

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, ENGINEERING COMMITTEE MEETING, & PUBLIC HEARING**

**April 20, 2026  
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/85447768107> (Meeting ID: 854 4776 8107).

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 Freshley**

**PLEDGE OF ALLEGIANCE – Director Gaskins**

**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)**
2. **AB 2561 Workforce Trends** (Reference Material Included)

Staff will review and comment on District Workforce Vacancies, Recruitment and Retention Trends in compliance with AB 2561.

**OPEN PUBLIC HEARING**

3. **Public Hearing Regarding AB 2561**

At this time the Board will conduct a Public Hearing to receive and consider public comments regarding District Workforce Vacancies, Recruitment and Retention Trends in compliance with AB 2561.

**PUBLIC COMMENT**

The public will be invited to present oral and/or written comments at this time.

**CLOSE PUBLIC HEARING**

The Board President will close the Public Hearing at this time.

# FINANCE AND INSURANCE COMMITTEE MEETING

## CALL MEETING TO ORDER – Director Monin

### 4. **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 March 23, 2026 Finance and Insurance Committee meeting (Minutes included).

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

## FINANCIAL INFORMATION ITEMS

### 5. **SAS 114 Letter** (Reference Material Included)

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

### 6. **Financial Statements and Report** (Reference Material Included)

Staff will review and comment on the Financial Statements and Report for the month ending March 31, 2026.

### 7. **Fiscal Year 2026-27 Budget Process Update** (Reference Material Included)

Staff will provide an update on the 2026-27 fiscal year budget and the impact of the Metropolitan Water District adopted rates on the ETWD commodity rate and Proposition 218 Notice.

## FINANCIAL ACTION ITEMS

### 8. **El Toro Water District 2026-2027 Fiscal Year Budget** (Reference Material Included)

**Recommended Action:** Staff and the Budget Committee recommend that the Board of Directors approve the 2026-2027 Fiscal Year Operating & Capital Budget.

9. **2026-2027 Fiscal Year Water, Recycled Water and Wastewater Rate Study Report** (Reference Material Included)

**Recommended Action:** Staff recommend that the Board of Directors approve the 2026-27 Fiscal Year Water, Recycled Water and Wastewater Rate Study Report.

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

Staff will review and comment on the Quarterly Insurance Report for the period January 1, 2026 through March 31, 2026.

**Recommended Action:** Staff recommend that the Board Receive and File the Quarterly Insurance Report for the period of January 1, 2026 through March 31, 2026.

11. **Financial Package - Authorization to Approve Payment of Bills for the Month Ending March 31, 2026** (Reference Material Included)

The Board will consider approving Bills for Consideration dated March 31, 2026.

**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 March 31, 2026.

## COMMENTS REGARDING NON-AGENDA FIC ITEMS

## CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

## ENGINEERING COMMITTEE MEETING

### CALL MEETING TO ORDER – Director McClean

12. **Consent Calendar**

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

- a. Consider approving the minutes of the March 23, 2026 Engineering Committee meeting. (Minutes Included).

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

## **ENGINEERING INFORMATION ITEMS**

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

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

**14. 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

**15. 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) (4) to consult with legal counsel and staff- Potential Initiation of Litigation. (one matter)

### **REGULAR SESSION**

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

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

### **ADJOURNMENT**

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

Request for Disability-Related Modifications or Accommodations

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



## STAFF REPORT

---

**To:** Board of Directors

**Meeting Date:** April 20, 2026

**From:** Judy Cimorell, Director Human Resources

**Subject:** AB 2561 Vacancies and Recruitment and Retention

---

### SUMMARY

Assembly Bill 2561 (AB 2561), effective January 1, 2025, requires public agencies to conduct at least one public hearing per fiscal year to present and discuss job vacancies and the agency's recruitment and retention strategies. This report outlines the District's legal obligations under the new legislation and is presented in compliance with these requirements.

### BACKGROUND

AB 2561 was enacted to address persistent job vacancies within local government entities, which can hinder service delivery and increase workload on remaining staff. To promote transparency and accountability, the legislation mandates that public agencies provide annual updates on employment related matters during a public meeting of their governing board.

Codified under Government Code § 3502.3, the law includes specific reporting requirements to assess vacancy trends, recruitment and retention efforts, and the effectiveness of current workforce practices. The objective is to identify and resolve barriers within recruitment processes that may impact hiring efficiency.

### VACANCY, RECRUITMENT AND RETENTION OVERVIEW

A detailed analysis was conducted of the District's recruitment activity between January 2025 through January 2026. The data, drawn from ETWD's Human Resources and recruitment records, covers all 58 budgeted full-time positions. This report outlines staffing changes, evaluates recruitment performance, and offers strategic insights to guide future workforce planning and budgeting.

**CURRENT WORKFORCE SNAPSHOT (As of March 31, 2026)**

- Total Budgeted Full-Time Position: 58
- Filled Positions: 58
- Vacant Positions: 0
- Vacancy Rate: 0%
- Organizational Chart: See Exhibit 1 attached

**2025 Monthly Vacancy (Overview January 2025 – January 2026)**

2025 Month	Vacancies Created	Vacancies Filled	Remaining Vacancies	% of Vacancies
January	1*	0	0	0.0%
February	0	0	0	0.0%
March	0	0	0	0.0%
April	0	0	0	0.0%
May	0	0	0	0.0%
June	0	0	0	0.0%
July - October	0	0	0	0.0%
November	0	1	0	0.0%
December	0	0	0	0.0%
January 2026	2	1	0	0.0%

\*This position was filled in 2024 by an internal employee promotion not shown on this report.

**STAFFING CHANGES SUMMARY (January 2025 – January 2026)**

- Total Separations:
  - 2 Retirees
- Staffing Changes: 2
  - Filled by Internal Transfer: 1
  - Filled by Internal Promotion: 0
  - Filled by External Candidates: 1
  - Filled by Hiring Intern as a Full-time Employee: 0
  - Positions Eliminated: 0
- Positions Remaining Unchanged: 56
- Stability Rate: 96.6%
- Turnover Rate: 3.4%

This indicates that the vast majority of positions remained stable throughout the reporting period, with only 3.4% experiencing staffing transitions. Through the reporting period only 3.4% of District personnel separated.

## RECRUITMENT STRATEGIES AND EFFECTIVENESS

The District employed a mixed recruitment strategy to balance internal development with external talent sourcing. Critical positions were filled in advance to support cross training, align with succession planning, and ensure continuity of operations.

### Recruitment Approaches

- Internal Candidates Only:
  - Collections Crew Chief
  - Wastewater Maintenance Worker III (planned internal succession filled in advance in 2024 for cross training).
- Internal and External candidates:
  - Wastewater Plant Operator

This approach maximized internal mobility while maintaining access to a broader talent pool where needed.

### Recruitment Performance Metrics

- Average Time to Fill: 46 days
- Fastest Time to Fill: 0 days (succession planning)
- Longest Time to Fill: 46 Days

Recruitment timelines reflect an efficient hiring process supported by proactive workforce planning and strong internal candidate development.

## RETENTION TRENDS

Retention remained strong during the reporting period, with most vacancies arising from retirements and internal mobility.

### Reasons for Vacancies

Reason	Count	% of Total Vacancies
Internal Promotion	0	0%
Internal Transfer	1	33.3%
Retirement	2	66.7%
Voluntary Separation	0	0%
Involuntary Separation	0	0%

The data highlights an aging workforce, with retirement accounting for 66.7% of vacancies. This underscores the importance of continued succession planning. Internal transfers further demonstrate strong internal career pathways, while overall turnover remains low.

## **WORKFORCE CHALLENGES**

### **Anticipated**

- Continued retirements
- Potential knowledge loss from long term staff

### **Planned Action**

- Continued succession planning
- Expanded internal development pathways
- Recruitment benchmark surveys
- Ongoing proactive workforce planning to ensure alignment with operational and budgetary goals.

## **CONCLUSION**

The District's staffing and recruitment health remains strong, as demonstrated by low vacancy rates, 96.6.5 workforce stability, 3.4% turnover rate (retirement driven), and efficient succession planning and internal mobility.

By continuing to refine recruitment timelines and invest in workforce development, the District is well positioned to maintain to maintain operational excellence while complying with AB 2561.

Details of AB2561 as of March 31, 2026 were presented at the Special Board Budget Workshop on April 9, 2026.

## EXHIBIT 1

### Position Organization Chart

Department	Positions	Department	Positions
<b>Administration</b>		<b>Operations Support Services</b>	
General Manager	1	Operations Superintendent	1
Executive Assistant to Board & General Manager	<u>1</u>	Compliance Program Coordinator	<u>1</u>
Total	<u>2</u>	Total	<u>2</u>
<b>Finance &amp; Risk Management</b>		<b>Pumping Operation</b>	
Chief Financial Officer	1	Foreman	1
Accounting Supervisor	1	Crew Chief	2
Senior Accountant	1	Maintenance Worker III	0
Accounting Technician	1	Maintenance Worker II	3
Purchasing Agent	<u>1</u>	Maintenance Worker I	<u>2</u>
Total	<u>5</u>	Total	<u>8</u>
<b>Technology Services</b>		<b>Fleet Operations</b>	
Information Technology Manager	<u>1</u>	Senior Mechanic	<u>1</u>
Total	<u>1</u>	Total	<u>1</u>
<b>Human Resources</b>		<b>Transmission &amp; Distribution</b>	
Director of Human Resources	1	Foreman	1
Office Assistant	<u>1</u>	Crew Chief	2
Total	<u>2</u>	Maintenance Worker III	3
<b>Community Relations &amp; Conservation</b>		Maintenance Worker II	-
Public Affairs Manager	1	Maintenance Worker I	<u>2</u>
Water Resources Supervisor	<u>1</u>	Total	<u>8</u>
Total	<u>2</u>		
<b>Customer Service</b>		<b>Treatment Plant</b>	
Customer Service / Billing Supervisor	1	Chief Plant Operator	1
Customer Service Office Representative I	3	Truck Driver	2
Crew Chief	1	Crew Chief	1
Customer Service Field Representative III	1	Waste Water Operator III	1
Customer Service Field Representative I	<u>1</u>	Waste Water Operator II	1
Total	<u>7</u>	Waste Water OIT	1
<b>Engineering</b>		Lab Supervisor	1
Director of Engineering	1	Lab Technician II	<u>1</u>
Senior Engineer	1	Total	<u>9</u>
Inspector	1	<b>Collections &amp; Distribution Crew</b>	
Cross Connection Control Program Supervisor	<u>1</u>	Foreman	1
Total	<u>4</u>	Crew Chief	-
<b>Electrical</b>		Collection Maintenance Worker III	2
Electrical Systems/SCADA Supervisor	1	Collections Maintenance Worker I	<u>2</u>
Electrical Instrumentation Technician II	<u>1</u>	Total	<u>5</u>
Total	<u>2</u>		

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

March 23, 2026

At approximately 7:30 a.m. President Freshley called the regular meeting to order.

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

Directors 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, JUDY CIMORELL, Director of Human Resources (Zoom), VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, SHERRI SEITZ, Public Affairs Manager (Zoom), VU CHU, Water Resources Supervisor (Zoom), VICKI TANIOUS, Senior Accountant (Zoom), CAROL MOORE, City of Laguna Woods (Zoom), and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

Roll Call:

Director McClean	Present
Director Monin	Present
Director Gaskins	Present
Vice President Havens	Present
President Freshley	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 Freshley 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 Havens made a motion, seconded by Director McClean to approve the Consent Calendar.

### Roll Call Vote:

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

### Financial Information Items

#### Financial Statements and Report

Mr. Sharma reported that the District's total cash and investments as of February 28, 2026, were at approximately \$24.5 million, an increase of \$1.1 million from the previous month, mostly due to improved receivable collections. He stated that the Current ratio was 8.46 and days of cash on hand was 255. The accounts receivable turnover ratio was 35 days for the month and 27.5 days year-to-date, while the accounts payable turnover was 21 days. He highlighted a new line item under net position reflecting depreciation adjustments (change in estimates) of \$783,448, as previously discussed. Mr. Sharma also reported that staff successfully implemented the fixed asset module.

## Fiscal Year 2026-27 Budget Process Update

Mr. Cafferty reported that staff has made significant progress with Raftelis. The third Budget Committee meeting is scheduled for Tuesday afternoon and the Board Budget Workshop will be held in two weeks. Mr. Cafferty explained that staff is proposing a 5-year Proposition 218 Notice and has prepared a draft. He added that a major rate driver is the cost of purchased water from Metropolitan Water District, who has proposed a draft biennial budget including a 9.5% annual increase. The MET budget has not been finalized but staff is preparing to adjust as needed.

Mr. Cafferty explained that, as part of the annual budget process, staff calculates the rates based on the revenue required to support operations for the year. He noted that although rate increases are implemented on July 1, the additional revenue is not realized until August due to the billing cycle, which results in a one-month revenue gap. In order to address this, staff will propose moving the rate implementation date to June 1<sup>st</sup> for the budget years 2027-28 to 2030-2031.

## Financial Action Items

### Quarterly Audit

Mr. Sharma announced that the quarterly audit results were clean with no exceptions found.

Director Monin asked for a Motion.

Motion: Director Gaskins made a motion, seconded by President Freshley to receive and file the quarterly audit report for the period from October 1, 2025 to December 31, 2025 as presented by LSL, LLP.

Roll Call Vote:

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

Financial Package – Authorization to Approve Payment of Bills for the Month Ending February 28, 2026

Director Monin asked for a Motion.

Motion: Vice President Havens made a motion, seconded by Director McClean to ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending February 28, 2026.

Roll Call Vote:

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

Comments Regarding Non-Agenda FIC Items

There were no comments.

Adjournment

There being no further business the Finance and Insurance Committee meeting was closed at approximately 7:44 a.m.

Respectfully submitted

---

MARISOL MELENDEZ  
Recording Secretary

APPROVED:

---

KATHRYN FRESHLEY, President  
of the El Toro Water District and the  
Board of Directors thereof

---

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



## STAFF REPORT

---

**To: Board of Directors**

**Meeting Date: April 20, 2026**

**From: Vishav Sharma, Chief Financial Officer**

**Subject: Letter from the Auditor in accordance with SAS 114**

---

### **SUMMARY:**

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

### Attachments:

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



March 16, 2026

To the Board of Directors

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

We are engaged to audit the financial statements of El Toro Water District (hereafter, the District) for the year ended June 30, 2026. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

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

As stated in our engagement letter dated March 16, 2026, our responsibilities, as described by professional standards, are to:

- 1) Express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.
- 2) Plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.
- 3) Consider the system of internal control of the District. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
- 4) Communicate significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the financial statements does not relieve you or management of your responsibilities.



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

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

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

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

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

We gave significant consideration to the nonattest or nonaudit services we provide the District, including the preparation of the financial statements and, if necessary, the schedule of expenditures of federal awards, and the quarterly agreed upon procedures, which may reasonably be thought to bear on independence, in reaching the conclusion that independence has not been impaired.



To the Board of Directors  
El Toro Water District  
Page 3

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

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

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

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

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. As we have not commenced our audit yet, any other significant risks identified as part of our audit planning and risk assessment processes will be identified in subsequent communications after our audit planning has concluded.

We are scheduled to begin our audit on the agreed upon date and issue our report 45 days after the last day of completed year-end fieldwork. Ryan Domino, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. For the audit of the year ended June 30, 2026, Ryan Domino, CPA has designated Riley Greenlee, CPA to supervise the engagement and sign the reports under his oversight.

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

Very truly yours,

*LSL, LLP*

LSL, LLP



## STAFF REPORT

---

**To: Board of Directors**

**Meeting Date: April 20, 2026**

**From: Vishav Sharma, Chief Financial Officer**

**Subject: March 2026 Financial Report and Analysis**

---

The attached report provides an overview of the District's financial performance for the month of March 2026. 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 & investments as of March 31, 2026 is \$24,242,705. This represents a decrease of \$250,320 from the prior month.
- The Current ratio is 8.86, 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 253 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. The District continues to maintain strong liquidity levels to support operations and capital needs.
- Accounts Receivable balance at the end of the was \$5,281,890, this balance increased by \$610,373, compared to prior month. This reflects a lower collection from the utility customers.
- Accounts receivable turnover ratio is 34 days for the month and 27 days for the year to date as of March 2026. 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.
- Prepaid Expenses decreased by \$53,550 to a total of \$665,247, reflecting amortization of prepayments made for insurance, supplies or services (including subscriptions for softwares).

Overall, Current Assets total balance of \$32,206,319, reflects an increase of \$272,823 from the previous month.

## **Non-Current Assets:**

- Construction in Progress increased by \$189,499, reflecting continued investment in capital projects.
- Accumulated Depreciation increased by \$812,939, as expected.

The Non-Current Assets balance is \$112,037,572, reflecting a net decrease of \$623,439.

## **Liabilities**

- **Current Liabilities:**
  - Accounts Payable & Accrued Expenses increased by \$550,226
  - Accounts payable turnover ratio is 17 days for the month. 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 to \$481,082, consistent with debt service timing.

Overall, Current Liabilities increased by \$716,891, Reflecting an increase in vendor obligations and accrued interest payable.

- **Non-Current Liabilities:**
  - Loans Payable decreased slightly by \$42,671 with a remaining balance of \$47,909,763. Amortization of 2022 Bond premium contributed for this decrease.

The Total Liabilities amounted to \$65,617,021 reflecting an increase of \$674,220 compared to prior month.

## **Summary of Revenues**

For the month of March 2026 and year to date, the District's total revenues were \$2,770,354 and \$29,331,955, respectively. This represents 74.5% of the total budgeted revenue for the fiscal year.

## **Key Revenues Categories:**

- **Commodity Supply Charges:**

This month's revenue was \$696,745, with a YTD total of \$9,510,959 (71.3% of budget). This category continues to perform in line with expectations. Commodity supply charge includes recycled water revenues. This month recycled revenue is \$79,540 and year to date revenue is \$1,545,734 or 86.7% of the budget. This category is performing as expected.
- **Service Charges:**

This month's revenue was \$1,312,249, and the YTD total stands at \$11,936,853 which is 74.6%. This is in line with expectations.
- **Capital Facility Charges:**

This month's revenue is \$524,743, and the YTD total stands at \$4,702,150, which is 75.1% of the annual budget. The District is on track with respect to capital charge collections.
- **Investment Income:**

The District earned \$76,125 in investment income this month and YTD \$574,307 respectively, resulting in a 82% of the budgeted amount.

- **Grants, Rebates, and Reimbursements:**  
The District received YTD total of \$1,280,186, or over 98.8% of budgeted rebates and reimbursements from LRP subsidies. This amount also includes the MNWD's 2<sup>nd</sup> of the three annual payments related to the SOCWA regional plant transfer to MNWD.
- **Miscellaneous Revenue:**  
Miscellaneous revenue this month is \$26,600, and YTD \$290,436 represent 83.1% of the budget. Miscellaneous revenue fluctuates from month to month due to some revenues collected only once a year. This category includes cell tower lease revenue and it remains in line with projections.

## Summary of Expenses

Total expenses for March 2026 are \$3,419,489 and \$25,794,469 YTD, which is 67.7% of the annual budget.

## Key Expenses Categories:

- **Salary Expenses:**  
Monthly salary-related expenses were \$551,863, resulting in a YTD total of \$5,542,290 (69.8% of 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 totaled \$222,033 for the month, with a YTD total of \$2,180,619 (72.9%). Retirement contribution and medical insurance expenses are the main drivers of this category.
- **Water Purchased for Resale:**  
Expenses totaled \$1,364,768 for the month, with \$7,207,738 YTD (67.1%).
- **Contracted/Purchased Services:**  
Monthly expenses were \$459,607, with \$4,138,153 YTD (60.5%). 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 \$5,262,592 (69.7% of annual budget). Notably, debt service and depreciation are on track as expected.

## Net Position

The District's net position as of March 2026 is \$71,980,564. The net position decreased this month by \$1,024,836.

## Conclusion

Through March 2026, 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 March 2026

**EI Toro Water District**  
**Interim Statement of Net Position for the Month of March, 2026**

	6/30/2025 Audited	2/28/2026 Revised Interim	3/31/2026 Interim	Change
<b>Assets</b>				
Current Assets				
Cash & Cash Equivalents	15,977,712	18,809,578	19,752,307	942,729
Investments	6,054,410	5,683,094	4,490,044	(1,193,049)
Accounts Receivable	4,930,670	4,671,517	5,281,890	610,373
Materials & Supply Inventory	2,059,289	2,050,156	2,016,477	(33,679)
Prepaid Expenses	375,340	718,797	665,247	(53,550)
Restricted - Cash & Investments	1,444	353	353	0
<b>Current Assets - Sub-total</b>	<b>29,398,865</b>	<b>31,933,496</b>	<b>32,206,319</b>	<b>272,823</b>
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	114,127	114,127	-
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	9,397,837	9,587,336	189,499
Accumulated Depreciation	(101,713,907)	(105,398,494)	(106,211,433)	(812,939)
<b>Non-Current Assets - Sub-total</b>	<b>114,094,275</b>	<b>112,661,011</b>	<b>112,037,572</b>	<b>(623,439)</b>
<b>Total Assets</b>	<b>143,493,140</b>	<b>144,594,507</b>	<b>144,243,891</b>	<b>(350,616)</b>
<b>Deferred Outflows of Resources</b>				
OPEB Deferred Outflow of Resources	1,917,324	1,917,324	1,917,324	-
<b>Liabilities</b>				
Current Liabilities				
Accounts Payable & Accrued Expenses	3,450,141	1,076,332	1,625,893	549,561
Accrued Salaries & Related Payables	191,358	(47,300)	(46,635)	665
Customer Deposits	65,653	10,700	10,700	-
Accrued Interest Payable	150,929	481,082	647,747	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	-
<b>Current Liabilities - Sub-total</b>	<b>6,578,328</b>	<b>3,776,687</b>	<b>4,493,578</b>	<b>716,891</b>
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	47,952,434	47,909,763	(42,671)
<b>Non-Current Liabilities - Sub-total</b>	<b>61,043,110</b>	<b>61,166,114</b>	<b>61,123,443</b>	<b>(42,671)</b>
<b>Total Liabilities</b>	<b>67,621,438</b>	<b>64,942,801</b>	<b>65,617,021</b>	<b>674,220</b>
<b>Deferred Inflows of Resources</b>				
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	-
<b>Total Deferred Inflows of Resources</b>	<b>10,128,266</b>	<b>10,128,266</b>	<b>10,128,266</b>	<b>-</b>
<b>Net Position</b>				
Net Investment in Capital Assets	59,349,999	62,694,500	62,113,732	(580,768)
Depreciation adjustment - change in estimate	-	782,318	782,318	-
Restricted - Capital Projects	-	-	-	-
Restricted - Debt Service	-	-	-	-
Unrestricted	8,310,761	9,528,582	9,084,514	(444,068)
<b>Total Net Position</b>	<b>67,660,760</b>	<b>73,005,400</b>	<b>71,980,564</b>	<b>(1,024,836)</b>

Attachment 2  
Statement of Revenues, Expenses, and Changes in Net Position  
for March 2026



Attachment 3

Summary of Revenues and Expenses for the period ended March 2026

**Summary of Revenues and Expenses for the Month of March, 2026**

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
<b>Summary of Total District Revenues</b>					
District Totals					
Commodity Supply Charges	696,745	9,510,959	13,340,717	3,829,758	71.3%
Service Charges	1,312,249	11,936,853	15,993,872	4,057,018	74.6%
Capital Facility Charges	524,743	4,702,150	6,259,985	1,557,836	75.1%
Charges for Services	-	10,085	125,000	114,915	8.1%
Miscellaneous Revenue	26,600	290,436	349,600	59,164	83.1%
Grants, Rebates, Reimbursements	20,018	1,280,186	1,295,825	15,639	98.8%
Property Taxes	108,333	975,000	1,300,000	325,000	75.0%
Investment Income	76,125	574,307	700,000	125,693	82.0%
Donations & Capital Contributions	5,540	51,979	-	(51,979)	N/A
<b>Total Revenue</b>	<b>2,770,354</b>	<b>29,331,955</b>	<b>39,364,999</b>	<b>10,033,044</b>	<b>74.5%</b>
<b>Summary of Total District Expenses</b>					
Salary Expenses					
Directors Fees	11,804	101,901	144,616	42,715	70.5%
Exempt Salaries	127,862	1,224,052	1,583,800	359,748	77.3%
Non-exempt Salaries	377,225	3,885,126	5,366,100	1,480,974	72.4%
Other Salary Payments	-	-	250,400	250,400	0.0%
Overtime	22,665	222,837	405,437	182,600	55.0%
Stipend - On-call	6,720	61,824	81,900	20,076	75.5%
Stipends/Allowances	5,437	41,750	106,980	65,230	39.0%
Employee Service Awards	150	4,800	800	(4,000)	600.0%
<b>Salary Expenses Sub-total</b>	<b>551,863</b>	<b>5,542,290</b>	<b>7,940,033</b>	<b>2,397,743</b>	<b>69.8%</b>
Benefit Expenses					
Medical Insurance	100,365	978,724	1,215,016	236,292	80.6%
HSA Contributions	-	-	28,100	28,100	0.0%
Dental Insurance	8,191	80,683	98,200	17,517	82.2%
Vision Insurance	1,084	10,860	12,300	1,440	88.3%
Life Insurance	3,508	35,273	41,300	6,027	85.4%
Disability Insurance	4,459	44,961	41,400	(3,561)	108.6%
Long-term Care Insurance	-	6,330	21,600	15,270	29.3%
Workers Compensation Insurance	11,642	102,207	167,800	65,593	60.9%
State Unemployment Insurance	-	-	3,000	3,000	0.0%
401k Retirement Contributions	49,694	503,404	681,500	178,096	73.9%
401k Matching Contributions	34,285	338,874	287,700	(51,174)	117.8%
457b Matching Contributions	6,070	55,895	275,800	219,905	20.3%
Medicare Insurance	8,098	80,436	115,159	34,723	69.8%
FICA	475	3,707	4,300	593	86.2%
Capitalized Benefits	(5,841)	(60,735)	-	60,735	N/A
<b>Benefit Expenses Sub-total</b>	<b>222,033</b>	<b>2,180,619</b>	<b>2,993,175</b>	<b>812,557</b>	<b>72.9%</b>
Commodity Purchased for Resale					
Water Purchases - MWDOC	642,765	3,082,149	4,992,965	1,910,816	61.7%
Water Purchases - MWDOC Fixed	173,484	760,958	1,026,274	265,316	74.1%
Water Purchases - AMP/SAC	5,622	21,928	41,832	19,903	52.4%
Regional Water Supply Expenses	382	6,587	-	(6,587)	N/A
Water Purchases - Baker WTP	499,036	2,095,880	3,365,400	1,269,520	62.3%
Water Purchases - Baker O&M	-	489,887	1,171,500	681,613	41.8%
Water Purch - Other Agencies	31,370	641,766	-	(641,766)	N/A
MWDOC Service Connect Charge	12,111	108,583	145,000	36,417	74.9%
<b>Commodity Purchased for Resale Sub-total</b>	<b>1,364,768</b>	<b>7,207,738</b>	<b>10,742,971</b>	<b>3,535,233</b>	<b>67.1%</b>

**Summary of Revenues and Expenses for the Month of March, 2026**

<b>Account - Description</b>	<b>Month Actual</b>	<b>YTD Actual</b>	<b>2025-2026 Budgeted</b>	<b>Budget Remaining</b>	<b>% of Budget Earned/Spent</b>
<b>Contracted/Purchased Services</b>					
Consultants	63,919	146,145	152,790	6,645	95.7%
Engineering Services	-	31,917	40,390	8,473	79.0%
Audit & Accounting Services	-	54,090	54,150	60	99.9%
Technology Consultants	832	13,756	36,000	22,244	38.2%
SOCWA Contract	27,607	584,854	1,200,000	615,146	48.7%
Contractors	21,940	240,848	282,572	41,724	85.2%
Contracted Employees	-	5,954	10,000	4,046	59.5%
Legal Svcs - General Counsel	6,671	67,039	100,000	32,961	67.0%
Legal Svcs - Specialty Counsel	111	18,179	21,600	3,421	84.2%
Other Legal Services	690	2,322	1,000	(1,322)	232.2%
Employee Recruitmnt/Compliance	704	15,318	5,500	(9,818)	278.5%
Employee Health & Wellness	220	8,875	3,800	(5,075)	233.5%
Employee Relations Expenses	613	1,096	10,000	8,904	11.0%
Professional Services	-	-	-	-	N/A
Landscaping Services	20,145	106,782	171,341	64,559	62.3%
Janitorial Contracts	6,315	46,911	60,048	13,137	78.1%
Equipment Rental	661	18,646	37,000	18,354	50.4%
Uniform Rental	948	11,028	16,800	5,772	65.6%
Laboratory Services	1,506	22,355	25,500	3,145	87.7%
Disposal Services	5,096	65,311	91,500	26,189	71.4%
Security Services	1,941	18,216	50,340	32,124	36.2%
Insurance	(4,389)	316,767	452,500	135,733	70.0%
Financial Service Fees	5,215	53,699	53,500	(199)	100.4%
Printing & Reproduction	4,200	10,946	45,700	34,754	24.0%
Advertising & Publicity Svcs	-	2,282	9,020	6,738	25.3%
Postage	2,472	5,012	19,700	14,688	25.4%
Public Relations/Education	454	12,771	54,400	41,629	23.5%
Water Efficiency Services	7,764	58,315	45,000	(13,315)	129.6%
Licenses & Permits	11,386	180,181	264,290	84,109	68.2%
Software Maintenance/Licenses	18,985	187,390	327,470	140,080	57.2%
Electrical Power	122,678	1,296,468	2,262,300	965,832	57.3%
Natural Gas	658	3,568	2,000	(1,568)	178.4%
Cable Service	179	2,736	10,000	7,264	27.4%
Telecommunications	1,707	16,197	25,000	8,803	64.8%
Mobile Telecommunications	2,389	12,809	48,000	35,191	26.7%
Data Access	6,523	52,813	65,000	12,187	81.3%
Equipment Maintenance & Repair	18,424	90,417	196,100	105,683	46.1%
Pump Maintenance & Repair	-	24,023	54,500	30,477	44.1%
Motor Maintenance & Repair	55,176	97,619	132,500	34,881	73.7%
Electrical Maintenance/Repair	9,938	25,379	143,000	117,621	17.7%
Meter Maintenance & Repair	3,623	25,351	51,000	25,649	49.7%
Structure Maintenance & Repair	3,400	43,111	41,600	(1,511)	103.6%
Asphalt Maintenance & Repair	28,905	140,657	172,000	31,343	81.8%
<b>Contracted/Purchased Services Sub-total</b>	<b>459,607</b>	<b>4,138,153</b>	<b>6,844,911</b>	<b>2,706,758</b>	<b>60.5%</b>
<b>Commodities</b>					
Repair Parts & Materials	79,870	281,279	472,700	191,421	59.5%
Tools & Small Equipment	2,985	39,223	81,100	41,877	48.4%
Safety Equipment	9,613	22,433	27,200	4,767	82.5%
Employee Tools/Safety Equip	1,030	9,201	19,900	10,699	46.2%
Laboratory Tools & Small Equip	1,156	4,836	20,000	15,164	24.2%
Technology Tools/Small Equip	9,384	29,811	40,000	10,189	74.5%
Chemicals	49,399	271,580	375,200	103,620	72.4%
Laboratory Chemicals	2,105	30,802	41,000	10,198	75.1%
Gasoline & Oil	17,969	98,661	140,000	41,339	70.5%
Operating Supplies/Accessories	5,692	48,251	35,200	(13,051)	137.1%
Office Supplies & Accessories	217	6,775	24,700	17,925	27.4%
Technology Supplies/Components	754	8,201	30,000	21,799	27.3%
Lab Supplies & Accessories	1,578	20,736	20,500	(236)	101.2%
Meeting/Event Supplies & Food	5,494	27,909	48,300	20,391	57.8%
Water Use Efficiency Supplies	43	4,256	15,000	10,744	28.4%
<b>Commodities Sub-total</b>	<b>187,290</b>	<b>903,954</b>	<b>1,390,800</b>	<b>486,846</b>	<b>65.0%</b>

**Summary of Revenues and Expenses for the Month of March, 2026**

<b>Account - Description</b>	<b>Month Actual</b>	<b>YTD Actual</b>	<b>2025-2026 Budgeted</b>	<b>Budget Remaining</b>	<b>% of Budget Earned/Spent</b>
Professional Development					
Education & Training	1,572	24,146	95,480	71,334	25.3%
Education/Training - Directors	-	-	-	-	N/A
Licenses & Certifications	105	672	4,142	3,470	16.2%
Dues & Memberships	9,159	90,258	125,900	35,642	71.7%
Dues & Memberships - Directors	-	-	-	-	N/A
Meetings & Conferences	3,917	8,685	38,100	29,415	22.8%
Meetings/Conferences-Directors	2,993	15,197	13,500	(1,697)	112.6%
Travel Reimbursement	-	12,094	36,900	24,806	32.8%
Travel Reimbursement-Directors	462	16,878	35,000	18,122	48.2%
Publications & Subscriptions	-	2,193	3,200	1,007	68.5%
<b>Professional Development Sub-total</b>	<b>18,208</b>	<b>170,122</b>	<b>352,222</b>	<b>182,100</b>	<b>48.3%</b>
Miscellaneous Expenses					
Employee Appreciation Expenses	-	-	500	500	0.0%
Internal/External Event Expenses	-	7,673	1,500	(6,173)	511.5%
Election Expense	-	-	20,000	20,000	0.0%
Reimbursable Repair Expense	-	-	-	-	N/A
Property Taxes	-	2,507	3,000	493	83.6%
Uncollectible Accounts	(2,683)	158,919	19,500	(139,419)	815.0%
NSFs & Miscellaneous Fees	-	-	100	100	0.0%
Refund Overcharges	-	-	2,624	2,624	0.0%
Damage/Repair Reimbursements	-	30	576	546	5.2%
Misc Exp	-	-	-	-	N/A
<b>Miscellaneous Sub-total</b>	<b>(2,683)</b>	<b>169,129</b>	<b>47,800</b>	<b>(121,329)</b>	<b>353.8%</b>
<b>Sub Total - General and O&amp;M Expenses</b>	<b>2,801,087</b>	<b>20,312,003</b>	<b>30,311,911</b>	<b>9,999,908</b>	<b>67.0%</b>
Capital Improvement Expenses					
Water System Projects					
Supply/Storage Projects	473	801	-	(801)	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	2,907	(20,497)	-	20,497	N/A
Main/Service Line Projects	-	8,017	-	(8,017)	N/A
Recycled System Projects					
Pumping Projects	-	-	-	-	N/A
Tertiary Treatment Projects	-	23,404	-	(23,404)	N/A
Main/Service Line Projects	-	-	-	-	N/A
General Projects					
Operating Equipment Purchases	-	-	-	-	N/A
Vehicle & Related Equipment Purchases	-	33,899	-	(33,899)	N/A
Technology Projects & Purchases	-	30,275	44,000	13,725	68.8%
Building & Structure Improvements	-	-	-	-	N/A
General Capital Projects	31,516	143,475	116,000	(27,475)	123.7%
Construction in Progress	-	-	-	-	N/A
<b>Capital Improvement Expenses Sub-total</b>	<b>34,896</b>	<b>219,874</b>	<b>262,000</b>	<b>42,126</b>	<b>83.9%</b>
Other Expenses					
Retiree Health Insurance	32,359	317,307	407,000	89,693	78.0%
Depreciation	427,153	3,829,339	5,140,000	1,310,661	74.5%
Debt Interest Expense	123,994	1,115,945	2,006,335	890,390	55.6%
<b>Other Expenses Sub-total</b>	<b>583,506</b>	<b>5,262,592</b>	<b>7,553,335</b>	<b>2,290,743</b>	<b>69.7%</b>
<b>Total Expenses</b>	<b>3,419,489</b>	<b>25,794,469</b>	<b>38,127,246</b>	<b>12,332,778</b>	<b>67.7%</b>
<b>Change in Net Position</b>	<b>(649,136)</b>	<b>3,537,487</b>	<b>1,237,753</b>		

Attachment 4  
Check Register March 2026

**El Toro Water District**  
**Check/ Payment Register for the Month of March 2026**

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
15129	ACWA JPIA	03/05/2026	157,434.95
15130	ALL AMERICAN ASPHALT	03/05/2026	1,834.15
15131	AMS.NET, Inc.	03/05/2026	977.19
15132	AT&T	03/05/2026	1,535.56
15133	Autozone Investment Corp	03/05/2026	51.54
15134	Badger Meter	03/05/2026	3,623.16
15135	Crane Certification Services, Inc.	03/05/2026	420.00
15136	Ferguson US Holdings, Inc	03/05/2026	1,364.11
15137	Hach Company	03/05/2026	1,083.59
15138	Hazen and Sawyer, DPC	03/05/2026	15,886.25
15139	HEBT West Los Angeles 1, LLC	03/05/2026	1,590.00
15140	Hill Brothers Chemical Co	03/05/2026	2,839.47
15141	Irvine Ranch Water District	03/05/2026	253,827.62
15142	JCI Jones Chemicals, Inc	03/05/2026	11,629.28
15143	Johnson Controls US Holdings LLC	03/05/2026	1,406.82
15144	Mark Roche	03/05/2026	400.00
15145	Onesource Distributors, LLC.	03/05/2026	3,118.98
15146	Orange County Tank Testing Inc	03/05/2026	1,890.00
15147	Plumbers Depot Inc	03/05/2026	9,106.58
15148	Quadient Finance USA, Inc.	03/05/2026	2,686.88
15149	Redwine and Sherrill, LLP	03/05/2026	6,671.37
15150	Rincon Truck Center, Inc	03/05/2026	990.74
15151	Rose Paving LLC	03/05/2026	28,904.86
15152	Santa Margarita Ford	03/05/2026	422.36
15153	Superior Electric Motor Service, Inc	03/05/2026	27,542.32
15154	Tetra Tech, Inc	03/05/2026	15,550.00
15155	U.S. Bank National Association	03/05/2026	17,660.15
15156	Underground Service Alert of SO CA	03/05/2026	323.90
15157	United Industries, LLC	03/05/2026	336.18
15158	Verizon Communications Inc.	03/05/2026	6,199.64
15159	Vestis Group, Inc.	03/05/2026	336.38
15160	Vigilant LLC	03/05/2026	1,707.30
15161	W.W. Grainger, Inc	03/05/2026	1,025.26
15162	West Coast Safety Supply, Inc	03/05/2026	6,951.32
15163	American Family Life Assurance Company of Columbus	03/12/2026	1,292.36
15164	Applied Industrial Technologies - CA, LLC	03/12/2026	6,865.89
15165	ATS Communications	03/12/2026	2,238.75
15166	Best Best & Krieger, LLP	03/12/2026	111.30
15167	Blower-Dempsey Corporation	03/12/2026	1,595.82
15168	Cintas Corporation	03/12/2026	726.90
15169	Coast Surveying, Inc.	03/12/2026	3,712.00
15170	Colantuono, Highsmith & Whatley, PC	03/12/2026	174.00
15171	Corodata Records Management, Inc	03/12/2026	133.53
15172	Dennis Cafferty	03/12/2026	48.23
15173	Ferguson US Holdings, Inc	03/12/2026	8,773.44
15174	Fisher Scientific Company, LLC	03/12/2026	1,863.53
15175	FleetCrew	03/12/2026	2,812.85
15176	Hach Company	03/12/2026	546.30
15177	Kathryn Freshley	03/12/2026	25.83
15178	Mark Monin	03/12/2026	210.26
15179	Mingoia's Faxworld, Inc	03/12/2026	661.12
15180	Moulton Niguel Water District	03/12/2026	31,369.84
15181	MuniQuip, LLC	03/12/2026	19,503.83
15182	Nieves Landscape, Inc	03/12/2026	13,291.48
15183	Onesource Distributors, LLC.	03/12/2026	228.86
15184	Pearson Food Company, Inc	03/12/2026	2,989.00
15185	Quinn Company	03/12/2026	1,972.53
15186	RapidScale, Inc	03/12/2026	2,095.33
15187	Rincon Truck Center, Inc	03/12/2026	5,527.73
15188	Sierra Analytical Labs, Inc	03/12/2026	659.00
15189	Sims-Orange Welding Supply, Inc	03/12/2026	275.92
15190	South Coast Family Medical Center, Inc	03/12/2026	180.00

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
15191	South Coast Water District	03/12/2026	854.65
15192	UNUM Life Insurance - EAP	03/12/2026	111.39
15193	Vestis Group, Inc.	03/12/2026	304.71
15194	William Wesson	03/12/2026	389.85
15195	ACWA JPIA	03/19/2026	153,983.23
15196	Animal Pest Management Services, Inc	03/19/2026	913.00
15197	Applied Industrial Technologies - CA, LLC	03/19/2026	1,890.37
15198	Asbury Environmental Services	03/19/2026	279.05
15199	California Association of Sanitation Agencies	03/19/2026	19,675.00
15200	CC Property Investments, LLC	03/19/2026	831.64
15201	Charles P. Crowley Company	03/19/2026	1,589.21
15202	Citibank N.A.	03/19/2026	4,130.79
15203	County of Orange - OC Waste & Recycling	03/19/2026	533.87
15204	Cox Communications Inc	03/19/2026	1,724.95
15205	CR&R Incorporated	03/19/2026	864.97
15206	Eversoft Inc	03/19/2026	146.16
15207	Ferguson US Holdings, Inc	03/19/2026	43,503.06
15208	FleetCrew	03/19/2026	225.00
15209	Hach Company	03/19/2026	574.90
15210	Harrington Industrial Plastics, LLC	03/19/2026	6,385.32
15211	Infosend, Inc	03/19/2026	1,545.43
15212	JCI Jones Chemicals, Inc	03/19/2026	8,527.87
15213	McMaster-Carr Supply Company	03/19/2026	46.61
15214	Miles Chemicals Company, Inc.	03/19/2026	10,921.17
15215	Nobel Systems, Inc.	03/19/2026	50,920.00
15216	Onesource Distributors, LLC.	03/19/2026	19,829.73
15217	Pacific Plumbing Company of Santa Ana	03/19/2026	600.00
15218	Plumbers Depot Inc	03/19/2026	288.47
15219	Raftelis Financial Consultants, Inc	03/19/2026	29,025.00
15220	Rincon Truck Center, Inc	03/19/2026	418.46
15221	RockSpark Inc	03/19/2026	393.75
15222	Roll Off Solutions, Inc	03/19/2026	944.50
15223	SCADA Intergrations	03/19/2026	19,500.00
15224	Sierra Analytical Labs, Inc	03/19/2026	975.50
15225	South Coast Fire Protection, Inc	03/19/2026	1,789.09
15226	Southern California Edison Company	03/19/2026	124,189.19
15227	Southern California Gas Company	03/19/2026	657.70
15228	Southern Counties Lubricants, LLC.	03/19/2026	166.24
15229	TURNER CONSTRUCTION	03/19/2026	202.45
15230	United Industries, LLC	03/19/2026	1,116.29
15231	Urban Water Institute	03/19/2026	1,500.00
15232	USA Blue Book	03/19/2026	167.28
15233	Waste Management, Inc of California	03/19/2026	1,132.07
15234	City of Laguna Woods	03/27/2026	2,500.00
15235	Dudek	03/27/2026	11,497.13
15237	Eversoft Inc	03/27/2026	283.14
15238	Hazen and Sawyer, DPC	03/27/2026	15,630.00
15239	Hill Brothers Chemical Co	03/27/2026	4,044.85
15240	Infosend, Inc	03/27/2026	4,199.74
15241	Karbonous, Inc	03/27/2026	14,309.88
15242	Moulton Niguel Water District	03/27/2026	136.21
15243	Municipal Water District of Orange County	03/27/2026	34,500.00
15244	Sierra Analytical Labs, Inc	03/27/2026	1,587.00
15245	Steve Wingen	03/27/2026	105.00
15246	Superior Electric Motor Service, Inc	03/27/2026	18,849.04
15247	Tetra Tech, Inc	03/27/2026	9,688.00
15248	Tifco Industries Inc	03/27/2026	1,269.53
15249	Vestis Group, Inc.	03/27/2026	467.65
15250	Energy Management Electric Corporation	03/27/2026	8,784.94

