

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.



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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**

**March 20, 2018**

**7:30 a.m.**

**CALL TO ORDER** – Director Vergara

**PLEDGE OF ALLEGIANCE** – President Goldman

**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.)

**ENGINEERING COMMITTEE**

## **CONSENT CALENDAR**

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

1. **Approval of the February 20, 2018 Engineering Committee Minutes** (Reference Material Included)

Consider approving the minutes for the February 20, 2018 Engineering Committee meeting.

**Recommended Action:** Approve minutes for the February 20, 2018 Engineering Committee meeting.

2. **Vehicle Replacement** (Reference Material Included)

Staff will review and comment on the proposed purchase of three new fleet vehicles. The total equipment purchase cost is \$95,007.86. The proposed equipment acquisition is within the 2017/18 CFRRP budget which allocated \$100,000 for vehicle replacements.

**Recommended Action:**

Staff recommends that the Board of Directors authorize General Manager to enter into a purchase order with Tuttle Click Ford in the amount of \$95,007.86 for the purchase of two F-350 and one F-150 pickup trucks. Staff further recommends that the Board authorize the General Manager to fund the purchase cost from the designated Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

## **APPROVAL OF ITEMS REMOVED FROM TODAY'S ENGINEERING COMMITTEE CONSENT CALENDAR**

The Board will discuss items removed from today's Engineering Committee Consent Calendar requiring further discussion.

**Recommended Action:** The Board will be requested to approve the items removed from today's consent Calendar.

## **ENGINEERING GENERAL INFORMATION ITEMS**

3. **EI Toro Water District Capital Project Status Report**  
(Reference Material Included)

Staff will review and comment on the EI Toro Water District Capital Project Status Report.

4. **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**

**CONSENT CALENDAR**

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

5. **Approval of the February 20, 2018 Finance Committee Minutes**  
(Reference Material Included)

Consider approving the minutes for the February 20, 2018 Finance Committee meeting.

**Recommended Action:** Approve minutes for the February 20, 2018 Finance Committee meeting.

6. **Financial Package - Authorization to Approve Bills for Consideration dated March 20, 2018 and Receive and File Financial Statements as of February 28, 2018** (Reference Material Included)

Staff will review and comment on the Bills for Consideration dated March 20, 2018 and Receive and File Financial Statements as of February 28, 2018.

**Recommended Action:** 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 March 20, 2018, and 2) receive and file the Financial Statements for the period ending February 28, 2018.

7. **Mission Viejo Chamber of Commerce Membership Renewal** (Reference Material Included)

Staff will review and comment on the District's membership renewal of the Mission Viejo Chamber of Commerce.

**Recommended Action:** Staff recommends that the Board of Directors renew membership at the \$500 Bronze Level of the Mission Viejo Chamber of Commerce.

## **APPROVAL OF ITEMS REMOVED FROM TODAY'S FINANCE COMMITTEE**

### **CONSENT CALENDAR**

The Board will discuss items removed from today's Finance Committee Consent Calendar requiring further discussion.

**Recommended Action:** The Board will be requested to approve the items removed from today's consent Calendar.

### **FINANCIAL ACTION ITEMS**

8. **HighMark Authorization to Enter Into Advisory Service Agreement/Advisory Services Agreement Management Fee Addendum**  
(Reference Material Included)

Staff will review and comment on the necessity to update and execute the 1) Authorization to Enter into Advisory Services Agreement, and 2) Advisory Services Agreement Investment Management Fee Addendum between ETWD and HighMark.

**Recommended Action:** Staff recommends that the Board of Directors 1) authorize President Scott Goldman, Treasurer Mark Monin, Secretary Robert Hill, and Assistant Secretary Dennis Cafferty to execute the Authorization to Enter into Advisory Services Agreement between ETWD and HighMark and 2) authorize President Scott Goldman and Secretary Robert Hill to execute the Advisory Services Agreement Investment Management Fee Addendum between ETWD and HighMark inclusive of any changes reviewed and approved by the Board at today's meeting.

9. **California Asset Management Trust (CAMP) Notice of Solicitation of Written Consent of Trustees & Approval of Amendments to Authorized Investments**  
(Reference Material Included)

Staff will review and comment on the Notice of Solicitation of Written Consent of appointed Trustees and Approval of Amendments to Authorized Investments Policy. To be effective, the Consent must be received by the Trust no later than April 23, 2018.

**Recommended Action:** Staff is recommending that the Board of Directors consider 1) Consenting to all seven individuals appointed to serve as Trustees for the ensuing year and 2) approving amendments to authorized investments policy.

## FINANCIAL INFORMATION ITEMS

**10. Director Benefit Survey (Oral Report)**

Staff will provide an update on the Director Benefit Survey which is in process.

**11. 2018/19 Fiscal Year Budget/Cost of Service Evaluation/Preparation and Tentative Schedule Status Report (Reference Material Included)**

Staff will review and comment on the 2018/19 fiscal year Budget/Cost of Service Evaluation/Preparation and Tentative Schedule.

**12. 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 54956.96 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., Tuesday, April 24, 2018.

*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 Welsh.*

MINUTES OF THE REGULAR MEETING  
OF THE  
ENGINEERING COMMITTEE MEETING

February 20, 2018

Chairman Vergara called the Meeting of the Engineering Committee to order at 7:30 a.m. on February 20, 2018.

Director Monin led in the Pledge of Allegiance to the flag.

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

NEELY SHAHBAKHTI, Finance Manager/Controller, was absent.

Also present were ROBERT R. HILL, General Manager/Secretary, DENNIS P. CAFFERTY, Assistant General Manager/District Engineer, JUDY CIMORELL, Human Resources Manager, RICK OLSON, Operations Superintendent, GILBERT J. GRANITO, POLLY WELSCH, Recording Secretary, and KATHRYN FRESHLEY, Customer.

Oral Communication/Public Comment

Ms. Freshley stated that staff and the contractors for the Recycled Water Project are going smoothly.

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.

Consent Calendar

Mr. Hill stated that the agendas are now in a new format, with some of the Action Items placed on the Consent Calendar. He further stated that these items would be approved by one Motion unless a Board member or a member of the public requests separate action or discussion on a specific item.

Director Monin asked to pull item #2 and item #3 for further clarification.

Chairman Vergara asked for a Motion.

Motion: President Goldman made a Motion, seconded by Director Adjarian, and unanimously carried across the Board to approve the Consent Calendar, with items #2 & 3 pulled. The Consent Calendar consists of 1) January 22, 2018 Engineering meeting minutes, 2) A/C Pavement Repair and Maintenance at Main Office, and 3) Backhoe Replacement.

Roll Call Vote

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

Approval of Items Removed from Today's Engineering Committee Consent Calendar

A/C Pavement Repair and Maintenance at Main Office

Director Monin stated that he surveyed the parking lot and does not think that it looks too bad.

Director Adjarian asked when the parking lot was last paved. Mr. Cafferty replied that it has been at least 15 years.

Mr. Olson explained the areas of the parking lot that need to be removed and replaced, then seal coated.



Mr. Cafferty explained that only approximately 10% of the existing paving is being replaced due to deteriorated conditions.

Chairman Vergara asked for a Motion.

Motion: President Goldman made a Motion, seconded by Director Monin and unanimously carried across the Board to approve the A/C Pavement Repair and Maintenance at the Main Office.

Roll Call Vote

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

Backhoe Replacement

Director Monin asked if the District could get the National Joint Powers Alliance (NJPA) discount on other vehicles that the District purchases. Mr. Cafferty replied that staff is in the process of determining whether this is an option for the District.

Director Monin asked if the District will keep the current Backhoe. Mr. Cafferty replied that the backhoe is not in compliance with current AQMD regulations and staff is reviewing salvage options.

Motion: Director Monin made a Motion, seconded by Director Adjarian and unanimously carried across the Board to approve the Backhoe replacement.

Roll Call Vote

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

## Engineering General Information Items

### El Toro Water District Capital Project Status Report

Mr. Hill stated that Mr. Rick Olson, Operations Superintendent is attending today's meeting, and he has asked Mr. Olson or Mr. Bobby Young, Project Engineer, to attend the Engineering meetings.

### Oso Lift Station Improvement Project

Mr. Cafferty stated that design is in progress, and staff has reviewed and provided comments on the 60% design submittal to Tetra Tech. He further stated that MNWD informed staff that they are willing to consider an emergency overflow connection from the Oso Lift Station to their gravity sewer.

### Phase II Recycled Water Distribution System Expansion Project

Mr. Cafferty stated that pipeline construction is underway on the West Side System and the East Side System.

### 2<sup>nd</sup> Street Pump Station Demo Project

Mr. Cafferty stated that the demo project is complete, and staff has met with the HOA President to ensure the site was acceptable to them. He further stated that staff is working with the HOA on completion of the property quit claim process, as well as working with IRWD on generating an invoice for IRWD to pay a portion of the demo costs.

### Upcoming Projects

Mr. Cafferty stated that an upcoming project will be a vehicle purchase next

month.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

Mr. Cafferty stated that the new turbo blower at the Water Recycling Plant is in service. President Goldman asked if the new blower is providing quantifiable energy savings. Mr. Cafferty replied that he will follow up.

Adjournment

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

Motion: Director Kahn made a Motion, seconded by President Goldman and unanimously carried that today's meeting be adjourned at 7:53 o'clock a.m. to Tuesday, March 20, 2018 at 7:30 o'clock a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Roll Call:

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

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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

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

## VEHICLE REPLACEMENT



### INTRODUCTION AND BACKGROUND

Staff is proposing to purchase three new vehicles as part of the on-going vehicle replacement program. Two of the vehicles will be F-350 pickup trucks to be assigned to the District's Customer Service Department. The third will be an F-150 pickup truck to be assigned to the Pump Stations Department.

In an effort to maximize the useful life of the individual vehicles within the District's fleet, individual truck assignments are rotated based on use and need. As the vehicles age and new vehicles are acquired, the older trucks are rotated to pool status and ultimately rotated out of service. The trucks that are disposed of, typically at auction, are those deemed to be in the poorest condition based on age, mileage and serviceability. The three vehicles that will be replaced by the proposed purchase include an F250 pickup truck that is over 20 years old with over 150,000 miles and two Ford Rangers that are nearly 20 years old and have a history of maintenance problems.

### VEHICLE SPECIFICATION

The entire District fleet of pickup trucks is currently gasoline powered. However, during the development of the vehicle specification Staff evaluated the potential for alternative fueled vehicles. Staff considered electric, propane and natural gas as potential alternative sources of fuel. The evaluation included cost, fuel efficiency, operational efficiency and the underlying environmental benefit of non-gasoline based fuel sources.

**Electric** – Staff spoke to both the National Joint Powers Alliance (NJPA) purchasing consortium and Tuttle Click Ford representatives about the possibility of electric vehicles for the proposed pickup truck application. Neither Ford nor any of the major truck manufacturers currently produce electric vehicles for the pickup truck application. The electric vehicle option simply does not exist for these types of vehicles.

**Propane & Natural Gas** – Staff performed a detailed evaluation of both propane and natural gas as fuel options. These type of vehicles are not currently manufactured with alternative fuel sources as an option. A propane or natural gas fueled pickup truck requires after market retrofits at a cost ranging between \$12,000 to \$14,000 per vehicle. Staff further evaluated whether or not the retrofit cost might be offset by fuel efficiency and fuel cost. Based on Staff’s research, the fuel efficiency of a propane or natural gas fueled vehicle is similar to a gasoline powered vehicle. The current cost of the different fuels is

Gasoline (Bulk Delivery at ETWD fuel station)	\$2.98/gal
Natural Gas (Retail Price at commercial fueling station)	\$3.00/gal
Propane (Retail Price at commercial fueling station)	\$2.78/gal

The unit cost for propane is slightly less than for gasoline. The potential annual savings for the propane option is miniscule relative to the high cost to retrofit the vehicles.

The currently available retail fueling options for Natural Gas are well outside of the District’s service area. Options to fuel a propane vehicle are even more limited with the closest available sties in Anaheim and Oceanside. It also takes considerably longer to fill a fuel tank with propane or natural gas than it does to fill a similar tank with gasoline. The travel and fueling time associated with these alternative fuel options would introduce significant operational inefficiencies. These inefficiencies could be partially mitigated by constructing an on-site fueling station. The expense of constructing and maintaining an alternate fuel facility for a very few vehicles does not appear to be an efficient investment of the District’s resources.

While Staff acknowledges the potential environmental benefits of the alternative fuel options, these benefits would be minor and appear to be far outweighed by the associated cost. It is Staff’s conclusion, after a detailed evaluation, that the current practice of using gasoline powered vehicles for the fleet of pickup trucks is in the continued best interests of the District.

**PROPOSAL EVALUATION**

Based on a specification cooperatively developed by the ETWD Senior Mechanic and Purchasing Agent, Staff solicited and received a proposal from Tuttle Click Ford. Following the successful backhoe purchase through the National Joint Powers Alliance the District also solicited a quote from the NJPA. A summary of the proposals follows:

<b>Vendor</b>	<b>F-350 Pickup Trucks</b>	<b>F-150 Pickup Truck</b>	<b>Total</b>
Tuttle-Click Ford	\$66,068.24	\$28,939.62	\$95,007.86
NJPA	\$69,705.20	\$33,005.14	\$102,710.34

Staff determined, based on the comparison of the Tuttle Click proposal to the NJPA that the Tuttle Click proposal represents the most competitive price.

**BUDGET EVALUATION**

In addition to the purchase price the District incurs additional cost to add certain equipment to the vehicles including light bars, tool boxes, radio installation and miscellaneous accessories. The nature, cost and number of vendors and suppliers providing the utility and safety equipment accessories requires numerous purchase order transactions, all of which, individually, fall within the purchasing authority of the General Manager. The total budget is summarized as follows:

<b>Item</b>	<b>Amount</b>
F-150 Pickup Truck	\$ 28,939.62
F-350 Pickup Trucks	\$ 66,068.24
Miscellaneous	\$ 15,500.00
<b>Total</b>	<b>\$ 110,507.86</b>

The 2017/18 adopted budget for this equipment is \$100,000. The overall cost is slightly over the 2017/18 budget. It should be noted, however, that several of the recent capital equipment purchases have come in well under budget, more than offsetting the slight overage on the vehicle acquisitions. The lead time on the new vehicles is expected to be approximately 8 weeks for the F-150 and approximately 16 weeks for the F-350s.

**Recommended Action:**

Staff recommends that the Board of Directors authorize General Manager to enter into a purchase order with Tuttle Click Ford in the amount of \$95,507.86 for the purchase of two F-350 and one F-150 pickup trucks. Staff further recommends that the Board authorize the General Manager to fund the purchase cost from the designated Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

By: Dennis P. Cafferty

Date: March 14, 2018

# **CAPITAL PROJECT / EQUIPMENT STATUS REPORT**

**March, 2018**

## **I Oso Lift Station Improvement Project**

**Design is in progress. Staff reviewed and provided comments on the 60% design submittal to Tetra Tech. Staff is working with Tetra Tech to develop design drawings for the overflow connection to the nearby MNWD gravity sewer in preparation of a submittal to MNWD. The final design is expected to be complete in April.**

## **II Phase II Recycled Water Distribution System Expansion Project**

### **Construction**

- **West Side System**

**Pipeline construction is underway. Pipeline construction is approximately 50% complete**

- **East Side System**

**Construction is underway. Nearly all of the distribution piping has been installed. The contractor is beginning work on appurtenance installations.**

### **On-Site Retrofits**

**Tetra Tech is working on the site plans that will serve as the construction drawings for the on-site retrofits. Staff is evaluating options for the on-site retrofits contracts. Staff confirmed that MWD has adequate funding for the on-site retrofit rebate program.**

**The following project information items are attached:**

- **Cost Tracking & Estimate**
- **Construction Summary**
- **Change Order Log**
- **Construction Photos**



### **III Main/Field Office Asphalt Pavement Repair**

**The asphalt repair project at the Main Office campus is underway. Staff is working to ensure the repairs in the Main Office parking lot are complete prior to the Demonstration Garden event on March 30. The entire project was expected to be complete by early April. The recent wet weather, however, has created delays. The final schedule will be dependent on the weather.**



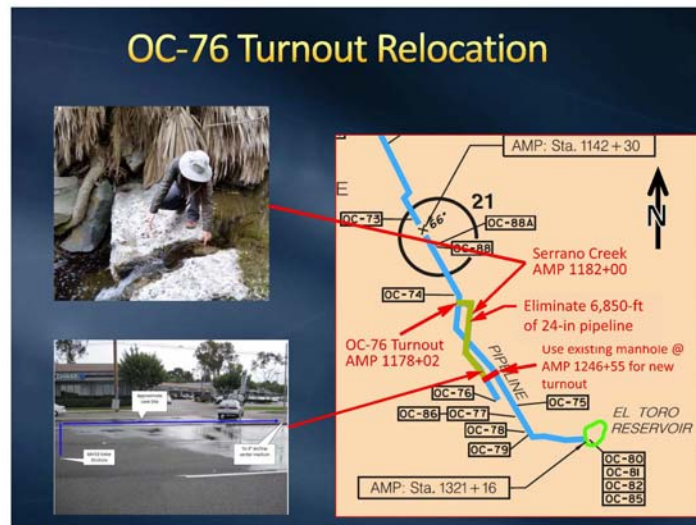
### **IV Backhoe Replacement**

**The new backhoe has been received and is in service.**



V Allen McColloch Pipeline Shutdown

MWD recently shut down the AMP for a planned maintenance project. The shutdown enabled MWD to relocate the turnout to the ETWD OC-76 turnout as well as inspect approximately 9 miles of pipeline. The relocation of the OC-76 turnout connection is particularly beneficial to the District as it eliminated nearly 7,000 feet of 24” pipeline resulting in a significant improvement in reliability for the ETWD AMP supply.



The shutdown commenced shortly after midnight on Monday, March 5. The project was complete and service restored on March 12. During the shutdown ETWD continued to benefit from its investment in the Baker Water Treatment Plant. The majority of the District’s demand was satisfied by the Baker supply thereby minimizing the amount of water needed from the R-6 Reservoir to only 13 million gallons during the duration of the shutdown. Santa Margarita utilized approximately 27 million gallons during the shutdown as well. The total volume of water taken from R-6 amounted to approximately 40 million gallons leaving approximately 235 million gallons in the reservoir.

VI Phase III Recycled Water Distribution System Expansion Project

Staff is working on a high level project summary that will evaluate and compare the costs and benefits of various recycled water project options. Staff is preparing to make a report to the Board, at a conceptual level, in the near future regarding potential future recycled water projects.

**VII            2<sup>nd</sup> Street Pump Station Demolition Project**

Staff has submitted the Quit Claim document to the Carefree El Toro Homeowner's Association for signature. Staff has also sent an invoice for IRWD to pay a portion of the demolition costs.

**VIII           Upcoming Projects**

Staff will provide an update on anticipated projects that will be brought to the Board for approval in the next couple months.

**IX             South Orange County Supply and System Reliability Projects**

**A.            Baker Water Treatment Product Water Conveyance Options**

Moulton Niguel Water District is evaluating their capital projects schedule regarding a potential new turnout on the South County Pipeline that would include a turnout connection dedicated to the ETWD Baker supply. 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).

At a hearing held on October 19 the State Lands Commission approved the Poseidon project as long as Poseidon agrees to eliminate or reduce carbon emissions. Poseidon will 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.**

**PHASE II RECYCLED WATER  
DISTRIBUTION SYSTEM EXPANSION PROJECT  
TOTAL PROJECT COST ESTIMATE**

	Estimate		To Date
	February	March	
<b>Construction</b>			
<b>West Side System</b>			
E.J. Meyer Construciton Contract	\$3,708,888	\$3,708,888	1,379,271.33
Allowance for Utility Conflicts	\$150,000	\$150,000	\$25,625
Contingency	\$175,000	\$175,000	\$6,818
<b>Total</b>	<b>\$4,033,888</b>	<b>\$4,033,888</b>	<b>1,411,714</b>
<b>East Side System</b>			
T.E. Roberts Construction Contract	\$1,262,411	\$1,262,411	528,070
Allowance for Utility Conflicts	\$75,000	\$75,000	
Contingency	\$65,000	\$65,000	
<b>Total</b>	<b>\$1,402,411</b>	<b>\$1,402,411</b>	<b>528,070</b>
<b>Total Construction</b>			
Engineers Estimate	\$4,971,299	\$4,971,299	
Allowance for Utility Conflicts (Contingency)	\$225,000	\$225,000	
Contingency	\$240,000	\$240,000	
<b>Total Construction</b>	<b>\$5,436,299</b>	<b>\$5,436,299</b>	<b>1,939,784</b>
<b>Engineering Design</b>			
Engineering Design (Tetra Tech)	\$241,000	\$241,000	
Retrofit Site Plans	\$66,500	\$66,500	
Easement Exhibits (Tetra Tech)	\$32,500	\$32,500	
<b>Subtotal Design</b>	<b>\$340,000</b>	<b>\$340,000</b>	<b>288,449</b>
<b>Planning</b>			
CEQA (Dudek)	\$67,805	\$67,805	67,805
Funding Research	\$9,701	\$9,701	9,701
SRF Application Support	\$13,536	\$13,536	13,536
<b>Subtotal Planning</b>	<b>\$91,042</b>	<b>\$91,042</b>	<b>91,042</b>
<b>Construction Support</b>			
CEQA Construction Support	\$15,000	\$15,000	5,718
Engineering Construction Support - Tetra Tech	\$145,000	\$145,000	24,410
Construction Management & Inspection - MWH	\$435,991	\$435,991	214,761
Construction Management & Inspection - Geotech	\$85,995	\$85,995	29,789
Labor Compliance Consultant - GSLC	\$42,840	\$42,840	27,664
Public Relations	\$75,000	\$75,000	8,010
Miscellaneous Construction Support	\$75,000	\$75,000	9,628
<b>Subtotal Construction Support</b>	<b>\$874,826</b>	<b>\$874,826</b>	<b>\$319,980</b>
<b>Administration</b>			
Legal	\$50,000	\$50,000	
Funding Research			
SRF Application Support			
Public Relations			
Miscellaneous	\$75,000	\$75,000	
Easements Compensation	\$34,600	\$34,600	
Title Insurance	\$16,500	\$16,500	\$16,500
<b>Subtotal Administration</b>	<b>\$176,100</b>	<b>\$176,100</b>	<b>\$16,500</b>
<b>On Site Conversions/Retrofits Construction</b>	<b>\$700,000</b>	<b>\$700,000</b>	<b>\$0</b>
<b>Total Project</b>	<b>\$7,618,267</b>	<b>\$7,618,267</b>	<b>2,655,754</b>

**PHASE II RECYCLED WATER  
DISTRIBUTION SYSTEM EXPANSION PROJECT**

**CONSTRUCTION SUMMARY**

**EAST SIDE SYSTEM  
PIPELINE INSTALLATION PROGRESS**

DIAMETER	CONTRACT (LF)	INSTALLED (LF)	COMPLETION PERCENTAGE
6"	3,671	3,701	101%
4"	4,002	3,655	91%
<b>TOTAL</b>	<b>7,673</b>	<b>7,356</b>	<b>96%</b>

**Construction Completion**

Progress Billings	\$528,070	39%
Allowance Utilization	\$0	0%
Change Orders	\$0.00	0.0%

**WEST SIDE SYSTEM  
PIPELINE INSTALLATION PROGRESS**

DIAMETER	CONTRACT (LF)	INSTALLED (LF)	COMPLETION PERCENTAGE
10"	1,349	350	26%
6"	949	877	92%
4"	18,343	9,308	51%
<b>TOTAL</b>	<b>20,641</b>	<b>10,535</b>	<b>51%</b>

**Construction Completion**

Progress Billings	\$1,411,714	37%
Allowance Utilization	\$58,384.19	39%
Change Orders	\$20,424.86	0.5%

**TOTAL DISTRIBUTION SYSTEM  
PIPELINE INSTALLATION PROGRESS**

DIAMETER	CONTRACT (LF)	INSTALLED (LF)	COMPLETION PERCENTAGE
10"	1,349	350	26%
6"	4,620	4,578	99%
4"	22,345	12,963	58%
<b>TOTAL</b>	<b>28,314</b>	<b>17,891</b>	<b>63%</b>

**Construction Completion**

Progress Billings	\$1,939,784	37%
Allowance Utilization	\$58,384.19	26%
Change Orders	\$20,424.86	0.4%

**PHASE II RECYCLED WATER  
DISTRIBUTION SYSTEM EXPANSION PROJECT  
CONSTRUCTION CHANGE ORDER SUMMARY**

<b>PROJECT</b>	<b>ORIGINAL CONTRACT VALUE</b>	<b>TOTAL CHANGE ORDERS</b>	<b>CHANGE ORDER PERCENTAGE</b>
<b>EAST SIDE SYSTEM PROJECT</b>	<b>1,337,411</b>	<b>0</b>	<b>0.0%</b>
<b>WEST SIDE SYSTEM PROJECT</b>	<b>3,858,888</b>	<b>20,425</b>	<b>0.5%</b>
<b>TOTAL</b>	<b>5,196,299</b>	<b>20,425</b>	<b>0.4%</b>

**West Side System**

Change Order No. 1	\$6,817.99	Additional pipeline cost due to Hurricane Harvey related supply issues.
Change Order No. 2	\$0.00	Davis Bacon Wages
Change Order No. 3	\$13,606.87	Work delays due to unknown concrete in trench
<b>Total Change Orders</b>	<b>\$20,424.86</b>	
<b>Revised Contract Amount</b>	<b>\$3,879,312.86</b>	

