

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

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Dennis P. Cafferty, Secretary of the  
El Toro Water District and the Board of  
Directors thereof

**AGENDA**

**EL TORO WATER DISTRICT**

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

**September 24, 2019**

**7:30 a.m.**

**CALL TO ORDER – President Vergara**

**PLEDGE OF ALLEGIANCE – Vice President Monin**

**ORAL COMMUNICATION – PUBLIC COMMENT**

Members of the public may address the Board at this time or they may reserve this opportunity with regard to an item on the agenda until said item is discussed by the Board. Comments on other items will be heard at the 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.)

## FINANCE/INSURANCE COMMITTEE MEETING

CALL MEETING TO ORDER – Vice President Monin

### CONSENT CALENDAR

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

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

### 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.

#### 2. Other Post Employment Benefits (OPEB) Actuarial Valuation

Ms. Mary Beth Redding from Bartel & Associates will present an update on OPEB Actuarial Valuation.

#### 3. Public Agency Retirement Services (PARS) Presentation

Ms. Rachael Sanders from PARS will provide an update on opportunities to prefund some portion of the District's OPEB liability through the PARS OPEB Trust Program.

### FINANCIAL ACTION ITEMS

4. Financial Package - Authorization to Approve Bills for Consideration dated September 24, 2019 and Receive and File Financial Statements as of August 31, 2019 (Reference Material Included)

The Board will consider approving the Bills for Consideration dated September 24, 2019 and Receive and File Financial Statements as of August 31, 2019.

**Recommended Action:** Staff recommends that the Board 1) approve, ratify and confirm payment of those bills as set forth in the schedule of bills for consideration dated September 24, 2019, and 2) receive and file the Financial Statements for the period ending August 31, 2019.

**5. Solicitation Process for the 2020/21 Fiscal Year Annual Audit (Oral Report)**

Staff will present options and seek direction from the Board for the solicitation of an auditing firm to perform the annual audit of the District's financial records for the 2020/21 fiscal year.

**Recommended Action:** Staff recommends that the Board provide direction and approval of the process to contract with an auditing firm to perform the annual audit of the District's financial records for the 2020/21 fiscal year.

**FINANCIAL INFORMATION ITEMS**

**6. 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**

**ENGINEERING COMMITTEE**

**CALL MEETING TO ORDER – Director Freshley**

**CONSENT CALENDAR**

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

7. Consider approving the August 20, 2019 Engineering Committee meeting minutes.
8. Consider approving Director Kathryn Freshley to participate on the Association of California Water Agencies (ACWA) Engineering Committee

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

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

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

**ENGINEERING ACTION ITEMS**

There are no action items.

**ENGINEERING GENERAL INFORMATION ITEMS**

9. **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.

10. **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**

**ATTORNEY REPORT**

**CLOSED SESSION**

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

1. At this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 (d) (2) to consult with legal counsel and staff – Potential Litigation (two matters).
2. In accordance with Government Code Section 54956.96 in order to receive, discuss, and/or take action concerning information obtained by the District’s representative pertaining to a closed session of the South Orange County Wastewater Authority “SOCWA”, a joint powers agency.

## **REGULAR SESSION**

### **REPORT ON CLOSED SESSION (Legal Counsel)**

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

### **ADJOURNMENT TO 7:30 a.m., Tuesday, October 22, 2019.**

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

#### *Request for Disability-Related Modifications or Accommodations*

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

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

August 20, 2019

Vice President Monin called the Meeting of the Finance/Insurance Committee to order at 9:03 o'clock a.m. on August 20, 2019.

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

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

Consent Calendar

- a. Consider approving the July 23, 2019 Finance Committee meeting minutes

Vice President Monin asked for a Motion.

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

Roll Call Vote:

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

Approval of Items Removed from Today's FIC Consent Calendar

There were no items removed.

Finance Action Items

Finance Report

Vice President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Freshley, and unanimously carried across the Board to 1) approve, ratify, and confirm payment of those bills as set forth in the schedule of bills for consideration dated August 20, 2019, and 2) receive and file the Financial Statements for the period ending July 31, 2019.

Roll Call Vote:

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

Resolution No. 19-8-2 Amending the Directors Compensation Policy Statement 1993-10

(IV)

Mr. Cafferty stated that the one change is adding the term "Vice President" to Section II Qualified Events, number 12 of the policy.

Vice President Monin asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director Havens and unanimously carried across the Board to adopt Resolution No. 19-8-2 which amends the Directors Compensation Policy Statement 1993-10 (IV).

Roll Call Vote:

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

Finance Information Items

Policy Statement 1985-5 (IV) Travel and Expense Reimbursement Policy

The Board members deliberated on whether or not the District should approve of the Directors attending certain conferences and costs associated with these conferences.

Mr. Cafferty stated that staff surveyed how other agencies handle their travel expenses for their Directors, and quantify where the costs of conferences is going. He further stated that we have assigned a dollar amount limit to each Director which is unique to the neighboring agencies.

Mr. Cafferty stated that we also reviewed the cost of ACWA conferences and CASA conferences, which make up approximately 55% of the Directors budgets.

Mr. Cafferty stated that this is an information item today set up for discussion, and the policy could be amended to include language to clarify what happens if a Director exceeds their budget.

Director Gaskins stated that he feels each Director should decide for themselves which conferences they would like to attend, and remain within their budget.



## Audit Committee Report

Vice President Monin stated that Director Freshley asked why not let the PUN Group re-bid for the upcoming year to continue as the District's auditors, as long as they change out the individual auditors.

Mr. Cafferty stated that historically the auditors are rotated every five years, when we go out with an RFP for new auditors. He further stated that the Government Code states six years, but actually says we cannot go more than six consecutive years if they have not changed the lead audit partner, so if they changed the audit team we could still engage the same firm.

President Vergara expressed concern about remaining with the same audit firm regardless of whether or not the audit staff is changed.

Mr. Cafferty stated that we need to have our auditors in place by the end of this calendar year.

Vice President Monin asked staff to send the Directors the actual language indicating how often we need to change auditors.

Mr. Cafferty stated that staff will bring the audit issue back to the Board for direction at the September meetings.

## Tiered Water Usage and Revenue Tracking

Ms. Shahbakhti stated that included in the package is the first month of the fiscal year water usage.

Director Freshley stated that she was surprised to see the difference between United and Third's water consumption. Mr. Cafferty replied that Third has a lot of recycled water while United has none.

### Comments Regarding Non-Agenda FIC Items

President Vergara stated that the “in lieu” water agencies in Poseidon’s presentation states that the agencies will only pay for pumping costs, while others will have to pay more.

### Close Finance and Insurance Committee Meeting

At approximately 9:40 o’clock a.m. the FIC meeting was closed.

### Attorney Report

Mr. Granito reported that a Closed Session will need to be held today.

### Closed Session

At approximately 9:40 o’clock a.m. the Board went into Closed Session. Also at this time, Ms. Welsch, Ms. Cimorell, Ms. Shahbakhti and Ms. Moore left the meeting.

### Open Session

At approximately 9:59 o’clock a.m. the Regular session resumed. Also at this time, Ms. Welsch returned to the meeting.

Mr. Granito reported that the Board did go into Closed Session with regard to item #2 of today’s Closed Session agenda, and during the Closed Session the Board deliberated and considered the Application to File a Late Claim on behalf of the Claimant (Marlene Jean aka Marlene Jean Trusiak), and the Board voted unanimously to deny the application. No further reportable action was taken.

Mr. Granito briefly spoke on SB 307 and it’s impact on the Cadiz Project.

### Adjournment

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

Motion: Director Gaskins made a Motion, seconded by Director Freshley and unanimously carried that today's meeting be adjourned at 10:00 o'clock a.m. to

Tuesday, September 24, 2019, Lake Forest, CA. 92630.

Roll Call:

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

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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

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

# **El Toro Water District**

Lake Forest, California

## **Independent Accountant's Report on Applying Agreed-Upon Procedures**

*For the Period from April 1, 2019 through June 30, 2019*



**El Toro Water District**  
**For the Period April 1, 2019 through June 30, 2019**

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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 Period from April 1, 2019 through June 30, 2019. The District's management is responsible for the internal control procedures. The sufficiency of these procedures is solely the responsibility of the District's management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Cash Receipts**

**Procedures**

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

Selections were as below:

<u>Selection No.</u>	<u>Location No.</u>	<u>Customer Name</u>	<u>Billed Amount</u>
1	2442142	Christopher Green	\$59.45
2	2442476	Pamela Dittman	\$64.49
3	2449350	Real Mexican Restaurants	\$1,266.07
4	4500572	Ganahl Lumber Co	\$102.57
5	2453628	Benjamin Cardenas	\$88.16
6	6441424	VMS INC- THIRD	\$76.30
7	2400239	Five Managers Inc	\$56.36
8	4527606	Ali Farsai	\$437.76
9	2449455	City of Laguna Hills	\$253.32
10	7438493	Laguna Vlg Owners' Assoc	\$451.61

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

**Cash Disbursements**

**Procedures**

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

Selections were as below:

<u>Selection No.</u>	<u>Check No.</u>	<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
1	86735	04/04/2019	D & H WATER SYSTEMS, INC.	(3,659.13)
2	86756	04/04/2019	REDWINE & SHERRILL, LLP	(5,220.50)
3	86765	04/04/2019	TRIPEPI SMITH & ASSOCIATES, INC.	(350.00)
4	86826	04/18/2019	FISHER SCIENTIFIC, INC.	(98.21)
5	86862	04/25/2019	SHAMROCK SUPPLY CO. INC.	(1,920.07)
6	86888	05/02/2019	IRVINE RANCH WATER DISTRICT	(152,702.26)
7	86925	05/09/2019	GRAINGER	(162.03)
8	86966	05/16/2019	DELTA MOTOR CO., INC.	(21,774.63)
9	87003	05/23/2019	CALIFORNIA EMERGENCY PHYSICIANS	(836.00)
10	87032	05/23/2019	TECHNOLOGY UNLIMITED, INC.	(4,200.00)
11	87090	06/06/2019	OLIN CHLOR ALKALI PRODUCTS	(1,242.04)
12	87142	06/20/2019	CHARLES P. CROWLEY COMPANY, INC.	(1,063.56)
13	87159	06/20/2019	RINCON TRUCK CENTER, INC.	(9,194.04)
14	87197	06/27/2019	TUNNELWORKS SERVICES, INC.	(25,800.00)
15	87103	06/13/2019	BANKCARD CENTER	(16,549.33)

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



**Payroll Disbursements**

**Procedures**

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

Selections were as below:

<u>Selection No.</u>	<u>Employee Name</u>	<u>Pay Period Ending</u>	<u>Position</u>	<u>Department</u>
1	Burton, David	4/7/2019	Maintenance Worker III	Pump Stations
2	Laursen, Nancy	4/21/2019	Accountant/Insurance Administrator	Accounting
3	Nguyen, Eric Quang Khai Viet	5/5/2019	Lab Tech I	Laboratory
4	Seitz, Sherri	5/19/2019	Public Relations/Emergency Prep Admin	Administration
5	Wentz, Lonnie	6/2/2019	WW Operator II	WRP

Pay period ended June 2, 2019 was selected and total gross and federal tax withheld were agreed to general ledger postings.

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

**Cash and Investments**

**Procedures**

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



To the Board of Directors  
of the El Toro Water District  
Lake Forest, California  
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**Cash and Investments (Continued)**

Selection was as below:

Month of June 2019.

*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  
September 6, 2019

EL TORO WATER DISTRICT  
FINANCIAL REPORT  
September 24, 2019

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**EL TORO WATER DISTRICT  
BALANCE SHEET**

	<b>8/31/19 (Unaudited)</b>	<b>June 30, 2019 (Unaudited)</b>
<b>ASSETS</b>		
Current Assets		
Cash & Investments	\$7,221,644	\$6,760,545
Receivables:		
Accounts Receivable	4,561,610	3,277,036
Notes Receivable	-	-
Inventories	661,820	654,177
Prepaid Expenses	325,697	110,560
Total Current Assets	12,770,770	10,802,318
Restricted Assets		
Cash & Investments	12,230,760	13,099,458
Total Restricted Assets	12,230,760	13,099,458
Non-Current Assets		
Utility Plant:		
Land & Easements	7,451,585	7,451,585
Long Term Leases	342,382	342,382
Equipment	114,361,643	114,124,824
Collection & Impound Reservoirs	6,243,706	6,243,706
Structure & Improvements	34,846,877	34,806,127
Total Utility Plant	163,246,194	162,968,625
Less Accumulated Depreciation & Amortization	(76,076,941)	(75,286,504)
Net Utility Plant	87,169,254	87,682,121
Construction Work in Progress	6,864,900	6,841,709
Notes Receivable	-	-
Deffered Outflow OPEB	3,099,455	-
Total Non-current Assets	97,133,609	94,523,830
<b>TOTAL ASSETS</b>	<b>\$122,135,139</b>	<b>\$118,425,606</b>

**EL TORO WATER DISTRICT  
BALANCE SHEET**

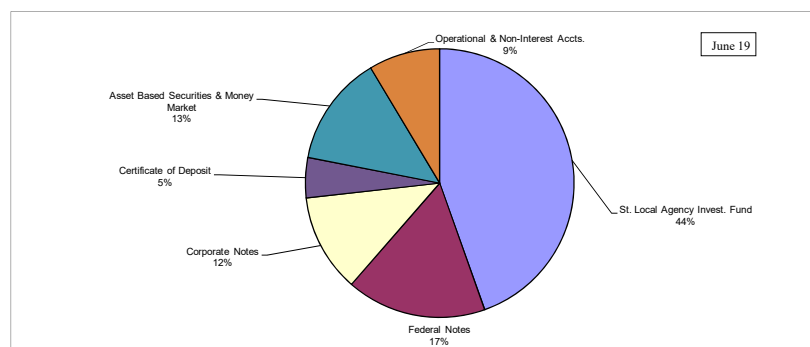
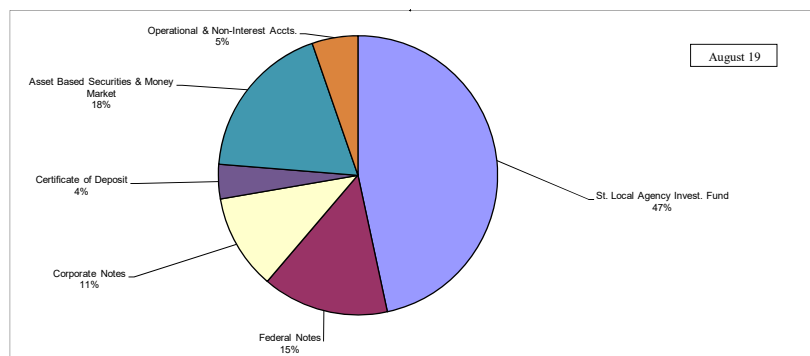
	<b>8/31/19 (Unaudited)</b>	<b>June 30, 2019 (Unaudited)</b>
<b>LIABILITIES and EQUITY</b>		
Liabilities		
Current Liabilities Payable		
Accounts Payable	\$1,732,827	\$1,591,429
Current Portion of Long-Term Debt	1,819,991	6,180
Other Current Liabilities	2,522,170	1,694,362
Total Current Liabilities Payable		
From Current Assets	6,074,988	3,291,971
Long Term Debt		
Long Term Debt	51,149,798	49,304,045
Total Long Term Debt	51,149,798	49,304,045
Total Liabilities	57,224,786	52,596,016
Fund Equity		
Retained Earnings - Reserved	17,034,893	17,034,893
Contributed Capital	8,744,767	8,744,767
Retained Earnings - Unreserved	38,535,676	36,941,072
Net Income	595,016	3,108,858
Total Fund Equity	64,910,353	65,829,590
Total Liabilities & Fund Equity	\$122,135,139	\$118,425,606