Total Checks issued from General and Payroll Accounts:

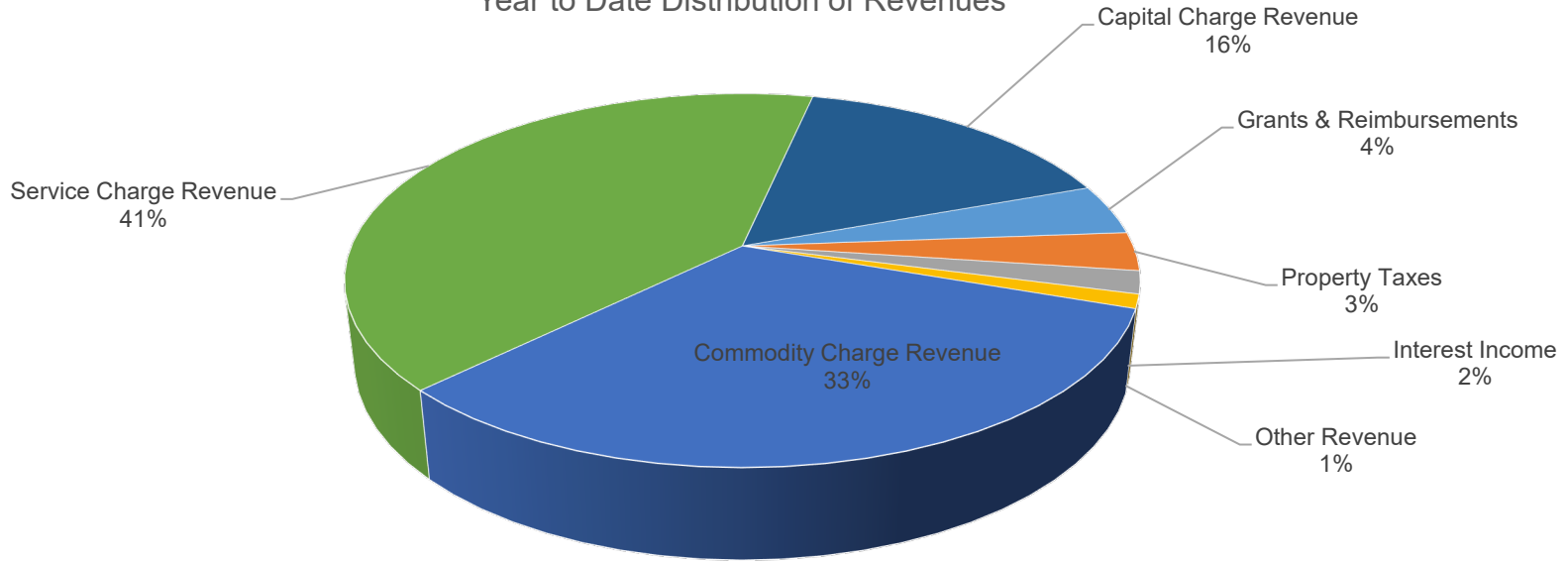
1,338,833.57

<u>Check Number</u>	<u>Vendor</u>	<u>Date</u>	<u>Amount</u>
300000091	Health Equity	03/04/2026	498.24
300000092	Health Equity	03/09/2026	78.65
300000093	Health Equity	03/11/2026	98.98
300000099	Health Equity	03/18/2026	115.40
300000100	Health Equity	03/25/2026	797.86
300000094	ADP, Inc.	03/13/2026	423.95
300000096	ADP, Inc.	03/20/2026	36.75
300000097	ADP, Inc.	03/27/2026	879.25
300000098	US Bank Trust Company, National Association	03/13/2026	2,376.03
300000095	Xpress Solutions	03/05/2026	932.90
ACH	Municipal Water District of Orange County	03/05/2026	450,489.42
Total ACH payments from General and Payroll Accounts:			<u><u>456,727.43</u></u>

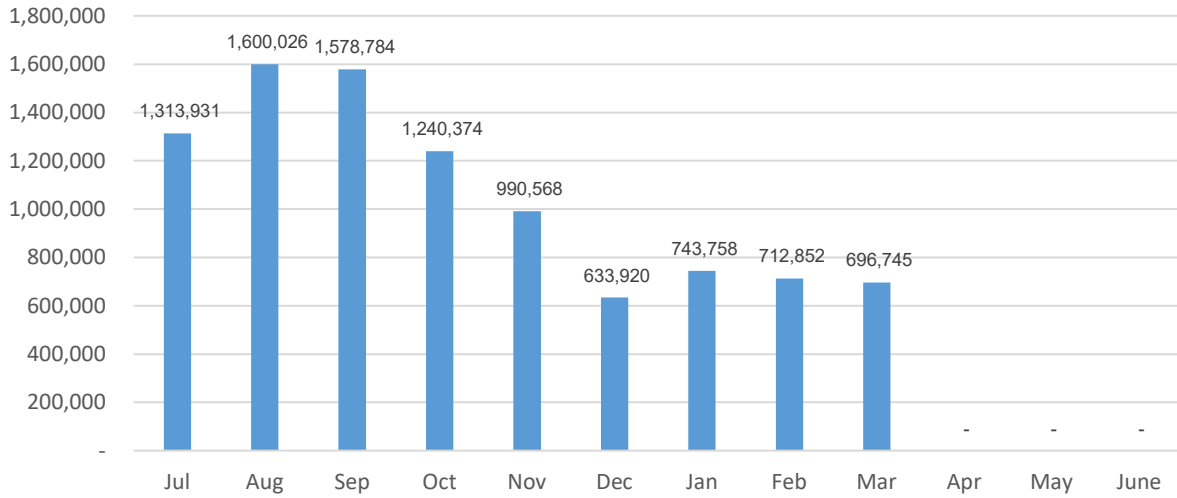
Attachment 5  
Revenue and Expense Charts for March 2026

## Revenue Charts -March 2026 Financial Report

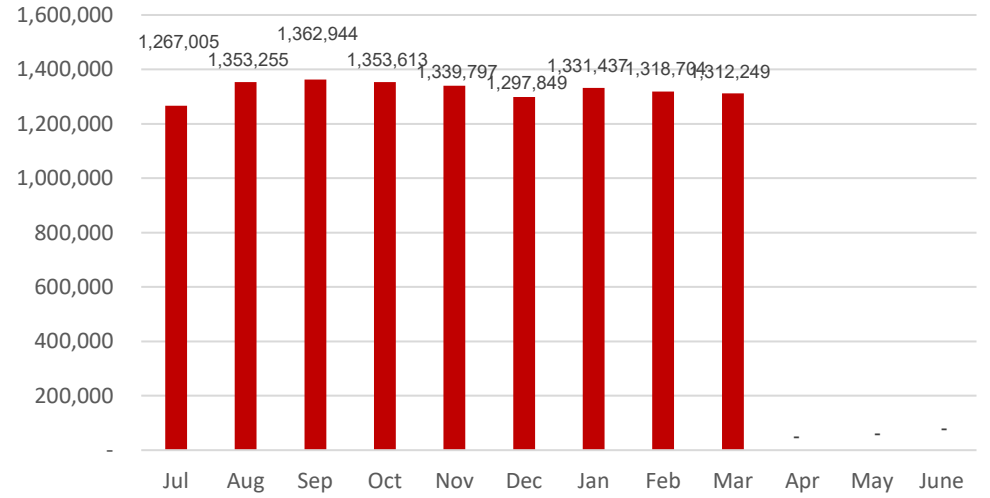
### Year to Date Distribution of Revenues



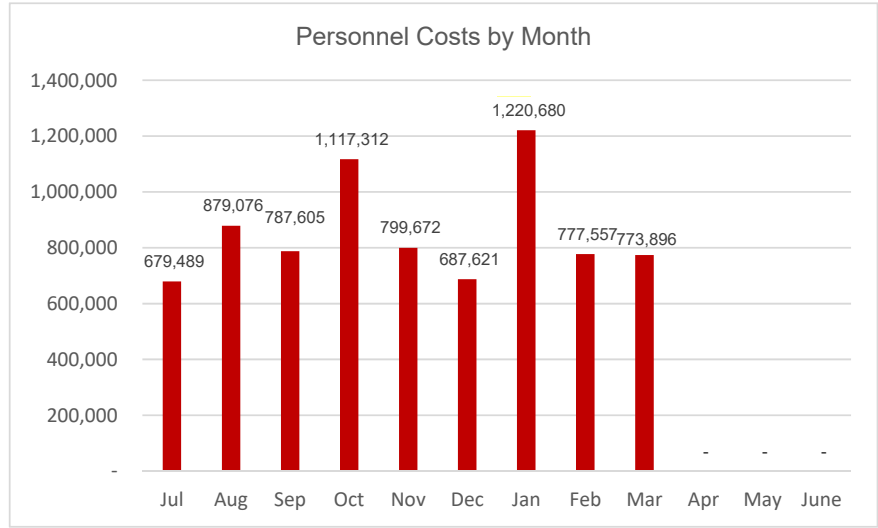
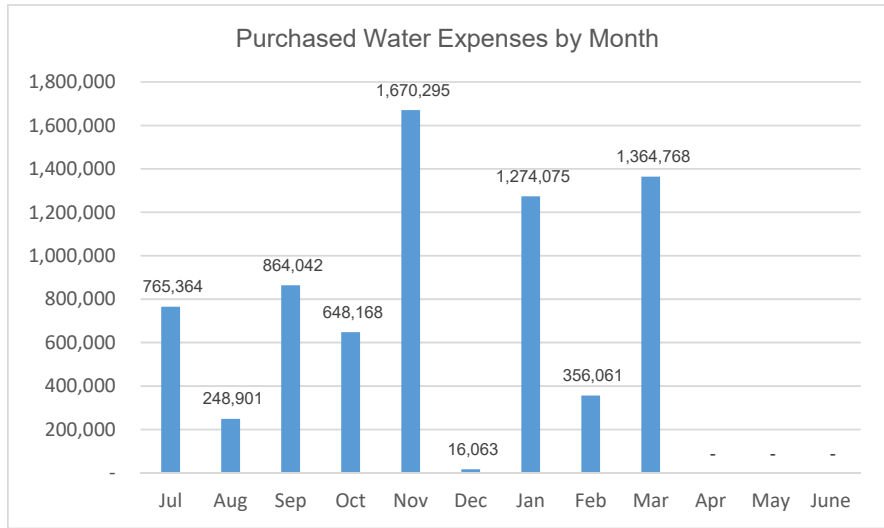
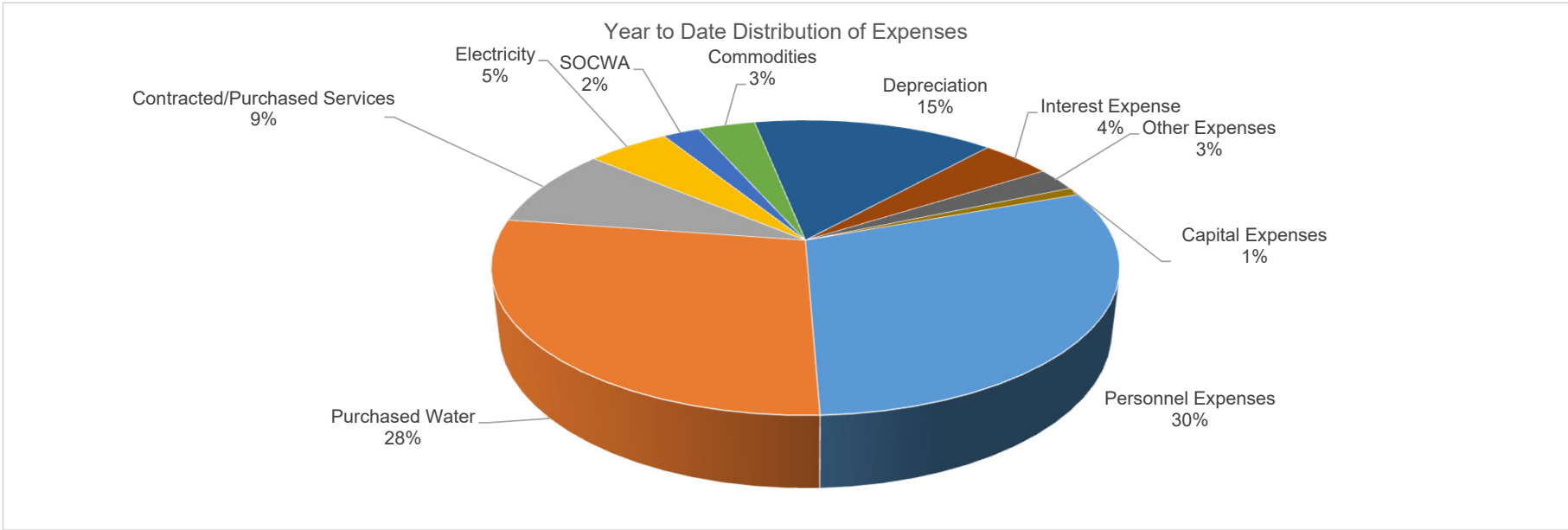
### Commodity Charge Revenue by Month



### Service Charge Revenue by Month



### Expense Chart -March 2026 Financial Report



Attachment 6

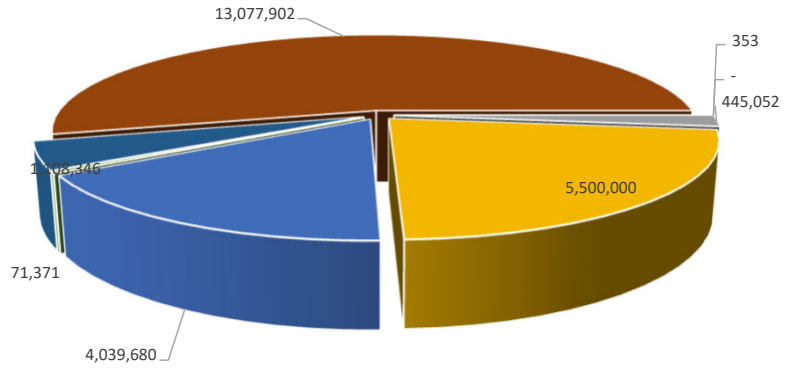
Summary of Cash & Investments at the end of March 2026

Summary of Cash & Investments  
as of March 31, 2026

Summary of Cash & Investments

<b>Cash &amp; Equivalents</b>	
Unrestricted - Cash & Equivalents	13,077,902
Unrestricted - Cash & Equivalents USB	1,108,346
Restricted - Cash & Equivalents	71,371
<b>Investments</b>	
Government Securities	4,039,680
CAMP -Term	5,500,000
Corporates Bonds/Notes	445,052
Asset Backed Securities	-
2022 Bond Money Market	353
<b>Total Cash &amp; Investments</b>	<b>24,242,705</b>
<b>Operating Cash &amp; Investments</b>	<b>24,170,980</b>
<b>2022 Bond Proceeds Cash &amp; Investments</b>	<b>353</b>
<b>Restricted - Cash &amp; Equivalents</b>	<b>71,371</b>

Summary of Cash & Investments



Cash & Equivalents

	Account Balance	Current Yield
<b>Cash &amp; Equivalents</b>		
<b>Demand Deposit Accounts</b>		
US Bank - Checking Account	1,108,346	
US - Bank Capital Facilities Fee	71,371	
US Bank - 2022 Bond Proceeds/Interest/Principal	353	
Petty Cash	700	
<b>Money Market Accounts</b>		
US Bank - Money Market Account		
CAMP Money Market	5,946,945	
LAIF Money Market	7,130,257	
<b>Total Cash &amp; Equivalents</b>	<b>14,257,973</b>	

Investments

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity
<b>Governmental Securities</b>									
<b>United States Treasury Bond</b>									
US Treasury N/B - AA+	1,026,744	1,050,000	(23,256)	1,049,772	23,028	3.625%	4.84%	6/12/2024	5/15/2026
US Treasury N/B - AA+	466,543	500,000	(33,457)	498,624	32,081	2.125%	4.20%	11/30/2022	5/31/2026
US Treasury N/B - AA+	464,531	500,000	(35,469)	493,510	28,979	2.250%	4.10%	11/30/2022	2/15/2027
US Treasury N/B - AA+	480,273	500,000	(19,727)	496,524	16,250	3.250%	4.25%	2/22/2023	6/30/2027
US Treasury N/B - AA+	502,500	500,000	2,500	502,051	(449)	4.125%	4.01%	11/30/2022	9/30/2027
US Treasury N/B - AA+	497,930	500,000	(2,070)	502,051	4,121	4.125%	4.22%	2/22/2023	9/30/2027
US Treasury N/B - AA+	485,332	500,000	(14,668)	497,149	11,816	3.500%	4.16%	2/22/2023	1/31/2028
<b>United States Treasury Bond - Totals</b>	<b>3,923,854</b>	<b>4,050,000</b>	<b>(126,146)</b>	<b>4,039,680</b>	<b>115,826</b>				

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	3,923,854	4,050,000	(126,146)	4,039,680	115,826				
Corporate Notes									
JPMorgan Chase & Co (Callable)	145,148	150,000	(4,853)	150,000	4,853	3.300%	5.20%	6/12/2024	4/1/2026
Bank of America Corp Notes	125,806	130,000	(4,194)	129,938	4,132	3.500%	5.35%	6/12/2024	4/19/2026
Toyota Motor Credit Corp Notes	130,074	130,000	74	130,139	65	5.200%	5.17%	6/12/2024	5/15/2026
American Express Co (Callable)	34,952	35,000	(48)	34,975	23	4.351%	4.39%	7/25/2025	7/20/2029
Corporate Bonds - Total Balances	435,980	445,000	(9,021)	445,052	9,073				

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									
Corporate Bonds - Total Balances	-	-	-	-	-				

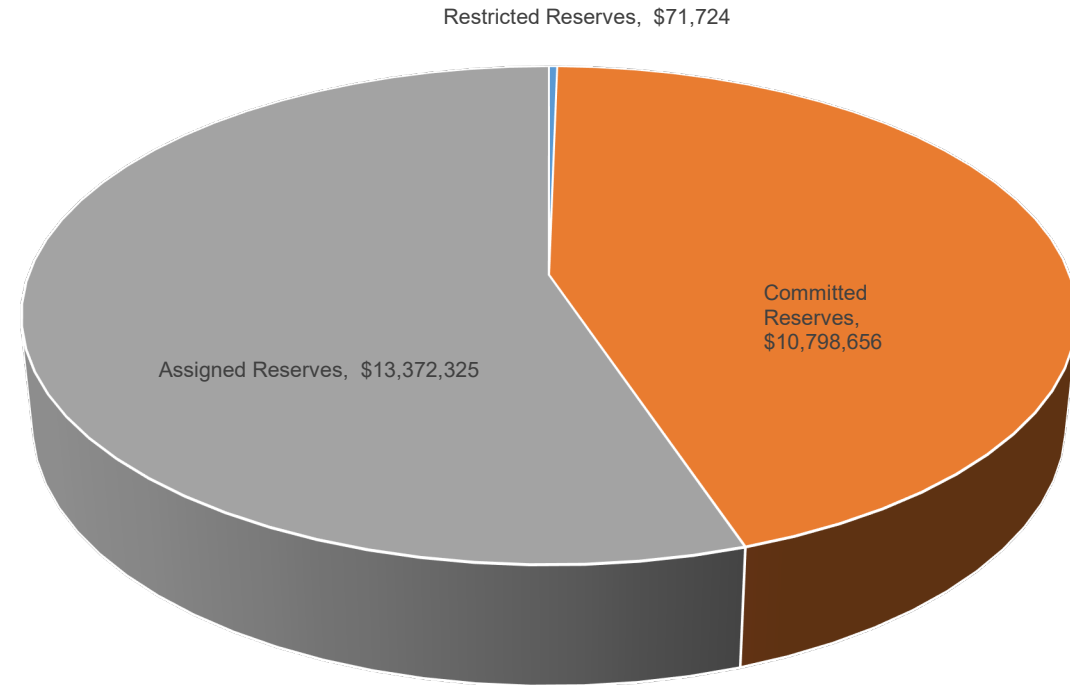
Attachment 7

Cash Reserve Balances for March 2026

**El Toro Water District  
Preliminary Cash Reserve Status Report  
as of March 31, 2026**

	Cash Reserve Balances	Reserve Targets
<b>Reconciled Cash Balance</b>	<b>\$ 24,242,705</b>	
<b>Restricted Reserves</b>		
2022 Revenue Bonds Fund	353	-
Capital Facilities Charge Reserve	71,371	-
<b>Sub Total Restricted Reserve</b>	<b>71,724</b>	-
<b>Committed Reserves</b>		
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)	2,998,656	2,400,000
<b>Sub Total Committed Reserves</b>	<b>10,798,656</b>	<b>10,200,000</b>
<b>Assigned Reserves</b>		
<b>CIP Reserves</b>		
Capital Carryover	3,336,173	-
Accumulated Capital Reserve	377,435	-
CIP - Revenue Bond Unrestricted Reserve	6,025,644	-
SOCWA Capital Projects	3,627,694	-
Recycled Water Capital / Debt Service	137,025	
Capital Plan Working Capital Reserve	3,156,558	
<b>Sub Total CIP Reserves</b>	<b>16,660,529</b>	-
<b>Water Supply Program Reserves</b>		
Tiered Conservation Fund	(2,186,532)	-
<b>Reverse Cyclic Water Purchase Program</b>	(1,101,672)	
<b>Sub Total Assigned Reserves</b>	<b>13,372,325</b>	
<b>Total Cash Reserves</b>	<b>24,242,705</b>	
<b>Adjusted Cash Reserves<sup>(2)</sup></b>	<b>24,170,981</b>	<b>10,200,000</b>

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.

(3) The cyclic water purchase program started delivering water in January 2026.

Attachment 8  
Capital Project Expense Report through March 2026

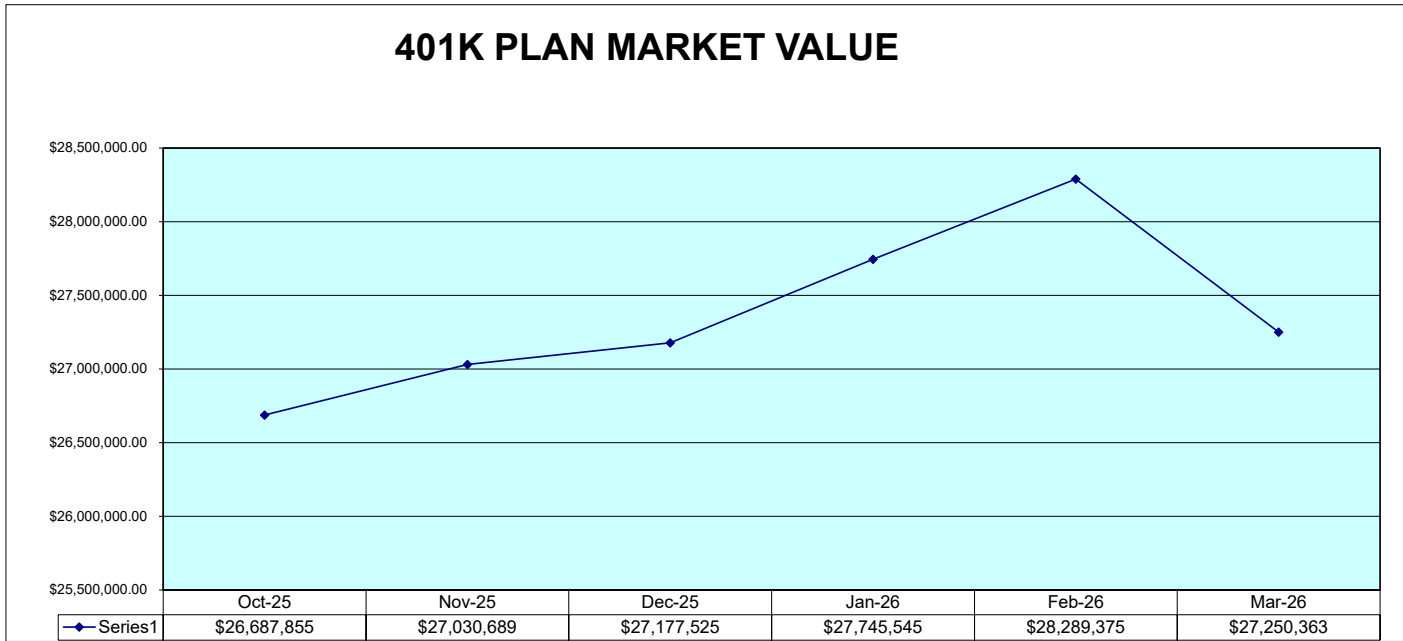
2025-2026 Capital Program Budget Information

PM Task Code	Account	Total Budget	Prior Year Ending Balance	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	80,000.00	-				12,740.00										12,740.00	67,260.00
CAP-0050 Alscot PLC Upgrade/Water	40-000-15010	31,000.00	47,449.24		1,324.54	(10,131.18)											(8,806.64)	39,806.64
CAP-0051 Sewer PLC Upgrade	40-750-66230	31,000.00	-														6,562.71	24,437.29
CAP-0052 Water Station HMI Rplmnt	40-720-66120	10,000.00	9,431.52														-	10,000.00
CAP-0053 Sewer Station HMI Rplmnt	40-750-66230	10,000.00	24,817.29														2,907.03	7,092.97
CAP-0067 Influent Pump Station Isolation Gate Actuator Replacement	40-750-66230	-	12,068.00														-	-
CAP-0069 Remittance Processing Equipment Update	40-810-66120	-	4,600.00														-	-
CAP-0070 Documentum Replacement / Corporate Intranet Development	40-820-55100	-	-			6,225.00					4,575.00						10,800.00	(10,800.00)
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					361.90						10,493.08	(10,493.08)
Contingency	TBD	-	-														-	-
GEN-0112 New Warehouse	40-000-15040	-	4,078,864.32														-	-
GEN-0119 Main Office Warehouse Improvements	40-000-15040	-	147,776.53														-	-
GEN-0120 Main PR Hydro Turbine	40-000-15010	-	-			85,295.50	121,000.00	28,727.19									235,022.69	(235,022.69)
GEN-0121 Main Office Bathroom Rehab	40-000-15040	-	-														-	-
RCE-0013 JRWSS Capital Budget	40-710-66120	24,435.00	-				110.96			185.57			31.83	472.90			801.26	23,633.74
RCE-0014 Baker WTP Capital Fund	40-810-66120	-	-		4,932.74				14,040.26				14,040.25				33,013.25	(33,013.25)
RCE-0015 SOCWA Capital Expenses	40-000-15020	170,571.00	-		36,646.32			(9,851.81)	26,794.51			(26,794.51)	65,863.39				92,657.90	77,913.10
RCE-0016 MNWD Regional Treatment Plant	40-000-15020	-	36,646.32									46,808.86	407.50				47,216.36	(47,216.36)
RES-0016 Moulton/EI Toro Cathodic Protection Repair	40-000-15010	218,000.00	38,060.00					2,540.00				5,000.00					7,540.00	210,460.00
RES-0019 R-4 Reservoir RMS Mixer Replacement	40-000-15010	-	24,308.72			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	500,000.00	7,905.73			11,120.03	(6,116.02)			20,565.55	(131,330.38)	302,342.50	(59,121.05)				137,460.63	362,539.37
RES-0022 R-5 Reservoir Rehabilitation	40-000-15010	194,000.00	-														-	194,000.00
RES-0023 PRV-19 Rehabilitation	40-000-15010	20,000.00	-														-	20,000.00
SLS-0115 Aliso Creek Pump Rehab 932-115	40-000-15020	-	642,632.80		924.00	5,598.25	6,605.75	33,340.00	9,118.00	3,150.00			28,950.00				87,686.00	(87,686.00)
SLS-0120 Freeway Electrical Equip Repl	40-000-15020	-	71,766.64		96,371.85								761.00	4,807.73			101,940.58	(101,940.58)
SLS-0121 Westline Main Switchboard Replacement	40-000-15020	113,000.00	-			5,282.40	779.22	2,896.88	26,798.84	124,203.37	4,653.16						164,613.87	(51,613.87)
SLS-0122 Westline Generator Unit 213 Replacement	40-000-15020	-	-														-	-
SLS-0123 4920 Lift Station Pump Replace	40-000-15020	25,000.00	-											19,503.83			19,503.83	5,496.17
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	-	-							11,536.08							11,536.08	(11,536.08)
SLS-0126 Aliso Creek VFD Replacement	40-000-15020	-	-						19,057.51								19,057.51	(19,057.51)
SPS-0050 Asset Management Study 31-050	40-840-55110	86,000.00	159,029.94			21,270.00	36,465.00			12,799.92	20,796.25	1,608.58	31,516.25				124,456.00	(38,456.00)
SPS-0051 Technology Master Plan	40-820-55110	-	-			500.00											500.00	(500.00)
SPS-0053 System Arc Flash Coord Study	40-840-55110	-	181,359.28							10,015.00							10,015.00	(10,015.00)
SPS-0055 Orange County Cross Connection Policy Handbook	40-710-55100	-	-														-	-
SPS-0056 Website Redesign, Hosting, and Maintenance Services	40-820-55100	-	14,400.00				18,000.00						7,200.00				25,200.00	(25,200.00)
SPS-0059 Potable Reuse Implementation	40-710-55100	-	-														-	-
SPS-0060 Energy Consulting Services	40-840-55110	-	22,441.52														-	-
SPS-0062 Radio Communications Conversion from Cellular	40-000-15040	70,000.00	-											19,500.00			19,500.00	50,500.00
TBD General Studies Fund	TBD	30,000.00	-														-	30,000.00
TCP-0009 WEROC Radios	40-000-15040	24,000.00	-														-	24,000.00
TCP-0010 Satellite Phones	40-820-66120	5,000.00	-														-	5,000.00
TCP-0011 Cyber Security Improvements	40-820-55100	15,000.00	-														-	15,000.00
VEH-0014 Solids Hauling Trailer	40-000-15020	307,000.00	-				197,845.83										197,845.83	109,154.17
VEH-TBD Vehicle Purchases	TBD	64,000.00	-														-	64,000.00
WPS-0095 P-3 Pump Station Rehab	40-000-15010	-	-														-	-
WPS-0099 P-1 Battery Project	40-000-15010	900,000.00	54,702.84		2,166.41						5,850.52	1,055.00	287.50				9,359.43	890,640.57
WPS-0100 Shenandoah BS Pump & Motor	40-000-15010	198,000.00	-								131,606.80						131,606.80	66,393.20
WPS-0101 P-3 Motor Replacement	40-000-15010	15,000.00	-							6,020.83							6,020.83	8,979.17
WPS-0102 P-1 Chlorine Tank Replacement	40-000-15010	22,000.00	24,513.20														-	22,000.00
WRP-0134 Hach WIMS Implementation Proje	40-000-15020	-	40,410.00														-	40,410.00
WRP-0137 Tertiary Disinfection Optimization Project	40-000-15030	148,000.00	97,910.66			18,247.71		7,272.06	18,409.49	25,532.18	1,884.08	285.30					71,630.82	76,369.18
WRP-0142 Headworks and Secondary Clarifier No. 1 Rehabilitation	40-000-15020	4,785,000.00	824,836.10		8,648.50	21,509.00		109,167.55	99,067.50	72,927.00	69,106.00	65,037.50					445,463.05	4,339,536.95
WRP-0143 New Turbo Blower	40-000-15020	-	520,705.00		25,508.91	4,342.33	2,192.71	2,610.00									34,653.95	(34,653.95)
WRP-0144 OOPS MCC and Valve Rehabilitation Project	40-000-15020	-	41,821.18										61,380.13				61,380.13	(61,380.13)
WRP-0147 DAF No 1 MCC Replacement	40-000-15020	-	73,406.47		27,759.00	(7,199.00)											-	20,560.00
WRP-0149 ETM Trail Bridge Mitigation Project	40-000-15020	-	3,997.86														-	-
WRP-0150 IPS Check Valve Replacement	40-000-15020	-	19,901.43														-	-
WRP-0151 Secondary Clarifier No. 3 and 4 Drive Replacement	40-000-15020	-	135,185.17		25,047.50	1,037.06	60,883.00			242.44			63,872.05				151,082.05	(151,082.05)
WRP-0152 OOPS Motor Rehabilitation	40-000-15020	-	25,377.93														25,930.04	(25,930.04)
WRP-0154 OOPS Battery Project	40-000-15020	-	38,469.83		2,166.40					5,850.52	1,055.00	287.50					9,359.42	(9,359.42)
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)
WRP-0157 New OOPS VFD	40-000-15020	-	-														-	-
Labor Distribution			116,168.16	28,934.35	31,737.34	32,396.92	35,465.55	24,700.25	27,441.07	26,691.28	23,543.25	24,381.54	-	-	-	-	255,291.55	(255,291.55)
Gross project cost excludes labor		8,096,006	7,540,963.68	28,934.35	289,163.55	272,652.16	488,077.73	288,791.78	242,376.62	314,866.89	618,803.72	145,378.74	0.00	0.00	0.00	0.00	2,669,045.54	5,426,960.46

Attachment 9  
Interim Report on 401k Plan Holdings  
As of March 2026

Page 8  
**EL TORO WATER DISTRICT**  
**401K PLAN SUMMARY**

**401K PLAN MARKET VALUE**



MARKET VALUE SUMMARY							
	Under 41 yrs. Old	41 to 48 yrs. Old	49 to 55 yrs. Old	56 to 58 yrs. Old	59 to 62 yrs. Old	63 to 65 yrs. Old	Over 65 yrs. Old
Balance at June 30, 2025	\$2,779,712.25	\$3,692,847.59	\$2,903,472.36	\$3,904,515.38	\$5,874,750.66	\$1,558,231.69	\$3,819,217.18
	Under 41 yrs. Old	41 to 48 yrs. Old	49 to 55 yrs. Old	56 to 58 yrs. Old	59 to 62 yrs. Old	63 to 65 yrs. Old	Over 65 yrs. Old
Balance at February 28, 2026	\$3,263,015.30	\$3,463,154.28	\$2,609,102.67	\$4,458,342.43	\$7,160,122.28	\$917,907.00	\$5,378,718.85

District Staff is working with Highmark and Empower to design a new 401k report. Once the data for the portfolios is being generated by Empower, the District portfolio information by age group will be updated.

Investments	Beginning Balance	Contributions	Withdrawals	Interest, Dividends and Appreciation Net of Fees & Charges	Ending Balance
American Beacon AHL Mgd Futs Strat A	162,566.24	344.46	0.00	(7,178.77)	155,731.93
Cohen & Steers Instl Realty Shares	1,111,405.39	4,373.61	0.00	(72,654.21)	1,043,124.79
Columbia Contrarian Core Instl 3	2,187,579.12	12,208.65	0.00	(89,753.30)	2,110,034.47
DFA Large Cap International I	1,837,991.12	8,866.57	0.00	(155,394.96)	1,691,462.73
Dodge & Cox Income - I	3,981,923.73	14,806.35	0.00	(67,872.24)	3,928,857.84
Dodge & Cox International Stock - I	365,516.82	2,362.17	0.00	(34,106.40)	333,772.59
Dodge & Cox Stock - I	1,109,989.14	5,933.92	0.00	(58,936.98)	1,056,986.08
DoubleLine Core Fixed Income R6	3,968,547.65	14,812.34	0.00	(67,522.96)	3,915,837.03
Emerald Growth Institutional	342,720.48	465.74	0.00	(141,083.78)	202,102.44
Fidelity Mid Cap Index	135,682.82	1,128.82	0.00	51,811.93	188,623.57
Guaranteed Income Fund	849,390.64	3,266.92	0.00	877.80	853,535.36
Harbor Capital Appreciation Retirement	593,708.29	1,456.75	0.00	(235,670.55)	359,494.49
Lazard Global Listed Infrs Port Inst	836,223.61	4,007.29	0.00	(66,096.25)	774,134.65
MFS International Growth R6	346,162.67	1,861.93	0.00	(34,573.45)	313,451.15
Nomura Small Cap Core R6	433,975.65	405.41	0.00	(197,508.42)	236,872.64
PGIM Total Return Bond R6	2,034,275.18	7,532.28	0.00	(32,050.13)	2,009,757.33
PIMCO Income Instl	394,350.87	1,649.91	0.00	(9,879.80)	386,120.98
PIMCO RAE US Instl	694,940.50	689.83	0.00	(250,325.77)	445,304.56
Undiscovered Mgrs Behavioral Value R6	318,441.57	298.94	0.00	(139,437.77)	179,302.74
Vanguard 500 Index Admiral	776,826.10	9,211.65	0.00	380,805.73	1,166,843.48
Vanguard Emerging Mkts Stock Idx Adm	683,984.16	4,155.50	0.00	(54,925.33)	633,214.33
Vanguard Growth & Income Adm	2,213,636.21	12,872.39	0.00	(105,450.67)	2,121,057.93
Vanguard Growth Index Adm	996,706.67	7,118.25	0.00	(23,382.78)	980,442.14
Vanguard Long-Term Investment-Grade Adm	1,007,278.61	4,039.44	0.00	(62,131.17)	949,186.88
Vanguard Mid Cap Index Fund - Admiral	160,928.69	713.66	0.00	(68,183.54)	93,458.81
Vanguard Small Cap Index Adm	744,622.63	8,608.79	0.00	368,420.45	1,121,651.87
<b>Grand Total</b>	<b>28,289,374.56</b>	<b>133,191.57</b>	<b>0.00</b>	<b>(1,172,203.32)</b>	<b>27,250,362.81</b>



## STAFF REPORT

---

**To: Board of Directors**

**Meeting Date: April 20, 2026**

**From: Dennis Cafferty, General Manager  
Vishav Sharma, CFO**

**Subject: El Toro Water District 2026-2027 Budget**

---

At the Board Budget Workshop conducted on April 9 the Board approved the Proposition 218 Notice with discretion for the General Manager to make final updates following adoption of a final budget and associated rates by the Metropolitan Water District (MWD). The Board also authorized staff to schedule the Public Hearing at which the Board will consider increases to the District's existing rates and charges, for June 11, 2026.

The Board deferred approval of the Budget and the Cost of Service Rate Study until the MWD final rates were available and incorporated into the ETWD budget.

At the April 14 Metropolitan Water District Board meeting, the MWD Board approved the biennial budget and rates which, according to MWD staff, amount to an approximate 6.2% overall rate increase.

Following the adoption of the MWD budget, District staff updated the ETWD Purchased Water Budget and worked with Raffelis to update the associated water usage (commodity) rates. The updated water usage rates were reduced by five cents per billing unit from those presented to the Board at the Board Budget Workshop.

Staff further worked with the consultant preparing the Proposition 218 Notice to make the necessary updates consistent with the revised rates. Staff are working with the Printer to meet the scheduled mailing date of April 24 for the final Proposition 218 Notice.

