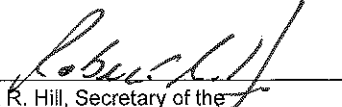


I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.



Robert R. Hill, 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
ENGINEERING COMMITTEE MEETING
AND
FINANCE/INSURANCE COMMITTEE MEETING

July 24, 2017

7:30 a.m.

CALL TO ORDER – Director Vergara

PLEDGE OF ALLEGIANCE – Vice President Kahn

ORAL COMMUNICATION – PUBLIC COMMENT

Members of the public may address the Committee at this time or they may reserve this opportunity with regard to an item on the agenda until said item is discussed by the Committee. Comments on other items will be heard at the time set aside for "COMMENTS REGARDING NON-AGENDA ITEMS." The public will 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 items(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. Approval of Minutes

The Engineering and FIC Committee will consider approving minutes for the June 26, 2017 Engineering and Finance/Insurance Committee meeting.

Recommended Action at the July 25, 2017 Board Meeting: Approve minutes for the June 26, 2017 Engineering and Finance/Insurance Committee meeting and place on the Engineering and Finance/Insurance Committee's approval list for the July 25, 2017 meeting of the Board of Directors.

Committee Recommendation: The Committee will consider placing this item on the Engineering and Finance/Insurance Committee approval list for the regular meeting of the Board of Directors.

ENGINEERING COMMITTEE

ENGINEERING ACTION ITEMS

2. **Phase II RW Expansion Project Construction Management Contract**
(Reference Material Included)

Staff will review and comment on the review of the engineering proposals submitted in response to the District's Request for Proposals for Construction Management Services for the Phase II Recycled Water Distribution System Expansion Project.

Recommended Action at the July 25, 2017 Board Meeting:

Staff recommends that the Board of Directors authorize the District's General Manager to enter into a contract with MWH Constructors in the amount of \$435,991 for Construction Management Services for the Phase II Recycled Water Distribution System Expansion Project. Staff also recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

Committee Recommendation: The Committee will consider placing this item on the Engineering and Finance/Insurance Committee recommended approval list for the regular meeting of the Board of Directors.

3. **2nd Street Pump Station Demolition Project** (Reference Material Included)

Staff will review and comment on the construction bids submitted for the demolition of the existing pump station building and appurtenances within the Carefree El Toro Owners Association near the intersection of El Toro Road and 2nd Street.

Recommended Action at the July 25, 2017 Board Meeting:

Staff recommends that the Board of Directors authorize the District's General Manager to enter into a contract with S.S. Mechanical Construction Corp. in the amount of \$68,800 for the 2nd Street Pump Station Demolition Project. Staff also recommends that the Board authorize the General Manager to fund the

project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

Committee Recommendation: The Committee will consider placing this item on the Engineering and Finance/Insurance Committee recommended approval list for the regular meeting of the Board of Directors.

ENGINEERING GENERAL INFORMATION ITEMS

4. **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.

5. **Engineering Items Discussed at Various Conferences and Meetings** (Oral Report)

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

COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS

CLOSE ENGINEERING COMMITTEE MEETING

FINANCE/INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Monin

INSURANCE UPDATE

6. **Quarterly Insurance Update Report** (Reference Material Included)

Staff will review and comment on the Quarterly Insurance Report for the period April 1, 2017 through June 30, 2017.

FINANCIAL ACTION ITEMS

7. **Financial Package - Authorization to Approve Bills for Consideration dated July 24, 2017 and Receive and File Financial Statements as of June 30, 2017** (Reference Material Included)

Staff will review and comment on the Bills for Consideration dated July 24, 2017 and Receive and File Financial Statements as of June 30, 2017.

Recommended Action at the July 25, 2017 Board Meeting: Staff recommends that the Board: 1) Approve, ratify and confirm payment of those

bills as set forth in the schedule of Bills for Consideration dated July 24, 2017, and 2) receive and file the Financial Statements for the period ending June 30, 2017 and place on the Engineering and Finance/Insurance Committees approval list for the July 25, 2017 meeting of the Board of Directors.

Committee Recommendation: The Committee will consider placing this item on the Engineering and Finance/Insurance Committee recommended approval list for the regular meeting of the Board of Directors.

8. SCAP Membership Renewal (Reference Material Included)

Staff will review and comment on renewing the District's membership in SCAP for calendar year 2017 in the amount of \$3,372.

Recommended Action at the July 25, 2017 Board Meeting: Staff recommends that the Board approve renewal of the District's membership SCAP for calendar year 2017 in the amount of \$3,372.

Committee Recommendation: The Committee will consider placing this matter on the Engineering and Finance/Insurance Committee's recommended approval list for the regular meeting of the Board of Directors.

FINANCIAL INFORMATION ITEMS

9. ETWD 401(k) Retirement Savings Plan (Plan) – Prudential Record Keeping (Oral Report)

Staff will review and comment on Prudential's proposal to terminate its current Record Keeping engagement with the District unless the Plan is converted from District Directed Investments to Participant Directed Investments whereby Prudential would replace HighMark Capital.

10. Tiered Water Usage and Revenue Tracking (Reference Material Included)

Staff will review and comment on monthly and year to date Tiered Water Usage and Revenue tracking.

COMMENTS REGARDING NON-AGENDA FIC ITEMS

CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

ATTORNEY REPORT

CLOSED SESSION

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

1. In accordance with Government Code Section 54956.8 to consult with the District's Negotiator (Dennis Cafferty, Assistant General Manager) regarding the terms and conditions concerning the potential sale/disposition of the following property: Property and Easements within Assessor Parcel Number 613-011-01 (District's existing Pump Station site).
2. In accordance with Government Code Section 54956.9 to consult with legal counsel on matter of potential litigation – (one matter).
3. In accordance with Government Code Section 54956.96 in order to receive, discuss, and/or take action concerning information obtained by the District's representative pertaining to a closed session of the South Orange County Wastewater Authority ("SOCWA"), a joint powers agency.

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

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

ADJOURNMENT TO 7:30 a.m., Monday, August 21, 2017.

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

Request for Disability-Related Modifications or Accommodations

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

MINUTES OF THE REGULAR MEETING
OF THE
ENGINEERING COMMITTEE MEETING
AND
FINANCE/INSURANCE COMMITTEE

JUNE 26, 2017

Chairman Vergara called the Meeting of the Engineering Committee and Finance/Insurance Committee to order at 7:30 o'clock a.m. on June 26, 2017.

Chairman Vergara led in the Pledge of Allegiance to the flag.

Present at today's meeting were Committee Members WILLIAM H. KAHN, FRED ADJARIAN, JOSE F. VERGARA, and MARK MONIN.

Committee Member M. SCOTT GOLDMAN, and DENNIS P. CAFFERTY, Assistant General Manager/District Engineer, were absent.

Also present were ROBERT R. HILL, General Manager/Secretary, NEELY SHAHBAKHTI, Finance Manager/Controller, JUDY CIMORELL, Human Resources Manager, GILBERT J. GRANITO, KATHRYN FRESHLEY, Customer, and CAROL MOORE, Customer.

Oral Communication/Public Comment

There were no comments.

Items Received too Late to be Agendized

Chairman Vergara asked if there were any items received too late to be agendized. Mr. Hill replied no.

Approval of Minutes

There being no further comments or questions the Committee approved placing the Engineering/FIC minutes on the Consent Calendar for the regular scheduled meeting of the Board of Directors.

Engineering Committee

Engineering Action Items

There were no action items.

Engineering General Information Items

El Toro Water District Capital Project Status Report

Phase II Recycled Water Distribution System Expansion Project

Mr. Hill stated that a pre-bid meeting was held with a select list of qualified general contractors on June 21st. He further stated that staff will recommend award of a construction contract for engineering services during construction and construction management services at the August Board meeting.

Mr. Hill stated that one of the critical paths are easements necessary for the project. He further stated that staff is working with GRF, Third Mutual, and United to provide information and clarification necessary to facilitate the approval and execution of the project easements.

Mr. Hill stated that RFP's for the project have been issued to 4 construction management firms. He further stated that these RFP's are due June 30th.

Mr. Hill stated that VMS may require a separate appraisal report. He further stated that staff will follow up on this.

Poseidon HB Ocean Desal Project

Mr. Hill stated that he provided updated information on the Poseidon Desal

project. He further stated that they are working on renewing their State Lands Commission permit in August or September and then pursue renewal of their NPDES discharge permit with the Santa Ana Regional Water Quality Control Board in early 2018.

Mr. Hill stated that it is anticipated that Poseidon will then seek project approval from the Coastal Commission sometime next summer.

Baker Water treatment Product Water Conveyance Options

Mr. Hill stated that MNWD has contracted with Tetra Tech to perform an evaluation of a potential new turnout on the South County pipeline that would include a turnout connection dedicated to the ETWD Baker supply. He further stated that in the meantime, MNWD has indicated that they are prepared to continue the temporary conveyance of water through the Los Alisos interconnection until such time that the permanent conveyance facilities are complete.

Phase III Recycled Water Distribution System Expansion Project

Mr. Hill stated that the portion of MNWD's Recycled Water Master Plan applicable to ETWD is complete. He further stated that staff is working on a project summary that will compare costs of the project component preliminary estimates to the potential recycled water production, and staff will report to the Board in the near future.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

Close Engineering Committee Meeting

At approximately 7:50 o'clock a.m. the Engineering meeting was closed. Also at this time the Board took a short recess.

FINANCE/INSURANCE COMMITTEE

At approximately 7:55 o'clock a.m. Director Monin called the Finance/Insurance Committee meeting to order.

Financial Action Items

Finance Report

Ms. Shahbakhti stated that the report is the close of May, which is the 11th month of the fiscal year. She further stated that next month we will be closing the fiscal year.

Ms. Shahbakhti stated that the Auditors will be preparing 3 audits, the quarterly audit, the mid-year audit, and the annual audit. She further stated that the Auditors will be here on Friday to pre-count inventory which staff has already counted.

Ms. Shahbakhti stated that on page 5, Reserve Analysis, we have exceeded the Restricted Reserves on hand. She further stated that on page 8, 401(k) Plan, there is a huge drop in the investment plan, due to a retiree withdrawing his money. She also stated that the overall Plan is doing well.

Ms. Shahbakhti stated that on page 9, Receivables shows an amount in the "over 121 days", which is during the year end reconciliation writing off some accounts due to closings and bankruptcies.

Director Monin stated that there are new laws in January where they are cautious of taking funds out of low cost to a higher cost program such as an IRA. He asked if retirees are forced to take their money out of the Plan when they leave. Mr. Hill replied no, however when someone turns 70 there is a requirement to take a certain

percentage out.

Ms. Shahbakhti stated that the retiree was with the District for a long time, and was able to invest the full amount to get the District's match.

Mr. Hill stated that Director Vergara had asked about Conservation and Water Sales, and we budgeted 7,350 acre feet and as of the end of May we were at 6100 acre feet. He further stated that we budgeted to sell less in 2017/18.

Director Adjarian asked about Other Income, what it includes. Ms. Shahbakhti replied that it includes site leases and miscellaneous income which doesn't have a specific category. Mr. Hill stated that page 14 breaks down the line item.

There being no further comments or questions the Committee approved placing this item on the Consent Calendar for the regular scheduled meeting of the Board of Directors.

Annual Agreements Exceeding \$50,000 – for Fiscal Year 2017/18

Mr. Hill stated that each year we submit to the Board any purchase orders that exceed \$50,000. He further stated that Olin Chlor is for sodium hyperchlorite used at the plant for disinfection, and we partner with SOCWA to get the best price for the 12.5% through SOCWA for a multi-year contract.

Director Monin asked if we could check with partnering with other agencies to possibly bring down the cost. Mr. Hill replied that he could follow up on this.

Mr. Hill stated that the other item over \$50,000 is the landscape maintenance. He further stated that Spectrum Landscape ceased operations in October 2016.

Mr. Hill stated that in December 2016 the District issued a contract to Nieves Landscape to take over the existing Spectrum contract with no cost increase to

complete the 2016/17 fiscal year. He further stated that Nieves has performed very well the last 6 months, and requests an increase for the labor-intensive cleanup efforts at the R-6 Reservoir, WRP Holding Pond sites, and to maintain the new Demo Garden.

Director Monin asked if we could pass some of the increased costs to maintain the R-6 Reservoir, could we pass some of the costs along to our partners. Mr. Hill replied that we do, SMWD will pick up 50%, and MNWD will pick up 5%, and we pay the remaining 45%.

Director Vergara stated that Nieves has a contract with the City of Lake Forest, and Laguna Hills, and they have over 150 employees who seem very knowledgeable.

There being no further comments or questions the Committee approved placing this item on the Consent Calendar for the regular scheduled meeting of the Board of Directors.

Financial Information Items

Tiered Water Usage and Revenue Tracking

Ms. Shahbakhti stated included in the Board package are graphs showing water usage by Tiers and year to date. She further stated that there are also graphs showing different classes of consumption.

Comments Regarding Non-Agenda FIC Items

There were no comments.

Close Finance and Insurance Committee Meeting

At approximately 8:21 o'clock a.m. the Finance meeting was closed.

Attorney Report

Mr. Granito reported that there is no need for a Closed Session at today's meeting.

Mr. Granito provided a brief update on the California Voting Rights Act, and a brief update on the low-income Water Rate Assistance Act.

Adjournment

There being no further business to come before the Board, the following motion was duly made and passed.

Motion: Director Adjarian made a motion, seconded by Director Monin and unanimously carried that today's meeting be adjourned at 8:32 o'clock a.m. to Monday, July 24, 2017 at 7:30 o'clock a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Roll Call:

Vice President Kahn	aye
Director Monin	aye
Director Adjarian	aye
Director Vergara	aye

Respectfully submitted,

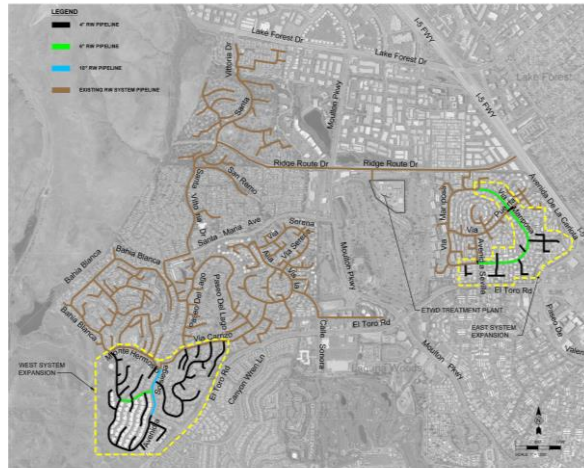
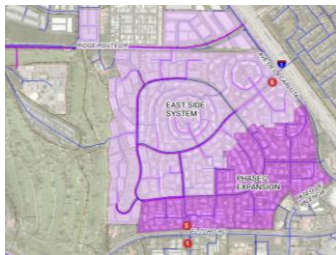
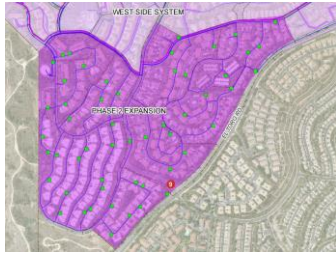
POLLY WELSCH
Recording Secretary

APPROVED:

M. SCOTT GOLDMAN, President
of the El Toro Water District and the
Board of Directors thereof

ROBERT R. HILL, Secretary
of the El Toro Water District and the
Board of Directors thereof

PHASE II RECYCLED WATER DISTRIBUTION SYSTEM EXPANSION PROJECT CONSTRUCTION MANAGEMENT SERVICES



BACKGROUND

The West Side System, the first component of the Phase II Recycled Water Distribution System Expansion Project, is currently out to bid. The construction of the project will be a significant undertaking involving two different contractors working concurrently in the two different distribution system areas (West Side System & East Side System). A large contributing factor to the success of the Phase I project was the dedicated effort by a qualified construction management team. Staff proposes to similarly contract for construction management for the Phase II Project. The construction management team will be tasked with managing the day to day construction, coordinating with the public relations team, performing third party constructability reviews of the construction documents, providing daily detailed inspection as well as ongoing coordination with District Staff to ensure the District's project objectives are accomplished.

With bids due on July 26, it is anticipated that a construction contract award will be recommended to the District Board at the August Board meeting. The efficiency of the project startup will be significantly enhanced by having the Construction Management team under contract prior to the award of the construction contract. This will allow the Construction Management Team to begin work on a variety of preconstruction tasks including:

- Work with the District to establish the Construction Management Office
- Evaluate and opine on the construction bids
- Manage the Contractor submittals of the project schedule, bonds and insurance and contract documents prior to the issuance of the Notice to Proceed
- Facilitate the Contractor material submittals in the early stages of the contract

PROPOSAL EVALUATION

The level of effort necessary to provide the Construction Management Services for the Phase II Recycled Water Distribution System Expansion Project will require the services of a professional Construction Management Firm. The District prepared a detailed Request for Proposals (RFP) defining the construction management requirements and scope of work. The RFP was provided to the following four construction management firms:

Butier Engineering
Dudek
MWH Constructors
Michael Baker International

One firm thanked the District for the opportunity but declined to submit a proposal due to their current workload. The District ultimately received proposals from the following three firms:

Butier Engineering
Dudek
MWH Constructors

Staff performed an in-depth analysis of the proposals. The evaluation consisted of a detailed review of the qualifications and experience of each of the firms and, more particularly, the qualifications and experience of the specific personnel proposed for the key positions on the construction management team. These key positions include:

Construction Manager – The Construction Manager supervises the construction management team and maintains overall responsibility for the management of the construction project.

Project Inspectors – The project inspectors provide daily observation of the construction process to ensure the integrity of the installation and compliance with the project drawings and specifications.

The analysis of the proposals included an evaluation of the qualifications of the proposed personnel and a detailed evaluation of the specific relevant project experience of the proposed teams. Following the evaluation of the individual team and team member qualifications Staff concluded that the selection of the MWH Constructors team was in the best interest of the Phase II Recycled Water Distribution System Expansion Project. This conclusion was based on several criteria.

- **Previous Project Experience**

One of the directions given to the proposers in the RFP was to emphasize the experience of the proposed team in projects similar to the ETWD Phase II Recycled Water Project.

The MWH Constructors proposal stood out in their ability to demonstrate the specific relevant project experience of their proposed team.

During the competitive review of the CMS proposals submitted for the Phase I project staff performed a similar evaluation of qualifications and experience. MWH, at that time, demonstrated significant experience that was uniquely similar to the ETWD project. MWH was determined then to be the most qualified CMS firm for the proposed recycled water distribution system project. That was the basis for the selection of MWH for the Phase I project. Given the specific project experience gained during the MWH management of the Phase I Project, MWH now further stands out in their qualifications to provide CMS services to the Phase II Project.

MWH's work on the Phase I project provides an unmatched level of qualification and experience that is specifically relative to the Phase II project. The construction management scope of work for the upcoming Phase II Recycled Water Distribution System Expansion Project is nearly identical to the day to day tasks performed by MWH during the Phase I Project.

- **Construction Manager**

MWH proposes to assign the same Construction Manager that provided skillful leadership on the previous project. The ability to retain the Construction Manager that is inherently familiar with all aspects of the project and more specifically, the community in which the project will be constructed, provides unique advantages to the upcoming construction.

- **Project Approach**

MWH invested a great deal of time even before the RFP was distributed meeting with Staff and educating themselves about the project. That effort was clearly evidenced in the MWH proposal. The MWH proposal identified a clear understanding not only of the project but of the District's goals and objectives for the project implementation. The approach laid out in the MWH proposal presents a well thought out strategy for the construction of the project. It acknowledges the critical nature of the project schedule, the public outreach requirements, the utilization of the utilities conflict allowance bid item to manage change orders, and the control of cost of both construction as well as the construction management services themselves. MWH included in their proposal a specific reference to their approach to project safety that further differentiated their proposal from the competitors.

