

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

November 24, 2025

7:30 a.m.

**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/82739094473> (Meeting ID: 827 3909 4473).

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 Monin

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)

FINANCE AND INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Monin

2. 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 October 20, 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

3. Fiscal Year 2024-25 Financial Reconciliation (Reference Material Included)

Staff will review and comment on the Fiscal Year 2024-25 Financial Reconciliation.

4. Financial Statements and Report (Reference Material Included)

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

FINANCIAL ACTION ITEMS

5. **Updated Comprehensive Financial Statement – Audit – Fiscal Year Ended June 30, 2025** (Reference Material Included)

Staff will review and comment on updates to the District's Comprehensive Financial Statements for the Fiscal Year ended June 30, 2025.

Recommended Action: Staff recommend that the Board of Directors receive and file the updated District's Comprehensive Financial Statements for the Fiscal Year ended June 30, 2025.

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

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

COMMENTS REGARDING NON-AGENDA FIC ITEMS

CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

ENGINEERING COMMITTEE MEETING

CALL MEETING TO ORDER – Director Freshley

7. **Consent Calendar**

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

- a. Consider approving the minutes of the October 20, 2025 Engineering Committee meeting. (Minutes Included).

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

ENGINEERING ACTION ITEMS

8. **OOPS MCC and Valve Rehabilitation Project** (Reference Material Included)

Staff will review and comment on the proposals and construction bids received for the OOPS MCC and Valve Rehabilitation project.

Recommended Action: Staff recommend that the Board of Directors authorize the District's General Manager to enter into a contract with Hydro Tech Electric in the amount of \$51,700.00 for construction of the OOPS MCC and Valve Rehabilitation 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.

9. **Westline Lift Station Generator Replacement** (Reference Material Included)

Staff will review and comment on an equipment quotation for the replacement of a generator at the Westline Lift Station.

Recommended Action: Staff recommend that the Board of Directors authorize the District's General Manager to issue a purchase order to Quinn Power Systems, Inc. in the amount of \$266,804.09 to furnish a new diesel generator for the Westline Lift Station. 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.

ENGINEERING INFORMATION ITEMS

10. **Emergency Groundwater Supply Project** (Reference Material Included)

Staff will review and comment on the Emergency Groundwater Supply Project proposed by Moulton Niguel Water District.

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

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

12. **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

13. Engineering Items Discussed at Various Conferences and Meetings

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

COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS

CLOSE ENGINEERING COMMITTEE MEETING

ATTORNEY REPORT

CLOSED SESSION

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

1. Pursuant to Government Code Section 54956.9 (d) (2) to consult with legal counsel and staff – Anticipated Litigation.
2. Pursuant to Government Code Section 54957(b)(1) to conduct the General Manager's annual performance evaluation.

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

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

14. General Manager Compensation

Board Action: The District's Board of Directors will discuss and consider granting the District's General Manager a compensation increase in the amount and form as determined by the Board.

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 BOARD OF DIRECTORS
AND THE
FINANCE & INSURANCE COMMITTEE MEETINGS.

October 20, 2025

At approximately 7:30 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, JUDY CIMORELL, Director of Human Resources, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, IT Manager (Zoom), VU CHU, Water Resources Supervisor (Zoom), VICKI TANIOUS, Senior Accountant, ABEL ESTRADA, Billing & Customer Service Supervisor (Zoom, 7:46 a.m.), ROBERT MONTOYA, PFM Asset Management LLC., RILEY GREENLEE, LSL, LLP (Zoom), RYAN DOMINO, LSL, LLP (Zoom), CAROL MOORE, Laguna Woods City Council Member (Zoom), JANET FORDUNSKI, Member of the Public (Zoom, 7:39 a.m.), 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 7:32 a.m. Director Monin called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Monin asked for a Motion.

Motion: Vice President Freshley made a motion, seconded by Director McClean 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

California Asset Management Program (CAMP)

Mr. Montoya provided a market update for the quarter ended September 30, 2025. He reported that the U.S. economy remains resilient, with the Federal Reserve beginning an easing cycle despite inflation remaining above the 2% target. Although tariffs have been introduced and negotiated, their short-term impact on inflation has been minimal due to margin compression.

President Gaskins suggested adding a predicted line along with the actual data in future reports to assess forecast accuracy. Mr. Montoya stated that he will forward that suggestion to his team.

Director Monin inquired about the portfolio allocation of the Joint Powers Authority. Mr. Montoya confirmed it includes CAMP and will follow up with details on allocation, duration, and average portfolio price. He also noted that the District's investment portfolio is performing well, supported by staff's guidance on managing maturities. Finally, he explained that the fixed income sector outlook is general to the market, mostly neutral, and based on interest rates and total returns rather than specific to the District's holdings.

Mr. Montoya left the meeting at approximately 7:57 a.m.

Financial Statements and Report

Mr. Sharma reported that the District's cash and investment balance increased by approximately \$2 million over the past month, primarily due to higher accounts receivables from utility bills, bringing the days of cash on hand to 235 days. He noted that the Current ratio stands at 7 which is calculated based on debt service principal payments due within the fiscal year.

Director McClean asked whether the increase in receivables indicates an improvement in non-payments shutoffs. Mr. Sharma clarified that shutoff related collections are not included in these figures but noted that customer shutoffs are generally low. He added that commodity supply charge revenue is high due to increased recycled water sales, up approximately 55.71%.

Mr. Cafferty reported that staff is currently reconciling the FY 2024/25 accounts. He explained that the recycled water program operates through normal working capital, and at year-end reconciliation, any surplus in recycled revenue relative to expenses must be used to cover its share of the debt. A portion of these funds will be transferred from the working capital reserve to the tiered conservation fund, which currently has a negative balance. He noted that this transfer supports a long-term reserve restoration goal.

Vice President Freshley inquired about the \$80,000 payment to the City of Laguna Hills and asked for clarification on Western Switches & Controls, Inc. Mr. Cafferty explained that the payment was for the City of Laguna Hills Pavement Rehabilitation Project. Ms. Ford added that Western Switches & Controls, Inc. is a distributor supplying electrical equipment needed for several ongoing District projects.

Financial Action Items

Comprehensive Financial Statement – Audit – Fiscal Year Ended June 30, 2025

Mr. Greenlee reported that the District's financial statements for the year ending June 30, 2025, were audited in accordance with Generally Accepted Government Auditing Standards. He explained that while management is responsible for preparing and fairly presenting the financial statements, the auditors' role is to provide an independent opinion on them. The audit was conducted in accordance with generally accepted auditing standards, government auditing standards, and the State Controller's minimum audit standards for California Special Districts.

Mr. Greenlee stated that sufficient evidence was obtained to support an unmodified auditor's opinion, representing the highest level of assurance. He added that a separate report on internal controls and compliance found no material weaknesses or instances of noncompliance.

Director Monin inquired whether cybersecurity measures related to fraud, waste, or abuse are reviewed and if a response plan is in place in the event of a breach. Mr. Domino explained that evaluating IT internal controls- including computer programs, software, and the overall IT environment- is a required audit step, and that proper safeguards are in place. Mr. Cafferty added that staff is currently developing an incident response plan.

Director Monin asked for a Motion.

Motion: Director Havens made a motion, seconded by Vice President Freshley to receive and file the District's Comprehensive financial statements for the Fiscal Year ended June 30, 2025.

Roll Call Vote:

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

Mr. Greenlee and Mr. Domino left the meeting at approximately 8:20 a.m.

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

Director Monin asked for a Motion.

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

Roll Call Vote:

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

Quarterly Insurance Report

Ms. Cimorell reported that there were no new workers' compensation claims during the quarter. She noted however, that medical plan rates for all plans will increase effective January 1, 2026. Mr. Cafferty added that the District contributes to employees' Health Savings Accounts (HSA) for those enrolled in the high-deductible tax advantaged plan. Since deductibles have increased, the District will raise its HSA contribution by the same amount.

Director Monin asked for a Motion.

Motion: Director Havens made a motion, seconded by President Gaskins to receive and file the quarterly insurance reports for the period from July 1, 2025 through September 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 8:32 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: November 24, 2025**
From: Dennis Cafferty, General Manager
Subject: Fiscal Year 2024-25 Financial Reconciliation

Following the close of the 2024-25 fiscal year, staff performed a budget to actual reconciliation of the revenues and expenses for each of the water, sewer and recycled water enterprises. The following is a summary of the reconciliation results for each enterprise as well as the combined total.

Water Enterprise

In total, the Water Enterprise achieved a surplus of \$417,868. The 2024-25 budget anticipated a deficit of \$82,152. The Water Enterprise surplus, relative to budget, was therefore approximately \$500,000. The surplus is attributable to the following factors:

- Operating Revenues tracked close to budget
- Investment Income exceeded budget by approximately \$275,000
- Miscellaneous Revenues exceeded budget by approximately \$88,000
- O&M Expenses were under budget by approximately \$150,000

FY2425 CASH FLOW RECONCILIATION (O&M) WATER		
	Budget 2024-25	Actual 2024-25
O&M REVENUES		
Revenue from Potable Commodity Rate	9,883,227	9,895,387
Revenue from Potable Fixed Meter Rate	4,802,818	4,787,002
Revenue from Fire / Flooding Meters	67,672	71,278
Total Unrestricted Rate Revenue	14,753,718	14,753,667
Other Sources of Cash		
Restricted Reserves Funding of Conservation Program	200,000	200,000
Property Taxes	528,320	523,416
Miscellaneous Revenue	39,000	126,706
Cellular Site Lease Revenue	280,000	253,779
Other Income (R-6 Partners)	125,000	141,587
Investment Income	275,000	549,846
Subtotal Other Sources of Cash	1,447,320	1,795,334
TOTAL O&M REVENUES	16,201,038	16,549,001
O&M REVENUE REQUIREMENTS		
Total O & M Expense Budget	16,283,190	16,131,133
Reserves	(82,152)	(82,152)
TOTAL O&M REVENUE REQUIREMENTS	16,201,038	16,048,981
ANNUAL O&M SURPLUS (DEFICIT)	(82,152)	417,868
ANNUAL O&M BUDGET TO ACTUAL		500,020

Sewer Enterprise

In total, the Sewer Enterprise achieved a surplus of \$695,260. The 2024-25 budget anticipated a surplus of \$351,630. The Sewer Enterprise surplus, relative to budget, was therefore approximately \$344,000. The surplus is attributable to the following factors:

- Operating Revenues were approximately \$147,000 under budget
- Miscellaneous Revenues were approximately \$63,000 over budget
- Investment Income was approximately \$275,000 over budget
- O&M Expenses were approximately \$160,000 under budget

FY2425 CASH FLOW RECONCILIATION (O&M) SEWER		
	Budget 2024-25	Actual 2024-25
O&M REVENUES		
Revenue from Sewer Service Rate	9,684,429	9,537,346
Total Unrestricted Rate Revenue	9,684,429	9,537,346
Other Sources of Cash		
Property Taxes	686,816	680,441
Miscellaneous Revenue	30,600	93,327
Investment Income	275,000	549,846
Subtotal Other Sources of Cash	992,416	1,323,614
TOTAL O&M REVENUES	10,676,845	10,860,960
O&M REVENUE REQUIREMENTS		
Total O & M Expense Budget	10,325,214	10,165,700
Reservies	351,630	351,630
TOTAL O&M REVENUE REQUIREMENTS	10,676,845	10,517,331
ANNUAL O&M SURPLUS (DEFICIT)	351,630	695,260
ANNUAL O&M BUDGET TO ACTUAL		343,630

Recycled Water Enterprise

In total, the Recycled Water Enterprise achieved a surplus of \$993,804. The 2024-25 budget anticipated a surplus of \$425,235. The Recycled Water Enterprise surplus, relative to budget, was therefore approximately \$569,000. The surplus is attributable to the following factors:

- Revenue from Recycled Water Sales exceeded budget by approximately \$375,000
- Revenue from the MWD LRP Rebate exceeded budget by approximately \$100,000
- Expenses were under budget by approximately \$88,000

FY2425 CASH FLOW RECONCILIATION (O&M) RECYCLED WATER		
	Budget 2024-25	Actual 2024-25
O&M REVENUES		
Revenue from Recycled Water Commodity Rate	1,626,051	2,001,570
Revenue from Recycled Water Fixed Meter Rate	465,503	467,174
Total Unrestricted Rate Revenue	2,091,554	2,468,744
Other Sources of Cash		
MWD LRP Rebate	264,825	364,155
Property Taxes	105,664	104,683
Miscellaneous Revenue		5,339
MNWD Payment for RW Service to Golf Course	11,000	11,000
Subtotal Other Sources of Cash	381,489	485,177
TOTAL O&M REVENUES	2,473,043	2,953,922
O&M REVENUE REQUIREMENTS		
Total O & M Expense Budget	2,047,808	1,960,118
ANNUAL O&M SURPLUS (DEFICIT)	425,235	993,804
ANNUAL O&M BUDGET TO ACTUAL		568,569

Total Reconciliation

In total, the District achieved a surplus of \$2,106,932. The 2024-25 budget anticipated a surplus of \$694,714. The total surplus, relative to budget, was therefore approximately \$1,400,000. Of the total surplus, approximately \$994,000 was generated by the Recycled Water Enterprise and was used to fund the Recycled Water Debt Service. The remaining total surplus of approximately \$1,100,000 along with the Moulton Niguel Water District SOCWA Payment of \$1,029,239 enhanced the District Reserves by \$2,142,367. The total surplus is attributable to the following factors:

- Miscellaneous Revenue exceeded budget by approximately \$151,000
- Investment Income exceeded budget by approximately \$550,000
- Labor Expense was under budget by approximately \$66,000
- Purchased Water Expense was under budget by approximately \$370,000
- Electrical Power Expense was under budget by approximately \$152,000
- Solids Handling Expenses exceeded budget by approximately \$179,000

FY2425 CASH FLOW RECONCILIATION (O&M) TOTAL		
	Budget 2024-25	Actual 2024-25
O&M REVENUES		
Revenue from Potable Commodity Rate	9,883,227	9,895,387
Revenue from Potable Fixed Meter Rate	4,802,818	4,787,002
Revenue from Fire / Flooding Meters	67,672	71,278
Revenue from Sewer Service Rate	9,684,429	9,537,346
Revenue from Recycled Water Commodity Rate	1,626,051	2,001,570
Revenue from Recycled Water Fixed Meter Rate	465,503	467,174
Total Unrestricted Rate Revenue	26,529,700	26,759,758
Other Sources of Cash		
Restricted Reserves Funding of Conservation Program	200,000	200,000
MWD LRP Rebate	264,825	364,155
Property Taxes	1,320,800	1,308,541
Miscellaneous Revenue	69,600	225,372
Cellular Site Lease Revenue	280,000	253,779
Other Income (R-6 Partners)	125,000	141,587
MNWD Payment for RW Service to Golf Course	11,000	11,000
Investment Income	550,000	1,099,692
Subtotal Other Sources of Cash	2,821,225	3,604,126
TOTAL O&M REVENUES	29,350,925	30,363,884
O&M REVENUE REQUIREMENTS		
Total O & M Expense Budget	28,656,212	28,256,952
Rate Stabilization Reserve	269,479	269,479
RW Revenue Funding of RW Debt Service	425,235	993,804
TOTAL O&M REVENUE REQUIREMENTS	29,350,925	29,520,234
ANNUAL O&M SURPLUS (DEFICIT)	694,714	2,106,932
ANNUAL O&M BUDGET TO ACTUAL		1,412,218
ANNUAL O&M SURPLUS (DEFICIT) NET OF RECYCLED WATER		1,113,128
MNWD SOCWA Payment		1,029,239
ANNUAL O&M SURPLUS (DEFICIT) NET OF RECYCLED WATER		2,142,367



STAFF REPORT

To: Board of Directors **Meeting Date: November 24, 2025**

From: Vishav Sharma, Chief Financial Officer

Subject: October 2025 Financial Report and Analysis

The attached report provides an overview of the District's financial performance for the month of October 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 October, 2025, are \$22,716,234, including \$50,581 restricted for capital and Debt service expenditures. This represents an increase of \$135,920 in total Cash & Cash equivalents from the prior month, reflecting greater liquidity.
- The Current ratio is 7.8, 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 237 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 decreased by \$249,617, from \$5,916,098 in September to \$5,666,481 in October. This decrease is primarily due to better collection of utility bills and lower utility bills in October as compared to prior month due to change in demand.
- Accounts receivable turnover ratio is 33 days for the month and 28 days for the year to date as of October 31st. This ratio is calculated by dividing year to date net sales with average utility customers accounts receivable balance net of accruals. This ratio measures how effectively the District collects cash from its credit sales.
- Material and supplies inventory increased by \$36,842 mainly due to the lower consumption of supplies inventories.
- Prepaid Expenses increased by \$271,655 to a total of \$807,467, reflecting prepayments made for insurance, supplies or services (including subscriptions for softwares).

Overall, Current Assets total balance of \$31,240,351, reflects an increase of \$121,115 from the previous month.

Non-Current Assets:

- Construction in Progress increased by \$427,794 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 \$113,470,073, reflecting a net increase of \$11,090 primarily from accumulated depreciation and construction in progress activities.

Liabilities

- **Current Liabilities:**

- Accounts Payable and Accrued Expenses decreased by \$597,453 to \$927,066, reflecting lower short-term obligations.
- Accounts payable turnover ratio is 33 days for the month and 27 days for the year to date (July to October) as of October 31st. This ratio is calculated by dividing monthly/year to date expenses net of Payroll, Benefits, Depreciation and Debt interest expense with average accounts payable balance. This ratio measures how effectively the District pays its bills.
- Accrued Interest Payable increased by \$166,665, reflecting monthly debt service accruals.

Overall, Current Liabilities decreased by \$426,008, Reflecting a decrease in vendor obligations and increase in Interest payable.

- **Non-Current Liabilities:**

- Loans Payable decreased slightly by \$42,671 with a remaining balance of \$48,123,119. Amortization of 2022 Bond premium contributed for this decrease.

The Total Liabilities amounted to \$65,344,853, reflecting a decrease of \$468,680 compared to prior month.

Summary of Revenues

For the month of October 2025 and year to date, the District's total revenues were \$3,394,402 and \$14,121,987, respectively. This represents 36.8% of the total budgeted revenue for the fiscal year.

Key Revenues Categories:

- **Commodity Supply Charges:**
This month's revenue was \$1,240,374, with a YTD total of \$5,733,115 (43% of the budget). This category is performing above expectations. Commodity supply charge includes recycled water revenues. This month recycled revenue is 232,589 and year to date revenue is \$1,225,563 or 68.76% of the budget.
- **Service Charges:**
This month's revenue was \$1,353,613, and the YTD total stands at \$5,336,818, which is 33.4%. This is in line with expectations.
- **Capital Facility Charges:**
This month's revenue is \$541,790, and the YTD total stands at \$2,068,123, which is 33% of the annual budget. The District is on track with respect to capital charge collections.

- **Investment Income:**
The District received \$78,255 in investment income this month and YTD \$240,858 respectively, resulting in a 34.4% of the budgeted amount.
- **Grants, Rebates, and Reimbursements:**
The District received YTD total of \$1347,767, or 49.9% of budgeted rebates and reimbursements from LRP subsidies.
- **Miscellaneous Revenue:**
Miscellaneous revenue this month is \$31,562, and YTD \$146,310 represent 41.9% 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 October 2025 are \$2,793,217 and YTD \$10,664,764, which is 28% of the annual budget.

Key Expense Categories:

- **Salary Expenses:**
Monthly salary-related expenses were \$842,815, resulting in a YTD total expense of 2,452,018 or 30.9% 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 \$274,197, bringing the YTD total to \$1,011,464 or 33.8% of the budget. Retirement contribution and medical insurance expenses are the main drivers of this category.
- **Water Purchased for Resale:**
Water purchase expenses totaled \$648,168, with a YTD total of \$2,526,475 or 23.5% of the budget.
- **Contracted/Purchased Services:**
Total expenses for the month are \$237,675, with YTD expenses of \$1,781,151 or 26% 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 \$2,316,892 (30.7% of annual budget). Notably, debt service and depreciation are on track as expected.

Net Position

The District's net position as of October 2025 is \$71,117,983. The net position increased this month by \$547,123.

Conclusion

Through October 2025, the District continues to demonstrate stable financial performance. Revenues are exceeding budget targets, driven by water sales, 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 October 2025

EI Toro Water District
Interim Statement of Net Position for the Month of October, 2025

	6/30/2025 Audited	9/30/2025 Revised Interim	10/31/2025 Interim	Change
Assets				
Current Assets				
Cash & Cash Equivalents	15,977,712	16,541,320	16,678,256	136,936
Investments	6,054,410	6,037,380	6,036,360	(1,019)
Accounts Receivable	4,930,670	5,916,098	5,666,481	(249,617)
Materials & Supply Inventory	2,059,289	2,087,011	2,050,169	(36,842)
Prepaid Expenses	375,340	535,813	807,467	271,655
Restricted - Cash & Investments	1,444	1,614	1,617	3
Current Assets - Sub-total	29,398,865	31,119,236	31,240,351	121,115
Non-Current Assets				
Lease Receivable	4,012,747	4,012,747	4,012,747	-
Land & Easements	7,451,585	7,451,585	7,451,585	-
Capacity Rights	228,255	228,255	228,255	-
Capital Assets				
Water System	62,032,584	62,032,584	62,032,584	-
Wastewater System	63,294,850	63,294,850	63,294,850	-
Recycled System	55,554,540	55,554,540	55,554,540	-
Combined Assets	16,201,236	16,201,236	16,201,236	-
Construction in Progress	7,032,386	7,610,555	8,038,349	427,794
Accumulated Depreciation	(101,713,907)	(102,964,014)	(103,380,718)	(416,704)
Non-Current Assets - Sub-total	114,094,275	113,422,336	113,433,427	11,090
Total Assets	143,493,140	144,541,573	144,673,778	132,205
Deferred Outflows of Resources				
OPEB Deferred Outflow of Resources	1,917,324	1,917,324	1,917,324	-
Liabilities				
Current Liabilities				
Accounts Payable & Accrued Expenses	3,450,141	1,524,519	927,066	(597,453)
Accrued Salaries & Related Payables	191,358	(12,154)	(9,325)	2,830
Customer Deposits	65,653	14,900	16,850	1,950
Accrued Interest Payable	150,929	650,925	817,590	166,665
Long Term Liabilities - Due in One Year				
Compensated Absences	241,796	241,796	241,796	-
OPEB Liability	464,374	-	-	-
Loans Payable	2,014,077	2,014,077	2,014,077	-
Current Liabilities - Sub-total	6,578,328	4,434,063	4,008,054	(426,008)
Non-Current Liabilities				
Compensated Absences	1,562,867	1,562,867	1,562,867	-
Other Post-Employment Benefits Liability	11,186,439	11,650,813	11,650,813	-
Loans Payable	48,293,804	48,165,790	48,123,119	(42,671)
Non-Current Liabilities - Sub-total	61,043,110	61,379,470	61,336,799	(42,671)
Total Liabilities	67,621,438	65,813,533	65,344,853	(468,680)
Deferred Inflows of Resources				
Deferred Amounts from Leases	3,648,223	3,648,223	3,648,223	-
Deferred Amounts from OPEB	6,480,043	6,480,043	6,480,043	-
Total Deferred Inflows of Resources	10,128,266	10,128,266	10,128,266	-
Net Position				
Net Investment in Capital Assets	59,349,999	63,242,469	63,296,231	53,761
Restricted - Capital Projects	-	-	-	-
Restricted - Debt Service	-	-	-	-
Unrestricted	8,310,761	7,274,628	7,821,752	547,123
Total Net Position	67,660,760	70,517,098	71,117,983	600,885

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

Attachment 3

Summary of Revenues and Expenses for the period ended October 2025

Summary of Revenues and Expenses for the Month of October, 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	1,240,374	5,733,115	13,340,717	7,607,602	43.0%
Service Charges	1,353,613	5,336,818	15,993,872	10,657,054	33.4%
Capital Facility Charges	541,790	2,068,123	6,259,985	4,191,863	33.0%
Charges for Services	-	-	125,000	125,000	0.0%
Miscellaneous Revenue	31,562	146,310	349,600	203,290	41.9%
Grants, Rebates, Reimbursements	40,475	137,767	275,825	138,058	49.9%
Property Taxes	108,333	433,333	1,300,000	866,667	33.3%
Investment Income	78,255	240,858	700,000	459,142	34.4%
Donations & Capital Contributions	-	25,663	-	(25,663)	N/A
Total Revenue	3,394,402	14,121,987	38,344,999	24,223,012	36.8%
Summary of Total District Expenses					
Salary Expenses					
Directors Fees	8,432	43,844	144,616	100,772	30.3%
Exempt Salaries	181,653	512,902	1,583,800	1,070,898	32.4%
Non-exempt Salaries	600,735	1,746,941	5,366,100	3,619,159	32.6%
Other Salary Payments	-	-	250,400	250,400	0.0%
Overtime	35,477	98,929	405,437	306,508	24.4%
Overtime - On-call	10,080	28,224	81,900	53,676	34.5%
Stipends/Allowances	6,438	18,027	106,980	88,953	16.9%
Employee Service Awards	-	3,150	800	(2,350)	393.8%
Salary Expenses Sub-total	842,815	2,452,018	7,940,033	5,488,015	30.9%
Benefit Expenses					
Medical Insurance	96,019	477,247	1,215,016	737,769	39.3%
HSA Contributions	-	-	28,100	28,100	0.0%
Dental Insurance	7,961	39,805	98,200	58,395	40.5%
Vision Insurance	1,084	5,421	12,300	6,879	44.1%
Life Insurance	7,075	14,129	41,300	27,171	34.2%
Disability Insurance	9,012	18,025	41,400	23,375	43.5%
Long-term Care Insurance	929	3,544	21,600	18,056	16.4%
Workers Compensation Insurance	10,355	46,571	167,800	121,230	27.8%
State Unemployment Insurance	-	-	3,000	3,000	0.0%
401k Retirement Contributions	76,717	224,042	681,500	457,458	32.9%
401k Matching Contributions	52,098	150,886	287,700	136,814	52.4%
457b Matching Contributions	8,731	25,339	275,800	250,461	9.2%
Medicare Insurance	12,275	35,495	115,159	79,664	30.8%
FICA	437	1,525	4,300	2,775	35.5%
Capitalized Benefits	(8,496)	(30,565)	-	30,565	N/A
Benefit Expenses Sub-total	274,197	1,011,464	2,993,175	1,981,711	33.8%
Commodity Purchased for Resale					
Water Purchases - MWDOC	417,132	1,207,438	4,992,965	3,785,527	24.2%
Water Purchases - MWDOC Fixed	83,147	249,440	1,026,274	776,834	24.3%
Water Purchases - AMP/SAC	2,559	7,956	41,832	33,875	19.0%
Regional Water Supply Expenses	-	-	-	-	N/A
Water Purchases - Baker WTP	250,235	776,723	3,365,400	2,588,677	23.1%
Water Purchases - Baker O&M	(196,111)	8,431	1,171,500	1,163,069	0.7%
Water Purch - Other Agencies	79,097	228,459	-	(228,459)	N/A
MWDOC Service Connect Charge	12,111	48,027	145,000	96,973	33.1%
Commodity Purchased for Resale Sub-total	648,168	2,526,475	10,742,971	8,216,495	23.5%

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

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Contracted/Purchased Services					
Consultants	5,887	21,578	152,790	131,212	14.1%
Engineering Services	-	2,453	40,390	37,937	6.1%
Audit & Accounting Services	-	32,500	54,150	21,650	60.0%
Technology Consultants	1,025	9,481	36,000	26,519	26.3%
SOCWA Contract	(124,956)	299,620	1,200,000	900,380	25.0%
Contractors	37,061	154,317	282,572	128,255	54.6%
Contracted Employees	-	-	10,000	10,000	0.0%
Legal Svcs - General Counsel	10,120	28,512	100,000	71,488	28.5%
Legal Svcs - Specialty Counsel	-	268	21,600	21,332	1.2%
Other Legal Services	-	4,851	1,000	(3,851)	485.1%
Employee Recruitmnt/Compliance	3,643	6,631	5,500	(1,131)	120.6%
Employee Health & Wellness	244	3,730	3,800	70	98.2%
Employee Relations Expenses	600	944	10,000	9,056	9.4%
Professional Services	-	-	-	-	N/A
Landscaping Services	1,500	20,262	171,341	151,079	11.8%
Janitorial Contracts	10,007	20,193	60,048	39,855	33.6%
Equipment Rental	1,247	5,032	37,000	31,968	13.6%
Uniform Rental	7,411	10,199	16,800	6,601	60.7%
Laboratory Services	2,790	5,541	25,500	19,959	21.7%
Disposal Services	10,831	30,588	91,500	60,912	33.4%
Security Services	3,513	7,857	50,340	42,483	15.6%
Insurance	39,178	154,995	452,500	297,505	34.3%
Financial Service Fees	5,338	21,703	53,500	31,797	40.6%
Printing & Reproduction	908	1,997	45,700	43,703	4.4%
Advertising & Publicity Svcs	1,704	1,719	9,020	7,301	19.1%
Postage	148	119	19,700	19,581	0.6%
Public Relations/Education	2,262	3,409	54,400	50,991	6.3%
Water Efficiency Services	7,879	16,057	45,000	28,943	35.7%
Licenses & Permits	19,257	54,986	264,290	209,304	20.8%
Software Maintenance/Licenses	14,197	53,025	327,470	274,445	16.2%
Electrical Power	143,380	648,285	2,262,300	1,614,015	28.7%
Natural Gas	176	559	2,000	1,441	28.0%
Cable Service	164	1,002	10,000	8,998	10.0%
Telecommunications	829	4,830	25,000	20,170	19.3%
Mobile Telecommunications	1,116	4,244	48,000	43,756	8.8%
Data Access	4,674	19,152	65,000	45,848	29.5%
Equipment Maintenance & Repair	8,160	25,635	196,100	170,465	13.1%
Pump Maintenance & Repair	-	9,549	54,500	44,951	17.5%
Motor Maintenance & Repair	-	15,082	132,500	117,418	11.4%
Electrical Maintenance/Repair	-	6,383	143,000	136,617	4.5%
Meter Maintenance & Repair	-	-	51,000	51,000	0.0%
Structure Maintenance & Repair	6,880	11,337	41,600	30,263	27.3%
Asphalt Maintenance & Repair	10,501	62,526	172,000	109,474	36.4%
Contracted/Purchased Services Sub-total	237,675	1,781,151	6,844,911	5,063,760	26.0%
Commodities					
Repair Parts & Materials	42,459	106,195	472,700	366,505	22.5%
Tools & Small Equipment	5,120	12,477	81,100	68,623	15.4%
Safety Equipment	8,567	9,445	27,200	17,755	34.7%
Employee Tools/Safety Equip	10,298	13,242	19,900	6,658	66.5%
Laboratory Tools & Small Equip	1,689	1,689	20,000	18,311	8.4%
Technology Tools/Small Equip	-	14,371	40,000	25,629	35.9%
Chemicals	37,587	146,627	375,200	228,573	39.1%
Laboratory Chemicals	2,139	18,400	41,000	22,600	44.9%
Gasoline & Oil	8,233	19,359	140,000	120,641	13.8%
Operating Supplies/Accessories	21,315	24,945	35,200	10,255	70.9%
Office Supplies & Accessories	22	2,856	24,700	21,844	11.6%
Technology Supplies/Components	1,754	3,020	30,000	26,980	10.1%
Lab Supplies & Accessories	2,676	5,713	20,500	14,787	27.9%
Meeting/Event Supplies & Food	1,593	4,963	48,300	43,337	10.3%
Water Use Efficiency Supplies	-	4,213	15,000	10,787	28.1%
Commodities Sub-total	143,452	387,516	1,390,800	1,003,284	27.9%

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

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Professional Development					
Education & Training	2,175	5,527	95,480	89,953	5.8%
Education/Training - Directors	-	-	-	-	N/A
Licenses & Certifications	-	309	4,142	3,833	7.5%
Dues & Memberships	9,613	38,471	125,900	87,429	30.6%
Dues & Memberships - Directors	-	-	-	-	N/A
Meetings & Conferences	4,932	5,096	38,100	33,004	13.4%
Meetings/Conferences-Directors	2,997	7,776	13,500	5,724	57.6%
Travel Reimbursement	507	9,478	36,900	27,422	25.7%
Travel Reimbursement-Directors	33	7,576	35,000	27,424	21.6%
Publications & Subscriptions	-	-	3,200	3,200	0.0%
Professional Development Sub-total	20,256	74,233	352,222	277,989	21.1%
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	2,166,563	8,232,858	30,311,911	22,079,054	27.2%
Capital Improvement Expenses					
Water System Projects					
Supply/Storage Projects	(4,933)	111	-	(111)	N/A
Pumping Projects	-	-	67,000	67,000	0.0%
Main/Service Line Projects	-	500	-	(500)	N/A
Wastewater System Projects					
Pumping Projects	-	-	35,000	35,000	0.0%
Wastewater Treatment Projects	-	23,404	-	(23,404)	N/A
Main/Service Line Projects	-	-	-	-	N/A
Recycled System Projects					
Pumping Projects	-	-	-	-	N/A
Tertiary Treatment Projects	-	-	-	-	N/A
Main/Service Line Projects	-	-	-	-	N/A
General Projects					
Operating Equipment Purchases	-	-	-	-	N/A
Vehicle & Related Equipment Purchases	5,819	5,819	-	(5,819)	N/A
Technology Projects & Purchases	18,000	18,500	44,000	25,500	42.0%
Building & Structure Improvements	-	-	-	-	N/A
General Capital Projects	36,465	66,680	116,000	49,320	57.5%
Construction in Progress	-	-	-	-	N/A
Capital Improvement Expenses Sub-total	55,351	115,014	262,000	146,986	43.9%
Other Expenses					
Retiree Health Insurance	30,606	154,101	407,000	252,899	37.9%
Depreciation	416,704	1,666,816	5,140,000	3,473,184	32.4%
Debt Interest Expense	123,994	495,976	2,006,335	1,510,359	24.7%
Other Expenses Sub-total	571,304	2,316,892	7,553,335	5,236,443	30.7%
Total Expenses	2,793,217	10,664,764	38,127,246	27,462,482	28.0%
Change in Net Position	601,185	3,457,223	217,753		

Attachment 4
Check Register October 2025

El Toro Water District

Check Register for the Month of October 2025

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
13863	William Wesson	10/16/2025	392.60
13762	County of Orange	10/01/2025	11,107.00
13763	Moulton Niguel Water District	10/01/2025	79.65
13764	Omega Industrial Supply Inc	10/01/2025	251.58
13765	Roman Kociban	10/01/2025	60.00
13766	The Lincoln National Life Insurance Company	10/01/2025	8,052.12
13767	UNUM Life Insurance - EAP	10/01/2025	109.71
13768	We Save Bees	10/01/2025	275.00
13769	AT&T Corp	10/02/2025	251.45
13785	CHELOLETTY ENGINEERING	10/09/2025	765.88
13786	Corodata Records Management, Inc	10/09/2025	133.53
13787	Hazen and Sawyer, DPC	10/09/2025	19,017.50
13788	HEBT West Los Angeles 1, LLC	10/09/2025	1,590.00
13789	Hill Brothers Chemical Co	10/09/2025	6,586.24
13790	Infosend, Inc	10/09/2025	3,288.96
13791	Municipal Water District of Orange County	10/09/2025	115.00
13792	Rincon Truck Center, Inc	10/09/2025	722.95
13793	Santa Margarita Ford	10/09/2025	1,156.88
13794	Sims-Orange Welding Supply, Inc	10/09/2025	197.70
13795	South Coast Family Medical Center, Inc	10/09/2025	3,135.00
13796	Sully-Miller Contracting Co.	10/09/2025	1,403.71
13797	Thompson Tank, Inc	10/09/2025	197,845.83
13798	Tripepi, Smith and Associates, Inc	10/09/2025	350.00
13799	United Industries, LLC	10/09/2025	309.03
13800	Verizon Communications Inc.	10/09/2025	1,438.43
13801	Vestis Group, Inc.	10/09/2025	557.22
13802	W.W. Grainger, Inc	10/09/2025	506.43
13803	West Yost & Associates, Inc	10/09/2025	6,605.75
13804	Southern California Edison Company	10/13/2025	709.00
13805	Municipal Water District of Orange County	10/07/2025	877,368.76
13806	ACWA JPIA	10/16/2025	32,698.95
13807	Alicia Air Conditioning & Heating, Inc.	10/16/2025	5,812.00
13808	American Family Life Assurance Company of Columbus	10/16/2025	1,392.40
13809	AMS.NET, Inc.	10/16/2025	909.45
13810	Applied Industrial Technologies - CA, LLC	10/16/2025	3,683.26
13811	Arakelian Enterprises, Inc.	10/16/2025	3,871.40
13812	CDCE, Inc.	10/16/2025	1,418.95
13813	Cintas Corporation	10/16/2025	998.64
13814	Complete Paperless Solutions, LLC	10/16/2025	945.21
13815	Corpro Companies	10/16/2025	2,540.00
13816	Cox Communications Inc	10/16/2025	1,708.19
13817	Dayton Certified Welding, Inc.	10/16/2025	975.00
13818	DG Investment Intermediate Holdings 2 Inc	10/16/2025	634.65
13819	Don Peterson Contracting, Inc.	10/16/2025	53,518.25
13820	DXP Enterprises, Inc	10/16/2025	296.83
13821	FDE & S Inc	10/16/2025	11,789.00
13822	Ferguson US Holdings, Inc	10/16/2025	13,318.87
13823	Fisher Scientific Company, LLC	10/16/2025	2,938.29
13824	FleetCrew	10/16/2025	1,439.00
13825	GCI Construction Inc.	10/16/2025	114,950.00
13826	Hach Company	10/16/2025	2,345.88
13827	Hannah Ford	10/16/2025	24.24
13828	Ignatius Holdings, Inc	10/16/2025	400.00
13829	JCI Jones Chemicals, Inc	10/16/2025	11,455.36
13830	Johnson Controls US Holdings LLC	10/16/2025	1,402.04
13831	Karbonous, Inc	10/16/2025	12,955.63
13832	Kathryn Freshley	10/16/2025	55.76
13833	Life Insurance Company of North America	10/16/2025	166.65
13834	Mark Roche	10/16/2025	229.99
13835	Michelle H. Moses	10/16/2025	908.16
13836	Miles Chemicals Company, Inc.	10/16/2025	10,131.24
13837	Moulton Niguel Water District	10/16/2025	79,096.50

