$8,646,709
Federal Cost Share	\$6,485,031
District Cost Share	\$2,161,678

SCHEDULE

The subapplication is due to the California Office of Emergency Services (Cal OES) on September 15, 2025, and the Notice of Award would take place in the fall of 2028. Upon award, the District has 48 months to complete the Project, so completion is anticipated by the end of 2032.

RECOMMENDATION

Recommended Action:

Staff recommend that the Board of Directors adopt Resolution No. 25-8-1, documenting the District's commitment to the matching funds requirement for the FEMA Hazard Mitigation Grant Program application for the Aliso Creek Lift Station Utility and Infrastructure Protection Project.

RESOLUTION NO. 25-8-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
COMMITTING THE DISTRICT TO THE MATCHING FUNDS REQUIREMENT FOR THE
ALISO CREEK LIFT STATION - UTILITY AND INFRASTRUCTURE PROTECTION
PROJECT FEMA HAZARD MITIGATION GRANT PROGRAM APPLICATION

RESOLUTION NO. 25-8-1

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
COMMITTING THE DISTRICT TO THE MATCHING FUNDS REQUIREMENT FOR THE
ALISO CREEK LIFT STATION
UTILITY AND INFRASTRUCTURE PROTECTION PROJECT
FEMA HAZARD MITIGATION GRANT PROGRAM APPLICATION**

WHEREAS, the El Toro Water District ("District") provides wastewater collection, treatment, and disposal services to meet the sanitary needs of its customers in South Orange County; and

WHEREAS, the Aliso Creek Lift Station ("ACLS") conveys raw wastewater to the District's Water Recycling Plant— providing a critical service for over 13,200 customers in the Cities of Lake Forest, Laguna Woods, and Laguna Hills; and

WHEREAS, the current ACLS facility lacks adequate capacity to prevent sewer overflows and provide continued wastewater service during flooding or a severe storm event; and

WHEREAS, a significant portion of the service area supplied by ACLS is classified as either severely disadvantaged or disadvantaged because residents earn less than 80% or 60% of the statewide median household income, respectively - highlighting the importance of this Project in supporting vulnerable populations; and

WHEREAS, the District participated in the development of and ultimately adopted the Orange County Water and Wastewater Multi-Jurisdictional Hazard Mitigation Plan, which identifies the improvements at ACLS as necessary actions recommended to mitigate fire, flood, and earthquake hazards.

NOW THEREFORE BE IT RESOLVED, that the District General Manager or his designee is hereby authorized and directed to sign and file, for and on behalf of the El Toro Water District, a grant application for Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP); and

BE IT FURTHER RESOLVED, that the District General Manager, or his designee, is hereby authorized to acknowledge and approve of the application and the information submitted for consideration, and is further authorized to certify that the District has and will provide the amount of funding and/or in-kind contributions specified in the funding plan; and

BE IT FURTHER RESOLVED, that the Board hereby agrees and further does authorize the aforementioned representative or his designee to certify that the District has and will comply with all statutory and regulatory requirements related to any grant funds; and

BE IT FURTHER RESOLVED, that the General Manager or his designee is hereby authorized to negotiate and execute a grant and any amendments or change order thereto on behalf of the District received and will work with California Office of Emergency Services to meet established deadlines for entering into a cooperative agreement.

ADOPTED, SIGNED AND APPROVED this 25th day of August 2025, by the following
vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mike Gaskins, President
El Toro Water District and of the
Board of Directors thereof

ATTEST:

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



STAFF REPORT

To: Board of Directors

Meeting Date: August 25, 2025

From: Hannah Ford, Director of Engineering

Subject: Shenandoah Pump and Motor Replacement

BACKGROUND

Last month, the Board authorized award of a contract to PowerFlo Products, Inc. (PowerFlo) to replace the three 60-hp pumps and motors at Shenandoah Pump Station (Figure 1) because they are used frequently, currently operate inefficiently, provide a critical service to the District, and have reached the end of their useful life. District staff recommended award to PowerFlo because their cost was over \$60,000 less than their competitor, Brax Company, Inc. (Brax Company).



Figure 1 – Shenandoah Pump Station Panoramic Photo

UPDATE

Following the Board's authorization to award the contract to PowerFlo, the equipment manufacturer, Pentair/Aurora, informed District staff that PowerFlo is only authorized to provide equipment for industrial clients, not municipal clients. Pentair/Aurora confirmed that Brax Company is the sole authorized distributor permitted to sell to municipal customers in

the District's area. District staff subsequently negotiated with Brax Company to match the previously approved cost, resulting in a revised total of \$132,042.44. The make and model of the pumps and motors from Brax Company are identical to those previously quoted by PowerFlo. Attachment A contains the detailed quote. This revised proposal ensures compliance with Pentair/Aurora's sales policy while maintaining the original budget expectations. To secure pricing and initiate the approximately four-month equipment lead time, District staff cancelled the purchase order to PowerFlo and issued a new purchase order to Brax Company this month.

RECOMMENDATION

Recommended Action:

Staff recommend that the Board of Directors (1) rescind the action from July authorizing a purchase order to Powerflo Products, Inc. in the amount of \$132,236.19 to furnish new pumps and motors for the Shenandoah Booster Pump Station; and (2) ratify the purchase of new pumps and motors for the Shenandoah Booster Pump Station from Brax Company, Inc. in the amount of \$132,042.44. Staff further recommend 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.

Agenda Item No. 4
Shenandoah Pump and Motor Replacement
Appendix A



PROCESS AND PUMP EQUIPMENT

31248 Valley Center Rd | Valley Center CA 92082 | 760 749-2209

2115 S. Hellman Suite H | Ontario CA 91761 | 909 923- 9809

3559 Landco Dr #A | Bakersfield CA 93308 | 661 432 -2729

Bill To:

EL TORO WATER DISTRICT
P.O. BOX 4000
LAGUNA HILLS, CA 92654

**DUE TO TARIFFS CHANGES
PRICES MAY CHANGE WITHOUT
NOTICE.**

Quote

Quote # 59374
Date 8/4/2025
Sales Person MF
Written By MICHAEL TWEED
Terms Net 30
Freight PREPAID & ADD

Ship To:

EL TORO WATER DISTRICT
24251 LOS ALISOS BLVD.
LAKE FOREST, CA 92630
USA

Project

Part Number	Qty	Description	Unit	Total
BRAX CO.	3	AURORA MODEL 413 4X5X15 VERTICAL SPLITCASE FLEX COUPLED 13.5" IMP TRIM 60HP 364HP 230/460/3 ODP PREM EFF. NIDEC MOTOR NSF CERTIFIED COS 700GPM @ 170' @ 1775RPM PLEASE REVIEW TECHNICAL DATA SHEET PROVIDED TO CONFIRM ALL MATERIALS OF CONSTRUCTION LEAD TIME TO BE CONFIRMED AT TIME OF ORDER CURRENTLY 17 TO 20 WEEKS ARO SUBJECT TO CHANGE	40,075.00	120,225.00T
FREIGHT	1	ESTIMATED FREIGHT FOR THREE SKIDS // WILL BE PPA	2,500.00	2,500.00

INSTALLATION AND START UP SERVICE AVAILABLE. PLEASE ASK YOUR BRAX
REPRESENTATIVE FOR MORE DETAILS

Sales Tax (7.75%)

\$9,317.44

Total

\$132,042.44

CREDIT CARD PAYMENTS WILL INCUR A 3.5% FEE

CLSB 487325 CAGE 6U1W7 DIR 1000441272

ALL SALES SUBJECT TO TERMS AND CONDITIONS AT WWW.BRAXCOMPANY.COM



STAFF REPORT

To: Board of Directors

Meeting Date: August 25, 2025

From: Hannah Ford, Director of Engineering

Subject: Freeway Electrical Equipment Replacement Project

BACKGROUND

Originally constructed in 1969, the Freeway Lift Station conveys gravity flow collected from a 513-acre basin as well as pumped flow from the Delta and La Paz Lift Stations to the Northline Lift Station. Three 30-horsepower pumps provide Freeway Lift Station with approximately 1,800 gallons per minute (gpm) of firm capacity. Figure 1 shows a panoramic view of Freeway Lift Station.



Figure 1 – Freeway Lift Station Panoramic Photo

Although the District has made some modifications such as retrofitting controls and adding soft starts, the electrical equipment has not been fully replaced since its original construction. Due to the age of the electrical equipment, parts are now obsolete. In addition, the MCC is currently not arc flash resistant. District staff recommend replacing the Main Switchboard (MSB), Automatic Transfer Switch (ATS), and Motor Control Center (MCC) to facilitate continued serviceability and improved safety at the Freeway Lift Station. The Project will also add a safety switch to prevent the stationary generator from back feeding the portable generator when used.

In August 2025, the Board approved the purchase of the new electrical equipment. District staff received the equipment in July 2025 and now need to hire an electrical contractor for installation.

PROPOSAL EVALUATION

Staff reached out to three electrical contractors for project proposals, Southern Contracting Company (Southern), Halcyon Electric, Inc (Halcyon), and Baker Electric (Baker). The District has worked with all three of these contractors successfully in the past. After reviewing the proposals for accuracy against the design documents, District staff recommend hiring Baker who proposed the lowest cost, as shown below in Table 1.

Table 1 – Electrical Installation Proposal Summary

Electrical Contractor	Cost
Southern	\$122,000
Baker	\$83,535 ¹
Halcyon	\$398,000

¹Following receipt of the proposals, District staff negotiated additional scope items with the lowest cost contractor such that the revised contract value with Baker would be \$85,215.

BUDGET EVALUATION

The Fiscal Year (FY) 2024/2025 capital budget included \$263,362 for this Project. Table 2 summarizes the pre-purchased equipment, construction costs, and a 10% contingency. Costs exceeded initial budget due to increased project complexity realized during design. To reduce costs, District staff designed the project in-house.

Table 2 – Project Budget

Component	Cost
Prepurchased Equipment	\$164,169.50
SCE	\$3,000 ¹
Construction	\$85,215.00
10% Contingency	\$25,000.00
Total	\$277,384.50
Budget FY 24/25	\$263,362.00
Remainder	(\$14,022.50)

¹Initial estimate from SCE, to be confirmed during construction.

SCHEDULE

District staff need to complete the Westline Lift Station MSB Replacement prior to the Freeway Electrical Equipment Replacement in order to leverage the same meter for temporary power from that project. Given this constraint, the District plans to issue Notice to Proceed (NTP) to Baker for Freeway in November. Baker anticipates completing the project within eight weeks from the start of construction; however, the overall schedule is dependent on Southern California Edison (SCE) lead times. SCE approved the electrical design and requires a two-week window to schedule the transition of the lift station to

temporary power. SCE will then require approximately four additional weeks to schedule the transition to permanent power. Staff will coordinate with Baker to align with these SCE-driven milestones. Based on this schedule, staff anticipates project completion by January 2026.

RECOMMENDATION

Recommended Action:

Staff recommend that the Board of Directors authorize the District's General Manager to enter into a contract with Baker Electric, Inc. in the amount of \$85,215.00 for electrical installation services in connection with the Freeway Electrical Equipment Replacement Project. Staff further recommend 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

To: Board of Directors

Meeting Date: August 25, 2025

From: Rory Harnisch, Senior Engineer

Subject: City of Laguna Hills Pavement Rehabilitation Project

BACKGROUND

The City of Laguna Hills maintains an annual residential street resurfacing program in the public right of way. The City of Laguna Hills' recent Road Rehabilitation Project involved the streets shown in Figure 1 within the southern portion of the District service area, along Paseo De Valencia between Avenida De La Carlota and Alicia Parkway. The District owns 32 sewer manholes and 32 water valves within this Project location. The District is financially responsible for relocation or adjustment of its facilities disturbed by a City project in the public right of way.

The City completed the project by early spring and recently invoiced the District in the amount of \$80,000, as shown in Table 1. Staff verified the quantities identified in the invoice and determined the City's invoice accurately reflects the Project scope of work.

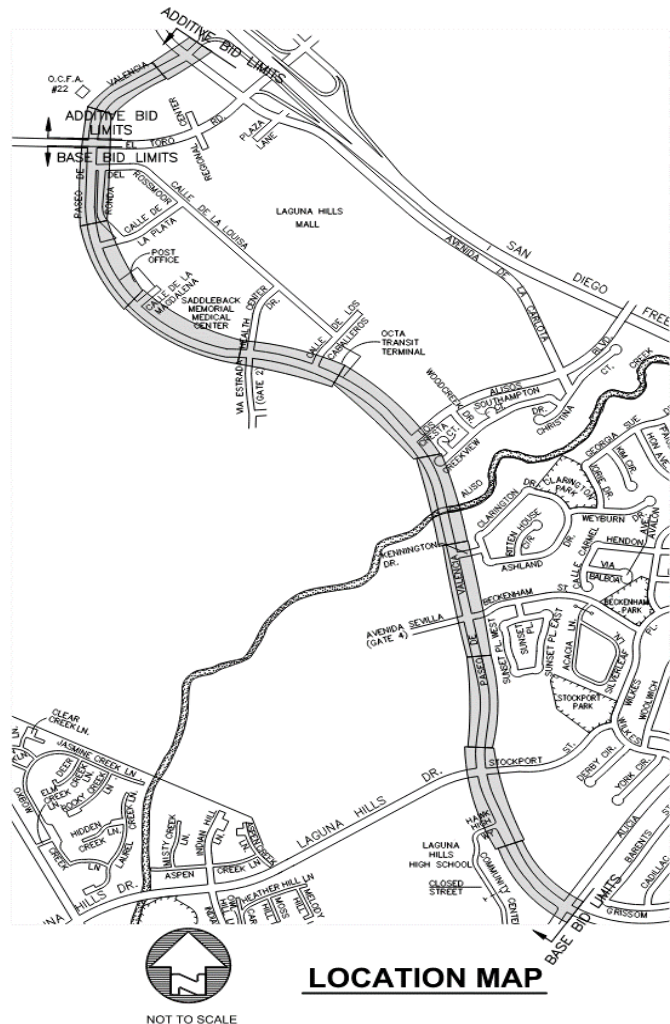


Figure 1 – Project Location

Table 1 – City of Laguna Hills Pavement Rehabilitation Project Costs

Component	Quantity	Unit Cost	Cost
Sewer Manholes	32	\$1,250.00	\$40,000.00
Water Valves	32	\$1,250.00	\$40,000.00
Total			\$80,000.00

RECOMMENDATION

Recommended Action:

Staff recommends that the Board of Directors authorize the District's General Manager to approve payment of a City of Laguna Hills invoice in the amount of \$80,000.



Operations Report

July 2025

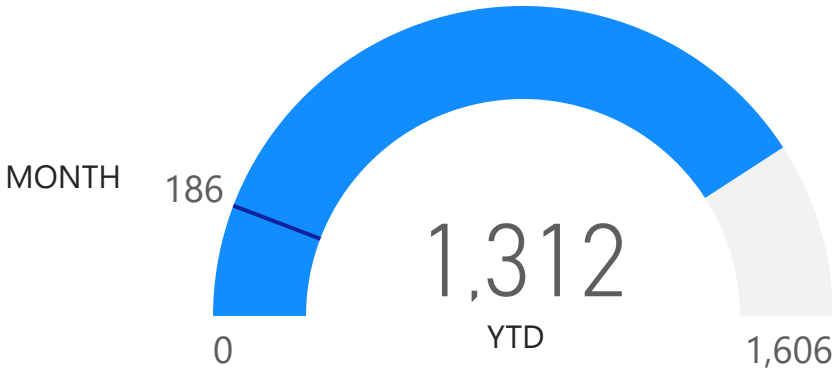
How to read the graphics in this report:



Valves

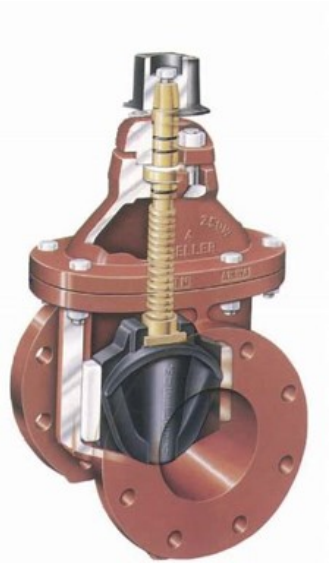
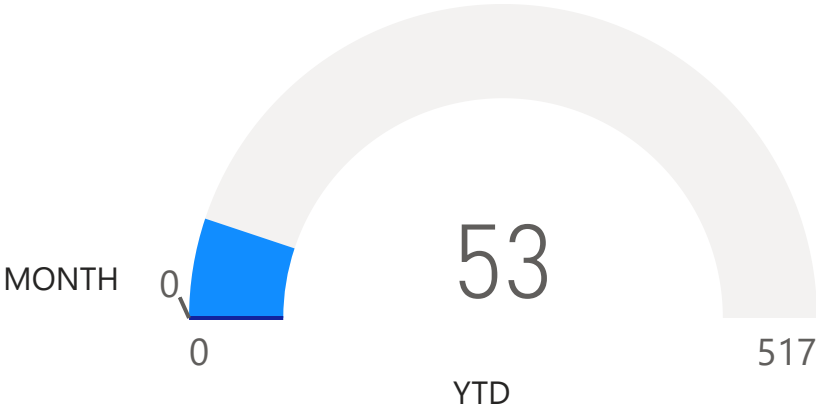
Distribution Valves Operated

Mainline



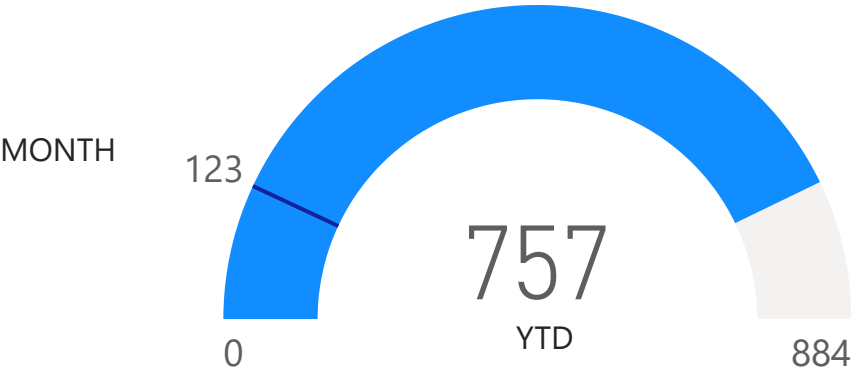
Arterial Valves Operated

Mainline



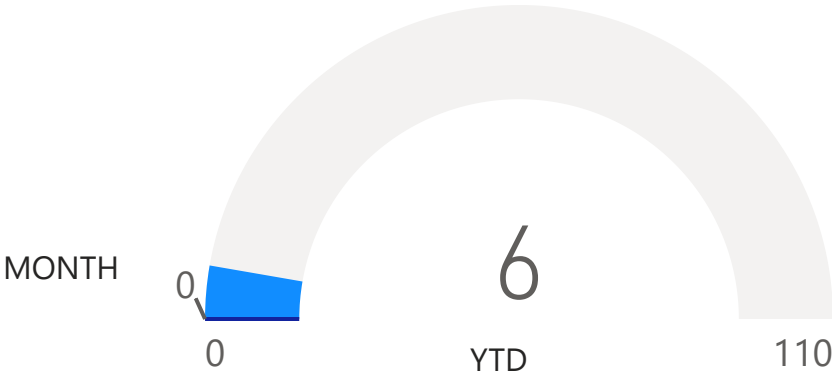
Distribution Valves Operated

Fire Hydrant



Arterial Valves Operated

Fire Hydrant



Asset	Month	YTD
Potable Valves Repaired	5	13
Potable Valves Replaced	2	18
Valve Cans Adjusted/Replaced	6	33
Valve Cans Cleaned	289	1,731
Total	302	1,795

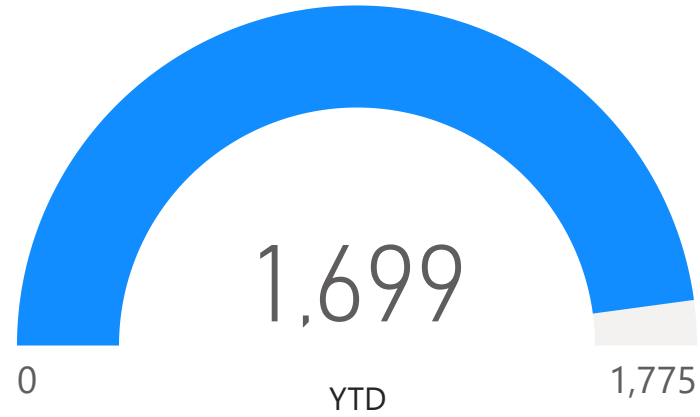
Note:

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

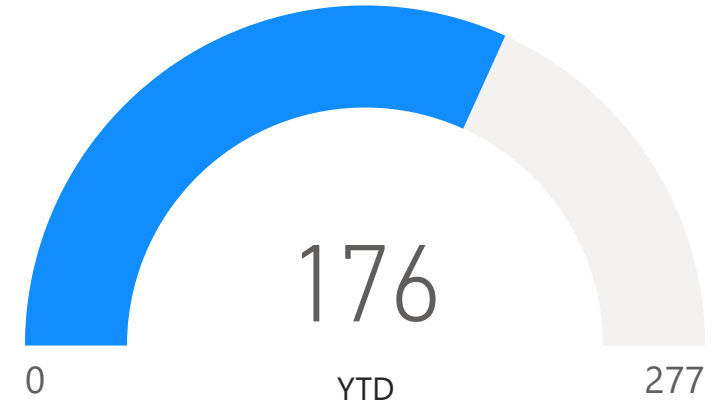
2. The arterial valve operation program strives to operate all arterial valves (mainline and fire) every year. Normally scheduled at the end of the year.

Cross Connection Program

Backflow Assemblies Tested

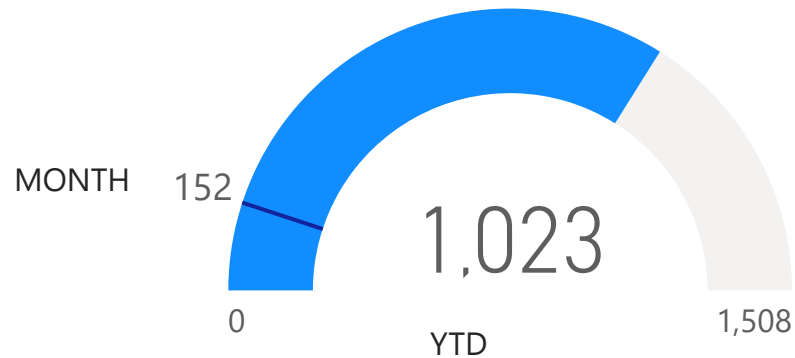


Recycled Water Inspections



Other Facility Maintenance

Generator Inspections



Underground Service Alerts Marked

170
Month

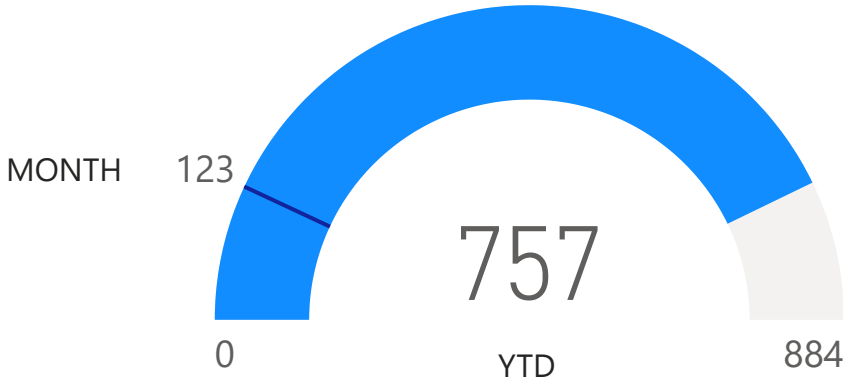
Underground Service Alerts Marked

1,312
YTD

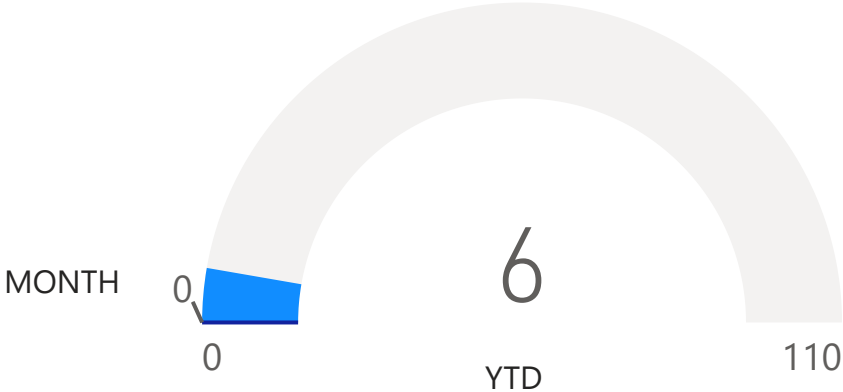
Fire Hydrants



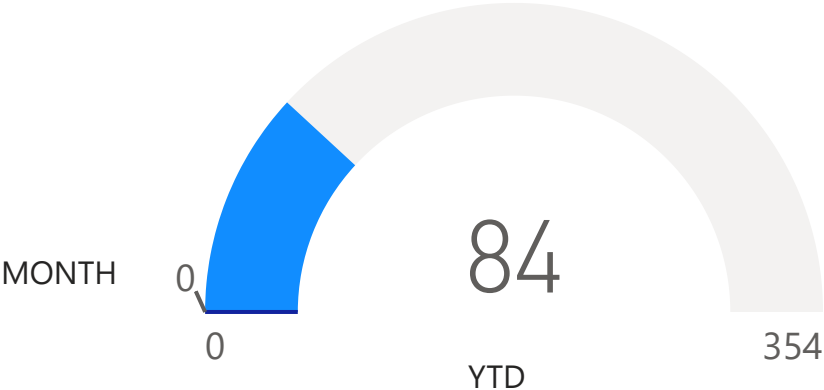
Distribution Hydrants Maintained



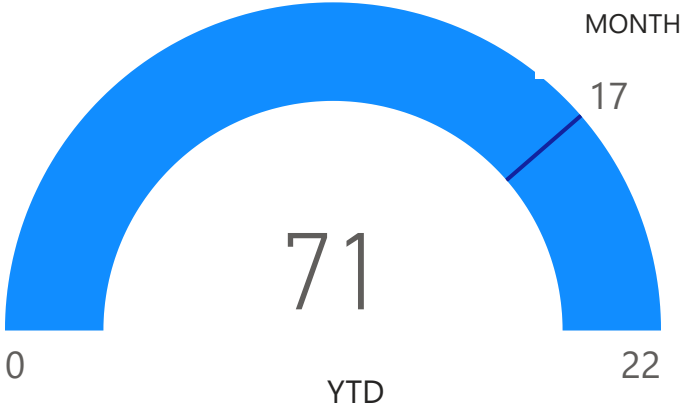
Arterial Hydrants Maintained



Distribution Hydrants Painted



Arterial Hydrants Painted



Asset	Month	YTD
Hydrants Repaired	2	9
Hydrants Replaced	0	7
Total	2	16

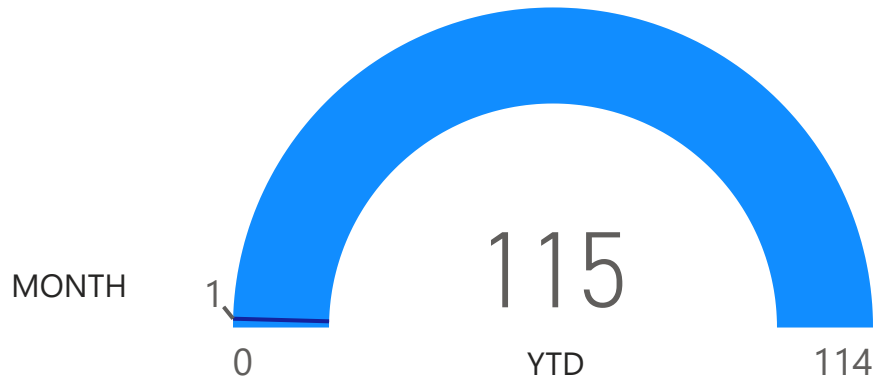
Note:

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

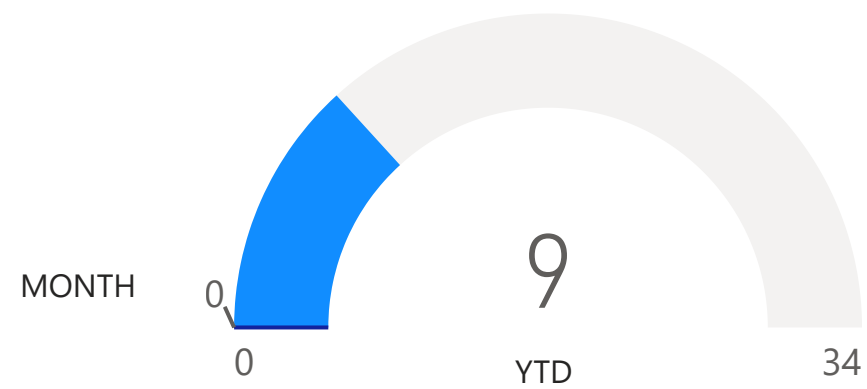
2. The hydrant program strives to paint all hydrants every five years. Goals shown on this page represent that for the calendar year (i.e., total number of hydrants divided by five).

Water Appurtenances

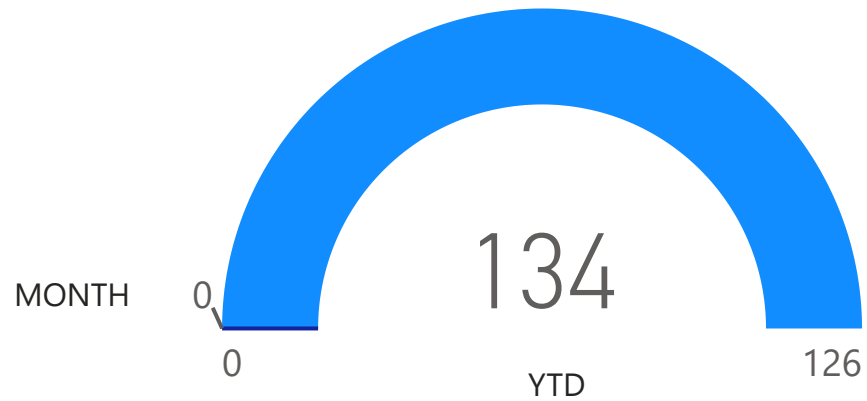
Air Vacs Maintained



PRVs Maintained

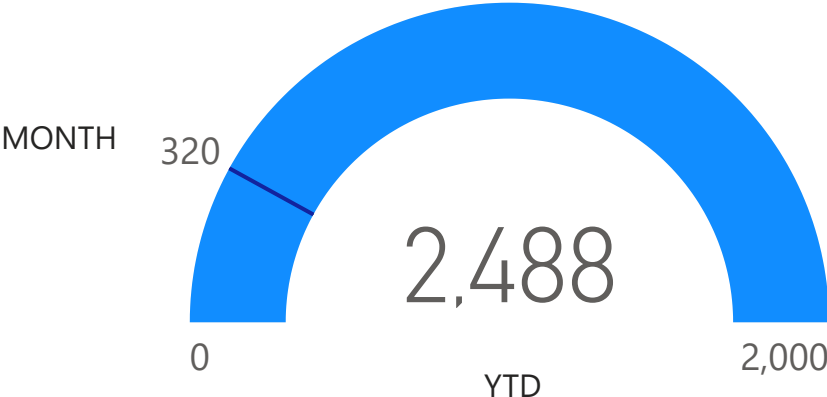


Blow Offs Flushed



Water Distribution System

Leak Detection Survey



Asset

Asset	Month	YTD
Main Line Repairs	0	5
Service Line Repairs	2	8
Service Line Replacement	4	20
Water Pump Motor Services	1	8
Water Pump Services	1	8
Water Reservoir and Pump Station Inspections	109	683



System Flushing
gallons

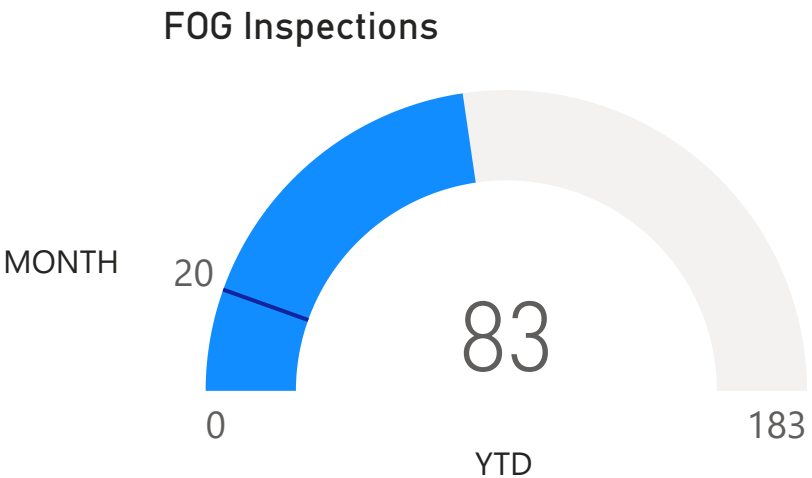
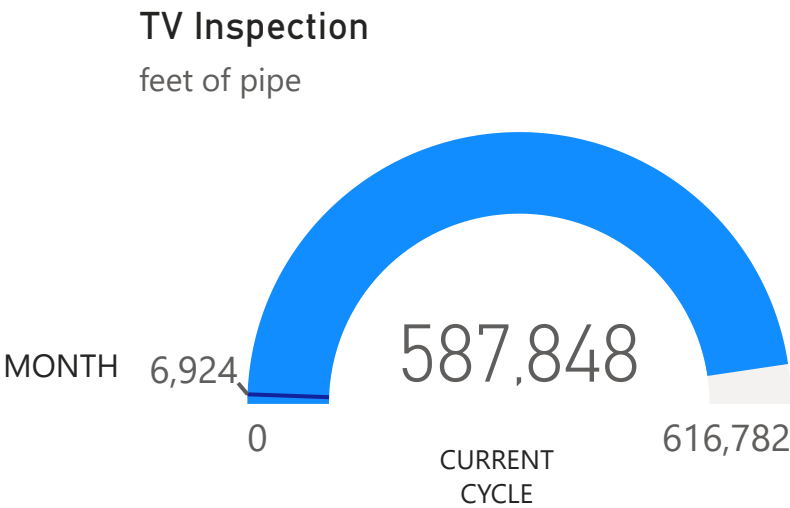
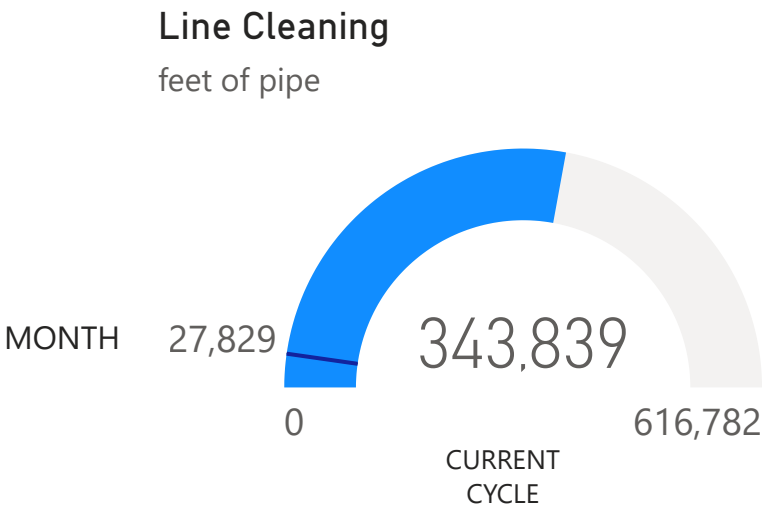
186K
Month



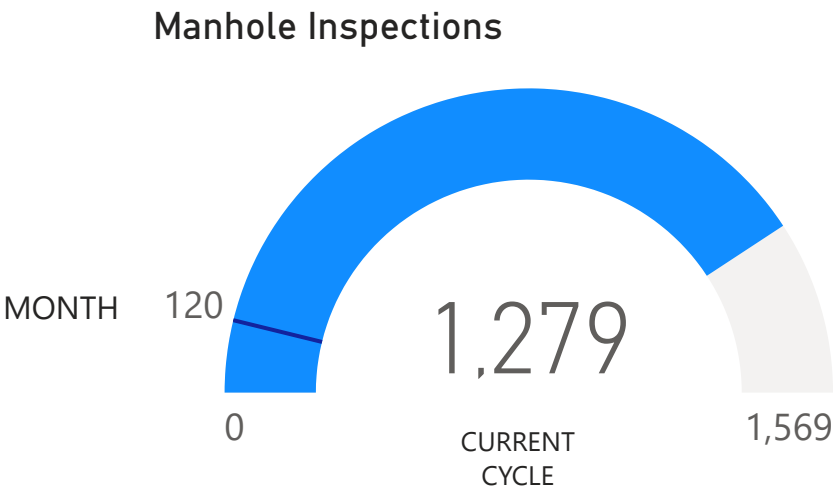
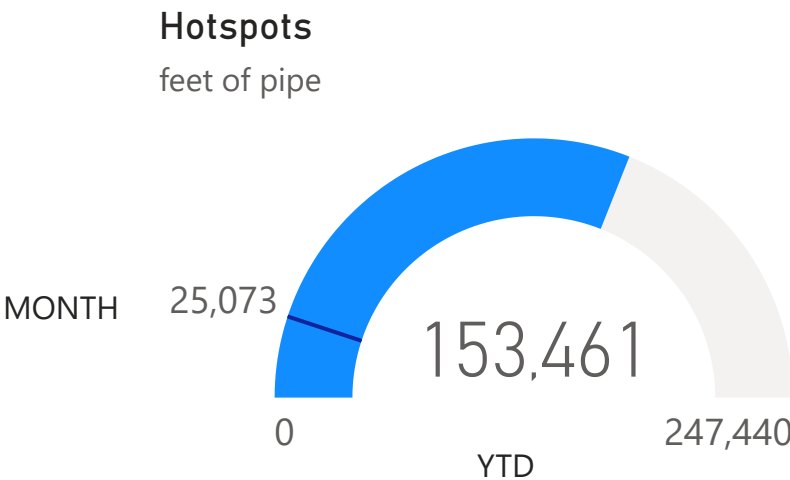
System Flushing
gallons

361K
YTD

Collection System



Asset	Month	YTD
Industrial Waste Inspections	5	41
Lift Station Inspections	93	645
Manhole Repairs	0	5
Odor Complaints	0	0
Root Cutting, feet of pipe	0	47
Root Foaming, feet of pipe	177	177
Sewer Mainline Repairs	0	0
Sewer Pump/Motor Maintenance	3	28
Sewer Service Line Repairs	0	1
Wet Well Cleaning	3	22



Note:

- 1. The line cleaning objective is a two year cycle to clean the entire system. The current cycle began on 7/1/2024.
- 2. The TV inspection objective is a five year cycle to inspect the entire system. The current cycle began on 1/25/2021.

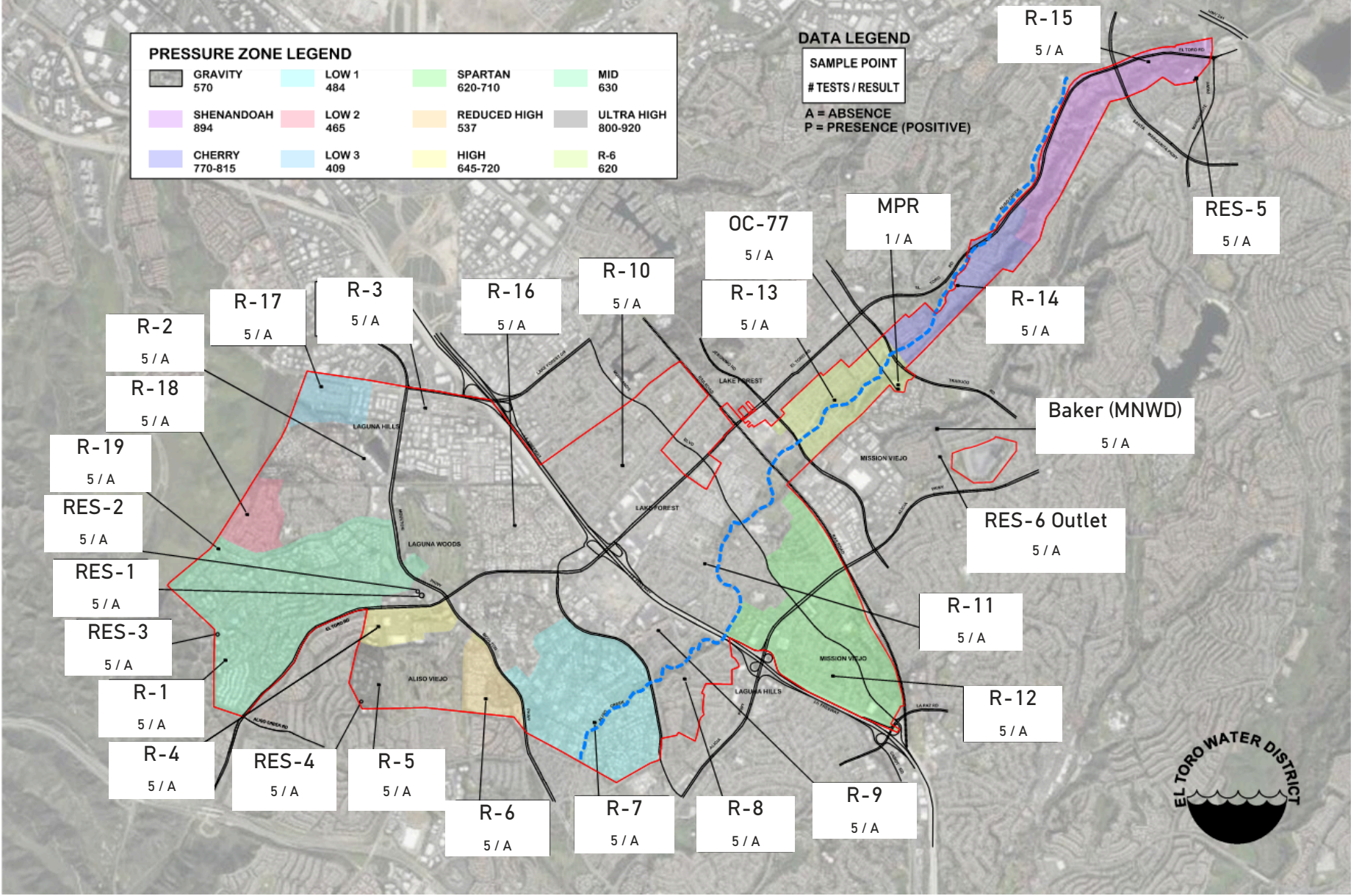
**EL TORO WATER DISTRICT
UNAUTHORIZED DISCHARGE SUMMARY
YEAR OF 2025**

[illegible]

MICROBIOLOGICAL MONITORING

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

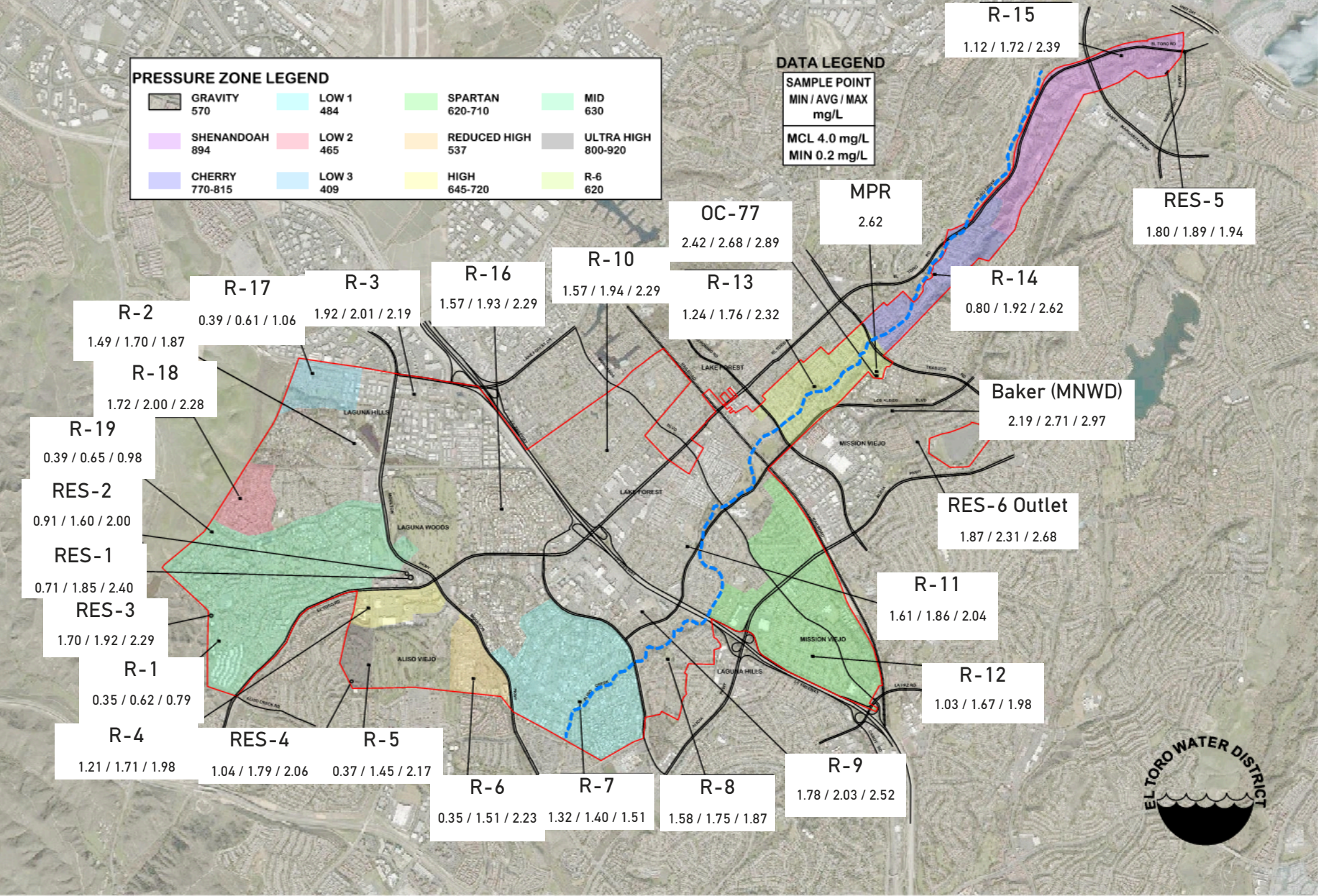
DATA LEGEND
SAMPLE POINT
TESTS / RESULT
A = ABSENCE
P = PRESENCE (POSITIVE)



CHLORINE RESIDUAL MONITORING

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

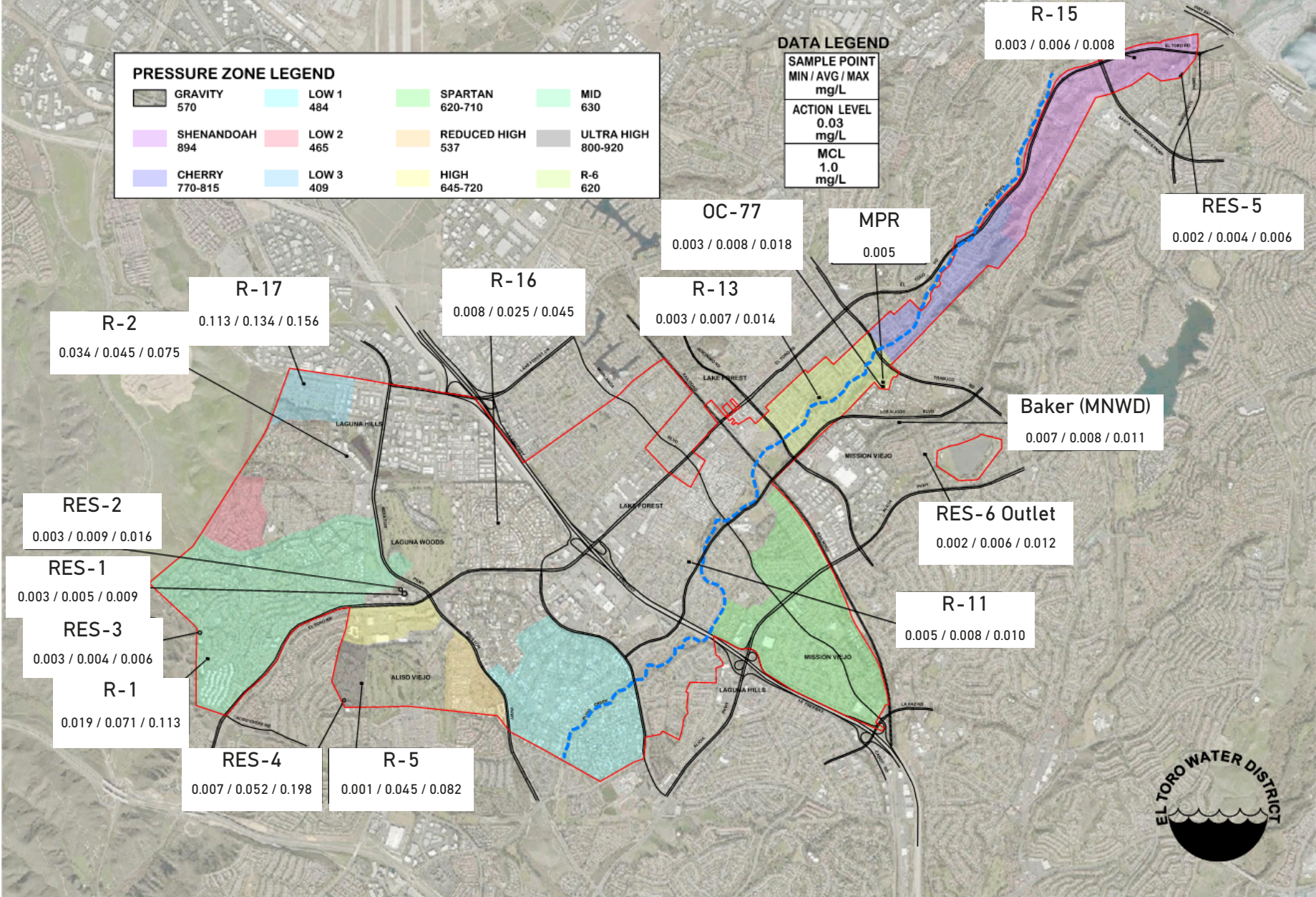
DATA LEGEND	
SAMPLE POINT	MIN / AVG / MAX mg/L
MCL 4.0 mg/L	
MIN 0.2 mg/L	



NITRITE MONITORING

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

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



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

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

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

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

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

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

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

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

EL TORO WATER DISTRICT MONTHLY POTABLE WATER QUALITY ANALYSIS					
MONTH:		July		YEAR : 2025	
CONSTITUENT ANALYSIS	MCL	INSIDE LAB		OUTSIDE LAB	
		NO.	RESULTS	NO.	RESULTS
1 Microbiological	Pres/Absence	142	Absence		Average
2 Chlorine (ppm) In Field	Detectable Resid	213	*Average = 1.60 ppm		
3 TTHM (ppb) (Stage 2)	80 ppb				
3 HAA5 (ppb) (Stage 2)	60 ppb				
4 Physical Quality:			RANGE		
Turbidity (ppm)	5 NTU	20	0.02 to 0.08 Res.		
Odor	3 Units	20	ND<1		
Color	15 Units	20	ND<5		
Temperature	No standard	20	70°F To 76°F		
5 Nitrite (Alert/Action level) ppm	0.015 to 0.030 ppm	189	0.001 to 0.198		

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

Abbreviations:

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

2nd/3rd Quarter 2025 Compliance Reports

July's Monthly Reports

June's Surface Water Treatment (Bactis)	Due July 10th Submitted July 3rd	Sent to Region 8, Dennis Cafferty and Scott Hopkins
June's Revised Total Coliform Monitoring (Bactis)	Due July 10th Submitted July 3rd	Sent to Region 8, Dennis Cafferty and Scott Hopkins
2nd Quarter Stage 2 Disinfection TTHM/HAA5	Due July 10th Submitted July 3rd	Sent to Region 8, Dennis Cafferty and Scott Hopkins
2nd Quarter Report of Disinfectant Residuals	Due July 10th Submitted July 3rd	Sent to Region 8, Dennis Cafferty and Scott Hopkins
Annual Storm Water Report	Due July 15th Submitted July 10th	smarts.waterboards.ca.gov Submitted Electronically on Website
Consumer Confidence Report and Certification	Due in July Submitted July 22nd	ear.waterboards.ca.gov Submitted Electronically on Website
June's Self Monitoring Report for Planned Discharges	Due July 30th Submitted July 3rd	Sent to Region 8, Dennis Cafferty and Scott Hopkins
June's Self Monitoring Report for Recycled Water	Due July 30th Submitted July 22nd	Sent to Region 8, Dennis Cafferty and Scott Hopkins

August's Monthly Reports

July's Surface Water Treatment (Bactis)	Due August 10th Submitted August 7th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
July's Revised Total Coliform Monitoring (Bactis)	Due August 10th Submitted August 7th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
SSMP Update (Every 6 Years) Submitted the Draft	Due August 2nd Submitted August 4th	Uploaded to CIWQS Website
July's Self Monitoring Report for Planned Discharges	Due August 30th Submitted August 7th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
July's Self Monitoring Report for Recycled Water	Due August 30th	Sent to Region 8, Dennis Cafferty and Scott Hopkins

Staff Training Log 2025



First Quarter

Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	189.5	189.5	Weekly	In Person	Field Staff
Defensive Driver	1	41	39	Every 4 Years	In Person	Completed
Distracted Driving	1	58	52	Every 4 Years	Online	All Staff/Assigned
Bloodborne Pathogens	1	58	50	Annual	Online	All Staff/Assigned
Crane Training	24	240	240	Every 5 Years	In Person	Completed
Crane-Rigging/Signalman	4	40	40	Every 2 Years	In Person	Completed
		Total- 626.5	Total- 610.5			

Second Quarter

Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	195.5	195.5	Weekly	In Person	Field Staff
Fire Prevention	1	58	51	Annual	Online	All Staff/Assigned
Fire Extinguisher	1	58	50	Annual	Online	All Staff/Assigned
SPCC Training	1	41	36	Annual	Online	Field Staff/Assigned
WVPP	1	58	50	Annual	In Person	Need to Schedule
Fit Testing	1	33	29	Annual	In Person	In Process
Ergonomics	3	174	165	2 Years	In Person	Completed
		Total- 617.5	Total- 576.5			

Third Quarter

Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	106.5	106.5	Weekly	In Person	Field Staff
Hearing	1	58	20	Annual	Online	All Staff/Assigned
Low Voltage Electrical Safety	1	58	16	Annual	Online	All Staff/Assigned
Asbestos/Silica	4	22	0	Annual	In Person	Scheduled
HAZWOPER	1	39	0	Annual	In Person	Need to Schedule
Spill Reporting	1	35	0	As Needed	In Person	Need to Schedule
		Total- 318.5	Total- 142.5			

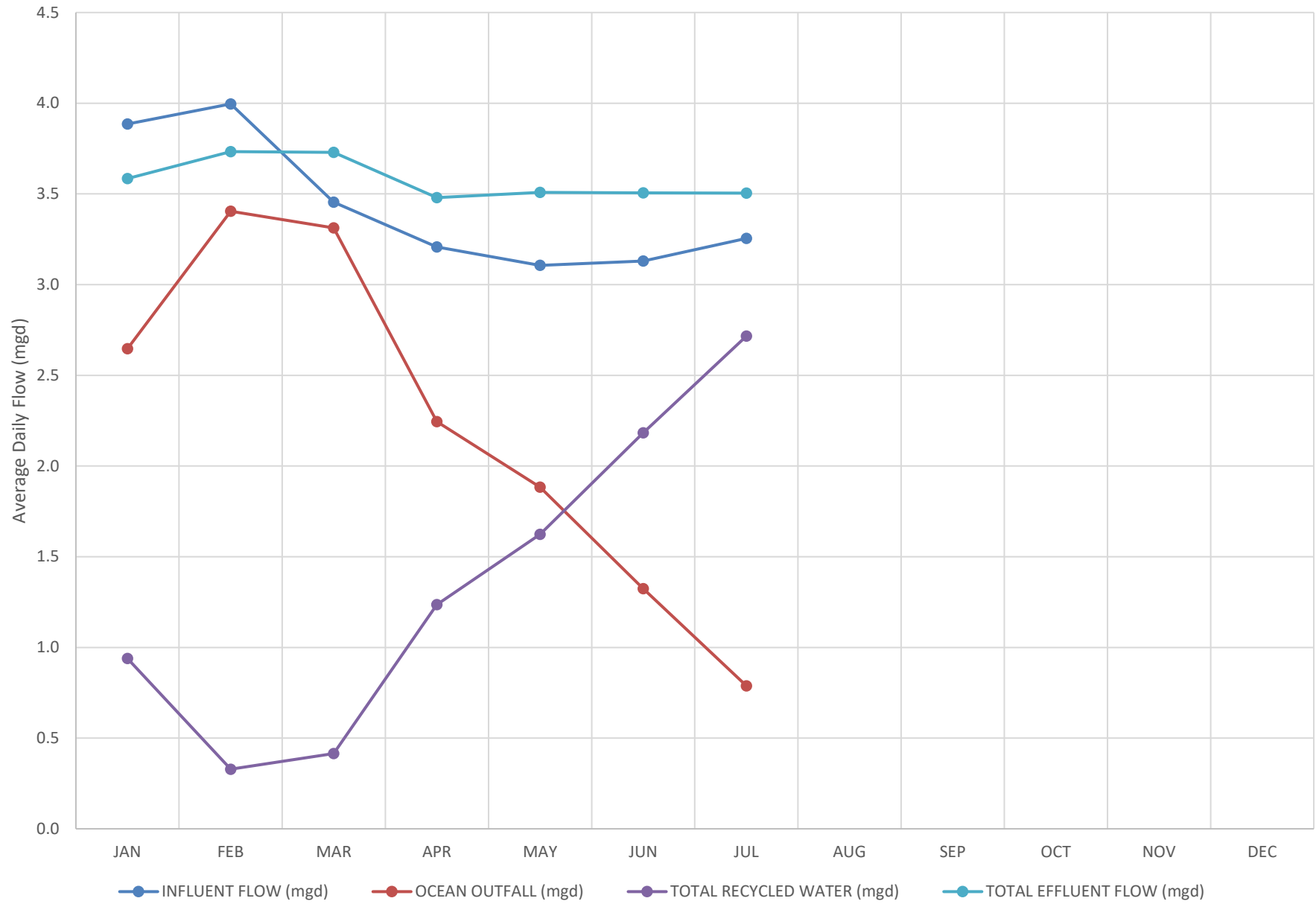


EL TORO WATER DISTRICT

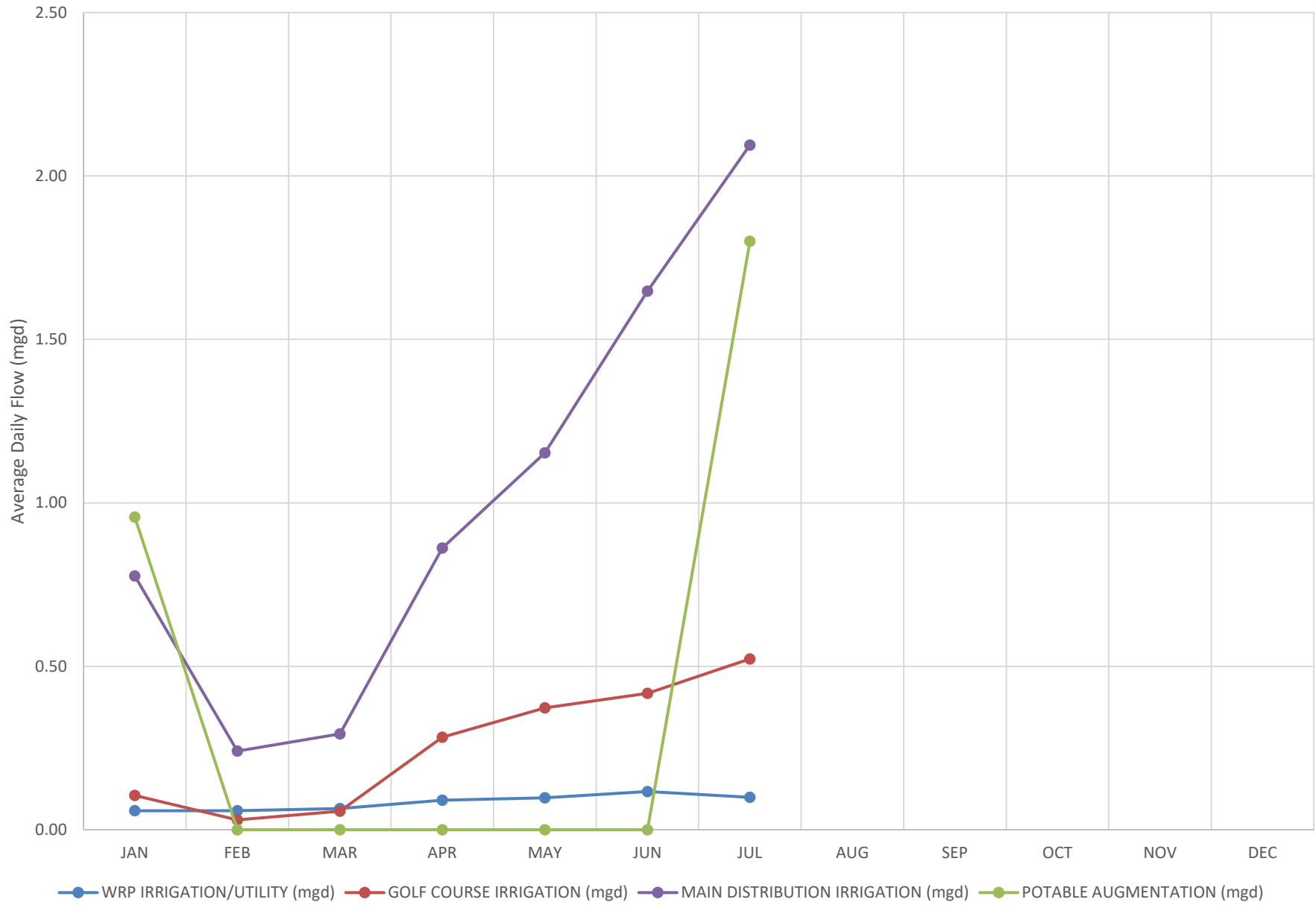
OPERATIONAL DATA FROM WATER RECYCLING PLANT

[illegible]

