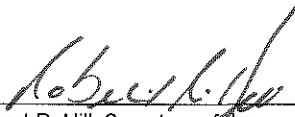


31 hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.



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

AGENDA

EL TORO WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS ENGINEERING COMMITTEE MEETING AND

FINANCE/INSURANCE COMMITTEE MEETING

**(Director William Kahn participating via teleconference
from 23906 Ash Lane, Mission Viejo, CA 92691 (949) 633-6050)**

April 24, 2018

7:30 a.m.

CALL TO ORDER – Director Vergara

PLEDGE OF ALLEGIANCE – Director Adjarian

ORAL COMMUNICATION – PUBLIC COMMENT

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

ENGINEERING COMMITTEE

CONSENT CALENDAR

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

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

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

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

APPROVAL OF ITEMS REMOVED FROM TODAY'S ENGINEERING

COMMITTEE CONSENT CALENDAR

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

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

ENGINEERING GENERAL INFORMATION ITEMS

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

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

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

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

COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS

CLOSE ENGINEERING COMMITTEE MEETING

FINANCE/INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Director Monin

CONSENT CALENDAR

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

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

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

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

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

Staff will review and comment on the Quarterly Insurance Report for the period January 1, 2018 through March 31, 2018.

Recommended Action: Receive and File the quarterly insurance report for the period January 1, 2018 through March 31, 2018.

6. **Financial Package - Authorization to Approve Bills for Consideration dated April 24, 2018 and Receive and File Financial Statements as of March 31, 2018** (Reference Material Included)

Staff will review and comment on the Bills for Consideration dated April 24, 2018 and Receive and File Financial Statements as of March 31, 2018.

Recommended Action: Staff recommends that the Board: 1) Approve, ratify and confirm payment of those bills as set forth in the schedule of Bills for Consideration dated April 24, 2018, and 2) receive and file the Financial Statements for the period ending March 31, 2018.

APPROVAL OF ITEMS REMOVED FROM TODAY'S FINANCE COMMITTEE

CONSENT CALENDAR

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

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

FINANCIAL ACTION ITEMS

7. **Quarterly Audits** (Reference Material Included)

Staff will review and comment on the quarterly audits of the District's financials for the periods July 1, 2017 to September 30, 2017, and the period from October 1, 2017 to December 31, 2017 as presented by the PUN Group.

Recommended Action: Staff recommends that the Board receive and file the quarterly audit reports for the periods July 1, 2017 to September 30, 2017, and the period from October 1, 2017 to December 31, 2017 as presented by the PUN Group.

8. **Report on Proposed Changes to the ETWD 401(k) Retirement Savings Plan** (Reference Material Included)

Staff will review and comment on proposed changes to the number of age-based portfolios, their corresponding asset class allocations and amendments to the Investment Policy Statement (IPS). The objective for today's meeting is for the Board to approve the proposed age-based portfolios and their corresponding asset class allocations. The IPS will be amended and brought back to the Board for consideration in May.

Recommended Action: 1) Approve the proposed age-based portfolios and their corresponding asset class allocations and 2) direct Staff to amend the IPS for Board consideration in May.

FINANCIAL INFORMATION ITEMS

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

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

COMMENTS REGARDING NON-AGENDA FIC ITEMS

CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

ATTORNEY REPORT

CLOSED SESSION

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

1. In accordance with Government Code Section 54956.96 in order to receive, discuss, and/or take action concerning information obtained by the District's representative pertaining to a closed session of the South Orange County Wastewater Authority ("SOCWA"), a joint powers agency.

2. In accordance with Government Code Section 54956.9 to consult with legal counsel on a matter of potential litigation – (one matter).
3. In accordance with Government Code Section 54957 to review the General Manager's Employment Agreement.

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

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

ADJOURNMENT TO 7:30 a.m., Tuesday, May 22, 2018.

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

Request for Disability-Related Modifications or Accommodations

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

MINUTES OF THE REGULAR MEETING
OF THE
ENGINEERING COMMITTEE MEETING

March 20, 2018

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

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

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

Also present were ROBERT R. HILL, General Manager/Secretary, DENNIS P. CAFFERTY, Assistant General Manager/District Engineer, JUDY CIMORELL, Human Resources Manager, RICK OLSON, Operations Superintendent, NEELY SHAHBAKHTI, Finance Manager/Controller, BOBBY YOUNG, Project Engineer, GILBERT J. GRANITO, POLLY WELSCH, Recording Secretary, KATHRYN FRESHLEY, Customer, and CAROL MOORE, Laguna Woods Mayor.

Oral Communication/Public Comment

There were no comments.

Items Received too Late to be Agendized

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

Consent Calendar

1. Approval of the February 20, 2018 Engineering Committee Meeting Minutes
2. Vehicle Replacement

Chairman Vergara asked for a Motion to approve the Consent Calendar.

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

Roll Call Vote:

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

Engineering General Information Items

Capital Project Status Report

Recycled Water Project

Mr. Cafferty stated that the Recycled Water Project is making great progress, with nearly all of the East Side System pipeline installed, and the contractor is working on appurtenance installations.

Mr. Cafferty stated that staff and the contractor received compliments in the LW Globe about the project.

Director Vergara asked when the dirt is removed for the placement of pipeline, who is responsible to cover the street with slurry seal, the District or the City? Mr. Cafferty replied that the specifications require the contractor to restore the pavement with new asphalt over a defined width outside the trench.

Mr. Cafferty stated that the District has not yet received funding from the State.

Main/Field Office Asphalt Pavement Repair

Mr. Cafferty stated that the weather has delayed portions of the project. He further stated that staff is working to ensure the repairs in the Front Office parking and driveway areas are complete prior to the March 30th Demo Garden Tour.

Director Vergara asked if staff is grinding the pavement, or putting a seal on top. Mr. Cafferty replied that it depends on how deteriorated each area of pavement is.

Phase III Recycled Water Project

Vice President Kahn asked if staff could provide an update on MNWD's Master Plan and the Phase III Recycled Water Project opportunities. Mr. Cafferty replied that MNWD's Plan is complete, and staff is reviewing the report. He further stated that he will provide an update within the next few months.

AMP Shutdown

Mr. Cafferty stated that the AMP Pipeline was shut down for 8 days which enabled MWD to relocate the turnout to the ETWD OC-76 turnout and inspect approximately 9 miles of pipeline. He further stated that this turnout connection is beneficial to the District as it eliminated nearly 7,000 feet of 24" pipeline resulting in a significant improvement in reliability for the ETWD AMP supply.

President Goldman asked how they were able to do this. Mr. Cafferty replied that the OC-76 turnout pipeline was approximately 2 miles, and they made a new connection to the AMP closer to the OC-76 turnout facility. He further stated that with Baker online SMWD used more water from the R-6 Reservoir than ETWD.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

Adjournment

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

Motion: Director Adjarian made a Motion, seconded by Director Monin and unanimously carried that today's meeting be adjourned at 7:40 o'clock a.m. to Tuesday, April 24, 2018 at 7:30 o'clock a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Roll Call:

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

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

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

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

CAPITAL PROJECT / EQUIPMENT STATUS REPORT

April, 2018

I Oso Lift Station Improvement Project

Design is in progress. Tetra Tech is preparing to submit the 90% design drawings. Staff is working with Tetra Tech to develop design drawings for the overflow connection to the nearby MNWD gravity sewer in preparation of a submittal to MNWD. The final design is expected to be complete in May.

II Phase II Recycled Water Distribution System Expansion Project

Construction

- **West Side System**

Pipeline construction is underway. Pipeline construction is approximately 73% complete

- **East Side System**

Construction is underway. Nearly all of the distribution piping has been installed. The contractor is completing work on appurtenance installations. The distribution pipeline contract work is expected to complete by the end of May.

On-Site Retrofits

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

The following project information items are attached:

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

III Main/Field Office Asphalt Pavement Repair

The asphalt repair project at the Main Office campus is complete.

IV Phase III Recycled Water Distribution System Expansion Project

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

V 2nd Street Pump Station Demolition Project

Staff has submitted the Quit Claim document to the Carefree El Toro Homeowner's Association for signature. Staff is waiting for a response to an inquiry about status of the executed document. IRWD has paid for their portion of the demolition costs.

VI South Orange County Supply and System Reliability Projects

A. Baker Water Treatment Product Water Conveyance Options

Moulton Niguel Water District is evaluating their capital projects schedule regarding a potential new turnout on the South County Pipeline that would include a turnout connection dedicated to the ETWD Baker supply. MNWD has verbally indicated they are prepared to continue the temporary conveyance of water through the Los Alisos interconnection until such time that the permanent conveyance facilities are complete.

B. Poseidon HB Ocean Desalination Project

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

At a hearing held on October 19 the State Lands Commission approved the Poseidon project as long as Poseidon agrees to eliminate or reduce carbon emissions. Poseidon will pursue renewal of their NPDES discharge permit with the Santa Ana Regional Water Quality Control Board in early 2018. It is anticipated that Poseidon will then seek project approval from the Coastal Commission sometime next summer.

The Project moving forward is contingent upon:

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

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

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

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

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

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

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

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

	Estimate		To Date
	March	April	
Construction			
West Side System			
E.J. Meyer Construcion Contract	\$3,708,888	\$3,708,888	1,736,261.33
Allowance for Utility Conflicts	\$150,000	\$150,000	\$25,625
Contingency	\$175,000	\$100,000	\$6,818
Total	\$4,033,888	\$3,958,888	1,768,704
East Side System			
T.E. Roberts Construction Contract	\$1,262,411	\$1,262,411	828,650
Allowance for Utility Conflicts	\$75,000	\$75,000	
Contingency	\$65,000	\$0	
Total	\$1,402,411	\$1,337,411	828,650
Construction Material (Meter Boxes)		\$20,000	3,663
Total Construction			
Construction Contracts	\$4,971,299	\$4,971,299	
Allowance for Utility Conflicts (Contingency)	\$225,000	\$225,000	
Contingency	\$240,000	\$100,000	
Construction Material (Meter Boxes)		\$20,000	
Total Construction	\$5,436,299	\$5,316,299	2,601,017
Engineering Design			
Engineering Design (Tetra Tech)	\$241,000	\$241,000	
Retrofit Site Plans	\$66,500	\$66,500	
Easement Exhibits (Tetra Tech)	\$32,500	\$32,500	
Subtotal Design	\$340,000	\$340,000	288,449
Planning			
CEQA (Dudek)	\$67,805	\$67,805	67,805
Funding Research	\$9,701	\$9,701	9,701
SRF Application Support	\$13,536	\$13,536	13,536
Subtotal Planning	\$91,042	\$91,042	91,042
Construction Support			
CEQA Construction Support	\$15,000	\$15,000	5,718
Engineering Construction Support - Tetra Tech	\$145,000	\$125,000	34,485
Construction Management & Inspection - MWH	\$435,991	\$435,991	257,471
Construction Management & Inspection - Geotech	\$85,995	\$85,995	68,433
Labor Compliance Consultant - GSLC	\$42,840	\$42,840	31,473
Public Relations	\$75,000	\$50,000	9,005
Miscellaneous Construction Support	\$75,000	\$75,000	10,978
Subtotal Construction Support	\$874,826	\$829,826	\$417,563
Administration			
Legal	\$50,000	\$25,000	
Funding Research			
SRF Application Support			
Public Relations			
Miscellaneous	\$75,000	\$50,000	
Easements Compensation	\$34,600	\$34,600	
Title Insurance	\$16,500	\$16,500	\$16,500
Subtotal Administration	\$176,100	\$126,100	\$16,500
On Site Conversions/Retrofits Construction	\$700,000	\$700,000	\$0
Total Project	\$7,618,267	\$7,403,267	3,414,570

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

CONSTRUCTION SUMMARY

**EAST SIDE SYSTEM
PIPELINE INSTALLATION PROGRESS**

DIAMETER	CONTRACT (LF)	INSTALLED (LF)	COMPLETION PERCENTAGE
6"	3,671	3,655	100%
4"	4,002	3,853	96%
TOTAL	7,673	7,508	98%

Construction Completion

Progress Billings	\$828,650	62%
Allowance Utilization	\$0	0%
Change Orders	\$0.00	0.0%

**WEST SIDE SYSTEM
PIPELINE INSTALLATION PROGRESS**

DIAMETER	CONTRACT (LF)	INSTALLED (LF)	COMPLETION PERCENTAGE
10"	1,349	350	26%
6"	949	877	92%
4"	18,343	13,795	75%
TOTAL	20,641	15,022	73%

Construction Completion

Progress Billings	\$1,768,704	46%
Allowance Utilization	\$66,591.82	44%
Change Orders	\$20,424.86	0.5%

**TOTAL DISTRIBUTION SYSTEM
PIPELINE INSTALLATION PROGRESS**

DIAMETER	CONTRACT (LF)	INSTALLED (LF)	COMPLETION PERCENTAGE
10"	1,349	350	26%
6"	4,620	4,532	98%
4"	22,345	17,648	79%
TOTAL	28,314	22,530	80%

Construction Completion

Progress Billings	\$2,597,354	50%
Allowance Utilization	\$66,591.82	30%
Change Orders	\$20,424.86	0.4%

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

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

West Side System

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

PHASE II
RECYCLED WATER DISTRIBUTION SYSTEM
EXPANSION PROJECT

WEST SIDE SYSTEM

CONSTRUCTION PHOTOS

APRIL, 2018



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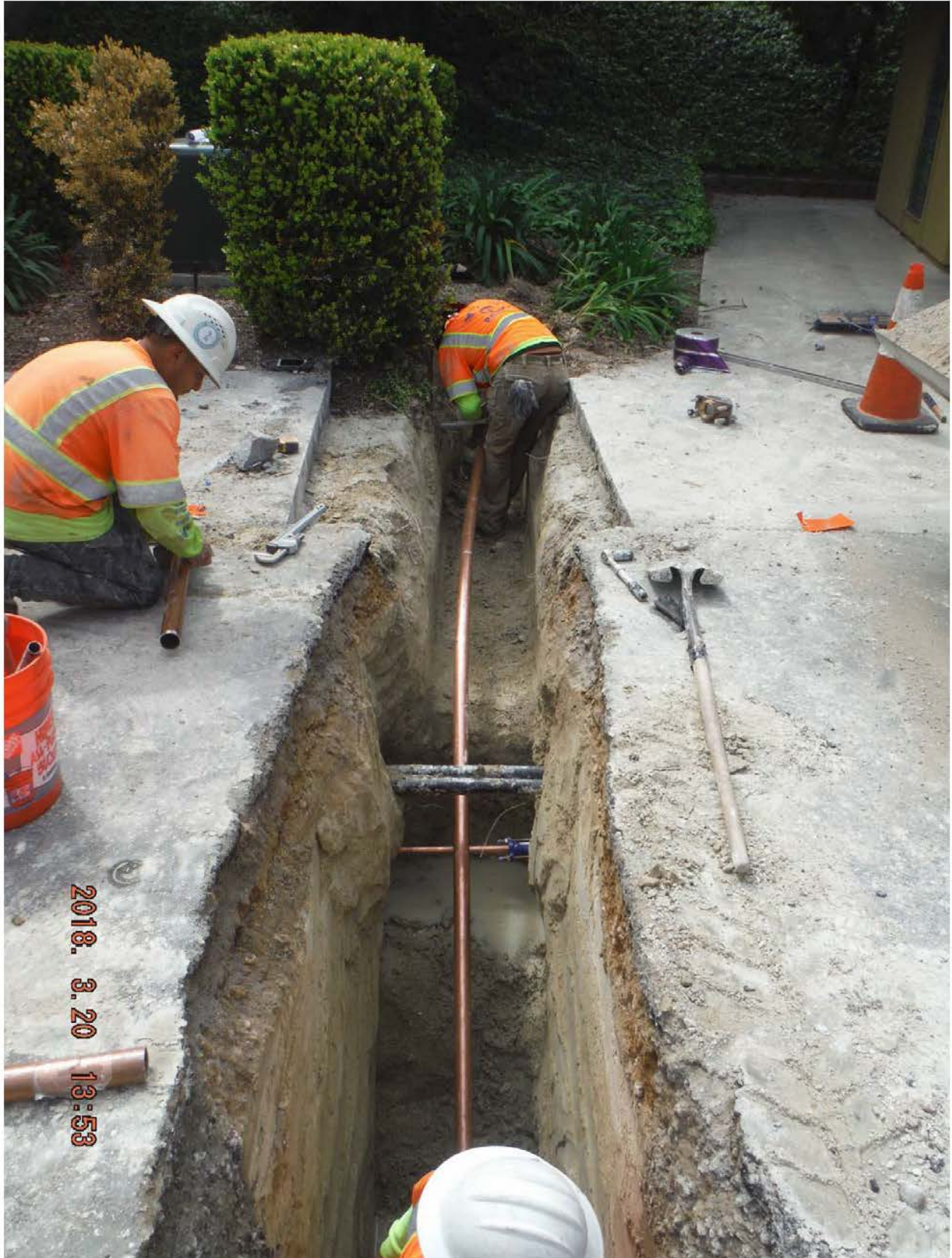


PHASE II
RECYCLED WATER DISTRIBUTION SYSTEM
EXPANSION PROJECT

EAST SIDE SYSTEM

CONSTRUCTION PHOTOS

APRIL, 2018



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

Project Description		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Estimate	Board Approved Cost
<i>2017/18 Capital Projects</i>															
1	Recycled Water Phase II	B	A	C	A	C	C	C	C	C	C	C	C	\$10,000,000	\$5,863,285
2	Replace R-6 Sodium Hypochlorite Tanks	E	E	E	Deferred to 1819 Fiscal Year									\$210,000	\$0
3	Oso Lift Station Improvement Project	E	E	E	E	E	E	E	E	E	E	B	A	\$1,000,000	
4	AMR / AMI Implementation									RFP	RFP			\$200,000	
5	Master Plan Update										RFP	RFP	A	\$350,000	
6	A/C Pavement Repair and Maintenance at Los Alisos Facility						E	B	A	C				\$100,000	\$90,278
<i>2017/18 Capital Equipment</i>															
1	Also Creek Lift Station Spare Grinder			Quote is <\$50K. Will be Purchased Under GM Authority										\$52,500	\$0
2	Northline Lift Station Spare Grinder			A										\$84,000	\$82,946
3	WRP Tractor				Deferred Pending Completion of Solids Handling Study								\$200,000	\$0	
4	Vehicle Replacement									A		R		\$100,000	\$110,508
5	250KW Portable Emergency Generator		A											\$210,000	\$141,826
6	Backhoe								A		R			\$168,000	\$130,923
Total													\$12,674,500	\$6,419,766	

E = Engineering/Study

C = Construction

O = Order

N = Negotiate

R = Receive

P = Permit

CQ = CEQA

CO = Carry Over

RFP = Request for Proposal

B = Bid

A = Approve by Board

ET = Evaluate

M = Monitoring

BP = Board Presentation

Revised 04/16/18

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

March 20, 2018

Director Monin called the Meeting of the Finance/Insurance Committee to order at 7:40 a.m. on March 20, 2018.

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

Also present were ROBERT R. HILL, General Manager/Secretary, DENNIS P. CAFFERTY, Assistant General Manager/District Engineer, JUDY CIMORELL, Human Resources Manager, RICK OLSON, Operations Superintendent, NEELY SHAHBAKHTI, Finance Manager/Controller, BOBBY YOUNG, Project Engineer, GILBERT J. GRANITO, POLLY WELSCH, Recording Secretary, KATHRYN FRESHLEY, Customer, and CAROL MOORE, Laguna Woods Mayor.

Consent Calendar

1. Approval of the February 20,2018 Finance Committee Meeting Minutes
2. Finance report
3. Mission Viejo Chamber of Commerce Membership Renewal

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

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

Roll Call Vote:

Director Vergara	aye
Vice President Kahn	aye
President Goldman	aye

Director Monin aye
Director Adjarian aye

Finance Action Items

HighMark Authorization to enter into Advisory Service Agreement/Advisory Services Agreement Management Fee Addendum

Mr. Hill stated that the status of negotiations with HighMark and Prudential were discussed. He further stated that the action today is for the Board to authorize current positions to execute agreements between ETWD and Highmark, and also to authorize certain positions to execute agreements between ETWD and HighMark inclusive of any changes reviewed and approved by the Board at today's meeting.

Mr. Hill stated that the average percentage for HighMark's Management Fee was 44 points which Highmark agreed to reduce to 37 points. Mr. Hill further stated that staff countered at 30 points and Highmark ultimately came back at 30.5 points.

Mr. Hill stated that the next step is to schedule a Special Board meeting with HighMark's staff to review the proposed age-based portfolios and how to transition the changes. He further stated that they would also discuss changes to the Investment Policy Statement (IPS) for the 401(k) Plan.

Mr. Hill stated that the IPS has a primary benchmark and a secondary benchmark, and we would like to have one benchmark. He further stated that after the Special Board meeting, we would update the IPS and move forward with reduced Management fees.

Mr. Hill stated that Sageview informed the Board that Prudential was charging 71 basis points, which they negotiated down to 28 basis points for the 401(k) Plan. He further stated that Prudential would be happy to meet with the Board and discuss their

watch lists.

Mr. Hill stated that an Employee Meeting would then be held to explain the changes to the participants, and offer one-on-one meetings with Prudential representatives. He further stated that the District's ERISA Counsel has reviewed these documents, and agreed to the minor edits.

Director Adjarian asked if the suggested FI 360 is intended to be done. Mr. Hill replied that the FI 360 is an option and could be part of the discussion with HighMark.

Vice President Kahn asked if Prudential could discuss changing the age-based portfolios to see if participants wish to do this, and could it lessen risk to employees. Mr. Hill replied that Sageview suggested we smooth out the glide path in the portfolios. He further stated that after the Board provides input on the portfolios, management will schedule an Employee meeting to inform the participants.

Director Monin asked for a Motion.

Motion: President Goldman made a Motion, seconded by Director Adjarian, and unanimously carried across the Board to 1) authorize President Scott Goldman, treasurer Mark Monin, Secretary Robert Hill and Assistant Secretary Dennis Cafferty to execute the Authorization to enter into Advisory Services Agreement between ETWD and HighMark, and 2) authorize President Scott Goldman and Secretary Robert Hill to execute the Advisory Services Agreement Investment Management Fee Addendum between ETWD and HighMark inclusive of any changes reviewed and approved by the Board at today's meeting.