The following updated documents are attached:

- Proposition 218 Notice (Provided under Separate Cover)
- Purchased Water Worksheets
- Water Usage Rates
- Ten Year Cash Flow Projection
- Single Family Residential Sensitivity Analysis
- Laguna Woods Village Sensitivity Analysis
- Ten Year Sensitivity Analysis Projection

**EL TORO WATER DISTRICT  
2026/27 PURCHASED WATER BUDGET**

	2025/26 Budget		2025/26 Projected Actual		2026/27 Budget	
	Jul 2025	Jan 2026	Jul 2025	Jan 2026	Jul 2026	Jan 2027
Total Period Demand (AF)	3,870	3,130	3,529	2,900	3,870	3,130
Total Annual Demand (AF)		7,000		6,429		7,000
MWD Period Demand (AF)	2,095	1,355	2,046	1,141	2,207	1,494
MWD Annual Demand (AF)		3,450		3,187		3,701
<b>MWD Untreated Commodity Rates</b>						
System Access Rate	463.00	492.00	463.00	492.00	492.00	472.00
System Power Rate	159.00	179.00	159.00	179.00	179.00	145.00
Supply Rate	290.00	313.00	290.00	313.00	313.00	413.00
<b>Subtotal Untreated Full Service</b>	<b>912.00</b>	<b>984.00</b>	<b>912.00</b>	<b>984.00</b>	<b>984.00</b>	<b>1,030.00</b>
Treatment Surcharge	483.00	544.00	483.00	544.00	544.00	390.00
<b>Total Treated Full Service Rate</b>	<b>1,395.00</b>	<b>1,528.00</b>	<b>1,395.00</b>	<b>1,528.00</b>	<b>1,528.00</b>	<b>1,420.00</b>
<b>Total Treated Full Service Annual Cost</b>	<b>2,922,525</b>	<b>2,070,440</b>	<b>2,853,947</b>	<b>1,743,403</b>	<b>3,372,114</b>	<b>2,121,476</b>
<b>MWD Fixed Charges</b>						
Capacity Reservation Charge	91,404	101,951	86,970	90,926	90,926	95,349
Readiness To Serve Charge	407,731	425,188	411,910	427,840	425,677	588,514
Treatment Peaking Capacity Charge						79,497
Treatment Used Standby Capacity Charge						25,880
Treatment Remaining Standby Capacity Charge						124,225
<b>Total MWD Fixed Charges</b>		<b>1,026,274</b>		<b>1,017,646</b>		<b>1,430,068</b>
<b>Total MWD Cost</b>		<b>6,019,239</b>		<b>5,614,996</b>		<b>6,923,658</b>
<b>Total MWD Unit Cost (\$/AF)</b>		<b>1,745</b>		<b>1,762</b>		<b>1,871</b>
<b>Baker Water Treatment Plant</b>						
Period Demand MWDOC (AF)	1,775	1,775	1,483	1,759	1,663	1,636
Period Demand Irvine Lake (AF)						
Annual Demand (AF)		3,550		3,242		3,299
<b>Baker Raw Water Cost</b>	<b>1,618,800</b>	<b>1,746,600</b>	<b>1,352,222</b>	<b>1,730,876</b>	<b>1,636,509</b>	<b>1,685,083</b>
Baker O&M Unit Cost (per AF)	330	330	320	320	345	345
<b>Baker O&amp;M Annual Cost</b>	<b>585,750</b>	<b>585,750</b>	<b>474,464</b>	<b>562,887</b>	<b>573,776</b>	<b>564,421</b>
<b>Total Period Baker Water Treatment Plant Cost</b>	<b>2,204,550</b>	<b>2,332,350</b>	<b>1,826,686</b>	<b>2,293,763</b>	<b>2,210,285</b>	<b>2,249,504</b>
<b>Total Annual Baker Water Treatment Plant Cost</b>		<b>4,536,900</b>		<b>4,120,449</b>		<b>4,459,789</b>
<b>Baker Water Treatment Plant Unit Cost(\$/AF)</b>		<b>1,278</b>		<b>1,271</b>		<b>1,352</b>
<b>Regional Pipeline Operations &amp; Maintenance</b>						
SCP Surcharge	8.38	8.38	8.14	8.14	8.38	8.38
SAC Surcharge	1.15	1.15	1.18	1.18	1.22	1.22
SCWD/JRWSS Operations & Maintenance		8,000		8,000		5,520
EOCF #2 O&M Charge						10,000
<b>Total Regional Pipeline Operations &amp; Maintenance</b>	<b>16,916</b>	<b>24,916</b>	<b>13,819</b>	<b>24,394</b>	<b>15,966</b>	<b>31,226</b>
<b>Total Purchased Water Cost</b>						
MWD Treated Water Cost		6,019,239		5,614,996		6,923,658
Baker Raw Water Cost		3,365,400		3,083,099		3,321,592
Baker O&M Cost		1,171,500		1,037,351		1,138,197
Regional Pipeline O&M Cost		41,832		38,213		47,192
<b>Total Purchased Water Cost</b>		<b>10,597,971</b>		<b>9,773,658</b>		<b>11,430,638</b>
Percent Increase Budget to Budget per Unit						7.86%
<b>Overall Imported Water Effective Rate</b>						
Fiscal Year Cost per Acre Foot Purchased		<b>1,514</b>		<b>1,520</b>		<b>1,633</b>
Fiscal Year Cost per CCF Purchased		<b>3.4757</b>		<b>3.49</b>		<b>3.75</b>
Fiscal Year Rate per CCF Sold		<b>3.66</b>		<b>3.66</b>		<b>3.95</b>

**EL TORO WATER DISTRICT  
2026/27 PURCHASED WATER BUDGET**

**BUDGET CHANGE & RATE IMPACT BREAKDOWN**

Description	Budget	Budget Impact	Rate Impact
25/26 Purchased Water Budget - Total Cost	\$10,597,971		
Period Demand Assumption Change		\$44,472	\$0.015
MWD Untreated Pass Through Rate Increase		\$422,620	\$0.146
MWD Fixed Charge Increase (RTS/CRC)		\$174,192	\$0.060
MWD Treated Pass Through Increase		\$134,146	\$0.046
Baker O&M Cost Increase		\$49,487	\$0.017
Pipeline O&M Costs		\$7,751	\$0.003
<b>26/27 Purchased Water Budget - Total Cost</b>	<b>\$11,430,638</b>	<b>\$832,668</b>	<b>\$0.29</b>

Cost Increase Description		Cost Impact
Period Demand Assumption Change		\$44,472
MWD Untreated Pass Through Rate Increase		\$422,620
MWD Fixed Charge Increase (RTS/CRC)		\$174,192
MWD Treated Pass Through Increase		\$134,146
Baker O&M Cost Increase		\$49,487
Pipeline O&M Costs		\$7,751
<b>Total Purchased Water Cost Increase</b>		<b>\$832,668</b>

<b>Revenue Increase</b>		
Commodity Rate Increase	\$0.29 per ccf	
Budgeted Sales Volume	6,650 AF	
<b>Revenue Increase</b>		<b>\$840,055</b>



## TEN YEAR REVENUE PLAN AND CASH FLOW ANALYSIS (O&M)

	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>2030-31</u>	<u>2031-32</u>	<u>2032-33</u>	<u>2033-34</u>	<u>2034-35</u>	<u>2035-36</u>
<b>O&amp;M REVENUES</b>										
1 Revenue from Potable Commodity Rate	12,563,042	13,297,275	14,340,639	15,482,048	16,660,899	18,022,366	19,499,703	21,092,909	22,830,953	24,771,768
2 Revenue from Potable Fixed Meter Rate	6,039,887	6,336,712	6,935,625	7,260,837	7,610,850	8,048,377	8,487,121	8,920,147	9,366,405	9,788,131
3 Revenue from Sewer Service Rate	10,312,822	10,964,680	11,680,803	12,256,259	12,874,272	13,576,097	14,274,848	15,017,058	15,789,752	16,610,938
4 Revenue from Recycled Water Commodity Rate	2,163,190	2,395,364	2,627,539	2,831,400	3,057,912	3,148,517	3,409,006	3,686,483	3,992,274	4,332,042
5 Revenue from Recycled Water Fixed Meter Rate Less Implementation Offset	580,840 (171,466)	609,712	668,135	699,322	732,993	775,141	817,389	859,081	902,045	942,631
<b>6 Total Unrestricted Rate Revenue</b>	<b>31,488,314</b>	<b>33,603,743</b>	<b>36,252,742</b>	<b>38,529,866</b>	<b>40,936,926</b>	<b>43,570,499</b>	<b>46,488,066</b>	<b>49,575,678</b>	<b>52,881,429</b>	<b>56,445,510</b>
<b>Other Sources of Cash</b>										
7 Restricted Reserves Funding of Conservation Program	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
8 MWD LRP Rebate	297,000	297,000	297,000	297,000	200,000	200,000	200,000	200,000	200,000	0
9 Property Taxes	1,400,000	1,456,000	1,514,240	1,574,810	1,637,802	1,703,314	1,771,447	1,842,304	1,915,997	1,992,637
10 Miscellaneous Revenue	69,600	69,600	69,600	69,600	69,600	69,600	69,600	69,600	69,600	69,600
11 Cellular Site Lease Revenue (Funds Tier 1 Offset)	217,860	224,396	231,128	237,319	245,203	245,203	245,203	245,203	245,203	245,203
12 Cellular Site Lease Revenue	65,140	67,094	69,107	71,922	73,316	82,871	92,713	102,851	113,293	124,047
13 Other Income (R-6 Partners)	140,000	144,200	148,526	152,982	157,571	162,298	167,167	172,182	177,348	182,668
14 MNWD Payment for RW Service to Golf Course	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
15 MNWD Transfer Payment	0	0	0	0	0	0	0	0	0	0
16 Investment Income	400,000	275,000	249,000	305,000	352,000	296,000	352,000	417,000	488,000	608,000
<b>17 Subtotal Other Sources of Cash</b>	<b>2,850,600</b>	<b>2,794,290</b>	<b>2,839,601</b>	<b>2,969,633</b>	<b>2,996,492</b>	<b>3,020,287</b>	<b>3,159,131</b>	<b>3,310,141</b>	<b>3,470,440</b>	<b>3,483,156</b>
<b>18 TOTAL O&amp;M REVENUES</b>	<b>34,338,914</b>	<b>36,398,033</b>	<b>39,092,342</b>	<b>41,499,499</b>	<b>43,933,418</b>	<b>46,590,786</b>	<b>49,647,197</b>	<b>52,885,820</b>	<b>56,351,869</b>	<b>59,928,665</b>
<b>O&amp;M REVENUE REQUIREMENTS</b>										
19 Total O & M Expense Budget	32,354,372	34,113,161	36,234,369	38,530,040	40,903,660	43,534,307	46,372,555	49,381,372	52,612,010	56,102,950
20 Restricted Commodity Reserve	950,297	950,297	950,297	950,297	950,297	950,297	950,297	950,297	950,297	950,297
21 Reserves	0	125,000	520,000	510,000	525,000	548,679	603,054	653,168	693,417	753,866
22 RW Revenue Funding of RW Debt Service	1,034,265	1,206,583	1,387,531	1,507,039	1,548,466	1,552,907	1,720,415	1,897,058	2,095,587	2,117,588
<b>23 TOTAL O&amp;M REVENUE REQUIREMENTS</b>	<b>34,338,934</b>	<b>36,395,041</b>	<b>39,092,197</b>	<b>41,497,376</b>	<b>43,927,422</b>	<b>46,586,190</b>	<b>49,646,321</b>	<b>52,881,896</b>	<b>56,351,311</b>	<b>59,924,701</b>
<b>24 ANNUAL O&amp;M SURPLUS (DEFICIT)</b>	<b>(20)</b>	<b>2,992</b>	<b>145</b>	<b>2,123</b>	<b>5,995</b>	<b>4,596</b>	<b>876</b>	<b>3,924</b>	<b>559</b>	<b>3,964</b>
<b>25 RATE INCREASE</b>	<b>10.1%</b>	<b>7.9%</b>	<b>9.6%</b>	<b>8.4%</b>	<b>7.2%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>6.2%</b>	<b>6.2%</b>	<b>6.3%</b>

## Single Family Residential Sensitivity Analysis

Billing Item	Current Rate	Proposed Rate	% Increase
Tier I (10 ccf)	\$ 35.90	\$ 38.70	7.8%
Tier II (2 ccf)	\$ 7.96	\$ 8.48	6.5%
Water Fixed Meter	\$ 28.98	\$ 31.81	9.8%
Water Capital R & R	\$ 13.02	\$ 16.28	25.0%
<b>Total Water</b>	<b>\$ 85.86</b>	<b>\$ 95.27</b>	<b>11.0%</b>
Sewer O&M	\$ 40.80	\$ 42.07	3.1%
Sewer Capital R & R	\$ 13.86	\$ 17.32	25.0%
<b>Total Sewer</b>	<b>\$ 54.66</b>	<b>\$ 59.39</b>	<b>8.7%</b>
<b>Total Bill</b>	<b>\$ 140.52</b>	<b>\$ 154.66</b>	
	<b>Increase</b>	<b>\$14.14</b>	<b>10.1%</b>

## Laguna Woods Village Sensitivity Analysis

Mutual	WATER				RECYCLED WATER			
	2025/26 Annual Charges	2026/27 Annual Charges	Increase Amount	Increase %	2025/26 Annual Charges	2026/27 Annual Charges	Increase Amount	Increase %
Third Mutual	\$2,174,711	\$2,427,415	\$252,703	11.6%	\$1,592,511	\$1,744,607	\$152,096	9.6%
United Mutual	\$2,435,308	\$2,682,247	\$246,939	10.1%	\$117,401	127,337	\$9,936	8.5%
Golden Rain Foundation	295,591	\$324,823	\$29,233	9.9%	\$606,919	\$649,580	\$42,662	7.0%
Mutual 50	\$72,963	\$79,798	\$6,835	9.4%	\$26,179	\$28,659	\$2,480	9.5%
<b>Total Community</b>	<b>\$4,978,572</b>	<b>\$5,514,283</b>	<b>\$535,711</b>	<b>10.8%</b>	<b>\$2,343,009</b>	<b>\$2,550,183</b>	<b>\$207,174</b>	<b>8.8%</b>

Mutual	WASTEWATER				TOTAL			
	2025/26 Annual Charges	2026/27 Annual Charges	Increase Amount	Increase %	2025/26 Annual Charges	2026/27 Annual Charges	Increase Amount	Increase %
Third Mutual	\$2,368,721	\$2,573,117	\$204,396	8.6%	\$6,135,943	\$6,745,139	\$609,196	9.9%
United Mutual	\$2,450,690	\$2,662,189	\$211,499	8.6%	\$5,003,399	\$5,471,773	\$468,374	9.4%
Golden Rain Foundation	\$192,987	\$211,455	\$18,468	9.6%	\$1,095,496	\$1,185,859	\$90,363	8.2%
Mutual 50	\$120,615	\$131,024	\$10,409	8.6%	\$219,757	\$239,482	\$19,725	9.0%
<b>Total Community</b>	<b>\$5,133,013</b>	<b>\$5,577,785</b>	<b>\$444,773</b>	<b>8.7%</b>	<b>\$12,454,594</b>	<b>\$13,642,252</b>	<b>\$1,187,657</b>	<b>9.5%</b>

**TEN YEAR SINGLE FAMILY RESIDENTIAL RATE SENSITIVITY ANALYSIS**

Billing Item	2025-26	2026-27		2027-28		2028-29		2029-30		2030-31		2031-32		2032-33		2033-34		2034-35		2035-36	
	Rate	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase	Rate	Increase
Tier I (10 ccf)	35.90	38.70	7.8%	41.20	6.5%	44.70	8.5%	48.60	8.7%	52.60	8.2%	57.30	8.9%	62.40	8.9%	67.90	8.8%	73.90	8.8%	80.60	9.1%
Tier II (2 ccf)	7.96	8.48	6.5%	9.00	6.1%	9.76	8.4%	10.56	8.2%	11.40	8.0%	12.34	8.2%	13.36	8.3%	14.46	8.2%	15.66	8.3%	17.00	8.6%
Water Fixed Meter	28.98	31.81	9.8%	33.36	4.9%	36.48	9.4%	38.20	4.7%	40.04	4.8%	42.34	5.7%	44.65	5.5%	46.93	5.1%	49.28	5.0%	51.50	4.5%
Water Capital R & R	13.02	16.28	25.0%	18.72	15.0%	21.52	15.0%	24.75	15.0%	27.23	10.0%	28.59	5.0%	30.02	5.0%	31.52	5.0%	33.10	5.0%	34.76	5.0%
<b>Total Water</b>	<b>85.86</b>	<b>95.27</b>	<b>11.0%</b>	<b>102.28</b>	<b>7.4%</b>	<b>112.46</b>	<b>10.0%</b>	<b>122.11</b>	<b>8.6%</b>	<b>131.27</b>	<b>7.5%</b>	<b>140.57</b>	<b>7.1%</b>	<b>150.43</b>	<b>7.0%</b>	<b>160.81</b>	<b>6.9%</b>	<b>171.94</b>	<b>6.9%</b>	<b>183.86</b>	<b>6.9%</b>
Sewer O&M	40.80	42.07	3.1%	44.73	6.3%	47.64	6.5%	49.98	4.9%	52.49	5.0%	55.35	5.4%	58.20	5.1%	61.23	5.2%	64.38	5.1%	67.73	5.2%
Sewer Capital R & R	13.86	17.32	25.0%	19.92	15.0%	22.91	15.0%	26.35	15.0%	28.99	10.0%	30.44	5.0%	31.96	5.0%	33.56	5.0%	35.24	5.0%	37.00	5.0%
<b>Total Sewer</b>	<b>54.66</b>	<b>59.39</b>	<b>8.7%</b>	<b>64.65</b>	<b>8.9%</b>	<b>70.55</b>	<b>9.1%</b>	<b>76.33</b>	<b>8.2%</b>	<b>81.48</b>	<b>6.7%</b>	<b>85.79</b>	<b>5.3%</b>	<b>90.16</b>	<b>5.1%</b>	<b>94.79</b>	<b>5.1%</b>	<b>99.62</b>	<b>5.1%</b>	<b>104.73</b>	<b>5.1%</b>
<b>Total Bill</b>	<b>140.52</b>	<b>154.66</b>		<b>166.93</b>		<b>183.01</b>		<b>198.44</b>		<b>212.75</b>		<b>226.36</b>		<b>240.59</b>		<b>255.60</b>		<b>271.56</b>		<b>288.59</b>	
<b>Increase</b>		<b>14.14</b>	<b>10.1%</b>	<b>12.27</b>	<b>7.9%</b>	<b>16.08</b>	<b>9.6%</b>	<b>15.43</b>	<b>8.4%</b>	<b>14.31</b>	<b>7.2%</b>	<b>13.61</b>	<b>6.4%</b>	<b>14.23</b>	<b>6.3%</b>	<b>15.01</b>	<b>6.2%</b>	<b>15.96</b>	<b>6.2%</b>	<b>17.03</b>	<b>6.3%</b>



**STAFF REPORT**

---

**To: Board of Directors** **Meeting Date: April 20, 2026**

**From: Dennis Cafferty, General Manager**  
**Vishav Sharma, Chief Financial Officer**

**Subject: Approval of the proposed 2026–2027 Fiscal Year Operating and Capital Budget**

---

Attached for Board approval consideration is the Budget document for the El Toro Water District for Fiscal Year 2026-2027, which begins July 1, 2026 and ends June 30, 2027. Following the normal budget preparation process, staff and management evaluated current and projected expenses and revenue requirements to develop the initial 2026–2027

The District remains committed to keeping rates as low as possible for customers; however, ongoing cost increases in the broader economy present a significant challenge to achieving this goal. The proposed Fiscal Year 2026–2027 Budget reflects the District’s proactive approach to addressing rising costs and economic uncertainty, including impacts associated with global conditions, while maintaining fiscal responsibility.

The 2026–2027 Budget is the result of considerable discussion and careful deliberation by the District’s budget committee and staff. It has been developed to ensure continued delivery of reliable water service, maintenance of infrastructure, and financial stability of the District.

**FINANCIAL IMPACT**

Approval of the Fiscal Year 2026–2027 Budget authorizes expenditures and establishes the financial framework necessary to support District operations and capital improvements for the fiscal year 2026-2027.

**ATTACHMENTS**

Fiscal Year 2026–2027 Budget Document

**Recommended Action:**

Staff and the Budget Committee recommend that the Board of Directors approve the 2026-2027 Fiscal Year Operating & Capital Budget.



# 2026 - 2027 ANNUAL BUDGET



## TABLE OF CONTENTS

---

---

Transmittal Letter .....	Pages 1 – 4
Introductory Section	
2026 – 2027 Budget Summary .....	Pages 5 – 14
District Profile .....	Pages 15 – 21
Enterprise Budget Summaries	
Water System .....	Page 22
Wastewater Treatment System .....	Page 23
Recycled Water System .....	Page 24
Personnel Analysis .....	Pages 25 – 32
Capital Replacement & Refurbishment Program .....	Pages 33 – 42

## Index of Tables

Table 1. Summary of Financial Operations	Page 5
Table 2. Summary of Revenues	Page 6
Table 3. Summary of Expenses	Page 8
Table 4. Summary of Expenses by Type of Expense	Page 9
Table 5. Statements of Revenues, Expenses, and Changes in Net Position	Page 11
Table 6. Net Result from Operating Activities	Page 12
Table 7. Debt Service Coverage Calculations	Page 13
Table 8. Summary of Authorized Positions by Budget Unit	Page 14
Table 9. Profile of the El Toro Water District	Page 15
Table 10. Service Area and Population serve Information	Page 18
Table 11. Population Characteristics	Page 18
Table 12. Comparison of Economic Characteristics of District Residents	Page 19
Table 13. Education for Residents 25 or Older	Page 19
Table 14. Unemployment & Workforce Participation Rate Comparison	Page 20
Table 15. Household Income	Page 20
Table 16. Water System – Operations & Maintenance Sources & Uses of Cash	Page 22
Table 17. Wastewater System – Operations & Maintenance Sources & Uses of Cash	Page 23
Table 18. Recycled Water System – Operations & Maintenance Sources & Uses of Cash	Page 24
Table 19. Personnel Expense Summary	Page 25
Table 20. Changes in Salary Expenses	Page 26
Table 21. Changes in Other Salary and Benefit Expenses	Page 27
Table 22. Organization Chart	Page 28
Table 23. Compensation Plan – Salary Range Schedule – Non-Exempt	Pages 29 - 31
Table 24. Compensation Plan – Salary Range Schedule – Exempt	Page 32
Table 25. Ten Year Capital Improvement Program	Pages 33 - 42

## Index of Charts

Chart 1. Distribution of Revenues by Category	Page 7
Chart 2. Operating Expenses by Category	Page 10

**Principal Officials**

On the Budget Approval Date of April 20, 2026

**PRESIDENT**

Kathryn Freshley

**VICE-PRESIDENT**

Kay Havens

**BOARD OF DIRECTORS**

Wyatt McClean

Mark Monin

Michael Gaskins

**GENERAL MANAGER**

Dennis Cafferty

**MANAGEMENT TEAM**

Judy Cimorell

Vishav Sharma

Scott Hopkins

Mike Miazga

Hannah Ford

Director of Human Resources

Chief Financial Officer

Operations Superintendent

Information Technology Manager

Director of Engineering

*The mission of the El Toro Water District is to provide its customers safe and reliable water, sewer, and recycled water services in an environmentally and economically responsible manner. The District intends to accomplish this mission by efficiently and effectively managing its operations and maintenance activities and prudently and effectively investing in its capital assets.*

April 9, 2026

Presented for your review and consideration is the Budget document for the El Toro Water District for Fiscal Year 2026, which begins July 1, 2026 and ends June 30, 2027. The District's budget provides a framework for achieving the strategic objectives established by the District Board and illustrates how the resources entrusted to the District by customers are utilized to provide effective, efficient, and high-quality water, wastewater, and recycled water services. The core purposes of the District's annual budget include estimating the financial resources that will be available to the District during the budget period and authorizing a spending plan that utilizes those financial resources to support the District's services, programs, and projects. The Budget is developed and modified through an extensive review process that involves the Board of Directors and Staff, with the support of expert financial consultants, and reflects a continued commitment by the District to deliver safe, reliable, and high-quality services to customers.

The District remains committed to keeping rates as low as possible for customers but the cost increases that are happening in the economy are a severe challenge for achieving this goal. The 2026-27 budget reflects the District's proactive approach to addressing rising costs and economic uncertainty resulting from global conflict and ensuring fiscal responsibility in the face of evolving challenges. While overall inflation is expected to be stable from previous elevated levels, the costs of purchased water, insurance, labor and other critical support materials are anticipated to rise. The U.S. economy faces considerable uncertainty due to a variety of factors. These potentially inflationary pressures directly impact the District's 2026-2027 budget.

Following the normal budget preparation process, staff and management evaluated current and projected expenses and revenue requirements to develop the initial 2026-2027 Budget. Expenses and revenues are based on historical budget to actual experience, projected resource/asset investment requirements and certain underlying assumptions regarding internal and external factors. Internal factors include the District's operating strategy, implementation/operation of existing and new resources, planned capital replacement and refurbishment projects/programs and staff implications of succession planning/implementation and organizational changes. External factors include staff's best estimate of expenses that are generally out of the District's control, i.e. purchased water, energy, insurance, interest rates, SOCWA, regulatory mandates/fees and inflation.

For the Fiscal Year 2026–27 budget, a five-year rate study and Proposition 218 notice have been prepared, incorporating both historical trends and forward-looking assumptions. These assumptions specifically account for projected changes in Operations and Maintenance costs, including payroll, employee benefits, electricity, and water costs. The cost of purchased water will be treated as a pass-through to customers without a significant markup.

Based on the development of the draft 2026–27 budget and analysis of various scenarios, staff recommends adoption of the proposed five-year rate plan to better align revenues with actual cost increases.

The Metropolitan Water District (MWD) adopted budget identifies a 6.2% rate increase on the purchase of treated imported water. Staff continue to propose that the cost of purchased water be passed on to the customers through the District Water Usage Charge. The increase in the cost of water from MWD is somewhat unpredictable from year to year. The five-year rate plan identifies water usage rates that represent staff's best projections with information available today. Staff are proposing a pass-through approach in the 218 Notice that will allow the District to revise the potable water usage rates as necessary to cover any unanticipated increased cost of purchased water without a further 218 Notice.

The following examples of cost increases and decreases highlight several of the key drivers shaping the 2026–27 budget:

- Investment Revenue expected to decrease by \$300,000 in the fiscal year 2026-27 due to lower interest rates.
- Property Tax Revenue expected to increase by \$100,000 from \$1,300,000 to \$1,400,000. This change reflects the actual property tax revenue collection is anticipated to exceed budget in 2025-26.

- Purchased water expense is projected to increase \$840,268 or 7.8%;
- Contracted services expense is projected to increase \$367,507 or 5.38%;
- Total labor and benefits increase inclusive of base salaries, the performance-based merit pool, benefits and workers compensation premiums at \$444,658 or 3.99%.
- Retiree Health Insurance cost is projected to increase \$44,000 or 10.8%;

In contrast to these expenses, which are necessary for District operations, Staff has strived to limit increases in expenses that are to some extent controllable. Examples include:

- Electrical and chemical costs are relatively stable from budget to budget.
- Legal Services expenses remain stable in the 2026-2027 Budget;

### **Review of Accomplishments in the 2025 - 2026 Budget Period**

Throughout the 2025 - 2026 budget period, the District accomplished many of the objectives and projects incorporated into the 2025 - 2026 Budget plan, including:

#### **Significant Achievements & Projects**

- The District's continued its commitment to excellent financial management practices as demonstrated by the receipt of the Certificate of Achievement for Excellence in Financial Reporting for the FY 2024 Comprehensive Annual Financial Report, a national recognition of the District's financial reporting by the Government Finance Officers Association (GFOA) of the United States. The District has applied for the same award for FY 2025 and awaiting a positive outcome.
- The District successfully implemented new fixed asset software module during the fiscal year. The implementation of the system occurred towards the end of the 2024-25 fiscal year and continued into the 2025-26 fiscal year.
- The District utilized the 2022 Revenue Bond proceeds to continue capital improvement projects that will refurbish significant portions of the District's infrastructure, as described below.

#### **Infrastructure Improvements**

The District is dedicated to investing in infrastructure improvement so that the community can rely on its water, wastewater, and recycled water utilities.

- The District invested in its water distribution system by repairing the R-6 Reservoir southern slope, replacing pumps and motors at the Shenandoah Booster Station, and replacing the chlorine tank at the P-1 Pump Station. The District also finalized its water distribution system asset management plan to support planning for future investments.
- The District invested in its wastewater collection system by replacing the Main Switchboard at Westline Lift Station, replacing a pump at the 4920 Lift Station, starting construction for the Headworks/Secondary Clarifier No. 1 Rehabilitation Project, and completing design for the Aliso Creek Lift Station Improvements Project. The District also purchased a new solids hauling trailer to convey wastewater from its Wastewater Recycling Plant to MNWD's Regional Treatment Plant.
- The District obtained regulatory approval and implemented a new control method for its tertiary disinfection system to produce recycled water with less chlorine.

### **Goals and Objectives for the 2026 – 2027 Budget**

The 2026 – 2027 budget includes the following goals and objectives:

- Continue setting rates for operating activities that generate enough revenue to fully support operating expenses based on historical trends and forward-looking assumptions for key cost drivers such as payroll, employee benefits, electricity, water and chemicals;
- Continue the process of increasing Capital Rates to generate additional Capital Facility revenue to fully fund the 2022 Revenue Bond debt service expenses from recurring revenue and to enhance investment in the District capital infrastructure which is necessary to provide reliable service;

- Establish a reliable, stable, and predictable rate adjustment strategy that minimizes impacts to customers and reduces the need for frequent Proposition 218 notices;
- Generate sufficient revenue to maintain minimum reserve levels, including legally restricted reserves, Board-mandated reserves, and working capital requirements;
- Treat the cost of water as a pass-through to customers without a significant markup, while ensuring transparency in rate setting;
- Continue to employ cost containment and reduction strategies, where appropriate, to maintain reliable service levels in a cost-effective manner.

### **Expenses**

- Purchased water costs are affected by the increased rates charged by Metropolitan Water District of Southern California and Municipal Water District of Orange County and the operations and maintenance costs associated with the District's owned capacity in the Baker Water Treatment Plant;
- Energy (electrical power) costs are projected to remain stable based on expected system operations, planned capital improvements, and analysis of current Southern California Edison rates and charges;
- SOCWA and MNWD Operation costs for regional solids and effluent disposal are projected to experience a modest increase based on the anticipated 2026/27 budget estimates;
- Personnel costs are projected to increase by 3.99%. The District merit increase program, medical premiums and the District's contributions to the employees' Retirement Savings Plan are included in the budget;
- Operating costs exclusive of purchased water, interest, labor and depreciation have increased by approximately 5.48% compared to the prior budget year.

### **Capital Replacement & Refurbishment Program**

Engineering Staff have been working on an Asset Management Plan for the District's infrastructure and the preliminary results from this plan indicate a significant need to invest in the District's capital equipment and infrastructure, especially at the Water Recycling Plant where certain components are nearly sixty years old. The District needs to continue preparing for this elevated level of capital investments in order to protect the reliability of the water, sewer and recycled water systems. At the beginning of the 2022-2023 fiscal year the District determined that a series of four 25% increases in capital revenue would be necessary to support the critical investments in the reliability of the District infrastructure. The 2026-2027 budget includes the fourth 25% increase in capital rates as planned.

- Staff has updated the ten-year Capital Improvement Program (CIP) to preserve water, sewer and recycled water infrastructure, meet regulatory requirements, and ensure continuous quality services are provided. Projected Water, Sewer and Recycled Water capital improvement expenses (projects and equipment) for budget year 2025 - 2026 total \$8.9 million. The 2026 - 2027 capital improvement expenses will be funded by revenue from the Capital Facilities charge combined with 2022 Revenue Bond proceeds and capital cash reserves accumulated in prior years.
- Revenue generated from the Recycled Water Capital Facilities charge amounts to approximately \$348,000 and will be used to fund recycled water capital projects and to offset the cost of Recycled Water System debt service.
- The water distribution system 2026-2027 capital budget includes rehabilitating Pressure Reducing Valve No. 4, design to provide adequate fire flow to Calle Sonora and Via Campo Verde, installing a new chlorine injection system at the R-6 Reservoir, retrofitting the main switchboard at the Spartan Booster Station, and purchasing a spare motor for Cherry Pump Station.
- The wastewater collection and treatment system 2026-2027 capital budget includes construction for the Headworks and Secondary Clarifier No. 1 Rehabilitation Project at the WRP, coating rehabilitations at several lift stations, design for a new forcemain at the Westline Lift Station, installing a new emergency generator at the Westline Lift Station, replacing the existing electrical equipment at Veeh Lift Station, purchasing a new pump for the Freeway Lift Station, rehabilitating the asphalt at the Holding Pond near the WRP, replacing valves and diffusers in the aeration basins at the WRP, and improving network communications at the WRP.

## Reserves

- The District maintains three categories of reserves: (1) Restricted Reserves are legally required to be held as the result of contractual agreement or legal requirement; (2) Committed Reserves are established by an action of the Board; and (3) Assigned Reserves are established by management for particular purposes.
- The Committed Reserves include (1) a Capital Construction Reserve, (2) a Rate Stabilization Reserve, (3) an Operating Reserve and (4) Working Capital. The current target reserve level for the Committed Reserves, established by Board policy, is \$10.2 million.
- The 2026 –2027 Budget continues the process of maintaining the Rate Stabilization, Operating and Working Capital Reserves at the targets defined in the District Cash Reserve Policy.

## **Summary of 2026-2027 Fiscal Results based on the Budget as Presented:**

- Unrestricted Commodity revenue increase to offset the increase in purchased water expense would equal \$712,787 or 6.6%.
- Total O&M revenue increases would equal \$789,400 or 4.9%:
  - Water enterprise - \$484,600
  - Sewer enterprise - \$255,500
  - Recycled Water enterprise - \$49,300.
- Fixed Meter Charge increases for Water and Recycled Water will equal approximately 10% in 2026-2027.
- The MWD Pass-Thru Water Supply component of each Tier increases by \$0.29/CCF representing approximately 8.1% of the Tier 1 rate.
- Flat Recycled Water Commodity rate increases by \$0.23/CCF or 6.4%.
- Wastewater O&M Rate increase of approximately 3.1%.
- Debt Coverage Ratio will equal 238% in 2026-2027 (the 2022 Bonds requirement is 110%).
- The net impact of all rate changes included in the 2026-2027 Budget will increase a utility bill for a single-family residence by approximately 10.1%.

## Conclusion

The 2026 – 2027 Budget is the result of considerable discussion and careful deliberation by the District’s Board of Directors and Staff. The preparation, review and deliberation of the budget require a significant time commitment from the organization. The level of commitment demonstrated throughout this process by the Board of Directors and Staff is greatly appreciated by the General Manager and Chief Financial Officer and ensures the successful completion of the budget process. The Budget is optimistic about the future but conservative in its revenue estimates. Most of all, this Budget is the result of a process in which the opportunities and challenges facing the District have been carefully assessed, documented, and addressed to facilitate the accomplishment of the strategic objectives of the Board of Directors.

*Dennis Cafferty*

---

Dennis Cafferty  
General Manager

## 2026 – 2027 Budget Summary

This section of the budget document provides a summary of the District’s financial operations, assuming the estimated revenues and expenses incorporated into the 2026 – 2027 Budget occur as forecast. Also presented is a summary of the number of authorized positions included in the 2026 – 2027 Compensation Plan. The charts and graphs in this section provide an overview of total revenues, expenses, and changes in the projected ending financial position for the District.

### Summary of 2026 – 2027 Budgeted Financial Information

The 2026 – 2027 Budget includes \$41,896,122 in estimated revenues and \$39,513,372 in budgeted expenses, resulting in an estimated Change in Net Position of \$2,382,750 for the 2026 - 2027 Budget Year. The Net Position of the District is forecast to equal \$72,585,146 at the end of the 2026 – 2027 fiscal year.

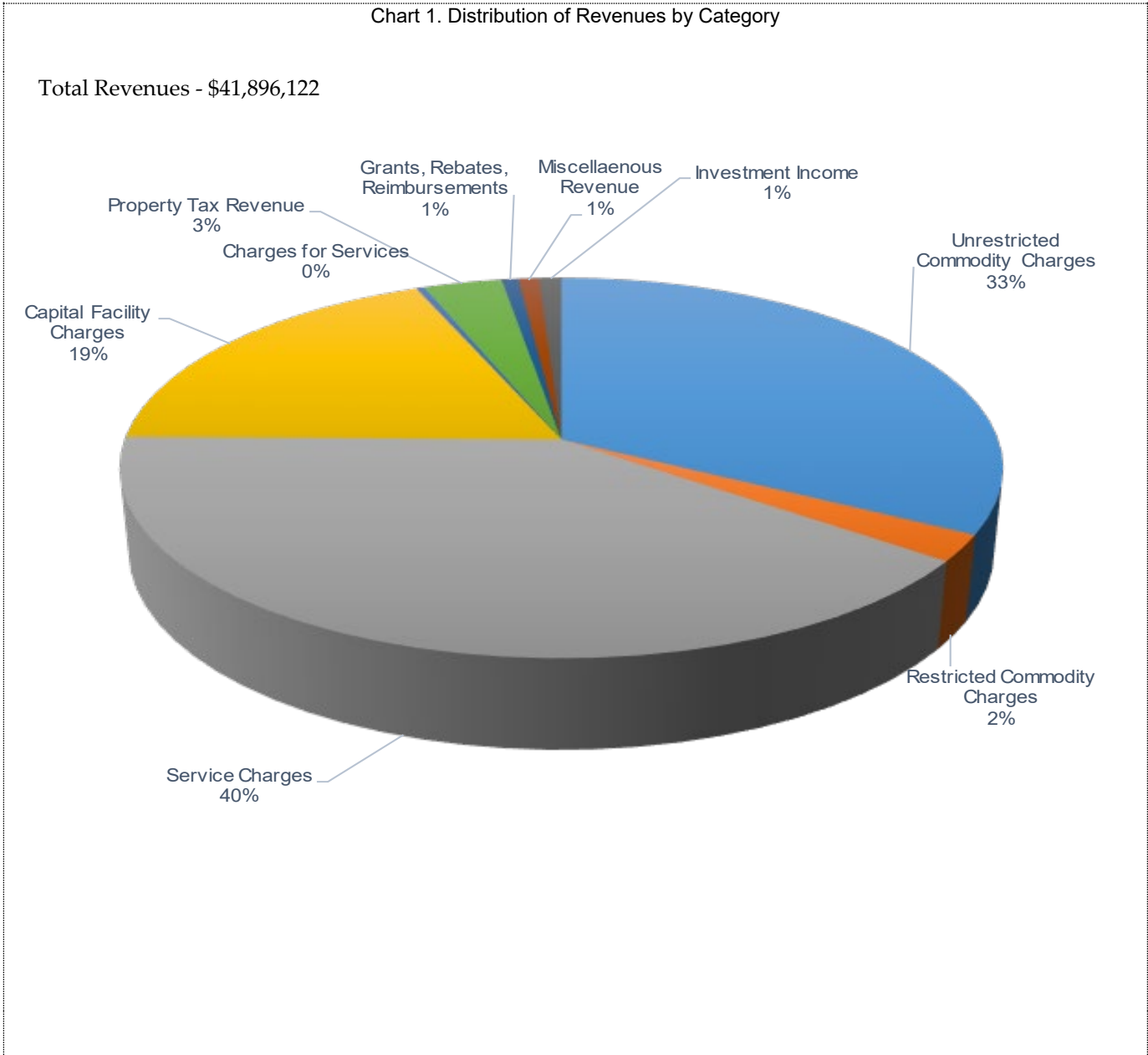
Table 1. Summary of Financial Operations							
	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026		2026 - 2027	
				Budget	Projected Actual	Proposed Budget	Budget % Change
	Actual	Actual	Actual	Budget	Actual	Budget	% Change
<b>Revenues</b>							
Operating Revenues	26,410,680	28,671,429	33,387,965	36,063,594	36,023,331	39,783,722	10.32%
Non-operating Revenues	1,833,839	2,467,938	4,162,100	2,298,400	2,395,835	2,112,400	-8.09%
Capital Grants, Investment Income & Contributions	8,153,620	5,618,950	83,520	-	43,862	-	-
<b>Total Revenues</b>	<b>36,398,139</b>	<b>36,758,317</b>	<b>37,633,585</b>	<b>38,361,994</b>	<b>38,463,029</b>	<b>41,896,122</b>	<b>9.21%</b>
<b>Expenses</b>							
Operating Expenses	29,514,272	33,768,531	33,612,262	35,859,239	33,915,119	37,598,372	4.85%
Non-operating Expenses	1,723,651	1,618,994	1,554,947	2,006,336	2,006,336	1,915,000	-4.55%
<b>Total Expenses</b>	<b>31,237,923</b>	<b>35,387,525</b>	<b>35,167,209</b>	<b>37,865,575</b>	<b>35,921,455</b>	<b>39,513,372</b>	<b>4.35%</b>
<b>Change in Net Position</b>	<b>5,160,217</b>	<b>1,370,792</b>	<b>2,466,376</b>	<b>496,419</b>	<b>2,541,573</b>	<b>2,382,750</b>	
<b>Beginning Net Position (July 1)</b>	<b>58,663,438</b>	<b>63,823,655</b>	<b>65,194,447</b>	<b>67,660,823</b>	<b>67,660,823</b>	<b>70,202,396</b>	
<b>Ending Net Position (June 30)</b>	<b>63,823,655</b>	<b>65,194,447</b>	<b>67,660,823</b>	<b>68,157,242</b>	<b>70,202,396</b>	<b>72,585,146</b>	
<b>Net Position (as of June 30)</b>							
Net Investment in Capital Assets	54,968,271	57,428,761	57,428,761				
Restricted - Capital Projects	-	-	-				
Restricted - Debt Service	-	-	-				
Unrestricted	8,855,384	7,765,628	10,232,062				
<b>Total Net Position</b>	<b>63,823,655</b>	<b>65,194,389</b>	<b>67,660,823</b>				

## Analysis of District Revenues

Total revenues in the 2026 – 2027 Budget are estimated to be \$41,896,122 an increase of \$3,534,128 (9.21%) compared to 2025 – 2026 budgeted revenues of \$38,361,994. The largest sources of revenue for the District in 2026 – 2027 include Commodity Charges at \$14,626,532 (36.77% of the total), Service Charges at \$16,861,782 (42.38% of the total) and Capital Facility Charges at \$7,807,207 (19.62% of the total). Amongst the three enterprise operations of the District, the Water Enterprise receives 54.97% of total revenues (projected at \$23,030,197 in 2026 – 2027), the Wastewater Enterprise receives 36.67% of total revenues (\$15,363,557), and the Recycled Water Enterprise receives 8.36% (\$3,502,367) of total revenues.

Table 2. Summary of Revenues							
	2022 - 2023 Actual	2023 - 2024 Actual	2024 - 2025 Actual	2025 - 2026		2026 - 2027	
				Budget	Projected Actual	Proposed Budget	Budget % Change
<b>Operating Revenues</b>							
<b>Usage Charges</b>							
Water Commodity Charges (Unrestricted)	7,479,815	7,537,990	9,895,387	10,734,833	10,484,188	11,523,899	7.35%
Water Commodity Charges (Restricted)	667,170	656,904	917,311	823,539	877,143	950,297	15.39%
Recycled Water Commodity Charges	1,189,709	1,387,251	2,001,570	1,782,345	1,977,955	2,152,336	20.76%
<b>Service Charges</b>							
Water System	4,228,718	4,772,884	4,858,280	5,459,145	5,398,118	5,995,830	9.83%
Wastewater System	8,659,162	9,292,348	9,537,346	10,013,671	10,032,323	10,289,594	2.76%
Recycled Water System	424,813	429,520	467,174	521,055	518,486	576,358	10.61%
<b>Capital Facility Charges</b>							
Water System	1,296,286	1,842,130	2,097,193	2,669,838	2,577,172	3,338,171	25.03%
Wastewater System	1,724,492	2,189,817	2,721,284	3,323,440	3,388,789	4,115,363	23.83%
Recycled Water System	131,774	173,271	224,548	283,703	275,201	353,673	24.66%
Charges for Services	5,498	188,692	146,507	125,000	125,000	140,000	12.00%
Miscellaneous Operating Revenues	299,496	62,703	122,487	51,200	101,758	51,200	0.00%
Grants, Rebates, Reimbursements	303,748	137,918	398,878	275,825	267,200	297,000	7.68%
<b>Total Operating Revenues</b>	<b>26,410,680</b>	<b>28,671,429</b>	<b>33,387,965</b>	<b>36,063,594</b>	<b>36,023,331</b>	<b>39,783,722</b>	<b>10.44%</b>
<b>Non-operating Revenues</b>							
Property Taxes	1,184,149	1,246,919	1,308,541	1,300,000	1,300,000	1,400,000	7.69%
Investment Income	395,956	955,282	1,237,333	700,000	805,572	400,000	-50.35%
Miscellaneous Non-operating Income	253,734	265,737	1,616,226	298,400	290,263	312,400	7.63%
<b>Total Non-operating Revenues</b>	<b>1,833,839</b>	<b>2,467,938</b>	<b>4,162,100</b>	<b>2,298,400</b>	<b>2,395,835</b>	<b>2,112,400</b>	<b>-11.83%</b>
<b>Capital Contributions</b>	<b>8,153,620</b>	<b>5,618,950</b>	<b>83,520</b>	<b>-</b>	<b>43,862</b>	<b>-</b>	<b>-100.00%</b>
<b>Total Revenue</b>	<b>36,398,139</b>	<b>36,758,317</b>	<b>37,633,585</b>	<b>38,361,994</b>	<b>38,463,029</b>	<b>41,896,122</b>	<b>9.21%</b>
<b>Allocation of Revenues</b>							
Water System	20,939,406	19,292,527	17,769,432	17,507,978	17,219,950	18,741,730	8.84%
Water System - Restricted	667,170	656,904	917,311	823,539	877,143	950,297	8.34%
Wastewater System	8,560,674	10,550,114	11,953,920	11,070,271	11,255,165	11,248,194	-0.06%
Recycled Water System	2,060,377	2,053,553	2,942,921	2,683,225	2,869,608	3,148,694	9.73%
Capital Improvement Program	4,170,512	4,205,219	4,050,001	6,276,980	6,241,162	7,807,207	25.09%
<b>Total Revenue</b>	<b>36,398,139</b>	<b>36,758,317</b>	<b>37,633,585</b>	<b>38,361,994</b>	<b>38,463,029</b>	<b>41,896,122</b>	<b>8.93%</b>

Presented in Chart 1 below is a visual depiction of the distribution of the major revenue sources for the District. The three largest categories of revenue comprise 92% of the District's total revenues.



## Analysis of District Expenses

Total budgeted Operating and Non-operating expenses included in the 2026 – 2027 Budget equal \$39,513,372, an increase of \$1,739,133 (4.35%) from 2025 – 2026 budgeted expenses of \$37,865,575. Operating expenses are budgeted at \$37,598,372, comprise 95.15% of total expenses, and increase by \$1,739,133 (4.85%) from 2025 – 2026 budgeted expenses. Non-operating expenses are budgeted at \$1,915,000, or 4.85% of total expenses, and decrease \$91,336 (4.55%) from 2025– 2026 budgeted expenses of \$2,006,336.