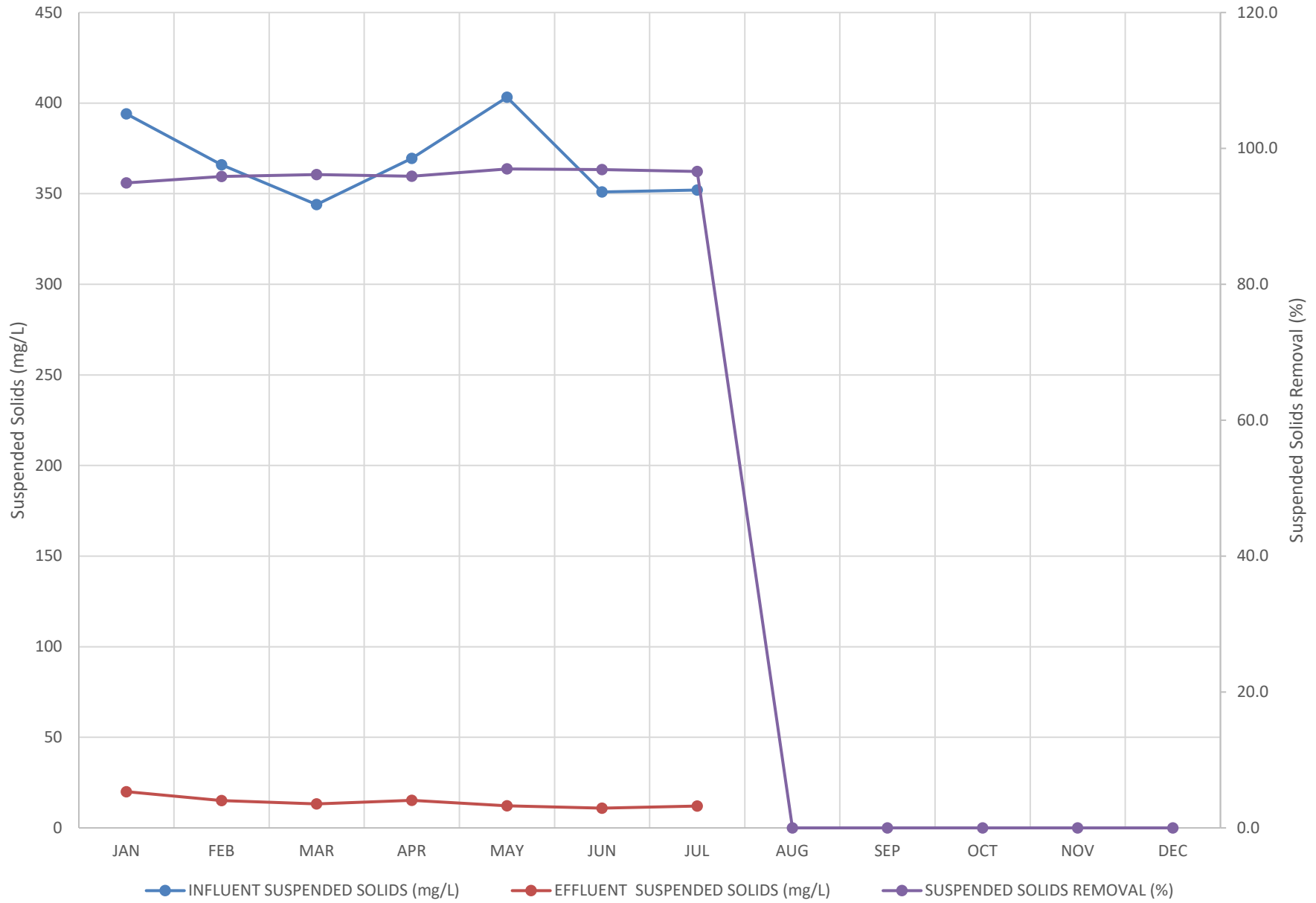
WRP Flow Trends



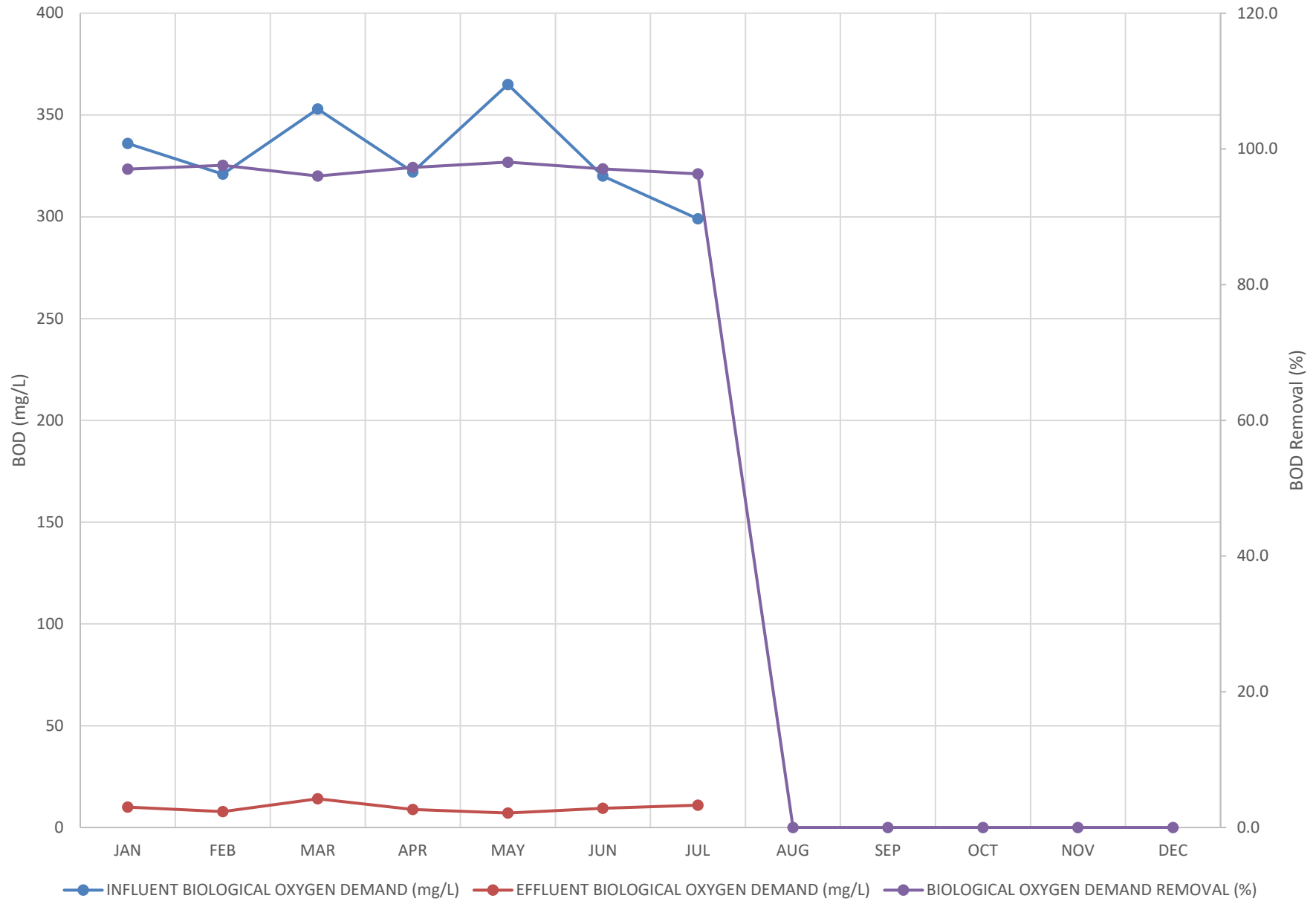
Recycled Water Flow Trends



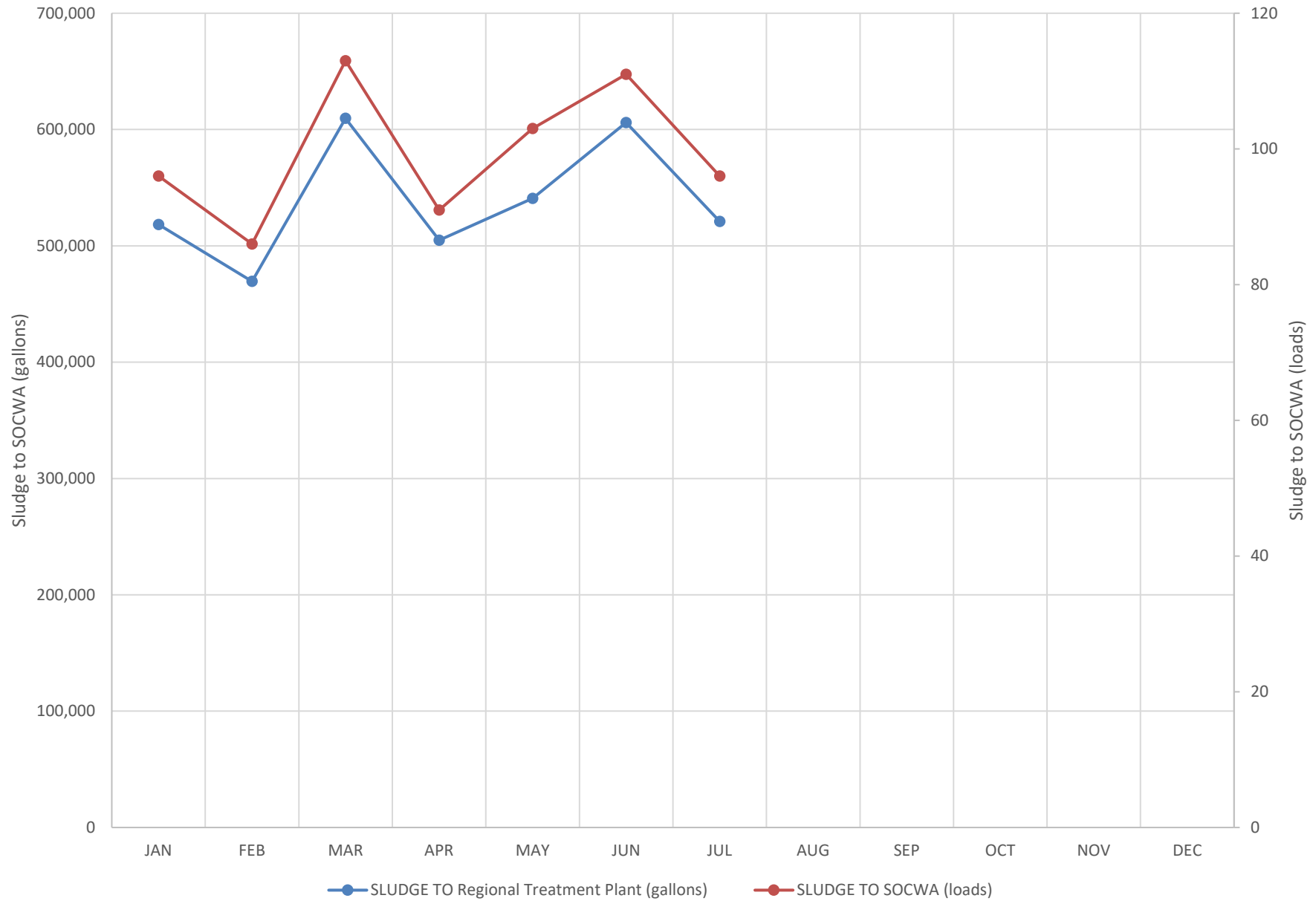
Suspended Solids Trends



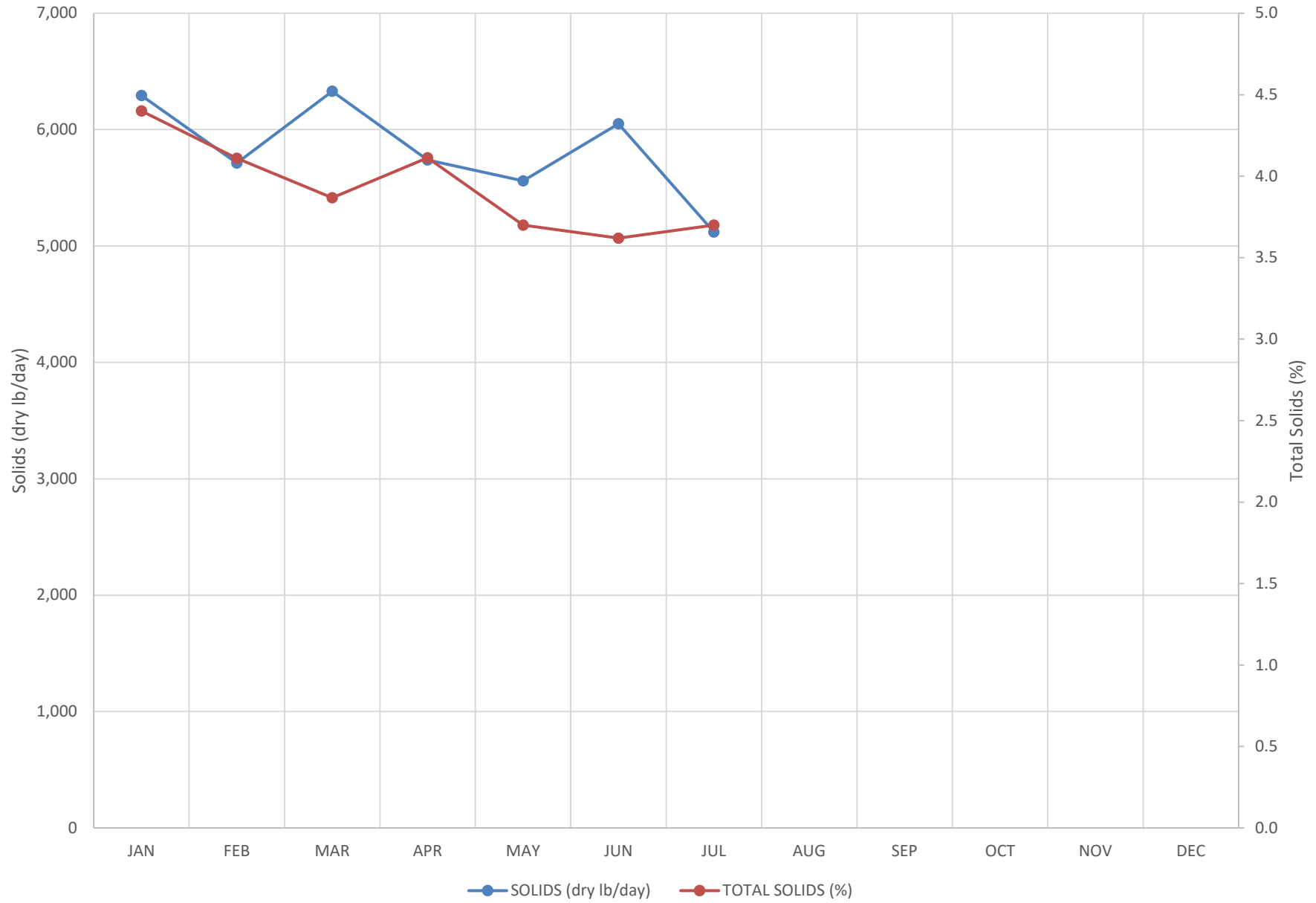
Biological Oxygen Demand (BOD) Trends



SOCWA Hauling Trends



Solids Trends



WRP BATTERY STORAGE SYSTEM

MONTHLY REPORT

JULY 2025



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
1	08/13/19 - 09/12/19	(917.75)	(2,507.75)	
	09/12/19 - 10/11/19	3,265.76	1,675.76	
	10/11/19 - 11/13/19	(483.66)	(2,073.66)	
	11/13/19 - 12/13/19	232.10	(1,357.90)	
	12/13/19 - 01/14/20	(2,223.61)	(3,813.61)	
	01/14/20 - 02/12/20	1,004.27	(585.73)	
	02/12/20 - 03/13/20	432.82	(1,157.18)	
	03/13/20 - 04/13/20	(2,953.81)	(4,543.81)	
	04/13/20 - 05/13/20	414.86	(1,175.14)	
	05/13/20 - 06/12/20	3,464.46	1,874.46	
	06/12/20 - 07/15/20	898.72	(691.28)	
	07/15/20 - 08/13/20	497.61	(1,092.39)	(15,448.23)
2	08/13/20 - 09/14/20	1,727.18	137.18	
	09/14/20 - 10/14/20	1,142.91	(447.09)	
	10/14/20 - 11/13/20	993.16	(596.84)	
	11/13/20 - 12/15/21	1,814.40	224.40	
	12/15/20 - 01/14/21	252.77	(1,337.23)	
	01/14/21 - 02/12/21	2,598.74	1,008.74	
	02/12/21 - 03/16/21	2,545.66	955.66	
	03/16/21 - 04/14/21	442.16	(1,147.84)	
	04/14/21 - 05/13/21	4,658.68	3,068.68	
	05/13/21 - 06/14/21	5,828.63	4,238.63	
	06/14/21 - 07/14/21	7,090.27	5,500.27	
	07/14/21 - 08/12/21	11,656.05	10,066.05	21,670.61
3	08/12/21 - 09/13/21	3,251.24	1,661.24	
	09/13/21 - 10/13/22	4,854.74	3,264.74	
	10/13/21 - 11/12/21	1,835.55	245.55	
	11/12/21 - 12/14/21	1,953.12	363.12	
	12/14/21 - 01/13/22	(624.65)	(2,214.65)	
	01/13/22 - 02/11/22	40.42	(1,549.58)	
	02/11/22 - 03/15/22	647.37	(942.63)	
	03/15/22 - 04/13/22	2,556.61	966.61	
	04/13/22 - 05/13/22	92.84	(1,497.16)	
	05/13/22 - 06/14/22	8,377.93	6,787.93	
	06/14/22 - 07/14/22	20,486.96	18,896.96	
	07/14/22 - 08/12/22	6,915.19	5,325.19	31,307.32

WRP BATTERY STORAGE SYSTEM

MONTHLY REPORT

JULY 2025

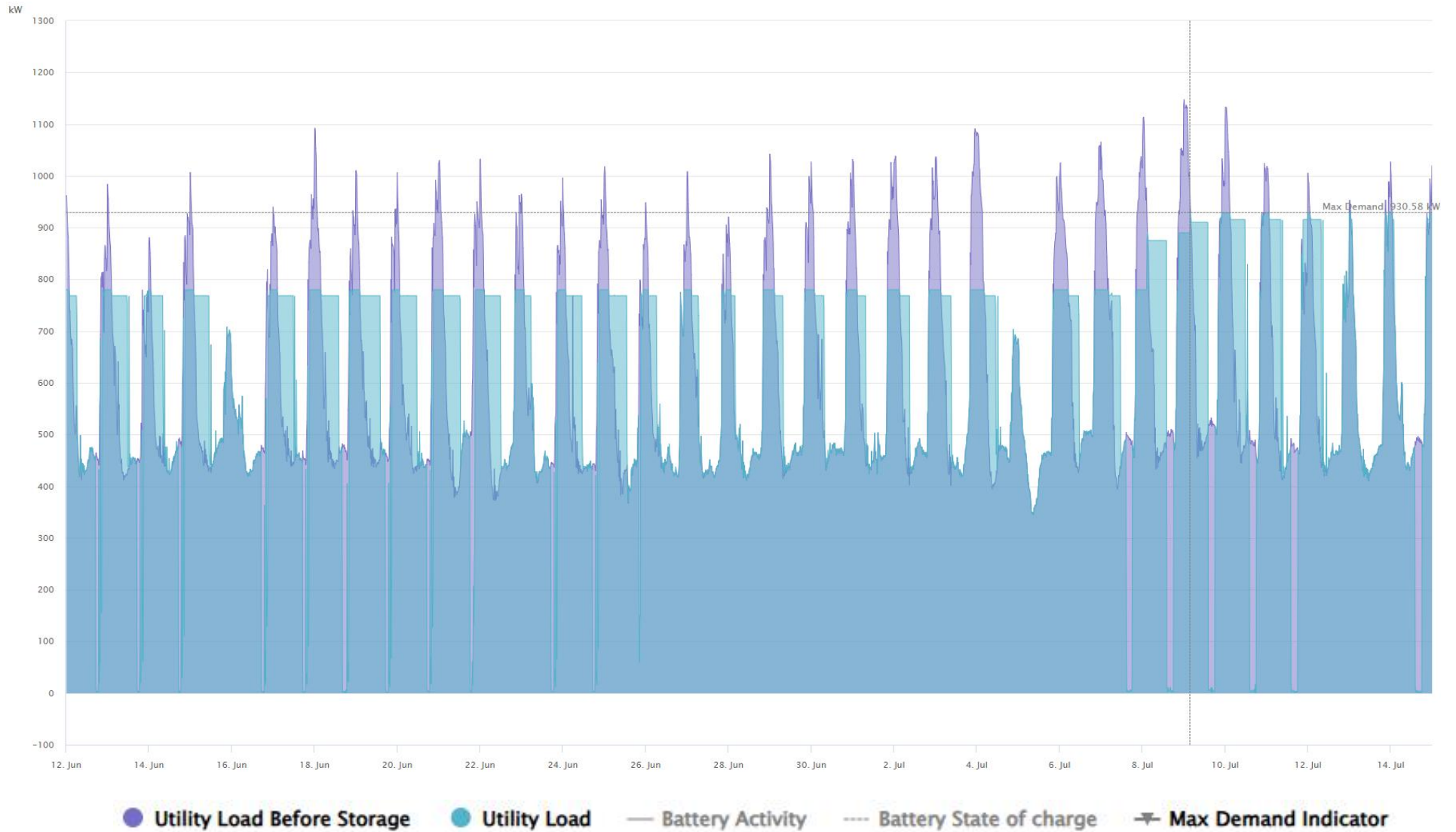


YEAR	BILLING PERIOD	BILL SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
4	08/12/22 - 09/13/22	8,171.50	6,581.50	
	09/13/22 - 10/13/22	2,943.86	1,353.86	
	10/13/22 - 11/14/22	2,083.92	493.92	
	11/14/22 - 12/14/22	1,960.66	370.66	
	12/14/22 - 01/12/23	(3,571.97)	(5,161.97)	
	01/12/23 - 02/11/23	311.28	(1,278.72)	
	02/11/23 - 03/14/23	2,755.08	1,165.08	
	03/14/23 - 04/12/23	1,994.90	404.90	
	04/12/23 - 05/11/23	(558.88)	(2,148.88)	
	05/11/23 - 06/12/23	6,377.33	4,787.33	
	06/12/23 - 07/13/23	21,318.66	19,728.66	
	07/13/23 - 08/11/23	3,262.26	1,672.26	
	Performance Bonus	(148.00)	(148.00)	27,820.60
5	08/11/23 - 09/12/23	1,749.86	159.86	
	09/12/23 - 10/11/23	16,350.56	14,760.56	
	10/11/23 - 11/09/23	4,659.23	3,069.23	
	11/09/23 - 12/12/23	9,302.30	7,712.30	
	12/12/23 - 01/11/24	5,204.44	3,614.44	
	01/11/24 - 02/12/24	(828.52)	(2,418.52)	
	02/14/24 - 03/13/24	(2,433.90)	(4,023.90)	
	03/13/24 - 04/12/24	2,204.14	614.14	
	04/12/24 - 05/13/24	(37.79)	(1,627.79)	
	05/13/24 - 6/12/24	6,965.53	5,375.53	
	06/12/24 - 7/15/24	7,871.04	6,281.04	
	07/16/24 - 8/13/24	(308.78)	(1,898.78)	
	Performance Bonus	(1,973.00)	(1,973.00)	29,645.11
6	8/13/24-9/12/24	5,410.44	3,820.44	
	9/12/24-10/11/24	8,270.47	6,680.47	
	10/11/24-11/12/24	3,470.89	1,880.89	
	11/12/24-12/11/24	2,864.46	1,274.46	
	12/11/24-01/11/25	5,471.53	3,881.53	
	01/11/25-02/11/25	3,099.11	1,509.11	
	02/11/25-03/13/25	513.45	(1,076.55)	
	03/13/25-04/11/25	3,793.31	2,203.31	
	04/11/25-05/13/25	7,880.66	6,290.66	
	05/13/25-06/12/25	(4,962.65)	(6,552.65)	
	STEM Credit	11,365.00	11,365.00	
	06/12/25-07/15/25	11,961.11	10,371.11	
TOTAL		249,533.19		41,647.78
				136,643.19

WRP BATTERY STORAGE SYSTEM

MONTHLY REPORT

06/12/24 - 07/15/2025



Sewerage Treatment Plant



23542 Moulton Pkwy, Laguna Woods, CA 92637

Savings Report - 2025-07

Jun 12, 2025 - Jul 15, 2025

SCE TOU 8 Option D (< 2kV)

Demand Charges	Before Storage		After Storage		Savings	
Facilities Related - Distribution	1,148kW	\$23,053.45	931kW	\$18,695.37	217kW	\$4,358.08
Facilities Related - Transmission	1,148kW	\$6,047.37	931kW	\$4,904.16	217kW	\$1,143.21
Time Related - Distribution - Summer On-Peak	1,016kW	\$20,674.47	849kW	\$17,267.06	168kW	\$3,407.41
Time Related - Utility Retained Generation - Summer On-Peak	1,016kW	\$17,706.45	849kW	\$14,788.21	168kW	\$2,918.24
Sub-total		\$67,481.74		\$55,654.79		\$11,826.95

Energy Charges	Before Storage		After Storage		Savings	
Competition Transition Charge	474,496kWh	\$(194.54)	481,482kWh	\$(197.41)	(6,986)kWh	\$2.86
Competition Transition Charge (URG Component)	474,496kWh	\$194.54	481,482kWh	\$197.41	(6,986)kWh	\$(2.86)
Distribution - Summer Mid-Peak	30,239kWh	\$424.55	26,981kWh	\$378.81	3,258kWh	\$45.74
Distribution - Summer Off-Peak	384,596kWh	\$5,284.35	416,583kWh	\$5,723.85	(31,987)kWh	\$(439.50)
Distribution - Summer On-Peak	59,662kWh	\$921.18	37,918kWh	\$585.46	21,743kWh	\$335.72
Fixed Recovery Charge	474,496kWh	\$540.93	481,482kWh	\$548.89	(6,986)kWh	\$(7.96)
New System Generation Charge	474,496kWh	\$3,036.78	481,482kWh	\$3,081.49	(6,986)kWh	\$(44.71)
Nuclear Decommissioning Charge	474,496kWh	\$(4.74)	481,482kWh	\$(4.81)	(6,986)kWh	\$0.07
Public Purpose Programs Charge	474,496kWh	\$12,346.40	481,482kWh	\$12,528.17	(6,986)kWh	\$(181.77)
PUC Reimbursement Fee	474,496kWh	\$379.60	481,482kWh	\$385.19	(6,986)kWh	\$(5.59)
State Tax	474,496kWh	\$142.35	481,482kWh	\$144.44	(6,986)kWh	\$(2.10)
Transmission	474,496kWh	\$18.98	481,482kWh	\$19.26	(6,986)kWh	\$(0.28)
Utility Retained Generation - Summer Mid-Peak	30,239kWh	\$2,649.22	26,981kWh	\$2,363.78	3,258kWh	\$285.44
Utility Retained Generation - Summer Off-Peak	384,596kWh	\$22,825.76	416,583kWh	\$24,724.20	(31,987)kWh	\$(1,898.44)
Utility Retained Generation - Summer On-Peak	59,662kWh	\$5,732.32	37,918kWh	\$3,643.21	21,743kWh	\$2,089.12
Wildfire Fund Non-Bypassable Charge	474,496kWh	\$2,823.25	481,482kWh	\$2,864.82	(6,986)kWh	\$(41.56)
Sub-total		\$57,120.91		\$56,986.74		\$134.17

Other Monthly Charges	Before Storage		After Storage		Savings	
Customer Charge		\$447.44		\$447.44		\$ -
Sub-total		\$447.44		\$447.44		\$ -

Total	Before Storage		After Storage		Savings	
		\$125,050.09		\$113,088.97		\$11,961.11



STAFF REPORT

To: Board of Directors

Meeting Date: August 25, 2025

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

Subject: Capital Project Status Report

I. DAF No. 1 MCC Replacement

The WRP operates two Dissolved Air Flootation (DAF) Units to thicken solids prior to hauling to the MNWD Regional Treatment Plant. Originally installed in 1981, the Motor Control Center (MCC) that powers DAF No. 1 has reached the end of its useful life. Replacement parts are obsolete; corrosion is present at the bottom of the MCC, as shown in Figure 1, and the existing MCC is not arc flash rated. In July 2024, the Board approved pre-purchase of a new MCC. The District received the new MCC in April, and District staff developed bid documents for installation and hired a contractor to install the equipment in July. The project is complete, as shown in Figure 2. Table 1 summarizes costs for this project, which are approximately \$55,000 less than budget.



Figure 1 – DAF No. 1 MCC (Before)



Figure 2 – DAF No. 1 MCC (After)

Table 1- DAF No. 1 MCC Replacement Project Expenditures

Scope	Cost
MCC Replacement Cost	\$73,406.48
MCC Installation by Contractor	\$20,560.00
Total	\$93,966.48
Budget	\$149,000.00
Difference	\$55,033.52

II. Secondary Clarifier No. 4 Drive Replacement Project

District staff received the Secondary Clarifier No. 4 drive, dewatered and cleaned the clarifier, and coordinated with Don Peterson Contracting, Inc. to install, as shown in Figures 3 and 4. In-house District staff will repair, prime, and paint the bridge to the Secondary Clarifier No. 4 drive. After removing and inspecting the adapter frame that connects the bridge to the gearbox, District staff determined it requires replacement, as shown in Figures 5 and 6. District staff will amend Don Peterson's contract to fabricate and install a new frame in its place.



Figure 3 – Dewatered Secondary Clarifier No. 4



Figure 4 – New Secondary Clarifier No. 4 Drive



Figure 5 – Corroded Bridge Adaptor



Figure 6 – Corroded Bridge Adaptor

III. Moulton/El Toro Cathodic Protection Repair

The District needs to hire a contractor to repair the impressed current cathodic protection system by addressing stray current interference for the reinforced concrete cylinder pipelines along El Toro Road and Moulton Parkway. Work includes installing new anode beds, replacing test stations, and installing reference electrodes with electrical resistance probes. Based on the design developed by Corrpro, District staff advertised the Project for bids and conducted a mandatory pre-bid meeting this month. Bids are due in October.

IV. Westline Lift Station Main Switchboard Replacement

District staff issued Notice of Award then Notice to Proceed to Baker Electric & Renewables (Baker) earlier this month. Staff held a preconstruction meeting with Baker in late August and intends to begin construction immediately following approval from Southern California

Edison (SCE). Baker intends on completing the project within six weeks of mobilization however the project schedule largely depends on SCE's approval process and scheduling.

V. Main Office Warehouse Drainage Improvement Project

District staff and the contractor, GCI, held a preconstruction meeting in mid-August. Since that time, GCI has taken delivery of the precast manhole, pumps, and electrical panels and has mobilized to the site. Excavation and installation of the precast manhole are underway, as shown in Figures 7 and 8. GCI anticipates completing the project by mid-September.



Figure 7 – Precast manhole excavation



Figure 8 – Precast manhole installation

VI. R-6 Reservoir Southern Slope Stabilization Project

After receiving the 90% design this month, District staff plan to review and share the bid documents with the City of Mission Viejo for approval. The District will bid the project as soon as the City approves the design, anticipated by October. The Division of Safety of Dams approved the design based on discussions during design development.

District staff met with members from Living Word Lutheran Church and obtained their initial approval on the design concept. Staff are now working to develop a construction agreement with the Church for work outside of District property limits.

VII. Aliso Creek Lift Station Improvements Project

The designer, Tetra Tech, plans to reach the 90% design milestone by the end of the month. District staff prepared presentations and coordinated with Village Management Services (VMS) staff to schedule Golden Rain Foundation and United Committee meetings in October and Board meetings by the end of the year.

District staff also continue to prepare the FEMA HMGP subapplication for this project, due September 2025. District staff met with CalOES staff and revised the subapplication based on their comments. The grant support consultant, West Yost, is working to complete the benefit-cost analysis.

VIII. Tertiary Disinfection Optimization Project

District staff ordered the equipment and supporting components for three new free chlorine analyzers and a sample pump. Leveraging in-house design drawings, District staff also solicited a quotation for electrical installation and plan to award a contract to Baker in the amount of \$13,215 for this work. After receiving the analyzers, District staff plan to install them in September.

IX. Headworks and Secondary Clarifier No. 1 Rehabilitation Project

District staff executed agreements with Carollo, Butier, and ROI Engineering for engineering services during construction, construction management, and programming, respectively. District staff conducted a preconstruction meeting with Filanc and await submission of their first submittals, including the overall project schedule.

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

The District received the MCC and Automatic Transfer Switch (ATS) this month. Next, District staff will develop contract documents in-house and solicit bids from electrical contractors. District staff plan to recommend Board award of the installation contract in October, and construction will take place in November.

XI. Battery and Solar Projects

District staff worked with TerraVerde Energy (TerraVerde) to release a request for proposals (RFP) for potential solar and battery energy efficiency projects at the WRP and P-1 Pump Station. TerraVerde invited a shortlist of qualified contractors to propose on the project, and 15 attended the informational webinar. District staff plan to conduct a mandatory site walk this month. Proposals are due next month, and District staff plan to conduct interviews and recommend award by the end of the year.

XII. Energy Efficiency Update

Since adding rainwater removal pumps during the Floating Cover and Liner Replacement Project at the R-6 Reservoir site, demand charges have increased under the current TOU-GS-2 E rate. District staff discussed options with SCE representatives and determined that switching to a different rate category, TOU-PA-2 Option E, would save approximately \$1,780 per year. TOU-PA-2 Option E is specifically designed for agricultural or pumping loads less than 200 kW in demand and greater than 70% attributed pumping use. To realize these savings, District staff submitted the necessary forms to SCE and expects the new rate structure for the R-6 Reservoir site to start within the next three months.

XIII. Asset Management

District staff are responding to a data request and continue to meet with the consultant, Hazen and Sawyer (Hazen), to develop the linear asset management plan. In parallel, District staff continue to determine the best computerized maintenance management software (CMMS) to maintain real-time validity of the asset management inventory data.

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

Category	Project Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	CIP Budget	Board Approved Cost
<i>2025/26 Capital Projects</i>															
	R-5 Reservoir Rehabilitation				E	E	E	B	A	C	C			\$194,000	
	R-6 Reservoir Southern Slope Stabilization	E	E	B	A	C	C	C						\$500,000	
	Asset Management	E	E	E	E	E	E	BP						\$86,000	\$84,630
<i>2025/26 Capital Equipment</i>															
	Shenandoah Booster Station Pump & Motor Replacement	A	A			R								\$198,000	\$132,236
	P-1 Battery Project	E	B	B	B	B	A	C	C	C	C	C	C	\$900,000	
	OOPS Battery Project	E	B	B	B	B	A	C	C	C	C	C	C	\$0	
	Main PR Hydro Turbine	Deferred unless alternative funding becomes available												\$603,000	
	Headworks and Secondary Clarifier No. 1 Rehabilitation	C	C	C	C	C	C	C	C	C	C	C	C	\$11,962,000	\$13,060,285
	Solids Hauling Trailer			R										\$307,000	\$199,635
<i>Previous Fiscal Year Carryover</i>															
	Moulton/El Toro Cathodic Protection Study	E	B	B	A	C	C							\$218,000	
	Aliso Creek Pump Station Rehabilitation Project	E	E	E	E	E	E							\$600,000	\$484,000
	OOPS MCC and Valve Replacement Project	R	E	B	A									\$191,000	
	Secondary Clarifier No. 3 and 4 Drive Replacement Project		R	C	C	C								\$0	\$206,083
	Westline Main Switchboard Replacement	A	C	C	C									\$113,000	\$164,778
	Freeway Electrical Equipment Replacement	E	A	C	C	C					E	E	E	\$263,362	\$155,646
	Tertiary Disinfection Optimization Project	B	O	R	C									\$132,000	
	Westline Generator Unit 213 Replacement	E	E	E	B	A								\$267,000	
Total														\$14,788,000	\$13,876,156

Key:

Water
 Wastewater
 Recycled Water
 Split between All Departments
 Board Involvement

Abbreviations:

A = Approve by Board

B = Bid

BP = Board Presentation

C = Construction

E = Engineering/Study

ET = Evaluate

L = Legal

N = Negotiate

O = Order

P = Permit

RFP = Request for Proposal

R = Receive

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

July 21, 2025

At approximately 7:33 a.m. President Gaskins called the regular meeting to order.

Vice President Freshley led the Pledge of Allegiance to the flag.

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

Also participating were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, IT Manager (Zoom), SHERRI SEITZ, Public Affairs Manager, (Zoom), VU CHU, Water Resources Supervisor, VICKI TANIOUS, Senior Accountant (Zoom), CAROL MOORE, Laguna Woods City Council Member (Zoom), and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

Roll Call:

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

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

Oral Communications/Public Comment

There were no comments.

Items Too Late to be Agendized

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

Finance and Insurance Committee Meeting

At approximately 7:35 a.m. Director Monin called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Monin asked for a Motion.

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

Roll Call Vote:

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

Financial Information Items

Financial Statements and Report

Mr. Sharma reported a decrease in the District's total Cash and Investments due to a debt service payment. He noted the Current ratio is 13 and 277 days of cash on hand. Preliminary year-end revenue figures will be finalized in the coming weeks, with investment income showing significantly better than the budgeted results for the year.

Financial Action Items

Financial Package - Authorization to Approve Payment of Bills for the Month Ending June 30, 2025

Director Monin asked for a Motion.

Motion: President Gaskins made a motion, seconded by Vice President Freshley to approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending June 30, 2025.

Roll Call Vote:

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

Quarterly Insurance Report

Mr. Cafferty reported that a new liability claim this quarter is currently in review by JPIA. He noted that staff and Mr. Granito are updating the District's claims procedures for the Administrative Code. Vice President Freshley inquired whether there has been new information about potential impacts on medical insurance from recent legislation. Mr. Cafferty stated that the District usually budgets a considerable increase every year but staff will further investigate the matter.

Director Monin asked for a Motion.

Motion: Director Havens made a motion, seconded by Vice President Freshley to receive and file the Quarterly Insurance Report for the period of April 1, 2025 through June 30, 2025.

Roll Call Vote:

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

Comments Regarding Non-Agenda FIC Items

There were no comments.

Adjournment

There being no further business the Finance and Insurance Committee meeting was closed at approximately 7:43 a.m.

Respectfully submitted

MARISOL MELENDEZ
Recording Secretary

APPROVED:

MIKE GASKINS, President
of the El Toro Water District and the
Board of Directors thereof

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



EL TORO WATER DISTRICT

Investment Performance Review For the Quarter Ended June 30, 2025

Client Management Team

Monique Spyke, Managing Director
Robert Montoya, Institutional Relationship Manager
Jeremy King, Key Account Manager

PFM Asset Management
A division of U.S. Bancorp Asset Management, Inc

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

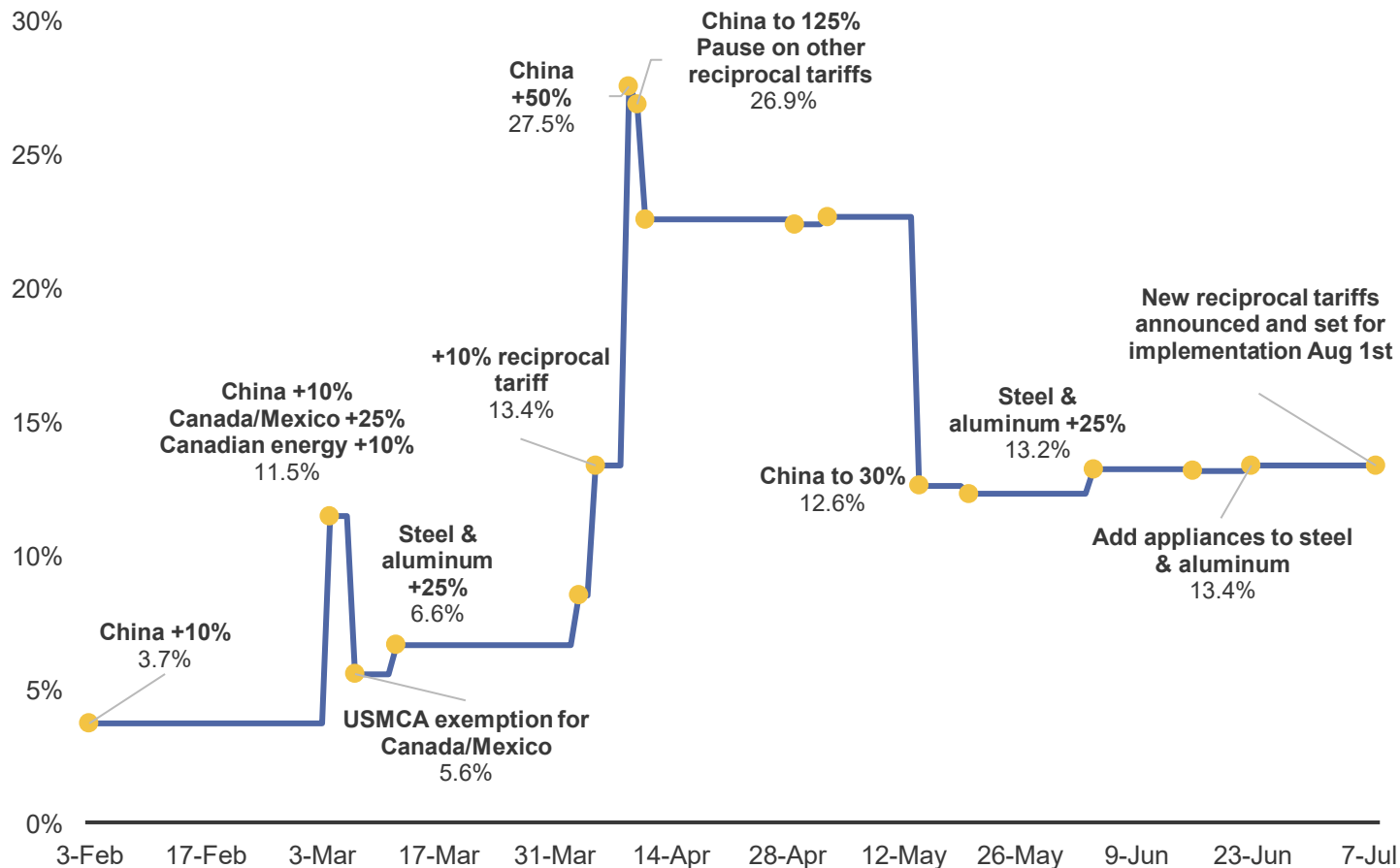
For Institutional Investor or Investment Professional Use Only - This material is not for inspection by, distribution to, or quotation to the general public

Market Update

Uncertainty Remains Exceptionally High

Effective Tariff Rate

Select Activity from February 3, 2025 to July 8, 2025



Fiscal Policy Adds to Uncertainty



Budget/Spending



Tax Reform



Funding Freezes

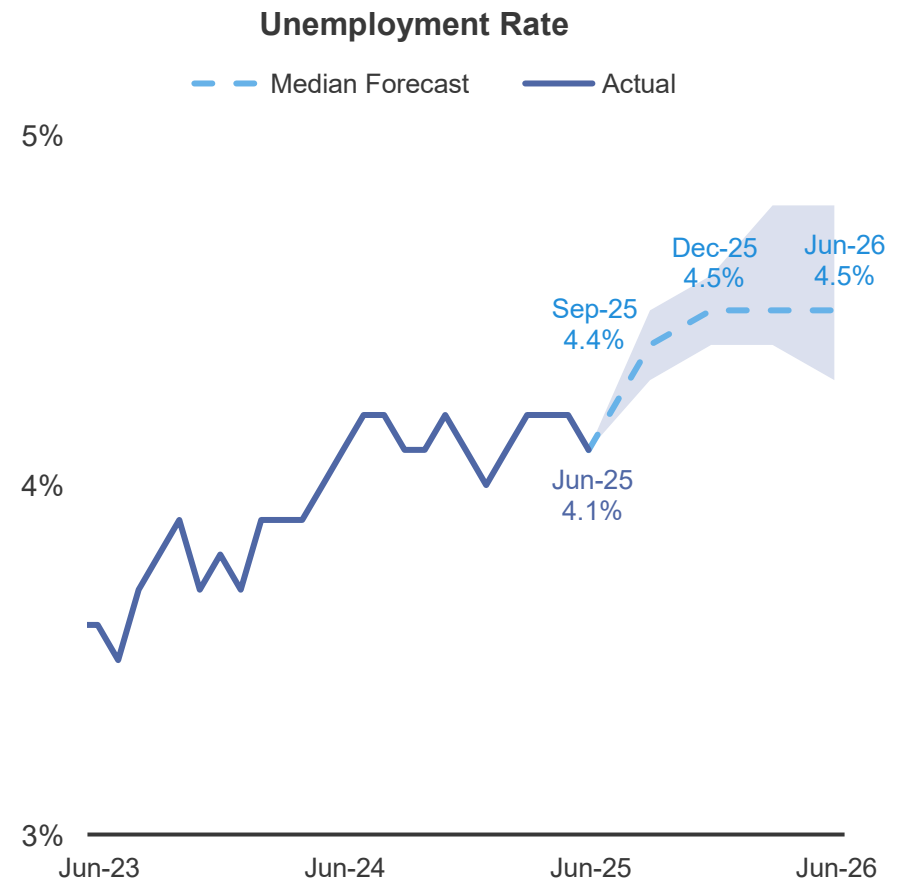
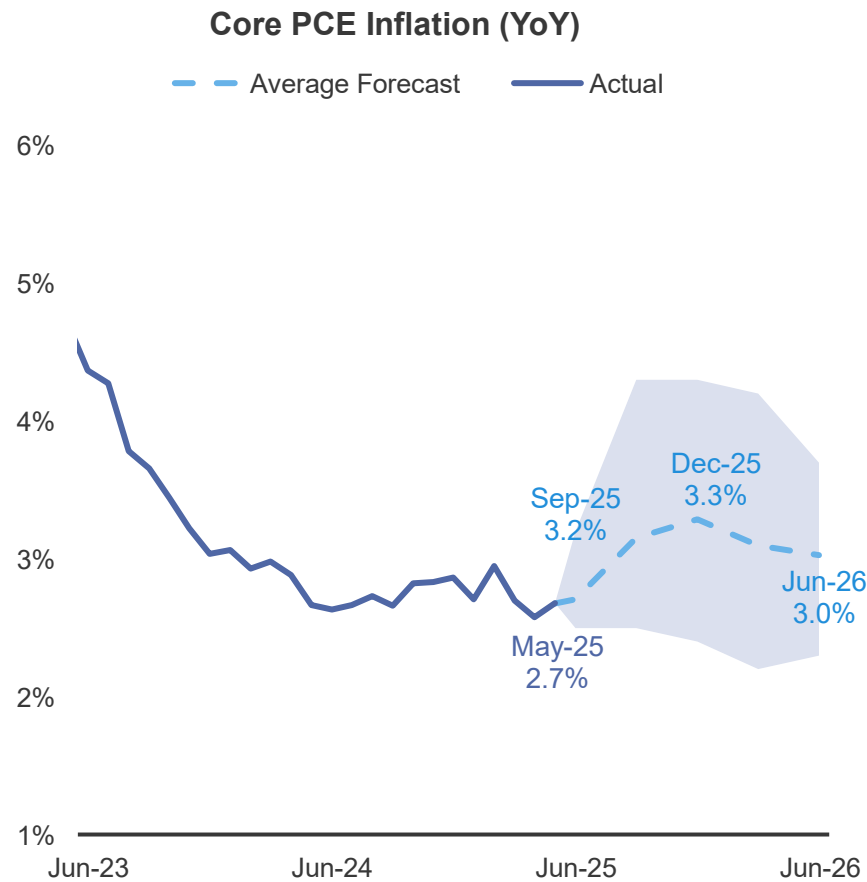


Debt Ceiling

Source: Bloomberg Finance L.P. as of July 8, 2025. Yellow dots represent activity impacting effective tariff rate.

The Fed's Dual Mandate Gets More Complicated

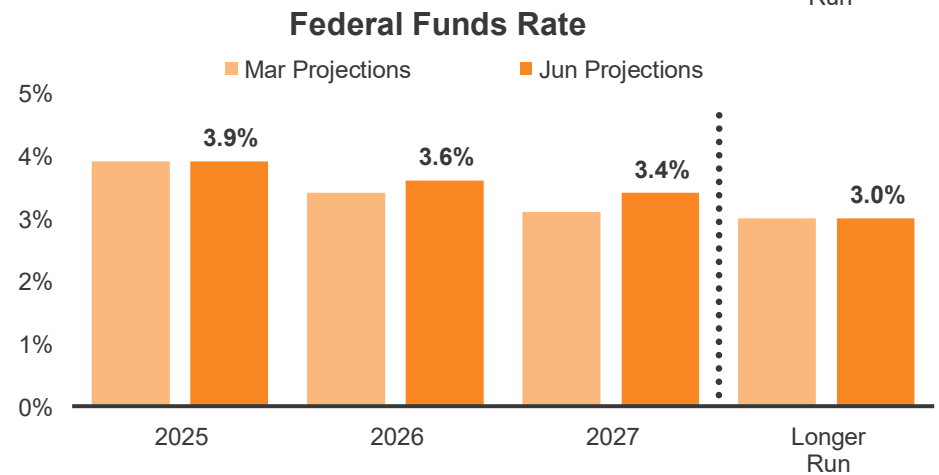
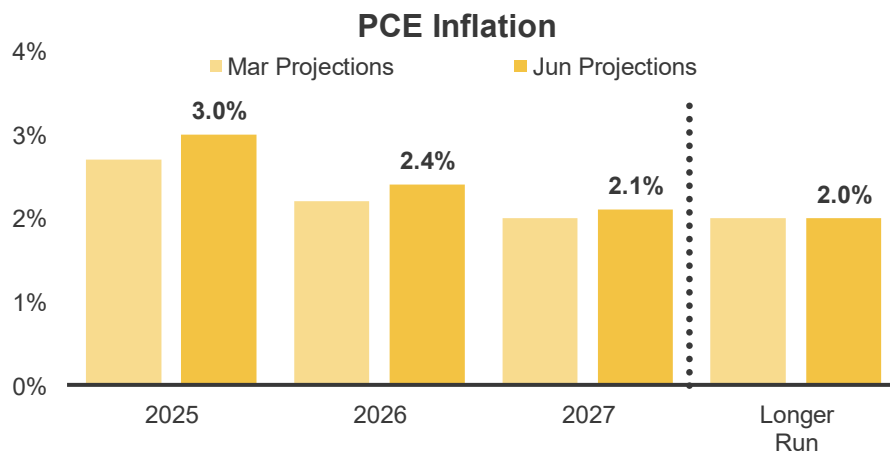
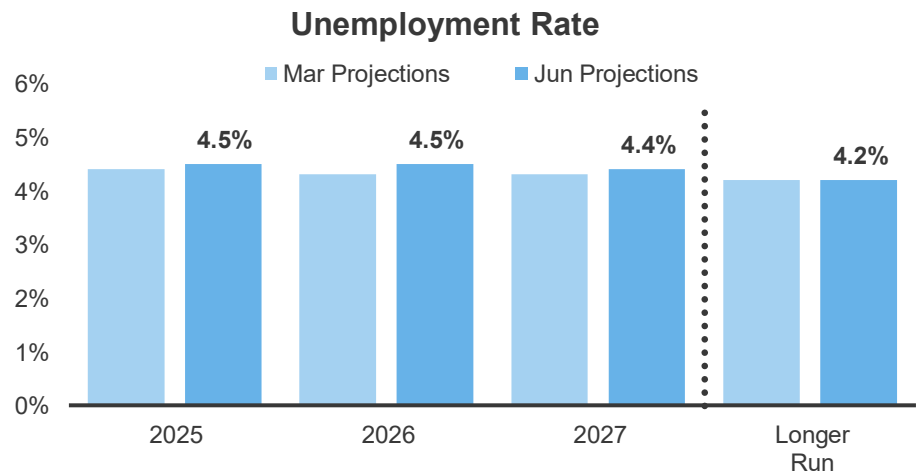
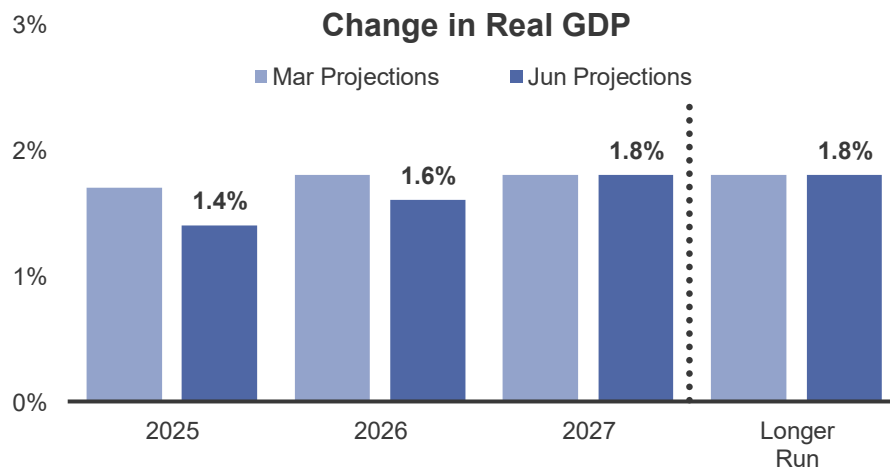
Fed Chair Powell : "We may find ourselves in the challenging scenario in which our dual mandate goals are in tension. If that were to occur, we would consider how far the economy is from each goal and the potentially different time horizons over which those respective gaps would be anticipated to close."



Source: FOMC Chair Jerome Powell Press Conference, June 18, 2025. Bureau of Economic Analysis, and Bloomberg Finance L.P., as of May 2025 (left). Bureau of Labor Statistics, and Bloomberg Finance L.P., as of June 2025 (right). Data is seasonally adjusted. Survey responses after June 27, 2025, included in median and forecast range. Forecast range shown is the 75th and 25th percentile of responses.

Fed's Updated Summary of Economic Projections

Fed Chair Powell : “[T]hink of it as the least unlikely path in a situation like this where uncertainty is very high.”

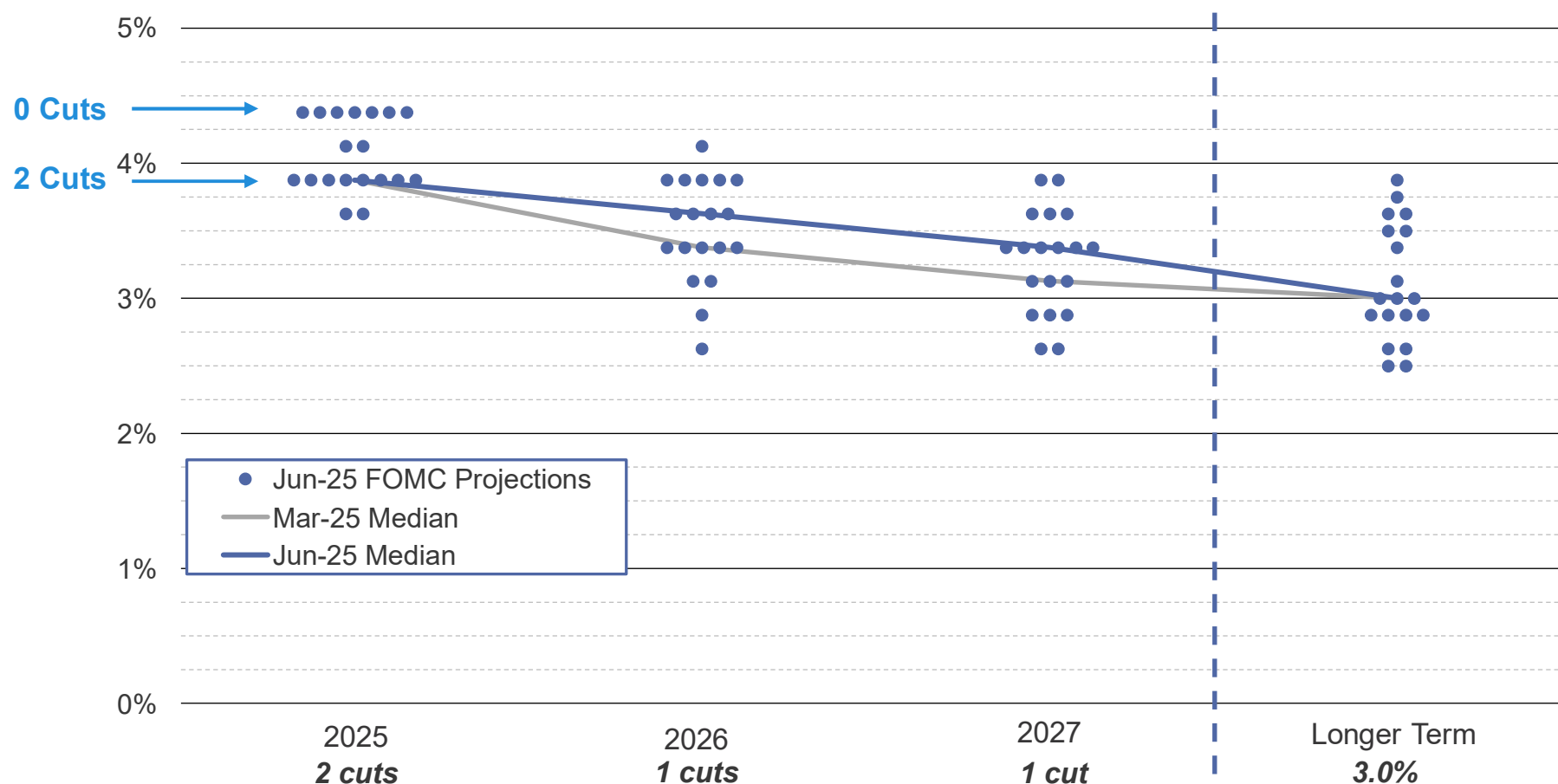


Source: FOMC Chair Jerome Powell Press Conference, June 18, 2025. Federal Reserve, latest median economic projections as of June 2025.

Fed's Latest "Dot Plot" Shows Divergent Views

Fed Chair Powell : "[W]ith uncertainty as elevated as it is, no one holds these rate paths with a lot of conviction."

Fed Participants' Assessments of 'Appropriate' Monetary Policy

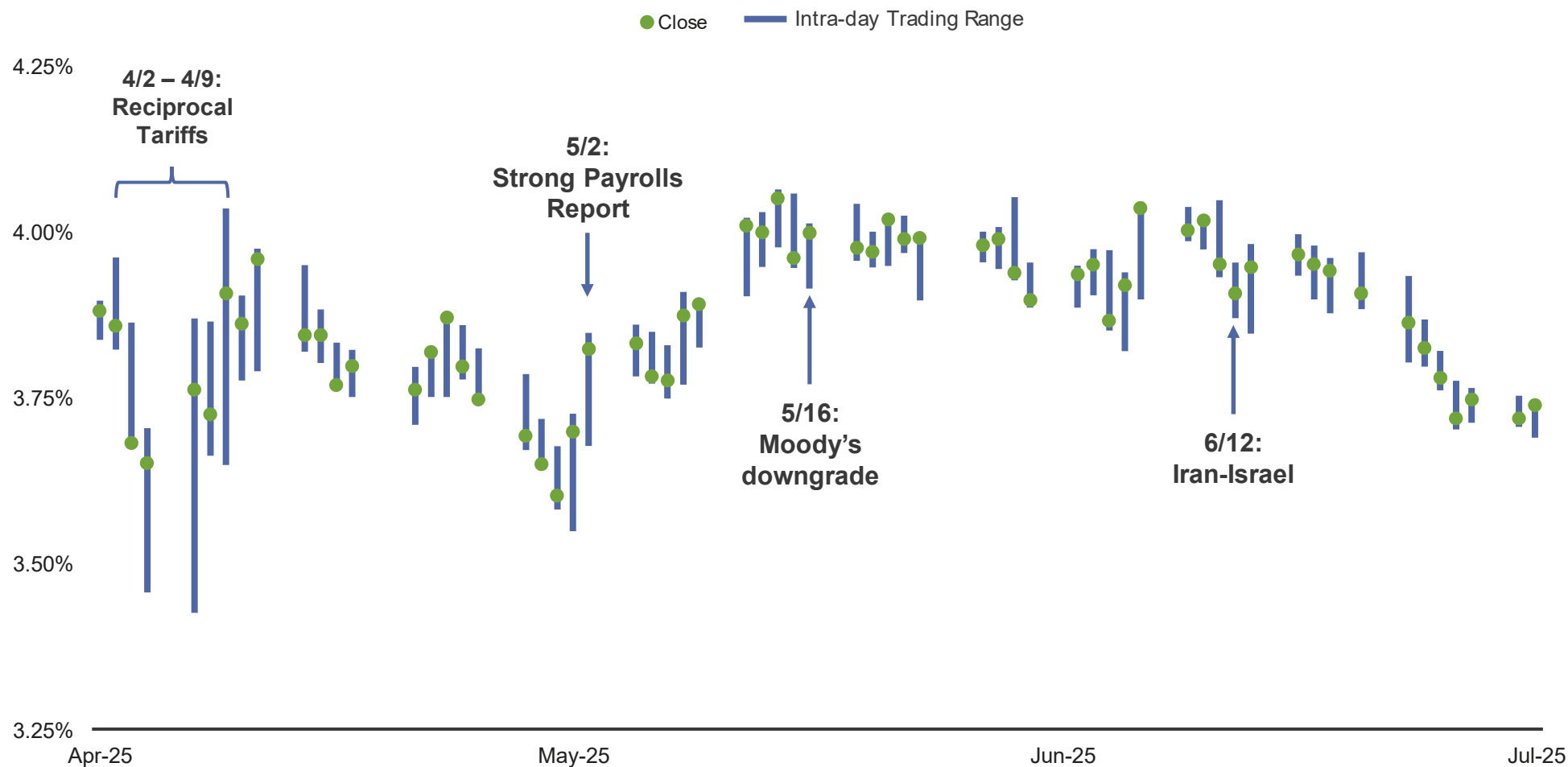


Source: FOMC Chair Jerome Powell Press Conference, June 18, 2025. Federal Reserve; Bloomberg Finance L.P. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. As of June 2025.

Treasury Volatility Wanes

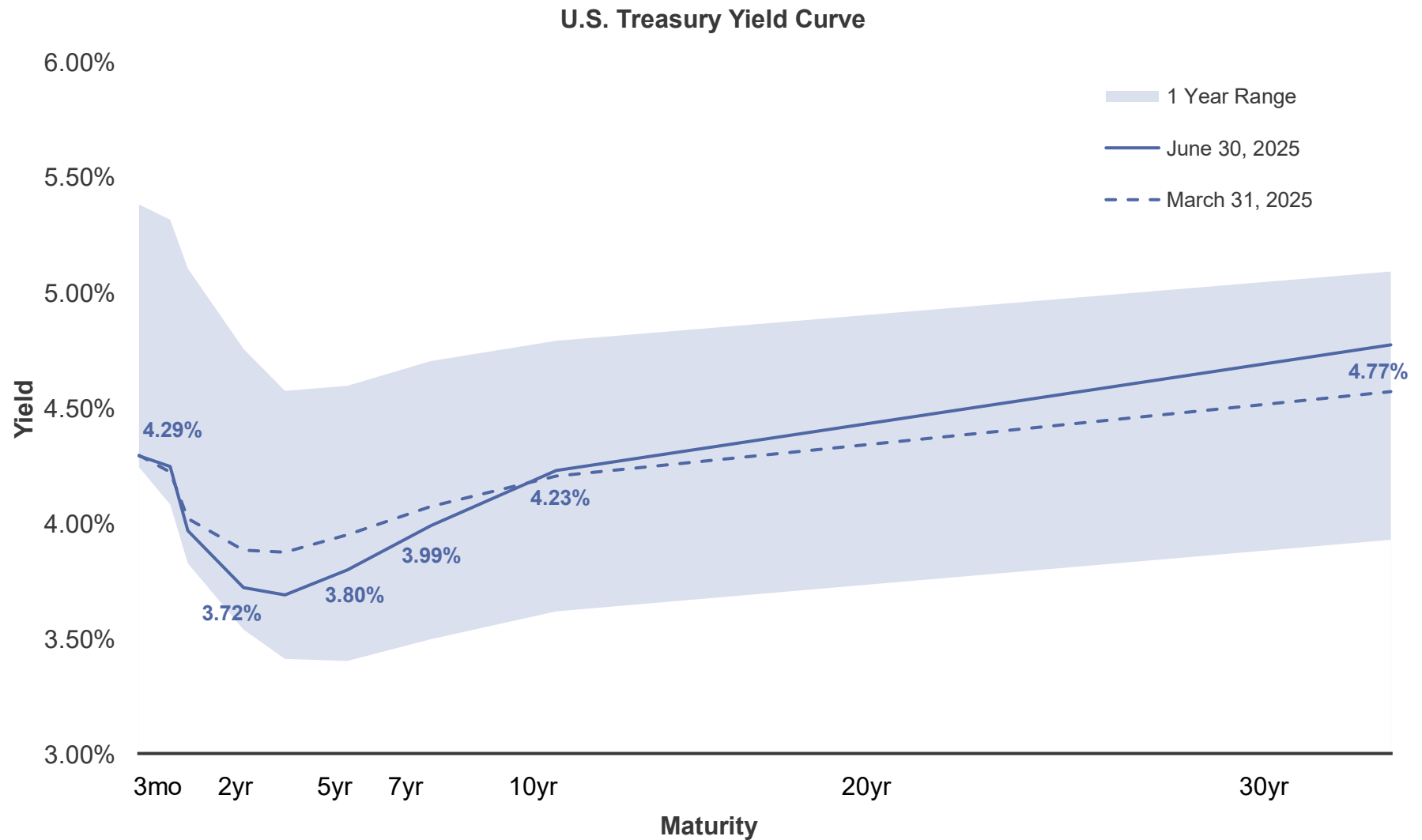
2-Year Treasury Yield

April 1, 2025 through July 1, 2025



Source: Bloomberg Finance L.P., as of July 1, 2025.

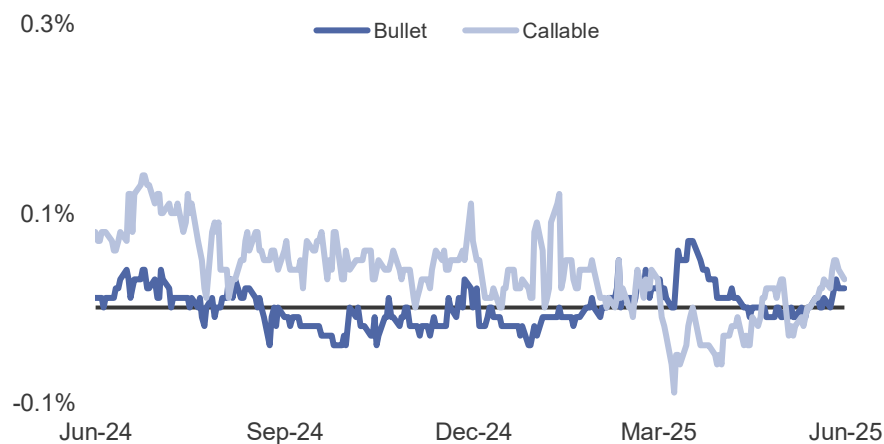
U.S. Treasury Yield Curve Steepens



Source: Bloomberg Finance L.P., as of June 30, 2025.