- **Project Location**

The Phase II Recycled Water Distribution System Expansion Project will be constructed entirely within the gates of Laguna Woods Village. The ability to accommodate the unique needs of the Laguna Woods Village community is critical to the success of the project. MWH, and more specifically the proposed MWH Construction Manager, is

keenly aware of these needs and uniquely positioned to facilitate the success of the Phase II Project.

- **Public Relations**

The Phase I Project received far more compliments than complaints. The success of the Phase I Project was a direct result of the efforts of the District and its team to communicate with the public about the project. MWH played a key role in that effort. MWH demonstrated in their proposal a clear understanding of the need to communicate with the public and with the ETWD customers impacted during construction. They clearly understand the need to coordinate with the District and with Thomas Communications to successfully manage the public relations requirements of the Phase II project.

PROPOSAL FEE ANALYSIS

Each proposal package was supplemented with fee submitted in a separate sealed envelope. Staff opened and reviewed the fees only after selecting MWH following the qualifications based review of the proposals and proposed personnel. The District's practice, consistent with legal requirements associated with professional services contracts, is to select the consultant or engineer based on qualifications and experience, using the fee only for an evaluation of the appropriateness of the level of effort relative to the project and project goals. For information, the following is a summary of the proposed fees and hours.

Firm	Hours	Fee
MWH	2,648	\$435,991
Butier	2,796	\$409,240
Dudek	2,900	\$378,000

While slightly higher in cost than the competing proposals Staff has evaluated the MWH fee and rates and found them to be appropriate for the proposed scope of work. Assuming a construction cost estimate of \$6 million the proposed MWH construction management fee is approximately 7.3% of the construction cost. This is a reasonable level of effort for construction management where many projects are estimated at 10% of construction cost for construction management fees. The unique advantages of having a construction management team that brings the successful specific relevant project experience that MWH can provide more than warrants the relatively small additional cost.

SUMMARY/CONCLUSION

The Phase II Recycled Water Distribution System Expansion Project is a large scale project that requires a detailed effort from an expert Construction Management Team to help ensure the success of the construction portion of the project. Following the detailed evaluation of the

proposals from three firms Staff has concluded that the selection of the MWH Constructors team is in the best interest of the District and the project. While the MWH team is highly qualified and experienced the proposed fee is both reasonable and competitive.

RECOMMENDATION

Recommended Board Action at the July 25, 2017 Meeting:

Staff recommends that the Board of Directors authorize the District's General Manager to enter into a contract with MWH Constructors in the amount of \$435,991 for Construction Management Services for the Phase II Recycled Water Distribution System Expansion Project. Staff also recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

Date: July 19, 2017

By: Dennis P. Cafferty

2nd STREET PUMP STATION DEMOLITION PROJECT



INTRODUCTION

During the planning and design of the Baker Water Treatment Plant (Baker WTP) a number of alternatives were considered for the delivery of the Baker WTP product water to the participating agencies. It was ultimately decided by the majority of the project committee that the Baker WTP would deliver water to the South County Pipeline to which the District has no connections. The District subsequently evaluated options to reliably receive its Baker capacity and determined the optimum conveyance system to be an interconnection between the IRWD distribution system and the District's R-6 pressure zone.

The proposed interconnection relied on an existing IRWD pump station located near the intersection of El Toro Road and 2nd Street in Lake Forest. IRWD prepared and provided a quit claim document conveying the property, existing pump station facilities and associated pipelines to the District at no cost. The Quit Claim was recorded and the District has taken ownership of the pump station and associated appurtenances.

After a detailed evaluation of the hydraulics and pipeline requirements associated with the pump station at the 2nd Street site the District determined that there were more effective locations for the proposed interconnection. Following a re-evaluation of the impacts by IRWD on their distribution system and subsequent impacts on infrastructure modifications and operating costs the District decided to pursue a joint project with Moulton Niguel Water District to construct a new turnout on the South County Pipeline for purposes of conveyance of the District's capacity in the Baker Water Treatment Plant. The District has been taking its share of the Baker water through an interconnection with MNWD since the Plant was placed in service in January of this year.

District staff has determined that the existing 2nd Street pump station, now owned by ETWD, has no current value nor any future potential use by the District. The District has confirmed that IRWD also has no anticipated use for the interconnection or pump station. The existing building is deteriorating and represents a significant liability. The Carefree El Toro Owners Association has, on several occasions, complained about the appearance of the building as well as the

attractive nuisance it represents. The building, located in the corner of the property at the base of a hill has become a gathering area for teenagers. The building roof is easily accessible further exacerbating the potential liability to the District. Staff has determined, with no potential future use or value and in light of the current potential liability that the building should be demolished.

BIDS

Staff prepared a scope of work for purposes of bidding the demolition project. The project will remove the existing building structure, slab and footings leaving bare ground that the Association may landscape at its discretion. The project will also remove the surface features of the pipeline infrastructure in 2nd Street. Staff solicited bids from three general contractors. The bid results are summarized as follows:

S.S. Mechanical Construction Corp.	\$68,800
Schuler Constructors, Inc.	\$89,900
T.E. Roberts, Inc.	\$96,875

S.S. Mechanical is a locally reputable contractor that has performed several successful projects for the District in the past.

Staff initiated a discussion with IRWD regarding potential cost sharing opportunities. Staff advised IRWD of the bid results. IRWD has committed to share in the costs associated with the demolition of the facilities previously owned by IRWD. A portion of the project cost eliminates a pipeline connection that is solely an ETWD facility. IRWD has agreed to pay \$27,050 toward the demolition of the existing facilities. The resulting cost impact to ETWD is \$41,750.

RECOMMENDATION

Recommended Action at the July 25, 2017 Board Meeting:

Staff recommends that the Board of Directors authorize the District's General Manager to enter into a contract with S.S. Mechanical Construction Corp. in the amount of \$68,800 for the demolition of the 2nd Street Pump Station. Staff also recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

Date: July 19, 2017

By: Dennis P. Cafferty

CAPITAL PROJECT / EQUIPMENT STATUS REPORT

July, 2017

I Oso Lift Station Improvement Project

The project design effort is underway. The design is expected to be complete in September.

II Phase II Recycled Water Distribution System Expansion Project

The project is out to bid. Bids are due on July 26. It is anticipated that Staff will provide a recommendation for the award of a construction contract along with a contract for engineering services during construction at the August Board meeting.

Third Laguna Hills Mutual approved the West Side System easements at their meeting on July 18. Staff is working with VMS to get the executed documents. Staff anticipates consideration of two necessary easements for the West Side System by Golden Rain Foundation at an upcoming meeting. Easements for the East Side System will be required from United Laguna Woods Mutual. Staff is working with VMS staff to provide any information or clarification necessary to facilitate the approval and execution of the project easements.

III Phase III Recycled Water Distribution System Expansion Project

The portion of the MNWD Recycled Water Master Plan applicable to ETWD is complete. Staff is working on a high level project summary that will compare the cost of the various project component preliminary cost estimates to the potential recycled water production. Staff is preparing to make a report to the Board, at a conceptual level, in the near future regarding potential future recycled water projects.

IV South Orange County Supply and System Reliability Projects

A. Baker Water Treatment Product Water Conveyance Options

MNWD has contracted with Tetra Tech to perform an evaluation of a potential new turnout on the South County Pipeline that would include a turnout connection dedicated to the ETWD Baker supply. During the interim, MNWD has verbally indicated they are prepared to continue the temporary conveyance of water through the Los Alisos interconnection until such time that the permanent conveyance facilities are complete.

B. Poseidon HB Ocean Desalination Project

OCWD continues to work on preparation of CEQA (EIR) documentation for the project. The process is going slowly. The EIR will consider the impacts of injecting all of the water into the basin. That option would require over 30 new injection wells for which it has been difficult to find appropriate site locations. They are also studying how to construct a new six-mile pipeline to convey water to SOC as they suspect that Met will not allow them to use EOC Feeder No. 2 to convey the product water. This pipeline option will be incorporated into the EIR. The pipeline would be designed to convey 10 mgd (base loaded) to MNWD (4mgd), SMWD (5 mgd) and ETWD (1mgd).

Poseidon is working to renew and modify their State Lands Commission permit in August or September and then pursue renewal of their NPDES discharge permit with the Santa Ana Regional Water Quality Control Board in early 2018. It is anticipated that Poseidon will then seek project approval from the Coastal Commission sometime next summer.

The Project moving forward is contingent upon:

- Poseidon securing the Coastal Commission Permit
- Poseidon renewing their Regional Water Quality Control Board Permit
- MWDOC securing a Met LRP (\$475/acre foot over a 15-year period)
- If molecules were to be delivered to South County obtaining Met approval to introduce product water into East Orange County Feeder No. 2

Met approval of the LRP is subject to Poseidon receiving all applicable regulatory and environmental permits.

OCWD and Poseidon have agreed on a non-binding term sheet which will be the basis for negotiating a Water Purchase Agreement.

Agreed upon rate between Poseidon and OCWD Met rate plus an escalating surcharge over a 50-year period:

- 20% first 10 years
- 15% second 10 years
- 10% third ten years
- 5% fourth ten years
- 0% for the last ten years

There is also a “reopener” to renegotiate based upon actual expenses at 15 years which, is tied to the proposed 15 year Met LRP.

OCWD takes delivery at the plant property line and is responsible for design, financing, construction and operation of the delivery system.

**F.Y. 2017/18 CAPITAL REPLACEMENT AND REFURBISHMENT PROGRAM BUDGET ITEMS > \$50,000
BOARD APPROVAL SCHEDULE**

Project Description		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Estimate	Board Approved Cost	
2017/18 Capital Projects																
1	Recycled Water Phase II	B	A	C	C	C	C	C	C	C	C	C	C	\$10,000,000		
2	Replace R-6 Sodium Hypochlorite Tanks	E	E	E	B	A	C	C	C	C				\$210,000		
3	Oso Lift Station Improvement Project	E	E	E	B	A	C	C	C	C	C	C	C	\$1,000,000		
4	AMR / AMI Implementation													\$200,000		
5	Master Plan Update		RFP	RFP	A	E	E	E	E	E				\$350,000		
6	A/C Pavement Repair and Maintenance at Los Alisos Facility						E	E	B	A	C	C		\$100,000		
2017/18 Capital Equipment																
1	Also Creek Lift Station Spare Grinder			Quote is <\$50K. Will be Purchased Under GM Authority											\$52,500	
2	Northline Lift Station Spare Grinder			A										\$84,000		
3	WRP Tractor							A		R				\$200,000		
4	Vehicle Replacement								A		R			\$100,000		
5	300-375KW Emergency Generator Trailer		A											\$210,000		
6	Backhoe				B	A		R						\$168,000		
													Total	\$12,674,500	\$0	

E = Engineering/Study

C = Construction

O = Order

N = Negotiate

R = Receive

P = Permit

CQ = CEQA

CO = Carry Over

RFP = Request for Proposal

B = Bid

A = Approve by Board

ET = Evaluate

M = Monitoring

BP = Board Presentation

Revised 07/19/17

**EL TORO WATER DISTRICT
INSURANCE UPDATE
July 2017**

Liability Program

Nothing new to report this quarter.

Property Insurance Program

Nothing new to report this quarter.

Excess Public Employee Fidelity Program

This coverage was renewed on April 1, 2017 for another year. Our premium last was \$1,712.00 the premium is lower this year. Budget was for \$1,744. Actual premium was \$1,712.00, which is \$32.00 under budget. The Public Employee bond covers an additional \$1.5 million over and above the \$100,000 deductible.

Coverage includes Public Employee Dishonesty, forgery or alteration, Computer Fraud, Faithful Performance of Duty and Pension Plans. The Treasurer and Board Members are included under the coverage as well.

Fiduciary Liability

Nothing new to report this quarter.

Dam Insurance

Nothing new to report this quarter.

Underground Storage Tanks

Nothing new to report this quarter.

Liability and Property Claims

On March 30, 2017 one of our drivers was heading North on the 405 Freeway in heavy traffic. There was an aggressive driver trying to force his way behind our truck. Our employee was looking in his right passenger mirror when he realized the traffic had stopped. He hit a vehicle in front of him which in turn caused that vehicle to hit the vehicle in front of him. Part of this claim is closed but still pending is a legal matter which we plan to reject. As such, this is still an open claim.

On June 29, 2017 one of our customer's tubs, showers and toilets backed up with sewage. The customer had Roto-Rooter Plumbers come to his house and TV'd his line through to the main street. It was discovered the blockage was under the sidewalk or street. Ralph & Ed were contacted and confirmed the blockage was on our side and customer filled out a claim form for reimbursement of plumbing bill. A check was sent to customer. This claim is closed.

Workers' Compensation Policy

The Workers' Compensation Policy was renewed as of July 1, 2016 and runs through June 30, 2017.

Workers' Compensation Claims

There were no worker's compensation claims this quarter.

Medical Insurance

The District offers three 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.

Average cost per month per employee for the fourth quarter is \$1296.

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 \$1,500 for the upcoming year for covered services. All preventative services are offered every six months with the copay waived.

Average cost per month per employee for the fourth quarter is \$82.29.

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 66 2/3 of an employee's weekly or monthly salary if the claim is approved.

Average cost per month per employee for the fourth quarter is \$46.99.

Long Term Care Insurance

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 \$7.63.

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

Average cost per month per employee for the fourth quarter is \$39.43.

Employee Assistance Program (EAP) Coverage

UNUM is our carrier for our 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 \$1.70.

An insurance report of Budget vs. Actual Costs for fiscal year 2016/2017 is attached for the Board's review as well as a summary of currently held District insurance policies.

Submitted by:
Nancy Laursen
Judy Cimorell

**Budget vs. Actual - Q4 2016/17
7/1/2017**

	Annual Budget	Actual Paid to Date	Difference	
Insurance Coverage				
Liability	\$116,800	\$133,367	\$16,567	
Property	\$75,000	\$64,668	(\$10,332)	
Fiduciary Liability	\$7,000	\$6,143	(\$857)	
Dam Ins. (includes Excess) less SMWD- 50% & MNWD 5% - R-6	\$20,000 (\$10,000) (\$500)	\$15,893 (\$7,947) (\$795)	(\$4,107) \$2,054 (\$295)	
Underground Storage Tank	\$1,200	\$1,158	(\$42)	
Excess Crime Program	\$2,500	\$1,734	(\$766)	
Total Insurance	\$212,000	\$214,221	\$2,221	
			Accumulative	
	Annual Budget	Q1, Q2, Q3, Q4 Budget	Q1, Q2, Q3, Q4 Actual	Difference
Benefits - Directors				
Long Term Care	\$17,047	\$17,047	\$21,754	\$4,707
Dental	\$4,625	\$4,625	\$4,403	(\$222)
Vision	\$1,049	\$1,049	\$1,033	(\$16)
Life	\$173	\$173	\$146	(\$27)
Total Benefits Directors	\$22,894	\$22,894	\$27,335	\$4,441
Retiree Benefits				
Medical	\$180,000	\$180,000	\$176,759	(\$3,241)
Employee paid	(\$18,000)	(\$18,000)	(\$19,433)	(\$1,433)
Anthem Supplement	\$11,969	\$11,969	\$12,110	\$141
Total retiree benefits	\$173,969	\$173,969	\$169,436	(\$4,533)
Employee Benefits				
Emp.Assistance Program	\$1,194	\$1,194	\$1,171	(\$23)
Medical	\$964,423	\$964,423	\$961,303	(\$3,120)
Emp. Co-pay	(\$79,754)	(\$79,754)	(\$78,987)	\$767
Life/AD&D	\$30,967	\$30,967	\$27,774	(\$3,193)
Dental	\$63,983	\$63,983	\$57,812	(\$6,171)
Vision	\$12,282	\$12,282	\$12,047	(\$235)
LTD/STD	\$42,091	\$42,091	\$33,326	(\$8,765)
LTC	\$8,725	\$8,725	\$7,286	(\$1,439)
LTC-Emp. Paid	(\$2,598)	(\$2,598)	(\$1,939)	\$659
Workers comp.	\$152,605	\$152,605	\$177,182	\$24,577
Total Employee Benefits	\$1,193,918	\$1,193,918	\$1,196,975	\$3,057

SUMMARY OF COVERAGE

Type of Coverage	<u>GENERAL LIABILITY</u>	Coverage Term: 10/16 - 17
Coverage Includes	<ol style="list-style-type: none"> 1. Commercial General Liability 2. Contractual Liability 3. Products/Completed Operations 4. Personal Injury 	Premium - \$133,366.57
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>AUTO LIABILITY</u>	Coverage Term: 10/16 - 17
Coverage Includes	<ol style="list-style-type: none"> 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	<u>PUBLIC OFFICIALS LIABILITY</u>	Coverage Term: 10/16 - 17
Coverage Includes	<ol style="list-style-type: none"> 1. Errors & Omissions 	Premium - Included
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>PROPERTY</u>	Coverage Term: 4/17 - 18
Coverage Includes	<ol style="list-style-type: none"> 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 - \$70,172
Automobile Physical Damage		
Comprehensive - 83 Vehicles		
Collision - 83 Vehicles		
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>EXCESS CRIME PROGRAM</u>	Coverage Term: 4/17- 18
Coverage Includes	<ol style="list-style-type: none"> 1. Public Employee Dishonesty 2. Forgery or Alteration 3. Computer Fraud 4. Faithful Performance of Duty 5. Treasurer/Tax Collector/Board Members (included) 	Premium - \$1,734
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>UNDERGROUND STORAGE TANK POLLUTION LIABILITY</u>	Coverage Term: 7/16-17
Coverage Includes	<ol style="list-style-type: none"> 1. Claims-Made 2. Environmental Incident 	Premium - \$1,158
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	<u>DAM FAILURE LIABILITY</u>	Coverage Term: 10/16 - 17
Coverage (Includes Excess Ins. for El Toro Reservoir)	<ol style="list-style-type: none"> 1. Bodily Injury 2. Property Damage 	Premium - \$15,893.
Covers: El Toro Reservoir Rossmoor Dam		
Coverage Limits	Insurance Carrier	Policy Number
\$20 Million – ETWD & Rossmoor	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>FIDUCIARY LIABILITY</u>	Coverage Term: 9/16 -17
Coverage Includes	<ol style="list-style-type: none"> 1. Executive Protection Policy 	\$6,143.00
Parent Organization: ETWD Retirement Savings Plan & Trust Agreement		
Coverage Limits	Insurance Carrier	Policy Number
	Travelers Casualty & Surety Co. of America	105992703

Type of Coverage	<u>WORKERS' COMPENSATION</u>	Coverage Term: 7/16 - 6/17
Coverage Includes	1. Coverage A - Workers' Compensation 2. Coverage B - Employer's Liability	Premium - Paid Quarterly Varies per Payroll
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	<u>LIFE & ACCIDENT</u>	4th Quarter Premium \$7,135
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	<u>LONG / SHORT TERM DISABILITY</u>	4th Quarter Premium \$8,459
Coverage Includes	66 2/3 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	<u>LONG TERM CARE</u>	4th Quarter Premium \$1,374
Coverage Includes	\$2,500/Month \$150,000 Total Benefit	
Insurance Carrier	UNUM	Policy # 220384
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	365 Days	

Type of Coverage	<u>PERSONAL ACCIDENT INSURANCE</u>	4th Quarter Premium Employee Paid
Coverage Includes	\$50,000 or \$100,000	
Insurance Carrier	INA	Policy # OKH-1253-56
Eligibility Period	Optional	
Plan Wait or Deductible	None	
Type of Coverage	<u>DENTAL</u>	4th Quarter Premium \$15,913
Coverage Includes	\$25.00 or \$50.00/Family	
Insurance Carrier	Delta Dental Plan of California	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	
Type of Coverage	<u>MEDICAL</u>	4th Quarter Premium \$275,588
Coverage Includes	HMO or PPO by Employee Choice	
Insurance Carrier	Anthem Blue Cross / Kaiser Insurance thru ACWA	Policy #229CA
Eligibility Period	1 Month After Hire	
Plan Wait or Deductible	30 Days	
		* Premium includes employees and retirees
Type of Coverage	<u>VISION</u>	4th Quarter Premium \$3,339
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	