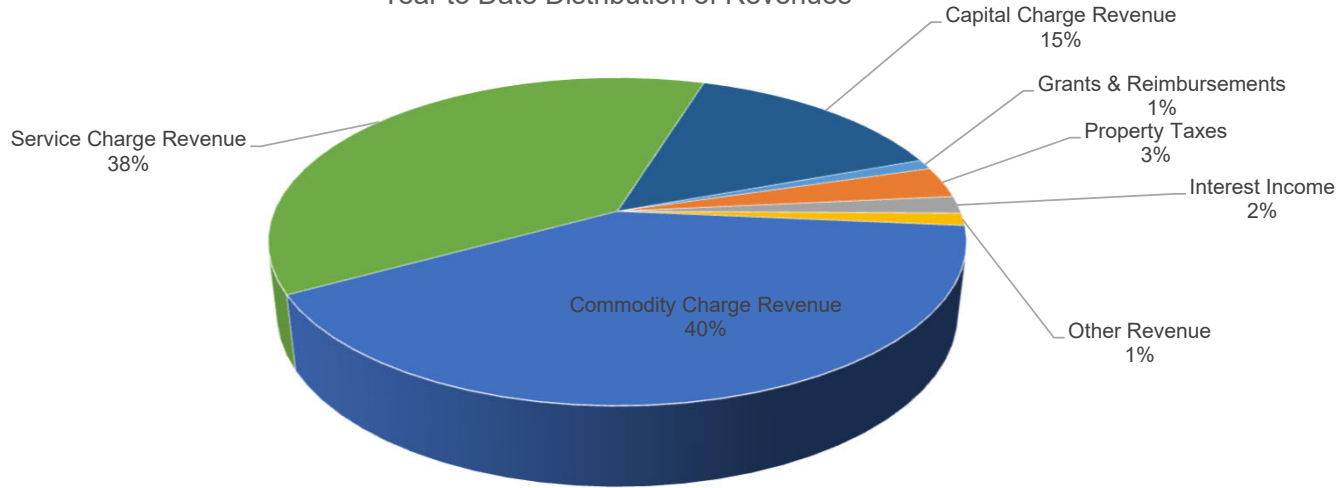
<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
13838	Municipal Diving Services Inc	10/16/2025	7,350.48
13839	Orange County Conservation Corps	10/16/2025	1,465.00
13840	Orange County Tank Testing Inc	10/16/2025	5,543.93
13841	Oscar Hernandez	10/16/2025	23.80
13842	Parkhouse Tire Service Inc	10/16/2025	812.32
13843	Penske Truck Leasing Co., LP	10/16/2025	6,220.62
13844	Process Sensing Technologies Corp	10/16/2025	2,388.29
13845	PSI Water Technologies, Inc.	10/16/2025	10,640.99
13846	RapidScale, Inc	10/16/2025	2,017.62
13847	Rincon Truck Center, Inc	10/16/2025	189.10
13848	Rod's Tree Service Inc	10/16/2025	1,500.00
13849	Santa Margarita Ford	10/16/2025	1,656.55
13850	Sierra Analytical Labs, Inc	10/16/2025	2,790.00
13851	Southern California Gas Company	10/16/2025	176.33
13852	Southern California News Group	10/16/2025	1,852.66
13853	The Lincoln National Life Insurance Company	10/16/2025	8,035.74
13854	The Sherwin Williams Co.	10/16/2025	82.14
13855	Underground Service Alert of SO CA	10/16/2025	212.00
13856	United Industries, LLC	10/16/2025	567.63
13857	USA Blue Book	10/16/2025	693.43
13858	Verizon Communications Inc.	10/16/2025	1,116.24
13859	Vigilant LLC	10/16/2025	1,897.00
13860	W.W. Grainger, Inc	10/16/2025	3,166.92
13861	WasteCorp Pumps LLC	10/16/2025	12,740.00
13862	West Coast Safety Supply, Inc	10/16/2025	288.40
13864	ACWA JPIA	10/07/2025	149,172.42
13865	American Backflow Specialties, Inc.	10/07/2025	1,399.50
13866	Angel Z Lopez	10/07/2025	5,003.56
13867	County of Orange - OC Waste & Recycling	10/07/2025	2,814.21
13868	CR&R Incorporated	10/07/2025	1,371.52
13869	Ergotech Controls, Inc	10/07/2025	735.28
13870	Haaker Equipment Company	10/07/2025	7,690.17
13871	Hach Company	10/07/2025	2,971.80
13872	Infosend, Inc	10/07/2025	1,504.86
13873	Pres-Tech Manufacturers Representatives, Inc	10/07/2025	124.17
13874	Rincon Truck Center, Inc	10/07/2025	986.54
13875	Tifco Industries Inc	10/07/2025	431.44
13876	Vista Paint Corporation	10/07/2025	1,556.22
13877	Walters Wholesale Electric Company	10/07/2025	5,818.50
13878	Southern California Edison Company	10/22/2025	180,798.74
13879	Vestis Group, Inc.	10/22/2025	790.78
13880	Abel Estrada	10/23/2025	75.00
13919	Vu Chu	10/23/2025	143.57
13924	U.S. Bank National Association	10/30/2025	19,047.28
14500	ACWA JPIA	10/23/2025	333,685.19
14501	Angel Z Lopez	10/23/2025	5,003.56
14502	Animal Pest Management Services, Inc	10/23/2025	1,297.00
14503	Aramark Services, Inc	10/23/2025	1,089.68
14504	Association of California Water Agencies	10/23/2025	27,420.00
14505	AT&T Corp	10/23/2025	251.45
14506	ATS Communications	10/23/2025	2,338.75
14507	Automated Gate Services, Inc	10/23/2025	370.00
14508	Bigwig Monster, LLC	10/23/2025	18,000.00
14509	CC Property Investments, LLC	10/23/2025	1,025.08
14510	Coast Surveying, Inc.	10/23/2025	3,710.00
14511	Corodata Records Management, Inc	10/23/2025	133.53
14512	County of Orange - OC Waste & Recycling	10/23/2025	1,065.12
14513	CR&R Incorporated	10/23/2025	944.08
14514	Don Peterson Contracting, Inc.	10/23/2025	4,070.08
14515	Edward G. Means III	10/23/2025	3,386.60
14516	Eric Simonson	10/23/2025	2,500.00
14517	Federal Express Corporation	10/23/2025	41.22
14518	Fisher Scientific Company, LLC	10/23/2025	1,579.01
14519	Harrington Industrial Plastics, LLC	10/23/2025	204.78
14520	HASA Inc	10/23/2025	993.37

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
14521	Hazen and Sawyer, DPC	10/23/2025	17,447.50
14522	Infosend, Inc	10/23/2025	1,593.48
14523	JCI Jones Chemicals, Inc	10/23/2025	8,421.16
14524	Johnson Controls US Holdings LLC	10/23/2025	1,402.04
14525	Linde Gas & Equipment Inc	10/23/2025	263.70
14526	Mingoia's Faxworld, Inc	10/23/2025	1,247.36
14527	NINJIO LLC	10/23/2025	2,532.00
14528	Onesource Distributors, LLC.	10/23/2025	2,192.71
14529	Orange County Tank Testing Inc	10/23/2025	2,921.86
14530	Pacific Plumbing Company of Santa Ana	10/23/2025	528.50
14531	Redwine and Sherrill, LLP	10/23/2025	10,120.00
14532	Rincon Truck Center, Inc	10/23/2025	5,425.24
14533	SC Commercial LLC	10/23/2025	17,151.82
14534	Sims-Orange Welding Supply, Inc	10/23/2025	290.26
14535	South Coast Air Quality Management District	10/23/2025	1,473.14
14536	Tosibox, Inc	10/23/2025	1,228.50
14537	UNUM Life Insurance - LTC	10/23/2025	1,050.95
14538	W.W. Grainger, Inc	10/23/2025	428.95
14539	Waste Management, Inc of California	10/23/2025	1,320.25
14540	WateReuse Association	10/23/2025	1,633.26
14541	Waxie's Enterprises,LLC	10/23/2025	3,227.72
Total Checks issued from General and Payroll Accounts:			<u><u>2,466,264.35</u></u>

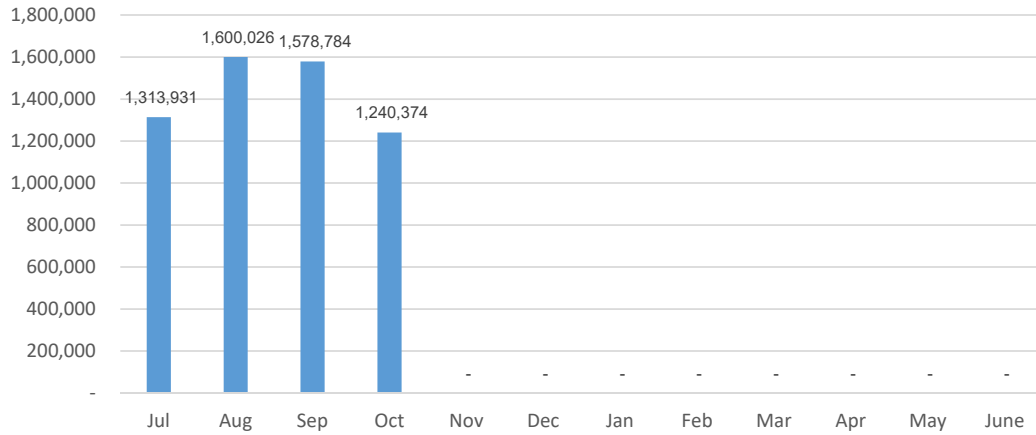
Attachment 5
Revenue and Expense Charts for October 2025

Revenue Charts -October Financial Report

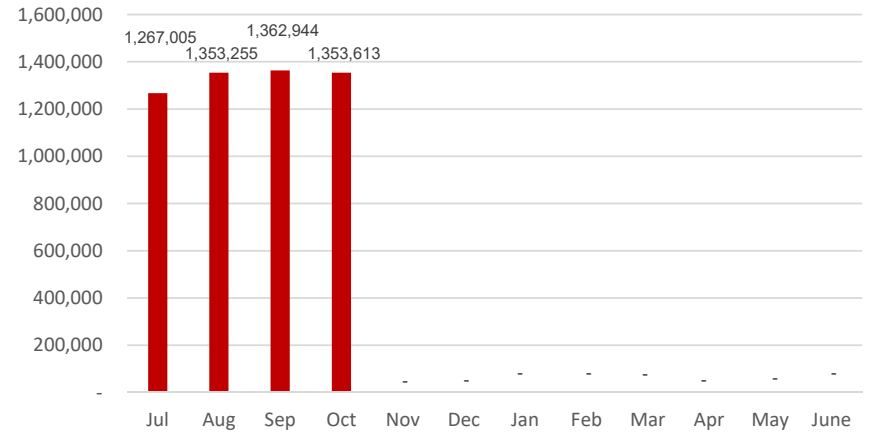
Year to Date Distribution of Revenues



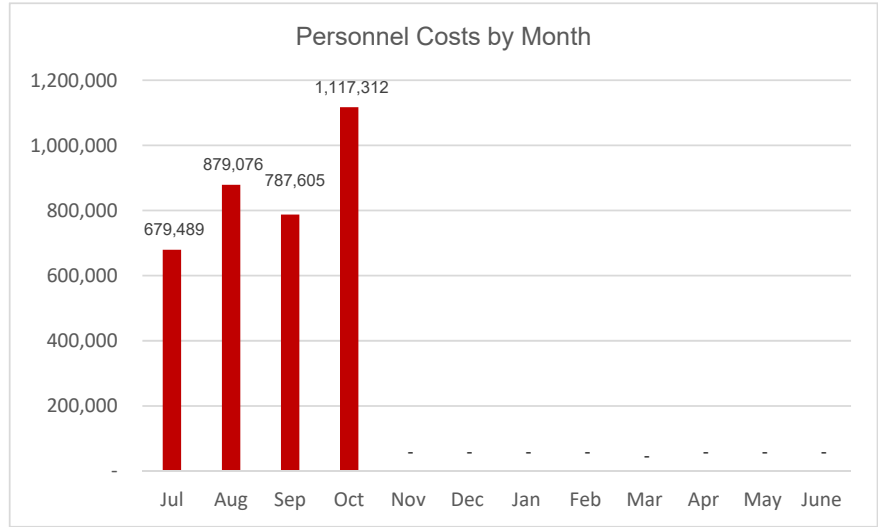
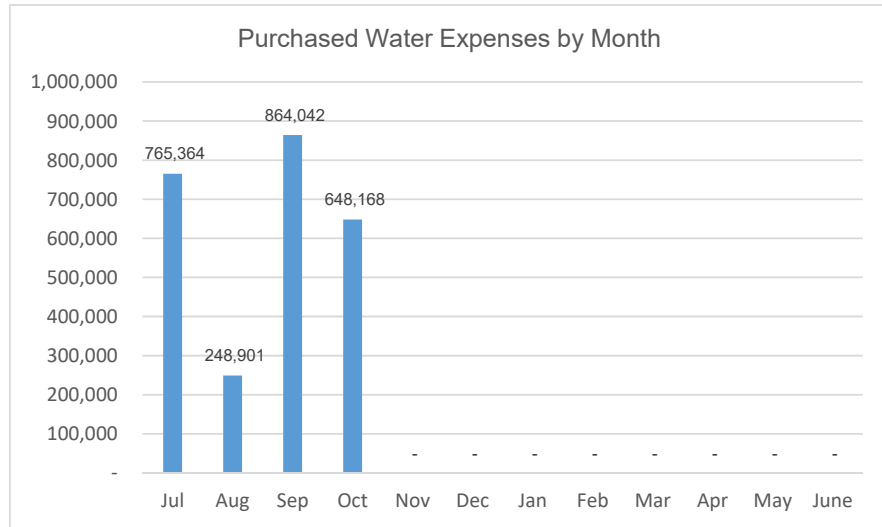
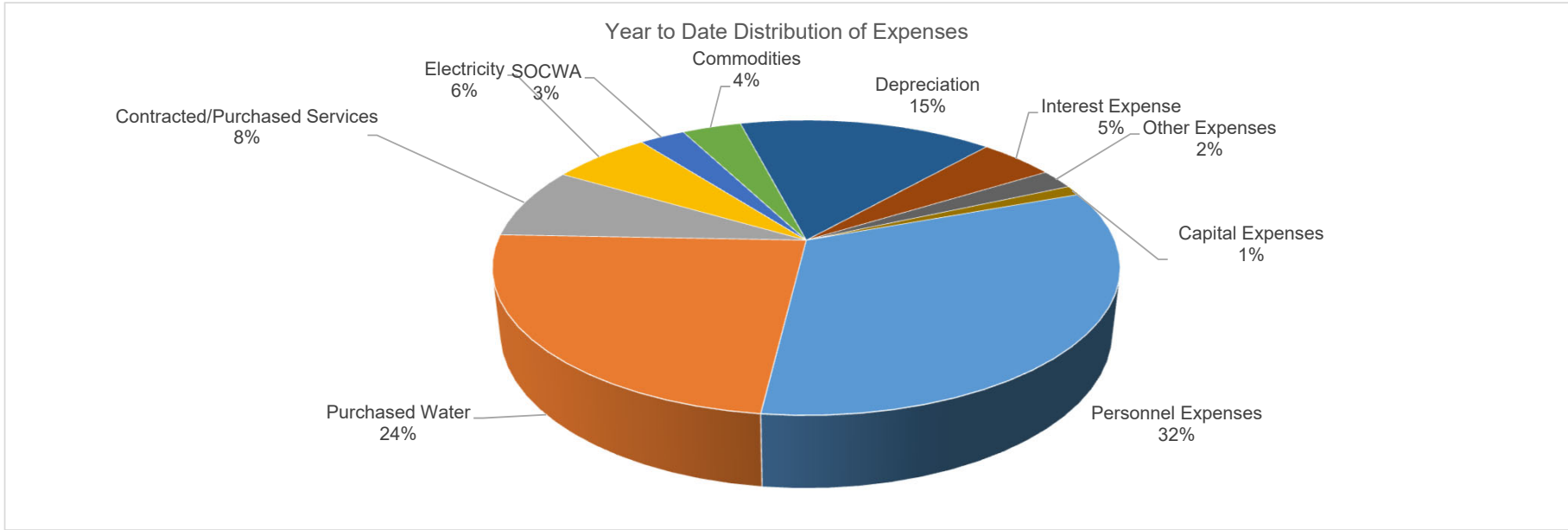
Commodity Charge Revenue by Month



Service Charge Revenue by Month



Expense Chart -October Financial Report



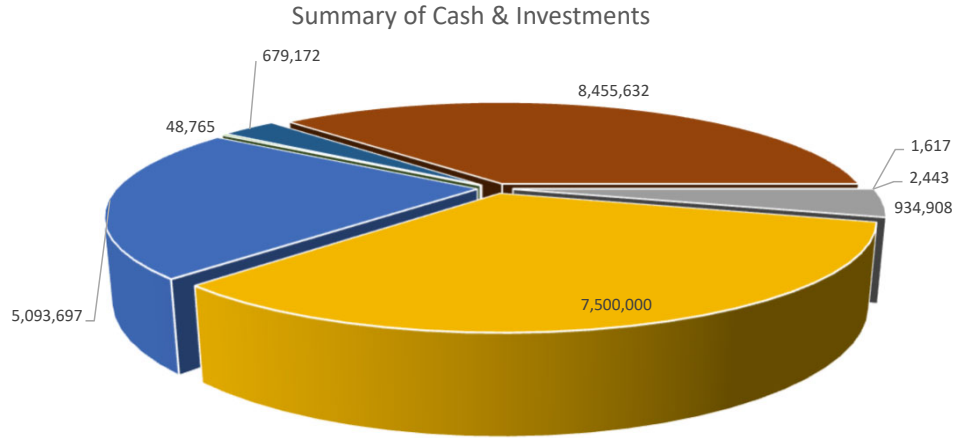
Attachment 6

Summary of Cash & Investments at the end of October 2025

Summary of Cash & Investments
as of October 31, 2025

Summary of Cash & Investments

Cash & Equivalents	
Unrestricted - Cash & Equivalents	8,455,632
Unrestricted - Cash & Equivalents USB	679,172
Restricted - Cash & Equivalents	48,765
Investments	
Government Securities	5,093,697
CAMP -Term	7,500,000
Corporates Bonds/Notes	934,908
Asset Backed Securities	2,443
2022 Bond Money Market	1,617
Total Cash & Investments	22,716,234
Operating Cash & Investments	22,665,852
2022 Bond Proceeds Cash & Investments	1,617
Restricted - Cash & Equivalents	48,765



Cash & Equivalents

	Account Balance	Current Yield
Cash & Equivalents		
Demand Deposit Accounts		
US Bank - Checking Account	679,172	
US - Bank Capital Facilities Fee	48,765	
US Bank - 2022 Bond Proceeds/Interest/Principal	1,617	
Petty Cash	700	
Money Market Accounts		
US Bank - Money Market Account		
CAMP Money Market	2,188,539	
LAIF Money Market	6,266,393	
Total Cash & Equivalents	9,185,186	

Investments

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity
Governmental Securities									
United States Treasury Bond									
US Treasury N/B - AA+	1,045,201	1,050,000	(4,799)	1,053,010	7,809	4.625%	4.90%	6/12/2024	3/15/2026
US Treasury N/B - AA+	1,026,744	1,050,000	(23,256)	1,048,944	22,200	3.625%	4.84%	6/12/2024	5/15/2026
US Treasury N/B - AA+	466,543	500,000	(33,457)	495,220	28,677	2.125%	4.20%	11/30/2022	5/31/2026
US Treasury N/B - AA+	464,531	500,000	(35,469)	491,114	26,582	2.250%	4.10%	11/30/2022	2/15/2027
US Treasury N/B - AA+	480,273	500,000	(19,727)	497,012	16,738	3.250%	4.25%	2/22/2023	6/30/2027
US Treasury N/B - AA+	502,500	500,000	2,500	504,707	2,207	4.125%	4.01%	11/30/2022	9/30/2027
US Treasury N/B - AA+	497,930	500,000	(2,070)	504,707	6,777	4.125%	4.22%	2/22/2023	9/30/2027
US Treasury N/B - AA+	485,332	500,000	(14,668)	498,985	13,652	3.500%	4.16%	2/22/2023	1/31/2028
United States Treasury Bond - Totals	4,969,055	5,100,000	(130,945)	5,093,697	124,642				

	Investments (Continue)								
	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity 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)	5,093,697	124,642				
Corporate Notes									
Morgan Stanley Corp Notes	126,939	130,000	(3,062)	129,912	2,974	3.875%	5.41%	6/12/2024	1/27/2026
Goldman Sachs Group Inc Corp Note Call	126,585	130,000	(3,415)	129,921	3,336	3.750%	5.38%	6/12/2024	2/25/2026
Caterpillar Finl Service Corp Notes	99,911	100,000	(89)	100,310	399	5.050%	5.11%	6/11/2024	2/27/2026
United Healthcare Group Inc Corp Notes	125,597	130,000	(4,403)	129,562	3,965	3.100%	5.14%	6/12/2024	3/15/2026
JPMorgan Chase & Co (Callable)	145,148	150,000	(4,853)	149,524	4,377	3.300%	5.20%	6/12/2024	4/1/2026
Bank of America Corp Notes	125,806	130,000	(4,194)	129,678	3,872	3.500%	5.35%	6/12/2024	4/19/2026
Toyota Motor Credit Corp Notes	130,074	130,000	74	130,788	714	5.200%	5.17%	6/12/2024	5/15/2026
American Express Co (Callable)	34,952	35,000	(48)	35,213	261	4.351%	4.39%	7/25/2025	7/20/2029
Corporate Bonds - Total Balances	915,011	935,000	(19,989)	934,908	19,897				

	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									
TAOT 2022 - AAA	27	27	-	27	(0)	2.930%	2.93%	4/7/2022	9/15/2026
Carmx 2022 - AAA	1,085	1,085	(0)	1,084	(0)	3.490%	3.49%	4/21/2028	2/16/2027
GMCAR 2022 - AAA	1,332	1,333	(0)	1,332	(1)	3.100%	3.10%	4/5/2022	2/16/2027
Corporate Bonds - Total Balances	2,444	2,444	(0)	2,443	(1)				

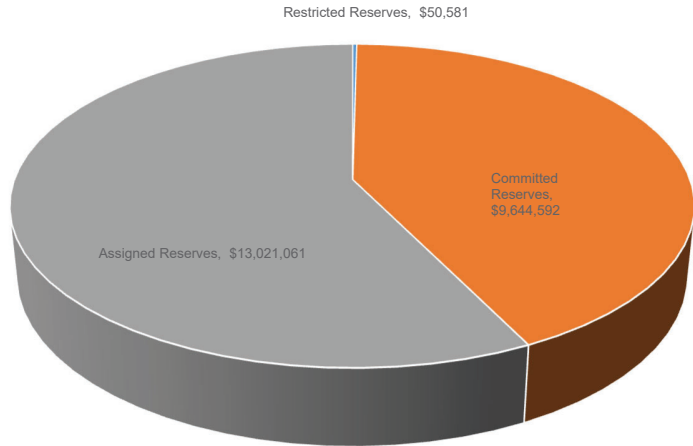
Attachment 7

Cash Reserve Balances for October 2025

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

	Cash Reserve Balances	Reserve Targets
Reconciled Cash Balance	\$ 22,716,234	
Restricted Reserves		
2022 Revenue Bonds Fund	1,617	-
Capital Facilities Charge Reserve	48,964	-
Sub Total Restricted Reserve	50,581	-
Committed Reserves		
Capital Construction Reserve	3,000,000	3,000,000
Rate Stabilization Reserve	2,400,000	2,400,000
Operational Continuity Reserve	2,400,000	2,400,000
Working Capital Reserve (1)	1,844,592	2,400,000
Sub Total Committed Reserves	9,644,592	10,200,000
Assigned Reserves		
CIP Reserves		
Capital Carryover	3,602,056	-
Accumulated Capital Reserve	626,470	-
CIP - Revenue Bond Unrestricted Reserve	6,081,656	-
SOCWA Capital Projects	3,627,694	-
Recycled Water Capital / Debt Service	71,982	-
Capital Plan Working Capital Reserve	2,363,963	-
Sub Total CIP Reserves	16,373,821	-
Water Supply Program Reserves		
Tiered Conservation Fund	(2,096,760)	-
Reverse Cyclic Water Purchase Program	(1,256,000)	
Sub Total Assigned Reserves	13,021,061	
Total Cash Reserves	22,716,234	
Adjusted Cash Reserves⁽²⁾	22,665,653	10,200,000

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.

(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.

Attachment 8
Capital Project Expense Report through October 2025

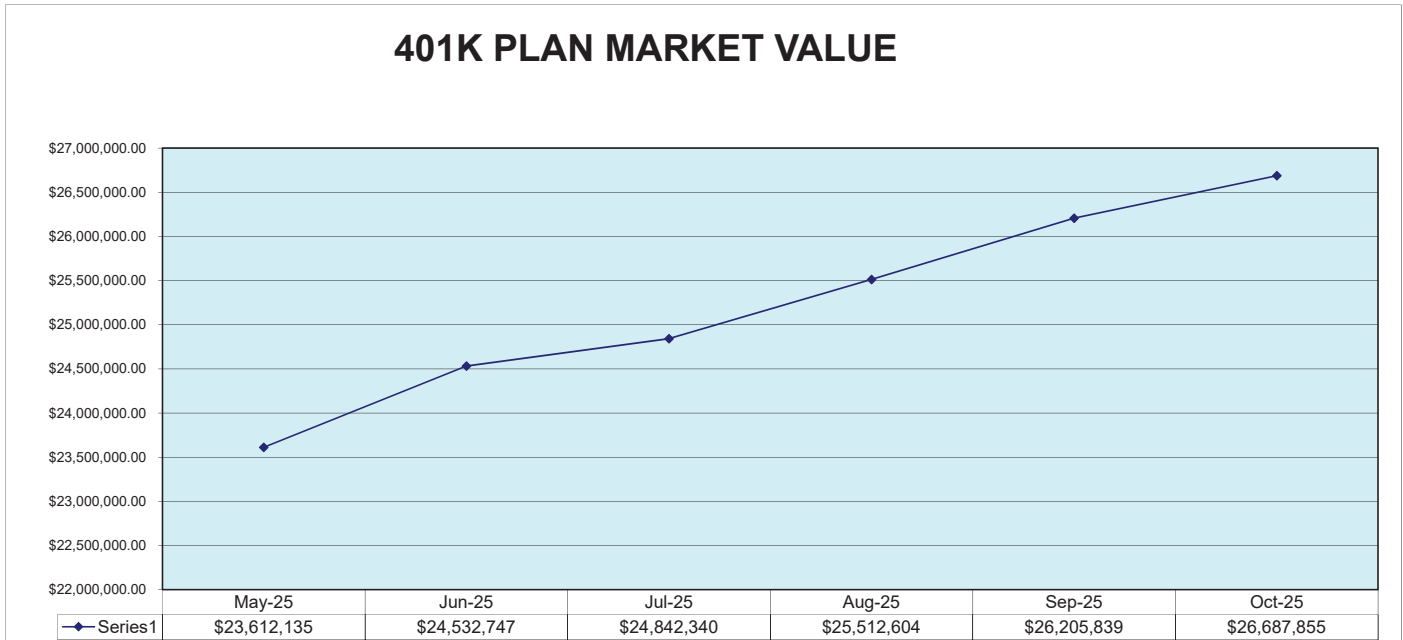
2025-2026 Capital Program Budget Information

PM Task Code	Account	2025 - 2026 Expenses												YTD Total	Budget Remaining	
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
CAP-0014 Scum Station/Clarifiers 3 & 4	40-000-15020				12,740.00										12,740.00	67,260.00
CAP-0050 Alscot PLC Upgrade/Water	40-000-15010		1,324.54	(10,131.18)											(8,806.64)	39,806.64
CAP-0051 Sewer PLC Upgrade	40-750-66230														-	31,000.00
CAP-0052 Water Station HMI Rplmnt	40-720-66120														-	10,000.00
CAP-0053 Sewer Station HMI Rplmnt	40-750-66230														-	10,000.00
CAP-0067 Influent Pump Station Isolation Gate Actuator Replacement	40-750-66230														-	-
CAP-0069 Remittance Processing Equipment Update	40-810-66120														-	-
CAP-0070 Documentation Replacement / Corporate Intranet Development	40-820-55100			6,225.00											6,225.00	(6,225.00)
CAP-0074 Puller Cable	40-800-66120				5,818.50										5,818.50	(5,818.50)
CAP-0075 OOPS HVAC Replacement	40-000-15020			14,592.00											14,592.00	(14,592.00)
CAP-0076 R-5 Reservoir PLC Upgrade	40-000-15010			10,131.18											10,131.18	(10,131.18)
Contingency	TBD														-	-
GEN-0112 New Warehouse	40-000-15040														-	-
GEN-0119 Main Office Warehouse Improvements	40-000-15040			85,295.50	121,000.00										206,295.50	(206,295.50)
GEN-0120 Main PR Hydro Turbine															-	-
RCE-0011 Baker Water Treatment Plant Capital Fund	40-710-66120		4,932.74												4,932.74	51,267.26
RCE-0013 JRWSS Capital Budget	40-710-66120			110.96											110.96	24,324.04
RCE-0015 SOCWA Capital Expenses	40-000-15020		36,646.32												36,646.32	133,924.68
RES-0016 Moulton/EI Toro Cathodic Protection Repair	40-000-15010				2,540.00										2,540.00	215,460.00
RES-0019 R-4 Reservoir RMS Mixer Replacement	40-000-15010			45,125.00											45,125.00	(45,125.00)
RES-0020 R-6 Reservoir SCE Meter Box Replacement at Seepage and In	40-000-15010														-	-
RES-0021 R-6 Reservoir Southern Slope Stabilization	40-000-15010			11,120.03	(6,116.02)										5,004.01	494,995.99
RES-0022 R-6 Reservoir Rehabilitation	40-000-15010														-	194,000.00
RES-0023 PRV-19 Rehabilitation	40-000-15010														-	20,000.00
SLS-0115 Aliso Creek Pump Rehab 932-115	40-000-15020		924.00	5,598.25	6,605.75										13,128.00	(13,128.00)
SLS-0120 Freeway Electrical Equip Repl	40-000-15020		96,371.85												96,371.85	(96,371.85)
SLS-0121 Westline Main Switchboard Replacement	40-000-15020			5,282.40	779.22										6,061.62	106,938.38
SLS-0122 Westline Generator Unit 213 Replacement	40-000-15020														-	-
SLS-0123 4920 Lift Station Pump Replace	40-000-15020														-	25,000.00
SLS-0124 Freeway Lift Station Survey	40-000-15020						3,710.00								3,710.00	(3,710.00)
SLS-0125 Northline Lift Station Flow Meter	40-000-15020														-	-
SLS-0126 Aliso Creek VFD Replacement	40-000-15020														-	-
SPS-0050 Asset Management Study 31-050	40-840-55110			21,270.00	36,465.00										57,735.00	28,265.00
SPS-0051 Technology Master Plan	40-820-55110			500.00											500.00	(500.00)
SPS-0053 System Arc Flash Coord Study	40-840-55110														-	-
SPS-0055 Orange County Cross Connection Policy Handbook	40-710-55100														-	-
SPS-0056 Website Redesign, Hosting, and Maintenance Services	40-820-55100				18,000.00										18,000.00	(18,000.00)
SPS-0059 Potable Reuse Implementation	40-710-55100														-	-
SPS-0060 Energy Consulting Services	40-840-55110														-	-
SPS-0062 Radio Communications Conversion from Cellular	40-000-15040														-	70,000.00
TBD General Studies Fund	TBD														-	30,000.00
TCP-0009 WEROC Radios	40-000-15040														-	24,000.00
TCP-0010 Satellite Phones	40-820-66120														-	5,000.00
TCP-0011 Cyber Security Improvements	40-820-55100														-	15,000.00
VEH-0014 Solids Hauling Trailer	40-000-15020				197,845.83										197,845.83	109,154.17
VEH-TBD Vehicle Purchases	TBD														-	64,000.00
WPS-0095 P-3 Pump Station Rehab	40-000-15010														-	-
WPS-0099 P-1 Battery Project	40-000-15010		2,166.41												2,166.41	897,833.59
WPS-0100 Shandoah BS Pump & Motor	40-000-15010														-	198,000.00
WPS-0101 P-3 Motor Replacement	40-000-15010														-	15,000.00
WPS-0102 P-1 Chlorine Tank Replacement	40-000-15010														-	22,000.00
WRP-0134 Hach WIMS Implementation Proje	40-000-15020														-	-
WRP-0137 Tertiary Disinfection Optimization Project	40-000-15030				18,247.71										18,247.71	129,752.29
WRP-0142 Headworks and Secondary Clarifier No. 1 Rehabilitation	40-000-15020		8,648.50	21,509.00											30,157.50	4,754,842.50
WRP-0143 New Turbo Blower	40-000-15020		25,508.91	4,342.33	2,192.71										32,043.95	(32,043.95)
WRP-0144 OOPS MCC and Valve Rehabilitation Project	40-000-15020														-	-
WRP-0147 DAF No 1 MCC Replacement	40-000-15020			27,759.00	(7,199.00)										20,560.00	(20,560.00)
WRP-0149 ETM Trail Bridge Mitigation Project	40-000-15020														-	-
WRP-0150 IPS Check Valve Replacement	40-000-15020														-	-
WRP-0151 Secondary Clarifier No. 3 and 4 Drive Replacement	40-000-15020		25,047.50	1,037.06	60,883.00										86,967.56	(86,967.56)
WRP-0152 OOPS Motor Rehabilitation	40-000-15020		25,930.04												25,930.04	(25,930.04)
WRP-0154 OOPS Battery Project	40-000-15020		2,166.40												2,166.40	(2,166.40)
WRP-0155 Regional ETM Reliability and Resilience Project	40-000-15020														-	-
WRP-0156 DAF No. 2 Transformer Replacement Project	40-000-15020			7,199.00											7,199.00	(7,199.00)
Gross project cost excludes labor		0.00	257,426.21	240,255.24	462,463.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	960,145.44	7,192,060.56

Attachment 9
Interim Report on 401k Plan Holdings
As of October 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
Balance at October 31, 2025	\$3,198,559.75	\$4,091,401.40	\$3,150,267.48	\$3,972,046.34	\$6,527,278.45	\$498,885.00	\$5,249,416.49

Disrict 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.

Investments	Beginning Balance	Contributions	Withdrawals	Interest, Dividends and Appreciation Net of Fees & Charges	Ending Balance
American Beacon AHL Mgd Futs Strat A	769,032.41	5,140.54	0.00	(24,214.72)	749,958.23
Cohen & Steers Instl Realty Shares	925,702.18	6,952.80	0.00	(12,478.17)	920,176.81
Columbia Contrarian Core Instl 3	2,063,075.07	17,822.88	0.00	50,889.92	2,131,787.87
DFA Large Cap International I	1,363,751.93	11,531.65	0.00	14,382.34	1,389,665.92
Dodge & Cox Income - I	3,625,632.17	24,768.35	0.00	32,812.61	3,683,213.13
Dodge & Cox International Stock - I	319,978.72	3,061.18	0.00	(1,207.53)	321,832.37
Dodge & Cox Stock - I	1,103,261.65	9,565.19	0.00	(6,185.45)	1,106,641.39
DoubleLine Core Fixed Income R6	3,617,774.80	24,777.60	0.00	29,605.67	3,672,158.07
Emerald Growth Institutional	491,677.18	4,487.75	0.00	16,935.13	513,100.06
Guaranteed Income Fund	792,763.00	5,441.58	0.00	8,064.89	806,269.47
Harbor Capital Appreciation Retirement	1,007,025.68	9,574.35	0.00	40,146.80	1,056,746.83
Lazard Global Listed Infrac Port Inst	518,750.39	4,449.27	0.00	22,223.39	545,423.05
Macquarie Small Cap Core R6	732,768.43	5,821.52	0.00	(3,874.97)	734,714.98
MFS International Growth R6	308,709.44	2,759.88	0.00	2,879.48	314,348.80
PGIM Total Return Bond R6	1,854,812.61	12,661.15	0.00	15,493.67	1,882,967.43
PIMCO Income Instl	365,933.75	2,702.10	0.00	4,805.01	373,440.86
PIMCO RAE US Instl	1,146,753.24	9,565.19	0.00	4,456.18	1,160,774.61
Undiscovered Mgrs Behavioral Value R6	437,647.56	4,237.55	0.00	(10,867.42)	431,017.69
Vanguard Emerging Mkts Stock Idx Adm	607,662.46	5,959.67	0.00	3,486.38	617,108.51
Vanguard Growth & Income Adm	2,074,087.15	18,375.84	0.00	48,937.39	2,141,400.38
Vanguard Growth Index Adm	888,827.67	9,199.66	0.00	29,207.61	927,234.94
Vanguard Long-Term Investment-Grade Adm	921,318.23	7,169.72	0.00	8,902.81	937,390.76
Vanguard Mid Cap Index Fund - Admiral	268,893.00	2,888.20	0.00	(1,298.45)	270,482.75
Grand Total	26,205,838.72	208,913.62	0.00	273,102.57	26,687,854.91



STAFF REPORT

To: BOARD OF DIRECTORS **Meeting Date:** November 24, 2025

From: Vishav Sharma, Chief Financial Officer

Subject: Revised Annual Comprehensive Financial Report for the Fiscal
Year ended June 30, 2025

Attached for your review and approval is the *Revised Annual Comprehensive Financial Report (ACFR)* for the Fiscal Year ended June 30, 2025.

During a review, staff identified an error in the supplemental information section on **page 55**, where an amount was not updated and distributed correctly between unrestricted commodity supply charge and restricted recycled water charge as intended. This discrepancy has now been corrected.

Information updated on page 55

Operating Revenues	Previously Reported	Corrected Amount
Commodity supply charge Unrestricted	\$10,292,134	\$9,895,388
Restricted – Recycled Water	520,566	917,312
Recycled Consumption sales	<u>2,001,571</u>	<u>2,001,571</u>
Total Commodity Supply Charges	12,814,271	12,814,271

Important Note:

- The correction is limited solely to the supplemental information on page 55.
- There are no changes to the audited financial statements, audit opinion, or any other part of the report.
- The overall audit results and conclusions remain fully accurate and unchanged.

Recommended Action:

Staff recommend that the Board of Directors receive and file the updated District's Comprehensive Financial Statements for the Fiscal Year ended June 30, 2025.

Attachments:

- **Attachment 1:** Revised Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2025



Lake Forest, California

EL TORO WATER DISTRICT
Annual Comprehensive Financial Report
With Report on Audit By Independent
Certified Public Accountants
For the Year Ended June 30, 2025

Prepared by: El Toro Water District
Finance Department

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INTRODUCTORY SECTION



El Toro Water District

"A District of Distinction"

Serving the Public - Respecting the Environment

Board of Directors

Mike Gaskins *President*

Kathryn Freshley
Vice President

Kay Havens
Director

Wyatt McClean
Director

Mark Monin
Director

General Manager
Dennis P. Cafferty

October 14, 2025

To the Board of Directors and Citizens of The El Toro Water District

Submitted for your review and consideration is the Annual Comprehensive Financial Report (ACFR) for the El Toro Water District (the "District"), for the fiscal year ended June 30, 2025 (FY 2024-25). California Statute requires special purpose governments to publish a complete set of financial statements within 180 days of the close of each fiscal year. The enclosed FY 2025 ACFR is issued by the District to comply with this requirement and to enable the District Board and District residents, customers and stakeholders to obtain a comprehensive understanding of the District's finances.

The financial statements included in this report depict the District's financial position and the changes in that financial position as of June 30, 2025. The Statements are presented in conformity with Generally Accepted Accounting Principles (GAAP) and have been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. Responsibility for the accuracy of the data presented, as well as the completeness and fairness of the presentation, including disclosures, rests with the El Toro Water District. District staff believes the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and changes in financial position of the District. Incorporated into the financial statements are all disclosures necessary to enable the reader to gain a maximum understanding of the District's financial affairs.

The District's financial statements have been audited by LSL, LLP, a firm of licensed certified public accountants experienced in auditing special purpose governments in California. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District are free of material misstatements. The independent audit consisted of examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based on these audit procedures, the independent auditor concluded there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2025 are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board Statement Number 34 requires the District to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A is found immediately following the report of the independent auditors.

P.O. Box 4000 | Laguna Hills, CA 92654-4000
Phone 949.837.7050 | Fax 949.837.7092
www.etwd.com

El Toro Water District

Profile of the El Toro Water District

The El Toro Water District was formed in 1960 and serves approximately 51,800 residents of five municipalities located in southern Orange County. The District is a fully integrated water, sewer, and recycled water retail operation with a service area that includes the entirety of the City of Laguna Woods and portions of the Cities of Aliso Viejo, Laguna Hills, Lake Forest, and Mission Viejo. The District's service area includes 5,430 acres or approximately 8.48 square miles.

The District is governed by a Board of Directors consisting of five board members who are elected by the registered voters within District boundaries. The Board of Directors establishes policy and makes decisions based on the District's mission, goals, and strategic plan. The Board's policies are administered and implemented by the General Manager, who is appointed by the Board. Public elections are held every two years and Directors serve four-year staggered terms to ensure continuity.