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

	Maturity Dates	Par	Market Value 8/31/19	Financial Institution	YTM 8/31/19	Original Cost 8/31/19
State Local Agency Investment Fund	NA	NA	\$9,041,828	LAIF	2.34%	\$9,041,828
US Treasury N/B - Coupon Rate 1.625%	7/31/2020	60,000	59,895	US Bank/CAMP	1.60%	60,038
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	110,000	109,553	US Bank/CAMP	1.53%	109,502
US Treasury N/B - Coupon Rate 1.375%	8/31/2020	260,000	258,844	US Bank/CAMP	1.44%	259,523
US Treasury N/B - Coupon Rate 1.375%	10/31/2020	95,000	94,607	US Bank/CAMP	1.65%	94,228
US Treasury N/B - Coupon Rate 1.750%	12/31/2020	340,000	340,239	US Bank/CAMP	1.90%	338,513
US Treasury N/B - Coupon Rate 1.375%	1/31/2021	50,000	49,795	US Bank/CAMP	2.05%	49,006
US Treasury N/B - Coupon Rate 1.125%	2/28/2021	150,000	148,863	US Bank/CAMP	2.41%	144,428
US Treasury N/B - Coupon Rate 2.000%	5/31/2021	490,000	493,522	US Bank/CAMP	2.62%	481,272
Intl BK of Recon & Dev Global Notes - Coupon Rate 1.125%	11/27/2019	110,000	109,769	US Bank/CAMP	1.50%	109,098
Intl BK of Recon & Dev Notes - Coupon Rate 1.875%	4/21/2020	90,000	89,969	US Bank/CAMP	1.90%	89,922
Inter-American Devel BK Note - Coupon Rate 1.625%	5/12/2020	150,000	149,677	US Bank/CAMP	1.70%	149,645
Intl BK of Recon & Dev Notes - Coupon Rate 1.561%	9/12/2020	90,000	89,789	US Bank/CAMP	1.64%	89,784
Inter-American Development Bank - Coupon Rate 2.125%	11/9/2020	90,000	90,425	US Bank/CAMP	1.81%	90,834
Intl Finance Note - Coupon Rate 2.250%	1/25/2021	70,000	70,520	US Bank/CAMP	2.35%	69,794
Intl Finance Corporation Note - Coupon Rate 2.635%	3/9/2021	90,000	90,838	US Bank/CAMP	2.66%	89,933
Inter-American Dev Bank Note - Coupon Rate 1.875%	3/15/2021	200,000	200,724	US Bank/CAMP	2.56%	196,046
Inter-American Dev Bank Note - Coupon Rate 2.625%	4/19/2021	70,000	71,108	US Bank/CAMP	2.70%	69,846
CA ST TXBL GO Bonds- Coupon Rate 2.800%	4/1/2021	100,000	101,556	US Bank/CAMP	2.80%	100,004
FNA 2018-M5 A2- Coupon Rate 3.560%	9/25/2021	47,628	48,559	US Bank/CAMP	2.27%	48,575
FNMA Notes - Coupon Rate 1.500%	2/28/2020	200,000	199,578	US Bank/CAMP	1.52%	199,872
<b>Federal Notes</b>		<b>2,862,628</b>	<b>2,867,930</b>			<b>2,839,860</b>
Cisco Systems Notes - Coupon Rate 1.400%	9/20/2019	150,000	149,944	US Bank/CAMP	1.42%	149,931
Honeywell International Corp. Notes - Coupon Rate 1.800%	10/30/2019	25,000	24,986	US Bank/CAMP	1.84%	24,981
American Express Credit Corp. - Coupon Rate 1.700%	10/30/2019	100,000	99,925	US Bank/CAMP	1.99%	99,240
Citigroup Inc. Corp. Note - Coupon Rate 2.450%	1/10/2020	50,000	50,036	US Bank/CAMP	1.90%	50,607
BB&T Corp. Note - Coupon Rate 2.450%	1/15/2020	100,000	100,071	US Bank/CAMP	2.08%	101,053
Morgan Stanley Corp. Bonds - Coupon Rate 2.650%	1/27/2020	40,000	40,067	US Bank/CAMP	2.35%	40,346
IBM Corp. Notes - Coupon Rate 1.900%	1/27/2020	100,000	99,909	US Bank/CAMP	1.93%	99,904
Microsoft Corp. Note - Coupon Rate 1.850%	2/6/2020	90,000	89,935	US Bank/CAMP	1.87%	89,940
Apple Inc. Bonds - Coupon Rate 1.900%	2/7/2020	80,000	79,986	US Bank/CAMP	1.92%	79,961
Chevron Corp Notes - Coupon Rate 1.991%	3/3/2020	70,000	69,980	US Bank/CAMP	1.99%	70,000
Walt Disney Corp Notes - Coupon Rate 1.950%	3/4/2020	20,000	20,001	US Bank/CAMP	1.96%	19,995
Exxon Mobil Corp Note - Coupon Rate 1.912%	3/6/2020	90,000	89,996	US Bank/CAMP	1.75%	90,402
John Deere Capital Corp. - Coupon Rate 2.200%	3/13/2020	40,000	40,009	US Bank/CAMP	2.23%	39,969
Goldman Sachs Group Inc Corp Notes - Coupon Rate 2.600%	4/23/2020	30,000	30,068	US Bank/CAMP	2.28%	30,226
General Dynamics Corp. - Coupon Rate 2.875%	5/11/2020	50,000	50,300	US Bank/CAMP	3.06%	49,823
Apple Inc. Bonds - Coupon Rate 1.800%	5/11/2020	60,000	59,935	US Bank/CAMP	1.84%	59,939
Intel Corp Notes - Coupon Rate 1.850%	5/11/2020	90,000	89,970	US Bank/CAMP	1.86%	89,966
Home Depot Inc Corp Notes - Coupon Rate 1.800%	6/5/2020	40,000	39,931	US Bank/CAMP	1.82%	39,977
Walt Disney Corp Notes - Coupon Rate 1.800%	6/5/2020	70,000	69,907	US Bank/CAMP	1.84%	69,919
John Deere Capital Corp Notes - Coupon Rate 1.950%	6/22/2020	20,000	19,984	US Bank/CAMP	1.97%	19,988
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	10,000	10,058	US Bank/CAMP	1.83%	10,208
State Street Corp Notes - Coupon Rate 2.550%	8/18/2020	70,000	70,403	US Bank/CAMP	1.82%	71,471
Caterpillar Finl Service Note - Coupon Rate 1.850%	9/4/2020	70,000	69,997	US Bank/CAMP	1.88%	69,941
Citigroup Inc Corp Notes - Coupon Rate 2.650%	10/26/2020	40,000	40,240	US Bank/CAMP	2.34%	40,360
Paccar Financial Corp Notes - Coupon Rate 2.050%	11/13/2020	20,000	20,020	US Bank/CAMP	2.05%	19,998
VISA Inc. (Callable) Corp Notes - Coupon Rate 2.200%	12/14/2020	20,000	20,093	US Bank/CAMP	1.85%	20,220
Wal-Mart Stores Inc. Corp. Note - Coupon Rate 1.900%	12/15/2020	90,000	90,173	US Bank/CAMP	1.95%	89,870
Paccar Financial Corp Notes - Coupon Rate 2.800%	3/1/2021	30,000	30,390	US Bank/CAMP	2.82%	29,985
National Rural Util Coop - Coupon Rate 2.900%	3/15/2021	35,000	35,487	US Bank/CAMP	2.94%	34,961
United Parcel Service Corporate Bond - Coupon Rate 2.050%	4/1/2021	90,000	90,082	US Bank/CAMP	2.10%	89,858
Toyota Motor Credit Corp Notes - Coupon Rate 2.950%	4/13/2021	90,000	91,560	US Bank/CAMP	2.96%	89,964
Pepsico Inc. Corp. Note - Coupon Rate 2.000%	4/15/2021	30,000	30,089	US Bank/CAMP	2.01%	29,994
Hershey Company Corp. Note - Coupon Rate 3.100%	5/15/2021	40,000	40,765	US Bank/CAMP	3.12%	39,972
American Express Co. - Coupon Rate 3.375%	5/17/2021	45,000	45,976	US Bank/CAMP	3.38%	44,992
Charles Schwab Corp. Corp. Notes - Coupon Rate 3.250%	5/21/2021	55,000	56,222	US Bank/CAMP	3.25%	54,998
Bank of America Note - Coupon Rate 2.328%	10/1/2021	90,000	90,149	US Bank/CAMP	2.33%	90,000
<b>Corporate Notes</b>		<b>2,140,000</b>	<b>2,146,641</b>			<b>2,142,958</b>
MUFG Bank LTD/NY CD- Coupon Rate 2.070%	9/25/2019	100,000	99,976	US Bank/CAMP	2.07%	100,000
Credit Suisse New York CD- Coupon Rate 2.670%	2/7/2020	100,000	100,317	US Bank/CAMP	2.67%	100,000
Nordea Bank AB NY CD- Coupon Rate 2.720%	2/20/2020	90,000	90,367	US Bank/CAMP	2.72%	90,000
Bank of Nova Scotia Houston CD - Coupon Rate 3.080%	6/5/2020	100,000	101,005	US Bank/CAMP	3.10%	99,962
Westpac Banking Corp NY CD - Coupon Rate 2.050%	8/3/2020	150,000	150,429	US Bank/CAMP	2.05%	150,000
Swedbank (NewYork) CD- Coupon Rate 2.270%	11/16/2020	135,000	135,357	US Bank/CAMP	2.30%	135,000
Royal Bank of Canada NY CD- Coupon Rate 3.240%	6/7/2021	100,000	102,546	US Bank/CAMP	3.24%	100,000
<b>Certificate of Deposit</b>		<b>775,000</b>	<b>779,999</b>			<b>774,962</b>
Toyota ABS 2017-A A3 - Coupon Rate 1.730%	2/15/2021	19,125	19,099	US Bank/CAMP	1.74%	19,123
John Deere ABS 2017-A A3 - Coupon Rate 1.780%	4/15/2021	10,700	10,687	US Bank/CAMP	1.79%	10,699
Toyota ABS 2017-B A3 - Coupon Rate 1.760%	7/15/2021	60,777	60,704	US Bank/CAMP	1.76%	60,772
Honda ABS 2017-1 A3 - Coupon Rate 1.720%	7/21/2021	16,852	16,824	US Bank/CAMP	1.72%	16,851
Nissan ABS 2017-A A3 - Coupon Rate 1.740%	8/15/2021	28,633	28,599	US Bank/CAMP	1.74%	28,630
Ally ABS 2017-2 A3 - Coupon Rate 1.780%	8/15/2021	28,928	28,887	US Bank/CAMP	1.79%	28,924
Honda ABS 2017-2 A3 - Coupon Rate 1.680%	8/15/2021	54,223	54,130	US Bank/CAMP	1.68%	54,218
Hyundai ABS 2017-A A3 - Coupon Rate 1.760%	8/16/2021	22,079	22,045	US Bank/CAMP	1.76%	22,077
CCCIT 2017-A9 A9 - Coupon Rate 1.800%	9/20/2021	100,000	99,976	US Bank/CAMP	1.80%	99,993
John Deere ABS 2017-B A3 - Coupon Rate 1.820%	10/15/2021	21,095	21,058	US Bank/CAMP	1.82%	21,094
Ford ABS 2017-B A3 - Coupon Rate 1.690%	11/15/2021	51,874	51,791	US Bank/CAMP	1.69%	51,872
Hyundai ABS 2017-B A3 - Coupon Rate 1.770%	1/15/2022	67,915	67,794	US Bank/CAMP	1.78%	67,903
Ally 2017-5 A3 - Coupon Rate 1.990%	3/15/2022	56,538	56,519	US Bank/CAMP	1.99%	56,534
Ford 2017-C A3 - Coupon Rate 2.010%	3/15/2022	101,664	101,689	US Bank/CAMP	2.02%	101,645
Citibank 2017-A3 A3 - Coupon Rate 1.920%	4/7/2022	100,000	99,954	US Bank/CAMP	1.82%	100,267
JDOT 2018-A A3 - Coupon Rate 2.660%	4/15/2022	20,000	20,096	US Bank/CAMP	2.66%	19,999
Hart 2018-A A3 - Coupon Rate 2.790%	7/15/2022	35,000	35,324	US Bank/CAMP	2.80%	34,995
MBart 2018-1 A3 - Coupon Rate 3.030%	1/15/2023	55,000	55,790	US Bank/CAMP	3.03%	54,998
CAMP Money Market Fund	NA	NA	2,716,223	US Bank/CAMP	2.28%	2,716,223
<b>Asset Based Securities &amp; Money Market</b>		<b>850,403</b>	<b>3,567,189</b>			<b>3,566,816</b>
<b>Total Camp Investments</b>		<b>6,628,031</b>	<b>9,361,759</b>			<b>9,324,596</b>