Roll Call Vote:

Director Adjarian	aye
Director Vergara	aye

Vice President Kahn	aye
President Goldman	aye
Director Monin	aye

CAMP Notice of Solicitation of Written Consent of Trustees

Mr. Hill stated that as a member of the CAMP Trust, the Board appoints Trustees annually. He further stated that they are also asking for approval or withhold approval of amendments to the Authorized Investment Policy.

Mr. Hill stated that staff has reviewed this with Richard Babbe of PFM, and they support the 7 candidates on the ballot. He further stated that the recommendation by staff and Mr. Babbe is to consent to all individuals listed, and approve the amendments to the Investment Policy.

Director Monin asked for a Motion.

Motion: President Goldman made a Motion, seconded by Director Adjarian, and unanimously carried across the Board to consent to all seven individuals appointed to serve as Trustees for the ensuing year, and to approve the amendments to the Authorized Investments Policy.

Roll Call Vote:

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

Finance Information Items

Director Benefit Survey

Ms. Cimorell stated that she reached out to the neighboring agencies, and

handed out a spreadsheet showing the benefits that are offered to Directors. She further stated that some offer medical benefits and some do not.

President Goldman stated that he feels that we should continue with the Long Term Care Plan instead of the medical insurance, due to the cost to the District.

President Goldman asked if the Directors could choose which they prefer, either Long Term Care or medical insurance, and if they choose medical insurance, can they pay the difference between what the District pays for Long Term Care and what the cost would be for medical.

Ms. Cimorell replied no; that is not an option through JPIA. She further stated that it has to be the same plan as the employees have.

President Goldman asked about the Long Term Care and what benefit it offers. Ms. Cimorell replied that the benefit is that the Directors hold their own policy which is different coverage than the employees have. She further stated that the cost varies by age, and the benefits cover \$100/day for 3 years.

Ms. Cimorell stated that there are other options such as Kaiser and it would only cover the Directors and no family members.

Mr. Hill stated that this item could be a carry-over item for further discussion.

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

Mr. Hill stated that staff will be finalizing the first draft of the Budget at Friday's Budget Committee #1 meeting. He further stated that the Cost of Service is also in progress.

Mr. Hill stated that the goal of the meeting is to discuss the draft Budget, the Cost

of Service, and the draft Prop 218 Notice.

Tiered Water Usage and Revenue Tracking

Ms. Shahbakhti stated that February water usage charts are included in the package. She further stated that graphs are listed by class, showing irrigation.

Comments Regarding Non-Agenda FIC Items

There were no comments.

Close Finance and Insurance Committee Meeting

At approximately 8:32 o'clock a.m. the Finance and Insurance Committee meeting was closed.

Attorney Report

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

Adjournment

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

Motion: President Goldman made a Motion, seconded by Director Adjarian and unanimously carried that today's meeting be adjourned at 8:32 o'clock a.m. to Tuesday, April 24, 2018 at 7:30 o'clock a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Roll Call:

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

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

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

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

**EL TORO WATER DISTRICT
INSURANCE UPDATE
April 2018**

Liability Program

There is nothing new to report this quarter.

Property Insurance

There is nothing new to report this quarter.

Excess Public Employee Fidelity Program

There is nothing new to report this quarter.

Underground Storage Tank Pollution Liability

There is nothing new to report this quarter.

Dam Failure Liability

There is nothing new to report this quarter.

Fiduciary Liability Policy

There is nothing new to report this quarter.

Liability & Property Claims

1. On January 11, 2018 one of our employees was operating Unit 60 when the operating valve hand broke loose from the key ring hook and extended out far enough to hit the trunk of a parked Silver Honda Civic. A claim form was filled out by the owner and paid by JPIA for damages. This claim is closed.
2. On February 1, 2018 one of our employees hit a parked truck on Cavanaugh. A claim form has not been received. This accident is still pending.
3. On March 23, 2018 one of our employees parked on left side of Via San Martine to change a register. After the meter was changed, he backed to leave and hit a white pole on the driver's side door of his truck. This vehicle was sent to be repaired and JPIA will be reimbursing us the damage minus our \$500.00 deductible.

Workers' Compensation Policy

The Workers' Compensation Policy was renewed as of July 1, 2017 and runs through June 30, 2018. The District's experience modification rate is down from 1.37 to 1.17 for FY 17/18.

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 third quarter is \$1392.05

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 third 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 third quarter is \$81.51.

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 third quarter is \$45.83.

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 third quarter is \$8.15.

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 third quarter is \$37.99.

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 third quarter is \$1.70.

An insurance report of Budget vs. Actual Costs for fiscal year 2017/2018 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 - Q3 2017/18
4/1/2018**

	Annual Budget	Actual Paid to Date	Difference	
Insurance Coverage				
Liability	\$135,000	\$137,304	\$2,304	
Property	\$73,000	\$70,172	(\$2,828)	
Fiduciary Liability	\$6,300	\$6,143	(\$157)	
Dam Ins. (includes Excess)	\$15,900	\$15,855	(\$45)	
less SMWD- 50% & MNWD 5% - R-6	(\$7,950)	(\$7,928)	\$23	
	(\$795)	(\$793)	\$2	
Underground Storage Tank	\$1,200	\$1,193	(\$7)	
Public Employee Fidelity	\$1,750	\$1,734	(\$16)	
Total Insurance	\$224,405	\$223,681	(\$724)	
			Accumulative	
	Annual	Q1, Q2, Q3	Q1, Q2, Q3	
Benefits - Directors	Budget	Budget	Actual	Difference
Long Term Care	\$18,471	\$13,853	\$10,112	(\$3,741)
Dental	\$4,728	\$3,546	\$3,302	(\$244)
Vision	\$1,045	\$784	\$774	(\$9)
Life	\$185	\$139	\$109	(\$29)
Total Benefits Directors	\$24,429	\$18,322	\$14,298	(\$4,024)
Retiree Benefits				
Medical	\$218,101	\$163,576	\$159,478	(\$4,098)
Employee paid	(\$21,810)	(\$16,358)	(\$16,312)	\$46
Anthem Supplement	\$13,101	\$9,826	\$9,569	(\$256)
Total retiree benefits	\$209,392	\$157,044	\$152,735	(\$4,309)
Employee Benefits				
Emp.Assistance Program	\$1,276	\$957	\$894	(\$63)
Medical	\$1,117,355	\$838,016	\$759,291	(\$78,725)
Emp. Co-pay	(\$85,950)	(\$64,463)	(\$63,243)	\$1,219
Life/AD&D	\$29,421	\$22,066	\$20,810	(\$1,256)
Dental	\$63,750	\$47,813	\$43,805	(\$4,008)
Vision	\$12,984	\$9,738	\$9,276	(\$462)
LTD/STD	\$36,107	\$27,080	\$25,193	(\$1,887)
LTC	\$9,066	\$6,800	\$5,753	(\$1,046)
LTC-Emp. Paid	(\$2,598)	(\$1,949)	(\$1,476)	\$472
Workers comp.	\$175,723	\$131,792	\$115,505	(\$16,287)
Total Employee Benefits	\$1,357,134	\$1,017,851	\$915,808	(\$102,042)

SUMMARY OF COVERAGE

Type of Coverage	<u>GENERAL LIABILITY</u>	Coverage Term: 10/17-18
Coverage Includes	1. Commercial General Liability 2. Contractual Liability 3. Products/Completed Operations 4. Personal Injury	Premium - \$137,304.20
Coverage Limits	Insurance Carrier Pooled Self-insured	Policy Number MOLC - 100110

Type of Coverage	<u>AUTO LIABILITY</u>	Coverage Term: 10/17-18
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: 10/17-18
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: 4/17 - 18
Coverage Includes	1. Basic Property Values- Building, Fixed Equipment, Personal Property 2. Mobile Equipment Value 3. Licensed Vehicle - Comprehensive & Collision - Private Passenger, Light Truck, Sport Utility, Other Vehicles	Premium - \$70,172
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: 4/17- 18
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Coverage Includes	<ol style="list-style-type: none"> 1. Public Employee Dishonesty 2. Forgery or Alteration 3. Computer Fraud 4. Faithful Performance of Duty 5. Treasurer/Tax Collector/Board Members (included) 	Premium - \$1,734
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Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>UNDERGROUND STORAGE TANK POLLUTION LIABILITY</u>	Coverage Term: 7/17-18
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Coverage Includes	<ol style="list-style-type: none"> 1. Claims-Made 2. Environmental Incident 	Premium - \$1,193.
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**Covers 1 Tank Located at:
23542 Moulton Parkway
Laguna Woods, CA 92637**

Coverage Limits	Insurance Carrier	Policy Number
	Pooled Self-insured	MOLC - 100110

Type of Coverage	<u>DAM FAILURE LIABILITY</u>	Coverage Term: 10/17-18
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Coverage (Includes Excess Ins. for El Toro Reservoir)	<ol style="list-style-type: none"> 1. Bodily Injury 2. Property Damage 	Premium - \$15,855.
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**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: 9/17-18
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Coverage Includes	<ol style="list-style-type: none"> 1. Executive Protection Policy 	\$6,143.00
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**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: 7/17 - 6/18
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>	3rd Quarter Premium \$6,989
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>	3rd Quarter Premium \$8,388
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>	3rd Quarter Premium \$1,491
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>	3rd 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>	3rd Quarter Premium \$15,823
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>	3rd Quarter Premium \$277,274
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>	3rd Quarter Premium \$3,407
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
April 24, 2018

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**EL TORO WATER DISTRICT
BALANCE SHEET**

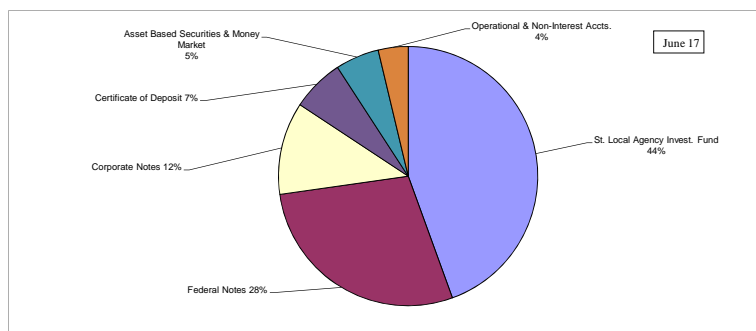
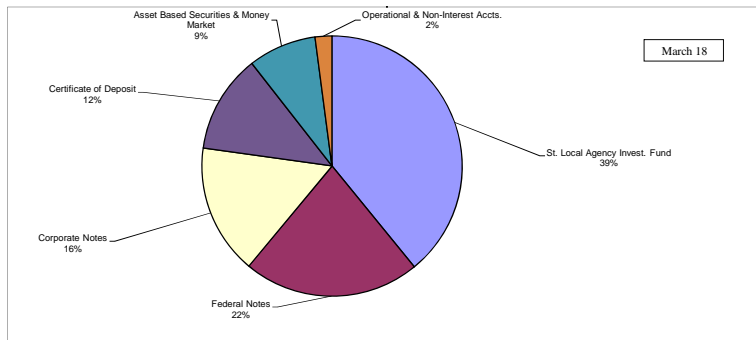
	3/31/18 (Unaudited)	June 30, 2017 (Audited)
ASSETS		
Current Assets		
Cash & Investments	\$4,042,159	\$6,580,471
Receivables:		
Accounts Receivable	3,031,916	3,037,710
Notes Receivable	-	-
Inventories	633,066	562,451
Prepaid Expenses	279,976	201,595
Total Current Assets	7,987,118	10,382,226
Restricted Assets		
Cash & Investments	11,391,197	10,797,628
Total Restricted Assets	11,391,197	10,797,628
Non-Current Assets		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	111,829,766	111,005,328
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,654,643	34,640,855
Total Utility Plant	160,522,084	159,683,857
Less Accumulated Depreciation & Amortization	(69,847,907)	(66,782,443)
Net Utility Plant	90,674,176	92,901,415
Construction Work in Progress	4,396,937	1,841,774
Notes Receivable	-	-
Total Non-current Assets	95,071,113	94,743,188
TOTAL ASSETS	\$114,449,427	\$115,923,043

**EL TORO WATER DISTRICT
BALANCE SHEET**

	3/31/18 (Unaudited)	June 30, 2017 (Audited)
LIABILITIES and EQUITY		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,143,624	\$1,869,851
Current Portion of Long-Term Debt	389,276	1,745,817
Other Current Liabilities	7,455,817	7,547,548
Total Current Liabilities Payable		
From Current Assets	8,988,717	11,163,216
Long Term Debt		
Long Term Debt	35,802,806	35,802,806
Total Long Term Debt	35,802,806	35,802,806
Total Liabilities	44,791,522	46,966,022
Fund Equity		
Retained Earnings - Reserved	22,174,300	22,174,300
Contributed Capital	8,744,767	8,744,767
Retained Earnings - Unreserved	38,037,954	38,615,382
Net Income	700,884	(577,428)
Total Fund Equity	69,657,905	68,957,021
Total Liabilities & Fund Equity	\$114,449,427	\$115,923,043

CASH & INVESTMENTS
SUMMARY OF INVESTMENTS BY TYPE

	Maturity Dates	Par	Market Value 3/31/18	Financial Institution	YTM 3/31/18	Original Cost 3/31/18
State Local Agency Investment Fund	NA	NA	\$6,057,594	LAIF	1.52%	\$6,057,594
US Treasury N/B - Coupon Rate 1.625%	7/31/2020	60,000	59,037	US Bank/CAMP	1.60%	60,038
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	110,000	107,482	US Bank/CAMP	1.53%	109,502
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	260,000	254,048	US Bank/CAMP	1.44%	259,523
US Treasury N/B - Coupon Rate 1.375%	10/31/2020	95,000	92,647	US Bank/CAMP	1.65%	94,228
US Treasury N/B - Coupon Rate 1.750%	12/31/2020	340,000	334,355	US Bank/CAMP	1.90%	338,513
US Treasury N/B - Coupon Rate 1.375%	1/31/2021	50,000	48,611	US Bank/CAMP	2.05%	49,006
US Treasury N/B - Coupon Rate 1.125%	2/28/2021	150,000	144,656	US Bank/CAMP	2.41%	144,428
Intl BK of Recon & Dev Global Notes - Coupon Rate 1.125%	11/27/2019	110,000	107,823	US Bank/CAMP	1.50%	109,098
Intl BK of Recon & Dev Notes - Coupon Rate 1.875%	4/21/2020	90,000	89,018	US Bank/CAMP	1.90%	89,922
Inter-American Devel BK Note - Coupon Rate 1.625%	5/12/2020	150,000	147,802	US Bank/CAMP	1.70%	149,645
Intl BK of Recon & Dev Notes - Coupon Rate 1.561%	9/12/2020	90,000	87,775	US Bank/CAMP	1.64%	89,784
Inter-American Development Bank - Coupon Rate 2.125%	11/9/2020	90,000	89,245	US Bank/CAMP	1.81%	90,834
Intl Finance Note - Coupon Rate 2.250%	1/25/2021	70,000	69,429	US Bank/CAMP	2.35%	69,794
Intl Finance Corporation Note - Coupon Rate 2.635%	3/9/2021	90,000	89,674	US Bank/CAMP	2.66%	89,933
Inter-American Dev Bank Note - Coupon Rate 1.875%	3/15/2021	200,000	196,223	US Bank/CAMP	2.56%	196,046
FHLMC Reference Note - Coupon Rate 0.875%	7/19/2019	310,000	304,676	US Bank/CAMP	1.08%	308,301
FNMA Notes - Coupon Rate 1.000%	8/28/2019	950,000	934,238	US Bank/CAMP	1.10%	947,435
FNMA Notes - Coupon Rate 1.500%	2/28/2020	200,000	196,981	US Bank/CAMP	1.52%	199,872
Federal Notes		3,415,000	3,353,721			3,395,899
John Deere Capital Corp. - Coupon Rate 1.650%	10/15/2018	30,000	29,862	US Bank/CAMP	1.69%	29,981
Toyota Motor Credit Corp. - Coupon Rate 1.700%	1/9/2019	150,000	148,965	US Bank/CAMP	1.72%	149,948
US Bankcorp (Callable) Notes - Coupon Rate 2.200%	4/25/2019	150,000	149,190	US Bank/CAMP	1.47%	152,727
Pepsico Inc. - Coupon Rate 1.550%	5/2/2019	50,000	49,522	US Bank/CAMP	1.59%	49,963
American Express Credit - Coupon Rate 1.875%	5/3/2019	50,000	49,536	US Bank/CAMP	1.90%	49,980
American Honda Finance - Coupon Rate 1.200%	7/12/2019	150,000	147,275	US Bank/CAMP	1.48%	148,887
Goldman Sachs Group Inc - Coupon Rate 1.950%	7/23/2019	60,000	59,331	US Bank/CAMP	1.96%	59,993
Cisco Systems Notes - Coupon Rate 1.400%	9/20/2019	150,000	147,602	US Bank/CAMP	1.42%	149,931
Honeywell International Corp. Notes - Coupon Rate 1.800%	10/30/2019	25,000	24,671	US Bank/CAMP	1.84%	24,981
American Express Credit Corp. - Coupon Rate 1.700%	10/30/2019	100,000	98,273	US Bank/CAMP	1.99%	99,240
Citigroup Inc. Corp. Note - Coupon Rate 2.450%	1/10/2020	50,000	49,535	US Bank/CAMP	1.90%	50,607
BB&T Corp. Note - Coupon Rate 2.450%	1/15/2020	100,000	99,168	US Bank/CAMP	2.08%	101,053
Morgan Stanley Corp. Bonds - Coupon Rate 2.650%	1/27/2020	40,000	39,754	US Bank/CAMP	2.35%	40,346
IBM Corp. Notes - Coupon Rate 1.900%	1/27/2020	100,000	98,738	US Bank/CAMP	1.93%	99,904
Microsoft Corp. Note - Coupon Rate 1.850%	2/6/2020	90,000	89,103	US Bank/CAMP	1.87%	89,940
Apple Inc. Bonds - Coupon Rate 1.900%	2/7/2020	80,000	79,082	US Bank/CAMP	1.92%	79,961
Chevron Corp Notes - Coupon Rate 1.991%	3/3/2020	70,000	69,209	US Bank/CAMP	1.99%	70,000
Walt Disney Corp Notes - Coupon Rate 1.950%	3/4/2020	20,000	19,718	US Bank/CAMP	1.96%	19,995
Exxon Mobil Corp Note - Coupon Rate 1.912%	3/6/2020	90,000	88,720	US Bank/CAMP	1.75%	90,402
John Deere Capital Corp. - Coupon Rate 2.200%	3/13/2020	40,000	39,567	US Bank/CAMP	2.23%	39,969
Goldman Sachs Group Inc Corp Notes - Coupon Rate 2.600%	4/23/2020	30,000	29,721	US Bank/CAMP	2.28%	30,226
Apple Inc. Bonds - Coupon Rate 1.800%	5/11/2020	60,000	59,034	US Bank/CAMP	1.84%	59,939
Intel Corp Notes - Coupon Rate 1.850%	5/11/2020	90,000	88,589	US Bank/CAMP	1.86%	89,966
Home Depot Inc Corp Notes - Coupon Rate 1.800%	6/5/2020	40,000	39,293	US Bank/CAMP	1.82%	39,977
Walt Disney Corp Notes - Coupon Rate 1.800%	6/5/2020	70,000	68,585	US Bank/CAMP	1.84%	69,919
John Deere Capital Corp Notes - Coupon Rate 1.950%	6/22/2020	20,000	19,619	US Bank/CAMP	1.97%	19,988
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	10,000	9,942	US Bank/CAMP	1.83%	10,208
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	70,000	69,592	US Bank/CAMP	1.82%	71,471
Caterpillar Fintl Service Note - Coupon Rate 1.850%	9/4/2020	70,000	68,340	US Bank/CAMP	1.88%	69,941
Citigroup Inc Corp Notes - Coupon Rate 2.650%	10/26/2020	40,000	39,522	US Bank/CAMP	2.34%	40,360
Paccar Financial Corp Notes - Coupon Rate 2.050%	11/13/2020	20,000	19,600	US Bank/CAMP	2.05%	19,998
VISA Inc. (Callable) Corp Notes - Coupon Rate 2.200%	12/14/2020	20,000	19,684	US Bank/CAMP	1.85%	20,220
Wal-Mart Stores Inc. Corp. Note - Coupon Rate 1.900%	12/15/2020	90,000	88,246	US Bank/CAMP	1.95%	89,870
Paccar Financial Corp Notes - Coupon Rate 2.800%	3/1/2021	30,000	29,893	US Bank/CAMP	2.82%	29,985
National Rural Util Coop - Coupon Rate 2.900%	3/15/2021	35,000	34,904	US Bank/CAMP	2.94%	34,961
United Parcel Service Corporate Bond - Coupon Rate 2.050%	4/1/2021	90,000	88,023	US Bank/CAMP	2.10%	89,858
Pepsico Inc. Corp. Note - Coupon Rate 2.000%	4/15/2021	30,000	29,255	US Bank/CAMP	2.01%	29,994
Bank of America Note - Coupon Rate 2.328%	10/1/2021	90,000	88,009	US Bank/CAMP	2.33%	90,000
Corporate Notes		2,500,000	2,466,672			2,504,684
Bank of Tokyo Mitsubishi - Coupon Rate 0.000%	10/12/2018	150,000	147,998	US Bank/CAMP	2.05%	147,753
Canadian Imperial Bank NY CD - Coupon Rate 1.760%	11/30/2018	250,000	249,303	US Bank/CAMP	1.25%	250,320
Svenska Handelsbanken NY LT CD - Coupon Rate 1.890%	1/10/2019	200,000	199,017	US Bank/CAMP	1.91%	200,000
Bank of Montreal Chicago CD - Coupon Rate 1.880%	2/7/2019	180,000	179,831	US Bank/CAMP	1.90%	180,000
Bank of Nova Scotia Houston LT CD - Coupon Rate 1.910%	4/5/2019	180,000	178,993	US Bank/CAMP	1.91%	180,000
Sumitomo Mitsui Bank CD - Coupon Rate 2.050%	5/3/2019	180,000	179,407	US Bank/CAMP	2.05%	180,000
Skandinav Enskilda Banken NY CD - Coupon Rate 1.840%	8/2/2019	180,000	174,548	US Bank/CAMP	1.85%	179,930
Bank of Tokyo Mitsubishi UFJ LTD CD - Coupon Rate 2.070%	9/25/2019	100,000	99,066	US Bank/CAMP	2.07%	100,000
Credit Suisse New York CD - Coupon Rate 2.670%	2/7/2020	100,000	100,331	US Bank/CAMP	2.67%	100,000
Nordea Bank AB NY CD - Coupon Rate 2.720%	2/20/2020	90,000	89,727	US Bank/CAMP	2.72%	90,000
Westpac Banking Corp NY CD - Coupon Rate 2.050%	8/3/2020	150,000	148,190	US Bank/CAMP	2.05%	150,000
Swedbank (NewYork) CD - Coupon Rate 2.270%	11/16/2020	135,000	132,817	US Bank/CAMP	2.30%	135,000
Certificate of Deposit		1,895,000	1,879,227			1,893,003
Nissan ABS 2015-A A3 - Coupon Rate 1.050%	10/15/2019	4,045	4,035	US Bank/CAMP	1.28%	4,026
CNH 2017-A A2 - Coupon Rate 1.640%	7/15/2020	117,910	117,452	US Bank/CAMP	1.80%	117,905
Toyota ABS 2017-A A3 - Coupon Rate 1.730%	2/15/2021	50,000	49,476	US Bank/CAMP	1.74%	49,994
John Deere ABS 2017-A A3 - Coupon Rate 1.780%	4/15/2021	30,000	29,678	US Bank/CAMP	1.79%	29,996
Toyota ABS 2017-B A3 - Coupon Rate 1.760%	7/15/2021	100,000	98,743	US Bank/CAMP	1.76%	99,992
Honda ABS 2017-1 A3 - Coupon Rate 1.720%	7/21/2021	40,000	39,552	US Bank/CAMP	1.72%	39,998
Hyundai ABS 2017-A A3 - Coupon Rate 1.760%	8/15/2021	40,000	39,446	US Bank/CAMP	1.76%	39,997
Nissan ABS 2017-A A3 - Coupon Rate 1.740%	8/15/2021	50,000	49,349	US Bank/CAMP	1.74%	49,995
Ally ABS 2017-2 A3 - Coupon Rate 1.780%	8/15/2021	70,000	69,320	US Bank/CAMP	1.79%	69,992
Honda ABS 2017-2 A3 - Coupon Rate 1.680%	8/15/2021	90,000	88,616	US Bank/CAMP	1.68%	89,992
CCCIT 2017-A9 A9 - Coupon Rate 1.800%	9/20/2021	100,000	98,796	US Bank/CAMP	1.80%	99,993
John Deere ABS 2017-B A3 - Coupon Rate 1.820%	10/15/2021	30,000	29,546	US Bank/CAMP	1.82%	29,998
Ford ABS 2017-B A3 - Coupon Rate 1.690%	11/15/2021	70,000	68,749	US Bank/CAMP	1.69%	69,997
American Express 2017-4 A - Coupon Rate 1.640%	12/15/2021	100,000	99,027	US Bank/CAMP	1.65%	99,984
Hyundai ABS 2017-B A3 - Coupon Rate 1.770%	1/15/2022	80,000	78,671	US Bank/CAMP	1.78%	79,986
Ally 2017-5 A3 - Coupon Rate 1.990%	3/15/2022	70,000	69,114	US Bank/CAMP	1.99%	69,995
Ford 2017-C A3 - Coupon Rate 2.010%	3/15/2022	110,000	108,623	US Bank/CAMP	2.02%	109,980
Citibank 2017-A3 A3 - Coupon Rate 1.920%	4/7/2022	100,000	98,481	US Bank/CAMP	1.82%	100,267
JDOT 2018-A A3 - Coupon Rate 2.660%	4/16/2022	20,000	19,968	US Bank/CAMP	2.66%	19,999
CAMP Money Market Fund	NA	NA	36,920	US Bank/CAMP	1.62%	36,920
Asset Based Securities & Money Market		1,271,955	1,293,560			1,309,005
Total Camp Investments		9,081,955	8,993,180			9,102,591
Operational & Non-Interest Bearing Accounts						
ETWD General Cash Account	NA	NA	300,896	Union Bank of Cal.	0.00%	300,896
ETWD Capital Facilities Reserve Account	NA	NA	24,331	Union Bank of Cal.	0.00%	24,331
ETWD Payroll Account	NA	NA	0	Union Bank of Cal.	0.00%	0
ETWD Petty Cash Account	NA	NA	700	Union Bank of Cal.	0.00%	700
Operational & Non-Interest Accts.			325,928			325,928
			\$15,376,702	Total Investments & Cash		\$15,486,113

