


3I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.


Robert R. Hill, Secretary of the
El Toro Water District and the Board of
Directors thereof

AGENDA

EL TORO WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS ENGINEERING COMMITTEE MEETING AND FINANCE/INSURANCE COMMITTEE MEETING

November 19, 2018

7:30 a.m.

CALL TO ORDER – Vice President Vergara

PLEDGE OF ALLEGIANCE – Director Monin

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. Consider approving the October 23, 2018 Engineering Committee meeting minutes.

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.

2. **Quarterly Review of the District's 401(k) Retirement Savings Plan**
(Reference Material Included)

A HighMark representative will review and comment on the investment performance of the District's 401(k) Retirement Savings Plan.

ENGINEERING ACTION ITEMS

There are no action items.

ENGINEERING GENERAL INFORMATION ITEMS

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

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

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. a. Consider approving the October 23, 2018 Finance Committee meeting minutes.
- b. Consider renewing the District's membership in ACWA in the amount of \$22,560 for calendar year 2019. The membership dues for 2018 were \$21,905.
- c. Consider renewing the District's membership in WateReuse in the amount of \$1,016.50 for calendar year 2019. The membership dues for 2018 were \$963.
- d. Consider renewing the District's membership in CSDA in the amount of \$7,252 for calendar year 2019. The membership dues for 2018 were \$6,842.
- e. Consider receiving and filing the District's Quarterly Audit Report for the periods April 1, 2018 through June 30, 2018 as presented by the PUN Group.

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

6. **Financial Package - Authorization to Approve Bills for Consideration dated November 19, 2018 and Receive and File Financial Statements as of October 31, 2018** (Reference Material Included)

The Board will consider approving the Bills for Consideration dated November 19, 2018 and Receive and File Financial Statements as of October 31, 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 November 19, 2018, and 2) receive and file the Financial Statements for the period ending October 31, 2018.

FINANCIAL INFORMATION ITEMS

7. 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.
2. To conduct the General Manager's annual performance evaluation pursuant to Government Code Section 54957 (b) (1).

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, December 18, 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 Welsch.

MINUTES OF THE REGULAR MEETING
OF THE
ENGINEERING COMMITTEE MEETING

October 23, 2018

Vice President Vergara called the Meeting of the Engineering Committee to order at 7:30 a.m. on October 23, 2018.

President Goldman led in the Pledge of Allegiance to the flag.

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

Also present were ROBERT R. HILL, General Manager/Secretary, DENNIS P. CAFFERTY, Assistant General Manager/District Engineer, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, RICK OLSON, Operations Superintendent, NANCY LAURSEN, Accountant/Insurance Administrator, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, and CAROL MOORE, Laguna Woods Mayor.

Oral Communication/Public Comment

There were no comments.

Items Received too Late to be Agendized

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

Consent Calendar

1. Consider approving the minutes of the September 25, 2018 Engineering Committee meeting.

Vice President Vergara asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Adjarian, and Motion carried 4-1 to approve the Consent Calendar.

Roll Call Vote:

President Goldman	abstain (due to absence from the September meeting)
Vice President Vergara	aye
Director Freshley	aye
Director Monin	aye
Director Adjarian	aye

Engineering Action Item

Portable Generator

Mr. Cafferty stated that this is the third portable generator that is being replaced. He further stated that the new generator will be equipped with a Tier 4 Final engine that represents best available technology and complies with current and anticipated AQMD requirements.

Mr. Cafferty stated that Cummins has agreed to provide this generator at the same cost as the one the District purchased last year.

Mr. Cafferty stated that there is a company coming today to evaluate the old generators and provide an offer to purchase the replaced equipment potentially allowing the District to recover some of the replacement costs.

Vice President Vergara asked for a Motion.

Motion: President Goldman made a Motion, seconded by Director Adjarian, and unanimously carried by the Board to authorize the General Manager to enter into a

Purchase Order contract with United Rentals, Inc. in the amount of \$142,024.19 for the purchase of a new 275 kW standby generator.

Roll Call Vote:

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

Engineering General Information Items

Capital Project Status Report

Oso Lift Station Project

Mr. Cafferty stated that the design is finished, and the CEQA Mitigated Negative Declaration has been filed for public review with the State Clearinghouse and the County of Orange. He further stated that staff met with MNWD to review and discuss the draft plans and agreement regarding an emergency overflow connection from the Oso Lift Station in the MNWD sewer collection system near the station.

Phase II Recycled Water Distribution System Expansion Project

Mr. Cafferty stated that construction on the East Side System and West Side System is complete. He further stated that staff is preparing to bid a retrofit project on the East Side System and certain sites in the West Side System.

Mr. Cafferty stated that certain sites in the West Side System will be handled separately due to unique characteristics that could result in designation of the sites as “dual-plumbed” as defined in Title 22.

Poseidon Desal Project

Mr. Hill stated that staff has a meeting with Poseidon and OCWD tomorrow, and will provide an update at the Board meeting.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

Adjournment

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

Motion: Director Adjarian made a Motion, seconded by Director Freshley and unanimously carried that today's meeting be adjourned at 7:44 o'clock a.m. to Monday, November 19, 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:

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

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

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

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

El Toro Water District 401(k) Plan
Third Quarter 2018



Keith Stribling, CFA
Vice President and Senior Portfolio Manager
HighMark Capital Management
(949) 553-2591
keith.stribling@unionbank.com

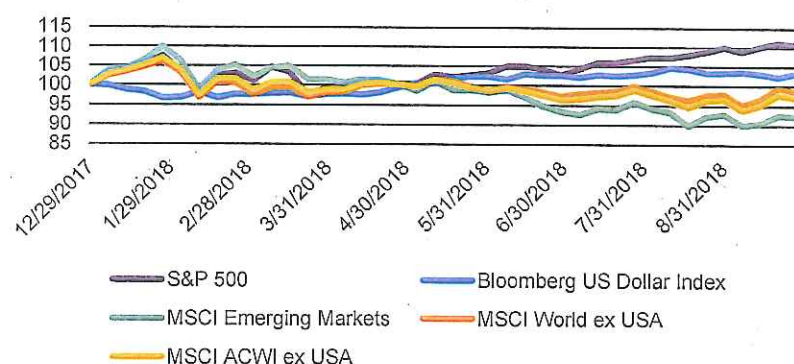
Economic and Market Perspectives Q4 2018

Market Overview

Amid a backdrop of robust economic data and strong corporate earnings, U.S. investors overcame concerns about an escalating trade war with China, an increasingly hawkish Fed, and a flattening yield curve to drive the U.S. equity market to its best quarter since 2013, as measured by the S&P 500 Index.

But with positive economic momentum in question outside of the U.S., equity markets overseas did not enjoy the same fate. The MSCI All Country World ex USA Index¹ managed a modest total return of 0.7% for the third quarter, which was 7% behind the S&P 500. Further U.S. dollar strength contributed to the continuation of a streak of four consecutive quarters where the domestic equity market outpaced its foreign counterparts.

U.S. Stocks Follow a Divergent Path



Source: Bloomberg (total return normalized to 100)

Fiscal stimulus in the form of tax cuts to individuals and corporations has allowed the U.S. economy to heat up while most international economies are cooling off. Consensus economic forecasts² expect to see the domestic economy reaccelerate to 2.9% real growth this year from 1.5% and 2.2% in 2016 and 2017, respectively. Meanwhile, China's economy, which accounts for roughly a third of global economic growth, is expected to slow from 6.9% in 2017 to 6.6% in 2018²—its slowest pace since 1990. In reaction to the ongoing trade dispute with the U.S. and upward dollar momentum, investors fled from China's local, domestic investor-dominated stock market (known as "A-shares"), pushing it into bear market territory this year after falling over 24%³.

International stocks were not the only asset class left in the dust of U.S. stock prices. Commodities, as measured by the Bloomberg Commodity Index, were another casualty of the strong U.S. dollar and trade turmoil, falling 2% during the third quarter. Despite a stable oil market, falling prices for agricultural products and metals weighed on returns, continuing a longer-term trend of negative returns from the asset class.

After a difficult start to the year and despite help from narrowing credit spreads, domestic investment grade bonds were unable to reclaim lost ground during the third quarter as the yield curve flattened and moved higher. Yield on the bellwether 10-year Treasury Note closed in on the recent highs set earlier in the year, settling 0.20% higher over the quarter. Meanwhile, yield on the 2-year Note continued its seemingly relentless ascent this year, moving 0.29% higher to 2.81%⁴.

A continued flattening of the yield curve has been a source of concern for investors, since inversions (defined as higher short-term rates relative to longer term rates) have preceded every recession since World War II⁵. The widely watched 10-year minus 2-year yield spread continued to narrow to a post-crisis low of 0.23% at the end of the

² Bloomberg as of 10/3/2018

³ MSCI China A Net Return Index

⁴ Treasury.gov

⁵ Inverted yield curves have occurred without a subsequent recession

¹ A diversified benchmark of global equities outside of the U.S.

quarter. However, many market observers pointed to the wider 10-year Note minus 3-month T-bill spread of 0.85%⁶ as contradictory evidence that the economy was not nearing a recession.

Economic Highlights

U.S. Growth: As expected, the U.S. economy saw a strong improvement in growth after a relatively weak first quarter. Led by strong consumer spending, real GDP grew at 4.2% in the second quarter – its largest expansion since the third quarter of 2014.⁷

Inflation: Headline inflation cooled off modestly in August (2.7%) after its July reading of 2.9%, the highest year-over-year level since a February 2012 reading. The Fed's preferred measure of inflation, the Core Personal Consumption Expenditures Index, remained on top of its 2% target in August.^{7,8}

Fed Funds: In its September meeting, the Federal Open Market Committee (FOMC) continued on its path of policy normalization by hiking the Fed Funds rate 0.25% to a range of 2.0% to 2.25%. The Fed is widely expected to raise rates another quarter point for the fourth time this year in December.⁹

Employment: The U.S. economy hit its lowest level of unemployment (3.7%) since 1969 in September. Despite a shrinking pool of available labor and the impact of Hurricane Florence, an average of 190,000 new jobs per month were added during the quarter. Average hourly earnings continued to grow at a solid 2.8% pace according to the latest report.⁸

Housing: Higher mortgage rates continued to weigh on the housing markets. According to Bankrate.com, the national average 30-year fixed mortgage rate has climbed from 3.85% to 4.57% through the first nine months of the year. In August, the National Association of Realtors (NAR) Pending Home Sales Index declined 2.5% on

a year-over-year basis. Seven of the prior eight months through August saw declines.^{6, 10,11}

Energy: Oil supply constraints from OPEC and the reinstatement of U.S. sanctions on Iran were largely offset by a stronger dollar. West Texas Intermediate futures ended the quarter at \$73.25 per barrel - slightly below where it started. Correspondingly, gasoline prices remained roughly flat at \$2.87 per gallon.^{6,12}

Corporate Earnings: U.S. corporations continued to reap the spoils of tax reform. According to Factset, the S&P 500 earnings per share growth rate for the second quarter (25%) beat expectations by 5%. Tax benefits were only part of the story. Revenue growth was also robust, accelerating from 8.8% year-over-year growth in first quarter to 10.1% in second quarter.¹³

Consumer Sentiment: Unfazed by trade drama, The Conference Board Consumer Confidence Index continued its longer-term upward trend reaching new cycle highs in September of 138.4. The index is within striking distance of its all-time high of 144.7 set 18 years ago.^{6,14}

Market Returns as of September 30, 2018

As of 9/30/2018	% Total Return					
	Q3 2018	YTD 2018	1-Year	3-Year	5-Year	10-Year
S&P 500	7.7	10.6	17.9	17.3	14.0	12.0
MSCI EAFE	1.4	-1.4	2.7	9.2	4.4	5.4
MSCI Emerging Markets	-1.1	-7.7	-0.8	12.4	3.6	5.4
Bloomberg Barclays US Aggregate Bond	0.0	-1.6	-1.2	1.3	2.2	3.8
ICE BofAML US Treasury Bills	0.5	1.3	1.5	0.8	0.5	0.4
Bloomberg Commodity	-2.0	-2.0	2.6	-0.1	-7.2	-6.2

Source: Morningstar Direct
Periods greater than one year are annualized.

⁶ Bloomberg

⁷ U.S. Bureau of Economic Analysis (BEA)

⁸ U.S. Bureau of Labor Statistics (BLS)

⁹ Federal Reserve

¹⁰ NAR

¹¹ Bankrate.com

¹² AAA

¹³ FactSet

¹⁴ The Conference Board

Progress and Peril

In previous editions of Perspectives, we broke down President Trump's multi-front trade war which has remained the focal point of global financial markets for the bulk of 2018. As trade tensions ratcheted up with China during the third quarter, the U.S. seemed to be in a peace-making mood with its other economic adversaries. In August, Mexico was able to reach a deal to rewrite trading terms with the U.S., thereby replacing the North American Free Trade Agreement or NAFTA, which had long been criticized by President Trump as "the worst trade deal in the history of the world."

With one domino down, investors became encouraged that others would follow and business as usual would soon return to global trade. That assumption appeared have some merit, as Canada joined NAFTA's successor agreement, the United States-Mexico-Canada Agreement (USMCA), at the eleventh hour as the quarter came to an end and before the Trump-imposed deadline. The deal won't be officially signed until November 30 and requires congressional approval, but financial markets welcomed the news of the trilateral accord.

Although USMCA looks a lot like NAFTA, there were some meaningful updates that should allow the President to claim success for his political allies in Congress as the midterm elections approach. On the auto front, USMCA raises minimum wages and tariff exemption standards for a vehicle's overall content coming from North America. Raising the minimum wage¹⁵ to seven times the average manufacturing wage in Mexico is expected make U.S.-based production more attractive to automakers. The new deal also gives U.S. dairy farmers some access to Canadian markets and strengthens intellectual property protections.

Though pundits have debated the significance of the changes versus the NAFTA accord, all seem to agree that reaching an agreement at least partially reduces the dark cloud of protectionism that had been hanging over financial markets.

Earlier in the quarter, the Trump administration had already called a cease-fire in its clash with the European Union (EU) after meeting with European Commission President Jean-Claude Juncker and agreeing to the basic outline of a deal with its

second largest trading partner. While details are still being worked out, it gives the U.S. a chance to refocus on the 800-pound gorilla: China. On this front, peace will likely not come as quickly or as easily. The two parties are much further apart in terms of what they want economically and how they view each other in the geopolitical realm.

As we noted last quarter, China's highly export-skewed trade with the U.S. dwarfs that of all of its other partners. President Trump believes the trade imbalance and China's slowing economy give him the leverage to make big demands on which he does not appear to be budging. From China's perspective, the U.S. demands are excessive and it has been fighting fire with fire. Just before the two sides were to resume talks in September, the President ordered a 10% tariff to be applied to \$200 billion worth of imports on top of the 25% tariff on \$50 billion worth of goods already in place. The latest rounds of tariffs are scheduled to increase to 25% after the end of the year.

In addition to tariffs, which could ultimately include all goods imported from China, the Trump administration has sought other means of applying pressure. These include restrictions on Chinese investment in the U.S., sanctioning individual Chinese companies and restricting visa issuance. China, of course, has and will continue to respond in-kind.

The impasse has global investment implications and will continue to be one of the dominant issues facing capital markets until a resolution is reached. We expect to see further escalation of disputes between the two countries, meaning headlines will continue to influence sentiment and tariffs will begin to hit corporate fundamentals as we move into 2019.

Unlike with Canada, Mexico and the EU, President Trump will not settle for a single or double, to borrow a baseball analogy. Instead he'll be looking for the home run with China, who he views as a major economic threat as the country ramps up the "Made in China 2025" initiative to compete directly with the U.S. for higher-end manufacturing. Perhaps Henry Kissinger put it best when he said, "Each success only buys an admission ticket to a more difficult problem".

¹⁵ Two-fifths of a vehicle's content must be produced by workers making more than \$16 per hour.

Brexit Pains

Over two years after the history-making United Kingdom (UK) "Brexit" vote to exit the EU, there has been progress in the negotiations accompanied by plenty of private and public disagreements between the two parties. As is often the case with any large project or undertaking, the remaining ten percent can often be more onerous to complete than the first 90 percent of the task.

In July, British Prime Minister Theresa May and the UK government presented the "Chequers" plan¹⁶, a document outlining the future EU/UK relationship. The 100-plus page document covers a wide range of topics including trade, economic partnerships, and security. The piece was not without controversy, and Brexit Secretary David Davis and British Foreign Secretary Boris Johnson registered their opposition to the plan by resigning their UK Cabinet positions. Both Secretary Davis and Secretary Johnson separately expressed the view that the UK was capitulating too much, too easily, to the EU in the negotiations.

Although Chequers was presented as a "compromise" deal for the various factions, it has been challenged from all sides. "Brexiters" (those in the UK in favor of leaving the EU) believe that the position is too close to a "soft Brexit," rejecting a continued close alignment with EU regulations so as to preserve unfettered trade between the UK and its European trading partners. "Remainers" (those in the UK in favor of remaining part of the EU) object to the plan's exclusion of the service sector from the EU Single Market¹⁷.

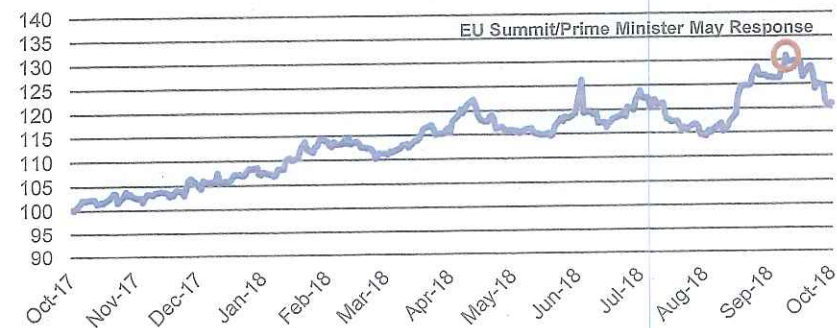
While a key tenet of Chequers includes keeping the UK in the single market for goods, "Remainers" (and many economists) believe that omitting the services sector makes little sense, as this segment accounted for 79 percent of the UK's GDP in 2017¹⁸. The services exclusion effectively means that this sector would need to be

compensated by new deals outside of the EU. This presents a challenge as Europe accounted for slightly under half of the UK's total service sector exports in 2016¹⁹.

The EU found fault with the Chequers plan as well, specifically Prime Minister May's proposal to use a new customs arrangement to avoid returning to a hard border between Northern Ireland and the Republic of Ireland. The border issue came to a head at an EU Summit in Salzburg on September 20 when Donald Tusk, President of the European Commission, said that the Chequers plan was unworkable.

In a televised address the following day, Prime Minister May admitted that Brexit negotiations with the EU had reached an 'impasse', adding that "I have treated the EU with nothing but respect. The UK expects the same." In reaction to this public spat, the Pound Sterling plummeted against major currencies on fears of a no-Brexit deal, as shown in the chart below.

Pound Sterling Exchange Rate vs. Major International Currencies



Source: FactSet

Before an agreement can be reached, there are two major and interrelated issues which remain sources of contention between the two parties.

¹⁶ Chequers Court is the country house of the British Prime Minister and the site where the Brexit proposals were agreed upon by the Cabinet.

¹⁷ Internal market that encompasses the EU's 28 member states (extended, with exceptions, to Iceland, Liechtenstein, Norway and Switzerland) and seeks to guarantee the free movement of goods, capital, services, and labor.

¹⁸ House of Commons Library, Economic Indicators Report, September 28, 2018

¹⁹ Office for National Statistics, International trade in services, UK: 2016 (Release date 31 January 2018)

The first issue is the shape of the overall economic relationship when the UK exits the EU. The EU's rejection of a central component of the Chequers plan, a partial UK membership in the EU Single Market, was a significant setback for the Brexiteers. Instead, the EU offered two options. One is a "Norway-style" deal, which would provide a higher level of access to EU markets but in turn would require that the UK adhere to the EU's rules, including "the four freedoms": free movement of goods, services, people, and capital. The other is a "Canada-style" deal, which would place fewer regulations but allow a lower level of access to EU markets - translating to more barriers to trade.

The second area of discord regards the only physical border impacted by the Brexit vote: Northern Ireland and the adjoining Republic of Ireland. Late in 2017, both sides agreed that the border should remain open even as Brexit, by definition, creates economic and human borders between the UK and other countries. The UK contends that an open Irish border could be maintained by conducting customs checks away from the border, but how these checks were to be accomplished on the ground remained a logistical challenge to businesses involved in trade between the two Irelands.

While Chequers is an unpopular way forward, it remains the only game in town as an alternative solution has yet to be proposed even by hardline Brexiteers desperately seeking to avoid a hard border in Ireland. EU leadership, while eager to dismantle Chequers, remains mindful that doing so too forcefully could provide proponents of a "hard Brexit" with ammunition and negatively impact any Brexit deal that would be supportive of EU economic interests.

More drama is likely to unfold in coming months and there are several possible outcomes if Prime Minister May is unable to produce a majority in favor of a Brexit plan. These include a general election; a second "remain" or "leave" referendum; a delay to the March 2019 deadline; or a disorderly and potentially messy "hard Brexit" exit from the EU. The downside risks of no deal are considerable. While we believe that the road to an agreement will be turbulent with the possibility of temporary market dislocation, we also believe that a no-deal/disorderly exit will be avoided and the EU and UK will come to an agreement -- Chequers or no Chequers.

Midterm Elections and the Supreme Court

As the third quarter closed, the U.S. political scene was dominated by upcoming midterm elections and confirmation hearings for President Trump's nomination of Brett Kavanaugh to be the President's second Supreme Court appointment.

The Court has been a business-friendly gathering at least since the 2010 "Citizens United" ruling which equated corporations with individuals in terms of political donations. Several recent rulings including the May decision that employers can require workers to agree to individual arbitration versus class action suits continue a series of pro-business rulings that corporations and investors have welcomed.

While much of the debate over Kavanaugh focused on potential changes to Supreme Court rulings on social issues and allegations of his prior misconduct, the Supreme Court was already largely friendly to business and markets and Kavanaugh's confirmation as the fifth conservative member on the nine-person court ensures a pro-business majority for many years to come.

As the quarter drew to a close, market consensus placed the odds of the Democratic party taking control of the House of Representatives at 51% and of the Senate at 18%, and equity investors pondered how markets might react to the various election outcomes.

Several key determinants of market sentiment, for better or worse, are outside the control of Congress regardless of which party is in the majority. These include Federal Reserve ("Fed") policies, ongoing trade policy decisions, labor costs and employment and how numerous factors may lead to rising inflation. Issues other than political control of the Legislative branch will likely have more bearing on equity and fixed income markets than winners and losers in November.

On the other hand, should the Democrats enjoy midterm success, the party may feel pressure to walk back some of the features of the President's tax bill. With both parties moving away from the center, Democrats may wish to position the party ahead of the 2020 presidential elections by boosting entitlement spending (and the already high fiscal deficit) and other popular measures to appeal to the party's base.

Fixed Income

The Fed's September 26 meeting saw all nine voting members of the FOMC approve an increase in the benchmark rate of 25 basis points to 2% to 2.25%—the highest level since spring 2008. The panel also indicated that an additional hike could come at the upcoming December meeting.

The Fed's outlook for the economy as noted in its post-meeting statement reduced concerns over the potential for an inverted yield curve which some investors believe foreshadows economic recession. The median forecast for GDP growth in 2018 was revised up from June's 2.8% target to 3.1%, a figure significantly higher than the 2.5% growth the Fed had expected for 2018 when the FOMC was polled at the end of 2017.

Fed-watchers also noticed a significant change in the statement. The prior memo referred to Fed policy as "accommodative," meaning supportive of labor market strengthening and the target of 2% inflation. However, the September statement dropped the word "accommodative," a change many interpreted to mean that the Fed believes that current policies are close to achieving employment and inflation levels consistent with what the statement called a "strong" U.S. economy supported by continued low unemployment, job gains and an accompanying rise in household spending, and strengthening business investments.

The Fed's longer-term projections for economic growth were less enthusiastic, with median GDP growth forecasts of 2.5% in 2019, 2.0% in 2020 and 1.8% for 2021 and beyond. The Fed also expects to implement gradual increases in the Federal Funds Rate into 2020 as monetary policy continues to transition from one of accommodation to a more neutral stance.

In last quarter's Perspectives, we noted that the 10-year U.S. Treasury bond yield had hit the 3% threshold for the first time since 2013. On September 18, the bellwether bond reached 3% again and stayed there through the end of the quarter.

While the 10-year bond dipped in and out of the 3% level during last quarter—with 12 days of 3% or more registered—we believe the future will see prolonged periods of 3% plus 10-year yields and have modified our yield outlook to 3.25% for the end of 2018.

One explanation for rising yields has been the concern that U.S. tariffs will lead to spikes in inflation and more rapid tightening by the Fed than expected. While tariffs, the Fed and inflation are all potential contributors to 3% plus 10-year yields, another reason may be European government bond markets. Over the last several years, quantitative easing by the European Central Bank and low to negative interest rates abroad led global investors eager for risk-free yield—any yield—to U.S. Treasuries. Their aggressive buying programs supported lower yields across the curve.

We expect the European experiment with quantitative easing to wind down in late 2019. This should lead to higher yields in Europe that will attract investors—particularly to Germany's 10-year bund—and subsequently reduce demand for U.S. Treasuries. We've seen this picture before in the U.S.—when central bank bond-buying as part of quantitative easing tapers off, yields rise. Next up may well be Europe where improving economic outlooks could convince global investors to rotate their bond buying efforts abroad.

Regardless, we note that it is somewhat counterintuitive that the return on a "risk-free asset"—in this case U.S. Treasuries, can be so abysmal, not even keeping pace with stubbornly low inflation levels. For example, the Barclays U.S. Government Index returned only 0.26% for the three year period ending September 30, 2018.

Conclusion

A decade ago, on September 15, 2008, the failure of Lehman Brothers was a seminal moment in modern economic history. The global financial system was on the brink of collapse, sending capital markets around the world into free fall. In the weeks and months that followed, few could see any light at the end of the tunnel. Fiscal and monetary policy measures of proportions not seen since the Great Depression would eventually pull the global economy out of the tailspin and even push equity markets to new highs.

Given the growing complexity of financial markets, there was no policymaker playbook for an event like the Global Financial Crisis. Every move was being called at the line of scrimmage based on a combination of economic theory and desperation. While it would be easy to declare the response to the crisis a victory at this juncture, given today's economic and financial market strength (particularly domestically), it may be premature. In other words, the global economy is still not standing on its own.

The extraordinary monetary and fiscal policy measures are only just beginning to be weaned from the market.

The final phase of this grand experiment includes shrinking central bank balance sheets (aka Quantitative Tightening), the normalization of short-term interest rates and compression of fiscal deficits and debt to sustainable levels. Unfortunately, loose financial conditions have been fueling economic growth and reflating asset prices for so long that it is hard to imagine what life on the other side of an ocean of liquidity looks like. Investors have become accustomed to an environment where there has been a meaningful cost to diversification and limited, if any, reward for taking security selection risk.

We are only starting to get a peek of what the proverbial party without the punchbowl will look like. Obscured by the euphoria of domestic tax reform and the headlines on trade disputes, removal of monetary policy accommodation in the U.S. has already begun to expose fragility in some emerging markets. It is not likely to be the only ripple effect global capital markets will experience from this process.

Going forward we expect the global investment landscape to get bumpier across all asset classes. Prudence and discipline will once again matter and the cost of diversification will most likely return to a benefit. Therefore, we advise clients to exercise caution when seeking investment returns as the next decade is unlikely to be a repeat of the last.

Economic and Market Perspectives Q4 2018

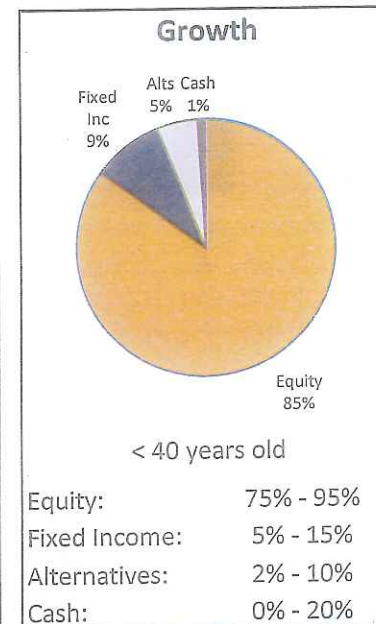
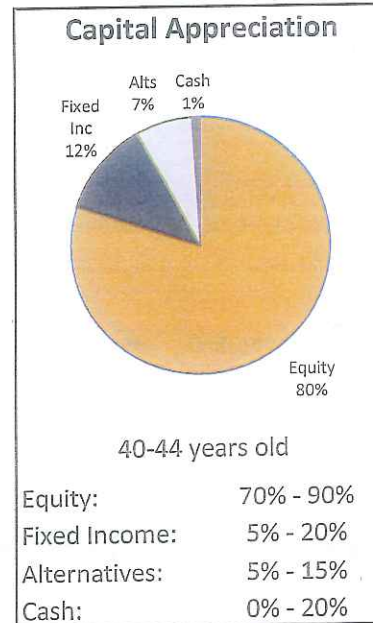
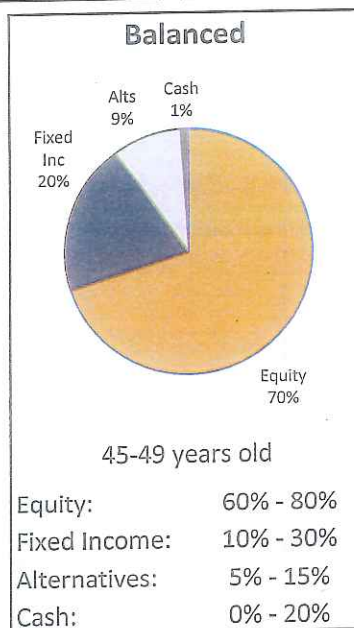
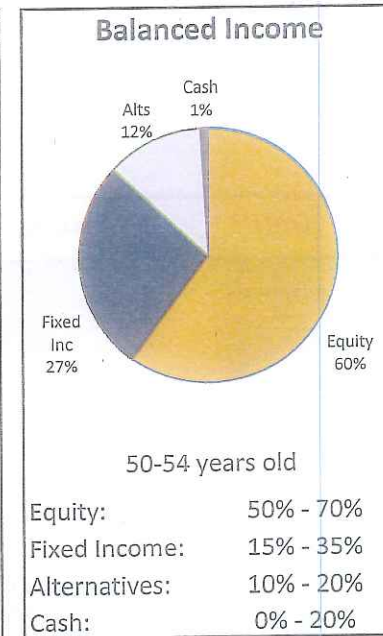
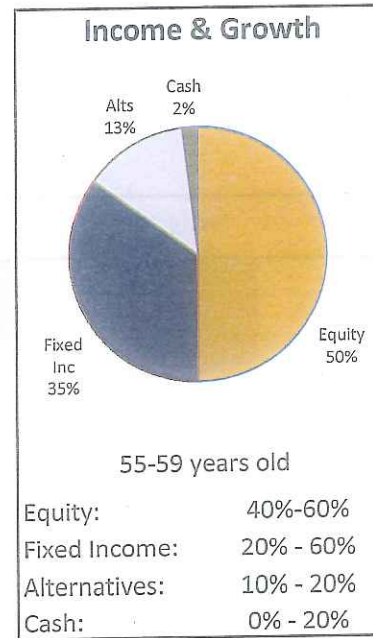
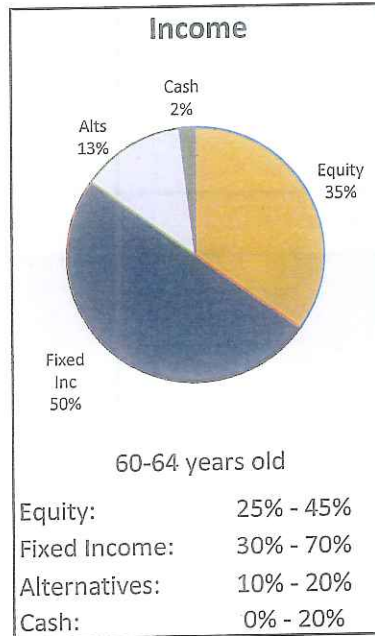
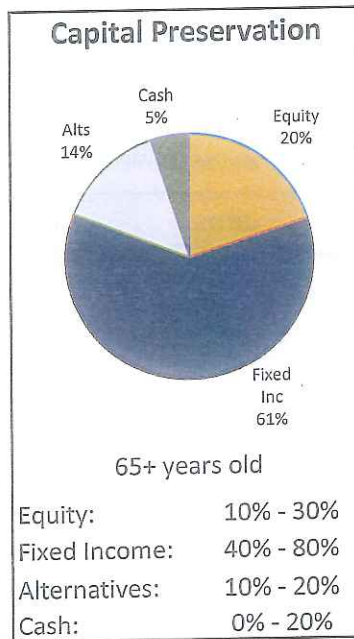
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Todd Lowenstein, Managing Director and Chief Equity Strategist

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INVESTMENT POOLS - ASSET ALLOCATION

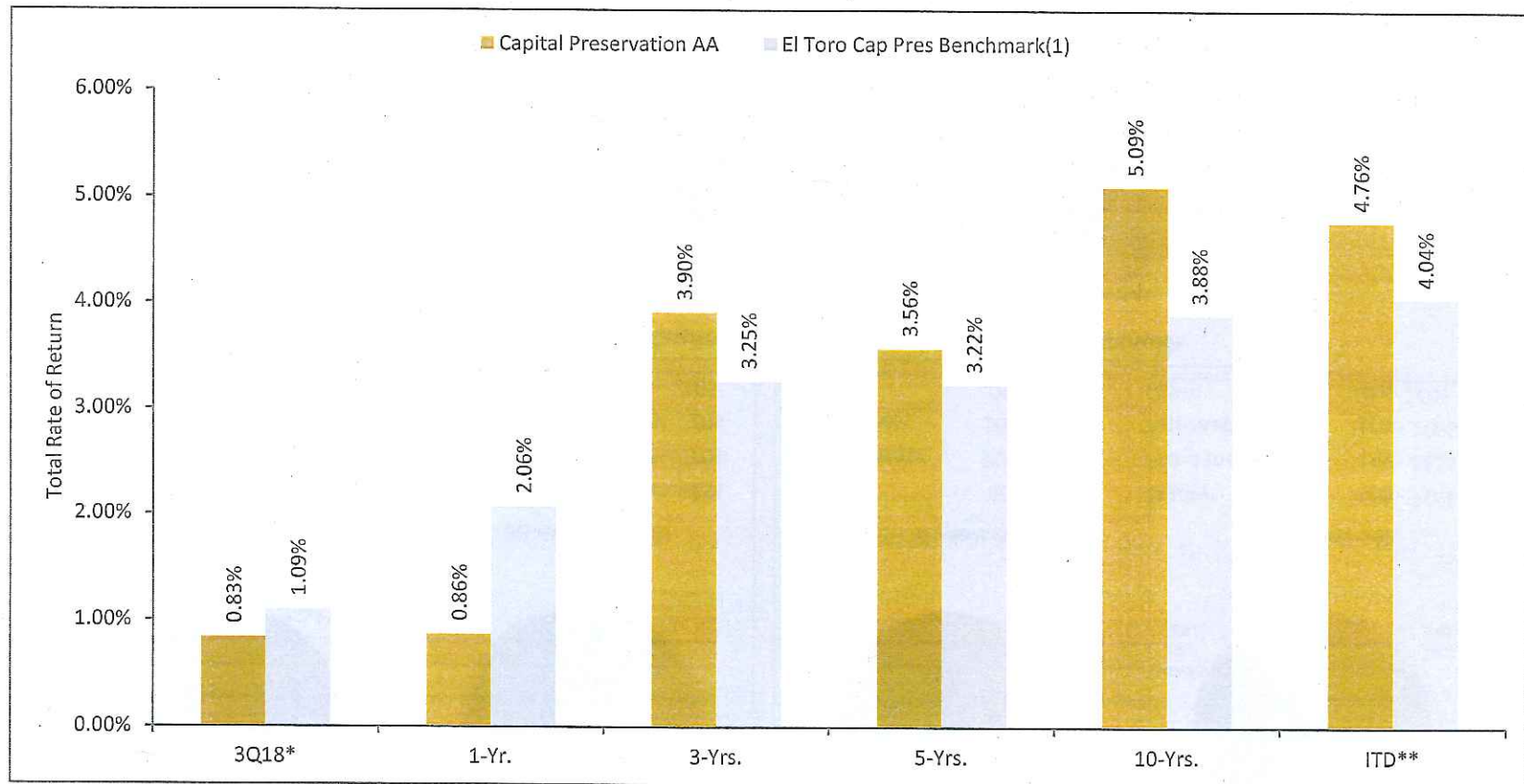
El Toro Water District - 401(k) Plan



INVESTMENT RETURNS - CAPITAL PRESERVATION PORTFOLIO

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of September 30, 2018



*Returns for periods under one year are not annualized

**Inception date: January 2006

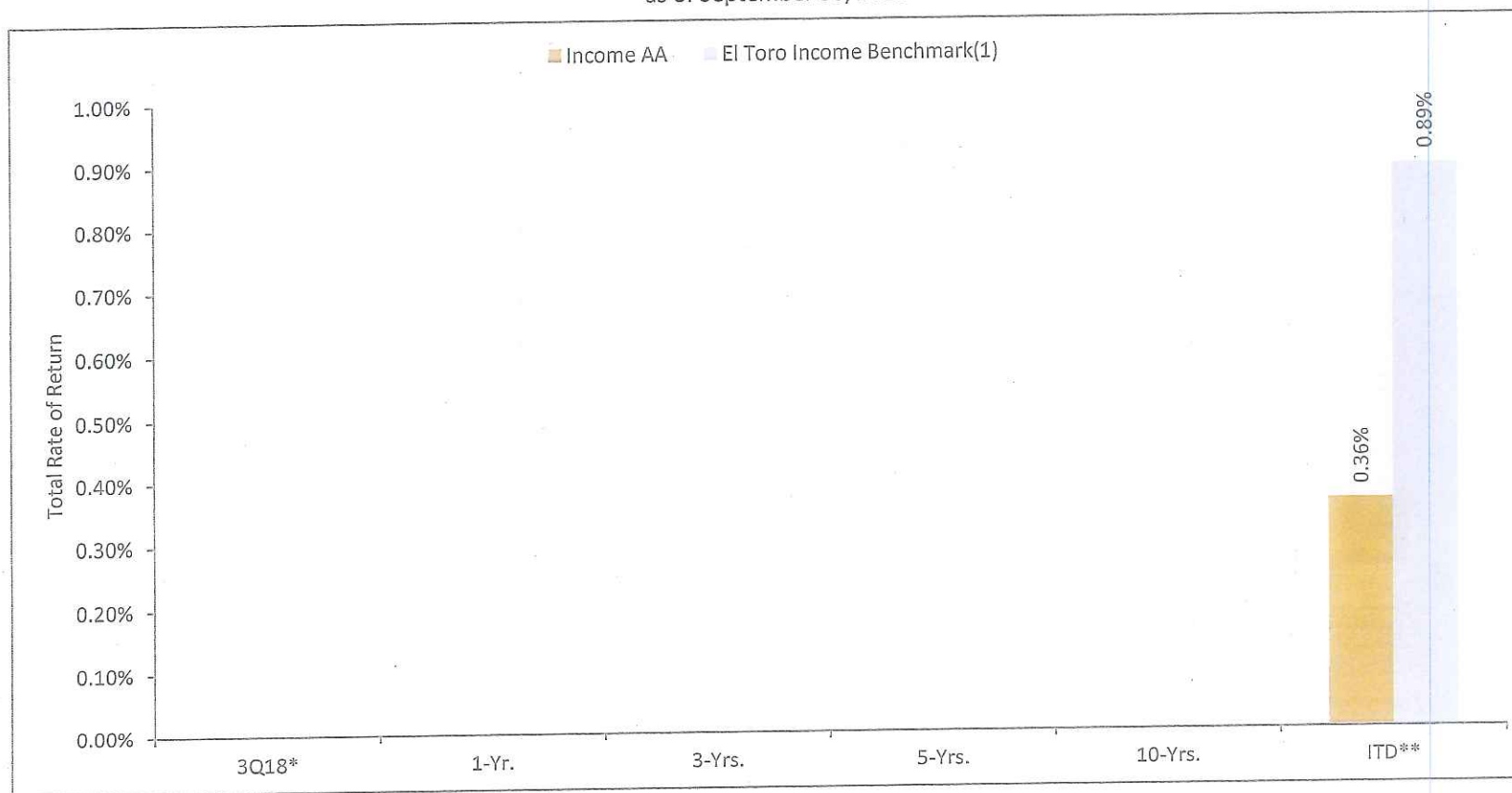
(1) El Toro Cap Pres Benchmark: 12% S&P 500, 2% Russell MidCap, 2% Russell 2000, 3% MSCI EAFE, 1% MSCI Emerging Markets, 44% Barclays US Aggregate Bond, 17% Barclays 1-3 Year Government/Credit Bond, 14% Wilshire Liquid Alternatives, 5% ICE BofAML 3 Mo US T-Bill