The District Board takes its responsibilities as sound fiscal stewards seriously. Every quarter the District has an Agreed Upon Procedure (AUP) performed by the District's auditors to focus in detail on an aspect of internal controls. Each AUP focuses on different internal control risk areas. Additionally, in the event of a rate increase, the District prepares a full cost of service analysis to determine the fairness, justification and adequacy of its rates for the next fiscal year.

The District is very proud to have been awarded the District of Distinction Award by the Special District Leadership Foundation in each accreditation cycle since 2007, a testament to the responsible leadership that has been a long-standing tradition at the District. The District achieved the Platinum level of the District of Distinction Award during the fiscal year 2024-25.

Significant Accomplishments during Fiscal Year 2024-25

During each budget cycle the District Board participates in a goal setting discussion for the purpose of establishing or redefining key financial goals and objectives for the upcoming budget year. District Staff utilizes the established budget goals and objectives to guide operations and spending throughout each fiscal year. The achievements in the 2024-25 fiscal year were a result of the goals and objectives established by the Board during the annual budget process and are described below:

General Accomplishments

- The District successfully recruited and transitioned an Operator position, ensuring seamless operations.
- The District continued its transition to a new Enterprise Resource Planning software system to integrate multiple stand-alone software systems into one District wide financial system. The migration to a new utility billing module was completed during the fiscal year 2024-25. A new bank reconciliation module was also implemented during the fiscal year 2024-25.
- The District continued to make investments in infrastructure improvements, technology and security in order to provide uninterrupted, safe and reliable service to its customers.
- The District staff attended various community events on water conservation, sewer safety, and recycled water use; expanded presence at local community events.

Financial Management

- Continued the District's commitment to superb financial management practices as demonstrated by the receipt of the Certificate of Achievement for Excellence in Financial Reporting for the FY 2024 Annual Comprehensive Financial Report, a national recognition of the District's financial reporting by the Government Finance Officers Association (GFOA) of the United States.

El Toro Water District

- The District completed a Cost of Service Study to fairly define potable water and recycled water usage rates and operations and maintenance charges.
- The District also continued its commitment to fiscal discipline by approving a budget for the 2025-2026 fiscal year that is balanced and includes funding for several significant capital projects.

Infrastructure Improvements

- The District completed construction on a \$2.4 million new Warehouse at its Main Pressure Reducing (MPR) Station.
- The District completed design on a \$10.4 million project to upgrade the Headworks and Secondary Clarifier No. 1 processes at the Water Recycling Plant (WRP).
- The District completed construction on a \$1 million Grit Chamber Rehabilitation project.
- The District replaced the Turbo Blower at the WRP.
- The District rehabilitated the WRP generator radiator.
- The District expanded the tertiary disinfection system through the addition of several cloth media disks.
- The District replaced the Cherry Booster Station pumps and motors.
- The District started designing the Aliso Creek Lift Station Rehabilitation Project.
- The District purchased a new valve turning truck.

Significant Future Initiatives

The District is committed to providing high quality services to its customers while also maintaining the infrastructure needed to provide those services. The challenge the District faces in the future is setting rates that are acceptable to residents but also provide sufficient resources to maintain service levels and complete critical capital projects that are needed to provide high quality services. The District's initiatives and significant projects in the forthcoming fiscal year are detailed below:

- A significant project that will start construction in the 2025-26 fiscal year is the Headworks and Secondary Clarifier No. 1 Rehabilitation project, which will revitalize aging equipment, improve operations, and enhance seismic resiliency for critical treatment processes at the WRP.
- Additional electrical system upgrades at the Freeway Lift Station, Ocean Outfall Pump Station, Westline Lift Station, and DAF No. 1 will be implemented in the 2025-2026 fiscal year to improve safety and extend the life of this critical infrastructure.
- The District has completed its Water and Sewer Master Plan Update as well as the Pump Station and WRP Asset Management Plans. Future planning efforts include updating the District's Computerized Maintenance Management System and establishing formal asset management plans for the collection and distribution systems.

El Toro Water District

Financial Management

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from it, and (2) the valuation of costs and benefits requires estimates and judgments by management. The Board and District staff continue to evaluate the District's internal control framework to determine if improvements are attainable and implement feasible recommendations.

Strategic Planning

In 2020 the District created a new 5-Year Strategic Plan to guide the District in the coming years. The Strategic Plan was developed through a collaborative process with the Board of Directors, management and staff. The Strategic Plan was designed to support the District's vision: "Maintaining excellence in water, sewer, and recycled water services". This vision was intended be accomplished by fulfilling the mission of ETWD to provide its customers with safe, adequate, and reliable water, sewer, and recycled water services in an environmentally and economically responsible manner. Six goals were established to accomplish the mission and achieve the vision. The management team then developed strategies, objectives, and key performance indicators for each of the goals. The draft plan was presented to the Board and, following revisions, finalized on November 9, 2020. During the 2024-25 fiscal year the Board and staff began planning for a new Strategic Plan cycle. A contract was issued to a planning consultant and preliminary work commenced with detailed interviews of Board members and staff. Staff anticipate presenting a draft Strategic Plan document to the Board in the second quarter of the 2025-26 fiscal year.

Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The development of the operating and the capital budgets are guided by the Ten-Year Cash Flow and the Ten-Year Capital Improvement Program. The operating and capital budgets serve as the foundation for the District's financial planning and control of District operations and enterprise functions. The District reports its water, wastewater, and recycled water services as a single enterprise fund. On a monthly basis, a budget comparison report is submitted to the Board to provide a year-to-date comparison of the revenues and expenses against the adopted budget, and a capital improvement program progress report is submitted to the Board to provide the status of current capital improvement projects. The budget and reporting processes of the District are consistent with the accrual basis of accounting and financial reporting.

Cash Reserve Policy

The main objective of the Cash Reserve Policy is to set target levels for cash reserves to establish a relationship between current and anticipated future risks. The District's Board of Directors reviews the Cash Reserve Policy periodically and sets reserve levels to make sure adequate reserves are maintained in anticipation of future risk. The Board receives monthly updates on the status of the adopted reserve targets.

El Toro Water District

Investment Policy

The Board of Directors annually reviews the Investment Policy to ensure it conforms to State law, District ordinances and resolutions, and prudent money management standards. The objectives of the Investment Policy are safety, liquidity and yield, in that order. District funds are invested in the State Treasurer's Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP), U.S. treasury obligations, government sponsored entities securities, and institutional savings and checking accounts.

Service Rates and District Revenues

District policy requires that revenues derived from user charges from District customers must support all District operations including capital project funding. Accordingly, water and wastewater rates are reviewed annually to ensure they are sufficient to support the District's operations. Water and wastewater rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water rates are composed of a commodity (usage) charge and fixed charges including an O&M charge and a capital charge. Similarly, wastewater rates are composed of an O&M charge and a capital charge.

Audit and Financial Reporting

State Law and Bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Lance, Soll & Lunghard, LLP, LLP has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Awards and Acknowledgements

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the El Toro Water District for its ACFR for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards, Generally Accepted Accounting Principles (GAAP), and applicable legal requirements. A Certificate of Achievement is valid for one year only. The El Toro Water District has received a Certificate of Achievement for seven consecutive years.


Acknowledgements. Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the El Toro Water District's fiscal policies.

Respectfully submitted,



Dennis Cafferty

General Manager



Vishav Sharma

Chief Financial Officer



EL TORO WATER DISTRICT
SERVING THE PUBLIC - RESPECTING THE ENVIRONMENT

List of Principal Officials

Board of Directors

Mike Gaskins, President

Kathryn Freshley, Vice President

Kay Havens, Director

Wyatt McClean, Director

Mark Monin, Director

District Management

Dennis P. Cafferty, General Manager

Vishav R. Sharma, Chief Financial Officer

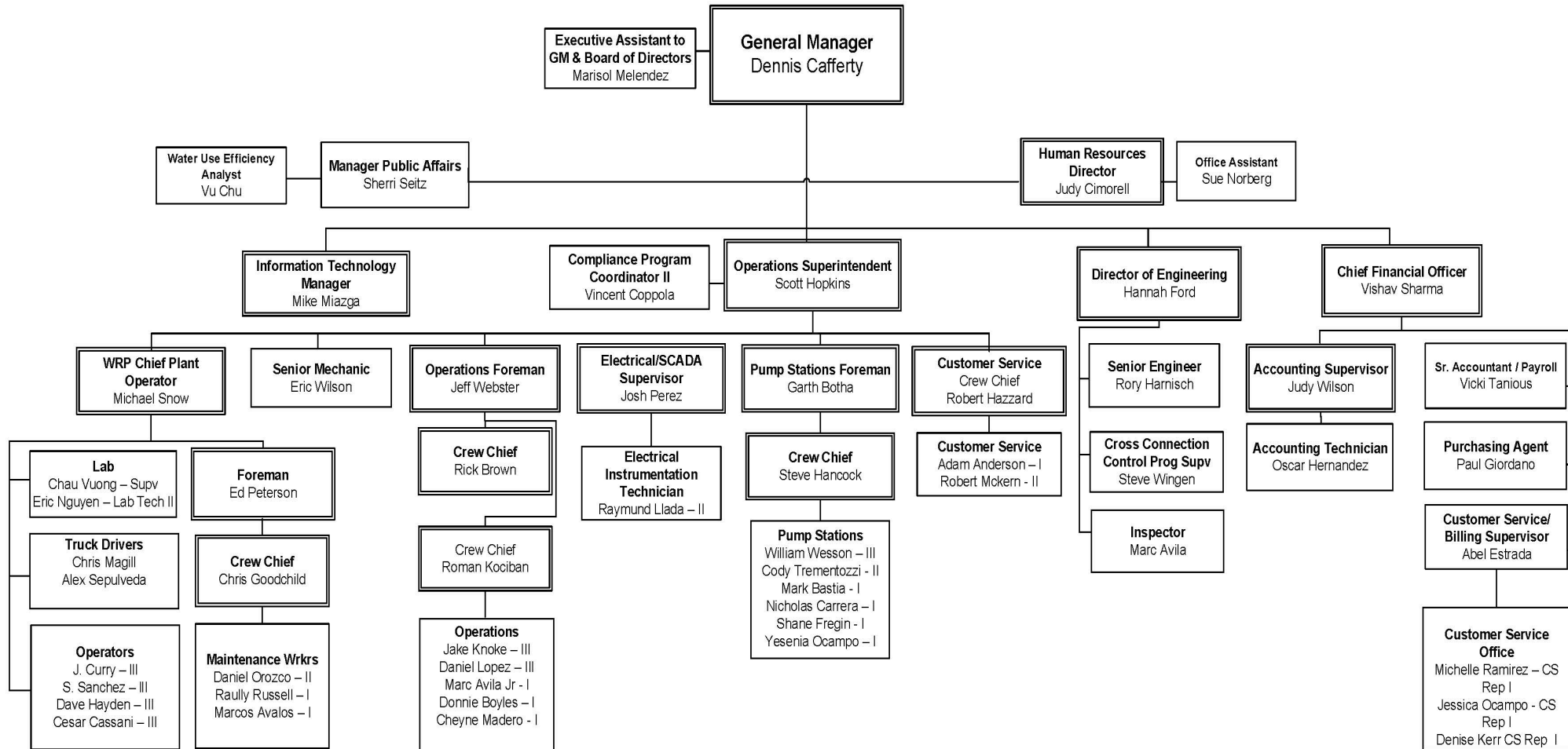
Hannah Ford, Director of Engineering

Judy Cimorell, Director of Human Resources

Michael Miazga, Information Technology Manager



EL TORO WATER DISTRICT 2024 / 2025 ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**El Toro Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To Board of Directors
El Toro Water District
Lake Forest, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the El Toro Water District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To Board of Directors
El Toro Water District

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's Minimum Standards for California Special Districts will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's Minimum Standards for California Special Districts, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of changes in the total other postemployment benefit (OPEB) liability and related ratios, as listed on the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To Board of Directors
El Toro Water District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules of revenue and expense by category are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California

October 14, 2025

EL TORO WATER DISTRICT
Management's Discussion and Analysis (Unaudited)
Financial Highlights For the Year Ended June 30, 2025

**EL TORO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

This Section of the El Toro Water District (the "District") Annual Comprehensive Financial Report (ACFR) presents Management's Discussion and Analysis (MD&A) of the District's financial performance during the fiscal year ended June 30, 2025 (FY 2025). We encourage readers to consider the information presented in this section of the ACFR in conjunction with the basic financial statements and related notes, which follow the MD&A.

Financial Highlights

- **Net Position:** The District's net position increased by \$2,466,371 (3.78%), from \$65,194,389 as of June 30, 2024, to \$67,660,760 as of June 30, 2025. This growth was primarily driven by reimbursements from Moulton Niguel Water District (MNWD) for South Orange County Wastewater Authority (SOCWA) plant capacity charges. The District anticipates two additional annual payments from MNWD. Investment income also grew significantly.
- **Operating Revenues:** Operating revenues rose by \$4,716,540 (16.45%), from \$28,671,429 in FY 2024 to \$33,387,969 in FY 2025. The increase reflects higher commodity supply charges, service and capital replacement charge rates, and improved water demand due to favorable weather during Winter/Spring 2024–2025. Non-operating revenues also increased by \$1,531,526 (58.22%), largely from MNWD reimbursements and higher investment income.
- **Expenses:** Total operating and non-operating expenses decreased by \$220,309 (0.62%), from \$35,387,525 in FY 2024 to \$35,167,216 in FY 2025. Operating expenses increased by \$1,332,954 (4.13%) due to higher General & Administrative, Operations, and Water Supply costs. However, non-operating expenses declined by \$1,553,263 (49.97%), reflecting reduced interest costs and the absence of prior-year losses on asset retirements.
- **Interest Expense:** Interest expenses related to the District's outstanding debt decreased due to scheduled principal payments on the 2022 Revenue Bonds and the Sunflower bank loan.
- **Lease:** In FY 2025, the District refined its approach to lease term estimates under GASB Statement No. 87. Instead of recognizing only the non-cancelable portion, the District now includes renewal options that are reasonably expected to be exercised. This change provides a more accurate reflection of expected lease activity and related inflows (see Note 7).
- **Capital Contributions:** Capital contributions decreased by \$5,372,738 compared to FY 2024, primarily due to the completion of the R-6 Cover Liner Project, which had received outside contributions. No additional contributions from this project are expected in future years.

Required Financial Statements

This annual report consists of a series of financial statements, including the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These Statements provide information about the activities and performance of the District and are prepared in accordance with the accrual basis of accounting, similar to the accounting methods used by private sector companies. Incorporated into the Statements are the Notes to the Financial Statements which provide detailed information about the accounting methods and estimates used to prepare the Statements. The report also includes other supplementary information that provides additional details about the El Toro Water District.

- The Statement of Net Position depicts the District's financial position as of June 30, 2025 and includes all of the assets and liabilities of the District. The Net Position of the District is the difference between its assets plus deferred outflows of resources and its liabilities and deferred inflows of resources. The Net Position of the District is classified into three components, net investment in capital assets, restricted, and unrestricted. The Statement of Net Position can be used to evaluate the District's capital structure and assess the liquidity and financial flexibility of the District.

**EL TORO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

- The Statement of Revenues, Expenses and Changes in Net Position accounts for all of the revenues and expenses of the District during the fiscal year ended June 30, 2025. The statement measures the financial result of the District's operations during the fiscal year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges.
- The Statement of Cash Flows provides information about changes in the District's cash balance during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operating activities, non-capital and related financing activities, capital and related financing activities, and investing activities. The Statement illustrates the sources of cash, the uses of cash, and the change in the cash balance during the reporting period.
- The Notes to the Financial Statements provide additional information that is essential to achieving a full understanding of the data provided in the financial statements.
- The required supplementary information provides information about the District's progress in funding its obligation to provide Other Post-Employment Benefits to employees.
- The other supplementary information section provides additional detail about the District's revenues and expenses for FY 2024 and FY 2025.

Financial Analysis of the District

The following pages present financial information in condensed schedules from the Statement of Net Position and the Statement of Changes in Revenues, Expenses, and Changes in Net Position.

These two statements report the District's Net Position and changes in the Net Position. The District's net position, the difference between its assets and liabilities is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards also need to be considered when assessing the District's financial position.

Condensed Statement of Net Position

Net Position is the primary indicator of the District's financial position. The Condensed Schedule of Net Position presented below provides an overview of the District's Net Position for fiscal years 2024 and 2025 and presents amount and percent changes in Net Position. The District's total Net Position was \$67,660,760 at the end of FY 2025, an increase of \$2,466,371 from the \$65,194,389 at the end of FY 2024. In FY 2025, total assets and deferred outflows of resources increased by \$3,138,476 (2.21%), total liabilities decreased by \$1,418,034 (-2.10%) and deferred inflows of resources increased \$2,090,139 or 26%, and the result of these changes was an increase of \$2,466,371 in Net Position.

**EL TORO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

Condensed Statements of Net Position

	FY 2024	FY 2025	\$ Change	% Change
Assets				
Current Assets	\$ 29,256,118	\$ 29,397,421	141,303	0.48 %
Restricted Assets	2,972	1,444	(1,528)	(51.41)%
Non-current Assets - Leases Receivable	168,271	4,012,747	3,844,476	2,284.69 %
Non-current Assets - Capital Assets Net	110,364,386	110,081,528	(282,858)	(0.26)%
Total Assets	139,791,747	143,493,140	3,701,393	2.65 %
Deferred Outflows of Resources:				
Deferred OPEB Outflow	2,480,241	1,917,324	(562,917)	(22.70)%
Total Deferred Outflows of Resources	2,480,241	1,917,324	(562,917)	(22.70)%
Total Assets & Deferred Outflows	\$142,271,988	\$145,410,464	\$ 3,138,476	2.21 %
Liabilities				
Current Liabilities	\$ 5,485,488	\$ 6,578,328	\$ 1,092,840	19.92 %
Non-current Liabilities	63,553,984	61,043,110	(2,510,874)	(3.95)%
Total Liabilities	69,039,472	67,621,438	(1,418,034)	(2.05)%
Deferred Inflows of Resources				
Deferred Amounts from OPEB	8,038,127	10,128,266	2,090,139	26.00 %
Total Deferred Inflows of Resources	8,038,127	10,128,266	2,090,139	26.00 %
Net Position				
Net Investment in Capital Assets	57,428,761	59,349,999	1,921,238	3.35 %
Restricted	-	1,444	1,444	- %
Unrestricted	7,765,628	8,309,317	543,689	7.00 %
Total Net Position	65,194,389	67,660,760	2,466,371	3.78 %
Total Liabilities, Deferred Inflows, and Net Position	\$142,271,988	\$145,410,464	\$ 3,138,476	2.21 %

The largest portion of the District's net position \$59,349,999 as of June 30, 2025 reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire the assets that remains outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending. During FY 2024 and FY 2025, the District made significant investment in capital project during the fiscal year.

At the end of FY 2024 and FY 2025, the District's Unrestricted Net Position equaled \$7,765,628 and \$8,310,761, respectively, an increase of \$545,133 (7.02%) during FY 2025. This portion of Net Position is available to fund current and future operations. The Unrestricted Net Position is essentially that portion of Net Position that remains after the Net Investment in Capital Assets and the Restricted Net Position are subtracted from the total Net Position (Assets minus Liabilities).

**EL TORO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

Condensed Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position depicts how the District's net position changed during the fiscal year. Net Position increased by \$2,466,371 in FY 2025, from \$65,194,389 at the beginning of the year to \$67,660,760 at the end of the year.

Condensed Statement of Revenues, Expenses, and Change in Net Position

	FY 2024	FY 2025	Increase/(Decrease)	
			\$ Change	% Change
Revenues				
Operating Revenues	\$ 28,671,429	\$ 33,387,969	\$ 4,716,540	16.45 %
Non-operating Revenues	2,630,572	4,162,098	1,531,526	58.22 %
Total Revenues	31,302,001	37,550,067	6,248,066	19.96 %
Expenses				
Operations Expenses	26,988,877	28,311,625	1,322,748	4.90 %
Other Operating Expenses	151,607	196,432	44,825	29.57 %
Depreciation & Amortization	5,138,831	5,104,212	(34,619)	(0.67)%
Loss On Sale/retirement Of Asset	1,489,216	-	(1,489,216)	- %
Non-operating Expenses	1,618,994	1,554,947	(64,047)	(3.96)%
Total Expenses	35,387,525	35,167,216	(220,309)	(0.62)%
Net Loss Prior To Capital Contributions	(4,085,524)	2,382,851	6,468,375	(158.32)%
Capital Contributions	5,456,258	83,520	(5,372,738)	(98.47)%
Change In Net Position	1,370,734	2,466,371	1,095,637	79.93 %
Net Position Beginning Of Year	63,823,655	65,194,389	1,370,734	2.15 %
Net Position - Ending	\$ 65,194,389	\$ 67,660,760	2,466,371	3.78 %

The positive change in Net Position can be attributed mainly to the reimbursement from MNWD for SOCWA plant capacity charge, and a significant increase in investment income. The Districts total operating and non-operating revenues increased by \$6,248,066 or 19.96% and the operating expenses also increased by \$1,322,728 or 4.90%. The overall expenses were lower by \$220,309 or -0.62% as there were no losses on the retirement of assets as compared to the FY 2024. This resulted in a net gain for the fiscal year 2025 of \$2,466,371 including capital contribution. Capital contributions were significantly lower than the prior year due to the completion of R-6 Cover project completed in prior year and we are not anticipating more reimbursements or contributions related to the project.

Total Revenues by Major Category:

As depicted in the table below, total revenues inclusive of capital contributions for FY 2025 increased \$875,328 (2.38%) when compared to revenues received in FY 2024. Operating Revenues increased by \$4,716,540 or 16.45% in FY 2025 due to increase in the service rates and the water demand as compared to FY 2024. Non-operating revenues during FY 2025 also increased by \$1,531,526 (58.22%). The main reason for the increase is the reimbursement from MNWD for SOCWA plant capacity charge, and a significant increase in investment income.

**EL TORO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

Capital Contributions decreased \$5,372,738 (-98.47%) as the District received fewer reimbursements during the fiscal year 2025 from partner agencies for the construction of the R-6 Cover and Liner project which completed in FY 2024.

Total Revenues by Major Category

	FY 2024	FY 2025	Increase/(Decrease)	
			\$ Change	% Change
Operating Revenues				
Commodity Supply Charges	\$ 9,582,143	\$ 12,814,271	\$ 3,232,128	33.73 %
Service Charges	14,494,752	14,862,800	368,048	2.54 %
Capital Replacement Charges	4,205,218	5,043,025	837,807	19.92 %
Reimbursement From Others	326,610	514,357	187,747	57.48 %
Miscellaneous Revenues	62,706	153,516	90,810	144.82 %
Total Operating Revenues	28,671,429	33,387,969	4,716,540	16.45 %
Nonoperating Revenues				
Property Taxes	1,246,920	1,308,540	61,620	4.94 %
Grants, Rebates, Reimbursements	16,793	24,016	7,223	43.01 %
Rental Revenue	250,686	548,958	298,272	118.98 %
Investment Income	1,101,123	1,237,335	136,212	12.37 %
Other Non-operating Income	15,050	50,225	35,175	233.72 %
Gain On Sale Of Capital Assets	-	993,024	993,024	- %
Total Non-operating Revenues	2,630,572	4,162,098	1,531,526	58.22 %
Capital Contributions	5,456,258	83,520	(5,372,738)	(98.47)%
Total Revenue	\$36,758,259	\$37,633,587	\$ 875,328	2.38 %

**EL TORO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

Total Expense by Major Category

In FY 2025, Operating Expenses increased 4.13%, from \$32,279,315 in FY 2024 to \$33,612,269 in FY 2025. The increase was caused by increases in General & Administrative, Operations, and source of supply/water purchased for distribution expense categories. These increases were offset by decreases in depreciation expense. The increases in General & Administrative and Operations were primarily caused by inflationary forces as many of the District's expenses increased in FY 2024 and FY 2025. In addition, Operations includes certain Operating Capital Expenses, that are below the District's capitalization policy limit of \$25,000. The decrease in Depreciation & Amortization occurred as a result of investments in Capital Assets in FY 2025 due to some assets becoming fully depreciated in prior year. The increase in Source of Supply was caused by an increase in Water Purchases as the District's water sales increased. The increase in Other Operating Expenses was caused by changes in retiree health insurance expense and OPEB Charges.

Non-operating expenses decreased \$1,553,263 or -49.97% in FY 2025 as compared to FY 2024 mainly due to retirement/sale of asset related to the disposal of old cover of the R-6 Cover and Liner project in the prior year.

Total Expenses by Major Category

	FY 2024	FY 2025	Increase/(Decrease)	
			\$ Change	% Change
Operating Expenses				
General & Administrative	\$ 5,165,909	\$ 5,596,680	\$ 430,771	8.34 %
Source Of Supply	8,732,578	9,467,386	734,808	8.41 %
Operations	13,090,390	13,247,559	157,169	1.20 %
Other Operating Expenses	151,607	196,432	44,825	29.57 %
Depreciation & Amortization	5,138,831	5,104,212	(34,619)	(0.67)%
Total Operating Expense	<u>32,279,315</u>	<u>33,612,269</u>	<u>1,332,954</u>	<u>4.13 %</u>
Non-operating Expenses				
Interest Expense	1,618,994	1,554,947	(64,047)	(3.96)%
Loss On Sale/retirement Of Asset	1,489,216	-	(1,489,216)	- %
Total Non-operating Expenses	<u>3,108,210</u>	<u>1,554,947</u>	<u>(1,553,263)</u>	<u>(49.97)%</u>
Total Expenses	<u>\$ 35,387,525</u>	<u>\$ 35,167,216</u>	<u>\$ (220,309)</u>	<u>(0.62)%</u>

**EL TORO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

Capital Assets

The Net Investment in Capital balances were as follows:

Capital Assets				
	FY 2024	FY 2025	\$ Change	% Change
Capital Assets				
Non-depreciable Assets	\$ 12,368,546	\$ 14,483,965	\$ 2,115,419	17.10 %
Depreciable Assets	194,719,662	197,311,470	2,591,808	1.33 %
Accumulated Depreciation	(96,723,822)	(101,713,907)	(4,990,085)	5.16 %
Total Capital Assets, Net	\$ 110,364,386	\$ 110,081,528	\$ (282,858)	(0.26)%

At the end of fiscal years 2024 and 2025, the District's investment in capital assets amounted to \$110,364,386 and \$110,081,528 (net of accumulated depreciation), respectively. The investment in capital assets includes land, transmission and distribution systems, buildings, equipment, vehicles and construction-in-process. During the year, the District added \$2,115,419 worth of non-depreciable assets mainly construction-in-progress during the year. The District also added \$2,591,808, net of disposals, worth of depreciable assets such as pumps, transmission and distribution and general plant assets. The accumulated depreciation was more than the assets added during the year, resulted in a lower value of the total net capital assets compared to the prior year by \$282,858. Please refer to Note 3 capital assets for further information.

Debt Administration

Long-term debt balances were as follows:

Summary of Outstanding Debt

	FY 2024	FY 2025	Increase/(Decrease)	
			\$ Change	% Change
Debt Payable				
Baker Water Treatment Plant	\$ 6,770,673	\$ 6,296,301	\$ (474,372)	(7.01)%
2022 Revenue Bonds	38,420,000	36,970,000	(1,450,000)	(3.77)%
2022 Revenue Bonds - Premium	7,574,132	7,041,580	(532,552)	(7.03)%
Total long-term debt	\$52,764,805	\$50,307,881	\$(2,456,924)	(4.66)%

The District engaged in significant debt activities in FY 2022 when the 2022 Revenue Bonds were issued in March, 2022. A portion of the proceeds were used to refinance the various State Revolving Fund (SRF) loans the District had used to complete capital improvement projects since 2010 and therefore those loans were paid off in FY 2022. Another portion of the proceeds will be used in future years to complete several significant capital improvement projects. No significant debt activities occurred in FY 2025, the District continued paying the Baker Water Treatment Plant loan and the 2022 Revenue Bonds.

At the end of FY 2025, total outstanding debt including premium on 2022 Revenue bond issue is \$50,307,881. This debt includes a loan balance of \$6,296,301 from Sunflower bank, related to the Baker Water Treatment Plant.

See Note 4 for further information on the long-term liabilities.

**EL TORO WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present and future.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact El Toro Water District at 24251 Los Alisos Boulevard, Lake Forest, California.

BASIC FINANCIAL STATEMENTS

EL TORO WATER DISTRICT
Statement of Net Position
June 30, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,401,981
Investments	20,630,141
Receivables (Net of Uncollectibles):	
Accounts Receivables	4,555,768
Accounts Receivables - Grants	186,443
Interest	59,421
Taxes	12,973
Lease	116,065
Materials and Supply Inventory	803,289
Prepaid Expenses	375,340
Water Inventory	1,256,000
Cash and Cash Equivalents, Restricted	1,444
Total Current Assets	29,398,865

Noncurrent:

Lease Receivable	4,012,747
Capital Assets:	
Nondepreciable	14,483,965
Depreciable, Net of Accumulated Depreciation	95,597,563
Total Noncurrent Assets	114,094,275

Total Assets

143,493,140

DEFERRED OUTFLOWS OF RESOURCES

OPEB-Related Deferred Outflows of Resources	1,917,324
Total Deferred Outflows of Resources	1,917,324

LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Expenses	3,450,141
Accrued Salaries and Related Payables	191,358
Customer Deposits	65,653
Accrued Interest Payable	150,929
Long-Term Liabilities - Due Within One Year:	
Compensated Absences	241,796
Total Other Post Employment Benefit Liability	464,374
Bonds Payable	1,525,000
Loans Payable	489,077
Total Current Liabilities	6,578,328

Noncurrent Liabilities:

Long-Term Liabilities - Due in More Than One Year	
Compensated Absences	1,562,867
Total Other Post Employment Benefits Liability	11,186,439
Bonds Payable	42,486,580
Loans Payable	5,807,224
Total Noncurrent Liabilities	61,043,110

Total Liabilities

67,621,438

DEFERRED INFLOWS OF RESOURCES

Deferred Amounts from Leases	3,648,223
Deferred Amounts from OPEB	6,480,043
Total Deferred Inflows of Resources	10,128,266

NET POSITION

Net Investment in Capital Assets	59,349,999
Restricted	1,444
Unrestricted	8,309,317
Total Net Position	\$ 67,660,760

EL TORO WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

OPERATING REVENUES

Commodity Supply Charges	\$ 12,814,271
Service Charges	14,862,800
Capital Replacement Charges	5,043,025
Reimbursement from Others	514,357
Miscellaneous Revenue	153,516

Total Operating Revenues	33,387,969
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OPERATING EXPENSES

General & Administrative	5,596,680
Source of Supply	9,467,386
Operations	13,247,559
Other Operating Expense	196,432
Depreciation	5,104,212

Total Operating Expenses	33,612,269
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Operating Income (Loss)	(224,300)
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NONOPERATING REVENUES (EXPENSES)

Property Taxes	1,308,540
Grants, Rebates, Reimbursements	24,016
Rental Revenue	548,958
Gain on Sale of Capital Assets	993,024
Investment Income	1,237,335
Interest Expense	(1,554,947)
Nonoperating Revenue	50,225

Total Nonoperating Revenues (Expenses)	2,607,151
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Income (Loss) Before Capital Contributions and Transfers	2,382,851
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Capital Contributions

Capacity Fees	83,520
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Total Capital Contributions	83,520
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Change in Net Position	2,466,371
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Net Position-beginning	65,194,389
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Net Position-ending	\$ 67,660,760
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EL TORO WATER DISTRICT
Statement of Cash Flows
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers for Water Sales and Services	\$ 33,270,780
Payments to Suppliers for Operations	(23,849,312)
Payments to Employees for Salaries and Wages	(5,727,768)

Net Cash Provided By (Used For)

Operating Activities	3,693,700
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from Property Taxes	1,309,600
Receipts from Other Governments	408,980

Net Cash Provided By (Used For)

Noncapital Financing Activities	1,718,580
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants and Contributions	157,761
Acquisition of Capital Assets, Net	(4,821,354)
Repayment of Long-Term Debt	(1,924,372)
Interest Payments	(2,093,541)
Proceeds from Sales of Assets	993,024

Net Cash Provided By (Used For)

Capital and Related Financing Activities	(7,688,482)
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CASH FLOWS FROM INVESTING ACTIVITIES

Cash Receipts from Interest and Dividends	1,271,118
Lease Principal Received	105,098

Net Cash Provided By (Used For)

Investing Activities	1,376,216
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Net Increase (Decrease) In

Cash and Cash Equivalents	(899,986)
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Cash and Cash Equivalents- Beginning	22,933,552
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Cash and Cash Equivalents- Ending	\$ 22,033,566
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EL TORO WATER DISTRICT
Statement of Cash Flows
For the Year Ended June 30, 2025

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED BY
OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (224,300)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:	
Depreciation Expense	5,104,212
(Increase) in Accounts Receivable	(105,101)
(Increase) in Inventories	(1,364,924)
(Increase) in Prepaid Expenses	(102,447)
Decrease in Deferred Outflows - OPEB	562,917
Increase in Accounts Payable and Accrued Expenses	529,436
Increase in Accrued Salaries and Related Payables	21,975
(Decrease) in Deposits	(12,088)
Increase in Compensated Absences	111,429
Increase in Total OPEB Liability	394,180
Increase in Deferred Inflows - OPEB	(1,221,589)
Total Adjustments	3,918,000

Net Cash Provided By (Used For)

Operating Activities **\$ 3,693,700**

NONCASH CAPITAL AND FINANCING ACTIVITIES

Amortization on Bond Discount/(Premium) \$ (532,552)

Notes to The Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Operations of the Reporting Entity

El Toro Water District (the District) was organized in September 1960, under provisions of the California Water District Act (Sections 34000 et seq. of the Water Code of the state of California). The District is governed by a Board of Directors made up of five members elected by qualified voters in the District. The purpose of the District is to finance, construct, operate, and maintain a water and wastewater system to serve properties within the District's boundaries.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of accounting principles generally accepted in the United States of America (U.S. GAAP). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable for a component unit that has substantively the same governing body as the District's governing body, and additionally, (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government has operational responsibility for the activities of the component unit.

The El Toro Water District Financing Authority (the Authority) was organized on January 24, 2022, pursuant to the Joint Exercise Powers Act, of the state of California (Code 6500 et seq. (the JPA Act) solely for the purpose of assisting the District in financing and refinancing capital improvement projects of the District and in financing working capital for the District. The Authority, an entity legally separate from the District, is governed by substantially all the board members of the District and has an agreement with the District for the receipt of revenues to pay debt service on behalf of the District. As a result of these two factors, the Authority is a blended component unit of the District. The Authority does not issue separate financial statements.

B. Basis Financial Statements

The basic financial statements are composed of the statements of net position, the statements of revenues, expenses, and changes in net position, the statements of cash flows, and the notes to the basic financial statements.

C. Basis of Presentation

The accounts of the District are that of an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Operating Revenues and Expenses

Operating revenues, such as charges for services (commodity supply charges, service charges, capital replacement charges, reimbursement from others and miscellaneous revenue) result from exchange transactions associated with the principal activity of the District. Operating expenses include the costs of providing water and related services (source of supply, operations), general and administrative, other operating expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Cash and Cash Equivalents

Substantially all the District's cash is invested in interest-bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash and cash equivalents.

G. Investments and Investment Policy

The District has adopted an investment policy directing the District's General Manager or Chief Financial Officer to invest, reinvest, sell, or exchange securities. Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

H. Investments and Investment Policy

Amounts shown as restricted assets have been restricted by either debt indenture, by law, or contractual obligations to be used for specified purposes, such as servicing debt and/or construction of capital assets.

I. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management deems all accounts receivable as collectible at year-end. Management evaluates all accounts receivable and if it is determined that they are uncollectible, they are written off as bad debt expense. No charges were made to bad debt expense for the year ended June 30, 2025.

J. Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

K. Materials and Supplies Inventory

Materials and supplies inventory consist of expendable supplies and are valued at cost using first-in, first-out basis.

L. Property Taxes

The Orange County Assessor's office assesses all real and personal property within the county each year. The Orange County Tax Collector's office bills and collects the District's share of property taxes. The Orange County Auditor-Controller's office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at 1 % of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the County of Orange that have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lien Date	January 1
Levy Date	July 1
Due Dates	First Installment - November 1 Second Installment - February 10
Collection Dates	First Installment - December 11 Second Installment - April 11

M. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$25,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Building	25 to 40 Years
Vehicles	5 to 25 Years
Office Furniture and Equipment	5 to 10 Years
Computer Software	5 to 10 Years
Land Improvements	20 to 50 Years

Water Facilities:

Reservoir	100 Years
Transmission and Distribution	20 to 60 Years
Filtration Plant	30 to 40 Years
Other Plant and Equipment	5 to 15 Years

Sanitation Facilities:

Collection and Transmission	15 to 50 Years
Treatment and Disposal Plant	15 to 30 Years
Other Plant and Equipment	5 to 15 Years

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflows related to other postemployment benefit (OPEB) for an amount equal to employer payment of benefits made after the measurement date of the total OPEB liability.
- Deferred outflows related to OPEB for differences between expected and actual experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the plan.
- Deferred outflows related to OPEB for changes of assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with benefits through the plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Deferred inflows related to OPEB for differences between expected and actual experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the plan.
- Deferred inflows related to OPEB for changes of assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with benefits through the plan.
- Deferred inflow related to leases, this amount is deferred and recognized as an inflow of resources based on the payment provisions in the contracts.

O. Compensated Absences

The District's policy is to permit employees hired prior to July 1, 1997, to accumulate earned vacation for up to a total of 160 hours and employees hired after July 1, 1997, to accumulate earned vacation for up to a total of 240 hours. The District requires employees to take a minimum of 50% of the total hours accrued of vacation each calendar year. If the employee is still not able to reduce the total accrued vacation hours below the maximum, then the amounts exceeding the limit are paid out as part of the employee's current regular compensation at the calendar year-end.

The District's sick leave policy is to permit employees to accumulate sick leave for up to a total of 960 hours. At the end of each calendar year, any amounts exceeding the limit will be transferred to vacation time for employees hired prior to July 1, 1997, using a factor of 5% times the number of complete years and capped at 100%. All hours over the maximum will be paid out at 50% to those hired after July 1, 1997, at the employee's current regular compensation rate.

P. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Unrestricted Net Position - This amount is all net position that does not meet the definition of net investment in capital assets or restricted net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

Q. Water Sales and Sewer Services

Water sales and sewer services are billed on a monthly cyclical basis; respective revenues are recognized when they are earned.

R. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

S. Leases

The District is a lessor for noncancellable leases of land. The District recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

T. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The assumptions also include disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

U. New GASB Pronouncements Effective during Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncement was effective for and implemented for the fiscal year ended June 30, 2025:

GASB Statement No. 101, Compensated Absences

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

NOTE 2 - CASH AND CASH INVESTMENTS

Cash and investments

At June 30, 2025, cash and investments were classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	\$	1,401,981
Investments		20,630,141
Restricted - Cash and Cash Equivalents		1,444
Total cash and investments	\$	22,033,566

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2 - CASH AND CASH INVESTMENTS (CONTINUED)

At June 30, 2025, cash and investments consisted of the following:

Cash on hand	\$	700
Deposits with financial institutions		1,402,725
Investments		20,630,141
Total cash and investments	<u>\$</u>	<u>22,033,566</u>

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
State or Local Agency Bonds	5 years	10%	None
U.S. Treasury Obligations	5 years	None	None
Government -Sponsored Agency Securities	5 years	None	None
Corporate Medium-Term Notes	5 years	30%	None
Commercial Paper	270 days	25%	10%
Bankers Acceptance	180 days	15%	None
Negotiable Certificate of Deposit	5 years	30%	None
Non-negotiable Certificate of Deposit	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Money Market Mutual Funds	5 years	10%	None
Collateralized Bank Deposits	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	30 million	None
California Asset Management (CAMP)	N/A	60%	None
Supranationals	5 years	30%	None
Placement Service Deposit	5 years	30%	None

N/A - Not applicable

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the table above.

