



185 N. McPherson Rd.
Orange, California
92869-3720

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BOARD OF DIRECTORS

Douglass S. Davert
President

Richard B. Bell
Vice President

John Dulebohn
Director

Seymour (Sy) Everett
Director

John L. Sears
Director

Lisa Ohlund
General Manager

September 12, 2016

Board of Directors
East Orange County Water District
185 N. McPherson Road
Orange, California 92869

Dear Members of the Board,

Please be advised that the regular meeting of the Board of Directors of the East Orange County Water District will be held on Thursday, **September 15, 2016**, at **5:00 p.m.** in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. Enclosed please find the agenda for the meeting.

Very truly yours,

EAST ORANGE COUNTY WATER DISTRICT

By:  Joan C. Arneson
Secretary

JCA/

Enclosures

cc: Mailing List

00190740.17

AGENDA

EAST ORANGE COUNTY WATER DISTRICT
(EOCWD)

Thursday,
September 15, 2016
185 N. McPherson Road, Orange, California

5:00 p.m.

1. **Call Meeting to Order and Pledge of Allegiance – President Davert**
2. **Public Communications to the Board**
3. **Addition of Items Arising After Posting of Agenda Requiring Immediate Action**
(Requires 2/3 vote or unanimous vote if less than 2/3 of members are present)

Recommended Motion: "THAT IT BE DETERMINED THAT THE NEED TO TAKE IMMEDIATE ACTION ON [SPECIFY ITEM(S)] CAME TO THE DISTRICT'S ATTENTION AFTER POSTING OF THE AGENDA AND THAT SUCH ITEM(S) BE ADDED TO THE AGENDA"

4. **Consent Calendar** (all matters listed are recommended for enactment without discussion by a single motion; a member of the Board may request that any item be removed for discussion)

Recommended Motion: "THAT THE CONSENT CALENDAR ACTIONS BE ADOPTED AS FOLLOWS"

- A. Minutes (Exhibit "A"): "THAT THE MINUTES OF THE AUGUST 9 and AUGUST 18, 2016 MEETINGS BE APPROVED AS SUBMITTED"
- B. General Manager's Report (Exhibit "B"): "THAT THE GENERAL MANAGER'S REPORT BE RECEIVED AND FILED"
- C. Platinum Consulting Group Master Agreement (Exhibit "C"): "THAT A MASTER AGREEMENT BE APPROVED FOR ACCOUNTING AND TREASURER SERVICES"
- D. Amendment of capital projects budget to add Alexander Lane pipeline replacement (Exhibit "D"): "THAT THE RETAIL ZONE 2016-17 CAPITAL PROJECTS BUDGET BE INCREASED BY \$190,000, FROM \$429,500 TO \$619,000, FOR THE STOLLER LANE/ ALEXANDER LANE PIPELINE REPLACEMENT PROJECT"

(Next available Resolution No: 783)

5. **Adoption of Retail Rates – Public Hearing**

A. Hearing on proposed retail water service rates

(1) Opening:

President declares this to be the date, time and place set for hearing on the proposed retail rates.

(2) Notice:

President asks if all requirements for notice have been met.

Secretary states the date of mailing and presents affidavit of mailing. If notice requirements have been met, state that approval of the following motion is in order:

Recommended Motion: "THAT THE AFFIDAVIT OF MAILING AS PRESENTED TO THE BOARD BE RECEIVED AND FILED"

(3) Description:

President asks Legal Counsel to describe the nature of the proceedings.

Legal Counsel briefly describes the purpose of the hearing.

(4) Presentation:

Introduction, presentation by staff and rate consultant on the proposed rates and rate study.

(5) Comment:

President invites interested persons to present any comments, objections or protests to the proposed rates. President also requests General Manager to present any written correspondence received in relation to such proposed rates.

(6) Closing of Hearing:

Recommended Motion: "THAT THE PUBLIC HEARING BE CLOSED"

(7) Adoption of Rates (Exhibit "E"):

Recommended Motion: "THAT THE RESOLUTION NO. ____ BE ADOPTED, ENTITLED:

'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ADOPTING CHANGES TO RATES FOR THE SALE OF WATER ON A RETAIL BASIS WITHIN THE DISTRICT'"

6. **Operation, Management and Construction Matters**

- A. Wastewater discharge regulations – an Ordinance of the Board of Directors of the East Orange County Water District Establishing Wastewater Discharge Regulations – second reading and adoption (Exhibit "F")

Recommended Motion: "THAT THE ORDINANCE BE READ BY TITLE ONLY, THAT FURTHER READING OF THE ORDINANCE BE WAIVED, AND THAT THE ORDINANCE BE ADOPTED"

- B. FOG program regulations – an Ordinance of the Board of Directors of the East Orange County Water District Adopting Fats, Oils and Grease Control Regulations Applicable to Food Service Establishments - second reading and adoption (Exhibit "G")

Recommended Motion: "THAT THE ORDINANCE BE READ BY TITLE ONLY, THAT FURTHER READING OF THE ORDINANCE BE WAIVED, AND THAT THE ORDINANCE BE ADOPTED"

- C. Indefinite quantity general engineering services – award of contract (Exhibit "H")

Recommended Motion: "THAT A MASTER AGREEMENT BE AWARDED TO RCE ENGINEERING FOR ONGOING GENERAL WATER AND WASTEWATER ENGINEERING SERVICES AND THAT A BUDGET OF \$100,000 BE APPROVED FOR THE SERVICES"

7. **Financial Matters**

- A. Approval of schedules of disbursements (Exhibit "I")
- B. Report on investments/ ratification of investment activity (Exhibit "J")
- C. Receipt and filing of financial statements (July 31) – (Exhibit "K")

Recommended Motion: "THAT THE SCHEDULES OF DISBURSEMENTS BE APPROVED AS SUBMITTED, THAT THE SCHEDULES OF INVESTMENTS BE RATIFIED AND APPROVED, AND THAT THE FINANCIAL STATEMENTS BE RECEIVED AND FILED"

D. Budget amendment ID 1 CAPITAL PROJECTS (Exhibit "L")

Recommended Motion: "THAT THE 2016-17 ID 1 CAPITAL PROJECTS BUDGET BE REVISED TO \$1,666,100, TO ADD \$950,000 FOR REPAIRS AND REHABILITATION""

8. Miscellaneous Matters

- A. Reports from committees and representatives to organizations
- B. Directors' reports on meetings attended at District expense (Government Code Section 53232.3)
- C. Wholesale and retail water usage report (Exhibit "M")

Recommended Motion: "THAT THE WHOLESALE AND RETAIL WATER USAGE REPORT BE RECEIVED AND FILED"

9. Informational Items

- A. General interest publications (Exhibit "1") - included are: *The Value of Water Coalition*, "Imagine A Day Without Water," and *David Sander, Mayor, City of Rancho Cordova*, "Commentary: Local Control Critical For All California Cities"

10. Closed Sessions

- A. Closed session – conference with Legal Counsel – existing litigation pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9 – *Irvine Ranch Water District v. Orange County Water District*, Case No. 30-2016-00858584-CU-WM-CJC

Open session

11. Adjournment

The scheduled date of the next Regular Meeting of the Board of Directors is **October 20, 2016**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the East Orange County Water District Board of Directors in connection with a matter subject to discussion or consideration at an open

meeting of the Board are available for public inspection in the District's office, 185 N. McPherson Road, Orange, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available at the reception desk of the District Office during business hours at the same time as they are distributed to the Board members, except that if such writings are distributed less than one hour prior to, or during, the meeting, they will be available in the meeting room of the District Office.

Disability-related accommodations: The East Orange County Water District Board of Directors meeting room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.) please contact Sylvia Prado in the District Office at (714) 538-5815 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to Sylvia Prado in the District Office, at least seventy-two (72) hours prior to the scheduled meeting.

MINUTES OF THE ADJOURNED REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
EAST ORANGE COUNTY WATER DISTRICT

August 9, 2016

1. **Call to Order.** An Adjourned Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by DOUGLASS DAVERT, President of the Board of Directors, at 5:15 p.m. on Tuesday, August 9, 2016, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JOAN ARNESON, Secretary, recorded the minutes of the meeting.

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT and JOHN SEARS.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
CINDY BYERRUM	District Treasurer
JOSH BYERRUM	Platinum Consulting Group
NICHOLAS J. ARHONTES	Consultant
TOM BROZ	Citizens Advisory Committee
DAVE STUART	Citizens Advisory Committee
MARILYN THOMS	Citizens Advisory Committee
JANE RICE	Citizens Advisory Committee

2. **Public Communications to the Board.** None.

3. **Items Arising After Posting of Agenda.** None.

5. **Miscellaneous Matters.**

B. **Updating of Account Signature Authorizations.** Ms. OHLUND said this step was a followup to last month's action regarding banking services. Historically the District has required two Board signatures, and the Finance Committee has been looking at streamlining this while maintaining oversight, to address efficiency and Board member availability. Ms. OHLUND recommended requiring the signatures of one Board member and either the General Manager or Treasurer, with one signature permitted to be a facsimile. She noted that the Auditor suggests there be a materiality threshold. After discussion, it was the consensus that below \$20,000, either the General Manager or Treasurer's signature be required, and the signature may be a facsimile.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 781 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Authorizing Signatures For All Accounts and Rescinding Prior Resolution," as modified per the discussion above.

A. Nomination of President Doug Davert for Second Vice-President Seat on Independent Special Districts of Orange County (ISDOC) Board of Directors. President DAVERT said he would be seeking the Second Vice President seat rather than Third Vice President, due to the other candidates running.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 782 was adopted, entitled: "Resolution of the Board of Directors of East Orange County Water District Declaring Support For the Candidacy of President Doug Davert For The Second Vice-President Seat On the ISDOC Board Of Directors."

4. Workshop – Sewer / Improvement District 1 - Sewer System Policy And Management Overview.

Ms. OHLUND reviewed and responded to questions regarding a fact sheet in regard to ID 1 as well as a list of 10 attributes of effective utility management as they relate to the goals and objectives within ID 1.

Mr. ARHONTES then reviewed and discussed 11 elements of a sewer system master plan, which the District will need to adopt in January. Ms. OHLUND demonstrated how data importation from OCSD will be used in the Sedaru system for these efforts.