**PHASE II**  
**RECYCLED WATER DISTRIBUTION SYSTEM**  
**EXPANSION PROJECT**  
**WEST SIDE SYSTEM**

**CONSTRUCTION PHOTOS**





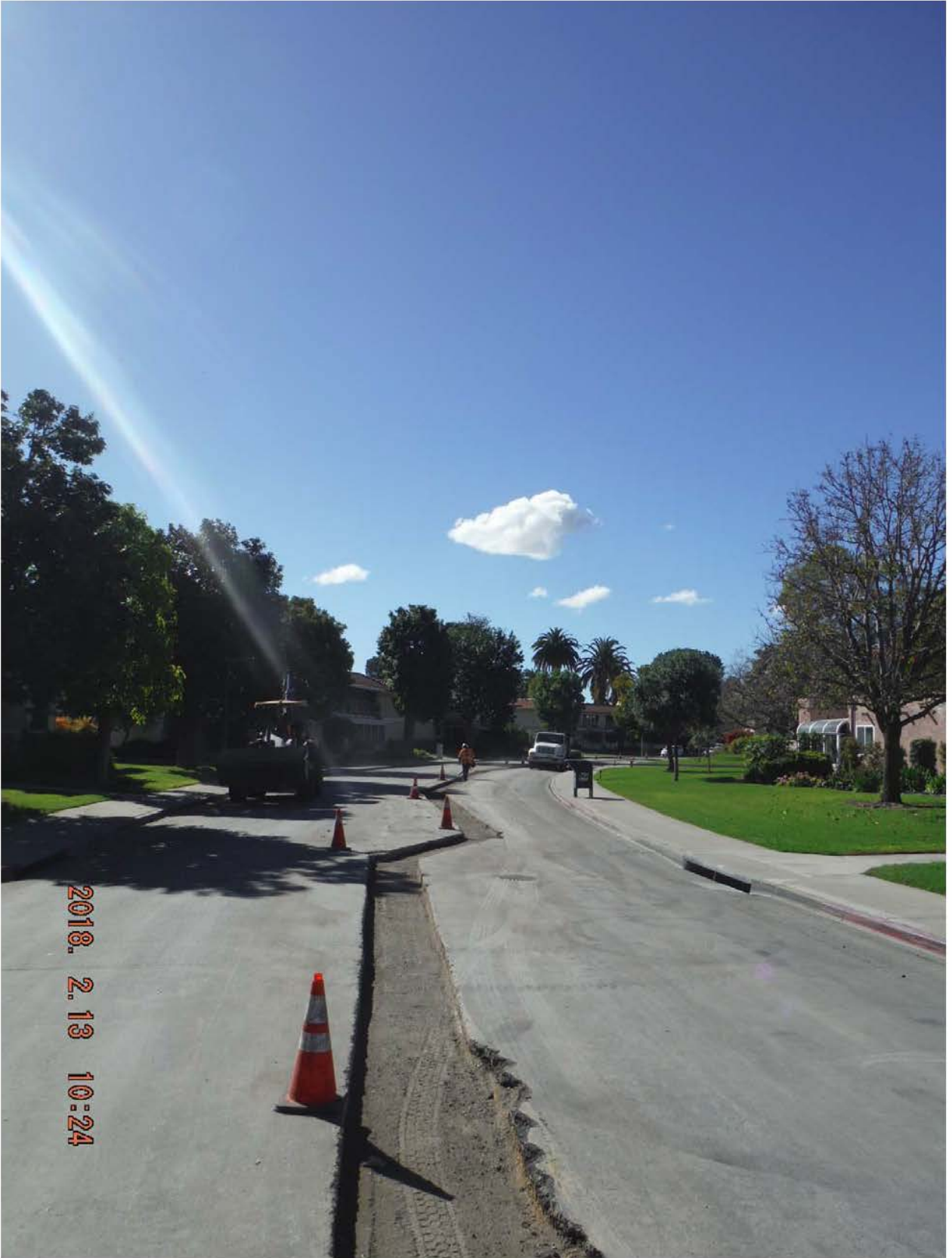




**PHASE II**  
**RECYCLED WATER DISTRIBUTION SYSTEM**  
**EXPANSION PROJECT**  
**EAST SIDE SYSTEM**

**CONSTRUCTION PHOTOS**





2018. 2. 13 10:24







**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
<i>2017/18 Capital Projects</i>															
1	Recycled Water Phase II	B	A	C	A	C	C	C	C	C	C	C	C	\$10,000,000	\$5,863,285
2	Replace R-6 Sodium Hypochlorite Tanks	E	E	E	Deferred to 1819 Fiscal Year									\$210,000	\$0
3	Oso Lift Station Improvement Project	E	E	E	E	E	E	E	E	E	E	B	A	\$1,000,000	
4	AMR / AMI Implementation									RFP	RFP			\$200,000	
5	Master Plan Update									RFP	RFP	A	E	\$350,000	
6	A/C Pavement Repair and Maintenance at Los Alisos Facility						E	B	A	C				\$100,000	\$90,278
<i>2017/18 Capital Equipment</i>															
1	Also Creek Lift Station Spare Grinder			Quote is <\$50K. Will be Purchased Under GM Authority										\$52,500	\$0
2	Northline Lift Station Spare Grinder			A										\$84,000	\$82,946
3	WRP Tractor				Deferred Pending Completion of Solids Handling Study									\$200,000	\$0
4	Vehicle Replacement									A		R		\$100,000	
5	250KW Portable Emergency Generator		A											\$210,000	\$141,826
6	Backhoe								A		R			\$168,000	\$130,923
													<b>Total</b>	<b>\$12,674,500</b>	<b>\$6,309,258</b>

E = Engineering/Study  
C = Construction  
O = Order

R = Receive  
P = Permit  
CQ = CEQA

RFP = Request for Proposal  
B = Bid  
A = Approve by Board

ET = Evaluate  
M = Monitoring  
BP = Board Presentation

N = Negotiate

CO = Carry Over

Revised 03/13/18

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

February 20, 2018

Director Monin called the Meeting of the Finance/Insurance Committee to order at 7:54 a.m. on February 20, 2018.

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

NEELY SHAHBAKHTI, Finance Manager/Controller, was absent.

Also present were ROBERT R. HILL, General Manager/Secretary, DENNIS P. CAFFERTY, Assistant General Manager/District Engineer, JUDY CIMORELL, Human Resources Manager, RICK OLSON, Operations Superintendent, GILBERT J. GRANITO, POLLY WELSCH, Recording Secretary, and KATHRYN FRESHLEY, Customer.

Consent Calendar

Mr. Hill stated that the agendas are now in a new format, with some of the Action Items placed on the Consent Calendar. He further stated that these items would be approved by one Motion unless a Board member or a member of the public requests separate action or discussion on a specific item.

Director Monin asked for a Motion to approve the Consent Calendar.

Motion: President Goldman made a Motion, seconded by Director Vergara and unanimously carried across the Board to approve the Finance/Insurance Committee Consent Calendar, which includes 1) January 22, 2018 FIC minutes, 2) Finance report approval to pay the bills, and 3) Lake Forest Chamber of Commerce membership

renewal.

Roll Call Vote

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

Finance Information Items

Status Report on Responses to the SageView Report

Mr. Hill stated that staff is working with HighMark and Prudential regarding SageView's report on findings and recommendations. He further stated that in Sageview's report with regard to the 401(k) Plan there were 8 different findings and/or recommendations.

Mr. Hill stated that one of the findings was a recommendation for a smoother glide path, which currently there are 4 portfolios in 10-year increments. He further stated that the Management Fee was discussed, and custom benchmarks with the idea being to get rid of one of the two and have only one benchmark.

Mr. Hill stated that some of the funds were reviewed.

Mr. Hill stated that Sageview and HighMark agreed that we should add two or three additional portfolios to the group, and instead of 10-year increments they will be in 5-year increments. He further stated that asset allocation and equity exposure in each of the portfolios will be reviewed.

Mr. Hill stated that staff will review the changes with the ERISA Counsel and follow guidelines to notice the participants and educate them. He further stated that a Special meeting will need to be held to discuss any portfolio changes and the

introduction of passive funds to reduce transactional fees.

Vice President Kahn asked if the risk at each portfolio level is a concern. Mr. Hill replied yes, and it will be a consideration before making any equity allocation changes.

Mr. Hill stated that currently the fee for the 401(k) Plan is 45 basis points for the first \$15 million, and 40 basis points for anything over that. He stated that it averages to 44 basis points. Mr. Hill stated that there are opportunities to reduce the embedded fee in the index funds.

Mr. Hill stated that staff met with Prudential on the 457 Plan, which is participant driven on the investment funds. He further stated that Prudential will come in to discuss their process on selecting funds, monitoring funds, and watch list funds.

Director Monin stated that he uses an FI 360 evaluator to review funds in the program, and he feels it would be important to analyze the funds in the program.

Mr. Hill stated that there is an oversight committee that review the funds in the 457 Plan. He further stated that he asked for a scope of service from Prudential.

Mr. Hill stated that the funds should be reviewed by the Board periodically, then Prudential monitors the funds performance, record-keeping, and administers transition in the portfolios. He further stated that they also offer one-on-one discussions with the participants.

Mr. Hill stated that Sageview worked with Prudential to reduce their fees, which were going to be increased 71 basis points and are now reduced to 28 basis points for each Plan. He further stated that Prudential confirmed that if we add two additional portfolios the fee will not increase.

Mr. Hill stated that an Employee meeting is tentatively being planned for April

with Prudential. He further stated that if changes are made, they would tentatively be effective July 1, 2018.

Mr. Hill stated that we may want to engage Sageview on a periodic basis to review the 457 funds and make suggestions.

Mr. Hill stated that a Special Board meeting will be scheduled with HighMark, then a separate meeting with Prudential.

### Director Benefit Survey

Mr. Hill stated that this is a follow-up from a previous meeting where the Board discussed Director benefits. He further stated that staff is preparing detail on neighboring agencies Director Benefits.

Ms. Cimorell stated that she reached out to 9 other agencies, and 2 have not responded yet. She further stated that SMWD does not offer any benefits to Directors.

Ms. Cimorell reviewed the remaining agencies Director Benefits with the Board. She further stated that 5 agencies offer medical insurance for the Board members.

Director Monin asked what happens to the Long-term Disability insurance when the Director is no longer on the Board. President Goldman explained that the policies are in the Director's names, and they may continue to pay the premiums when they are no longer on the Board.

Ms. Cimorell stated that to have medical insurance for the Board would be approximately \$15,000 per Director, and the current cost is \$2-3 thousand for the long-term care costs.

Director Monin asked if the Directors could contribute toward a co-pay for medical insurance. Ms. Cimorell replied that the policy would be different than what the

employees have, as it is offered through JPIA. Director Monin stated that he would like staff to look into this.

#### 2018/19 Fiscal Year Budget/Cost of Service Evaluation/Preparation and Tentative Schedule Status Report

Mr. Hill stated that the Budget Committee dates and full Board Budget Workshop dates are on the Budget schedule included in the Board package. He further stated that the meetings are at 7:30 am.

Mr. Hill stated that the Budget process is being reviewed.

Mr. Hill stated that MWDOC's first draft budget is being reviewed.

#### Tiered Water Usage and Revenue Tracking

Mr. Cafferty stated that staff added two additional charts to reflect Tier 1 & Tier 2 consumption. He further stated that an increase in consumption is reflected due to irrigation.

Mr. Cafferty stated that staff budgeted to sell 7300 acre feet of water in 2017/18, and we anticipate being closer to 8,000 acre feet.

#### Comments Regarding Non-Agenda FIC Items

Director Adjarian asked for an update on the Laguna Hills Mall project.

Mr. Cafferty replied that the Developer is at a standstill, and with Macy's leaving they are re-thinking the development.

#### Close Finance and Insurance Committee Meeting

At approximately 8:43 o'clock a.m. the Finance and Insurance Committee meeting was closed.

Attorney Report

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

Adjournment

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

Motion: Director Kahn made a Motion, seconded by President Goldman and unanimously carried that today's meeting be adjourned at 8:45 o'clock a.m. to Tuesday, March 20, 2018 at 7:30 o'clock a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Roll Call:

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

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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

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ROBERT R. HILL, Secretary

of the El Toro Water District and the  
Board of Directors thereof



EL TORO WATER DISTRICT  
FINANCIAL REPORT  
March 20, 2018

I.	Balance Sheet	2 - 3
	A. Cash & Investments	
	1) Mix and Liquidity	4
	2) Reserve Analysis	5
	3) Change in Reserves	6
	4) Bills for consideration	7
	5) 401K Plan	8
	B. Other balance sheet items	
	1) A/R aging	9
	2) A/P aging	9
II	Revenue & Expense	10
	A. Analysis of Revenue & Expenses	11
	B. Revenues	
	1) Where the money comes from	12
	2) Who the money comes from	12
	3) Revenue budget comparison	13
	4) Miscellaneous Revenue	14
	C. Expenses	
	1) Where the money goes	15
	2) Expense budget comparison	16 - 17
	3) Capital expenditures – equipment	18
	4) Capital expenditures – projects	18

**EL TORO WATER DISTRICT  
BALANCE SHEET**

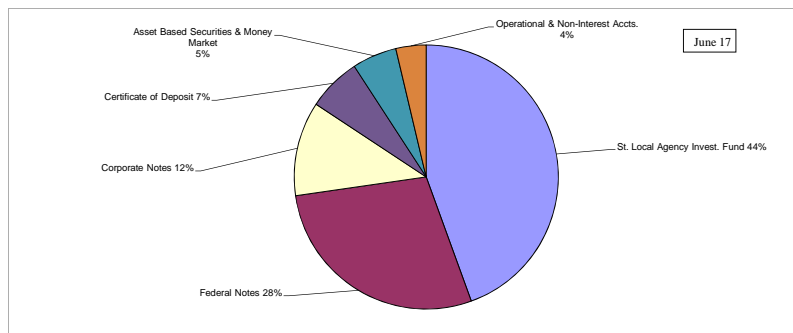
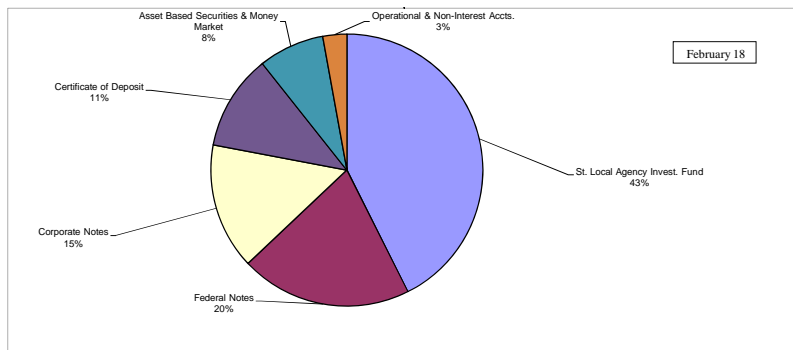
	<b>2/28/18 (Unaudited)</b>	<b>June 30, 2017 (Audited)</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & Investments	\$5,339,895	\$6,580,471
Receivables:		
Accounts Receivable	2,791,231	3,037,710
Notes Receivable	-	-
Inventories	661,099	562,451
Prepaid Expenses	330,483	201,595
<b>Total Current Assets</b>	<b>9,122,708</b>	<b>10,382,226</b>
<b>Restricted Assets</b>		
Cash & Investments	11,270,563	10,797,628
<b>Total Restricted Assets</b>	<b>11,270,563</b>	<b>10,797,628</b>
<b>Non-Current Assets</b>		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	111,822,004	111,005,328
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,652,793	34,640,855
<b>Total Utility Plant</b>	<b>160,512,471</b>	<b>159,683,857</b>
Less Accumulated Depreciation & Amortization	(69,494,860)	(66,782,443)
<b>Net Utility Plant</b>	<b>91,017,611</b>	<b>92,901,415</b>
Construction Work in Progress	3,473,764	1,841,774
Notes Receivable	-	-
<b>Total Non-current Assets</b>	<b>94,491,376</b>	<b>94,743,188</b>
<b>TOTAL ASSETS</b>	<b>\$114,884,647</b>	<b>\$115,923,043</b>

**EL TORO WATER DISTRICT  
BALANCE SHEET**

	<b>2/28/18 (Unaudited)</b>	<b>June 30, 2017 (Audited)</b>
<b>LIABILITIES and EQUITY</b>		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,423,459	\$1,869,851
Current Portion of Long-Term Debt	389,276	1,745,817
Other Current Liabilities	7,651,775	7,547,548
Total Current Liabilities Payable		
From Current Assets	9,464,510	11,163,216
Long Term Debt		
Long Term Debt	35,802,806	35,802,806
Total Long Term Debt	35,802,806	35,802,806
Total Liabilities	45,267,315	46,966,022
Fund Equity		
Retained Earnings - Reserved	22,174,300	22,174,300
Contributed Capital	8,744,767	8,744,767
Retained Earnings - Unreserved	38,037,954	38,615,382
Net Income	660,310	(577,428)
Total Fund Equity	69,617,331	68,957,021
Total Liabilities & Fund Equity	\$114,884,647	\$115,923,043

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

	Maturity Dates	Par	Market Value 2/28/18	Financial Institution	YTM 2/28/18	Original Cost 2/28/18
State Local Agency Investment Fund	NA	NA	\$7,107,594	LAIF	1.41%	\$7,107,594
US Treasury N/B - Coupon Rate 1.625%	7/31/2020	60,000	58,978	US Bank/CAMP	1.60%	60,038
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	110,000	107,375	US Bank/CAMP	1.53%	109,502
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	260,000	253,795	US Bank/CAMP	1.44%	259,523
US Treasury N/B - Coupon Rate 1.375%	10/31/2020	95,000	92,532	US Bank/CAMP	1.65%	94,228
US Treasury N/B - Coupon Rate 1.750%	12/31/2020	340,000	333,877	US Bank/CAMP	1.90%	338,513
US Treasury N/B - Coupon Rate 1.375%	1/31/2021	50,000	48,520	US Bank/CAMP	2.05%	49,006
US Treasury N/B - Coupon Rate 1.125%	2/28/2021	150,000	144,305	US Bank/CAMP	2.41%	144,428
Intl BK of Recon & Dev Global Notes - Coupon Rate 1.125%	11/27/2019	110,000	107,685	US Bank/CAMP	1.50%	109,098
Intl BK of Recon & Dev Notes - Coupon Rate 1.875%	4/21/2020	90,000	88,950	US Bank/CAMP	1.90%	89,922
Inter-American Devel BK Note - Coupon Rate 1.625%	5/12/2020	150,000	147,675	US Bank/CAMP	1.70%	149,645
Intl BK of Recon & Dev Notes - Coupon Rate 1.561%	9/12/2020	90,000	87,674	US Bank/CAMP	1.64%	89,784
Inter-American Development Bank - Coupon Rate 2.125%	11/9/2020	90,000	89,125	US Bank/CAMP	1.81%	90,834
Intl Finance Note - Coupon Rate 2.250%	1/25/2021	70,000	69,346	US Bank/CAMP	2.35%	69,794
FHLMC Reference Note - Coupon Rate 0.875%	7/19/2019	600,000	589,171	US Bank/CAMP	1.08%	596,712
FNMA Notes - Coupon Rate 1.000%	8/28/2019	950,000	933,117	US Bank/CAMP	1.10%	947,435
FNMA Notes - Coupon Rate 1.500%	2/28/2020	200,000	196,753	US Bank/CAMP	1.52%	199,872
<b>Federal Notes</b>		<b>3,415,000</b>	<b>3,348,877</b>			<b>3,398,331</b>
John Deere Capital Corp. - Coupon Rate 1.650%	10/15/2018	30,000	29,888	US Bank/CAMP	1.69%	29,981
Toyota Motor Credit Corp. - Coupon Rate 1.700%	1/9/2019	150,000	149,059	US Bank/CAMP	1.72%	149,948
US Bankcorp (Callable) Notes - Coupon Rate 2.200%	4/25/2019	150,000	149,378	US Bank/CAMP	1.47%	152,727
Pepsico Inc. - Coupon Rate 1.550%	5/2/2019	50,000	49,550	US Bank/CAMP	1.59%	49,963
American Express Credit - Coupon Rate 1.875%	5/3/2019	50,000	49,568	US Bank/CAMP	1.90%	49,980
American Honda Finance - Coupon Rate 1.200%	7/12/2019	150,000	147,277	US Bank/CAMP	1.48%	148,887
Goldman Sachs Group Inc - Coupon Rate 1.950%	7/23/2019	60,000	59,448	US Bank/CAMP	1.96%	59,993
Cisco Systems Notes - Coupon Rate 1.400%	9/20/2019	150,000	147,513	US Bank/CAMP	1.42%	149,931
Honeywell International Corp. Notes - Coupon Rate 1.800%	10/30/2019	25,000	24,675	US Bank/CAMP	1.84%	24,981
American Express Credit Corp. - Coupon Rate 1.700%	10/30/2019	100,000	98,328	US Bank/CAMP	1.99%	99,240
Citigroup Inc. Corp. Note - Coupon Rate 2.450%	1/10/2020	50,000	49,587	US Bank/CAMP	1.90%	50,607
BB&T Corp. Note - Coupon Rate 2.450%	1/15/2020	100,000	99,394	US Bank/CAMP	2.08%	101,053
Morgan Stanley Corp. Bonds - Coupon Rate 2.650%	1/27/2020	40,000	39,869	US Bank/CAMP	2.35%	40,346
IBM Corp. Notes - Coupon Rate 1.900%	1/27/2020	100,000	98,599	US Bank/CAMP	1.93%	99,904
Microsoft Corp. Note - Coupon Rate 1.850%	2/6/2020	90,000	89,036	US Bank/CAMP	1.87%	89,940
Apple Inc. Bonds - Coupon Rate 1.900%	2/7/2020	80,000	79,068	US Bank/CAMP	1.92%	79,961
Chevron Corp Notes - Coupon Rate 1.991%	3/3/2020	70,000	69,155	US Bank/CAMP	1.99%	70,000
Walt Disney Corp Notes - Coupon Rate 1.950%	3/4/2020	20,000	19,761	US Bank/CAMP	1.96%	19,995
Exxon Mobil Corp Note - Coupon Rate 1.912%	3/6/2020	90,000	89,016	US Bank/CAMP	1.75%	90,402
John Deere Capital Corp. - Coupon Rate 2.200%	3/13/2020	40,000	39,641	US Bank/CAMP	2.23%	39,969
Goldman Sachs Group Inc Corp Notes - Coupon Rate 2.600%	4/23/2020	30,000	29,766	US Bank/CAMP	2.28%	30,226
Apple Inc. Bonds - Coupon Rate 1.800%	5/11/2020	60,000	58,969	US Bank/CAMP	1.84%	59,939
Intel Corp Notes - Coupon Rate 1.850%	5/11/2020	90,000	88,619	US Bank/CAMP	1.86%	89,966
Home Depot Inc Corp Notes - Coupon Rate 1.800%	6/5/2020	40,000	39,378	US Bank/CAMP	1.82%	39,977
Walt Disney Corp Notes - Coupon Rate 1.800%	6/5/2020	70,000	68,938	US Bank/CAMP	1.84%	69,919
John Deere Capital Corp Notes - Coupon Rate 1.950%	6/22/2020	20,000	19,670	US Bank/CAMP	1.97%	19,988
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	10,000	9,936	US Bank/CAMP	1.83%	10,208
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	70,000	69,554	US Bank/CAMP	1.82%	71,471
Caterpillar Finl Service Note - Coupon Rate 1.850%	9/4/2020	70,000	68,394	US Bank/CAMP	1.88%	69,941
Citigroup Inc Corp Notes - Coupon Rate 2.650%	10/26/2020	40,000	39,580	US Bank/CAMP	2.34%	40,360
Paccar Financial Corp Notes - Coupon Rate 2.050%	11/13/2020	20,000	19,637	US Bank/CAMP	2.05%	19,998
VISA Inc. (Callable) Corp Notes - Coupon Rate 2.200%	12/14/2020	20,000	19,741	US Bank/CAMP	1.85%	20,220
Wal-Mart Stores Inc. Corp. Note - Coupon Rate 1.900%	12/15/2020	90,000	88,219	US Bank/CAMP	1.95%	89,870
Paccar Financial Corp Notes - Coupon Rate 2.800%	3/1/2021	30,000	30,016	US Bank/CAMP	2.82%	29,985
National Rural Util Coop - Coupon Rate 2.900%	3/15/2021	35,000	34,934	US Bank/CAMP	2.94%	34,961
United Parcel Service Corporate Bond - Coupon Rate 2.050%	4/1/2021	90,000	88,304	US Bank/CAMP	2.10%	89,858
Pepsico Inc. Corp. Note - Coupon Rate 2.000%	4/15/2021	30,000	29,298	US Bank/CAMP	2.01%	29,994
Bank of America Note - Coupon Rate 2.328%	10/1/2021	90,000	88,467	US Bank/CAMP	2.33%	90,000
<b>Corporate Notes</b>		<b>2,500,000</b>	<b>2,469,229</b>			<b>2,504,684</b>
Bank of Tokyo Mitsubishi - Coupon Rate 0.000%	10/12/2018	150,000	147,851	US Bank/CAMP	2.05%	147,753
Canadian Imperial Bank NY CD - Coupon Rate 1.760%	11/30/2018	250,000	249,440	US Bank/CAMP	1.25%	250,320
Svenska Handelsbanken NY LT CD - Coupon Rate 1.890%	1/10/2019	200,000	199,093	US Bank/CAMP	1.91%	200,000
Bank of Montreal Chicago CD - Coupon Rate 1.880%	2/7/2019	180,000	179,973	US Bank/CAMP	1.90%	180,000
Bank of Nova Scotia Houston LT CD - Coupon Rate 1.910%	4/5/2019	180,000	179,102	US Bank/CAMP	1.91%	180,000
Sumitomo Mitsui Bank CD - Coupon Rate 2.050%	5/3/2019	180,000	179,570	US Bank/CAMP	2.05%	180,000
Skandinav Enskilda Banken NY CD - Coupon Rate 1.840%	8/2/2019	180,000	175,094	US Bank/CAMP	1.85%	179,930
Bank of Tokyo Mitsubishi UFJ LTD CD - Coupon Rate 2.070%	9/25/2019	100,000	99,185	US Bank/CAMP	2.07%	100,000
Credit Suisse New York CD - Coupon Rate 2.670%	2/7/2020	100,000	100,578	US Bank/CAMP	2.67%	100,000
Nordea Bank AB NY CD - Coupon Rate 2.720%	2/20/2020	90,000	89,922	US Bank/CAMP	2.72%	90,000
Westpac Banking Corp NY CD - Coupon Rate 2.050%	8/3/2020	150,000	148,674	US Bank/CAMP	2.05%	150,000
Swedbank (NewYork) CD - Coupon Rate 2.270%	11/16/2020	135,000	133,306	US Bank/CAMP	2.30%	135,000
<b>Certificate of Deposit</b>		<b>1,895,000</b>	<b>1,881,788</b>			<b>1,893,003</b>
Nissan ABS 2015-A3 - Coupon Rate 1.050%	10/15/2019	4,891	4,879	US Bank/CAMP	1.28%	4,868
CNH 2017-A2 - Coupon Rate 1.640%	7/15/2020	124,972	124,572	US Bank/CAMP	1.80%	124,967
Toyota ABS 2017-A3 - Coupon Rate 1.730%	2/15/2021	50,000	49,546	US Bank/CAMP	1.74%	49,994
John Deere ABS 2017-A3 - Coupon Rate 1.780%	4/15/2021	30,000	29,719	US Bank/CAMP	1.79%	29,996
Toyota ABS 2017-B3 - Coupon Rate 1.760%	7/15/2021	100,000	98,745	US Bank/CAMP	1.76%	99,992
Honda ABS 2017-1 A3 - Coupon Rate 1.720%	7/21/2021	40,000	39,568	US Bank/CAMP	1.72%	39,998
Hyundai ABS 2017-A3 - Coupon Rate 1.760%	8/15/2021	40,000	39,582	US Bank/CAMP	1.76%	39,997
Nissan ABS 2017-A3 - Coupon Rate 1.740%	8/15/2021	50,000	49,374	US Bank/CAMP	1.74%	49,995
Ally ABS 2017-2 A3 - Coupon Rate 1.780%	8/15/2021	70,000	69,416	US Bank/CAMP	1.79%	69,992
Honda ABS 2017-2 A3 - Coupon Rate 1.680%	8/15/2021	90,000	88,857	US Bank/CAMP	1.68%	89,992
CCCIT 2017-A9 A9 - Coupon Rate 1.800%	9/20/2021	100,000	98,940	US Bank/CAMP	1.80%	99,993
John Deere ABS 2017-B3 - Coupon Rate 1.820%	10/15/2021	30,000	29,576	US Bank/CAMP	1.82%	29,998
Ford ABS 2017-B3 - Coupon Rate 1.690%	11/15/2021	70,000	68,940	US Bank/CAMP	1.69%	69,997
American Express 2017-4 A - Coupon Rate 1.640%	12/15/2021	100,000	99,026	US Bank/CAMP	1.65%	99,984
Hyundai ABS 2017-B3 - Coupon Rate 1.770%	1/15/2022	80,000	78,615	US Bank/CAMP	1.78%	79,986
Ally 2017-5 A3 - Coupon Rate 1.990%	3/15/2022	70,000	69,124	US Bank/CAMP	1.99%	69,995
Ford 2017-C A3 - Coupon Rate 2.010%	3/15/2022	110,000	108,819	US Bank/CAMP	2.02%	109,980
Citibank 2017-A3 A3 - Coupon Rate 1.920%	4/7/2022	100,000	98,418	US Bank/CAMP	1.82%	100,267
JDOT 2018-A3 - Coupon Rate 2.660%	4/15/2022	20,000	19,999	US Bank/CAMP	2.66%	19,999
CAMP Money Market Fund	NA	NA	23,460	US Bank/CAMP	1.50%	23,460
<b>Asset Based Securities &amp; Money Market</b>		<b>1,279,863</b>	<b>1,289,175</b>			<b>1,303,448</b>
<b>Total Camp Investments</b>		<b>9,089,863</b>	<b>8,989,070</b>			<b>9,099,466</b>
<b>Operational &amp; Non-Interest Bearing Accounts</b>						
ETWD General Cash Account	NA	NA	453,172	Union Bank of Cal.	0.00%	453,172
ETWD Capital Facilities Reserve Account	NA	NA	24,331	Union Bank of Cal.	0.00%	24,331
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
<b>Operational &amp; Non-Interest Accts.</b>			<b>478,204</b>			<b>478,204</b>
			<b>\$16,574,868</b>	<b>Total Investments &amp; Cash</b>		<b>\$16,685,264</b>