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2 - CASH AND CASH INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2025.

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 to 24 Months	25 to 60 Months	
U.S. Treasury Obligations	\$ 2,591,201	\$ 983,262	\$ 1,506,387	\$ 5,080,850
Corporate Medium-Term Notes	932,324	-	-	932,324
Asset-Backed Securities	2,748	33,178	-	35,926
LAIF	5,069,771	-	-	5,069,771
CAMP - Money Market	2,011,270	-	-	2,011,270
CAMP - Term	7,500,000	-	-	7,500,000
Total	\$ 18,107,314	\$ 1,016,440	\$ 1,506,387	\$ 20,630,141

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the following table are the minimum ratings required by (where applicable) the California Government Code, the District's investment policy, or debt agreements and the actual Moody's credit rating as of June 30, 2025, for each investment type.

Investment Type	Minimum	Not					Total as of
	Legal Rating	Rated	Aaa	AA	A	BBB	June 30, 2025
U.S. Treasury Obligations	N/A	\$ -	\$ -	\$ 5,080,850	\$ -	\$ -	\$ 5,080,850
Corporate Medium-Term Notes	A	-	-	-	767,949	164,375	932,324
Asset-Backed Securities	AA	2,178	33,748	-	-	-	35,926
LAIF	N/A	5,069,771	-	-	-	-	5,069,771
CAMP - Money Market	N/A	2,011,270	-	-	-	-	2,011,270
CAMP - Term	N/A	-	7,500,000	-	-	-	7,500,000
Total		\$ 7,083,219	\$ 7,533,748	\$ 5,080,850	\$ 767,949	\$ 164,375	\$ 20,630,141

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code with the exception of banker's acceptances, commercial paper, and money market funds, which are limited to an investment in any one issuer of 5%, 5%, and 10%, respectively.

NOTE 2 - CASH AND CASH INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Local Agency Investment Fund (LAIF)).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2025, all of the District's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

Investment in State Investment Pool

The District is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the California State Treasurer. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

Investment in California Asset Management Program

The California Asset Management Program (CAMP) is a public joint powers authority that provides California public agencies with investment management services for surplus funds and comprehensive investment management, accounting, and arbitrage rebate calculation services for proceeds of tax-exempt financings. CAMP currently offers the cash reserve portfolio, a short-term investment portfolio, as a means for public agencies to invest these funds. Public agencies invest in the pool (participants) purchase shares of beneficial interest. Participants may also establish individual, professionally managed investment accounts (individual portfolios) by separate agreement with an investment advisor.

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 2 - CASH AND CASH INVESTMENTS (CONTINUED)

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

Investment Type	Observable Inputs Level 2	Total
U.S. Treasury Obligations	\$ 5,080,850	\$ 5,080,850
Corporate Medium-Term Notes	932,324	932,324
Asset-Backed Securities	35,926	35,926
Total Leveled Investments	<u>\$ 6,049,100</u>	6,049,100
LAIF*		5,069,771
CAMP - Money Market*		2,011,270
CAMP - Term*		7,500,000
Total Investments		<u>\$ 20,630,141</u>

*Not subject to fair value measurement hierarchy.

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3 - CAPITAL ASSETS

Major capital asset additions during the year include upgrades and extensions of the District's water and wastewater pumping, water transmission and distribution systems, and plant facilities in the following schedules.

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital Assets, Not Being Depreciated					
Land, Mineral, and Water Rights	\$ 7,451,586	\$ -	\$ -	\$ -	\$ 7,451,586
Construction in Progress	4,916,960	3,944,770	-	(1,829,351)	7,032,379
Total Capital Assets, Not Being Depreciated	12,368,546	3,944,770	-	(1,829,351)	14,483,965
Capital Assets, Being Depreciated					
Capacity Rights	342,382	-	(114,127)	-	228,255
Source of Supply	15,570,856	-	-	-	15,570,856
Pumping	26,343,776	248,777	-	91,070	26,683,623
Treatment	44,111,772	365,148	-	1,206,423	45,683,343
Transmission and Collection	92,445,468	2,050	-	496,636	92,944,154
General Plant Facilities	15,905,408	260,609	-	35,222	16,201,239
Total Capital Assets, Being Depreciated	194,719,662	876,584	(114,127)	1,829,351	197,311,470
Less Accumulated Depreciation					
Capacity Rights	(273,924)	(6,846)	114,127	-	(166,643)
Source of Supply	(9,356,030)	(297,600)	-	-	(9,653,630)
Pumping	(16,999,838)	(983,766)	-	-	(17,983,604)
Treatment	(35,602,788)	(1,383,545)	-	-	(36,986,333)
Transmission and Collection	(19,976,774)	(1,963,294)	-	-	(21,940,068)
General Plant Facilities	(14,514,468)	(469,161)	-	-	(14,983,629)
Total Accumulated Depreciation	(96,723,822)	(5,104,212)	114,127	-	(101,713,907)
Total Capital Assets, Being Depreciated, Net	97,995,840	(4,227,628)	-	1,829,351	95,597,563
Total Capital Assets, Net	\$ 110,364,386	\$ (282,858)	\$ -	\$ -	\$ 110,081,528

**EL TORO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4 - LONG-TERM LIABILITIES

The following is a summary of long-term liabilities at June 30, 2025:

	Balance June 30, 2024 as restated	Additions	Deletions	Balance June 30, 2025	Amount Due Within One Year	Amount Due More Than One Year
Direct Borrowings:						
Loans Payable:						
Baker Water Treatment Plant - Refinance Loan	\$ 6,770,673	\$ -	\$ 474,372	\$ 6,296,301	\$ 489,077	\$ 5,807,224
Total Loans Payable	6,770,673	-	474,372	6,296,301	489,077	5,807,224
Bonds Payable:						
Revenue Bonds, Series 2022A	38,420,000	-	1,450,000	36,970,000	1,525,000	35,445,000
Premium, Series 2022A	7,574,132	-	532,552	7,041,580	-	7,041,580
Total Bonds Payable	45,994,132	-	1,982,552	44,011,580	1,525,000	42,486,580
Compensated absences*	1,693,234	111,429	-	1,804,663	241,796	1,562,867
Total long-term liabilities	\$ 54,458,039	\$ 111,429	\$ 2,456,924	\$ 52,112,544	\$ 2,255,873	\$ 49,856,671

*Compensated absences change is shown as net change.

Baker Water Treatment Plant Agreement and Direct Borrowing

In December 2013, the District entered into the Baker Water Treatment Plant Agreement, along with five other public entities relating to the Baker treatment plant. In January 2014, the District entered into an installment sale agreement with the Irvine Ranch Water District (IRWD) for the purchase of the District's portion of rights, title, and interest to the capacity not-to-exceed amount of \$12,500,000.

In 2017, the District refinanced IRWD's installment sale agreement with a loan from a financial institution for \$9,715,035 with an interest rate of 3.10%. The loan is scheduled to mature in 2036. Principal and interest are payable annually at the interest rate of 3.10%.

Future annual debt service requirements on the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 489,077	\$ 195,185	\$ 684,262
2027	504,239	180,024	684,263
2028	519,870	164,393	684,263
2029	535,986	148,277	684,263
2030	552,602	131,661	684,263
2031-2035	3,030,839	390,474	3,421,313
2036	663,688	20,574	684,262
Totals	\$ 6,296,301	\$ 1,230,588	\$ 7,526,889

Water and Wastewater Revenue Bonds, Series 2022A

In March 2022, the El Toro Water District Financing Authority issued the Water and Wastewater Revenue Bonds, Series 2022A in the amount of \$40,905,000 to refund the State Revolving Fund Loan 2010 - Northline Lift Station Improvement Project, State Revolving Fund Loan 2013 - Recycled Water Treatment Plan Project, St.

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 4 - LONG-TERM LIABILITIES (CONTINUED)

Future annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,525,000	\$ 1,811,150	\$ 3,336,150
2027	1,600,000	1,734,900	3,334,900
2028	1,680,000	1,654,900	3,334,900
2029	1,765,000	1,570,900	3,335,900
2030	1,850,000	1,482,650	3,332,650
2031-2035	7,600,000	6,189,250	13,789,250
2036-2040	4,570,000	4,666,950	9,236,950
2041-2045	5,685,000	3,554,000	9,239,000
2046-2050	7,260,000	1,982,750	9,242,750
2051-2052	3,435,000	259,750	3,694,750
Totals	<u>\$ 36,970,000</u>	<u>\$ 24,907,200</u>	<u>\$ 61,877,200</u>

NOTE 5 - DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

Additionally, the District offers a 457 deferred compensation plan. In accordance with GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the District has little administrative involvement and does not perform the investing function for the Plan, and the assets and related liabilities are not presented in the accompanying financial statements in accordance with GASB Statement No. 84 and No. 97.

As of February 1, 2016, the District executed an amendment to the Plan authorizing the District (as employer) to match an amount equal to 75% of each participant's total contributions to either 401 (k) or 457 plans, but no more than 10% of their annual compensation. The District contributions can be deposited to the 401 (k) or 457 plans depending on the which account the participant contributes to and if the participant chooses to have their 457 contributions matching funds deposited to their 457 plan account.

In addition, the District contributes an amount equal to 9% of compensation for a Plan year for all qualified participants regardless of whether they are an employee on the last day of the Plan year and regardless of whether they made any salary deferrals to the Plan. Employees are immediately vested in their employer contributions. District contributions to the 401 (k) plan were \$1,201,137 for the year ended June 30, 2025.

**EL TORO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District pays all or a portion of the cost of health insurance for retirees (including prescription drug benefits) under any group plan offered by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) Health Program, subject to certain restrictions as determined by the District. The District's plan is a single-employer defined benefit plan.

Benefits

The District offers postemployment medical benefits to retired employees who satisfy the eligibility rules. Certain spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any medical plan available through the District's ACWA/JPIA Health Program. The contribution requirements of eligible retired employees and the District are established and may be amended by the Board of Directors. There are no assets accumulated in a GASB compliant trust.

Employees Covered

At the June 30, 2024, measurement date, the following current and former employees were covered by the benefit terms:

Inactive members currently receiving benefits	31
Active members	<u>58</u>
Total	<u><u>89</u></u>

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability, measured as of June 30, 2024, was determined using the following actuarial assumptions:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Actuarial Assumptions:	
Discount Rate	3.93%
Projected Salary Increase	2.75% Per Year
Inflation	2.50% Per Year
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study (2%@ 55 Rates for Tier 1, Modified Rates for Tier 2)
Mortality Improvement	Mortality Projected Fully Generational with Scale MP-2021
Medical Trend	
Non-Medicare	8.5% for 2025, Decreasing to 3.45% in 2076
Medicare (Non-Kaiser)	7.5% for 2025, Decreasing to 3.45% in 2076
Medicare (Kaiser)	6.25% for 2025, Decreasing to 3.45% in 2076
Healthcare Participation at Retirement	
Actives	95% Tier 1, 90% Tier 2
Retirees	100%
Spouse Healthcare Participation at Retirement	
Spouse Currently Covered	100% Tier 1, 50% Tier 2
Spouse not Currently Covered	0%
Medical Plan Election at Retirement	Same as Currently Elected

Contribution

The obligation of the District to contribute to the plan is established and may be amended by the Board of Directors. The contribution required to be made is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due) and an implied subsidy determined by an actuary. For the year ended June 30, 2025, the District made payments of \$349,496 for premiums and the implied subsidy was \$114,878, thereby resulting in payments of \$464,374.

Discount Rate

The discount rate used to measure the 2024 total OPEB liability was 3.93%. This discount rate is the Bond Buyer 20-Bond GO index.

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2024:

	Discount Rate 1% Decrease (2.93%)	Current Discount Rate (3.93%)	Discount Rate 1% Increase (4.93%)
Total OPEB liability	\$ 13,261,769	\$ 11,650,813	\$ 10,324,863

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates for the measurement period ended June 30, 2024:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Total OPEB liability	\$ 10,214,359	\$ 11,650,813	\$ 13,417,281

- (a) Non-Medicare - 8.5% for 2025, Decreasing to 3.45% in 2076
- Medicare (Non-Kaiser) - 7.5% for 2025, Decreasing to 3.45% in 2076
- Medicare (Kaiser) - 6.25% for 2025, Decreasing to 3.45% in 2076

Change in Total OPEB liability

A summary of change in the total OPEB liability for the measurement date June 30, 2024 is as follows:

Balance at June 30, 2023 (Measurement Date)	\$ 11,256,633
Changes recognized for the measurement period:	
Service cost	288,374
Interest on total OPEB liability	414,544
Differences between expected and actual experience	485,855
Changes in assumptions	(419,300)
Benefit payments	(375,293)
Net changes during 2023-24	<u>394,180</u>
Balance at June 30, 2024 (Measurement Date)	<u><u>\$ 11,650,813</u></u>

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expenses

For the year ended June 30, 2025, OPEB expense in the amount of \$199,882 is included in the accompanying statement of revenues, expenses, and changes in net position. As of June 30, 2025, the District reported deferred outflows or inflows of resources related to OPEB due to the initial valuation of OPEB under GASB Statement No. 75 as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Contributions subsequent to the measurement date	\$ 464,374	\$ -
Differences between expected and actual experience	419,300	4,951,239
Changes in assumptions	<u>1,033,650</u>	<u>1,528,804</u>
Total	<u>\$ 1,917,324</u>	<u>\$ 6,480,043</u>

The \$464,374 reported as deferred outflows of resources related to OPEB resulting from the District's payments of OPEB benefits subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB for measurement period June 30, 2024 are recognized as OPEB expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
<u> </u>	<u> </u>
2026	\$ (1,010,494)
2027	(1,127,505)
2028	(1,360,700)
2029	(1,383,682)
2030	(149,964)
Thereafter	<u>5,252</u>
Total	<u>\$ (5,027,093)</u>

Changes of Assumptions

The following assumption was changed from the June 30, 2024 actuarial valuation with measurement period ended June 30, 2024: the discount rate was updated from 3.65% to 3.93%.

**EL TORO WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 - LEASES

The District's leases receivable were remeasured as of July 1, 2024 to reflect a change in estimated termination dates. The District has 6 active leases. The leases provide for monthly payments ranging from \$3,083 to \$7,316, and carry interest rates that range from 3.05% to 3.927%, and will mature between January of 2037 and January of 2048. As of June 30, 2025, the total combined value of the leases receivable is \$4,128,812, the total combined value of the short-term leases receivable is \$116,065, and the combined value of the deferred inflows of resources is \$3,648,233.

	Balance			Balance	Due within
	June 30, 2024	Remeasurements	Deletions	June 30, 2025	one year
Cell Tower Lease receivable	<u>\$ 361,011</u>	<u>\$ 3,872,899</u>	<u>\$ (105,098)</u>	<u>\$ 4,128,812</u>	<u>\$ 116,065</u>

Fiscal Year ended June 30,	Principal Payments	Interest Payments	Total Payments
2026	\$ 116,065	\$ 133,958	\$ 250,023
2027	127,628	129,895	257,523
2028	139,926	125,433	265,359
2029	152,771	120,549	273,320
2030	166,298	115,222	281,520
2031-2035	1,028,972	479,309	1,508,281
2036-2040	1,017,066	307,910	1,324,976
2041-2045	1,169,668	123,283	1,292,951
2046-2048	210,418	8,107	218,525
	<u>\$ 4,128,812</u>	<u>\$ 1,543,666</u>	<u>\$ 5,672,478</u>

EL TORO WATER DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the ACWA/JPIA, an intergovernmental risk-sharing joint powers authority created to provide self-insurance programs for California water agencies purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2025, the District participated in the liability and property programs of the ACWA/JPIA as follows:

In addition to the above, the District also has the following insurance coverage:

- General and auto liability and public officials' and employees' errors and omissions: The JPIA pools for the first \$5 million. The JPIA purchases additional excess coverage layers: \$55 million per occurrence for general, auto, and public officials' liability, which increases the limits on the insurance coverage noted above. Additionally, there are lower limits related to terrorism (\$5 million), communicable disease (\$10 million), subsidence (\$45 million), lead (\$45 million), and mold (\$45 million).
- Employee dishonesty coverage of up to \$3,000,000 with a \$1,000 deductible per loss, includes public employee dishonesty, forgery or alteration, and use of computer to transfer covered property coverage.
- Property loss coverage for boiler and machinery is up to \$100,000,000 with a \$25,000 deductible except for turbine or power generation equipment which is \$50,000. Coverage for earthquakes is up to \$2,500,000 in program aggregate, with a deductible of 5% of the total insurable value which is \$59,922,172. Coverage for floods is up to \$25,000,000, with a deductible of \$100,000. Real property has a deductible of \$1,000; the ACWA/JPIA is self-insured for up to \$100,000; excess insurance has been purchased.
- For underground storage tank pollution liability, the District is insured for up to \$3,000,000 with a \$10,000 deductible; the ACWA/JPIA is self-insured for up to \$500,000; excess insurance coverage has been purchased to cover losses up to \$3,000,000.
- Dam failure liability coverage of up to \$9,000,000 million per occurrence; the ACWA/JPIA is self-insured up to \$1,000,000; excess insurance coverage has been purchased.
- Workers' compensation insurance for up to California statutory limits for all workrelated injuries/illnesses covered by California law. The ACWA/JPIA is self-insured for up to \$2.0 million; excess insurance coverage has been purchased with a \$4,000,000 aggregate limit.
- Cyber security coverage is \$5,000,000 per occurrence and \$5,000,000 in aggregate with a deductible up to \$100,000 per occurrence based on annual revenues.
- Fiduciary liability coverage of up to \$3,000,000 with a deductible of \$15,000 for claims resulting from a breach in fiduciary duty associated with its retirement pension plan.

Settled claims have not exceeded any of the coverage amounts for the last three years, and there were no reductions in the District's insurance coverage during the year ended June 30, 2025. Liabilities are recorded when it is probable that a loss has been incurred, and the amount of the loss can be reasonably estimated net of the respective insurance coverage.

There were no incurred but not reported claims payable as of June 30, 2025.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement, or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and capital contributions. The following material construction commitments existed at June 30, 2025:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2025	Remaining Commitments
Headworks and Secondary Clarifiers No. 1	\$ 10,424,200	\$ -	\$ 10,424,200
New Turbo Blower	150,000	142,500	7,500
Main Office Warehouse Improvements	225,000	-	225,000

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition. During the past three fiscal years, there were no settlements or judgments that exceeded insured coverage.

NOTE 10 - SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through October 14, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025, that required recognition or disclosure in these financial statements.

Required Supplementary Information

EL TORO WATER DISTRICT
Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios
As of June 30, For the Last Ten Fiscal Years¹

Fiscal Year	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 288,374	\$ 288,796	\$ 625,561	\$ 598,651
Interest on Total OPEB liability	414,544	395,780	442,766	433,004
Changes of assumptions	(419,300)	(160,615)	(1,818,868)	160,868
Difference between expected and actual experience	485,855	-	(7,913,790)	-
Benefit payments, including refunds of employee contributions	(375,293)	(317,520)	(316,743)	(311,125)
Net change in total OPEB liability	394,180	206,441	(8,981,074)	881,398
Total OPEB liability-beginning	11,256,633	11,050,192	20,031,266	19,149,868
Total OPEB liability-ending (a)	\$ 11,650,813	\$ 11,256,633	\$ 11,050,192	\$ 20,031,266
Covered-employee payroll	\$ 7,241,806	\$ 7,045,939	\$ 6,743,824	\$ 6,174,962
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	160.9 %	159.8 %	163.9 %	324.4 %

Notes to Schedule:

There are no assets accumulated in a trust to pay related benefits for the OPEB plan

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From measurement date of June 30, 2019 to June 30, 2020:

- Discount rate was updated based on municipal bond rate as of the measurement date from 3.5% to 2.21%
- Mortality schedule updated from Scale MP-2018 to Scale MP-2020

From measurement date of June 30, 2020 to June 30, 2021:

- Discount rate was updated based on municipal bond rate as of the measurement date from 2.21% to 2.16%

From measurement date of June 30, 2021 to June 30, 2022:

- Discount rate was updated based on municipal bond rate as of the measurement date from 2.16% to 3.54%
- Mortality improvement scale was updated to Scale MP-2021
- CalPERS 2000-2019 Experience Study was used for demographic assumptions

From measurement date of June 30, 2022 to June 30, 2023:

- Discount rate was updated based on municipal bond rate as of the measurement date from 3.54% to 3.65%

From measurement date of June 30, 2023 to June 30, 2024:

- Discount rate was updated based on municipal bond rate as of the measurement date from 3.65% to 3.93%
- Mortality schedule updated from Scale MP-2020 to Scale MP-2021

¹ Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

EL TORO WATER DISTRICT
Schedule of Changes in the Total OPEB Liability and Related Ratios
As of June 30, For the Last Ten Fiscal Years¹

<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 468,321	\$ 410,098	\$ 267,270	\$ 260,117
600,602	598,626	430,926	409,009
2,875,924	923,090	2,564,813	-
(1,334,563)	-	987,411	-
(304,295)	(292,405)	(237,713)	(228,570)
2,305,989	1,639,409	4,012,707	440,556
16,843,879	15,204,470	11,191,763	10,751,207
<u>\$ 19,149,868</u>	<u>\$ 16,843,879</u>	<u>\$ 15,204,470</u>	<u>\$ 11,191,763</u>
\$ 5,980,908	\$ 5,889,881	\$ 5,709,337	\$ 5,696,461
320.18 %	285.98 %	266.31 %	196.47 %

Supplementary Information

EL TORO WATER DISTRICT
Schedule of Revenue by Category
For the Fiscal Year Ended June 30, 2025

OPERATING REVENUES

Commodity Supply Charges:	
Unrestricted	\$ 9,895,388
Restricted - Recycled Water	917,312
Recycled Consumption Sales	2,001,571
	<hr/>
Total Commodity Supply Charges	12,814,271
 Service Charges:	
Water Service Charges	4,858,280
Wastewater Service Charges	9,537,346
Recycled Service Charges	467,174
	<hr/>
Total Service Charges	14,862,800
 Capital Replacement Charges:	
Water Capital Charges	2,097,194
Wastewater Capital Charges	2,721,283
Recycled Capital Charges	224,548
	<hr/>
Total Capital Replacement Charges	5,043,025
 Reimbursements from Others:	
Recycled Water Rebates	367,850
Shared Facility Charges	146,507
	<hr/>
Total Reimbursements from Others	514,357
 Miscellaneous Revenue	153,516
	<hr/>
Total operating revenues	33,387,969
	<hr/>

NONOPERATING REVENUES

Property Taxes:	
Water System	523,416
Wastewater System	680,441
Recycled Water System	104,683
	<hr/>
Total Property Taxes	1,308,540
 Grants, Rebates, Reimbursements	24,016
Rental Revenue	548,958
Investment Income	1,237,335
Other Nonoperating Revenue	50,225
Gain on Sale of Asset	993,024
	<hr/>
Total nonoperating revenues	4,162,098
	<hr/>
Total Revenue	37,550,067
	<hr/> <hr/>

EL TORO WATER DISTRICT
Schedule of Expenses by Category
For the Fiscal Year Ended June 30, 2025

OPERATING EXPENSES

General & Administrative:	
Administration	\$ 1,231,017
Finance and Risk Management	1,465,800
Human Resources	489,544
Technology Services	820,151
Public Relations Conservation	563,766
Customer Service	1,026,402
	<hr/>
Total General & Administrative	5,596,680
Source of Supply	9,467,386
Operations:	
Engineering	720,058
Operations Support	1,301,780
Fleet Services	618,267
Pumping Operations	1,849,795
Transmission and Distribution	2,623,859
Wastewater Collections	880,727
Treatment Operations	5,253,073
	<hr/>
Total Operations	13,247,559
Other Operating Expenses	196,432
Depreciation & Amortization	5,104,212
	<hr/>
Total operating expenses	33,612,269
	<hr/>
NONOPERATING EXPENSES	
Interest expense	1,554,947
	<hr/>
Total nonoperating expenses	1,554,947
	<hr/>
Total Expenses	\$ 35,167,216
	<hr/> <hr/>

STATISTICAL SECTION

EL TORO WATER DISTRICT
Index to Statistical Section
JUNE 30, 2025

Contents:	Pages:
Financial Trends: these schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time	59
Revenue Capacity: these schedules contain information to help the reader assess the District's most significant local revenue source, the property tax	62
Debt Capacity: these schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future	70
Demographic and Economic Information: these schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place	73
Operating Information: these schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides	76

Financial Trends

**EL TORO WATER DISTRICT
CHANGES IN NET POSITION AND NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Changes in net position:					
Operating revenues ^(see Schedule 2)	\$ 22,516,781	\$ 24,032,874	\$ 25,445,261	\$ 24,663,457	\$ 25,197,330
Operating expenses ^(see Schedule 3)	(23,990,984)	(25,287,726)	(26,859,040)	(26,928,835)	(27,981,030)
Operating income (loss)	<u>(1,474,203)</u>	<u>(1,254,852)</u>	<u>(1,413,779)</u>	<u>(2,265,378)</u>	<u>(2,783,700)</u>
Non-operating revenues (expenses)					
Property Taxes	843,301	888,973	927,672	1,012,576	1,037,335
Rental revenue	172,665	181,491	188,183	204,160	242,187
Gain (Loss) on Sale of Capital Assets ⁽⁷⁾	-	-	-	-	-
Investment Income ⁽¹⁾	147,447	75,113	124,001	500,786	424,110
Interest expense ⁽²⁾	(397,680)	(706,683)	(790,753)	(753,794)	(777,511)
Grants, Rebates, Reimbursements ⁽³⁾	188,701	152,710	59,653	910,351	40,917
Non-operating revenue	-	-	-	-	-
Total non-operating revenues(expenses), net	<u>954,434</u>	<u>591,604</u>	<u>508,756</u>	<u>1,874,079</u>	<u>967,038</u>
Income (Loss) before capital contributions	<u>(519,769)</u>	<u>(663,248)</u>	<u>(905,023)</u>	<u>(391,299)</u>	<u>(1,816,662)</u>
Capital contributions	<u>577,471</u>	<u>85,821</u>	<u>45,853</u>	<u>1,985,903</u>	<u>2,894</u>
Changes in net position	<u>\$ 57,702</u>	<u>\$ (577,427)</u>	<u>\$ (859,170)</u>	<u>\$ 1,594,604</u>	<u>\$ (1,813,768)</u>
Net position by component:					
Net investment in capital assets	\$ 57,306,311	\$ 57,194,565	\$ 60,300,968	\$ 56,355,138	\$ 55,486,027
Restricted:					
Debt Service ⁽⁴⁾	1,602,958	1,602,958	1,602,958	2,012,004	2,270,150
Capital Projects ⁽⁵⁾	577,471	23,081	45,853	64,514	2,895
Total restricted	<u>2,180,429</u>	<u>1,626,039</u>	<u>1,648,811</u>	<u>2,076,518</u>	<u>2,273,045</u>
Unrestricted ⁽⁶⁾	<u>10,047,708</u>	<u>10,136,417</u>	<u>1,008,665</u>	<u>6,121,392</u>	<u>4,980,208</u>
Total net position	<u>\$ 69,534,448</u>	<u>\$ 68,957,021</u>	<u>\$ 62,958,444</u>	<u>\$ 64,553,048</u>	<u>\$ 62,739,280</u>

(1) The increase in Investment Income in FY22/23 was due to higher interest rate of return on short-term LAIF and CAMP investments. The decrease in FY 21/22 was caused by Unrealized Losses in the fair value of

The decrease in FY 21/22 was caused by Unrealized Losses in the fair value of investment holdings due to federal reserve increased the short term interest rate.

(2) The increase in Interest expense reflect a full year of interest payment vs. partial from the 2022 Revenue Bonds .

(3) The increase in FY18/19 was due to a refund from South Orange County Waste Water Authority (SOCWA). In FY22-23 R6 Reservoir Cover & Liner replacement costs reimbursement from Santa Margarita Water \$7.7M, Moulton Niguel Water \$\$762K, San Diego. County \$617K, MWDOC \$231k

(4) The decrease in Restricted for Debt Service in FY 21/22 was due to the elimination of debt service reserve when 2022 Revenue bonds replaced the State loans and the funds were used for other capital expenditures.

(5) The increase in Restricted capital projects in FY 21/22 were the proceeds from the 2022 Revenue Bonds that had not yet been fully expended for capital expenses.

(6) In FY17/18 and FY18/19 a significant variance in Unrestricted Net Position occurred as the District implemented GASB Statement No. 75 to record OPEB liability. In FY22-23 The Districts unrestricted reserves increased due to various grants/rebates/cost reimbursements it received (see 3).

(7) In FY23-24 the loss was attributed to the remaining depreciation of retired R6 Reservoir cover & liner asset.

EL TORO WATER DISTRICT
CHANGES IN NET POSITION AND NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Changes in net position:					
Operating revenues ^(see Schedule 2)	\$ 26,709,979	\$ 27,383,146	\$ 26,410,680	\$ 28,671,429	33,387,969
Operating expenses ^(see Schedule 3)	(29,244,287)	(30,078,960)	(31,297,713)	(32,279,315)	(33,612,269)
Operating income (loss)	<u>(2,534,308)</u>	<u>(2,695,814)</u>	<u>(4,887,033)</u>	<u>(3,607,886)</u>	<u>(224,300)</u>
Non-operating revenues (expenses)		(1,218,753)			
Property Taxes	1,097,589	1,121,250	1,184,149	1,246,920	1,308,540
Rental revenue	236,357	227,227	234,439	250,686	548,958
Gain (Loss) on Sale of Capital Assets ⁽⁷⁾	-	-	-	(1,489,216)	993,024
Investment Income ⁽¹⁾	21,511	(259,747)	795,655	1,101,123	1,237,335
Interest expense ⁽²⁾	(758,339)	(1,072,567)	(1,723,651)	(1,618,994)	(1,554,947)
Grants, Rebates, Reimbursements ⁽³⁾	42,826	323,458	618,262	16,793	24,016
Non-operating revenue	-	-	19,323	15,050	50,225
Total non-operating revenues(expenses), net	<u>639,944</u>	<u>339,621</u>	<u>1,128,177</u>	<u>(477,638)</u>	<u>2,607,151</u>
Income (Loss) before capital contributions	<u>(1,894,364)</u>	<u>(2,356,193)</u>	<u>(3,758,856)</u>	<u>(4,085,524)</u>	<u>2,382,851</u>
Capital contributions	<u>8,708</u>	<u>166,008</u>	<u>8,919,072</u>	<u>5,456,258</u>	<u>83,520</u>
Changes in net position	<u><u>\$ (1,885,656)</u></u>	<u><u>\$ (2,190,185)</u></u>	<u><u>\$ 5,160,216</u></u>	<u><u>\$ 1,370,734</u></u>	<u><u>2,466,371</u></u>
Net position by component:					
Net investment in capital assets	\$ 56,108,404	\$ 30,402,906	\$ 54,968,271	57,428,761	59,349,999
Restricted:					
Debt Service ⁽⁴⁾	2,270,150	-	-	-	-
Capital Projects ⁽⁵⁾	2,895	26,797,887	-	-	-
Total restricted	<u>2,273,045</u>	<u>26,797,887</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted ⁽⁶⁾	<u>2,472,175</u>	<u>1,462,646</u>	<u>8,855,384</u>	<u>7,765,628</u>	<u>8,310,761</u>
Total net position	<u><u>\$ 60,853,624</u></u>	<u><u>\$ 58,663,439</u></u>	<u><u>\$ 63,823,655</u></u>	<u><u>\$ 65,194,389</u></u>	<u><u>67,660,760</u></u>

(1) The increase in Investment Income in FY22/23 was due to higher interest rate of return on short-term LAIF and CAMP investments. The decrease in FY 21/22 was caused by Unrealized Losses in the fair value of

The decrease in FY 21/22 was caused by Unrealized Losses in the fair value of investment holdings due to federal reserve increased the short term interest rate.

(2) The increase in Interest expense reflect a full year of interest payment vs. partial from the 2022 Revenue Bonds .

(3) The increase in FY18/19 was due to a refund from South Orange County Waste Water Authority (SOCWA). In FY22-23 R6 Reservoir Cover & Liner replacement costs reimbursement from Santa Margarita Water \$7.7M, Moulton Niguel Water \$5762K, San Diego. County \$617K, MWDOC \$231k

(4) The decrease in Restricted for Debt Service in FY 21/22 was due to the elimination of debt service reserve when 2022 Revenue bonds replaced the State loans and the funds were used for other capital expenditures.

(5) The increase in Restricted capital projects in FY 21/22 were the proceeds from the 2022 Revenue Bonds that had not yet been fully expended for capital expenses.

(6) In FY17/18 and FY18/19 a significant variance in Unrestricted Net Position occurred as the District implemented GASB Statement No. 75 to record OPEB liability. In FY22-23 The Districts unrestricted reserves increased due to various grants/rebates/cost reimbursements it received (see 3).

(7) In FY23-24 the loss was attributed to the remaining depreciation of retired R6 Reservoir cover & liner asset.

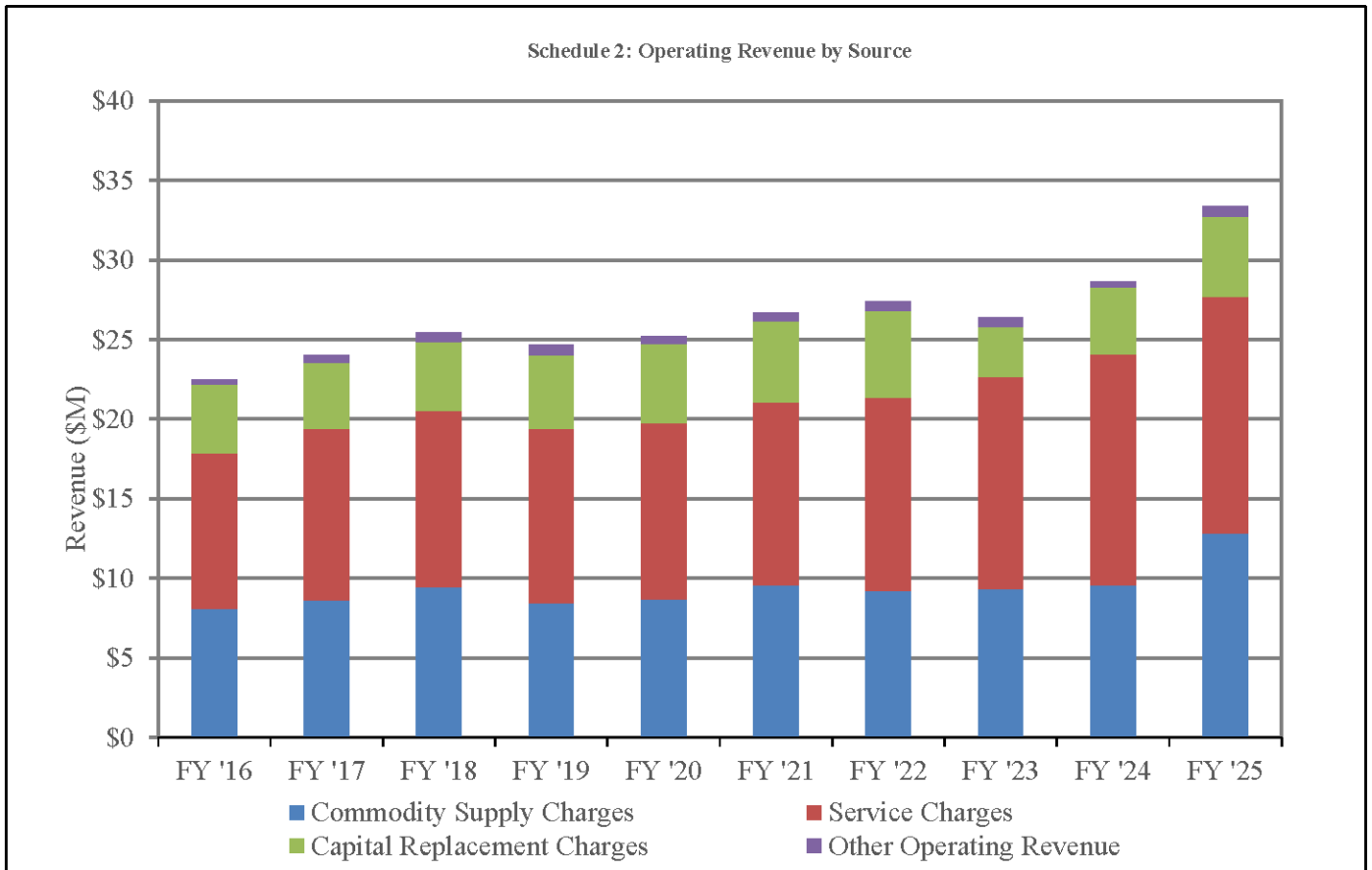
Revenue Capacity Information

**ELTORO WATER DISTRICT
OPERATING REVENUE BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Commodity Supply Charges	Service Charges	Capital Replacement Charges	Other Operating Revenue	Total Operating Revenue
2016	\$ 8,069,726	\$ 9,771,324	\$ 4,381,402	\$ 294,329	\$ 22,516,781
2017	8,635,462	10,759,981	4,177,505	459,926	24,032,874
2018	9,459,453	11,085,710	4,325,454	574,644	25,445,261
2019	8,474,791	10,955,238	4,623,068	610,360	24,663,457
2020	8,705,986	11,044,342	4,977,611	469,391	25,197,330
2021	9,571,562	11,496,657	5,070,326	571,434	26,709,979
2022	9,212,404	12,180,223	5,430,565	559,954	27,383,146
2023	9,336,697	13,312,690	3,152,552	608,741	26,410,680
2024	9,582,143	14,494,752	4,205,218	389,316	28,671,429
2025	12,814,271	14,862,800	5,043,025	667,873	33,387,969

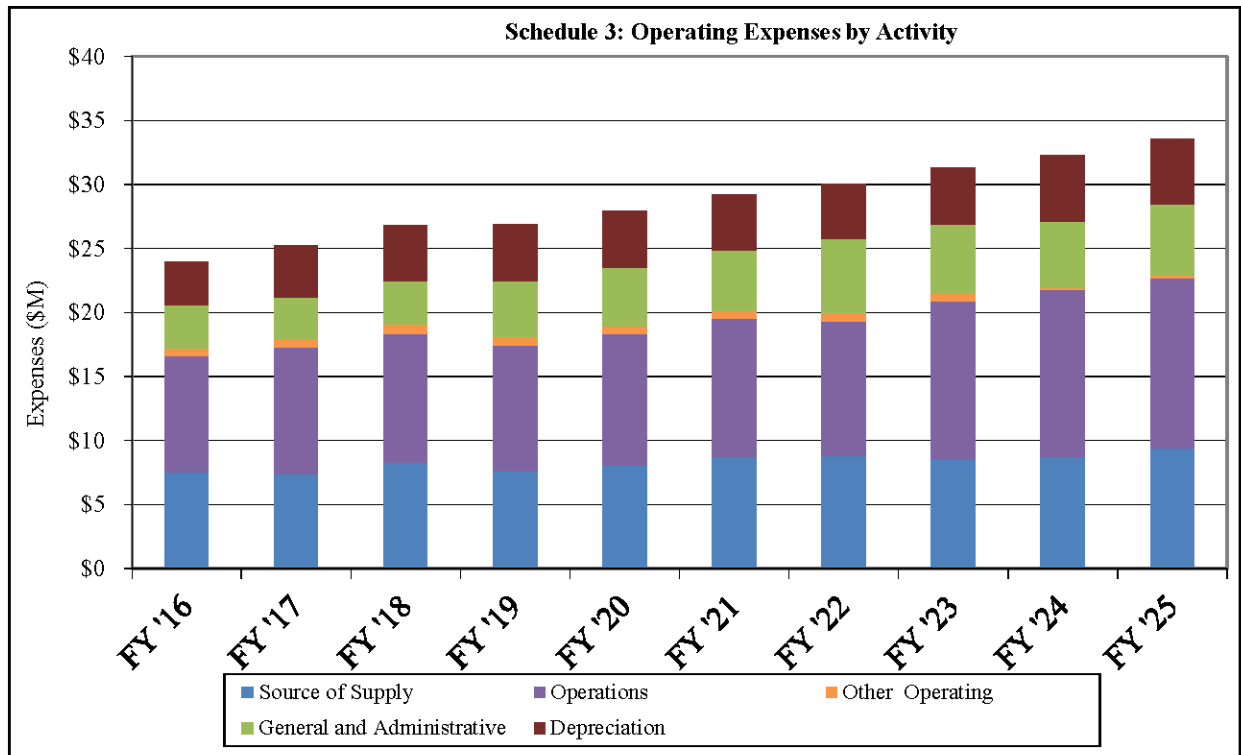
Other Operating Revenue - by Category

Fiscal Year	Standby Charge	Reimbursement from Others	Miscellaneous	Total Other Water Charges
2016	\$ 3,292	\$ 233,000	\$ 58,037	\$ 294,329
2017	1,525	331,179	127,222	459,926
2018	418	403,445	170,781	574,644
2019	247	383,810	226,303	610,360
2020	63	328,310	141,018	469,391
2021	-	401,225	170,209	571,434
2022	-	446,564	113,390	559,954
2023	-	308,774	299,967	608,741
2024	-	326,610	62,706	389,316
2025	-	514,357	153,516	667,873



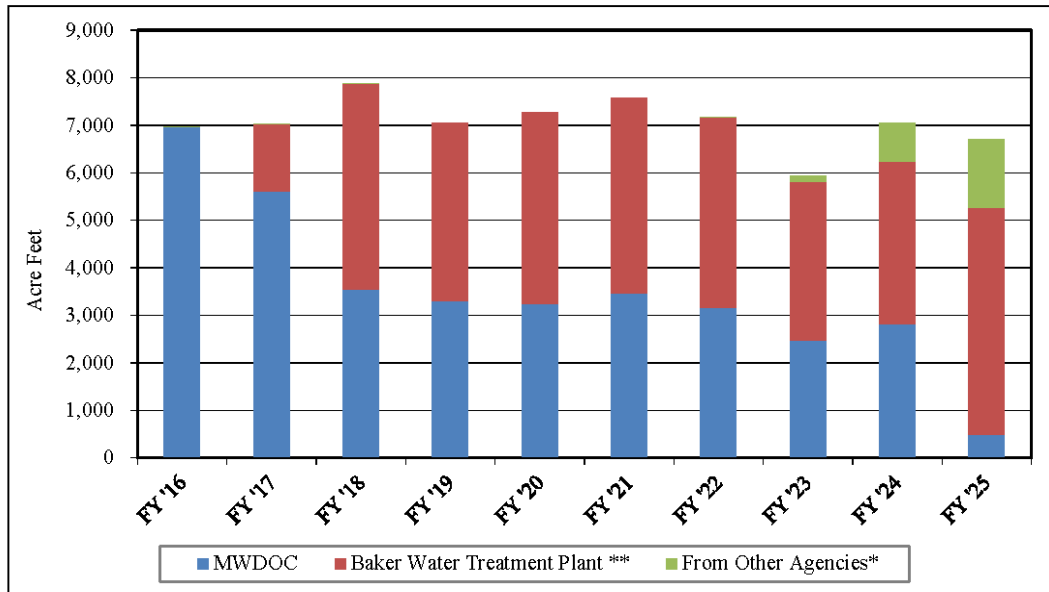
**EL TORO WATER DISTRICT
OPERATING EXPENSES BY ACTIVITY
LAST TEN FISCAL YEARS**

Fiscal Year	Source of Supply	Operations	Other Operating	General and Administrative	Depreciation	Total Operating Expenses
2016	\$ 7,555,626	\$ 9,098,822	\$ 592,405	\$ 3,365,722	\$ 3,378,409	\$ 23,990,984
2017	7,435,534	9,877,746	694,479	3,211,224	4,068,743	25,287,726
2018	8,294,019	10,094,015	686,217	3,434,736	4,350,053	26,859,040
2019	7,650,468	9,785,781	720,714	4,305,441	4,466,431	26,928,835
2020	8,085,299	10,302,552	603,473	4,506,099	4,483,607	27,981,030
2021	8,763,806	10,827,016	533,039	4,774,869	4,345,557	29,244,287
2022	8,866,148	10,443,014	662,834	5,819,185	4,287,779	30,078,960
2023	8,593,609	12,295,263	625,767	5,363,512	4,419,562	31,297,713
2024	8,732,578	13,090,390	151,607	5,165,909	5,138,831	32,279,315
2025	9,467,386	13,247,559	196,432	5,596,680	5,104,212	33,612,269



**EL TORO WATER DISTRICT
SOURCE OF WATER FOR SALES
LAST TEN FISCAL YEARS**

Fiscal Year	Source of Water for Sales (AF)			Total Production
	MWDOC	Baker Water Treatment Plant **	From Other Agencies*	
2016	6,967	-	8	6,976
2017	5,616	1,417	1	7,034
2018	3,559	4,312	3	7,874
2019	3,297	3,754	-	7,051
2020	3,245	4,032	-	7,277
2021	3,460	4,121	-	7,581
2022	3,171	4,004	1	7,176
2023	2,471	3,338	131	5,939
2024	2,811	3,420	813	7,044
2025	487	4,779	1,434	6,700



Note: See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.