Ms. OHLUND said the Board will need to give direction on maintaining the policy regarding smaller, old restaurants in Tustin that haven't been required to comply with the FOG ordinance but are working with the City to manage FOG. A second issue is how to address requests for sewer connections by a number of septic system owners. President DAVERT said he was agreeable to staff's working on a plan, but not necessarily for the District to finance it. Ms. OHLUND said grant funding availability would be explored.

Director EVERETT left the meeting at this time.

Ms. OHLUND discussed a Browning Street subtrunk that was undersized. Since it had inadvertently been dropped from due diligence information reviewed for the transfer, OCSD was agreeable to providing engineering support, from the reserve.

Also discussed by Ms. OHLUND was retention of two new employees and the ongoing search for a wastewater supervisor. Mr. MENDZER is currently filling in and backup agreements with other agencies will be considered.

6. **Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 7:00 p.m., the next regular meeting being Thursday, August 18, 2016, at 5:00 p.m., to be held in the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

Joan C. Arneson

DRAFT

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
EAST ORANGE COUNTY WATER DISTRICT

August 18, 2016

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by DOUGLASS DAVERT, President of the Board of Directors, at 5:00 p.m. on Thursday, August 18, 2016, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JOAN ARNESON, Secretary, recorded the minutes of the meeting (General Manager OHLUND recorded the minutes for Item 9B).

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN and JOHN SEARS. Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
BILL VANDERWERFF	Former Member of the Board
JAYSON SCHMIDT	Chandler Asset Management
ART VALENZUELA	City of Tustin
BILL EVEREST	Consultant
NICHOLAS J. ARHONTES	Consultant
JOHN LEWIS	Lewis Consulting
JIM FISLER	Mesa Water
MIKE J. HERRERA	self

2. Public Communications to the Board. Mr. VANDERWERFF asked if there would be a briefing on the Service Area 7 sewer transfer. Ms. OHLUND said a workshop was held on August 9 but she would be happy to brief him.

3. Items Arising After Posting of Agenda. None.

4. Consent Calendar.

Item D was removed from the Consent Calendar. JIM FISLER was invited to address the Board. He expressed his appreciation for the Board's support of his candidacy for ISDOC Board President.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the District expressed its support JIM FISLER for ISDOC Board President.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the consent calendar actions were adopted as follows.

- A. Minutes: "THAT THE MINUTES OF THE JULY 21, 2016 MEETING BE APPROVED AS SUBMITTED"
- B. General Manager's Report: "THAT THE GENERAL MANAGER'S REPORT BE RECEIVED AND FILED"
- C. Introduction of new employees [informational]

6. Financial Matters.

D. Reserve Fund Investment Strategy. Ms. OHLUND reported that the recommended strategy stressed safety and liquidity before yield. Mr. SCHMIDT presented and discussed proposed strategies in the current interest rate environment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the Chandler Asset Management, Inc., short- and long-term reserve fund investment strategy was approved.

5. Operation, Management and Construction Matters.

A. Wastewater discharge regulations – an Ordinance of the Board of Directors of the East Orange County Water District Establishing Wastewater Discharge Regulations.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), it was determined that the ordinance be introduced and read by title only, further reading of the ordinance was waived, and the Secretary was directed to place the ordinance on the agenda for the September 15, 2016 meeting for second reading and adoption."

Ms. ARNESON read the title of the ordinance.

B. FOG Program regulations – an Ordinance of the Board of Directors of the East Orange County Water District Adopting Fats, Oils and Grease Control Regulations Applicable to Food Service Establishments.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), it was determined that the ordinance be introduced and read by title only, further reading of the ordinance was waived, and the Secretary was directed to place the ordinance on the agenda for the September 15, 2016 meeting for second reading and adoption."

Ms. ARNESON read the title of the ordinance.

C. Part-Time Intern Assistance For Operations and Administration. Ms. OHLUND said she was not yet certain what level of assistance will be needed.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), funding was approved for part-time operations and administration interns.

D. Award of Contract for Records Management. Ms. OHLUND said the system will be used on the District's server and will make responding to public records requests more efficient.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), a contract was approved for purchase of records management system from ECS/LASERFICHE for a price of \$21,150.

6. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$494,776.90 from Wholesale and Retail Operating Funds, \$1,157.24 for directors' payroll, and \$46,247.82 for employees' payroll.

B. Investment Report/ Ratification of Investment Activity. Schedules of investments were presented.

C. Financial Statements (June 30). The financial statements were presented.

President DAVERT reported that the Finance Committee recommended approval of the schedule of disbursements and investment schedules, and receipt and filing of the financial statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), the schedules of disbursements were approved as submitted, the schedules of investments were ratified and approved, and the financial statements were received and filed.

7. Miscellaneous Matters.

A. Reports from Committees and Representatives to Organizations. None.

B. Directors' Reports on Meetings Attended. None.

C. Wholesale and Retail Water Usage. Ms. OHLUND reported that usage was up. Outreach efforts are planned.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), the wholesale and retail water usage report was received and filed.

D. Drought Report. Ms. OHLUND said she had nothing to add to her report.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), the drought report was received and filed.

8. Informational Items.

A. General Interest Publications. Included were: *Maven's Notebook/TED X Talk," 4 Ways We Can Avoid a Catastrophic Drought;" Courthousenews.com," Polluted Stormwater Isn't Owned by Bay Area Cities, Monsanto Says;"* and "CBSLocal.com: "Will California Be On The Hook For \$16 Billion Delta Tunnels Project?"

President DAVERT reported that a District election will not be held in November as only he and Director Sears filed for the available seats.

9. Closed Sessions. President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows: **(A)** conference with consultant to discuss threat to public services or facilities pursuant to Government Code Section 54957(a)); **(B)** conference with Legal Counsel – existing litigation pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9 – *Irvine Ranch Water District v. Orange County Water District*, Case No. 30-2016-00858584-CU-WM-CJC.

Ms. ARNESON left the meeting after item 9(A).

OPEN SESSION

Open session was resumed, with Directors BELL, DAVERT, DULEBOHN and SEARS present. No action was reported from the closed session.

10. Adjournment.ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:40 p.m., the next regular meeting date and time being Thursday, September 15, 2016, at 5:00 p.m., to be held in the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

Joan C. Arneson

EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER'S REPORT

September 2016

The following report is a summary of the District's activities over the past month.

GENERAL MATTERS

Reviewed correspondence, conferred with customers regarding billing issues and vendors/other interested parties regarding business with the District, and met with staff members regarding daily activities and on-going projects.

SEWER

A. ID1 Update

Personnel

- Held interviews for Sewer Supervisor; selected candidate declined offer
- New employees completed onboarding and initial safety training
- Three staff members now hold Class B licenses.
- Performance Pipeline provided Hot Spots cleaning for August in addition to routine cleaning of Cleaning Area #7.

Activities

- Held 5 sewer meetings with OCSD staff (3 weekly and 2 special meetings)
- Held 8 internal sewer meetings (4 weekly, 4 special)
- Held one Special Meeting with Board of Directors
- Continued meeting re: 116 structural repair issues with OCSD
- Responded to 10 sewer spill call-outs (1 actual spill)
- Filed insurance claims for 1 house sewer spill and 2 manhole accidents
- Continued work with SEDARU to refine system.
- Obtained additional FOG record
- Began emergency manhole assessment program to limit further manhole accidents; visually inspecting all 3,800 manholes
- Arranged the repair of 10 manholes by Ayala Engineering
- Reviewed and monitored dig and replace sewer project and Limetree & Shepard Way
- Transmitted draft shared service contract to City of Orange for their review and comment.
- Submitted first SSMP submittal to state
- Received tools and safety equipment for sewer crew
- Finalized security system plan for sewer and water yards.
- Responded to 3 reports of plumbers root cutting and pushing roots into main line
- Met with residents on Via del Lago that are on septic systems and want to connect to sewer system
- Began processing 10 sewer and water systems permits; issued one permit.
- Developed RFP for general engineering wastewater services and issued it to 8 firms
- Obtained approximately 10'x10' of record drawings and other records from OCSD.

WHOLESALE ZONE

A. Peters Canyon (6 MG) Reservoir Status Update

Security System – Security system connection to internet is at a standstill pending resolution with Crown Castle/AT&T.

Reservoir Roof – ADE Consulting submitted value engineering report on 6 MG Reservoir Roof repair; recommendations under review at Engineering Committee.

Leak Detection System: Work on equipment installation is being coordinated with SCADA work on the new meter installed on the inlet pipe at Peters Canyon Reservoir. Work is anticipated to be completed by the end of October.

B. OC-43/Walnut Takeout Vault Rehabilitation/Replacement

No activity has occurred on this issue.

C. Treatment Plant Feasibility Study Update

Staff is examining the potential for alternative funding sources for the plant through Townsend Public Affairs; alternative project delivery is also being examined. More information will be presented to the Board at an upcoming meeting.

D. OC-70 Meter Test Comparison

Background: An ongoing issue in the Wholesale Zone has been “unaccounted-for water.” For several years, staff has been investigating the seeming “loss” of millions of gallons of water each month – so much water in fact, that it would be creating large lakes somewhere if it was entering and escaping our system.

Over the past several years, staff has conducted many analyses and failed to find a cause or a pattern of loss that yielded clues as to the cause. After exhausting all reasonable possibilities on the District's side of the meter, we contacted MWDOK staff and sought their assistance in setting up a meeting with MWDSC (MET) to determine if the problem is on their side of the meter.

On June 2, 2015 staff/MWDOK held their first meeting with MET staff to review the history of this problem and the efforts that EOCWD has gone to find the cause. As a result of that meeting MET staff agreed to examine their meter, calibration and design of the meter installation.

A second meeting was held on July 20, 2015 with MET to further review MET's investigation; MET suggested that more investigation work be performed over the next month to better determine whether these discrepancies are related to meter error. Some recommendations that came out of the meeting were to pull the existing meter and inspect it for possible irregularities as well as inspect the check valve downstream of the meter to ensure it is holding tight during pumping conditions; EOCWD staff is working with MET staff to make operational arrangements so that the meter and check valves can be physically removed and examined. This work was initially scheduled for early September, however, no date has yet been identified.

On October 22, 2015 EOCWD staff met with MWDOK and MET staff to review and provide feedback on Met's draft test plan which identifies a step by step process of looking at various

components at the OC-70 pump station that could be causing the metering inaccuracies. A multi-step plan to determine the source of the error has been established and requires that staff isolate the Peters Canyon Reservoir during the first week of December to enable MWD to perform a thorough simultaneous flow test of the MWD meter, comparing it directly against the EOCWD 20" magnetic flow meter under varying scenarios. MWD Staff will be on hand at both locations to record readings. Various tests will be performed over a three-day period; EOCWD staff will be on-hand to observe.