**Operational & Non-Interest Bearing Accounts**

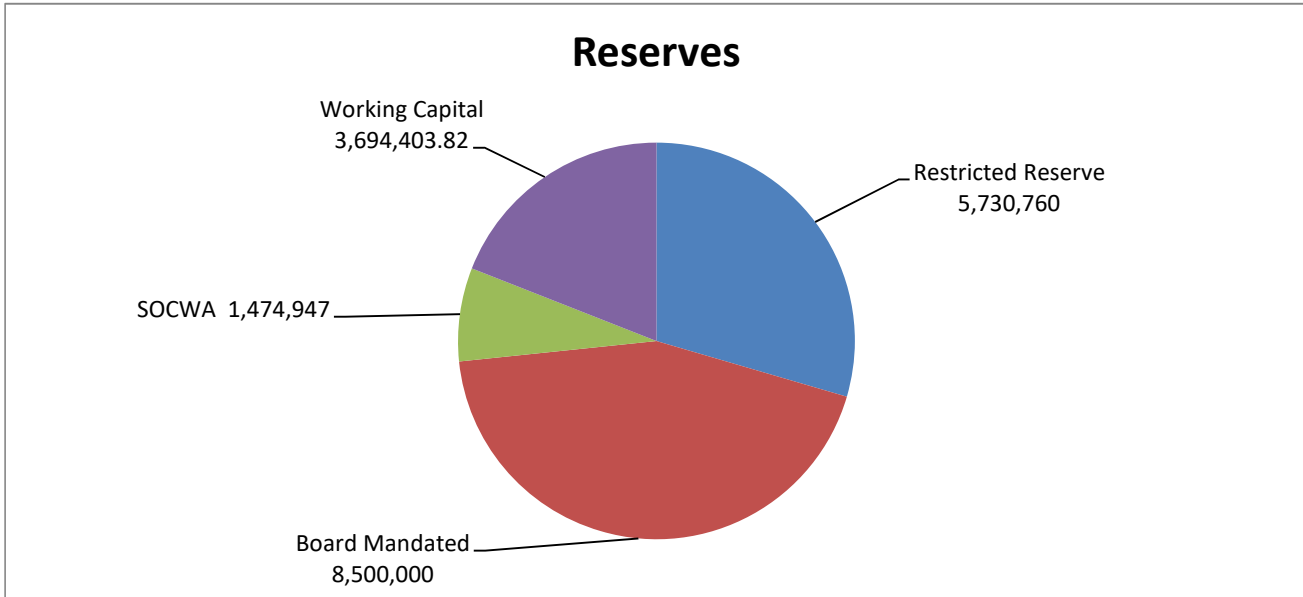
ETWD General Cash Account	NA	NA	987,134	Union Bank of Cal.	0.00%	987,134
ETWD Capital Facilities Reserve Account	NA	NA	45,853	Union Bank of Cal.	0.00%	45,853
ETWD Payroll Account	NA	NA	0	Union Bank of Cal.	0.00%	0
ETWD Petty Cash Account	NA	NA	700	Union Bank of Cal.	0.00%	700
<b>Operational &amp; Non-Interest Accts.</b>			<b>1,033,687</b>			<b>1,033,687</b>
			<b>\$19,437,274</b>	<b>Total Investments &amp; Cash</b>		<b>\$19,400,111</b>



**LIQUIDITY**

	August 31, 2019		June 30, 2019	
	\$	%	\$	%
DEMAND	\$ 12,791,738	65.94%	\$ 12,245,220	61.74%
30 Days	\$ 249,931	1.29%	\$ 208,880	1.05%
31-180 Days	\$ 885,128	4.56%	\$ 1,161,829	5.86%
181 - 360	\$ 1,411,320	7.27%	\$ 1,771,413	8.93%
361-1800 Days	\$ 4,061,993	20.94%	\$ 4,447,532	22.42%
<b>TOTAL</b>	<b>\$ 19,400,111</b>	<b>100.00%</b>	<b>\$ 19,834,874</b>	<b>100.00%</b>

**EL TORO WATER DISTRICT  
RESERVE ANALYSIS  
31-Aug-19**



Restricted Reserve	\$	5,730,760
Board Mandated	\$	8,500,000
SOCWA	\$	1,474,947
Capital Cash Flow / Compliance	\$	3,694,404
<b>Total</b>	<b>\$</b>	<b>19,400,111</b>

**Restricted Reserve**

SRFL-Recycled Phase I	\$	1,602,958
SRFL-Recycled Phase II	\$	409,046
Capital Facilities Reserve	\$	64,514
Tiered Cons Fund	\$	2,244,215
Baker Funding	\$	1,410,027
<b>Total</b>	<b>\$</b>	<b>5,730,760</b>

**Board Mandated Minimum Reserve Levels**

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

Six months operating expense requirement:	\$11,119,197
Cash less restricted reserve on hand:	\$13,669,351

## EL TORO WATER DISTRICT CHANGE IN RESERVES

	<b>August 31, 2019</b>	<b>Year to Date</b>	<b>June 30, 2019</b>
Operating Revenue	2,458,407	4,818,329	26,368,844
Non-operating Revenue	165,363	315,558	2,866,224
Total Revenue	2,623,770	5,133,887	29,235,068
Operating Expenses	1,963,516	3,680,278	20,959,510
Depreciation	363,675	727,350	4,397,640
Non-operating Expenses	65,622	131,243	769,061
Total Expenses	2,392,813	4,538,871	26,126,210
NET INCOME	230,957	595,016	3,108,858
Other Reserve Impact:			
Add: Depreciation	363,675	727,350	4,397,640
Change in Notes Receivable/Grant Fund	-	-	1,486,068
Loan Proceeds	-	-	4,085,782
Less: Debt Service	-	(353,143)	(1,776,305)
Capital Improvements	(50,904)	(289,045)	(2,760,754)
Subtotal	543,729	85,162	5,432,431
± A/R, ± A/P ± Accruals	(682,826)	(519,935)	385,051
CHANGE IN RESERVES	(139,097)	(434,773)	5,817,482
July 2019	19,539,198		
August 2019	19,400,111	19,400,111	
June 2019		19,834,874	19,834,874
June 2018			14,017,392

**EL TORO WATER DISTRICT**  
Cash Sheet  
For the month ending August 31, 2019

CHECK NUMBER	PAYMENT DATE	VENDOR NAME	PAYMENT AMOUNT
87407	08/08/2019	MUNICIPAL WATER DISTRICT OF ORANGE CO.	570,523.93
87398	08/08/2019	IRVINE RANCH WATER DISTRICT	172,926.85
87451	08/15/2019	IRVINE RANCH WATER DISTRICT	164,988.38
87423	08/15/2019	ACWA HEALTH BENEFITS AUTHORITY	119,025.32
87509	08/22/2019	SO. CALIFORNIA EDISON CO.	109,517.09
87538	08/29/2019	IRVINE RANCH WATER DISTRICT	66,297.41
<b>TOTAL CHECKS OVER \$50,000</b>			<b>\$ 1,203,278.98</b>
<b>TOTAL CHECKS IN REGISTER</b>			<b>\$ 1,578,571.54</b>

**INTERBANK WIRES / DEBIT TRANSFERS**

08/02/2019	PAYROLL DIRECT DEPOSIT	134,558.58
08/02/2019	FEDERAL DEPOSIT LIABILITY	28,763.26
08/02/2019	SDI & STATE TAX	11,177.06
08/02/2019	WAGE GARNISHMENTS	585.00
08/02/2019	PRUDENTIAL (401K)	47,618.22
08/02/2019	PRUDENTIAL (457)	16,769.58
08/15/2019	PAYROLL BOARD OF DIRECTOR	4,638.82
08/15/2019	SS, MEDICARE, SDI & STATE TAX	1,415.76
08/15/2019	PRUDENTIAL (457)	2,233.80
08/16/2019	PAYROLL DIRECT DEPOSIT	133,176.24
08/16/2019	FEDERAL DEPOSIT LIABILITY	28,289.87
08/16/2019	SDI & STATE TAX	10,818.07
08/16/2019	WAGE GARNISHMENTS	585.00
08/16/2019	PRUDENTIAL (401K)	47,798.12
08/16/2019	PRUDENTIAL (457)	15,952.18
08/30/2019	PAYROLL DIRECT DEPOSIT	132,940.14
08/30/2019	FEDERAL DEPOSIT LIABILITY	27,785.61
08/30/2019	SDI & STATE TAX	10,565.86
08/30/2019	PRUDENTIAL (401K)	45,870.18
08/30/2019	PRUDENTIAL (457)	15,657.74
08/31/2019	ADP AND BANK FEES	5,508.57
<b>TOTAL INTERBANK WIRES / DEBIT TRANSFERS</b>		<b>\$ 722,707.66</b>
<b>TOTAL DISBURSEMENTS</b>		<b>\$ 2,301,279.20</b>

**ETWD EMPLOYEES**

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
87507	08/22/2019	SANDRA SUE NORBERG (Expense Reimbursement)	1,616.14
87490	08/22/2019	JAKE F. KNOKE (Expense Reimbursement)	626.56
87502	08/22/2019	RAYMUND LLADA (Expense Reimbursement)	568.05
87511	08/22/2019	STEVEN HANCOCK (Expense Reimbursement)	496.55
87482	08/22/2019	ED PETERSON (Expense Reimbursement)	456.37
87492	08/22/2019	LONNIE WENTZ (Expense Reimbursement)	455.53
87522	08/22/2019	WILLIAM WESSON (Expense Reimbursement)	432.91
87481	08/22/2019	DAVID HAYDEN (Expense Reimbursement)	386.66
87359	08/01/2019	GARTH BOTHA (Expense Reimbursement)	300.00
87354	08/01/2019	CHRIS GOODCHILD (Expense Reimbursement)	300.00
87411	08/08/2019	SANDRA SUE NORBERG (Expense Reimbursement)	234.64
87478	08/22/2019	CHRIS MAGILL (Expense Reimbursement)	191.48
87353	08/01/2019	BRIAN MILLER (Expense Reimbursement)	181.45
87473	08/15/2019	WILLIAM WESSON (Expense Reimbursement)	160.00
87475	08/22/2019	ALEX HRADECKY (Expense Reimbursement)	154.00
87503	08/22/2019	RICHARD NIERADKA (Expense Reimbursement)	127.31
87435	08/15/2019	CHRIS MAGILL (Expense Reimbursement)	86.50
87424	08/15/2019	ALEX HRADECKY (Expense Reimbursement)	86.50
87416	08/08/2019	STEVE WINGEN (Expense Reimbursement)	86.50
87480	08/22/2019	DANIEL LOPEZ (Expense Reimbursement)	82.59
87370	08/01/2019	ROBERT McKERN (Expense Reimbursement)	65.00
<b>TOTAL CHECKS TO EMPLOYEES</b>			<b>\$ 7,094.74</b>

**ETWD DIRECTORS**

CHECK NUMBER	PAYMENT DATE	PAYEE (DESCRIPTION)	PAYMENT AMOUNT
87400	08/08/2019	JOSE VERGARA (Expense Reimbursement)	127.60
87404	08/08/2019	MARK MONIN (Expense Reimbursement)	110.20
<b>TOTAL CHECKS TO DIRECTORS</b>			<b>\$ 237.80</b>