*The District has inter-connections with Moulton Niguel Water District, Irvine Ranch Water District, and Santa Margarita Water District. Water is purchased from one of the three agencies in the case of repairs or upgrades to the District's infrastructure, which would necessitate a temporary alternate source of water.

***The Baker Water Treatment Plant (WTP) is a joint regional project by five South Orange County water districts, located in the City of Lake Forest, provides 28.1 million gallons per day (mgd) of drinking water. The District has the capacity right of 3.2 mgd.

**EL TORO WATER DISTRICT
WATER OPERATION RATES AND CHARGES
LAST TEN FISCAL YEARS**

Water Rates ⁽¹⁾						
Fiscal Year	Rate per CCF ⁽²⁾				Rate per AF	
	Tier 1	Tier 2	Tier 3	Tier 4	Commercial /	Industrial
2016	\$ 2.46	\$ 2.83	\$ 5.61	\$ 7.18	\$ 2.79	
2017	2.46	2.83	5.61	7.18	2.79	
2018	2.52	2.91	6.08	7.82	2.89	
2019	2.52	2.91	6.08	7.82	2.89	
2020	2.58	2.97	6.14	7.88	2.95	
2021	2.65	3.04	6.21	7.95	3.02	
2022	2.72	3.11	6.78	8.52	3.14	
2023	2.82	3.18	6.50	8.35	3.31	
2024	3.00	3.37	6.70	8.67	3.49	
2025	3.26	3.63	6.96	8.93	3.75	

Monthly Water Service Charge						
Fiscal Year	5/8" Meter	3/4" Meter	1" Meter	1 1/2" Meter	2" Meter	10" Meter
2016	\$ 9.98	\$ 13.31	\$ 19.95	\$ 36.56	\$ 69.81	\$ -
2017	10.93	14.58	21.86	40.06	76.48	-
2018	11.80	15.82	23.85	43.92	84.07	-
2019	12.96	17.37	26.20	48.25	92.36	-
2020	14.14	18.99	28.70	52.98	101.52	-
2021	15.17	20.33	30.66	56.48	108.11	-
2022	16.56	22.24	33.60	62.00	118.80	-
2023	17.46	23.62	35.93	66.70	128.25	-
2024	18.07	24.72	38.02	71.27	137.76	1,360.00
2025	18.77	25.68	39.50	74.05	143.13	1,413.04

Monthly Water Capital Replacement and Refurbishment (CR&R) Charge						
Fiscal Year	5/8" Meter	3/4" Meter	1" Meter	1 1/2" Meter	2" Meter	10" Meter
2016	\$ 4.66	\$ 4.66	\$ 7.78	\$ 18.91	\$ 47.47	\$ -
2017	4.66	4.66	7.78	18.91	47.47	-
2018	4.66	4.66	7.78	18.91	47.47	-
2019	4.66	4.66	7.78	18.91	47.47	-
2020	4.66	4.66	7.78	18.91	47.47	-
2021	4.66	4.66	7.78	18.91	47.47	-
2022	4.66	4.66	7.78	18.91	47.47	-
2023	5.09	5.09	8.50	20.65	51.84	-
2024	5.56	8.33	13.88	27.76	55.52	640.00
2025	6.95	10.42	17.35	34.70	69.40	800.00

Notes:

(1) The District is required to follow the rules of Proposition 218 when raising or adjusting its rates.
For more information, goto http://www.lao.ca.gov/1996/120196_prop_218/understanding_prop218_1296.html

(2) CCF = 100 Cubic Feet = 748 gallons

For more information on the District's rate structure, visit <http://etwd.com/governance/rate-structure/>

**EL TORO WATER DISTRICT
SEWER OPERATION RATES AND CHARGES
LAST TEN FISCAL YEARS**

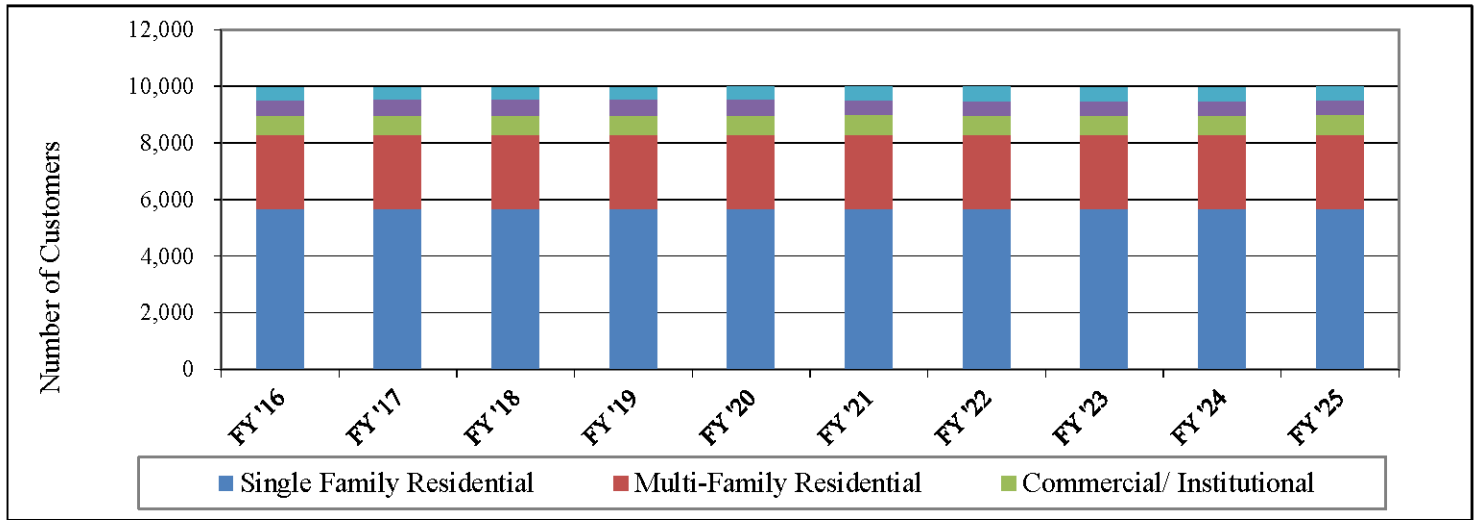
Sewer Rates by Customer Class										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential Rates (monthly charge per EDU)										
Single Family	\$ 22.02	\$ 23.11	\$ 23.63	\$ 24.30	\$ 24.30	\$ 24.30	\$ 25.76	\$ 34.67	\$ 37.98	\$ 39.46
Multi-Family Restricted	17.46	18.33	18.74	19.28	19.28	19.28	20.44	16.47	18.05	18.75
Multi-Family Unrestricted	20.76	21.79	22.28	22.92	22.92	22.92	24.30	25.34	27.76	28.84
Commercial Rates (per ccf of water used)										
Animal Kennel / Hospital	3.61	3.79	3.88	3.99	3.99	3.99	4.23	Medium Strength	Medium Strength	Medium Strength
Car Wash	3.59	3.77	3.86	3.97	3.97	3.97	4.21	Medium Strength	Medium Strength	Medium Strength
Department / Retail Store	3.61	3.79	3.88	3.99	3.99	3.99	4.23	Medium Strength	Medium Strength	Medium Strength
Dry Cleaners	3.16	3.32	3.40	3.50	3.50	3.50	3.71	Medium Strength	Medium Strength	Medium Strength
Golf Course / Camp / Park	3.15	3.31	3.39	3.49	3.49	3.49	3.70	Medium Strength	Medium Strength	Medium Strength
Health Spa	3.60	3.78	3.87	3.98	3.98	3.98	4.22	Medium Strength	Medium Strength	Medium Strength
Hospital / Convalescent Home	3.16	3.32	3.40	3.50	3.50	3.50	3.71	Medium Strength	Medium Strength	Medium Strength
Hotel	5.47	5.74	5.87	6.04	6.04	6.04	6.41	Medium Strength	Medium Strength	Medium Strength
Market	7.17	7.53	7.70	7.92	7.92	7.92	8.40	Medium Strength	Medium Strength	Medium Strength
Mortuary	7.14	7.50	7.67	7.89	7.89	7.89	8.37	High Strength	High Strength	High Strength
Nursery / Greenhouse	3.20	3.36	3.44	3.54	3.54	3.54	3.76	Medium Strength	Medium Strength	High Strength
Professional / Financial Office	3.61	3.79	3.88	3.99	3.99	3.99	4.23	Medium Strength	Medium Strength	Medium Strength
Public Institution	3.55	3.73	3.82	3.93	3.93	3.93	4.17	Medium Strength	Medium Strength	Medium Strength
Repair / Service Station	3.60	3.78	3.87	3.98	3.98	3.98	4.23	Medium Strength	Medium Strength	Medium Strength
Restaurant	3.41	3.58	3.66	3.77	3.77	3.77	4.00	Restaurant	Restaurant	Restaurant
Schools	3.73	3.92	4.01	4.13	4.13	4.13	4.38	Medium Strength	Medium Strength	Medium Strength
Theater	3.61	3.79	3.88	3.99	3.99	3.99	4.23	Medium Strength	Medium Strength	Medium Strength
Warehouse / Storage	2.85	3.00	3.07	3.16	3.16	3.16	3.35	Low Strength	Low Strength	Low Strength
Basic Commercial	3.16	3.32	3.40	3.50	3.50	3.50	3.71	Medium Strength	Medium Strength	Medium Strength
Commercial (Flow Strength) *										
Low Strength	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 4.10	\$ 4.45	\$ 5.75
Medium Strength	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.07	5.54	5.75
High Strength	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9.49	10.58	10.99
Restaurants	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.07	5.65	5.75
Monthly Sewer Capital Replacement and Refurbishment (CR&R) Charge										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential Charge (Per EDU)										
Single Family	\$ 4.93	\$ 4.93	\$ 4.93	\$ 4.93	\$ 4.93	\$ 4.93	\$ 4.93	\$ 7.09	\$ 8.87	\$ 11.09
Multi-Family Restricted	3.95	3.91	3.91	3.91	3.91	3.91	3.91	3.37	4.21	5.27
Multi-Family Unrestricted	4.69	4.65	4.65	4.65	4.65	4.65	4.65	5.18	6.48	8.11
Commercial (per Meter)										
5/8" Meter	4.34	4.34	4.34	4.34	4.34	4.34	4.34	Flow Charge	Flow Charge	Flow Charge
3/4" Meter	7.34	7.34	7.34	7.34	7.34	7.34	7.34	Flow Charge	Flow Charge	Flow Charge
1" Meter	13.55	13.55	13.55	13.55	13.55	13.55	13.55	Flow Charge	Flow Charge	Flow Charge
1 1/2" Meter	24.07	24.07	24.07	24.07	24.07	24.07	24.07	Flow Charge	Flow Charge	Flow Charge
2" Meter	70.96	70.96	70.96	70.96	70.96	70.96	70.96	Flow Charge	Flow Charge	Flow Charge
Public Authority (per Meter)										
1" Meter	4.93	4.93	4.93	4.93	4.93	4.93	4.93	Flow Charge	Flow Charge	Flow Charge
1 1/2" Meter	24.65	24.65	24.65	24.65	24.65	24.65	24.65	Flow Charge	Flow Charge	Flow Charge
2" Meter	39.71	39.71	39.71	39.71	39.71	39.71	39.71	Flow Charge	Flow Charge	Flow Charge
Commercial (Flow Charge) *										
Low Strength	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.84	\$ 1.04	\$ 1.30
Medium Strength	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.04	1.29	1.62
High Strength	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.93	2.47	3.09
Restaurant	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.05	1.32	1.65
Public Authority	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.04	1.29	1.62

* New Commercial & Public Authority billing method based on flow strength effective Aug 1, 2022.

**EL TORO WATER DISTRICT
WATER CUSTOMERS BY TYPE*
LAST TEN FISCAL YEARS**

Number of Customers by Type

As of June 30	Single Family Residential	Multi-Family Residential	Commercial/ Institutional	Landscape Irrigation	Other	Total
2016	5,667	2,612	709	526	439	9,953
2017	5,668	2,616	694	559	406	9,943
2018	5,668	2,618	700	555	407	9,948
2019	5,665	2,614	706	556	408	9,949
2020	5,667	2,615	707	554	434	9,977
2021	5,670	2,617	707	511	478	9,983
2022	5,666	2,614	705	510	482	9,977
2023	5,667	2,618	692	508	479	9,964
2024	5,665	2,616	699	507	479	9,966
2025	5,668	2,617	711	508	485	9,989

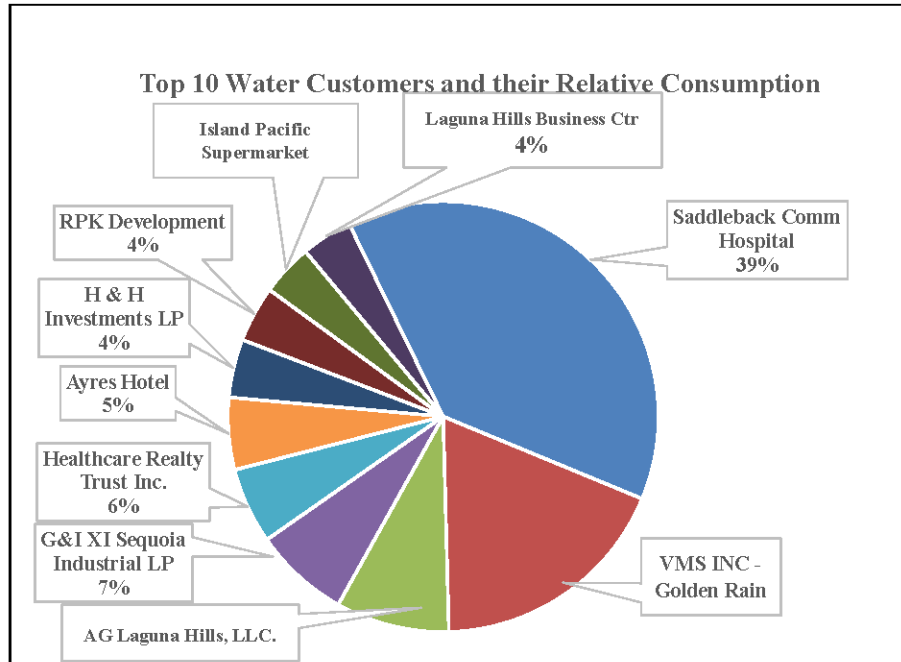
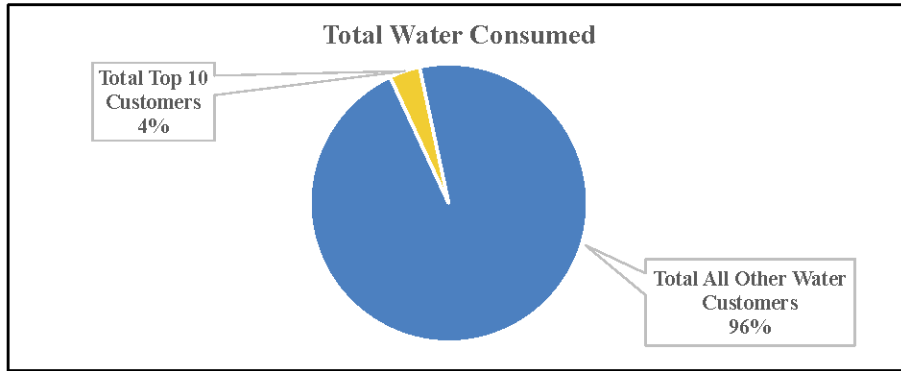


**The District is completely built out and has had 8,950 sewer connections for the past 10 years.*

**EL TORO WATER DISTRICT
TOP TEN WATER CUSTOMERS
LAST TEN FISCAL YEARS**

Customer	FY 2015		Customer	FY 2025	
	Annual Usage (HCF)	Percent of Total		Annual Usage (HCF)	Percent of Total
Saddleback Comm Hospital	53,420	1.45%	Saddleback Comm Hospital	46,488	1.37%
Country Villa Laguna Hills	12,561	0.34%	VMS INC - Golden Rain	22,174	0.65%
VMS INC - Golden Rain	11,613	0.31%	AG Laguna Hills, LLC.	10,308	0.30%
MGP Fund X Laguna Hills, LLC	11,076	0.30%	G&I XI Sequoia Industrial LP	8,703	0.26%
PS Business Parks	10,861	0.29%	Healthcare Realty Trust Inc.	6,918	0.20%
Laguna Hills Business Center	6,721	0.18%	Ayres Hotel	6,533	0.19%
Ayres Hotel	5,835	0.16%	Laguna Hills Business Center	5,287	0.16%
RPK Development	5,576	0.15%	Island Pacific Supermarket	5,116	0.15%
Paul Ostro	4,840	0.13%	RPK Development	4,701	0.14%
BJ' Restaurant and Brew House Site #438	4,755	0.13%	H & H Investments LP	4,654	0.14%
Total Top 10 Customers	127,258	3.45%	Total Top 10 Customers	120,882	3.56%
Total All Other Water Customers	3,560,940	96.55%	Total All Other Water Customers	3,270,988	96.44%
Total Water Consumed	3,688,198	100.00%	Total Water Consumed	3,391,870	100.00%

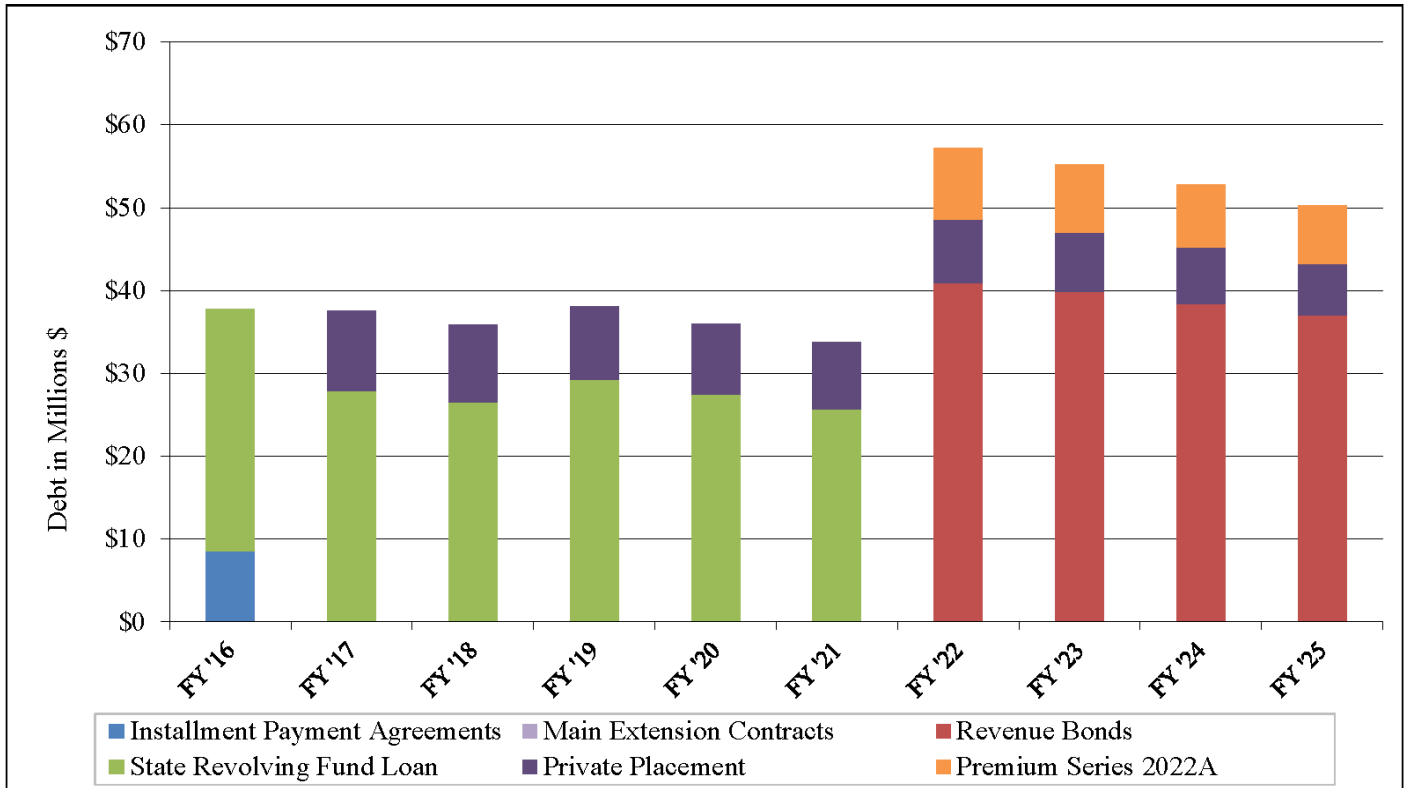
HCF = 100 cubic feet



Debt Capacity Information

**EL TORO WATER DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Revenue Bonds	Premium Series 2022A	Installment Payment Agreements	State Revolving Fund Loan	Main Extension Contracts	Private Placement	Total Debt	Total Debt per Capita	Total Debt as % of Personal Income
2016	\$ -	\$ -	\$ 8,562,088	\$ 29,159,616	\$ 6,180	\$ -	\$ 37,727,884	\$ 735	1.17%
2017	-	-	-	27,827,408	6,180	9,715,035	37,548,623	722	1.10%
2018	-	-	-	26,470,867	6,180	9,331,939	35,808,986	691	1.00%
2019	-	-	-	29,175,315	6,180	8,936,967	38,118,462	740	1.03%
2020	-	-	-	27,415,579	6,180	8,529,750	35,951,509	690	0.92%
2021	-	-	-	25,637,656	6,180	8,109,910	33,753,746	651	0.80%
2022	40,905,000	8,648,018	-	-	6,180	7,677,055	57,236,253	1,111	1.33%
2023	39,800,000	8,126,192	-	-	6,180	7,230,781	55,163,153	1,084	1.22%
2024	38,420,000	7,574,132	-	-	-	6,770,673	52,764,805	1,043	1.17% (1)
2025	36,970,000	7,041,580	-	-	-	6,296,301	50,307,881	566	0.64% (1)

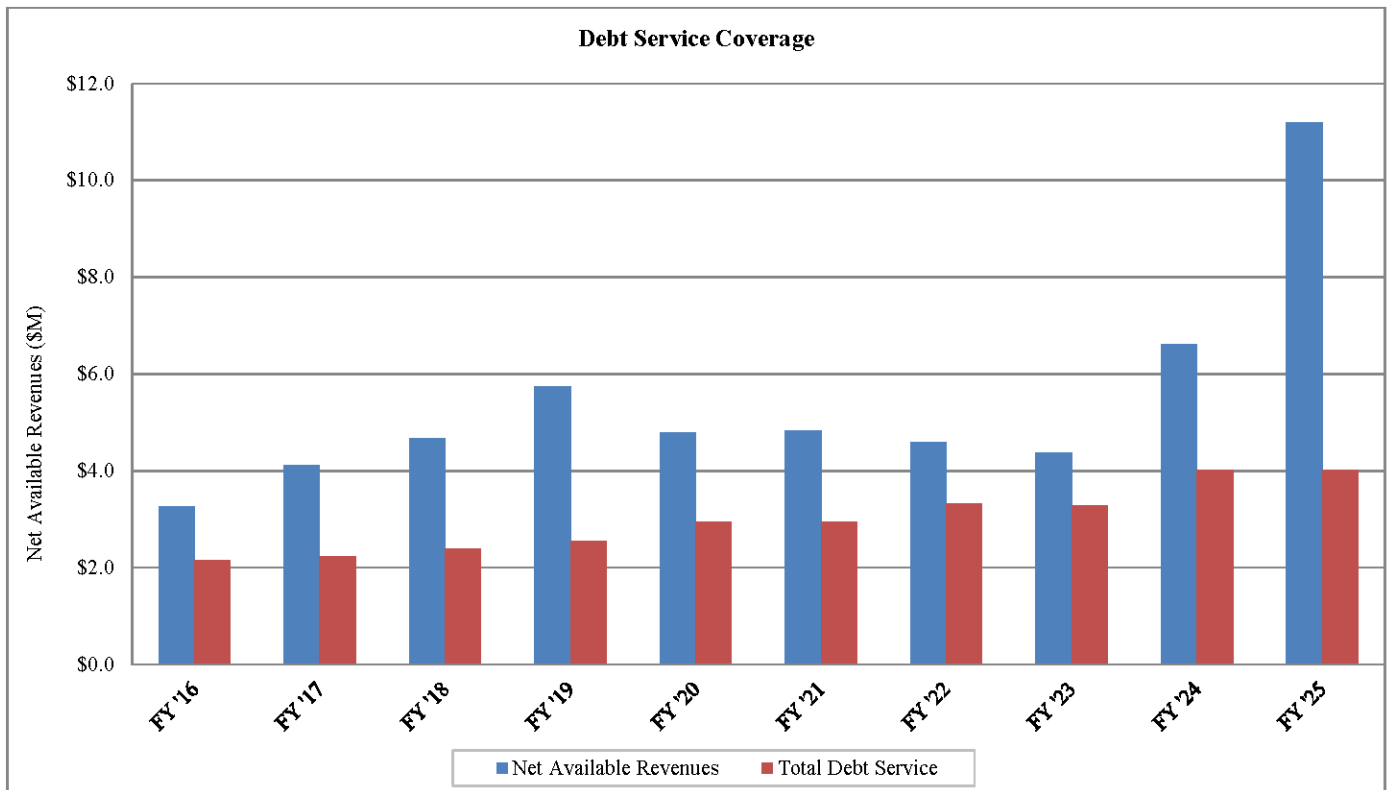


Notes:

(1) Personal Income data is not available for 2024 & 2025 at the time this report is published.

**EL TORO WATER DISTRICT
DEBT SERVICE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Net Revenue			Debt Service			Coverage Ratio
	Total Revenues	Operating Expenses ⁽¹⁾	Net Available Revenues	Principal	Interest	Total Debt Service	
2016	\$ 23,868,895	\$ 20,612,575	\$ 3,256,320	\$ 1,697,913	\$ 459,070	\$ 2,156,983	1.51
2017	25,331,161	21,218,983	4,112,178	1,532,173	691,970	2,224,143	1.85
2018	26,744,770	22,068,431	4,676,339	1,739,638	655,145	2,394,783	1.95
2019	27,291,330	21,549,152	5,742,178	1,776,305	769,061	2,545,366	2.26
2020	26,941,879	22,155,520	4,786,359	2,166,953	787,460	2,954,413	1.62
2021	28,108,262	23,283,264	4,824,998	2,197,763	756,649	2,954,412	1.63
2022	28,795,334	24,195,620	4,599,714	2,242,878	1,072,567	3,315,445	1.39
2023	29,262,508	24,893,841	4,368,667	1,551,274	1,723,651	3,274,925	1.33
2024	31,302,001	24,678,636	6,623,365	1,840,108	2,176,714	4,016,822	1.65
2025	37,550,067	26,349,061	11,201,006	1,924,372	2,093,541	4,017,913	2.79



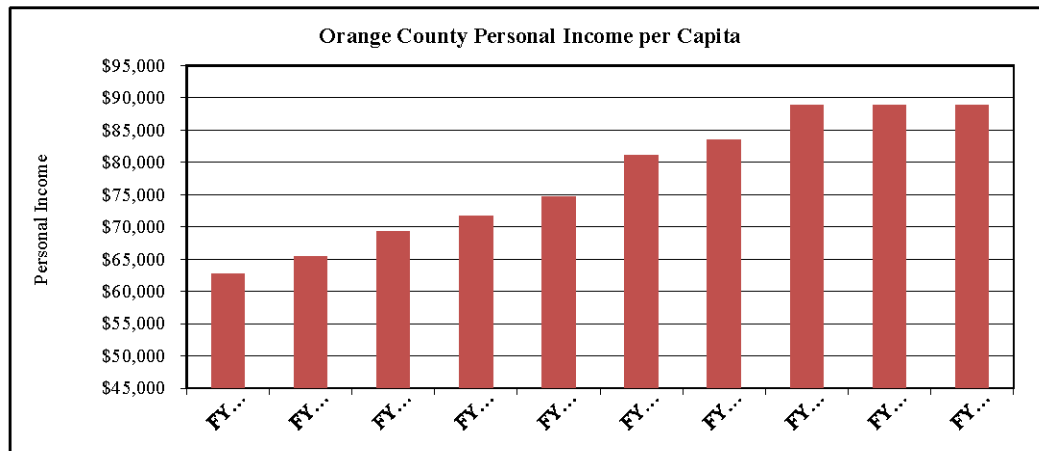
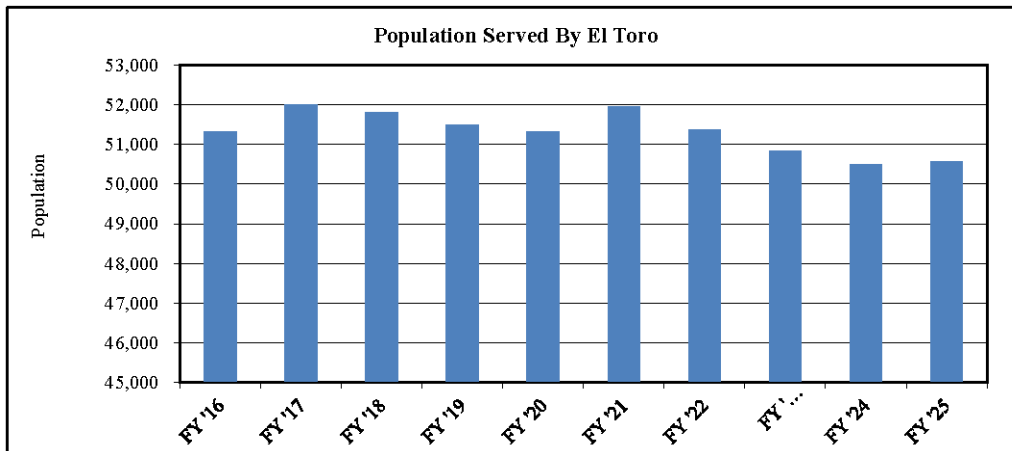
Notes:

(1) Operating expenses less depreciation and amortization, interests, OPEB accounting charges, and non-capitalized expenditures below \$25,000 threshold.

Demographic and Economic Information

**EL TORO WATER DISTRICT
DEMOGRAPHICS AND ECONOMIC STATISTICS - COUNTY OF ORANGE
LAST TEN FISCAL YEARS**

Calendar Year	Population Served by El Toro ¹	Orange County		
		Personal Income ² (thousands \$)	Personal Income ² per Capita	Unemployment Rate at 6/30
2016	51,318	\$ 199,441,555	\$ 62,763	4.3%
2017	52,001	208,653,019	65,400	3.8%
2018	51,812	220,684,684	69,268	3.3%
2019	51,489	227,732,561	71,711	3.0%
2020	51,322	236,303,451	74,618	13.3%
2021	51,949	256,700,438	81,034	6.4%
2022	51,375	263,290,135	83,553	2.9%
2023	50,833	278,760,587	88,897	3.7%
2024 ⁽³⁾	50,505	278,760,587	88,897	4.0%
2025 ⁽³⁾	50,561	278,760,587	88,897	4.5%



Source: State of California, Employment Development Department, <http://www.edd.ca.gov>

Source: Municipal Water District of Orange County (MWDOC)

1 The district population data is estimated by the Center for Demographic Research (CDR) at California State University Fullerton.