On Monday, November 23, 2015 MWD staff sent an email to MWDOC stating that they had an issue with the EOCWD magmeter installation and wanted to proceed with inspecting their Venturi meter at OC-70 and their check valve. On Tuesday, November 24th, EOCWD staff participated in a conference call with MWDOC and MWD staff to discuss the issue. The outcome of that discussion was that MWD requested EOCWD relocate our existing mag meter so that a minimum of 18 feet (pipe diameter x 10) of straight pipe existed both upstream and downstream of the meter to eliminate the possibility of any interference to the meter; this would be an approximately \$20,000 expense for EOCWD. MWD asserts that there is too much interference to the mag meter in its current location with the isolation valve and 90 degree bend being too close.

At the January 14, 2016 Engineering Committee Meeting, staff discussed the concerns it had installing a vault and meter at the toe of the dam and discussed alternatives and rain delays for this project. Staff was directed to get pricing on a new 24" magnetic flow meter to install on the inlet line of the reservoir outside of the area near the dam face. Staff will be reporting back to the Committee on the costs for the meter purchase and installation.

At the February 15, Engineering and Operations Committee Meeting, staff reviewed the actions taken since the last meeting. The 24" magnetic flow meter has been ordered; delivery of the meter is expected by the middle of March. While waiting for the meter to arrive, staff will confirm with MWD that the installation location is acceptable and proceed with the vault installation. Once received, the meter will then be installed and tested. Coordination with MWDOC/MWD will be continued to perform a meter comparison flow test.

Staff submitted drawings and specifications to MWDOC for the new 24" magnetic flow meter as well as a site drawing showing the proposed location where the meter is to be installed. A meeting with MWDOC and MWD staff has been scheduled for March 23rd to enable them to perform a field inspection of the proposed meter installation location and to verify that it meets their standards. Once MWD has verified and accepted the location, staff will proceed with the work to install the vault and meter. A target date for completion of the meter installation is the second week of April.

On March 23rd, staff met with representative from MWDOC and MWD to perform a site visit at the Peters Canyon reservoir. The purpose of this meeting was to show MWD staff where the new 24" magnetic flow meter was to be installed. MWD staff agreed that the location was acceptable and emphasized that the installation should meet the manufacturer's specifications.

On April 15th, Staff received 100% plans and specs for meter vault and piping connections from Steve Andrews Engineering (SAE). Staff reviewed and provided final comments on May 5th. Revised drawings were received on May 9th. Staff is currently preparing requests for bid to construct the vault. Bids are expected by the end of May with construction beginning during the first part of June 2016.

Staff received bids for the construction of the vault. Unfortunately, the bids were much higher than anticipated. Staff decided to re-evaluate the design of the vault and reduce the size considerably thereby reducing the construction cost. Staff received and approved a proposal from Champion Paving to construct a pour in place vault structure at a cost of \$9,680. This work is scheduled for the 3rd week of July. Staff will be installing the 24" magnetic flow meter the week prior to the vault construction.

Update: Staff successfully installed the new meter on September 8th. The installation work included removing an 8 foot section of existing 24" pipe and installing a new 4 foot spool piece bolted to the meter. The spool piece was necessary to match the inside diameter of the mag meter to ensure metering accuracy. Staff will complete the electrical work the week of August 12th. SCADA work will be scheduled the following week along with the vault work.

E. Handy Creek Road

The Irvine Community Development Company/The Irvine Company has sent a letter indicating that they are contesting the installation of the fiber internet line to the District reservoir (and two cell towers). District counsel is looking into the issue.

F. WZ Connection Permits

None to report.

RETAIL ZONE

1) East Orange DroughtReach™ Program

The conservation reduction for August was 20% (from 2013), exceeding our 15% mandatory requirement.

2) Well / Booster Station Operations

East Well – For August, 100% of the Retail Zone demand was met using groundwater. Total retail demand was 86.7 acre feet (AF).

West Well Project – The West Well has been offline since February 2013 due to a worn pump assembly; the East Well can and has been meeting our RZ demand, augmented by imported water purchases. Staff contracted with General Pump Company to install a new water lubricated pump and column assembly. General Pump was awarded the contract and was issued a Notice to Proceed on July 13th. The contractor completed the installation work of the West Well pump and motor the first week of September. Water quality samples will be collected this week to verify that there is no bacteriological presence in the well. Once this has been confirmed, the Division of Drinking Water will be notified before returning the well to service.

Barrett Booster Pump Replacement – The 75HP booster pump has been offline since February 2013 as it runs in tandem with the West Well. Due to the time differential between the contractors ability to perform the work on the West Well and the lead time required in ordering the 75HP Barrett Booster pump replacement, the West Well and Booster Replacement project will be done separately. At the April Engineering and Operations Committee meeting, staff

recommended awarding the booster pump replacement project to Orange County Pump. The new pump was installed the week of August 15 and is operational.

Well Levels - Well water levels are continuing to drop. The East Well pumping water level has fallen another 5 feet since the first week of August to the first week of September. The pumping water level is currently at 273 feet BGS (below ground surface). Staff will continue to closely monitor the levels. Please note that pumping water levels have been as low as 297 feet back in July 2014.

3) Pressure Reducing Station Rehabilitation –

Staff solicited proposals from two engineering firms to design the rehabilitation of the Orange Knoll and Circula Panorama pressure regulating stations. After review, staff recommended RCE Consultants at a cost of \$19,000. The Operations & Engineering Committee approved staff's recommendation. RCE submitted 90% plans on May 13th. Staff reviewed and provided comments on May 10th. RCE provided 95% plans on May 11th.

Update: The Orange Knoll PRS is located on the City of Tustin's reservoir site within a dedicated EOCWD water easement. The new Orange Knoll PRS was designed above ground which is a change from the original design; Tustin requires review of our easement prior to giving project approval. We anticipate that approval will be provided by the end of September and we can proceed with finalizing the plans and bidding the project.

4) System Leaks

None to report.

5) Water Availability Request/Connection Permits

None.

JOINT SYSTEM (WZ & RZ) ACTIVITIES

Water Loss Audit

WSO will be out in late October to develop a specific strategy for addressing the most significant water loss occurring within our system.

SEDARU

Please see the attached Sedaru work report that provides information on work staff is performing and the types of customer interactions that staff are having.

A. Monthly Operations Activities

- Requested bids for slurry seal work and asphalt work (Superintendent)
- Attend 2 weekly sewer meetings (Superintendent)
- Attended meeting with OCSD staff (Superintendent)
- Interviewed candidates for Sewer Supervisor (Superintendent)
- Attended community outreach meetings (staff)

General Manager's Report – September 2016

- Met with contractors and inspected work for West Well and booster station (Superintendent)
- Worked on 24" mag meter project (staff)
- Trained on sewer trucks with OCSD staff
- Responded to sewer calls (staff)
- Met with Dukes Roots for demonstration (staff)
- Interviewed engineering firms (staff)
- Ordered misc. sewer supplies and tools (superintendent)
- Picked up records from OCSD (staff)
- Filed and certified CIWQS SSO report (staff)
- Met with JPIA representative for annual risk review (staff)
- Gas detector training with West Coast Safety (staff)

Weekly Tasks

- Attend weekly safety meetings (All field staff)
- Reviewed sewer cleaning operations with OCSD
- Performed weekly water quality sampling
- Measure static and pumping water levels in wells.
- Performed USA locations
- Responded to utility requests from the County and city of Orange
- Picked up water quality supplies and changed reagent bottles
- Clean-up, organize and restock service trucks
- Clean-up and organized shop
- Vehicle maintenance

Monthly Tasks

- Attend monthly staff meeting with General Manager (all employees)
- Attend committee meetings – Operations and Engineering (Superintendent)
- Prepared monthly CDPH water quality reports
- Prepared monthly CRWQCB report for well discharge
- Report retail water system production to State
- Performed dead-end flushing
- Read WZ meters
- Check WZ meter data; assist with preparation of WZ Billing
- Delivered Board agenda packages
- Participated in WEROC radio test

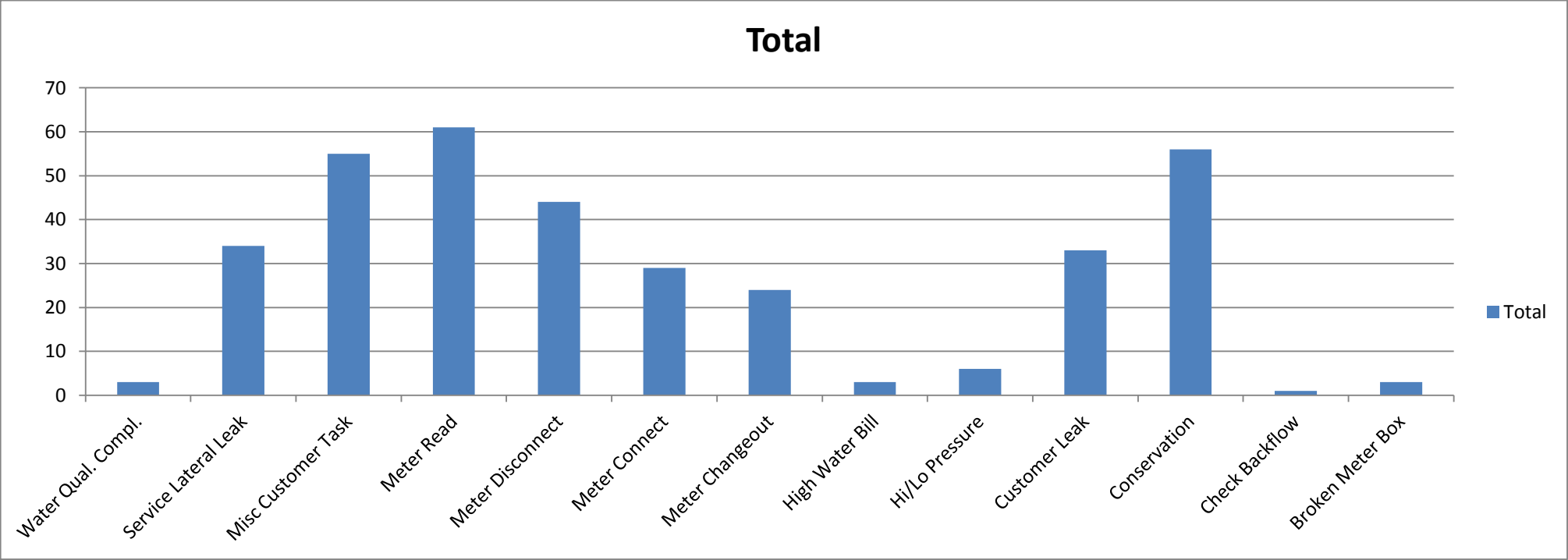
EOCWD Customer Work

YEAR (All)