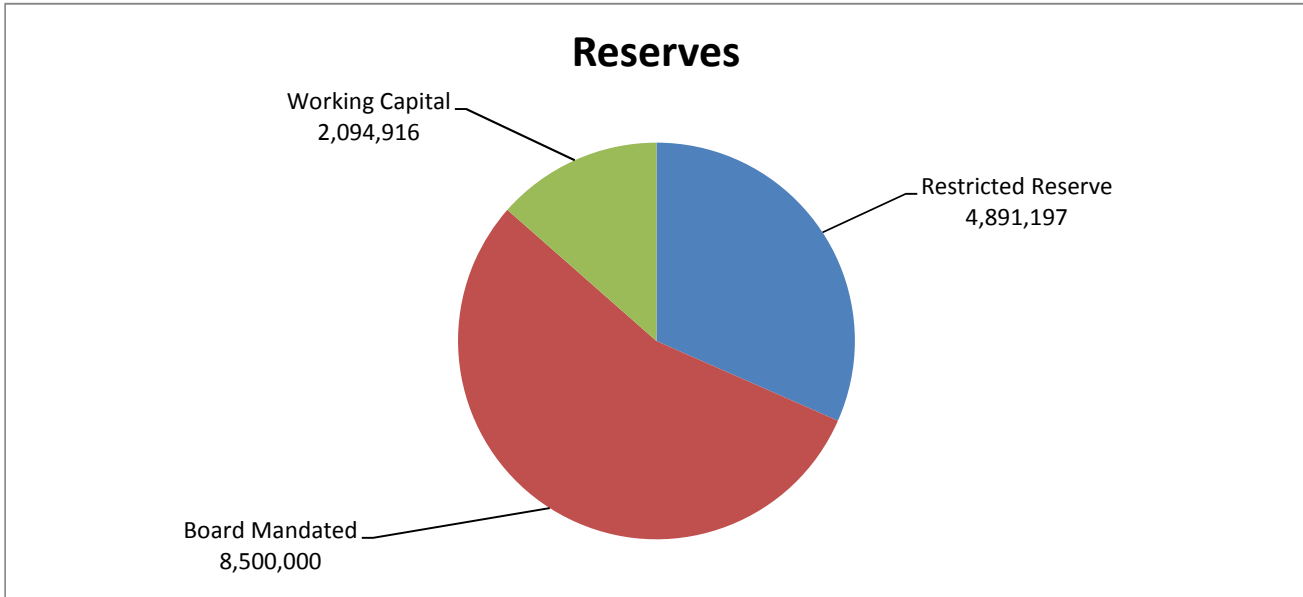


LIQUIDITY

	March 31, 2018		June 30, 2017	
	\$	%	\$	%
DEMAND	\$ 6,420,442	41.46%	\$ 8,399,070	48.21%
30 Days	\$ -	0.00%	\$ -	0.00%
31-180 Days	\$ -	0.00%	\$ -	0.00%
181 - 360	\$ 958,001	6.19%	\$ 420,306	2.41%
361-1800 Days	\$ 8,107,670	52.35%	\$ 8,602,295	49.38%
TOTAL	\$ 15,486,113	100.00%	\$ 17,421,671	100.00%

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

**EL TORO WATER DISTRICT
RESERVE ANALYSIS
31-Mar-18**



Restricted Reserve	\$	4,891,197
Board Mandated	\$	8,500,000
Capital Cash Flow/ Compliance	\$	2,094,916
Total	\$	15,486,113

Restricted Reserve

SRFL-Recycled	\$	1,602,958
Capital Facilities Reserve	\$	24,331
Tiered Cons Fund	\$	1,962,219
Baker Funding	\$	1,301,688
Total	\$	4,891,197

Board Mandated Minimum Reserve Levels

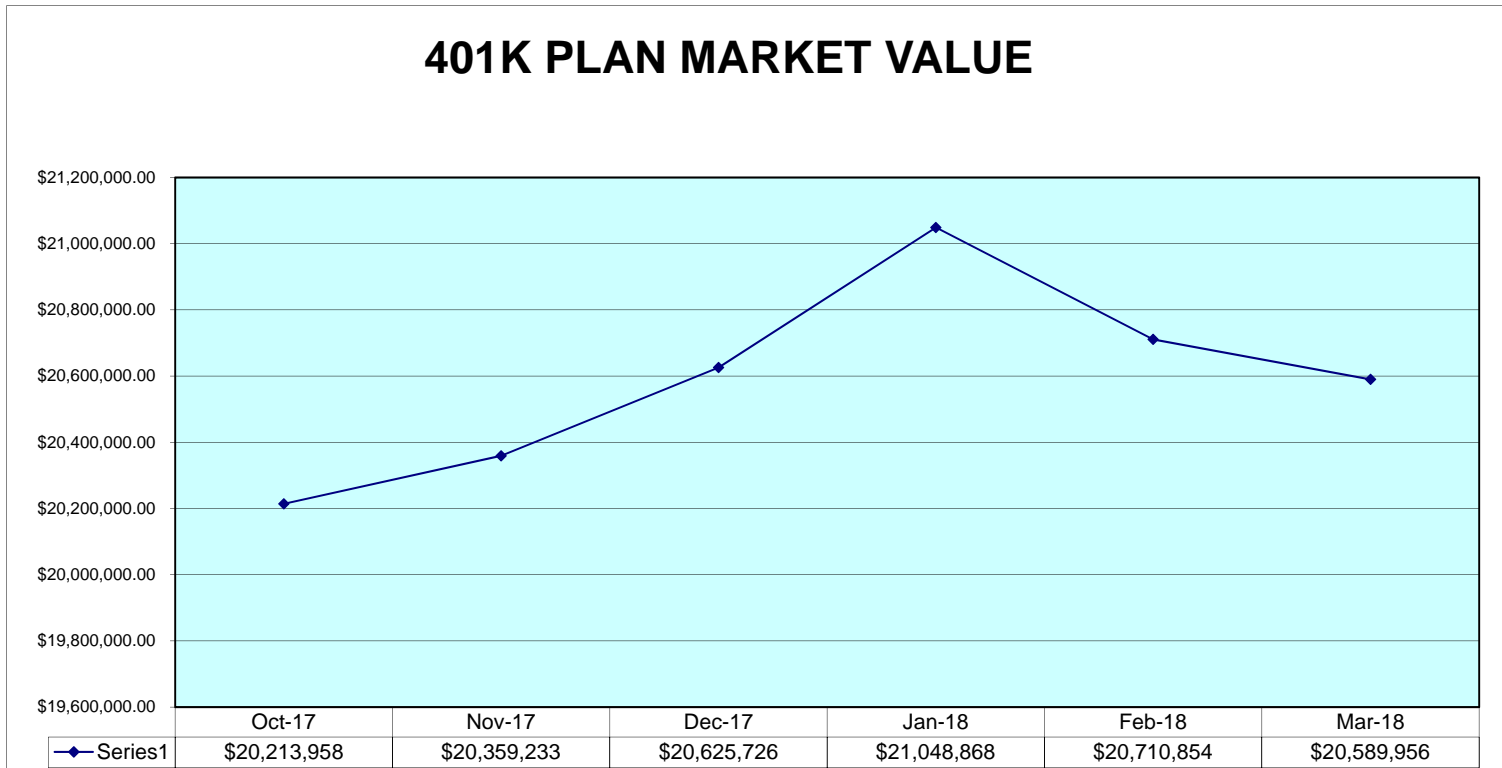
Capital Construction	\$	3,000,000
Rate Stabilization	\$	2,200,000
Operations	\$	1,300,000
Working Capital	\$	2,000,000
Total	\$	8,500,000

Six months operating expense requirement:	\$11,119,197
Cash less restricted reserve on hand:	\$10,594,916

EL TORO WATER DISTRICT CHANGE IN RESERVES

	<u>March 31, 2018</u>	<u>Year to Date</u>	<u>June 30, 2017</u>
Operating Revenue	2,121,210	18,883,702	23,901,919
Non-operating Revenue	129,078	1,139,831	1,515,062
Total Revenue	<u>2,250,288</u>	<u>20,023,533</u>	<u>25,416,981</u>
Operating Expenses	1,797,885	15,546,059	21,225,829
Depreciation	352,477	3,172,293	4,061,898
Non-operating Expenses	67,144	604,297	706,683
Total Expenses	<u>2,217,506</u>	<u>19,322,649</u>	<u>25,994,409</u>
NET INCOME	32,782	700,884	(577,428)
Non-Cash Items:			
Add: Depreciation	352,477	3,172,293	4,061,898
Change in Notes Receivable/Grant Fund	-	-	-
Loan Proceeds	-	-	-
Less: Debt Service	-	(1,356,541)	(407,429)
Capital Improvements	(932,785)	(3,397,124)	(3,627,387)
Total Non-Cash Items	<u>(580,308)</u>	<u>(1,581,372)</u>	<u>27,081</u>
CHANGE IN RESERVES	<u>(547,526)</u>	<u>(880,488)</u>	<u>(550,347)</u>

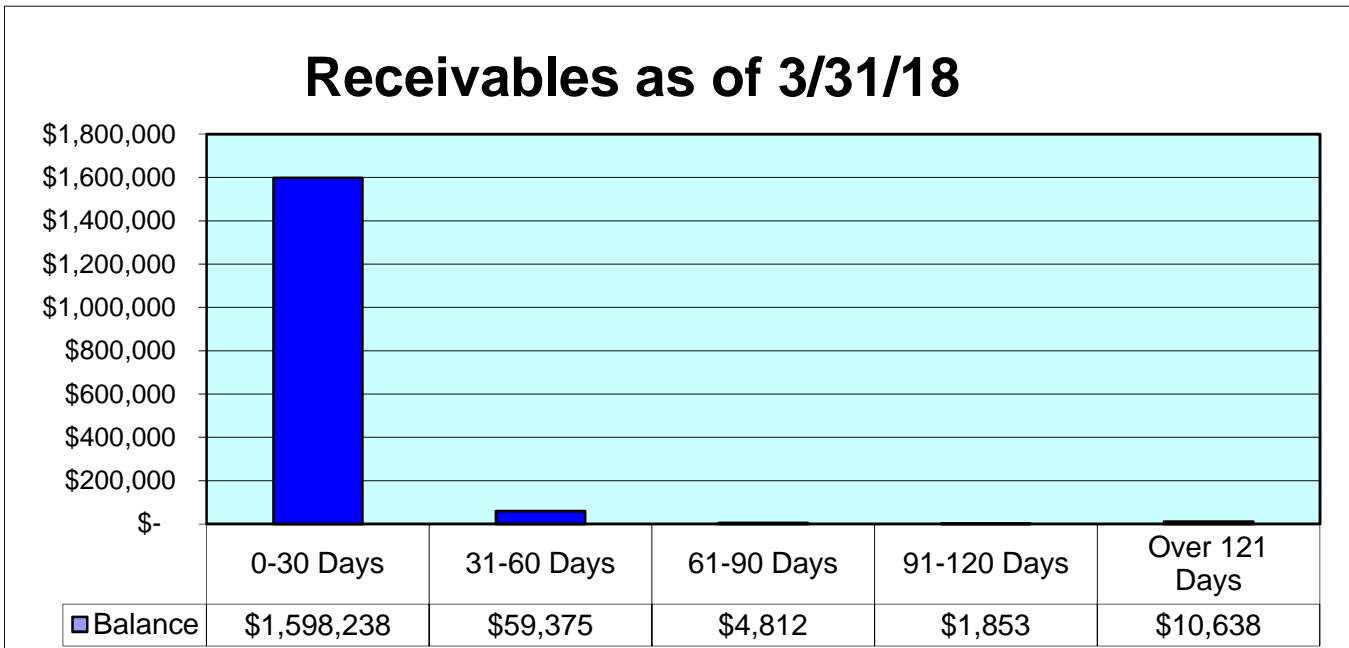
EL TORO WATER DISTRICT 401K PLAN SUMMARY



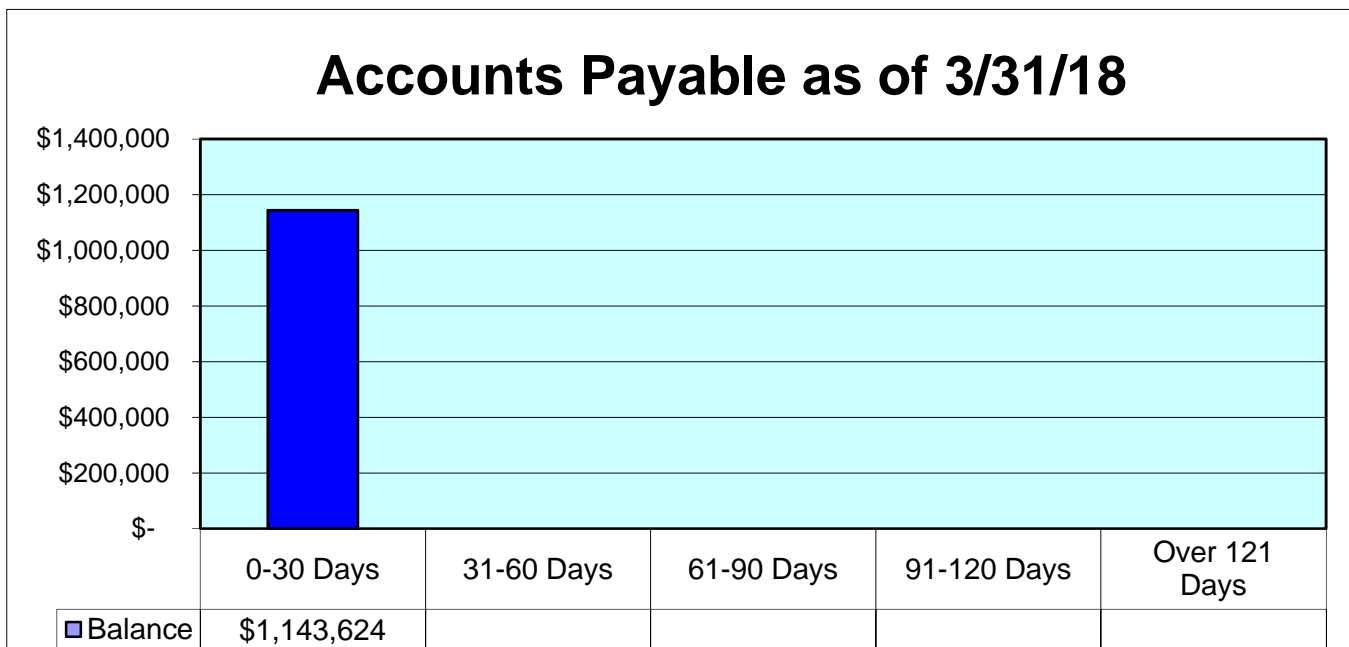
	MARKET VALUE SUMMARY			
	Growth Port. Under 40 yrs. Old	Balanced Port. 40 to 50 yrs. Old	Income & Growth 50 to 60 yrs. Old	Capital Pres. Port Over 60 yrs. Old
Balance at July 1, 2017	\$ 1,249,773.70	\$2,323,855.06	\$11,668,412.71	\$4,022,103.68
Contributions	212,358.43	130,339.17	478,242.45	206,391.32
Withdrawals	(5,522.45)	0.00	(90,444.69)	(213,022.69)
Transfers	(233,907.18)	(42,684.69)	(538,442.46)	815,034.33
Interest, dividends and appreciation net of fees and charges	61,791.72	103,874.22	350,661.80	91,141.62
Balance at March 31, 2018	\$ 1,284,494.22	\$2,515,383.76	\$11,868,429.81	\$4,921,648.26
Average return YTD March 31, 2018	4.81%	4.13%	2.95%	1.85%

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

RECEIVABLES & PAYABLES AGEING



Bad Debts Year to Date: \$10,646

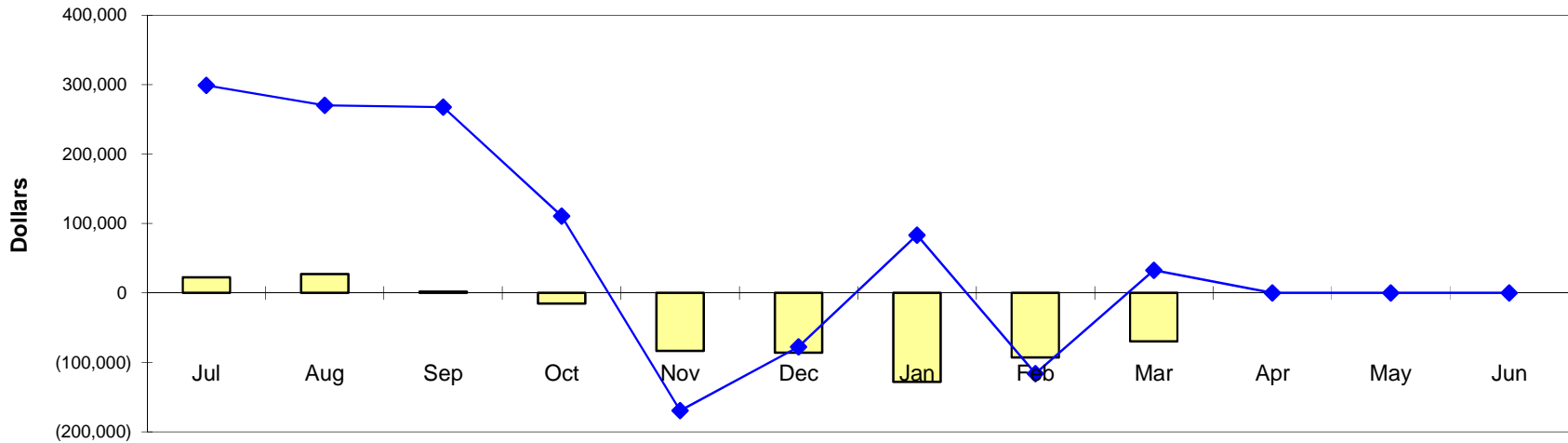


Year to Date Discounts Taken: \$1,385

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El Toro Water District
Income Statement
March 2018

