

I hereby certify that the following Agenda was posted at least 72 hours prior to the time of the Board Meeting so noticed below, at the usual agenda posting location of the South Orange County Wastewater Authority [SOCWA] and at www.socwa.com.



Betty Burnett, General Manager
SOCWA and the Board of Directors thereof

AGENDA

Regular Meeting of The South Orange County Wastewater Authority Board of Directors

September 5, 2019
8:30 a.m.

THE BOARD OF DIRECTORS MEETING ROOM IS LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA. THE ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY-RELATED ACCOMMODATIONS (I.E., ACCESS TO AN AMPLIFIED SOUND SYSTEM, ETC.), PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY'S OFFICE AT 949-234-5421 AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING. THIS AGENDA CAN BE OBTAINED IN AN ALTERNATE FORMAT UPON WRITTEN REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY BOARD OF DIRECTORS IN CONNECTION WITH A MATTER SUBJECT TO DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE BOARD OF DIRECTORS ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY OFFICE, 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE"). IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE BOARD OF DIRECTORS LESS THAN SEVENTY-TWO (72) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE BOARD OF DIRECTORS, EXCEPT THAT, IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE BOARD OF DIRECTORS MEETING ROOM.

1. CALL MEETING TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ORAL COMMUNICATIONS

- A. Members of the public may address the board regarding an item on the agenda or may reserve this opportunity during the meeting at the time the item is discussed by the board. There will be a three-minute limit for public comments.

AGENDA
South Orange County Wastewater Authority
Board of Directors Meeting
September 5, 2019

4. CONSENT CALENDAR

A. Minutes of Board of Directors Meeting(s)

- 1) Board of Directors Meeting August 8, 2019 1
- 2) Board of Directors Meeting June 6, 2019..... 8
- 3) Board of Directors Meeting June 20, 2019..... 17

ACTION The Board will be requested to approve subject Minutes.

B. Financial Matters

- 1) Monthly Financials Report for June 2019 26
 - a) Summary of Disbursements for June 2019 (Exhibit A)..... 27
 - b) Schedule of Funds Available for Reinvestment (Exhibit B) 28
 - Local Agency Investment Fund (LAIF) 29
 - c) Schedule of Cash and Investments (Exhibit C) 30

ACTION Finance Committee recommends to the Board of Directors to ratify the June 2019 disbursements for the period from June 1, 2019, through June 30, 2019, totaling \$6,065,041 and to receive and file the June 2019 Financial Reports as submitted.

2) Finance Committee Minutes

- a) Finance Committee Meeting August 20, 2019..... 31
- b) Finance Committee Meeting May 21, 2019..... 34
- c) Finance Committee Meeting April 9, 2019 38

ACTION The Board will be requested to receive and file subject Minutes.

C. Operational Reports – July 2019

- 1) Monthly Operations Report – July 2019..... 41
- 2) Ocean Outfall Discharges..... 51
- 4) Beach/Ocean Monitoring Report..... 53
- 5) Recycled Water Report..... 76
- 6) Pretreatment Report – July and August 2019 81

ACTION The Board will be requested to receive and file the *July 2019 Operations Report*.

AGENDA
South Orange County Wastewater Authority
Board of Directors Meeting
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D. Capital Improvement Program

- 1) Status Report(s) 85

ACTION The Board will be requested to receive and file subject reports.

E. Project Committee No. 2

- 1) Change Order – SS Mechanical Construction Contract [PC2] 98

ACTION The Engineering Committee recommends that the Project Committee No. 2 Board of Directors approve Change Order 4 to the construction contract with SS Mechanical Construction for the J. B. Latham Treatment Plant, Plant 1 Grit Basin Rehabilitation Project.

F. Project Committee No. 15

- 1) Change Order – SS Mechanical Construction Contract [PC15]..... 101

ACTION The Engineering Committee recommends that the Project Committee No. 15 Board of Directors approve Change Orders 6 through 8 to the construction contract with SS Mechanical Construction for the Coastal Treatment Plant Tertiary System Upgrades Project.

- 2) Project Committee No. 15 Minutes

- a) Project Committee No. 15 Meeting May 15, 2019 104

ACTION The Board will be requested to receive and file subject Minutes.

5. ENGINEERING MATTERS

A. Project Committee No. 2

- 1) Award of Condition Assessment – JB Latham Treatment Plant Blower Building (Plant 1) [PC 2] 106

ACTION The Project Committee No. 2 Board will be requested to approve 1) the award of condition assessment contract to Carollo Engineers at a fee not to exceed \$95,813.00, and 2) approve of the budget increase of \$15,000 identified in Tables 3 and 4 and approve including \$15,000 in the Fiscal Year 2019/2020 Non-Capital Projects budget.

AGENDA
South Orange County Wastewater Authority
Board of Directors Meeting
September 5, 2019

6. GENERAL MANAGER'S REPORTS

A. Annual Financial Statements Audit FY 2018-19 - Progress..... 112

ACTION Staff recommends the Board receive and file subject report.

B. SOCWA 457 Plan Improvements 117

ACTION Staff recommends that the Board of Directors approve the SOCWA 457 Plan document and authorize the General Manager to enter into the requisite service agreements with Nationwide Private in a form approved by counsel and retain Wells Fargo Advisory Services to provide Plan Advisory Services.

C. Revised SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement..... 155

ACTION Staff recommends to the Board of Directors to approve the August 2019 revision to the SOCWA *Policy Establishing Guidelines for Travel and Expense Reimbursement*, and 2) rescind prior Policy, SOCWA Resolution No. 2011-04 SOCWA *Policy Establishing Guidelines for Travel and Expense Reimbursement*.

D. Appointment of Executive Committee and Finance Committee Members..... 174

ACTION Staff recommends that the SOCWA Chairman appoint representatives from the Board of Directors to the Executive Committee and Finance Committee.

E. Use Audit Methodology 176

ACTION Staff recommends the Board receive and file subject report

F. General Manager's Status Report 192

ACTION Information item.

G. Monthly Progress Report on State Audit Recommendations 197

ACTION Information item.

OTHER MATTERS

A. Open discussion or items received too late to be agendized.

Note: Determine the need to take action on the following item(s) introduced by the General Manager which arose subsequent to the agenda being posted.

[Adoption of this action requires a two-thirds vote of the Board, or if less than two-thirds are present a unanimous vote.]

AGENDA
South Orange County Wastewater Authority
Board of Directors Meeting
September 5, 2019

ADJOURNMENT

THE NEXT SOCWA BOARD MEETING
OCTOBER 3, 2019

**MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

Board of Directors

August 8, 2019

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Board of Directors was held on August 8, 2019, at 8:30 a.m. at the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Board of Directors were present:

MIKE DUNBAR, Emerald Bay Water District	Director
KATHRYN FRESHLEY, El Toro Water District	Director
STEPHAN DOPUDJA, Trabuco Canyon Water District	Vice Chairman [arrival 8:52 a.m.]
JOONE LOPEZ, Moulton Niguel Water District	Director
DOUG REINHART, Irvine Ranch Water District	Director
TONI ISEMAN, City of Laguna Beach	Director
DAN FERONS, Santa Margarita Water District	Chairman
RICK SHINTAKU, South Coast Water District	Alternate Director
RAY MILLER, City of San Juan Capistrano	Alternate Director
DAVE REBENDSOLF, City of San Clemente	Director

Staff present:

BETTY BURNETT	General Manager/Secretary
ADRIANA OCHOA	Procopio Law Firm
BRIAN PECK	Director of Engineering
AMBER BAYLOR	Director of Environmental Compliance
JIM BURROR	Director of Operations
MARY CAREY	Finance Controller
DINA ASH	Human Resource Administrator
ANNA SUTHERLAND	Payroll
KONSTANTIN SHILKOV	Senior Accountant
NAYDN KIM	Accountant
SEAN PEACHER	Environmental Compliance Safety Risk Manager
DAVID LLOYD	Information Systems Administrator
JEANETTE COTINOLA	Procurement/Contracts Administrator
RONI YOUNG	Associate Engineer
TERI NOSON	Clerk of the Board/Assistant Secretary

Also present:

DONALD FROELICH	Moulton Niguel Water District
TREVOR AGRELIUS	Moulton Niguel Water District
DENNIS CAFFERTY	El Toro Water District
ROBB GRANTHAM	Santa Margarita Water District

1. Call Meeting to Order

Chairman Ferons called the meeting to order at 8:30 a.m. and welcomed everyone present.

2. Pledge of Allegiance

Director Shintaku led the Pledge of Allegiance to the Flag of the United States of America.

3. Oral Comments

Chairman Ferons asked if members of the public desired to address the Board, or desired to reserve addressing the Board during the meeting regarding any item on the Agenda. No comments were received.

Chairman Ferons reported that Agenda Item 6.A., Resolution No. 2019-03, Commendation for Mike Harper, would be presented out of order of the Agenda.

ACTION TAKEN

Motion was made by Director Reinhart and seconded by Director Freshley to approve Resolution No. 2019-03 and authorize Chairman Ferons to sign the Commendation for Mr. Harper on behalf of the Board of Directors of the South Orange County Wastewater Authority.

Motion carried:	Aye 9; Nay 0; Abstain 0; Absent 1
Director Dunbar	Aye
Director Freshley	Aye
Vice Chairman Dopudja	Absent
Director Lopez	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Shintaku	Aye
Director Miller	Aye
Director Rebensdorf	Aye

4. Consent Calendar

Chairman Ferons referenced the items under the Consent Calendar and asked if there were any questions or comments.

Ms. Burnett requested to pull Agenda Item 4.A., Minutes of the Board of Directors Meeting(s), Agenda Item 4.B.1., Monthly Financials Report for June 2019, from the Consent Calendar; and, to pull Staff recommendations 1) Discussion and Comment; 2) Approval of the August 2019 revision to the SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement; 3) Rescind prior Policy, SOCWA Resolution No. 2011-04, SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement from Agenda Item 6.E., Revised SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement.

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Rebensdorf to approve the Agenda Items 4.C. through 4.F. and Item 4.H. under the Consent Calendar.

Motion carried:	Aye 9; Nay 0; Abstain 0; Absent 1
Director Dunbar	Aye
Director Freshley	Aye
Vice Chairman Dopudja	Absent
Director Lopez	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Shintaku	Aye

Director Miller	Aye
Director Rebensdorf	Aye

Director Lopez registered an *abstention* vote for Agenda Item 4.G., Project Committee No. 15, of the Consent Calendar.

Motion carried:	Aye 8; Nay 0; Abstain 1; Absent 1
Director Dunbar	Aye
Director Freshley	Aye
Vice Chairman Dopudja	Absent
Director Lopez	Abstain
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Shintaku	Aye
Director Miller	Aye
Director Rebensdorf	Aye

5. Engineering Matters

A. Project Committee No. 17

- 1) RTP Miscellaneous Improvements 2018 – Engineering Services During Construction
[PC 17]

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Lopez of Project Committee No. 17 Board of Directors to approve the award of engineering services during construction contract to Lee and Ro at a fee not to exceed \$123,310.

Motion carried:	Aye 5; Nay 0; Abstain 0; Absent 0
Director Dunbar	Aye
Director Freshley	Aye
Director Lopez	Aye
Director Iseman	Aye
Director Shintaku	Aye

B. Project Committee No. 15 and 21 (Reach E)

- 1) Award of Engineering Services for the Aliso Creek Buried Utility and Roadway Protection Project [PC 15 & 21]

ACTION TAKEN

Motion was made by Director Freshley and seconded by Director Reinhart of Project Committee No. 21 Reach E Board of Directors, to approve the award of the engineering services contract to Tetra Tech at a fee not to exceed \$123,525.

Motion carried:	Aye 2; Nay 0; Abstain 1; Absent 0
Director Reinhart	Aye
Director Freshley	Aye
Director Lopez	Abstain

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Shintaku of Project Committee No. 15 Reach E Board of Directors, to approve the award of the engineering services contract to Tetra Tech at a fee not to exceed \$123,525.

Motion carried:	Aye 3; Nay 0; Abstain 1; Absent 0
	Director Lopez Abstain
	Director Dunbar Aye
	Director Iseman Aye
	Director Shintaku Aye

2) Award of Engineering Services for the Aliso Creek Buried Utility and Roadway Protection Project [PC 15 & 21]

ACTION TAKEN

Motion was made by Director Freshley and seconded by Director Reinhart of Project Committee No. 21 Reach E Board of Directors, to approve the award of the engineering services contract to Tetra Tech at a fee not to exceed \$195,750.

Motion carried:	Aye 2; Nay 0; Abstain 1; Absent 0
	Director Reinhart Aye
	Director Freshley Aye
	Director Lopez Abstain

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Shintaku of Project Committee No. 15 Reach E Board of Directors, to approve the award of the engineering services contract to Tetra Tech at a fee not to exceed \$195,750.

Motion carried:	Aye 3; Nay 0; Abstain 1; Absent 0
	Director Lopez Abstain
	Director Dunbar Aye
	Director Iseman Aye
	Director Shintaku Aye

C. SOCWA 2020 Ten Year Capital Improvement Plan

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Iseman to receive and file the SOCWA 2020 Ten Year Capital Improvement Plan.

Motion carried:	Aye 10; Nay 0; Abstain 0; Absent 0
	Director Dunbar Aye
	Director Freshley Aye
	Vice Chairman Dopudja Aye
	Director Lopez Aye
	Director Reinhart Aye
	Director Iseman Aye
	Chairman Ferons Aye
	Director Shintaku Aye
	Director Miller Aye
	Director Rebensdorf Aye

6. General Manager's Reports

A. (submitted for the record at Item 3. Oral Comments)

B. Annual Financial Statements Audit FY 2018-19 Progress Update

ACTION TAKEN

Information item, no action required.

C. Request to Extend the PUN Group, Financial Audit Firm, Contract

ACTION TAKEN

Motion was made by Director Freshley and seconded by Director Dunbar to approve an extension of The PUN Group contract adding two (2) additional years at a fee not to exceed \$35,000.

Motion carried: Aye 10; Nay 0; Abstain 0; Absent 0

Director Dunbar	Aye
Director Freshley	Aye
Vice-Chairman Dopudja	Aye
Director Lopez	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Shintaku	Aye
Director Miller	Aye
Director Rebensdorf	Aye

D. Resolution No. 2019-04, A Resolution of SOCWA Approving and Adopting of the Orange County Regional Water and Wastewater Multi-Hazard Mitigation Plan for 2018

ACTION TAKEN

Motion was made by Director Dopudja and seconded by Director Iseman to adopt by Resolution the 2018 Orange County Regional Water and Wastewater Multi-Hazard Mitigation Plan; SOCWA Resolution No. 2019-04.

Motion carried: Aye 10; Nay 0; Abstain 0; Absent 0

Director Dunbar	Aye
Director Freshley	Aye
Vice-Chairman Dopudja	Aye
Director Lopez	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Shintaku	Aye
Director Miller	Aye
Director Rebensdorf	Aye

E. Revised SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement and Request to Approve Director Reimbursement of Travel to Fairfield Suisun District

ACTION TAKEN

Motion was made by Director Reinhart and seconded by Director Freshley to ratify the reimbursement for Director Erdman in the amount of \$790. The following staff

recommendations: 1) Discussion and Comment; 2) Approval of the August 2019 revision to the SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement; 3) Rescind prior Policy, SOCWA Resolution No. 2011-04, *SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement* will be submitted to the August 20, 2019, Finance Committee for recommendation to the Board of Directors at the September 5, 2019, Board meeting.

Motion carried:	Aye 10; Nay 0; Abstain 0; Absent 0
Director Dunbar	Aye
Director Freshley	Aye
Vice-Chairman Dopudja	Aye
Director Lopez	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Shintaku	Aye
Director Miller	Aye
Director Rebensdorf	Aye

F. General Manager's Status Report

ACTION TAKEN

Information item, no action required.

G. Monthly Progress Report on State Audit Recommendations

ACTION Information item, no action required.

Other Matters

Chairman Ferons asked if there were any more questions or comments from the Board. There were none.

Adjournment

There being no further business, Chairman Ferons adjourned the meeting at 10:05 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Board of Directors on August 8, 2019 and approved by the Board of Directors of the South Orange County Wastewater Authority.

Betty C. Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

**SUMMARY OF BOARD ACTIONS
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

August 8, 2019

<u>DESCRIPTION</u>	<u>MOTION MADE BY</u>	<u>ACTION</u>
Consent Calendar	Dunbar	Approved
RTP Miscellaneous Improvements 2018 – Engineering Services During Construction [PC 17]	Dunbar	Approved
Award of Engineering Services for the Aliso Creek Buried Utility and Roadway Protection Project [PC 15 & 21]	Freshley	Approved
Award of Engineering Services for the Aliso Creek Buried Utility and Roadway Protection Project [PC 15 & 21]	Freshley	Approved
SOCWA 2020 Ten Year Capital Improvement Plan	Dunbar	Receive and File
Resolution No. 2019-03, Commendation for Mike Harper	Reinhart	Approved
Request to Extend the PUN Group, Financial Audit Firm, Contract	Freshley	Approved
Resolution No. 2019-04, A Resolution of SOCWA Approving and Adopting of the Orange County Regional Water and Wastewater Multi-Hazard Mitigation Plan for 2018	Dopudja	Approved
Revised SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement and Request to Approve Director Reimbursement of Travel to Fairfield Suisun District	Reinhart	Approved

**MINUTES OF REGULAR MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

Board of Directors

June 6, 2019

The Regular Meeting of the South Orange County Wastewater Authority (SOCWA) Board of Directors was held on June 6, 2019, at 8:30 a.m. at the Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Board of Directors were present:

MIKE DUNBAR, Emerald Bay Service District	Director
DENNIS CAFFERTY, El Toro Water District	Alternate Director
STEPHAN DOPUDJA, Trabuco Canyon Water District	Vice Chairman
MATT COLLINGS, Moulton Niguel Water District	Alternate Director
DOUG REINHART, Irvine Ranch Water District	Director
TONI ISEMAN, City of Laguna Beach	Director
DAN FERONS, Santa Margarita Water District	Chairman
DENNIS ERDMAN, South Coast Water District	Director
RAY MILLER, City of San Juan Capistrano	Alternate Director
DAVE REBENS DORF, City of San Clemente	Director

Staff present:

BETTY BURNETT	General Manager/Secretary
GREG MOSER	Procopio Law Firm
BRIAN PECK	Director of Engineering
AMBER BAYLOR	Director of Environmental Compliance
JIM BURROR	Director of Operations
MARY CAREY	Finance Controller
KONSTANTIN SHILKOV	Senior Accountant
DANITA HIRSH	Assistant to the General Manager
JASON MANNING	Senior Engineer
ANNA SUTHERLAND	Payroll
RONI YOUNG	Associate Engineer
TERI NOSON	Clerk of the Board/Assistant Secretary

Also present:

MIKE GASKINS	El Toro Water District
JUSTIN MCCUSKER	Santa Margarita Water District
RICK SHINTAKU	South Coast Water District

1. Call Meeting to Order

Chairman Ferons called the meeting to order at 8:30 a.m. and welcomed everyone present.

2. Pledge of Allegiance

Director Miller led the Pledge of Allegiance to the Flag of the United States of America.

3. Oral Comments

Chairman Ferons asked if members of the public desired to address the Board, or desired to reserve addressing the Board during the meeting regarding any item on the Agenda. No comments were received.

Ms. Burnett presented a video of a Regional Treatment Plant tour provided by the SOCWA staff for approximately 100 Aliso Niguel High School AP Science students.

ACTION TAKEN

No action required.

4. Consent Calendar

Chairman Ferons referenced the items under the Consent Calendar and asked if there were any questions or comments. Director Collings requested to pull item 4.F. Project Committee No. 15 from the Consent Calendar.

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Dopudja to approve the remaining items under the consent calendar.

Motion carried:	Aye 10; Nay 0; Abstain 0; Absent 0
	Director Dunbar Aye
	Director Cafferty Aye
	Vice Chairman Dopudja Aye
	Director Collings Aye
	Director Reinhart Aye
	Director Iseman Aye
	Chairman Ferons Aye
	Director Erdman Aye
	Director Miller Aye
	Director Rebensdorf Aye

4.F. Project Committee No. 15

1) Change Order – Hazen & Sawyer Design Services Contract [PC15]

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Iseman of Project Committee No. 15 to approve the Engineering Committee recommendation of Change Orders 8 through 11 and 15 through 18 to the design services contract with Hazen and Sawyer for the Coastal Treatment Plant Facility Improvements Project.

2) Change Order – SS Mechanical Construction Contract [PC15]

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Iseman of Project Committee No. 15 to approve the Engineering Committee recommendation of Change Orders 3 and 4 to the construction contract with SS Mechanical Construction for the Coastal Treatment Plant Tertiary System Upgrades Project.

Motion carried:	Aye 3; Nay 0; Abstain 1; Absent 0
	Director Dunbar Aye
	Director Collings Abstain
	Director Iseman Aye
	Director Erdman Aye

5. Engineering Matters

A. Project Committee No. 5

1) Contract Amendment for Engineering Services [PC 5]

ACTION TAKEN

Motion was made by Director Rebensdorf and seconded by Director Erdman of Project Committee No. 5 to approve contract amendment for engineering services for Black & Veatch at a fee of not to exceed \$98,400.

2) Award of Environmental Services Contract [PC 5]

ACTION TAKEN

Motion was made by Director Rebensdorf and seconded by Director Erdman of Project Committee No. 5 to approve the contract amendment for engineering services for Dudek at a fee not to exceed \$135,870.

Motion carried:	Aye 5; Nay 0; Abstain 0; Absent 0
	Director Collings Aye
	Chairman Ferons Aye
	Director Erdman Aye
	Director Miller Aye
	Director Rebensdorf Aye

B. Project Committee No. 15

1) Award of a Construction Contract to PCL Construction [PC 15]

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Erdman of Project Committee No. 15 to approve the Facilities Improvement Project as described herein and approve the award of a construction contract to PCL Construction at a price not to exceed \$9,209,000.

2) Award of Engineering Services During Construction [PC 15]

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Erdman of Project Committee No. 15 to approve the award of the engineering services during construction contract to Hazen and Sawyer at a fee not to exceed \$490,484.

Motion carried:	Aye 3; Nay 1; Abstain 0; Absent 0
	Director Dunbar Aye
	Director Collings Nay
	Director Iseman Aye
	Director Erdman Aye

C. Project Committee(s) No. 2 and 15

1) Award of Construction Management Services Contract [PC 2 & 15]

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Dunbar of Project Committee(s) No. 2 and 15 to approve the award of the construction management contract to Butier Engineering for the J. B. Latham Treatment Plant Package "B" Improvements and the Coastal Treatment Plant Facility Improvements Projects at a price not to exceed \$1,708,015.

Motion carried:	Aye 5; Nay 0; Abstain 1; Absent 0
Director Dunbar	Aye
Director Collings	Abstain
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye

6. General Manager's Reports

A. Investment Policy for Public Funds Annual Review

ACTION TAKEN

There being no objection from the Board, Chairman Ferons directed the SOCWA Investment Policy received and filed as submitted based on the annual review.

B. Quarterly Update Cash Roll Forward (Q3, 2019)

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Dunbar to approve the Quarterly Update Cash Roll Forward:

- Additional Committee comments and recommendations to the Board.
- Board of Directors to receive and file the Q3, March 31, 2019, Report.
- Board to approve issuing refunds for Large Capital, PC-15 Use Audit and Additional Cash as of June 30, 2018.

Motion carried:	Aye 10; Nay 0; Abstain 0; Absent 0
Director Dunbar	Aye
Director Cafferty	Aye
Vice Chairman Dopudja	Aye
Director Collings	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye
Director Rebensdorf	Aye

C. Project Committee No. 17

1) Regional Treatment Plant AT&T Underground Conduit Repair Project

ACTION TAKEN

Motion was made by Director Iseman and seconded by Director Collings of Project Committee No. 17 to ratify expenditure and receive and file the report.

Motion carried:	Aye 5; Nay 0; Abstain 0; Absent 0
	Director Dunbar Aye
	Director Cafferty Aye
	Director Collings Aye
	Director Iseman Aye
	Director Erdman Aye

D. Agenda Preparation Software/Audio Visual Hardware

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Dunbar to approve:

- 1) Receive a report from the Finance Committee as to its discussion of the item.
- 2) Authorize the General Manager to acquire a limited software/hardware system to increase quality and improve efficiency in agenda/meeting/documentation functions at SOCWA at an amount not to exceed \$120,000.
- 3) Direction to staff to bring back to the Board for further discussion prior to the September 2019 Board meeting: The Policy for the retention of minutes, the format for action minutes, and process for preparation and approval of minutes.

Motion carried:	Aye 10; Nay 0; Abstain 0; Absent 0
	Director Dunbar Aye
	Director Cafferty Aye
	Vice Chairman Dopudja Aye
	Director Collings Aye
	Director Reinhart Aye
	Director Iseman Aye
	Chairman Ferons Aye
	Director Erdman Aye
	Director Miller Aye
	Director Rebensdorf Aye

E. Project Committee(s) No. 2, 15, and 17

1) New or Used Heavy Equipment Purchases

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Iseman of Project Committee No. 15 to approve (Tractor):

- 1) Authorize the General Manager to purchase two (2) heavy equipment vehicles, as submitted, each not to exceed \$95,000.
- 2) The General Manager to report the final purchase prices and Project Committee cost distributions to the Board of Directors upon completion.

Motion carried: Aye 3; Nay 0; Abstain 1; Absent 0;
Director Dunbar Aye
Director Collings Abstain
Director Iseman Aye
Director Erdman Aye

Motion was made by Director Erdman and seconded by Director Miller of Project Committees No. 2, 15, 17 (Truck):

- 1) Authorize the General Manager to purchase two (2) heavy equipment vehicles, as submitted, each not to exceed \$95,000.
- 2) The General Manager to report the final purchase prices and Project Committee cost distributions to the Board of Directors upon completion.

Motion carried: Aye 6; Nay 0; Abstain 1; Absent 0;
Director Dunbar Aye
Director Collings Abstain
Director Iseman Aye
Director Erdman Aye
Chairman Ferons Aye
Director Miller Aye
Director Rebensdorf Aye

F. General Manager's Status Report

ACTION TAKEN
No action required.

G. Monthly Progress Report on State Audit Recommendations

ACTION TAKEN
No action required.

H. Report of the Nominating Committee - Election of Officers

ACTION TAKEN

Motion was made by Director Reinhart and seconded by Director Miller to approve the Nominating Committee recommendation of Elected Officers to the SOCWA Board of Directors for the FY 2019/2020, remain as follows:

Board of Directors - Chairman, Director Ferons; Vice Chairman, Director Dopudja; Secretary/Treasurer, Ms. Burnett; Assistant Secretary, Ms. Noson.

The Nominating Committee recommended that Director Erdman replace Director Dunbar on the Executive Committee.

Chairman Ferons noted for the motion that through this action the Board is making an exception to the Executive Committee Bylaws.

Motion carried: Aye 10; Nay 0; Abstain 0; Absent 0
Director Dunbar Aye
Director Cafferty Aye

Vice Chairman Dopudja	Aye
Director Collings	Aye
Director Reinhart	Aye
Director Iseman	Aye
Chairman Ferons	Aye
Director Erdman	Aye
Director Miller	Aye
Director Rebensdorf	Aye

7. Closed Session

There being no objection from the Board, the Chairman noted a Closed Session would not be conducted for the following matter:

A. Closed Session Pursuant to Government Code Section 54957.6 Conference with Labor Negotiators

SOCWA Designated Representatives: Betty Burnett, General Manager;
Brad Neufeld Labor Counsel

Employee Organization: SOCWA Employee Association

8. Report Out of Closed Session

None.

Other Matters

Chairman Ferons asked if there were any more questions or comments from the Board. No questions or comments were received.

Adjournment

There being no further business, Chairman Ferons adjourned the meeting at 9:44 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Regular Meeting of the South Orange County Wastewater Authority Board of Directors on June 6, 2019, and approved by the Board of Directors of the South Orange County Wastewater Authority.

Betty C. Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

**SUMMARY OF BOARD ACTIONS
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

June 6, 2019

<u>DESCRIPTION</u>	<u>MOTION MADE BY</u>	<u>ACTION</u>
4. Consent Calendar	Erdman	Approved
4.F. Project Committee No. 15	Erdman	Approved
1) Change Order – Hazen & Sawyer Design Services Contract		
2) Change Order – SS Mechanical Construction Contract		
5.A. Project Committee No. 5	Rebensdorf	Approved
1) Contract Amendment for Engineering Services.		
2) Award of Environmental Services Contract.		
5.B. Project Committee No. 15	Dunbar	Approved
1) Award of a Construction Contract to PCL Construction		
2) Award of Engineering Services During Construction		
5.C. Project Committee(s) No. 2 and 15	Erdman	Approved
1) Award of Construction Management Services Contract		
6.A. Investment Policy for Public Funds Annual Review	Direction of Chairman	Received and Filed
6.B. Quarterly Update Cash Roll Forward (Q3, 2019)	Erdman	Approved
6.C. Project Committee No. 17	Iseman	Received and Filed
1) Regional Treatment Plant AT&T Underground Conduit Repair Project		
6.D. Agenda Preparation Software/Audio Visual Hardware	Erdman	Approved

- | | | |
|----------------------------------------------------------------|----------|----------|
| 6.E. Project Committee(s) No. 2, 5, and 15 | Erdman | Approved |
| 1) New or Used Heavy Equipment Purchases | | |
| 6.H. Report of the Nominating Committee - Election of Officers | Reinhart | Approved |

**MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

**Board of Directors
Special Meeting**

June 20, 2019

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Board of Directors Special Meeting was held on June 20, 2019, at 10:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Board of Directors Special Meeting were present:

DAN FERONS	Santa Margarita Water District	Director
DENNIS ERDMAN	South Coast Water District	Director
TONI ISEMAN	City of Laguna Beach	Director
RAY MILLER	City of San Juan Capistrano	Alternate Director
KATHRYN FRESHLEY	El Toro Water District	Director
JOONE LOPEZ	Moulton Niguel Water District	Director
DAVE REBENS DORF	City of San Clemente	Director
STEPHEN DOPUDJA	Trabuco Canyon Water District	Director
PAUL COOK	Irvine Ranch Water District	Alternate Director
MIKE DUNBAR	Emerald Bay Service District	Director

Staff Present:

BETTY BURNETT	General Manager
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
BRIAN PECK	Director of Engineering
AMBER BAYLOR	Director of Environmental Compliance
JASON MANNING	Senior Engineer
RONNIE GRANT	Associate Engineer
KONSTANTIN SHILKOV	Senior Accountant
NADYN KIM	Accountant
DINA ASH	HR Administrator
JEANETTE COTINOLA	Procurement & Contracts Administrator
DANITA HIRSH	Administrative Assistant

Also Present:

ADRIANNA OCHOA	Procopio Law Firm
BRAD NEUFELD	Varner & Brandt LLP
DENNIS CAFFERTY	El Toro Water District
PAMELA ARENDS-KING	South Coast Water District
ROBB GRANTHAM	Santa Margarita Water District
TREVOR AGRELIUS	Moulton Niguel Water District
MIKE GASKINS	El Toro Water District
STEVE GREYSHOCK	Greycomm, LLC

A. Call Meeting to Order

Chairperson Ferons called the meeting to order at 10:04 a.m.

B. Pledge of Allegiance – Alternate Director Cook

C. Public Comments

Director Dunbar expressed concerns of making sure meeting agendas were certified and posted in a timely manner.

Chairperson Feron confirmed agendas are certified by the General Managers signature as noted on page 4 of the agenda.

D. Approval of Minutes

1. Board Budget Workshop Meeting Minutes for May 23, 2019.

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Rebensdorf to approve Board Budget Workshop Meeting Minutes for May 23, 2019 as submitted.

Motion carried:	Aye 8, Nay 0, Abstained 2, Absent 0
Director Feron	Aye
Director Iseman	Aye
Director Erdman	Aye
Director Miller	Aye
Director Dunbar	Aye
Director Lopez	Abstained
Director Dopudja	Aye
Director Freshley	Aye
Alternate Director Cook	Abstained
Director Rebensdorf	Aye

E. Financial Reports for the Month of May 2019

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Miller to ratify the May 2019 disbursements for the period from May 1, 2019 through May 31, 2019, and to receive and file May 2019 Financial Reports as submitted.

Motion carried:	Aye 10, Nay 0, Abstained 0, Absent 0
Director Feron	Aye
Director Iseman	Aye
Director Erdman	Aye
Director Miller	Aye
Director Dunbar	Aye
Director Lopez	Aye
Director Dopudja	Aye
Director Freshley	Aye
Alternate Director Cook	Aye
Director Rebensdorf	Aye

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F. Approval of FY 2019-20 Budget

Chairperson Feron stated in reference to Moulton Niguel Water District letter dated June 19, 2019, on the Allocation of PERS Unfunded Liability Payment and Retiree Health Benefits; he requested additional information on the preparation of allocations for the FY2020-21 Budget. An open discussion ensued.

Ms. Burnett stated when closing out the FY2019-20 budget, staff would review the allocation impacts based on the approved distribution methodology to bring back to the Board for consideration.

Chairperson Feron stated on item 3 of Moulton's letter, the Summary of Costs Allocation table of the budget book; pages 27 and 28, appeared inconsistent with current Board practices. He requested a column be added to the table summarizing the current practices of Board decisions in one location. No further changes to the FY2019-20 Budget were requested.

ACTION TAKEN

Motion was made by Director Dunbar and seconded by Director Iseman to revise the Summary of Costs Allocation tables on pages 27 & 28 of the FY2019-20 Budget book to add a column that would summarize Board decisions and redistribute updated pages.

Motion carried:	Aye 10, Nay 0, Abstained 0, Absent 0
Director Feron	Aye
Director Iseman	Aye
Director Erdman	Aye
Director Miller	Aye
Director Dunbar	Aye
Director Lopez	Aye
Director Dopudja	Aye
Director Freshley	Aye
Alternate Director Cook	Aye
Director Rebensdorf	Aye

Director Lopez made the following motion which impacted item 4703-000 on Budget page 81, Lab Reconstruction Evaluation.

ACTION TAKEN

Motion was made by Director Lopez and seconded by Director Iseman to approve PC-17 Lab Reconstruction Evaluation Study cost allocation based on labor cost allocation instead of PC-17 Member allocation.

Motion carried:	Aye 10, Nay 0, Abstained 0, Absent 0
Director Feron	Aye
Director Iseman	Aye
Director Erdman	Aye
Director Miller	Aye
Director Dunbar	Aye
Director Lopez	Aye
Director Dopudja	Aye
Director Freshley	Aye
Alternate Director Cook	Aye
Director Rebensdorf	Aye

1. General Fund Budget (FY 2019-20)

Approval of the FY 2019/20 **General Fund Budget**. Approval of the General Fund Budget authorizes the General Manager to expend up to and not more than the total

budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Miller to approve the General Fund Budget (FY2019-20) with the corrections to pages 27, 28 & 81 as noted in comments above.

Motion carried: Aye 10, Nay 0, Abstained 0, Absent 0

Director Ferons	Aye
Director Iseman	Aye
Director Erdman	Aye
Director Miller	Aye
Director Dunbar	Aye
Director Lopez	Aye
Director Dopudja	Aye
Director Freshley	Aye
Alternate Director Cook	Aye
Director Rebensdorf	Aye

2. Project Committee Operating Budget (FY 2019-20)

- a. Approval of the FY 2019-20 **Administration Budget** (inclusive of project committee administration expenses, residual engineering and IT) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Freshley to approve Administration Budget (FY 2019-20) as submitted.

Motion carried: Aye 9, Nay 1, Abstained 0, Absent 0

Director Ferons	Aye
Director Iseman	Aye
Director Erdman	Aye
Director Miller	Aye
Director Dunbar	Aye
Director Lopez	Nay
Director Dopudja	Aye
Director Freshley	Aye
Alternate Director Cook	Aye
Director Rebensdorf	Aye

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- b. Approval of the Project Committee **("PC") 2** Operations and Maintenance Budget (inclusive of Environmental Compliance, Safety and IT) as proposed and PC 2 Capital Expenditures Budget (inclusive of large capital, non-capital engineering and small capital) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services

policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

ACTION TAKEN

Motion was made by Director Ferons and seconded by Director Miller, members of PC 2 to approve PC 2 Budget (FY 2019-20) as submitted.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 0
	Director Ferons Aye
	Director Erdman Aye
	Director Miller Aye
	Director Lopez Aye

- c. Approval of the Project Committee **("PC") 17** Operations and Maintenance Budget (inclusive of Environmental Compliance, Safety and IT) and PC 17 Capital Expenditures Budget (inclusive of large capital, non-capital engineering and small capital) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Dunbar, members of PC 17 to approve PC 17 Budget (FY 2019-20) as submitted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 0
	Director Iseman Aye
	Director Erdman Aye
	Director Dunbar Aye
	Director Lopez Aye
	Director Freshley Aye

- d. Approval of the Project Committee **("PC") 15** Operations and Maintenance Budget (inclusive of Environmental Compliance, Safety and IT) and PC 15 Capital Expenditures Budget (inclusive of large capital, non-capital engineering and small capital) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

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ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Dunbar, members of PC 15 to approve PC 15 Budget (FY 2019-20) as submitted.

Motion carried:	Aye 3, Nay 1, Abstained 0, Absent 0
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Director Iseman	Aye
Director Erdman	Aye
Director Dunbar	Aye
Director Lopez	Nay

- e. Approval of the Project Committee **("PC") 5** Operations and Maintenance Budget (inclusive of Environmental Compliance, Safety and IT) and PC 5 Capital Expenditures Budget (inclusive of large capital and non-capital engineering) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

ACTION TAKEN

Motion was made by Director Rebensdorf and seconded by Director Erdman, members of PC 5 to approve PC 5 Budget (FY 2019-20) as submitted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 0
Director Ferons	Aye
Director Erdman	Aye
Director Miller	Aye
Director Lopez	Aye
Director Rebensdorf	Aye

- f. Approval of the Project Committee **("PC") 24** Operations and Maintenance Budget (inclusive of Environmental Compliance, Safety and IT) and PC 24 Capital Expenditures Budget (inclusive of large capital and non-capital engineering) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Dunbar, members of PC 24 to approve PC 24 Budget (FY 2019-20) as submitted.

Motion carried:	Aye 6, Nay 0, Abstained 0, Absent 0
Director Iseman	Aye
Director Erdman	Aye
Director Dunbar	Aye
Director Lopez	Aye
Director Freshley	Aye
Alternate Director Cook	Aye

- g. Approval of the Project Committee **("PC") 21 (ETM)** Operations and Maintenance Budget and PC 21 Capital Expenditures Budget (inclusive of large capital and non-capital engineering) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

ACTION TAKEN

Motion was made by Alternate Director Cook and seconded by Director Freshley, members of PC 21 (ETM) to approve PC 21 (ETM) Budget (FY 2019-20) as submitted.

Motion carried: Aye 3, Nay 0, Abstained 0, Absent 0
Director Lopez Aye
Director Freshley Aye
Alternate Director Cook Aye

- h. Approval of the Project Committee **("PC") 8** (Pretreatment) Operations and Maintenance Budget (inclusive of Environmental Compliance and Safety) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action; the Board approves the allocation of expenses with approval of the Budget.

ACTION TAKEN

Motion was made by Director Rebensdorf and seconded by Director Erdman, members of PC 8 (Pretreatment) to approve PC 8 (Pretreatment) Budget (FY 2019-20) as submitted.

Motion carried: Aye 9, Nay 0, Abstained 0, Absent 0
Director Ferons Aye
Director Iseman Aye
Director Erdman Aye
Director Miller Aye
Director Dunbar Aye
Director Lopez Aye
Director Freshley Aye
Alternate Director Cook Aye
Director Rebensdorf Aye

- i. Approval of the Project Committee **("PC") 2SO (PC12)** Operations and Maintenance Budget (inclusive of Environmental Compliance, Safety and IT) and authorize the General Manager to expend up to and not more than the total budget funds per the purchasing and/or emergency services policy; funding in excess of the authorized budget requires additional Board action. Authorization includes the redistribution of the costs of PC 2SO (PC 12) among the member agencies to exclude El Toro Water District and Irvine Ranch Water District); the Board approves the allocation of expenses with approval of the Budget.

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ACTION TAKEN

Motion was made by Director Dopudja and seconded by Director Ferons, members of PC 2SO PC 12 to approve PC 2SO PC 12 Budget (FY 2019-20) as submitted.

Motion carried: Aye 8, Nay 0, Abstained 0, Absent 0
Director Ferons Aye
Director Iseman Aye

Director Erdman	Aye
Director Miller	Aye
Director Dunbar	Aye
Director Lopez	Aye
Director Dopudja	Aye
Director Rebensdorf	Aye

- j. The Board directs the staff to prepare and distribute a final printed budget consistent with any additional changes presented and approved at the June 20, 2019 meeting.

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Freshley directing staff to prepare and distribute a final printed budget book consistent with any additional changes presented and approved at the June 20, 2019 meeting.

Motion carried:	Aye 10, Nay 0, Abstained 0, Absent 0
Director Ferons	Aye
Director Iseman	Aye
Director Erdman	Aye
Director Miller	Aye
Director Dunbar	Aye
Director Lopez	Aye
Director Dopudja	Aye
Director Freshley	Aye
Alternate Director Cook	Aye
Director Rebensdorf	Aye

H. PC 15 and PC 21 meeting scheduled: July 11th to discuss engineering items

Ms. Burnett proposed to the Board of Directors to cancel the Regular Board Meeting on July 11, 2019, in lieu of holding a joint PC-15/PC-21 meeting to discuss and obtain recommendations on engineering items that have been ongoing.

The Board was in concurrence to cancel the Regular Board Meeting that was scheduled for July 11, 2019, at 8:30 a.m. to hold a PC-15/PC21 Joint Meeting to address engineering issues.

I. OTHER MATTERS

None

The meeting convened to Closed Session at 11:25 a.m.

G. CLOSED SESSION

1. Closed Session Pursuant to Government Code Section 54957.6 Conference with Labor Negotiators

SOCWA Designated Representatives:	Betty Burnett, General Manager; Brad Neufeld Labor Counsel
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Employee Organization: SOCWA Employee Association

The meeting reconvened to Open Session at 11:40 a.m.

REPORT OUT OF CLOSED SESSION

The Board of Directors met in closed session to discuss the SOCWA Employee Association Agreement. General Counsel, Adriana Ochoa of Procopio Law Firm reported, pursuant to Government Code Section 54957.6 approval of an agreement concluding Labor Negotiations with represented employees, the Board approved the tentative agreement for a new 3-year MOU and resolution of a dispute with the SOCWA Employee Association. The vote was 9 in favor; 0 against; 1 abstention, with Moulton Niguel Water District abstaining.

ADJOURNMENT

There being no further business, Director Ferons adjourned the meeting at 11:41 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Board Budget Workshop of June 20, 2019 and approved by the Board Budget Workshop and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

Betty Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Agenda Item

Finance Committee Meeting

Meeting Date: September 5, 2019

TO: Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Mary Carey, Finance Controller

SUBJECT: Cash Reports for the Month of June 2019

Summary/Discussion

The following cash reports are routinely provided monthly to the Finance Committee for recommendation to the Board of Directors to ratify Cash Disbursements. The reporting package normally include Budget vs. Actuals for Project Committees and SOCWA's various departments; however, due to Fiscal Year End and the Annual Financial Statements Audit that is in progress, the remaining reports will not be presented until the Audit has been completed.

The reports included are as follows:

- a) Summary of Disbursements for June 2019 (Exhibit A)
- b) Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
- c) Schedule of Cash and Investments (Exhibit C)

Fiscal impact

June 2019 cash disbursements were: \$6,065,041 (Increased primarily due to Large Capital Closed Projects Refund to Member Agencies, \$3.6MM.)

- Monthly disbursements are summarized in the attached Exhibit A.
- The attached Exhibits B and C are informational reports only.

Recommendation

Finance Committee recommends the Board of Directors to ratify the June 2019 disbursements for the period from June 1, 2019, through June 30, 2019, totaling \$6,065,041, and to receive and file the June 2019 Cash Reports as submitted.

Exhibit A

**South Orange County Wastewater Authority
Summary of Disbursements for June 2019
Staff Recommendation of Fiscal Matters**

	Actual
General Fund	(456,135)
PC 2 - Jay B. Latham Plant	(1,432,798)
PC 3 - SOCWA Plant/PCA AWT	(123,797)
PC 5 - San Juan Creek Ocean Outfall	(55,103)
PC 8 - Pretreatment Program	(12,244)
PC 12 SO - Water Reclamation Permits	(20,604)
PC 15 - Coastal Treatment Plant/AWT	(1,583,417)
PC 17 - Joint Regional Wastewater Reclamation	(2,221,335)
PC 21 - Effluent Transmission Main	(140,642)
PC 24 - Aliso Creek Ocean Outfall	(18,966)
Total	<u>(\$6,065,041)</u>

*Increase primarily due to Inactive/Closed Projects refund checks paid to Member Agencies, \$3.6MM.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
SCHEDULE OF FUNDS AVAILABLE FOR REINVESTMENT
as of June 30, 2019**

CASH IN BANK: (BEGINNING BAL.)	6,213,478
L.A.I.F. FUNDS: (BEGINNING BAL.)	8,747,584
DEPOSITS, TRANSFERS & ADJUSTMENTS:	610,099
FUND REQUIREMENTS:	
BILLS FOR CONSIDERATION	<u>(6,065,041) *</u>
	<u>\$ 9,506,121</u>

*Includes Inactive/Closed Projects refund checks paid to Member Agencies, \$3.6MM.

In accordance with Government Code 53646(c), since all funds are placed in the State LAIF, staff has included in the Financial Packet, the most current statement from the State LAIF, in lieu of the report required by Government Code 53646(b)(1).

In accordance with requirements of the Government Code and the "SOCWA Investment Policy",

I hereby certify that:

- 1). All investment actions executed since the last report have been made in full compliance with the Investment Policy.

- 2). SOCWA does not have sufficient funds currently on hand to meet its expenditure obligations for the next six months (see note) due to the fact that SOCWA bills and receives operational funds on a quarterly basis only.

Betty Burnett
General Manager

Note: Operational funds are collected on a quarterly basis at the beginning of the quarter. Capital funds are collected on a quarterly basis in connection with projected needs. Member agencies have pledged to have funds available to meet all obligations.