Count of workdate	Column Labels												
Row Labels	SEP	OCT	NOV	DEC	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUNE 2016	JULY2016	AUGUST 2016	Grand Total
jmendzer	6	11	9	15	2	8		1	11	3		9	75
mnguyen				9	13	8	1	7	8				46
mplummer	5	28	17	10	8	14	6	17	27	41	19	29	221
tcoston	11												11
Grand Total	22	39	26	34	23	30	7	25	46	44	19	38	353

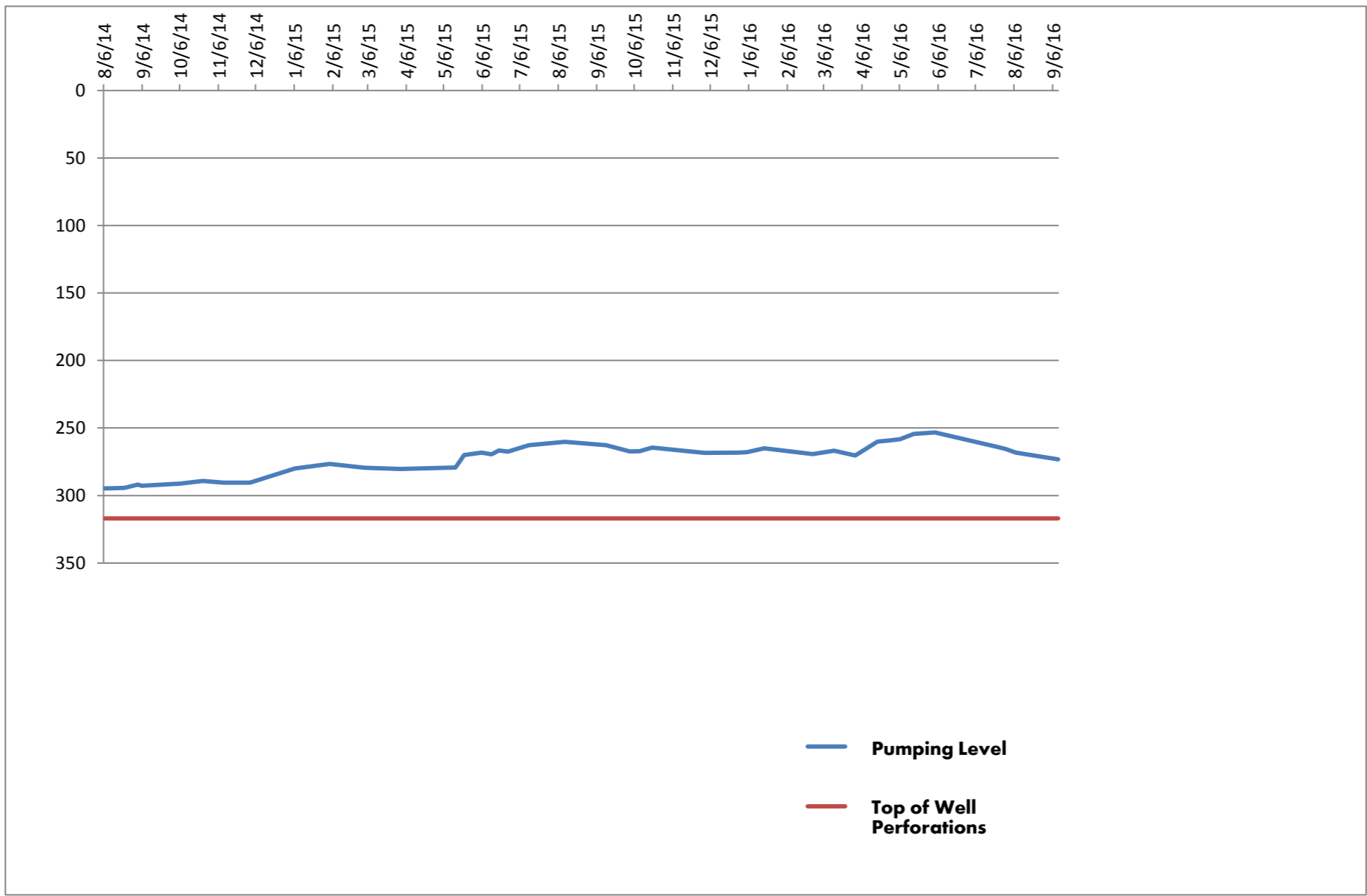
YEAR (All)

Count of workdate	Column Labels												
Row Labels	SEP	OCT	NOV	DEC	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUNE 2016	JULY2016	AUGUST 2016	Grand Total
Broken Meter Box						2		1					3
Check Backflow									1				1
Conservation	4	6	12	11	5	1	1	3	7	1	5		56
Customer Leak	2	3		1	1	1	3	4	4	8	3	3	33
Hi/Lo Pressure			2			1		1		1	1		6
High Water Bill					1					2			3
Meter Changeout	2	3	1		3	4			4			7	24
Meter Connect	3	3	1	3	1	3		3	4	7		1	29
Meter Disconnect	4	10		4		6		4	2	9	1	4	44
Meter Read	1	2	6	8	9	2	2	5	9	3	6	8	61
Misc Customer Task	3	3		7		6	1	3	12	11	2	7	55
Service Lateral Leak	3	9	4		2	4		1	3	1		7	34
Water Qual. Compl.					1						1	1	3
Get Backflow Info										1			1
Grand Total	22	39	26	34	23	30	7	25	46	44	19	38	353



EAST ORANGE COUNTY WATER DISTRICT

East Well Pumping Water Level		
Jan. 15, 2014	276.8	317
April 9, 2014	276.9	317
May 6, 2014	280.3	317
July 8, 2014	296.8	317
July 14, 2014	296.2	317
July 16, 2014	295.1	317
July 31, 2014	293.7	317
August 6, 2014	294.7	317
August 22, 2014	294.4	317
September 2, 2014	291.9	317
September 5, 2014	292.8	317
October 6, 2014	291.1	317
October 24, 2014	289.3	317
November 10, 2014	290.5	317
December 1, 2014	290.5	317
January 6, 2015	280	317
February 3, 2015	276.6	317
March 3, 2015	279.5	317
April 1, 2015	280.3	317
May 15, 2015	279.2	317
May 22, 2015	270	317
June 5, 2015	268.3	317
June 13, 2015	269.5	317
June 19, 2015	266.7	317
June 26, 2015	267.5	317
July 13, 2015	262.8	317
August 11, 2015	260.3	317
September 13, 2015	262.8	317
October 2, 2015	267.3	317
October 10, 2015	267.1	317
October 20, 2015	264.5	317
December 1, 2015	268.5	317
December 28, 2015	268.3	317
January 4, 2016	267.8	317
January 18, 2016	265	317
February 26, 2016	269.3	317
March 14, 2016	266.8	317
March 31, 2016	270.3	317
April 18, 2016	260	317
April 28, 2016	259.1	317
May 6, 2016	258.3	317
May 17, 2016	254.3	317
June 3, 2016	253.3	317
July 23, 2016	264.0	317
July 30, 2016	265.6	317
August 7, 2016	268.2	317
September 10, 2016	273.3	317



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: DISTRICT TREASURER AND ACCOUNTING SERVICES MASTER AGREEMENT – PLATINUM CONSULTING SERVICES
DATE: SEPTEMBER 15, 2016

BACKGROUND

Platinum Consulting Group (PCG) has provided general accounting services to the District since January 2013 and District Treasurer services since August 2015.

PCG principal Cindy Byerrum, CPA provides Treasurer services, oversight of financial statement preparation and audit preparation and coordination with the auditor, while Josh Byerrum, CPA prepares the financial statements and oversees District staff's bookkeeping records. Additionally, they have provided specialized services such as their assistance in reviewing and recommending the financial software we upgraded to in 2014 (QuickBooks), and the assistance they provided in reviewing and recommending an investment manager (Chandler Asset Management) and our new bank (Citizen's Business Bank). Their services are excellent and valued by the District.

We have been contracting with Platinum through an annual engagement letter, however due to the continuing nature of these services and the responsibility and accountability inherent in them, it is preferable to enter into a Master Agreement that better defines the terms under which both parties agree the services will be provided. Going forward, they would operate under this agreement and funding would be annually approved through the budget approval process.

The attached Master Agreement provides a listing of the primary Treasurer and accounting services that PCG currently provides as well as other services that may be necessary such as assistance with debt financing and their associated financial plans.

The Finance Committee reviewed this subject at their September 12, 2016 meeting and recommended that the Board approve the agreement.

FINANCIAL IMPACT

Total funding (Retail Zone, Wholesale Zone and ID1) of \$68,600 for PCG services is available in Account No.s 5263-10, 5263-20, 5263-30 and 5264-10, 5264-20, 5264-30.

RECOMMENDATION

The Board approve the Master Agreement for Ongoing Treasurer and Accounting Services Between East Orange County Water District and Platinum Consulting Group.

MASTER AGREEMENT
FOR ONGOING TREASURER AND ACCOUNTING SERVICES
BETWEEN EAST ORANGE COUNTY WATER DISTRICT
AND PLATINUM CONSULTING GROUP

THIS MASTER AGREEMENT is made and entered into on this 15th day of September, 2016, by and between East Orange County Water Client, hereinafter referred to as "Client," and Platinum Consulting Group, a California corporation, hereinafter referred to as "Consultant."

