

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



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

AGENDA

EL TORO WATER DISTRICT

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

October 22, 2019

7:30 a.m.

CALL TO ORDER – President Vergara

PLEDGE OF ALLEGIANCE – President Vergara

ORAL COMMUNICATIONS/PUBLIC COMMENTS

Members of the public may address the Board at this time or they may reserve this opportunity with regard to an item on the agenda until said item is discussed by the Board. Comments on other items will be heard at the times set aside for “COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS” or for “COMMENTS REGARDING NON-AGENDA FIC ITEMS.” The public 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

CALL MEETING TO ORDER – Director Freshley

CONSENT CALENDAR

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

1. **Approval of Minutes** (Minutes Included)
 - a. Consider approving the minutes of the September 24, 2019 Engineering Committee.

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 Engineering Committee Consent Calendar.

2. **South Coast Water District Presentation on Doheny Ocean Desalination Plant**

A representative from the South Coast Water District will provide an update on the Doheny Ocean Desalination Plant.

ENGINEERING ACTION ITEMS

3. **Agreement for Acquisition of Real Property** (Reference Material Included)

Staff will review and comment on the Agreement for Acquisition of Real Property between the District and the City of Laguna Woods that will convey City of Laguna Woods property to the District for the purposes of construction of the Oso Lift Station Improvement Project.

Recommended Action: Staff recommends that the Board of Directors approve and authorize the Board President and General Manager to execute the Agreement for Acquisition of Real Property between the District and the City of Laguna Woods.

4. **Agreement Between El Toro Water District and Moulton Niguel Water District Providing For Emergency Wastewater Overflow Connection**
(Reference Material Included)

Staff will review and comment on the Agreement between El Toro Water District and Moulton Niguel Water District Providing For Emergency Wastewater Overflow Connection.

Recommended Action: Staff recommends that the Board of Directors approve and authorize the General Manager to execute the Agreement between El Toro Water District and Moulton Niguel Water District Providing For Emergency Wastewater Overflow Connection.

5. **America's Water Infrastructure Act (AWIA) Compliance – Phase II**
(Reference Material Included)

Staff will review and comment on continuing compliance with America's Water Infrastructure Act (AWIA) and WEROC/MWDOC efforts.

Recommended Action: Staff recommends that the Board of Directors approve and authorize the General Manager to execute the "Agreement for Sharing Consultant Costs for 2019 AWIA Compliance Risk and Resiliency Assessments and Emergency Response Plans for Participating Agencies (Phases II and III)" between El Toro Water District and the Municipal Water District of Orange County.

ENGINEERING GENERAL INFORMATION ITEMS

6. **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.

7. **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 – Vice President 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)

8. **Approval of Minutes** (Minutes Included)

- a. Consider approving the minutes of the September 24, 2019 Finance Committee meeting

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 Finance Committee Consent Calendar.

FINANCIAL ACTION ITEMS

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

Staff will review and comment on the Quarterly Insurance Report for the period July 1, 2019 through September 30, 2019.

Recommended Action: Staff recommends that the Board Receive and File the Quarterly Insurance Report for the period of July 1, 2019 through September 30, 2019.

10. **Financial Package - Authorization to Approve Bills for Consideration dated October 22, 2019 and Receive and File Financial Statements as of September 30, 2019** (Reference Material Included)

The Board will consider approving the Bills for Consideration dated October 22, 2019 and Receive and File Financial Statements as of September 30, 2019.

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 October 22, 2019, and 2) receive and file the Financial Statements for the period ending September 30, 2019.

FINANCIAL INFORMATION ITEMS

11. 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. At this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (2) to consult with legal counsel and staff –Potential Litigation (two matters).

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

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

ADJOURNMENT TO 7:30 a.m., Monday, November 25, 2019.

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

September 24, 2019

Director Freshley called the Meeting of the Engineering Committee to order at 8:50 a.m. on September 24, 2019.

Present at today's meeting were Committee Members JOSE F. VERGARA, MARK MONIN, KATHRYN FRESHLEY, MIKE GASKINS, and KAY HAVENS.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, BOBBY YOUNG, Project Engineer, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, and CAROL MOORE, Laguna Woods City Councilmember.

Engineering Committee

Consent Calendar

1. Consider approving the minutes of the August 20, 2019 Engineering Committee meeting.
2. Consider approving Director Kathryn Freshley to participate on the Association of California Water Agencies (ACWA) Engineering Committee (typo corrected to reflect "Energy" Committee and not Engineering Committee)

Director Freshley asked for a Motion.

Motion: Director Havens made a Motion, seconded by President Vergara, and unanimously carried across the Board to approve the Consent Calendar.

Roll Call Vote:

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

Engineering Action Items

There were no action items.

Engineering General Information Items

Capital Project Status Report

Oso Lift Station Project

Mr. Young stated that the County Board of Supervisors approved the lease amendment on July 30th, and MNWD's Board approved the overflow agreement on August 22nd, and the State Coastal Conservancy continues to work with their legal representation to work on ETWD and the city of Laguna Woods to enter into an agreement with terms specified per the Coastal Conservancy's recommendation.

Director Freshley asked how much they are asking for. Mr. Young replied \$2,009.

Director Havens asked if there is a good probability that once we have the final approval, we could get this done before the spring nesting season. Mr. Cafferty noted that the duration of the project is likely to extend into the nesting season regardless of the start date. Mr. Cafferty further stated that the mitigations defined in the CEQA MND will be implemented during the nesting season.

Phase II Recycled Water Distribution System Expansion Project

Mr. Young stated that staff met with County and State to review field testing and inspection requirements. He further stated that we are meeting again today to progress on the East sites, and anticipates completion of the retrofit construction in approximately 8 weeks.

Laboratory Certification Update

Mr. Cafferty stated that our lab staff has been able to communicate with ELAP staff and conducted an on-site assessment at the ETWD lab and provided the District with a preliminary draft of the assessment report in June. He further stated that delivery of the final assessment report should be imminent.

Irvine Lake – Baker Supply

Mr. Cafferty stated that staff met with the South County Agencies to discuss the possibility of storing emergency water in the Irvine Lake. He further stated that staff met with the Baker partners to discuss details of a proposal for the potential use of Irvine Lake for a 60-day emergency storage.

Mr. Cafferty stated that they are referring to a 5-year Pilot Program where they are calculating certain costs to the emergency water, of which ETWD would have approximately 600 acre feet, purchased raw water from MET at \$731/acre foot.

Mr. Cafferty stated that another issue is the potential for losses at the Lake, such as evaporation and spills, which would be the South County Agencies water loss. He further stated that evaporation loss will also be the South County Agencies water loss.

Mr. Cafferty stated that the cost proposal includes an annual maintenance cost allocated only to the emergency water which is \$93/acre foot. He further stated that there are Capital projects coming up including a desilting project, a spillway repair, the outlet tower replacement which would be applied to the entire Lake volume, with our share of the cost being approximately \$40,000 annually.

Mr. Cafferty stated that between the annual maintenance costs, capital projects costs, and evaporation costs, ETWD's anticipated cost is between \$256,000 - \$327,000, which would have to come from ratepayers, and would be between 5-7 cents increase plus MET's pass-through rate increase.

Mr. Cafferty stated that staff is considering different approaches that could be less costly, and will be meeting with the other agencies.

Director Gaskins stated under the current proposal, he feels it's too much burden on the South County, and for rate payers.

Vice President Monin stated that he feels if we could get the cost lower, we should consider the project.

Director Havens stated that there are public relations issues at Irvine Lake.

President Vergara asked how much water are we getting from MET and how much from Baker. Mr. Cafferty replied 7,350 acre feet is our water demand for this year, with 3,300 acre feet of that from Baker and the remainder from MET.

President Vergara stated that he is not comfortable with Irvine's current plan, and would like more negotiations.

Director Freshley stated that she was not comfortable with the current proposal and would like to see another option.

Poseidon

Mr. Cafferty stated that MNWD and SMWD have approved the MOU, with MNWD at 2,000 acre feet and SMWD at 1,000 acre feet which is a non-binding commitment.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

Director Havens asked how the Doheny Desal project is doing. Mr. Cafferty replied that he asked South Coast Water District staff to see if they could set up a presentation for our Board at the next Board meeting.

Attorney Report

Mr. Granito reported that there is no need for a Closed Session today. As such, the Regular Session continued.

Adjournment

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

Motion: President Vergara made a Motion, seconded by Director Havens and unanimously carried that today's meeting be adjourned at 9:58 o'clock a.m. to Tuesday, October 22, 2019 at 7:30 o'clock a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Roll Call:

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

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

JOSE F. VERGARA, President
of the El Toro Water District and the
Board of Directors thereof

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



STAFF REPORT

TO: BOARD OF DIRECTORS

MEETING DATE: October 22, 2019

FROM: Dennis Cafferty, General Manager

SUBJECT: Agreement for Acquisition of Real Property

The El Toro Water District (ETWD) owns and operates the Oso Sewage Lift Station located near the northwest side of the intersection of El Toro Road and Aliso Creek Road within the City of Laguna Woods (City). ETWD is preparing to replace the existing Oso Lift Station and associated equipment with a new lift station in order to improve the sewage pumping station's reliability and serviceability.

In order to accommodate the new facilities associated with the Oso Lift Station Improvement Project, the footprint of the pump station will need to expand 10 feet to the northeast onto land that is currently owned by the City.



Oso Lift Station Improvement Project
Acquisition of Real Property
Page 2

The City and ETWD, after careful consideration, have mutually agreed that the project benefits that will be realized by the residents of the City as well as the enhancement of environmental protection provided by the reliability improvements associated with the project represent ample justification for the transfer of the small amount of subject property. The project design, inclusive of the small expansion of the Oso Lift Station property, provides the best opportunity to maximize the reliability of the reconstructed lift station, provide emergency storage and minimize the potential for service interruptions or sewer spills that might result from failures of the pumping facilities.

The property subject to Agreement for Acquisition of Real Property is unimproved land with minimal planted and irrigated landscaping between the existing lift station and the driveway approach to the Woods End Wilderness Preserve/Laguna Coast Wilderness Park (Woods End).



During the discussions regarding the property transfer the City became aware of a previous agreement between the City and an agency known as the State Coastal Conservancy. The terms of that agreement required the approval of the State Coastal Conservancy for property transfers such as that contemplated for the Oso Lift Station Project. The City has been working with the State Coastal Conservancy to define the requirements to secure said approval. The result of that effort was the drafting of an agreement between the City and ETWD defining the terms of the property acquisition that satisfies the State Coastal Conservancy.

The key terms of the Agreement include:

- ETWD will pay to the City of Laguna Woods a total purchase price of \$2,009
- CLW will provide a fully executed Grant Deed for recording with the Office of the County Recorder
- CLW will use the proceeds of the sale exclusively for the CLW Woods End Wilderness Preserve Trail Drainage and Improvement Project

The attached "Agreement for Acquisition of Real Property" has been reviewed by staff and legal counsel at both the City and ETWD. The City of Laguna Woods approved the Agreement at the October 16 meeting of the City Council. Approval of the Agreement will clear another hurdle to the construction of the Oso Lift Station Improvement Project.

RECOMMENDATION

Recommended Action at the October 22, 2019 Board Meeting:

Staff recommends that the Board of Directors approve and authorize the Board President and General Manager to execute the Agreement for Acquisition of Real Property between the District and the City of Laguna Woods.

AGREEMENT FOR ACQUISITION OF REAL PROPERTY

THIS AGREEMENT FOR ACQUISITION OF REAL PROPERTY ("Agreement") is entered into this _____ day of _____, 2019, by and between the El Toro Water District, a public agency (hereinafter called "Buyer"), and the City of Laguna Woods (hereinafter called "Seller"), for acquisition by Buyer of certain real property as hereinafter set forth.

RECITALS

A. El Toro Water District is a public agency formed, existing and operating pursuant to Section 34000 *et seq.* of the California Water Code, with its principal place of business at 24251 Los Alisos Boulevard, Lake Forest, CA 92630. As part of El Toro Water District's powers and duties, it can acquire real property for the placement, operation, expansion, and improvement of facilities related to its provision of water, wastewater, recycled water and related services to its customers.

B. The City of Laguna Woods is a general law city, with its principal place of business at 24264 El Toro Road Laguna Woods, CA 92637, and is the owner of property more specifically described in the legal description to the Grant Deed attached hereto as Exhibit "1" and incorporated herein ("Property"). Such Property is located immediately adjacent to a sewer lift station that is proposed to be expanded and improved by El Toro Water District.

C. The Property which is the subject of this Agreement is currently utilized by the City of Laguna Woods as part of public open space and recreational uses, and specifically the "Woods End Wilderness Preserve." The City of Laguna Woods purchased the Property, in part, using funds provided by the California State Coastal Conservancy under Division 21 of the California Public Resources Code for grants to nonprofit organizations for the acquisition of real property; and pursuant to Grant Agreement No. 01-180 between the City of Laguna Woods and the California State Coastal Conservancy. Because the original funding for the acquisition of the Property prior to the transfer to the City of Laguna Woods was from this source, both the City of Laguna Woods and the El Toro Water District have conferred with the California State Coastal Conservancy regarding the proposed transfer, and appropriate means to assure that the original conservation purposes for which the property was originally acquired will be observed, through the appropriate application of the proceeds of this transaction.

D. The City of Laguna Woods, as seller, and the El Toro Water District, as buyer, now wish to enter into an agreement whereby portions of the Property more specifically described below will be transferred to El Toro Water District, to accommodate its lift station improvement, while still staying true to the original conservation purposes for which the Property was acquired, and has been held by the City of Laguna Woods.

IT IS THEREFORE MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. **AGREEMENT TO SELL AND PURCHASE.** Seller agrees to sell, and Buyer agrees to purchase, the Property, on the terms and conditions herein stated.
2. **PURCHASE PRICE AND LIMITATION ON SELLER'S RESTRICTED USE OF PROCEEDS.** The total purchase price, payable in cash through this transaction, for all of Seller's right, title, and interest in and to the Property shall be the sum of TWO THOUSAND NINE DOLLARS AND NO/100 (\$2,009.00) Seller shall deliver to Buyer promptly upon the execution of this Agreement by both parties a fully executed original of the Grant Deed, to be held in trust by Buyer pending full

payment of the purchase price to Seller, and after such payment, Buyer is authorized to record the Grant Deed with the Office of the County Recorder. Such payment shall be made no later than thirty (30) days following Seller's deposit of the Grant Deed with Buyer. In light of the original purchase of the property in cooperation with funding by the California State Coastal Conservancy and prior dedication of the Property for conservation purposes, Seller agrees that the proceeds of the sale of the Property memorialized hereunder shall be applied exclusively to the Seller's "Woods End Wilderness Preserve Trail Drainage and Improvement Project," identified in Seller's Capital Improvement Plan for construction in Fiscal Year 2020-21 ("Woods End Project"). In the event the Woods End project is removed or otherwise not pursued by Seller on or before the end of Seller's Fiscal Year 2023-24, Buyer and Seller agree to meet and confer, in good faith and with the California State Coastal Conservancy, to identify a replacement project of Seller that will advance the conservation objectives for which the property was originally acquired and dedicated for conservation uses by the California State Coastal Conservancy.

3. **AS-IS, WHERE-IS, WITH ALL FAULTS CONVEYANCE AND RELEASE OF CLAIMS.** Seller transfers the Property to Buyer in "as-is, where is, with all faults" condition, without warranty, indemnity, guarantee, or representation of any kind regarding the Property's past use, current surface, subsurface, or environmental condition, the condition of any water flowing on, over, or beneath the surface, the amenability or suitability of soils, subjacent or lateral support, or any other condition of the Property for any of Buyer's contemplated or potential uses of same (Property Condition). Buyer acknowledges and agrees that it has had ample opportunity to inspect the property, to undertake any due diligence and to conduct whatever testing Buyer believes is necessary or appropriate prior to assuming ownership of the property. Buyer waives, releases and holds Seller harmless for any and all known and unknown claims that Buyer may have, or claim to have, against the Seller with respect to the Property Condition ("Released Claims"). By releasing and forever discharging the Released Claims both known and unknown which are related to or which arise under or in connection with the Released Claims, Buyer expressly waives any rights under California Civil Code Section 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BUYER'S INITIALS: _____

4. **TITLE INSURANCE POLICY.** Buyer may, but is not required to, request and obtain a CLTA Standard Coverage Policy of Title Insurance with the title company of its choice showing title to the Property vested in Buyer. Buyer agrees to pay the premium charged for said policy. In the event such title policy reflects any exception or encumbrance that Buyer decides, in the exercise of its reasonable discretion, it cannot take title subject to, Buyer and Seller agree to meet and confer in good faith to explore potential removal of such exceptions to title, or resolution of any liens, abstracts of judgments, deeds of trusts, or other encumbrances. Seller shall cooperate with Buyer reasonably in the identification and removal of such disapproved exceptions, provided it can be done at no cost to Seller.
5. **TRANSACTION.** Buyer agrees to handle this transaction within its own office and in accordance with this Agreement. This Agreement constitutes the joint instructions between Buyer and Seller, and Buyer is empowered and will handle these instructions in accordance herewith. Buyer and Seller agree to do all acts necessary to close this transaction in the shortest possible time.

Seller has executed and handed the Grant Deed to Buyer, concurrently with this Agreement. As soon as possible after all requirements of this transaction have been met, Buyer will deposit the executed Grant Deed with Certificates of Acceptance attached, with the title company on Seller's behalf. Buyer and Seller agree to deposit any additional instruments as may be necessary to complete this transaction.

6. BUYER IS AUTHORIZED TO, AND SHALL:

- (A) Deduct and pay, from its own funds, any amount necessary to satisfy any delinquent taxes due in any fiscal except the fiscal year in which this transaction closes, together with penalties and interest thereon and/or delinquent assessments or bonds except those which title is to be taken subject to, in accordance with the terms of this transaction.
- (B) Disburse funds and deliver or have delivered recorded deed(s) when Buyer and Seller have fulfilled conditions of this transaction.

The term "close of transaction," if and where written in these instructions, shall mean the date necessary instruments of conveyance are recorded in the Office of the County Recorder. Recordation of instruments delivered through this transaction is authorized if necessary or proper in the issuance of said policy of title insurance.

All time limits within which any matter herein specified is to be performed may be extended by mutual agreement of the Parties hereto. Any amendment of, or supplement to, any instructions must be in writing.

- 7. **NOTICE OF TAX WITHHOLDING REQUIREMENTS.** It is further understood and agreed by Buyer and Seller that closing of this escrow is subject to and contingent upon Seller executing a "Transferor's Affidavit of Non-Foreign Status" and California Form 593-C (Individual Sellers) or 593-W (Real Estate Withholding Exemption Certificate and Waiver Request for Non-Individual Sellers) and depositing a copy of same into escrow.
- 8. **NO COST TO SELLER.** Buyer shall bear all costs and expenses in connection with Buyer's and/or its assignees' purchase and use of the Property.
- 9. **FORM W-9 - INTERNAL REVENUE SERVICE ("IRS").** It is further understood and agreed by Seller that closing of this transaction is subject to and contingent upon Seller executing an Internal Revenue Service Form "W-9" and/or 1099-S form, and depositing same with Buyer.
- 10. **NO WAIVER.** No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.
- 11. **MERGER OF PRIOR AGREEMENTS AND UNDERSTANDINGS.** This Agreement and other documents incorporated herein by reference contain the entire understanding between the Parties relating to the transaction contemplated hereby and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

12. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same instrument.
13. **AUTHORITY.** This instrument shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the Buyer and Seller. The Parties upon whose benefit the signature appears below warrant, each to the other, that the person whose signature appears below has the legal authority to bind the party on whose behalf the signature appears to the terms of this Agreement, and that by doing so such Party is not in breach of any other contract or agreement.
14. **SEVERABILITY.** The provisions of this Agreement are severable, and if any portion is held invalid or otherwise unenforceable, the Parties intend that all other provisions shall remain in full force and effect.
15. **ATTORNEYS' FEES.** In the event of any controversy, claim or dispute relating to this instrument or any breach thereof, the prevailing party shall be entitled to recover its attorney(s) fees, costs, and expenses, whether or not the matter is prosecuted to final judgment. Attorney(s) fees shall include all costs, expert witness fees, and all other reasonable expenses.

This Agreement contains the entire agreement between the Parties, and neither party relies upon any warranty or representation not contained in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first set forth hereinabove.