Sector Yield Spreads

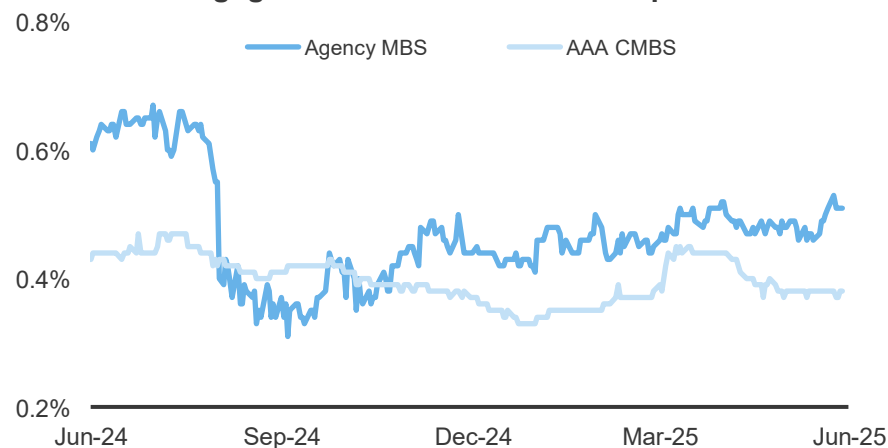
Federal Agency Yield Spreads



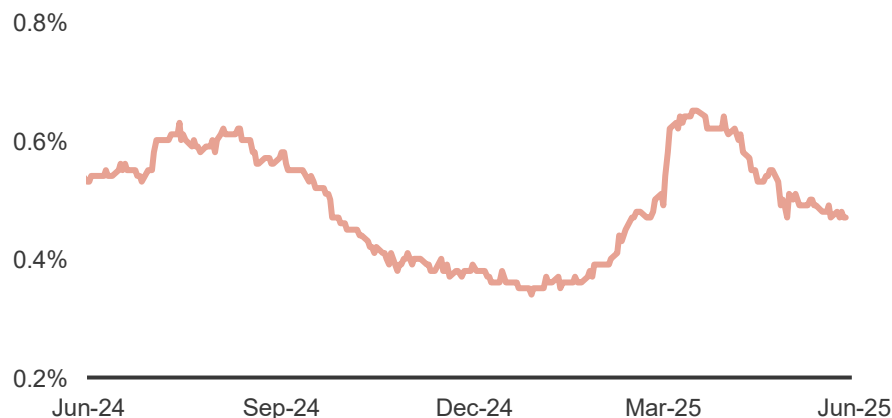
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



Asset-Backed Securities AAA Yield Spreads



Source: ICE BofA 1-3 year Indices via Bloomberg Finance L.P. and PFMAM as of June 30, 2025. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

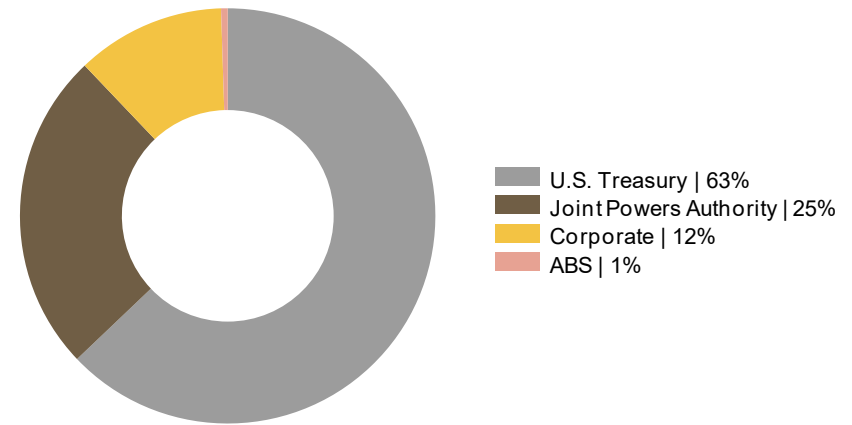
Portfolio Review:

Portfolio Snapshot - CAMP-EL TORO WATER DISTRICT OPERATING FUND¹

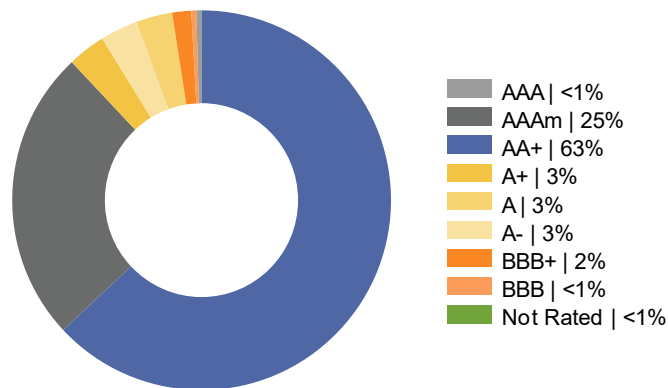
Portfolio Statistics

Total Market Value	\$8,112,712.23
Managed Account Sub-Total	\$6,049,098.71
Accrued Interest	\$52,343.17
Pool	\$2,011,270.35
Portfolio Effective Duration	1.27 years
Benchmark Effective Duration	1.35 years
Yield At Cost	4.55%
Yield At Market	4.05%
Portfolio Credit Quality	AA

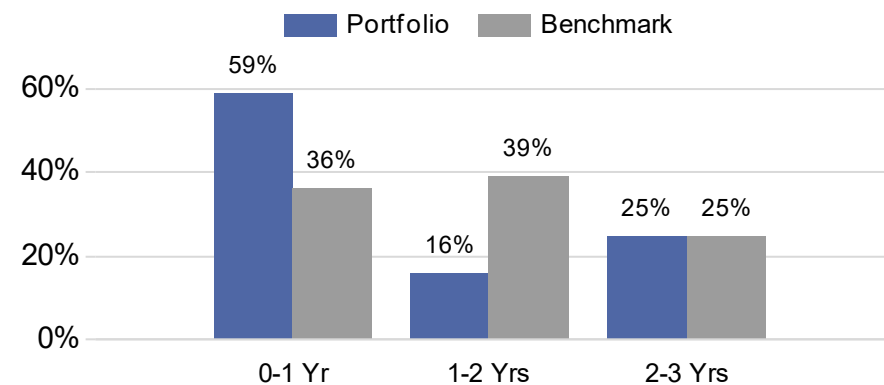
Sector Allocation



Credit Quality - S&P



Duration Distribution



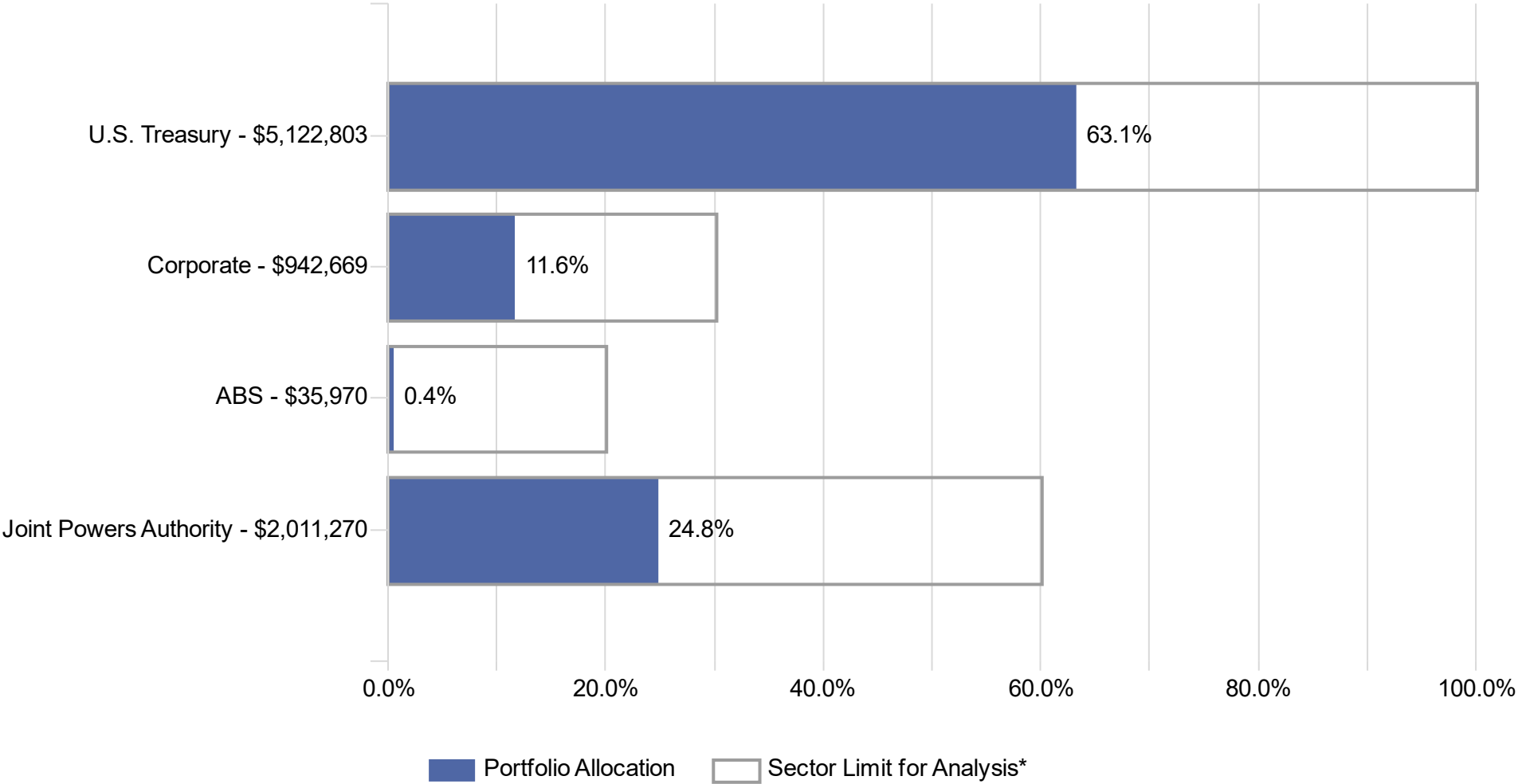
1. Total market value includes accrued interest and balances invested in CAMP, as of June 30, 2025.

Yield and duration calculations exclude balances invested in CAMP.

The portfolio is managed to a non-discretionary style based on recommendations.

An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.
*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Certificate of Compliance

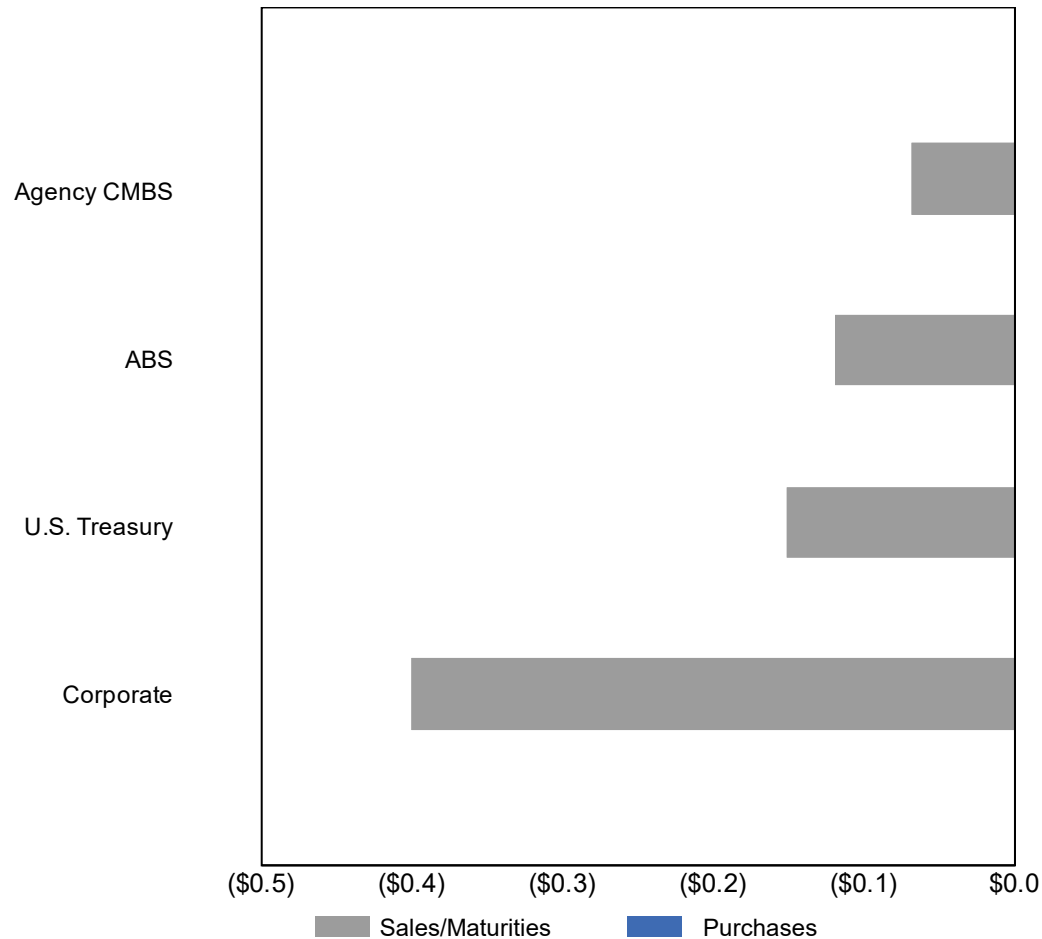
During the reporting period for the quarter ended June 30, 2025, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Financial LP Asset and Investment Management ("AIM").

Portfolio Activity - CAMP-EL TORO WATER DISTRICT OPERATING FUND

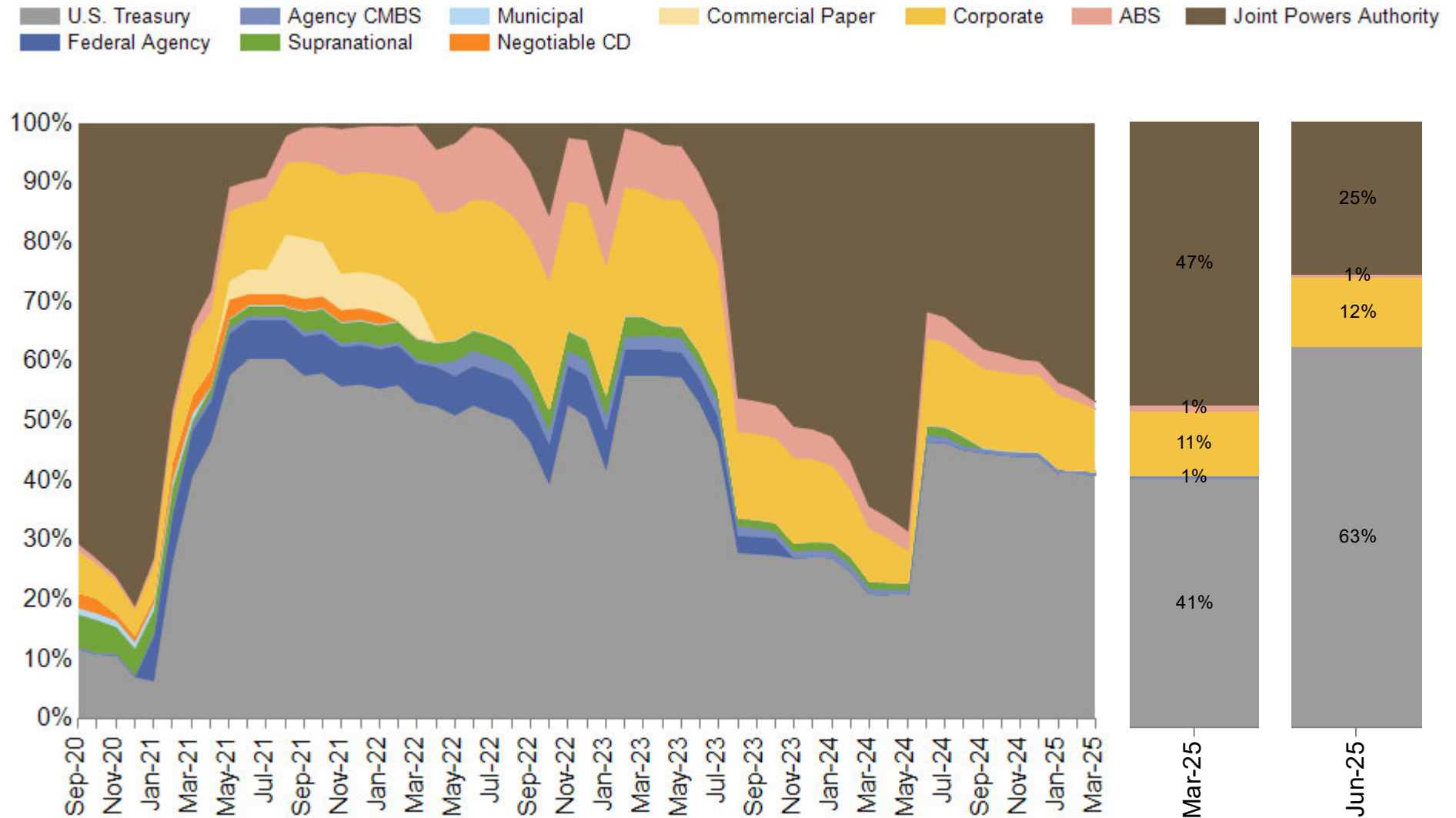
Net Activity by Sector
(\$ millions)



Sector	Net Activity
Agency CMBS	(\$66,852)
ABS	(\$117,955)
U.S. Treasury	(\$150,000)
Corporate	(\$400,000)
Total Net Activity	(\$734,807)

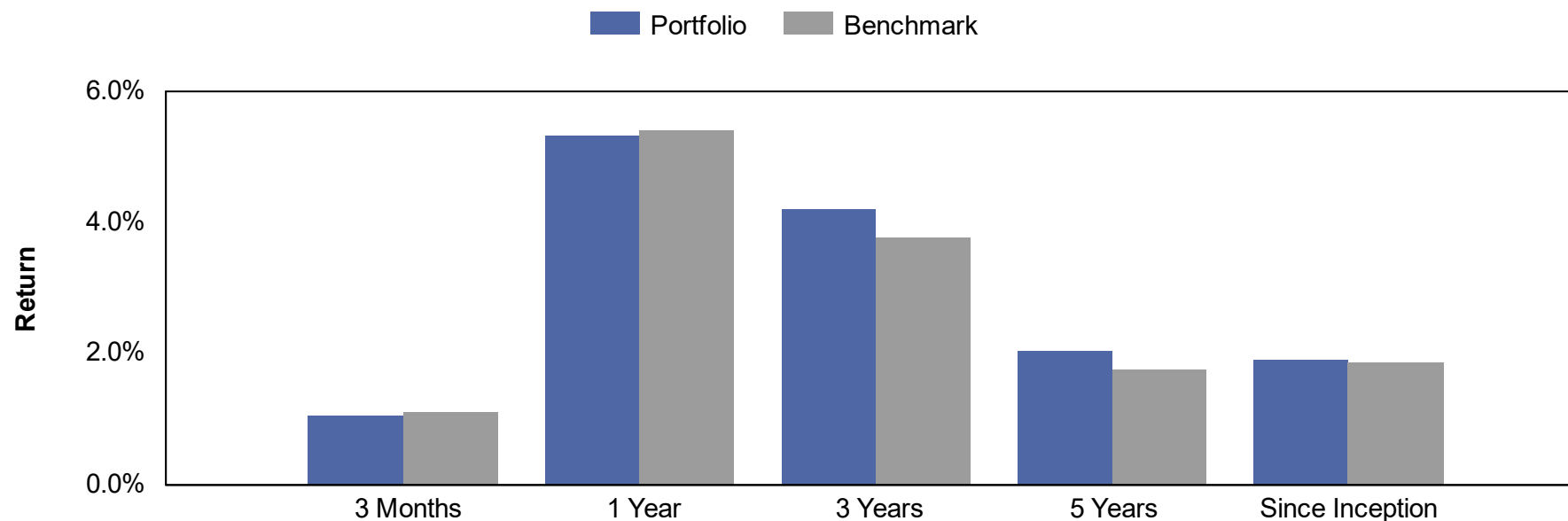
Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Historical Sector Allocation - CAMP-EL TORO WATER DISTRICT OPERATING FUND



Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$93,745	\$464,951	\$1,189,024	\$1,312,884	\$1,903,946
Change in Market Value	\$16,520	\$160,285	\$360,408	\$28,013	\$19,190
Total Dollar Return	\$110,265	\$625,236	\$1,549,432	\$1,340,897	\$1,923,136
Total Return³					
Portfolio	1.06%	5.31%	4.20%	2.05%	1.89%
Benchmark ⁴	1.12%	5.41%	3.77%	1.77%	1.88%
Difference	-0.06%	-0.09%	0.43%	0.27%	0.01%

1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2016.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofA 0-3 Year U.S. Treasury Index. Source: Bloomberg Financial LP.-Portfolio is non-discretionary (benchmark is set as a reference)

Fixed – Income Sector Outlook – 3Q 2025

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	

● Current outlook

○ Outlook one quarter ago

Negative

Slightly
Negative

Neutral

Slightly
Positive

Positive

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

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- Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- ICE Bank of America Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.



El Toro Water District

Investment Performance Review For the Quarter Ended June 30, 2025

Client Management Team

Keith Stribling, CFA
Senior Portfolio Manager

PFM Asset Management LLC

1735 Market Street
43rd Floor
Philadelphia, PA 19103

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Financial Markets & Investment Strategy Review

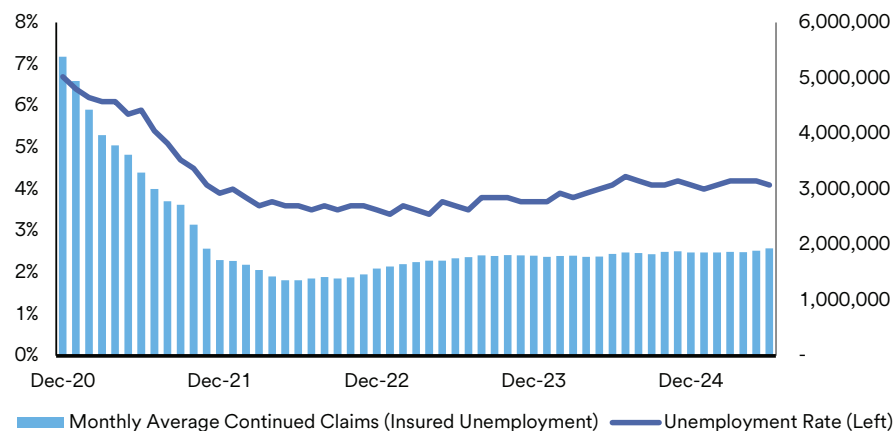
Index or Average Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500 (TR)	10.94%	6.20%	15.16%	19.69%	16.63%	14.38%	13.63%
Russell 3000	10.99%	5.75%	15.30%	19.06%	15.95%	13.54%	12.95%
Russell 1000 Growth	17.84%	6.09%	17.22%	25.73%	18.13%	17.88%	17.00%
Russell 1000	11.11%	6.12%	15.66%	19.57%	16.29%	14.08%	13.34%
Russell 1000 Value	3.79%	6.00%	13.70%	12.75%	13.92%	9.58%	9.18%
Russell Midcap	8.53%	4.84%	15.21%	14.32%	13.10%	10.02%	9.88%
Russell Midcap Growth	18.20%	9.79%	26.49%	21.44%	12.65%	12.72%	12.11%
Russell Midcap Value	5.35%	3.12%	11.53%	11.33%	13.70%	8.21%	8.39%
Russell 2000 Growth	11.97%	-0.48%	9.73%	12.37%	7.41%	5.68%	7.13%
Russell 2000	8.50%	-1.79%	7.68%	9.99%	10.03%	5.51%	7.12%
Russell 2000 Value	4.97%	-3.16%	5.54%	7.45%	12.46%	4.84%	6.71%
INTERNATIONAL EQUITY							
MSCI EAFE	11.78%	19.45%	17.73%	15.95%	11.15%	7.20%	6.50%
MSCI AC World	11.53%	10.05%	16.17%	17.33%	13.64%	10.77%	9.99%
MSCI AC World ex USA	12.03%	17.90%	17.72%	13.98%	10.12%	6.57%	6.12%
MSCI AC World ex USA Small Cap	16.93%	17.68%	18.34%	13.45%	10.74%	5.94%	6.54%
MSCI EM (Emerging Markets)	11.99%	15.27%	15.29%	9.69%	6.80%	4.48%	4.81%
ALTERNATIVES							
FTSE Nareit / Equity REITs - INV	-1.16%	-0.25%	8.60%	5.34%	8.62%	5.58%	6.32%
MSCI US REIT Index	-1.46%	-0.71%	7.62%	4.08%	7.37%	4.35%	5.03%
MSCI World Core Infrastructure	5.45%	13.44%	21.38%	6.78%	8.08%	7.25%	7.46%
Bloomberg Commodity Index	-3.08%	5.53%	5.77%	0.13%	12.67%	4.91%	1.98%
FIXED INCOME							
Bloomberg US Aggregate	1.21%	4.02%	6.08%	2.55%	-0.73%	1.77%	1.76%
Bloomberg US Government/Credit	1.22%	3.95%	5.89%	2.60%	-0.83%	1.96%	1.92%
Bloomberg US Intermediate Government/Credit	1.67%	4.13%	6.74%	3.57%	0.63%	2.42%	2.04%
Bloomberg US Treasury (1-3 Y)	1.20%	2.84%	5.72%	3.43%	1.33%	2.10%	1.59%
ICE BofA US High Yield	3.57%	4.55%	10.24%	9.84%	6.00%	5.18%	5.29%
Bloomberg Global Aggregate	4.52%	7.27%	8.91%	2.74%	-1.16%	0.57%	1.17%
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	1.05%	2.10%	4.73%	4.64%	2.81%	2.58%	2.01%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

THE ECONOMY

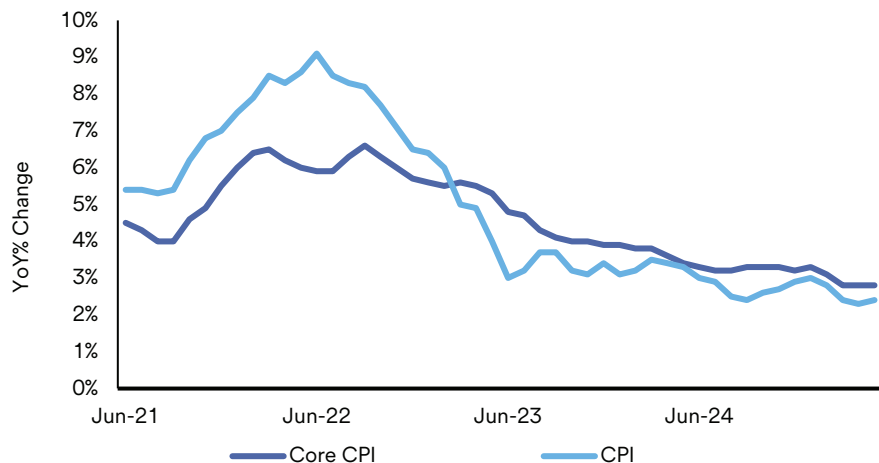
- In the first quarter, U.S. real gross domestic product (GDP) contracted at a seasonally adjusted annualized rate of -0.5%, marking the first quarterly contraction since 2022. This figure was due in large part to a surge in imports as companies hoped to get ahead of tariffs, however other areas including consumption also saw some softening over the quarter. Outside the U.S., some developed countries saw similar contraction such as Japan, which saw (annualized) GDP decline by -0.2% over the quarter; while the Eurozone grew at annualized rate of 2.5%.
- The U.S. unemployment rate held relatively steady over the quarter with a reading of 4.1% in June. The latest initial jobless claims for the week ending June 28 ticked slightly higher to 233,000 in June, while the outstanding claims rose to approximately 2 million as unemployed workers struggled to find suitable employment. Businesses appear to be in a relative “low hire, low fire” mode.
- Inflation remained relatively flat in the second quarter. Headline inflation (CPI) grew at a year-over-year rate of 2.4% in May after a slight dip in April. Core CPI, which excludes volatile food and energy, grew at 2.8% on an annual basis, the lowest rate since March 2021, however it has been growing at this pace since March.

U.S. Unemployment and Monthly Average Continued Claims



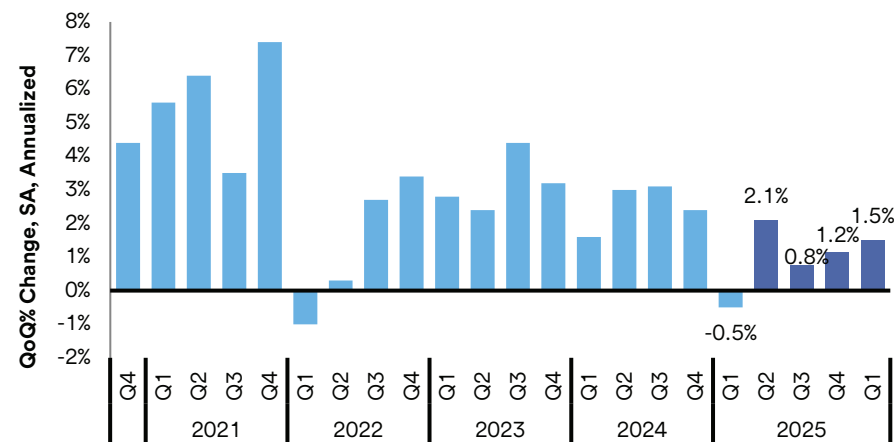
Source: Bloomberg.

U.S. Inflation Rate Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

U.S. GDP Growth

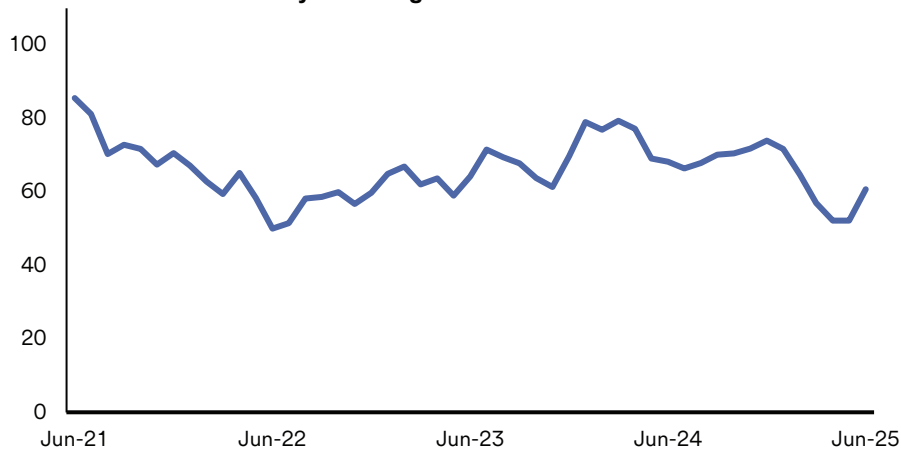


Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

WHAT WE'RE WATCHING

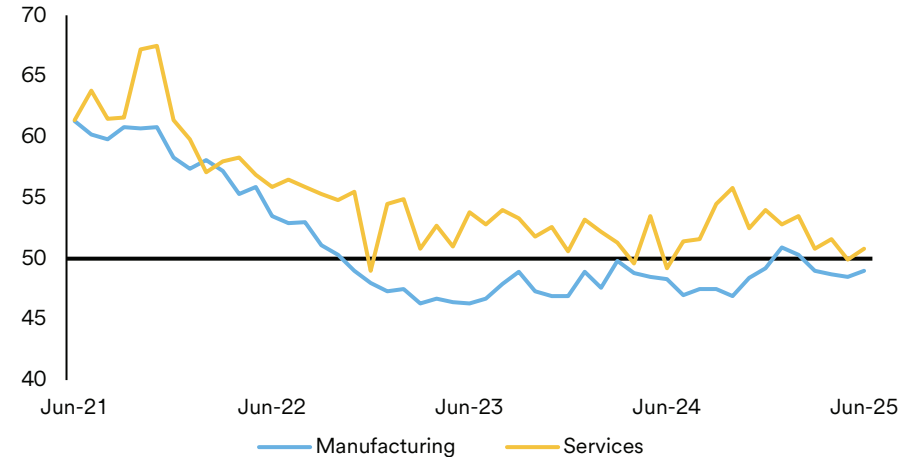
- The Federal Reserve (Fed) held rates flat again in the second quarter and it continues to maintain a 'wait-and-see' approach until more supportive data points to a clearer path regarding the impacts of tariffs. The latest Fed projections continue to forecast two quarter-percentage-point rate reductions by the end of 2025. Outside of the U.S., the European Central Bank (ECB) cut rates twice in the second quarter, bringing rates near neutral as inflation fell within targets.
- U.S. consumer sentiment, as measured by the University of Michigan survey of consumers, recovered after a precipitous drop in March and April, but still remains relatively gloomy, and down significantly from December 2024 levels, as consumers remain cautious about the risks of both an economic slowdown and further increases in inflation. Consumer spending, which drives more than two-thirds of the economy, has seen a slight pullback, falling 0.1% month-over-month, in May.
- Continued geopolitical risk and trade relations remain areas of concern for the markets. Conflict in the Middle East has the potential to impact energy prices, a consequence that we briefly saw before the ceasefire between Israel and Iran. Trade deals have not been finalized with a variety of important partners, and while continued trade negotiations may clear up some of the tariff uncertainty in the third quarter, many questions have not yet been resolved and their possible effects on inflation remain unclear.

University of Michigan Consumer Sentiment



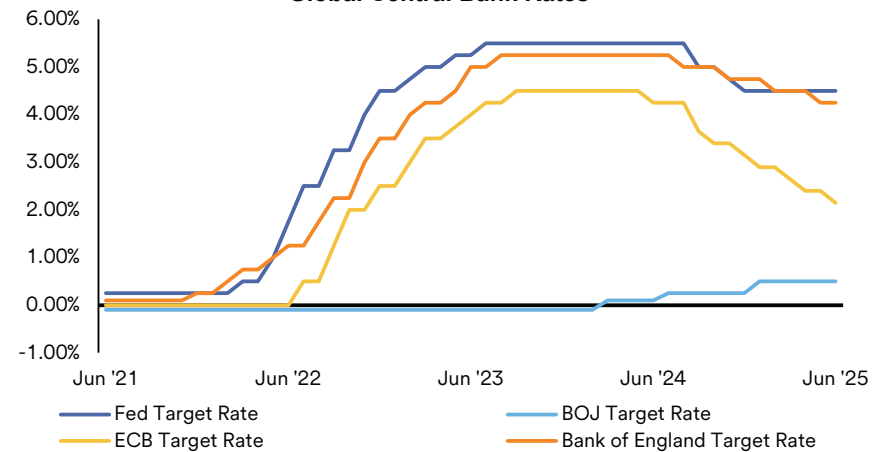
Source: Bloomberg.

U.S. ISM Manufacturing & Services PMI



Source: Bloomberg.

Global Central Bank Rates



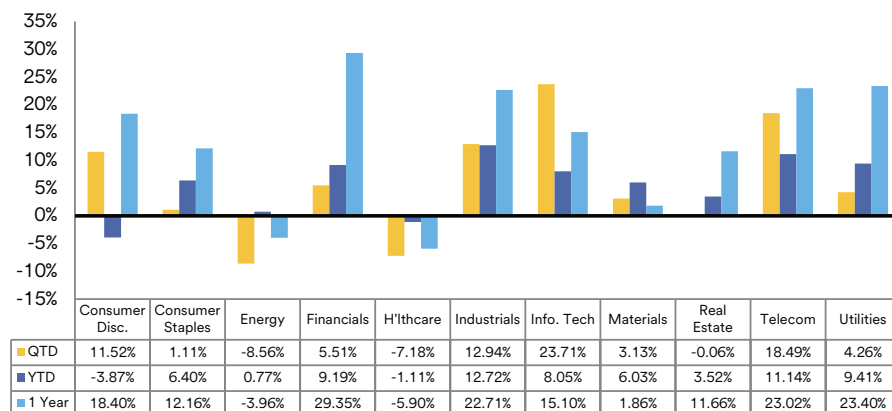
Source: Bloomberg.

DOMESTIC EQUITY

- The S&P 500 Index (S&P) posted a 10.9% return for the second quarter of 2025, recovering from a steep drop at the start of the quarter as markets reacted to the tariff announcements.
- Within the S&P 500, performance was mixed across the 11 GICS sectors. Only three sectors saw declines in the quarter: Energy (-8.6%), Healthcare (-7.2%) and Real Estate (-0.1%). The best performing sectors were Information Technology (23.7%), Communication Services (18.5%), and Industrials (12.9%).
- Positive returns were seen across all capitalizations with large caps, as represented by the Russell 1000 Index, returning 11.1% during the quarter while mid and small caps, as represented by the Russell Midcap and Russell 2000 indices both returned approximately 8.5%.
- According to FactSet Earnings Insight (as of June 27, 2025), analysts are projecting moderate earnings growth of 5.0% for Q2 2025, and for calendar year 2025, analysts are projecting year-over-year earnings growth of 9.1%. If the projected earnings growth for Q2 is correct, this will mark the lowest earnings growth since Q4 2023.
- As of the end of the quarter, the forward 12-month adjusted positive price-to-earnings (P/E) ratio (includes only positive earnings results for consistency) for the S&P 500 is 25.7, which is above the 5-year average of 23.3. The Russell 2000, which represents small cap stocks, had an adjusted positive forward P/E ratio of 19.6, also above its 5-year average of 17.7.

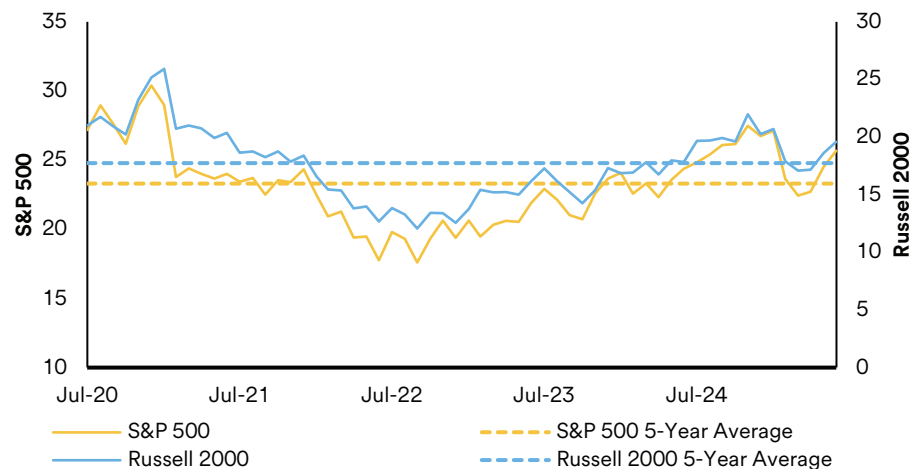
S&P 500 Index Performance by Sector

Periods Ended June 30, 2025



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



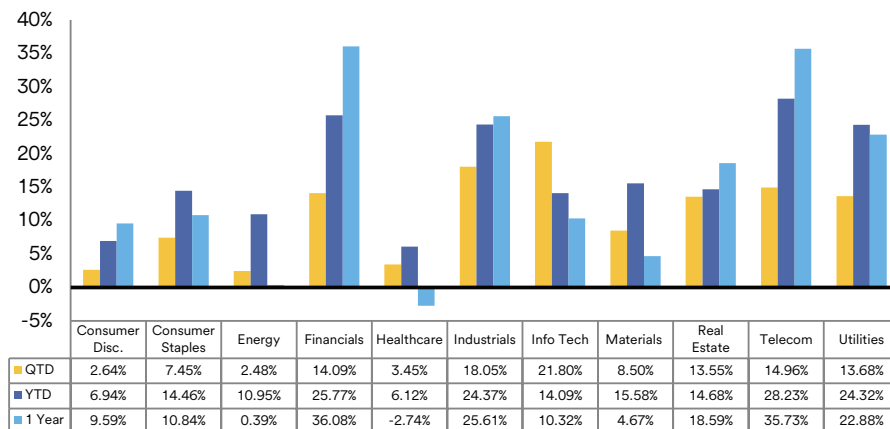
Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

INTERNATIONAL EQUITY

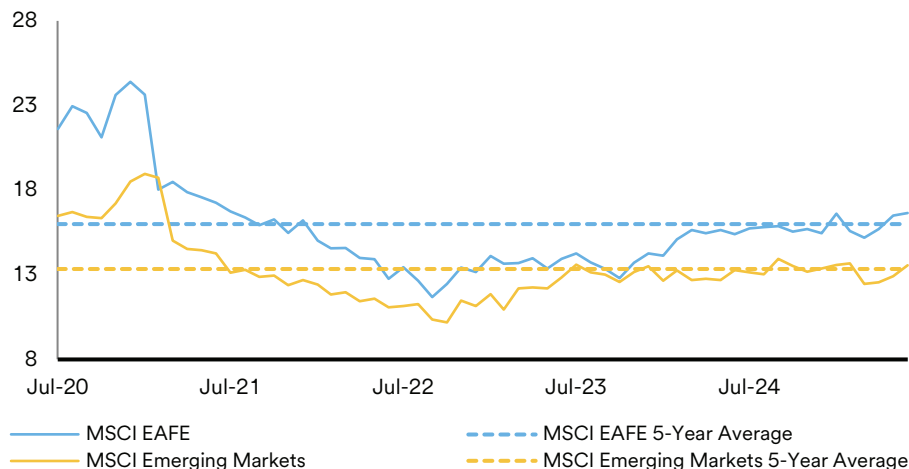
- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, outperformed their U.S. counterparts, returning 12.0% for the quarter.
- All 11 sectors posted positive returns for the quarter. The top performing sectors were Information Technology (21.8%), Industrials (18.0%) and Communication Services (15.0%). The worst performers for the quarter were Energy (2.5%), Consumer Discretionary (2.6%), and Healthcare (3.5%).
- Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, underperformed emerging markets (EM), as represented by the MSCI Emerging Market Index, returning 11.8% versus 12.0% for the quarter. Returns from all international indices are in USD, which positively impacted performance due to the weakening dollar.
- Of the five largest-weighted countries in the MSCI EAFE Index the MSCI Germany Index (16.3%) outperformed while MSCI Japan (11.4%) performed in line with EAFE. The MSCI France (9.3%), MSCI United Kingdom (8.7%), and MSCI Switzerland (7.5%) indices all underperformed, though they still saw solid returns.
- Of the five largest-weighted countries in Emerging Markets, MSCI China (2.0%) and MSCI India (9.2%) underperformed the MSCI Emerging Markets index, while MSCI Taiwan (26.1%), MSCI Korea (32.7%), and MSCI Brazil (13.3%) all outperformed. Taiwan and Korea were both boosted to their double digit returns by the continued demand for semiconductors.
- Growth stocks outperformed value stocks for the quarter as represented by the broad benchmarks. MSCI AC World ex-USA Growth returned 13.7%, while MSCI AC World ex-USA Value returned 10.4%. Within EM, growth outperformed value as well, returning 13.4% versus 8.5%.
- Small-caps, as represented by the MSCI ACWI ex-U.S. Small Cap Index, also saw strong positive returns during the quarter, posting a return of 16.9%.
- Non-U.S. equity valuations rose over the second quarter but remain close to their long-term averages. As of quarter-end, the MSCI EAFE's Adjusted Positive Forward P/E stood at 16.6 versus a 5-year average of 16.0. MSCI EM ended the quarter with an Adjusted Positive Forward P/E ratio of 13.6, slightly above its 5-year average of 13.3.

MSCI ACWI ex-U.S. Sectors
 Periods Ended June 30, 2025



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



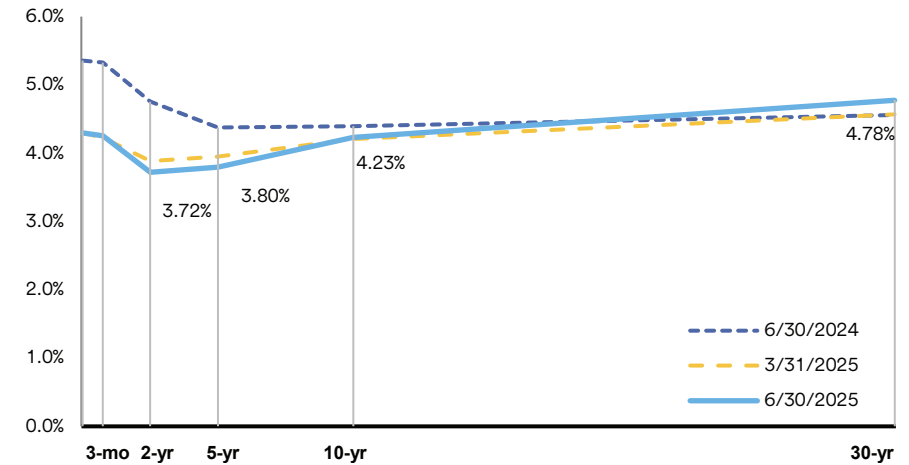
Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

FIXED INCOME

- The U.S. bond market, represented by the Bloomberg U.S. Aggregate Index, saw positive returns in the first quarter, returning 1.2%.
- The Bloomberg U.S. Treasury Index closed the quarter returning 0.8%. During the period, the Federal Open Market Committee (FOMC) held rates steady, marking the second quarter with no changes as policy makers continue their cautious stance as uncertainty remains over the final impact of tariffs on inflation and economic activity. The official dot plot continues to project two cuts for the remainder of the year. The yield curve steepened over the quarter as rates rose on the very long end and fell in the intermediate-term. The 30-year rose to 4.8%, while the 2-year ended at 3.7%. Cash markets currently provide higher yields than the 2-year Treasuries.
- Corporate credit saw positive returns across the quality spectrum for the quarter. The Investment Grade Bloomberg U.S. Corporate (IG Corp) Index returned 1.8% while High Yield bonds, as represented by the ICE BofA High Yield (HY) Index, returned 3.6%. After a spike in April, spreads returned to levels below the 10-year average for both investment-grade and high yield, in line with a broad “risk on” sentiment.
- The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index returned 1.1%. On the commercial side, the Bloomberg U.S. Agency CMBS Index returned 1.8% while the non-agency CMBS Index posted a return of 2.0%.

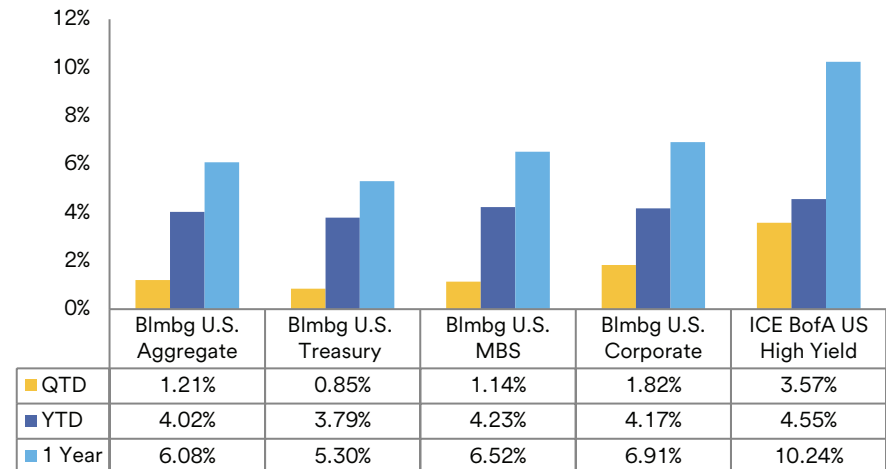
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended June 30, 2025

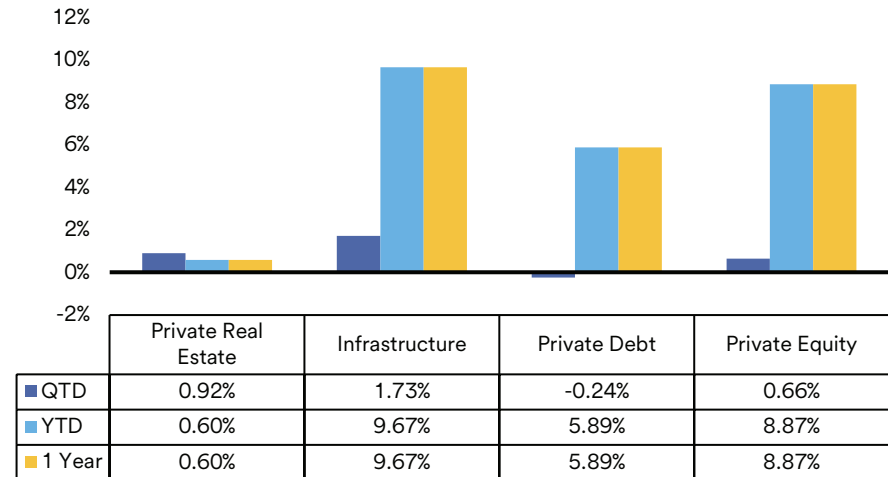


Source: Bloomberg.

ALTERNATIVES

- Real estate investment trusts (REITs), as measured by the FTSE NAREIT Equity REITs Index, returned -1.5% in the second quarter, down from the 0.9% return in the prior quarter. Three of the nine major sectors saw positive returns. Private real estate, as measured by the NCREIF Property Index, gained 0.9% in the fourth quarter of 2024, resulting in a 0.6% return for the year. Q4 marked the second quarter of positive total returns in two years as property value declines leveled off across most sectors. Senior Housing was the top performer, returning 2.1%, while Office Properties continued to fare poorly, returning -0.6%.
- Listed infrastructure, as measured by the MSCI World Infrastructure Index, performed strongly in the second quarter, growing 5.4%. This compares to a 7.6% return in the prior quarter. In Q1 2025, 13 private infrastructure funds raised \$49.7 billion, a strong quarter following a year of subdued fundraising. Most of the capital went to funds larger than \$5 billion which seek to capitalize on secular trends around the adoption of artificial intelligence (AI) and decarbonization. Infrastructure dry powder has fallen from the previous year and stands at \$394.4 billion as of Q3 2024. According to PitchBook, infrastructure funds posted a return of 1.7% in Q4 2024. The asset class has generated an annualized return of 10.7% for the five years ended Q4 2024.
- In Q1 2025, 42 private debt funds raised \$68.7 billion. Private debt dry powder remains above the long-term average at \$556.7 billion as of Q3 2024; although over 50% has been outstanding for more than two years. According to PitchBook, private debt funds posted a return of -0.2% in Q4 2024. The asset class has generated an annualized return of 8.1% for the five years ended Q4 2024.
- In Q1 2025, 131 private equity funds raised \$115.5 billion – a slower pace compared to the prior year as constrained distributions hindered fundraising efforts. The bulk of the capital raised went to experienced managers raising capital for funds larger than \$1 billion. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at \$1.6 trillion as of Q3 2024. Recent private equity performance has been muted due to higher borrowing costs and a slowdown in deal activity. According to PitchBook, private equity funds posted a return of 0.7% in Q4 2024. The asset class has generated an annualized return of 15.8% for the five years ended Q4 2024.

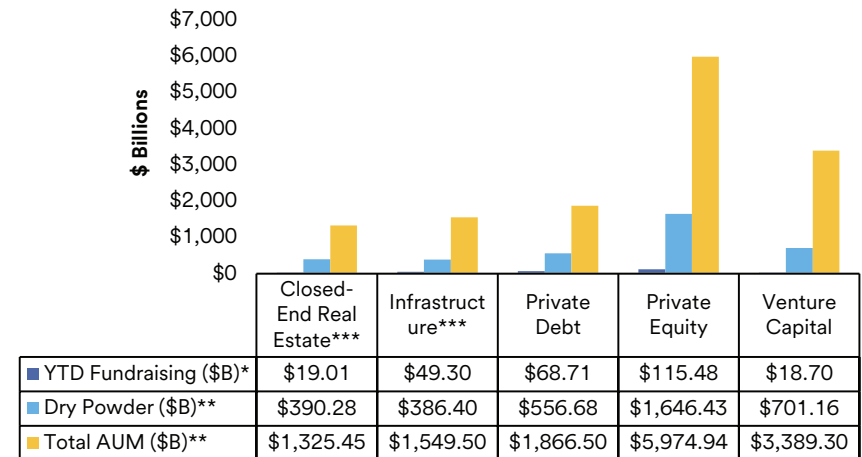
Returns for Private Capital Assets



Source: NCREIF, PitchBook.

As of December 31, 2024, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder



Sources: Pitchbook.

* Total capital raised in 2025 as of March 31, 2025 - most recent period for which ALL fundraising data is available.

** Cumulative dry powder and total AUM as of September 30, 2024.

*** Excluding open-end, evergreen fund vehicles.

Factors to Consider Over the Next 6-12 Months

Monetary Policy (Global):



- The Fed continued to hold the rates unchanged through the second quarter amid healthy labor markets and tariff-induced inflation concerns. Latest dot plot points to two rate cuts before year end.
- While inflation continues to cool globally, tariffs add to future inflation pressures and complicate the outlook.

Economic Growth (Global):



- U.S. GDP is expected to grow at a slower pace for rest of the year but uncertainty over economic growth outcomes remains elevated even as higher tariff rates have been paused.
- Escalating trade and geopolitical tensions create the potential for slower global growth while fiscal stimulus within Eurozone a positive for growth.

Inflation (U.S.):



- Progress has been made towards the Fed's 2% inflation target over recent months. However, future price pressures from tariffs are expected in coming months.
- Fed Chair Powell said that he expects tariffs to impact inflation and that the size, duration, and time of tariff effects are highly uncertain.

Financial Conditions (U.S.):



- Even after the recent bout of volatility, risk and credit conditions still point to the stability of financial conditions.
- The evolving fiscal landscape and persistent uncertainty may lead to tightening financial conditions over the next 6-12 months especially if inflation and growth concerns take hold.

Consumer Spending (U.S.):



- Sentiment has remained subdued as consumers continue to expect higher prices and weaker labor market conditions. Tax extension support is a positive while higher prices are a negative.
- A material deterioration of labor market conditions remains the biggest risk factor to consumer spending.

Labor Markets (U.S.):



- The labor market remains healthy, but signs of labor market cooling have begun to show on the margin particularly through initial and continuing jobless claims.
- With hiring and quits rates low, any acceleration in layoffs may result in job seekers remaining unemployed for longer.

Corporate Fundamentals:



- Earnings growth expectations are positive across global equities, but expectations within U.S. have seen a pullback over the course of this year.
- In the U.S., any deregulation initiatives are positives while tariff/cost pressure impact on both earnings growth expectations and profit margins needs attention.

Valuations:



- U.S. equities and credit markets sold off due to reciprocal tariffs in April but have recovered most of the losses over the quarter, bringing them back into expensive valuations relative to history.
- We believe that economic and policy risks are not fully reflected in the current valuations.

Political/Policy Risks:



- Geopolitical conflict in the Middle East and other regions remains a source of concern.
- Deglobalization and global trade and tariff policy risks continue to create market uncertainty and strained relationships with major trading partners for the U.S.

● Current outlook ○ Outlook one quarter ago













Stance Unfavorable
to Risk Assets



Stance Favorable
to Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Investment Strategy Overview

Asset Class	Our Q3 2025 Investment Outlook	Comments
U.S. Equities		<ul style="list-style-type: none"> Tariffs and their possible impact on business and consumer confidence, corporate profit margins, inflation and economic growth has led to increased uncertainty in 2025. We maintain defensive stance due to expensive valuations amidst uncertainty around economic and policy outcomes. Reciprocal tariffs are being quickly renegotiated but any negative news can lead to swift pullback in equities. Small cap have lagged large caps on YTD basis while recent performance has been positive. Small caps are more attractively valued but vulnerable to higher level of rates and growth slowdown leading us to stay neutral.
Large-Caps		
Small-Caps		
Non-U.S. Equities		<ul style="list-style-type: none"> International equities have outperformed U.S. equities on YTD basis, helped by a weaker USD. Improved sentiment is driven by increased fiscal spending efforts in Europe and continued stimulus in China but we remain defensive due to worry about global slowdown from tariff and trade tensions. Across Europe and China, we believe that there are structural/geopolitical issues that need to be addressed for long-term sustained outperformance.
Developed Markets		
Emerging Markets		
Fixed Income		<ul style="list-style-type: none"> Latest Fed projections call for higher inflation, higher unemployment and lower growth by year-end while rate cut path still remains uncertain. We maintain an overweight to fixed income due to attractive yields and ability to preserve capital during risk-off periods. We maintain duration close to the benchmark duration across the portfolios. We remain positive on investment grade credit due to underlying corporate fundamentals but are neutral to high yield given the tighter spreads pointing to higher downside than upside in case of stress.
Core Bonds		
Investment Grade Credit		
High Yield Credit		
Diversifying Assets		<ul style="list-style-type: none"> During the S&P 500 sell-off of close to 20%, listed REITs and listed infrastructure held up well pointing to their characteristics of lower correlation. While the long-term fundamentals within listed real estate and listed infrastructure are healthy, we remain neutral due to ongoing interest rate uncertainty.
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook ○ Outlook one quarter ago

Negative Slightly Negative Neutral Slightly Positive Positive

The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2025) and are subject to change.

SOURCES

Factset

<https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf>

<https://www.bls.gov/news.release/pdf/empsit.pdf>

<https://www.bls.gov/news.release/pdf/cpi.pdf>

<http://www.sca.isr.umich.edu/>

NCREIF

PitchBook

DISCLOSURES

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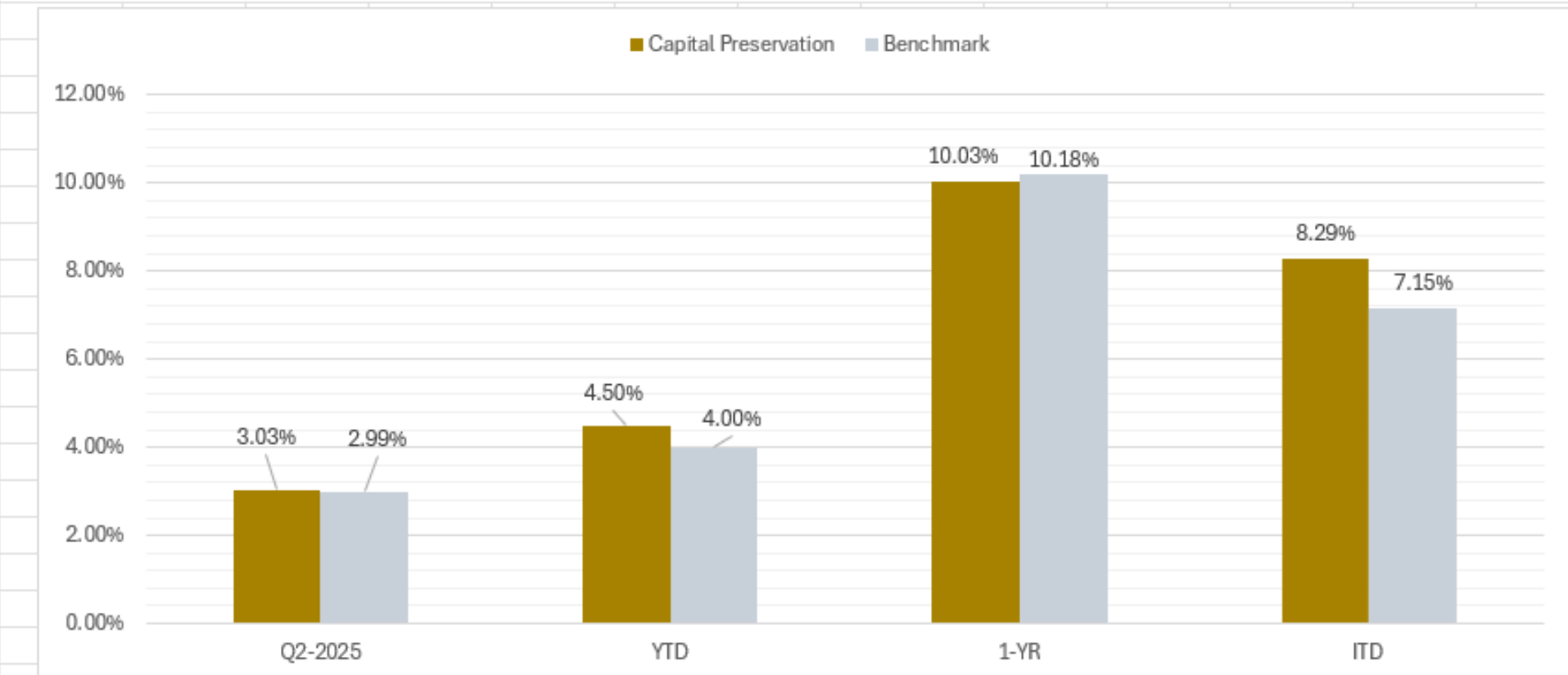
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Plan Performance Summary

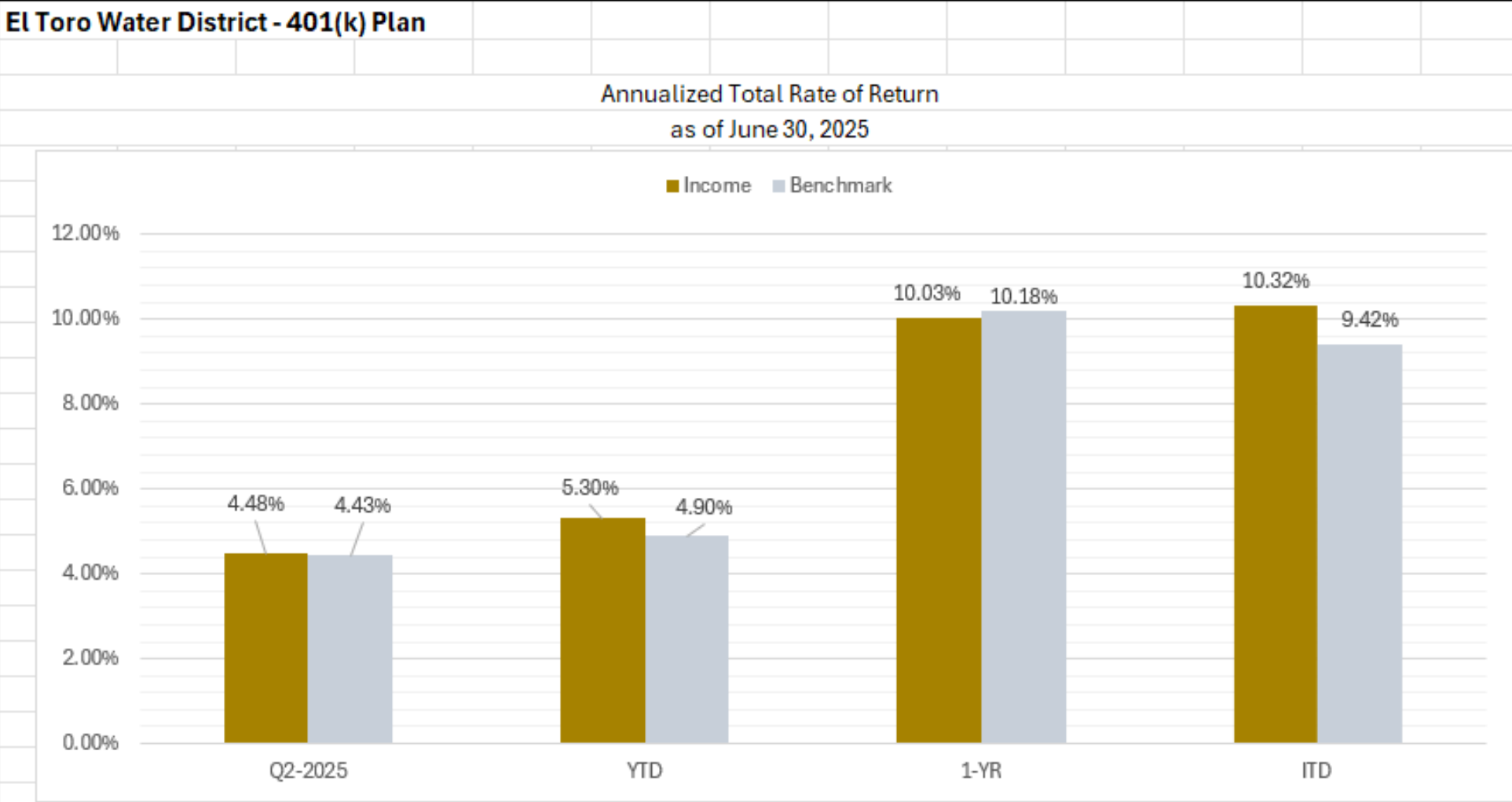
INVESTMENT RETURNS - CAPITAL PRESERVATION