RECITALS:

WHEREAS, Client desires that from time to time Consultant furnish Client certain consulting treasurer and accounting services;

WHEREAS, Consultant has available and offers to provide personnel and facilities necessary to perform the services desired under this Agreement;

NOW, THEREFORE, Client and Consultant agree as follows:

I. DESCRIPTION OF SERVICES

Services to be provided shall be as requested from time-to-time by Client staff or members of Board Committees or of the Board of Directors as designated under Section III of this Agreement and shall be governed by the terms of this Agreement. Some examples of specific services are as follows:

Treasurer Services

1. Periodic investment of funds at the direction of the Board of Directors or the Finance Committee.
2. Annually review the Client's investment policy, and as needed submit recommended revisions to the Finance Committee, including revisions to address any changes in State of California public agency investment regulations, and the potential impacts on Client. Maintain current general knowledge of types of permitted investments for public agencies.
3. Preparation of monthly Treasurer's Reports, under the guidelines specified by Client's Investment Policy and the requirements of the State of California for reporting investments and investment returns.
4. Monitoring the maturities of Client's investments and alerting Client's ninety (90) days in advance of maturing investments.

MASTER AGREEMENT – PLANTINUM CONSULTING GROUP

5. Transfer of funds between accounts at the request of Client's staff to facilitate bill payments.
6. Attend and participate in the annual audit interview between the Finance Committee and the independent auditor.
7. Provide any and all information requested by the independent auditor during the annual Client's audit.

B. Optional services, to be performed only on specific authorization, are as follows:

1. Provide periodic information and recommendations regarding investments as requested by the Board, Committee or Client's staff
2. Provide assistance with borrowing or issuance of debt of Client.
3. Other services as requested in writing under separate engagement letter.

Accounting Services

1. Month-end closing of the Client's accounting books and records, including cash receipts and adjusting journal entries.
2. Monthly financial statements and budget analysis.
3. Year-end closing of the Client's accounting books and records in accordance with Generally Accepted Accounting Principles.
4. Preparation of all adjusting entries and year-end and/or interim schedules for the auditors.
5. Presence at the Client's offices while the Client's independent auditors are performing on-site year-end and interim field work.
6. Monthly reconciliation of all Client banking and investment accounts.
7. Monthly overview, analysis and/or reconciliation of the Client's General Ledger accounts.
8. Periodic review of the Client's internal accounting/financial control structure.
9. Assistance with the preparation of the annual budget, including all meetings with Client staff and Board of Directors that may be required by the Client.
10. Preparation of a mid-year budget review and update.
11. Attendance at all meetings as needed.

We can also provide the following services that the Client may need in the future, such as:

1. Assistance with banking services evaluation and transfer of accounts.
2. Review or preparation of rate analyses and creation of long range financial plans.
3. Assistance with the implementation of financing plans/bond issuances.
4. Review, evaluate and recommend financial system migrations should there be a need
5. Annual rate and fee evaluation
6. Development of comprehensive financial policy manuals and individual policies (such as reserve policies).

MASTER AGREEMENT – PLANTINUM CONSULTING GROUP

7. Assisting Client staff in the preparation of requests for proposals in those instances where Client deems that to be appropriate;

II. SCOPE OF CONSULTANT SERVICES

Consultant agrees to perform those basic services described in Section I as requested from time-to-time by Client staff or members of Board Committees or of the Board of Directors (the “Services”).

This Agreement provides the terms, obligations and conditions which shall control all work unless specifically overridden by a separate agreement regarding a specific project.

III. RESPONSIBILITIES OF CLIENT

In addition to payment for the Services performed under this Agreement, Client shall:

1. Assist and cooperate with Consultant as necessary and within its ability to facilitate Consultant’s performance under this Agreement.
2. Designate the Client General Manager or other appropriate person to act as Client’s representative with respect to this Agreement. The designated person shall have complete authority to transmit instructions, receive information, interpret and define Client’s policies, make decisions and execute documents on Client’s behalf.
3. Furnish Consultant with all pertinent data in Client’s possession including, but not limited to, all bank or other financial institution statements and all applications for accounts at banks and financial institutions, and any other information required by, or useful to, Consultant in performance of its Services under this Agreement. Consultant shall be entitled to rely upon the information supplied by Client.
4. Notify Consultant of any known actual or known potential financial issues or accounting problems existing within the Client business operations.

Client will require the contractor to name Consultant, its directors, officers and employees as additional insureds on the contractor's general and professional liability insurance.

The certificates shall provide that Consultant be given 30 days' written notice prior to any cancellation thereof.

5. Prepare budget reports for the County of Orange, and special obligatory reports to other agencies and regulatory authorities.
6. Monitor liquidity needs and keep Consultant advised of such needs.
7. Maintain custody of financial documents, such as bank reconciliations, insurance policies and bonds.
8. Prepare annual budgets and rate analyses.

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9. Prepare internal accounting controls, including such controls as may be implemented at the recommendation of the independent auditor.
10. Prepare payroll and other disbursements; necessary withholdings, contributions and disbursements for tax, PERS and other purposes.

IV. AMERICANS WITH DISABILITIES ACT

Any other provision of this Agreement to the contrary notwithstanding, unless otherwise specified in the Scope of Services, Client shall have sole responsibility as between Client and Consultant for compliance with the Americans With Disabilities Act (“ADA”) 42 U.S.C. 12101 et. Seq. and the related regulations.

V. AUTHORIZATION AND COMPLETION

In signing this Agreement, Client grants Consultant specific authorization to proceed with any requested work.

VI. COMPENSATION

For the requested Services, Client agrees to pay, and Consultant agrees to accept total compensation in accordance with compensation terms included in this Agreement. Consultant shall provide Client with a breakdown of monthly tasks and the associated time to complete them. Time charges shall be in accordance with the Time and Expense Rate Schedule contained in Exhibit A. The rate schedule shall be revised annually. Annual revisions to the Rate Schedule shall be submitted prior to the date that they take effect. The revised Rate Schedule shall take effect unless written notice is received from the Client that the revised rates are not accepted. Compensation shall be billed monthly. Payment to Consultant is due upon presentation of invoice to Client.

As long as Consultant has not defaulted under this Agreement, Client shall pay Consultant within 45 days of the date of Consultant’s invoices for services performed and reimbursable expenses incurred under this Agreement. If Client has reason to question or contest any portion of any such invoice, amounts questioned or contested shall be identified and notice given to Consultant within 30 days of the date of the invoice. Any portion of any invoice not contested shall be deemed to be accepted and approved for payment and shall be paid to Consultant within 30 days of the date of the invoice. The Client agrees to cooperate with Consultant in a mutual effort to resolve promptly any contested portions of the Consultant’s invoices.

In the event any uncontested portions of any invoice are not paid within 30 days of the date of Consultant's invoice, interest on the unpaid balance shall accrue beginning with the 31st day at the maximum interest rate permitted by law.

VII. RESPONSIBILITY OF CONSULTANT

1. Standard of Care—Professional Services

Subject to the limitations inherent in the agreed scope of work as to the degree of care, amount of time and expenses to be incurred, and subject to any other limitations contained in this Agreement, Consultant shall perform its Services in accordance with due professional care customarily utilized for nonattest engagements by competent Certified Professional Accountancy firms in effect at the time Consultant's Services are rendered. Consultant does not expressly or impliedly warrant or guarantee its Services. Consultant will not be responsible for the prevention or detection of fraud.

2. Reliance upon Information Provided by Others

If Consultant's performance of services hereunder requires Consultant to rely on information provided by other parties, Consultant shall not independently verify the validity, completeness, or accuracy of such information unless otherwise expressly engaged to do so in writing by Client.

IX. CONSULTANT'S WORK PRODUCT

A. Scope

Consultant's work product which is prepared solely for the purposes of this Agreement, whether in hard copy or electronic form, shall become the property of Client when Consultant has been fully compensated as set forth herein. Consultant may keep copies of all work product for its records.

Consultant and Client recognize that Consultant's work product submitted in performance of this Agreement is intended only for the work described in this Agreement. Client's alteration of Consultant's work product or its use by Client for any other purpose shall be at Client's sole risk, and Client shall hold harmless and indemnify Consultant against all losses, damages, costs and expense, including attorneys' fees, arising out of or related to any such alteration or unauthorized use.

B. Electronic Copies

Consultant will provide copies of its work product documents in PDF or other mutually agreed format, of all correspondence, documents and any other written information submitted to Client.

X. INDEMNIFICATION

A. Indemnification of Client

Consultant agrees to indemnify, defend, and hold Client harmless from and against any liability to the extent arising out of the negligent errors or negligent omissions of

MASTER AGREEMENT – PLANTINUM CONSULTING GROUP

Consultant, its agents, employees, or representatives, in the performance of Consultant's duties under this Agreement.

B. Consequential Damages

Regardless of any other term of this Agreement, in no event shall either party be responsible or liable to the other for any incidental, consequential, or other indirect damages.

XI. CONSULTANT'S INSURANCE; FAITHFUL PERFORMANCE BOND

Consultant shall procure and maintain the following minimum insurance:

1. Commercial general liability insurance, including personal injury liability, blanket contractual liability and broad-form property damage liability coverage. The combined single limit for bodily injury and property damage shall be not less than \$1,000,000.
2. Automobile bodily injury and property damage liability insurance covering owned, non-owned, rented, and hired cars. The combined single limit for bodily injury and property damage shall be not less than \$1,000,000.
3. Statutory workers' compensation and employer's liability insurance as required by state law.
4. Professional liability insurance. The policy limit shall be not less than \$1,000,000.
5. Fidelity bond coverage not less than \$5,000,000.

Consultant shall submit to Client certificates of insurance for the policies listed above. The certificates shall provide that the insurance company gives written notice to Client at least ten days prior to cancellation of the policy.

XII. CONFIDENTIALITY

Consultant agrees it will maintain the confidentiality of material it receives from Client which Client has clearly identified as "Confidential" and will not disclose, distribute, or publish to any third party such confidential information without the prior permission of Client. Notwithstanding the foregoing, Consultant shall have no confidentiality obligation with respect to information that:

- 1) is a public record or becomes generally available to the public other than as a result of disclosure by Consultant or its agents or employees;
- 2) was available to Consultant on a non-confidential basis prior to its disclosure by Client;
- 3) becomes available to Consultant from a third party who is not, to the knowledge of Consultant, bound to retain such information in confidence.

MASTER AGREEMENT – PLANTINUM CONSULTING GROUP

In the event Consultant is compelled by subpoena, court order, or administrative order to disclose any confidential information, Consultant shall promptly notify Client and shall cooperate with Client prior to disclosure so that Client may take necessary actions to protect such confidential information from disclosure.

XIII. SUBCONTRACTS

Consultant shall not be entitled to subcontract any portion of the services to be performed under this Agreement.