SELLER:

CITY OF LAGUNA WOODS

By: _____
Cynthia Conners

Its: Mayor

BUYER:

EL TORO WATER DISTRICT

By: _____
Jose Vergara

Its: President

By: _____
Dennis P. Cafferty

Its: General Manager/Secretary



STAFF REPORT

TO: BOARD OF DIRECTORS

MEETING DATE: October 22, 2019

FROM: Dennis Cafferty, General Manager

SUBJECT: Agreement Between El Toro Water District and Moulton Niguel Water District Providing For Emergency Wastewater Overflow Connection

The El Toro Water District (ETWD) owns and operates the Oso Sewage Lift Station located near the northwest side of the intersection of El Toro Road and Aliso Creek Road within the City of Laguna Woods. ETWD is preparing to reconstruct the aging Oso facilities. Portions of the construction will require the bypass of the flows to the existing lift station.

Moulton Niguel Water District (MNWD) owns and operates the Aliso Creek Lift Station located near the southeast corner of the intersection of El Toro Road and Aliso Creek Road. The MNWD sewer collection system, tributary to the Aliso Creek Lift Station, passes adjacent to the ETWD Oso Lift Station. It is therefore possible to convey wastewater, by gravity, from the Oso Lift Station to the MNWD wastewater collection system through an Overflow Connection to be constructed as part of the ETWD Oso Lift Station Improvement Project. The Overflow Connection would facilitate the bypass of the Oso influent flows during construction and subsequently remain in place as an emergency overflow connection to be used in the event of a future failure of the Oso Lift Station or sewer force main.

ETWD staff worked closely with MNWD staff to determine that MNWD had available capacity in its wastewater collection system and at the Aliso Creek Lift Station to accommodate the Oso Lift Station flows on a limited basis. The staff and legal counsels at each agency cooperatively developed the attached "Agreement Between El Toro Water District and Moulton Niguel Water District Providing for Emergency Wastewater Overflow Connection."



The key terms of the Agreement include:

- ETWD will pay for the cost to construct the overflow connection
- ETWD will rehabilitate the MNWD manhole to which the overflow will be connected
- MNWD will review and approve the construction documents prior to construction of the overflow connection
- MNWD is not obligated to accept flows under certain operational conditions including rain events or failures within the MNWD wastewater collection system

The construction of the Emergency Overflow Connection will mitigate the potentially expensive and risky pump bypass system that would have otherwise been required to construct the new lift station facilities. The further ability to utilize the overflow connection in the event of a future failure of the Oso Lift Station or the Oso Lift Station Force Main adds significant reliability to the wastewater collection system at minimal cost.

RECOMMENDATION

Recommended Action at the October 22, 2019 Board Meeting:

Staff recommends that the Board of Directors approve and authorize the General Manager to execute the Agreement between El Toro Water District and Moulton Niguel Water District Providing For Emergency Wastewater Overflow Connection.

**AGREEMENT BETWEEN
EL TORO WATER DISTRICT AND MOULTON NIGUEL WATER DISTRICT
PROVIDING FOR EMERGENCY WASTEWATER OVERFLOW CONNECTION**

THIS AGREEMENT PROVIDING FOR EMERGENCY WASTEWATER OVERFLOW CONNECTION (“Agreement”) is made and entered into effective this _____ day of _____, 2019, by and between the EL TORO WATER DISTRICT (ETWD), and MOULTON NIGUEL WATER DISTRICT (MNWD) which are sometimes collectively referred to herein as the “Parties”, each a California water district formed and existing pursuant to Section 34000 *et seq.* of the California Water Code.

RECITALS

WHEREAS, ETWD’s service area boundary and MNWD’s service area boundary are adjacent to each other; and

WHEREAS, ETWD operates the Oso Lift Station on El Toro Road near the intersection of El Toro Road and Aliso Creek Road; and

WHEREAS, MNWD operates the Aliso Creek Lift Station on Aliso Creek Road near the intersection of El Toro Road and Aliso Creek Road; and

WHEREAS, due to the proximity of the MNWD wastewater collection system that is tributary to the Aliso Creek Lift Station and the ETWD Oso Lift Station, it is possible to convey wastewater from the ETWD Oso Lift Station to the MNWD wastewater collection system; and

WHEREAS, ETWD desires to connect to MNWD’s wastewater collection system in order to provide ETWD an emergency means to discharge wastewater from the ETWD Oso Lift Station; and

WHEREAS, the MNWD wastewater collection system and Aliso Creek Lift Station have adequate capacity to absorb the ETWD wastewater flow during non-rain events; and

WHEREAS, ETWD and MNWD desire to set forth the terms for an emergency overflow connection to the MNWD wastewater collection system to be used by ETWD in the event of a failure of the Oso Lift Station or Oso Lift Station force main.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

AGREEMENT

1. The above Recitals are incorporated herein and made a part of this Agreement.
2. The cost for the preparation of engineering drawings and specifications, and construction of all work necessary to complete a one-way connection allowing emergency overflow from the ETWD Oso Lift Station to the MNWD wastewater collection system (hereafter “Wastewater Interconnection” as depicted in Exhibit “A” attached hereto and incorporated herein by reference) will be paid by ETWD. Said work shall include the rehabilitation of MNWD’s existing manhole, as described in Exhibit “A,” at ETWD’s sole cost. The plans, designs and construction documents for said work shall be subject to prior written approval by MNWD, which approval shall not be unreasonably withheld. Said review and approval shall not constitute any responsibility by MNWD for the plan, design, construction or operation of the Wastewater Interconnection or for compliance with any law, rule or regulation pertaining to the Wastewater Interconnection.
3. ETWD shall, at its sole cost, own, operate, maintain, repair and replace the Wastewater Interconnection from the point of connection at the Oso Lift Station to the point of connection to the MNWD wastewater collection system, all as shown in Exhibit “A”.
4. ETWD shall provide at least 48-hours prior notice to MNWD of its desire to activate the Wastewater Interconnection. ETWD’s activation will be through a manual operation. In the event of an emergency which requires shorter notice, ETWD shall provide notice as soon as reasonably possible prior to activation. Activation approval by MNWD shall not be unreasonably withheld. ETWD shall only convey flows which comply with all applicable laws, rules and regulations regarding quantity and quality of wastewater flows into a wastewater collection system. MNWD shall have the right to terminate flows into its wastewater collection system in the event it determines, in its reasonable discretion, that there is the threat or existence of violations of applicable legal or regulatory requirements.
5. The Wastewater Interconnection is anticipated to be designed to convey a peak flow rate of 150 gpm and an average daily flow rate of 75 gpm.
6. MNWD agrees to use its best efforts to accommodate the receipt of flows from the Wastewater Interconnection in the event of an activation request. In no event shall ETWD be permitted to convey flows through the Wastewater Interconnection in excess of 30 continuous days. MNWD shall not be required to accept flows in the event of regulatory, quantity or quality concerns as set forth above or in the event of rain (or scheduled rain) events, a pipeline break, pump station failure, significant power outage or other unplanned outage in MNWD’s service area that impacts the ability to accommodate the Wastewater Interconnection flow.
7. ETWD acknowledges and agrees that this Agreement provides only for the temporary conveyance of wastewater through the Wastewater Interconnection in the circumstances set forth herein. Nothing herein creates any implied dedication, transfer or other conveyance of any facilities or capacity in any facilities, or any other right or entitlement in or to capacity in MNWD’s wastewater system.

8. ETWD shall indemnify, defend and hold MNWD harmless from and against any and all claims or liabilities arising from ETWD's activation of the Wastewater Interconnection and the conveyance of flows into MNWD's wastewater collection system including, but not limited to, any alleged violations of regulatory requirements for quantity or quality, conveyance of flows in excess of the peak flow rate set forth herein, or any other overflow or spill events. Said indemnification and hold-harmless obligations shall not apply to any claims or liabilities arising out of the negligence, willful misconduct by MNWD or breach of this Agreement by MNWD. Said indemnification and hold-harmless obligations shall include, without limitation, all costs and attorney's fees incurred in the defense of any claim or action of proceeding brought against MNWD. For claims and liabilities other than as described in this paragraph 8, the following paragraph 9 shall apply.

9. Each party hereby agrees to mutually indemnify and hold the other party harmless from any and all claims, demands, causes of action, damages, costs and expenses, including attorneys' fees, property damage, bodily injuries, personal injury, losses or liabilities, in law or in equity, of every kind and nature to the extent that the same are the result of an error, omission or negligent act of the indemnifying party, its officers or employees, or any other person acting pursuant to such Party's control in performing under this Agreement.

10. The term of this Agreement shall be from the date of full execution of this Agreement by both Parties ("Effective Date") to the date which is 30 years from the Effective Date unless earlier terminated as set forth herein. This Agreement may be terminated by either Party, for any reason or nor reason, upon thirty (30) days prior written notice to the other party.

11. This Agreement may be amended only by a writing executed by both parties.

12. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto.

13. There shall be no third party beneficiaries to this Agreement. Nothing in this Agreement, either express or implied, is intended to confer upon any person or entity, other than the Parties and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

14. This writing constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all oral or written representations or written agreements, which may have been entered into between the Parties prior to the execution of this Agreement.

15. Any notice, or instrument required or permitted by this Agreement to be given or delivered to either Party shall be deemed to have been received when personally delivered or upon deposit of the same in any United State Post Office, registered or certified, postage prepaid, addressed as follows. Notice requirements under paragraphs 2 and 4 may be accomplished through a phone call followed by written confirmation via email and then by mail as set forth herein:

El Toro Water District
24251 Los Alisos Boulevard
Lake Forest, CA 92630
Attn: General Manager

Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677-3489
Attn: General Manager

16. In the event it becomes necessary for either Party to bring legal action to enforce this Agreement, the prevailing Party shall be entitled to recover its attorney's fees and legal costs incurred in said proceeding.

17. If any portion, provision or part of this Agreement is held, determined or adjudicated to be invalid, unenforceable, or void for any reason whatsoever, each such portion, provision, or part shall be severed from the remaining portions, provisions, or parts of this Agreement, and shall not affect the validity or enforceability of such remaining portions, provisions or parts.

18. The representative of each Party signing this Agreement warrants and represents that he/she so executes and he/she is acting within the express scope of such authority.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, by authorization of their respective Boards of Directors, on the date and year hereinabove written.

EL TORO WATER DISTRICT

BY: _____
Dennis P. Cafferty, General Manager

MOULTON NIGUEL WATER DISTRICT

BY: _____
Joone Lopez, General Manager



STAFF REPORT

TO: BOARD OF DIRECTORS

MEETING DATE: October 22, 2019

FROM: Sherri Seitz, Public Relations / Emergency Prep Administrator

SUBJECT: America's Water Infrastructure Act (AWIA) Compliance – Phase II

Summary:

On October 23, 2018, Congress signed into law the America's Water Infrastructure Act (AWIA) (S.3021, Law 115-270). Per Section 2013 of Title II, the AWIA requires utilities to conduct Risk and Resilience Assessments (RRA) of their community water systems and develop a corresponding Emergency Response Plan (ERP). Upon completion of the RRA, the utility is to submit self-certification to the U.S. Environmental Protection Agency (USEPA) indicating that the RRA, in compliance with AWIA, is complete. Within six (6) months of submitting the RRA certification letter, the community water system is required to submit a self-certification to USEPA for the corresponding ERP. The legislation requires these documents to be updated every 5 years. All drinking water utilities with greater than 3,000 customers, must complete these efforts and self-certify their compliance within the next 2 years depending on the size of the agency. The ETWD compliance dates are June 30, 2021 for the RRA and December 20, 2021 for the ERP.

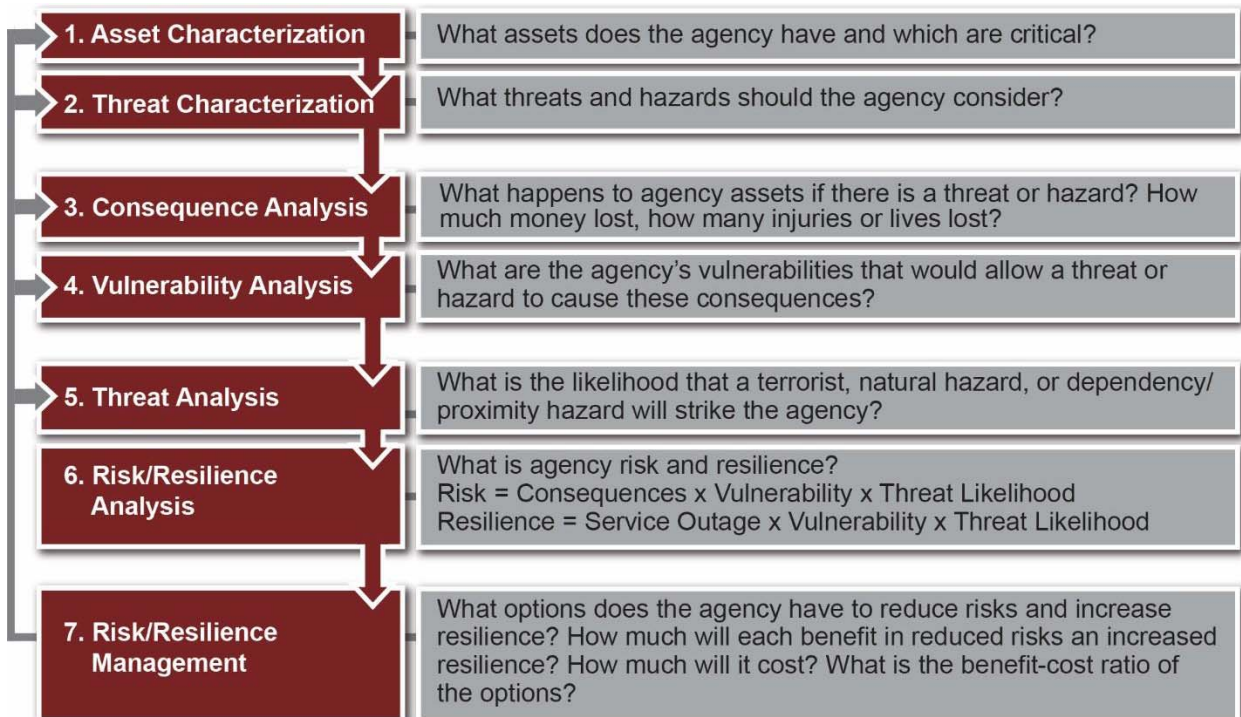
WEROC has taken on the extremely large task of assisting participating agencies by creating a shared services project with a single contract and reimbursement concept in a manner similar to completion of the Urban Water Management Plans, wherein MWDOC completed 25 plans via a single consultant contract. There are 24 agencies, including ETWD, participating in the MWDOC contract. Following a competitive proposal process, MWDOC issued a contract to Herndon Solutions Group (HSG).

In July, 2019, ETWD sent a letter of commitment to MWDOC indicating participation in the Phase 1 crosswalk and expected participation in Phase 2 and Phase 3 based on the outcome of Phase 1 and pending ETWD Board approval. ETWD department representatives subsequently met with HSG to discuss the goals and kick off Phase I of the project. ETWD has since provided requested documentation that has been reviewed by HSG to determine its completeness, currency and applicability to the current AWIA requirements. HSG provided ETWD with a draft crosswalk document that defines what resources and information the District already has and what the gaps are for compliance with the AWIA RRA and ERP requirements. Staff has reviewed the draft crosswalk and recommends that the District continue to Phase II with HSG to complete the AWIA RRA.

Phase 2 - Completion of the Risk and Resiliency Assessment (RRA)

Upon approval of the Agreement between MWDOC and ETWD, HSG will complete Phase II based on the results of the Phase I crosswalk analysis. Phase II proposes to use a PARRE software tool that will incorporate the data gathered in Phase I. Following completion of the project, District staff will continue to use the PARRE software tool to update the RRA as required on a five year cycle. HSG will incorporate the material that was identified as adequate in the Crosswalk and work with ETWD to obtain the information identified as gaps to complete Phase II. Completion of Phase II will include a draft and, following a review of the draft by District staff, a final RRA document, in accordance the industry standard for Risk and Resilience Assessments. The following overview of the Phase II process outlines the steps that will be included and considered by HSG and staff during the development of the RRA.

Phase II Overview



Upon completion of Phase II, District staff and HSG will evaluate the needs to complete any necessary update of the District's ERP. The Phase III update of the ERP will be tailored to ETWD needs based on the timing of the most recent update of the District's ERP. It should be noted that the District is currently performing an update of the existing ERP which should be complete early next year. ETWD currently expects to participate in the ERP update portion of the AWIA compliance effort at a low to medium level depending on the outcome of the current ERP update.

Project Costs

The District previously indicated to WEROC that it planned to participate in Phase II and Phase III of the AWIA project. Phase I is being performed at a cost of \$15,167. The proposed cost for Phase II, is \$83,577.

Agreement

The contract with the consultant is between MWDOC and HSG. All of the participating agencies are committing to the project through the execution of the "Agreement for Sharing Consultant Costs for 2019 AWIA Compliance Risk and Resiliency Assessments and Emergency Response Plans for Participating Agencies (Phases II and III)". The majority of the participating agencies have already approved the Agreement. Staff is seeking approval for the General Manager to execute the Agreement and thereby commit to Phase II of the AWIA compliance effort.

RECOMMENDATION

Recommended Action at the October 22, 2019 Board Meeting:

Staff recommends that the Board of Directors approve and authorize the General Manager to execute the "Agreement for Sharing Consultant Costs for 2019 AWIA Compliance Risk and Resiliency Assessments and Emergency Response Plans for Participating Agencies (Phases II and III)" between El Toro Water District and the Municipal Water District of Orange County.

AGREEMENT FOR SHARING CONSULTANT COSTS
FOR 2019 AWIA COMPLIANCE RISK AND RESILIENCY ASSESSMENTS AND
EMERGENCY RESPONSE PLANS FOR PARTICIPATING AGENCIES
(PHASES II AND III)

THIS AGREEMENT is made and entered into as of October 2019, by and between:

1. Irvine Ranch Water District
2. City of Santa Ana
3. South Coast Water District
4. City of Huntington Beach
5. City of Garden Grove
6. Moulton Niguel Water District
7. Santa Margarita Water District
8. City of Fullerton
9. City of Orange
10. East Orange County Water District
11. City of San Juan Capistrano
12. City of Westminster
13. City of Buena Park
14. Yorba Linda Water District
15. City of Tustin
16. City of Newport Beach
17. City of La Habra
18. City of Fountain Valley
19. City of San Clemente
20. El Toro Water District
21. City of Brea
22. City of Seal Beach
23. Trabuco Canyon Water District
24. Serrano Water District,

(collectively "Participating Agencies" and individually "Participating Agency") and the Municipal Water District of Orange County ("MWDOC"). The Participating Agencies and MWDOC are also collectively referred to as "Parties."

RECITALS

WHEREAS, per Section 2013 of Title II, America's Water Infrastructure Act ("AWIA"), utilities are required to design and complete an AWIA Compliance Crosswalk; conduct a Risk and Resilience Assessment ("RRAs") for their agency; and develop or update an Emergency Response Plan ("ERP"); and

WHEREAS, each Participating Agency has the responsibility under AWIA to conduct a RRA and prepare an ERP for its respective agency; and

WHEREAS, the Participating Agencies share many water supply characteristics, including water sources, regional water management agencies, location, climate history, and demographics; and

WHEREAS, the Participating Agencies and MWDOC desire to cooperate with each other to obtain economies of scale and thereby reduce preparation costs for each of the Participating Agencies in conducting RRAs and subsequently preparing or updating an ERP in response to AWIA requirements; and

WHEREAS, MWDOC and the Participating Agencies have jointly prepared and agreed to a Scope of Work that was incorporated into a Request for Proposals for AWIA Compliance Crosswalks, Risk and Resilience Assessments, and Emergency Response Plans for Orange County Water Utilities, issued Wednesday, May 15, 2019 ("RFP") and HSG, LLC, dba Herndon Solutions Group ("HSG" or "Consultant") was chosen as the successful consultant to prepare each Participating Agency's AWIA Compliance Crosswalk, RRA and ERP; and

WHEREAS, Consultant has been retained for three separate and distinct phases of work under the RFP; Phase I, Design and Completion of AWIA Compliance Crosswalks for each of the Participating Agencies; Phase II, conducting RRAs based on AWIA requirements, the Participating Agency's Specific AWIA Compliance Crosswalk and other materials provided by Participating Agencies; and Phase III, updating or creating an ERP for each of the Participating Agencies based on AWIA requirements, the Agency's current ERP, the Agency Specific AWIA Compliance Crosswalk, the Agency Specific RRA, and other materials provided by Participating Agencies; and

WHEREAS, Phase I is in the process of being completed under a separate arrangement for MWDOC and Participating Agencies, and the scope of work for Phases II and III will be finalized based on the results of Phase I and execution of this Agreement; and

WHEREAS, MWDOC and its staff are willing to coordinate this process, including the preparation and administration of a professional services agreement with the selected consultant; and the administration of the cost sharing provisions of this Agreement;

NOW, THEREFORE, in consideration of the payment of money as set forth below and the mutual promises of the Parties hereto, it is agreed:

1. Engagement of Consultant and Administration of Consultant Agreement

MWDOC has executed a professional services agreement for the work identified in the response to the Request for Proposals by HSG for purposes of Phases I, II and III of the RFP ("Consultant Agreement"), and this Agreement is necessary to budget the scope of services for each Participating Agency for Phases II and III along with other MWDOC costs, attached as **Exhibit A**. MWDOC has amended its standard professional services agreement form for the Consultant Agreement and required appropriate types and limits of insurance coverage. Each CGL policy shall identify MWDOC, the Participating Agencies, and their directors, officers, agents, employees, attorneys, consultants and volunteers as additional insureds, or be endorsed to identify these parties as additional insureds using a form acceptable to MWDOC. The Consultant Agreement requires the consultant's insurer(s) to waive all

rights of subrogation against MWDOC, the Participating Agencies, and their directors, officers, agents, employees, attorneys, consultants and volunteers. The Consultant Agreement requires Consultant to ensure that its sub-consultants, if any, provide similar insurance coverage.