Note: Alternatives benchmark was changed from HFRI FOF Index to Wilshire Liquid Alternatives Index as of 5/31/18

INVESTMENT RETURNS - INCOME PORTFOLIO

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of September 30, 2018



*Returns for periods under one year are not annualized

**Inception date: August 2018

(1) El Toro Income Benchmark: 21% S&P 500, 3% Russell MidCap, 3% Russell 2000, 6% MSCI EAFE, 2% MSCI Emerging Market, 36% Barclays US Aggregate Bond, 14% Barclays 1-3 Year Government/Credit Bond, 13% Wilshire Liquid Alternatives, 2% ICE BofAML 3 Mo US T-Bill

Note: Alternatives benchmark was changed from HFRI FOF Index to Wilshire Liquid Alternatives Index as of 5/31/18

INVESTMENT RETURNS - INCOME & GROWTH PORTFOLIO

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of September 30, 2018



*Returns for periods under one year are not annualized

**Inception date: January 2006

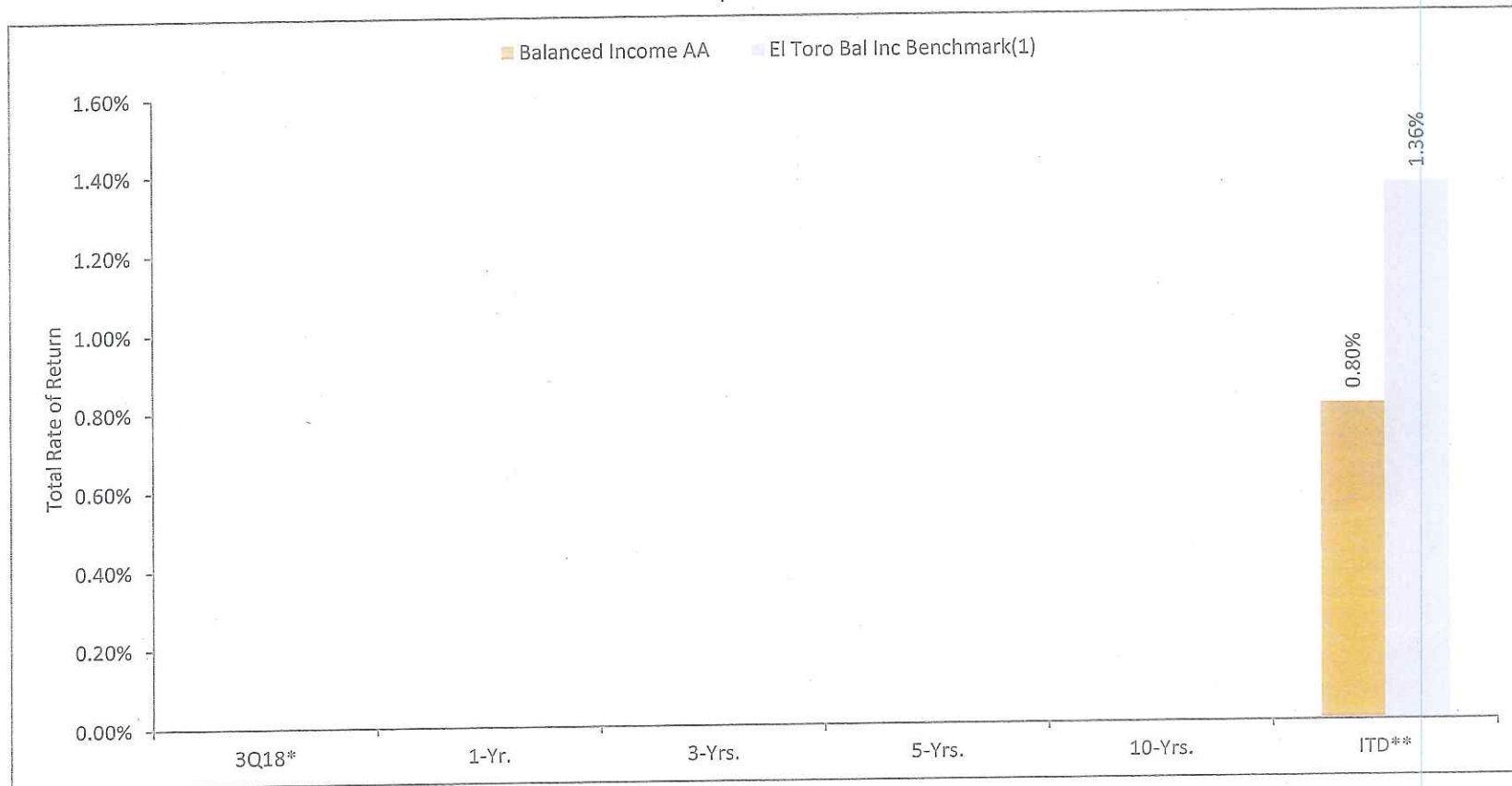
(1) El Toro Inc & Gro Benchmark: 30% S&P 500, 4% Russell MidCap, 4% Russell 2000, 9% MSCI EAFE, 3% MSCI Emerging Market, 25% Barclays US Aggregate Bond, 10% Barclays 1-3 Year Government/Credit Bond, 13% Wilshire Liquid Alternatives, 2% ICE BofAML 3 Mo US T-Bill

Note: Alternatives benchmark was changed from HFRI FOF Index to Wilshire Liquid Alternatives Index as of 5/31/18

INVESTMENT RETURNS - BALANCED INCOME PORTFOLIO

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of September 30, 2018



*Returns for periods under one year are not annualized

**Inception date: August 2018

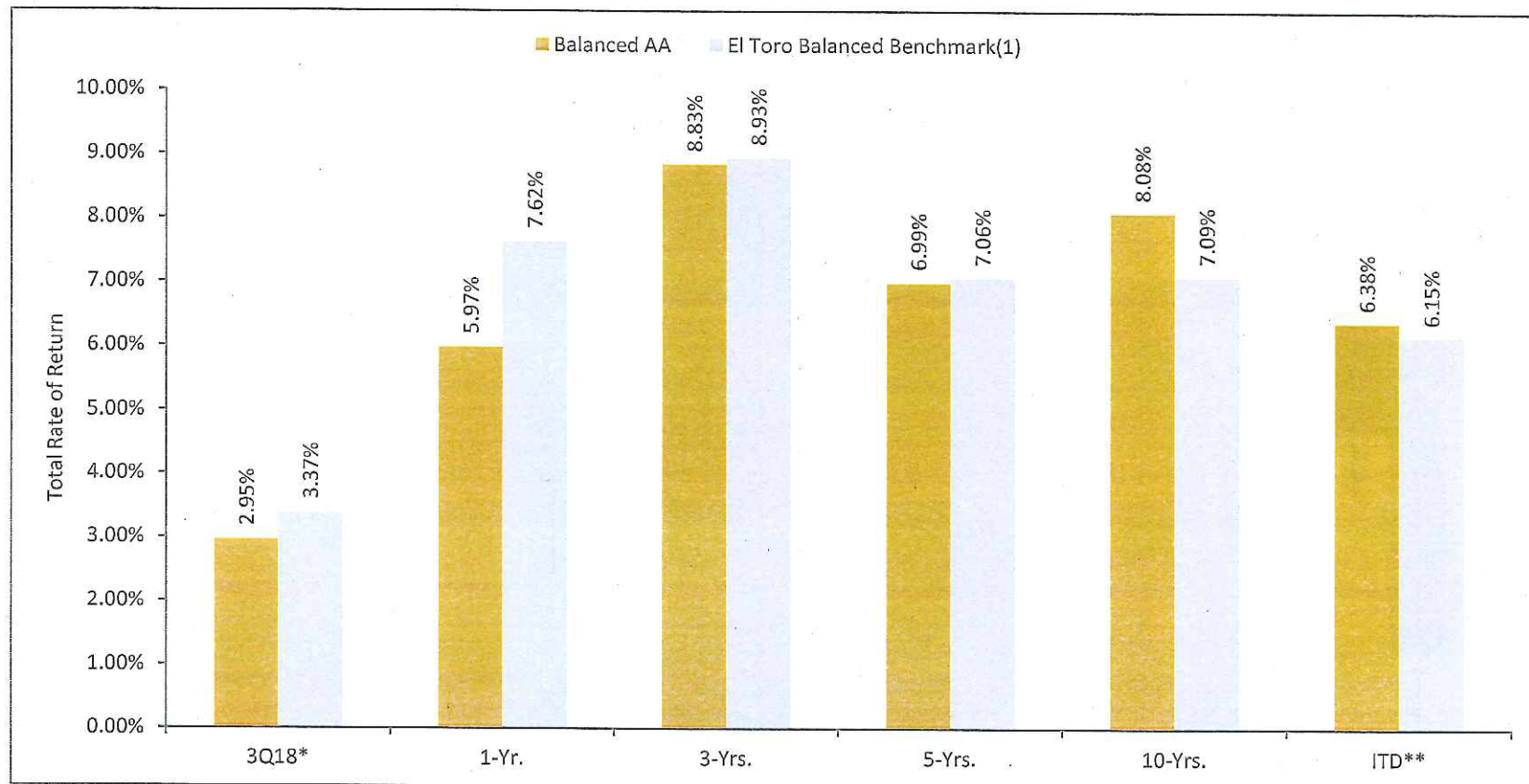
(1) El Toro Bal Inc Benchmark: 36% S&P 500, 4% Russell MidCap, 4% Russell 2000, 12% MSCI EAFE, 4% MSCI Emerging Market, 19% Barclays US Aggregate Bond, 8% Barclays 1-3 Year Government/Credit Bond, 12% Wilshire Liquid Alternatives, 1% ICE BofAML 3 Mo US T-Bill

Note: Alternatives benchmark was changed from HFRI FOF Index to Wilshire Liquid Alternatives Index as of 5/31/18

INVESTMENT RETURNS - BALANCED PORTFOLIO

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of September 30, 2018



*Returns for periods under one year are not annualized

**Inception date: January 2006

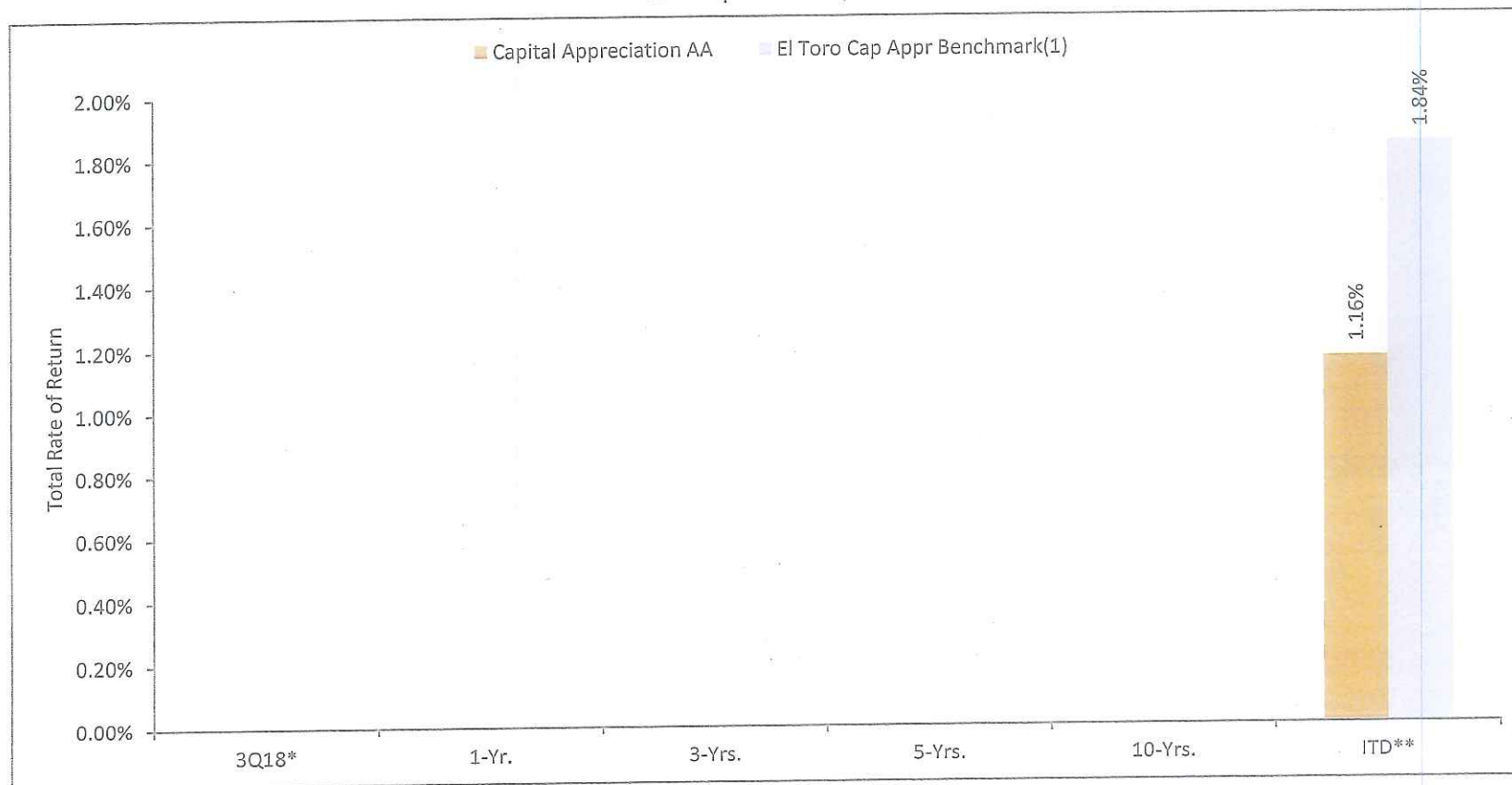
(1) El Toro Balanced Benchmark: 42% S&P 500, 5% Russell MidCap, 5% Russell 2000, 14% MSCI EAFE, 4% MSCI Emerging Market, 14% Barclays US Aggregate Bond, 6% Barclays 1-3 Year Government/Credit Bond, 9% Wilshire Liquid Alternatives, 1% ICE BofAML 3 Mo US T-Bill

Note: Alternatives benchmark was changed from HFRI FOF Index to Wilshire Liquid Alternatives Index as of 5/31/18

INVESTMENT RETURNS - CAPITAL APPRECIATION PORTFOLIO

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of September 30, 2018



*Returns for periods under one year are not annualized

**Inception date: August 2018

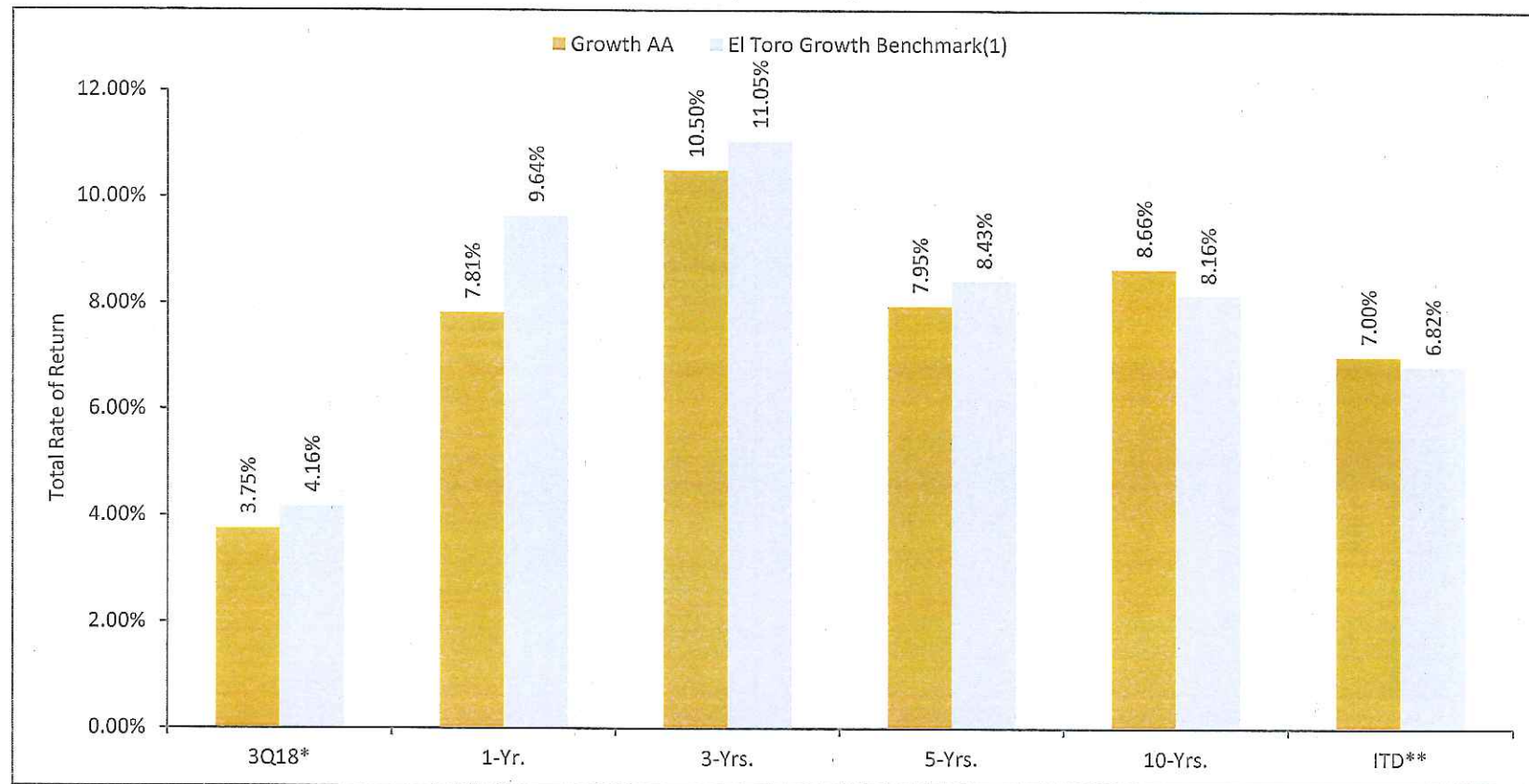
(1) El Toro Cap Appr Benchmark: 48% S&P 500, 6% Russell MidCap, 6% Russell 2000, 16% MSCI EAFE, 4% MSCI Emerging Market, 8% Barclays US Aggregate Bond, 4% Barclays 1-3 year Government/Credit, 7% Wilshire Liquid Alternatives, 1% ICE BofAML 3 Mo US T-Bill

Note: Alternatives benchmark was changed from HFRI FOF Index to Wilshire Liquid Alternatives Index as of 5/31/18

INVESTMENT RETURNS - GROWTH PORTFOLIO

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return
as of September 30, 2018



*Returns for periods under one year are not annualized

**Inception date: January 2006

(1) El Toro Growth Benchmark: 51% S&P 500, 6% Russell MidCap, 6% Russell 2000, 17% MSCI EAFE, 5% MSCI Emerging Market, 6% Barclays US Aggregate Bond, 3% Barclays 1-3 year Government/Credit, 5% Wilshire Liquid Alternatives, 1% ICE BofAML 3 Mo US T-Bill

Note: Alternatives benchmark was changed from HFRI FOF Index to Wilshire Liquid Alternatives Index as of 5/31/18

INVESTMENT RETURNS - FIXED INCOME FUNDS

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return (%) as of 09/30/2018

Ticker	Name	MStar Rating*	3-Mos.**	YTD**	1-Yr.	3-Yrs.	5-Yrs.	10-Yrs.
Short-Term Bond								
PYSBX	Payden Low Duration Fund	3	0.60	0.57	0.63	1.22	1.10	2.14
VFSUX	Vanguard Short-Term Investment-Grade Adm	4	0.61	0.30	0.25	1.65	1.77	3.23
Intermediate-Term Bond								
DODIX	Dodge & Cox Income	5	0.64	-0.60	-0.12	3.14	3.05	5.33
DBLFX	DoubleLine Core Fixed Income I	5	0.31	-0.61	-0.15	2.40	3.24	-
PTTRX	PIMCO Total Return Instl	4	0.08	-1.62	-1.52	2.16	2.27	5.08
PTRQX	PGIM Total Return Bond R6	5	-0.09	-1.97	-0.88	2.86	3.46	5.98
Emerging Market Debt								
EEIIX	Eaton Vance Emerging Markets Local Inc I	4	-3.85	-10.36	-10.14	6.49	-0.37	2.92

*Morningstar overall rating

**Returns for periods under one year are not annualized

Returns are shown net of embedded expense ratios

Source: Morningstar Direct

INVESTMENT RETURNS - EQUITY FUNDS

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return (%) as of 09/30/2018

Ticker	Name	MStar Rating*	3-Mos.**	YTD**	1-Yr.	3-Yrs.	5-Yrs.	10-Yrs.
Large Blend								
COFYX	Columbia Contrarian Core Inst3	3	7.70	7.00	12.79	15.24	12.87	12.50
VGIAX	Vanguard Growth & Income Adm	4	8.08	11.20	18.65	17.11	14.20	11.65
Large Value								
DODGX	Dodge & Cox Stock	5	6.49	7.51	13.70	17.28	12.71	11.82
PKAIX	PIMCO RAE US Instl	4	6.99	8.24	16.08	15.13	-	-
Large Growth								
HNACX	Harbor Capital Appreciation Retirement	4	6.72	18.46	27.03	20.09	16.96	14.67
LSITX	ClearBridge Large Cap Growth IS	4	7.78	15.46	23.63	19.04	16.53	14.41
Mid Value								
VEVRX	Victory Sycamore Established Value R6	4	4.74	6.21	12.44	15.06	13.19	12.86
Mid Growth								
APDMX	Artisan Mid Cap Advisor	2	9.33	17.79	21.26	13.81	10.05	13.27
Small Blend								
FSCRX	Fidelity® Small Cap Discovery	3	0.65	2.20	6.45	9.76	7.61	13.11
DCZRX	Delaware Small Cap Core R6	5	3.80	12.19	15.25	17.36	12.36	12.70

*Morningstar overall rating

**Returns for periods under one year are not annualized

Returns are shown net of embedded expense ratios

Source: Morningstar Direct

INVESTMENT RETURNS - EQUITY FUNDS

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return (%) as of 09/30/2018

Ticker	Name	MStar Rating*	3-Mos.**	YTD**	1-Yr.	3-Yrs.	5-Yrs.	10-Yrs.
Small Growth								
PRJIX	T. Rowe Price New Horizons I	5	9.08	25.52	31.36	23.34	16.55	18.02
Small Cap Value								
UBVFX	Undiscovered Managers Behavioral Val R6	5	2.80	6.56	12.48	15.54	12.13	14.45
Foreign Large Value								
DODFX	Dodge & Cox International Stock	3	0.81	-6.39	-5.26	8.20	3.74	5.90
Foreign Large Blend								
NWHMX	Nationwide Bailard Intl Eqs R6	2	0.20	-5.76	-2.21	6.22	4.34	5.05
HEFA	iShares Currency Hedged MSCI EAFE ETF	5	3.18	2.90	6.63	10.32	-	-
Foreign Large Growth								
MGRDX	MFS® International Growth R6	5	2.17	3.35	9.44	13.49	6.76	7.80
Diversified Emerging Markets								
HHHYX	Hartford Schroders Emerging Mkts Eq Y	4	-1.21	-7.21	-0.74	13.33	4.21	6.08

*Morningstar overall rating

**Returns for periods under one year are not annualized

Returns are shown net of embedded expense ratios

Source: Morningstar Direct

INVESTMENT RETURNS - ALTERNATIVE FUNDS

El Toro Water District - 401(k) Plan

Annualized Total Rate of Return (%) as of 09/30/2018

Ticker	Name	MStar Rating*	3-Mos.**	YTD**	1-Yr.	3-Yrs.	5-Yrs.	10-Yrs.
Market Neutral								
QMNIX	AQR Equity Market Neutral I	3	-1.70	-10.12	-9.34	0.98	-	-
BSIKX	BlackRock Strategic Income Opps K	3	0.49	0.07	0.94	2.84	2.83	4.86
Managed Futures								
AQMIX	AQR Managed Futures Strategy I	3	2.76	-3.03	1.70	-5.34	1.11	-
AMFNX	Natixis ASG Managed Futures Strategy N	3	-0.62	-6.93	-2.24	-3.17	4.00	-
Merger Arbitrage								
ARBNX	Arbitrage I	4	0.54	0.54	0.67	2.92	2.02	2.66
Global Macro								
EGRSX	Eaton Vance Gbl Macro Abs Ret Advtg R6	4	-2.49	-5.69	-4.81	3.29	3.56	-
LAOSX	Western Asset Macro Opportunities IS	5	-1.30	-7.40	-6.27	4.81	4.96	-
Fund of Hedge Funds								
BXMIX	Blackstone Alternative Multi-Strategy I	3	2.46	1.12	1.34	3.20	-	-
QSPIX	AQR Style Premia Alternative I	3	0.42	-7.03	-1.77	2.15	-	-
Commodities								
EIPCX	Parametric Commodity Strategy Instl	4	-3.32	-4.38	-0.22	2.34	-5.24	-
Precious Metals								
IAU	iShares Gold Trust	-	-5.11	-8.60	-7.70	1.89	-2.44	2.83

*Morningstar overall rating

**Returns for periods under one year are not annualized

Returns are shown net of embedded expense ratios

Source: Morningstar Direct

INVESTMENT RETURNS & RANKINGS - FIXED INCOME FUNDS

El Toro Water District - 401(k) Plan

Ticker	Name	Exp Ratio	MStar Rtg*	Annualized Total Rate of Return (%) as of 09/30/2018																				Lipper Category
				3-Mos**			YTD**			1-Year			3-Years			5-Years			10-Years			3 Yr Shrp%	3 Yr SD	
				Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg			
Short-Term Bond																								
PYSBX	Payden Low Duration Fund	0.43	3	0.60	38	41	0.57	42	49	0.63	38	49	1.22	52	53	1.10	58	53	2.14	65	61	0.47	0.60	Lipper Sht Inv Grade Debt Funds
VFSUX	Vanguard Short-Term Investment-Grade Adm	0.10	4	0.61	34	35	0.30	61	70	0.25	60	70	1.65	28	32	1.77	18	16	3.23	17	11	0.58	1.22	Lipper Sht Inv Grade Debt Funds
Peer Group	US Fund Short-Term Bond			0.50			0.45			0.43			1.36			1.24			2.52			0.29	1.13	
Index	BBgBarc US Govt/Credit 1-3 Yr TR USD			0.33			0.41			0.20			0.73			0.83			1.67			-0.25	0.74	
Intermediate-Term Bond																								
DBLFX	DoubleLine Core Fixed Income I	0.48	5	0.31	29	44	-0.61	13	14	-0.15	12	14	2.40	17	36	3.24	6	17	-	-	n.a.	0.61	2.41	Lipper Core Plus Bond Funds
DODIX	Dodge & Cox Income	0.43	5	0.64	9	6	-0.60	13	7	-0.12	12	7	3.14	5	3	3.05	10	4	5.33	12	4	0.89	2.43	Lipper Core Bond Funds
PTTRX	PIMCO Total Return Instl	0.55	4	0.08	58	66	-1.62	57	64	-1.52	72	64	2.16	25	51	2.27	41	60	5.08	16	40	0.45	2.73	Lipper Core Plus Bond Funds
PTROX	PGIM Total Return Bond R6	0.41	5	-0.09	83	82	-1.97	82	35	-0.88	34	35	2.86	10	22	3.46	4	10	5.98	5	n.a.	0.60	3.23	Lipper Core Plus Bond Funds
Peer Group	US Fund Intermediate-Term Bond			0.20			-1.37			-1.06			1.65			2.14			4.21			0.28	2.57	
Index	BBgBarc US Agg Bond TR USD			0.02			-1.60			-1.22			1.31			2.16			3.77			0.16	2.66	
Emerging Market Debt																								
EEIIX	Eaton Vance Emerging Markets Local Inc I	0.92	4	-3.85	90	95	-10.36	71	76	-10.14	75	76	6.49	5	5	-0.37	12	13	2.92	1	n.a.	0.53	11.16	Lipper Emerging Market Local Currency Debt Funds
Peer Group	US Fund Emerging-Markets Local-Currency Bond			-2.43			-8.48			-7.66			3.45			-1.44			1.87			0.28	9.93	
Index	JPM GBI-EM Global Diversified TR USD			-1.83			-8.15			-7.40			5.17			-1.68			2.70			0.41	11.53	

*Morningstar overall rating

**Returns for periods under one year are not annualized

Returns are shown net of embedded expense ratios. Mstar Rnkg - Fund's ranking within Morningstar's category ("Peer Group"). Funds are ranked in descending order by return. For example, a Fund with a 20 ranking indicates that it is ranked in the top 20th percentile.

Source: Morningstar Direct; Wilshire Compass (Lipper Rankings)

INVESTMENT RETURNS & RANKINGS - EQUITY FUNDS

El Toro Water District - 401(k) Plan

		Annualized Total Rate of Return (%) as of 09/30/2018																						
Ticker	Name	Exp Ratio	MStar Rtg*	3-Mos**			YTD**			1-Year			3-Years			5-Years			10-Years			3 Yr Shrp%	3 Yr SD	Lipper Category
				Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg	Tot ROR	Mstar Rnkg	Lipper Rnkg			
Large Blend																								
COFYX	Columbia Contrarian Core Inst3	0.64	3	7.70	25	31	7.00	72	81	12.79	79	81	15.24	56	56	12.87	39	35	12.50	9	n.a.	1.49	9.19	Lipper Large-Cap Core Funds
VGIAX	Vanguard Growth & Income Adm	0.23	4	8.08	15	19	11.20	11	20	18.65	13	20	17.11	16	17	14.20	6	10	11.65	31	26	1.67	9.24	Lipper Large-Cap Core Funds
Peer Group	US Fund Large Blend			6.67			8.42			15.35			15.17			11.93			10.84			1.46	9.50	
Index	Russell 1000 TR USD			7.42			10.49			17.76			17.07			13.67			12.09			1.67	9.21	
Index	S&P 500 TR USD			7.71			10.56			17.91			17.31			13.95			11.97			1.69	9.18	
Large Value																								
DODGX	Dodge & Cox Stock	0.52	5	6.49	25	33	7.51	14	15	13.70	22	15	17.28	3	3	12.71	3	2	11.82	7	5	1.38	11.38	Lipper Large-Cap Value Funds
PKAIX	PIMCO RAE US Instl	0.41	4	6.99	17	5	8.24	7	4	16.08	9	4	15.13	20	10	-	-	n.a.	-	-	n.a.	1.51	9.05	Lipper Large-Cap Core Funds
Peer Group	US Fund Large Value			5.49			4.50			10.84			13.45			10.19			9.69			1.26	9.82	
Index	Russell 1000 Value TR USD			5.70			3.92			9.45			13.55			10.72			9.79			1.31	9.35	
Large Growth																								
HNACX	Harbor Capital Appreciation Retirement	0.58	4	6.72	71	76	18.46	28	33	27.03	25	33	20.09	22	n.a.	16.96	11	n.a.	14.67	15	n.a.	1.47	12.46	Lipper Large-Cap Growth Funds
LSITX	ClearBridge Large Cap Growth IS	0.68	4	7.78	45	51	15.46	50	63	23.63	48	63	19.04	36	42	16.53	15	17	14.41	18	n.a.	1.76	9.71	Lipper Large-Cap Growth Funds
Peer Group	US Fund Large Growth			7.54			15.64			23.18			17.68			14.02			12.60			1.49	10.87	
Index	Russell 1000 Growth TR USD			9.17			17.09			26.30			20.55			16.58			14.31			1.81	10.17	
Mid Value																								
VEVRX	Victory Sycamore Established Value R6	0.54	4	4.74	11	31	6.21	16	37	12.44	18	37	15.06	17	17	13.19	3	n.a.	12.86	3	n.a.	1.37	9.96	Lipper Mid-Cap Core Funds
Peer Group	US Fund Mid-Cap Value			3.05			3.27			8.93			12.59			9.33			10.41			1.09	10.76	
Index	Russell Mid Cap Value TR USD			3.30			3.13			8.81			13.09			10.72			11.29			1.22	9.76	

*Morningstar overall rating

**Returns for periods under one year are not annualized

Returns are shown net of embedded expense ratios. Mstar Rnkg - Fund's ranking within Morningstar's category ("Peer Group"). Funds are ranked in descending order by return. For example, a Fund with a 20 ranking indicates that it is ranked in the top 20th percentile.