EL TORO WATER DISTRICT
FINANCIAL REPORT
July 24, 2017

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**EL TORO WATER DISTRICT
BALANCE SHEET**

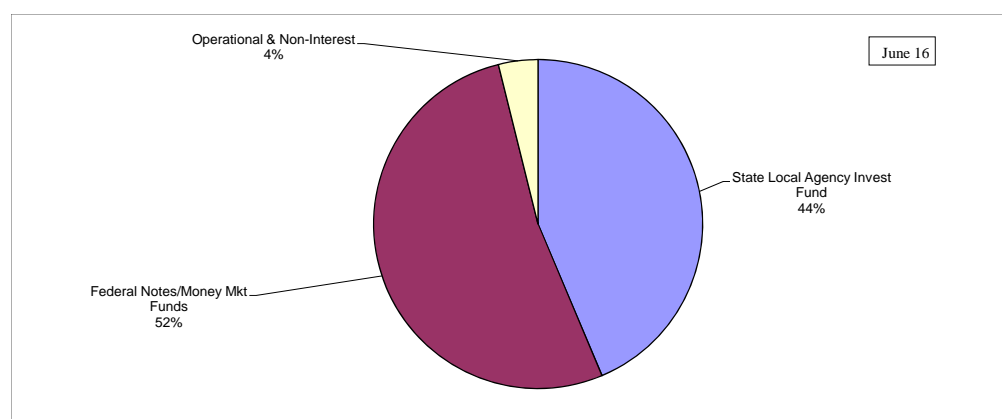
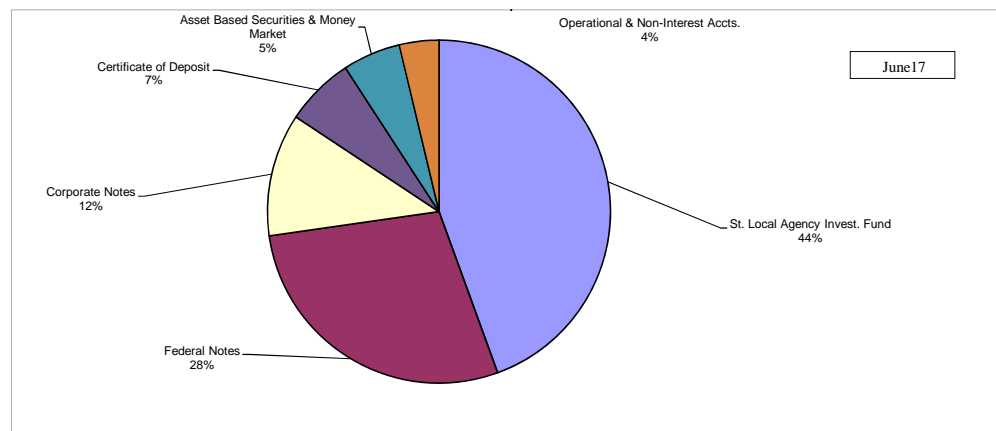
	6/30/17 (Unaudited)	June 30, 2016 (Audited)
ASSETS		
Current Assets		
Cash & Investments	\$6,482,719	\$5,601,599
Receivables:		
Accounts Receivable	3,000,262	2,946,940
Notes Receivable	-	-
Inventories	616,603	642,701
Prepaid Expenses	161,161	181,851
Total Current Assets	10,260,746	9,373,092
Restricted Assets		
Cash & Investments	10,897,628	11,412,090
Total Restricted Assets	10,897,628	11,412,090
Non-Current Assets		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	94,991,417	93,445,286
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,599,770	34,536,438
Total Utility Plant	143,628,861	142,019,398
Less Accumulated Depreciation & Amortization	(66,535,201)	(62,864,049)
Net Utility Plant	77,093,660	79,155,349
Construction Work in Progress	17,832,166	15,878,845
Notes Receivable	-	-
Unamortized Bond Cost	-	30,870
Total Non-current Assets	94,925,825	95,065,065
TOTAL ASSETS	\$116,084,199	\$115,850,247

**EL TORO WATER DISTRICT
BALANCE SHEET**

	6/30/17 (Unaudited)	June 30, 2016 (Audited)
LIABILITIES and EQUITY		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,515,973	\$1,858,177
Current Portion of Long-Term Debt	10,611	1,338,388
Other Current Liabilities	6,524,521	6,770,022
Total Current Liabilities Payable		
From Current Assets	8,051,106	9,966,587
Long Term Debt		
Long Term Debt	37,542,443	36,389,496
Total Long Term Debt	37,542,443	36,389,496
Total Liabilities	45,593,548	46,356,082
Fund Equity		
Retained Earnings - Reserved	22,174,300	22,174,300
Contributed Capital	8,744,767	8,744,767
Retained Earnings - Unreserved	38,615,382	38,557,679
Net Income	956,202	17,419
Total Fund Equity	70,490,651	69,494,164
Total Liabilities & Fund Equity	\$116,084,199	\$115,850,247

**CASH & INVESTMENTS
SUMMARY OF INVESTMENTS BY TYPE**

	Maturity Dates	Par	Market Value 6/30/17	Financial Institution	YTM 6/30/17	Original Cost 6/30/17
State Local Agency Investment Fund	NA	NA	\$7,744,029	LAIF	0.98%	\$7,744,029
US Treasury N/B - Coupon Rate 1.500%	2/28/2019	330,000	330,683	US Bank/CAMP	1.15%	333,377
US Treasury N/B - Coupon Rate 1.625%	6/30/2020	150,000	150,264	US Bank/CAMP	1.50%	150,539
Intl BK Recon & Dev Notes - Coupon Rate 1.875%	4/21/2020	90,000	90,421	US Bank/CAMP	1.90%	89,922
Inter-American Devel BK Note - Coupon Rate 1.625%	5/12/2020	150,000	149,609	US Bank/CAMP	1.70%	149,645
FHLB Notes - Coupon Rate 0.625%	8/7/2018	650,000	644,961	US Bank/CAMP	0.92%	646,542
FHLB Global Note- Coupon Rate 0.875%	10/1/2018	720,000	715,649	US Bank/CAMP	0.94%	719,143
FNMA Benchmark Note - Coupon Rate 1.000%	2/26/2019	900,000	893,993	US Bank/CAMP	1.21%	894,429
FHLMC Reference Note- Coupon Rate 0.875%	7/19/2019	800,000	790,466	US Bank/CAMP	1.08%	795,616
FNMA Notes - Coupon Rate 1.000%	8/28/2019	950,000	940,719	US Bank/CAMP	1.10%	947,435
FNMA Notes - Coupon Rate 1.500%	2/28/2020	200,000	199,476	US Bank/CAMP	1.52%	199,872
Federal Notes		4,940,000	4,906,241			4,926,520
JP Morgan Chase Notes - Coupon Rate 6.000%	1/15/2018	250,000	255,617	US Bank/CAMP	1.79%	272,010
John Deere Capital Corp. - Coupon Rate 1.650%	10/15/2018	30,000	30,014	US Bank/CAMP	1.69%	29,981
Toyota Motor Credit Corp. - Coupon Rate 1.700%	1/9/2019	150,000	150,074	US Bank/CAMP	1.72%	149,948
US Bankcorp (Callable) Notes - Coupon Rate 2.200%	4/25/2019	150,000	151,249	US Bank/CAMP	1.47%	152,727
Pepsico Inc. - Coupon Rate 1.550%	5/2/2019	50,000	49,983	US Bank/CAMP	1.59%	49,963
American Express Credit - Coupon Rate 1.875%	5/3/2019	50,000	49,996	US Bank/CAMP	1.90%	49,980
American Honda Finance - Coupon Rate 1.200%	7/12/2019	150,000	148,566	US Bank/CAMP	1.48%	148,887
Cisco Systems Notes - Coupon Rate 1.400%	9/20/2019	150,000	148,968	US Bank/CAMP	1.42%	149,931
American Express Credit Corp. - Coupon Rate 1.700%	10/30/2019	100,000	99,461	US Bank/CAMP	1.99%	99,240
BB&T Corp. Note - Coupon Rate 2.450%	1/15/2020	100,000	101,117	US Bank/CAMP	2.08%	101,053
Morgan Stanley Corp. Bonds - Coupon Rate 2.650%	1/27/2020	40,000	40,422	US Bank/CAMP	2.35%	40,346
IBM Corp. Notes - Coupon Rate 1.900%	1/27/2020	100,000	100,028	US Bank/CAMP	1.93%	99,904
Microsoft Corp. Note - Coupon Rate 1.850%	2/6/2020	90,000	90,229	US Bank/CAMP	1.87%	89,940
Apple Inc. Bonds - Coupon Rate 1.900%	2/7/2020	80,000	80,201	US Bank/CAMP	1.92%	79,961
Chevron Corp Notes - Coupon Rate 1.991%	3/3/2020	70,000	70,183	US Bank/CAMP	1.99%	70,000
Walt Disney Corp Notes - Coupon Rate 1.95%	3/4/2020	20,000	20,062	US Bank/CAMP	1.96%	19,995
Exxon Mobil Corp Note - Coupon Rate 1.912%	3/6/2020	90,000	90,220	US Bank/CAMP	1.75%	90,402
John Deere Capital Corp. - Coupon Rate 2.200%	3/13/2020	40,000	40,335	US Bank/CAMP	2.23%	39,969
Apple Inc. Bonds - Coupon Rate 1.800%	5/11/2020	60,000	59,965	US Bank/CAMP	1.84%	59,939
Intel Corp Notes - Coupon Rate 1.850%	5/11/2020	90,000	90,025	US Bank/CAMP	1.86%	89,966
Home Depot Inc Corp Notes - Coupon Rate 1.800%	6/5/2020	40,000	40,018	US Bank/CAMP	1.82%	39,977
Walt Disney Corp Notes - Coupon Rate 1.800%	6/5/2020	70,000	69,849	US Bank/CAMP	1.84%	69,919
John Deere Capital Corp Notes - Coupon Rate 1.950%	6/22/2020	20,000	20,052	US Bank/CAMP	1.97%	19,988
Corporate Notes		1,990,000	1,996,634			2,014,022
Bank of Tokyo Mitsubishi - Coupon Rate 0.000%	1/26/2018	150,000	148,751	US Bank/CAMP	1.54%	148,296
Canadian Imperial Bank NY CD - Coupon Rate 1.760%	11/30/2018	250,000	251,047	US Bank/CAMP	1.25%	250,320
Svenska Handelsbanken NY LT CD - Coupon Rate 1.890%	1/10/2019	200,000	199,457	US Bank/CAMP	1.91%	200,000
Bank of Montreal Chicago CD - Coupon Rate 1.880%	2/7/2019	180,000	181,046	US Bank/CAMP	1.90%	180,000
Bank of Nova Scotia Houston LT CD - Coupon Rate 1.910%	4/5/2019	180,000	179,894	US Bank/CAMP	1.91%	180,000
Sumitomo Mitsui Bank CD - Coupon Rate 2.050%	5/3/2019	180,000	180,274	US Bank/CAMP	2.05%	180,000
Certificate of Deposit		1,140,000	1,140,469			1,138,616
Nissan ABS 2015-A A3 - Coupon Rate 1.050%	10/15/2019	13,309	13,286	US Bank/CAMP	1.28%	13,247
CNH Equipment Trust Pool -Coupon Rate 1.640%	7/15/2020	190,000	190,400	US Bank/CAMP	1.80%	189,993
TAOT 2017-A A3 - Coupon Rate 1.730%	2/15/2021	50,000	50,064	US Bank/CAMP	1.74%	49,994
JDOT 2017-A A3 - Coupon Rate 1.780%	4/15/2021	30,000	30,034	US Bank/CAMP	1.79%	29,996
TAOT 2017-B A3 - Coupon Rate 1.760%	7/15/2021	100,000	100,062	US Bank/CAMP	1.76%	99,992
HAROT 2017-1 A3 - Coupon Rate 1.720%	7/21/2021	40,000	40,025	US Bank/CAMP	1.72%	39,998
HART 2017-A A3 - Coupon Rate 1.760%	8/15/2021	40,000	40,009	US Bank/CAMP	1.76%	39,997
NAROT 2017-A A3 - Coupon Rate 1.740%	8/15/2021	50,000	50,052	US Bank/CAMP	1.74%	49,995
Allya 2017-2 A3 - Coupon Rate 1.780%	8/15/2021	70,000	70,015	US Bank/CAMP	1.79%	69,992
HAROT 2017-2 A3 - Coupon Rate 1.680%	8/16/2021	90,000	89,863	US Bank/CAMP	1.68%	89,992
FORDO 2017-B A3 - Coupon Rate 1.690%	11/15/2021	70,000	69,895	US Bank/CAMP	1.69%	69,997
AMXCA 2017-4 A - Coupon Rate 1.640%	12/15/2021	100,000	99,921	US Bank/CAMP	1.65%	99,984
CCGIT 2017-A3 A3 - Coupon Rate 1.920%	4/7/2022	100,000	100,111	US Bank/CAMP	1.82%	100,267
CAMP Money Market Fund	NA	NA	6,213	US Bank/CAMP	1.05%	6,213
Asset Based Securities & Money Market		943,309	949,952			949,656
Total Camp Investments		9,013,309	8,993,296			9,028,814
Operational & Non-Interest Bearing Accounts						
ETWD General Cash Account	NA	NA	627,327	Union Bank of Cal.	0.00%	627,327
ETWD Capital Facilities Reserve Account	NA	NA	20,800	Union Bank of Cal.	0.00%	20,800
ETWD Payroll Account	NA	NA	0	Union Bank of Cal.	0.00%	0
ETWD Petty Cash Account	NA	NA	700	Union Bank of Cal.	0.00%	700
Operational & Non-Interest Accts.			648,828			648,828
			\$17,386,152	Total Investments & Cash		\$17,421,671

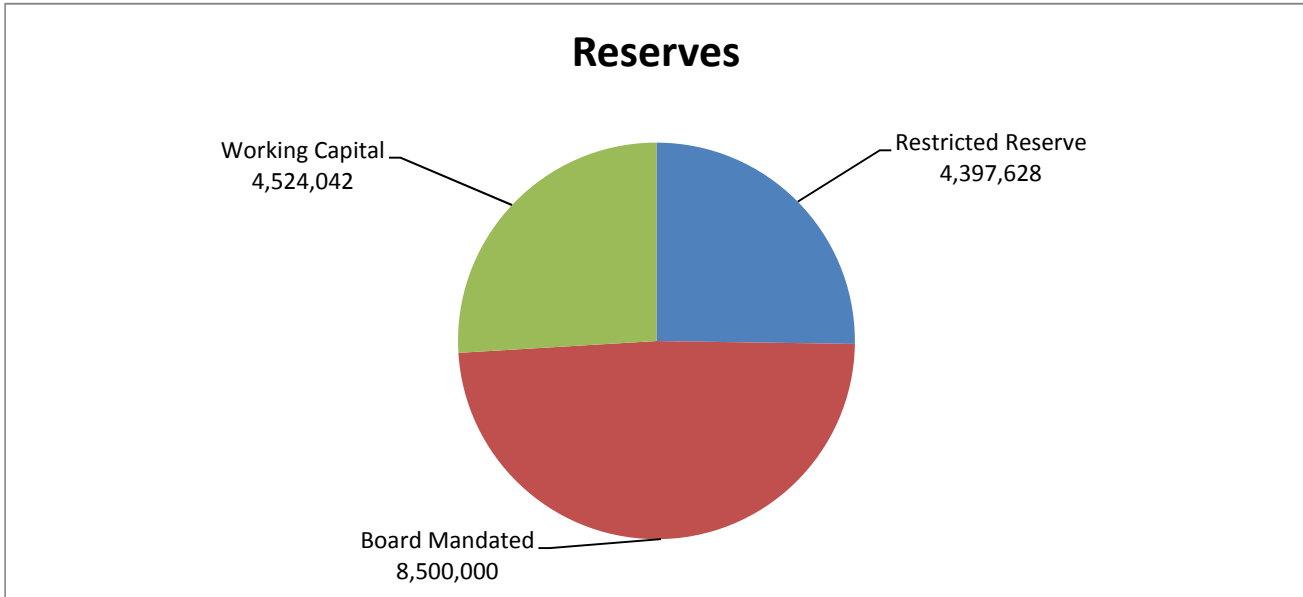


LIQUIDITY

	June 30, 2017		June 30, 2016	
	\$	%	\$	%
DEMAND	\$ 8,399,070	48.21%	\$ 8,206,309	48.11%
30 Days	\$ -	0.00%	\$ -	0.00%
31-180 Days	\$ -	0.00%	\$ 992,740	5.82%
181 - 360	\$ 420,306	2.41%	\$ 4,828,443	28.30%
361-1200 Days	\$ 8,602,295	49.38%	\$ 3,031,240	17.77%
TOTAL	\$ 17,421,671	100.00%	\$ 17,058,732	100.00%

All investment actions since the prior report have been executed in full compliance with the District's Investment Policy and in accordance with California Government Code Sections 53646 (b) (2) and (3) requiring sufficient cash reserves for six months of District operations.

**EL TORO WATER DISTRICT
RESERVE ANALYSIS
30-Jun-17**



Restricted Reserve	\$	4,397,628
Board Designated	\$	8,500,000
Capital Cash Flow/ Compliance	\$	4,524,042
Total	\$	17,421,671

Restricted Reserve

SRFL-Recycled	\$	1,602,958
Capital Facilities Reserve	\$	23,081
Tiered Cons Fund	\$	1,844,905
Baker Funding	\$	926,685
Total	\$	4,397,628

Board Mandated Minimum Reserve Levels

Capital Construction	\$	3,000,000
Rate Stabilization	\$	2,200,000
Operations	\$	1,300,000
Working Capital	\$	2,000,000
Total	\$	8,500,000

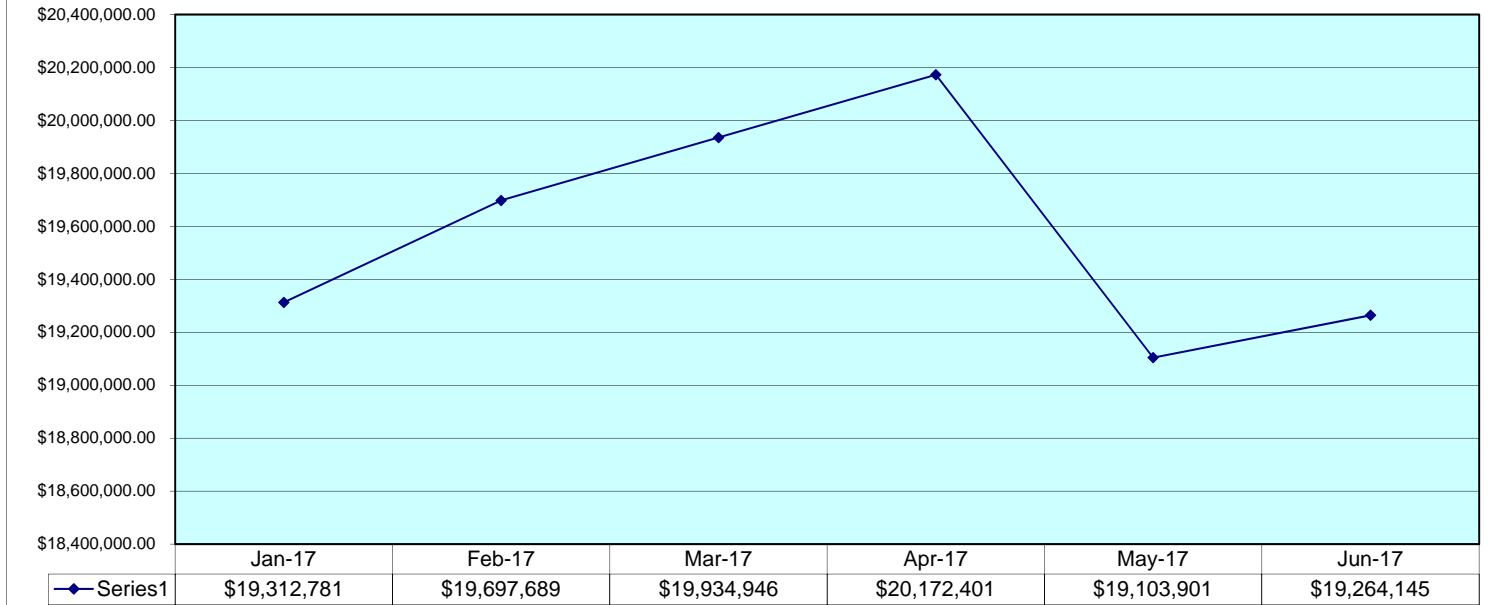
Six months operating expense requirement:	\$11,049,612
Cash less restricted reserve on hand:	\$13,024,042