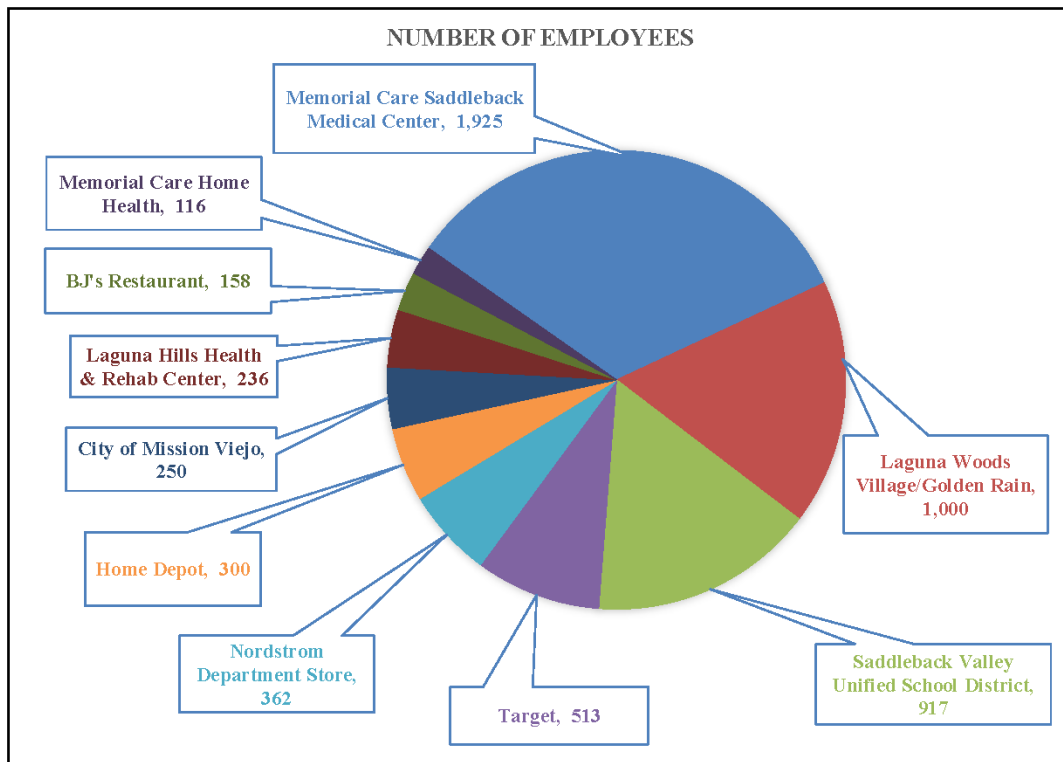
2 Data from the Bureau of Economic Analysis, <http://www.bea.gov>

3 The income data for 2024 & 2025 was not available at the time this report was published

**EL TORO WATER DISTRICT
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR**

Employer	Number of Employees at 06/30/25	Percent of Total
Memorial Care Saddleback Medical Center	1,925	33.32%
Laguna Woods Village/Golden Rain	1,000	17.31%
Saddleback Valley Unified School District	917	15.87%
Target	513	8.88%
Nordstrom Department Store	362	6.27%
Home Depot	300	5.19%
City of Mission Viejo	250	4.33%
Laguna Hills Health & Rehab Center	236	4.09%
BJ's Restaurant	158	2.73%
Memorial Care Home Health	116	2.01%
Total Principal Employers	5,777	100.00%

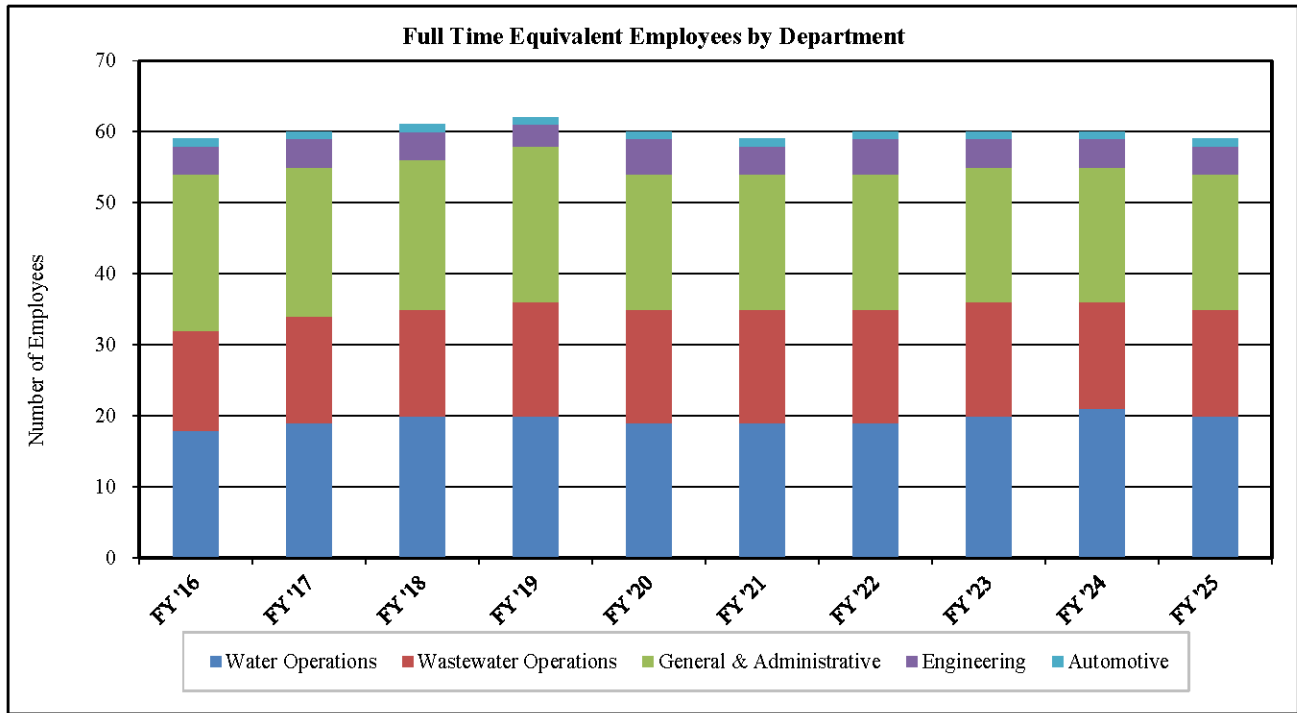
Service Area: Covers about 5,430 acres including all of the city of Laguna Woods (36%), and portions of the cities of Laguna Hills (21%), Mission Viejo (12%), Lake Forest (27%) and Aliso Viejo (4%). The district used data from the fiscal year end 2024 ACFRs for the service area cities listed. Nine years prior information comparison is not available since the district started filing for the ACFR from fiscal year end 2016.



Operating Information

**EL TORO WATER DISTRICT
FULL TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS**

Fiscal Year	Water Operations	Wastewater Operations	General & Administrative	Engineering	Automotive	Total
2016	18	14	22	4	1	59
2017	19	15	21	4	1	60
2018	20	15	21	4	1	61
2019	20	16	22	3	1	62
2020	19	16	19	5	1	60
2021	19	16	19	4	1	59
2022	19	16	19	5	1	60
2023	20	16	19	4	1	60
2024	21	15	19	4	1	60
2025	20	15	19	4	1	59



EL TORO WATER DISTRICT
OPERATING AND CAPACITY INDICATORS
LAST TEN FISCAL YEARS

Water System					
Fiscal Year	Miles of Water Mains	Service Connections	Annual Potable Import (MG)	Average Daily Potable Import (MGD)	
2016	170	9,953	2,273	6.23	
2017	170	9,943	2,292	6.28	
2018	170	9,948	2,566	7.03	
2019	170	9,949	2,298	6.29	
2020	170	9,977	2,371	6.50	
2021	170	9,983	2,470	6.77	
2022	170	9,977	2,338	6.41	
2023	170	9,964	1,935	5.30	
2024	170	9,966	2,295	6.29	
2025	170	9,989	2,183	5.98	

Sewer System					
Fiscal Year	Miles of Sewers Lines	Service Connections	Annual Sewerage (MG)	Daily Sewerage (MGD)	
2016	114	9,953	1,096	3.00	
2017	114	9,943	1,146	3.14	
2018	114	9,948	1,105	3.03	
2019	114	9,949	1,122	3.07	
2020	114	9,977	1,140	3.12	
2021	114	9,983	1,057	2.90	
2022	114	9,977	1,169	3.20	
2023	114	9,964	1,273	3.49	
2024	114	9,966	1,276	3.50	
2025	114	9,989	1,394	3.82	

Recycled Water					
Fiscal Year	Miles of Recycled Pipe	Service Connections	Annual Production (MG)	Daily Production (MGD)	
2016	19	138 (1)	338	0.93	
2017	19	210 (1)	462	1.27	
2018	19	210	502	1.38	
2019	26 (2)	210	419	1.15	
2020	26	229	447	1.23	
2021	26	275	584	1.60	
2022	26	276	575	1.57	
2023	26	276	385	1.05	
2024	26	276	405	1.11	
2025	26	277	527	1.44	

Notes:

MG - Millions of Gallons

MGD - Millions of Gallons per Day

(1) The increase in Recycled Connections was a result of Recycled Water Project to transition irrigation customers to recycled water.

(2) The increase in Miles of Recycled Pipe was due to the completion of The Phase II Recycled Water Distribution System Expansion Project.



STAFF REPORT

To: Board of Directors Meeting Date: November 24, 2025
From: Vishav Sharma, Chief Financial Officer
Subject: October 2025 bills for Approval

Attached for Board approval is the payment summary report for the month of October, 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 September 2025:

1. The total disbursement including payroll expense and ACH/Direct debts for the month of October 2025 is \$3,445,004.29
2. These disbursements include seven checks greater than \$75,000, with the total equal to \$1,932,917.44. Staff recommends the Board approve these checks.
3. District employees were reimbursed \$949.20 for travel, education, meals, supplies and certification related expenses; and Directors were reimbursed \$55.76 for travel expenses.
4. Payroll expenses of \$973,364.43 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 October 31, 2025.

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

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
13805	10/07/2025	Municipal Water District of Orange County	877,368.76
14500	10/23/2025	ACWA JPIA	333,685.19
13797	10/09/2025	Thompson Tank, Inc	197,845.83
13878	10/22/2025	Southern California Edison Company	180,798.74
13864	10/07/2025	ACWA JPIA	149,172.42
13825	10/16/2025	GCI Construction Inc.	114,950.00
13837	10/16/2025	Moulton Niguel Water District	79,096.50
CHECKS OVER \$75,000			\$ 1,932,917.44
CHECKS UNDER \$75,000			\$ 533,346.91
TOTAL CHECKS PAID			\$ 2,466,264.35

REIMBURSEMENTS TO ETWD EMPLOYEES

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
13863	10/16/2025	William Wesson (Workboots)	392.60
13834	10/16/2025	Mark Roche (Exam Preparation)	229.99
13919	10/23/2025	Vu Chu (Mileage)	143.57
13880	10/23/2025	Abel Estrada (Landscape Professional Workshop)	75.00
13765	10/01/2025	Roman Kociban (T2 Certification)	60.00
13827	10/16/2025	Hannah Ford (Travel Expense)	24.24
13841	10/16/2025	Oscar Hernandez (Mileage)	23.80
TOTAL CHECKS TO EMPLOYEES			\$ 949.20

REINBURSEMENTS TO ETWD DIRECTORS

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
13832	10/16/2025	Kathryn Freshley (Travel Expenses)	55.76
TOTAL CHECKS TO DIRECTORS			\$ 55.76

DEBIT TRANSFERS

10/03/2025	PAYROLL DIRECT DEPOSIT	176,751.12
10/03/2025	FEDERAL DEPOSIT LIABILITY	38,864.02
10/03/2025	SDI & STATE TAX	16,488.07
10/03/2025	EMPOWER (401K)	70,070.02
10/03/2025	EMPOWER (457)	2,087.39
10/03/2025	HEALTH SAVINGS ACCOUNT	207.70
10/03/2025	MEDICAL FLEXIBLE SPENDING ACCOUNT	830.82
10/03/2025	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	384.31
10/15/2025	PAYROLL BOARD OF DIRECTOR	5,243.61
10/15/2025	SS, MEDICARE, SDI & STATE TAX	777.15
10/15/2025	EMPOWER (457)	2,139.87
10/15/2025	HEALTH SAVINGS ACCOUNT	400.00
10/15/2025	MEDICAL FLEXIBLE SPENDING ACCOUNT	125.00
10/17/2025	PAYROLL DIRECT DEPOSIT	176,376.29
10/17/2025	FEDERAL DEPOSIT LIABILITY	38,504.67
10/17/2025	SDI & STATE TAX	16,447.52
10/17/2025	EMPOWER (401K)	68,666.30
10/17/2025	EMPOWER (457)	20,199.93
10/17/2025	HEALTH SAVINGS ACCOUNT	207.70
10/17/2025	MEDICAL FLEXIBLE SPENDING ACCOUNT	830.82
10/17/2025	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	384.31
10/31/2025	PAYROLL DIRECT DEPOSIT	186,389.33
10/31/2025	FEDERAL DEPOSIT LIABILITY	41,387.53
10/31/2025	SDI & STATE TAX	17,815.72
10/31/2025	EMPOWER (401K)	70,177.30
10/31/2025	EMPOWER (457)	20,185.10
10/31/2025	HEALTH SAVINGS ACCOUNT	207.70
10/31/2025	MEDICAL FLEXIBLE SPENDING ACCOUNT	830.82
10/31/2025	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	384.31
Total Payroll Expense		973,364.43

ACH or Direct Debits

10/31/2025	BANK and ADP FEES	4,686.15
10/31/2025	ACH payments (health equity)	689.36
Total Other Expense		5,375.51

TOTAL INTERBANK WIRES / DEBIT TRANSFERS \$ 978,739.94

TOTAL DISBURSEMENTS \$ 3,445,004.29

MINUTES OF THE REGULAR MEETING
& OF THE
ENGINEERING COMMITTEE MEETING

October 20, 2025

At approximately 8:32 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, JUDY CIMORELL, Director of Human Resources, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, IT Manager (Zoom), VU CHU, Water Resources Supervisor (Zoom), VICKI TANIOUS, Senior Accountant, ABEL ESTRADA, Billing & Customer Service Supervisor (Zoom), CAROL MOORE, Laguna Woods City Council Member (Zoom), JANET FORDUNSKI, Member of the Public (Zoom) and MARISOL MELENDEZ, Recording Secretary.

Consent Calendar

Vice President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director McClean 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

R-6 Reservoir Southern Slope Repair

Ms. Ford reported that the project was put out to bid, and although several firms expressed interest, only two firms attended the mandatory pre-bid meeting, with one willing to serve as the prime. The project was re-bid on Planet Bids, resulting in six bids received. The low bidder, MDB Engineering, submitted a proposal \$150,000 below the engineer's estimate, and staff received positive feedback from their references.

Staff is recommending LGC Geotechnical, Inc. for geotechnical inspection services, as their proposal provided adequate scope of services at a lower cost compared to the other bidder. Additionally, staff is recommending Dudek, who did the design for this project, for engineering services during construction. Ms. Ford noted that both MNWD and SMWD have confirmed agreement for their portion of the costs.

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 (1) enter into a contract with MDB General Engineering, Inc. in the amount of \$390,800.00 for construction of the R-6 Reservoir Southern Slope Repair Project, (2) enter into a contract with GMU Geotechnical, Inc. in the amount of \$20,480.00 for construction management and inspection services, and (3) amend its existing contract with Dudek in the amount of \$24,580.00 for engineering services during construction 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

Sewer Force Main Asset Management Plan

Ms. Ford explained that, due to concerns over the reliability of the sewer force mains, staff is initiating a focused asset management plan to evaluate these systems. This effort will include concept-level design work for some of the high priority alignments to better estimate costs. Hazen and Sawyer’s proposal covers concept design for high risk force main replacement alternatives and the inclusion of sewer force mains in the District’s asset inventory.

Mr. Cafferty added that the goal of this effort is to determine whether capital improvement projects for sewer force main replacements should be budgeted. The assessment will produce a risk-based analysis to identify and prioritize needs. Director Monin inquired about the timeline, and Mr. Cafferty responded that it will vary depending on findings, with the objective to identify needs and plan accordingly based on the condition and risk assessment results.

Vice President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Havens to authorize the District’s General Manager to amend its existing contract with Hazen and Sawyer in the amount of \$109,790 to develop the Sewer Force Main Asset Management Plan 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

Engineering Information Items

EI Toro Water District Operations Report

Vice President Freshley noted the significant costs savings generated by the WRP battery storage system and inquired about the status of the contract extension. Mr. Cafferty stated that Terra Verde is assisting staff in discussions with STEM to explore potential opportunities, noting that the current contract term has approximately four years remaining.

EI Toro Water District Capital Project Status Report

Moulton/EI Toro Cathodic Protection Repair

Ms. Ford stated that the project was put out to bid, and staff had planned to recommend an award this month. However, only one bid was received, which was 2.5 times higher than the engineer's estimate. As a result, staff canceled the bid and will re-bid the project, incorporating feedback from firms. A new recommendation for award will be presented at the next Board meeting.

Battery and Solar Projects

Ms. Ford stated that six proposals were received for the battery and solar projects. Staff reviewed the bids, conducted interviews with the three shortlisted vendors, and has now narrowed the selection to two. Staff is currently working on obtaining the best and final offer and following up with additional questions. Once that process is complete, staff will determine whether to recommend award.

Ms. Ford explained that, if staff proceeds with a recommendation, the battery purchase would be the only immediate option. The SGIP, through SCE, that staff submitted applications for, will cover the majority of the cost. However, there will be additional expenses, and staff intends to pursue IRA funding to help offset those costs. To qualify, the battery must be safe harbored before the end of the year.

Based on the initial cost analysis, the projected savings are modest and will need to be re-evaluated to maximize the potential savings. There will also be annual operations and maintenance costs. Staff plans to present options to the Board at a Special Board meeting in early November to ensure eligibility for IRA funding and to authorize the battery purchase. The solar projects, which will be structured as power purchase agreements, will also be recommended for consideration at the Special Board meeting.

Vice President Freshley inquired about the insurance costs for the batteries. Ms. Ford stated that staff met with OCFA, which confirmed that the California Fire Code requires a 10-foot setback around each battery or a fire wall, to ensure that if a battery catches fire it will burn out safely without spreading. She added that these requirements have been incorporated into the coordination with battery vendors so they can be accounted for during the design phase.

Aliso Creek Lift Station Improvement Project

Ms. Ford stated that staff is reviewing the 90% design and is presenting the project to GRF and United Committees and Boards. She noted that the meetings have gone well so far, with no opposition to the requests. Additionally, staff has been responding to requests for information from CalOES regarding the submitted sub-application, with the main revisions consisting of terminology updates.

Main Office Warehouse Drainage Improvement Project

Ms. Ford reported that the Main Office Warehouse project is largely complete, and staff is working with the vendor to finalize the punch list. She noted that the system was tested during the recent rains and performed as expected.

Headworks and Secondary Clarifier No. 1 Rehabilitation Project

Ms. Ford stated that the project is currently in the submittal phase and that Filanc is scheduled to be on site in January.

Westline Lift Station Main Switchboard Replacement

Ms. Ford stated that staff began work last week, and the site will be officially converted to temporary power with SCE present during the transition.

Freeway Electrical Equipment Replacement

Ms. Ford stated that this project will proceed following the completion of the Westline Lift Station Main Switchboard Replacement.

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

Ms. Ford stated that staff requested proposals from three vendors and expects to receive cost estimates by the end of the month, after which a recommendation for award will be presented.

Secondary Clarifier No. 4 Drive Replacement Project

Ms. Ford stated that the bridge has been repaired and that Ovivo will return to perform start up.

Tertiary Disinfection Optimization Project

Ms. Ford reported that staff completed and submitted the operations plan to DDW, with comments expected within two months. DDW will conduct a site visit to review the installation, and staff is revising the electrical design based on their input.

Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

Adjournment

There being no further business, the Engineering Committee meeting was adjourned at approximately 9:17 a.m.

Attorney Report

Mr. Granito reported that there is a need for a Closed Session today to initiate the annual performance evaluation of the District's General Manager, as reflected on today's Closed Session Agenda.

Closed Session

At approximately 9:17 a.m. everyone left the open session except the Board members, General Counsel, and Ms. Cimorell. In the Closed Session, the Board initiated the annual performance evaluation process of the District's General Manager.

Regular Session

At approximately 9:35 a.m., the Board returned to Regular Session. Also, at this time, Mr. Cafferty and Ms. Melendez returned to the meeting.

Open Session Report

Mr. Granito reported that the Board went into Closed Session to discuss the item on today's Closed Session agenda. No reportable action was taken.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:35 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: November 24, 2025

From: Rory Harnisch, Senior Engineer

Subject: OOPS MCC and Valve Rehabilitation Project

BACKGROUND

The Ocean Outfall Pump Station (OOPS), located within the District's Water Recycling Plant, pumps secondary effluent into the Effluent Transmission Main (ETM). Originally installed in 1979, the Motor Control Center (MCC) and Automatic Transfer Switch (ATS) that power OOPS have reached the end of their useful life. Existing parts are now obsolete making replacement parts difficult to obtain, and the existing MCC is not arc flash rated. Figure 1 shows the existing MCC. The lead time for a new MCC was 280 days, so District staff pre-purchased this equipment last year. Staff received the equipment and prepared a set of construction documents to remove and replace the electrical equipment. In early October, District staff invited four reputable contractors to propose on the project.



Figure 1 – OOPS MCC



Figure 2 – OOPS Surge Tank Isolation Valve

In addition, the WRP Asset Management Plan flagged the need to replace the OOPS Pump 3 Outlet Isolation Valve and Surge Tank Valves due to age and corrosion that makes them difficult to close. Figure 2 shows an example of one of these valves. District staff purchased, received, and will self-install these valves this year.

BID EVALUATION

Staff opened four bids on Thursday, November 6. Table 1 shows the breakdown of bid costs. The bids were generally competitive, although one contractor’s bid was almost triple the lowest bid.

After reviewing the bids for accuracy and compliance with the contract documents, staff identified Hydro Tech Electric as the low bidder. District staff called references and received positive feedback from the Trabuco Canyon Water District and East Valley Water District related to Hydro Tech Electric’s performance on similar projects.

Table 1 – Bids for OOPS Electrical Equipment Installation

Contractor	Amount
Baker Electric & Renewables LLC	\$69,176
Hydro Tech Electric	\$51,700
Halcyon Electric, Inc	\$149,000
Southern Electrical	\$69,000

BUDGET ANALYSIS

Table 2 summarizes total project costs. The District plans to self-perform the construction management. The total project costs remain well within budget.

Table 2 – Summary of Project Budget

Description	Amount
Pre-purchased MCC	\$32,078.10
Pre-purchased ATS	\$20,333.60
MCC and ATS Installation	\$51,700.00
Valve Replacement	\$8,760.08
Contingency	\$10,000.00
Total	\$112,871.78
Budget	\$191,000.00
Difference	\$78,128.23

CEQA

District staff prepared and filed a Class 1 and Class 2 Categorical Notice of Exemption with the County because the work only replaces the existing equipment without an increase in capacity. State CEQA Guideline Section 15301 provides exemption for repair of existing facilities with no expansion. State CEQA Guideline Section 15302 provides exemption for replacement on the same site with the same purpose/capacity. The 30-day public comment period will expire by mid-December.

RECOMMENDATION

Recommended Action:

Staff recommend that the Board of Directors authorize the District's General Manager to enter into a contract with Hydro Tech Electric in the amount of \$51,700.00 for construction of the OOPS MCC and Valve Rehabilitation 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: November 24, 2025

From: Rory Harnisch, Senior Engineer

Subject: Westline Lift Station Generator Replacement

BACKGROUND

The Westline Lift Station (Westline) collects sewage from the Westerly-most portion of the Laguna Woods Village and pumps it to the gravity collection system where it eventually flows into the Northline Lift Station before entering the District Water Recycling Plant. Originally installed in 1984, the Westline Lift Station Generator serves as a backup to the lift station in the event of a power outage. In recent years, District staff identified the need to replace the generator, which has reached the end of its useful life. Existing parts are now obsolete making replacement parts difficult to obtain. In addition, the fuel tank currently lacks the required double-containment. Figure 1 shows the Westline generator. Replacement will improve reliability in emergency situations to this critical lift station.



Figure 1 – Westline Lift Station Generator

COST EVALUATION

Table 1 summarizes the costs for the main elements of this Project. The Fiscal Year (FY) 2024/2025 budget included \$267,000 for the Westline Lift Station Generator Replacement. Total purchasing costs are below budget by approximately \$200. Attachment A includes the detailed quotation for the generator. District staff recommend sole-sourcing the generator purchase from Quinn Power Systems based on several key factors: enhanced customer service compared to competitors and improved standardization and reliability across the generator fleet —most of which is supplied by the Quinn Power Systems. In addition, Quinn Power Systems’ quote reflects sourcewell’s competitive pricing.

Equipment lead time, including submittal review, is between 42 to 44 weeks. As the generator delivery date approaches Staff will design a construction project and solicit proposals from reputable contractors for installation next fiscal year.

Table 1 – Cost Comparison

Component	Cost
Generator	\$144,951.00
Startup/Training/Freight/Accessories	\$102,663.00
Subtotal	\$247,614.00
Taxes at 7.75%	\$19,190.09
Total	\$266,804.09
Budget	\$267,000.00
Difference	\$195.91

RECOMMENDATION

Recommended Action:

Staff recommend that the Board of Directors authorize the District’s General Manager to issue a purchase order to Quinn Power Systems, Inc. in the amount of \$266,804.09 to furnish a new diesel generator for the Westline Lift Station. 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. 9
Westline Lift Station Generator Replacement
Appendix A



QUOTATION

NO. 250219

3500 Shepherd Street, City of Industry, California 90601
 Box 226789, Los Angeles, California 90022-0744
 (562) 463-6000 Fax: (562) 463-7156

Date: **November 3, 2025**

Page: **1 of 5**

Si mp lex To:
 Contact: _____
 Company: _____
 Address: _____
 City, Zip: _____
 Phone: _____ Email: _____

Terms: **Net Cash, see T&C's**
 F.O.B. **Jobsite, unloading by others**
 Sales Rep.: **Cameron Early**
 Contact #: **(949) 395 1127**
 Email: **Cameron.early@quinnpower.com**

Project Name: 250219 El Toro Water District 500kW Sourcewell Pricing

Qty:	Description	Unit Price	Extension
1	<p>New Caterpillar, Model C15 Diesel Standby Generator Set. Rated 500kW/X625KVA, w/fan, 60Hz, 1Ph 3Ph, 120/208 120/240 277/480V at 1800 RPM. <i>Standard Features Include:</i></p> <p>Engine & Generator:</p> <ul style="list-style-type: none"> Cat® C15 ACERT In-line 6, 4-Cycle Turbocharged US EPA Tier-2 Diesel Engine Alternator Insulation Class H & Temp Rise - 105/40 Deg C 12 Lead Permanent Magnet Generator (PMG) 800A 100% Rated Main Line Circuit Breaker 800A Load Bank Circuit Breaker Johnson Matthey CARB 3+Verified Passive Diesel Particulate Filter JM-CRT(+)-4-H-CS-BITO-12/12-LP Simplex: Vector-250-480 (DPF and Load Bank included modifications to the enclosure to house each. Final Install by others) <p>Controls:</p> <ul style="list-style-type: none"> CAT GCCP 1.2B Genset Controller Product Link 4G LTE Telematics (Standard equipment, free standard subscription) Discrete I/O Module - Provides 12 programmable spare inputs and eight programmable relay outputs for system expansion. <p>Enclosure Package:</p> <ul style="list-style-type: none"> Level-1Sound Attenuated Weather Enclosure 73dba at 23 feet Enclosure Color – CAT White Internal Enclosure LED Lighting 125A Load Center 20A GFCI Convenience Receptacle <p>Fuel System:</p> <ul style="list-style-type: none"> 1000 Gallon Integral UL142 Diesel Fuel Subbase Tank – Estimated Run Time 24 Hours Overfill Prevention Valve and 5 Gallon Spill Containment Normal Vent Extension to 12ft above grade (Shipped Loose) <p>Ancillary Equipment:</p> <ul style="list-style-type: none"> C13-C18 Block Heater, 240V 3000 Watt 10 Amp Battery Charger <p>Certifications & Warranty:</p> <ul style="list-style-type: none"> UL2200 Listed Genset Package SCAQMD & EPA Compliant IBC Seismic Pre-Approval & Labeling Complimentary 5 Year Platinum Extended Service Contract 1 Year Custom Value Agreement (CVA) Preventative Maintenance 1 Visit <p>Start-up & Delivery:</p> <ul style="list-style-type: none"> Level-2 Start-up & Commissioning Included (Note: A valid air district permit to operate must be present at time of start-up) Freight to Job Site Included Training 	\$ 247,614.00	\$ 247,614.00



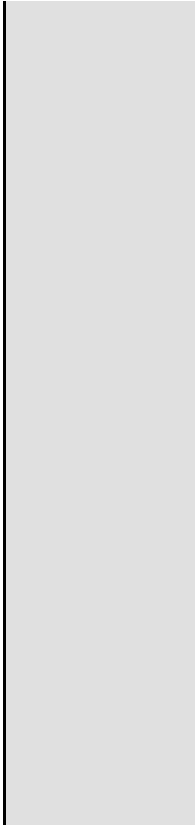
QUOTATION

NO. 250219

3500 Shepherd Street, City of Industry, California 90601
Box 226789, Los Angeles, California 90022-0744
(562) 463-6000 Fax: (562) 463-7156

Date: November 3, 2025

Page: 2 of 5



Pricing valid for purchase orders received by Dec 21st, 2025 and equipment released by 04/22/2026.

Quote Valid for 30 Days From Date Listed In Quote Header.
After 30 Days Please Contact Your Quinn Sales Representative to Update Quote

Optional adders listed below.

Includes standard features as listed in product data sheet and additional accessories as listed herein...

<p>SALES TAX NOT INCLUDED. Buyer responsible for all taxes including any applicable tire fees. The quotation provided herein is for information only, and is not a valid offer to sell unless signed by an officer of Quinn Power Systems in the space provided below. Any offer to sell or any offer accepted shall be subject to the Terms and Conditions page. Unless expressly stated on the face of this quotation, all prices, delivery schedules and product specifications are subject to change without notice. Quotation is good for 30 days from quote date above, expires after that duration.</p>	<p>Total Price (SALES TAX NOT INCLUDED):</p>	<p>\$ 247,614.00</p>
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STAFF REPORT

To: Board of Directors

Meeting Date: November 24, 2025

From: Dennis Cafferty, General Manager

Subject: Emergency Groundwater Supply Project

Moulton Niguel Water District, in partnership with Orange County Water District and the City of Santa Ana, is proposing a project that would construct new facilities within the City of Santa Ana that would be capable of transferring groundwater, during emergencies, to South Orange County via East Orange County Feeder No.2, consistent with the Metropolitan Water District Administrative Code 4519.

The proposed project has been advanced through alternatives analyses and feasibility assessment steps and has been the subject of extensive discussion at stakeholders workgroups including the groundwater basin producers as well as the East Orange County Feeder No. 2 participants.

Moulton Niguel has expressed a willingness to partner with other agencies that might consider pursuing the emergency supply opportunity. Staff will lead a discussion regarding the project and seek Board direction regarding potential participation in the proposed project.

Emergency Groundwater Supply Project



Background

Previous Emergency Supply Project

- 2006
- OCWD / MWDOC / South Orange County Agencies
- Facilitated Emergency Groundwater Supply to SOC Agencies Through the IRWD System

OCWD / MNWD Agreement - 2019

OCWD Policy Principles - 2021

Project Premise

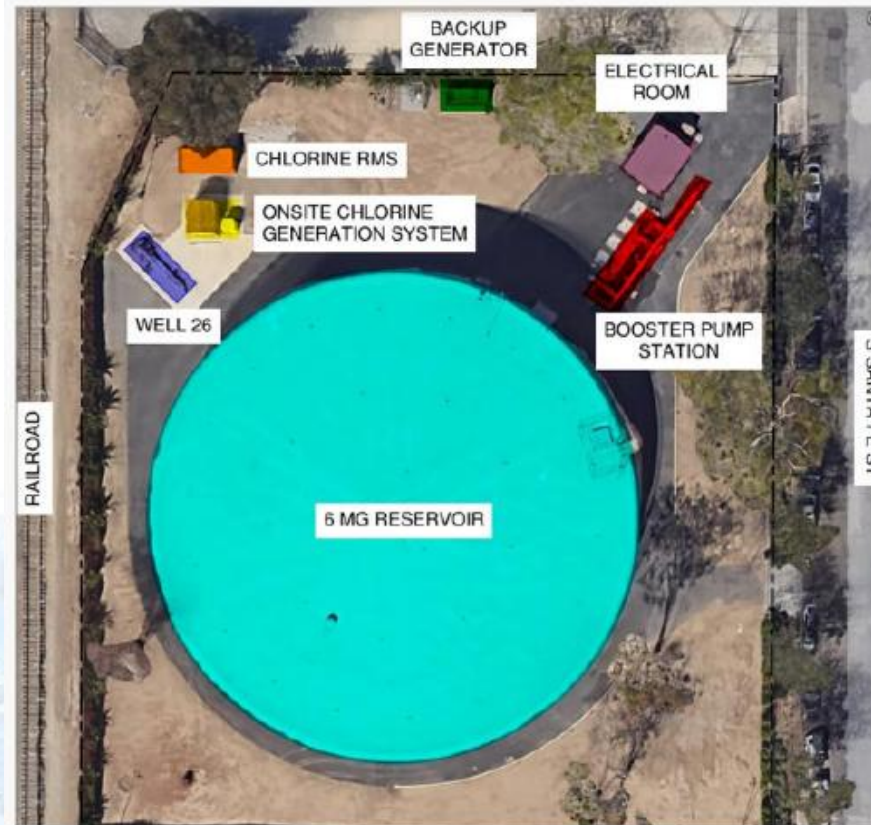
- 💧 **Construct Facilities in Santa Ana That Can Transfer Groundwater to South Orange County Via East Orange County Feeder No. 2**
- 💧 **Emergencies Only**
 - **MWD Physically Incapable of Delivering Water Due to Natural Disaster or Catastrophic Failure**
 - **No Non Emergency Use**
 - **Not Intended for Use During Drought Related Shortages**

Project Premise

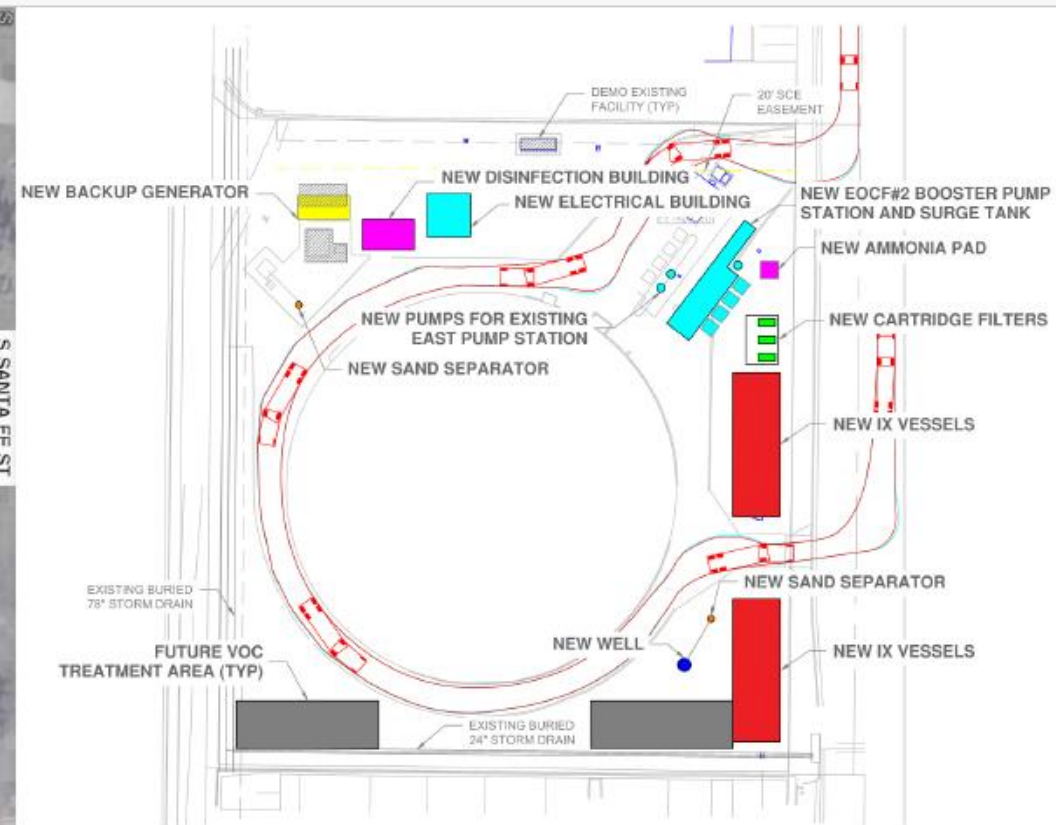
- 💧 **Construct Facilities in Santa Ana That Can Transfer Groundwater to South Orange County Via East Orange County Feeder No. 2**
- 💧 **Emergencies Only**
- 💧 **MNWD / Santa Ana Agreement**
 - **Funded by MNWD**
 - **Emergency Only**
 - **No Storage of Water in Groundwater Basin**
 - **City of Santa Ana Uses the System During Normal Operations**

Project Elements

🔹 Santa Ana East Station Site



Existing Site



Proposed Improvements

Santa Ana East Station

Project Elements

- 🔹 Santa Ana East Station Site
- 🔹 Conveyance Facilities

Proposed
Pipeline to
EOCF#2



Project Elements

- 💧 **Santa Ana East Station Site**
- 💧 **Conveyance Facilities**
- 💧 **Stakeholder Meetings**
- 💧 **Partnership Opportunity**

Emergency Groundwater Supply Project





Operations Report

October 2025

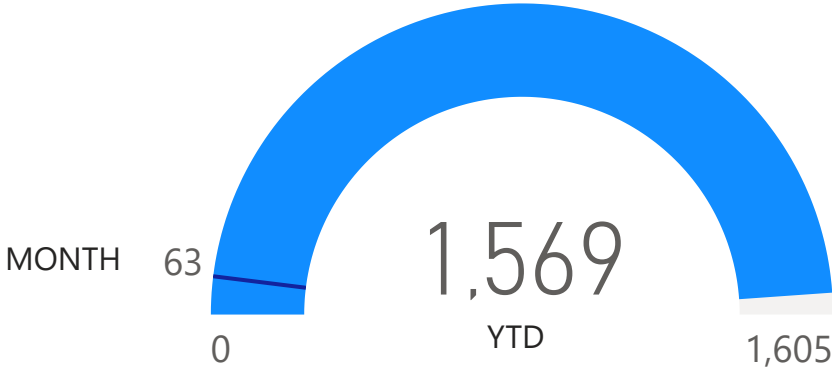
How to read the graphics in this report:



Valves

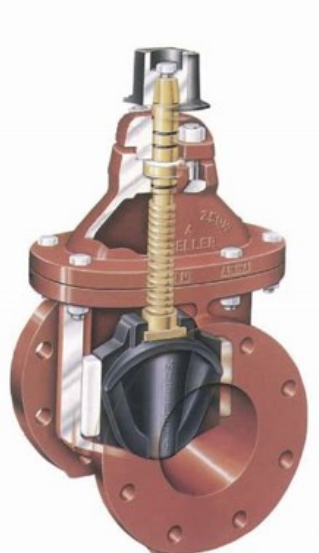
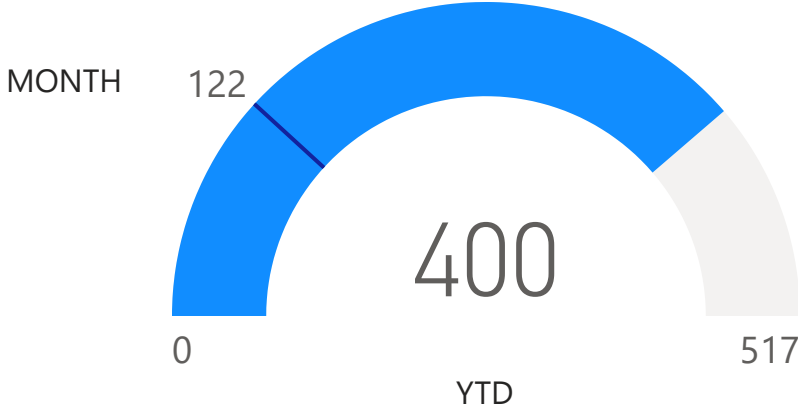
Distribution Valves Operated

Mainline



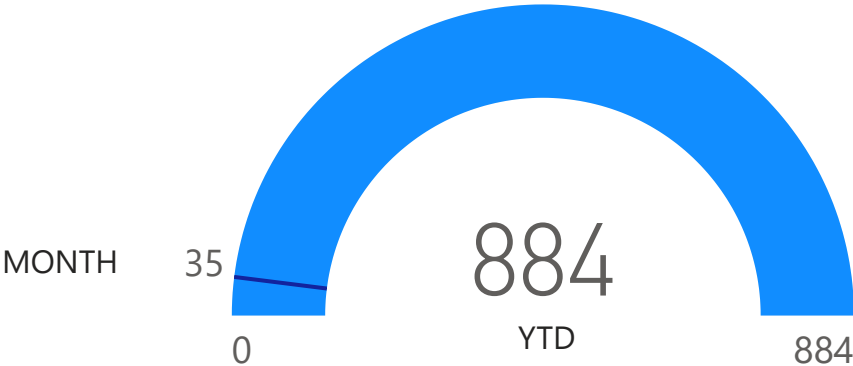
Arterial Valves Operated

Mainline



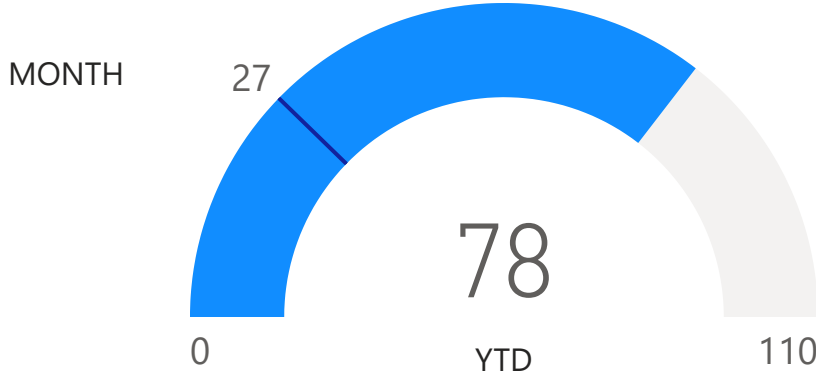
Distribution Valves Operated

Fire Hydrant



Arterial Valves Operated

Fire Hydrant



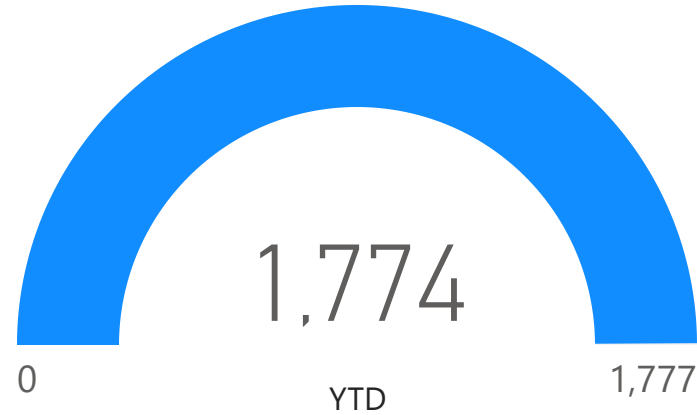
Asset	Month	YTD
Potable Valves Repaired	0	14
Potable Valves Replaced	1	22
Valve Cans Adjusted/Replaced	4	47
Valve Cans Cleaned	251	2,729
Total	256	2,812