Source: Morningstar Direct; Wilshire Compass (Lipper Rankings)

El Toro Water District - 401(k) Plan

*Morningstar overall rating
**Returns for periods under one year are not annualized

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INVESTMENT RETURNS & RANKINGS - EQUITY FUNDS

El Toro Water District - 401(k) Plan

		Annualized Total Rate of Return (%) as of 09/30/2018																							
Ticker	Name	Exp Ratio	MStar Rtg*	3-Mos**			YTD**			1-Year			3-Years			5-Years			10-Years			3 Yr Shrp%	3 Yr SD	Lipper Category	
				Tot ROR	Rnkg	Lipper Rnkg	Tot ROR	Rnkg	Lipper Rnkg	Tot ROR	Rnkg	Lipper Rnkg	Tot ROR	Rnkg	Lipper Rnkg	Tot ROR	Rnkg	Lipper Rnkg	Tot ROR	Rnkg	Lipper Rnkg				
Foreign Large Blend																									
NWHMX	Nationwide Baillard Intl Eqs R6	0.85	2	0.20	74	74	-5.76	92	95	-2.21	92	95	6.22	91	90	4.34	41	44	5.05	45	n.a.	0.56	9.97	Lipper International Multi-Cap Core	
HEFA	iShares Currency Hedged MSCI EAFE ETF	0.35	5	3.18	3	3	2.90	3	3	6.63	4	3	10.32	14	14	-	-	n.a.	-	-	n.a.	1.06	8.80	Lipper International Multi-Cap Core	
Peer Group	US Fund Foreign Large Blend			0.79			-2.30			1.55			8.71			4.05			4.98			0.78	10.35		
Peer Group	US Fund Europe Stock			0.15			-2.31			-0.75			7.74			4.24			5.45			0.61	11.92		
Index	MSCI EAFE NR USD			1.35			-1.43			2.74			9.23			4.42			5.38			0.79	10.77		
Index	MSCI ACWI Ex USA NR USD			0.71			-3.09			1.76			9.97			4.12			5.18			0.84	10.88		
Foreign Large Value																									
DODFX	Dodge & Cox International Stock	0.63	3	0.81	54	31	-6.39	95	100	-5.26	99	100	8.20	69	47	3.74	64	45	5.90	23	33	0.57	13.96	Lipper International Large-Cap Growth	
Peer Group	US Fund Foreign Large Value			0.94			-3.55			-0.23			8.10			3.02			4.41			0.69	10.91		
Index	MSCI EAFE Value NR USD			1.18			-3.49			-0.36			8.12			3.14			4.49			0.64	11.95		
Index	MSCI ACWI Ex USA Value NR USD			1.72			-3.66			0.42			9.30			2.87			4.50			0.73	11.92		
Foreign Large Growth																									
MGRDX	MFS® International Growth R6	0.8	5	2.17	12	11	3.35	12	3	9.44	8	3	13.49	13	5	6.76	19	7	7.80	16	4	1.26	9.75	Lipper International Multi-Cap Growth	
Peer Group	US Fund Foreign Large Growth			0.21			-0.20			4.08			10.28			5.74			6.41			0.89	10.61		
Index	MSCI EAFE Growth NR USD			1.53			0.58			5.85			10.26			5.62			6.20			0.89	10.55		
Index	MSCI ACWI Ex USA Growth NR USD			-0.26			-2.54			3.08			10.59			5.32			5.83			0.92	10.59		
Diversified Emerging Markets																									
HHHYX	Hartford Schroders Emerging Mkts Eq Y	1.11	4	-1.21	34	28	-7.21	24	23	-0.74	21	23	13.33	13	n.a.	4.21	17	n.a.	6.08	18	n.a.	0.92	13.58	Lipper Emerging Markets Funds	
Peer Group	US Fund Diversified Emerging Mkts			-2.47			-9.37			-3.63			10.09			2.54			4.91			0.70	13.60		
Index	MSCI EM NR USD			-1.09			-7.68			-0.81			12.36			3.61			5.40			0.82	14.29		

*Morningstar overall rating

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Returns are shown net of embedded expense ratios. Mstar Rnkg - Fund's ranking within Morningstar's category ("Peer Group"). Funds are ranked in descending order by return. For example, a Fund with a 20 ranking indicates that it is ranked in the top 20th percentile.
Source: Morningstar Direct; Wilshire Compass (Lipper Rankings)

INVESTMENT RETURNS & RANKINGS - ALTERNATIVE FUNDS

El Toro Water District - 401(k) Plan

Ticker		Name		Annualized Total Rate of Return (%) as of 09/30/2018																			3 Yr Shrp%		3 Yr SD		Lipper Category	
				Exp Ratio	MStar Rtg*	3-Mos**			YTD**			1-Year			3-Years			5-Years			10-Years							
						Tot ROR	Mstar Rnlg	Lipper Rnlg	Tot ROR	Mstar Rnlg	Lipper Rnlg	Tot ROR	Mstar Rnlg	Lipper Rnlg	Tot ROR	Mstar Rnlg	Lipper Rnlg	Tot ROR	Mstar Rnlg	Lipper Rnlg	Tot ROR	Mstar Rnlg						Lipper Rnlg
Market Neutral																												
QMNIX	AQR Equity Market Neutral I	2.18	3	-1.70	85	91	-10.12	93	95	-9.34	94	95	0.98	61	44	-	-	n.a.	-	-	n.a.	0.04	4.97	Lipper Alt Equity Mkt Neutral				
BSIKX	BlackRock Strategic Income Opps K	0.82	3	0.49	65	57	0.07	67	54	0.94	58	54	2.84	59	n.a.	2.83	30	n.a.	4.86	47	n.a.	1.13	1.63	Lipper Alt Credit Focus Funds				
Managed Futures																												
AQMIX	AQR Managed Futures Strategy I	1.22	3	2.76	26	21	-3.03	56	39	1.70	48	39	-5.34	91	90	1.11	64	66	-	-	n.a.	-0.70	8.68	Lipper Alt Managed Futures				
AMFHX	Natixis ASG Managed Futures Strategy N	1.34	3	-0.62	88	79	-6.93	90	85	-2.24	92	85	-3.17	75	n.a.	4.00	24	n.a.	-	-	n.a.	-0.31	11.31	Lipper Alt Managed Futures				
Merger Arbitrage																												
ARBXX	Arbitrage I	1.69	4	0.54	48	51	0.54	51	78	0.67	52	78	2.92	28	65	2.02	26	47	2.66	46	91	1.07	1.80	Lipper Alt Event Driven Funds				
Global Macro																												
EGRSX	Eaton Vance Gbl Macro Abs Ret Advtg R6	1.13	4	-2.49	97	98	-5.69	95	97	-4.81	95	97	3.29	50	n.a.	3.56	14	n.a.	-	-	n.a.	0.60	3.93	Lipper Alt Global Macro Funds				
LAOSX	Western Asset Macro Opportunities IS	1.21	5	-1.30	94	98	-7.40	99	95	-6.27	97	95	4.81	22	20	4.96	2	3	-	-	n.a.	0.59	6.76	Lipper Alt Credit Focus Funds				
Fund of Hedge Funds																												
BXMIX	Blackstone Alternative Multi-Strategy I	2.86	3	2.46	15	14	1.12	38	49	1.34	54	49	3.20	37	32	-	-	n.a.	-	-	n.a.	0.66	3.46	Lipper Alt Multi-Strategy Funds				
QSPIX	AQR Style Premia Alternative I	2.33	3	0.42	66	56	-7.03	96	77	-1.77	81	77	2.15	56	61	-	-	n.a.	-	-	n.a.	0.23	6.04	Lipper Absolute Return				
Commodities																												
EIPCX	Parametric Commodity Strategy Instl	0.65	4	-3.32	85	83	-4.38	86	91	-0.22	88	91	2.34	30	33	-5.24	18	24	-	-	n.a.	0.19	9.36	Lipper Commodities General				
Precious Metals																												
IAU	iShares Gold Trust	0.25	-	-5.11	43	51	-8.60	19	18	-7.70	19	18	1.89	8	7	-2.44	10	7	2.83	1	1	0.14	13.93	Lipper Commodities Precious Metals				

*Morningstar overall rating

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Source: Morningstar Direct; Wilshire Compass (Lipper Rankings)

TARGET FUND ALLOCATIONS

El Toro Water District - 401(k) Plan

	Capital Preservation	Income	Income & Growth	Balanced Income	Balanced	Capital Appreciation	Growth	Ticker	Fund Name
Equity	22%	35%	50%	59%	70%	76%	83%		
Large Cap Blend	2.95%	4.81%	6.85%	8.19%	9.52%	10.69%	11.33%	COFYX	Columbia Contrarian Core Inst3
	2.97%	4.82%	6.89%	8.23%	9.57%	10.74%	11.40%	VGIAX	Vanguard Growth & Income Adm
Large Cap Growth	1.06%	1.75%	2.49%	2.99%	3.46%	3.90%	4.14%	HNACX	Harbor Capital Appreciation Retirement
	1.05%	1.71%	2.45%	2.92%	3.41%	3.81%	4.07%	LSITX	ClearBridge Large Cap Growth IS
Large Cap Value	1.35%	2.20%	3.16%	3.76%	4.37%	4.91%	5.21%	PKAIX	PIMCO RAE US Instl
	1.34%	2.18%	3.13%	3.73%	4.34%	4.86%	5.18%	DODGX	Dodge & Cox Stock
Mid Cap Growth	0.92%	1.49%	2.13%	2.57%	2.96%	3.34%	3.50%	APDMX	Artisan Mid Cap Advisor
Mid Cap Value	0.98%	1.61%	2.28%	2.72%	3.17%	3.57%	3.78%	VEVRX	Victory Sycamore Established Value R6
Small Cap Blend	0.46%	0.79%	1.21%	1.37%	1.75%	1.97%	2.02%	DCZRX	Delaware Small Cap Core R6
	0.46%	0.00%	1.19%	0.00%	1.64%	0.00%	1.98%	FSCRX	Fidelity® Small Cap Discovery
Small Cap Growth	0.90%	1.45%	2.30%	2.58%	3.27%	3.69%	3.79%	PRJIX	T. Rowe Price New Horizons I
Small Cap Value	1.02%	1.65%	2.56%	2.91%	3.67%	4.07%	4.23%	UBVFX	Undiscovered Managers Behavioral Val R6
Foreign Large Blend	2.12%	3.36%	4.61%	5.58%	5.85%	6.73%	7.41%	NWHMX	Nationwide Ballard Intl Eqs R6
	0.70%	1.09%	1.53%	1.81%	1.96%	2.20%	2.49%	HEFA	iShares Currency Hedged MSCI EAFE ETF
Foreign Large Growth	1.16%	1.78%	2.51%	2.95%	3.20%	3.59%	4.02%	MGRDX	MFS® International Growth R6
Foreign Large Value	1.12%	1.73%	2.44%	2.86%	3.11%	3.49%	3.91%	DODFX	Dodge & Cox International Stock
Emerging Markets	1.12%	2.10%	2.46%	3.51%	4.29%	4.81%	4.33%	HHHYX	Hartford Schroders Emerging Mkts Eq Y
Alternatives	15%	13%	13%	12%	9%	7%	5%		
Global Macro	1.70%	1.52%	1.51%	1.39%	1.03%	0.79%	0.55%	EGRSX	Eaton Vance Gbl Macro Abs Ret Advtg R6
	1.70%	1.53%	1.51%	1.40%	1.04%	0.80%	0.54%	LAOSX	Western Asset Macro Opportunities IS
Managed Futures	1.53%	1.43%	1.42%	1.31%	0.92%	0.75%	0.51%	AQMIX	AQR Managed Futures Strategy I
	1.48%	1.38%	1.37%	1.27%	0.91%	0.72%	0.50%	AMFNX	Natixis ASG Managed Futures Strategy N
Merger/Arbitrage	1.48%	1.41%	1.40%	1.30%	0.98%	0.76%	0.55%	ARBIX	Arbitrage I
Market Neutral	0.74%	0.69%	0.69%	0.63%	0.44%	0.35%	0.24%	QMNIX	AQR Equity Market Neutral I
	0.75%	0.70%	0.70%	0.64%	0.45%	0.36%	0.26%	BSIKX	BlackRock Strategic Income Opps K
Multi-Strategy / Fund of Funds	1.65%	1.47%	1.47%	1.35%	1.00%	0.76%	0.54%	BXMIX	Blackstone Alternative Multi-Strategy I
	1.63%	1.46%	1.46%	1.33%	1.00%	0.76%	0.53%	QSPIX	AQR Style Premia Alternative I
Commodities	1.50%	0.65%	0.65%	0.59%	0.41%	0.34%	0.23%	EIPCX	Parametric Commodity Strategy Instl
Precious Metals	0.74%	0.64%	0.63%	0.58%	0.43%	0.36%	0.22%	IAU	iShares Gold Trust
Fixed Income	62%	50%	35%	27%	19%	12%	8%		
Short Term Bond	5.20%	4.67%	3.20%	1.91%	1.51%	0.67%	0.16%	VFSUX	Vanguard Short-Term Investment-Grade Adm
	5.19%	4.67%	3.19%	1.91%	1.51%	0.67%	0.16%	PYSBX	Payden Low Duration Fund
Intermediate-Term Bond	12.06%	9.49%	6.63%	5.38%	3.91%	2.41%	1.91%	DBLFX	DoubleLine Core Fixed Income I
	12.10%	9.45%	6.60%	5.36%	3.89%	2.40%	1.90%	PTTRX	PIMCO Total Return Instl
	12.08%	9.45%	6.61%	5.36%	3.89%	2.40%	1.90%	PTRQX	PGIM Total Return Bond R6
	12.06%	9.48%	6.63%	5.38%	3.90%	2.41%	1.90%	DODIX	Dodge & Cox Income
Emerging Market Debt	3.12%	2.37%	1.65%	1.27%	0.88%	0.56%	0.40%	EEIIX	Eaton Vance Emerging Markets Local Inc I
Cash	2%	3%	3%	3%	2%	5%	4%		
Cash & Equivalents	1.62%	3.01%	2.51%	2.94%	2.37%	5.35%	4.23%	FIGXX	Fidelity Money Market Government Portfolio I
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		

Target Allocations are subject to change without notice.

INVESTMENT PORTFOLIO SUMMARY - CAPITAL PRESERVATION

El Toro Water District - 401(k) Plan

Account Number: 6721011389

Data as of: 09/30/2018

Portfolio Manager:

Keith Stribling, CFA

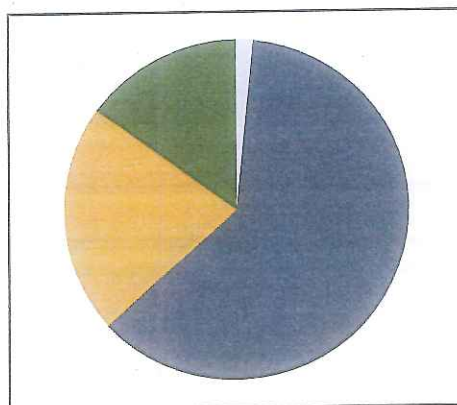
Account Snapshot

Asset Class	Market Value	Tax Cost	Est. Annual Income	Current Yield (%)
Cash & Equivalents	\$44,954.12	\$44,954.12	\$119.13	0.27%
Fixed Income	\$1,715,318.96	\$1,782,904.83	\$55,507.72	3.24%
Equities	\$601,482.62	\$517,154.96	\$7,247.87	1.21%
Alternatives	\$413,788.88	\$428,310.44	\$11,408.16	2.76%
Other	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$2,775,544.58	\$2,773,324.35	\$74,282.87	2.68%

Yields are gross of any fees and reflect the reinvestment of dividends and other income

Asset Allocation

1.6%	Cash & Equivalents
61.8%	Fixed Income
21.7%	Equities
14.9%	Alternatives
0.0%	Other



Income Summary (1, 2)

Cash & Equivalents Income Earned YTD	\$1,670
Taxable Fixed Income Income Earned YTD	\$23,031
Tax-Exempt Fixed Income Income Earned YTD	\$0
Equity Income Earned YTD	\$865
Alternative Income Earned YTD	\$261
Other Income Earned YTD	\$0
Total	\$25,826

Net Gain/Loss Summary (3)

	Realized	Unrealized
Net Short Term Gain/Loss	-\$9,890	
Net Long Term Gain/Loss	-\$35,095	
Total	-\$44,984	\$2,220

(1) As of 09/30/2018

(2) Information is calculated on a calendar year basis and includes income, dividends, and capital gain distributions

(3) Gain/Loss Information is for informational purposes only.

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
CASH EQUIVALENTS								
MONEY MARKET FUNDS/CASH								
n.a.	n.a.	CASH	(3,039.7100)	(\$3,039.71)	1.00	(\$3,039.71)	-6.76%	-0.11%
FPZXX	n.a.	CASH FUND	47,993.83	\$47,993.83	1.00	\$47,993.83	106.76%	1.73%
TOTAL CASH				\$44,954.12		\$44,954.12		1.62% T
FIXED INCOME								
Short-Term Bond Funds								
PYSBX	704329200	Payden Low Duration Fund	14,478.42	145,752.86	9.94	143,915.47	8.39%	5.19%
VFSUX	922031836	Vanguard Short-Term Investment-Grade Adm	13,816.93	147,081.91	10.45	144,386.94	8.42%	5.20%
				\$292,834.77		\$288,302.41		10.39% T
Intermediate-Term Bond Funds								
DBLFX	258620301	DoubleLine Core Fixed Income I	31,448.96	342,230.65	10.64	334,616.95	19.51%	12.06%
DODIX	256210105	Dodge & Cox Income	25,048.54	344,523.79	13.36	334,648.45	19.51%	12.06%
PTRQX	74440B884	PGIM Total Return Bond R6	24,017.23	351,356.09	13.96	335,280.56	19.55%	12.08%
PTTRX	693390700	PIMCO Total Return Instl	33,898.07	356,570.30	9.91	335,929.91	19.58%	12.10%
				\$1,394,680.83		\$1,340,475.87		48.30% T
Emerging Market Debt								
EEIIX	277923447	Eaton Vance Emerging Markets Local Inc I	16,297.68	95,389.23	5.31	86,540.68	5.05%	3.12% T
TOTAL FIXED INCOME				\$1,782,904.83		\$1,715,318.96		61.80% T
EQUITY								
Large Cap Blend Funds								
COFYX	19766M709	Columbia Contrarian Core Inst3	2,911.72	64,636.61	28.12	81,877.59	13.61%	2.95%
VGIAX	921913208	Vanguard Growth & Income Adm	966.74	68,730.09	85.16	82,327.83	13.69%	2.97%
				\$133,366.70		\$164,205.42		5.92% T
Large Cap Value Funds								
DODGX	256219106	Dodge & Cox Stock	173.44	32,076.25	214.31	37,169.93	6.18%	1.34%
PKAIX	72202L462	PIMCO RAE US Instl	3,100.69	33,303.78	12.09	37,487.29	6.23%	1.35%
				\$65,380.03		\$74,657.22		2.69% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
Large Cap Growth Funds								
HNACX	411512528	Harbor Capital Appreciation Retirement	358.74	22,837.64	82.22	29,495.19	4.90%	1.06%
LSITX	52469H255	ClearBridge Large Cap Growth IS	558.38	24,893.28	51.98	29,024.64	4.83%	1.05%
				<u>\$47,730.92</u>		<u>\$58,519.83</u>		<u>2.11% T</u>
Mid Cap Value Funds								
VEVRX	92646A427	Victory Sycamore Established Value R6	637.11	23,363.44	42.77	27,249.11	4.53%	0.98% T
Mid Cap Growth Funds								
APDMX	04314H659	Artisan Mid Cap Advisor	563.43	21,732.81	45.1	25,410.56	4.22%	0.92% T
Small Cap Value Funds								
UBVFX	904504479	Undiscovered Managers Behavioral Val R6	378.03	25,139.62	74.61	28,204.97	4.69%	1.02% T
Small Cap Blend Funds								
DCZRX	24610B826	Delaware Small Cap Core R6	473.52	11,787.47	27.05	12,808.77	2.13%	0.46%
FSCRX	315912600	Fidelity® Small Cap Discovery	477.57	13,781.80	26.52	12,665.21	2.11%	0.46%
				<u>\$25,569.27</u>		<u>\$25,473.98</u>		<u>0.92% T</u>
Small Cap Growth Funds								
PRJIX	779562206	T. Rowe Price New Horizons I	379.14	19,349.54	66.06	25,045.72	4.16%	0.90% T
Foreign Large Value Funds								
DODFX	256206103	Dodge & Cox International Stock	718.96	29,880.99	43.36	31,174.06	5.18%	1.12% T
Foreign Large Blend Funds								
NWHMX	63868B815	Nationwide Bailard Intl Eqs R6	7,032.86	56,632.38	8.36	58,794.72	9.77%	2.12%
HEFA	46434V803	iShares Currency Hedged MSCI EAFE ETF	650.00	16,448.55	29.94	19,461.00	3.24%	0.70%
				<u>\$73,080.93</u>		<u>\$78,255.72</u>		<u>2.82% T</u>
Foreign Large Growth Funds								
MGRDX	552746356	MFS® International Growth R6	919.89	24,814.84	34.9	32,104.16	5.34%	1.16% T
Diversified Emerging Markets								
HHHYX	41665H797	Hartford Schroders Emerging Mkts Eq Y	2,018.24	27,745.87	15.45	31,181.87	5.18%	1.12%
				<u>\$27,745.87</u>		<u>\$31,181.87</u>		<u>1.12% T</u>
TOTAL EQUITY				\$517,154.96		\$601,482.62		21.67% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
ALTERNATIVES								
Market Neutral								
QMNIX	00191K799	AQR Equity Market Neutral I	1,873.60	21,903.93	11.01	20,628.34	3.43%	0.74%
BSIKX	09260B374	BlackRock Strategic Income Opps K	2,144.92	21,145.24	9.73	20,870.10	3.47%	0.75%
				<u>\$43,049.17</u>		<u>\$41,498.44</u>		<u>1.50% T</u>
Managed Futures								
AQMIX	00203H859	AQR Managed Futures Strategy I	4,732.12	46,708.71	8.95	42,352.45	7.04%	1.53%
AMFNX	63873P825	Natixis ASG Managed Futures Strategy N	4,257.73	45,872.60	9.62	40,959.35	6.81%	1.48%
				<u>\$92,581.31</u>		<u>\$83,311.80</u>		<u>3.00% T</u>
Merger Arbitrage								
ARBXX	03875R205	Arbitrage I	3,127.55	40,795.68	13.15	41,127.23	6.84%	1.48% T
Global Macro								
EGRSX	27830W108	Eaton Vance Gbl Macro Abs Ret Advtg R6	4,823.70	48,413.98	9.78	47,175.76	7.84%	1.70%
LAOSX	95768D509	Western Asset Macro Opportunities IS	4,446.72	47,435.52	10.63	47,268.58	7.86%	1.70%
				<u>\$95,849.50</u>		<u>\$94,444.34</u>		<u>3.40% T</u>
Commodities								
EIPCX	277923223	Parametric Commodity Strategy Instl	7,970.79	43,638.03	5.24	41,766.95	6.94%	1.50% T
Precious Metals								
IAU	464285105	iShares Gold Trust	1,800.00	21,730.32	11.43	20,574.00	3.42%	0.74% T
BXMIX	09257V201	Blackstone Alternative Multi-Strategy I	4,218.41	44,186.15	10.85	45,769.69	7.61%	1.65%
QSPIX	00203H420	AQR Style Premia Alternative I	4,689.07	46,480.28	9.66	45,296.43	7.53%	1.63%
				<u>\$90,666.43</u>		<u>\$91,066.12</u>		<u>3.28% T</u>
TOTAL ALTERNATIVES				<u>\$428,310.44</u>		<u>\$413,788.88</u>		<u>14.91% T</u>
TOTAL - ALL ASSETS				<u>\$2,773,324.35</u>		<u>\$2,775,544.58</u>		<u>100.00%</u>

INVESTMENT PORTFOLIO SUMMARY - INCOME

El Toro Water District - 401(k) Plan

Account Number: 6721051389

Data as of: 09/30/2018

Portfolio Manager:

Keith Stribling, CFA

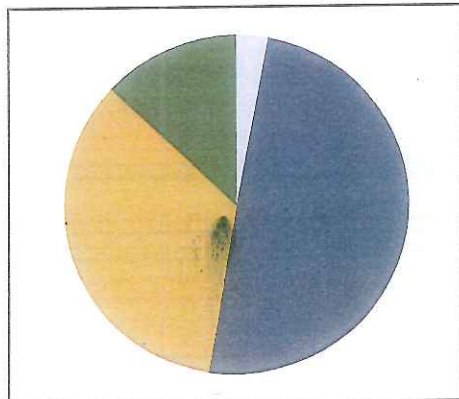
Account Snapshot

Asset Class	Market Value	Tax Cost	Est. Annual Income	Current Yield (%)
Cash & Equivalents	\$84,618.82	\$84,618.82	\$224.24	0.27%
Fixed Income	\$1,394,583.29	\$1,405,503.55	\$45,128.72	3.24%
Equities	\$970,496.91	\$956,680.10	\$11,694.49	1.21%
Alternatives	\$362,290.01	\$363,820.39	\$9,988.34	2.76%
Other	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$2,811,989.03	\$2,810,622.86	\$67,035.78	2.38%

Yields are gross of any fees and reflect the reinvestment of dividends and other income

Asset Allocation

3.0%	Cash & Equivalents
49.6%	Fixed Income
34.5%	Equities
12.9%	Alternatives
0.0%	Other



Income Summary (1, 2)

Cash & Equivalents Income Earned YTD	\$450
Taxable Fixed Income Income Earned YTD	\$5,403
Tax-Exempt Fixed Income Income Earned YTD	\$0
Equity Income Earned YTD	\$606
Alternative Income Earned YTD	\$38
Other Income Earned YTD	\$0
Total	\$6,497

Net Gain/Loss Summary (3)

	Realized	Unrealized
Net Short Term Gain/Loss	\$0	
Net Long Term Gain/Loss	\$0	
Total	\$0	\$1,366

(1) As of 09/30/2018

(2) Information is calculated on a calendar year basis and includes income, dividends, and capital gain distributions

(3) Gain/Loss information is for informational purposes only.

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
CASH EQUIVALENTS								
MONEY MARKET FUNDS/CASH								
n.a.	n.a.	CASH	(2,650.0900)	(\$2,650.09)	1.00	(\$2,650.09)	-3.13%	-0.09%
FPZXX	n.a.	CASH FUND	87,268.91	\$87,268.91	1.00	\$87,268.91	103.13%	3.10%
TOTAL CASH				\$84,618.82		\$84,618.82		3.01% T
FIXED INCOME								
Short-Term Bond Funds								
PYSBX	704329200	Payden Low Duration Fund	13,211.42	131,453.37	9.94	131,321.51	9.42%	4.67%
VFSUX	922031836	Vanguard Short-Term Investment-Grade Adm	12,575.51	131,539.96	10.45	131,414.06	9.42%	4.67%
				\$262,993.33		\$262,735.57		9.34% T
Intermediate-Term Bond Funds								
DBLFX	258620301	DoubleLine Core Fixed Income I	25,068.33	267,977.28	10.64	266,727.03	19.13%	9.49%
DODIX	256210105	Dodge & Cox Income	19,962.69	268,283.03	13.36	266,701.55	19.12%	9.48%
PTRQX	74440B884	PGIM Total Return Bond R6	19,039.54	267,692.98	13.96	265,792.01	19.06%	9.45%
PTTRX	693390700	PIMCO Total Return Instl	26,827.31	267,465.98	9.91	265,858.63	19.06%	9.45%
				\$1,071,419.27		\$1,065,079.22		37.88% T
Emerging Market Debt								
EEIIX	277923447	Eaton Vance Emerging Markets Local Inc I	12,574.11	71,090.95	5.31	66,768.50	4.79%	2.37% T
TOTAL FIXED INCOME				\$1,405,503.55		\$1,394,583.29		49.59% T
EQUITY								
Large Cap Blend Funds								
COFYX	19766M709	Columbia Contrarian Core Inst3	4,806.99	132,499.98	28.12	135,172.42	13.93%	4.81%
VGIAX	921913208	Vanguard Growth & Income Adm	1,591.43	132,199.99	85.16	135,526.09	13.96%	4.82%
				\$264,699.97		\$270,698.51		9.63% T
Large Cap Value Funds								
DODGX	256219106	Dodge & Cox Stock	285.94	60,885.26	214.31	61,280.44	6.31%	2.18%
PKAIX	72202L462	PIMCO RAE US Instl	5,118.04	60,700.00	12.09	61,877.15	6.38%	2.20%
				\$121,585.26		\$123,157.59		4.38% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
Large Cap Growth Funds								
HNACX	411512528	Harbor Capital Appreciation Retirement	598.28	47,300.00	82.22	49,190.58	5.07%	1.75%
LSITX	52469H255	ClearBridge Large Cap Growth IS	924.91	47,299.99	51.98	48,076.93	4.95%	1.71%
				\$94,599.99		\$97,267.51		3.46% T
Mid Cap Value Funds								
VEVRX	92646A427	Victory Sycamore Established Value R6	1,060.07	45,127.90	42.77	45,339.07	4.67%	1.61% T
Mid Cap Growth Funds								
APDMX	04314H659	Artisan Mid Cap Advisor	927.91	39,899.99	45.1	41,848.61	4.31%	1.49% T
Small Cap Value Funds								
UBVFX	904504479	Undiscovered Managers Behavioral Val R6	621.66	46,299.97	74.61	46,382.28	4.78%	1.65% T
Small Cap Blend Funds								
DCZRX	24610B826	Delaware Small Cap Core R6	817.16	21,899.99	27.05	22,104.29	2.28%	0.79%
FSCRX	315912600	Fidelity® Small Cap Discovery	0.00	0.00	26.52	0.00	0.00%	0.00%
				\$21,899.99		\$22,104.29		0.79% T
Small Cap Growth Funds								
PRJIX	779562206	T. Rowe Price New Horizons I	616.02	38,599.94	66.06	40,694.41	4.19%	1.45% T
Foreign Large Value Funds								
DODFX	256206103	Dodge & Cox International Stock	1,121.29	50,200.00	43.36	48,619.00	5.01%	1.73% T
Foreign Large Blend Funds								
NWHMX	63868B815	Nationwide Bailard Intl Eqs R6	11,309.43	92,392.53	8.36	94,546.79	9.74%	3.36%
HEFA	46434V803	iShares Currency Hedged MSCI EAFE ETF	1,025.00	30,674.57	29.94	30,688.50	3.16%	1.09%
				\$123,067.10		\$125,235.29		4.45% T
Foreign Large Growth Funds								
MGRDX	552746356	MFS® International Growth R6	1,433.47	50,199.99	34.9	50,027.96	5.15%	1.78% T
Diversified Emerging Markets								
HHHYX	41665H797	Hartford Schrodgers Emerging Mkts Eq Y	3,826.69	60,500.00	15.45	59,122.39	6.09%	2.10%
				\$60,500.00		\$59,122.39		2.10% T
TOTAL EQUITY				\$956,680.10		\$970,496.91		34.51% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
ALTERNATIVES								
Market Neutral								
QMNIX	00191K799	AQR Equity Market Neutral I	1,769.99	19,700.00	11.01	19,487.60	2.01%	0.69%
BSIKX	09260B374	BlackRock Strategic Income Opps K	2,027.42	19,787.42	9.73	19,726.79	2.03%	0.70%
				\$39,487.42		\$39,214.39		1.39% T
Managed Futures								
AQMIX	00203H859	AQR Managed Futures Strategy I	4,502.86	39,399.99	8.95	40,300.56	4.15%	1.43%
AMFNX	63873P825	Natixis ASG Managed Futures Strategy N	4,045.19	39,400.00	9.62	38,914.75	4.01%	1.38%
				\$78,799.99		\$79,215.31		2.82% T
Merger Arbitrage								
ARBNX	03875R205	Arbitrage I	3,014.54	39,400.00	13.15	39,641.16	4.08%	1.41% T
Global Macro								
EGRSX	27830W108	Eaton Vance Gbl Macro Abs Ret Advtg R6	4,359.17	43,900.00	9.78	42,632.64	4.39%	1.52%
LAOSX	95768D509	Western Asset Macro Opportunities IS	4,034.93	43,899.99	10.63	42,891.26	4.42%	1.53%
				\$87,799.99		\$85,523.90		3.04% T
Commodities								
EIPCX	277923223	Parametric Commodity Strategy Instl	3,479.92	18,200.00	5.24	18,234.80	1.88%	0.65% T
Precious Metals								
IAU	464285105	iShares Gold Trust	1,575.00	18,333.01	11.43	18,002.25	1.85%	0.64% T
BXMIX	09257V201	Blackstone Alternative Multi-Strategy I	3,822.43	40,899.99	10.85	41,473.35	4.27%	1.47%
QSPIX	00203H420	AQR Style Premia Alternative I	4,242.74	40,899.99	9.66	40,984.85	4.22%	1.46%
				\$81,799.98		\$82,458.20		2.93% T
TOTAL ALTERNATIVES				\$363,820.39		\$362,290.01	12.88% T	
TOTAL - ALL ASSETS				\$2,810,622.86		\$2,811,989.03	100.00%	

INVESTMENT PORTFOLIO SUMMARY - INCOME & GROWTH

El Toro Water District - 401(k) Plan

Account Number: 6721021389
Data as of: 09/30/2018

Portfolio Manager:
Keith Stribling, CFA

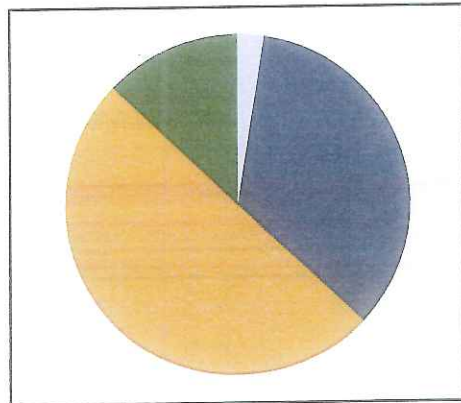
Account Snapshot

Asset Class	Market Value	Tax Cost	Est. Annual Income	Current Yield (%)
Cash & Equivalents	\$153,739.75	\$153,739.75	\$407.41	0.27%
Fixed Income	\$2,110,341.42	\$2,202,411.99	\$67,699.75	3.21%
Equities	\$3,068,645.84	\$2,569,232.88	\$36,271.39	1.18%
Alternatives	\$782,773.87	\$812,131.70	\$20,281.67	2.59%
Other	\$0.00	\$0.00	\$0.00	0.00%
Total	\$6,115,500.88	\$5,737,516.32	\$124,660.23	2.04%

Yields are gross of any fees and reflect the reinvestment of dividends and other income

Asset Allocation

2.5%	Cash & Equivalents
34.5%	Fixed Income
50.2%	Equities
12.8%	Alternatives
0.0%	Other



Income Summary (1, 2)

Cash & Equivalents Income Earned YTD	\$2,655
Taxable Fixed Income Income Earned YTD	\$36,580
Tax-Exempt Fixed Income Income Earned YTD	\$0
Equity Income Earned YTD	\$4,674
Alternative Income Earned YTD	\$531
Other Income Earned YTD	\$0
Total	\$44,440

Net Gain/Loss Summary (3)

	Realized	Unrealized
Net Short Term Gain/Loss	-\$22,099	
Net Long Term Gain/Loss	\$4,865	
Total	-\$17,235	\$377,985

(1) As of 09/30/2018

(2) Information is calculated on a calendar year basis and includes income, dividends, and capital gain distributions

(3) Gain/Loss information is for informational purposes only.