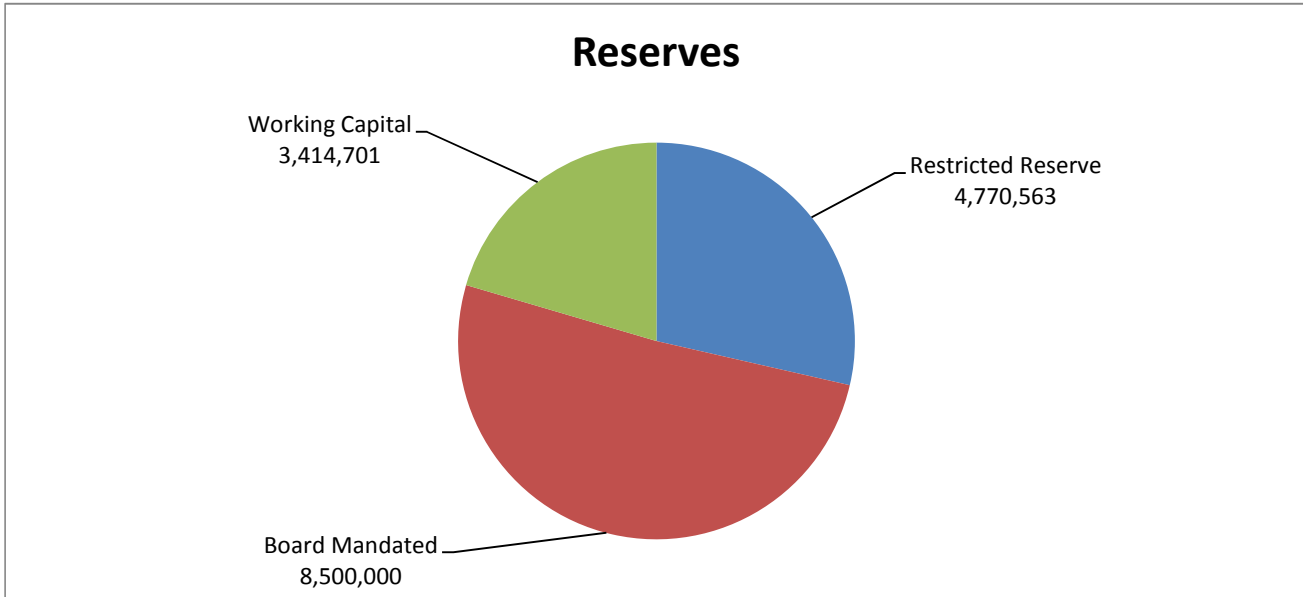


**LIQUIDITY**

	February 28, 2018		June 30, 2017	
	\$	%	\$	%
DEMAND	\$ 7,609,258	45.60%	\$ 8,399,070	48.21%
30 Days	\$ -	0.00%	\$ -	0.00%
31-180 Days	\$ -	0.00%	\$ -	0.00%
181 - 360	\$ 958,001	5.74%	\$ 420,306	2.41%
361-1800 Days	\$ 8,118,006	48.65%	\$ 8,602,295	49.38%
<b>TOTAL</b>	<b>\$ 16,685,264</b>	<b>100.00%</b>	<b>\$ 17,421,671</b>	<b>100.00%</b>

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  
28-Feb-18**



Restricted Reserve	\$	4,770,563
Board Mandated	\$	8,500,000
Capital Cash Flow/ Compliance	\$	3,414,701
<b>Total</b>	<b>\$</b>	<b>16,685,264</b>

**Restricted Reserve**

SRFL-Recycled	\$	1,602,958
Capital Facilities Reserve	\$	23,302
Tiered Cons Fund	\$	1,925,949
Baker Funding	\$	1,218,354
<b>Total</b>	<b>\$</b>	<b>4,770,563</b>

**Board Mandated Minimum Reserve Levels**

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

Six months operating expense requirement:	\$11,119,197
Cash less restricted reserve on hand:	\$11,914,701

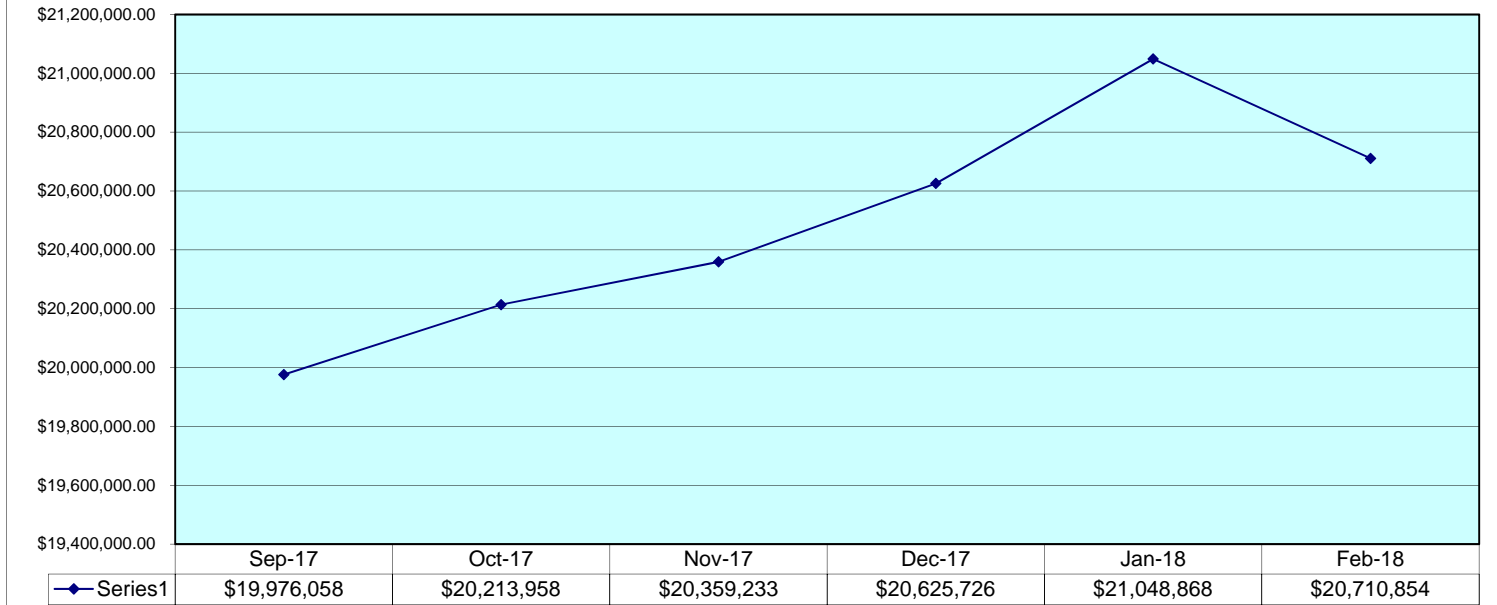
## EL TORO WATER DISTRICT CHANGE IN RESERVES

	<u>February 28, 2018</u>	<u>Year to Date</u>	<u>June 30, 2017</u>
Operating Revenue	1,804,527	16,762,492	23,901,919
Non-operating Revenue	98,839	1,010,753	1,515,062
Total Revenue	<u>1,903,366</u>	<u>17,773,244</u>	<u>25,416,981</u>
Operating Expenses	1,600,764	13,755,966	21,225,829
Depreciation	352,477	2,819,816	4,061,898
Non-operating Expenses	67,144	537,153	706,683
Total Expenses	<u>2,020,385</u>	<u>17,112,934</u>	<u>25,994,409</u>
NET INCOME	(117,019)	660,310	(577,428)
Non-Cash Items:			
Add: Depreciation	352,477	2,819,816	4,061,898
Change in Notes Receivable/Grant Fund	-	-	-
Loan Proceeds	-	-	-
Less: Debt Service	-	(1,356,541)	(407,429)
Capital Improvements	(312,291)	(2,464,339)	(3,627,387)
Total Non-Cash Items	<u>40,186</u>	<u>(1,001,064)</u>	<u>27,081</u>
CHANGE IN RESERVES	<u>(76,832)</u>	<u>(340,754)</u>	<u>(550,347)</u>



## EL TORO WATER DISTRICT 401K PLAN SUMMARY

### 401K PLAN MARKET VALUE

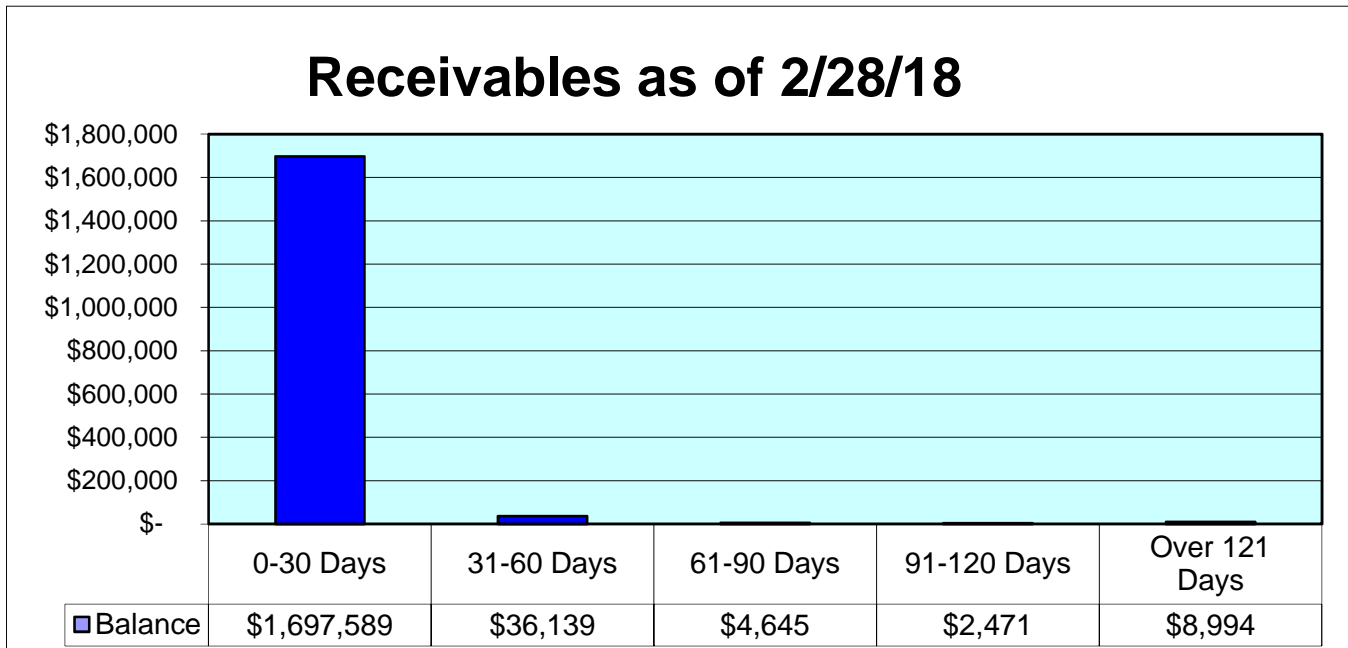


	MARKET VALUE SUMMARY			
	Growth Port. Under 40 yrs. Old	Balanced Port. 40 to 50 yrs. Old	Income & Growth 50 to 60 yrs. Old	Capital Pres. Port Over 60 yrs. Old
Balance at July 1, 2017	\$ 1,249,773.70	\$2,323,855.06	\$11,668,412.71	\$4,022,103.68
Contributions	181,881.36	109,671.70	404,114.47	175,618.88
Withdrawals	(5,522.45)	0.00	(77,623.93)	(201,562.94)
Transfers	(233,907.18)	(42,684.69)	(538,442.46)	815,034.33
Interest, dividends and appreciation net of fees and charges	98,000.97	157,586.66	494,093.78	110,450.54
Balance at February 28, 2018	\$ 1,290,226.40	\$2,548,428.73	\$11,950,554.57	\$4,921,644.49
Average return YTD February 28, 2018	7.60%	6.18%	4.13%	2.24%

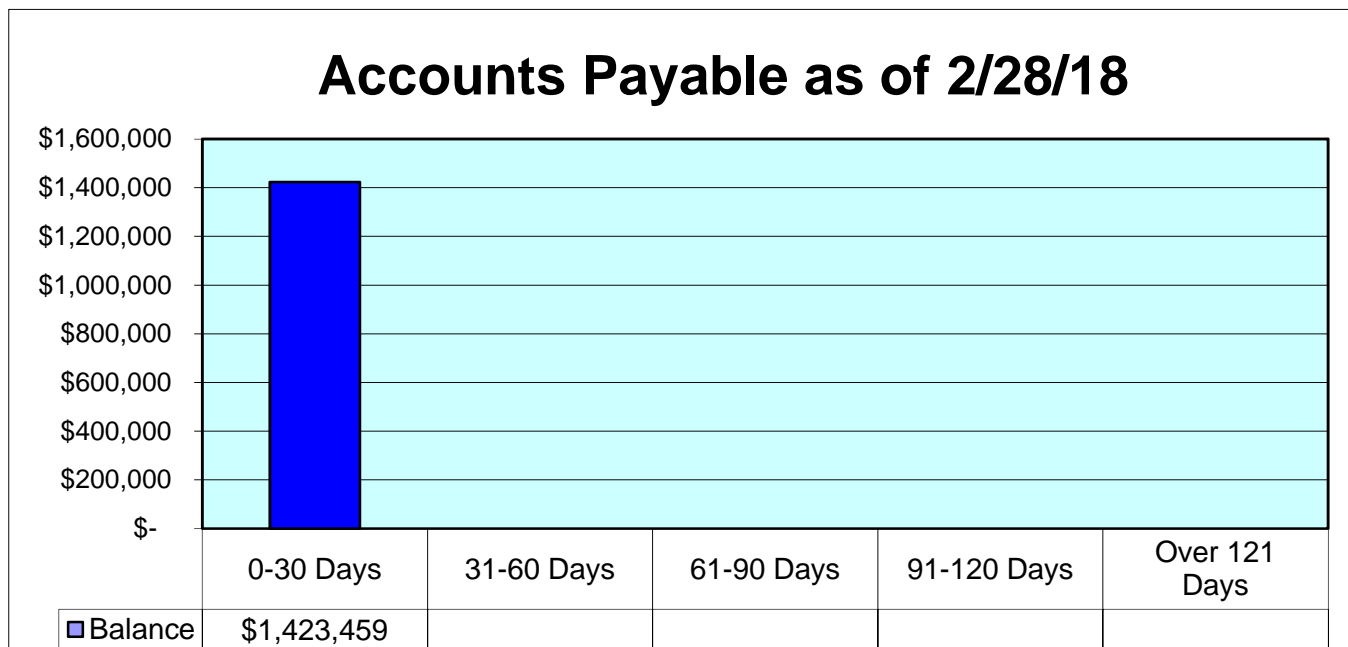
Average return is calculated by dividing the interest, dividends and appreciation, net of fees by ending fund balance and then annualize.



**RECEIVABLES & PAYABLES AGEING**



Bad Debts Year to Date:                     \$10,646                    

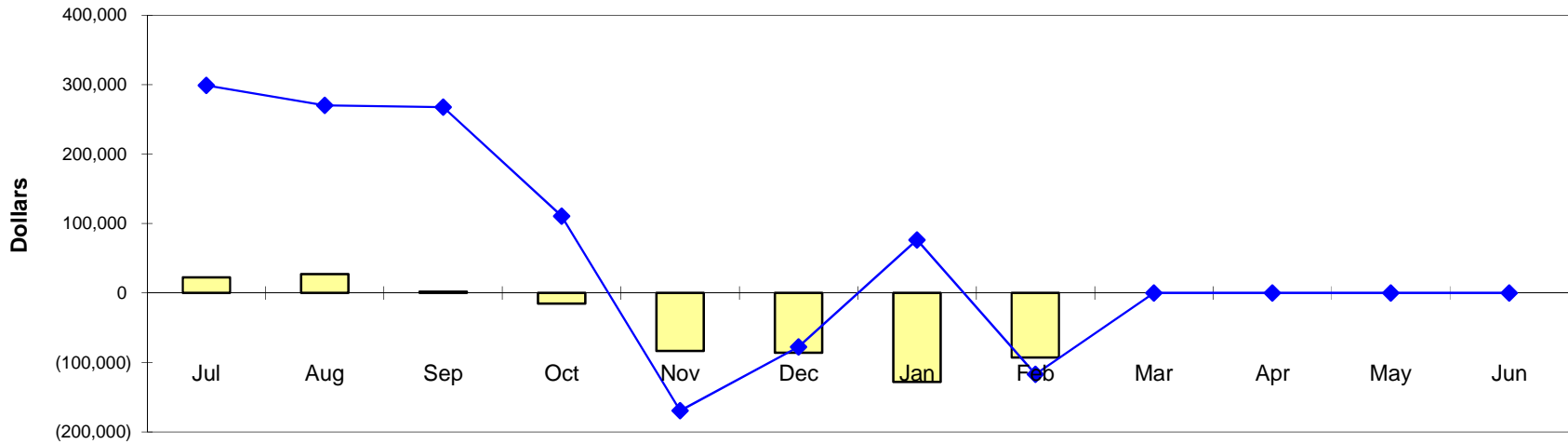


Year to Date Discounts Taken:                     \$1,385

**Page 10**  
**El Toro Water District**  
**Income Statement**  
**February 2018**

	<u>Feb 18</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Jul '17 - Feb 18</u>	<u>YTD Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
<b>Income</b>							
4600 · Water Service Charge	254,639.41	256,107.50	99.43%	2,021,150.93	2,048,860.00	98.65%	3,073,290.00
4700 · Sanitary Service	622,836.14	630,416.67	98.8%	5,049,492.55	5,043,333.32	100.12%	7,565,000.00
4722 · Recycled Water Tertiary Sales	74,423.17	92,545.11	80.42%	1,050,838.00	950,554.02	110.55%	1,450,000.00
4724 · Service Charge - Recycled Water	17,253.20	17,333.33	99.54%	136,469.00	138,666.68	98.42%	208,000.00
4750 · Capital Facilities Charge	250,134.52	251,250.00	99.56%	2,003,022.43	2,010,000.00	99.65%	3,015,000.00
4800 · Commodity Charge	581,440.58	568,574.84	102.26%	6,437,670.05	5,839,975.13	110.24%	8,908,451.00
4950 · Other Operating Income	3,800.00	4,583.33	82.91%	58,577.13	36,666.68	159.76%	55,000.00
4960 · Other Income	30,229.52	35,625.00	84.86%	384,533.13	285,000.00	134.92%	427,500.00
4967 · SMWD	0.00	8,333.33	0.0%	0.00	66,666.68	0.0%	100,000.00
4970 · MNWD	0.00	1,750.00	0.0%	11,000.00	14,000.00	78.57%	21,000.00
4980 · Interest Income	14,826.23	8,333.33	177.92%	117,515.41	66,666.68	176.27%	100,000.00
4985 · Changes FMV CAMP	-17,453.27			-74,877.84			
4986 · Changes FMV LAIF	0.00			-5,728.25			
4990 · Property Taxes	71,236.53	69,583.33	102.38%	583,581.87	556,666.68	104.84%	835,000.00
<b>Total Income</b>	<b>1,903,366.03</b>	<b>1,944,435.77</b>	<b>97.89%</b>	<b>17,773,244.41</b>	<b>17,057,055.87</b>	<b>104.2%</b>	<b>25,758,241.00</b>
<b>Gross Profit</b>	<b>1,903,366.03</b>	<b>1,944,435.77</b>	<b>97.89%</b>	<b>17,773,244.41</b>	<b>17,057,055.87</b>	<b>104.2%</b>	<b>25,758,241.00</b>
<b>Expense</b>							
5100 · Personnel Cost	616,262.10	658,579.42	93.57%	5,191,150.91	5,268,635.32	98.53%	7,902,953.00
5405 · Water Purchases	566,858.73	491,251.97	115.39%	4,924,781.64	5,042,554.80	97.66%	7,691,757.00
5410 · Electrical Power	66,157.34	80,341.66	82.35%	702,429.95	642,733.36	109.29%	964,100.00
5415 · Repair Parts & Materials	16,640.24	34,372.44	48.41%	268,823.70	274,980.24	97.76%	412,470.00
5420 · Equipment Maintenance & Repair	10,773.01	11,045.81	97.53%	58,335.77	88,366.76	66.02%	132,550.00
5425 · Pump Maintenance & Repair	3,126.88	12,741.66	24.54%	74,236.55	101,933.36	72.83%	152,900.00
5430 · Motor Maintenance & Repair	8,825.97	3,141.69	280.93%	15,515.42	25,133.24	61.73%	37,700.00
5440 · Electrical/Contl Maint & Repair	7,184.28	5,500.01	130.62%	13,546.93	43,999.96	30.79%	66,000.00
5445 · Meter Maintenance & Repair	0.00	183.33	0.0%	2,774.31	1,466.68	189.16%	2,200.00
5455 · Chemicals	16,832.18	17,275.00	97.44%	143,349.49	138,200.00	103.73%	207,300.00
5460 · Structure Maint & Repair	9,013.99	2,721.67	331.19%	23,305.78	21,773.32	107.04%	32,660.00
5465 · Asphalt Maintenance & Repair	880.00	6,125.00	14.37%	54,450.00	49,000.00	111.12%	73,500.00
5470 · Consultants	16,539.35	11,433.34	144.66%	72,471.75	91,466.64	79.23%	137,200.00
5475 · Contractors	86,508.63	109,535.75	78.98%	797,130.67	876,286.00	90.97%	1,314,429.00
5480 · Engineers	8,899.46	7,141.67	124.61%	29,348.61	57,133.32	51.37%	85,700.00
5482 · Dump Fees	1,819.06	1,333.34	136.43%	13,762.26	10,666.64	129.02%	16,000.00
5485 · Laboratory	2,626.55	1,558.34	168.55%	18,490.85	12,466.64	148.32%	18,700.00
5490 · License & Permits	4,415.34	10,639.96	41.5%	86,827.80	85,120.16	102.01%	127,680.00
5495 · Gas & Oil	6,954.09	7,500.00	92.72%	58,836.41	60,000.00	98.06%	90,000.00
5500 · Equipment Rental	1,477.57	1,366.67	108.12%	11,131.33	10,933.32	101.81%	16,400.00
5505 · Landscaping	9,601.66	6,888.33	139.39%	49,498.91	55,106.68	89.82%	82,660.00
5510 · Small Tools & Equipment	7,638.07	4,708.34	162.22%	36,606.32	37,666.64	97.19%	56,500.00
5515 · Security	1,587.81	1,587.94	99.99%	17,276.91	12,703.24	136.0%	19,055.00
5520 · Operating Supplies	5,434.39	3,958.34	137.29%	39,586.19	31,666.64	125.01%	47,500.00
5525 · Safety Equipment	2,640.85	1,958.33	134.85%	31,835.39	15,666.68	203.2%	23,500.00
5530 · Temporary Help	0.00	4,583.34	0.0%	0.00	36,666.64	0.0%	55,000.00
5535 · Other Employee Cost	6,440.57	6,583.34	97.83%	62,522.92	52,666.64	118.71%	79,000.00
5540 · Depreciation	352,477.00	333,333.33	105.74%	2,819,816.00	2,666,666.68	105.74%	4,000,000.00
5545 · Insurance	38,904.19	35,191.67	110.55%	302,121.05	281,533.32	107.31%	422,300.00
5555 · Advertising & Publicity	966.00	208.33	463.69%	4,327.00	1,666.68	259.62%	2,500.00
5560 · Amortization	570.49	570.83	99.94%	4,563.92	4,566.68	99.94%	6,850.00
5570 · Annual Event	0.00	445.83	0.0%	5,045.92	3,566.68	141.47%	5,350.00
5575 · Audit	2,100.00	2,500.00	84.0%	10,500.00	20,000.00	52.5%	30,000.00
5580 · Bad Debts	1,344.30	1,666.67	80.66%	10,645.55	13,333.32	79.84%	20,000.00
5585 · Bank Charges	5,301.95	4,500.00	117.82%	36,210.32	36,000.00	100.58%	54,000.00
5590 · Data Processing Supply & Access	2,031.49	1,666.67	121.89%	16,322.59	13,333.32	122.42%	20,000.00
5595 · Data Processing Equipment	4,896.92	3,333.33	146.91%	23,791.78	26,666.68	89.22%	40,000.00
5600 · Data Processing Consultants	2,808.00	4,166.67	67.39%	39,238.00	33,333.32	117.71%	50,000.00
5605 · Directors Fees	7,820.00	7,750.00	100.9%	61,360.00	62,000.00	98.97%	93,000.00
5610 · Dues & Memberships	6,490.88	6,250.00	103.85%	62,133.16	50,000.00	124.27%	75,000.00
5615 · Education & Training	3,436.73	2,625.00	130.92%	27,132.00	21,000.00	129.2%	31,500.00
5620 · Election Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00
5625 · Employee Service Awards	0.00	333.33	0.0%	1,052.44	2,666.68	39.47%	4,000.00
5630 · Software Maintenance & Licenses	4,605.27	6,616.67	69.6%	75,486.70	52,933.32	142.61%	79,400.00
5640 · Interest Expense	67,144.07	67,144.08	100.0%	537,152.56	537,152.68	100.0%	805,729.00
5645 · Janitorial	2,775.00	2,875.00	96.52%	22,433.00	23,000.00	97.54%	34,500.00
5650 · Legal	14,259.65	12,500.00	114.08%	51,514.28	100,000.00	51.51%	150,000.00
5655 · Meets, Conventions & Travel	592.76	2,916.67	20.32%	24,662.73	23,333.32	105.7%	35,000.00
5657 · Meets, Con & Travel - Directors	651.17	2,166.67	30.05%	11,129.12	17,333.32	64.21%	26,000.00
5660 · Office Supplies	0.00	1,916.67	0.0%	10,713.19	15,333.32	69.87%	23,000.00
5670 · Postage	134.16	1,708.33	7.85%	5,308.63	13,666.68	38.84%	20,500.00
5675 · Printing & Reproduction	0.00	1,750.00	0.0%	7,074.94	14,000.00	50.54%	21,000.00
5680 · Property Tax	0.70	458.33	0.15%	3,816.53	3,666.68	104.09%	5,500.00
5685 · Public Education & Outreach	6,356.21	20,016.67	31.76%	60,305.36	160,133.32	37.66%	240,200.00
5690 · Publications & Subscriptions	0.00	250.00	0.0%	2,059.27	2,000.00	102.96%	3,000.00
5695 · Communications	7,888.00	6,916.67	114.04%	64,055.03	55,333.32	115.76%	83,000.00
5700 · Utilities	1,691.91	1,541.67	109.75%	14,936.58	12,333.32	121.11%	18,500.00
<b>Total Expense</b>	<b>2,020,384.97</b>	<b>2,037,375.78</b>	<b>99.17%</b>	<b>17,112,934.42</b>	<b>17,411,545.56</b>	<b>98.29%</b>	<b>26,245,243.00</b>
<b>Net Income</b>							
	<b>-117,018.94</b>	<b>-92,940.01</b>	<b>125.91%</b>	<b>660,309.99</b>	<b>-354,489.69</b>	<b>-186.27%</b>	<b>-487,002.00</b>