CALIFORNIA STATE TREASURER FIONA MA, CPA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
06/24/19	2.41	2.44	166
06/25/19	2.40	2.44	167
06/26/19	2.41	2.44	168
06/27/19	2.41	2.44	169
06/28/19	2.40	2.44	174
06/29/19	2.40	2.44	174
06/30/19	2.39	2.44	173
07/01/19	2.40	2.40	180
07/02/19	2.40	2.40	180
07/03/19	2.39	2.40	182
07/04/19	2.39	2.40	182
07/05/19	2.39	2.40	182
07/06/19	2.39	2.40	182
07/07/19	2.39	2.39	182
07/08/19	2.39	2.39	179
07/09/19	2.39	2.39	179
07/10/19	2.39	2.39	178
07/11/19	2.38	2.39	179
07/12/19	2.38	2.39	179
07/13/19	2.38	2.39	179
07/14/19	2.38	2.39	179
07/15/19	2.38	2.39	176
07/16/19	2.38	2.39	178
07/17/19	2.38	2.39	179
07/18/19	2.37	2.39	180
07/19/19	2.37	2.39	179
07/20/19	2.37	2.39	179
07/21/19	2.37	2.39	179
07/22/19	2.37	2.38	179
07/23/19	2.37	2.38	177
07/24/19	2.37	2.38	178

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

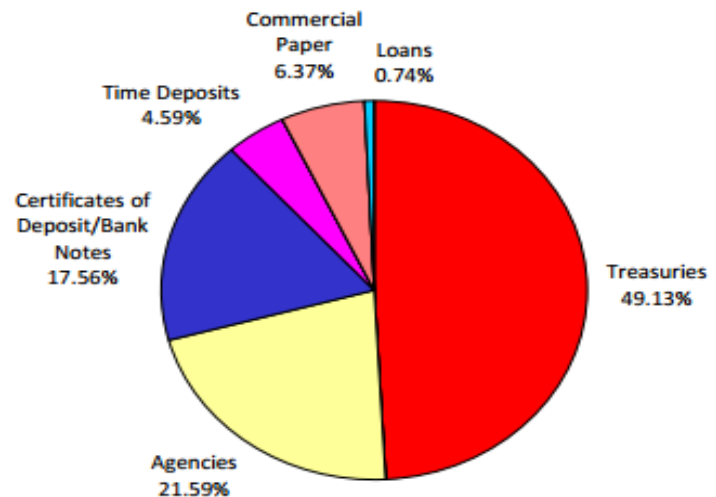
Quarter Ending 06/30/19

Apportionment Rate: 2.57
 Earnings Ratio: .00007028813234525
 Fair Value Factor: 1.001711790
 Daily: 2.39%
 Quarter to Date: 2.44%
 Average Life: 173

PMIA Average Monthly Effective Yields

June 2019 **2.428**
 May 2019 2.449
 Apr 2019 2.445

Pooled Money Investment Account Portfolio Composition 06/30/19 \$105.7 billion



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 07/24/2019

Exhibit C

**South Orange County Wastewater Authority
Schedule of Cash and Investments
as of June 30, 2019**

MVA	\$ 12,696	(A)
A/P Checking	762,521	(B)
Payroll Checking	224,320	(C)
State LAIF	8,506,584	(D)
Total Cash in Bank	\$ 9,506,121	
Petty Cash	1,600	(E)
Total Operating Cash	\$ 9,507,721	
OPEB Trust	5,137,817	(F)
Total Cash and Investments	\$ 14,645,538	

Notes:

- (A) Interest bearing account; all cash receipts are deposited in this account and later moved to the LAIF account.
- (B) Accounts Payable Checks are drawn against this account; money is transferred to this account, as needed, from the LAIF account.
- (C) Payroll including payroll taxes and related liabilities are drawn against this account; money is transferred into this account, as needed, from the LAIF account.
- (D) LAIF balance.
- (E) Cash on hand with GM's office and held by Chief Operators at each Treatment facility.
- (F) OPEB Trust Fund; these funds can only be used for Retiree Health Benefits.

**MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
Finance Committee**

August 20, 2019

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on August 20, 2019, at 10:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
ROBB GRANTHAM	Santa Margarita Water District
RAY MILLER	City of San Juan Capistrano
DENNIS CAFFERTY	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District

Absent:

TONI ISEMAN	City of Laguna Beach
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Staff Present:

BETTY BURNETT	General Manager
MARY CAREY	Finance Controller
BRIAN PECK	Director of Engineering
JASON MANNING	Senior Engineer
KONSTANTIN SHILKOV	Senior Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
DANITA HIRSH	Administrative Assistant

Also Present:

NEELY SHAHBAKTI	El Toro Water District
TREVOR AGRELIUS	Moulton Niguel Water District
GAVIN CURRAN	City of Laguna Beach

1. Call Meeting to Order

Chairperson Erdman called the meeting to order at 10:30 a.m.

2. Pledge of Allegiance – Director Collings

3. Public Comments – None

4. Approval of Minutes

- Finance Committee Meeting Minutes of May 21, 2019

ACTION TAKEN

Motion was made by Director Grantham and seconded by Director Cafferty to approve Finance Committee Minutes for May 21, 2019 as submitted.

Motion carried: Aye 5, Nay 0, Abstained 0, Absent 1
Director Erdman Aye
Director Iseman Absent
Director Miller Aye
Director Grantham Aye
Director Collings Aye
Director Cafferty Aye

5. Cash Reports for the Month June 2019

Ms. Carey reported to the Finance Committee on the Cash Reports for the Month June 2019.

This was an information item; no action was taken.

6. Annual Financial Statements Audit FY2018-19 - Progress

Ms. Carey gave an update to the Finance Committee on the progress status of the Annual Financial Statements Audit for FY2018-19.

This was an information item; no was action taken.

7. SOCWA 457b Plan Update

Ms. Burnett gave an update to the Finance Committee on the progress status of updating SOCWA's existing 457b plan. An open discussion ensued.

This was an information item; no action was taken.

8. Use Audit Flow and Solids Methodology – Annual Update

Ms. Baylor gave an update to the Finance Committee on the application of the Audit Flow and Solids Methodology. An open discussion ensued.

This was an information item; no was action taken.

9. Revised SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement

Ms. Burnett briefed the Finance Committee on the revisions that were recommended for the existing policy after reviewing with SOCWA's legal counsel. An open discussion ensued.

ACTION TAKEN

Motion was made by Director Miller and seconded by Director Grantham to recommend the Board of Directors approve the August 2019 revision to the SOCWA *Policy Establishing Guidelines for Travel and Expense Reimbursement*, and to rescind prior Policy, SOCWA Resolution No. 2011-04 SOCWA *Policy Establishing Guidelines for Travel and Expense Reimbursement*.

Motion carried: Aye 5, Nay 0, Abstained 0, Absent 1
Director Erdman Aye
Director Iseman Absent
Director Miller Aye
Director Grantham Aye
Director Collings Aye
Director Cafferty Aye

10. Adjournment

There being no further business, Chairperson Erdman adjourned the meeting at 11:12 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of August 20, 2019 and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

Betty Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

**MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
Finance Committee**

May 21, 2019

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on May 21, 2019, at 10:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
TONI ISEMAN	City of Laguna Beach
RAY MILLER	City of San Juan Capistrano
DENNIS CAFFERTY	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District

Absent:

ROBB GRANTHAM	Santa Margarita Water District
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Staff Present:

BETTY BURNETT	General Manager
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
BRIAN PECK	Director of Engineering
AMBER BAYLOR	Director of Environmental Compliance
JASON MANNING	Senior Engineer
RONI YOUNG	Associate Engineer
KONSTANTIN SHILKOV	Senior Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
JEANETTE COTINOLA	Procurement & Contracts Administrator
DANITA HIRSH	Administrative Assistant

Also Present:

NEELY SHAHBAKTI	El Toro Water District
TREVOR AGRELIUS	Moulton Niguel Water District
PAMELA ARENDS-KING	South Coast Water District
SOPHIA PHUY	Irvine Ranch Water District

1. Call Meeting to Order

Chairperson Erdman called the meeting to order at 10:32 a.m.

2. Pledge of Allegiance – Director Iseman

3. Public Comments – None

Chairperson Erdman introduced Mr. Paul Bender, Financial Analyst for Santa Margarita Water District, who was filling in for Alternate Director Grantham as a non-voting participant.

4. Approval of Minutes

- a. Finance Committee Meeting Minutes of March 26, 2019
- b. Finance Committee Meeting Minutes of April 23, 2019

ACTION TAKEN

Motion was made by Director Miller and seconded by Director Collings to approve Finance Committee Minutes for March 26, 2018 with the correction of adding "Annual UAL payment of the Unfunded Liability Pension Fund" to paragraph 1 of page 6 of the Finance packet, and approve Minutes for April 23, 2019, as submitted.

Motion carried:	Aye 4, Nay 0, Abstained 1, Absent 1
	Director Erdman Aye
	Director Iseman Abstained
	Director Miller Aye
	Director Grantham Absent
	Director Collings Aye
	Director Cafferty Aye

5. Financial Reports for the Month of April 2019

ACTION TAKEN

Motion was made by Director Miller and seconded by Director Collings to recommend the Board of Directors to ratify April 2019 disbursements for the period from April 1, 2019 through April 30, 2019, totaling \$2,076,414, and to receive and file the April 2019 Financial Reports as submitted.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Aye
	Director Miller Aye
	Director Grantham Absent
	Director Collings Aye
	Director Cafferty Aye

6. Review Draft Budget FY2019-20

Ms. Burnett refreshed the Committee members on prior budget meeting discussions and stated that the presentation slides were related only to some minor revisions that was previously requested. An open discussion ensued.

ACTION TAKEN

Motion was made by Director Erdman and seconded by Director Cafferty to proceed with forwarding the Finance Committees comments and recommendations to the Board of Directors for consideration of the FY2019-20 Budget at the Budget Workshop on May 23, 2019.

Motion carried:	Aye 5, Nay 0, Abstained 0, Absent 1
	Director Erdman Aye
	Director Iseman Aye
	Director Miller Aye
	Director Grantham Absent
	Director Collings Aye
	Director Cafferty Aye

The Finance Committee recessed at 11:52 a.m.
Director Iseman exited the meeting at 11:52 a.m.
The Finance Committee reconvened at 12:00 p.m.

7. Agenda Preparation Software / Audio Visual Hardware

Ms. Burnett briefed the Committee on the need to automate the preparation of agenda packets, creating and keeping accurate meeting records and minutes efficiently. Ms. Burnett introduced Chris Cardenas of SOCTV and stated he had assisted staff with determining a solution for selecting the software and hardware for better sound enhancement that was proposed. An open discussion ensued.

Mr. Cardenas provided the Committee with expert knowledge of his experience on the benefit of streamlining the automation of agenda preparation software and meeting management hardware for the means to produce Minutes promptly as well as an additional tool for increasing transparency. An open discussion ensued.

Director Collings stated there were Policy level questions that drive the meeting that had not yet happened. He stated that he understood the need to improve the system, but he questioned at what level of improvement was necessary to support what the Board is looking for. He also stated he was not comfortable supporting the item but was comfortable with the Board level discussion on what the needs are for the organization before deciding what to buy.

Director Cafferty stated that he agreed that the Board discussion was needed regarding the needs of the organization. He also requested when forwarding to the Board that the cost components are broken down to specify the audio, video, and any other components and how they function with the agendas.

Chairperson Erdman stated to include information on future enhancements as it relates to improving the sound issues within the meeting room. He specified that the costs could add up should the Board decided to go forward with the improvements.

ACTION TAKEN

Motion was made by Director Miller and seconded by Director Erdman to proceed with forwarding the Finance Committees comments to the Board of Directors for discussion and consideration.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 2
	Director Erdman Aye
	Director Iseman Absent
	Director Miller Aye
	Director Grantham Absent
	Director Collings Aye
	Director Cafferty Aye

8. Investment Policy for Public Funds Annual Review

Ms. Burnett reported there was a requirement called for the General Manager and Counsel to review the Investment Policy on an annual basis. She stated that she checked with Greg Moser, SOCWA's General Counsel, regarding whether there had been any statutory or regulatory changes, and he had confirmed the policy can remain as it had been written. An open discussion ensued.

ACTION TAKEN

Motion was made by Director Collings and seconded by Director Cafferty to recommend to the Board of Directors to receive and file subject report indicating there were no changes to the SOCWA Investment Policy based on the annual review.

Motion carried:	Aye 4, Nay 0, Abstained 0, Absent 2
	Director Erdman Aye
	Director Iseman Absent
	Director Miller Aye
	Director Grantham Absent
	Director Collings Aye
	Director Cafferty Aye

9. Large Capital Cash Roll Forward as of March 31, 2019 (Q3) and Large Capital Refund of Inactive Projects Cash as of March 31, 2019 (Q3)

Ms. Carey presented the Cash Roll Forward Reconciliation for the fiscal year end of 2016, 2017 and 2018 as of March 31, 2019 (Q3). An open discussion ensued.

Staffed received comments and corrections from the Committee and will make the necessary changes before submitting to the Board at the Budget Workshop on May 23, 2019.

This was an information item; no action was taken.

10. Adjournment

There being no further business, Chairperson Erdman adjourned the meeting at 1:46 p.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of May 21, 2019 and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

Betty Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

**MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
Finance Committee**

April 9, 2019

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee Meeting was held on April 9, 2019, at 10:30 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Finance Committee were present:

DENNIS ERDMAN	South Coast Water District
ROBB GRANTHAM	Santa Margarita Water District
RAY MILLER	City of San Juan Capistrano
KATHRYN FRESHLEY	El Toro Water District
MATT COLLINGS	Moulton Niguel Water District

Absent:

TONI ISEMAN	City of Laguna Beach
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Staff Present:

BETTY BURNETT	General Manager
MARY CAREY	Finance Controller
JIM BURROR	Director of Operations
RONI YOUNG	Associate Engineer
KONSTANTIN SHILKOV	Senior Accountant
NADYN KIM	Accountant
ANNA SUTHERLAND	Accounts Payable
DINA ASH	HR Administrator
DANITA HIRSH	Administrative Assistant

Also Present:

GREG MOSER	Procopio Law Firm
JULIO MORALES	UFI Financial Solutions
DENNIS CAFFERTY	El Toro Water District
NEELY SHAHBAKTI	El Toro Water District
STEVE GREYSHOCK	Greycomm, LLC
SHEETAL GHANDI	Greycomm, LLC
TREVOR AGRELIUS	Moulton Niguel Water District
PAMELA ARENDS-KING	South Coast Water District

1. Call Meeting to Order

Chairperson Erdman called the meeting to order at 10:30 a.m.

2. Pledge of Allegiance – Mr. Jim Burror

3. Public Comments – None

4. FY 2019/20 O&M Budget

Ms. Burnett presented the proposed O&M Budget to the Finance Committee. The presentation addressed the General Budget Assumptions, staffing plan, legal costs projections, and General Fund options. An open discussion ensued.

Mr. Burror reported on the O&M FY2018/19 key developments, cost challenges, and accomplishments. An open discussion ensued.

Director Erdman stated the data chart shown on the FY 2019-20 Major Cost Drivers slide (page 13 of the Finance packet), showed what a great job the agency has done in terms of functioning within the parameters set by the Board. He also stated, there was room for growth, such as improving the Capital Project management.

Director Grantham requested the numbers for the Outfall to be re-evaluated. He stated that the \$108 thousand increase for the Outfall was very sizeable (as shown on corrected sheets for PC5) and that he would like to see the detail supporting the cost. An open discussion ensued.

The Finance Committee recessed at 11:40 a.m.
The Finance Committee reconvened at 11:40 a.m.

Ms. Burnett thanked Moulton Niguel Water District for providing comments from the March 26 Finance Committee Budget Review meeting and stated she welcomed other members comments prior to the next meeting on May 21. Any questions and or comments that were raised at the March 26 meeting were updated in the current meeting packet.

Chairperson Erdman requested that the comments from Moulton Niguel be included in the next agenda packet.

This was an Information item; no action was required.

5. Pension & OPEB Funding Opportunities

Ms. Burnett introduced Mr. Julio Morales of UFI, Financial Solutions. Mr. Morales gave a presentation to the Finance Committee addressing impacts and opportunities on pension and OPEB Funding opportunities.

This was an Information item; no action was required.

6. Policy for Funding of Capital Work

Chairperson Erdman requested that due to time restraints that agenda item be carried forward to the next meeting. He stated that Director Freshley had questions on the topic and directed Ms. Burnett to address with Director Freshley one-on-one.

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7. Adjournment

There being no further business, Chairperson Erdman adjourned the meeting at 12:45 p.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Finance Committee of April 9, 2019 and approved by the Finance Committee and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

Betty Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Agenda Item

Meeting Date: September 5, 2019

TO: Board of Directors
FROM: Betty Burnett, General Manager
STAFF CONTACT: Jim Burror, Director of Operations
SUBJECT: July 2019 Operations Report

Summary/Discussion

The following selected operational reports are provided monthly to the Board of Directors. The operational reports included are as follows:

1) Monthly Operational Report

An eight (8) page overview and comparison of owner use of facilities, including influent and recycled water production. The pages include ongoing calculation used by SOCWA for billing the agencies. Other items include important statistics for regulatory compliance, visits by the public to the treatment works, and other vendor interactions. The information is broken down by facility and by member agency.

2) SOCWA Ocean Outfall Discharges by Agency

This data shows how much water is being discharged to the ocean each month and for the last 12 months. This data is presented for the agencies planning reuse projects to better understand the potential to expand water reuse in their service area.

3) Beach Ocean Monitoring Report

4) Recycled Water Report

5) Pretreatment Report

Fiscal impact

No change.

Recommendation

Receive and file the Operational Reports.

Monthly Operational Report

SOCWA Operational Report July, 2019

Excursion, Complaint, and Violation Events

Events	CTP	RTP	JBL	Totals
Odor	0	0	0	0
Noise	0	0	0	0
Spills	0	0	0	0
Violations	0	0	0	0
Others	0	0	0	0

Plant Wastewater Billing Characteristics

Key Parameters	CTP	RTP	JBL TP1	JBL TP2	Totals
Influent (mgd) (1)	2.68	7.08	5.29	0.93	15.98
Effluent (mgd)	1.93	0.81	5.29	2.07	10.09
Peak Flow (mgd)	7.13	16.48	11.17	5.89	40.67
Influent BOD (mg/l)	349	225	229	250	
Influent TSS (mg/l)	485	342	539	478	
Effluent BOD (mg/l)	4.6	4.1	5.8	3.4	
Effluent TSS (mg/l)	10.2	4.8	8.2	5.8	
Effluent Turbidity (NTU)	3.2	2.0	2.9	2.5	

(1) CTP Influent value does not include AWT backwash in this table.

Recycled Water (AWT) Operations

Key Parameters	CTP	RTP	JBL	Totals
Average Flow (mgd)	1.37	6.28		7.65
Days of Operation (days)	31	31		
Total Flow (million gallons)	42.4	194.6		237.0
Plant Irrigation (million gallons)	0.00	0.00	0.35	
AWT Time Online (%)	98.1	100.0		

Wastewater Unit Definitions

mgd = million gallons per day

mg/l = milligram per liter also known as parts per million

NTU = Nephelometric Turbidity Units

SOCWA Operational Report July, 2019 (cont'd)

Biosolids Management

Biosolids Management Site	CTP	RTP	JBL	Totals
Synagro Compost (tons)		789.3	0.0	789.3
Nursery Products (tons)		282.0	711.0	993.0
Prima Deshecha (tons)		181.3	185.3	366.6
Other: (tons)		0.0	0.0	0.0
Total Processed (tons)		1,252.6	896.3	2,148.9

Summary of Maintenance Activities

Task Type	CTP	RTP	JBL	Totals
Preventative Maintenance	358	717	194	1,269
Corrective Maintenance	28	203	144	375

Site Visitors

Visitor Types	CTP	RTP	JBL	Totals
Regulatory	0	1	0	1
Member Agency	0	1	2	3
Residents	0	0	0	0
Others	18	0	63	81
Tours #/Visitors	0	26	3	29

Grit Disposal Management

Grit & Screenings	CTP	RTP	JBL	Totals
Simi Valley Landfill (tons)	12.0	14.0	NA	26.0

Chemical and Energy Utilization

Chemical/Utility	CTP	RTP	JBL	Totals
Ferric Chloride (tons)	7.6	NA	NA	7.6
Utility Power Purchase (kWh)	196,870	24,623	222,921	444,414
Cogen Power (kWh)		586,670	446,417	1,033,087
Natural Gas (Dth)	NA	159	129	288
Digester Gas to Engine (scfm)		8,075,056	7,512,918	15,587,974
Digester Gas to Boiler (scfm)		0		0
Digester Gas to Flares (scfm)		705,201	541,277	1,246,478
Digester Gas Power Savings		\$70,005		

(1) The bills to calculate these values are received after this report is prepared for the Board meeting, but will be available upon request at the Board meeting.

NA = Not Available at the time this report was generated.

Wastewater Unit Definitions

kWh = kilowatt hours

Dth = Dekatherms

scfm = standard cubic feet per minute

SOCWA Operational Report July, 2019 (cont'd)

Agency Wastewater Flows to SOCWA by Facility (Including Internal Waste Streams Used for Billing)

Agency	CTP (mgd)	CTP (%)	RTP (mgd)	JBL (mgd)	JBL (%)	Total (mgd)
CLB	1.800	62.93%				1.80
EBSD	0.053	1.86%				0.05
SCWD	1.007	35.21%		1.653	26.59%	2.66
MNWD	0.000	0.00%	7.08	1.400	22.52%	8.48
CSJC				2.142	34.45%	2.14
SMWD				1.022	16.44%	1.02
Total	2.861	100.00%	7.08	6.218	100.00%	16.16

Total Agency Outfall Flows by Outfall System-Billing Flows

Agency	SJCOO (mgd)	SJCOO (%)	SJCOO Meter (mgd)	ACOO (mgd)	ACOO (%)	Total (mgd)	Notes
CLB				1.80	32.72%	1.80	
EBSD				0.05	0.97%	0.05	
SCWD	1.84	18.62%		-0.03	-0.50%	1.81	Includes Desalters
MNWD	1.98	20.06%		0.81	14.65%	2.79	
ETWD				1.56	28.31%	1.56	Direct Outfall Only
CSJC	2.60	26.29%				2.60	Includes Desalter
SMWD	1.29	13.08%				1.29	Includes Chiquita
CSC	2.17	21.95%				2.17	Direct Outfall Only
IRWD				1.31	23.87%	1.31	Direct Outfall Only
Total	9.89	100.00%	13.92	5.50	100.00%	15.40	

SOCWA Operational Report July, 2019 (cont'd)

FY Flow/Solids Summary-Billing

Project Committee No. 2 Liquids (JBL)

Agency	Own (mgd)	Own (%)	Budget (mgd)	Budget (%)	Month (mgd)(1)	Month (%)	FY Avg to Date (mgd)	FY Avg to Date (%)
CSJC	4.00	30.77%	2.12	31.98%	2.142	34.45%	2.14	34.45%
MNWD	3.00	23.08%	1.40	21.12%	1.400	22.52%	1.40	22.52%
SCWD	3.75	28.85%	1.70	25.64%	1.653	26.59%	1.65	26.59%
SMWD	2.25	17.31%	1.41	21.27%	1.022	16.44%	1.02	16.44%
Total	13.00	100.00%	6.63	100.00%	6.218	100.00%	6.22	100.00%

Project Committee No. 2 Solids (JBL)

Agency	Own (lbs/d)	Own (%)	Budget (lbs/d)	Budget (%)	Month (lbs/d)	Month (%)	36 Month Rol. Avg. (lbs/d) (2)	36 Month Rol. Avg. (%)
CSJC	11,572	30.00%	5,767	24.54%	6,216	30.04%	5,883	28.66%
MNWD	8,340	21.62%	4,396	18.70%	4,864	23.50%	5,549	27.03%
SCWD	7,715	20.00%	5,391	22.94%	6,063	29.30%	5,163	25.15%
SMWD	10,946	28.38%	7,949	33.82%	3,552	17.16%	3,933	19.16%
Total	38,573	100.00%	23,503	100.00%	20,695	100.00%	20,528	100.00%

Project Committee No. 5 - Effluent Pumping Station (SJCOO EPS)

Agency	Own (%)	Variable Budget (mgd)	Variable Budget (%)	Month Outfall Flow (mgd)	Month Outfall Flow (%)	Month EPS Outfall Flow (mgd)	Month EPS Outfall Flow (%)
CSC	16.62%	2.531	21.57%	2.17	21.95%		
CSJC	11.08%	2.348	20.01%	2.60	26.29%	2.14	34.45%
MNWD(3)	15.51%	2.013	17.16%	1.98	20.06%	1.40	22.52%
SCWD	12.47%	1.740	14.83%	1.84	18.62%	1.65	26.59%
SMWD	44.32%	3.101	26.43%	1.29	13.08%	1.02	16.44%
Total	100.00%	11.733	3.10%	9.89	100.00%	6.22	100.00%

(1) Influent billing meter summary:

- CSJC is metered daily in the collection system. The area-velocity meter has an accuracy of +/- 20%.
- MNWD is assumed to be 1.4 mgd unless Treatment Plant 3A is discharging to the sewer. If other discharges occur, they are estimated.
- SCWD flows are the summation of the DPSD and Victoria PS meters. The two metering systems have an accuracy of +/- 10%.
- The Oso Trabuco sewer is metered daily in the collection system. The flows from MNWD are subtracted from the metering data collected to determine SMWD's flows. The metering system in the collection system has an accuracy of +/- 20%.

(2) The 36-month average is the average of the past 36 months. The Use Audit is based on the last 3 Fiscal Years versus the average of the past 36 months.

(3) All monthly flow data for 3A is reported as part of MNWD's flow to the ocean outfall.

SOCWA Operational Report July, 2019 (cont'd)

FY Flow/Solids Summary-Billing (cont'd)

Project Committee No. 5 - Outfall (SJCOO)

Agency	FY Avg Outfall Flow (mgd)	FY Avg Outfall Flow (%)	FY Avg EPS Outfall Flow (mgd)	FY Avg EPS Outfall Flow (%)
CSC	2.172	21.95%		
CSJC	2.601	26.29%	2.14	34.45%
MNWD	1.984	20.06%	1.40	22.52%
SCWD	1.842	18.62%	1.65	26.59%
SMWD	1.294	13.08%	1.02	16.44%
Total	9.894	100.00%	6.22	100.00%

Project Committee No. 15 (CTP)

Agency	Own (mgd)	Own (%)	Budget (mgd)	Budget (%)	Month (mgd)	Month (%)	FY Avg to Date (mgd)	FY Avg to Date (%)
CLB	2.54	37.91%	1.770	59.00%	1.800	62.93%	1.800	62.93%
EBSD	0.20	2.99%	0.050	1.67%	0.053	1.86%	0.053	1.86%
SCWD	2.00	29.85%	1.180	39.33%	1.007	35.21%	1.007	35.21%
MNWD	1.96	29.25%	0.000	0.00%	0.000	0.00%	0.000	0.00%
Total	6.70	100.00%	3.000	100.00%	2.861	100.00%	2.861	100.00%

Project Committee No. 17 Liquids (RTP)

Agency	Budget Liquids (mgd)	Budget Liquids (%)	Month Plant Influent (mgd)	Month Centrate (mgd)	Month Total (mgd)(1)	Month Total (%)	FY Avg to Date (mgd)	FY Avg to Date (%)
CLB	0.01220	0.157%	0.0000	0.0137	0.0137	0.19%	0.0137	0.19%
EBSD	0.00040	0.005%	0.0000	0.0004	0.0004	0.01%	0.0004	0.01%
SCWD	0.00810	0.104%	0.0000	0.0077	0.0077	0.11%	0.0077	0.11%
ETWD	0.01410	0.181%	0.0000	0.0150	0.0150	0.21%	0.0150	0.21%
MNWD	7.75000	99.553%	7.0826	0.0560	7.1386	99.49%	7.1386	99.49%
Total	7.78480	100.000%	7.0826	0.0928	7.1754	100.00%	7.1754	100.00%

(1) Month total does not double count MNWD centrate. It is included in the Monthly Plant Influent too.

SOCWA Operational Report July, 2019 (cont'd)

FY Flow/Solids Summary (cont'd)

Project Committee No. 17 Solids (RTP)

Agency	Own (lbs/d)	Own (%)	Budget (lbs/d)	Budget (%)	Total Month (lbs)	Total Month (%)	FY Avg Total to Date (lbs)	FY Avg Total to Date (%)
CLB	5,605	11.22%	5,133	12.48%	164,130	14.78%	164,130	14.78%
EBSD	295	0.59%	158	0.38%	4,841	0.44%	4,841	0.44%
SCWD	4,480	8.96%	3,546	8.62%	91,824	8.27%	91,824	8.27%
ETWD	10,200	20.41%	5,755	13.99%	179,586	16.17%	179,586	16.17%
MNWD	29,395	58.82%	26,532	64.52%	670,142	60.34%	670,142	60.34%
Total	49,975	100.00%	41,124	100.00%	1,110,524	100.00%	1,110,524	100.00%

Project Committee No. 24 (ACOO)

Agency	Own (%)	Budget (mgd)	Budget (%)	Month Outfall Flow (mgd)	Month Outfall Flow (%)	FY Avg Outfall Flow (mgd)	FY Avg Outfall Flow (%)
CLB	11.000%	1.89	17.73%	1.800	32.72%	1.800	32.72%
EBSD	0.780%	0.05	0.47%	0.053	0.97%	0.053	0.97%
ETWD	16.302%	2.46	23.08%	1.557	28.31%	1.557	28.31%
IRWD	15.760%	2.48	23.26%	1.313	23.87%	1.313	23.87%
MNWD	43.848%	3.08	28.89%	0.806	14.65%	0.806	14.65%
SCWD	12.310%	0.70	6.57%	-0.028	-0.50%	-0.028	-0.50%
Total	100.000%	10.66	100.00%	5.502	0.00%	5.502	100.00%

SOCWA Operational Report July, 2019 (cont'd)

Select Critical Equipment Repairs

JBL - PC2

Inspected and removed the rust in Aerzen Blower Intake Filter Housing.
Installed shade tents over the Gas Skid.
Replaced Suction Reducer and Check Valve on Grit Pump #4.
Decommissioned Boiler #2 ahead of the Package B Construction Project to remove it.
Replaced failed Scrubber #2 Recirculation Pump.
Removed Process Water Strainer #1 to diagnose problems and ordered replacement parts.
Installed new sound wall for Process Water Pumps.
Replaced crushed A/C condensation line in the Administration Building.
Repaired broken Secondary #10 Baffles A and B.
Replaced sampler line at the San Juan Creek Outfall Sample Station.
Replaced failed Drive Chain on Primary Tank #1 Skimmer.
Serviced and aligned Foul Air Fans #1 and #2.
Relocated the Operations Laboratory to Building #35 ahead of the Package B Construction Project to demolish the old Laboratory Building.
Rebuilt wet-end of failing Odor Scrubber #1 Bleach Pump.
Laser aligned Digester Recirculation Pump #1 and #2.

CTP - PC15

Repaired broken Potable Water pipe near the Maintenance Shop.
Assisted SCWD Contractor performing repairs on the broken Ferric Chloride pipe.
Troubleshoot and repaired the solar-powered Entrance Gate.
Replaced the worn coalescing filters on the Plant Air Compressor.
Adjusted Primary West Tank #1 Flights and replaced the corroded greasing line.
Inspected the Aeration Air Diffusers to order parts for an upcoming repair project.
Replaced failed South Ferric Chloride Pump diaphragm.
Tested and adjusted the North Ferric Chloride Pump and restocked shelves for parts used.
Refabricated a new drain line to relocate the drain valve outside the chemical containment area for safety reasons.
Realigned the new DPS Fixed Pump Discharge Line to minimize Plant washout.
Started a project to replace failing handrail in the AWT area.

RTP - PC17

Replaced the failed Filtered Water Sample Pump Line.
Installed second shade over Siloxane area.
Assisted in realigning the Plant entrance to allow larger trucks to enter without damaging adjacent property.
Fabricated a new discharge spool for Grit Pump #2 to level out piping, before repiping the Grit pipe went through a wall and up a stairway.
Fabricated new welder table.
Cleaned Digester 3 flame arrestor, cleaned piping and replaced Gas Meter Isolation Valves.
Started layout and planning for new AWT pump shade structure to help minimize bleach off-gassing.

Items with a (*) have been identified as preventable repairs.

SOCWA Operational Report July, 2019 (cont'd)

Select Critical Equipment Repairs (cont'd)

RTP - PC17 (Cont'd)

Repaired leaking flange on East RAS Bleach Pump.

Replaced various faded safety signs at the Plant.

Replaced failed Grit Pump #5 Wye.

ELECTRICAL - ALL PC'S

Worked on upgrading the PLC's at JBL Headworks.

Installed new surveillance cameras at JBL.

Worked on upgrading and standardizing SCADA screens.

Replaced the 1985-era Smartwire for Solids Controls Communication Equipment at RTP with Fiber.

Troubleshoot failed communications at JBL's Diversion Structure.

Troubleshoot SCADA Application errors.

Installed ultrasonic level sensors at RTP Headworks to replace the failing bubbler system.

Replaced failed gas meters on RTP Engine.

Replaced failed gas meters on RTP Gas Skid.

Installed a new Autoclave in the RTP Lab.

Performed the annual flow meter calibrations for JBL, CTP, RTP, and the other AMWA outfall users.

Repaired Entry Gate control circuits at RTP.

Replaced and upgraded lighting with LED in the CTP Headworks Basement.

Replaced the Hot Water Pump #1 Contactor at RTP.

Replaced the RTP Digester Building Exhaust Fan.

Replaced the CTP RAS Gallery Exhaust Fan motor.

Troubleshoot the JBL Vapex monitoring equipment.

Performed the Annual Thermal Breaker Inspections at RTP, CTP, and JBL.

Troubleshoot the MCC F using a load test after the main breaker tripped.

Conducted the 2,000 hour Co-gen Engine service at JBL.

Upgraded the Oil Tank System at JBL.

Continued to troubleshoot the RTP Engine NOX Control System high values.

Items with a (*) have been identified as preventable repairs.

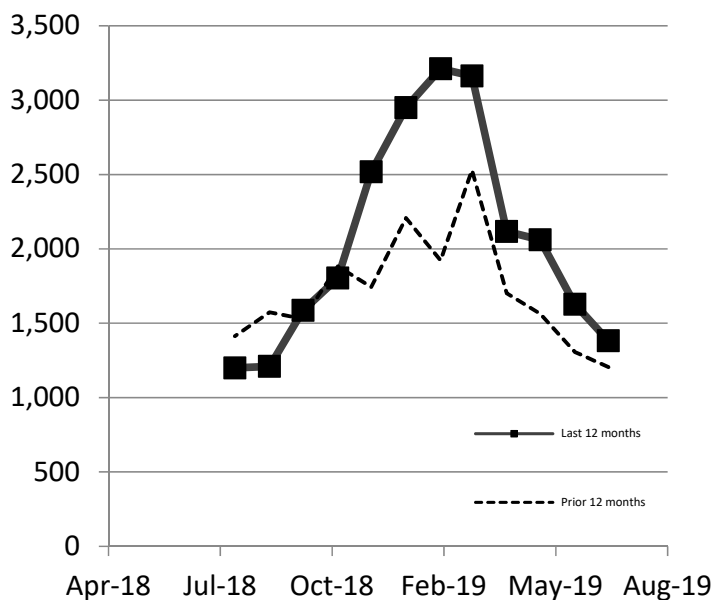
SOCWA Ocean Outfall Discharges by Agency

SOCWA Outfall Discharge Report July, 2019

Agency	SJCOO (mgd)	SJCOO (%)	ACOO (mgd)	ACOO (%)	Total (mgd)
CLB			1.80	32.72%	1.80
EBSD			0.05	0.97%	0.05
SCWD	1.84	18.62%	-0.03	-0.50%	1.81
MNWD	1.98	20.06%	0.81	14.65%	2.79
ETWD			1.56	28.31%	1.56
CSJC					2.60
SMWD	1.29	13.08%			1.29
CSC	2.17	21.95%			2.17
IRWD			1.31	23.87%	1.31
Total			9.89	100.00%	5.50
	or Acre-Feet per year equivalent				17,243

12-Month Running Total Discharge to Ocean Outfalls (AF)

Jul-19	1,382
Jun-19	1,628
May-19	2,061
Apr-19	2,117
Mar-19	3,163
Feb-19	3,211
Jan-19	2,950
Dec-18	2,518
Nov-18	1,804
Oct-18	1,587
Sep-18	1,210
Aug-18	1,200
Total	24,832



Beach / Ocean Monitoring Report

ALISO CREEK OCEAN OUTFALL MONITORING REPORT

July 2019

DATE	IRWD				EL TORO WRP				REGIONAL PLANT				SOCWA				SOCWA				IRWD		SCWD		ACOO		Rain Fall inches
	FLOW	MGD	TSS	cBOD	SS	mg/L	TSS	cBOD	SS	mg/L	TSS	cBOD	SS	mg/L	FLOW	MGD	TSS	cBOD	SS	IDP	SGU	FLOW	MGD	FLOW	MGD	FLOW	
07/01/19	No Flow	1.983	9.6	6.5	<0.1	1.030	5.6	7.0	0.1	1.934	14.0	8.0	0.5	0.5	1.934	14.0	8.0	0.5	0.756	0.595	0.098	0.098	6.396	6.396	ACOO FLOW	MGD	0.03
07/02/19	No Flow	1.638	13.8	6.9	0.1	0.59	6.3	8.0	0.1	1.780	7.9	6.0	<0.1	<0.1	1.780	7.9	6.0	<0.1	0.756	0.596	0.093	0.093	5.453	5.453	ACOO FLOW	MGD	
07/03/19	No Flow	1.469	8.4	4.9	0.1	0.630	4.5	4.0	0.1	1.812	14.3	6.0	<0.1	<0.1	1.812	14.3	6.0	<0.1	0.757	0.596	0.135	0.135	5.399	5.399	ACOO FLOW	MGD	
07/04/19	No Flow	1.636	6.4	3.4	<0.1	0.620	4.6	4.0	<0.1	1.599	27.5	6.0	0.2	0.2	1.599	27.5	6.0	0.2	0.757	0.594	0.103	0.103	5.309	5.309	ACOO FLOW	MGD	
07/05/19	No Flow	1.362	6.6	4.7	<0.1	0.570	4.9	5.0	0.1	2.303	17.7	8.0	0.2	0.2	2.303	17.7	8.0	0.2	0.758	0.589	0.077	0.077	5.659	5.659	ACOO FLOW	MGD	
07/06/19	No Flow	1.252	5.8		<0.1	0.550				2.187					2.187				0.758	0.599	0.101	0.101	5.447	5.447	ACOO FLOW	MGD	
07/07/19	No Flow	1.527	7.0		<0.1	0.580	8.5	5.0	<0.1	2.065	22.4	9.0			2.065	22.4	9.0		0.757	0.602	0.078	0.078	5.609	5.609	ACOO FLOW	MGD	
07/08/19	No Flow	1.941	7.6	6.1	<0.1	1.740	7.2	4.0	<0.1	2.158	8.5	4.0	0.1	0.1	2.158	8.5	4.0	0.1	0.758	0.601	0.120	0.120	7.318	7.318	ACOO FLOW	MGD	
07/09/19	No Flow	1.927	7.6	5.6	<0.1	0.620	4.3	4.0	0.1	1.621	13.5	8.0	0.1	0.1	1.621	13.5	8.0	0.1	0.758	0.609	0.094	0.094	5.629	5.629	ACOO FLOW	MGD	
07/10/19	No Flow	1.391	8.6	5.9	<0.1	0.530	3.7	6.0	0.1	1.703	4.2	2.0	<0.1	<0.1	1.703	4.2	2.0	<0.1	0.758	0.613	0.086	0.086	5.081	5.081	ACOO FLOW	MGD	
07/11/19	No Flow	1.636	8.8	4.9	<0.1	0.520	4.7	4.0	0.1	1.558	1.7	<2.0	0.1	0.1	1.558	1.7	<2.0	0.1	0.723	0.616	0.136	0.136	5.189	5.189	ACOO FLOW	MGD	
07/12/19	No Flow	1.482	8.8	5.2	<0.1	0.510	3.8	4.0	0.1	1.686	10.5	6.0	0.2	0.2	1.686	10.5	6.0	0.2	0.758	0.626	0.090	0.090	5.152	5.152	ACOO FLOW	MGD	
07/13/19	No Flow	1.316	10.4		0.1	0.510				1.524					1.524				0.758	0.621	0.108	0.108	4.837	4.837	ACOO FLOW	MGD	
07/14/19	No Flow	1.490	9.6		0.1	1.930	6.0	4.0	<0.1	1.996	21.7	7.0			1.996	21.7	7.0		0.757	0.602	0.094	0.094	6.869	6.869	ACOO FLOW	MGD	
07/15/19	No Flow	2.230	9.6	6.9	0.1	2.510	5.5	3.0	<0.1	2.017	6.2	4.0	0.3	0.3	2.017	6.2	4.0	0.3	0.758	0.599	0.073	0.073	8.187	8.187	ACOO FLOW	MGD	
07/16/19	No Flow	1.644	12.2	7.0	0.2	0.690	5.4	4.0	0.1	1.835	6.8	3.0	0.1	0.1	1.835	6.8	3.0	0.1	0.758	0.597	0.115	0.115	5.639	5.639	ACOO FLOW	MGD	
07/17/19	No Flow	2.043	10.8	6.4	<0.1	0.540	3.1	6.0	0.1	1.597	9.7	4.0	<0.1	<0.1	1.597	9.7	4.0	<0.1	0.757	0.596	0.108	0.108	5.641	5.641	ACOO FLOW	MGD	
07/18/19	No Flow	1.472	13.4	6.7	0.1	0.540	4.1	3.0	0.1	2.048	4.7	4.0	0.2	0.2	2.048	4.7	4.0	0.2	0.718	0.594	0.127	0.127	5.499	5.499	ACOO FLOW	MGD	
07/19/19	No Flow	0.926	13.2	6.9	0.1	0.540	3.3	5.0	0.1	2.129	3.3	2.0	0.1	0.1	2.129	3.3	2.0	0.1	0.711	0.592	0.091	0.091	4.989	4.989	ACOO FLOW	MGD	
07/20/19	No Flow	1.733	5.8		0.1	0.470				1.871					1.871				0.757	0.593	0.079	0.079	5.503	5.503	ACOO FLOW	MGD	
07/21/19	No Flow	1.434	7.2		0.1	0.600	4.8	7.0	<0.1	1.458	1.1	2.0			1.458	1.1	2.0		0.757	0.590	0.085	0.085	4.924	4.924	ACOO FLOW	MGD	
07/22/19	No Flow	1.578	7.8	4.0	<0.1	2.610	6.1	2.0	<0.1	1.837	6.3	2.0	<0.1	<0.1	1.837	6.3	2.0	<0.1	0.755	0.590	0.103	0.103	7.473	7.473	ACOO FLOW	MGD	
07/23/19	No Flow	1.668	6.8	4.2	<0.1	0.710	3.2	2.0	0.1	2.043	3.6	2.0	0.2	0.2	2.043	3.6	2.0	0.2	0.756	0.604	0.119	0.119	5.900	5.900	ACOO FLOW	MGD	
07/24/19	No Flow	1.413	8.4	4.8	0.1	0.440	5.2	3.0	<0.1	1.736	4.1	<2.0	<0.1	<0.1	1.736	4.1	<2.0	<0.1	0.757	0.603	0.095	0.095	5.044	5.044	ACOO FLOW	MGD	
07/25/19	No Flow	1.383	8.0	5.0	<0.1	0.460	3.5	2.0	0.1	1.517	13.0	5.0	0.2	0.2	1.517	13.0	5.0	0.2	0.711	0.596	0.094	0.094	4.761	4.761	ACOO FLOW	MGD	
07/26/19	No Flow	1.012	10.0	5.8	<0.1	0.480	2.9	5.0	0.2	1.688	6.6	4.0	0.2	0.2	1.688	6.6	4.0	0.2	0.702	0.596	0.108	0.108	4.586	4.586	ACOO FLOW	MGD	
07/27/19	No Flow	1.681	11.0		0.1	0.490				1.784					1.784				0.757	0.596	0.100	0.100	5.408	5.408	ACOO FLOW	MGD	
07/28/19	No Flow	1.652	11.6		<0.1	0.520	6.4	4.0	<0.1	1.955	10.8	6.0			1.955	10.8	6.0		0.757	0.451	0.086	0.086	5.421	5.421	ACOO FLOW	MGD	
07/29/19	No Flow	1.585	10.4	5.6	0.1	1.350	3.7	2.0	<0.1	1.941	11.5	4.0	<0.1	<0.1	1.941	11.5	4.0	<0.1	0.757	0.288	0.094	0.094	6.015	6.015	ACOO FLOW	MGD	
07/30/19	No Flow	1.675	11.0	6.4	0.2	0.570	4.5	3.0	0.1	1.580	12.0	5.0	<0.1	<0.1	1.580	12.0	5.0	<0.1	0.757	0.062	0.105	0.105	4.749	4.749	ACOO FLOW	MGD	
07/31/19	No Flow	1.102	9.6	4.9	0.1	0.530	3.1	2.0	0.1	1.635	11.3	3.0	0.1	0.1	1.635	11.3	3.0	0.1	0.756	0.453	0.115	0.115	4.591	4.591	ACOO FLOW	MGD	
AVG	No Flow	1.557	9.2	5.6	<0.1	0.806	4.8	4.1	<0.1	1.826	10.2	4.6	<0.2	<0.2	1.826	10.2	4.6	<0.2	0.750	0.563	0.100	0.100	5.602	5.602	ACOO FLOW	MGD	0.03
TOTAL	No Flow	48.28				24.98				56.60					56.60				23.25	17.46	3.110	3.110	173.68	173.68	ACOO FLOW	MGD	0.03

Unified Beach Monitoring

#1

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: July 2019
 REPORT DUE: September 1 2019
 SAMPLE SOURCE: Surf zone
 TYPE OF SAMPLE: Grab

REPORT FREQUENCY: Monthly
 EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan
 SAMPLES COLLECTED BY: SOCWA Lab
 SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 925

Weather: Clear

COMMENTS:

STA#	DATE	TIME	Total		Fecal Coliform CFU/100ml	SM9222B	Coliform CFU/100ml	Enterococcus CFU/100ml	Material of Sewage					Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			Coliform						EPA 1600	Onshore	Offshore									
			CFU/100ml	SM9222D																
S3	07/01/19	755	<10	<10	<2	None	None	None	None	None	None	None	Green	63	Clear	Flowing				
S4	07/01/19	1030	<10	<10	<2	None	None	None	None	None	None	Green		Clear						
S5	07/01/19	1015	<10	<10	<2	None	None	None	None	None	None	Green		Clear						
S6	07/01/19	1000	<10	<10	10	None	None	None	None	None	None	Green		Clear						
WEST	07/01/19	955	20	10	2	None	None	None	None	None	None	Green		Clear						
S7	07/01/19	950	<10	<10	<2	None	None	None	None	None	None	Green		Clear						
S8	07/01/19	940	10	<10	<2	None	None	None	None	None	None	Blue		Clear						
S9	07/01/19	915	30	<10	6	None	None	None	None	None	None	Green		Clear						
ACM1	07/01/19	902	90	40	22	None	None	None	None	None	None	Green		Clear						
S10	07/01/19	840	<10	<10	<2	None	None	None	None	None	None	Green		Clear						
S11	07/01/19	830	20	<10	<2	None	None	None	None	None	None	Green		Clear						
S12	07/01/19	820	<10	<10	<2	None	None	None	None	None	None	Green		Clear						