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
CASH EQUIVALENTS								
MONEY MARKET FUNDS/CASH								
n.a.	n.a.	CASH	(3,661.9400)	(\$3,661.94)	1.00	(\$3,661.94)	-2.38%	-0.06%
FPZXX	n.a.	CASH FUND	157,401.69	\$157,401.69	1.00	\$157,401.69	102.38%	2.57%
TOTAL CASH				\$153,739.75		\$153,739.75		2.51% T
FIXED INCOME								
Short-Term Bond Funds								
PYSBX	704329200	Payden Low Duration Fund	19,603.40	197,329.02	9.94	194,857.82	9.23%	3.19%
VFSUX	922031836	Vanguard Short-Term Investment-Grade Adm	18,718.13	199,204.72	10.45	195,604.43	9.27%	3.20%
				<u>\$396,533.74</u>		<u>\$390,462.25</u>		<u>6.38% T</u>
Intermediate-Term Bond Funds								
DBLFX	258620301	DoubleLine Core Fixed Income I	38,092.10	414,832.59	10.64	405,299.90	19.21%	6.63%
DODIX	256210105	Dodge & Cox Income	30,362.89	419,018.03	13.36	405,648.14	19.22%	6.63%
PTRQX	74440B884	PGIM Total Return Bond R6	28,949.22	425,465.17	13.96	404,131.17	19.15%	6.61%
PTTRX	693390700	PIMCO Total Return Instl	40,747.56	435,053.60	9.91	403,808.29	19.13%	6.60%
				<u>\$1,694,369.39</u>		<u>\$1,618,887.50</u>		<u>26.47% T</u>
Emerging Market Debt								
EEIIX	277923447	Eaton Vance Emerging Markets Local Inc I	19,019.15	111,508.86	5.31	100,991.67	4.79%	1.65% T
TOTAL FIXED INCOME				\$2,202,411.99		\$2,110,341.42		34.51% T
EQUITY								
Large Cap Blend Funds								
COFYX	19766M709	Columbia Contrarian Core Inst3	14,895.28	308,418.41	28.12	418,855.19	13.65%	6.85%
VGIAX	921913208	Vanguard Growth & Income Adm	4,944.36	343,505.04	85.16	421,061.61	13.72%	6.89%
				<u>\$651,923.45</u>		<u>\$839,916.80</u>		<u>13.73% T</u>
Large Cap Value Funds								
DODGX	256219106	Dodge & Cox Stock	894.47	164,468.03	214.31	191,694.72	6.25%	3.13%
PKAIX	72202L462	PIMCO RAE US Instl	15,971.76	171,066.74	12.09	193,098.60	6.29%	3.16%
				<u>\$335,534.77</u>		<u>\$384,793.32</u>		<u>6.29% T</u>

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
Large Cap Growth Funds								
HNACX	411512528	Harbor Capital Appreciation Retirement	1,852.33	114,457.25	82.22	152,298.82	4.96%	2.49%
LSITX	52469H255	ClearBridge Large Cap Growth IS	2,882.56	127,723.40	51.98	149,835.47	4.88%	2.45%
				\$242,180.65		\$302,134.29		4.94% T
Mid Cap Value Funds								
VEVRX	92646A427	Victory Sycamore Established Value R6	3,257.90	117,722.11	42.77	139,340.47	4.54%	2.28% T
Mid Cap Growth Funds								
APDMX	04314H659	Artisan Mid Cap Advisor	2,885.53	110,373.57	45.1	130,137.40	4.24%	2.13% T
Small Cap Value Funds								
UBVFX	904504479	Undiscovered Managers Behavioral Val R6	2,097.24	138,330.17	74.61	156,474.93	5.10%	2.56% T
Small Cap Blend Funds								
DCZRX	24610B826	Delaware Small Cap Core R6	2,739.21	68,178.30	27.05	74,095.55	2.41%	1.21%
FSCRX	315912600	Fidelity® Small Cap Discovery	2,745.72	79,379.31	26.52	72,816.44	2.37%	1.19%
				\$147,557.61		\$146,911.99		2.40% T
Small Cap Growth Funds								
PRJIX	779562206	T. Rowe Price New Horizons I	2,130.68	106,442.12	66.06	140,752.39	4.59%	2.30% T
Foreign Large Value Funds								
DODFX	256206103	Dodge & Cox International Stock	3,435.42	141,252.40	43.36	148,959.68	4.85%	2.44% T
Foreign Large Blend Funds								
NWHMX	63868B815	Nationwide Bailard Intl Eqs R6	33,690.54	259,322.42	8.36	281,652.88	9.18%	4.61%
HEFA	46434V803	iShares Currency Hedged MSCI EAFE ETF	3,125.00	77,595.36	29.94	93,562.50	3.05%	1.53%
				\$336,917.78		\$375,215.38		6.14% T
Foreign Large Growth Funds								
MGRDX	552746356	MFS® International Growth R6	4,399.75	114,961.60	34.9	153,551.27	5.00%	2.51% T
Diversified Emerging Markets								
HHHYX	41665H797	Hartford Schrodgers Emerging Mkts Eq Y	9,738.38	126,036.65	15.45	150,457.92	4.90%	2.46%
				\$126,036.65		\$150,457.92		2.46% T
TOTAL EQUITY				\$2,569,232.88		\$3,068,645.84		50.18% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
ALTERNATIVES								
Market Neutral								
QMNIX	00191K799	AQR Equity Market Neutral I	3,839.26	44,910.53	11.01	42,270.27	1.38%	0.69%
BSIIX	09260B374	BlackRock Strategic Income Opps K	4,381.59	43,223.44	9.73	42,632.86	1.39%	0.70%
				\$88,133.97		\$84,903.13		1.39% T
Managed Futures								
AQMIX	00203H859	AQR Managed Futures Strategy I	9,685.04	96,754.22	8.95	86,681.06	2.82%	1.42%
AMFNX	63873P825	Natixis ASG Managed Futures Strategy N	8,707.87	94,004.03	9.62	83,769.70	2.73%	1.37%
				\$190,758.25		\$170,450.76		2.79% T
Merger Arbitrage								
ARBNX	03875R205	Arbitrage I	6,527.66	85,296.90	13.15	85,838.78	2.80%	1.40% T
Global Macro								
EGRSX	27830W108	Eaton Vance Gbl Macro Abs Ret Advtg R6	9,432.91	95,434.11	9.78	92,253.85	3.01%	1.51%
LAOSX	95768D509	Western Asset Macro Opportunities IS	8,699.01	91,308.08	10.63	92,470.52	3.01%	1.51%
				\$186,742.19		\$184,724.37		3.02% T
Commodities								
EIPCX	277923223	Parametric Commodity Strategy Instl	7,534.00	41,340.76	5.24	39,478.13	1.29%	0.65% T
Precious Metals								
IAU	464285105	iShares Gold Trust	3,375.00	40,183.48	11.43	38,576.25	1.26%	0.63% T
BXMIX	09257V201	Blackstone Alternative Multi-Strategy I	8,274.84	86,170.26	10.85	89,782.06	2.93%	1.47%
QSPIX	00203H420	AQR Style Premia Alternative I	9,215.36	93,505.89	9.66	89,020.39	2.90%	1.46%
				\$179,676.15		\$178,802.45		2.92% T
TOTAL ALTERNATIVES				\$812,131.70		\$782,773.87	12.80% T	
TOTAL - ALL ASSETS				\$5,737,516.32		\$6,115,500.88	100.00%	

INVESTMENT PORTFOLIO SUMMARY -BALANCED INCOME

El Toro Water District - 401(k) Plan

Account Number: 6721061389

Data as of: 09/30/2018

Portfolio Manager:

Keith Stribling, CFA

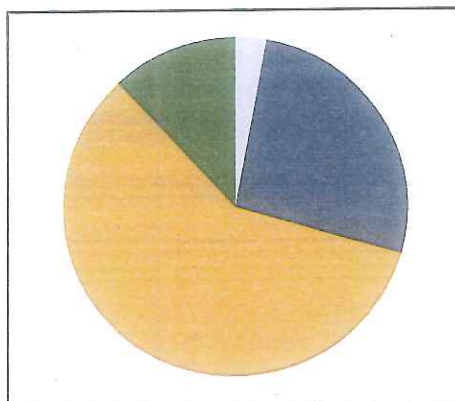
Account Snapshot

Asset Class	Market Value	Tax Cost	Est. Annual Income	Current Yield (%)
Cash & Equivalents	\$165,643.10	\$165,643.10	\$438.95	0.27%
Fixed Income	\$1,496,249.81	\$1,508,299.91	\$47,999.69	3.21%
Equities	\$3,306,034.57	\$3,258,290.09	\$39,077.33	1.18%
Alternatives	\$664,625.32	\$667,425.19	\$17,220.44	2.59%
Other	\$0.00	\$0.00	\$0.00	0.00%
Total	\$5,632,552.80	\$5,599,658.29	\$104,736.42	1.86%

Yields are gross of any fees and reflect the reinvestment of dividends and other income

Asset Allocation

2.9%	Cash & Equivalents
26.6%	Fixed Income
58.7%	Equities
11.8%	Alternatives
0.0%	Other



Income Summary (1, 2)

Cash & Equivalents Income Earned YTD	\$911
Taxable Fixed Income Income Earned YTD	\$5,925
Tax-Exempt Fixed Income Income Earned YTD	\$0
Equity Income Earned YTD	\$2,041
Alternative Income Earned YTD	\$70
Other Income Earned YTD	\$0
Total	\$8,946

Net Gain/Loss Summary (3)

	Realized	Unrealized
Net Short Term Gain/Loss	\$0	
Net Long Term Gain/Loss	\$0	
Total	\$0	\$32,895

(1) As of 09/30/2018

(2) Information is calculated on a calendar year basis and includes income, dividends, and capital gain distributions

(3) Gain/Loss information is for informational purposes only.

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
CASH EQUIVALENTS								
MONEY MARKET FUNDS/CASH								
n.a.	n.a.	CASH	(2,865.7100)	(\$2,865.71)	1.00	(\$2,865.71)	-1.73%	-0.05%
FPZXX	n.a.	CASH FUND	168,508.81	\$168,508.81	1.00	\$168,508.81	101.73%	2.99%
TOTAL CASH				\$165,643.10		\$165,643.10		2.94% T
FIXED INCOME								
Short-Term Bond Funds								
PYSBX	704329200	Payden Low Duration Fund	10,801.09	107,470.65	9.94	107,362.85	7.18%	1.91%
VFSUX	922031836	Vanguard Short-Term Investment-Grade Adm	10,281.19	107,541.35	10.45	107,438.43	7.18%	1.91%
				\$215,012.00		\$214,801.28		3.81% T
Intermediate-Term Bond Funds								
DBLFX	258620301	DoubleLine Core Fixed Income I	28,474.76	304,391.60	10.64	302,971.47	20.25%	5.38%
DODIX	256210105	Dodge & Cox Income	22,675.34	304,738.91	13.36	302,942.53	20.25%	5.38%
PTRQX	744408884	PGIM Total Return Bond R6	21,626.75	304,068.70	13.96	301,909.40	20.18%	5.36%
PTTRX	693390700	PIMCO Total Return Instl	30,472.77	303,810.86	9.91	301,985.11	20.18%	5.36%
				\$1,217,010.07		\$1,209,808.51		21.48% T
Emerging Market Debt								
EEIIX	277923447	Eaton Vance Emerging Markets Local Inc I	13,491.53	76,277.84	5.31	71,640.02	4.79%	1.27% T
TOTAL FIXED INCOME				\$1,508,299.91		\$1,496,249.81		26.56% T
EQUITY								
Large Cap Blend Funds								
COFYX	19766M709	Columbia Contrarian Core Inst3	16,405.43	452,199.98	28.12	461,320.58	13.95%	8.19%
VGIAX	921913208	Vanguard Growth & Income Adm	5,443.60	452,199.94	85.16	463,577.06	14.02%	8.23%
				\$904,399.92		\$924,897.64		16.42% T
Large Cap Value Funds								
DODGX	256219106	Dodge & Cox Stock	979.84	208,634.88	214.31	209,989.51	6.35%	3.73%
PKAIX	72202L462	PIMCO RAE US Instl	17,537.94	207,999.99	12.09	212,033.72	6.41%	3.76%
				\$416,634.87		\$422,023.23		7.49% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
Large Cap Growth Funds								
HNACX	411512528	Harbor Capital Appreciation Retirement	2,049.08	161,999.96	82.22	168,475.03	5.10%	2.99%
LSITX	52469H255	ClearBridge Large Cap Growth IS	3,167.77	161,999.95	51.98	164,660.89	4.98%	2.92%
				\$323,999.91		\$333,135.92		5.91% T
Mid Cap Value Funds								
VEVRX	92646A427	Victory Sycamore Established Value R6	3,587.74	152,732.88	42.77	153,447.47	4.64%	2.72% T
Mid Cap Growth Funds								
APDMX	04314H659	Artisan Mid Cap Advisor	3,206.98	137,899.98	45.1	144,634.62	4.37%	2.57% T
Small Cap Value Funds								
UBVFX	904504479	Undiscovered Managers Behavioral Val R6	2,199.32	163,799.97	74.61	164,091.41	4.96%	2.91% T
Small Cap Blend Funds								
DCZRX	24610B826	Delaware Small Cap Core R6	2,850.75	76,399.98	27.05	77,112.65	2.33%	1.37%
FSCRX	315912600	Fidelity® Small Cap Discovery	0.00	0.00	26.52	0.00	0.00%	0.00%
				\$76,399.98		\$77,112.65		1.37% T
Small Cap Growth Funds								
PRJIX	779562206	T. Rowe Price New Horizons I	2,200.77	137,899.98	66.06	145,382.60	4.40%	2.58% T
Foreign Large Value Funds								
DODFX	256206103	Dodge & Cox International Stock	3,721.24	166,599.99	43.36	161,353.01	4.88%	2.86% T
Foreign Large Blend Funds								
NWHMX	63868B815	Nationwide Bailand Intl Eqs R6	37,612.13	307,272.88	8.36	314,437.38	9.51%	5.58%
HEFA	46434V803	iShares Currency Hedged MSCI EAFE ETF	3,400.00	101,749.76	29.94	101,796.00	3.08%	1.81%
				\$409,022.64		\$416,233.38		7.39% T
Foreign Large Growth Funds								
MGRDX	552746356	MFS® International Growth R6	4,757.28	166,599.98	34.9	166,029.11	5.02%	2.95% T
Diversified Emerging Markets								
HHHYX	41665H797	Hartford Schrodgers Emerging Mkts Eq Y	12,795.70	202,299.99	15.45	197,693.53	5.98%	3.51%
				\$202,299.99		\$197,693.53		3.51% T
TOTAL EQUITY				\$3,258,290.09		\$3,306,034.57		58.70% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
ALTERNATIVES								
Market Neutral								
QMNIX	00191K799	AQR Equity Market Neutral I	3,243.49	36,100.00	11.01	35,710.78	1.08%	0.63%
BSIKX	09260B374	BlackRock Strategic Income Opps K	3,715.22	36,260.22	9.73	36,149.11	1.09%	0.64%
				\$72,360.22		\$71,859.89		1.28% T
Managed Futures								
AQMIX	00203H859	AQR Managed Futures Strategy I	8,251.43	72,200.00	8.95	73,850.29	2.23%	1.31%
AMFNX	63873P825	Natixis ASG Managed Futures Strategy N	7,412.76	72,199.99	9.62	71,310.77	2.16%	1.27%
				\$144,399.99		\$145,161.06		2.58% T
Merger Arbitrage								
ARBNX	03875R205	Arbitrage I	5,577.66	72,899.99	13.15	73,346.20	2.22%	1.30% T
Global Macro								
EGRSX	27830W108	Eaton Vance Glbl Macro Abs Ret Advtg R6	7,993.46	80,500.00	9.78	78,176.02	2.36%	1.39%
LAOSX	95768D509	Western Asset Macro Opportunities IS	7,398.90	80,500.00	10.63	78,650.26	2.38%	1.40%
				\$161,000.00		\$156,826.28		2.78% T
Commodities								
EIPCX	277923223	Parametric Commodity Strategy Instl	6,367.11	33,300.00	5.24	33,363.67	1.01%	0.59% T
Precious Metals								
IAU	464285105	iShares Gold Trust	2,875.00	33,465.01	11.43	32,861.25	0.99%	0.58% T
BXMIX	09257V201	Blackstone Alternative Multi-Strategy I	7,009.35	74,999.99	10.85	76,051.39	2.30%	1.35%
QSPIX	00203H420	AQR Style Premia Alternative I	7,780.08	74,999.99	9.66	75,155.58	2.27%	1.33%
				\$149,999.98		\$151,206.97		2.68% T
TOTAL ALTERNATIVES				\$667,425.19		\$664,625.32		11.80% T
TOTAL - ALL ASSETS				\$5,599,658.29		\$5,632,552.80		100.00%

INVESTMENT PORTFOLIO SUMMARY - BALANCED

El Toro Water District - 401(k) Plan

Account Number: 6721031389

Data as of: 09/30/2018

Portfolio Manager:

Keith Stribling, CFA

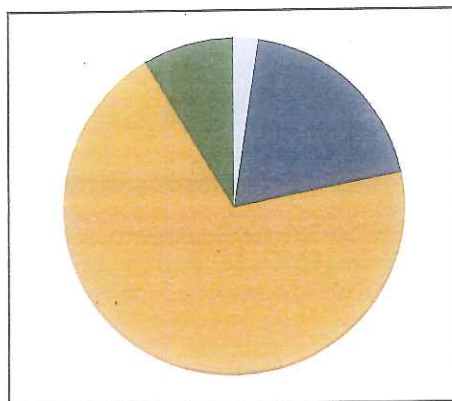
Account Snapshot

Asset Class	Market Value	Tax Cost	Est. Annual Income	Current Yield (%)
Cash & Equivalents	\$38,045.02	\$38,045.02	\$100.82	0.27%
Fixed Income	\$312,851.51	\$325,541.20	\$10,036.28	3.21%
Equities	\$1,116,212.19	\$943,714.09	\$13,193.63	1.18%
Alternatives	\$138,204.04	\$143,065.48	\$3,580.87	2.59%
Other	\$0.00	\$0.00	\$0.00	0.00%
Total	\$1,605,312.76	\$1,450,365.79	\$26,911.59	1.68%

Yields are gross of any fees and reflect the reinvestment of dividends and other income

Asset Allocation

2.4%	Cash & Equivalents
19.5%	Fixed Income
69.5%	Equities
8.6%	Alternatives
0.0%	Other



Income Summary (1, 2)

Cash & Equivalents Income Earned YTD	\$512
Taxable Fixed Income Income Earned YTD	\$5,132
Tax-Exempt Fixed Income Income Earned YTD	\$0
Equity Income Earned YTD	\$1,588
Alternative Income Earned YTD	\$113
Other Income Earned YTD	\$0
Total	\$7,345

Net Gain/Loss Summary (3)

	Realized	Unrealized
Net Short Term Gain/Loss	-\$2,930	
Net Long Term Gain/Loss	\$37,097	
Total	\$34,167	\$154,947

(1) As of 09/30/2018

(2) Information is calculated on a calendar year basis and includes income, dividends, and capital gain distributions

(3) Gain/Loss information is for informational purposes only.

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
CASH EQUIVALENTS								
MONEY MARKET FUNDS/CASH								
n.a.	n.a.	CASH	(553.7300)	(\$553.73)	1.00	(\$553.73)	-1.46%	-0.03%
FPZXX	n.a.	CASH FUND	38,598.75	\$38,598.75	1.00	\$38,598.75	101.46%	2.40%
TOTAL CASH				\$38,045.02		\$38,045.02		2.37% T
FIXED INCOME								
Short-Term Bond Funds								
PYSBX	704329200	Payden Low Duration Fund	2,433.86	24,436.90	9.94	24,192.52	7.73%	1.51%
VFSUX	922031836	Vanguard Short-Term Investment-Grade Adm	2,318.61	24,572.45	10.45	24,229.50	7.74%	1.51%
				\$49,009.35		\$48,422.02		3.02% T
Intermediate-Term Bond Funds								
DBLFX	258620301	DoubleLine Core Fixed Income I	5,893.36	64,135.90	10.64	62,705.32	20.04%	3.91%
DODIX	256210105	Dodge & Cox Income	4,687.67	64,592.70	13.36	62,627.26	20.02%	3.90%
PTRQX	74440B884	PGIM Total Return Bond R6	4,473.34	65,500.24	13.96	62,447.84	19.96%	3.89%
PTTRX	693390700	PIMCO Total Return Instl	6,302.70	66,625.76	9.91	62,459.71	19.96%	3.89%
				\$260,854.60		\$250,240.13		15.59% T
Emerging Market Debt								
EEIIX	277923447	Eaton Vance Emerging Markets Local Inc I	2,672.20	15,677.25	5.31	14,189.36	4.54%	0.88% T
TOTAL FIXED INCOME				\$325,541.20		\$312,851.51		19.49% T
EQUITY								
Large Cap Blend Funds								
COFYX	19766M709	Columbia Contrarian Core Inst3	5,434.52	112,293.27	28.12	152,818.76	13.69%	9.52%
VGIAX	921913208	Vanguard Growth & Income Adm	1,803.51	127,225.20	85.16	153,586.66	13.76%	9.57%
				\$239,518.47		\$306,405.42		19.09% T
Large Cap Value Funds								
DODGX	256219106	Dodge & Cox Stock	324.89	60,283.25	214.31	69,626.32	6.24%	4.34%
PKAIX	72202L462	PIMCO RAE US Instl	5,798.74	62,411.01	12.09	70,106.77	6.28%	4.37%
				\$122,694.26		\$139,733.09		8.70% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
Large Cap Growth Funds								
HNACX	411512528	Harbor Capital Appreciation Retirement	676.30	42,429.69	82.22	55,605.47	4.98%	3.46%
LSITX	52469H255	ClearBridge Large Cap Growth IS	1,052.30	47,037.71	51.98	54,698.61	4.90%	3.41%
				<u>\$89,467.40</u>		<u>\$110,304.08</u>		<u>6.87% T</u>
Mid Cap Value Funds								
VEVRX	92646A427	Victory Sycamore Established Value R6	1,188.66	43,483.95	42.77	50,838.86	4.55%	3.17% T
Mid Cap Growth Funds								
APDMX	04314H659	Artisan Mid Cap Advisor	1,052.97	40,157.35	45.1	47,489.08	4.25%	2.96% T
Small Cap Value Funds								
UBVFX	904504479	Undiscovered Managers Behavioral Val R6	789.81	52,369.33	74.61	58,927.50	5.28%	3.67% T
Small Cap Blend Funds								
DCZRX	24610B826	Delaware Small Cap Core R6	1,038.02	26,130.08	27.05	28,078.36	2.52%	1.75%
FSCRX	315912600	Fidelity® Small Cap Discovery	991.13	28,704.83	26.52	26,284.77	2.35%	1.64%
				<u>\$54,834.91</u>		<u>\$54,363.13</u>		<u>3.39% T</u>
Small Cap Growth Funds								
PRJIX	779562206	T. Rowe Price New Horizons I	794.72	40,015.64	66.06	52,498.87	4.70%	3.27% T
Foreign Large Value Funds								
DODFX	256206103	Dodge & Cox International Stock	1,151.46	47,465.88	43.36	49,927.26	4.47%	3.11% T
Foreign Large Blend Funds								
NWHMX	63868B815	Nationwide Bailard Intl Eqs R6	11,242.88	87,589.63	8.36	93,990.45	8.42%	5.85%
HEFA	46434V803	iShares Currency Hedged MSCI EAFE ETF	1,050.00	26,687.64	29.94	31,437.00	2.82%	1.96%
				<u>\$114,277.27</u>		<u>\$125,427.45</u>		<u>7.81% T</u>
Foreign Large Growth Funds								
MGRDX	552746356	MFS® International Growth R6	1,472.37	39,535.92	34.9	51,385.82	4.60%	3.20% T
Diversified Emerging Markets								
HHHYX	41665H797	Hartford Schrodgers Emerging Mkts Eq Y	4,460.30	59,893.71	15.45	68,911.63	6.17%	4.29%
				<u>\$59,893.71</u>		<u>\$68,911.63</u>		<u>4.29% T</u>
TOTAL EQUITY				<u>\$943,714.09</u>		<u>\$1,116,212.19</u>		<u>69.53% T</u>

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
ALTERNATIVES								
Market Neutral								
QMNIX	00191K799	AQR Equity Market Neutral I	644.89	7,572.36	11.01	7,100.26	0.64%	0.44%
BSIKX	09260B374	BlackRock Strategic Income Opps K	741.09	7,317.26	9.73	7,210.83	0.65%	0.45%
				\$14,889.62		\$14,311.09		0.89% T
Managed Futures								
AQMIX	00203H859	AQR Managed Futures Strategy I	1,652.33	16,557.47	8.95	14,788.38	1.32%	0.92%
AMFNX	63873P825	Natixis ASG Managed Futures Strategy N	1,512.68	16,400.10	9.62	14,551.96	1.30%	0.91%
				\$32,957.57		\$29,340.34		1.83% T
Merger Arbitrage								
ARBNX	03875R205	Arbitrage I	1,193.03	15,546.12	13.15	15,688.37	1.41%	0.98% T
Global Macro								
EGRSX	27830W108	Eaton Vance Gbl Macro Abs Ret Advtg R6	1,696.58	16,871.07	9.78	16,592.58	1.49%	1.03%
LAOSX	95768D509	Western Asset Macro Opportunities IS	1,567.98	16,398.44	10.63	16,667.57	1.49%	1.04%
				\$33,269.51		\$33,260.15		2.07% T
Commodities								
EIPCX	277923223	Parametric Commodity Strategy Instl	1,248.53	6,865.62	5.24	6,542.31	0.59%	0.41% T
Precious Metals								
IAU	464285105	iShares Gold Trust	600.00	7,157.82	11.43	6,858.00	0.61%	0.43% T
BXMIX	09257V201	Blackstone Alternative Multi-Strategy I	1,486.02	15,486.27	10.85	16,123.33	1.44%	1.00%
QSPIX	00203H420	AQR Style Premia Alternative I	1,664.64	16,892.95	9.66	16,080.45	1.44%	1.00%
				\$32,379.22		\$32,203.78		2.01% T
TOTAL ALTERNATIVES				\$143,065.48		\$138,204.04		8.61% T
TOTAL - ALL ASSETS				\$1,450,365.79		\$1,605,312.76		100.00%

INVESTMENT PORTFOLIO SUMMARY - CAPITAL APPRECIATION

El Toro Water District - 401(k) Plan

Account Number: 6721071389
Data as of: 09/30/2018

Portfolio Manager:
Keith Stribling, CFA

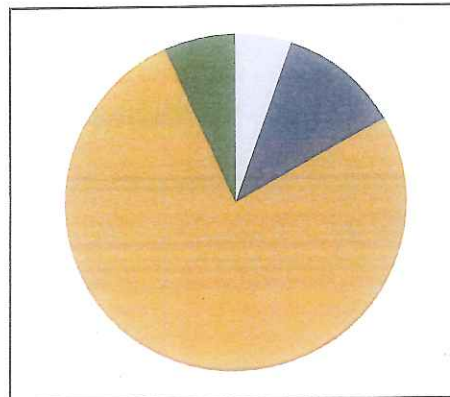
Account Snapshot

Asset Class	Market Value	Tax Cost	Est. Annual Income	Current Yield (%)
Cash & Equivalents	\$25,533.00	\$25,533.00	\$67.66	0.27%
Fixed Income	\$55,069.98	\$55,523.13	\$1,766.64	3.21%
Equities	\$364,513.40	\$359,191.49	\$4,308.55	1.18%
Alternatives	\$32,216.14	\$32,353.48	\$834.72	2.59%
Other	\$0.00	\$0.00	\$0.00	0.00%
Total	\$477,332.52	\$472,601.10	\$6,977.58	1.46%

Yields are gross of any fees and reflect the reinvestment of dividends and other income

Asset Allocation

5.3%	Cash & Equivalents
11.5%	Fixed Income
76.4%	Equities
6.7%	Alternatives
0.0%	Other



Income Summary (1, 2)

Cash & Equivalents Income Earned YTD	\$81
Taxable Fixed Income Income Earned YTD	\$221
Tax-Exempt Fixed Income Income Earned YTD	\$0
Equity Income Earned YTD	\$218
Alternative Income Earned YTD	\$3
Other Income Earned YTD	\$0
Total	\$523

Net Gain/Loss Summary (3)

	Realized	Unrealized
Net Short Term Gain/Loss	\$0	
Net Long Term Gain/Loss	\$0	
Total	\$0	\$4,731

(1) As of 09/30/2018

(2) Information is calculated on a calendar year basis and includes income, dividends, and capital gain distributions

(3) Gain/Loss information is for informational purposes only.

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
CASH EQUIVALENTS								
MONEY MARKET FUNDS/CASH								
n.a.	n.a.	CASH	(105.9700)	(\$105.97)	1.00	(\$105.97)	-0.42%	-0.02%
FPZXX	n.a.	CASH FUND	25,638.97	\$25,638.97	1.00	\$25,638.97	100.42%	5.37%
TOTAL CASH				\$25,533.00		\$25,533.00		5.35% T
FIXED INCOME								
Short-Term Bond Funds								
PYSBX	704329200	Payden Low Duration Fund	322.72	3,211.08	9.94	3,207.86	5.83%	0.67%
VFSUX	922031836	Vanguard Short-Term Investment-Grade Adm	307.19	3,213.17	10.45	3,210.09	5.83%	0.67%
				<u>\$6,424.25</u>		<u>\$6,417.95</u>		<u>1.34% T</u>
Intermediate-Term Bond Funds								
DBLFX	258620301	DoubleLine Core Fixed Income I	1,082.15	11,568.07	10.64	11,514.10	20.91%	2.41%
DODIX	256210105	Dodge & Cox Income	861.75	11,581.28	13.36	11,513.01	20.91%	2.41%
PTRQX	74440B884	PGIM Total Return Bond R6	821.90	11,555.80	13.96	11,473.72	20.83%	2.40%
PTTRX	693390700	PIMCO Total Return Instl	1,158.09	11,546.02	9.91	11,476.63	20.84%	2.40%
				<u>\$46,251.17</u>		<u>\$45,977.46</u>		<u>9.63% T</u>
Emerging Market Debt								
EEIIX	277923447	Eaton Vance Emerging Markets Local Inc I	503.69	2,847.71	5.31	2,674.57	4.86%	0.56% T
TOTAL FIXED INCOME				\$55,523.13		\$55,069.98		11.54% T
EQUITY								
Large Cap Blend Funds								
COFYX	19766M709	Columbia Contrarian Core Inst3	1,813.96	49,999.99	28.12	51,008.44	13.99%	10.69%
VGIAX	921913208	Vanguard Growth & Income Adm	601.90	49,999.92	85.16	51,257.89	14.06%	10.74%
				<u>\$99,999.91</u>		<u>\$102,266.33</u>		<u>21.42% T</u>
Large Cap Value Funds								
DODGX	256219106	Dodge & Cox Stock	108.35	23,070.03	214.31	23,219.85	6.37%	4.86%
PKAIX	72202L462	PIMCO RAE US Instl	1,939.29	22,999.99	12.09	23,446.03	6.43%	4.91%
				<u>\$46,070.02</u>		<u>\$46,665.88</u>		<u>9.78% T</u>

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
Large Cap Growth Funds								
HNACX	411512528	Harbor Capital Appreciation Retirement	226.41	17,900.00	82.22	18,615.43	5.11%	3.90%
LSITX	52469H255	ClearBridge Large Cap Growth IS	350.02	17,899.99	51.98	18,193.99	4.99%	3.81%
				<u>\$35,799.99</u>		<u>\$36,809.42</u>		<u>7.71% T</u>
Mid Cap Value Funds								
VEVRX	92646A427	Victory Sycamore Established Value R6	398.11	16,948.01	42.77	17,027.29	4.67%	3.57% T
Mid Cap Growth Funds								
APDMX	04314H659	Artisan Mid Cap Advisor	353.49	15,199.98	45.1	15,942.31	4.37%	3.34% T
Small Cap Value Funds								
UBVFX	904504479	Undiscovered Managers Behavioral Val R6	260.48	19,399.99	74.61	19,434.49	5.33%	4.07% T
Small Cap Blend Funds								
DCZRX	24610B826	Delaware Small Cap Core R6	347.02	9,300.00	27.05	9,386.76	2.58%	1.97%
FSCRX	315912600	Fidelity® Small Cap Discovery	0.00	0.00	26.52	0.00	0.00%	0.00%
				<u>\$9,300.00</u>		<u>\$9,386.76</u>		<u>1.97% T</u>
Small Cap Growth Funds								
PRJIX	779562206	T. Rowe Price New Horizons I	266.52	16,699.95	66.06	17,606.11	4.83%	3.69% T
Foreign Large Value Funds								
DODFX	256206103	Dodge & Cox International Stock	384.19	17,200.00	43.36	16,658.30	4.57%	3.49% T
Foreign Large Blend Funds								
NWHMX	63868B815	Nationwide Bailard Intl Eqs R6	3,843.49	31,399.42	8.36	32,131.54	8.81%	6.73%
HEFA	46434V803	iShares Currency Hedged MSCI EAFE ETF	350.00	10,474.23	29.94	10,479.00	2.87%	2.20%
				<u>\$41,873.65</u>		<u>\$42,610.54</u>		<u>8.93% T</u>
Foreign Large Growth Funds								
MGRDX	552746356	MFS® International Growth R6	491.15	17,199.99	34.9	17,141.07	4.70%	3.59% T
Diversified Emerging Markets								
HHHYX	41665H797	Hartford Schroders Emerging Mkts Eq Y	1,486.40	23,500.00	15.45	22,964.90	6.30%	4.81%
				<u>\$23,500.00</u>		<u>\$22,964.90</u>		<u>4.81% T</u>
TOTAL EQUITY					<u>\$359,191.49</u>	<u>\$364,513.40</u>		<u>76.36% T</u>

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
ALTERNATIVES								
Market Neutral								
QMNIX	00191K799	AQR Equity Market Neutral I	152.74	1,700.00	11.01	1,681.67	0.46%	0.35%
BSIIX	09260B374	BlackRock Strategic Income Opps K	174.95	1,707.54	9.73	1,702.30	0.47%	0.36%
				\$3,407.54		\$3,383.97		0.71% T
Managed Futures								
AQMIX	00203H859	AQR Managed Futures Strategy I	400.00	3,500.00	8.95	3,580.00	0.98%	0.75%
AMFNX	63873P825	Natixis ASG Managed Futures Strategy N	359.34	3,499.99	9.62	3,456.88	0.95%	0.72%
				\$6,999.99		\$7,036.88		1.47% T
Merger Arbitrage								
ARBIX	03875R205	Arbitrage I	275.44	3,599.99	13.15	3,622.02	0.99%	0.76% T
Global Macro								
EGRSX	27830W108	Eaton Vance Gbl Macro Abs Ret Advtg R6	387.26	3,899.99	9.78	3,787.40	1.04%	0.79%
LAOSX	95768D509	Western Asset Macro Opportunities IS	358.46	3,900.00	10.63	3,810.39	1.05%	0.80%
				\$7,799.99		\$7,597.79		1.59% T
Commodities								
EIPCX	277923223	Parametric Commodity Strategy Instl	305.93	1,600.00	5.24	1,603.06	0.44%	0.34% T
Precious Metals								
IAU	464285105	iShares Gold Trust	150.00	1,745.99	11.43	1,714.50	0.47%	0.36% T
BXMIX	09257V201	Blackstone Alternative Multi-Strategy I	336.45	3,599.99	10.85	3,650.46	1.00%	0.76%
QSPIX	00203H420	AQR Style Premia Alternative I	373.44	3,599.99	9.66	3,607.46	0.99%	0.76%
				\$7,199.98		\$7,257.92		1.52% T
TOTAL ALTERNATIVES				\$32,353.48		\$32,216.14		6.75% T
TOTAL - ALL ASSETS				\$472,601.10		\$477,332.52		100.00%

INVESTMENT PORTFOLIO SUMMARY - GROWTH

El Toro Water District - 401(k) Plan

Account Number: 6721041389

Data as of: 09/30/2018

Portfolio Manager:

Keith Stribling, CFA

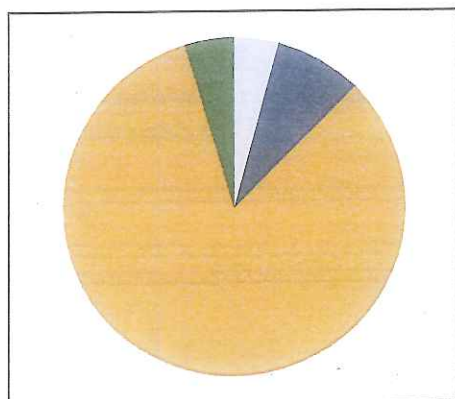
Account Snapshot

Asset Class	Market Value	Tax Cost	Est. Annual Income	Current Yield (%)
Cash & Equivalents	\$54,610.92	\$54,610.92	\$144.72	0.27%
Fixed Income	\$107,555.28	\$112,273.45	\$3,450.37	3.21%
Equities	\$1,069,712.91	\$932,582.58	\$12,644.01	1.18%
Alternatives	\$60,297.77	\$62,433.49	\$1,562.32	2.59%
Other	\$0.00	\$0.00	\$0.00	0.00%
Total	\$ 1,292,177	\$ 1,161,900	\$ 17,801	1.38%

Yields are gross of any fees and reflect the reinvestment of dividends and other income

Asset Allocation

4.2%	Cash & Equivalents
8.3%	Fixed Income
82.8%	Equities
4.7%	Alternatives
0.0%	Other



Income Summary (1, 2)

Cash & Equivalents Income Earned YTD	\$227
Taxable Fixed Income Income Earned YTD	\$1,434
Tax-Exempt Fixed Income Income Earned YTD	\$0
Equity Income Earned YTD	\$1,260
Alternative Income Earned YTD	\$53
Other Income Earned YTD	\$0
Total	\$2,975

Net Gain/Loss Summary (3)

	Realized	Unrealized
Net Short Term Gain/Loss	\$21,515	
Net Long Term Gain/Loss	\$124,926	
Total	\$146,441	\$130,276

(1) As of 09/30/2018

(2) Information is calculated on a calendar year basis and includes income, dividends, and capital gain distributions

(3) Gain/Loss information is for informational purposes only.

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
CASH EQUIVALENTS								
MONEY MARKET FUNDS/CASH								
n.a.	n.a.	CASH	(205.3700)	(\$205.37)	1.00	(\$205.37)	-0.38%	-0.02%
FPZXX	n.a.	CASH FUND	54,816.29	\$54,816.29	1.00	\$54,816.29	100.38%	4.24%
TOTAL CASH				\$54,610.92		\$54,610.92		4.23% T
FIXED INCOME								
Short-Term Bond Funds								
PYSBX	704329200	Payden Low Duration Fund	210.33	2,116.76	9.94	2,090.63	1.94%	0.16%
VFSUX	922031836	Vanguard Short-Term Investment-Grade Adm	200.93	2,138.44	10.45	2,099.72	1.95%	0.16%
				\$4,255.20		\$4,190.35		0.32% T
Intermediate-Term Bond Funds								
DBLFX	258620301	DoubleLine Core Fixed Income I	2,313.99	25,212.18	10.64	24,620.87	22.89%	1.91%
DODIX	256210105	Dodge & Cox Income	1,837.46	25,379.06	13.36	24,548.40	22.82%	1.90%
PTRQX	74440B884	PGIM Total Return Bond R6	1,758.08	25,775.21	13.96	24,542.85	22.82%	1.90%
PTTRX	693390700	PIMCO Total Return Instl	2,473.97	25,996.18	9.91	24,517.05	22.79%	1.90%
				\$102,362.63		\$98,229.17		7.60% T
Emerging Market Debt								
EEIIX	277923447	Eaton Vance Emerging Markets Local Inc I	967.19	5,655.62	5.31	5,135.76	4.77%	0.40% T
TOTAL FIXED INCOME				\$112,273.45		\$107,555.28		8.32% T
EQUITY								
Large Cap Blend Funds								
COFYX	19766M709	Columbia Contrarian Core Inst3	5,204.99	116,289.96	28.12	146,364.35	13.68%	11.33%
VGIAX	921913208	Vanguard Growth & Income Adm	1,729.31	124,764.48	85.16	147,267.70	13.77%	11.40%
				\$241,054.44		\$293,632.05		22.72% T
Large Cap Value Funds								
DODGX	256219106	Dodge & Cox Stock	312.12	58,964.61	214.31	66,891.08	6.25%	5.18%
PKAIX	72202L462	PIMCO RAE US Instl	5,565.92	60,731.45	12.09	67,292.02	6.29%	5.21%
				\$119,696.06		\$134,183.10		10.38% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
Large Cap Growth Funds								
HNACX	411512528	Harbor Capital Appreciation Retirement	650.08	43,487.42	82.22	53,449.50	5.00%	4.14%
LSITX	52469H255	ClearBridge Large Cap Growth IS	1,011.60	46,320.13	51.98	52,582.76	4.92%	4.07%
				<u>\$89,807.55</u>		<u>\$106,032.26</u>		<u>8.21% T</u>
Mid Cap Value Funds								
VEVRX	92646A427	Victory Sycamore Established Value R6	1,142.60	43,013.10	42.77	48,868.83	4.57%	3.78% T
Mid Cap Growth Funds								
APDMX	04314H659	Artisan Mid Cap Advisor	1,003.30	39,271.58	45.1	45,248.92	4.23%	3.50% T
Small Cap Value Funds								
UBVFX	904504479	Undiscovered Managers Behavioral Val R6	732.09	48,853.19	74.61	54,621.16	5.11%	4.23% T
Small Cap Blend Funds								
DCZRX	24610B826	Delaware Small Cap Core R6	965.73	24,007.06	27.05	26,122.89	2.44%	2.02%
FSCRX	315912600	Fidelity® Small Cap Discovery	964.66	27,849.18	26.52	25,582.73	2.39%	1.98%
				<u>\$51,856.24</u>		<u>\$51,705.62</u>		<u>4.00% T</u>
Small Cap Growth Funds								
PRJIX	779562206	T. Rowe Price New Horizons I	741.70	37,189.58	66.06	48,996.64	4.58%	3.79% T
Foreign Large Value Funds								
DODFX	256206103	Dodge & Cox International Stock	1,165.55	48,737.93	43.36	50,538.20	4.72%	3.91% T
Foreign Large Blend Funds								
NWHMX	63868B815	Nationwide Baillard Intl Eqs R6	11,455.82	91,678.97	8.36	95,770.68	8.95%	7.41%
HEFA	46434V803	iShares Currency Hedged MSCI EAFE ETF	1,075.00	27,407.62	29.94	32,185.50	3.01%	2.49%
				<u>\$119,086.59</u>		<u>\$127,956.18</u>		<u>9.90% T</u>
Foreign Large Growth Funds								
MGRDX	552746356	MFS® International Growth R6	1,489.25	44,559.43	34.9	51,974.82	4.86%	4.02% T
Diversified Emerging Markets								
HHHYX	41665H797	Hartford Schrodgers Emerging Mkts Eq Y	3,621.69	49,456.89	15.45	55,955.13	5.23%	4.33%
				<u>\$49,456.89</u>		<u>\$55,955.13</u>		<u>4.33% T</u>
TOTAL EQUITY					\$932,582.58	\$1,069,712.91		82.78% T

HOLDINGS REPORT

El Toro Water District 401(k) - Capital Preservation

As of Third Quarter 2018

TICKER	CUSIP	ASSET NAME	SHARES/UNITS	COST BASIS	PRICE	MARKET VALUE (MV)	MV AS % OF ASSET TYPE	MV AS % OF TOTAL
ALTERNATIVES								
Market Neutral								
QMNIX	00191K799	AQR Equity Market Neutral I	287.20	3,392.13	11.01	3,162.07	0.30%	0.24%
BSIKX	09260B374	BlackRock Strategic Income Opps K	339.09	3,354.98	9.73	3,299.30	0.31%	0.26%
				\$6,747.11		\$6,461.37		0.50% T
Managed Futures								
AQMIX	00203H859	AQR Managed Futures Strategy I	734.08	7,248.39	8.95	6,570.02	0.61%	0.51%
AMFNX	63873P825	Natixis ASG Managed Futures Strategy N	667.91	7,128.52	9.62	6,425.32	0.60%	0.50%
				\$14,376.91		\$12,995.34		1.01% T
Merger Arbitrage								
ARBXX	03875R205	Arbitrage I	538.78	7,059.07	13.15	7,084.89	0.66%	0.55% T
Global Macro								
EGRSX	27830W108	Eaton Vance Gbl Macro Abs Ret Advtg R6	721.65	7,174.11	9.78	7,057.73	0.66%	0.55%
LAOSX	95768D509	Western Asset Macro Opportunities IS	662.13	6,964.12	10.63	7,038.42	0.66%	0.54%
				\$14,138.23		\$14,096.15		1.09% T
Commodities								
EIPCX	277923223	Parametric Commodity Strategy Instl	565.84	3,119.76	5.24	2,964.98	0.28%	0.23% T
Precious Metals								
IAU	464285105	iShares Gold Trust	250.00	2,994.32	11.43	2,857.50	0.27%	0.22% T
BXMIX	09257V201	Blackstone Alternative Multi-Strategy I	641.04	6,700.96	10.85	6,955.23	0.65%	0.54%
QSPIX	00203H420	AQR Style Premia Alternative I	712.45	7,297.13	9.66	6,882.31	0.64%	0.53%
				\$13,998.09		\$13,837.54		1.07% T
TOTAL ALTERNATIVES				\$62,433.49		\$60,297.77		4.67% T
TOTAL - ALL ASSETS				\$1,161,900.44		\$1,292,176.88		100.00%

DISCLOSURES

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CAPITAL PROJECT / EQUIPMENT STATUS REPORT

November, 2018

I Oso Lift Station Improvement Project

The project design is complete.

