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

July 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/83987426078 (Meeting ID: 839 8742 6078).

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 McClean

ROLL CALL (Determination of a Quorum)

ORAL COMMUNICATIONS/PUBLIC COMMENTS

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

FINANCE AND INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Monin

2. Consent Calendar (Reference Material Included)

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

a. Consider approving the minutes of the June 22, 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

3. California Asset Management Program (CAMP) (Reference Material Included)

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

4. Financial Statements and Report (Reference Material Included)

Staff will review and comment on the Financial Statements and Report for the month ending June 30, 2026.

FINANCIAL ACTION ITEMS

5. **<u>Financial Package - Authorization to Approve Payment of Bills for the Month Ending June 30, 2026</u>** (Reference Material Included)

The Board will consider approving Bills for Consideration dated June 30, 2026.

<u>Recommended Action:</u> Staff recommend that the Board approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending June 30, 2026.

6. **<u>Quarterly Insurance Report</u>** (Reference Material Included)

Staff will review and comment on the Quarterly Insurance Report for the period April 1, 2026 through June 30, 2026.

<u>Recommended Action:</u> Staff recommend that the Board receive and file the Quarterly Insurance Report for the period of April 1, 2026 through June 30, 2026.

7. **<u>Fortinet Firewalls Replacement Project Change Order</u>**
(Reference Material Included)

Staff will review and comment on change orders to the purchase order contract with AMS.NET for the Fortinet Firewalls Replacement Project. The change orders bring the total purchase order cost for the Fortinet Firewalls Replacement Project to $82,646.35.

<u>Recommended Action:</u> The Board will consider 1) approving Change Order No. 1 to the purchase order contract with AMS.NET, LLC. d/b/a MGT Impact Solutions in the amount of $4,165.14 to add the FortiManager Virtual Machine (VM) Appliance to the Fortinet Firewalls Replacement Project, 2) approving Change Order No. 2 to the purchase order contract with AMS.NET, LLC. d/b/a MGT Impact Solutions in the amount of $3,490.28 to upgrade the Forticlient EMS licenses to Forticlient EPP and 3) approving the total Fortinet Firewalls Replacement Project at a cost, inclusive of the change orders, of $82,646.35.

8. **<u>Administrative Code Amendment – Purchasing Policy (§6100)</u>**
(Reference Material Included)

Staff will review and comment on updates to Section 6100 of the District Administrative Code regarding the District Purchasing Policy.

<u>Recommended Action:</u> Staff recommend that the Board approve the amendments to Section 6100 of the El Toro Water District Administrative Code – Purchasing Policy.

COMMENTS REGARDING NON-AGENDA FIC ITEMS

CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

ENGINEERING COMMITTEE MEETING

CALL MEETING TO ORDER – Director McClean

9. **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 June 22, 2026 Engineering Committee meeting. (Minutes Included).

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

ENGINEERING INFORMATION ITEMS

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

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

11. **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

12. **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.

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

June 22, 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, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, Information Technology Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom, 7:47 a.m.), VU CHU, Water Resources Supervisor (Zoom), KEITH STRIBLING, PFM, 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 7:33 a.m. Director Monin called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Monin asked for a Motion.

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

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

Mr. Stribling reported that the quarter was generally negative, ranging anywhere between -22 basis points to -2.2%, mostly occurring in March. He noted that there will be improvements in the market reflected in the next quarterly report through April and May. Over the one-year period, portfolio performance ranged from approximately 7.9% to 17.1%, slightly below the benchmark. He further stated that since transitioning to Empower, portfolio returns have ranged from approximately 8.5% to 16% on a compounded basis, and the portfolios have shifted toward a more passive investment rather than active.

Mr. Stribling reviewed a few recent changes in the portfolio and will be following up on inquiries made by Director Monin related to the number of covered funds, small cap core value and growth, and how much of the portfolio is passive versus active.

Mr. Stribling left the meeting at approximately 7:52 a.m.

Government Finance Officers Association (GFOA) Certificate of Achievement

Mr. Cafferty reported that the District received the GFOA Certificate of Achievement, recognizing staff's hard work and diligence. Mr. Sharma added that the review process evaluates various aspects of the District's financials and additional information related to budget and financial aspects will be incorporated.

Financial Statements and Report

Mr. Sharma reported that the District's cash balance decreased by approximately $3.4 million from the previous month, mainly due to a $2.4 million debt payment and a reduction in accounts payable as additional invoices were paid. He noted that the Current ratio was 14 and days of cash on hand was 232 days. Accounts receivable balance increased by approximately $900,000 compared to the prior month due to timing of payments, with an accounts receivable turnover ratio of 37 days. On the revenue side, the commodity supply charge was at 88.7% of budget year-to-date, while recycled water revenue exceeded budget at 111%. The District's year-to-date return on investment was approximately 3.82%. Expense categories were reported as follows: salary expenses at 87.9% of budget, benefits at 89.4%, and water purchase sales at 82.8% of budget.

Financial Action Items

Financial Package – Authorization to Approve Payment of Bills for the Month Ending May 31, 2026

President Freshley commented on the District's benefits being well managed relative to employees' compensations.

Director Monin asked for a Motion.

Motion: Director Gaskins made a motion, seconded by Vice President Havens to ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending May 31, 2026.

Roll Call Vote:

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

JCI Jones

Mr. Cafferty stated that the District purchases Sodium Hypochlorite used for disinfection at the Tertiary Treatment Plant, the R-6 Reservoir, and the R-1/R2-Reservoirs.

Director Monin asked for a Motion.

Motion: Director Monin made a motion, seconded by Vice President Havens to approve the purchase order contract for JCI Jones in the amount not to exceed $265,000 for the purchase of Sodium Hypochlorite.

Roll Call Vote:

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

Nieves Landscape

Mr. Cafferty stated that this contract includes weekly, monthly, or clean up maintenance at District sites. This year's proposal includes a reasonable 3.6% increase from the previous contract.

Director Monin asked for a Motion.

Motion: Director Gaskins made a motion, seconded by President Freshley to approve the purchase order contract with Nieves Landscape in the amount not to exceed $160,621.39.

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 8:25 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

EL TORO WATER DISTRICT

Investment Performance Review
For the Quarter Ended June 30, 2026

Client Management Team

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

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

1 California Street Ste. 1000
San Francisco, CA 94111-5411
415-393-7270

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

Market Update

Current Market Themes

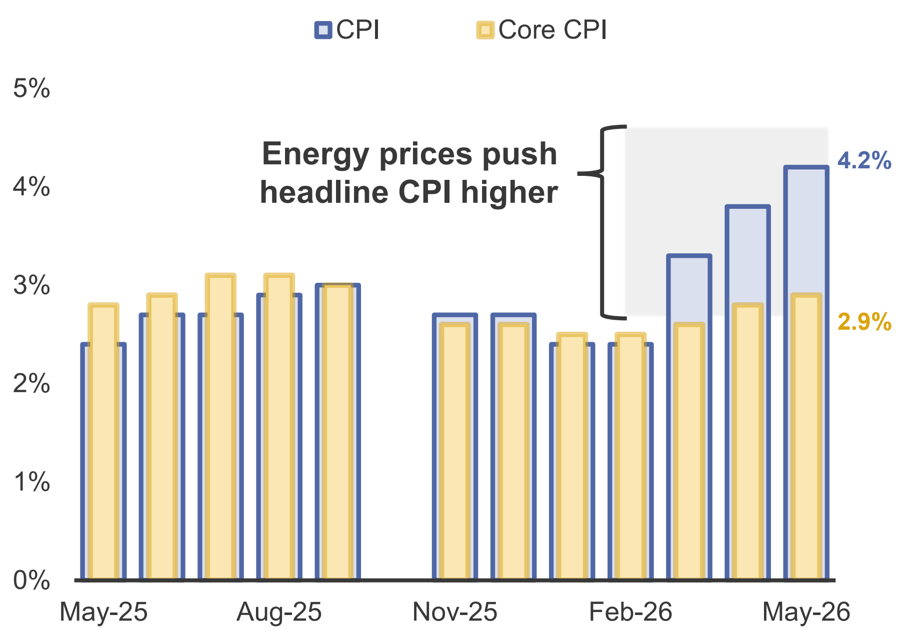
- U.S. growth remains resilient as AI-driven investment offsets a moderating consumer
  - Headline inflation may be at or near its peak as the energy shock fades, though flare-ups in the Middle East conflict and potential delayed passthroughs to core inflation remain key risks
  - The labor market is in balance, though real wage growth remains modest
  - AI investment continues to drive growth while fueling inflation in tech-related categories
- The Federal Reserve (Fed) left policy rates unchanged at 3.50-3.75%
  - New Fed Chair Kevin Warsh stressed restoring price stability
  - Forward guidance was removed to refocus markets on economic fundamentals and incoming data rather than the Fed's policy response
  - Nine participants projected a 2026 rate hike though Warsh did not submit projections
- Treasury yields moved higher on a more hawkish Fed
  - Given current pricing of Fed rate hikes, we continue to find value in the front end
  - Longer-term rates face two-sided risks from inflation and growth dynamics
  - Credit spreads remain tight as resilient growth, stable labor conditions, and strong demand outweigh valuation concerns

Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of June 30, 2026.

Implications of the Energy Shock

- **Higher energy costs lift headline inflation but the Fed remains attentive to broader passthroughs to core goods and services**
  - Oil prices ended the quarter near pre-conflict levels after peaking in April
  - Headline inflation may be at or near peak as energy supply normalizes
  - Fed remains focused on long-run inflation expectations

Consumer Price Index
Year-over-Year Change

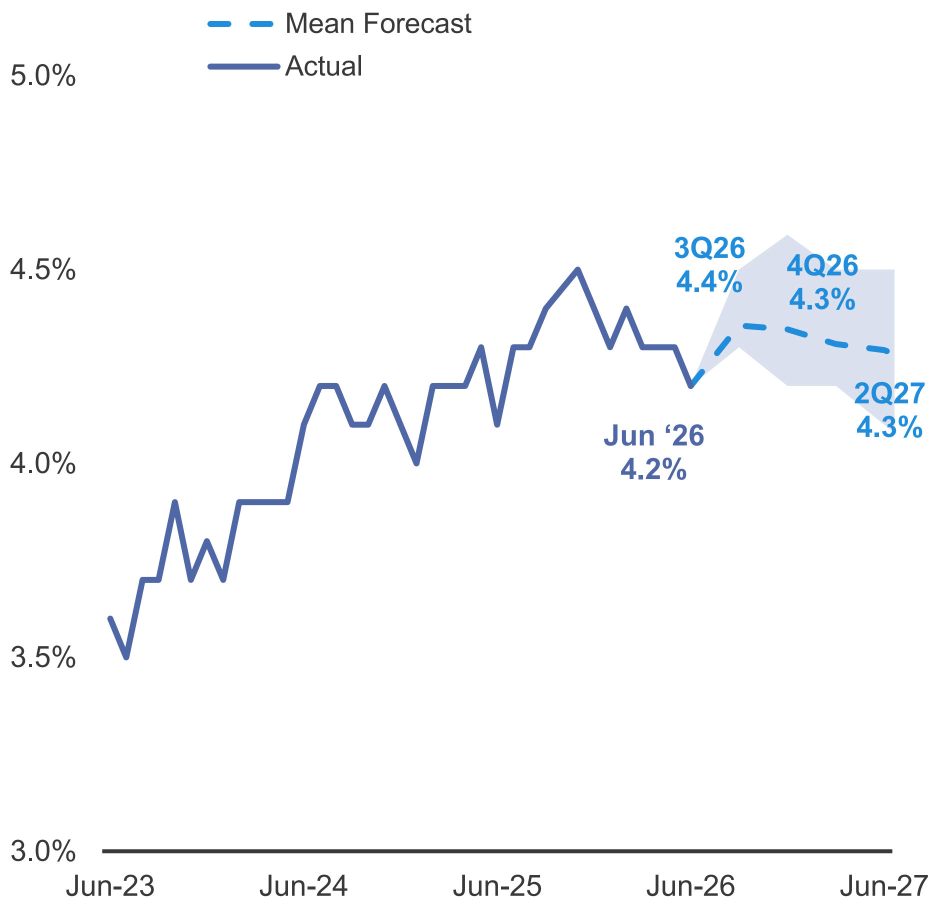


Forward Inflation Expectations
June 30, 2025 to June 30, 2026

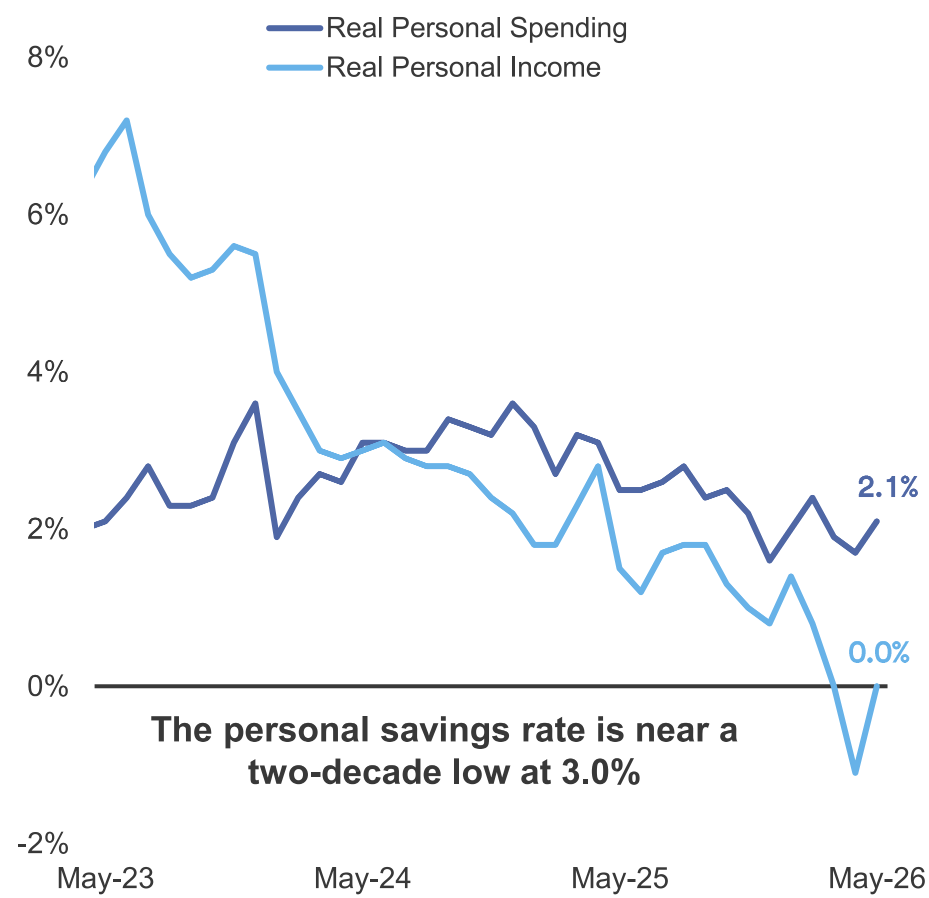
Source: Bloomberg Finance L.P. and Bureau of Labor Statistics. CPI as of May 2026. Market implied inflation expectations shown using 1-year and 5-year inflation swaps as of June 30, 2026.

Labor Market Remains Balanced But Purchasing Power Erodes

Unemployment Rate



Real Spending & Income
Year-Over-Year Change

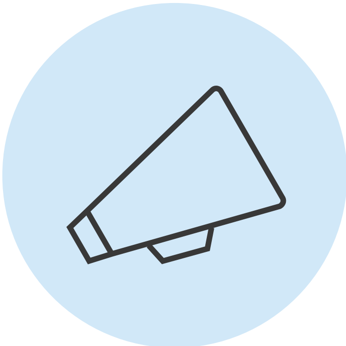


Source: Bloomberg Finance L.P. and Bureau of Economic Analysis as of May 2026. Bureau of Labor Statistics as of June 2026. Survey responses after June 26, 2026, included in mean and forecast range. Shading represents the central 80% of the forecasts.

New Fed Leadership and a Modified Approach

Hawkish Lean

- Fed voted unanimously to keep rates unchanged
- New Chair Kevin Warsh reaffirmed commitment to 2% inflation target, noting the Fed has “some work to do”
- Dot plot showed 9 of 18 participants projected at least one hike in 2026



Less Forward Guidance

- Statement pared back and more factual in nature
- No dot or projections submitted by Warsh
- Chair Warsh argued markets should focus on economic fundamentals and incoming data rather than anticipated policy responses

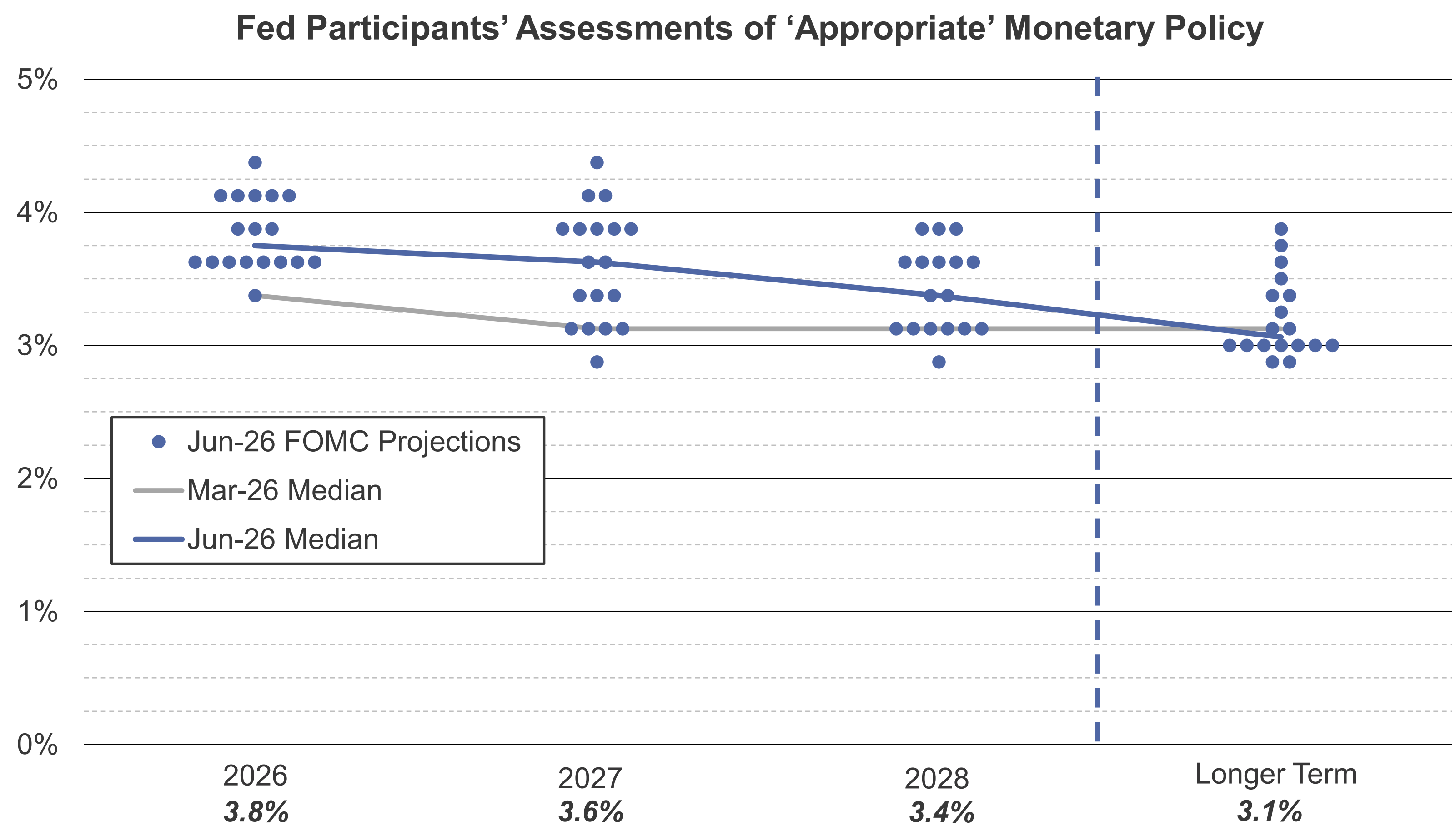
New Task Forces

- Five task forces established with initial findings expected by year-end
- Covers communications, balance sheet, data, productivity and jobs, and inflation framework
- 2% inflation target not in scope of task forces

Source: Federal Reserve and Kevin Warsh as of June 17, 2026.

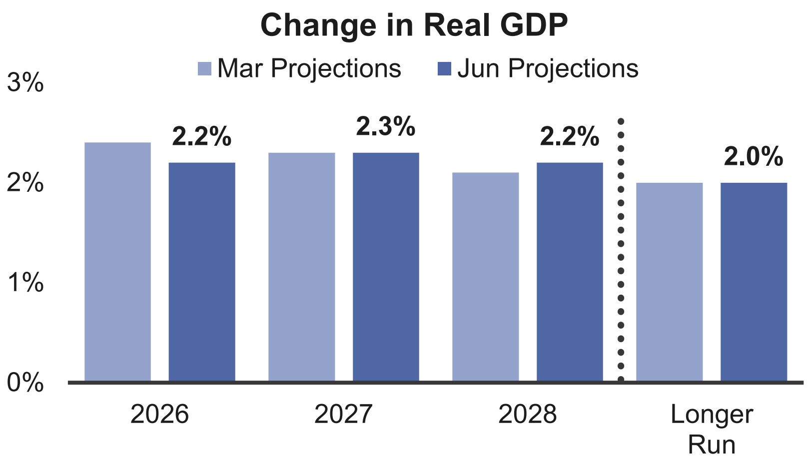
The Latest Fed "Dot Plot"

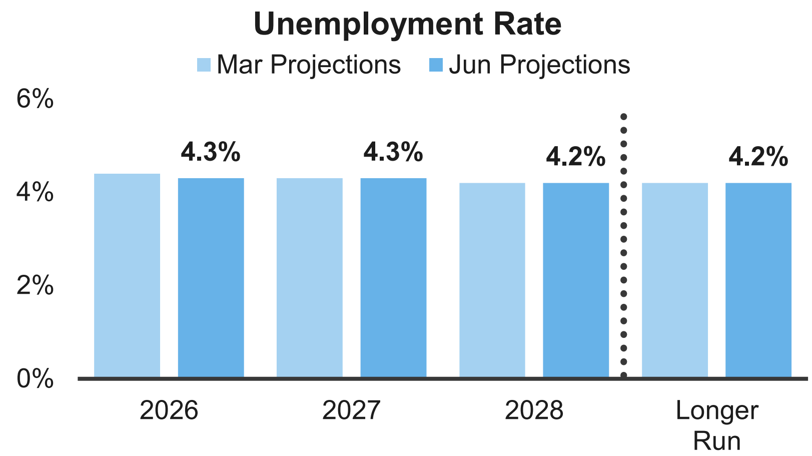
The Fed acknowledged inflation remained above the 2% target. However, it noted economic growth is expanding at a solid pace while the unemployment rate has remained little changed.

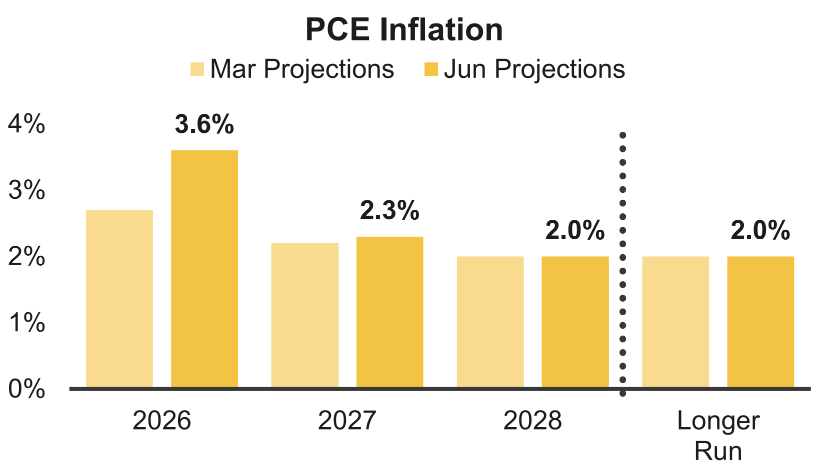


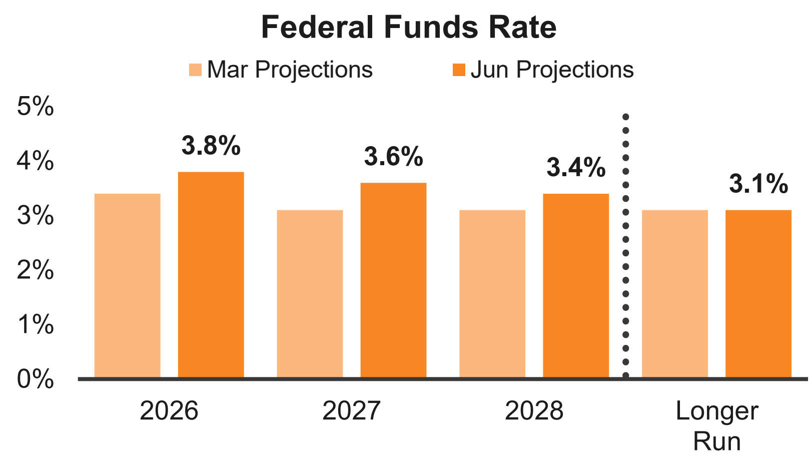
Source: Federal Reserve; Bloomberg Finance L.P. Individual dots represent each Fed member's judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. As of June 17, 2026.

Fed's Updated Summary of Economic Projections



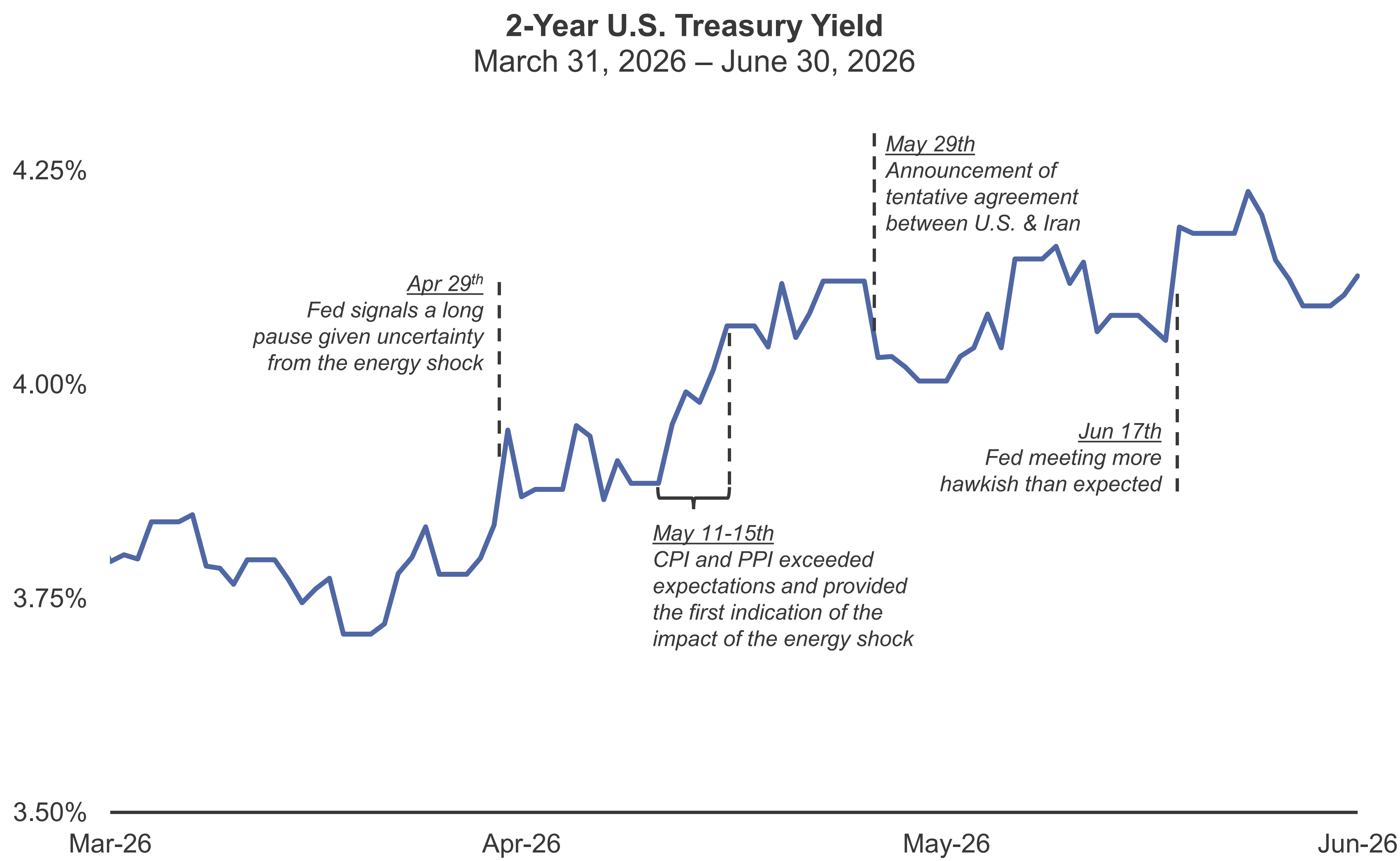






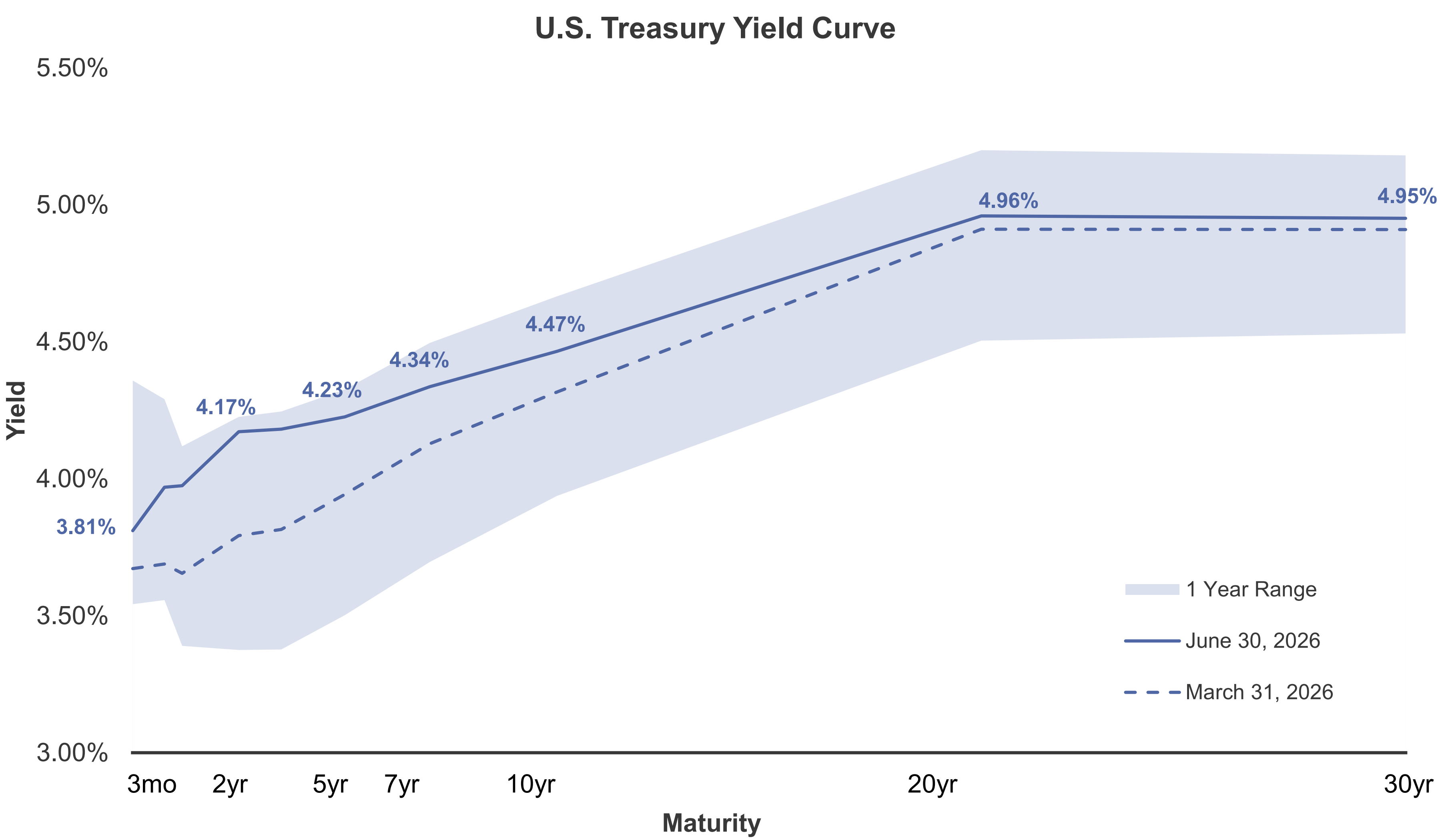
Source: Federal Reserve, latest economic projections as of June 2026.

2-Year Treasury Yield Moves Higher



Source: Bloomberg Finance L.P., as of June 30, 2026.

Treasury Yields Rise Across the Curve



Source: Bloomberg Finance L.P., as of June 30, 2026.

Factors to Consider for 6-12 Months

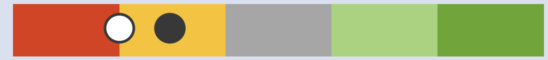
Monetary Policy (Global):

- The Federal Reserve held rates steady at Chair Warsh's first meeting and removed forward guidance while shifting its focus to price stability.
- The June "dot plot" shifted more hawkish, showing no projected rate cuts in 2026 while nine policymakers projected at least one hike this year.
- Warsh launched five task forces to review Fed operations and key policy frameworks.
- Global central banks diverged, with ECB and BoJ hiking on persistent inflation while others remain on hold.

Economic Growth (Global):

- Global growth prospects improved following easing Middle East tensions, easing a key overhang on global supply chains and energy prices.
- AI-related capex and easing tariff pressures are expected to continue offsetting softening in consumer demand.
- Risks remain skewed to the downside given geopolitical uncertainty and signs of softer consumer demand.

Inflation (U.S.):



- Headline inflation remains above target but may be at or near its peak as falling oil prices provide a disinflationary impulse.
- Core services inflation remains sticky while core goods inflation remains muted as easing tariff pressures offset AI-fueled inflation.
- Producer prices suggest lingering supply-chain pressures, increasing the risk of cost passthroughs.
- While long-run inflation expectations remain anchored, the Fed remains focused on the passthrough of higher energy into core inflation.

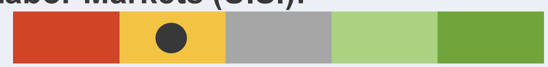
Financial Conditions (U.S.):

- Equity and fixed-income markets largely looked through the Middle East conflict, remaining focused on fundamentals and earnings strength.
- Strong corporate fundamentals persist and credit spreads are back near historical tights reflecting investor demand for yield.
- AI-related capex continues to drive significant capital flows, supporting equity valuations and elevated investment-grade issuance.
- Elevated valuations, large capital raises, geopolitical uncertainty, and energy price volatility remain key risks.

Consumer Spending (U.S.):

- Consumers remained resilient throughout the quarter despite higher energy costs but are beginning to show signs of softening.
- Real wages have turned modestly negative as inflation outpaces nominal wage gains, eroding purchasing power.
- The savings rate has fallen to multi-year lows, leaving consumers with less cushion.
- Consumer spending remains supported by higher-income households while affordability pressures persist for lower-income consumers.

Labor Markets (U.S.):



- The labor market has continued to show resilience, with recent payroll gains exceeding expectations and the unemployment rate holding steady.
- Hiring breadth remains narrow, concentrated in healthcare and social assistance.
- The "low-hire, low-fire" dynamic persists, with labor demand stable but hiring activity subdued.
- Slowing population growth and a softer labor force participation rate point to a structurally tighter supply of labor going forward.