RECREATIONAL WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#2

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: Low Tide 1041

Weather: Overcast

COMMENTS:

STA#	DATE	TIME	Total		Fecal Coliform CFU/100ml	SM9222D	EPA 1600	Material of Sewage				Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			Coliform					coccus	Origin									
			CFU/100ml	SM9222B					Onshore	Offshore								
S3	07/10/19	1020	<10	<10	<10	<2	None	None	None	None	None	None	Green	66	Clear		50	
S4	07/10/19	1000	<10	<10	<10	<2	None	None	None	None	None	None	Green		Slightly Turbid			
S5	07/10/19	950	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S6	07/10/19	930	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
WEST	07/10/19	925	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S7	07/10/19	920	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S8	07/10/19	910	10	<10	<10	<2	None	None	None	None	None	None	Green	66	Clear			
S9	07/10/19	906	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
ACM1	07/10/19	904	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S10	07/10/19	832	<10	<10	<10	10	None	None	None	None	None	None	Green		Clear			
S11	07/10/19	840	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S12	07/10/19	822	10	<10	<10	2	None	None	None	None	None	None	Green		Clear			

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#3

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High tide 1008

Weather: Overcast

COMMENTS:

STA#	DATE	TIME	Total		Fecal Coliform CFU/100ml	Enterococcus CFU/100ml	Material of Sewage					Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			Coliform				Onshore	Offshore	EPA 1600									
			SM9222B	SM9222D														
S3	07/15/19	951	<10	<10	<2	None	None	None	None	None	None	Green	69	Clear				
S4	07/15/19	931	200	<10	24	None	None	None	None	None	None	Green		Clear				
S5	07/15/19	915	<10	10	4	None	None	None	None	None	None	Green		Clear				
S6	07/15/19	900	100	<10	6	None	None	None	None	None	None	Green		Clear				
WEST	07/15/19	855	<10	30	2	None	None	None	None	None	None	Green	69	Clear				
S7	07/15/19	850	<10	30	<2	None	None	None	None	None	None	Green		Clear				
S8	07/15/19	837	<10	<10	10	None	None	None	None	None	None	Green		Clear				
S9	07/15/19	832	<10	<10	2	None	None	None	None	None	None	Green		Clear				
ACM1	07/15/19	830	20	<10	10	None	None	None	None	None	None	Green	Clear					
S10	07/15/19	815	10	10	6	None	None	None	None	None	None	Green	Clear					
S11	07/15/19	810	<10	10	2	None	None	None	None	None	None	Green	Clear					
S12	07/15/19	755	<10	<10	<2	None	None	None	None	None	None	Green	Clear					

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#4

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: Low tide 730

Weather: Partly Cloudy

COMMENTS:

STA#	DATE	TIME	Total		Fecal Coliform CFU/100ml SM9222B	Enterococcus CFU/100ml SM9222D	EPA 1600 CFU/100ml	Material of Sewage				Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
			Coliform					Origin										
			CFU/100ml	CFU/100ml				Onshore	Offshore									
S3	07/22/19	1030	<10	<10	<10	<2	None	None	None	None	None	None	Green	70	Clear			
S4	07/22/19	1004	<10	<10	<10	4	None	None	None	None	None	None	Green		Clear			
S5	07/22/19	949	10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S6	07/22/19	934	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
WEST	07/22/19	930	<10	<10	<10	<2	None	None	None	None	None	None	Green	69	Clear			
S7	07/22/19	925	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S8	07/22/19	910	10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S9	07/22/19	902	10	<10	<10	2	None	None	None	None	None	None	Green		Clear			
ACM1	07/22/19	858	<10	10	<10	<2	None	None	None	None	None	None	Green		Clear			
S10	07/22/19	850	<10	<10	<10	2	None	None	None	None	None	None	Green		Clear			
S11	07/22/19	840	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			
S12	07/22/19	825	<10	<10	<10	<2	None	None	None	None	None	None	Green		Clear			

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#5

South Orange County Wastewater Authority-Aliso Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 0830

Weather: Overcast

COMMENTS:

STA#	DATE	TIME	Total		Fecal Coliform CFU/100ml	SM9222B	Coliform CFU/100ml	Enterococcus CFU/100ml	Material of Sewage					H2O Temp(F)	Water Color	Condition	Water Outlet	Birds
			EPA 1600	Origin					Oil & Grease	Odor								
				Onshore							Offshore							
S3	07/29/19	7:58	<10	<10	<2	None	None	None	None	None	None	Green	67	Slightly Turbid	Flowing		3	
S4	07/29/19	8:14	30	<10	<2	None	None	None	None	None	None	Green		Slightly Turbid				
S5	07/29/19	8:30	<10	<10	<2	None	None	None	None	None	None	Green		Clear				
S6	07/29/19	8:44	<10	<10	6	None	None	None	None	None	None	Green	67	Clear				
WEST	07/29/19	8:47	10	10	2	None	None	None	None	None	None	Green		Clear				
S7	07/29/19	8:50	10	<10	<2	None	None	None	None	None	None	Green		Clear				
S8	07/29/19	10:05	90	20	32	None	None	None	None	None	None	Green		Clear				
S9	07/29/19	9:55	40	20	8	None	None	None	None	None	None	Green		Clear				
ACM1	07/29/19	9:11	30	10	6	None	None	None	None	None	None	Green	67	Slightly Turbid				
S10	07/29/19	9:15	420	300	10	None	None	None	None	None	None	Green		Slightly Turbid				
S11	07/29/19	9:31	10	10	<2	None	None	None	None	None	None	Green		Clear				
S12	07/29/19	9:37	<10	<10	<2	None	None	None	None	None	None	Green	67	Clear				

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

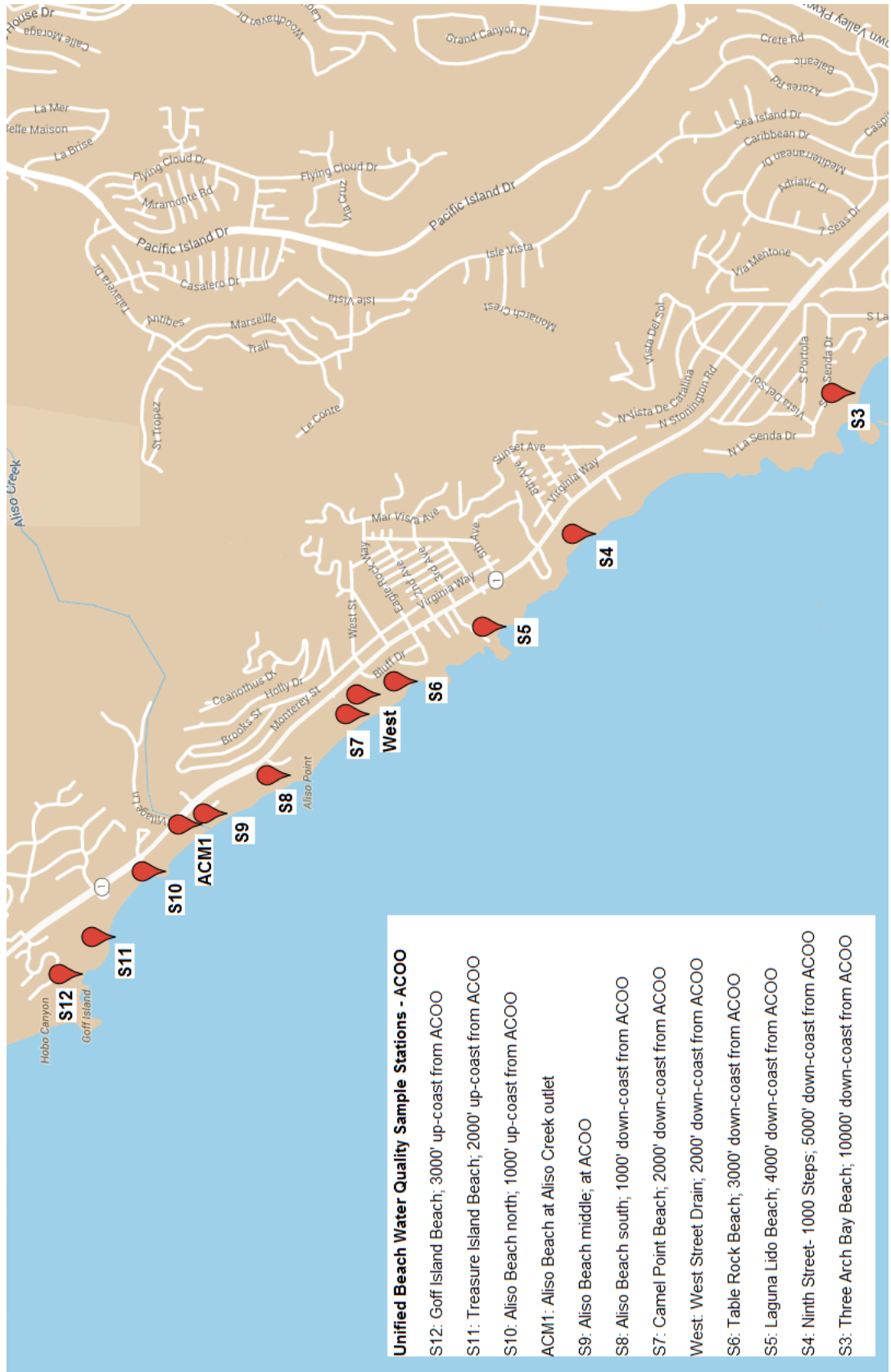
Aliso Creek Ocean Outfall

Unified Beach Water Quality Monitoring Stations

SOCWA's NPDES discharge permit requires participation in the South Orange County Unified Beach Water Quality Monitoring Program. The monitoring stations below are tested by SOCWA at least once per week for Total and Fecal Coliform and Enterococcus Bacteria.

Station	Location
S3	Three Arch Bay Beach; 10,000' down-coast from ACOO
S4	Ninth Street-1000 Steps; 5,000' down-coast from ACOO
S5	Laguna Lido Beach; 4,000 down-coast from ACOO
West	West Street Drain; 2,000' down-coast from ACOO
S6	Table Rock Beach; 3,000' down-coast from ACOO
S7	Camel Point Beach; 2,000' down-coast from ACOO
S8	Aliso Beach south; 1,000' down-coast from ACOO
S9	Aliso Beach middle; at ACOO
ACM1	Aliso Beach at Aliso Creek Outlet
S10	Aliso Beach north; 1,000' up-coast of ACOO
S11	Treasure Island Beach; 2,000' up-coast of ACOC
S12	Goff Island Beach; 3,000' up-coast of ACOO

Unified Beach Water Quality Sample Station Map – Aliso Creek Ocean Outfall



MONITORING REPORT

Off Shore Stations

South Orange County Wastewater Authority

DISCHARGE: Aliso Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

SAMPLE SOURCE: Receiving water, nearshore and offshore

SAMPLING FREQUENCY: Monthly

EXACT SAMPLE POINTS: As specified in permit

TYPE OF SAMPLE: Grab

SAMPLES COLLECTED BY: Seaventures/SOCWA staff

SAMPLES ANALYZED BY: SOCWA Lab

Comments: Low Tide 927

Sta No.	Sample Depth	Sample Date	Total Coliform CFU/100ml SM9222B	Fecal Coliform CFU/100ml SM9222D	Enterococcus CFU/100ml EPA 1600	Sample Time	Oil & Grease	Sewage Debris	0 - None 1 - Mild 2 - Moderate 3 - Severe
A-1	Surface	07/09/19	<2	<2	<2	802	0	0	
A-1	Mid depth	07/09/19	<10	<10	<10				
A-2	Surface	07/09/19	<2	<2	<2	750	0	0	
A-2	Mid depth	07/09/19	<10	<10	<10				
A-3	Surface	07/09/19	<2	<2	<2	754	0	0	
A-3	Mid depth	07/09/19	<10	<10	<10				
A-4	Surface	07/09/19	<2	<2	<2	806	0	0	
A-4	Mid depth	07/09/19	<10	<10	<10				
A-5	Surface	07/09/19	<2	<2	<2	759	0	0	
A-5	Mid depth	07/09/19	<10	<10	<10				
B-1	Surface	07/09/19	<2	<2	<2	743	0	0	
B-1	Mid depth	07/09/19	<10	<10	<10				
B-2	Surface	07/09/19	<2	<2	<2	814	0	0	
B-2	Mid depth	07/09/19	<10	<10	<10				
N1	Surface	07/09/19	<2	<2	<2	828	0	0	
N2	Surface	07/09/19	<2	<2	<2	827	0	0	
N3	Surface	07/09/19	4	<2	<2	826	0	0	
N4	Surface	07/09/19	<2	2	<2	825	0	0	
N5	Surface	07/09/19	<2	<2	<2	824	0	0	
N6	Surface	07/09/19	<2	<2	<2	823	0	0	
N7	Surface	07/09/19	<2	<2	<2	821	0	0	

REQUIREMENT: (1) Floating particulates and grease and oil shall not be visible. (2) The discharge of wasteshall not cause aesthetically undesirable discoloration of the ocean surface.

**Compliance Summary Report
Aliso Creek Ocean Outfall 2019**

ACOO Permit Order No. R9-2012-0013								
Agency - Facility	Violation Date	Constituent	Effluent Limit Violation	Units	Permit Limit	Reported Value	Potential Fine	
ACOO - SOCWA Outfall	5/14/2019	Chronic Toxicity	Monthly	Tuc	238	500	\$3000	
South Coast Water District - CTP	5/1/2019	Dissolved Oxygen	Weekly	mg/L	Weekly	Not Reported	\$3000	
South Coast Water District - CTP	5/1/2019	Temperature	Weekly	C	Weekly	Not Reported	\$3000	

SOCWA and MEMBER AGENCY FACILITIES
ACOO Spill / Overflow Report Log - 2019
Order No. R9-2012-0013 ~ NPDES Permit No. CA0107611

Reporting Agency	Responsible Agency	Estimated Volume (Gallons)	Type of Discharge	Location/Comments	Receiving Waters	Date Reported To State	Date Resolved
SOCWA	SOCWA - Coastal Treatment Plant	10,800	Raw Sewage	The spill was completely recovered recirculated back into the treatment plant. There was no raw sewage that left the facility.	N/A	No	02-09-19

SAN JUAN CREEK OCEAN OUTFALL MONITORING REPORT

July 2019

DATE	J.B. LATHAM FACILITY				SAN CLEMENTE WRP				SMWD CHIQUITA WRP				3-A PLANT				CSJC	SCWD	SJCOO	Rain
	FLOW	TSS	cBOD	SS	FLOW	TSS	cBOD	SS	FLOW	TSS	cBOD	SS	FLOW	TSS	cBOD	SS	Desalter	Desalter	FLOW	Fall
	MGD	mg/L	mg/L	mg/L	MGD	mg/L	mg/L	mg/L	MGD	mg/L	mg/L	mg/L	MGD	mg/L	mg/L	mg/L	MGD	MGD	MGD	inches
07/01/19	7.770	8.1	6.1	0.1	3.210	18.6	8.0	0.1	0.160	3.8	8.5	<0.1	1.382	4.0	5.2	ND	0.403	0.187	14.930	
07/02/19	8.200	13.3	10.2	<0.1	2.627	3.7	6.0	<0.1	0.000	3.3	7.8	<0.1	1.421	5.6	6.0	ND	0.396	0.229	14.880	
07/03/19	8.140	7.8	6.9	0.1	2.596	3.3	6.0	<0.1	0.310	3.1	4.1	<0.1	1.397	5.6	5.1	ND	0.393	0.183	14.250	
07/04/19	7.830	3.2	5.7	0.1	1.867	8.8	9.0	<0.1	0.170	3.0	3.2	<0.1	1.670				0.391	0.187	13.920	
07/05/19	7.610	7.9	6.0	0.1	2.229	6.6	10.0	<0.1	1.360	3.6	3.6	<0.1	1.371				0.392	0.183	12.970	
07/06/19	6.910				2.342				2.110				1.394	5.2	4.4	ND	0.391	0.188	14.080	
07/07/19	6.910	8.8	6.0		2.100				0.770				1.409	9.2	8.1	ND	0.388	0.184	14.950	
07/08/19	6.660	10.5	6.1	<0.1	2.287	4.6	6.0	<0.1	0.000	4.3	7.7	<0.1	1.348	4.0	5.5	ND	0.387	0.183	13.050	
07/09/19	6.370	8.9	7.4	0.2	2.188	5.2	6.0	<0.1	0.000	2.1	8.6	<0.1	1.433	5.6	6.2	ND	0.432	0.189	11.490	
07/10/19	6.930	10.7	5.3	0.1	2.262	5.3	7.0	<0.1	0.190	2.6	4.0	<0.1	1.433	4.0	5.5	ND	0.487	0.183	11.640	
07/11/19	6.080	9.6	5.2	0.2	1.941	7.5	7.0	<0.1	0.000	2.1	2.1	<0.1	1.413	5.6	4.9	ND	0.506	0.219	11.480	
07/12/19	5.610	9.4	4.8	0.2	2.158	10.2	8.0	<0.1	0.020	1.8	2.6	<0.1	0.296	5.6	5.2	ND	0.489	0.187	9.770	
07/13/19	6.250				1.968				0.000				0.035	4.4	5.6	ND	0.455	0.183	9.330	
07/14/19	6.540	6.2	4.0		2.187				0.530				0.024	5.6	5.1	ND	0.421	0.183	9.840	
07/15/19	6.470	9.9	4.3	0.1	2.319	11.3	7.0	<0.1	0.070	4.3	7.8	<0.1	0.036	5.6	5.2	ND	0.428	0.186	10.860	
07/16/19	6.470	7.0	4.0	0.1	2.245	14.8	8.0	0.3	0.000	3.8	8.3	<0.1	0.350	7.0	6.8	ND	0.440	0.186	10.180	
07/17/19	6.570	6.2	4.0	<0.1	2.684	14.6	7.0	<0.1	0.100	4.6	4.2	<0.1	0.006	8.8	7.4	ND	0.464	0.179	10.080	
07/18/19	6.580	6.0	5.1	0.2	2.470	12.8	6.0	<0.1	0.000	6.0	6.6	<0.1	0.006	4.4	4.8	ND	0.543	0.186	10.220	
07/19/19	6.760	6.8	4.4	0.1	1.715	11.6	6.0	<0.1	0.030	6.4	5.8	<0.1	0.002				0.565	0.183	9.520	
07/20/19	6.420				1.785				0.000				0.003				0.525	0.183	8.990	
07/21/19	6.240	6.1	5.8		1.919				0.100	3.2	4.6	<0.1	0.008	7.2	6.8	ND	0.474	0.186	9.540	
07/22/19	6.350			<0.1	1.940	5.9	6.0	<0.1	0.020	3.0	4.7	<0.1	0.008	10.0	8.7	ND	0.467	0.182	9.620	
07/23/19	6.440	8.1	4.8	0.1	2.132	4.7	8.0	<0.1	0.010	3.3	4.0	<0.1	0.001	9.6	13.0	ND	0.464	0.188	9.470	
07/24/19	6.500	6.7	4.4	0.1	2.030	5.0	3.0	<0.1	0.000	3.1	5.3	<0.1	0.032	11.2	9.2	ND	0.463	0.184	9.430	
07/25/19	6.410	3.4	2.7	<0.1	1.721	5.4	4.0	<0.1	0.010	2.8	5.9	<0.1	0.055	7.2	7.0	ND	0.454	0.184	9.250	0.03
07/26/19	6.350	4.6	3.0	0.1	2.070	4.2	4.0	<0.1	0.060	2.9	6.7	<0.1	0.079				0.485	0.187	9.710	
07/27/19	6.360	7.2	5.1	0.1	1.902				0.010	2.5	5.7	<0.1	0.442				0.506	0.184	9.080	
07/28/19	6.410	4.9	3.7	<0.1	2.208				0.000				0.300	11.2	7.6	ND	0.506	0.183	9.970	
07/29/19	6.420	8.1	4.0	<0.1	2.196	5.6	6.0	<0.1	0.010	2.4	8.8	<0.1	0.308	6.8	6.2	0.1	0.507	0.187	10.080	
07/30/19	6.480	7.6	5.1	<0.1	2.090	6.9	8.0	<0.1	1.150	2.6	7.5	<0.1	0.225	8.8	7.1	ND	0.506	0.183	9.800	
07/31/19	6.010	5.3	3.7	0.2	1.942	5.7	5.0	<0.1	1.230	4.4	4.7	0.1	0.225				0.507	0.244	11.130	
AVG	6.679	7.5	5.1	<0.1	2.172	7.9	6.6	<0.1	0.272	3.4	5.7	<0.1	0.584	6.8	6.5	ND0.0	0.459	0.189	11.081	0.03
TOTAL	207.050				67.330				8.420				18.112				14.235	5.863	343.510	

Unified Beach Monitoring

#1

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 925

Weather: Clear

COMMENTS:

STA#	Total			Fecal	Enterococcus	Material of Sewage						Oil &		Water		H2O	Water		Birds
	DATE	TIME	Coliform		Coliform	CFU/100ml	EPA 1600	Origin		Grease	Odor	Color	Temp(F)	Condition	Outlet				
			CFU/100ml	SM9222B	SM9222D			Onshore	Offshore										
S0	07/01/19	837	<20		<20		<2	None	None	None	None	None	Green	66	Turbid				
S1	07/01/19	847	20		<20		2	None	None	None	None	None	Green		Turbid				
S2	07/01/19	825	<20		<20		4	None	None	None	None	None	Green		Turbid				
DSB5	07/01/19	815	<20		20		42	None	None	None	None	None	Green	66	Turbid				
S3	07/01/19	854	<20		<20		4	None	None	None	None	None	Green		Turbid				
DSB4	07/01/19	856	<20		<20		<2	None	None	None	None	None	Green		Turbid				
S5	07/01/19	910	<20		<20		20	None	None	None	None	None	Green		Turbid				
DSB1	07/01/19	920	<20		<20		<2	None	None	None	None	None	Green		Turbid				
SJC1	07/01/19	835	<100		<100		<10	None	None	None	None	None	Green		Turbid				

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#2

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: Low Tide 830

Weather: Clear

COMMENTS:

STA#	DATE	TIME	Total		Fecal		Enterococcus		Material of Sewage				Oil & Grease		Water		H2O Temp(F)	Water Condition	Water Outlet	Birds
			Coliform		Coliform		coccus		Origin		Onshore	Offshore	Grease	Odor	Color					
			CFU/100ml	SM9222B	CFU/100ml	SM9222D	CFU/100ml	EPA 1600												
S0	07/08/19	940	20	<20	<20	<20	6	None	None	None	None	None	None	Green		Slightly Turbid				
S1	07/08/19	930	<20	<20	<20	<20	<2	None	None	None	None	None	None	Green		Clear				
S2	07/08/19	955	<20	<20	<20	<20	24	None	None	None	None	None	None	Green		Slightly Turbid				
DSB5	07/08/19	1010	60	20	20	20	4	None	None	None	None	None	None	Green		Slightly Turbid				
S3	07/08/19	925	<20	<20	<20	<20	2	None	None	None	None	None	None	Green						
DSB4	07/08/19	920	<20	<20	<20	<20	2	None	None	None	None	None	None	Green						
S5	07/08/19	915	<20	<20	<20	<20	2	None	None	None	None	None	None	Green	62	Clear				
DSB1	07/08/19	910	20	<20	<20	<20	<2	None	None	None	None	None	None	Green		Clear				
C1	07/08/19	945	<100	<100	<100	<100	10	None	None	None	None	None	None	Green		Slightly Turbid				

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#3

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 0945

Weather: Overcast

COMMENTS:

STA#	Total			Fecal		Enterococcus		Material of Sewage					Oil & Grease	Odor	Water Color	H2O Temp(F)	Water Condition	Water Outlet	Birds
	Coliform		Coliform	Coliform	coccus	Origin													
	CFU/100ml	SM9222B	CFU/100ml	SM9222D	CFU/100ml	EPA 1600	Onshore	Offshore											
S0	DATE	TIME	200	<20	<20	8	None	None	None	None	None	None	Green	63	Turbid				
S1	07/15/19	0840	<20	<20	<20	4	None	None	None	None	None	None	Green		Turbid				
S2	07/15/19	0820	<20	<20	<20	20	None	None	None	None	None	None	Green		Turbid				
DSB5	07/15/19	0815	<20	30	<20	20	None	None	None	None	None	None	Green	63	Turbid				
S3	07/15/19	0845	<20	<20	<20	20	None	None	None	None	None	None	Green		Turbid				
DSB4	07/15/19	0850	<20	<20	<20	2	None	None	None	None	None	None	Green		Turbid				
S5	07/15/19	0900	<20	<20	<20	8	None	None	None	None	None	None	Green		Turbid				
DSB1	07/15/19		<20	20	<20	4	None	None	None	None	None	None	Green		Turbid				
C1	07/15/19	0840	<100	<100	<100	<10	None	None	None	None	None	None	Green		Turbid				

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#4

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: Low tide 725

Weather: Partly Cloudy

COMMENTS:

STA#	Total			Fecal	Enterococcus	Material of Sewage				Oil &			Water		H2O	Water		Birds
	Coliform		Coliform	coccus	Origin		Grease		Odor	Color	Temp(F)	Condition	Outlet					
	CFU/100ml	SM9222B	CFU/100ml	CFU/100ml	EPA 1600	Onshore	Offshore											
S0		20	<20	<2		None	None	None	None	None	Green	70	Clear					
S1		20	<20	<2		None	None	None	None	None	Green		Clear					
S2		>=20	<20	<2		None	None	None	None	None	Green		Clear					
DSB5		20	<20	2		None	None	None	None	None	Green		Clear					
S3		<20	<20	<2		None	None	None	None	None	Green		Clear					
DSB4		<20	<20	<2		None	None	None	None	None	Green		Clear					
S5		<20	<20	<2		None	None	None	None	None	Green	70	Clear					
DSB1		<20	<20	2		None	None	None	None	None	Green		Clear			Slightly Turbid		
C1		<100	<100	<10		None	None	None	None	None	Green		Clear			Clear		

RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

Unified Beach Monitoring

#5

South Orange County Wastewater Authority-San Juan Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

EXACT SAMPLE POINTS: As specified in Unified Monitoring Plan

SAMPLE SOURCE: Receiving water surf zone

SAMPLES COLLECTED BY: SOCWA Lab

TYPE OF SAMPLE: Grab

SAMPLES ANALYZED BY: SOCWA Lab

Tidal Condition: High Tide 0950

Weather: Overcast

COMMENTS:

STA#	Total			Fecal	Enterococcus	Material of Sewage					Oil & Grease			Water	H2O	Water	Water	Birds
	Coliform	Coliform	Coliform	coccus	Origin		Offshore		Grease	Odor	Color	Temp(F)	Condition	Outlet				
	CFU/100ml	CFU/100ml	CFU/100ml	CFU/100ml	Onshore	Offshore												
S0	DATE	TIME	SM9222B	SM9222D	EPA 1600	None	None	None	None	None	None	67	Slightly Turbid		2			
S1	07/31/19	8:21	<20	<20	20	None	None	None	None	None	None	67	Slightly Turbid					
S2	07/31/19	8:32	<20	<20	4	None	None	None	None	None	None	67	Slightly Turbid					
DSB5	07/31/19	8:11	<20	<20	2	None	None	None	None	None	None	67	Slightly Turbid		2			
S3	07/31/19	7:59	<200	60	36	None	None	None	None	None	None	67	Slightly Turbid					
DSB4	07/31/19	8:37	<20	<20	<20	None	None	None	None	None	None	67	Slightly Turbid					
S5	07/31/19	8:08	<20	<20	<2	None	None	None	None	None	None	67	Slightly Turbid		10			
DSB1	07/31/19	8:44	20	20	2	None	None	None	None	None	None	67	Slightly Turbid					
C1	07/31/19	8:47	<20	<20	2	None	None	None	None	None	None	67	Slightly Turbid					

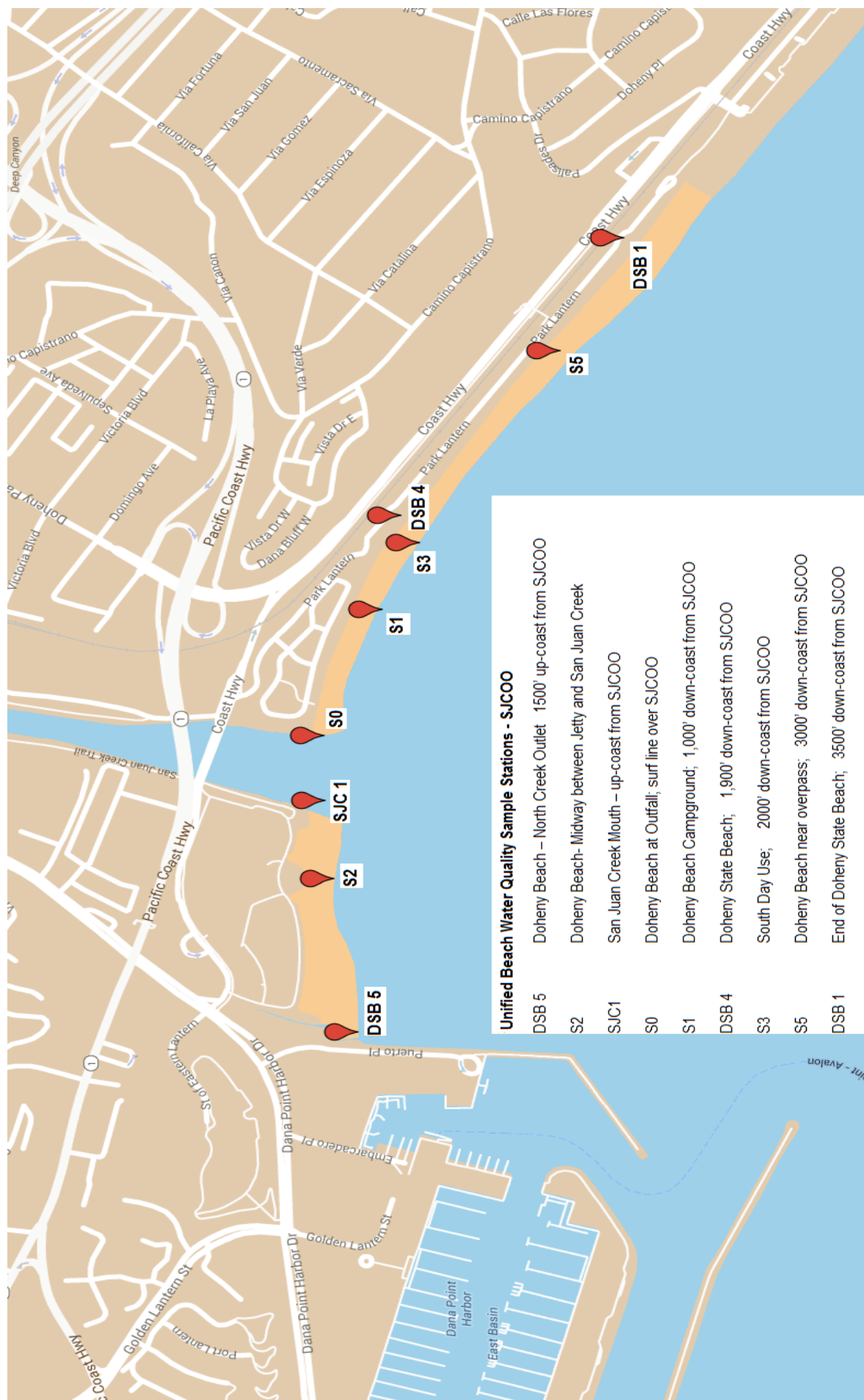
RECEIVING WATER LIMITATIONS: Single Sample Maximum - Total coliform density shall not exceed 10,000 per 100ml; Fecal coliform density shall not exceed 400 per 100ml; Enterococcus density shall not exceed 104 per 100ml.

San Juan Creek Ocean Outfall

Unified Beach Water Quality Monitoring Stations

SOCWA's NPDES discharge permit requires participation in the South Orange County Unified Beach Water Quality Monitoring Program. The monitoring stations below are tested by SOCWA at least once per week for Total and Fecal Coliform and Enterococcus Bacteria.

Station	Location
DSB 5	Doheny Beach – North Creek Outlet 1500' up-coast from SJCOO
S2	Doheny Beach- Midway between Jetty and San Juan Creek
SJC1	San Juan Creek Mouth – up-coast from SJCOO
S0	Doheny Beach at Outfall; surf line over SJCOO
S1	Doheny Beach Campground; 1,000' down-coast from SJCOO
DSB 4	Doheny State Beach; 1,900' down-coast from SJCOO
S3	South Day Use; 2000' down-coast from SJCOO
S5	Doheny Beach near overpass; 3000' down-coast from SJCOO
DSB 1	End of Doheny State Beach; 3500' down-coast from SJCOO



MONITORING REPORT

Offshore

South Orange County Wastewater Authority

DISCHARGE: San Juan Creek Ocean Outfall

REPORT FOR: July 2019

REPORT FREQUENCY: Monthly

REPORT DUE: September 1, 2019

SAMPLE SOURCE: Receiving water, nearshore and offshore

SAMPLING FREQUENCY: Monthly

EXACT SAMPLE POINTS: As specified in permit

TYPE OF SAMPLE: Grab

SAMPLES COLLECTED BY: Seaventures/SOCWA staff

SAMPLES ANALYZED BY: SOCWA Lab

Comments: Low Tide 927

Sta No.	Sample Depth	Sample Date	Total Coliform CFU/100ml SM9222B	Fecal Coliform CFU/100ml SM9222D	Enterococcus CFU/100ml EPA 1600	Sample Time	Oil & Grease	Sewage Debris	0 - None 1 - Mild 2 - Moderate 3 - Severe
A-1	Surface	07/09/19	<2	<2	<2	925	0	0	
A-1	Mid depth	07/09/19	<10	<10	<10				
A-2	Surface	07/09/19	<2	<2	<2	929	0	0	
A-2	Mid depth	07/09/19	<10	<10	<10				
A-3	Surface	07/09/19	<2	<2	<2	933	0	0	
A-3	Mid depth	07/09/19	<10	<10	<10				
A-4	Surface	07/09/19	<2	<2	<2	939	0	0	
A-4	Mid depth	07/09/19	<10	<10	<10				
A-5	Surface	07/09/19	<2	<2	<2	936	0	0	
A-5	Mid depth	07/09/19	<10	<10	<10				
B-1	Surface	07/09/19	<2	<2	<2	918	0	0	
B-1	Mid depth	07/09/19	<10	<10	<10				
B-2	Surface	07/09/19	<2	<2	<2	946	0	0	
B-2	Mid depth	07/09/19	<10	<10	<10				
N1	Surface	07/09/19	<2	<2	<2	909	0	0	
N2	Surface	07/09/19	<2	<2	<2	907	0	0	
N3	Surface	07/09/19	<2	<2	<2	904	0	0	
N4	Surface	07/09/19	2	<2	<2	859	0	0	
N5	Surface	07/09/19	<2	<2	<2	857	0	0	
N6	Surface	07/09/19	<2	<2	<2	854	0	0	

REQUIREMENT: (1) Floating particulates and grease and oil shall not be visible. (2) The discharge of waste shall not cause aesthetically undesirable discoloration of the ocean surface.

**Compliance Summary Report
San Juan Creek Ocean Outfall 2019**

SJCOO Permit Order No. R9-2012-0012								
Agency	Violation Date	Constituent	Effluent Limit Violation	Units	Permit Limit	Reported Value	Potential Fine	
City of San Clemente	6/26/2019	cBOD	Monitoring Failure	mg/L	Daily	Not Reported	\$3,000	
Moulton Niguel Water District	6/18/2019	cBOD	Monitoring Failure	mg/L	Daily	Not Reported	\$3,000	
Moulton Niguel Water District	6/18/2019	Total Suspended Solids	Monitoring Failure	mg/L	Daily	Not Reported	\$3,000	
Moulton Niguel Water District	06/21/2019	cBOD	Monitoring Failure	mg/L	Daily	Not Reported	\$3,000	
Moulton Niguel Water District	06/21/2019	Total Suspended Solids	Monitoring Failure	mg/L	Daily	Not Reported	\$3,000	
Moulton Niguel Water District	06/21/2019	Settleable Solids	Monitoring Failure	mg/L	Daily	Not Reported	\$3,000	

SOCWA and MEMBER AGENCY FACILITIES
SJCOO Spill / Overflow Report Log - 2019
Order No. R9-2012-0012 ~ NPDES Permit No. CA0107417

Reporting Agency	Responsible Agency	Estimated Volume (Gallons)	Type of Discharge	Location/Comments	Receiving Waters	Date Reported To State	Date Resolved
SOCWA	SMWD	5,000	Recycled Water	Transferring sludge from digester 5 to sludge holding tank through common transfer line connected to digester 1 which is offline and being cleaned caused flow through open flush valve at digester 1. Operator stopped flow through valve after about 10 minutes of transfer but cleanup required use of around 5000 gallons of plant wash water. Everything was contained in the plant.	None	Yes	05-26-19

Recycled Water Report

**Compliance Summary Report
Recycled Water Permit
2019**

Waste Discharge Requirement Order 97 - 52							
Agency - Facility	Violation Date	Constituent	Effluent Limit Violation	Units	Permit Limit	Reported Value	Remarks
TCWD - RRWRP	10/19/2018	Nitrate as NO3	Annual	mg/L	45	68	Results reported in January. Agency to begin quarterly accelerated monitoring.
SOCWA - RTP	1/16/2019- 1/22/2019	Coliform	30-day Max	cfu/100mL	23	37-548	There were six instances of exceedances of MPN greater than 23 cfu/100mL. Permit limits no more than one sample in excess of 23 in 30 day period. Chlorine contact basin past scheduled annual maintenance due to storm as key contributor to exceedances. Chlorine contact basin cleaned early February.
SOCWA - RTP	1/16/2019	Coliform	Instantaneous	cfu/100mL	240	548	Chlorine contact basin past scheduled annual maintenance due to storm as key contributor to exceedances. Chlorine contact basin cleaned early February.
SOCWA - RTP	1/22/2019- 1/30/2019	Coliform	7 Day Median	cfu/100mL	2.2	3-37	There were nine exceedances of the 7 day median. Chlorine contact basin past scheduled annual maintenance due to storm as key contributor to exceedances. Chlorine contact basin cleaned early February.
SOCWA - RTP	1/3/2019	Manganese	12-Month	mg/L	0.05	0.07	SOCWA began accelerated monitoring.
SOCWA - RTP	1/3/2019	TDS	12-Month	mg/L	1000	1024	
SMWD - 3A	1/1/2019	Manganese	12-Month	mg/L	0.05	0.06	
SOCWA - RTP	2/5/2019	Manganese	12-Month	mg/L	0.05	0.08	Plant offline but running annual average continues to be above the permit limit.
SOCWA - RTP	2/5/2019	TDS	12-Month	mg/L	1000	1072	
SOCWA - CTP	2/28/2019	Manganese	12-Month	mg/L	0.05	0.06	Plant offline but running annual average continues to be above the permit limit.
SMWD - 3A	2/7/2019	Manganese	12-Month	mg/L	0.05	0.06	Suspected sample contamination.
SMWD - 3A	2/9/2019	Coliform	Instantaneous	cfu/100mL	<2	2419	
SOCWA - RTP	3/5/2019	Manganese	12-Month	mg/L	0.05	0.07	
SMWD - 3A	3/20/2019	Manganese	12-Month	mg/L	0.05	0.07	
SOCWA - RTP	4/16/2019	Manganese	12-Month	mg/L	0.05	0.07	
SMWD - 3A	4/30/2019	Manganese	12-Month	mg/L	0.05	0.07	Offline
SOCWA - RTP	5/16/2019	Manganese	12-Month	mg/L	0.05	0.09	
SOCWA - RTP	5/16/2019	TDS	12-Month	mg/L	1000	1123	
SMWD - 3A	offline	Manganese	12-Month	mg/L	0.05	0.07	
SOCWA - RTP	6/4/2019	Manganese	12-Month	mg/L	0.05	0.09	
SOCWA - RTP	6/4/2019	TDS	12-Month	mg/L	1000	1084	
SOCWA - CTP	6/4/2019	Manganese	12-Month	mg/L	0.05	0.06	
SMWD - 3A	6/12/2019	Manganese	12-Month	mg/L	0.05	0.07	
SOCWA - RTP	7/23/2019	Manganese	12-Month	mg/L	0.05	0.09	
SOCWA - RTP	7/23/2019	TDS	12-Month	mg/L	1000	1071	

Compliance Summary Report
Recycled Water Permit
2019

Waste Discharge Requirement Order 97 - 52							
Agency - Facility	Violation Date	Constituent	Effluent Limit Violation	Units	Permit Limit	Reported Value	Remarks
SOCWA - CTP	7/23/2019	Manganese	12-Month	mg/L	0.05	0.06	
SMWD - 3A	7/3/2019	Manganese	12-Month	mg/L	0.05	0.07	

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

QUARTERLY RECYCLED WATER MONITORING

Monitoring Period Ending: Jul 31, 2019

Constituent	Units	12-month Avg Maximum Permit Limit	IRWD-LAWRP 12-month Average	ETWD-WRP 12-month Average	TCWD 12-month Average	SMWD Oso 12-month Average	SMWD Chiquita 12-month Average	SMWD Nichols 12-month Average	MNWD-3A 12-month Average	MNWD-RTP 12-month Average	SCWD-CTP 12-month Average
TDS	mg/L	1000	832	1,000	920	724	783	890	949	1,071	926
Chloride	mg/L	375	180	250	248	188	187	253	207	248	239
Sulfate	mg/L	400	226	330	260	236	206	266	260	325	219
Sodium	mg/L	None	168	195	174	150	153	195	170	168	163
Alkalinity	mg/L	None	-	-	-	-	-	-	240	239	186
Adjusted SAR	Ratio	None	5.00	-	5.19	4.88	4.95	5.75	4.48	4.13	4.03
Iron	mg/L	0.3	0.016	0.090	0.021	0.011	0.167	0.037	0.13	0.158	0.105
Manganese	mg/L	0.05	0.038	0.015	0.018	0.014	0.033	0.014	0.073	0.090	0.060
MBAS	mg/L	0.5	0.11	0.00	0.16	0.19	0.25	0.09	0.03	0.04	0.05
Boron	mg/L	0.75	0.30	0.270	0.294	0.320	0.360	0.383	0.31	0.342	0.35
Fluoride	mg/L	None	0.39	0.980	0.33	0.700	0.72	0.57	0.69	0.99	0.76
Total Organic Carbon	mg/L	None	11.0	-	10.1	11.0	11.1	8.1	7.0	13.0	10.0

* The LAWRP 12-month permit limits are listed below:

TDS 1000 mg/L
Chloride 180 mg/L
Sulfate 340 mg/L

**The ETWD 12-month permit limits are listed below:

TDS 910 mg/L

*** The CTP 12-month permit limits are listed below:

TDS 1200 mg/L
Chloride 400 mg/L
Sulfate 500 mg/L

SOCWA Service Area
Recycled Water Production (ac-ft) 2019

Agency	Facility or Region	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Annual Totals
CSJC 1	3-A Plant/MNWD	0.00	0.00	0.00	0.00	0.00	0.00	0.72						0.72
CSJC 2	Chiquita/SMWD	0.18	0.00	3.89	35.02	38.25	38.77	37.01						153.13
CSJC 3	Non-Domestic Well	13.29	3.41	11.50	27.69	18.43	30.35	46.26						150.93
ETWD	Region 8	23.64	10.09	41.03	130.77	98.00	147.87	197.72						649.13
IRWD														
4	IRWD - 8	35.00	11.25	16.55	82.85	115.79	106.75	158.69						526.88
4	IRWD - 9	15.72	2.97	10.97	60.60	59.54	69.00	95.59						314.40
SCWD	SOCWA CTP	-0.83	0.00	0.00	0.00	54.27	97.46	130.23						281.13
MNWD	JRP	245.54	221.48	112.32	373.36	471.17	551.26	597.14						2572.28
	3-A Plant	0.00	14.35	74.85	176.55	0.00	0.00	95.39						361.15
5	CTP	10.71	1.48	-15.58	-74.25	-30.10	5.53	13.20						-89.02
SMWD	Oso Creek	103.42	142.27	151.76	139.67	138.56	122.54	126.90						925.12
	Chiquita	179.53	45.27	55.06	235.14	174.22	364.74	454.75						1508.70
	Nichols	2.00	1.97	1.94	1.73	1.90	2.03	2.14						13.70
TCWD	RRWRP	41.93	23.76	22.53	35.95	42.75	41.75	39.98						248.65
TOTALS		670.14	478.31	486.81	1225.08	1182.77	1578.06	1995.72						7616.88

- 1 Denotes transfer of recycled water from MNWD (3A Plant) for use in the CSJC service area. Not counted as additional production.
 - 2 Denotes recycled water purchased from SMWD Chiquita-WRP used in the CSJC service area. Not counted as additional production.
 - 3 Denotes nondomestic groundwater produced from wells used for landscape irrigation.
 - 4 IRWD production is from recycled water production, nonpotable water wells, and surface water impoundments
 - 5 Denotes transfer of recycled water from SCWD (SOCWA CTP) for use in the MNWD service area. Not counted as additional production.
- Note: All of ETWD reclaimed water produced and used in Region 8.
NR = No Report

Pretreatment Report

Agenda Item

Legal Counsel Review: N/A

Meeting Date: September 5, 2019

TO: SOCWA Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Katie Greenwood, Source Control Manager

SUBJECT: Monthly Pretreatment Report, July and August 2019
San Juan Creek Ocean Outfall
NPDES Permit #CA0107417 Order #R9-2012-0012
Aliso Creek Ocean Outfall
NPDES Permit #CA0107611 Order #R9-2012-0013

Summary of Program Activities

Staff continues to utilize the CA Manufacturers Directory to identify industrial users.

The Management Standards for Hazardous Waste Pharmaceuticals Rule became effective as of August 21, 2019. SOCWA staff published a notification of the Rule on its website, and SOCWA staff has also confirmed that OC Health Care Agency staff are additionally notifying Health Care Facilities of the related sewer prohibitions.

SOCWA staff completed the Semi-Annual Pretreatment Report. This report was provided to the State and uploaded to the CIWQS electronic database as required by September 1, 2019, and a copy of the report was provided to MA staff by email with the August 2019 monthly summary of all pretreatment correspondence and activity.

SOCWA staff provided all MAs with the appropriate reporting sheets for their necessary data submittals to assist in the production of the Annual Pretreatment Report, which is due to the RWQCB-SD by March 1, 2020. Once received, staff will review and enter the data into the Water Information Management Solution (WIMS) database, so it can be uploaded electronically to the State CA Integrated Water Quality System (CIWQS) database. Influent and effluent data from each of the treatment plants and the narrative portion of the report will only be submitted electronically to the State.