The Notice of Intent to file a CEQA Mitigated Negative Declaration has been filed for public review with the State Clearinghouse and the County of Orange. Staff received no comments. Staff intends to bring the MND and the Mitigation Monitoring and Reporting Plan to the Board for approval in December.

Staff met with Moulton Niguel in September to review and discuss the draft plans and Agreement regarding an emergency overflow connection from the Oso Lift Station to the MNWD sewer collection system near the station. MNWD is generally receptive of the concept. In recent discussions MNWD indicated they will provide comments on the draft Agreement by the end of November.

Staff submitted a lot line adjustment to the City of Laguna Woods to facilitate the expansion of the site by ten feet on the east side of the property. The lot line adjustment will need to be approved by the County of Orange due to an existing lease agreement between the City and the County relative to the Woods End Wilderness Preserve/Laguna Coast Wilderness Park. It is staff's understanding that the County will take it to the Board of Supervisors in February. Staff is meeting with the County and City near the end of November.

II Phase II Recycled Water Distribution System Expansion Project

Construction

Construction of both the West Side and East Side Distribution Systems is complete.

On-Site Retrofits

Staff is preparing to bid a retrofit project including the East Side system and certain sites in the West Side System. Staff submitted the retrofit plans to the State and County Health departments for review. Staff anticipates bringing a contract award recommendation to the Board in December. The remaining sites in the West Side System will be handled separately due to unique characteristics that could result in the designation of the sites as "dual-plumbed" as defined in Title 22. Staff is inspecting each of these sites as well as performing coverage tests to determine the appropriate approach to the on-site retrofits.

The following project information items are attached:

- Cost Tracking & Estimate**

III Advanced Metering Infrastructure (AMI) Feasibility Study & Alternatives Analysis

The consulting contract has been issued to MC Engineering. MC Engineering conducted a kickoff meeting with Staff in September. The project is expected to be complete in early 2019.

IV 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 informed staff that they are currently performing a property appraisal to facilitate the acquisition of the property for the new turnout. 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

As discussed at the ETWD July Engineering Committee meeting, OCWD has entered into a revised non-binding Term Sheet with Poseidon. OCWD has reached out to ETWD, MNWD and SMWD to confirm interest in receiving a specific based loaded supply from the project. ETWD staff met with OCWD and Poseidon on 10/24/18. Staff is waiting for updated cost information including the costs of conveyance of the Poseidon water to South Orange County.

Poseidon indicates they expect to be before the Santa Ana Regional Water Quality Board for consideration of their NPDES Permit renewal in the Fall and before the Coastal Commission sometime in 2019. The feasibility of the project remains contingent upon obtaining all regulatory and environmental approvals/permits along with approval of Met LRP funding based on \$475/AF over 15 years.

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

	Estimate		To Date
	October	November	
Construction			
West Side System			
E.J. Meyer Construcion Contract	\$3,684,474	\$3,684,474	3,556,400
Allowance for Utility Conflicts			\$107,649
Contingency			\$20,425
Total	\$3,684,474	\$3,684,474	\$3,684,474
East Side System			
T.E. Roberts Construction Contract	\$1,182,348	\$1,182,348	\$1,187,652
Allowance for Utility Conflicts	\$0	\$0	
Contingency	\$0	\$0	
Total	\$1,182,348	\$1,182,348	\$1,187,652
Construction Material (Meter Boxes)	\$17,259	\$17,259	\$17,259
Total Construction			
Construction Contracts	\$4,866,822	\$4,866,822	
Allowance for Utility Conflicts (Contingency)	\$0	\$0	
Contingency	\$0	\$0	
Construction Material (Meter Boxes)	\$17,259	\$17,259	
Total Construction	\$4,884,081	\$4,884,081	\$4,889,386
Engineering Design			
Engineering Design (Tetra Tech)	\$235,827	\$235,827	\$235,827
Retrofit Site Plans	\$66,500	\$66,500	63,189
Easement Exhibits (Tetra Tech)	\$37,662	\$37,662	\$37,662
System Supply Analysis	\$14,960	\$14,960	\$14,960
Subtotal Design	\$354,949	\$354,949	\$351,638
Planning			
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
Subtotal Planning	\$91,042	\$91,042	\$91,042
Construction Support			
CEQA Construction Support	\$20,000	\$17,858	\$17,858
Engineering Construction Support - Tetra Tech	\$80,000	\$75,344	\$75,344
Construction Management & Inspection - MWH	\$484,000	\$479,409	\$479,409
Construction Management & Inspection - Geotech	\$105,995	\$97,940	\$97,940
Labor Compliance Consultant - GSLC	\$42,840	\$42,870	\$42,870
Public Relations	\$14,125	\$14,125	\$14,125
Miscellaneous Construction Support	\$30,000	\$26,303	26,303
Subtotal Construction Support	\$776,960	\$753,849	\$753,847
Administration			
Legal	\$10,000	\$10,000	
Funding Research			
SRF Application Support			
Public Relations			
Miscellaneous	\$0	\$0	
Easements Compensation	\$34,600	\$34,600	34,600.00
Title Insurance	\$16,500	\$16,500	\$16,500
Subtotal Administration	\$61,100	\$61,100	\$51,100
On Site Conversions/Retrofits Construction	\$700,000	\$700,000	\$0
Total Project	\$6,868,132	\$6,845,021	\$6,137,013

F.Y. 2018/19 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>2018/19 Capital Projects</i>															
1	Recycled Water Phase II - Retrofits	E	E	E	P	P	B	A	C	C	C	C	C	\$700,000	
2	Replace R-6 Sodium Hypochlorite Tanks (CO)		B	A	C	C	C	C	C					\$210,000	\$163,257
3	Oso Lift Station Improvement Project (CO)	E/CQ	E/CQ	E/CQ	CQ	CQ			B	A	C	C	C	\$1,000,000	
4	Aliso Creek Lift Station Skid Pump and Piping			E	E	B	A							\$200,000	
5	Reconstruct (West Side) Drainage Swayle at the Holding Pond						E	E	B	A	C	C	C	\$68,250	
6	AMR / AMI Implementation	RFP	A	E	E	E								\$200,000	\$64,550
7	Master Plan Update (CO)				RFP	RFP	RFP	A	E	E	E	E		\$350,000	
8	Old Treatment Plant / Clear Well Demo		ET	ET	ET	ET	ET	ET						\$400,000	
<i>2018/19 Capital Equipment</i>															
1	8-inch Trailer Mounted Emergency Pump		E	E	E	B	A		R					\$85,000	
2	300-375KW Emergency Generator Trailer		E	E	A			R						\$175,000	\$142,024
Total														\$3,388,250	\$369,831

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

11/16/2018

CONSENT CALENDAR

Draft Minutes of the
October 23, 2018 Finance Committee Meeting

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

October 23, 2018

Director Monin called the Meeting of the Finance/Insurance Committee to order at 7:44 a.m. on October 23, 2018.

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

Also present were ROBERT R. HILL, General Manager/Secretary, DENNIS P. CAFFERTY, Assistant General Manager/District Engineer, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, RICK OLSON, Operations Superintendent, NANCY LAURSEN, Accountant/Insurance Administrator, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, and CAROL MOORE, Laguna Woods Mayor.

Consent Calendar

1. Consider approving the minutes of the September 25, 2018 Finance Committee.

Motion: Director Adjarian made a Motion, seconded by Vice President Vergara, and Motion carried 4-1 to approve the Consent calendar.

Roll Call Vote:

President Goldman	abstain (due to absence from the September meeting)
Vice President Vergara	aye
Director Adjarian	aye
Director Monin	aye
Director Freshley	aye

Approval of Items Removed from Today's FIC Consent Calendar

Finance Action Items

Quarterly Insurance Report

Ms. Cimorell stated that during the first quarter of the fiscal year we had one workers compensation claim with no loss time. She further stated that the District's experience modification rate is down from 1.17 to 0.83 for fiscal year 2018/19.

Director Freshley asked if the workers compensation rate is combined throughout the neighboring agencies. Ms. Cimorell replied yes, and we are compared to various agencies who are in the pool and depending on how many claims we have.

Mr. Cafferty stated that the District received a claim from Southern California Edison (SCE) for damage to an SCE conduit that occurred in March 2018 as a result of the construction of the phase II Recycled Water Distribution System Expansion Project. Mr. Cafferty further stated that the District's contractor is waiting for the invoice from SCE so they can pay it.

Director Monin asked for a Motion.

Motion: Vice President Vergara made a Motion, seconded by Director Adjarian, and unanimously carried across the Board to receive and file the Quarterly Insurance Report.

Roll Call Vote:

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

At approximately 7:50 o'clock a.m. Ms. Laursen left the meeting.

Election of ISDOC Officers

Director Monin asked for a Motion.

Motion: President Goldman made a Motion, seconded by Director Adjarian, and Motion carried 4-1 to authorize the President to cast a vote in support of SMWD Director Sandra Jacobs for the position of ISDOC President, and ETWD Director/Treasurer Mark Monin for the position of ISDOC First Vice President.

Roll Call Vote:

Director Adjarian	aye
President Goldman	aye
Vice President Vergara	aye
Director Freshley	aye
Director Monin	abstain

Finance Report

Ms. Shahbakhti stated that the month of September financial transactions are included in the package. She further stated that on Cash and Investments are detailed Investment Securities.

Ms. Shahbakhti stated that on Reserves we are caught up on the 6-month Reserve requirement, due to the SRF reimbursement check arrival.

Mr. Hill stated that this is the first month that shows the 7-age based pools in the portfolio.

Director Monin asked for a Motion to approve the Finance report.

Motion: Director Adjarian made a Motion, seconded by President Goldman, and unanimously approved across the Board to approve the Finance report.

Roll Call Vote:

Vice President Vergara	aye
President Goldman	aye

Director Adjarian	aye
Director Monin	aye
Director Freshley	aye

Capital Facility Fee Reserve Reconciliation in Accordance with SB1760 (Government Code Section 66013)

Ms. Shahbakhti stated that on an annual basis we reconcile the Capital Facility Fees when the District receives funds, which goes into a separate bank account and at the end of the year a reconciliation is done and the funds are disbursed.

Mr. Cafferty stated that new development fees are collected here and at the end of the year reconciled as to which projects the money funds.

President Goldman asked if staff reports money collected on water supply projects. Mr. Hill stated that he doesn't recall that the District received any money on water supply projects.

Director Monin asked for a Motion.

Motion: President Goldman made a Motion, seconded by Director Monin, and unanimously approved across the Board to receive and file the 2017/18 fiscal year Capital Facility Fee Reserve reconciliation report.

Roll Call Vote:

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

Finance Information Items

Tiered Water Usage and Revenue Tracking

Ms. Shahbakhti stated that the month of September and year to date water usage based on the different classes.

President Goldman stated that Tier 3 & 4 are trending below last year.

Mr. Cafferty stated that customers are doing a better job based on their budgets.

Comments Regarding Non-Agenda FIC Items

There were no comments.

Close Finance and Insurance Committee Meeting

At approximately 8:00 o'clock a.m. the Finance and Insurance Committee meeting was closed.

Attorney Report

Mr. Granito provided a brief update on the SOCWA/PC-15 litigation.

Mr. Granito reported that there is no need for a Closed Session at today's meeting, therefore the Regular session continued.

Adjournment

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

Motion: Director Adjarian made a Motion, seconded by Director Freshley and unanimously carried that today's meeting be adjourned at 8:02 o'clock a.m. to Monday, November 19, 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:

Director Freshley	aye
Director Adjarian	aye
Vice President Vergara	aye
President Goldman	aye

Director Monin

aye

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

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

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

CONSENT CALENDAR

District Membership Renewals

1. ACWA
2. WateReuse
3. CSDA



RECEIVED

OCT 15 2018

EL TORO
WATER DISTRICT

Bringing
Water
Together

Date: October 10, 2018

El Toro Water District

PO Box 4000

Laguna Hills, CA 92654

2019 Annual Agency Dues

\$22,560.00

Total Amount Due

\$22,560.00

Thank you for your continued support with ACWA. Please remit payment by **January 31, 2019**.

*****MEMBERSHIP DUES*****MEMBERSHIP DUES*****MEMBERSHIP DUES*****

Association of California Water Agencies
2019 Member Dues Calculation

Date: October 10, 2018

Name: El Toro Water District

(1) Operating Expenses \$25,287,726.00

(2) All Other Expenses \$0.00

(3) Total Expenses \$25,287,726.00

<<< LESS >>>

(4) Purchased Power

(5) Water Purchases \$7,435,534.00

(6) Groundwater Replenishment

(7) Depreciation \$4,068,743.00

(8) Fixed Assets

(9) Total Adjusted Expenses \$13,783,449.00

<<< LESS >>>

(10) Pumping \$1,460,096.00

(11) Total Expenses Adjusted For Pumping \$12,323,353.00

(12) Line 11 times 2 \$24,646,706.00

(13) Dues O&M (lessor of line 9 or 12) \$13,783,449.00

DUES AMOUNT \$22,560.00

*** THIS IS NOT A BILL – PLEASE DO NOT PAY FROM THIS WORKSHEET ***

MEMORANDUM

TO: ACWA Public Water Agency Members

FROM: Timothy Quinn, Executive Director

DATE: October 10, 2018

SUBJECT: ACWA's 2019 Membership Dues

On September 28, ACWA's Board of Directors approved a two-year budget for 2019 and 2020 to maintain the strength of the organization, continue to provide high levels of service to our members, and reduce our OPEB liability which is consistent with the five year financial plan that was part of the 2017 and 2018 budgets already approved by the Board. The 2019 -2020 approved budget includes a 3% increase in the dues schedule for 2019 and a 2% increase in dues for 2020.

ACWA's dues are based on the operations and maintenance (O&M) expenses for individual public agency members, which vary from year to year. If there was an increase or decrease in your O&M, the actual dollar increase associated with your agency's dues can vary based on that change.

ACWA implemented a new dues automation process in 2018. As part of that process your designated authorized user(s) provided O&M expenses to ACWA for the 2019 dues calculation. If financial data was not entered this year, the prior year's O&M was increased by 25% (per ACWA policy) to calculate the dues amount. If your agency did not provide this information, or if you have questions relating to the calculation of the dues, please contact ACWA's Finance Manager Dan Gumpert at (916) 441-4545 or dang@acwa.com.

To view ACWA's full 2019 dues schedule, please visit acwa.com.

We thank you for your membership and want to take this opportunity to give you a snapshot of the high quality services that your dues contribution allows ACWA to continue to provide to its members.

Some of those ACWA services include:

- A Statewide voice on behalf of California water agencies on key state and federal legislative and regulatory water issues.
- Award-winning communications efforts to support and advance the Association's legislative, regulatory, and policy agenda, reach key audiences such as the Legislature, the media and the public, and helping water agencies with outreach at the local level.



- Award-winning communications efforts to support and advance the Association's legislative, regulatory, and policy agenda, reach key audiences such as the Legislature, the media and the public, and helping water agencies with outreach at the local level.
- Ability to participate in ACWA's grassroots Outreach Program, which is a vital tool for members to engage on key legislative and regulatory efforts.
- Access to cost-saving opportunities through ACWA JPIA insurance for liability, property workers compensation and employee benefits programs.
- Networking opportunities at two major annual conferences, numerous topic-specific workshops, regional events, webinars and other professional development programs to help meet member needs.
- Opportunities to serve and shape water policy on ACWA Committees and engage locally through ACWA's 10 Regions.
- Access to ACWA's Preferred Provider Program, which offers a variety of value-added programs and services.

For more information on these services, as well as all of the benefits of continued ACWA membership, please visit acwa.com.

We thank you for your membership and look forward to your continued participation in 2019. If you have questions about your ACWA membership, please contact ACWA's Director of Member Outreach and Engagement Tiffany Giammona at (916) 441-4545 or via email at tiffanyg@acwa.com



2019 Membership Dues

Water Utility

Reference No. D20192023

Please provide payment by December 31, 2018

RECEIVED
OCT 15 2018
EL TORO
WATER DISTRICT

Member Organization:	Primary Contact:
El Toro Water District	Robert Hill General Manager 24251 Los Alisos Boulevard Lake Forest, CA 92630 bhill@etwd.com

ANNUAL ASSOCIATION DUES

2019 WateReuse Association Dues – Jan 1 through Dec 31	
Service area population range 25,000 – 49,999	
(\$963.00 paid 2018)	\$ 1,016.50
WateReuse California	\$ included
Total	\$ 1,016.50

☐ Pay by Electronic Funds Transfer (*Preferred*)

Beneficiary Bank: United Fairfax
Beneficiary Name: WateReuse Association
Routing/Transit #: 056004445
Beneficiary Acct #: 0091900076

☐ Pay by Check (Payable to WateReuse Association)

WateReuse Association
1199 North Fairfax Street, Suite 900
Alexandria, VA 22314

For questions or to provide payment over the phone via credit or debit card, please contact Erin DiMenna at 571-445-5505 or edimenna@watereuse.org.

WateReuse estimates that 20% of your annual dues will be used to support the Association's direct lobbying effort. Pursuant to the 1993 Federal Tax Act, that portion of your annual WateReuse dues will therefore be considered non-deductible for income tax purposes. The WateReuse Association Taxpayer Identification Number is 68-0235568.

☐ Pay by Credit Card

Fax: 703-548-5085

☐ Visa ☐ MasterCard ☐ American Express

Credit Card #

Expiration Date

Security Code

Cardholder's Name

Billing Address

City/State/Zip Code

Signature

Date

Thank you for your support of the WateReuse Association! The WateReuse Association is a trade organization whose primary purpose is to support the common interests of the water reuse industry. We are honored to serve you.



WATERUSE®

1199 North Fairfax St, Suite 900 • Alexandria, VA 22314

President

Paul Jones, II
Eastern Municipal Water
District, CA

Vice President

Gilbert Trejo
El Paso Water Utilities, TX

Treasurer

**Diane Taniguchi-
Dennis**
Clean Water Services, OR

Secretary

Craig Lichty
Black & Veatch, CA

Past President

Guy Carpenter
Carollo Engineers, AZ

October 1, 2018

Mr. Robert Hill
General Manager
El Toro Water District
24251 Los Alisos Boulevard
Lake Forest, CA 92630

Dear Bob:

On behalf of the Board of Directors of the WateReuse Association, please accept my sincere appreciation for your continued support and membership in our organization. As a mission-driven organization whose goal it is to advance water recycling nationally, our members are our greatest strength and we thank you.

Each day our Board and staff strive to provide you with superb service and value for your membership dollar because we know how valuable these dollars are to you. To maintain your trust in us as stewards of your investment, we work diligently to provide value-added services to support and enhance your organizational goals, and further our collective vision for water reuse. These benefits include advocacy on federal and state initiatives that promote water recycling; educational and information sharing opportunities through our weekly WateReuse Review, monthly webcasts, and on-line resources; professional development and networking opportunities through WateReuse Connect and our annual WateReuse Symposium; and, an annual Awards for Excellence program to recognize and encourage best management practices in the water recycling sector. This year, we also launched the Recycled Water User Network™, a new tool designed to help members market recycled water to current and potential future customers.

With the support of your organization and our nearly 500 other organizational members, 2018 was a busy and successful year for the WateReuse Association:

- We successfully advocated for federal policy reforms to flood control programs administered by the U.S. Army Corps of Engineers to create greater opportunity for stormwater harvesting;
- We advocated for and saw increases in critical federal investment programs for water recycling infrastructure, including Title XVI, the State Revolving Fund Programs and WIFIA;
- A record number of members joined us in Washington, DC for Water Week 2018 - during which we hosted a Congressional Briefing showcasing how communities across the country rely on water reuse to ensure their economic vitality;
- We welcomed eighty-two new members and expanded our water utility membership to five new states: Minnesota, Illinois, Kansas, Maryland and South Carolina –

demonstrating that our water recycling message is resonating throughout the country; and,

- Welcomed over 600 attendees to the 33rd Annual WaterReuse Symposium, the largest Symposium participation rate in nearly a decade.

In addition, our state and regional sections in Arizona, California, Colorado, Florida, Nevada, the Pacific Northwest, and Texas were active in state-based advocacy focused on revising regulatory frameworks to facilitate water recycling. They also held several successful state-focused conferences.

We are looking forward to an equally exciting and busy 2019! Our advocacy program is gearing up for a new Congress, and plans are in the works for Water Week 2019 during the week of April 1 – 5. The 34th Annual Symposium in San Diego, California will feature a strategic collaboration with The Water Research Foundation and feature sessions on the critical research, financing and policy-related topics impacting our members. And, new communications initiatives will provide tools and resources to help you promote continued public acceptance of recycled water for your water supply needs.

Your membership dollars are working hard to ensure that you continue to receive value from the WaterReuse Association. In order to help ensure that we continue to remain good stewards of your resources, the Board of Directors approved an adjustment in membership dues to reflect inflation and ensure we maintain a high level of member services in a fiscally responsible manner. Enclosed you will find your 2019 Renewal Quote.

All of us at the WaterReuse Association thank you for your past loyalty and involvement, your continued support, and we look forward to serving you in 2019.

If you have any questions, please feel free to contact our Director of Membership, Erin DiMenna, at (571) 445-5505 or edimenna@watereuse.org.

Sincerely,



Patricia Sinicropi
Executive Director
WaterReuse Association



**California Special
Districts Association**

Districts Stronger Together

California Special Districts Association
1112 I Street, Suite 200
Sacramento, CA 95814
Phone: 877.924.2732 Fax: 916.520.2470
www.csda.net

2019 CSDA MEMBERSHIP RENEWAL

To:

El Toro Water District
24251 Los Alisos Boulevard
Lake Forest, CA 92630

RECEIVED

OCT 15 2018

EL TORO
WATER DISTRICT

Membership ID: 346

Issue Date: October 1, 2018

Due Date: December 31, 2018

RM-Regular Member	\$7,252.00
<u>Optional Purchases</u>	
\$25 2019 Required State & Federal Labor Law Poster	\$
\$225 CSDA Sample Policy Handbook	\$
Total	\$
PAYMENT (Credit card payments may be made online at www.csda.net , by fax or phone)	
Account Name:	Account Number:
Expiration Date	Auth Signature

Please return this form with payment to CSDA Member Services, 1112 I Street, Suite 200, Sacramento, CA 95814, fax: 916.520.2470, or email cassandras@csda.net.

OBRA 1993 prohibits taxpayers from deducting, for federal income tax purposes, the portion of membership dues that are allocable to the lobbying activities of trade organizations. The nondeductible portion of your dues is estimated to be 8%. To view dues categories, please visit the CSDA transparency page at www.csda.net

Thank you for being a CSDA Member!

CONSENT CALENDAR

District's Quarterly Audit Report
For April 1 2018 through June 30, 2018

El Toro Water District

Lake Forest, California

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Quarter from April 1, 2018 to June 30, 2018



El Toro Water District
For the Quarter April 1, 2018 to June 30, 2018

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the El Toro Water District's (the "District") management, solely to assist the District on cash receipts, cash disbursements, payroll disbursements, and cash and investments for the Quarter from April 1, 2018 to June 30, 2018. The District's management is responsible for the internal control procedures. The sufficiency of these procedures is solely the responsibility of the District's management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Cash Receipts

Procedures

1. We selected 10 cash receipts and obtained the billing statements for the selected cash receipts and agreed the billing rates to the fee schedule approved by the Board of Directors.
2. We recalculated the billing statement related to the selected cash receipts for arithmetic accuracy.
3. We agreed the selected cash receipts to the bank statement.
4. We agreed the selected cash receipts to the general ledger posting.
5. We agreed whether the selected cash receipts were posted to the proper accounts.

Selections were as below:

Selection No.	Location No.	Customer Name	Billed Amount
1	2400251	COUNTRY VILLA LAGUNA HILLS	\$ 1,660.25
2	2400345	CALVARY CHAPEL PACIFIC HILLS	61.36
3	2400522	LEISURE WORLD CONSIGNMENTS	71.70
4	2400570	MOULTON PLAZA LLC	160.64
5	4508400	CRUZ MARK RYAN	81.75
6	2400932	JAMBOREE MANAGEMENT	119.20
7	2400947	LAKEHILLS CORPORATE CTR OWNERS ASSO	176.32
8	4537140	HERRON PATRICK	79.34
9	6441750	VMS INC - THIRD	51.71
10	7460748	VMS INC - THIRD	367.34

Finding: No exceptions were noted as a result of our procedures.

Cash Disbursements

Procedures

1. We selected 15 cash disbursements and obtained payment voucher and agreed the payee and amounts. We determined the sufficiency of supporting documents, such as requisition form, invoice, purchase orders, and receiving reports.
2. We determined whether proper authorizations have been obtained.
3. We obtained cancelled checks and agreed the date, payee, and amount, and check for proper endorsement.
4. We obtained general ledger report and agreed the date, payee, and amount to the general ledger postings.
5. We agreed whether the selected cash disbursements were posted to the proper accounts.

Selections were as below:

<u>Selection No.</u>	<u>Check No.</u>	<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
1	84840	04/05/2018	ACWA/JOINT POWERS INS. AUTH	\$ (42,579.39)
2	84883	04/12/2018	CDCE, INC.	(2,497.61)
3	84927	04/19/2018	ACWA	(10,000.00)
4	84959	04/26/2018	CHAU VUONG	(1,479.92)
5	84978	04/26/2018	SANDERS PAVING, INC.	(64,592.00)
6	84993	05/03/2018	FISHER SCIENTIFIC, INC.	(721.55)
7	85039	05/10/2018	EVERSOFT	(213.22)
8	85024	05/10/2018	ANIMAL PEST MANAGEMENT	(913.00)
9	85094	05/17/2018	INFOSEND, INC.	(3,694.57)
10	85180	05/31/2018	LANCE SOUZA	(250.00)
11	85203	06/07/2018	FARWEST CORRISION CONTROL CO.	(5,064.97)
12	85246	06/14/2018	BEST, BEST & KRIEGER LLP	(20.71)
13	85293	06/21/2018	E.J. MEYER COMPANY, INC.	(380,811.25)
14	85329	06/28/2018	COMMUNICATIONS LAB	(12,825.49)
15	85245	06/14/2018	BANKCARD CENTER	(6,489.67)

Finding: No exceptions were noted as a result of our procedures.

Payroll Disbursements

Procedures

1. We selected 5 employees and obtained personnel action forms (PAF) and agreed pay rates/step/range to the approved salary schedule.
2. We reviewed whether proper authorizations have been obtained on the PAF.
3. We agreed the payroll register hours to the approved time cards.
4. We reviewed whether proper authorizations have been obtained on timecards.
5. We recalculated for arithmetic accuracy.
6. We selected one of the five pay period registers and agreed the total gross and one other item to the general ledger posting. We also determined whether the selected items were posted to the proper accounts.

Selections were as below:

<u>Selection No.</u>	<u>Employee Name</u>	<u>Pay Period Ending</u>	<u>Position</u>	<u>Department</u>
1	Tanious, Vicki K	4/08/2018	Sr Accountant/Payroll	Finance
2	Vuong, Chau	4/22/2018	Laboratory Supervisor	Treatment Plant
3	Webster, Jeffrey	5/06/2018	Crew Chief / Operations Foreman	Distribution
4	Welsch, Polly	5/20/2018	Executive Assistant to GM and Board	Administration
5	Wentz, Lonnie	6/03/2018	Water Recycling Plant Operator II	WRP Operations

Pay period ending June 3, 2018 was selected and total gross and federal tax withheld were agreed to general ledger postings.

Finding: No exceptions were noted as a result of our procedures.

Cash and Investments

Procedures

1. We selected one month and obtained Treasurer's Report and approved investment policy effective selected period and reviewed whether the investments were in compliance with the District's investment policy.
2. We agreed investments listed in the Treasure's Report to the trustees' statements.
3. We agreed the total investment amount to the general ledger.
4. We obtained bank reconciliation for the selected month and performed the following:
 - a. Obtained bank statement and agreed ending bank balance to the bank statement.
 - b. Obtained access to the general ledger system and agreed the ending book balance to the general ledger.
 - c. Obtained reconciling items list, such as outstanding checks list and/or deposit in transit list, and agreed these amounts to bank reconciliation.
 - d. Obtained subsequent bank statements, selected the five highest reconciling items, and traced to the subsequent bank statements for clearance.
 - e. Reviewed whether reconciling items were not over one year.
 - f. Reviewed whether proper authorizations have been obtained on the bank reconciliation.
 - g. Reviewed whether the bank reconciliation was performed and completed within 60 days from the month end.

To the Board of Directors
of the El Toro Water District
Lake Forest, California
Page 4

Cash and Investments (Continued)

Selection was as below:

Month of June 2018.

Finding: No exceptions were noted as a result of our procedures.

However, the District's investment in the California Asset Management Program (CAMP) has exceeded the maximum of 50% of the District's portfolio at June 30, 2018. The market value and original cost of CAMP investment was \$7,738,906 and \$7,823,622 for the month of June, 2018, which took up 55.61% of market value of the District's total portfolio \$13,917,309 and 55.81% of the original cost of the District's total portfolio \$14,017,393 respectively.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on cash receipts, cash disbursements, payroll disbursements, and cash and investments. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

The PwC Group, LLP

Santa Ana, California
November 12, 2018

EL TORO WATER DISTRICT
FINANCIAL REPORT
November 19, 2018

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**EL TORO WATER DISTRICT
BALANCE SHEET**

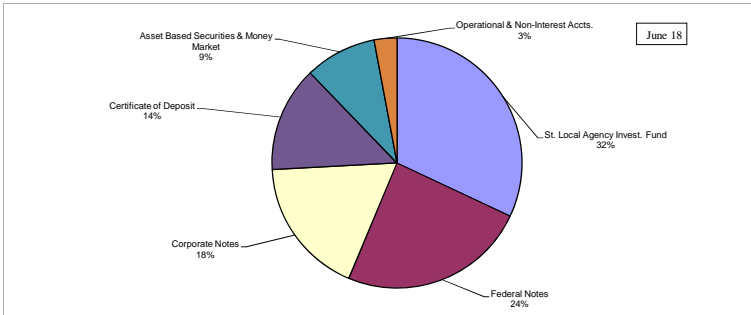
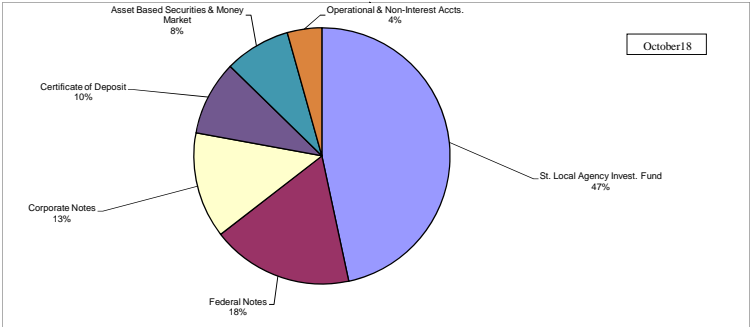
	10/31/18 (Unaudited)	June 30, 2018 (Unaudited)
ASSETS		
Current Assets		
Cash & Investments	\$6,751,192	\$2,354,807
Receivables:		
Accounts Receivable	3,915,914	3,228,292
Notes Receivable	-	-
Inventories	666,951	636,252
Prepaid Expenses	542,848	172,006
Total Current Assets	<u>11,876,905</u>	<u>6,391,357</u>
Restricted Assets		
Cash & Investments	<u>12,041,325</u>	<u>11,689,909</u>
Total Restricted Assets	<u>12,041,325</u>	<u>11,689,909</u>
Non-Current Assets		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	113,394,059	111,983,751
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	<u>34,734,945</u>	<u>34,734,945</u>
Total Utility Plant	162,166,679	160,756,370
Less Accumulated Depreciation & Amortization	<u>(72,488,695)</u>	<u>(70,907,050)</u>
Net Utility Plant	89,677,984	89,849,320
Construction Work in Progress	6,459,203	6,815,236
Notes Receivable	-	-
Total Non-current Assets	<u>96,137,187</u>	<u>96,664,556</u>
TOTAL ASSETS	<u><u>\$120,055,417</u></u>	<u><u>\$114,745,822</u></u>

**EL TORO WATER DISTRICT
BALANCE SHEET**

	10/31/18 (Unaudited)	June 30, 2018 (Unaudited)
LIABILITIES and EQUITY		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,669,659	\$2,087,350
Current Portion of Long-Term Debt	1,782,485	6,180
Other Current Liabilities	2,852,126	7,516,538
Total Current Liabilities Payable		
From Current Assets	6,304,270	9,610,067
Long Term Debt		
Long Term Debt	50,195,811	35,802,806
Total Long Term Debt	50,195,811	35,802,806
Total Liabilities	56,500,082	45,412,873
Fund Equity		
Retained Earnings - Reserved	17,034,893	22,174,300
Contributed Capital	8,744,767	8,744,767
Retained Earnings - Unreserved	36,941,072	38,051,994
Net Income	834,604	361,888
Total Fund Equity	63,555,336	69,332,949
Total Liabilities & Fund Equity	\$120,055,417	\$114,745,822