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

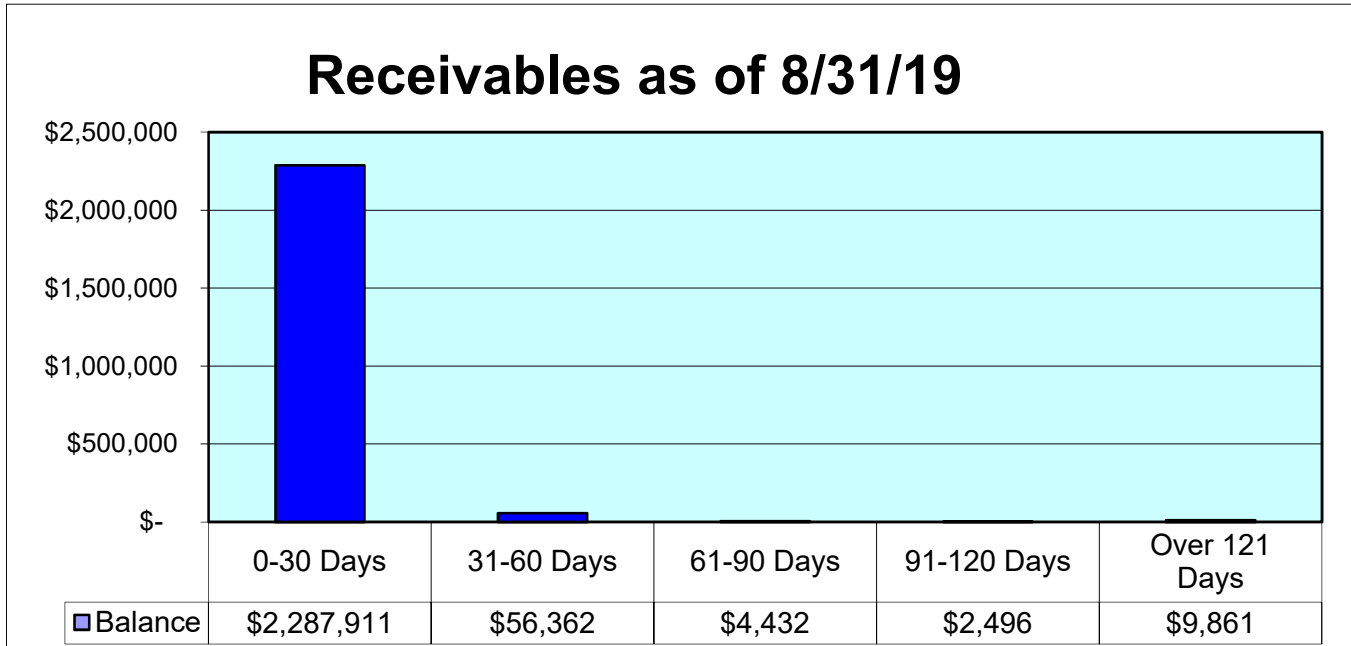
**401K PLAN MARKET VALUE**



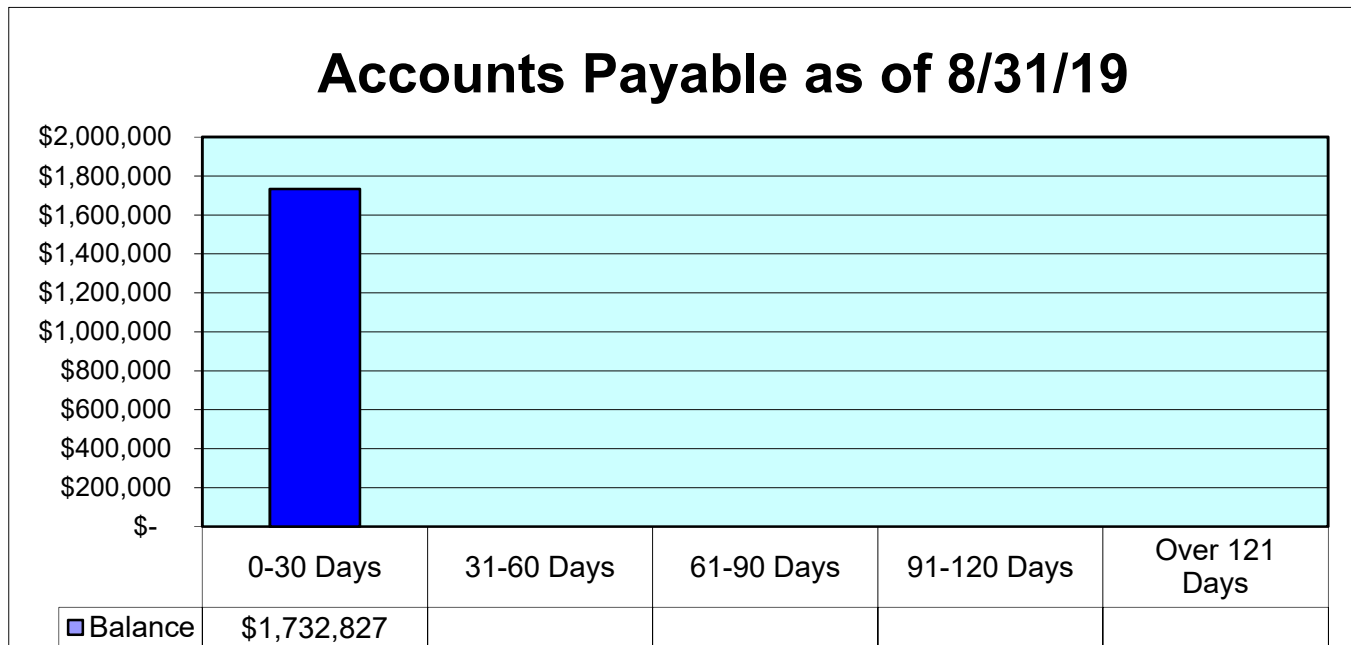
MARKET VALUE SUMMARY							
	Growth Under 40 yrs. Old	Capital Appreciation 40 to 44 yrs. Old	Balanced 45 to 49 yrs. Old	Balanced Income 50 to 54 yrs. Old	Income & Growth 55 to 59 yrs. Old	Income 60 to 64 yrs. Old	Capital Pres. Port Over 65 yrs. Old
Balance at July 1, 2019	\$ 1,506,787.68	\$549,062.24	\$1,801,553.21	\$5,954,287.10	\$6,260,620.08	\$2,461,760.00	\$2,894,379.39
Contributions	51,752.31	12,784.45	16,500.60	39,807.38	42,326.49	59,708.06	59,380.65
Withdrawals	0.00	0.00	0.00	(54,817.47)	0.00	(7,692.31)	(19,960.00)
Transfers	(20,538.08)	(91,674.24)	(576,278.95)	(1,257,870.85)	396,540.67	1,222,682.82	327,138.63
Interest, dividends and appreciation net of fees and charges	(16,631.61)	(14,367.57)	(2,654.42)	5,914.84	10,878.07	20,362.59	36,575.04
Balance at August 31, 2019	\$ 1,521,370.30	\$455,804.88	\$1,239,120.44	\$4,687,321.00	\$6,710,365.31	\$3,756,821.16	\$3,297,513.71
Average return YTD August 31, 2019	-1.09%	-3.15%	-0.21%	0.13%	0.16%	0.54%	1.11%

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

**RECEIVABLES & PAYABLES AGEING**



Bad Debts Year to Date:                     \$1,694                    



Year to Date Discounts Taken:                     \$0

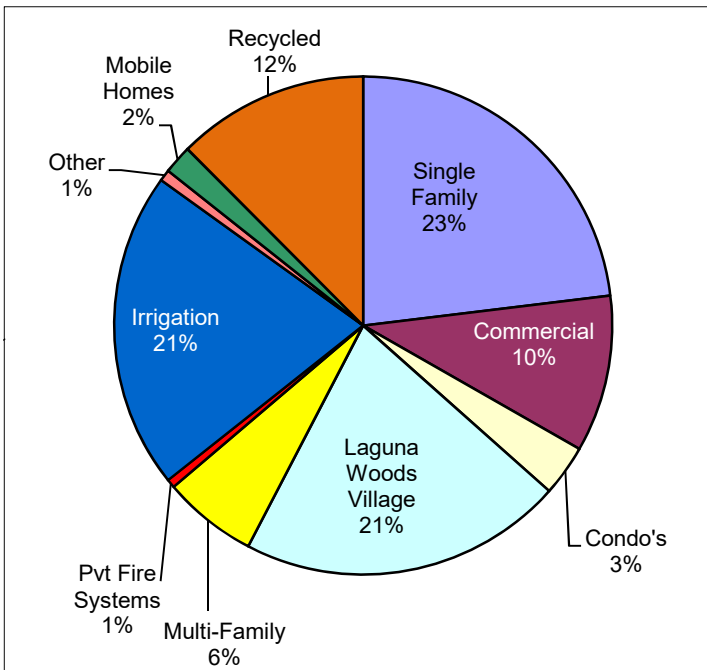
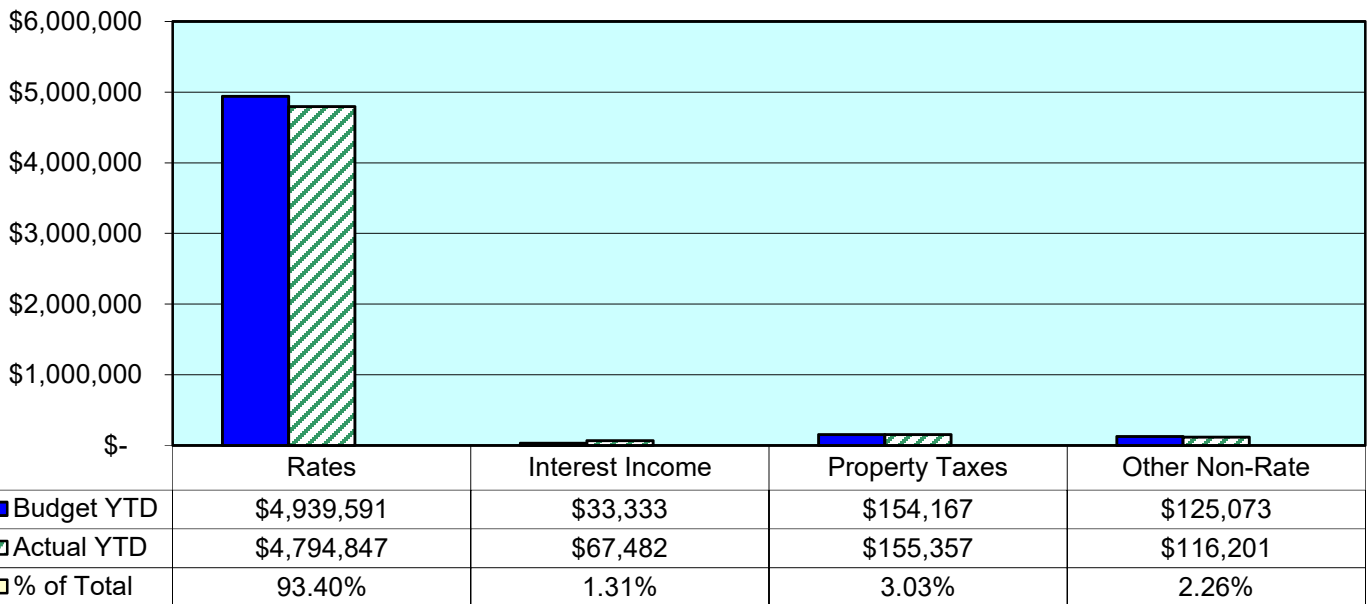
**Page 10**  
**El Toro Water District**  
**Income Statement**  
**August 2019**

	<u>Aug 19</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Jul - Aug 19</u>	<u>YTD Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
<b>Income</b>							
4600 · Water Service Charge	306,255.24	301,792.00	101.48%	586,303.77	603,584.00	97.14%	3,621,504.00
4700 · Sanitary Service	660,685.49	647,916.67	101.97%	1,307,714.63	1,295,833.30	100.92%	7,775,000.00
4722 · Recycled Water Tertiary Sales	205,476.32	195,807.65	104.94%	422,264.78	379,441.04	111.29%	1,686,426.00
4724 · Service Charge - Recycled Water	20,833.80	26,558.92	78.44%	39,788.30	53,117.80	74.91%	318,707.00
4750 · Capital Facilities Charge	250,575.33	251,221.33	99.74%	501,048.52	502,442.70	99.72%	3,014,656.00
4800 · Commodity Charge	1,010,750.52	1,086,358.21	93.04%	1,937,726.94	2,105,172.55	92.05%	9,356,441.00
4950 · Other Operating Income	3,830.00	4,583.33	83.56%	12,482.55	9,166.70	136.17%	55,000.00
4960 · Other Income	37,546.76	46,666.67	80.46%	79,532.79	93,333.30	85.21%	560,000.00
4967 · SMWD	0.00	9,333.33	0.0%	0.00	18,666.70	0.0%	112,000.00
4970 · MNWD	0.00	1,953.34	0.0%	11,000.00	3,906.60	281.58%	23,440.00
4980 · Interest Income	30,966.44	16,666.67	185.8%	67,482.06	33,333.30	202.45%	200,000.00
4985 · Changes FMV CAMP	18,576.46			13,186.08			
4986 · Changes FMV LAIF							
4990 · Property Taxes	78,273.36	77,083.33	101.54%	155,356.69	154,166.70	100.77%	925,000.00
<b>Total Income</b>	<b>2,623,769.72</b>	<b>2,665,941.45</b>	<b>98.42%</b>	<b>5,133,887.11</b>	<b>5,252,164.69</b>	<b>97.75%</b>	<b>27,648,174.00</b>
<b>Gross Profit</b>	<b>2,623,769.72</b>	<b>2,665,941.45</b>	<b>98.42%</b>	<b>5,133,887.11</b>	<b>5,252,164.69</b>	<b>97.75%</b>	<b>27,648,174.00</b>
<b>Expense</b>							
5100 · Personnel Cost	637,923.59	712,173.54	89.57%	1,328,759.13	1,424,347.60	93.29%	8,546,083.00
5405 · Water Purchases	751,078.99	912,810.20	82.28%	1,350,964.47	1,772,174.76	76.23%	8,041,949.00
5410 · Electrical Power	94,997.93	93,783.34	101.3%	226,876.90	187,566.60	120.96%	1,125,400.00
5415 · Repair Parts & Materials	53,091.02	35,861.08	148.05%	65,810.72	71,721.20	91.76%	430,332.00
5420 · Equipment Maintenance & Repair	10,400.06	10,260.43	101.36%	14,648.48	20,520.70	71.38%	123,125.00
5425 · Pump Maintenance & Repair	5,022.58	9,483.33	52.96%	5,715.60	18,966.70	30.14%	113,800.00
5430 · Motor Maintenance & Repair	3,371.50	2,191.66	153.83%	3,371.50	4,383.40	76.92%	26,300.00
5440 · Electrical/Contl Maint & Repair	3,075.23	5,970.85	51.5%	4,129.67	11,941.50	34.58%	71,650.00
5445 · Meter Maintenance & Repair	0.00	666.67	0.0%	0.00	1,333.30	0.0%	8,000.00
5455 · Chemicals	32,998.48	17,450.00	189.1%	37,504.18	34,900.00	107.46%	209,400.00
5460 · Structure Maint & Repair	2,864.00	2,523.67	113.49%	3,297.85	5,047.30	65.34%	30,284.00
5465 · Asphalt Maintenance & Repair	17,810.00	7,716.66	230.8%	26,933.00	15,433.40	174.51%	92,600.00
5470 · Consultants	6,053.20	5,316.67	113.85%	9,190.25	10,633.30	86.43%	63,800.00
5475 · Contractors	89,657.58	101,658.35	88.2%	166,655.25	203,316.50	81.97%	1,219,900.00
5480 · Engineers	27,836.24	6,333.33	439.52%	27,836.24	12,666.70	219.76%	76,000.00
5482 · Dump Fees	2,423.01	1,333.34	181.73%	2,423.01	2,666.60	90.87%	16,000.00
5485 · Laboratory	177.50	2,991.67	5.93%	2,431.45	5,983.30	40.64%	35,900.00
5490 · License & Permits	5,379.71	12,532.78	42.93%	9,690.79	25,065.20	38.66%	150,393.00
5495 · Gas & Oil	8,939.77	7,916.67	112.92%	19,538.91	15,833.30	123.4%	95,000.00
5500 · Equipment Rental	1,485.13	1,675.00	88.66%	2,101.72	3,350.00	62.74%	20,100.00
5505 · Landscaping	4,949.66	12,272.92	40.33%	9,398.32	24,545.80	38.29%	147,275.00
5510 · Small Tools & Equipment	7,902.77	5,833.34	135.48%	9,518.90	11,666.60	81.59%	70,000.00
5515 · Security	3,198.16	1,587.94	201.4%	3,198.16	3,175.60	100.71%	19,055.00
5520 · Operating Supplies	4,369.13	4,333.33	100.83%	9,563.17	8,666.70	110.34%	52,000.00
5525 · Safety Equipment	5,805.09	1,691.67	343.16%	5,950.85	3,383.30	175.89%	20,300.00
5530 · Temporary Help	0.00	3,041.67	0.0%	0.00	6,083.30	0.0%	36,500.00
5535 · Other Employee Cost	19,885.10	7,441.67	267.21%	43,852.23	14,883.30	294.64%	89,300.00
5540 · Depreciation	363,675.00	372,500.00	97.63%	727,350.00	745,000.00	97.63%	4,470,000.00
5545 · Insurance	43,142.01	46,479.58	92.82%	86,432.00	92,959.20	92.98%	557,755.00
5555 · Advertising & Publicity	560.00	166.67	335.99%	560.00	333.30	168.02%	2,000.00
5560 · Amortization	570.49	570.83	99.94%	1,140.98	1,141.70	99.94%	6,850.00
5570 · Annual Event	0.00	500.00	0.0%	0.00	1,000.00	0.0%	6,000.00
5575 · Audit	16,500.00	2,500.00	660.0%	16,500.00	5,000.00	330.0%	30,000.00
5580 · Bad Debts	253.32	1,666.67	15.2%	1,693.74	3,333.30	50.81%	20,000.00
5585 · Bank Charges	5,423.91	4,750.00	114.19%	9,947.10	9,500.00	104.71%	57,000.00
5590 · Data Processing Supply & Access	670.12	1,916.68	34.96%	3,544.84	3,833.20	92.48%	23,000.00
5595 · Data Processing Equipment	7,819.82	2,999.99	260.66%	7,219.82	6,000.10	120.33%	36,000.00
5600 · Data Processing Consultants	1,800.00	6,250.00	28.8%	9,350.00	12,500.00	74.8%	75,000.00
5605 · Directors Fees	8,103.00	9,166.67	88.4%	17,420.00	18,333.30	95.02%	110,000.00
5610 · Dues & Memberships	6,154.94	7,782.50	79.09%	12,403.88	15,565.00	79.69%	93,390.00
5615 · Education & Training	6,586.00	3,583.33	183.8%	7,696.25	7,166.70	107.39%	43,000.00
5620 · Election Expense	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00
5625 · Employee Service Awards	563.81	316.67	178.04%	717.58	633.30	113.31%	3,800.00
5630 · Software Maintenance & Licenses	14,463.13	13,750.00	105.19%	32,418.03	27,500.00	117.88%	165,000.00
5640 · Interest Expense	65,621.62	60,963.08	107.64%	131,243.24	121,926.20	107.64%	731,557.00
5645 · Janitorial	3,024.75	2,816.67	107.39%	6,049.50	5,633.30	107.39%	33,800.00
5650 · Legal	9,154.78	8,333.33	109.86%	18,509.78	16,666.70	111.06%	100,000.00
5655 · Meets, Conventions & Travel	6,011.66	3,250.00	184.97%	9,743.19	6,500.00	149.9%	39,000.00
5657 · Meets, Con & Travel - Directors	5,849.88	2,474.16	236.44%	8,278.65	4,948.40	167.3%	29,690.00
5660 · Office Supplies	2,504.04	1,650.00	151.76%	3,923.23	3,300.00	118.89%	19,800.00
5670 · Postage	149.80	1,708.33	8.77%	149.80	3,416.70	4.38%	20,500.00
5675 · Printing & Reproduction	1,282.11	1,500.00	85.47%	1,282.11	3,000.00	42.74%	18,000.00
5680 · Property Tax	1.90	458.33	0.42%	1.90	916.70	0.21%	5,500.00
5685 · Public Education & Outreach	11,057.16	12,500.00	88.46%	15,291.45	25,000.00	61.17%	150,000.00
5690 · Publications & Subscriptions	0.00	250.00	0.0%	0.00	500.00	0.0%	3,000.00
5695 · Communications	8,814.87	8,795.00	100.23%	17,523.62	17,590.00	99.62%	105,540.00
5700 · Utilities	2,359.07	1,583.34	148.99%	3,119.63	3,166.60	98.52%	19,000.00
<b>Total Expense</b>	<b>2,392,812.62</b>	<b>2,568,033.61</b>	<b>93.18%</b>	<b>4,538,871.07</b>	<b>5,082,619.66</b>	<b>89.3%</b>	<b>27,904,628.00</b>
<b>Net Income</b>							
	<b>230,957.10</b>	<b>97,907.84</b>	<b>235.89%</b>	<b>595,016.04</b>	<b>169,545.03</b>	<b>350.95%</b>	<b>-256,454.00</b>