Permit Related Activities

The following Wastewater Discharge (WD) Permits, Special Wastewater Discharge (SWD) Permits, Nuisance Water-Special Wastewater Discharge (NSWD) Permits, Non-Industrial Wastewater Discharge (NIWD) forms, and BMP letters were issued or are in the process of being drafted for issuance:

CLB - NSWD Permit No. CLB-N4-001 – Multiple Dry Weather Diversions – Renewal NSWD Permit to continue to allow dry weather diversion flows to be discharged to the sewer. A renewal permit was issued on July 30, 2018. SCWD and CLB have worked out a New Agreement for three diversion structures located in SCWD jurisdiction and operated by CLB staff. Once signed, SOCWA will modify the CLB NSWD Permit and attach the Agreement.

SCWD – WD Permit No. SCWD-2-001 – Dana Point Shipyard – Renewal WD Permit to continue to allow process wastewater to be discharged to the sewer. A five-year renewal permit application was received August 9, 2019, and renewal permit issued on August 21, 2019.

Monthly Pretreatment Report for **July and August 2019**
September 5, 2019

CSC – WD Permit No. CSC-1-001 – South Coast Fashion Jewelry (SCFJ) – Renewal WD Permit to continue to allow categorical process wastewater from metal finishing operations to be discharged to the sewer. The current permit expires on September 20, 2019. A Renewal Permit Application was provided to SCFJ on August 20, 2019.

Inspections

SOCWA staff is conducting its annual site inspections and monitoring/sampling of all SIU/CIU's in the SOCWA service area. This is a required activity of the SOCWA Pretreatment Program. The information and data obtained from these required activities will be incorporated into the SOCWA Pretreatment Annual Report.

On July 29, 2019, SOCWA staff conducted a facility-wide inspection of Applied Medical's non-permitted facilities in the SMWD service area. Follow-up actions are pending.

On July 30, 2019, SOCWA staff conducted a facility-wide inspection of Applied Medical facilities in the IRWD service area. Follow-up actions are pending.

On July 30, 2019, SOCWA and ETWD staff jointly inspected a non-permitted commercial painting operation in response to an illicit discharge of paint material. Enforcement actions are pending.

Enforcement

ETWD - On July 30, 2019, SOCWA and ETWD issued a Notice of Violation (NOV) to Troy's Painting associated with inspection findings which indicate at least a one-time discharge of paint material to sewer facilities. Further enforcement actions are pending.

CSC - On July 31, 2019, SOCWA issued a Warning Notice of Non-compliance (WNON) to Flavorchem for failing to record pH on each day that flow was sent to the sewer in June 2019.

Training and Committee Meetings Attended

SOCWA staff continues to attend monthly OC Strike Force Meetings to receive and share legal information related to environmental cases and incidents throughout the county.

Monthly Pretreatment Report for **July and August 2019**
September 5, 2019

Summary of IWS Activities in the SOCWA Service Area - YTD through August 21, 2019

<u>MA</u>		<u>Events</u>	<u>Permit</u>	<u>NIWD</u>	<u>BMP</u>	<u>FSE</u>	<u>OSE</u>	<u>Closed</u>	<u>Enforcement</u>	<u># of</u>
<u>IUs</u>										
CLB	(S)	0	3	2	5	8	111	0	0	129
CSC	(M)	0	7	35	18	181	1283	0	2	1524
CSJC	(S)	0	2	27	59	137	1669	0	1	1894
ETWD	(M)	1	3	98	0	262	134	0	1	497
EBSD	(U)	0	1	0	0	0	0	0	0	1
IRWD	(S)	0	4	51	21	63	920	0	0	1059
MNWD	(S)	87	4	123	40	625	2125	18	0	2917
SMWD	(S)	43	6	19	20	198	786	10	1	1029
SCWD	(S)	0	7	33	7	148	184	0	1	380
TCWD	(S)	0	11	0	0	7	33	0	0	51
SOCWA	(S)	0	3	1	0	0	0	0	1	4
Totals		131	51	389	170	1629	7245	28	7	9485
Dentist (All)										484
Total Known IUs										9969

(S) = SOCWA conducts PT program.

(M) = MA conducts PT program /w SOCWA oversight.

(U) = Urban Diversion Only.

YTD = Year to Date.

NIWD = Non-industrial Waste Discharger.

BMP = Best Management Practices.

FSE = Food Service Establishment.

OSE = Other Surveyed Establishment.

Agenda Item

Legal Counsel Review: N/A

Meeting Date: September 5, 2019

TO: Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Jason Manning, Director of Engineering

SUBJECT: Capital Improvement Program Status Report

The status of the SOCWA Capital Improvement Program is presented in the tables on the following pages.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 2(R) - JB LATHAM TREATMENT PLANT CAPITAL PROJECTS
('19/'20)

Task Code	Description	Phase	Status
CAPITAL IMPROVEMENT PROJECT LIQUIDS			
3220-000	Package B Liquids	Construction	The construction contract for Package 'B' was awarded at the April 4, 2019, SOCWA Board meeting. Tasks 3226-000 and 3228-000 have been combined into this one Task Code.
4201-000	Plant 1 Blower Building Condition Assessment	Study	Project advertised for proposal in July 2019.
4202-000	Pipeline Condition Assessment Methodology Evaluation	Study	Project scheduled to begin in November 2019.
4203-000	Plant Hydraulic Model and Flow Management Plan	Study	Project advertised for proposal in July 2019.
3250-000	Plant 1 Grit Basin Improvements (2017)	Construction	This project has been substantially completed. SS Mechanical is working on punch list items.
3350-000	Motor Control Center 'M' Replacement (2019)	Design	Project advertised for proposal in July 2019.
CAPITAL IMPROVEMENT PROJECT COMMON			
3231-000	Package B Common	Construction	The construction contract for Package 'B' was awarded at the April 4, 2019, SOCWA Board meeting. Tasks 3216-000 and 3230-000 have been combined into this one Task Code.
3221-000	Electrical System Evaluation	Study	Project advertised for proposal in July 2019.
4001-000	Plant Drain System Study (2017) (NCP)	Study	TetraTech is proceeding with the mapping of the drain system.
4204-000	Electrical Manhole Condition Assessment	Study	Project advertised for proposal in July 2019.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 2(R) - JB LATHAM TREATMENT PLANT CAPITAL PROJECTS
('19/'20)

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECT SOLIDS			
3287-000	Package B Solids	Construction	The construction contract for Package 'B' was awarded at the April 4, 2019, SOCWA Board meeting. Tasks 3224-000, 3233-000 and 3236-000 have been combined into this one Task Code.
3210-000	Facility Improvements - Solids Area (2015)	Construction	This work is part of the Package 'B' Improvements. The construction contract for Package 'B' was awarded at the April 4, 2019, SOCWA Board meeting.
3353-000	Centrate System Design (2019)	Design	Project advertised for proposal in July 2019 and proposals are currently under review.
4214-000	Solids Management Plan	Study	Project is scheduled to begin in February 2020.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 5 - SAN JUAN CREEK OCEAN OUTFALL CAPITAL PROJECTS
('19/'20)

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECTS			
3601-000	Junction Structure Rehabilitation Design	Design	The proposals for this work were approved at the June 6, 2019, Board Meeting.
3357-000	Junction Structure Reinforcement Permitting and Final Design	Design	The proposals for this work were approved at the June 6, 2019, Board Meeting.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 15(R) - COASTAL TREATMENT PLANT CAPITAL PROJECTS
('19/'20)

Task Code	Description	Phase	Status
CAPITAL IMPROVEMENT PROJECTS LIQUIDS			
3539-000	Facility Improvements	Construction	The construction contract for Facility Improvements Project was awarded at the June 6, 2019, SOCWA Board meeting. Task 3595-000 has been combined into this one Task Code.
3534-000	Export Sludge System (1997)	Design	USFWS has completed review and transferred documentation to USACOE for Nationwide Permit Application. The California Coastal Commission is reviewing the permit application in September.
3358-000	Personnel Building Reconstruction (2019)	Bid	Project to advertise for bids in October 2019.
3361-000	AWMA Road Sites West 1 and 2 Embankment Protection (2019)	Design	Proposals have been received from Tetra Tech and Dudek. These proposals will be submitted to the Board of Directors on August 8, 2019.
3362-000	Aliso Creek Long Term Repair Planning (2019)	Planning	The engineering services contracts were awarded to Tetra Tech and Dudek at the August 8, 2019, SOCWA Board meeting.
3553-000	Plant Drainage Improvements (2017)	Design	TetraTech has completed design. Project expected to advertise for bid in September 2019.
3360-000	Vehicle Storage Building Roof (2019)	Construction	Project completed by Operations staff.
4501-000	Electrical Manhole/Cable Assessment	Study	Project is scheduled to begin in October 2019.
4502-000	Building Roof Condition Assessment	Study	Project is scheduled to begin in October 2019.
CAPITAL IMPROVEMENT PROJECT AWT			
3364-000	Chlorine Contact Basin Mixer Construction (AWT) (2019)	Construction	Installation of clearwell pump valves was completed in August 2019. There is no further anticipated field work for this project.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS
('19/'20)

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECT LIQUIDS			
3701-000	Miscellaneous Improvements 2018	Construction	The construction contract was awarded to Filanc at the May 16, 2019, SOCWA Board meeting. Tasks 3702-000, 3730-000, 3784-000, 3785-000, and 3786-000 have been combined into this one Task Code.
3752-000	AWT No.2 Upgrade Design (2017)	Design	The design by Carollo is completed. The timing of the bid is under discussion.
3758-000	AWT No.2 Upgrade Construction	Bid	A small portion of this project will be completed this year to maintain operation of the AWT.
3759-000	AWT No.2 Electrical Upgrades	Bid	A small portion of this project will be completed this year to maintain operation of the AWT.
3741-000	Southwest Influent Sewer and Manhole Design (2019)	Design	The draft RFP for this item will be presented to the Engineering Committee after completion of the Moulton Niguel Water District design.
4008-000	Effluent Equalization Pond and Gate Condition Assessment (2017) (NCP)	Condition Assessment	Due to weather, this will be delayed until Spring of 2020.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS
('19/'20)

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECT COMMON			
3769-000	Trailer Drain Line	Construction	This is the common portion of the Miscellaneous Improvement 2018 Project. The construction contract was awarded to Filanc at the May 16, 2019, SOCWA Board meeting.
3761-000	External Lighting Upgrade	Bid	This item has been removed from the Miscellaneous Improvements 2018 Project and will be repackaged in a subsequent project.
3744-000	Administration Building Repair Design (2019)	Design	This project has been awarded to Tetra Tech.
3745-000	West Slope Protection Evaluation (2019)	Study	This project has been awarded to Tetra Tech.
3746-000	Motor Control Center A, G, H Design (2019)	Design	The SOCWA Board approved the award of contract to Lee & Ro at the March 7, 2019, SOCWA Board Meeting.
3747-000	Southside Plant Flooding Evaluation (2019)	Study	This project has been awarded to Tetra Tech.
3740-000	SE Electrical Manhole Reconstruction (2018)	Design	The SOCWA Board approved the award of contract to Lee & Ro at the March 7, 2019, SOCWA Board Meeting.
4703-000	Laboratory Reconstruction Evaluation	Study	Project is scheduled to begin in February 2019.
4704-000	Evaluate Plant and Storm Water Drainage System	Study	Project is scheduled to begin in October 2019.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS
('19/'20)

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECT SOLIDS			
3751-000	Miscellaneous Improvements 2018	Construction	The construction contract was awarded to Filanc at the May 16, 2019, SOCWA Board meeting. Task 3790-000 has been combined into this one Task Code.
3749-000	Phase I Solids Piping Upgrade (2019)	Construction	This project is expected to advertise for bid in October 2019.
3750-000	Dewatering Room Floor Sealing and Lighting (2019)	Design	Harper & Associates has been retained to provide a specification for the floor sealing.
3754-000	SET Piping Reconstruction (2019)	Construction	This project is expected to advertise for bid in October 2019.
3790-000	Solids Area Upgrade Design (2018)	Design	Lee & Ro is working on the design for the modifications to the digester gas piping.
3772-000	Hot Water Piping Reconstruction	Design	Carollo has completed the initial design for upgrading the Hot Water Piping.
3773-000	Cogeneration System Modifications	Design	A review is being conducted to identify the needed elements for this project. The project should advertise for design in October.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 21 - EFFLUENT TRANSMISSION MAIN CAPITAL PROJECTS
('19/'20)

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECTS			
3105-000	Air Vacuum Release Valve Replacement Reach D Design and Permitting	Design	RFP for design to be submitted in January 2020.
3106-000	Air Vacuum Release Valve Replacement Reach E Design and Permitting	Design	RFP for design to be submitted in January 2020.
3101-000	Trail Bridge Creek Crossing Protection (Reach D) Design and Permitting	Design	Tetra Tech has submitted a set of design drawings for SOCWA review.

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 24 - ALISO CREEK OCEAN OUTFALL CAPITAL PROJECTS
('19/'20)

<i>Task Code</i>	<i>Description</i>	<i>Phase</i>	<i>Status</i>
CAPITAL IMPROVEMENT PROJECTS			
3480-000	Internal Seal Replacement (2018)	Design	A purchase order has been issued to Black & Veatch to provide design documents. The project is expected to advertise for bidding in September 2019.

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 2(R) - JB LATHAM TREATMENT PLANT CAPITAL PROJECTS**

	Quarter	Fiscal Year 19/20				Fiscal Year 20/21			
		1st	2nd	3rd	4th	1st	2nd	3rd	4th
3220-000; 3216-000; 3287-000	Facility Improvements Package B	C	C	C	C	C	C	C	C
3350-000	MCC "M" Replacement Design	D	D						
3221-000	Electrical System Evaluation	P	P						
3353-000	Centrate System Design	D	D						
4001-000	Plant Drain System Study	P							
4201-000	Plant 1 Blower Building Condition Assessment	CA	CA						
4204-000	Electrical Manhole Condition Assessment	CA	CA						
4214-000	Solids Management Plan			P	P				
4202-000	Pipeline Condition Assessment Methodology Evaluation		P	P					
4203-000	Plant Hydraulic Model and Flow Management Plan	P	P						
3234-000	Centrate Piping Reconstruction						B&A	C	C
3235-000; 3227-000	Package D Solids Design					D	D	D	D
3285-000	Main Plant Drain Line Reconstruction						B&A	C	C
4205-000	Influent Flow Metering Evaluation					P			
4206-000	Plant 1 Grit Handling Evaluation						P	P	
4207-000	Chlorine Contact Basin/Effluent Pump Station Condition Assessment						CA		
4208-000	Dana Point Influent Sewer Condition Assessment					CA			
4209-000	Plant 1 Influent Sewer Condition Assessment					CA			
4210-000	Plant 1 Bypass Sewer Condition Assessment					CA			
4211-000	Site Storage Evaluation							P	P
3229-000	Drainage Pump Station Reconstruction						B&A	C	C
4212-000	Buried Utility Master Plan						P	P	
4213-000	Electrical Conduit and Cable Master Plan					P	P		

P	Planning	D	Design
CA	Condition Assessment	B&A	Bidding and Award
ENV	Environmental/Permitting	C	Construction

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 15(R) - COASTAL TREATMENT PLANT CAPITAL PROJECTS**

	Quarter	Fiscal Year 19/20				Fiscal Year 20/21			
		1st	2nd	3rd	4th	1st	2nd	3rd	4th
3525-000	Personnel Building Reconstruction		B&A	C					
3539-000	Facility Improvements Construction	C	C	C	C	C	C	C	C
3541-000	Export Sludge System Reconstruction	B&A	C	C	C				
3553-000	Plant Drainage Improvements		B&A	C	C				
4501-000	Electrical Manhole/Cable Assessment		CA	CA					
4502-000	Building Roof Condition Assessment		CA	CA					
3542-000	South Section Embankment Protection					ENV	ENV	ENV	ENV
15137	Foul Air System Condition Assessment						CA		
15138	Scum Pump Station Condition Assessment							CA	
4503-000	Site Storage Evaluation						P	P	
15139	Buried Utility Master Plan							P	P
3544-000	Aeration Upgrade Construction			D	B&A	C	C	C	
3546-000	Chlorine Contact Basin Gates					D	B&A	C	

P
CA
ENV

Planning
 Condition Assessment
 Environmental/Permitting

D
B&A
C

Design
 Bidding and Award
 Construction

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS**

	Quarter	Fiscal Year 19/20				Fiscal Year 20/21			
		1st	2nd	3rd	4th	1st	2nd	3rd	4th
3701-000; 3769-000; 3751-000	Miscellaneous Improvement 2018	C	C	C	C	C			
3753-000	Aeration Diffuser Upgrade		B&A	C	C	C			
3741-000	Southwest Influent Sewer and MH Repair Design			D	D				
3756-000	Secondary Clarifier Safety Repairs		B&A	C	C				
3757-000	Miscellaneous Safety Imps - Liquids		B&A	C	C				
3761-000	External Lighting Upgrade		B&A	C	C				
3771-000	Miscellaneous Safety Imps - Solids		B&A	C	C				
3749-000	Phase I Solids Piping Upgrade			B&A	C	C			
3755-000	SE Sewer Rehabilitation			B&A	C	C			
3758-000	AWT No. 2 Reconstruction				B&A	C	C		
3759-000	AWT No. 2 Electrical Upgrades				B&A	C	C		
3772-000	Hot Water Piping Reconstruction			B&A	C	C			
3766-000	AWT Hypochlorite Tanks Shade			B&A	C	C			
3773-000	Cogeneration System Modifications	D	D	B&A	C	C			
4704-000	Evaluate Plant and Storm Water Drainage System	P	P						
4703-000	Laboratory Reconstruction Evaluation			P	P	P			

P	Planning	D	Design
CA	Condition Assessment	B&A	Bidding and Award
ENV	Environmental/Permitting	C	Construction

**SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
PROJECT COMMITTEE NO. 17(R) - REGIONAL TREATMENT PLANT CAPITAL PROJECTS CONTINUED**

		Fiscal Year 19/20				Fiscal Year 20/21				
		Quarter	1st	2nd	3rd	4th	1st	2nd	3rd	4th
17087	Odor Control Chemical Tank						C			
17088	Primary Sedimentation Condition Assessment						CA			
37001-000; 37002-000; 3779-000	MCC A, C, G, H Replacement						B&A	C	C	
37002-000	West Slope Protection							B&A	C	C
37003-000	Admin Building Door & Window Repair							B&A	C	C
3775-000	Aeration Basin Handrail Upgrade							B&A	C	C
3776-000	Effluent Pond Gate Replacement						B&A	C	C	
3777-000; 3778-000	Site Lighting Upgrade								B&A	C
4701-000	Interstage Pump Station Condition Assessment							CA		
4702-000	Site Storage Evaluation								P	P

P

CA

ENV

Planning

Condition Assessment

Environmental/Permitting

D

B&A

C

Design

Bidding and Award

Construction

P Planning
CA Condition Assessment
ENV Environmental/Permitting

D Design
B&A Bidding and Award
C Construction

Agenda Item

Budgeted: Yes

Budget amount: \$463,500

Line Items: PC 2, Task 3250-000

Legal Counsel Review: No

Meeting Date: September 5, 2019

TO: Project Committee No. 2 Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Jason Manning, Director of Engineering

SUBJECT: Change Order to SS Mechanical Construction Contract for the J. B. Latham Treatment Plant, Plant 1 Grit Basin Rehabilitation Project

Recommendation

The Engineering Committee recommends that the Board of Directors approve Change Order 4 to the construction contract with SS Mechanical Construction for the J. B. Latham Treatment Plant, Plant 1 Grit Basin Rehabilitation Project.

Change Orders

1. Recommend Change Order 4 for the construction contract for Plant 1 Grit Basin Rehabilitation (PC 2, Task 3250-000)

CO #	CO Item	Description	Change Order Price	Cumulative Change Order Amount*	Status
4	Replacement of Mounting Plate for Grit Basin Coarse Air System	After removal of existing coarse air piping it was found that the existing mounting plate had corroded to the point that it could no longer be used. The change accounted for the labor and material to fabricate and install a new mounting plate.	\$556.09	\$15,071.39	SOCWA Engineering Committee Recommendation

* Cumulative change order cost for this task code only.

Advisory Status

Reviewed and recommended by the SOCWA Engineering Committee on August 15, 2019.

Financial Status

Original Contract Amount:	_____	\$	343,450.00
Net change by previous change orders:	_____	\$	14,515.30
Contract amount prior to this change order:	_____	\$	357,965.30
Net increase, decrease due to this change order:	_____	\$	556.09
New contract amount, including this change order:	_____	\$	358,521.39

The overall project remains within budget. The revised project ledger is presented in Exhibit A. The allocation of these change order costs is shown below.

Member Agency	Task 3250-000
Moulton Niguel Water District	\$128.35
City of San Juan Capistrano	\$171.11
Santa Margarita Water District	\$96.26
South Coast Water District	\$160.38
Total	\$556.09

Exhibit A
Project Cost Ledger: J. B. Latham Treatment Plant
Plant 1 Grit Basin Rehabilitation

(Millions)

	Plant 1 Grit Basin Rehabilitation
Budget (2019/2020)	0.464
Budget Task Codes	PC 2 Task 3250-000
<u>Actual Bid Costs-Constr.</u>	0.343
<u>Construction Change</u>	
<u>Orders</u>	0.015
<u>Previous Costs (Prior</u>	
<u>Construct and Design)</u>	0.060
Contingency	0.016
Construction Services	0.030
Other	0.000
Total Project Costs	0.464
<u>Spending</u>	
Total Current Spending	(0.419)
Remaining Spending	(0.045)
Remaining Budget	0.045

Agenda Item

Budgeted: Yes

Budget amount: \$1,090,000.00

Line Item: PC 15, Tasks 3364-000, 3596-000, 3365-000 and 3366-000

Legal Counsel Review: No

Meeting Date: September 5, 2019

TO: Project Committee No. 15 Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Jason Manning, Director of Engineering

SUBJECT: Change Orders to SS Mechanical Construction Contract for the Coastal Treatment Plant Tertiary System Upgrades Project

Recommendation

The Engineering Committee recommends that the Board of Directors approve Change Orders 6 through 8 to the construction contract with SS Mechanical Construction for the Coastal Treatment Plant Tertiary System Upgrades Project.

Change Orders

1. Recommend Change Order 6 through 8 for the construction contract of AWT Filter Valve Upgrades (PC 15, Task 3366-000)

CO #	CO Item	Description	Change Order Price	Total Change Order Price*	Status
6	Remove and Replace Existing 12-inch DIP Spool at the Filter	Labor, material, and equipment for the work associated with removal and replacement of the 12-inch DIP spool leaking from the flange to spool connection at the filter	\$1,588.44	\$16,111.36	SOCWA Engineering Committee Recommended
7	Remove and Replace Existing 12-inch DIP Spool at the Filter Drain Header	Labor, material, and equipment for the work associated with removal and replacement of the 12-inch DIP spool leaking from the flange to spool connection at the filter drain header	\$2,170.00	\$18,281.36	SOCWA Engineering Committee Recommended

CO #	CO Item	Description	Change Order Price	Total Change Order Price*	Status
8	Caulking to the Bottom One-Foot Section of the Filter Exterior Walls	Labor, material, equipment, and subcontractor costs to apply caulking to the bottom one-foot section of the filter exterior walls	\$834.70	\$19,116.06	SOCWA Engineering Committee Recommended

*Cumulative change order cost for this task code only

Advisory Status

Reviewed and recommended by the SOCWA Engineering Committee on August 15, 2019.

Financial Status

Original Contract Amount:	_____	\$	883,211.00
Net change by previous change orders:	_____	\$	68,655.44
Contract amount prior to this change order:	_____	\$	951,866.44
Net increase, decrease due to this change order:	_____	\$	4,593.14
New contract amount, including this change order:	_____	\$	956,459.58

The overall project remains within budget. The update project ledger is presented in Exhibit A.

These change orders are attributed to Project Committee 15 AWT. The cost is fully allocated to the South Coast Water District.

Exhibit A
Project Cost Ledger: Coastal Treatment Plant
Tertiary Upgrade Project
(Millions)

	Chlorine Contact Basins Mixers	Applied Water VFDs	MCC A Replace- ment	AWT Filter Upgrade	Total
Budget (2018/19)	0.125	0.230	0.200	0.535	1.090
Budget Task Codes	3364-000	3596-000	3365-000	3366-000	
Actual Bid Costs-Constr.	0.053	0.146	0.194	0.490	0.883
Construction Change Orders	0.051	0.000	0.004	0.019	0.073
Previous Costs (Prior Construct and Design)	0.000	0.000	0.000	0.000	0.000
Contingency	0.022	0.074	-0.012	0.000	0.084
Construction Services	0.000	0.010	0.015	0.025	0.050
Total Project Costs	0.125	0.230	0.200	0.535	1.090
Spending					
Total Current Spending	(0.065)	(0.137)	(0.197)	(0.504)	(0.903)
Remaining Spending	(0.060)	(0.093)	(0.003)	(0.031)	(0.187)
Remaining Budget	0.060	0.093	0.003	0.031	0.187

**MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

Project Committee No. 15

May 15, 2019

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Project Committee No. 15 was held on May 15, 2019, at 1:00 p.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of Project Committee No. 15 were present:

JOHN PIETIG
MIKE DUNBAR
RICK SHINTAKU

City of Laguna Beach
Emerald Bay Service District
South Coast Water District

Absent:

MATT COLLINGS

Moulton Niguel Water District

Staff present:

BETTY BURNETT
DANITA HIRSH

General Manager
Administrative Assistant

Also Present:

JEREMY JUNGREIS
ART KIDMAN
ADRIANNA OCHOA
STEVE GREYSHOCK
PAUL SIMONDS

Rutan & Tucker, LLP
Kidman Law LLP
Procopio Law Firm
Greycomm, LLC
Curt Pringle & Associates

1. Call Meeting to Order

Chairperson Dunbar called the meeting to order at 1:02 p.m.

2. Public Comments

None

3. Open Session

- Approval of Minutes

Chairperson Dunbar noted the Minutes to be approved were for March 1, 2019, March 6, 2019, March 18, 2019, April 2, 2019 and April 25, 2019.

Director Erdman noted a correction to the April 2, 2019 Minutes that he had attended the meeting and not Rick Shintaku.

ACTION TAKEN

Motion was made by Director Pietig and 2nd by Director Erdman to approve the Minutes for March 1, 2019, March 6, 2019, March 18, 2019, April 2, 2019 and April 25, 2019, noting the correction to the April 2, 2019 Minutes with Director Erdman in attendance instead of Director Shintaku.

Motion carried: Aye 3, Nay 0, Abstained 0, Absent 1
Director Pietig Aye
Director Collings Absent
Director Erdman Aye
Director Dunbar Aye

The Project Committee No. 15 convened to Closed Session at 1:05 p.m.

4. Closed Session

A Closed Session was conducted for the following matter:

Existing Litigation per paragraph (1) of subdivision (d) of Government Code Section 54956.9, *Case of SOCWA, et al. v. Moulton Niguel Water District*
Case number RIC1721240.

There were three agencies in attendance for the Closed Session. The agencies in attendance were: City of Laguna Beach, South Coast Water District, and Emerald Bay Service District. The Closed Session concluded at 2:30 p.m. Counsel reported there were no reportable items from the Closed Session.

5. Adjournment

There being no further business, Chairperson Dunbar adjourned the meeting at 2:30 p.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Project Committee No. 15 of May 15, 2019 and approved by the Project Committee No. 15 and received and filed by the Board of Directors of the South Orange County Wastewater Authority.

Betty C. Burnett, General Manager / Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Agenda Item

Budgeted: Yes

Budget amount: \$85,826

Line Item: PC 2 Task 4201-000

Legal Counsel Review: No

Meeting Date: September 5, 2019

TO: Project Committee No. 2 Board of Directors
FROM: Betty Burnett, General Manager
STAFF CONTACT: Jason Manning, Director of Engineering
SUBJECT: Award of Condition Assessment for the JB Latham Treatment Plant Blower Building (Plant 1) Condition Assessment

Summary

This Agenda Item provides a recommendation for the award of a condition assessment contract to Carollo Engineers for the JB Latham Blower Building (Plant 1) Condition Assessment.

Overview

The Plant 1 Blower Building was constructed in 1965 and houses the Raw Sewage Pump Station, Return Activated Sludge Pump Station, Waste Activated Pump Station, and Primary Sludge Pump Station as well as multi-stage blowers that provide a back-up source of air for the plant aeration system. The upper floor of the Blower Building also contains Motor Control Centers (MCC's), Variable Frequency Drives (VFD's), and Programmable Logic Controllers (PLC'S). The lower floor of the Blower Buildings includes the Primary Sludge Gallery. This passageway includes the piping and valving used to control the removal of sludge from the Primary Sedimentation Basins. The wet-wells for the Raw Sewage Pumping and the Return Activated Sludge Pumping are located adjacent to the Blower Building.

The request for proposals asked to provide the following for the components listed below:

1. Basis of design update.
2. Inventory and estimate of the remaining life of components.
3. Cost estimate for replacement.

The condition assessment will cover the following components:

Building

- Building structure including stairs
- Roof
- All doors
- Ladder to roof
- HVAC system
- Environmental sensors and alarms
- Lighting including 120v power distribution
- Water piping
- Drains
- Adjacent wet-well structures and hatches/access points (including level instrumentation)

Equipment

- Raw Sewage Pumps with associated piping, valves, and instrumentation
- Return Activated Pumps with associated piping, valves, and instrumentation
- Waste Activated Sludge Pumps with associated piping, valves and instrumentation
- Primary Sludge Pumps with association piping, valves, and instrumentation
- Sewage grinder
- Multi-stage Blowers and associated piping and valves
- Air Compressor
- All piping, valves, and electrical appurtenances in the Plant 1 Blower Building (not including underground piping)
- Equipment guarding
- Motor control centers, associated panels, and connections
- Variable frequency drives, associated panels, and connections
- Programmable logic controllers, associated panels and connections
- Hoist located on the first floor

Proposals Received

Requests for Proposals were sent to the following five firms through Planet Bids:

- Black and Veatch
- Carollo Engineers
- Hazen & Sawyer
- HDR Engineers
- Lee & Ro, Inc.

Two proposals from Hazen & Sawyer and Carollo Engineers were received for this project.

Discussion/Analysis

A summary of the proposals are presented in Table 1 on page 3.

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Table 1 - Proposal Summary

Firm	Carollo	Hazen & Sawyer
Project Manager	Rashi Gupta	Ian Mackenzie
Project Engineer	Willie James	Bryce Danker
Principal	Doug Lanning	David Jones
Sub-consultants	Jamison Engineering and MISTRAS Group	V & A
Qualifications	Familiar with JBL. Multiple similar condition assessments, including the recently completed JBL Solids Condition Assessment.	Familiar with JBL. Multiple similar condition assessments, including the recently completed Package B Condition Assessment.
QA/QC	Jeff Weishaar	Steve Conner, Chris Thunhorst
Total Labor Hours	425	567
Schedule	Completion by December 20, 2019 (Page 10)	Completion by December 20, 2019 (Page 10)
Contract Issues	None	None
Proposal Requirement Compliance	Complied	Complied

The proposed fees for each firm are as shown in Table 2.

Table 2 - Proposal Summary

Firm	Carollo Engineers	Hazen & Sawyer
Total Fee	\$95,813	\$155,888

The Engineering Committee for Project Committee 2 reviewed each of the proposals. The difference in the effort was noted by the Engineering Committee. Given Carollo's history at the facility, the Engineering Committee felt they had a clear understanding of the scope and magnitude of work. It was, therefore, the opinion of the Committee that the estimate of effort by Carollo was more appropriate to the condition assessment required by the scope of work.

The scope of work for the proposed project is presented in Exhibit A.

Advisory Committee Review

Proposals for the JB Latham Treatment Plant JB Latham Blower Building (Plant 1) Condition Assessment were reviewed by the Engineering Committee on August 15, 2019. The present members of Project Committee 2 Engineering Committee recommended the award of the contract to Carollo Engineers with the increased task budget.

Fiscal Impact

The proposed fee exceeds the current budget for this task. The Engineering Committee recommended increasing the budget by \$15,000 to accommodate the Carollo fee plus a small contingency. The increased budget is presented in Table 3 below.

Table 3 - Proposed Budget Increase

Task	Available Budget	Condition Assessment	Contingency	Total Increase	New Proposed Budget
4201-000	\$85,826	\$95,813	\$5,013	\$15,000	\$100,826

Table 4 presents the allocation of the proposed budget increase identified in Table 3.

Table 4 - Allocation of Proposed Budget Additions

	Blower Building Condition Assessment	Total
	4201-000	
City of San Juan Capistrano	\$4615.50	\$4615.50
Moulton Niguel Water District	\$3462.00	\$3462.00
South Coast Water District	\$4,327.50	\$4,327.50
Santa Margarita Water District	\$2,595.00	\$2,595.00
Total	\$15,000.00	\$15,000.00

The allocation of the project cost to the member agencies is presented in Table 4.

Table 5 - Allocation of Cost to Member Agency

	Blower Building Condition Assessment	Total
	4201-000	
City of San Juan Capistrano	\$29,481.66	\$29,481.66
Moulton Niguel Water District	\$22,113.64	\$22,113.64
South Coast Water District	\$27,642.05	\$27,642.05
Santa Margarita Water District	\$2,424.84	\$2,424.84
Total	\$95,813.00	\$95,813.00

Recommendations

The following actions are recommended:

- Approval of the award of the condition assessment contract to Carollo Engineers at a fee not to exceed \$95,813.00.
- Approval of the budget increase of \$15,000 identified in Tables 3 and 4 and approve including \$15,000 in the Fiscal Year 2019/2020 Non-Capital Projects budget.

EXHIBIT A

SCOPE OF SERVICES

Tasks include the following:

- I. Progress Meetings. FIRM shall meet with SOCWA staff no more than three times at SOCWA's Administration building in Dana Point. This does not include site inspections.
- II. Document Review. FIRM shall review all applicable drawings and existing documentation for each assessment.
- III. Equipment Basis of Design. FIRM shall develop equipment system basis of design based on existing equipment for pumps and HVAC systems.
- IV. Building Condition Assessment. FIRM shall prepare inventory, evaluation, and estimate of remaining life for the building structure and structural and other components.
- V. Wet-well Condition Assessment. FIRM shall evaluate conditions of Raw Sewage and Return Activated Sludge wet-wells. Investigation shall be assumed to take place during nighttime shutdown. FIRM shall be responsible for providing own confined entry team and equipment. Confined space entry shall conform to SOCWA requirements.
- VI. Building Cost Estimate. FIRM shall prepare capital cost estimate for repairing of the current structure and replacement of structural and other components identified in Task 4.
- VII. Equipment Evaluation. FIRM shall identify equipment requirements. FIRM shall evaluate equipment requirements and determine if the current configuration is sufficient to meet current and expected future demands. FIRM shall provide recommendations to update each pump station.
- VIII. Equipment Condition Assessment. FIRM shall prepare inventory, evaluation, and estimate of remaining life for equipment. Including inventory, evaluation, and estimate of remaining life.
- IX. Equipment Replacement cost estimate. FIRM shall prepare capital cost estimate for replacement of equipment identified in Task 8.
- X. Technical Memorandum. FIRM shall summarize findings of Tasks 2 through 9 in a technical memorandum. FIRM shall submit draft Technical Memorandum to SOCWA in PDF format for review. FIRM shall provide written response to all review questions and comments provided by SOCWA staff. FIRM shall submit five hard copies and one electronic cop of final report to SOCWA. FIRM shall provide any tables in EXCEL format and drawings in *.dwg format.

Agenda Item

Board of Directors Meeting

Meeting Date: September 5, 2019

TO: Board of Directors
FROM: Betty Burnett, General Manager
STAFF CONTACT: Mary Carey, Finance Controller
SUBJECT: Annual Financial Statements Audit FY 2018-19 - Progress

Summary/Discussion

The Interim Work for FY 2018-19 Annual Financial Statements Audit was completed the week of July 22, 2019.

There were no identified issues.

Materials provided to the Auditors are detailed in the Attached PBC List (Provided by Client), Exhibit A.

The open items are:

- Recording Fixed Assets Placed in Service.
- Use Audit.
- Recording of OPEB Change and Distribution by Project Committee and Member Agency.
- Re-distribution of Pension by Project Committee and Member Agency, the New Distribution Template required updates to formulas which changed the distribution by Project Committee and Member Agency.
- Cash Roll Forward as of June 30, 2019.
- Financial Statements, including Management Discussion and Analysis (MD&A).
- Project Committee No. 23 Consolidation with SOCWA's Financial Statements.
- Supplemental Financial Statements.

Target Date for Draft Audit Report Review with Finance Officers and Finance Committee

The Auditors and Staff will be submitting the Draft Audit Report before the November 6, 2019, Finance Committee Meeting. Questions regarding the report would be appreciated prior to the meeting to facilitate discussions at the meeting and a recommendation to the Board of Directors meeting scheduled for December 3, 2019.

Recommendation

Staff recommends to the Board of Directors to receive and file the subject report.

SOCWA's PBC List (Provided by Client)

FY 2018-19 Annual Financial Statements Audit

Due Date - Not Set

Category	ID	Name	Due Date	Provided Files	Provided Comments
Person Responsible					
Interim General					N/A
	1	Provide the following for the City personnel responsible for reviewing and approving the financial statements (if different than prior year): a) resume (If new) b) training certificates and agendas c) certificates/designations (i.e., CPA etc.) (If new)	Completed		
	2	Signed engagement letter (letter format provided by TPG)	Completed		Betty
	3	Minutes -July 1, 2018 to most recent	Completed		On-Site Danita & Teri David, Amber, Betty
	4	Updated IT forms effective FY18/19	Completed		
	5	Flowcharts/narratives effective FY18/19 (provided by TPG)	Completed		
	6	Billing invoices and deposit information for selected sample	Completed		Konstantin, Anna
	7	Access to approved payment details for selected samples	Completed		Anna
	8	Access to approved timecards for selected payroll samples	Completed		Naydn
	9	Latest valuation report for other post employment benefits other than pension (OPEB)-GASB75 and data sent for valuation report.	Completed		Mary
	10	Printed copies of myCalPERS employee information for selected census samples	Completed		Mary
	11	Form 700 for the Board of Directors and the management (GM and directors)	Completed		Teri
	12	Any other audit reports, monitoring reports, etc., if applicable	Completed		N/A
	13	Year-to date FY18/19 Trial Balance (excel), preliminary	Completed		Accounting

SOCWA's PBC List (Provided by Client)

FY 2018-19 Annual Financial Statements Audit

Due Date - Not Set

Category	ID	Name	Due Date	Provided Files	Provided Comments
Person Responsible					
Interim General					
	14	Preliminary Schedule of Expenditures of Federal Awards (SEFA) for all Federal grants expended in FY18/19 (for planning purposes)	Completed		N/A
	15	New bond, loan, capital lease agreements effective during FY18/19, if any (PDF file)	Completed		Jeanette
	16	AU-C 260 letter - planning (to be distributed to BOD)	Completed		
Confirmation					
	17	Please prepare the confirmation letters (formats will be provided by the auditors)	Completed		Mary
	18	Confirmation templates from the PY	Completed		

SOCWA's PBC List (Provided by Client)

FY 2018-19 Annual Financial Statements Audit

Due Date - Not Set

Category	ID	Name	Due Date	Provided Files	Provided Comments
Person Responsible					
Interim General					
Yearend general					
	19	Note disclosure information - commitments and contingencies	Completed		Mary, Jeanette, Betty
	20	Note disclosure information - subsequent events	Completed		Mary, Betty
	21	Note disclosure information - other information	Completed		Mary, Betty
	22	Note disclosure information - Risk Management (CSRMA)	Completed		Mary, Betty
Trial balance					
Cash and investments					
	23	June 2019 bank statements for all bank accounts	Completed		Konstantin
	24	July 2019 bank statements for all bank accounts	Completed		Konstantin
	25	List of bank accounts opened and closed during FY18/19	Completed		N/A
Receivables					
	26	Calculation and assumption of allowances for uncollectible account at June 30, 2019	Completed		N/A
	27	List of interest receivable at June 30, 2019	Completed		Mary, Konstantin
	28	List of due from member agencies as of June 30, 2019 (excel)	TBD	Pending Use Audit	Mary, Konstantin
	29	Subsequent bank statements from July 2019 to the most recent (including bank statements not provided during interim)	Completed		Konstantin
	30	Schedule of Unearned Revenues as of June 30, 2019	Completed		N/A
Other assets					
Capital assets					
	31	Detail list of additions and deletions during FY18/19	TBD		Konstantin, Naydn
	32	Calculation of gains and losses for all capital assets disposed during FY18/19	TBD	Open	Konstantin, Naydn

SOCWA's PBC List (Provided by Client)

FY 2018-19 Annual Financial Statements Audit

Due Date - Not Set

Category	ID	Name	Due Date	Provided Files	Provided Comments
Interim General					
	33	Listing of amount, valuation basis, and description of donated capital assets, if any	Completed		N/A
	34	Listing of intangible assets acquired during FY18/19, if any	TBD	Open	Konstantin, Naydn
	35	Listing of any impairments of capital assets during FY18/19, if any	TBD	Open	Konstantin, Naydn
Accounts payable					
	36	Listing of all retention payable as of June 30, 2019	Completed		Jeanette
	37	List of due to member agencies as of June 30, 2019	TBD	Pending Use Audit	Mary, Konstantin
Payroll related liabilities					
	38	Calculation of accrued salaries payable at June 30, 2019	Completed		Naydn
	39	Covered payroll information from myCalPERS for FY18/19	Completed		Dina, Naydn
	40	Actual OPEB contribution detail	Completed		Mary
	41	OPEB adoption plan, trust agreement, master plan documents, if available	Completed		Mary
Longterm liabilities					
	42	Debt agreements, if new	Completed		N/A
Revenue and exp					
	43	Explanation to significant difference (to be provided by Auditor)	TBD	Open	Mary
Single Audit, if required					
	44	Final Schedule of Expenditures of Federal Awards (SEFA)	Completed		N/A
	45	Grant documents and account detail that supports the amounts in SEFA	Completed		N/A

Agenda Item

Legal Counsel Review: N/A

Meeting Date: September 5, 2019

TO: Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Dina Ash, HR Administrator

SUBJECT: SOCWA 457b Plan Improvements

Summary

SOCWA offers to its employees a 457b Plan for investment of employee savings toward future retirement. As a plan sponsor, SOCWA has fiduciary obligations to maintenance of the plan. At its May 16, 2018, Finance Committee Meeting, staff reported on the documents that were available to the existing plan and noted that updates were due to bring SOCWA current. Updates to the Finance Committee was also provided by SOCWA staff at the August 20, 2019, and September 3, 2019, Finance Committee Meetings. SOCWA staff engaged Sherrie Boutwell of Boutwell Fay LLP to provide special counsel review of SOCWA documents and Tom Wolfson of Wells Fargo Advisors, to recommend improvements to the service provider for administration of the SOCWA 457b Plan.

Ms. Boutwell has completed her work and is recommending that SOCWA adopt an updated 457 Plan. The revised Plan document is attached.

Tom Wolfson of Wells Fargo Advisory Services has assisted staff in assessing service provider options for administrative functions. Staff has formed a committee with two SOCWA staff members to look over the provider options. Staff is recommending moving all 457 Plan Administrative Services to Nationwide Private and closing out both the VOYA and Nationwide Public services. Nationwide Private will provide an open architecture for the selection of investment plans. The proposed new fee structure will reduce costs from .44 & .50 basis points (Nationwide Public and Voya current fees) down to .41 to .36 basis points (Nationwide Private will reduce with total plan growth).

Staff is also recommending that SOCWA continue working with Tom Wolfson of Wells Fargo Advisory Service to provide employee education and advisory services to SOCWA as the Plan Sponsor. These services will include an annual review of the performance of the investment choices within the SOCWA 457 Plan, interface with the selected administrative provider to maintain quality services, and active monitoring of fund performance for any changes that may occur in fund style or performance.

Tom Wolfson's background and qualifications are attached, and he has provided services in the past to employee 457 plans for both South Coast Water District and Santa Margarita Water District. Tom's expertise includes conducting trustee Meetings to review current and potential investments with fiduciary committees, monitoring of investment to adhere to Investment Policy Statements, assisting agencies with RFP's and vendor searches, presenting ongoing onsite group and individual employee meetings and servicing plan sponsors and their employees with all related aspects of their Retirement Plan.

SOCWA does not have current, up to date agreements with Nationwide Public. Following Board approval of the new plan documents and approval of the new plan administrator (Nationwide

Private), SOCWA will enter into a services agreement which will meet SOCWA's fiduciary and trust obligations as a 457 Plan Sponsor.

The SOCWA employee committee has met and concurs in the above recommendations; in addition, SOCWA staff has communicated the proposed changes to employees and retirees participating in the plan.

An update of the Finance Committee's consideration of this item will be provided at the Board Meeting.

Recommendation

Staff recommends that the Board of Directors approve the SOCWA 457 Plan document and authorize the General Manager to enter into the requisite Service Agreements with Nationwide Private in a form approved by counsel and retain Wells Fargo Advisory Services to provide Plan Advisory Services.

457 PLAN

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ARTICLE I DEFINITIONS

1.01 "**Account**" means the separate Account(s) which the Plan Administrator or the Trustee maintains under the Plan for a Participant's Deferred Compensation. The Plan Administrator or Trustee may establish separate Accounts for multiple Beneficiaries of a Participant to facilitate required minimum distributions under Section 4.03 based on each Beneficiary's life expectancy.

1.02 "**Accounting Date**" means the last day of the Plan Year. The Plan Administrator will allocate Employer contributions and forfeitures for a particular Plan Year as of the Accounting Date of that Plan Year, and on such other dates, if any, as the Plan Administrator determines, consistent with the Plan's allocation conditions and other provisions.

1.03 "**Beneficiary**" means a person who the Plan or a Participant designates and who is or may become entitled to a Participant's Account upon the Participant's death. A Beneficiary who becomes entitled to a benefit under the Plan remains a Beneficiary under the Plan until the Plan Administrator or Trustee has fully distributed to the Beneficiary his or her Plan benefit. A Beneficiary's right to (and the Plan Administrator's or a Trustee's duty to provide to the Beneficiary) information or data concerning the Plan does not arise until the Beneficiary first becomes entitled to receive a benefit under the Plan.

1.04 "**Code**" means the Internal Revenue Code of 1986, as amended.