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of June 30, 2025



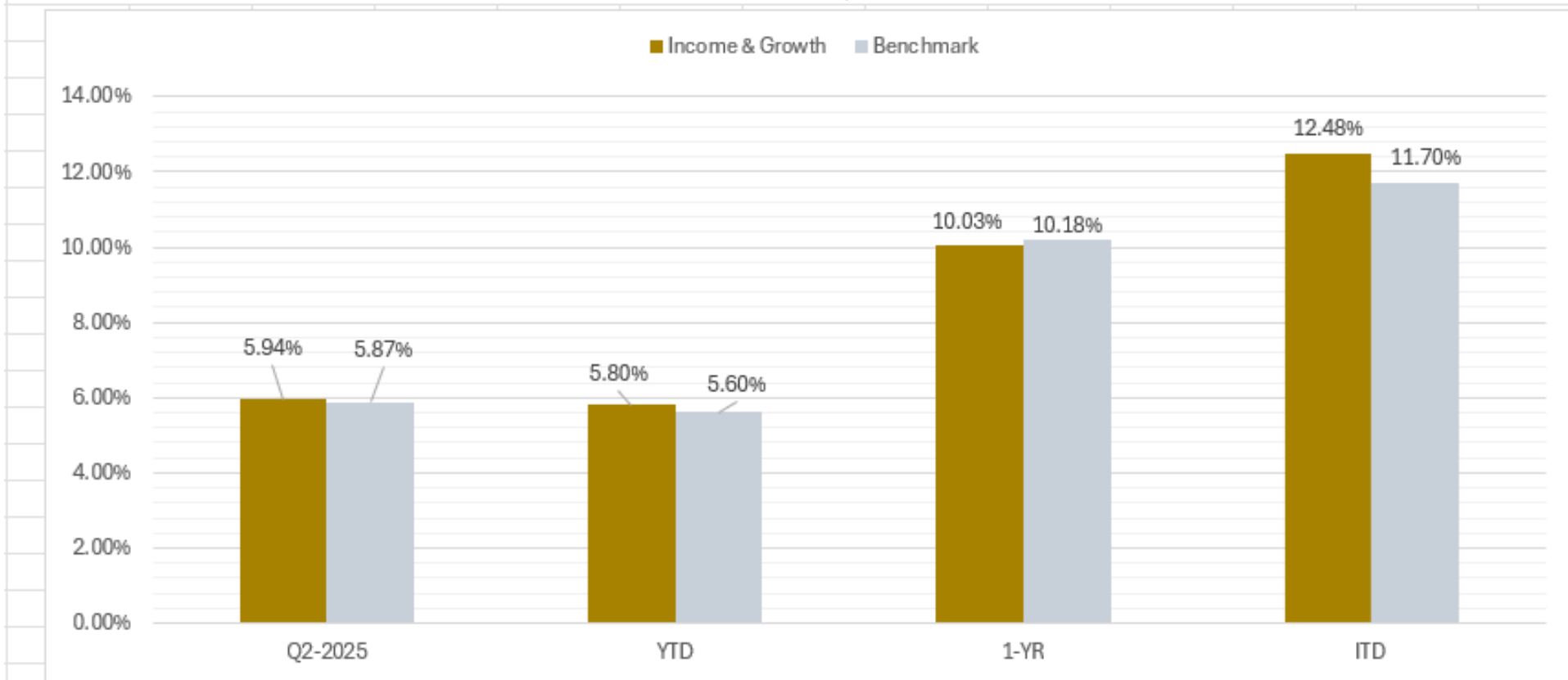
INVESTMENT RETURNS - INCOME

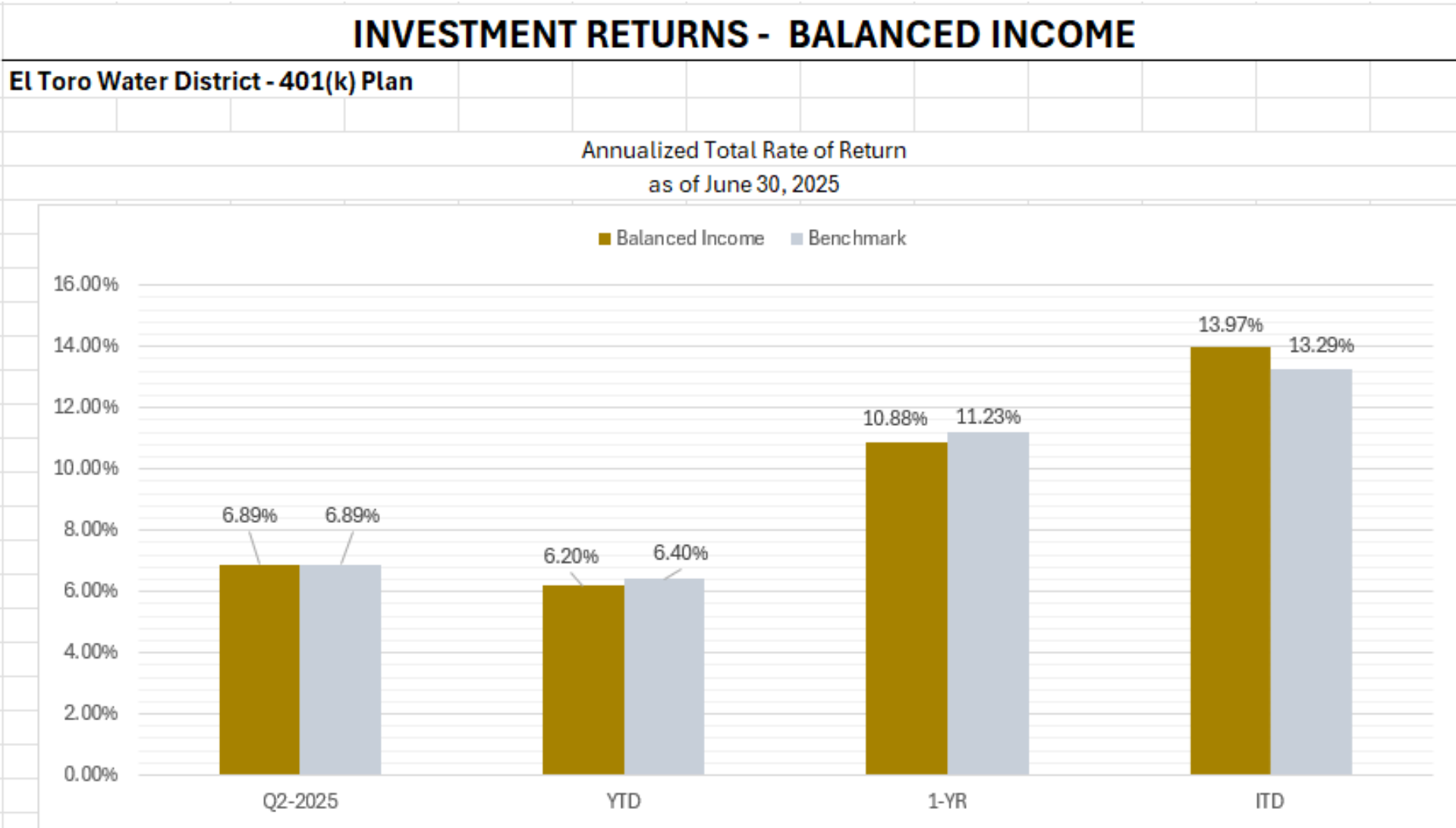


INVESTMENT RETURNS - INCOME & GROWTH

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of June 30, 2025

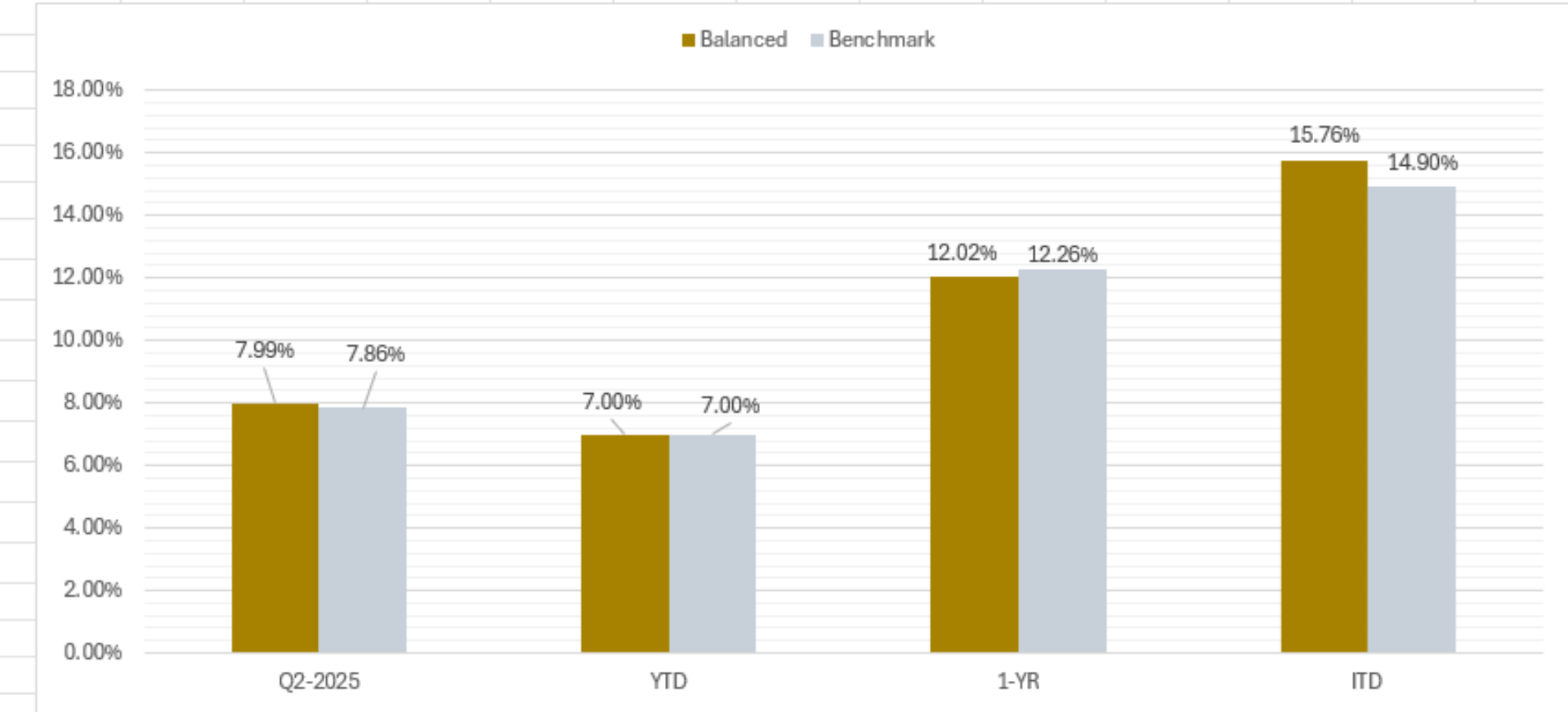




INVESTMENT RETURNS - BALANCED

El Toro Water District - 401(k) Plan										

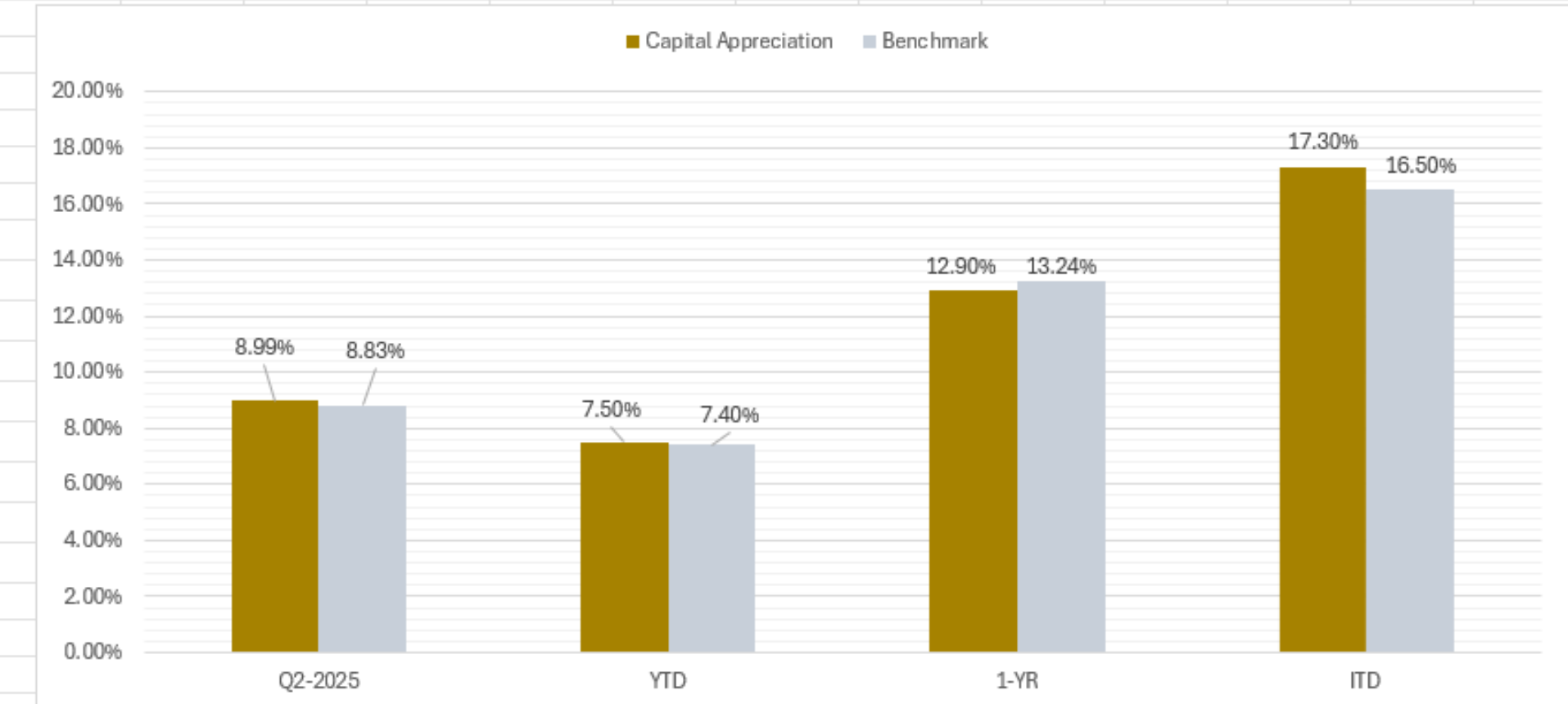
Annualized Total Rate of Return
as of June 30, 2025



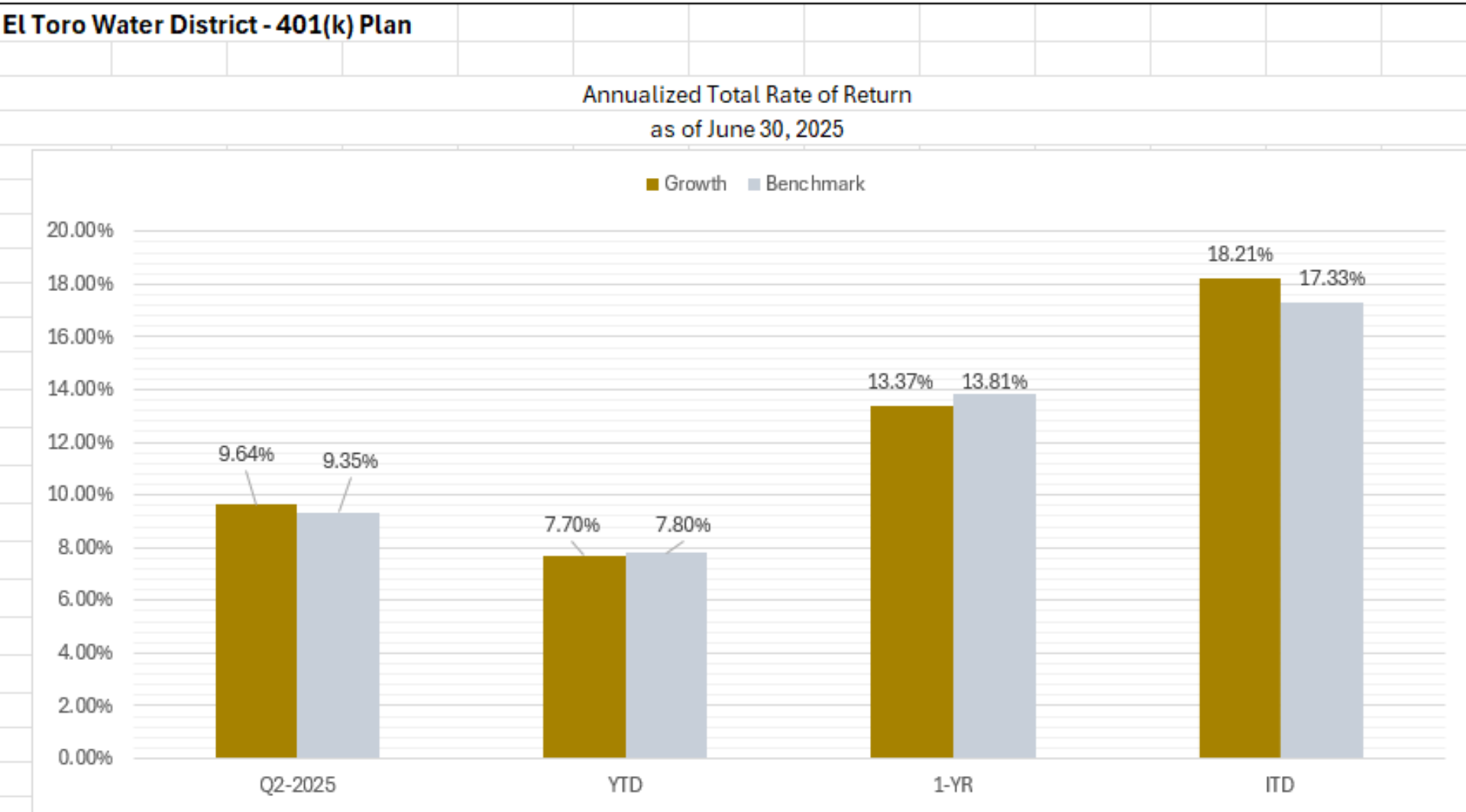
INVESTMENT RETURNS - CAPITAL APPRECIATION

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of June 30, 2025



INVESTMENT RETURNS - GROWTH



Asset Allocation & Performance

	Performance(%)						
	1 Quarter	Year to Date	1 Year	3 Years	5 Years	7 Years	10 Years
Domestic Equity							
<i>Russell 3000 Index</i>	10.99	5.75	15.30	19.08	15.96	13.55	12.96
Dodge & Cox Stock	3.83 (61)	7.50 (20)	13.43 (37)	14.89 (24)	17.37 (12)	11.75 (9)	11.51 (5)
PIMCO RAE US Instl	5.48 (33)	5.32 (50)	6.41 (91)	14.88 (24)	15.97 (27)	10.56 (23)	10.33 (17)
Columbia Contrarian Core Inst3	11.59 (30)	6.33 (39)	12.72 (53)	20.34 (21)	16.95 (14)	14.85 (8)	13.27 (21)
Vanguard Growth & Income Adm	12.84 (16)	6.66 (32)	15.06 (28)	19.84 (27)	17.04 (14)	14.34 (18)	13.60 (11)
Harbor Capital Appreciation Ret	19.61 (23)	7.58 (36)	15.93 (43)	27.88 (12)	15.26 (49)	16.24 (25)	N/A
Vanguard Growth Index Admiral	18.36 (39)	7.11 (47)	17.92 (23)	26.07 (25)	17.45 (12)	17.43 (10)	16.18 (12)
<i>S&P 500</i>	10.94	6.20	15.16	19.71	16.64	14.39	13.65
Vanguard Mid Cap Index Admiral	8.69 (77)	6.97 (31)	17.50 (35)	14.32 (49)	13.01 (9)	10.28 (44)	9.96 (52)
<i>Russell Midcap Index</i>	8.53	4.84	15.21	14.33	13.11	10.02	9.89
Undisc Managers Behavioral Val R6	1.28 (79)	-2.57 (71)	5.61 (55)	9.77 (37)	18.82 (27)	7.99 (18)	9.05 (17)
Delaware Small Cap Core R6	4.83 (62)	-3.68 (63)	5.51 (49)	8.14 (66)	10.49 (72)	6.01 (45)	N/A
Emerald Growth Institutional	20.28 (3)	5.39 (5)	14.60 (9)	16.76 (6)	10.28 (21)	8.26 (26)	8.78 (30)
<i>Russell 2000 Index</i>	8.50	-1.79	7.68	10.00	10.04	5.52	7.12
International Equity							
<i>MSCI AC World ex USA (Net)</i>	12.03	17.90	17.72	13.99	10.13	6.58	6.12
Dodge & Cox International Stock	11.58 (44)	22.38 (45)	23.15 (40)	15.38 (76)	13.94 (34)	7.86 (30)	6.09 (36)
MFS International Growth R6	10.73 (73)	15.46 (73)	18.59 (23)	15.19 (23)	10.45 (29)	8.73 (22)	8.94 (5)
DFA Large Cap International I	11.89 (56)	20.20 (46)	19.44 (45)	16.02 (42)	12.14 (25)	7.75 (18)	6.97 (22)
<i>MSCI AC World ex USA (Net)</i>	12.03	17.90	17.72	13.99	10.13	6.58	6.12
Vanguard Emerging Mkts Stock Idx Adm	9.50 (91)	11.80 (82)	15.61 (31)	9.37 (57)	7.43 (37)	5.28 (34)	4.76 (45)
<i>MSCI EM (net)</i>	11.99	15.27	15.29	9.70	6.81	4.48	4.81
Other Growth							
American Beacon AHL Managed Futures R5	-4.40 (68)	-9.92 (82)	-14.77 (71)	-3.43 (58)	2.88 (73)	2.96 (53)	2.32 (34)
Cohen & Steers Inst Realty Shares	1.31 (8)	4.51 (3)	10.85 (17)	4.98 (21)	8.46 (17)	7.38 (6)	7.73 (4)
<i>MSCI US REIT Index</i>	-1.14	-0.09	8.92	5.40	8.63	5.60	6.33
Lazard Global Listed Infrastructure Inst	8.85 (34)	15.90 (29)	24.75 (28)	10.77 (20)	10.89 (17)	8.91 (10)	9.80 (3)
<i>MSCI World Core Infrastructure Index (Net)</i>	5.45	13.44	21.38	6.78	8.09	7.26	7.46

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Asset Allocation & Performance

	Performance(%)						
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
Fixed Income							
<i>Blmbg. U.S. Aggregate</i>	1.21	4.02	6.08	2.55	-0.73	1.77	1.76
Dodge & Cox Income	1.42 (25)	4.32 (15)	6.49 (22)	4.26 (5)	1.08 (5)	3.00 (2)	2.89 (2)
DoubleLine Core Fixed Income I	1.47 (39)	4.19 (39)	7.28 (10)	3.57 (35)	0.62 (17)	N/A	N/A
PGIM Total Return Bond R6	1.29 (61)	4.11 (48)	6.62 (30)	4.11 (14)	0.27 (35)	2.44 (32)	2.65 (15)
PIMCO Income Instl	2.22 (48)	5.58 (7)	9.31 (10)	7.29 (21)	4.37 (11)	4.20 (13)	4.53 (6)
Vanguard Long-Term Investment-Grade Adm	1.03 (89)	3.81 (64)	4.57 (91)	1.54 (91)	-3.44 (94)	1.71 (82)	2.73 (51)
<i>Blmbg. U.S. Aggregate</i>	1.21	4.02	6.08	2.55	-0.73	1.77	1.76
Cash Equivalent							
					N/A		
<i>ICE BofA 3 Month U.S. T-Bill</i>	1.04	2.07	4.68	4.56	2.76	2.54	1.97
Guaranteed Income Fund	0.83 (97)	2.26 (1)	4.82 (1)	N/A	N/A	N/A	N/A
<i>ICE BofA 3 Month U.S. T-Bill</i>	1.04	2.07	4.68	4.56	2.76	2.54	1.97

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Benchmark Performance

	Performance(%)		
	1 Quarter	1 Year	Jan-2023 To Jun-2025
Capital Preservation Benchmark	2.98	7.29	7.15
Income Benchmark	4.43	8.77	9.42
Income & Growth Benchmark	5.87	10.18	11.70
Balanced Income Benchmark	6.89	11.23	13.29
Balanced Benchmark	7.86	12.26	14.90
Capital Appreciation Benchmark	8.83	13.24	16.50
Growth Benchmark	9.35	13.81	17.33

Capital Preservation Benchmark - 12% S&P 500, 2% Russell MidCap, 2% Russell 2000, 3% MSCI EAFE, 1% MSCI Emerging Markets, 44% Bloomberg US Aggregate Bond, 17% Bloomberg 1-3 Year Government/Credit Bond, 14% HFRI FOF: Market Defensive Index*, 5% ICE BofAML 3 Mo US T-Bill

Income Benchmark - 21% S&P 500, 3% Russell MidCap, 3% Russell 2000, 6% MSCI EAFE, 2% MSCI Emerging Market, 36% Bloomberg US Aggregate Bond, 14% Bloomberg 1-3 Year Government/Credit Bond, 13% % HFRI FOF: Market Defensive Index*, 2% ICE BofAML 3 Mo US T-Bill

Income & Growth Benchmark - 30% S&P 500, 4% Russell MidCap, 4% Russell 2000, 9% MSCI EAFE, 3% MSCI Emerging Market, 25% Bloomberg US Aggregate Bond, 10% Bloomberg 1-3 Year Government/Credit Bond, 13% HFRI FOF: Market Defensive Index*, 2% ICE BofAML 3 Mo US T-Bill

Balanced Income Benchmark - 36% S&P 500, 4% Russell MidCap, 4% Russell 2000, 12% MSCI EAFE, 4% MSCI Emerging Market, 19% Bloomberg US Aggregate Bond, 8% Bloomberg 1-3 Year Government/Credit Bond, 12% HFRI FOF: Market Defensive Index*, 1% ICE BofAML 3 Mo US T-Bill

Balanced Benchmark - 42% S&P 500, 5% Russell MidCap, 5% Russell 2000, 14% MSCI EAFE, 4% MSCI Emerging Market, 14% Bloomberg Aggregate Bond, 6% Bloomberg 1-3 Year Government/Credit Bond, 9% HFRI FOF: Market Defensive Index*, 1% ICE BofAML 3 Mo US T-Bill

Capital Appreciation Benchmark - 48% S&P 500, 6% Russell MidCap, 6% Russell 2000, 16% MSCI EAFE, 4% MSCI Emerging Markets, 8% Bloomberg US Aggregate Bond, 4% Bloomberg 1-3 Year Government/Credit Bond, 7% HFRI FOF: Market Defensive Index*, 1% ICE BofAML 3 Mo US T-Bill

Growth Benchmark - 51% S&P 500, 6% Russell MidCap, 6% Russell 2000, 17% MSCI EAFE, 5% MSCI Emerging Markets, 6% Bloomberg US Aggregate Bond, 3% Bloomberg 1-3 Year Government/Credit Bond, 5% HFRI FOF: Market Defensive Index*, 1% ICE BofAML 3 Mo US T-Bill

*The official benchmark for the Plan is the Wilshire Liquid Alternatives Index. In 1Q 2025, PFMAM lost access to the historical performance of this index. For purposes of updating our blended benchmark, we are using a representative index for liquid alternative investing: the HFRI FOF: Market Defensive Index.

GoalMaker Performance Report

El Toro Water District

GoalMaker Performance Report

Performance as of June 30, 2025

Risk Level	Target Date	Weighted Net Expense	QTD	Weighted Average Annual Return				
				1 Year	3 Year	5 Year	10 Year	Since Inception
Moderate	2070	0.46%	9.64	13.37	--	--	--	18.21
	2065	0.46%	9.64	13.37	--	--	--	18.21
	2060	0.46%	9.64	13.37	--	--	--	18.21
	2055	0.46%	9.64	13.37	--	--	--	18.21
	2050	0.45%	8.99	12.90	--	--	--	17.30
	2045	0.46%	7.99	12.02	--	--	--	15.76
	2040	0.48%	6.89	10.88	--	--	--	13.97
	2035	0.47%	5.94	10.03	--	--	--	12.48
	2030	0.48%	4.48	8.88	--	--	--	10.32
	2025	0.48%	3.03	7.71	--	--	--	8.29
	2020	0.48%	3.03	7.71	--	--	--	8.29
	2015	0.48%	3.03	7.71	--	--	--	8.29
	2010	0.48%	3.03	7.71	--	--	--	8.29
	2005	0.48%	3.03	7.71	--	--	--	8.29

The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-800-345-2345. Past performance is no guarantee of future performance.

GoalMaker Performance Report

El Toro Water District

Performance as of June 30, 2025

Group/Investment	Weighted Net Expense	Weighted Average Annual Return					
		QTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Target Date 2005							
Empower GoalMaker Conservative 2005	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Moderate 2005	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Aggressive 2005	0.48%	3.03	7.71	--	--	--	8.29
US Fund Target-Date 2000-2010	--	4.07	8.94	7.62	5.07	5.03	--
Target Date 2010							
Empower GoalMaker Conservative 2010	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Moderate 2010	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Aggressive 2010	0.48%	3.03	7.71	--	--	--	8.29
US Fund Target-Date 2000-2010	--	4.07	8.94	7.62	5.07	5.03	--
Target Date 2015							
Empower GoalMaker Conservative 2015	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Moderate 2015	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Aggressive 2015	0.48%	3.03	7.71	--	--	--	8.29
US Fund Target-Date 2015	--	4.52	9.29	8.02	5.54	5.39	--
Target Date 2020							
Empower GoalMaker Conservative 2020	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Moderate 2020	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Aggressive 2020	0.48%	3.03	7.71	--	--	--	8.29
US Fund Target-Date 2020	--	5.01	9.72	8.65	6.19	5.85	--
Target Date 2025							
Empower GoalMaker Conservative 2025	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Moderate 2025	0.48%	3.03	7.71	--	--	--	8.29
Empower GoalMaker Aggressive 2025	0.48%	3.03	7.71	--	--	--	8.29
US Fund Target-Date 2025	--	5.37	10.00	9.28	6.80	6.25	--
Target Date 2030							
Empower GoalMaker Conservative 2030	0.48%	4.48	8.88	--	--	--	10.32
Empower GoalMaker Moderate 2030	0.48%	4.48	8.88	--	--	--	10.32
Empower GoalMaker Aggressive 2030	0.48%	4.48	8.88	--	--	--	10.32
US Fund Target-Date 2030	--	6.28	10.67	10.47	7.99	6.99	--
Target Date 2035							
Empower GoalMaker Conservative 2035	0.47%	5.94	10.03	--	--	--	12.48
Empower GoalMaker Moderate 2035	0.47%	5.94	10.03	--	--	--	12.48
Empower GoalMaker Aggressive 2035	0.47%	5.94	10.03	--	--	--	12.48
US Fund Target-Date 2035	--	7.41	11.79	12.11	9.46	7.75	--
Target Date 2040							
Empower GoalMaker Conservative 2040	0.48%	6.89	10.88	--	--	--	13.97

GoalMaker Performance Report

El Toro Water District

Performance as of June 30, 2025

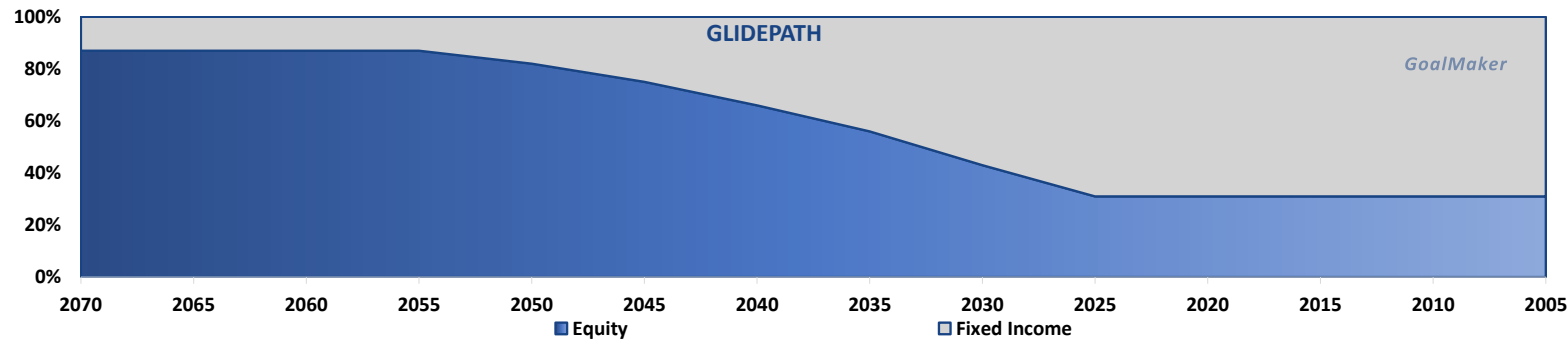
Group/Investment	Weighted Net Expense	Weighted Average Annual Return					
		QTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Empower GoalMaker Moderate 2040	0.48%	6.89	10.88	--	--	--	13.97
Empower GoalMaker Aggressive 2040	0.48%	6.89	10.88	--	--	--	13.97
US Fund Target-Date 2040	--	8.60	12.61	13.48	10.77	8.41	--
Target Date 2045							
Empower GoalMaker Conservative 2045	0.46%	7.99	12.02	--	--	--	15.76
Empower GoalMaker Moderate 2045	0.46%	7.99	12.02	--	--	--	15.76
Empower GoalMaker Aggressive 2045	0.46%	7.99	12.02	--	--	--	15.76
US Fund Target-Date 2045	--	9.37	13.58	14.59	11.61	8.81	--
Target Date 2050							
Empower GoalMaker Conservative 2050	0.45%	8.99	12.90	--	--	--	17.30
Empower GoalMaker Moderate 2050	0.45%	8.99	12.90	--	--	--	17.30
Empower GoalMaker Aggressive 2050	0.45%	8.99	12.90	--	--	--	17.30
US Fund Target-Date 2050	--	9.93	13.68	15.11	11.97	9.00	--
Target Date 2055							
Empower GoalMaker Conservative 2055	0.46%	9.64	13.37	--	--	--	18.21
Empower GoalMaker Moderate 2055	0.46%	9.64	13.37	--	--	--	18.21
Empower GoalMaker Aggressive 2055	0.46%	9.64	13.37	--	--	--	18.21
US Fund Target-Date 2055	--	10.05	14.15	15.31	12.13	9.05	--
Target Date 2060							
Empower GoalMaker Conservative 2060	0.46%	9.64	13.37	--	--	--	18.21
Empower GoalMaker Moderate 2060	0.46%	9.64	13.37	--	--	--	18.21
Empower GoalMaker Aggressive 2060	0.46%	9.64	13.37	--	--	--	18.21
US Fund Target-Date 2060	--	10.13	14.19	15.39	12.24	9.21	--
Target Date 2065							
Empower GoalMaker Conservative 2065	0.46%	9.64	13.37	--	--	--	18.21
Empower GoalMaker Moderate 2065	0.46%	9.64	13.37	--	--	--	18.21
Empower GoalMaker Aggressive 2065	0.46%	9.64	13.37	--	--	--	18.21
US Fund Target-Date 2065+	--	10.32	14.37	15.58	12.38	-	--
Target Date 2070							
Empower GoalMaker Conservative 2070	0.46%	9.64	13.37	--	--	--	18.21
Empower GoalMaker Moderate 2070	0.46%	9.64	13.37	--	--	--	18.21
Empower GoalMaker Aggressive 2070	0.46%	9.64	13.37	--	--	--	18.21
US Fund Target-Date 2065+	--	10.32	14.37	15.58	12.38	-	--

GoalMaker Performance Report

Allocation Summary as of June 30, 2025

Moderate Model

Asset Class	Investment Options	2070	2065	2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	2005
Stable Value	Guaranteed Income Fund	1%	1%	1%	1%	1%	2%	3%	4%	4%	4%	4%	4%	4%	4%
Fixed Income	Dodge & Cox Income - I	4%	4%	4%	4%	6%	8%	11%	14%	19%	23%	23%	23%	23%	23%
Fixed Income	PGIM Total Return Bond R6	2%	2%	2%	2%	3%	4%	5%	7%	9%	11%	11%	11%	11%	11%
Fixed Income	DoubleLine Core Fixed Income R6	4%	4%	4%	4%	6%	8%	11%	14%	19%	23%	23%	23%	23%	23%
Fixed Income	PIMCO Income Instl	1%	1%	1%	1%	1%	1%	1%	1%	2%	2%	2%	2%	2%	2%
Fixed Income	Vanguard Long-Term Investment-Grade Adm	1%	1%	1%	1%	1%	2%	3%	4%	4%	6%	6%	6%	6%	6%
Large Cap Stock - Value	Dodge & Cox Stock - I	7%	7%	7%	7%	7%	6%	5%	4%	3%	2%	2%	2%	2%	2%
Large Cap Stock - Value	PIMCO RAE US Instl	7%	7%	7%	7%	7%	6%	5%	4%	3%	2%	2%	2%	2%	2%
Large Cap Stock - Blend	Columbia Contrarian Core Instl 3	13%	13%	13%	13%	12%	11%	10%	9%	5%	3%	3%	3%	3%	3%
Large Cap Stock - Blend	Vanguard Growth & Income Adm	13%	13%	13%	13%	12%	11%	10%	9%	5%	3%	3%	3%	3%	3%
Large Cap Stock - Growth	Harbor Capital Appreciation Retirement	7%	7%	7%	7%	6%	5%	4%	3%	3%	2%	2%	2%	2%	2%
Large Cap Stock - Growth	Vanguard Growth Index Adm	6%	6%	6%	6%	6%	5%	4%	3%	2%	1%	1%	1%	1%	1%
Mid Cap Stock	Vanguard Mid Cap Index Fund - Admiral	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Small / Mid Cap Stock - Value	Undiscovered Mgrs Behavioral Value R6	4%	4%	4%	4%	3%	2%	2%	2%	1%	-	-	-	-	-
Small Cap Stock	Macquarie Small Cap Core R6	3%	3%	3%	3%	4%	4%	4%	3%	2%	2%	2%	2%	2%	2%
Small / Mid Cap Stock - Growth	Emerald Growth Institutional	4%	4%	4%	4%	3%	2%	2%	2%	1%	-	-	-	-	-
International Stock	Dodge & Cox International Stock - I	2%	2%	2%	2%	2%	2%	2%	1%	1%	-	-	-	-	-
International Stock	DFA Large Cap International I	9%	9%	9%	9%	8%	7%	5%	5%	4%	2%	2%	2%	2%	2%
International Stock	MFS International Growth R6	2%	2%	2%	2%	2%	2%	2%	1%	1%	-	-	-	-	-
Diversified Emerging Markets	Vanguard Emerging Mkts Stock Idx Adm	4%	4%	4%	4%	4%	4%	3%	2%	1%	1%	1%	1%	1%	1%
Other	Cohen & Steers Instl Realty Shares	2%	2%	2%	2%	2%	3%	3%	3%	4%	6%	6%	6%	6%	6%
Other	American Beacon AHL Mgd Futs Strat A	1%	1%	1%	1%	1%	2%	3%	3%	4%	4%	4%	4%	4%	4%
Other	Lazard Global Listed Infrast Port Inst	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%



GoalMaker Disclosures

The calculated returns shown are the weighted average returns of the underlying funds for the GoalMaker models based on allocations prior to 06/30/2025.

Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. The performance shown for the GoalMaker models is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. The performance shown 1) was rebalanced on a periodic basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

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GoalMaker Disclosures

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An Asset Allocation Model provides targeted asset allocation and allocates your account across the model's underlying investments. The plan may include Asset Allocation Models designed according to certain risk levels (e.g. Aggressive, Moderate or Conservative), Asset Allocation Models that follow a glide path based on a target date (2025, 2030, 2035 etc.), or both model types depending upon the models selected by the plan. Neither of which is without risk or guarantee of positive returns. The date in the name of a target date model is an assumed date in which an investor will retire. The asset allocation becomes more conservative as the target retirement date nears, and depending on the model's design, can remain static at the target date or adjust further through retirement. There is no guarantee the investment will provide adequate retirement income.

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Investors should review the prospectus, summary prospectus for SEC-registered products, or disclosure document for unregistered products, if available, for underlying fund objectives, risks, fees and expenses. Investors should also periodically reassess their investments to make sure their model continues to correspond to their changing risk tolerance and retirement time horizon.

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STAFF REPORT

To: Board of Directors **Meeting Date:** August 25, 2025
From: Vishav Sharma, Chief Financial Officer
Subject: El Toro Water District Deferred Compensation Plan (457 Plan) report.

Background:

This report provides a comprehensive review of the District's 457 Plan. The 457 Plan is an employee self-directed plan offering a total of eighteen investment options, including Schwab SDB securities. A summary of the available investment options, plan allocation, and plan balance is included in the attached report.

The first 25 pages of the report provide an overview of the current capital markets, covering both U.S. and global economic conditions, as well as key highlights on the employment situation and broader economic trends.

Second half of the report focuses on the specific details of the 457 Plan, including investment options, plan allocations, performance, and fund analysis.



El Toro Water District

Plan Investment Review

Kirk Lebeck
Investment Director

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Capital Markets Overview

Second Quarter 2025

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Macroeconomic Summary

The U.S. economy has been resilient despite shifts in both trade and fiscal policies

- The quarter began with the April 2nd (“Liberation Day”) announcement of reciprocal tariffs that were higher than anticipated. **Equity markets sold off** and inflation expectations rose. However, once a 90-day pause was announced, **markets recovered most of the losses.**
- **Economic fundamentals held up well** during the quarter despite policy uncertainty and the Fed forecasts Q2 GDP growth around 2.5%
- **Trade policy uncertainty has declined** but remains elevated which makes economic forecasts difficult. The inability to make decisions at both the firm and consumer level has the potential to be a headwind to growth.
- The true economic impact of tariffs has yet to be realized. If all tariff rates were at the administration’s floor of 10%, they will still be at the **highest levels in more than eight decades.** Once enacted, they will pose a risk to both growth and inflation.
- Overall core inflation remains above the Fed’s 2% mandate. **Tariffs pose upside inflation risks,** but markets will continue to discount inflation prints until trade impacts show up in the data.
- Business and consumer inflation expectations have come down but remain at high levels. Large businesses have passed through most of the tariffs to end consumers while **smaller firms have less pricing power and higher sensitivity to price fluctuations.**
- The labor market has been gradually cooling but does not yet signal a slowdown. The health of the labor market is critical for sustaining consumer spending, and the **demand shocks from tariffs could serve as the catalyst that tips the U.S. into recession.**

All developed markets have acknowledged that policy will be reactive to what transpires on trade

- The FOMC is anticipating stagflation, but the timing and magnitude are unknown. Recent data has been supportive of rate cuts; however, **the Fed is on hold as they await tariffs and the impact on prices.**
- Executive pressure on the Fed Chair in favor of lower rates and the interplay between the President and the FOMC warrants monitoring
- The administration’s “Big Beautiful Bill” was signed into law in early July. Making the TCJA permanent, lowering corporate taxes, and providing incentives to manufacturing and R&D intensive firms should boost short-term growth. The bill is projected to send the deficit to 7% of GDP, including interest costs, though tariff revenues have the potential to keep the deficit at its current 6% level

Market Summary

US Markets

- **Markets were volatile at the beginning of Q2** as reciprocal tariffs were announced. The **S&P went down by more than 15%** and the long end of the yield curve sold off. After the 90-day pause announcement markets recovered, and **many indices are at record highs**
- **U.S. capital markets finished the quarter with positive total returns in both fixed income and equities**
- For the quarter, the **S&P 500 and the NASDAQ were up 10.9% and 18.0%**, respectively. **Strong earnings growth was the primary driver** as multiples increased. The “Magnificent Seven” stocks were the primary drivers of the rally
- International equities outperformed U.S. markets for the first time in years, but the durability of the outperformance remains to be seen
- **The Bloomberg Aggregate Bond Index had positive total returns** for the quarter as interest rates rallied on the shorter end of the curve while the long end sold off
- **The yield curve bear steepened** as markets digested tariffs, fiscal policy, and Fed rate cuts. Spreads tightened back to near record levels.
- **Investment Grade corporate fundamentals are positive** as earnings and balance sheets remain healthy
- **Fixed income yields remain attractive** and financial conditions became more accommodative during the quarter after the tightening in early April

Global Markets

- Within global markets both the **MSCI EAFE (“developed markets”) index** and the **EM (“emerging markets”) index** posted **positive results** in the second quarter, with emerging market equities outperforming developed markets
- Global bonds were positive during the quarter with the **Bloomberg Global Aggregate Bond Index posting positive returns**
- Positive news is now fully discounted in markets leaving **little margin for downside surprises**. Geopolitical risks remain elevated, but markets have largely shrugged them off

Equity Market Returns

(as of June 30, 2025)		QTD	YTD	1 Year Trailing	3 Year Trailing	5 Year Trailing	10 Year Trailing	2024	2023	2022	2021	2020	2019	2018
Domestic Equity														
Large Cap	S&P 500	10.9%	6.2%	15.2%	19.7%	16.6%	13.6%	25.0%	26.3%	-18.1%	28.7%	18.4%	31.5%	-4.4%
	S&P 500 Equal Weighted	5.5%	4.8%	12.7%	12.8%	14.4%	10.7%	13.0%	13.9%	-11.4%	29.6%	12.8%	29.2%	-7.6%
	Russell 1000 Value	3.8%	6.0%	13.7%	12.8%	13.9%	9.2%	14.4%	11.5%	-7.5%	25.2%	2.8%	26.5%	-8.3%
	Russell 1000 Growth	17.8%	6.1%	17.2%	25.8%	18.1%	17.0%	33.4%	42.7%	-29.1%	27.6%	38.5%	36.4%	-1.5%
Mid Cap	Russell Mid Cap	8.5%	4.8%	15.2%	14.3%	13.1%	9.9%	15.3%	17.2%	-17.3%	22.6%	17.1%	30.5%	-9.1%
	Russell Mid Cap Value	5.3%	3.1%	11.5%	11.3%	13.7%	8.4%	13.1%	12.7%	-12.0%	28.3%	5.0%	27.1%	-12.3%
	Russell Mid Cap Growth	18.2%	9.8%	26.5%	21.5%	12.7%	12.1%	22.1%	25.9%	-26.7%	12.7%	35.6%	35.5%	-4.8%
Small Cap	Russell 2000	8.5%	-1.8%	7.7%	10.0%	10.0%	7.1%	11.5%	16.9%	-20.4%	14.8%	20.0%	25.5%	-11.0%
	Russell 2000 Value	5.0%	-3.2%	5.5%	7.5%	12.5%	6.7%	8.1%	14.6%	-14.5%	28.3%	4.6%	22.4%	-12.9%
	Russell 2000 Growth	12.0%	-0.5%	9.7%	12.4%	7.4%	7.1%	15.2%	18.7%	-26.4%	2.8%	34.6%	28.5%	-9.3%
International Equity														
Developed Markets	MSCI EAFE	11.8%	19.4%	17.7%	16.0%	11.2%	6.5%	3.8%	18.2%	-14.5%	11.3%	7.8%	22.0%	-13.8%
	Australia	15.1%	12.0%	10.7%	12.0%	11.3%	7.0%	1.2%	14.8%	-5.3%	9.4%	8.7%	22.9%	-12.0%
	Canada	14.2%	15.5%	27.0%	13.8%	14.6%	7.9%	11.9%	15.4%	-12.9%	26.0%	5.3%	27.5%	-17.2%
	France	9.3%	20.5%	16.4%	15.5%	12.1%	7.7%	-5.3%	21.4%	-13.3%	19.5%	4.1%	25.7%	-12.8%
	Germany	16.3%	34.4%	40.3%	25.6%	12.5%	7.0%	10.2%	23.0%	-22.3%	5.3%	11.5%	20.8%	-22.2%
	Japan	11.4%	11.7%	13.9%	15.0%	8.8%	6.1%	8.3%	20.3%	-16.6%	1.7%	14.5%	19.6%	-12.9%
	Switzerland	7.5%	19.8%	15.4%	11.5%	8.5%	7.0%	-2.0%	15.7%	-18.3%	19.3%	11.6%	32.3%	-9.1%
	UK	8.7%	19.3%	20.0%	15.2%	14.0%	5.4%	7.5%	14.1%	-4.8%	18.5%	-10.5%	21.0%	-14.2%
Emerging Markets	MSCI Emerging Markets	12.0%	15.3%	15.3%	9.7%	6.8%	4.8%	7.5%	9.8%	-20.1%	-2.5%	18.3%	18.4%	-14.6%
	Brazil	13.3%	29.2%	11.6%	10.2%	8.5%	4.4%	-29.8%	32.7%	14.2%	-17.4%	-19.0%	26.3%	-0.5%
	China	2.0%	17.3%	33.8%	3.1%	-1.0%	2.1%	19.4%	-11.2%	-21.9%	-21.7%	29.5%	23.5%	-18.9%
	India	9.2%	6.0%	0.8%	15.6%	18.2%	9.2%	11.2%	20.8%	-8.0%	26.2%	15.6%	7.6%	-7.3%
	Indonesia	8.0%	-4.1%	-6.7%	-2.3%	3.1%	1.4%	-12.9%	7.3%	3.6%	2.1%	-8.1%	9.1%	-9.2%
	Korea	32.7%	39.2%	6.2%	9.1%	5.8%	5.0%	-23.4%	23.2%	-29.4%	-8.4%	44.6%	12.5%	-20.9%
	Mexico	20.5%	30.9%	13.1%	12.6%	17.2%	3.2%	-27.1%	40.9%	-2.0%	22.5%	-1.9%	11.4%	-15.5%
	Russia	0.0%	-100.0%	-100.0%	-99.0%	-93.0%	-73.8%	0.0%	0.0%	-100.0%	19.0%	-12.5%	50.9%	-0.4%

Source: Morningstar Direct; Empower Investments Analysis Individual country returns are represented by MSCI indices and shown as USD returns

*Canada is not part of the EAFE Index

Past performance is not a guarantee or prediction of future results.

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Fixed Income and Specialty Returns

(as of June 30, 2025)	QTD	YTD	1 Year Trailing	3 Year Trailing	5 Year Trailing	10 Year Trailing	2024	2023	2022	2021	2020	2019	2018
Fixed Income													
Bloomberg Barclays US Aggregate	1.2%	4.0%	6.1%	2.5%	-0.7%	1.8%	1.3%	5.5%	-13.0%	-1.5%	7.5%	8.7%	0.0%
Bloomberg Barclays US Treasury	0.8%	3.8%	5.3%	1.5%	-1.6%	1.2%	0.6%	4.1%	-12.5%	-2.3%	8.0%	6.9%	0.9%
Bloomberg Barclays US Govt/ Credit Intermediate	1.7%	4.1%	6.7%	3.6%	0.6%	2.0%	3.0%	5.2%	-8.2%	-1.4%	6.4%	6.8%	0.9%
Bloomberg Barclays US Govt/ Credit Long	-0.2%	3.4%	3.3%	-0.3%	-4.9%	1.8%	-4.2%	7.1%	-27.1%	-2.5%	16.1%	19.6%	-4.7%
Bloomberg Barclays US TIPS	0.5%	4.7%	5.8%	2.3%	1.6%	2.7%	1.8%	3.9%	-11.8%	6.0%	11.0%	8.4%	-1.3%
Bloomberg Barclays US Corporate High Yield	3.5%	4.6%	10.3%	9.9%	6.0%	5.4%	8.2%	13.4%	-11.2%	5.3%	7.1%	14.3%	-2.1%
FTSE WGBI	4.6%	7.3%	8.5%	1.7%	-2.5%	0.6%	-2.9%	5.2%	-18.3%	-7.0%	10.1%	5.9%	-0.8%
FTSE Treasury Bill 3 Month	1.1%	2.2%	4.9%	4.8%	2.9%	2.0%	5.4%	5.3%	1.5%	0.0%	0.6%	2.3%	1.9%
Specialty													
Bloomberg Commodity	-3.1%	5.5%	5.8%	0.1%	12.7%	2.0%	5.4%	-7.9%	16.1%	27.1%	-3.1%	7.7%	-11.2%
DJUS Select REIT	-1.7%	-0.6%	8.1%	4.8%	8.5%	5.5%	8.1%	14.0%	-26.0%	45.9%	-11.2%	23.1%	-4.2%
FTSE EPRA/ NAREIT Developed Ex US	16.0%	20.0%	19.2%	4.2%	3.1%	2.2%	-7.8%	7.1%	-23.8%	8.8%	-6.5%	21.8%	-5.8%

Source: Morningstar Direct; Empower Investments Analysis *Past performance is not a guarantee or prediction of future results.*

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Calendar Year Returns by Asset Class

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Cumulative Return*
Lg Growth 5.7	Sm Value 31.7	Emrg Mkt 37.3	Agg Bond 0.0	Lg Growth 36.4	Lg Growth 38.5	Sm Value 28.3	Lg Value -7.54	Lg Growth 42.68	Lg Growth 33.36	Lg Growth 372.71
Balanced 1.3	Mid Value 20.0	Lg Growth 30.2	Lg Growth -1.5	Mid Growth 35.5	Mid Growth 35.6	Mid Value 28.3	Mid Value -12.03	Mid Growth 25.87	Mid Growth 22.10	Mid Growth 209.02
Agg Bond 0.5	Lg Value 17.3	Mid Growth 25.3	Balanced -2.4	Sm Growth 28.5	Sm Growth 34.6	Lg Growth 27.6	Agg Bond -13.01	Sm Growth 18.68	Sm Growth 15.15	Lg Value 136.03
Mid Growth -0.2	Sm Growth 11.3	International 25.0	Mid Growth -4.8	Mid Value 27.1	Emrg Mkt 18.3	Lg Value 25.2	International -14.45	International 18.24	Balanced 15.04	Balanced 133.23
International -0.8	Emrg Mkt 11.2	Sm Growth 22.2	Lg Value -8.3	Lg Value 26.5	Balanced 14.7	Balanced 15.9	Sm Value -14.48	Balanced 17.67	Lg Value 14.37	Mid Value 118.13
Sm Growth -1.4	Balanced 8.3	Balanced 14.2	Sm Growth -9.3	Sm Value 22.4	International 7.8	Mid Growth 12.7	Balanced -15.79	Sm Value 14.65	Mid Value 13.07	Sm Growth 101.94
Lg Value -3.8	Mid Growth 7.3	Lg Value 13.7	Mid Value -12.3	Balanced 22.2	Agg Bond 7.5	International 11.3	Emrg Mkt -20.09	Mid Value 12.71	Sm Value 8.05	Sm Value 91.83
Mid Value -4.8	Lg Growth 7.1	Mid Value 13.3	Sm Value -12.9	International 22.0	Mid Value 5.0	Sm Growth 2.8	Sm Growth -26.36	Lg Value 11.46	Emrg Mkt 7.50	International 82.56
Sm Value -7.5	Agg Bond 2.6	Sm Value 7.8	International -13.8	Emrg Mkt 18.4	Sm Value 4.6	Agg Bond -1.5	Mid Growth -26.72	Emrg Mkt 9.83	International 3.82	Emrg Mkt 55.87
Emrg Mkt -14.9	International 1.0	Agg Bond 3.5	Emrg Mkt -14.6	Agg Bond 8.7	Lg Value 2.8	Emrg Mkt -2.5	Lg Growth -29.14	Agg Bond 5.53	Agg Bond 1.25	Agg Bond 17.74

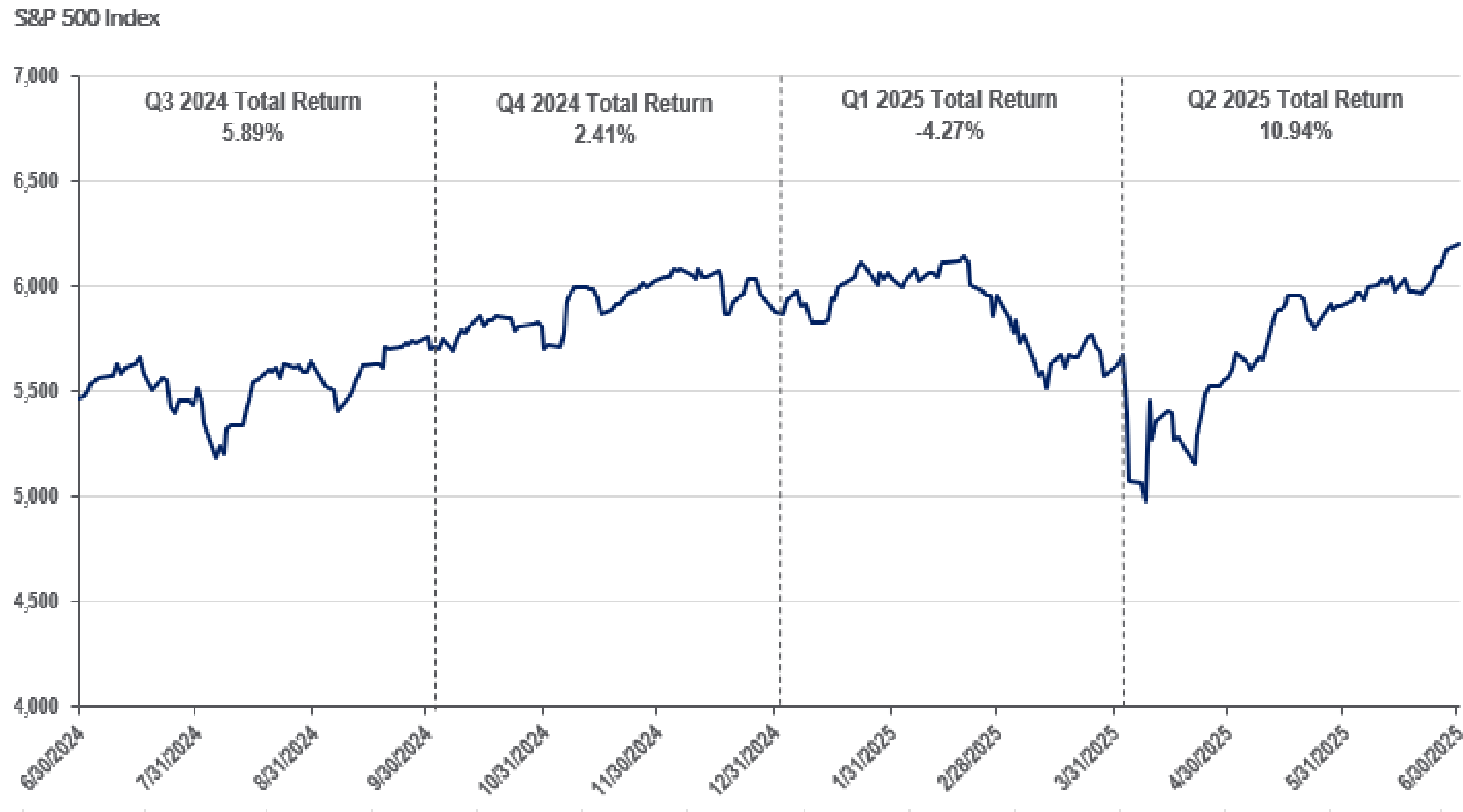
*Cumulative return is for the time period 6/1/2015 – 6/30/2025

Source: Morningstar Direct; Empower Investments Analysis; Lg Growth – Russell 1000 Growth Index, Lg Value – Russell 1000 Value Index, Mid Growth – Russell Mid Cap Growth Index, Mid Value – Russell Mid Cap Value Index, Sm Growth – Russell 2000 Growth Index, Sm Value – Russell 2000 Value Index, International – MSCI EAFE NR Index, Emrg Mkt – MSCI EM NR Index, Agg Bond – Bloomberg US Aggregate Bond Index, Balanced – 60% S&P 500 Index and 40% Bloomberg US Aggregate Bond Index.

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The S&P 500[®] Index ended the quarter in positive territory



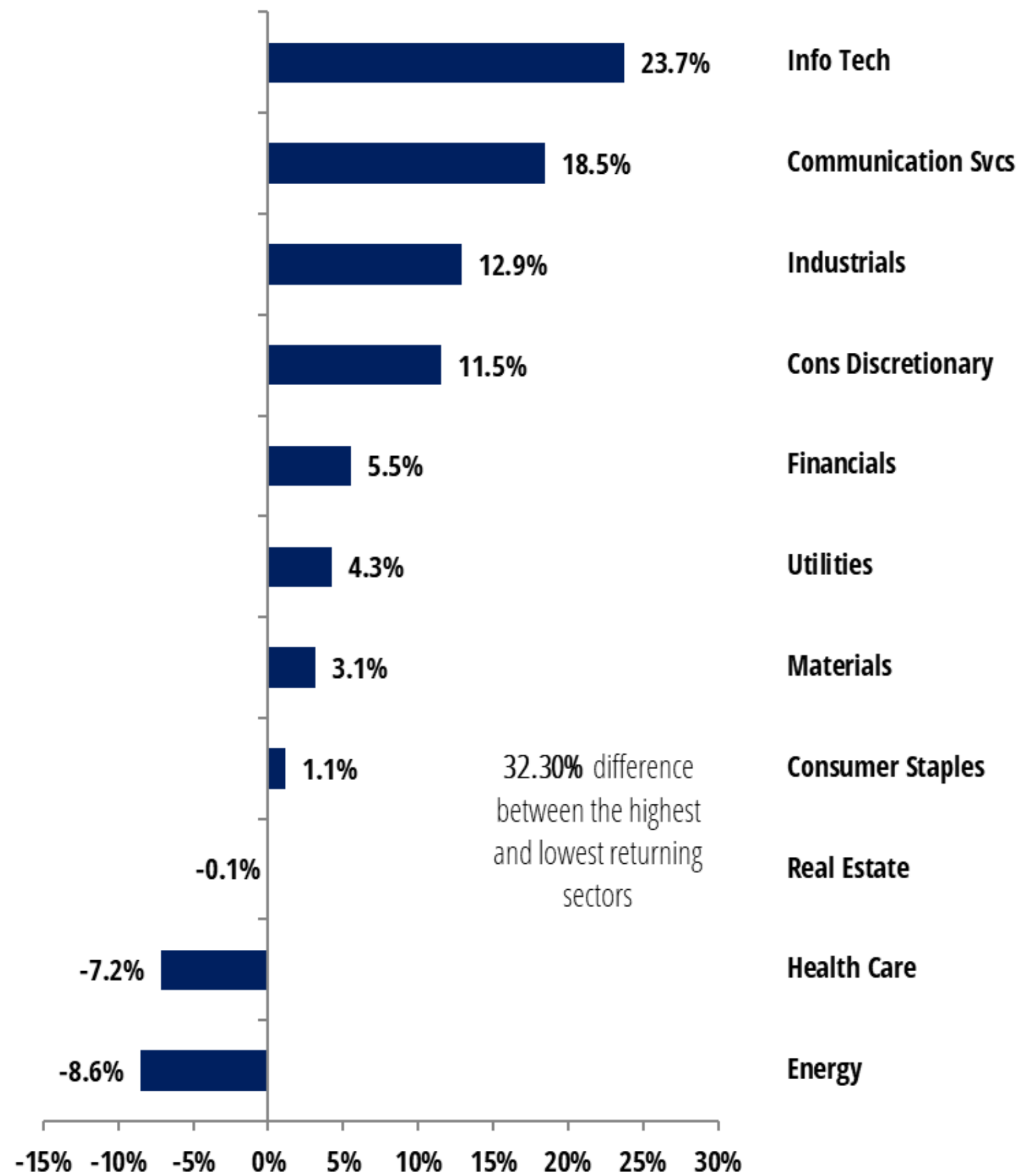
Source: Morningstar Direct; Empower Investments Analysis

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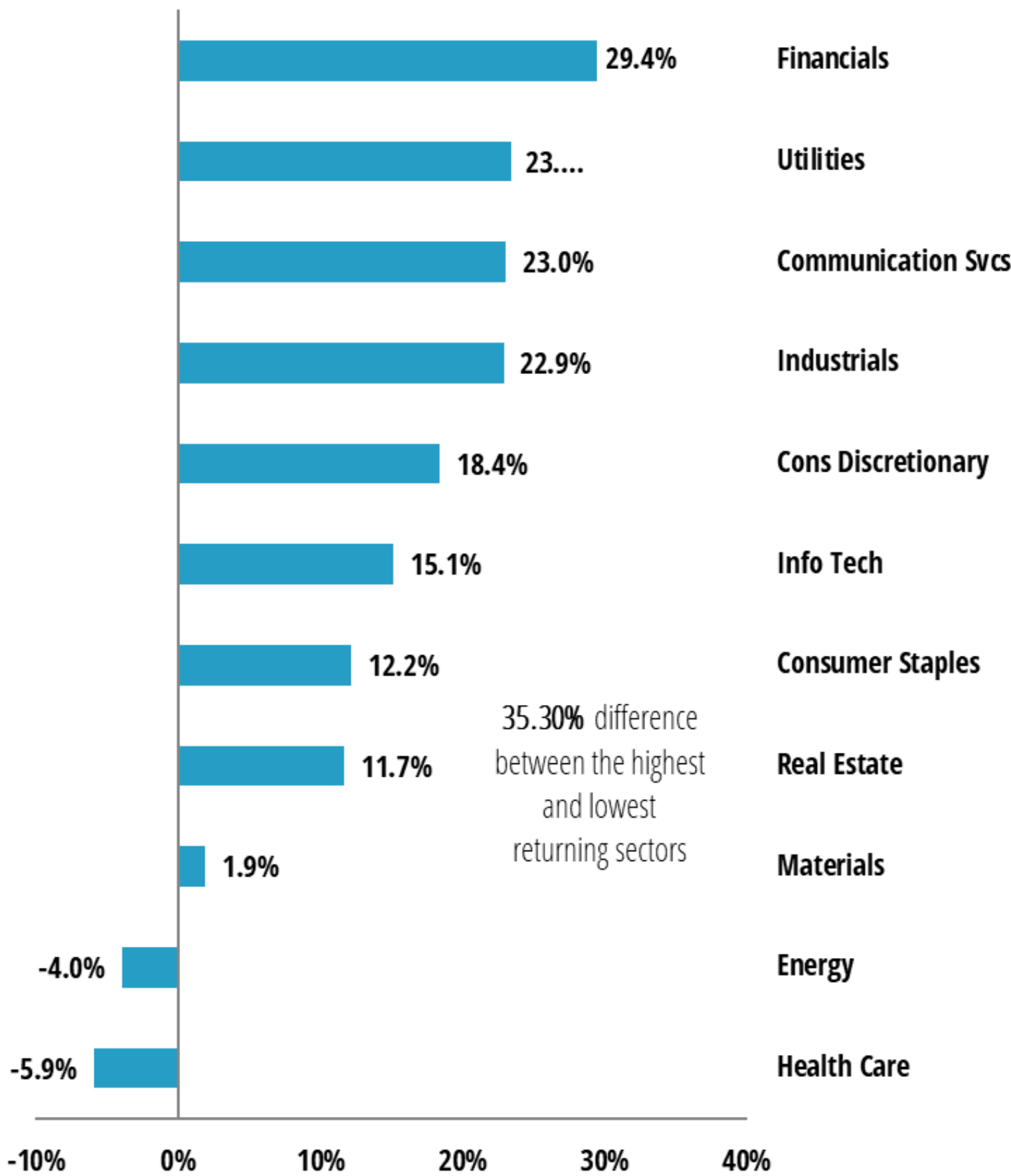
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S&P® 500 Sector Returns

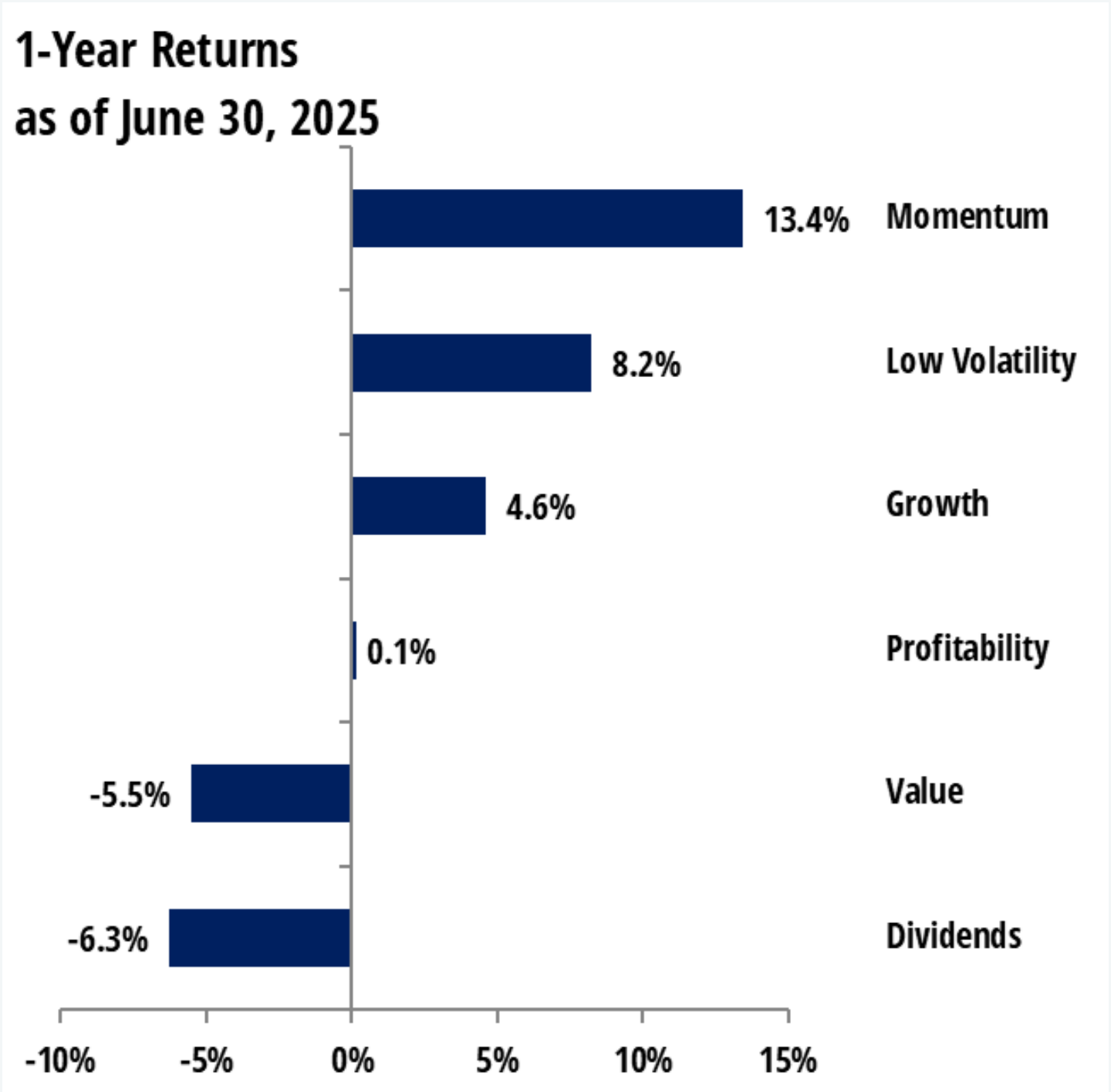
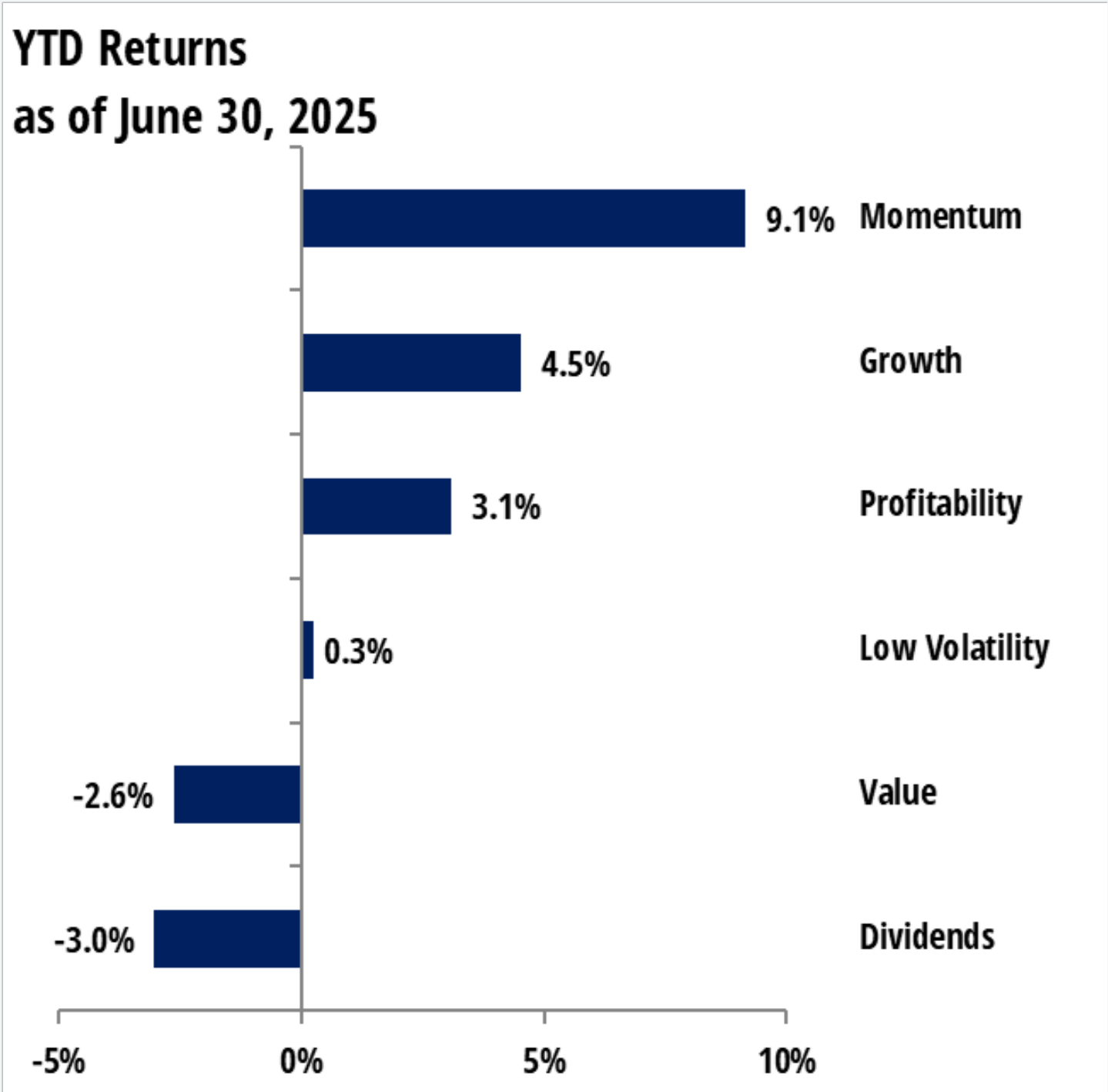
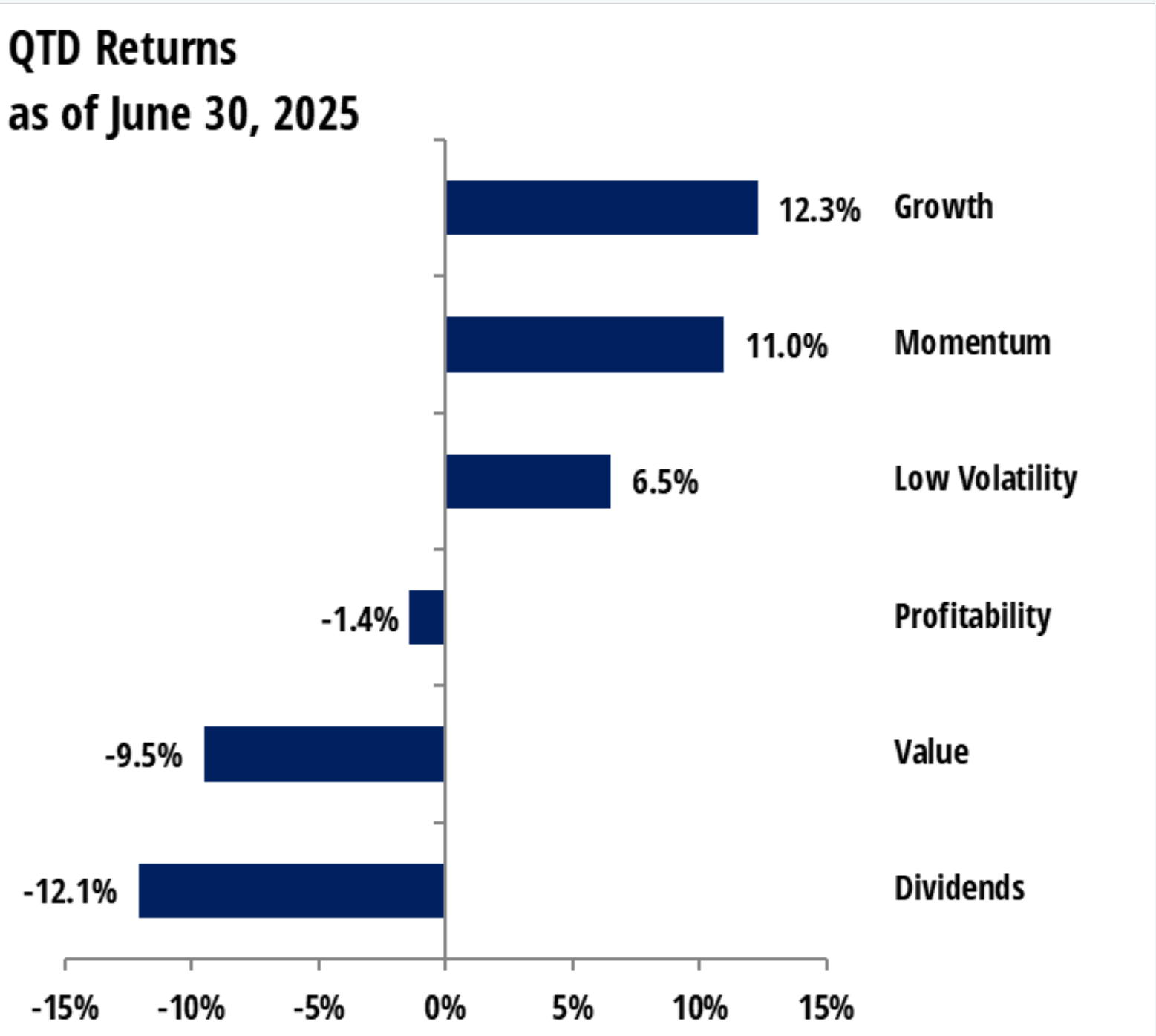
QTD Returns
as of June 30, 2025



1 Year Trailing Returns
as of June 30, 2025



Style Factor Performance



Source: Bloomberg; Empower Investments Analysis. Factor definitions included in the disclosures.