EL TORO WATER DISTRICT CHANGE IN RESERVES

	<u>June 30, 2017</u>	<u>Year to Date</u>	<u>June 30, 2016</u>
Operating Revenue	2,131,730	23,839,180	22,976,436
Non-operating Revenue	133,337	1,501,421	1,429,646
Total Revenue	<u>2,265,067</u>	<u>25,340,601</u>	<u>24,406,082</u>
Operating Expenses	1,930,891	20,040,847	20,619,421
Depreciation	317,888	3,814,656	3,371,563
Non-operating Expenses	44,075	528,896	397,680
Total Expenses	<u>2,292,854</u>	<u>24,384,399</u>	<u>24,388,663</u>
NET INCOME	(27,787)	956,202	17,419
Non-Cash Items:			
Add: Depreciation	317,888	3,814,656	3,371,563
Change in Notes Receivable/Grant Fund	-	-	-
Loan Proceeds	-	1,352,912	2,346,224
Less: Debt Service	(199,965)	(199,965)	(365,703)
Capital Improvements	(36,157)	(3,561,957)	(8,112,196)
Total Non-Cash Items	<u>81,766</u>	<u>1,405,646</u>	<u>(2,760,112)</u>
CHANGE IN RESERVES	<u><u>53,980</u></u>	<u><u>2,361,848</u></u>	<u><u>(2,742,693)</u></u>

EL TORO WATER DISTRICT 401K PLAN SUMMARY

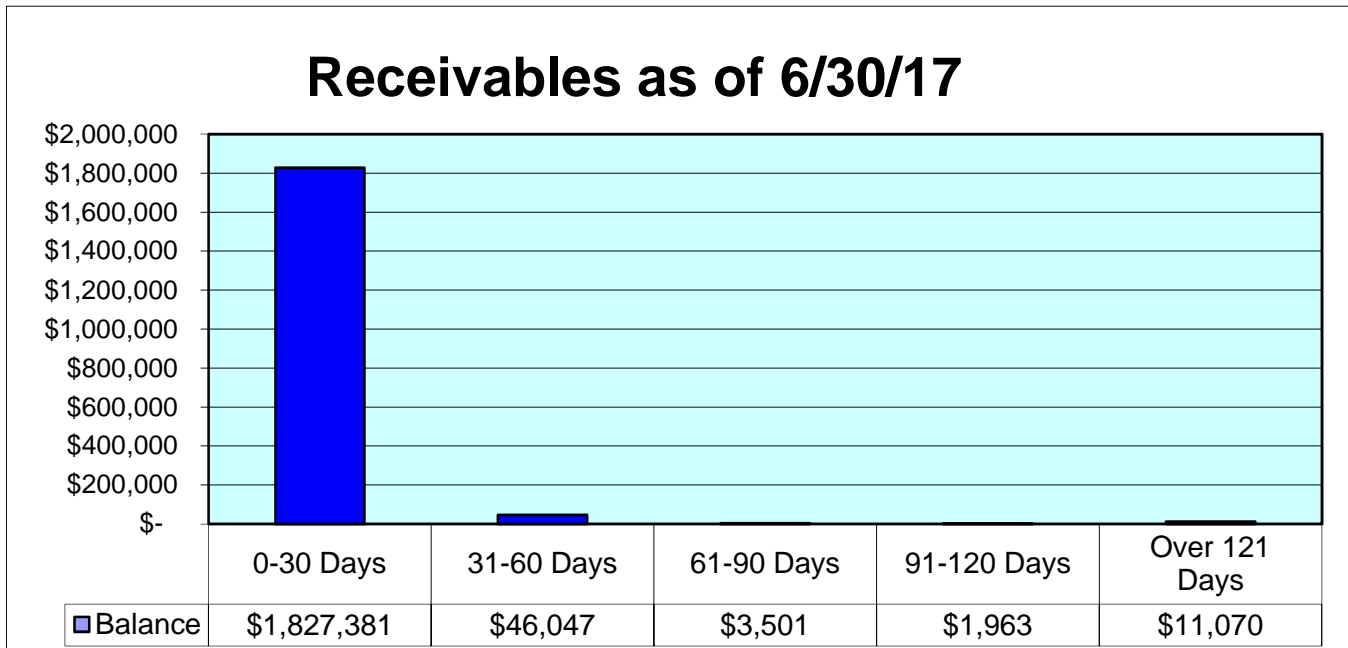
401K PLAN MARKET VALUE



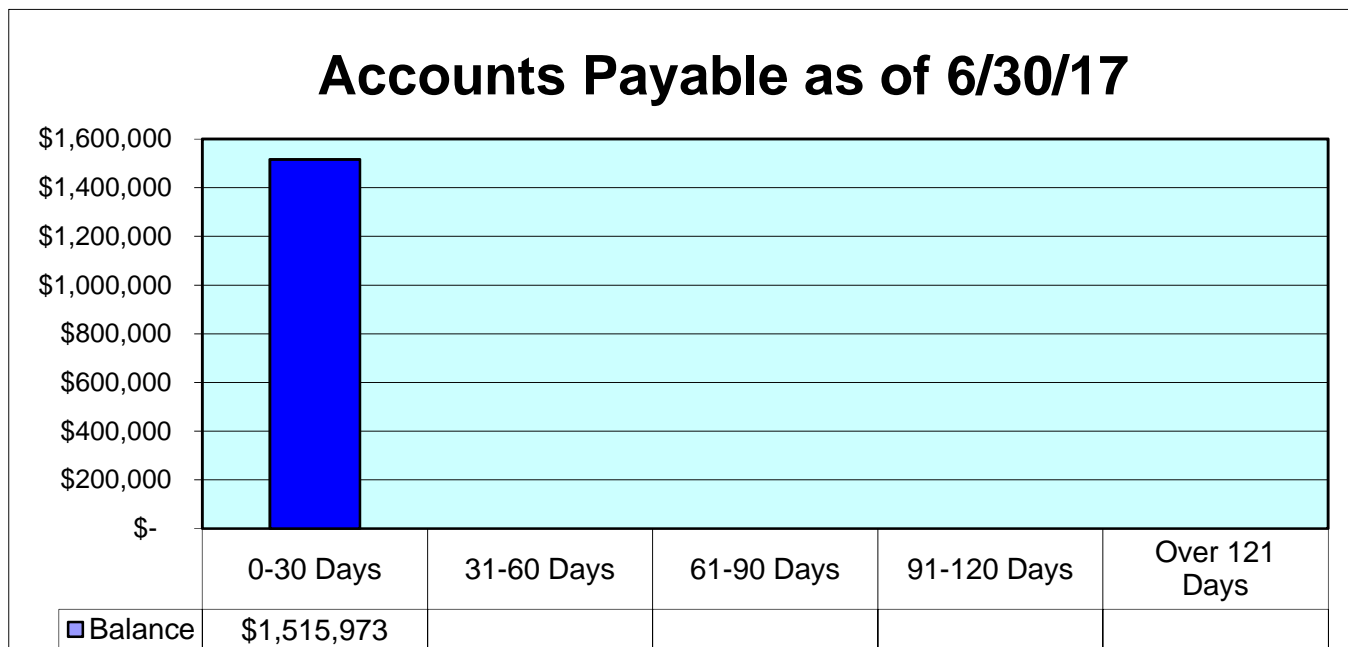
	MARKET VALUE SUMMARY			
	Growth Port. Under 40 yrs. Old	Balanced Port. 40 to 50 yrs. Old	Income & Growth 50 to 60 yrs. Old	Capital Pres. Port Over 60 yrs. Old
Balance at July 1, 2016	\$ 845,440.34	\$3,282,362.83	\$10,091,872.46	\$3,832,464.39
Contributions	254,114.94	153,167.94	617,039.24	199,504.30
Withdrawals	0.00	0.00	(1,378,959.06)	(269,700.00)
Transfers	0.00	(1,411,669.31)	1,336,999.59	74,669.72
Interest, dividends and appreciation net of fees and charges	150,218.42	299,993.60	1,001,460.48	185,165.27
Balance at June 30, 2017	\$ 1,249,773.70	\$2,323,855.06	\$11,668,412.71	\$4,022,103.68
Average return YTD June 30, 2017	12.02%	12.91%	8.58%	4.60%

Average return is calculated by dividing the interest, dividends and appreciation, net of fees by ending fund balance and then annualize.

RECEIVABLES & PAYABLES AGEING



Bad Debts Year to Date: \$26,758

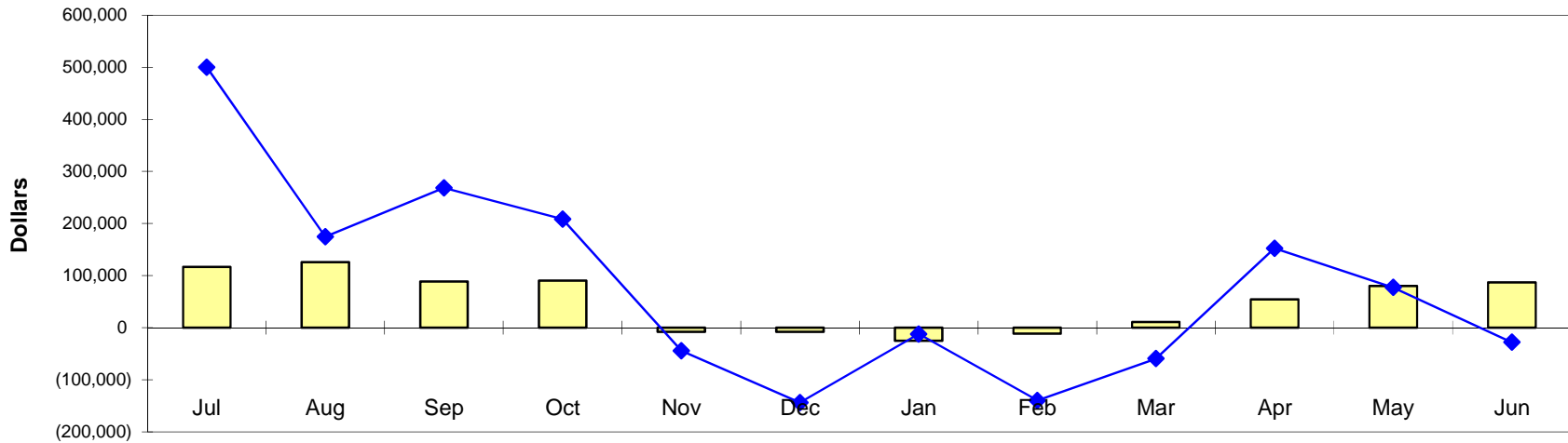


Year to Date Discounts Taken: \$1,362

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El Toro Water District
Income Statement
June 2017

	<u>Jun 17</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Jul '16 - Jun 17</u>	<u>YTD Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Income							
4600 · Water Service Charge	232,975.75	238,750.00	97.58%	2,802,962.41	2,865,000.00	97.84%	2,865,000.00
4700 · Sanitary Service	619,384.39	620,833.33	99.77%	7,359,924.20	7,450,000.00	98.79%	7,450,000.00
4722 · Recycled Water Tertiary Sales	169,348.22	138,559.08	122.22%	1,492,518.88	1,444,014.00	103.36%	1,444,014.00
4724 · Service Charge - Recycled Water	15,760.71	16,166.67	97.49%	186,521.50	194,000.00	96.15%	194,000.00
4750 · Capital Facilities Charge	251,223.63	250,000.00	100.49%	3,012,474.97	3,000,000.00	100.42%	3,000,000.00
4800 · Commodity Charge	836,623.17	883,689.86	94.67%	8,718,545.65	9,209,505.00	94.67%	9,209,505.00
4950 · Other Operating Income	6,414.60	4,583.33	139.96%	150,303.24	55,000.00	273.28%	55,000.00
4960 · Other Income	27,722.84	34,791.67	79.68%	549,450.89	417,500.00	131.61%	417,500.00
4967 · SMWD	0.00	8,333.33	0.0%	94,528.85	100,000.00	94.53%	100,000.00
4970 · MNWD	0.00	1,750.00	0.0%	21,399.90	21,000.00	101.9%	21,000.00
4980 · Interest Income	5,596.89	4,166.67	134.33%	131,285.82	50,000.00	262.57%	50,000.00
4985 · Changes FMV CAMP	-11,357.04			-49,969.42			
4986 · Changes FMV LAIF	0.00			-10,430.45			
4990 · Property Taxes	111,374.30	66,666.67	167.06%	881,084.22	800,000.00	110.14%	800,000.00
Total Income	2,265,067.46	2,268,290.61	99.86%	25,340,600.66	25,606,019.00	98.96%	25,606,019.00
Gross Profit	2,265,067.46	2,268,290.61	99.86%	25,340,600.66	25,606,019.00	98.96%	25,606,019.00
Expense							
5100 · Personnel Cost	654,529.72	624,658.75	104.78%	7,525,946.12	7,495,905.00	100.4%	7,495,905.00
5405 · Water Purchases	763,896.23	744,454.99	102.61%	7,019,565.76	7,760,674.00	90.45%	7,760,674.00
5410 · Electrical Power	86,214.70	84,425.02	102.12%	970,827.26	1,013,100.00	95.83%	1,013,100.00
5415 · Repair Parts & Materials	17,673.35	30,023.71	58.87%	308,021.57	360,285.00	85.49%	360,285.00
5420 · Equipment Maintenance & Repair	10,495.87	10,226.69	102.63%	126,600.26	122,720.00	103.16%	122,720.00
5425 · Pump Maintenance & Repair	32,307.25	10,875.00	297.08%	138,359.93	130,500.00	106.02%	130,500.00
5430 · Motor Maintenance & Repair	0.00	3,291.67	0.0%	21,016.64	39,500.00	53.21%	39,500.00
5435 · Generator Maintenance & Repair	0.00			133.53			
5440 · Electrical/Cont'l Maint & Repair	6,536.58	3,833.32	170.52%	29,272.96	46,000.00	63.64%	46,000.00
5445 · Meter Maintenance & Repair	755.36	433.33	174.32%	2,189.76	5,200.00	42.11%	5,200.00
5455 · Chemicals	17,748.64	15,329.16	115.78%	191,658.50	183,950.00	104.19%	183,950.00
5460 · Structure Maint & Repair	2,766.09	2,863.34	96.6%	63,183.02	34,360.00	183.89%	34,360.00
5465 · Asphalt Maintenance & Repair	12,292.50	8,958.34	137.22%	112,076.00	107,500.00	104.26%	107,500.00
5470 · Consultants	9,652.50	10,579.17	91.24%	155,643.85	126,950.00	122.6%	126,950.00
5475 · Contractors	103,150.57	103,199.24	99.95%	1,245,221.85	1,238,391.00	100.55%	1,238,391.00
5480 · Engineers	6,232.37	7,291.66	85.47%	60,913.05	87,500.00	69.62%	87,500.00
5482 · Dump Fees	2,354.32	1,666.66	141.26%	18,624.99	20,000.00	93.13%	20,000.00
5485 · Laboratory	8,214.11	1,725.01	476.18%	16,804.48	20,700.00	81.18%	20,700.00
5490 · License & Permits	7,332.02	10,889.60	67.33%	123,698.51	130,675.00	94.66%	130,675.00
5495 · Gas & Oil	7,620.96	8,333.33	91.45%	82,997.00	100,000.00	83.0%	100,000.00
5500 · Equipment Rental	695.83	1,100.00	63.26%	18,539.39	13,200.00	140.45%	13,200.00
5505 · Landscaping	16,058.33	7,888.34	203.57%	71,529.12	94,660.00	75.56%	94,660.00
5510 · Small Tools & Equipment	8,180.59	3,408.34	240.02%	42,299.93	40,900.00	103.42%	40,900.00
5515 · Security	1,587.81	1,587.94	99.99%	16,409.20	19,055.00	86.12%	19,055.00
5520 · Operating Supplies	1,199.66	3,958.34	30.31%	47,418.60	47,500.00	99.83%	47,500.00
5525 · Safety Equipment	3,799.52	1,375.01	276.33%	23,502.91	16,500.00	142.44%	16,500.00
5530 · Temporary Help	0.00	7,208.34	0.0%	13,283.47	86,500.00	15.36%	86,500.00
5535 · Other Employee Cost	7,238.61	7,333.33	98.71%	128,788.60	88,000.00	146.35%	88,000.00
5540 · Depreciation	317,888.00	241,666.67	131.54%	3,814,656.00	2,900,000.00	131.54%	2,900,000.00
5545 · Insurance	36,728.61	33,333.33	110.19%	416,094.35	400,000.00	104.02%	400,000.00
5555 · Advertising & Publicity	2,952.00	208.33	1,416.98%	2,952.00	2,500.00	118.08%	2,500.00
5560 · Amortization	570.49	570.83	99.94%	6,845.88	6,850.00	99.94%	6,850.00
5570 · Annual Event	0.00	433.33	0.0%	4,991.54	5,200.00	95.99%	5,200.00
5575 · Audit	0.00	2,500.00	0.0%	18,600.00	30,000.00	62.0%	30,000.00
5580 · Bad Debts	26,757.99	2,083.33	1,284.39%	26,757.99	25,000.00	107.03%	25,000.00
5585 · Bank Charges	4,800.00	4,000.00	120.0%	53,181.35	48,000.00	110.79%	48,000.00
5590 · Data Processing Supply & Access	907.79	6,666.67	13.62%	10,501.72	80,000.00	13.13%	80,000.00
5595 · Data Processing Equipment	0.00	0.00	0.0%	35,183.78	0.00	100.0%	0.00
5600 · Data Processing Consultants	7,002.07	6,250.00	112.03%	34,111.56	75,000.00	45.48%	75,000.00
5605 · Directors Fees	9,204.00	7,500.00	122.72%	97,392.00	90,000.00	108.21%	90,000.00
5610 · Dues & Memberships	6,232.28	6,666.67	93.48%	70,941.26	80,000.00	88.68%	80,000.00
5615 · Education & Training	2,632.25	2,458.33	107.08%	23,874.43	29,500.00	80.93%	29,500.00
5620 · Election Expense	0.00	2,500.00	0.0%	27,709.12	30,000.00	92.36%	30,000.00
5625 · Employee Service Awards	0.00	333.33	0.0%	255.96	4,000.00	6.4%	4,000.00
5630 · Software Maintenance & Licenses	1,257.57	4,583.33	27.44%	105,343.46	55,000.00	191.53%	55,000.00
5640 · Interest Expense	44,074.65	84,750.00	52.01%	528,895.80	1,017,000.00	52.01%	1,017,000.00
5645 · Janitorial	2,845.00	2,775.00	102.52%	34,564.00	33,300.00	103.8%	33,300.00
5650 · Legal	12,031.92	12,500.00	96.26%	140,347.90	150,000.00	93.57%	150,000.00
5655 · Meets, Conventions & Travel	2,533.05	4,166.67	60.79%	33,064.47	50,000.00	66.13%	50,000.00
5657 · Meets, Con & Travel - Directors	1,116.84	0.00	100.0%	29,768.19	0.00	100.0%	0.00
5660 · Office Supplies	1,968.68	1,500.00	131.25%	24,540.20	18,000.00	136.33%	18,000.00
5670 · Postage	103.20	2,625.00	3.93%	15,822.59	31,500.00	50.23%	31,500.00
5675 · Printing & Reproduction	7,829.59	1,750.00	447.41%	15,476.22	21,000.00	73.7%	21,000.00
5680 · Property Tax	40.64	458.33	8.87%	4,568.70	5,500.00	83.07%	5,500.00
5685 · Public Education & Outreach	5,882.27	23,958.33	24.55%	107,786.01	287,500.00	37.49%	287,500.00
5690 · Publications & Subscriptions	300.60	250.00	120.24%	2,223.55	3,000.00	74.12%	3,000.00
5695 · Communications	7,451.97	6,666.67	111.78%	104,415.36	80,000.00	130.52%	80,000.00
5700 · Utilities	1,209.02	1,500.00	80.6%	19,007.27	18,000.00	105.6%	18,000.00
Total Expense	2,292,853.97	2,181,571.78	105.1%	24,384,398.92	25,006,075.00	97.51%	25,006,075.00
	<u>Jun 17</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Jul '16 - Jun 17</u>	<u>YTD Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Net Income	-27,786.51	86,718.83	-32.04%	956,201.74	599,944.00	159.38%	599,944.00