XIV. SUSPENSION OF WORK

Work under this Agreement may be suspended as follows:

1. By Client. By written notice to Consultant, Client may suspend all or a portion of the Work under this Agreement if unforeseen circumstances beyond Client's control make normal progress of the Work impracticable. Consultant shall be compensated for its reasonable expenses resulting from such suspension. If suspension is greater than 90 days, then Consultant shall have the right to terminate this Agreement in accordance with Article XV, Termination of Work.
2. By Consultant. By written notice to Client, Consultant may suspend the Work if Consultant reasonably determines that Client is in violation of applicable laws, or for other circumstances not caused by Consultant that are interfering with the normal progress of the Work. Consultant's suspension of Work hereunder shall be without prejudice to any other remedy of Consultant at law or equity.

XV. TERMINATION OF WORK

- A. This Agreement may be terminated by Client as follows: (1) for its convenience on 30 days' notice to Consultant, or (2) for cause, if Consultant materially breaches this Agreement through no fault of Client and Consultant neither cures such material breach nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to Consultant.
- B. This Agreement may be terminated by Consultant as follows: (1) for cause, if Client materially breaches this Agreement through no fault of Consultant and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Consultant has given written notice of the alleged breach to Client, or (2) upon five days' notice if work under this Agreement has been suspended by either Client or Consultant for more than 30 days in the aggregate.
- C. Payment upon Termination
In the event of termination, Consultant shall perform such additional work as is reasonably necessary for the orderly closing of Work. Consultant shall be compensated for all work performed prior to the effective date of termination,

MASTER AGREEMENT – PLANTINUM CONSULTING GROUP

plus work required for the orderly closing of the Work, including: (1) authorized work performed up to the termination date plus termination expenses, including all labor and expenses, at Consultant's standard billing rates, directly attributable to termination; (2) all efforts necessary to document the work completed or in progress; and (3) any termination reports requested by Client.

XVI. ASSIGNMENT

This Agreement is binding on the successors and assigns of the parties hereto. This Agreement may not be assigned by Client or Consultant without prior, written consent of the other.

XVII. NO BENEFIT FOR THIRD PARTIES

The services to be performed by Consultant are intended solely for the benefit of Client, and no benefit is conferred on, nor contractual relationship established with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on Consultant's services, opinions, recommendations, plans, or specifications without the express written consent of Consultant. No right to assert a claim against the Consultant, its officers, employees, agents, or consultants shall accrue to any subcontractor, supplier, manufacturer, lender, insurer, surety, or any other third party as a result of this Agreement or the performance or nonperformance of the Consultant's services hereunder.

XVIII. FORCE MAJEURE

Consultant shall not be responsible for delays caused by circumstances beyond its reasonable control, including, but not limited to (1) strikes, lockouts, work slowdowns or stoppages, or accidents, (2) acts of God, (3) failure of Client to furnish timely information or to approve or disapprove Consultant's instruments of service promptly, and (4) faulty performance or nonperformance by Client, Client's independent consultants or contractors, or governmental agencies. Consultant shall not be liable for damages arising out of any such delay, nor shall the Consultant be deemed to be in breach of this Agreement as a result thereof.

XIX. INTEGRATION

This Agreement represents the entire understanding of Client and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties. Any purchase order issued by Client, whether or not signed by Consultant, and any terms and conditions contained in such purchase order which are inconsistent with this Agreement shall be of no force and effect.

MASTER AGREEMENT – PLANTINUM CONSULTING GROUP

XX. SEVERABILITY

If any part of this Agreement is found unenforceable under applicable laws, such part shall be inoperative, null, and void insofar as it conflicts with said laws, but the remainder of this Agreement shall be in full force and effect.

XXI. CHOICE OF LAW/JURISDICTION

This Agreement shall be administered and interpreted under the laws of the state of California. Jurisdiction of litigation arising from the Agreement shall be in the County of Orange.

XXII. ATTORNEYS' FEES

In the event either party commences legal proceedings against the other, then the prevailing party shall, in addition to any other recovery, be entitled to recover its reasonable attorneys' fees and all other costs of such proceeding.

XXIII. NOTICES

All notices required under this Agreement shall be delivered by email, personal delivery or mail and shall be addressed to the following persons:

Cindy Byerrum, CPA
Principal Consultant
Platinum Consulting Group
P.O. Box 10246
Fullerton, CA 92835
Cindy@PCGCLIENT.COM

General Manager
East Orange County Water Client
185 N. McPherson Road
Orange, CA 92869
Fax: (714) 538-0334
admin@eocwd.com

Notice shall be effective upon delivery to the above addresses. Either party may notify the other that a new person has been designated by it to receive notices, or that the address or Fax number for the delivery of such notices has been changed, provided that, until such time as the other party receives such notice in the manner provided for herein, any notice addressed to the previously-designated person and/or delivered to the previously-designated address or Fax number shall be effective.

XXIV. AUTHORIZATION

The persons executing this Agreement on behalf of the parties hereto represent and warrant that the parties have all legal authority and authorization necessary to enter into this Agreement, and that such persons have been duly authorized to execute this Agreement on their behalf.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MASTER AGREEMENT – PLANTINUM CONSULTING GROUP

CONSULTANT: PLATINUM CONSULTING
GROUP

CLIENT: EAST ORANGE COUNTY
WATER DISTRICT

Signature: _____

Signature: _____

Printed Name: Cindy Byerrum

Printed Name: Lisa Ohlund

Title: Principal Consultant

Title: General Manager

Federal Tax ID number:

EXHIBIT A

COMPENSATION TIME AND EXPENSE RATE SCHEDULE

Compensation for services provided under Article II, "Scope of Consultant Services," for all services except Interim General Management Services (described in Article I, Item M) will be based on time-related charges, plus direct charges as described below. The time-related charges include salary-related charges (salary rates plus fringe benefits), plus overhead and profit. Payment shall be as specified in Article VI, "Compensation," of the Agreement.

Interim General Management services provided under Article I, Item M, will be compensated at a monthly retainer fee of \$6,000.00 for which up to ten hours per week in services will be provided. This monthly retainer will be valid for a period not-to-exceed one year from the date of execution of this agreement.

I. SALARY-RELATED CHARGES

Salary-related charges are the total hours worked on Project by each employee, multiplied by the employee's hourly salary rate, multiplied by a fringe-benefit factor of 1.3.

II. OVERHEAD AND PROFIT

Overhead includes general and administrative costs not directly allocable to individual projects. Profit includes state and federal income taxes, plus profit. Overhead and profit shall be salary-related charges multiplied by a factor of 2.3.

III. DIRECT CHARGES

Direct charges are all charges, other than salary-related charges, incurred directly for the Project. Subcontracted services and Other Direct Costs shall be billed at actual cost plus a service charge of fifteen percent and fifteen percent, respectively. In-house Services shall be billed at the standard Platinum Consulting Group billing rates. Subcontracted services, Other Direct Costs and In-house Services include, but are not limited to:

1. Services and equipment such as special accounting services, computer electronic data processing, field testing, and laboratory analysis.
2. Reproduction services, including reproducing drawings, photocopying, printing, and binding.
3. Communication costs such as telephone, facsimile, telecopy, express delivery, and postage.
4. Subcontracted services.
5. Living and traveling expenses of employees when away from their home office.
6. Automobile mileage reimbursed to employee at the rate established and updated by the Internal Revenue Service, currently 36.0 cents per mile, and/or automobile mileage reimbursed for Platinum Consulting Group vehicles at 55 cents per mile.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: REQUEST TO AMEND RETAIL ZONE CAPITAL IMPROVEMENT PROGRAM BUDGET – ALEXANDER LANE PIPELINE REPLACEMENT
DATE: SEPTEMBER 15, 2016

BACKGROUND

The FY 2016/2017 Retail Zone Capital Improvement Budget contains recommended projects from the 2015 Master Plan Update, both for this fiscal year and project future projects out to FY 2020/2021.

One of the projects that is proposed for FY 2019/2020 is the replacement of an 8" water line on Stoller Lane. This project was identified as a high priority project (Phase I Project); however there are also a 12" transmission main and a 3.5" pipeline (both were installed in 1951) that need to be replaced on Alexander Lane, which is directly adjacent to Stoller Lane that were not included in the High Priority projects. However, staff is concerned that if the 12" or 3.5" lines breaks, it could also affect the 16" transmission main – both of these transmission mains are vital to the RZ water supply. Alexander Lane is a private road that the District uses to take access to the Barrett Reservoir (see attached map).

Recently, staff was contacted by Alexander Lane residents regarding the condition of the Alexander Lane roadway and the need for slurry sealing. A reconstruction of the road was performed in 2009, in which the District participated in paying for a significant portion of the cost due to impacts that occurred on the road during the reconstruction of the Barrett Reservoir. The residents requested that the District participate in the cost of slurry sealing the roadway.

In examining our construction sequencing, it seems prudent to accelerate the replacement of both Stoller Lane and Alexander Lane pipelines and then seal the roadway, instead of waiting until after it's sealed and then cutting into the roadway and then sealing it again. Accelerating this project would also benefit the RZ by restoring a looped connection to Circula Panorama from Stoller Lane.

We estimate that the total project cost will be \$190,000 (\$30,000 engineering and \$160,000 construction). The Engineering and Operations Committee reviewed this recommendation at their September 12, 2016 meeting and recommended that the Board approve the amendment to the RZ CIP.

FINANCIAL IMPACT

The \$190,000 to fund this project would be obtained from RZ Reserve Funds.

RECOMMENDATION

The Board approve increasing the FY 2016/17 Retail Zone Capital Improvement Budget by \$190,000, from \$429,500 to \$619,000 with the addition of the Stoller Lane/Alexander Lane Pipeline Replacement Project.





MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: RETAIL ZONE RATE INCREASE PUBLIC HEARING AND CONSIDERATION OF RATE INCREASE
DATE: September 15, 2016

BACKGROUND

2015

Commencing with the institution of mandatory water allocations in April 2015, staff have been examining the financial effects of reduced water sales coupled with rising costs for water, energy and support services and materials. The revenue realized from normal water sales had been sufficient to fund operations and contribute to ongoing capital expenses. Unfortunately, the \$400,000 reduction in revenue and increasing costs create an unsustainable financial situation, and overturns the strides that have been made towards prudent financial management of the district.