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Returns by Style

3 Months				1 Year				Since Pre-Covid Market Peak (February, 2020)			
Large	Value	Blend	Growth	Large	Value	Blend	Growth	Large	Value	Blend	Growth
	3.8%	10.9%	17.8%		13.7%	15.2%	17.2%		59.3%	100.1%	132.9%
	5.3%	8.5%	18.2%		11.5%	15.2%	26.5%		53.2%	62.6%	77.8%
	5.0%	8.5%	12.0%		5.5%	7.7%	9.7%		41.2%	38.9%	32.8%
Mid	Value	Blend	Growth	Mid	Value	Blend	Growth	Mid	Value	Blend	Growth
	12.8%	19.7%	25.8%		13.9%	16.6%	18.1%		137.2%	163.1%	181.2%
	11.3%	14.3%	21.5%		13.7%	13.1%	12.7%		146.3%	142.1%	128.0%
	7.5%	10.0%	12.4%		12.5%	10.0%	7.4%		129.4%	112.2%	91.7%
Small	Value	Blend	Growth	Small	Value	Blend	Growth	Small	Value	Blend	Growth
	3.8%	10.9%	17.8%		13.7%	15.2%	17.2%		59.3%	100.1%	132.9%
	5.3%	8.5%	18.2%		11.5%	15.2%	26.5%		53.2%	62.6%	77.8%
	5.0%	8.5%	12.0%		5.5%	7.7%	9.7%		41.2%	38.9%	32.8%
3 Year				5 Year				Since Covid Market Low (March, 2020)			
Large	Value	Blend	Growth	Large	Value	Blend	Growth	Large	Value	Blend	Growth
	12.8%	19.7%	25.8%		13.9%	16.6%	18.1%		137.2%	163.1%	181.2%
	11.3%	14.3%	21.5%		13.7%	13.1%	12.7%		146.3%	142.1%	128.0%
	7.5%	10.0%	12.4%		12.5%	10.0%	7.4%		129.4%	112.2%	91.7%
Mid	Value	Blend	Growth	Mid	Value	Blend	Growth	Mid	Value	Blend	Growth
	12.8%	19.7%	25.8%		13.9%	16.6%	18.1%		137.2%	163.1%	181.2%
	11.3%	14.3%	21.5%		13.7%	13.1%	12.7%		146.3%	142.1%	128.0%
	7.5%	10.0%	12.4%		12.5%	10.0%	7.4%		129.4%	112.2%	91.7%
Small	Value	Blend	Growth	Small	Value	Blend	Growth	Small	Value	Blend	Growth
	12.8%	19.7%	25.8%		13.9%	16.6%	18.1%		137.2%	163.1%	181.2%
	11.3%	14.3%	21.5%		13.7%	13.1%	12.7%		146.3%	142.1%	128.0%
	7.5%	10.0%	12.4%		12.5%	10.0%	7.4%		129.4%	112.2%	91.7%

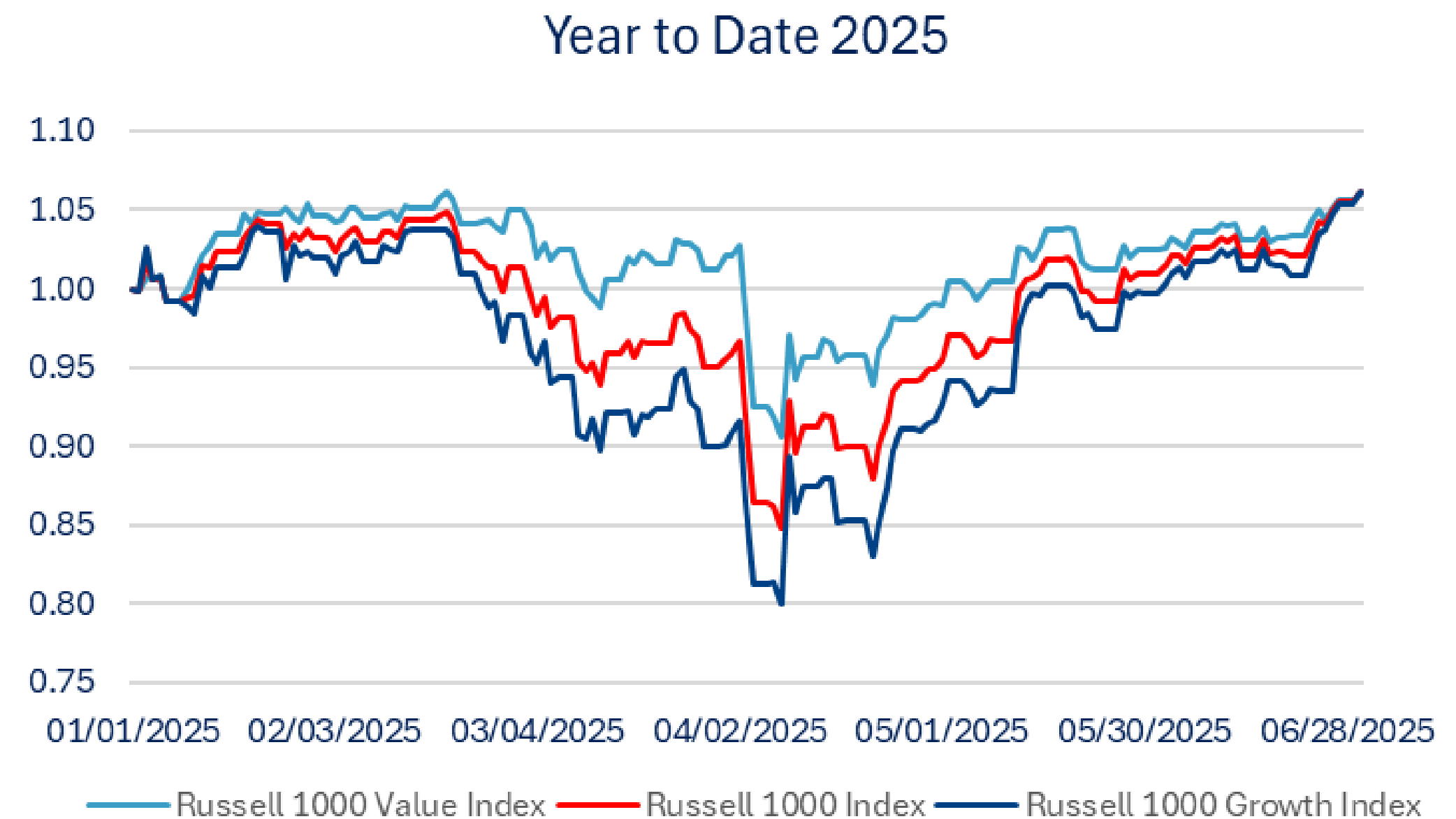
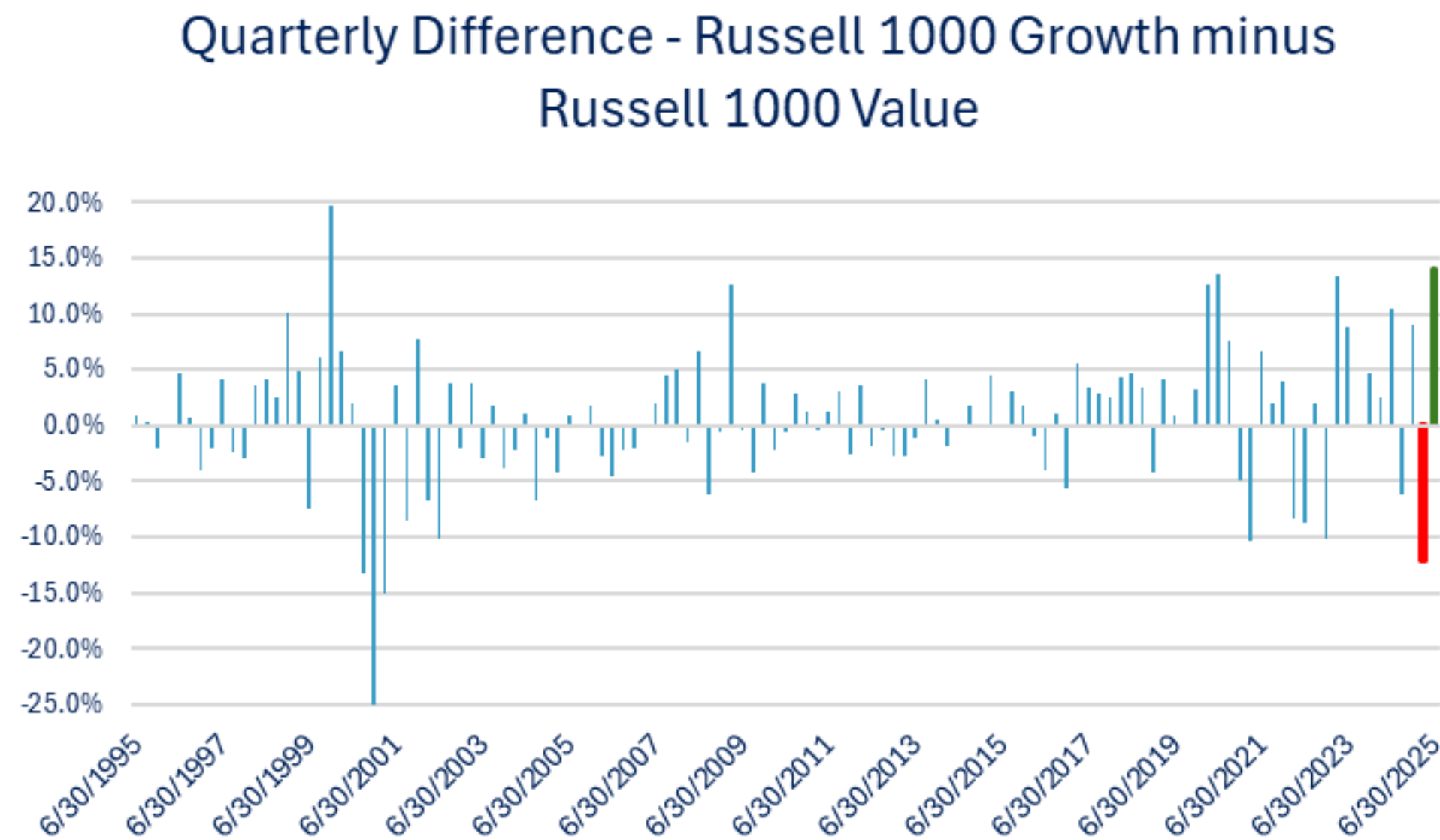
performance as of June 30, 2025

Source: Morningstar Direct; Empower Investments Analysis; Large Blend – S&P 500 Index, Large Value – Russell 1000 Value Index, Large Growth – Russell 1000 Growth Index, Mid Blend – Russell Mid Cap Index, Mid Value – Russell Mid Cap Value Index, Mid Growth – Russell Mid Cap Growth Index, Small Blend – Russell 2000 Index, Small Value – Russell 2000 Value Index, Small Growth – Russell 2000 Growth Index

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Growth Stocks Return with a Vengeance



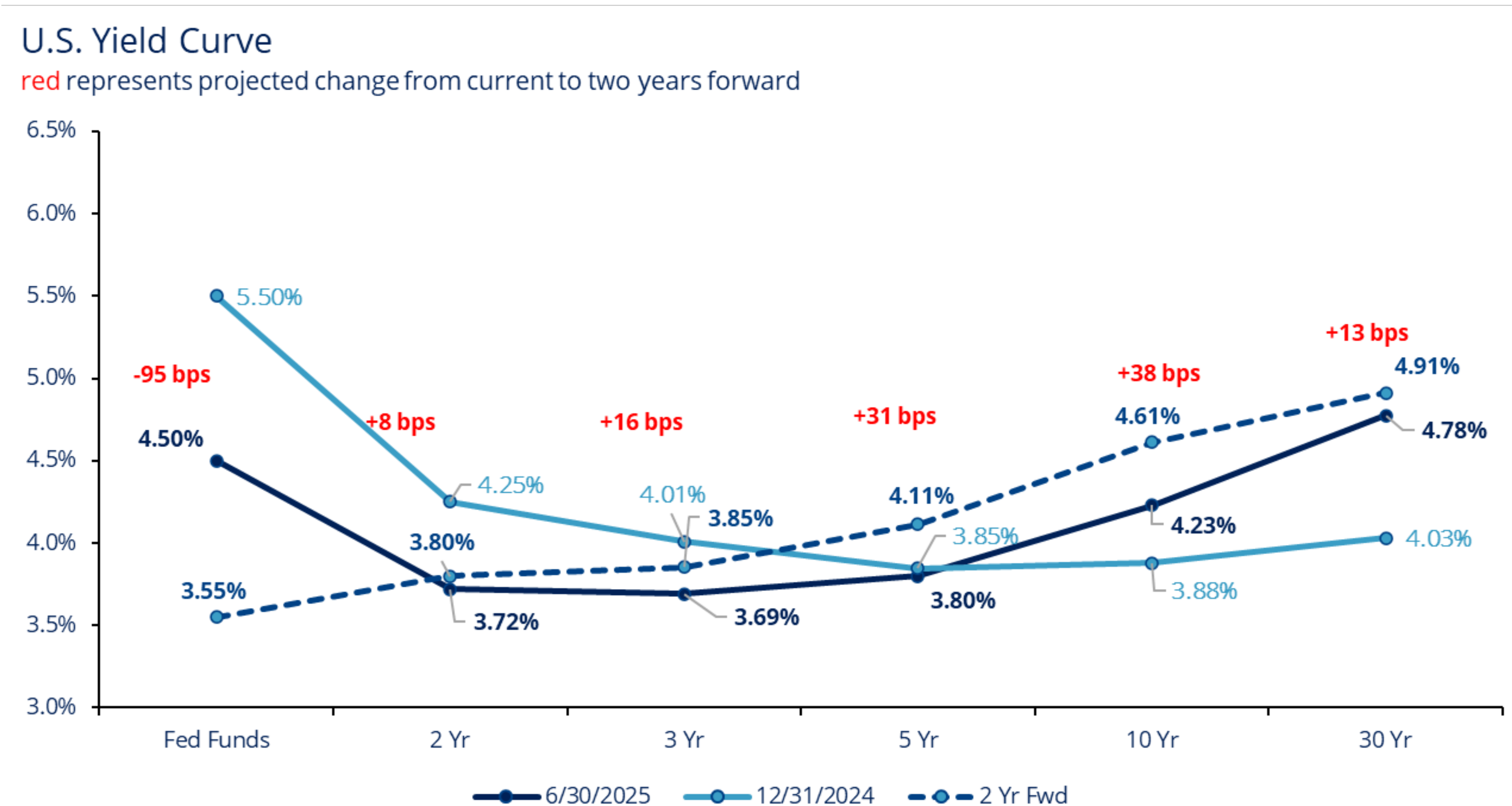
- The second quarter of 2025 witnessed a stunning reversal of market leadership as growth returned to the forefront
- In the first two quarters of this year, the performance spread between growth and value stocks (as measured by the Russell 1000 Growth and Value indexes, respectively) were two of the largest we have seen in 30 years!
- It is interesting to see that market leadership in the rebound was broader than the Mag-7 companies that had dominated the market the past few years.
 - Artificial Intelligence stormed back to the front of investors minds driving the performance of companies like NVIDIA, Meta and Microsoft
 - Meanwhile, companies with less direct exposure to AI like Apple and Tesla lagged in the quarter.
 - Through the end of the second quarter the Industrial sector was the top performing led by companies in Aerospace and Defense

Source: Empower Investment Analysis, Morningstar Direct

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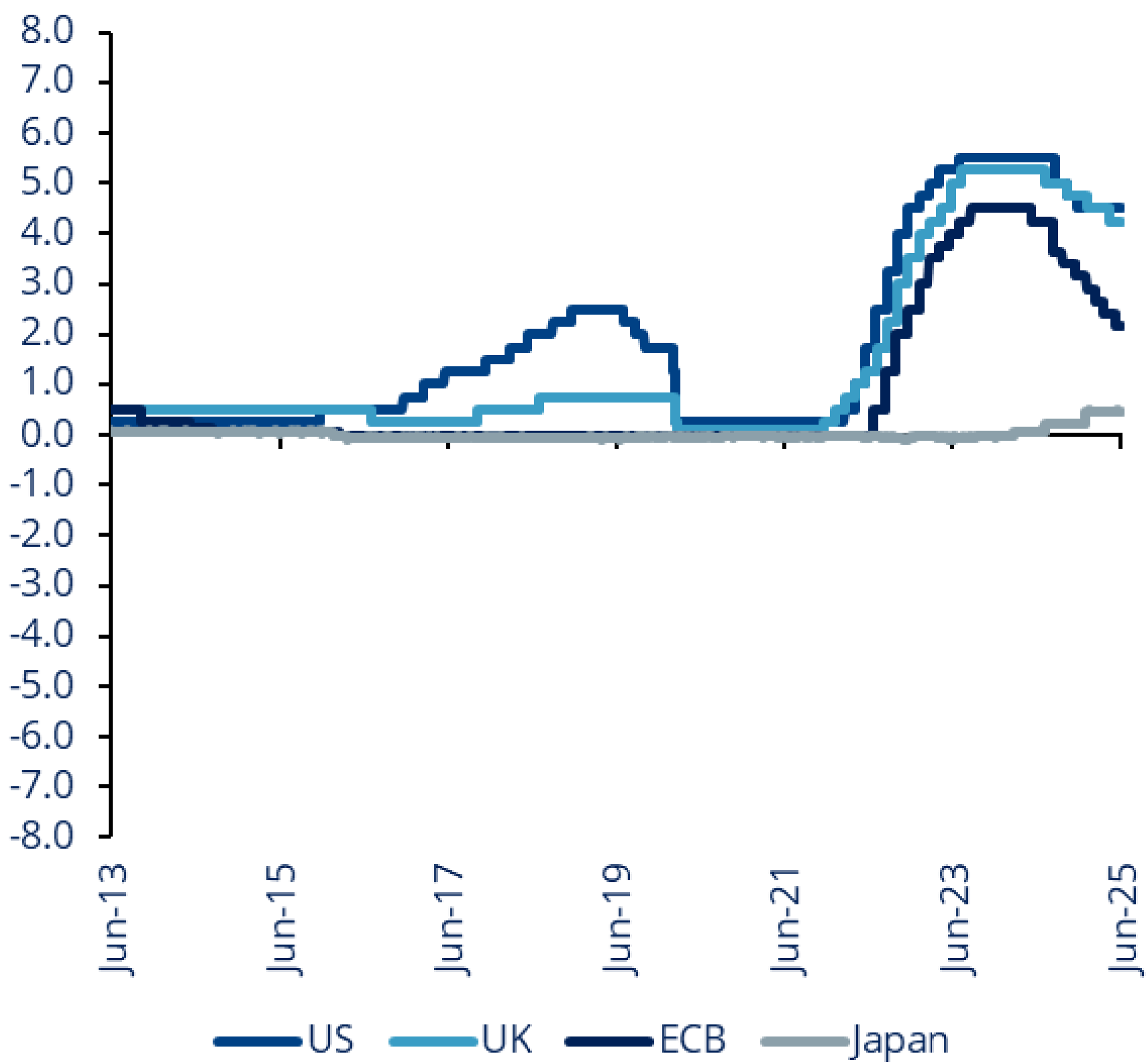
Historical, Current and Forward Rates



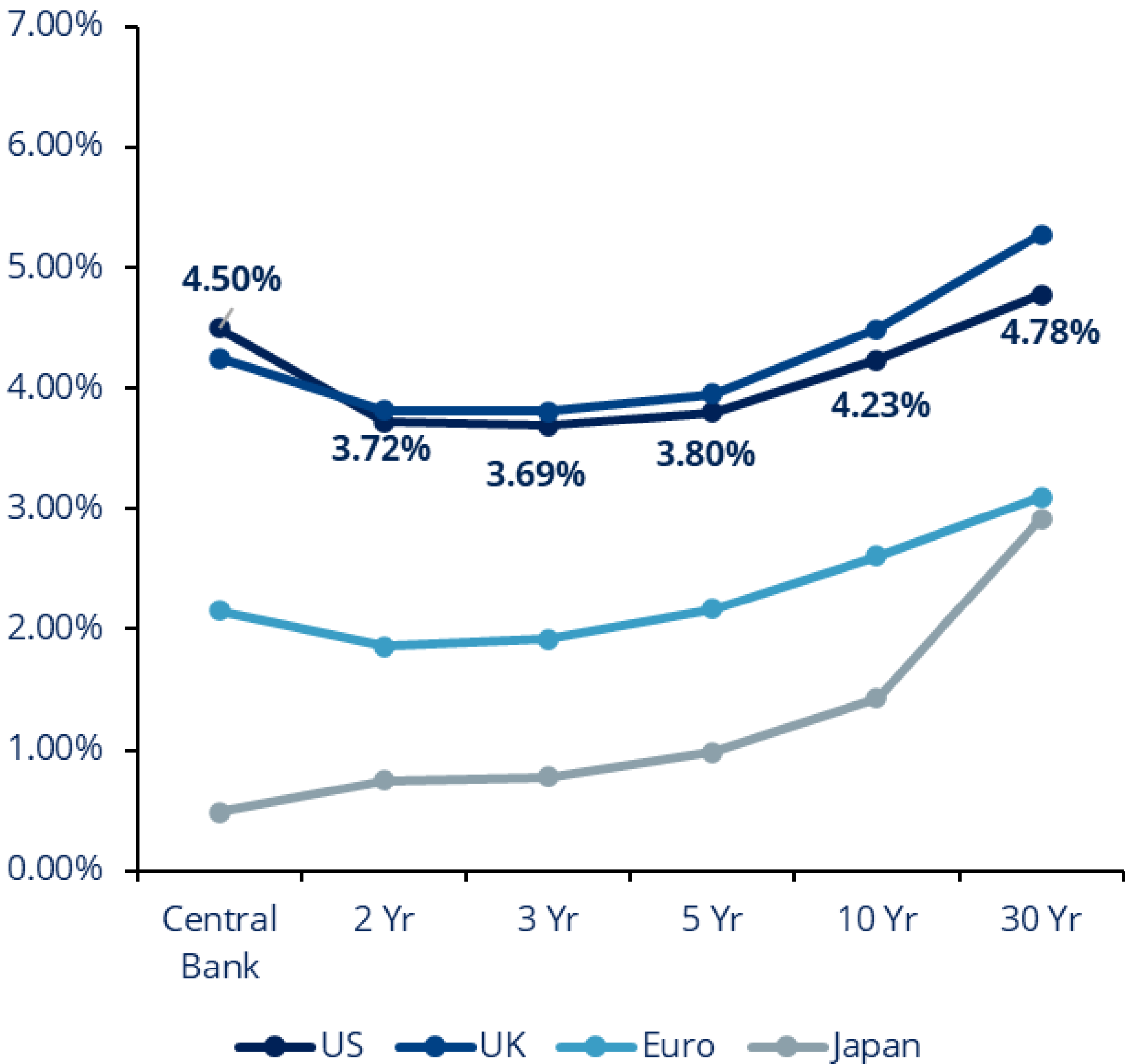
Source: Bloomberg; ECM Analysis
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Global Monetary Policies and Interest Rates

Global Central Bank Rates
through June 2025



Sovereign Yield Curve
as of June 2025

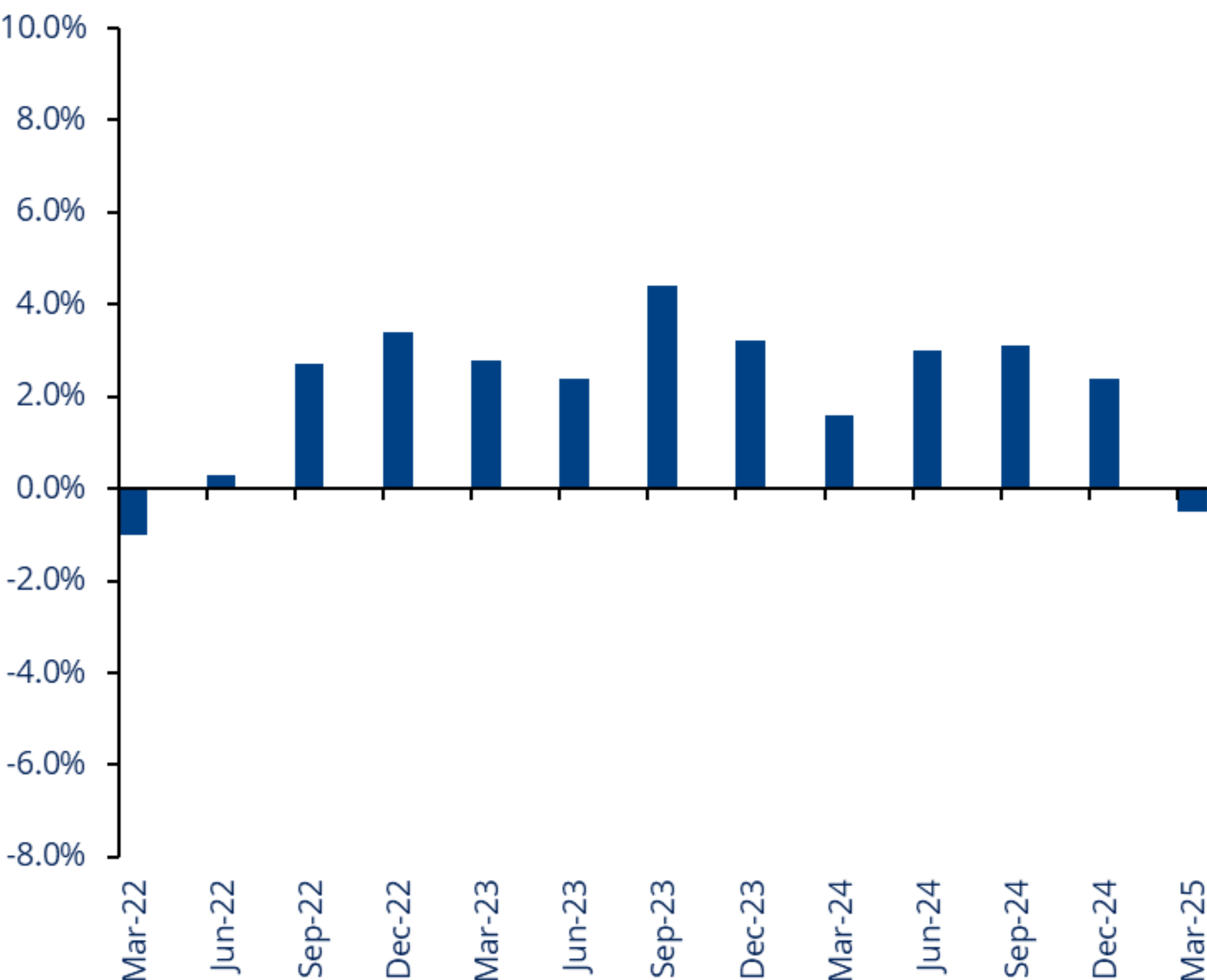


Source: Bloomberg; ECM Analysis
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State of the U.S. Economy

Real GDP Growth

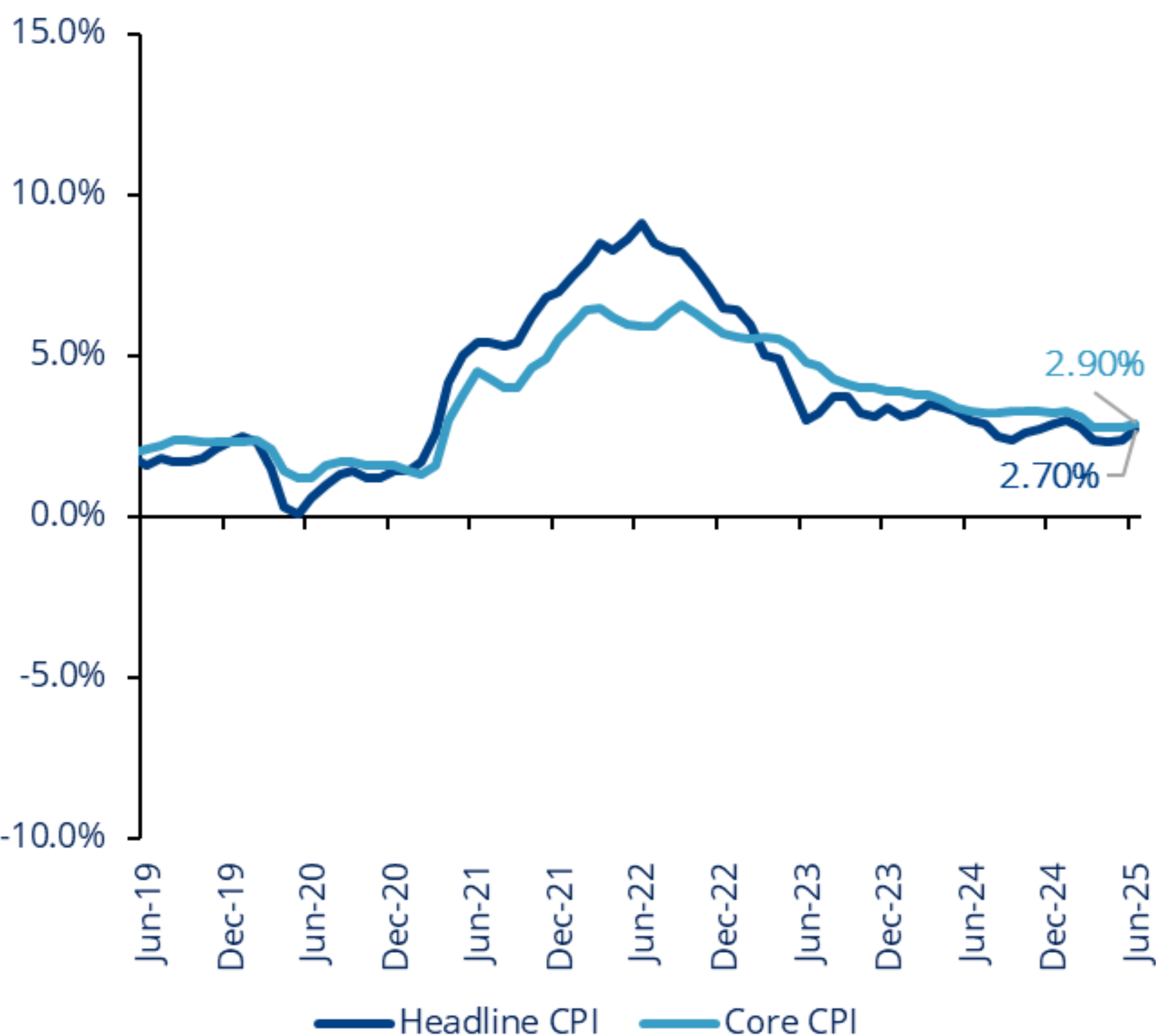
quarter over quarter annualized, through March 2025



Source: Bloomberg; ECM Analysis
The core measure of inflation excludes food and energy prices while the headline measure of inflation does not
GDP estimates presented reflect the median estimate provided by Bloomberg
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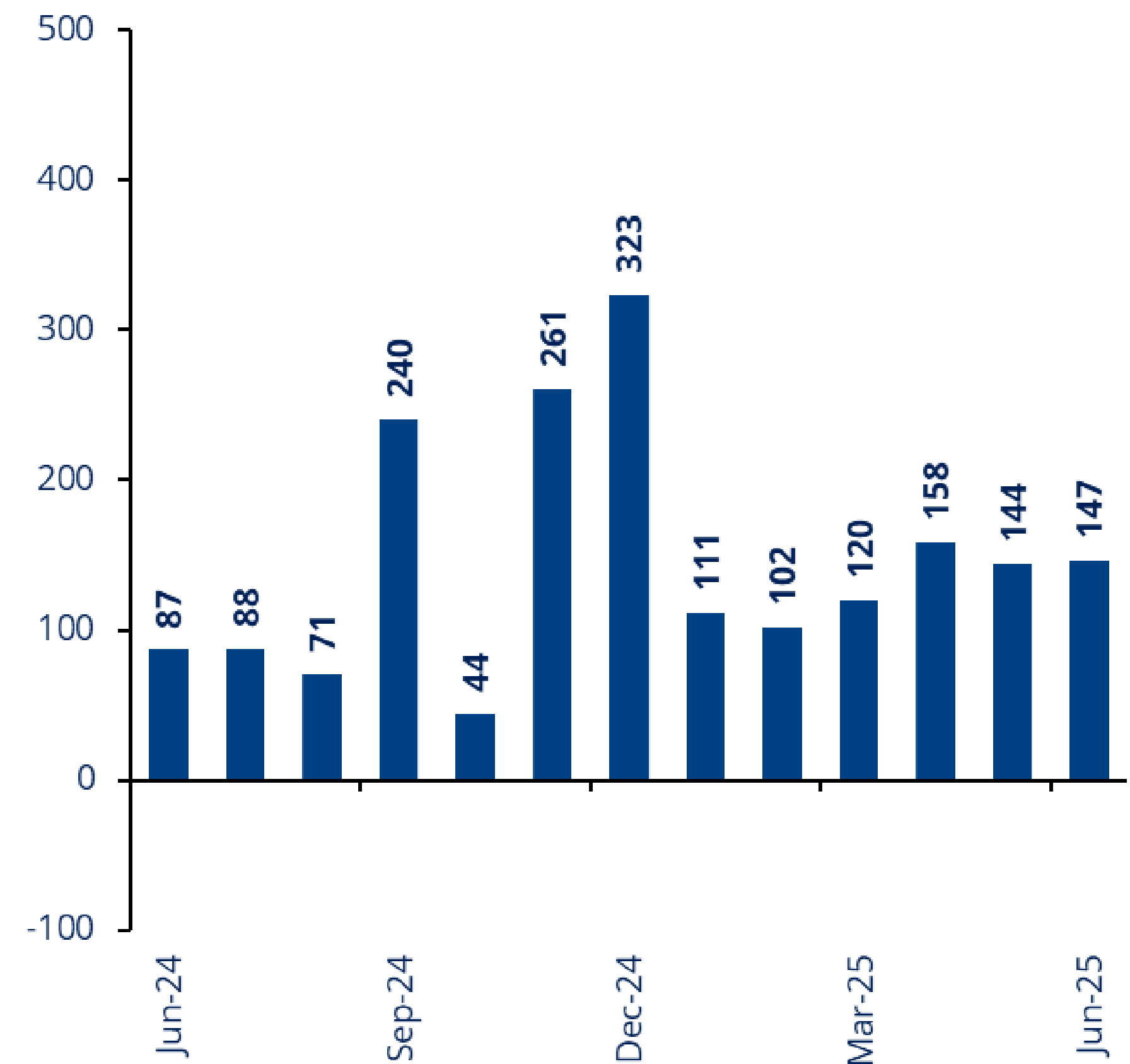
US Consumer Price Index

annual percent change, through June 2025

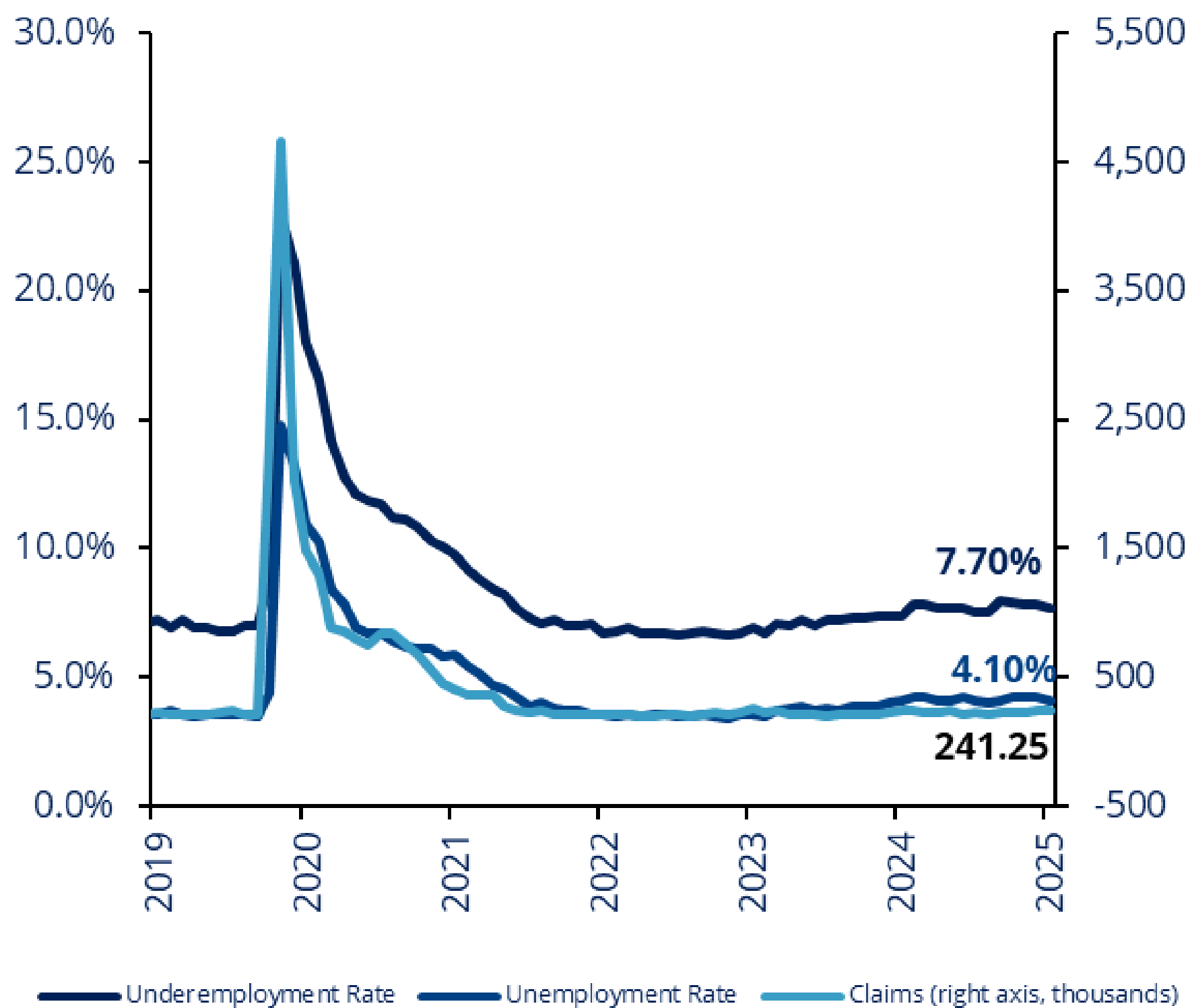


U.S. Labor Market Trends

Number of Jobs Created Per Month
thousands, through June 2025



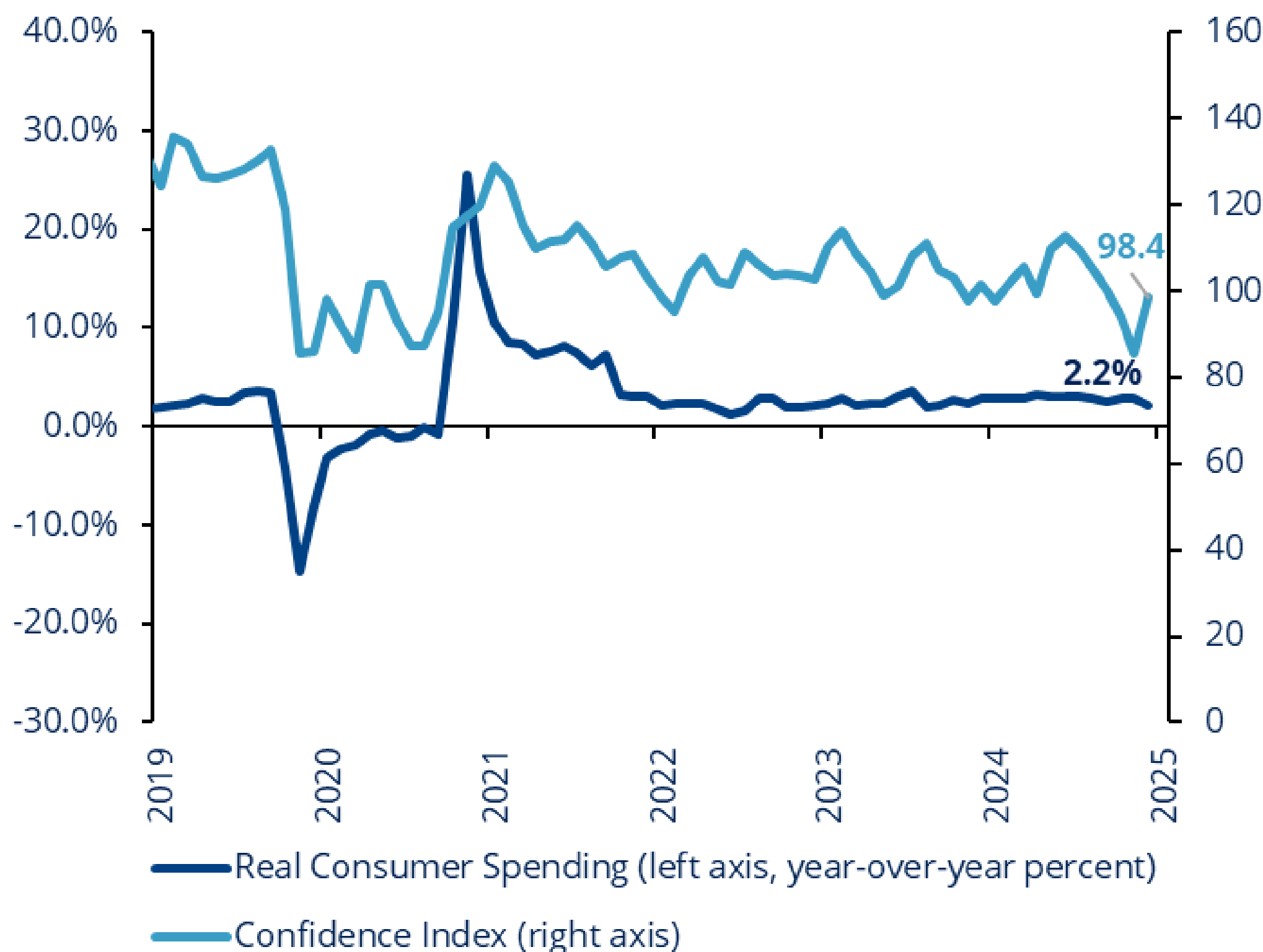
Unemployment and Underemployment Rates and Claims
through June 2025



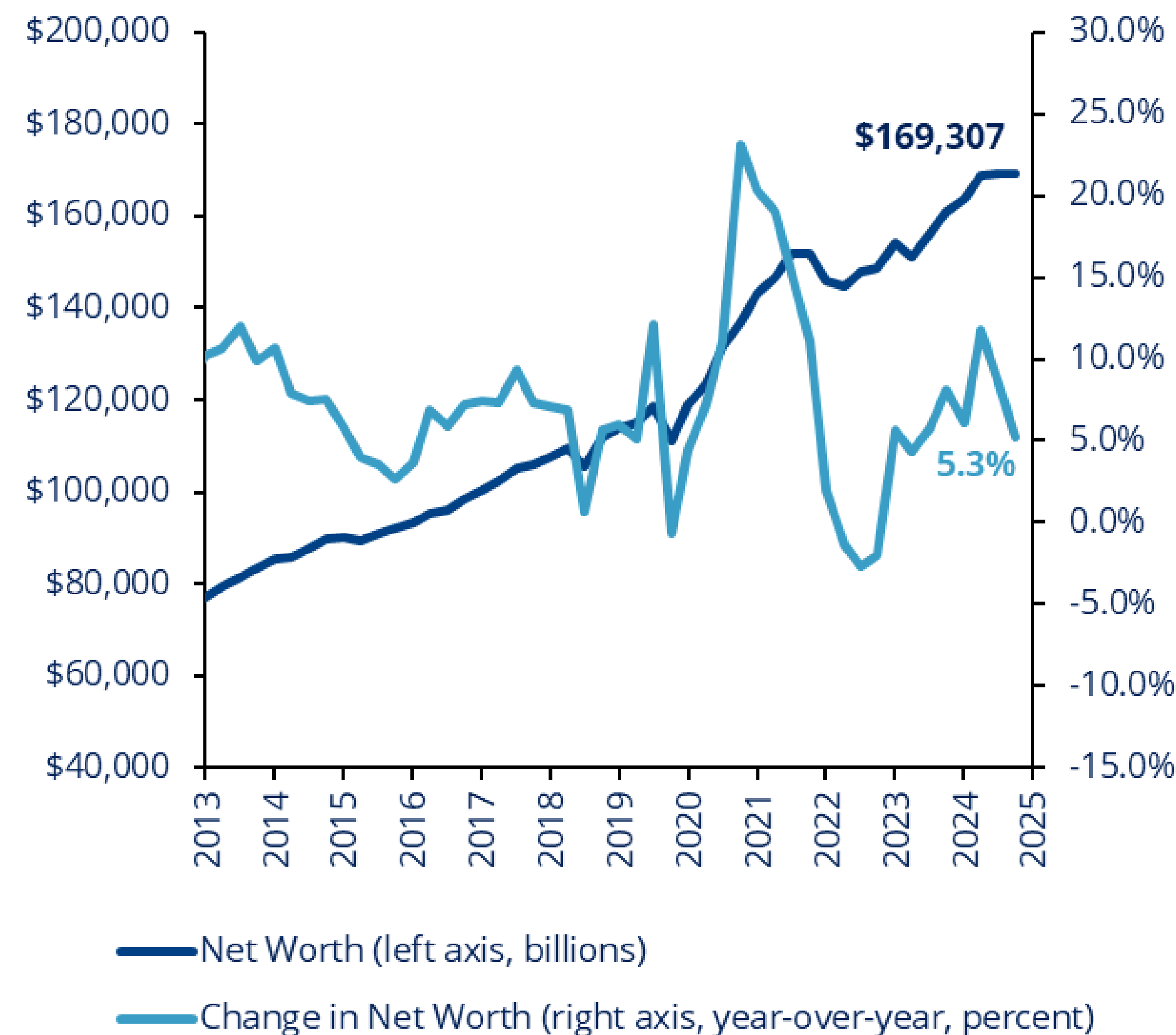
Source: Bloomberg; Bureau of Labor Statistics; ECM Analysis
The Unemployment Rate represents total unemployed, as a percent of the civilian labor force
The Underemployment Rate represents total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers
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U.S. Consumer Confidence, Spending and Net Worth

Consumer Confidence and Spending
through May 2025



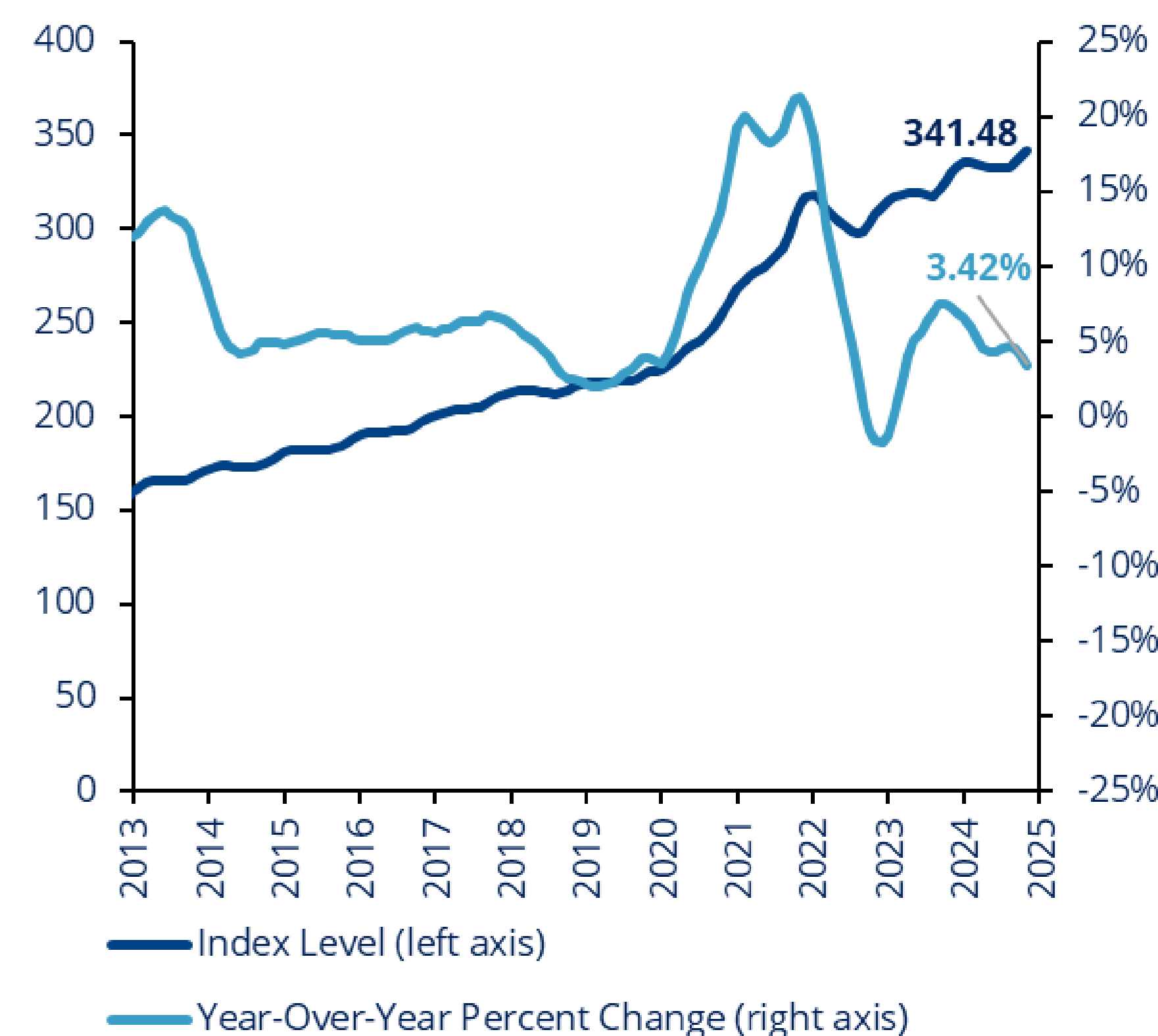
Consumer Net Worth
through March 2025



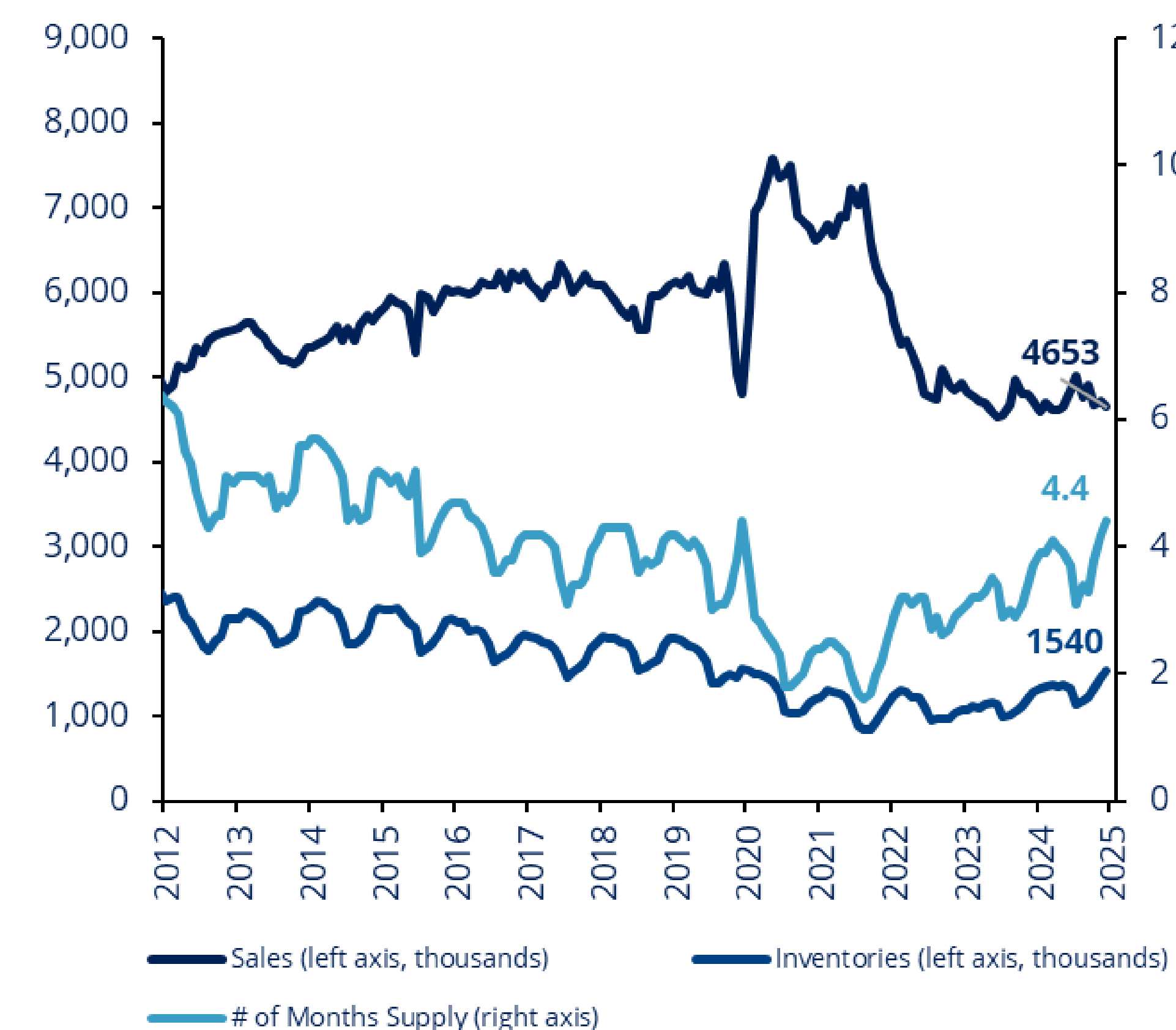
Source: Bloomberg; Federal Reserve; ECM Analysis
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U.S Housing Market Trends

Case Shiller 20 City Home Price Index
through April 2025



Housing Supply and Demand
through May 2025



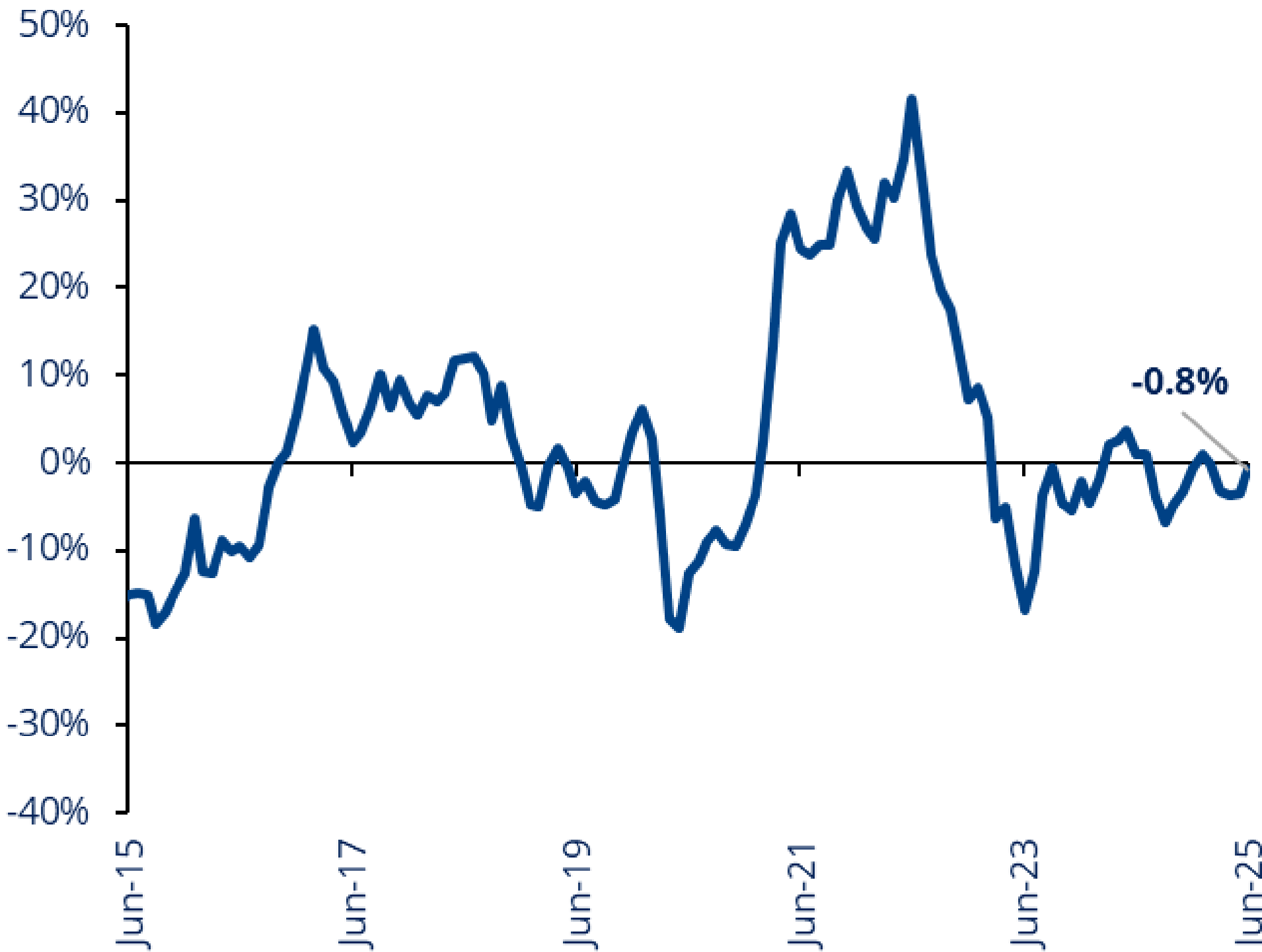
Source: Bloomberg; ECM Analysis

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Energy Inflation and Oil

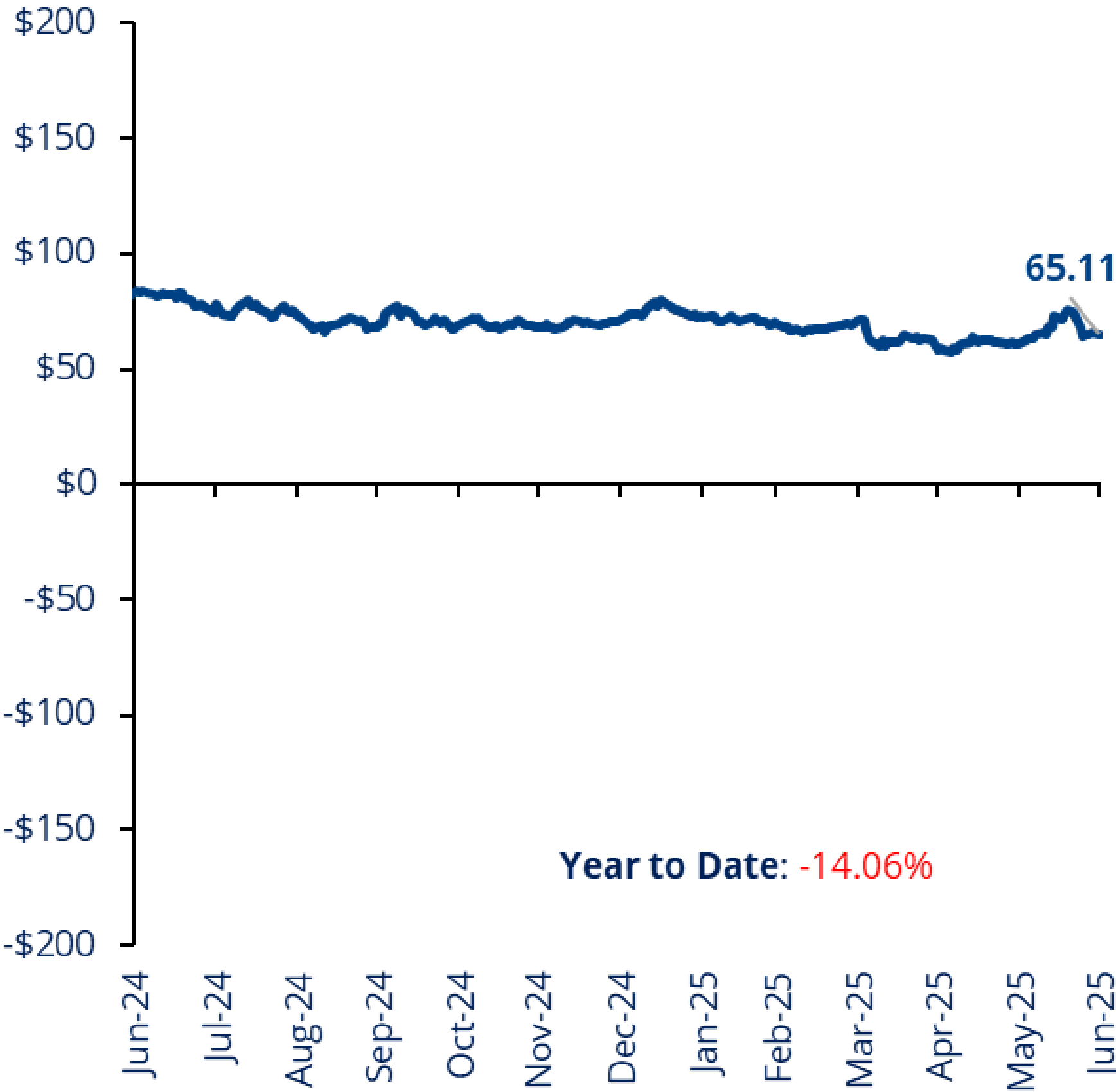
Energy Inflation

year-over-year percent change, through June 2025



Oil Price

\$/Barrel, through June 2025



Source: Bloomberg; ECM Analysis
Oil prices shown for West Texas Intermediate (WTI) Crude
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For definitions of benchmarks found in this material please refer to the benchmark provider website.