	<u>Mar 18</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Jul '17 - Mar 18</u>	<u>YTD Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Income							
4600 · Water Service Charge	255,237.77	256,107.50	99.66%	2,276,388.70	2,304,967.50	98.76%	3,073,290.00
4700 · Sanitary Service	610,872.50	630,416.67	96.9%	5,660,365.05	5,673,749.99	99.76%	7,565,000.00
4722 · Recycled Water Tertiary Sales	135,661.07	105,143.80	129.02%	1,186,499.07	1,055,697.82	112.39%	1,450,000.00
4724 · Service Charge - Recycled Water	17,253.20	17,333.33	99.54%	153,722.20	156,000.01	98.54%	208,000.00
4750 · Capital Facilities Charge	250,398.29	251,250.00	99.66%	2,253,420.72	2,261,250.00	99.65%	3,015,000.00
4800 · Commodity Charge	758,702.30	645,978.20	117.45%	7,196,372.35	6,485,953.33	110.95%	8,908,451.00
4950 · Other Operating Income	93,084.90	4,583.33	2,030.95%	151,662.03	41,250.01	367.67%	55,000.00
4960 · Other Income	41,439.90	35,625.00	116.32%	425,973.03	320,625.00	132.86%	427,500.00
4967 · SMWD	0.00	8,333.33	0.0%	0.00	75,000.01	0.0%	100,000.00
4970 · MNWD	0.00	1,750.00	0.0%	11,000.00	15,750.00	69.84%	21,000.00
4980 · Interest Income	15,572.04	8,333.33	186.87%	133,087.45	75,000.01	177.45%	100,000.00
4985 · Changes FMV CAMP	985.79			-73,892.05			
4986 · Changes FMV LAIF	0.00			-5,728.25			
4990 · Property Taxes	71,080.57	69,583.33	102.15%	654,662.44	626,250.01	104.54%	835,000.00
Total Income	2,250,288.33	2,034,437.82	110.61%	20,023,532.74	19,091,493.69	104.88%	25,758,241.00
Gross Profit	2,250,288.33	2,034,437.82	110.61%	20,023,532.74	19,091,493.69	104.88%	25,758,241.00
Expense							
5100 · Personnel Cost	647,203.34	658,579.42	98.27%	5,838,354.25	5,927,214.74	98.5%	7,902,953.00
5405 · Water Purchases	690,081.60	557,936.06	123.69%	5,614,863.24	5,600,490.86	100.26%	7,691,757.00
5410 · Electrical Power	68,612.43	80,341.66	85.4%	771,042.38	723,075.02	106.63%	964,100.00
5415 · Repair Parts & Materials	29,411.24	34,372.44	85.57%	298,234.94	309,352.68	96.41%	412,470.00
5420 · Equipment Maintenance & Repair	9,015.24	11,045.81	81.62%	67,351.01	99,412.57	67.75%	132,550.00
5425 · Pump Maintenance & Repair	4,495.55	12,741.66	35.28%	78,732.10	114,675.02	68.66%	152,900.00
5430 · Motor Maintenance & Repair	0.00	3,141.69	0.0%	15,515.42	28,274.93	54.87%	37,700.00
5440 · Electrical/Contl Maint & Repair	0.00	5,500.01	0.0%	13,546.93	49,499.97	27.37%	66,000.00
5445 · Meter Maintenance & Repair	323.27	183.33	176.33%	3,097.58	1,650.01	187.73%	2,200.00
5455 · Chemicals	12,332.59	17,275.00	71.39%	148,391.33	155,475.00	95.44%	207,300.00
5460 · Structure Maint & Repair	2,477.13	2,721.67	91.02%	25,562.91	24,494.99	104.36%	32,660.00
5465 · Asphalt Maintenance & Repair	10,650.00	6,125.00	173.88%	65,100.00	55,125.00	118.1%	73,500.00
5470 · Consultants	1,944.10	11,433.34	17.0%	74,415.85	102,899.98	72.32%	137,200.00
5475 · Contractors	104,283.09	109,535.75	95.21%	901,413.76	985,821.75	91.44%	1,314,429.00
5480 · Engineers	22,915.34	7,141.67	320.87%	52,263.95	64,274.99	81.31%	85,700.00
5482 · Dump Fees	662.30	1,333.34	49.67%	14,424.56	11,999.98	120.21%	16,000.00
5485 · Laboratory	2,838.03	1,558.34	182.12%	21,328.88	14,024.98	152.08%	18,700.00
5490 · License & Permits	2,692.55	10,639.96	25.31%	89,520.35	95,760.12	93.48%	127,680.00
5495 · Gas & Oil	8,087.10	7,500.00	107.83%	66,923.51	67,500.00	99.15%	90,000.00
5500 · Equipment Rental	3,152.60	1,366.67	230.68%	14,283.93	12,299.99	116.13%	16,400.00
5505 · Landscaping	10,526.33	6,888.33	152.81%	60,025.24	61,995.01	96.82%	82,660.00
5510 · Small Tools & Equipment	6,667.53	4,708.34	141.61%	43,273.85	42,374.98	102.12%	56,500.00
5515 · Security	1,587.81	1,587.94	99.99%	18,864.72	14,291.18	132.0%	19,055.00
5520 · Operating Supplies	7,353.43	3,958.34	185.77%	46,939.62	35,624.98	131.76%	47,500.00
5525 · Safety Equipment	3,353.81	1,958.33	171.26%	34,908.30	17,625.01	198.06%	23,500.00
5530 · Temporary Help	0.00	4,583.34	0.0%	0.00	41,249.98	0.0%	55,000.00
5535 · Other Employee Cost	18,341.50	6,583.34	278.61%	80,864.42	59,249.98	136.48%	79,000.00
5540 · Depreciation	352,477.00	333,333.33	105.74%	3,172,293.00	3,000,000.01	105.74%	4,000,000.00
5545 · Insurance	38,904.07	35,191.67	110.55%	341,025.12	316,724.99	107.67%	422,300.00
5555 · Advertising & Publicity	350.00	208.33	168.0%	4,677.00	1,875.01	249.44%	2,500.00
5560 · Amortization	570.49	570.83	99.94%	5,134.41	5,137.51	99.94%	6,850.00
5570 · Annual Event	0.00	445.83	0.0%	5,045.92	4,012.51	125.76%	5,350.00
5575 · Audit	0.00	2,500.00	0.0%	10,500.00	22,500.00	46.67%	30,000.00
5580 · Bad Debts	0.00	1,666.67	0.0%	10,645.55	14,999.99	70.97%	20,000.00
5585 · Bank Charges	6,308.17	4,500.00	140.18%	42,518.49	40,500.00	104.98%	54,000.00
5590 · Data Processing Supply & Access	1,014.32	1,666.67	60.86%	17,336.91	14,999.99	115.58%	20,000.00
5595 · Data Processing Equipment	7,084.74	3,333.33	212.54%	30,876.52	30,000.01	102.92%	40,000.00
5600 · Data Processing Consultants	2,808.00	4,166.67	67.39%	42,046.00	37,499.99	112.12%	50,000.00
5605 · Directors Fees	7,816.00	7,750.00	100.85%	69,176.00	69,750.00	99.18%	93,000.00
5610 · Dues & Memberships	6,830.88	6,250.00	109.29%	68,964.04	56,250.00	122.6%	75,000.00
5615 · Education & Training	3,202.10	2,625.00	121.99%	30,334.10	23,625.00	128.4%	31,500.00
5620 · Election Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00
5625 · Employee Service Awards	0.00	333.33	0.0%	1,052.44	3,000.01	35.08%	4,000.00
5630 · Software Maintenance & Licenses	4,833.62	6,616.67	73.05%	80,320.32	59,549.99	134.88%	79,400.00
5640 · Interest Expense	67,144.07	67,144.08	100.0%	604,296.63	604,296.76	100.0%	805,729.00
5645 · Janitorial	2,803.36	2,875.00	97.51%	25,236.36	25,875.00	97.53%	34,500.00
5650 · Legal	6,627.96	12,500.00	53.02%	58,142.24	112,500.00	51.68%	150,000.00
5655 · Meets, Conventions & Travel	7,135.87	2,916.67	244.66%	31,798.60	26,249.99	121.14%	35,000.00
5657 · Meets, Con & Travel - Directors	8,203.51	2,166.67	378.62%	19,332.63	19,499.99	99.14%	26,000.00
5660 · Office Supplies	505.23	1,916.67	26.36%	11,218.42	17,249.99	65.03%	23,000.00
5670 · Postage	33.21	1,708.33	1.94%	5,341.84	15,375.01	34.74%	20,500.00
5675 · Printing & Reproduction	562.52	1,750.00	32.14%	7,637.46	15,750.00	48.49%	21,000.00
5680 · Property Tax	142.44	458.33	31.08%	3,958.97	4,125.01	95.98%	5,500.00
5685 · Public Education & Outreach	13,321.16	20,016.67	66.55%	73,626.52	180,149.99	40.87%	240,200.00
5690 · Publications & Subscriptions	175.00	250.00	70.0%	2,234.27	2,250.00	99.3%	3,000.00
5695 · Communications	8,295.11	6,916.67	119.93%	72,350.14	62,249.99	116.23%	83,000.00
5700 · Utilities	1,349.46	1,541.67	87.53%	16,286.04	13,874.99	117.38%	18,500.00
Total Expense	2,217,506.20	2,104,059.87	105.39%	19,322,648.97	19,515,605.43	99.01%	26,245,243.00
Net Income							
	<u>32,782.13</u>	<u>-69,622.05</u>	<u>-47.09%</u>	<u>700,883.77</u>	<u>-424,111.74</u>	<u>-165.26%</u>	<u>-487,002.00</u>

ANALYSIS OF REVENUE & EXPENSE
Fiscal Year 2017/2018

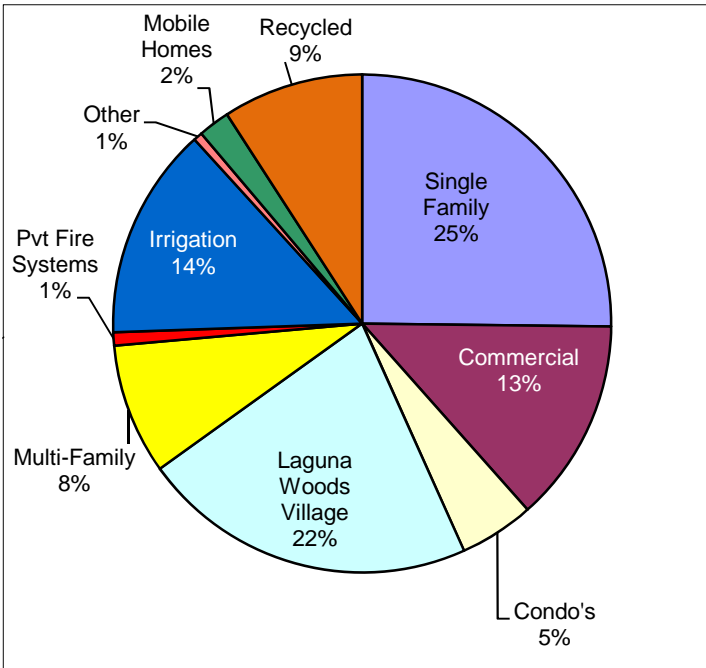
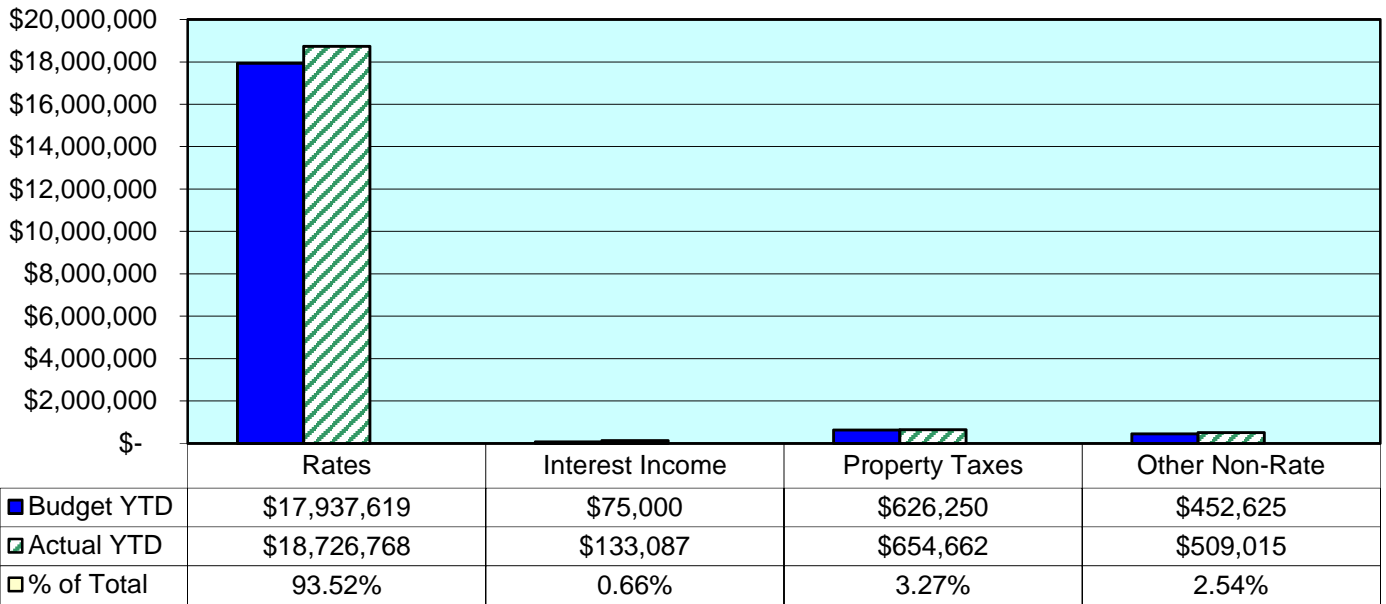


ANALYSIS OF REVENUES & EXPENSES
BUDGET COMPARED TO ACTUAL
FISCAL YEAR 2017/2018

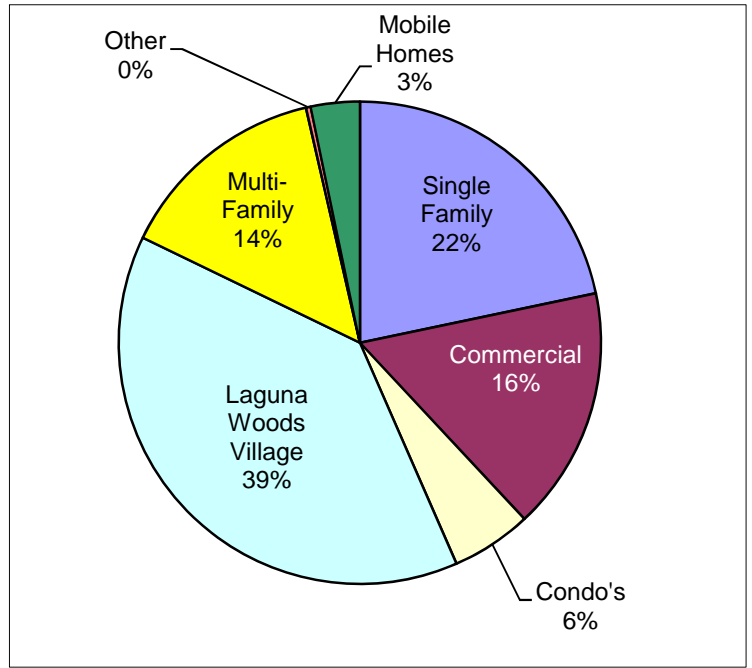
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget												
Revenue	2,389,705	2,407,351	2,310,146	2,243,693	1,980,495	1,971,676	1,809,555	1,944,436	2,034,438			
Expense	2,367,284	2,380,357	2,308,337	2,259,101	2,064,093	2,057,559	1,937,440	2,037,376	2,104,060			
Profit/Loss	22,421	26,993	1,809	(15,408)	(83,598)	(85,883)	(127,885)	(92,940)	(69,622)	0	0	0
Actual												
Revenue	2,478,548	2,600,793	2,330,428	2,299,085	2,180,233	1,976,250	2,004,541	1,903,366	2,250,288			
Expense	2,179,463	2,330,381	2,062,685	2,188,430	2,349,763	2,053,872	1,921,105	2,019,444	2,217,506			
Profit/Loss	299,085	270,412	267,743	110,655	(169,530)	(77,621)	83,437	(116,078)	32,782	0	0	0

EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 3/31/18

Where the Money Comes From



WATER REVENUE YTD 2017/2018



WASTE WATER REVENUE YTD 2017/2018

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

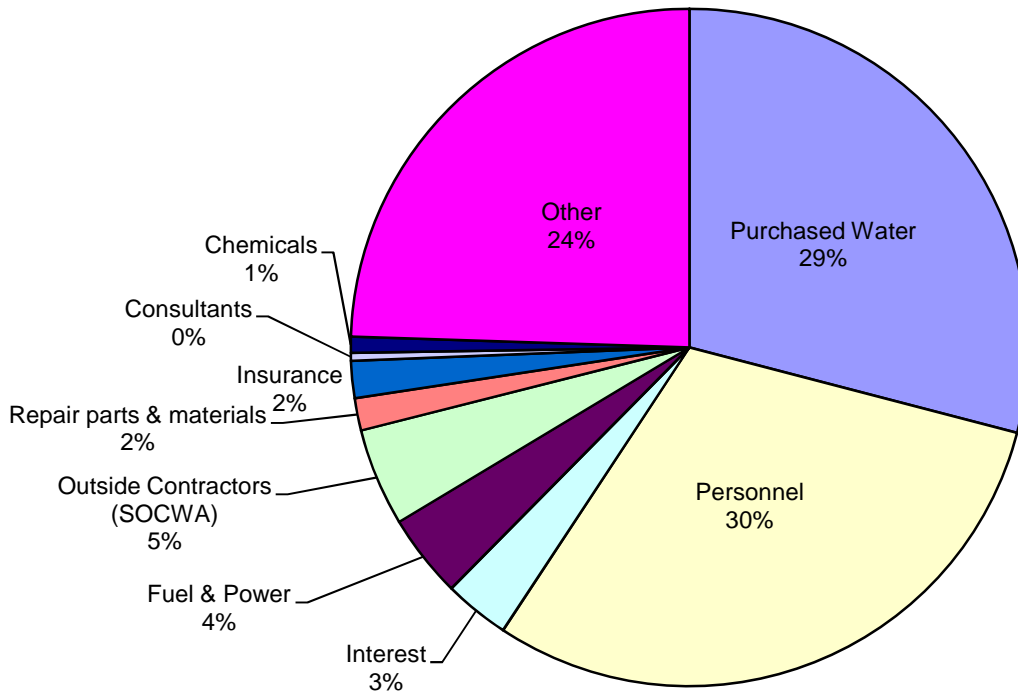
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,398	\$ 251,250	\$ (852)	0%	\$ 2,253,421	\$ 2,261,250	\$ (7,829)	0%	\$ 3,015,000	\$ 761,579
Water sales - Commodity	758,702	645,978	112,724	17%	7,196,372	6,485,953	710,419	11%	8,908,451	1,712,079
Water sales - Fixed Meter	255,238	256,108	(870)	0%	2,276,389	2,304,968	(28,579)	-1%	3,073,290	796,901
Waste water sales	610,873	630,417	(19,544)	-3%	5,660,365	5,673,750	(13,385)	0%	7,565,000	1,904,635
Recycled water tertiary sales	135,661	105,144	30,517	29%	1,186,499	1,055,698	130,801	12%	1,450,000	263,501
Service charge - Recycled water	17,253	17,333	(80)	0%	153,722	156,000	(2,278)	-1%	208,000	54,278
TOTAL FROM RATES	2,028,125	1,906,230	121,896	6%	18,726,768	17,937,619	789,149	4%	24,219,741	5,492,973
<u>Non-rate Revenue</u>										
Admin fee	2,080	1,600	480	30%	39,277	14,400	24,877	173%	19,200	(20,077)
48 Hour notice fee	3,480	2,451	1,029	42%	22,245	22,062	183	1%	29,416.44	7,171
Restoration fee	300	370	(70)	-19%	1,930	3,330	(1,400)	-42%	4,440	2,510
Unpaid check fee	140	150	(10)	-7%	1,125	1,350	(225)	-17%	1,800	675
Cut lock fee	-	12	(12)	-100%	-	108	(108)	-100%	144	144
TOTAL NON-RATE	6,000	4,583	1,417	31%	64,577	41,250	23,327	57%	55,000	(9,577)
<u>Other Revenue</u>										
Interest	15,572	8,333	7,239	87%	133,087	75,000	58,087	77%	100,000	(33,087)
Change FMV Investment	986	-	986	0%	(79,620)	-	(79,620)	0%	-	79,620
Property taxes	71,081	69,583	1,497	2%	654,662	626,250	28,412	5%	835,000	180,338
Other	41,440	35,625	5,814	16%	425,973	320,625	105,348	33%	427,500	1,527
TOTAL OTHER REVENUE	129,078	113,542	15,537	14%	1,134,103	1,021,875	112,228	11%	1,362,500	228,397
<u>Contract Service</u>										
Santa Margarita W. D.	87,085	8,333	78,752	945%	87,085	75,000	12,085	16%	100,000	12,915
Moulton Niguel W. D.	-	1,750	(1,750)	-100%	11,000	15,750	(4,750)	-30%	21,000	10,000
TOTAL CONTRACT SERVICES	87,085	10,083	77,002	764%	98,085	90,750	7,335	8%	121,000	22,915
TOTAL REVENUE	\$ 2,250,288	\$ 2,034,438	\$ 215,850	11%	\$ 20,023,533	\$ 19,091,494	\$ 932,039	5%	\$ 25,758,241	\$ 5,734,709