**ANALYSIS OF REVENUE & EXPENSE**  
**Fiscal Year 2017/2018**

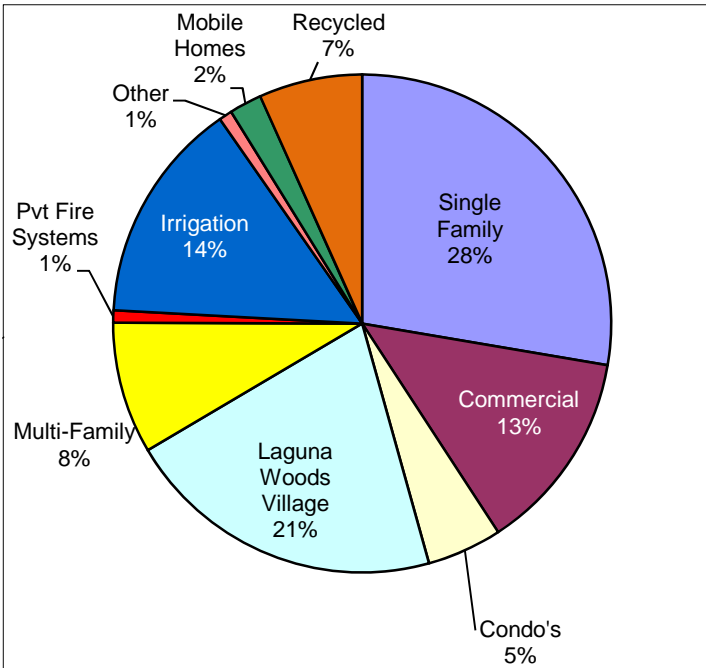
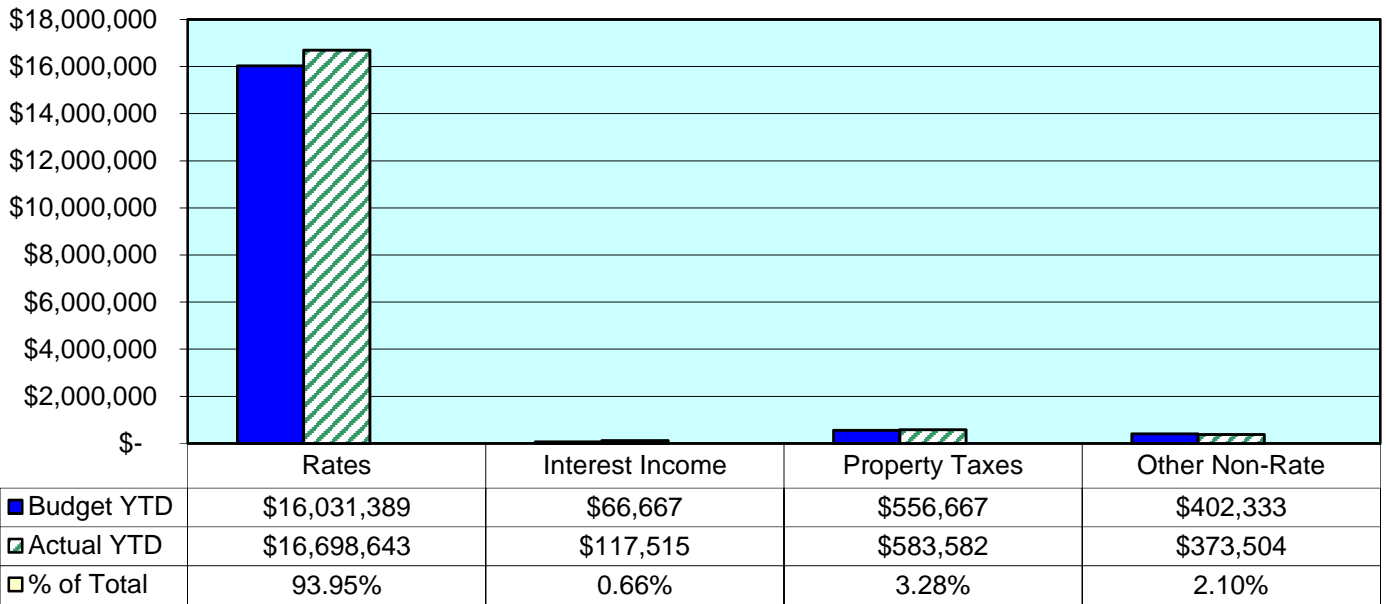


**ANALYSIS OF REVENUES & EXPENSES**  
**BUDGET COMPARED TO ACTUAL**  
**FISCAL YEAR 2017/2018**

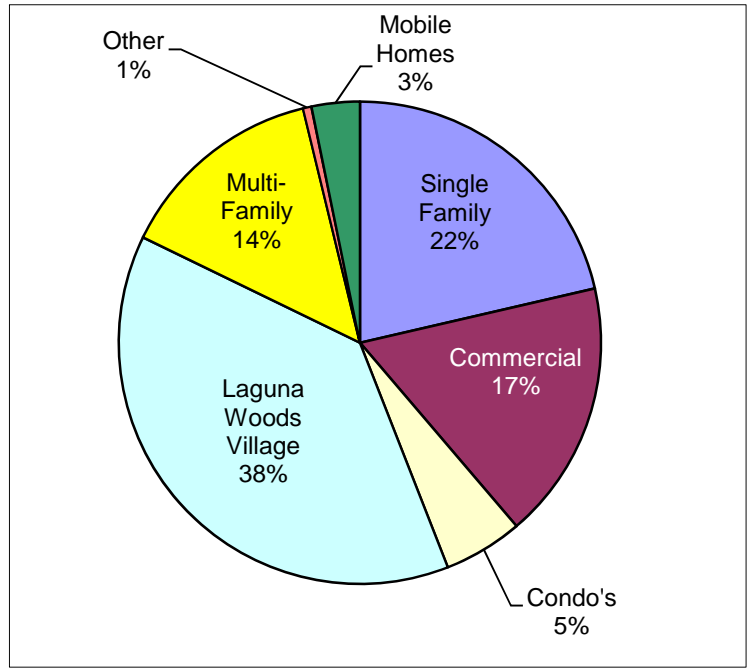
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Budget</b>												
Revenue	2,389,705	2,407,351	2,310,146	2,243,693	1,980,495	1,971,676	1,809,555	1,944,436				
Expense	2,367,284	2,380,357	2,308,337	2,259,101	2,064,093	2,057,559	1,937,440	2,037,376				
Profit/Loss	22,421	26,993	1,809	(15,408)	(83,598)	(85,883)	(127,885)	(92,940)	0	0	0	0
<b>Actual</b>												
Revenue	2,478,548	2,600,793	2,330,428	2,299,085	2,180,233	1,976,250	2,004,541	1,903,366				
Expense	2,179,463	2,330,381	2,062,685	2,188,430	2,349,763	2,053,872	1,927,956	2,020,385				
Profit/Loss	299,085	270,412	267,743	110,655	(169,530)	(77,621)	76,586	(117,019)	0	0	0	0

# EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 2/28/18

## Where the Money Comes From



**WATER REVENUE YTD 2017/2018**



**WASTE WATER REVENUE YTD 2017/2018**

**EL TORO WATER DISTRICT  
REVENUE COMPARISON  
For the Month Ended February 28, 2018**

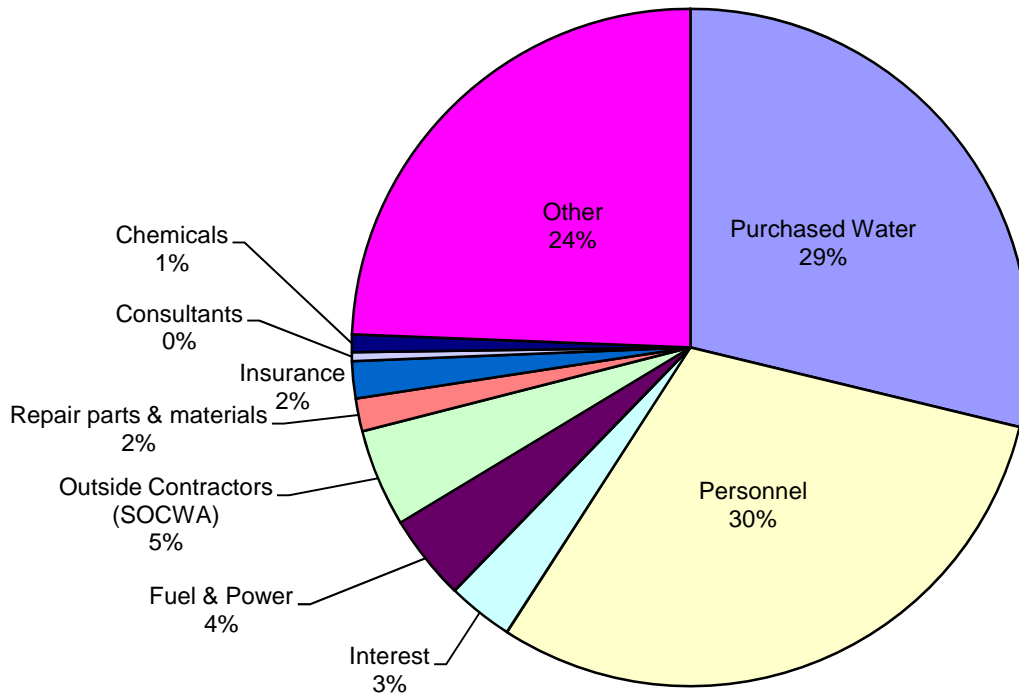
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,135	\$ 251,250	\$ (1,115)	0%	\$ 2,003,022	\$ 2,010,000	\$ (6,978)	0%	\$ 3,015,000	\$ 1,011,978
Water sales - Commodity	581,441	568,575	12,866	2%	6,437,670	5,839,975	597,695	10%	8,908,451	2,470,781
Water sales - Fixed Meter	254,639	256,108	(1,468)	-1%	2,021,151	2,048,860	(27,709)	-1%	3,073,290	1,052,139
Waste water sales	622,836	630,417	(7,581)	-1%	5,049,493	5,043,333	6,159	0%	7,565,000	2,515,507
Recycled water tertiary sales	74,423	92,545	(18,122)	-20%	1,050,838	950,554	100,284	11%	1,450,000	399,162
Service charge - Recycled water	17,253	17,333	(80)	0%	136,469	138,667	(2,198)	-2%	208,000	71,531
<b>TOTAL FROM RATES</b>	<b>1,800,727</b>	<b>1,816,227</b>	<b>(15,500)</b>	<b>-1%</b>	<b>16,698,643</b>	<b>16,031,389</b>	<b>667,254</b>	<b>4%</b>	<b>24,219,741</b>	<b>7,521,098</b>
<u>Non-rate Revenue</u>										
Admin fee	930	1,600	(670)	-42%	37,197	12,800	24,397	191%	19,200	(17,997)
48 Hour notice fee	2,505	2,451	54	2%	18,765	19,611	(846)	-4%	29,416.44	10,651
Restoration fee	240	370	(130)	-35%	1,630	2,960	(1,330)	-45%	4,440	2,810
Unpaid check fee	125	150	(25)	-17%	985	1,200	(215)	-18%	1,800	815
Cut lock fee		12	(12)	-100%	-	96	(96)	-100%	144	144
<b>TOTAL NON-RATE</b>	<b>3,800</b>	<b>4,583</b>	<b>(783)</b>	<b>-17%</b>	<b>58,577</b>	<b>36,667</b>	<b>21,910</b>	<b>60%</b>	<b>55,000</b>	<b>(3,577)</b>
<u>Other Revenue</u>										
Interest	14,826	8,333	6,493	78%	117,515	66,667	50,849	76%	100,000	(17,515)
Change FMV Investment	(17,453)	-	(17,453)	0%	(80,606)	-	(80,606)	0%	-	80,606
Property taxes	71,237	69,583	1,653	2%	583,582	556,667	26,915	5%	835,000	251,418
Other	30,230	35,625	(5,396)	-15%	384,533	285,000	99,533	35%	427,500	42,967
<b>TOTAL OTHER REVENUE</b>	<b>98,839</b>	<b>113,542</b>	<b>(14,703)</b>	<b>-13%</b>	<b>1,005,024</b>	<b>908,333</b>	<b>96,691</b>	<b>11%</b>	<b>1,362,500</b>	<b>357,476</b>
<u>Contract Service</u>										
Santa Margarita W. D.	-	8,333	(8,333)	-100%	-	66,667	(66,667)	-100%	100,000	100,000
Moulton Niguel W. D.	-	1,750	(1,750)	-100%	11,000	14,000	(3,000)	-21%	21,000	10,000
<b>TOTAL CONTRACT SERVICES</b>	<b>-</b>	<b>10,083</b>	<b>(10,083)</b>	<b>-100%</b>	<b>11,000</b>	<b>80,667</b>	<b>(69,667)</b>	<b>-86%</b>	<b>121,000</b>	<b>110,000</b>
<b>TOTAL REVENUE</b>	<b>\$ 1,903,366</b>	<b>\$ 1,944,436</b>	<b>\$ (41,070)</b>	<b>-2%</b>	<b>\$ 17,773,244</b>	<b>\$ 17,057,056</b>	<b>\$ 716,188</b>	<b>4%</b>	<b>\$ 25,758,241</b>	<b>\$ 7,984,997</b>

**EL TORO WATER DISTRICT  
NON-RATE REVENUE ANALYSIS  
FOR THE MONTH ENDING February 28, 2018**

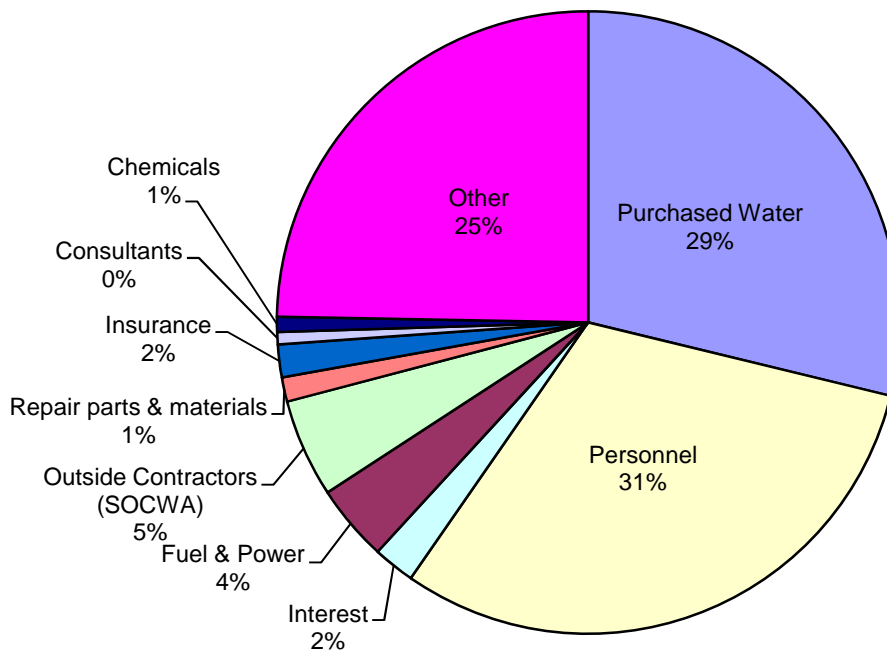
	Feb-18 Actual	Feb-18 Budget	Jul 17-Feb 18 YTD Actual	Jul 17-Feb 18 YTD Budget
Site Leases	18,455	15,833	127,419	126,664
MWD Recycled Water LRP Rebate	-	19,792	205,250	158,333
SOCWA Refund		-	-	-
MWDOC Budget Based Tier & 2015 Urban Water Refund		-	25,660	-
Recycled Metal	-	-	1,879	-
Diesel Fuel Tax Refund	-	-	56	-
Sale of District Vehicle	11,775		19,521	-
Misc Work for Customers	-	-	4,748	-
	<u>\$ 30,230</u>	<u>\$ 35,625</u>	<u>\$ 384,534</u>	<u>\$ 284,997</u>
<b>Other Operating Income</b>				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
<b>Total</b>	<u>30,230</u>		<u>384,534</u>	

# WHERE THE MONEY GOES

## YTD EXPENSES AT 2/28/18



## EXPENSES YEAR ENDING 6/30/17



**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended February 28, 2018**

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b><u>Operating Expenses</u></b>										
Personnel cost	\$616,262	\$658,579	\$42,317	6%	\$5,191,151	\$5,268,635	\$77,484	1%	\$7,902,953	2,711,802
Purchased water	566,859	491,252	(75,607)	-15%	4,924,782	5,042,555	117,773	2%	7,691,757	2,766,975
Electrical power	66,157	80,342	14,184	18%	702,430	642,733	(59,697)	-9%	964,100	261,670
Repair parts & materials	16,640	34,372	17,732	52%	268,824	274,980	6,157	2%	412,470	143,646
Equipment repairs & maintenance	10,773	11,046	273	2%	58,336	88,367	30,031	34%	132,550	74,214
Pump repairs & maintenance	3,127	12,742	9,615	75%	74,237	101,933	27,697	27%	152,900	78,663
Motor repairs & maintenance	8,826	3,142	(5,684)	-181%	15,515	25,133	9,618	38%	37,700	22,185
Electrical repairs & maintenance	7,184	5,500	(1,684)	-31%	13,547	44,000	30,453	69%	66,000	52,453
Meter repairs & maintenance	-	183	183	100%	2,774	1,467	(1,308)	-89%	2,200	(574)
Chemicals	16,832	17,275	443	3%	143,349	138,200	(5,149)	-4%	207,300	63,951
Structure repairs & maintenance	9,014	2,722	(6,292)	-231%	23,306	21,773	(1,532)	-7%	32,660	9,354
Asphalt repairs & maintenance	880	6,125	5,245	86%	54,450	49,000	(5,450)	-11%	73,500	19,050
Consultants - outside	16,539	11,433	(5,106)	-45%	72,472	91,467	18,995	21%	137,200	64,728
Contractors - outside	86,509	109,536	23,027	21%	797,131	876,286	79,155	9%	1,314,429	517,298
Engineers - outside	8,899	7,142	(1,758)	-25%	29,349	57,133	27,785	49%	85,700	56,351
Dump fees	1,819	1,333	(486)	-36%	13,762	10,667	(3,096)	-29%	16,000	2,238
Laboratories	2,627	1,558	(1,068)	-69%	18,491	12,467	(6,024)	-48%	18,700	209
License & permits	4,415	10,640	6,225	59%	86,828	85,120	(1,708)	-2%	127,680	40,852
Automotive fuel & oil	6,954	7,500	546	7%	58,836	60,000	1,164	2%	90,000	31,164
Equipment rental	1,478	1,367	(111)	-8%	11,131	10,933	(198)	-2%	16,400	5,269
Landscaping	9,602	6,888	(2,713)	-39%	49,499	55,107	5,608	10%	82,660	33,161
Small tools & equipment	7,638	4,708	(2,930)	-62%	36,606	37,667	1,060	3%	56,500	19,894
Security	1,588	1,588	0	0%	17,277	12,703	(4,574)	-36%	19,055	1,778
Operating supplies	5,434	3,958	(1,476)	-37%	39,586	31,667	(7,920)	-25%	47,500	7,914
Safety equipment	2,641	1,958	(683)	-35%	31,835	15,667	(16,169)	-103%	23,500	(8,335)
Temporary help	-	4,583	4,583	100%	0	36,667	36,667	100%	55,000	55,000
Other employee cost	6,441	6,583	143	2%	62,523	52,667	(9,856)	-19%	79,000	16,477
Employee service awards	-	333	333	100%	1,052	2,667	1,614	61%	4,000	2,948
Education & training	3,437	2,625	(812)	-31%	27,132	21,000	(6,132)	-29%	31,500	4,368
<b>Total Operating Expenses</b>	<b>1,488,575</b>	<b>1,507,015</b>	<b>18,440</b>	<b>1%</b>	<b>12,826,211</b>	<b>13,168,660</b>	<b>342,448</b>	<b>3%</b>	<b>19,880,914</b>	<b>7,054,703</b>



**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended February 28, 2018**

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b><u>Indirect Cost</u></b>										
Depreciation	352,477	333,333	(19,144)	-6%	2,819,816	2,666,667	(153,149)	-6%	4,000,000	1,180,184
Amortization	570	571	0	0%	4,564	4,567	3	0%	6,850	2,286
Insurance	38,904	35,192	(3,713)	-11%	302,121	281,533	(20,588)	-7%	422,300	120,179
Data processing supplies & assoc.	2,031	1,667	(365)	-22%	16,323	13,333	(2,989)	-22%	20,000	3,677
Data processing equipment	4,897	3,333	(1,564)	-47%	23,792	26,667	2,875	11%	40,000	16,208
Data processing consultants	2,808	4,167	1,359	33%	39,238	33,333	(5,905)	-18%	50,000	10,762
Software maintenance & licenses	4,605	6,617	2,011	30%	75,487	52,933	(22,553)	-43%	79,400	3,913
Janitorial	2,775	2,875	100	3%	22,433	23,000	567	2%	34,500	12,067
Printing & reproduction	0	1,750	1,750	100%	7,075	14,000	6,925	49%	21,000	13,925
Publications & subscriptions	0	250	250	100%	2,059	2,000	(59)	-3%	3,000	941
Communications - voice	867	1,250	383	31%	25,070	10,000	(15,070)	-151%	15,000	(10,070)
Communications - data	4,825	3,917	(908)	-23%	20,396	31,333	10,937	35%	47,000	26,604
Communications - mobile	2,196	1,750	(446)	-25%	18,589	14,000	(4,589)	-33%	21,000	2,411
Utilities	1,692	1,542	(150)	-10%	14,937	12,333	(2,603)	-21%	18,500	3,563
<b>Total Indirect Cost</b>	<b>418,648</b>	<b>398,213</b>	<b>(20,436)</b>	<b>-5%</b>	<b>3,391,899</b>	<b>3,185,700</b>	<b>(206,199)</b>	<b>-6%</b>	<b>4,778,550</b>	<b>1,386,651</b>
<b><u>Overhead Cost</u></b>										
Annual events	-	446	446	100%	5,046	3,567	(1,479)	-41%	5,350	304
Audit	2,100	2,500	400	16%	10,500	20,000	9,500	48%	30,000	19,500
Bad debts	1,344	1,667	322	19%	10,646	13,333	2,688	20%	20,000	9,354
Bank charges	5,302	4,500	(802)	-18%	36,210	36,000	(210)	-1%	54,000	17,790
Directors fees	7,820	7,750	(70)	-1%	61,360	62,000	640	1%	93,000	31,640
Dues & memberships	6,491	6,250	(241)	-4%	62,133	50,000	(12,133)	-24%	75,000	12,867
Election Expense	-	-	0	0%	0	0	0	0%	0	0
Interest	67,144	67,144	0	0%	537,153	537,153	0	0%	805,729	268,576
Legal	14,260	12,500	(1,760)	-14%	51,514	100,000	48,486	48%	150,000	98,486
Meetings, conventions & travel	593	2,917	2,324	80%	24,663	23,333	(1,329)	-6%	35,000	10,337
Meets, con & travel - Directors	651	2,167	1,516	70%	11,129	17,333	6,204	36%	26,000	14,871
Office supplies	-	1,917	1,917	100%	10,713	15,333	4,620	30%	23,000	12,287
Postage	134	1,708	1,574	92%	5,309	13,667	8,358	61%	20,500	15,191
Property taxes	1	458	458	100%	3,817	3,667	(150)	-4%	5,500	1,683
Advertising & Publicity	966	208	(758)	-364%	4,327	1,667	(2,660)	-160%	2,500	(1,827)
Public education & outreach	6,356	20,017	13,660	68%	60,305	160,133	99,828	62%	240,200	179,895
<b>Total Overhead Cost</b>	<b>113,162</b>	<b>132,148</b>	<b>18,986</b>	<b>14%</b>	<b>894,824</b>	<b>1,057,186</b>	<b>162,362</b>	<b>15%</b>	<b>1,585,779</b>	<b>690,955</b>
<b>TOTAL EXPENSES</b>	<b>\$2,020,385</b>	<b>\$2,037,376</b>	<b>\$16,991</b>	<b>1%</b>	<b>\$17,112,934</b>	<b>\$17,411,546</b>	<b>\$298,611</b>	<b>2%</b>	<b>\$26,245,243</b>	<b>\$9,132,309</b>



**Mission Viejo Chamber of Commerce**

23052-H Alicia Parkway, Ste 218  
Mission Viejo, CA 92692  
lynette@missionviejochamber.com  
www.missionviejochamber.com  
(949) 441-0602

**INVOICE**

Invoice Number: 6621  
Invoice Date: 3/1/2018

**El Toro Water District**  
24251 Los Alisos Blvd  
Lake Forest, CA 92630  
Attn: Polly Welsch  
949-837-7050  
pwelsch@etwd.com

DESCRIPTION	AMOUNT
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MV Chamber of Commerce Membership Renewal - Bronze	\$500.00
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<b>TOTAL</b>	<b>\$500.00</b>
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Make all checks payable to Mission Viejo Chamber of Commerce  
**Thank you for your business!**



## JOIN TODAY!

ON LINE AT:

[WWW.MISSIONVIEJOCHAMBER.COM](http://WWW.MISSIONVIEJOCHAMBER.COM)

OR SIMPLY FILL OUT THE FORM BELOW:

Business Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Website: \_\_\_\_\_

Annual Membership Fee: \$150

Check is enclosed  
(payable to the Mission Viejo Chamber of Commerce)

Charge my credit card

Credit Card Information:

Name on Card:					
Billing Address:					
Billing City:	State:		Zip:		
Card Type:	Mastercard	Visa			
Card Number:	Exp. Date		CVV code		

Return to:

Mission Viejo Chamber of Commerce  
25380 Marguerite Parkway, Suite E-126  
Mission Viejo, CA 92692



*"The epicenter of business  
in Mission Viejo"*



**MISSION VIEJO  
CHAMBER OF COMMERCE**

949-470-8409

25380 Marguerite Parkway  
Suite E-126  
Mission Viejo, CA 92692

[WWW.MISSIONVIEJOCHAMBER.COM](http://WWW.MISSIONVIEJOCHAMBER.COM)

## Who We Are

Whether you are an established business or new to the area, the Mission Viejo Chamber of Commerce is here to help you succeed. This non-profit organization is comprised of local business leaders. Our goals are:

- To provide opportunities and benefits for Chamber Members to help strengthen their business.
- To promote and assist businesses in Mission Viejo by creating a climate where they can operate in a productive and profitable manner.
- To cooperate with and support the business community of Mission Viejo both locally and within the region.
- To educate, inform and encourage residents to shop and dine in Mission Viejo and patronize local businesses.
- To increase the economic base of Mission Viejo while preserving our historic resources, quality of life, ambiance, and the interest of our members.