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Bloomberg's Equity Factors are derived using the Russell 1000 Index as a universe and stocks are grouped into quintiles by each respective characteristic. The factors are constructed on an equal weighted basis.

Factor List:

Value – Standardized composite metric calculated as weighting each stock's Book Value to Price, Cash Flow from Operations/Market Cap, Net Income LTM/Market Cap, EBITDA LTM/EV, Earnings/Price (BF1Y), and Sales LTM/EV

Momentum – Calculated as the arithmetic average of weekly return for trailing 52 weeks, lagged by 2 weeks

Growth – Standardized composite metric calculated as a weighting each stock's EPS Growth (FY2/FY1), 5Y Net Income CAGR, Sales Growth (FY2/FY1), 5Y Sales CAGR, and 5Y Asset CAGR.

Profitability – Standardized composite metric calculated as a weighting of each stock's EBITDA Margin %, ROA, ROCE, ROE LTM.

Dividends – Standardized dividend Yield (Indicated) metric

Low Volatility – Average of relative volatility over 6 months and 1 year within the universe

FI Term – Total Return of Bloomberg US Treasury 20+ Yr minus Total Return of Bloomberg US Treasury 1-3 Month

FI Credit – Return of ICE BofA 10+Y US Corp TR minus Return of ICE BofA 10+Y US Trsy

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You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

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Bond prices generally fall when interest rates rise (and vice versa) and are subject to risks, including changes in credit quality, market valuations, inflation, liquidity and default. High-yield bonds have a greater risk of default.

The interest from Treasury inflation-protected securities (TIPS) is adjusted periodically according to the Consumer Price Index. The return from TIPS may understate the actual rate of inflation due to changes in the bond's underlying price.

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Disclosures

Gross expense ratios are the funds' total annual operating costs expressed as a percentage of the funds' average net assets over a given time period. They are gross of any fee waivers or expense reimbursements. Net expense ratios are the expense ratios after the application of any voluntary or contractual waivers or reimbursements and are the actual ratios that investors paid during the funds' most recent fiscal year. Expense ratios are subject to change.

Morningstar rankings are based on total return and do not reflect of sales charges, which, if reflected, would reduce returns.

The date in a target date fund's name represents an approximate date when an investor is expected to retire (which is assumed to be at age 65) and/or begins withdrawing money. The principal value of the funds is not guaranteed at any time, including the target date. For more information, please refer to the fund prospectus and/or disclosure document. A target date fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date (which is the assumed retirement date for an investor).

Asset allocation and balanced investment options and models are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

Commodity and real asset investments may be affected by natural disasters and political and economic developments.

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Securities of small and mid-size companies may be more volatile than those of larger, more established companies.

Investment return and principal value of a variable investment will fluctuate so that an investor's shares when redeemed, may be worth more or less than the original cost.

There is no guarantee that companies that can issue dividends will declare, continue to pay, or increase dividends.

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The Trustee of the JPMCB SmartRetirement Funds agrees to reimburse the Fund for such fund operating expenses, and/or to waive a portion of the Trustee's management fee, to the extent that the fund's total annual operating expenses (excluding management fees, service fees, underlying fund fees attributable to dividend and interest expenses on short sales, interest, expenses related to litigation and potential litigation, and extraordinary expenses not incurred in the ordinary course of the Fund's business) exceeds 0.04% of the Fund's average daily new assets through the expense cap expiration date.

The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for the Fund's portfolio or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general (or in particular, the prices of the types of securities in which a fund invests) may decline over short or extended periods of time. When the value of a fund's securities goes down, an investment in a fund decreases in value.

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Plan Allocation

El Toro Water District – 524723-02

EL TORO WATER DISTRICT DEFERRED COMPENSATION PLAN		
524723-02		
2025-06-30		
Investment	Total Balance	Allocation
Core Plus Bond / PGIM Fund	\$648,785.65	7.38%
Day One IncomeFlex Target Balanced	\$121,160.54	1.38%
Guaranteed Income Fund	\$1,749,356.51	19.90%
Intl Blend (sub-adv by Wellington Mgmt)	\$1,109,569.61	12.62%
Large Cap Growth / American Century Fund	\$987,591.66	11.23%
Large Cap Value (sub-adv by Wellington)	\$837,058.35	9.52%
Mid Cap Growth I Fund (managed by Ivy)	\$230,802.37	2.62%
Mid Cap Value / Integrity Fund	\$274,848.46	3.13%
PGIM Quant Sol MidCap Indx (IS Pltfrm)	\$384,607.84	4.37%
Real Estate / Cohen & Steers Fund	\$119,738.36	1.36%
Schwab SDB Securities	\$19,940.00	0.23%
Schwab SDB Sweep Program	\$1,497.28	0.02%
Small Cap Growth / TimesSquare Fund	\$200,478.89	2.28%
Small Cap Value / Kennedy Capital Fund	\$424,200.83	4.82%
Vanguard 500 Index Admiral	\$1,224,183.84	13.92%
Vanguard Interm-Term Bond Index Adm	\$115,165.30	1.31%
Vanguard Small Cap Index Adm	\$239,945.27	2.73%
Vanguard Total Intl Stock Index Admiral	\$103,796.33	1.18%
Total Balance	\$8,792,727.09	100.00%

Fund Performance

Carefully consider the investment objectives, risks, fees and expenses of the annuity and/or the investment options. Contact us for a prospectus, a summary prospectus and disclosure document, as available, containing this information. Read them carefully before investing.

Past performance is not a guarantee or prediction of future results.

Rankings provided based on total return.

Sources: Empower, MPI Stylus Web, Morningstar, Individual Investment Managers



Fund Performance by Asset Class				6/30/2025	
Trailing Performance					

	Ticker	3 Mo	YTD	1 Yr / Peer Rank	3 Yr / Peer Rank	5 Yr / Peer Rank	10 Yr / Peer Rank	Since Inception Return	Inception Date
Fixed Income									
Intermediate Core Bond									
Vanguard Interm-Term Bond Index Adm	VBILX	1.99	5.23	7.38 / 4	3.21 / 20	-0.48 / 41	2.23 / 13	4.10	11/12/2001
BBgBarc US Aggregate Bond Index		1.21	4.02	6.08 / 50	2.55 / 56	-0.73 / 60	1.76 / 48		
Intermediate Core Bond Median		1.23	4.02	6.07 / 50	2.64 / 50	-0.58 / 50	1.73 / 50		
Number of Funds in Peer Group		193	190	183	163	140	104		
Intermediate Core-Plus Bond									
Core Plus Bond / PGM Fund		1.44	4.32	6.87 / 28	4.07 / 21	0.43 / 35	2.80 / 13		07/19/2002
BBgBarc US Aggregate Bond Index		1.21	4.02	6.08 / 79	2.55 / 86	-0.73 / 92	1.76 / 81		
Intermediate Core-Plus Bond Median		1.40	4.14	6.50 / 50	3.42 / 50	0.19 / 50	2.11 / 50		
Number of Funds in Peer Group		203	195	188	169	142	110		
Balanced									
Target-Date Retirement									
Day One IncomeFlex Target Balanced		5.27	5.40	8.68 / 63	8.47 / 13	7.32 / 1	5.86 / 1		06/30/2009
S&P Target Date Retirement Income		4.29	5.98	9.12 / 50	7.73 / 39	4.63 / 54	4.67 / 59		
Target-Date Retirement Median		4.28	5.82	9.06 / 50	7.59 / 50	4.68 / 50	4.71 / 50		
Number of Funds in Peer Group		32	32	32	30	28	23		
Equity									
Large Value									
Large Cap Value Fund (sub-advised by Wellington M		2.16	5.51	9.79 / 81	9.59 / 87	12.52 / 77	9.02 / 65		09/30/1999
Russell 1000 Value Index		3.79	6.00	13.70 / 36	12.76 / 51	13.93 / 56	9.19 / 59		
Large Value Median		3.99	5.57	12.72 / 50	12.78 / 50	14.23 / 50	9.39 / 50		
Number of Funds in Peer Group		440	437	423	385	357	292		
Large Blend									
Vanguard 500 Index Admiral	VFIAX	10.93	6.18	15.12 / 29	19.66 / 24	16.60 / 21	13.60 / 9	8.38	11/13/2000
S&P 500 Index		10.94	6.20	15.16 / 26	19.71 / 22	16.64 / 19	13.65 / 8		
Large Blend Median		10.74	5.90	13.84 / 50	18.53 / 50	15.80 / 50	12.52 / 50		
Number of Funds in Peer Group		647	640	613	546	478	351		
Large Growth									
Large Cap Growth / American Century Fund		16.37	3.40	9.81 / 91	22.52 / 63	15.12 / 52	15.35 / 33		01/28/2001
Russell 1000 Growth Index		17.84	6.09	17.22 / 32	25.76 / 32	18.15 / 8	17.01 / 8		
Large Growth Median		17.44	6.91	15.51 / 50	23.94 / 50	15.20 / 50	14.67 / 50		
Number of Funds in Peer Group		411	404	388	356	315	265		

Past performance is no guarantee of future results. Rankings provided based on total returns. Performance quoted for mutual funds may include performance of a predecessor fund/share class prior to the share class commencement of operations.

Fund Performance by Asset Class

6/30/2025

Trailing Performance

Ticker	Annualized Returns / Peer Ranks						Since	Inception	
	3 Mo	YTD	1 Yr / Peer Rank	3 Yr / Peer Rank	5 Yr / Peer Rank	10 Yr / Peer Rank	Return	Date	
Mid-Cap Value									
Mid Cap Value / Integrity Fund	5.02	2.81	8.09 / 57	11.28 / 45	15.50 / 32	8.95 / 32		05/23/2005	
Russell Md-Cap Value Index	5.35	3.12	11.53 / 26	11.34 / 44	13.71 / 58	8.39 / 47			
Md-Cap Value Median	3.61	1.86	8.93 / 50	10.93 / 50	13.99 / 50	8.31 / 50			
Number of Funds in Peer Group	170	168	166	146	134	103			
Mid-Cap Blend									
PGIM Quant Solutions Mid Cap Index Fund (IS Platfor	6.66	0.14	7.42 / 73	12.70 / 52	13.32 / 39			09/29/2016	
Russell Md-Cap Index	8.53	4.84	15.21 / 18	14.33 / 28	13.11 / 45	9.89 / 23			
Md-Cap Blend Median	7.11	2.14	10.26 / 50	12.73 / 50	12.99 / 50	8.87 / 50			
Number of Funds in Peer Group	208	206	202	176	161	117			
Mid-Cap Growth									
Mid Cap Growth I Fund (mgd by Ivy) (Watch List)	11.17	1.85	3.36 / 91	8.99 / 90	6.41 / 79	10.31 / 40		06/30/2004	
Russell Md-Cap Growth Index	18.20	9.79	26.49 / 13	21.46 / 9	12.65 / 12	12.13 / 12			
Md-Cap Growth Median	13.16	3.68	13.10 / 50	14.20 / 50	9.24 / 50	9.73 / 50			
Number of Funds in Peer Group	168	168	165	153	139	122			
Small Value									
Small Cap Value / Kennedy Capital Fund	3.61	-2.99	3.89 / 64	6.85 / 78	12.95 / 65	6.29 / 72		01/29/2001	
Russell 2000 Value Index	4.97	-3.16	5.54 / 42	7.45 / 68	12.47 / 73	6.72 / 63			
Small Value Median	4.64	-3.16	4.88 / 50	9.29 / 50	14.21 / 50	7.11 / 50			
Number of Funds in Peer Group	183	183	181	171	160	139			
Small Blend									
Vanguard Small Cap Index Admiral Shares	VSMAX	7.28	-0.62	10.14 / 14	12.16 / 20	11.84 / 51	8.57 / 19	9.00	11/13/2000
Russell 2000 Index		8.50	-1.79	7.68 / 36	10.00 / 49	10.04 / 78	7.12 / 61		
Small Blend Median		6.57	-1.90	6.47 / 50	9.95 / 50	11.84 / 50	7.41 / 50		
Number of Funds in Peer Group		261	260	255	233	220	179		
Small Growth									
Small Cap Growth/TimesSquare SP		11.06	0.40	11.23 / 26	13.28 / 24	7.18 / 63	7.95 / 57	10.11	12/04/1997
Russell 2000 Growth Index		11.97	-0.48	9.73 / 31	12.38 / 37	7.42 / 60	7.14 / 75		
Small Growth Median		10.31	-1.28	7.05 / 50	10.51 / 50	8.05 / 50	8.31 / 50		
Number of Funds in Peer Group		165	165	164	160	155	134		

Past performance is no guarantee of future results. Rankings provided based on total returns. Performance quoted for mutual funds may include performance of a predecessor fund/share class prior to the share class commencement of operations.

Fund Performance by Asset Class				6/30/2025	
Trailing Performance					

Ticker	Annualized Returns / Peer Ranks						Since	Inception	
	3 Mo	YTD	1 Yr / Peer Rank	3 Yr / Peer Rank	5 Yr / Peer Rank	10 Yr / Peer Rank	Return	Date	
International									
Foreign Large Blend									
Vanguard Total Intl Stock Index Admiral	VTIAX	12.08	18.26	18.27 / 52	13.81 / 78	10.28 / 63	6.28 / 58	5.92	11/29/2010
International Blend Fund (sub-advised by Wellington)		11.35	18.22	17.94 / 61	14.06 / 72	9.82 / 72	6.27 / 58		02/24/2003
MSCI EAFE		12.07	19.92	18.33 / 51	16.57 / 17	11.72 / 23	7.03 / 21		
Foreign Large Blend Median		11.72	19.37	18.34 / 50	15.00 / 50	10.82 / 50	6.41 / 50		
Number of Funds in Peer Group		288	286	274	253	236	164		
Specialty									
Real Estate									
Real Estate/Cohen & Steers SP		0.80	4.03	10.82 / 19	5.22 / 14	8.65 / 15	8.04 / 2	6.88	05/17/2007
MSCI US REIT		-1.14	-0.09	8.92 / 54	5.40 / 11	8.63 / 15	6.33 / 32		
Real Estate Median		-0.77	0.89	9.05 / 50	3.58 / 50	7.13 / 50	5.86 / 50		
Number of Funds in Peer Group		95	94	91	84	73	59		

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Fund Analysis

Carefully consider the investment objectives, risks, fees and expenses of the annuity and/or the investment options. Contact us for a prospectus, a summary prospectus and disclosure document, as available, containing this information. Read them carefully before investing.

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Rankings provided based on total return.

Sources: Empower, MPI Stylus Web, Morningstar, Individual Investment Managers



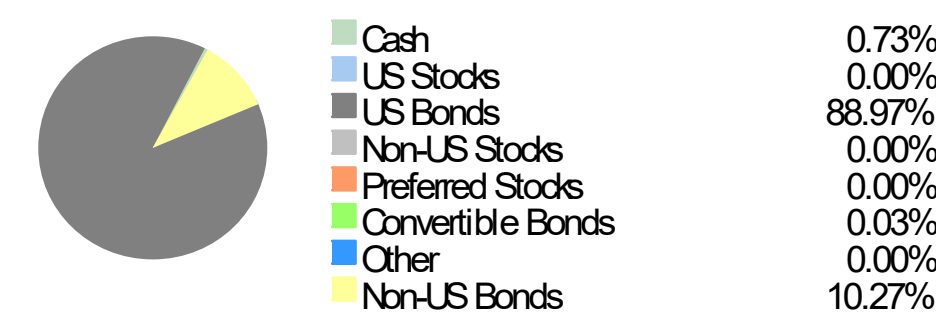
Vanguard Interm-Term Bond Index Adm VBILX

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
11/12/2001	BBgBarc US Aggregate Bond Index	Intermediate Core Bond	\$45,080.00M	Joshua C. Barrickman	04/25/2008	0.06%	9

PORTFOLIO COMPOSITION (Holdings-based)

Assets



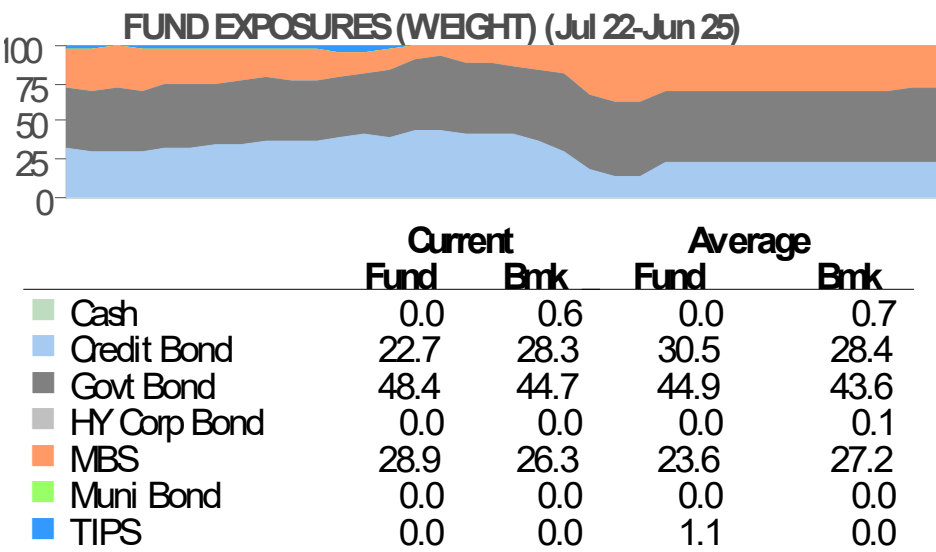
Credit Quality (%)

AAA	59.77%
AA	2.68%
A	16.79%
BBB	20.79%
BB	0.00%
B	0.00%
BelowB	0.00%
NR/NA	-0.03%
Total:	100.00%

Sector (%)

% Government	61.48%
% Municipal	0.37%
% Corporate	37.37%
% Securitized	0.05%
% Cash and Equivalent	0.73%
% Derivative	0.00%
Total:	100.00%

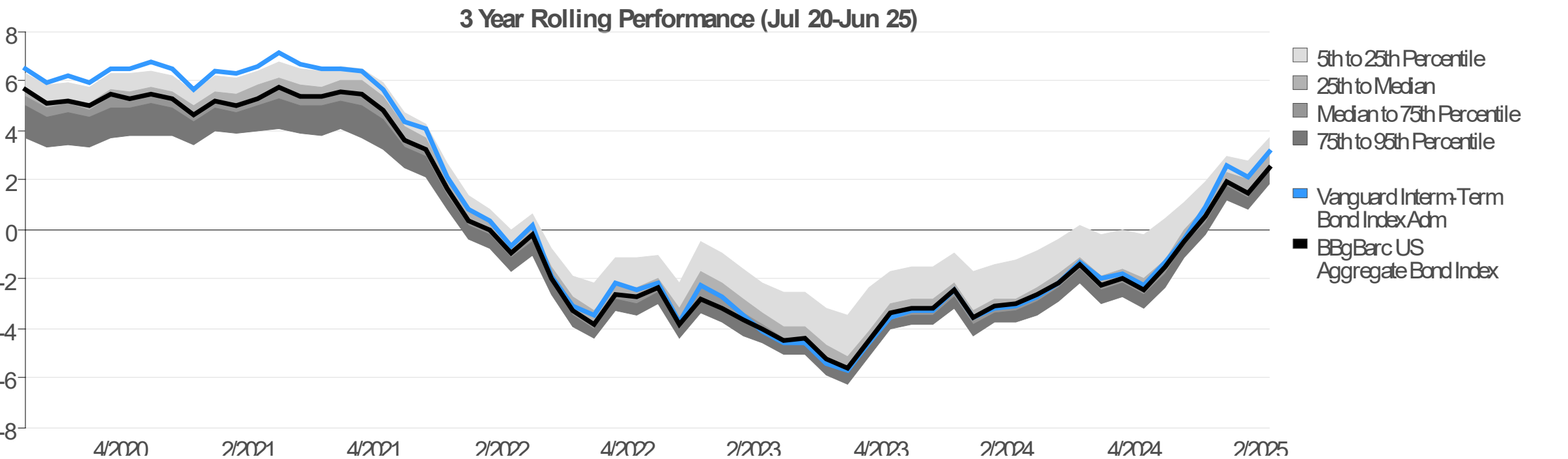
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The investment seeks to track the performance of the Bloomberg U.S. 5-10 Year Government/Credit Float Adjusted Index. This index includes all medium and larger issues of U.S. government, investment-grade corporate and investment-grade international dollar-denominated bonds that have maturities between 5 and 10 years and are publicly issued. All of the fund's investments will be selected through the sampling process, and at least 80% of its assets will be invested in bonds held in the index.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	1.99	5.23	7.38 / 4	3.21 / 20	-0.48 / 41	2.46 / 9	2.23 / 13	4.10
Benchmark	1.21	4.02	6.08 / 50	2.55 / 56	-0.73 / 60	1.77 / 49	1.76 / 48	
Peer Group Median	1.23	4.02	6.07 / 50	2.64 / 50	-0.58 / 50	1.77 / 50	1.73 / 50	
Number of Funds			183	163	140	125	104	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	1.51	6.07	-13.27	-2.36	9.79	10.18	-0.17	3.85	2.83
Benchmark	1.25	5.53	-13.01	-1.54	7.51	8.72	0.01	3.54	2.65
Peer Group Median	1.58	5.62	-13.26	-1.56	7.65	8.58	-0.29	3.47	2.69

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	0.75	0.00	0.09
Beta	1.05	1.00	1.00
R-Squared	98.81	100.00	99.31
Sharpe Ratio	-0.13	-0.23	-0.22
Up Market Capture	109.55	100.00	99.58
Down Market Capture	104.22	100.00	98.83

5 Yr	Fund	Benchmark	Peer Group Median
Alpha	0.48	0.00	0.13
Beta	1.06	1.00	1.00
R-Squared	98.34	100.00	98.84
Sharpe Ratio	-0.44	-0.51	-0.49
Up Market Capture	111.50	100.00	99.58
Down Market Capture	106.97	100.00	99.12

NOTES

Core Plus Bond / PGIM Fund

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
07/19/2002	BBgBarc US Aggregate Bond Index	Intermediate Core-Plus Bond	NA	Team Managed	07/19/2002	0.37%	23

PORTFOLIO COMPOSITION (Holdings-based)

Assets

Cash	0.00%
US Stocks	0.00%
US Bonds	0.00%
Non-US Stocks	0.00%
Preferred Stocks	0.00%
Convertible Bonds	0.00%
Other	0.00%
Non-US Bonds	0.00%

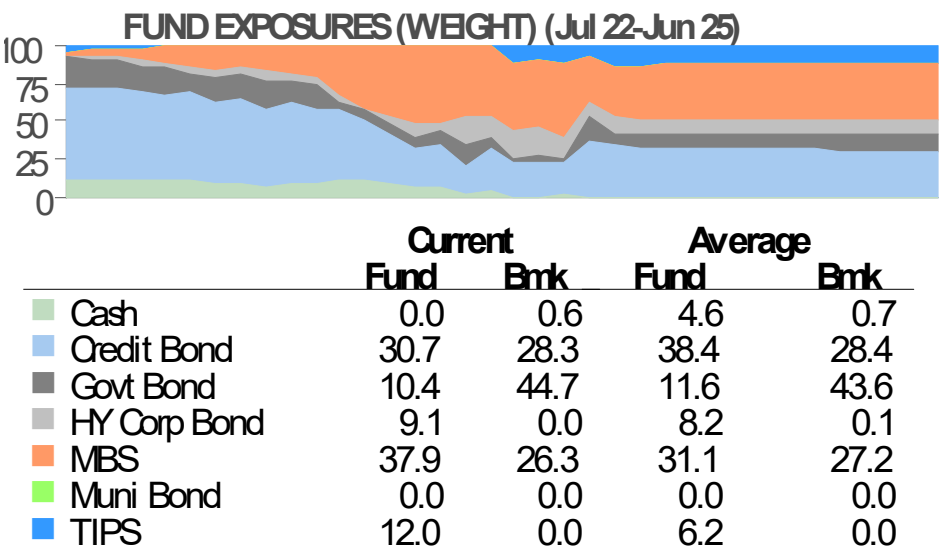
Credit Quality (%)

AAA	
AA	
A	
BBB	
BB	
B	
BelowB	
NR/NA	
Total:	0.00%

Sector (%)

% Government	
% Municipal	
% Corporate	
% Securitized	
% Cash and Equivalent	
% Derivative	
Total:	0.00%

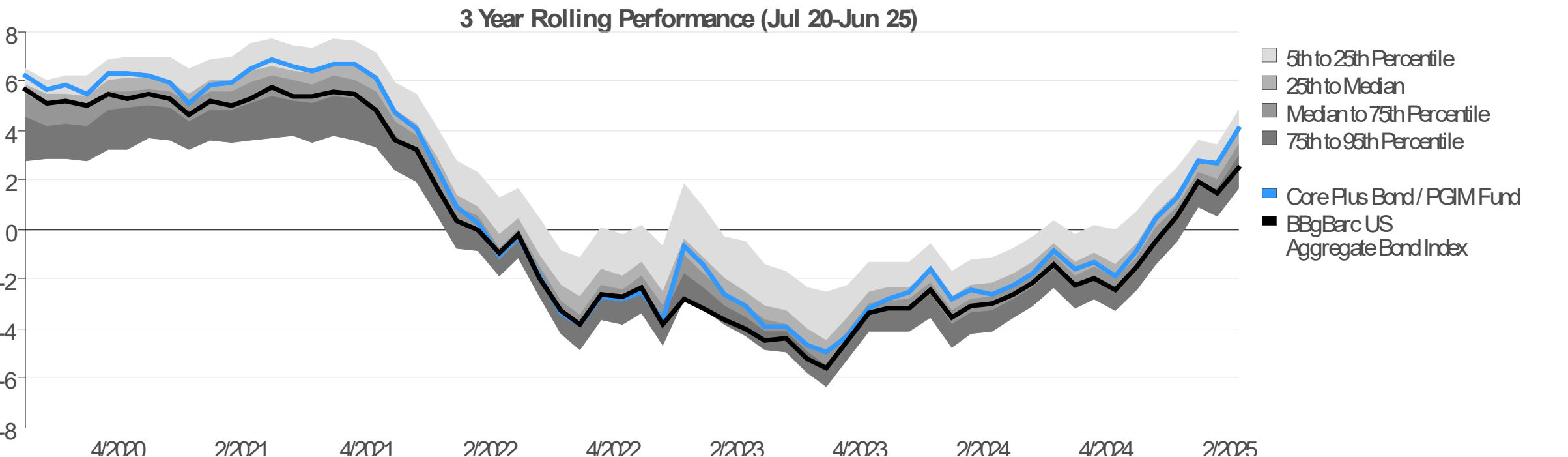
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The Separate Account seeks to add +150 bps of annualized excess return over a broad U.S. bond market index over a full market cycle (three to five years) by emphasizing relative-value based sector allocation, research-based security selection, and modest duration and yield curve positioning.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	1.44	4.32	6.87 / 28	4.07 / 21	0.43 / 35	2.56 / 25	2.80 / 13	Expected at position
Benchmark	1.21	4.02	6.08 / 79	2.55 / 86	-0.73 / 92	1.77 / 79	1.76 / 81	
Peer Group Median	1.40	4.14	6.50 / 50	3.42 / 50	0.19 / 50	2.21 / 50	2.11 / 50	
Number of Funds			188	169	142	134	110	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	2.87	7.72	-14.72	-1.12	8.91	11.08	-0.71	6.79	5.24
Benchmark	1.25	5.53	-13.01	-1.54	7.51	8.72	0.01	3.54	2.65
Peer Group Median	2.33	6.35	-13.46	-0.64	8.36	9.42	-0.69	4.35	3.80

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	1.45	0.00	0.80
Beta	0.99	1.00	1.00
R-Squared	98.63	100.00	98.39
Sharpe Ratio	-0.03	-0.23	-0.12
Up Market Capture	102.94	100.00	101.97
Down Market Capture	87.75	100.00	93.08

5 Yr	Fund	Benchmark	Peer Group Median
Alpha	1.31	0.00	0.89
Beta	1.04	1.00	1.00
R-Squared	95.57	100.00	96.66
Sharpe Ratio	-0.31	-0.51	-0.37
Up Market Capture	112.85	100.00	104.99
Down Market Capture	98.44	100.00	93.52

NOTES

Day One IncomeFlex Target Balanced

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
06/30/2009	S&P Target Date Retirement Income	Target-Date Retirement	NA	Team Managed	06/30/2009	1.34%	99

PORTFOLIO COMPOSITION (Holdings-based)

Assets

Cash	0.00%
US Stocks	0.00%
US Bonds	0.00%
Non-US Stocks	0.00%
Preferred Stocks	0.00%
Convertible Bonds	0.00%
Other	0.00%
Non-US Bonds	0.00%

Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

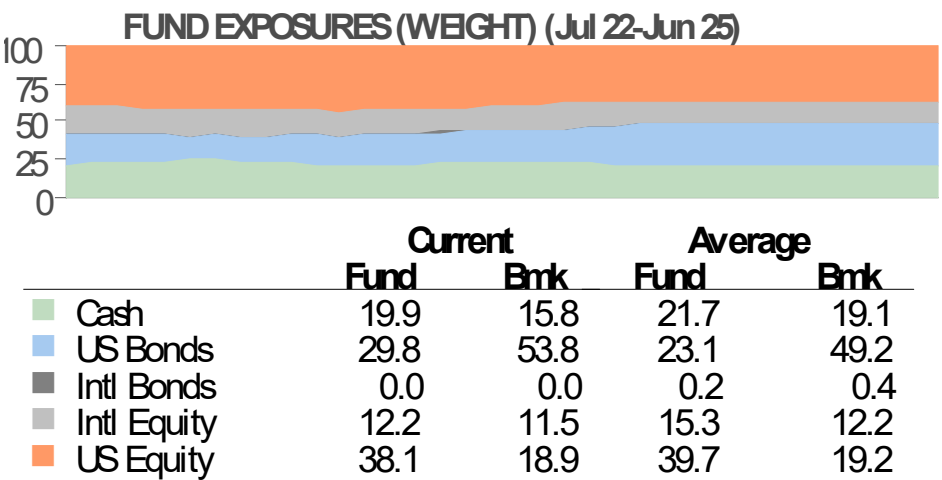
Defensive

Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

Total: NA%

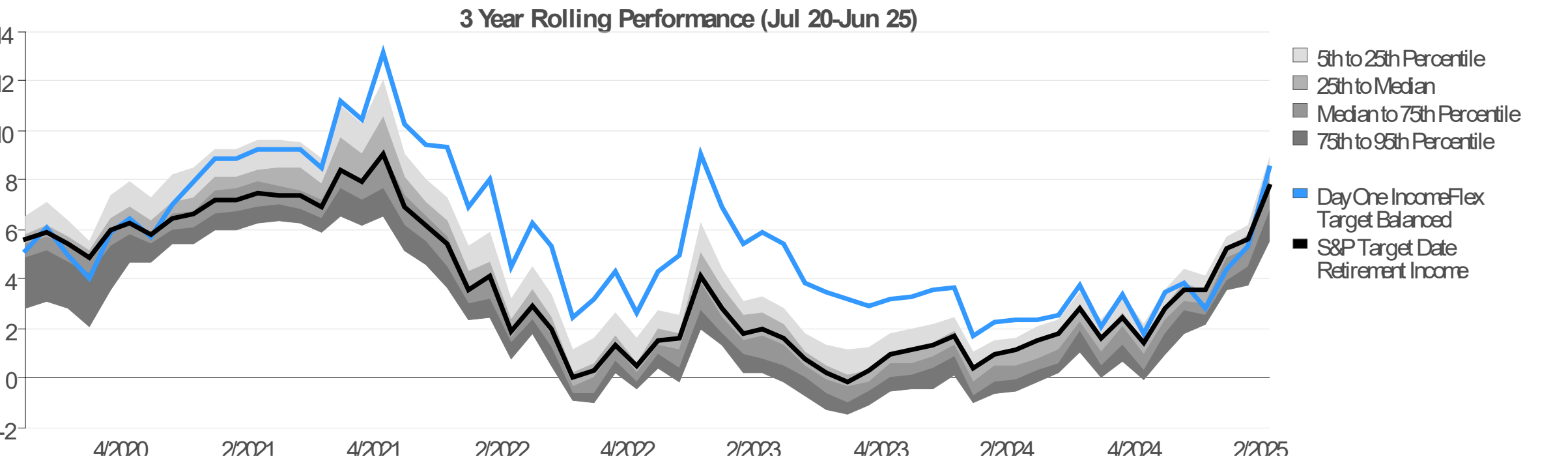
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The asset allocation is designed to increase the potential that the participants account balance, in conjunction with the Prudential IncomeFlex Target Guarantees, will provide a reliable source of lifetime income. The Prudential IncomeFlex Target Guarantees are supported by the general account of Prudential Retirement Insurance and Annuity Company; the asset allocation fund itself provides no guarantees. There is no assurance the objectives of the Fund will be met.

PERFORMANCE



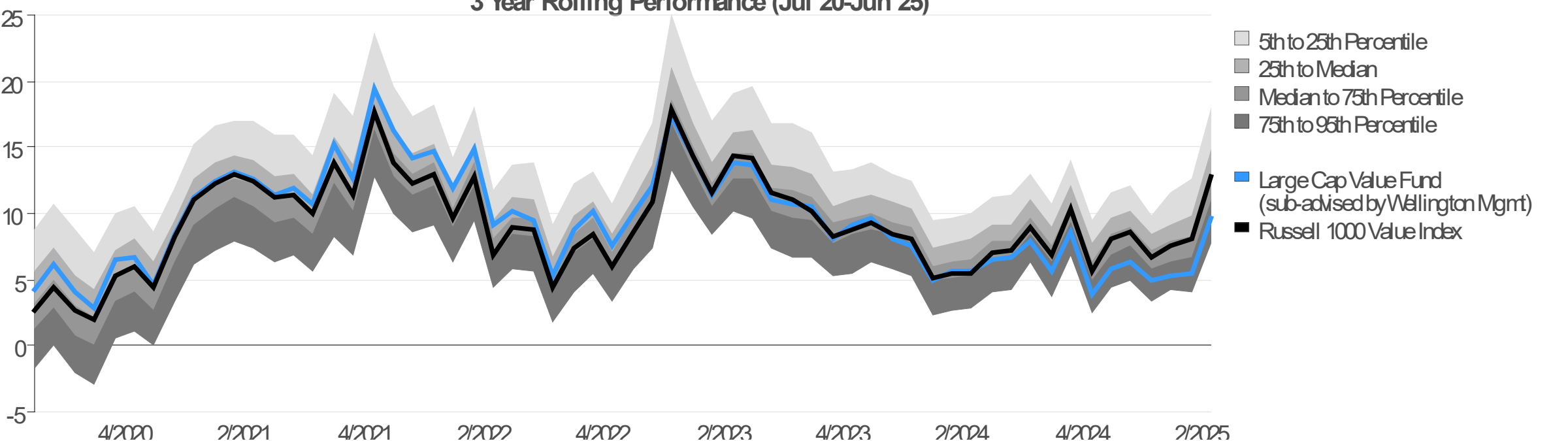
	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	5.27	5.40	8.68 / 63	8.47 / 13	7.32 / 1	6.16 / 1	5.86 / 1	Expected at position 2
Benchmark	4.29	5.98	9.12 / 50	7.73 / 39	4.63 / 54	4.92 / 58	4.67 / 59	
Peer Group Median	4.28	5.82	9.06 / 50	7.59 / 50	4.68 / 50	5.01 / 50	4.71 / 50	
Number of Funds			32	30	28	26	23	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	8.94	11.23	-12.87	13.44	9.53	16.48	-5.36	11.51	6.99
Benchmark	6.54	10.35	-11.17	5.11	8.81	13.33	-2.54	8.54	5.01
Peer Group Median	6.89	10.89	-12.39	6.01	9.42	13.16	-2.94	8.66	5.24

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	0.04	0.00	-0.47
Beta	1.26	1.00	1.08
R-Squared	94.02	100.00	98.45
Sharpe Ratio	0.42	0.43	0.37
Up Market Capture	125.20	100.00	105.73
Down Market Capture	133.72	100.00	110.44
5 Yr	Fund	Benchmark	Peer Group Median
Alpha	2.11	0.00	0.02
Beta	1.32	1.00	1.08
R-Squared	92.53	100.00	97.94
Sharpe Ratio	0.49	0.28	0.28
Up Market Capture	143.92	100.00	105.41
Down Market Capture	129.70	100.00	107.09

NOTES

Large Cap Value Fund (sub-advised by Wellington Mgmt)										6/30/2025					
Fund Incep Date:		Benchmark:		Category:		Net Assets:		Manager Name:		Manager Start Date:		Expense Ratio:		Expense Rank:	
09/30/1999		Russell 1000 Value Index		Large Value		NA		Team Managed		09/30/1999		0.52%		26	
PORTFOLIO COMPOSITION (Holdings-based)															
Assets															
	Cash	0.00%													
	US Stocks	0.00%													
	US Bonds	0.00%													
	Non-US Stocks	0.00%													
	Preferred Stocks	0.00%													
	Convertible Bonds	0.00%													
	Other	0.00%													
	Non-US Bonds	0.00%													
Sector Breakdown															
Sensitive															
Communication Services		0.00%													
Industrials		0.00%													
Technology		0.00%													
Energy		0.00%													
Cyclical															
Basic Materials		0.00%													
Consumer Cyclical		0.00%													
Real Estate		0.00%													
Financial Services		0.00%													
Defensive															
Consumer Defensive		0.00%													
Healthcare		0.00%													
Utilities		0.00%													
TOP 10 HOLDINGS															
Total: NA%															
ASSET LOADINGS (Returns-based)															
FUND EXPOSURES (WEIGHT) (Jul 22-Jun 25)															
		Current		Average											
		Fund	Bnk	Fund	Bnk										
	Cash	10.8	0.0	5.9	0.0										
	Top Value	69.7	64.2	79.3	64.9										
	Top Growth	0.0	0.0	0.0	0.0										
	Mid Value	17.3	35.8	10.1	34.9										
	Mid Growth	0.0	0.0	0.0	0.0										
	Sm Value	2.2	0.0	4.7	0.0										
	Sm Growth	0.0	0.0	0.0	0.2										
INVESTMENT OVERVIEW															
The Separate Account is advised by Wellington Mgmt Company LLP following their Quality Value style. It seeks to provide long-term total returns in excess of the Russell 1000 Value Index by investing in high-quality, undervalued, large cap companies in out-of-favor industries with less downside risk than the overall market.															
PERFORMANCE															
3 Year Rolling Performance (Jul 20-Jun 25)															
															
		3M	YTD	1Y	3Y	5Y	7Y	10Y	SI						
Fund		2.16	5.51	9.79 / 81	9.59 / 87	12.52 / 77	9.21 / 68	9.02 / 65	Not expected at position						
Benchmark		3.79	6.00	13.70 / 36	12.76 / 51	13.93 / 56	9.59 / 58	9.19 / 59							
Peer Group Median		3.99	5.57	12.72 / 50	12.78 / 50	14.23 / 50	9.90 / 50	9.39 / 50							
Number of Funds				423	385	357	338	292							
CALENDAR		2024	2023	2022	2021	2020	2019	2018	2017	2016					
Fund		10.28	7.14	-5.12	27.65	2.87	29.47	-8.71	14.42	13.93					
Benchmark		14.37	11.46	-7.54	25.16	2.80	26.54	-8.27	13.66	17.34					
Peer Group Median		14.45	11.59	-5.87	26.07	3.03	25.87	-8.57	16.51	14.87					
RISK & PERFORMANCE STATISTICS															
3 Yr		Fund	Benchmark	Peer Group Median											
Alpha		-2.24	0.00	0.54											
Beta		0.91	1.00	0.95											
R-Squared		97.12	100.00	95.10											
Sharpe Ratio		0.39	0.56	0.58											
Up Market Capture		84.98	100.00	96.01											
Down Market Capture		94.29	100.00	92.65											
5 Yr		Fund	Benchmark	Peer Group Median											
Alpha		-0.69	0.00	0.67											
Beta		0.94	1.00	0.96											
R-Squared		97.17	100.00	94.44											
Sharpe Ratio		0.67	0.73	0.75											
Up Market Capture		91.17	100.00	97.55											
Down Market Capture		94.20	100.00	93.78											
NOTES															
FINANCIAL PROFESSIONAL USE ONLY.															

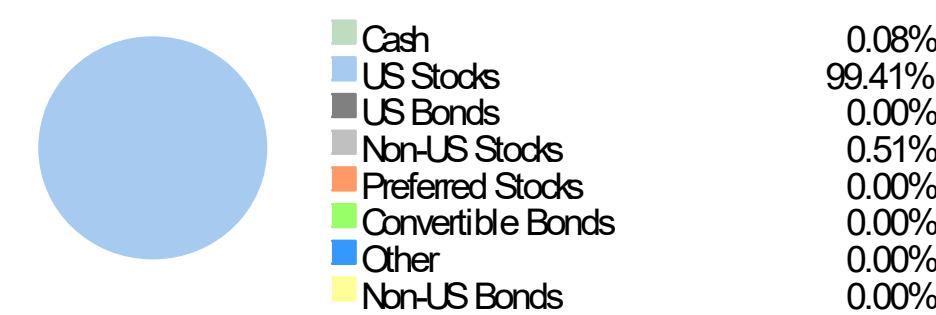
Vanguard 500 Index Admiral VFIAX

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
11/13/2000	S&P 500 Index	Large Blend	\$1,490,190.00M	Michelle Louie	11/30/2017	0.04%	4

PORTFOLIO COMPOSITION (Holdings-based)

Assets



Sector Breakdown

Sensitive

Communication Services	9.63%
Industrials	7.86%
Technology	32.95%
Energy	3.01%

Cyclical

Basic Materials	1.72%
Consumer Cyclical	10.84%
Real Estate	2.13%
Financial Services	13.85%

Defensive

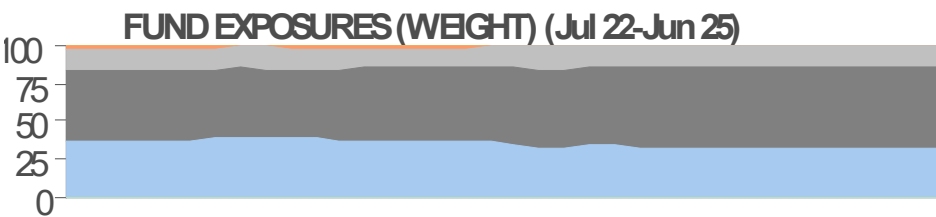
Consumer Defensive	5.89%
Healthcare	9.63%
Utilities	2.49%

TOP 10 HOLDINGS

Microsoft Corp	6.83%
NMDIA Corp	6.60%
Apple Inc	6.02%
Amazon.com Inc	3.86%
Meta Platforms Inc Class A	2.83%
Broadcom Inc	2.26%
Alphabet Inc Class A	2.00%
Tesla Inc	1.93%
Berkshire Hathaway Inc Class B	1.84%
Alphabet Inc Class C	1.63%

Total: 35.79%

ASSET LOADINGS (Returns-based)

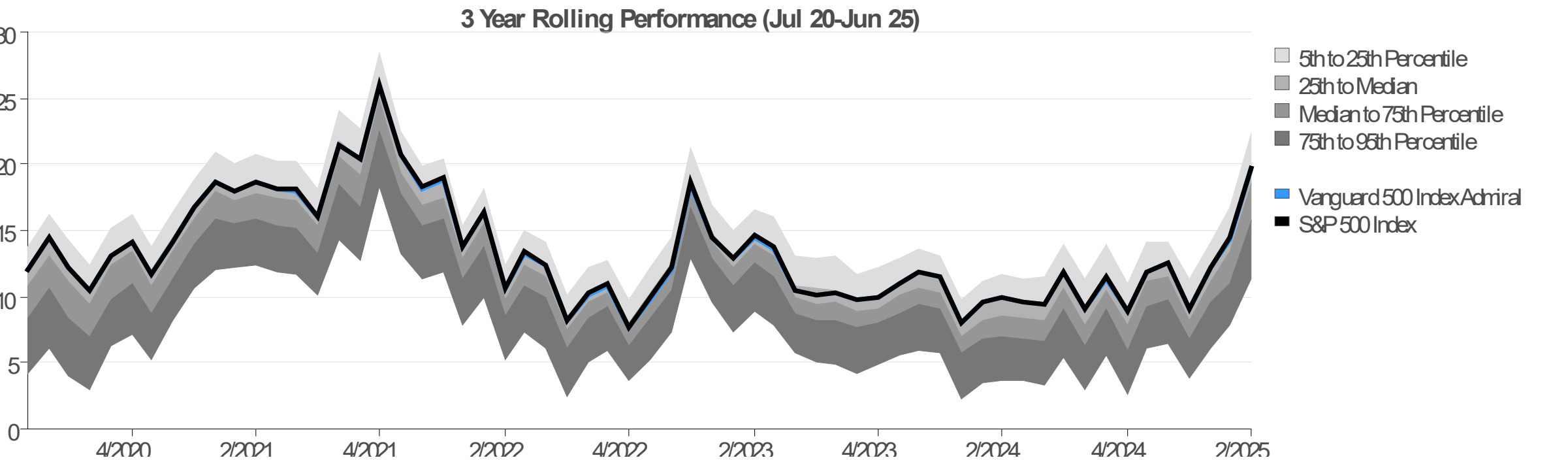


	Current		Average	
	Fund	Bmk	Fund	Bmk
Cash	0.0	0.0	0.0	0.0
Top Value	33.5	33.5	35.7	49.9
Top Growth	53.3	53.3	49.8	49.9
Mid Value	13.2	13.2	13.5	13.5
Mid Growth	0.0	0.0	0.9	0.9
Sm Value	0.0	0.0	0.0	0.0
Sm Growth	0.0	0.0	0.0	0.0

INVESTMENT OVERVIEW

The investment seeks to track the performance of the Standard & Poor's 500 Index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fund is non-diversified.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	10.93	6.18	15.12 / 29	19.66 / 24	16.60 / 21	14.35 / 17	13.60 / 9	8.38
Benchmark	10.94	6.20	15.16 / 26	19.71 / 22	16.64 / 19	14.39 / 15	13.65 / 8	
Peer Group Median	10.74	5.90	13.84 / 50	18.53 / 50	15.80 / 50	13.28 / 50	12.52 / 50	
Number of Funds			613	546	478	425	351	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	24.97	26.24	-18.15	28.66	18.37	31.46	-4.43	21.79	11.93
Benchmark	25.02	26.29	-18.11	28.71	18.40	31.49	-4.38	21.83	11.96
Peer Group Median	23.04	24.39	-18.18	26.68	17.94	30.18	-5.34	21.31	10.86

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	-0.04	0.00	-0.89
Beta	1.00	1.00	1.00
R-Squared	100.00	100.00	96.44
Sharpe Ratio	0.94	0.94	0.87
Up Market Capture	99.90	100.00	98.02
Down Market Capture	100.09	100.00	101.12

5 Yr	Fund	Benchmark	Peer Group Median
Alpha	-0.04	0.00	-0.60
Beta	1.00	1.00	1.00
R-Squared	100.00	100.00	96.50
Sharpe Ratio	0.86	0.86	0.81
Up Market Capture	99.91	100.00	98.03
Down Market Capture	100.08	100.00	100.37

NOTES

Large Cap Growth / American Century Fund										6/30/2025	
Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:				
01/28/2001	Russell 1000 Growth Index	Large Growth	NA	Team Managed	01/28/2001	0.57%	19				

PORTFOLIO COMPOSITION (Holdings-based)

Assets

Cash	0.00%
US Stocks	0.00%
US Bonds	0.00%
Non-US Stocks	0.00%
Preferred Stocks	0.00%
Convertible Bonds	0.00%
Other	0.00%
Non-US Bonds	0.00%

Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

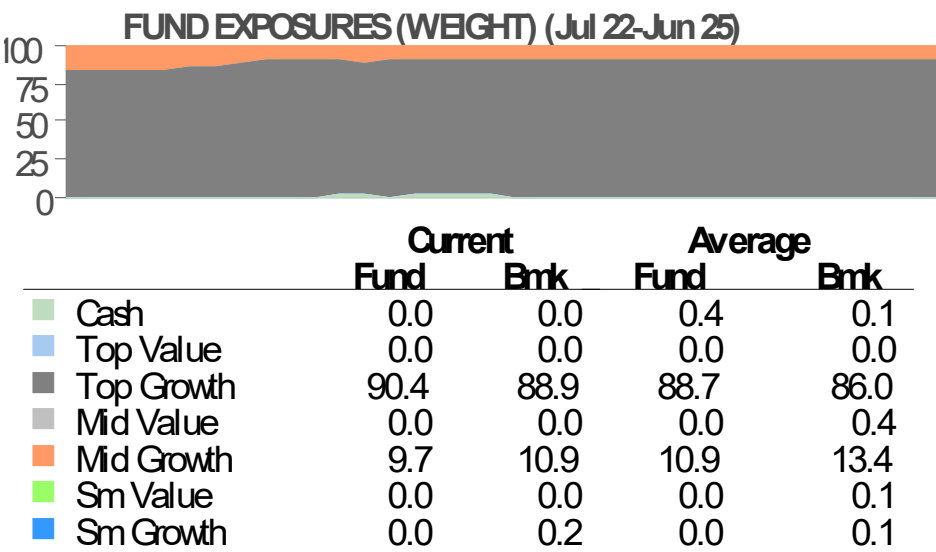
Defensive

Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

Total: NA%

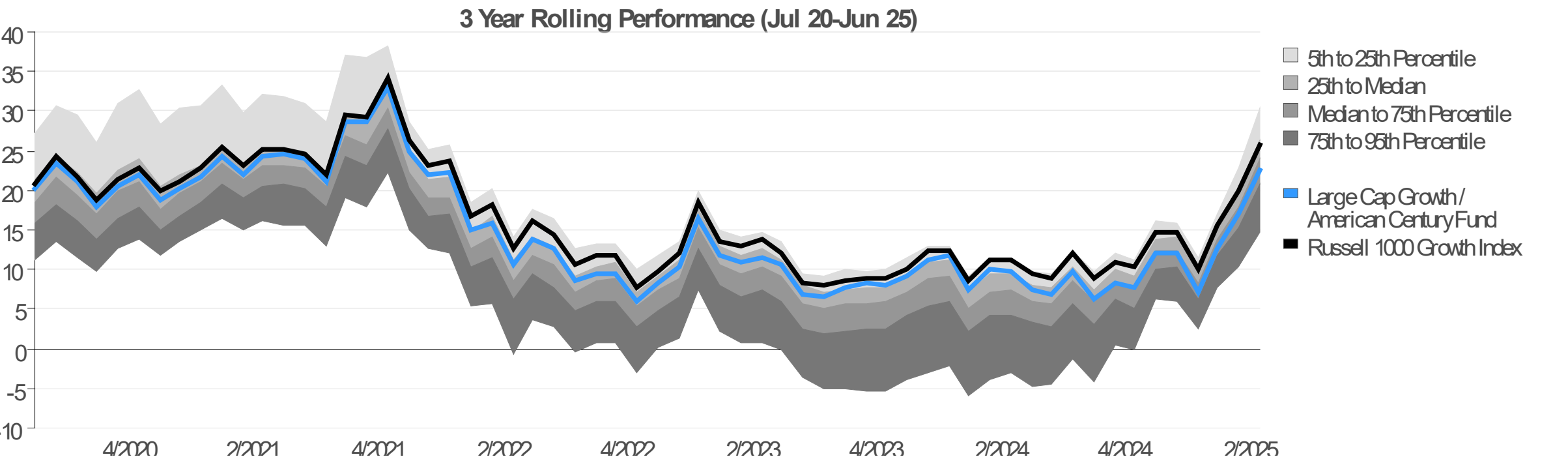
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The Separate Account is advised by American Century Investment Mgmt, Inc. The Fund follows a fundamental, bottom-up, risk-aware approach to security selection. The investment strategy is based on the belief that stock prices follow the underlying growth in corporate earnings, and that business improvement will be rewarded over time. The Funds objective is long-term capital growth.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	16.37	3.40	9.81 / 91	22.52 / 63	15.12 / 52	15.71 / 38	15.35 / 33	Expected at position 19
Benchmark	17.84	6.09	17.22 / 32	25.76 / 32	18.15 / 8	17.90 / 9	17.01 / 8	
Peer Group Median	17.44	6.91	15.51 / 50	23.94 / 50	15.20 / 50	15.18 / 50	14.67 / 50	
Number of Funds			388	356	315	293	265	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	26.82	43.63	-31.21	27.83	35.45	35.84	-1.29	30.77	4.57
Benchmark	33.36	42.68	-29.14	27.60	38.49	36.39	-1.51	30.21	7.08
Peer Group Median	29.67	39.13	-30.72	22.52	35.32	32.82	-1.61	28.93	3.28

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	-2.69	0.00	-1.26
Beta	1.00	1.00	0.99
R-Squared	99.15	100.00	94.52
Sharpe Ratio	0.94	1.09	0.98
Up Market Capture	95.50	100.00	97.03
Down Market Capture	106.00	100.00	102.49
5 Yr	Fund	Benchmark	Peer Group Median
Alpha	-2.62	0.00	-1.89
Beta	1.00	1.00	0.98
R-Squared	99.03	100.00	94.32
Sharpe Ratio	0.68	0.81	0.68
Up Market Capture	94.83	100.00	91.79
Down Market Capture	104.15	100.00	100.02

NOTES

Mid Cap Value / Integrity Fund

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
05/23/2005	Russell Mid-Cap Value Index	Mid-Cap Value	NA	Team Managed	05/23/2005	0.70%	33

PORTFOLIO COMPOSITION (Holdings-based)

Assets

Cash	0.00%
US Stocks	0.00%
US Bonds	0.00%
Non-US Stocks	0.00%
Preferred Stocks	0.00%
Convertible Bonds	0.00%
Other	0.00%
Non-US Bonds	0.00%

Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

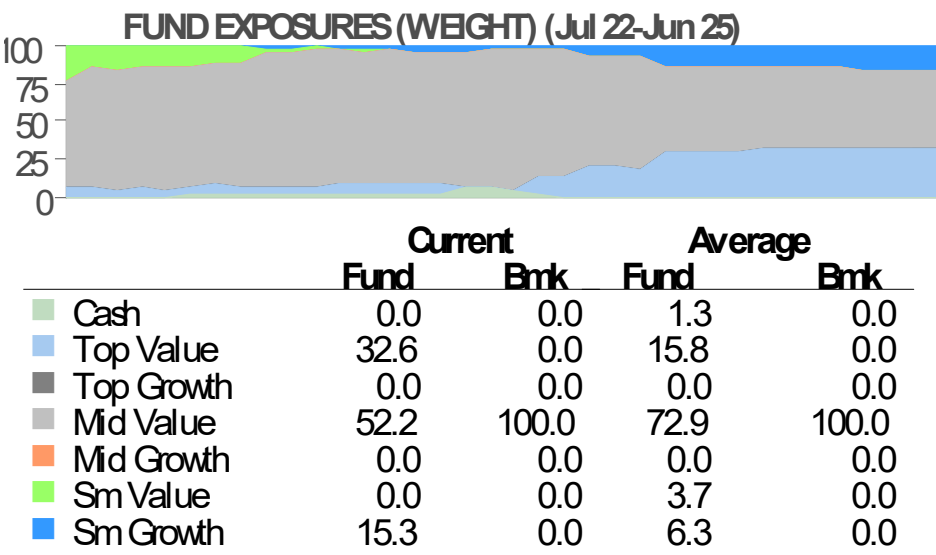
Defensive

Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

Total:NA%

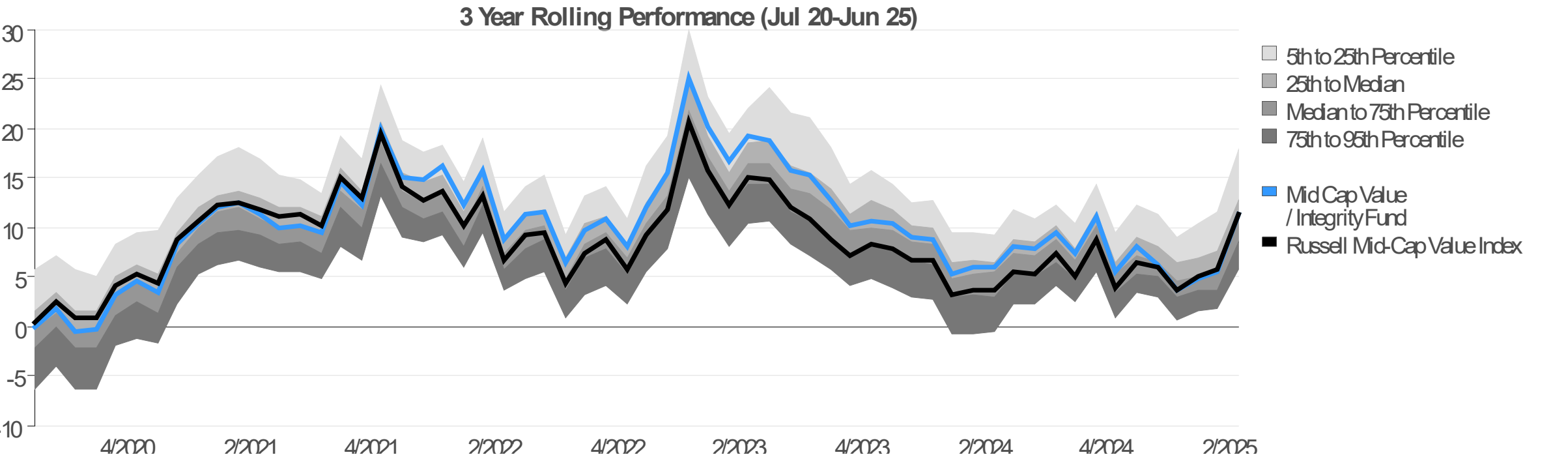
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The Separate Account is advised by Integrity Asset Mgmt, an investment franchise of Victory Capital Mgmt Inc. The Fund is managed pursuant to their mid-cap value investment strategy, investing primarily in the common stock of U.S. mid-capitalization companies. It seeks capital appreciation and to outperform the Russell Midcap Value Index by maintaining a diversified portfolio of mid-capitalization stocks.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	5.02	2.81	8.09 / 57	11.28 / 45	15.50 / 32	8.63 / 40	8.95 / 32	Expected at position 2
Benchmark	5.35	3.12	11.53 / 26	11.34 / 44	13.71 / 58	8.22 / 45	8.39 / 47	
Peer Group Median	3.61	1.86	8.93 / 50	10.93 / 50	13.99 / 50	8.02 / 50	8.31 / 50	
Number of Funds			166	146	134	124	103	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	11.93	12.65	-6.67	28.84	5.20	27.80	-14.92	16.74	20.83
Benchmark	13.07	12.71	-12.03	28.34	4.96	27.06	-12.29	13.34	20.00
Peer Group Median	11.45	12.48	-7.87	29.08	3.08	25.91	-12.87	13.85	17.65

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	0.09	0.00	-0.02
Beta	0.98	1.00	0.96
R-Squared	98.29	100.00	94.18
Sharpe Ratio	0.43	0.43	0.42
Up Market Capture	97.57	100.00	94.98
Down Market Capture	97.49	100.00	95.10

5 Yr	Fund	Benchmark	Peer Group Median
Alpha	1.58	0.00	0.96
Beta	1.00	1.00	0.96
R-Squared	97.20	100.00	93.58
Sharpe Ratio	0.72	0.65	0.69
Up Market Capture	101.83	100.00	96.34
Down Market Capture	95.38	100.00	92.92

NOTES

PGIM Quant Solutions Mid Cap Index Fund (IS Platform)

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
09/29/2016	Russell Mid-Cap Index	Mid-Cap Blend	NA	Team Managed	09/29/2016	0.08%	7

PORTFOLIO COMPOSITION (Holdings-based)

Assets

Cash	0.00%
US Stocks	0.00%
US Bonds	0.00%
Non-US Stocks	0.00%
Preferred Stocks	0.00%
Convertible Bonds	0.00%
Other	0.00%
Non-US Bonds	0.00%

Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

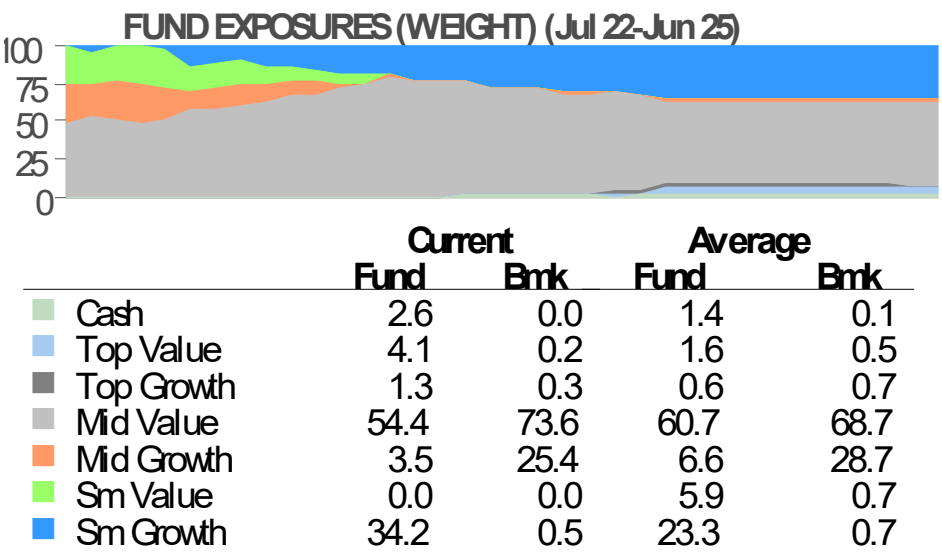
Defensive

Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

Total: NA%

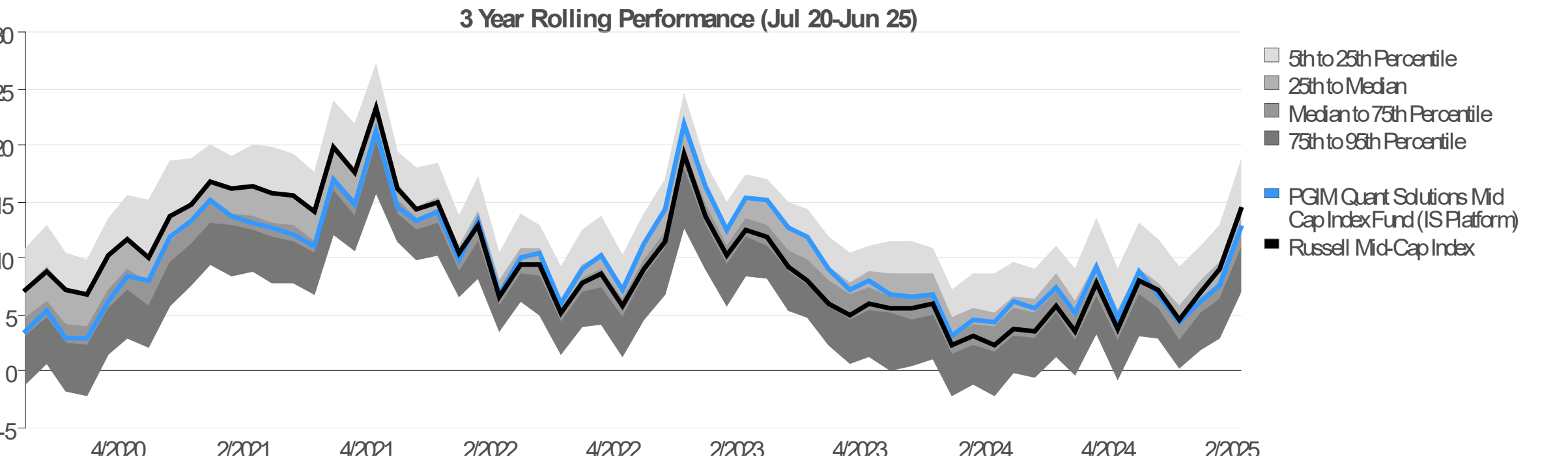
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