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026		2026 - 2027	
	Actual	Actual	Actual	Budget	Projected Actual	Proposed Budget	Budget % Change
<b>Operating Expenses</b>							
<b>General &amp; Administrative</b>							
Administration	1,259,483	1,185,055	1,231,018	1,292,531	1,257,390	1,344,866	4.05%
Finance & Risk Management	1,343,716	1,264,054	1,465,805	1,492,642	1,492,288	1,569,853	5.17%
Human Resources	583,068	538,547	489,535	553,600	539,924	550,250	-0.61%
Technology Services	780,198	740,067	820,156	889,820	887,762	995,950	11.93%
Public Relations & Conservation	473,720	471,794	563,766	611,350	599,564	653,953	6.97%
Customer Service	919,040	966,391	1,026,401	1,087,300	1,079,576	1,188,800	9.34%
<b>Operations &amp; Maintenance</b>							
Engineering & Compliance	826,611	874,234	720,055	539,961	792,615	563,725	4.40%
Operations Support	947,692	1,044,985	1,072,726	1,119,663	980,705	1,193,726	6.61%
Fleet Services	568,701	568,337	618,269	602,460	582,886	596,750	-0.95%
Water Supply & Treatment	8,435,482	8,732,579	9,467,387	10,742,971	10,110,800	11,583,239	7.82%
Water Storage Operations	-	-	670,978	612,325	187,429	674,000	10.07%
Water Treatment	-	-	-	-	-	-	-
Water Pumping Operations	707,517	795,637	736,332	864,240	791,263	911,035	5.41%
Water Transmission & Distribution	1,677,077	1,552,285	1,653,458	1,882,875	1,758,910	1,974,120	4.85%
Wastewater Pumping Operations	897,987	1,036,002	1,015,658	1,146,660	1,074,073	1,190,550	3.83%
Wastewater Collections	1,021,523	1,016,762	832,903	1,174,350	1,011,208	1,219,500	3.84%
Wastewater Treatment	3,322,987	4,241,523	4,190,155	4,249,363	4,015,748	4,277,927	0.67%
Outside Treatment	-	-	-	-	-	-	-
Recycled Transmission & Distribution	269,510	246,499	270,722	337,900	301,448	355,700	5.27%
Tertiary Treatment	862,645	1,043,703	1,062,127	1,112,228	1,090,306	1,059,428	-4.75%
<b>Operating Capital Expenses</b>							
Other Operating Expenses	197,752	2,311,246	600,601	407,000	336,000	451,000	10.81%
Depreciation & Amortization	4,419,562	5,138,831	5,104,211	5,140,000	5,025,224	5,244,000	2.02%
<b>Total Operating Expenses</b>	<b>29,514,271</b>	<b>33,768,531</b>	<b>33,612,262</b>	<b>35,859,239</b>	<b>33,915,119</b>	<b>37,598,372</b>	<b>4.85%</b>
<b>Non-operating Expenses</b>							
Interest Expense	1,723,651	1,618,994	1,554,947	2,006,336	2,006,336	1,915,000	-4.55%
<b>Total Non-operating Expenses</b>	<b>1,723,651</b>	<b>1,618,994</b>	<b>1,554,947</b>	<b>2,006,336</b>	<b>2,006,336</b>	<b>1,915,000</b>	<b>-4.55%</b>
<b>Total Expenses</b>	<b>31,237,922</b>	<b>35,387,525</b>	<b>35,167,209</b>	<b>37,865,575</b>	<b>35,921,455</b>	<b>39,513,372</b>	<b>4.35%</b>
<b>Allocation of Expenses</b>							
Water System	14,014,666	14,311,476	15,991,336	17,469,966	16,257,385	18,811,211	7.68%
Wastewater System	9,121,832	10,129,854	9,983,955	10,749,715	10,299,305	11,013,812	2.46%
Recycled Water System	1,760,460	1,877,124	1,932,159	2,092,558	1,997,206	2,078,348	-0.68%
Other Operating Expenses	197,752	2,311,246	600,601	407,000	336,000	451,000	10.81%
Depreciation & Amortization	4,419,562	5,138,831	5,104,211	5,140,000	5,025,224	5,244,000	2.02%
Interest Expense	1,723,651	1,618,994	1,554,947	2,006,336	2,006,336	1,915,000	-4.55%
<b>Total Expenses</b>	<b>31,237,922</b>	<b>35,387,525</b>	<b>35,167,209</b>	<b>37,865,575</b>	<b>35,921,455</b>	<b>39,513,372</b>	<b>4.35%</b>

The majority of expenses \$18,811,211 (47.61%) are incurred by the Water System, primarily because the purchase of potable water for sale is a part of the Water System's operations. The Wastewater System incurs the second highest level of expenses \$11,013,812 (27.87%), third highest expense category is Depreciation &

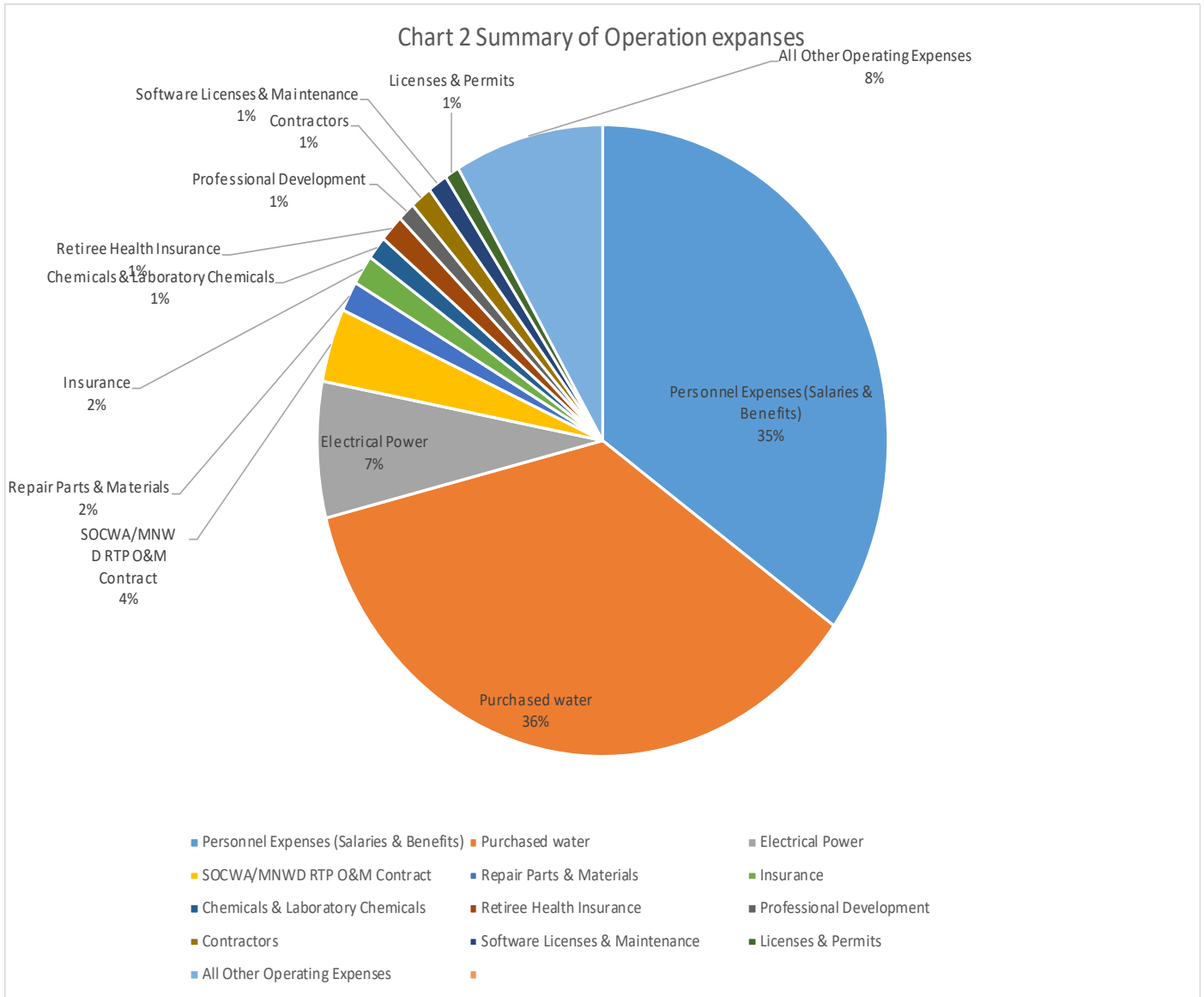
Amortization \$5,244,000 (13.27%), followed Recycled Water System (5.26%) and Interest Expense (4.85%) and the Other Operating Expenses include retiree health insurance premiums (1.14%) and any OPEB Charges (which are not budgeted).

Presented below, in Table 4, are Operating expense categories with totals greater than \$200,000 in 2026 – 2027. The largest expenses for the District include Personnel, the purchase of water for sale to customers, Electrical Power, and the SOCWA Contract. Combined, these four expenses equal \$26,578,629 and comprise 81.79% of total operating expenses for the District (excluding Interest Expense and depreciation).

	2022 - 2023	2023 - 2024	2024-25	2025-26	2026-27	2026-2027		% of total Cash outlay
	Actual	Actual	Actual	Budget	Proposed Budget	Proposed Change	%age Change	
Personnel Expenses (Salaries & Benefits)	9,791,630	10,376,974	10,213,863	10,933,208	11,364,419	431,211	3.94%	35.13%
Purchased water	7,960,081	8,161,635	9,468,914	10,742,971	11,583,239	840,268	7.82%	35.80%
Electrical Power	1,607,478	1,858,462	1,861,830	2,262,300	2,262,300	-	0.00%	6.99%
SOCWA/MNWD RTP O&M Contract	969,500	1,279,589	1,452,669	1,200,000	1,225,000	25,000	2.08%	3.79%
Repair Parts & Materials	334,320	443,458	344,324	472,700	500,550	27,850	5.89%	1.55%
Insurance	358,565	367,025	422,840	452,500	495,700	43,200	9.55%	1.53%
Chemicals & Laboratory Chemicals	266,397	413,618	466,449	416,200	387,000	(29,200)	-7.02%	1.20%
Retiree Health Insurance	263,362	275,197	349,496	407,000	451,000	44,000	10.81%	1.39%
Professional Development	216,285	241,671	259,036	352,221	314,273	(37,948)	-10.77%	0.97%
Contractors	96,671	275,228	330,101	280,300	396,250	115,950	41.37%	1.22%
Software Licenses & Maintenance	246,589	209,421	273,978	327,470	360,450	32,980	10.07%	1.11%
Licenses & Permits	215,114	137,502	258,664	264,290	267,620	3,330	1.26%	0.83%
All Other Operating Expenses	3,002,588	3,611,168	3,070,573	2,593,679	2,745,371	151,692	5.85%	8.49%
<b>Total O&amp;M Expenses</b>	<b>25,328,580</b>	<b>27,650,947</b>	<b>28,772,736</b>	<b>30,704,838</b>	<b>32,353,172</b>	<b>1,648,334</b>	<b>5.37%</b>	<b>100.00%</b>

\*Excludes Interest, Depreciation, Amortization, and OPEB Charges

Presented in Chart 2 below are the District's operating expenses by major category of expense. Personnel expenses are the largest category, followed by Commodity Purchased for Resale and then Interest expenses.



## Projected Statement of Revenues, Expenses, and Changes in Net Position

Portrayed in Table 5 below is a projected Statement of Revenues, Expenses, and Changes in Net Position for the District assuming the 2025 – 2026 Budget occurs as planned. The chart also includes Statements from prior years to serve as a comparison for the proposed 2026 – 2027 Budget.

Table 5. Statement of Revenues, Expenses, and Changes in Net position							
	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026		2026 - 2027	
				Actual	Actual	Actual	Budget
<b>Operating Revenues</b>							
Commodity Supply Charges	\$ 9,336,693	\$ 9,582,145	\$ 12,814,269	\$ 13,340,716	\$ 13,339,286	\$ 14,626,532	9.64%
Service Provision Charges	13,312,692	14,494,752	14,862,800	15,993,872	15,948,926	16,861,782	5.43%
Capital Facilities Charges	3,152,552	4,205,219	5,043,025	6,276,980	6,241,162	7,807,207	24.38%
Charges for Services	5,498	188,692	146,507	125,000	125,000	140,000	12.00%
Other Operating Income	299,496	62,703	122,487	51,200	101,758	51,200	0.00%
Grants, Rebates, & Reimbursements	303,748	137,918	398,878	275,825	267,200	297,000	7.68%
<b>Total Operating Revenues</b>	<b>26,410,680</b>	<b>28,671,429</b>	<b>33,387,965</b>	<b>36,063,594</b>	<b>36,023,331</b>	<b>39,783,722</b>	<b>10.32%</b>
<b>Operating Expenses</b>							
General & Administrative	5,359,225	5,165,908	5,596,682	5,927,243	5,856,504	6,303,672	6.35%
Operations & Maintenance	19,537,733	21,152,546	22,310,768	24,384,996	22,697,391	25,599,700	4.98%
Other Operating Expenses	197,752	376,178	196,433	407,000	336,000	451,000	10.81%
Depreciation & Amortization	4,419,562	5,138,831	5,104,211	5,140,000	5,025,224	5,244,000	2.02%
Loss on retirement/sale of asset		1,489,216	-				
Capital expenditure below the 25K		445,852	404,168				
<b>Total Operating Expenses</b>	<b>29,514,271</b>	<b>33,768,531</b>	<b>33,612,262</b>	<b>35,859,239</b>	<b>33,915,119</b>	<b>37,598,372</b>	<b>4.85%</b>
<b>Operating Income/(Loss)</b>	<b>(3,103,592)</b>	<b>(5,097,102)</b>	<b>(224,296)</b>	<b>204,355</b>	<b>2,108,212</b>	<b>2,185,350</b>	<b>969.39%</b>
<b>Non-operating Revenues</b>							
Property Taxes	1,184,149	1,246,919	1,308,541	1,300,000	1,300,000	1,400,000	7.69%
Investment Earnings	395,956	955,282	1,237,333	700,000	805,572	400,000	-42.86%
Capital grant & Investment Earnings							
Other Non-Operating Revenue	253,734	265,737	1,616,226	298,400	290,263	312,400	4.69%
Interest Expense	(1,723,651)	(1,618,994)	(1,554,947)	(2,006,336)	(2,006,336)	(1,915,000)	-4.55%
<b>Net Non-Operating Revenues</b>	<b>110,188</b>	<b>848,944</b>	<b>2,607,153</b>	<b>292,064</b>	<b>389,499</b>	<b>197,400</b>	<b>-32.41%</b>
<b>Net Income/(Loss) before Capital Contributions</b>	<b>(2,993,403)</b>	<b>(4,248,158)</b>	<b>2,382,856</b>	<b>496,419</b>	<b>2,497,711</b>	<b>2,382,750</b>	<b>379.99%</b>
<b>Capital Contributions</b>							
Donations & Contributions (O&M)	8,153,620			-	43,862	-	-
Capital Contributions		5,618,950	83,520				
<b>Total Capital Contributions</b>	<b>8,153,620</b>	<b>5,618,950</b>	<b>83,520</b>	<b>-</b>	<b>43,862</b>	<b>-</b>	
<b>Change in Net Position</b>	<b>5,160,217</b>	<b>1,370,792</b>	<b>2,466,376</b>	<b>496,419</b>	<b>2,541,573</b>	<b>2,382,750</b>	
<b>Beginning Net Position</b>	<b>58,663,438</b>	<b>63,823,655</b>	<b>65,194,447</b>	<b>67,660,823</b>	<b>67,660,823</b>	<b>70,202,396</b>	
<b>Ending Net Position</b>	<b>\$ 63,823,655</b>	<b>\$ 65,194,447</b>	<b>\$ 67,660,823</b>	<b>\$ 68,157,242</b>	<b>\$ 70,202,396</b>	<b>\$ 72,585,146</b>	

Operating revenues of \$39,783,722 will exceed operating expenses of \$37,598,372 by \$2,185,350. This Operating gain is from the capital charge and will be utilized on the capital projects and help maintain the reserves and these reserves are needed to effectively provide service to customers. Non-operating expense will exceed Non-operating revenues by \$197,400, due to significant interest income from investments and property taxes. The

revenues and expenses from operating and non-operating activities will result in a Net gain before Contributions which will increase the District's Net Position for 2026 – 2027; the ending Net Position is projected to be \$72,585,146.

Presented below in Table 6 below is a calculation of the net result from operations which provides an analysis of the financial result of operations if all capital investment related activities were removed from the Statement of Revenues, Expenses, and Changes in Net Position.

<b>Table 6. Net Result from Operating Activities</b>							
				2025 - 2026		2026 - 2027	
	2022 - 2023	2023 - 2024	2024 - 2025		Projected	Proposed	Budget
	Actual	Actual	Actual	Budget	Actual	Budget	% Change
Income/(Loss) before Contributions	(2,993,403)	(4,248,158)	2,382,856	496,419	2,497,711	2,382,750	379.99%
Remove: Capital Facilities Charges	(3,152,552)	(4,205,219)	(5,043,025)	(6,276,980)	(6,241,162)	(7,807,207)	24.38%
Remove: Capital grant & Investment Earnings			-				
Remove: Depreciation	4,419,562	5,138,831	5,104,211	5,140,000	5,025,224	5,244,000	2.02%
Remove: Un-capitalized exp below 25,000			404,168	-	-	-	
Remove: Interest Expense	1,723,651	1,618,994	1,554,947	2,006,336	2,006,336	1,915,000	-4.55%
Remove: Restricted Revenue	32,354,372	32,354,372	32,354,372	674,308	-	768,454	
Recycled Net Revenue for Debt Service							
<b>Net Result from Operations</b>	<b>32,351,629</b>	<b>30,658,820</b>	<b>36,757,530</b>	<b>2,040,083</b>	<b>3,288,109</b>	<b>2,502,997</b>	
Depreciation - Capital Facilities Charges <sup>(2)</sup>	(1,267,010)	(933,612)	(61,186)	1,136,980	1,215,938	2,563,207	

**Notes**

(1) this calculation is intended to portray the result of operations by removing those activities related to Capital Replacement & Refurbishment activities (Capital Charges, Interest, and Depreciation), and thereby illustrate total net revenues from operational activities.

(2) This calculation illustrates that the Capital Facilities Charge will not provide sufficient funding to replace the District's capital facilities over time.

## Debt Service Coverage

Presented in Table 7 below are debt service coverage calculations by fiscal year based on the District's actual financial results (22/23, 23/24 and 24/25 fiscal years) and annual budgets (fiscal years 25/26 and 26/27). Debt service coverage in 2022-23 was at the lowest point and the interest costs associated with the 2022 Revenue Bonds was the highest. However, the District's Ten-Year financial projection shows that debt service coverage will improve every year after 2022-2023. The debt coverage ratio is expected to be 2.37 for fiscal year budget 2026-27.

Table 7. Debt Service Coverage Calculation							
	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026		2026 - 2027	
	Actual	Actual	Actual	Budget	Projected	Proposed	Budget
							% Change
Commodity Supply Charges	9,336,693	9,582,145	12,814,269	13,340,716	13,339,286	14,626,532	9.64%
Service Provision Charges	13,312,692	14,494,752	14,862,800	15,993,872	15,948,926	16,861,782	5.43%
Capital Maintenance Charges	3,152,552	4,205,219	5,043,025	6,276,980	6,241,162	7,807,207	24.38%
Charges for Services	5,498	188,692	146,507	125,000	125,000	140,000	12.00%
Miscellaneous Operating Revenues	299,496	62,703	122,487	51,200	101,758	51,200	0.00%
Grants, Rebates, Reimbursements	303,748	137,918	398,878	275,825	267,200	297,000	7.68%
Property Taxes	1,184,149	1,246,919	1,308,541	1,300,000	1,300,000	1,400,000	7.69%
Investment Earnings	775,745	955,282	1,237,333	700,000	805,572	400,000	-42.86%
Other Non-operating Revenue	253,734	265,737	1,774,316	298,400	290,263	312,400	4.69%
Rate stabilization fund		1,483,163	-				
<b>Total Revenues</b>	<b>28,624,308</b>	<b>32,622,530</b>	<b>37,708,155</b>	<b>38,361,994</b>	<b>38,419,167</b>	<b>41,896,122</b>	<b>9.21%</b>
<b>Operation &amp; Maintenance Expenses</b>							
General & Administrative	5,359,225	5,165,908	5,596,682	5,927,243	5,856,504	6,303,672	6.35%
Operations & Maintenance	19,537,733	21,152,546	22,310,768	24,384,996	22,697,391	25,599,700	4.98%
Other Operating Expenses <sup>(1)</sup>	22,939	341,827	196,433	407,000	336,000	451,000	10.81%
<b>Total Operation &amp; Maintenance Expenses</b>	<b>24,919,897</b>	<b>26,660,281</b>	<b>28,103,883</b>	<b>30,719,239</b>	<b>28,889,895</b>	<b>32,354,372</b>	<b>5.32%</b>
<b>Net Revenues</b>	<b>3,704,411</b>	<b>5,962,249</b>	<b>9,604,272</b>	<b>7,642,755</b>	<b>9,529,271</b>	<b>9,541,750</b>	<b>24.85%</b>
<b>Debt Service Expenses</b>							
North Line SRF Loan	258,146	-	-	-	-	-	-
Recycled Phase I SRF Loan	1,602,958	-	-	-	-	-	-
Baker WTP Loan	677,755	677,600	684,262	677,600	684,262	684,262	0.98%
Recycled Phase II SRF Loan	409,046	-	-	-	-	-	-
2022 Revenue Bonds	-	3,564,000	3,332,650	3,333,000	3,333,650	3,336,150	0.09%
<b>Total Debt Service Costs</b>	<b>2,947,905</b>	<b>4,241,600</b>	<b>4,016,912</b>	<b>4,010,600</b>	<b>4,017,912</b>	<b>4,020,412</b>	<b>0.24%</b>
<b>Debt Service Coverage Ratio</b>	<b>1.26</b>	<b>1.41</b>	<b>2.39</b>	<b>1.91</b>	<b>2.37</b>	<b>2.37</b>	
<b>Notes</b>							
<b>(1) Excludes Depreciation and OPEB Charge which are non-cash accounting charges.</b>							

**2026 – 2027 Budget Authorized Positions**

The 2026 – 2027 Budget authorizes 58 Full-Time Equivalent (FTE) employees; three authorized positions have been reduced from 2023-2024 Budget. Table 8 below illustrates the number of authorized FTE employees by Department.

<b>Table 8. Summary of Authorized Positions by Budget Unit</b>						
	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2026-2027
	Actual	Actual	Actual	Budget	Budget	Proposed changes
<b><u>Employee by Budget unit</u></b>						
Administration	2	2	2	2	2	0
Finance & Risk Management	5	5	5	5	5	0
Human Resources	2	2	2	2	2	0
Technology Services	1	1	1	1	1	0
Public Relations & Conservation	1	2	2	2	2	0
Customer Service	7	7	7	7	7	0
Engineering & Compliance	5	5	4	4	4	0
Operations Support	2	2	2	2	2	0
Pumping Operations	8	8	8	8	8	0
Fleet Services	1	1	1	1	1	0
Transmission & Distribution	9	8	8	8	8	0
Electrical	2	2	2	2	2	0
Treatment Plant	10	10	9	9	9	0
Colections and Distribution	6	6	5	5	5	0
<b>Total Employees</b>	<b>61</b>	<b>61</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>0</b>

# PROFILE OF THE EL TORO WATER DISTRICT

---

---

## **History of the El Toro Water District**

### **The Founding of El Toro Water District**

On August 12, 1959, a group of local landowners gathered around the kitchen table of Raymond Prothero, Sr., at 23572 South Prothero Drive in the community of El Toro (known today as Cornelius Drive in the city of Lake Forest) to discuss their concerns about the water supply. Water for both agricultural and domestic use was pumped from wells, and landowners feared that the existing supply would not support an increased population or an expanded agricultural area. They wanted to find a more reliable, predictable source of water.

One year later, in September 1960, the El Toro Water District (ETWD) was formed as a special district under the laws applicable to California water districts (Sections 34000 Et Seq of the Water Code of the State of California). Governed by a seven-member Board of Directors elected by landowners, the District's charge was to develop and implement policies that would meet the short and long range economic, water resource and environmental goals of the community. While the immediate need was to provide for its customers, ETWD had the wisdom and foresight to consider the greater Orange County area in their planning as well.

At the time of its inception, the total population of the District was only 125 people, and it encompassed 4,750 acres. Of that, 750 acres were devoted to citrus groves and other agricultural uses.

### **Expansion Includes Aqueduct, Water Recycling Plant and El Toro Reservoir**

Shortly after formation, District leadership began to prepare for the anticipated growth of south Orange County. Given the lack of sustainable groundwater, ETWD knew they would have to maintain a critical dependence on imported water that originated hundreds of miles away. ETWD became a constituent agency of the Municipal Water District of Orange County (MWDOC), which entitled the district to receive imported water from the Colorado River and Northern California.

In addition, ETWD joined with a neighboring water district to form the Santiago Aqueduct Commission in order to secure imported water from the Colorado River. The commission obtained permission from the water supplier, Metropolitan Water District of Southern California, to build an aqueduct. The aqueduct would carry water from a pipeline adjacent to Irvine Park to the El Toro community. In 1961, exercising tremendous foresight and good planning, ETWD authorized a bond issue of \$1.9 million to finance its share of the construction costs for the aqueduct, a water filtration plant, a 232 mg reservoir, and expansion of the distribution system within the District.

ETWD established itself as a water-recycling pioneer in 1963 with the completion of the Water Recycling Treatment Plant in Laguna Woods. The plant was designed to treat approximately 1.5 million gallons of domestic wastewater each day. A small laboratory was situated inside the plant to analyze wastewater operations.

### **Leisure World**

In 1963, Ross Cortese, president of the Rossmoor Corporation, identified about 3,500 acres of the Moulton Ranch to fulfill his vision to build a retirement community and call it Leisure World. Except for scattered dwellings and barns, the ranch was devoted largely to dry farming and cattle grazing. Those who lived in the homes on the ranch relied on water from deep wells and cesspools for sanitation. If Leisure World was to become a reality, Cortese knew he had to meet the requirements for water and sanitation.

Initially, the ETWD Directors, who were also ranchers, didn't share Cortese's vision for a large residential development. However, by January 1963 the Directors changed their minds when they learned that bond programs to bring MWD water into the area had boosted property tax bills to about \$18 for each \$100 assessed valuation – far higher than citrus growers or cattle ranchers could afford to pay.

ETWD and Rossmoor agreed that the District would continue to serve the ranchers by providing irrigation service for agriculture. Since ETWD was not interested in providing domestic water service, the Rossmoor Water Company was formed to serve domestic customers.

### **El Toro Reservoir**

In 1967 the construction of the 233-million gallon El Toro Reservoir was completed. The reservoir served many important needs, including meeting high water demand during hot summer days and wildfires, and emergency backup in the event of a pipeline break or other interruptions in water supplies. ETWD established a policy to maintain a 14-day emergency storage reserve to meet customer demands and fire flow requirements.

### **Constructing a Regional Sewer System**

By 1970 the need for a regional sewer system to dispose of treated effluent to the ocean was becoming increasingly evident. Around the same time, the California Clean Water Program was enacted which allowed certain public agencies to be eligible for joint federal-state construction grants.

Laguna Hills Sanitation, Inc., had been disposing of its treated effluent by irrigating the Leisure World golf course and by spraying vacant land. This latter option was becoming increasingly difficult as the amount of vacant land decreased. Unfortunately since Laguna Hills Sanitation, Inc. was a private corporation, it was ineligible for federal-state grants to provide other methods of effluent disposal. In 1972, the District joined five other public water districts and the City of Laguna Beach to form the Aliso Water Management Agency (AWMA). ETWD believed that it was in the best interest of the community to form a partnership to build a sewage sludge treatment and disposal facility.

Approximately three years later ETWD sold \$6.14 million of wastewater bonds to finance the District's share of the AWMA Regional Treatment Plant and an ocean outfall system. The AWMA Regional Treatment Plant is located near the Laguna Niguel Regional Park (currently known as the South Orange County Wastewater Authority, SOCWA). The Aliso Creek Ocean Outfall is located in Laguna Beach. The construction of the plant was complete in 1982.

### **The Transition from Wholesale to Retail**

The Laguna Hills Utility Company, the parent company of the operating utilities, Laguna Hills Water Company (LHWC) and Laguna Hills Sanitation, Inc. (LHSI) approached the ETWD Board of Directors in August 1982 with a proposal that ETWD acquire the utility operations of LHWC and LHSI. If approved, this acquisition would transform ETWD from a water wholesaler to a retail water company. The Board of Directors carefully considered the proposal. They concluded that the residents of the District would benefit from this transition, providing that the assets of the utilities could be acquired at a fair price.

On September 12, 1983, ETWD signed the agreement to purchase both Laguna Hills Water Company and Laguna Hills Sanitation, Inc. for a sum of \$10.5 million. The amount would be paid with interest, in installments over a 30-year period. After approximately 24 years, ETWD had become a fully integrated water, sewer and recycled water retail operation.

## **Water Recycling Pioneer**

After three decades of service, and multiple expansion projects, portions of the Water Recycling Plant had reached the end of its useful life. ETWD embarked on a reconstruction and replacement project. The new plant was completed in 1998 at a cost of nearly \$14,000,000. The reconstruction project renewed the useful life of the plant for another 30 years and brought ETWD into compliance with applicable regulatory and environmental requirements. A new expanded laboratory was now equipped to perform sophisticated analysis of wastewater and drinking water, and the overall capacity of the plant increased to 6 million gallons per day. In 1999 the Water Recycling Plant was recognized by the industry as “Plant of the Year.”

## **Expansion Continues at El Toro Reservoir**

In an effort to expand emergency storage in south Orange County and reduce operating cost for ETWD, the District entered into an agreement in 2002 with neighboring water districts for joint use of the El Toro Reservoir. ETWD began a four phase project to expand the El Toro Reservoir capacity to 275 million gallons and enhance the ability of ETWD and neighboring agencies to meet their emergency storage requirements. By increasing the capacity by 52 million gallons, the enlarged reservoir would provide 124.5 million gallons to ETWD, 137.5 million gallons to Santa Margarita Water District and 13 million gallons to Moulton Niguel Water District. The expanded reservoir would serve more than 300,000 customers in the cities of Laguna Woods, Laguna Hills, Lake Forest, Mission Viejo, Aliso Viejo, Laguna Niguel, Dana Point, Rancho Santa Margarita, Ladera Ranch, Las Flores, San Juan Capistrano and San Clemente. The total water surface area expanded to approximately 20 acres.

In addition to laying 4,500 feet of pipeline to allow increased water use by the three partner agencies at once, the reservoir was enlarged to increase supply for regional use. The final phase of the project was to add a new floating cover and liner to the reservoir. The cover continues to assist ETWD in preserving the quality of the imported supply.

## **Recycled Water Expansion Project**

In 2012, the District began a comprehensive multi-phase Recycled Water Expansion Project that significantly increased the amount of recycled water produced for local irrigation. The project was completed in 2016 and greatly expanded the District’s ability to produce recycled water. By undertaking this project, the District saves precious imported drinking water (potable) for household consumption and sanitary uses.

The project constructed tertiary treatment facilities at the existing Water Recycling Plant to increase the treatment and delivery of recycled water for irrigation to approximately 1,400 acre feet per year. That’s the equivalent of covering the entire footprint of Laguna Woods Village with five inches of water or filling Angel Stadium nineteen times. Simultaneously, the District built a new recycled water distribution system for irrigation. Approximately 100,000 feet or 19 miles of recycled water pipeline was constructed beneath the roadways in portions of Laguna Woods and the northwest corner of Laguna Hills. This new distribution system is completely separate from the drinking water distribution system and used for irrigation only. In 2018 the District completed construction of the Phase II Recycled Water Distribution System Expansion Project which added another 5 miles of recycled water pipeline to serve additional users in the community of Laguna Woods.

The recycled water projects improve the environment by reserving drinking water resources for use inside homes and businesses, and provides environmentally responsible recycled water for outdoor use. The tertiary treatment facilities at the Water Recycling Plant produce a higher quality of treated water, diminish the amount of treated water discharged into the ocean and help to reduce the greenhouse gases that results from pumping imported water into the region.

**Location and Service Area Information**

The El Toro Water District is located in Southern Orange County, approximately 45 miles south of downtown Los Angeles. The District encompasses the entirety of the City of Laguna Woods, and portions of the Cities of Aliso Viejo, Laguna Hills, Lake Forest, and Mission Viejo. The total service area of the District is approximately 5,430 acres or the equivalent of 8.5 square miles. Interstate 5 bisects the District with approximately half of the District’s service area on each side of the Interstate.

**Population Information**

The District serves over 53,415 population.

Table 10. Population Data					
	1990	2000	2010	2020	2026
El Toro Water District	43,786	49,796	47,807	51,800	53,415
Orange County	2,410,556	2,846,289	3,010,232	3,175,692	3,186,989
State of California	29,760,021	33,871,648	37,253,956	39,512,223	39,538,223

Source: U.S. Census Bureau; California State Department of Finance; Center for Demographic Research, CSUF

According to the 2019 – 2023 American Community Survey five-year estimate, the largest portion of the District’s population included Caucasians who were not of Hispanic or Latino ethnicity (57.8%). The next largest racial group in the community were Asian-Americans who comprised 26% of the total population followed by persons who were multi-racial at 14.1% of the population. Overall, there were more females than males residing in the District’s service area. The median age of the population within the District’s service area was 52.4 years, with a large component of the population over the age of 65 due to the presence of Laguna Woods Village, a senior living community, in the District service area.

Table 11. Population Characteristics					
	Number	Percent		Number	Percent
Gender			Household Information		
Male	25,212	47.20%	Family Households	14,700	55.00%
Female	28,203	52.80%	Non-Family Households	12,000	45.00%
Total	53,415		Total Households	26,700	
Racial Composition			Age Groups		
White	30,874	57.80%	0 to 19	8,621	16.14%
African-American	908	1.70%	20 to 34	8,477	15.87%
American Indian/Alaska Native	214	0.40%	35 to 59	13,877	25.98%
Asian or Pacific Islander	13,888	26.00%	60 to 74	11,580	21.68%
Other/More than One Race	7,532	14.10%	75+	10,865	20.34%
Total Population	53,415		Total Population	53,420	
Hispanic/Latino Origin	12,285	23.00%	Median Age*	52.4	

Source: U.S. Census Bureau American Community Survey 2019-2023 5-Year estimates, Tables B01001, B11001, B03002  
 \*Interpolated value

The economic statistics for District residents tend to be lower than similar data for the general population of Orange County or the State of California. This is primarily the result of the inclusion of Laguna Woods within the service area of the District, since most residents in Laguna Woods are retired and do not have salary income. The District’s Median Housing Value, Per Capita Income, and Median Household Income are all less than the values for Orange County or the State of California. Only the Median Gross Rent is more than the values for the County or State. The District’s economic indicators have improved in each of the last four American Community Survey periods, as indicated by the “Comparison of Economic Characteristics” table below which includes data from the 2016-2019 American Community Survey (ACS) to the 2019-2023 ACS.

	Median Gross Rent*	Median Housing Value*	Per Capita Income*	Median Household Income*
El Toro Water District	\$2,350	\$915,500	\$49,300	\$113,700
Orange County	2,350	1,037,200	\$52,816	\$113,702
State of California	1,856	759,500	\$41,800	\$96,300
<b>Change in Economic Characteristics</b>				
ACS Years 2016-2020	\$2,145	\$510,200	\$39,800	\$74,900
ACS Years 2017-2021	\$2,225	\$620,400	\$42,600	\$82,300
ACS Years 2018-2022	\$2,310	\$760,800	\$46,900	\$92,700
ACS Years 2019-2023	\$2,350	\$915,500	\$49,300	\$113,700

Source: U.S. Census Bureau American Community Survey 2019-2023 5-Year estimates, Tables B 19001, B 25063, B 25075  
 \*Interpolated value

**Educational, Employment, and Income Information**

The 2019 – 2023 American Community Survey reported that approximately 49.3% of District residents age 25 or older have attained a bachelors or graduate degree, including approximately 19.8% who have a graduate or professional degree. This is much higher than California or national averages (36.8% and 35%, respectively). Another 29.5% of residents who are age 25 or older have attended some college or attained an Associate’s degree. An estimated 93% of District residents age 25 or older have their high school diploma (or equivalent); this is also much higher than the State or National average (85.2% and 88.3% respectively).

The majority of District residents who are employed work in professional or service occupations.

	El Toro Water District	Orange County	State of California	United States
Less than 9th grade	2.80%	5.90%	8.30%	4.60%
9 <sup>th</sup> to 12 <sup>th</sup> grade, no diploma	3.90%	5.60%	6.50%	6.30%
High school graduate (includes equivalency)	15.50%	16.80%	19.80%	25.30%
Some college, no degree	19.80%	18.90%	20.50%	19.20%
Associate’s degree	8.70%	7.50%	8.10%	8.80%
Bachelor’s degree	29.50%	27.20%	22.50%	21.20%
Graduate or professional degree	19.80%	17.00%	14.30%	13.80%
Percent high school graduate or higher	93.30%	87.40%	85.20%	88.30%
Percent bachelor’s degree or higher	49.30%	44.20%	36.80%	35.00%

Source: U.S. Census Bureau American Community Survey 2019-2023 5-Year estimates, Table B 15003

## Unemployment and Workforce Participation Rate

Due to the composition of the population within the District’s service area, the workforce participation tends to be much lower than the averages for the County, State, or Nation. This is to be expected since Laguna Woods comprises approximately 40% of the population in the District’s service area and almost all of the residents of that community are retired. For the portion of the population in the District’s service area who do participate in the workforce, the unemployment rate has averaged slightly higher than the averages for Orange County or the United States but slightly lower than the average for California.

	2019 5-Year ACS	2020 5-Year ACS	2021 5-Year ACS	2022 5-Year ACS	2023 5-Year ACS
<b>Unemployment Rate</b>					
El Toro Water District	4.0%	5.2%	4.6%	4.2%	4.0%
Orange County	3.0%	4.9%	3.8%	3.3%	3.0%
State of California	3.8%	10.1%	7.5%	4.4%	4.8%
United States	3.4%	8.1%	5.4%	3.7%	3.6%
<b>Workforce Participation Rate</b>					
El Toro Water District	53.1%	52.2%	52.4%	52.8%	53.1%
Orange County	65.6%	65.9%	65.7%	65.6%	65.6%
State of California	63.7%	61.0%	61.5%	62.1%	62.3%
United States	63.4%	61.7%	61.7%	62.2%	62.6%

Source: U.S. Census Bureau, 5-Year American Community Survey Estimates, Table B23025

## Household Income:

The composition of the population within the District service area also impacts the estimated household income within the District’s service area. According to the 2019 – 2023 American Community Survey, the median household income in the District was \$113,700 that is higher than the median for California and the national median. An estimated 18.7% of District households have incomes that exceeds \$200,000 per year; in comparison only 13% of United States households had this level of income in the 2019-2023 American Community Survey.

	El Toro Water District*	Orange County	State of California	United States
Under \$10,000	4.80%	3.10%	4.20%	5.20%
\$10,000 to \$14,999	3.00%	2.20%	3.40%	3.80%
\$15,000 to \$24,999	6.80%	4.50%	6.20%	7.50%
\$25,000 to \$34,999	6.00%	4.80%	6.50%	7.60%
\$35,000 to \$49,999	9.50%	7.20%	9.00%	10.60%
\$50,000 to \$74,999	14.20%	12.80%	14.30%	16.50%
\$75,000 to \$99,999	11.00%	11.50%	11.80%	12.20%
\$100,000 to \$149,999	15.80%	18.50%	17.20%	15.80%
\$150,000 to \$199,999	10.20%	12.40%	9.80%	7.80%
\$200,000 or more	18.70%	23.00%	17.60%	13.00%
Median Household Income*	\$113,700	\$113,702	\$96,300	\$75,100
Per Capita Income*	\$49,300	\$52,816	\$41,800	\$34,103

Source: U.S. Census Bureau American Community Survey 2019-2023 5-Year estimates, Table B 19001  
\*Interpolated value

## Summary of the District

The District supplies residents with potable water, recycled water for irrigation purposes, and provides wastewater collection and treatment services. Information about District and its services can be found below.

General Information	
---------------------	--

Date of Original Incorporation	September, 1960
Date of Integration into Retail Utility Operation	September 12, 1983
Form of Government	California Special District

Location and Size Information	
-------------------------------	--

Geographic Location	45 Miles South of Downtown Los Angeles
Total Area of Incorporation	8.5 square miles

Facility Information	
----------------------	--

Main Office and Warehouse Complex	1
Wastewater Treatment Plants	1
Water Reservoirs	6
Water Pump Stations	9
Wastewater Lift Stations	11

Enterprise Statistics	
-----------------------	--

Water System	
Miles of Water Main	170
Service Connections	9,514
Annual Potable Water Imports (MG*)	2,280
Sewer System	
Miles of Wastewater Collection Main	114
Service Connections	9,514
Annual Treated Sewage (MG*)	1,332
Recycled Water System	
Miles of Recycled Water Main	25
Service Connections	276
Annual Recycled Water Production (MG*)	450
*Millions of Ga	

This Page Intentionally Left Blank

## WATER SYSTEM

The mission of the Water Enterprise is to deliver potable water to customers for their daily living needs. The Water Enterprise accomplishes this mission by procuring treated water directly from the Municipal Water District of Orange County (MWDOC) through the Allen-McCulloch Pipeline and by partnering with the Irvine Ranch Water District in the Baker Water Treatment Plant which procures untreated water from MWDOC, treats the water, and distributes it to the participating agencies. Potable water is distributed to District customers through significant infrastructure assets that the District has invested in over many years, including the R6 Reservoir, 5 other smaller water reservoirs or storage facilities, 9 water pump stations, 170 miles of water main, and approximately 9,500 water service lines.

### **Budget Analysis**

As depicted in Table 16 below, expenses in the 2026-2027 Budget equal \$18,991,611 an increase of \$1,358,846 or 7.71%, from the \$17,632,766 in expenses included in the 2025-2026 Budget. Revenues attributed to the Water System are projected to equal \$18,991,730, an increase of \$1,283,752 or 7.25% when compared to the \$17,707,978 included in the 2025-2026 Budget. As a result of the revenues and expenses included in the 2026-2027 Budget, the Water System is projected to generate a small surplus of \$118 for the Board Mandated Cash Reserves in 2026-2027.

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026		2026 - 2027	
	Actual	Actual	Actual	Budget	Projected Actual	Proposed Budget	Budget % Change
<b>Sources of Cash</b>							
<b>Operating Revenues</b>							
Commodity Supply Charge (Unrestricted)	7,479,815	7,537,990	9,895,387	10,734,833	10,484,188	11,523,899	7.35%
Service Provision Charge	4,228,718	4,772,884	4,858,280	5,459,145	5,398,118	5,995,830	9.83%
Charges for Services	5,498	188,692	146,507	125,000	125,000	140,000	12.00%
Miscellaneous Operating Income	198,825	36,867	68,317	31,000	30,430	31,000	0.00%
Grant, Rebates, Reimbursements	469	800	19,596	-	3,959	-	-
<b>Non-operating Revenues</b>							
Property Taxes	473,659	498,768	523,416	520,000	520,000	560,000	7.69%
Investment Income	167,724	418,322	609,561	350,000	361,720	200,000	-42.86%
Miscellaneous Non-operating Income	246,020	264,547	593,833	288,000	273,445	291,000	1.04%
Restricted Reserve Funding	100,000	200,000	200,000	200,000	200,000	250,000	
<b>Total Sources of Cash</b>	<b>12,900,729</b>	<b>13,918,870</b>	<b>16,914,898</b>	<b>17,707,978</b>	<b>17,396,859</b>	<b>18,991,730</b>	<b>7.25%</b>
<b>Uses of Cash</b>							
<b>Operating Expenses</b>							
General & Administrative	2,249,522	2,243,510	2,496,791	2,462,542	2,458,578	2,706,157	9.89%
Operations & Maintenance	11,765,144	12,067,966	13,494,545	15,007,424	13,798,807	16,105,054	7.31%
Other Operating Expenses	110,079	141,792	-	162,800	135,000	180,400	10.81%
<b>Total Uses of Cash</b>	<b>14,124,744</b>	<b>14,453,268</b>	<b>15,991,336</b>	<b>17,632,766</b>	<b>16,392,385</b>	<b>18,991,611</b>	<b>7.71%</b>
<b>Net Change In Cash</b>	<b>(1,224,016)</b>	<b>(534,397)</b>	<b>923,562</b>	<b>75,212</b>	<b>1,004,474</b>	<b>118</b>	

## WASTEWATER SYSTEM

The mission of the Wastewater System is to collect wastewater from District customers through service connections, transmit the wastewater to the Water Recycling Plant using lift stations and sewer mains, treat the wastewater, and then send the treated water to the recycled water treatment facilities or dispose of the remaining effluent or solids. To accomplish this mission, the Wastewater System has acquired and/or constructed significant infrastructure assets, including the Wastewater Treatment Plant, 11 wastewater lift stations, and 114 miles of sewer main. The Wastewater System treats a daily average of 3.7 million gallons of wastewater every day.