1.05 "**Compensation**"

(A) Uses and Context. Any reference in the Plan to Compensation is a reference to the definition in this Section 1.05, unless the Plan reference, or the Employer in the Adoption Agreement, modifies this definition. Except as the Plan otherwise specifically provides, the Plan Administrator will take into account only Compensation actually paid during (or as permitted under the Code, paid for) the relevant period. A Compensation payment includes Compensation paid by the Employer through another person under the common paymaster provisions in Code §§3121 and 3306. In the case of an Independent Contractor, Compensation means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies in the Adoption Agreement. The Employer in the Adoption Agreement may elect to allocate contributions based on a Compensation within specified 12 month period which ends within a Plan Year.

(B) Base Definitions and Modifications. The Employer in the Adoption Agreement must elect one of the following base definitions of Compensation: W-2 Wages, Code §3401(a) Wages, or 415 Compensation. The Employer may elect a different base definition as to different Contribution Types. The Employer in the Adoption Agreement may specify any modifications thereto, for purposes of contribution allocations under Article III. If the Employer fails to elect one of the above-referenced definitions, the Employer is deemed to have elected the W-2 Wages definition.

(1) W-2 Wages. W-2 Wages means wages for federal income tax withholding purposes, as defined under Code §3401(a), plus all other payments to an Employee in the course of the Employer's trade or business, for which the Employer must furnish the Employee a written statement under Code §§6041, 6051, and 6052, but determined without regard to any

rules that limit the remuneration included in wages based on the nature or location of the employment or services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

(2) Code §3401(a) Wages (income tax wage withholding). Code §3401(a) Wages means wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source, but determined without regard to any rules that limit the remuneration included in wages based on the nature or the location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

(3) Code §415 Compensation (current income definition/simplified compensation under Treas. Reg. §1.415(c)-2(d)(2)). Code §415 Compensation means the Employee's wages, salaries, fees for professional service and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits and reimbursements or other expense allowances under a nonaccountable plan as described in Treas. Reg. §1.62-2(c)).

Code §415 Compensation does not include:

(a) Deferred compensation/SEP/SIMPLE. Employer contributions (other than Elective Deferrals) to a plan of deferred compensation (including a simplified employee pension plan under Code §408(k) or to a simple retirement account under Code §408(p)) to the extent the contributions are not included in the gross income of the Employee for the Taxable Year in which contributed, and any distributions from a plan of deferred compensation (whether or not qualified), regardless of whether such amounts are includible in the gross income of the Employee when distributed.

(b) Option exercise. Amounts realized from the exercise of a non-qualified stock option (an option other than a statutory option under Treas. Reg. §1.421-1(b)), or when restricted stock or other property held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture under Code §83.

(c) Sale of option stock. Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option as defined under Treas. Reg. §1.421-1(b).

(d) Other amounts that receive special tax benefits. Other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts under Code §125).

(e) **Other similar items.** Other items of remuneration which are similar to any of the items in Sections 1.11(B)(3)(a) through (d).

(4) **Alternative (general) 415 Compensation.** Under this definition, Compensation means as defined in Section 1.11(B)(3) but with the addition of: (a) amounts described in Code §§104(a)(3), 105(a), or 105(h) but only to the extent that these amounts are includible in Employee's gross income; (b) amounts paid or reimbursed by the Employer for moving expenses incurred by the Employee, but only to the extent that at the time of payment it is reasonable to believe these amounts are not deductible by the Employee under Code §217; (c) the value of a nonstatutory option (an option other than a statutory option under Treas. Reg. §1.421-1(b)) granted by the Employer to the an Employee, but only to the extent that the value of the option is includible in the Employee's gross income for the Taxable Year of the grant; (d) the amount includible in the Employee's gross income upon the Employee's making of an election under Code §83(b); and (e) amounts that are includible in the Employee's gross income under Code §409A or Code §457(f)(1)(A) or because the amounts are constructively received by the Participant. [Note if the Plan's definition of Compensation is W-2 Wages or Code §3401(a) Wages, then Compensation already includes the amounts described in clause (e).]

(C) **Deemed 125 Compensation.** Deemed 125 Compensation means, in the case of any definition of Compensation which includes a reference to Code §125, amounts under a Code §125 plan of the Employer that are not available to a Participant in cash in lieu of group health coverage, because the Participant is unable to certify that he/she has other health coverage.

(D) **Modification to Compensation.** The Employer must specify in the Adoption Agreement the Compensation the Plan Administrator is to take into account in allocating Deferral Contributions to a Participant's Account. For all Plan Years other than the Plan Year in which the Employee first becomes a Participant, the Plan Administrator will take into account only the Compensation determined for the portion of the Plan Year in which the Employee actually is a Participant.

(E) **Elective Contributions.** Compensation under Section 1.05 includes Elective Contributions unless the Employer in the Adoption Agreement elects to exclude Elective Contributions. "Elective Contributions" are amounts excludible from the Employee's gross income under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p) or 457, and contributed by the Employer, at the Employee's election, to a cafeteria plan, a qualified transportation fringe benefit plan, a 401(k) arrangement, a SARSEP, a tax-sheltered annuity, a SIMPLE plan or a Code §457 plan.

(F) **Post-Severance Compensation.** Compensation includes Post-Severance Compensation to the extent the Employer elects in the Adoption Agreement or as the Plan otherwise provides. Post-Severance Compensation is Compensation paid after a Participant's Severance from Employment from the Employer, as further described in this Section 1.05(F). As the Employer elects, Post-Severance Compensation may include any or all of regular pay, leave cash-outs, or deferred compensation paid within the time period described in Section 1.05(F)(1), and may also include salary continuation for disabled Participants, all as defined below. Any other payment paid after Severance from Employment that is not described in this Section 1.05(F) is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not

include severance pay, parachute payments under Code §280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to Severance from Employment.

(1) **Timing.** Post-Severance Compensation includes regular pay, leave cashouts, or deferred compensation only to the extent the Employer pays such amounts by the later of 2 1/2 months after Severance from Employment or by the end of the Limitation Year that includes the date of such Severance from Employment.

(a) **Regular pay.** Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with the Employer.

(b) **Leave cash-outs.** Leave cash-outs means payments for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued and if Compensation would have included those amounts if they were paid prior to the Participant's Severance from Employment.

(c) **Deferred compensation.** As used in this Section 1.05(F), deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the Deferred Compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

(2) **Salary continuation for disabled Participants.** Salary continuation for disabled Participants means Compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)).

(G) **Differential Wage Payments.** An individual receiving a Differential Wage Payment, as defined by Code §3401(h)(2), shall be treated as an employee of the employer making the payment and the Differential Wage Payment shall be treated as compensation for purposes of Code §457(b) and any other Internal Revenue Code section that references the definition of compensation under Code §415, including the definition of Includible Compensation as provided in Section 1.15.

1.06 **"Deferral Contributions"** means as the Employer elects on the Adoption Agreement, Salary Reduction Contributions, Nonelective Contributions and Matching Contributions. The Plan Administrator in applying the Code §457(b) limit will take into account Deferral Contributions in the Taxable Year in which deferred, or if later, in the Taxable Year in which the Deferral Contributions are no longer subject to a Substantial Risk of Forfeiture. The Plan Administrator in determining the amount of a Participant's Deferral Contributions disregards the net income, gain and loss attributable to Deferral Contributions unless the Deferral Contributions are subject to a Substantial Risk of Forfeiture. If a Deferral Contribution is subject to a Substantial Risk of Forfeiture, the Plan Administrator takes into the Deferral Contribution as adjusted

for allocable net income, gain or loss in the Taxable Year in which the Substantial Risk of Forfeiture lapses.

1.07 **"Deferred Compensation"** means as to a Participant the amount of Deferral Contributions, Rollover Contributions and Transfers adjusted for allocable net income, gain or loss, in the Participant's Account.

1.08 **"Effective Date"** of this Plan is the date the Employer specifies in the Adoption Agreement. The Employer in the Adoption Agreement may elect special effective dates for Plan provisions the Employer specifies provided any such date(s) are permitted by the Code, by Treasury regulations, or by other applicable guidance.

1.09 **"Elective Deferrals"** means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement, as described in Section 3.02. The term "Elective Deferrals" includes Pre-Tax Elective Deferrals and Roth Elective Deferrals.

1.10 **"Employee"** means an individual who provides services for the Employer, as a common law employee of the Employer. The Employer in the Adoption Agreement must elect or specify any Employee, or class of Employees, not eligible to participate in the Plan (an "Excluded Employee"). See Section 1.16 regarding potential treatment of an Independent Contractor as an Employee.

1.11 **"Employer"** means the entity specified in the Adoption Agreement, any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating Employer.

1.12 **"Employer Contribution"** means Nonelective Contributions or Matching Contributions.

1.13 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

1.14 **"Excess Deferrals"** means Deferral Contributions to a Governmental Eligible 457 Plan or to a Tax-Exempt Organization Eligible 457 Plan for a Participant that exceed the Taxable Year maximum limitation of Code §§457(b) and (e)(18).

1.15 **"Includible Compensation"** means, for the Employee's Taxable Year, the Employee's total Compensation within the meaning of Code §415(c)(3) paid to an Employee for services rendered to the Employer. Includible Compensation includes Deferral Contributions under the Plan, compensation deferred under any other plan described in Code §457, and any amount excludible from the Employee's gross income under Code §§401(k), 403(b), 125 or 132(f)(4) or any other amount excludible from the Employee's gross income for Federal income tax purposes. The Employer will determine Includible Compensation without regard to community property laws.

1.16 **"Independent Contractor"** means any individual who performs service for the Employer and who the Employer does not treat as an Employee or a Leased Employee. The Employer in the Adoption Agreement may elect to permit Independent Contractors to participate in the Plan. To the extent that the Employer permits Independent Contractor participation, references to Employee in the Plan include Independent Contractors and Compensation means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies in the Adoption Agreement.

1.17 **"Leased Employee"** means an Employee within the meaning of Code §414(n).

1.18 **"Matching Contribution"** means an Employer fixed or discretionary contribution made or forfeiture allocated on account of Salary Reduction Contributions.

1.19 **"Nonelective Contribution"** means an Employer fixed or discretionary contribution not made as a result of a Salary Reduction Agreement and which is not a Matching Contribution.

1.20 **"Normal Retirement Age"** means the age the Employer specifies in the Adoption Agreement consistent with Section 3.05(B).

1.21 **"Participant"** is an Employee other than an Excluded Employee who becomes a Participant in accordance with the provisions of Section 2.01.

1.22 **"Plan"** means the 457 plan established or continued by the Employer in the form of this basic Plan and (if applicable) Trust Agreement, including the Adoption Agreement. The Employer in the Adoption Agreement must designate the name of the Plan. All section references within the Plan are Plan section references unless the context clearly indicates otherwise.

1.23 **"Plan Administrator"** is the Employer unless the Employer designates another person to hold the position of Plan Administrator. The Plan Administrator may be a Participant.

1.24 **"Plan Entry Date"** means the dates the Employer elects in Adoption Agreement.

1.25 **"Plan Year"** means the consecutive 12-month period the Employer elects in the Adoption Agreement.

1.26 **"Pre-Tax Elective Deferrals"** means a Participant's Salary Reduction Contributions which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

1.27 **"Rollover Contribution"** means the amount of cash or property which an eligible retirement plan described in Code §402(c)(8)(B) distributes to an eligible Employee or to a Participant in an eligible rollover distribution under Code §402(c)(4) and which the eligible Employee or Participant transfers directly or indirectly to a Governmental Eligible 457 Plan. A Rollover Contribution includes net income, gain or loss attributable to the Rollover Contribution. A Rollover Contribution excludes after-tax Employee contributions, as adjusted for net income, gain or loss.

1.28 **"Roth Elective Deferrals"** means a Participant's Salary Reduction Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Roth Elective Deferral.

1.29 **"Salary Reduction Agreement"** means a written agreement between a Participant and the Employer, by which the Employer reduces the Participant's Compensation for Compensation not available as of the date of the election and contributes the amount as a Salary Reduction Contribution to the Participant's Account.

1.30 **"Salary Reduction Contribution"** means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement.

1.31 **"Service"** means any period of time the Employee is in the employ of the Employer. In the case of an Independent Contractor, Service means any period of time the Independent Contractor performs services for the Employer on an independent contractor basis. An Employee or Independent Contractor terminates Service upon incurring a Severance from Employment.

(A) **Qualified Military Service.** Service includes any qualified military service the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code §414(u). A Participant whose employment is interrupted by qualified military service under Code §414(u) or who is on a leave of absence for qualified military service under Code §414(u) may elect to make additional Salary Reduction Contributions upon resumption of employment with the Employer equal to the maximum Deferral Contributions that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption of leave, reduced by the Deferral Contributions, if any, actually made for the Participant during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). The Employer shall make appropriate make-up Nonelective Contributions and Matching Contributions for such a Participant as required under Code §414(u). The Plan shall apply limitations of Article III to all Deferral Contributions under this paragraph with respect to the year to which the Deferral Contribution relates.

(B) **"Continuous Service"** as the Adoption Agreement describes means Service with the Employer during which the Employee does not incur a Severance from Employment.

(C) **"Severance from Employment."**

(1) **Employee.** An Employee has a Severance from Employment when the Employee ceases to be an Employee of the Employer. A Participant does not incur a Severance from Employment if, in connection with a change in employment, the Participant's new employer continues or assumes sponsorship of the Plan or accepts a Transfer of Plan assets as to the Participant.

(2) **Independent Contractor.** An Independent Contractor has a Severance from Employment when the contract(s) under which the Independent Contractor performs services for the Employer expires (or otherwise terminates), unless the Employer anticipates a renewal of the contractual relationship or the Independent Contractor becoming an Employee. The Employer anticipates renewal if it intends to contract for the services provided under the expired contract and neither the Employer nor the Independent Contractor has eliminated the Independent Contractor as a potential provider of such services under the new contract. Further, the Employer intends to contract for services conditioned only upon the Employer's need for the services provided under the expired contract or the Employer's availability of funds. Notwithstanding the preceding provisions of this Section 1.31, the Plan Administrator will

consider an Independent Contractor to have incurred a Severance from Employment: (a) if the Plan Administrator or Trustee will not pay any Deferred Compensation to an Independent Contractor who is a Participant before a date which is at least twelve months after the expiration of the Independent Contractor's contract (or the last to expire of such contracts) to render Services to the Employer; and (b) if before the applicable twelve-month payment date, the Independent Contractor performs Service as an Independent Contractor or as an Employee, the Plan Administrator or Trustee will not pay to the Independent Contractor his or her Deferred Compensation on the applicable date.

(3) **Deemed Severance.** Notwithstanding Section 1.05(F), if the Employer elects in the Adoption Agreement, then if a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Plan will not distribute such a Participant's Account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then no Deferral Contributions may be made for the Participant during the 6-month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision, then the other Plan provision will control and the 6-month suspension will not apply.

1.32 **"State"** means (a) one of the 50 states of the United States or the District of Columbia, or (b) a political subdivision of a State, or any agency or instrumentality of a State or its political subdivision. A State does not include the federal government or any agency or instrumentality thereof.

1.33 **"Substantial Risk of Forfeiture"** exists if the Plan expressly conditions a Participant's right to Deferred Compensation upon the Participant's future performance of substantial Service for the Employer.

1.34 **"Tax-Exempt Organization"** means any tax-exempt organization other than a governmental unit or a church or qualified church-controlled organization within the meaning of Code §3121(w)(3).

1.35 **"Taxable Year"** means the calendar year or other taxable year of a Participant.

1.36 **"Transfer"** means a transfer of Eligible 457 Plan assets to another Eligible 457 Plan which is not a Rollover Contribution and which is made in accordance with Section 9.03.

1.37 **"Trust"** means the Trust created under the adopting Employer's Plan. A Trust required under a Governmental Eligible 457 Plan is subject to Article VIII. Any Trust under a Tax-Exempt Organization Eligible 457 Plan is subject to Section 5.09.

1.38 **"Trustee"** means the person or persons who as Trustee execute the Employer's Adoption Agreement, or any successor in office who in writing accepts the position of Trustee.

1.39 **Type of 457 Plan.** This Plan is an Eligible 457 Plan, which is a plan which satisfies the requirements of Code §457(b) and Treas. Reg. §§1.457-3 through -10. The Employer in the Adoption Agreement must specify whether the plan is either a

Governmental Eligible 457 Plan or a Tax-Exempt Organization Eligible 457 Plan, as defined below:

(A) "Governmental Eligible 457 Plan" means an Eligible 457 Plan established by a State.

(B) "Tax-Exempt Organization Eligible 457 Plan" means an Eligible 457 Plan established by a Tax-Exempt Organization.

1.40 **"Vested"** means a Participant's Deferral Contributions that are not subject to a Substantial Risk of Forfeiture, including a vesting schedule.

ARTICLE II ELIGIBILITY AND PARTICIPATION

2.01 ELIGIBILITY. Each Employee who is not an Excluded Employee becomes a Participant in the Plan in accordance with the eligibility conditions and as of the Plan Entry Date the Employer elects in the Adoption Agreement. If this Plan is a restated Plan, each Employee who was a Participant in the Plan on the day before the Effective Date continues as a Participant in the Plan, irrespective of whether he/she satisfies the eligibility conditions in the restated Plan, unless the Employer indicates otherwise in the Adoption Agreement.

2.02 PARTICIPATION UPON RE-EMPLOYMENT. A Participant who incurs a Severance from Employment will re-enter the Plan as a Participant on the date of his or her re-employment. An Employee who satisfies the Plan's eligibility conditions but who incurs a Severance from Employment prior to becoming a Participant will become a Participant on the later of the Plan Entry Date on which he/she would have entered the Plan had he/she not incurred a Severance from Employment or the date of his or her re-employment. Any Employee who incurs a Severance from Employment prior to satisfying the Plan's eligibility conditions becomes a Participant in accordance with the Adoption Agreement.

2.03 CHANGE IN EMPLOYMENT STATUS. If a Participant has not incurred a Severance from Employment but ceases to be eligible to participate in the Plan, by reason of becoming an Excluded Employee, the Plan Administrator must treat the Participant as an Excluded Employee during the period such a Participant is subject to the Adoption Agreement exclusion. The Plan Administrator determines a Participant's sharing in the allocation of Employer Contributions by disregarding his or her Compensation paid by the Employer for services rendered in his or her capacity as an Excluded Employee. However, during such period of exclusion, the Participant, without regard to employment classification, continues to share fully in Plan income allocations under Section 5.07 and to accrue vesting service if applicable.

ARTICLE III DEFERRAL CONTRIBUTIONS/LIMITATIONS

3.01 AMOUNT.

(A) Contribution Formula. For each Plan Year, or other period the Employer specifies in the Adoption Agreement, the Employer will contribute to the Plan the type and amount of Deferral Contributions the Employer elects in the Adoption Agreement.

(B) Return of Contributions. The Employer contributes to this Plan on the condition its contribution is not due to a mistake of fact. If the Plan has a Trust, the Trustee, upon written request from the Employer, must return to the Employer the amount of the Employer's contribution (adjusted for net income, gain or loss) made by the Employer on account of a mistake of fact. The Trustee will not return any portion of the Employer's contribution under the provisions of this paragraph more than one year after the Employer made the contribution on account of a mistake of fact. In addition, if any Participant Salary Reduction Contribution is due to a mistake of fact, the Employer or the Trustee upon written request from the Employer shall return the Participant's contribution (adjusted for net income, gain or loss), within one year after payment of the contribution.

The Trustee will not increase the amount of the Employer contribution returnable under this Section 3.01 for any earnings attributable to the contribution, but the Trustee will decrease the Employer contribution returnable for any losses attributable to it. The Trustee may require the Employer to furnish it whatever evidence the Trustee deems necessary to enable the Trustee to confirm the amount the Employer has requested be returned is properly returnable.

(C) Time of Payment of Contribution. If the Plan has a Trust, the Employer may pay its contributions for each Plan Year to the Trust in one or more installments and at such time(s) as the Employer determines, without interest. A Governmental Employer shall deposit Salary Reduction Contributions to the Trust within a period that is not longer than is reasonable for the administration of Participant Accounts.

3.02 SALARY REDUCTION CONTRIBUTIONS. The Employer in the Adoption Agreement must elect whether the Plan permits Salary Reduction Contributions, and also the Plan limitations, if any, which apply to Salary Reduction Contributions. Unless the Employer elects otherwise in the Adoption Agreement, all such limitations apply on a payroll basis.

(A) Deferral from Sick, Vacation and Back Pay. The Employer in the Adoption Agreement must elect whether to permit Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.

(B) Automatic Enrollment. The Employer in the Adoption Agreement may provide for automatic Salary Reduction Contributions of a specified amount, subject to giving notice to affected Participants of the automatic election and of their right to make a contrary election.

A Governmental Employer under an Eligible 457 Plan may elect to provide an Eligible Automatic Contribution Arrangement ("EACA"). If the Employer elects to provide an EACA, the Employer will amend the Plan to add necessary language.

(C) Application to Leave of Absence and Disability. Unless a Participant in his or her Salary Reduction Agreement elects otherwise, the Participant's Salary Reduction Agreement shall

continue to apply during the Participant's leave of absence or the Participant's disability (as the Plan Administrator shall establish), if the Participant has Compensation other than imputed compensation or disability benefits.

(D) Post-severance deferrals limited to Post-Severance Compensation. Deferrals are permitted from an amount received following Severance from Employment only if the amount is Post-Severance Compensation.

3.03 MATCHING CONTRIBUTIONS. The Employer in the Adoption Agreement must elect whether the Plan permits Matching Contributions and, if so, the type(s) of Matching Contributions, the time period applicable to any Matching Contribution formula, and as applicable, the amount of Matching Contributions and the Plan limitations, if any, which apply to Matching Contributions. Any Matching Contributions apply to age 50 catch-up contributions, if any, and to any Normal Retirement Age catch-up contributions unless the Employer elects otherwise in the Adoption Agreement.

3.04 NORMAL LIMITATION. Except as provided in Sections 3.05 and 3.06, a Participant's maximum Deferral Contributions (excluding Rollover Contributions and Transfers) under this Plan for a Taxable Year may not exceed the lesser of:

(a) The applicable dollar amount as specified under Code §457(e)(15) (or such larger amount as the Commissioner of the Internal Revenue may prescribe), or

(b) 100% of the Participant's Includible Compensation for the Taxable Year.

3.05 NORMAL RETIREMENT AGE CATCH-UP CONTRIBUTION. If selected in the Adoption Agreement, a Participant may elect to make this catch-up election. For one or more of the Participant's last three Taxable Years ending before the Taxable Year in which the Participant attains Normal Retirement Age, the Participant's maximum Deferral Contributions may not exceed the lesser of:

(a) Twice the dollar amount under Section 3.04(a) Normal Limitation, or (b) the underutilized limitation.

(A) Underutilized Limitation. A Participant's underutilized limitation is equal to the sum of: (i) the normal limitation for the Taxable Year, and (ii) the normal limitation for each of the prior Taxable Years of the Participant commencing after 1978 during which the Participant was eligible to participate in the Plan and the Participant's Deferral Contributions were subject to the Normal Limitation or any other Code §457(b) limit, less the amount of Deferral Contributions for each such prior Taxable Year, excluding age 50 catch-up contributions.

(B) Normal Retirement Age. Normal Retirement Age is the age the Employer specifies in the Adoption Agreement provided that the age may not be: (i) earlier than the earliest of age 65 or the age at which Participants have the right to retire and receive under the Employer's defined benefit plan (or money purchase plan if the Participant is not eligible to participate in a defined benefit plan) immediate retirement benefits without actuarial or other reduction because of retirement before a later specified age; or (ii) later than age 70 1/2.

(1) Participant Designation. The Employer in the Adoption Agreement may permit a Participant to designate his or her Normal Retirement Age as any age including or between the foregoing ages.

(2) Multiple 457 Plans. If the Employer maintains more than one Eligible 457 Plan, the Plans may not permit any Participant to have more than one Normal Retirement Age under the Plans.

(3) Police and Firefighters. In a Governmental Eligible 457 Plan with qualified police or firefighter Participants within the meaning of Code §415(b)(2)(H)(ii)(I), the Employer in the Adoption Agreement may elect (or permit the qualified Participants to elect) a Normal Retirement Age as early as age 40 and as late as age 70 1/2.

(C) Pre-2002 Coordination. In determining a Participant's underutilized limitation, the Plan Administrator, in accordance with Treas. Reg. §1.457-4(c)(3)(iv), must apply the coordination rule in effect under now repealed Code §457(c)(2). The Plan Administrator also must determine the Normal Limitation for pre-2002 Taxable Years in accordance with Code §457(b)(2) as then in effect.

3.06 AGE 50 CATCH-UP CONTRIBUTION. An Employer sponsoring a Governmental Eligible 457 Plan must specify in the Adoption Agreement whether the Participants are eligible to make age 50 catch-up contributions.

If an Employer elects to permit age 50 catch-up contributions, all Employees who are eligible to make Salary Reduction Contributions under this Plan and who have attained age 50 before the close of the Taxable Year are eligible to make age 50 catch-up contributions for that Taxable Year in accordance with, and subject to the limitations of, Code §414(v). Such catch-up contributions are not taken into account for purposes of the provisions of the Plan implementing the required limitations of Code §457. If, for a Taxable Year, an Employee makes a catch-up contribution under Section 3.05, the Employee is not eligible to make age 50 catch-up contributions under this Section 3.06. A catch-up eligible Participant in each Taxable Year is entitled to the greater of the amount determined under Section 3.05 or Section 3.06 Catch-Up Amount plus the Section 3.04 Normal Limitation.

3.07 CONTRIBUTION ALLOCATION. The Plan Administrator will allocate to each Participant's Account his or her Deferral Contributions. The Employer will allocate Employer Nonelective and Matching Contributions to the Account of each Participant who satisfies the allocation conditions in the Adoption Agreement in the following manner:

(a) Fixed match. To the extent the Employer makes Matching Contributions under a fixed Adoption Agreement formula, the Plan Administrator will allocate the Matching Contribution to the Account of the Participant on whose behalf the Employer makes that contribution. A fixed Matching Contribution formula is a formula under which the Employer contributes a specified percentage or dollar amount on behalf of a Participant based on that Participant's Salary Reduction Contributions.

(b) Discretionary match. To the extent the Employer makes Matching Contributions under a discretionary Adoption Agreement formula, the Plan Administrator will allocate the Matching Contributions to a Participant's Account in the same proportion that each Participant's Salary Reduction Contributions taken into account under the formula bear to the total Salary Reduction Contributions of all Participants.

(c) Tiered match. If the Matching Contribution formula is a tiered formula, the Plan Administrator will allocate separately the Matching Contributions with respect to each tier

of Salary Reduction Contributions, in accordance with the tiered formula.

(d) Discretionary nonelective. The Plan Administrator will allocate discretionary Nonelective Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year, unless the Employer elects otherwise in the Adoption Agreement.

(e) Fixed nonelective. The Plan Administrator will allocate fixed Nonelective Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year, unless the Employer elects otherwise in the Adoption Agreement.

(f) Other nonelective. The Plan Administrator will allocate Nonelective Contributions for a Plan Year as specified in the Adoption Agreement.

3.08 ALLOCATION CONDITIONS. The Plan Administrator will determine the allocation conditions applicable to Nonelective Contributions or to Matching Contributions (or to both) in accordance with the Employer's elections in the Adoption Agreement. The Plan Administrator will not allocate to a Participant any portion of an Employer Contribution (or forfeiture if applicable) for a Plan Year or applicable portion thereof in which the Participant does not satisfy the applicable allocation condition(s).

3.09 ROLLOVER CONTRIBUTIONS. If elected in the Adoption Agreement, an Employer sponsoring a Governmental Eligible 457 Plan may permit Rollover Contributions.

(A) Operational Administration. The Employer, operationally and on a nondiscriminatory basis, may elect to limit an eligible Employee's right or a Participant's right to make a Rollover Contribution. Any Participant (or as applicable, any eligible Employee), with the Employer's written consent and after filing with the Trustee the form prescribed by the Plan Administrator, may make a Rollover Contribution to the Trust. Before accepting a Rollover Contribution, the Trustee may require a Participant (or eligible Employee) to furnish satisfactory evidence the proposed transfer is in fact a "Rollover Contribution" which the Code permits an employee to make to an eligible retirement plan. The Trustee, in its sole discretion, may decline to accept a Rollover Contribution of property which could: (1) generate unrelated business taxable income; (2) create difficulty or undue expense in storage, safekeeping or valuation; or (3) create other practical problems for the Trust.

(B) Pre-Participation Rollover. If an eligible Employee makes a Rollover Contribution to the Trust prior to satisfying the Plan's eligibility conditions, the Plan Administrator and Trustee must treat the Employee as a limited Participant (as described in Rev. Rul. 96-48 or in any successor ruling). A limited Participant does not share in the Plan's allocation of any Employer Contributions and may not make Salary Reduction Contributions until he/she actually becomes a Participant in the Plan. If a limited Participant has a Severance from Employment prior to becoming a Participant in the Plan, the Trustee will distribute his or her Rollover Contributions Account to the limited Participant in accordance with Article IV.

(C) Separate Accounting. If an Employer permits Rollover Contributions, the Plan Administrator must account separately for: (1) amounts rolled into this Plan from an eligible retirement plan (other than from another Governmental Eligible 457 plan); and (2) amounts rolled into this Plan from another

Governmental Eligible 457 Plan The Plan Administrator for purposes of ordering any subsequent distribution from this Plan, may designate a distribution from a Participant's Rollover Contributions as coming first from either of (1) or (2) above if the Participant has both types of Rollover Contribution Accounts.

(D) May Include Roth Deferrals. If this Plan is an eligible governmental 457(b) plan which accepts Roth Elective Deferrals, then a Rollover Contribution may include Roth Deferrals made to another plan, as adjusted for Earnings. Such amounts must be directly rolled over into this Plan from another plan which is qualified under Code §401(a), from a 403(b) plan, or from an eligible governmental 457 plan. The Plan must account separately for the Rollover Contribution, including the Roth Deferrals and the Earnings thereon.

(E) In-Plan Roth Rollover Contributions. A Governmental Employer under an Eligible 457 Plan may elect to permit In-Plan Roth Rollover Contribution. If the Employer decides to permit In-Plan Roth Rollover Contributions, the Employer will amend the Plan to add necessary language.

3.10 DISTRIBUTION OF EXCESS DEFERRALS. In the event that a Participant has Excess Deferrals, the Plan will distribute to the Participant the Excess Deferrals and allocable net income, gain or loss, in accordance with this Section 3.10.

(A) Governmental Eligible 457 Plan. The Plan Administrator will distribute Excess Deferrals from a Governmental Eligible 457 Plan as soon as is reasonably practicable following the Plan Administrator's determination of the amount of the Excess Deferral.

(B) Tax-Exempt Organization Eligible 457 Plan. The Plan Administrator will distribute Excess Deferrals from a Tax-Exempt Organization Eligible 457 Plan no later than April 15 following the Taxable Year in which the Excess Deferral occurs.

(C) Plan Aggregation. If the Employer maintains more than one Eligible 457 Plan, the Employer must aggregate all such Plans in determining whether any Participant has Excess Deferrals.

(D) Individual Limitation. If a Participant participates in another Eligible 457 Plan maintained by a different employer, and the Participant has Excess Deferrals, the Plan Administrator may, but is not required, to correct the Excess Deferrals by making a corrective distribution from this Plan.

3.11 DEEMED IRA CONTRIBUTIONS. A Governmental Employer under an Eligible 457 Plan may elect to permit Participants to make IRA contributions to this Plan in accordance with the Code §408(q) deemed IRA rules. If the Employer elects to permit deemed IRA contributions to the Plan, the Employer will amend the Plan to add necessary IRA language and either the Rev. Proc. 2003-13 sample deemed IRA language or an appropriate substitute.

3.12 ROTH ELECTIVE DEFERRALS. The Employer may elect in the Adoption Agreement to permit Roth Elective Deferrals. Unless elected otherwise, Roth Elective Deferrals shall be treated in the same manner as Elective Deferrals. The Employer may, in operation, implement deferral election procedures provided such procedures are communicated to Participants and permit Participants to modify their elections at least once each Plan Year.

(A) Elective Deferrals. "Elective Deferral" means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement, as described in Section 3.02. The term "Elective Deferrals" includes Pre-tax Elective Deferrals and Roth Elective Deferrals.

(B) Pre-Tax Elective Deferrals. "Pre-Tax Elective Deferrals" means a Participant's Salary Reduction Contributions which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

(C) Roth Elective Deferrals. "Roth Elective Deferrals" means a Participant's Salary Reduction Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Roth Elective Deferral.

(D) Ordering Rules for Distributions. The Administrator operationally may implement an ordering rule procedure for withdrawals (including, but not limited to, withdrawals on account of an unforeseeable emergency) from a Participant's accounts attributable to Pre-Tax Elective Deferrals or Roth Elective Deferrals. Such ordering rules may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

(E) Corrective distributions attributable to Roth Elective Deferrals. For any Plan Year in which a Participant may make both Roth Elective Deferrals and Pre-Tax Elective Deferrals, the Administrator operationally may implement an ordering rule procedure for the distribution of Excess Deferrals (Treas. Reg. §1.457-4(e)). Such an ordering rule may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first, to the extent such type of Elective Deferrals was made for the year. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

(F) Loans. If Participant loans are permitted under the Plan, then the Administrator may modify the loan policy or program to provide limitations on the ability to borrow from, or use as security, a Participant's Roth Elective Deferral account. Similarly, the loan policy or program may be modified to provide for an ordering rule with respect to the default of a loan that is made from the Participant's Roth Elective Deferral account and other accounts under the Plan.

(G) Rollovers. A direct rollover of a distribution from Roth Elective Deferrals shall only be made to a Plan which includes Roth Elective Deferrals as described in Code §402A(e)(1) or to a Roth IRA as described in Code §408A, and only to the extent the rollover is permitted under the rules of Code §402(c).

The Plan shall accept a rollover contribution of Roth Elective Deferrals only if it is a direct rollover from another Plan which permits Roth Elective Deferrals as described in Code §402A(e)(1) and only to the extent the rollover is permitted under the rules of Code §402(c). The Employer, operationally and on a uniform and nondiscriminatory basis, may decide whether to accept any such rollovers.

The Plan shall not provide for a direct rollover (including an automatic rollover) for distributions from a Participant's Roth Elective Deferral account if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year. In addition, any distribution from a Participant's Roth Elective Deferrals are not taken into account in determining whether distributions from a Participant's other accounts are reasonably expected to total less than \$200 during a year. Furthermore, the Plan will treat a Participant's Roth Elective Deferral account and the Participant's other accounts as held under two separate plans for purposes of applying the automatic rollover rules. However, eligible rollover distributions of a Participant's Roth Elective Deferrals are taken into account in determining whether the total amount of the Participant's account balances under the Plan exceed the Plan's limits for purposes of mandatory distributions from the Plan.

The provisions of the Plan that allow a Participant to elect a direct rollover of only a portion of an eligible rollover distribution but only if the amount rolled over is at least \$500 is applied by treating any amount distributed from a Participant's Roth Elective Deferral account as a separate distribution from any amount distributed from the Participant's other accounts in the Plan, even if the amounts are distributed at the same time.

(H) Automatic Enrollment. If the Plan utilizes an automatic enrollment feature as described in Section 3.02(B), then any such automatic contribution shall be a Pre-Tax Elective Deferral.

(I) Operational Compliance. The Plan Administrator will administer Roth Elective Deferrals in accordance with applicable regulations or other binding authority.

3.13 BENEFIT ACCRUAL. If the Employer elects to apply this Section, then effective as of the date adopted, for benefit accrual purposes, the Plan treats an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

(A) Determination of benefits. The amount of Matching Contributions to be made pursuant to this Section 3.13 shall be determined as though the amount of Salary Reduction Contributions of an individual treated as reemployed under this Section on the basis of the individual's average actual Salary Reduction Contributions for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) the actual length of continuous service with the Employer.

3.14 ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT (EACA). As elected in the Adoption Agreement, the Employer maintains a Plan with automatic enrollment provisions as an Eligible Automatic Contribution Arrangement ("EACA"). Accordingly, the Plan will satisfy the (1) uniformity requirements, and (2) notice requirements under this Section.

(A) Uniformity. The Automatic Deferral Percentage must be a uniform percentage of Compensation. All Participants in the EACA, as defined in Amendment Section 2.1, are subject to Automatic Deferrals, except to the extent otherwise provided in Amendment Section 2.2. If a Participant's Affirmative Election expires or otherwise ceases to be in effect, the Participant will immediately thereafter be subject to Automatic Deferrals, except to the extent otherwise provided in Amendment Section 2.2. However, the Plan does not violate the uniform Automatic Deferral Percentage merely because the Plan applies any of the following provisions:

(a) Years of participation. The Automatic Deferral Percentage varies based on the number of plan years the Participant has participated in the Plan while the Plan has applied EACA provisions;

(b) No reduction from prior default percentage. The Plan does not reduce an Automatic Deferral Percentage that, immediately prior to the EACA's effective date was higher (for any Participant) than the Automatic Deferral Percentage;

(c) Applying statutory limits. The Plan limits the Automatic Deferral amount so as not to exceed the limits of Code Section 457(b)(2) (determined without regard to Age 50 Catch-Up Deferrals).

(B) EACA notice. The Plan Administrator annually will provide a notice to each Participant a reasonable period prior to each plan year the Employer maintains the Plan as an EACA ("EACA Plan Year").

(a) Deemed reasonable notice/new Participant. The Plan Administrator is deemed to provide timely notice if the Plan Administrator provides the EACA notice at least 30 days and not more than 90 days prior to the beginning of the EACA Plan Year.

(b) Mid-year notice/new Participant or Plan. If: (a) an Employee becomes eligible to make Salary Reduction Contributions in the Plan during an EACA Plan Year but after the Plan Administrator has provided the annual EACA notice for that plan year; or (b) the Employer adopts mid-year a new Plan as an EACA, the Plan Administrator must provide the EACA notice no later than the date the Employee becomes eligible to make Salary Reduction Contributions. However, if it is not practicable for the notice to be provided on or before the date an Employee becomes a Participant, then the notice will nonetheless be treated as provided timely if it is provided as soon as practicable after that date and the Employee is permitted to elect to defer from all types of Compensation that may be deferred under the Plan earned beginning on that date.

(c) Content. The EACA notice must provide comprehensive information regarding the Participants' rights and obligations under the Plan and must be written in a manner calculated to be understood by the average Participant in accordance with applicable guidance.

(C) EACA permissible withdrawal. If elected in in the Adoption Agreement, a Participant who has Automatic Deferrals

under the EACA may elect to withdraw all the Automatic Deferrals (and allocable earnings) under the provisions of this Amendment Section 3.4. Any distribution made pursuant to this Section will be processed in accordance with normal distribution provisions of the Plan.

(a) Amount. If a Participant elects a permissible withdrawal under this Section, then the Plan must make a distribution equal to the amount (and only the amount) of the Automatic Deferrals made under the EACA (adjusted for allocable gains and losses to the date of the distribution). The Plan may separately account for Automatic Deferrals, in which case the entire account will be distributed. If the Plan does not separately account for the Automatic Deferrals, then the Plan must determine earnings or losses in a manner similar to the rules of Treas. Reg. § 1.401(k)-2(b)(2)(iv) for distributions of excess contributions.

(b) Fees. Notwithstanding the above, the Plan Administrator may reduce the permissible distribution amount by any generally applicable fees. However, the Plan may not charge a greater fee for distribution under this Section than applies to other distributions. The Plan Administrator may adopt a policy regarding charging such fees consistent with this paragraph.

(c) Timing. The Participant may make an election to withdraw the Automatic Deferrals under the EACA no later than 90 days, or such shorter period as specified in the Adoption Agreement, after the date of the first Automatic Deferral under the EACA. For this purpose, the date of the first Automatic Deferral is the date that the Compensation subject to the Automatic Deferral otherwise would have been includible in the Participant's gross income. Furthermore, a Participant's withdrawal right is not restricted due to the Participant making an Affirmative Election during the 90 day period (or shorter period as specified in Adoption Agreement.).

(d) Rehired Employees. For purposes of this Section, an Employee who for an entire Plan Year did not have contributions made pursuant to a default election under the EACA will be treated as having not had such contributions for any prior Plan Year as well.

(e) Effective date of the actual withdrawal election: The effective date of the permissible withdrawal will be as soon as practicable, but in no event later than the earlier of (1) the pay date of the second payroll period beginning after the election is made, or (2) the first pay date that occurs at least 30 days after the election is made. The election will also be deemed to be an Affirmative Election to have no Salary Reduction Contributions made to the Plan.

(f) Related matching contributions. The Plan Administrator will not take any deferrals withdrawn pursuant to this section into account in computing the contribution and allocation of matching contributions, if any. If the Employer has already allocated matching contributions to the Participant's account with respect to deferrals being withdrawn pursuant to this Section, then the matching contributions, as adjusted for gains and losses, must be forfeited. Except as otherwise provided, the Plan will use the forfeited contributions to reduce future contributions or to reduce plan expenses.

(D) Compensation. Compensation for purposes of determining the amount of Automatic Deferrals has the same meaning as Compensation with regard to Salary Reduction Contributions in general.

(E) Definitions.

(a) Definition of Automatic Deferral. An Automatic Deferral is a Salary Reduction Contribution that results from the operation of this Article III. Under the Automatic Deferral, the Employer automatically will reduce by the Automatic Deferral Percentage elected in this Amendment the Compensation of each Participant subject to the EACA, as specified in Amendment Section 2.2. The Plan Administrator will cease to apply the Automatic Deferral to a Participant who makes an Affirmative Election as defined in this Section.

(b) Definition of Automatic Deferral Percentage/Increases. The Automatic Deferral Percentage is the percentage of Automatic Deferral which the Employer elects in Amendment Section 2.1 or elsewhere in the Plan (including any scheduled increase to the Automatic Deferral Percentage the Employer may elect).

(c) Effective date of EACA Automatic Deferral. The effective date of an Employee's Automatic Deferral will be as soon as practicable after the Employee is subject to Automatic Deferrals under the EACA, consistent with (a) applicable law, and (b) the objective of affording the Employee a reasonable period of time after receipt of the notice to make an Affirmative Election (and, if applicable, an investment election).

(d) Definition of Affirmative Election. An Affirmative Election is a Participant's election made after the EACA's Effective Date not to defer any Compensation or to defer more or less than the Automatic Deferral Percentage.

(e) Effective Date of Affirmative Election. A Participant's Affirmative Election generally is effective as of the first payroll period which follows the payroll period in which the Participant made the Affirmative Election. However, a Participant may make an Affirmative Election which is effective: (a) for the first payroll period in which he or she becomes a Participant if the Participant makes an Affirmative Election within a reasonable period following the Participant's entry date and before the Compensation to which the Election applies becomes currently available; or (b) for the first payroll period following the EACA's effective date, if the Participant makes an Affirmative Election not later than the EACA's effective date.

3.15 IN-PLAN ROTH ROLLOVER CONTRIBUTION

(a) Right to elect In-Plan Roth Rollover Contribution. If elected in the Adoption Agreement, a Participant may elect to roll over a distribution directly to an In-Plan Roth Rollover Contribution Account in accordance with the provisions of the Plan, this Section and the elections made in the Adoption Agreement. "In-Plan Roth rollover contributions" will be subject to the Plan rules related to designated Roth accounts.

(b) Eligibility for distribution and rollover. A Participant must be eligible for a distribution in order to roll over a distribution to an In-Plan Roth Rollover Contribution Account in accordance with this Section. A Participant may not make an "in-Plan Roth rollover contribution" with regard to an amount which is not an "eligible rollover distribution."

(c) Form of rollover. The Administrator may permit an "in-Plan Roth rollover contribution" either by converting to cash any non-cash investments prior to rolling over the Participant's distribution election amount to the In-Plan Roth Rollover Contribution Account, or by rolling over the Participant's current investments to the In-Plan Roth Rollover Contribution Account. A Plan loan so transferred in a direct rollover (if such transfer is

permitted) without changing the repayment schedule is not treated as a new loan.

(d) Treatment of In-Plan Roth Rollover Contributions.

(1) Amount of In-Plan Roth Rollover

Contribution. A Participant may take an in-service distribution only for purposes of electing a direct rollover to an In-Plan Roth Rollover Contribution Account. A portion of the amount that is eligible to be rolled over to an In-Plan Roth Rollover Contribution Account may be distributed solely for the purpose of federal or state income tax withholding for the Participant's anticipated tax obligations regarding the amount includible in the Participant's gross income by reason of the In-Plan Roth Rollover Contribution (and the amount withheld for income taxes). The Administrator may limit the amount of the 100% withholding distribution to the amount the Administrator reasonably determines is sufficient to satisfy the Participant's federal and/or state income tax liability relating to the Plan distribution.

(2) No rollover or distribution treatment.

Notwithstanding any other Plan provision, a direct In-Plan Roth Rollover Contribution is not a rollover contribution for purposes of the Plan. Accordingly, the Plan will take into account the amounts attributable to an "in-Plan Roth rollover contribution" in determining whether a Participant's Vested Account balance exceeds \$5,000 for purposes of Code §411(a)(11). In addition, an "in-Plan Roth rollover contribution" is not a distribution for purposes of Code §401(a)(11) (relating to spousal consent) and 3405(c) (relating to mandatory income tax withholding). Furthermore, it is not a distribution for purposes of applying any limitations that a Plan may impose with respect to the number of in-service distributions permitted by the Plan.

(3) Withdrawal of In-Plan Roth Rollover

Contributions. A Participant may withdraw amounts from the Participant's In-Plan Roth Rollover Contribution Account only when the Participant is eligible for a distribution from the Plan account that is the source of the "in-Plan Roth rollover contribution." This Section does not expand (except, if elected, for distributions for withholding) or eliminate any distribution rights on amounts that a Participant elects to treat as an "in-Plan Roth rollover contribution."

(e) Definitions and other rules.

(1) In-Plan Roth Rollover Contribution. An

"in-Plan Roth rollover contribution" means a rollover contribution to the Plan that consists of a distribution from a Participant's Plan account, other than a designated Roth account, that the Participant rolls over to the Participant's designated In-Plan Roth Rollover Contribution Account in the Plan, in accordance with Code §402(c)(4). An "in-Plan Roth rollover contribution" may occur only by a direct rollover.

(2) Distribution from partially Vested account.

Distributions (i.e., the source of the "in-Plan Roth rollover contribution" amounts) are permitted only from Vested amounts allocated to a qualifying source as identified in the Adoption Agreement. If a distribution is made to a Participant who has not severed employment and who is not fully Vested in the Participant's Account from which the rollover is to be made, and the Participant may increase the Vested percentage in such account, then at any relevant time the Participant's Vested portion of the account will be determined in the manner set forth in Section 6.5(h).

3.16 IN-PLAN ROTH TRANSFER

(a) Right to elect In-Plan Roth Rollover Contribution.

As elected in the Adoption Agreement, a Participant may elect to transfer amounts to an In-Plan Roth Transfer Account in accordance with the provisions of the Plan and this Amendment. In-Plan Roth Transfers will be subject to the taxation provisions and separate accounting requirements that apply to designated Roth accounts. Furthermore, the Participant shall be fully Vested in the portion of his or her account attributable to the In-Plan Roth Transfer.