1.2 MWDOC shall coordinate all aspects of the proposed work with Consultant and communicate with each Participating Agency, regularly and upon request of the Participating Agency, regarding the status and substance of Phases II and III;

1.3 MWDOC shall make payments to the Consultant for progress payments as work proceeds. MWDOC shall withhold 10% of each progress payment to Consultant in a retention fund until such time as every Participating Agency has notified MWDOC that it is satisfied with the final RRAs and ERPs prepared for it by Consultant.

1.4 Each Participating Agency shall provide all documents, information and assistance requested by Consultant during the performance of the Consultant Agreement.

1.5 The City of San Juan Capistrano agrees to add MWDOC as an additional protected party, pending approval by the City's insurance provider, the California Joint Powers Insurance Authority.

2. Cost Sharing by Participating Agencies.

2.1 MWDOC shall:

2.1.1 Collect from each Participating Agency upon execution of this Agreement or at other times as agreed upon between MWDOC and Participating Agency amounts that will total the full amount of the portion of the total cost allocated to that Participating Agency based on the Consultant's proposal and other MWDOC costs for Phases II and III, as attached in **Exhibit A**. The column labeled "Agency Estimated Total Phases 2 & 3 w/ Contingency" in **Exhibit A** includes, and each participating Agency agrees to, a 10% contingency which allows for minor variations in the cost of work as noted in Section 2.2.3 or for additional work that may be added by a Participating Agency per Section 2.2.2);

2.1.2 Inform each Participating Agency of any proposed extra work under the Consultant Agreement that relates to preparation of that Participating Agency's final RRAs and ERPs for Phases II and III and that would result in an increase in that Participating Agency's payment under this Agreement. MWDOC and the affected Participating Agency must both approve such extra work before MWDOC will notify Consultant to proceed with the work.

2.1.3 Be responsible for making progress payments directly to Consultant from funds paid to MWDOC by Participating Agencies (see section 1.3).

2.1.4 Prepare a final accounting and either distribute any remaining funds collected from the Participating Agencies back to the Participating Agencies or issue a final bill to Participating Agencies where there are funds due.

2.2 Each Participating Agency shall:

2.2.1 Pay to MWDOC upon execution of this Agreement or at other times as agreed upon between MWDOC and Participating Agency amounts that will total to the full amount of the portion of the total cost allocated to that Participating Agency in the selected contractor's proposal plus other MWDOC costs, as attached in **Exhibit A**;

2.2.2 Pay to MWDOC, upon prior written approval of any extra work under the Consultant Agreement that relates to preparation of its final RRAs and ERPs for Phases II and III, the full amount owed for the approved work. Each Participating Agency shall bear all costs associated with extra work it approves.

2.2.3 Note that as Participating Agencies decide to participate or not to participate in Phases II and III, the cost sharing of costs among the Participating Agencies for the Consultant and MWDOC's costs will vary somewhat from agency to agency. Information relative to adjustments in costs among Participating Agencies shall be shared on a periodic basis as decisions are being made by the various Participating Agencies. Also, because the timing of completion of the RRA and ERP vary among agencies, it is allowable to schedule the payment of an invoice for those smaller agencies desiring to pay their deposit out of next year's budget.

3. Accounting

Upon request of any Participating Agency, MWDOC will provide copies of the selected Consultant's invoices and MWDOC's payment records.

4. Independent Contractor

Any consultant engaged by MWDOC on behalf of the Participating Agencies as contemplated in this Agreement will not be a party to this Agreement and will not be an employee or agent of MWDOC or any of the Participating Agencies, either as a result of this Agreement or as a result of a professional services agreement between MWDOC and the consultant. Any consultant engaged as contemplated in this Agreement will be an independent contractor to MWDOC.

5. Warranty, Indemnification and Defense

MWDOC shall use its best efforts in administering the Consultant Agreement, but makes no representations, guarantees or warranties to the Participating Agencies as to the quality or timeliness of work product provided by Consultant pursuant to the Consultant Agreement. The Participating Agencies, and each of them, shall indemnify MWDOC, its directors, officers, employees and agents against, and will hold and save them harmless from, any and all actions, claims, penalties,

obligations or liabilities, in law or in equity, of every kind or nature whatsoever, that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of or in any manner directly or indirectly connected with any RRA, ERP, and/or any other work contemplated by this Consultant Agreement subject to AWIA. As between the Participating Agencies, any costs associated with the indemnity and defense obligations set forth in the previous two sentences shall be the financial responsibility of each Participating Agency based on the same pro rata basis as the allocation of costs set forth in Section 2.1.1 herein and **Exhibit A** hereto. In the event MWDOC, its directors, officers, employees and agents are made a party to any action or proceeding filed in connection with a challenge to any work prepared pursuant to the Consultant Agreement in connection with any RRA, ERP, and/or any other work contemplated by this Consultant Agreement subject to AWIA, the Participating Agency whose RRA, ERP or AWIA-related work is challenged shall provide a complete defense to MWDOC, its directors, officers, employees and agents and shall reimburse MWDOC for all costs and expenses incurred as a result of the action or proceeding, including reasonable attorney's fees.

6. Notice

Any notice or communication required to be given under this Agreement shall be in writing and effective when deposited, first class postage prepaid, with the United States Postal Service addressed to the contracting Parties as follows:

Notices to Parties	
If to:	
Municipal Water District of Orange County	Robert J. Hunter, General Manager Municipal Water District of Orange County 18700 Ward St. P.O. Box 20895 Fountain Valley, CA 92728
1. Irvine Ranch Water District	Paul Cook, General Manager Irvine Ranch Water District 15600 Sand Canyon Avenue Irvine, CA 92618
2. City of Santa Ana	Kristine Ridge, City Manager City of Santa Ana P.O. Box 1988, M-24 Santa Ana, CA 92702

<p>3. South Coast Water District</p>	<p>Rick Shintaku, General Manager South Coast Water District 31592 West Street Laguna Beach, CA 92651</p>
<p>4. City of Huntington Beach</p>	<p>Dave Kiff, City Manager City of Huntington Beach 2000 Main Street Huntington Beach, CA 92648</p>
<p>5. City of Garden Grove</p>	<p>Scott Stiles, City Manager City of Garden Grove P.O. Box 3070 Garden Grove, CA 92842</p>
<p>6. Moulton Niguel Water District</p>	<p>Joone Lopez, General Manager Moulton Niguel Water District 27500 La Paz Road P.O. Box 30203 Laguna Niguel, CA 92607-0203</p>
<p>7. Santa Margarita Water District</p>	<p>Dan Ferons, General Manager Santa Margarita Water District P.O. Box 7005 Mission Viejo, CA 92690</p>
<p>8. City of Fullerton</p>	<p>Ken Domer, City Manager City of Fullerton 303 W. Commonwealth Avenue Fullerton, CA 92832</p>
<p>9. City of Orange</p>	<p>Rick Otto, City Manager City of Orange 300 E. Chapman Ave Orange, CA 92866</p>
<p>10. East Orange County Water District</p>	<p>Lisa Ohlund, General Manager East Orange County Water District 185 N. McPherson Rd. Orange, CA 92869</p>
<p>11. City of San Juan Capistrano</p>	<p>Benjamin Siegel, City Manager City of San Juan Capistrano 32400 Paseo Adelanto San Juan Capistrano, CA 92675</p>

<p>12. City of Westminster</p>	<p>Eddie Manfro, City Manager City of Westminster 8200 Westminster Blvd. Westminster, CA 92683</p>
<p>13. City of Buena Park</p>	<p>Jim Vanderpool, City Manager City of Buena Park 6650 Beach Blvd. Buena Park, CA 90622</p>
<p>14. Yorba Linda Water District</p>	<p>Marc Marcantonio, General Manager Yorba Linda Water District 1717 E. Miraloma Ave. Placentia, CA 92870</p>
<p>15. City of Tustin</p>	<p>Matthew West, City Manager City of Tustin 300 Centennial Way Tustin, CA 92780</p>
<p>16. City of Newport Beach</p>	<p>Grace Leung, City Manager City of Newport Beach P.O. Box 1768 Newport Beach, CA 92663</p>
<p>17. City of La Habra</p>	<p>Jim Sadro, City Manager City of La Habra P.O. Box 337 La Habra, CA 90633-0337</p>
<p>18. City of Fountain Valley</p>	<p>Rob Houston, City Manager City of Fountain Valley 10200 Slater Ave. Fountain Valley, CA 92708</p>
<p>19. City of San Clemente</p>	<p>James Makshanoff, City Manager City of San Clemente 100 Avenida Presidio San Clemente, CA 92672</p>
<p>20. El Toro Water District</p>	<p>Dennis Cafferty, General Manager El Toro Water District P.O. Box 4000 Laguna Hills, CA 92654</p>

<p>21. City of Brea</p>	<p>Bill Gallardo, City Manager City of Brea 1 Civic Center Circle Brea, CA 92821</p>
<p>22. City of Seal Beach</p>	<p>Jill Ingram, City Manager City of Seal Beach 211 8th Street Seal Beach, CA 90740</p>
<p>23. Trabuco Canyon WD</p>	<p>Michael Perea, General Manager Trabuco Canyon Water District 32003 Dove Canyon Drive Trabuco Canyon, CA 92679</p>
<p>24. Serrano Water District</p>	<p>Jerry Vilander, General Manager Serrano Water District 18021 Lincoln Street Villa Park, CA 92861-6446</p>

7. Jurisdiction and Venue

In all matters concerning the validity, interpretation, performance, or effect of this Agreement, the laws of the State of California shall govern and be applicable. The Parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Orange County, California.

8. Counterparts and Facsimile

This Agreement may be executed by the Parties in counterparts, which counterparts shall be construed together and have the same effect as if all the Parties had executed the same instrument. Counterpart signatures may be transmitted by facsimile, email, or other electronic means and have the same force and effect as if they were original signatures. All parties have participated in the drafting of this Agreement.

9. Severability

If any provision of this Agreement shall be held illegal, invalid, or unenforceable, in whole or in part, the legality, validity, and enforceability of the remaining provisions shall not be affected thereby.

10. Term

This Agreement shall commence upon the date of the earliest execution by any Participating Agency below and shall extend thereafter through the completion of all work product generated by the Consultant and delivered to MWDOC and to each Participating Agency. The scheduled completion date by the Consultant is November 21, 2021. MWDOC shall issue a Notice of Completion to all Participating Agencies upon close-out of the Consultant Agreement. Notwithstanding anything to the contrary in this Section 10, this Agreement may be terminated earlier by MWDOC in its discretion upon or after termination of the Consultant Agreement.

11. Entire Agreement

This Agreement contains the entire agreement of the Parties relating to the subject matter hereof; and the Parties have made no agreements, representations, or warranties, either written or oral, relating to the subject matter hereof that are not set forth herein. Except as provided herein, this Agreement may not be modified or altered without prior written approval from both parties.

IN WITNESS WHEREOF, the Parties have hereunto affixed their names as of the day and year hereinafter written, which shall be and is the effective date of this Agreement.

Execution of Agreement by Parties	
Municipal Water District of Orange County	<p>Date: _____</p> <p>By: _____ Robert J. Hunter, General Manager Municipal Water District of Orange County</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ Joseph Byrne General Counsel</p>

<p>1. Irvine Ranch Water District</p>	<p>Date: _____</p> <p>By: _____ Paul Cook, General Manager Irvine Ranch Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ General Counsel</p>
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<p>2. City of Santa Ana</p>	<p>Date: _____</p> <p>By: _____ Kristine Ridge, City Manager City of Santa Ana</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>3. South Coast Water District</p>	<p>Date: _____</p> <p>By: _____ Rick Shintaku, General Manager South Coast Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ Arthur Kidman General Counsel</p>
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<p>4. City of Huntington Beach</p>	<p>Date: _____</p> <p>By: _____ Dave Kiff, City Manager City of Huntington Beach</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>5. City of Garden Grove</p>	<p>Date: _____</p> <p>By: _____ Scott Stiles, City Manager City of Garden Grove</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>6. Moulton Niguel Water District</p>	<p>Date: _____</p> <p>By: _____ Joone Lopez, General Manager Moulton Niguel Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ General Counsel</p>
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<p>7. Santa Margarita Water District</p>	<p>Date: _____</p> <p>By: _____ Dan Ferons, General Manager Santa Margarita Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ General Counsel</p>
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<p>8. City of Fullerton</p>	<p>Date: _____</p> <p>By: _____ Ken Domer, City Manager City of Fullerton</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>9. City of Orange</p>	<p>Date: _____</p> <p>By: _____ Rick Otto, City Manager City of Orange</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ Gary Sheatz City Attorney</p>
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<p>10. East Orange County Water District</p>	<p>Date: _____</p> <p>By: _____ Lisa Ohlund, General Manager East Orange County Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ General Counsel</p>
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<p>11. City of San Juan Capistrano</p>	<p>Date: _____</p> <p>By: _____ Benjamin Siegel, City Manager City of San Juan Capistrano</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>12. City of Westminster</p>	<p>Date: _____</p> <p>By: _____ Eddie Manfro, City Manager City of Westminster</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>13. City of Buena Park</p>	<p>Date: _____</p> <p>By: _____ Jim Vanderpool, City Manager City of Buena Park</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>14. Yorba Linda Water District</p>	<p>Date: _____</p> <p>By: _____ Marc Marcantonio, General Manager Yorba Linda Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ Arthur Kidman General Counsel</p>
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<p>15. City of Tustin</p>	<p>Date: _____</p> <p>By: _____ Matthew West, City Manager City of Tustin</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>16. City of Newport Beach</p>	<p>Date: _____</p> <p>By: _____ Grace Leung, City Manager City of Newport Beach</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>17. City of La Habra</p>	<p>Date: _____</p> <p>By: _____ Jim Sadro, City Manager City of La Habra</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>18. City of Fountain Valley</p>	<p>Date: _____</p> <p>By: _____ Mayor, Steve Nagel City of Fountain Valley</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ Attorney for the City, Colin Burns</p>
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<p>19. City of San Clemente</p>	<p>Date: _____</p> <p>By: _____ James Makshanoff, City Manager City of San Clemente</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>20. El Toro Water District</p>	<p>Date: _____</p> <p>By: _____ Dennis Cafferty, General Manager El Toro Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ Gil Granito General Counsel</p>
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<p>21. City of Brea</p>	<p>Date: _____</p> <p>By: _____ Bill Gallardo, City Manager City of Brea</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>22. City of Seal Beach</p>	<p>Date: _____</p> <p>By: _____ Jill Ingram, City Manager City of Seal Beach</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ City Attorney</p>
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<p>23. Trabuco Canyon Water District</p>	<p>Date: _____</p> <p>By: _____ Michael Perea, General Manager Trabuco Canyon Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ General Counsel</p>
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<p>24. Serrano Water District</p>	<p>Date: _____</p> <p>By: _____ Jerry Vilander, General Manager Serrano Water District</p> <p>Approved as to Form:</p> <p>Date: _____</p> <p>By: _____ Joel Kuperberg General Counsel</p>
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Exhibit A
List of Potential Participating Agencies - TOTAL Estimated as of August 13, 2019 Including 10% Contingency
Note: totals may change when final participation is known

AWIA Scope of Services Selection									
Orange County Potable Water Jurisdictions	Population	AWIA RRA Deadline	Phase 1 Crosswalk Under Separate Invoicing	Phase 2 Risk and Resilience Assessment	Phase 3 Emergency Response Plans			Agency Estimated Total Phases 1, 2 & 3	Agency Estimated Total Phases 2 & 3 w/ Contingency
					Low	Medium	High		
COSTS			\$15,205	\$83,662	\$14,801	\$33,085	\$61,743		
Municipal Water District of Orange County	2,300,000	3/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748
Irvine Ranch Water District	412,933	3/31/2020	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463
Santa Ana, City of	338,247	3/31/2020	\$15,205	\$83,662	\$0		\$61,743	\$160,610	\$145,405
South Coast Water District	257,386	3/31/2020	\$15,205	\$83,662		\$33,085	\$0	\$131,953	\$116,748
Huntington Beach, City of	201,000	3/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748
Garden Grove, City of	174,226	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
Moulton Niguel Water District ***	171,856	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
Santa Margarita Water District	159,104	3/31/2020	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463
Fullerton, City of	140,392	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
Orange, City of	140,094	3/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748
Mesa Water District	110,000	3/31/2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0
East Orange County Water District ***	100,000	3/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
San Juan Capistrano, City of **	34,593	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
Westminster, City of	93,179	12/31/2020	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463
Buena Park, City of	83,347	12/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748
Yorba Linda Water District ***	80,067	12/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748
Tustin, City of	68,088	12/31/2020	\$15,205	\$83,662	\$0	\$33,085	\$0	\$131,953	\$116,748
Newport Beach, City of ***	66,800	12/31/2020	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463
La Habra, City of	63,118	12/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
Fountain Valley, City of	59,227	12/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
San Clemente, City of	51,522	12/31/2020	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
El Toro Water District	49,054	6/30/2021	\$15,205	\$83,662	\$14,801	\$0	\$0	\$113,668	\$98,463
Brea, City of	43,328	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
Seal Beach, City of	25,561	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
Laguna Beach County Water District	23,000	6/30/2021	\$0	\$0	\$0	\$0		\$0	\$0
La Palma, City of	15,948	6/30/2021	\$0	\$0	\$0		\$0	\$0	\$0
Trabuco Canyon Water District	12,712	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
Serrano Water District	6,641	6/30/2021	\$15,205	\$83,662	\$0	\$0	\$61,743	\$160,610	\$145,405
			\$380,125	\$2,091,558	\$74,006	\$231,598	\$802,653		
TOTAL PROJECT								\$3,579,940	\$3,199,815

*** Agencies cannot yet commit for Phases 2 & 3 until completion of Phase 1 or Board Approval. Expected ultimate participation level is shown.



STAFF REPORT

TO: BOARD OF DIRECTORS

MEETING DATE: October 22, 2019

FROM: Bobby Young, Project Engineer

SUBJECT: Capital Project / Equipment Status Report

I Oso Lift Station Improvement Project

The project design is complete.

The design of the Oso Lift Station Improvement Project requires the expansion of the lift station site footprint by ten feet on the northeast side of the property. The proposed lot line adjustment from the City of Laguna Woods required approval from 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. The County Board of Supervisors approved the lease amendment on July 30th.

The City of Laguna Woods worked with the State Coastal Conservancy to secure approval of the lot line adjustment and has finalized the requirements. The Coastal Conservancy requested that the City and District enter into an agreement with terms specified by the Coastal Conservancy. The City approved the Agreement at the October 16th meeting of the City of Laguna Woods City Council. The Agreement is on the October Engineering Committee agenda for approval by the District Board.

District staff worked with Moulton Niguel Water District regarding an Agreement for a proposed emergency overflow connection from the Oso Lift Station to the nearby MNWD sewer collection system. The MNWD Board approved the Overflow Agreement on August 22nd. The Overflow Agreement is on the October Engineering Committee agenda for approval by the District Board.

Staff is preparing to begin the construction bid solicitation process in conjunction with sending out requests for proposals for construction management services. Staff intends to bring the construction contract to the Board for approval in December.

II Phase II Recycled Water Distribution System Expansion Project

Staff continues to work with the State Division of Drinking Water (DDW) to secure approval of the retrofit plans. The East Side System plans were approved by DDW on August 20th. The West Side System plans have been submitted to DDW and are currently being reviewed. Certain 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 began the cross-connection testing, associated with the on-site retrofits in the East Side System, with County Health and DDW on September 23rd. Staff continues to work with the County for all testing requirements and is making progress with the site conversions. Following the completion of the cross connection tests and subsequent approval by County Health at each individual site, the District’s contractor makes the final connection of the recycled water supply to the existing irrigation system. There are currently 3 recycled water meters in service delivering recycled water for irrigation uses in the United Mutual Gate 5/6 area.