### **Budget Analysis**

As depicted in Table 17 below, expenses in the 2026-2027 Budget equal \$11,248,332, an increase of \$286,978, 2.62%, from the \$10,961,355 in expenses included in the 2025-2026 Budget. Revenues attributed to the Wastewater System are projected to equal \$11,248,194 an increase of \$177,923 or 1.61% when compared to the \$11,070,271 included in the 2025-2026 Budget. As a result of the revenues and expenses included in the 2026-2027 Budget, the Wastewater System is projected to use \$138 of the Board Mandated Cash Reserves in 2026-2027.

	2022 - 2023			2025 - 2026		2026 - 2027		% Change
	Actual	Actual	Actual	Budget	Projected Actual	Proposed Budget		
<b>Sources of Cash</b>								
<b>Operating Revenues</b>								
Service Provision Charge	8,659,162	9,292,348	9,537,346	10,013,671	10,032,323	10,289,594		2.76%
Miscellaneous Operating Income	78,494	25,514	54,170	20,200	71,328	20,200		0.00%
Grant, Rebates, Reimbursements	-	6,287	33,962	-	5,146	-		-
<b>Non-operating Revenues</b>								
Property Taxes	615,578	648,398	680,441	676,000	676,000	728,000		7.69%
Investment Income	197,333	531,180	625,567	350,000	443,852	200,000		-42.86%
Miscellaneous Non-operating Income	6,848	1,094	5,195	10,400	5,745	10,400		0.00%
<b>Total Sources of Cash</b>	<b>9,557,414</b>	<b>10,504,821</b>	<b>10,936,681</b>	<b>11,070,271</b>	<b>11,234,394</b>	<b>11,248,194</b>		<b>1.61%</b>
<b>Uses of Cash</b>								
<b>Operating Expenses</b>								
General & Administrative	2,663,757	2,521,658	2,682,483	3,003,516	2,971,752	3,117,867		3.81%
Operations & Maintenance	6,458,075	7,608,196	7,301,473	7,746,199	7,327,553	7,895,946		1.93%
Other Operating Expenses	143,103	184,325	239,681	211,640	175,000	234,520		10.81%
<b>Total Uses of Cash</b>	<b>9,264,935</b>	<b>10,314,179</b>	<b>10,223,636</b>	<b>10,961,355</b>	<b>10,474,305</b>	<b>11,248,332</b>		<b>2.62%</b>
<b>Net Change In Cash</b>	<b>292,479</b>	<b>190,642</b>	<b>713,045</b>	<b>108,917</b>	<b>760,089</b>	<b>(138)</b>		

## RECYCLED WATER SYSTEM

The mission of the Recycled Water System is to further treat pre-treated wastewater from the wastewater treatment process until the water meets regulatory standards so that it can be used for irrigation purposes and then to distribute the recycled water to customers to use in irrigation. To accomplish this mission, the Recycled Water System has acquired and/or constructed significant infrastructure assets, including Tertiary Water Treatment facilities and 25 miles of recycled water distribution main. The Recycled Water System produces a daily average of 1.3 million gallons every day.

### **Budget Analysis**

As depicted in Table 18 below, expenses in the 2026-2027 Budget equal \$2,114,428, a decrease of \$28,191, - 1.32%, from the \$2,142,619 in expenses included in the 2025-2026 Budget. Revenues attributed to the Recycled System are projected to equal \$3,148,694, an increase of \$465,469 or 17.35% when compared to the \$2,683,225 included in the 2025-2026 Budget. As a result of the revenues and expenses included in the 2025-2026 Budget, the Recycled System is projected to generate net cash of \$1,034,265. However, the Recycled System transfers all of the net cash generated from its operations to the Capital Improvement Fund to pay the debt associated with the original construction of the tertiary treatment facilities.

	2022 - 2023 Actual	2023 - 2024 Actual	2024 - 2025 Actual	2025 - 2026		2026 - 2027	
				Budget	Projected Actual	Proposed Budget	Budget % Change
<b>Sources of Cash</b>							
<b>Operating Revenues</b>							
Commodity Supply Charge	1,189,709	1,387,251	2,001,570	1,782,345	1,977,955	2,152,336	20.76%
Service Provision Charge	424,813	429,520	467,174	521,055	518,486	576,358	10.61%
Miscellaneous Operating Income	15,900	322	-	-	-	-	-
Grant, Rebates, Reimbursements	303,279	138,078	369,336	275,825	258,095	297,000	7.68%
<b>Non-operating Revenues</b>							
Property Taxes	94,912	99,754	104,683	104,000	104,000	112,000	7.69%
Investment Income	30,899	(1,467)	-	-	-	-	-
Miscellaneous Non-operating Income	866	96	158	-	11,073	11,000	-
<b>Total Sources of Cash</b>	<b>2,060,377</b>	<b>2,053,553</b>	<b>2,942,921</b>	<b>2,683,225</b>	<b>2,869,608</b>	<b>3,148,694</b>	<b>17.35%</b>
<b>Uses of Cash</b>							
<b>Operating Expenses</b>							
General & Administrative	445,946	400,741	417,408	461,185	426,175	479,648	4.00%
Operations & Maintenance	1,314,514	1,476,384	1,514,751	1,631,373	1,571,031	1,598,700	-2.00%
Other Operating Expenses	-	-	25,000	50,061	-	36,080	-27.93%
<b>Total Uses of Cash</b>	<b>1,760,460</b>	<b>1,877,124</b>	<b>1,957,159</b>	<b>2,142,619</b>	<b>1,997,206</b>	<b>2,114,428</b>	<b>-1.32%</b>
<b>Transfer Out</b>	<b>(1,682,270)</b>	<b>(1,772,241)</b>	<b>(993,804)</b>	<b>(32,085,014)</b>	<b>(31,805,905)</b>	<b>(1,034,265)</b>	
<b>Net Change In Cash</b>	<b>(1,382,353)</b>	<b>(1,595,812)</b>	<b>(8,041)</b>	<b>(31,544,408)</b>	<b>(30,933,502)</b>	<b>-</b>	

## Personnel Analysis

The District’s mission is to provide high quality utility services to its customers and one of the foundations of this mission is having a sufficient number of high-quality staff members to operate the District’s infrastructure and provide service to customers. This section includes an analysis of the District’s personnel costs, which are a primary component of the District’s fiscal operations because they comprise the largest expense for the District.

### Number of Employees

Personnel costs are a result of the total number of District employees. The District converts the number of full-time and part-time employees to full-time equivalency to accurately reflect the number of employees on the payroll. Full-time equivalency is equal to 2,080 hours for all employees.

The 2026-2027 Compensation Plan authorizes a total of 58 full-time positions, 5 elected officials, and one intern or temporary part-time position.

The total budgeted cost for the District’s workforce in 2026-2027 is budgeted at \$11,596,092 with salary expenses of \$8,481,558 comprising 73.14% of total costs and benefits of \$3,114,534 comprising the remaining 26.86% of costs. Fringe benefit cost increases were only 2.27% in 2026-2027 due to health insurance and retirement benefit cost increases.

Presented below are the total personnel expenses for the 2026-2027 Fiscal Year.

<b>Table 19. Changes in Total Personnel Expenses</b>					
	FY 2025-26	FY 2026-27	Delta	% Change	% of Total
	Budget	Budget			Personnel Costs
<b>Salaries</b>					
Regular Salaries	7,259,950	7,619,037	359,087	4.95%	65.70%
Overtime and On-Call Salaries	487,360	462,360	(25,000)	-5.13%	3.99%
One-time Salary Payments <sup>(1)</sup>	250,391	283,461	33,070	13.21%	2.44%
Stipends & Allowances <sup>(2)</sup>	108,320	116,700	8,380	7.74%	1.01%
<b>Total Salaries</b>	<b>8,106,021</b>	<b>8,481,558</b>	<b>375,538</b>	<b>4.63%</b>	<b>73.14%</b>
<b>Benefits</b>					
Health Insurance <sup>(3)</sup>	1,372,317	1,389,790	17,473	1.27%	11.98%
Other Insurance <sup>(4)</sup>	222,845	231,674	8,829	3.96%	2.00%
Workers Compensation Insurance	169,198	150,641	(18,557)	-10.97%	1.30%
Retirement Benefits <sup>(5)</sup>	1,281,053	1,342,428	61,375	4.79%	11.58%
<b>Total Benefits</b>	<b>3,045,414</b>	<b>3,114,534</b>	<b>69,120</b>	<b>2.27%</b>	<b>26.86%</b>
<b>Total Personnel Expenses</b>	<b>11,151,434</b>	<b>11,596,092</b>	<b>444,658</b>	<b>3.99%</b>	
<b>Notes</b>					
(1) Includes Vacation Time Payouts and Top of Range one-time payments					
(2) Includes Automobile Allowances, Cell Phone Stipends, and Wellness Stipends					
(3) Includes employer paid Health, Dental, and Vision Insurance Premiums as well as Health Savings Account contributions					
(4) Includes employer paid Life Insurance, Long-term Care and Disability Insurance, and Workers Compensation					
(5) Includes employer contributions to the 401k plan, employer matches to the 401k/457b Plans, and Medicare					
(6) The FY 2026-27 total personnel cost of \$231,673 is allocated to Capital projects and \$11,364,419 to Operations					

The table 2 presented below provides further analysis of the change in Regular Salary Costs. The base salary for 2026-2027 is \$7,619,037 which is 65.70% of total personnel costs. Merit salary increases for employees add \$362,795 to budgeted salaries in 2026-2027, this assumes a CPI component of 3.3% and a performance adjustment component of 3%.

<b>Table 20. Changes in Salary Expenses</b>					
	FY 2025-26 Budget	FY 2026-27 Budget	Delta	% Change	% of Total Personnel Costs
<b>Analysis of Changes in Personnel Costs</b>					
<b>Regular Salary Changes</b>					
Base Salary <i>(prior year ending salaries)</i>	7,001,277	7,259,950	258,673	3.69%	62.61%
Merit Increase <sup>(1)</sup>	326,753	362,795	36,042	11.03%	3.13%
Additional Positions	-	-	-	N/A	0.00%
Net Changes from Original Budget <sup>(2)</sup>	-	-	-	N/A	0.00%
Additional Salary Adjustments	(68,080)	(3,708)	64,373	100.00%	-0.03%
<b>Regular Salaries Total</b>	<b>7,259,950</b>	<b>7,619,037</b>	<b>359,087</b>	<b>4.95%</b>	<b>65.70%</b>
<b>Notes</b>					
(1) Salary increases occur on July 1 so the base salary is increased for the entire year.					
(2) The District payroll is budgeted for 58 full time positions, 5 elected officials and 1 part-time intern for fiscal year 2025-26					

The table below summarizes changes in additional salary and benefit expenses budgeted for 2026-2027 as compared to the salary and benefit expenses budgeted for 2025-2026.

<b>Table 21. Changes in Other Salary Expenses and Benefit Expenses</b>					
	FY 2025-26	FY 2026-27			% of Total
	Budget	Budget	Delta	% Change	Personnel Costs
<b>Other Salary Changes</b>					
Overtime Expenses	400,000	375,000	(25,000)	-6.25%	3.23%
On-Call Expenses	87,360	87,360	-	0.00%	0.75%
Top of Range Payouts	89,555	115,212	25,657	28.65%	0.99%
Vacation Payouts	160,836	168,249	7,413	4.61%	1.45%
Car Allowance	45,000	45,000	-	0.00%	0.39%
Cell Phone Allowances	11,520	10,800	(720)	-6.25%	0.09%
Wellness Stipends <sup>(1)</sup>	17,700	17,700	-	N/A	0.15%
Class A / B Drivers Licenses	12,000	11,500			
Employee Education / Cert / Service Award	22,100	31,700	9,600	N/A	0.27%
<b>Other Salary Changes</b>	<b>846,071</b>	<b>862,521</b>	<b>16,950</b>	<b>2.00%</b>	<b>7.44%</b>
<b>Benefit Changes</b>					
Health Insurance	1,232,297	1,249,671	17,374	1.41%	10.78%
HSA Contributions	28,050	28,900	850	3.03%	0.25%
Dental Insurance	99,420	98,669	(751)	-0.76%	0.85%
Vision Insurance	12,550	12,550	-	0.00%	0.11%
Life Insurance	41,864	43,381	1,517	3.62%	0.37%
Long Term Care Insurance	10,498	10,498	-	0.00%	0.09%
Disability Insurance	53,883	55,954	2,071	3.84%	0.48%
Employee Assistance Program	-	-	-	N/A	0.00%
Workers Compensation	169,198	150,641	(18,557)	-10.97%	1.30%
State Unemployment Insurance	3,000	3,000	-	N/A	0.03%
401k/457b Contributions	1,281,053	1,342,428	61,375	4.79%	11.58%
Medicare Contributions	113,600	118,841	5,241	4.61%	1.02%
<b>Other Salary Changes</b>	<b>3,045,414</b>	<b>3,114,534</b>	<b>69,120</b>	<b>2.27%</b>	<b>26.86%</b>

Presented below are the positions authorized in the 2026 – 2027 Budget, organized by functional area.

<b>Table 22 Position Organization Chart</b>			
<b>Department</b>	<b>Positions</b>	<b>Department</b>	<b>Positions</b>
<b>Administration</b>		<b>Operations Support Services</b>	
General Manager	1	Operations Superintendent	1
Executive Assistant to Board & General Manager	1	Compliance Program Coordinator	1
<b>Total</b>	<b>2</b>	<b>Total</b>	<b>2</b>
<b>Finance &amp; Risk Management</b>		<b>Pumping Operation</b>	
Chief Financial Officer	1	Foreman	1
Accounting Supervisor	1	Crew Chief	2
Senior Accountant	1	Maintenance Worker III	0
Accounting Technician	1	Maintenance Worker II	3
Purchasing Agent	1	Maintenance Worker I	2
<b>Total</b>	<b>5</b>	<b>Total</b>	<b>8</b>
<b>Technology Services</b>		<b>Fleet Operations</b>	
Information Technology Manager	1	Senior Mechanic	1
<b>Total</b>	<b>1</b>	<b>Total</b>	<b>1</b>
<b>Human Resources</b>		<b>Transmission &amp; Distribution</b>	
Director of Human Resources	1	Foreman	1
Office Assistant	1	Crew Chief	2
<b>Total</b>	<b>2</b>	Maintenance Worker III	3
<b>Community Relations &amp; Conservation</b>		Maintenance Worker II	-
Public Affairs Manager	1	Maintenance Worker I	2
Water Resources Supervisor	1	<b>Total</b>	<b>8</b>
<b>Total</b>	<b>2</b>		
<b>Customer Service</b>		<b>Treatment Plant</b>	
Customer Service / Billing Supervisor	1	Chief Plant Operator	1
Customer Service Office Representative I	3	Truck Driver	2
Crew Chief	1	Crew Chief	1
Customer Service Field Representative III	1	Waste Water Operator III	1
Customer Service Field Representative I	1	Waste Water Operator II	1
<b>Total</b>	<b>7</b>	Waste Water OIT	1
<b>Engineering</b>		Lab Supervisor	1
Director of Engineering	1	Lab Technician II	1
Senior Engineer	1	<b>Total</b>	<b>9</b>
Inspector	1		
Cross Connection Control Program Supervisor	1	<b>Collections &amp; Distribution Crew</b>	
<b>Total</b>	<b>4</b>	Foreman	1
<b>Electrical</b>		Crew Chief	-
Electrical Systems/SCADA Supervisor	1	Collection Maintenance Worker III	2
Electrical Instrumentation Technician II	1	Collections Maintenance Worker I	2
<b>Total</b>	<b>2</b>	<b>Total</b>	<b>5</b>
		<b>Total Positions</b>	<b>58</b>

The District's Compensation Plan includes a salary grade schedule for both non-exempt and exempt employees. Presented below as well as on the following page is the Compensation Plan for non-exempt employees for the 2026 - 2027 Budget.

Table 23 Compensation Plan - Salary Range Schedule - Non-Exempt Effective Fiscal Year 2026 /2027 FY 2025/2026						
	Monthly Salary		Percent of Increase	Monthly Salary		Percent of Increase
	Minimum	Maximum		Minimum	Maximum	
<b>Salary Grade 1</b>						
Intern	\$3,291	\$4,466	3.2%	\$3,399	\$4,613	3.3%
<b>Salary Grade 2</b>	\$3,991	\$5,430	3.2%	\$4,123	\$5,609	3.3%
<b>Salary Grade 3</b>	\$4,473	\$6,083	3.2%	\$4,621	\$6,284	3.3%
<b>Salary Grade 4</b>	\$4,605	\$6,264	3.2%	\$4,756	\$6,471	3.3%
<b>Salary Grade 5</b>	\$4,746	\$6,452	3.2%	\$4,902	\$6,665	3.3%
Office Assistant						
<b>Salary Grade 6</b>	\$4,889	\$6,647	3.2%	\$5,050	\$6,866	3.3%
Customer Service Field Representative I						
<b>Salary Grade 7</b>	\$5,030	\$6,845	3.2%	\$5,196	\$7,070	3.3%
Accounting Technician						
Customer Service Office Representative I						
<b>Salary Grade 8</b>	\$5,185	\$7,051	3.2%	\$5,356	\$7,284	3.3%
Customer Service Office Representative II						
Administrative Assistant						
<b>Salary Grade 9</b>	\$5,338	\$7,263	3.2%	\$5,514	\$7,503	3.3%
Administrative Assistant Customer Service/HR						
Customer Service Office Representative Senior						
<b>Salary Grade 10</b>	\$5,519	\$7,479	3.2%	\$5,701	\$7,726	3.3%
Customer Service Field Representative II						
Collection Maintenance Worker I						
Maintenance Worker I						
Operator in Training						
<b>Salary Grade 11</b>	\$5,667	\$7,705	3.2%	\$5,854	\$7,959	3.3%
Billing Specialist						
<b>Salary Grade 12</b>	\$5,836	\$7,937	3.2%	\$6,029	\$8,199	3.3%
Laboratory Technician I						
<b>Salary Grade 13</b>	\$6,010	\$8,173	3.2%	\$6,208	\$8,442	3.3%
Mechanic						
Wastewater Plant Operator I						
<b>Salary Grade 14</b>	\$6,191	\$8,422	3.2%	\$6,395	\$8,700	3.3%
Administrative Assistant Senior						
Accountant / Insurance Administrator						
<b>Salary Grade 15</b>	\$6,377	\$8,673	3.2%	\$6,587	\$8,959	3.3%
Collections Worker II						
Maintenance Worker II						
<b>Salary Grade 16</b>	\$6,567	\$8,932	3.2%	\$6,784	\$9,226	3.3%
Customer Service Field Representative III						
Compliance Regulatory Coordinator I						

**Table 23 Compensation Plan - Salary Range Schedule - Non-Exempt  
Effective Fiscal Year 2026 /2027  
FY 2025/2026**

	Monthly Salary		Percent of Increase	Monthly Salary		Percent of Increase
	Minimum	Maximum		Minimum	Maximum	
<b>Salary Grade 17</b> Laboratory Technician II	\$6,765	\$9,200	3.2%	\$6,988	\$9,503	3.3%
<b>Salary Grade 18</b> Senior Accountant / Payroll Electrical Instrumentation Tech II Tractor - Trailer - Tanker Driver Wastewater Plant Operator II	\$6,967	\$9,477	3.2%	\$7,197	\$9,790	3.3%
<b>Salary Grade 19</b> Inspector Engineering Associate Maintenance Worker III Collection Maintenance Worker III	\$7,185	\$9,771	3.2%	\$7,422	\$10,093	3.3%
<b>Salary Grade 20</b> Compliance Regulatory Coordinator II	\$7,399	\$10,062	3.2%	\$7,643	\$10,394	3.3%
<b>Salary Grade 21</b> Executive Assistant to General Manager & Board Senior Mechanic	\$7,620	\$10,363	3.2%	\$7,872	\$10,705	3.3%
<b>Salary Grade 22</b> Accounting Supervisor Customer Service Office / Billing Supervisor Recycled Water Coordinator Purchasing Agent / Inventory Control	\$7,851	\$10,676	3.2%	\$8,110	\$11,028	3.3%
<b>Salary Grade 23</b> Laboratory Technician III Water Use Efficiency Analyst Wastewater Plant Operator III Electrical Instrumentation Tech III Public Relations / Emergency Preparedness Admin	\$8,088	\$10,998	3.2%	\$8,355	\$11,361	3.3%
<b>Salary Grade 24</b> Cross Connection Control Program Supervisor	\$8,330	\$11,327	3.2%	\$8,605	\$11,701	3.3%
<b>Salary Grade 25</b> Crew Chief	\$8,544	\$11,665	3.2%	\$8,826	\$12,050	3.3%
<b>Salary Grade 26</b> Accounting Manager / Auditor Industrial Waste Inspector Compliance Regulatory Coordinator III	\$8,838	\$12,018	3.2%	\$9,129	\$12,414	3.3%
<b>Salary Grade 27</b> Laboratory Supervisor	\$9,101	\$12,375	3.2%	\$9,401	\$12,784	3.3%
<b>Salary Grade 28</b> Foreman	\$9,371	\$12,744	3.2%	\$9,680	\$13,165	3.3%

**Table 23 Compensation Plan - Salary Range Schedule - Non-Exempt**  
**Effective Fiscal Year 2026 /2027**  
**FY 2025/2026**

	Monthly Salary		Percent of Increase	Monthly Salary		Percent of Increase
	Minimum	Maximum		Minimum	Maximum	
Salary Grade 29	\$9,653	\$13,127	3.2%	\$9,972	\$13,561	3.3%
Salary Grade 30	\$9,933	\$13,508	3.2%	\$10,260	\$13,954	3.3%
Electrical System/SCADA Supervisor						
Salary Grade 31	\$10,230	\$13,915	3.2%	\$10,568	\$14,374	3.3%
Salary Grade 32	\$10,537	\$14,331	3.2%	\$10,885	\$14,804	3.3%
Salary Grade 33	\$10,853	\$14,760	3.2%	\$11,211	\$15,247	3.3%
Salary Grade 34	\$11,179	\$15,202	3.2%	\$11,548	\$15,704	3.3%
Wastewater Chief Plant Operator						

Table 24 Compensation Plan - Salary Range Schedule - Exempt  
Effective Year 2026-2027

	FY 2025-2026			FY 2026-2027		Percent of Increase
	Monthly Salary Minimum	Monthly Salary Maximum	Annual Maximum	Monthly Salary Minimum	Monthly Salary Maximum	
<b>Salary Grade 40E</b>	\$8,578	\$11,666	\$139,989	\$8,861	\$12,051	3.3%
<b>Salary Grade 41E</b> Customer Service Manager Public Affairs Manager	\$9,369	\$13,117	\$157,400	\$9,678	\$13,550	3.3%
<b>Salary Grade 42E</b>	\$9,930	\$13,903	\$166,838	\$10,258	\$14,362	3.3%
<b>Salary Grade 43E</b> Project Engineer	\$10,525	\$14,738	\$176,861	\$10,873	\$15,225	3.3%
<b>Salary Grade 44E</b> Senior Engineer	\$11,157	\$15,623	\$187,471	\$11,525	\$16,138	3.3%
<b>Salary Grade 45E</b> Operations Superintendent	\$11,827	\$16,560	\$198,715	\$12,217	\$17,106	3.3%
<b>Salary Grade 46E</b> Information Technology Manager Principal Engineer	\$12,536	\$17,554	\$210,642	\$12,950	\$18,133	3.3%
<b>Salary Grade 47E</b> Manager Engineering Manager Human Resources	\$13,289	\$18,607	\$223,285	\$13,727	\$19,221	3.3%
<b>Salary Grade 48E</b> Director of Engineering Director of Human Resources	\$14,086	\$19,723	\$236,677	\$14,551	\$20,374	3.3%
<b>Salary Grade 49E</b> Chief Financial Officer	\$14,931	\$20,907	\$250,883	\$15,424	\$21,597	3.3%
<b>Salary Grade 50E</b>	\$15,827	\$22,161	\$265,935	\$16,350	\$22,893	3.3%
<b>Salary Grade 51E</b>	\$16,777	\$23,490	\$281,881	\$17,330	\$24,265	3.3%
<b>Salary Grade 52E</b> Assistant General Manager	\$17,783	\$24,900	\$298,804	\$18,369	\$25,722	3.3%
<b>Salary Grade 53E</b>	\$18,850	\$26,395	\$316,736	\$19,472	\$27,266	3.3%

## CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM

---

---

The District has significant infrastructure and capital assets that periodically need to be replaced or refurbished in order to be able to continue to provide services to the District's customers.

- Objectives
- Replace and refurbish District owned facilities to improve the ability of staff to provide services, including the Main Office Building, the Warehouse Complex, the Wastewater Recycling Plant (WRP), and various other buildings and properties owned by the District.
  - Maintain high quality water pump stations, reservoirs, and water mains, sewer lift stations and sewer mains, and recycled water facilities and mains by reconstructing or rehabilitating these infrastructure assets when necessary. Continuously improve the infrastructure in the District to respond to changing needs, challenges, and regulations.
  - Purchase new and replacement vehicles and equipment to support and enhance District operations.
- 
- 

### Overview

The District is committed to the replacement and refurbishment of its facilities, infrastructure, and capital assets and has developed a multi-year Capital Replacement and Refurbishment program to guide the replacement and refurbishment process. The Program is updated in conjunction with the annual budget to reflect changing conditions and resources. One of the primary obligations of the District is the construction, reconstruction, rehabilitation, and maintenance of its facilities, infrastructure, and capital assets. The financial health of the District is greatly impacted by its ability to adequately maintain its capital assets and avoid the substantial financial and service impacts that results from deteriorated capital assets. The types of capital improvements undertaken by the District include:

- **Water System Projects** - The maintenance and improvement of the District's water system is an important component of the capital program. The capacity, structural integrity, and general condition of the reservoirs, storage facilities, pumps, water mains, and service lines are critical to the District's continued ability to supply its customers with clean, high quality drinking water and to provide adequate pressure for daily demands and fire suppression. Water system improvements include the construction or rehabilitation of any part of the water distribution system, including water mains, water main valves, water service lines, reservoirs, and storage facilities.

The 2026-2027 Capital Budget includes rehabilitating Pressure Reducing Valve No. 4, design to provide adequate fire flow to Calle Sonora and Via Campo Verde, installing a new chlorine injection system at the R-6 Reservoir, retrofitting the main switchboard at the Spartan Booster Station, and purchasing a spare motor for Cherry Pump Station.

- **Wastewater Treatment System Projects** - The maintenance and improvement of the District's wastewater treatment system is another important component of the overall capital program. The Wastewater system collects wastewater from residences and businesses, utilizes mechanical and biological processes to metabolize and remove pollutants, and then discharges the effluent (the cleaned water) to either the Tertiary Treatment Plant (for recycled water) or to the Ocean Outfall via the South Orange County Wastewater Authority Effluent Transmission Main. The solids that remain after the treatment process are transported via truck to Moulton Niguel Water District's Regional WRP for final treatment and disposal. Sanitary Sewer System Improvements include the construction, reconstruction, or rehabilitation of any part of the wastewater collection and treatment system, including sanitary sewer mains, sanitary sewer pumps, lift stations, and the WRP.

The 2026-2027 budget includes construction for the Headworks and Secondary Clarifier No. 1 Rehabilitation Project at the WRP. In addition, multiple other capital projects for the Wastewater System are budgeted for 2026-2027 including the coating rehabilitations at several lift stations, design for a new forcemain at the Westline Lift Station, installing a new emergency generator at the Westline Lift Station, replacing the existing electrical equipment at Veeh Lift Station, purchasing a new pump for the Freeway Lift Station, rehabilitating the asphalt at the Holding Pond near the WRP, replacing valves and diffusers in the aeration basins at the WRP, and improving network communications at the WRP.

- **Recycled Water System Projects** - The maintenance and improvement of the District's recycled water system is the final component of the capital program. The capacity, structural integrity, and general condition of the tertiary treatment facility, recycled water mains, and service lines are critical to the District's continued ability to supply its customers with high quality recycled water for irrigation purposes. Recycled water system improvements include the construction or rehabilitation of any part of the distribution system, including mains, main valves, and service lines.

The 2026-2027 budget does not include any projects for the recycled water system. Any revenue generated from the capital rate charges is being used to pay the debt service costs.

**2026/27 CAPITAL REPLACEMENT & REFURBISHMENT PROGRAM**

**Projects**

<u>Source of Supply / Storage Projects</u>	
1 JRWSS Capital Budget	9,399
1 JRWSS Capital Budget (Carryover)	(4,414)
2 Baker WTP Replacement Fund	56,200
<i>Total Source of Supply / Storage Projects</i>	<i>61,185</i>
<u>Pumping (Water) Projects</u>	
3 R-6 Reservoir SCE Meter Box Replacement	14,000
4 PRV-4 Rehabilitation	50,000
5 Fire Flow Improvements at Calle Sonora and Via Campo Verde	117,700
<i>Total Pumping (Water) Projects</i>	<i>181,700</i>
<u>Pumping (Sanitation) Projects</u>	
6 Freeway Lift Station Coating Rehabilitation	110,000
7 Westline Lift Station Coating Rehabilitation	105,000
8 Mathis Lift Station Coating Rehabilitation	66,000
9 Veeh Lift Station Rehabilitation	170,000
10 Westline Forcemain Replacement	203,860
<i>Total Pumping (Sanitation) Projects</i>	<i>654,860</i>
<u>Treatment (Sanitation) Projects</u>	
11 Headworks and Secondary Clarifier No. 1 Rehabilitation	7,620,000
11 Headworks and Secondary Clarifier No. 1 Rehabilitation (Regional WRP MNWD Payout)	(1,000,000)
11 Headworks and Secondary Clarifier No. 1 Rehabilitation (Revenue Bond)	(2,592,965)
11 Headworks and Secondary Clarifier No. 1 Rehabilitation (Capital Reserves)	(1,000,000)
11 Headworks and Secondary Clarifier No. 1 Rehabilitation (Accumulated Capital)	(714,345)
12 Holding Pond Asphalt Repair	37,000
11 WRP Network Segmentation	50,000
11 Lab Fume Hoods	237,600
11 Lab Fume Hoods (Carryover)	(50,000)
<i>Total Treatment (Sanitation) Projects</i>	<i>2,587,290</i>
<u>Outside Treatment (SOCWA and MNWD)</u>	
12 SOCWA Capital Budget	662,635
12 SOCWA (Reserve Funding)	(662,635)
13 MNWD Regional WRP Capital Budget	571,990
13 MNWD Regional WRP (Reserve Funding)	(571,990)
<i>Total Outside Treatment (SOCWA and MNWD)</i>	<i>0</i>
<u>General Building Projects</u>	
14 Field Office Floor and Chair Replacement	83,000
15 Main Office MTS Installation	10,000
<i>Total Other Studies</i>	<i>93,000</i>
<u>Contingency</u>	
16 Contingency	150,300
<i>Contingency</i>	<i>150,300</i>
<b>Total Capital Projects</b>	<b>\$3,653,185</b>

<b>LEGEND</b>
WATER
SEWER
BOTH

**Equipment**

<u>Pumping (Water) Equipment</u>	
1 R-6 Chlorine and Ammonia Injection System Replacement	28,200
2 Spartan Booster Station Main Switchboard Retrofit	63,000
3 Cherry & Shenandoah Spare Motor	12,000
<i>Total Pumping (Water) Equipment</i>	<i>103,200</i>
<u>Pumping (Sanitation) Equipment</u>	
4 Westline Generator Replacement	101,000
5 Veeh Electrical Equipment Replacement	315,000
6 Freeway Pump Replacement	35,000
<i>Total Pumping (Sanitation) Equipment</i>	<i>451,000</i>
<u>Treatment (Sanitation) Equipment</u>	
7 Aeration Basin Diffusers	320,000
8 Aeration Basin Valve Replacement	250,000
<i>Total Treatment (Sanitation) Projects</i>	<i>570,000</i>
<u>Vehicles / Vehicle Equipment</u>	
9 Vehicle Replacement	151,944
9 Vehicle Replacement (Carryover)	(91,693)
10 Valve Insertion Equipment	146,000
<i>Total Vehicles/Vehicle Equipment</i>	<i>206,251</i>
<u>IT and EI&amp;C</u>	
11 Radio Communications Conversion from Cellular	500,000
11 Radio Communications Conversion from Cellular (Carryover)	(500,000)
12 Geolocator	15,000
13 Firewall Replacement	60,000
<i>Total IT and EI&amp;C</i>	<i>75,000</i>
<u>Other Studies</u>	
14 General Studies Fund	31,000
15 GIS Data Updates	15,000
16 Distribution System Condition Assessments	3,700
17 Arc Flash Analysis Update	30,000
18 Impressed Current Cathodic System Monitoring Program	72,000
<i>Total IT and EI&amp;C</i>	<i>151,700</i>
<b>Total Capital Equipment</b>	<b>\$1,632,301</b>

<i>Total Capital Projects</i>	3,653,185
<i>Total Capital Equipment</i>	1,632,301
<i>Total Capital Budget</i>	5,285,485

**Ten Year Capital Replacement & Refurbishment Program  
F. Y. 2026/27 - 2035/36**

NO.	DESCRIPTION	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/2035	2035/2036	TOTAL	WATER	SEWER
<i>Total Capital Budget</i>		5,285,485	6,536,212	7,828,460	9,328,217	10,476,193	11,095,505	11,984,860	12,665,845	13,383,565	13,301,005	101,885,348	20,967,490	79,338,075
<i>Total Capital Projects</i>		3,771,885	4,073,052	6,151,949	8,178,878	6,955,361	9,708,634	10,028,206	9,714,838	9,866,427	7,041,146	75,490,376	16,915,579	58,574,796
WATER		424,160	1,509,777	2,315,665	1,871,296	1,480,918	2,058,610	1,876,609	1,673,559	1,701,274	2,003,712	16,915,579	16,915,579	
SEWER		3,347,725	2,563,275	3,836,284	6,307,583	5,474,443	7,650,024	8,151,597	8,041,280	8,165,153	5,037,434	58,574,796		58,574,796
<i>Total Capital Equipment</i>		1,513,601	2,463,160	1,676,512	1,149,339	3,520,832	1,386,871	1,956,653	2,951,007	3,517,138	6,259,859	26,394,972	4,841,802	21,553,170
WATER		370,900	1,546,079	100,700	53,162	103,885	535,160	671,274	413,410	223,797	823,436	4,841,802	4,841,802	
SEWER		1,142,700	917,081	1,575,812	1,096,177	3,416,947	851,711	1,285,379	2,537,597	3,293,342	5,436,424	21,553,170		21,553,170
<i>Total Capital Investment</i>		12,473,528	9,745,010	9,804,712	10,165,512	9,500,993	11,095,505	11,984,860	12,665,845	13,383,565	13,301,005	114,120,534	22,473,828	89,919,001
<i>Capital Budget</i>		5,285,485	6,536,212	7,828,460	9,328,217	10,476,193	11,095,505	11,984,860	12,665,845	13,383,565	13,301,005	101,885,348	20,967,490	79,338,075
<i>SOCWA Reserve</i>		1,234,625	2,169,165	0	0	0	0	0	0	0	0	3,403,790	0	3,403,790
<i>Accumulated Capital</i>		714,345	671,922	0	0	0	0	0	0	0	0	1,386,267	0	1,386,267
<i>Carryover</i>		646,107	32,000	634,016	164,920	24,800	0	0	0	0	0	1,501,843	570,462	635,534
<i>Recycled Reserves</i>		0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Bond Funds</i>		2,592,965	0	1,342,235	0	0	0	0	0	0	0	3,935,201	0	4,083,124
<i>Capital Reserves</i>		1,000,000	0	0	0	(1,000,000)	0	0	0	0	0	0	0	0
<i>Regional WRP MNWD Payout</i>		1,000,000	0	0	0	0	0	0	0	0	0	1,000,000	0	1,000,000
<i>Grant Funding</i>		0	335,711	0	672,375	0	0	0	0	0	0	1,008,086	935,875	72,211

**Ten Year Capital Replacement & Refurbishment Program**  
**F.Y. 2026/27 - 2035/36**

NO.	DESCRIPTION	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	TOTAL	WATER	SEWER
<i>Source of Supply / Storage Projects</i>														
1	JRWSS Capital Budget	9,399	25,171	4,842	334	9,937	9,937	9,937	9,937	9,937	9,937	99,365	99,365	
1	JRWSS Capital Budget (Carryover)	(4,414)										(4,414)	(4,414)	
2	Baker WTP Replacement Fund	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	56,200	562,000	562,000	
3	Potable Reuse Implementation Plan		527,000									527,000	527,000	
3	Potable Reuse Implementation Plan (Grant Funding)		(263,500)									(263,500)	(263,500)	
4	South Orange County Turnout Project			212,000	1,229,000	1,266,000						2,707,000	2,707,000	
	<i>Total Source of Supply / Storage Projects</i>	61,185	344,871	273,042	1,285,534	1,332,137	66,137	66,137	66,137	66,137	66,137	3,627,451	3,627,451	
<i>Pumping (Water) Projects</i>														
1	Water Stations PLC Upgrade to Control Logix		32,000	33,000	34,000	35,000	36,000	38,000	39,000	40,000	41,000	328,000	328,000	
2	R-6 Seepage Recovery Control Panel Rehabilitation						10,800					10,800	10,800	
3	R-6 Reservoir SCE Meter Box Replacement	14,000										14,000	14,000	
4	R-5 Reservoir Rehabilitation						811,000					811,000	811,000	
5	R-4 Reservoir Interior Recoating		140,600	1,406,000								1,546,600	1,546,600	
5	R-4 Reservoir Interior Recoating (Carryover)			(194,000)								(194,000)	(194,000)	
6	R-2 Reservoir Exterior Recoating					27,200	272,000					299,200	299,200	
7	P-3 Pump Station Generator Project			81,500	815,000							896,500	896,500	
7	P-3 Pump Station Generator Project (Carryover)			(81,500)	(142,625)							(224,125)	(224,125)	
7	P-3 Pump Station Generator Project (Grant Funding)				(672,375)							(672,375)	(672,375)	
8	R-6 Reservoir Floating Cover and Liner Replacement							970,230	970,230	970,230	970,230	3,880,920	3,880,920	
9	SMWD Intertie Restoration							116,000				116,000	116,000	
10	PRV-4 Rehabilitation	50,000										50,000	50,000	
11	Water Distribution System Main Line Replacements						500,000	500,000	500,000	500,000	500,000	2,500,000	2,500,000	
12	Fire Flow Improvements at San Amadeo and Via Carrizo						93,000					93,000	93,000	
13	Fire Flow Improvements at Avenida Sevilla			47,200	472,000							519,200	519,200	
14	Fire Flow Improvements at Ronda Mendoza						144,000					144,000	144,000	
15	Fire Flow Improvements at Calle Sonora and Via Campo Verde	117,700	698,000	479,000								1,294,700	1,294,700	
	<i>Total Pumping (Water) Projects</i>	181,700	870,600	1,771,200	506,000	62,200	1,866,800	1,624,230	1,509,230	1,510,230	1,511,230	11,413,420	11,413,420	
<i>Pumping (Water) Equipment</i>														
1	R-6 Chlorine and Ammonia Injection System Replacement	28,200	58,200									86,400	86,400	
2	R-5 Reservoir Mixing System Replacement							120,000				120,000	120,000	
3	R-1/R-2 Reservoir Mixing System Replacement										215,000	215,000	215,000	
4	Alscot Booster Station Electrical Equipment Replacement		290,000									290,000	290,000	
5	Spartan Booster Station Main Switchboard Retrofit	63,000										63,000	63,000	
6	Spartan Pump & Motor Replacement		103,000									103,000	103,000	
7	P-1 Pump Replacement						121,000					121,000	121,000	
8	Cherry & Shenandoah Spare Motor	12,000		13,000								25,000	25,000	
9	OC-77 Isolation Valve							102,000				102,000	102,000	
	<i>Total Pumping (Water) Equipment</i>	103,200	451,200	13,000	0	0	121,000	222,000	0	0	215,000	1,125,400	1,125,400	

**Ten Year Capital Replacement & Refurbishment Program**  
**F.Y. 2026/27 - 2035/36**

NO.	DESCRIPTION	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	TOTAL	WATER	SEWER
<i>Pumping (Sanitation) Projects</i>														
1	Sewer Stations PLC Upgrade to Control Logix		32,000	33,000	34,000	35,000	36,000	38,000	39,000	40,000	41,000	328,000		328,000
1	Sewer Stations PLC Upgrade to Control Logix (Carryover)		(32,000)	(33,000)	(22,295)							(87,295)		(87,295)
2	Aliso Creek Pump Station Rehabilitation Project			2,566,200	4,277,000	1,710,800						8,554,000		8,554,000
2	Aliso Creek Pump Station Rehabilitation Project (Carryover)			(257,266)								(257,266)		(257,266)
2	Aliso Creek Pump Station Rehabilitation Project (Revenue Bond)			(1,342,235)								(1,342,235)		(1,342,235)
3	4920 Lift Station Coating Rehabilitation			47,000								47,000		47,000
4	Delta Lift Station Main Switchboard Replacement		47,000	145,500								192,500		192,500
5	Delta Lift Station Coating Rehabilitation			51,000								51,000		51,000
6	Delta Lift Station Wall Repair			55,000								55,000		55,000
7	Freeway Lift Station Coating Rehabilitation	110,000										110,000		110,000
8	Westline Lift Station Coating Rehabilitation	105,000										105,000		105,000
9	Mathis Lift Station Coating Rehabilitation	66,000										66,000		66,000
10	Veeh Lift Station Rehabilitation	170,000										170,000		170,000
11	Westline Forcemain Replacement	203,860	763,800	524,800								1,492,460		1,492,460
12	Northline Forcemain Replacement									135,600	1,356,000	1,491,600		1,491,600
13	Veeh 1 Forcemain Replacement							261,400	2,614,000			2,875,400		2,875,400
14	Aliso Creek Forcemain Replacement						522,100	5,221,000				5,743,100		5,743,100
15	Northline Odor Control Project						136,000					136,000		136,000
16	Westline Access Site Improvements		106,000									106,000		106,000
	<i>Total Pumping (Sanitation) Projects</i>	654,860	916,800	1,789,999	4,288,705	1,745,800	694,100	5,520,400	2,653,000	175,600	1,397,000	19,836,264		19,836,264
<i>Pumping (Sanitation) Equipment</i>														
1	Westline Generator Replacement	101,000										101,000		101,000
2	Veeh Electrical Equipment Replacement	315,000										315,000		315,000
3	Veeh Pump Replacement						39,000					39,000		39,000
4	Veeh Generator Unit 209 Replacement							291,000	123,000			414,000		414,000
5	Freeway Pump Replacement	35,000		38,000		40,000						113,000		113,000
6	Mathis Generator Unit 211 Replacement							218,000	123,000			341,000		341,000
7	La Paz Stabilization and Rehabilitation							36,900	369,000			405,900		405,900
8	4920 Electrical Equipment Replacement		190,000									190,000		190,000
	<i>Total Pumping (Sanitation) Equipment</i>	451,000	190,000	38,000	0	40,000	39,000	545,900	615,000	0	0	1,918,900		1,918,900
<i>Treatment (Sanitation) Projects</i>														
1	Headworks and Secondary Clarifier No. 1 Rehabilitation	7,620,000	1,655,000									9,275,000		9,275,000
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Regional WRP MNWD Payout)	(1,000,000)										(1,000,000)		(1,000,000)
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Revenue Bond)	(2,592,965)										(2,592,965)		(2,592,965)
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Grant Funding)		(72,211)									(72,211)		(72,211)
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Capital Reserves)	(1,000,000)				1,000,000						0		0
1	Headworks and Secondary Clarifier No. 1 Rehabilitation (Accumulated Capital)	(714,345)	(671,922)									(1,386,267)		(1,386,267)
2	Secondary Clarifier No. 3 and 4 Rehabilitation							903,000	4,185,000	5,268,000		10,356,000		10,356,000
3	RAS Pump Station Rehabilitation					136,000	1,360,000					1,496,000		1,496,000
4	RAS Pump and Motor Replacement					81,000						81,000		81,000
4	RAS Pump and Motor Replacement (Carryover)					(24,800)						(24,800)		(24,800)
5	Holding Pond Asphalt Repair	37,000										37,000		37,000
6	Holding Pond West Side Drainage			397,000	397,000							794,000		794,000
6	Holding Pond West Side Drainage (Carryover)			(68,250)								(68,250)		(68,250)
7	WRP Site Seal Coat									159,000		159,000		159,000
8	Fine Screen Rehabilitation Project				719,000	2,220,000	5,337,000					8,276,000		8,276,000
9	WRP Network Segmentation	50,000										50,000		50,000
10	Lab Office Improvements						110,000					110,000		110,000
11	Lab Fume Hoods	237,600										237,600		237,600
11	Lab Fume Hoods (Carryover)	(50,000)										(50,000)		(50,000)
12	WRP Generator Replacement							1,256,250	431,500			1,687,750		1,687,750
	<i>Total Treatment (Sanitation) Projects</i>	2,587,290	910,867	328,750	1,116,000	3,412,200	6,807,000	2,159,250	4,616,500	5,427,000	0	27,364,857		27,364,857