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

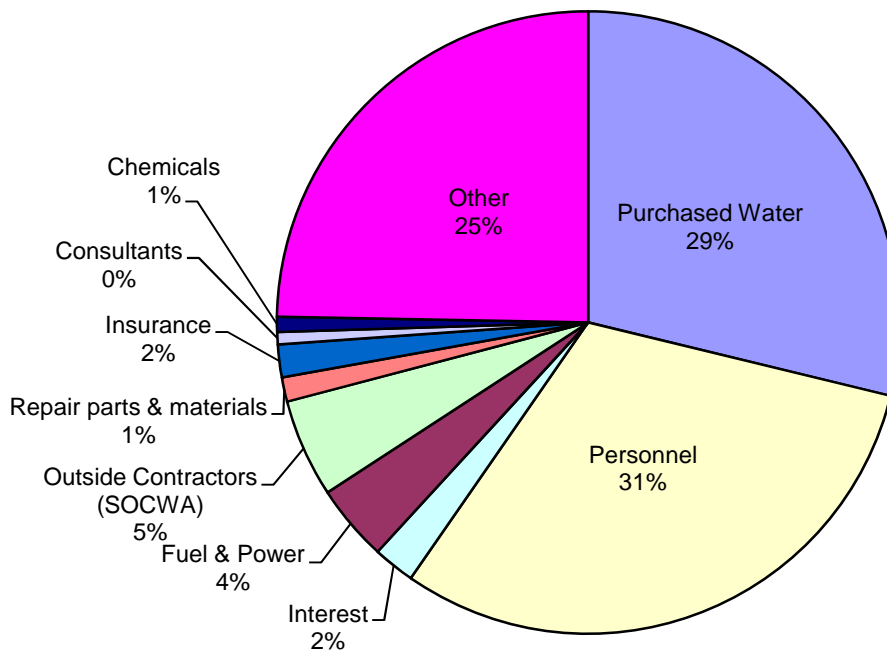
	Mar-18 Actual	Mar-18 Budget	Jul 17-Mar 18 YTD Actual	Jul 17-Mar 18 YTD Budget
Site Leases	7,092	15,833	134,510	142,497
MWD Recycled Water LRP Rebate	33,250	19,792	238,500	178,125
SOCWA Refund		-	-	-
MWDOC Budget Based Tier & 2015 Urban Water Refund		-	25,660	-
Recycled Metal	316	-	2,195	-
Diesel Fuel Tax Refund	-	-	56	-
Sale of District Vehicle	-		19,521	-
Misc Work for Customers	783	-	5,531	-
	<u>\$ 41,440</u>	<u>\$ 35,625</u>	<u>\$ 425,974</u>	<u>\$ 320,622</u>
Other Operating Income				
Sales to Santa Margarita	87,085		-	
Sales to Moulton Niguel	-		-	
	<u>87,085</u>		<u>-</u>	
Total	<u>128,525</u>		<u>425,974</u>	

WHERE THE MONEY GOES

YTD EXPENSES AT 3/31/18



EXPENSES YEAR ENDING 6/30/17



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

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Operating Expenses</u>										
Personnel cost	\$647,203	\$658,579	\$11,376	2%	\$5,838,354	\$5,927,215	\$88,860	1%	\$7,902,953	2,064,599
Purchased water	690,082	557,936	(132,146)	-24%	5,614,863	5,600,491	(14,372)	0%	7,691,757	2,076,894
Electrical power	68,612	80,342	11,729	15%	771,042	723,075	(47,967)	-7%	964,100	193,058
Repair parts & materials	29,411	34,372	4,961	14%	298,235	309,353	11,118	4%	412,470	114,235
Equipment repairs & maintenance	9,015	11,046	2,031	18%	67,351	99,413	32,062	32%	132,550	65,199
Pump repairs & maintenance	4,496	12,742	8,246	65%	78,732	114,675	35,943	31%	152,900	74,168
Motor repairs & maintenance	-	3,142	3,142	100%	15,515	28,275	12,760	45%	37,700	22,185
Electrical repairs & maintenance	-	5,500	5,500	100%	13,547	49,500	35,953	73%	66,000	52,453
Meter repairs & maintenance	323	183	(140)	-76%	3,098	1,650	(1,448)	-88%	2,200	(898)
Chemicals	12,333	17,275	4,942	29%	148,391	155,475	7,084	5%	207,300	58,909
Structure repairs & maintenance	2,477	2,722	245	9%	25,563	24,495	(1,068)	-4%	32,660	7,097
Asphalt repairs & maintenance	10,650	6,125	(4,525)	-74%	65,100	55,125	(9,975)	-18%	73,500	8,400
Consultants - outside	1,944	11,433	9,489	83%	74,416	102,900	28,484	28%	137,200	62,784
Contractors - outside	104,283	109,536	5,253	5%	901,414	985,822	84,408	9%	1,314,429	413,015
Engineers - outside	22,915	7,142	(15,774)	-221%	52,264	64,275	12,011	19%	85,700	33,436
Dump fees	662	1,333	671	50%	14,425	12,000	(2,425)	-20%	16,000	1,575
Laboratories	2,838	1,558	(1,280)	-82%	21,329	14,025	(7,304)	-52%	18,700	(2,629)
License & permits	2,693	10,640	7,947	75%	89,520	95,760	6,240	7%	127,680	38,160
Automotive fuel & oil	8,087	7,500	(587)	-8%	66,924	67,500	576	1%	90,000	23,076
Equipment rental	3,153	1,367	(1,786)	-131%	14,284	12,300	(1,984)	-16%	16,400	2,116
Landscaping	10,526	6,888	(3,638)	-53%	60,025	61,995	1,970	3%	82,660	22,635
Small tools & equipment	6,668	4,708	(1,959)	-42%	43,274	42,375	(899)	-2%	56,500	13,226
Security	1,588	1,588	0	0%	18,865	14,291	(4,574)	-32%	19,055	190
Operating supplies	7,353	3,958	(3,395)	-86%	46,940	35,625	(11,315)	-32%	47,500	560
Safety equipment	3,354	1,958	(1,395)	-71%	34,908	17,625	(17,283)	-98%	23,500	(11,408)
Temporary help	-	4,583	4,583	100%	0	41,250	41,250	100%	55,000	55,000
Other employee cost	18,342	6,583	(11,758)	-179%	80,864	59,250	(21,614)	-36%	79,000	(1,864)
Employee service awards	-	333	333	100%	1,052	3,000	1,948	65%	4,000	2,948
Education & training	3,202	2,625	(577)	-22%	30,334	23,625	(6,709)	-28%	31,500	1,166
Total Operating Expenses	1,672,210	1,573,699	(98,511)	-6%	14,490,630	14,742,359	251,729	2%	19,880,914	5,390,284

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

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<u>Indirect Cost</u>										
Depreciation	352,477	333,333	(19,144)	-6%	3,172,293	3,000,000	(172,293)	-6%	4,000,000	827,707
Amortization	570	571	0	0%	5,134	5,138	3	0%	6,850	1,716
Insurance	38,904	35,192	(3,712)	-11%	341,025	316,725	(24,300)	-8%	422,300	81,275
Data processing supplies & assoc.	1,014	1,667	652	39%	17,337	15,000	(2,337)	-16%	20,000	2,663
Data processing equipment	7,085	3,333	(3,751)	-113%	30,877	30,000	(877)	-3%	40,000	9,123
Data processing consultants	2,808	4,167	1,359	33%	42,046	37,500	(4,546)	-12%	50,000	7,954
Software maintenance & licenses	4,834	6,617	1,783	27%	80,320	59,550	(20,770)	-35%	79,400	(920)
Janitorial	2,803	2,875	72	2%	25,236	25,875	639	2%	34,500	9,264
Printing & reproduction	563	1,750	1,187	68%	7,637	15,750	8,113	52%	21,000	13,363
Publications & subscriptions	175	250	75	30%	2,234	2,250	16	1%	3,000	766
Communications - voice	967	1,250	283	23%	26,037	11,250	(14,787)	-131%	15,000	(11,037)
Communications - data	5,012	3,917	(1,095)	-28%	25,408	35,250	9,842	28%	47,000	21,592
Communications - mobile	2,316	1,750	(566)	-32%	20,905	15,750	(5,155)	-33%	21,000	95
Utilities	1,349	1,542	192	12%	16,286	13,875	(2,411)	-17%	18,500	2,214
Total Indirect Cost	420,878	398,213	(22,665)	-6%	3,812,777	3,583,913	(228,864)	-6%	4,778,550	965,773
<u>Overhead Cost</u>										
Annual events	-	446	446	100%	5,046	4,013	(1,033)	-26%	5,350	304
Audit	-	2,500	2,500	100%	10,500	22,500	12,000	53%	30,000	19,500
Bad debts	-	1,667	1,667	100%	10,646	15,000	4,354	29%	20,000	9,354
Bank charges	6,308	4,500	(1,808)	-40%	42,518	40,500	(2,018)	-5%	54,000	11,482
Directors fees	7,816	7,750	(66)	-1%	69,176	69,750	574	1%	93,000	23,824
Dues & memberships	6,831	6,250	(581)	-9%	68,964	56,250	(12,714)	-23%	75,000	6,036
Election Expense	-	-	0	0%	0	0	0	0%	0	0
Interest	67,144	67,144	0	0%	604,297	604,297	0	0%	805,729	201,432
Legal	6,628	12,500	5,872	47%	58,142	112,500	54,358	48%	150,000	91,858
Meetings, conventions & travel	7,136	2,917	(4,219)	-145%	31,799	26,250	(5,549)	-21%	35,000	3,201
Meets, con & travel - Directors	8,204	2,167	(6,037)	-279%	19,333	19,500	167	1%	26,000	6,667
Office supplies	505	1,917	1,411	74%	11,218	17,250	6,032	35%	23,000	11,782
Postage	33	1,708	1,675	98%	5,342	15,375	10,033	65%	20,500	15,158
Property taxes	142	458	316	69%	3,959	4,125	166	4%	5,500	1,541
Advertising & Publicity	350	208	(142)	-68%	4,677	1,875	(2,802)	-149%	2,500	(2,177)
Public education & outreach	13,321	20,017	6,696	33%	73,627	180,150	106,523	59%	240,200	166,573
Total Overhead Cost	124,419	132,148	7,730	6%	1,019,243	1,189,334	170,091	14%	1,585,779	566,536
TOTAL EXPENSES	\$2,217,506	\$2,104,060	(\$113,446)	-5%	\$19,322,649	\$19,515,605	\$192,957	1%	\$26,245,243	\$6,922,594

El Toro Water District

Lake Forest, California

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Quarter from July 1, 2017 to September 30, 2017



El Toro Water District
For the Quarter July 1, 2017 to September 30, 2017

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by the El Toro Water District's (the "District") management, solely to assist the District on cash receipts, cash disbursements, payroll disbursements, and cash and investments for the Quarter from July 1, 2017 through September 30, 2017. The District's management is responsible for the internal control procedures. The sufficiency of these procedures is solely the responsibility of the District's management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Cash Receipts

Procedures

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

Selections were as below:

Selection No.	Location No.	Customer Name	Billed Amount
1	2400360	VMS INC - GOLDEN RAIN	\$ 1,589.45
2	2400374	SADDLEBACK GOLF CARS	42.72
3	2400970	LAKE HILLS PLAZA	635.78
4	2439217	BLUMFIELD DARRIN	64.16
5	2439221	CASA DE LAGUNA ASSOC	388.05
6	2442472	HENDRICKS WILLIAM O	159.99
7	2442548	JOYFUL HOME	144.66
8	3573412	OLAVARRIA MILDRED	96.35
9	4509770	ARNOLD TONI M.	95.00
10	4509844	BENNETT RANCH H/O ASSOC	666.98

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

Cash Disbursements

Procedures

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

Selections were as below:

<u>Selection No.</u>	<u>Check No.</u>	<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
1	83434	07/06/2017	MUNICIPAL WATER DISTRICT OF ORANGE CO.	(556,397.98)
2	83472	07/13/2017	HILL BROTHERS CHEMICAL CO.	(3,677.96)
3	83497	07/20/2017	DMA GREENCARE CONTRACTING, INC.	(13,335.88)
4	83533	07/20/2017	MISSION CRITICAL INFORMATIONAL SYSTEMS	(440.00)
5	83569	07/26/2017	UNITED WATERWORKS, INC.	(14,378.20)
6	83619	08/10/2017	REDWINE & SHERRILL, LLP	(6,764.24)
7	83626	08/10/2017	SOUTHERN COUNTIES FUELS	(9,684.60)
8	83685	08/24/2017	DETECTION INSTRUMENTS CORP.	(201.98)
9	83707	08/31/2017	AMERICAN BACKFLOW SPECIALTIES	(2,253.73)
10	83735	08/31/2017	SMITH-BLAIR, INC.	(5,293.06)
11	83770	09/14/2017	BACKFLOW APPARATUS AND VALVE CO., INC.	(471.87)
12	83771	09/14/2017	BRIAN DONAHUE	(58.01)
13	83794	09/14/2017	OLIN CHLOR ALKALI PRODUCTS	(3,123.51)
14	83817	09/14/2017	ACWA HEALTH BENEFITS AUTHORITY	(104,221.03)
15	83743	09/07/2017	BANKCARD CENTER (Cerdit Card Payment for August 2017)	(7,060.98)

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

Payroll Disbursements

Procedures

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

Selections were as below:

<u>Selection No.</u>	<u>Employee Name</u>	<u>Pay Period Ending</u>	<u>Department</u>
1	Dominic E Bergin	7/16/2017	Administration
2	Richard Brown	7/30/2017	Operations
3	Jay Curry	8/13/2017	Water Recycling Plant
4	Steven A. Hancock	8/27/2017	Pump Stations
5	Maria G. Iniguez	9/24/2017	Customer Service

Pay period ending 8/31/2017 was selected and agreed to general ledger posting.

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

Cash and Investments

Procedures

1. We selected one month and obtained Treasurer's Report and the approved investment policy effective selected periods and reviewed whether the investments are in compliance with the District's investment policy.
2. We agreed investments listed in the Treasure's Report to the trustees' statements.
3. We agreed the total investment amount to the general ledger.
4. We obtained bank reconciliation for the selected month and performed the following:
 - a. Obtained bank statement and agree ending bank balance to the bank statement.
 - b. Obtained access to the general ledger system and agreed the ending book balance to the general ledger.
 - c. Obtained reconciling items list, such as outstanding checks list and/or deposit in transit list, and agreed these amounts to bank reconciliation.
 - d. Obtained subsequent bank statements, selected 5 highest reconciling items, and trace to the subsequent bank statements for clearance.
 - e. Reviewed whether reconciling items were not over one year.
 - f. Reviewed whether proper authorizations have been obtained on the bank reconciliation.
 - g. Reviewed whether the bank reconciliation was performed and completed within 60 days from the month end.

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

Cash and Investments (Continued)

Selection was as below:

Month of August, 2017.

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

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

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

The PwC Group, LLP

Santa Ana, California
March 21, 2018

El Toro Water District

Lake Forest, California

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Quarter from October 1, 2017 to December 31, 2017



El Toro Water District
For the Quarter October 1, 2017 to December 31, 2017

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by the El Toro Water District's (the "District") management, solely to assist the District on cash receipts, cash disbursements, payroll disbursements, and cash and investments for the Quarter from October 1, 2017 through December 31, 2017. The District's management is responsible for the internal control procedures. The sufficiency of these procedures is solely the responsibility of the District's management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Cash Receipts

Procedures

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

Selections were as below:

<u>Selection No.</u>	<u>Location No.</u>	<u>Customer Name</u>	<u>Bill Amount</u>
1	2400318	LAGUNA HILLS SUBTENANT LP	\$ 2,361.92
2	2439221	CASA DE LAGUNA ASSOC	181.83
3	2469634	LOYD JOHN	100.93
4	2469650	JOUDEH SAM	102.56
5	3500140	SADDLEBACK VLY SCH DIS	3,554.53
6	3500358	MISSION HILLS CHURCH	569.01
7	4528168	CHAPMAN SIMONE J.	98.30
8	4547602	MENDRIN ALLEN	107.81
9	4547634	JONES JUSTIN	113.43
10	4508530	KING JUSTIN	119.76

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

Cash Disbursements

Procedures

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

Selections were as below:

<u>Selection No.</u>	<u>Check No.</u>	<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
1	83894	10/05/2017	C. WELLS PIPELINE MATERIALS, INC.	(2,995.45)
2	83928	10/12/2017	DOMTAR, INC.	(1,400.75)
3	83962	10/19/2017	ADT SECURITY SERVICES	(7,939.05)
4	83963	10/19/2017	AFLAC	(2,163.96)
5	84077	11/09/2017	ANIMAL PEST MANAGEMENT	(913.00)
6	84089	11/09/2017	E.J. MEYER COMPANY, INC.	(8,550.00)
7	84107	11/09/2017	RAUCH COMMUNICATION CONSULTANTS, INC	(2,767.50)
8	84200	11/21/2017	WEST COAST SAND AND GRAVEL, INC.	(1,218.84)
9	84232	11/30/2017	TETRA TECH, INC.	(20,355.10)
10	84276	12/07/2017	TEXAS CAPITAL BANK LEASING DIVISION	(150,583.04)
11	84290	12/15/2017	BLAIRS TOWING, INC.	(437.50)
12	84312	12/15/2017	MWH CONSTRUCTORS, INC	(32,908.91)
13	84313	12/15/2017	NATIONAL CENTER FOR CIVIC INNOVATION, INC	(17,500.00)
14	84341	12/21/2017	E.J. MEYER COMPANY, INC.	(47,618.34)
15	83923	10/12/2017	BANKCARD CENTER (Credit Card Payment for September 2017)	(14,088.13)

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

Payroll Disbursements

Procedures

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

Selections were as below:

<u>Selection No.</u>	<u>Employee Name</u>	<u>Pay Period Ending</u>	<u>Department</u>
1	Daniel Lopez	10/8/2017	Operations
2	Sandra Norberg	11/5/2017	Customer Service
3	Edward Peterson	11/19/2017	Collections
4	Raully Russell	12/3/2017	Collections
5	Steve Sanchez	12/17/2017	Water Reccycling Plant

Pay period ending 11/19/2017 was selected and agreed to general ledger posting.

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

Cash and Investments

Procedures

1. We selected one month and obtained Treasurer's Report and the approved investment policy effective selected periods and reviewed whether the investments are in compliance with the District's investment policy.
2. We agreed investments listed in the Treasure's Report to the trustees' statements.
3. We agreed the total investment amount to the general ledger.
4. We obtained bank reconciliation for the selected month and performed the following:
 - a. Obtained bank statement and agree ending bank balance to the bank statement.
 - b. Obtained access to the general ledger system and agreed the ending book balance to the general ledger.
 - c. Obtained reconciling items list, such as outstanding checks list and/or deposit in transit list, and agreed these amounts to bank reconciliation.
 - d. Obtained subsequent bank statements, selected 5 highest reconciling items, and trace to the subsequent bank statements for clearance.
 - e. Reviewed whether reconciling items were not over one year.
 - f. Reviewed whether proper authorizations have been obtained on the bank reconciliation.
 - g. Reviewed whether the bank reconciliation was performed and complete within 60 days from the month end.

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

Cash and Investments (Continued)

Selection was as below:

Month of October 2017.

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

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

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

The PwC Group, LLP

Santa Ana, California
March 21, 2018

ETWD MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

**SUBJECT: 401(k) EMPLOYEE RETIREMENT SAVINGS PLAN
(401(k)) AGE-BASED PORTFOLIO MODIFICATIONS**

DATE: APRIL 24, 2018

Staff will review and comment on proposed changes to the 401(k) age-based portfolios. The changes are the result of multiple meetings/discussions with representatives from HighMark and SAGEVIEW and are consistent with the overarching objective to smooth the Participant's retirement investment glide path and to more appropriately reduce equity exposure as they get closer to retirement age. Specific changes include:

- Increasing the number of age-based portfolios from 4 to 7
- Reducing the age-based transition from one portfolio to another from every 10 years to every 5 years
- Balancing each portfolio's risk/return (equity exposure) based upon projected years to retirement

The attached table represents the consensus of Staff, HighMark and SAGEVIEW. The table compares the proposed portfolio changes to the existing portfolios in the same format displayed in the District's existing 401(k) Investment Policy Statement (IPS). Each portfolio continues to maintain various asset class allocations and minimum/maximum/target investment parameters. As is the case with the existing portfolio asset allocations, the proposed portfolio asset class allocations and their relative investment parameters will be utilized by HighMark as the basis for their independent active investment management services. Once the proposed portfolio changes are approved next steps will be as follows:

- Amend the 401(k) IPS and submit same to the Board for consideration in May
- Prepare a formal Participant Notice of plan changes to be effective July 1, 2018
- Schedule a Participant Education/Retirement Planning Meeting early June

Recommended Action: 1) Approve the proposed age-based portfolio changes and their corresponding asset allocations and 2) direct Staff to amend the IPS accordingly for Board review and consideration in May.