## What We Do

The Mission Viejo Chamber of Commerce is here to support the business community. We provide opportunities for local businesses to meet like-minded business owners, learn from experts, and promote themselves within the community.

Join us at our mixers and special events, or come out and support your fellow business owners at Ribbon Cuttings and Community Events.



## Why We Do It

The Mission Viejo Chamber is here to help you get involved in the community, provide a voice for your business through various events, activities, and advertising opportunities to help you be successful.

Membership has its privileges. Here are some of those benefits:

- Ribbon Cutting for your new business
- Community Listing for your events
- Listing in the Chamber Directory
- Monthly Mixers
- Weekly Networking Events
- Advertising/Sponsorship Opportunities
- Volunteer Opportunities
- FREE Orange County Business Journal subscription
- Annual Signature Events

### It's Time to Join the Chamber!

Either fill out the attached form and return with your payment, or join and pay online at:

[www.MissionViejoChamber.com/join-now/](http://www.MissionViejoChamber.com/join-now/)

We'll send you a welcome email with your member-only log-in information once we have received your application, payment and are officially a new Chamber Member. Then, sign up for a mixer, networking event or attend our Monthly Members Workshop!

**PLATINUM & ELITE**



**PLATINUM**

**\$5,000**

**ELITE**

**\$10,000**

<b>Benefits</b>	<b>Platinum</b>	<b>Elite</b>
Name Badge	✓	✓
Window Decal	✓	✓
Certificate	✓	✓
OC Business Journal	✓	✓
Community Listing (4 per year)	✓	✓
Ambassador Opportunity	✓	✓
Daybreakers	✓	✓
Online Directory Listing	✓	✓
Ribbon Cutting	Included	Included
Business Showcase Booth	\$100 off	Waived
Monthly Mixer Host	Included	Waived
Mixer Sponsorship	\$50 off	Waived
Website Banner AD	\$50 off	Waived
Mailing List	Waived	Waived
Booth Space (Signature Events)	Waived	Waived



**GOLD**  
**\$2,500**



## Benefits

Name Badge	✓
Window Decal	✓
Certificate	✓
OC Business Journal	✓
Community Listing (4 per year)	✓
Ambassador Opportunity	✓
Daybreakers	✓
Online Directory Listing	✓
Ribbon Cutting	Included
Business Showcase Booth	\$50 off
Monthly Mixer Host	\$250 off
Mixer Sponsorship	\$25 off
Website Banner AD	\$25 off
Mailing List	\$25 off
Booth Space (Signature Events)	\$50 off



SILVER



SILVER  
\$1,000

## Benefits

Name Badge	✓
Window Decal	✓
Certificate	✓
OC Business Journal	✓
Community Listing (4 per year)	✓
Ambassador Opportunity	✓
Online Directory Listing	✓
Daybreakers	✓
Ribbon Cutting	Included
Business Showcase Booth	\$25 off
Monthly Mixer Host	\$150 off
Mixer Sponsorship	\$25 off
Website Banner AD	\$25 off
Mailing List	\$25 off
Booth Space (Signature Events)	\$50 off



**BRONZE**



**BRONZE**  
**\$500**



**Benefits**

Name Badge	✓
Window Decal	✓
Certificate	✓
OC Business Journal	✓
Community Listing (4 per year)	✓
Ambassador Opportunity	✓
Online Directory Listing	✓
Daybreakers	✓
Ribbon Cutting	Included
Business Showcase Booth	\$25 off
Monthly Mixer Host	\$150 off
Booth Space (Signature Events)	\$50 off



**BUSINESS**



**BUSINESS**  
**\$250**



**Benefits**

Name Badge	✓
Window Decal	✓
Certificate	✓
OC Business Journal	✓
Community Listing (4 per year)	✓
Ambassador Opportunity	✓
Online Directory Listing	✓
Daybreakers	✓
Ribbon Cutting	Included
Monthly Mixer Host	\$250 off
Booth Space (Signature Events)	\$25 off



**CLASSIC**



**CLASSIC**  
**\$195**



**Benefits**

Name Badge	✓
Window Decal	✓
Certificate	✓
Online Directory Listing	✓
Daybreakers	✓
Ribbon Cutting	Included
Booth Space (Signature Events)	\$25 off



**RESIDENT**



**RESIDENT**  
\$100



### **Benefits**

Name Badge	✓
Window Decal	✓
Certificate	✓



# ETWD MEMORANDUM

**TO:** BOARD OF DIRECTORS

**FROM:** GENERAL MANAGER

**SUBJECT:** 401(k) EMPLOYEE RETIREMENT SAVINGS PLAN & 457 DEFERRED COMPENSATION PLAN – STATUS REPORT AND PROPOSED ACTIONS WITH HIGHMARK AND PRUDENTIAL

**DATE:** MARCH 22, 2018

Staff will provide a status report with regards to negotiations related to HighMark and Prudential services/fees and the proposal to increase the number of age-based portfolios in the 401(k) Plan. Further, Staff will review and comment on the necessity to update and execute 1) the Authorization to Enter into Advisory Services Agreement between ETWD and HighMark and 2) the Advisory Services Agreement Investment Management Fee Addendum between ETWD and HighMark. Both of which were reviewed and commented upon by the District's ERISA Counsel.

Any changes suggested by our ERISA Counsel are noted as redlined or highlighted in yellow. Of significance is HighMark's response to our counter proposal to further reduce the management fee from 37bp to 30bp. Note that they agreed to 30.5bp.

**Recommended Action:** Staff recommends that the Board of Directors 1) authorize President Scott Goldman, Treasurer Mark Monin, Secretary Robert Hill and Assistant Secretary Dennis Cafferty to execute the Authorization to Enter into Advisory Services Agreement between ETWD and HighMark and 2) authorize President Scott Goldman and Secretary Robert Hill to execute the Advisory Services Agreement Investment Management Fee Addendum between ETWD and HighMark inclusive of any changes reviewed and approved by the Board at today's meeting.

**AUTHORIZATION TO ENTER INTO ADVISORY SERVICES AGREEMENT  
(FOR USE BY BUSINESS ENTITIES)**

A. El Toro Water District, duly organized and existing under the laws of California, with its principal place of business at 24251 Los Alisos Blvd., Lake Forest (the "Business") desires to establish one or more securities account(s), (the "Account") and enter into an Advisory Services Agreement (the "Agreement") with HighMark Capital Management, Inc. ("HighMark"), a subsidiary of MUFG Union Bank, N.A. ("MUB").

B. The Business desires that certain person(s) be authorized to act on its behalf from time to time in communicating with and providing instructions to HighMark.

**NOW, THEREFORE, IT IS RESOLVED THAT:**

1. **Authorization.** Any 2 ( Two ) of the following is/are authorized and directed, in the name and on behalf of the Business, from time to time, with or without security, to communicate with and provide instructions to HighMark in accordance with and in order for both the Business and HighMark to fulfill their respective obligations under the Agreement:

TITLE	NAME	SIGNATURE
<u>President</u>	<u>M. Scott Goldman</u>	_____
<u>Treasurer</u>	<u>Mark Monin</u>	_____
<u>General Manager/Secretary</u>	<u>Robert R. Hill</u>	_____
<u>Asst. General Manager/Asst. Secretary</u>	<u>Dennis P. Cafferty</u>	_____

**Applicable Account Numbers: 6721011389, 6721021389, 6721031389, 6721041389**

2. **Scope of Authority.** Without limiting the generality of the authority granted, (the "Authorization") each person designated in paragraph 1 above is authorized, from time to time, in the name and on behalf of the Business, to:

2.1 Execute and deliver to HighMark the Agreement, any Account agreement, and any and all other contracts, instructions, directives, policies, guidelines, and other written communications (collectively, the "Related Documents") necessary or desirable in order for both the Business and HighMark to fulfill their respective obligations under the Agreement.

2.2 Direct the disposition of any Account proceeds and deliver to HighMark or its agent and accept from HighMark or its agent delivery of any property of the Business at any time held in the Account.

2.3 Specify in writing to HighMark the individuals who are authorized, in the name of and on behalf of the Business, to request changes to the Account relationship or agree to changes to the Agreement or any Related Documents.

3. **Writings.** The Related Documents may be in such form and contain such terms and conditions as may be required by HighMark in its sole discretion, and execution thereof by any person authorized under the Authorization shall be conclusive evidence of such person's and the Business's approval of the terms and conditions thereof.

4. **Certification.** The Secretary, any Assistant Secretary, or other authorized individual of the Business is hereby authorized and directed from time to time to certify to HighMark a copy of this Authorization, the names and specimen signatures of the persons designated in paragraph 1 above, and any modification thereof.

5. **Ratification/Amendment.** The authority given under this Authorization shall be retroactive and any and all acts so authorized that are performed prior to the formal adoption are hereby approved and ratified. In the event two or more resolutions of this Business are concurrently in effect, the provisions of each shall be cumulative, unless the latest shall specifically provide otherwise. The authority given hereby shall remain in full force and effect, and HighMark is authorized and requested to rely and act thereon, until HighMark shall have received at its business office at 350 California Street, 16<sup>th</sup> Floor, San Francisco, CA 94104 a certified copy of a further resolution of the Business amending, rescinding or revoking the Authorization.

6. **Form of Communication.** Communications made by any officer authorized under the Authorization may be made in writing, by telephone, or by other telecommunication method acceptable to HighMark. The Business recognizes and agrees that HighMark cannot effectively determine whether a specific communication purportedly made by or on behalf of the Business is actually authorized or authentic. The Business considers that it is in its best interests that HighMark act in accordance with these forms of communication, and therefore assumes all risks regarding the validity, authenticity and due authorization of any communication purporting to be made by or on behalf of the Business.

7. **Business As Partner/Joint Venture, LLC Member, or Manager.** Nothing in its organizational documents limits or prohibits the Business from acting as a general or limited partner of a partnership, a member or manager of a limited liability company, or joint venture of a joint venture. Any person designated in paragraph 1 of the Authorization is authorized, on behalf of the Business, in its role as a general or limited partner, a member or manager, or a joint venture, to execute and deliver all certificates, authorizations and agreements (i) to evidence the Business's role in and responsibilities to and for such partnership, limited liability company or joint venture so that Bank may rely thereon, and (ii) to evidence such partnership's, limited liability company's or joint venture's obligations and liabilities to Bank.

8. **No Limitation By This Authorization.** Nothing contained in this Authorization shall limit or modify the authority of any person to act on behalf of the Business as provided by law, any agreement or authorization relating to the Business otherwise.

**CERTIFICATE OF SECRETARY OF THE BUSINESS**

I hereby certify to HighMark Capital Management, Inc. ("HighMark") that the above Authorization to Enter Into Advisory Services Agreement ("Authorization") is a true copy of the resolution(s) **El Toro Water District**, duly organized and existing under the laws of **California** (the "Business"), and the resolution(s) was/were duly adopted by the Board of Directors or other Governing Body of the Business and duly entered in the records of the Business. Further, the Authorization is in conformity with applicable law and regulation, the Articles of Incorporation and the By-Laws of the Business or any other foundational document(s) of the Business, and is now in full force and effect.

I also certify to the titles, names and specimen signatures of the persons authorized in paragraph 1 of the Authorization.

I agree to notify HighMark in writing of any change in any aspect of the Authorization or of any individual holding any position set forth in this certificate immediately upon the occurrence of any such change, and to provide HighMark a copy of the modified resolution(s) and the genuine specimen signature of any such new person.

The authority provided for in the Authorization shall remain in full force and effect, and HighMark is authorized and requested to rely and act thereon until HighMark shall receive at its business office at **350 California Street, 16<sup>th</sup> Floor, San Francisco, CA 94104**, either a certified copy of a further resolution of this Business's Board of Directors or other Governing Body amending the Authorization, or a certification of a change in the authorized person(s).

Dated: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
**Secretary of El Toro Water District**

\_\_\_\_\_  
**\*President of El Toro Water District**

\* When the Secretary is among those authorized, the President should sign this Certificate, also.

Exhibit D

ADVISORY SERVICES AGREEMENT  
INVESTMENT MANAGEMENT FEE ADDENDUM

Account Type: Customized Investment Management

Account Name: El Toro Water District Retirement Savings Plan

A. Fee Schedule

**0.30.537bp%** on all Net Assets

Minimum Annual Fee: \$10,000

Accounts to be combined for fee purposes.

*HighMark may change this Fee Schedule from time to time upon 30 calendar days written notice to the Client.*

B. Fees & Expenses: Calculation & Payment Method

HighMark Fees. Client shall pay HighMark a fee calculated by HighMark as set forth below, in accordance with the Fee Schedule shown above, and subject to the applicable Minimum Annual Fee. Fees are prorated based on the number of days the Agreement is in effect during an applicable payment period.

For Cash Management/Liquidity Accounts: The fee shall be a percentage of the average values of the daily net assets in the Account. Daily net asset values are determined by aggregating the net book value of each asset in the Account **at the close of business** each day. Net book value is each asset's original cost, plus accrued interest, plus the amortized premium or minus the amortized discount, if any apply. Such daily figures are aggregated and averaged at each month end, and the month end figures are used to determine the fee.

For non-Liquidity Accounts: The fee shall be a percentage of the assets under management and is calculated based on the average daily market value during the period for which the fee is charged. Market value is generally determined using readily available values from a nationally recognized pricing service; otherwise, the asset shall be valued as HighMark shall **reasonably** determine using sources independent of HighMark.

For Multiple Account Relationships: So long as the actual fee payable will exceed the Minimum Annual Fee (defined above), then HighMark may, in its sole discretion, allow the assets of two or more of Client's Accounts with HighMark to be aggregated for purposes of determining the fee due.



Fee Payment

- Account fees are invoiced or debited quarterly in arrears (unless HighMark has received Client's written directive to charge monthly in arrears).
- HighMark's fees for its services are billed separately from custody fees charged to Client. Therefore, Client, at the commencement of HighMark's Services, shall give the Custodian a written directive (or has provided authorization pursuant to the Custody Agreement) to pay HighMark's fee by deducting the fee amount from the cash balance of Client's custody account upon receipt of HighMark's periodic invoice, and Custodian shall provide Client written notification of each such deduction.
- If the Account has insufficient balances for fee deduction, then Client authorizes HighMark to liquidate a sufficient amount of securities so that the proceeds of such liquidation (minus the expenses) will cover the fee due and owing.
- The fee is prorated based on the number of days the Agreement is in effect during an applicable payment period.

Expenses: HighMark will pay all expenses incurred by it in performing its duties under this Agreement, except that Client shall bear the cost of securities purchased for the Account and the costs of transactions in the Account, including brokerage commissions and stamp duties, if any.

**Date Effective As Of:**

**Client Name: El Toro Water District Retirement Savings Plan**

**Account No: 6721011389, 6721021389, 6721031389, and 6721041389**

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**HighMark Capital Management, Inc.**

By: David B. Wines  
Its: President and Chief Executive Officer

Dated: \_\_\_\_\_

CALIFORNIA ASSET MANAGEMENT TRUST

WRITTEN CONSENT

THIS CONSENT IS SOLICITED BY THE BOARD  
OF TRUSTEES OF THE TRUST

The Board of Trustees recommends that Participants CONSENT to the following proposal:

APPROVAL OF TRUSTEES:

- CONSENT to all individuals listed below (except as marked to the contrary)
- WITHHOLD CONSENT to all individuals listed below

To withhold consent to any individual, strike a line through the individual's name in the list below:

Steve Dial	Duane Wolterstorff, CPA
Wayne Hammar	Christina Valencia
Karen D. Adams, CPA	Lauren Warrem, CPA
André Douzjian	

2 APPROVAL OF AMENDMENTS TO AUTHORIZED INVESTMENTS  
POLICY

- APPROVE
- WITHHOLD APPROVAL

If this written consent is properly executed and returned, the Shares to which it relates will be voted to approve as Trustees the persons specified in the Proxy Statement and to approve the amendments to the Trust's Investment Policy unless a contrary specification is made.

The undersigned Participant hereby acknowledges receipt of the Notice of Solicitation of Written Consent of Participants and 2018 Proxy Statement.

NAME OF PARTICIPANT:  
(Name of Public Agency)

\_\_\_\_\_  
Name of Public Agency

SIGNATURE OF AUTHORIZED  
OFFICER, AGENT OR EMPLOYEE:

\_\_\_\_\_  
Signature

NAME:

\_\_\_\_\_  
Print Name

DATE:

\_\_\_\_\_  
Date

PLEASE SIGN, DATE, AND RETURN THIS WRITTEN CONSENT PROMPTLY IN THE ENCLOSED ADDRESSED ENVELOPE.

THIS WRITTEN CONSENT MAY BE REVOKED AT ANY TIME BEFORE THE DATE WHEN WRITTEN CONSENTS IN FAVOR OF THE PROPOSAL REPRESENTING A MAJORITY OF THE OUTSTANDING SHARES OF THE CASH RESERVE PORTFOLIO HAVE BEEN RECEIVED BY THE TRUST.

TO BE EFFECTIVE, THIS WRITTEN CONSENT MUST BE EXECUTED BY AN AUTHORIZED OFFICER, AGENT OR EMPLOYEE LISTED ON THE FUND RECORDS AND RECEIVED BY THE TRUST  
**NO LATER THAN APRIL 23, 2018.**

CALIFORNIA ASSET MANAGEMENT TRUST  
50 California Street, Suite 2300  
San Francisco, CA 94111

NOTICE OF SOLICITATION OF WRITTEN CONSENT OF PARTICIPANTS

TO THE PARTICIPANTS OF THE CALIFORNIA ASSET MANAGEMENT TRUST:

The enclosed materials are being sent to you, as Participants ("Participants") of the California Asset Management Trust (the "Trust"), for the following purpose:

1. To approve or reject the appointment by the Trust's Board of Trustees of seven Trustees for the ensuing year.
2. To approve changes to the Trust's Authorized Investments Policy.

Participants are requested to complete, date, and sign the enclosed written consent and return it promptly in the envelope provided for that purpose.

TO BE EFFECTIVE, THE CONSENT MUST BE RECEIVED BY THE TRUST NO LATER THAN APRIL 23, 2018.

By Order of the Board of Trustees



Sarah Meacham, Secretary

San Francisco, California  
March 8, 2018

CALIFORNIA ASSET MANAGEMENT TRUST

2018 PROXY STATEMENT

The enclosed written consent is solicited by and on behalf of the Board of Trustees (the “Board”) of the California Asset Management Trust (the “Trust”). Costs for printing and mailing this proxy statement, notice and form of written consent, as well as any necessary supplemental solicitations, will be paid by the Trust’s investment adviser, PFM Asset Management LLC (“PFM”). In addition to the solicitation of written consents by mail, officers and employees of the Trust or PFM may solicit in person or by telephone.

Participants of the Trust (“Participants”) which are holders of record of Participant Shares of the Cash Reserve Portfolio of the Trust (together with shares held by Investors, the “Shares”) at the close of business on February 22, 2018 (the “Record Date”) are entitled to execute written consents. Each whole Share held by a Participant is entitled to one vote, and each fractional Share is entitled to a proportionate fractional vote. As of the Record Date, of the 3,015,912,075 issued and outstanding Shares, there were 1,558,875,318 Shares held by Participants entitled to execute written consents. To the knowledge of the Trust, except as set forth in the table below, no Participant was the beneficial owner of more than 5% of the outstanding Participant Shares of the Cash Reserve Portfolio as of the Record Date, except as follows:

Name of Participant	Cash Reserve Portfolio		
	Number of Shares	As a Percentage of Shares Held by Participants	As a Percentage of Outstanding Shares
San Bernardino County Transportation Authority	152,710,433.08	9.80%	5.06%
Monterey County	139,700,000.00	8.96%	4.63%
Yolo County	127,974,717.83	8.21%	4.24%
San Diego Association of Governments	110,147,315.37	7.07%	3.65%
East Bay Regional Park District	79,527,888.35	5.10%	2.64%

Unless marked to the contrary, the written consents received will be deemed to be in favor of the action proposed. Written consents may be revoked at any time before written consents in favor of the proposed action are received from holders of a majority of the Shares outstanding on the Record Date. Written consents may be revoked by filing with the Trust’s Secretary, California Asset Management Trust, 50 California Street, Suite 2300, San Francisco, California 94111, a written notice of revocation or another form of written consent bearing a date later than the date of the previously submitted written consent.

The proposed action will be deemed approved by Participants after written consents in favor of the proposed action are received from holders of a majority of the Participant Shares outstanding on the Record Date. If the required majority is not received by April 23, 2018 all of the written consents with respect to the proposed action will be ineffective.

This proxy statement, notice and form of written consent were first mailed to Participants on March 8, 2018.

I. APPROVAL OF TRUSTEES

The seven persons named below have been appointed as of the Record Date by the Board of Trustees and will serve as Trustees of the Trust in accordance with the Declaration of Trust and the By-Laws of the Trust, subject to the approval of Participants:

Name	Business Experience
Steve Dial	<p>Mr. Dial has served as a Trustee since August 2002 and is the President of the Trust. Since February 2006, Mr. Dial has served as the Deputy Executive Director and Chief Financial Officer, San Joaquin Council of Governments (SJCOG), 555 East Weber Avenue, Stockton, California 95202, and SJCOG's subsidiaries: SJCOG, Inc., Commute Connection, Inc., and the San Joaquin County Transportation Authority. In 2009, Mr. Dial was designated Treasurer and Controller for SJCOG. From 1985 to February 2006, he was Director of Administration and Chief Financial Officer for SJCOG.</p> <p>Former Chair, Financial Affairs Committee, National Association of Regional Councils; Board Member of the Child Abuse Prevention Council of San Joaquin County; Past Treasurer of the Leadership Stockton Alumni Association; Past President of the Board of Directors for United Cerebral Palsy of San Joaquin County; Past Vice President of the United Way of San Joaquin County; and Member of the Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO).</p>
Wayne Hammar	<p>Mr. Hammar has served as a Trustee since August 2008 and is the Vice President of the Trust. Since July 2005, Mr. Hammar has served as the Treasurer-Tax Collector, Siskiyou County, 311 4th Street, Room 104, Yreka, California 96097. Mr. Hammar was Assistant Treasurer-Tax Collector, Siskiyou County, May 1997 – July 2005.</p> <p>Past President, California Association of County Treasurers and Tax Collectors (CACTTC); Chairman of the Board, Siskiyou Central Credit Union; Past President, Siskiyou Child Care Council Board of Directors; Member, California Association of County Treasurers and Tax Collectors (CACTTC) Legislative and Continuing Education Committees, Siskiyou County Debt Advisory Committee, Consumer Credit Counseling of Southern Oregon, Siskiyou County Advisory Board, and Greenhorn Park Development Initiative Committee.</p>
Karen D. Adams, CPA	<p>Ms. Adams has served as a Trustee since February 2010 and is the Treasurer of the Trust. Since October 2002, Ms. Adams has served as the Treasurer-Tax Collector, Merced County, 2222 M Street, Merced, California 95340. Ms. Adams was Assistant Treasurer-Tax Collector, Merced County, October 1996 – October 2002.</p> <p>Past President, California Association of County Treasurers and Tax Collectors (CACTTC); Member of the Government Finance Officers Association (GFOA), Government Investment Officers Association (GIOA), California Municipal Treasurers Association (CMTA), California Revenue Officers Association (CROA); Finance Committee Member, Merced County Community Foundation; Past President of Kiwanis Club of Greater Merced; and Past Treasurer of Business &amp; Professional Women (BPW).</p>

André Douzjdjian	<p>Mr. Douzjdjian has served as a Trustee since May 2014. Since June 2012, Mr. Douzjdjian has served as the Director of Finance, San Diego Association of Governments (SANDAG), 401 B Street, Suite 800, San Diego, California 92101. Prior to June 2012, Mr. Douzjdjian worked in the private sector, and from 1991 – 2000 was the Financial Services Manager for SANDAG.</p> <p>Member of the Government Finance Officers Association (GFOA), American Institute of Certified Public Accountants (AICPA); CFO, Roundtable of San Diego; and Former Treasurer of the Entrepreneurs Organization, San Diego Chapter.</p>
Duane Wolterstorff, CPA	<p>Mr. Wolterstorff has served as a Trustee since May 2014. Since November 2000, Mr. Wolterstorff has served as the Manager of Fiscal Support Services, Modesto City Schools, 426 Locust Street, Modesto, California 95351.</p> <p>Controller of Salida Area Public Facilities Financing Agency (SAPFFA) and School Infrastructure Financing Agency (SIFA); Chair of Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency; Member of Oversight Board of the Successor Agency to the Stanislaus County Redevelopment Agency; Treasurer of the Youth Committee, Pacific Association, USA Track and Field; Member of California Society of Certified Public Accountants (CalCPA), and American Institute of Certified Public Accountants (AICPA).</p>
Christina Valencia	<p>Ms. Valencia has served as a Trustee since April 2016. Since October 2010, Ms. Valencia has served as the Executive Manager of Finance and Administration/ Assistant General Manager, Inland Empire Utilities Agency (“IEUA”), 6075 Kimball Avenue, Bldg. A, Chino, California 91709. Ms. Valencia was Manager of Financial Planning, IEUA, September 2007 – October 2010. Ms. Valencia was Comptroller, KDC Pipe &amp; Steel, Inc., Fontana, California, for 18 years.</p> <p>Member of the Government Finance Officers Association (GFOA), California Society of Municipal Finance Officers (CSMFO), California Municipal Treasurers Association (CMTA), and California Special Districts Association (CSDA).</p>
Lauren Warrem, CPA	<p>Ms. Warrem has served as a Trustee since January 2017. Since April 2015, Ms. Warrem has served as the Finance Director/City Treasurer, City of Vista, 200 Civic Center Drive, Vista, California 92084. Prior to April 2015, Ms. Warrem worked in the private sector, and from 2001 – 2012 she worked at the San Diego Association of Governments (SANDAG), Finance Manager 2001 – 2009 and Director of Finance 2009 – 2012.</p> <p>Member of the Government Finance Officers Association (GFOA), California Society of Municipal Finance Officers (CSMFO), and California Municipal Treasurers Association (CMTA).</p>

The Trustees must be members of the governing body, officers or full-time employees of a California public agency. In addition, the By-Laws of the Trust provide that at least one Trustee shall be either a member of the governing body, an officer or a full-time employee of a California public agency of each of the following classes: (a) a county; (b) a city; and (c) a public district (including a joint powers authority); provided, however, that a public agency of such class has become and remains a Participant of the Trust. As of the date of this proxy statement, at least one public agency of each class was a Participant of the Trust, and at least one of the persons named above was a member of the governing body, an officer or a full-time employee of a public agency of such class.