Current outlook **Outlook one quarter ago**

Stance Unfavorable to Risk Assets	Negative	Slightly Negative	Neutral	Slightly Positive	Positive	Stance Favorable to Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg Finance L.P. and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (6/30/2026) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

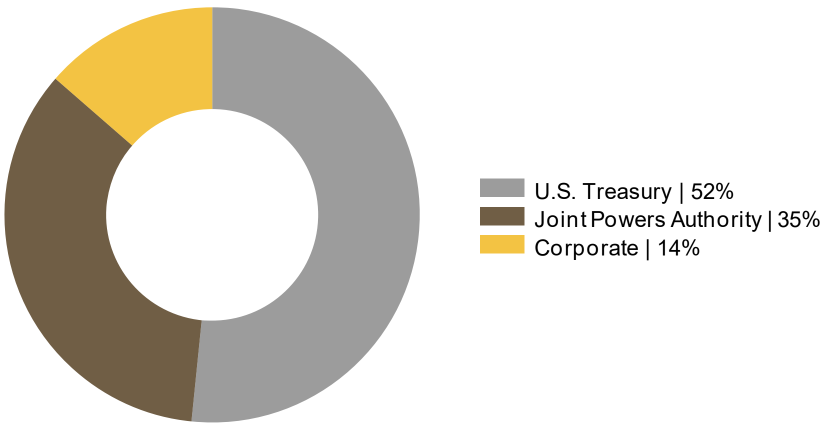
Portfolio Review:

Portfolio Snapshot - CAMP-EL TORO WATER DISTRICT OPERATING FUND[1]

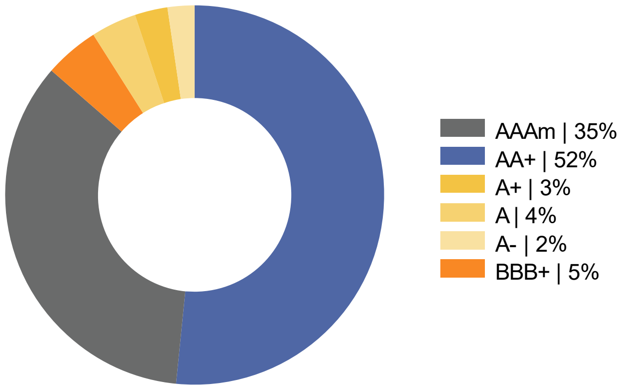
Portfolio Statistics

Total Market Value	$7,167,984.95
Managed Account Sub-Total	*$4,645,080.39*
Accrued Interest	*$41,345.03*
Pool	*$2,481,559.53*
Portfolio Effective Duration	1.36 years
Benchmark Effective Duration	1.34 years
Yield At Cost	4.11%
Yield At Market	4.24%
Portfolio Credit Quality	AA

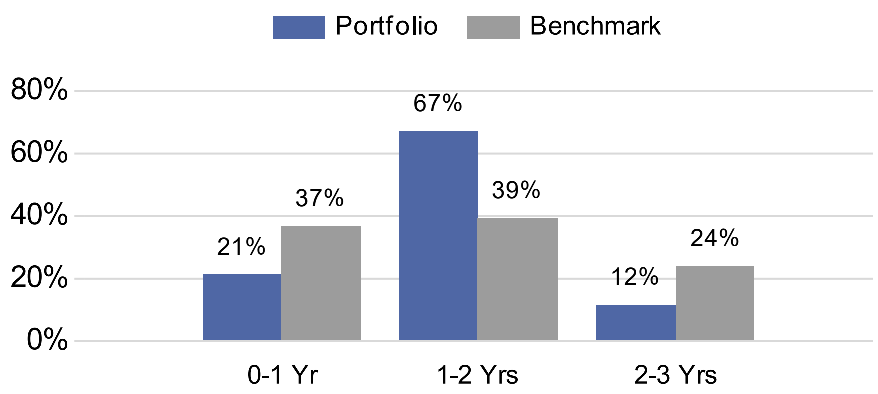
Sector Allocation



Credit Quality - S&P

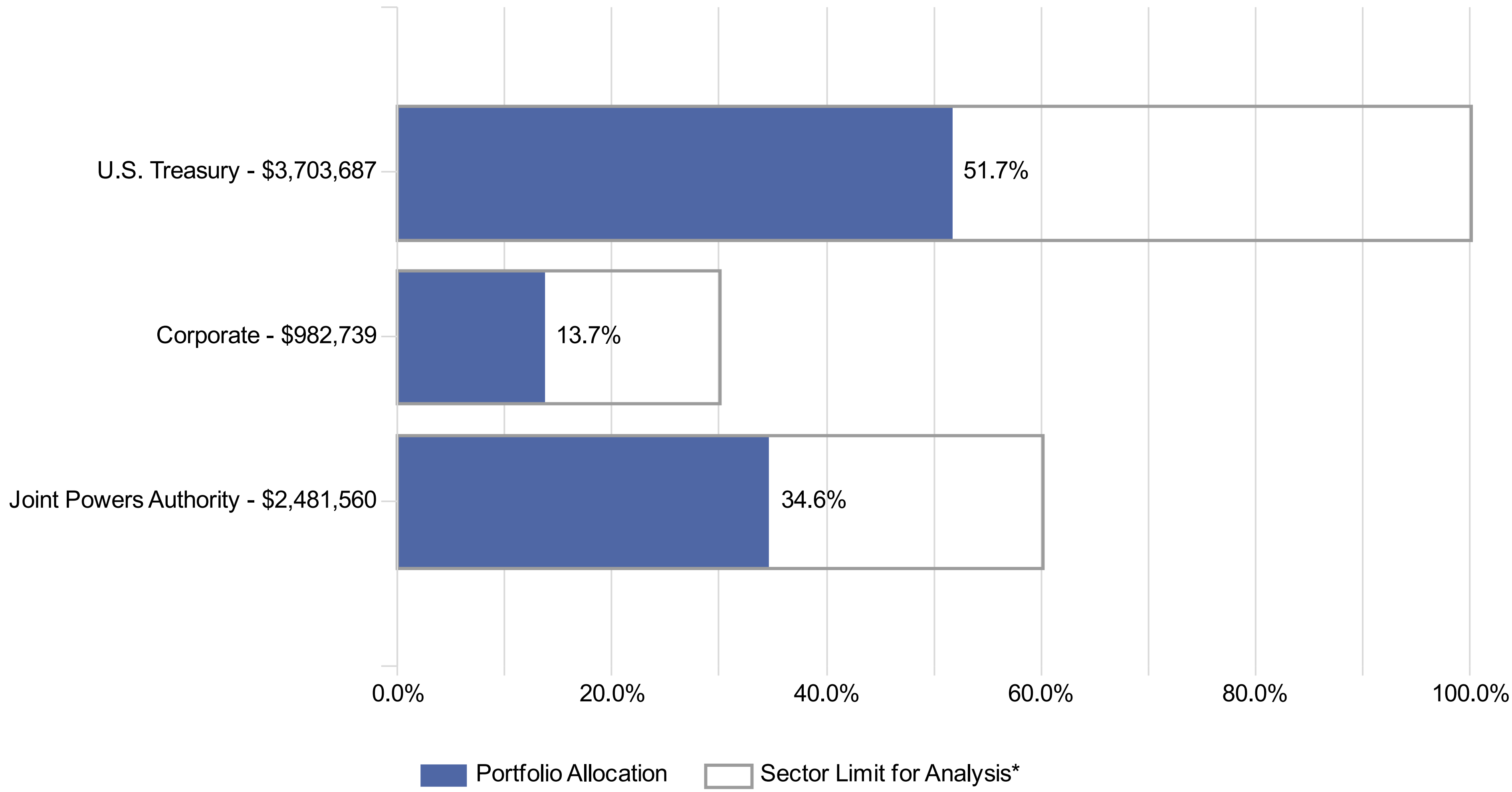


Duration Distribution



1. *Total market value includes accrued interest and balances invested in CAMP, as of June 30, 2026.*
   Yield and duration calculations exclude balances invested in CAMP.
   The portfolio's benchmark is the ICE BofA 0-3 Year U.S. Treasury Index. Source: Bloomberg Financial LP.
   An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Analytics



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

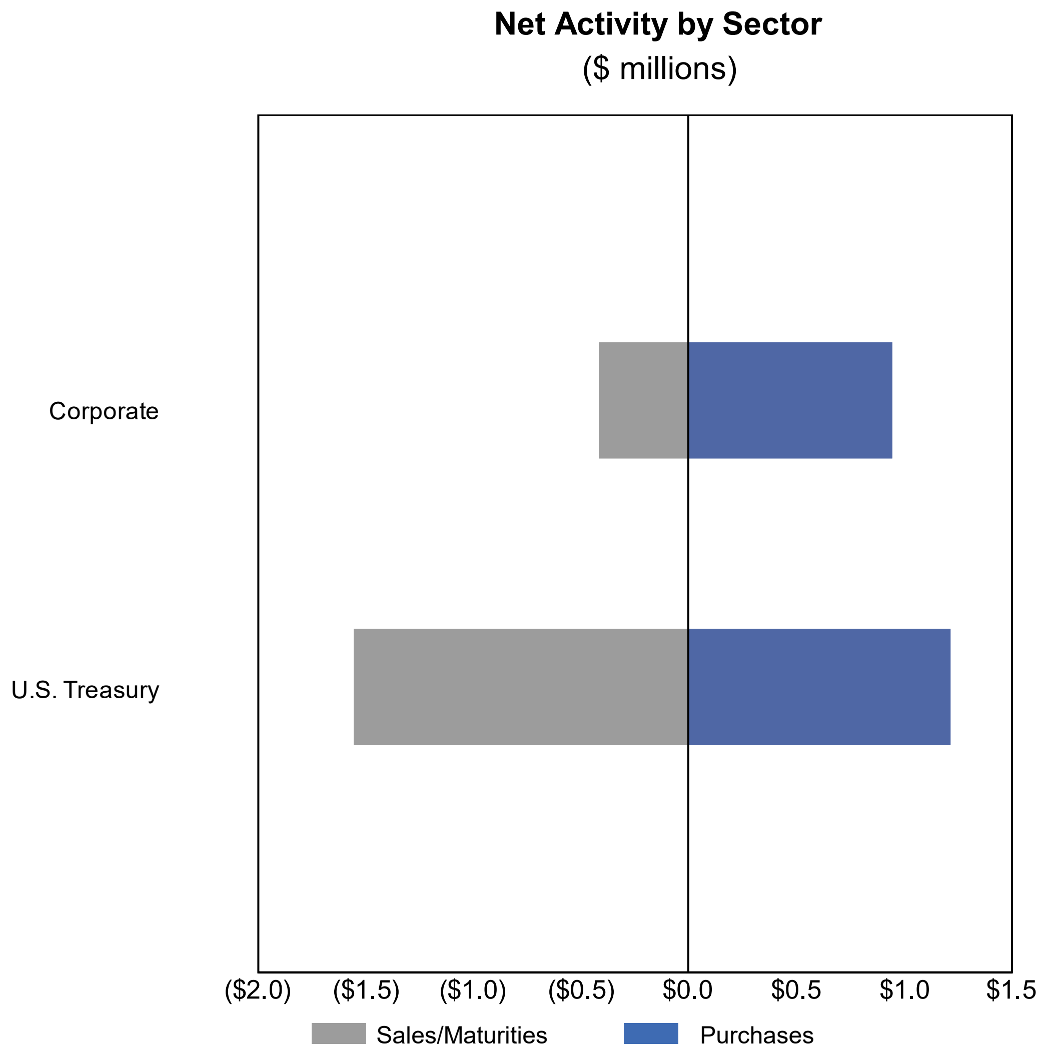
Certificate of Compliance

During the reporting period for the quarter ended June 30, 2026, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

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

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

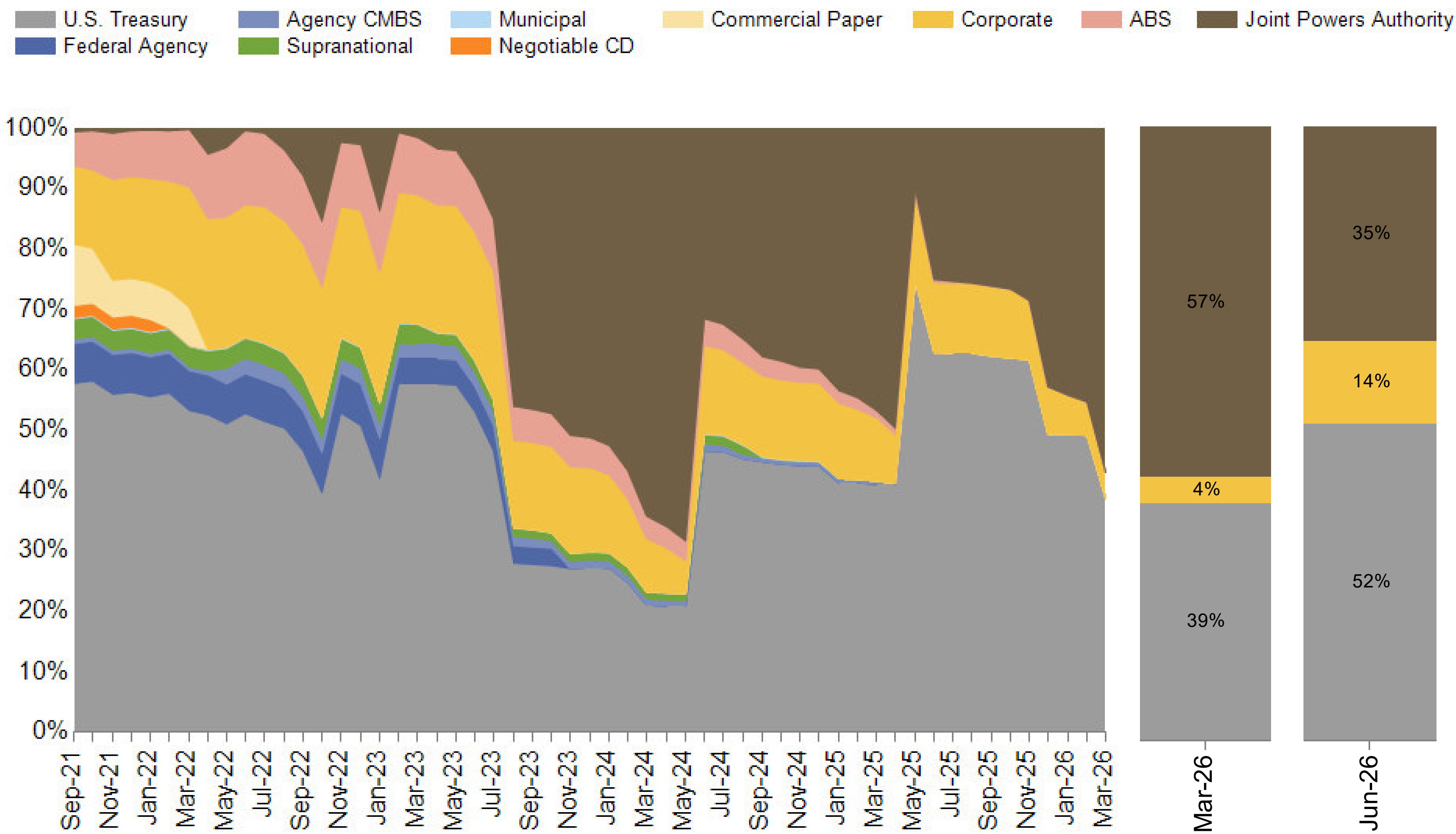
Portfolio Activity - CAMP-EL TORO WATER DISTRICT OPERATING FUND



Sector	Net Activity
Corporate	$535,257
U.S. Treasury	($334,270)
Total Net Activity	**$200,988**

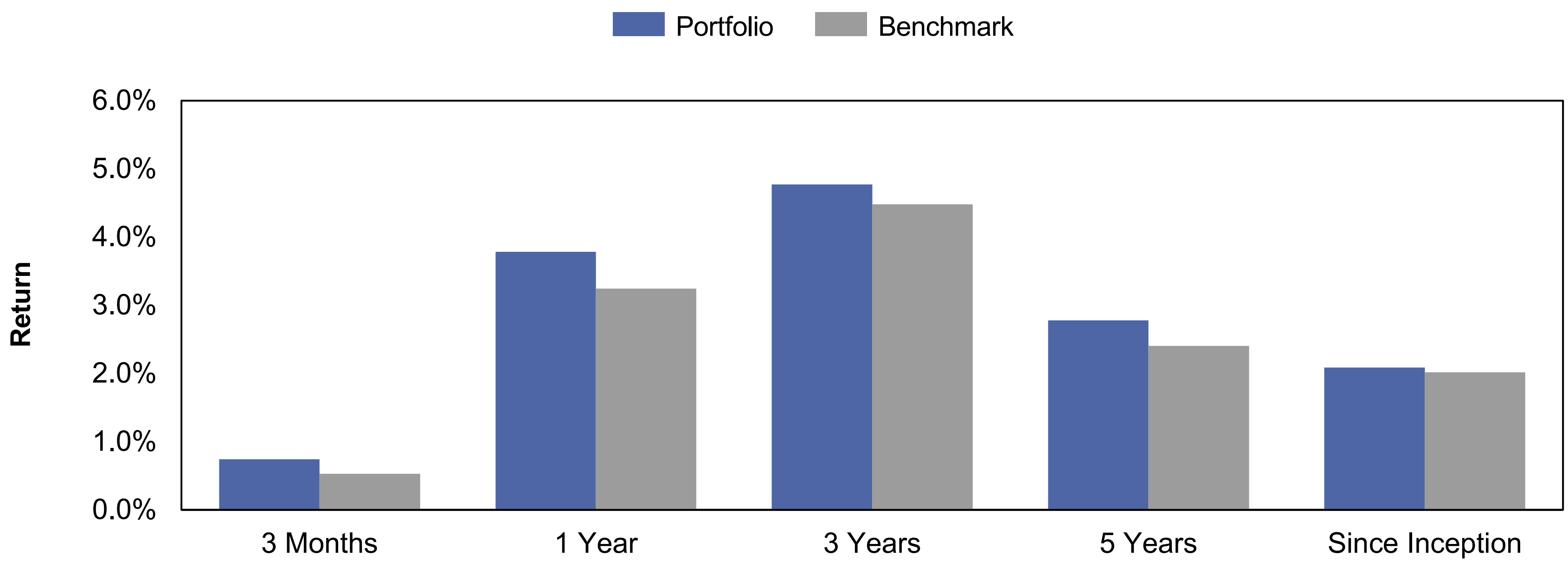
Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

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



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

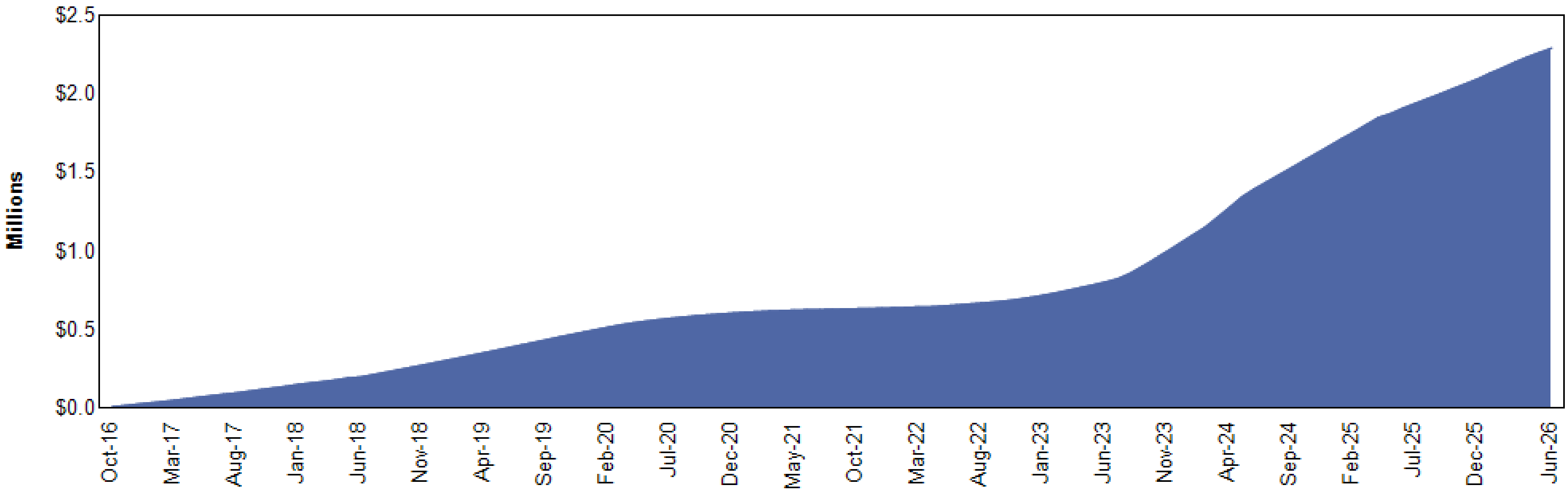
Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception[1]
Interest Earned[2]	$82,433	$336,029	$1,373,869	$1,588,484	$2,239,975
Change in Market Value	($15,981)	($4,301)	$312,562	$70,879	$14,889
Total Dollar Return	**$66,452**	**$331,728**	**$1,686,431**	**$1,659,363**	**$2,254,864**
Total Return[3]					
Portfolio	0.74%	3.79%	4.77%	2.78%	2.09%
Benchmark[4]	0.53%	3.24%	4.48%	2.41%	2.02%
Difference	0.21%	0.54%	0.29%	0.37%	0.07%

1. *The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2016.*
2. *Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.*
3. *Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.*
4. *The portfolio's benchmark is the ICE BofA 0-3 Year U.S. Treasury Index. Source: Bloomberg Financial LP.*

Accrual Basis Earnings - CAMP-EL TORO WATER DISTRICT OPERATING FUND



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception[1]
Interest Earned[2]	$82,433	$336,029	$1,373,869	$1,588,484	$2,239,975
Realized Gains / (Losses)[3]	$0	$1	($13)	($3,529)	($35,750)
Change in Amortized Cost	$7,568	$45,961	$112,847	$79,047	$88,537
Total Earnings	**$90,002**	**$381,992**	**$1,486,702**	**$1,664,003**	**$2,292,762**

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2016.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.

Issuer Distribution

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	**79.0%**	
United States Treasury	79.0%	AA / Aa / AA
Corporate	**21.0%**	
American Express Co	0.8%	A / A / A
Bank of America Corp	2.8%	A / A / AA
Bank of New York Mellon Corp	2.8%	A / Aa / AA
Citigroup Inc	4.3%	BBB / A / A
Goldman Sachs Group Inc	2.8%	BBB / A / A
JPMorgan Chase & Co	3.2%	A / A / AA
Salesforce Inc	4.3%	A / A / NR
Total	**100.0%**	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
BUY									
4/22/2026	4/23/2026	150,000.00	46647PFL5	JPMORGAN CHASE & CO (CALLABLE)	4.40%	4/23/2030	149,937.00	4.42%	
4/22/2026	4/23/2026	130,000.00	06051GMY2	BANK OF AMERICA CORP (CALLABLE)	4.47%	4/23/2030	130,054.60	4.47%	
4/24/2026	4/27/2026	1,200,000.00	91282CPE5	US TREASURY N/B	3.50%	10/31/2027	1,215,730.06	3.78%	
4/24/2026	4/27/2026	200,000.00	79466LAQ7	SALESFORCE INC (CALLABLE)	4.50%	3/15/2028	201,688.00	4.33%	
4/24/2026	4/27/2026	130,000.00	38141GE83	GOLDMAN SACHS GROUP INC (CALLABLE)	4.59%	4/20/2030	130,322.83	4.55%	
4/24/2026	4/27/2026	130,000.00	06406RCG0	BANK OF NY MELLON CORP (CALLABLE)	4.02%	1/22/2030	130,417.84	4.24%	
4/24/2026	4/27/2026	200,000.00	17327CAW3	CITIGROUP INC (CALLABLE)	4.78%	3/4/2029	202,837.21	4.51%	
Total BUY		**2,140,000.00**					**2,160,987.54**		**0.00**
INTEREST									
4/1/2026	4/1/2026		46625HQW3	JPMORGAN CHASE & CO (CALLABLE)	3.30%	4/1/2026	2,475.00		
4/19/2026	4/19/2026		06051GFX2	BANK OF AMERICA CORP	3.50%	4/19/2026	2,275.00		
4/30/2026	4/30/2026		91282CPE5	US TREASURY N/B	3.50%	10/31/2027	21,000.00		
5/15/2026	5/15/2026		91282CHB0	US TREASURY N/B	3.62%	5/15/2026	19,031.25		
5/15/2026	5/15/2026		89236TMD4	TOYOTA MOTOR CREDIT CORP	5.20%	5/15/2026	3,380.00		
5/31/2026	5/31/2026		9128286X3	US TREASURY N/B	2.12%	5/31/2026	5,312.50		
6/30/2026	6/30/2026		91282CEW7	US TREASURY N/B	3.25%	6/30/2027	8,125.00		
Total INTEREST		**0.00**					**61,598.75**		**0.00**

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
MATURITY									
4/1/2026	4/1/2026	150,000.00	46625HQW3	JPMORGAN CHASE & CO (CALLABLE)	3.30%	4/1/2026	150,000.00		
4/19/2026	4/19/2026	130,000.00	06051GFX2	BANK OF AMERICA CORP	3.50%	4/19/2026	130,000.00		
5/15/2026	5/15/2026	130,000.00	89236TMD4	TOYOTA MOTOR CREDIT CORP	5.20%	5/15/2026	130,000.00		
5/15/2026	5/15/2026	1,050,000.00	91282CHB0	US TREASURY N/B	3.62%	5/15/2026	1,050,000.00		
5/31/2026	5/31/2026	500,000.00	9128286X3	US TREASURY N/B	2.12%	5/31/2026	500,000.00		
Total MATURITY		**1,960,000.00**					**1,960,000.00**		**0.00**

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B DTD 02/15/2017 2.250% 02/15/2027	912828V98	500,000.00	AA+	Aa1	11/30/2022	11/30/2022	464,531.25	4.10	4,226.52	494,718.89	494,608.50
US TREASURY N/B DTD 06/30/2022 3.250% 06/30/2027	91282CEW7	500,000.00	AA+	Aa1	2/22/2023	2/23/2023	480,273.44	4.25	44.16	495,478.29	495,804.50
US TREASURY N/B DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	500,000.00	AA+	Aa1	2/22/2023	2/23/2023	497,929.69	4.22	5,184.43	499,438.06	499,863.50
US TREASURY N/B DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	500,000.00	AA+	Aa1	11/30/2022	11/30/2022	502,500.00	4.01	5,184.43	500,645.89	499,863.50
US TREASURY N/B DTD 10/31/2025 3.500% 10/31/2027	91282CPE5	1,200,000.00	AA+	Aa1	4/24/2026	4/27/2026	1,195,078.13	3.78	7,076.09	1,195,644.45	1,189,687.20
US TREASURY N/B DTD 01/31/2023 3.500% 01/31/2028	91282CGH8	500,000.00	AA+	Aa1	2/22/2023	2/23/2023	485,332.03	4.16	7,299.72	495,289.65	494,844.00
Security Type Sub-Total		**3,700,000.00**					**3,625,644.54**	**4.03**	**29,015.35**	**3,681,215.23**	**3,674,671.20**
Joint Powers Authority											
CAMP Pool		2,481,559.53	AAAm	NR			2,481,559.53		0.00	2,481,559.53	2,481,559.53
Security Type Sub-Total		**2,481,559.53**					**2,481,559.53**		**0.00**	**2,481,559.53**	**2,481,559.53**
Corporate											
SALESFORCE INC (CALLABLE) DTD 03/13/2026 4.500% 03/15/2028	79466LAQ7	200,000.00	A+	A2	4/24/2026	4/27/2026	200,588.00	4.33	2,700.00	200,531.92	199,747.60
CITIGROUP INC (CALLABLE) DTD 03/04/2025 4.786% 03/04/2029	17327CAW3	200,000.00	BBB+	A3	4/24/2026	4/27/2026	201,428.00	4.51	3,110.90	201,295.88	200,480.60
AMERICAN EXPRESS CO (CALLABLE) DTD 07/25/2025 4.351% 07/20/2029	025816EJ4	35,000.00	A-	A2	7/30/2025	7/31/2025	34,951.70	4.39	681.05	34,962.19	34,821.01
BANK OF NY MELLON CORP (CALLABLE) DTD 01/22/2026 4.026% 01/22/2030	06406RCG0	130,000.00	A	Aa3	4/24/2026	4/27/2026	129,036.70	4.24	2,311.60	129,079.16	128,189.36

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
GOLDMAN SACHS GROUP INC (CALLABLE) DTD 04/20/2026 4.594% 04/20/2030	38141GE83	130,000.00	BBB+	A2	4/24/2026	4/27/2026	130,206.70	4.55	1,177.85	130,195.26	129,266.28
JPMORGAN CHASE & CO (CALLABLE) DTD 04/23/2026 4.408% 04/23/2030	46647PFL5	150,000.00	A	A1	4/22/2026	4/23/2026	149,937.00	4.42	1,248.93	149,940.12	148,724.25
BANK OF AMERICA CORP (CALLABLE) DTD 04/23/2026 4.477% 04/23/2030	06051GMY2	130,000.00	A-	A1	4/22/2026	4/23/2026	130,054.60	4.47	1,099.35	130,051.64	129,180.09
Security Type Sub-Total		**975,000.00**					**976,202.70**	**4.42**	**12,329.68**	**976,056.17**	**970,409.19**
Managed Account Sub Total		**4,675,000.00**					**4,601,847.24**	**4.11**	**41,345.03**	**4,657,271.40**	**4,645,080.39**
Securities Sub Total		**$7,156,559.53**					**$7,083,406.77**	**4.11%**	**$41,345.03**	**$7,138,830.93**	**$7,126,639.92**
Accrued Interest											**$41,345.03**
Total Investments											**$7,167,984.95**

Important Disclosures

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

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

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- Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.

- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**

- ICE Bank of America Indices provided by Bloomberg Financial Markets.

- Money market fund/cash balances are included in performance and duration computations.

- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.

- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.

- MBS maturities are represented by expected average life.

Glossary

- Accrued Interest: Interest that is due on a bond or other fixed income security since the last interest payment was made.
- Agencies: Federal agency securities and/or Government-sponsored enterprises.
- Amortized Cost: The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- Asset-Backed Security: A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- Bankers' Acceptance: A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- Commercial Paper: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- Contribution to Total Return: The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- Effective Duration: A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- Effective Yield: The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- FDIC: Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- Interest Rate: Interest per year divided by principal amount and expressed as a percentage.
- Market Value: The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- Maturity: The date upon which the principal or stated value of an investment becomes due and payable.
- Negotiable Certificates of Deposit: A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- Par Value: The nominal dollar face amount of a security.
- Pass-through Security: A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

STAFF REPORT

To:	**Board of Directors**	**Meeting Date: July 20, 2026**
From:	**Vishav Sharma, Chief Financial Officer**	
Subject:	**June 2026 Financial Report and Analysis**	

The attached report provides an overview of the District's financial performance for the month of June 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 and investments as of June 30, 2026, were $23,856,503. This represents an increase of $1,545,001 from the previous month. The increase was primarily attributable to the reduction of outstanding accounts receivable.
  - The District's Current ratio is 11.0, indicating strong ability for the District to meet its short-term obligations. The Current ratio is a liquidity ratio that measures a company's ability to pay its short-term liabilities using its current assets. It is calculated by dividing Current Assets by Current Liabilities.
  - Days Cash on Hand stands at 249 days, showing the District's ability to fund operations 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 month was $4,869,981, this balance decreased by $1,257,554 compared with the prior month. Accounts receivable decreased primarily due to the timing of customer payments and scheduled billing.
  - As of June 2026, the year-to-date accounts receivable turnover ratio is 32 days, which is within the District's target range of 30 to 35 days. The ratio is calculated by dividing year-to-date net sales by the average utility customer accounts receivable balance, net of accruals. This metric measure how effectively the District collects customer receivables and manages its cash flow.
  - Material and supply inventory decreased by $55,623 to a total of $1,617,449, reflecting consumption of supply inventory and partial repayment by Metropolitan Water District of reverse cyclic water purchase program.
  - Prepaid Expenses decreased by $115,527 to a total of $689,292, reflecting amortization of prepaid insurance, supplies, and services (including software subscriptions).

Overall, Current Assets totaled $31,033,225, reflecting an increase of $116,297 from the previous month.

Noncurrent Assets:

- Construction in Progress increased by $829,494, reflecting continued progress on the District's capital improvement program.
- Accumulated Depreciation increased by $427,057, as expected.

The Noncurrent Assets balance is $111,810,008, reflecting a net increase of $280,475.

Liabilities

- **Current Liabilities**:
  - Accounts Payable and Accrued Expenses increased by $1,197,303. Accounts payable increased primarily due to the timing of vendor invoice processing and scheduled payments.
  - As of June 2026, the year-to-date accounts receivable turnover ratio is 32 days, slightly above the District's target of 30 days. The ratio is calculated by dividing year-to-date net sales by the average utility customer accounts receivable balance, net of accruals. This metric measure how effectively the District collects customer receivables and manages its cash flow.
  - Accrued Interest Payable increased by $69,072 to $144,575, and current loan payable increased by $1,615,162 to reflect 2026-27 debt principal payments.

  Overall, Current Liabilities increased by $2,919,668, reflecting an increase in vendor obligations, current debt payments and accrued interest payable.

- **Non-Current Liabilities**:
  - Loans Payable decreased by $2,146,910 to $45,677,510. This reflects a Sunflower Bank loan payment in June and reclassification of short-term debt obligation of $1,615,162 to the current liabilities section.
  - Other post-employment benefit liability decreased by $1,424,655 based on the year end OPEB actuarial report.

The Total Liabilities amounted to $62,519,058 reflecting a decrease of $627,606 compared to prior month mainly due to debt service payment.

- **Deferred inflows of resources**:
  - Deferred inflows related to GASB 87 Lease obligation declined by $213,150.
  - Deferred inflows related Other post-employment benefits/ Retiree health insurance declined by $212,643.

Summary of Revenues

For June 2026 and year to date, the District’s total revenues were $3,295,249 and $39,205,969, respectively. This represents 99.6% of the total budgeted revenue for the fiscal year.

Key Revenues Categories:

- **Commodity Supply Charges**:
  This month's revenue was $1,090,742, with a YTD total of $12,919,106 (96.8% of budget). This category continues to perform in line with expectations. Commodity supply charge includes recycled water revenues. Recycled water revenue for the month is $258,326 and year-to-date revenue is $2,236,945 or 125% of the budget.
- **Service Charges**:
  This month's revenue was $1,127,698, and the YTD total stands at $15,752,000 which is 98.5% of the budget. This is in line with expectations.
- **Capital Facility Charges**:
  This month's revenue is $495,486, and the YTD total stands at $6,276,201, which is 100.3% of the annual budget.
- **Investment Income**:
  The District earned $211,303 in investment income this month and YTD $976,747 respectively. This amount includes $129,895 interest income portion of cell tower lease under GASB 87. The District earned an approximate return on investment of 3.82%.
- **Grants, Rebates, and Reimbursements**:
  The District received YTD total of $1,406,274, or over 108% of budgeted rebates and reimbursements from LRP subsidies. This amount also includes the MNWD's second of three annual payments related to the SOCWA regional plant transfer to MNWD.
- **Miscellaneous Revenue**:
  Miscellaneous revenue this month was $154,323, and YTD totaled$505,481 represent 144% 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 June 2026 are $3,205,866 and $34,154,731 YTD, which is 89.6% of the annual budget.

Key Expenses Categories:

- **Salary Expenses**:
  Monthly salary-related expenses were $762,121, resulting in a YTD total of $7,737,594 (97.5% of budget). Salary expenses are in line with expectations, Staff continues to monitor overtime cost and analyzing it every pay period.
- **Benefit Expenses**:
  Benefit expenses totaled $176,983 for the month, with a YTD total of $2,993,175 (95.3%). Retirement contributions and medical insurance expenses are the main drivers of this category.
- **Water Purchased for Resale**:
  Expenses totaled $1,752,138 for the month, with $9,894,919 YTD (92.1%).
- **Contracted/Purchased Services**:
  Monthly expenses were $769,181, with $5,780,204 YTD (84.4%). Contracted services remain below budget primarily due to the timing of planned projects.
- **Supplies and Commodities**:
  Expenses totaled $128,838 for the month, with $1,236,137 YTD (88.9%).
- **Professional Development costs**:
  Expenses totaled $32,834 for the month, with $352,222 YTD (68.4%).
- **Other Expenses**:
  This category includes costs related to retiree health insurance, depreciation, and interest

expense. YTD expenses total $5,962,894 (89.6% of annual budget). Notably, debt service and depreciation are on track as expected.

Net Position

The District's net position as of June 2026 is $71,929,653. The net position increased by $1,623,116.

Conclusion

Through June 2026, the District remains in a strong financial position. Revenues have essentially met the annual budget, while expenditures remain below budget across most operating categories. Strong liquidity, disciplined spending, and continued investment in capital infrastructure position the District well to meet its operational and long-term strategic objectives.