EL TORO WATER DISTRICT ASSET ALLOCATION

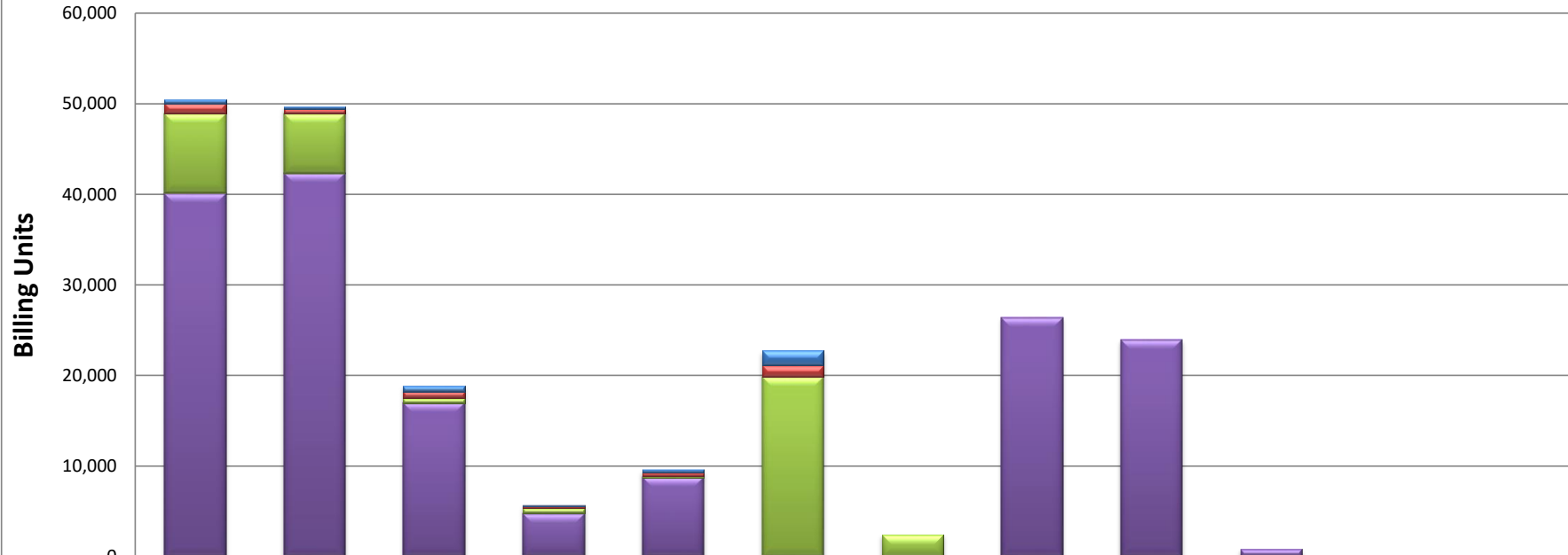
New Allocations

	Equity			Fixed Income			Alternatives			Cash		
	Minimum	Maximum	Target	Minimum	Maximum	Target	Minimum	Maximum	Target	Minimum	Maximum	Target
<40	75%	95%	85%	5%	15%	8%	2%	10%	5%	0%	20%	1%
40-44	70%	90%	80%	5%	20%	12%	5%	15%	7%	0%	20%	1%
45-49	60%	80%	70%	10%	30%	20%	5%	15%	9%	0%	20%	1%
50-54	50%	70%	60%	15%	35%	27%	10%	20%	12%	0%	20%	1%
55-59	40%	60%	50%	20%	60%	35%	10%	20%	13%	0%	20%	2%
60-64	25%	45%	35%	30%	70%	50%	10%	20%	13%	0%	20%	2%
65+	10%	30%	20%	40%	80%	61%	10%	20%	14%	0%	20%	5%

Current Allocations

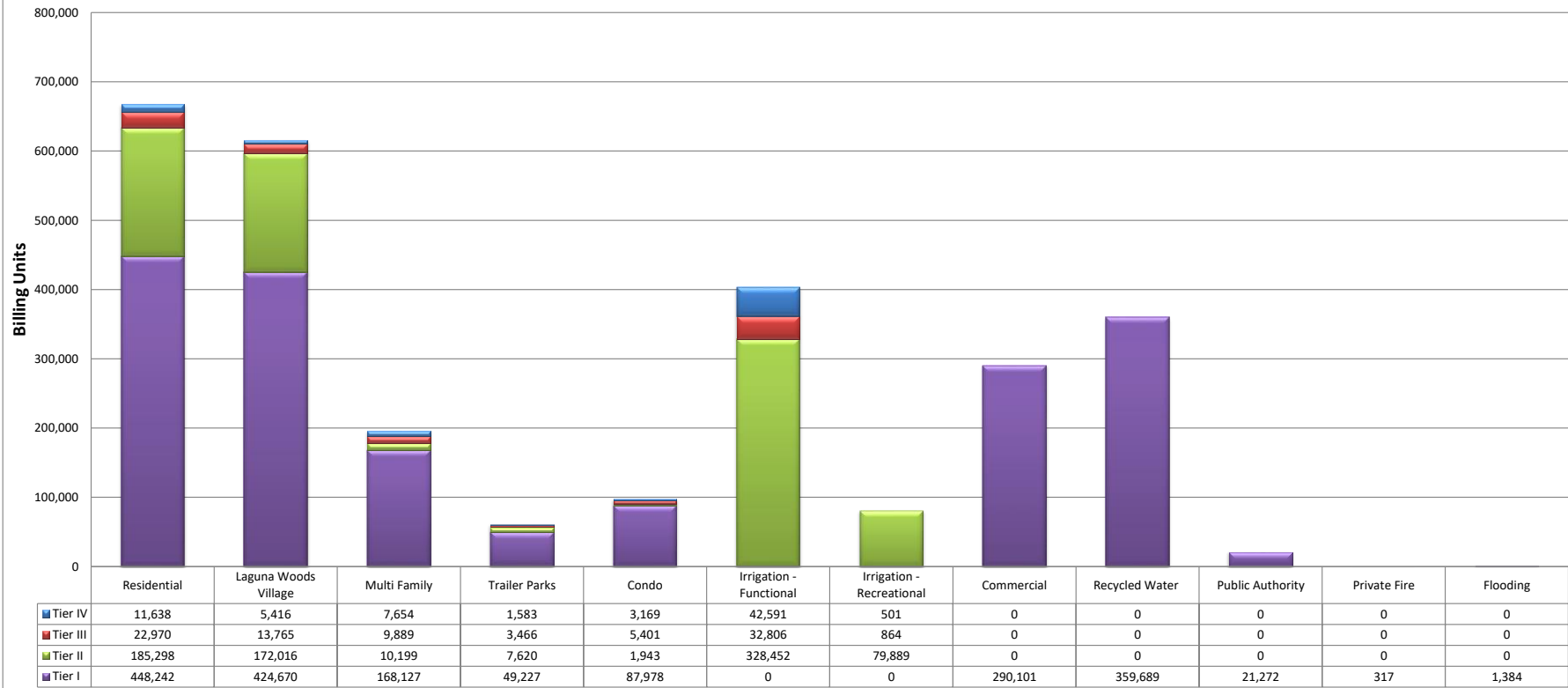
	Equity			Fixed Income			Alternatives			Cash		
	Minimum	Maximum	Target	Minimum	Maximum	Target	Minimum	Maximum	Target	Minimum	Maximum	Target
<40	60%	80%	70%	10%	30%	17%	5%	20%	12%	0%	20%	1%
40-49	40%	60%	55%	20%	50%	31%	10%	25%	13%	0%	20%	1%
50-59	25%	45%	35%	40%	60%	50%	10%	25%	13%	0%	20%	2%
60+	5%	25%	15%	10%	90%	65%	15%	30%	15%	0%	20%	5%

March 2018 Water Sales

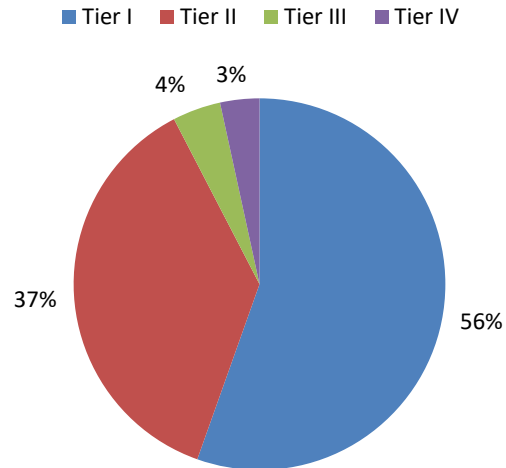


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	457	250	615	121	327	1,624	0	0	0	0	0	0
■ Tier III	1,132	537	692	236	359	1,280	0	0	0	0	0	0
■ Tier II	8,810	6,572	551	569	165	19,837	2,444	0	0	0	0	0
■ Tier I	40,121	42,331	16,989	4,802	8,767	0	0	26,427	23,921	819	4	82

Year-to-Date Water Sales as of March 2018

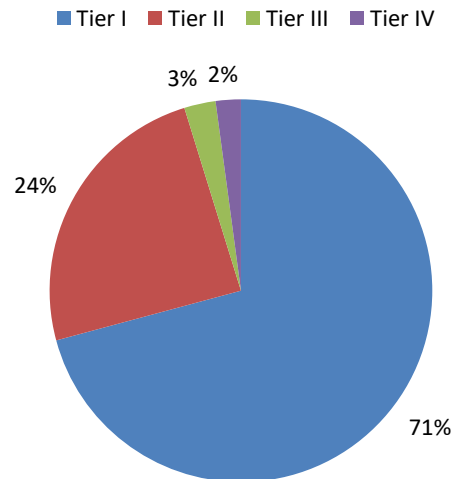


Year to Date Tiered Sales As of March 2018



Year To Date Sales in ccf		
Tier I	1,178,244	55.44%
Tier II	785,417	36.95%
Tier III	89,161	4.20%
Tier IV	72,552	3.41%
	2,125,374	100.00%

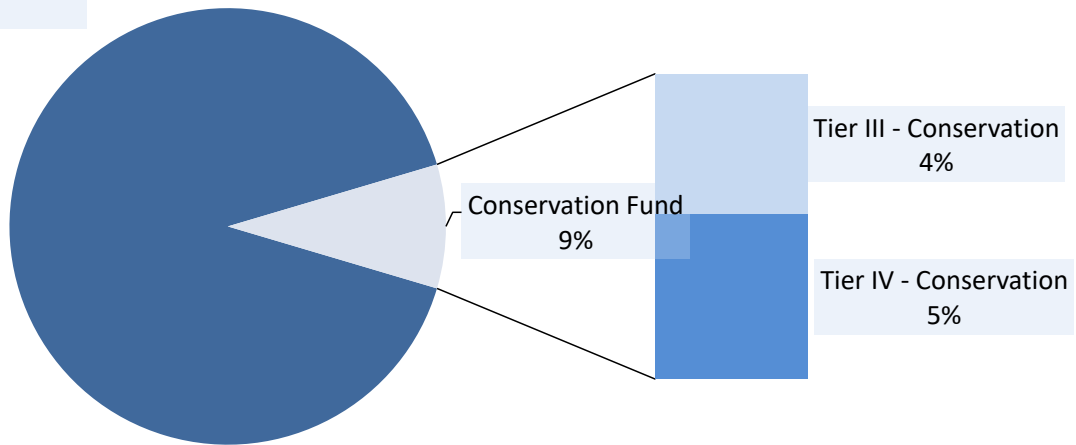
March 2018 Tiered Sales



Current Month Sales in ccf		
Tier I	113,010	70.81%
Tier II	38,948	24.41%
Tier III	4,236	2.65%
Tier IV	3,394	2.13%
	159,588	100.00%

Year to Date Water Sales as of March 2018

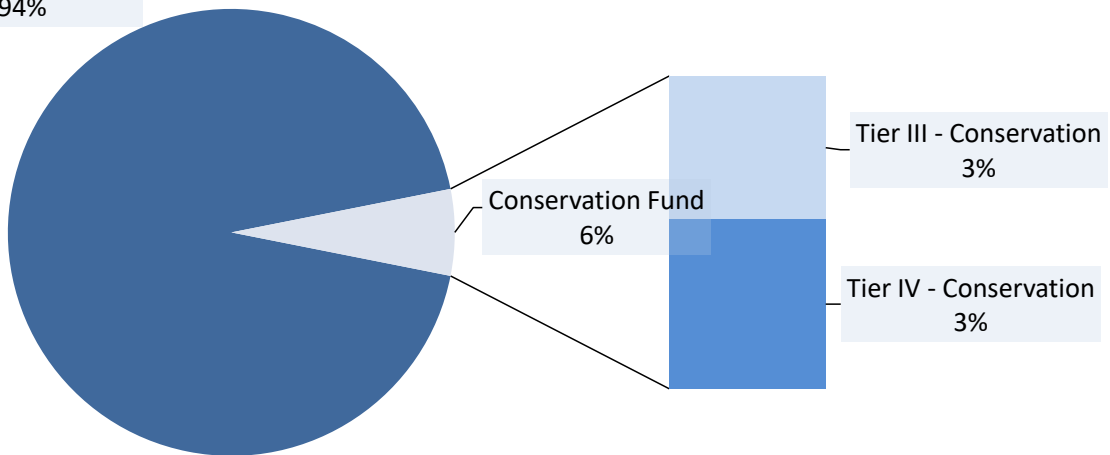
Water Delivery Cost
91%



Category	Billings	Percentage
Water Delivery Cost	\$5,740,318.79	90.83%
Tier III - Conservation	\$267,262.15	4.23%
Tier IV - Conservation	\$312,034.43	4.94%
	\$6,319,615.37	100.00%

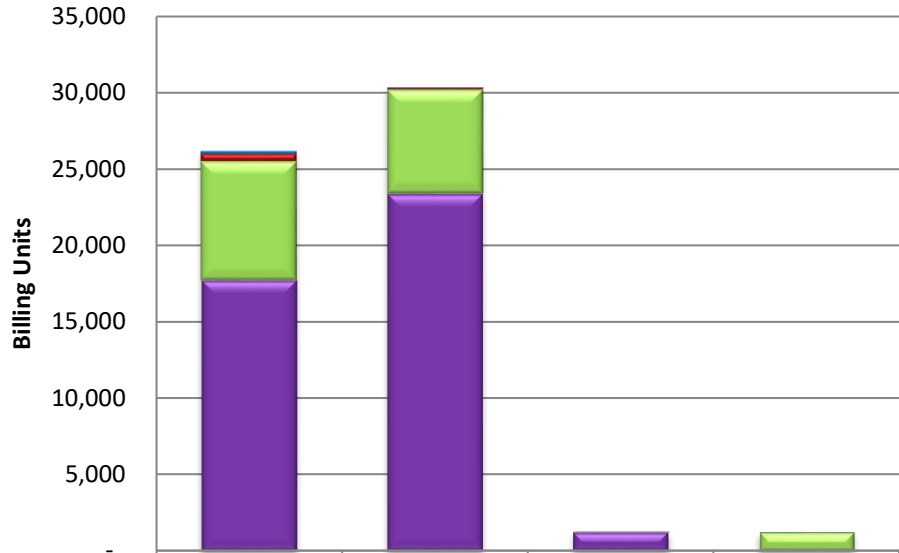
March 2018 Water Sales

Water Delivery Cost
94%



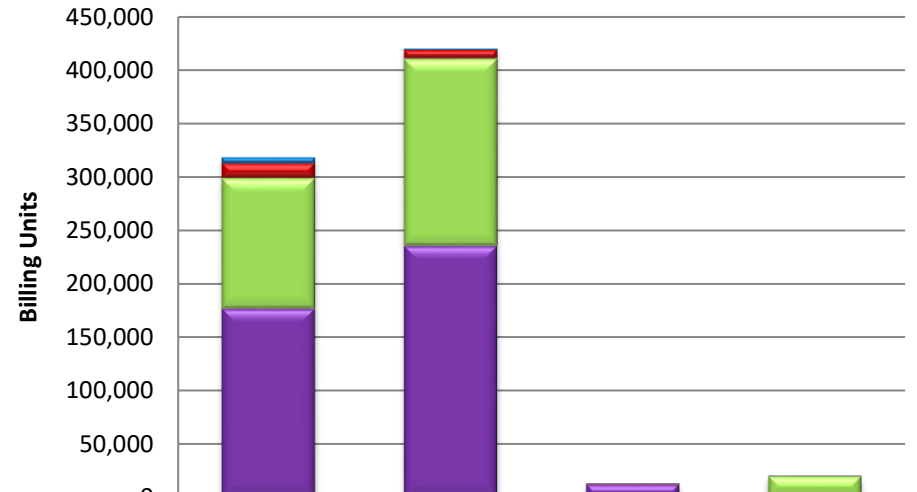
Category	Billings	Percentage
Water Delivery Cost	\$422,031.82	93.76%
Tier III - Conservation	\$12,877.44	2.86%
Tier IV - Conservation	\$15,201.09	3.38%
	\$450,110.35	100.00%

Laguna Woods Village March 2018 Water Sales



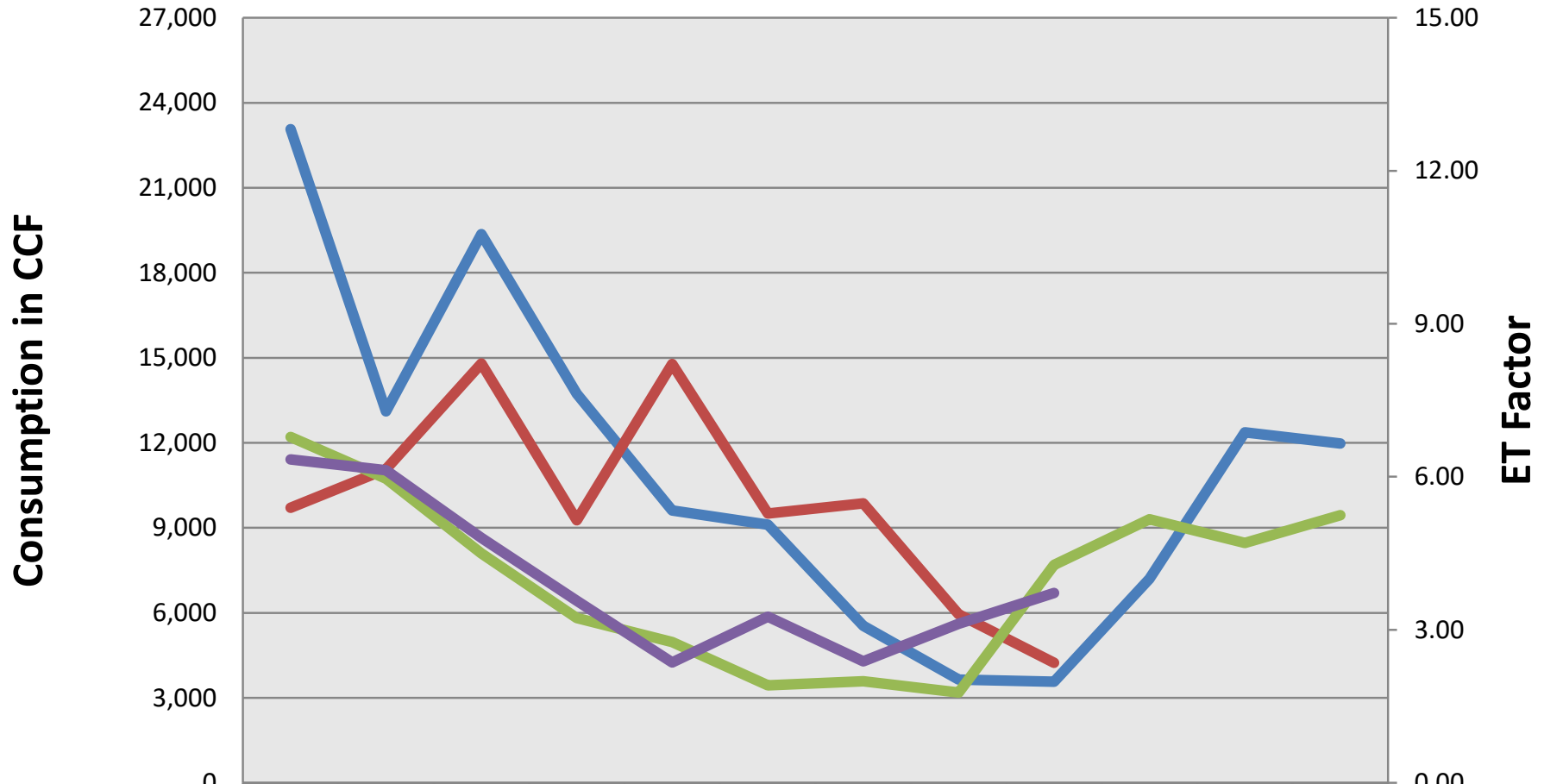
	Third	United	Mutual 50	GRF
■ Tier 4	209	44	-	1
■ Tier 3	486	133	20	3
■ Tier 2	7,750	6,770	16	1,229
■ Tier 1	17,724	23,352	1,255	-

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



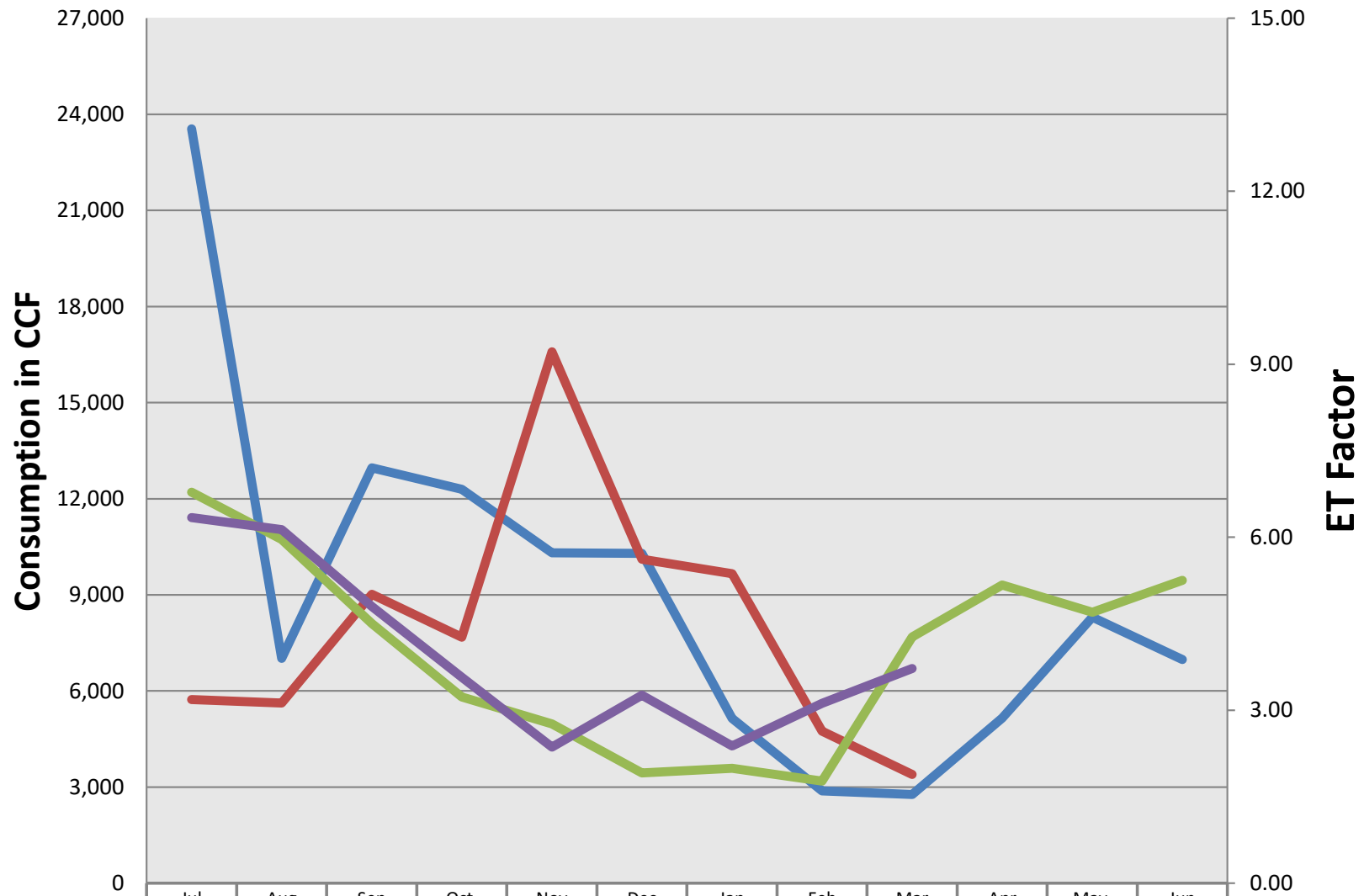
	Third	United	Mutual 50	GRF
■ Tier 4	5,667	1,431	119	146
■ Tier 3	13,841	8,004	635	445
■ Tier 2	122,091	174,671	212	19,832
■ Tier 1	176,699	235,626	12,345	0