Staff has submitted applications for the Metropolitan Water District On-Site Retrofit Rebate Program for all of the sites in the East Side System.

III Laboratory Certification Update

ETWD lab personnel continue to perform analyses at the SOCWA lab, thereby minimizing the costs of the outsource effort with a private lab.

Staff has been informed that the final draft of the ELAP assessment report is being reviewed by ELAP management staff. While waiting for the final report, ETWD staff has been working diligently to prepare responses to the draft report previously provided to the District and expects a very short turnaround to reply to the final report once it is received.

Staff is concurrently working to complete a series of ELAP required laboratory analyses that must be performed and completed to demonstrated capability and competency.

IV Filter Site Use Plan Project

Staff met with the consultant, Brady, for a Kick-Off meeting and received a preliminary project schedule which shows the submittal of a draft report in January, 2020.

V Aliso Creek Lift Station Skid Pump and Trailer Mounted Emergency Pump

The pumps have been ordered and are expected to be received in October. The acquisition of the pump appurtenances as well as the contract for the installation of the Aliso Creek Pump will be timed to coincide with the pump delivery.

VI South Orange County Supply and System Reliability Projects

A. Baker Water Treatment Product Water Conveyance Options

MNWD issued a contract to Tetra Tech to perform a surge and water quality analysis of the South County Pipeline to verify there are no fatal flaws in the proposed addition of the new turnouts. MNWD and ETWD staff will soon commence drafting an MOU to define the terms of the joint project. 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. Irvine Lake – Baker Supply

There have been discussions about the possibility of storing water in Irvine Lake that could be used to sustain 60 days of supply to the Baker Plant in the event of an interruption of raw water supply from MWD. Issues under consideration include the on-going costs of water lost due to evaporation and any overflows of the Lake as well as capital and maintenance costs associated with the use of the Irvine Lake facilities. Staff has met several times with the Baker Partners to discuss the details of a proposal for the potential use of Irvine Lake for emergency storage. A meeting has been scheduled for early November between the Baker Partners, inclusive of IRWD, and Serrano Water District to further discuss the terms of the Irvine Lake storage proposal.

C. Poseidon HB Ocean Desalination Project

Poseidon continues to engage the Santa Ana Regional Water Quality Board for consideration of their NPDES Permit renewal. 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.

Total Net Project Unit Cost inclusive of a MWD LRP Subsidy of \$475/AF to deliver 10 MGD to SOC is estimated to be \$2,125/AF and to deliver 20 MGD to SOC is estimated to be \$1,825/AF.

OCWD has requested that any agency considering participation in the Poseidon project execute a Memorandum of Understanding (MOU). The MOU will not represent a contractual commitment to the project, but it will require approval by governing boards. In light of the considerable time, money and effort OCWD anticipates expending to finalize a project distribution plan OCWA believes an MOU will give them greater confidence in knowing which agencies are serious about the project and ultimately negotiating and considering a final water purchase agreement.

Staff and District General Counsel are reviewing a draft MOU as well as the available information regarding the project. Staff proposes to present an analysis of the project, along with other potential storage and supply projects, to the ETWD Board during the upcoming strategic planning effort. Staff notified OCWD and Poseidon that the District's consideration of the MOU will not be complete until later in the year.

It is Staff's understanding that SMWD and MNWD have agreed to execute the MOU and indicated a potential non-binding interest in the following capacities:

MNWD	2,000 acre feet per year
SMWD	1,000 acre feet per year

**F.Y. 2019/20 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>2019/20 Capital Projects (reference number corresponds with Approved Budget item numbers)</i>															
3	P-3 New MCC w/ TS, Nema 3R Main & Generator and Pump Replacements													\$480,000	
7	Grit Chamber Rehab/Re-Coating													\$85,000	
9	AMR / AMI Implementation													\$200,000	
update after Strategic Meeting															
<i>Carryover / Deferred</i>															
	Oso Lift Station Improvement Project (Construction, CM)													\$1,000,000	
	Caltrans Widening Utility Relocations													\$295,400	
	AWIA Compliance - Phase II													\$83,577	
	Reconstruct (West Side) Drainage Swayle at the Holding Pond													\$68,250	
	Clarifier No. 3 and 4 scum pump station													\$350,000	
	Master Plan Update													\$350,000	
	Old Treatment Plant / Clear Well Demo													\$400,000	\$133,143
<i>2019/20 Capital Equipment (reference number corresponds with Approved Budget item numbers)</i>															
3	OOPS Emergency Generator Replacement													\$220,000	
8	Dump Truck/Traffic Control Truck (Unit 4)													\$80,000	
10	Nimble Storage Array Replacement													\$75,000	
Total													\$3,687,227	\$133,143	

E = Engineering/Study
C = Construction
O = Order
N = Negotiate

R = Receive
P = Permit
CQ = CEQA
CO = Carry Over

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

ET = Evaluate
M = Monitoring
BP = Board Presentation

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

September 24, 2019

President Vergara called the Meeting of the Board of Directors of the EL TORO WATER DISTRICT to order at 7:30 o'clock a.m. on September 24, 2019.

Present at today's meeting were Committee Members JOSE F. VERGARA, MARK MONIN, KATHRYN FRESHLEY, MIKE GASKINS, and KAY HAVENS.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, BOBBY YOUNG, Project Engineer, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, MARY BETH REDDING, Bartel & Associates, RACHAEL SANDERS, PARS, and CAROL MOORE, Laguna Woods City Councilmember.

Pledge of Allegiance

Vice President Monin led in the Pledge of Allegiance.

Oral Communication

There were no comments.

Items Received too Late to be Agendized

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

Finance Committee Meeting

At approximately 7:35 o'clock a.m. Vice President Monin called the Finance Committee meeting to order.

Consent Calendar

- a. Consider approving the August 20, 2019 Finance Committee meeting minutes
- b. Consider accepting and filing the quarterly audit of the District's financials for the period from April 1, 2019 to June 30, 2019 as presented by the PUN Group

Vice President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Havens and unanimously carried across the Board to approve the Consent calendar.

Roll Call Vote:

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

Approval of Items Removed from Today's FIC Consent Calendar

There were no items removed.

Other Post Employment Benefits (OPEB) Actuarial Valuation

Ms. Shahbakhti introduced Ms. Mary Beth Redding from Bartel & Associates.

Ms. Redding presented an update on the OPEB Actuarial Valuation. She further stated that the purpose of the Valuation is to determine the liability associated with the Retiree Health Care Benefit.

Ms. Redding stated that the Valuation quantifies the current and future value of the Healthcare benefits. She further stated that the value is projected by life expectancy, and whether employees will get the benefits, or leave the District before they become eligible.

Ms. Redding stated that the new accounting standard as of June 30, 2019 is GASB 75. She also stated that there is no dental, vision, or life insurance retiree benefit.

Ms. Redding stated that ETWD has 61 active employees, and 22 retirees, for a total of 83 participants.

Ms. Redding stated that the total OPEB liability for fiscal year ending June 30, 2018 was \$11,191,763 and in June 30, 2019 was \$15,204,470. She further stated that the expected changes for the year include Service Costs, Interest, and Benefits payments. Demographics are also included in changes in OPEB liabilities.

Public Agency Retirement Services (PARS) Presentation

Ms. Shahbakhti introduced Ms. Rachael Sanders of PARS who provided an update on opportunities to prefund some portion of the District's OPEB liability through the PARS OPEB Trust Program.

Ms. Sanders stated that the PARS Trust is set up as a compliant, irrevocable Section 115 Trust to prefund employee benefit plan obligations. She further stated that these contributions can be used for reimbursing the District for OPEB contributions, transferring assets to retirees or health care provider, and paying plan expenses.

Ms. Sanders stated that they work with US Bank as the Trustee, and HighMark as the Investment Manager. She further stated that the Trust is tax exempt.

Ms. Sanders stated that for every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%. She further stated that there is a greater rate of return which lowers liability. Contributions are offset liabilities on the financial statements.

Ms. Sanders stated that prefunding has no downside other than market fluctuation, similar to pensions. She further stated that the District maintains oversight of the investment manager and risk tolerance level.

Vice President Monin asked if there is another choice of Investment Manager other than HighMark. Ms. Sanders replied that there is also Citizens Trust.

Director Havens asked if the fees include any passive management numbers. Ms. Sanders replied no they do not include passive management numbers, but she will send the numbers to staff.

Ms. Sanders stated that staff will receive quarterly reports, as well as an annual report.

Ms. Sanders stated that the steps to implementation include: the Board authorizing establishment of the PARS Trust and appointing a Plan Administrator, PARS providing legal documents for signature by the Plan Administrator, the District developing an investment policy and guidelines for the Investment Manager, the Board approving an initial deposit to the PARS Trust, the District developing policies and procedures for future annual contributions and/or disbursements (optional), and PARS to conduct an annual client service review.

Mr. Granito asked if PARS is a fiduciary. Ms. Sanders replied that US Bank is the Trustee.

Finance Action Items

Finance Report

Vice President Monin asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director Freshley, and unanimously carried across the Board to 1) approve, ratify, and confirm payment of those bills as set forth in the schedule of bills for consideration dated September 24, 2019, and 2) receive and file the Financial Statements for the period ending August 31, 2019.

Roll Call Vote:

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

Solicitation Process for the 2020/21 Fiscal Year Annual Audit

Mr. Cafferty stated that historically in past practice, the District has changed auditors on a 5-year cycle. He further stated that the California Government Code states that a District must change auditors every 6 years, and if we change audit partners we could continue with the same audit firm.

Mr. Cafferty stated that staff developed an RFP and discussed with the Board whether or not we would include our current auditor, the PUN Group, which are in their 5th year with the District, in the package.

Mr. Cafferty stated that staff is suggesting that we continue with our current auditor for a 6th year, and then put out an RFP for a new auditor which would not include the PUN Group.

Director Gaskins asked if we could use the extra year to research information on other audit firms. Vice President Monin stated that the Audit Committee would review the list of audit firms. Director Gaskins stated that he could support staff's suggestion

as long as the time was spent reviewing the list of audit firms.

Motion: Director Freshley made a Motion to stay with the PUN Group for one more year. There was no second so therefore the Motion failed.

President Vergara stated that he would like to understand why we are moving away from the past policy of a 5-year term, and asked if it is because we are comfortable with the PUN Group. Mr. Cafferty replied that the PUN Group does a thorough investigation, and there is a transition requirement and draw on resources to make a change.

Director Freshley stated that she suggested staying with the PUN Group because it is less costly in staff time.

President Vergara stated that the auditors keep us honest and transparent and ensure that staff is doing their job correctly. He further stated that he feels we should change the auditors every 5 years.

Vice President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Gaskins and unanimously carried across the Board to solicit proposals for a new auditor to perform the annual audit of the District's financial records for the 2020/21 fiscal year.

Roll Call Vote:

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

Finance Information Items

Tiered Water Usage and Revenue Tracking

Ms. Shahbakhti stated that included in the package are the months of July and August water usage by class, year to date, and Tiers.

Comments Regarding Non-Agenda FIC Items

There were no comments.

Close Finance and Insurance Committee Meeting

At approximately 8:43 o'clock a.m. the FIC meeting was closed.

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

JOSE F. VERGARA, President
of the El Toro Water District and the
Board of Directors thereof

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

EL TORO WATER DISTRICT INSURANCE UPDATE

October 2019

Liability Program

There is nothing new to report this quarter.

Property Insurance

Coverage on the District's property program renewed as of July 1, 2019. Premium this year is \$65,270.86 which is higher than last year's premium of \$61,600.00. Budget for 2019-2020 is \$70,000.00 which is \$4,729.14 under budget.

Excess Crime

This coverage was renewed on July 1, 2019 for another year. Our premium is the same as last year which is \$1,900.00. Coverage includes Public Employee "Dishonesty, forgery or alteration, Computer Fraud, Faithful Performance of Duty and Pension Plans. The Treasurer and Board Members are included under the coverage as well.

Underground Storage Tank Pollution Liability

This coverage was renewed July 1, 2019. Our premium is \$1,419.00. The budget for Underground Storage Tank is \$1,350.00 which is over budget.

Dam Failure Liability

JPIA 2019-2020 renewal premium invoice has been delayed due to current insurance market conditions. The Dam Failure Liability group purchase program is not a pooled program and a pooled program and all premium costs are passed onto the participating Members. They are working with our broker AON Risk Services to finalize the renewal pricing.

Fiduciary Liability Policy

There is nothing new to report this quarter.

Liability & Property Claim

1. Southern California Edison's Claim is being paid by Traveler's Insurance on behalf of E. J. Meyers. This should settle this claim.
2. On July 11, 2019 an ETWD one of our drivers was in the Laguna Hills Post Office parking lot and had an accident with another vehicle. He was backing out of a parking spot when he hit this vehicle. This claim was sent to JPIA and has been settled.

Workers' Compensation Policy

The Workers' Compensation Policy was renewed as of July 1, 2019 and runs through June 30, 2020. The District's experience modification rate is down from 0.83 to 0.64 for FY 19/20.

Workers' Compensation Claims

There were no worker's compensation claims this quarter.

Medical Insurance

The District offers three medical plans as follows:

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

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

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

Average cost per month per employee for the first quarter is \$1367.00.

Vision Insurance

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

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

Dental Insurance

The District provides dental coverage with Delta Dental. Our dental insurance pays up to \$1,500 for the upcoming year for covered services. All preventative services are offered every six months with the copay waived.

Average cost per month per employee for the first quarter is \$82.42.

Long and Short Term Disability Insurance

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

Both Short and Long Term Disability Programs are paid by the District and provides disability payments up to 66 2/3 of an employee's weekly or monthly salary if the claim is approved.

Average cost per month per employee for the first quarter is \$48.89.

Long Term Care Insurance

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

Average cost per month per employee for the first quarter is \$8.73.

Life Insurance Coverage

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

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

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

Average cost per month per employee for the first quarter is \$38.84.

Employee Assistance Program (EAP) Coverage

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

The cost per month per employee for the first quarter is \$1.70.

An insurance report of Budget vs. Actual Costs for fiscal year 2019/20209 is attached for the Board's review as well as a summary of currently held District insurance policies.

Submitted by:
Nancy Laursen
Judy Cimorell

Budget vs. Actual - Q1 2019/2020
10/1/2019

	Annual Budget	Actual Paid to Date	Difference
Insurance Coverage			
Liability	\$150,000	\$172,271	\$22,271
Property	\$70,000	\$70,172	\$172
Fiduciary Liability	\$6,300	\$6,143	(\$157)
(Pd 2 years 9/2018 - 8/2020)			
Dam Ins. (includes Excess)	\$21,405	\$0	(\$21,405)
less SMWD- 50% &	(\$7,950)	\$0	\$7,950
MNWD 5% - R-6	(\$795)	\$0	\$795
Underground Storage Tank	\$1,350	\$1,193	(\$157)
Excess Crime	\$1,750	\$1,734	(\$16)
Total Insurance	\$242,060	\$251,513	\$9,453

	Annual Budget	Q1 Budget	Accumulative Q1 Actual	Difference
Benefits - Directors				
Long Term Care	\$18,264	\$4,566	\$2,867	(\$1,699)
Dental	\$4,625	\$1,156	\$695	(\$462)
Vision	\$1,049	\$262	\$258	(\$4)
Life	\$173	\$43	\$35	(\$8)
Total Benefits Directors	\$24,111	\$6,028	\$3,855	(\$2,173)

Retiree Benefits				
Medical	\$322,321	\$80,580	\$71,448	(\$9,132)
Employee paid	(\$32,232)	(\$8,058)	(\$7,145)	\$913
Anthem Supplement	\$0	\$0	\$0	\$0
Total retiree benefits	\$290,089	\$72,522	\$64,303	(\$8,219)

Employee Benefits				
Emp.Assistance Program	\$1,224	\$306	\$299	(\$7)
Medical	\$1,203,295	\$300,824	\$272,111	(\$28,713)
Emp. Co-pay	(\$88,109)	(\$22,027)	(\$21,654)	\$373
Life/AD&D	\$28,741	\$7,185	\$7,107	(\$78)
Dental	\$59,988	\$14,997	\$15,083	\$86
Vision	\$12,445	\$3,111	\$3,132	\$21
LTD/STD	\$36,650	\$9,163	\$8,947	(\$216)
LTC	\$8,646	\$2,162	\$2,091	(\$71)
LTC-Emp. Paid	(\$2,598)	(\$650)	(\$492)	\$157
Workers comp.	\$135,000	\$33,750	\$21,725	(\$12,025)
Total Employee Benefits	\$1,395,282	\$348,821	\$308,350	(\$40,471)

SUMMARY OF COVERAGE

Type of Coverage	<u>GENERAL LIABILITY</u>	Coverage Term: 10/19-20
Coverage Includes	1. Commercial General Liability 2. Contractual Liability 3. Products/Completed Operations 4. Personal Injury	Premium - \$172,271
Coverage Limits	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110

Type of Coverage	<u>AUTO LIABILITY</u>	Coverage Term: 10/19-20
Coverage Includes	1. Owned Automobiles/Trucks 2. Non-owned Automobiles/Trucks 3. Hired Automobiles/Trucks	Premium - Included
Coverage Limits	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110

Type of Coverage	<u>PUBLIC OFFICIALS LIABILITY</u>	Coverage Term: 10/19-20
Coverage Includes	1. Errors & Omissions	Premium - Included
Coverage Limits	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110

Type of Coverage	<u>PROPERTY</u>	Coverage Term: 7/19 - 20
Coverage Includes	1. Basic Property Values- Building, Fixed Equipment, Personal Property 2. Mobile Equipment Value 3. Licensed Vehicle - Comprehensive & Collision - Private Passenger, Light Truck, Sport Utility, Other Vehicles	\$65,271
Automobile Physical Damage Comprehensive - 83 Vehicles Collision - 83 Vehicles		
Coverage Limits	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110

Type of Coverage	<u>EXCESS CRIME PROGRAM</u>	Coverage Term: 7/19 - 20
Coverage Includes	<ol style="list-style-type: none"> 1. Public Employee Dishonesty 2. Forgery or Alteration 3. Computer Fraud 4. Faithful Performance of Duty 5. Treasurer/Tax Collector/Board Members (included) 	Premium - \$1,900
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>UNDERGROUND STORAGE TANK POLLUTION LIABILITY</u>	Coverage Term: 7/19 - 20
Coverage Includes	<ol style="list-style-type: none"> 1. Claims-Made 2. Environmental Incident 	Premium - \$1,419
Covers 1 Tank Located at: 23542 Moulton Parkway Laguna Woods, CA 92637		
Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>DAM FAILURE LIABILITY</u>	Coverage Term: Pending
Coverage (Includes Excess Ins. for El Toro Reservoir)	<ol style="list-style-type: none"> 1. Bodily Injury 2. Property Damage 	Premium - \$0
Covers: El Toro Reservoir Rossmoor Dam		
Coverage Limits	Insurance Carrier	Policy Number
\$20 Million – ETWD & Rossmoor	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>FIDUCIARY LIABILITY</u>	Coverage Term: 9/18-20
Coverage Includes	<ol style="list-style-type: none"> 1. Executive Protection Policy 	Premium - \$12,327
2 years Pre-paid Premium		
Parent Organization: ETWD Retirement Savings Plan & Trust Agreement		
Coverage Limits	Insurance Carrier	Policy Number
	Travelers Casualty & Surety Co. of America	105992703

Type of Coverage	<u>WORKERS' COMPENSATION</u>	Coverage Term: 7/19 - 6/20
Coverage Includes	1. Coverage A - Workers' Compensation 2. Coverage B - Employer's Liability	Premium - Paid Quarterly Varies per Payroll
Coverage Limits Coverage A \$0 - \$2 Million \$2 Million to Statutory	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110
Coverage Limits Coverage B \$0 - \$2 Million \$2 Million excess of \$2 Million SIR	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110

Type of Coverage	<u>LIFE & ACCIDENT</u>	1st Quarter Premium \$7,141
Coverage Includes	Coverage - 2 X Annual Income (Max. of \$300,000)	
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218807
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

Type of Coverage	<u>LONG / SHORT TERM DISABILITY</u>	1st Quarter Premium \$8,947
Coverage Includes	66 2/3 Insured Earnings Max. of \$10,000	
Insurance Carrier	Lincoln National Life Insurance Co.	Policy # 10218808
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	30 Days STD 90 Days or 9 Weeks LTD	