Note:

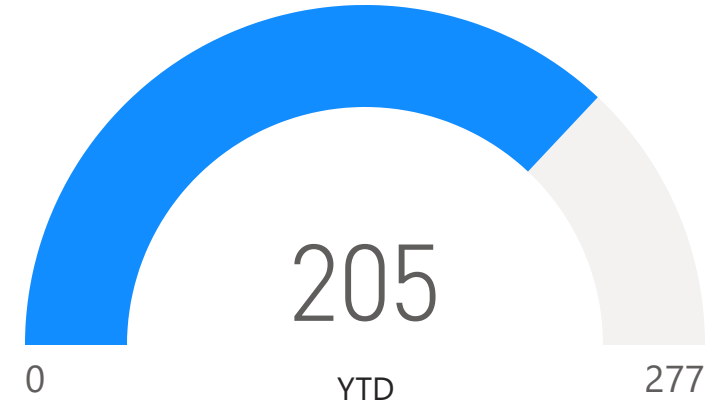
1. The distribution valve operation program strives to operate all distribution valves (mainline and fire) every two years. Goals shown on this page represent that for the calendar year (i.e., total number of distribution valves divided by two).
2. The arterial valve operation program strives to operate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

174
Month

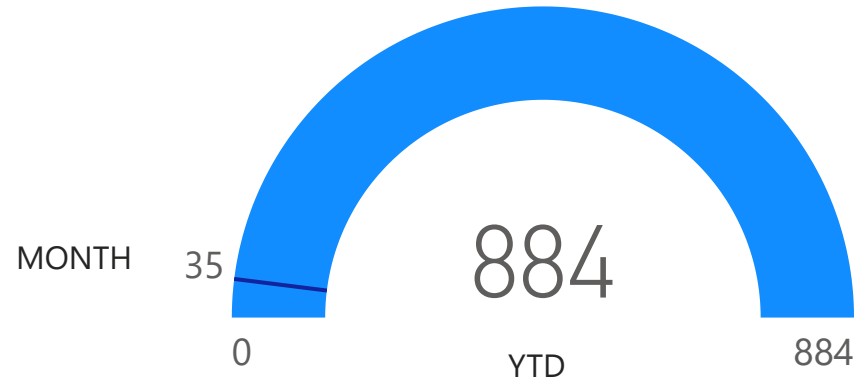
Underground Service Alerts Marked

1,789
YTD

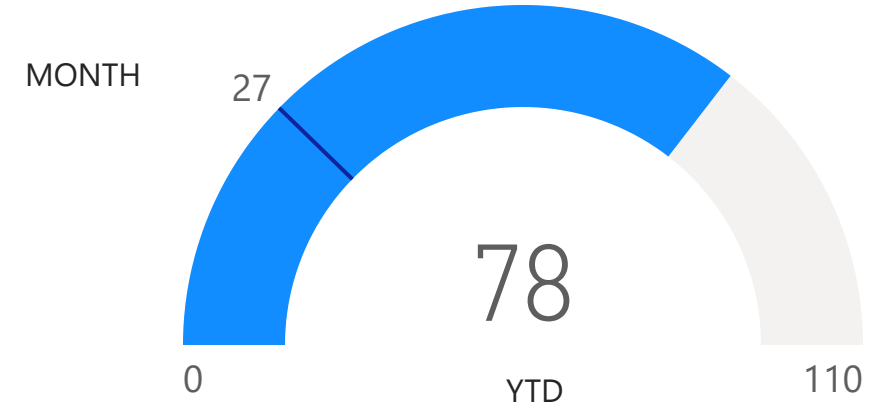
Fire Hydrants



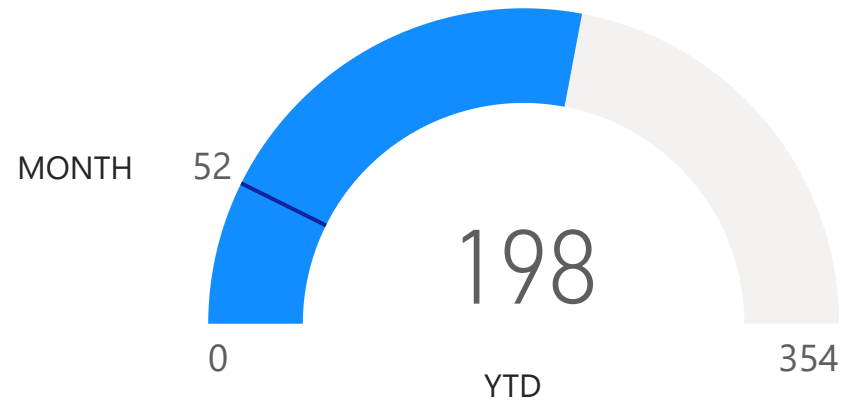
Distribution Hydrants Maintained



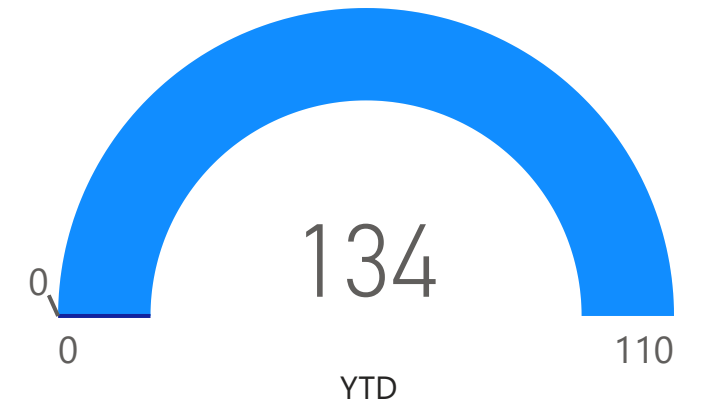
Arterial Hydrants Maintained



Distribution Hydrants Painted



Arterial Hydrants Painted



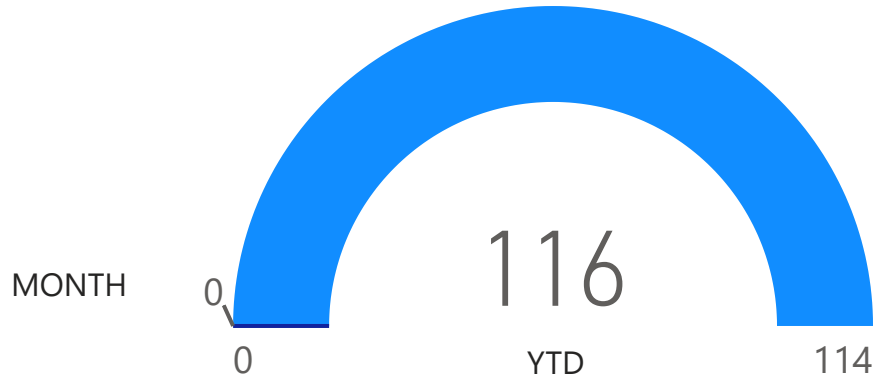
Asset	Month	YTD
Hydrants Repaired	2	11
Hydrants Replaced	3	11
Total	5	22

Note:

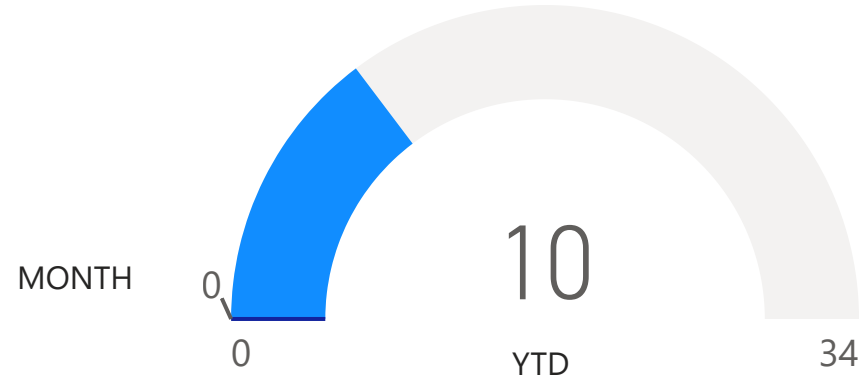
1. The hydrant program strives to maintain all distribution hydrants every two years and arterial hydrants every year. Goals shown on this page represent that for the calendar year (i.e., total number of distribution hydrants divided by two).
2. The hydrant program strives to paint all hydrants every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

Water Appurtenances

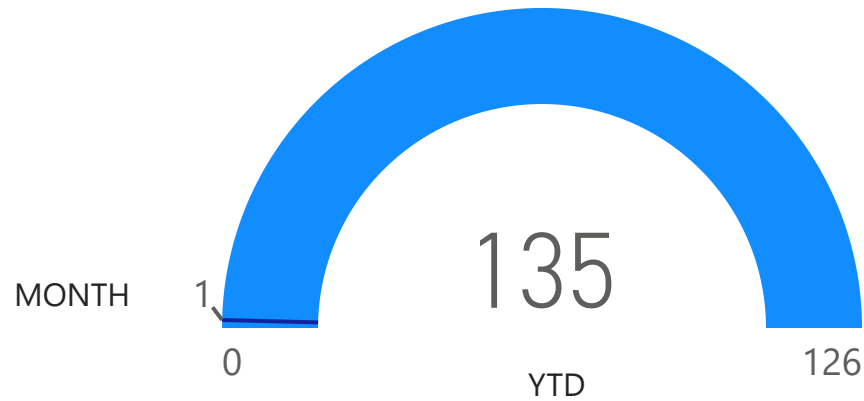
Air Vacs Maintained



PRVs Maintained

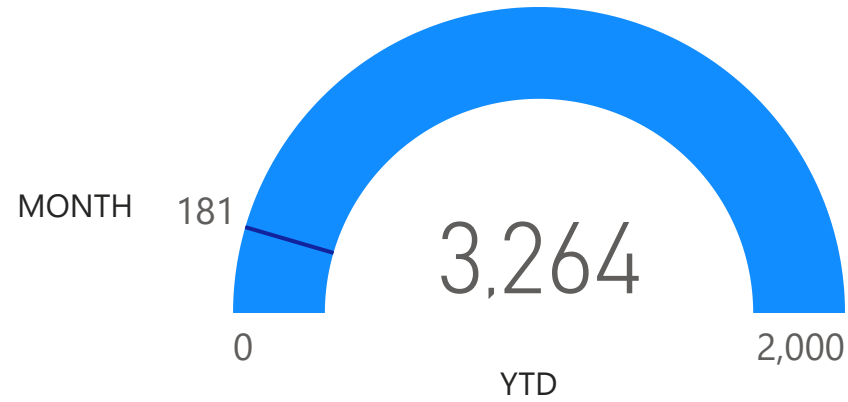


Blow Offs Flushed



Water Distribution System

Leak Detection Survey



System Flushing
gallons

49K
Month

Asset	Month	YTD
Main Line Repairs	0	5
Service Line Repairs	0	11
Service Line Replacement	5	30
Water Pump Motor Services	0	8
Water Pump Services	0	8
Water Reservoir and Pump Station Inspections	113	1,012

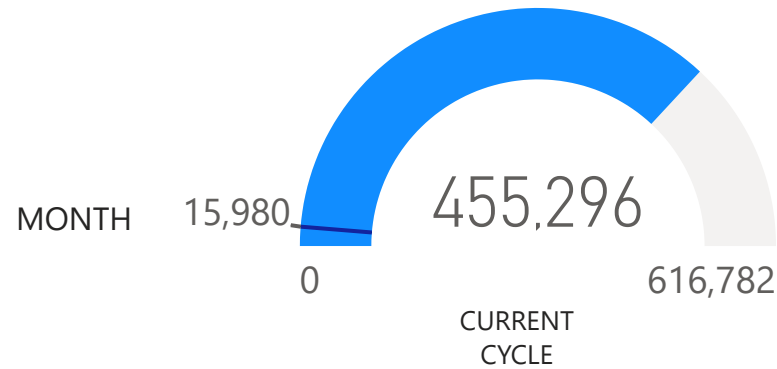


System Flushing
gallons

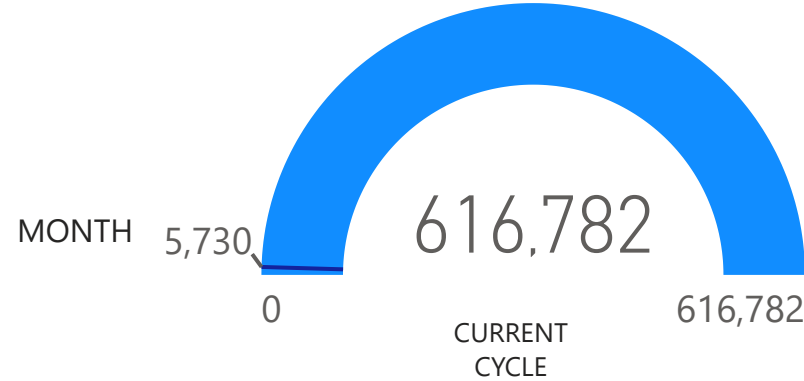
486K
YTD

Collection System

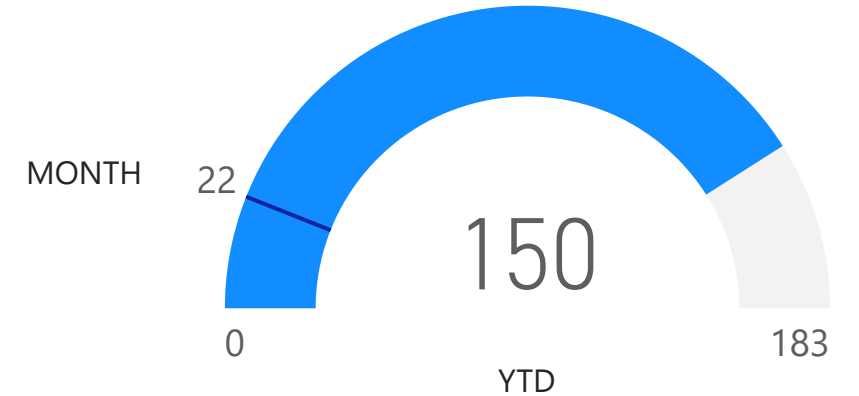
Line Cleaning
feet of pipe



TV Inspection
feet of pipe

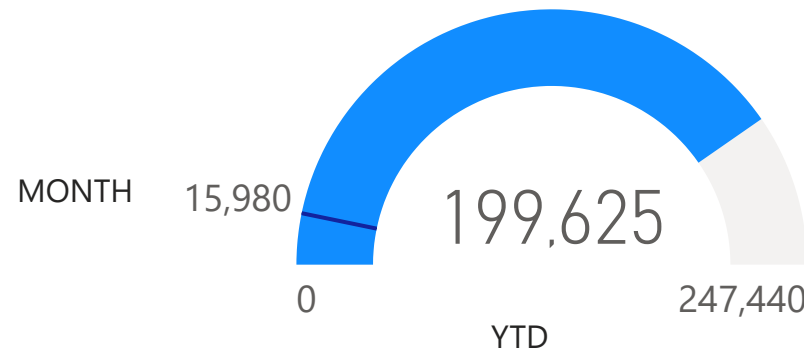


FOG Inspections

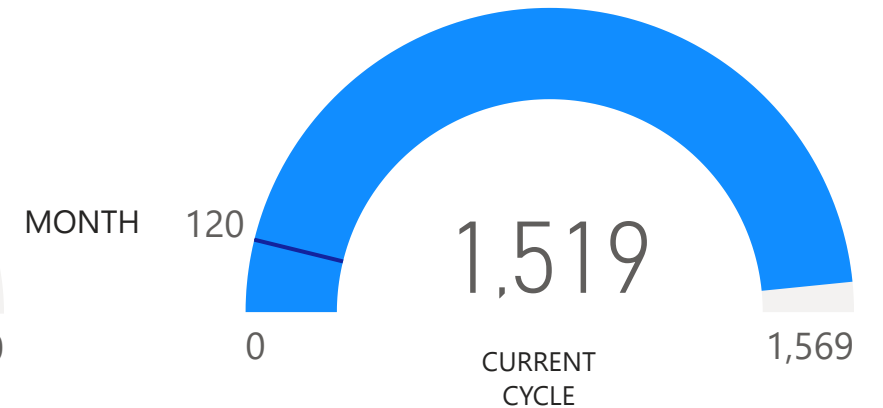


Asset	Month	YTD
Industrial Waste Inspections	0	41
Lift Station Inspections	90	896
Manhole Repairs	0	5
Odor Complaints	2	2
Root Cutting, feet of pipe	28,241	28,288
Root Foaming, feet of pipe	0	177
Sewer Mainline Repairs	0	0
Sewer Pump/Motor Maintenance	1	30
Sewer Service Line Repairs	0	1
Wet Well Cleaning	3	28

Hotspots
feet of pipe



Manhole Inspections



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.

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

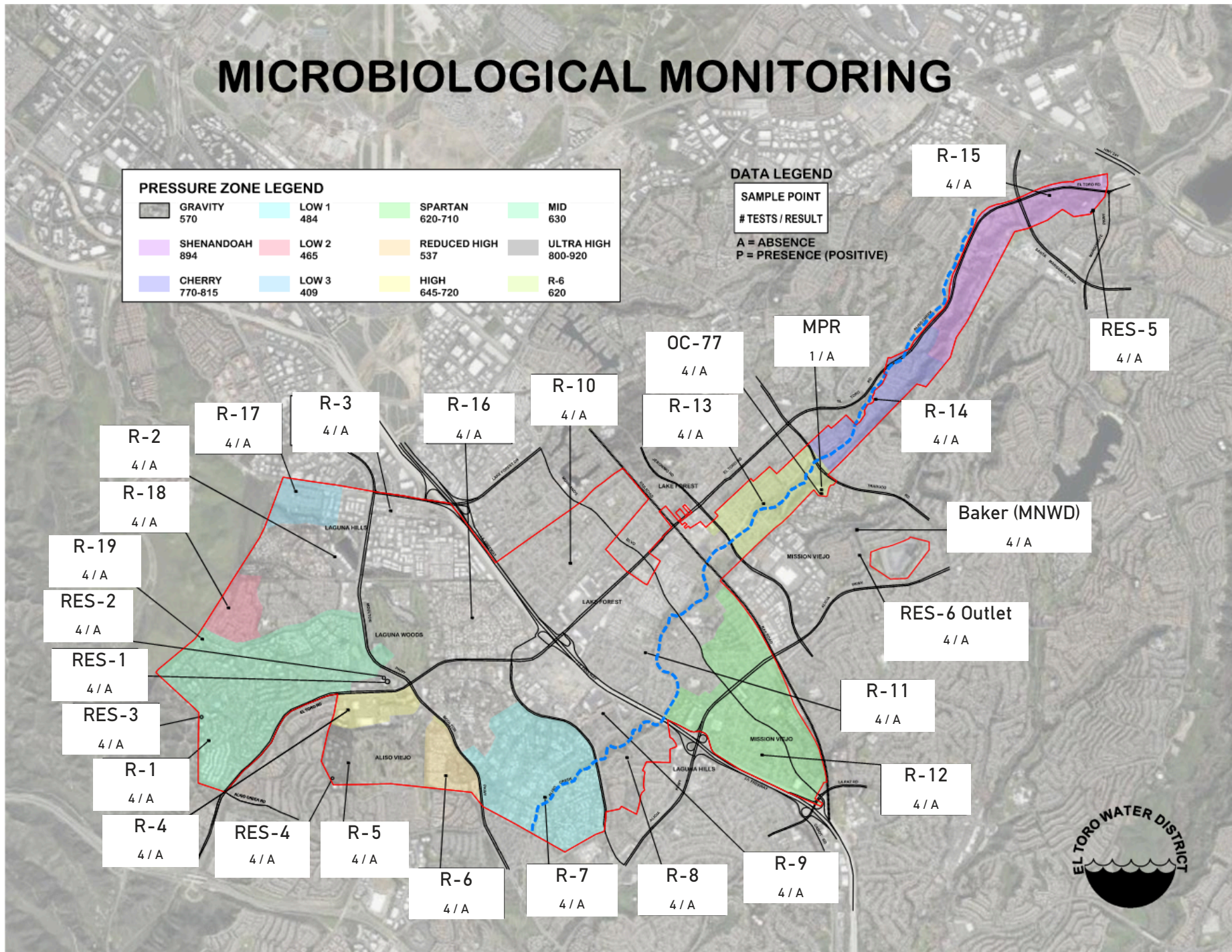
DATA LEGEND

SAMPLE POINT

TESTS / RESULT

A = ABSENCE

P = PRESENCE (POSITIVE)



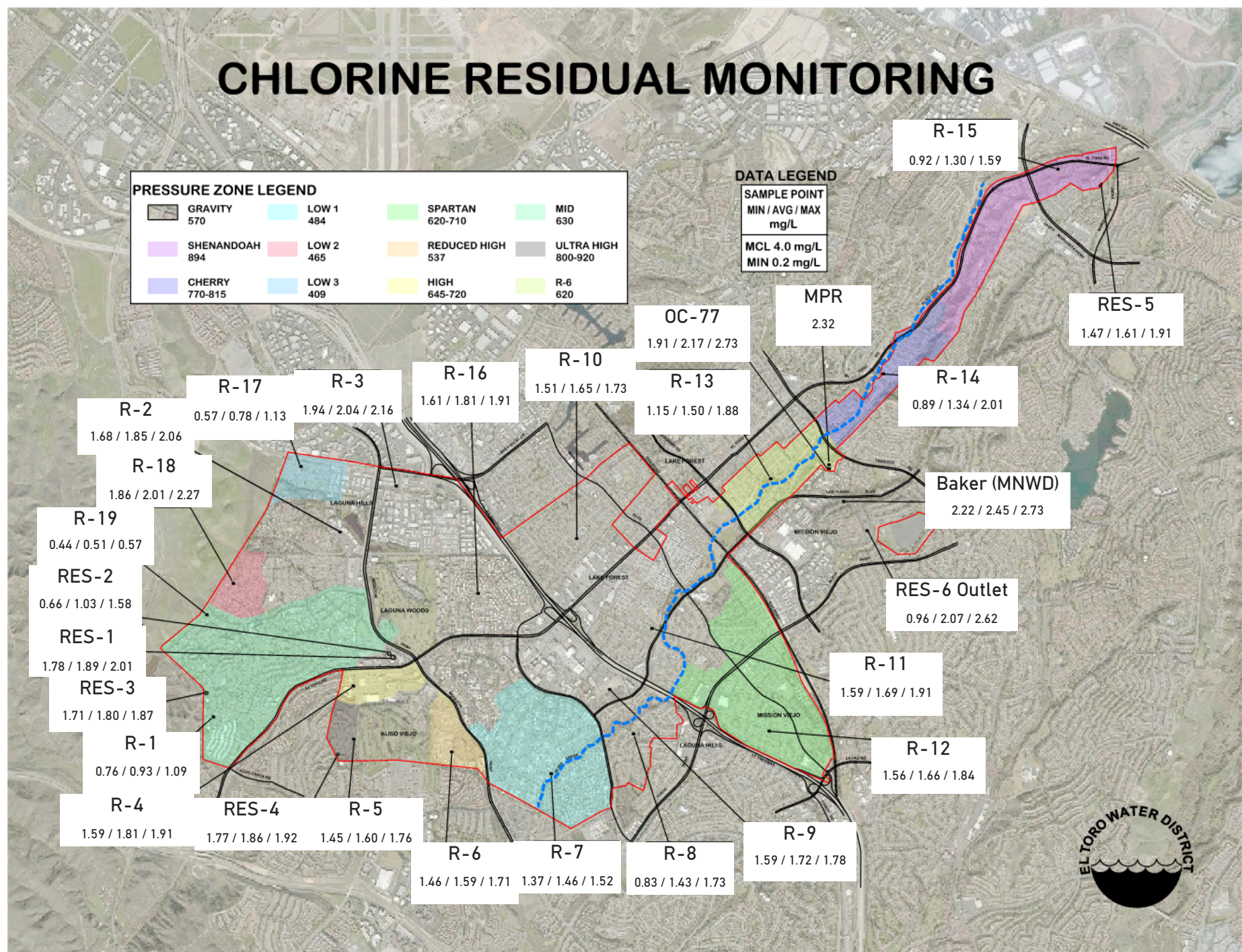
CHLORINE RESIDUAL MONITORING

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



Sample Point	MIN / AVG / MAX (mg/L)
R-15	0.92 / 1.30 / 1.59
RES-5	1.47 / 1.61 / 1.91
OC-77	1.91 / 2.17 / 2.73
MPR	2.32
R-10	1.51 / 1.65 / 1.73
R-13	1.15 / 1.50 / 1.88
R-14	0.89 / 1.34 / 2.01
Baker (MNWD)	2.22 / 2.45 / 2.73
R-17	0.57 / 0.78 / 1.13
R-3	1.94 / 2.04 / 2.16
R-16	1.61 / 1.81 / 1.91
R-2	1.68 / 1.85 / 2.06
R-18	1.86 / 2.01 / 2.27
R-19	0.44 / 0.51 / 0.57
RES-2	0.66 / 1.03 / 1.58
RES-1	1.78 / 1.89 / 2.01
RES-3	1.71 / 1.80 / 1.87
R-1	0.76 / 0.93 / 1.09
RES-6 Outlet	0.96 / 2.07 / 2.62
R-11	1.59 / 1.69 / 1.91
R-12	1.56 / 1.66 / 1.84
R-4	1.59 / 1.81 / 1.91
RES-4	1.77 / 1.86 / 1.92
R-5	1.45 / 1.60 / 1.76
R-6	1.46 / 1.59 / 1.71
R-7	1.37 / 1.46 / 1.52
R-8	0.83 / 1.43 / 1.73
R-9	1.59 / 1.72 / 1.78

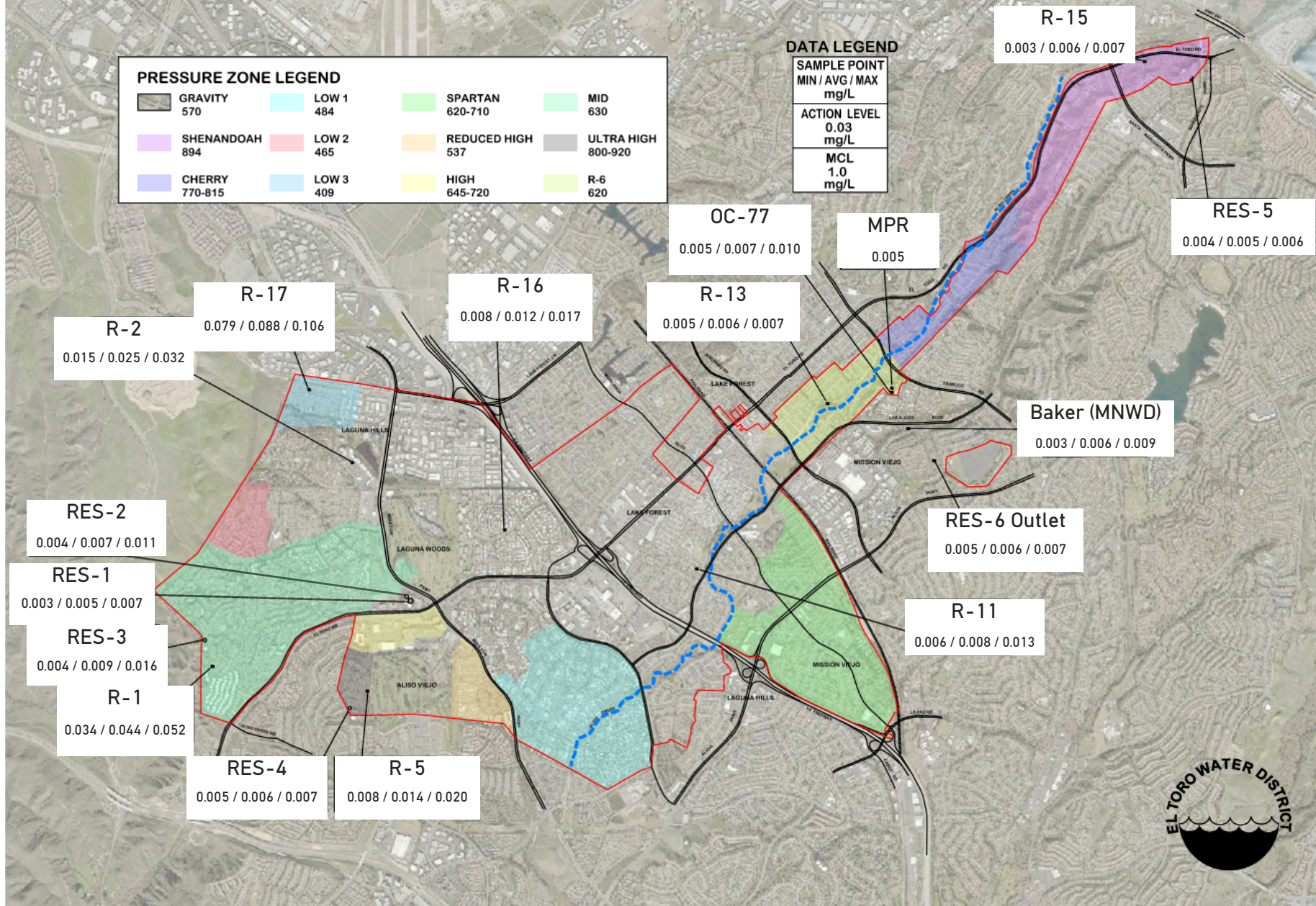


NITRITE MONITORING

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 bacteriological 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:		October		YEAR : 2025	
CONSTITUENT ANALYSIS	MCL	INSIDE LAB		OUTSIDE LAB	
		NO.	RESULTS	NO.	RESULTS
1 Microbiological	Pres/Absence	114	Absence		Average
2 Chlorine (ppm) In Field	Detectable Resid	179	*Average = 1.52 ppm		
3 TTHM (ppb) (Stage 2)	80 ppb				
3 HAA5 (ppb) (Stage 2)	60 ppb				
4 Physical Quality:			RANGE		
Turbidity (ppm)	5 NTU	20	0.05 to 0.15 Res.		
Odor	3 Units	20	ND<1		
Color	15 Units	20	ND<5		
Temperature	No standard	20	73°F To 85°F		
5 Nitrite (Alert/Action level) ppm	0.015 to 0.030 ppm	145	0.002 to 0.106		

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

4th Quarter 2025 Compliance Reports

4th Quarter 2025 Compliance Reports		
<u>October's Monthly Reports</u>		
September's Surface Water Treatment (Bactis)	Due October 10th Submitted October 9th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
September's Revised Total Coliform Monitoring (Bactis)	Due October 10th Submitted October 9th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
3rd Quarter Stage 2 Disinfection TTHM/HAA5	Due October 10th Submitted October 9th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
3rd Quarter Report of Disinfectant Residuals	Due October 10th Submitted October 9th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
September's Self Monitoring Report for Planned Discharges	Due October 30th Submitted October 9th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
September's Self Monitoring Report for Recycled Water	Due October 30th Submitted October 24th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<u>November's Monthly Reports</u>		
October's Surface Water Treatment (Bactis)	Due November 10th Submitted November 7th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
October's Revised Total Coliform Monitoring (Bactis)	Due November 10th Submitted November 7th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
October's Self Monitoring Report for Planned Discharges	Due November 30th Submitted November 7th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
October's Self Monitoring Report for Recycled Water	Due November 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	54	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- 612.5			

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	55	Annual	Online	All Staff/Assigned
Fire Extinguisher	1	58	53	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- 583.5			

Third Quarter

Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	224.5	224.5	Weekly	In Person	Field Staff
Hearing	1	58	52	Annual	Online	All Staff/Assigned
Low Voltage Electrical Safety	1	58	53	Annual	Online	All Staff/Assigned
Asbestos/Silica	3	66	66	Annual	In Person	Scheduled - 9/24
DOT/Respirator Physicals	3	73	73	Annual	In Person	Field Staff/In Process
		Total- 479.5	Total- 468.5			

Fourth Quarter

Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	80.5	80.5	Weekly	In Person	Field Staff
Lock Out Tag Out	1	58	17	Every 2 Years	Online	All Staff/Assigned
Harassment Prevention for Supervisors	2	27	5	Every 2 Years	Online	Managers/Supervisors
Harassment Prevention for Employees	1	31	4	Every 2 Years	Online	Non Managerial Employees
HAZWOPER	8	296	264	Annual	In Person	Completed
HAZWOPER 40 Hour	40	80	80	Annual	In Person	Completed
Confined Space Entry/Rescue	8	224	0	Annual	In Person	Field Staff/Need to Schedule
		Total- 796.5	Total- 450.5			

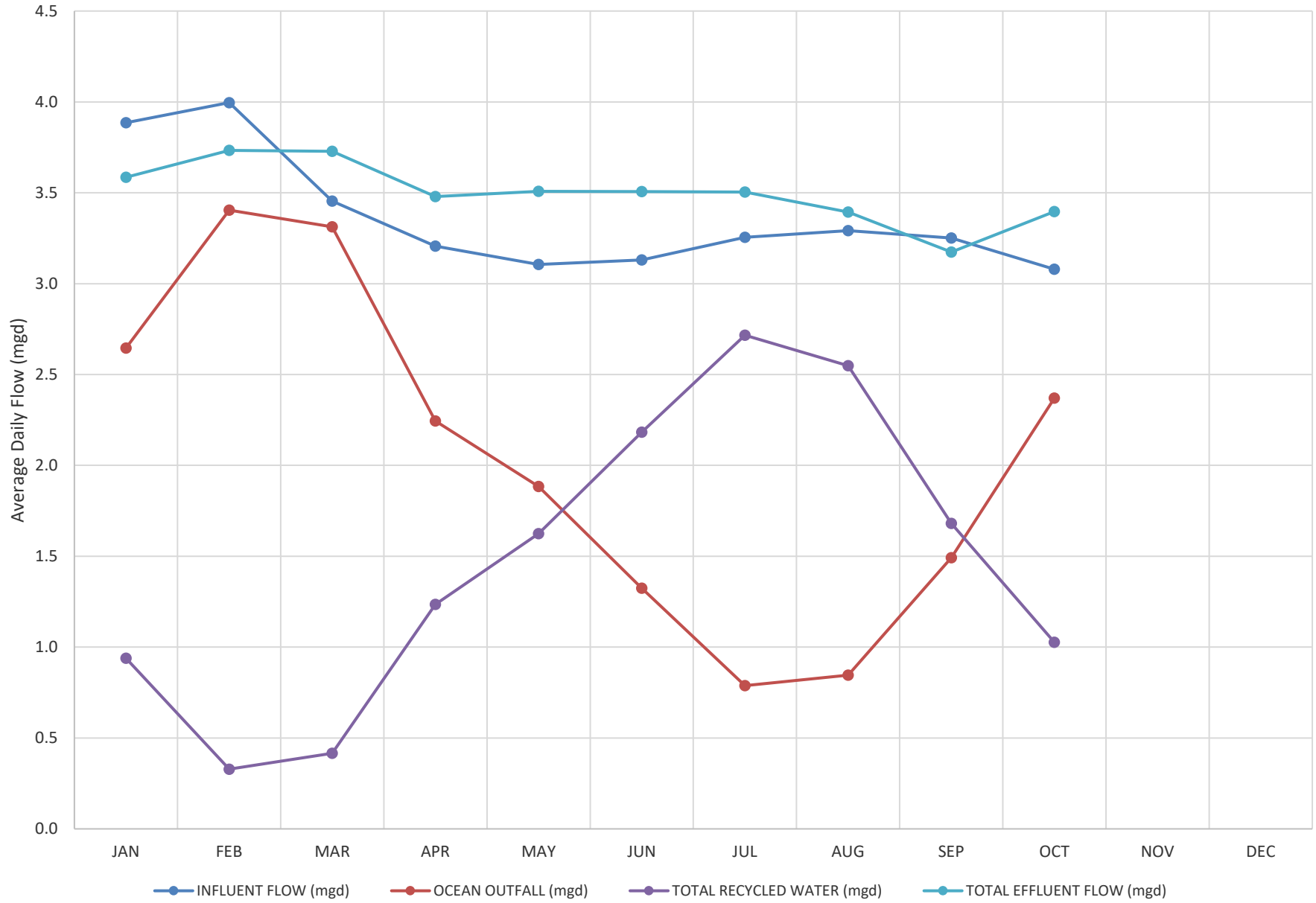


EL TORO WATER DISTRICT

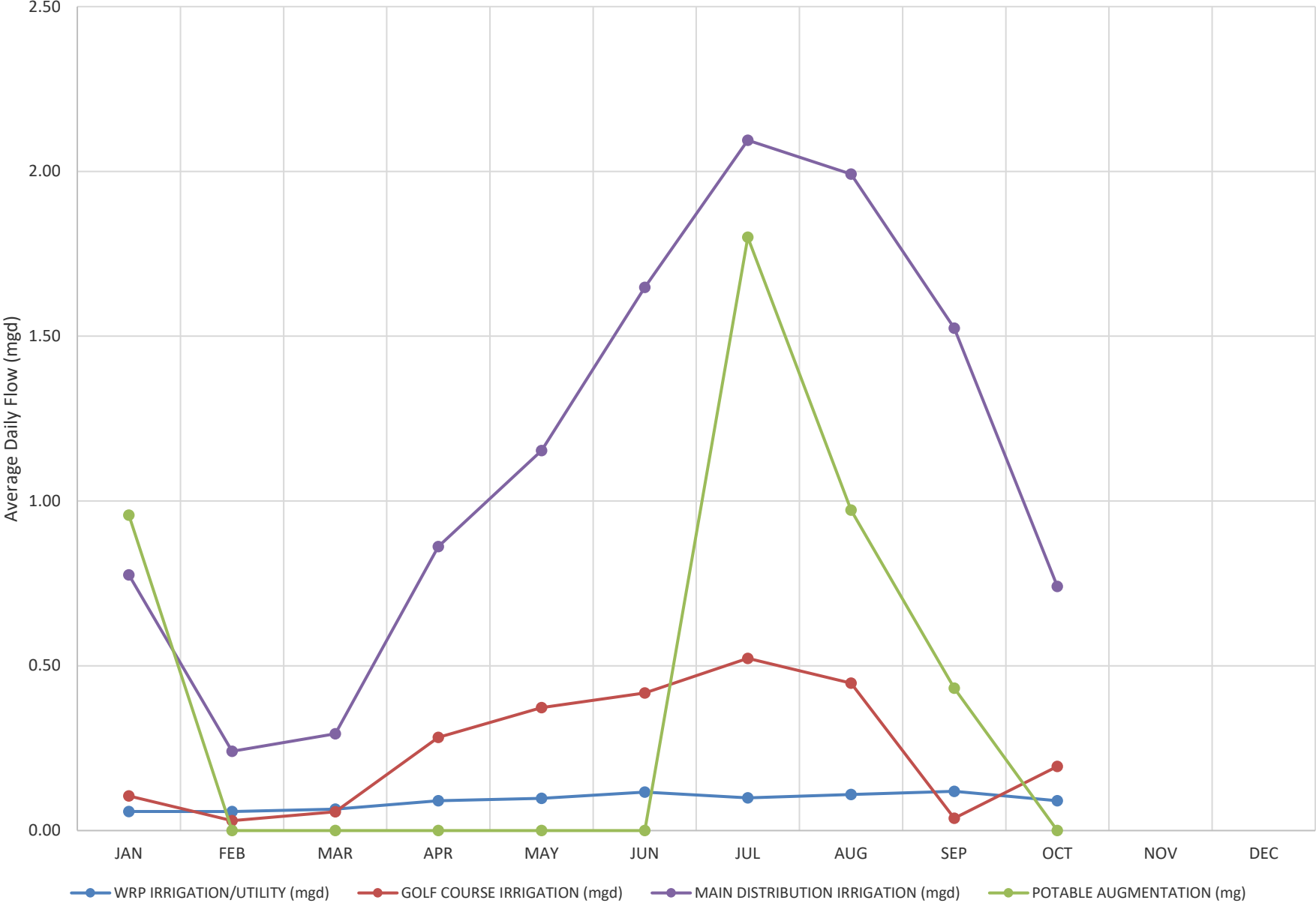
OPERATIONAL DATA FROM WATER RECYCLING PLANT