(b) Form of transfer. The Plan will transfer investments to the Participant's In-Plan Roth Transfer Account in accordance with the Plan terms and procedures governing Plan investments. A Participant loan that is transferred to a Participant's In-Plan Roth Transfer Account (if such transfer is permitted) without changing the repayment schedule is not treated as a new loan.

(c) Treatment of In-Plan Roth Rollover Contributions.

(1) No distribution treatment. An In-Plan Roth Transfer is not a Plan distribution. Accordingly, the Plan may not withhold or distribute any amounts for income tax withholding, unless a distribution of other amounts is permitted pursuant to the terms of the Plan.

(2) Withdrawal of In-Plan Roth Transfers. A Participant may withdraw amounts from the Participant's In-Plan Roth Transfer Account only when the Participant is eligible for a distribution from the Plan account that is the source of the In-Plan Roth Transfer. This Amendment does not expand or eliminate any distribution rights or restrictions on amounts that a Participant elects to treat as an In-Plan Roth Transfer.

(d) Definitions and other rules.

(1) In-Plan Roth Transfer. An In-Plan Roth Transfer means an amount that a Participant elects to transfer from a Plan Account, other than a designated Roth Account, into an In-Plan Roth Transfer Account, in accordance with Code §402(c)(4)(E) and this Amendment. An In-Plan Roth Transfer may only be made with respect to amounts that are not distributable under the terms of the Plan.

(2) Distribution from partially Vested account. Distributions (i.e., the source of the "in-Plan Roth rollover contribution" amounts) are permitted only from Vested amounts allocated to a qualifying source as identified in the Adoption Agreement. If a distribution is made to a Participant who has not severed employment and who is not fully Vested in the Participant's Account from which the rollover is to be made, and the Participant may increase the Vested percentage in such account, then at any relevant time the Participant's Vested portion of the account will be determined in the manner set forth in Section 6.5(h).

(3) In-Plan Roth Transfer Account. An In-Plan Roth Transfer Account is a sub-account the Plan Administrator establishes for the purpose of separately accounting for a Participant's Transfers attributable to the Participant's In-Plan Roth Transfers. The Plan Administrator has authority to establish such a sub-account, and to the extent necessary, may establish sub-accounts based on the source of the In-Plan Roth Transfer. The Plan Administrator will administer an In-Plan Roth Transfer Account as provided by IRS guidance and the Plan provisions, including the provisions of this Amendment.

(4) Participant includes certain alternate payees. For purposes of eligibility for an In-Plan Roth Transfer, the Plan will treat a Participant's alternate payee spouse or former spouse

who is not an Employee as a Participant (unless the right to elect an In-Plan Roth Transfer is limited to Employees).

ARTICLE IV TIME AND METHOD OF PAYMENT OF BENEFITS

4.01 DISTRIBUTION RESTRICTIONS. Except as the Plan provides otherwise, the Plan Administrator or Trustee may not distribute to a Participant the amounts in his or her Account prior to one of the following events:

- (a) The Participant's attaining age 70 1/2;
- (b) The Participant's Severance from Employment; or
- (c) The Participant's death.

4.02 TIME AND METHOD OF PAYMENT OF ACCOUNT. The Plan Administrator, or Trustee at the direction of the Plan Administrator, will distribute to a Participant who has incurred a Severance from Employment the Participant's Vested Account under one or any combination of payment methods and at the time(s) the Adoption Agreement specifies. If the Adoption Agreement permits more than one time or method, the Plan Administrator, in the absence of a Participant election described below, will determine the time and method applicable to a particular Participant. In no event will the Plan Administrator direct (or direct the Trustee to commence) distribution, nor will the Participant elect to have distribution commence, later than the Participant's required beginning date, or under a method that does not satisfy Section 4.03.

(A) Participant Election of Time and Method. The Employer in the Adoption Agreement must elect whether to permit Participants to elect the timing and method of distribution of their Account in accordance with this Section 4.02. The Plan Administrator must consent to the specific terms of any such Participant election and the Plan Administrator in its sole discretion may withhold consent. Subject to the foregoing conditions, a Participant: (1) may elect to postpone distribution of his or her Account beyond the time the Employer has elected in the Adoption Agreement, to any fixed or determinable date including, but not beyond, the Participant's required beginning date; and (2) may elect the method of payment. A Participant in a Tax Exempt Organization Eligible 457 Plan may elect the timing and method of payment of his or her Account no later than 30 days before the date the Plan Administrator or Trustee first would commence payment of the Participant's Account in accordance with the Adoption Agreement. The Plan Administrator must furnish to the Participant a form for the Participant to elect the time and a method of payment. A Participant in a Governmental Eligible 457 Plan is not subject to any such requirement in election the timing or method of payment.

(B) Number of Initial Elections/Subsequent Elections. A Participant in a Tax-Exempt Organization Eligible 457 Plan may make any number of elections or revoke any prior election under Section 4.02(A) within the election period. Once the initial election period expires, a Participant, before payment would commence under the Participant's initial election, may make one additional election to defer (but not to accelerate) the timing of payment of his or her Account and also as to the method of payment.

(C) No Election/Default. If the Participant does not make a timely election regarding the time and method of payment, the Plan Administrator will pay or direct the Trustee to pay the Participant's Account in accordance with the Adoption Agreement.

(D) Mandatory Distribution. The Employer in the Adoption Agreement will elect whether the Plan will make Mandatory Distributions. If the Employer elects Mandatory Distributions, the Employer may determine operationally whether to include Rollover Contributions in determining whether the Participant is subject to Mandatory Distributions.

4.03 REQUIRED MINIMUM DISTRIBUTIONS. The Plan Administrator may not distribute nor direct the Trustee to distribute the Participant's Account, nor may the Participant elect any distribution his or her Account, under a method of payment which, as of the required beginning date, does not satisfy the minimum distribution requirements of Code §401(a)(9) or which is not consistent with applicable Treasury regulations.

(A) General Rules.

(1) Precedence. The requirements of this Section 4.03 will take precedence over any inconsistent provisions of the Plan.

(2) Requirements of Treasury Regulations Incorporated. All distributions required under this Section 4.03 will be determined and made in accordance with the Treasury regulations under Code §401(a)(9).

(B) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(2) Death of Participant Before Distribution Begins. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) Spouse Designated Beneficiary. If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as the Employer may elect in the Adoption Agreement, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(b) Non-Spouse Designated Beneficiary. If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as the Employer may elect in the Adoption Agreement, distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(c) No Designated Beneficiary. If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) Death of Spouse. If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section

4.03(B)(2) other than Section 4.03(B)(2)(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 4.03(B) and Section 4.03(D), unless Section 4.03(B)(2)(d) applies, distributions are considered to begin on the Participant's required beginning date. If Section 4.03(B)(2)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a), the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 4.03(C) and 4.03(D). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code §401(a)(9) and the Treasury regulations.

(C) Required Minimum Distributions during Participant's Lifetime.

(1) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(a) ULT. The quotient obtained by dividing the Participant's account balance by the number in the Uniform Life Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the distribution calendar year; or

(b) Younger Spouse. If the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Section 4.03(C) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(D) Required Minimum Distributions after Participant's Death.

(1) Death On or After Distributions Begin.

(a) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(i) Participant's Life Expectancy.

The Participant's remaining life expectancy is calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(ii) Spouse's Life Expectancy.

If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the attained age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(iii) Non-Spouse's Life Expectancy.

If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.

(b) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the calendar year after the calendar year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the calendar year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(2) Death before Date Distributions Begin.

(a) Participant Survived by Designated Beneficiary. Except as the Employer may elect in the Adoption Agreement, if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 4.03(D)(1).

(b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a), this Section 4.03(D)(2) will apply as if the surviving spouse were the Participant.

(d) 5-year or Life Expectancy rule; possible election. The Employer in its Adoption Agreement will elect whether distribution of the Participant's Account will be made in accordance with the life expectancy rule under Section 4.03(D)(2)(a) or the 5-year rule under Section 4.03(D)(2)(b).

The Employer's election may permit a Designated Beneficiary to elect which of these rules will apply or may specify which rule applies. However, the life expectancy rule (whether subject to election or not) applies only in the case of a Designated Beneficiary. The 5-year rule applies as to any Beneficiary who is not a Designated Beneficiary. A permitted election under this Section must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 4.03(D)(2)(a), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death.

(E) Definitions.

(1) Designated Beneficiary. The individual who is designated as the Beneficiary under the Plan and is the designated beneficiary under Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-1, Q&A-4.

(2) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which the distributions are required to begin under Section 4.03(B)(2). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(3) Life expectancy. Life expectancy as computed by use of the Single Life Table in Treas. Reg. §1.401(a)(9)-9.

(4) Participant's account balance. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any Rollover Contributions or Transfers to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) Required beginning date. A Participant's required beginning date is the April 1 of the calendar year following the later of: (1) the calendar year in which the Participant attains age 70 1/2, or (2) the calendar year in which the Participant retires or such other date under Code §401(a)(9) by which required minimum distributions must commence.

4.04 DEATH BENEFITS. Upon the death of the Participant, the Plan Administrator must pay or direct the Trustee to pay the Participant's Account in accordance with Section 4.03. Subject to Section 4.03, a Beneficiary may elect the timing and method of payment in the same manner as a Participant may elect under Section 4.02, if such elections apply.

If a Participant dies while performing qualified military service (as defined in Code §414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided

under the Plan as if the Participant had resumed and then terminated employment on account of death.

4.05 DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT. The Employer must elect in the Adoption Agreement whether to permit in-service distributions of a Participant's Vested Account under this Section 4.05, notwithstanding the Section 4.01 distribution restrictions.

(A) Unforeseeable Emergency. In the event of a Participant's unforeseeable emergency, the Plan Administrator may make a distribution to a Participant who has not incurred a Severance from Employment (or who has incurred a Severance but will not begin to receive payments until some future date). In the event of an unforeseeable emergency, the Plan Administrator also may accelerate payments to a Participant or to a Beneficiary. The Plan Administrator will establish a policy for determining whether an unforeseeable emergency exists. An unforeseeable emergency is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Beneficiary, or the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); (2) loss of the Participant's or Beneficiary's property due to casualty; (3) the need to pay for the funeral expenses of the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's or Beneficiary's control, or which applicable law may define as an unforeseeable emergency. The Plan Administrator will not pay the Participant or the Beneficiary more than the amount reasonably necessary to satisfy the emergency need, which may include amounts necessary to pay taxes or penalties on the distribution. The Plan Administrator will not make payment to the extent the Participant or Beneficiary may relieve the financial hardship by cessation of deferrals under the Plan, through insurance or other reimbursement, or by liquidation of the individual's assets to the extent such liquidation would not cause severe financial hardship.

The Participant's Beneficiary is a person who a Participant designates and who is or may become entitled to a Participant's Plan Account upon the Participant's death.

(B) De minimis distribution. In accordance with the Employer's Adoption Agreement elections, the Plan Administrator may allow a Participant to elect to receive a distribution or the Plan Administrator will distribute (without a Participant election) any amount of the Participant's Account where: (1) the Participant's Account (disregarding Rollover Contributions) does not exceed \$5,000 (or such other amount as does not exceed the Code §411(a)(11)(A) dollar amount); (2) the Participant has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (3) the Participant has not received a prior distribution under this Section 4.05(B).

(C) Distribution of Rollover Contributions. The Employer in the Adoption Agreement may elect to permit a Participant to request and to receive distribution of the Participant's Account attributable to Rollover Contributions (but not to Transfers) before the Participant has a distributable event under Section 4.01.

4.06 DISTRIBUTIONS UNDER QUALIFIED DOMESTIC RELATIONS ORDERS (QDROs).

Notwithstanding any other provision of this Plan, the Employer in the Adoption Agreement may elect to apply the QDRO provisions of this Section 4.06. If Section 4.06 applies, the Plan Administrator (and any Trustee) must comply with the terms of a QDRO, as defined in Code §414(p), which is issued with respect to the Plan.

(A) Time and Method of Payment. This Plan specifically permits distribution to an alternate payee under a QDRO at any time, notwithstanding any contrary Plan provision and irrespective of whether the Participant has attained his or her earliest retirement age (as defined under Code §414(p)) under the Plan. A distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if the QDRO specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution. Nothing in this Section 4.06 gives a Participant a right to receive distribution at a time the Plan otherwise does not permit nor authorizes the alternate payee to receive a form of payment the Plan does not permit.

(B) QDRO Procedures. The Plan Administrator must establish reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the Plan Administrator promptly will notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Plan Administrator must determine the qualified status of the order and must notify the Participant and each alternate payee, in writing, of the Plan Administrator's determination. The Plan Administrator must provide notice under this paragraph by mailing to the individual's address specified in the domestic relations order.

(C) Accounting. If any portion of the Participant's Account Balance is payable under the domestic relations order during the period the Plan Administrator is making its determination of the qualified status of the domestic relations order, the Plan Administrator must maintain a separate accounting of the amounts payable. If the Plan Administrator determines the order is a QDRO within 18 months of the date amounts first are payable following receipt of the domestic relations order, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in accordance with the QDRO. If the Plan Administrator does not make its determination of the qualified status of the order within the 18-month determination period, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in the manner the Plan would distribute if the order did not exist and will apply the order prospectively if the Plan Administrator later determines the order is a QDRO.

To the extent it is not inconsistent with the provisions of the QDRO, the Plan Administrator may segregate or may direct the Trustee to segregate the QDRO amount in a segregated investment account. The Plan Administrator or Trustee will make any payments or distributions required under this Section 4.06 by separate benefit checks or other separate distribution to the alternate payee(s).

(D) Permissible QDROs. A domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order ("QDRO") will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

4.07 DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS – GOVERNMENTAL PLAN.

(A) Participant Election. A Participant (including for this purpose, a former Employee) in a Governmental Eligible 457

Plan may elect, at the time and in the manner the Plan Administrator prescribes, to have any portion of his or her eligible rollover distribution from the Plan paid directly to an eligible retirement plan specified by the Participant in a direct rollover election. For purposes of this election, a "Participant" includes as to their respective interests, a Participant's surviving spouse and the Participant's spouse or former spouse who is an alternate payee under a QDRO.

(B) Rollover and Withholding Notice. At least 30 days and not more than 180 days prior to the Trustee's distribution of an eligible rollover distribution, the Plan Administrator must provide a written notice (including a summary notice as permitted under applicable Treasury regulations) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice").

(C) Default distribution or rollover. Except as provided in Paragraph (D), in the case of a Participant who does not elect timely to roll over or to receive distribution of his or her Account, the Plan Administrator or the Trustee, at the Plan Administrator's direction, may distribute to the Participant or may directly roll over the Participant's Account in accordance with the Plan's rollover notice.

(D) Mandatory default rollover. If (1) the Plan is a Governmental Eligible 457 Plan, (2) the Plan makes a mandatory distribution after the Code §401(a)(31)(B) Effective Date, greater than \$1,000, and (3) the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

(E) Non-spouse beneficiary rollover right. A non-spouse beneficiary who is a "designated beneficiary" under Section 4.03(E)(1), by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

(1) Certain requirements not applicable. Although a non-spouse beneficiary may roll over directly a distribution as provided in Section 4.07(E), the distribution is not subject to the direct rollover requirements of Code §401(a)(31) (including the automatic rollover provisions of Code §401(a)(31)(B)), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

(2) Trust beneficiary. If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).

(3) Required minimum distributions not eligible for rollover. A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in

determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

(F) Definitions. The following definitions apply to this Section:

(1) Eligible rollover distribution. An eligible rollover distribution is any distribution of all or any portion of a Participant's Account, except an eligible rollover distribution does not include: (a) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a specified period of ten years or more; (b) any Code §401(a)(9) required minimum distribution; (c) any unforeseeable emergency distribution; and (d) any distribution which otherwise would be an eligible rollover distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than \$200.

(2) Eligible retirement plan. An eligible retirement plan is an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), an annuity plan described in Code §403(a), a qualified plan described in Code §401(a), an annuity contract (or custodial agreement) described in Code §403(b), or an eligible deferred compensation plan described in Code §457(b) and maintained by an Employer described in Code §457(e)(1)(A), which accepts the Participant's, the Participant's spouse or alternate payee's eligible rollover distribution.

A Participant or beneficiary may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b). For this purpose, the term "eligible rollover distribution" includes a rollover distribution described in this Section.

(3) Direct rollover. A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(4) Mandatory distribution. A mandatory distribution is an eligible rollover distribution without the Participant's consent before the Participant attains the later of age 62 or Normal

Retirement Age (see paragraph 3.05 (B)). A distribution to a beneficiary is not a mandatory distribution.

(5) 401(a)(31)(B) Effective Date. The 401(a)(31)(B) Effective Date is the date of the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after January 1, 2006.

4.08 ELECTION TO DEDUCT FROM DISTRIBUTION. An Eligible Retired Public Safety Officer may elect annually for that taxable year to have the Plan deduct an amount from a distribution which the Eligible Retired Public Safety Officer otherwise would receive and include in income. The Plan will pay such deducted amounts directly to pay qualified health insurance premiums.

(A) Direct payment. The Plan will pay directly to the provider of the accident or health insurance plan or qualified long-term care insurance contract the amounts the Eligible Retired Public Safety Officer has elected to have deducted from the distribution. Such amounts may not exceed the lesser of \$3,000 or the amount the Participant paid for such taxable year for qualified health insurance premiums, and which otherwise complies with Code §402(l).

(B) Definitions.

(1) Eligible retired public safety officer. An "Eligible Retired Public Safety Officer" is an individual who, by reason of disability or attainment of Normal Retirement Age, is separated from service as a Public Safety Officer with the Employer.

(2) Public safety officer. A "Public Safety Officer" has the same meaning as in Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(9)(A)).

(3) Qualified health insurance premiums. The term "qualified health insurance premiums" means premiums for coverage for the Eligible Retired Public Safety Officer, his or her spouse, and dependents, by an accident or health insurance plan or qualified long-term care insurance contract (as defined in Code §7702B(b)).

ARTICLE V

PLAN ADMINISTRATOR - DUTIES WITH RESPECT TO PARTICIPANTS' ACCOUNTS

5.01 TERM/VACANCY. The Plan Administrator will serve until his or her successor is appointed. In case of a vacancy in the position of the Plan Administrator, the Employer will exercise any and all of the powers, authority, duties and discretion conferred upon the Plan Administrator pending the filling of the vacancy.

5.02 POWERS AND DUTIES. The Plan Administrator will have the following powers and duties:

- (a) To select a committee to assist the Plan Administrator;
- (b) To select a secretary for the committee, who need not be a member of the committee;
- (c) To determine the rights of eligibility of an Employee to participate in the Plan and the value of a Participant's Account;
- (d) To adopt rules and procedures and to create administrative forms necessary for the proper and efficient administration of the Plan provided the rules, procedures and forms are not inconsistent with the terms of the Plan;
- (e) To construe and enforce the terms of the Plan and the rules and regulations the Plan Administrator adopts, including interpretation of the Plan documents and documents related to the Plan's operation;
- (f) To direct the distribution of a Participant's Account;
- (g) To review and render decisions respecting a claim for (or denial of a claim for) a benefit under the Plan;
- (h) To furnish the Employer with information which the Employer may require for tax or other purposes;
- (i) To establish a policy in making distributions for unforeseeable emergencies;
- (j) To establish under a Governmental Eligible 457 Plan, policies regarding the receipt of Rollover Contributions and default rollover distributions;
- (k) To establish a policy regarding the making and the receipt of Transfers;
- (l) To establish a policy regarding Participant or Beneficiary direction of investment;
- (m) To engage the services of any person to invest any Account under this Plan and to direct such person to make payment to a Participant of his or her Vested Account;
- (n) To establish under a Governmental Eligible 457 Plan, a policy (see Section 5.02(A)) which the Trustee must observe in making loans, if any, to Participants and Beneficiaries;
- (o) To undertake correction of any Plan failures as necessary to preserve eligible Plan status; and
- (p) To undertake any other action the Plan Administrator deems reasonable or necessary to administer the Plan.

The Plan Administrator shall have total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and

application of the Plan. Any determination the Plan Administrator makes under the Plan is final and binding upon any affected person.

(A) Loan Policy. In a Governmental Eligible 457 Plan, the Plan Administrator, in its sole discretion, may establish, amend or terminate from time to time, a nondiscriminatory policy which the Trustee must observe in making Plan loans, if any, to Participants and to Beneficiaries. If the Plan Administrator adopts a loan policy, the loan policy must be a written document and must include: (1) the identity of the person or positions authorized to administer the participant loan program; (2) the procedure for applying for a loan; (3) the criteria for approving or denying a loan; (4) the limitations, if any, on the types and amounts of loans available; (5) the procedure for determining a reasonable rate of interest; (6) the types of collateral which may secure the loan; and (7) the events constituting default and the steps the Plan will take to preserve Plan assets in the event of default. A loan policy the Plan Administrator adopts under this Section 5.02(A) is part of the Plan, except that the Plan Administrator may amend or terminate the policy without regard to Section 9.01.

(B) QDRO Policy. If the QDRO provisions of Section 4.06 apply, the Plan Administrator will establish QDRO procedures.

5.03 COMPENSATION. The Plan Administrator and the members of the Committee will serve without compensation for services, but the Employer will pay all expenses of the Plan Administrator and Committee.

5.04 AUTHORIZED REPRESENTATIVE. The Plan Administrator may authorize any one of the members of the Committee, if any, or the Committee's Secretary, to sign on the Plan Administrator's behalf any Plan notices, directions, applications, certificates, consents, approvals, waivers, letters or other documents.

5.05 INDIVIDUAL ACCOUNTS/RECORDS. The Plan Administrator will maintain a separate Account in the name of each Participant to reflect the value of the Participant's Deferred Compensation under the Plan. The Plan Administrator will maintain records of its activities.

5.06 VALUE OF PARTICIPANT'S ACCOUNT. The value of each Participant's Account consists of his or her accumulated Deferred Compensation, as of the most recent Accounting Date or any later date as the Plan Administrator may determine.

5.07 ACCOUNT ADMINISTRATION, VALUATION AND EXPENSES

(A) Individual Accounts. The Plan Administrator, as necessary for the proper administration of the Plan, will maintain, or direct the Trustee to maintain, a separate Account, or multiple Accounts, in the name of each Participant to reflect the Participant's Account Balance under the Plan. The Plan Administrator will make its allocations of Employer Contributions and of Earnings, or will request the Trustee to make such allocations, to the Accounts of the Participants as necessary to maintain proper Plan records and in accordance with the applicable: (i) Contribution Types; (ii) allocation conditions; (iii) investment account types; and (iv) Earnings allocation methods. The Plan Administrator may also maintain, or direct the Trustee to maintain, a separate temporary Account for Participant forfeitures which occur during a Plan Year,

pending their accrual and allocation in accordance with the Plan terms, or for other special items as the Plan Administrator determines is necessary and appropriate for proper plan administration.

(1) By Contribution Type. The Plan Administrator, will establish Plan Accounts for each Participant as necessary to reflect his or her Accounts attributable to the following Contribution Types and the Earnings attributable thereto: Pre-Tax Deferrals, Roth Deferrals, Matching Contributions, Nonelective Contributions, Rollover Contributions (including Roth versus pre-tax amounts), and Transfers.

(2) By investment account type. The Plan Administrator will establish separate Accounts for each Participant as necessary to reflect his or her investment account types as described below:

(a) Pooled Accounts. A Pooled Account is an Account which for investment purposes is not a Segregated Account or a Participant-Directed Account. If any or all Plan investment Accounts are Pooled Accounts, each Participant's Account has an undivided interest in the assets comprising the Pooled Account. In a Pooled Account, the value of each Participant's Account Balance consists of that proportion of the net worth (at fair market value) of the Trust Fund which the net credit balance in his or her Account (exclusive of the cash value of incidental benefit insurance contracts) bears to the total net credit balance in the Accounts of all Participants plus the cash surrender value of any insurance contracts held by the Trustee on the Participant's life. As of each Valuation Date, the Plan Administrator must reduce a Participant-Directed Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the valuation period.

(b) Participant-Directed Accounts. A Participant-Directed Account is an Account that the Plan Administrator establishes and maintains or directs the Trustee to establish and maintain for a Participant to invest in one or more assets that are not pooled assets held by the Trust, such as assets in a brokerage account or other property in which other Participants do not have any interest. As the Plan Administrator determines, a Participant-Directed Account may provide for a limited number and type of investment options or funds, or may be open-ended and subject only to any limitations imposed by applicable law. A Participant may have one or more Participant-Directed Accounts in addition to Pooled or Segregated Accounts. A Participant-Directed Account is credited and charged with the Earnings. As of each Valuation Date, the Plan Administrator must reduce a Participant-Directed Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the valuation period.

(c) Segregated Accounts. A Segregated Account is an Account the Plan Administrator establishes and maintains or directs the Trustee to establish and maintain for a Participant: (i) to facilitate installment payments; (ii) to hold a QDRO amount; (iii) to prevent a distortion of Plan Earnings allocations; or (iv) for such other purposes as the Plan Administrator may direct. A Segregated Account receives all income it earns and bears all expense or loss it incurs. The Trustee will invest the assets of a Segregated Account consistent with the purpose for which the Plan Administrator or Trustee established the Account. As of

each Valuation Date, the Plan Administrator must reduce a Segregated Account for any forfeiture arising after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the Valuation Period.

(3) Amount of Account/distributions. The amount of a Participant's Account, as determined by the Plan Administrator, is equal to the sum of all contributions, Earnings and other additions credited to the Account, less all distributions (including distributions to Beneficiaries and to alternate payees and also including disbursement of Plan loan proceeds), expenses and other charges against the Account as of a Valuation Date or other relevant date. For purposes of a distribution under the Plan, the amount of a Participant's Account Balance is determined based upon its value on the Valuation Date immediately preceding or coinciding with the date of the distribution. If any or all Plan investment Accounts are Participant-Directed Accounts, the directing Participant's Account Balance consists of the assets held within the Participant-Directed Account and the value of the Account is determined based upon the fair market value of such assets.

(4) Account statements. As soon as practicable after the Accounting Date of each Plan Year, the Plan Administrator will deliver to each Participant (and to each Beneficiary) a statement reflecting the amount of his or her Account Balance in the Trust as of the statement date or most recent Valuation Date. No Participant, except the Plan Administrator/Participant or Trustee/Participant, has the right to inspect the records reflecting the Account of any other Participant.

(B) Allocation of Earnings. This Section 5.07(B) applies solely to the allocation of Earnings of the Trust Fund. The Plan Administrator will allocate Employer Contributions and Participant forfeitures, if any, in accordance with Article III. Earnings means the net income, gain or loss earned by a particular Account, by the Trust, or with respect to a contribution or to a distribution, as the context requires.

(1) Allocate as of Valuation Date. As of each Valuation Date, the Plan Administrator must adjust Accounts to reflect Earnings for the Valuation Period since the last Valuation Date.

(2) Definition of Valuation Date. A Valuation Date under this Plan is each: (a) Accounting Date; (b) Valuation Date the Employer elects in the Adoption Agreement; or (c) Valuation Date the Plan Administrator establishes. The Employer in the Adoption Agreement or the Plan Administrator may elect alternative Valuation Dates for the different Contribution Types which the Plan Administrator maintains under the Plan.

(3) Definition of Valuation Period. The Valuation Period is the period beginning on the day after the last Valuation Date and ending on the current Valuation Date.

(4) Allocation methods. The Plan Administrator will allocate Earnings to the Participant Accounts in accordance with the daily valuation method, balance forward method, balance forward with adjustment method, weighted average method, Participant-Directed Account method, or other method the Employer elects under the Adoption Agreement. The Employer in the Adoption Agreement may elect alternative methods under which the Plan Administrator will allocate the Earnings to the Accounts reflecting different Contribution Types or investment

Account types which the Plan Administrator maintains under the Plan. The Plan Administrator first will adjust the Participant Accounts, as those Accounts stood at the beginning of the current Valuation Period, by reducing the Accounts for any forfeitures, distributions, and loan disbursement payments arising under the Plan, for expenses charged during the Valuation Period to the Accounts (expenses directly related to a Participant's Account). The Plan Administrator then, subject to the restoration allocation requirements of the Plan, will allocate Earnings under the applicable valuation method.

(a) Daily valuation method. If the Employer in the Adoption Agreement elects to apply the daily valuation method, the Plan Administrator will allocate Earnings on each day of the Plan Year for which Plan assets are valued on an established market and the Trustee is conducting business. Under the daily valuation method, all assets subject to such method are subject to daily valuation. The assets may be held in Participant-Directed Accounts or in Accounts which are subject to Trustee or other fiduciary investment direction.

(b) Balance forward method. If the Employer in the Adoption Agreement elects to apply the balance forward method, the Plan Administrator will allocate Earnings pro rata to the adjusted Participant Accounts, since the last Valuation Date.

(c) Balance forward with adjustment method. If the Employer in the Adoption Agreement elects to apply the balance forward with adjustment method, the Plan Administrator will allocate pursuant to the balance forward method, except it will treat as part of the relevant Account at the beginning of the Valuation Period the percentage of the contributions made as the Employer elects in the Adoption Agreement, during the Valuation Period the Employer elects in the Adoption Agreement.

(d) Weighted average method. If the Employer in the Adoption Agreement elects to apply a weighted average allocation method, the Plan Administrator will allocate pursuant to the balance forward method, except it will treat a weighted portion of the applicable contributions as if includible in the Participant's Account as of the beginning of the Valuation Period. The weighted portion is a fraction, the numerator of which is the number of months in the Valuation Period, excluding each month in the Valuation Period which begins prior to the contribution date of the applicable contributions, and the denominator of which is the number of months in the Valuation Period. The Employer in the Adoption Agreement may elect to substitute a weighting period other than months for purposes of this weighted average allocation.

(e) Participant-Directed Account method. The Employer in the Adoption Agreement must elect to apply the Participant-Directed Account method to any Participant-Directed Account under the Plan. Under the Participant-Directed Account method: (i) each Participant-Directed Account is credited and charged with the Earnings such Account generates; (ii) the Employer's election, if any, in the Adoption Agreement of another method for the allocation of Earnings will not apply to any Participant-Directed Account; and (iii) the Participant-Directed Account may be valued as often as daily, but will be valued at least annually, and all assets in the Account are not necessarily valued on the same frequency. An Account which is subject to the Participant-Directed Account method includes an individual brokerage account or similar account in title to the Trustee for the benefit of the Participant.

(C) Allocation of Net Income, Gain or Loss (No Trust). In a Tax-Exempt Eligible 457 Plan that does not maintain a trust the Plan Administrator will allocate net income, gain or loss in accordance with this provision. As of each Accounting Date (and each other valuation date determined under the Adoption Agreement), the Plan Administrator will adjust Accounts to reflect net income, gain or loss, if any, since the last Accounting Date or Account valuation. The Employer in the Adoption Agreement will elect the method for allocating net income gain or loss. The Plan Administrator will continue to allocate net income, gain and loss to a Participant's Account subject to an installment distribution, until the Account is fully distributed.

5.08 ACCOUNT CHARGED. The Plan Administrator will charge all distributions made to a Participant or to his or her Beneficiary, or transferred under Section 9.03 from his or her Account, against the Account of the Participant when made.

5.09 OWNERSHIP OF FUND/TAX-EXEMPT ORGANIZATION. If the Employer is a Tax-Exempt Organization, the Plan is an unfunded plan and all Deferred Compensation, property and rights to property purchased by Deferred Compensation and all income attributable thereto remain, until paid or made available under the Plan, the sole property and rights of the Employer, subject only to the claims of the Employer's general creditors. No Participant or Beneficiary will have any vested interest or secured or preferred position with respect to an Account or have any claim against the Employer except as a general creditor. No Participant or Beneficiary shall have any right to sell, assign, transfer or otherwise convey his or her Account or any interest in his or her Deferred Compensation. The Employer or the Plan Administrator, acting as the Employer's agent, may enter into a trust agreement solely for the purpose of investing all or part of the Accounts, which will be subject to the claims of the Employer's general creditors, and in which the Participants or Beneficiaries will not have a vested interest nor a secured or preferred position or have any claim except as the Employer's general creditor. The Employer may not purchase life insurance contracts under this Plan unless the Employer retains all incidents of ownership in such contracts, the Employer is the sole beneficiary of such contracts and the Employer is not under any obligation to transfer the contracts or pass through the proceeds to any Participant or to his or her Beneficiary. The Employer may adopt and attach to the Plan as "Appendix A," the Internal Revenue Service Model Rabbi Trust under Rev. Proc. 92-64 (as amended) to hold the assets of a Tax-Exempt Organization Eligible 457 Plan. If the Employer adopts the Model Rabbi Trust, the Plan incorporates by reference the provisions of the Model Rabbi Trust as if fully set forth herein.

5.10 PARTICIPANT DIRECTION OF INVESTMENT. Subject to the terms of the Plan Administrator's adopted policy, if any, and also to written consent of the Trustee, if the Plan has a Trust, a Participant will have the right to direct the investment or re-investment of the assets comprising the Participant's Account. The Plan Administrator will account separately for the Participant-Directed Accounts. The Participant's right to direct investment does not give the Participant any vested interest or secured or preferred position with respect to assets over which he/she has investment responsibility.

5.11 VESTING/SUBSTANTIAL RISK OF FORFEITURE. The Employer in the Adoption Agreement may elect to apply a vesting schedule or to specify any other Substantial Risk of Forfeiture applicable to any or all Deferral Contributions.

(A) Forfeiture Allocation. The Employer in the Adoption Agreement must elect the method the Plan Administrator will use to allocate any Participant forfeitures, including those

related to lost Participants under Section 5.14. The Plan Administrator will allocate a forfeiture in the Plan Year in which the forfeiture occurs or in the next following Plan Year.

5.12 PRESERVATION OF ELIGIBLE PLAN STATUS.

The Plan Administrator may elect to sever from this Plan and to treat as a separate 457 plan, the Accounts of any Participants who have Excess Deferrals that the Plan Administrator has not corrected in accordance with Section 3.10 or in the case of any other Code §457(b) failure that the Employer may not otherwise correct, and which failure would result in the Plan ceasing to be an Eligible 457 Plan. In such event, the Plan Administrator will take any necessary or appropriate action consistent with the Employer's maintenance of separate 457 plans and with preservation of Eligible 457 Plan status of this Plan.

5.13 **LIMITED LIABILITY.** The Employer will not be liable to pay plan benefits to a Participant in excess of the value of the Participant's Account as the Plan Administrator determines in accordance with the Plan terms. Neither the Employer nor the Plan Administrator will be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

5.14 **LOST PARTICIPANTS.** If the Plan Administrator is unable to locate any Participant or Beneficiary whose Account becomes distributable (a "lost Participant"), the Plan Administrator will apply the provisions of this Section 5.14.

(A) Attempt to Locate. The Plan Administrator will attempt to locate a lost Participant and may use one or more of the following methods: (1) provide a distribution notice to the lost Participant at his or her last known address by certified or registered mail; (2) use a commercial locator service, the internet or other general search method; (3) use the Social Security Administration or PBGC search program; or (4) use such other methods as the Plan Administrator believes prudent.

(B) Failure to Locate. If a lost Participant remains unlocated for 6 months following the date the Plan Administrator first attempts to locate the lost Participant using one or more of the methods described in Section 5.14(A), the Plan Administrator may forfeit the lost Participant's Account. If the Plan Administrator forfeits the lost Participant's Account, the forfeiture occurs at the end of the above-described 6-month period and the Plan Administrator will allocate the forfeiture in accordance with Section 5.11. The Plan Administrator under this Section 5.14(B) will forfeit the entire Account of the lost Participant, including Salary Reduction Contributions.

If a lost Participant whose Account was forfeited thereafter at any time but before the Plan has been terminated makes a claim for his or her forfeited Account, the Plan Administrator will restore the forfeited Account to the same dollar amount as the amount forfeited, unadjusted for net income, gains or losses occurring subsequent to the forfeiture. The Plan Administrator will make the restoration in the Plan Year in which the lost Participant makes the claim, first from the amount, if any, of Participant forfeitures the Plan Administrator otherwise would allocate for the Plan Year, then from the amount, if any, of Trust net income or gain for the Plan Year and last from the amount or additional amount the Employer contributes to the Plan for the Plan Year. The Plan Administrator will distribute the restored Account to the lost Participant not later than 60 days after the close of the Plan Year in which the Plan Administrator restores the forfeited Account.

(C) Nonexclusivity and Uniformity. The provisions of this Section 5.14 are intended to provide permissible but not exclusive means for the Plan Administrator to administer the Accounts of lost Participants. The Plan Administrator may utilize any other reasonable method to locate lost Participants and to administer the Accounts of lost Participants, including the default rollover under Section 4.07(C) and such other methods as the Revenue Service or the U.S. Department of Labor ("DOL") may in the future specify. The Plan Administrator will apply Section 5.14 in a reasonable manner, but may in determining a specific course of action as to a particular Account, reasonably take into account differing circumstances such as the amount of a lost Participant's Account, the expense in attempting to locate a lost Participant, the Plan Administrator's ability to establish and the expense of establishing a rollover IRA, and other factors. The Plan Administrator may charge to the Account of a lost Participant the reasonable expenses incurred under this Section 5.14 and which are associated with the lost Participant's Account.

5.15 **PLAN CORRECTION.** The Plan Administrator, in conjunction with the Employer and Trustee as appropriate, may undertake such correction of Plan errors as the Plan Administrator deems necessary, including but not limited to correction to maintain the Plan's status as an Eligible 457 Plan. The Plan Administrator under this Section 5.15 also may undertake Plan correction in accordance with any correction program that the Internal Revenue Service makes applicable to 457 plans.

ARTICLE VI PARTICIPANT ADMINISTRATIVE PROVISIONS

6.01 BENEFICIARY DESIGNATION. A Participant from time to time may designate, in writing, any person(s) (including a trust or other entity), contingently or successively, to whom the Plan Administrator or Trustee will pay the Participant's Account (including any life insurance proceeds payable to the Participant's Account) in the event of death. A Participant also may designate the method of payment of his or her Account. The Plan Administrator will prescribe the form for the Participant's written designation of Beneficiary and, upon the Participant's filing the form with the Plan Administrator, the form revokes all designations filed prior to that date by the same Participant. A divorce decree, or a decree of legal separation, revokes the Participant's designation, if any, of his or her spouse as his or her Beneficiary under the Plan unless the decree or a QDRO provides otherwise. The foregoing revocation provision (if applicable) applies only with respect to a Participant whose divorce or legal separation becomes effective on or following the date the Employer executes the Adoption Agreement, unless the Employer in the Adoption Agreement specifies a different effective date.

6.02 NO BENEFICIARY DESIGNATION. If a Participant fails to name a Beneficiary in accordance with Section 6.01, or if the Beneficiary named by a Participant predeceases the Participant, then the Plan Administrator will pay the Participant's remaining Account in accordance with Article IV in the following order of priority, to:

- (a) The Participant's surviving spouse; or
- (b) The Participant's children (including adopted children), in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants); and if none to
- (c) The Participant's estate.

If the Beneficiary survives the Participant, but dies prior to distribution of the Participant's entire Account, the Trustee will pay the remaining Account to the Beneficiary's estate unless: (1) the Participant's Beneficiary designation provides otherwise; or (2) the Beneficiary has properly designated a beneficiary. A Beneficiary only may designate a beneficiary for the Participant's Account Balance remaining at the Beneficiary's death, if the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the Plan terms. The Plan Administrator will direct a Trustee if applicable as to the method and to whom the Trustee will make payment under this Section 6.02.

6.03 SALARY REDUCTION AGREEMENT.

(A) General. A Participant must elect to make Salary Reduction Contributions on a Salary Reduction Agreement form the Plan Administrator provides for this purpose. The Salary Reduction Agreement must be consistent with the Employer's Adoption Agreement elections and the Plan Administrator in a Salary Reduction Agreement may impose such other terms and limitations as the Plan Administrator may determine.

(B) Election Timing. A Participant's Salary Reduction Agreement may not take effect earlier than the first day of the calendar month following the date the Participant executes the Salary Reduction Agreement and as to Compensation paid or made available in such calendar month. However, if an

Employee is eligible to become a Participant during the Employee's calendar month of hire, the Employee may execute a Salary Reduction Agreement on or before the date he/she becomes an Employee, effective for the month in which he/she becomes an Employee.

(C) Sick, Vacation and Back Pay. If the Employer in the Adoption Agreement permits Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay, a Participant who will incur a Severance from Employment may execute a Salary Reduction Agreement before such amounts are paid or made available provided: (i) such amounts are paid or made available before the Participant incurs the Severance; and (ii) the Participant is an Employee in that month.

(D) Modification of Salary Reduction Agreement. A Participant's Salary Reduction Agreement remains in effect until a Participant modifies it or ceases to be eligible to participate in the Plan. A Participant may modify his or her Salary Reduction Agreement by executing a new Salary Reduction Agreement. Any modification will become effective no earlier than the beginning of the calendar month commencing after the date the Participant executes the new Salary Reduction Agreement. Filing a new Salary Reduction Agreement will revoke all Salary Reduction Agreements filed prior to that date. The Employer or Plan Administrator may restrict the Participant's right to modify his or her Salary Reduction Agreement in any Taxable Year.

6.04 PERSONAL DATA TO PLAN ADMINISTRATOR. Each Participant and each Beneficiary of a deceased Participant must furnish to the Plan Administrator such evidence, data or information as the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The provisions of this Plan are effective for the benefit of each Participant upon the condition precedent that each Participant will furnish promptly full, true and complete evidence, data and information when requested by the Plan Administrator, provided the Plan Administrator advises each Participant of the effect of his or her failure to comply with its request.

6.05 ADDRESS FOR NOTIFICATION. Each Participant and each Beneficiary of a deceased Participant must file with the Plan Administrator from time to time, in writing, his or her address and any change of address. Any communication, statement or notice addressed to a Participant, or Beneficiary, at his or her last address filed with the Plan Administrator, or as shown on the records of the Employer, binds the Participant, or Beneficiary, for all purposes of this Plan.

6.06 PARTICIPANT OR BENEFICIARY INCAPACITATED. If, in the opinion of the Plan Administrator or of the Trustee, a Participant or Beneficiary entitled to a Plan distribution is not able to care for his or her affairs because of a mental condition, a physical condition, or by reason of age, the Plan Administrator or at the direction of the Plan Administrator, the Trustee, may make the distribution to the Participant's or Beneficiary's guardian, conservator, trustee, custodian (including under a Uniform Transfers or Gifts to Minors Act) or to his or her attorney-in-fact or to other legal representative upon furnishing evidence of such status satisfactory to the Plan Administrator and to the Trustee. The Plan Administrator and the Trustee do not have any liability with respect to payments so made and neither the Plan Administrator nor the Trustee has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan.

ARTICLE VII MISCELLANEOUS

7.01 NO ASSIGNMENT OR ALIENATION. A Participant or Beneficiary does not have the right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments under the Plan or Trust and the Plan Administrator and the Trustee will not recognize any such anticipation, assignment, or alienation. The payments and the rights under this Plan are nonassignable and nontransferable. Furthermore, a Participant's or Beneficiary's interest in the Trust is not subject to attachment, garnishment, levy, execution or other legal or equitable process.

7.02 EFFECT ON OTHER PLANS. This Plan does not affect benefits under any other retirement, pension, or benefit plan or system established for the benefit of the Employer's Employees, and participation under this Plan does not affect benefits receivable under any such plan or system, except to the extent provided in such plan or system.

7.03 WORD USAGE. Words used in the masculine will apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural will be read as the singular and the singular as the plural.

7.04 STATE LAW. The laws of the state of the Employer's principal place of business will determine all questions arising with respect to the provisions of this Plan, except to the extent Federal law supersedes State law.

7.05 EMPLOYMENT NOT GUARANTEED. Nothing contained in this Plan, or any modification or amendment to the Plan, or in the creation of any Account, or the payment of any benefit, gives any Employee, Participant or Beneficiary any right to continue employment, any legal or equitable right against the Employer, the Plan Administrator, the Trustee, any other Employee of the Employer, or any agents thereof except as expressly provided by the Plan.

7.06 NOTICE, DESIGNATION, ELECTION, CONSENT AND WAIVER. All notices under the Plan and all Participant or Beneficiary designations, elections, consents or waivers must be in writing and made in a form the Plan Administrator specifies or otherwise approves. To the extent permitted by Treasury regulations or other applicable guidance, any Plan notice, election, consent or waiver may be transmitted electronically. Any person entitled to notice under the Plan may waive the notice or shorten the notice period except as otherwise required by the Code.

ARTICLE VIII TRUST PROVISIONS—GOVERNMENTAL ELIGIBLE 457 PLAN

8.01 GOVERNMENTAL ELIGIBLE 457 PLAN. The provisions of this Article VIII apply to a Governmental Eligible 457 Plan and do not apply to a Tax-Exempt Organization Eligible 457 Plan. The Employer in the Adoption Agreement may elect to substitute another trust (attached to this Plan as "Appendix A") or to modify any provision of Article VIII, consistent with Code §457(g) and applicable Treasury regulations.

8.02 ACCEPTANCE/HOLDING. The Trustee accepts the Trust created under the Plan and agrees to perform the duties and obligations imposed. The Trustee must hold in trust under this Article VIII, all Deferred Compensation until paid in accordance with the Plan terms.

8.03 RECEIPT OF CONTRIBUTIONS. The Trustee is accountable to the Employer for the funds contributed to it by the Employer or the Plan Administrator, but the Trustee does not have any duty to see that the contributions received comply with the provisions of the Plan.