Attachment 1

Statement of Net Position for the period ended June 2026

El Toro Water District
Interim Statement of Net Position for the Month of June, 2026

	6/30/2025 Audited	5/31/2026 Revised Interim	6/30/2026 Interim	Change
Assets				
Current Assets				
Cash & Cash Equivalents	15,977,712	17,151,585	18,204,558	1,052,973
Investments	6,054,410	5,159,563	5,650,393	490,830
Accounts Receivable	4,930,670	6,127,535	4,869,981	(1,257,554)
Materials & Supply Inventory	2,059,289	1,673,072	1,617,449	(55,623)
Prepaid Expenses	375,340	804,819	689,292	(115,527)
Restricted - Cash & Investments	1,444	354	1,552	1,197
Current Assets - Sub-total	29,398,865	30,916,928	31,033,225	116,297
Non-Current Assets				
Lease Receivable	4,012,747	4,012,747	3,890,786	(121,962)
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	15,953,684	15,953,684	-
Construction in Progress	7,032,386	9,919,685	10,749,178	829,494
Accumulated Depreciation	(101,713,907)	(106,804,268)	(107,231,326)	(427,057)
Non-Current Assets - Sub-total	114,094,275	111,529,533	111,810,008	280,475
Total Assets	**143,493,140**	**142,446,461**	**142,843,233**	**396,771**
Deferred Outflows of Resources				
OPEB Deferred Outflow of Resources	1,917,324	1,917,324	1,307,952	(609,372)
Liabilities				
Current Liabilities				
Accounts Payable & Accrued Expenses	3,450,141	1,338,624	2,535,927	1,197,303
Accrued Salaries & Related Payables	191,358	(59,036)	(16,136)	42,899
Customer Deposits	65,653	22,600	16,550	(6,050)
Accrued Interest Payable	150,929	75,503	144,575	69,072
Long Term Liabilities - Due in One Year				-
Compensated Absences	241,796	241,796	243,078	1,282
OPEB Liability	464,374	-	-	-
Loans Payable	2,014,077	489,077	2,104,239	1,615,162
Current Liabilities - Sub-total	6,578,328	2,108,564	5,028,233	2,919,668
Non-Current Liabilities				
Compensated Absences	1,562,867	1,562,867	1,587,158	24,291
Other Post-Employment Benefits Liability	11,186,439	11,650,813	10,226,158	(1,424,655)
Loans Payable	48,293,804	47,824,420	45,677,510	(2,146,910)
Non-Current Liabilities - Sub-total	61,043,110	61,038,100	57,490,826	(3,547,275)
Total Liablities	**67,621,438**	**63,146,664**	**62,519,058**	**(627,606)**
Deferred Inflows of Resources				
Deferred Amounts from Leases	3,648,223	3,648,223	3,435,073	(213,150)
Deferred Amounts from OPEB	6,480,043	6,480,043	6,267,400	(212,643)
Total Deferred Inflows of Resources	10,128,266	10,128,266	9,702,473	(425,793)
Net Position				
Net Investment in Capital Assets	59,349,999	63,216,036	64,028,259	812,223
Depreciation adjustment - change in estimate		(782,318)		782,318
Restricted - Capital Projects	-	-	-	-
Restricted - Debt Service	-	-	-	-
Unrestricted	8,310,761	7,872,819	7,901,394	28,575
Total Net Position	**67,660,760**	**70,306,537**	**71,929,653**	**1,623,116**

Attachment 2

Statement of Revenues, Expenses, and Changes in Net Position

for June 2026

Statement of Revenues, Expenses, and Changes in Net Position for the Month of June, 2026

	District		Water System		Wastewater System		Recycled System		Capital Improvments	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating Revenues										
Commodity Supply Charges	$ 13,340,717	$ 12,919,106	$ 11,558,372	$ 10,682,161	$ -	$ -	$ 1,782,345	$ 2,236,945	$ -	$ -
Service Provision Charges	15,993,872	15,752,000	5,459,145	5,383,197	10,013,671	9,845,530	521,055	523,273	-	-
Capital Facilities Charge	6,259,985	6,276,201	-	-	-	-	-	-	6,259,985	6,276,201
Charges for Services	125,000	14,550	125,000	14,550	-	-	-	-	-	-
Miscellaneous Operating Income	45,900	112,660	31,000	62,258	14,900	50,402	-	-	-	-
Grants, Rebates, Reimbursements	1,301,125	1,406,274	-	70,016	5,300	2,267	275,825	330,887	1,020,000	1,003,104
Total Operating Revenues	37,066,599	36,480,790	17,173,517	16,212,182	10,033,871	9,898,199	2,579,225	3,091,104	7,279,985	7,279,305
Operating Expenses										
General & Administrative	5,927,115	5,938,292	2,462,542	2,751,969	3,003,516	2,775,867	461,057	410,455	-	-
Operations & Maintenance	24,384,796	21,974,123	15,007,224	13,927,928	7,746,199	6,638,381	1,631,374	1,407,815	-	-
Operating Capital Expenses	262,000	279,449	-	-	-	-	-	-	262,000	279,449
Other Operating Expenses	407,000	(621,817)	162,800	(248,727)	211,640	(323,345)	32,560	(49,745)	-	-
Depreciation & Amortization	5,140,000	5,096,784	-	-	-	-	-	-	5,140,000	5,096,784
Total Operating Expenses	36,120,911	32,666,831	17,632,566	16,431,170	10,961,355	9,090,904	2,124,991	1,768,525	5,402,000	5,376,233
Operating Income/(Loss)	945,688	3,813,959	(459,048)	(218,988)	(927,483)	807,295	454,234	1,322,579	1,877,985	1,903,072
Non-operating Revenues										
Property Taxes	1,300,000	1,300,000	520,000	520,000	676,000	676,000	104,000	104,000	-	-
Investment Earnings	700,000	976,747	350,000	497,716	350,000	477,306	-	-	-	1,725
Miscellaneous Revenue	298,400	392,821	288,000	373,870	10,400	7,797	-	11,154	-	-
Interest Expense	(2,006,335)	(1,487,927)	-	-	-	-	-	-	(2,006,335)	(1,487,927)
Net Non-Operating Revenues	292,065	1,181,642	1,158,000	1,391,586	1,036,400	1,161,104	104,000	115,154	(2,006,335)	(1,486,202)
Income/(Loss) before Contributions & Transfers	1,237,753	4,995,601	698,952	1,172,599	108,917	1,968,399	558,234	1,437,733	(128,350)	416,870
Transfers										
Transfers In	1,809,100	-	-	-	-	-	-	-	1,809,100	-
Transfers Out	(1,809,100)	-	(881,880)	-	-	-	(927,220)	-	-	-
Net Transfers	-	-	(881,880)	-	-	-	(927,220)	-	1,809,100	-
Capital Contributions										
Donations & Contributions	-	55,611	-	-	-	-	-	-	-	55,611
Total Capital Contributions	-	55,611	-	-	-	-	-	-	-	55,611
Change in Net Position	1,237,753	5,051,211	(182,928)	1,172,599	108,917	1,968,399	(368,986)	1,437,733	1,680,750	472,480
Beginning Net Position	67,660,760	67,660,760								
Depr. adj - change in estimate	(782,318)	(782,318)								
Ending Net Position	$ 68,898,513	$ 71,929,653								

Attachment 3

Summary of Revenues and Expenses for the period ended June 2026

Summary of Revenues and Expenses for the Month of June, 2026

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Summary of Total District Revenues					
District Totals					
Commodity Supply Charges	1,090,742	12,919,106	13,340,717	421,611	96.8%
Service Charges	1,127,698	15,752,000	15,993,872	241,872	98.5%
Capital Facility Charges	495,486	6,276,201	6,259,985	(16,215)	100.3%
Charges for Services	-	14,550	125,000	110,450	11.6%
Miscellaneous Revenue	154,323	505,481	349,600	(155,881)	144.6%
Grants, Rebates, Reimbursements	103,733	1,406,274	1,295,825	(110,449)	108.5%
Property Taxes	108,333	1,300,000	1,300,000	0	100.0%
Investment Income	211,303	976,747	700,000	(276,747)	139.5%
Donations & Capital Contributions	3,631	55,611	-	(55,611)	N/A
Total Revenue	3,295,249	39,205,969	39,364,999	159,030	99.6%
Summary of Total District Expenses					
Salary Expenses					
Directors Fees	11,804	137,072	144,616	7,544	94.8%
Exempt Salaries	181,086	1,738,760	1,583,800	(154,960)	109.8%
Non-exempt Salaries	516,475	5,405,023	5,366,100	(38,923)	100.7%
Other Salary Payments	-	-	250,400	250,400	0.0%
Overtime	30,841	295,944	400,000	104,056	74.0%
Stipend - On-call	9,072	86,856	81,900	(4,956)	106.1%
Stipends/Allowances	12,843	66,289	106,980	40,691	62.0%
Employee Service Awards	-	7,650	6,237	(1,413)	122.7%
Salary Expenses Sub-total	762,121	7,737,594	7,940,033	202,439	97.5%
Benefit Expenses					
Medical Insurance	-	1,180,104	1,215,016	34,912	97.1%
HSA Contributions	28,900	28,900	28,100	(800)	102.8%
Dental Insurance	-	97,066	98,200	1,134	98.8%
Vision Insurance	-	13,028	12,300	(728)	105.9%
Life Insurance	3,283	42,064	41,300	(764)	101.9%
Disability Insurance	4,176	53,597	41,400	(12,197)	129.5%
Long-term Care Insurance	-	6,330	21,600	15,270	29.3%
Workers Compensation Insurance	10,983	135,157	167,800	32,643	80.5%
State Unemployment Insurance	-	-	3,000	3,000	0.0%
401k Retirement Contributions	67,026	697,412	681,500	(15,912)	102.3%
401k Matching Contributions	43,514	468,645	287,700	(180,945)	162.9%
457b Matching Contributions	8,216	79,274	275,800	196,526	28.7%
Medicare Insurance	10,893	112,154	115,159	3,005	97.4%
FICA	638	5,418	4,300	(1,118)	126.0%
Capitalized Benefits	(647)	(67,266)	-	67,266	N/A
Benefit Expenses Sub-total	176,983	2,851,884	2,993,175	141,291	95.3%
Commodity Purchased for Resale					
Water Purchases - MWDOC	927,728	4,398,430	4,992,965	594,535	88.1%
Water Purchases - MWDOC Fixed	173,484	1,021,183	1,026,274	5,091	99.5%
Water Purchases - AMP/SAC	4,468	29,290	41,832	12,541	70.0%
Regional Water Supply Expenses	351	7,701	-	(7,701)	N/A
Water Purchases - Baker WTP	434,382	2,924,650	3,365,400	440,750	86.9%
Water Purchases - Baker O&M	199,614	689,500	1,171,500	482,000	58.9%
Water Purch - Other Agencies	-	679,248	-	(679,248)	N/A
MWDOC Service Connect Charge	12,111	144,916	145,000	84	99.9%
Commodity Purchased for Resale Sub-total	1,752,138	9,894,919	10,742,971	848,052	92.1%

Summary of Revenues and Expenses for the Month of June, 2026

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Contracted/Purchased Services					
Consultants	12,075	219,573	152,790	(66,783)	143.7%
Engineering Services	10,804	44,930	40,390	(4,540)	111.2%
Audit & Accounting Services	21,830	82,580	54,150	(28,430)	152.5%
Technology Consultants	12,647	28,104	36,000	7,896	78.1%
SOCWA Contract	302,012	942,079	1,200,000	257,921	78.5%
Contractors	13,908	333,427	282,572	(50,855)	118.0%
Contracted Employees	-	5,954	10,000	4,046	59.5%
Legal Svcs - General Counsel	13,904	87,983	100,000	12,017	88.0%
Legal Svcs - Specialty Counsel	71	35,686	21,600	(14,086)	165.2%
Other Legal Services	352	2,836	1,000	(1,836)	283.6%
Employee Recruitmnt/Compliance	508	16,942	5,500	(11,442)	308.0%
Employee Health & Wellness	-	9,110	3,800	(5,310)	239.7%
Employee Relations Expenses	729	2,981	10,000	7,019	29.8%
Professional Services	-	-	-	-	N/A
Landscaping Services	13,707	127,343	171,341	43,998	74.3%
Janitorial Contracts	10,007	62,002	60,048	(1,954)	103.3%
Equipment Rental	663	21,354	37,000	15,646	57.7%
Uniform Rental	1,413	14,912	16,800	1,888	88.8%
Laboratory Services	430	26,610	25,500	(1,110)	104.4%
Disposal Services	8,607	88,834	91,500	2,666	97.1%
Security Services	-	41,054	50,340	9,286	81.6%
Insurance	44,552	448,199	452,500	4,301	99.0%
Financial Service Fees	4,829	95,834	53,500	(42,334)	179.1%
Printing & Reproduction	15,903	26,849	45,700	18,851	58.8%
Advertising & Publicity Svcs	2,432	5,071	9,020	3,949	56.2%
Postage	6,785	15,973	19,700	3,727	81.1%
Public Relations/Education	3,833	18,652	54,400	35,748	34.3%
Water Efficiency Services	7,764	82,412	45,000	(37,412)	183.1%
Licenses & Permits	10,291	208,266	264,290	56,024	78.8%
Software Maintenance/Licenses	26,066	262,713	327,470	64,757	80.2%
Electrical Power	161,026	1,710,355	2,262,300	551,945	75.6%
Natural Gas	244	4,285	2,000	(2,285)	214.2%
Cable Service	526	3,436	10,000	6,564	34.4%
Telecommunications	5,048	26,049	25,000	(1,049)	104.2%
Mobile Telecommunications	3,909	22,129	48,000	25,871	46.1%
Data Access	8,754	71,608	65,000	(6,608)	110.2%
Equipment Maintenance & Repair	16,275	128,584	196,100	67,516	65.6%
Pump Maintenance & Repair	-	24,023	54,500	30,477	44.1%
Motor Maintenance & Repair	-	128,546	132,500	3,954	97.0%
Electrical Maintenance/Repair	7,251	46,052	143,000	96,948	32.2%
Meter Maintenance & Repair	-	28,887	51,000	22,113	56.6%
Structure Maintenance & Repair	5,479	55,366	41,600	(13,766)	133.1%
Asphalt Maintenance & Repair	14,546	172,621	172,000	(621)	100.4%
Contracted/Purchased Services Sub-total	769,181	5,780,204	6,844,911	1,064,707	84.4%
Commodities					
Repair Parts & Materials	32,694	385,527	472,700	87,173	81.6%
Tools & Small Equipment	9,958	65,684	81,100	15,416	81.0%
Safety Equipment	-	22,579	27,200	4,621	83.0%
Employee Tools/Safety Equip	514	13,258	19,900	6,642	66.6%
Laboratory Tools & Small Equip	3,407	9,027	20,000	10,973	45.1%
Technology Tools/Small Equip	-	33,812	40,000	6,188	84.5%
Chemicals	38,733	369,845	375,200	5,355	98.6%
Laboratory Chemicals	5,009	51,188	41,000	(10,188)	124.8%
Gasoline & Oil	26,269	140,544	140,000	(544)	100.4%
Operating Supplies/Accessories	5,013	59,218	35,200	(24,018)	168.2%
Office Supplies & Accessories	335	9,427	24,700	15,273	38.2%
Technology Supplies/Components	141	9,760	30,000	20,240	32.5%
Lab Supplies & Accessories	2,869	24,971	20,500	(4,471)	121.8%
Meeting/Event Supplies & Food	3,898	33,926	48,300	14,374	70.2%
Water Use Efficiency Supplies	-	7,372	15,000	7,628	49.1%
Commodities Sub-total	128,838	1,236,137	1,390,800	154,663	88.9%

Summary of Revenues and Expenses for the Month of June, 2026

Account - Description	Month Actual	YTD Actual	2025-2026 Budgeted	Budget Remaining	% of Budget Earned/Spent
Professional Development					
Education & Training	10,013	43,583	95,480	51,897	45.6%
Education/Training - Directors	-	-	-	-	N/A
Licenses & Certifications	119	1,564	4,142	2,578	37.8%
Dues & Memberships	11,622	118,243	125,900	7,657	93.9%
Dues & Memberships - Directors	-	-	-	-	N/A
Meetings & Conferences	1,685	12,939	38,100	25,161	34.0%
Meetings/Conferences-Directors	3,742	24,887	13,500	(11,387)	184.4%
Travel Reimbursement	2,389	15,850	36,900	21,050	43.0%
Travel Reimbursement-Directors	1,575	19,727	35,000	15,273	56.4%
Publications & Subscriptions	1,688	4,001	3,200	(801)	125.0%
Professional Development Sub-total	32,834	240,795	352,222	111,427	68.4%
Miscellaneous Expenses					
Employee Appreciation Expenses	1,599	1,602	500	(1,102)	320.3%
Internal/External Event Expenses	124	7,798	1,500	(6,298)	519.8%
Election Expense	-	-	20,000	20,000	0.0%
Reimbursable Repair Expense	-	-	-	-	N/A
Property Taxes	-	2,507	3,000	493	83.6%
Uncollectible Accounts	-	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
Miscellaneous Sub-total	1,724	170,855	47,800	(123,055)	357.4%
Sub Total - General and O&M Expanses	3,623,819	27,912,388	30,311,911	2,399,523	92.1%
Capital Improvement Expenses					
Water System Projects					
Supply/Storage Projects	725	1,884	-	(1,884)	N/A
Pumping Projects	-	-	67,000	67,000	0.0%
Main/Service Line Projects	-	500	-	(500)	N/A
Wastewater System Projects	-	-		-	N/A
Pumping Projects	-	-	35,000	35,000	0.0%
Wastewater Treatment Projects	-	(20,497)	-	20,497	N/A
Main/Service Line Projects	933	8,950	-	(8,950)	N/A
Recycled System Projects	-			-	N/A
Pumping Projects	-	-	-	-	N/A
Tertiary Treatment Projects	-	23,404	-	(23,404)	N/A
Main/Service Line Projects	-	-	-	-	N/A
General Projects		-		-	N/A
Operating Equipment Purchases	-	-	-	-	N/A
Vehicle & Related Equipment Purchases	14,040	47,939	-	(47,939)	N/A
Technology Projects & Purchases	-	30,275	44,000	13,725	68.8%
Building & Structure Improvements	-	-	-	-	N/A
General Capital Projects	17,651	186,993	116,000	(70,993)	161.2%
Construction in Progress	-		-	-	N/A
Capital Improvement Expenses Sub-total	33,349	279,449	262,000	(17,449)	106.7%
Other Expenses					
Retiree Health Insurance	-	380,537	407,000	26,463	93.5%
Compensated Absence Charge	25,573	25,573	-	(25,573)	N/A
OPEB Charges	(1,027,926)	(1,027,926)	-	1,027,926	
Depreciation	427,057	5,096,784	5,140,000	43,216	99.2%
Debt Interest Expense	123,994	1,487,927	2,006,335	518,408	74.2%
Other Expenses Sub-total	(451,302)	5,962,894	7,553,335	1,590,441	78.9%
Total Expenses	3,205,866	34,154,731	38,127,246	3,972,515	89.6%
Change in Net Position	89,382	5,051,212	1,237,753		

Attachment 4

Check Register June 2026

El Toro Water District
Check/ACH Payment Register for the Month of June 2026

Check/ ACH Number	Vendor	Date	Amount
ACH	JCI Jones Chemicals, Inc	06/01/2026	8,566.36
ACH	RapidScale, Inc	06/01/2026	2,017.62
ACH	Red Wing Brands of America Inc	06/01/2026	400.00
15468	WILBER ABARCA	06/04/2026	20.27
15469	Alicia Air Conditioning & Heating, Inc.	06/04/2026	3,180.00
15470	Angel Z Lopez	06/04/2026	5,003.56
15471	Coast Surveying, Inc.	06/04/2026	933.00
15472	Colantuono, Highsmith & Whatley, PC	06/04/2026	255.93
15473	Cox Communications Inc	06/04/2026	1,022.70
15474	EMPIRE PIPE CLEANING & EQUIPMENT	06/04/2026	2,000.00
15475	Eversoft Inc	06/04/2026	292.32
15476	Fisher Scientific Company, LLC	06/04/2026	1,552.80
15477	Haaker Equipment Company	06/04/2026	3,775.21
15478	HASA Inc	06/04/2026	3,009.25
15479	Hazen and Sawyer, DPC	06/04/2026	5,400.00
15480	Irvine Ranch Water District	06/04/2026	213,654.15
15481	JHA ENVIRONMENTAL, INC.	06/04/2026	1,550.02
15482	Mingoia's Faxworld, Inc	06/04/2026	537.84
15483	Moulton Niguel Water District	06/04/2026	326,326.22
15484	Parkhouse Tire Service Inc	06/04/2026	2,963.87
15485	Raftelis Financial Consultants, Inc	06/04/2026	21,925.00
15486	Rincon Truck Center, Inc	06/04/2026	870.13
15487	RockSpark Inc	06/04/2026	2,838.75
15488	Santa Margarita Ford	06/04/2026	245.84
15489	Sims-Orange Welding Supply, Inc	06/04/2026	389.85
15490	South Coast Water District	06/04/2026	512.24
15491	The Lincoln National Life Insurance Company	06/04/2026	7,459.37
15492	Underground Service Alert of SO CA	06/04/2026	710.15
15493	Vigilant LLC	06/04/2026	1,707.30
15494	We Save Bees	06/04/2026	275.00
15495	William Wesson	06/04/2026	105.00
ACH	Municipal Water District of Orange County	06/09/2026	643,030.15
ACH	JCI Jones Chemicals, Inc	06/09/2026	8,422.92
ACH	Nieves Landscape, Inc	06/09/2026	6,853.71
ACH	Hill Brothers Chemical Co	06/09/2026	5,390.14
ACH	Ferguson US Holdings, Inc	06/09/2026	4,562.59
ACH	Carollo Engineers, Inc	06/09/2026	3,424.50
ACH	HEBT West Los Angeles 1, LLC	06/09/2026	1,590.00
ACH	Vestis Group, Inc.	06/09/2026	1,412.83
ACH	Procure America LLC	06/09/2026	885.35
ACH	W.W. Grainger, Inc	06/09/2026	436.52
15496	American Family Life Assurance Company of Columbus	06/10/2026	1,938.54
15497	Animal Pest Management Services, Inc	06/10/2026	1,297.00
15498	Aramark Services, Inc	06/10/2026	806.37
15499	BC Rental, LLC	06/10/2026	6,705.30
15500	Cesar Cassani	06/10/2026	119.00
15501	Corodata Records Management, Inc	06/10/2026	144.22
15502	Fernando Aguilar	06/10/2026	1,599.23
15503	Illinois Tool Works Inc	06/10/2026	295.24
15504	Infosend, Inc	06/10/2026	4,796.99
15505	Josh Perez	06/10/2026	3,630.35
15506	Judy Wilson	06/10/2026	124.38
15507	Marisol Melendez	06/10/2026	2,992.35
15508	McMaster-Carr Supply Company	06/10/2026	101.06
15509	Mingoia's Faxworld, Inc	06/10/2026	663.17
15510	SC Commercial LLC	06/10/2026	26,268.70
15511	South Coast Air Quality Management District	06/10/2026	2,633.96

Check/ ACH Number	Vendor	Date	Amount
15512	Steve Hancock	06/10/2026	85.25
15513	Train Party Express, LLC	06/10/2026	1,250.00
15514	Waste Management, Inc of California	06/10/2026	1,255.77
15515	Waxie's Enterprises,LLC	06/10/2026	2,499.27
15516	City of Laguna Woods	06/16/2026	1,776.00
15517	AMS.NET, LLC	06/17/2026	9,797.01
15518	ATS Communications	06/17/2026	3,157.50
15519	Best Best & Krieger, LLP	06/17/2026	118.90
15520	California Water Efficiency Partnership	06/17/2026	1,766.31
15521	California Water Environment Association	06/17/2026	124.00
15522	Casa Education Foundation	06/17/2026	2,000.00
15523	Complete Paperless Solutions, LLC	06/17/2026	6,850.00
15524	County of Orange	06/17/2026	273.68
15525	County of Orange - OC Waste & Recycling	06/17/2026	4,929.13
15526	Haaker Equipment Company	06/17/2026	8,224.03
15527	Hach Company	06/17/2026	2,956.73
15528	IDEXX Distribution, Inc	06/17/2026	1,944.56
15529	Jim Redding	06/17/2026	57.53
15530	Kathryn Freshley	06/17/2026	25.08
15531	McClean Wyatt	06/17/2026	825.45
15532	Michael Gaskins	06/17/2026	724.07
15533	Michelle H. Moses	06/17/2026	614.53
15534	Onesource Distributors, LLC.	06/17/2026	631.78
15535	Sierra Analytical Labs, Inc	06/17/2026	430.00
15536	Site One Landscape Supply	06/17/2026	913.81
15537	South Coast Water District	06/17/2026	487.31
15538	Southern California Edison Company	06/17/2026	125,971.50
15539	The Printery, Inc	06/17/2026	5,152.76
15540	Tripepi, Smith and Associates, Inc	06/17/2026	3,298.40
15541	Verizon Communications Inc.	06/17/2026	2,772.77
15542	Waste Management, Inc of California	06/17/2026	634.37
15543	Alicia Air Conditioning & Heating, Inc.	06/25/2026	349.00
15544	Allen Tire Company	06/25/2026	1,411.19
15545	Aramark Services, Inc	06/25/2026	1,329.11
15546	AT&T	06/25/2026	2,500.09
15547	Certified Laboratories	06/25/2026	2,180.06
15548	Coast Surveying, Inc.	06/25/2026	4,216.56
15549	Colantuono, Highsmith & Whatley, PC	06/25/2026	304.50
15550	CR&R Incorporated	06/25/2026	864.97
15551	Ferguson US Holdings, Inc	06/25/2026	578.39
15552	FleetCrew	06/25/2026	1,003.00
15553	GEI Consultants Inc.	06/25/2026	6,587.40
15554	Golden Rain Foundation of Laguna Woods	06/25/2026	450.00
15555	Haaker Equipment Company	06/25/2026	2,581.18
15556	Infosend, Inc	06/25/2026	4,318.54
15557	JOHN LIDDY JR	06/25/2026	1,100.00
15558	Michelle H. Moses	06/25/2026	936.71
15559	Midwest Motor Supply Co	06/25/2026	3,763.96
15560	Moulton Niguel Water District	06/25/2026	239.10
15561	Onesource Distributors, LLC.	06/25/2026	6,111.29
15562	Pacific Plumbing Company of Santa Ana	06/25/2026	1,883.90
15563	Parkhouse Tire Service Inc	06/25/2026	1,948.18
15564	Public Relations Society of America	06/25/2026	373.00
15565	Raftelis Financial Consultants, Inc	06/25/2026	1,935.00
15566	Redwine and Sherrill, LLP	06/25/2026	13,904.00
15567	Rincon Truck Center, Inc	06/25/2026	2,583.37
15568	Southern California Gas Company	06/25/2026	244.36
15569	Southern California News Group	06/25/2026	2,934.56
15570	Springbrook Holdings Company, LLC	06/25/2026	717.30

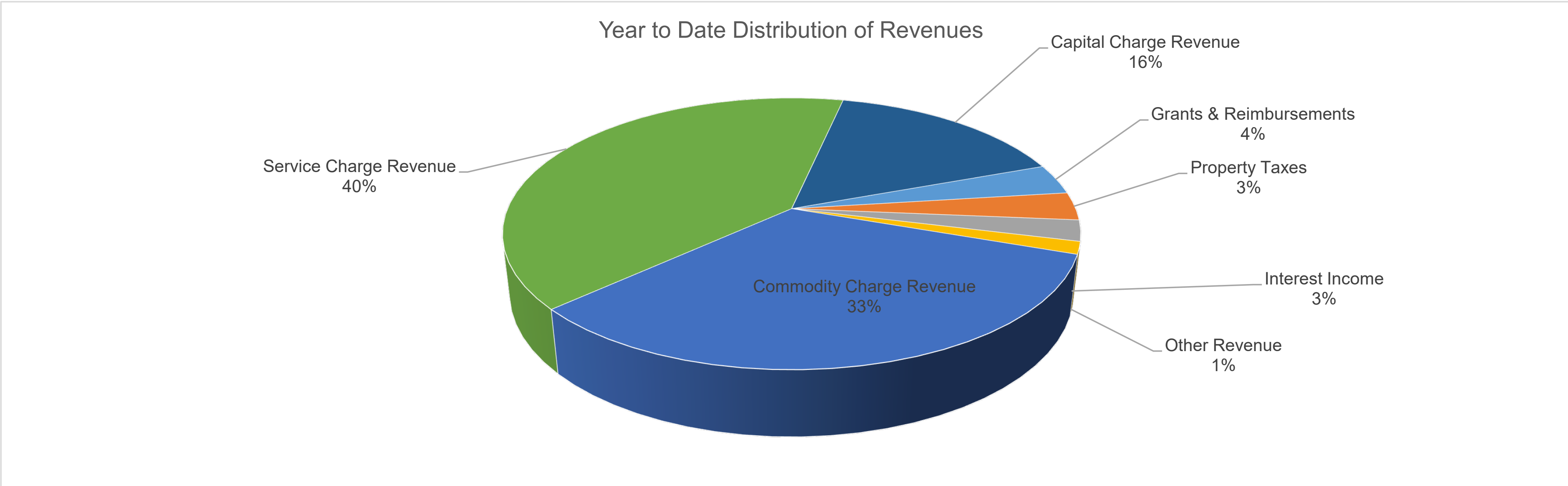
Check/ ACH Number	Vendor	Date	Amount
15571	U.S. Bank National Association	06/25/2026	17,781.88
15572	Verizon Communications Inc.	06/25/2026	798.15
15573	Waxie's Enterprises,LLC	06/25/2026	288.61
15574	West Coast Sand and Gravel, Inc	06/25/2026	2,542.93
15575	Wiper Central USA, Inc.	06/25/2026	1,667.76
15576	Premier Mail Marketing, LLC	06/25/2026	16,637.86
ACH	JCI Jones Chemicals, Inc	06/25/2026	19,866.62
ACH	Rose Paving LLC	06/25/2026	12,003.29
ACH	Hill Brothers Chemical Co	06/25/2026	5,053.04
ACH	W.W. Grainger, Inc	06/25/2026	2,385.27
ACH	Carollo Engineers, Inc	06/25/2026	2,148.00
ACH	RapidScale, Inc	06/25/2026	2,023.19
ACH	Red Wing Brands of America Inc	06/25/2026	514.49
Wire	Sunflower Bank	06/30/2026	586,669.67
	Total Checks & ACH issued from General and Payroll Accounts:		2,278,901.30

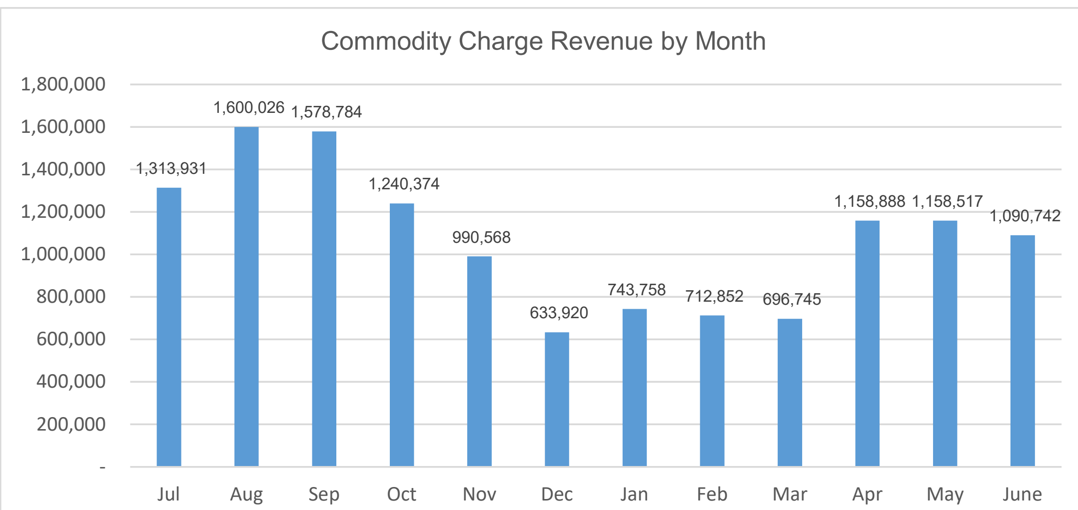
Check/ ACH Number	Vendor	Date	Amount
Direct Debits			
ACH	ADP, Inc.	06/05/2026	412.57
ACH	ADP, Inc.	06/22/2026	466.39
ACH	US Bank Trust Company, National Association	06/12/2026	2,431.85
ACH	Xpress Solutions	06/05/2026	843.90
ACH	Health Equity	06/03/2026	140.41
ACH	Health Equity	06/06/2026	82.50
ACH	Health Equity	06/10/2026	951.84
ACH	Health Equity	06/17/2026	497.83
ACH	Health Equity	06/24/2026	68.79
	Total Automatic ACH or Wire payments from General and Payroll Accounts:		5,896.08

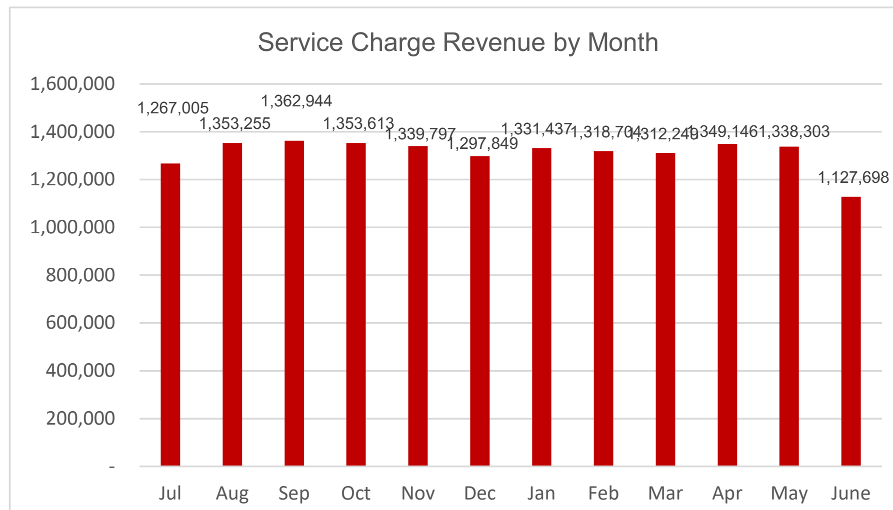
Attachment 5

Revenue and Expense Charts for June 2026

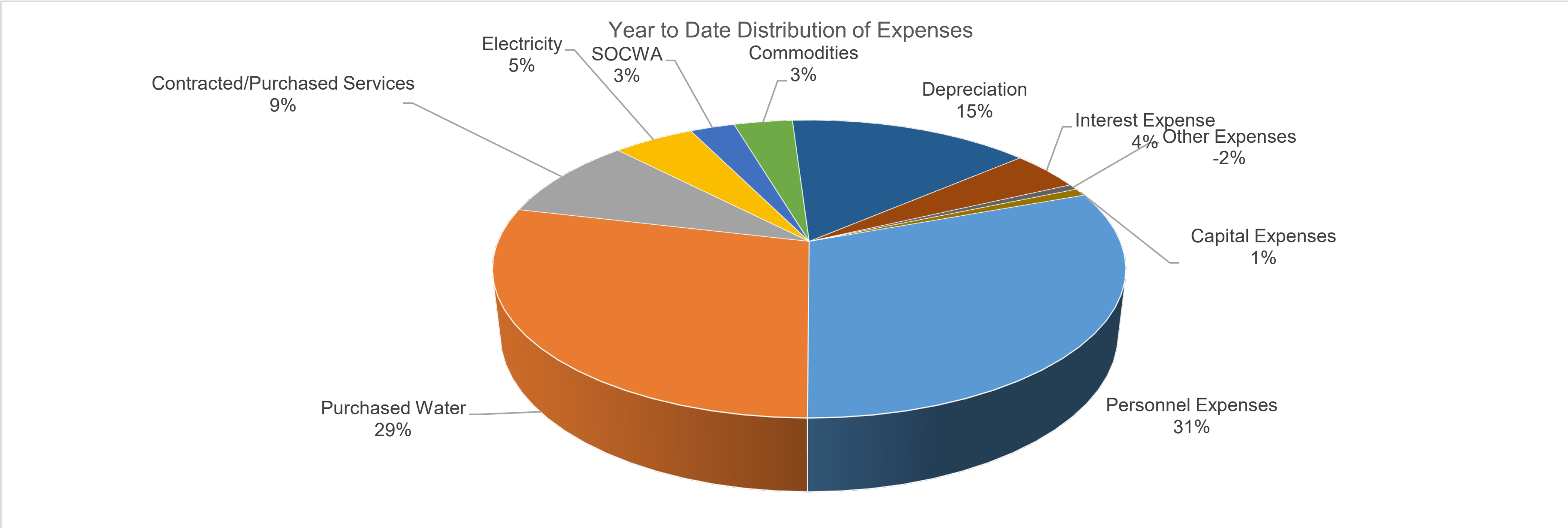
Revenue Charts -June 2026 Financial Report