CASH & INVESTMENTS
SUMMARY OF INVESTMENTS BY TYPE

	Maturity Dates	Par	Market Value 10/31/18	Financial Institution	YTM 10/31/18	Original Cost 10/31/18
State Local Agency Investment Fund	NA	NA	\$8,736,793	LAIF	2.14%	\$8,736,793
US Treasury N/B - Coupon Rate 1.625%	7/31/2020	60,000	58,730	US Bank/CAMP	1.60%	60,038
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	110,000	107,069	US Bank/CAMP	1.53%	109,502
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	260,000	253,073	US Bank/CAMP	1.44%	259,523
US Treasury N/B - Coupon Rate 1.375%	10/31/2020	95,000	92,228	US Bank/CAMP	1.65%	94,228
US Treasury N/B - Coupon Rate 1.750%	12/31/2020	340,000	331,938	US Bank/CAMP	1.90%	338,513
US Treasury N/B - Coupon Rate 1.375%	1/31/2021	50,000	48,350	US Bank/CAMP	2.05%	49,006
US Treasury N/B - Coupon Rate 1.125%	2/28/2021	150,000	144,035	US Bank/CAMP	2.41%	144,428
US Treasury N/B - Coupon Rate 2.000%	5/31/2021	490,000	478,879	US Bank/CAMP	2.62%	481,272
Intl BK of Recon & Dev Global Notes - Coupon Rate 1.125%	11/27/2019	110,000	107,995	US Bank/CAMP	1.50%	109,098
Intl BK of Recon & Dev Notes - Coupon Rate 1.875%	4/21/2020	90,000	88,661	US Bank/CAMP	1.90%	89,922
Inter-American Devel BK Note - Coupon Rate 1.625%	5/12/2020	150,000	147,095	US Bank/CAMP	1.70%	149,645
Intl BK of Recon & Dev Notes - Coupon Rate 1.561%	9/12/2020	90,000	87,654	US Bank/CAMP	1.64%	89,784
Inter-American Development Bank - Coupon Rate 2.125%	11/9/2020	90,000	88,499	US Bank/CAMP	1.81%	90,834
Intl Finance Note - Coupon Rate 2.250%	1/25/2021	70,000	68,848	US Bank/CAMP	2.35%	69,794
Intl Finance Corporation Note - Coupon Rate 2.635%	3/9/2021	90,000	89,111	US Bank/CAMP	2.66%	89,933
Inter-American Dev Bank Note - Coupon Rate 1.875%	3/15/2021	200,000	194,747	US Bank/CAMP	2.56%	196,046
Inter-American Dev Bank Note - Coupon Rate 2.625%	4/19/2021	70,000	69,334	US Bank/CAMP	2.70%	69,846
CA ST TXBL GO Bonds- Coupon Rate 2.800%	4/1/2021	100,000	99,283	US Bank/CAMP	2.80%	100,004
FNA 2018-MS A2- Coupon Rate 3.560%	9/25/2021	58,571	58,710	US Bank/CAMP	2.27%	59,736
FNMA Notes - Coupon Rate 1.000%	8/28/2019	500,000	493,206	US Bank/CAMP	1.10%	498,650
FNMA Notes - Coupon Rate 1.500%	2/28/2020	200,000	196,603	US Bank/CAMP	1.52%	199,872
Federal Notes		3,373,571	3,304,048			3,349,671
US Bankcorp (Callable) Notes - Coupon Rate 2.200%	4/25/2019	150,000	149,604	US Bank/CAMP	1.47%	152,727
American Honda Finance - Coupon Rate 1.200%	7/12/2019	150,000	148,281	US Bank/CAMP	1.48%	148,887
Goldman Sachs Group Inc - Coupon Rate 1.950%	7/23/2019	60,000	59,529	US Bank/CAMP	1.96%	59,993
Cisco Systems Notes - Coupon Rate 1.400%	9/20/2019	150,000	148,157	US Bank/CAMP	1.42%	149,931
Honeywell International Corp. Notes - Coupon Rate 1.800%	10/30/2019	25,000	24,710	US Bank/CAMP	1.84%	24,981
American Express Credit Corp. - Coupon Rate 1.700%	10/30/2019	100,000	98,674	US Bank/CAMP	1.99%	99,240
Citigroup Inc. Corp. Note - Coupon Rate 2.450%	1/10/2020	50,000	49,539	US Bank/CAMP	1.90%	50,607
BB&T Corp. Note - Coupon Rate 2.450%	1/15/2020	100,000	99,109	US Bank/CAMP	2.08%	101,053
Morgan Stanley Corp. Bonds - Coupon Rate 2.650%	1/27/2020	40,000	39,709	US Bank/CAMP	2.35%	40,346
IBM Corp. Notes - Coupon Rate 1.900%	1/27/2020	100,000	98,528	US Bank/CAMP	1.93%	99,904
Microsoft Corp. Note - Coupon Rate 1.850%	2/6/2020	90,000	88,861	US Bank/CAMP	1.87%	89,940
Apple Inc. Bonds - Coupon Rate 1.900%	2/7/2020	80,000	78,976	US Bank/CAMP	1.92%	79,961
Chevron Corp Notes - Coupon Rate 1.991%	3/3/2020	70,000	69,034	US Bank/CAMP	1.99%	70,000
Walt Disney Corp Notes - Coupon Rate 1.950%	3/4/2020	20,000	19,744	US Bank/CAMP	1.96%	19,995
Exxon Mobil Corp Note - Coupon Rate 1.912%	3/6/2020	90,000	88,714	US Bank/CAMP	1.75%	90,402
John Deere Capital Corp. - Coupon Rate 2.200%	3/13/2020	40,000	39,490	US Bank/CAMP	2.23%	39,969
Goldman Sachs Group Inc Corp Notes - Coupon Rate 2.600%	4/23/2020	30,000	29,695	US Bank/CAMP	2.28%	30,226
General Dynamics Corp. - Coupon Rate 2.875%	5/11/2020	50,000	49,816	US Bank/CAMP	3.06%	49,823
Apple Inc. Bonds - Coupon Rate 1.800%	5/11/2020	60,000	58,921	US Bank/CAMP	1.84%	59,939
Intel Corp Notes - Coupon Rate 1.850%	5/11/2020	90,000	88,390	US Bank/CAMP	1.86%	89,966
Home Depot Inc Corp Notes - Coupon Rate 1.800%	6/5/2020	40,000	39,217	US Bank/CAMP	1.82%	39,977
Walt Disney Corp Notes - Coupon Rate 1.800%	6/5/2020	70,000	68,627	US Bank/CAMP	1.84%	69,919
John Deere Capital Corp Notes - Coupon Rate 1.950%	6/22/2020	20,000	19,671	US Bank/CAMP	1.97%	19,988
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	10,000	9,896	US Bank/CAMP	1.83%	10,208
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	70,000	69,272	US Bank/CAMP	1.82%	71,471
Caterpillar Finl Service Note - Coupon Rate 1.850%	9/4/2020	70,000	68,450	US Bank/CAMP	1.88%	69,941
Citigroup Inc Corp Notes - Coupon Rate 2.650%	10/26/2020	40,000	39,394	US Bank/CAMP	2.34%	40,360
Paccar Financial Corp Notes - Coupon Rate 2.050%	11/13/2020	20,000	19,521	US Bank/CAMP	2.05%	19,998
VISA Inc. (Callable) Corp Notes - Coupon Rate 2.200%	12/14/2020	20,000	19,594	US Bank/CAMP	1.85%	20,220
Wal-Mart Stores Inc. Corp. Note - Coupon Rate 1.900%	12/15/2020	90,000	87,789	US Bank/CAMP	1.95%	89,870
Paccar Financial Corp Notes - Coupon Rate 2.800%	3/1/2021	30,000	29,620	US Bank/CAMP	2.82%	29,985
National Rural Util Coop - Coupon Rate 2.900%	3/15/2021	35,000	34,619	US Bank/CAMP	2.94%	34,961
United Parcel Service Corporate Bond - Coupon Rate 2.050%	4/1/2021	90,000	87,515	US Bank/CAMP	2.10%	89,858
Toyota Motor Credit Corp Notes - Coupon Rate 2.950%	4/13/2021	90,000	89,412	US Bank/CAMP	2.96%	89,964
Pepsico Inc. Corp. Note - Coupon Rate 2.000%	4/15/2021	30,000	29,105	US Bank/CAMP	2.01%	29,994
Hershey Company Corp. Note - Coupon Rate 3.100%	5/15/2021	40,000	39,821	US Bank/CAMP	3.12%	39,972
American Express Co. - Coupon Rate 3.375%	5/17/2021	45,000	44,889	US Bank/CAMP	3.38%	44,992
Charles Schwab Corp. Corp. Notes - Coupon Rate 3.250%	5/21/2021	55,000	54,816	US Bank/CAMP	3.25%	54,998
Bank of America Note - Coupon Rate 2.328%	10/1/2021	90,000	87,856	US Bank/CAMP	2.33%	90,000
Corporate Notes		2,500,000	2,466,564			2,504,565
Canadian Imperial Bank NY CD - Coupon Rate 1.760%	11/30/2018	250,000	249,882	US Bank/CAMP	1.25%	250,320
Svenska Handelsbanken NY LT CD - Coupon Rate 1.890%	1/10/2019	200,000	199,808	US Bank/CAMP	1.91%	200,000
Bank of Montreal Chicago CD - Coupon Rate 1.880%	2/7/2019	180,000	179,840	US Bank/CAMP	1.90%	180,000
Sumitomo Mitsui Bank CD - Coupon Rate 2.050%	5/3/2019	180,000	179,522	US Bank/CAMP	2.05%	180,000
Skandinav Enskilda Banken NY CD - Coupon Rate 1.840%	8/2/2019	180,000	178,899	US Bank/CAMP	1.85%	179,930
MUFG Bank LTD/NY CD- Coupon Rate 2.070%	9/25/2019	100,000	99,217	US Bank/CAMP	2.07%	100,000
Credit Suisse New York CD- Coupon Rate 2.670%	2/7/2020	100,000	99,855	US Bank/CAMP	2.67%	100,000
Nordea Bank AB NY CD- Coupon Rate 2.720%	2/20/2020	90,000	89,564	US Bank/CAMP	2.72%	90,000
Bank of Nova Scotia Houston CD - Coupon Rate 3.080%	6/5/2020	100,000	100,324	US Bank/CAMP	3.10%	99,962
Westpac Banking Corp NY CD - Coupon Rate 2.050%	8/3/2020	150,000	147,716	US Bank/CAMP	2.05%	150,000
Swedbank (NewYork) CD- Coupon Rate 2.270%	11/16/2020	135,000	132,148	US Bank/CAMP	2.30%	135,000
Royal Bank of Canada NY CD- Coupon Rate 3.240%	6/7/2021	100,000	100,273	US Bank/CAMP	3.24%	100,000
Certificate of Deposit		1,765,000	1,757,047			1,765,212
CNH 2017-A A2 -Coupon Rate 1.640%	7/15/2020	60,306	60,204	US Bank/CAMP	1.80%	60,304
Toyota ABS 2017-A A3 - Coupon Rate 1.730%	2/15/2021	50,000	49,607	US Bank/CAMP	1.74%	49,994
John Deere ABS 2017-A A3 - Coupon Rate 1.780%	4/15/2021	30,000	29,770	US Bank/CAMP	1.79%	29,996
Toyota ABS 2017-B A3 - Coupon Rate 1.760%	7/15/2021	100,000	98,839	US Bank/CAMP	1.76%	99,992
Honda ABS 2017-1 A3 - Coupon Rate 1.720%	7/21/2021	37,585	37,219	US Bank/CAMP	1.72%	37,583
Hyundai ABS 2017-A A3 - Coupon Rate 1.760%	8/15/2021	40,000	39,533	US Bank/CAMP	1.76%	39,997
Nissan ABS 2017-A A3 - Coupon Rate 1.740%	8/15/2021	50,000	49,431	US Bank/CAMP	1.74%	49,995
Ally ABS 2017-2 A3 - Coupon Rate 1.780%	8/15/2021	70,000	69,457	US Bank/CAMP	1.79%	69,992
Honda ABS 2017-2 A3 - Coupon Rate 1.680%	8/15/2021	90,000	88,786	US Bank/CAMP	1.68%	89,992
CCCIT 2017-A9 A9 - Coupon Rate 1.800%	9/20/2021	100,000	98,987	US Bank/CAMP	1.80%	99,993
John Deere ABS 2017-B A3 - Coupon Rate 1.820%	10/15/2021	30,000	29,576	US Bank/CAMP	1.82%	29,998
Ford ABS 2017-B A3 - Coupon Rate 1.690%	11/15/2021	70,000	68,891	US Bank/CAMP	1.69%	69,997
American Express 2017-4 A - Coupon Rate 1.640%	12/15/2021	100,000	99,401	US Bank/CAMP	1.65%	99,984
Hyundai ABS 2017-B A3 - Coupon Rate 1.770%	1/15/2022	80,000	78,685	US Bank/CAMP	1.78%	79,986
Allya 2017-S A3 - Coupon Rate 1.990%	3/15/2022	70,000	69,102	US Bank/CAMP	1.99%	69,995
Fordco 2017-C A3 - Coupon Rate 2.010%	3/15/2022	110,000	108,291	US Bank/CAMP	2.02%	109,980
Citibank 2017-A3 A3 - Coupon Rate 1.820%	4/7/2022	100,000	98,306	US Bank/CAMP	1.82%	100,267
JDOT 2018-A A3 - Coupon Rate 2.660%	4/15/2022	20,000	19,836	US Bank/CAMP	2.66%	19,999
Hart 2018-A A3 - Coupon Rate 2.790%	7/15/2022	35,000	34,760	US Bank/CAMP	2.80%	34,995
MBart 2018-1 A3 - Coupon Rate 3.030%	1/15/2023	55,000	54,873	US Bank/CAMP	3.03%	54,998
CAMP Money Market Fund	NA	NA	259,792	US Bank/CAMP	2.27%	259,792
Asset Based Securities & Money Market		1,297,891	1,543,347			1,557,827
Total Camp Investments		8,936,462	9,071,007			9,177,274
Operational & Non-Interest Bearing Accounts						
ETWD General Cash Account	NA	NA	772,878	Union Bank of Cal.	0.00%	772,878
ETWD Capital Facilities Reserve Account	NA	NA	45,853	Union Bank of Cal.	0.00%	45,853
ETWD Payroll Account	NA	NA	0	Union Bank of Cal.	0.00%	0
ETWD Petty Cash Account	NA	NA	700	Union Bank of Cal.	0.00%	700
Operational & Non-Interest Accts.			819,432			819,432
			\$18,627,231	Total Investments & Cash		\$18,733,499



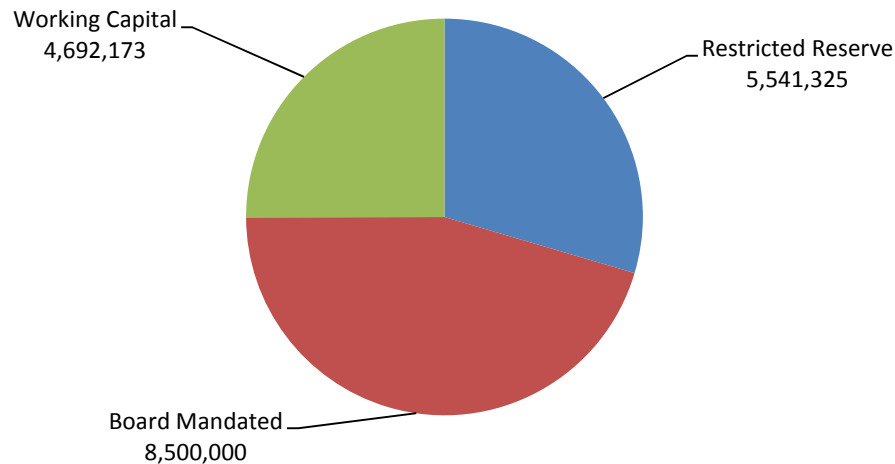
LIQUIDITY					
	October 31, 2018			June 30, 2018	
	\$	%		\$	%
DEMAND	\$ 9,816,017	52.40%		\$ 4,910,610	35.03%
30 Days	\$ 250,320	1.34%		\$ -	0.00%
31-180 Days	\$ 532,727	2.84%		\$ 398,073	2.84%
181 - 360	\$ 1,317,391	7.03%		\$ 712,727	5.08%
361-1800 Days	\$ 6,817,044	36.39%		\$ 7,995,983	57.04%
TOTAL	\$ 18,733,499	100.00%		\$ 14,017,392	100.00%

EL TORO WATER DISTRICT

RESERVE ANALYSIS

31-Oct-18

Reserves



Restricted Reserve	\$	5,541,325
Board Mandated	\$	8,500,000
Capital Cash Flow / Compliance	\$	4,692,173
Total	\$	18,733,499

Restricted Reserve

SRFL-Recycled	\$	1,602,958
Capital Facilities Reserve	\$	55,806
Tiered Cons Fund	\$	2,289,204
Baker Funding	\$	1,593,357
Total	\$	5,541,325

Board Mandated Minimum Reserve Levels

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

Six months operating expense requirement:
Cash less restricted reserve on hand:

\$11,119,197
\$13,192,173

EL TORO WATER DISTRICT CHANGE IN RESERVES

	<u>October 31, 2018</u>	<u>Year to Date</u>	<u>June 30, 2018</u>
Operating Revenue	2,332,299	9,449,717	25,184,176
Non-operating Revenue	167,157	597,999	1,581,002
Total Revenue	<u>2,499,456</u>	<u>10,047,716</u>	<u>26,765,179</u>
Operating Expenses	1,920,990	7,490,878	21,367,838
Depreciation	366,470	1,465,880	4,229,724
Non-operating Expenses	64,088	256,354	805,729
Total Expenses	<u>2,351,548</u>	<u>9,213,112</u>	<u>26,403,291</u>
NET INCOME	147,908	834,604	361,888
Non-Cash Items:			
Add: Depreciation	366,470	1,465,880	4,229,724
Change in Notes Receivable/Grant Fund	-	-	-
Loan Proceeds	-	4,977,548	-
Less: Debt Service	-	-	(1,739,637)
Capital Improvements	(282,443)	(1,495,795)	(6,021,629)
Total Non-Cash Items	<u>84,027</u>	<u>4,947,633</u>	<u>(3,531,542)</u>
CHANGE IN RESERVES	<u>231,935</u>	<u>5,782,237</u>	<u>(3,169,655)</u>

EL TORO WATER DISTRICT
Cash Sheet
For the month ending October 31, 2018

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
85906	10/11/2018	MUNICIPAL WATER DISTRICT OF ORANGE CO.	688,511.64
85895	10/11/2018	E.J. MEYER COMPANY, INC.	546,932.56
85871	10/04/2018	SOUTH ORANGE COUNTY WASTEWATER AUTHORITY	231,664.00
85914	10/11/2018	SOUTH ORANGE COUNTY WASTEWATER AUTHORITY	191,217.00
85922	10/18/2018	ACWA HEALTH BENEFITS AUTHORITY	118,942.23
85858	10/04/2018	MOULTON NIGUEL WATER DISTRICT	88,508.00
85947	10/18/2018	SO. CALIFORNIA EDISON CO.	88,309.01
TOTAL CHECKS OVER \$50,000			\$ 1,954,084.44
TOTAL CHECKS IN REGISTER			\$ 2,369,045.39

INTERBANK WIRES / DEBIT TRANSFERS

10/12/2018	PAYROLL DIRECT DEPOSIT	140,622.70
10/12/2018	FEDERAL DEPOSIT LIABILITY	28,760.36
10/12/2018	SDI & STATE TAX	10,882.93
10/12/2018	WAGE GARNISHMENTS	585.00
10/12/2018	PRUDENTIAL (401K)	49,571.71
10/12/2018	PRUDENTIAL (457)	15,520.30
10/15/2018	PAYROLL BOARD OF DIRECTOR	5,197.73
10/15/2018	SS, MEDICARE, SDI & STATE TAX	1,545.15
10/15/2018	PRUDENTIAL (457)	3,175.50
10/26/2018	PAYROLL DIRECT DEPOSIT	138,780.57
10/26/2018	FEDERAL DEPOSIT LIABILITY	27,842.09
10/26/2018	SDI & STATE TAX	10,326.40
10/26/2018	WAGE GARNISHMENTS	585.00
10/26/2018	PRUDENTIAL (401K)	47,708.50
10/26/2018	PRUDENTIAL (457)	13,894.90
10/31/2018	ADP AND BANK FEES	4,852.57
TOTAL INTERBANK WIRES / DEBIT TRANSFERS		\$ 499,851.41

TOTAL DISBURSEMENTS \$ 2,868,896.80

ETWD EMPLOYEES

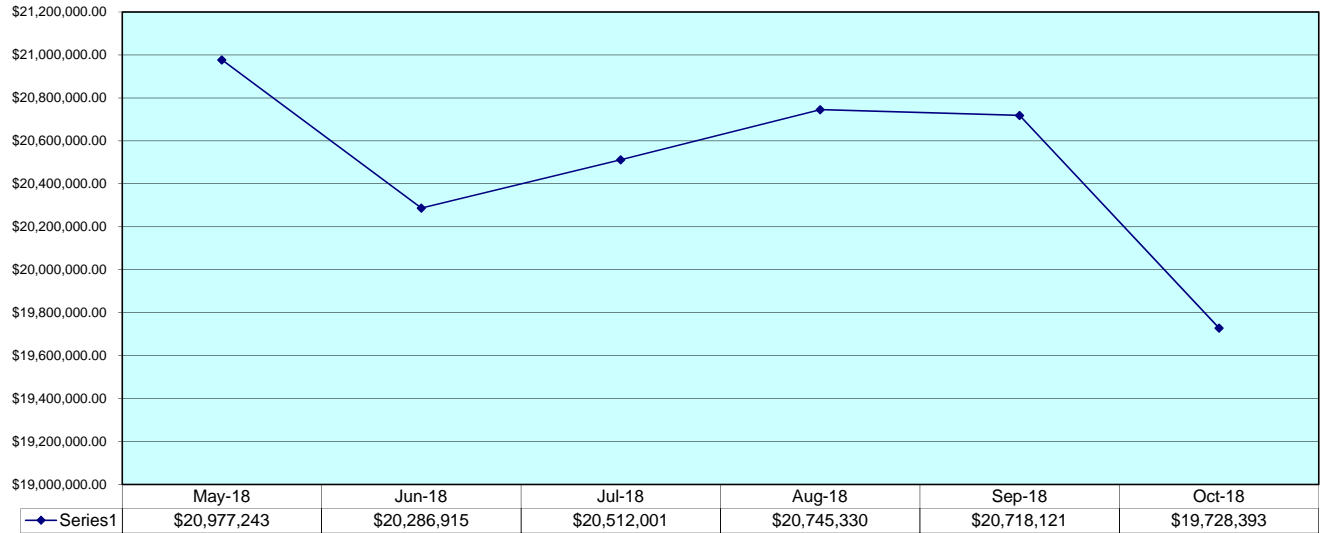
CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
85897	10/11/2018	ERIC NGUYEN (Expense Reimbursement)	513.71
85890	10/11/2018	CHRIS GOODCHILD (Expense Reimbursement)	378.28
85896	10/11/2018	ED PETERSON (Expense Reimbursement)	363.87
85932	10/18/2018	ED PETERSON (Expense Reimbursement)	269.36
85867	10/04/2018	SANDRA SUE NORBERG (Expense Reimbursement)	222.90
85955	10/25/2018	ALEX HRADECKY (Expense Reimbursement)	222.50
85869	10/04/2018	SHERRI A. SEITZ (Expense Reimbursement)	218.53
85889	10/11/2018	CHAU VUONG (Expense Reimbursement)	186.01
85979	10/25/2018	STEVE SANCHEZ (Expense Reimbursement)	104.45
85931	10/18/2018	DOMINIC BERGIN (Expense Reimbursement)	76.30
85942	10/18/2018	RICK BROWN (Expense Reimbursement)	45.00
TOTAL CHECKS TO EMPLOYEES			\$ 2,600.91

ETWD DIRECTORS

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
85903	10/11/2018	KATHRYN FRESHLEY (Expense Reimbursement)	417.82
85904	10/11/2018	MARK MONIN (Expense Reimbursement)	388.52
85898	10/11/2018	FREDERICK ADJARIAN (Expense Reimbursement)	130.08
85902	10/11/2018	JOSE VERGARA (Expense Reimbursement)	111.73
TOTAL CHECKS TO DIRECTORS			\$ 1,048.15

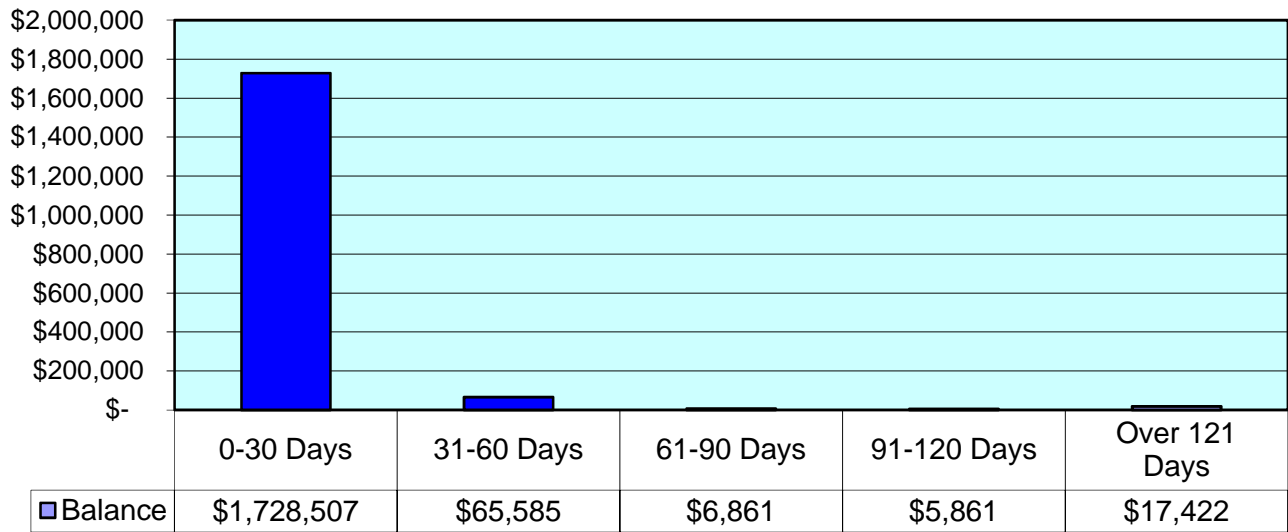
EL TORO WATER DISTRICT 401K PLAN SUMMARY

401K PLAN MARKET VALUE

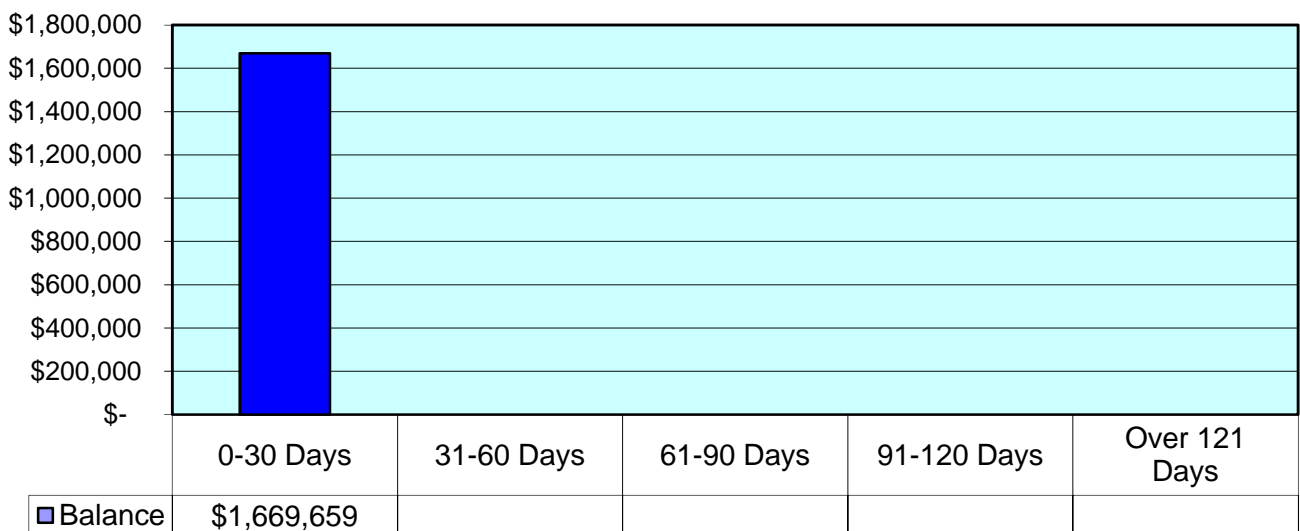


MARKET VALUE SUMMARY							
	Growth Under 40 yrs. Old	Capital Appreciation 40 to 44 yrs. Old	Balanced 45 to 49 yrs. Old	Balanced Income 50 to 54 yrs. Old	Income & Growth 55 to 59 yrs. Old	Income 60 to 64 yrs. Old	Capital Pres. Port Over 65 yrs. Old
Balance at July 1, 2018	\$ 1,361,579.56	\$0.00	\$2,590,730.79	\$0.00	\$11,389,155.42	\$0.00	\$4,945,449.62
Contributions	89,402.70	16,876.05	51,821.70	59,871.75	117,441.18	52,486.99	55,662.04
Withdrawals	(82,829.35)	0.00	0.00	0.00	(59,980.00)	(39,971.03)	(207,278.27)
Transfers	(107,465.90)	460,635.42	(1,052,400.42)	5,554,333.46	(5,594,854.49)	2,794,956.15	(2,055,204.22)
Interest, dividends and appreciation net of fees and charges	(46,202.45)	(27,358.23)	(80,107.80)	(274,291.91)	(74,357.54)	(91,089.47)	(18,619.24)
Balance at October 31, 2018	\$ 1,214,484.56	\$450,153.24	\$1,510,044.27	\$5,339,913.30	\$5,777,404.57	\$2,716,382.64	\$2,720,009.93
Average return YTD October 31, 2018	-3.80%	-6.08%	-5.30%	-5.14%	-1.29%	-3.35%	-0.68%

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

RECEIVABLES & PAYABLES AGEING**Receivables as of 10/31/18**

Bad Debts Year to Date: \$399

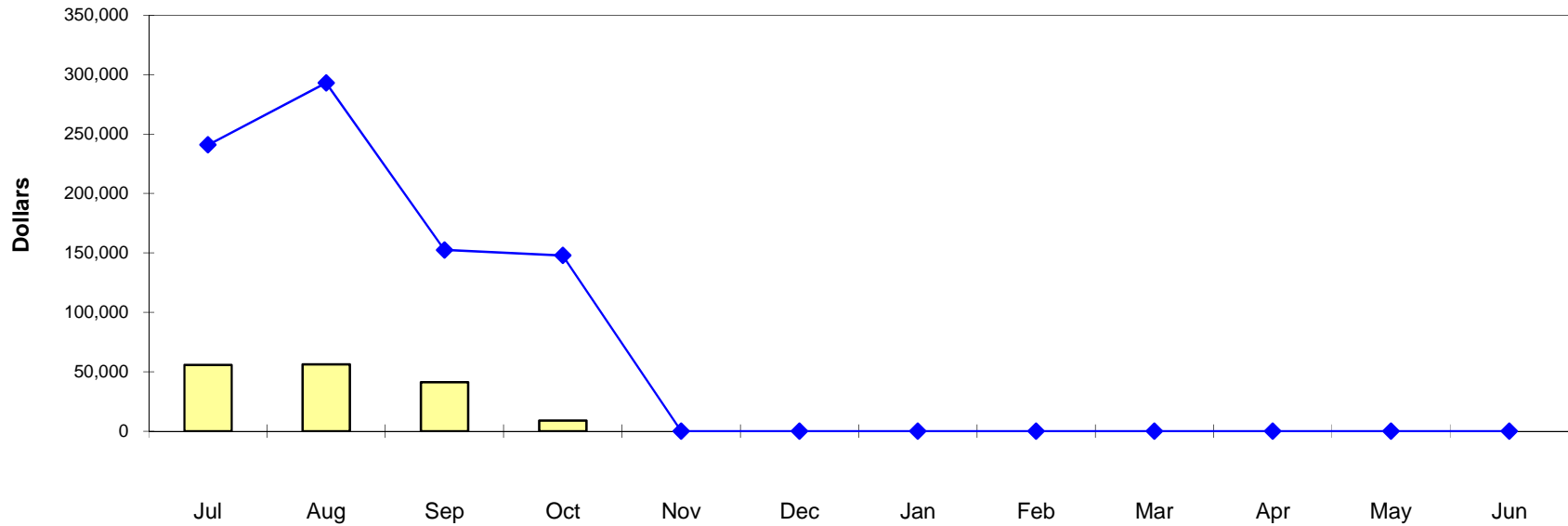
Accounts Payable as of 10/31/18

Year to Date Discounts Taken: \$783

Page 10
El Toro Water District
Income Statement
October 2018

	Oct 18	Budget	% of Budget	Jul - Oct 18	YTD Budget	% of Budget	Annual Budget
Income							
4600 · Water Service Charge	280,141.16	280,341.25	99.93%	1,093,157.58	1,121,365.00	97.49%	3,364,095.00
4700 · Sanitary Service	640,034.72	650,000.00	98.47%	2,612,247.79	2,600,000.00	100.47%	7,800,000.00
4722 · Recycled Water Tertiary Sales	171,258.05	152,783.86	112.09%	803,436.58	680,180.43	118.12%	1,695,000.00
4724 · Service Charge - Recycled Water	18,954.50	18,750.00	101.09%	74,116.70	75,000.00	98.82%	225,000.00
4750 · Capital Facilities Charge	250,453.92	251,250.00	99.68%	1,001,908.61	1,005,000.00	99.69%	3,015,000.00
4800 · Commodity Charge	976,763.94	848,764.18	115.08%	3,832,150.97	3,778,624.22	101.42%	9,416,278.00
4950 · Other Operating Income	4,295.00	4,583.33	93.71%	27,180.60	18,333.36	148.26%	55,000.00
4960 · Other Income	67,514.46	45,812.51	147.37%	202,938.19	183,249.92	110.74%	549,750.00
4967 · SMWD	0.00	9,166.67	0.0%	0.00	36,666.64	0.0%	110,000.00
4970 · MNWD	0.00	1,916.67	0.0%	11,000.00	7,666.64	143.48%	23,000.00
4980 · Interest Income	30,479.58	11,250.00	270.93%	103,486.88	45,000.00	229.97%	135,000.00
4985 · Changes FMV CAMP	-6,768.66			-6,183.15			
4986 · Changes FMV LAIF	-9,602.20			-9,602.20			
4990 · Property Taxes	75,931.96	72,916.67	104.14%	297,756.58	291,666.64	102.09%	875,000.00
Total Income	2,499,456.43	2,347,535.14	106.47%	10,043,595.13	9,842,752.85	102.04%	27,263,123.00
Gross Profit	2,499,456.43	2,347,535.14	106.47%	10,043,595.13	9,842,752.85	102.04%	27,263,123.00
Expense							
5100 · Personnel Cost	671,392.00	690,653.10	97.21%	2,600,033.36	2,762,612.45	94.12%	8,287,837.25
5405 · Water Purchases	789,037.02	723,509.06	109.06%	3,060,119.37	3,220,359.09	95.02%	8,027,968.00
5410 · Electrical Power	65,706.31	89,787.48	73.18%	408,860.69	359,150.16	113.84%	1,077,450.00
5415 · Repair Parts & Materials	24,769.56	32,133.75	77.08%	121,162.90	128,535.00	94.27%	385,605.00
5420 · Equipment Maintenance & Repair	14,515.81	8,172.52	177.62%	30,088.91	32,689.84	92.04%	98,070.00
5425 · Pump Maintenance & Repair	12,332.00	10,525.01	117.17%	43,203.83	42,099.92	102.62%	126,300.00
5430 · Motor Maintenance & Repair	0.00	2,150.01	0.0%	0.00	8,599.92	0.0%	25,800.00
5440 · Electrical/Cont'l Maint & Repair	0.00	5,791.67	0.0%	7,195.40	23,166.64	31.06%	69,500.00
5445 · Meter Maintenance & Repair	0.00	291.66	0.0%	0.00	1,166.72	0.0%	3,500.00
5455 · Chemicals	29,004.07	18,008.33	161.06%	77,365.49	72,033.36	107.4%	216,100.00
5460 · Structure Maint & Repair	9,967.88	1,780.00	559.99%	17,554.86	7,120.00	246.56%	21,360.00
5465 · Asphalt Maintenance & Repair	6,440.00	8,141.66	79.1%	22,060.00	32,566.72	67.74%	97,700.00
5470 · Consultants	133.74	9,516.67	1.41%	3,531.14	38,066.64	9.28%	114,200.00
5475 · Contractors	99,325.99	102,599.15	96.81%	365,283.28	410,396.80	89.01%	1,231,190.00
5480 · Engineers	4,653.97	6,333.33	73.48%	8,162.47	25,333.36	32.22%	76,000.00
5482 · Dump Fees	937.55	1,333.34	70.32%	2,991.43	5,333.28	56.09%	16,000.00
5485 · Laboratory	3,879.45	2,950.00	131.51%	8,964.78	11,800.00	75.97%	35,400.00
5490 · License & Permits	2,726.83	10,736.30	25.4%	13,689.12	42,944.60	31.88%	128,835.00
5495 · Gas & Oil	10,310.44	7,500.00	137.47%	34,646.38	30,000.00	115.49%	90,000.00
5500 · Equipment Rental	2,597.56	1,366.67	190.07%	6,726.59	5,466.64	123.05%	16,400.00
5505 · Landscaping	13,483.66	8,671.67	155.49%	44,374.30	34,686.64	127.93%	104,060.00
5510 · Small Tools & Equipment	570.37	5,129.17	11.12%	4,695.54	20,516.64	22.89%	61,550.00
5515 · Security	2,032.53	1,587.94	128.0%	9,348.43	6,351.48	147.19%	19,055.00
5520 · Operating Supplies	2,889.73	4,333.33	66.69%	16,794.80	17,333.36	96.89%	52,000.00
5525 · Safety Equipment	1,452.04	3,216.67	45.14%	1,891.74	12,866.64	14.7%	38,600.00
5530 · Temporary Help	0.00	2,833.34	0.0%	0.00	11,333.28	0.0%	34,000.00
5535 · Other Employee Cost	7,706.78	7,500.00	102.76%	43,194.39	30,000.00	143.98%	90,000.00
5540 · Depreciation	366,470.00	358,333.33	102.27%	1,465,880.00	1,433,333.36	102.27%	4,300,000.00
5545 · Insurance	44,885.57	40,712.49	110.25%	169,886.35	162,850.08	104.32%	488,550.00
5555 · Advertising & Publicity	0.00	208.33	0.0%	200.00	833.36	24.0%	2,500.00
5560 · Amortization	570.49	570.83	99.94%	2,281.96	2,283.36	99.94%	6,850.00
5570 · Annual Event	0.00	445.83	0.0%	0.00	1,783.36	0.0%	5,350.00
5575 · Audit	0.00	2,500.00	0.0%	19,500.00	10,000.00	195.0%	30,000.00
5580 · Bad Debts	513.59	1,666.67	30.82%	399.16	6,666.64	5.99%	20,000.00
5585 · Bank Charges	4,852.57	4,708.33	103.06%	20,265.92	18,833.36	107.61%	56,500.00
5590 · Data Processing Supply & Access	165.86	3,041.66	5.45%	11,490.19	12,166.72	94.44%	36,500.00
5595 · Data Processing Equipment	6,164.68	3,333.34	184.94%	6,164.68	13,333.28	46.24%	40,000.00
5600 · Data Processing Consultants	16,750.00	2,083.33	804.0%	27,488.00	8,333.36	329.86%	25,000.00
5605 · Directors Fees	9,955.00	8,750.00	113.77%	35,735.00	35,000.00	102.1%	105,000.00
5610 · Dues & Memberships	9,828.27	6,833.33	143.83%	27,012.08	27,333.36	98.83%	82,000.00
5615 · Education & Training	4,527.40	2,437.50	185.74%	9,610.91	9,750.00	98.57%	29,250.00
5620 · Election Expense	0.00	2,500.00	0.0%	0.00	10,000.00	0.0%	30,000.00
5625 · Employee Service Awards	256.28	483.33	53.02%	1,845.19	1,933.36	95.44%	5,800.00
5630 · Software Maintenance & Licenses	7,147.70	13,416.67	53.28%	54,650.78	53,666.64	101.83%	161,000.00
5640 · Interest Expense	64,088.38	64,088.42	100.0%	256,353.52	256,353.64	100.0%	769,061.00
5645 · Janitorial	2,775.00	2,816.67	98.52%	11,226.00	11,266.64	99.64%	33,800.00
5650 · Legal	608.27	12,500.00	4.87%	25,500.74	50,000.00	51.0%	150,000.00
5655 · Meets, Conventions & Travel	4,982.01	3,250.00	153.29%	13,301.73	13,000.00	102.32%	39,000.00
5657 · Meets, Con & Travel - Directors	1,550.45	2,333.33	66.45%	12,402.30	9,333.36	132.88%	28,000.00
5660 · Office Supplies	46.33	1,916.67	2.42%	2,417.77	7,666.64	31.54%	23,000.00
5670 · Postage	135.00	1,708.33	7.9%	3,552.25	6,833.36	51.98%	20,500.00
5675 · Printing & Reproduction	4,928.69	1,750.00	281.64%	6,760.20	7,000.00	96.57%	21,000.00
5680 · Property Tax	2,507.17	458.33	547.02%	2,553.03	1,833.36	139.25%	5,500.00
5685 · Public Education & Outreach	11,630.21	18,600.00	62.53%	27,497.25	74,400.00	36.96%	223,200.00
5690 · Publications & Subscriptions	0.00	250.00	0.0%	1,461.84	1,000.00	146.18%	3,000.00
5695 · Communications	8,802.92	8,500.00	103.56%	36,848.80	34,000.00	108.38%	102,000.00
5700 · Utilities	1,540.96	1,775.00	86.82%	4,766.52	7,100.00	67.13%	21,300.00
Total Expense	2,351,548.09	2,338,523.55	100.56%	9,208,991.37	9,680,416.42	95.13%	27,408,141.25
	Oct 18	Budget	% of Budget	Jul - Oct 18	YTD Budget	% of Budget	Annual Budget
Net Income	147,908.34	9,011.59	1,641.31%	834,603.76	162,336.43	514.12%	-145,018.25