8.04 FULL INVESTMENT POWERS. The Trustee has full discretion and authority with regard to the investment of the Trust, except with respect to a Trust asset under Participant direction of investment, in accordance with Section 8.12. The Trustee is authorized and empowered, but not by way of limitation, to exercise and perform the following powers, rights and duties:

(a) To invest any part or all of the Trust in any common or preferred stocks, open-end or closed-end mutual funds, put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U. S. Treasury bills, U. S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts of any type, mortgages, notes or other property of any kind, real or personal, and to buy or sell options on common stock on a nationally recognized options exchange with or without holding the underlying common stock, as a prudent person would do under like circumstances. Any investment made or retained by the Trustee in good faith will be proper but must be of a kind constituting a diversification considered by law suitable for trust investments;

(b) To retain in cash so much of the Trust as it may deem advisable to satisfy liquidity needs of the Plan and to deposit any cash held in the Trust in a bank account at reasonable interest;

(c) To invest, if the Trustee is a bank or similar financial institution supervised by the United States or by a State, in any type of deposit of the Trustee (or a bank related to the Trustee within the meaning of Code §414(b)) at a reasonable rate of interest or in a common trust fund as described in Code §584, or in a collective investment fund, the provisions of which the Trust incorporates by this reference, which the Trustee (or its affiliate, as defined in Code §1504) maintains exclusively for the collective investment of money contributed by the bank (or its affiliate) in its capacity as Trustee and which conforms to the rules of the Comptroller of the Currency;

(d) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such

considerations and on such terms and conditions as the Trustee decides;

(e) To credit and distribute the Trust as directed by the Plan Administrator of the Plan. The Trustee will not be obliged to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or as to the manner of making any payment or distribution. The Trustee will be accountable only to the Plan Administrator for any payment or distribution made by it in good faith on the order or direction of the Plan Administrator;

(f) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;

(g) To compromise, contest, arbitrate or abandon claims and demands, in the Trustee's discretion;

(h) To have with respect to the Trust all of the rights of an individual owner, including the power to exercise any and all voting rights associated with Trust assets, to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, to tender shares and to exercise or sell stock subscriptions or conversion rights;

(i) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interest in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders;

(j) To hold any securities or other property in the name of the Trustee or its nominee, with depositories or agent depositories or in another form as it may deem best, with or without disclosing the trust relationship;

(k) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust;

(l) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes a final adjudication;

(m) To file all tax returns required of the Trustee;

(n) To furnish to the Employer and the Plan Administrator an annual statement of account showing the condition of the Trust and all investments, receipts, disbursements and other transactions effected by the Trustee during the Plan Year covered by the statement and also stating the assets of the Trust held at the end of the Plan Year, which accounts will be conclusive on all persons, including the Employer and the Plan Administrator, except as to any act or transaction concerning which the Employer or the Plan Administrator files with the Trustee written exceptions or objections within 90 days after the receipt of the accounts; and

(o) To begin, maintain or defend any litigation necessary in connection with the administration of the Trust, except that the Trustee will not be obliged or required to do so unless indemnified to its satisfaction.

(A) Nondiscretionary Trustee. The Employer in the Adoption Agreement may elect to appoint a Nondiscretionary Trustee, subject to this Section 8.04(A). The Nondiscretionary Trustee does not have any discretion or authority with regard to the

investment of the Trust, but must act solely as a directed Trustee hereunder. The Nondiscretionary Trustee is authorized and empowered to exercise and perform the above Section 8.04 powers, rights and duties provided that the Trustee shall act solely as a directed Trustee and only in accordance with the written direction of the Employer, the Plan Administrator or of a Participant as applicable. The Nondiscretionary Trustee is not liable for making, retaining or disposing of any investment or for taking or failing to take any other action, in accordance with proper Employer, Plan Administrator or Participant direction.

8.05 RECORDS AND STATEMENTS. The records of the Trustee pertaining to the Trust will be open to the inspection of the Plan Administrator and the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer or Plan Administrator may specify in writing. The Trustee will furnish the Plan Administrator whatever information relating to the Trust the Plan Administrator considers necessary.

8.06 FEES AND EXPENSES FROM FUND. The Trustee will receive reasonable annual compensation in accordance with its fee schedule as published from time to time. The Trustee will pay from the Trust all fees and expenses the Trustee reasonably incurs in its administration of the Trust, unless the Employer pays the fees and expenses.

8.07 PROFESSIONAL AGENTS. The Trustee may employ and pay from the Trust reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant or other person selected by it any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

8.08 DISTRIBUTION OF CASH OR PROPERTY. The Trustee may make distribution under the Plan in cash or property, or partly in each, at its fair market value as determined by the Trustee.

8.09 RESIGNATION AND REMOVAL. The Trustee or the Custodian may resign its position by giving written notice to the Employer and to the Plan Administrator. The Trustee's notice must specify the effective date of the Trustee's resignation, which date must be at least 30 days following the date of the Trustee's notice, unless the Employer consents in writing to shorter notice.

The Employer may remove a Trustee or a Custodian by giving written notice to the affected party. The Employer's notice must specify the effective date of removal which date must be at least 30 days following the date of the Employer's notice, except where the Employer reasonably determines a shorter notice period or immediate removal is necessary to protect Plan assets.

8.10 SUCCESSOR TRUSTEE.

(A) Appointment. In the event of the resignation or the removal of a Trustee, where no other Trustee continues to service, the Employer must appoint a successor Trustee if it intends to continue the Plan. If two or more persons hold the position of Trustee, in the event of the removal of one such person, during any period the selection of a replacement is pending, or during any period such person is unable to serve for any reason, the remaining person or persons will act as the Trustee. If the Employer fails to appoint a successor Trustee as of the effective date of the Trustee resignation or removal and no other Trustee remains, the Trustee will treat the Employer as

having appointed itself as Trustee and as having filed the Employer's acceptance of appointment as successor Trustee with the former Trustee.

(B) Automatic Successor. Any corporation which succeeds to the trust business of the Trustee, or results from any merger or consolidation to which the Trustee is a party, or is the transferee of substantially all the Trustee's assets, will be the successor to the Trustee under this Trust. The successor Trustee will possess all rights, duties and powers under this Trust as if the successor Trustee were the original Trustee. Neither the Trustee nor the successor Trustee need provide notice to any interested person of any transaction resulting in a successor Trustee. The successor Trustee need not file or execute any additional instrument or perform any additional act to become successor Trustee.

8.11 VALUATION OF TRUST. The Trustee will value the Trust as of each Accounting Date to determine the fair market value of the Trust assets. The Trustee will value the Trust on such other date(s) the Plan Administrator may direct.

8.12 PARTICIPANT DIRECTION OF INVESTMENT. Consistent with the Plan Administrator's policy adopted under Section 5.02(1), the Trustee may consent in writing to permit Participants in the Plan to direct the investment to the Trust assets. The Plan Administrator will advise the Trustee of the portion of the Trust credited to each Participant's Account under the Plan, and subject to such Participant direction. As a condition of Participant direction, the Trustee may impose such conditions, limitations and other provisions as the Trustee may deem appropriate and as are consistent with the Plan Administrator's policy. The Trustee will report to the Plan Administrator the net income, gain or losses incurred by each Participant-Directed Account separately from the net income, gain or losses incurred by the general Trust during the Trust Year.

8.13 THIRD PARTY RELIANCE. No person dealing with the Trustee will be obliged to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Trust. Each person dealing with the Trustee may act upon any notice, request or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and will not be liable to any person whomsoever in so doing. The certificate of the Trustee that it is acting in accordance with the Trust will be conclusive in favor of any person relying on the certificate.

8.14 INVALIDITY OF ANY TRUST PROVISION. If any clause or provision of this Article VIII proves to be or is adjudged to be invalid or void for any reason, such void or invalid clause or provision will not affect any of the other provisions of this Article VIII and the balance of the Trust provisions will remain operative.

8.15 EXCLUSIVE BENEFIT. The Trustee will hold all the assets of the Trust for the exclusive benefit of the Participants and their Beneficiaries and neither the Employer nor the Trustee will use or divert any part of the corpus or income of the Trust for purposes other than the exclusive benefit of the Participants and Beneficiaries of the Plan. The Employer will not have any right to the assets held by the Trustee and the Trust assets will not be subject to the claims of the Employer's creditors or, except as provided in Section 4.06, of the creditors of any Participant or Beneficiary. No Participant or Beneficiary shall have any right to sell, assign, transfer or otherwise convey his or her Account or any interest in his or her Deferred Compensation. Notwithstanding the foregoing, the Plan Administrator may pay from a Participant's or Beneficiary's Account the amount the Plan Administrator finds is lawfully

demand under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary. The Trust created under the Employer's Plan is irrevocable and its assets will not inure to the benefit of the Employer.

8.16 SUBSTITUTION OF CUSTODIAL ACCOUNT OR ANNUITY CONTRACT. The Employer in the Adoption Agreement may elect to use one or more custodial accounts or annuity contracts in lieu of or in addition to the Trust established in this Article VIII. Any such custodial account or annuity contract must satisfy the requirements of Code §457(g)(3) and applicable Treasury regulations.

8.17 GROUP TRUST AUTHORITY. Notwithstanding any contrary provision in this Plan, the Trustee may, unless restricted in writing by the Plan Administrator, transfer assets of the Plan to a group trust that is operated or maintained exclusively for the commingling and collective investment of monies provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Code §401(a), individual retirement accounts that are exempt under Code §408(e), and eligible governmental plans that meets the requirements of Code §457(b). For this purpose, a trust includes a custodial account that is treated as a trust under Code §401(f) or under Code §457(g)(3). For purposes of valuation, the value of the interest maintained by the Plan in such group trust shall be the fair market value of the portion of the group trust held for Plan, determined in accordance with generally recognized valuation procedures.

ARTICLE IX AMENDMENT, TERMINATION, TRANSFERS

9.01 AMENDMENT BY EMPLOYER/SPONSOR. The Employer has the right at any time and from time to time:

(a) To amend this Plan and Trust Agreement and the Adoption Agreement in any manner it deems necessary or advisable in order to continue the status of this Plan as an Eligible 457 Plan; and

(b) To amend this Plan and Trust Agreement and the Adoption Agreement in any other manner, including deletion, substitution or modification of any Plan, Trust or Adoption Agreement provision.

The Employer must make all amendments in writing. The Employer may amend the Plan by an Adoption Agreement election, by addenda, by separate amendment, or by restatement of the Adoption Agreement or Plan. Each amendment must state the date to which it is either retroactively or prospectively effective. The Employer also may not make any amendment that affects the rights, duties or responsibilities of the Trustee or the Plan Administrator without the written consent of the affected Trustee or the Plan Administrator.

9.02 TERMINATION/FREEZING OF PLAN. The Employer has the right, at any time, to terminate this Plan or to cease (freeze) further Deferral Contributions to the Plan. Upon termination or freezing of the Plan, the provisions of the Plan (other than provisions permitting continued Deferral Contributions) remain operative until distribution of all Accounts. Upon Plan termination, the Plan Administrator or Trustee shall distribute to Participants and Beneficiaries all Deferred Compensation as soon as is reasonably practicable following termination.

9.03 TRANSFERS. The Employer may enter into a Transfer agreement with another employer under which this Plan: (a) may accept a Transfer of a Participant's Account in the other employer's Eligible 457 Plan; or (b) may Transfer a Participant's (or Beneficiary's) Account in this Plan to the other employer's Eligible 457 Plan. The plan sponsors of the plans involved in the Transfer both must be States or both must be Tax-Exempt Organizations and the plans must provide for Transfers. The Participant or Beneficiary, after the Transfer will have Deferred Compensation in the recipient plan at least equal to his or her Deferred Compensation in the transferring plan immediately before the Transfer. Any Transfer also must comply with applicable Treasury regulations, and in particular Treas. Reg. §§1.457-10(b)(2) as to post-severance transfers between Governmental Eligible 457 Plans; 1.457-10(b)(3) as to transfers of all assets between Governmental Eligible 457 Plans; 1.457-10(b)(4) as to transfers between Governmental Eligible 457 Plans of the same Employer; and 1.457-10(b)(5) as to post-severance transfers between Tax-Exempt Organization Eligible 457 Plans. The Plan Administrator will credit any Transfer accepted under this Section 9.03 to the Participant's Account and will treat the transferred amount as a Deferral Contribution for all purposes of this Plan except the Plan Administrator, will not treat such Transfer as a Deferral Contribution subject to the limitations of Article III. In addition, in the case of a Transfer between Tax-Exempt Organization Eligible Plans, the recipient plans shall apply a Participant's distribution elections made under the transferor plan in accordance with Treas. Reg. §1.457-10(b)(6)(ii). The Plan's Transfer of any Participant's or Beneficiary's Account under this Section 9.03 completely discharges the Employer, the Plan Administrator, the Trustee and the Plan from any liability to the Participant or Beneficiary for any Plan benefits.

9.04 PURCHASE OF PERMISSIVE SERVICE CREDIT.

A Participant in a Governmental Eligible 457 Plan, prior to otherwise incurring a distributable event under Article IV, may direct the Trustee to transfer all or a portion of his or her Account to a governmental defined benefit plan (under Code §414(d)) for: (a) the purchase of permissive service credit (under Code §415(n)(3)(A)) under such plan, or (b) the repayment of contributions and earnings previously refunded with respect to a forfeiture of service credited under the plan (or under another governmental plan within the same State) to which Code §415 does not apply by reason of Code §415(k)(3).



Thomas T. Wolfson

Managing Director – Investments

Thomas Wolfson holds the NASD Series 7, 63 and 65 securities licenses as well as California Insurance Licenses for Life, Health, and Disability. Tom has attained the Accredited Investment Fiduciary (AIF) designation from the Fiduciary Institute 360.

Tom's financial services career began in 1986 when he started as a broker at Prudential Bache Securities in Rancho Bernardo. In January of 1990, Tom was recruited by Shearson Lehman Brothers to join their University Town Center office in San Diego. This move allowed Tom to pursue his primary goal of building a business of managing retirement plans. In 1993, the Shearson portion of the firm was sold to Travelers Group and merged into the brokerage firm then known as Smith Barney.

In 2007 Tom accepted the opportunity to move the practice to Wachovia Securities to then be acquired Wells Fargo the following year.

Tom's duties include: conducting trustee meetings to review current and potential investments with fiduciary committees, monitoring of investment to adhere with Investment Policy Statements, conducting RFP's and vendor searches, presenting ongoing onsite group and individual employee meetings and servicing plan sponsors and their employees with all related aspects of their retirement Plan.

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PARTICIPANT COMMUNICATION AND EDUCATION

Participant Enrollment Meetings (404c compliant)

Quarterly, on-site, presented by the Wells Fargo Consultants.

Meetings will cover all aspects of the retirement plans including the following:

- The importance of saving for retirement
- The power of tax deferred compounding
- The history of the investment markets
- Detailed descriptions of each investment
- How to select funds to limit risk & increase returns
- Sample investment allocations for each level of risk

Participant Update Meetings (404c recommended)

Quarterly, on-site, or by conference call presented by Wells Fargo licensed Consultants.

These meetings set us apart from our competition. On an ongoing basis we conduct meetings for your employees to update them on recent events in the world, in the financial markets, and in their plan.

Our goal is to take the complicated investment world and make it simple and easy for everyone to understand.

We use historical market data and our years of experience to provide perspective to employees and help them understand the bigger picture, so they are less likely to make emotional decisions with their money.

The purpose is to educate employees about how investment cycles, trends, and current events affect their retirement accounts and how to position themselves to be best prepared.

Participant Advice

Wells Fargo Consultants are permitted to provide specific investment advice due to avoidance of conflict of interest.

Wells Fargo Consultants will not solicit individual business from any employee.

Employees have toll free access from 6:00 am to 4:00 pm M-F PST to the Wells Fargo Consultants for any questions including specific investment advice, asset allocation advice, website assistance, rollover assistance, distribution assistance and all other investment or plan related concerns.

Individual Employee Consultations

Following each quarterly group meeting detailed above, Wells Fargo Consultants will be available to meet with any employees individually.

Employees typically feel more comfortable asking personal financial questions in a private setting, so we meet with employees one-on-one each quarter.

We help employees make their saving and investment choices and answer any questions they might have. Employees are welcome to ask us about other investment accounts as well.

Customized Employee Meeting Materials

Wells Fargo Consultants will prepare the enclosed materials for each employee meeting.

- Fund Performance Updates ranked by risk
- Current Morningstar reports on each investment including the top 40 holdings
- Recommended Investment Allocation Pie Charts
- Current Economic and Market Update overviews
- Plan specific newsletter derived from your employee calls and concerns over the previous 90 days
- Updates on any tax law changes.

Assistance with Service Items

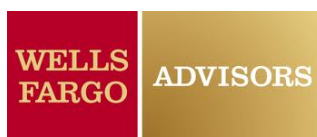
Employees are encouraged to call the Wells Fargo Consultants directly for help with any service items or issues they are having with the Retirement Plan Vendor.

If any employees need help in their dealings with the Retirement Plan Vendor, Wells Fargo Consultants will get involved to make sure the Vendor completes the item to the employee's satisfaction. Whether it is help with a retirement distribution, processing an emergency withdrawal, or calculating a pre-retirement catch-up, we will make sure employees are always getting the service they need.

Participant Resources

The adjacent items are available to any employee by request to Wells Fargo Consultants free of charge.

- Help with unrelated investment accounts
- Morningstar, Zephyr, etc. reports available by request to any employee for any mutual fund
- Individual stock or bond research by request to any employee.



FIDUCIARY INVESTMENT MONITORING

Plan Committee Meeting / Fiduciary Review (404c)

Presented by the Wells Fargo Consultants to Plan Trustees, Fiduciaries, or Board of Directors quarterly or as requested.

Fiduciary Investment Review and Report (Fiduciary Protection)

The Wells Fargo Consultants create a composite report using Zephyr and Morningstar to review all plan investments. This is prepared to document a “fiduciary paper trail”, limit future liability and ensure employees have the best available investment choices. Recommendations are made if investment changes are needed.

Investment Policy Statement “IPS” (Fiduciary Protection)

Created and maintained by the Wells Fargo Consultants. Provides plan sponsor with explicit written parameters for evaluating investment choices and gives the plan fiduciaries additional liability protection.

Monitoring of Investments for compliance with IPS

Reviewed monthly by the Wells Fargo Consultants. Reported to plan sponsors at committee meetings quarterly or as requested.

Analysis of Plan Assets / Diversification

Screening for over-concentrations in an area either due to short term performance or the need for greater plan level diversification.

Review of Mutual Fund Style

Analysis to assure that participants continue to own the investments they intended to acquire.

Review of Available Investment Alternatives

Review available funds on current platform for better alternatives including new additions.

Objectivity

Proprietary investments are not included.

Fiduciary Partnership

Wells Fargo Advisors acknowledges that we are a “fiduciary” as described in section 3(21) of ERISA including all the duties and obligations imposed on a fiduciary under ERISA.

Agenda Item

Legal Counsel Review: Yes

Meeting Date: September 5, 2019

TO: Board of Directors

FROM: Betty Burnett, General Manager

SUBJECT: Revised SOCWA Policy Establishing Guidelines for Travel and Expense Reimbursement

Summary

Attached is a revised document for the SOCWA *Policy Establishing Guidelines for Travel and Expense Reimbursement* with changes shown in underline and ~~strike through~~ text. The current version of the Policy was approved in June 2011 and allowed for both employee and Director attendance at authorized activities, which include meetings with other wastewater agencies as well as attendance at conferences and seminars. The existing Policy is dated, and the suggested changes will bring the Policy forward to currently anticipated costs as well as allow for traveling with work-related equipment such as laptops, tablets, and cell phones.

Prior Related Project Committee or Board Action(s)


The Finance Committee reviewed the revised Policy at the August 20, 2019, Finance Committee Meeting and recommended approval to the Board.

Prior Board action was approval of June 2, 2011, Resolution No. 2011-04, SOCWA *Policy Establishing Guidelines for Travel and Expense Reimbursement*.

Recommendation

- 1) Approve the August 2019 revision to the SOCWA *Policy Establishing Guidelines for Travel and Expense Reimbursement*.
- 2) Rescind prior Policy, SOCWA Resolution No. 2011-04 SOCWA *Policy Establishing Guidelines for Travel and Expense Reimbursement*.

attachment(s) Revised SOCWA Travel and Reimbursement Policy

 South Orange County Wastewater Authority	
Agency Policy	Title: Policy Establishing Guidelines for Travel and Expense Reimbursement
Revised: 9-5-19	

Policy Establishing Guidelines for Travel and Expense Reimbursement

September 5, 2019



 <small>South Orange County Wastewater Authority</small>	
Agency Policy	Title: Policy Establishing Guidelines for Travel and Expense Reimbursement
Revised: 9-5-19	

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Agency Policy	Title: Policy Establishing Guidelines for Travel and Expense Reimbursement
Revised: 9-5-19	

1. PURPOSE OF POLICY

The purpose of this travel and expense policy is to set forth the procedures governing reimbursement for reasonable and necessary travel expenses and to establish certain procedures concerning travel authorization, documentation, and accounting.

2. GENERAL POLICY


To advance training, professionalism and further the interests of the South Orange County Wastewater Authority ("SOCWA"), the SOCWA Board of Directors authorizes attendance at "authorized activities" such as seminars and conferences by its Directors and employees. In addition, Directors and employees are sometimes required to travel both in and outside the State to conduct official SOCWA business. SOCWA's objectives are to allow participation in authorized activities and official SOCWA business that: 1) are moderate, reasonable and necessary; 2) provide uniform travel and expense treatment among Directors, and among employees; and, 3) require that Directors receive authorization from the Board of Directors for reimbursement of travel expenses related to their performance of official duties and the outside activities described ; and 4) provide that employees receive authorization from the General Manager for travel and expenses.

3. DEFINITIONS


- A. Authorized Activities - Meetings with other wastewater, recycled water, desalination, agencies or cities, counties, or their staff; with community groups with wastewater/recycled/desalination interests, or their staff; with administrative or regulatory agencies, or their staff; with legislators, or their staff; and conferences and seminars.
- B. Conference - Any organized function (including training classes, professional organization meeting, ethics training and other business meetings) that employees may attend that would benefit SOCWA in some manner as determined by the Board of Directors or the General Manager.
- C. Seminar - A small group of professionals engaged in study, dialogue or original research meeting regularly to exchange information and hold discussions.

4. GENERAL POLICY GUIDELINES

- A. Conference Attendance. Decisions as to funding available for conferences and seminars are generally made through the budget approval process. Prior to reimbursing Director expenses, the Board of Directors must authorize a Director's reimbursement for authorized activities, including conferences and seminars.
- B. Activity Reporting. Directors who have any travel expenses paid or reimbursed by SOCWA are required to provide a brief report of the authorized activity or official SOCWA business at the next a regular SOCWA Board meeting.
- C. Economy of Travel. Directors and employees are expected to exercise good judgment and a proper regard for economy when incurring travel expenses.

	
Agency Policy	Title: Policy Establishing Guidelines for Travel and Expense Reimbursement
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- D. Prepaid Expenses. Whenever possible, SOCWA will prepay airfares, lodging costs and conference registration fees. The Board of Directors or the General Manager, depending on the participant making such request in advance of any travel, must approve all such payment requests. Prepaid travel expenses may be made with a SOCWA credit card.
- E. Advanced Cash. When traveling on official SOCWA business or for authorized activities, Directors and employees are encouraged to utilize their personal credit cards and/or cash for all expenses other than those mentioned in paragraph D and then to request reimbursement for such expense. However, in circumstances where the use of such credit cards and/or cash is deemed impractical, and where the total expense is expected to exceed fifty dollars (\$50.00), SOCWA may provide an advance of funds. Such advance shall not exceed one hundred percent (100%) of the total estimated expense as determined by the General Manager.
- F. Companion Travel. A companion may accompany the Director or employee on an official trip, provided that his/her presence does not detract from the Director or employee's performance of duty. SOCWA will not reimburse any expenses attributable to any companion.
- G. Authorization of Exceptions. In any situation where extraordinary travel expenses are expected to be incurred, or where this policy does not adequately cover the situation or would work an undue hardship, the Board of Directors must authorize an exception, in accordance with all legal restrictions.
- H. Ethics Training Required. Members of the Board of Directors shall receive at least two (2) hours of ethics training every two (2) years, pursuant to the provisions of Government Code Section 33234 *et seq.*, in order to be eligible for reimbursement of expenses under this Policy. All Members of the Board of Directors, shall provide a certificate to the Clerk of the Board, indicating the dates upon which they attended an Ethics Training session(s), to satisfy requirements. Said certificate shall also include the name of the entity that provided the training. The Clerk of the Board shall maintain the records, indicating the dates that each of the Members of the Board of Directors satisfied their requirements, and the entity which provided the training. These records shall be maintained for at least five (5) years after the training and are subject to disclosure under the Public Records Act. The General Manager shall provide members of the Board of Directors information on the Ethics Training available to meet these requirements.


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5. REPORTING REQUIREMENTS

- A. Expense Forms. Within twenty (20) working days after completion of a trip, a request for reimbursement shall be submitted on SOCWA's standard Travel Expense Report Form (see Exhibit "A") with all required supporting documentation attached. The request must be submitted to SOCWA's Finance Department. Adequate detail must be provided for the receipts to explain all expenses. This procedure will facilitate the auditing of the Expense Report Forms and provide for more efficient and timely processing. If there are any anticipated reimbursements from outside organizations, documentation of such should be noted on the Expense Report Form. SOCWA follows the general rules of the IRS and California Government Code which requires i) that expenses be supported by receipts and that the persons involved and ii) that the business purpose of each expenditure be identified.
- B. Supporting Documentation. Supporting documentation should include, whenever applicable, the following:
 - i. Purpose/Reason for business expenses and identification of persons involved where applicable.
 - ii. Airfare – reservation confirmation from Airlines or e-ticket.
 - iii. Car Rental – car rental invoice.
 - iv. Lodging – detailed hotel invoice.
 - v. Parking – receipt from parking garage/service.
 - vi. Mileage – mileage report documenting miles traveled, origin and destination points and business purpose.
 - vii. Meals – original itemized payment receipts, with persons included and business purpose noted on receipt.
 - viii. Business Telephone/Fax – detailed telephone bill identifying business calls, to whom call was placed and the business purpose.
 - ix. All other expenses - receipts shall be included.


6. TRANSPORTATION GUIDELINES

- A. Travel Options. A Director or employee may use any mode of transportation including airline, railroad, bus or automobile. Travel shall be by the most direct route. If an indirect route is used, any additional costs shall be at the employee's personal expense. Reimbursement will be based on the parameters outlined in Sections 5B-5F. Notwithstanding any other term in this Policy, the total daily transportation rate shall not exceed \$700 unless approved by the General Manager.
- B. Airfare. Whenever air travel is used, advance notice shall be provided in order to receive the most cost-effective ticket price. Air travel reimbursement shall be limited to "coach" or "economy" fares where such service is available. Travel to and from airports shall be by a reasonable and cost-effective method for the location of

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travel.

- C. Other Transportation Expenses. Actual and necessary expenses for taxi, bus, shuttle, and tolls are reimbursable. Directors or employees are encouraged to use hotel courtesy cars and shuttles and may use ride-sharing services.
- D. Mileage. The reimbursement rate for the use of personal vehicles shall be consistent with the Internal Revenue Service (IRS) mileage reimbursement rate for business miles deduction. Mileage shall be calculated as the actual mileage incurred assuming a reasonable and direct route between origin and destination point is taken. Employees assigned and driving a company vehicle may not be reimbursed for mileage. No reimbursement other than mileage reimbursement shall be made for expenses incurred in route to/from the authorized activity or official SOCWA business, other than tolls or parking, whenever a personal vehicle is used.
- E. Parking Expenses. Actual necessary parking expenses while on SOCWA business will be reimbursed with the submission of supporting documentation.
- F. Rental Cars. Reimbursement for use of rental cars will be allowed only when such use has been approved in advance by the Board of Directors or General Manager, as deemed necessary to conduct assigned SOCWA business or authorized activities. The size of the car rental shall be appropriate to the number of individuals traveling in the group and the intended business of the group. Association or Governmental discounts should be requested to minimize cost. Use of rental car transportation is recommended to be booked in advance of travel in order that reasonable rates can be secured. For solo travelers, SOCWA will pay only for the equivalent of a compact to full size model and all other upgrades will be at the Director's or employee's expense.
- G. Rental Car Insurance. SOCWA's auto Physical Damage Program includes coverage for non-owned vehicles, which includes rental cars when driven for Authority business. However, the rental car company offers coverage that is not included in SOCWA's auto Physical Damage Program. Therefore, employees may elect to purchase the rental car insurance and may be considered as an alternative to an employee's own insurance.
- H. Use of SOCWA Vehicles. Travel in SOCWA vehicles by employees may be approved when circumstances warrant it. Directors are not authorized to travel to authorized activities or official SOCWA business in SOCWA vehicles. When traveling in a SOCWA vehicle, SOCWA credit cards shall be used for the purchase of gas, oil, and other supplies necessary in route. These receipts shall note the license number of the vehicle used. If emergency repairs are necessary, every attempt shall be made to have the repairs charged to a SOCWA credit card. Whenever this is not possible, the employee to whom the car is assigned should pay for repairs and seek reimbursement from SOCWA with supporting documentation.

	
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7. LODGING GUIDELINES

- A. Lodging Choice. It is expected that hotel and motel reservations will be made in advance whenever possible. Choice of lodging may be determined by convenience to the seminar, conference, or other form of event location within reasonable economic limits. Association or governmental discounts should be requested based on whichever provides a lower cost. If lodging is in connection with a conference or other educational activity conducted in compliance with this Policy, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor provided that the group rate is available at the time of booking, which is hereby deemed reasonable for purposes of this Policy. If the group rate is not available, Directors shall use comparable lodging, either at a rate not more than the maximum group rate published by the conference or the activity sponsor or at a rate not more than the lowest rack rate available for a single room. Notwithstanding any other terms in this Policy, the daily lodging rate shall not exceed \$375.
- B. Length of Stay. Reimbursement for lodging shall be limited to the minimum number of nights required to conduct the assigned SOCWA business or for the authorized activity. If an early morning activity or business meeting would require travel the night before, in order to be there on time, the Director or employee may be reimbursed for lodging at or near the activity or business meeting location. If the activity or business extends beyond a time on the last day that would allow the Director or employee to arrive home at a reasonable time, lodging at or near the activity or business location will be reimbursed in accordance with these guidelines. If a Director or employee chooses for personal reasons to arrive earlier or stay later when traveling to/from an authorized activity or business meeting, the additional lodging and all other expenses related to this arrangement will be at the Director or employee's personal expense. Generally, a Director or employee will not use lodging unless the destination is more than 50 miles from SOCWA's Administration Office, or the employee's or Director's home (whichever is closer).
- C. Shared Lodging. If the Director's or employee's spouse or other family members share the Director's or employee's lodging, reimbursement will be limited to the lowest cost rate for the room occupied. In no event will SOCWA incur any additional expense due to a companion's travel with the employee or Director.
- D. Service Charges. Any room service charges appearing on the lodging bill other than those covered under Section 6F, Section 7 and Section 8A.6, shall be the responsibility of the Director or employee and shall be paid directly to the hotel or reimbursed to SOCWA.
- E. Computer/Phone Charges. Where the employee has been issued SOCWA computing equipment or provided a cell phone or tablet (ipad) (or other computing device) those devices shall be used for communication and the employee may incur reimbursable internet connection charges reasonable to the period of the hotel stay.

	
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Local and long-distance telephone charges made by land line will be covered only when such calls are made in conducting official SOCWA business or for one personal phone call per day. Printing and fax charges are allowable service charges where an employee has SOCWA related work responsibilities while traveling.

8. MEAL REIMBURSEMENT GUIDELINES


A. When meals are associated with Director or employee travel, the following policies and procedures will apply:

- i. Meal Allowances. Reimbursement for breakfast and dinner meals shall not apply to trips that do not require an overnight stay, except under the following circumstances: (a) a breakfast or dinner meeting is arranged prior to or just after the conference or meeting to conduct SOCWA business or discuss SOCWA related matters; and (b) the meeting or conference requires travel before 7:30 a.m. or runs late requiring the Director or employee to travel earlier or later than a usual travel day. Maximum daily allowances to cover such meals not including meal tips will be \$25.00 for breakfast, \$45.00 for lunch and \$65.00 for dinner, not to exceed \$135.00 per day whenever an overnight stay is not required. No reimbursement shall be made for alcohol. Conference scheduled meals are deemed to be reasonable meal expenses.
- ii. Meal Receipts. For travel that requires more than a full day, meals reimbursements shall be limited to a maximum of \$135.00 per day not including meal tips or room service fees, with no single meal exceeding \$65.00. If a receipt is to be split between two or more Directors or employees then the names of each, along with their respective charges, is to be noted on the original detailed receipt before copies are made. No reimbursement shall be provided for meals hosted by others or through conference attendance. Room service charges are a reimbursable expense. No reimbursement shall be made for alcohol.

9. MISCELLANEOUS EXPENSE GUIDELINES

A. List of Expenses. For miscellaneous expenses associated with travel, Directors and employees will be reimbursed for all receipted business expenses necessary to conduct the assigned SOCWA business or authorized activity. Examples include:

- i. Airport parking charges when air transportation is used.
- ii. Parking charges at the destination hotel or garage when transportation is by private car.
- iii. Airport bus charges or taxi fares where airport bus service is not available.
- iv. Conference registration fees.
- v. Local transportation (only as required for official SOCWA business).
- vi. A reasonable amount is allowed for laundry and dry cleaning for Directors or

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employees attending a conference of five days or more in length.

- vii. No reimbursement will be made for personal expenses such as newspapers, magazines, haircuts, shoeshine, personal land-line telephone calls in excess of one per day, alcohol, in-room movie fees, and other incidental personal expenses.
- B. Tips, Gratuities and Misc. Although original receipts are desired for all reimbursable expenses, SOCWA realizes that there are some charges where receipts are not provided. The following is a list of expenses where receipts are not generally provided and where reimbursement, not to exceed \$15.00 per incident, will be made:
- i. Sky cap or bellmen fees
 - ii. Room Service Tips
 - iii. Courtesy Shuttle Tips
 - iv. Taxi driver tips
 - v. Subway fares
 - vi. Non-attended Toll Booths
 - vii. Parking Meter Expenses

10. POLICY REVISIONS

This document will be maintained and revised by the SOCWA management staff in consultation with the SOCWA's legal counsel and upon approval by the SOCWA's Board of Directors. Revisions will occur whenever applicable federal, State or local regulations change, or otherwise as the Board directs.

Approved by the Board of Directors: September 5, 2019

Policy Establishing Guidelines for Travel and Expense
Reimbursement

August, 2019



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2. General Policy
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4. General Policy Guidelines
5. Reporting Requirements
6. Transportation Guidelines
7. Lodging Guidelines
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9. Miscellaneous Expense Guidelines
10. Policy Revisions

1. PURPOSE OF POLICY:

The purpose of this travel and expense policy is to set forth the procedures governing reimbursement for reasonable and necessary travel expenses and to establish certain procedures concerning travel authorization, documentation, and accounting.

2. GENERAL POLICY

To advance training, professionalism and further the interests of the South Orange County Wastewater Authority ("SOCWA"), the SOCWA Board of Directors authorizes attendance at "authorized activities" such as seminars and conferences by its Directors and employees. In addition, Directors and employees are sometimes required to travel both in and outside the State to conduct official SOCWA business. SOCWA's objectives are to allow participation in authorized activities and official SOCWA business that: 1) are moderate, reasonable and necessary; 2) provide uniform travel and expense treatment among Directors, and among employees; and, 3) require that Directors receive authorization from the Board of Directors for reimbursement of prior to travel expenses related to their performance of official duties and the outside activities described ; and 4) provide that employees receive authorization from the General Manager for travel and expenses.

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3. DEFINITIONS

Authorized Activities - Meetings with other wastewater, recycled water, desalination, agencies or cities, counties, or their staff; with community groups with wastewater/recycled/desalination interests, or their staff; with administrative or regulatory agencies, or their staff; with legislators, or their staff; and conferences and seminars.

Conference - Any organized function (including training classes, professional organization meeting, ethics training and other business meetings) that employees may attend that would benefit SOCWA in some manner as determined by the Board of Directors or the General Manager.

Seminar - A small group of professionals engaged in study, dialogue or original research meeting regularly to exchange information and hold discussions.

4. GENERAL POLICY GUIDELINES

A. Conference Attendance. Decisions as to funding available for conferences and seminars are generally made through the budget approval process. Prior to reimbursing Director expenses, the Board of Directors must authorize a Director's reimbursement for authorized activities, including conferences and seminars.

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B. Activity Reporting. Directors who have any travel expenses paid or reimbursed by

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SOCWA are required to provide a brief report of the authorized activity or official SOCWA business at the next a regular SOCWA Board meeting.

- C. Economy of Travel. Directors and employees are expected to exercise good judgment and a proper regard for economy when incurring travel expenses.
- D. Prepaid Expenses. Whenever possible, SOCWA will prepay airfares, lodging costs and conference registration fees. The Board of Directors or the General Manager, depending on the participant making such request in advance of any travel, must approve all such payment requests. Prepaid travel expenses may be made with a SOCWA credit card ~~or a SOCWA check.~~
- E. Advanced Cash. When traveling on official SOCWA business or for authorized activities, Directors and employees are encouraged to utilize their personal credit cards and/or cash for all expenses other than those mentioned in paragraph D and then to request reimbursement for such expense. However, in circumstances where the use of such credit cards and/or cash is deemed impractical, and where the total expense is expected to exceed fifty dollars (\$50.00), SOCWA may provide an advance of funds. Such advance shall not exceed one hundred percent (100%) of the total estimated expense as determined by the General Manager.
- F. Note: Travel Expense Reporting requirements moved below to Section 5.
- F. Companion Travel. A companion may accompany the Director or employee on an official trip, provided that his/her presence does not detract from the Director or employee's performance of duty. SOCWA will not reimburse any expenses attributable to any companion.
- G. Authorization of Exceptions. In any situation where extraordinary travel expenses are expected to be incurred, or where this policy does not adequately cover the situation or would work an undue hardship, the Board of Directors must authorize an exception, in accordance with all legal restrictions.
- H. Ethics Training Required. Members of the Board of Directors shall receive at least two (2) hours of ethics training every two (2) years, pursuant to the provisions of Government Code Section 33234 *et seq.*, in order to be eligible for reimbursement of expenses under this Policy. All Members of the Board of Directors, shall provide a certificate to the Clerk of the Board, indicating the dates upon which they attended an Ethics Training session(s), to satisfy requirements. Said certificate shall also include the name of the entity that provided the training. The Clerk of the Board shall maintain the records, indicating the dates that each of the Members of the Board of Directors satisfied their requirements, and the entity which provided the training. These records shall be maintained for at least five (5) years after the training, and are subject to disclosure under the Public Records Act. The General Manager shall provide members of the Board of Directors information on the Ethics Training available to meet these requirements.

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Note: Transportation Guidelines moved to Section 6.

5. REPORTING REQUIREMENTS

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- A. Expense Forms. Within twenty (20) working days after completion of a trip, a request for reimbursement shall be submitted on SOCWA's standard Travel Expense Report Form (see Exhibit "A") with all required supporting documentation attached. The request must be submitted to SOCWA's Finance Department. Adequate detail must be provided for the receipts to explain all expenses. This procedure will facilitate the auditing of the Expense Report Forms and provide for more efficient and timely processing. If there are any anticipated reimbursements from outside organizations, documentation of such should be noted on the Expense Report Form. SOCWA follows the general rules of the IRS and California Government Code which requires i) that expenses be supported by receipts and that the persons involved and ii) that the business purpose of each expenditure be identified.
- B. Supporting Documentation. Supporting documentation should include, whenever applicable, the following:
- i. Purpose/Reason for business expenses and identification of persons involved where applicable.
 - ii. Airfare – reservation confirmation from Airlines or e-ticket.
 - iii. Car Rental – car rental invoice.
 - iv. Lodging – detailed hotel invoice.
 - v. Parking – receipt from parking garage/service.
 - vi. Mileage – mileage report documenting miles traveled, origin and destination points and business purpose.
 - vii. Meals – original itemized payment receipts, with persons included and business purpose noted on receipt.
 - viii. Business Telephone/Fax – detailed telephone bill identifying business calls, to whom call was placed and the business purpose.
 - ix. All other expenses - receipts shall be included.

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6. TRANSPORTATION GUIDELINES

- A. Travel Options. A Director or employee may use any mode of transportation including airline, railroad, bus or automobile. Travel shall be by the most direct route. If an indirect route is used, any additional costs shall be at the employee's personal expense. Reimbursement will be based on the parameters outlined in Sections 5B-5F. Notwithstanding any other term in this Policy, the total daily transportation rate shall not exceed \$700 unless approved by the General Manager.

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B. Airfare. Whenever air travel is used, advance notice shall be provided in order to receive the most cost-effective ticket price. Air travel reimbursement shall be limited to "coach" or "economy" fares where such service is available. Travel to and from airports shall be by a reasonable and cost-effective method for the location of travel.

C. Other Transportation Expenses. Actual and necessary expenses for taxi, bus, shuttle, and tolls are reimbursable. Directors or employees are encouraged expected to use hotel courtesy cars and shuttles, and may use ride-sharing services. ~~or shuttles where practical before using taxis or rental car services.~~

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D. Mileage. The reimbursement rate for the use of personal vehicles shall be consistent with the Internal Revenue Service (IRS) mileage reimbursement rate for business miles deduction. Mileage shall be calculated as the actual mileage incurred assuming a reasonable and direct route between origin and destination point is taken. Employees assigned and driving a company vehicle may not be reimbursed for mileage. No reimbursement other than mileage reimbursement shall be made for expenses incurred in route to/from the authorized activity or official SOCWA business, other than tolls or parking, whenever a personal vehicle is used.

E. Parking Expenses. Actual necessary parking expenses while on SOCWAWCA business will be reimbursed with the submission of supporting documentation.

F. Rental Cars. Reimbursement for use of rental cars will be allowed only when such use has been approved in advance by the Board of Directors or General Manager, as deemed necessary to conduct assigned SOCWA business or authorized activities. The size of the car rental shall be appropriate to the number of individuals traveling in the group and the intended business of the group. Association or Governmental discounts should be requested to minimize cost. Use of rental car transportation is recommended to be booked in advance of travel in order that reasonable rates can be secured. For solo travelers, SOCWA will pay only for the equivalent of a compact to full size model and all other upgrades will be at the Director's or employee's expense.

G. Rental Car Insurance. ~~SOCWA's is insured for auto Physical Damage Program includes coverage for non-owned vehicles, which includes rental cars. However, the rental car company offers coverage that is not included in SOCWA's auto Physical Damage Program. Therefore, employees may elect to purchase the rental care insurance and should get prior approval through Human Resources or the General Manager prior to travel. collision and comprehensive coverage when renting vehicles, and employees may elect to decline these coverages.~~ Directors shall decline these coverages when renting vehicles.

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H. Use of SOCWA Vehicles. Travel in SOCWA vehicles by employees may be approved when circumstances warrant it. Directors are not authorized to travel to authorized activities or official SOCWA business in SOCWA vehicles. When

traveling in a SOCWA vehicle, SOCWA credit cards shall be used for the purchase of gas, oil, and other supplies necessary in route. These receipts shall note the license number of the vehicle used. If emergency repairs are necessary, every attempt shall be made to have the repairs charged to a SOCWA credit card. Whenever this is not possible, the employee to whom the car is assigned should pay for repairs and seek reimbursement from SOCWA with supporting documentation.

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7. LODGING GUIDELINES

A. Lodging Choice. It is expected that hotel and motel reservations will be made in advance whenever possible. Choice of lodging ~~may~~shall be determined by convenience to the seminar, conference, or other form of event location within reasonable economic limits. Association or governmental discounts should be requested based on whichever provides a lower cost. If lodging is in connection with a conference or other educational activity conducted in compliance with this Policy, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor provided that the group rate is available at the time of booking, which is hereby deemed reasonable for purposes of this Policy. If the group rate is not available, Directors shall use comparable lodging, either at a rate not more than the maximum group rate published by the conference or the activity sponsor or at a rate not more than the lowest rack rate available for a single room. Notwithstanding any other terms in this Policy, the daily lodging rate shall not exceed \$375.

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B. Length of Stay. Reimbursement for lodging shall be limited to the minimum number of nights required to conduct the assigned SOCWA business or for the authorized activity. If an early morning activity or business meeting would require travel the night before, in order to be there on time, the Director or employee may be reimbursed for lodging at or near the activity or business meeting location. If the activity or business extends beyond a time on the last day that would allow the Director or employee to arrive home at a reasonable time, lodging at or near the activity or business location will be reimbursed in accordance with these guidelines. If a Director or employee chooses for personal reasons to arrive earlier or stay later when traveling to/from an authorized activity or business meeting, the additional lodging and all other expenses related to this arrangement will be at the Director or employee's personal expense. Generally, a Director or employee will not use lodging unless the destination is more than 50 miles from SOCWA's Administration Office, or the employee's or Director's home (whichever is closer).

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C. Shared Lodging. If the Director's or employee's spouse or other family members share the Director's or employee's lodging, reimbursement will be limited to the lowest cost rate for the room occupied. In no event will SOCWA incur any additional expense due to a companion's travel with the employee or Director.

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D. Service Charges. Any room service charges appearing on the lodging bill other

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than those covered under Section 6F, Section 7 and Section 8A.6, shall be the responsibility of the Director or employee and shall be paid directly to the hotel or reimbursed to SOCWA.

- E. Computer/Phone Charges. Where the employee has been issued SOCWA computing equipment or provided a cell phone or tablet(ipad) (or other computing device) those devices shall be used for communication and the employee may incur reimbursable internet connection charges reasonable to the period of the hotel stay. Local and long-distance telephone charges made by land line will be covered only when such calls are made in conducting official SOCWA business or for one personal phone call per day. Printing and fax charges are allowable service charges where an employee has SOCWA related work responsibilities while traveling.

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8. MEAL REIMBURSEMENT GUIDELINES

- A. When meals are associated with Director or employee travel, the following policies and procedures will apply:

- i. Meal Allowances. Reimbursement for breakfast and dinner meals shall not apply to trips that do not require an overnight stay, except under the following circumstances: (a) a breakfast or dinner meeting is arranged prior to or just after the conference or meeting to conduct SOCWA business or discuss SOCWA related matters; and (b) the meeting or conference requires travel before 7:30 a.m. or runs late requiring the Director or employee to travel earlier or later than a usual travel day. Maximum daily allowances to cover such meals not including meal tips will be \$25.00 for breakfast, \$45.00 for lunch and \$65.00 for dinner, not to exceed \$135.00 per day whenever an overnight stay is not required. No reimbursement shall be made for alcohol. Conference scheduled meals are deemed to be reasonable meal expenses. ~~Directors and employees are expected to eat at scheduled group meal functions (for example, at seminars/conferences) whenever possible.~~

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- ii. Meal Receipts. For travel that requires more than a full day, meals reimbursements shall be limited to a maximum of \$135.00 per day not including meal tips or room service fees, with no single meal exceeding \$65.00. If a receipt is to be split between two or more Directors or employees then the names of each, along with their respective charges, is to be noted on the original detailed receipt before copies are made. No reimbursement shall be provided for meals hosted by others or through conference attendance. Room service charges are a reimbursable expense. No reimbursement shall be made for alcohol.