Each person named above has agreed to serve as a Trustee if approved by April 23, 2018 by a majority of the outstanding Participant Shares of the Cash Reserve Portfolio as of the Record Date. If approved, each Trustee will hold office until his or her successor is appointed and approved by the Board

and the Participants, and is qualified to serve as a Trustee, or until his or her earlier resignation, removal or disqualification.

The Board of Trustees held four meetings during 2017. The Trustees serve without compensation, but are reimbursed by the Trust for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees. During the fiscal year ended December 31, 2017, the Trust paid approximately \$20,935 in Trustees' expenses.

## 2. APPROVAL OF AMENDMENTS TO TRUST AUTHORIZED INVESTMENTS POLICY

The Trust is organized and operated in a manner and in accordance with investment objectives and policies intended to preserve principal, provide liquidity so that Shareholders will have ready access to their pooled funds, provide a high level of current income consistent with preserving principal and maintaining liquidity, and place investments, document investment transactions, in respect to the investment of debt issuances, and account for funds in a manner that is in compliance with the arbitrage rebate and yield restrictions requirements as set forth in the Internal Revenue Code and related U.S. Treasury regulations.

The Trust's Investment Adviser currently invests available cash in the Pool in a limited list of investments authorized by California Government Code Section 53601. Due to changes in the California law and in investment opportunities, the Trust is proposing to amend its Authorized Investments Policy as shown in Exhibit A, Authorized Investments, and as described below.

1. Update the Trust's Authorized Investments to incorporate changes in the California Government Code that specify credit ratings refer to ratings categories regardless of modifiers such as "+" and "-" or "1", "2", and "3." The changes to the credit rating language for Authorized Investments sections (6) and (7) are shown in red below:

(6) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by at least one NRSRO; provided that its maturity may not exceed two hundred seventy (270) days. The Pool may not own more than ten percent (10%) of the outstanding commercial paper of any single corporate issuer; no more than twenty-five percent (25%) of the assets of the Pool may be invested in commercial paper; and no more than ten percent (10%) of the assets of the Pool may be invested in the commercial paper of any single corporate issuer. The entity that issues the commercial paper shall meet all of the following conditions either in (a) or (b) as follows: (a) the entity is organized and operating in the United States as a general corporation, has total assets in excess of five hundred million dollars (\$500,000,000), and has debt other than commercial paper, if any, that is rated **in a rating category of "A" or its equivalent** or higher by at least one NRSRO or (b) the entity is organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by at least one NRSRO.

(7) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of 397 days or less, and eligible for purchase and sale within the United States. Investments shall be rated **in a rating category of "AA" or its equivalent** or better by an NRSRO and shall not exceed 30 percent of the assets of the Pool.



2. Amend the Trust's Authorized Investments to add medium-term notes, defined as all corporate and depository institution debt securities, with a maximum remaining maturity of 397 days or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Investment shall be rated in a rating category of "A" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the assets of the Pool.

## II. OTHER INFORMATION

For further information about the Trust and its operations and agents, see the Trust's Program Guide dated October 11, 2017, and audited Financial Statements for the Cash Reserve Portfolio for year ended December 31, 2016, and the Trust's Declaration of Trust dated December 15, 1989, as amended and restated as of February 28, 2005, which have been provided previously to Participants. Additional copies of these documents are available upon request by calling the Trust's offices at (800) 729-7665, and are also available on the Trust's web site at [www.camponline.com](http://www.camponline.com).

## Exhibit A – Authorized Investment Policy

### Authorized Investments

The Investment Adviser will invest available cash in the Pool exclusively in the following investments, which are authorized investments under the California Government Code Section 53601. It is noted that certain other investments types, although authorized by the applicable sections of the California Government Code, may not be approved for inclusion in this investment policy. Except as otherwise provided in sub-paragraph (1) under "Investment Restrictions" below, a change in authorized investments requires approval of the Trustees and the Participants holding a majority of the outstanding Shares of the Participant Shares Series of the Pool.

- 1) United States Treasury notes, bonds, bills or certificates of indebtedness or other obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest;
- (2) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises;
- (3) Repurchase agreements with respect to securities described in paragraphs (1) and (2) above, provided that the term of any such repurchase agreement shall be one year or less at the time of purchase;
- (4) Bills of exchange or time drafts drawn on and accepted by a commercial bank (otherwise known as bankers' acceptances) which are eligible for purchase by the Federal Reserve System; provided that such bankers' acceptances may not exceed one hundred eighty (180) days maturity or forty percent (40%) of the assets of the Pool; and no more than ten percent (10%) of the Pool's assets are invested in the bankers acceptances of any one commercial bank; and further provided that the accepting bank has the highest short-term letter and numerical rating as provided by at least one NRSRO;
- (5) Negotiable certificates of deposit issued by a nationally or state-chartered bank or by a savings association or a federal association (as defined in Section 5102 of the California Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank; provided that no more than thirty percent (30%) of the assets of the Pool may be invested in certificates of deposit; and further provided that the deposits in any one institution shall not exceed the shareholders' equity of such institution; and
- (6) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by at least one NRSRO; provided that its maturity may not exceed two hundred seventy (270) days. The Pool may not own more than ten percent (10%) of the outstanding commercial paper of any single corporate issuer; no more than twenty-five percent (25%) of the assets of the Pool may be invested in commercial paper; and no more than ten percent (10%) of the assets of the Pool may be invested in the commercial paper of any single corporate issuer. The entity that issues the commercial paper shall meet all of the following conditions either in (a) or (b) as follows: (a) the entity is organized and operating in the United States as a general corporation, has total assets in excess of five hundred million dollars (\$500,000,000), and has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by at least one NRSRO or (b) the entity is organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by at least one NRSRO.
- (7) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of 397 days or less, and eligible for purchase and sale within the United States. Investments shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the assets of the Pool.
- (8) Medium-term notes, defined as all corporate and depository institution debt securities, with a maximum remaining maturity of 397 days or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Investment shall be rated in a rating category of "A" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the assets of the Pool.

*Obligations of Agencies or Instrumentalities of the United States Government* Certain short-term obligations of agencies or instrumentalities of the United States Government purchased for the Pool may be backed only by the issuing agency or instrumentality and may not be backed by the full faith and credit of the United States Government. For example, Fannie Mae and Freddie Mac have agreements with the U.S. Treasury to provide them with capital in exchange for senior preferred stock. Securities issued by the Federal Home Loan Banks are supported only by the credit of the agency and not by the United States Government, and securities issued by the Federal Farm Credit System are supported by the agency's right to borrow money from the U.S. Treasury under certain circumstances.

*Repurchase Agreements* A repurchase agreement involves the sale of securities to the Pool and the concurrent agreement by the seller to repurchase the securities within a specified period of time at an agreed upon price, thereby establishing the yield during the buyer's holding period. The yield established for the repurchase agreement is determined by current short-term rates and may be more or less than the interest rate on the underlying securities. The securities underlying a repurchase agreement are, in effect, collateral under the agreement. Securities purchased by the Pool and subject to repurchase agreements are limited to the obligations of the United States Government and agencies of the United States, but may have maturities longer than one year. At the time a repurchase agreement is made, the underlying securities will have a market value at least equal to one hundred and two percent (102%) of the price plus the price differential. If an agreement is in effect for more than one day, the Investment Adviser is responsible for monitoring the value of the underlying securities and, in the event their value drops below one hundred and two percent (102%) of the price plus price differential, the counterparty to the repurchase transaction is required to provide additional securities or money within one Business Day so that the value of the collateral is not less than one hundred and two percent (102%) of the price plus price differential. All securities underlying repurchase agreements are required to be delivered to the Custodian or to another custodian agreed to by the Trust and the counterparty. At the expiration of each agreement, the Custodian receives payment of the price plus price differential as a condition for the transfer of the underlying securities to the counterparty. If the counterparty fails to pay the agreed upon price plus price differential on the repurchase date, the risks to the Pool would include any difference between the liquidation value of the underlying securities and the price plus price differential, any costs of disposing of such securities, any costs related to foreclosure, and any loss resulting from a delay in foreclosing on such securities.

Funds placed by the Trust into the Pool will be invested in accordance with the prudent investor standard set forth in Section 53600.3 of the California Government Code. The Pool will not invest in any inverse floaters, range notes or mortgage derived, interest-only strips, or in any security that could result in a zero interest accrual if held to maturity.

The Trust's investment policies and objectives require that all Pool investments have a remaining maturity of three hundred ninety-seven (397) days or less at the time of purchase (except for variable rate notes issued by the U.S. Government or its agencies or instrumentalities, which must have remaining maturities of 762 days or less), and that the dollar-weighted average maturity of Pool investments will not exceed sixty (60) days, and that the dollar-weighted average life (portfolio maturity computed to final maturity without regard to interest rate adjustments on investments) will not exceed one hundred twenty (120) days. The repurchase date of a repurchase agreement is used to determine its maturity. Debt obligations purchased by the Pool may have interest rates that are periodically adjusted at specified intervals or whenever a reference rate or index changes. These adjustable rate securities may have demand features which give the Pool the right to demand repayment of principal on specified dates or after giving a specified notice. Adjustable rate securities and securities with demand features that meet the definition of "Adjustable Rate Government Securities" in Rule 2a-7 of the Investment Company Act of 1940 Rules and Regulations may be deemed to have maturities shorter than their stated maturity dates.

**The Trust is not registered as an investment company under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and, accordingly, is not subject to the provisions of the Investment Company Act of 1940 and the rules and regulations promulgated thereunder including rules relating to registered money market mutual funds.**

Since the yield on the Pool may fluctuate daily, Shareholders should consult with their counsel or financial adviser as to the appropriateness of investing proceeds of tax-exempt bonds in the Pool in the event that covenants with bondholders or provisions of the Internal Revenue Code restrict the yield on investment of the bond proceeds.

The authorizing statute, charter, or bylaws of a Public Agency or the trust indenture or ordinance or resolution under which the debt obligations of a Public Agency are issued or its funds are invested, may contain investment restrictions which prohibit or otherwise limit investment in one or more of the above-described investments. Accordingly, Public Agencies should consult with their legal counsel or financial adviser regarding the legality of investing bond proceeds under the Trust prior to participating in the Trust or investing in the Shares issued by the Trust.

### **Investment Restrictions**

The Trustees have adopted the following investment restrictions and fundamental policies, which, except as otherwise provided in (1) below, may be changed only by approval of the Trustees and the Shareholders holding a majority of the outstanding Shares of the Participant Shares Series of the Pool. The Pool will not:

- (1) Purchase any securities other than those described under "Investment Objectives and Policies," unless California law at some future date redefines the types of securities which are legal investments for some or all classes of Shareholders, in which case the permitted investments for the Pool may be changed by the Trustees to conform to California law, provided that prior written notification is given to Shareholders of the Trust.
- (2) Invest in securities of any issuer in which a Trustee, Officer, employee, agent or adviser of the Trust is an officer, director or ten percent (10%) shareholder unless such investment is periodically authorized by resolutions adopted by a majority of the Trustees who are not officers, directors or ten percent (10%) shareholders of such issuer.
- (3) Make loans, except that the Pool may enter into repurchase agreements.
- (4) Borrow money or pledge, hypothecate or mortgage its assets to an extent greater than twenty percent (20%) of the market value of the total assets of the Pool, and then only as a temporary measure for extraordinary or emergency purposes to facilitate withdrawal requests which might otherwise require untimely dispositions of portfolio securities. All such borrowings may be secured only by the assets of the Pool and must be repaid before the Pool makes any additional investments. Interest paid on such borrowings will reduce net income of the Pool.
- (5) Purchase any security or enter into a repurchase agreement if, as a result, more than ten percent (10%) of the Pool's total assets would be invested in securities subject to restrictions on resale, securities for which there is no readily available market, and repurchase agreements with maturities exceeding seven (7) days and not terminable at approximately the carrying value before that time.
- (6) Purchase the securities of any single issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities) if, as a result, more than ten percent (10%) of the Pool's total assets would be invested in the securities of any one issuer.
- (7) Invest more than 5% of net assets in illiquid investments. Illiquid investments are securities that cannot be sold or disposed of in the ordinary course of business at approximately the value ascribed to it by the Trust. Illiquid investments include:

- Restricted investments (those that, for legal reasons, cannot be freely sold).
- Fixed time deposits with a maturity of more than seven days that are subject to early withdrawal penalties.
- Any repurchase agreement maturing in more than seven days and not terminable at approximately the carrying value in the Trust before that time.
- Other investments that are not readily marketable at approximately the carrying value in the Trust.

If the 5% limitation on investing in illiquid securities is adhered to at the time of investment, but later increases beyond 5% resulting from a change in the values of the Trust's portfolio securities or total assets, the Trust shall then bring the percentage of illiquid investments back into conformity as soon as practicably possible. The Trust believes that these liquidity requirements are reasonable and appropriate to assure that the securities in which the Trust invests are sufficiently liquid to meet reasonably foreseeable redemptions of Shares.

Any percentage limitation or rating requirement described under "Authorized Investments" will be applied at the time of purchase.

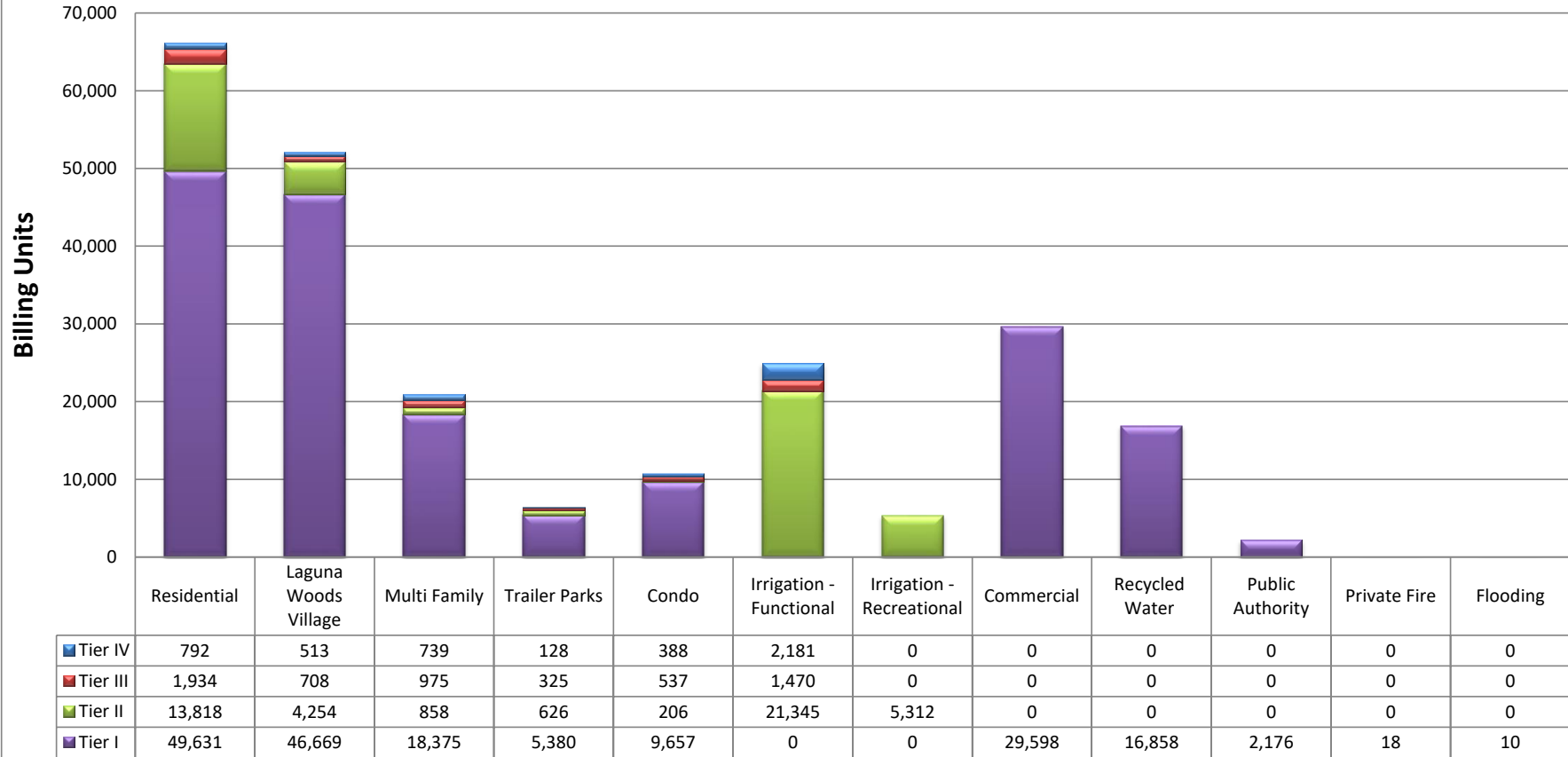
# BUDGET SCHEDULE

## FY 2018/2019

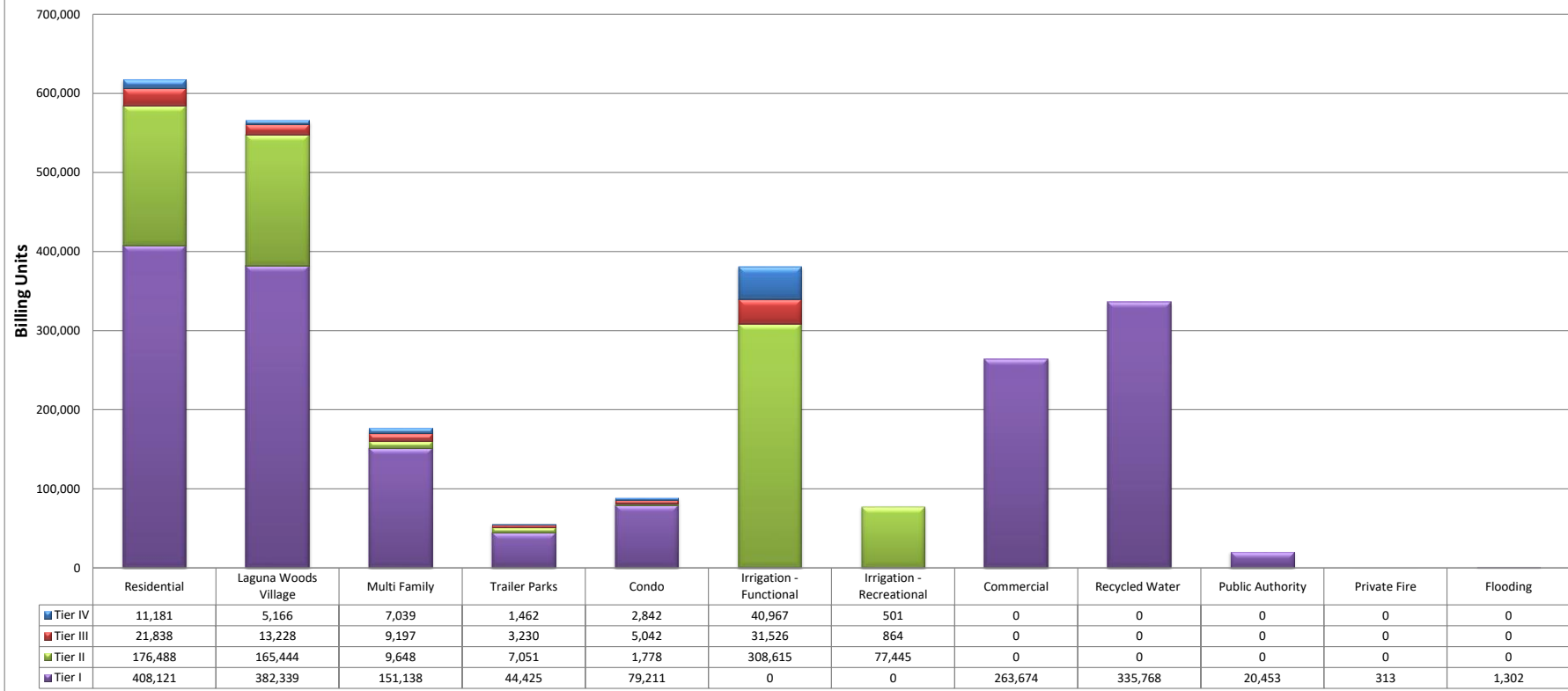
<b>DESCRIPTION</b>	<b>DATE</b>	<b>DAY</b>
Board Budget Committee #1	3/23/2018	Fri
Board Budget Committee #2	4/6/2018	Fri
Board Budget Workshop	4/19/2018	Thurs
E, F & I Budget Update	4/24/2018	Tues
Distribute Prop 218 Notice	5/7/2018	Mon
CAG	5/10/2018	Thurs
Publish Public Hearing Notice - Newspaper	6/4/2018	Mon
E, F & I Budget Update	6/26/2018	Tues
Conduct Public Hearing - Regular Board Meeting	6/28/2018	Thurs
Implement Board Action	7/2/2018	Mon

**Note: Board Budget Committee #1, 2, and workshop are at 7:30 am**

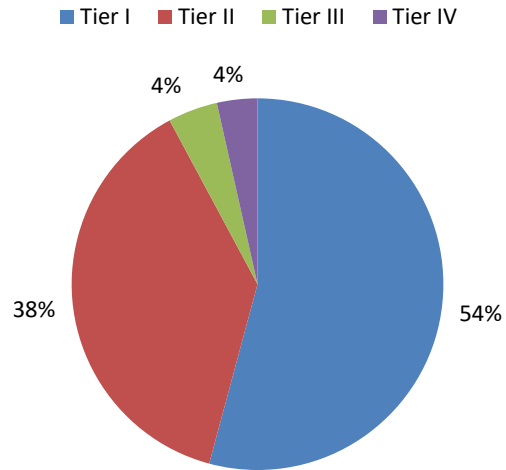
## February 2018 Water Sales



### Year-to-Date Water Sales as of February 2018

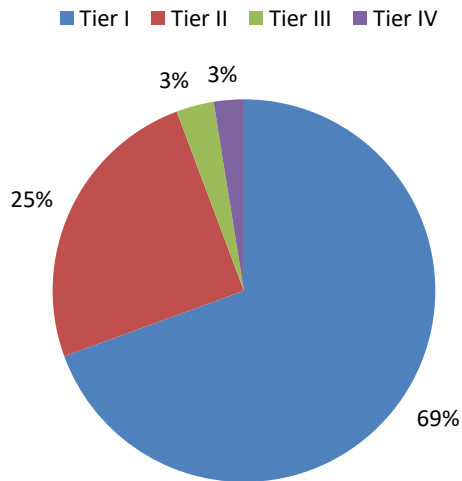


## Year to Date Tiered Sales As of February 2018



Year To Date Sales in ccf		
Tier I	1,065,234	54.19%
Tier II	746,469	37.97%
Tier III	84,925	4.32%
Tier IV	69,158	3.52%
	1,965,786	100.00%

## February 2018 Tiered Sales

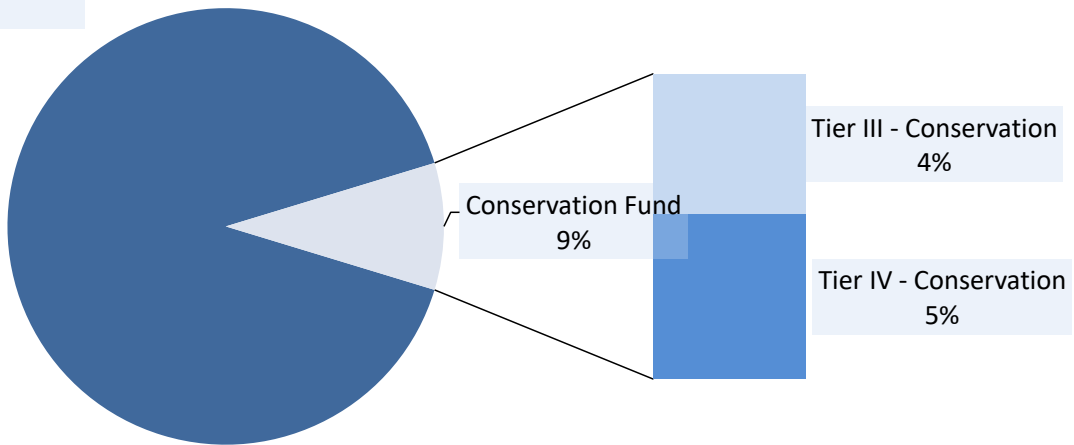


Current Month Sales in ccf		
Tier I	129,712	69.43%
Tier II	46,419	24.85%
Tier III	5,949	3.18%
Tier IV	4,741	2.54%
	186,821	100.00%