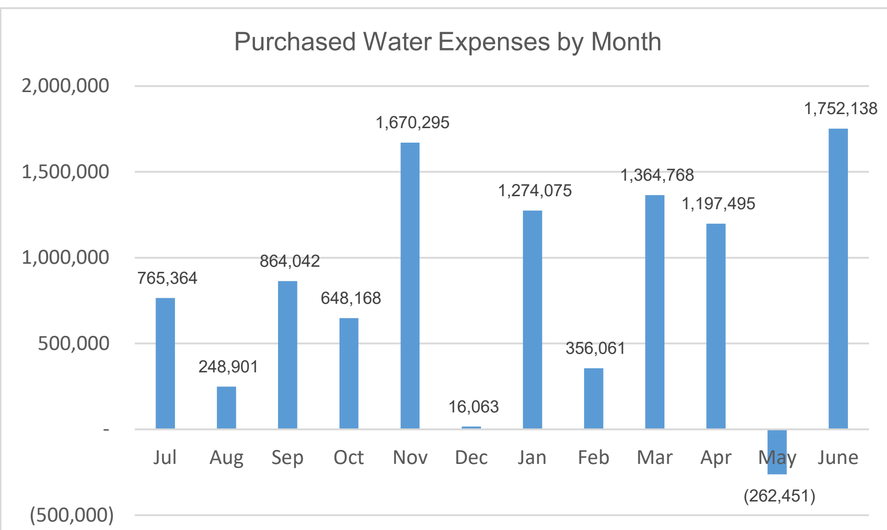


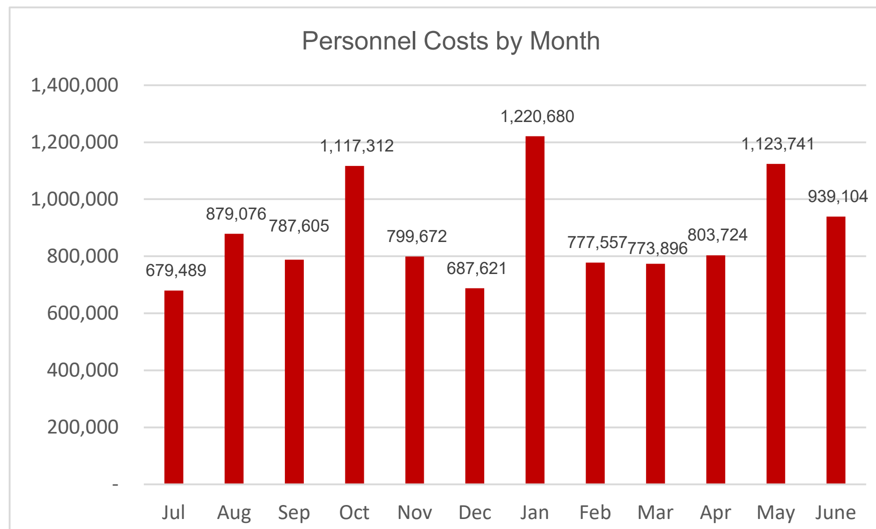




Expense Chart -June 2026 Financial Report







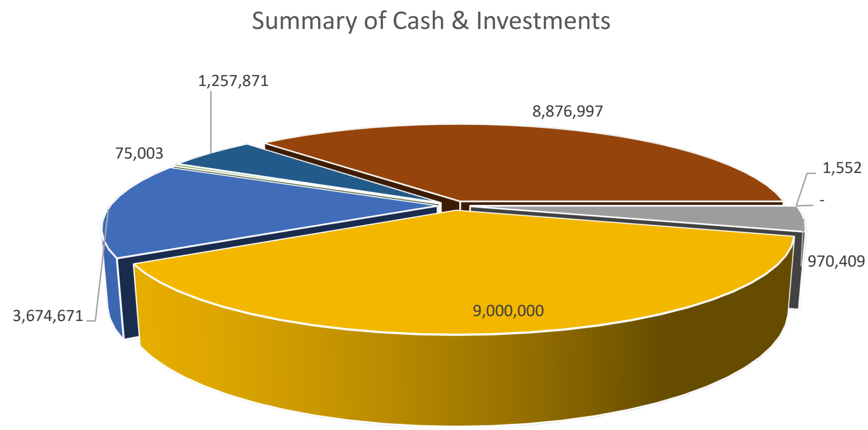
Attachment 6

Summary of Cash & Investments at the end of June 2026

Summary of Cash & Investments

as of June 30, 2026

Summary of Cash & Investments	
Cash & Equivalents	
Unrestricted - Cash & Equivalents	8,876,997
Unrestricted - Cash & Equivalents USB	1,257,871
Restricted - Cash & Equivalents	75,003
Investments	
Government Securities	3,674,671
CAMP -Term	9,000,000
Corporates Bonds/Notes	970,409
Asset Backed Securities	-
2022 Bond Money Market	1,552
Total Cash & Investments	23,856,503
Operating Cash & Investments	**23,779,949**
2022 Bond Proceeds Cash & Investments	**1,552**
Restricted - Cash & Equivalents	**75,003**



Cash & Equivalents

	Account Balance	Current Yield
Cash & Equivalents		
Demand Deposit Accounts		
US Bank - Checking Account	1,257,871	
US - Bank Capital Facilities Fee	75,003	
US Bank - 2022 Bond Proceeds/Interest/Principal	1,552	
Petty Cash	700	
Money Market Accounts		
CAMP Unsetted Transactions	-	
CAMP Money Market	2,481,560	
LAIF Money Market	6,394,738	
Total Cash & Equivalents	10,211,423	

Investments

	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity
Governmental Securities									
United States Treasury Bond									
US Treasury N/B - AA+	464,531	500,000	(35,469)	494,609	30,077	2.250%	4.10%	11/30/2022	2/15/2027
US Treasury N/B - AA+	480,273	500,000	(19,727)	495,805	15,531	3.250%	4.25%	2/22/2023	6/30/2027
US Treasury N/B - AA+	502,500	500,000	2,500	499,864	(2,637)	4.125%	4.01%	11/30/2022	9/30/2027
US Treasury N/B - AA+	497,930	500,000	(2,070)	499,864	1,934	4.125%	4.22%	2/22/2023	9/30/2027
US Treasury N/B - AA+	1,195,078	1,200,000	(4,922)	1,189,687	(5,391)	3.500%	3.78%	4/27/2026	10/31/2027
US Treasury N/B - AA+	485,332	500,000	(14,668)	494,844	9,512	3.500%	4.16%	2/22/2023	1/31/2028
United States Treasury Bond - Totals	3,625,645	3,700,000	(74,355)	3,674,671	49,027				

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	-	-	-	-	-				
Federal Agency Bond / Note									
			-		-				
			-		-				
Federal Agency Bond / Note Totals	-	-	-	-	-				
Governmental Securities - Total Balances	3,625,645	3,700,000	(74,355)	3,674,671	49,027				

Investments (continued)									
	Purchase Cost	Par Amount	Premium/ (Discount)	Market Value	Unrealized Gain/(Loss)	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date
Corporate Notes									
Salesforce Inc. (Callable)	200,588	200,000	588	199,748	(840)	4.500%	4.33%	4/27/2026	3/15/2028
Citigroup Inc. (Callable)	201,428	200,000	1,428	200,481	(947)	4.786%	4.51%	4/27/2026	3/4/2029
American Express Co (Callable)	34,952	35,000	(48)	34,821	(131)	4.351%	4.39%	7/25/2025	7/20/2029
Bank of NY Mellon Corp (Callable)	129,037	130,000	(963)	128,189	(847)	4.026%	4.24%	4/26/2026	1/22/2030
Goldman Sachs Group Inc (Callable)	130,207	130,000	207	129,266	(940)	4.594%	4.55%	4/26/2026	4/20/2030
Bank of America Corp Notes (Callable)	130,055	130,000	55	129,180	(875)	4.477%	4.47%	4/23/2026	4/23/2030
JPMorgan Chase & Co (Callable)	149,937	150,000	(63)	148,724	(1,213)	4.408%	4.42%	4/23/2026	4/23/2030
Corporate Bonds - Total Balances	976,203	975,000	1,203	970,409	(5,794)				

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	-	-	-	-	-				

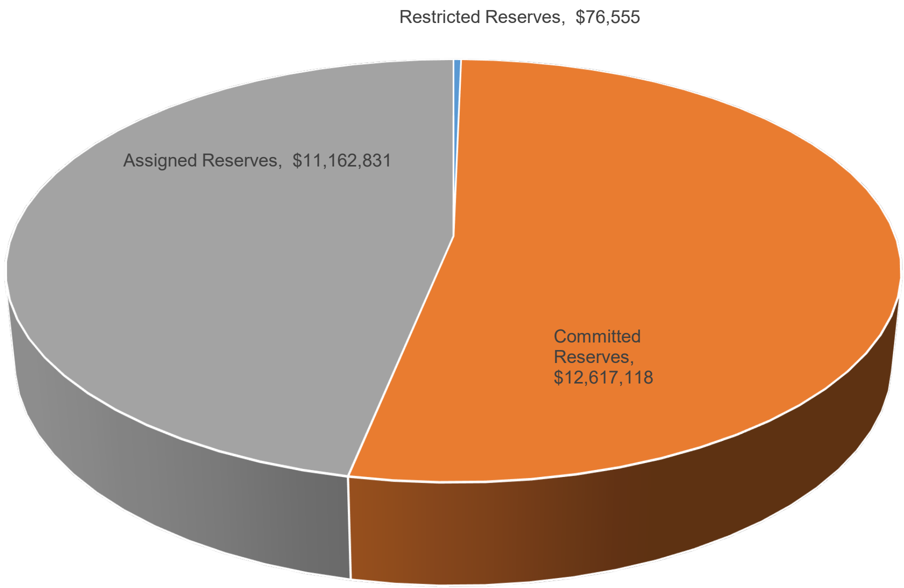
Attachment 7

Cash Reserve Balances for June 2026

El Toro Water District
Preliminary Cash Reserve Status Report
as of June 30, 2026

	Cash Reserve Balances	Reserve Targets
Reconciled Cash Balance	**$ 23,856,503**	
Restricted Reserves		
2022 Revenue Bonds Fund	1,552	-
Capital Facilities Charge Reserve	75,003	-
Sub Total Restricted Reserve	**76,555**	-
Committed Reserves		
Capital Construction Reserve	3,000,000	3,000,000
Rate Stabilization Reserve	2,400,000	2,400,000
Operational Continuity Reserve	2,400,000	2,400,000
Working Capital Reserve (1)	4,817,118	2,400,000
Sub Total Committed Reserves	**12,617,118**	**10,200,000**
Assigned Reserves		
CIP Reserves		
Capital Carryover	3,185,526	-
Accumulated Capital Reserve	287,266	-
CIP - Revenue Bond Unrestricted Reserve	6,065,088	-
SOCWA Capital Projects	3,627,694	-
Recycled Water Capital / Debt Service	208,028	
Capital Plan Working Capital Reserve	2,258,984	
Sub Total CIP Reserves	**15,632,586**	**-**
Water Supply Program Reserves		
Tiered Conservation Fund	(3,768,419)	-
Reverse Cyclic Water Purchase Program	(701,336)	
Sub Total Assigned Reserves	**11,162,831**	
Total Cash Reserves	**23,856,503**	
Adjusted Cash Reserves[(2)]	**23,779,948**	**10,200,000**

Distribution of Reserve Balances



* The District Investment portfolio is in compliance with the District's Invesment 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 June 2026

2025-2026 Capital Program Budget Information

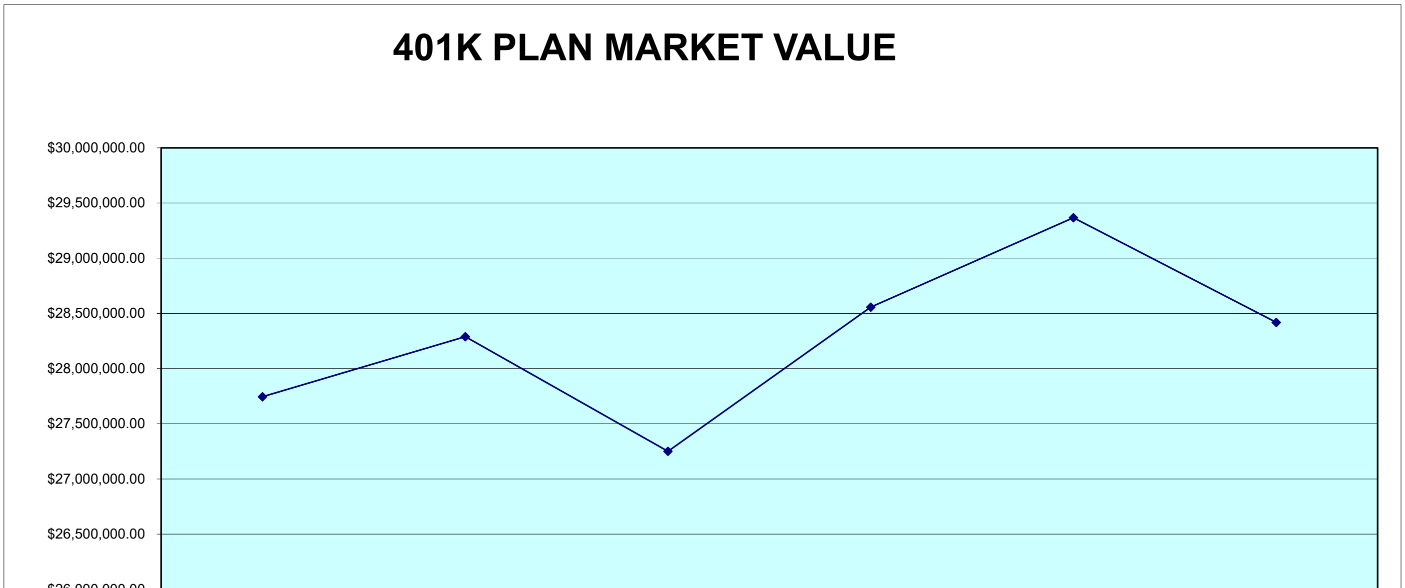
PM Task Code	Account	Total Budget	Prior Year Ending Balance	2025 - 2026 Expenses Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Total	Budget Remaining
CAP-0014 Scum Station/Clarifiers 3 & 4	40-000-15020	80,000.00	-				12,740.00									12,740.00	67,260.00
CAP-0050 Alscot PLC Upgrade/Water	40-000-15010	31,000.00	47,449.24		1,324.54	(10,131.18)								17,759.62		8,952.98	22,047.02
CAP-0051 Sewer PLC Upgrade	40-750-66230	31,000.00										6,562.71				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				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)
GEN-0112 New Warehouse	40-000-15040	-	4,078,864.32													-	-
GEN-0119 Main Office Warehouse Improvements	40-000-15040	-	147,776.53			85,295.50	121,000.00	28,727.19								235,022.69	(235,022.69)
GEN-0120 Main PR Hydro Turbine	40-000-15010	603,000.00														-	603,000.00
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	358.47		724.57	1,884.30	22,550.70
RCE-0014 Baker WTP Capital Fund	40-810-66120	56,200.00			4,932.74			14,040.26			14,040.25		14,040.25	(14,040.25)	14,040.25	47,053.50	9,146.50
RCE-0015 SOCWA Capital Expenses	40-000-15020	170,571.00	-		36,646.32		(9,851.81)	26,794.51		46,808.86	65,863.39			407.50	(83,297.23)	83,371.54	87,199.46
RCE-0016 MNWD Regional Treatment Plant	40-000-15020	-	36,646.32							(26,794.51)	407.50				51,655.74	25,268.73	(25,268.73)
RES-0016 Moulton/El 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 Inle	40-000-15010	-												1,996.61		1,996.61	(1,996.61)
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)	2,690.00	87,500.00		227,650.63	272,349.37
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	447,633.00	642,632.80		924.00	5,598.25	6,605.75	33,340.00	9,118.00	3,150.00		28,950.00			1,800.00	89,486.00	358,147.00
SLS-0120 Freeway Electrical Equip Repl	40-000-15020	191,595.00	71,766.64		96,371.85						761.00	4,807.73			5,971.58	107,912.16	83,682.84
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		25,662.50	12,251.25	162,369.75	(76,369.75)
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						5,400.00	15,415.00	(15,415.00)
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
SPS-0064 Fortinet Firewall Replacement	40-000-15040	70,000.00												15,541.92	9,840.00	25,381.92	44,618.08
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 Imrovements	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	879,868.63	54,702.84		2,166.41					5,850.52	1,055.00	287.50	10,000.00		771.94	20,131.37	859,737.26
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													-	-
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	52.95			71,683.77	76,316.23
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	104,572.00	108,665.75	839,844.75	1,498,545.55	3,286,454.45
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	149,179.00	41,821.18								61,380.13					61,380.13	87,798.87
WRP-0147 DAF No 1 MCC Replacement	40-000-15020	20,560.00	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	(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	10,000.00			19,359.42	(19,359.42)
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	-	-											27,982.07		27,982.07	(27,982.07)
WRP-0160 WRP Network Segmentation Study	40-840-55110	-	-													-	-
Contigency	TBD	152,000.00														-	152,000.00
Gross project cost excludes labor		9,766,042	7,424,795.52	0.00	257,426.21	240,255.24	452,612.18	244,091.53	214,935.55	288,175.61	595,260.47	120,997.20	141,713.67	271,475.72	859,002.85	3,685,946.23	6,080,095.40
Carryover Project Fund		1,661,182.00		-	135,027.89	15,170.43	22,664.97	145,590.00	134,984.34	82,569.66	131,278.96	104,602.79	358.47	17,759.62	8,496.15	798,503.28	
2025-26 CIP Budget		3,034,732.00		-	4,932.74	32,390.03	228,194.81	14,040.26	39,386.30	96,822.67	317,991.33	15,534.11	121,302.25	223,329.92	875,976.25	1,969,900.67	
Bond CIP Unrestricted Funds		2,213,259.00		-	36,646.32	-	(9,851.81)	26,794.51	-	46,808.86	65,863.39	-	-	407.50	(83,297.23)	83,371.54	
Recycle Capital Projects		148,000.00		-	-	18,247.71	-	7,272.06	18,409.49	25,532.18	1,884.08	285.30	52.95	-	-	71,683.77	
MNWD Payout		1,000,000.00		-	-	-	-	-	-	-	-	-	-	-	-	-	
Accumulated Capital/Grants		869,750.00		-	2,166.41	-	-	-	-	5,850.52	1,055.00	287.50	10,000.00	-	771.94	20,131.37	
Accumulated Capital Funds		839,118.63		-	78,652.85	174,447.07	211,604.21	50,394.70	22,155.42	30,591.72	77,187.71	287.50	10,000.00	29,978.68	57,055.74	742,355.60	
		9,766,041.63	-	-	257,426.21	240,255.24	452,612.18	244,091.53	214,935.55	288,175.61	595,260.47	120,997.20	141,713.67	271,475.72	859,002.85	3,685,946.23	

Attachment 9

Interim Report on 401k Plan Holdings
As of June 2026

EL TORO WATER DISTRICT

401K PLAN SUMMARY



	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Series1	$27,745,545	$28,289,375	$27,250,363	$28,557,868	$29,366,868	$28,418,290

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 June 30, 2026	$3,804,619.41	$3,904,966.39	$2,865,384.25	$4,789,079.59	$6,968,629.92	$983,494.54	$5,102,115.44

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

Investments	Beginning Balance	Contributions	Withdrawals	Interest, Dividends and Appreciation Net of Fees & Charges	Ending Balance
American Beacon AHL Mgd Futs Strat A	143,302.74	0.00	0.00	(143,301.36)	1.38
Cohen & Steers Instl Realty Shares	1,075,949.49	4,335.33	0.00	28,038.93	1,108,323.75
Columbia Contrarian Core Instl 3	2,392,755.97	12,749.60	0.00	(104,210.04)	2,301,295.53
DFA Large Cap International I	1,805,627.70	9,483.44	0.00	(30,843.46)	1,784,267.68
Dodge & Cox Income - I	3,936,838.20	14,628.33	0.00	129,133.82	4,080,600.35
Dodge & Cox International Stock - I	361,922.56	1,897.94	0.00	(20,488.31)	343,332.19
Dodge & Cox Stock - I	1,110,122.48	6,278.68	0.00	(16,186.95)	1,100,214.21
DoubleLine Core Fixed Income R6	3,938,699.95	14,628.26	0.00	120,472.10	4,073,800.31
Emerald Growth Institutional	140,037.09	0.00	0.00	(140,034.12)	2.97
Fidelity Mid Cap Index	239,700.97	1,302.83	0.00	51,590.03	292,593.83
Guaranteed Income Fund	1,456,724.84	3,235.53	0.00	(579,854.63)	880,105.74
Harbor Capital Appreciation Retirement	241,803.50	0.00	0.00	(241,795.87)	7.63
Lazard Global Listed Infras Port Inst	773,926.96	3,628.32	0.00	28,885.59	806,440.87
MFS International Growth R6	337,154.34	1,897.94	0.00	(5,843.62)	333,208.66
Nomura Small Cap Core R6	139,596.09	0.00	0.00	(139,589.75)	6.34
PGIM Total Return Bond R6	2,006,356.02	7,314.16	0.00	30,823.32	2,044,493.50
PIMCO Income Instl	391,913.80	1,673.73	0.00	6,721.72	400,309.25
PIMCO RAE US Instl	282,715.56	0.00	0.00	(282,707.88)	7.68
Undiscovered Mgrs Behavioral Value R6	89,777.60	0.00	0.00	(89,775.53)	2.07
Vanguard 500 Index Admiral	1,669,759.50	10,926.27	0.00	288,115.21	1,968,800.98
Vanguard Emerging Mkts Stock Idx Adm	694,136.66	3,930.10	0.00	(30,309.29)	667,757.47
Vanguard Growth & Income Adm	2,400,478.50	12,745.50	0.00	(106,310.39)	2,306,913.61
Vanguard Growth Index Adm	1,182,472.28	6,139.40	0.00	(117,659.16)	1,070,952.52
Vanguard Long-Term Investment-Grade Adm	952,652.98	3,359.76	0.00	22,496.01	978,508.75
Vanguard Mid Cap Index Fund - Admiral	65,173.39	0.00	0.00	(65,170.51)	2.88
Vanguard Small Cap Index Adm	1,537,269.15	10,128.22	0.00	328,942.02	1,876,339.39
Grand Total	**29,366,868.32**	**130,283.34**	**0.00**	**(1,078,862.12)**	**28,418,289.54**

Agenda Item No. 5

EL TORO WATER DISTRICT

STAFF REPORT

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

From: Vishav Sharma, Chief Financial Officer

Subject: June 2026 bills for Approval

Attached for Board approval is the payment summary report for the month of June, 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 June 2026:

1. The total disbursement including payroll expense and ACH/Direct debts for the month is $2,923,199.89
2. These disbursements include five payments greater than $75,000, with the total equal to $1,895,651.69. Staff recommends the Board approve these payments.
3. District employees were reimbursed $7,056.33 for travel, education, meals, supplies and certification related expenses; and Directors were reimbursed $1,574.60 for travel expenses.
4. Payroll and benefits expenses of $638,402.51 occurred during the month. This cost includes the cost of employee and Director's payroll, pension and benefits.
5. Total other disbursements/fees via direct debit for the month is $5,896.08.

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 June 30, 2026.

EL TORO WATER DISTRICT
Payment Summary
For the month ending June 30, 2026

CHECK NUMBER	PAYMENT DATE	VENDOR NAME		PAYMENT AMOUNT
15538	06/17/2026	Southern California Edison Company		125,971.50
15480	06/04/2026	Irvine Ranch Water District		213,654.15
15483	06/04/2026	Moulton Niguel Water District		326,326.22
Wire	06/30/2026	Sunflower Bank		586,669.67
ACH	06/09/2026	Municipal Water District of Orange County		643,030.15
		PAYMENTS OVER $75,000	**$**	**1,895,651.69**
		PAYMENTS UNDER $75,000	**$**	**389,145.69**
		TOTAL CHECKS PAID	**$**	**2,278,901.30**

REIMBURSEMENTS TO ETWD EMPLOYEES

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)		PAYMENT AMOUNT
15505	06/10/2026	Josh Perez (Educational Reimbursement)		3,630.35
15507	06/10/2026	Marisol Melendez Educational Reimbursement)		2,992.35
15506	06/10/2026	Judy Wilson (Holiday Event Supplies)		124.38
15500	06/10/2026	Cesar Cassani (Certification)		119.00
15495	06/04/2026	William Wesson (Certification)		105.00
15512	06/10/2026	Steve Hancock (TSA Background Check)		85.25
		TOTAL CHECKS TO EMPLOYEES	**$**	**7,056.33**

REINBURSEMENTS TO ETWD DIRECTORS

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)		PAYMENT AMOUNT
15532	06/17/2026	Michael Gaskins (Travel Expenses)		724.07
15531	06/17/2026	McClean Wyatt (Travel Expenses)		825.45
15530	06/17/2026	Kathryn Freshley (Travel Expenses)		25.08
		TOTAL CHECKS TO DIRECTORS	**$**	**1,574.60**

DEBIT TRANSFERS

	06/12/2026	PAYROLL DIRECT DEPOSIT		169,639.89
	06/12/2026	FEDERAL DEPOSIT LIABILITY		36,820.47
	06/12/2026	SDI & STATE TAX		16,094.43
	06/12/2026	EMPOWER (401K)		64,426.06
	06/12/2026	EMPOWER (457)		20,341.41
	06/12/2026	HEALTH SAVINGS ACCOUNT		440.76
	06/12/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT		696.39
	06/12/2026	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT		596.16
	06/15/2026	PAYROLL BOARD OF DIRECTOR		7,470.96
	06/15/2026	SS, MEDICARE, SDI & STATE TAX		1,838.16
	06/15/2026	EMPOWER (457)		2,621.94
	06/15/2026	HEALTH SAVINGS ACCOUNT		108.33
	06/15/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT		208.34
	06/26/2026	PAYROLL DIRECT DEPOSIT		173,920.91
	06/26/2026	FEDERAL DEPOSIT LIABILITY		38,261.60
	06/26/2026	SDI & STATE TAX		16,692.99
	06/26/2026	EMPOWER (401K)		65,951.36
	06/26/2026	EMPOWER (457)		20,539.04
	06/26/2026	HEALTH SAVINGS ACCOUNT		440.76
	06/26/2026	MEDICAL FLEXIBLE SPENDING ACCOUNT		696.39
	06/26/2026	DEPENDANT CARE FLEXIBLE SPENDING ACCOUNT		596.16
		Total Payroll Expense		**638,402.51**
Direct Debits				
	06/30/2026	BANK and ADP FEES		4,154.71
	06/30/2026	ACH payments (Health Equity)		1,741.37
		Total Other Expense		**5,896.08**
		TOTAL INTERBANK WIRES/ ACH / DEBIT TRANSFERS	**$**	**644,298.59**
		TOTAL DISBURSEMENTS	**$**	**2,923,199.89**

Agenda Item No. 6

STAFF REPORT

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

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

Subject: Quarterly Insurance Report

The Quarterly Insurance Report for the period April 1, 2026 through June 30, 2026 is attached.

Recommended Action

Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period April 1, 2026 through June 30, 2026.

EL TORO WATER DISTRICT
INSURANCE UPDATE
July 2026

Liability Program

There is nothing new to report this quarter.

Property Insurance

The Property Insurance has been renewed with JPIA effective April 1, 2026. The new premium is $191,296.46 from $130,140.55 last year.

Excess Public Employee Fidelity Program

The Excess Crime Program has been renewed with JPIA effective April 1, 2026. The new premium is $1,922.00 from $1,434.00 last year.

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

There were no Workers' Compensation injuries reported this quarter.

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 fourth quarter is $1696.29

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 fourth 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 fourth quarter is $145.97.

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 fourth quarter is $75.26.

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 fourth quarter is $0.

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 fourth quarter is $58.99.

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 fourth quarter is $1.86.

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 - Q4 2025/2026
7/1/2026

Insurance Coverage	Budget	Actual Paid to Date	Remaining
Liability	$220,000.00	$258,408.00	($38,408.00)
Property	$160,000.00	$157,948.00	$2,052.00
Fiduciary Liability	$9,000.00	$11,746.00	($2,746.00)
Cyber Liability	$9,000.00	$10,012.00	($1,012.00)
Dam Insurance (Includes Excess)	$48,000.00	$57,167.00	($9,167.00)
Less: SMWD - 50% R-6 Cost Share		-$28,583.50	
MNWD - 5% R-6 Cost Share		-$2,858.35	
Dam Insurance (Rossmoor)	$4,500.00	$2,258.00	$2,242.00
Underground Storage Tank	$2,000	$2,062.00	($62.00)
Excess Crime	$2,000	$1,315.00	$685.00
Total Insurance	**$454,500**	**$469,474.15**	**($46,416)**

Benefits - Directors	Annual Budget	Q1 - Q4 Budget	Accumulative Q4 Actual	Budget Remaining
Medical Employer Paid	$27,000	$27,000	$26,026	$974
Health Savings Account	$1,700	$1,700	$1,700	$0
Dental	$4,600	$4,600	$4,565	$35
Vision	$1,100	$1,100	$1,033	$67
Life	$150	$150	$118	$32
Total Benefits Directors	**$34,550**	**$34,550**	**$33,442**	**$1,108**
Retiree Benefits				
Medical Employer Paid	$406,445	$406,445	$380,536	$25,909
Total retiree benefits	**$406,445**	**$406,445**	**$380,536**	**$25,909**
Employee Benefits				
Emp.Assistance Program	$1,276	$1,276	$1,299	($23)
Medical Employer Paid	$1,232,297	$1,232,297	$1,154,420	$77,877
Health Savings Account	$28,050	$28,050	$28,900	($850)
Life/AD&D	$41,864	$41,864	$41,941	($77)
Dental	$99,420	$99,420	$94,483	$4,937
Vision	$12,550	$12,550	$12,408	$142
LTD/STD	$53,883	$53,883	$53,597	$286
LTC Employer Paid	$10,498	$10,498	$6,452	$4,046
Workers comp.	$169,198	$169,198	$139,467	$29,731
Total Employee Benefits	**$1,649,036**	**$1,649,036**	**$1,532,967**	**$116,069**

SUMMARY OF COVERAGE

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

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

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

Type of Coverage	**PROPERTY**	**Coverage Term: 4/26 - 4/27**
Coverage Includes	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	**Premium - $191,296.46**
Automobile Physical Damage **Comprehensive - 83 Vehicles** **Collision - 83 Vehicles**		
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

Type of Coverage	**EXCESS CRIME PROGRAM**	**Coverage Term: 4/26 - 4/27**
Coverage Includes	1. Public Employee Dishonesty 2. Forgery or Alteration 3. Computer Fraud 4. Faithful Performance of Duty 5. Treasurer/Tax Collector/Board Members (included)	**Premium - $1,922.00**
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

Type of Coverage	**UNDERGROUND STORAGE TANK POLLUTION LIABILITY**	**Coverage Term: 7/25 - 06/26**
Coverage Includes	1. Claims-Made 2. Environmental Incident	**Premium - $2,061.91**
Covers 1 Tank Located at: 23542 Moulton Parkway Laguna Woods, CA 92637		
Coverage Limits	**Insurance Carrier**	**Policy Number**
	Pooled Self-insured	MOLC - 100110

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

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

Type of Coverage	**CYBER SECURITY**	**Coverage Term: 7/25-7/26**
First Year		**Premium - $10,052.00**

Type of Coverage	**WORKERS' COMPENSATION**	**Coverage Term: 7/25 - 6/26**
Coverage Includes	1. Coverage A - Workers' Compensation 2. Coverage B - Employer's Liability	**4th Quarter Premium** **$35,318**
Coverage Limits **Coverage A** **$0 - $2 Million** **$2 Million to Statutory**	**Insurance Carrier** Pooled Self-insured	**Policy Number** MOLC - 100110
Coverage Limits **Coverage B** **$0 - $2 Million** **$2 Million excess of $2 Million SIR**	**Insurance Carrier** Pooled Self-insured	**Policy Number** MOLC - 100110

Type of Coverage	**LIFE & ACCIDENT**	**4th Quarter Premium** **$10,294**
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	**LONG / SHORT TERM DISABILITY**	**4th Quarter Premium** **$13,095**
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	**LONG TERM CARE**	**4th Quarter Premium** **$0**
Coverage Includes	**$2,500/Month** **$150,000 Total Benefit**	Policy terminated effective 2/1/2026
Insurance Carrier	**UNUM**	**Policy # 220384**
Eligibility Period	**1 Year After Hire**	
Plan Wait or Deductible	**365 Days**	

Type of Coverage	**MEDICAL**	**4th Quarter Premium $399,081**
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	**DENTAL**	**4th Quarter Premium $26,556**
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	**VISION**	**4th Quarter Premium $3,614**
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	**PERSONAL ACCIDENT INSURANCE**	**4th 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	**Supplemental Financial Insurance Program**	**4th 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**	

Agenda Item No. 7

STAFF REPORT

To:	**Board of Directors**	**Meeting Date: July 20, 2026**
From:	**Michael Mizaga, IT Manager**	
Subject:	**Fortinet Firewalls Replacement Project Change Order**	

INTRODUCTION AND BACKGROUND

In April, 2026, the District issued a purchase order to AMS.NET (MGT Impact Solutions) for the purchase of new Fortinet cybersecurity infrastructure to modernize and enhance the District's network security environment. The project includes replacement of the District's firewall infrastructure, endpoint security licensing, secure remote connectivity, managed security monitoring services, wireless failover devices, and the professional services required to deploy the solution. The project also transitions the District's FortiGate firewalls from a third-party hosted cloud environment back to an on-premises deployment to improve cybersecurity by maintaining direct control over the firewall infrastructure while reducing reliance on externally hosted security services. The project improves security and control while also significantly reducing ongoing operational costs. The original project cost was $74,990.93, which was approved within the General Manager's purchasing authority.

During implementation, staff determined that adding a FortiManager Virtual Machine (VM) Appliance would significantly improve the long-term management and security of the District's Fortinet environment. FortiManager provides centralized management of all Fortinet security appliances, allowing staff to efficiently administer firewall policies, firmware updates, security objects, device configurations, backups, and reporting from a single management console. This centralized platform improves operational efficiency, simplifies ongoing administration, and supports a more secure and consistent cybersecurity posture across the District.

The addition of the FortiManager Virtual Machine (VM) Appliance requires a change order to the original purchase order. Because this additional work increases the total project cost above the General Manager's purchasing authority of $75,000, Board approval is required for the Change Order.

Subsequent to the issuance of the Purchase Order, it was also determined that the original proposal identified the incorrect Forticlient Endpoint Management Server (EMS) licenses and an additional change order was needed for the correct, more secure, Endpoint Protection Platform (EPP) licensing upgrade.

PROPOSED SOLUTION

Change Order No. 1 includes the purchase of a three-year subscription license for the FortiManager Virtual Machine (VM) Appliance, together with professional services for installation, configuration, and project management.

Change Order No. 2 Upgrades the Endpoint licensing from EMS to EPP.

Implementation includes:

- Installation and configuration of the FortiManager Virtual Machine.
- Migration of FortiGate firewalls from the hosted cloud environment to the District's on-premises infrastructure.
- Centralized management of Fortinet firewalls and other supported Fortinet security devices.
- Systems engineering services for implementation and testing.
- Project management services to coordinate deployment.
- Upgrade of the Forticlient Endpoint Management Server licenses to Forticlient Endpoint Protection Platform licenses.

Upon completion of the project, District IT staff will have centralized administration of the Fortinet security environment, improving configuration consistency, reducing administrative effort, enhancing security policy management, and providing greater operational control over the District's cybersecurity infrastructure. The FortiManager software license includes three years of manufacturer support.