Tier III Consumption



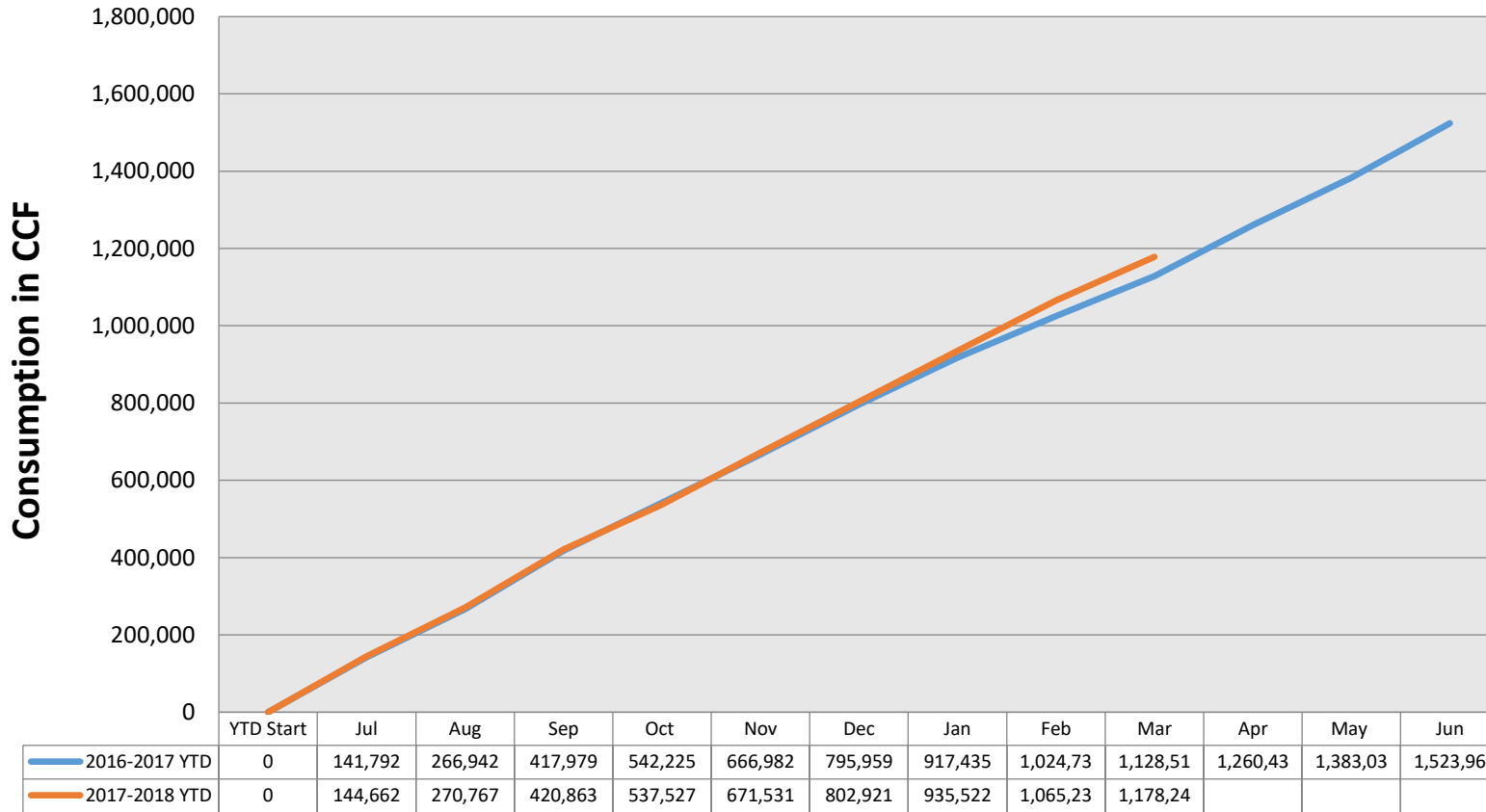
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	23,067	13,103	19,362	13,724	9,614	9,106	5,536	3,639	3,568	7,198	12,369	11,979
2017-2018	9,711	11,063	14,797	9,263	14,781	9,502	9,859	5,949	4,236			
16/17 ET	6.78	5.96	4.50	3.23	2.76	1.91	1.99	1.77	4.27	5.17	4.70	5.25
17/18 ET	6.34	6.13	4.80	3.57	2.36	3.26	2.38	3.12	3.72			

Tier IV Consumption

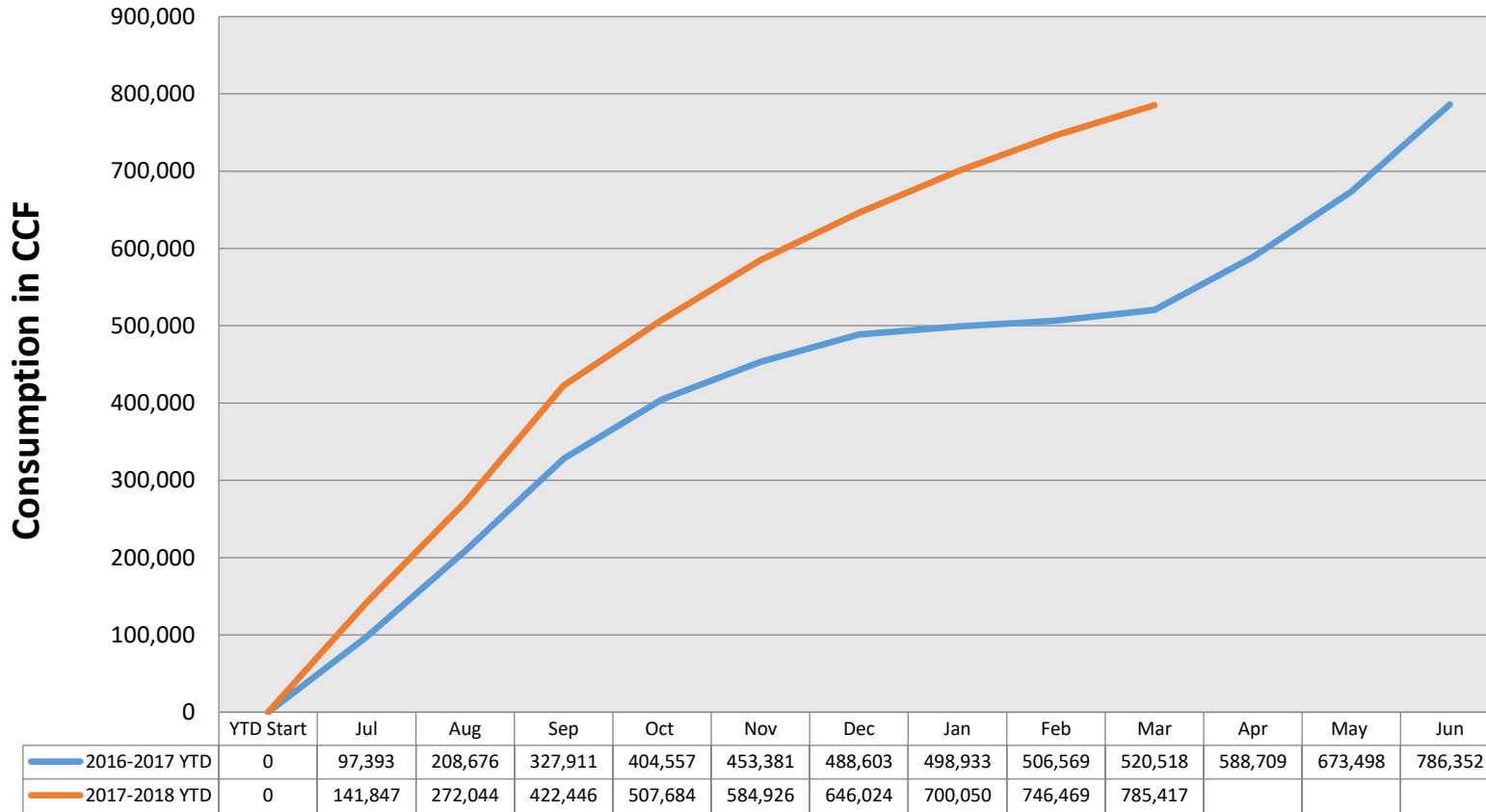


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	23,546	7,013	12,969	12,291	10,308	10,294	5,145	2,883	2,769	5,155	8,304	6,981
2017-2018	5,733	5,622	9,022	7,679	16,586	10,117	9,658	4,741	3,394			
16/17 ET	6.78	5.96	4.50	3.23	2.76	1.91	1.99	1.77	4.27	5.17	4.70	5.25
17/18 ET	6.34	6.13	4.80	3.57	2.36	3.26	2.38	3.12	3.72			