### Year to Date Water Sales as of February 2018

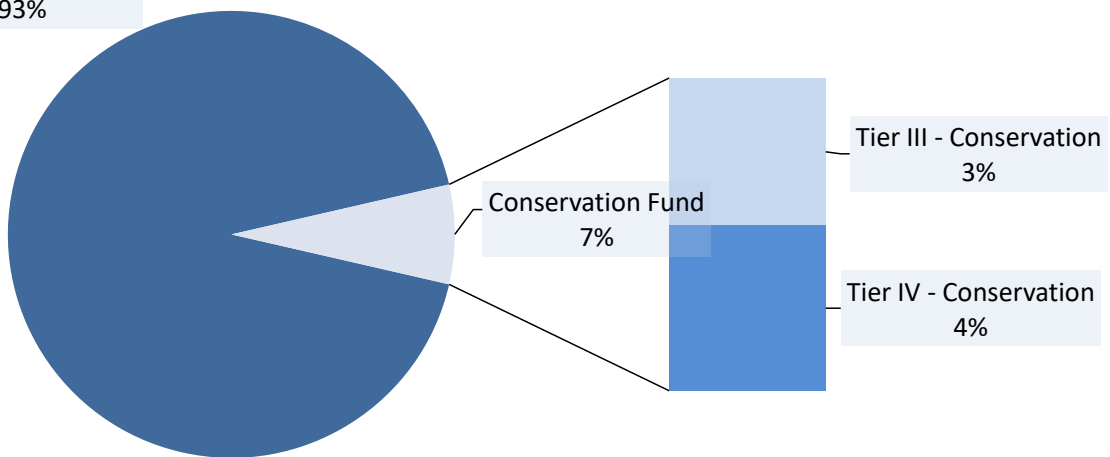
Water Delivery Cost  
91%



Category	Billings	Percentage
Water Delivery Cost	\$5,318,286.97	90.61%
Tier III - Conservation	\$254,384.71	4.33%
Tier IV - Conservation	\$296,833.34	5.06%
	<b>\$5,869,505.02</b>	<b>100.00%</b>

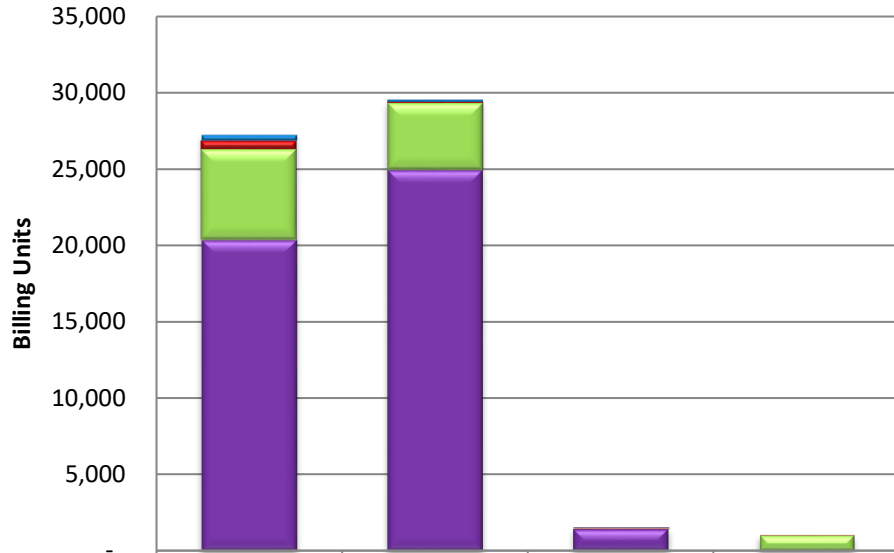
### February 2018 Water Sales

Water Delivery Cost  
93%



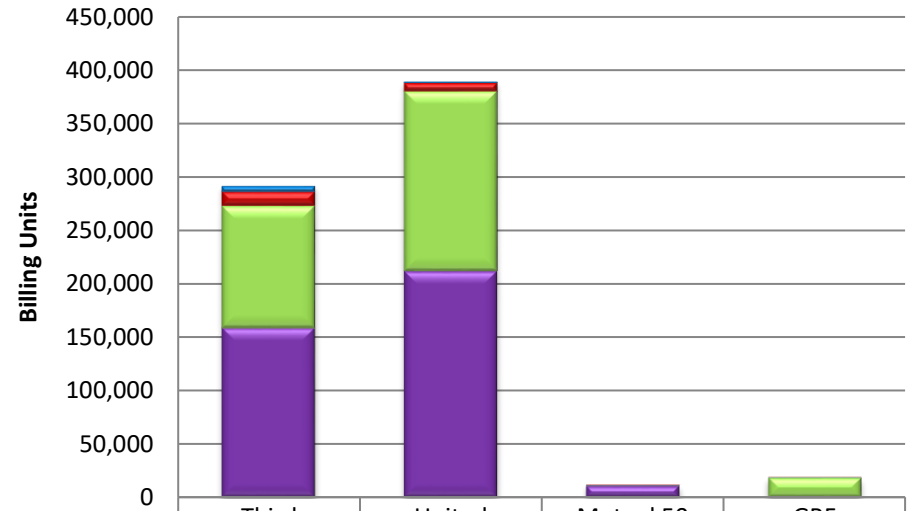
Category	Billings	Percentage
Water Delivery Cost	\$495,446.74	92.82%
Tier III - Conservation	\$18,084.96	3.39%
Tier IV - Conservation	\$20,235.96	3.79%
	<b>\$533,767.66</b>	<b>100.00%</b>

### Laguna Woods Village February 2018 Water Sales



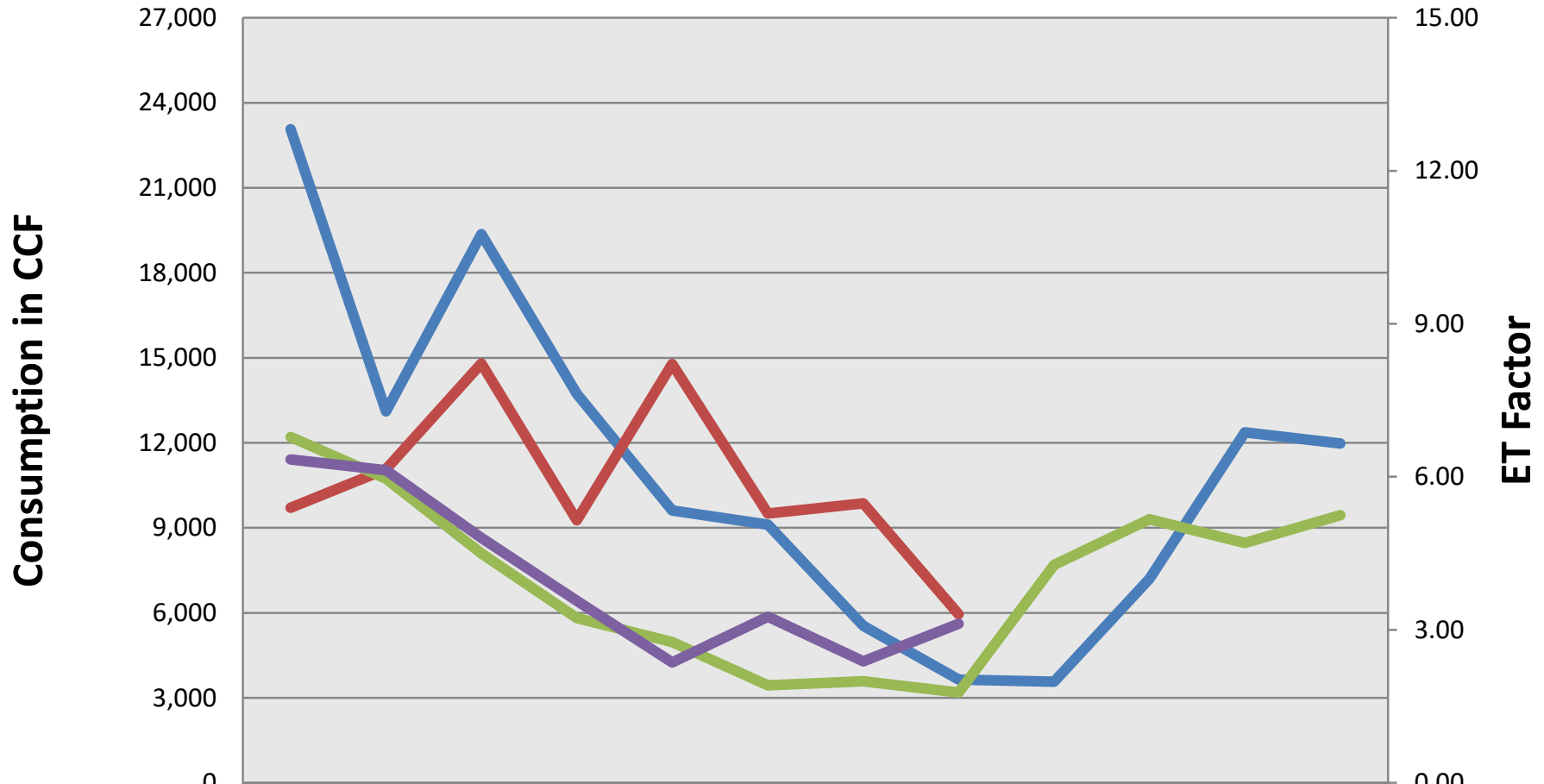
	Third	United	Mutual 50	GRF
Tier 4	382	131	34	-
Tier 3	554	96	59	1
Tier 2	5,971	4,392	16	1,054
Tier 1	20,308	24,894	1,467	-

### Laguna Woods Village Year-to-Date Water Sales February 2018



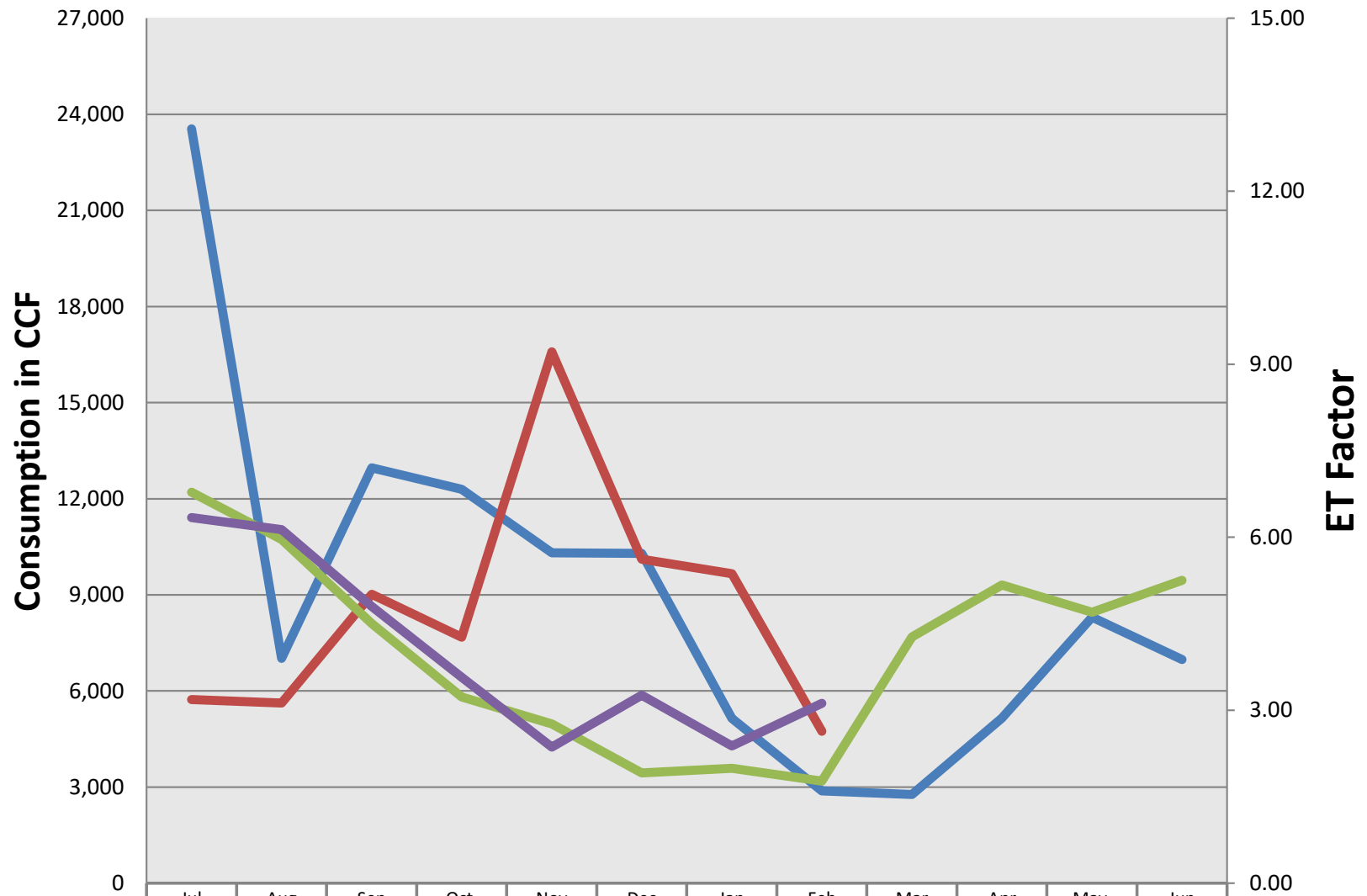
	Third	United	Mutual 50	GRF
Tier 4	5,458	1,387	119	145
Tier 3	13,355	7,871	615	442
Tier 2	114,341	167,901	196	18,603
Tier 1	158,975	212,274	11,090	0

# Tier III Consumption



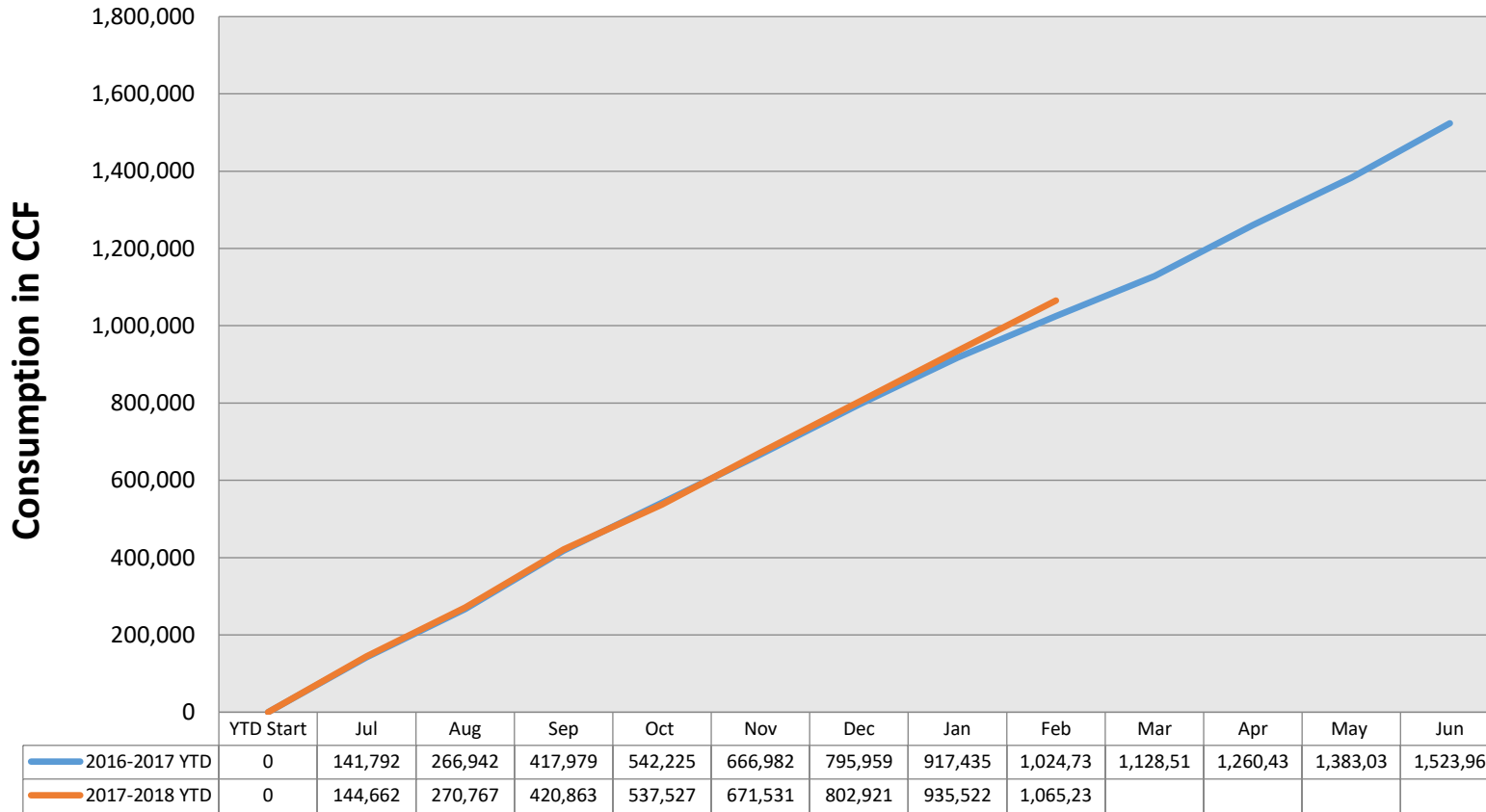
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	23,067	13,103	19,362	13,724	9,614	9,106	5,536	3,639	3,568	7,198	12,369	11,979
2017-2018	9,711	11,063	14,797	9,263	14,781	9,502	9,859	5,949				
16/17 ET	6.78	5.96	4.50	3.23	2.76	1.91	1.99	1.77	4.27	5.17	4.70	5.25
17/18 ET	6.34	6.13	4.80	3.57	2.36	3.26	2.38	3.12				

## Tier IV Consumption

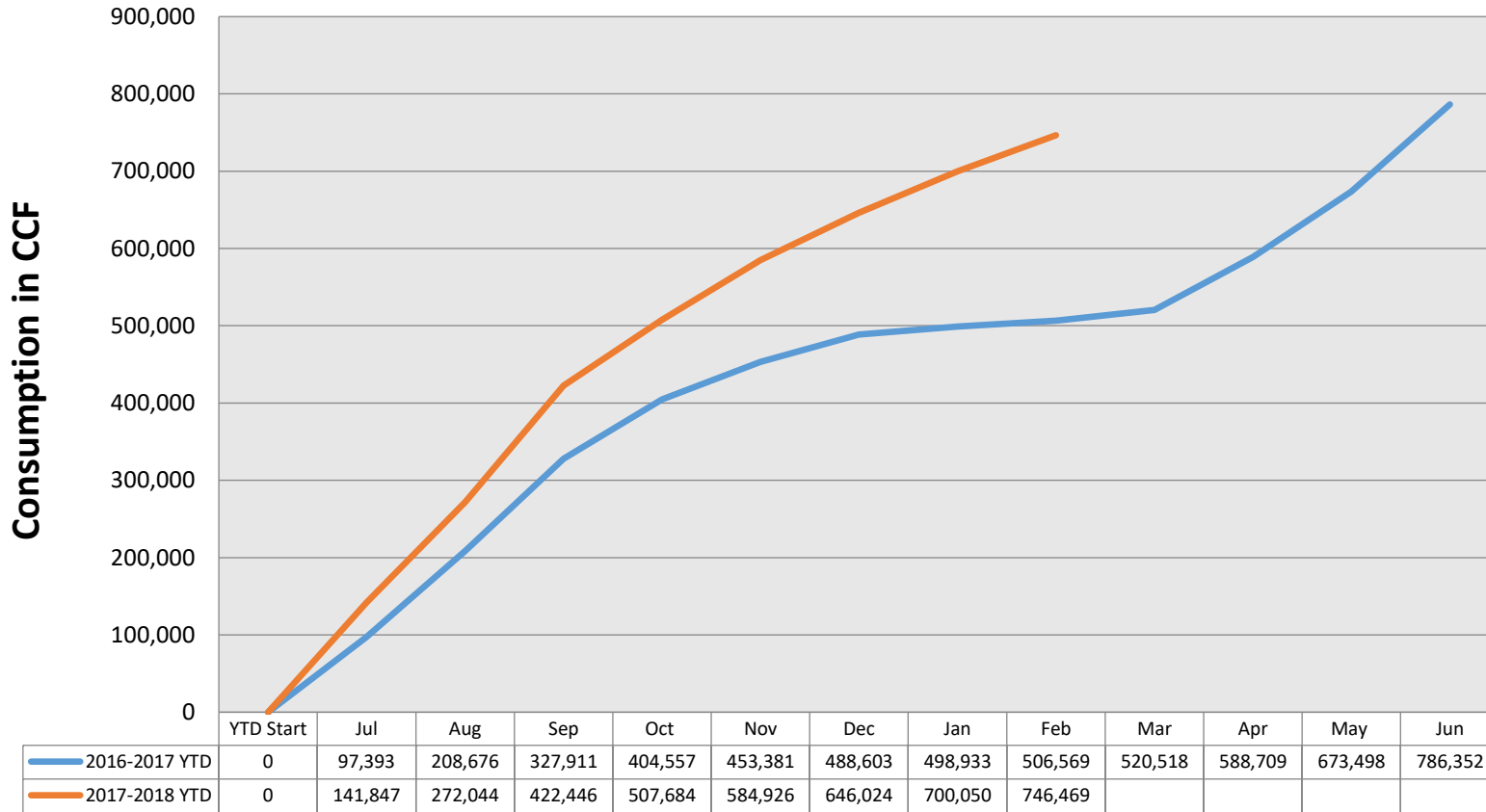


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	23,546	7,013	12,969	12,291	10,308	10,294	5,145	2,883	2,769	5,155	8,304	6,981
2017-2018	5,733	5,622	9,022	7,679	16,586	10,117	9,658	4,741				
16/17 ET	6.78	5.96	4.50	3.23	2.76	1.91	1.99	1.77	4.27	5.17	4.70	5.25
17/18 ET	6.34	6.13	4.80	3.57	2.36	3.26	2.38	3.12				