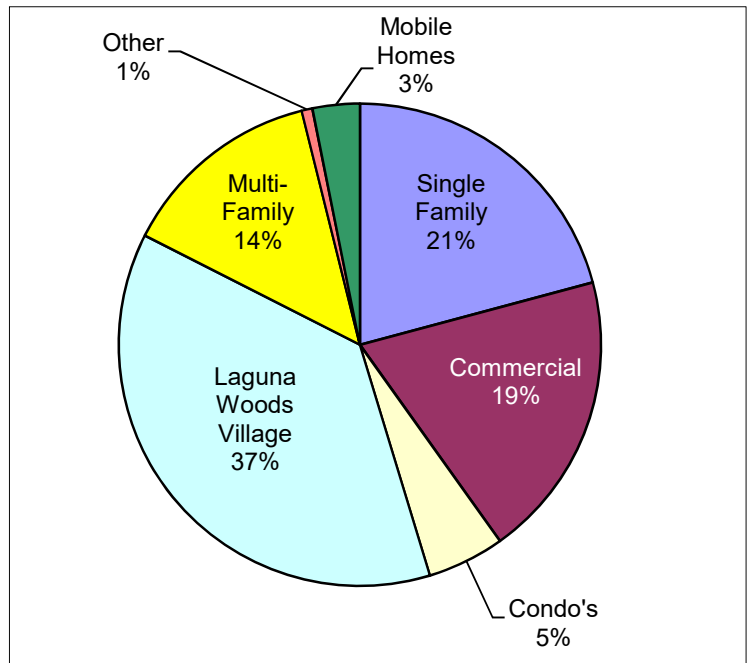


## EL TORO WATER DISTRICT REVENUES FROM WATER & WASTE WATER SALES AS OF 8/31/19

### Where the Money Comes From



**WATER REVENUE YTD 2019/2020**



**WASTE WATER REVENUE YTD 2019/2020**

**EL TORO WATER DISTRICT  
REVENUE COMPARISON  
For the Month Ended August 31, 2019**

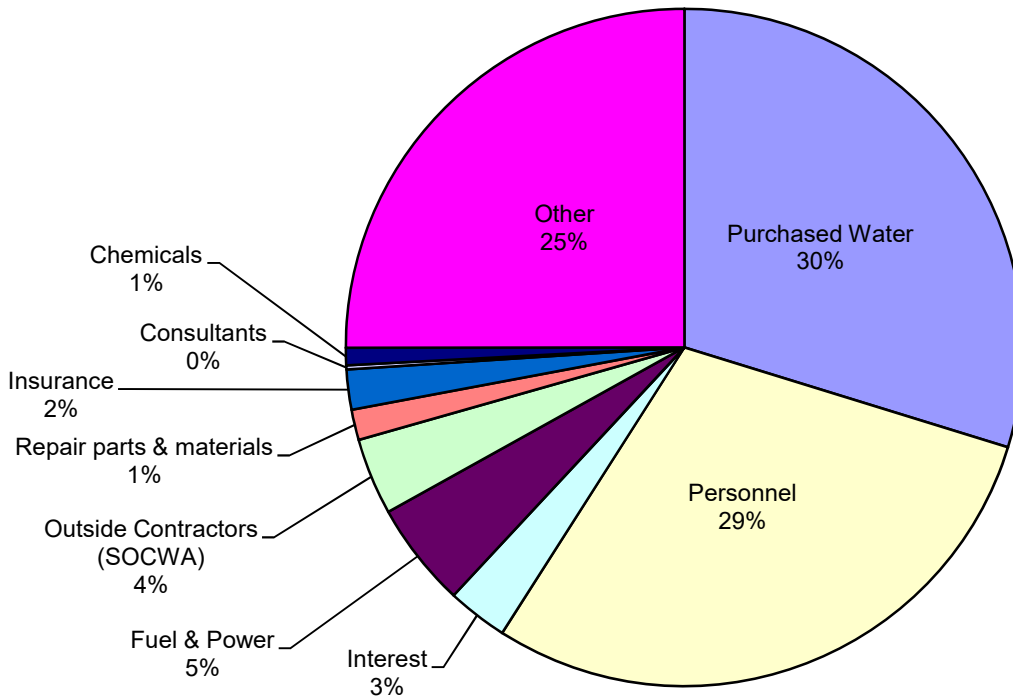
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	BUDGET	REMAINING BUDGET
<u>From Rates</u>										
Capital Facilities Charge	\$ 250,575	\$ 251,221	\$ (646)	0%	\$ 501,049	\$ 502,443	\$ (1,394)	0%	\$ 3,014,656	\$ 2,513,607
Water sales - Commodity	1,010,751	1,086,358	(75,608)	-7%	1,937,727	2,105,173	(167,446)	-8%	9,356,441	7,418,714
Water sales - Fixed Meter	306,255	301,792	4,463	1%	586,304	603,584	(17,280)	-3%	3,621,504	3,035,200
Waste water sales	660,685	647,917	12,769	2%	1,307,715	1,295,833	11,881	1%	7,775,000	6,467,285
Recycled water tertiary sales	205,476	195,808	9,669	5%	422,265	379,441	42,824	11%	1,686,426	1,264,161
Service charge - Recycled water	20,834	26,559	(5,725)	-22%	39,788	53,118	(13,330)	-25%	318,707	278,919
<b>TOTAL FROM RATES</b>	<b>2,454,577</b>	<b>2,509,655</b>	<b>(55,078)</b>	<b>-2%</b>	<b>4,794,847</b>	<b>4,939,591</b>	<b>(144,744)</b>	<b>-3%</b>	<b>25,772,734</b>	<b>20,977,887</b>
<u>Non-rate Revenue</u>										
Admin fee	1,290	1,600	(310)	-19%	7,578	3,200	4,378	137%	19,200	11,622
48 Hour notice fee	2,145	2,451	(306)	-12%	4,185	4,903	(718)	-15%	29,416.44	25,231
Restoration fee	280	370	(90)	-24%	490	740	(250)	-34%	4,440	3,950
Unpaid check fee	115	150	(35)	-23%	230	300	(70)	-23%	1,800	1,570
Cut lock fee	-	12	(12)	-100%	-	24	(24)	-100%	144	144
<b>TOTAL NON-RATE</b>	<b>3,830</b>	<b>4,583</b>	<b>(753)</b>	<b>-16%</b>	<b>12,483</b>	<b>9,167</b>	<b>3,316</b>	<b>36%</b>	<b>55,000</b>	<b>42,518</b>
<u>Other Revenue</u>										
Interest	30,966	16,667	14,300	86%	67,482	33,333	34,149	102%	200,000	132,518
Change FMV Investment	18,576	-	18,576	0%	13,186	-	13,186	0%	-	(13,186)
Property taxes	78,273	77,083	1,190	2%	155,357	154,167	1,190	1%	925,000	769,643
Other	37,547	46,667	(9,121)	-20%	79,533	93,333	(13,801)	-15%	560,000	480,467
<b>TOTAL OTHER REVENUE</b>	<b>165,363</b>	<b>140,417</b>	<b>24,946</b>	<b>18%</b>	<b>315,558</b>	<b>280,833</b>	<b>34,724</b>	<b>12%</b>	<b>1,685,000</b>	<b>1,369,442</b>
<u>Contract Service</u>										
Santa Margarita W. D.	-	9,333	(9,333)	-100%	-	18,667	(18,667)	-100%	112,000	112,000
Moulton Niguel W. D.	-	1,953	(1,953)	-100%	11,000	3,907	7,093	182%	23,440	12,440
<b>TOTAL CONTRACT SERVICES</b>	<b>-</b>	<b>11,287</b>	<b>(11,287)</b>	<b>-100%</b>	<b>11,000</b>	<b>22,573</b>	<b>(11,573)</b>	<b>-51%</b>	<b>135,440</b>	<b>124,440</b>
<b>TOTAL REVENUE</b>	<b>\$ 2,623,770</b>	<b>\$ 2,665,941</b>	<b>\$ (42,172)</b>	<b>-2%</b>	<b>\$ 5,133,887</b>	<b>\$ 5,252,165</b>	<b>\$ (118,278)</b>	<b>-2%</b>	<b>\$ 27,648,174</b>	<b>\$ 22,514,287</b>

**EL TORO WATER DISTRICT  
NON-RATE REVENUE ANALYSIS  
FOR THE MONTH ENDING August 31, 2019**

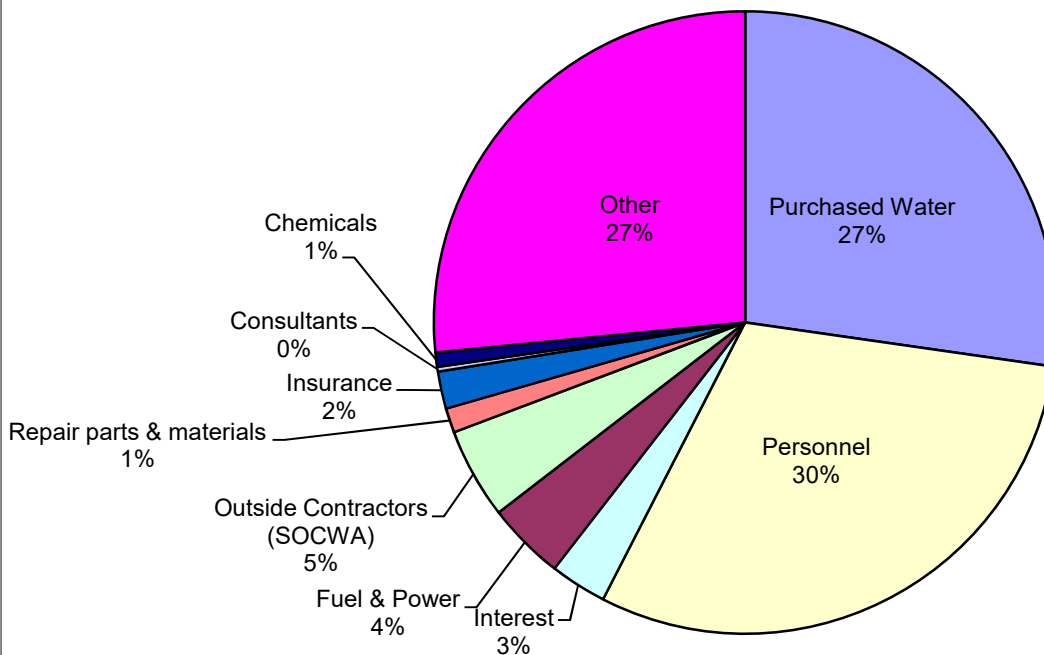
	Aug-19 Actual	Aug-19 Budget	Jul 19- Aug 19 YTD Actual	Jul 19- Aug 19 YTD Budget
Site Leases	19,213	19,167	38,156	38,333
MWD Recycled Water LRP Rebate	16,750	25,833	39,000	51,667
JPIA Refund		-	-	-
SOCWA Refund		-	-	-
Recycled Metal	978	-	978	-
Diesel Fuel Tax Refund		-	-	-
Equipment Sales		-	-	-
Edison Rebate for Turbo Blower			-	-
Misc Work for Customers	605	1,667	1,399	3,333
	<u>\$ 37,547</u>	<u>\$ 46,667</u>	<u>\$ 79,533</u>	<u>\$ 93,333</u>
<b>Other Operating Income</b>				
Sales to Santa Margarita	-		-	
Sales to Moulton Niguel	-		-	
	<u>-</u>		<u>-</u>	
<b>Total</b>	<u><u>37,547</u></u>		<u><u>79,533</u></u>	