ANALYSIS OF REVENUE & EXPENSE
Fiscal Year 2016/2017

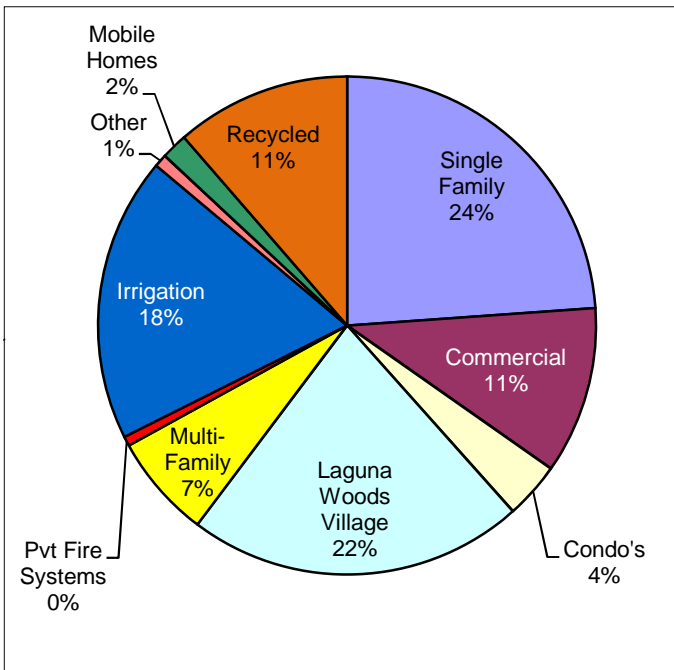
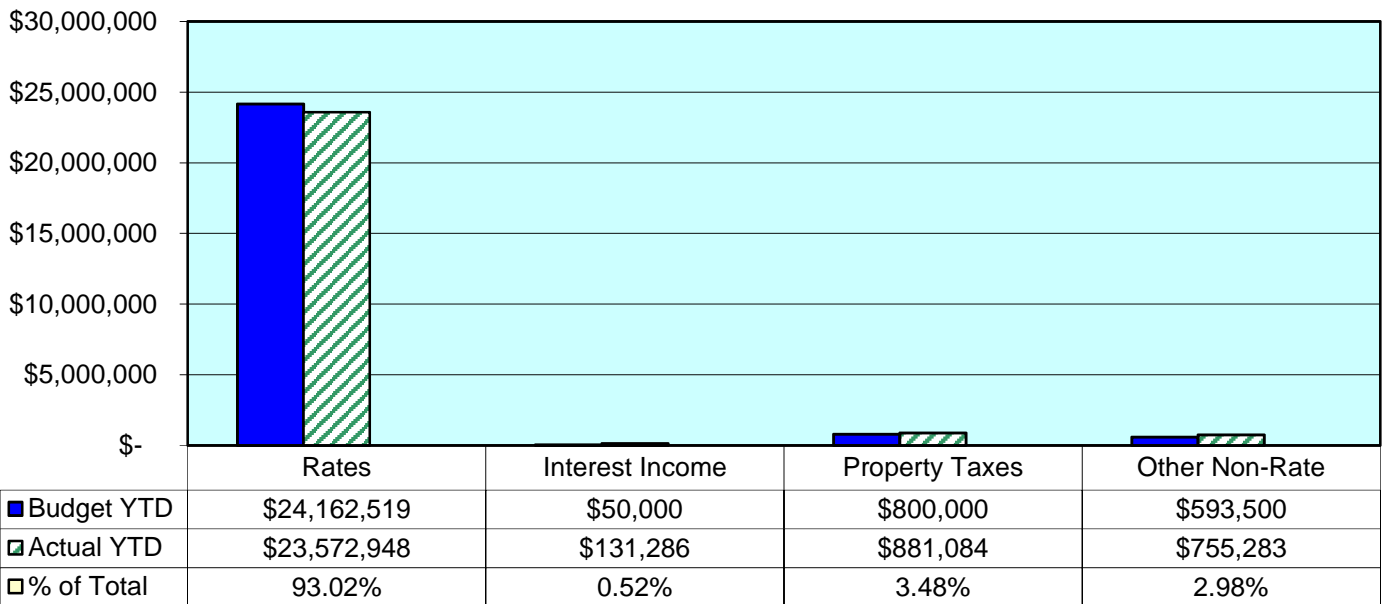


ANALYSIS OF REVENUES & EXPENSES
BUDGET COMPARED TO ACTUAL
FISCAL YEAR 2016/2017

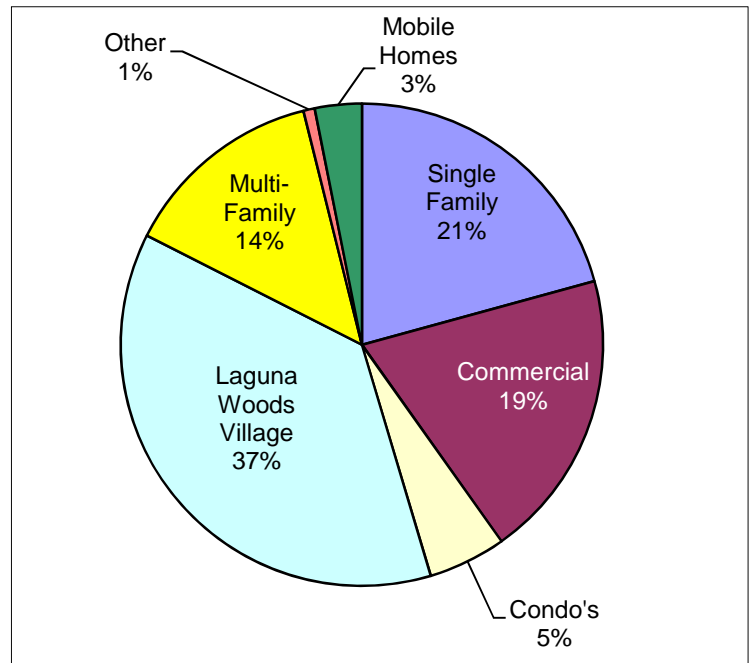
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget												
Revenue	2,377,094	2,410,524	2,276,237	2,281,506	1,921,705	1,921,679	1,858,253	1,908,524	1,990,204	2,148,838	2,243,166	2,268,291
Expense	2,260,657	2,284,957	2,187,348	2,191,177	1,929,648	1,929,629	1,883,527	1,920,067	1,979,438	2,094,745	2,163,309	2,181,572
Profit/Loss	116,436	125,567	88,889	90,328	(7,943)	(7,950)	(25,274)	(11,543)	10,766	54,093	79,857	86,719
Actual												
Revenue	2,633,310	2,424,146	2,361,007	2,177,934	1,923,543	1,895,352	1,834,080	1,500,185	1,790,494	2,180,984	2,354,585	2,265,067
Expense	2,132,664	2,249,153	2,092,202	1,969,106	1,967,868	2,039,022	1,846,259	1,639,852	1,849,725	2,028,446	2,277,248	2,292,854
Profit/Loss	500,646	174,993	268,805	208,828	(44,324)	(143,669)	(12,179)	(139,667)	(59,231)	152,538	77,337	(27,787)

EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 6/30/17

Where the Money Comes From



WATER REVENUE YTD 2016/2017



WASTE WATER REVENUE YTD 2016/2017

**EL TORO WATER DISTRICT
REVENUE COMPARISON
For the Month Ended June 30, 2017**

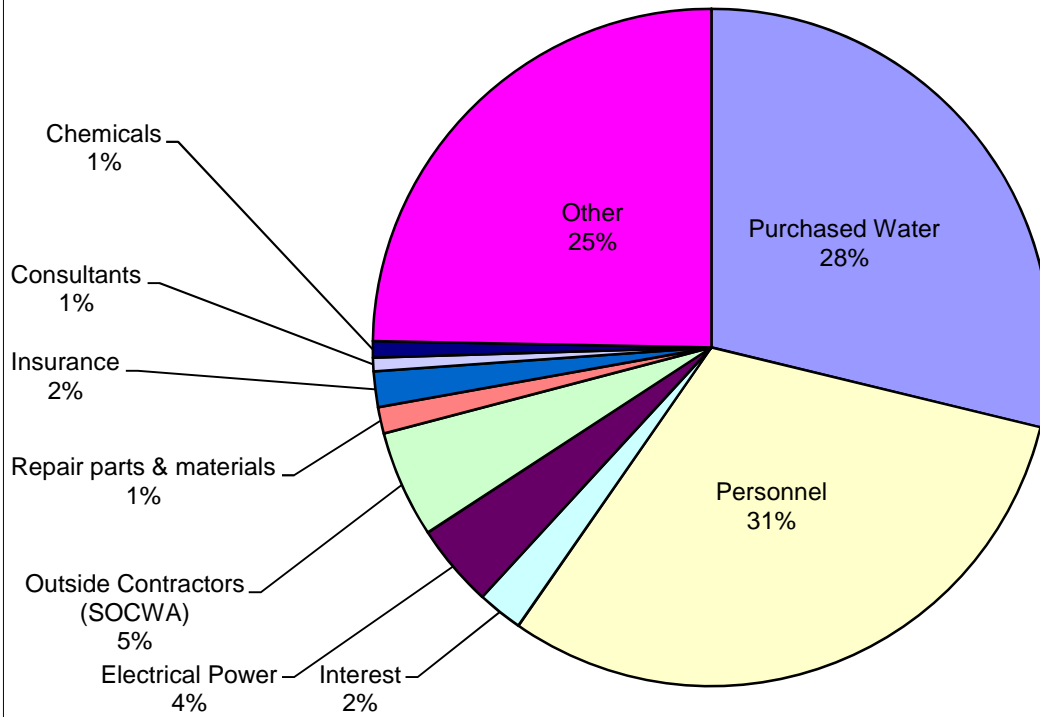
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 251,224	\$ 250,000	\$ 1,224	0%	\$ 3,012,475	\$ 3,000,000	\$ 12,475	0%	\$ 3,000,000	\$ (12,475)
Water sales - Commodity	836,623	883,690	(47,067)	-5%	8,718,546	9,209,505	(490,959)	-5%	9,209,505	490,959
Water sales - Fixed Meter	232,976	238,750	(5,774)	-2%	2,802,962	2,865,000	(62,038)	-2%	2,865,000	62,038
Waste water sales	619,384	620,833	(1,449)	0%	7,359,924	7,450,000	(90,076)	-1%	7,450,000	90,076
Recycled water tertiary sales	169,348	138,559	30,789	22%	1,492,519	1,444,014	48,505	3%	1,444,014	(48,505)
Service charge - Recycled water	15,761	16,167	(406)	-3%	186,522	194,000	(7,479)	-4%	194,000	7,479
TOTAL FROM RATES	2,125,316	2,147,999	(22,683)	-1%	23,572,948	24,162,519	(589,571)	-2%	24,162,519	589,571
<u>Non-rate Revenue</u>										
Admin fee	3,770	1,600	2,170	136%	111,503	19,200	92,303	481%	19,200	(92,303)
48 Hour notice fee	2,130	2,451	(321)	-13%	34,290	29,416	4,874	17%	29,416.44	(4,874)
Restoration fee	320	370	(50)	-14%	2,230	4,440	(2,210)	-50%	4,440	2,210
Unpaid check fee	145	150	(5)	-3%	1,730	1,800	(70)	-4%	1,800	70
Cut lock fee	50	12	38	317%	550	144	406	282%	144	(406)
TOTAL NON-RATE	6,415	4,583	1,831	40%	150,303	55,000	95,303	173%	55,000	(95,303)
<u>Other Revenue</u>										
Interest	5,597	4,167	1,430	34%	131,198	50,000	81,198	162%	50,000	(81,198)
Change FMV Investment	(11,357)	-	(11,357)	0%	(60,312)	-	(60,312)	0%	-	60,312
Property taxes	111,374	66,667	44,708	67%	881,084	800,000	81,084	10%	800,000	(81,084)
Other	27,723	34,792	(7,070)	-20%	549,451	417,500	131,951	32%	417,500	(131,951)
TOTAL OTHER REVENUE	133,337	105,625	27,712	26%	1,501,421	1,267,500	233,921	18%	1,267,500	(233,921)
<u>Contract Service</u>										
Santa Margarita W. D.	-	8,333	(8,333)	-100%	94,529	100,000	(5,471)	-5%	100,000	5,471
Moulton Niguel W. D.	-	1,750	(1,750)	-100%	21,400	21,000	400	2%	21,000	(400)
TOTAL CONTRACT SERVICES	-	10,083	(10,083)	-100%	115,929	121,000	(5,071)	-4%	121,000	5,071
TOTAL REVENUE	\$ 2,265,067	\$ 2,268,291	\$ (3,223)	0%	\$ 25,340,601	\$ 25,606,019	\$ (265,419)	-1%	\$ 25,606,019	\$ 265,419

**EL TORO WATER DISTRICT
NON-RATE REVENUE ANALYSIS
FOR THE MONTH ENDING June 30, 2017**

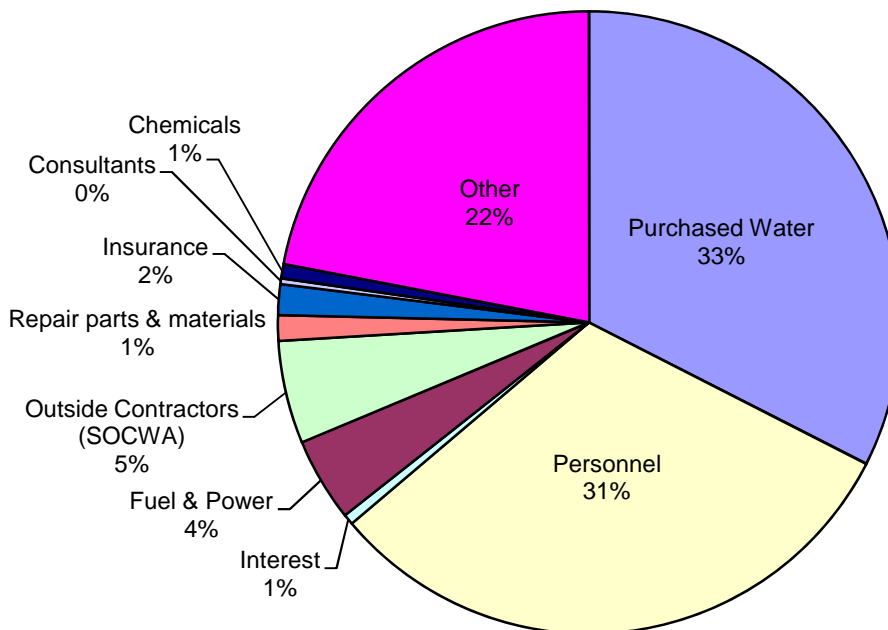
	Jun-17 Actual	Jun-17 Budget	Jul 16-Jun 17 YTD Actual	Jul 16-Jun 17 YTD Budget
Site Leases	9,833	15,000	181,491	180,000
MWD Recycled Water LRP Rebate	16,000	19,792	215,250	237,500
SOCWA Refund		-	138,119	-
MWDOC RPOI Distribution	-	-	223	-
Recycled Metal	-	-	5,520	-
Diesel Fuel Tax Refund	-	-	110	-
Sale of District Vehicle	-		1,556	-
Misc Work for Customers	1,889	-	7,181	-
	<u>\$ 27,723</u>	<u>\$ 34,792</u>	<u>\$ 549,451</u>	<u>\$ 417,500</u>
Other Operating Income				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
Total	<u>27,723</u>		<u>549,451</u>	

WHERE THE MONEY GOES

YTD EXPENSES AT 6/30/17



EXPENSES YEAR ENDING 6/30/16



EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended June 30, 2017

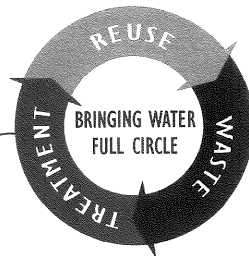
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Operating Expenses</u>										
Personnel cost	\$654,530	\$624,659	(\$29,871)	-5%	\$7,525,946	\$7,495,905	(\$30,041)	0%	\$7,495,905	(30,041)
Purchased water	763,896	744,455	(19,441)	-3%	7,019,566	7,760,674	741,108	10%	7,760,674	741,108
Electrical power	86,215	84,425	(1,790)	-2%	970,827	1,013,100	42,273	4%	1,013,100	42,273
Repair parts & materials	17,673	30,024	12,350	41%	308,022	360,285	52,263	15%	360,285	52,263
Equipment repairs & maintenance	10,496	10,227	(269)	-3%	126,600	122,720	(3,880)	-3%	122,720	(3,880)
Pump repairs & maintenance	32,307	10,875	(21,432)	-197%	138,360	130,500	(7,860)	-6%	130,500	(7,860)
Motor repairs & maintenance	-	3,292	3,292	100%	21,017	39,500	18,483	47%	39,500	18,483
Generator repairs & maintenance	-	-	0	0%	134	0	(134)	0%	0	(134)
Electrical repairs & maintenance	6,537	3,833	(2,703)	-71%	29,273	46,000	16,727	36%	46,000	16,727
Meter repairs & maintenance	755	433	(322)	-74%	2,190	5,200	3,010	58%	5,200	3,010
Chemicals	17,749	15,329	(2,419)	-16%	191,659	183,950	(7,708)	-4%	183,950	(7,709)
Structure repairs & maintenance	2,766	2,863	97	3%	63,183	34,360	(28,823)	-84%	34,360	(28,823)
Asphalt repairs & maintenance	12,293	8,958	(3,334)	-37%	112,076	107,500	(4,576)	-4%	107,500	(4,576)
Consultants - outside	9,653	10,579	927	9%	155,644	126,950	(28,694)	-23%	126,950	(28,694)
Contractors - outside	103,151	103,199	49	0%	1,245,222	1,238,391	(6,831)	-1%	1,238,391	(6,831)
Engineers - outside	6,232	7,292	1,059	15%	60,913	87,500	26,587	30%	87,500	26,587
Dump fees	2,354	1,667	(688)	-41%	18,625	20,000	1,375	7%	20,000	1,375
Laboratories	8,214	1,725	(6,489)	-376%	16,804	20,700	3,896	19%	20,700	3,896
License & permits	7,332	10,890	3,558	33%	123,699	130,675	6,976	5%	130,675	6,976
Automotive fuel & oil	7,621	8,333	712	9%	82,997	100,000	17,003	17%	100,000	17,003
Equipment rental	696	1,100	404	37%	18,539	13,200	(5,339)	-40%	13,200	(5,339)
Landscaping	16,058	7,888	(8,170)	-104%	71,529	94,660	23,131	24%	94,660	23,131
Small tools & equipment	8,181	3,408	(4,772)	-140%	42,300	40,900	(1,400)	-3%	40,900	(1,400)
Security	1,588	1,588	0	0%	16,409	19,055	2,646	14%	19,055	2,646
Operating supplies	1,200	3,958	2,759	70%	47,419	47,500	81	0%	47,500	81
Safety equipment	3,800	1,375	(2,425)	-176%	23,503	16,500	(7,003)	-42%	16,500	(7,003)
Temporary help	-	7,208	7,208	100%	13,283	86,500	73,217	85%	86,500	73,217
Other employee cost	7,239	7,333	95	1%	128,789	88,000	(40,789)	-46%	88,000	(40,789)
Employee service awards	-	333	333	100%	256	4,000	3,744	94%	4,000	3,744
Education & training	2,632	2,458	(174)	-7%	23,874	29,500	5,626	19%	29,500	5,626
Total Operating Expenses	1,791,166	1,719,709	(71,456)	-4%	18,598,657	19,463,725	865,068	4%	19,463,725	865,068

EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended June 30, 2017

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Indirect Cost</u>										
Depreciation	317,888	241,667	(76,221)	-32%	3,814,656	2,900,000	(914,656)	-32%	2,900,000	(914,656)
Amortization	570	571	0	0%	6,846	6,850	4	0%	6,850	4
Insurance	36,729	33,333	(3,395)	-10%	416,094	400,000	(16,094)	-4%	400,000	(16,094)
Data processing supplies & assoc.	908	6,667	5,759	86%	10,502	80,000	69,498	87%	80,000	69,498
Data processing equipment	0	0	0	0%	35,184	0	(35,184)	0%	0	(35,184)
Data processing consultants	7,002	6,250	(752)	-12%	34,112	75,000	40,888	55%	75,000	40,888
Software maintenance & licenses	1,258	4,583	3,326	73%	105,343	55,000	(50,343)	-92%	55,000	(50,343)
Janitorial	2,845	2,775	(70)	-3%	34,564	33,300	(1,264)	-4%	33,300	(1,264)
Printing & reproduction	7,830	1,750	(6,080)	-347%	15,476	21,000	5,524	26%	21,000	5,524
Publications & subscriptions	301	250	(51)	-20%	2,224	3,000	776	26%	3,000	776
Communications - voice	3,278	1,250	(2,028)	-162%	30,411	15,000	(15,411)	-103%	15,000	(15,411)
Communications - data	2,047	3,750	1,703	45%	48,019	45,000	(3,019)	-7%	45,000	(3,019)
Communications - mobile	2,127	1,667	(460)	-28%	25,985	20,000	(5,986)	-30%	20,000	(5,986)
Utilities	1,209	1,500	291	19%	19,007	18,000	(1,007)	-6%	18,000	(1,007)
Total Indirect Cost	383,991	306,012	(77,978)	-25%	4,598,423	3,672,150	(926,274)	-25%	3,672,150	(926,274)
<u>Overhead Cost</u>										
Annual events	-	433	433	100%	4,992	5,200	208	4%	5,200	208
Audit	-	2,500	2,500	100%	18,600	30,000	11,400	38%	30,000	11,400
Bad debts	26,758	2,083	(24,675)	-1184%	26,758	25,000	(1,758)	-7%	25,000	(1,758)
Bank charges	4,800	4,000	(800)	-20%	53,181	48,000	(5,181)	-11%	48,000	(5,181)
Directors fees	9,204	7,500	(1,704)	-23%	97,392	90,000	(7,392)	-8%	90,000	(7,392)
Dues & memberships	6,232	6,667	434	7%	70,941	80,000	9,059	11%	80,000	9,059
Election Expense	-	2,500	2,500	100%	27,709	30,000	2,291	8%	30,000	2,291
Interest	44,075	84,750	40,675	48%	528,896	1,017,000	488,104	48%	1,017,000	488,104
Legal	12,032	12,500	468	4%	140,348	150,000	9,652	6%	150,000	9,652
Meetings, conventions & travel	2,533	4,167	1,634	39%	33,064	50,000	16,936	34%	50,000	16,936
Meets, con & travel - Directors	1,117	-	(1,117)	0%	29,768	0	(29,768)	0%	0	(29,768)
Office supplies	1,969	1,500	(469)	-31%	24,540	18,000	(6,540)	-36%	18,000	(6,540)
Postage	103	2,625	2,522	96%	15,823	31,500	15,677	50%	31,500	15,677
Property taxes	41	458	418	91%	4,569	5,500	931	17%	5,500	931
Advertising & Publicity	2,952	208	(2,744)	-1317%	2,952	2,500	(452)	-18%	2,500	(452)
Public education & outreach	5,882	23,958	18,076	75%	107,786	287,500	179,714	63%	287,500	179,714
Total Overhead Cost	117,698	155,850	38,152	24%	1,187,319	1,870,200	682,881	37%	1,870,200	682,881
TOTAL EXPENSES	\$2,292,854	\$2,181,572	(\$111,282)	-5%	\$24,384,399	\$25,006,075	\$621,676	2%	\$25,006,075	\$621,676

SCAP

SOUTHERN CALIFORNIA ALLIANCE OF
PUBLICLY OWNED TREATMENT WORKS



March 18, 2017

Mr. Bob Hill
El Toro Water District
P. O. Box 4000
Laguna Hills, CA 92654

Dear Mr. Hill:

It is the policy of SCAP to send out the attached preliminary dues notice early in the calendar year so that agencies can include the information in their upcoming fiscal year budgets. Please note that the dues amount **has not increased**, as the SCAP Board of Directors is cognizant of the economic situation many of our members are facing, and has chosen to suspend the annual COLA increase for yet another year. The due date for receipt of next fiscal year's dues is July 31, 2017 or whenever your budget is approved. **However, many members find it convenient to pay their dues at this time.** For POTW members, dues are calculated based upon the average daily flow (ADF) of your wastewater facilities. For Collection System members, dues are calculated on a pre-determined amount.

Each year the state and federal government puts forth new regulations, which continually challenge our agency's resources and budgets. These regulations apply to all categories: air, biosolids, collection systems, energy and water. However, SCAP has throughout the years developed a very good relationship with the regulatory agencies that has resulted in a cooperative environment. For example, through the efforts of our SCAP air committee we successfully worked with the South Coast AQMD last year to delay implementation of its Rule 1110.2 requiring costly equipment emission controls and also prevented the installation of unnecessary and costly emission controls to vector trucks. However, from time to time, SCAP must rely on a firmer approach. Presently, we are in litigation with EPA challenging unreasonable regulations associated with toxicity testing and permitting.

In FY 2017/18, our main focus will be working with the State Water Resources Control Board in developing and commenting on policies dealing with effluent toxicity, the statewide mercury policy, sediment quality objectives, nutrient policy, and the biological objectives policy. Likewise, SCAP will continue to actively participate with local air districts, the Air Resources Board, the California Public Utilities Commission and the California Energy Commission in development and implementation of renewable energy related regulations and the never-ending struggle against unrealistically stringent control requirements being placed on internal combustion engines.

If you haven't visited our website (www.scap1.org) lately, please do so. Furthermore, if you are not receiving the SCAP *Monthly Update*, please contact us at info@scap1.org and we will be pleased to add you to our email distribution list.

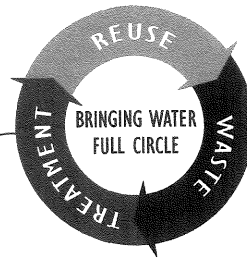
As always, we appreciate your continued support and involvement. We look forward to continuing to serve your needs and watch out for your interests.

Sincerely,

Stephen Jepsen, Executive Director

SCAP

SOUTHERN CALIFORNIA ALLIANCE OF
PUBLICLY OWNED TREATMENT WORKS



SCAP INVOICE 17/18 – 43

March 18, 2017

TO: El Toro Water District
Attn: Mr. Bob Hill
P. O. Box 4000
Laguna Hills, CA 92654

Annual Membership Dues for Fiscal Year 2017/2018 \$3,372

Annual dues are arrived at by using the following formula adopted by SCAP's Board of Directors on June 28, 2005:

- Agencies with an Average Daily Flow (ADF) of up to 2 mgd – \$1,686/yr.
- Agencies with an ADF of between 2 mgd and 10 mgd – \$843 per mgd/yr.
- Agencies with an ADF of above 10 mgd and under 100 mgd – \$843 per mgd up to 10 mgd plus \$169 per mgd from 11 mgd to 99 mgd.
- Agencies with an ADF of 100 mgd and above – \$50,000/yr.

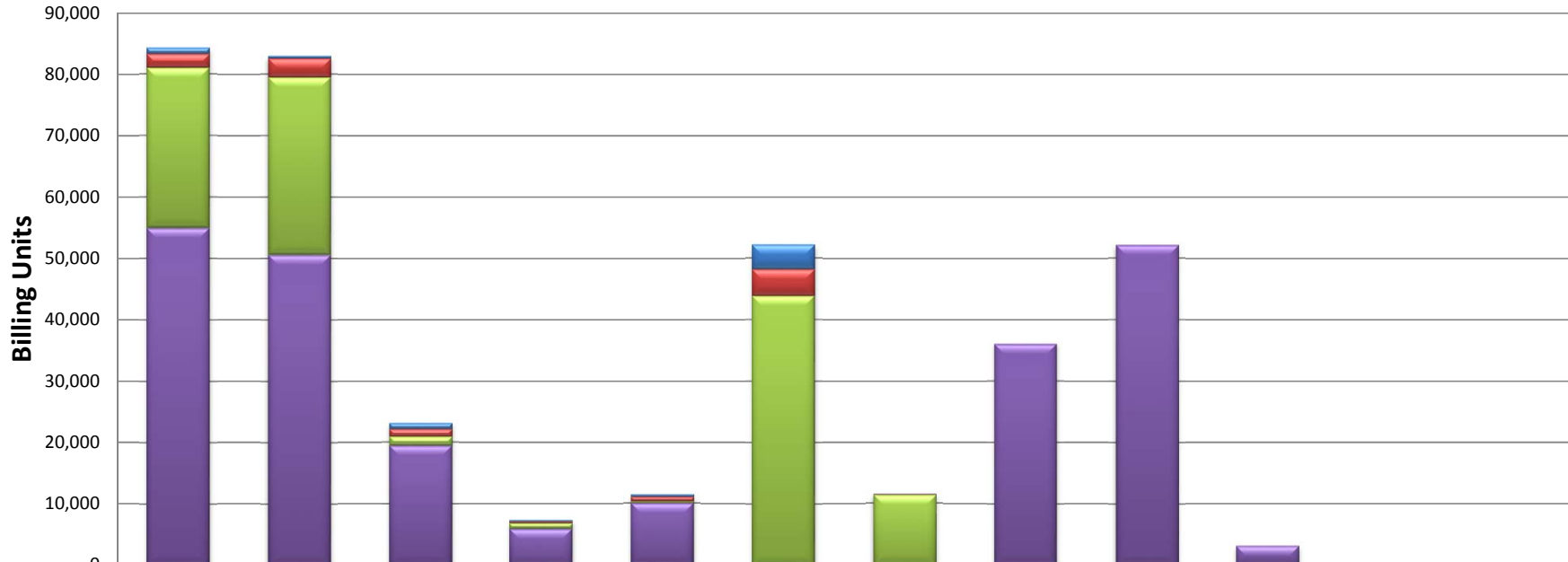
The dues amount listed on this SCAP INVOICE is based upon this formula. Should there be a change in your ADF from last year, or if there is any discrepancy, please notify the SCAP office so that a corrected SCAP INVOICE may be sent.

Please make checks payable to:

SCAP
P.O. Box 231565
Encinitas, CA 92024

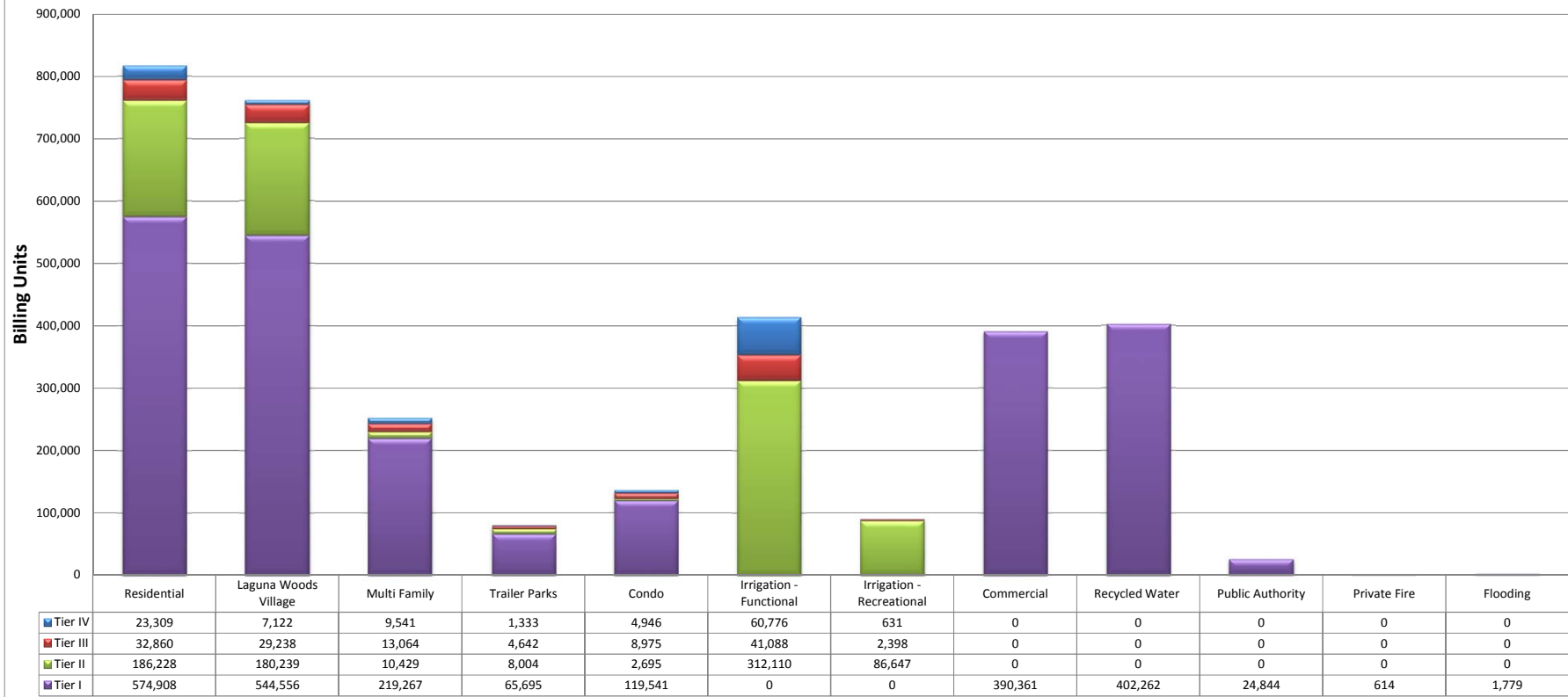
Tax ID #33-0526756
(A Non-Profit Corporation)

June 2017 Water Sales

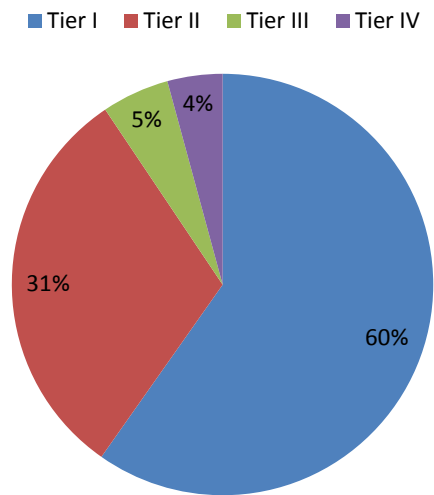


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	988	390	970	221	407	4,003	2	0	0	0	0	0
■ Tier III	2,228	3,081	1,218	263	735	4,337	117	0	0	0	0	0
■ Tier II	26,129	28,930	1,462	893	236	43,876	11,328	0	0	0	0	0
■ Tier I	54,964	50,600	19,456	5,863	10,047	0	0	35,979	52,130	3,078	68	145

Year-to-Date Water Sales as of June 2017

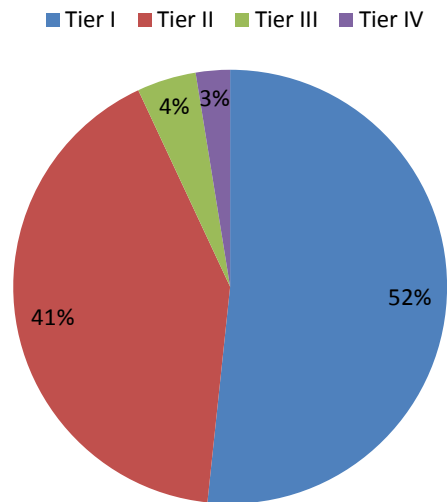


Year to Date Tiered Sales As of June 2017



Year To Date Sales in ccf		
Tier I	1,523,967	59.76%
Tier II	786,352	30.83%
Tier III	132,265	5.19%
Tier IV	107,658	4.22%
	2,550,242	100.00%

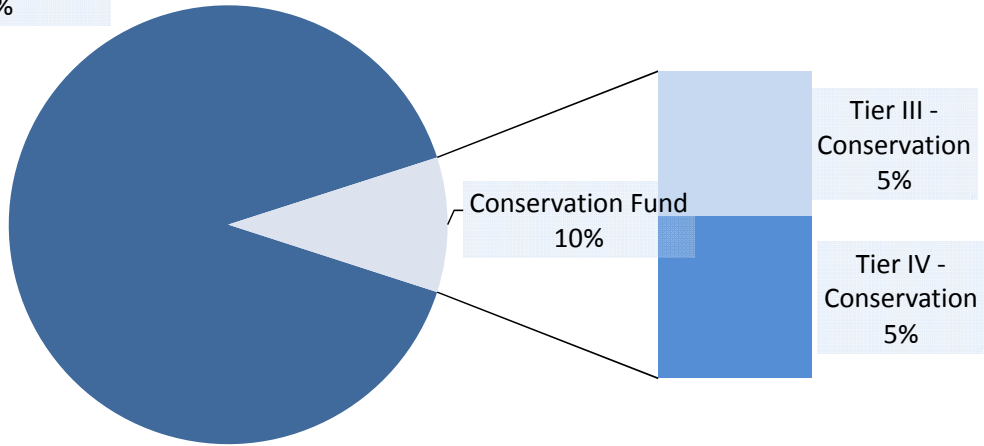
June 2017 Tiered Sales



Current Month Sales in ccf		
Tier I	140,930	51.67%
Tier II	112,854	41.38%
Tier III	11,979	4.39%
Tier IV	6,981	2.56%
	272,744	100.00%

Year to Date Water Sales as of June 2017

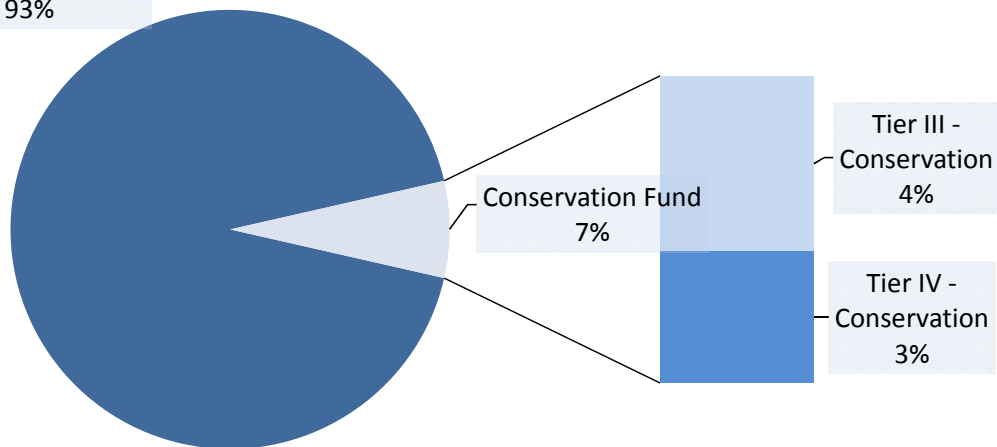
Water Delivery Cost
90%



Category	Billings	Percentage
Water Delivery Cost	\$6,707,115.24	90.06%
Tier III - Conservation	\$350,502.25	4.71%
Tier IV - Conservation	\$389,406.16	5.23%
	\$7,447,023.65	100.00%