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9. MISCELLANEOUS EXPENSE GUIDELINES

- A. List of Expenses. For miscellaneous expenses associated with travel, Directors and employees will be reimbursed for all receipted business expenses

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necessary to conduct the assigned SOCWA business or authorized activity.
Examples include:

- i. Airport parking charges when air transportation is used.
- ii. Parking charges at the destination hotel or garage when transportation is by private car.
- iii. Airport bus charges or taxi fares where airport bus service is not available.
- iv. Conference registration fees.
- v. Local transportation (only as required for official SOCWA business).
- vi. A reasonable amount is allowed for laundry and dry cleaning for Directors or employees attending a conference of five days or more in length.
- vii. No reimbursement will be made for personal expenses such as newspapers, magazines, haircuts, shoeshine, personal land-line telephone calls in excess of one per day, alcohol, in-room movie fees, and other incidental personal expenses

- B. Tips, Gratuities and Misc. Although original receipts are desired for all reimbursable expenses, SOCWA realizes that there are some charges where receipts are not provided. The following is a list of expenses where receipts are not generally provided and where reimbursement, not to exceed \$15.00 per incident, will be made:

- i. Sky cap or bellmen fees
- ii. Room Service Tips
- iii. Courtesy Shuttle Tips
- iv. Taxi driver tips
- v. Subway fares
- vi. Non-attended Toll Booths
- vii. Parking Meter Expenses

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10. POLICY REVISIONS

This document will be maintained and revised by the SOCWA management staff in consultation with the SOCWA's legal counsel and upon approval by the SOCWA's Board of Directors. Revisions will occur whenever applicable federal, State or local regulations change, or otherwise as the Board directs.

Approved by the Board of Directors: [date]

Agenda Item

Legal Counsel Review: Yes

Meeting Date: September 5, 2019

TO: Board of Directors

FROM: Betty Burnett, General Manager

STAFF CONTACT: Teri Noson, Assistant Secretary/Clerk of the Board

SUBJECT: Appointment of Board Directors to the Executive and Finance Committee

Summary

At the June 6, 2019, Board of Directors meeting the Nominating Committee recommended to the Board of Directors to retain the current Elected Officers to the Board and recommended that Director Erdman replace Director Dunbar on the Executive Committee.

Chairman Ferons noted for the motion that through this action the Board was making an exception to the Executive Committee Bylaws.

Discussion/Analysis

Historically at the SOCWA June Board of Directors Meeting, the elected Chairman of the SOCWA Board of Directors appoints Board members from the member agencies to serve on the Executive Committee and Finance Committee.

Per the SOCWA JPA Section IV. Organization, 4.3.:

“...each Member Agency shall designate and appoint, by resolution of its governing body, one person to act as its Director on the Board. Each Member Agency shall also appoint one Alternate Director and may appoint a second Alternate Director... who will assume all rights and duties of the absent Director representing the appointing Member Agency.”

Per the Bylaws of the Finance Committee:

“The SOCWA Finance Committee shall consist of up to six representatives from the SOCWA Board of Directors. The membership shall be appointed by the Chairman of SOCWA...”

Per the Bylaws of the Executive Committee:

“The Executive Committee shall consist of four (4) representatives from the Board of Directors, composed of the following Directors: (1) The Chair; (2) the Vice-Chair; (3) the immediate past Chair; and (4) one member from one of the following three SOCWA member agencies – South Coast Water District, Moulton Niguel Water District, Santa Margarita Water District – such member to be selected from among those water districts by the Chair in his or her discretion. In the event that the that the representative for one of the first three (3) Committee positions listed above is held by a representative from one the three specified water districts, the Chair shall appoint any other Board of Director representative as the fourth Committee member... Alternate Board members from the same Member Agency may substitute for the appointed committee member at any Executive Committee meeting in the appointed member’s absence. Any such Alternate Director substituting for an appointed committee member shall be afforded all

rights and be charged with all duties any Executive Committee member has pursuant to the Bylaws...”

Advisory Committee Review

None.

Prior Related Board Action(s)

Historically the SOCWA Chairman has appointed member appointed SOCWA Board of Directors to the Executive and Finance Committees.

Recommendation

Staff recommends that the SOCWA Chairman appoint representatives from the Board of Directors to the Executive Committee and Finance Committee.

Agenda Item

Meeting Date: September 5, 2019

TO: Board of Directors

STAFF CONTACT: Amber Baylor, Director of Environmental Compliance

SUBJECT: Use Audit Flow and Solids Methodology – Annual Update

Summary

The Use Audit flow allocation methodology has relied on historical practice for allocation of costs. Historically, flow allocation data has been assembled from available flow reporting with estimations based on known circumstances. The intent of this agenda item is to review the historical methodology per project committee (PC). SOCWA staff requests that each project committee approve the historical methodology utilized for the Use Audit for FY 18-19 or provide an alternative agreed upon methodology. Staff is preparing to update the procedure and calculations to provide all flow and solids usage to the Finance Committee to complete the Use Audit for FY 18-19. On August 20, 2019, the finance Committee reviewed the methodology and requested that the comments received from member agencies and associated responses be included in the Appendix to this methodology. Comments and responses are now found in Appendix A of this document.

Member agency comment requested reference in the document to which facility each PC represents. The summary table below provides the PC number, facility, and member agency involved in that PC for quick reference and reiterated in each PC description. The summary table below is also included in the excel workbook.

	PC2	PC5	PC12	PC15	PC17	PC24
Facility	JB Latham Treatment Plant	San Juan Creek Ocean Outfall	Master Recycled Water Permit	Coastal Treatment Plant	Regional Treatment Plant	Aliso Creek Ocean Outfall
Member Agency	CSJC	CSC	CSJC	CLB	CLB	CLB
	MNWD	CSJC	MNWD	EBSD	EBSD	EBSD
	SCWD	MNWD	SCWD	SCWD	SCWD	ETWD
	SMWD	SCWD	SMWD	MNWD	ETWD	IRWD
		SMWD	TCWD		MNWD	MNWD
						SCWD

Summary Table: PC and member agency involvement

Annual Update to Standard Procedure

On July 28, 2019 Member Agencies were provided with daily flow and loading data organized by each project committee. This data represented the 'raw data'. The raw data is stored in the Water Information Management System (WIMS) database. The raw data is reviewed on a daily and monthly basis for incongruencies or data quality issues. The WIMS database has an auditing feature that allows each data point to be tracked by user, date, and time entered or changed in the database. The WIMS database has a tiered user privilege system that ensures data integrity. Inclusion of variables and data type included here memorializes where the data is in the database for consistency and transparency when accounting for flows at the end of the FY. The goal is to send out the compiled raw flow data at the end of each FY annually by the 20th of the July after the close of the FY **with comments or questions due from the member agencies by the 15th of the month in August** after the close of the FY. This process will ensure timely use audits and audits of the financials for SOCWA.

Export to Excel

The data management tool that is utilized for extraction of data is the HACH Water Information Management System (WIMS). The data variables are chosen from the list described in the following sections. The data is extracted by choosing the variable and the date range. For this use audit, the date range for all variables is July 1, 2018 through June 30, 2019 (FY 18-19) except for the solids in PC2 where the date range is July 1, 2016 through July June 30, 2019 (FY 16-17 through FY 18-19). Please refer to figure 1 for an example of the extraction procedure for PC 2 in FY 18-19.

Export to Excel

Options

Export Folder: C:\Hach\WIMS\Client\Ops\Excel\

Excel File Name: Export_2019_27_07_09_08_33.xls

Sheet Name: Sheet1

Export Format: Wide

Wide Format Options

Export: Values

Export Result Comments: ☐

Export data only when it occurs: ☐

Start Date: 7/1/2018

End Date: 6/30/2019

Buttons: ... Add, Remove, Remove All

Var #	Var Name
10545	PC2 JBLUBL Plant/UBL Pretreatment San Juan Flow
10540	PC2 JBLUBL Plant/UBL Pretreatment Oso-Trabuco Flow
10064	PC2 JBLInfluent SCWD DP FLOW
10535	PC2 JBLUBL Plant/UBL Pretreatment SCWD Victoria Flow
10394	PC05 SJCOO/3A Treatment Plant/3A Influent 3A Influent Flow
10533	PC2 JBLInfluent *JBL Influent and Effluent Flow*

Buttons: Preview, Export, Load List, Save List, Delete List

Figure 1: Data extraction from WIMS to Excel

PC2 Variables Used & Methodology Distribution

JB Latham Treatment Plant

PC2 Variables used:

Variable Number	10545	10540	10064	10535	10394	10533	10541	10543	10546	10548	10159	10304	10636	10638
WIMS Variable Name	PC2 JBL\JBL Plant\JBL Pretreatm ent San Juan Flow	PC2 JBL\JBL Plant\JBL Pretreatm ent Oso-Trabuco Flow	PC2 JBL\Influe nt SCWD DP FLOW	PC2 JBL\JBL Plant\JBL Pretreatm ent SCWD Victoria Flow	PC05 SJCOO\3A Treatment Plant\3A Influent Flow	PC2 JBL\Influe nt *JBL Influent and Effluent Flow*	PC2 JBL\JBL Plant\JBL Pretreatme nt OSO-Trabuco TSS	PC2 JBL\JBL Plant\JBL Pretreatme nt Oso - Trabuco BOD	PC2 JBL\JBL Plant\JBL Pretreatme nt SAN JUAN TSS	PC2 JBL\JBL Plant\JBL Pretreatme nt San Juan BOD	PC2 JBL\Influen t DANA POINT TSS	PC2 JBL\Influent JBL Plant 2 Influent BOD (DANA POINT)	PC05 SJCOO\3A Treatment Plant\3A Influent TSS	PC05 SJCOO\3A Treatment Plant\3A Influent BOD
Data Type	FY 17-18 Flow (MGD)	FY 17-18 Flow (MGD)	FY 17-18 Flow (MGD)	FY 17-18 Flow (MGD)	FY 17-18 Flow (MGD)	FY 17-18 Flow (MGD)	3Y FY Average Loading (mg/L)	3Y FY Average Loading (mg/L)	3Y FY Average Loading (mg/L)	3Y FY Average Loading (mg/L)	3Y FY Average Loading (mg/L)	3Y FY Average Loading (mg/L)	3Y FY Average Loading (mg/L)	3Y FY Average Loading (mg/L)

PC2 Allocation Methodology:

Flow meters are calibrated on an annual basis and should be within 10% of the flow. JBL Effluent flow meters average flow was 5.852 MGD (please note that there is not a combined influent meter). The influent and effluent reporting flow is based on the combined flow from four meters and three trunk lines. Member agency average flows for the FY were used in the flow allocation and applied proportionally from the total combined flow from each tributary trunk line. The PC2 use audit uses FY flows and three-year FY average solid loadings to reconcile the budgeted amounts. Solids loadings are calculated from adding the average FY BOD and TSS and dividing by 2 and then multiplying the result by the flow and the 8.34 pounds conversion factor.

In March 2018, PC2 members MNWD & SMWD came to an agreement on how to allocate solids for budgeting and use audit purposes. The new method captures the influent loading at Plant 3A as it was recognized that this allocation would isolate MNWD's solids contributions to JBL to a single variable. Please note that the loading rate (TSS & BOD) was used with the MNWD constant flow number of 1.4MGD was used in the total solids loading (the excel attachment provides the formula, cell 'D19' in the PC2 Summary Table). SMWD solids to JBL would then be the balance of solids contributed by the Oso Creek Water Reclamation Plant, 3A and any other discharges to the Oso Trabuco line to JBL. This year's table includes an update with a constant vs. billing loading for flows. There has been discussion this year on the additional loadings that enter the 3A plant after the current influent sampler. MNWD is working on a project to calculate the unaccounted loadings. There was also discussion on an updated study to determine if the 1.4MGD is a good constant for flow contribution for the neighborhood upstream of the JBL facility. SOCWA staff recommends both studies to better inform accounting and actual billing for FY 19-20.

PC2 Allocation Table:

PC2 - JB Latham Plant

Liquids Summary (mgd)

Member	2018-2019 Budgeted	2018-2019 Budgeted	2018-2019 Total <u>Avg. Flow</u> (mgd)	2018-2019 Total Billing Flow (mgd)	Total Percent
<u>Agency</u>	<u>Flow (mgd)</u>	<u>Percent</u>			<u>To Date</u>
CSJC	3.19	38.02%	2.070	2.070	35.38%
MNWD	1.40	16.69%	Constant	1.400	23.92%
SCWD	2.00	23.84%	1.691	1.691	28.89%
SMWD	1.80	21.45%	2.091	0.691	11.81%
	8.39	100.00%	<u>5.852</u>	<u>5.852</u>	<u>100.00%</u>

Please refer to the MNWD & SMWD Agreement from 2018 for flow/solids splitting in the Oso-Trabuco line.

Solids Summary Loading (mgd)

Member	2018-2019 Budgeted	2018-2019 Budgeted	Total Avg. Loadings	Total Avg. Loadings <u>FY 18/19 Billing</u> <u>Loading</u>	Total Percent
<u>Agency</u>	<u>Flow</u>	<u>Percent</u>	<u>FY 18/19</u>		<u>To Date</u>
CSJC	8620	33.38%	5,706	5706	29.65%
MNWD	5207	20.16%	Constant	3859	20.05%
SCWD	5304	20.54%	5,181	5181	26.92%
SMWD	6695	25.92%	<u>8,356</u>	4497	<u>23.37%</u>
	25826	100.00%	<u>19,243</u>	19243	<u>100.00%</u>

PC5 Variables Used & Methodology Distribution

San Juan Creek Ocean Outfall

PC5 Variables Used:

10540 PC2 JBL\JBL Plant\JBL Pretreatment Oso- Trabuco Flow MGD	10603 PC2 JBL\Influent SCWD JBL Flow MGD	10064 PC2 JBL\Influent SCWD DP FLOW MGD	10535 PC2 JBL\JBL Plant\JBL Pretreatment SCWD Victoria Flow MGD
10335 PC05 SJCOO\3A Treatment Plant\3A Effluent 3A Effluent Flow MGD	10960 PC05 SJCOO\SCWD GRF\SCWD SCWD Desalter M-001F Flow MGD	10651 PC05 SJCOO\City of San Juan Capistrano_Area\City of San Juan Capistrano SJ Desalter Brine Flow MGD	72322 Recycle 001-RO Flow APWTF MGD
10342 PC05 SJCOO\SMWD\SMWD Effluent SMWD Effluent Flow MGD	10341 PC05 SJCOO\City of San Clemente\CSC Effluent CSC Effluent Flow MGD	11105 PC05 SJCOO\City of San Clemente\CSC MO2 CSC MO2 Treated Urban Runoff Flow MGD	10529 PC05 SJCOO\SJCOO_Area\SJC OO NPDES Monitoring SJCOO OUTFALL FLOW MGD

PC5 Allocation Methodology:

PC5 is based on flows only. Each member agency has input to the San Juan Creek Outfall which is summed based on the flows contributed where applicable. The City of San Clemente is solely the flow from the San Clemente Land Outfall line which includes the San Clemente Water Reclamation Plant effluent and the urban treated runoff flow from the Segunda Deschecha treatment facility. San Juan Capistrano is the sum of the brine from the groundwater facility and the flow contribution to JBL. MNWD is the sum of the proportional influent flow to 3A times the effluent flow to the outfall and the standing flow contribution factor of 1.4MGD. For FY 18-19, the average SMWD influent flow contribution to 3A was 30% as indicated in cell F5 in the 'PC5 Raw Data' file. SCWD is the sum of the ground water replenishment brine flow and the combined sewer flow into JBL. SMWD is the sum of the remaining flow in the Oso Trabuco trunk line minus the MNWD 1.4MGD flow, proportional influent flow to 3A times the effluent flow to the outfall, and the contribution from the Chiquita Water Reclamation Plant (Chiquita Land Outfall). The Lake Mission Viejo brine was added to the contribution of flow to the SJCOO for the first time this fiscal year due to incorporation of the brine flows into the water information management system.

The total flow was summed to 12.14 ~~13.06~~ MGD while the NPDES annual average reported flow was 12.31 MGD, which represents a 1.36 ~~6.12~~% difference in the reported compliance result compared to the billing flow. The percent difference is within acceptable quality control criteria.

PC5 San Juan Creek Ocean Outfall Allocation Table:

PC 5 FY 18-19 Actual Flows San Juan Creek Ocean Outfall		
Member Agency	Outfall Flows MGD	Outfall Flows Percent
CSC	2.867	23.62
CSJC	2.460	20.26
MNWD	2.115	17.42
SCWD	1.845	15.19
SMWD	2.855	23.51
Totals	12.14	100.00

PC12 Variables Used & Methodology Distribution

Master Recycled Water Use Permit

PC12 Variables Used:

40970	40971	70807	40966	40969	40964	40963	40965	40961	40968
Recycle\C SJC CSC Mission	Recycle\C SJC Rosenbau	Recycle\C SJC Non- Domestic	Recycle\R TP - AWT #2 RTP #2	Recycle\C TP - WRP CTP	Recycle\S MWD - OSO WRP	Recycle\S MWD- Chiquita	Recycle\S MWD - Nichols	Recycle\T CWD- RRWRP	Recycle\3 A WRP 3A Recycled
acre-feet	acre-feet	Acre Ft	AF/day	AF/day	AF/Day	AF/day	AF/day	af/day	AF/Day

PC12 Allocation Methodology:

PC12 is based on application of recycled water by each member agency. San Juan Capistrano it is the acre-foot sum of the Rosembaum well, and the Mission Street Well, ~~and the total reclaimed water from the SMWD/CSJC intertie.~~ For the Moulton Niguel Water District (MNWD) it is the amount of reclaimed water produced from the Regional Treatment Plant (RTP) and the 3A Treatment Plant. South Coast Water District (SCWD) is the total reclaimed water produced from the Coastal Treatment Plant (CTP). The Santa Margarita Water District (SMWD) is the combined sum of reclaimed water produced from the 3A Treatment Plant, the Oso Creek Water Reclamation Plant (OCWRP), the Chiquita Water Reclamation Plant (CWRP), and the Nichols Water Reclamation Plant (NWRP). The Trabuco Canyon Water District (TCWD) is reclaimed water produced from the Robinson Ranch Water Reclamation Plant (RRWRP). PC12 sums each agency's production of reclaimed water and allocates a proportional amount based on the total acre feet produced in Region 9.

On May 8, 2019 the El Toro Water District and the Irvine Ranch Water District excited PC12 through Executive Order signature and approval of the amendment of Order No. 97.52.

PC12 Allocation Table:

PC 12 Recycled Water		
Master Recycled Water Permit		
FY 18-19		
Member Agency	Region 9 Recycled Use FY 18-19 acft	% RW Use FY 18/19 %
CSJC	517	3.84
MNWD	5997	44.58
SCWD	789	5.87
SMWD	5680	42.22
TCWD	470	3.49
Total	13452	100

PC15 Variables Used & Methodology Distribution

Coastal Treatment Plant

PC15 Variables Used:

Variable Number	20002	20003	20001
WIMS Variable Name	PC15 CTP\Influent CLB INF FLOW	PC15 CTP\Effluent EBSD EFF FLOW	PC15 CTP\Effluent SCWD Billing Flow
Data Type	MGD	MGD	MGD

PC15 Allocation Methodology:

Due to the lack of solids handling capacity at the Coastal Treatment Plant (CTP), allocation methodology is based on flows to the treatment plant. In addition, there is no current flow meters installed to account for any flow sent to CTP from MNWD- the flow meter installed on the sewer line did not detect any flow from MNWD so no flow is being accounted for in this PC flow allocation methodology. The City of Laguna Beach (CLB) is the average annual flow into CTP (metered). The Emerald Bay Services District (EBSD) is the average annual flow into CTP (calculated from monthly meter read from the lift station divided by the days in the month). The South Coast Water District (SCWD) is the average annual flow into CTP (metered).

PC15 Allocation Table:

PC 15 FY 18-19 Actual Flows		
Coastal Treatment Plant		
Member Agency	Plant Flows MGD	Plant Flow Percent
CLB	1.620	60.23
EBSD	0.050	1.88
SCWD	1.019	37.89
MNWD	0.000	0.0
Total	2.690	100.00

PC17 Variables Used & Methodology Distribution

Regional Treatment Plant

PC17 Variables Used:

Variable Number	1	9	445	15192	15191	15193	15194	15144	2022	15145	15146	15147	15148	15149
WIMS Variable Name	PC17 RTP\Influent Influent	PC17 RTP\Centrifuge Centrate Flow	PC17 RTP\Biosolids 503 Average Sludge Cake %	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly Total CLB Lbs	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly Total EBSD Lbs	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly Total SCWD Lbs	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly Total MNWD Lbs	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly Total Solids	PC17 RTP\Biosolids Management Site ETWD Total Monthly Solids	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly CLB Centrate Flow	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly EBSD Centrate Flow	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly SCWD Centrate Flow	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly ETWD Centrate Flow	PC2 JBL\Operations Agenda Report\RTPT Operation Agenda CTP Monthly MNWD Centrate Flow
Data Type	MGD	gal	%	LBS	LBS	LBS	LBS	LBS	LBS	MGD	MGD	MGD	MGD	MGD

PC17 Allocation Methodology:

PC17 has liquid and solids contribution. The liquid flow allocation is based on influent flow to the plant. The influent flow is solely contributed by the MNWD. Due to liquid flow from CTP, the centrate flow is divided by 5 and distributed to each agency then summed to create a total liquid flow to the RTP. The centrate flows are tracked through total and volatile solids that uses the same variables that are put into the monthly SOCWA Board's Operational Report. Updated variables are included in the variable sets. The flows are then distributed on a proportional basis. The ETWD liquid flow is equal to the divided total centrate flow. The solids contribution is based on the total daily average pounds contributed by each agency distributed proportionally.

PC17 Allocation Tables:

PC 17 Liquids Regional Treatment Plant					PC 17 Solids Regional Treatment Plant		
FY 18-19					FY 18-19		
Member Agency	Plant Flow (MGD)	Centrate Flow (MGD)	Total Flow (MGD)	Liquid Flow (%)	Member Agency	FY 2018-2019 #/Day	FY 2018-2019 %
CLB	0	0.01422	0.008565958	0.1122	CLB	5770	15.34
EBS	0	0.00044	8.30986E-06	0.0001	ETWD	5701	15.15
SCWD	0	0.00893	0.003383362	0.0443	EBS	180	0.48
ETWD	0	0.01411	0.014107927	0.1848	MNWD	22346	59.40
MNWD	7.5516986	0.05531	7.607008589	99.6585	SCWD	3626	9.64
Total	7.5516986	0.09301	7.633074146	100.0000	Total	37622	100.00

PC24 Variables Used & Methodology Distribution

Aliso Creek Ocean Outfall

PC24 Variables Used:

Variable Number	30080	30023	30004	30063	30695	30696	30043	31131
WIMS Variable Name	PC24 ACOO\O UTFALL\ Outfall NPDES ACOO FLOW	PC24 ACOO\O OCWA RTP\RT P Effluent RTP Effluent Flow	PC24 ACOO\O OCWA CTP\CTP CTP Effluent Flow	PC24 ACOO\IR WD\IRW D LAWRP Effluent LAWRP Effluent Flow	PC24 ACOO\IR WD\IRW D IDP- PTP IRWD IDP-PTP Flow	PC24 ACOO\IR WD\IRW D IDP- SGU IRWD IDP-SGU Flow	PC24 ACOO\IE TWD WRP\ET WD Effluent ETWD Effluent Flow	PC24 ACOO\IS CWD\SC WD ACWRF SCWD ACWRF Flow
Data Type	MGD	MGD	MGD	MGD	MGD	MGD	MGD	MGD

Allocation Methodology:

PC24 is based on average daily flow from each member agency in the PC. The combined average flow from the ACOO was 10.88MGD. Please note the difference in PC15 values for CTP as the sum allocation for CTP is based on effluent flows from each contributing agency and not based on effluent flows as there are not separate effluent meters. The summed influent values for CTP for PC15 was 2.69MGD while the reported effluent value for CTP for NPDES purposes was 2.13MGD.

Laguna Beach is based on average annual influent flow multiplied by the agency percent ownership in CTP (71.25%). EBS is based on the average influent flow multiplied by the percent ownership in CTP (2%). ETWD is based on the average annual effluent discharged into the effluent transmission main from the WRP. IRWD is based on the sum of the average annual effluent discharged into the effluent transmission main from the LAWRP, the average annual effluent brine discharge from the shallow groundwater unit (SGU), and the average annual effluent brine discharge from the Irvine Desalter Project (IDP). MNWD is the average annual effluent from RTP minus flow contribution from PC15 members & ETWD. The SCWD is the average annual

effluent flow multiplied by the percent ownership in CTP (26.39%) plus the average annual effluent brine discharged from the Aliso Creek Water Harvesting Plant (ACWHP).

PC24 Allocation Table:

PC 24 Aliso Creek Ocean Outfall FY 2018-2019 Actual Flows		
Member Agency	Flow (MGD)	Cost (%)
CLB	1.52	13.96
EBSD	0.04	0.39
ETWD	2.60	23.86
IRWD	3.06	28.13
MNWD	3.04	27.98
SCWD	0.62	5.68
Total	10.88	100.00

Recommendation: Receive and file.

Appendix A

Comments received from South Coast Water District

1. Pg 36, the titles in the tables are confusing or missing some data such as the budgeted flows for FY 18/19 are missing so I can't make the comparison between budgeted vrs total billing flow, they should add that in a column. The reason this is necessary as you will note SMWD total flow for 18/19 went from 2.09 to total billing flow to .069 which means SCWD takes on additional costs and as noted a budgeted percent of 23.84% in FY 17/18 to 28.89% in FY 18/19! What this mean is SMWD is sending more flows to 3A and or OSO and better planning or notification would be helpful to SCWD for budgeting and cost purposes.

SOCWA's Response:

Budgeted flows for FY '18-19 were added to the table for clarity. Flows are updated on a monthly basis in the Operations Report accessible in the Board book. For example, the August 8, 2019 Board Book, contains the monthly 'FY Flow/Solids Report' starting on p.29.

2. Solids Loading table is missing budgeted amounts also, so cannot see what was planned vrs actual loading to date?

SOCWA's Response:

Budgeted flows for FY '18-19 were added to the table for clarity.

3. Pg 37, in the bottom paragraph it states that a 6.12% difference between the summed amount and the NPDES annual average reported flow is "within acceptable quality control criteria", I would like to see a reference or citation as to how that criteria is arrived at.

SOCWA's Response:

An acceptable industry practice for the accuracy of ultrasonic meters is within 10%. Please note that due to the additional comments below related to PC5, the accuracy is within 1%.

4. Pg 40 Table on bottom left shows Centrate Flow to be the same number for all agencies and I don't think that's possible?

SOCWA's Response:

SOCWA updated the centrate flow numbers in the use audit to reflect this comment. The additional variables and calculation were updated in the methodology.

5. Global comment, I would like them to add the name of each facility along with the PC so its clear to all readers which facility is associated with the PC designation.

SOCWA's Response:

Comment incorporated into the methodology and a summary table was provided at the beginning of the document for clarity. The table was also included in the Excel Work Book.

6. PC 2 Allocation Methodology. Last 3 sentences in paragraph on page 3 of 8. This all refers to future work (studies) to calculate and verify loadings to JBL by MNWD (and SMWD?). It's great that SOCWA staff has identified the need. The Board should push on milestones to complete these studies, specifically focusing on MNWD 's project to calculate "unaccounted loadings."

SOCWA's Response:

The discussion at the Engineering Committee on 8/15/2019 indicated that MNWD had performed a flow loading study in the '14-15 time frame but that they were looking to update that study this FY.

7. PC 5 Allocation Methodology. These flows should also be re-calculated based on the work completed for PC-2 above.

SOCWA's Response:

Comment addressed and flows updated accordingly.

8. P. 36 – PC 2 Alloc Table - Did all 4 agencies agree to the methodology that MNWD & SMWD determined for the flow split? Does the flow split affect SCWD & CSJC?

SOCWA's Response:

The flow split is only for the distribution of flows in the Oso Trabuco trunk line. The flow split was not agreed upon by the other 4 agencies as there is no flow in the Oso Trabuco line by SCWD or CSJC. The flow split therefore between MNWD & SMWD does not affect the SCWD and the CSJC.

9. P. 36 – PC 2 Alloc Table (solids loading) - "to date" refers to what date and what period is the basis?

SOCWA's Response:

The "to date" was updated to "FY 18-19" to provide more clarity.

10. P. 36 – PC 2 Alloc Table – Why is FY 2017-18 data provided?? Seems unnecessary and is not referenced in the narrative.

SOCWA's Response:

The table was updated to include FY '18-19 and eliminate the previous year's data.

11. P. 40 – PC 17 Alloc Methodology: Why is the centrate flow divided equally? Shouldn't it be proportionally split based on solids proportionate share?

SOCWA's Response:

Yes, the flows have been updated based on the centrate proportional share as described in the updated methodology narrative for PC17.

12. P. 37 – PC5 Variable Table – Cannot read the table due to small font

SOCWA's Response:

Table reformatted with larger font.

13. Global – Description and presentation of “Variables” is unclear on what they are used for or represent. Is there a better way to present this information?

SOCWA's Response:

The variables are the individual data points included in the calculations to calculate the flows or solids loadings. Since these data points are used in equations to calculate flow or loadings, the term variable is used.

14. Global – It would be useful to have an overall summary of ownership percentages provided for each PC, that is then correlated to FY 18/19 percentages.

SOCWA's Response:

A map of the ownership of each PC has been distributed with the methodology for reference.

Comments received from Moulton Niguel Water District

PC 2 (JB Latham):

15. The current formula for calculating solids at JB Latham, assumes that MNWD and SMWD are sending a combined 3.491 MGD of flow to the Plant. In fact, the actual flow was reported at 2.091 MGD and, with the loadings measured off the Oso-Trabuco, the total solids contribution from MNWD and SMWD is equal to 8,356 lbs (equivalent to what was reported for SMWD). This number needs to be allocated between MNWD and SMWD. Recently, MNWD staff took samples of wastewater concentration (BOD and TSS) at various connection points to the Oso-Trabuco. The MNWD concentrations averaged to 302 mg/L. We suggest using that concentration and the 1.4 MGD of flow for wastewater from MNWD to JB Latham to determine MNWD solids loadings at JB Latham. That number can be subtracted from the total to obtain SMWD's solids loadings at JB Latham.

SOCWA's Response:

The comment regarding the split in solids loading is accurate to split solids loading between SMWD and MNWD. The engineering committee agreed to a 3 FY year calculation of loadings. The 3 FY average loading on the Oso Trabuco line is 479 mg/L while the SCWD loading is 368 mg/L while the CSJC is 331 mg/L. The loading provided from MNWD is lower than the domestic loading that SCWD and CSJC is contributing to the JB Latham Plant. Due to the inability for to access the same 3-year data set, utilizing the domestic input of CJSC, based on a request from Director Collins, was used in the updated calculation to estimate the loading by MWND. The difference in loading was attributed to SMWD.

PC 5 (San Juan Creek Ocean Outfall):

16. MNWD calculation for SJCOO outfall discharge needs to be corrected to only include the 1.4 MGD from JB Latham and the MNWD portion of discharge from Plant 3A.

SOCWA's Response:

The correction was made in the workbook.

17. City of San Clemente number was hard-coded into the spreadsheet and did not reflect the actual contribution.

SOCWA's Response:

The correction was made in the workbook.

18. SMWD contribution to SJCOO should not include the LMV Brine since that is discharged to the Oso-Trabuco and considered in the JB Latham discharge.

SOCWA's Response:

This is a good point as the brine is already accounted for in PC5 flows. LMV Brine was removed from the calculation and the allocation table updated.

PC 12 (Recycled Water Permit):

19. The Use Audit methodology doesn't account for water exchanged from MNWD to other agencies (such as MNWD to SCWD or MNWD to CSJC) during this past year. I recommend using the actual recycled water usage that each agency provides to SOCWA and not the production information that doesn't always account for exchanges. I believe recycled water usage would be a more representative of the PC 12 functions.

SOCWA's Response:

The PC12 members would need to agree to change the methodology as the production data has been the numbers that the use audit has utilized historically. The problem with the proposed methodology as discussed with Director Collins is that the data for recycled water users is obtained from member agencies at the end of the calendar year. Therefore, the method would result in data that was reflecting the previous year and not in alignment with the budget cycle. However, the methodology proposed by Director Collins is more accurate related to the intent of the PC12 master recycled water permit.

20. Write-up states CSJC includes SMWD intertie, but it was not identified in the table and instead refers to Non-Domestic well.

SOCWA's Response:

The CSJC narrative was updated to reflect that the intertie was not included in the production numbers.

PC 15 (Coastal Treatment Plant):

21. Write-up notes that MNWD is not allocated any flows since there is not a meter installed to account for any flow. While there may be no meter, MNWD did not send any flow to the CTP, and the write-up should state as such.

SOCWA's Response:

Write-up reflected that there is a meter at CTP but that no flow was found in the line. The verbiage added is as follows: "the flow meter installed on the sewer line did not detect any flow from MNWD"

PC 17 (Regional Treatment Plant):

22. Please explain the 'C' column in the 'PC17 Raw Data'. I don't know what that data point is and how it is used.

SOCWA's Response:

The variable was redundant, removed and an updated variable table was included.

23. How are the total solids at RTP allocated among the member agencies. The write-up suggests that the allocation is based on the total daily average from each agency. Are loadings calculated daily? Is there raw data to show this information? The raw data only showed monthly solids totals. Please provide the daily TSS and BOD readings of solids.

SOCWA's Response:

The previous use audit used the proportional allocation split between the member agencies. However, this year SOCWA included the centrate flows calculated between each member agency. A summary of the variables used, and the flow of the plant was included in an additional Excel Workbook. Additional plan sets were also provided so that member agencies could follow the flow calculation. Please note that loadings are based on the %Total Solids and %Volatile Solids due to the design of the site and the multiple inputs. All raw data was included in the 'PC17 Raw Data' sheet. The data provided is also included in the monthly Operational Report to track on a monthly basis.

Please note the following comments were received 8/28/2019 from MNWD after comments above were re-circulated to the group.

24. PC 5 – The write-up refers to the sum of flows at 13.06 MGD when the table shows 12.38 MGD. Also, the flow total for MNWD is still overstated. The Plant 3A effluent is reported at 1.022, and 30% is attributed to SMWD. The balance is 0.715 MGD, which is the amount of Plant 3A effluent that should be attributed to MNWD, and not the entire Plant 3A effluent flow.

SOCWA's Response:

The comments have been incorporated into the excel workbook and the outputs were updated in the methodology.

25. PC 12 – Thank you for your comments. If the methodology does not change, the calculation needs to account for recycled water provided by MNWD to both SCWD and the City of San Juan Capistrano.

SOCWA's Response:

Historically I am not aware of attributing flows to other member agencies in recycled water interties. This information should be used in the updated allocation methodologies for PC12. I suggest that PC12 member discuss deviations from the historic allocations.

26. PC 17 – Thank you for providing the raw data. We are reviewing the information provided, and will follow-up with any questions within the week.

SOCWA's Response:

Thank you for evaluating the raw data and the associated calculations.

27. PC 24 – It does not look like all of the CTP effluent flow is accounted for (only slightly), since 99.64% of the total flow is allocated among three agencies. Seems that should be 100%.

SOCWA's Response:

You make a good point. This percent allocation was used as a historical basis for consistency in past use audits. PC24 members should provide direction for FY '19-20 allocation. This question also coincides with the work produced from Carollo that recommended the use of fixed costs for PC24 which would allocate flows for FY '19-20 based on capital ownership. SOCWA will be setting up follow-up meetings based on the recent discussions for use in FY '19-20.

Agenda Item

Legal Counsel Review: No

Meeting Date: September 5, 2019

TO: SOCWA Board of Directors
FROM: Betty Burnett, General Manager
SUBJECT: General Manager's Status Report

Legal Counsel Expenditures

Procopio Contract

The Procopio Law Firm has provided SOCWA with a notice of rate changes for its Attorney Fees for the coming year. Pursuant to the Procopio Retainer Agreement, Attorney Fees were guaranteed for the first-year period of service. The fee increases are an additional \$10 per service provider rate above the original pricing. The notice letter is attached hereto.

Environmental Compliance Department Update

ELAP Update

On August 22, 2019, the Environmental Laboratory Technical Accreditation Committee (ELTAC) voted 9-4-1 to include the California Quality Management System (CA QMS) into the California Code of Regulations, Title 22, Section 64801. The regulations govern the accreditation of laboratories by the Environmental Laboratory Accreditation Program (ELAP). ELTAC is the oversight committee of ELAP created by the Environmental Laboratory Accreditation Act. The CA QMS removes administrative tasks that are not necessary to produce scientific data of known and high quality. Industry groups support the CA QMS and have hosted workshops provided by CASA and SCAP in Southern California and CVCWA and CWEA in Northern California. ELAP has the option to reject the recommendation by ELTAC, but with broad industry support, it is the clear choice for the State system. Staff will continue to engage with regulators for regulations that are practical for this industry.

Serious Effluent Violations

On August 7, 2019, SOCWA received two letters from the San Diego Regional Water Quality Control Board (SDRWQCB) that summarized two serious effluent violations at each of the two outfalls. At the Aliso Creek Ocean Outfall, 2, 3, 7,8 – Tetrachlorodibenzo-p-dioxin (TCDD) exceeded the Permit limit. TCDD is a Category 2 pollutant for Group 2 of the TCDD Equivalents. The TCDD Equivalents monthly average limit is 0.93 pg/L, and the reported value was 1.99 pg/L at M-001 (combined effluent sample station). The Laboratory Manager contacted the contract laboratory due to the atypical high method detection limit and high dilution factor from the sub-contract laboratory. The sub-contract laboratory stood by their results despite the abnormally high MDLs and factor of 10 dilution. This is the first TCDD exceedance at the ACOO. SOCWA followed up on this result and took a grab sample on 11/13/2018 with a result of 0.144 pg/L for TCDD providing more evidence that the dilution factor was a likely contributor to the initial exceedance. A copy of the repeat analytical report was provided to the SDWQCB.

The San Juan Creek Ocean Outfall serious effluent violation contained in the letter occurred at the Chiquita Water Reclamation Plant (CWRP) due to an excess of settleable solids at the

effluent location. The CWRP staff have instituted cleanout procedures as this event was a function of the low flow due to reclamation activities which were also relayed to the SDRWQCB Triennial Review

The State Water Resources Control Board (SWRCB) contract for the basin plan amendment in the triennial review is complete. The SDRWQCB is working conducting interviews in September. SOCWA will continue to work with the SDRWCB on the staff to review the technical work for the basin plan amendment to secure the project's completion based on the request by member agencies SMWD & MNWD.

SOCWA Research Project

Projects 1 and 3 of the FY '19-20 SOCWA Research Plan are providing early positive results on the investment into the science of molecular tools (Project 1) and naturalized bacteria (Project 3). Project 1 results are demonstrating 2.5 orders of magnitude of live versus dead cells with the pretreatment chemical. This is important scientific results due to the proposed Hf183 indicator as a proxy to set water quality objectives for impaired water bodies. Project 3 has two full weeks of results with 100% of isolates for San Juan Creek of non-human origin while 60% of isolates for Aliso Creek of non-human origin. This work is important as the SDRWQCB has limits for bacterial exceedances and discriminating between human and non-human bacteria that could cause public health risk from non-point sources of pollution.

Operations & Maintenance Department

Annual Diffuser Cleaning Completed

The O&M staff at JBL completed the annual cleaning of the diffuser heads within of the Aeration Basins. About 60% of the energy cost to treat wastewater at SOCWA is from the aeration system. Therefore, the annual cleaning and inspections of the diffuser heads help make sure the plant is running as efficiently as possible. Below is a picture of the diffusers that are each pressure washed and inspected.



JBL Operational Lab Relocated

As part of the Package B Construction Project at JBL, O&M staff is relocating the workspace used for monitoring the wastewater treatment process. O&M staff renovated space in the 4-side Blower Building that used to house electrical gear and storage equipment. The new Lab area is being set up to help guests on tours see what is involved with operating the treatment plant; and, with a TV connected to a microscope we can show students the actual bacteria used in the wastewater processes. The picture below shows the new Lab nearly completed.



JBL Effluent Pumping Station Sound Wall

O&M staff conducted some additional sound level monitoring around the Plant. It was found that under certain conditions, like Santa Ana Winds, the Effluent Pumps could be heard at the fence line near the new South Point Development. O&M staff constructed a sound wall enclosure for the Effluent Pumps that reduced noise levels at the fence line, and it also allows O&M staff to perform normal O&M tasks without interference. The pictures below show each side of the new sound wall.



Fire Season Update

O&M and Compliance staff have been preparing for the 2019 Fire Season since early Spring 2019. Plant staff was briefed on OCFA's Wildfire Action Plan for 2019. The SOCWA Safety Manual was also updated in early August 2019; the update included new information with the associated training for Staff regarding smoking, Hot Work Permits, and Emergency Response Planning for fires.

O&M staff has also been diligently working with OC Parks staff to keep the fire lanes clear for the Coastal Treatment Plant. The growth of vegetation in and around the fire lanes has been extremely elevated due to the previous wet winter and spring. We are on track to mow the road five (5) times this year versus two (2) times in an average calendar year.

There was a small fire in the Laguna Niguel Regional Park next to the Regional Treatment Plant on 4th of July. The 4th of July Fire provided for a practice exercise for O&M staff and a good reminder that fires can occur at any time.

Lastly, the SOCWA's Safety Manager is working with Engineering, and their construction contractors, at CTP and RTP on the contractors' response responsibilities to work to prevent potential wildfires around the facilities. Each contractor has signed off that they will comply with SOCWA's Safety Manual, which contains policies and procedures regarding smoking, Hot Work Permits, and Emergency Response Planning for fires.



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DEL MAR HEIGHTS
LAS VEGAS
PHOENIX
SAN DIEGO
SILICON VALLEY

July 31, 2019

VIA U.S. MAIL AND E-MAIL [bburnett@socwa.com]

Board of Directors
SOUTH ORANGE COUNTY WASTEWATER AGENCY
c/o Betty Burnett, General Manager
34156 Del Obispo Street
Dana Point, CA 92629

Re: Agreement for Legal Services

Dear Ms. Burnett:

We have appreciated the opportunity to serve South Orange County Wastewater Agency for the past year. The purpose of this letter is to notify you that our rates have increased and, for South Orange County Wastewater Agency, will increase effective September 1, 2019.

Effective on that date, we will provide services at the following rates: \$335 per hour for the first 25 hours per month worked, \$360 per hour for up to 50 additional hours of work per month, and \$380 per hour for any subsequent work performed in a month. This rate schedule will be charged for all members of our public agency team and is still substantially below our standard rates. All other terms and conditions of our engagement will remain unchanged.

We appreciate the opportunity to assist you, and look forward to helping you successfully meet future challenges.

Sincerely,

Gregory V. Moser

GVM:lcb

procopio.com

Agenda Item

Meeting Date: September 5, 2019

TO: Board of Directors

FROM: Betty Burnett, General Manager

SUBJECT: Monthly Progress Report on State Audit Recommendations

Attached are staff updates for the State Audit Response Schedule.

Recommendation

Information item.

SOCWA State Audit Response Schedule

Page	Recommendations	Supplemental Actions to Implement Recommendations	Preparation Schedule/Responsible Staff	Filing Date
	Annual Report to State Auditor on Progress			Filed on March 21, 2019 (Remaining Open Item – Consideration of Revision to SOCWA JPA to assign method/% of Member Agency Obligations for Unfunded Liabilities)
16	Finish Investigating difference in available cash balances per audited financial statements	<p>(a) Complete investigation of differences in available cash balances to audited financial statements.</p> <p>(b) Develop a method that is agreeable to members for allocating additional cash to the credit of members:</p> <p>(i) Consider allocating to members based on existing proportion to available cash</p> <p>(ii) Implement improved procedures to account for member cash</p>	<p>(a) Prepare results of investigation report, and discuss with Finance Committee and Board</p> <p>(b) Cash Roll Forward results discussed Finance Committee and Board of Directors April, 2018</p> <p>(i) Board to review by June, 2018</p> <p>(ii) Procedures in Place</p>	<p>(a) To be completed: September, 2018 – Submitted to State 9/20/18 for 6 mo. compliance</p> <p>(b)(i) To be Completed: September, 2018 – FCM directed staff to provide alternative methods to allocate and to meet with Agency Finance Officers to review, meeting pending early October 2018 – completed. Board to review and determine final distribution option by 4/4/19. Completed.</p> <p>(ii) 2015-16 Cash Roll Forward was distributed to Board April, 2018; 2016-17 to be reviewed by Finance Committee May, 2018 – Completed.</p>

Next Page	Recommendation	Supplements to Recommendation	Preparation/Schedule/ Responsible Staff	Filing Date
		(iii) Provide Monthly reports of available cash balances to members	(iii) 12/6/18 Board adjusted reporting of available cash to Quarterly Responsible: Finance Officer	(iii) Complete '17-18 update and implement quarterly updates 12/6/18; Fin Com reviewed Jan. 2019. Quarterly review 5/23/19 & 6/6/19.
19	SOCWA and Members should amend the current JPA to expressly state whether members will be responsible for SOCWA retirement benefits	SOCWA should inform plan participants.	Begin consideration of JPA Revisions with assistance of SOCWA Counsel by July, 2018 Submit to Agencies for approval, July, 2019 Responsible: GM/SOCWA Counsel	To be Completed: September, 2019. Plan presented by Procopio to SOCWA Executive Committee on 12/6/18 for review and comment. ExCom directed proceeding with meeting of agency attorneys to review – meeting held 2/14/18. Flow input from agencies requested 1/23/19, due 2/28/19. Response from IRWD & SJC received. Agency Managers Meeting held 5/13/19; continue 8/27/19.
28	Develop and follow a timeline with specific deadlines for completing each of its planned year-end tasks	i. Prepare a policy requiring correction of future internal control deficiencies within six months of identifying by external auditor ii. Develop accounting procedures including step-by-step instructions	(i) Counsel to develop by May 2018 Board meeting. Responsible: GM/SOCWA Counsel (ii) Underway. Responsible: Finance Controller (iii) Counsel to develop by May 2018 Board meeting.	(i) Completed, reported to State Auditor 5/10/18 (ii) Procedures & Schedule for Year End to review with Finance Committee August, 10 2018. Submitted to State

28 Cont.		<p>iii. Amend policy on procurements to specify that SOCWA should enter into agreements of at least 5 years with competitively procured external audit firms. Adopt policy to rotate external auditor when state law requires.</p> <p>iv.</p>	<p>Responsible: GM/SOCWA Counsel.</p> <p>(iv) Counsel to develop by May 2018 Board meeting. Responsible: GM/SOCWA Counsel.</p>	<p>9/20/18 with 6-month compliance update. Completed. (iii)and(iv) completed and submitted to State Auditor with initial 60-day compliance 5/11/18.</p>
34	Assure full compliance with the Public Records Act	<p>(i) Update policy on PRA at least annually to track any changes in laws.</p> <p>(ii) Develop more detailed procedures to ensure that SOCWA responds to requests for records in compliance with PRA.</p> <p>(iii) Establish a policy to retain accurate records and supporting documentation to demonstrate full compliance with all PRA requirements.</p>	<p>(i) April 2018 Board Meeting May 2018, Procedures/Staff Training Responsible: GM/SOCWA Counsel April 2018 Board Meeting</p> <p>(iii)</p>	<p>(i) Adopted April 2018 Board Meeting (ii) Pending (9/2018) (iii) Adopted April 2018 Board Meeting (iv) Submitted to State Auditor with initial 60- day report on 5/10/18</p>