# WHERE THE MONEY GOES

## YTD EXPENSES AT 8/31/19



## EXPENSES YEAR ENDING 6/30/19





**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended August 31, 2019**

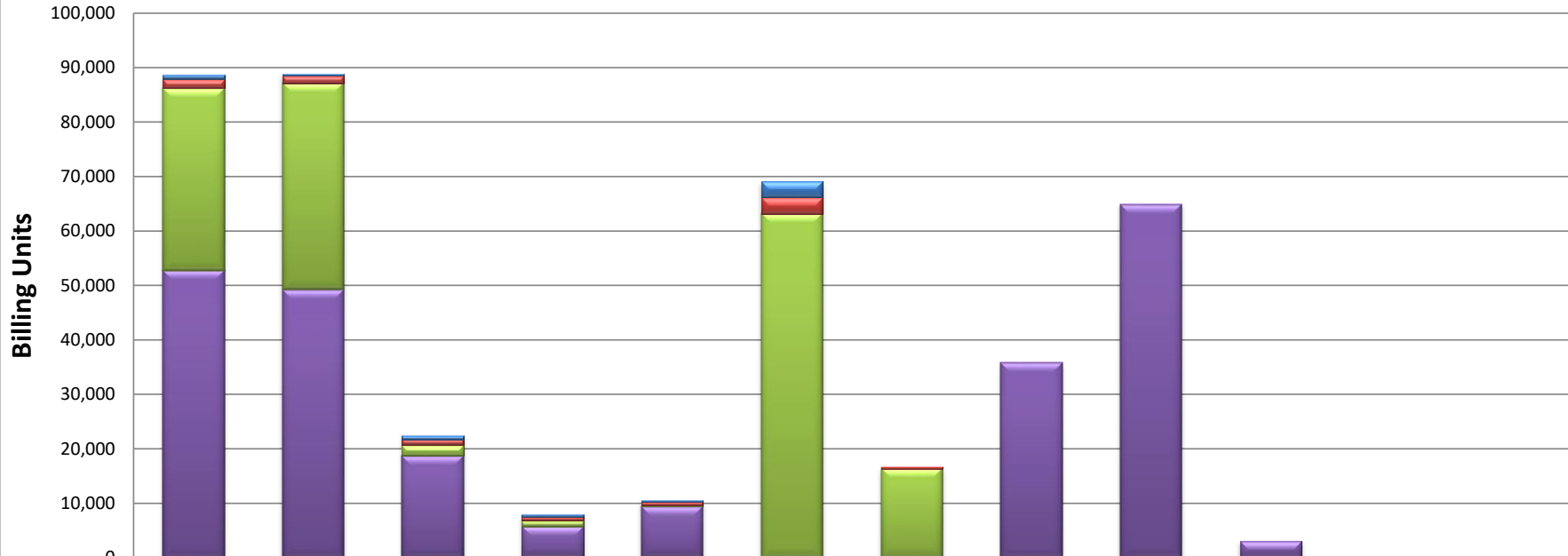
	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b><u>Operating Expenses</u></b>										
Personnel cost	\$637,924	\$712,174	\$74,250	10%	\$1,328,759	\$1,424,348	\$95,588	7%	\$8,546,083	7,217,324
Purchased water	751,079	912,810	161,731	18%	1,350,964	1,772,175	421,210	24%	8,041,949	6,690,985
Electrical power	94,998	93,783	(1,215)	-1%	226,877	187,567	(39,310)	-21%	1,125,400	898,523
Repair parts & materials	53,091	35,861	(17,230)	-48%	65,811	71,721	5,910	8%	430,332	364,521
Equipment repairs & maintenance	10,400	10,260	(140)	-1%	14,648	20,521	5,872	29%	123,125	108,477
Pump repairs & maintenance	5,023	9,483	4,461	47%	5,716	18,967	13,251	70%	113,800	108,084
Motor repairs & maintenance	3,372	2,192	(1,180)	-54%	3,372	4,383	1,012	23%	26,300	22,929
Electrical repairs & maintenance	3,075	5,971	2,896	48%	4,130	11,942	7,812	65%	71,650	67,520
Meter repairs & maintenance	-	667	667	100%	0	1,333	1,333	100%	8,000	8,000
Chemicals	32,998	17,450	(15,548)	-89%	37,504	34,900	(2,604)	-7%	209,400	171,896
Structure repairs & maintenance	2,864	2,524	(340)	-13%	3,298	5,047	1,749	35%	30,284	26,986
Asphalt repairs & maintenance	17,810	7,717	(10,093)	-131%	26,933	15,433	(11,500)	-75%	92,600	65,667
Consultants - outside	6,053	5,317	(737)	-14%	9,190	10,633	1,443	14%	63,800	54,610
Contractors - outside	89,658	101,658	12,001	12%	166,655	203,317	36,661	18%	1,219,900	1,053,245
Engineers - outside	27,836	6,333	(21,503)	-340%	27,836	12,667	(15,170)	-120%	76,000	48,164
Dump fees	2,423	1,333	(1,090)	-82%	2,423	2,667	244	9%	16,000	13,577
Laboratories	178	2,992	2,814	94%	2,431	5,983	3,552	59%	35,900	33,469
License & permits	5,380	12,533	7,153	57%	9,691	25,065	15,374	61%	150,393	140,702
Automotive fuel & oil	8,940	7,917	(1,023)	-13%	19,539	15,833	(3,706)	-23%	95,000	75,461
Equipment rental	1,485	1,675	190	11%	2,102	3,350	1,248	37%	20,100	17,998
Landscaping	4,950	12,273	7,323	60%	9,398	24,546	15,147	62%	147,275	137,877
Small tools & equipment	7,903	5,833	(2,069)	-35%	9,519	11,667	2,148	18%	70,000	60,481
Security	3,198	1,588	(1,610)	-101%	3,198	3,176	(23)	-1%	19,055	15,857
Operating supplies	4,369	4,333	(36)	-1%	9,563	8,667	(896)	-10%	52,000	42,437
Safety equipment	5,805	1,692	(4,113)	-243%	5,951	3,383	(2,568)	-76%	20,300	14,349
Temporary help	-	3,042	3,042	100%	0	6,083	6,083	100%	36,500	36,500
Other employee cost	19,885	7,442	(12,443)	-167%	43,852	14,883	(28,969)	-195%	89,300	45,448
Employee service awards	564	317	(247)	-78%	718	633	(84)	-13%	3,800	3,082
Education & training	6,586	3,583	(3,003)	-84%	7,696	7,167	(530)	-7%	43,000	35,304
<b>Total Operating Expenses</b>	<b>1,807,845</b>	<b>1,990,752</b>	<b>182,907</b>	<b>9%</b>	<b>3,397,775</b>	<b>3,928,056</b>	<b>530,281</b>	<b>13%</b>	<b>20,977,246</b>	<b>17,579,471</b>

**EL TORO WATER DISTRICT**  
**Expense Comparison**  
**For the Month Ended August 31, 2019**

	ACTUAL	CURRENT MONTH BUDGET	VARIANCE DOLLARS	% +/-	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE DOLLARS	% +/-	Annual BUDGET	REMAINING BUDGET
<b><u>Indirect Cost</u></b>										
Depreciation	363,675	372,500	8,825	2%	727,350	745,000	17,650	2%	4,470,000	3,742,650
Amortization	570	571	0	0%	1,141	1,142	1	0%	6,850	5,709
Insurance	43,142	46,480	3,338	7%	86,432	92,959	6,527	7%	557,755	471,323
Data processing supplies & assc.	670	1,917	1,247	65%	3,545	3,833	288	8%	23,000	19,455
Data processing equipment	7,820	3,000	(4,820)	-161%	7,220	6,000	(1,220)	-20%	36,000	28,780
Data processing consultants	1,800	6,250	4,450	71%	9,350	12,500	3,150	25%	75,000	65,650
Software maintenance & licenses	14,463	13,750	(713)	-5%	32,418	27,500	(4,918)	-18%	165,000	132,582
Janitorial	3,025	2,817	(208)	-7%	6,050	5,633	(416)	-7%	33,800	27,751
Printing & reproduction	1,282	1,500	218	15%	1,282	3,000	1,718	57%	18,000	16,718
Publications & subscriptions	0	250	250	100%	0	500	500	100%	3,000	3,000
Communications - voice	3,086	3,333	248	7%	6,135	6,667	531	8%	40,000	33,865
Communications - data	3,165	3,289	124	4%	6,237	6,578	342	5%	39,470	33,233
Communications - mobile	2,564	2,173	(392)	-18%	5,152	4,345	(807)	-19%	26,070	20,918
Utilities	2,359	1,583	(776)	-49%	3,120	3,167	47	1%	19,000	15,880
<b>Total Indirect Cost</b>	<b>447,621</b>	<b>459,412</b>	<b>11,791</b>	<b>3%</b>	<b>895,431</b>	<b>918,824</b>	<b>23,394</b>	<b>3%</b>	<b>5,512,945</b>	<b>4,617,514</b>
<b><u>Overhead Cost</u></b>										
Annual events	-	500	500	100%	-	1,000	1,000	100%	6,000	6,000
Audit	16,500	2,500	(14,000)	-560%	16,500	5,000	(11,500)	-230%	30,000	13,500
Bad debts	253	1,667	1,413	85%	1,694	3,333	1,640	49%	20,000	18,306
Bank charges	5,424	4,750	(674)	-14%	9,947	9,500	(447)	-5%	57,000	47,053
Directors fees	8,103	9,167	1,064	12%	17,420	18,333	913	5%	110,000	92,580
Dues & memberships	6,155	7,783	1,628	21%	12,404	15,565	3,161	20%	93,390	80,986
Election Expense	-	-	0	0%	0	0	0	0%	0	0
Interest	65,622	60,963	(4,659)	-8%	131,243	121,926	(9,317)	-8%	731,557	600,314
Legal	9,155	8,333	(821)	-10%	18,510	16,667	(1,843)	-11%	100,000	81,490
Meetings, conventions & travel	6,012	3,250	(2,762)	-85%	9,743	6,500	(3,243)	-50%	39,000	29,257
Meets, con & travel - Directors	5,850	2,474	(3,376)	-136%	8,279	4,948	(3,330)	-67%	29,690	21,411
Office supplies	2,504	1,650	(854)	-52%	3,923	3,300	(623)	-19%	19,800	15,877
Postage	150	1,708	1,559	91%	150	3,417	3,267	96%	20,500	20,350
Property taxes	2	458	456	100%	2	917	915	100%	5,500	5,498
Advertising & Publicity	560	167	(393)	-236%	560	333	(227)	-68%	2,000	1,440
Public education & outreach	11,057	12,500	1,443	12%	15,291	25,000	9,709	39%	150,000	134,709
<b>Total Overhead Cost</b>	<b>137,346</b>	<b>117,870</b>	<b>(19,476)</b>	<b>-17%</b>	<b>245,666</b>	<b>235,740</b>	<b>(9,926)</b>	<b>-4%</b>	<b>1,414,437</b>	<b>1,168,771</b>
<b>TOTAL EXPENSES</b>	<b>\$2,392,813</b>	<b>\$2,568,034</b>	<b>\$175,221</b>	<b>7%</b>	<b>\$4,538,871</b>	<b>\$5,082,620</b>	<b>\$543,749</b>	<b>11%</b>	<b>\$27,904,628</b>	<b>\$23,365,757</b>