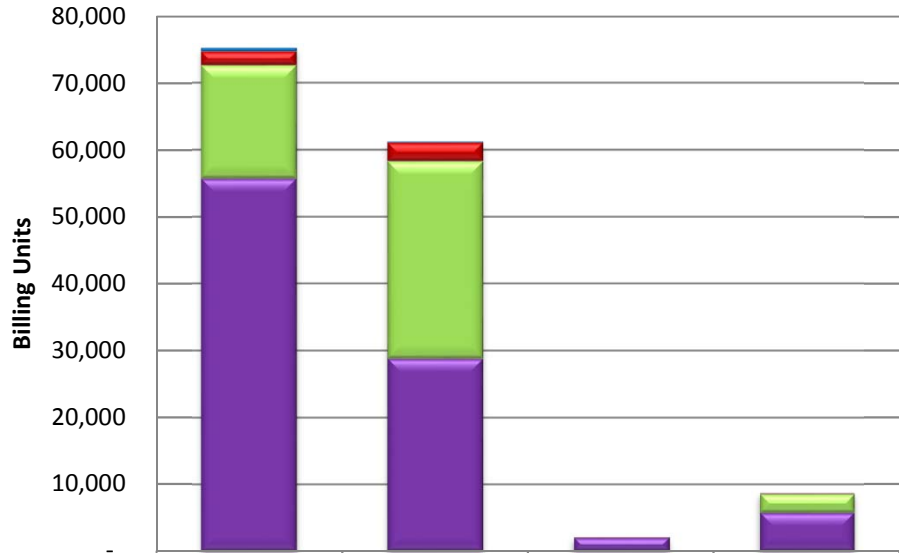
June 2017 Water Sales

Water Delivery Cost
93%



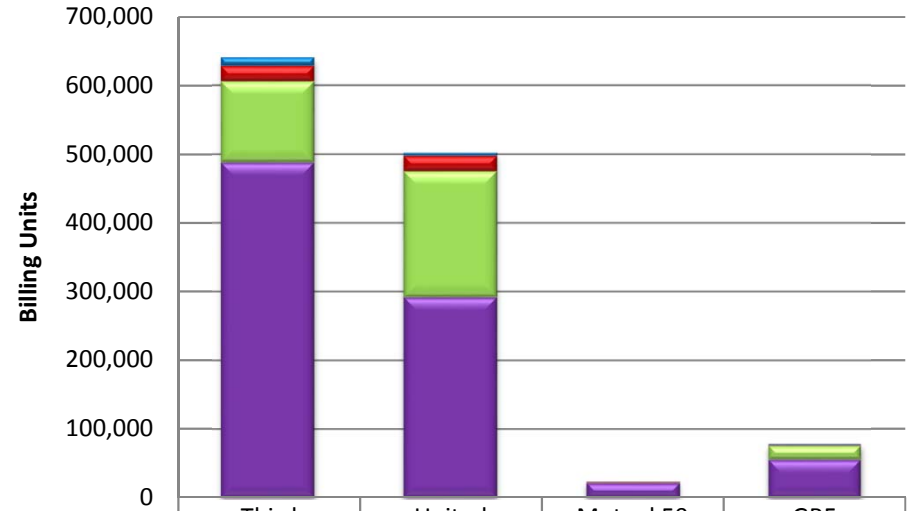
Category	Billings	Percentage
Water Delivery Cost	\$723,652.23	92.88%
Tier III - Conservation	\$31,744.35	4.07%
Tier IV - Conservation	\$23,726.36	3.05%
	\$779,122.94	100.00%

Laguna Woods Village June 2017 Water Sales



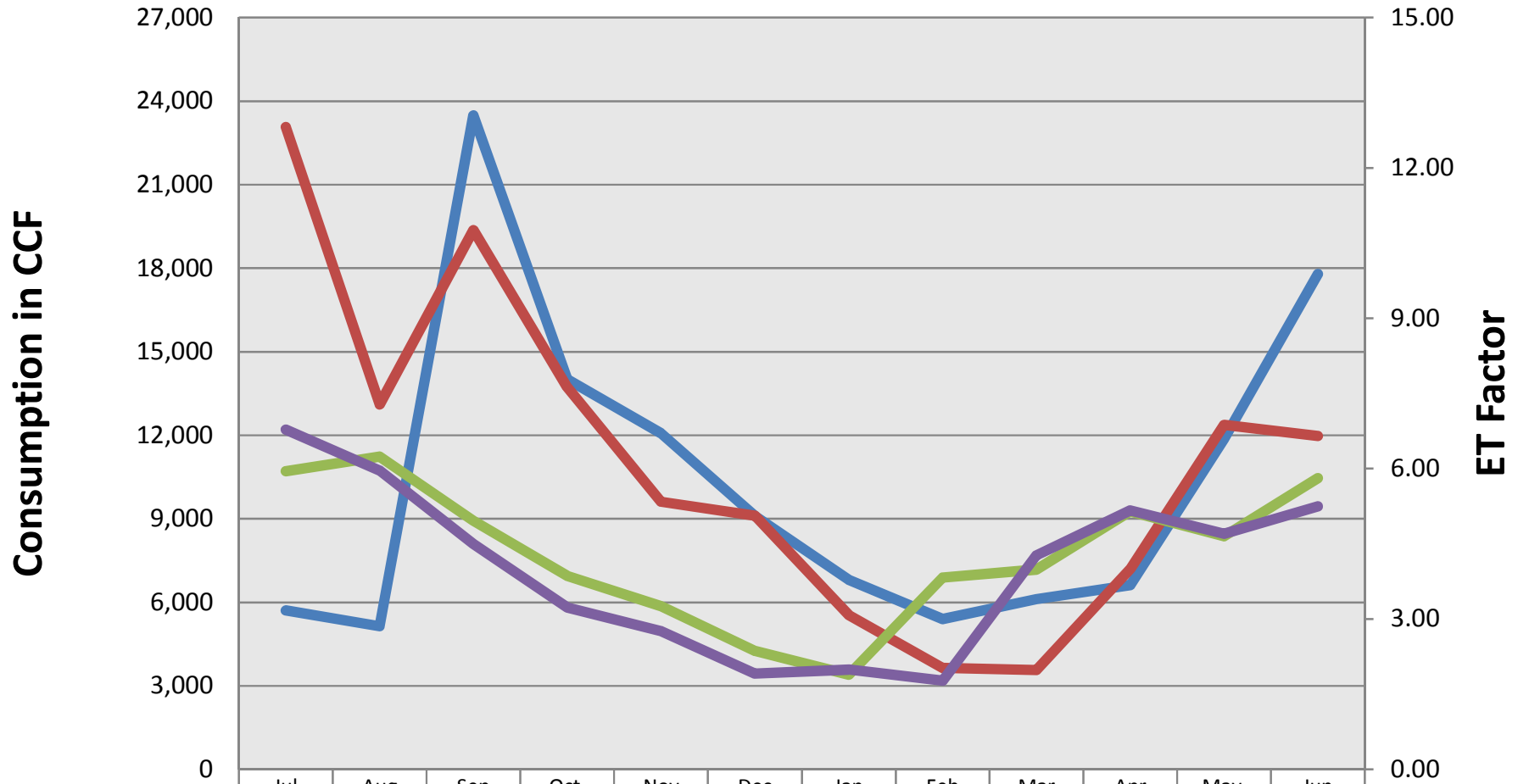
	Third	United	Mutual 50	GRF
■ Tier 4	533	161	-	32
■ Tier 3	2,033	2,778	6	99
■ Tier 2	16,917	29,406	14	2,768
■ Tier 1	55,698	28,854	2,071	5,787

Laguna Woods Village Year-to-Date Water Sales June 2017



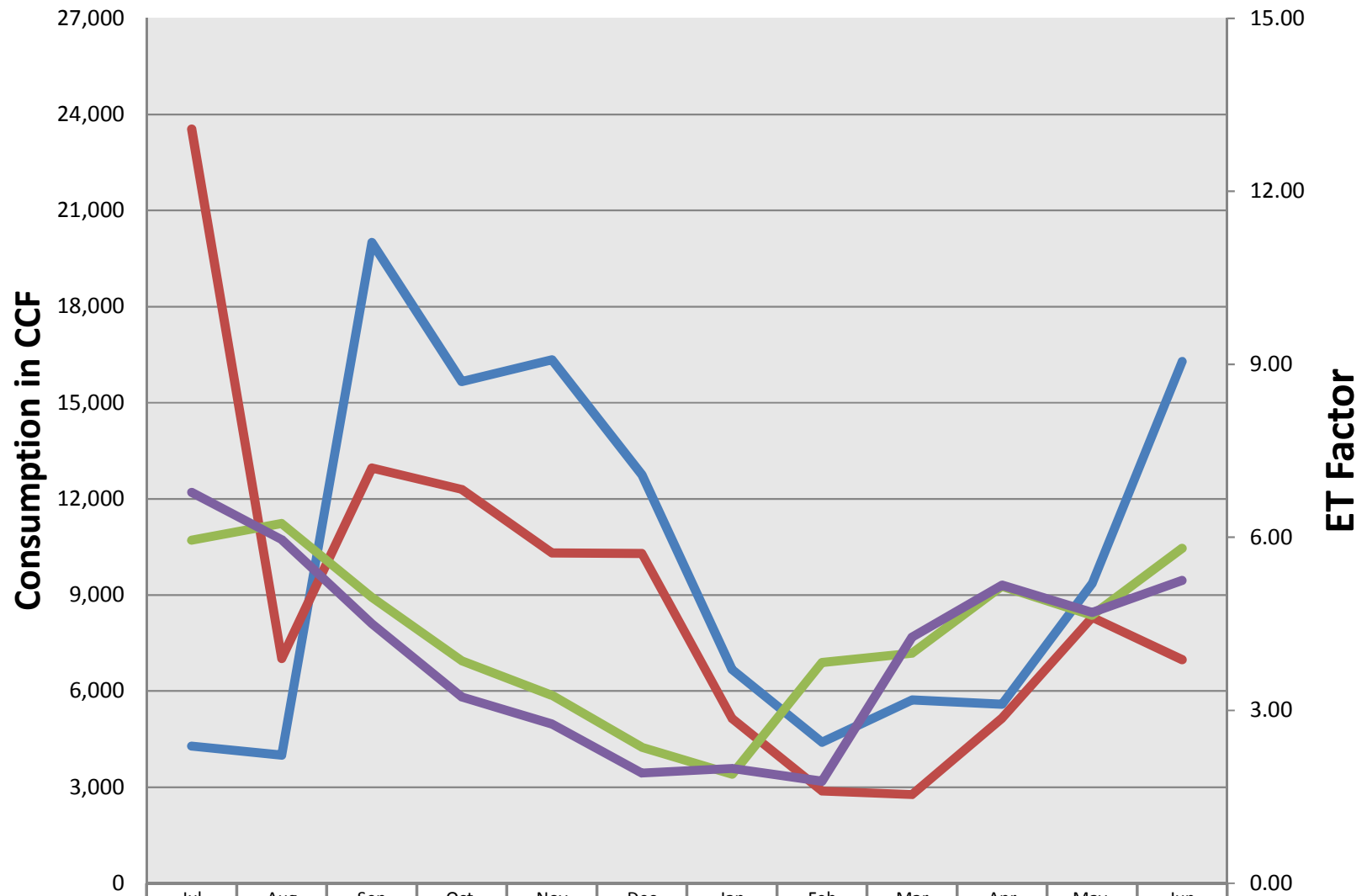
	Third	United	Mutual 50	GRF
■ Tier 4	12,506	4,171	305	1,296
■ Tier 3	22,367	22,721	1,383	1,591
■ Tier 2	118,277	183,003	180	20,071
■ Tier 1	487,897	292,419	21,474	55,690

Tier III Consumption



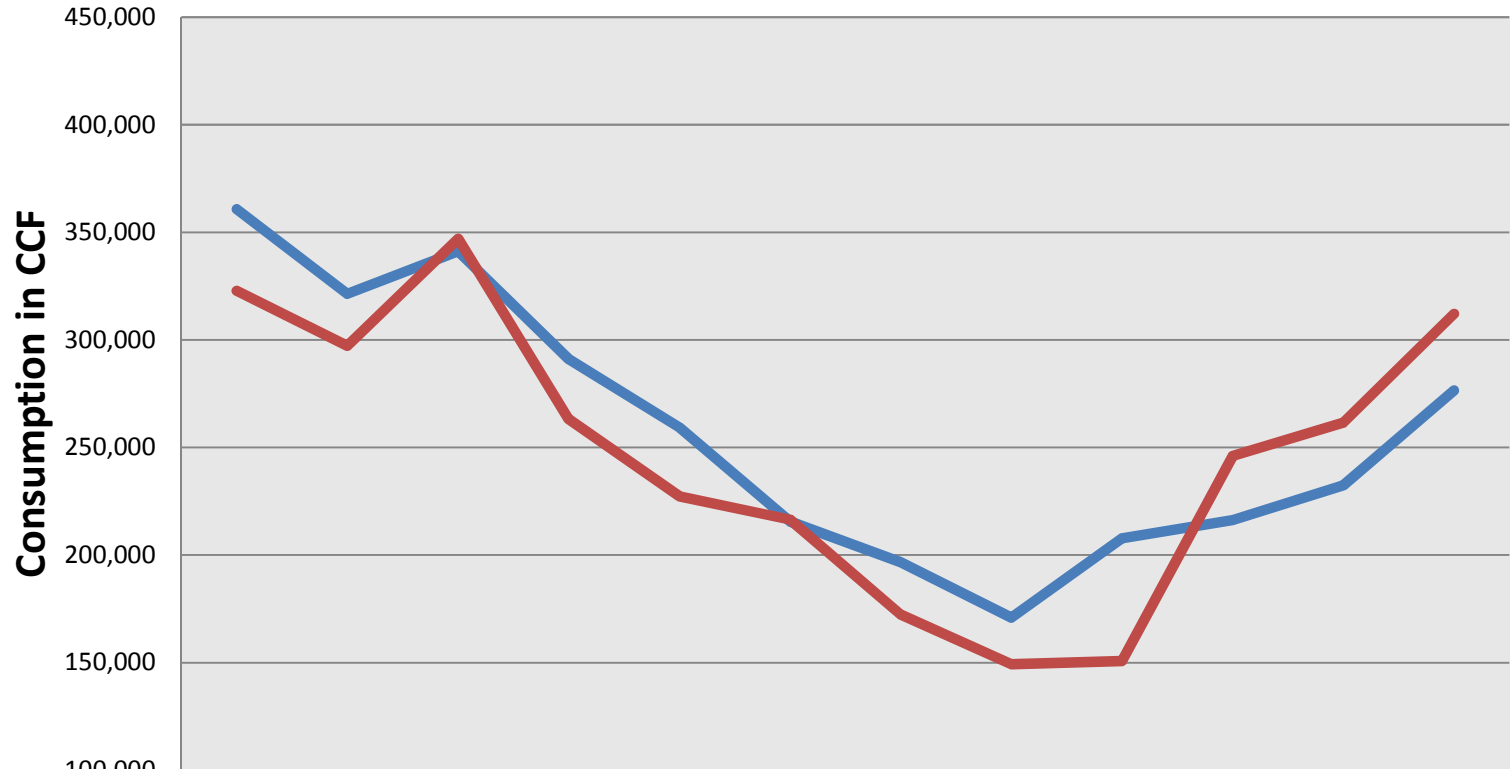
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-2016	5,713	5,141	23,487	14,011	12,067	9,095	6,801	5,392	6,113	6,615	11,854	17,788
2016-2017	23,067	13,103	19,362	13,724	9,614	9,106	5,536	3,639	3,568	7,198	12,369	11,979
15/16 ET	5.95	6.24	4.96	3.86	3.26	2.36	1.89	3.83	3.99	5.15	4.65	5.81
16/17 ET	6.78	5.96	4.50	3.23	2.76	1.91	1.99	1.77	4.27	5.17	4.70	5.25

Tier IV Consumption



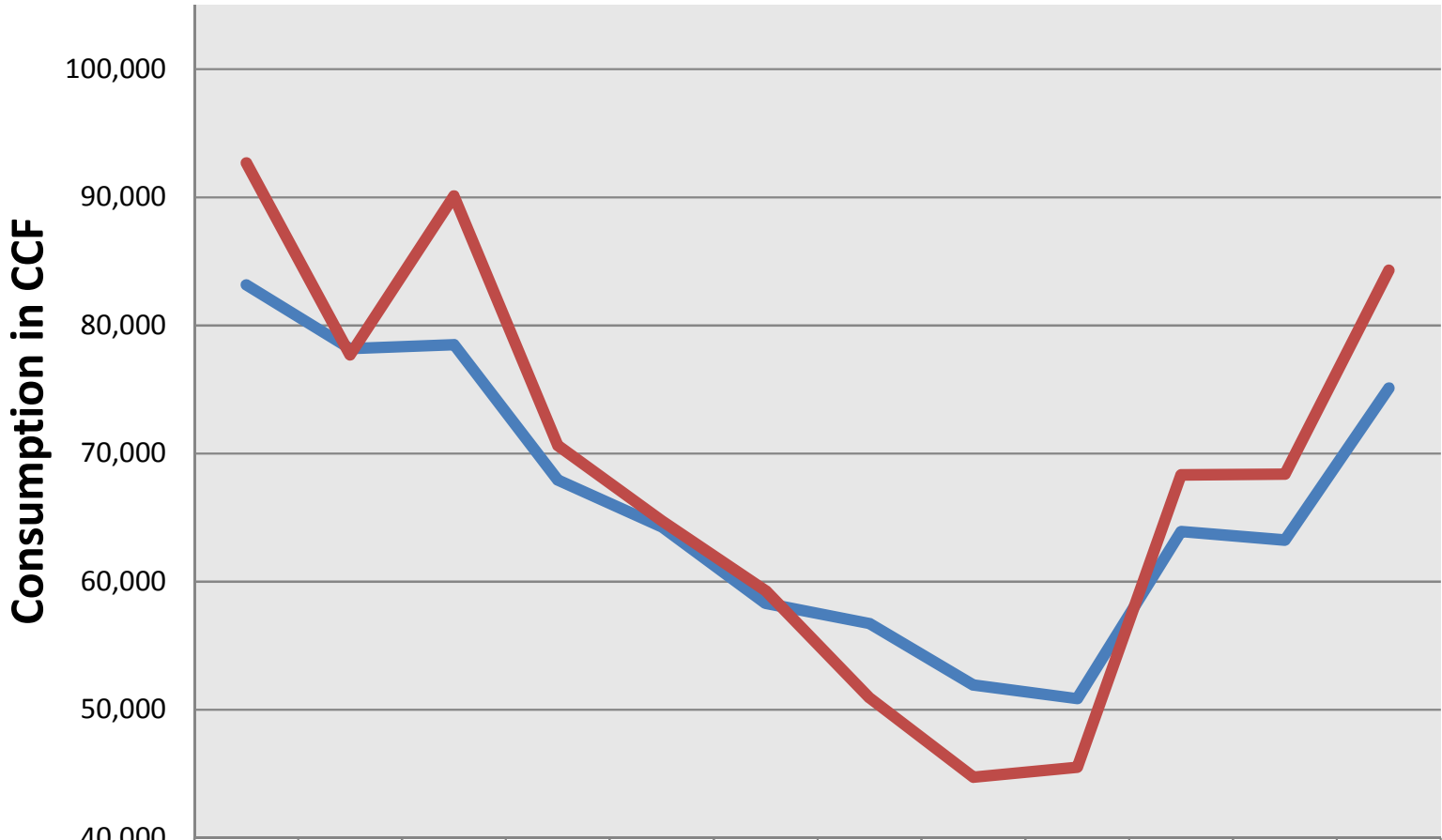
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-2016	4,284	4,000	20,004	15,663	16,340	12,756	6,673	4,405	5,724	5,585	9,365	16,287
2016-2017	23,546	7,013	12,969	12,291	10,308	10,294	5,145	2,883	2,769	5,155	8,304	6,981
15/16 ET	5.95	6.24	4.96	3.86	3.26	2.36	1.89	3.83	3.99	5.15	4.65	5.81
16/17 ET	6.78	5.96	4.50	3.23	2.76	1.91	1.99	1.77	4.27	5.17	4.70	5.25