Type of Coverage	<u>LONG TERM CARE</u>	1st Quarter Premium \$1,599
Coverage Includes	\$2,500/Month \$150,000 Total Benefit	
Insurance Carrier	UNUM	Policy # 220384
Eligibility Period	1 Year After Hire	
Plan Wait or Deductible	365 Days	

Type of Coverage	<u>PERSONAL ACCIDENT INSURANCE</u>	1st Quarter Premium Employee Paid
Coverage Includes	\$50,000 or \$100,000	
Insurance Carrier	INA	Policy # OKH-1253-56
Eligibility Period	Optional	
Plan Wait or Deductible	None	

Type of Coverage	<u>DENTAL</u>	1st Quarter Premium \$15,778
Coverage Includes	\$25.00 or \$50.00/Family	
Insurance Carrier	Delta Dental Plan of California	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

Type of Coverage	<u>MEDICAL</u>	1st Quarter Premium \$314,941
Coverage Includes	HMO or PPO by Employee Choice	
Insurance Carrier	Anthem Blue Cross / Kaiser Insurance thru ACWA	Policy #229CA
Eligibility Period	1 Month After Hire	
Plan Wait or Deductible	30 Days	

* Premium includes employees and retirees

Type of Coverage	<u>VISION</u>	1st Quarter Premium \$3,390
Coverage Includes	Annual Exam/Frame Every 2 Years	
Insurance Carrier	Vision Service Plan thru ACWA	Policy #399-1012
Eligibility Period	2 Months After Hire	
Plan Wait or Deductible	60 Days	

EL TORO WATER DISTRICT
FINANCIAL REPORT
October 22, 2019

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**EL TORO WATER DISTRICT
BALANCE SHEET**

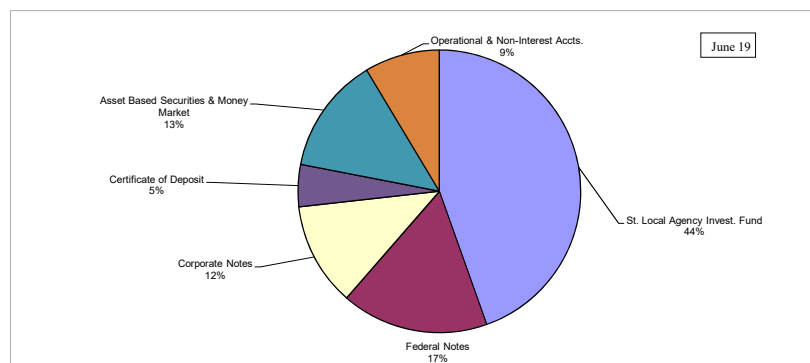
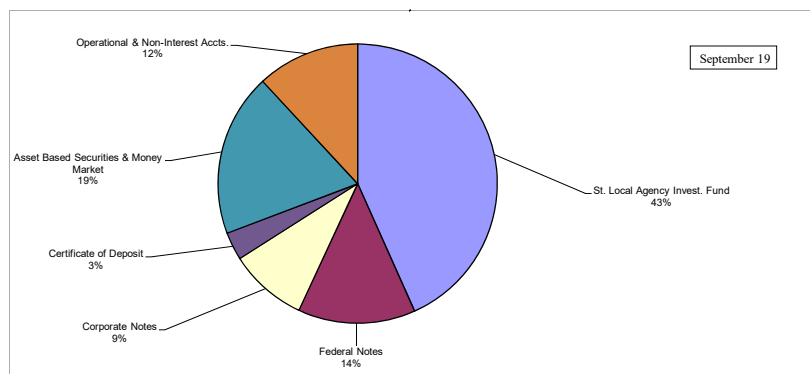
	9/30/19 (Unaudited)	June 30, 2019 (Unaudited)
ASSETS		
Current Assets		
Cash & Investments	\$8,570,050	\$6,760,545
Receivables:		
Accounts Receivable	3,420,925	3,277,036
Notes Receivable	-	-
Inventories	625,269	654,177
Prepaid Expenses	273,207	110,560
Total Current Assets	12,889,451	10,802,318
Restricted Assets		
Cash & Investments	12,349,821	13,099,458
Total Restricted Assets	12,349,821	13,099,458
Non-Current Assets		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	114,380,885	114,124,824
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,846,877	34,806,127
Total Utility Plant	163,265,437	162,968,625
Less Accumulated Depreciation & Amortization	(76,441,186)	(75,286,504)
Net Utility Plant	86,824,251	87,682,121
Construction Work in Progress	6,866,337	6,841,709
Notes Receivable	-	-
Deffered Outflow OPEB	3,337,168	-
Total Non-current Assets	97,027,756	94,523,830
TOTAL ASSETS	\$122,267,028	\$118,425,606

**EL TORO WATER DISTRICT
BALANCE SHEET**

	9/30/19 (Unaudited)	June 30, 2019 (Unaudited)
LIABILITIES and EQUITY		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,675,552	\$1,591,429
Current Portion of Long-Term Debt	1,819,991	6,180
Other Current Liabilities	2,541,910	1,694,362
Total Current Liabilities Payable		
From Current Assets	6,037,452	3,291,971
Long Term Debt		
Long Term Debt	51,149,798	49,304,045
Total Long Term Debt	51,149,798	49,304,045
Total Liabilities	57,187,250	52,596,016
Fund Equity		
Retained Earnings - Reserved	17,034,893	17,034,893
Contributed Capital	8,744,767	8,744,767
Retained Earnings - Unreserved	38,773,389	36,941,072
Net Income	526,728	3,108,858
Total Fund Equity	65,079,778	65,829,590
Total Liabilities & Fund Equity	\$122,267,028	\$118,425,606

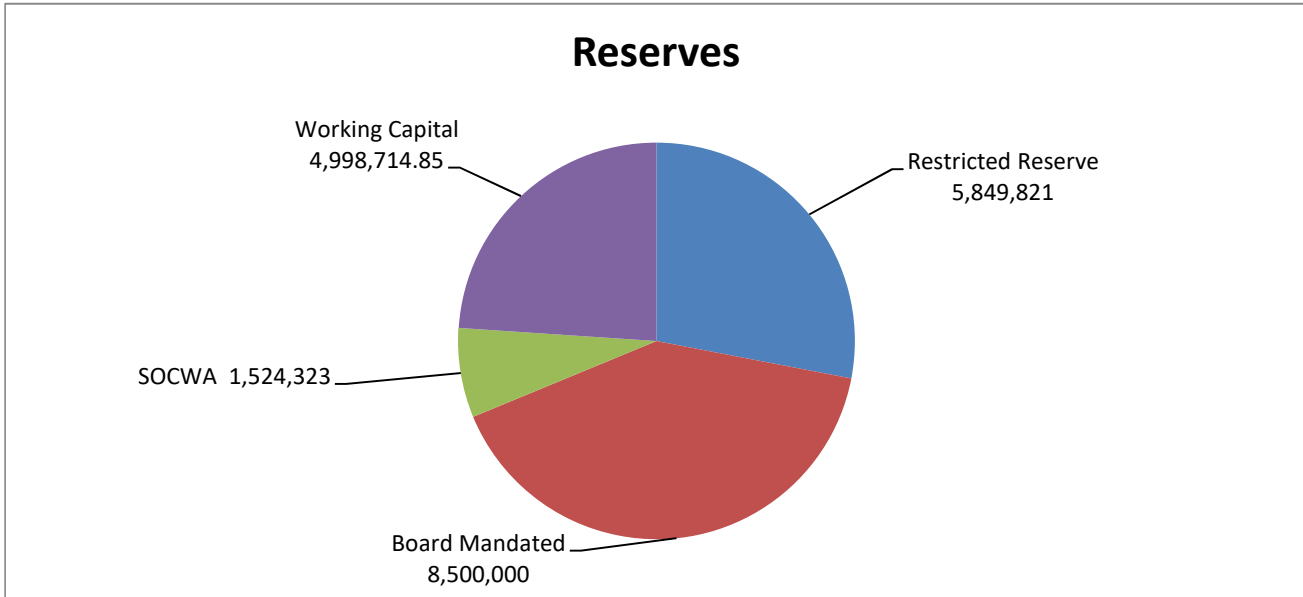
CASH & INVESTMENTS
SUMMARY OF INVESTMENTS BY TYPE

	Maturity Dates	Par	Market Value 9/30/19	Financial Institution	YTM 9/30/19	Original Cost 9/30/19
State Local Agency Investment Fund	NA	NA	\$9,041,828	LAIF	2.28%	\$9,041,828
US Treasury N/B - Coupon Rate 1.625%	7/31/2020	60,000	59,885	US Bank/CAMP	1.60%	60,038
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	110,000	109,527	US Bank/CAMP	1.53%	109,502
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	260,000	258,883	US Bank/CAMP	1.44%	259,523
US Treasury N/B - Coupon Rate 1.375%	10/31/2020	95,000	94,562	US Bank/CAMP	1.65%	94,228
US Treasury N/B - Coupon Rate 1.750%	12/31/2020	340,000	339,774	US Bank/CAMP	1.90%	338,513
US Treasury N/B - Coupon Rate 1.375%	1/31/2021	50,000	49,738	US Bank/CAMP	2.05%	49,006
US Treasury N/B - Coupon Rate 1.125%	2/28/2021	150,000	148,682	US Bank/CAMP	2.41%	144,428
US Treasury N/B - Coupon Rate 2.000%	5/31/2021	490,000	492,278	US Bank/CAMP	2.62%	481,272
Intl BK of Recon & Dev Global Notes - Coupon Rate 1.125%	11/27/2019	110,000	109,843	US Bank/CAMP	1.50%	109,098
Intl BK of Recon & Dev Notes - Coupon Rate 1.875%	4/21/2020	90,000	89,923	US Bank/CAMP	1.90%	89,922
Inter-American Devel BK Note - Coupon Rate 1.625%	5/12/2020	150,000	149,710	US Bank/CAMP	1.70%	149,645
Intl BK of Recon & Dev Notes - Coupon Rate 1.561%	9/12/2020	90,000	89,802	US Bank/CAMP	1.64%	89,784
Inter-American Development Bank - Coupon Rate 2.125%	11/9/2020	90,000	90,278	US Bank/CAMP	1.81%	90,834
Intl Finance Note - Coupon Rate 2.250%	1/25/2021	70,000	70,400	US Bank/CAMP	2.35%	69,794
Intl Finance Corporation Note - Coupon Rate 2.635%	3/9/2021	90,000	90,668	US Bank/CAMP	2.66%	89,933
Inter-American Dev Bank Note - Coupon Rate 1.875%	3/15/2021	200,000	200,304	US Bank/CAMP	2.56%	196,046
Inter-American Dev Bank Note - Coupon Rate 2.625%	4/19/2021	70,000	70,906	US Bank/CAMP	2.70%	69,846
CA ST TXBL GO Bonds - Coupon Rate 2.800%	4/1/2021	100,000	101,455	US Bank/CAMP	2.80%	100,004
FNA 2018-M5 A2 - Coupon Rate 3.560%	9/25/2021	45,873	46,722	US Bank/CAMP	2.27%	46,785
FNMA Notes - Coupon Rate 1.500%	2/28/2020	200,000	199,659	US Bank/CAMP	1.52%	199,872
Federal Notes		2,860,873	2,862,999			2,838,070
Honeywell International Corp. Notes - Coupon Rate 1.800%	10/30/2019	25,000	24,995	US Bank/CAMP	1.84%	24,981
Citigroup Inc. Corp. Note - Coupon Rate 2.450%	1/10/2020	50,000	50,034	US Bank/CAMP	1.90%	50,607
BB&T Corp. Note - Coupon Rate 2.450%	1/15/2020	100,000	100,064	US Bank/CAMP	2.08%	101,053
Morgan Stanley Corp. Bonds - Coupon Rate 2.650%	1/27/2020	40,000	40,060	US Bank/CAMP	2.35%	40,346
IBM Corp. Notes - Coupon Rate 1.900%	1/27/2020	100,000	99,931	US Bank/CAMP	1.93%	99,904
Microsoft Corp. Note - Coupon Rate 1.850%	2/6/2020	90,000	89,957	US Bank/CAMP	1.87%	89,940
Apple Inc. Bonds - Coupon Rate 1.900%	2/7/2020	80,000	79,988	US Bank/CAMP	1.92%	79,961
Chevron Corp Notes - Coupon Rate 1.991%	3/3/2020	70,000	70,004	US Bank/CAMP	1.99%	70,000
Walt Disney Corp Notes - Coupon Rate 1.950%	3/4/2020	20,000	19,991	US Bank/CAMP	1.96%	19,995
Exxon Mobil Corp Note - Coupon Rate 1.912%	3/6/2020	90,000	89,958	US Bank/CAMP	1.75%	90,402
John Deere Capital Corp. - Coupon Rate 2.200%	3/13/2020	40,000	40,042	US Bank/CAMP	2.23%	39,969
Goldman Sachs Group Inc Corp Notes - Coupon Rate 2.600%	4/23/2020	30,000	30,056	US Bank/CAMP	2.28%	30,226
General Dynamics Corp. - Coupon Rate 2.875%	5/11/2020	50,000	50,260	US Bank/CAMP	3.06%	49,823
Apple Inc. Bonds - Coupon Rate 1.800%	5/11/2020	60,000	59,960	US Bank/CAMP	1.84%	59,939
Intel Corp Notes - Coupon Rate 1.850%	5/11/2020	90,000	89,935	US Bank/CAMP	1.86%	89,966
Home Depot Inc Corp Notes - Coupon Rate 1.800%	6/5/2020	40,000	39,946	US Bank/CAMP	1.82%	39,977
Walt Disney Corp Notes - Coupon Rate 1.800%	6/5/2020	70,000	69,930	US Bank/CAMP	1.84%	69,919
John Deere Capital Corp Notes - Coupon Rate 1.950%	6/22/2020	20,000	19,999	US Bank/CAMP	1.97%	19,988
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	10,000	10,047	US Bank/CAMP	1.83%	10,208
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	70,000	70,331	US Bank/CAMP	1.82%	71,471
Caterpillar Finl Service Note - Coupon Rate 1.850%	9/4/2020	70,000	69,906	US Bank/CAMP	1.88%	69,941
Citigroup Inc Corp Notes - Coupon Rate 2.650%	10/26/2020	40,000	40,245	US Bank/CAMP	2.34%	40,360
Paccar Financial Corp Notes - Coupon Rate 2.050%	11/13/2020	20,000	20,030	US Bank/CAMP	2.05%	19,998
VISA Inc. (Callable) Corp Notes - Coupon Rate 2.200%	12/14/2020	20,000	20,074	US Bank/CAMP	1.85%	20,220
Wal-Mart Stores Inc. Corp. Note - Coupon Rate 1.900%	12/15/2020	90,000	90,200	US Bank/CAMP	1.95%	89,870
Paccar Financial Corp Notes - Coupon Rate 2.800%	3/1/2021	30,000	30,362	US Bank/CAMP	2.82%	29,985
National Rural Util Coop - Coupon Rate 2.900%	3/15/2021	35,000	35,438	US Bank/CAMP	2.94%	34,961
United Parcel Service Corporate Bond - Coupon Rate 2.050%	4/1/2021	90,000	90,070	US Bank/CAMP	2.10%	89,858
Toyota Motor Credit Corp Notes - Coupon Rate 2.950%	4/13/2021	90,000	91,450	US Bank/CAMP	2.96%	89,964
Pepsico Inc. Corp. Note - Coupon Rate 2.000%	4/15/2021	30,000	30,093	US Bank/CAMP	2.01%	29,994
Hershey Company Corp. Note - Coupon Rate 3.100%	5/15/2021	40,000	40,668	US Bank/CAMP	3.12%	39,972
American Express Co. - Coupon Rate 3.375%	5/17/2021	45,000	45,900	US Bank/CAMP	3.38%	44,992
Charles Schwab Corp. Corp. Notes - Coupon Rate 3.250%	5/21/2021	55,000	56,134	US Bank/CAMP	3.25%	54,998
Bank of America Note - Coupon Rate 2.328%	10/1/2021	90,000	90,101	US Bank/CAMP	2.33%	90,000
Corporate Notes		1,890,000	1,896,161			1,893,787
Credit Suisse New York CD - Coupon Rate 2.670%	2/7/2020	100,000	100,258	US Bank/CAMP	2.67%	100,000
Nordea Bank AB NY CD - Coupon Rate 2.720%	2/20/2020	90,000	90,303	US Bank/CAMP	2.72%	90,000
Bank of Nova Scotia Houston CD - Coupon Rate 3.080%	6/5/2020	100,000	100,856	US Bank/CAMP	3.10%	99,962
Westpac Banking Corp NY CD - Coupon Rate 2.050%	8/3/2020	150,000	150,314	US Bank/CAMP	2.05%	150,000
Swedbank (New York) CD - Coupon Rate 2.270%	11/16/2020	135,000	135,253	US Bank/CAMP	2.30%	135,000
Royal Bank of Canada NY CD - Coupon Rate 3.240%	6/7/2021	100,000	102,391	US Bank/CAMP	3.24%	100,000
Certificate of Deposit		675,000	679,375			674,962
Toyota ABS 2017-A A3 - Coupon Rate 1.730%	2/15/2021	16,276	16,260	US Bank/CAMP	1.74%	16,275
John Deere ABS 2017-A A3 - Coupon Rate 1.780%	4/15/2021	9,274	9,266	US Bank/CAMP	1.79%	9,273
Toyota ABS 2017-B A3 - Coupon Rate 1.760%	7/15/2021	54,997	54,918	US Bank/CAMP	1.76%	54,992
Honda ABS 2017-1 A3 - Coupon Rate 1.720%	7/21/2021	15,145	15,125	US Bank/CAMP	1.72%	15,144
Ally ABS 2017-2 A3 - Coupon Rate 1.780%	8/15/2021	25,415	25,385	US Bank/CAMP	1.79%	25,412
Nissan ABS 2017-2 A3 - Coupon Rate 1.740%	8/15/2021	25,964	25,924	US Bank/CAMP	1.74%	25,961
Honda ABS 2017-2 A3 - Coupon Rate 1.680%	8/15/2021	49,485	49,386	US Bank/CAMP	1.68%	49,481
Hyundai ABS 2017-A A3 - Coupon Rate 1.760%	8/16/2021	19,723	19,697	US Bank/CAMP	1.76%	19,721
John Deere ABS 2017-B A3 - Coupon Rate 1.820%	10/15/2021	19,618	19,587	US Bank/CAMP	1.82%	19,616
Ford ABS 2017-B A3 - Coupon Rate 1.690%	11/15/2021	47,281	47,191	US Bank/CAMP	1.69%	47,279
Hyundai ABS 2017-B A3 - Coupon Rate 1.770%	1/15/2022	62,451	62,334	US Bank/CAMP	1.78%	62,440
Ally 2017-5 A3 - Coupon Rate 1.990%	3/15/2022	52,011	51,993	US Bank/CAMP	1.99%	52,007
Ford 2017-C A3 - Coupon Rate 2.010%	3/15/2022	94,401	94,370	US Bank/CAMP	2.02%	94,384
Citibank 2017-A3 A3 - Coupon Rate 1.920%	4/7/2022	100,000	99,934	US Bank/CAMP	1.82%	100,267
JDOT 2018-A A3 - Coupon Rate 2.660%	4/15/2022	20,000	20,082	US Bank/CAMP	2.66%	19,999
Hart 2018-A A3 - Coupon Rate 2.790%	7/15/2022	35,000	35,279	US Bank/CAMP	2.80%	34,995
MBart 2018-1 A3 - Coupon Rate 3.030%	1/15/2023	55,000	55,678	US Bank/CAMP	3.03%	54,998
CAMP Money Market Fund	NA	NA	3,237,795	US Bank/CAMP	2.22%	3,237,795
Asset Based Securities & Money Market		702,039	3,940,203			3,940,036
Total Camp Investments		6,127,911	9,378,738			9,346,855
Operational & Non-Interest Bearing Accounts						
ETWD General Cash Account	NA	NA	2,437,623	Union Bank of Cal.	0.00%	2,437,623
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.			2,484,177			2,484,177
			\$20,904,742	Total Investments & Cash		\$20,872,859



	September 30, 2019		June 30, 2019	
	\$	%	\$	%
DEMAND	\$ 14,763,799	70.73%	\$ 12,245,220	61.74%
30 Days	\$ 24,981	0.12%	\$ 208,880	1.05%
31-180 Days	\$ 1,181,146	5.66%	\$ 1,161,829	5.86%
181 - 360	\$ 1,519,832	7.28%	\$ 1,771,413	8.93%
361-1800 Days	\$ 3,383,102	16.21%	\$ 4,447,532	22.42%
TOTAL	\$ 20,872,859	100.00%	\$ 19,834,874	100.00%