BUDGET

The original Fortinet Firewalls Replacement Project cost was $74,990.93. The proposed total change orders add $7,655.42 increasing the total project cost to $82,646.35. The Change Orders consist of the following:

Item	Amount
Change Order No. 1	
FortiManager-VM Three-Year Subscription License	$1,065.14
Systems Engineer Professional Services	$2,700.00
Project Management Services	$400.00
Total Change Order 1	**$4,165.14**
Change Order No. 2	
License Upgrade from EMS to EPP	$3,490.28
Total Change Order 2	**$3,490.28**
Total Cumulative Change Order Amount	**$7,655.42**

RECOMMENDATION

The Board will consider 1) approving Change Order No. 1 to the purchase order contract with AMS.NET, LLC. d/b/a MGT Impact Solutions in the amount of $4,165.14 to add the FortiManager Virtual Machine (VM) Appliance to the Fortinet Firewalls Replacement Project, 2) approving Change Order No. 2 to the purchase order contract with AMS.NET, LLC. d/b/a MGT Impact Solutions in the amount of $3,490.28 to upgrade the Forticlient EMS licenses to Forticlient EPP and 3) approving the total Fortinet Firewalls Replacement Project at a cost, inclusive of the change orders, of $82,646.35.

Agenda Item No. 8

STAFF REPORT

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

From: Dennis Cafferty, General Manager

Subject: Administrative Code Amendment – Purchasing Policy (§6100)

Staff are recommending revisions to District Purchasing Policy (Administrative Code Section 6100)

The proposed revisions accomplish the following:

- Significant updates the Code language to be consistent with the current practices following the implementation of the Springbrook Purchase Order Management System.
- Modifications to streamline the Policy and reduce redundancy.
- Updates to language to clarify intent.
- Increases the trigger amount for reporting purchases to the Board from $50,000 to $75,000.
- Clarifies approval authority for amounts exceeding $10,000.
- Adds a reference to Automatic Clearing House payments.

A clean version of the modified Purchasing Policy is attached. Following the clean version, a redline document is also attached which identifies the proposed changes to the Purchasing Policy.

Recommended Action:

Staff recommend that the Board approve the amendments to Section 6100 of the El Toro Water District Administrative Code – Purchasing Policy.

§6100 PURCHASING POLICY

1. DEFINITIONS

The definitions contained in this section govern the interpretation of this policy.

A. Authorized Agent – when used with respect to the District, means the General Manager or any person designated by the General Manager to have authority to solicit bids or proposals and administer the terms of an awarded contract.

B. Authorized Approver – means any person given authority by this Policy to approve procurements as defined herein.

C. Authorized Signer – means any person empowered by this Policy to sign bid documents, contracts, contract amendments, and change orders.

D. Change Order – means an amendment modifying the terms of an existing contract, including price or quantity and quality ordered.

E. Competitive Bidding – means a bidding process in which the bid solicitation is advertised as described herein.

F. Construction – includes the erection, demolition, alteration, repair, replacement, refurbishment or relocation of buildings, infrastructure, or improvements.

G. Contract – means any written agreement, including purchase orders, to which the District is a party.

H. Form of Agreement – means the document evidencing the contractual relationship of the District and the successful vendor, supplier, contractor or consultant.

I. Notice Inviting Bids – means a notice inviting proposals for entering a contract upon the terms of contract documents incorporated in said notice by reference.

J. Notice Inviting Pre-qualification Information – means a notice inviting prospective bidders to submit information that will permit the Authorized Agent to determine in advance of issuing of a notice inviting bids that a prospective bidder is responsible to perform a proposed contract.

K. Proposal – means an offer to enter into a contract upon the terms set forth in the contract documents or a vendor quotation to provide goods or services at a defined price.

L. Purchase Order – means an authorization under which the party designated therein as vendor is to provide materials or services for which the District agrees to pay.

M. Purchase Order Management System - means the District-designated software platform used to create and approve purchase orders; record receipt of goods and services; route and approve invoices; and maintain procurement and payment records.

N. Selective Competitive Bidding – means a competitive process in which the District solicits quotations, bids, or proposals directly from three or more qualified vendors, suppliers, contractors, or consultants without public advertisement, unless fewer qualified sources are reasonably available.

O. Sole Source Contracts – means contracts issued directly to a vendor, supplier, contractor or consultant that have not been subject to a competitive bidding or selective competitive bidding process.

2. CONTRACT DOCUMENTS

A. General – The contract documents shall consist of such documents as the General Manager may deem desirable in addition to those required by law.

B. Documents Included – The contract documents may consist of, among others, a notice inviting bids, instructions to bidders, the proposal, bid sheets, contractor's licensing and qualifications statement, list of subcontractors, bidder's bond, certificates of insurance, form of agreement, performance bond, payment bond, non-collusion affidavit, notice of award, notice to proceed, general conditions, specifications, drawings, and signed versions of any addenda issued during bidding.

C. Authority to Carry out Power – Whenever award is made by the District, such award shall constitute approval of the contract documents and the Authorized Agent shall be authorized to carry out the powers described in the contract agreements on behalf of the District.

D. Authorized Signers may sign bid and contract documents only within the authority delegated by this Policy. Authorized Signers include the General Manager, the Chief Financial Officer, and the Director of Engineering. Electronic signatures may be used through an approved District system in accordance with District administrative and information-security procedures.

3. PURCHASE ORDERS FOR EQUIPMENT, MATERIAL, SUPPLIES OR SERVICES

Purchase Order requests for the furnishing of equipment, material, supplies, or services may originate as a result of normal operating need or due to emergency.

A. Purchase Order requests for normal operating need:

1. Normal operating requisitions include Warehouse inventory replenishment, regular departmental operating needs included in the adopted operations and maintenance budget, and capital expenditures included in the adopted capital budget.

2. Each purchase order request shall identify the vendor, scope or description of goods or services, amount, budget account, project number (if appropriate), supporting quotations and sole-source justification when required.

3. Approval is required by the Department Head who has budgetary responsibility for the category of expenditure and is an Authorized Approver as defined in Section 3.C herein. In the event the applicable Department Head is unavailable, approval may be provided by the General Manager or Chief Financial Officer.

    a) For purchase order requests originating from the Operations Department, including Operations Support, Fleet Services, Pumping Operations, Electrical, Transmission & Distribution, Collections, and the Water Recycling Plant, the Operations Superintendent is the responsible Department Head.

    b) For purchase order requests originating from the Engineering Department, the Director of Engineering is the responsible Department Head.

    c) For purchase order requests for Information Technology Resources, the IT Manager is the responsible Department Head.

    d) For purchase order requests originating from Administration/Finance, the Chief Financial Officer is the responsible Department Head.

    e) For purchase order requests originating from the Human Resources Department, the Director of Human Resources is the responsible Department Head.

    f) For purchase order requests for capital items, the Director of Engineering is the responsible Department Head.

B. Purchase Order requests due to Emergency:

1. An emergency purchase is a purchase of equipment, material, supplies, or services necessary to respond to an unforeseen, sudden, and serious condition that threatens public health or safety,

essential District operations, District property, or the environment, and for which compliance with normal procurement timing is impracticable

2. When advance approval is impracticable, due to an emergency, the General Manager, Chief Financial Officer, Operations Superintendent, Director of Engineering, or another employee specifically designated in writing by the General Manager may authorize the minimum purchase necessary to address the emergency. All purchase order requests for emergency needs issued without complete authorization must entered into the Purchase Order Management System for approval by appropriate Authorized Approver (as described in Section 3.A.3) no later than the next business day, unless circumstances prevent doing so. The record shall include the description of and reason for the emergency purchase, the goods or services obtained and the cost. To the extent practicable, emergency vendors shall execute the District's purchase order terms, emergency services agreement, or other written contract addressing insurance, indemnity, prevailing wage and other labor requirements, licensing, and payment terms. Any required ratification or Board reporting shall be completed under Section 15.

C. Authorized Approvers

1. Purchase order requests for expenses up to $10,000 require approval by the responsible Department Head or the General Manager.

2. Purchase order requests for expenses greater than $10,000 up to $20,000 require approval by the responsible Department Head and a second approval by one of the following:

    a) General Manager

    b) Chief Financial Officer

    c) Director of Engineering

    d) Operations Superintendent

3. Purchase order requests for expenses greater than $20,000 required approval by the responsible Department Head and a second approval by the General Manager.

4. No employee may divide or sequence a purchase to avoid an approval, competitive procurement requirement, contract-award, or Board approval threshold. Related purchases that are reasonably foreseeable and serve the same purpose shall be considered together.

5. The Purchase Order Management System approval workflows shall be consistent with this Policy. System access or workflow permissions do not independently grant purchasing, contracting, or signature authority.

D. Upon receipt of a properly and fully approved purchase order request, a purchase order may be created. All purchase orders must be approved by an Authorized Approver of the District. Except for authorized emergency purchases and other categories expressly exempted by this Policy, a purchase order shall be issued before goods or services are ordered.

E. In the event that contracts for the furnishing of equipment, material, supplies, or services exceed 110 percent (110%) of the amount identified in the annual budget for that particular account and sufficient funds are not available within the overall operating budget, the General Manager shall report cost center variances to the Board.

F. The General Manager shall report to the Board, on a monthly basis, details of purchases which exceed $75,000.

4. INVOICE PROCESSING AND PAYMENTS

Once a service has been completed or material or goods have been received, vendor invoices need to be matched to the original purchase order, contract, or other approved procurement record or, if the invoice received is for an ongoing service for which a purchase order has not been created, the invoice must be approved and coded to the appropriate account.

A. Before payment, the employee responsible for receiving or administering the goods or services shall approve the invoice in the Purchase Order Management System and certify that the goods or services were received, the invoice is accurate, contract requirements and deliverables have been satisfied, and the account and/or project coding is correct.

B. An invoice that would cause the purchase order or contract amount to be exceeded shall not be paid until the purchase order or approved procurement document and, when applicable, the underlying contract, are adjusted by an Authorized Approver in the Purchase Order Management System, or by initials or electronic signature within the approval authority defined in Section 3.C. Invoice approval alone does not authorize additional scope or compensation.

C. The District will issue checks for approved invoices on a regular basis as determined by the General Manager or his/her designee. Checks that are issued by the District include the electronic signatures of the General Manager and the Chief Financial Officer. Checks that are signed electronically may only be issued after an appropriate approval as defined in Section 3.

D. The District will issue Automatic Clearing House (ACH) payments to vendors that are set up for ACH payment for approved invoices on a regular basis as determined by the General Manager or his/her designee. ACH payments may only be issued after an appropriate approval as defined in Section 3.

5. SELECTIVE COMPETITIVE BIDS

Before entering into a contract for the construction of facilities or for the furnishing of equipment, materials, supplies or services, the Authorized Approver should ascertain the best source of supply. In obtaining the best source of supply, the General Manager may determine that selective competitive bidding should be utilized pursuant to a bid package developed for the particular project.

A. The following situations will not require selective competitive bidding:

1. Contracts for miscellaneous services, such as telephone, power and water, where rates or prices are fixed by legislation or by federal, state, county or municipal regulations;
2. Contracts required during an emergency;
3. If the articles are patented, copyrighted or otherwise unique;
4. If within one year previous to the date of execution of a proposed contract, advertising or posting for identical articles, or articles of the same general character, has failed to secure responsive proposals, and in the opinion of the Authorized Approver, further advertising or posting will not alter this result
5. If the purchase is with any governmental agency;
6. Contracts for insurance or for professional, architectural, engineering, legal, financial, artistic, scientific, or technical services when selection based solely on lowest price is not appropriate or is prohibited by law. Such contracts may be procured through a request for qualifications, request for proposals, direct negotiation, or another qualifications-based process approved by the General Manager. This exception includes engineering and other professional consulting contracts but does not eliminate Board-award, documentation, conflict-of-interest, or contract-execution requirements.

B. In the event that the General Manager deems it appropriate to procure equipment, material or services without selective competitive bidding (“Sole Source Contracts”), on projects that require the approval of the Board of Directors the Board shall be so informed and the reasons for the Sole Source contract shall be documented in the supporting material provided to the Board for the subject procurement.

C. The notice inviting bids shall provide for the District's right to reject any and all proposals.

6. PRE-QUALIFICATIONS PROCEDURES

If the District utilizes a selective competitive bidding process in the procurement of a contract it may be necessary to pre-qualify potential bidders. The pre-qualification procedure may, in the discretion of the Authorized Approver, provide for one or more of the following:

A. A pre-qualification procedure for determining the qualifications of potential bidders or proponents in advance of receipt of bids or proposals and that bidding or proposal solicitation, in that case, shall be restricted to bidders or proponents determined to be qualified pursuant to said procedure.

B. In determining qualifications, the factors to consider may include, but shall not be limited to, the following:

1. A bidder's or proponents experience in the design, construction, fabrication, assembly, or manufacture of works or materials similar to what will be called for under the proposed contract;
2. The experience of others with the bidder or proponent, including references from past projects, in the design, construction, fabrication, assembly, or operation of similar works or material designed, constructed, fabricated or assembled by the bidder or proponent;
3. The physical plant, facilities, and equipment the bidder or proponent proposes to employ in the performance of the proposed contract.
4. The experience and expertise of a bidder's or proponents responsible managing personnel, key staff members, and other employees who would be assigned to the work if the bidder or proponent were awarded the proposed contract;
5. The extent to which any part of the contract is to be performed by subcontractors, subconsultants or suppliers;
6. The financial capability and resources of the bidder or proponent to perform the proposed contract; and,
7. Any other factor bearing on the responsibility of a bidder or proponent, which factors shall be set forth in the notice inviting pre-qualification information.

C. As a result of a pre-qualification procedure, it shall be determined which bidders or proponents are responsible/qualified to perform the proposed work. Said procedures may include a time period during which a finding of responsibility/qualification shall be effective. The District may require, in its discretion, that pre-qualified bidders or proponents, bidders or proponents who have not qualified, and new bidders or proponents who need to qualify, to go through the pre-qualification process at any time and from time to time.

D. A “Dun and Bradstreet Report” may be requested as part of the pre-qualifications procedure.

7. BONDS

A. Every construction contract in an amount more than $75,000 and any other contract as determined by the Authorized Agent shall be accompanied by separate performance and payment bonds executed by a corporate surety authorized to do business in California and approved by the General Manager. Both types of bonds shall comply with applicable legal requirements and shall be subject to approval by the General Manager or his/her designee. The performance bond shall guarantee the faithful performance of the contract by the contractor and shall be in the form and amount approved by the General Manager. The payment bond shall contain the provisions required by Civil Code Sections 3225 - et. seq. inclusive, and Sections 3247 - 3252 inclusive.

B. Bidder's Bond. Bids submitted for construction contracts in amounts more than $75,000 through competitive bidding or selective competitive bidding may require a bidder's bond executed by a responsible corporate surety authorized to engage in such business in California, made payable to the District. Said bid security or bidder's bond shall be in an amount no less than specified in the notice inviting bids, or, if no amount be so specified, then in an amount not less than 10 percent (10%) of the amount of the bid, and shall guarantee that the bidder will, if an award is made to him in accordance with his/her bid, properly execute a contract with the District secure payment of worker's compensation, if required, and furnish satisfactory performance and payment bonds and proof of insurance coverage.

8. INSURANCE POLICIES

As deemed appropriate by the General Manager, contractors, consultants or service providers to whom a contract is awarded shall furnish satisfactory evidence that the requirements of the Insurance Code of the State of California have been observed.

A. The construction contractor, consultant or service provider shall furnish to the District a liability insurance policy or certificate naming the District as an additional insured.

B. The construction contractor, consultant, or service provider and all subcontractors shall cover or insure in accordance with the Workers' Compensation and Insurance Act, Division IV of the Labor Code of the State of California and any Acts amendatory thereof.

C. The construction contractor shall provide and maintain builder's risk insurance in amounts specified by the contract.

9. SPECIFICATIONS AND DRAWINGS

A. Specifications and necessary drawings for construction or for the furnishing of equipment, materials, supplies, or services shall be prepared by, or under the direction of the Director of Engineering.

B. Specifications, including drawings, if any, shall be sufficient to clearly describe the work required to be done, the quality and properties of materials to be furnished, the results and performance required, and the method of payment for the work done and material and equipment furnished.

10. POSTING AND ADVERTISING

A. General – Unless waived by the General Manager, no Notice Inviting Bids for any contract subject to selective competitive bidding or competitive bidding shall be posted or advertised unless there is first prepared a complete set of contract documents detailing the agreement and the work to be performed.

B. Advertised Projects – If the General Manager deems it appropriate to publicly advertise a competitively bid project, a Notice Inviting Bids shall be posted in a public place within the District and shall be published not less than once in a construction periodical designated by the General Manager at least five days, exclusive of Saturday, Sunday and holidays, before the time for opening bids. Alternatively, the project may be published through the Planet Bids electronic bidding platform.

C. Projects Conducted Without Advertising – Whenever the District elects not to publicly advertise a contract or to award a contract upon competitive bidding, selective competitive bids may be obtained from three or more firms or in any other manner as the General Manager determines to be appropriate.

11. EVALUATION

The General Manager or his/her designee shall compare all bids or proposals received pursuant to any Notice Inviting Bids or other solicitation in accordance with the criteria stated in the solicitation. Construction contracts awarded on a low-bid basis shall be awarded to the lowest responsive and responsible bidder unless all bids are rejected. Professional and other proposal-based procurements may be evaluated on qualifications, experience, approach, cost, best value, or other stated criteria. For contracts requiring Board award, staff shall provide a written recommendation to the Board.

12. REJECTION OF BIDS

The Board of Directors, or the General Manager, as applicable for the particular contract, reserves the right to accept or reject any or all bids and to waive any defects in bids.

13. AWARD OF CONTRACTS

A. By Board

Award of contracts shall be approved by the Board when the amount of the contract is over $75,000.

B. By General Manager

In all cases other than those referred to in Section 13.A hereof, award of contracts may be approved by the General Manager unless otherwise directed by the Board.

14. EXECUTION OF CONTRACTS

A. After award, contracts shall be executed on behalf of the District by an Authorized Signer acting within the authority granted in this Policy. Any subsequent contract amendments or change orders shall be executed by an Authorized Signer.

B. Contracts over $10,000 up to $20,000 shall be executed by the General Manager for by two Authorized signers.

C. Contracts over $20,000 shall be executed by the General Manager.

D. The Authorized Signers are authorized to use electronic signatures through a District system approved by the General Manager.

15. URGENT CONTRACTS

The General Manager is delegated the authority to waive applicable procedures and to execute contracts that exceed $75,000 and take any directly related and immediate action required by an emergency when said contracts are determined by the General Manager to be of urgent necessity, subject to the following requirements:

A. General Manager shall report to the Board not later than at its next regularly scheduled meeting the details of the emergency and reasons justifying the actions taken.

B. At each regularly scheduled meeting following the emergency action, the Board shall determine by majority vote whether the emergency still exists and the need for continued authorization of the General Manager in such an emergency.

16. CHANGE ORDERS

A. Unless superseded by provisions of the applicable contract or as otherwise directed by the Board, the following procedures shall apply to change orders:

1. Change orders are required for the furnishing of equipment, material, supplies or services whenever the costs exceed the original purchase order amount. Change orders shall be approved by the Authorized Approver of the original purchase order or the General Manager or the Chief Financial Officer. Change orders are not required if the additional amount payable is for sales tax or shipping and handling charges in connection with the furnishing of equipment, material or supplies. Change orders are not required if completed contracts are less than the face value of contract.

2. Change orders for professional services

   Change orders are required for professional services contracts whenever the costs exceed the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than $75,000, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 13.

3. Change orders for the construction of public works and facilities

   Change orders are required for construction contracts whenever the costs vary from the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than $75,000, or a change order that would cause the amount payable under a contract for construction of works or structures to exceed the limit established by Section 13.

17. APPROVAL BY GENERAL COUNSEL

General Counsel shall review and approve the District's standard construction and professional-services contract forms when initially adopted and whenever materially revised. Individual contracts using an approved standard form do not require separate legal review unless material changes are made, unusual risk or legal issues are present, or the General Manager requests review. Nonstandard contracts, vendor terms that materially alter District protections, and contracts involving significant legal or operational risk shall be referred to General Counsel as determined by the General Manager.

§6100 PURCHASING POLICY

1. DEFINITIONS

The definitions contained in this section govern the interpretation of this policy.

A. Authorized Agent – when used with respect to the District, means the General Manager or any person designated by the General Manager to have authority to solicit bids or proposals and administer the terms of an awarded contract.

B. Authorized Approver – means any person given authority by this Policy to approve procurements as defined herein.

C. Authorized Signer – means any person empowered by this Policy to sign bid documents, contracts, contract amendments, and change orders.

D. Change Order – means an amendment modifying the terms of an existing contract, including price or quantity and quality ordered.

E. Competitive Bidding – means a bidding process in which the bid solicitation is advertised as described herein.

F. Construction – includes the erection, demolition, alteration, repair, replacement, refurbishment or relocation of buildings, infrastructure, or improvements.

G. Contract – means any written agreement, including purchase orders, to which the District is a party.

H. Form of Agreement – means the document evidencing the contractual relationship of the District and the successful vendor, supplier, contractor or consultant.

I. Notice Inviting Bids – means a notice inviting proposals for entering a contract upon the terms of contract documents incorporated in said notice by reference.

J. Notice Inviting Pre-qualification Information – means a notice inviting prospective bidders to submit information that will permit the Authorized Agent to determine in advance of issuing of a notice inviting bids that a prospective bidder is responsible to perform a proposed contract.

K. Proposal – means an offer to enter into a contract upon the terms set forth in the contract documents or a vendor quotation to provide goods or services at a defined price.

L. Purchase Order – means an authorization~~, including Field Requisitions,~~ under which the party designated therein as vendor is to provide materials or services for which the District agrees to pay.

M. Purchase Order Management System - means the District-designated software platform used to create and approve purchase orders; record receipt of goods and services; route and approve invoices; and maintain procurement and payment records.

~~M.~~N. Selective Competitive Bidding – means a ~~bidding~~ competitive process in which the District solicits quotations, bids, or proposals directly from three or more qualified vendors, suppliers, contractors, or consultants without public advertisement, unless fewer qualified sources are reasonably available.~~only from select pre-qualified bidders.~~

~~N.~~O. Sole Source Contracts – means contracts issued directly to a vendor, supplier, contractor or consultant that have not been subject to a competitive bidding or selective competitive bidding process.

2. CONTRACT DOCUMENTS

A. General – The contract documents shall consist of such documents as the General Manager may deem desirable in addition to those required by law.

B. Documents Included – The contract documents may consist of, among others, a notice inviting bids, instructions to bidders, the proposal, bid sheets, contractor's licensing and qualifications statement, list of subcontractors, bidder's bond, certificates of insurance, form of agreement, performance bond, payment bond, non-collusion affidavit, notice of award, notice to proceed, general conditions, specifications, ~~and~~ drawings, and signed versions of any addenda issued during bidding.

C. Authority to Carry out Power – Whenever award is made by the District, such award shall constitute approval of the contract documents and the Authorized Agent shall be authorized to carry out the powers described in the contract agreements on behalf of the District.

D. Authorized Signers may sign bid and contract documents only within the authority delegated by this Policy. Authorized Signers include the General Manager, the Chief Financial Officer, and the Director of Engineering. Electronic signatures may be used through an approved District system in accordance with District administrative and information-security procedures.~~Authorized Signers are hereby empowered to sign bid and/or contract documents. Authorized Signers are authorized to use an electronic signature but must have their electronic signature certified prior to signing any documents. Authorized Signers include the General Manager, the Chief Financial Officer and the Director of Engineering.~~

3. ~~REQUISITIONS AND~~ PURCHASE ORDERS FOR EQUIPMENT, MATERIAL, SUPPLIES OR SERVICES

~~Requisitions~~ Purchase Order requests for the furnishing of equipment, material, supplies, or services may originate as a result of normal operating need or due to emergency.

A. ~~Requisitions~~ Purchase Order requests for normal operating need:

1. ~~Include those purchases that originate from the Warehouse, when inventory reorder points are reached and from departments for regular operating needs, as outlined in the District's operation and maintenance budget and, capital expenditures, as outlined in the District's capital budget.~~Normal operating requisitions include Warehouse inventory replenishment, regular departmental operating needs included in the adopted operations and maintenance budget, and capital expenditures included in the adopted capital budget.

~~1.~~2. Each purchase order request shall identify the vendor, scope or description of goods or services, amount, budget account, project number (if appropriate), supporting quotations and sole-source justification when required.

~~2.~~3. ~~Authorization~~ Approval is required by the Department Head who has budgetary responsibility for the category of expenditure and is an Authorized Approver as defined in Section 3.C herein. In the event the applicable Department Head is unavailable, approval may be provided by the General Manager or Chief Financial Officer.

a) For ~~requisitions~~ purchase order requests originating from the Operations Department, including Operations Support, Fleet Services, Pumping Operations, Electrical, Transmission & Distribution, Collections, and the Water Recycling Plant, ~~authorization by~~ the Operations Superintendent is the responsible Department Head~~General Manager and/or the Operations Superintendent is required~~.

b) For purchase order requests~~requisitions~~ originating from the Engineering Department, ~~authorization by~~ the Director of Engineering is the responsible Department Head.~~General Manager and/or the Director of Engineering is required.~~

c) For purchase order requests~~requisitions~~ for Information Technology Resources, ~~authorization by~~ the IT Manager is the responsible Department Head.~~General Manager and/or the IT Manager is required.~~

d) For purchase order requests~~requisitions~~ originating from Administration/Finance, ~~authorization by~~ the Chief Financial Officer is the responsible Department Head.~~General Manager or the Chief Financial Officer is required.~~

e) For purchase order requests~~requisitions~~ originating from the Human Resources Department, ~~authorization by the~~the Director of Human Resources is the responsible Department Head.~~General Manager or the Director of Human Resources is required.~~

f) For purchase order requests~~requisitions~~ for capital items, ~~authorization by~~ the Director of Engineering is the responsible Department Head.~~General Manager and/or the Director of Engineering is required.~~

~~g) In the absence of the General Manager, the Operations Superintendent or the Chief Financial Officer may provide authorization.~~

B. ~~Requisitions~~ Purchase Order requests due to Emergency:

1. ~~Emergencies include those purchases that originate for unplanned, sudden and unexpected events of a serious nature requiring immediate furnishing of equipment, material, supplies, or services and where the purchase is necessary within a shorter period of time than required for a requisition in a normal operating period.~~An emergency purchase is a purchase of equipment, material, supplies, or services necessary to respond to an unforeseen, sudden, and serious condition that threatens public health or safety, essential District operations, District property, or the environment, and for which compliance with normal procurement timing is impracticable

2. ~~Due to the nature of the emergency, it may not be possible for the supervisor who has budgetary responsibility to obtain complete authorization of a requisition prior to the furnishing of equipment, material, supplies, or services. If this situation arises, an emergency purchase order number shall be issued by an Authorized Agent. At the earliest convenience, a requisition will be prepared for the emergency purchase including all of the following information: emergency purchase order number, description of and reason for the emergency purchase, vendor information and total cost. All requisitions for emergency needs issued without complete authorization must be brought back to the appropriate authorizing Officer (as described in Section 3.A.2) for approval.~~When advance approval is impracticable, due to an emergency, the General Manager, Chief Financial Officer, Operations Superintendent, Director of Engineering, or another employee specifically designated in writing by the General Manager may authorize the

minimum purchase necessary to address the emergency. All purchase order requests for emergency needs issued without complete authorization must entered into the Purchase Order Management System for approval by appropriate Authorized Approver (as described in Section 3.A.3) no later than the next business day, unless circumstances prevent doing so. The record shall include the description of and reason for the emergency purchase, the goods or services obtained and the cost. To the extent practicable, emergency vendors shall execute the District's purchase order terms, emergency services agreement, or other written contract addressing insurance, indemnity, prevailing wage and other labor requirements, licensing, and payment terms. Any required ratification or Board reporting shall be completed under Section 15.

C. Authorized Approvers

1. Purchase order requests for expenses up to $10,000 require approval by the responsible Department Head or the General Manager.

2. Purchase order requests for expenses greater than $10,000 up to $20,000 require approval by the responsible Department Head and a second approval by one of the following:

   a) General Manager

   b) Chief Financial Officer

   c) Director of Engineering

   d) Operations Superintendent

3. Purchase order requests for expenses greater than $20,000 required approval by the responsible Department Head and a second approval by the General Manager.

4. No employee may divide or sequence a purchase to avoid an approval, competitive procurement requirement, contract-award, or Board approval threshold. Related purchases that are reasonably foreseeable and serve the same purpose shall be considered together.

5. The Purchase Order Management System approval workflows shall be consistent with this Policy. System access or workflow permissions do not independently grant purchasing, contracting, or signature authority.

~~Requisitions for Administration expenses, up to $10,000, require the authorization of either the General Manager, the Chief Financial Officer, or the Operations Superintendent. All requisitions over $10,000 require the~~

~~authorization of two of the three Approvers.~~

~~1. Requisitions for Operations Department expenses, up to $10,000, require the authorization of either the General Manager, the Chief Financial Officer, or the Operations Superintendent. All requisitions over $10,000 require the authorization of two of the three Approvers.~~

~~2. Requisitions for Engineering Department expenses, up to $10,000, require the authorization of either the General Manager, the Chief Financial Officer, or the Director of Engineering. All requisitions over $10,000 require the authorization of two of the three Approvers.~~

~~3. Requisitions for Human Resources Department expenses, up to $10,000, require the authorization of either the General Manager, the Chief Financial Officer, or the Director of Human Resources. All requisitions over $10,000 require the authorization of two of the three Approvers.~~

~~4. Requisitions for IT Resources, up to $10,000, require the authorization of either the General Manager, the Chief Financial Officer, or the IT Manager. All requisitions over $10,000 require the authorization of two of the three Approvers.~~

~~5. All other requisitions, regardless of origination, up to $10,000 require the authorization of either the General Manager, the Chief Financial Officer, the Operations Superintendent, or the Director of Engineering. All requisitions over $10,000 require the authorization of two of the four approvers, including either the General Manager or the Chief Financial Officer.~~

D. Upon receipt of a properly and fully approved purchase order request~~requisition~~, a purchase order may be created. All purchase orders must be approved by an Authorized Approver of the District. Except for authorized emergency purchases and other categories expressly exempted by this Policy, a purchase order shall be issued before goods or services are ordered.

E. In the event that contracts for the furnishing of equipment, material, supplies, or services ~~exceeds~~exceed 110 percent (110%) of the amount identified in the annual budget for that particular account and sufficient funds are not available within the overall operating budget, the General Manager shall report cost center variances to the Board.

F. The General Manager shall report to the Board, on a monthly basis, details of purchases which exceed ~~$50,000~~$75,000.

4. INVOICE PROCESSING AND ~~CHECK ISSUANCE~~PAYMENTS

Once a service has been completed or material or goods have been received, vendor invoices need to be matched to the original purchase ~~requisition~~ order, contract, or other approved procurement record or, if the invoice received is for an ongoing service for which a purchase ~~requisition~~ order has not been created, the invoice must be approved and coded to the appropriate account.

A. Before payment, the employee responsible for receiving or administering the goods or services shall approve the invoice in the Purchase Order Management System and certify that the goods or services were received, the invoice is accurate, contract requirements and deliverables have been satisfied, and the account and/or project coding is correct.~~Prior to processing, invoices must be reviewed and approved by the employee who received the good, material, or service. Invoices shall be reviewed for accuracy and will then be approved by the initials or signature of the receiving employee. The expense account number(s) and/or project number(s) with the appropriate amounts will be included as part of the approval of the requisition and verified as part of the invoice approval process.~~

~~**B.**~~ An invoice that would cause the purchase order or contract amount to be exceeded shall not be paid until the purchase order or approved procurement document and, when applicable, the underlying contract, are adjusted by an Authorized Approver in the Purchase Order Management System, or by initials or electronic signature within the approval authority defined in Section 3.C. Invoice approval alone does not authorize additional scope or compensation.~~In the event that invoices exceed the amount identified in the approved procurement document, the original Authorized Approver must approve a modification of the procurement document, with the new approved amount, by initials or electronic signature within the approval authority defined in Section 3.C.~~

~~**C.**~~

~~**D.**~~**B.** ~~Employees are authorized to use an electronic signature for invoices but must have their electronic signature certified prior to signing any documents. The signatures on these documents can then be used by Accounting as authorization for payment of invoices, requisitions, or check requests.~~

C. The District will issue checks for approved invoices on a regular basis as determined by the General Manager or his/her designee. Checks that are issued by the District ~~are required to have two signatures from either the General Manager, the Chief Financial Officer, or the Operations Superintendent. Checks may be signed electronically if the District's financial software provides the capability~~include the electronic signatures of the General Manager and the Chief Financial Officer. Checks that are signed electronically may only be issued after an appropriate approval as defined in Section 3.

~~**E.**~~**D.** -The District will issue Automatic Clearing House (ACH) payments to vendors that are set up for ACH payment for approved invoices on a regular basis as determined by the General Manager or his/her designee. ACH payments may only be issued after an appropriate approval as defined in

Section 3.

5. SELECTIVE COMPETITIVE BIDS

Before entering into a contract for the construction of facilities or for the furnishing of equipment, materials, supplies or services, the Authorized ~~Agent~~ Approver should ascertain ~~in his/her discretion,~~ the best source of supply. In obtaining the best source of supply, the General Manager may determine~~, in his/her discretion,~~ that selective competitive bidding should be utilized pursuant to a bid package developed for the particular project.

A. The following situations will not require selective competitive bidding:

1. Contracts for miscellaneous services, such as telephone, power and water, where rates or prices are fixed by legislation or by federal, state, county or municipal regulations;

2. Contracts required during an emergency;

3. If the articles are patented, copyrighted or otherwise unique;

4. If within one year previous to the date of execution of a proposed contract, advertising or posting for identical articles, or articles of the same general character, has failed to secure responsive proposals, and in the opinion of the ~~authorized~~ Authorized ~~agent~~Approver, further advertising or posting will not alter this result

5. If the purchase is with any governmental agency;

6. Contracts for insurance or for professional, architectural, engineering, legal, financial, artistic, scientific, or technical services when selection based solely on lowest price is not appropriate or is prohibited by law. Such contracts may be procured through a request for qualifications, request for proposals, direct negotiation, or another qualifications-based process approved by the General Manager. This exception includes engineering and other professional consulting contracts but does not eliminate Board-award, documentation, conflict-of-interest, or contract-execution requirements.~~Contracts for insurance or for services of a professional, artistic, scientific, or technical character.~~

B. In the event that the General Manager deems it appropriate to procure equipment, material or services without selective competitive bidding (“Sole Source Contracts”), on projects that require the approval of the Board of Directors the Board shall be so informed and the reasons for the Sole

Source contract shall be documented in the supporting material provided to the Board for the subject procurement.

C. The notice inviting bids shall provide for the District's right to reject any and all proposals.

6. PRE-QUALIFICATIONS PROCEDURES

If the District utilizes a selective competitive bidding process in the procurement of a contract it may be necessary to pre-qualify potential bidders. The pre-qualification procedure may, in the discretion of the Authorized ~~Agent~~Approver, provide for one or more of the following:

A. A pre-qualification procedure for determining the qualifications of potential bidders or proponents in advance of receipt of bids or proposals and that bidding or proposal solicitation, in that case, shall be restricted to bidders or proponents determined to be qualified pursuant to said procedure.

B. In determining qualifications, the factors to consider may include, but shall not be limited to, the following:

1. A bidder's or proponents experience in the design, construction, fabrication, assembly, or manufacture of works or materials similar to what will be called for under ~~this~~ the proposed contract;

2. The experience of others with the bidder or proponent, including references from past projects, in the design, construction, fabrication, assembly, or operation of similar works or material designed, constructed, fabricated or assembled by the bidder or proponent;

3. The physical plant, facilities, and equipment the bidder or proponent proposes to employ in the performance of the proposed contract.

4. The experience and expertise of a bidder's or proponents responsible managing personnel, key staff members, and other employees who would be assigned to the work if the bidder or proponent were awarded the proposed contract;

5. The extent to which any part of the contract is to be performed by subcontractors, subconsultants or suppliers;

6. The financial capability and resources of the bidder or proponent to perform the proposed contract; and,

7. Any other factor bearing on the responsibility of a bidder or proponent, which factors shall be set forth in the notice inviting pre-qualification information.

C. As a result of a pre-qualification procedure, it shall be determined which bidders or proponents are responsible/qualified to perform the proposed work. Said procedures may include a time period during which a finding of responsibility/qualification shall be effective. The District may require, in its discretion, that pre-qualified bidders or proponents, bidders or proponents who have not qualified, and new bidders or proponents who need to qualify, to go through the pre-qualification process at any time and from time to time.