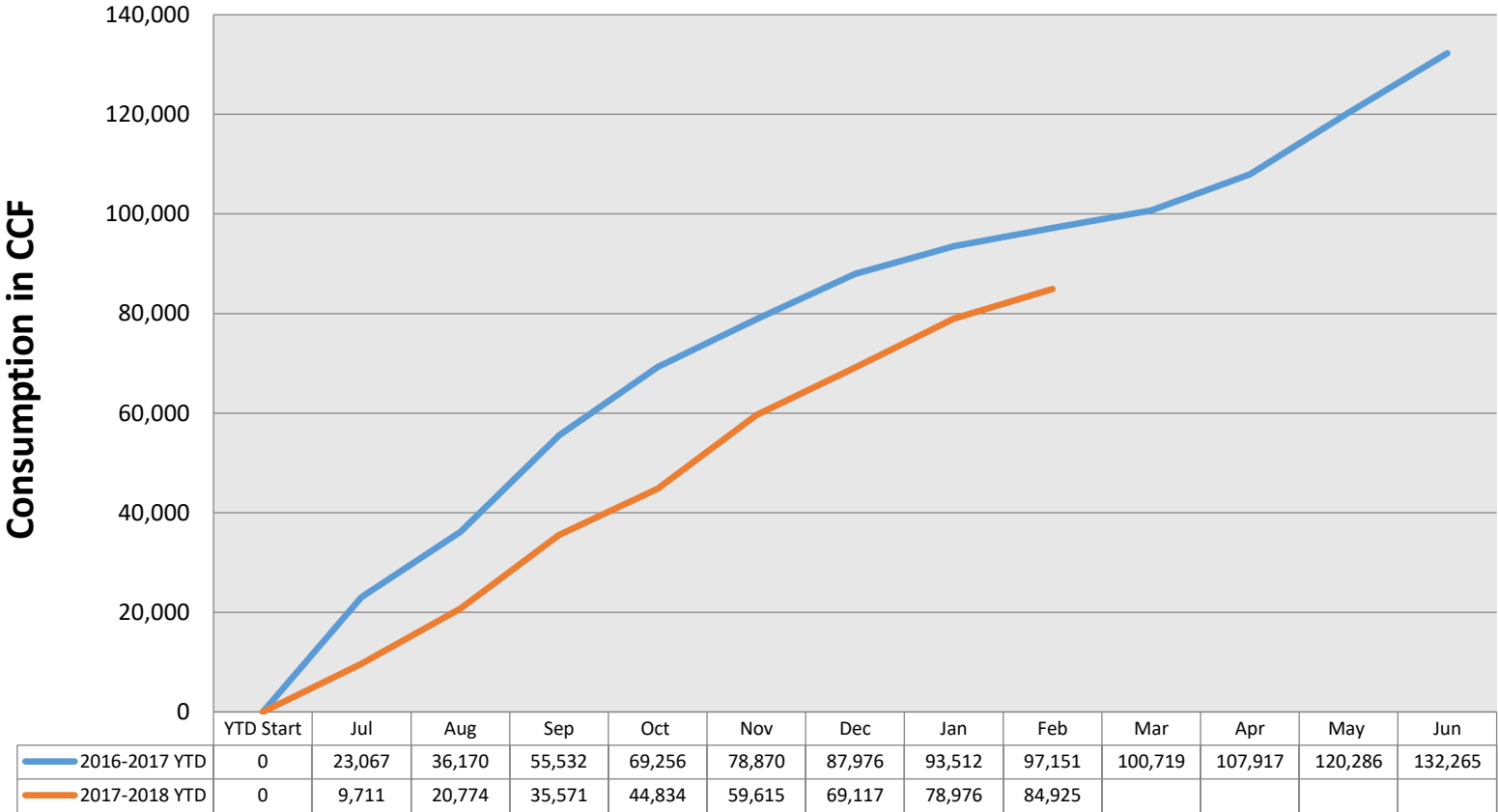
## Tier I YTD Consumption



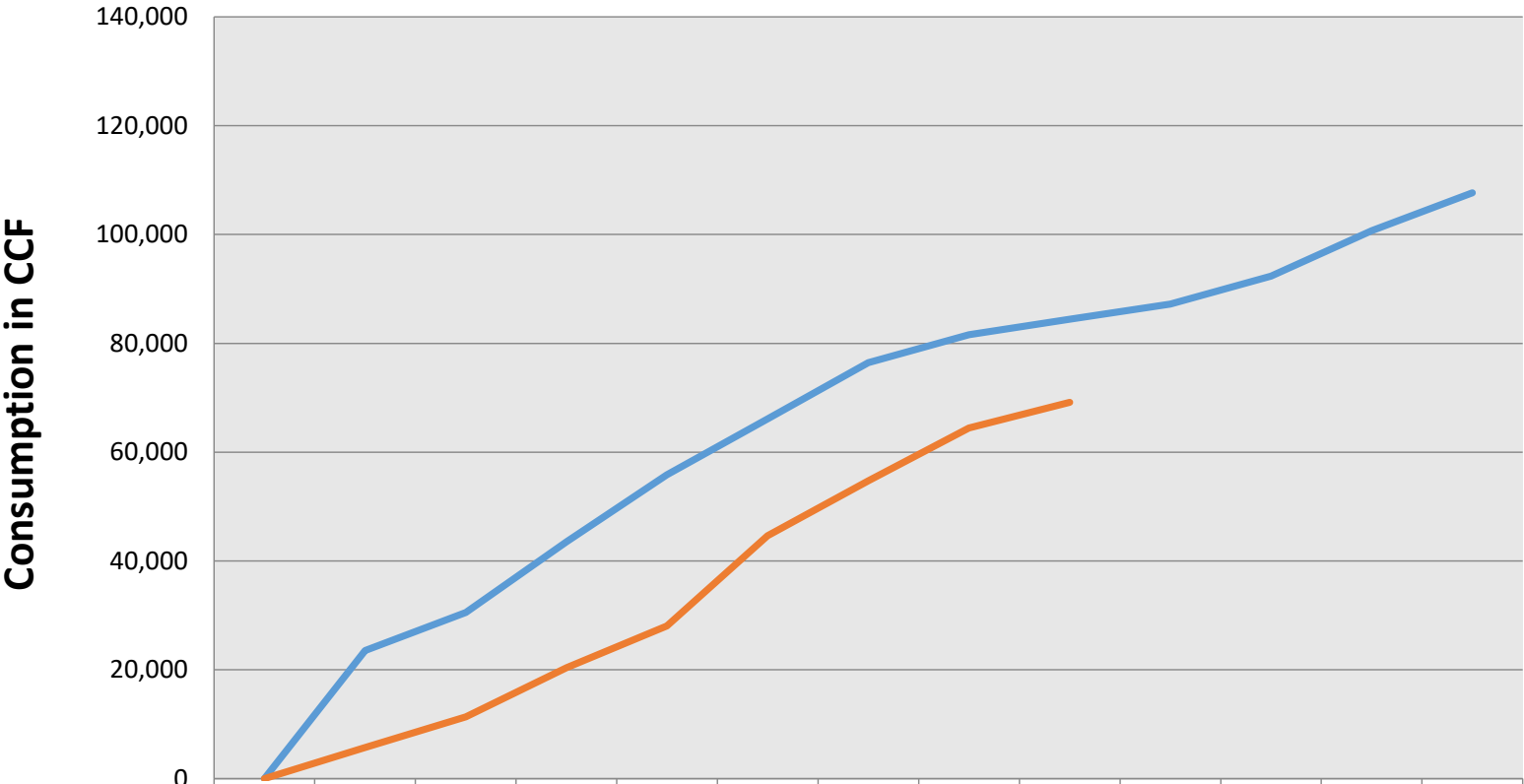
### Tier II YTD Consumption



### Tier III YTD Consumption



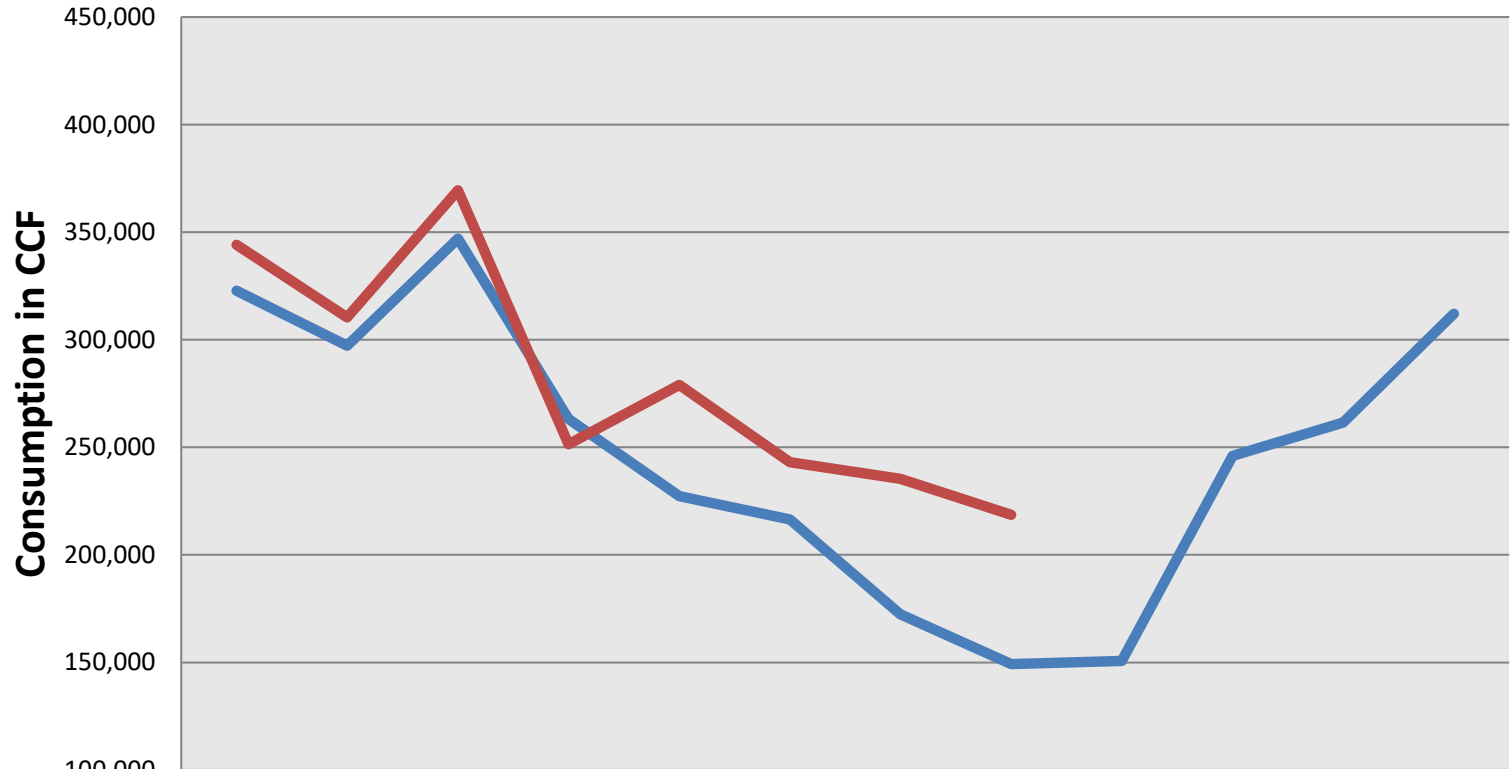
### Tier IV YTD Consumption



	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017 YTD	0	23,546	30,559	43,528	55,819	66,127	76,421	81,566	84,449	87,218	92,373	100,677	107,658
2017-2018 YTD	0	5,733	11,355	20,377	28,056	44,642	54,759	64,417	69,158				

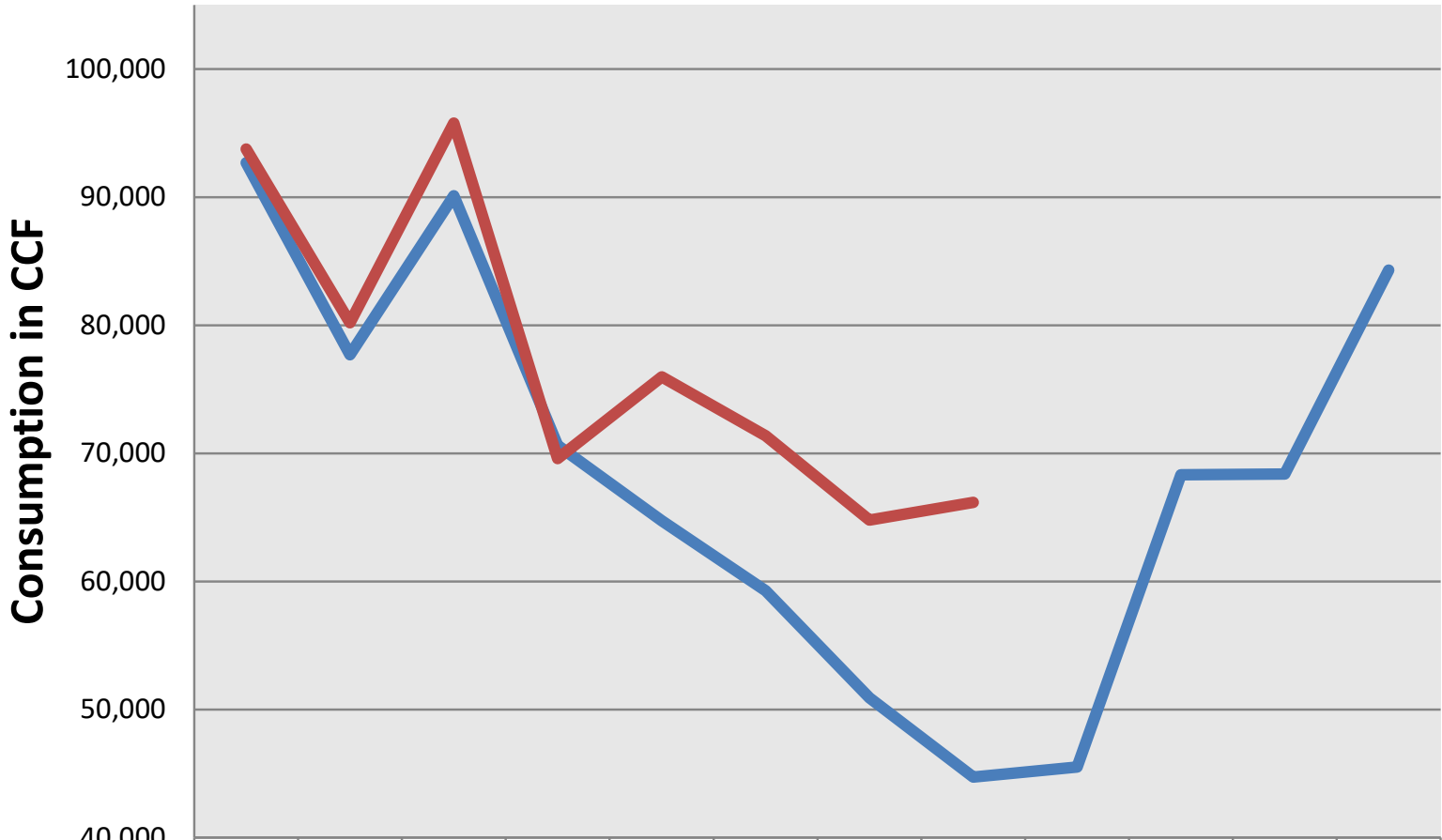


## ETWD Total Consumption



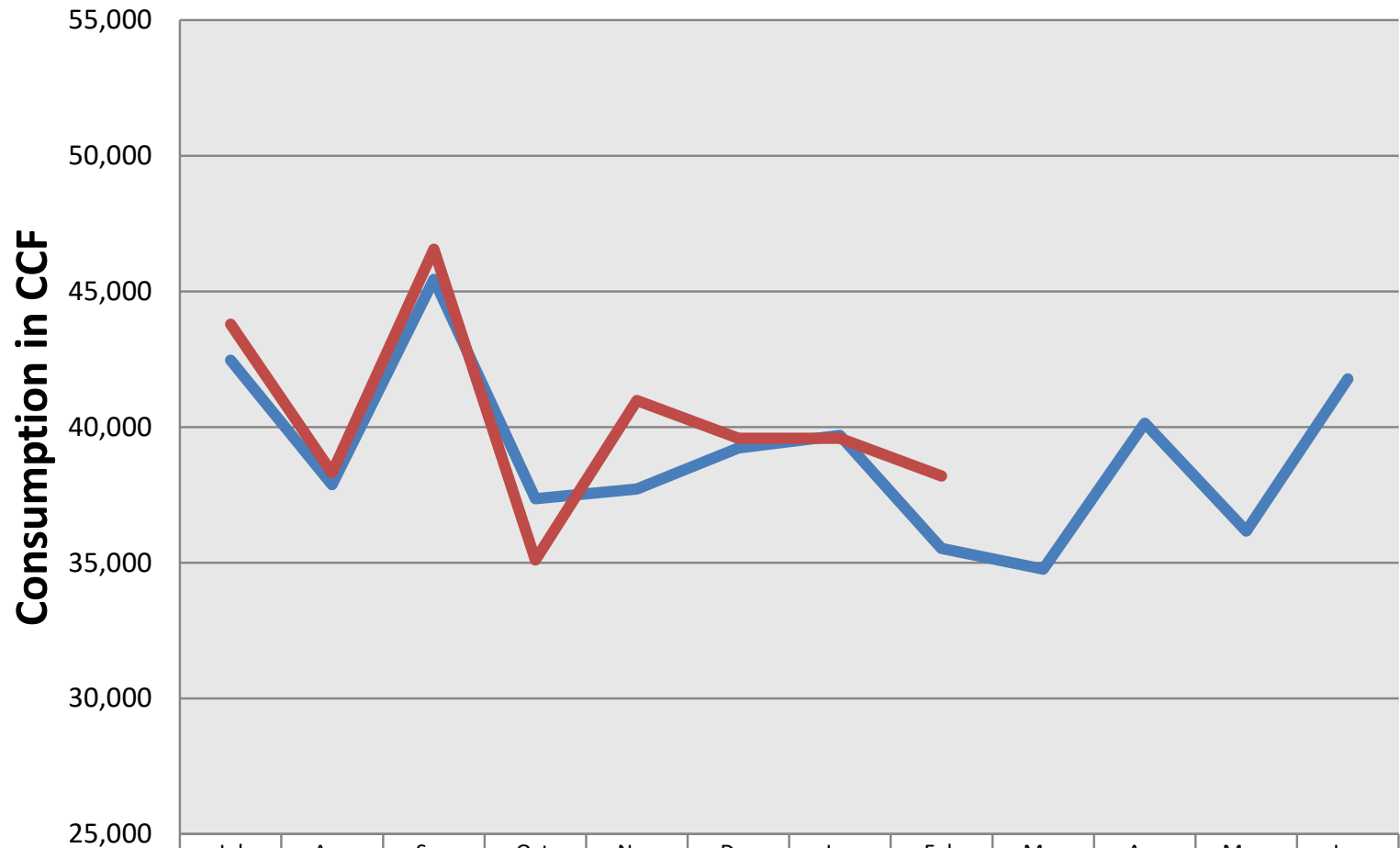
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	322,764	297,273	346,995	263,120	227,277	216,478	172,428	149,232	150,697	246,036	261,524	312,014
2017-2018	344,078	310,451	369,472	251,478	278,939	243,123	235,364	218,623				
%	107%	104%	106%	96%	123%	112%	136%	146%	0%	0%	0%	0%

# Single Family Residents Consumption



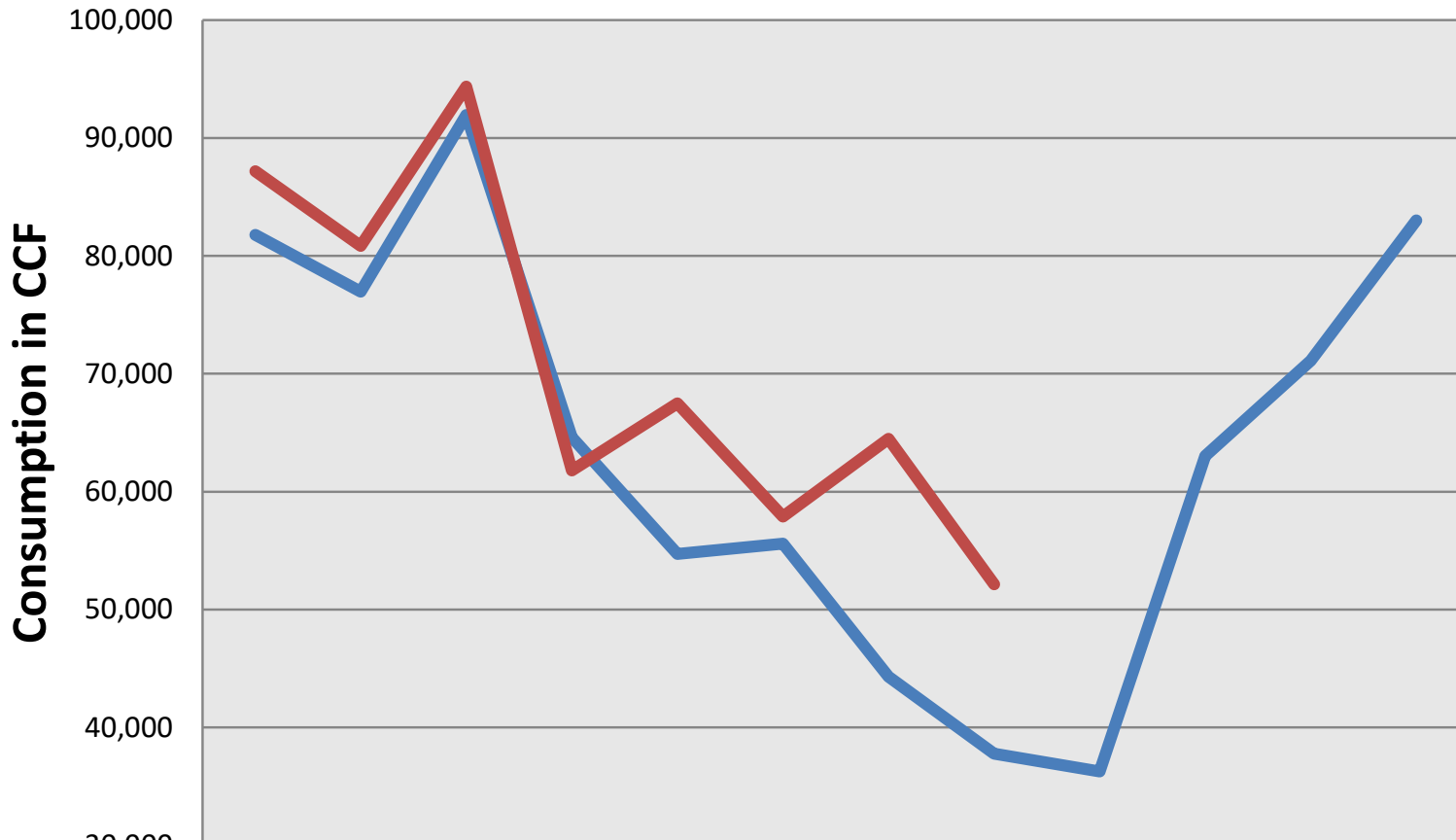
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	92,684	77,685	90,100	70,617	64,741	59,287	50,923	44,723	45,516	68,339	68,377	84,309
2017-2018	93,758	80,204	95,783	69,580	75,963	71,368	64,788	66,175				
%	101%	103%	106%	99%	117%	120%	127%	148%	0%	0%	0%	0%

## Multi Family Residents Consumption



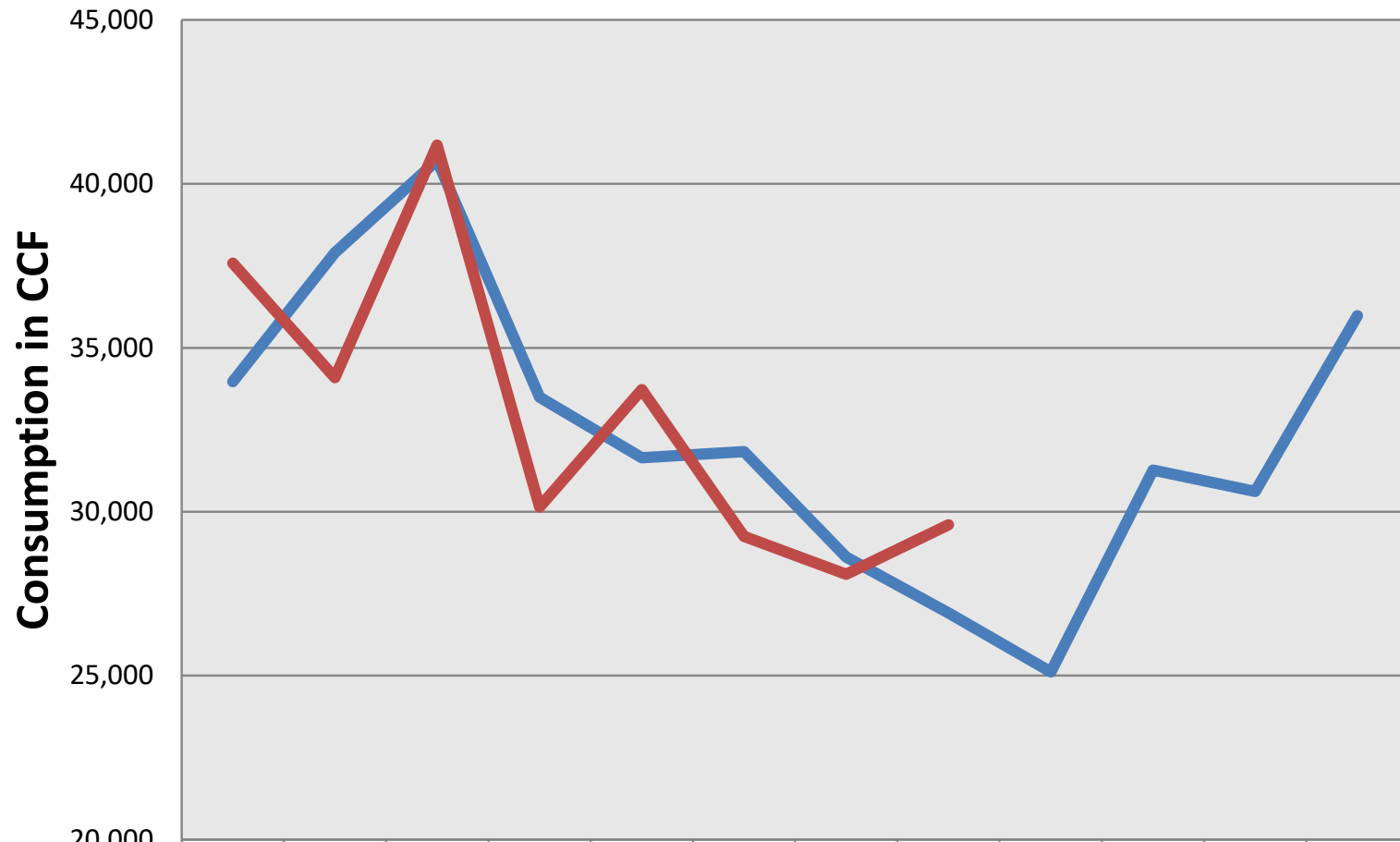
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	42,465	37,872	45,442	37,354	37,718	39,233	39,696	35,523	34,761	40,142	36,164	41,773
2017-2018	43,787	38,310	46,555	35,098	40,975	39,581	39,586	38,194				
%	103%	101%	102%	94%	109%	101%	100%	108%	0%	0%	0%	0%

## Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



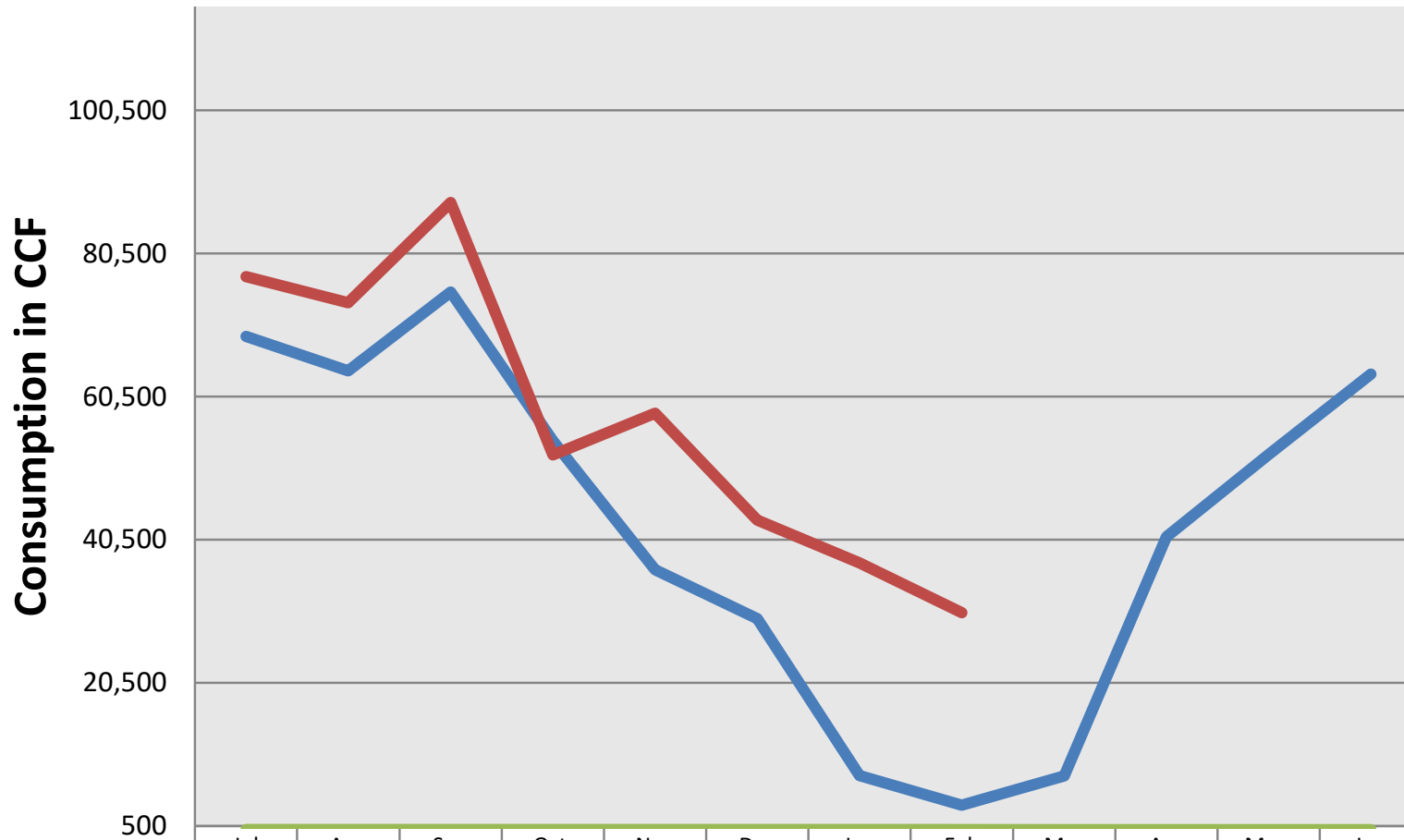
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	81,773	76,968	91,952	64,623	54,727	55,588	44,298	37,794	36,274	63,045	71,112	83,001
2017-2018	87,171	80,837	94,360	61,794	67,488	57,902	64,481	52,144				
%	107%	105%	103%	96%	123%	104%	146%	138%	0%	0%	0%	0%

## Commercial Consumption



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
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
2017-2018	37,582	34,086	41,181	30,146	33,724	29,251	28,092	29,598				
%	111%	90%	101%	90%	107%	92%	98%	110%	0%	0%	0%	0%

## Dedicated Irrigation Consumption (including LWV)



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
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
2017-2018	77,239	73,638	87,622	52,373	58,189	43,258	37,291	30,308				
%	112%	115%	117%	96%	160%	147%	492%	887%	0%	0%	0%	0%

# 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.

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**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.

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**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 30<sup>th</sup> of the following calendar year.

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

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

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

**Water table:** The top level of water stored underground.

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

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

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

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

**Xeriscape:** Landscaping that requires minimal water.