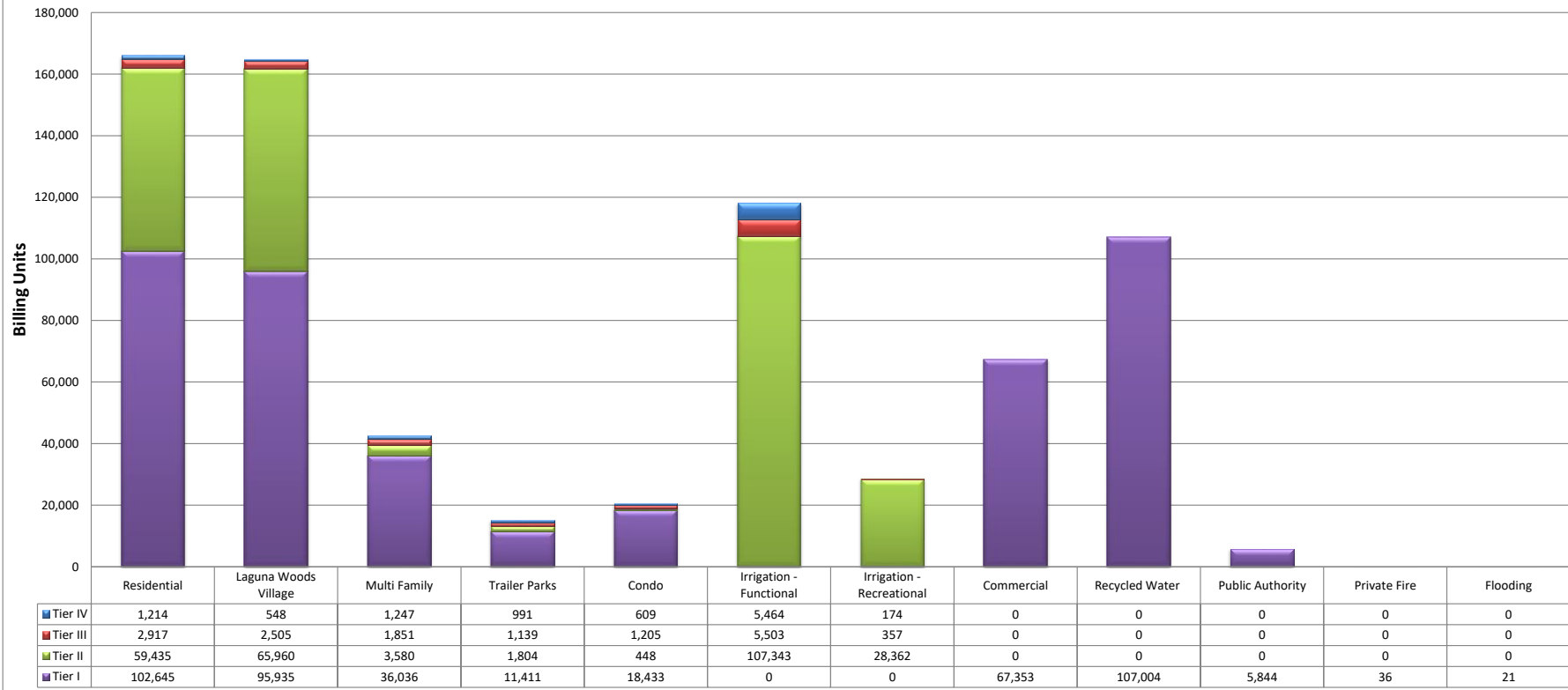


### August 2019 Water Sales

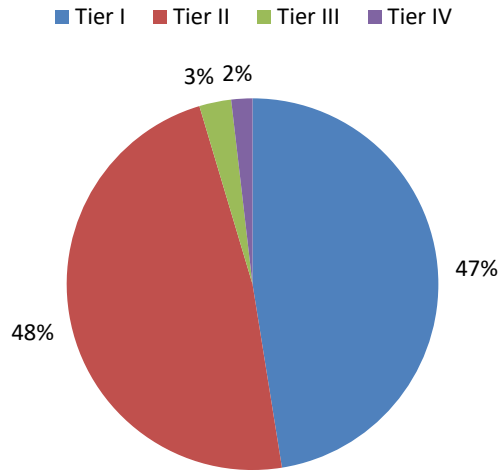


	Residential	Laguna Woods Village	Multi Family	Trailer Parks	Condo	Irrigation - Functional	Irrigation - Recreational	Commercial	Recycled Water	Public Authority	Private Fire	Flooding
■ Tier IV	735	306	714	539	291	2,968	86	0	0	0	0	0
■ Tier III	1,632	1,364	1,051	593	636	3,003	288	0	0	0	0	0
■ Tier II	33,484	37,944	1,996	1,030	233	63,161	16,389	0	0	0	0	0
■ Tier I	52,774	49,225	18,707	5,815	9,385	0	0	35,793	64,961	2,999	5	17

### Year-to-Date Water Sales as of August 2019

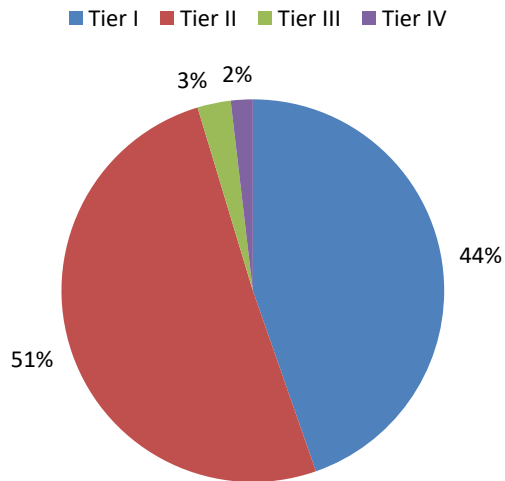


## Year to Date Tiered Sales As of August 2019



Year To Date Sales in ccf		
Tier I	264,460	47.47%
Tier II	266,932	47.91%
Tier III	15,477	2.78%
Tier IV	10,247	1.84%
	557,116	100.00%

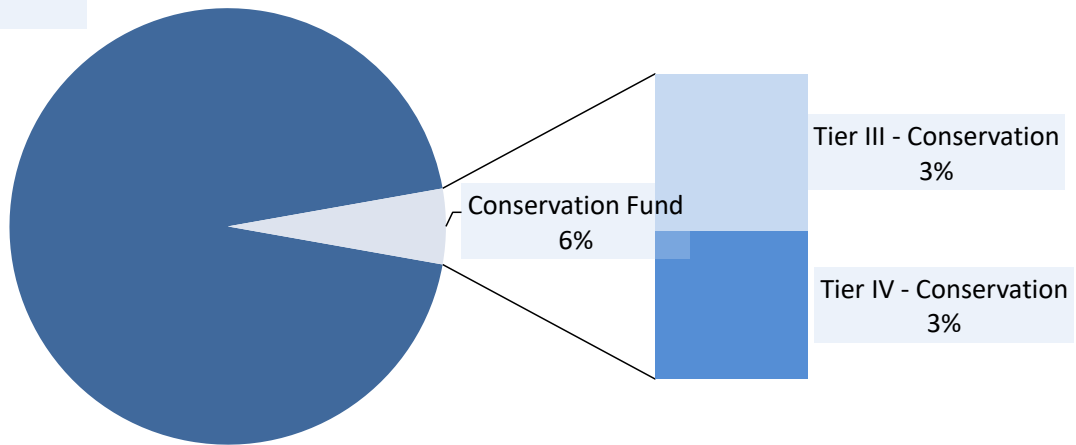
## August 2019 Tiered Sales



Current Month Sales in ccf		
Tier I	135,906	44.65%
Tier II	154,237	50.68%
Tier III	8,567	2.81%
Tier IV	5,639	1.85%
	304,349	100.00%

### Year to Date Water Sales as of August 2019

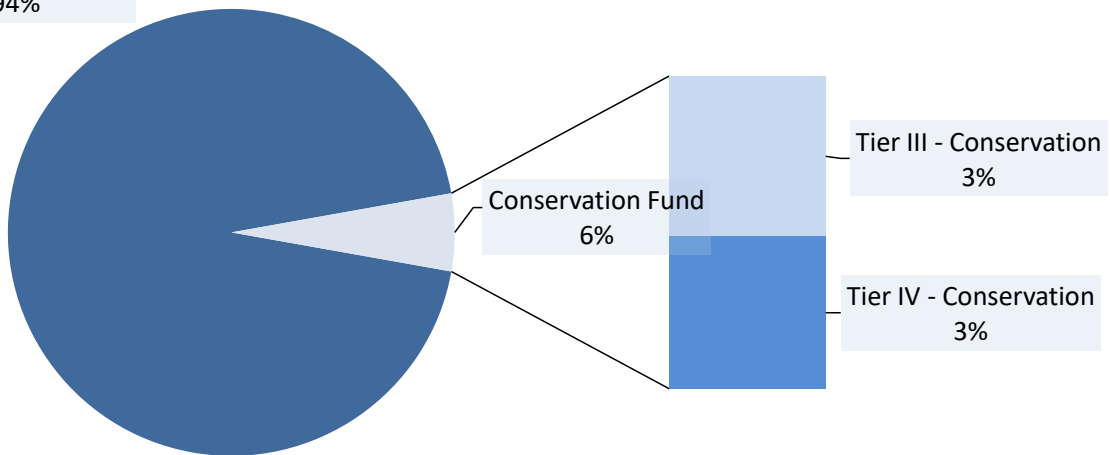
Water Delivery Cost  
94%



Category	Billings	Percentage
Water Delivery Cost	\$1,541,825.09	94.42%
Tier III - Conservation	\$47,050.08	2.88%
Tier IV - Conservation	\$44,115.53	2.70%
	<b>\$1,632,990.70</b>	<b>100.00%</b>

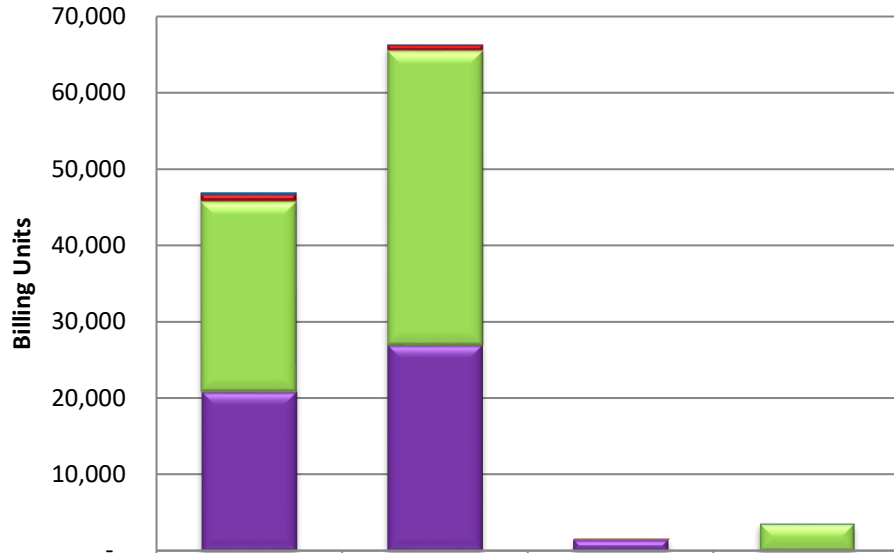
### August 2019 Water Sales

Water Delivery Cost  
94%



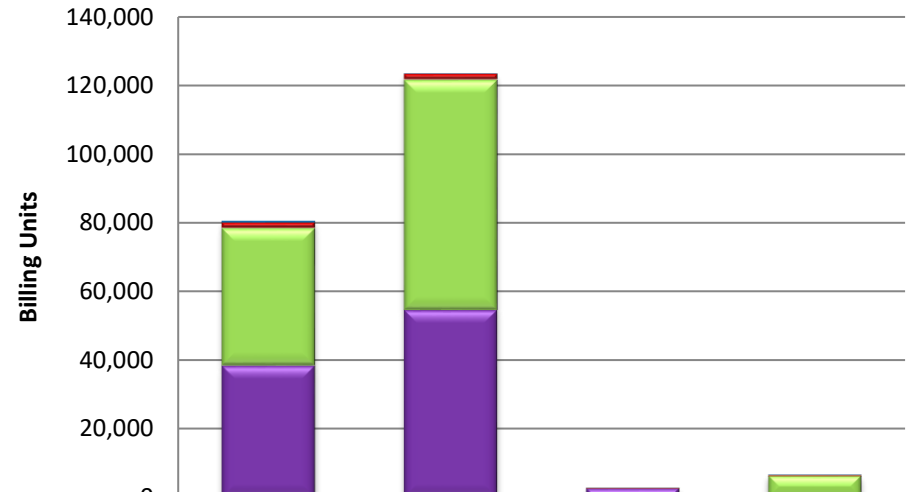
Category	Billings	Percentage
Water Delivery Cost	\$853,944.16	94.40%
Tier III - Conservation	\$26,043.68	2.88%
Tier IV - Conservation	\$24,649.69	2.72%
	<b>\$904,637.53</b>	<b>100.00%</b>

### Laguna Woods Village August 2019 Water Sales



	Third	United	Mutual 50	GRF
Tier 4	290	16	-	4
Tier 3	982	765	73	15
Tier 2	24,899	38,543	50	3,594
Tier 1	20,793	26,877	1,555	-

### Laguna Woods Village Year-to-Date Water Sales August 2019



	Third	United	Mutual 50	GRF
Tier 4	507	41	0	37
Tier 3	1,559	1,528	73	258
Tier 2	40,026	67,082	59	6,377
Tier 1	38,504	54,648	2,783	0





























MINUTES OF THE REGULAR MEETING  
OF THE  
ENGINEERING COMMITTEE MEETING

August 20, 2019

Director Freshley called the Meeting of the Engineering Committee to order at 7:30 a.m. on August 20, 2019.

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

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

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, RICK OLSON, Operations Superintendent, BOBBY YOUNG, Project Engineer, SHERRI SEITZ, Public Relations/Emergency Preparedness Administrator, NANCY LAURSEN, Accountant/Insurance Administrator, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, SCOTT MALONI, Poseidon, and CAROL MOORE, Laguna Woods City Councilmember.

Oral Communication/Public Comment

There were no comments.

Items Received too Late to be Agendized

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

## Poseidon Presentation

Mr. Maloni introduced himself as the Vice President of Project Development at Poseidon. He further stated that he has been in his position for 12 years and worked for the company 18 years total, working prior as a Consultant on the Carlsbad project.

Mr. Maloni stated that he will be providing a status on the Huntington Beach Desal project, and an update on the Carlsbad Desal project.

Mr. Maloni stated that Poseidon was started in 1995 in the business of developing and financing water infrastructure projects through a private company headquartered in Boston. He further stated that in the late 1990's they introduced the idea of doing two large-scale desalination plants; one in San Diego and one in Orange County.

## Carlsbad Desalination Plant

Mr. Maloni stated that Carlsbad is the largest desalination plant in the Western Hemisphere. He further stated that the plant was built in 2012 on 5 ½ acres of land which they lease.

Mr. Maloni stated that the power plant is decommissioned and has input and output access to the ocean, thus providing a greener carbon footprint. He further stated that the plant produces 54 million gallons of drinking water per day.

Mr. Maloni stated that they have a 30-year contract and all of the water has been bought and sold before the plant was built, under a fixed price term fee contract. He further stated that they acquired \$923 million in private investments to build the facility.

Mr. Maloni stated that total cost of the Desal plant is approximately \$537 million, with an additional \$159 million in conveyance pipeline, \$227 million in financing costs, and \$80 million in the San Diego County Water Authority improvements and oversight.

Mr. Maloni stated that the current estimated unit cost based on the highest electricity rate, which included the pipeline, is \$2,302 per acre foot for 56,000 acre feet per year, and \$2,559 per acre foot for 48,000 acre feet per year.

Mr. Maloni stated that there is a lot of discussion about water quality, and the desalinated water is the highest quality of water. He further stated that the water flows by gravity to the Mexican border.

Mr. Maloni stated that earlier this year the San Diego Regional Water Quality Control Board gave Carlsbad a permit for the long-term operation, and so Carlsbad is the first and only facility that has been permitted under the State Water Board's new desalination regulations. He further stated that they also were allowed an increase in capacity of up to 60 million gallons per day.

#### Huntington Beach (HB) Desalination Plant

Mr. Maloni stated that this plant is co-located with a power plant to take advantage of the industrial zoning and existing sea water intake and outtakes.

Mr. Maloni stated that the project is in the late stages of development and is waiting on two permits; the Ocean Plan Certification (expected Q4 2019), and Coastal Development Permit (expected Q2 2020).

Mr. Maloni stated that some benefits include high water quality, local control, climate resilient, and it's consistent with the Governor's new executive order N-10-19.