D. A "Dun and Bradstreet Report" may be requested as part of the pre-qualifications procedure.

7. BONDS

A. Every construction contract ~~involving~~ in an amount more than $75,000 and any other contract as determined by the Authorized Agent shall be accompanied by separate performance and payment bonds executed by a corporate surety authorized to do business in California and approved by the General Manager. Both types of bonds shall comply with applicable legal requirements and shall be subject to approval by the General Manager or his/her designee. The performance bond shall guarantee the faithful performance of the contract by the contractor and shall be in the form and amount approved by the General Manager. The payment bond shall contain the provisions required by Civil Code Sections 3225 - et. seq. inclusive, and Sections 3247 - 3252 inclusive.

B. Bidder's Bond. Bids submitted for construction contracts ~~involving~~ in amounts more than $75,000 through competitive bidding or selective competitive bidding may require a bidder's bond executed by a responsible corporate surety authorized to engage in such business in California, made payable to the District. Said bid security or bidder's bond shall be in an amount no less than specified in the notice inviting bids, or, if no amount be so specified, then in an amount not less than 10 percent (10%) of the amount of the bid, and shall guarantee that the bidder will, if an award is made to him in accordance with his/her bid, properly execute a contract with the District secure payment of worker's compensation, if required, and furnish satisfactory performance and payment bonds and proof of insurance coverage.

8. INSURANCE POLICIES

As deemed appropriate by the General Manager, contractors, consultants or service providers to whom a contract is awarded shall furnish satisfactory evidence that the requirements of the Insurance Code of the State of California have been observed.

A. The construction contractor, consultant or service provider shall furnish to the District a liability insurance policy or certificate naming the District as an additional insured.

B. The construction contractor, consultant, or service provider and all subcontractors shall cover or insure in accordance with the Workers' Compensation and Insurance Act, Division IV of the Labor Code of the State of California and any Acts amendatory thereof.

C. The construction contractor shall provide and maintain builder's risk insurance in amounts specified by the contract.

9. <u>SPECIFICATIONS AND DRAWINGS</u>

A. Specifications and necessary drawings for construction or for the furnishing of equipment, materials, supplies, or services shall be prepared by, or under the direction of the Director of Engineering~~ responsible for seeing the work performed~~.

B. Specifications, including drawings, if any, shall be sufficient to clearly describe the work required to be done, the quality and properties of materials to be furnished, the results and performance required, and the method of payment for the work done and material and equipment furnished.

10. <u>POSTING AND ADVERTISING</u>

A. General – Unless waived by the General Manager, no Notice Inviting Bids for any contract subject to selective competitive bidding or competitive bidding shall be posted or advertised unless there is first prepared a complete set of contract documents detailing the agreement and the work to be performed.

B. Advertised Projects – If the General Manager deems it appropriate to publicly advertise a competitively bid project, a Notice Inviting Bids shall be posted in a public place within the District and shall be published not less than once in a construction periodical designated by the General Manager at least five days, exclusive of Saturday, Sunday and holidays, before the time for opening bids. Alternatively, the project may be published through the Planet Bids electronic bidding platform.

C. Projects Conducted Without Advertising – Whenever the District elects not to publicly advertise a contract or to award a contract upon competitive bidding, selective competitive bids may be obtained from three or more firms or in any other manner as the General Manager determines to be appropriate.

11. EVALUATION

The General Manager or his/her designee shall compare all bids or proposals received pursuant to any Notice Inviting Bids or other solicitation in accordance with the criteria stated in the solicitation.~~for compliance with the terms of the notice inviting bids or other solicitation and shall determine the lowest responsible bid of all those received and, when award of contract is to be made by the Board, make a recommendation in writing to the Board.~~ Construction contracts awarded on a low-bid basis shall be awarded to the lowest responsive and responsible bidder unless all bids are rejected. Professional and other proposal-based procurements may be evaluated on qualifications, experience, approach, cost, best value, or other stated criteria. For contracts requiring Board award, staff shall provide a written recommendation to the Board.

12. REJECTION OF BIDS

The Board of Directors, or the General Manager, as applicable for the particular contract, reserves the right to accept or reject any or all bids and to waive any defects in bids.

13. AWARD OF CONTRACTS

A. By Board

Award of contracts shall be approved by the Board when the amount of the contract is over $75,000.

B. By General Manager

In all cases other than those referred to in Section 13.A hereof, award of contracts may be ~~made~~ approved by the General Manager unless otherwise directed by the Board.

14. EXECUTION OF CONTRACTS

A. After award, ~~all~~ contracts shall be executed on behalf of the District by an Authorized Signer acting within the authority granted in this Policy~~the General Manager, the Chief Financial Officer or the Director of Engineering~~. ~~The General Manager, Chief Financial Officer or Director of Engineering shall also execute any~~ Any subsequent contract amendments or change orders shall be executed by an Authorized Signer.

B. ~~All c~~Contracts over $10,000 up to $20,000 shall be executed by the General Manager for by two Authorized signers.

C. Contracts over $20,000 shall be executed by the General Manager.

~~**B.**~~**D.** The ~~General Manager, Chief Financial Officer and Director of Engineering~~Authorized Signers are authorized to use ~~an~~ electronic signatures ~~but must have the electronic signature certified prior to signing any documents~~through a District system approved by the General Manager.

15. URGENT CONTRACTS

The General Manager is delegated the authority to waive applicable procedures and to execute contracts that exceed $75,000 and take any directly related and immediate action required by an emergency when said contracts are determined by the General Manager to be of urgent necessity, subject to the following requirements:

A. General Manager shall report to the Board not later ~~than~~than at its next regularly scheduled meeting the details of the emergency and reasons justifying the actions taken.

B. At each regularly scheduled meeting following the emergency action, the Board shall determine by majority vote whether the emergency still exists and the need for continued authorization of the General Manager in such an emergency.

16. CHANGE ORDERS

A. Unless superseded by provisions of the applicable contract or as otherwise directed by the Board, the following procedures shall apply to change orders:

1. Change orders are required for the furnishing of equipment, material, supplies or services whenever the costs exceed the original purchase order amount. Change orders shall be approved by the Authorized Approver of the original purchase order or the General Manager or the Chief Financial Officer. ~~The General Manager is authorized to execute change orders for contracts providing for the furnishing of equipment, material, supplies, or services.~~ Change orders are not required if the additional amount payable is for sales tax or shipping and handling charges in connection with the furnishing of equipment, material or supplies. ~~If the amount payable is more than the contract amount but does not exceed 10% of the contract amount, a change order is not required for the furnishing of equipment, material, supplies, or services but the approval of invoices but comply with Section 4.B of this Policy.~~ Change orders are not required if completed contracts are less than the face value of contract.

2. Change orders for professional ~~and consulting~~ services

   Change orders are required for professional ~~and consulting~~ services contracts whenever the costs exceed the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than $75,000, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 13.

3. Change orders for the construction of public works and facilities

Change orders are required for construction contracts whenever the costs vary from the original contract amount. The General Manager shall not, without prior Board approval, issue change orders totaling more than $75,000, or a change order that would cause the amount payable under a contract for construction of works or ~~structure~~structures to exceed the limit established by Section 13.

17. APPROVAL BY GENERAL COUNSEL

General Counsel shall review and approve the District's standard construction and professional-services contract forms when initially adopted and whenever materially revised. Individual contracts using an approved standard form do not require separate legal review unless material changes are made, unusual risk or legal issues are present, or the General Manager requests review. Nonstandard contracts, vendor terms that materially alter District protections, and contracts involving significant legal or operational risk shall be referred to General Counsel as determined by the General Manager.~~The General Counsel shall approve, in writing, the District's standard construction and consulting contract documents. In the event that the District's standard contract documents are not applicable, the General Manager, at his discretion, may direct the District's General Counsel to review and approve any other contract documents.~~

MINUTES OF THE REGULAR MEETING
& OF THE
ENGINEERING COMMITTEE MEETING

June 22, 2026

At approximately 8:26 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, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, Information Technology Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom, 7:47 a.m.), VU CHU, Water Resources Supervisor (Zoom), CAROL MOORE, City of Laguna Woods (Zoom), ALFREDO CARDENAS, Member Of The Public (9:08 a.m.), and MARISOL MELENDEZ, Recording Secretary.

Consent Calendar

Director McClean asked for a Motion.

Motion: Vice President Havens made a Motion, seconded by President Freshley 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 Action Items

Resolution No. 26-6-2 2026 Local Guidelines for Implementing the California Environmental Quality Act ("CEQA")

Ms. Ford reported that the annual update to the District's local guidelines is a routine requirement. Best, Best, & Krieger developed the updated guidelines. The two that pertain to the District include requirements for what constitutes an administrative record and allowing more wildfire mitigation projects to fall under notice of exemptions.

Director McClean asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director Monin to adopt Resolution No. 26-6-2 2026 Local Guidelines for implementing the California Environmental Quality Act for the District.

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. Cafferty reported on a water leak that occurred at Clubhouse Four over the weekend. The leak was promptly isolated by operations staff and repairs are expected to be completed soon.

Mr. Hopkins reported that additional progress on a few items are expected to be reflected in the upcoming months as more work is scheduled later in the year.

El Toro Water District Capital Project Status Report

Headworks and Secondary Clarifier No. 1 Rehabilitation Project

Ms. Ford reported that the contractor continues to make progress on the project. The installation of the new Headworks channel is the primary work ongoing.

Freeway Electrical Equipment Replacement

Ms. Ford reported that staff is still working with Southern California Edison to convert the existing power from an overhead pole to underground conduit.

R-6 Reservoir Southern Slope Repair Project

Ms. Ford reported that the project is nearing completion and is currently in the landscape maintenance phase.

Moulton/El Toro Cathodic Repair Project

Ms. Ford reported that the construction contract was awarded to Farwest Corrosion Control Company. Universal Corrosion Services (UCorr) is a consultant recently selected for support on all of the District's impressed current cathodic protection systems. UCorr is also providing engineering services during construction for the Moulton/El Toro Cathodic Repair Project. She noted that scope and costs for the construction project may be reduced after the review of the UCorr's testing.

SOCWA Effluent Transmission Main (ETM) Reach B Techite Replacement

Ms. Ford reported that District staff is managing the project and has presented the proposed alignment to Golden Rain Foundation (GRF), with no major opposition. Staff will establish a new easement with GRF for the alignment.

Ms. Ford also reported that the next SOCWA Board meeting will include action items to amend the design contract to include the street alignment and a recommendation to award the CEQA compliance component of the project. She added that the CEQA compliance proposals include the potential use of a Notice of Exemption, which could reduce costs.

Aliso Creek Lift Station Improvement Project

Ms. Ford reported that the easement agreement discussions are ongoing and staff anticipates finalizing the agreement in the coming months.

FY 2026/27 Capital Improvement Program Schedule

Ms. Ford also provided an overview of the FY 2026/27 Capital Improvement Program schedule. Mr. Cafferty noted that the ETM project was accelerated to coordinate with a City paving project. He added that the hydraulic modification project, which was not originally budgeted, was also accelerated in response to recent resident concerns regarding water pressure.

Adjournment

There being no further business, the Engineering Committee meeting was adjourned at approximately 9:09 a.m.

Comments Regarding Non-Agenda Engineering Committee Items

President Freshley stated she participated in a meeting with Madison AI. Mr. Cafferty added that the District is contemplating a contract with Madison AI and will be making updates to the Administrative Code to adopt an AI policy.

Mr. Cardenas commented that a District staff member stopped by his house and checked for a potential leak at his water meter but he had concerns about District protocols. He requested confirmation that the individual was a District employee and clarification regarding the purpose of the visit. Staff informed Mr. Cardenas that they will follow up with him.

Attorney Report

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

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:19 a.m.

Respectfully submitted,

MARISOL MELENDEZ
Recording Secretary

APPROVED:

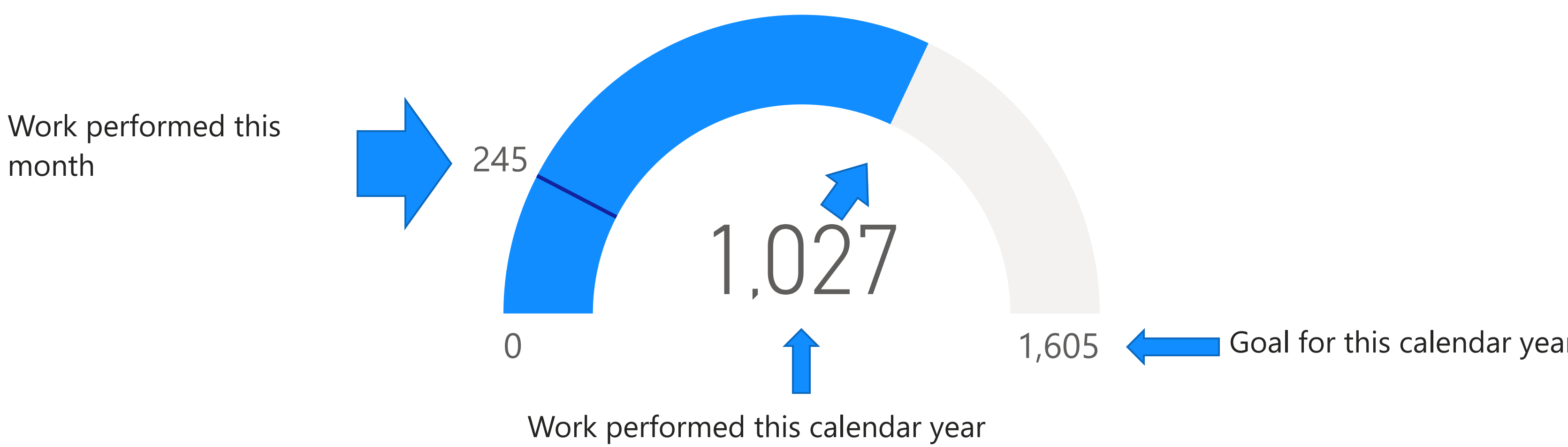
KATHRYN FRESHLEY, President
of the El Toro Water District and the
Board of Directors thereof

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

Operations Report

June 2026

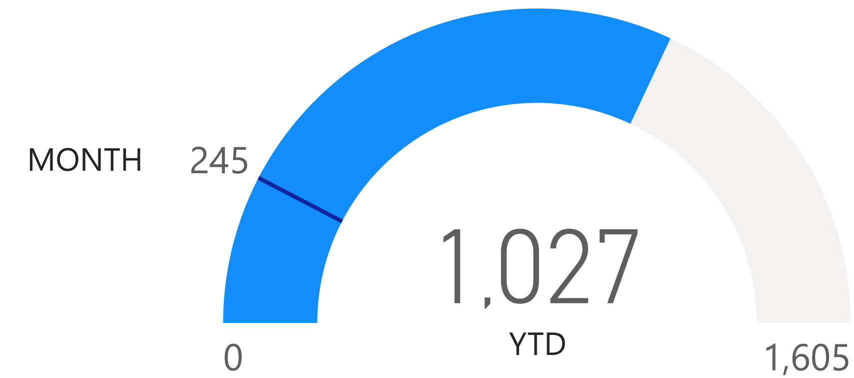
How to read the graphics in this report:

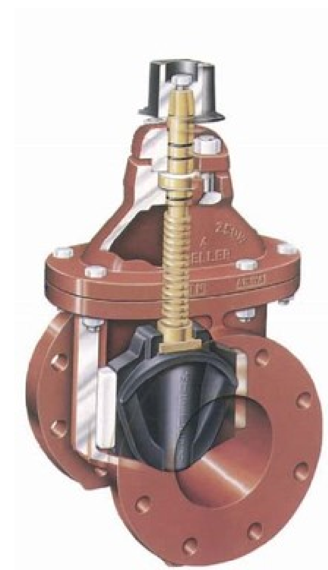


Valves

Distribution Valves Operated

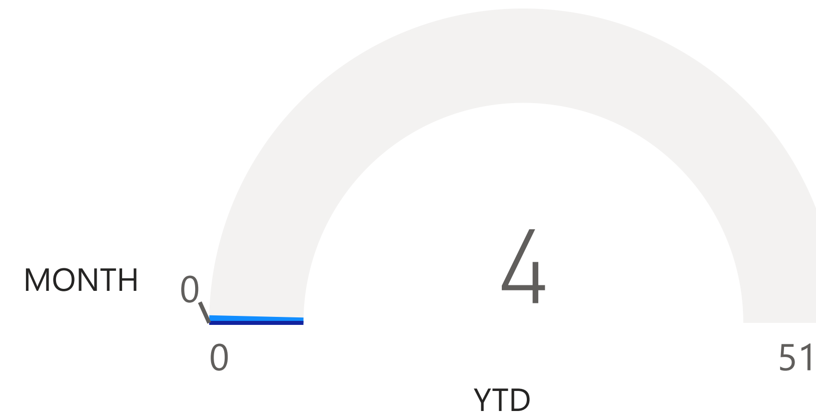
Mainline





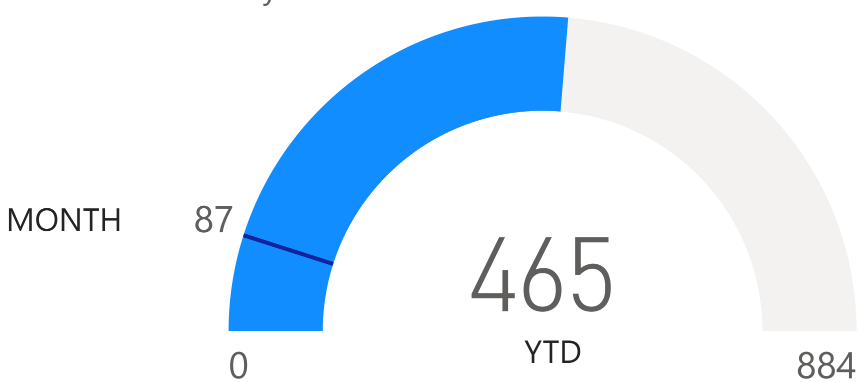
Arterial Valves Operated

Mainline



Distribution Valves Operated

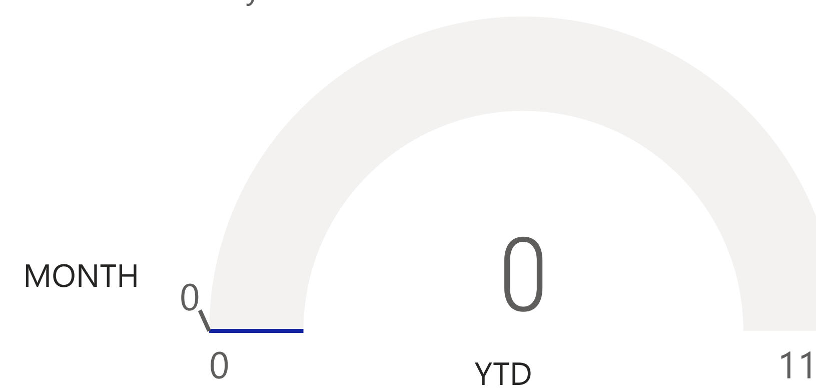
Fire Hydrant



Asset	Month	YTD
Potable Valves Repaired	0	7
Potable Valves Replaced	1	11
Valve Cans Adjusted/Replaced	1	133
Valve Cans Cleaned	286	1,185
Total	**288**	**1,336**

Arterial Valves Operated

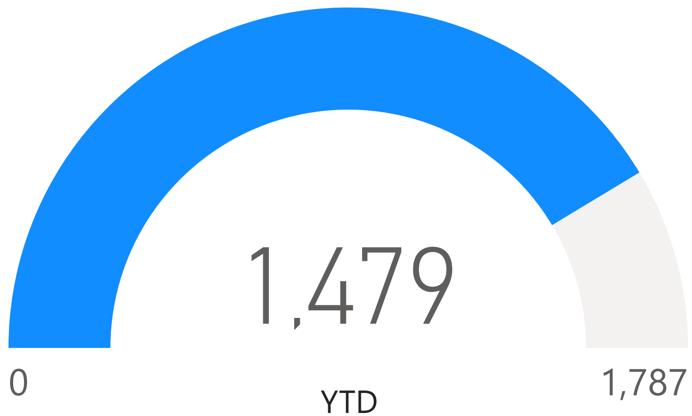
Fire Hydrant



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

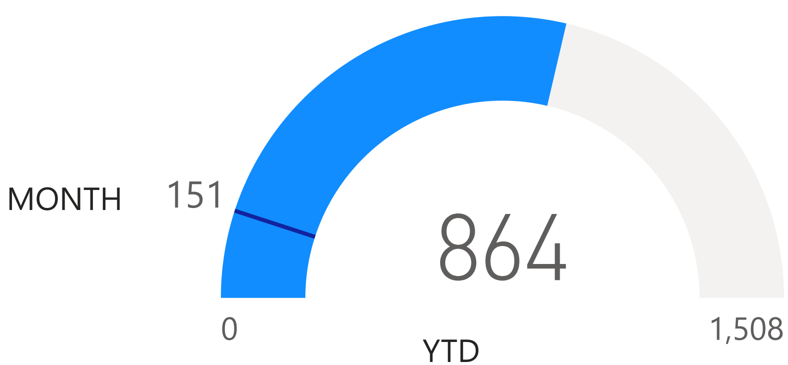
Backflow Assemblies Tested



Recycled Water Inspections

Other Facility Maintenance

Generator Inspections



Underground Service Alerts Marked

269

Month

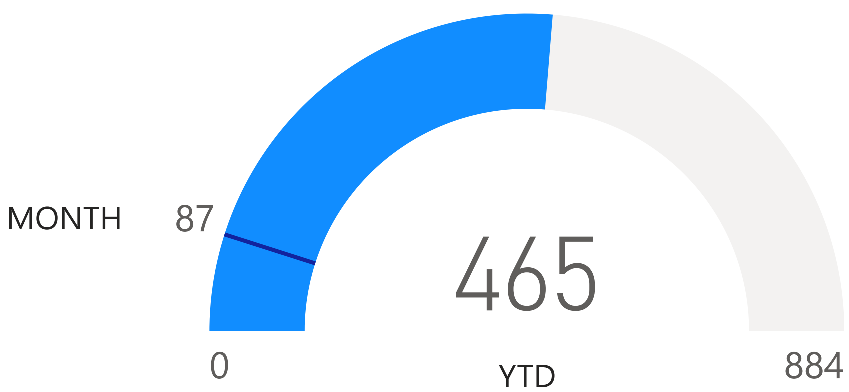
Underground Service Alerts Marked

1,424

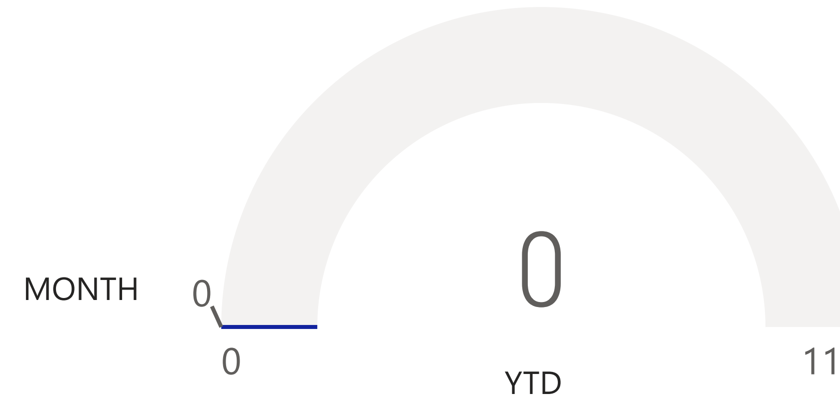
YTD

Fire Hydrants

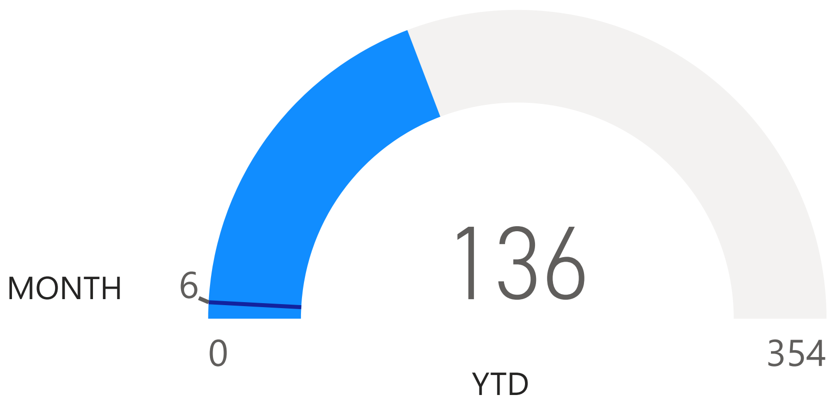
Distribution Hydrants Maintained



Arterial Hydrants Maintained

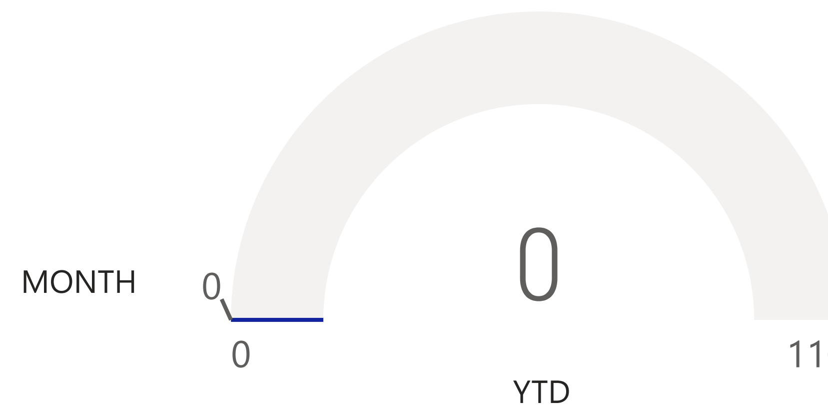


Distribution Hydrants Painted



Asset	Month	YTD
Hydrants Repaired	0	3
Hydrants Replaced	2	11
Total	**2**	**14**

Arterial Hydrants Painted

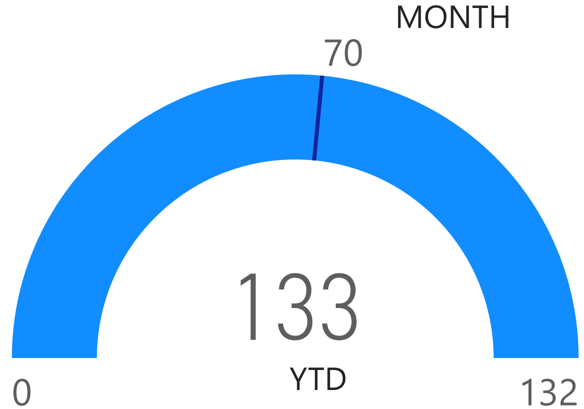


Note:

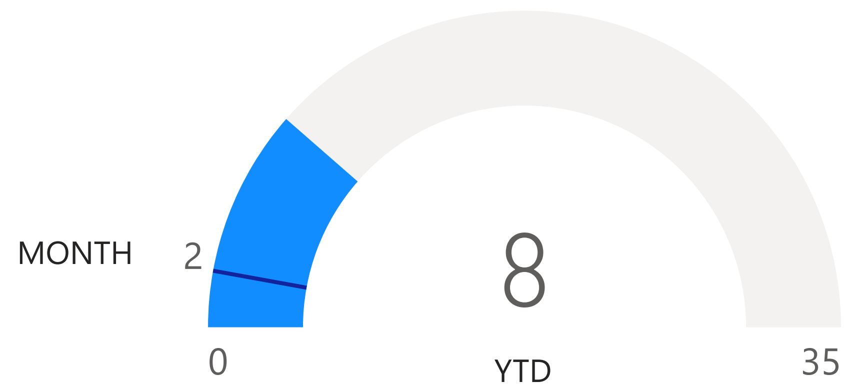
1. The hydrant program strives to maintain all distribution hydrants every two years and arterial hydrants every year. Goals shown on this page represent that for the calendar year (i.e., total number of distribution hydrants divided by two).
2. The hydrant program strives to paint all hydrants every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

Water Appurtenances

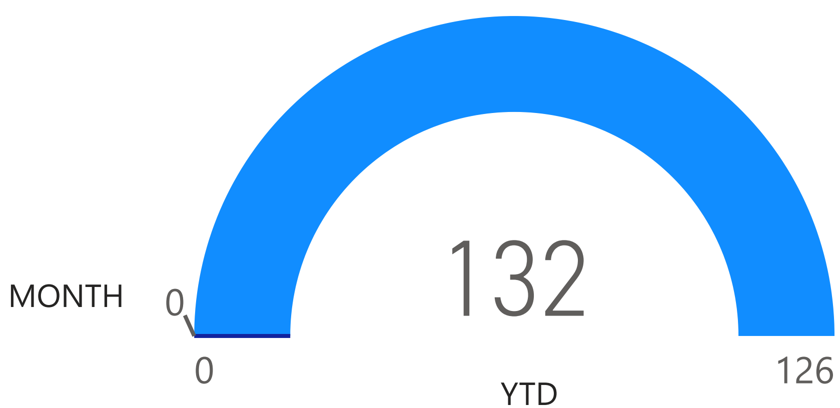
Air Vacs Maintained



PRVs Maintained

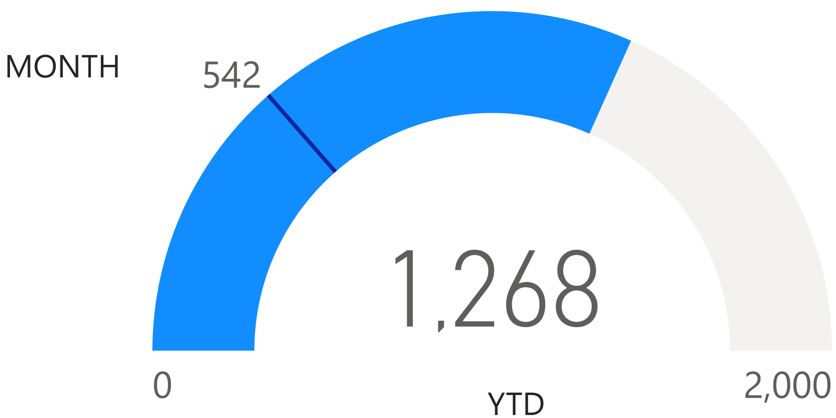


Blow Offs Flushed



Water Distribution System

Leak Detection Survey



System Flushing

gallons

56K

Month

System Flushing

gallons

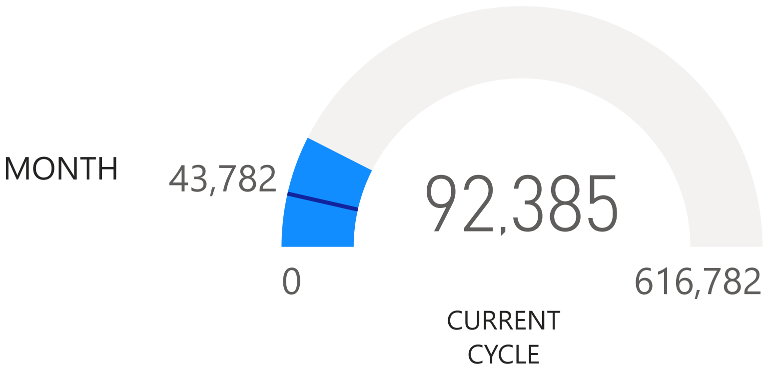
218K

YTD

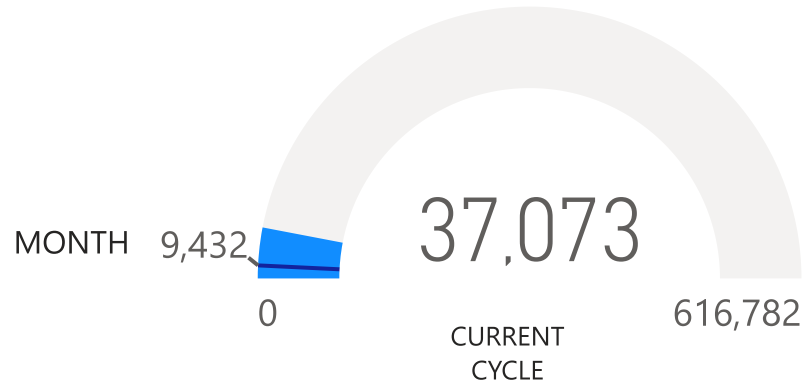
Asset	Month	YTD
Main Line Repairs	0	2
Service Line Repairs	0	3
Service Line Replacement	6	19
Water Pump Motor Services	0	5
Water Pump Services	0	9
Water Reservoir and Pump Station Inspections	370	2,326

Collection System

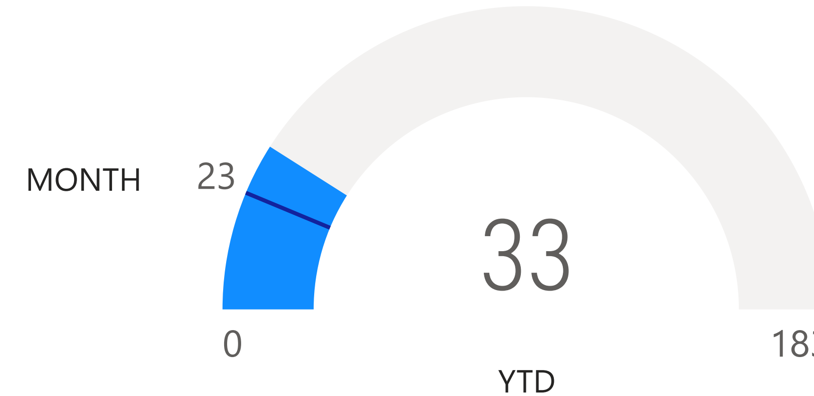
Line Cleaning
feet of pipe



TV Inspection
feet of pipe



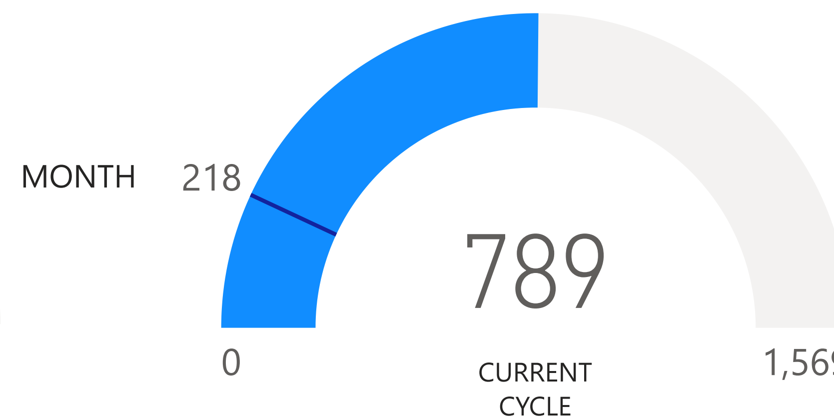
FOG Inspections



Asset	Month	YTD
Industrial Waste Inspections	0	14
Lift Station Inspections	300	1,920
Manhole Repairs	0	4
Odor Complaints	1	2
Root Cutting, feet of pipe	0	1,533
Root Foaming, feet of pipe	0	0
Sewer Mainline Repairs	0	0
Sewer Pump/Motor Maintenance	0	4
Sewer Service Line Repairs	0	0
Wet Well Cleaning	3	17