ANALYSIS OF REVENUE & EXPENSE
Fiscal Year 2018/2019

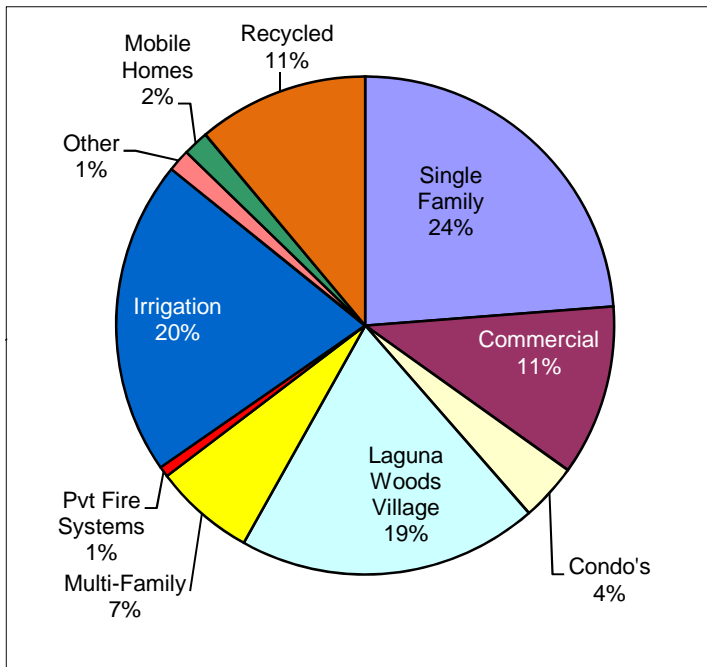
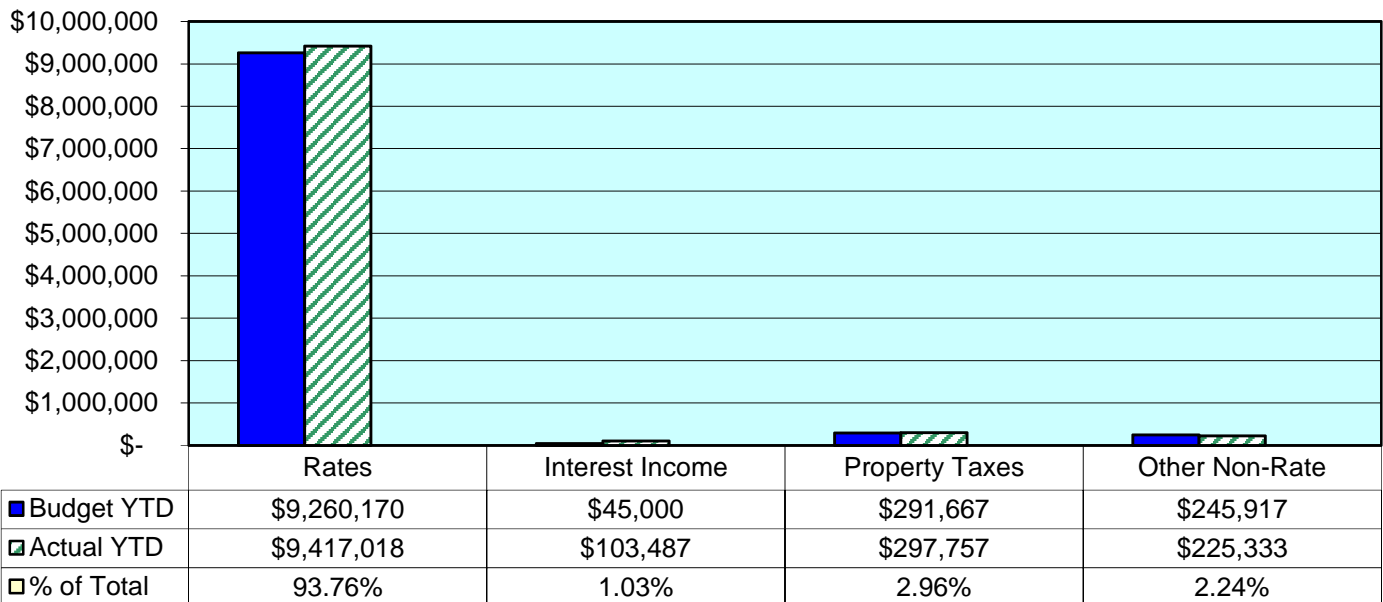


ANALYSIS OF REVENUES & EXPENSES
BUDGET COMPARED TO ACTUAL
FISCAL YEAR 2018/2019

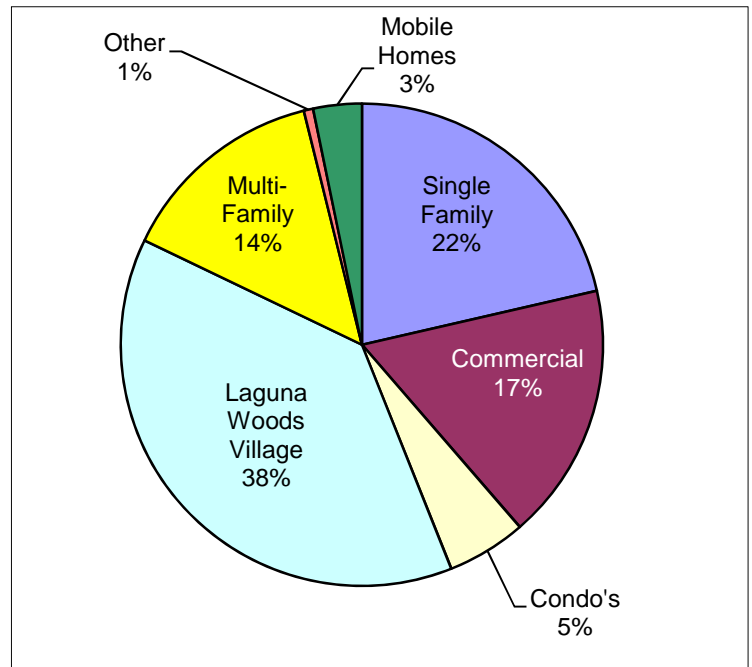
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget												
Revenue	2,515,047	2,517,047	2,463,124	2,347,535								
Expense	2,459,295	2,460,738	2,421,860	2,338,524								
Profit/Loss	55,752	56,309	41,264	9,012	0	0	0	0	0	0	0	0
Actual												
Revenue	2,470,725	2,786,638	2,286,776	2,499,456								
Expense	2,229,745	2,493,502	2,134,197	2,351,548								
Profit/Loss	240,979	293,137	152,579	147,908	0	0	0	0	0	0	0	0

EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 10/31/18

Where the Money Comes From



WATER REVENUE YTD 2018/2019



WASTE WATER REVENUE YTD 2018/2019

**EL TORO WATER DISTRICT
REVENUE COMPARISON
For the Month Ended October 31, 2018**

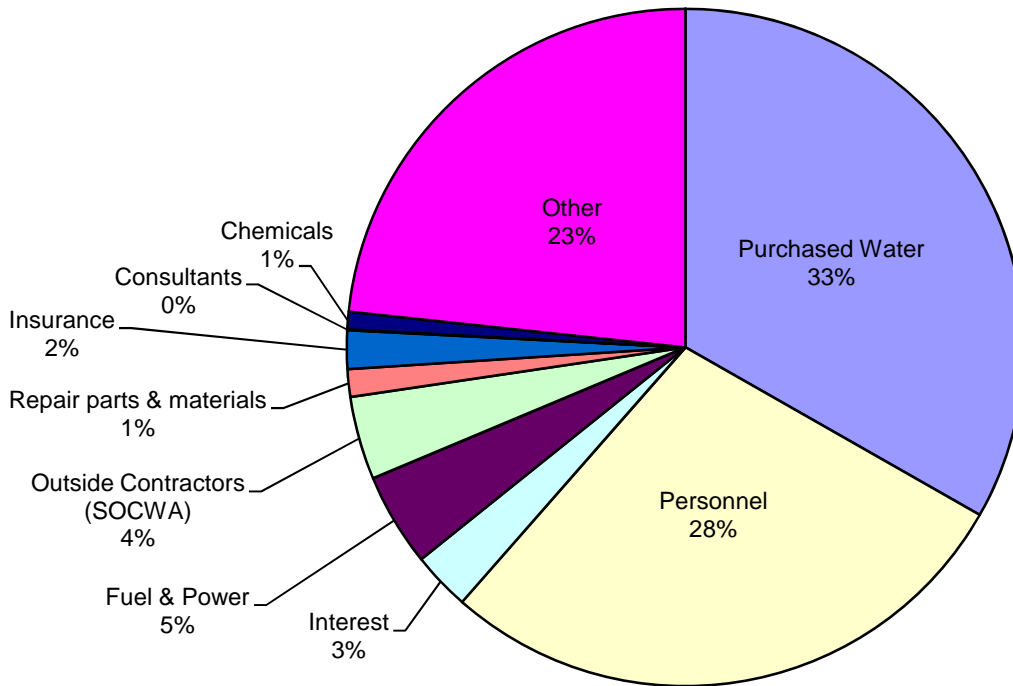
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,454	\$ 251,250	\$ (796)	0%	\$ 1,001,909	\$ 1,005,000	\$ (3,091)	0%	\$ 3,015,000	\$ 2,013,091
Water sales - Commodity	976,764	848,764	128,000	15%	3,832,151	3,778,624	53,527	1%	9,416,278	5,584,127
Water sales - Fixed Meter	280,141	280,341	(200)	0%	1,093,158	1,121,365	(28,207)	-3%	3,364,095	2,270,937
Waste water sales	640,035	650,000	(9,965)	-2%	2,612,248	2,600,000	12,248	0%	7,800,000	5,187,752
Recycled water tertiary sales	171,258	152,784	18,474	12%	803,437	680,180	123,256	18%	1,695,000	891,563
Service charge - Recycled water	18,955	18,750	205	1%	74,117	75,000	(883)	-1%	225,000	150,883
TOTAL FROM RATES	2,337,606	2,201,889	135,717	6%	9,417,018	9,260,170	156,849	2%	25,515,373	16,098,355
<u>Non-rate Revenue</u>										
Admin fee	1,575	1,600	(25)	-2%	17,081	6,400	10,681	167%	19,200	2,119
48 Hour notice fee	2,295	2,451	(156)	-6%	9,030	9,805	(775)	-8%	29,416.44	20,386
Restoration fee	310	370	(60)	-16%	700	1,480	(780)	-53%	4,440	3,740
Unpaid check fee	115	150	(35)	-23%	370	600	(230)	-38%	1,800	1,430
Cut lock fee	-	12	(12)	-100%	-	48	(48)	-100%	144	144
TOTAL NON-RATE	4,295	4,583	(288)	-6%	27,181	18,333	8,847	48%	55,000	27,820
<u>Other Revenue</u>										
Interest	30,480	11,250	19,230	171%	103,487	45,000	58,487	130%	135,000	31,513
Change FMV Investment	(16,371)	-	(16,371)	0%	(15,785)	-	(15,785)	0%	-	15,785
Property taxes	75,932	72,917	3,015	4%	297,757	291,667	6,090	2%	875,000	577,243
Other	67,514	45,813	21,701	47%	202,938	183,250	19,688	11%	549,750	346,812
TOTAL OTHER REVENUE	157,555	129,979	27,576	21%	588,396	519,917	68,480	13%	1,559,750	971,354
<u>Contract Service</u>										
Santa Margarita W. D.	-	9,167	(9,167)	-100%	-	36,667	(36,667)	-100%	110,000	110,000
Moulton Niguel W. D.	-	1,917	(1,917)	-100%	11,000	7,667	3,333	43%	23,000	12,000
TOTAL CONTRACT SERVICES	-	11,083	(11,083)	-100%	11,000	44,333	(33,333)	-75%	133,000	122,000
 TOTAL REVENUE	 \$ 2,499,456	 \$ 2,347,535	 \$ 151,921	 6%	 \$ 10,043,595	 \$ 9,842,753	 \$ 200,842	 2%	 \$ 27,263,123	 \$ 17,219,528

**EL TORO WATER DISTRICT
NON-RATE REVENUE ANALYSIS
FOR THE MONTH ENDING October 31, 2018**

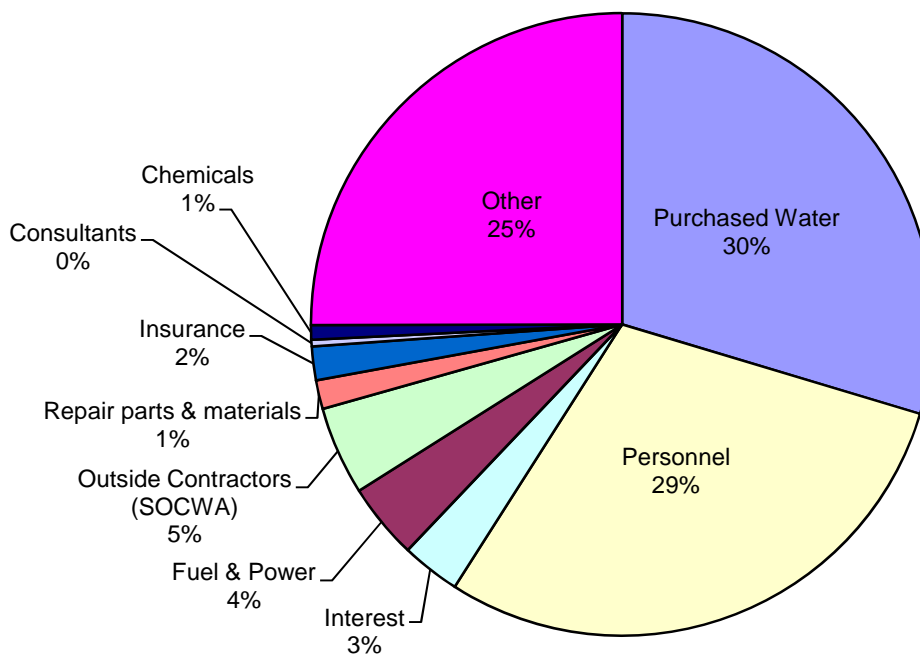
	Oct-18 Actual	Oct-18 Budget	Jul 18- Oct 18 YTD Actual	Jul 18- Oct 18 YTD Budget
Site Leases	26,285	26,229	65,553	104,917
MWD Recycled Water LRP Rebate	37,000	17,917	127,650	71,667
JPIA Refund	3,982	-	3,982	-
MWDOC Budget Based Tier & 2015 Urban Water Refund		-	-	-
Recycled Metal	-	-	1,167	-
Diesel Fuel Tax Refund	248	-	248	-
Sale of District Vehicle			-	-
Misc Work for Customers	-	1,667	4,338	6,667
	<u>\$ 67,514</u>	<u>\$ 45,813</u>	<u>\$ 202,938</u>	<u>\$ 183,250</u>
Other Operating Income				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
Total	<u>67,514</u>		<u>202,938</u>	

WHERE THE MONEY GOES

YTD EXPENSES AT 10/31/18



EXPENSES YEAR ENDING 6/30/18



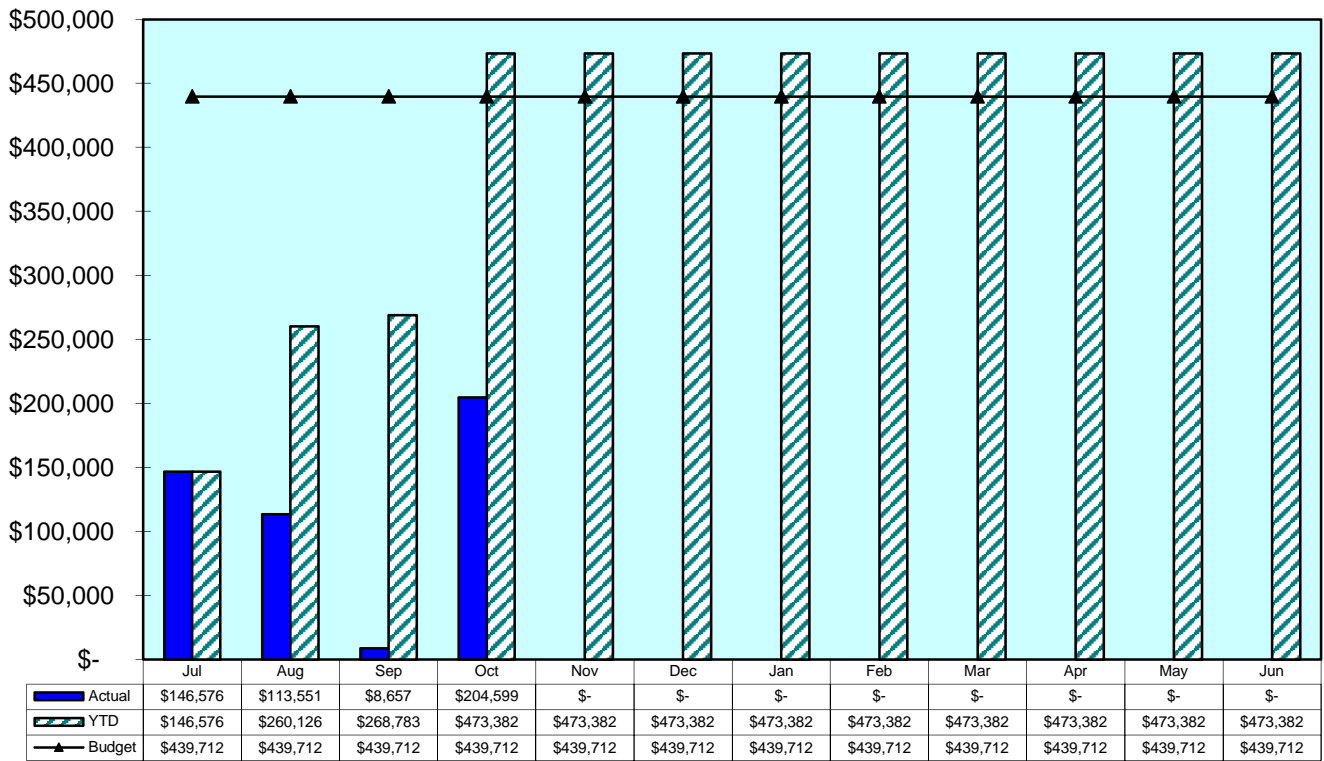
EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended October 31, 2018

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Operating Expenses</u>										
Personnel cost	\$671,392	\$690,653	\$19,261	3%	\$2,600,033	\$2,762,612	\$162,579	6%	\$8,287,837	5,687,804
Purchased water	789,037	723,509	(65,528)	-9%	3,060,119	3,220,359	160,240	5%	8,027,968	4,967,849
Electrical power	65,706	89,787	24,081	27%	408,861	359,150	(49,711)	-14%	1,077,450	668,589
Repair parts & materials	24,770	32,134	7,364	23%	121,163	128,535	7,372	6%	385,605	264,442
Equipment repairs & maintenance	14,516	8,173	(6,343)	-78%	30,089	32,690	2,601	8%	98,070	67,981
Pump repairs & maintenance	12,332	10,525	(1,807)	-17%	43,204	42,100	(1,104)	-3%	126,300	83,096
Motor repairs & maintenance	-	2,150	2,150	100%	0	8,600	8,600	100%	25,800	25,800
Electrical repairs & maintenance	-	5,792	5,792	100%	7,195	23,167	15,971	69%	69,500	62,305
Meter repairs & maintenance	-	292	292	100%	0	1,167	1,167	100%	3,500	3,500
Chemicals	29,004	18,008	(10,996)	-61%	77,365	72,033	(5,332)	-7%	216,100	138,735
Structure repairs & maintenance	9,968	1,780	(8,188)	-460%	17,555	7,120	(10,435)	-147%	21,360	3,805
Asphalt repairs & maintenance	6,440	8,142	1,702	21%	22,060	32,567	10,507	32%	97,700	75,640
Consultants - outside	134	9,517	9,383	99%	3,531	38,067	34,536	91%	114,200	110,669
Contractors - outside	99,326	102,599	3,273	3%	365,283	410,397	45,114	11%	1,231,190	865,907
Engineers - outside	4,654	6,333	1,679	27%	8,162	25,333	17,171	68%	76,000	67,838
Dump fees	938	1,333	396	30%	2,991	5,333	2,342	44%	16,000	13,009
Laboratories	3,879	2,950	(929)	-32%	8,965	11,800	2,835	24%	35,400	26,435
License & permits	2,727	10,736	8,009	75%	13,689	42,945	29,255	68%	128,835	115,146
Automotive fuel & oil	10,310	7,500	(2,810)	-37%	34,646	30,000	(4,646)	-15%	90,000	55,354
Equipment rental	2,598	1,367	(1,231)	-90%	6,727	5,467	(1,260)	-23%	16,400	9,673
Landscaping	13,484	8,672	(4,812)	-55%	44,374	34,687	(9,688)	-28%	104,060	59,686
Small tools & equipment	570	5,129	4,559	89%	4,696	20,517	15,821	77%	61,550	56,854
Security	2,033	1,588	(445)	-28%	9,348	6,351	(2,997)	-47%	19,055	9,707
Operating supplies	2,890	4,333	1,444	33%	16,795	17,333	539	3%	52,000	35,205
Safety equipment	1,452	3,217	1,765	55%	1,892	12,867	10,975	85%	38,600	36,708
Temporary help	-	2,833	2,833	100%	0	11,333	11,333	100%	34,000	34,000
Other employee cost	7,707	7,500	(207)	-3%	43,194	30,000	(13,194)	-44%	90,000	46,806
Employee service awards	256	483	227	47%	1,845	1,933	88	5%	5,800	3,955
Education & training	4,527	2,438	(2,090)	-86%	9,611	9,750	139	1%	29,250	19,639
Total Operating Expenses	1,780,649	1,769,473	(11,176)	-1%	6,963,395	7,404,213	440,817	6%	20,579,530	13,616,135

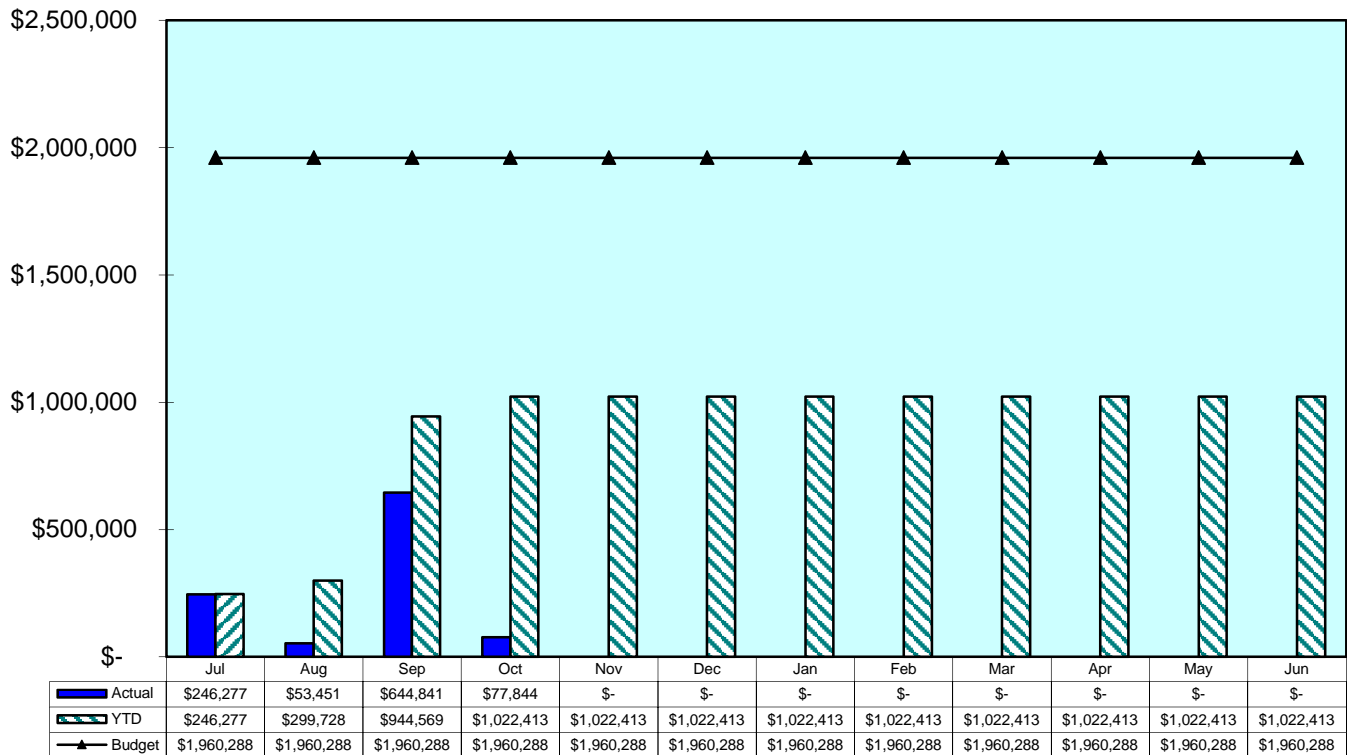
EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended October 31, 2018

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Indirect Cost</u>										
Depreciation	366,470	358,333	(8,137)	-2%	1,465,880	1,433,333	(32,547)	-2%	4,300,000	2,834,120
Amortization	570	571	0	0%	2,282	2,283	1	0%	6,850	4,568
Insurance	44,886	40,712	(4,173)	-10%	169,886	162,850	(7,036)	-4%	488,550	318,664
Data processing supplies & assc.	166	3,042	2,876	95%	11,490	12,167	677	6%	36,500	25,010
Data processing equipment	6,165	3,333	(2,831)	-85%	6,165	13,333	7,169	54%	40,000	33,835
Data processing consultants	16,750	2,083	(14,667)	-704%	27,488	8,333	(19,155)	-230%	25,000	(2,488)
Software maintenance & licenses	7,148	13,417	6,269	47%	54,651	53,667	(984)	-2%	161,000	106,349
Janitorial	2,775	2,817	42	1%	11,226	11,267	41	0%	33,800	22,574
Printing & reproduction	4,929	1,750	(3,179)	-182%	6,760	7,000	240	3%	21,000	14,240
Publications & subscriptions	0	250	250	100%	1,462	1,000	(462)	-46%	3,000	1,538
Communications - voice	1,769	3,333	1,564	47%	9,851	13,333	3,483	26%	40,000	30,149
Communications - data	4,594	2,667	(1,927)	-72%	15,753	10,667	(5,086)	-48%	32,000	16,247
Communications - mobile	2,440	2,500	60	2%	11,245	10,000	(1,245)	-12%	30,000	18,755
Utilities	1,541	1,775	234	13%	4,767	7,100	2,333	33%	21,300	16,533
Total Indirect Cost	460,202	436,583	(23,619)	-5%	1,798,905	1,746,333	(52,572)	-3%	5,239,000	3,440,095
<u>Overhead Cost</u>										
Annual events	-	446	446	100%	-	1,783	1,783	100%	5,350	5,350
Audit	-	2,500	2,500	100%	19,500	10,000	(9,500)	-95%	30,000	10,500
Bad debts	514	1,667	1,153	69%	399	6,667	6,267	94%	20,000	19,601
Bank charges	4,853	4,708	(144)	-3%	20,266	18,833	(1,433)	-8%	56,500	36,234
Directors fees	9,955	8,750	(1,205)	-14%	35,735	35,000	(735)	-2%	105,000	69,265
Dues & memberships	9,828	6,833	(2,995)	-44%	27,012	27,333	321	1%	82,000	54,988
Election Expense	-	2,500	2,500	100%	0	10,000	10,000	100%	30,000	30,000
Interest	64,088	64,088	0	0%	256,354	256,354	0	0%	769,061	512,707
Legal	608	12,500	11,892	95%	25,501	50,000	24,499	49%	150,000	124,499
Meetings, conventions & travel	4,982	3,250	(1,732)	-53%	13,302	13,000	(302)	-2%	39,000	25,698
Meets, con & travel - Directors	1,550	2,333	783	34%	12,402	9,333	(3,069)	-33%	28,000	15,598
Office supplies	46	1,917	1,870	98%	2,418	7,667	5,249	68%	23,000	20,582
Postage	135	1,708	1,573	92%	3,552	6,833	3,281	48%	20,500	16,948
Property taxes	2,507	458	(2,049)	-447%	2,553	1,833	(720)	-39%	5,500	2,947
Advertising & Publicity	-	208	208	100%	200	833	633	76%	2,500	2,300
Public education & outreach	11,630	18,600	6,970	37%	27,497	74,400	46,903	63%	223,200	195,703
Total Overhead Cost	110,697	132,468	21,770	16%	446,691	529,870	83,180	16%	1,589,611	1,142,920
TOTAL EXPENSES	\$2,351,548	\$2,338,524	(\$13,025)	-1%	\$9,208,991	\$9,680,416	\$471,425	5%	\$27,408,141	\$18,199,150

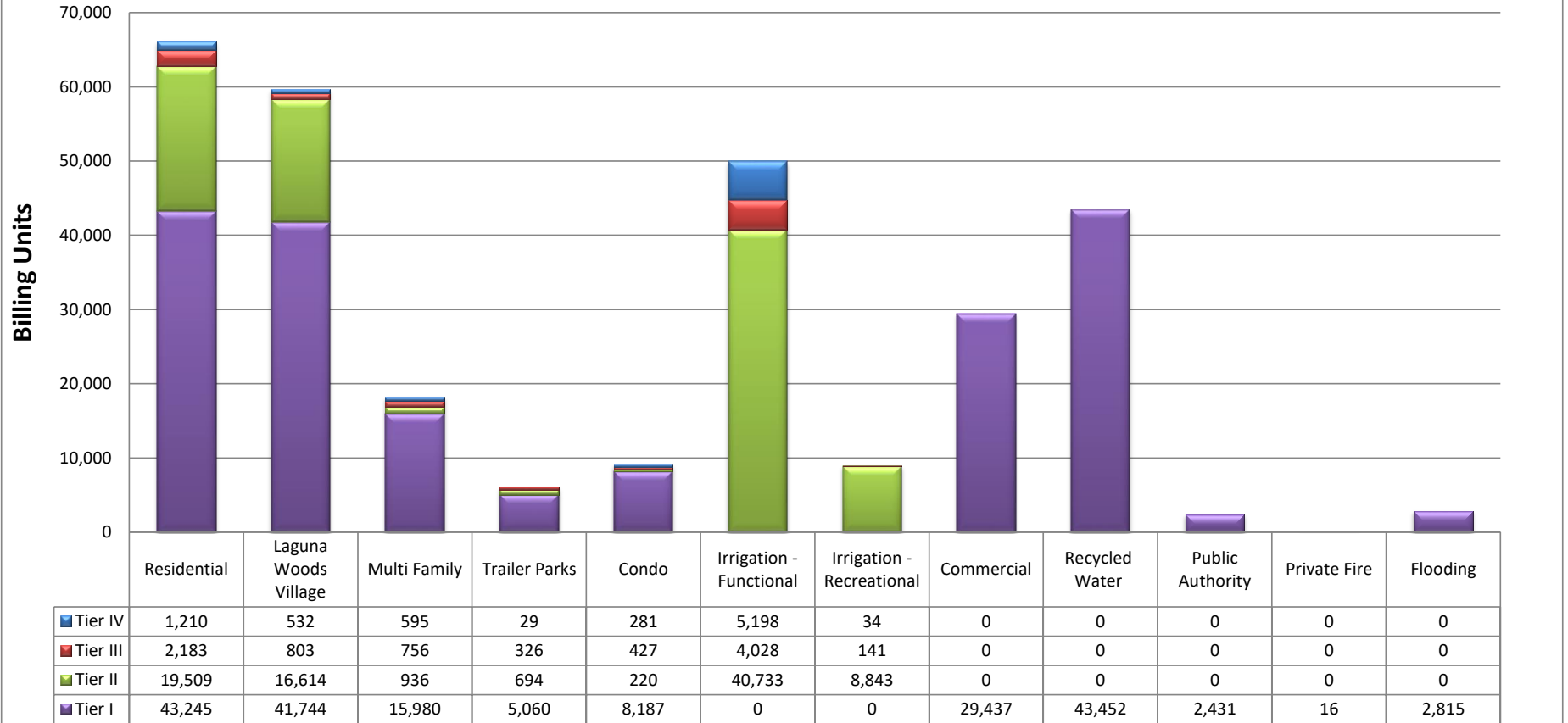
COST ANALYSIS - EQUIPMENT 10/18



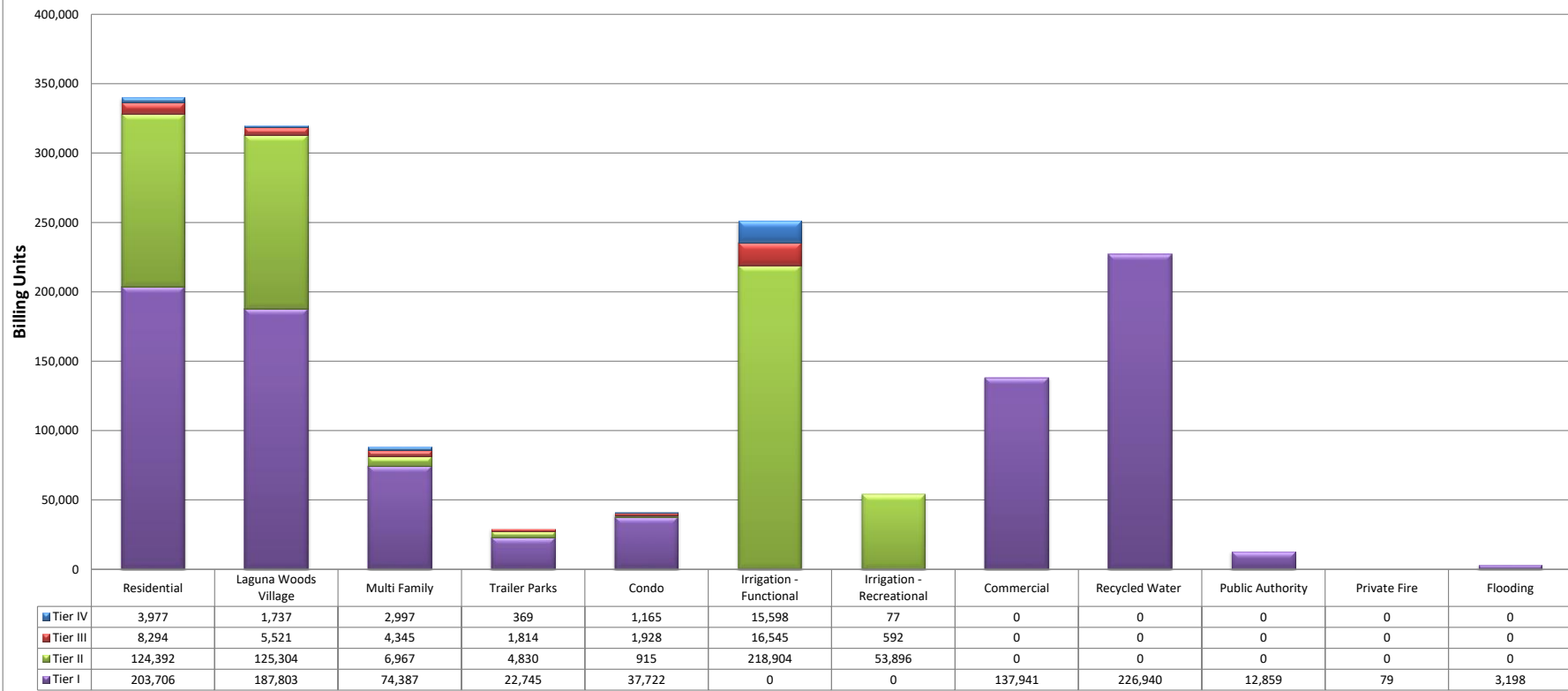
COST ANALYSIS - PROJECTS 10/18



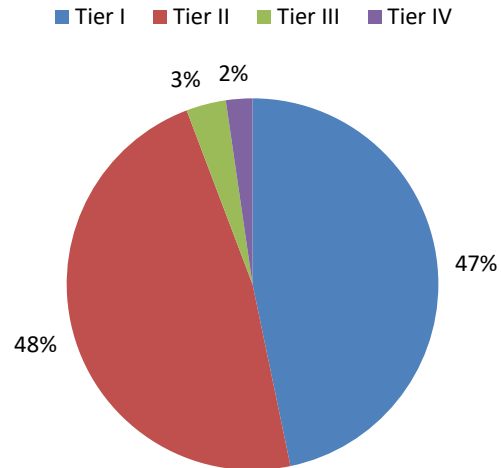
October 2018 Water Sales



Year-to-Date Water Sales as of October 2018

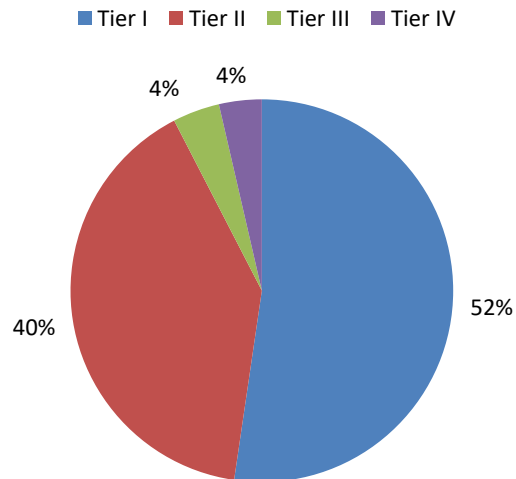


Year to Date Tiered Sales As of October 2018



Year To Date Sales in ccf		
Tier I	526,363	46.72%
Tier II	535,208	47.51%
Tier III	39,039	3.47%
Tier IV	25,920	2.30%
	1,126,530	100.00%