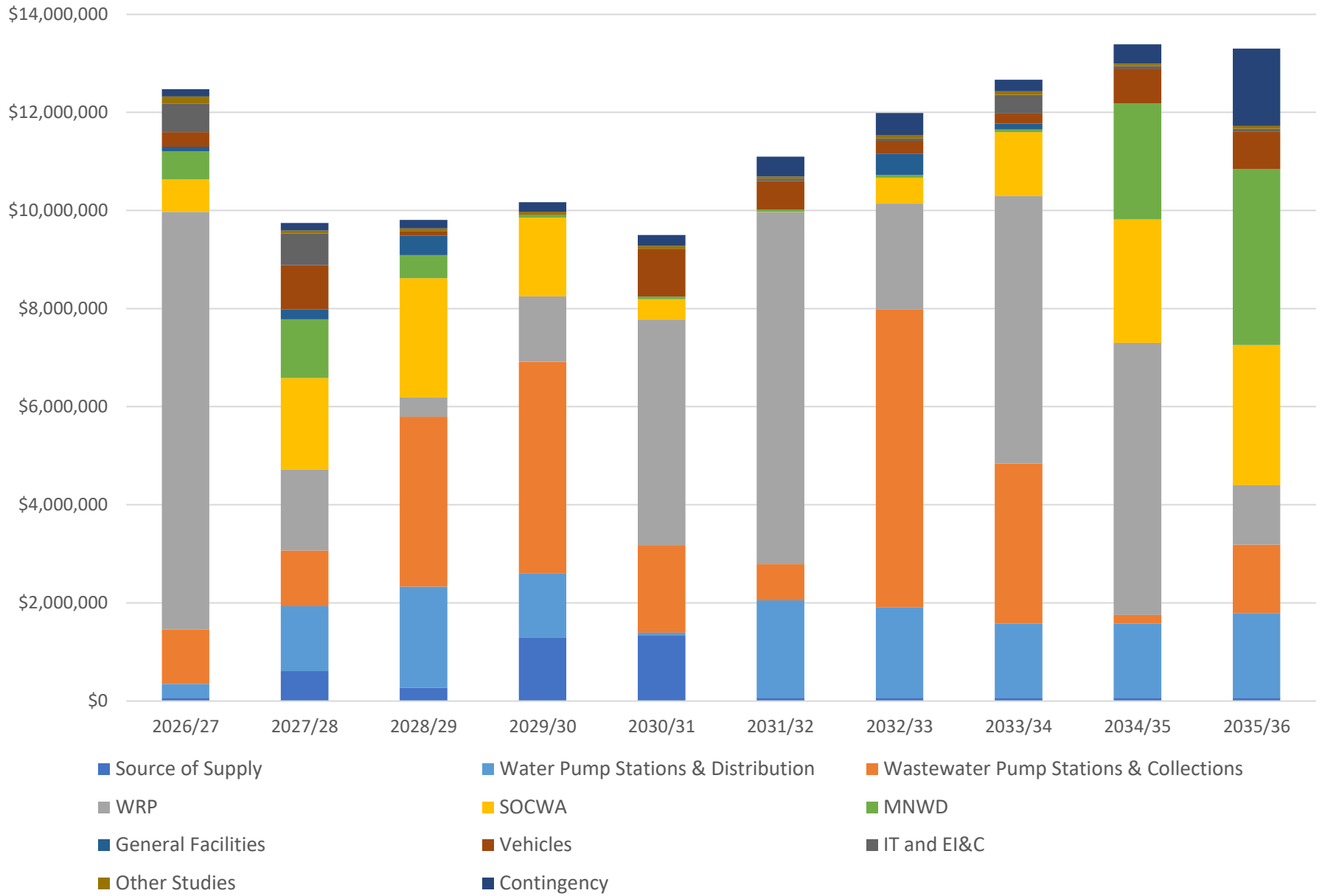
**Ten Year Capital Replacement & Refurbishment Program**  
**F.Y. 2026/27 - 2035/36**

NO.	DESCRIPTION	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	TOTAL	WATER	SEWER
<b><i>Treatment (Sanitation) Equipment</i></b>														
1	Aeration Basin Diffusers	320,000					371,000					691,000		691,000
2	Aeration Basin Valve Replacement	250,000										250,000		250,000
3	New Turbo Blower								831,000			831,000		831,000
4	MCC-GB1 Replacement				125,300	1,253,000						1,378,300		1,378,300
5	MCC-GB2 Replacement									121,200	1,212,000	1,333,200		1,333,200
6	MCC-RA Replacement				90,500	905,000						995,500		995,500
	<b>Total Treatment (Sanitation) Projects</b>	<b>570,000</b>	<b>0</b>	<b>0</b>	<b>215,800</b>	<b>2,158,000</b>	<b>371,000</b>	<b>0</b>	<b>831,000</b>	<b>121,200</b>	<b>1,212,000</b>	<b>5,479,000</b>		<b>5,479,000</b>
<b><i>Outside Treatment (SOCWA and MNWD)</i></b>														
1	SOCWA Capital Budget	662,635	1,858,376	2,429,200	1,603,406	417,098	4,076	529,385	1,305,350	2,518,150	2,855,000	14,182,676		14,182,676
1	SOCWA (Reserve Funding)	(662,635)	(1,858,376)									(2,521,011)		(2,521,011)
2	MNWD Regional WRP Capital Budget	571,990	1,201,193	471,025	51,025	51,025	51,025	51,025	51,025	2,366,540	3,582,976	8,448,849		8,448,849
2	MNWD Regional WRP (Reserve Funding)	(571,990)	(310,789)									(882,779)		(882,779)
	<b>Total Outside Treatment (SOCWA and MNWD)</b>	<b>0</b>	<b>890,404</b>	<b>2,900,225</b>	<b>1,654,431</b>	<b>468,123</b>	<b>55,101</b>	<b>580,410</b>	<b>1,356,375</b>	<b>4,884,690</b>	<b>6,437,976</b>	<b>19,227,735</b>		<b>19,227,735</b>
<b><i>Vehicles/Vehicle Equipment</i></b>														
1	Vehicle Replacement	151,944	86,946	89,554		95,008	293,574	262,064	207,635	201,177	373,980	1,761,881	880,941	880,941
1	Vehicle Replacement (Carryover)	(91,693)										(91,693)	(45,847)	(45,847)
2	Hydro Excavator		813,000									813,000	813,000	
3	Valve Insertion Equipment	146,000										146,000	146,000	
4	Vactor Truck					881,000						881,000		881,000
5	Sewer Camera Truck										397,000	397,000		397,000
6	Sewer Cleaning Truck									506,000		506,000		506,000
7	New 275 kW Portable Generator						287,000					287,000	143,500	143,500
	<b>Total Vehicles/Vehicle Equipment</b>	<b>206,251</b>	<b>899,946</b>	<b>89,554</b>	<b>0</b>	<b>976,008</b>	<b>580,574</b>	<b>262,064</b>	<b>207,635</b>	<b>707,177</b>	<b>770,980</b>	<b>4,700,188</b>	<b>1,937,594</b>	<b>2,762,594</b>
<b><i>General Building Projects</i></b>														
1	Warehouse Backup Generator Unit 216 Replacement							366,000	123,000			489,000	244,500	244,500
2	Field Office Floor and Chair Replacement	83,000										83,000	41,500	41,500
3	Main Office Seal Coat							74,000				74,000	37,000	37,000
4	Main Office MTS Installation	10,000										10,000	5,000	5,000
5	Administration Building Rehabilitation		200,000	400,000								600,000	300,000	300,000
	<b>Total General Building Projects</b>	<b>93,000</b>	<b>200,000</b>	<b>400,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>440,000</b>	<b>123,000</b>	<b>0</b>	<b>0</b>	<b>1,256,000</b>	<b>628,000</b>	<b>628,000</b>
<b><i>IT and EI&amp;C</i></b>														
1	Radio System for Emergency Communications		124,000									124,000	62,000	62,000
2	Data Center Hardware Replacement		275,000						328,000			603,000	301,500	301,500
3	Radio Communications Conversion from Cellular	500,000	250,000									750,000	375,000	375,000
3	Radio Communications Conversion from Cellular (Carryover)	(500,000)										(500,000)	(250,000)	(250,000)
4	Geolocator	15,000										15,000	7,500	7,500
5	Satellite Routers				11,000							11,000	5,500	5,500
6	Firewall Replacement	60,000										60,000	30,000	30,000
7	System-Wide Security Camera Implementation						47,000	48,000	50,000	51,000	53,000	249,000	124,500	124,500
	<b>Total IT and EI&amp;C</b>	<b>75,000</b>	<b>649,000</b>	<b>0</b>	<b>11,000</b>	<b>0</b>	<b>47,000</b>	<b>48,000</b>	<b>378,000</b>	<b>51,000</b>	<b>53,000</b>	<b>1,312,000</b>	<b>656,000</b>	<b>656,000</b>
<b><i>Other Studies</i></b>														
1	General Studies Fund	31,000	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	40,000	355,000	177,500	177,500
2	GIS Data Updates	15,000										15,000	7,500	7,500
3	Distribution System Condition Assessments	3,700	3,900	4,000	4,100	4,200	4,300	4,500	4,600	4,700	4,900	42,900	42,900	
4	Arc Flash Analysis Update	30,000	21,000	16,000	22,000	17,000	6,000	30,000	31,000	6,000	13,000	192,000	96,000	96,000
5	Impressed Current Cathodic System Monitoring Program	72,000										72,000	72,000	
	<b>Total Other Studies</b>	<b>151,700</b>	<b>56,900</b>	<b>53,000</b>	<b>60,100</b>	<b>56,200</b>	<b>46,300</b>	<b>71,500</b>	<b>73,600</b>	<b>49,700</b>	<b>57,900</b>	<b>676,900</b>	<b>395,900</b>	<b>281,000</b>
<b><i>Contingency</i></b>														
1	Contingency	150,300	155,625	171,691	190,647	225,526	401,494	444,969	236,368	390,831	1,579,782	3,947,233	1,973,617	1,973,617
	<b>Contingency</b>	<b>150,300</b>	<b>155,625</b>	<b>171,691</b>	<b>190,647</b>	<b>225,526</b>	<b>401,494</b>	<b>444,969</b>	<b>236,368</b>	<b>390,831</b>	<b>1,579,782</b>	<b>3,947,233</b>	<b>1,973,617</b>	<b>1,973,617</b>

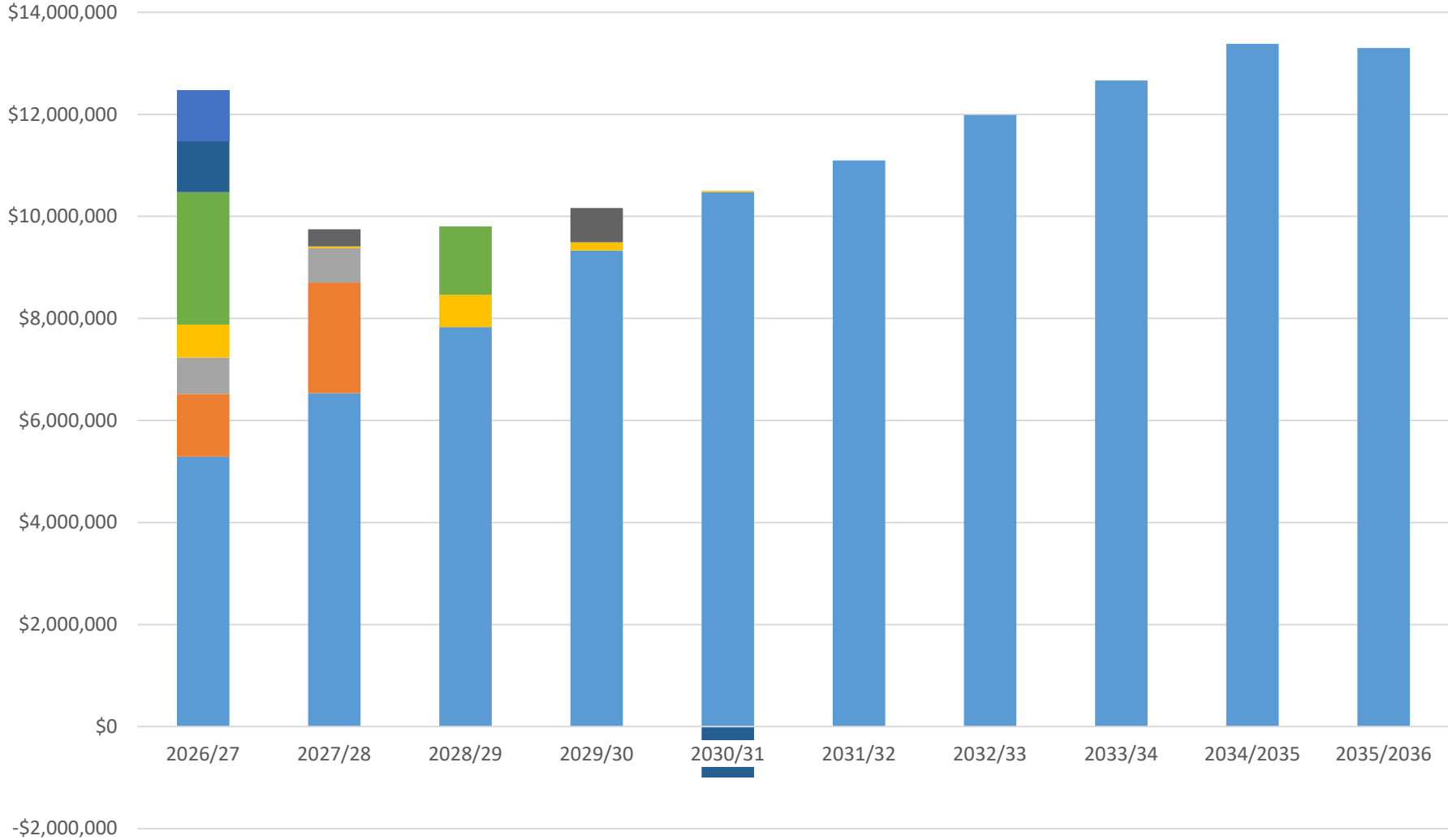
**Ten Year Capital Replacement & Refurbishment Program**  
**F.Y. 2026/27 - 2035/36**

NO.	DESCRIPTION	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	TOTAL	WATER	SEWER
<b><i>Total Capital Budget</i></b>		5,285,485	6,536,212	7,828,460	9,328,217	10,476,193	11,095,505	11,984,860	12,665,845	13,383,565	13,301,005	101,885,348	21,757,382	80,127,966
<b><i>Total Capital Projects</i></b>		3,771,885	4,073,052	6,151,949	8,178,878	6,955,361	9,708,634	10,028,206	9,714,838	9,866,427	7,041,146	75,490,376	16,915,579	58,574,796
<i>WATER</i>		424,160	1,509,777	2,315,665	1,871,296	1,480,918	2,058,610	1,876,609	1,673,559	1,701,274	2,003,712	16,915,579	16,915,579	
<i>SEWER</i>		3,347,725	2,563,275	3,836,284	6,307,583	5,474,443	7,650,024	8,151,597	8,041,280	8,165,153	5,037,434	58,574,796		58,574,796
<b><i>Total Capital Equipment</i></b>		1,513,601	2,463,160	1,676,512	1,149,339	3,520,832	1,386,871	1,956,653	2,951,007	3,517,138	6,259,859	26,394,972	4,841,802	21,553,170
<i>WATER</i>		370,900	1,546,079	100,700	53,162	103,885	535,160	671,274	413,410	223,797	823,436	4,841,802	4,841,802	
<i>SEWER</i>		1,142,700	917,081	1,575,812	1,096,177	3,416,947	851,711	1,285,379	2,537,597	3,293,342	5,436,424	21,553,170		21,553,170
<b><i>Total Capital Investment</i></b>		12,473,528	9,745,010	9,804,712	10,165,512	9,500,993	11,095,505	11,984,860	12,665,845	13,383,565	13,301,005	114,120,534	23,263,719	90,708,892
<i>Capital Budget</i>		5,285,485	6,536,212	7,828,460	9,328,217	10,476,193	11,095,505	11,984,860	12,665,845	13,383,565	13,301,005	101,885,348	21,757,382	80,127,966
<i>SOCWA Reserve</i>		1,234,625	2,169,165	0	0	0	0	0	0	0	0	3,403,790	0	3,403,790
<i>Accumulated Capital</i>		714,345	671,922	0	0	0	0	0	0	0	0	1,386,267	0	1,386,267
<i>Carryover</i>		646,107	32,000	634,016	164,920	24,800	0	0	0	0	0	1,501,843	570,462	635,534
<i>Recycled Reserves</i>		0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Bond Funds</i>		2,592,965	0	1,342,235	0	0	0	0	0	0	0	3,935,201	0	4,083,124
<i>Capital Reserves</i>		1,000,000	0	0	0	(1,000,000)	0	0	0	0	0	0	0	0
<i>Regional WRP MNWD Payout</i>		1,000,000	0	0	0	0	0	0	0	0	0	1,000,000	0	1,000,000
<i>Grant Funding</i>		0	335,711	0	672,375	0	0	0	0	0	0	1,008,086	935,875	72,211

### Capital Expenditures by Category



# Capital Expenditures by Funding Source





## STAFF REPORT

---

**To: Board of Directors**

**Meeting Date: April 20, 2026**

**From: Dennis Cafferty, General Manager  
Vishav Sharma, CFO**

**Subject: 2026-2027 Fiscal Year Water, Recycled Water and Wastewater Rate  
Study Report**

---

At the Board Budget Workshop conducted on April 9 the Board deferred approval of the Cost of Service Rate Study until the MWD final rates were available and incorporated into the ETWD budget.

At the April 14 Metropolitan Water District Board meeting, the MWD Board approved the biennial budget and rates which, according to MWD staff, amount to an approximate 6.2% overall rate increase.

Following the adoption of the MWD budget, District staff updated the ETWD Purchased Water worksheets and provided the updated purchased water expense data to Raftelis. Raftelis confirmed the new water usage rates that are incorporated in the final Proposition 218 Notice.

Raftelis subsequently updated the Rate Study Report. The final Report will be provided under separate cover as it was not ready in time for distribution with the balance of the Board package.

### **Recommended Action**

Staff recommend that the Board of Directors approve the 2026-27 Fiscal Year Water, Recycled Water and Wastewater Rate Study Report.



## STAFF REPORT

---

**To:** Board of Directors **Meeting Date:** April 20, 2026

**From:** Judy Cimorell, Director of Human Resources  
Oscar Hernandez, Accounting Technician

**Subject:** Quarterly Insurance Report

---

The Quarterly Insurance Report for the period January 1, 2026 through March 31, 2026 is attached.

### **Recommended Action**

Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period January 1, 2026 through March 31, 2026.



**EL TORO WATER DISTRICT  
INSURANCE UPDATE  
APRIL 1, 2026**

**Liability Program**

There is nothing new to report this quarter.

**Property Insurance**

There is nothing new to report this quarter.

**Excess Public Employee Fidelity Program**

There is nothing new to report this quarter.

**Cyber Security Insurance**

There is nothing new to report this quarter.

**Underground Storage Tank Pollution Liability**

There is nothing new to report this quarter.

**Dam Failure Liability**

There is nothing new to report this quarter.

**Fiduciary Liability Policy**

There is nothing new to report this quarter.

**Liability & Property Claims**

There is nothing new to report this quarter.

### **Workers' Compensation Policy**

The Workers' Compensation Policy renewed on July 1, 2025, and runs through June 30, 2026.

### **Workers' Compensation Claims**

One Workers' Compensation injury was reported this quarter. The employee has been out of work since the date of injury on February 12, 2026.

### **Medical Insurance**

The District offers five medical plans as follows:

Kaiser Health - \$10 office co-pay with no annual deductibles.

Anthem Blue Cross – HMO; Offers a \$10 copay with no annual deductibles.

Anthem Blue Cross – PPO; this plan offers benefits within the physician network and outside of the network. In network, there is a co-pay of \$15.00 with an annual deductible of \$200 per person and \$600 per family. Out of the network, benefits are offered at 20% cost to the employee for all covered services with the same annual deductibles.

Kaiser Consumer Driven Health Plan along with an HSA – A high deductible tax advantaged health plan that provides for current medical and pharmacy expenses and allows saving for future health care expenses. \$1,500 individual / \$3,000 family deductible

Anthem Consumer Driven Health Plan along with a Health Savings Account - A high deductible tax advantaged plan that provides for current medical and pharmacy expenses and allows saving for future health care expenses. \$1,500 individual / \$3,000 family deductible.

The average cost per month per employee for the third quarter is \$1715.53

### **Vision Insurance**

VSP provides vision coverage to our employees, Directors and dependents. It provides an annual eye exam and discounted rates for frames, lenses and contacts.

The cost per month per employee for the third quarter is \$17.21.

### **Dental Insurance**

The District provides dental coverage with Delta Dental. Our dental insurance pays up to \$3,000 per calendar year for covered services. All preventative services are covered at no charge which includes three cleanings per year with the copay waived.

The average cost per month per employee for the third quarter is \$135.46.

### **Long and Short Term Disability Insurance**

The District offers Long and Short Term Disability Program through Lincoln National Life Insurance Company. The Long Term Disability program provides a maximum monthly benefit of \$10,000. The Short Term Disability program provides a maximum weekly benefit of \$ 1,500.

Both Short and Long Term Disability Programs are paid by the District and provides disability payments up to two thirds of an employee's weekly or monthly salary if the claim is approved.

Average cost per month per employee for the third quarter is \$77.38.

### **Long Term Care Insurance – This Policy has been terminated effective 02/01/2026**

Long Term care is a program that provides a monthly benefit of \$2,500 to be applied to home health care or an assisted living facility.

Average cost per month per employee for the third quarter is \$6.04.

### **Life Insurance Coverage**

The District offers Life Insurance coverage through Lincoln National Life Insurance Company at twice the employee's annual salary up to a maximum of \$300,000.

Lincoln National Life Insurance Company also provides life insurance coverage for the Directors.

Premium rates are based on the age and salary of insured employees. The premium is adjusted on the employee's birthday every fifth year.

The average cost per month per employee for the third quarter is \$60.62.

### **Employee Assistance Program (EAP) Coverage**

UNUM is the District's carrier for the Employee Assistance Program. This program offers assistance in many areas such as childcare, eldercare, legal consultations, and health information, personal relationship issues, financial planning assistance, stress management, and career development. This benefit also comes with a \$5,000 portable term life insurance benefit.

The cost per month per employee for the third quarter is \$1.91.

**An insurance report of Budget vs. Actual Costs for the fiscal year 2025/2026 is attached for the Board's review as well as a summary of currently held District insurance policies.**

Submitted by:  
Judy Cimorell  
Oscar Hernandez

**Budget vs. Actual - Q3 2025/2026  
4/1/2026**

	<b>Budget</b>	<b>Actual Paid to Date</b>	<b>Remaining</b>	
<b>Insurance Coverage</b>				
Liability	\$220,000.00	\$274,157.37	(\$54,157.37)	
Property	\$160,000.00	\$130,140.55	\$29,859.45	
Fiduciary Liability	\$9,000.00	\$11,787.00	(\$2,787.00)	
Cyber Liability	\$9,000.00	\$10,052.00	(\$1,052.00)	
Dam Insurance (Includes Excess)	\$48,000.00	\$52,701.00	(\$4,701.00)	
Less: SMWD - 50% R-6 Cost Share		-\$26,350.50		
MNWD - 5% R-6 Cost Share		-\$2,635.05		
Dam Insurance (Rossmoor)	\$4,500.00	\$2,240.00	\$2,260.00	
Underground Storage Tank	\$2,000	\$2,061.91	(\$61.91)	
Excess Crime	\$2,000	\$1,434.00	\$566.00	
<b>Total Insurance</b>	<b>\$454,500</b>	<b>\$455,588.28</b>	<b>(\$30,074)</b>	
				<b>Accumulative</b>
<b>Benefits - Directors</b>	<b>Annual Budget</b>	<b>Q3 Budget</b>	<b>Q3 Actual</b>	<b>Budget Remaining</b>
Medical Employer Paid	\$27,000	\$20,250	\$19,388	\$7,612
Health Savings Account	\$1,700	\$1,275	\$1,700	\$0
Dental	\$4,600	\$3,450	\$3,408	\$1,192
Vision	\$1,100	\$825	\$774	\$326
Life	\$150	\$113	\$89	\$61
<b>Total Benefits Directors</b>	<b>\$34,550</b>	<b>\$25,913</b>	<b>\$25,359</b>	<b>\$9,191</b>
<b>Retiree Benefits</b>				
Medical Employer Paid	\$406,445	\$304,834	\$284,948	\$121,497
<b>Total retiree benefits</b>	<b>\$406,445</b>	<b>\$304,834</b>	<b>\$284,948</b>	<b>\$121,497</b>
<b>Employee Benefits</b>				
Emp.Assistance Program	\$1,276	\$957	\$974	\$302
Medical Employer Paid	\$1,232,297	\$924,223	\$859,266	\$373,031
Health Savings Account	\$28,050	\$21,038	\$27,200	\$850
Life/AD&D	\$41,864	\$31,398	\$31,676	\$10,188
Dental	\$99,420	\$74,565	\$69,084	\$30,336
Vision	\$12,550	\$9,413	\$9,052	\$3,498
LTD/STD	\$53,883	\$40,412	\$40,502	\$13,381
LTC Employer Paid	\$10,498	\$7,874	\$6,452	\$4,046
Workers comp.	\$169,198	\$126,899	\$104,149	\$65,049
<b>Total Employee Benefits</b>	<b>\$1,649,036</b>	<b>\$1,236,777</b>	<b>\$1,148,355</b>	<b>\$500,681</b>

## SUMMARY OF COVERAGE

Page 5

<b>Type of Coverage</b>	<b><u>GENERAL LIABILITY</u></b>	<b>Coverage Term: 10/25-10/26</b>
<b>Coverage Includes</b>	1. Commercial General Liability 2. Contractual Liability 3. Products/Completed Operations 4. Personal Injury	<b>Premium - \$274,157.37</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

---

---

<b>Type of Coverage</b>	<b><u>AUTO LIABILITY</u></b>	<b>Coverage Term: 10/25-10/26</b>
<b>Coverage Includes</b>	1. Owned Automobiles/Trucks 2. Non-owned Automobiles/Trucks 3. Hired Automobiles/Trucks	<b>Premium - Included</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

---

---

<b>Type of Coverage</b>	<b><u>PUBLIC OFFICIALS LIABILITY</u></b>	<b>Coverage Term: 10/25-10/26</b>
<b>Coverage Includes</b>	1. Errors & Omissions	<b>Premium - Included</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

---

---

<b>Type of Coverage</b>	<b><u>PROPERTY</u></b>	<b>Coverage Term: 7/25 - 7/26</b>
<b>Coverage Includes</b>	1. Basic Property Values- Building, Fixed Equipment, Personal Property 2. Mobile Equipment Value 3. Licensed Vehicle - Comprehensive & Collision - Private Passenger, Light Truck, Sport Utility, Other Vehicles	<b>Premium - \$130,140.55</b>
<b>Automobile Physical Damage</b> Comprehensive - 83 Vehicles Collision - 83 Vehicles		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

---

---

---

<b>Type of Coverage</b>	<b><u>EXCESS CRIME PROGRAM</u></b>	<b>Coverage Term: 7/25 - 6/26</b>
<b>Coverage Includes</b>	<ol style="list-style-type: none"> <li>1. Public Employee Dishonesty</li> <li>2. Forgery or Alteration</li> <li>3. Computer Fraud</li> <li>4. Faithful Performance of Duty</li> <li>5. Treasurer/Tax Collector/Board Members (included)</li> </ol>	<b>Premium - \$1,434.00</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

---

<b>Type of Coverage</b>	<b><u>UNDERGROUND STORAGE TANK POLLUTION LIABILITY</u></b>	<b>Coverage Term: 7/25 - 06/26</b>
<b>Coverage Includes</b>	<ol style="list-style-type: none"> <li>1. Claims-Made</li> <li>2. Environmental Incident</li> </ol>	<b>Premium - \$2,061.91</b>
<b>Covers 1 Tank Located at: 23542 Moulton Parkway Laguna Woods, CA 92637</b>		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Pooled Self-insured	MOLC - 100110

---

<b>Type of Coverage</b>	<b><u>DAM FAILURE LIABILITY</u></b>	<b>Coverage Term: 10/25-10/26</b>
<b>Coverage (Includes Excess Ins. for El Toro Reservoir)</b>	\$10,000,000.00	<b>Premium - \$52,701.00</b>
<b>Covers: El Toro Reservoir Rossmoor Dam</b>	\$5,000,000.00	<b>Premium - \$2,240.00</b>
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
		MOLC - 100110

---

<b>Type of Coverage</b>	<b><u>FIDUCIARY LIABILITY</u></b>	<b>Coverage Term: 9/25-9/26</b>
<b>Coverage Includes</b>	1. Executive Protection Policy	<b>Premium - \$11,787.00</b>
<b>Parent Organization: ETWD Retirement Savings Plan &amp; Trust Agreement</b>		
<b>Coverage Limits</b>	<b>Insurance Carrier</b>	<b>Policy Number</b>
	Hudson Insurance Company	SFD31211603

---

<b>Type of Coverage</b>	<b><u>CYBER SECURITY</u></b>	<b>Coverage Term: 7/25-7/26</b>
First Year		<b>Premium - \$10,052.00</b>

---

---

Type of Coverage	<b><u>WORKERS' COMPENSATION</u></b>	Coverage Term: 7/25 - 6/26
Coverage Includes	1. Coverage A - Workers' Compensation 2. Coverage B - Employer's Liability	3rd Quarter Premium \$34,684
Coverage Limits	Insurance Carrier	Policy Number
Coverage A \$0 - \$2 Million \$2 Million to Statutory	Pooled Self-insured	MOLC - 100110
Coverage Limits	Insurance Carrier	Policy Number
Coverage B \$0 - \$2 Million \$2 Million excess of \$2 Million SIR	Pooled Self-insured	MOLC - 100110

---

Type of Coverage	<b><u>LIFE &amp; ACCIDENT</u></b>	3rd Quarter Premium \$10,577
Coverage Includes	Coverage - 2 X Annual Income (Max. of \$300,000)	
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218807
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

---

Type of Coverage	<b><u>LONG / SHORT TERM DISABILITY</u></b>	3rd Quarter Premium \$13,465
Coverage Includes	Two Thirds of Insured Earnings Max. of \$10,000	
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218808
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	30 Days STD 90 Days or 9 Weeks LTD	

---

Type of Coverage	<b><u>LONG TERM CARE</u></b>	3rd Quarter Premium \$1,051
Coverage Includes	\$2,500/Month \$150,000 Total Benefit	
Insurance Carrier	UNUM	Policy # 220384
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	365 Days	

---

---

Type of Coverage	<u>MEDICAL</u>	3rd Quarter Premium \$434,282
Coverage Includes	HMO, PPO, HDP by Employee Choice	
Insurance Carrier	Anthem Blue Cross / Kaiser Insurance thru ACWA/JPIA	Policy #229CA
Eligibility Period	1 Month After Hire	
Plan Wait or Deductible	30 Days * Premium includes Employees, Retirees & Directors	

---

Type of Coverage	<u>DENTAL</u>	3rd Quarter Premium \$24,726
Coverage Includes	\$25.00 or \$50.00/Family	
Insurance Carrier	Delta Dental Plan of California	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

---

Type of Coverage	<u>VISION</u>	3rd Quarter Premium \$3,270
Coverage Includes	Annual Exam/Frame Every 2 Years	
Insurance Carrier	Vision Service Plan thru ACWA	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

---

Type of Coverage	<u>PERSONAL ACCIDENT INSURANCE</u>	3rd Quarter Premium Employee Paid
Coverage Includes	\$50,000 or \$100,000	
Insurance Carrier	CIGNA	Policy # OKH-1253-56
Eligibility Period	Optional	
Plan Wait or Deductible	None	

---

Type of Coverage	<u>Supplemental Financial Insurance Program</u>	3rd Quarter Premium Employee Paid
Coverage Includes	Voluntary - Life, Accident / Injury, Hospital, Critical Care, Short-term Disability, Dental	
Insurance Carrier	AFLAC	Policy # E3B26
Eligibility Period	Optional	
Plan Wait or Deductible	None	

---



**STAFF REPORT**

---

**To: Board of Directors**

**Meeting Date: April 20, 2026**

**From: Vishav Sharma, Chief Financial Officer**

**Subject: March 2026 bills for Approval**

---

Attached for Board approval is the payment summary report for the month of March, 2026 which presents checks, ACH and Wire Transfers 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 February 2026:

1. The total disbursement including payroll expense and ACH/Direct debts for the month of March 2026 is \$2,439,698.85
2. These disbursements include four checks greater than \$75,000, with the total equal to \$689,434.99. Staff recommends the Board approve these checks.
3. District employees were reimbursed \$943.08 for travel, education, meals, supplies and certification related expenses; and Directors were reimbursed \$236.09 for travel expenses.
4. Payroll and benefits expenses of \$644,137.85 occurred during the month. This cost includes the cost of employee and Director's payroll, pension and benefits.
5. Total disbursement via ACH, Wire or direct debit for the month is \$456,727.43.

**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 March 31, 2026.

**EL TORO WATER DISTRICT**  
**Payment Summary**  
**For the month ending March 31, 2026**

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
15039	03/05/2026	Irvine Ranch Water District	253,827.62
15045	03/05/2026	ACWA JPIA	157,434.95
15005	03/19/2026	ACWA JPIA	153,983.23
15046	03/19/2026	Southern California Edison Company	124,189.19
<b>CHECKS OVER \$75,000</b>			<b>\$ 689,434.99</b>
<b>CHECKS UNDER \$75,000</b>			<b>\$ 649,398.58</b>
<b>TOTAL CHECKS PAID</b>			<b>\$ 1,338,833.57</b>

**REIMBURSEMENTS TO ETWD EMPLOYEES**

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
15144	03/05/2026	Mark Roche (Work Boots)	400.00
15194	03/12/2026	William Wesson (Educational Reimbursement)	389.85
15245	03/27/2026	Steve Wingen (Certification)	105.00
15172	03/12/2026	Dennis Cafferty (Lunch Meeting)	48.23
<b>TOTAL CHECKS TO EMPLOYEES</b>			<b>\$ 943.08</b>

**REINBURSEMENTS TO ETWD DIRECTORS**

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
15178	03/12/2026	Mark Monin (Travel Expense)	210.26
15177	03/12/2026	Kathryn Freshley (Travel Expense)	25.83
<b>TOTAL CHECKS TO DIRECTORS</b>			<b>\$ 236.09</b>

**DEBIT TRANSFERS**

03/06/2026	PAYROLL DIRECT DEPOSIT	174,047.54
03/06/2026	FEDERAL DEPOSIT LIABILITY	38,172.61
03/06/2026	SDI & STATE TAX	16,617.58
03/06/2026	EMPOWER (401K)	67,343.96
03/06/2026	EMPOWER (457)	23,296.20
03/06/2026	HEALTH SAVINGS ACCOUNT	440.76
03/06/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT	769.26
03/06/2026	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	596.16
03/13/2026	PAYROLL BOARD OF DIRECTOR	7,904.54
03/13/2026	SS, MEDICARE, SDI & STATE TAX	1,404.57
03/13/2026	EMPOWER (457)	2,621.95
03/13/2026	HEALTH SAVINGS ACCOUNT	108.33
03/13/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT	208.34
03/20/2026	PAYROLL DIRECT DEPOSIT	168,891.25
03/20/2026	FEDERAL DEPOSIT LIABILITY	36,820.00
03/20/2026	SDI & STATE TAX	15,952.50
03/20/2026	EMPOWER (401K)	65,847.61
03/20/2026	EMPOWER (457)	21,288.51
03/20/2026	HEALTH SAVINGS ACCOUNT	440.76
03/20/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT	769.26
03/20/2026	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT	596.16
<b>Total Payroll Expense</b>		<b>644,137.85</b>

**ACH or Direct Debits**

03/31/2026	BANK and ADP FEES	4,648.88
03/31/2026	ACH payments	450,489.42
03/31/2026	ACH payments (Health Equity)	1,589.13
<b>Total Other Expense</b>		<b>456,727.43</b>

**TOTAL INTERBANK WIRES/ ACH / DEBIT TRANSFERS \$ 1,100,865.28**

**TOTAL DISBURSEMENTS \$ 2,439,698.85**

MINUTES OF THE REGULAR MEETING  
& OF THE  
ENGINEERING COMMITTEE MEETING

March 23, 2026

At approximately 7:44 a.m. Director McClean called the Engineering Committee meeting to order.

Directors 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, JUDY CIMORELL, Director of Human Resources (Zoom), VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, SHERRI SEITZ, Public Affairs Manager (Zoom), Rory Harnisch, Senior Engineer (7:48 a.m.), VU CHU, Water Resources Supervisor (Zoom), VICKI TANIOUS, Senior Accountant (Zoom), CAROL MOORE, City of Laguna Woods (Zoom), and MARISOL MELENDEZ, Recording Secretary.

Consent Calendar

Director McClean asked for a Motion.

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

Roll Call Vote:

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

## Engineering Information Items

### El Toro Water District Operations Report

Mr. Hopkins reported that staff is working on the air vacs and blow off maintenance this month.

### El Toro Water District Capital Project Status Report

#### Battery and Solar Projects

Ms. Ford reported that, after further financial analysis, the battery project may not be financially viable due to associated risks and uncertainties. She stated that the consultant, Terra Verde, is working at-risk and has contacted 14 vendors for interest in entering into a Public Private Partnership (P3), under which a third party would assume project risk but would receive the SGIP and potential federal reimbursement. Ms. Ford added that staff and the consultant are working with SGIP to obtain an extension and, if granted, an update will be provided next month. If the extension is not approved, the project will be cancelled and the reservation fee will be refunded.

Ms. Ford stated that the solar project has less urgency, and the consultant is currently performing value engineering. She noted that a key challenge is that the 25-year agreements for the solar projects restrict the land use for solar generation for that period.

### Headworks and Secondary Clarifier No. 1 Rehabilitation Project

Mr. Harnisch reported that Filanc is continuing to progress through the submittal phase and is preparing for work inside the Water Recycling Plant (WRP) near the Influent Pump Station.

### R-6 Reservoir Southern Slope Repair Project

Mr. Harnisch reported that a temporary irrigation system has been installed and the project will soon be in the landscape maintenance phase.

### Freeway Electrical Equipment Replacement

Mr. Harnisch reported that staff is exploring the option to convert existing power from an overhead pole to underground conduit for ease of manhole maintenance. Staff is also investigating potentially raising the canopy in order to fit the electrical equipment.

### Moulton/EI Toro Cathodic Repair Project

Mr. Harnisch stated that staff is working with the contractor to complete the construction agreement which will be followed by the Notice to Proceed.

Mr. Harnisch left the meeting at approximately 8:02 a.m.

### Aliso Creek Lift Station Improvement Project

Ms. Ford reported that staff have drafted construction easement agreements with GRF and United Mutual. The project is moving toward the final design phase, and staff expects to learn next month if the District's subapplication to FEMA's HMGP will move to the federal level.

### 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 8:05 a.m.

### Attorney Report

Mr. Granito reported that there is a need for a Closed Session today in regards to the item on today's Closed Session Agenda

### Closed Session

At approximately 8:06 a.m. everyone left the open session except the Board members, General Counsel, and Mr. Cafferty.

Regular Session

At approximately 8:16 a.m., the meeting returned to Regular Session. Also, at this time, 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 8:17 a.m.