**EL TORO WATER DISTRICT
RESERVE ANALYSIS
30-Sep-19**



Restricted Reserve	\$	5,849,821
Board Mandated	\$	8,500,000
SOCWA	\$	1,524,323
Capital Cash Flow / Compliance	\$	4,998,715
Total	\$	20,872,859

Restricted Reserve

SRFL-Recycled Phase I	\$	1,602,958
SRFL-Recycled Phase II	\$	409,046
Capital Facilities Reserve	\$	64,514
Tiered Cons Fund	\$	2,321,609
Baker Funding	\$	1,451,694
Total	\$	5,849,821

Board Mandated Minimum Reserve Levels

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

Six months operating expense requirement:	\$11,119,197
Cash less restricted reserve on hand:	\$15,023,038

EL TORO WATER DISTRICT CHANGE IN RESERVES

	September 30, 2019	Year to Date	June 30, 2019
Operating Revenue	2,237,237	7,055,566	26,368,844
Non-operating Revenue	146,437	461,995	2,866,224
Total Revenue	2,383,674	7,517,561	29,235,068
Operating Expenses	2,027,447	5,702,943	20,959,510
Depreciation	363,675	1,091,025	4,397,640
Non-operating Expenses	65,622	196,865	769,061
Total Expenses	2,456,744	6,990,833	26,126,210
NET INCOME	(73,070)	526,728	3,108,858
Other Reserve Impact:			
Add: Depreciation	363,675	1,091,025	4,397,640
Change in Notes Receivable/Grant Fund	-	-	1,486,068
Loan Proceeds	-	-	4,085,782
Less: Debt Service	-	(353,143)	(1,776,305)
Capital Improvements	(20,680)	(309,725)	(2,760,754)
Subtotal	269,925	428,157	5,432,431
± A/R, ± A/P ± Accruals	1,202,823	609,828	385,051
CHANGE IN RESERVES	1,472,749	1,037,985	5,817,482
July 2019	19,539,198		
August 2019	19,400,111	19,400,111	
September 2019	20,872,859	20,872,859	
June 2019		19,834,874	19,834,874
June 2018			14,017,392

EL TORO WATER DISTRICT
Cash Sheet
For the month ending September 30, 2019

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
87575	09/09/2019	MUNICIPAL WATER DISTRICT OF ORANGE CO.	513,193.02
87565	09/05/2019	IRVINE RANCH WATER DISTRICT	146,627.50
87646	09/19/2019	SO. CALIFORNIA EDISON CO.	127,120.50
87669	09/26/2019	MOULTON NIGUEL WATER DISTRICT	126,269.82
87622	09/19/2019	ACWA HEALTH BENEFITS AUTHORITY	120,858.52
87566	09/05/2019	MOULTON NIGUEL WATER DISTRICT	115,685.22
TOTAL CHECKS OVER \$50,000			\$ 1,149,754.58
TOTAL CHECKS IN REGISTER			\$ 1,445,733.90

INTERBANK WIRES / DEBIT TRANSFERS

09/13/2019	PAYROLL DIRECT DEPOSIT	138,740.70
09/13/2019	FEDERAL DEPOSIT LIABILITY	29,836.96
09/13/2019	SDI & STATE TAX	11,437.89
09/13/2019	WAGE GARNISHMENTS	585.00
09/13/2019	PRUDENTIAL (401K)	49,308.93
09/13/2019	PRUDENTIAL (457)	17,156.60
09/13/2019	PAYROLL BOARD OF DIRECTOR	5,827.49
09/13/2019	SS, MEDICARE, SDI & STATE TAX	1,735.45
09/13/2019	PRUDENTIAL (457)	2,321.40
09/27/2019	PAYROLL DIRECT DEPOSIT	136,162.28
09/27/2019	FEDERAL DEPOSIT LIABILITY	29,034.95
09/27/2019	SDI & STATE TAX	11,033.24
09/27/2019	WAGE GARNISHMENTS	585.00
09/27/2019	PRUDENTIAL (401K)	48,427.10
09/27/2019	PRUDENTIAL (457)	16,832.64
09/30/2019	ADP AND BANK FEES	4,812.67
TOTAL INTERBANK WIRES / DEBIT TRANSFERS		\$ 503,838.30

TOTAL DISBURSEMENTS \$ 1,949,572.20

ETWD EMPLOYEES

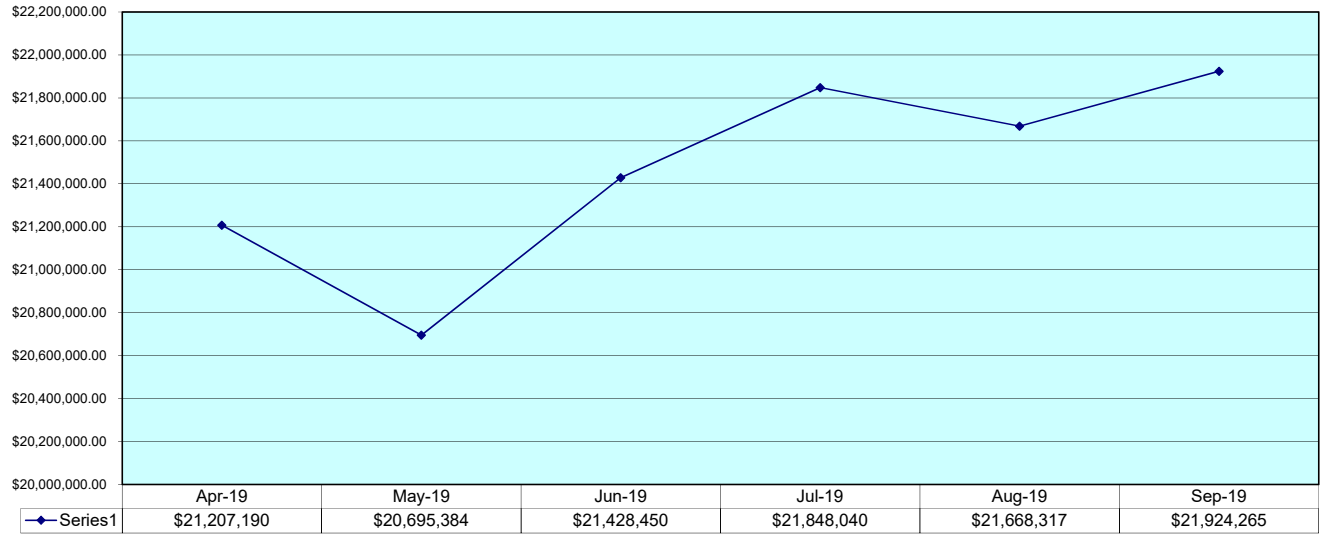
CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
87685	09/26/2019	DANIEL LOPEZ (Expense Reimbursement)	217.41
87617	09/12/2019	STEVE WINGEN (Expense Reimbursement)	46.00
TOTAL CHECKS TO EMPLOYEES			\$ 263.41

ETWD DIRECTORS

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
87603	09/12/2019	MARK MONIN (Expense Reimbursement)	724.34
87604	09/12/2019	MICHAEL GASKINS (Expense Reimbursement)	197.59
87598	09/12/2019	JOSE VERGARA (Expense Reimbursement)	133.98
TOTAL CHECKS TO DIRECTORS			\$ 1,055.91

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

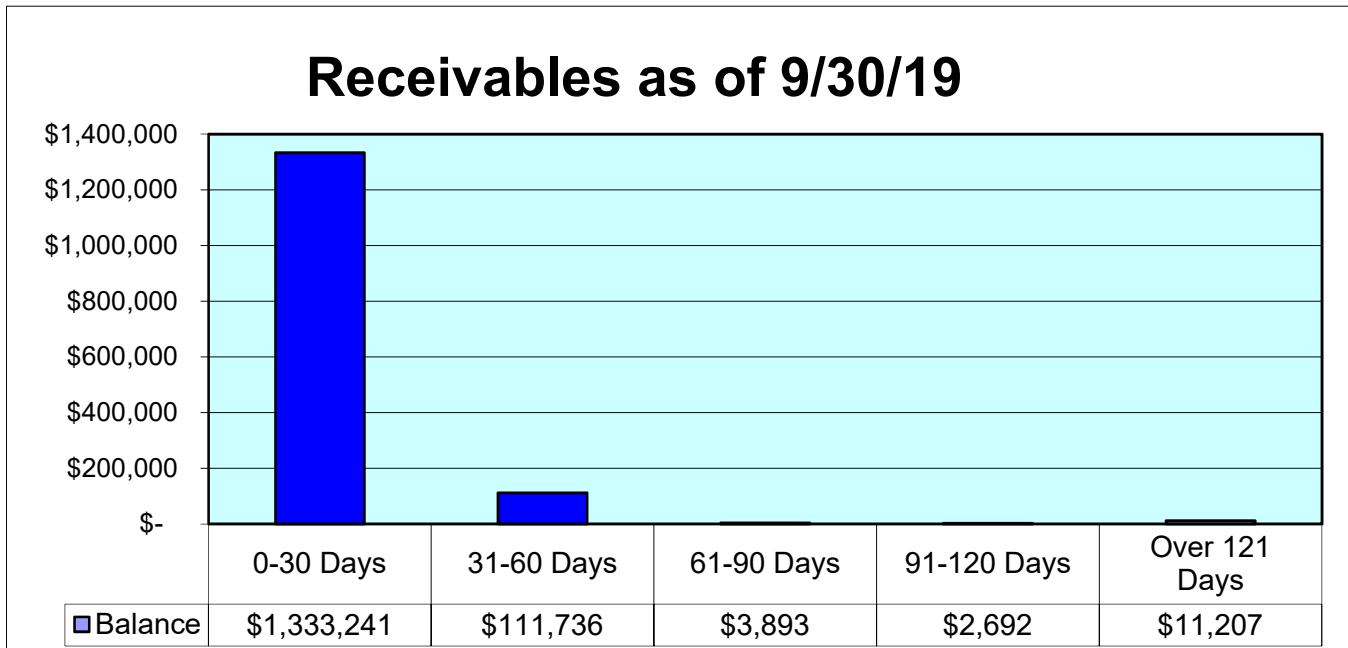
401K PLAN MARKET VALUE



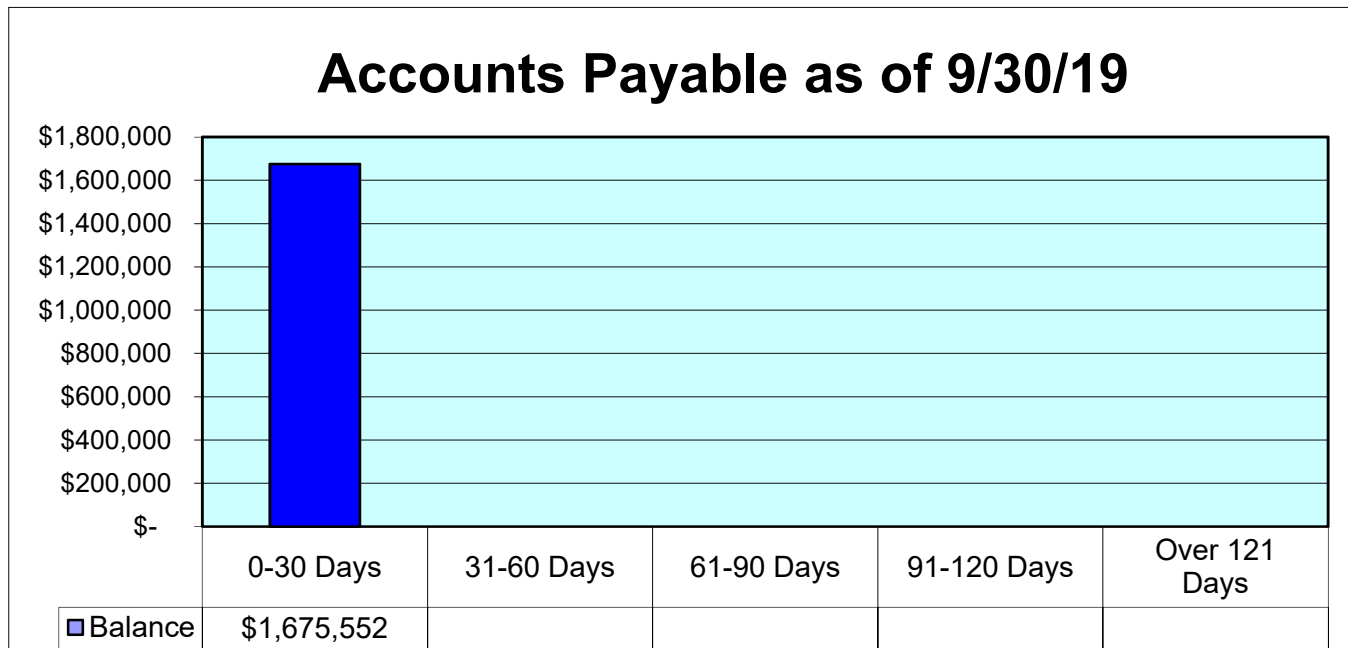
MARKET VALUE SUMMARY							
	Growth Under 40 yrs. Old	Capital Appreciation 40 to 44 yrs. Old	Balanced 45 to 49 yrs. Old	Balanced Income 50 to 54 yrs. Old	Income & Growth 55 to 59 yrs. Old	Income 60 to 64 yrs. Old	Capital Pres. Port Over 65 yrs. Old
Balance at July 1, 2019	\$ 1,506,787.68	\$549,062.24	\$1,801,553.21	\$5,954,287.10	\$6,260,620.08	\$2,461,760.00	\$2,894,379.39
Contributions	73,094.57	17,077.04	23,075.00	56,060.02	61,429.89	84,755.43	64,504.02
Withdrawals	0.00	0.00	0.00	(54,817.47)	0.00	(7,692.31)	(19,960.00)
Transfers	(20,538.08)	(91,674.24)	(576,278.95)	(1,257,870.85)	396,540.67	1,222,682.82	327,138.63
Interest, dividends and appreciation net of fees and charges	3,820.38	(8,372.24)	11,098.22	50,851.77	60,334.60	37,876.44	42,680.37
Balance at September 30, 2019	\$ 1,563,164.55	\$466,092.80	\$1,259,447.48	\$4,748,510.57	\$6,778,925.24	\$3,799,382.38	\$3,308,742.41
Average return YTD September 30, 2019	0.24%	-1.80%	0.88%	1.07%	0.89%	1.00%	1.29%