ETWD Total Consumption



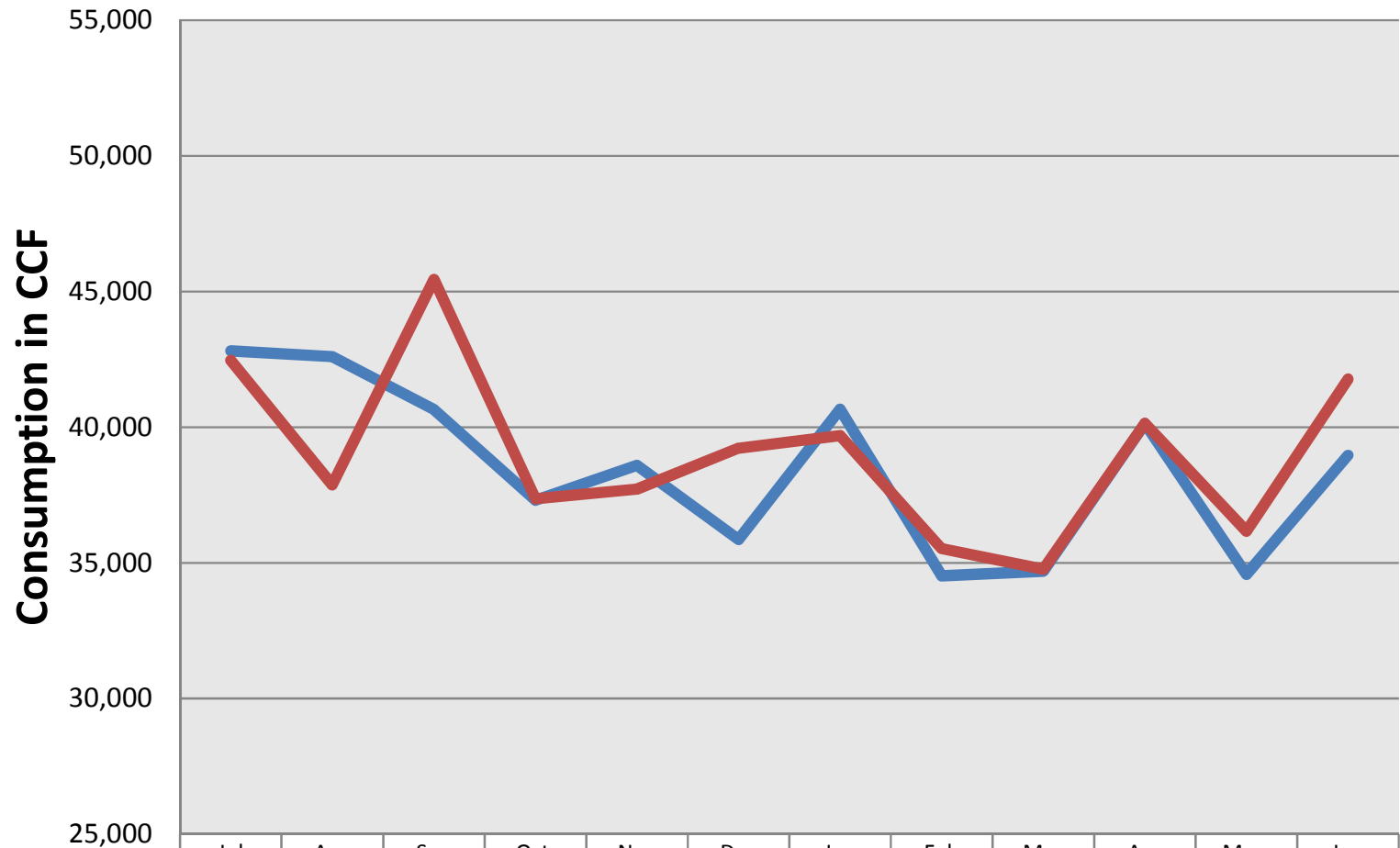
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-2016	360,757	321,451	341,158	291,000	259,272	215,602	196,711	170,879	207,867	216,357	232,370	276,514
2016-2017	322,764	297,273	346,995	263,120	227,277	216,478	172,428	149,232	150,697	246,036	261,524	312,014
%	89%	92%	102%	90%	88%	100%	88%	87%	72%	114%	113%	113%

Single Family Residents Consumption



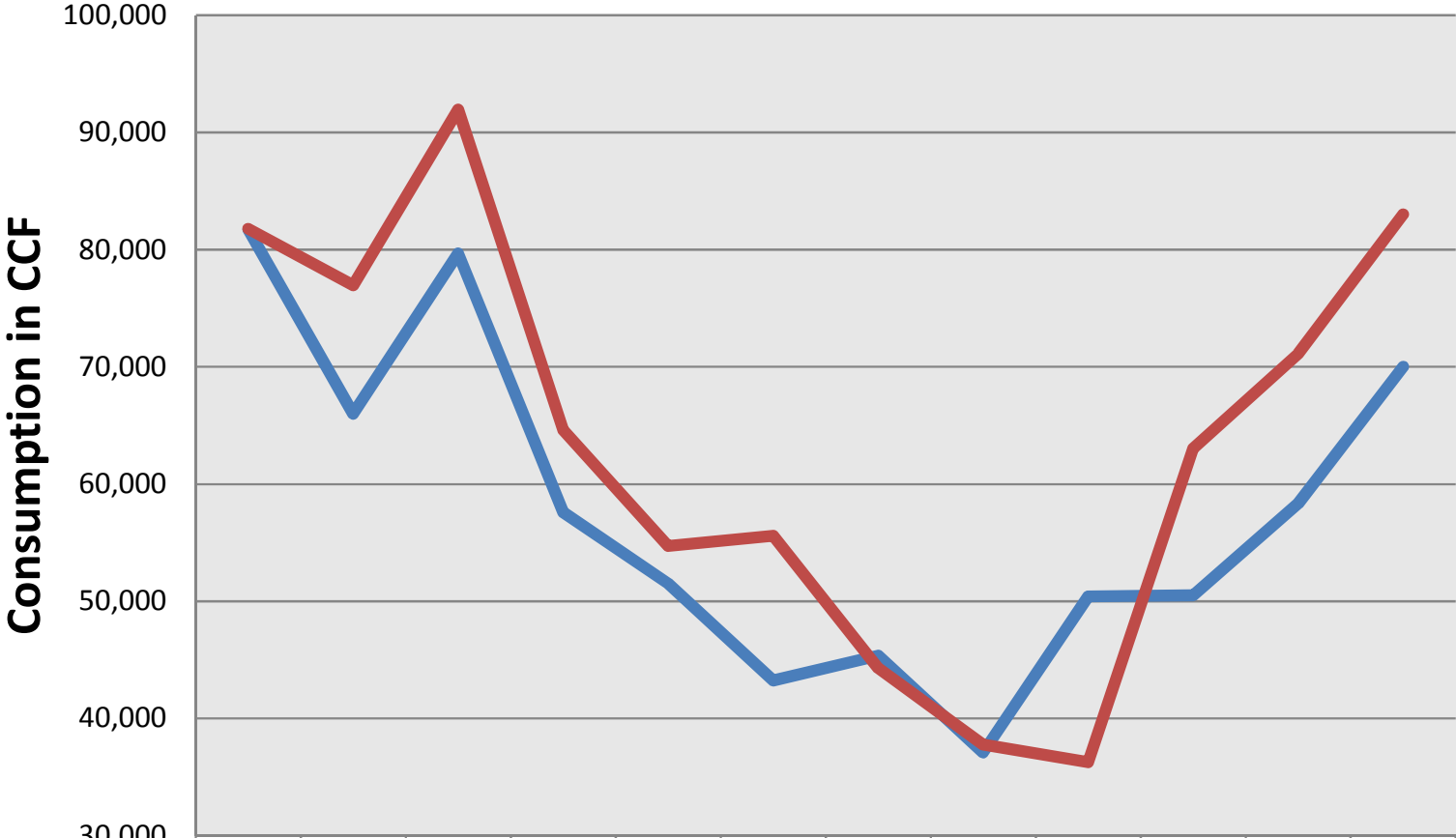
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-2016	83,158	78,181	78,496	67,934	64,268	58,286	56,727	51,903	50,857	63,906	63,244	75,110
2016-2017	92,684	77,685	90,100	70,617	64,741	59,287	50,923	44,723	45,516	68,339	68,377	84,309
%	111%	99%	115%	104%	101%	102%	90%	86%	89%	107%	108%	112%

Multi Family Residents Consumption



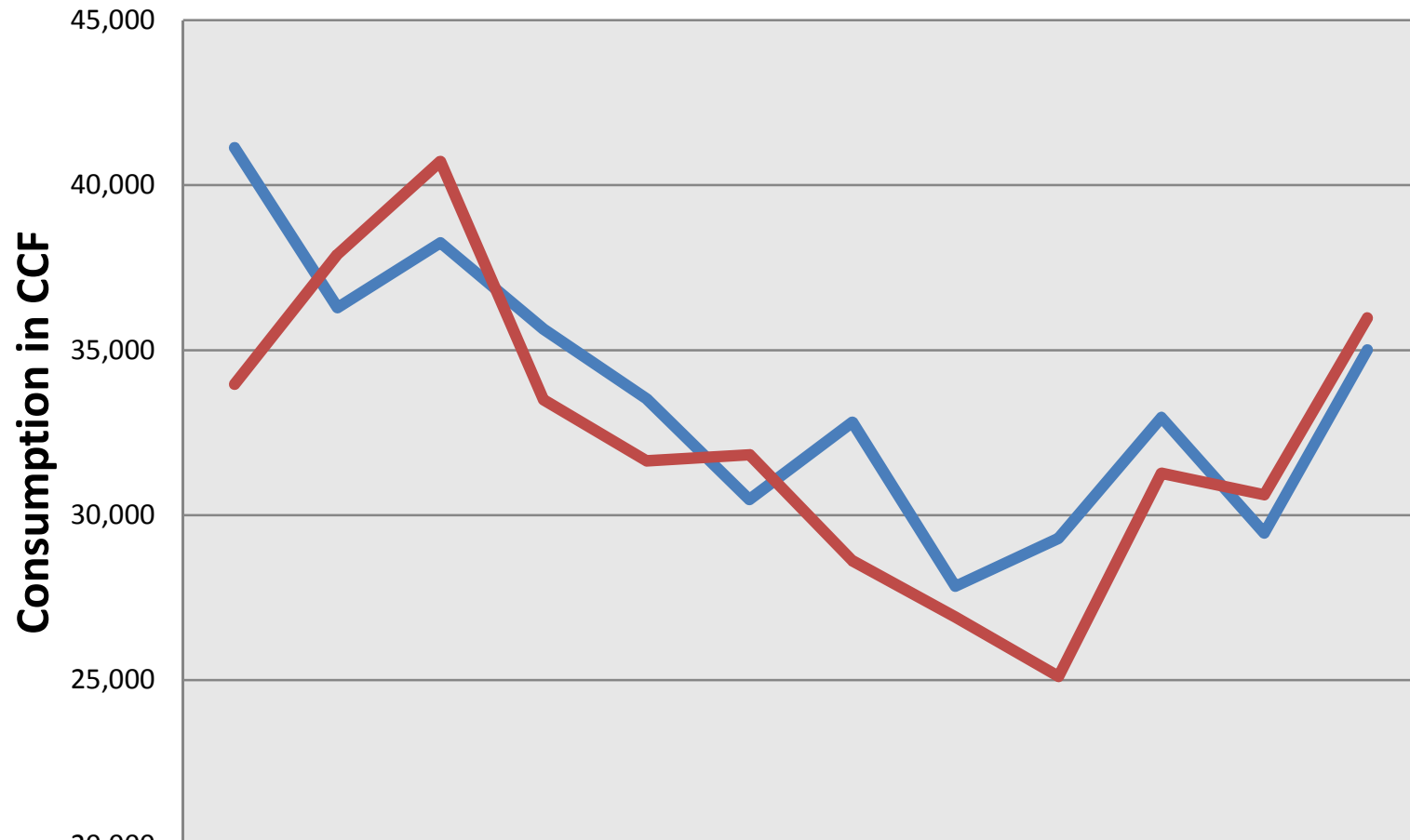
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-2016	42,811	42,593	40,653	37,307	38,596	35,856	40,655	34,520	34,691	40,131	34,578	38,961
2016-2017	42,465	37,872	45,442	37,354	37,718	39,233	39,696	35,523	34,761	40,142	36,164	41,773
%	99%	89%	112%	100%	98%	109%	98%	103%	100%	100%	105%	107%

Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



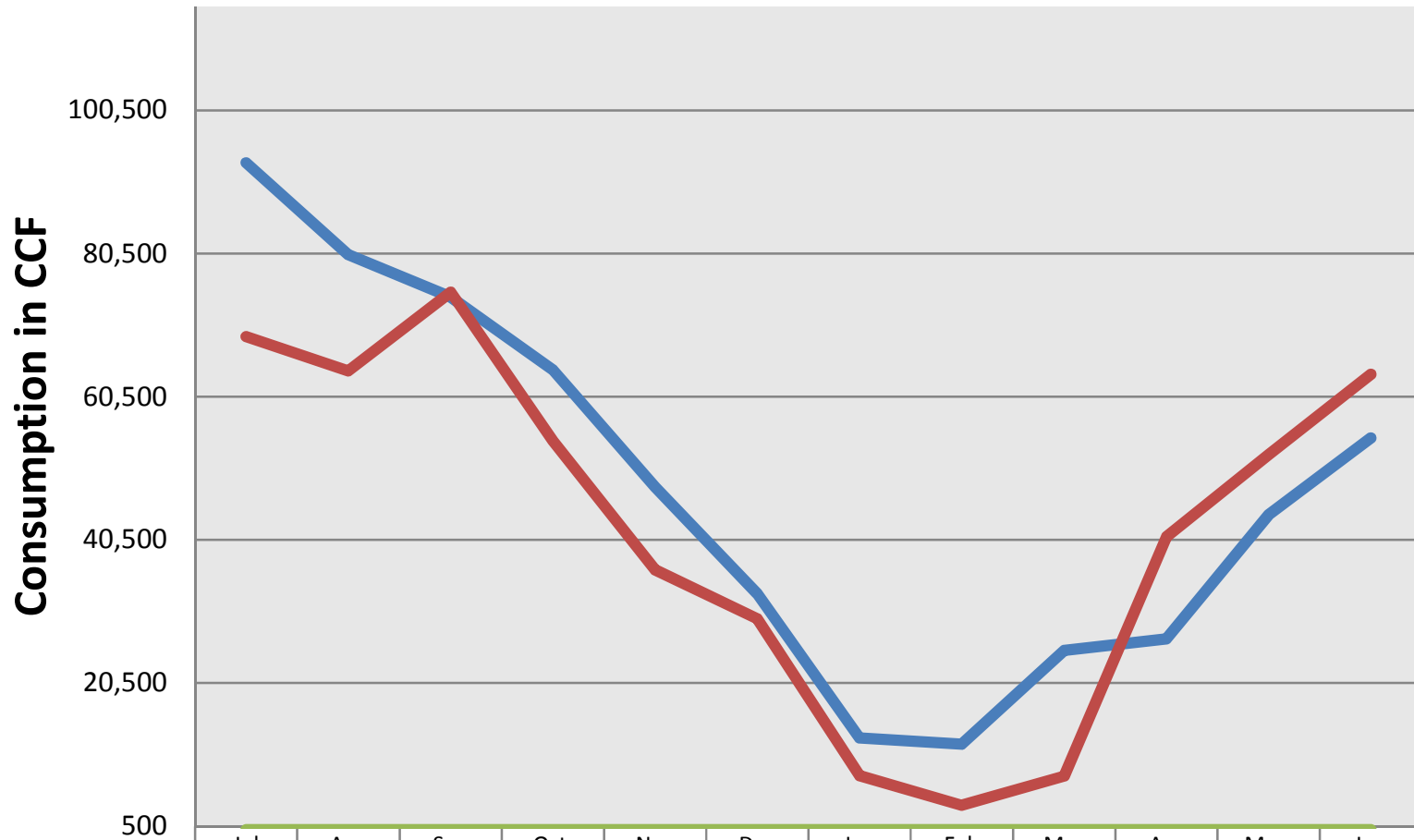
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-2016	81,716	65,997	79,673	57,601	51,517	43,243	45,376	37,111	50,407	50,514	58,349	70,004
2016-2017	81,773	76,968	91,952	64,623	54,727	55,588	44,298	37,794	36,274	63,045	71,112	83,001
%	100%	117%	115%	112%	106%	129%	98%	102%	72%	125%	122%	119%

Commercial Consumption



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-2016	41,134	36,284	38,253	35,634	33,524	30,473	32,819	27,843	29,308	32,958	29,460	35,005
2016-2017	33,963	37,902	40,718	33,489	31,644	31,831	28,616	26,911	25,113	31,267	30,623	35,977
%	83%	104%	106%	94%	94%	104%	87%	97%	86%	95%	104%	103%

Dedicated Irrigation Consumption (including LWV)



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-2016	93,179	80,333	74,419	64,247	47,913	32,990	12,808	11,952	25,080	26,680	44,007	54,713
2016-2017	68,885	64,088	75,109	54,313	36,317	29,491	7,572	3,417	7,527	40,936	52,413	63,663
%	74%	80%	101%	85%	76%	89%	59%	29%	30%	153%	119%	116%

EL TORO WATER DISTRICT

Glossary of Water Terms

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

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

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

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

AFY: Acre-foot per year.

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

AMP: Allen McCulloch pipeline.

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

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

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

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

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

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

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

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

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

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

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

BIA: Building Industry Association.

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

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

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

Brackish water: A mixture of freshwater and saltwater.

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

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

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

CEQA: California Environmental Quality Act.

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

CFS: Cubic feet per second.

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

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

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

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

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

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

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

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

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

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

Crisis:

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

CTP Coastal Treatment Plant

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

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

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

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

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

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

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

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

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

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

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

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

Disinfection: Water treatment which destroys potentially harmful bacteria.

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

Drought: A prolonged period of below-average precipitation.

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

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

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

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

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

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

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

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

Estuary: Where fresh water meets salt water.

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

FCH Federal Clearing House – Environmental Review/Processing

FEMA Federal Emergency Management Agency

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

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

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

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

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

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

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

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

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

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

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

Ground Water Replenishment System (GWRS): A joint project of the Orange County Water District and the Orange County Sanitation District that will provide up to 100,000 acre-feet of reclaimed water annually. The high-quality water will be used to expand an existing underground seawater intrusion barrier and to replenish the groundwater basin underlying north and central Orange County.

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

GPM: Gallons per minute.

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

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

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

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

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

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

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

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

LAIF Local Agency Investment Fund. Statewide pool of surplus public agency money managed by State Treasurer.

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

MAF: Million acre feet.

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

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

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

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

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

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

NPDES National Pollution Discharge Elimination System

OCBC: Orange County Business Council.

OCEMA Orange County Environmental Management Agency

OCWD: Orange County Water District.

Opportunity:

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

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

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

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

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

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

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

Potable water: Suitable and safe for drinking.

PPB: Parts per billion.

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

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

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

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

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

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

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

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

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

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

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

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

RFP Request for Proposal

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

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

R-O-W Right-of-way

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

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

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

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

SAFRA Santa Ana River Flood Protection Agency

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

SAWPA: Santa Ana Watershed Project Authority.

SCADA Supervisory Control and Data Acquisition

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

SCH State Clearing House – Environmental Review/Processing

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

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

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

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

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

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

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

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

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

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

SJBA San Juan Basin Authority

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

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

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

SRF State Revolving Fund

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

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

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

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

SWRCB State Water Resources Control Board

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

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

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

TMA: Too many acronyms.

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

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

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

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

VE Value Engineering

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

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

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

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

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.