To achieve the Funds investment objective, the Manager shall seek to replicate, to the extent possible, the S P MidCap 400 Index by investing substantially all of its assets in the stocks that make up the S P MidCap 400 Index, holding each stock in approximately the same proportion as its weighting in the Index.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	6.66	0.14	7.42 / 73	12.70 / 52	13.32 / 39	8.48 / 59		expected at pos 2
Benchmark	8.53	4.84	15.21 / 18	14.33 / 28	13.11 / 45	10.02 / 25	9.89 / 23	
Peer Group Median	7.11	2.14	10.26 / 50	12.73 / 50	12.99 / 50	8.72 / 50	8.87 / 50	
Number of Funds			202	176	161	144	117	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	13.79	16.30	-13.10	24.60	13.70	26.12	-11.14	16.23	
Benchmark	15.34	17.23	-17.32	22.58	17.10	30.54	-9.06	18.52	13.80
Peer Group Median	13.86	16.31	-14.41	24.13	13.30	27.53	-10.62	16.95	15.37

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	-1.82	0.00	-1.13
Beta	1.06	1.00	0.99
R-Squared	97.77	100.00	94.81
Sharpe Ratio	0.47	0.57	0.49
Up Market Capture	103.90	100.00	96.93
Down Market Capture	110.73	100.00	103.16
5 Yr	Fund	Benchmark	Peer Group Median
Alpha	-0.02	0.00	0.01
Beta	1.03	1.00	0.98
R-Squared	96.69	100.00	93.19
Sharpe Ratio	0.61	0.62	0.61
Up Market Capture	103.23	100.00	98.47
Down Market Capture	103.16	100.00	97.75

NOTES

Mid Cap Growth I Fund (mgd by Ivy) (Watch List)								6/30/2025	
Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:		
06/30/2004	Russell Mid-Cap Growth Index	Mid-Cap Growth	NA	Team Managed	06/30/2004	0.77%	20		

PORTFOLIO COMPOSITION (Holdings-based)

Assets

Cash	0.00%
US Stocks	0.00%
US Bonds	0.00%
Non-US Stocks	0.00%
Preferred Stocks	0.00%
Convertible Bonds	0.00%
Other	0.00%
Non-US Bonds	0.00%

Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

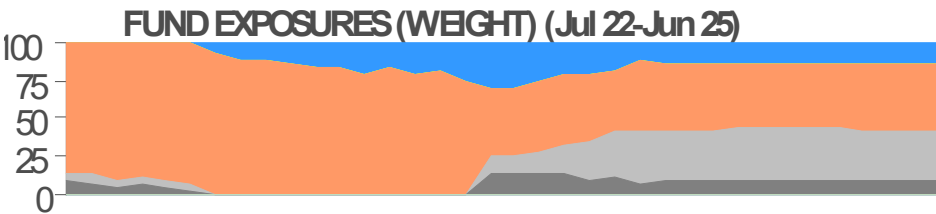
Defensive

Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

Total: NA%

ASSET LOADINGS (Returns-based)

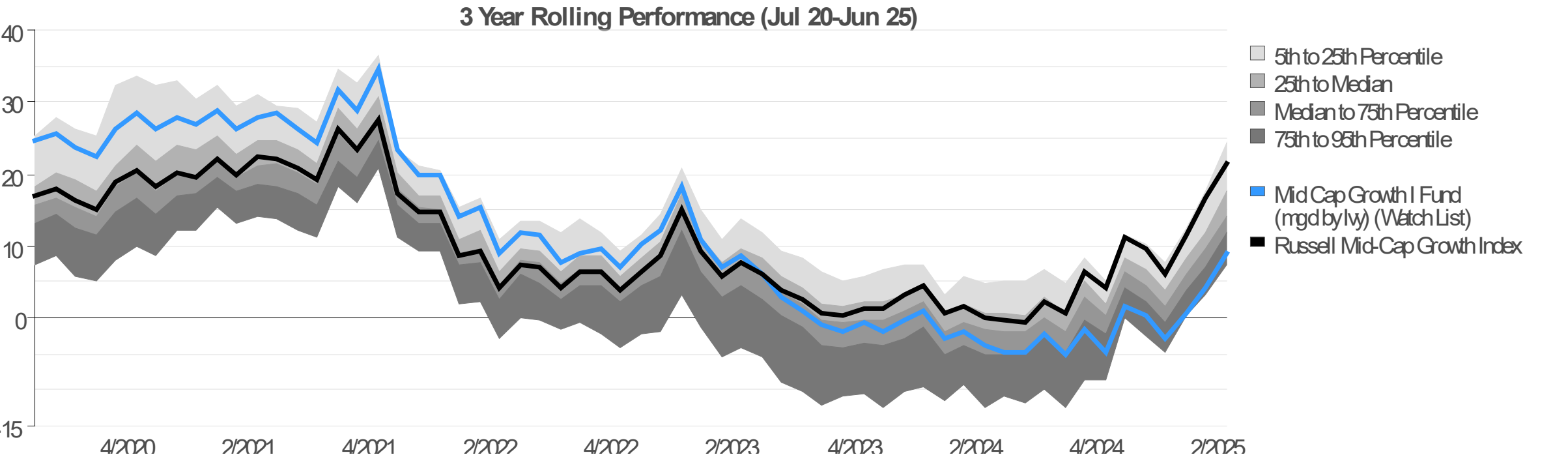


	Current		Average	
	Fund	Bmk	Fund	Bmk
Cash	0.0	0.0	0.0	0.0
Top Value	0.0	0.0	0.0	0.0
Top Growth	9.7	0.0	6.3	0.0
Mid Value	32.8	0.0	16.1	0.0
Mid Growth	43.3	100.0	63.5	100.0
Sm Value	0.0	0.0	0.0	0.0
Sm Growth	14.3	0.0	14.0	0.0

INVESTMENT OVERVIEW

The Separate Account aims to outperform the Russell Midcap Growth Index, over a complete market cycle, by investing primarily in common stocks of mid cap companies that Ivy Investment Mgmt Company (IICO), the Funds investment manager, believes to offer above-average growth potential.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	11.17	1.85	3.36 / 91	8.99 / 90	6.41 / 79	9.74 / 51	10.31 / 40	Expected at position 2
Benchmark	18.20	9.79	26.49 / 13	21.46 / 9	12.65 / 12	12.73 / 12	12.13 / 12	
Peer Group Median	13.16	3.68	13.10 / 50	14.20 / 50	9.24 / 50	9.74 / 50	9.73 / 50	
Number of Funds			165	153	139	130	122	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	2.43	20.16	-30.14	16.74	50.09	38.91	1.53	27.06	6.27
Benchmark	22.10	25.87	-26.72	12.73	35.59	35.47	-4.75	25.27	7.33
Peer Group Median	15.17	20.95	-28.19	12.68	34.84	33.08	-5.60	24.80	5.80

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	-10.50	0.00	-5.09
Beta	0.98	1.00	0.95
R-Squared	91.16	100.00	91.10
Sharpe Ratio	0.30	0.83	0.54
Up Market Capture	80.91	100.00	85.17
Down Market Capture	118.97	100.00	102.10

5 Yr	Fund	Benchmark	Peer Group Median
Alpha	-5.50	0.00	-2.26
Beta	0.99	1.00	0.96
R-Squared	92.41	100.00	91.66
Sharpe Ratio	0.27	0.55	0.40
Up Market Capture	89.56	100.00	89.70
Down Market Capture	109.97	100.00	100.29

NOTES

Small Cap Value / Kennedy Capital Fund

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
01/29/2001	Russell 2000 Value Index	Small Value	NA	Team Managed	01/29/2001	0.86%	33

PORTFOLIO COMPOSITION (Holdings-based)

Assets

Cash	0.00%
US Stocks	0.00%
US Bonds	0.00%
Non-US Stocks	0.00%
Preferred Stocks	0.00%
Convertible Bonds	0.00%
Other	0.00%
Non-US Bonds	0.00%

Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

Defensive

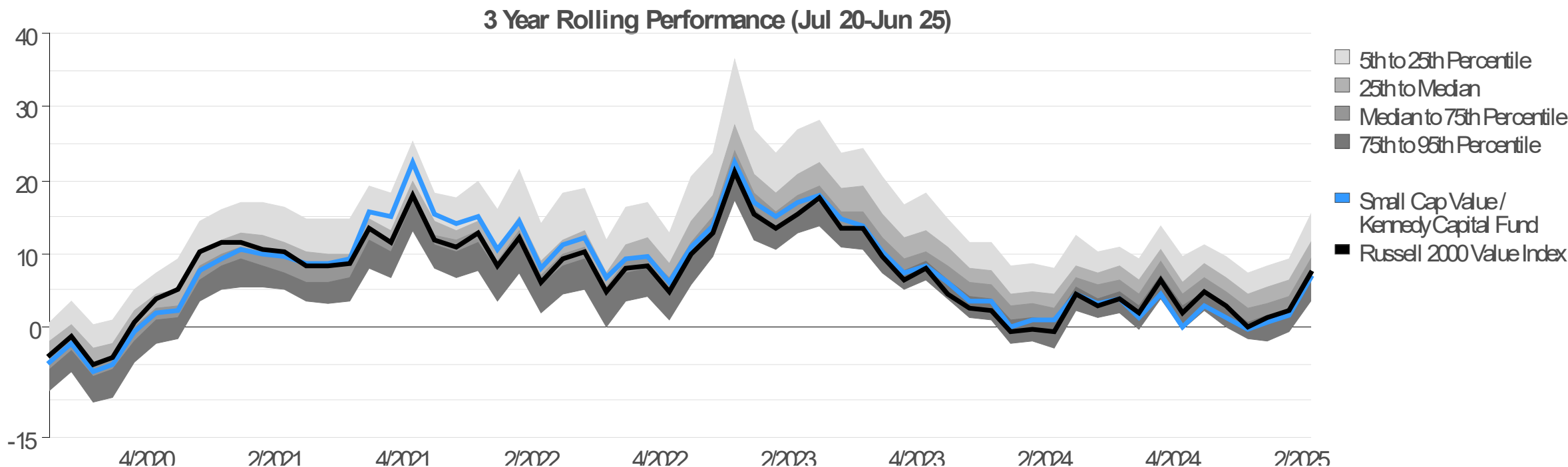
Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

INVESTMENT OVERVIEW

The Separate Account is advised by Kennedy Capital Mgmt. The Fund is managed pursuant to its extended small-cap value investment strategy, investing primarily in the common stock of U.S. small capitalization companies that are viewed by Kennedy as overlooked by the marketplace.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	3.61	-2.99	3.89 / 64	6.85 / 78	12.95 / 65	5.00 / 72	6.29 / 72	Expected at position 33
Benchmark	4.97	-3.16	5.54 / 42	7.45 / 68	12.47 / 73	4.85 / 74	6.72 / 63	
Peer Group Median	4.64	-3.16	4.88 / 50	9.29 / 50	14.21 / 50	6.04 / 50	7.11 / 50	
Number of Funds			181	171	160	151	139	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	9.28	12.21	-18.03	38.73	5.07	25.39	-19.88	13.06	22.78
Benchmark	8.05	14.65	-14.48	28.27	4.63	22.39	-12.86	7.84	31.74
Peer Group Median	9.13	16.27	-10.64	30.61	3.54	22.26	-14.55	8.97	25.85

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	-0.48	0.00	1.85
Beta	0.91	1.00	0.93
R-Squared	98.16	100.00	95.41
Sharpe Ratio	0.20	0.23	0.31
Up Market Capture	92.78	100.00	97.50
Down Market Capture	95.10	100.00	92.62

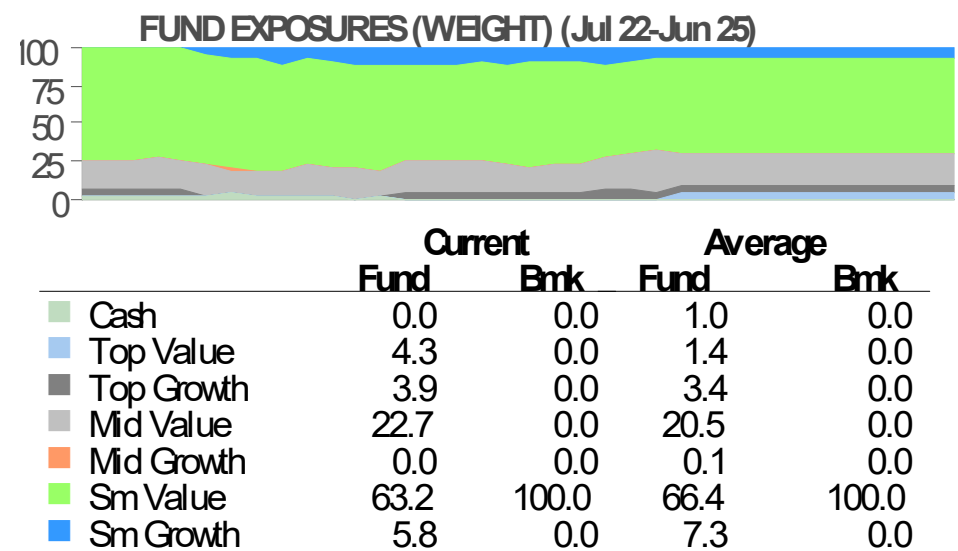
5 Yr	Fund	Benchmark	Peer Group Median
Alpha	1.01	0.00	2.15
Beta	0.93	1.00	0.93
R-Squared	96.65	100.00	93.68
Sharpe Ratio	0.56	0.52	0.61
Up Market Capture	94.53	100.00	97.31
Down Market Capture	92.64	100.00	91.90

NOTES

Total:

NA%

ASSET LOADINGS (Returns-based)



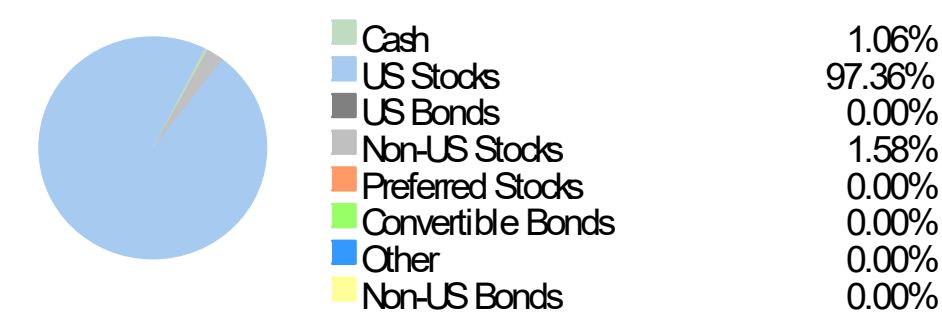
Vanguard Small Cap Index Admiral Shares VSMAX

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
11/13/2000	Russell 2000 Index	Small Blend	\$153,278.00M	Gerard C. O'Reilly	04/27/2016	0.05%	4

PORTFOLIO COMPOSITION (Holdings-based)

Assets



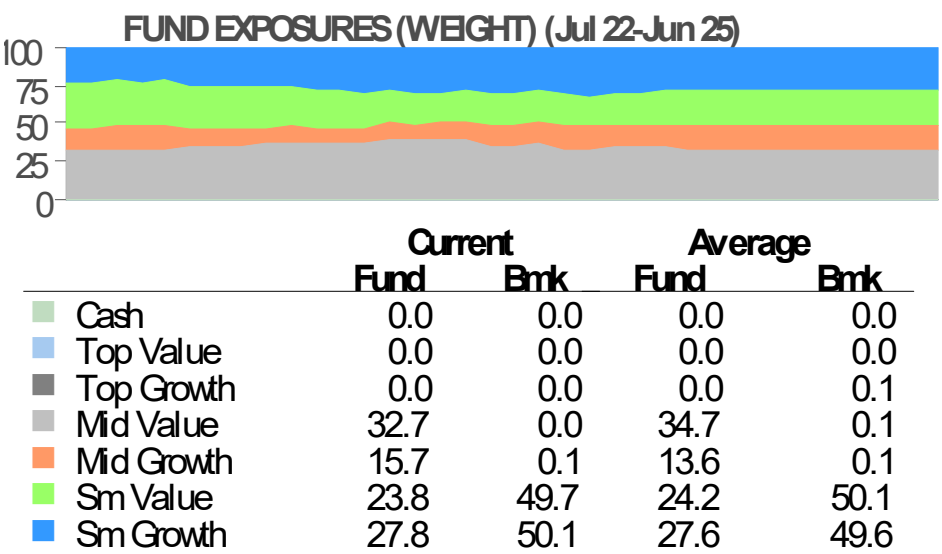
Sector Breakdown

Sensitive	
Communication Services	3.22%
Industrials	19.18%
Technology	16.34%
Energy	4.06%
Cyclical	
Basic Materials	3.94%
Consumer Cyclical	13.11%
Real Estate	7.52%
Financial Services	13.61%
Defensive	
Consumer Defensive	4.68%
Healthcare	10.95%
Utilities	3.38%

TOP 10 HOLDINGS

NRG Energy Inc	0.52%
Expand Energy Corp Ordinary Shares - New	0.43%
Atmos Energy Corp	0.42%
Smurfit WestRock PLC	0.38%
EMCOR Group Inc	0.36%
Liberty Media Corp Registered Shs Series -C- Fc	0.35%
Williams-Sonoma Inc	0.34%
Toast Inc Class A	0.34%
Natera Inc	0.33%
Nutanix Inc Class A	0.33%
Total:	3.80%

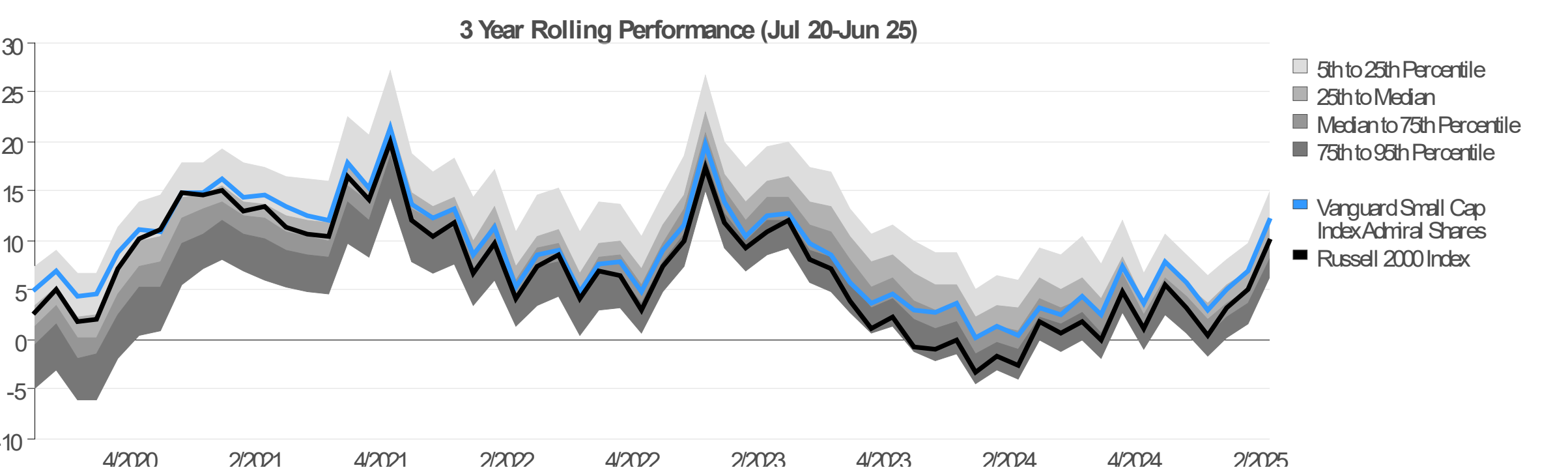
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The investment seeks to track the performance of the CRSP US Small Cap Index that measures the investment return of small-capitalization stocks. The fund advisor employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	7.28	-0.62	10.14 / 14	12.16 / 20	11.84 / 51	7.78 / 23	8.57 / 19	9.00
Benchmark	8.50	-1.79	7.68 / 36	10.00 / 49	10.04 / 78	5.52 / 75	7.12 / 61	
Peer Group Median	6.57	-1.90	6.47 / 50	9.95 / 50	11.84 / 50	6.43 / 50	7.41 / 50	
Number of Funds			255	233	220	205	179	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	14.23	18.20	-17.61	17.73	19.11	27.37	-9.31	16.24	18.30
Benchmark	11.54	16.93	-20.44	14.82	19.96	25.52	-11.01	14.65	21.31
Peer Group Median	11.06	16.84	-16.53	23.85	13.07	24.42	-11.92	13.17	20.72

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	2.25	0.00	0.23
Beta	0.92	1.00	0.92
R-Squared	97.52	100.00	95.97
Sharpe Ratio	0.44	0.33	0.34
Up Market Capture	97.07	100.00	95.24
Down Market Capture	91.11	100.00	94.47

5 Yr	Fund	Benchmark	Peer Group Median
Alpha	2.17	0.00	2.47
Beta	0.91	1.00	0.91
R-Squared	96.93	100.00	93.41
Sharpe Ratio	0.52	0.42	0.52
Up Market Capture	96.34	100.00	97.20
Down Market Capture	90.59	100.00	90.75

NOTES

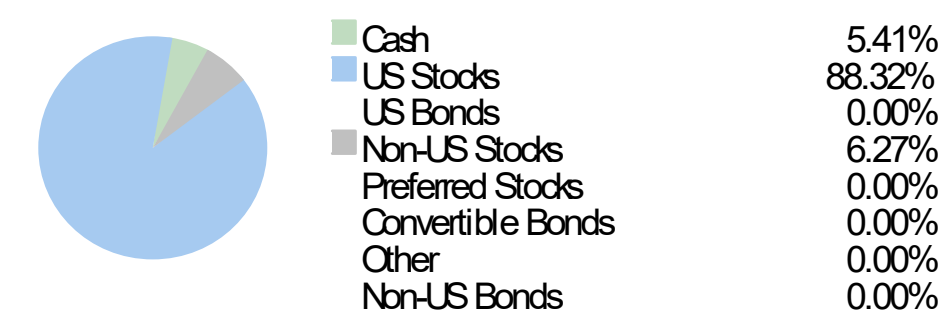
Small Cap Growth/TimesSquare SP

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
12/04/1997	Russell 2000 Growth Index	Small Growth	NA	Management Team	12/04/1997	0.90%	18

PORTFOLIO COMPOSITION (Holdings-based)

Assets



Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

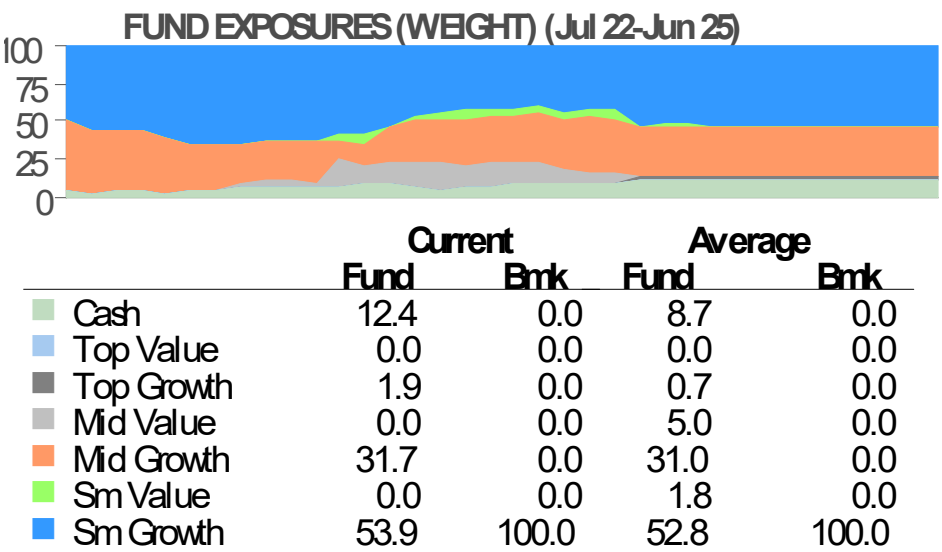
Defensive

Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

Total: NA%

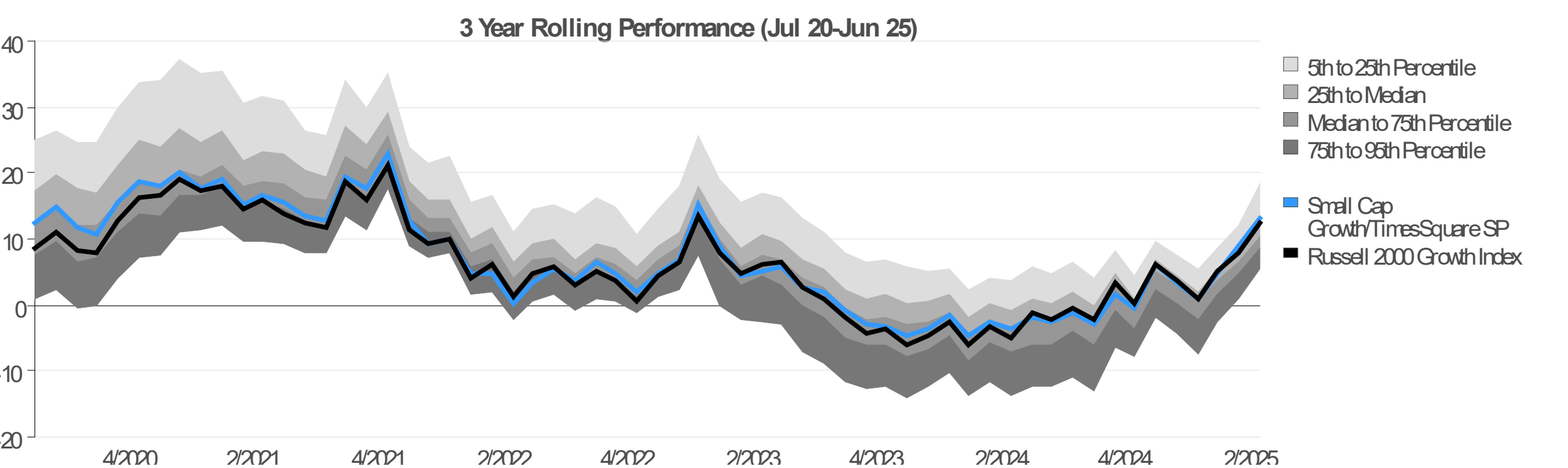
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The Separate Account (the Fund) is advised by TimesSquare Capital Management, LLC following their Small Capitalization Growth strategy. It seeks to achieve longterm capital appreciation.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	11.06	0.40	11.23 / 26	13.28 / 24	7.18 / 63	6.81 / 54	7.95 / 57	10.11
Benchmark	11.97	-0.48	9.73 / 31	12.38 / 37	7.42 / 60	5.69 / 77	7.14 / 75	
Peer Group Median	10.31	-1.28	7.05 / 50	10.51 / 50	8.05 / 50	7.05 / 50	8.31 / 50	
Number of Funds			164	160	155	148	134	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	15.11	16.25	-26.49	6.44	35.08	28.87	-3.85	21.08	9.41
Benchmark	15.15	18.66	-26.36	2.83	34.63	28.48	-9.31	22.17	11.32
Peer Group Median	13.77	17.15	-28.16	10.88	36.87	28.12	-4.99	21.80	10.54

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	1.71	0.00	-0.98
Beta	0.84	1.00	0.91
R-Squared	94.99	100.00	92.82
Sharpe Ratio	0.51	0.43	0.37
Up Market Capture	82.85	100.00	88.45
Down Market Capture	78.33	100.00	92.47
5 Yr	Fund	Benchmark	Peer Group Median
Alpha	0.16	0.00	1.18
Beta	0.89	1.00	0.91
R-Squared	94.07	100.00	91.00
Sharpe Ratio	0.31	0.31	0.35
Up Market Capture	88.88	100.00	93.80
Down Market Capture	90.05	100.00	91.74

NOTES

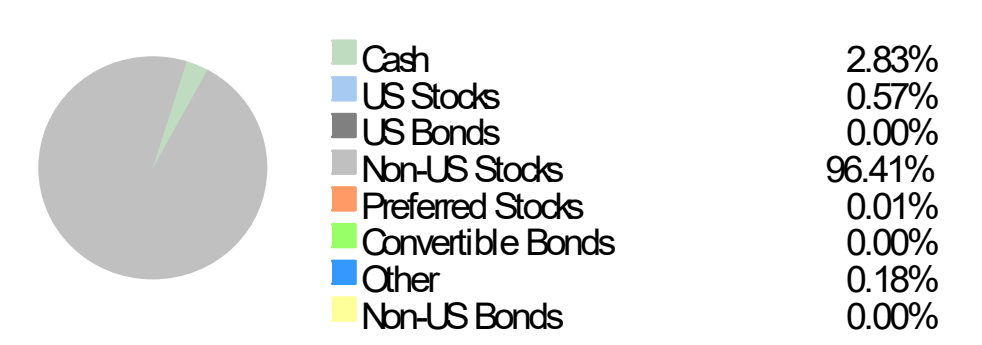
Vanguard Total Intl Stock Index Admiral VTIAX

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
11/29/2010	MSCI EAFE	Foreign Large Blend	\$510,791.00M	Michael Perre	08/05/2008	0.09%	6

PORTFOLIO COMPOSITION (Holdings-based)

Assets



Sector Breakdown

Sensitive

Communication Services	5.74%
Industrials	15.97%
Technology	12.99%
Energy	4.47%

Cyclical

Basic Materials	6.59%
Consumer Cyclical	10.35%
Real Estate	3.01%
Financial Services	23.06%

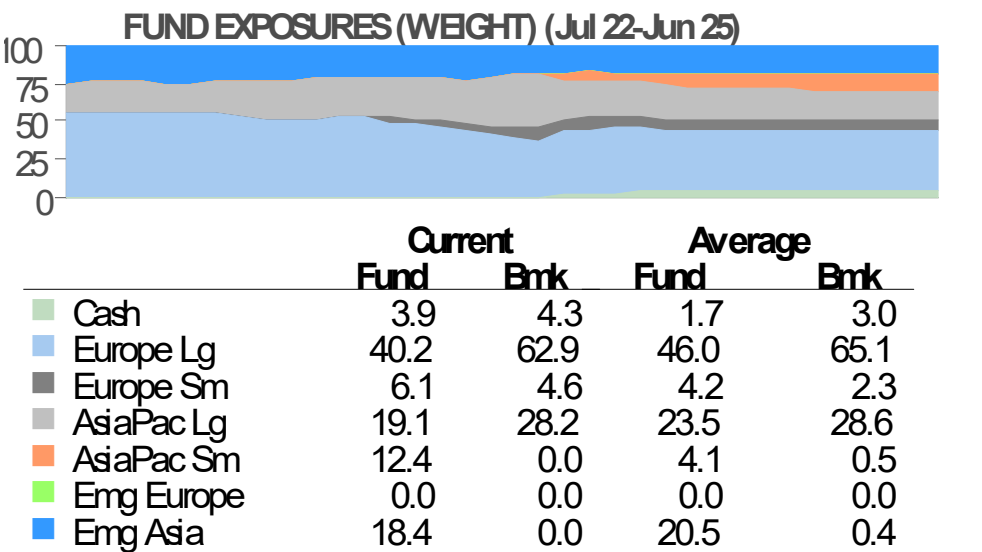
Defensive

Consumer Defensive	6.45%
Healthcare	8.26%
Utilities	3.09%

TOP 10 HOLDINGS

Taiwan Semiconductor Manufacturing Co Ltd	2.19%
Tencent Holdings Ltd	1.10%
SAP SE	0.95%
ASML Holding NV	0.82%
Nestle SA	0.78%
Alibaba Group Holding Ltd Ordinary Shares	0.69%
Novartis AG Registered Shares	0.65%
Novo Nordisk AS Class B	0.65%
Roche Holding AG	0.64%
Toyota Motor Corp	0.63%
Total:	9.09%

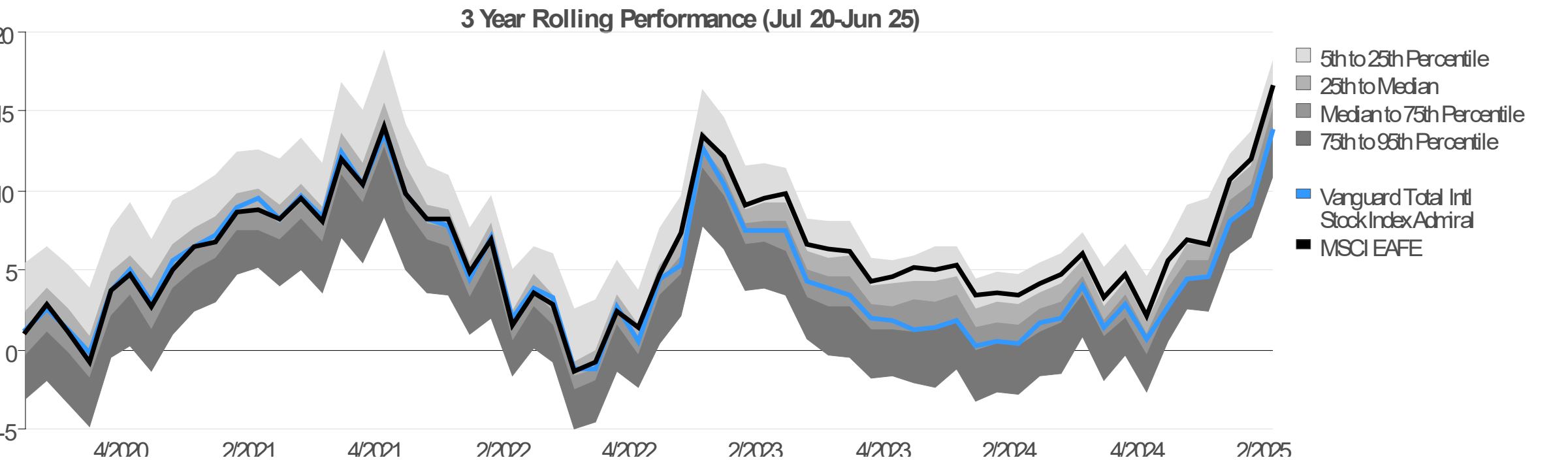
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. The manager employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The fund invests all, or substantially all, of its assets in the common stocks included in its target index.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	12.08	18.26	18.27 / 52	13.81 / 78	10.28 / 63	6.69 / 64	6.28 / 58	5.92
Benchmark	12.07	19.92	18.33 / 51	16.57 / 17	11.72 / 23	7.74 / 20	7.03 / 21	
Peer Group Median	11.72	19.37	18.34 / 50	15.00 / 50	10.82 / 50	6.94 / 50	6.41 / 50	
Number of Funds			274	253	236	206	164	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	5.14	15.52	-16.01	8.62	11.28	21.51	-14.43	27.55	4.67
Benchmark	4.35	18.85	-14.01	11.78	8.28	22.66	-13.36	25.62	1.51
Peer Group Median	4.68	17.00	-15.73	10.79	9.24	21.96	-14.39	25.45	1.12

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	-2.22	0.00	-1.36
Beta	0.99	1.00	1.01
R-Squared	93.83	100.00	94.61
Sharpe Ratio	0.62	0.79	0.68
Up Market Capture	90.12	100.00	95.94
Down Market Capture	98.61	100.00	100.76

5 Yr	Fund	Benchmark	Peer Group Median
Alpha	-0.77	0.00	-0.67
Beta	0.94	1.00	0.98
R-Squared	94.03	100.00	93.84
Sharpe Ratio	0.53	0.60	0.55
Up Market Capture	89.68	100.00	96.14
Down Market Capture	93.15	100.00	99.51

NOTES

International Blend Fund (sub-advised by Wellington Mgmt)

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
02/24/2003	MSCI EAFE	Foreign Large Blend	NA	Team Managed	02/24/2003	0.78%	50

PORTFOLIO COMPOSITION (Holdings-based)

Assets

Cash	0.00%
US Stocks	0.00%
US Bonds	0.00%
Non-US Stocks	0.00%
Preferred Stocks	0.00%
Convertible Bonds	0.00%
Other	0.00%
Non-US Bonds	0.00%

Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

Defensive

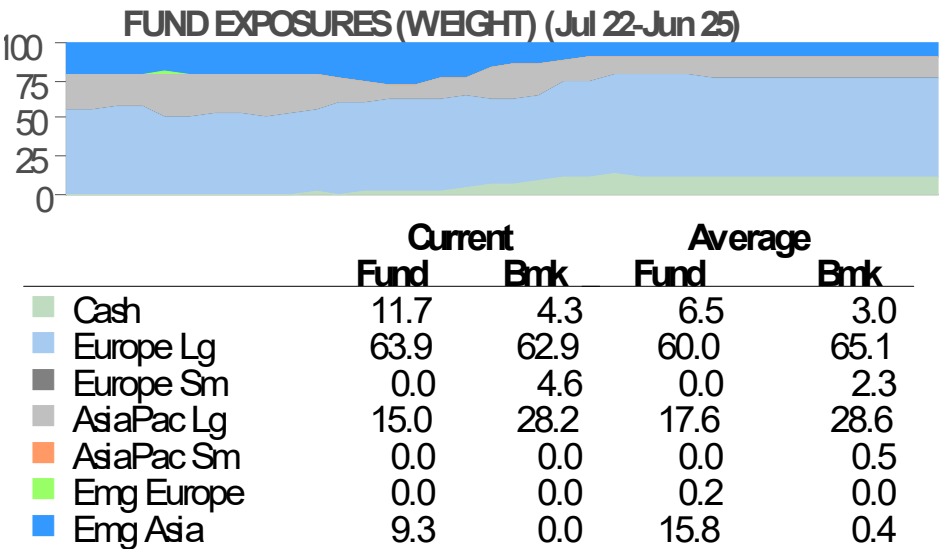
Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

Total:

NA%

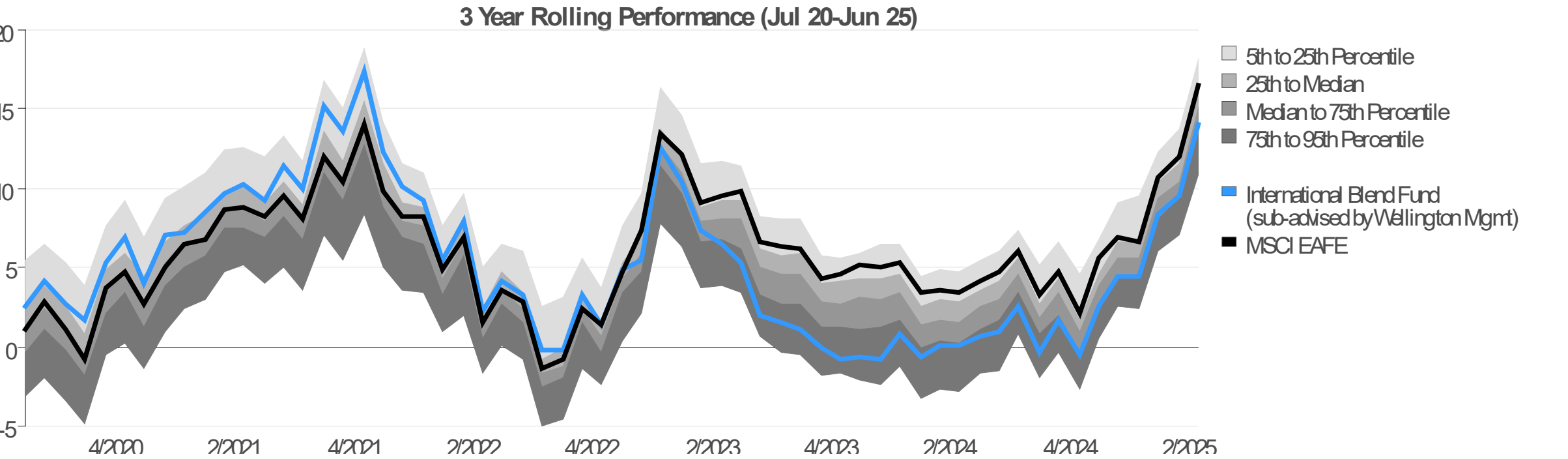
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The Separate Account seeks to provide long-term total returns in excess of the MSCI All Country World ex US Index. The investment approach is driven by intensive fundamental research focused on companies with unique assets where opportunities to improve returns are misunderstood by the marketplace. The Fund is opportunistic in its stock selection, embracing ideas across the style spectrum, producing core-like characteristics over time.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	11.35	18.22	17.94 / 61	14.06 / 72	9.82 / 72	6.81 / 56	6.27 / 58	Expected at position 50
Benchmark	12.07	19.92	18.33 / 51	16.57 / 17	11.72 / 23	7.74 / 20	7.03 / 21	
Peer Group Median	11.72	19.37	18.34 / 50	15.00 / 50	10.82 / 50	6.94 / 50	6.41 / 50	
Number of Funds			274	253	236	206	164	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	8.02	12.10	-18.68	7.34	19.66	26.10	-18.97	24.94	1.11
Benchmark	4.35	18.85	-14.01	11.78	8.28	22.66	-13.36	25.62	1.51
Peer Group Median	4.68	17.00	-15.73	10.79	9.24	21.96	-14.39	25.45	1.12

RISK & PERFORMANCE STATISTICS

3 Yr	Fund	Benchmark	Peer Group Median
Alpha	-1.52	0.00	-1.36
Beta	0.94	1.00	1.01
R-Squared	93.46	100.00	94.61
Sharpe Ratio	0.66	0.79	0.68
Up Market Capture	86.69	100.00	95.94
Down Market Capture	91.45	100.00	100.76
5 Yr	Fund	Benchmark	Peer Group Median
Alpha	-0.99	0.00	-0.67
Beta	0.91	1.00	0.98
R-Squared	90.77	100.00	93.84
Sharpe Ratio	0.51	0.60	0.55
Up Market Capture	88.68	100.00	96.14
Down Market Capture	94.04	100.00	99.51

NOTES

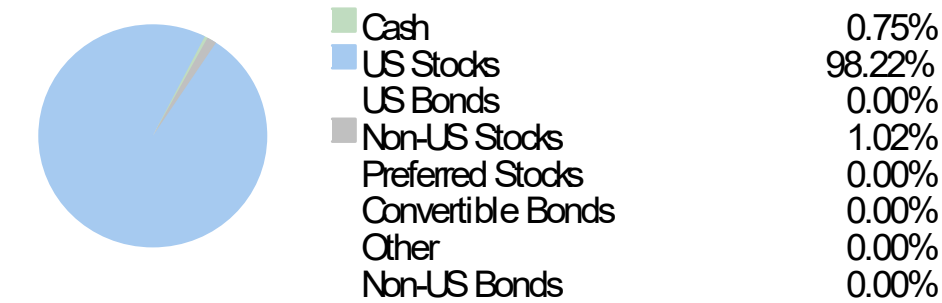
Real Estate/Cohen & Steers SP

6/30/2025

Fund Incep Date:	Benchmark:	Category:	Net Assets:	Manager Name:	Manager Start Date:	Expense Ratio:	Expense Rank:
05/17/2007	MSCI US REIT	Real Estate	NA	Management Team	05/17/2007	0.65%	39

PORTFOLIO COMPOSITION (Holdings-based)

Assets



Sector Breakdown

Sensitive

Communication Services	0.00%
Industrials	0.00%
Technology	0.00%
Energy	0.00%

Cyclical

Basic Materials	0.00%
Consumer Cyclical	0.00%
Real Estate	0.00%
Financial Services	0.00%

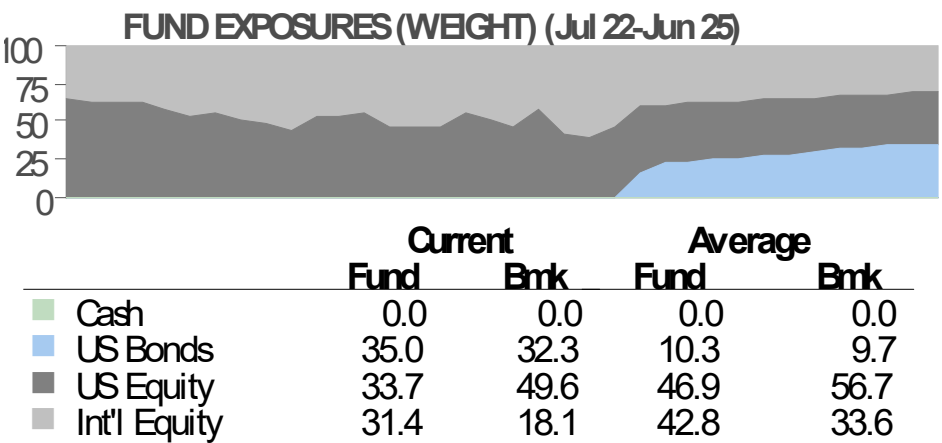
Defensive

Consumer Defensive	0.00%
Healthcare	0.00%
Utilities	0.00%

TOP 10 HOLDINGS

Total: NA%

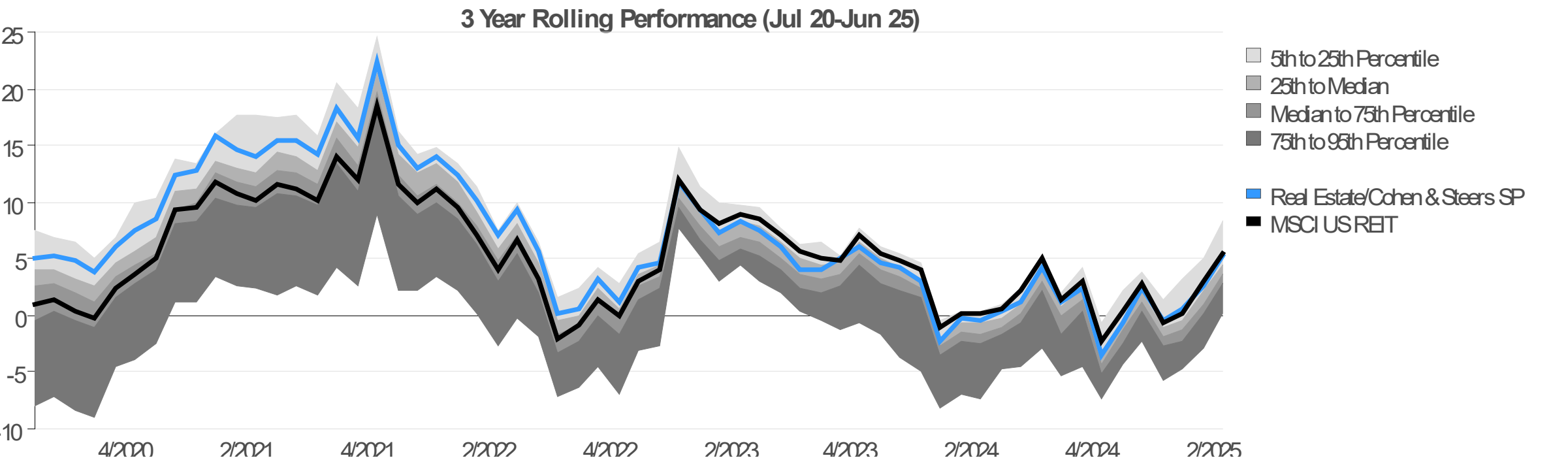
ASSET LOADINGS (Returns-based)



INVESTMENT OVERVIEW

The Separate Account is advised by Cohen Steers Capital Management, Inc. The investment objective of the Fund is total return through investment in real estate securities. In pursuing total return, the Fund emphasizes both capital appreciation and current income.

PERFORMANCE



	3M	YTD	1Y	3Y	5Y	7Y	10Y	SI
Fund	0.80	4.03	10.82 / 19	5.22 / 14	8.65 / 15	7.20 / 8	8.04 / 2	6.88
Benchmark	-1.14	-0.09	8.92 / 54	5.40 / 11	8.63 / 15	5.60 / 38	6.33 / 32	
Peer Group Median	-0.77	0.89	9.05 / 50	3.58 / 50	7.13 / 50	5.26 / 50	5.86 / 50	
Number of Funds			91	84	73	70	59	

CALENDAR	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	7.15	13.29	-26.06	42.15	-1.51	31.15	-3.90	8.42	8.21
Benchmark	8.75	13.74	-24.51	43.06	-7.57	25.84	-4.57	5.07	8.60
Peer Group Median	5.52	11.87	-26.11	41.23	-5.01	26.86	-5.53	5.29	6.79

RISK & PERFORMANCE STATISTICS

	Fund	Benchmark	Peer Group Median
3 Yr			
Alpha	-0.10	0.00	-1.68
Beta	0.99	1.00	0.99
R-Squared	95.89	100.00	97.42
Sharpe Ratio	0.13	0.14	0.05
Up Market Capture	95.75	100.00	94.01
Down Market Capture	96.69	100.00	100.22
5 Yr			
Alpha	0.15	0.00	-1.36
Beta	0.98	1.00	0.99
R-Squared	96.54	100.00	97.11
Sharpe Ratio	0.39	0.39	0.31
Up Market Capture	97.00	100.00	95.08
Down Market Capture	96.85	100.00	100.71

NOTES

Appendix

Carefully consider the investment objectives, risks, fees and expenses of the annuity and/or the investment options. Contact us for a prospectus, a summary prospectus and disclosure document, as available, containing this information. Read them carefully before investing.

Past performance is not a guarantee or prediction of future results.

Rankings provided based on total return.

Sources: Empower, MPI Stylus Web, Morningstar, Individual Investment Managers



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Carefully consider the investment option's objectives, risks, fees and expenses. Contact Empower for a prospectus, summary prospectus for SEC registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.

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Empower Annuity Insurance Company of America (EAICA) is affiliated with Great-West Lifeco Inc. (Lifeco) who sold Putnam Investments, LLC to Franklin Resources, Inc. (Franklin). As a result of the transaction, EAICA's affiliate owns approximately 6 % of Franklin as of January 1st, 2024. As a part of the transaction, Lifeco entered into arrangements with Franklin under which Lifeco has committed to allocate assets over a period of time to be managed by Franklin's investment managers and has agreed to support the availability of Franklin and its affiliates' products and services on enterprise platforms. If certain Franklin revenue thresholds are achieved under those arrangements, Lifeco will receive contingent transaction consideration and other financial benefits. Franklin also includes Alcentra, Benefit Street Partners, Brandywine Global, Clarion Partners, ClearBridge Investments, Franklin Templeton Investments, K2 Lexington Partners, Martin Currie, Putnam Investments, Royce Investment Partners and Western Asset Management as of January 1st, 2024.

Disclosures

Gross expense ratios are the funds' total annual operating costs expressed as a percentage of the funds' average net assets over a given time period. They are gross of any fee waivers or expense reimbursements. Net expense ratios are the expense ratios after the application of any voluntary or contractual waivers or reimbursements and are the actual ratios that investors paid during the funds' most recent fiscal year. Expense ratios are subject to change.

Disclosures

Morningstar rankings are based on total return and do not reflect a sales charges, which, if reflected, would reduce returns.

The date in a target date fund's name represents an approximate date when an investor is expected to retire (which is assumed to be at age 65) and/or begins withdrawing money. The principal value of the funds is not guaranteed at any time, including the target date. For more information, please refer to the fund prospectus and/or disclosure document. A target date fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date (which is the assumed retirement date for an investor).

Asset allocation and balanced investment options and models are subject to the risks of the underlying investments, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

Commodity and real asset investments may be affected by natural disasters and political and economic developments.

Real estate securities and trusts involve risks, including declining property values, changes in zoning laws or losses from casualty. Real estate securities that invest in foreign real estate involve additional risks, including currency fluctuations and political developments.

Securities of small and mid-size companies may be more volatile than those of larger, more established companies.

Investment return and principal value of a variable investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. There is no guarantee that companies that can issue dividends will declare, continue to pay, or increase dividends.

The JPMCB SmartRetirement Funds indirectly bear their proportionate share of the operating expenses of any underlying funds in which they may invest (excluding management fees and service fees). The Trustee of the JPMCB SmartRetirement Funds agrees to reimburse the Fund for such fund operating expenses, and/or to waive a portion of the Trustee's management fee, to the extent that the fund's total annual operating expenses (excluding management fees, service fees, underlying fund fees attributable to dividend and interest expenses on short sales, interest, expenses related to litigation and potential litigation, and extraordinary expenses not incurred in the ordinary course of the Fund's business) exceeds 0.04% of the Fund's average daily new assets through the expense cap expiration date.

The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for the Fund's portfolio or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general (or in particular, the prices of the types of securities in which a fund invests) may decline over short or extended periods of time. When the value of a fund's securities goes down, an investment in a fund decreases in value.

Some of the data may have been obtained from Standard & Poor's ("S&P"). The S&P 500 Index is a registered trademark of Standard & Poor's Financial Services LLC. It is an unmanaged index considered indicative of the domestic large-cap equity market and is used as a proxy for the stock market in general.

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| Not Insured by Any Federal Government Agency**

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Disclosures

A benchmark index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, the performance of a fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.

Empower is not acting as an investment advisor for the plan. The information, analyses and fund alternatives described in this material are intended to provide assistance to the plan sponsor or other fiduciary responsible for plan investments and should not be relied upon as the sole basis for any investment decision. Empower Financial Services, Inc. and its affiliates may receive compensation with respect to proprietary investments and may receive compensation with respect to other plan investments. Other share classes may be available for the investment products described, and the plan sponsor is welcome to request more information on the options available.

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Thank you



STAFF REPORT

To: Board of Directors

Meeting Date: August 25, 2025

From: Vishav Sharma, Chief Financial Officer

Subject: Letter from the Auditor in accordance with SAS 114

SUMMARY:

The Auditing Standard's Board (ASB) of the American Institute of Certified Public Accountants (AICPA) issued Statement on Auditing Standards No. 114 which is intended to provide a framework for more effective communication between the auditor and the Board related to the annual audit.

Attachments:

- Letter from the Auditor to the Board of Directors in accordance with Statement of Auditing Standards No. 114



August 8, 2025

To the Board of Directors,

El Toro Water District
P.O. Box 4000
Laguna Hills, CA 92654-4000

We are engaged to audit the financial statements of El Toro Water District (the District) for the year ended June 30, 2025. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards* and, if applicable, the Uniform Guidance

As stated in our engagement letter dated April 16, 2025, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, if the District is subject to Single Audit requirements, in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the District's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Management's Discussion and Analysis, and the GASB-required other postemployment benefits schedules, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.



To the Board of Directors
City of Laguna Hills, California
Page 2

We have been engaged to report on the Schedules of Revenue and Expense by Category, which accompanies the financial statements but is not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the information included within the introductory and statistical sections of the District's Annual Comprehensive Financial Report, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditors' report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

We gave significant consideration to the nonattest/nonaudit services which we provide to the District, specifically, the preparation of the financial statements and, if applicable, the *Schedule of Expenditures of Federal Awards*, with their related notes, which may reasonably be thought to bear on independence, in reaching the conclusion that independence has not been impaired.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We will perform procedures as required by Statement on Auditing Standards Nos. 122-125 to obtain an understanding of the District and its environment along with assessing the risks of material misstatements to gain insight into the internal control structure over the financial statements. Our review will encompass various areas such as financial reporting, cash, revenues and receivables, utility billing, expenses, accounts payable, payroll, capital assets, long-term debt, and grant reporting. We will issue a management letter (SAS 115 Letter) that identifies any significant deficiencies and/or material weaknesses found as required by the *Government Auditing Standards*.

Our process is to obtain and review the District's annual budget book, organizational charts, standard operations procedures, manuals, policies, or other written documentation to identify processes and controls for critical transaction cycles. As much as is possible, we attempt to gather the data from the District's publicly available documents prior to beginning the audit to reduce the workload of the District's audit staff. Throughout the year, we will conduct interviews with the management of finance and responsible parties of each audit section to understand the processes and controls through observation and discussions. We will also perform sampling transactions as part of a "walk-through" process to verify that the system of control is functioning as per the policies and procedures.

Materiality in an audit of financial statements under *Government Auditing Standards* is a critical concept that determines the significance of any misstatements or omissions. It involves both qualitative and quantitative assessments to decide which errors or discrepancies could influence the decision-making of users of the financial statements. Quantitatively, we set materiality thresholds based on base amounts such as total revenues, total assets, or total liabilities, typically applying a percentage to these figures to establish an acceptable error limit.



To the Board of Directors
City of Laguna Hills, California
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Qualitatively, we consider the nature of the item, its context, and its influence on the user's perspective, ensuring that even small misstatements that could affect the understanding of the financial position are addressed. This dual approach helps ensure that the audit provides a true and fair view of the entity's financial health and compliance.

We have identified the following significant risks of material misstatement as part of our auditing planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. Other significant risks may exist that have yet to be identified. Our risk assessment process is expected to conclude on approximately April 24, 2025. At this time, any other significant risks identified will be documented and included in the communications to the Board of Directors in our final report.

To address areas with higher assessed risks of material misstatement, whether due to fraud or error, we will implement rigorous procedures tailored to the identified risks. This includes extensive testing of revenue recognition processes and controls to mitigate the presumed risk, as well as thorough examination of potential management overrides. The audit approach will involve detailed transactional analysis, substantive testing, and robust evaluation of internal controls to ensure accuracy and reliability in the financial statements. Additionally, interviews and observations with management will be conducted to reinforce the understanding of procedures and uncover any discrepancies early in the process.

We expect to begin our audit on April 21, 2025 and issue our report on approximately October 12, 2025. Ryan Domino, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. For the audit of the year ended June 30, 2025, Ryan Domino, CPA has designated Riley Greenlee, CPA to supervise the engagement and sign the reports under his oversight.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

LSL, LLP

LSL, LLP



STAFF REPORT

To: Board of Directors

Meeting Date: August 25, 2025

From: Vishav Sharma, Chief Financial Officer

Subject: July 2025 Financial Report and Analysis

Attached report provides an overview of the District's financial performance for the month of July 2025. It includes a comparison of Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and actual revenues and expenses analysis to the budgeted figures, as well as highlights key financial trends and variances to assist the Board in monitoring the District's financial health and performance.

Assets

- **Current Assets:**

- The District's total Cash and Investments as of July 31, 2026, is \$21,976,654, including \$634 restricted for capital and Debt service expenditures. This represents an increase of \$125,380 in total Cash & Cash equivalents from prior month, reflecting better liquidity. The main reason for this increase is the better collection of utility bill payments during the month.
- The Current ratio is 11, indicating strong ability of the District to meet its short-term obligations. This ratio measures the District's ability to pay short-term obligations that are due within one year.
- Days Cash on Hand stands at 229 days, showing the District's ability to operate for that period using available cash based on budgeted annual O&M and Debt service expenses excluding depreciation expense.
- Accounts Receivable increased by \$285,502, from \$5,484,611 in June to \$5,770,113 in July.
- Material and supplies inventory decreased by \$3,069 mainly due to the consumption of supplies inventories.
- Prepaid Expenses increased by \$52,548 to a total of \$427,887, reflecting prepayments made for insurance, supplies or services.

Overall, Current Assets total balance of \$30,225,269, reflects an increase of \$460,362 from the previous month.

Non-Current Assets:

- Construction in Progress increased by \$28,935, reflecting continued investment in capital projects.
- Accumulated Depreciation increased by \$416,704, as expected.

The Non-Current Assets category balance at the end of the month is \$110,214,919 reflecting a net decrease of \$387,770 primarily from accumulated depreciation and construction in progress activities.

Liabilities

- **Current Liabilities:**

- Accounts Payable and Accrued Expenses decreased by \$667,028 to \$2,233,281, reflecting lower short-term obligations.
- Accrued Interest Payable increased by \$166,665, reflecting monthly debt service accruals.

Overall, Current Liabilities decreased by \$587,279, Reflecting a decrease in vendor obligations.

- **Non-Current Liabilities:**

- Loans Payable decreased slightly by \$42,671 with a remaining balance of \$50,265,210.

The Total Liabilities amounted to \$65,891,031, reflecting a decrease of \$629,951 compared to prior month.

Summary of Revenues

For the month of July 2025 and year to date, the District's total revenues were \$3,261,230, This represents over 8.5% of the total budgeted revenue for the fiscal year.

Key Revenues Categories:

- **Commodity Supply Charges:**
This month's revenue was \$1,313,931 (9.8% of the budget). This category is performing in-line with expectations. Commodity supply charge includes recycled water revenues. This month recycled revenue has earned 16.5% of the budget.
- **Service Charges:**
This month's revenue was \$1,267,005, which is 7.9% of the annual budget. This is in line with expectations.
- **Capital Facility Charges:**
This month's revenue is \$433,654, (6.9% of the budget). The District is on track with respect to capital charge collections.

- **Investment Income:**
The District received \$28,004 this month in investment income, resulting in a 4.0% of the budgeted amount.
- **Grants, Rebates, and Reimbursements:**
The District received total of \$29,950, or 10.9% of budgeted rebates and reimbursements. Mainly from LRP subsidies.
- **Miscellaneous Revenue:**
Miscellaneous revenue is \$59,973, which is 17.2% of the budget. Miscellaneous revenue fluctuates from month to month due to some revenues collected only once a year. This category remains in line with projections.

Summary of Expenses

Total expenses for July 2025 are \$2,554,538, which is 6.7% of the annual budget.

Key Expense Categories:

- **Salary Expenses:**
Monthly salary-related expenses are \$639,376, resulting in a YTD total expense of 8.1% of the budget. Salary expenses are in line with expectations, Staff is paying a close attention to the overtime cost and analyzing it every pay period.
- **Benefit Expenses:**
Benefit expenses for the month totaled \$230,782, bringing the YTD total to 7.7% of the budget. Retirement contribution and medical insurance expenses are the main drivers of this category.
- **Water Purchased for Resale:**
Water purchase expenses totaled \$765,364, with a YTD total of 7.1% of the budget.
- **Contracted/Purchased Services:**
Total expenses for the month are \$322,970, with YTD expenses of 4.7% of the budget. The District continues to manage contracts efficiently.
- **Other Expenses:**
This category includes costs related to retiree health insurance, depreciation, and debt interest. YTD expenses total \$571,765 (6.7% of budget). Notably, depreciation is on track as expected.

Net Position

The District's net position as of July 2025 is \$68,538,137. The change in net position this month increase by \$712,355, reflecting a positive financial position for the year-to-date period.

Conclusion

Through July 2025, the District continues to demonstrate stable financial performance. Revenues are exceeding budget targets, driven by investment income and grant receipts, while expenses remain within budget across most categories. The District maintains a solid net position, supporting ongoing operations and capital investments.