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

RECEIVABLES & PAYABLES AGEING



Bad Debts Year to Date: \$1,789



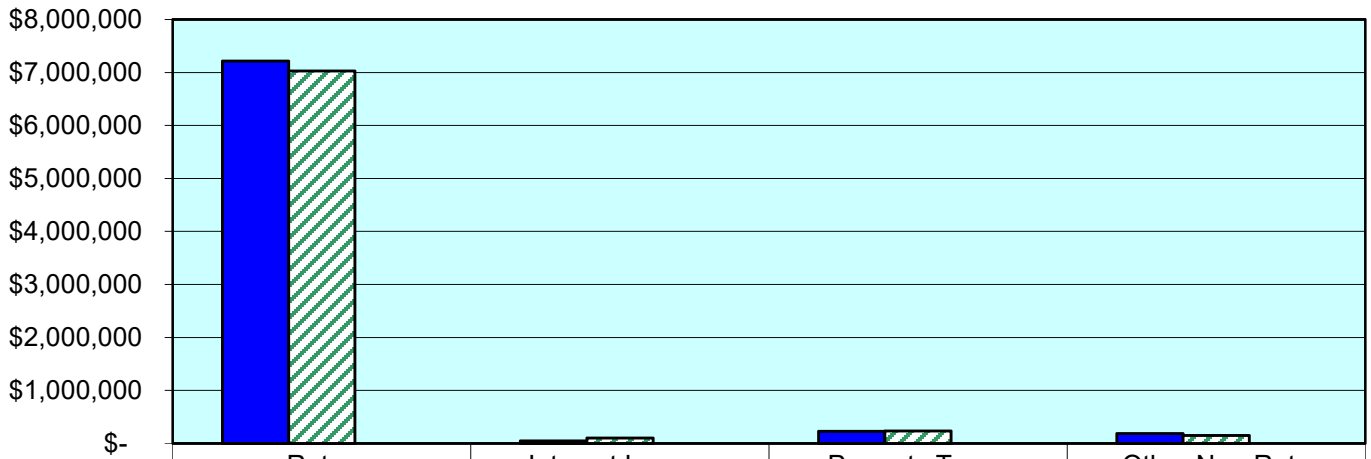
Year to Date Discounts Taken: \$214

Page 10
El Toro Water District
Income Statement
September 2019

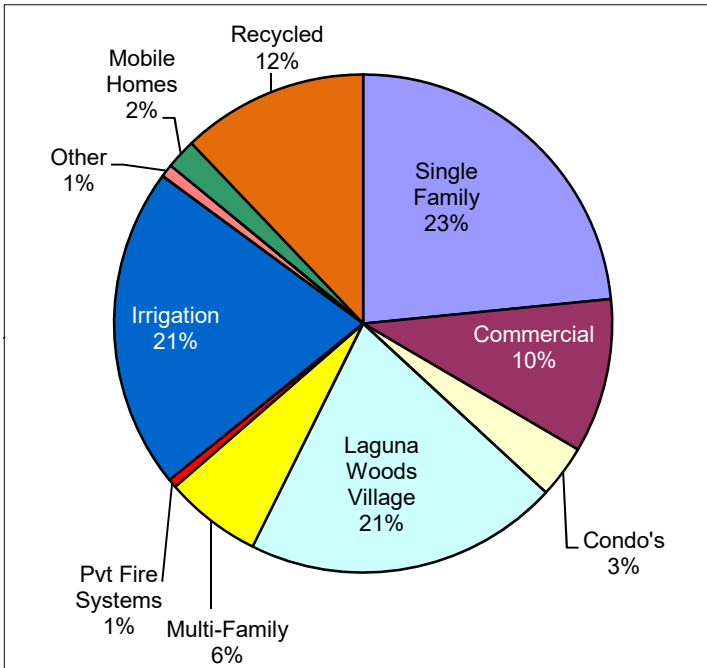
	<u>Sep 19</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Jul - Sep 19</u>	<u>YTD Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Income							
4600 · Water Service Charge	306,418.01	301,792.00	101.53%	892,721.78	905,376.00	98.6%	3,621,504.00
4700 · Sanitary Service	657,325.87	647,916.67	101.45%	1,965,040.50	1,943,749.97	101.1%	7,775,000.00
4722 · Recycled Water Tertiary Sales	168,042.21	159,951.15	105.06%	590,306.99	539,392.19	109.44%	1,686,426.00
4724 · Service Charge - Recycled Water	20,833.80	26,558.92	78.44%	60,622.10	79,676.72	76.09%	318,707.00
4750 · Capital Facilities Charge	250,615.79	251,221.33	99.76%	751,664.31	753,664.03	99.74%	3,014,656.00
4800 · Commodity Charge	829,911.36	887,423.12	93.52%	2,767,638.30	2,992,595.67	92.48%	9,356,441.00
4950 · Other Operating Income	4,089.47	4,583.33	89.23%	16,572.02	13,750.03	120.52%	55,000.00
4960 · Other Income	35,895.65	46,666.67	76.92%	115,428.44	139,999.97	82.45%	560,000.00
4967 · SMWD	0.00	9,333.33	0.0%	0.00	28,000.03	0.0%	112,000.00
4970 · MNWD	0.00	1,953.34	0.0%	11,000.00	5,859.94	187.72%	23,440.00
4980 · Interest Income	36,485.85	16,666.67	218.92%	103,967.91	49,999.97	207.94%	200,000.00
4985 · Changes FMV CAMP	-5,280.18			7,905.90			
4986 · Changes FMV LAIF							
4990 · Property Taxes	79,335.98	77,083.33	102.92%	234,692.67	231,250.03	101.49%	925,000.00
Total Income	2,383,673.81	2,431,149.86	98.05%	7,517,560.92	7,683,314.55	97.84%	27,648,174.00
Gross Profit	2,383,673.81	2,431,149.86	98.05%	7,517,560.92	7,683,314.55	97.84%	27,648,174.00
Expense							
5100 · Personnel Cost	631,708.96	712,173.54	88.7%	1,960,468.09	2,136,521.14	91.76%	8,546,083.00
5405 · Water Purchases	911,554.54	755,398.15	120.67%	2,262,519.01	2,527,572.91	89.51%	8,041,949.00
5410 · Electrical Power	121,260.55	93,783.34	129.3%	348,137.45	281,349.94	123.74%	1,125,400.00
5415 · Repair Parts & Materials	39,302.70	35,861.08	109.6%	105,113.42	107,582.28	97.71%	430,332.00
5420 · Equipment Maintenance & Repair	10,480.95	10,260.43	102.15%	25,129.43	30,781.13	81.64%	123,125.00
5425 · Pump Maintenance & Repair	16,682.98	9,483.33	175.92%	22,398.58	28,450.03	78.73%	113,800.00
5430 · Motor Maintenance & Repair	3,478.27	2,191.66	158.71%	6,849.77	6,575.06	104.18%	26,300.00
5440 · Electrical/Contl Maint & Repair	2,040.59	5,970.85	34.18%	6,170.26	17,912.35	34.45%	71,650.00
5445 · Meter Maintenance & Repair	0.00	666.67	0.0%	0.00	1,999.97	0.0%	8,000.00
5455 · Chemicals	37,674.57	17,450.00	215.9%	75,178.75	52,350.00	143.61%	209,400.00
5460 · Structure Maint & Repair	1,054.73	2,523.67	41.79%	4,352.58	7,570.97	57.49%	30,284.00
5465 · Asphalt Maintenance & Repair	6,020.00	7,716.66	78.01%	32,953.00	23,150.06	142.35%	92,600.00
5470 · Consultants	528.30	5,316.67	9.94%	9,718.55	15,949.97	60.93%	63,800.00
5475 · Contractors	81,645.49	101,658.35	80.31%	248,300.74	304,974.85	81.42%	1,219,900.00
5480 · Engineers	3,124.91	6,333.33	49.34%	30,961.15	19,000.03	162.95%	76,000.00
5482 · Dump Fees	158.43	1,333.34	11.88%	2,581.44	3,999.94	64.54%	16,000.00
5485 · Laboratory	2,827.47	2,991.67	94.51%	5,258.92	8,974.97	58.6%	35,900.00
5490 · License & Permits	2,182.18	12,532.78	17.41%	11,872.97	37,597.98	31.58%	150,393.00
5495 · Gas & Oil	8,999.44	7,916.67	113.68%	28,447.24	23,749.97	119.78%	95,000.00
5500 · Equipment Rental	846.51	1,675.00	50.54%	2,948.23	5,025.00	58.67%	20,100.00
5505 · Landscaping	7,238.66	12,272.92	58.98%	16,636.98	36,818.72	45.19%	147,275.00
5510 · Small Tools & Equipment	8,737.78	5,833.34	149.79%	18,256.68	17,499.94	104.32%	70,000.00
5515 · Security	3,182.34	1,587.94	200.41%	6,380.50	4,763.54	133.95%	19,055.00
5520 · Operating Supplies	950.86	4,333.33	21.94%	10,514.03	13,000.03	80.88%	52,000.00
5525 · Safety Equipment	0.00	1,691.67	0.0%	5,950.85	5,074.97	117.26%	20,300.00
5530 · Temporary Help	0.00	3,041.67	0.0%	0.00	9,124.97	0.0%	36,500.00
5535 · Other Employee Cost	16,671.89	7,441.67	224.03%	55,832.92	22,324.97	250.09%	89,300.00
5540 · Depreciation	363,675.00	372,500.00	97.63%	1,091,025.00	1,117,500.00	97.63%	4,470,000.00
5545 · Insurance	44,749.15	46,479.58	96.28%	131,181.15	139,438.78	94.08%	557,755.00
5555 · Advertising & Publicity	0.00	166.67	0.0%	560.00	499.97	112.01%	2,000.00
5560 · Amortization	570.49	570.83	99.94%	1,711.47	1,712.53	99.94%	6,850.00
5570 · Annual Event	0.00	500.00	0.0%	0.00	1,500.00	0.0%	6,000.00
5575 · Audit	0.00	2,500.00	0.0%	16,500.00	7,500.00	220.0%	30,000.00
5580 · Bad Debts	94.85	1,666.67	5.69%	1,788.59	4,999.97	35.77%	20,000.00
5585 · Bank Charges	4,677.16	4,750.00	98.47%	14,624.26	14,250.00	102.63%	57,000.00
5590 · Data Processing Supply & Access	983.93	1,916.68	51.34%	4,528.77	5,749.88	78.76%	23,000.00
5595 · Data Processing Equipment	1,205.74	2,999.99	40.19%	8,425.56	9,000.09	93.62%	36,000.00
5600 · Data Processing Consultants	2,807.75	6,250.00	44.92%	12,157.75	18,750.00	64.84%	75,000.00
5605 · Directors Fees	9,636.00	9,166.67	105.12%	27,056.00	27,499.97	98.39%	110,000.00
5610 · Dues & Memberships	6,077.94	7,782.50	78.1%	18,481.82	23,347.50	79.16%	93,390.00
5615 · Education & Training	50.00	3,583.33	1.4%	7,746.25	10,750.03	72.06%	43,000.00
5620 · Election Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00
5625 · Employee Service Awards	153.77	316.67	48.56%	871.35	949.97	91.72%	3,800.00
5630 · Software Maintenance & Licenses	7,203.67	13,750.00	52.39%	39,621.70	41,250.00	96.05%	165,000.00
5640 · Interest Expense	65,621.62	60,963.08	107.64%	196,864.86	182,889.28	107.64%	731,557.00
5645 · Janitorial	3,024.75	2,816.67	107.39%	9,074.25	8,449.97	107.39%	33,800.00
5650 · Legal	10,843.81	8,333.33	130.13%	29,353.59	25,000.03	117.41%	100,000.00
5655 · Meets, Conventions & Travel	707.83	3,250.00	21.78%	11,176.02	9,750.00	114.63%	39,000.00
5657 · Meets, Con & Travel - Directors	500.78	2,474.16	20.24%	8,054.43	7,422.56	108.51%	29,690.00
5660 · Office Supplies	1,756.11	1,650.00	106.43%	5,679.34	4,950.00	114.73%	19,800.00
5670 · Postage	145.00	1,708.33	8.49%	294.80	5,125.03	5.75%	20,500.00
5675 · Printing & Reproduction	218.52	1,500.00	14.57%	1,500.63	4,500.00	33.35%	18,000.00
5680 · Property Tax	42.87	458.33	9.35%	44.77	1,375.03	3.26%	5,500.00
5685 · Public Education & Outreach	6,461.73	12,500.00	51.69%	21,753.18	37,500.00	58.01%	150,000.00
5690 · Publications & Subscriptions	0.00	250.00	0.0%	0.00	750.00	0.0%	3,000.00
5695 · Communications	6,330.50	8,795.00	71.98%	23,854.12	26,385.00	90.41%	105,540.00
5700 · Utilities	851.83	1,583.34	53.8%	3,971.46	4,749.94	83.61%	19,000.00
Total Expense	2,456,743.90	2,410,621.56	101.91%	6,990,832.66	7,493,241.22	93.3%	27,904,628.00
Net Income							
	-73,070.09	20,528.30	-355.95%	526,728.26	190,073.33	277.12%	-256,454.00

EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 9/30/19

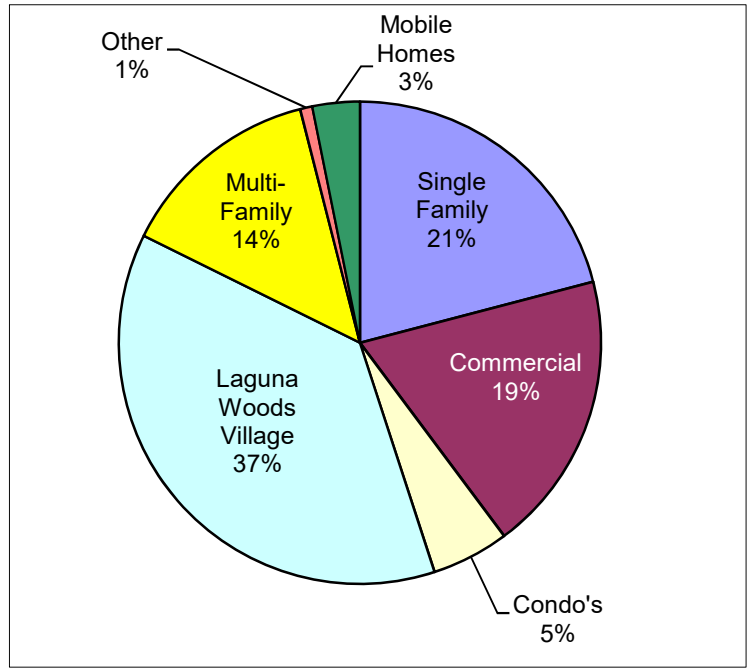
Where the Money Comes From



	Rates	Interest Income	Property Taxes	Other Non-Rate
■ Budget YTD	\$7,214,455	\$50,000	\$231,250	\$187,610
▨ Actual YTD	\$7,027,994	\$103,968	\$234,693	\$150,906
□ % of Total	93.49%	1.38%	3.12%	2.01%



WATER REVENUE YTD 2019/2020



WASTE WATER REVENUE YTD 2019/2020

**EL TORO WATER DISTRICT
REVENUE COMPARISON
For the Month Ended September 30, 2019**

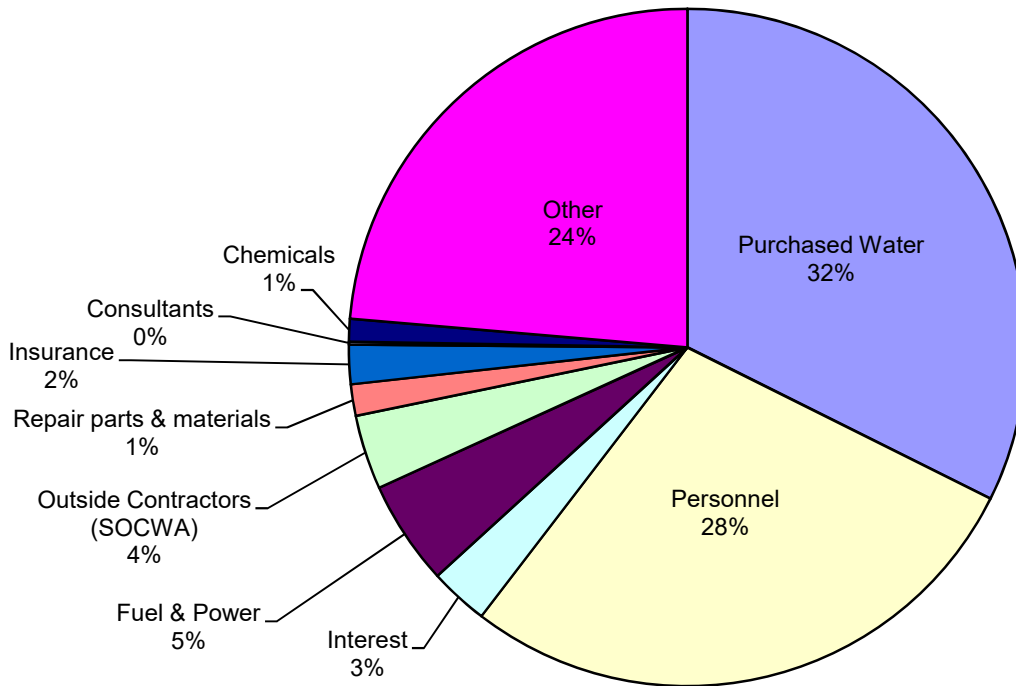
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,616	\$ 251,221	\$ (606)	0%	\$ 751,664	\$ 753,664	\$ (2,000)	0%	\$ 3,014,656	\$ 2,262,992
Water sales - Commodity	829,911	887,423	(57,512)	-6%	2,767,638	2,992,596	(224,957)	-8%	9,356,441	6,588,803
Water sales - Fixed Meter	306,418	301,792	4,626	2%	892,722	905,376	(12,654)	-1%	3,621,504	2,728,782
Waste water sales	657,326	647,917	9,409	1%	1,965,041	1,943,750	21,291	1%	7,775,000	5,809,960
Recycled water tertiary sales	168,042	159,951	8,091	5%	590,307	539,392	50,915	9%	1,686,426	1,096,119
Service charge - Recycled water	20,834	26,559	(5,725)	-22%	60,622	79,677	(19,055)	-24%	318,707	258,085
TOTAL FROM RATES	2,233,147	2,274,863	(41,716)	-2%	7,027,994	7,214,455	(186,461)	-3%	25,772,734	18,744,740
<u>Non-rate Revenue</u>										
Admin fee	1,969	1,600	369	23%	9,547	4,800	4,747	99%	19,200	9,653
48 Hour notice fee	1,785	2,451	(666)	-27%	5,970	7,354	(1,384)	-19%	29,416.44	23,446
Restoration fee	210	370	(160)	-43%	700	1,110	(410)	-37%	4,440	3,740
Unpaid check fee	125	150	(25)	-17%	355	450	(95)	-21%	1,800	1,445
Cut lock fee	-	12	(12)	-100%	-	36	(36)	-100%	144	144
TOTAL NON-RATE	4,089	4,583	(494)	-11%	16,572	13,750	2,822	21%	55,000	38,428
<u>Other Revenue</u>										
Interest	36,486	16,667	19,819	119%	103,968	50,000	53,968	108%	200,000	96,032
Change FMV Investment	(5,280)	-	(5,280)	0%	7,906	-	7,906	0%	-	(7,906)
Property taxes	79,336	77,083	2,253	3%	234,693	231,250	3,443	1%	925,000	690,307
Other	35,896	46,667	(10,772)	-23%	115,428	140,000	(24,572)	-18%	560,000	444,572
TOTAL OTHER REVENUE	146,437	140,417	6,021	4%	461,995	421,250	40,745	10%	1,685,000	1,223,005
<u>Contract Service</u>										
Santa Margarita W. D.	-	9,333	(9,333)	-100%	-	28,000	(28,000)	-100%	112,000	112,000
Moulton Niguel W. D.	-	1,953	(1,953)	-100%	11,000	5,860	5,140	88%	23,440	12,440
TOTAL CONTRACT SERVICES	-	11,287	(11,287)	-100%	11,000	33,860	(22,860)	-68%	135,440	124,440
TOTAL REVENUE	\$ 2,383,674	\$ 2,431,150	\$ (47,476)	-2%	\$ 7,517,561	\$ 7,683,315	\$ (165,754)	-2%	\$ 27,648,174	\$ 20,130,614

**EL TORO WATER DISTRICT
NON-RATE REVENUE ANALYSIS
FOR THE MONTH ENDING September 30, 2019**

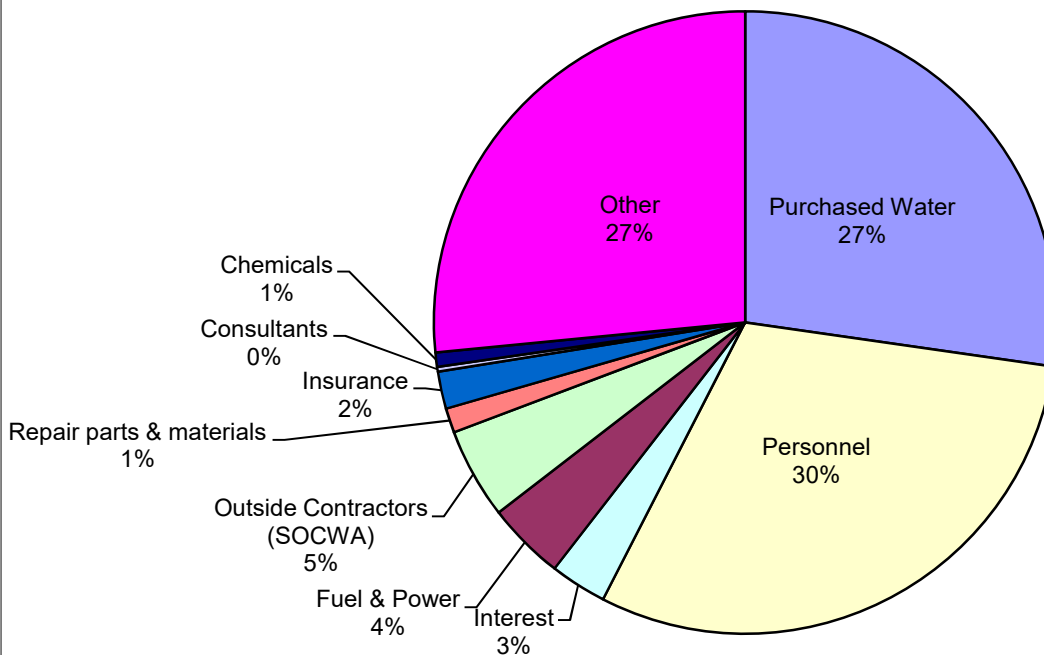
	Sep-19 Actual	Sep-19 Budget	Jul 19- Sep 19 YTD Actual	Jul 19- Sep 19 YTD Budget
Site Leases	11,575	19,167	49,731	57,500
MWD Recycled Water LRP Rebate	24,250	25,833	63,250	77,500
JPIA Refund		-	-	-
SOCWA Refund		-	-	-
Recycled Metal	-	-	978	-
Diesel Fuel Tax Refund	71	-	71	-
Equipment Sales		-	-	-
Edison Rebate for Turbo Blower			-	-
Misc Work for Customers	-	1,667	1,399	5,000
	<u>\$ 35,896</u>	<u>\$ 46,667</u>	<u>\$ 115,428</u>	<u>\$ 140,000</u>
Other Operating Income				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
Total	<u>35,896</u>		<u>115,428</u>	

WHERE THE MONEY GOES

YTD EXPENSES AT 9/30/19



EXPENSES YEAR ENDING 6/30/19



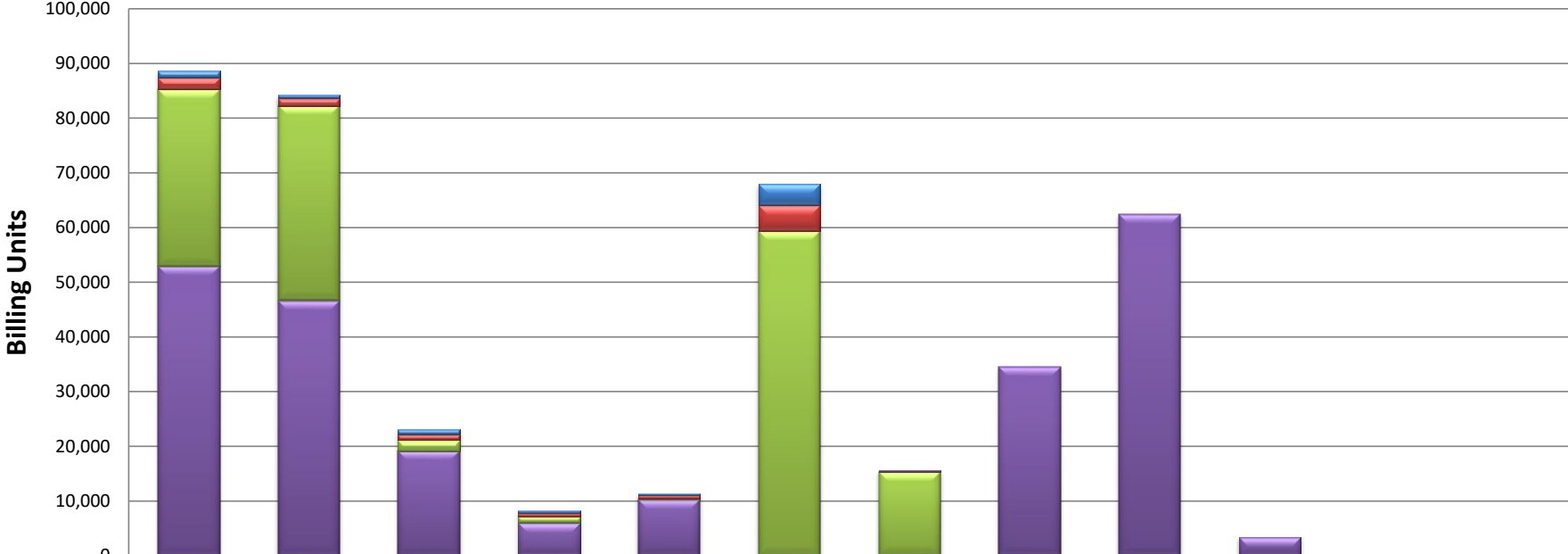
EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended September 30, 2019