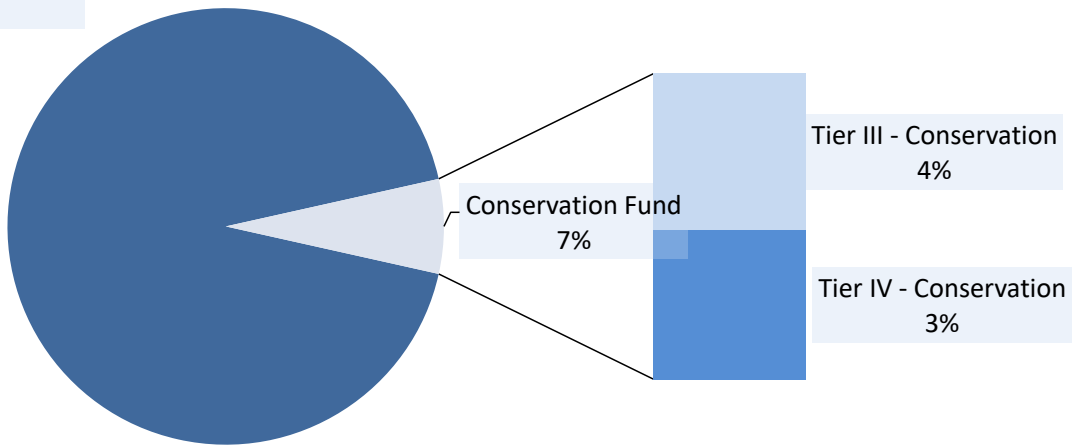
October 2018 Tiered Sales



Current Month Sales in ccf		
Tier I	114,216	52.32%
Tier II	87,549	40.10%
Tier III	8,664	3.97%
Tier IV	7,879	3.61%
	218,308	100.00%

Year to Date Water Sales as of October 2018

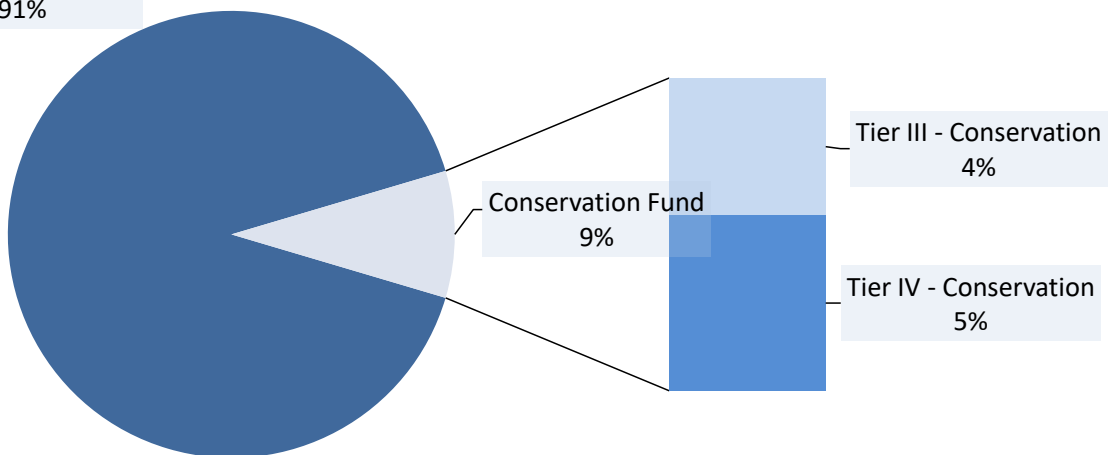
Water Delivery Cost
93%



Category	Billings	Percentage
Water Delivery Cost	\$3,086,808.60	93.01%
Tier III - Conservation	\$118,678.56	3.58%
Tier IV - Conservation	\$113,355.18	3.42%
	\$3,318,842.34	100.00%

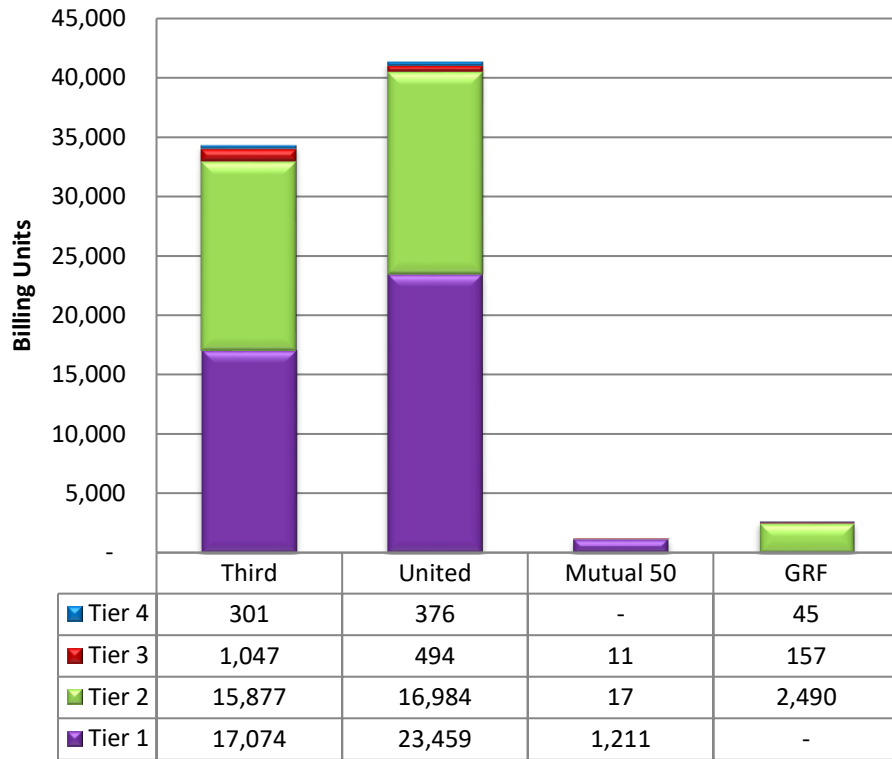
October 2018 Water Sales

Water Delivery Cost
91%

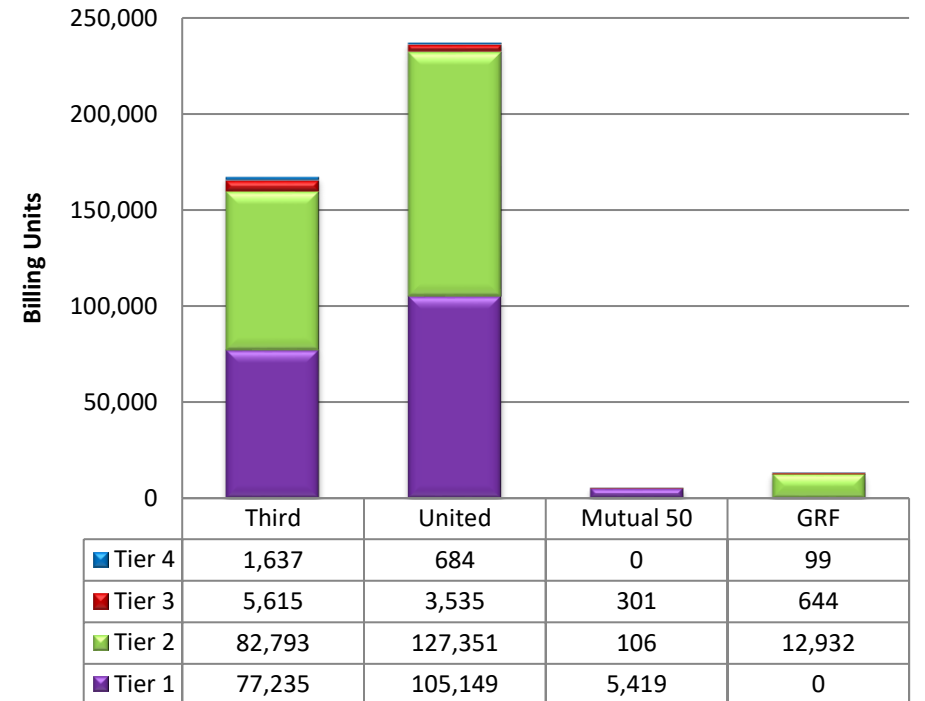


Category	Billings	Percentage
Water Delivery Cost	\$594,537.22	90.83%
Tier III - Conservation	\$26,338.56	4.02%
Tier IV - Conservation	\$33,655.35	5.14%
	\$654,531.13	100.00%

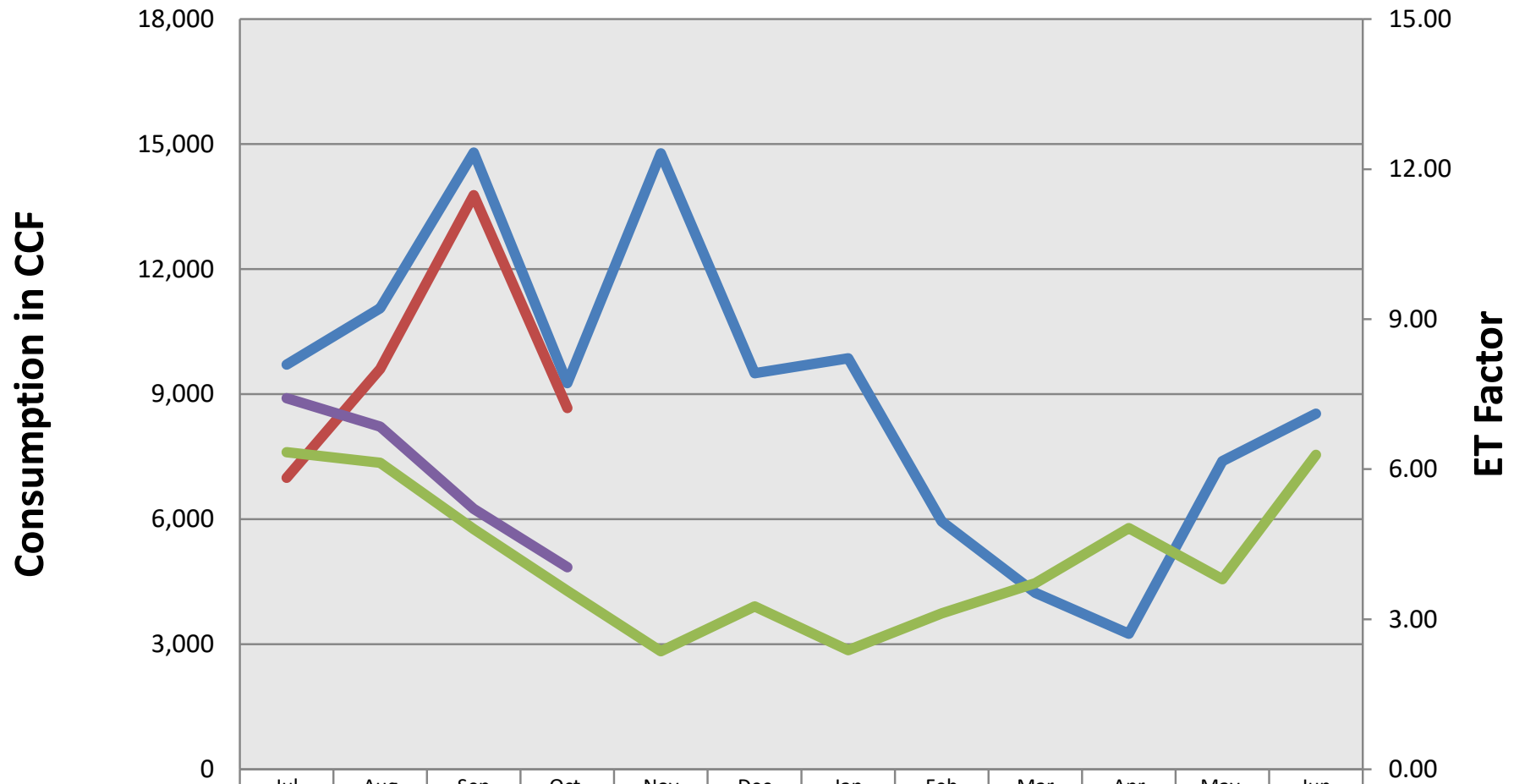
Laguna Woods Village October 2018 Water Sales



Laguna Woods Village Year-to-Date Water Sales October 2018

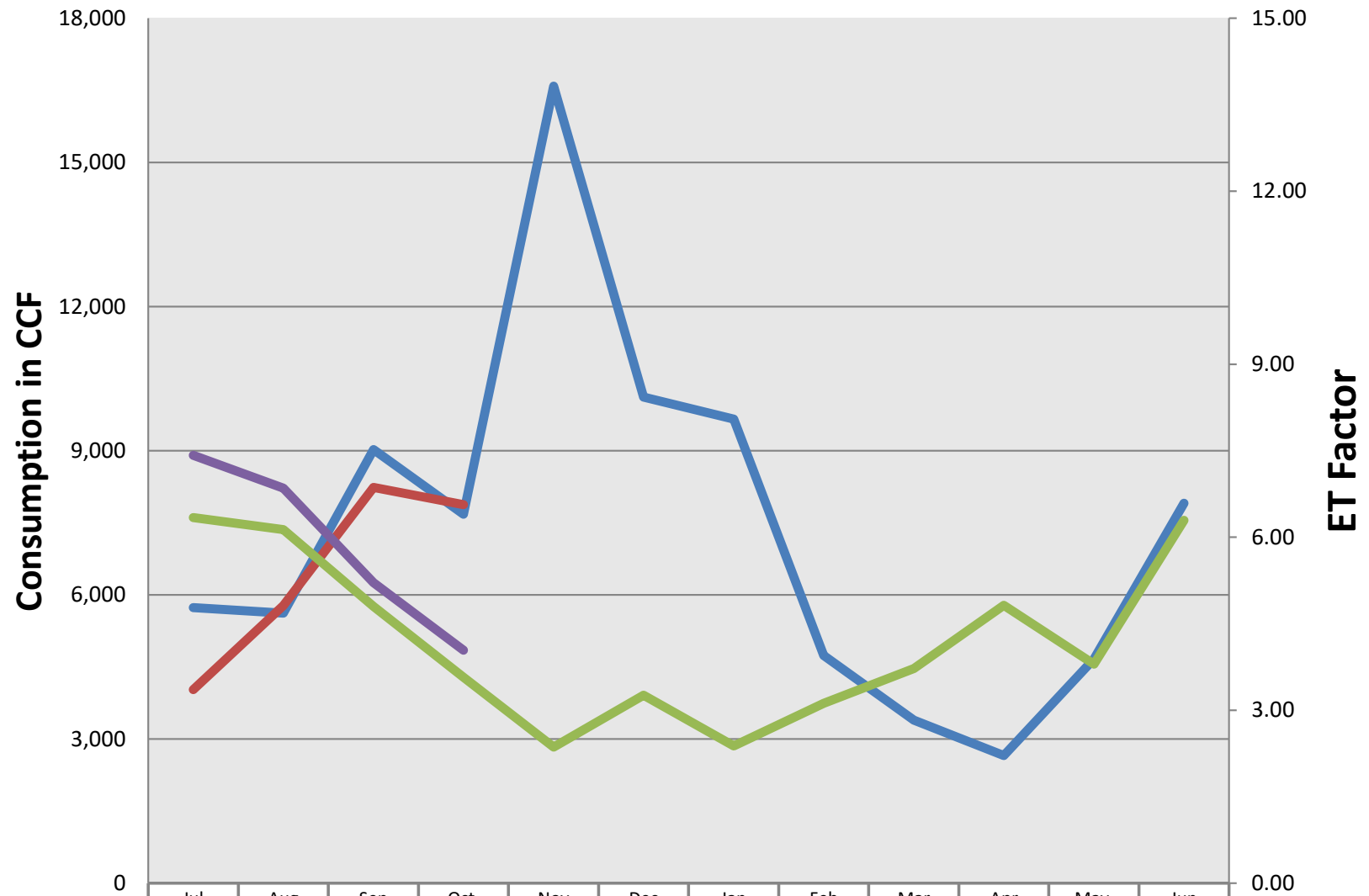


Tier III Consumption



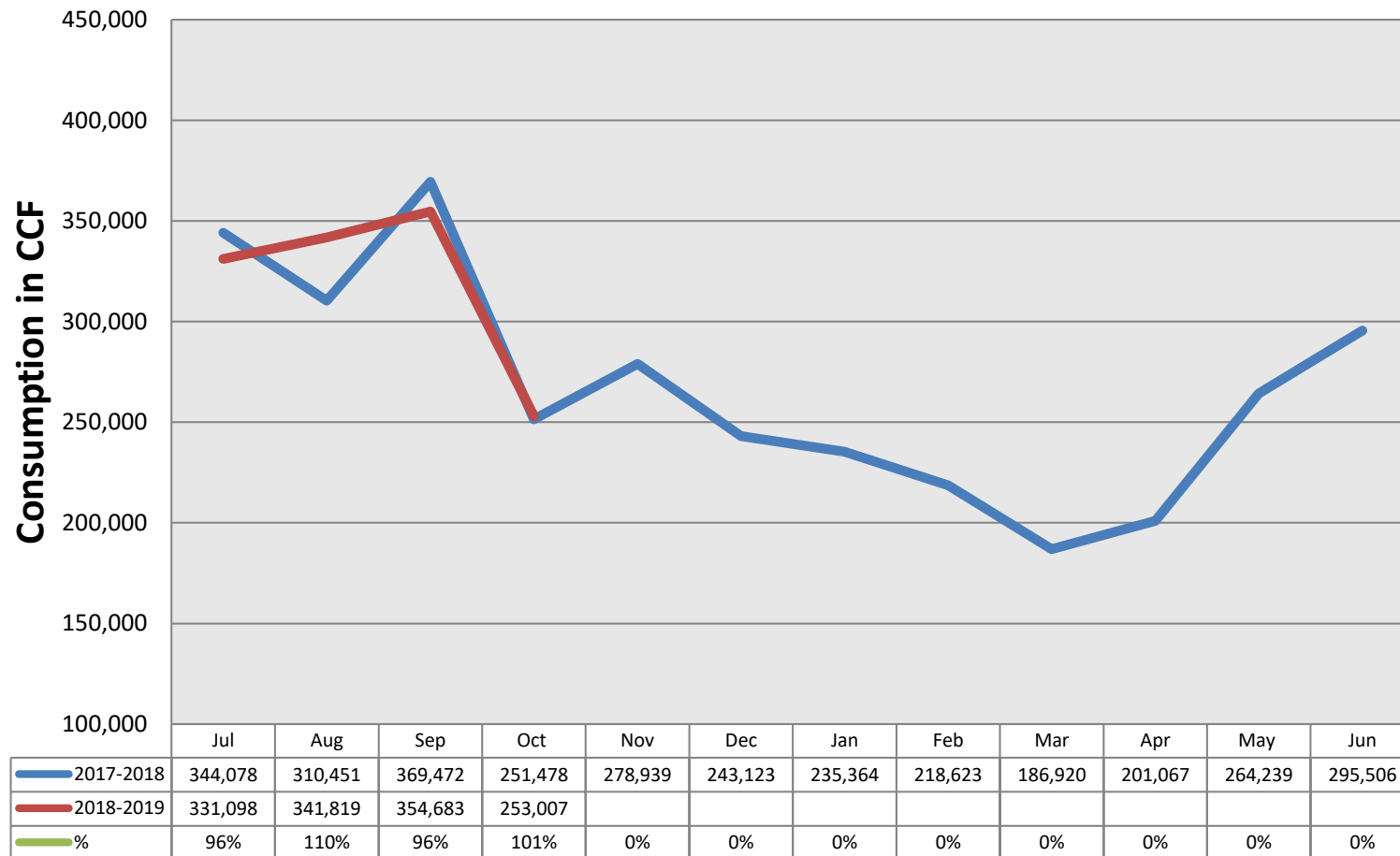
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2017-2018	9,711	11,063	14,797	9,263	14,781	9,502	9,859	5,949	4,236	3,252	7,396	8,533
2018-2019	6,994	9,606	13,775	8,664								
17/18 ET	6.34	6.13	4.80	3.57	2.36	3.26	2.38	3.12	3.72	4.82	3.80	6.29
18/19 ET	7.42	6.85	5.21	4.04								

Tier IV Consumption



2017-2018	5,733	5,622	9,022	7,679	16,586	10,117	9,658	4,741	3,394	2,656	4,664	7,909
2018-2019	4,028	5,777	8,236	7,879								
17/18 ET	6.34	6.13	4.80	3.57	2.36	3.26	2.38	3.12	3.72	4.82	3.80	6.29
18/19 ET	7.42	6.85	5.21	4.04								

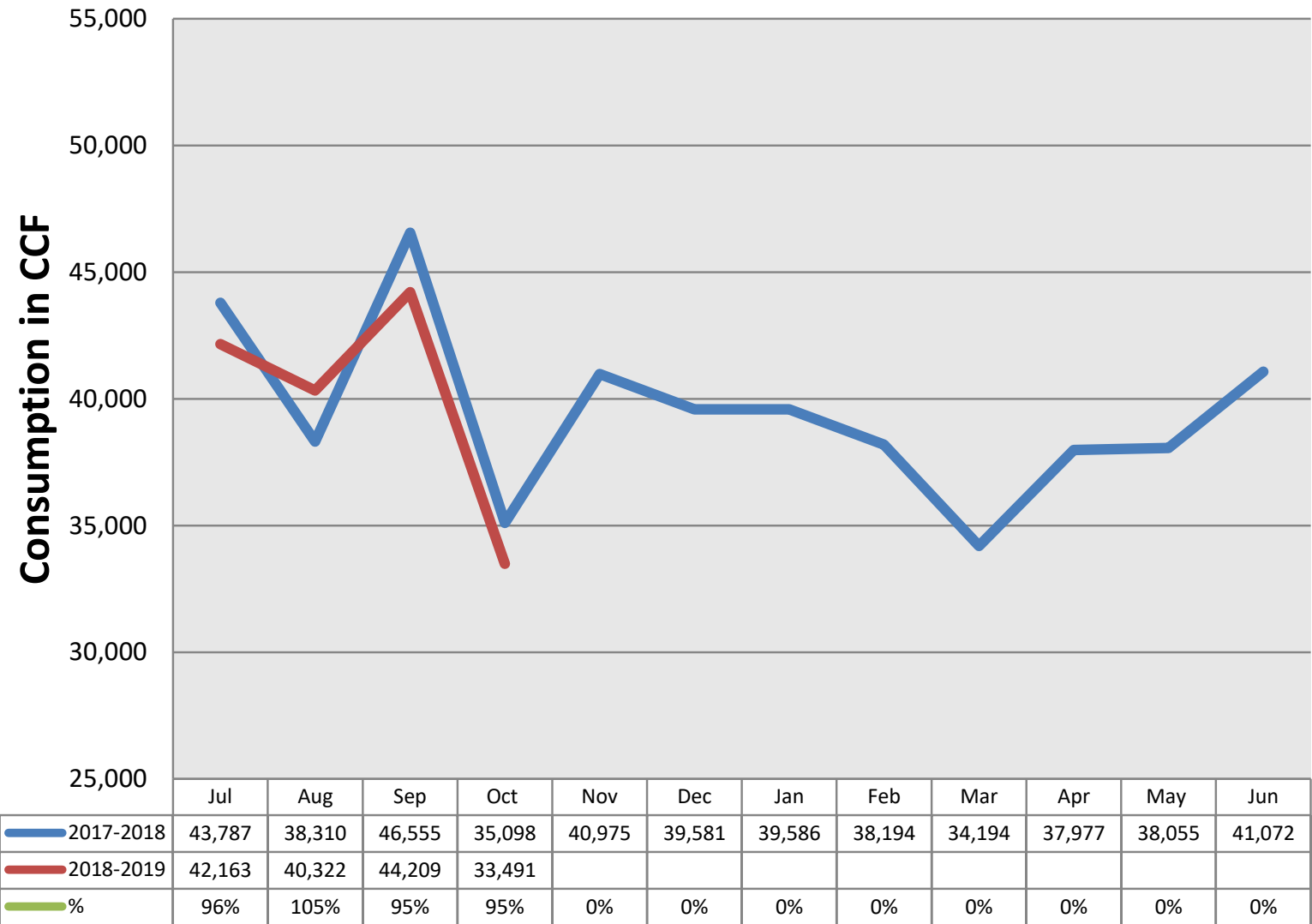
ETWD Total Consumption



Single Family Residents Consumption



Multi Family Residents Consumption

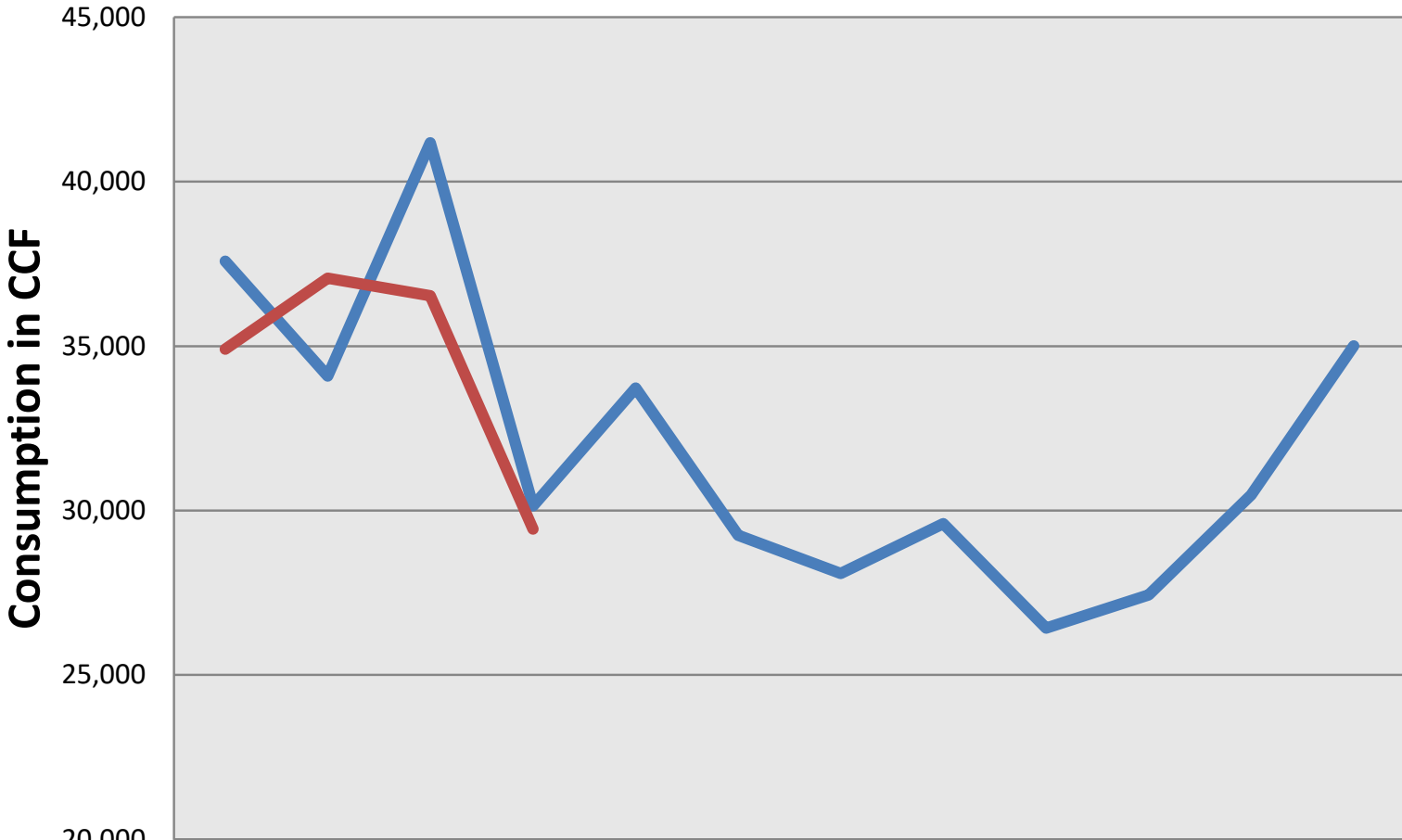


The chart displays consumption in CCF for two series over a decade. The blue series starts at approximately 87,000 CCF in 1990, peaks at 94,000 in 1993, and then declines to a low of 46,000 in 1999 before rising to 72,000 in 2000. The red series starts at 86,000 CCF in 1990, peaks at 89,000 in 1993, and then drops sharply to 60,000 in 1994, remaining relatively stable thereafter.

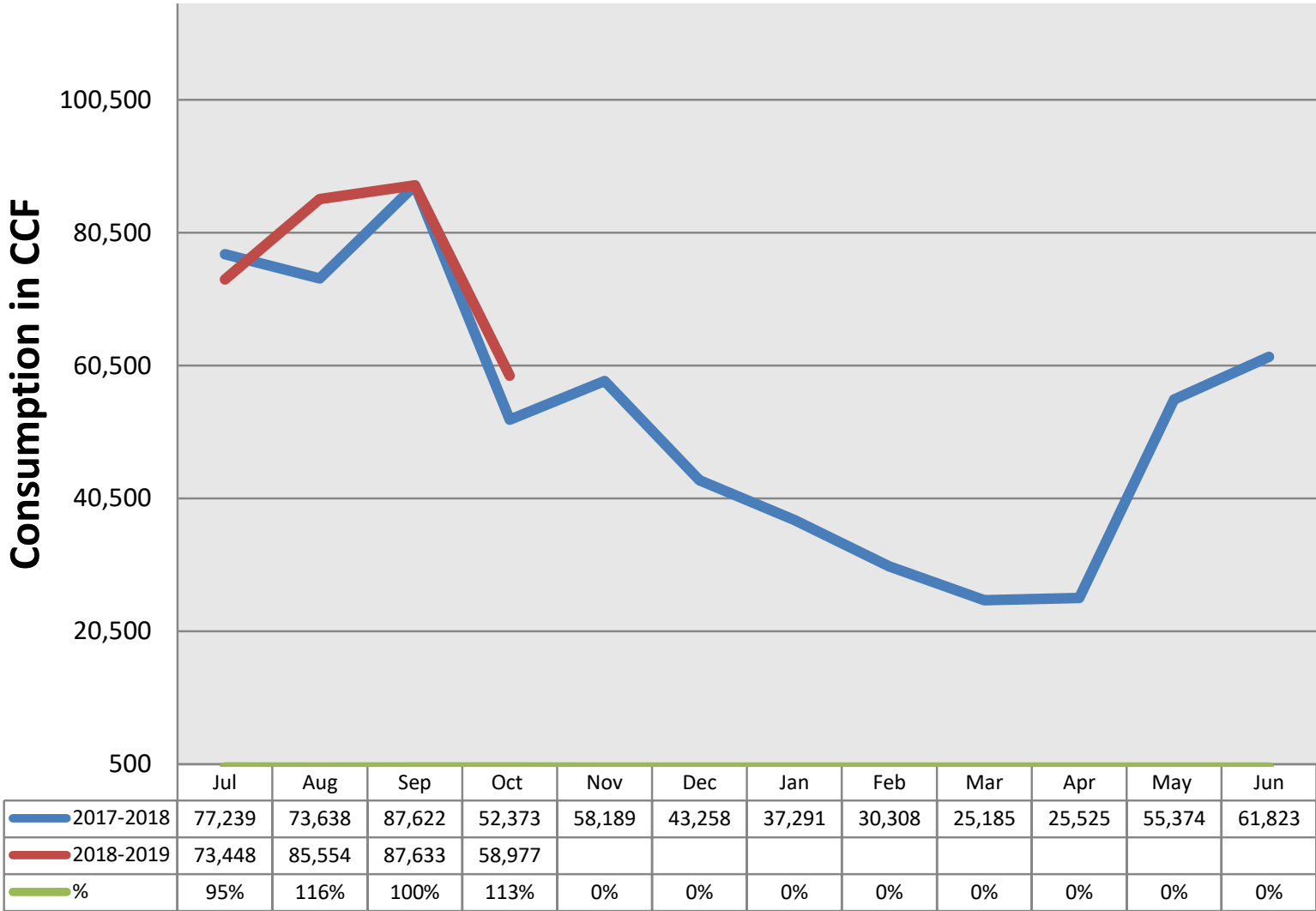
Year	Blue Series (CCF)	Red Series (CCF)
1990	87,000	86,000
1991	81,000	87,000
1992	90,000	88,000
1993	94,000	89,000
1994	62,000	60,000
1995	68,000	61,000
1996	58,000	61,000
1997	65,000	61,000
1998	52,000	61,000
1999	46,000	61,000
2000	72,000	61,000

30,000	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<div><div></div>2017-2018</div>	87,171	80,837	94,360	61,794	67,488	57,902	64,481	52,144	49,690	45,880	65,940	71,568
<div><div></div>2018-2019</div>	85,610	86,572	88,490	59,693								
<div><div></div>%</div>	98%	107%	94%	97%	0%	0%	0%	0%	0%	0%	0%	0%

Commercial Consumption

[illegible]

Dedicated Irrigation Consumption (including LWV)



EL TORO WATER DISTRICT

Glossary of Water Terms

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

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

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

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

AFY: Acre-foot per year.

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

AMP: Allen McCulloch pipeline.

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

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

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

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

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

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

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

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

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

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

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

BIA: Building Industry Association.

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

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

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

Brackish water: A mixture of freshwater and saltwater.

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

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

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

CEQA: California Environmental Quality Act.

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

CFS: Cubic feet per second.

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

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

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

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

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

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

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

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

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

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

Crisis:

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

CTP Coastal Treatment Plant

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

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

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

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

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

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

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

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

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

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

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

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

Disinfection: Water treatment which destroys potentially harmful bacteria.

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

Drought: A prolonged period of below-average precipitation.

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

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

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

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

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

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

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

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

Estuary: Where fresh water meets salt water.

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

FCH Federal Clearing House – Environmental Review/Processing

FEMA Federal Emergency Management Agency

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

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

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

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

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

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

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

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

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

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

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

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

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

GPM: Gallons per minute.

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

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

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

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

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

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

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

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

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

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

MAF: Million acre feet.

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

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

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

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

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

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

NPDES National Pollution Discharge Elimination System

OCBC: Orange County Business Council.

OCEMA Orange County Environmental Management Agency

OCWD: Orange County Water District.

Opportunity:

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

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

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

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

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

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

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

Potable water: Suitable and safe for drinking.

PPB: Parts per billion.

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

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

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

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

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

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

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

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

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

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

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

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

RFP Request for Proposal

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

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

R-O-W Right-of-way

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

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

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

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

SAFRA Santa Ana River Flood Protection Agency

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

SAWPA: Santa Ana Watershed Project Authority.

SCADA Supervisory Control and Data Acquisition

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

SCH State Clearing House – Environmental Review/Processing

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

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

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

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

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

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

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

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

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

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

SJBA San Juan Basin Authority

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

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

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

SRF State Revolving Fund

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

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

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

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

SWRCB State Water Resources Control Board

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

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

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

TMA: Too many acronyms.

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

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

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

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

VE Value Engineering

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

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

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

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

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

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

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

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

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

Water table: The top level of water stored underground.

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

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

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

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

Xeriscape: Landscaping that requires minimal water.