Respectfully submitted,

---

MARISOL MELENDEZ  
Recording Secretary

APPROVED:

---

KATHRYN FRESHLEY, President  
of the El Toro Water District and the  
Board of Directors thereof

---

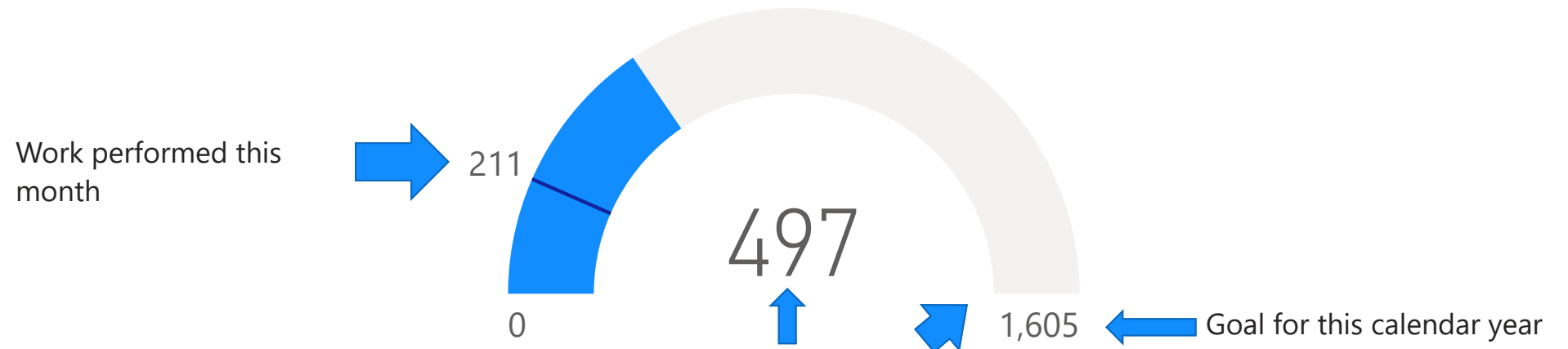
DENNIS P. CAFFERTY, Secretary  
of the El Toro Water District and the  
Board of Directors thereof



# Operations Report

March 2026

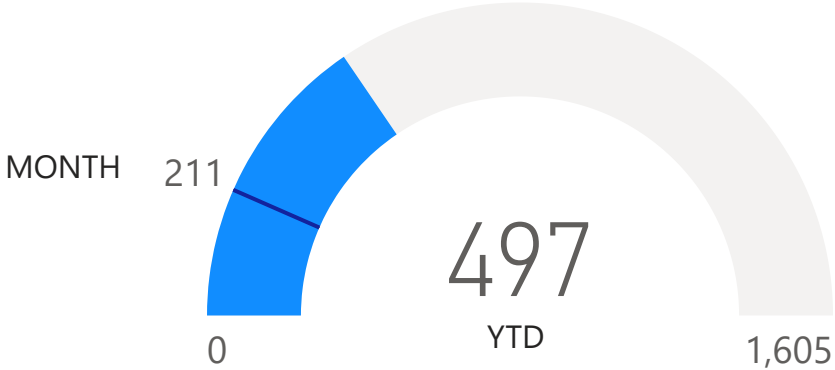
How to read the graphics in this report:



# Valves

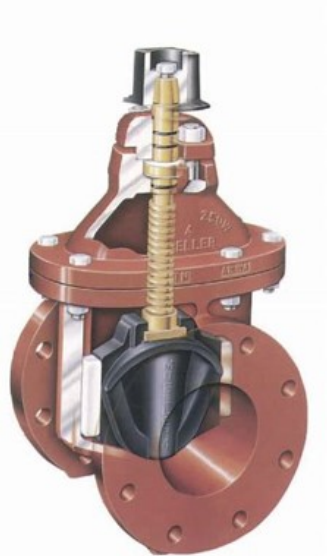
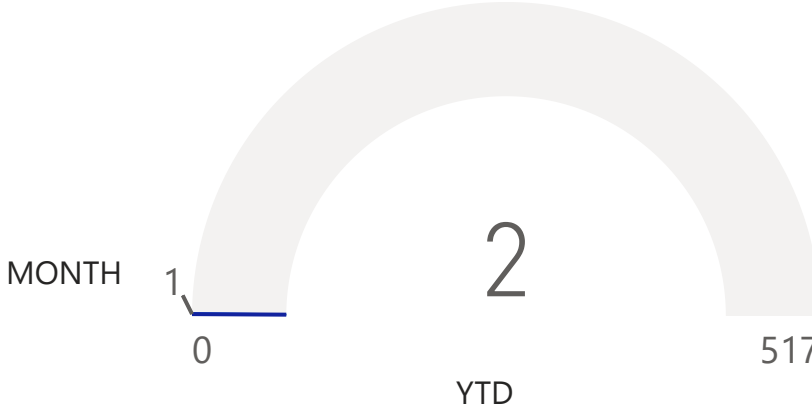
## Distribution Valves Operated

Mainline



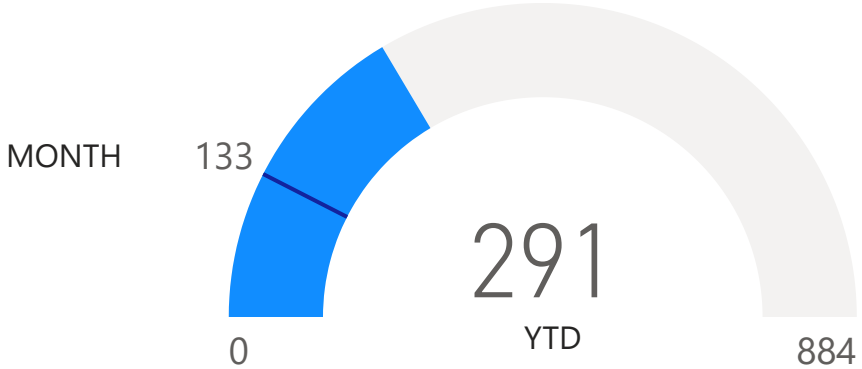
## Arterial Valves Operated

Mainline



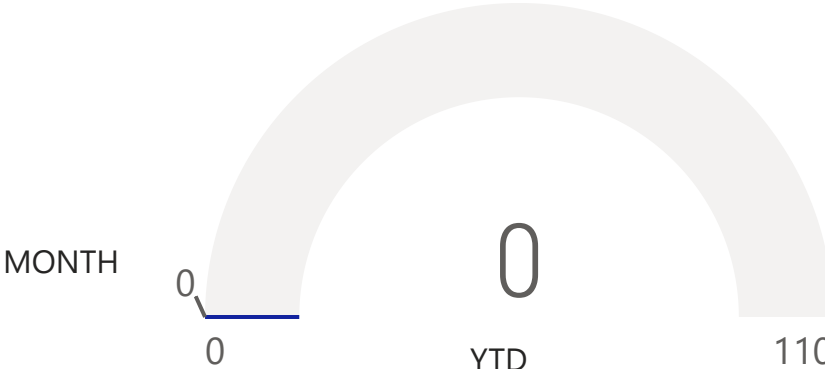
## Distribution Valves Operated

Fire Hydrant



## Arterial Valves Operated

Fire Hydrant



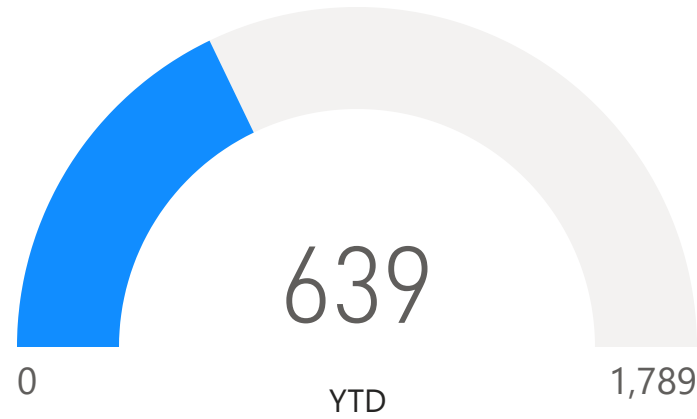
Asset	Month	YTD
Potable Valves Repaired	0	0
Potable Valves Replaced	2	5
Valve Cans Adjusted/Replaced	3	17
Valve Cans Cleaned	326	785
<b>Total</b>	<b>331</b>	<b>807</b>

Note:

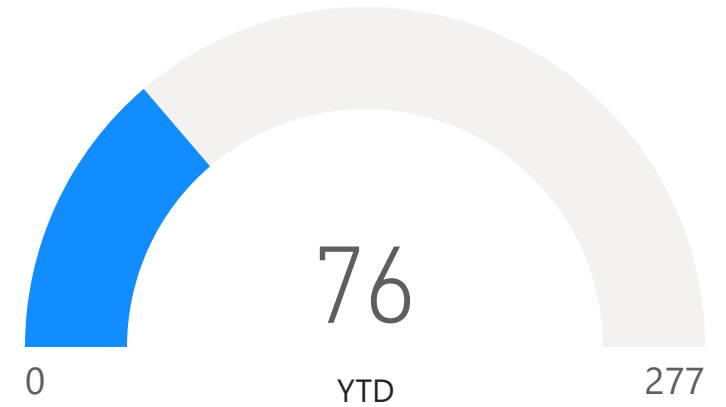
- 1. The distribution valve operation program strives to operate all distribution valves (mainline and fire) every two years. Goals shown on this page represent that for the calendar year (i.e., total number of distribution valves divided by two).
- 2. The arterial valve operation program strives to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

# Cross Connection Program

Backflow Assemblies Tested

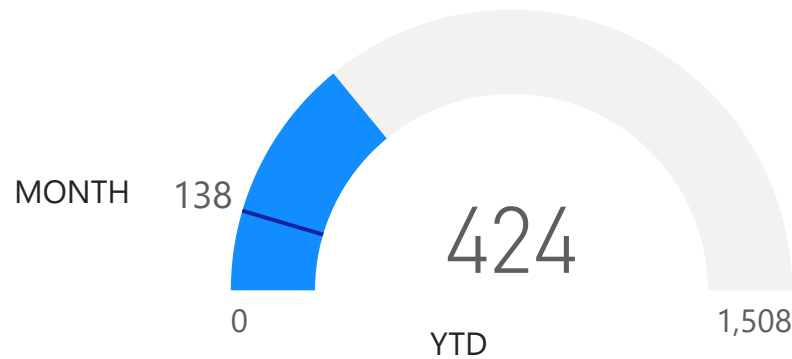


Recycled Water Inspections



# Other Facility Maintenance

Generator Inspections



Underground Service Alerts Marked

196  
Month

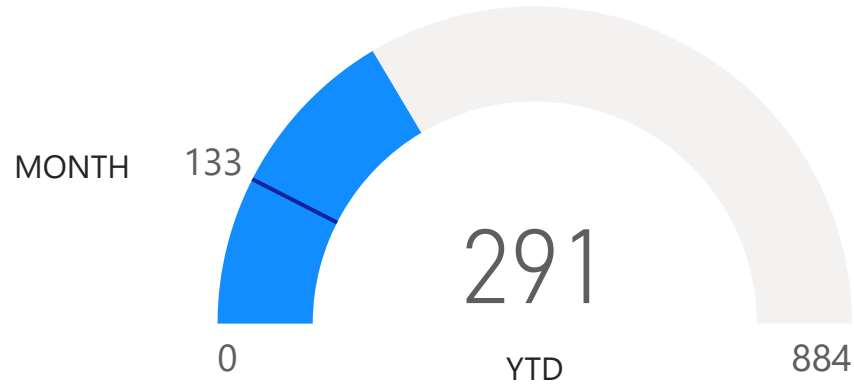
Underground Service Alerts Marked

640  
YTD

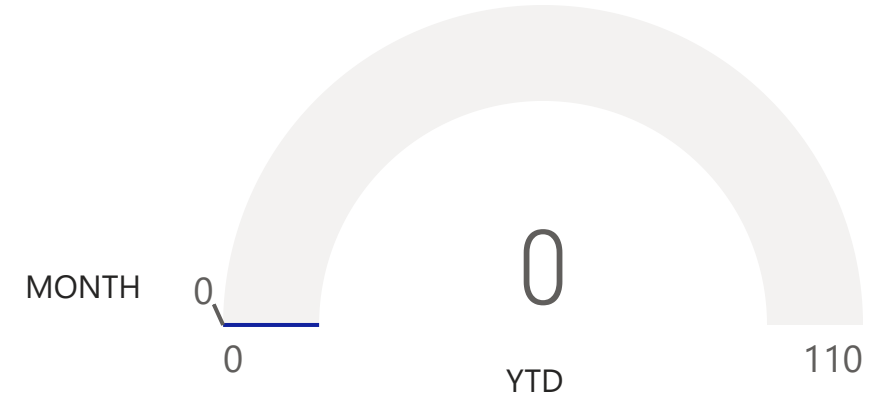
# Fire Hydrants



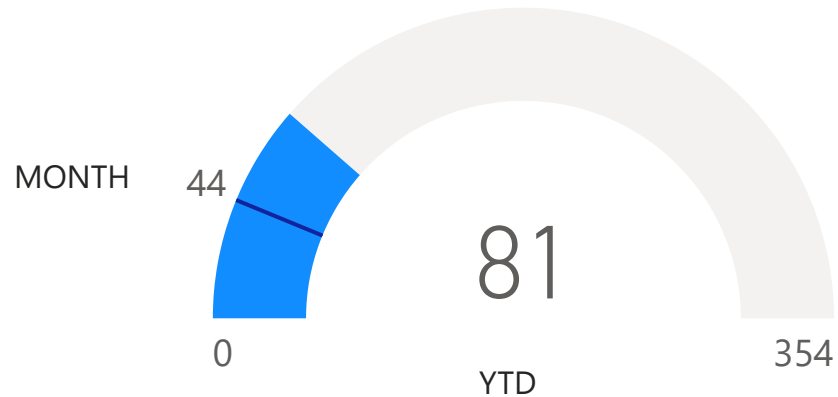
Distribution Hydrants Maintained



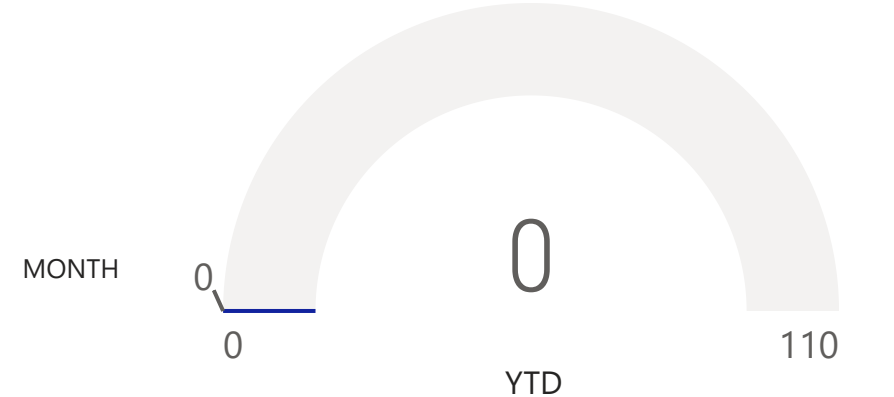
Arterial Hydrants Maintained



Distribution Hydrants Painted



Arterial Hydrants Painted



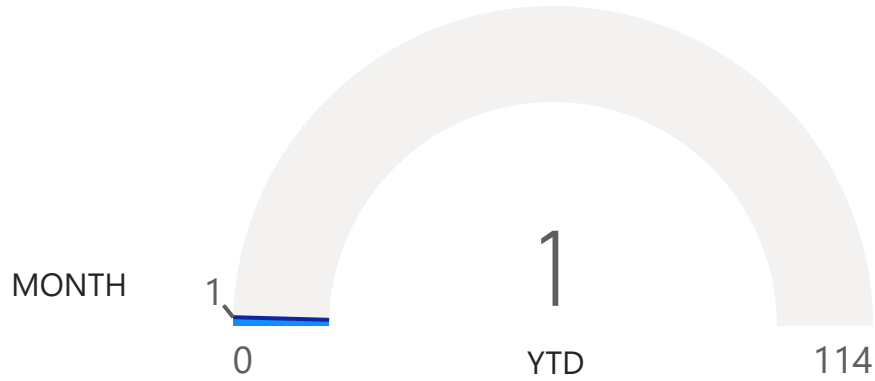
Asset	Month	YTD
Hydrants Repaired	1	2
Hydrants Replaced	3	8
<b>Total</b>	<b>4</b>	<b>10</b>

Note:

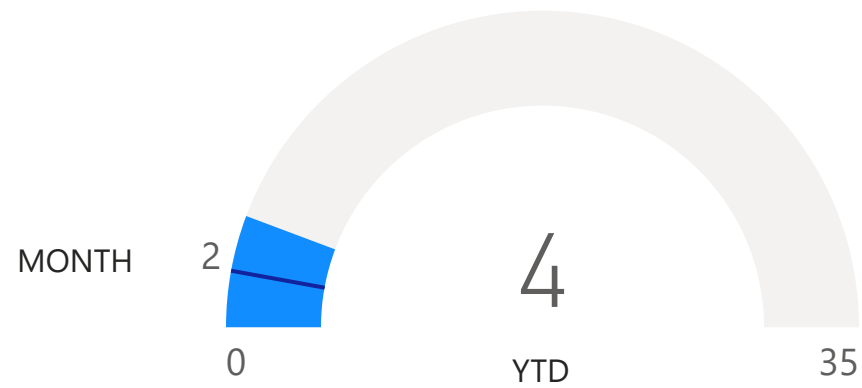
1. The hydrant program strives to maintain all distribution hydrants every two years and arterial hydrants every year. Goals shown on this page represent that for the calendar year (i.e., total number of distribution hydrants divided by two).
2. The hydrant program strives to paint all hydrants every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

# Water Appurtenances

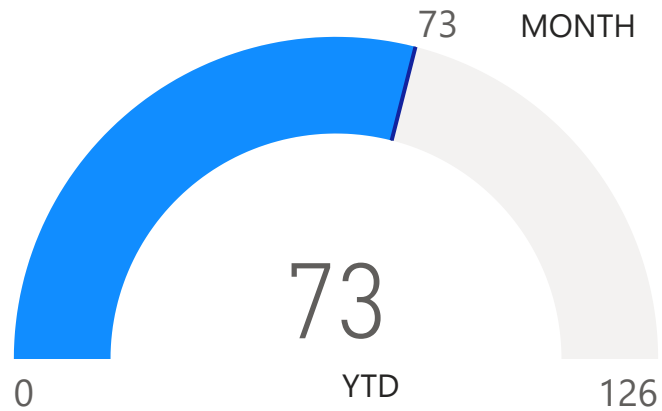
Air Vacs Maintained



PRVs Maintained

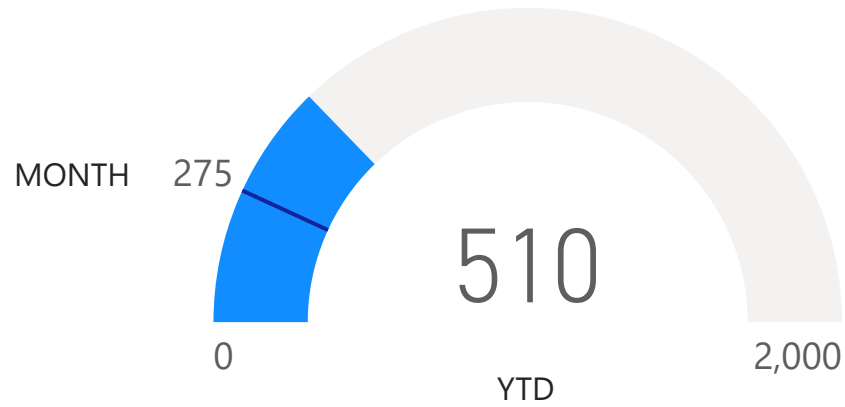


Blow Offs Flushed



# Water Distribution System

Leak Detection Survey



System Flushing  
gallons

**37K**  
Month

System Flushing  
gallons

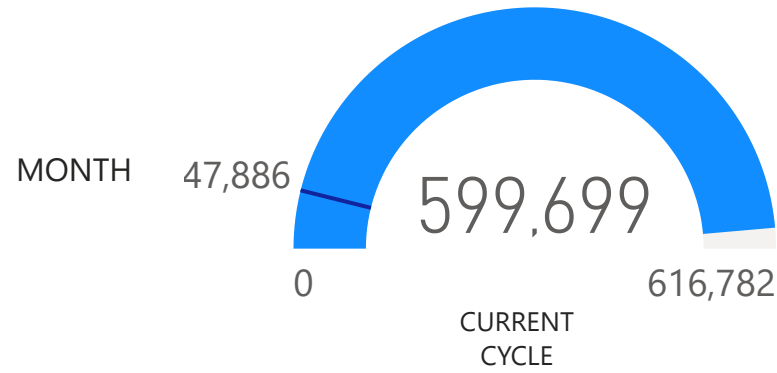
**86K**  
YTD



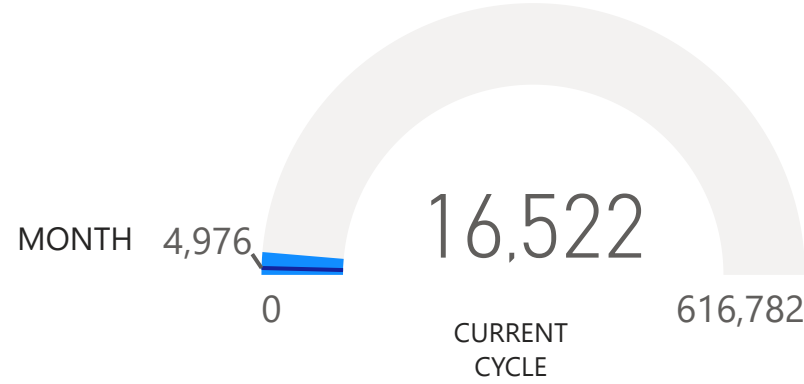
Asset	Month	YTD
Main Line Repairs	0	1
Service Line Repairs	1	2
Service Line Replacement	0	6
Water Pump Motor Services	2	2
Water Pump Services	0	0
Water Reservoir and Pump Station Inspections	372	1,080

# Collection System

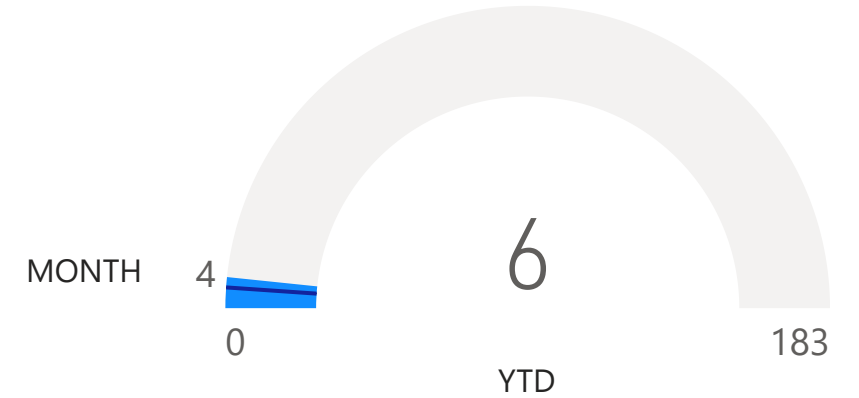
**Line Cleaning**  
feet of pipe



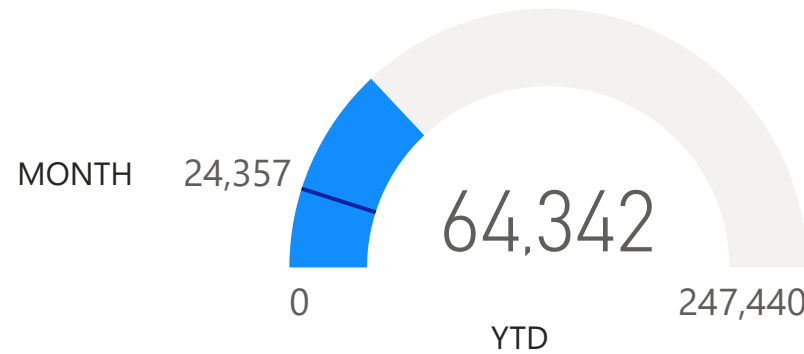
**TV Inspection**  
feet of pipe



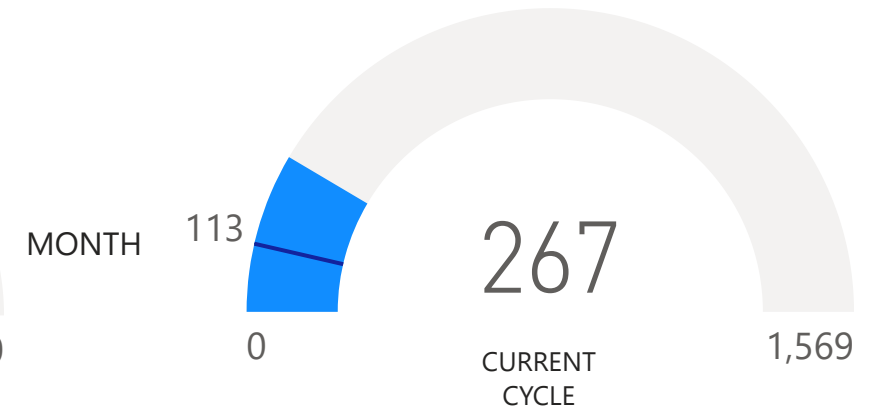
**FOG Inspections**



**Hotspots**  
feet of pipe



**Manhole Inspections**



Asset	Month	YTD
Industrial Waste Inspections	0	0
Lift Station Inspections	310	900
Manhole Repairs		0
Odor Complaints	1	1
Root Cutting, feet of pipe	0	1,533
Root Foaming, feet of pipe	0	0
Sewer Mainline Repairs	0	0
Sewer Pump/Motor Maintenance	1	2
Sewer Service Line Repairs	0	0
Wet Well Cleaning	3	11

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 1/01/2026.



# 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

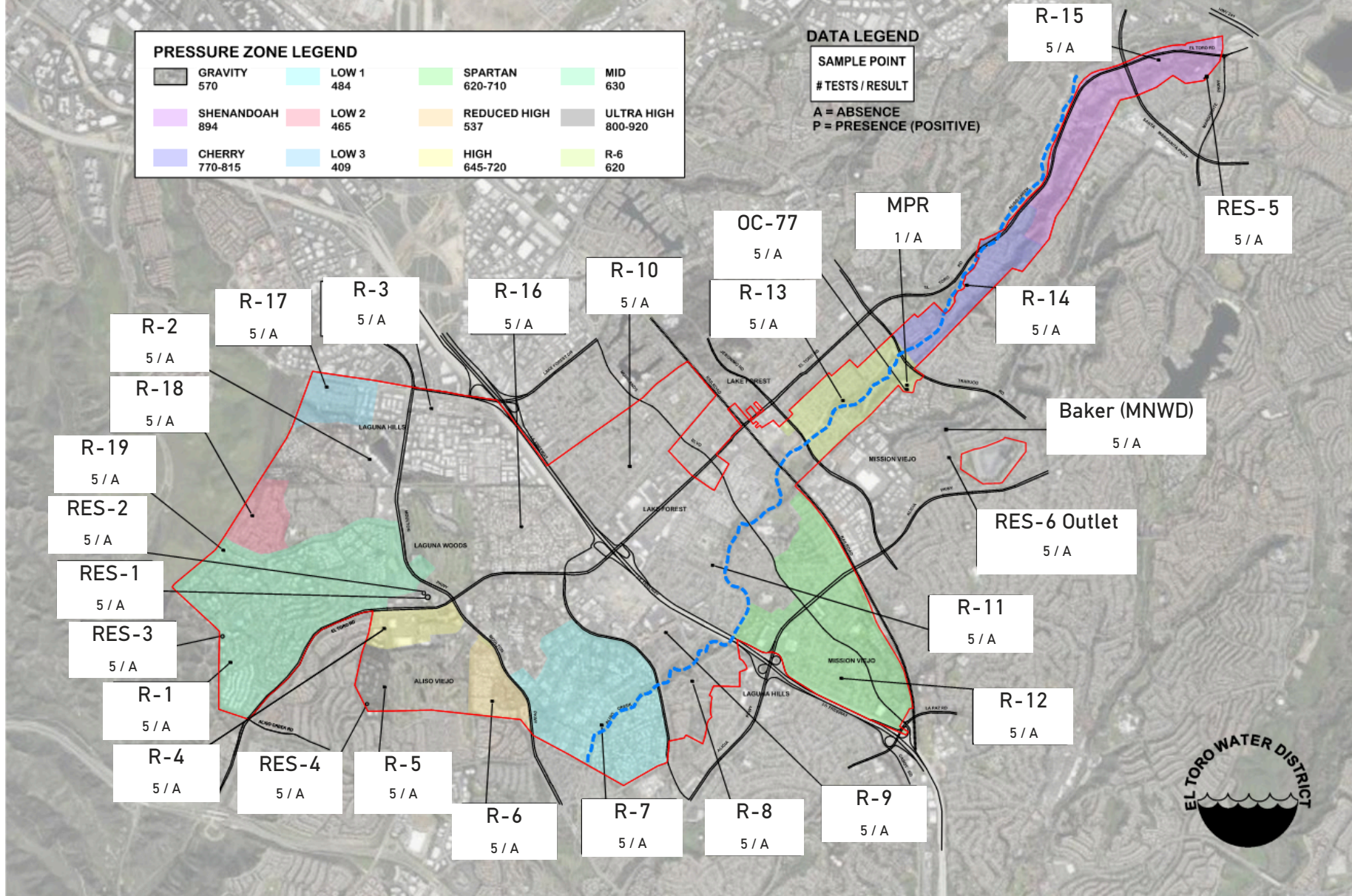
## DATA LEGEND

SAMPLE POINT

# TESTS / RESULT

A = ABSENCE

P = PRESENCE (POSITIVE)



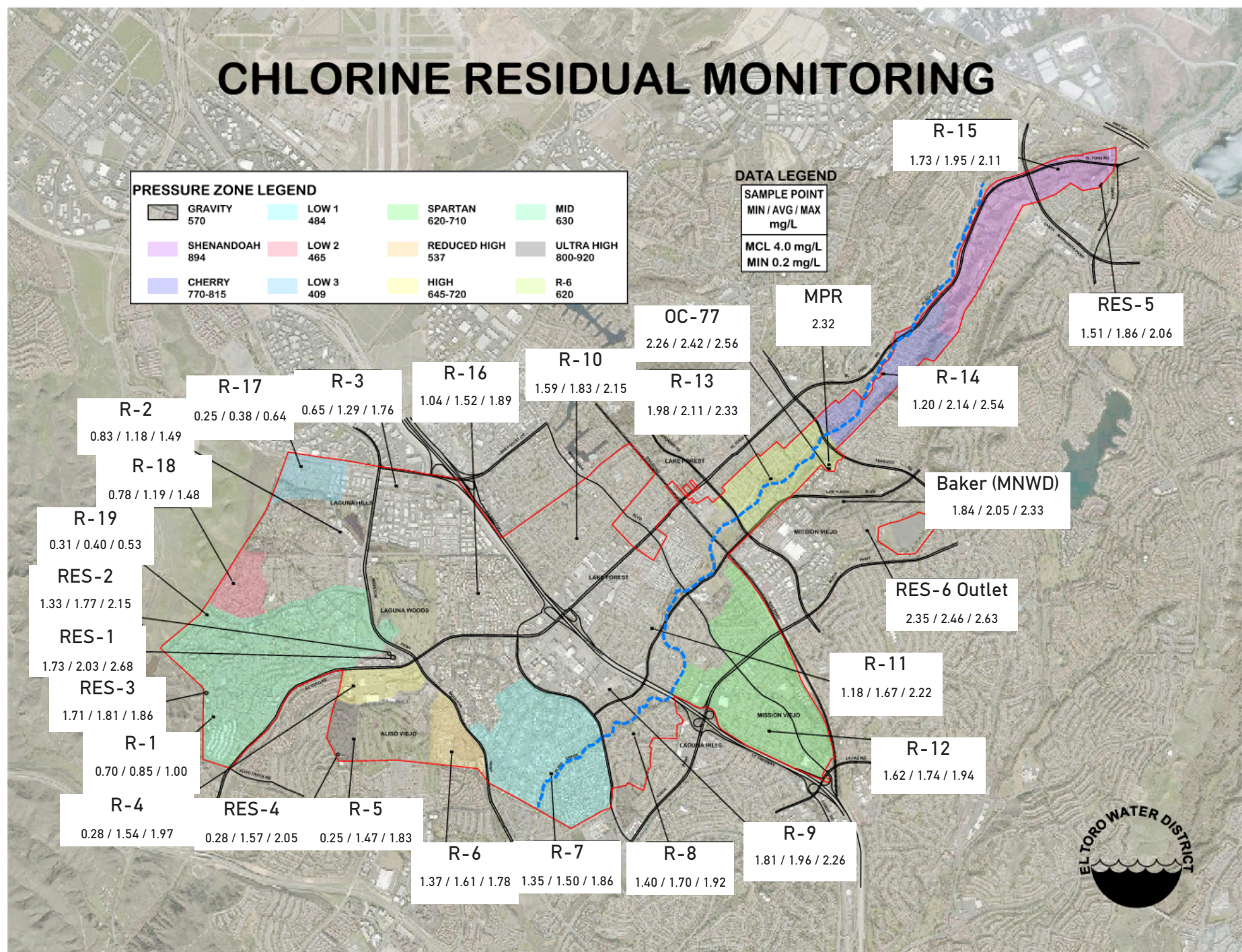
# CHLORINE RESIDUAL MONITORING

**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



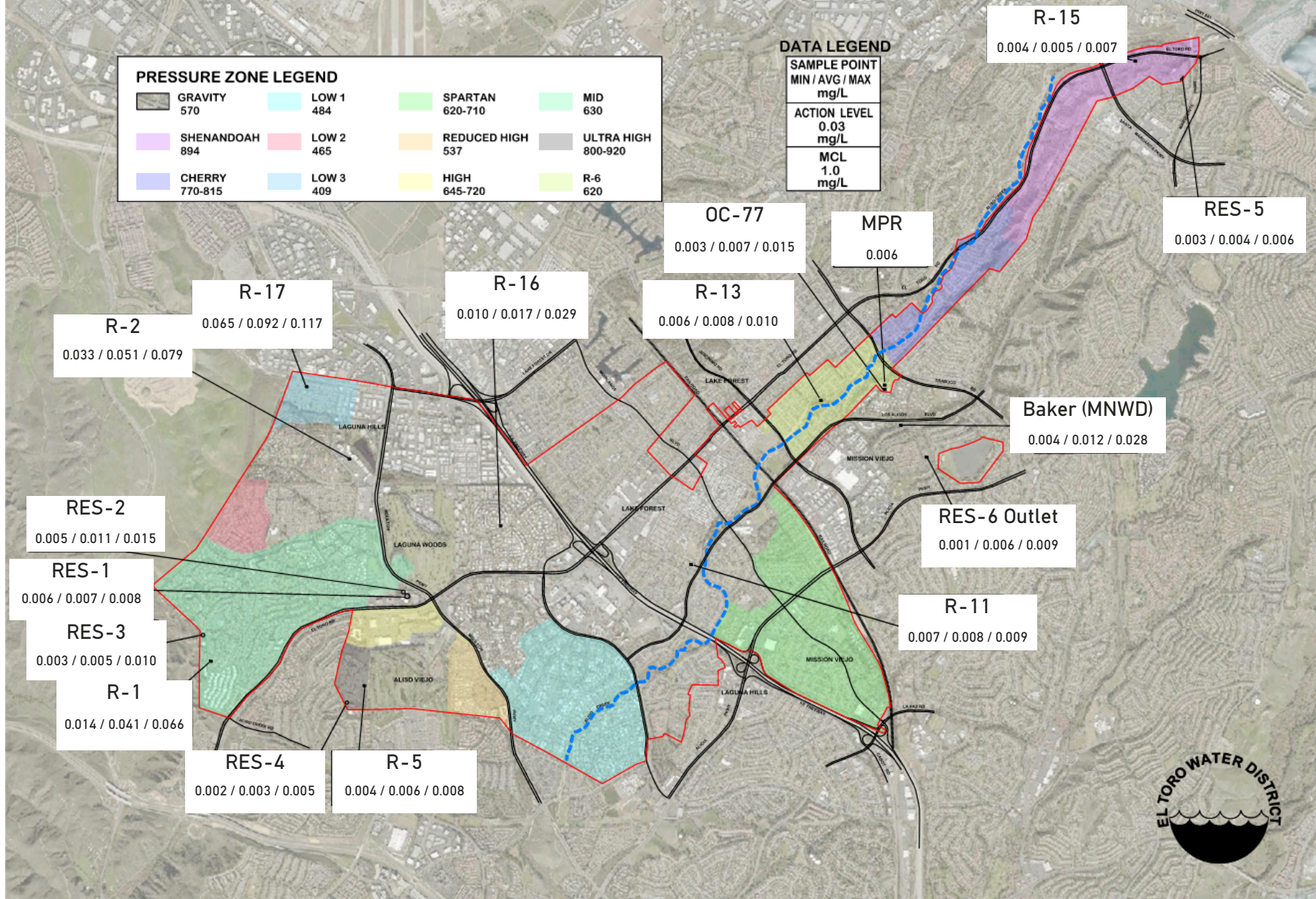
- R-15**: 1.73 / 1.95 / 2.11
- RES-5**: 1.51 / 1.86 / 2.06
- OC-77**: 2.26 / 2.42 / 2.56
- MPR**: 2.32
- R-10**: 1.59 / 1.83 / 2.15
- R-13**: 1.98 / 2.11 / 2.33
- R-14**: 1.20 / 2.14 / 2.54
- Baker (MNWD)**: 1.84 / 2.05 / 2.33
- RES-6 Outlet**: 2.35 / 2.46 / 2.63
- R-17**: 0.25 / 0.38 / 0.64
- R-3**: 0.65 / 1.29 / 1.76
- R-16**: 1.04 / 1.52 / 1.89
- R-2**: 0.83 / 1.18 / 1.49
- R-18**: 0.78 / 1.19 / 1.48
- R-19**: 0.31 / 0.40 / 0.53
- RES-2**: 1.33 / 1.77 / 2.15
- RES-1**: 1.73 / 2.03 / 2.68
- RES-3**: 1.71 / 1.81 / 1.86
- R-11**: 1.18 / 1.67 / 2.22
- R-12**: 1.62 / 1.74 / 1.94
- R-1**: 0.70 / 0.85 / 1.00
- R-4**: 0.28 / 1.54 / 1.97
- RES-4**: 0.28 / 1.57 / 2.05
- R-5**: 0.25 / 1.47 / 1.83
- R-6**: 1.37 / 1.61 / 1.78
- R-7**: 1.35 / 1.50 / 1.86
- R-8**: 1.40 / 1.70 / 1.92
- R-9**: 1.81 / 1.96 / 2.26



# NITRITE MONITORING

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

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



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

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

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

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

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

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

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

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

EL TORO WATER DISTRICT						
MONTHLY POTABLE WATER QUALITY ANALYSIS						
MONTH:		March		YEAR : 2026		
CONSTITUENT ANALYSIS	MCL		INSIDE LAB		OUTSIDE LAB	
			NO.	RESULTS	NO.	RESULTS
1 Microbiological	Pres/Absence	146	Absence			Average
2 Chlorine (ppm) In Field	Detectable Resid	172	*Average = 1.46 ppm			
3 TTHM (ppb) (Stage 2)	80 ppb				8	47.7
3 HAA5 (ppb) (Stage 2)	60 ppb				8	18.7
4 Physical Quality:			RANGE			
Turbidity (ppm)	5 NTU	20	0.10 to 0.20 Res.			
Odor	3 Units	20	ND<1			
Color	15 Units	20	ND<5			
Temperature	No standard	20	60°F To 66°F			
5 Nitrite (Alert/Action level) ppm	0.015 to 0.030 ppm	139	0.001 to 0.117			

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:**

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

## 1st Quarter Compliance Reports

<b><u>March's Monthly Reports</u></b>		
<b>2025 Annual Drinking Water Flushing Report</b>	Due March 1st Submitted January 20th	Sent to dmr@waterboards.ca.gov, Dennis Cafferty and Scott Hopkins
<b>HazMat Annual Update</b>	Due March 1st Submitted February 2nd	Submitted Electronically on CERS Website
<b>DOORS Annual Report</b>	Due March 1st Submitted January 8th	Submitted Electronically on DOORS Website
<b>2025 Throughput Data for Gasoline Used</b>	Due March 1st Submitted February 3rd	Email throughput form as an attachment to rule461throughput@aqmd.gov or Fax to (909)396-3761
<b>Annual R6 Floating Cover Report</b>	Due March 31st Submitted March 5th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>February's Surface Water Treatment (Bactis)</b>	Due March 10th Submitted March 5th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>February's Revised Total Coliform Monitoring (Bactis)</b>	Due March 10th Submitted March 5th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>February's Self Monitoring Report for Planned Discharges</b>	Due March 30th Submitted March 5th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>February's Self Monitoring Report for Recycled Water</b>	Due March 30th Submitted March 23rd	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b><u>April's Monthly Reports</u></b>		
<b>CIWQS Annual Report</b>	Due April 1st Submitted March 3rd	Submitted Electronically on CIWQS Website
<b>Annual Volumetric Report</b>	Due April 30th Submitted March 24th	Submitted on Geotracker Website
<b>Annual Self Monitoring Report for Recycled Water</b>	Due April 30th Submitted March 24th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>March's Surface Water Treatment (Bactis)</b>	Due April 10th Submitted April 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>March's Revised Total Coliform Monitoring (Bactis)</b>	Due April 10th Submitted April 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>1st Quarter Report for Disinfectant Residuals Compliance (CI2)</b>	Due April 10th Submitted April 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>1st Quarter Stage 2 TTHM HAA5</b>	Due April 10th Submitted April 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>March's Self Monitoring Report for Planned Discharges</b>	Due April 30th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
<b>1st Quarter Self Monitoring Report for Recycled Water</b>	Due April 30th	Sent to Region 8, Dennis Cafferty and Scott Hopkins



**Staff Training Log 2026**

**First Quarter**

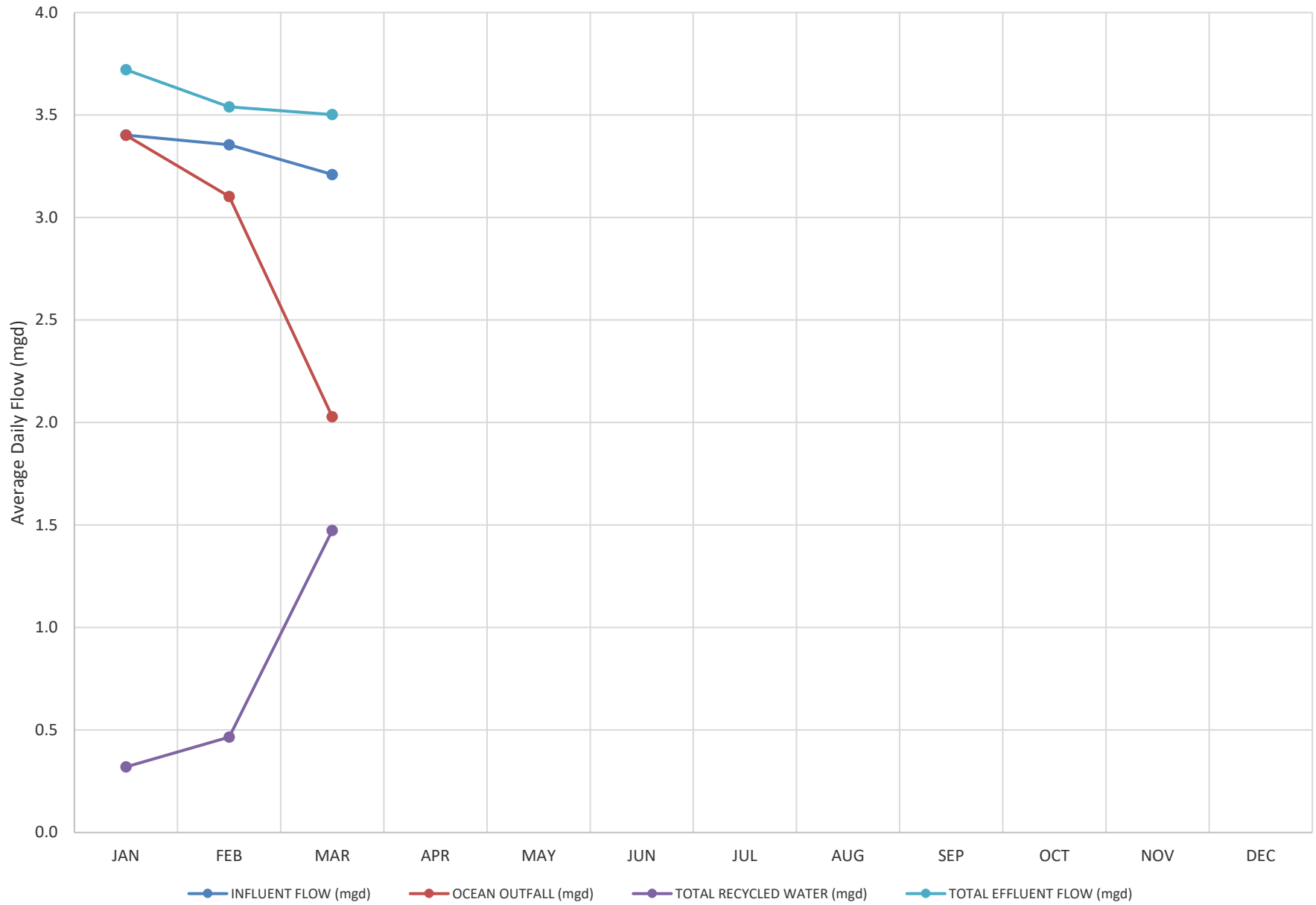
Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	193	193	Weekly	In Person	Field Staff
Alcohol Free Workplace	1	58	48	Every 2 Years	In Person	Completed
Bloodborne Pathogens	1	58	46	Annual	Online	Completed
Emergency Preparedness	4	192	164	Annual	Online	Completed
SERP Training (Sewer Spills)	4	144	116	As Needed	In Person	Completed
ARC Flash Training	8	112	112	Every 3 Years	In Person	Completed
		<b>Total- 757</b>	<b>Total- 679</b>			