	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	\$631,709	\$712,174	\$80,465	11%	\$1,960,468	\$2,136,521	\$176,053	8%	\$8,546,083	6,585,615
Purchased water	911,555	755,398	(156,156)	-21%	2,262,519	2,527,573	265,054	10%	8,041,949	5,779,430
Electrical power	121,261	93,783	(27,477)	-29%	348,137	281,350	(66,788)	-24%	1,125,400	777,263
Repair parts & materials	39,303	35,861	(3,442)	-10%	105,113	107,582	2,469	2%	430,332	325,219
Equipment repairs & maintenance	10,481	10,260	(221)	-2%	25,129	30,781	5,652	18%	123,125	97,996
Pump repairs & maintenance	16,683	9,483	(7,200)	-76%	22,399	28,450	6,051	21%	113,800	91,401
Motor repairs & maintenance	3,478	2,192	(1,287)	-59%	6,850	6,575	(275)	-4%	26,300	19,450
Electrical repairs & maintenance	2,041	5,971	3,930	66%	6,170	17,912	11,742	66%	71,650	65,480
Meter repairs & maintenance	-	667	667	100%	0	2,000	2,000	100%	8,000	8,000
Chemicals	37,675	17,450	(20,225)	-116%	75,179	52,350	(22,829)	-44%	209,400	134,221
Structure repairs & maintenance	1,055	2,524	1,469	58%	4,353	7,571	3,218	43%	30,284	25,931
Asphalt repairs & maintenance	6,020	7,717	1,697	22%	32,953	23,150	(9,803)	-42%	92,600	59,647
Consultants - outside	528	5,317	4,788	90%	9,719	15,950	6,231	39%	63,800	54,081
Contractors - outside	81,645	101,658	20,013	20%	248,301	304,975	56,674	19%	1,219,900	971,599
Engineers - outside	3,125	6,333	3,208	51%	30,961	19,000	(11,961)	-63%	76,000	45,039
Dump fees	158	1,333	1,175	88%	2,581	4,000	1,419	35%	16,000	13,419
Laboratories	2,827	2,992	164	5%	5,259	8,975	3,716	41%	35,900	30,641
License & permits	2,182	12,533	10,351	83%	11,873	37,598	25,725	68%	150,393	138,520
Automotive fuel & oil	8,999	7,917	(1,083)	-14%	28,447	23,750	(4,697)	-20%	95,000	66,553
Equipment rental	847	1,675	828	49%	2,948	5,025	2,077	41%	20,100	17,152
Landscaping	7,239	12,273	5,034	41%	16,637	36,819	20,182	55%	147,275	130,638
Small tools & equipment	8,738	5,833	(2,904)	-50%	18,257	17,500	(757)	-4%	70,000	51,743
Security	3,182	1,588	(1,594)	-100%	6,381	4,764	(1,617)	-34%	19,055	12,675
Operating supplies	951	4,333	3,382	78%	10,514	13,000	2,486	19%	52,000	41,486
Safety equipment	-	1,692	1,692	100%	5,951	5,075	(876)	-17%	20,300	14,349
Temporary help	-	3,042	3,042	100%	0	9,125	9,125	100%	36,500	36,500
Other employee cost	16,672	7,442	(9,230)	-124%	55,833	22,325	(33,508)	-150%	89,300	33,467
Employee service awards	154	317	163	51%	871	950	79	8%	3,800	2,929
Education & training	50	3,583	3,533	99%	7,746	10,750	3,004	28%	43,000	35,254
Total Operating Expenses	1,918,557	1,833,340	(85,217)	-5%	5,311,549	5,761,396	449,847	8%	20,977,246	15,665,697

EL TORO WATER DISTRICT
Expense Comparison
For the Month Ended September 30, 2019

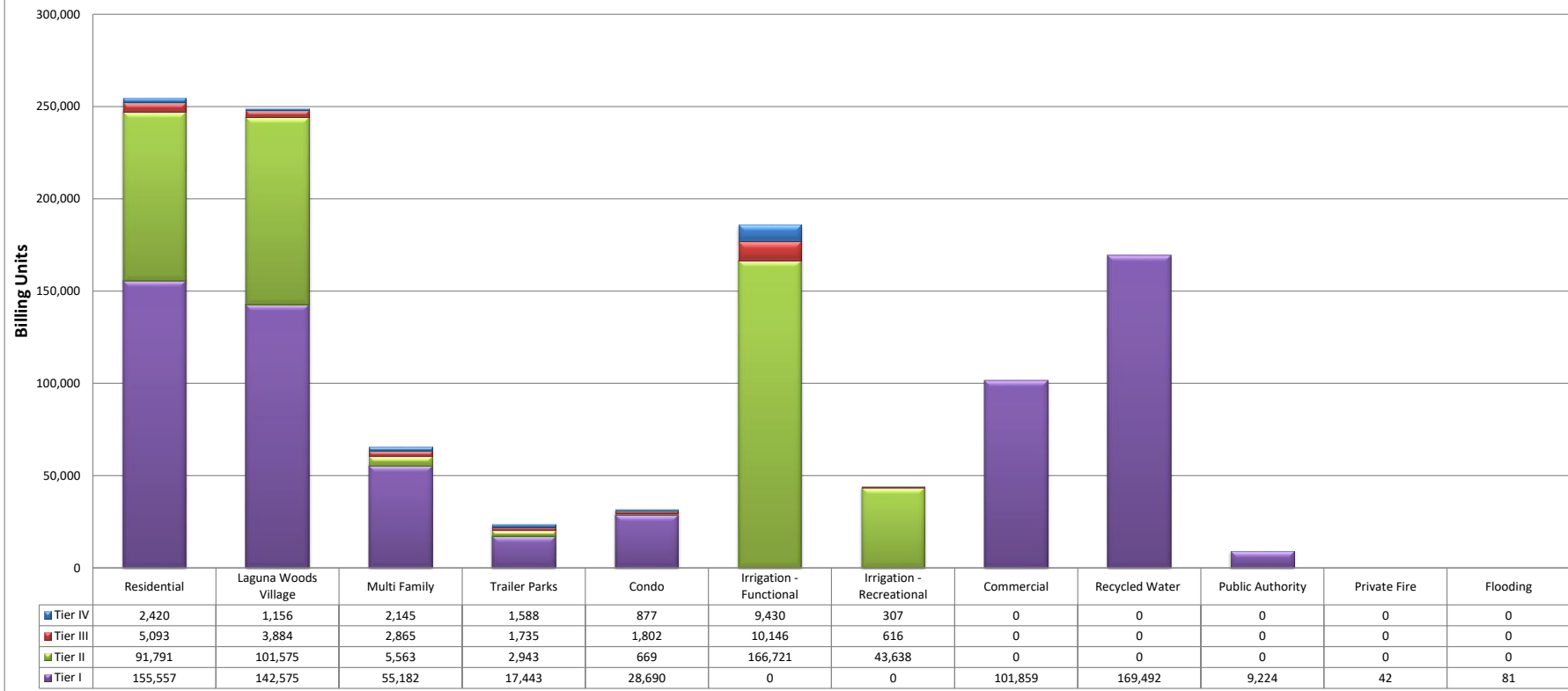
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Indirect Cost</u>										
Depreciation	363,675	372,500	8,825	2%	1,091,025	1,117,500	26,475	2%	4,470,000	3,378,975
Amortization	570	571	0	0%	1,711	1,713	1	0%	6,850	5,139
Insurance	44,749	46,480	1,730	4%	131,181	139,439	8,258	6%	557,755	426,574
Data processing supplies & assc.	984	1,917	933	49%	4,529	5,750	1,221	21%	23,000	18,471
Data processing equipment	1,206	3,000	1,794	60%	8,426	9,000	575	6%	36,000	27,574
Data processing consultants	2,808	6,250	3,442	55%	12,158	18,750	6,592	35%	75,000	62,842
Software maintenance & licenses	7,204	13,750	6,546	48%	39,622	41,250	1,628	4%	165,000	125,378
Janitorial	3,025	2,817	(208)	-7%	9,074	8,450	(624)	-7%	33,800	24,726
Printing & reproduction	219	1,500	1,281	85%	1,501	4,500	2,999	67%	18,000	16,499
Publications & subscriptions	0	250	250	100%	0	750	750	100%	3,000	3,000
Communications - voice	833	3,333	2,500	75%	6,969	10,000	3,031	30%	40,000	33,031
Communications - data	3,171	3,289	119	4%	9,407	9,868	460	5%	39,470	30,063
Communications - mobile	2,327	2,173	(154)	-7%	7,478	6,518	(961)	-15%	26,070	18,592
Utilities	852	1,583	732	46%	3,971	4,750	778	16%	19,000	15,029
Total Indirect Cost	431,621	459,412	27,791	6%	1,327,052	1,378,236	51,184	4%	5,512,945	4,185,893
<u>Overhead Cost</u>										
Annual events	-	500	500	100%	-	1,500	1,500	100%	6,000	6,000
Audit	-	2,500	2,500	100%	16,500	7,500	(9,000)	-120%	30,000	13,500
Bad debts	95	1,667	1,572	94%	1,789	5,000	3,211	64%	20,000	18,211
Bank charges	4,677	4,750	73	2%	14,624	14,250	(374)	-3%	57,000	42,376
Directors fees	9,636	9,167	(469)	-5%	27,056	27,500	444	2%	110,000	82,944
Dues & memberships	6,078	7,783	1,705	22%	18,482	23,348	4,866	21%	93,390	74,908
Election Expense	-	-	0	0%	0	0	0	0%	0	0
Interest	65,622	60,963	(4,659)	-8%	196,865	182,889	(13,976)	-8%	731,557	534,692
Legal	10,844	8,333	(2,510)	-30%	29,354	25,000	(4,354)	-17%	100,000	70,646
Meetings, conventions & travel	708	3,250	2,542	78%	11,176	9,750	(1,426)	-15%	39,000	27,824
Meets, con & travel - Directors	501	2,474	1,973	80%	8,054	7,423	(632)	-9%	29,690	21,636
Office supplies	1,756	1,650	(106)	-6%	5,679	4,950	(729)	-15%	19,800	14,121
Postage	145	1,708	1,563	92%	295	5,125	4,830	94%	20,500	20,205
Property taxes	43	458	415	91%	45	1,375	1,330	97%	5,500	5,455
Advertising & Publicity	-	167	167	100%	560	500	(60)	-12%	2,000	1,440
Public education & outreach	6,462	12,500	6,038	48%	21,753	37,500	15,747	42%	150,000	128,247
Total Overhead Cost	106,566	117,870	11,304	10%	352,232	353,609	1,378	0%	1,414,437	1,062,205
TOTAL EXPENSES	\$2,456,744	\$2,410,622	(\$46,122)	-2%	\$6,990,833	\$7,493,241	\$502,409	7%	\$27,904,628	\$20,913,795

September 2019 Water Sales

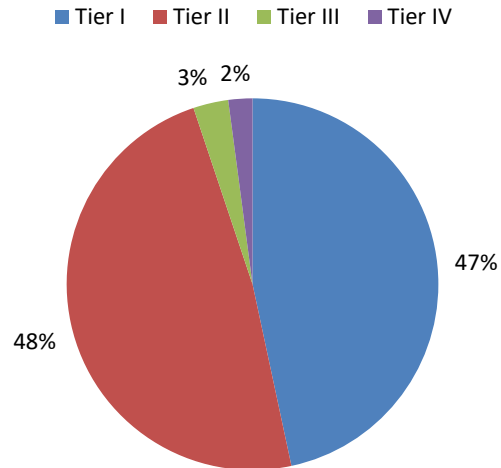


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	1,206	608	898	597	268	3,966	133	0	0	0	0	0
■ Tier III	2,176	1,379	1,014	596	597	4,643	259	0	0	0	0	0
■ Tier II	32,356	35,615	1,983	1,139	221	59,378	15,276	0	0	0	0	0
■ Tier I	52,912	46,640	19,146	6,032	10,257	0	0	34,506	62,488	3,380	6	60

Year-to-Date Water Sales as of September 2019

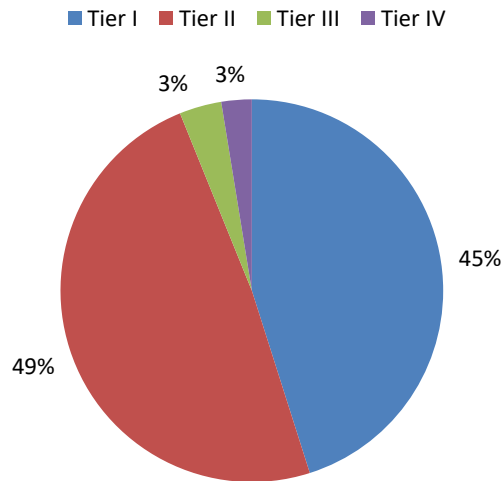


Year to Date Tiered Sales As of September 2019



Year To Date Sales in ccf		
Tier I	399,447	46.64%
Tier II	412,900	48.21%
Tier III	26,141	3.05%
Tier IV	17,923	2.09%
	856,411	100.00%

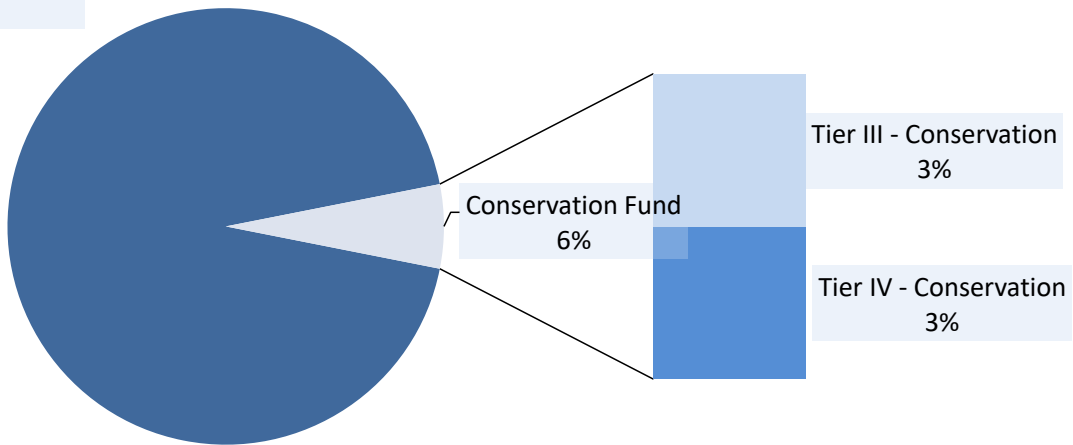
September 2019 Tiered Sales



Current Month Sales in ccf		
Tier I	134,987	45.10%
Tier II	145,968	48.77%
Tier III	10,664	3.56%
Tier IV	7,676	2.56%
	299,295	100.00%

Year to Date Water Sales as of September 2019

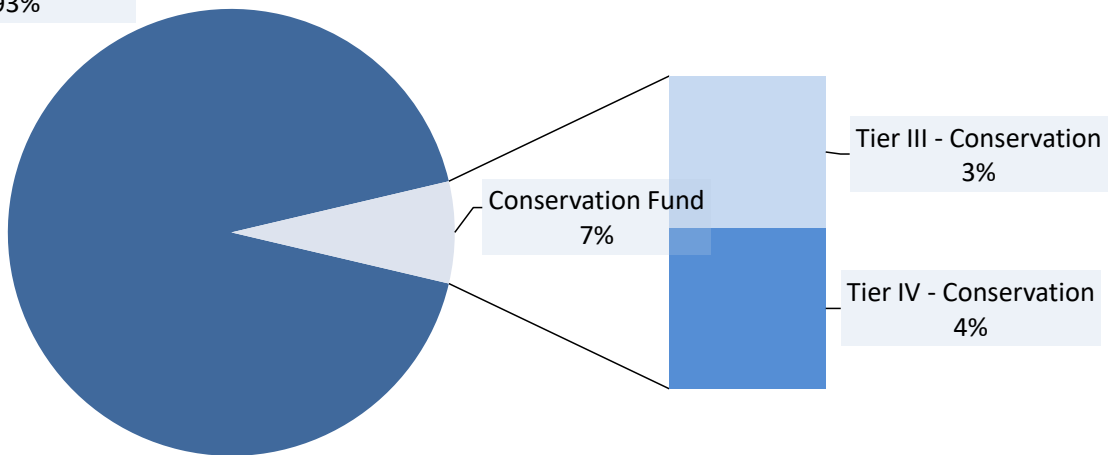
Water Delivery Cost
94%



Category	Billings	Percentage
Water Delivery Cost	\$2,382,082.47	93.78%
Tier III - Conservation	\$79,468.64	3.13%
Tier IV - Conservation	\$78,394.73	3.09%
	\$2,539,945.84	100.00%

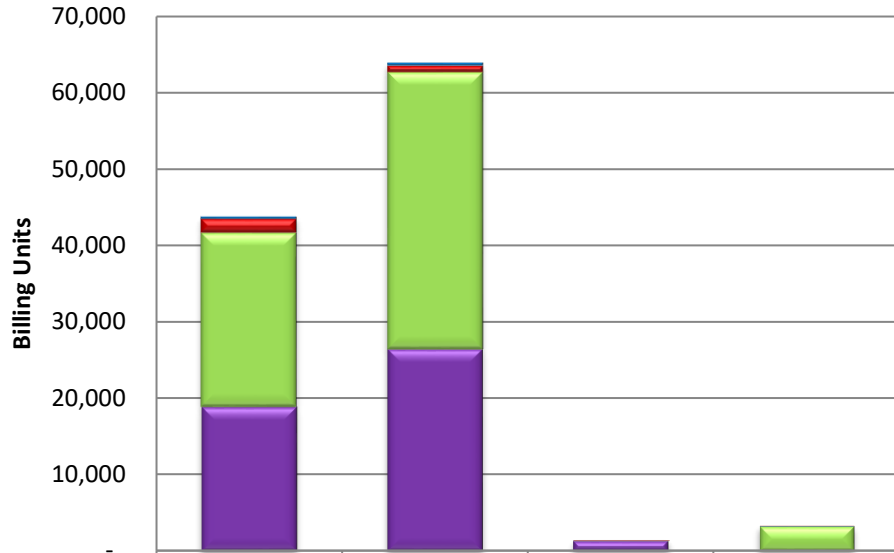
September 2019 Water Sales

Water Delivery Cost
93%



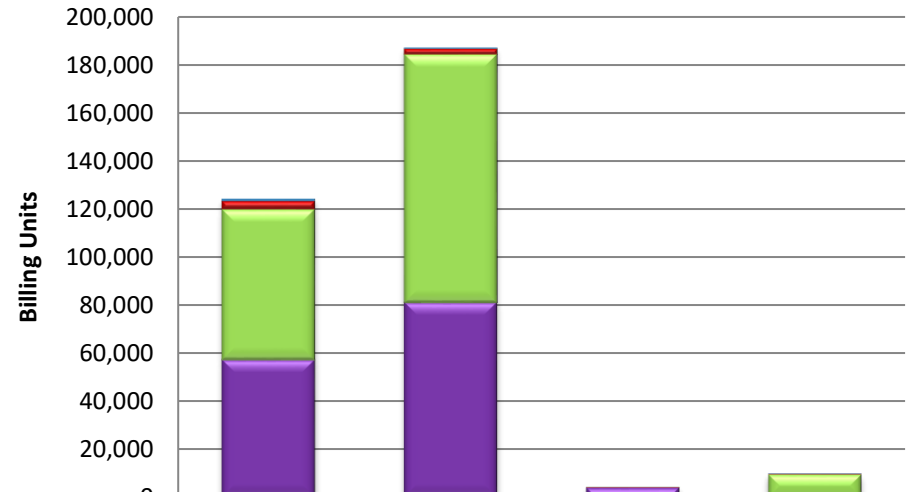
Category	Billings	Percentage
Water Delivery Cost	\$840,257.38	92.65%
Tier III - Conservation	\$32,418.56	3.57%
Tier IV - Conservation	\$34,279.20	3.78%
	\$906,955.14	100.00%

Laguna Woods Village September 2019 Water Sales



	Third	United	Mutual 50	GRF
Tier 4	287	357	-	11
Tier 3	1,822	857	45	12
Tier 2	22,779	36,223	38	3,252
Tier 1	18,880	26,386	1,374	-

Laguna Woods Village Year-to-Date Water Sales September 2019



	Third	United	Mutual 50	GRF
Tier 4	794	398	0	48
Tier 3	3,381	2,385	118	270
Tier 2	62,805	103,305	97	9,629
Tier 1	57,384	81,034	4,157	0

EL TORO WATER DISTRICT

Glossary of Water Terms

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

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

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

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

AFY: Acre-foot per year.

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

AMP: Allen McCulloch pipeline.

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

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

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

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

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

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

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

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

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

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

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

BIA: Building Industry Association.

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

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

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

Brackish water: A mixture of freshwater and saltwater.

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

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

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

CEQA: California Environmental Quality Act.

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

CFS: Cubic feet per second.

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

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

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

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

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

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

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

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

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

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

Crisis:

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

CTP Coastal Treatment Plant

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

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

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

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

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

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

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

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

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

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

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

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

Disinfection: Water treatment which destroys potentially harmful bacteria.

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

Drought: A prolonged period of below-average precipitation.

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

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

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

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

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

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

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

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.