Hotspots
feet of pipe

Manhole Inspections

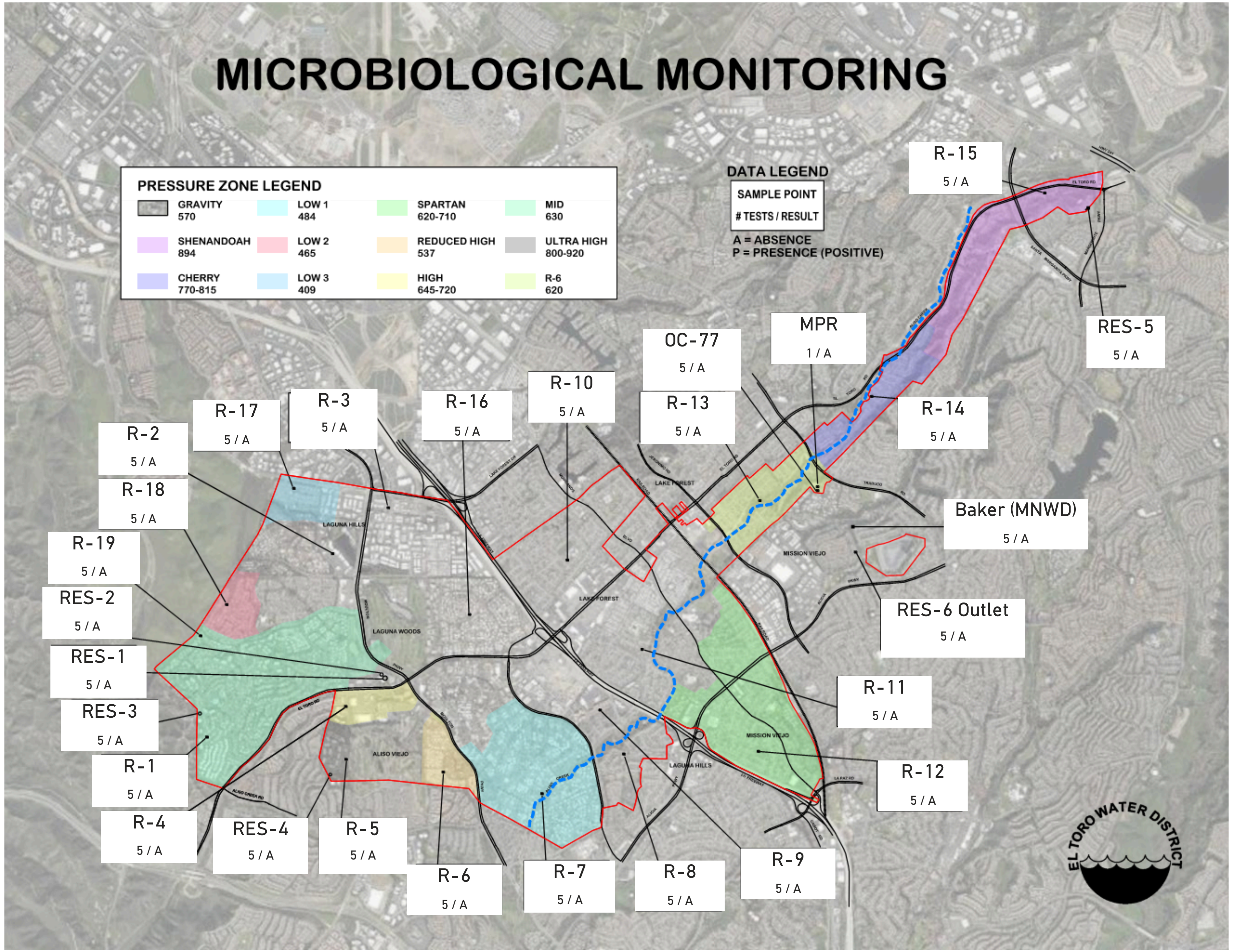


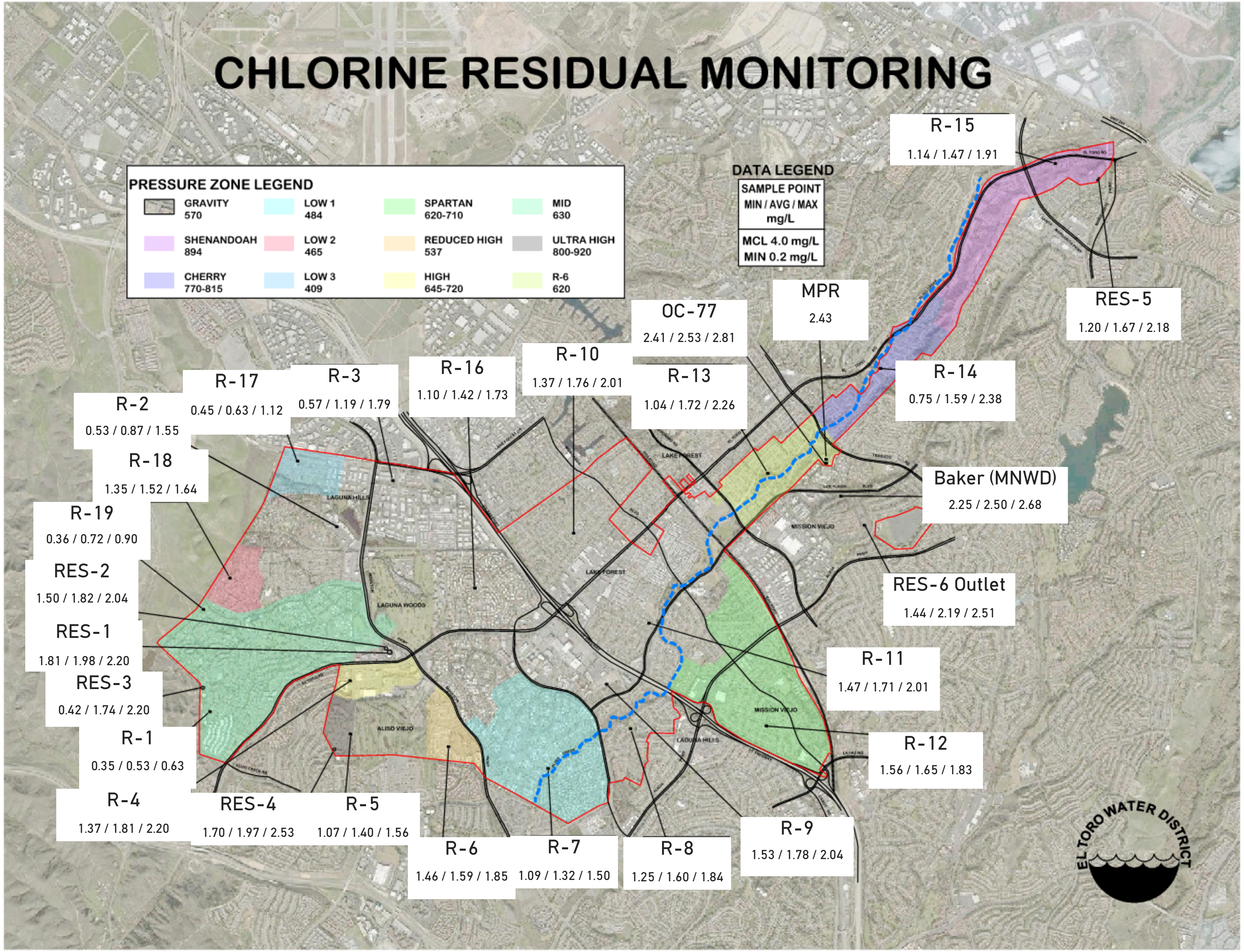
Note:
1. The line cleaning objective is a two year cycle to clean the entire system. The current cycle began on 5/1/2026.
2. The TV inspection objective is a five year cycle to inspect the entire system. The current cycle began on 1/01/2026.

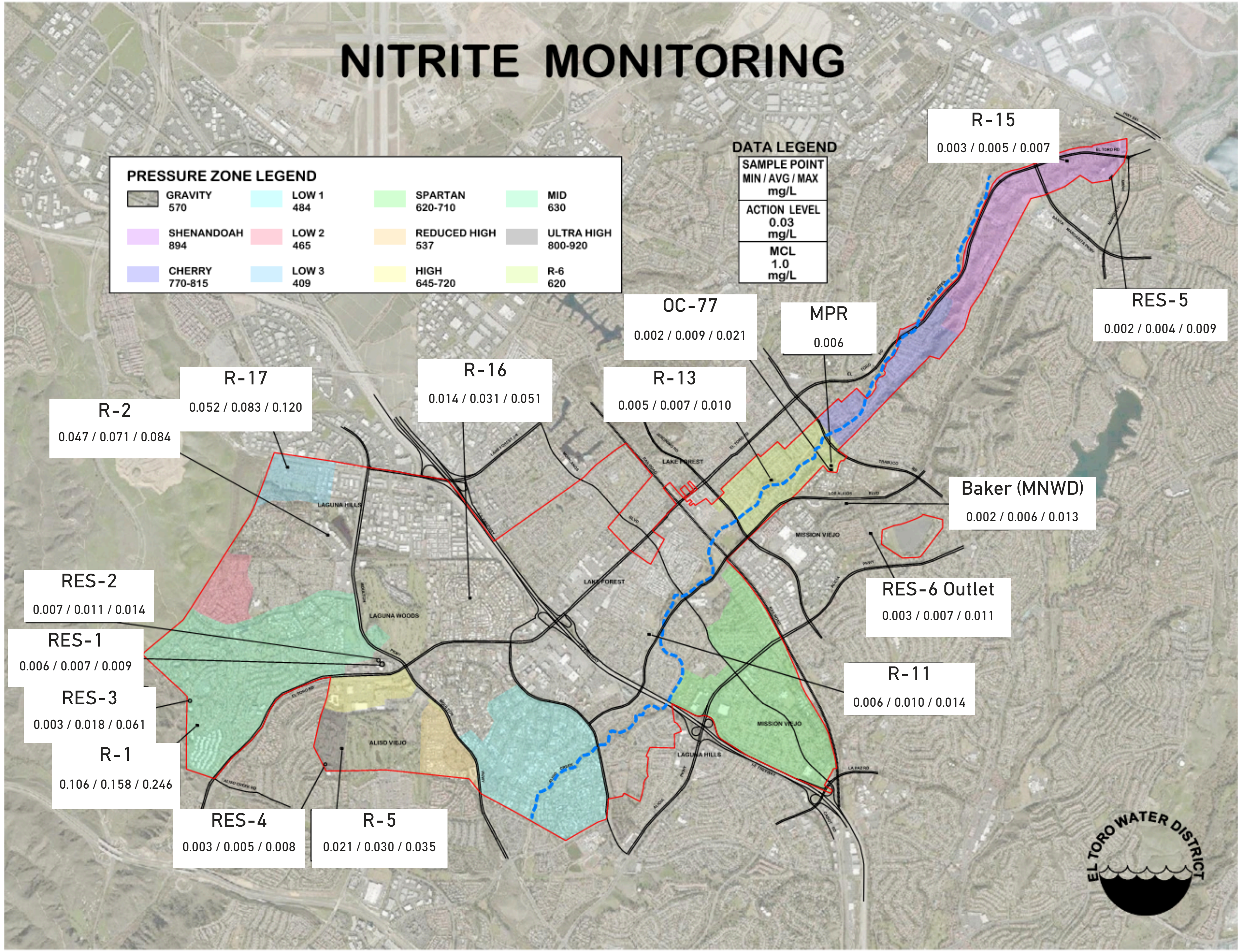
EL TORO WATER DISTRICT
UNAUTHORIZED DISCHARGE SUMMARY
YEAR OF 2026

DATE	PUBLIC / PRIVATE	SPILL TYPE	LOCATION	REASON	IMMEDIATE CORRECTIVE MEASURES	POST-INCIDENT PREVENTIVE MEASURES	RWQCB	DISCHARGED TO	SPILL VOLUME (PUBLIC) Gallons		SPILL VOLUME (PRIVATE) Gallons		REGULATORY NOTIFICATION AND RESPONSE
									CONTAINED	SPILLED	CONTAINED	SPILLED	
January	NO SPILL												
February	NO SPILL												
March	NO SPILL												
April	NO SPILL												
May	NO SPILL												
June	NO SPILL												
July													
August													
September													
October													
November													
December													
LEGEND									0	0	0	0	

S.DC = San Diego Creek	RES. = Residential	R.S. = Rocks
S.D. = Storm Drain	C. = Commercial	C.W.D. = Calcium Water Deposits
A.C. = Aliso Creek	S.B. = Siphon	B.P, = Broken Pipe
G.B. = Grease Blockage	P.F. = Power Failure	U.W. = Untreated Water
S. = Sticks	P. = Paper	R. = Roots


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)
R-15 5 / A
RES-5 5 / A
MPR 1 / A
OC-77 5 / A
R-10 5 / A
R-13 5 / A
R-14 5 / A
R-16 5 / A
R-3 5 / A
R-17 5 / A
R-2 5 / A
R-18 5 / A
R-19 5 / A
RES-2 5 / A
RES-1 5 / A
RES-3 5 / A
R-1 5 / A
R-4 5 / A
RES-4 5 / A
R-5 5 / A
R-6 5 / A
R-7 5 / A
R-8 5 / A
R-9 5 / A
R-12 5 / A
R-11 5 / A
RES-6 Outlet 5 / A
Baker (MNWD) 5 / A
LAGUNA HILLS
LAGUNA WOODS
LAKE FOREST
MISSION VIEJO
ALISO VIEJO
EL TORO WATER DISTRICT


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 1.14 / 1.47 / 1.91
RES-5 1.20 / 1.67 / 2.18
MPR 2.43
OC-77 2.41 / 2.53 / 2.81
R-10 1.37 / 1.76 / 2.01
R-13 1.04 / 1.72 / 2.26
R-14 0.75 / 1.59 / 2.38
R-16 1.10 / 1.42 / 1.73
R-3 0.57 / 1.19 / 1.79
R-17 0.45 / 0.63 / 1.12
R-2 0.53 / 0.87 / 1.55
R-18 1.35 / 1.52 / 1.64
R-19 0.36 / 0.72 / 0.90
RES-2 1.50 / 1.82 / 2.04
RES-1 1.81 / 1.98 / 2.20
RES-3 0.42 / 1.74 / 2.20
R-1 0.35 / 0.53 / 0.63
R-4 1.37 / 1.81 / 2.20
RES-4 1.70 / 1.97 / 2.53
R-5 1.07 / 1.40 / 1.56
R-6 1.46 / 1.59 / 1.85
R-7 1.09 / 1.32 / 1.50
R-8 1.25 / 1.60 / 1.84
R-9 1.53 / 1.78 / 2.04
R-12 1.56 / 1.65 / 1.83
R-11 1.47 / 1.71 / 2.01
RES-6 Outlet 1.44 / 2.19 / 2.51
Baker (MNWD) 2.25 / 2.50 / 2.68
LAGUNA HILLS
LAGUNA WOODS
LAKE FOREST
MISSION VIEJO
ALISO VIEJO
EL TORO WATER DISTRICT


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
R-15
0.003 / 0.005 / 0.007
RES-5
0.002 / 0.004 / 0.009
OC-77
0.002 / 0.009 / 0.021
MPR
0.006
R-17
0.052 / 0.083 / 0.120
R-16
0.014 / 0.031 / 0.051
R-13
0.005 / 0.007 / 0.010
R-2
0.047 / 0.071 / 0.084
Baker (MNWD)
0.002 / 0.006 / 0.013
RES-6 Outlet
0.003 / 0.007 / 0.011
RES-2
0.007 / 0.011 / 0.014
RES-1
0.006 / 0.007 / 0.009
R-11
0.006 / 0.010 / 0.014
RES-3
0.003 / 0.018 / 0.061
R-1
0.106 / 0.158 / 0.246
RES-4
0.003 / 0.005 / 0.008
R-5
0.021 / 0.030 / 0.035
LAGUNA HILLS
LAGUNA WOODS
ALISO VIEJO
LAKE FOREST
MISSION VIEJO
EL TORO WATER DISTRICT

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-iological 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: June YEAR : 2026

CONSTITUENT ANALYSIS	MCL	INSIDE LAB NO.	INSIDE LAB RESULTS	OUTSIDE LAB NO.	OUTSIDE LAB RESULTS
1 Microbiological	Pres/Absence	146	Absence		Average
2 Chlorine (ppm) In Field	Detectable Resid	160	*Average = 1.39 ppm		
3 TTHM (ppb) (Stage 2)	80 ppb			8	36.6
3 HAA5 (ppb) (Stage 2)	60 ppb			8	21.6
4 Physical Quality:			RANGE		
Turbidity (ppm)	5 NTU	20	0.05 to 0.10		
Odor	3 Units	20	ND<1		
Color	15 Units	20	ND<5		
Temperature	No standard	20	65°F To 76°F		
5 Nitrite (Alert/Action level) ppm	0.015 to 0.030 ppm	135	0.000 to 0.246		

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

Abbreviations:

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

2nd Quarter Compliance Reports

June's Monthly Reports		
May's Surface Water Treatment (Bactis)	Due June 10th Submitted June 10th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
May's Revised Total Coliform Monitoring (Bactis)	Due June 10th Submitted June 10th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
May's Self Monitoring Report for Planned Discharges	Due June 30th Submitted June 29th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
May's Self Monitoring Report for Recycled Water	Due June 30th Submitted June 29th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
July's Monthly Reports		
June's Surface Water Treatment (Bactis)	Due July 10th Submitted July 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
June's Revised Total Coliform Monitoring (Bactis)	Due July 10th Submitted July 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
2nd Quarter Stage 2 Disinfection TTHM/HAA5	Due July 10th Submitted July 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
2nd Quarter Report of Disinfectant Residuals	Due July 10th Submitted July 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
June's Self Monitoring Report for Planned Discharges	Due July 30th Submitted July 8th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
June's Self Monitoring Report for Recycled Water	Due July 30th	Sent to Region 8, Dennis Cafferty and Scott Hopkins
Annual Storm Water Report	Due July 15th Submitted July 13th	Submitted Electronically on website - smarts.waterboards.ca.gov
Consumer Confidence Report and Certification	Due in July	Submitted Electronically on eAR website

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	50	Every 2 Years	In Person	Completed
Bloodborne Pathogens	1	58	48	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
		Total- 757	**Total- 683**			

Second Quarter

Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	189.5	189.5	Weekly	In Person	Field Staff
Fire Prevention	1	58	43	Annual	Online	Assigned
Fire Extinguisher	1	58	43	Annual	Online	Assigned
SPCC Training	1	41	36	Annual	Online	Completed
Forklift Training	4	140	120	2 Years	In Person	Completed
		Total- 486.5	**Total- 431.5**			

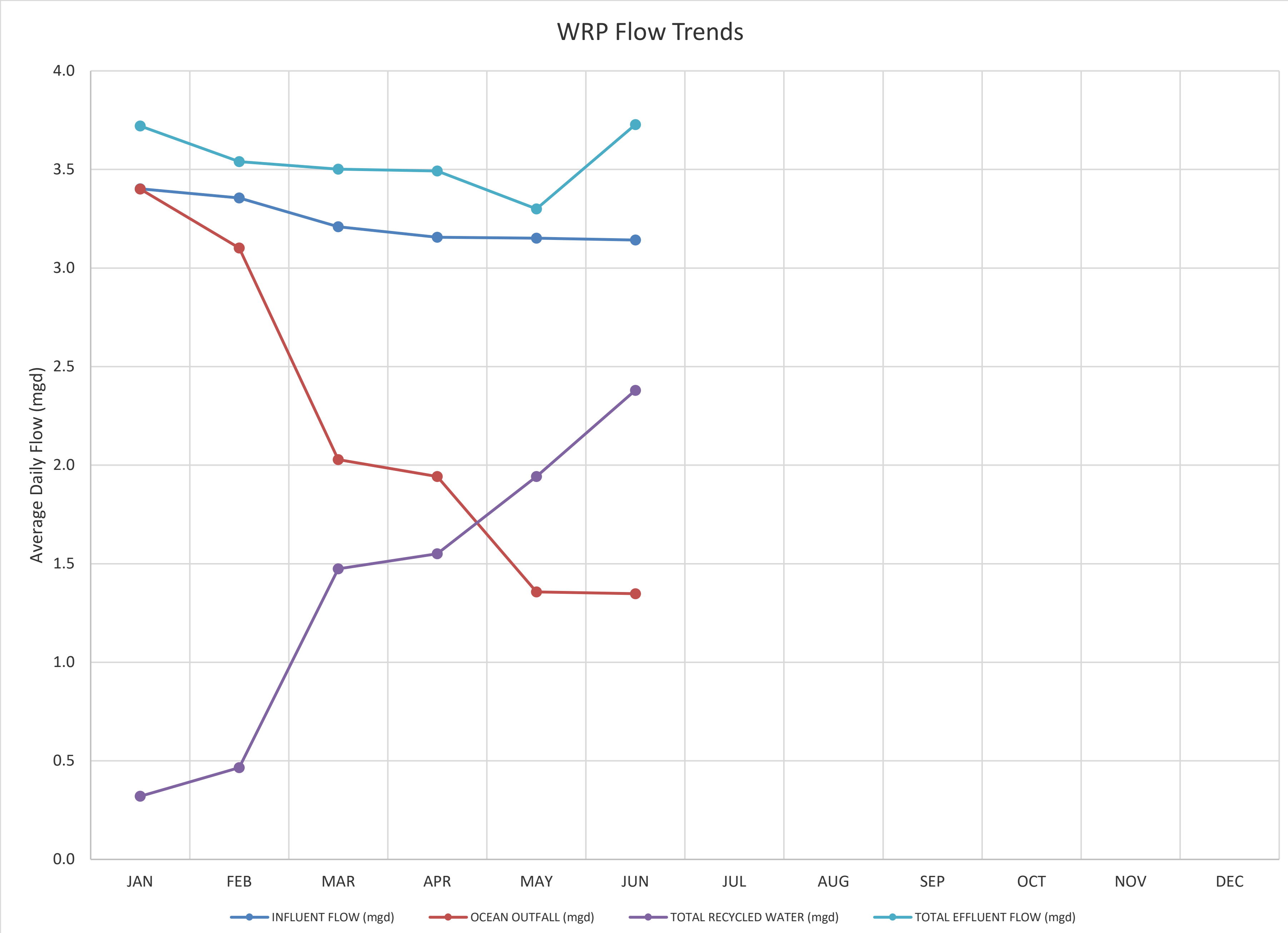
Third Quarter

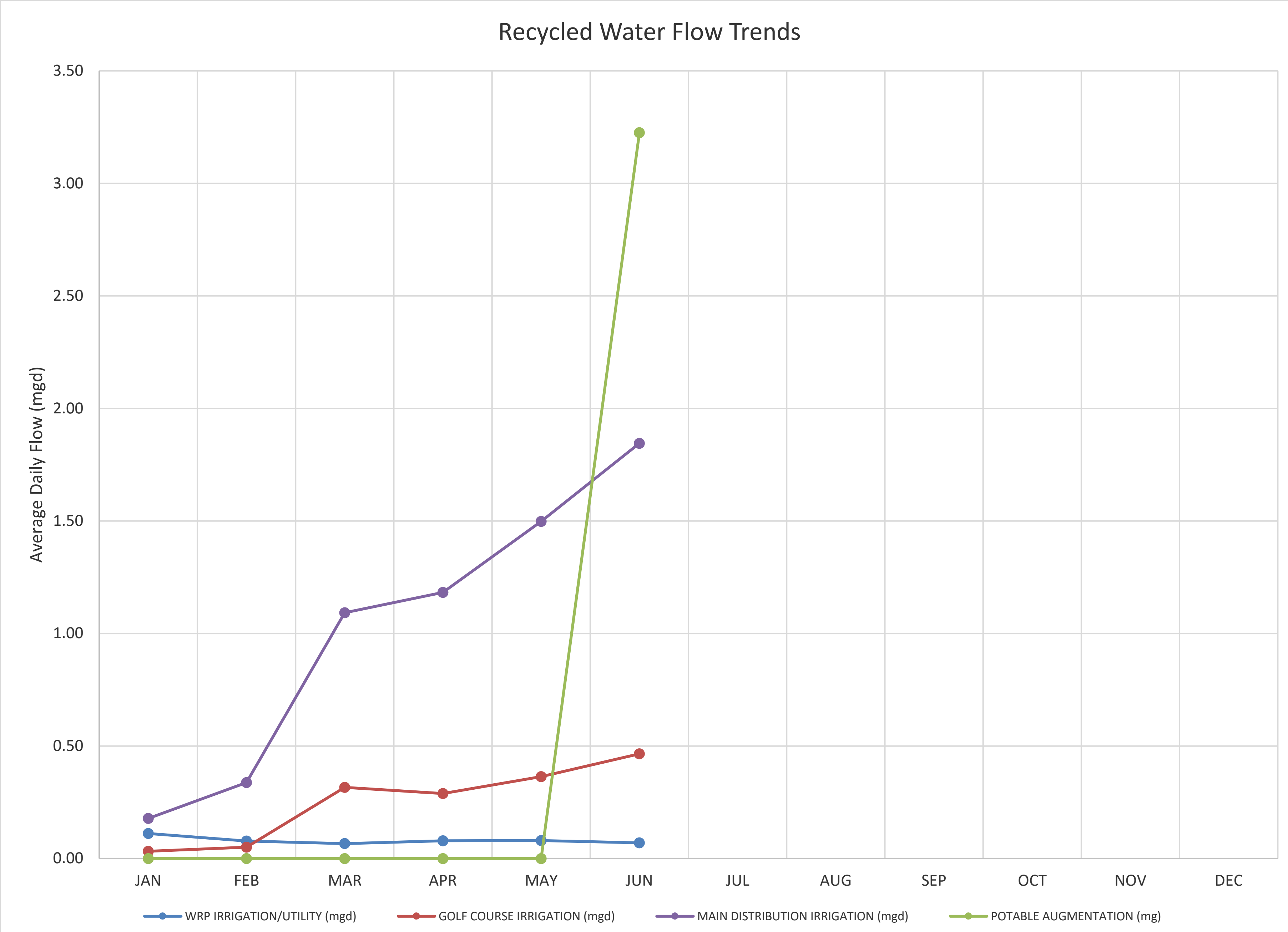
Training Topic	Duration/Hrs	Assigned Hrs	Completed Hrs.	Frequency	Modality	Participants
Safety Tailgate Meeting	0.5	15	15	Weekly	In Person	Field Staff
Hearing	1	58	7	Annual	Online	Assigned
Low Voltage Electricity	1	58	6	Annual	Online	Assigned
CPR/AED/First Aid	4	232	0	Every 2 Years	In Person	All Staff/Need to Schedule
Physicals	2	72	2	Annual	In Person	Scheduling Now
WVPP	1	58	0	Annual	Online	Need to Schedule
		Total- 493	**Total- 30**			

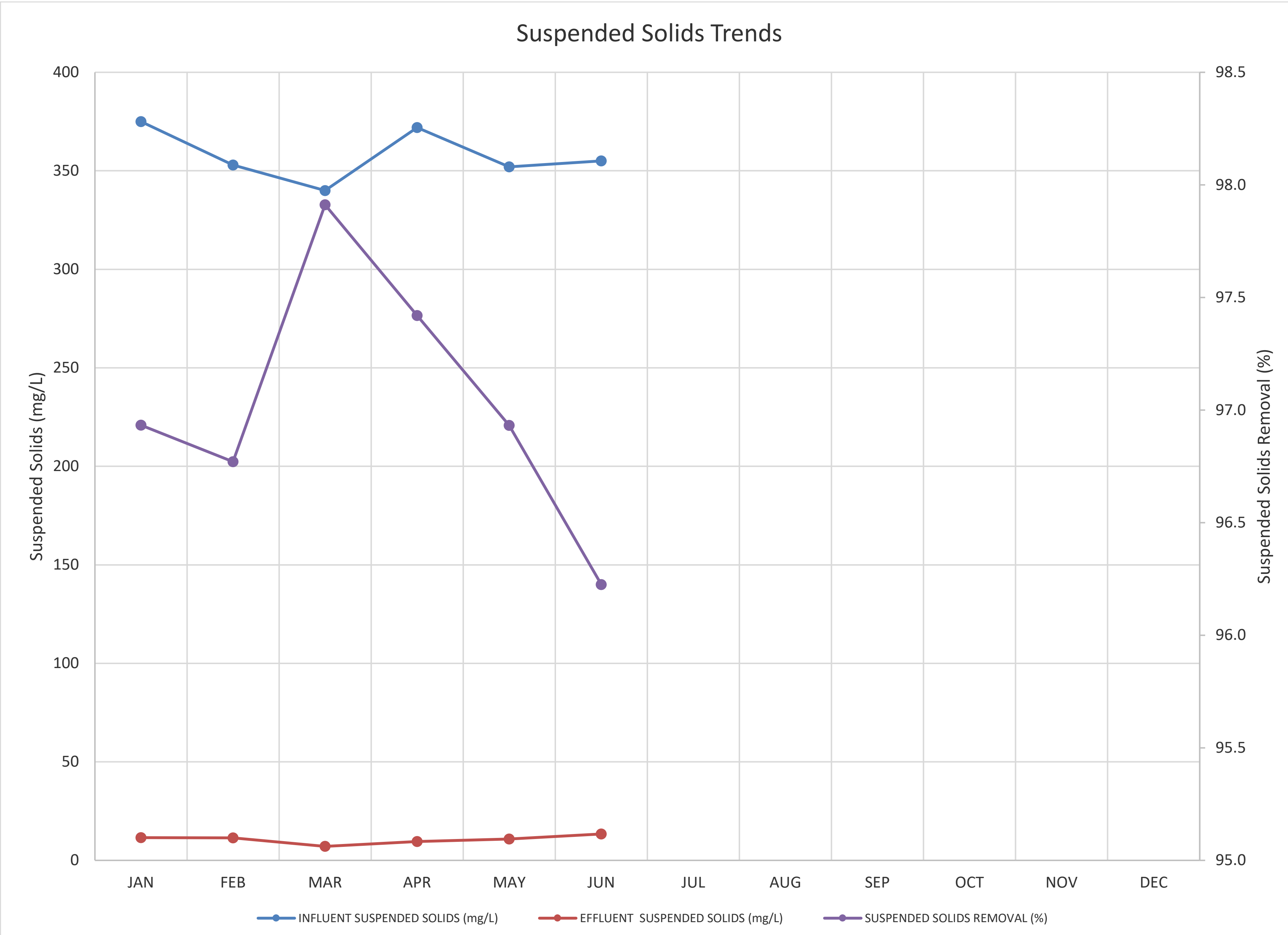
EL TORO WATER DISTRICT

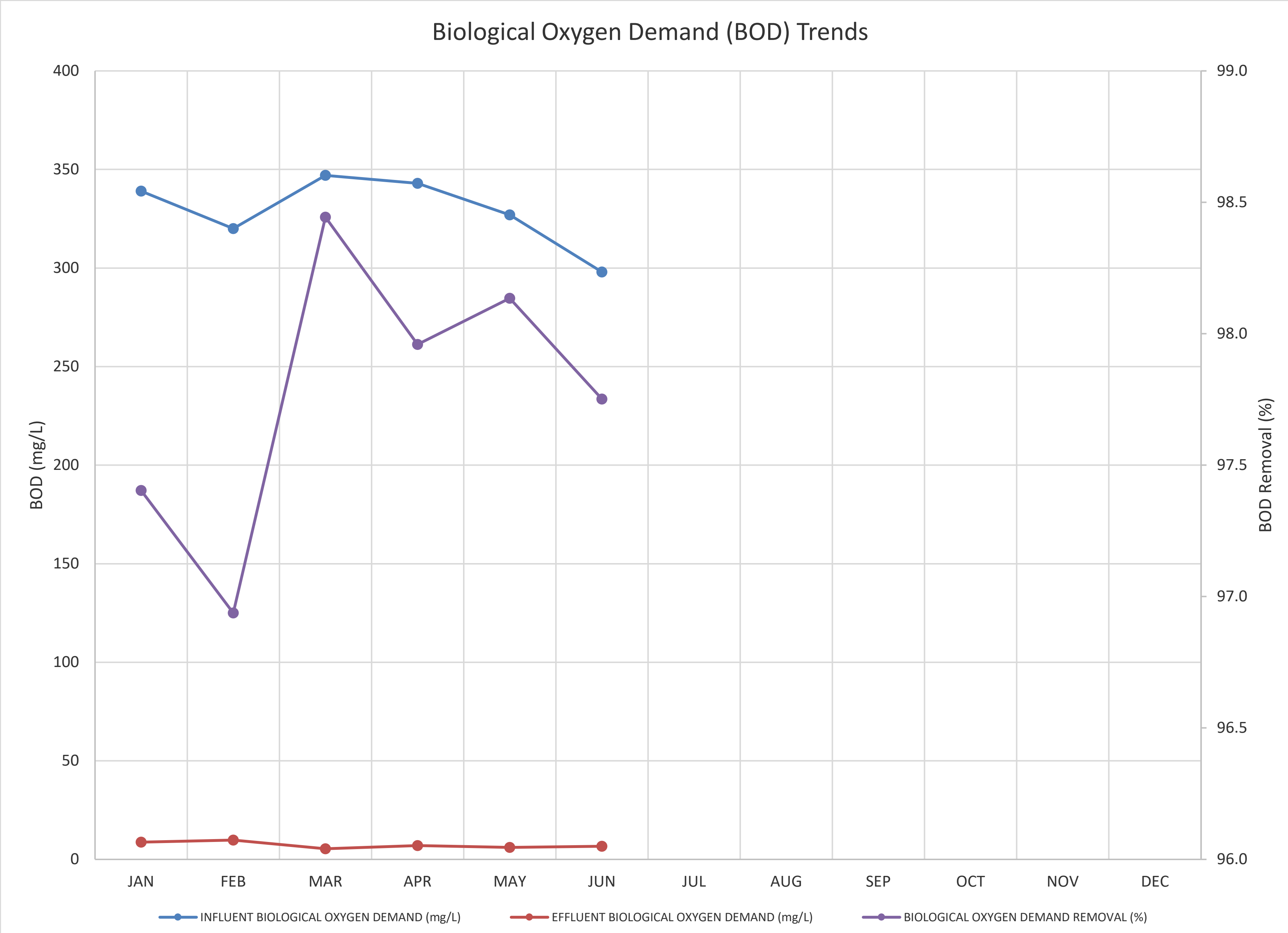
OPERATIONAL DATA FROM WATER RECYCLING PLANT

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD Average
INFLUENT FLOW (mgd)	3.402	3.355	3.210	3.156	3.152	3.142							3.236
OCEAN OUTFALL (mgd)	3.401	3.102	2.028	1.942	1.357	1.348							2.196
WRP IRRIGATION/UTILITY (mgd)	0.111	0.078	0.066	0.079	0.080	0.070							0.081
GOLF COURSE IRRIGATION (mgd)	0.032	0.050	0.316	0.289	0.364	0.465							0.253
MAIN DISTRIBUTION IRRIGATION (mgd)	0.178	0.337	1.092	1.182	1.498	1.845							1.022
POTABLE AUGMENTATION (gallons)	0.000	0.000	0.000	0.000	0.000	3,225,000							537500
POTABLE AUGMENTATION (mg)	0.000	0.000	0.000	0.000	0.000	3.225							0.538
TOTAL RECYCLED WATER (mgd)	0.320	0.465	1.474	1.551	1.942	2.380							1.355
TOTAL EFFLUENT FLOW (mgd)	3.721	3.540	3.502	3.492	3.300	3.728							3.547
INFLUENT SUSPENDED SOLIDS (mg/L)	375	353	340	372	352	355							358
EFFLUENT SUSPENDED SOLIDS (mg/L)	12	11	7	10	11	13							11
SUSPENDED SOLIDS REMOVAL (%)	97	97	98	97	97	96							97
INFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)	339	320	347	343	327	298							329
EFFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)	9	10	5	7	6	7							7
BIOLOGICAL OXYGEN DEMAND REMOVAL (%)	97	97	98	98	98	98							98
SLUDGE TO Regional Treatment Plant (gallons)	523,099	394,619	523,106	580,456	545,171	484,814							508,544
SOLIDS (dry lb/day)	5,467	5,641	5,634	5,872	5,249	5,084							5,491
TOTAL SOLIDS (%)	4.0	4.7	4.1	3.7	3.6	3.5							3.9
SLUDGE TO RTP (loads)	97	73	96	106	100	89							94
TRUCKED BY ETWD (loads)	97	73	96	106	100	89							94
TRUCKED BY OTHERS (loads)	0	0	0	0	0	0							0
TOTAL RAIN FALL (inches)	2.03	0.10	0.00	1.22	0.00	0.00							0.56
				.									