2025	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD Average
INFLUENT FLOW (mgd)	3.886	3.996	3.454	3.207	3.106	3.130	3.255	3.292	3.252	3.079			3.366
OCEAN OUTFALL (mgd)	2.646	3.404	3.313	2.244	1.884	1.324	0.788	0.846	1.493	2.370			2.031
WRP IRRIGATION/UTILITY (mgd)	0.058	0.058	0.065	0.091	0.098	0.117	0.099	0.109	0.119	0.091			0.090
GOLF COURSE IRRIGATION (mgd)	0.105	0.030	0.057	0.283	0.373	0.418	0.523	0.447	0.037	0.194			0.247
MAIN DISTRIBUTION IRRIGATION (mgd)	0.776	0.241	0.293	0.862	1.153	1.648	2.095	1.992	1.525	0.741			1.133
POTABLE AUGMENTATION (gallons)	956,910	0.000	0.000	0.000	0.000	0.000	1.800	972,000	432,000	0.000			236091
POTABLE AUGMENTATION (mg)	0.957	0.000	0.000	0.000	0.000	0.000	1.80	0.972	0.432	0.000			0.416
TOTAL RECYCLED WATER (mgd)	0.939	0.329	0.415	1.236	1.624	2.182	2.716	2.548	1.681	1.026			1.470
TOTAL EFFLUENT FLOW (mgd)	3.585	3.733	3.728	3.480	3.508	3.506	3.504	3.394	3.174	3.396			3.501
INFLUENT SUSPENDED SOLIDS (mg/L)	394	366	344	369	403	351	352	338	313	352			358
EFFLUENT SUSPENDED SOLIDS (mg/L)	20	15	13	15	12	11	12	11	7	10			13
SUSPENDED SOLIDS REMOVAL (%)	95	96	96	96	97	97	97	97	98	97			96
INFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)	336	321	353	322	365	320	299	279	281	318			319
EFFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)	10	8	14	9	7	9	11	7	6	7			9
BIOLOGICAL OXYGEN DEMAND REMOVAL (%)	97	98	96	97	98	97	96	97	98	98			97
SLUDGE TO Regional Treatment Plant (gallons)	518,283	469,463	609,601	504,923	540,803	605,956	520,950	603,129	502,850	562,529			543,849
SOLIDS (dry lb/day)	6,294	5,712	6,329	5,740	5,560	6,050	5,121	5,257	5,111	4,905			5,608
TOTAL SOLIDS (%)	4.4	4.1	3.9	4.1	3.7	3.6	3.7	3.2	3.7	3.2			3.8
SLUDGE TO SOCWA (loads)	96	86	113	91	103	111	96	111	92	103			100
TRUCKED BY ETWD (loads)	96	86	113	91	103	111	96	111	92	103			100
TRUCKED BY OTHERS (loads)	0	0	0	0	0	0	0	0	0	0			0
TOTAL RAIN FALL (inches)	0.70	3.41	2.42	0.27	0.00	0.00	0.00	0.00	0.00	1.22			0.80

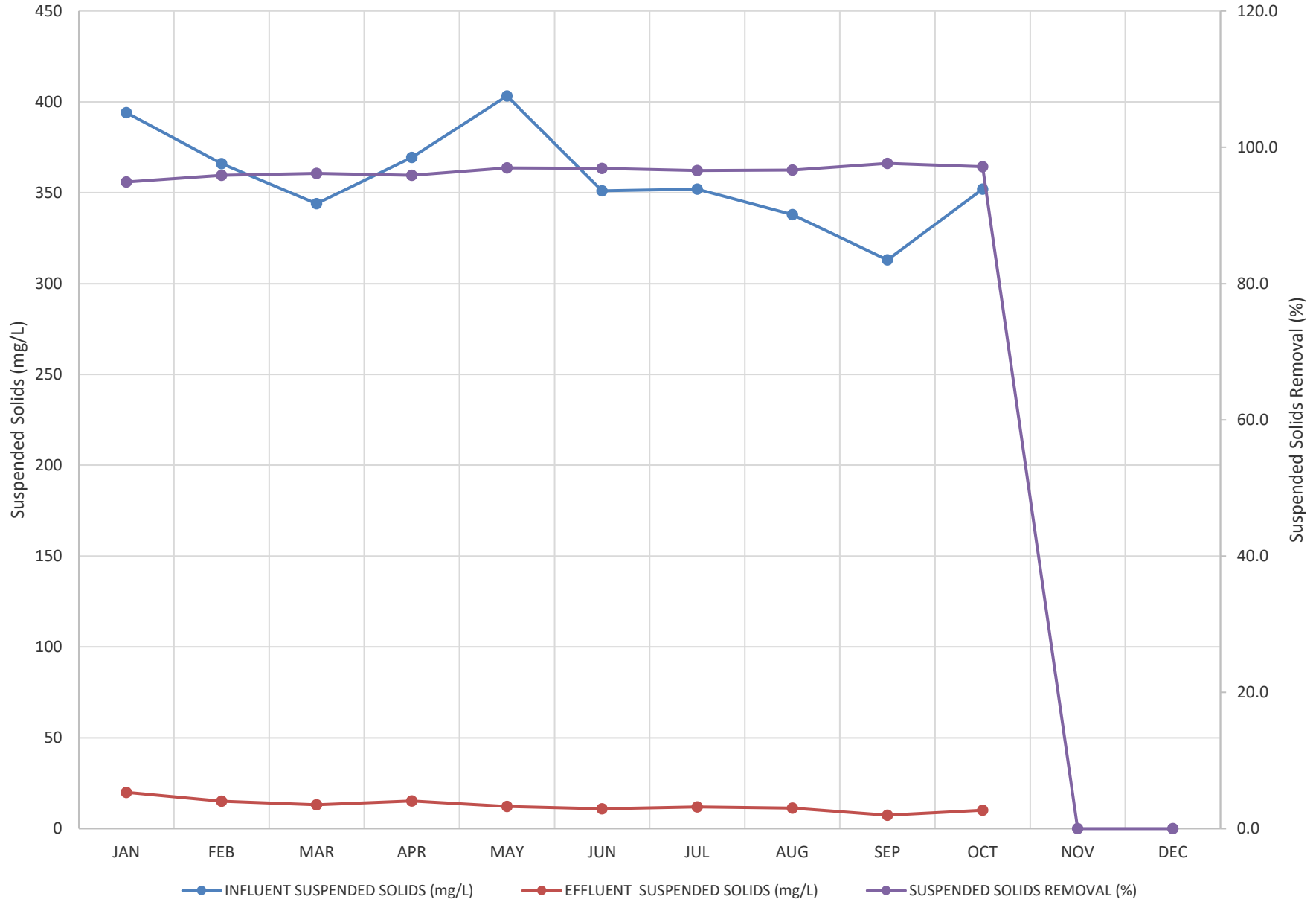
WRP Flow Trends



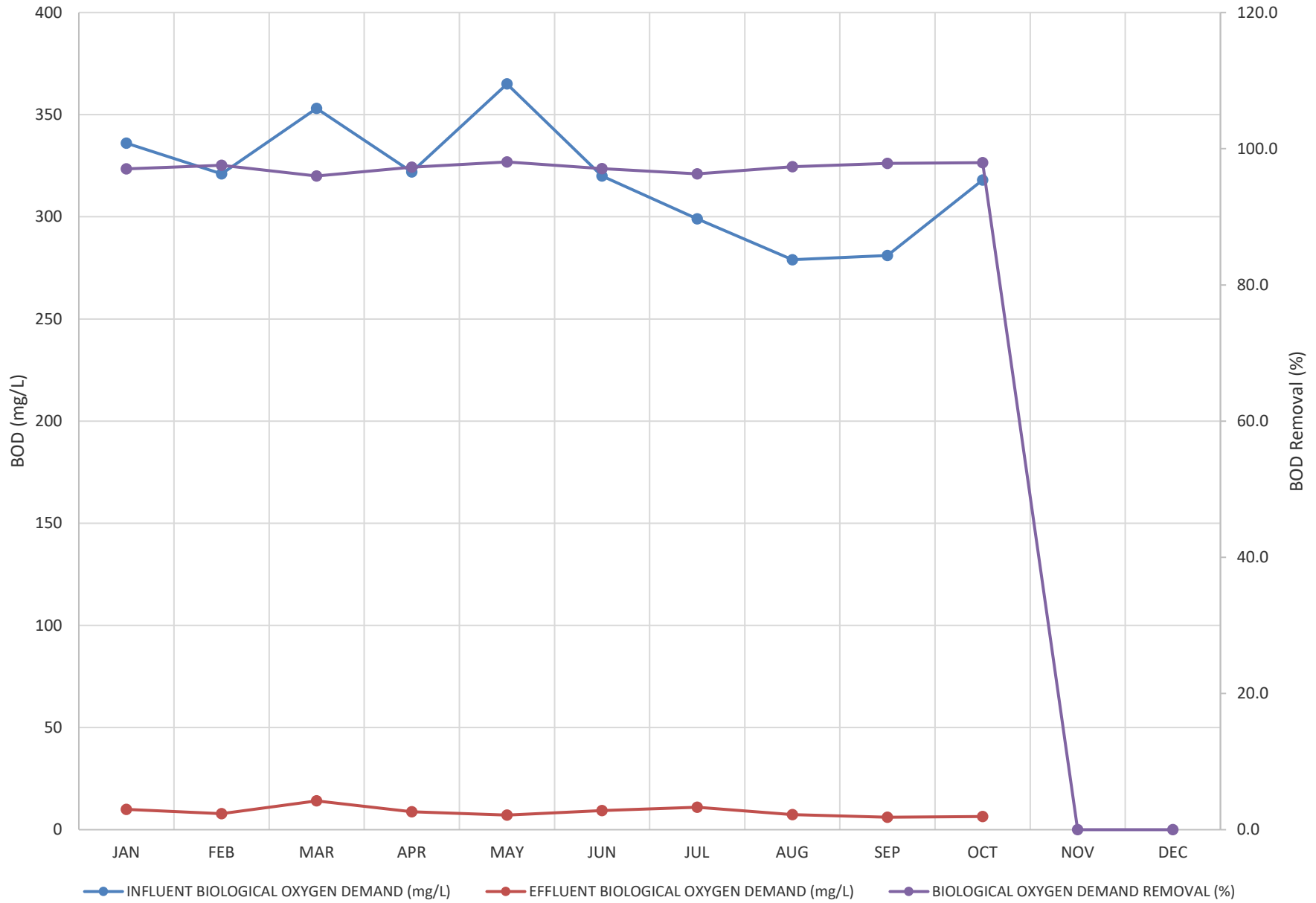
Recycled Water Flow Trends



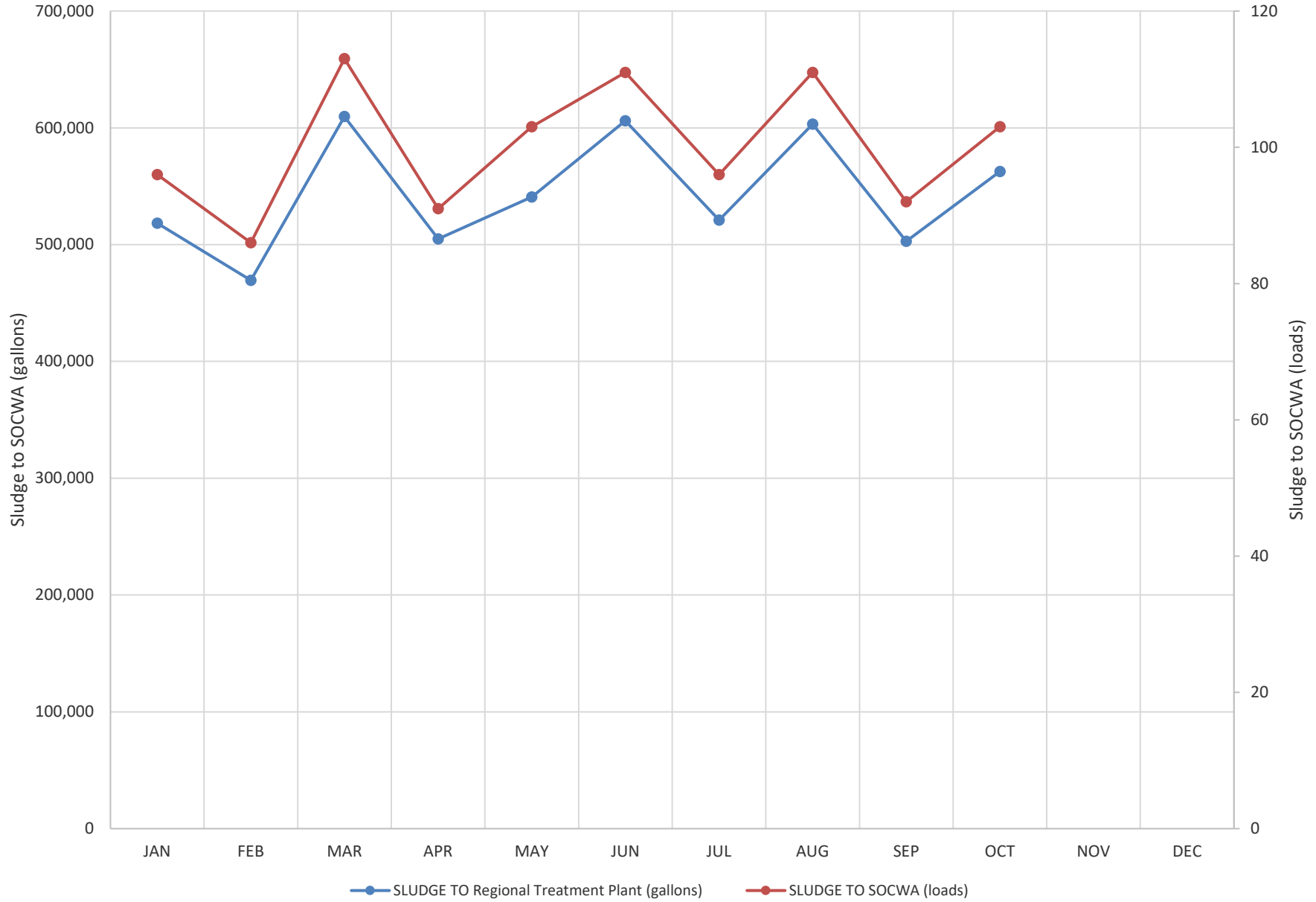
Suspended Solids Trends



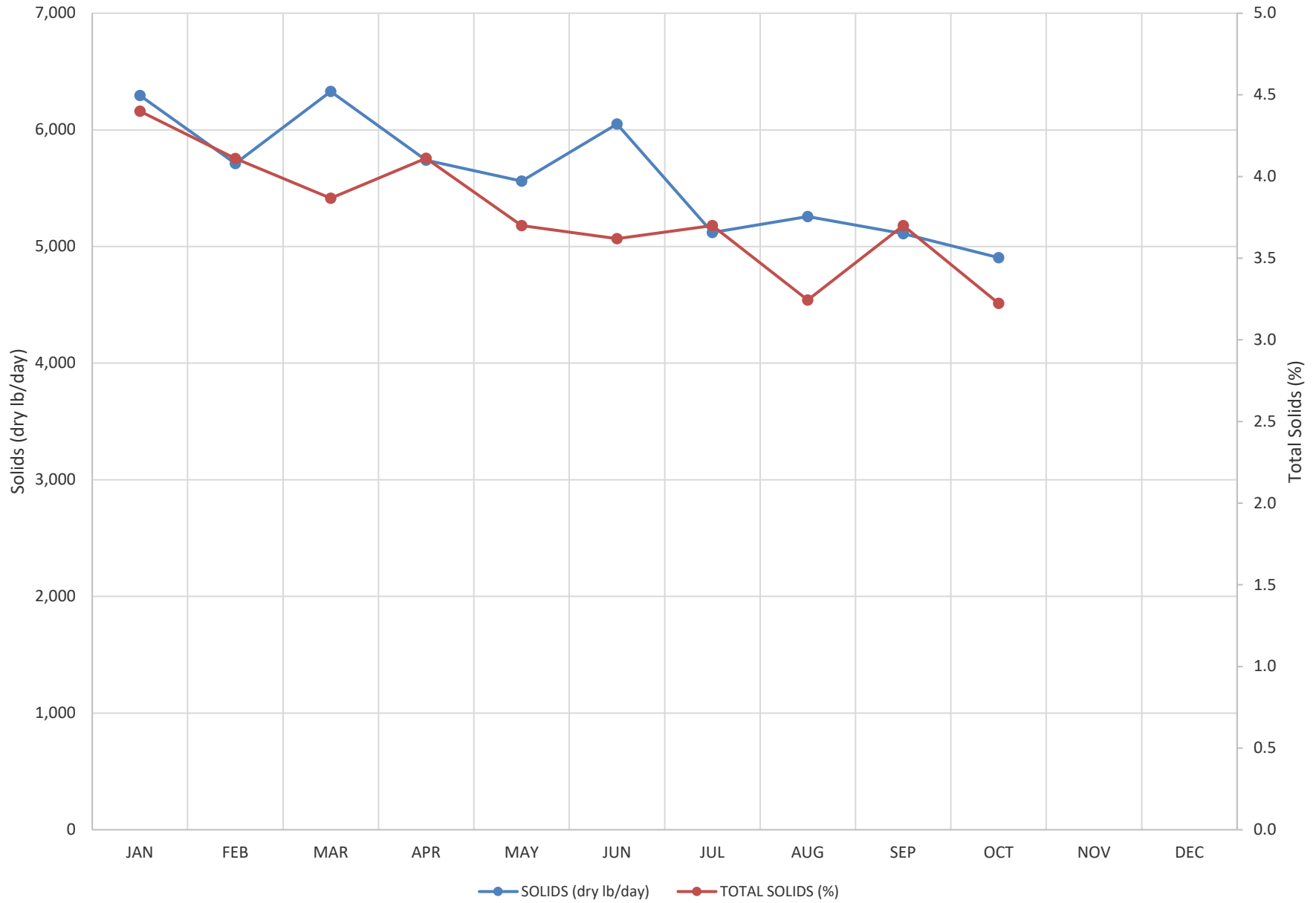
Biological Oxygen Demand (BOD) Trends



SOCWA Hauling Trends



Solids Trends



WRP BATTERY STORAGE SYSTEM MONTHLY REPORT

OCTOBER 2025



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
1	08/13/19 - 09/12/19	(917.75)	(2,507.75)	(15,448.23)
	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)		
2	08/13/20 - 09/14/20	1,727.18	137.18	21,670.61
	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		
3	08/12/21 - 09/13/21	3,251.24	1,661.24	31,307.32
	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		

WRP BATTERY STORAGE SYSTEM MONTHLY REPORT

OCTOBER 2025



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
4	08/12/22 - 09/13/22	8,171.50	6,581.50	27,820.60
	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)	
5	08/11/23 - 09/12/23	1,749.86	159.86	29,645.11
	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)	
6	8/13/24-9/12/24	5,410.44	3,820.44	38,028.85
	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	
	07/12/25-08/13/25	8,326.07	6,736.07	
	Performance Bonus	(10,355.00)	(10,355.00)	

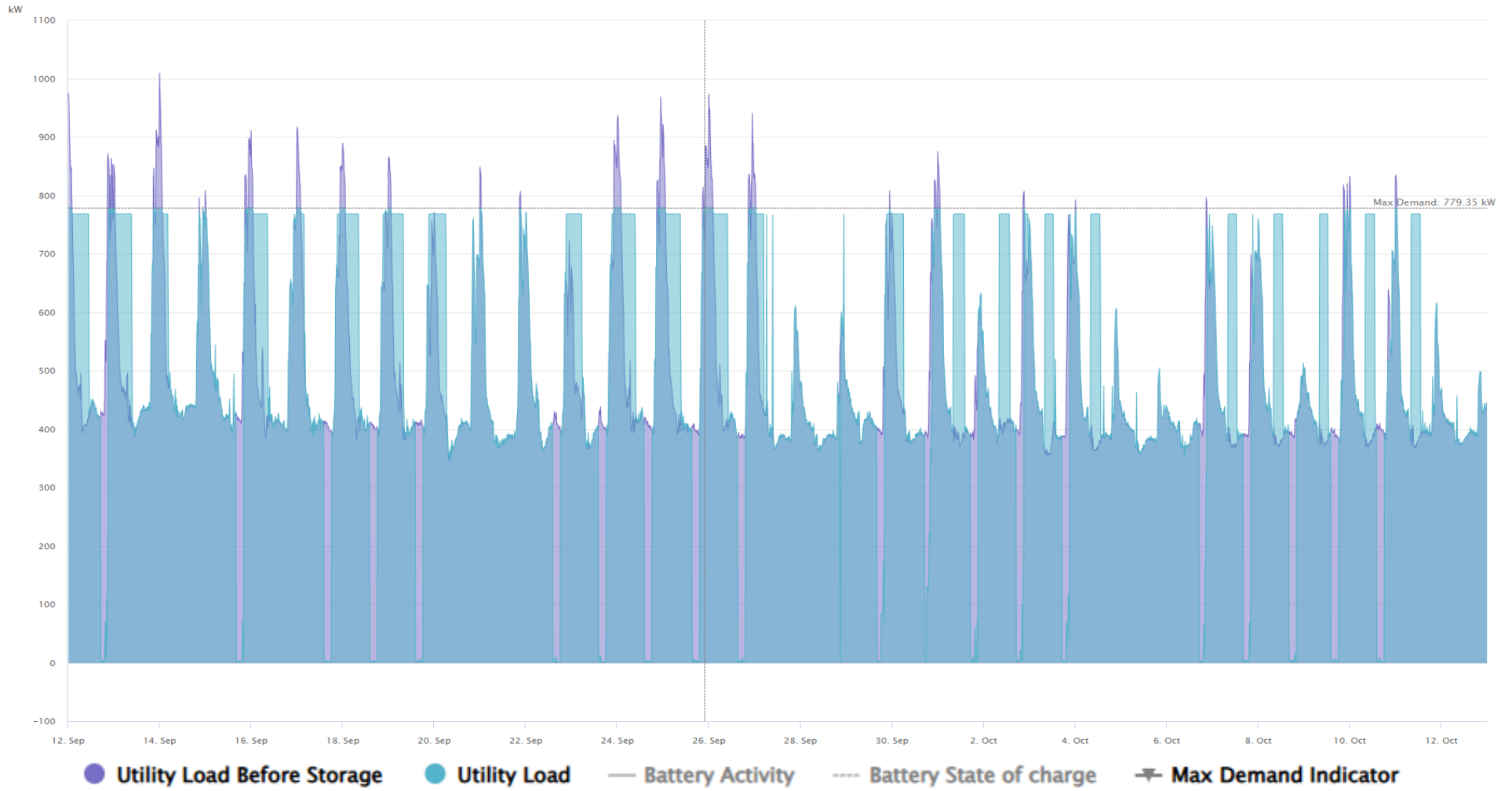
WRP BATTERY STORAGE SYSTEM MONTHLY REPORT

OCTOBER 2025



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
7	08/13/25 - 09/12/25	10,886.89	9,296.89	
	09/12/25 - 10/13/25	10,365.71	8,775.71	
	TOTAL	165,815.66		18,072.60
				85,746.56

WRP BATTERY STORAGE SYSTEM MONTHLY REPORT 09/12/25 - 10/13/25



Savings Report - 2025-10

Sep 12, 2025 - Oct 13, 2025
SCE TOU 8 Option D (< 2kV)

Demand Charges	Before Storage		After Storage		Savings	
Facilities Related - Distribution	1,010kW	\$21,387.39	779kW	\$16,510.95	230kW	\$4,876.44
Facilities Related - Transmission	1,010kW	\$5,320.22	779kW	\$4,107.18	230kW	\$1,213.04
Time Related - Distribution - Summer On-Peak	872kW	\$10,867.73	749kW	\$9,337.34	123kW	\$1,530.38
Time Related - Distribution - Winter Mid-Peak	818kW	\$1,263.22	519kW	\$800.97	299kW	\$462.25
Time Related - Utility Retained Generation - Summer On-Peak	872kW	\$9,307.56	749kW	\$7,996.88	123kW	\$1,310.68
Time Related - Utility Retained Generation - Winter Mid-Peak	818kW	\$1,994.56	519kW	\$1,264.69	299kW	\$729.87
Sub-total		\$50,140.68		\$40,018.02		\$10,122.66

Energy Charges	Before Storage		After Storage		Savings	
Competition Transition Charge	359,363kWh	\$(147.34)	366,677kWh	\$(150.34)	(7,314)kWh	\$3.00
Competition Transition Charge (URG Component)	359,363kWh	\$147.34	366,677kWh	\$150.34	(7,314)kWh	\$(3.00)
Distribution - Summer Mid-Peak	14,221kWh	\$199.66	13,954kWh	\$195.92	267kWh	\$3.74
Distribution - Summer Off-Peak	184,194kWh	\$2,530.82	201,067kWh	\$2,762.67	(16,874)kWh	\$(231.84)
Distribution - Summer On-Peak	30,981kWh	\$478.35	17,331kWh	\$267.59	13,650kWh	\$210.76
Distribution - Winter Mid-Peak	26,626kWh	\$470.76	14,374kWh	\$254.14	12,252kWh	\$216.62
Distribution - Winter Off-Peak	66,353kWh	\$1,066.95	66,721kWh	\$1,072.88	(369)kWh	\$(5.93)
Distribution - Winter Super Off-Peak	36,989kWh	\$560.01	53,230kWh	\$805.90	(16,241)kWh	\$(245.89)
Fixed Recovery Charge	359,363kWh	\$409.67	366,677kWh	\$418.01	(7,314)kWh	\$(8.34)
New System Generation Charge	359,363kWh	\$2,307.72	366,677kWh	\$2,354.79	(7,314)kWh	\$(47.07)
Nuclear Decommissioning Charge	359,363kWh	\$(3.59)	366,677kWh	\$(3.67)	(7,314)kWh	\$0.07
Public Purpose Programs Charge	359,363kWh	\$9,572.87	366,677kWh	\$9,770.64	(7,314)kWh	\$(197.77)
PUC Reimbursement Fee	359,363kWh	\$287.49	366,677kWh	\$293.34	(7,314)kWh	\$(5.85)
State Tax	359,363kWh	\$107.81	366,677kWh	\$110.00	(7,314)kWh	\$(2.19)
Transmission	359,363kWh	\$14.37	366,677kWh	\$14.67	(7,314)kWh	\$(0.29)
Utility Retained Generation - Summer Mid-Peak	14,221kWh	\$1,245.88	13,954kWh	\$1,222.52	267kWh	\$23.37
Utility Retained Generation - Summer Off-Peak	184,194kWh	\$10,931.90	201,067kWh	\$11,933.35	(16,874)kWh	\$(1,001.45)
Utility Retained Generation - Summer On-Peak	30,981kWh	\$2,976.65	17,331kWh	\$1,665.14	13,650kWh	\$1,311.51
Utility Retained Generation - Winter Mid-Peak	26,626kWh	\$2,151.69	14,374kWh	\$1,161.58	12,252kWh	\$990.11
Utility Retained Generation - Winter Off-Peak	66,353kWh	\$5,395.13	66,721kWh	\$5,425.12	(369)kWh	\$(29.98)
Utility Retained Generation - Winter Super-Off-Peak	36,989kWh	\$1,578.30	53,230kWh	\$2,271.31	(16,241)kWh	\$(693.00)
Wildfire Fund Non-Bypassable Charge	359,363kWh	\$2,138.21	366,677kWh	\$2,181.73	(7,314)kWh	\$(43.52)

Sub-total		\$44,420.65	\$44,177.61	\$243.04
Other Monthly Charges	Before Storage		After Storage	Savings
Customer Charge		\$472.39	\$472.39	\$ -
Sub-total		\$472.39	\$472.39	\$ -
Total	Before Storage		After Storage	Savings
		\$95,033.73	\$84,668.02	\$10,365.71

Note: The above data is calculated by Genability using utility meter data. If there were any gaps in the utility data, they were filled with Stem meter data. Your actual utility bill may look different from the data displayed above due to either issues in the utility data we were provided or in the Stem meter data collected. Some discrepancies are normal and to be expected. For this reason, Stem completes a thorough review of all data and reconciles discrepancies by comparing the Genability calculations of the energy storage system cost savings and total bill values with your utility bills. Any discrepancies identified are adjusted for outstanding differences and reflected in your performance guarantee true up term statement.



STAFF REPORT

To: Board of Directors

Meeting Date: November 24, 2025

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

Subject: Capital Project Status Report

I. Moulton/El Toro Cathodic Protection Repair

Based on the design developed by Corrpro, the District bid a project 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. District staff advertised the Project for bids, conducted a mandatory pre-bid meeting last month, and issued four addenda. Despite five contractors attending the mandatory pre-bid meeting, only one submitted a bid. The bid was substantially higher than the engineer's estimate, so the District cancelled the bid and conducted value engineering.

As part of the value engineering exercise, Corrpro conducted a field survey to confirm if the number of installation sites could be reduced. The survey results indicated the number of sites could be reduced from six to four, but the total number of new anode groundbeds would remain the same, as shown in Figure 1. Based on this revised design, District staff will re-bid the project this month and recommend award in January.

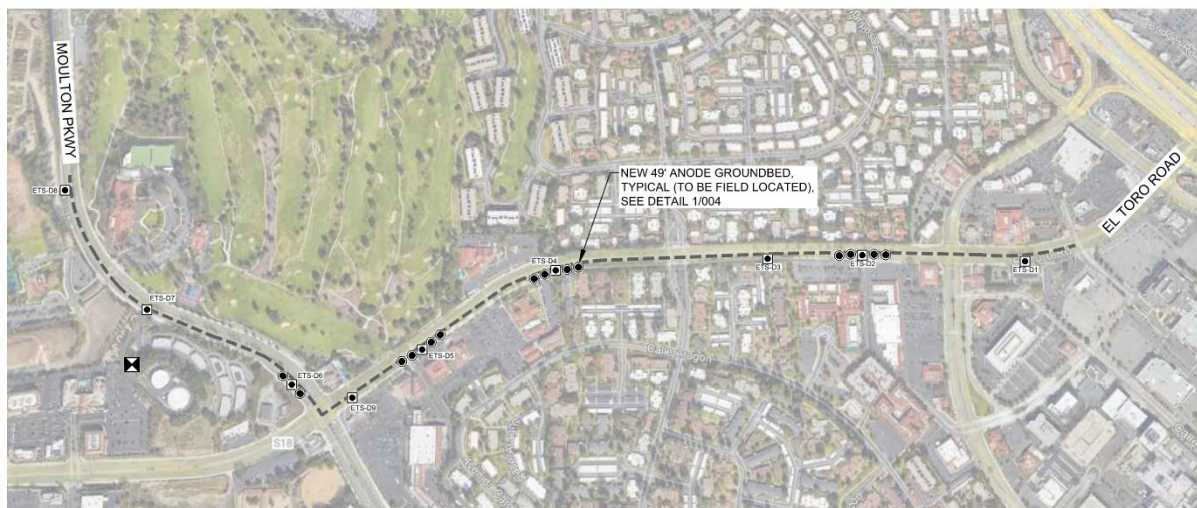


Figure 1 – Locations for New Anode Groundbeds

II. Aliso Creek Lift Station Improvement Project

District staff is reviewing the 90 percent design submittal for the Aliso Creek Lift Station (ACLS) Improvements Project prepared by Tetra Tech. District staff is conducting a series of presentations to Golden Rain Foundation (GRF) and United Mutual (United) Committees and Boards. The first of these presentations took place at the GRF Maintenance and Construction Committee on October 8, 2025, the United Maintenance and Construction Committee on October 22, 2025, and the GRF Board on November 4, 2025. The next will be at the United Board on December 9, 2025.

District staff submitted a subapplication for the FEMA Hazard Mitigation Grant Program (HMGP) to help fund the ACLS project. The California Office of Emergency Services (Cal OES) is currently reviewing the subapplication, and District staff are in the process of responding to Requests for Information (RFIs). If approved, Cal OES will include the project in the State's application to FEMA for final review and potential grant award.

III. Main Office Warehouse Drainage Improvement Project

Construction activities are complete, as shown in Figure 1, and the District filed the Notice of Completion with the County of Orange in mid-November. Once the 35-calendar day period has elapsed, District staff will issue the remaining retention to the project contractor GCI Construction, Inc., and the project will be complete. The new pump drain system has been in service for several weeks and has successfully captured and diverted stormwater from recent rain events away from the building.



Figure 2 – New Pump Station and Trench Drain

Table 1 below shows project expenditures for the Main Office Warehouse Drainage Improvement Project. The project included a change order to re-route the fiber optic pipeline. District staff conducted construction management in house to reduce costs. This emergency project was unbudgeted and funded by capital reserves.

Table 1 – Main Office Warehouse Drainage Improvement Project

Item	Cost
Design	\$35,782.00
Construction ¹	\$231,828.69
ESDC	\$15,554.00
Total Project Expenditures	\$283,164.69

¹ Includes Change Order No. 1 to reroute an existing fiber optic duct bank underneath the proposed trench grating.

IV. Westline Lift Station Main Switchboard Replacement



Figure 3 – New MSB Opened



Figure 4 – New MSB Closed

The District’s contractor, Baker Electric & Renewables (Baker), placed the lift station into temporary power, demolished the existing main switchboard (MSB) and installed the new MSB in a new location at the lift station site. Staff is coordinating with Southern California Edison (SCE) to install the SCE meter section and once completed, Baker will finalize the project. Baker also performed additional work to add another conduit and wiring for an intrusion switch for the new MSB under Change Order No. 1. Baker expects to demobilize from the site by late November.

V. Headworks and Secondary Clarifier No. 1 Rehabilitation Project

While working through the submittal phase of this project, District staff held progress meetings with Filanc Construction (Filanc) in October and November. Filanc is scheduled to perform potholing activities in late November in the WRP and at the Laguna Woods Golf Club pending weather conditions. Mobilization is still scheduled to commence in January.

VI. R-6 Reservoir Southern Slope Repair Project

Staff executed a Construction Agreement with MDB General Engineering, Inc (MDB) in late October and issued a Notice To Proceed on November 5th. Staff also held a preconstruction meeting with MDB and is reviewing the construction schedule. Staff expects MDB to be mobilized with construction activities in late November.

VII. Secondary Clarifier No. 4 Drive Replacement Project

Last month, District staff worked with Don Peterson to finalize installation. The drive vendor, Ovivo, conducted an inspection mid-November to validate the work and commenced startup, as shown in Figure 5 and Figure 6. The Project is now complete, and Table 2 summarizes total expenditures. This emergency project was unbudgeted and funded by capital reserves.



Figure 5 – Secondary Clarifier No. 4



Figure 6 – Secondary Clarifier No. 4

Table 2 – Secondary Clarifier No. 3 and 4 Drive Replacement Project

Component	Secondary Clarifier No. 3	Secondary Clarifier No. 4
New Drive	\$57,306.84	\$63,872.05
New Rake Arms	\$19,418.51	
Install Drive	\$28,562.00	\$28,562.00
Repair Drive Access Platform	\$27,780.00	\$28,295.00
Repair Bridge		\$28,040.00
Subtotal, each clarifier	\$133,067.35	\$148,769.05
Total	\$281,836.40	

VIII. Solar and Battery Projects

District staff narrowed selection for the P-1 and OOPS Battery Projects to one vendor and are in the process of negotiating the final costs and agreement. The vendor has assured the District that their batteries are Foreign Entity of Concern (FEOC) compliant and therefore eligible for funding from the Inflation Reduction Act (IRA) even if the battery purchase takes place next year. District staff plan to recommend award at the December Board meeting.

District staff are still in the process of evaluating solar vendors based on varying Power Purchase Agreement (PPA) costs and design assumptions with TerraVerde. Based on this evaluation, District staff will determine whether to recommend a solar project at the WRP.

IX. Tertiary Disinfection Optimization Project

After receiving the three new free chlorine analyzers, District staff installed them onto the sample panel near the Chlorine Contact Tank. Based on revised staff input, District staff re-designed the electrical drawings and obtained a revised quotation for Baker Electric to install. To reduce costs and expedite installation, District staff is building the new local control panel in-house.

District staff developed an Operations Plan in-house and submitted it to the Division of Drinking Water (DDW) for review the first week of October. DDW confirmed receipt and anticipates completing its review by the end of the year.

X. Asset Management

District staff conducted a kickoff meeting for the new force main asset management effort and are in the process of responding to a data request from the consultant, Hazen and Sawyer. In parallel, District staff are reviewing the completed inventory, risk scoring, and preliminary costs for the linear asset management project.






XI. Freeway Electrical Equipment Replacement

District staff awarded a contract to Baker to complete the electrical installation required as part of this Project. Due to District resource constraints (staff time and availability of the temporary meter), Notice to Proceed has been delayed until the Westline Lift Station Main Switchboard Replacement is complete.

**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	\$194,000		
	R-6 Reservoir Southern Slope Stabilization	E	E	A / B	A	C	C	C	C	C				\$500,000	\$218,822	
	Asset Management	E	E	E	A	E	E	E	BP					\$86,000	\$194,420	
<i>2025/26 Capital Equipment</i>																
	Shenandoah Booster Station Pump & Motor Replacement	A	A				R							\$198,000	\$132,042	
	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	B	B	B	A	C	C				\$218,000		
	Aliso Creek Pump Station Improvements Project	E	A / E	BP / E	E	E	E	E	E					\$600,000	\$484,000	
	OOPS MCC and Valve Replacement Project	R	E	E	B	A	C	C						\$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	C	C							\$113,000	\$164,778	
	Freeway Electrical Equipment Replacement	E	A				C	C	C					\$263,362	\$277,385	
	Tertiary Disinfection Optimization Project	B	O	R	C	C	C							\$132,000		
	Westline Generator Unit 213 Replacement	E	E	E	B	A	O				E	E	E	\$267,000		
														Total	\$14,788,000	\$13,875,962

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

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 members of the ACWA.

LAIIF: 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.