Mr. Maloni stated that they will be using 4 Wedgewire screens for the intake modifications; 3 will be operating screens and 1 will be a standby screen. He further stated that there are a lot of questions about the brine which will be discharged back to the ocean, and they will be building a brine diffuser to meet the regulatory requirements.

Mr. Maloni stated that Bolsa Chica is the largest restored wetland in Southern California, which was dredged to create an ocean inlet, and Poseidon has agreed to be the long-term stewards and maintenance of the ocean inlet.

Mr. Maloni stated that the OCWD has agreed to a non-binding term sheet to purchase the full capacity at the plant. He further stated that there may be interest on a seasonal basis of other agencies wanting water.

Mr. Maloni stated that 2024/25 is when this plant is expected to come on line. He further stated that the Treatment Plant Costs will be \$1,750 per acre foot, and including distribution, the MET subsidy, the Net Project Unit Cost will be \$2,125 per acre foot for 10 mgd and \$1,825 per acre foot for 20 mgd.

President Vergara asked if MET has agreed to a 15-year commitment. Mr. Maloni replied that MET has several different options under it's Local Resource Program that can be applied for.

Mr. Maloni stated that the subsidy is not forever, and the water cost will increase after 15-25 years.

President Vergara asked what is holding the Regional Board from giving their approval of the project. Mr. Maloni replied that it is bureaucratic inertia holding up the permit process on the environmental side.



President Vergara asked about the cost of the permit. Mr. Maloni stated they have jurisdiction of the land side and offshore side, and the Regional Board has jurisdiction of the offshore side, so permits have to be obtained from all of the overlapping jurisdictions.

Mr. Maloni stated that in the 3 years that the plant has been running, they had to shut down the Carlsbad plant twice, once because of coupling failure, and once because of the red tide in the lagoon. He further stated that Poseidon had to pay damages of \$3.5 million during the shutdown.

At approximately 8:07 o'clock a.m. Mr. Maloni left the meeting.

### Engineering Committee

#### Consent Calendar

1. Consider approving the minutes of the July 23, 2019 Engineering Committee meeting.
2. Consider approving the Directors to attend the CASA conference August 21-23, 2019 in San Diego, CA
3. Consider approving Director Monin to participate on the Orange County Council of Governments (OCCOG) as a representative of the Independent Special Districts of Orange County (ISDOC)
4. Consider approving Director Monin to participate on the Orange County Operational Area Executive Board as a representative of ISDOC

Director Freshley asked for a Motion.

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

Roll Call Vote:

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

Engineering Action Items

Resolution No. 19-8-1 2018 Orange County Regional Water and Wastewater Multi-Hazard Mitigation Plan

Mr. Cafferty stated that the plan is included in the Board package. He further stated that this effort is reviewed every 5 years, and was the result of a regional collaboration with MWDOC.

Director Freshley asked for a Motion.

Motion: Vice President Monin made a Motion, seconded by Director Gaskins, and unanimously approved across the Board to adopt Resolution No. 19-8-1 2018 Orange County Regional Water and Wastewater Multi-Hazard Mitigation Plan.

Roll Call Vote:

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

Filter Plant Site Use Plan

Mr. Cafferty stated that the Filter Plant was taken out of service in 1984 when the R-6 Reservoir was covered enabling the District to rely solely on treated water imported from MET. He further stated that the 13,000 square foot plant is deteriorating

significantly as is a 300,000 gallon, 54-foot diameter steel tank Clear Well that is in a similar state of disrepair.

Mr. Cafferty stated that this project entails the evaluation of the demolition requirements for the plant and Clear Well and the consideration of constructing a new building. Mr. Young stated that the District issued an RFP to five qualified firms, and all five attended the mandatory pre-proposal meeting. The District issued one addendum to the original RFP.

Mr. Young stated that the District received proposals from four of the firms. He further stated that staff determined Richard Brady & Associates was the superior proposal.

Mr. Young stated that consulting experience, , similar projects, and understanding of the project were reviewed.

Vice President Monin asked how long this project will take to complete. Mr. Cafferty replied approximately four months for the evaluation phase.

Mr. Cafferty stated that WEROC is interested in a partnership that would allow them to move their South EOC into the new building at this site.

Director Freshley asked for a Motion.

Motion: President Vergara made a Motion, seconded by Director Havens, and unanimously approved across the Board to authorize the District's General Manager to enter into a consulting contract with Richard Brady & Associates in the amount of \$133,143 for consulting engineering services associated with the Filter Plant Site Use Plan Project.

Roll Call Vote:

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

Strategic Plan

Mr. Cafferty stated that when the last Strategic Plan was done, there were three different Board members, so it is appropriate to initiate a new Strategic Planning effort with the current Board. He further stated that staff met with Ed Means who does Strategic Planning for water districts.

Mr. Cafferty stated that the proposal submitted by Mr. Means is within the General Managers authority, but he wanted to solicit approval of the Board noting that the process will include interviews with the individual Board members, a wider range of staff interviews, and will help define the path for the District's.

Director Freshley asked for a Motion.

Motion: President Vergara made a Motion, seconded by Director Gaskins and unanimously carried across the Board to authorize the District's General Manager to enter into a consulting contract the Means Consulting in the amount of \$33,804 for consulting services associated with the ETWD Strategic Plan.

Roll Call Vote:

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

## Engineering General Information Items

### Capital Project Status Report

Mr. Cafferty stated that Bobby Young will report on the Capital Projects.

### Oso Lift Station Project

Mr. Young stated that the lot line adjustment has been approved by the County Board of Supervisors. He further stated that MNWD's Board will take action at their August 22<sup>nd</sup> Board meeting for the overflow agreement from the Oso Lift Station to the MNWD sewer collection system near the station.

Mr. Young stated that the City of Laguna Woods' staff is working on a list of required documents from the State Coastal Conservancy and will be resubmitting the package in early September.

### Phase II Recycled Water Distribution System Expansion Project

Mr. Young stated that we have informal approval from the State of the retrofit plans, and are waiting for the official notification from the Division of Drinking Water. He further stated that the County requested to be present at the site testing.

Mr. Young stated that staff is meeting with the County on Thursday to work on moving forward.

### Laboratory Certification Update

Mr. Cafferty stated that ELAP staff provided ETWD staff with a preliminary draft of the assessor's report and while waiting for the final report, ETWD staff is working to prepare responses on the draft report.

### Aliso Creek Lift Station

Mr. Cafferty stated that the pumps are scheduled to be delivered in October.

Baker Water Treatment Product Water Conveyance Options

Mr. Cafferty stated that MNWD is evaluating a proposal from a consulting engineer firm for the hydraulic analysis of the South County Pipeline.

Irvine Lake – Baker Supply

Mr. Cafferty stated that staff is participating in active discussions with all Baker partners about the possibility of putting water in Irvine Lake for availability in the event the MET supply to the Baker plant is interrupted. He further stated that the proposed emergency storage amounts to the equivalent of 60-days which is approximately 5,300 acre feet of water.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

Adjournment

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

Motion: Vice President Monin made a Motion, seconded by Director Havens and unanimously carried that today’s meeting be adjourned at 9:03 o’clock a.m. to Tuesday, September 24, 2019 at 7:30 o’clock a.m. at the District’s Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Roll Call:

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

Respectfully submitted,

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POLLY WELSCH  
Recording Secretary

APPROVED:

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

---

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



# COMMITTEE CONSIDERATION FORM

PLEASE PRINT LEGIBLY

Agency Name (DO NOT use acronyms or abbreviations) <i>El Toro Water District</i>	Phone <i>(949) 837-7650</i>
Agency Address <i>24251 Los Alisos Blvd</i>	City, State & Zip <i>Lake Forest, CA 92630</i>

**BELOW PLEASE LIST ALL THOSE INTERESTED IN BEING ON ACWA COMMITTEES FOR YOUR AGENCY.  
FOR ADDITIONAL RECOMMENDATIONS PLEASE FILL OUT ANOTHER FORM.**

*\*If an individual is not an agency employee or director, please indicate company affiliation.*

Name <i>Kathryn Freshley</i>	Title/Company* <i>Director</i>	Email Address <i>Kfreshley@etwd.com</i>
Committee 1st Choice <i>Engineering Committee</i>	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice

*General Manager*

Signature (Agency/District General Manager or Board President signature required) Title Date  
*Dennis P. Cafferty*

**QUESTIONS?**

Contact Business Services Specialist Petra Rice  
at [petrar@acwa.com](mailto:petrar@acwa.com) or (916) 441-4545

910 K Street, Suite 100  
Sacramento, CA 95814  
[www.acwa.com](http://www.acwa.com)



# **CAPITAL PROJECT / EQUIPMENT STATUS REPORT**

**September, 2019**

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

**The project design is complete.**

**The project design requires the expansion of the site by ten feet on the east side of the property. The proposed lot line adjustment from the City of Laguna Woods requires approval from the County of Orange due to an existing lease agreement between the City and the County relative to the Woods End Wilderness Preserve/Laguna Coast Wilderness Park. The County Board of Supervisors approved the lease amendment on July 30<sup>th</sup>.**

**The City of Laguna Woods continues to work with the State Coastal Conservancy to secure approval of the lot line adjustment. The Coastal Conservancy requested that the City and District enter into an agreement with terms specified by the Coastal Conservancy. The City Attorney is reviewing the proposed language and intends to send a draft agreement to the District for review during the week of September 23<sup>rd</sup>. City staff is requesting that the Coastal Conservancy provide a written approval upon completion of this final request.**

**District staff worked with Moulton Niguel Water District regarding an Agreement for the proposed emergency overflow connection from the Oso Lift Station to the nearby MNWD sewer collection system. MNWD Board approved the Agreement on August 22<sup>nd</sup>.**

**Staff is prepared to bid the project once the property acquisition is finalized. Staff will also solicit proposals from construction management firms simultaneous to the bid time frame.**

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

**Staff continues to work with the State Division of Drinking Water (DDW) to secure approval of the retrofit plans. The East Side System plans were approved by DDW on August 20<sup>th</sup>. The West Side System plans have been submitted to DDW and are currently being reviewed. Certain remaining sites in the West Side System will be handled separately due to unique characteristics that could result in the designation of the sites as “dual-plumbed” as defined in Title 22.**

**Staff met with County and DDW on September 4<sup>th</sup> at DDW’s office to review field testing and inspection requirements. Staff also provided estimated schedules and has not received any comments. Field testing is scheduled to begin on September 23<sup>rd</sup>.**

**Evolution Landscape, the Contractor for the retrofit project, began work in early September and continues to progress on the East sites. Staff anticipates completion of the East retrofit construction in approximately 8 weeks.**

### **III Laboratory Certification Update**

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

In March, 2019 ELAP Staff conducted an on-site assessment at the ETWD lab and then provided the District with a preliminary draft of the assessment report in June. Staff has been communicating with ELAP staff who have suggested that the delivery of the final assessment report should be imminent. While waiting for the final report, ETWD staff has been working diligently to prepare responses to the draft report and expects a very short turnaround to reply to the final report once it is received.

### **IV Filter Site Use Plan Project**

A consulting contract has been issued to Brady & Associates. Staff and Brady are in the process of scheduling a Kick-Off meeting.

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

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

### **VI South Orange County Supply and System Reliability Projects**

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

MNWD issued a contract to Tetra Tech to perform a surge and water quality analysis of the South County Pipeline to verify there are no fatal flaws in the proposed addition of the new turnouts. MNWD and ETWD staff will soon commence drafting an MOU to define the terms of the joint project. MNWD has verbally indicated they are prepared to continue the temporary conveyance of water through the Los Alisos interconnection until such time that the permanent conveyance facilities are complete.

#### **B. Irvine Lake – Baker Supply**

There have been discussions about the possibility of storing water in Irvine Lake that could be used to sustain 60 days of supply to the Baker Plant in the event of an interruption of raw water supply from MWD. Issues under consideration include the on-going costs of water lost due to evaporation and any overflows of the Lake as well as capital and maintenance costs associated with the use of the Irvine Lake facilities. Staff has met several times with the Baker Partners to discuss the details of a proposal for the potential use of Irvine Lake for emergency storage. Staff will provide an update and description of the potential storage opportunity at the Engineering meeting.

**C. Poseidon HB Ocean Desalination Project**

Poseidon continues to engage the Santa Ana Regional Water Quality Board for consideration of their NPDES Permit renewal. The feasibility of the project remains contingent upon obtaining all regulatory and environmental approvals/permits along with approval of Met LRP funding based on \$475/AF over 15 years.

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

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

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

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

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

**F.Y. 2019/20 CAPITAL REPLACEMENT AND REFURBISHMENT PROGRAM BUDGET ITEMS > \$50,000  
BOARD APPROVAL SCHEDULE**

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

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

# EL TORO WATER DISTRICT

## Glossary of Water Terms

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

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

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

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

**AFY:** Acre-foot per year.

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

**AMP:** Allen McCulloch pipeline.

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

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

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

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

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

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

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

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

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

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

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

**BIA:** Building Industry Association.

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

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

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

**Brackish water:** A mixture of freshwater and saltwater.

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

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

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

**CEQA:** California Environmental Quality Act.

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

**CFS:** Cubic feet per second.

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

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

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

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

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

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

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

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

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

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

**Crisis:**

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

**CTP** Coastal Treatment Plant

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

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

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

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

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

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

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

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

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

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

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

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

**Disinfection:** Water treatment which destroys potentially harmful bacteria.

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

**Drought:** A prolonged period of below-average precipitation.

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

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

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

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

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

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

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

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

**Estuary:** Where fresh water meets salt water.

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

**FCH** Federal Clearing House – Environmental Review/Processing

**FEMA** Federal Emergency Management Agency

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

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

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

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

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

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

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

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

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

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

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

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

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

**GPM:** Gallons per minute.

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

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

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

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

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

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

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

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

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

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

**MAF:** Million acre feet.

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

**MET:** Metropolitan Water District of Southern California.

**MGD:** Million gallons per day.

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

**Microorganism:** An animal or plant of microscopic size.

**MWD:** Metropolitan Water District of Southern California.

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

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

**NPDES** National Pollution Discharge Elimination System

**OCBC:** Orange County Business Council.

**OCEMA** Orange County Environmental Management Agency

**OCWD:** Orange County Water District.

**Opportunity:**

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

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

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

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

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

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

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

**Potable water:** Suitable and safe for drinking.

**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

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

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

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

**SWRCB** State Water Resources Control Board

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

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

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

**TMA:** Too many acronyms.

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

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

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

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

**VE** Value Engineering

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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