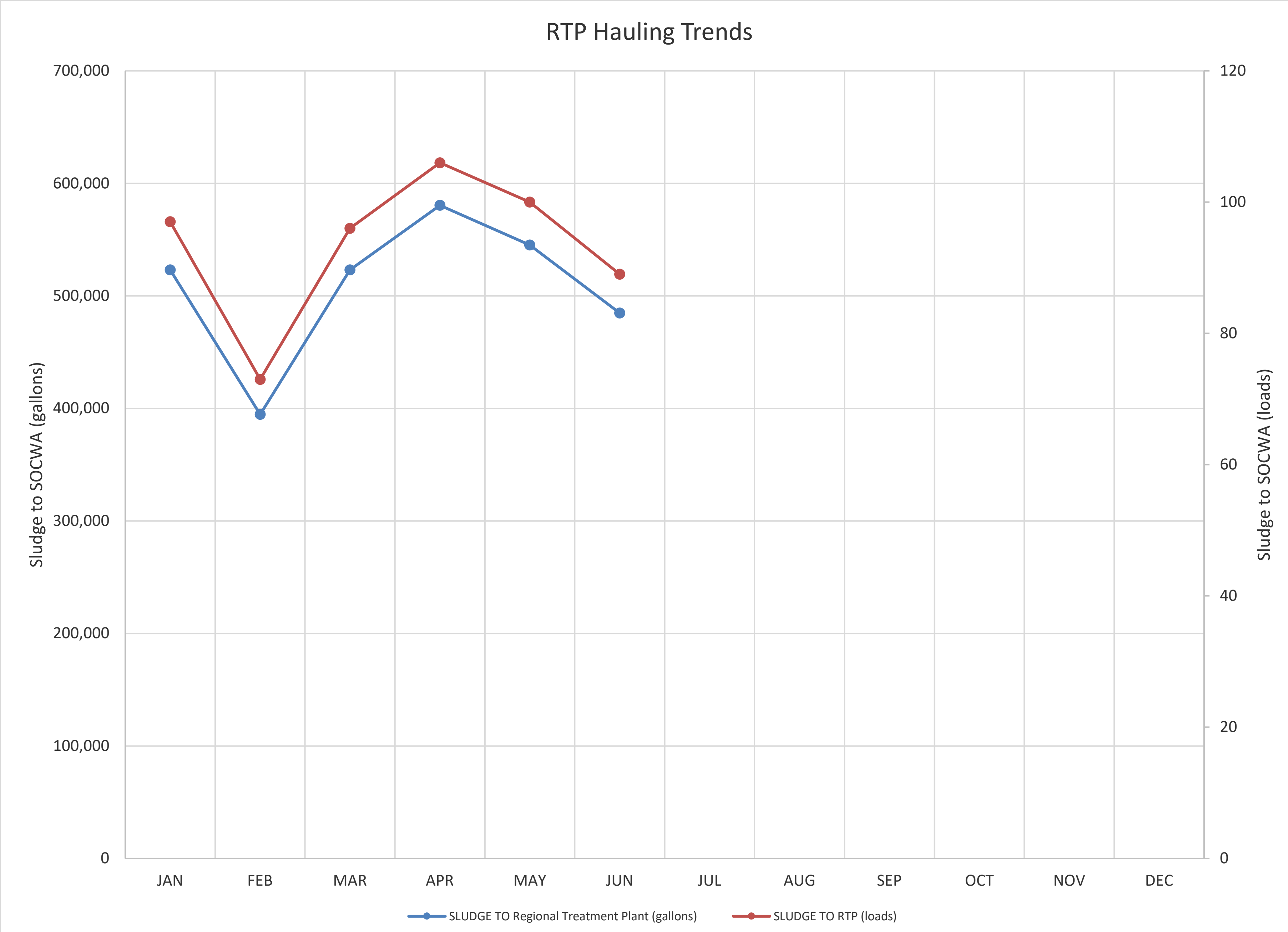

WRP Flow Trends
Average Daily Flow (mgd)
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
INFLUENT FLOW (mgd)
OCEAN OUTFALL (mgd)
TOTAL RECYCLED WATER (mgd)
TOTAL EFFLUENT FLOW (mgd)

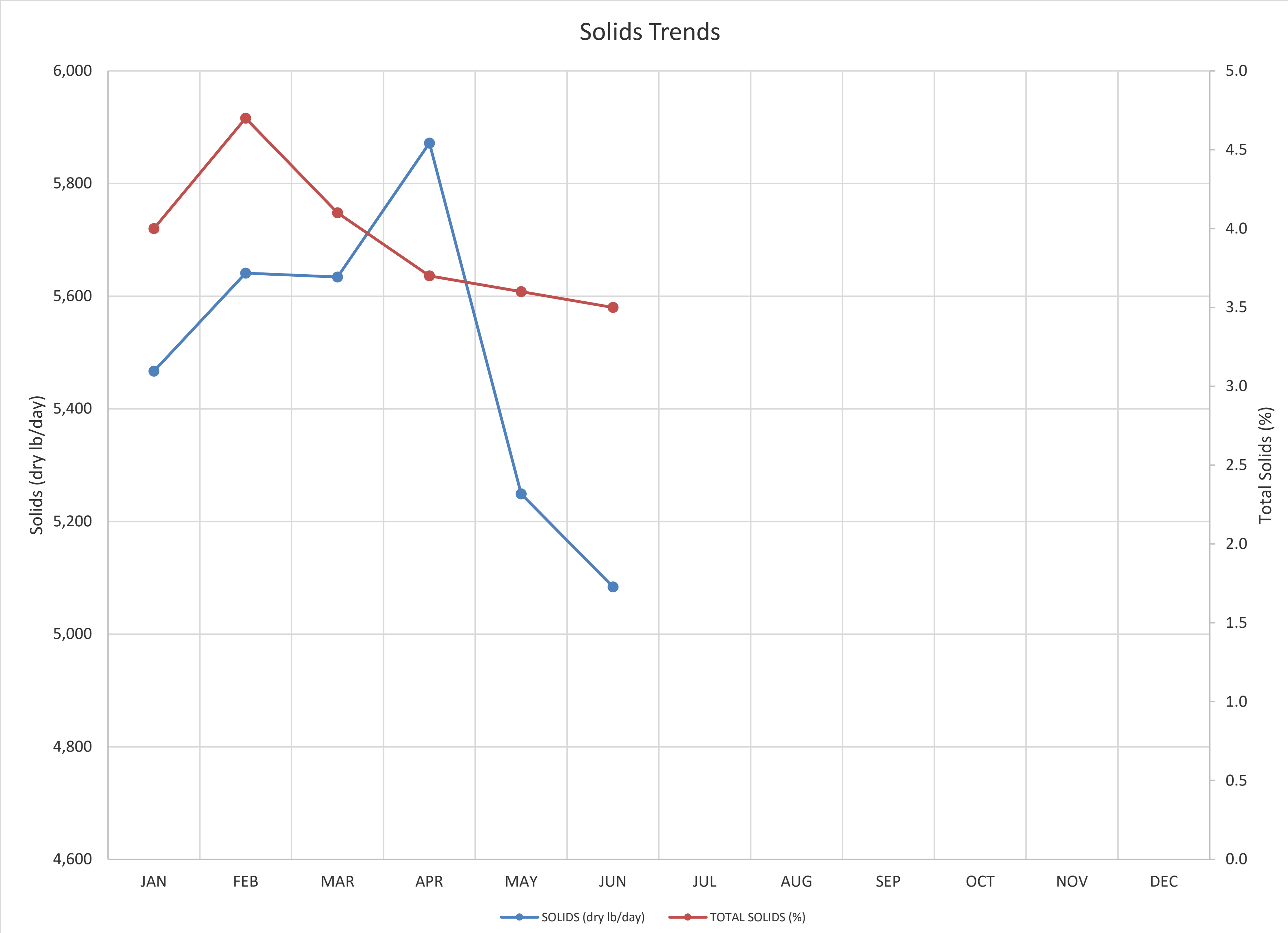

Recycled Water Flow Trends
Average Daily Flow (mgd)
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
WRP IRRIGATION/UTILITY (mgd)
GOLF COURSE IRRIGATION (mgd)
MAIN DISTRIBUTION IRRIGATION (mgd)
POTABLE AUGMENTATION (mg)


Suspended Solids Trends
Suspended Solids (mg/L)
Suspended Solids Removal (%)
400
350
300
250
200
150
100
50
0
98.5
98.0
97.5
97.0
96.5
96.0
95.5
95.0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
INFLUENT SUSPENDED SOLIDS (mg/L)
EFFLUENT SUSPENDED SOLIDS (mg/L)
SUSPENDED SOLIDS REMOVAL (%)



Biological Oxygen Demand (BOD) Trends
BOD (mg/L)
BOD Removal (%)
400
350
300
250
200
150
100
50
0
99.0
98.5
98.0
97.5
97.0
96.5
96.0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
INFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)
EFFLUENT BIOLOGICAL OXYGEN DEMAND (mg/L)
BIOLOGICAL OXYGEN DEMAND REMOVAL (%)


RTP Hauling Trends
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
Sludge to SOCWA (gallons)
120
100
80
60
40
20
0
Sludge to SOCWA (loads)
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
SLUDGE TO Regional Treatment Plant (gallons)
SLUDGE TO RTP (loads)



Solids Trends
Solids (dry lb/day)
6,000
5,800
5,600
5,400
5,200
5,000
4,800
4,600
Total Solids (%)
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
SOLIDS (dry lb/day)
TOTAL SOLIDS (%)

WRP BATTERY STORAGE SYSTEM
MONTHLY REPORT

APRIL 2026 - MAY 2026

YEAR	BILLING PERIOD	BILL SAVINGS ($)	BATTERY SAVINGS ($)	NET SAVINGS ($)	YEAR TOTAL ($)
	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)	
1	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
	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)	
2	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
	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)	
3	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

APRIL 2026 - MAY 2026

YEAR	BILLING PERIOD	BILL SAVINGS ($)	BATTERY SAVINGS ($)	NET SAVINGS ($)	YEAR TOTAL ($)
	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)	
4	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)	27,820.60
	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)	
5	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
	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	
6	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	(10,355.43)	38,028.43

WRP BATTERY STORAGE SYSTEM
MONTHLY REPORT

APRIL 2026 - MAY 2026

YEAR	BILLING PERIOD	BILL SAVINGS ($)	BATTERY SAVINGS ($)	NET SAVINGS ($)	YEAR TOTAL ($)
	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	
7	02/12/25 - 03/16/26	7,173.33		5,583.33	
	03/16/26 - 04/15/26	8,735.99		7,145.99	
	04/15/26 - 05/14/26	9,880.56		8,290.56	
	05/14/26-06/15/26	9,978.57		8,388.57	
			72,663.17		56,763.17
	TOTAL	**229,702.23**			**124,436.71**

Sewerage Treatment Plant

23542 Moulton Pkwy, Laguna Woods, CA 92637

Savings Report - 2026-06

May 14, 2026 - Jun 15, 2026

SCE TOU 8 Option D (< 2kV)

Demand Charges	Before Storage		After Storage		Savings	
Facilities Related - Distribution	1,020kW	$24,582.88	868kW	$20,923.48	152kW	$3,659.40
Facilities Related - Transmission	1,020kW	$5,965.20	868kW	$5,077.22	152kW	$887.98
Time Related - Distribution - Summer On-Peak	908kW	$9,487.37	742kW	$7,752.93	166kW	$1,734.44
Time Related - Distribution - Winter Mid-Peak	865kW	$1,942.13	551kW	$1,237.00	314kW	$705.13
Time Related - Utility Retained Generation - Summer On-Peak	908kW	$7,297.36	742kW	$5,963.29	166kW	$1,334.07
Time Related - Utility Retained Generation - Winter Mid-Peak	865kW	$2,740.39	551kW	$1,745.44	314kW	$994.96
Sub-total		$52,015.33		$42,699.35		$9,315.98

Energy Charges	Before Storage		After Storage		Savings	
Competition Transition Charge	411,110kWh	$(41.11)	420,395kWh	$(42.04)	(9,285)kWh	$0.93
Competition Transition Charge (URG Component)	411,110kWh	$41.11	420,395kWh	$42.04	(9,285)kWh	$(0.93)
Distribution - Summer Mid-Peak	10,568kWh	$148.26	6,942kWh	$97.39	3,626kWh	$50.87
Distribution - Summer Off-Peak	151,471kWh	$2,070.60	176,693kWh	$2,415.40	(25,223)kWh	$(344.80)
Distribution - Summer On-Peak	25,768kWh	$403.78	7,452kWh	$116.78	18,315kWh	$287.00
Distribution - Winter Mid-Peak	44,488kWh	$676.66	28,250kWh	$429.68	16,238kWh	$246.98
Distribution - Winter Off-Peak	118,472kWh	$1,612.40	114,949kWh	$1,564.46	3,523kWh	$47.94
Distribution - Winter Super Off-Peak	60,345kWh	$764.57	86,108kWh	$1,090.99	(25,763)kWh	$(326.42)
Energy Surcharge	411,110kWh	$123.33	420,395kWh	$126.12	(9,285)kWh	$(2.79)
Fixed Recovery Charge	411,110kWh	$1,500.55	420,395kWh	$1,534.44	(9,285)kWh	$(33.89)
New System Generation Charge	411,110kWh	$2,228.22	420,395kWh	$2,278.54	(9,285)kWh	$(50.32)
Nuclear Decommissioning Charge	411,110kWh	$12.33	420,395kWh	$12.61	(9,285)kWh	$(0.28)
Public Purpose Programs Charge	411,110kWh	$8,947.19	420,395kWh	$9,151.23	(9,285)kWh	$(204.03)
PUC Reimbursement Fee	411,110kWh	$411.11	420,395kWh	$420.39	(9,285)kWh	$(9.28)
Transmission	411,110kWh	$24.80	420,395kWh	$26.37	(9,285)kWh	$(1.57)
Utility Retained Generation - Summer Mid-Peak	10,568kWh	$976.02	6,942kWh	$641.14	3,626kWh	$334.88
Utility Retained Generation - Summer Off-Peak	151,471kWh	$9,476.00	176,693kWh	$11,053.94	(25,223)kWh	$(1,577.94)
Utility Retained Generation - Summer On-Peak	25,768kWh	$2,609.75	7,452kWh	$754.78	18,315kWh	$1,854.96
Utility Retained Generation - Winter Mid-Peak	44,488kWh	$3,212.47	28,250kWh	$2,039.91	16,238kWh	$1,172.56
Utility Retained Generation - Winter Off-Peak	118,472kWh	$8,608.16	114,949kWh	$8,352.21	3,523kWh	$255.95
Utility Retained Generation - Winter Super-Off-Peak	60,345kWh	$2,300.94	86,108kWh	$3,283.30	(25,763)kWh	$(982.36)
Wildfire Fund Non-Bypassable Charge	411,110kWh	$2,429.66	420,395kWh	$2,484.53	(9,285)kWh	$(54.87)

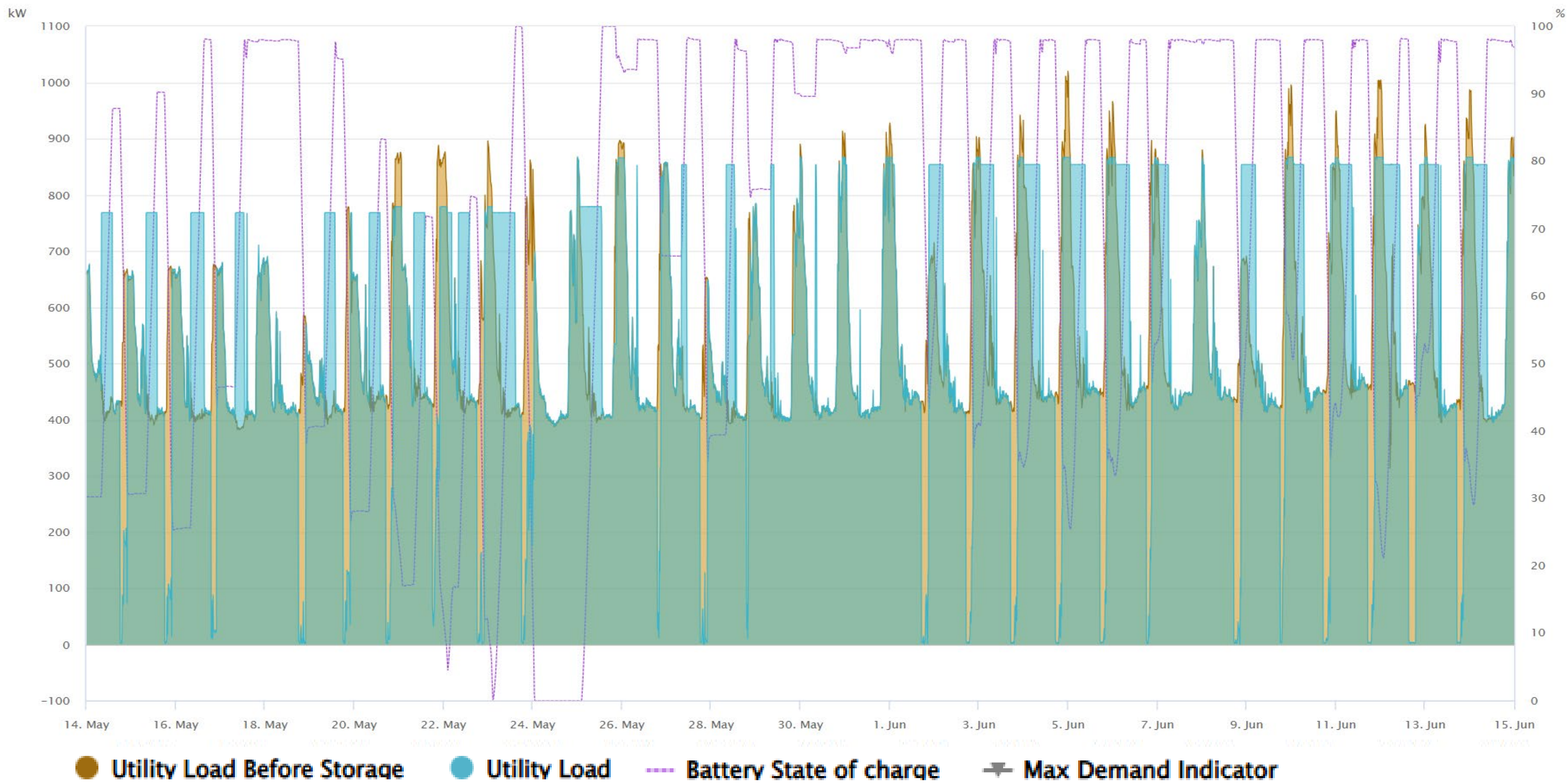
Sub-total		$48,536.79		$47,874.21		$662.59

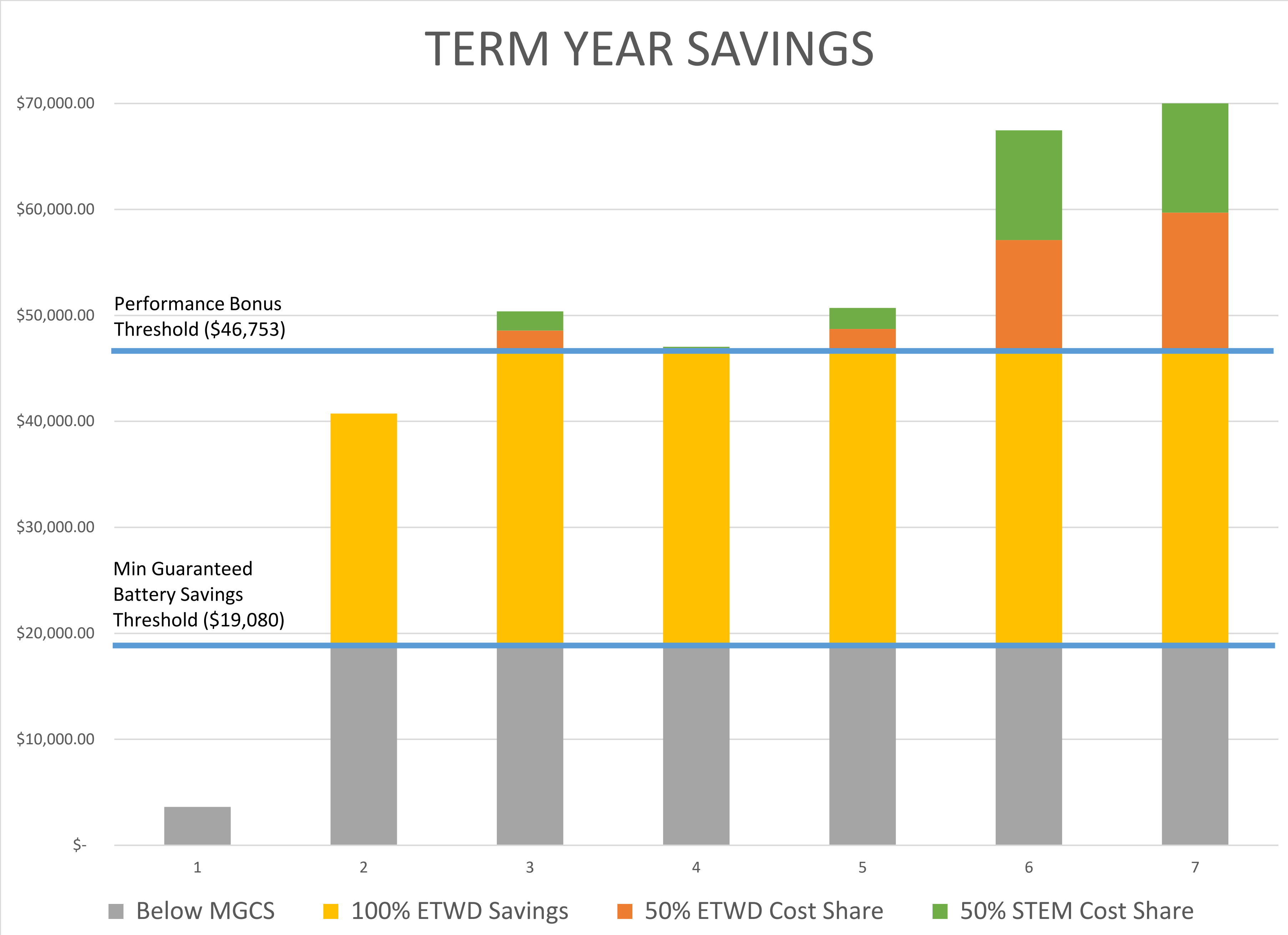
Other Monthly Charges	Before Storage		After Storage		Savings	
Customer Charge		$517.68		$517.68		$ -
Sub-total		$517.68		$517.68		$ -

Total	Before Storage		After Storage		Savings	
		$101,069.81		$91,091.24		$9,978.57

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

WRP BATTERY STORAGE SYSTEM
MONTHLY REPORT
05/14/26 - 06/15/26




TERM YEAR SAVINGS
$70,000.00
$60,000.00
$50,000.00
$40,000.00
$30,000.00
$20,000.00
$10,000.00
$-
Performance Bonus Threshold ($46,753)
Min Guaranteed Battery Savings Threshold ($19,080)
1
2
3
4
5
6
7
Below MGCS
100% ETWD Savings
50% ETWD Cost Share
50% STEM Cost Share

Agenda Item No. 11

STAFF REPORT

To:	**Board of Directors**	**Meeting Date: July 20, 2026**
From:	**Hannah Ford, Director of Engineering**	
Subject:	**Capital Project Status Report**	

I. Low 1 Zone Hydraulic Modifications Project

District staff received three customer complaints regarding low water pressure and low flow conditions within portions of the Low 1 Pressure Zone. Figure 1 shows the Low 1 Pressure Zone in light blue at the Northern end of the District's service area. After receiving these complaints, staff immediately began investigating the issue through field pressure monitoring and hydraulic modeling. The investigation indicated that pressures drop during evening periods when landscape irrigation demands are highest, particularly in portions of the zone where existing system pressures are already lower, as shown in Figure 2.

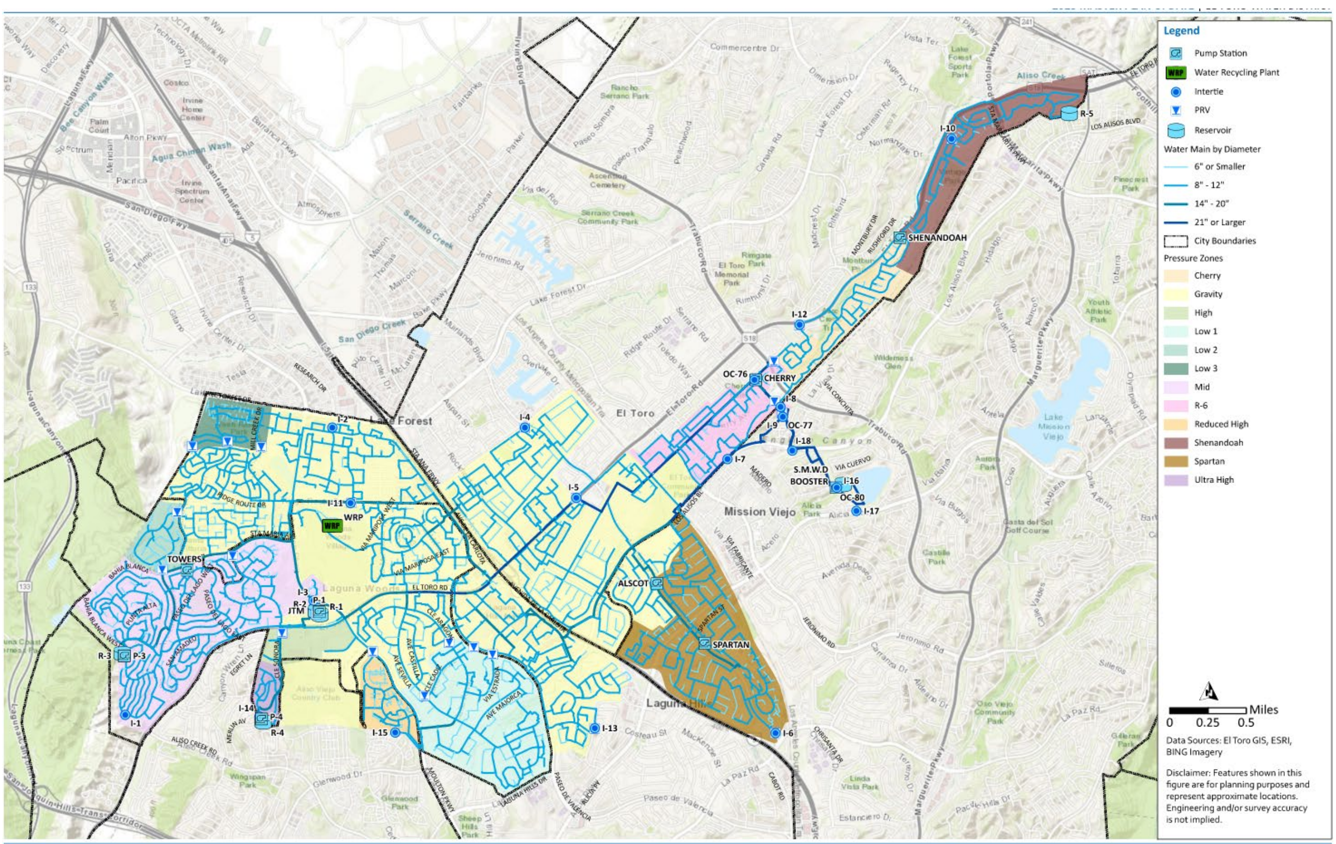


Figure 1 – ETWD Potable Water Distribution System

To address the issue, District staff initiated the Low 1 Zone Hydraulic Modifications Project. The proposed project includes approximately 500 linear feet of new potable water pipeline and a new pressure regulating (PR) station to provide controlled supplemental supply from the adjacent Gravity Zone to the Low 1 Zone. As shown in Figure 3, the improvements are intended to increase minimum system pressures during periods of high demand while maintaining acceptable maximum pressures throughout the affected area.

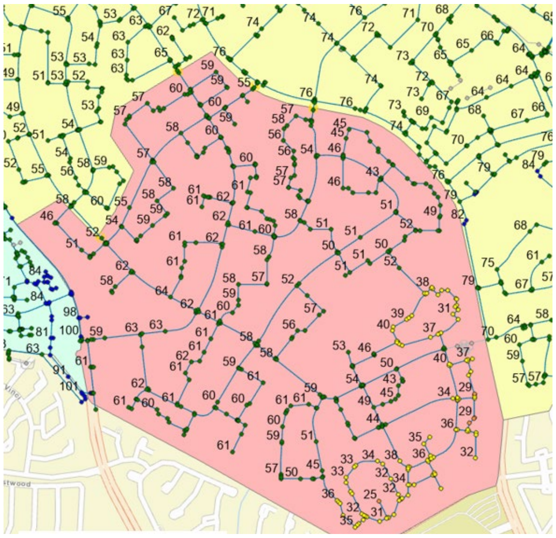


Figure 2 – Existing Minimum Pressure Conditions

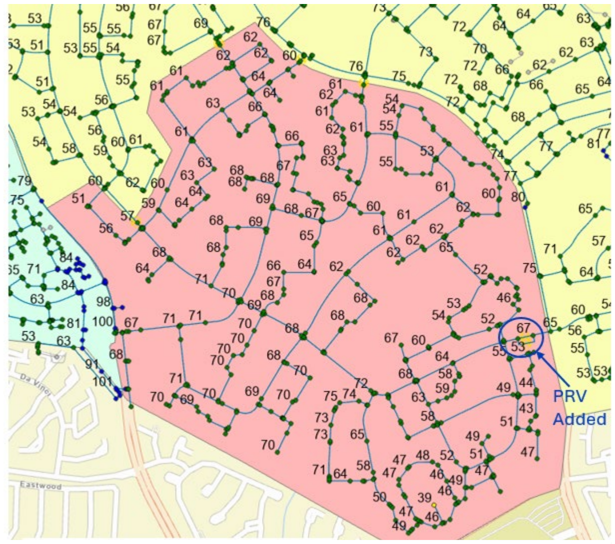


Figure 3 –Minimum Pressure Conditions following PR Station Installation

District staff issued a Request for Proposals for final design services, and seven consultants attended the mandatory pre-proposal meeting and site walk on June 30, 2026. Proposals are due August 4, 2026, and staff anticipate recommending award of the design contract at next month's Board meeting. Following coordination with Village Management Services (VMS), the proposed pressure reducing station is now anticipated to be designed as an above-ground installation screened with landscaping, rather than an underground vault.

The project will require easement approvals from Golden Rain Foundation (GRF) for work within the street area and United Mutual for work within the adjacent slope area. District staff are coordinating with VMS and plan to present the project to the GRF and United Mutual Boards in August to begin the easement and approval process. Design is anticipated to proceed through the remainder of 2026, with bidding and construction planned for early 2027.

II. Headworks and Secondary Clarifier No. 1 Rehabilitation Project

The contractor, Filanc Construction, Inc. (Filanc), continues yard piping installation, concrete formwork for the Headworks bypass channel, and new conduit placement for Headworks control panels as shown in Figures 3 and 4. District staff continue to review project submittals, coordinate the upcoming bypass of the Northline pump station, and respond to requests for information. Table 1 summarizes the project cost and schedule as percent complete. Filanc's billings reflect work through May 2026. Construction costs are behind schedule because mobilization was delayed until February 2026.

Table 1 – Headworks and Secondary Clarifier No. 1 Rehabilitation Project Schedule and Budget Status

Construction Contract	Total	Earned to Date	Percent Complete
Budget	$10,424,200	$798,557	8%
Schedule	July 09, 2025 – January 06, 2028		34%

Figure 4 – Routing New Conduit for Headworks Control Panels

Figure 5 –Forming New Channel at Headworks

The District has also received confirmation that the U.S. Department of Energy (DOE) ITAC Implementation Grant administered through ENERGYWERX will move forward. As previously reported, the District was selected to receive $300,000 in federal funding to offset the cost of improvements related to the Waste Activated Cell. ENERGYWERX has confirmed that project costs incurred to date remain eligible for reimbursement, even if some of those costs were not procured in accordance with the Build America, Buy America (BABA) requirements. However, all future project costs submitted for reimbursement must comply with applicable BABA requirements to remain eligible. The District will review and negotiate the forthcoming grant agreement with ENERGYWERX, which is expected to be transmitted in the coming weeks, and will administer the project in accordance with all applicable federal grant requirements.

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

District staff conducted a site walk with Village Management Services (VMS) through the Laguna Woods golf course to review the proposed Reach B alignment and identify opportunities to reduce impacts to golf course operations, existing trees, greens, tee boxes, and other improvements. Based on the site walk, the project team revised the proposed alignment, shown in Figure 6. VMS is currently reviewing the revised alignment identified as Alternative 2.

Figure 6 – Proposed Effluent Transmission Main Alignment through Golf Course

Staff are also developing the easement documents needed for the project. District staff drafted the proposed temporary construction easement and permanent easement agreement language and submitted the documents to legal counsel for review. Once legal review is complete, the draft agreements will be provided to VMS and the Golden Rain Foundation for consideration.

The District received and reviewed the conceptual design report and provided comments to the consultant. The report documents the recommended alignment, construction approach, design criteria, and abandonment of the existing Techite pipeline after the new pipeline is placed into service.

SOCWA amended its contract with BKF Engineers to include the final design of the street portion of the alignment. SOCWA also awarded a contract to Rincon Consultants, Inc. (Rincon) for CEQA compliance services. Rincon will prepare a Notice of Exemption with targeted biological resources and noise studies rather than a full Initial Study/Mitigated Negative Declaration, which is expected to significantly reduce environmental review costs and help maintain the project schedule.

IV. R-6 Reservoir Southern Slope Repair Project

The original 120-day vegetation establishment period has been completed; however, the District is evaluating whether an extension is warranted to allow the contractor additional time to satisfy the vegetation establishment requirements prior to final acceptance. District staff are working with the contractor, MDB General Engineering, Inc. (MDB), to complete the remaining punch list items and coordinating with the design engineer to determine whether an extension is appropriate and, if so, the duration necessary to achieve the contract performance requirements.

Table 2 summarizes the project cost as percent complete. MDB's billings reflect work through March 2026 because MDB will submit one final invoice at the landscape phase completion.

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

Construction Contract	Total	Earned to Date	Percent Complete
Budget	$390,800	$358,910	97%
Schedule	November 5, 2025 – July 2, 2026		Original Contract Duration Complete

V. Moulton/El Toro Cathodic Repair Project

The contractor, Farwest Corrosion Control Company (Farwest), is reviewing recommendations from the District's independent corrosion consultant (UCorr), which are expected to reduce the overall project scope and construction cost while maintaining the project's corrosion protection objectives. District staff have requested a deductive change order reflecting these recommendations and are awaiting Farwest's response.

VI. Freeway Electrical Equipment Replacement

Staff conducted a preconstruction meeting with Southern California Edison and Baker Electric & Renewables LLC (Baker) to discuss undergrounding the existing overhead power and finalize the project timeline. In addition, District staff are negotiating a change order to permanently lift the canopy to facilitate operation of the electrical equipment. Construction is delayed until the change order negotiations are complete.

VII. Aliso Creek Lift Station Improvement Project

District staff continue to coordinate with the Golden Rain Foundation (GRF) and United Mutual regarding the temporary construction and easement agreements needed for trail, sidewalk, and lane closures during construction. The agreements are currently in a second round of review, and the parties are nearing resolution on the remaining comments. Once the agreements are finalized and executed, Tetra Tech will complete the final design.

F.Y. 2026/27 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
2026/27 Capital Projects															
	Low 1 Zone Hydraulic Modifications	RFP	A	E	E	E	E	E	B	B	A	C	C	$117,700	
	Freeway, Mathis, and Westline Lift Station Coating Rehabilitation						E	E	B	B	A	C	C	$281,000	
	Veeh Lift Station Rehabilitation							E	E	E	B	B	A	$170,000	
	Westline Forcemain Replacement			RFP	RFP	A	E	E	E	E	E	E	B	$203,860	
2026/27 Capital Equipment															
	Veeh Electrical Equipment Replacement			E	E	A	O							$315,000	
	Lab Fume Hoods				E	E	B	B	A	C	C	C		$237,600	
	Aeration Basin No. 3 Diffuser and Valve Replacement	Delayed until after the Headworks/Secondary Clarifier No. 1 Rehabilitation Project												$570,000	
	Valve Insertion Equipment		A		R									$146,000	
Previous Fiscal Year Carryover															
	SCADA Radio Communications	E	E	E	E	E	E	B	B	A	C	C	C	$500,000	
	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
	Moulton/El Toro Cathodic Protection Repair	C	C	C	C									$218,000	$367,000
	Aliso Creek Pump Station Improvements Project	E	E	E	E	E	E							$600,000	$484,000
	Freeway Electrical Equipment Replacement	C	C	C	C	C	C							$263,362	$277,385
	Westline Generator Unit 213 Replacement	E	B	B	A	C / R	C	C	C					$368,000	$266,804
													Total	$14,548,600	$13,911,285

Key:
- Water
- Wastewater
- Recycled Water
- Split between All Departments
- Board Involvement

Abbreviations:

A = Approve by Board	E = Engineering/Study	O = Order
B = Bid	ET = Evaluate	P = Permit
BP = Board Presentation	L = Legal	RFP = Request for Proposal
C = Construction	N = Negotiate	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 then 500,000 people; contains 500,000 acres of agriculture; provides habitat for 700 native plant and animal species; provides water for more then 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 use 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 of 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 Pubic 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 untendered 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. Quantitively, 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 Satna 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 if formed by an impermeable body.

GPM: Gallons per minute.

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

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

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

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

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

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

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

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

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

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

MAF: Million-acre feet.

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

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

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

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

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

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

NPDES: National Pollution Discharge Elimination System

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

SRF: State Revolving Fund

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

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

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

SWRCB: State Water Resources Control Board

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

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

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

TMA: Too many acronyms.

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

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

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

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

VE: Value Engineering

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

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

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

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

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

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

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

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

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

Water table: The top level of water stored underground.

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

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

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

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

Xeriscape: Landscaping that requires minimal water.