**Second Quarter**

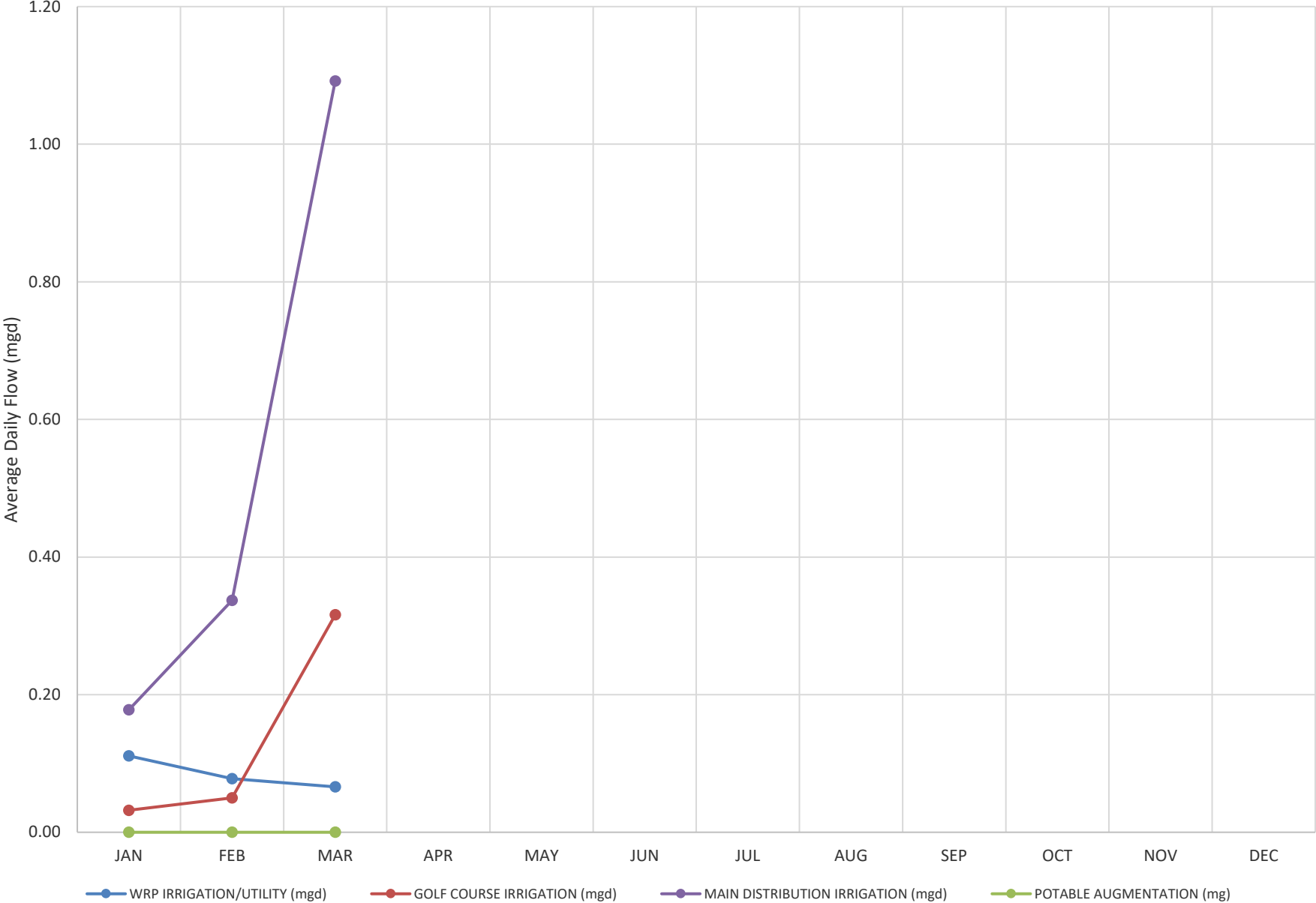
Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	0	0	Weekly	In Person	Field Staff
Fire Prevention	1	58	0	Annual	Online	Assigned
Fire Extinguisher	1	58	0	Annual	Online	Assigned
SPCC Training	1	41	0	Annual	Online	Field Staff
WVPP	1	58	0	Annual	In Person	Need to Schedule
Fit Testing	1	36	0	Annual	In Person	Need to Schedule
CPR	4	232	0	2 Years	In Person	Need to Schedule
		<b>Total- 483</b>	<b>Total- 0</b>			



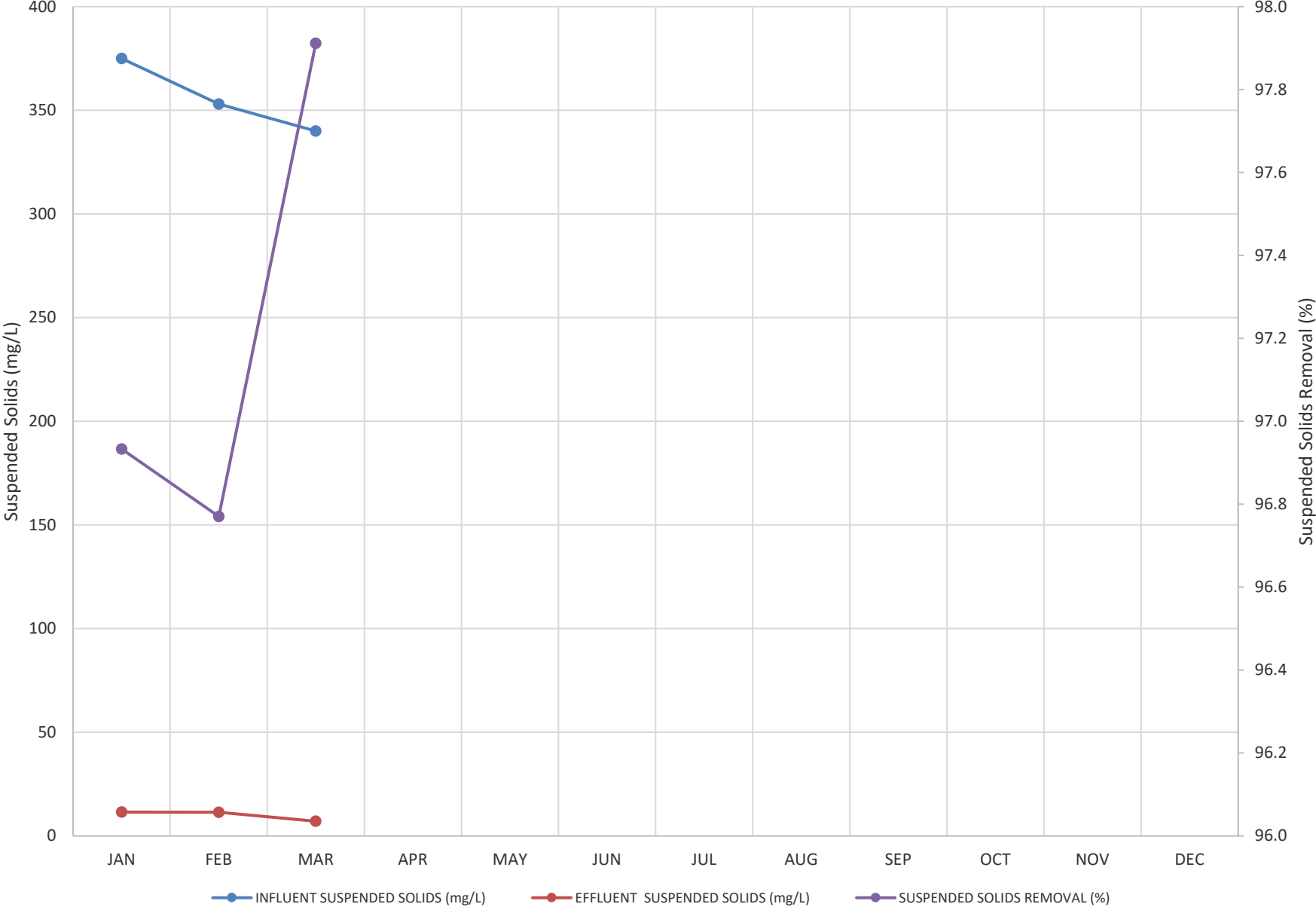
### WRP Flow Trends



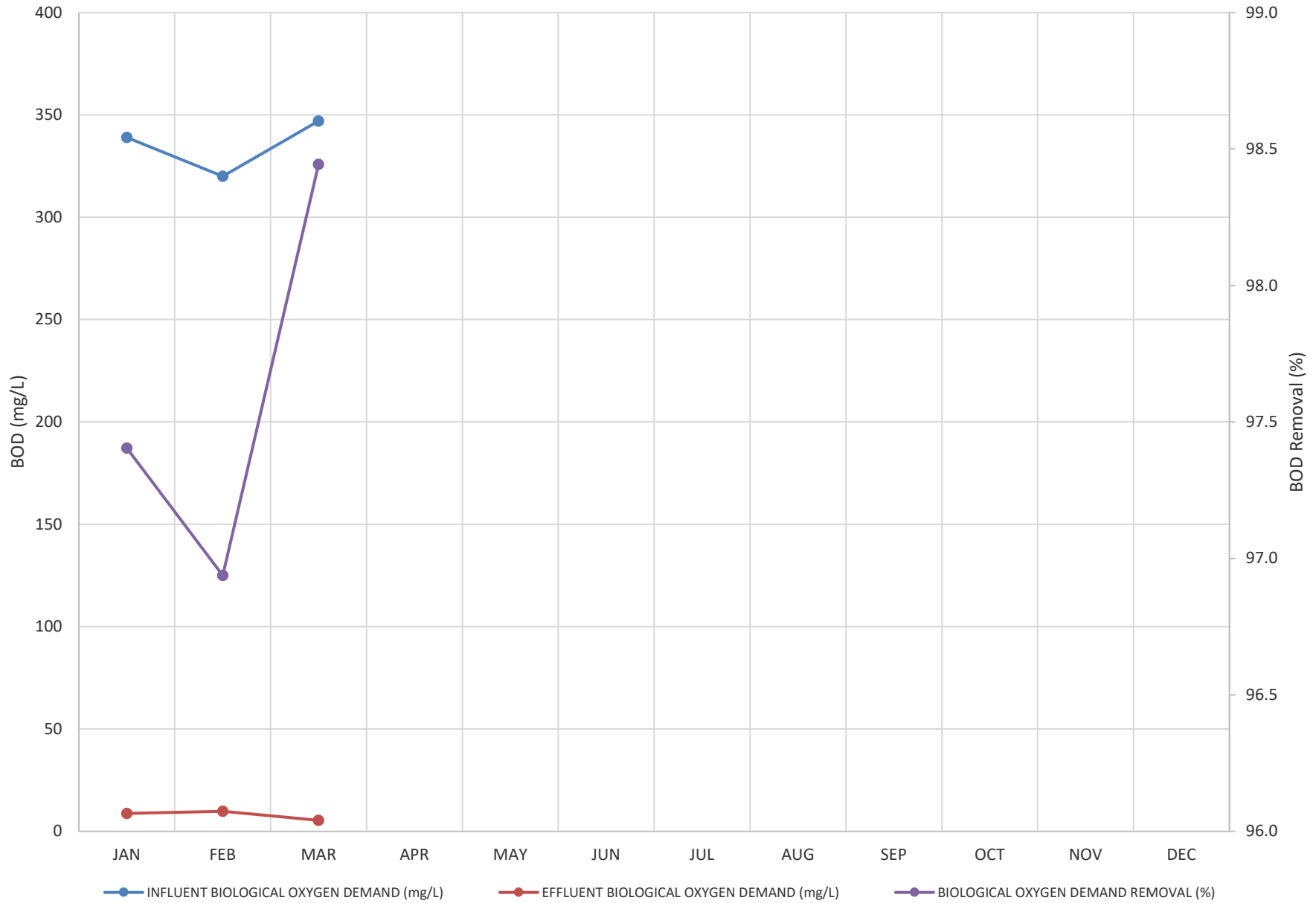
# Recycled Water Flow Trends



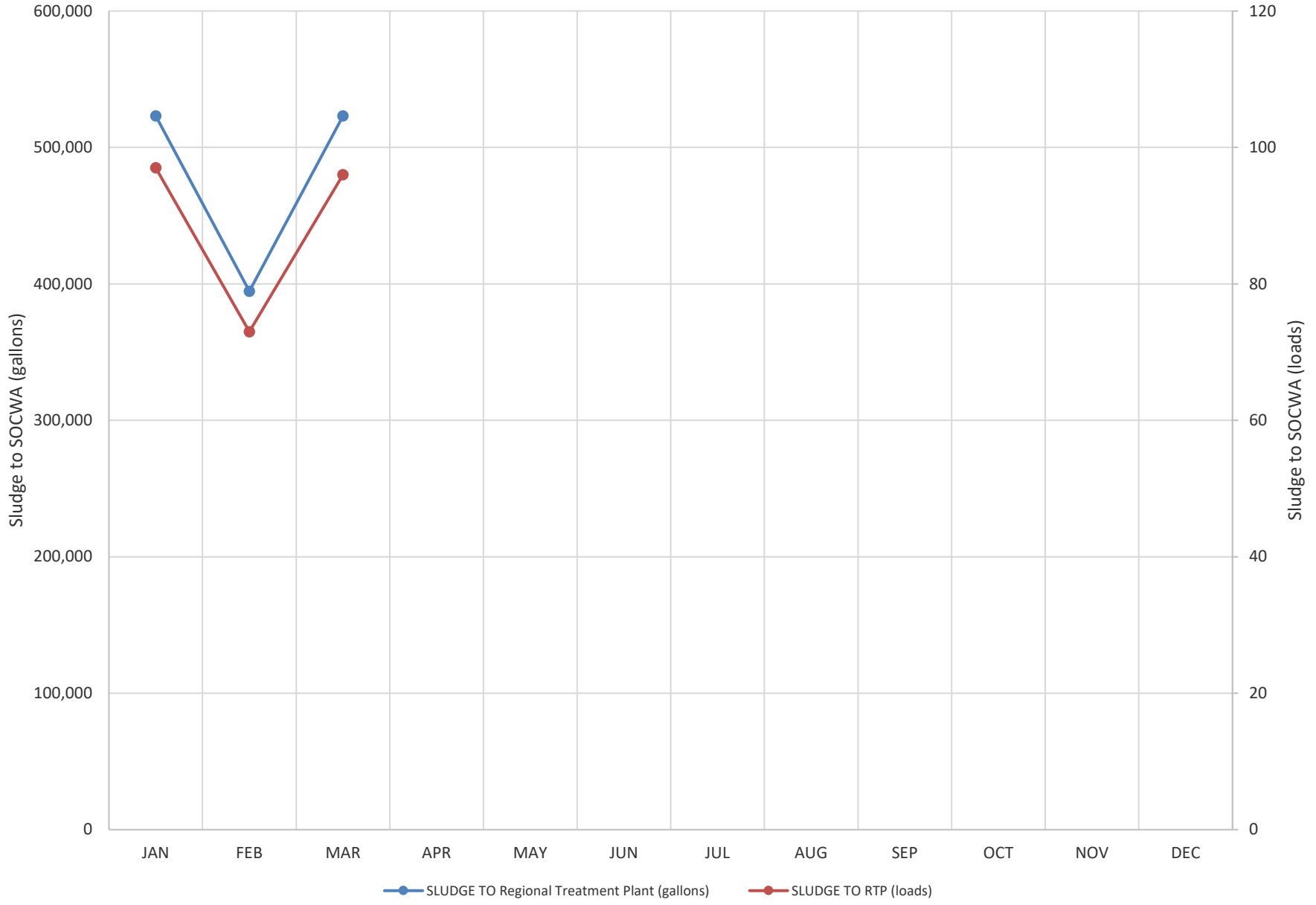
### Suspended Solids Trends



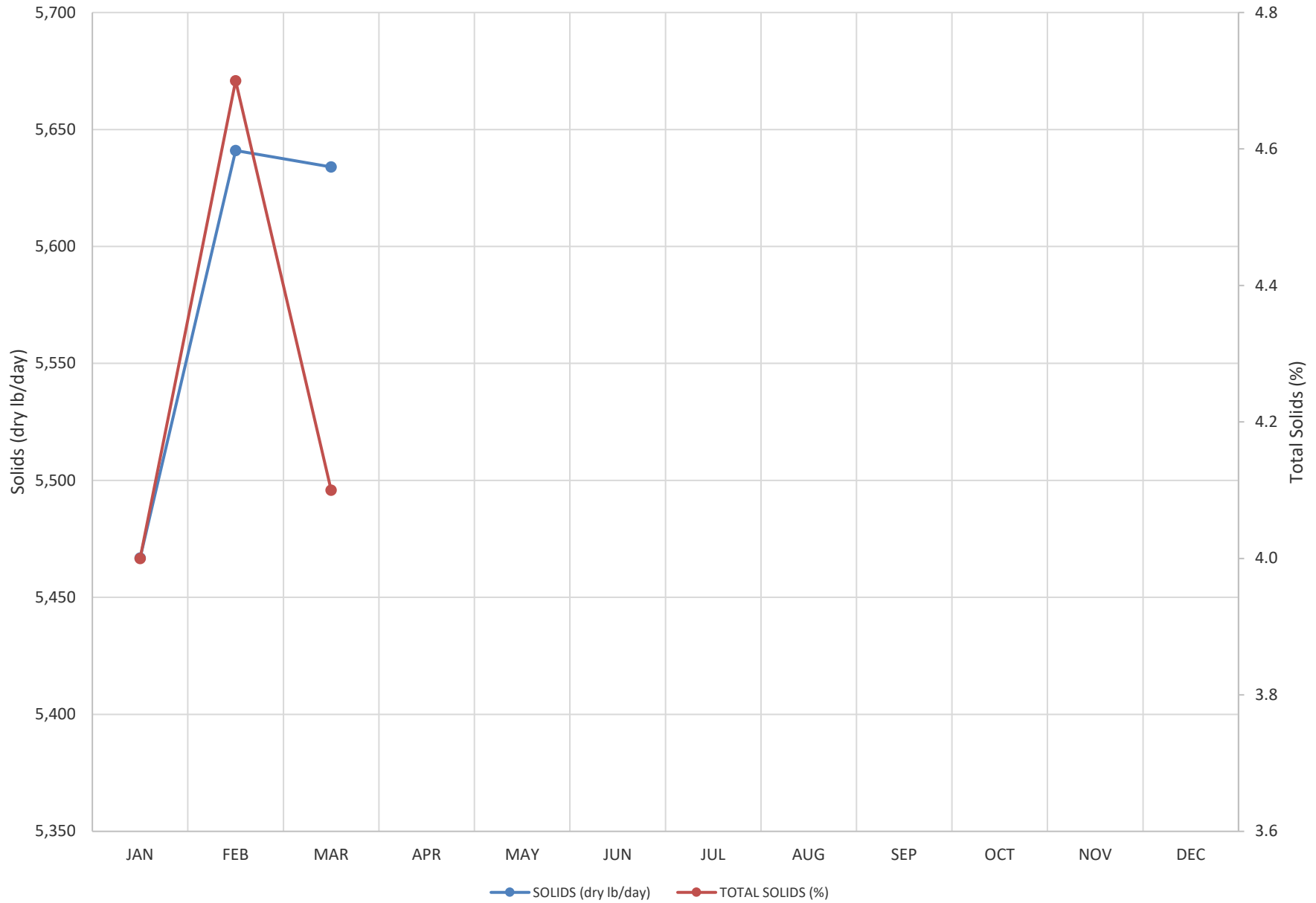
### Biological Oxygen Demand (BOD) Trends



### RTP Hauling Trends



# Solids Trends



# WRP BATTERY STORAGE SYSTEM

## MONTHLY REPORT

FEBRUARY 2026 - MARCH 2026



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	BATTERY SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
1	08/13/19 - 09/12/19	(917.75)		(2,507.75)	
	09/12/19 - 10/11/19	3,265.76		1,675.76	
	10/11/19 - 11/13/19	(483.66)		(2,073.66)	
	11/13/19 - 12/13/19	232.10		(1,357.90)	
	12/13/19 - 01/14/20	(2,223.61)		(3,813.61)	
	01/14/20 - 02/12/20	1,004.27		(585.73)	
	02/12/20 - 03/13/20	432.82		(1,157.18)	
	03/13/20 - 04/13/20	(2,953.81)		(4,543.81)	
	04/13/20 - 05/13/20	414.86		(1,175.14)	
	05/13/20 - 06/12/20	3,464.46		1,874.46	
	06/12/20 - 07/15/20	898.72		(691.28)	
	07/15/20 - 08/13/20	497.61		(1,092.39)	
	AMS PAYMENT		3,631.77	15,448.00	0
2	08/13/20 - 09/14/20	1,727.18		137.18	
	09/14/20 - 10/14/20	1,142.91		(447.09)	
	10/14/20 - 11/13/20	993.16		(596.84)	
	11/13/20 - 12/15/21	1,814.40		224.40	
	12/15/20 - 01/14/21	252.77		(1,337.23)	
	01/14/21 - 02/12/21	2,598.74		1,008.74	
	02/12/21 - 03/16/21	2,545.66		955.66	
	03/16/21 - 04/14/21	442.16		(1,147.84)	
	04/14/21 - 05/13/21	4,658.68		3,068.68	
	05/13/21 - 06/14/21	5,828.63		4,238.63	
	06/14/21 - 07/14/21	7,090.27		5,500.27	
	07/14/21 - 08/12/21	11,656.05	40,750.61	10,066.05	21,670.61
3	08/12/21 - 09/13/21	3,251.24		1,661.24	
	09/13/21 - 10/13/22	4,854.74		3,264.74	
	10/13/21 - 11/12/21	1,835.55		245.55	
	11/12/21 - 12/14/21	1,953.12		363.12	
	12/14/21 - 01/13/22	(624.65)		(2,214.65)	
	01/13/22 - 02/11/22	40.42		(1,549.58)	
	02/11/22 - 03/15/22	647.37		(942.63)	
	03/15/22 - 04/13/22	2,556.61		966.61	
	04/13/22 - 05/13/22	92.84		(1,497.16)	
	05/13/22 - 06/14/22	8,377.93		6,787.93	
	06/14/22 - 07/14/22	20,486.96		18,896.96	
	07/14/22 - 08/12/22	6,915.19		5,325.19	
	Performance Bonus		50,387.32	(1,817.00)	29,490.32

# WRP BATTERY STORAGE SYSTEM

## MONTHLY REPORT

FEBRUARY 2026 - MARCH 2026



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	BATTERY SAVINGS (\$)	NET SAVINGS (\$)	YEAR TOTAL (\$)
4	08/12/22 - 09/13/22	8,171.50		6,581.50	
	09/13/22 - 10/13/22	2,943.86		1,353.86	
	10/13/22 - 11/14/22	2,083.92		493.92	
	11/14/22 - 12/14/22	1,960.66		370.66	
	12/14/22 - 01/12/23	(3,571.97)		(5,161.97)	
	01/12/23 - 02/11/23	311.28		(1,278.72)	
	02/11/23 - 03/14/23	2,755.08		1,165.08	
	03/14/23 - 04/12/23	1,994.90		404.90	
	04/12/23 - 05/11/23	(558.88)		(2,148.88)	
	05/11/23 - 06/12/23	6,377.33		4,787.33	
	06/12/23 - 07/13/23	21,318.66		19,728.66	
	07/13/23 - 08/11/23	3,262.26		1,672.26	
	Performance Bonus			47,048.60	(148.00)
5	08/11/23 - 09/12/23	1,749.86		159.86	
	09/12/23 - 10/11/23	16,350.56		14,760.56	
	10/11/23 - 11/09/23	4,659.23		3,069.23	
	11/09/23 - 12/12/23	9,302.30		7,712.30	
	12/12/23 - 01/11/24	5,204.44		3,614.44	
	01/11/24 - 02/12/24	(828.52)		(2,418.52)	
	02/14/24 - 03/13/24	(2,433.90)		(4,023.90)	
	03/13/24 - 04/12/24	2,204.14		614.14	
	04/12/24 - 05/13/24	(37.79)		(1,627.79)	
	05/13/24 - 6/12/24	6,965.53		5,375.53	
	06/12/24 - 7/15/24	7,871.04		6,281.04	
	07/16/24 - 8/13/24	(308.78)		(1,898.78)	
Performance Bonus			50,698.11	(1,973.00)	29,645.11
6	8/13/24-9/12/24	5,410.44		3,820.44	
	9/12/24-10/11/24	8,270.47		6,680.47	
	10/11/24-11/12/24	3,470.89		1,880.89	
	11/12/24-12/11/24	2,864.46		1,274.46	
	12/11/24-01/11/25	5,471.53		3,881.53	
	01/11/25-02/11/25	3,099.11		1,509.11	
	02/11/25-03/13/25	513.45		(1,076.55)	
	03/13/25-04/11/25	3,793.31		2,203.31	
	04/11/25-05/13/25	7,880.66		6,290.66	
	05/13/25-06/12/25	(4,962.65)		(6,552.65)	
	STEM Credit	11,365.00		11,365.00	
	06/12/25-07/15/25	11,961.11		10,371.11	
	07/12/25-08/13/25	8,326.07		6,736.07	
Performance Bonus			67,463.85	0.00	48,383.85

# WRP BATTERY STORAGE SYSTEM MONTHLY REPORT

FEBRUARY 2026 - MARCH 2026



YEAR	BILLING PERIOD	BILL SAVINGS (\$)	BATTERY 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	
	10/13/25 - 11/12/25	7,260.24		5,670.24	
	11/11/25 - 12/12/25	1,722.67		132.67	
	12/12/25 - 01/13/26	755.78		(834.22)	
	01/13/25 - 02/12/26	5,903.43		4,313.43	
	02/12/25 - 03/16/26	7,173.33		5,583.33	
	<b>TOTAL</b>	<b>201,107.11</b>	<b>44,068.05</b>		<b>32,938.05</b>
					<b>110,967.01</b>

# WRP BATTERY STORAGE SYSTEM MONTHLY REPORT 02/12/25 - 03/16/26



Max Demand: 779.18 kW

**Savings Report - 2026-03**

**Feb 12, 2026 - Mar 16, 2026**

SCE TOU 8 Option D (< 2kV)

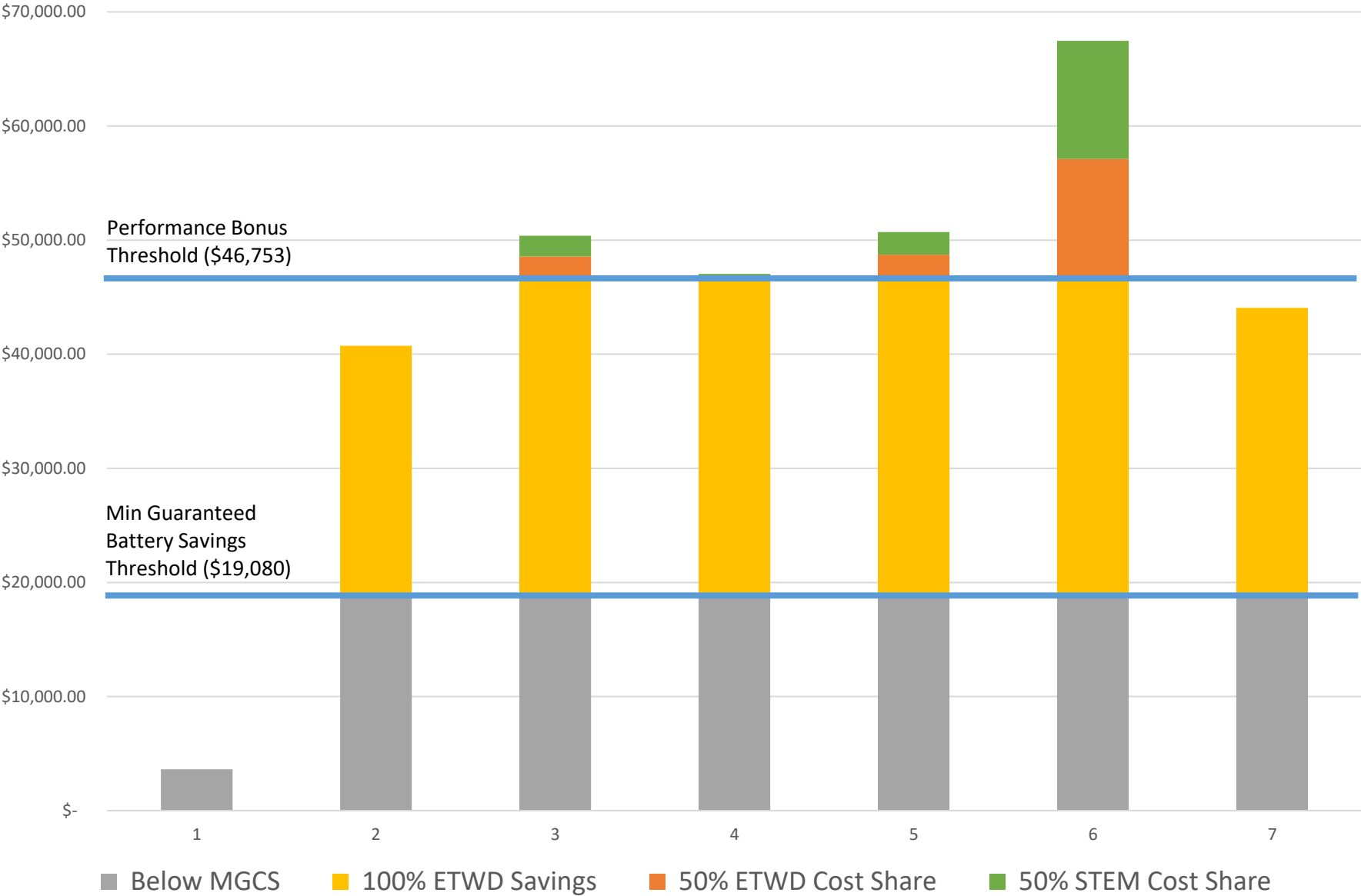
<b>Demand Charges</b>	Before Storage		After Storage		Savings	
Facilities Related - Distribution	878kW	\$20,929.89	779kW	\$18,583.39	98kW	\$2,346.50
Facilities Related - Transmission	878kW	\$5,133.75	779kW	\$4,558.19	98kW	\$575.56
Time Related - Distribution - Winter Mid-Peak	817kW	\$3,257.96	446kW	\$1,780.36	370kW	\$1,477.61
Time Related - Utility Retained Generation - Winter Mid-Peak	817kW	\$4,597.08	446kW	\$2,512.13	370kW	\$2,084.95
Sub-total		\$33,918.67		\$27,434.06		\$6,484.61

<b>Energy Charges</b>	Before Storage		After Storage		Savings	
Competition Transition Charge	326,249kWh	\$(32.62)	333,664kWh	\$(33.37)	(7,415)kWh	\$0.74
Competition Transition Charge (URG Component)	326,249kWh	\$32.62	333,664kWh	\$33.37	(7,415)kWh	\$(0.74)
Distribution - Winter Mid-Peak	69,270kWh	\$1,053.59	33,664kWh	\$512.04	35,605kWh	\$541.56
Distribution - Winter Off-Peak	153,255kWh	\$2,085.80	151,711kWh	\$2,064.78	1,545kWh	\$21.02
Distribution - Winter Super Off-Peak	103,724kWh	\$1,314.19	148,289kWh	\$1,878.82	(44,565)kWh	\$(564.64)
Energy Surcharge	326,249kWh	\$97.87	333,664kWh	\$100.10	(7,415)kWh	\$(2.22)
Fixed Recovery Charge	326,249kWh	\$1,190.81	333,664kWh	\$1,217.87	(7,415)kWh	\$(27.06)
New System Generation Charge	326,249kWh	\$1,768.27	333,664kWh	\$1,808.46	(7,415)kWh	\$(40.19)
Nuclear Decommissioning Charge	326,249kWh	\$9.79	333,664kWh	\$10.01	(7,415)kWh	\$(0.22)
Public Purpose Programs Charge	326,249kWh	\$7,405.86	333,664kWh	\$7,574.18	(7,415)kWh	\$(168.32)
PUC Reimbursement Fee	326,249kWh	\$326.25	333,664kWh	\$333.66	(7,415)kWh	\$(7.41)
Transmission	326,249kWh	\$176.17	333,664kWh	\$180.18	(7,415)kWh	\$(4.00)
Utility Retained Generation - Winter Mid-Peak	69,270kWh	\$5,001.98	33,664kWh	\$2,430.91	35,605kWh	\$2,571.07
Utility Retained Generation - Winter Off-Peak	153,255kWh	\$11,135.52	151,711kWh	\$11,023.29	1,545kWh	\$112.23
Utility Retained Generation - Winter Super-Off-Peak	103,724kWh	\$3,955.01	148,289kWh	\$5,654.27	(44,565)kWh	\$(1,699.26)
Wildfire Fund Non-Bypassable Charge	326,249kWh	\$1,928.13	333,664kWh	\$1,971.96	(7,415)kWh	\$(43.82)
Sub-total		\$37,449.25		\$36,760.53		\$688.73

<b>Other Monthly Charges</b>	Before Storage		After Storage		Savings	
Customer Charge		\$511.87		\$511.87		\$ -
Sub-total		\$511.87		\$511.87		\$ -

<b>Total</b>	Before Storage		After Storage		Savings	
		\$71,879.79		\$64,706.46		\$7,173.33

# TERM YEAR SAVINGS





## STAFF REPORT

---

**To: Board of Directors**

**Meeting Date: April 20, 2026**

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

**Subject: Capital Project Status Report**

---

### I. Battery and Solar Projects

District staff worked with TerraVerde and the selected solar vendor on a potential solar project at the WRP. Figure 1 shows the proposed locations of the solar panels, north of the Administration Building in the grass and where RVs currently park. Savings are estimated in the \$2 to \$3 million dollar range. Current estimates do not include development fees (construction, permitting, and legal support), which are anticipated in the \$250-350K range because excluding these fees from the PPA yields much more savings long term. For example, an estimate including a \$250K development fee added \$1.66M to the cost of the project over its lifetime whereas paying the fee upfront would result in payback within two years. Therefore, the District would need to fund development fees from its capital budget.



**Figure 1 – WRP Solar Project**

The PPA providers currently assume 40% funding from ITC, which requires expenditure safe harboring by July 2026 or construction completion by December 2027. Due to this schedule constraint, the District needs to recommend award of a solar contract in accordance with Government Code 4217 requirements by next month in order to realize these rates.

The District received an extension of the Proof of Project Milestone (PPM) from SCE’s SGIP to July 10, 2026 for the OOPS Battery Project and July 24, 2026 for the P-1 Battery Project. This extension allows the District to further explore third-party (P3) ownership options for the battery systems, for which there has been strong market interest. The District received six letters of intent with preliminary savings estimates ranging from \$6,000 to \$21,000 in the first year, and 15-year savings ranging from \$88,000 to \$445,000. Staff will further conversations with the interested vendors and return to the Board with a recommendation once the economics are better defined.

**II. R-6 Reservoir Southern Slope Repair Project**

The project contractor, MDB General Engineering, Inc. (MDB), continues the landscape maintenance phase of the project. MDB began this phase in mid-March and continue to water the slope, monitoring as plant growth continues.

Table 2 summarizes the project cost as percent complete. MDB’s billings reflect work through March 2026. Construction costs are ahead of schedule because most expenditures occur during the initial slope repair phase, prior to the landscape maintenance phase.

**Table 2 – R-6 Reservoir Southern Slope Repair Project Schedule and Budget Status**

<b>Construction Contract</b>	<b>Total</b>	<b>Earned to Date</b>	<b>Percent Complete</b>
Budget	\$390,800	\$358,910	97%
Schedule	November 5, 2025 – July 2, 2026		70%

### III. Headworks and Secondary Clarifier No. 1 Rehabilitation Project

District staff and the contractor, Filanc Construction, Inc. (Filanc), continue working through the submittal phase of this project and conducting regular progress meetings. Filanc also performed potholing activities at the Laguna Woods Golf Club in mid-April near the Northline Lift Station. Filanc also continues yard piping activities at the WRP near the Headworks and Influent Pump Station as shown in Figures 2 and 3.



Figure 2 – Yard Piping Excavation



Figure 3 – Excavation at the Headworks

### IV. Freeway Electrical Equipment Replacement

Staff is working with Southern California Edison in the design phase to convert the existing power from an overhead pole to underground conduit. District staff are also under contract with Carollo Engineers, Inc. (Carollo) to develop a structural design that would raise the existing canopy structure at the Freeway Lift Station. Construction is delayed until both items are complete.

### V. Moulton/El Toro Cathodic Repair Project

District staff are under contract with the project contractor, Farwest Corrosion Control Company (Farwest). Staff issued the Notice to Proceed (NTP) in early April. Staff are working with Farwest on the construction schedule and preconstruction meeting.

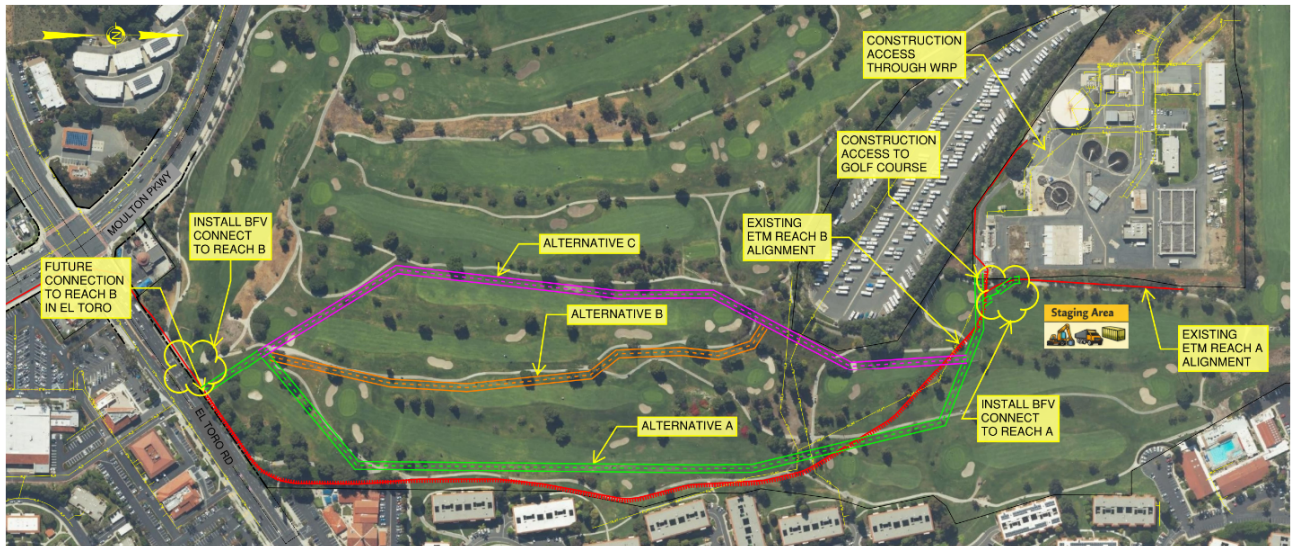
District staff released a Request for Proposals (RFP) to hire a consultant to provide continued monitoring services for the District's five impressed current cathodic protection systems. The selected consultant may also provide engineering services during construction for this project. District staff plans to recommend award of that contract next month.

### VI. Asset Management

District staff continue to work with Hazen and Sawyer (Hazen) to further develop the force main asset management efforts. District staff narrowed alternative evaluation of three of the highest risk force mains (i.e., Westline, Veeh, and Aliso Creek) for preliminary design and cost estimating. District staff plan to present results from the force main asset management program to the Board next month.

## VII. SOCWA Effluent Transmission Main (ETM) Reach B Techite Replacement

In February 2026, the District assisted in the procurement of a consultant, BKF, to develop the final design for the ETM Reach B Techite Replacement Project. Since then, District staff conducted a kickoff meeting, responded to an extensive data request, and conducted a progress meeting to review preliminary golf course alignment alternatives, as shown in Figure 4. District staff are setting up a meeting to discuss these alternatives with Laguna Woods Golf Course staff at the end of this month.



**Figure 4 –Golf Course Alignment Alternatives for Reach B Techite Replacement**

## VIII. Aliso Creek Lift Station Improvement Project

CalOES submitted the District’s application for nearly \$7 million in Hazard Mitigation Grant Program (HMGP) funding to FEMA for federal review. District staff will respond to FEMA’s requests for information over the next two years. Notice of award is anticipated in Fall 2028.

District staff submitted temporary construction/easement agreements for review to Golden Rain Foundation (GRF) and United Mutual for the trail, sidewalk, and lane closures necessary to enable the construction of this project. Tetra Tech is finalizing the design based on District feedback on the 90 percent submittal.

**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
<b>2025/26 Capital Projects</b>															
	R-5 Reservoir Rehabilitation	Moved to carryover for future reservoir rehabilitation												\$194,000	
	R-6 Reservoir Southern Slope Stabilization	E	E	A / B	A	C	C	C	C	C	C	C	C	\$500,000	\$218,822
	Asset Management	E	E	E	A	E	E	E	BP	E	E	BP		\$86,000	\$194,420
<b>2025/26 Capital Equipment</b>															
	Shenandoah Booster Station Pump & Motor Replacement	A	A				R							\$198,000	\$132,042
	P-1 Battery Project	E	B	B	B	B	N	N	A	N	N	N	A	\$900,000	
	OOPS Battery Project	E	B	B	B	B	N	N	A	N	N	N	A	\$0	
	WRP Solar Project	E	B	B	B	B	N	N	N	N	N	A	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
<b>Previous Fiscal Year Carryover</b>															
	Moulton/El Toro Cathodic Protection Study	E	B	B	B	B	B	B	A	C	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	\$112,872
	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	C	C	C	\$263,362	\$277,385
	Tertiary Disinfection Optimization Project	B	O	R	C	C	C	P						\$132,000	
	Westline Generator Unit 213 Replacement	E	E	E	B	A	O				E	E	E	\$267,000	\$266,804
													<b>Total</b>	<b>\$14,788,000</b>	<b>\$13,875,962</b>

**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.

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

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

MAF: Million-acre feet.

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

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

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

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

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

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

NPDES: National Pollution Discharge Elimination System

OCBD: Orange County Business Council

OCEMA: Orange County Environmental Management Agency

OCWD: Orange County Water District

Opportunity:

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

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

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

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

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

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

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

Potable water: Suitable and safe for drinking

PPB: Parts per billion

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

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

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

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

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

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

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

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

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

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

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

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

RFP: Request for Proposal

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

RO: Reverse osmosis. See the listing under "reverse osmosis."

R-O-W: Right-of-way

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

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

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

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

SAFRA: Santa Ana River Flood Protection Agency

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

SAWPA: Santa Ana Watershed Project Authority.

SCADA: Supervisory Control and Data Acquisition

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

SCH: State Clearing House – Environmental Review/Processing

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

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

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

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

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

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

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

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

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

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

SJBA: San Juan Basin Authority

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

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

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

SRE: State Revolving Fund

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

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

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

SWRCB: State Water Resources Control Board

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

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

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

TMA: Too many acronyms.

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

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

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

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

VE: Value Engineering

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

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

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

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

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

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

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

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

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

Water table: The top level of water stored underground.

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

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

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

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

Xeriscape: Landscaping that requires minimal water.