Attachment 1

Statement of Net Position for the period ended July 2025

El Toro Water District
Interim Statement of Net Position for the Month of July, 2025

	6/30/2024	6/30/2025 Revised Interim	7/31/2025 Interim	Change
Assets				
Current Assets				
Cash & Cash Equivalents	9,598,651	15,795,418	15,981,934	186,516
Investments	13,331,929	6,054,411	5,994,086	(60,325)
Accounts Receivable	5,358,280	5,484,611	5,770,113	285,502
Materials & Supply Inventory	694,365	2,053,684	2,050,615	(3,069)
Prepaid Expenses	272,893	375,339	427,887	52,548
Restricted - Cash & Investments	2,972	1,444	634	(811)
Current Assets - Sub-total	29,259,090	29,764,908	30,225,269	460,362
Non-Current Assets				
Lease Receivable	168,271	557,808	557,808	0
Land & Easements	7,451,585	7,451,585	7,451,585	-
Capacity Rights	342,382	228,255	228,255	-
Capital Assets				
Water System	61,492,512	62,032,584	62,032,584	(0)
Wastewater System	61,524,968	63,294,850	63,294,850	(0)
Recycled System	55,454,389	55,554,540	55,554,540	(0)
Combined Assets	15,905,406	16,201,236	16,201,236	0
Construction in Progress	4,916,960	6,995,734	7,024,669	28,935
Accumulated Depreciation	(96,723,816)	(101,713,902)	(102,130,606)	(416,704)
Non-Current Assets - Sub-total	110,532,657	110,602,690	110,214,919	(387,770)
Total Assets	139,791,747	140,367,597	140,440,189	72,592
Deferred Outflows of Resources				
OPEB Deferred Outflow of Resources	2,480,241	2,480,241	2,480,241	-
Liabilities				
Current Liabilities				
Accounts Payable & Accrued Expenses	2,920,705	2,708,950	2,047,209	(661,741)
Accrued Salaries & Related Payables	169,383	191,359	186,073	(5,286)
Customer Deposits	77,741	100,567	13,650	(86,917)
Accrued Interest Payable	156,971	150,929	317,594	166,665
Long Term Liabilities - Due in One Year				
Compensated Absences	236,316	241,796	241,796	-
Loans Payable	1,924,372	-	-	-
Current Liabilities - Sub-total	5,485,488	3,393,601	2,806,322	(587,279)
Non-Current Liabilities				
Compensated Absences	1,456,918	1,562,867	1,562,867	(0)
Other Post-Employment Benefits Liability	11,256,633	11,256,633	11,256,633	-
Loans Payable	50,840,433	50,307,881	50,265,210	(42,671)
Non-Current Liabilities - Sub-total	63,553,984	63,127,381	63,084,709	(42,671)
Total Liabilities	69,039,472	66,520,982	65,891,031	(629,951)
Deferred Inflows of Resources				
Deferred Amounts from Leases	336,495	789,630	789,630	(0)
Deferred Amounts from OPEB	7,701,632	7,701,632	7,701,632	-
Total Deferred Inflows of Resources	8,038,127	8,491,262	8,491,262	(0)
Net Position				
Net Investment in Capital Assets	57,425,866	59,621,724	59,949,710	327,986
Restricted - Capital Projects	2,895	2,895	2,895	-
Restricted - Debt Service	-	1,444	634	(811)
Unrestricted	7,765,628	8,199,718	8,584,898	385,180
Total Net Position	65,194,389	67,825,781	68,538,137	712,355

Attachment 2
Statement of Revenues, Expenses, and Changes in Net Position
for July 2025

Statement of Revenues, Expenses, and Changes in Net Position for the Month of July, 2025											
	District		Water System		Wastewater System		Recycled System		Capital Improvments		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Operating Revenues											
Commodity Supply Charges	\$ 13,340,717	\$ 1,313,931	\$ 11,558,372	\$ 1,019,581	\$ -	\$ -	\$ 1,782,345	\$ 294,350	\$ -	\$ -	
Service Provision Charges	15,993,872	1,267,005	5,459,145	405,895	10,013,671	821,941	521,055	39,170	-	-	
Capital Facilities Charge	6,259,985	433,654	-	-	-	-	-	-	6,259,985	433,654	
Charges for Services	125,000	-	125,000	-	-	-	-	-	-	-	
Miscellaneous Operating Income	45,900	28,429	31,000	4,933	14,900	23,497	-	-	-	-	
Grants, Rebates, Reimbursements	281,125	29,950	-	63	5,300	82	275,825	29,804	-	-	
Total Operating Revenues	36,046,599	3,072,970	17,173,517	1,430,472	10,033,871	845,520	2,579,225	363,324	6,259,985	433,654	
Operating Expenses											
General & Administrative	5,927,115	373,263	2,462,542	157,337	3,003,516	187,314	461,057	28,613	-	-	
Operations & Maintenance	24,384,796	1,602,923	15,007,224	1,019,067	7,746,199	475,094	1,631,374	108,762	-	-	
Operating Capital Expenses	262,000	924	-	-	-	-	-	-	262,000	924	
Other Operating Expenses	407,000	31,067	162,800	12,427	211,640	16,155	32,560	2,485	-	-	
Depreciation & Amortization	5,140,000	416,704	-	-	-	-	-	-	5,140,000	416,704	
Total Operating Expenses	36,120,911	2,424,881	17,632,566	1,188,831	10,961,355	678,562	2,124,991	139,860	5,402,000	417,628	
Operating Income/(Loss)	(74,312)	648,089	(459,048)	241,641	(927,483)	166,958	454,234	223,464	857,985	16,027	
Non-operating Revenues											
Property Taxes	1,300,000	108,333	520,000	43,333	676,000	56,333	104,000	8,667	-	-	
Investment Earnings	700,000	28,004	350,000	13,210	350,000	14,631	-	-	-	163	
Miscellaneous Revenue	298,400	31,544	288,000	20,469	10,400	62	-	11,013	-	-	
Interest Expense	(2,006,335)	(123,994)	-	-	-	-	-	-	(2,006,335)	(123,994)	
Net Non-Operating Revenues	292,065	43,887	1,158,000	77,013	1,036,400	71,026	104,000	19,680	(2,006,335)	(123,831)	
Income/(Loss) before Contributions & Transfers	217,753	691,976	698,952	318,654	108,917	237,983	558,234	243,144	(1,148,350)	(107,804)	
Transfers											
Transfers In	1,879,100	173,292	-	-	-	-	-	-	1,879,100	173,292	
Transfers Out	(1,809,100)	(173,292)	(881,880)	(68,628)	-	-	(927,220)	(104,663)	-	-	
Net Transfers	70,000	-	(881,880)	(68,628)	-	-	(927,220)	(104,663)	1,879,100	173,292	
Capital Contributions											
Donations & Contributions	-	20,379	-	-	-	-	-	-	-	20,379	
Total Capital Contributions	-	20,379	-	-	-	-	-	-	-	20,379	
Change in Net Position	287,753	712,356	(182,928)	250,025	108,917	237,983	(368,986)	138,480	730,750	85,867	
Beginning Net Position	67,825,781	67,825,781									
Ending Net Position	\$ 68,113,534	\$ 68,538,137									

Attachment 3

Summary of Revenues and Expenses for the period ended July 2025

Summary of Revenues and Expenses for the Month of July, 2025

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Summary of Total District Revenues					
District Totals					
Commodity Supply Charges	1,313,931	1,313,931	13,340,717	12,026,786	9.8%
Service Charges	1,267,005	1,267,005	15,993,872	14,726,866	7.9%
Capital Facility Charges	433,654	433,654	6,259,985	5,826,331	6.9%
Charges for Services	-	-	125,000	125,000	0.0%
Miscellaneous Revenue	59,973	59,973	349,600	289,627	17.2%
Grants, Rebates, Reimbursements	29,950	29,950	275,825	245,875	10.9%
Property Taxes	108,333	108,333	1,300,000	1,191,667	8.3%
Investment Income	28,004	28,004	700,000	671,996	4.0%
Donations & Capital Contributions	20,379	20,379	-	(20,379)	N/A
Total Revenue	3,261,230	3,261,230	38,344,999	35,083,769	8.5%
Summary of Total District Expenses					
Salary Expenses					
Directors Fees	12,045	12,045	144,616	132,571	8.3%
Exempt Salaries	131,564	131,564	1,583,800	1,452,236	8.3%
Non-exempt Salaries	465,246	465,246	5,366,100	4,900,854	8.7%
Other Salary Payments	-	-	250,400	250,400	0.0%
Overtime	19,509	19,509	405,437	385,928	4.8%
Overtime - On-call	6,720	6,720	81,900	75,180	8.2%
Stipends/Allowances	4,292	4,292	106,980	102,688	4.0%
Employee Service Awards	-	-	800	800	0.0%
Salary Expenses Sub-total	639,376	639,376	7,940,033	7,300,657	8.1%
Benefit Expenses					
Medical Insurance	94,630	94,630	1,215,016	1,120,386	7.8%
HSA Contributions	-	-	28,100	28,100	0.0%
Dental Insurance	7,961	7,961	98,200	90,239	8.1%
Vision Insurance	1,084	1,084	12,300	11,216	8.8%
Life Insurance	3,527	3,527	41,300	37,773	8.5%
Disability Insurance	4,506	4,506	41,400	36,894	10.9%
Long-term Care Insurance	758	758	21,600	20,842	3.5%
Workers Compensation Insurance	12,072	12,072	167,800	155,728	7.2%
State Unemployment Insurance	-	-	3,000	3,000	0.0%
401k Retirement Contributions	58,453	58,453	681,500	623,047	8.6%
401k Matching Contributions	38,758	38,758	287,700	248,942	13.5%
457b Matching Contributions	6,527	6,527	275,800	269,273	2.4%
Medicare Insurance	9,186	9,186	115,159	105,973	8.0%
FICA	472	472	4,300	3,828	11.0%
Capitalized Benefits	(7,152)	(7,152)	-	7,152	N/A
Benefit Expenses Sub-total	230,782	230,782	2,993,175	2,762,393	7.7%
Commodity Purchased for Resale					
Water Purchases - MWDOC	351,264	351,264	4,992,965	4,641,701	7.0%
Water Purchases - MWDOC Fixed	79,504	79,504	1,026,274	946,770	7.7%
Water Purchases - AMP/SAC	3,246	3,246	41,832	38,586	7.8%
Regional Water Supply Expenses	-	-	-	-	N/A
Water Purchases - Baker WTP	319,656	319,656	3,365,400	3,045,744	9.5%
Water Purchases - Baker O&M	-	-	1,171,500	1,171,500	0.0%
Water Purch - Other Agencies	-	-	-	-	N/A
MWDOC Service Connect Charge	11,694	11,694	145,000	133,306	8.1%
Commodity Purchased for Resale Sub-total	765,364	765,364	10,742,971	9,977,607	7.1%

Summary of Revenues and Expenses for the Month of July, 2025

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Contracted/Purchased Services					
Consultants	-	-	152,790	152,790	0.0%
Engineering Services	(3,966)	(3,966)	40,390	44,356	-9.8%
Audit & Accounting Services	-	-	54,150	54,150	0.0%
Technology Consultants	1,011	1,011	36,000	34,989	2.8%
SOCWA Contract	48,154	48,154	1,200,000	1,151,846	4.0%
Contractors	11,251	11,251	282,572	271,321	4.0%
Contracted Employees	-	-	10,000	10,000	0.0%
Legal Svcs - General Counsel	-	-	100,000	100,000	0.0%
Legal Svcs - Specialty Counsel	-	-	21,600	21,600	0.0%
Other Legal Services	-	-	1,000	1,000	0.0%
Employee Recruitmnt/Compliance	508	508	5,500	4,992	9.2%
Employee Health & Wellness	3,815	3,815	3,800	(15)	100.4%
Employee Relations Expenses	-	-	10,000	10,000	0.0%
Professional Services	-	-	-	-	N/A
Landscaping Services	410	410	171,341	170,931	0.2%
Janitorial Contracts	-	-	60,048	60,048	0.0%
Equipment Rental	-	-	37,000	37,000	0.0%
Uniform Rental	645	645	16,800	16,155	3.8%
Laboratory Services	-	-	25,500	25,500	0.0%
Disposal Services	1,383	1,383	91,500	90,117	1.5%
Security Services	-	-	50,340	50,340	0.0%
Insurance	38,493	38,493	452,500	414,007	8.5%
Financial Service Fees	5,218	5,218	53,500	48,282	9.8%
Printing & Reproduction	-	-	45,700	45,700	0.0%
Advertising & Publicity Svcs	-	-	9,020	9,020	0.0%
Postage	-	-	19,700	19,700	0.0%
Public Relations/Education	350	350	54,400	54,050	0.6%
Water Efficiency Services	-	-	45,000	45,000	0.0%
Licenses & Permits	22,215	22,215	264,290	242,075	8.4%
Software Maintenance/Licenses	7,162	7,162	327,470	320,308	2.2%
Electrical Power	181,957	181,957	2,262,300	2,080,343	8.0%
Natural Gas	-	-	2,000	2,000	0.0%
Cable Service	164	164	10,000	9,836	1.6%
Telecommunications	326	326	25,000	24,674	1.3%
Mobile Telecommunications	-	-	48,000	48,000	0.0%
Data Access	3,234	3,234	65,000	61,766	5.0%
Equipment Maintenance & Repair	-	-	196,100	196,100	0.0%
Pump Maintenance & Repair	-	-	54,500	54,500	0.0%
Motor Maintenance & Repair	-	-	132,500	132,500	0.0%
Electrical Maintenance/Repair	-	-	143,000	143,000	0.0%
Meter Maintenance & Repair	-	-	51,000	51,000	0.0%
Structure Maintenance & Repair	640	640	41,600	40,960	1.5%
Asphalt Maintenance & Repair	-	-	172,000	172,000	0.0%
Contracted/Purchased Services Sub-total	322,970	322,970	6,844,911	6,521,941	4.7%
Commodities					
Repair Parts & Materials	6,258	6,258	472,700	466,442	1.3%
Tools & Small Equipment	-	-	81,100	81,100	0.0%
Safety Equipment	-	-	27,200	27,200	0.0%
Employee Tools/Safety Equip	1,133	1,133	19,900	18,767	5.7%
Laboratory Tools & Small Equip	-	-	20,000	20,000	0.0%
Technology Tools/Small Equip	-	-	40,000	40,000	0.0%
Chemicals	-	-	375,200	375,200	0.0%
Laboratory Chemicals	-	-	41,000	41,000	0.0%
Gasoline & Oil	-	-	140,000	140,000	0.0%
Operating Supplies/Accessories	1,763	1,763	35,200	33,437	5.0%
Office Supplies & Accessories	-	-	24,700	24,700	0.0%
Technology Supplies/Components	-	-	30,000	30,000	0.0%
Lab Supplies & Accessories	-	-	20,500	20,500	0.0%
Meeting/Event Supplies & Food	57	57	48,300	48,243	0.1%
Water Use Efficiency Supplies	-	-	15,000	15,000	0.0%
Commodities Sub-total	9,210	9,210	1,390,800	1,381,590	0.7%

Summary of Revenues and Expenses for the Month of July, 2025

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Professional Development					
Education & Training	-	-	95,480	95,480	0.0%
Education/Training - Directors	-	-	-	-	N/A
Licenses & Certifications	129	129	4,142	4,013	3.1%
Dues & Memberships	8,354	8,354	125,900	117,546	6.6%
Dues & Memberships - Directors	-	-	-	-	N/A
Meetings & Conferences	-	-	38,100	38,100	0.0%
Meetings/Conferences-Directors	-	-	13,500	13,500	0.0%
Travel Reimbursement	-	-	36,900	36,900	0.0%
Travel Reimbursement-Directors	-	-	35,000	35,000	0.0%
Publications & Subscriptions	-	-	3,200	3,200	0.0%
Professional Development Sub-total	8,483	8,483	352,222	343,739	2.4%
Miscellaneous Expenses					
Employee Appreciation Expenses	-	-	500	500	0.0%
Internal/External Event Expenses	-	-	1,500	1,500	0.0%
Election Expense	-	-	20,000	20,000	0.0%
Reimbursable Repair Expense	-	-	-	-	N/A
Property Taxes	-	-	3,000	3,000	0.0%
Uncollectible Accounts	-	-	19,500	19,500	0.0%
NSFs & Miscellaneous Fees	-	-	100	100	0.0%
Refund Overcharges	-	-	2,624	2,624	0.0%
Damage/Repair Reimbursements	-	-	576	576	0.0%
Misc Exp	-	-	-	-	N/A
Miscellaneous Sub-total	-	-	47,800	47,800	0.0%
Sub Total - General and O&M Expenses	1,976,186	1,976,186	30,311,911	28,335,725	6.5%
Capital Improvement Expenses					
Water System Projects					
Supply/Storage Projects	-	-	-	-	N/A
Pumping Projects	-	-	67,000	67,000	0.0%
Main/Service Line Projects	-	-	-	-	N/A
Wastewater System Projects	-	-	-	-	N/A
Pumping Projects	-	-	35,000	35,000	0.0%
Wastewater Treatment Projects	-	-	-	-	N/A
Main/Service Line Projects	-	-	-	-	N/A
Recycled System Projects	-	-	-	-	N/A
Pumping Projects	-	-	-	-	N/A
Tertiary Treatment Projects	-	-	-	-	N/A
Main/Service Line Projects	-	-	-	-	N/A
General Projects	-	-	-	-	N/A
Operating Equipment Purchases	-	-	-	-	N/A
Vehicle & Related Equipment Purchases	-	-	-	-	N/A
Technology Projects & Purchases	779	779	44,000	43,221	1.8%
Building & Structure Improvements	-	-	-	-	N/A
General Capital Projects	145	145	116,000	115,855	0.1%
Construction in Progress	-	-	-	-	N/A
Capital Improvement Expenses Sub-total	924	924	262,000	261,076	0.4%
Other Expenses					
Retiree Health Insurance	31,067	31,067	407,000	375,933	7.6%
Depreciation	416,704	416,704	5,140,000	4,723,296	8.1%
Debt Interest Expense	123,994	123,994	2,006,335	1,882,341	6.2%
Other Expenses Sub-total	571,765	571,765	7,553,335	6,981,570	7.6%
Total Expenses	2,548,875	2,548,875	38,127,246	35,578,372	6.7%
Change in Net Position	712,356	712,356	217,753		

Attachment 4
Check Register July 2025

El Toro Water District
Check Register for the Month of July 2025

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
13274	ACWA JPIA	07/01/2025	146,339.34
13275	AMS.NET, Inc.	07/01/2025	837.76
13276	CASSANDRA ARSLAN	07/01/2025	11.56
13277	CITY OF LAGUNA HILLS	07/01/2025	2,000.00
13278	Eversoft Inc	07/01/2025	265.76
13279	Ferguson US Holdings, Inc	07/01/2025	1,657.87
13280	ELIZABETH MARTIN	07/01/2025	5.78
13281	Municipal Water District of Orange County	07/01/2025	695,131.61
13282	Olin Corporation	07/01/2025	11,090.97
13283	Onesource Distributors, LLC.	07/01/2025	700.00
13284	South Coast Water District	07/01/2025	509.00
13285	The Lincoln National Life Insurance Company	07/01/2025	8,032.93
13286	DANIEL WENCK	07/01/2025	223.38
13287	U.S. Bank National Association	07/02/2025	14,736.02
13288	Alicia Air Conditioning & Heating, Inc.	07/03/2025	5,300.00
13289	Animal Pest Management Services, Inc	07/03/2025	913.00
13290	Applied Industrial Technologies - CA, LLC	07/03/2025	25,377.93
13291	Don Peterson Contracting, Inc.	07/03/2025	71,250.00
13292	Ferguson US Holdings, Inc	07/03/2025	2,715.30
13293	Fisher Scientific Company, LLC	07/03/2025	2,612.08
13294	Gemini Group Consulting, LLC	07/03/2025	7,731.05
13295	Haaker Equipment Company	07/03/2025	5,116.13
13296	Miles Chemicals Company, Inc.	07/03/2025	11,047.77
13297	Plumbers Depot Inc	07/03/2025	974.38
13298	Rod's Tree Service Inc	07/03/2025	6,500.00
13299	Sims-Orange Welding Supply, Inc	07/03/2025	455.09
13300	UNUM Life Insurance - EAP	07/03/2025	101.90
13301	Verizon Communications Inc.	07/03/2025	4,809.40
13302	W.W. Grainger, Inc	07/03/2025	2,677.94
13305	Cesar Cassani	07/15/2025	258.60
13306	Infosend, Inc	07/15/2025	6,456.21
13307	Johnson Controls US Holdings LLC	07/15/2025	6,710.48
13308	Onesource Distributors, LLC.	07/15/2025	12,578.18
13309	ACWA JPIA	07/17/2025	36,215.86
13310	Arakelian Enterprises, Inc.	07/17/2025	3,871.40
13311	Automated Gate Services, Inc	07/17/2025	5,415.00
13312	Cheyne Madero	07/17/2025	384.99
13313	Edward G. Means III	07/17/2025	11,654.60
13314	Eric Nguyen	07/17/2025	4,817.00
13315	Harrington Industrial Plastics, LLC	07/17/2025	2,059.72
13316	Katherine Havens	07/17/2025	66.50
13317	Kathryn Freshley	07/17/2025	66.96
13318	Marisol Melendez	07/17/2025	1,137.55
13319	McClean Wyatt	07/17/2025	39.20
13320	Michael Gaskins	07/17/2025	16.80
13321	Moulton Niguel Water District	07/17/2025	49,649.68
13322	Olin Corporation	07/17/2025	11,194.31
13323	Raymund Llada	07/17/2025	3,246.00
13324	Redwine and Sherrill, LLP	07/17/2025	3,894.00
13325	Rory Harnisch	07/17/2025	33.18
13327	DARIN DOUCETTE	07/18/2025	43.94

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
13328	Hach Company	07/18/2025	102.01
13329	HEBT West Los Angeles 1, LLC	07/18/2025	1,590.00
13330	Ignatius Holdings, Inc	07/18/2025	400.00
13331	SC Commercial LLC	07/18/2025	15,547.93
13332	Southern California Edison Company	07/18/2025	156,436.71
13333	Tunnelworks Services Inc.	07/18/2025	33,495.60
13334	Vestis Group, Inc.	07/18/2025	366.69
13335	ACWA JPIA	07/21/2025	2,061.91
13336	Alicia Air Conditioning & Heating, Inc.	07/21/2025	640.00
13337	City of Lake Forest	07/21/2025	10,000.00
13338	County of Orange	07/21/2025	32,091.79
13339	Cox Communications Inc	07/21/2025	1,706.40
13340	Don Peterson Contracting, Inc.	07/21/2025	7,500.00
13341	Governmentjobs.com, Inc.	07/21/2025	6,096.30
13342	Life Insurance Company of North America	07/21/2025	166.65
13343	McMaster-Carr Supply Company	07/21/2025	63.01
13344	Nicholas Carrera	07/21/2025	400.00
13345	RapidScale, Inc	07/21/2025	2,017.62
13346	State Water Resources Control Board	07/21/2025	5,525.00
13347	Waxie's Enterprises, LLC	07/21/2025	1,763.05
13348	We Save Bees	07/21/2025	275.00
13349	Yo Fire	07/21/2025	6,194.76
13350	UNUM Life Insurance - LTC	07/21/2025	866.90
13351	American Family Life Assurance Company of Columbus	07/23/2025	1,392.40
13352	AT&T	07/23/2025	2,460.24
13353	ATS Communications	07/23/2025	2,527.50
13354	Best Best & Krieger, LLP	07/23/2025	65.45
13355	Colantuono, Highsmith & Whatley, PC	07/23/2025	269.50
13356	Corodata Records Management, Inc	07/23/2025	133.53
13357	Dudek	07/23/2025	17,568.29
13358	Faegre Drinker Biddle & Reath LLP	07/23/2025	19,020.00
13359	Gemini Group Consulting, LLC	07/23/2025	14,901.50
13360	Hach Company	07/23/2025	909.00
13361	Mingoia's Faxworld, Inc	07/23/2025	658.77
13362	Nieves Landscape, Inc	07/23/2025	6,458.45
13363	Quinn Company	07/23/2025	1,214.51
13364	Raymund Llada	07/23/2025	399.67
13365	ROI Engineering LLC	07/23/2025	18,810.00
13366	Shane Fregin	07/23/2025	400.00
13367	South Coast Family Medical Center, Inc	07/23/2025	895.00
13368	TerraVerde Energy LLC	07/23/2025	13,593.75
13369	Underground Service Alert of SO CA	07/23/2025	239.40
13370	Vigilant LLC	07/23/2025	1,897.00
13371	W.W. Grainger, Inc	07/23/2025	553.36
13372	Waste Management, Inc of California	07/23/2025	1,428.72
13373	Amberwick Corporation	07/24/2025	300.00
13374	California Water Environment Association	07/24/2025	251.00
13375	CC Property Investments, LLC	07/24/2025	1,011.44
13376	Cesar Cassani	07/24/2025	382.49
13377	Chris Goodchild	07/24/2025	380.00
13378	Citibank N.A.	07/24/2025	2,823.90
13379	CR&R Incorporated	07/24/2025	1,382.92
13380	Dennis Cafferty	07/24/2025	56.69
13381	Moulton Niguel Water District	07/24/2025	6,876.00
13382	Municipal Water District of Orange County	07/24/2025	145,332.50
13383	Paul Giordano	07/24/2025	350.19
13384	Rod's Tree Service Inc	07/24/2025	3,800.00

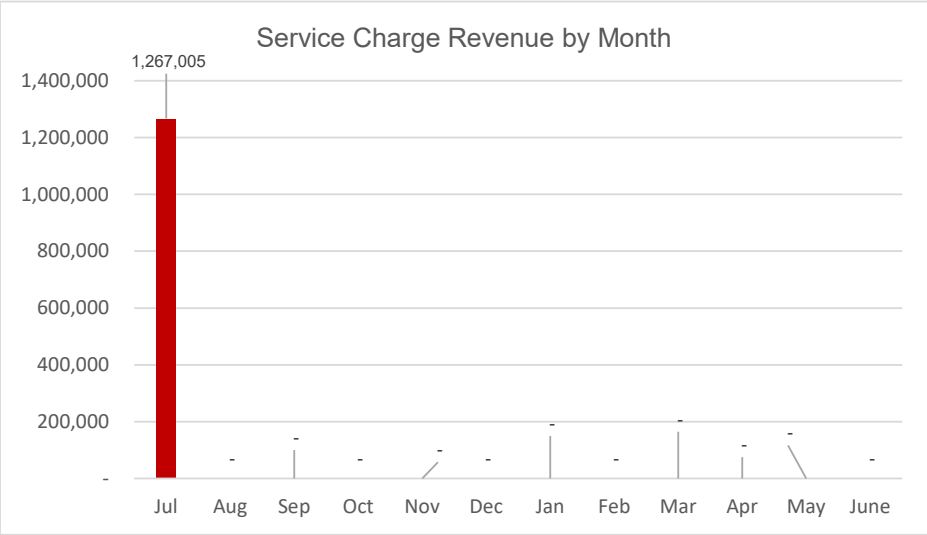
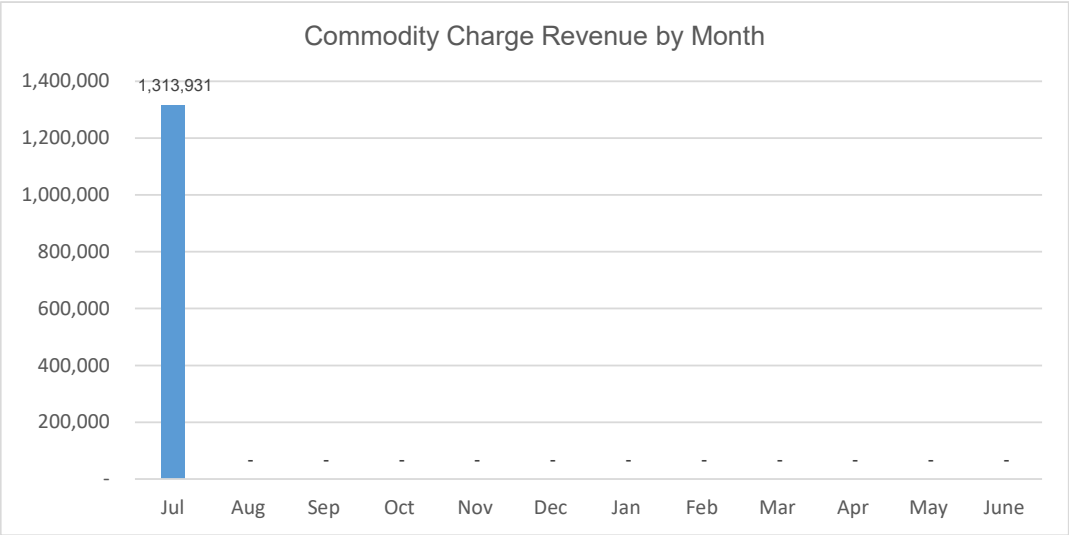
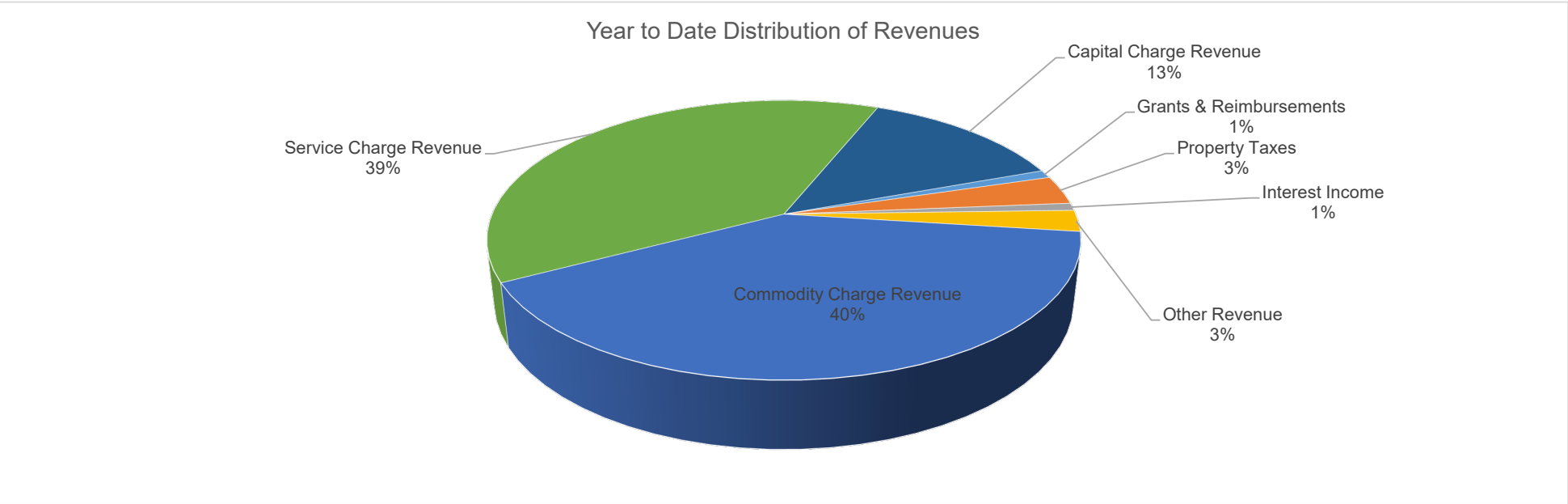
<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
13385	Tripepi, Smith and Associates, Inc	07/24/2025	350.00
13386	Vestis Group, Inc.	07/24/2025	645.30
13387	AT&T Corp	07/28/2025	251.45
13388	Faegre Drinker Biddle & Reath LLP	07/28/2025	1,514.50
13389	FedEx Freight, Inc.	07/28/2025	198.00
13390	Infosend, Inc	07/28/2025	4,005.93
13391	Moulton Niguel Water District	07/28/2025	262,149.37
13392	Municipal Water District of Orange County	07/28/2025	115.00
13393	Onesource Distributors, LLC.	07/28/2025	156.43
13394	PD Transport	07/28/2025	750.00
13395	Richard Brady & Associates, Inc	07/28/2025	712.50
13396	Southern California Gas Company	07/28/2025	181.32
13397	Southern California News Group	07/28/2025	340.00
13398	Tetra Tech, Inc	07/28/2025	16,133.75
13399	Tripepi, Smith and Associates, Inc	07/28/2025	350.00
13400	U.S. Bank National Association	07/29/2025	13,086.62
13401	Chester Christopher	07/30/2025	1,229.88
13402	Ferguson US Holdings, Inc	07/30/2025	8,128.93
13404	Johnson Controls US Holdings LLC	07/30/2025	1,204.17
13405	Ovivo USA, LLC	07/30/2025	19,418.47
13406	Sierra Analytical Labs, Inc	07/30/2025	2,790.00
13407	Superior Electric Motor Service, Inc	07/30/2025	7,427.93
13408	Vestis Group, Inc.	07/30/2025	292.76
13482	HEBT West Los Angeles 1, LLC	07/30/2025	1,590.00

Total Checks issued from Genral and Payroll Accounts:

2,086,006.92

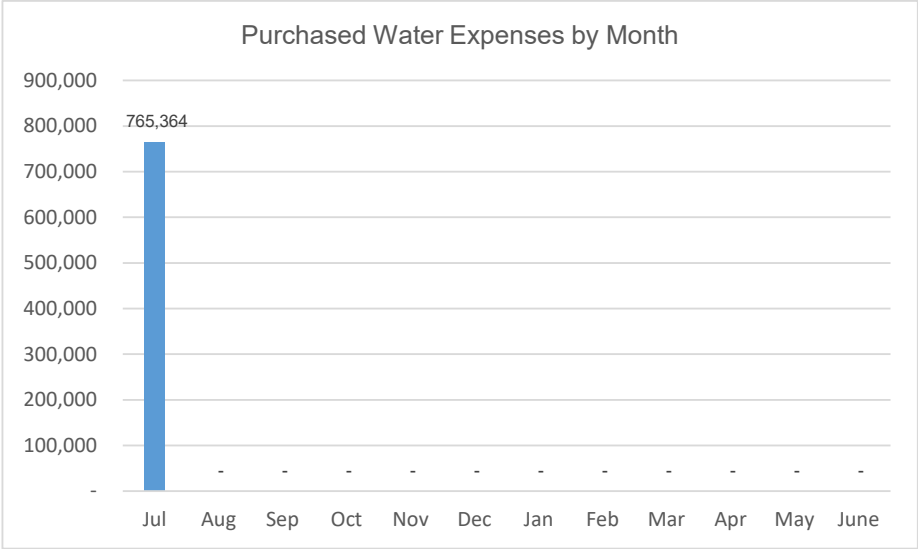
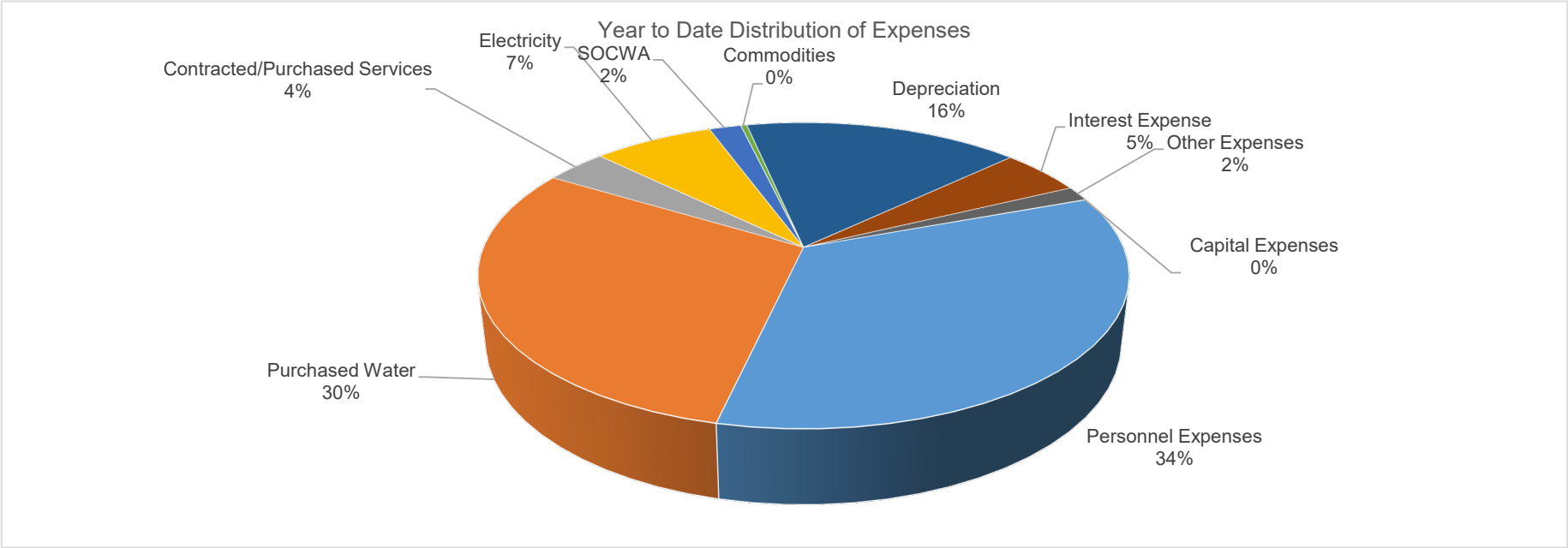
Attachment 5
Revenue and Expense Charts for July 2025

Revenue Charts - July Financial Report



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Expense Chart -July Financial Report



Attachment 6

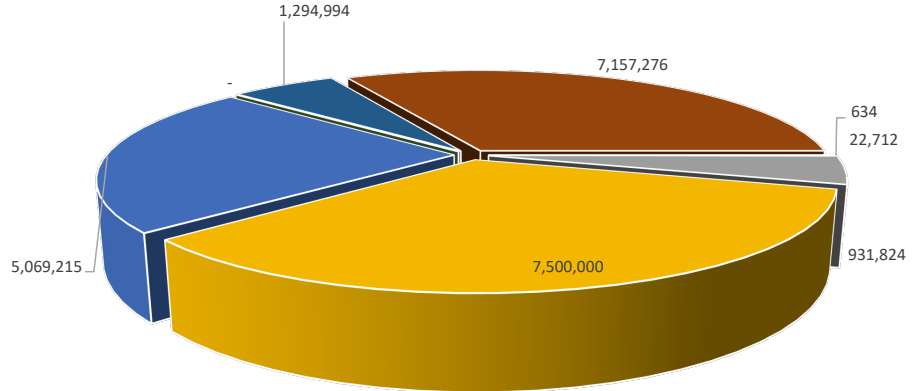
Summary of Cash & Investments at the end of July 2025

Summary of Cash & Investments
as of July 31, 2025

Summary of Cash & Investments

Cash & Equivalents	
Unrestricted - Cash & Equivalents	7,157,276
Unrestricted - Cash & Equivalents USB	1,294,994
Restricted - Cash & Equivalents	-
Investments	
Government Securities	5,069,215
CAMP -Term	7,500,000
Corporates Bonds/Notes	931,824
Asset Backed Securities	22,712
2022 Bond Money Market	634
Total Cash & Investments	21,976,654
Operating Cash & Investments	21,976,020
2022 Bond Proceeds Cash & Investments	634
Restricted - Cash & Equivalents	-

Summary of Cash & Investments



Cash & Equivalents

	Account Balance	Current Yield
Cash & Equivalents		
Demand Deposit Accounts		
US Bank - Checking Account	1,294,994	
US - Capital Facilities Checking	-	
US Bank - 2022 Bond Proceeds/Interest/Principal	634	
Petty Cash	700	
Money Market Accounts		
US Bank - Money Market Account		#####
CAMP Money Market	2,043,529	
LAIF Money Market	5,113,047	
Total Cash & Equivalents	8,452,903	

Investments

	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+	1,045,201	1,050,000	(4,799)	1,053,036	7,834	4.625%	4.90%	6/12/2024	3/15/2026
US Treasury N/B - AA+	1,026,744	1,050,000	(23,256)	1,045,288	18,543	3.625%	4.84%	6/12/2024	5/15/2026
US Treasury N/B - AA+	466,543	500,000	(33,457)	491,379	24,836	2.125%	4.20%	11/30/2022	5/31/2026
US Treasury N/B - AA+	464,531	500,000	(35,469)	486,778	22,246	2.250%	4.10%	11/30/2022	2/15/2027
US Treasury N/B - AA+	480,273	500,000	(19,727)	493,516	13,242	3.250%	4.25%	2/22/2023	6/30/2027
US Treasury N/B - AA+	502,500	500,000	2,500	502,032	(469)	4.125%	4.01%	11/30/2022	9/30/2027
US Treasury N/B - AA+	497,930	500,000	(2,070)	502,032	4,102	4.125%	4.22%	2/22/2023	9/30/2027
US Treasury N/B - AA+	485,332	500,000	(14,668)	495,157	9,824	3.500%	4.16%	2/22/2023	1/31/2028
United States Treasury Bond - Totals	4,969,055	5,100,000	(130,945)	5,069,215	100,160				

	Investments (Continue)								
	Purchase	Par	Premium/	Market	Unrealized	Coupon	Yield to	Purchase	Maturity
	Cost	Amount	(Discount)	Value	Gain/(Loss)	Rate	Maturity	Date	Date
Supra-National Agency Bond / Note									
Supra-National Agency Bond / Note Totals	-	-	-	-	-				
Municipal Bond / Note									
Municipal Bond / Note Totals	-	-	-	-	-				
Federal Agency Commercial Mortgage-Backed Security									
Federal Mortgage-Backed Security Totals	-	-	-	-	-				
Governmental Securities - Total Balances	4,969,055	5,100,000	(130,945)	5,069,215	100,160				
Corporate Notes									
Morgan Stanley Corp Notes	126,939	130,000	(3,062)	129,561	2,622	3.875%	5.41%	6/12/2024	1/27/2026
Goldman Sachs Group Inc Corp Note Call	126,585	130,000	(3,415)	129,393	2,808	3.750%	5.38%	6/12/2024	2/25/2026
Caterpillar Finl Service Corp Notes	99,911	100,000	(89)	100,321	410	5.050%	5.11%	6/11/2024	2/27/2026
United Healthcare Group Inc Corp Notes	125,597	130,000	(4,403)	128,823	3,226	3.100%	5.14%	6/12/2024	3/15/2026
JPMorgan Chase & Co (Callable)	145,148	150,000	(4,853)	148,923	3,775	3.300%	5.20%	6/12/2024	4/1/2026
Bank of America Corp Notes	125,806	130,000	(4,194)	129,112	3,306	3.500%	5.35%	6/12/2024	4/19/2026
Toyota Motor Credit Corp Notes	130,074	130,000	74	130,768	694	5.200%	5.17%	6/12/2024	5/15/2026
American Express Co (Callable)	34,952	35,000	(48)	34,923	(29)	4.351%	4.39%	7/25/2025	7/20/2029
Corporate Bonds - Total Balances	915,011	935,000	(19,989)	931,824	16,813				

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									
Harot 2022 - AAA	1,132	1,132	(0)	1,131	(1)	1.880%	1.88%	2/15/2022	5/15/2026
BMWOT 2021 - AAA	1,357	1,357	(0)	1,355	(2)	3.210%	3.21%	5/10/2022	8/25/2026
FordO 2022 - Aaa	1,221	1,221	(0)	1,220	(1)	3.740%	3.74%	6/22/2022	9/15/2026
TAOT 2022 - AAA	3,253	3,253	(0)	3,246	(7)	2.930%	2.93%	4/7/2022	9/15/2026
Hart 2022 - AAA	1,458	1,458	(0)	1,457	(2)	2.220%	2.22%	3/9/2022	10/15/2026
AllyA 2022 - AAA	4,081	4,082	(1)	4,077	(4)	3.310%	3.31%	5/10/2022	11/15/2026
HDMOT 2022 - AAA	1,295	1,295	(0)	1,294	(1)	3.060%	3.06%	4/12/2022	2/15/2027
GMCar 2022 - AAA	4,056	4,057	(1)	4,046	(10)	3.100%	3.10%	4/5/2022	2/16/2027
Carmx 2022 - AAA	4,895	4,896	(1)	4,886	(9)	3.490%	3.49%	4/21/2028	2/16/2027
Corporate Bonds - Total Balances	22,748	22,751	(3)	22,712	(36)				

Attachment 7
Cash Reserve Balances for July 2025

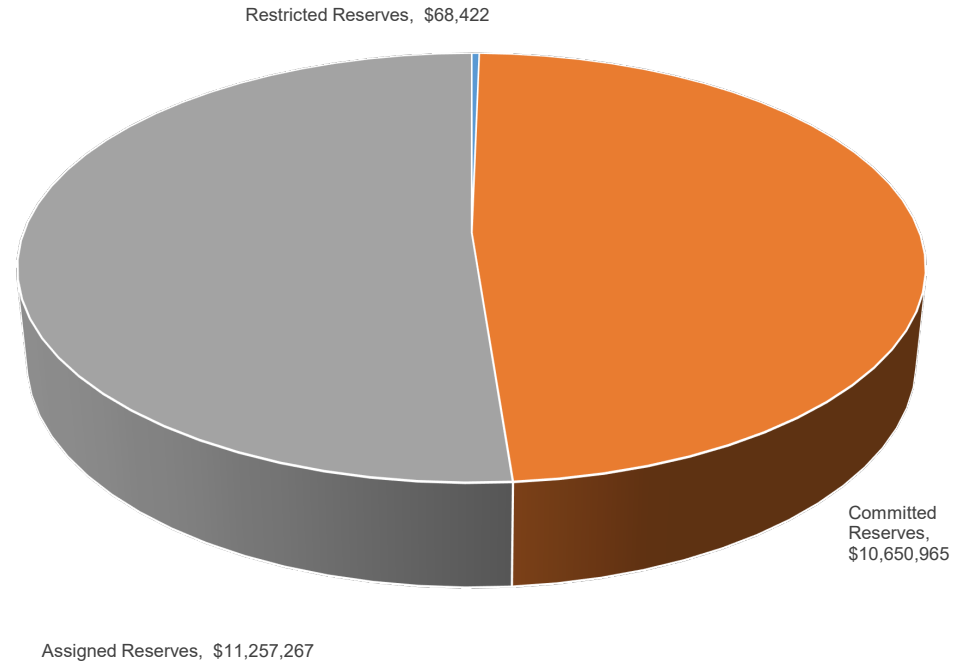
**El Toro Water District
Preliminary Cash Reserve Status Report
as of July 31, 2025**

	Cash Reserve Balances	Reserve Targets
Reconciled Cash Balance	\$ 21,976,654	
Restricted Reserves		
2022 Revenue Bonds Fund	634	-
Capital Facilities Charge Reserve	67,789	-
Sub Total Restricted Reserve	68,422	-
Committed Reserves		
Capital Construction Reserve	3,000,000	3,000,000
Rate Stabilization Reserve	2,100,000	2,100,000
Operational Continuity Reserve	2,100,000	2,100,000
Working Capital Reserve (1)	3,450,965	2,100,000
Sub Total Committed Reserves	10,650,965	9,300,000
Assigned Reserves		
CIP Reserves		
Capital Carryover	3,245,945	-
Accumulated Capital Reserve	423,080	-
CIP - Revenue Bond Unrestricted Reserve	6,148,460	-
SOCWA Capital Projects	3,641,908	-
Recycled Water Capital / Debt Service	148,496	-
Capital Plan Working Capital Reserve	2,196,860	-
Sub Total CIP Reserves	15,804,748	-
Water Supply Program Reserves		
Tiered Conservation Fund	(3,291,481)	-
Reverse Cyclic Water Purchase Program	(1,256,000)	
Sub Total Assigned Reserves	11,257,267	
Total Cash Reserves	21,976,654	
Adjusted Cash Reserves⁽²⁾	21,908,232	9,300,000

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

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

Distribution of Reserve Balances



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

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

Attachment 8

Capital Project Expense Report through July 2025

2025-2026 Capital Program Budget Information

[illegible]

Attachment 9
Interim Report on 401k Plan Holdings
As of July 2025

Page 8
EL TORO WATER DISTRICT
401K PLAN SUMMARY

401K PLAN MARKET VALUE



MARKET VALUE SUMMARY							
	Under 41 yrs. Old	41 to 48 yrs. Old	49 to 55 yrs. Old	56 to 58 yrs. Old	59 to 62 yrs. Old	63 to 65 yrs. Old	Over 65 yrs. Old
Balance at June 30, 2025	\$2,779,712.25	\$3,692,847.59	\$2,903,472.36	\$3,904,515.38	\$5,874,750.66	\$1,558,231.69	\$3,819,217.18
	Under 41 yrs. Old	41 to 48 yrs. Old	49 to 55 yrs. Old	56 to 58 yrs. Old	59 to 62 yrs. Old	63 to 65 yrs. Old	Over 65 yrs. Old
Balance at July 31, 2025	\$2,848,436.14	\$3,756,825.05	\$2,937,235.41	\$3,808,787.59	\$6,070,372.76	\$1,570,202.80	\$3,850,480.08

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.

Row Labels	Beginning			Dividends and Appreciation Net of Fees & Charges	Ending Balance
	Balance	Contributions	Withdrawals		
American Beacon AHL Mgd Futs Strat A	697,364.37	3,994.97	0.00	(640.68)	700,718.66
Cohen & Steers Instl Realty Shares	868,309.78	5,392.42	0.00	(4,552.44)	869,149.76
Columbia Contrarian Core Instl 3	1,950,732.13	13,270.56	0.00	40,762.94	2,004,765.63
DFA Large Cap International I	1,268,831.54	8,668.44	0.00	(26,014.12)	1,251,485.86
Dodge & Cox Income - I	3,394,477.13	19,447.50	0.00	40,439.47	3,454,364.10
Dodge & Cox International Stock - I	293,299.15	1,968.89	0.00	(1,485.06)	293,782.98
Dodge & Cox Stock - I	1,037,231.25	7,189.50	0.00	(11,912.09)	1,032,508.66
DoubleLine Core Fixed Income R6	3,396,328.61	19,453.13	0.00	36,578.76	3,452,360.50
Emerald Growth Institutional	446,512.01	3,294.29	0.00	2,531.65	452,337.95
Guaranteed Income Fund	742,439.68	4,192.01	0.00	12,199.72	758,831.41
Harbor Capital Appreciation Retirement	976,634.69	6,851.79	0.00	(3,570.09)	979,916.39
Lazard Global Listed Infrs Port Inst	489,734.63	3,071.31	0.00	4,730.21	497,536.15
Macquarie Small Cap Core R6	688,353.46	4,388.33	0.00	1,029.51	693,771.30
MFS International Growth R6	287,251.44	2,054.94	0.00	(2,935.56)	286,370.82
PGIM Total Return Bond R6	1,740,148.72	9,884.02	0.00	19,441.59	1,769,474.33
PIMCO Income Instl	343,066.98	2,122.15	0.00	4,639.58	349,828.71
PIMCO RAE US Instl	1,048,849.87	7,189.50	0.00	(12,222.11)	1,043,817.26
Undiscovered Mgrs Behavioral Value R6	408,703.26	3,122.19	0.00	5,126.20	416,951.65
Vanguard Emerging Mkts Stock Idx Adm	549,909.08	4,289.36	0.00	2,650.31	556,848.75
Vanguard Growth & Income Adm	1,953,776.49	13,357.51	0.00	23,727.86	1,990,861.86
Vanguard Growth Index Adm	838,065.99	6,401.81	0.00	10,229.85	854,697.65
Vanguard Long-Term Investment-Grade Adm	859,194.52	5,337.68	0.00	10,094.34	874,626.54
Vanguard Mid Cap Index Fund - Admiral	253,532.33	2,048.83	0.00	1,751.75	257,332.91
Grand Total	24,532,747.11	156,991.13	0.00	152,601.59	24,842,339.83



STAFF REPORT

To: Board of Directors

Meeting Date: August 25, 2025

From: Vishav Sharma, Chief Financial Officer

Subject: July 2025 bills for Approval

Attached for Board approval is the payment summary report for the month of July, 2025 which presents checks that were paid during the month that exceeded \$75,000 in value.

Presented below for your consideration are the payments of bills for the months of July 2025:

1. The total disbursement including payroll expense for the month of July 2025 is \$2,847,253.10
2. These disbursements include five checks greater than \$75,000, with the total equal to \$1,405,389.53. Staff recommends the Board approve these checks.
3. District employees were reimbursed \$12,246.36 for travel, education, meals, supplies and certification related expenses; and Directors were reimbursed \$189.46 for travel expenses.
4. Payroll expenses of \$756,618.22 occurred during the month. This cost includes the cost of employee and Director's payroll, pension and benefits.

Recommended Action: Staff recommend that the Board approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending July, 2025

EL TORO WATER DISTRICT
Payment Summary
For the month ending July 31, 2025

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
13281	07/01/2025	Municipal Water District of Orange County	695,131.61
13391	07/28/2025	Moulton Niguel Water District	262,149.37
13332	07/18/2025	Southern California Edison Company	156,436.71
13274	07/01/2025	ACWA JPIA	146,339.34
13382	07/24/2025	Municipal Water District of Orange County	145,332.50
CHECKS OVER \$75,000			\$ 1,405,389.53
CHECKS UNDER \$75,000			\$ 680,617.39
TOTAL CHECKS PAID			\$ 2,086,006.92

REIMBURSEMENTS TO ETWD EMPLOYEES

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
10137	07/15/2025	Cesar Cassani (Safety Glasses)	258.60
10321	07/17/2025	Eric Nguyen (Education Reimbursement)	4,817.00
10382	07/17/2025	Raymund Llada (Education Reimbursement)	3,246.00
10396	07/17/2025	Marisol Melendez (Education Reimbursement)	1,137.55
10461	07/17/2025	Cheyne Madero (Certification Exam)	384.99
10191	07/17/2025	Rory Harnisch (Mileage)	33.18
10144	07/21/2025	Nicholas Carrera (Work Boots)	400.00
10356	07/23/2025	Shane Fregin (Work Boots)	400.00
10382	07/23/2025	Raymund Llada (Work Boots)	399.67
10137	07/24/2025	Cesar Cassani (Work Boots)	382.49
10146	07/24/2025	Chris Goodchild (Certificate Renewal)	380.00
10436	07/24/2025	Paul Giordano (Work Boots)	350.19
10492	07/24/2025	Dennis Cafferty (Lunch Meeting)	56.69
TOTAL CHECKS TO EMPLOYEES			\$ 12,246.36

REINBURSEMENTS TO ETWD DIRECTORS

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
10208	07/17/2025	Kathryn Freshley (Travel Expense)	66.96
10287	07/17/2025	Katherine Havens (Travel Expense)	66.50
10601	07/17/2025	Michael Gaskins (Travel Expense)	39.20
10322	07/17/2025	Wyatt McClean (Travel Expense)	16.80
TOTAL CHECKS TO DIRECTORS			\$ 189.46

DEBIT TRANSFERS

07/11/2025	PAYROLL DIRECT DEPOSIT	222,925.48
07/11/2025	FEDERAL DEPOSIT LIABILITY	56,113.32
07/11/2025	SDI & STATE TAX	24,562.55
07/11/2025	EMPOWER (401K)	88,455.88
07/11/2025	EMPOWER (457)	29,400.68
07/11/2025	HEALTH SAVINGS ACCOUNT	207.70
07/11/2025	MEDICAL FLEXIBLE SPENDING ACCOUNT	830.82
07/11/2025	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	384.31
07/15/2025	PAYROLL BOARD OF DIRECTOR	7,868.93
07/15/2025	SS, MEDICARE, SDI & STATE TAX	1,386.76
07/15/2025	EMPOWER (457)	2,705.27
07/15/2025	HEALTH SAVINGS ACCOUNT	400.00
07/15/2025	MEDICAL FLEXIBLE SPENDING ACCOUNT	125.00
07/25/2025	PAYROLL DIRECT DEPOSIT	176,376.69
07/25/2025	FEDERAL DEPOSIT LIABILITY	38,693.97
07/25/2025	SDI & STATE TAX	16,425.92
07/25/2025	EMPOWER (401K)	68,535.25
07/25/2025	EMPOWER (457)	19,796.86
07/25/2025	HEALTH SAVINGS ACCOUNT	207.70
07/25/2025	MEDICAL FLEXIBLE SPENDING ACCOUNT	830.82
07/25/2025	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	384.31
	Total Payroll Expense	756,618.22
	Total Other Expense	-
07/31/2025	BANK FEES	4,627.96
	TOTAL INTERBANK WIRES / DEBIT TRANSFERS	\$ 761,246.18
	TOTAL DISBURSEMENTS	\$ 2,847,253.10



STAFF REPORT

To: Board of Directors

Meeting Date: August 25, 2025

From: Dennis Cafferty, General Manager

**Subject: Administrative Code Amendment
Cash Reserves Policy**

The District Cash Reserves Policy is defined in Section 6040 of the Administrative Code. The existing Policy identifies the following four Committed Reserves:

Capital Improvement Reserve
Rate Stabilization Reserve
Operations & Maintenance Reserve
Working Capital Reserve

The Capital Improvement Reserve is set at a flat three million dollars. The Policy language requires that the Rate Stabilization, Operations & Maintenance and Working Capital Reserves be funded to maintain amounts equivalent to 7.5% - 15% of annual Operations & Maintenance expenses. The Policy also quantifies explicit minimum amounts for each of the Committed Reserves. As O&M expenses have grown, the minimum levels for these reserves, as defined in the Policy, have fallen below the identified range relative to the annual O&M budget.

As discussed at the August Strategic Plan Workshop, Staff propose to increase the minimum levels to restore compliance with the ranges defined in the Policy.

The following table illustrates the increase in the minimum Committed Reserve amounts and the associated relationship to the 2025-26 O&M expense budget, exclusive of depreciation and debt service payments. No change is proposed to the Capital Improvement Reserve.

Reserve	Minimum Level	% of 2025-26 O&M Expense
Rate Stabilization Reserve	\$2,400,000	7.8%
Operations & Maintenance Reserve	\$2,400,000	7.8%
Working Capital Reserve	\$2,400,000	7.8%
Capital Improvement Reserve	\$3,000,000	N/A
Total Committed Reserves	\$10,200,000	

The following changes to the existing Cash Reserves Policy are also proposed.

- Language is proposed to allow the SOCWA Capital Reserve to be allocated to capital obligations at the Moulton Niguel Water District Regional Treatment Plant that was transferred from SOCWA to MNWD last year.
- The Debt Service Reserve – Baker Funding Reserve is proposed to be deleted. This reserve was previously used to supplement capital revenue to meet the annual Baker Debt Service requirement. The fund balance was fully depleted in the 2024-25 fiscal year. The future Baker Debt Service obligation is now fully funded by Capital Revenues. There is no further need for this reserve category.
- A section is proposed to be added to address the Days of Cash target. The proposed language mirrors similar language from the District Investment Policy in which staff is obligated to report to the Board if sufficient funds are not available to meet the District's expenditure requirements for the next six months.

A redline document is attached in which the proposed changes and additions to the existing Cash Reserves Policy are identified.

Recommended Action

Staff recommends the Board of Directors approve the amended Cash Reserve Policy and authorize staff to update the El Toro Water District Administrative Code accordingly.

§6040 CASH RESERVE POLICY

The District allocates its cash and investment balances into the following reserve categories.

- Restricted Reserves
- Committed Reserves
- Assigned Reserves

1. Restricted Reserves

The District is required to establish, maintain, and restrict certain Cash reserves to comply with external contractual and/or legal obligations ("Restricted Reserves"). Accordingly, the District restricts Cash from operational revenues and various other sources to fulfill the following potential Restricted Reserve obligations.

- A. Debt Covenant Reserve: Bond and Debt Indenture Agreements (including State Revolving Fund Loans) may require the District to establish and maintain certain reserve funds. These amounts may change from year to year as annual debt service requirements change, debt is retired, or new debt is issued.
- B. Debt Project Reserve: Debt is typically issued by the District for specific projects and debt covenants may require the District to expend the debt proceeds within a certain timeframe or for the purposes identified in the Official Statement or loan document. Debt proceeds will be maintained in this Reserve until expended in compliance with the Debt Covenants.
- C. Capital Facilities Fee Reserve: State law requires the District to establish, maintain and separately account for Capital Facility fees collected from commercial and residential developments for improvements to the District's infrastructure. Funds are held in reserve until disbursed for the designated purpose.

2. Committed Reserves

Committed Reserves have been established by Board action and are intended to provide stability to the District's finances by establishing reserves that will be maintained unless the District is experiencing an emergency or other extreme circumstance. The Board may authorize the utilization of the Committed Reserves but a plan to replenish them will be identified when they are utilized. Any shortfalls in the Committed Reserves balances will be reported to the Board on a timely basis. The Committed Reserves include:

- A. Rate Stabilization Reserve: (7.5% to 15% of annual Operations & Maintenance expenses, excluding depreciation and interest expenses) This reserve is established to provide a source of funds when unusually wet weather or drought restrictions cause water sales to fall below levels used to prepare the budget for the year in question or when unusual conditions result in revenue shortfalls. In addition, the rate stabilization reserve will provide necessary funds in those years where budgeted revenues from all sources are not sufficient to meet budgeted expenses.
- B. Operations & Maintenance Reserve: (7.5% to 15% of annual Operations & Maintenance expenses, excluding depreciation and interest expenses) This reserve is established to provide a source of funds to ensure continual operations in challenging circumstances, such as:
1. Other revenue sources fall short of expectations. (i.e. interest income, property taxes, etc.)
 2. Budget overages are experienced; such as the need to complete major repairs to critical operating equipment when such equipment was not scheduled for major ~~repair~~repairs.
 3. SOCWA or Moulton Niguel Water District Regional Treatment Plant operations expenditures that exceed the budgeted amounts.
 4. Needed repairs that may be necessary to restore operations after a natural disaster. As a public agency providing a vital service to the community, the District cannot afford to be inoperable for an extended period of time.
- C. Capital Improvement Reserve: This reserve provides a funding source for the Capital Improvement Program. In addition, the reserve serves as a source of funds to meet construction project progress payments for planned or unplanned capital improvement projects for which other financing sources are not immediately adequate. Typically, capital expenditures are funded out of the current year collections of the water, sewer and recycled water Capital Charge. To the extent that the current year Capital Charge collections are not sufficient to cover capital expenditures for a particular year, the District then relies on capital reserves. Based on historical expenditures and future revenues, the Capital Improvement Reserve is targeted to be \$3.0 million at the end of each fiscal year.
- Any funds remaining in the Capital Improvement Reserve at the end of a fiscal year greater than \$3.0 million that are not allocated to the Carryover Capital Reserve, should be allocated to future capital improvement related activities (Accumulated Capital Reserve, SOCWA Capital Reserve).
- D. Working Capital Reserve: The Working Capital Reserve is intended to provide working capital for the operations and maintenance activities of the District. This Reserve will fluctuate throughout the year as revenues are received and expenses and liabilities are paid. At the end of each Fiscal Year, the District's goal is to have 7.5% to 15% of annual operations and

maintenance expenses, excluding depreciation and interest, in the Working Capital ~~Assigned-Committed~~ Reserve. The Working Capital Reserve is the net cash remaining after the reconciled cash balance has been allocated to all of the other Reserve Balances.

The minimum total Committed Reserves has been set at ~~\$9,300,000~~\$10,200,000 as noted below. Interest earned on those funds held in reserve will be deemed unreserved and be utilized as a source of revenue to meet the needs of the operating budget. If the Board of Directors authorizes the General Manager to utilize a Committed Reserve balance and the balance is less than the minimum level established by this policy, the reserves will be replenished, to the extent available, from operating revenues or other revenue or cash flow sources as required. If operating revenues or other revenues or cash flow sources are not immediately sufficient to replenish any reserve that has been drawn below the minimum reserve level, the General Manager shall present the Board with a plan to replenish the reserve. If, in a particular year or for multiple years, the District anticipates it will not meet the Minimum Total Committed Reserve Balance, during the budget development process, the General Manager and Chief Financial Officer will develop a plan to replenish the reserves as necessary to meet the minimum total balance and present the plan to the Board of Directors for discussion. The Committed Reserve balances shall be reported to the Board as part of the monthly financial report.

<u>Committed Reserves</u>	<u>Minimum Level</u>
Capital Improvement Reserve	\$3,000,000
Rate Stabilization Reserve	\$2,100,000 <u>\$2,400,000</u>
Operating Continuity Reserve	\$2,100,000 <u>\$2,400,000</u>
Working Capital Reserve	\$2,100,000 <u>\$2,400,000</u>
Total	\$9,300,000<u>\$10,200,000</u>

3. **Assigned Reserves**

The District has established the following three categories of Assigned Reserves:

- CIP Reserves
- Water Supply Program Reserves
- ~~Debt Service Reserves~~

A. CIP Reserves

CIP Reserves consist of collected Capital Charge rate revenues or other capital funding sources that are allocated to capital projects.

The General Manager is authorized to create, amend, or close CIP Reserves provided such action does not impair any obligation that has been incurred by the District. Any remaining cash in a CIP Reserve that is closed will be returned to another CIP Reserve. The following CIP Reserves include:

1. Carryover Capital Projects Reserve – This Reserve is for capital budget items from prior years that were not completed but are intended to be completed in a future Capital Budget. The revenue for these projects was collected from the Capital Charge rates in the year in which the project was budgeted and is therefore allocated to this reserve to maintain budget funding for the project.
2. Accumulated Capital Reserve – This Reserve is cash that has been accumulated from capital budget items that were either cancelled or completed under budget and therefore had cash remaining at the end of the project. The Accumulated Capital Reserve is intended to provide resources for capital projects that may exceed their initial budget or for necessary capital projects that are unanticipated but need to be funded prior to the next fiscal year budget.
3. SOCWA Capital Projects Reserve – This Reserve is intended to provide stability to the District's finances by accumulating cash in anticipation of future SOCWA capital obligations. The District is contractually required to pay a portion of SOCWA capital projects but in certain years the District's obligation may exceed the entire Capital Facilities revenue received in that year. The SOCWA Capital Projects Reserve accumulates cash reserves in anticipation of these future SOCWA capital obligations. The SOCWA Capital Projects Reserve funds may also be used to fund capital obligations at the Moulton Niguel Water District Regional Treatment Plant.
4. Revenue Bond Unrestricted Reserve – This reserve accumulates cash recovered from partners in certain bond funded projects. This reserve is not subject to the timing restrictions of the Debt Project Reserve. The Revenue Bond Unrestricted Reserve will be used to supplement the Debt Project Reserve in the funding of significant infrastructure capital projects.
5. Current Year Capital Working Capital Reserve – During the course of a fiscal year, the Current Year Capital Working Capital Reserve will accumulate resources (primarily from Capital Charge revenues) and pay capital expenditures for the current year Capital Improvement Program. At the end of each fiscal year, the General Manager, working with the Finance Department, will allocate any remaining capital budget to the Carryover Capital Reserve for those projects or purchases that will be completed in future years or to other CIP Reserves as appropriate.

B. Water Supply Program Reserve

The Water Supply Program Reserve is made up of funds collected through the District's tiered rates. The amount of this reserve varies based upon Tier III and Tier IV water sales less the water supply and delivery rate component. This reserve is established to provide a source of revenue to fund Water Use Efficiency efforts and development of Water Supply Resources as follows:

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

~~C. Debt Service Reserve~~

~~Baker Funding Reserve — This Reserve accumulates a portion of the revenue generated from the Water Capital Facility Charge which is used to fund the debt associated with the Baker Water Treatment Plant project. Beginning with the 2021-2022 Budget, this amount will increase through 2025-2026 to eventually fully fund the Baker Water Treatment Plant Debt Service. This portion of the Water Capital Facility Charge revenue is accumulated in the Baker Funding Reserve to be used when the Baker Water Treatment Plant loan payments are due.~~

4. Days of Cash

Consistent with the District Investment Policy, the Chief Financial Officer will provide a monthly report to the Board including a statement that ETWD has the ability to meet its expenditure requirements for the next six months or an explanation as to why sufficient money may not be available. For purposes of this Policy the District's expenditure requirements for six months are defined to be one half the sum of the current fiscal year Operations and Maintenance Budget and debt service obligations.

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EL TORO WATER DISTRICT
Glossary of Water Terms

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

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

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

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

AFY: Acre-foot per year.

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

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

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

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

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

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

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

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

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

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

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

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

BIA: Building Industry Association

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

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

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

Brackish water: A mixture of freshwater and saltwater

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

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

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

CEQA: California Environmental Quality Act.

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

CFS: Cubic feet per second.

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

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

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

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

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

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

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

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

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

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

Crisis:

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

CTP: Coastal Treatment Plant

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

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

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

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

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

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

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

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

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

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

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

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

Disinfection: Water treatment which destroys potentially harmful bacteria.

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

Drought: A prolonged period of below- average precipitation.

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

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

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

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

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

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

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

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

Estuary: Where fresh water meets salt water.

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

FCH: Federal Clearing House – Environmental Review/Processing

FEMA: Federal Emergency Management Agency

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

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

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

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

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

God Squad: A seven-member committee that is officially called the “Endangered Species Committee”. Members consist of Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Army, the Chairman of the Council of Economic Advisers, the Administrator of the National Oceanic and Atmospheric Administration and one individual from the affected state. The squad was established in 1978 by an amendment to the 1973 Endangered Species Act (ESA). It has only been called into action three times to deal with proposed federal agency actions that have been determined to cause “jeopardy” to any listed species.

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

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

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

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

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

Ground water replenishment system (GWRS): A joint project of the Orange County Water District and the Orange County Sanitation District that will provide up to 1000,000 acre-feet of reclaimed water annually. The high-quality water will be used to expand an existing underground seawater intrusion barrier and to replenish the groundwater basin underlying north and central Orange County.

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

GPM: Gallons per minute.

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

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

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

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

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

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

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

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

LAI: Local Agency Investment Fund. Statewide pool of surplus public agency money managed by state treasurer.

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

MAF: Million-acre feet.

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

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

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

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

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

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

NPDES: National Pollution Discharge Elimination System

OCBD: Orange County Business Council

OCEMA: Orange County Environmental Management Agency

OCWD: Orange County Water District

Opportunity:

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

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

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

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

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

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

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

Potable water: Suitable and safe for drinking

PPB: Parts per billion

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

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

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

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

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

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

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

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

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

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

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

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

RFP: Request for Proposal

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

RO: Reverse osmosis. See the listing under “reverse osmosis.”

R-O-W: Right-of-way

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

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

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

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

SAFRA: Santa Ana River Flood Protection Agency

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

SAWPA: Santa Ana Watershed Project Authority.

SCADA: Supervisory Control and Data Acquisition

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

SCH: State Clearing House – Environmental Review/Processing

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

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

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

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

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

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

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

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

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

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

SJBA: San Juan Basin Authority

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

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

- CSC – City of San Clemente
- CSJC – City of San Juan Capistrano
- CLB – City of Laguna Beach
- ETWD – El Toro Water District
- EBSD – Emerald Bay Service District
- IRWD – Irvine Ranch Water District
- MNWD – Moulton Niguel Water District
- SCWD – South Coast Water District
- SMWD – Santa Margarita Water District
- TCWD – Trabuco Canyon Water District

SRE: State Revolving Fund

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

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

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

SWRCB: State Water Resources Control Board

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

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

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

TMA: Too many acronyms.

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

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

Turbidity: Thick of opaque with matter in suspension; muddy water

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

VE: Value Engineering

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

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

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

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

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

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

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

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

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

Water table: The top level of water stored underground.

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

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

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

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

Xeriscape: Landscaping that requires minimal water.