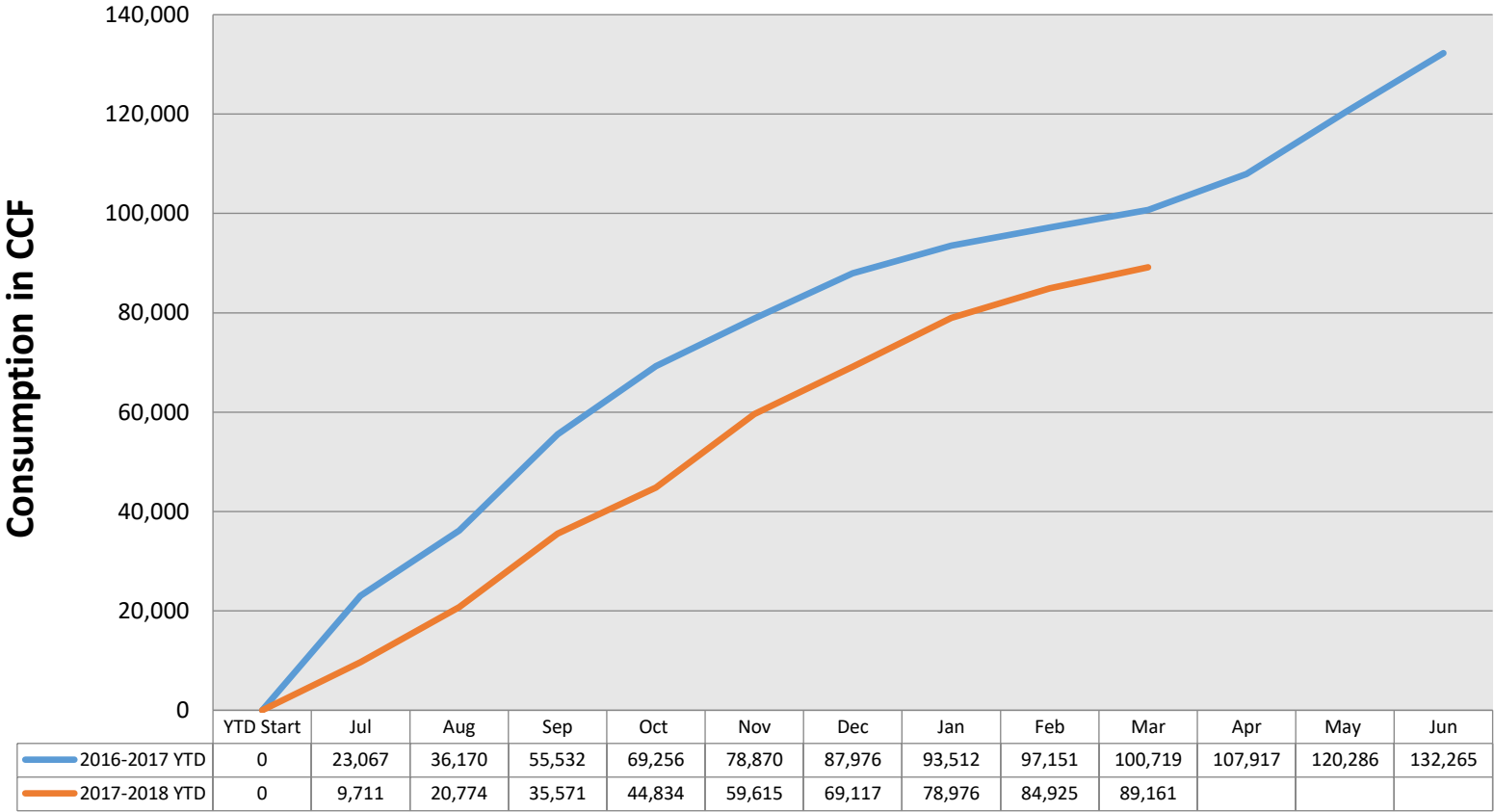
Tier I YTD Consumption



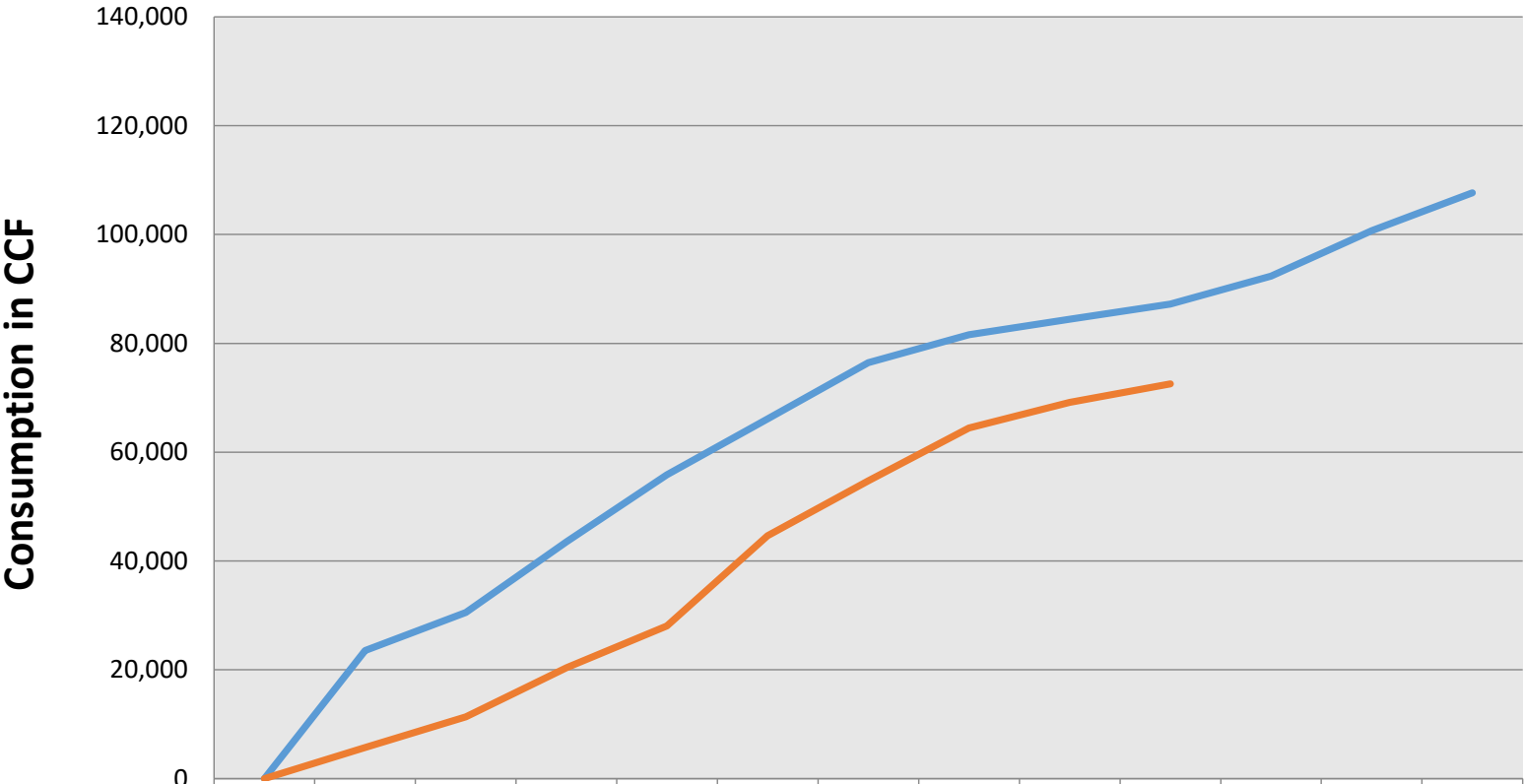
Tier II YTD Consumption



Tier III YTD Consumption

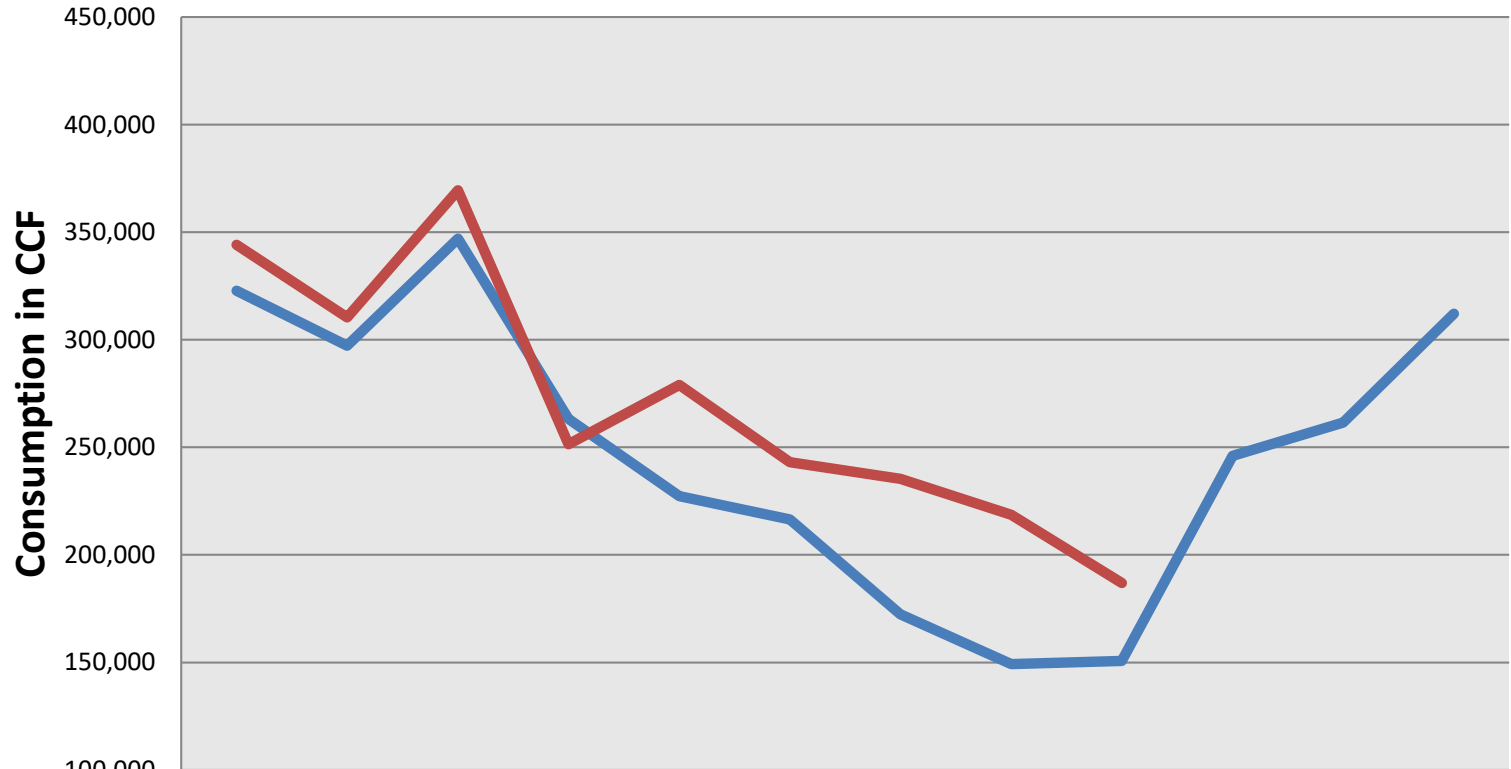


Tier IV YTD Consumption



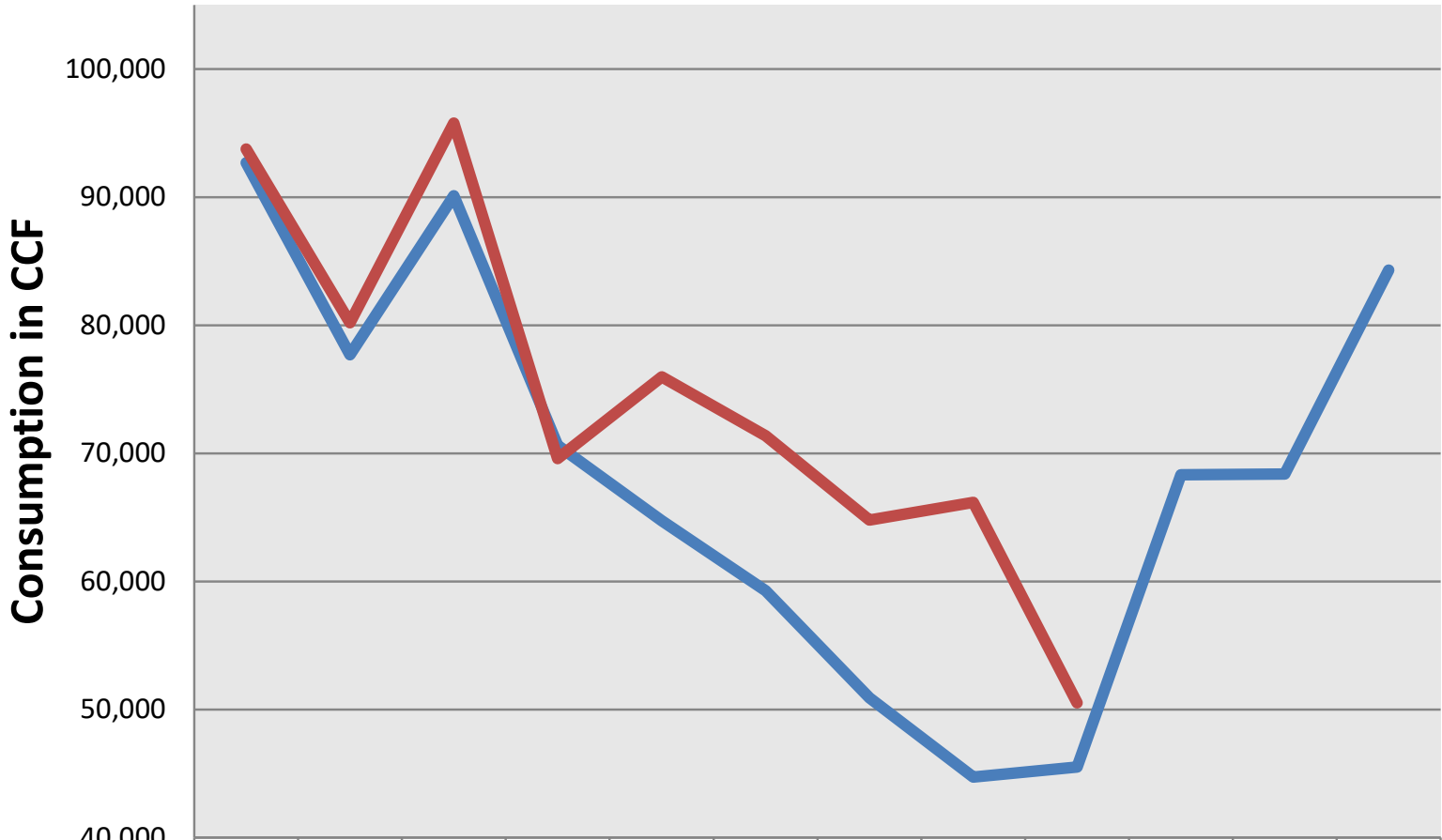
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017 YTD	0	23,546	30,559	43,528	55,819	66,127	76,421	81,566	84,449	87,218	92,373	100,677	107,658
2017-2018 YTD	0	5,733	11,355	20,377	28,056	44,642	54,759	64,417	69,158	72,552			

ETWD Total Consumption



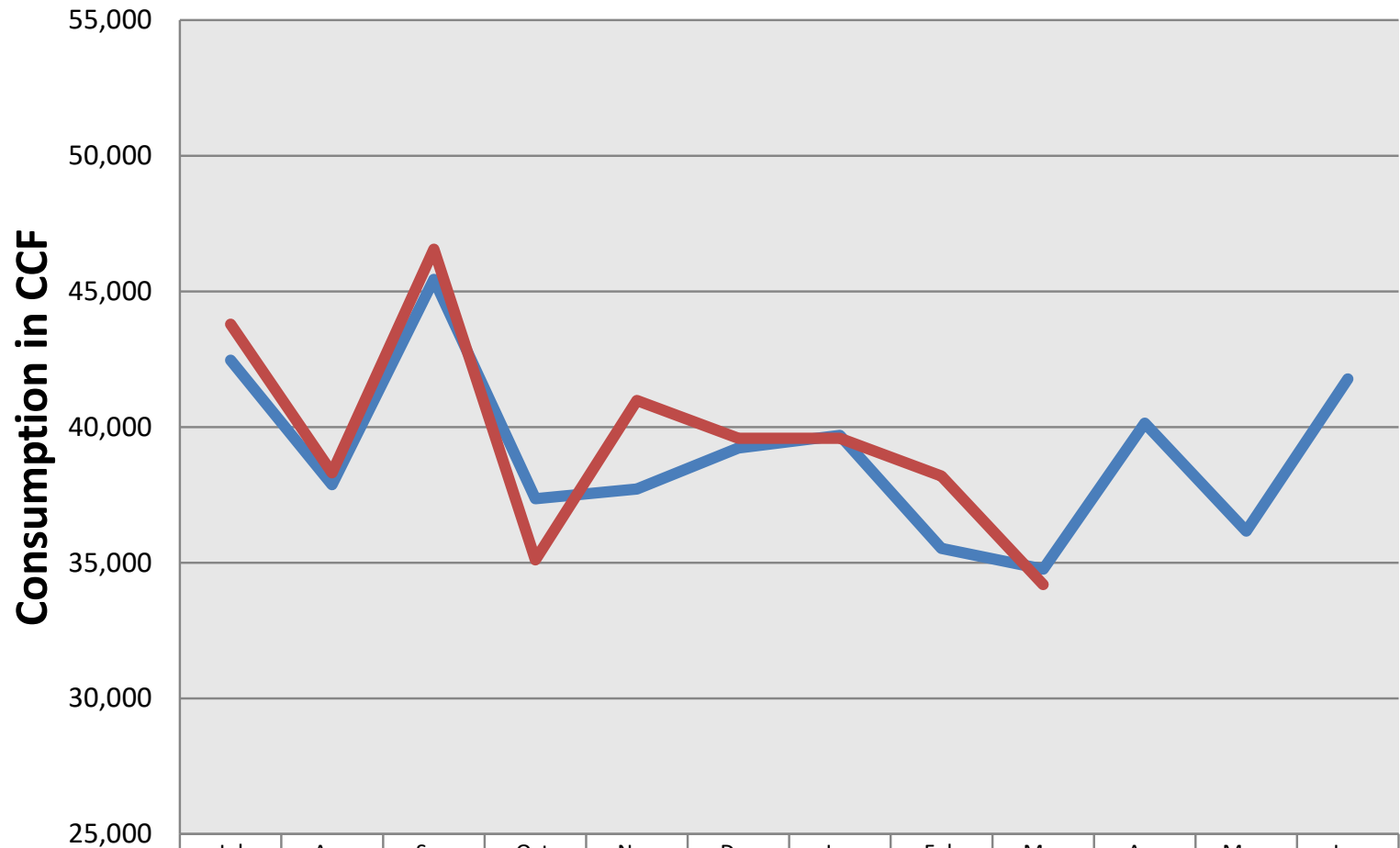
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	322,764	297,273	346,995	263,120	227,277	216,478	172,428	149,232	150,697	246,036	261,524	312,014
2017-2018	344,078	310,451	369,472	251,478	278,939	243,123	235,364	218,623	186,920			
%	107%	104%	106%	96%	123%	112%	136%	146%	124%	0%	0%	0%

Single Family Residents Consumption



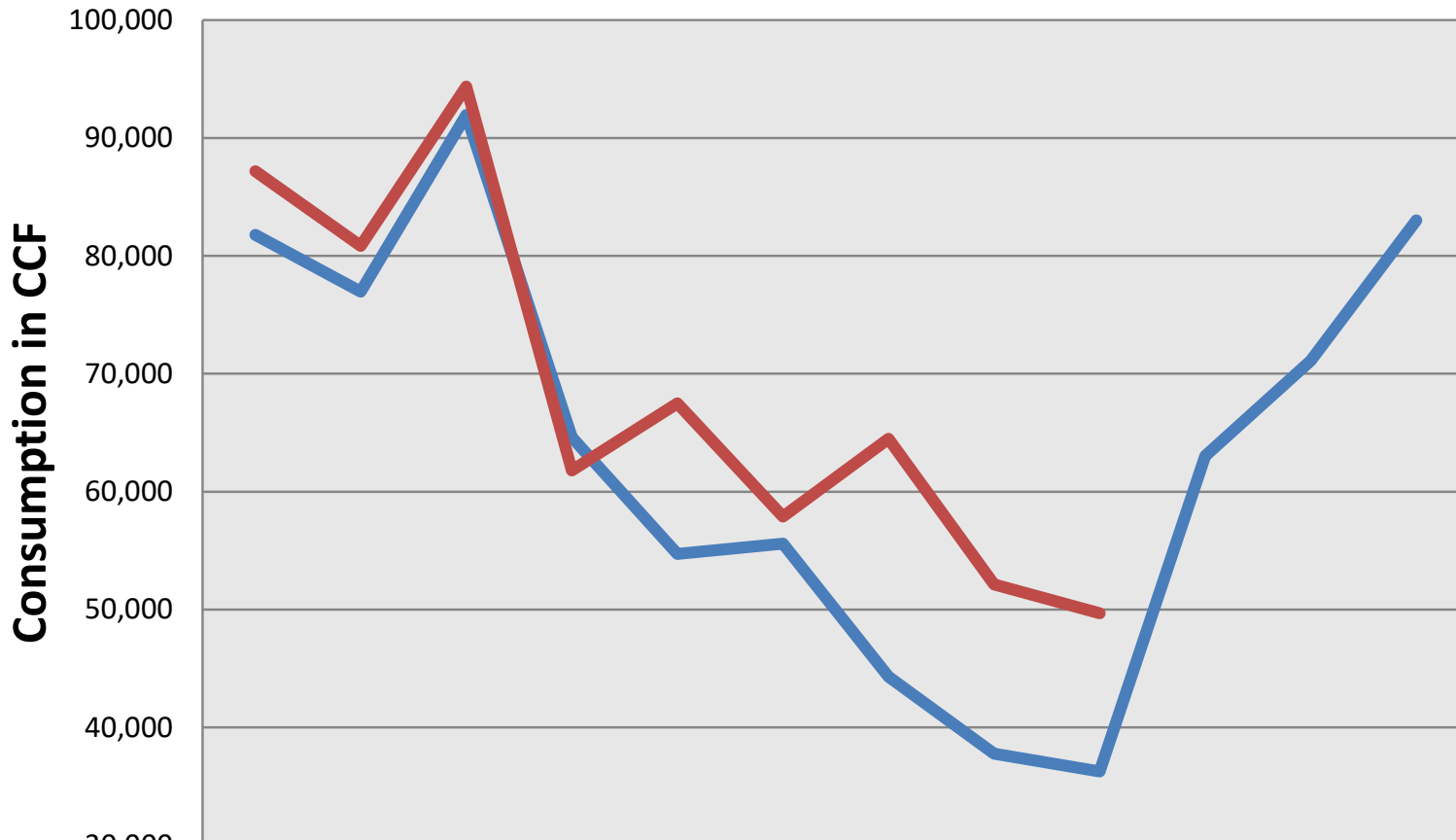
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	92,684	77,685	90,100	70,617	64,741	59,287	50,923	44,723	45,516	68,339	68,377	84,309
2017-2018	93,758	80,204	95,783	69,580	75,963	71,368	64,788	66,175	50,520			
%	101%	103%	106%	99%	117%	120%	127%	148%	111%	0%	0%	0%

Multi Family Residents Consumption



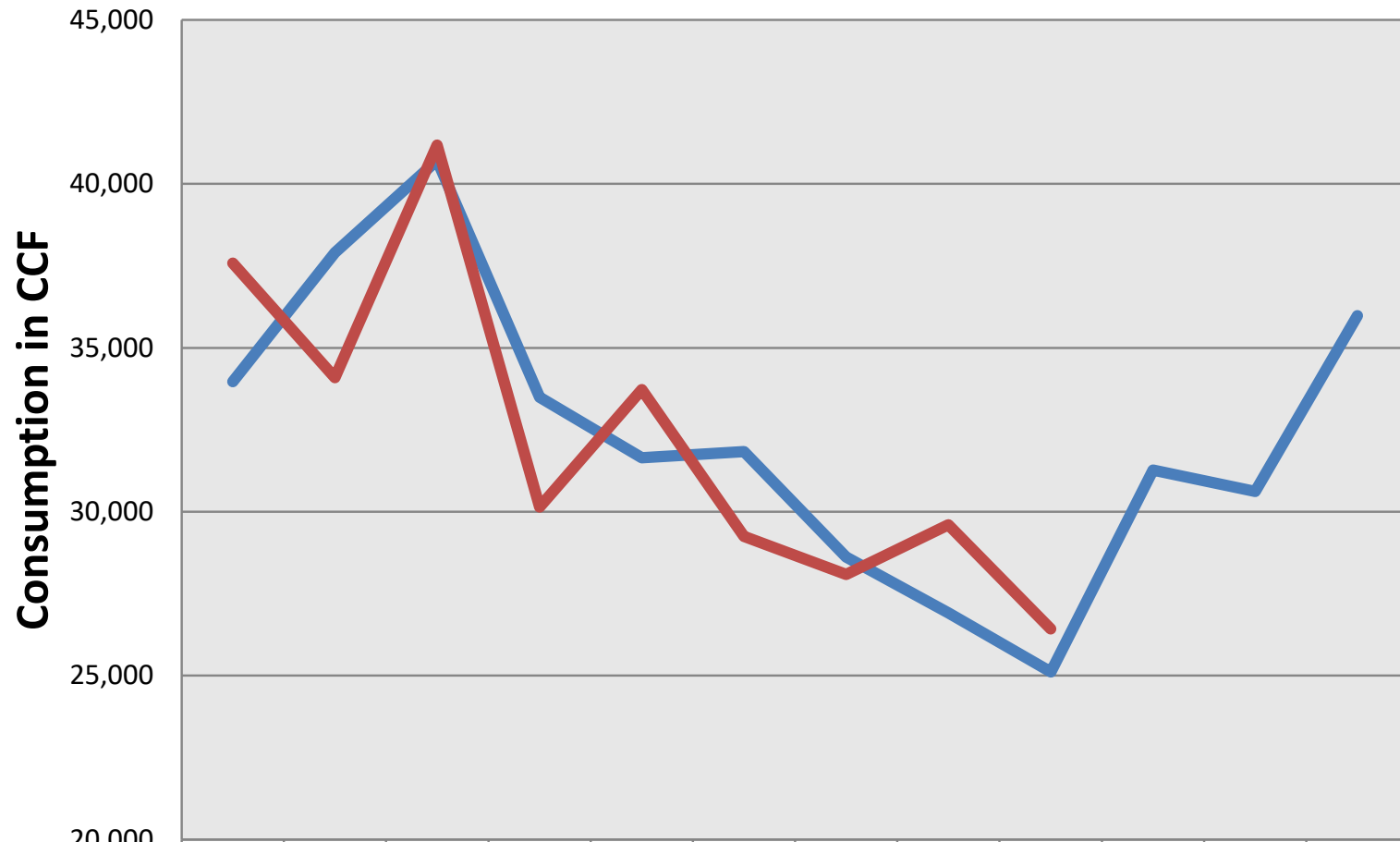
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	42,465	37,872	45,442	37,354	37,718	39,233	39,696	35,523	34,761	40,142	36,164	41,773
2017-2018	43,787	38,310	46,555	35,098	40,975	39,581	39,586	38,194	34,194			
%	103%	101%	102%	94%	109%	101%	100%	108%	98%	0%	0%	0%

Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



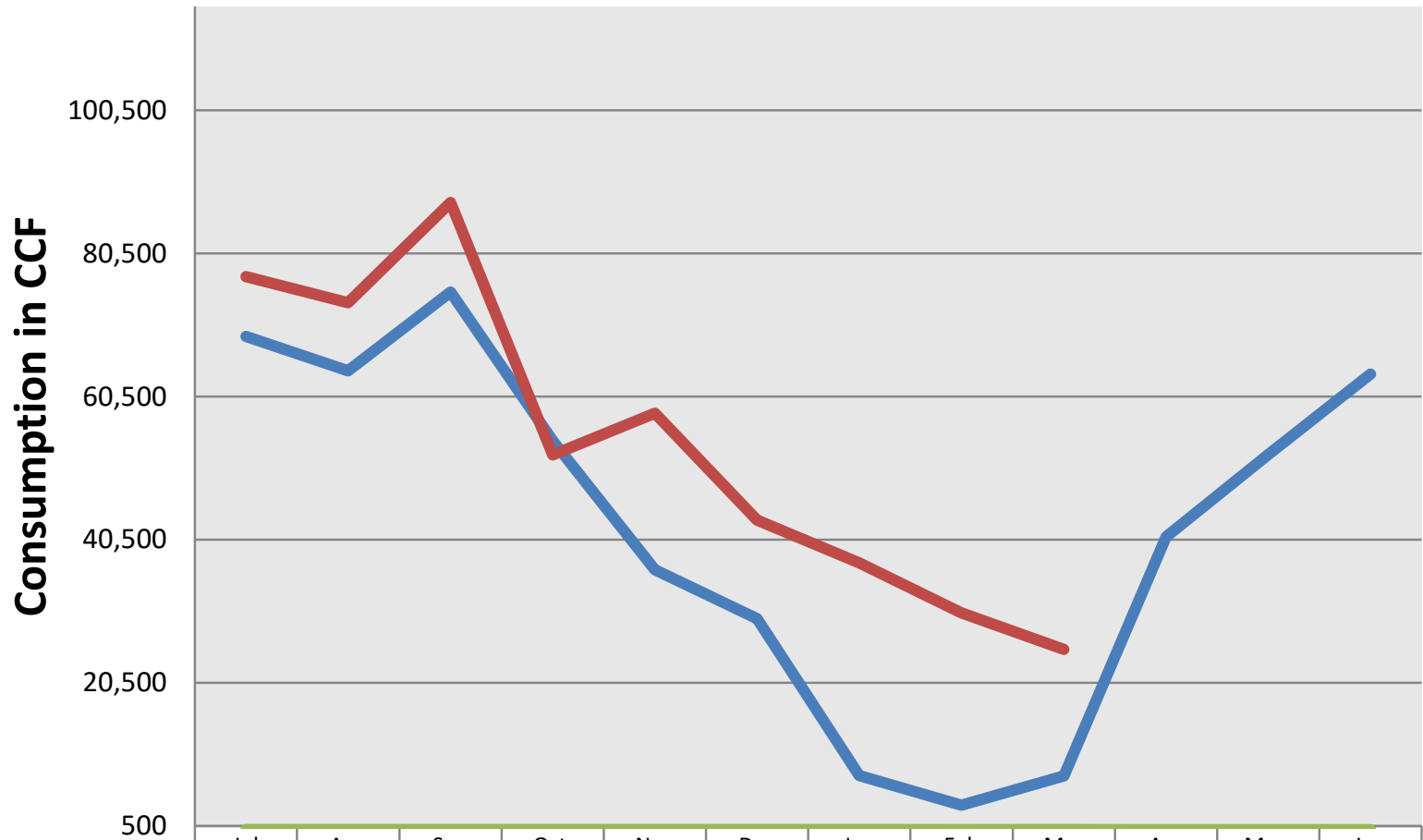
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	81,773	76,968	91,952	64,623	54,727	55,588	44,298	37,794	36,274	63,045	71,112	83,001
2017-2018	87,171	80,837	94,360	61,794	67,488	57,902	64,481	52,144	49,690			
%	107%	105%	103%	96%	123%	104%	146%	138%	137%	0%	0%	0%

Commercial Consumption



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
— 2016-2017	33,963	37,902	40,718	33,489	31,644	31,831	28,616	26,911	25,113	31,267	30,623	35,977
— 2017-2018	37,582	34,086	41,181	30,146	33,724	29,251	28,092	29,598	26,426			
— %	111%	90%	101%	90%	107%	92%	98%	110%	105%	0%	0%	0%

Dedicated Irrigation Consumption (including LWV)



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-2017	68,885	64,088	75,109	54,313	36,317	29,491	7,572	3,417	7,527	40,936	52,413	63,663
2017-2018	77,239	73,638	87,622	52,373	58,189	43,258	37,291	30,308	25,185			
%	112%	115%	117%	96%	160%	147%	492%	887%	335%	0%	0%	0%

EL TORO WATER DISTRICT

Glossary of Water Terms

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

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

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

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

AFY: Acre-foot per year.

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

AMP: Allen McCulloch pipeline.

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

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

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

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

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

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

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

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

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

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

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

BIA: Building Industry Association.

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

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

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

Brackish water: A mixture of freshwater and saltwater.

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

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

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

CEQA: California Environmental Quality Act.

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

CFS: Cubic feet per second.

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

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

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

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

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

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

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

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

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

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

Crisis:

1. **a:** The turning point for better or worse **b:** a paroxysmal attack of pain, distress, or disordered function **c:** an emotionally significant event or radical change of status in a person's life <a midlife *crisis*>

2. The decisive moment (as in a literary plot)

3. **a:** An unstable or crucial time or state of affairs in which a decisive change is impending; *especially* : one with the distinct possibility of a highly undesirable outcome <a financial *crisis*> **b:** a situation that has reached a critical phase

CTP Coastal Treatment Plant

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

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

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

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

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

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

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

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

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

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

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

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

Disinfection: Water treatment which destroys potentially harmful bacteria.

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

Drought: A prolonged period of below-average precipitation.

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

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

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

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

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

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

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

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.