May 10, 2016

At a Special Board Workshop held on May 10, 2016, Mr. Sanjay Gaur of Raftelis Financial Consultants provided the Board with a briefing on the outcome of the comprehensive Rate Study and Financial Plan that Raftelis prepared. The major objectives and findings of the study (attached) included:

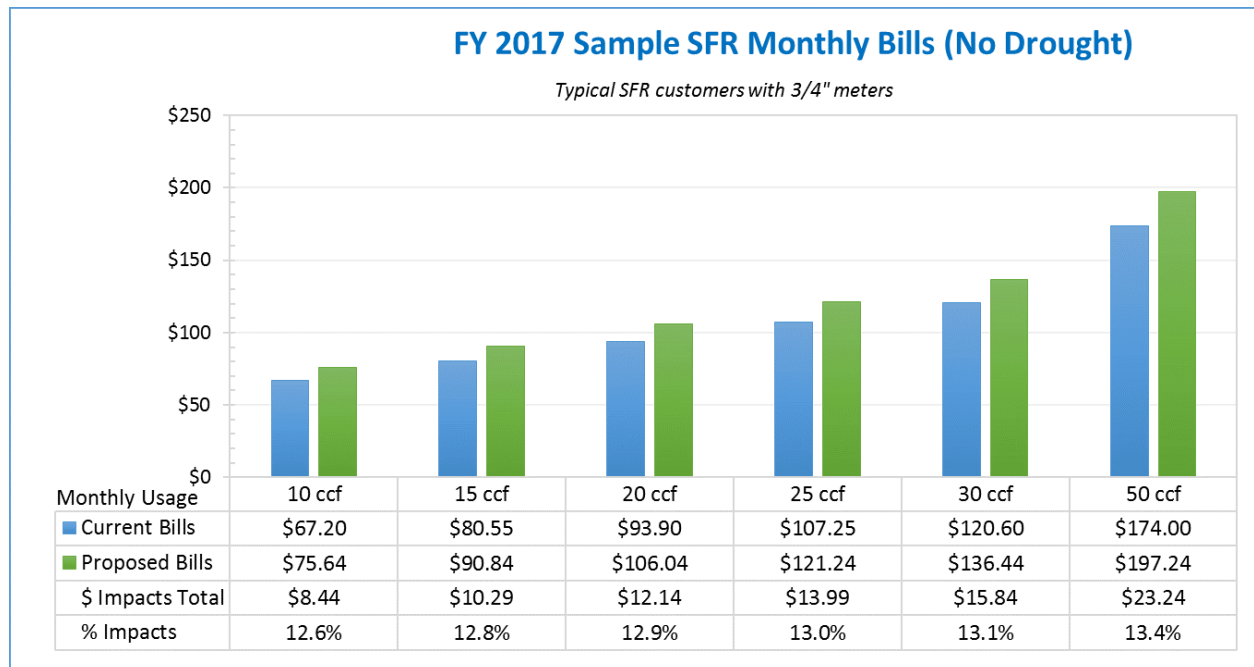
- The Reserve Policy for the Retail Zone should be amended to establish a Rate Stabilization reserve in order to minimize rate shocks and to provide additional working capital during fiscal emergencies. The rate stabilization should be set to equal 25% of the District's commodity revenues (approximately \$200,000).*
- The current Operating Rates are insufficient to fund the District's financial requirements.*
- Starting in 2016, an 11% increase is needed, and then 10% per year for 2018, 2019, 2020 and 2021, as well as a pass-through of water supply costs (the cost of OCWD, MWDOC/MET water costs).*
- The 5-Year Retail Zone Rates shown below are required to support the Financial Plan*

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Effective Month	Current	Oct 2016	Feb 2018	Feb 2019	Feb 2020	Feb 2021
Proposed Revenue Adjustments		11.0%	10.0%	10.0%	10.0%	10.0%
Monthly Capital Fees						
5/8"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
3/4"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
1"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
1-1/2"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52

2"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
3"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52

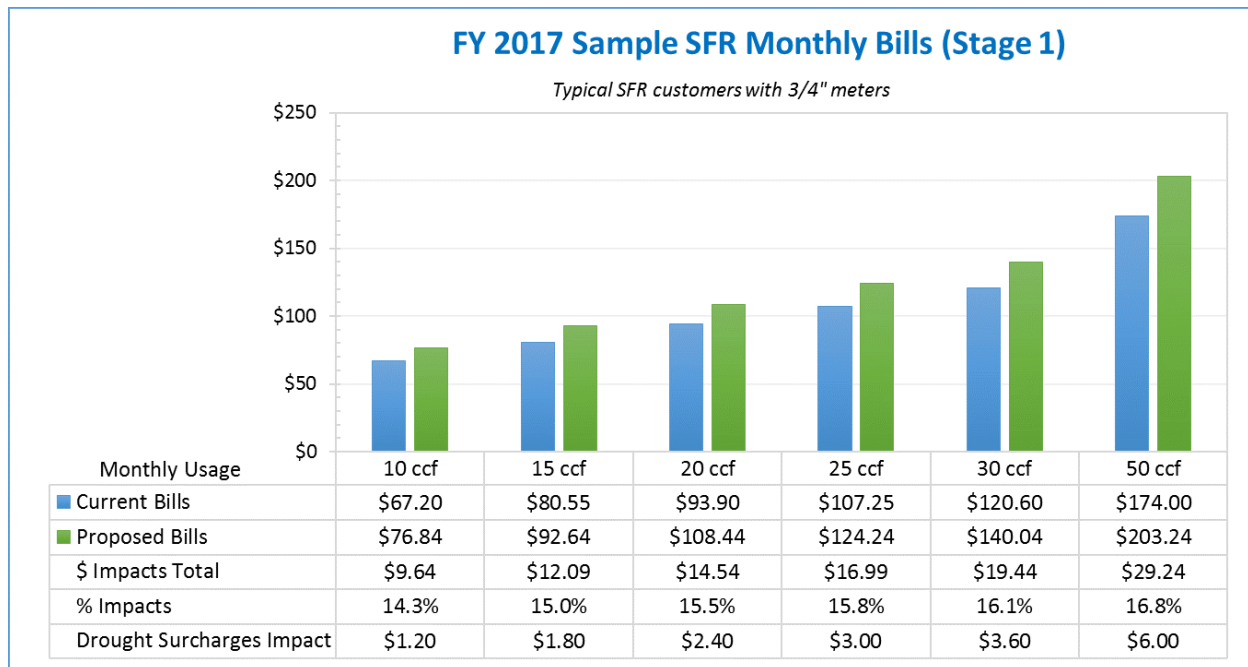
Monthly Service Charges						
5/8"	\$18.10	\$15.36	\$16.90	\$18.59	\$20.45	\$22.50
3/4"	\$20.50	\$23.04	\$25.35	\$27.89	\$30.68	\$33.75
1"	\$34.25	\$38.40	\$42.24	\$46.47	\$51.12	\$56.24
1-1/2"	\$52.00	\$76.80	\$84.48	\$92.93	\$102.23	\$112.46
2"	\$90.75	\$122.88	\$135.17	\$148.69	\$163.56	\$179.92
3"	\$128.75	\$268.80	\$295.68	\$325.25	\$357.78	\$393.56
Commodity Rates						
Commodity Rates (\$/ccf)	\$2.67/ccf	\$3.04/ccf	\$3.35/ccf	\$3.69/ccf	\$4.06/ccf	\$4.47/ccf
+ Est. Cum. Pass-through WS Rates			\$0.33/ccf	\$0.42/ccf	\$0.51/ccf	\$0.60/ccf
Commodity Rates incl. Pass-through	\$2.67/ccf	\$3.04/ccf	\$3.68/ccf	\$4.11/ccf	\$4.57/ccf	\$5.07/ccf

- The impact of the first year of the rate increase is estimated at 13%



- Drought rates are needed in the event of another mandatory cutback

		Stage 1	Stage 2	Stage 3
1	Uniform Commodity Drought Rates (Row 3 / Row 4)	\$0.12/ccf	\$0.26/ccf	\$0.43/ccf



June 16, 2016

Based upon this information, at the June 16th Meeting, the Board directed staff to begin the Proposition 218 Rate Increase process. To comply with this process, staff performed the following tasks:

- Developed the attached Public Notice/Rate Increase Informational Brochure that include the legally required elements of Prop. 218 as well as plain-English descriptions of the need for the rate increase. The brochure also includes notice of four informational meetings to be held prior to the Public Hearing on September 15, 2016.
- Mailed the Public Notice 45-days prior to the Public Hearing pursuant to the attached affidavit.
- Held four public meetings to provide information about the rate increase and answer questions:
 - Saturday, August 6 at Foothill High School
 - Saturday, August 16 at Panorama Elementary School
 - Tuesday, August 20 at El Modena Library
 - Tuesday, August 30 at the EOCWD Office

A total of approximately 25 people attended the four meetings.

- Collected protest letters – a total of five (5) protest letters have been received (attached)

September 15, 2016

Raftelis Consultant Sanjay Gaur will be present at the meeting to provide a general overview of the Rate Study and Financial Plan Findings. The President will conduct the public hearing and the Secretary will collect any further protest cards.

FINANCIAL IMPACT

Should the rate increase be approved at the conclusion of the Proposition 218 process, the District will raise an additional \$337,000 to fund the shortfall in operating and capital revenues, and provide a mechanism for pass-through increases and drought rates during declared drought emergencies where mandatory water reductions are imposed.

RECOMMENDATION

The Board:

1. Conduct the Rate Hearing
2. Adopt Ordinance No. 2016-03, an ordinance of the Board of Directors of the East Orange County Water District setting rates and charges for the delivery and supply of water.

RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EAST ORANGE COUNTY WATER DISTRICT ADOPTING
CHANGES TO RATES FOR THE SALE OF WATER ON A
RETAIL BASIS WITHIN THE DISTRICT

WHEREAS, the Board of Directors of East Orange County Water District (EOCWD) has duly considered the cost to EOCWD of providing water on a retail basis within the Retail Zone of EOCWD, including anticipated repairs to facilities and financial reserve needs; and

WHEREAS, Paragraph (b) of Section 21080 of the Public Resources Code provides that the establishment, modification, structuring, restructuring or approval of rates, tolls, fares, or other charges by public agencies is exempt from the requirements of the California Environmental Quality Act of 1970 (CEQA), provided that findings are made specifying the basis for the claim of exemption; and

WHEREAS, EOCWD has conducted a cost of service and rate design study through its consultant, Raftelis, and the Board of Directors has received the final study (the "Cost Study"); and

WHEREAS, Article XIID of the Constitution of the State of California provides that, in imposing or increasing any property-related fee or charge, an agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount, basis of calculating, and reason for such proposed fee or charge, and the date, time and location of a public hearing on the proposed fee or charge to be conducted not less than 45 days after the mailing of said notice, and Government Code Section 53755 provides for such notice to be given by mailing to the address where billing statements are customarily sent by the District;

WHEREAS, said mailed notice was given, setting Thursday, September 15, 2016, at the hour of 5:00 p.m. of said day in the Board Room of the District, 185 N. McPherson, Orange, California, as the time and place for a public hearing on the proposed property-related rates and charges set forth in Exhibit A presented to this meeting; and

WHEREAS, at the time set, the duly noticed public hearing was held and all persons interested were given an opportunity to be heard concerning the increases in property-related rates and charges and any proposed new property-related rates and charges; and after consideration of the protests presented to the District by owners of identified parcels against the proposed increases in property-related rates and charges and any proposed new property-related rates and charges;

NOW, THEREFORE, the Board of Directors of EOCWD DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. It is hereby found and determined that the number of written protests presented to the District against the proposed increases in property-related rates and charges and any proposed new property-related rates and charges has been tabulated and does not constitute a majority of the number of owners of identified parcels.

Section 2. It is hereby found and determined that the water rates, fees and charges as amended hereby are within the purposes set forth in Section 21080(b)(8) of the Public Resources Code, including, but not by way of limitation, the purposes of meeting operating expenses, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital facilities necessary to maintain service within existing service areas and therefore are exempt from CEQA pursuant to said Section 21080(b)(8).

Section 3. It is hereby found and determined that the water rates, fees and charges as amended hereby are based upon the actual cost of purchasing and supplying water.

Section 4. It is hereby found and determined that the rates and charges amended hereby are imposed on the basis of demand as determined by measurements including water metering and meter size, dwelling units or other demand-generation characteristics of properties requesting connection, and the cost of service restoration, inspection and other services provided for all fees, and that such rates, charges and fees are imposed upon the request for or use of service.

Section 5. The following amended rate(s), fee(s) or charge(s) for the provision of domestic water service on a retail basis by EOCWD are hereby adopted, and the corresponding rate(s), fee(s) or charge(s), if any, currently in effect are hereby superseded: as set forth in Exhibit "A" attached to this resolution and by this reference incorporated herein. Staff is directed to incorporate the rate(s), fee(s) or charge(s) amended hereby into the schedule of rates, fees and charges for the provision of domestic water service on a retail basis by EOCWD.

ADOPTED, SIGNED AND APPROVED this 15th day of Septtember, 2015.

President
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors
thereof

Secretary
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors
thereof

STATE OF CALIFORNIA)

) SS.

COUNTY OF ORANGE)

I, JOAN C. ARNESON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. ____ was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on September 15, 2015, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Secretary
EAST ORANGE COUNTY WATER DISTRICT
and of the Board of Directors thereof

Exhibit A

**EAST ORANGE COUNTY WATER DISTRICT
RETAIL ZONE**

**ADOPTED BY THE BOARD OF DIRECTORS
BY RESOLUTION NO. ____
Effective September __, 2015**

Domestic Delivered Water Rate, per 100 cubic feet (CF).

Monthly Meter Charge:

- 5/8" Meter.
- 3/4" Meter.
- 1" Meter.
- 1-1/2" Meter.
- 2" Meter.
- 3" Meter.

Monthly Fee for Existing Water System Capital Projects.



EAST ORANGE COUNTY WATER DISTRICT

Retail Zone Rate Study Report

June 7, 2016

June 7, 2016

Ms. Lisa Ohlund
General Manager
East Orange County Water District
185 N McPherson Road
Orange, CA 92869-3720

Subject: Retail Zone Rate Study Draft Report

Dear Ms. Ohlund,

Raftelis Financial Consultants, Inc. (RFC) is pleased to provide this Retail Zone Rate Study Report (Report) for the East Orange County Water District (District or EOCWD). This report explains the methodologies and rationale used to develop the financial plan and rates for water service within the District's retail service areas that are equitable and compliant with Proposition 218.

The major objectives of the study include the following:

1. Develop a financial plan for the Retail Zone Enterprise to ensure financial sufficiency, meet operational and maintenance (O&M) costs, and maintain sufficient funding for capital refurbishment and replacement (R&R) needs;
2. Conduct a cost of service analysis for water services in the Retail Zone;
3. Develop fair, equitable, and compliant water rates over a five-year period;
4. Conduct a customer impact analysis for the proposed water rates; and
5. Assess the impacts of reduction in water sales at different stages of drought and calculate the corresponding drought rates.

The Report summarizes the key findings and recommendations related to the development of the financial plan and rates for water service for the District's Retail Zone Enterprise.

It has been a pleasure working with you, and we thank you and the District staff for the support provided during the course of this study.

Sincerely,

Raftelis Financial Consultants, Inc.



Sanjay Gaur
Vice President



Khanh Phan
Senior Consultant

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GLOSSARY

Commonly Used Terms

Terms	Descriptions
AF	Acre foot / Acre feet, 1 AF = 435.6 CCF
AWWA	American Water Works Association
BPP	Basin Pumping Percentage (percentage of water demand to be met by Groundwater)
CCF	Hundred cubic feet or 100 cubic feet, 1 CCF = 748 gallons
CIP	Capital Improvement Projects
COS	Cost of Service
CPI	Consumer Price Index/Indices
EMU	Equivalent Meter Unit
ENR CCI	Engineering News Records Construction Cost Indices
FY	Fiscal Year (July 1 – June 30)
M1 Manual	"Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices M1" published by AWWA
MWD or MET	Metropolitan Water District of Southern California
MWDOC	Municipal Water District of Orange County
O&M	Operations and Maintenance
OCWD	Orange County Water District
PAYGO	Pay-As-You-Go
R&R	Refurbishment and Replacement
RFC	Raftelis Financial Consultants, Inc.

1 Introduction

1.1 About East Orange County Water District

East Orange County Water District (EOCWD or District) was formed in December 1961. The District is an independent special district governed by its Board of Directors, who are elected by the voters within the District's service area. The District encompasses an area of approximately 10,000 acres and is a member of the Municipal Water District of Orange County (MWDOC). MWDOC is a member of the Metropolitan Water District of Southern California (MET) and therefore is entitled to receive Colorado River and Northern California imported water through the distribution facilities of the Metropolitan system. In the Wholesale Zone, the District delivers water to five sub-agencies consisting of the City of Tustin, Golden State Water Company, City of Orange, Irvine Ranch Water District, and the District's own Retail Zone. These agencies deliver imported water to an estimated population of 100,000. In the Retail Zone (Vista Panorama/Panorama View, an unincorporated area of East Orange), the District delivers local groundwater and imported Retail Zone water directly to 1,210 customers representing a population of approximately 3,500.

1.2 Background of the Study

In 2015, the District engaged Raftelis Financial Consultants (RFC) to conduct a comprehensive Rate Study for its Wholesale and Retail Zones.

The major objectives of the Retail Zone Rate Study include the following:

1. Develop a financial plan for the Retail Zone Enterprise to ensure financial sufficiency, meet operational and maintenance (O&M) costs, and maintain sufficient funding for capital refurbishment and replacement (R&R) needs;
2. Conduct a cost of service analysis for water services in the Retail Zone;
3. Develop fair, equitable, and compliant water rates over a five-year period;
4. Conduct a customer impact analysis for the proposed water rates; and
5. Assess the impacts of reduction in water sales at different stages of drought and calculate the corresponding drought rates.

2 Legal Requirements and Rate Setting Methodology

2.1 Legal Requirements¹

There are two Constitutional provisions that govern and impact water rates — Article X, Section 2 (“Article X”) and Article XIII D, Section 6 (“Article XIII D”). Article X was added to the California Constitution in 1928 as former Article XIV, Section 3, and amended in 1976. Article X provides that:

“It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.”

In November 1996, California voters approved Proposition 218, which amended the California Constitution by adding Article XIII C and Article XIII D. Article XIII D placed substantive limitations on the use of the revenue collected from property-related fees and on the amount of the fee that may be imposed on each parcel. Additionally, it established procedural requirements for imposing new, or increasing existing, property-related fees. Water service fees are property-related fees.

In accordance with these provisions, a property-related fee must meet all of the following requirements: (1) revenues derived from the fee must not exceed the funds required to provide the property-related service; (2) revenues from the fee must not be used for any purpose other than that for which the fee is imposed; (3) the amount of a fee imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel; (4) the fee may not be imposed for a service, unless the service is actually used by, or immediately available to, the owner of the property subject to the fee. A fee based on potential or future use of a service is not permitted, and stand-by charges must be classified as assessments subject to the ballot protest and proportionality requirements for assessments; (5) no fee may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners. The five substantive requirements in Article XIII D are structured to place limitations on (1) the use of the revenue collected from property-related fees and (2) the allocation of costs recovered by such fees to ensure that they are proportionate to the cost of providing the service attributable to each parcel.

2.2 Legal Framework

Revenue Requirements. The Study uses the revenue requirements method for allocating costs. This methodology is consistent with industry standards established by the American Water Works Association,

¹ RFC does not practice law nor does it provide legal advice. The above discussion means to provide a general review of apparent state institutional constraints and is labeled “legal framework” for literary convenience only. The District should consult with its counsel for clarification and/or specific review of any of the above or other matters.

Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1 (the “M1 Manual”). The revenue requirements analysis “compares the revenues of the utility to its operating and capital costs to determine the adequacy of the existing rates to recover the utility’s costs.” American Water Works Association, Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1 (6th ed. 2012). The revenue requirements are analyzed through the development of a long-term financial plan. Based on the best information currently available, the financial plan incorporates projected operations and maintenance costs, capital expenditures, debt service, growth, and conservation assumptions to estimate annual required revenues.

Cost of Service. After determining a utility’s revenue requirements, the next step in the analysis is determining the cost of service. The Study arranges the costs, expenses, and assets of the water system by major operating functions to determine the cost of service. After the assets and the costs of operating those assets are properly categorized by function, they are allocated towards the revenue requirements of the various customer classes (e.g. single-family residential, irrigation, and commercial). The allocations are determined by the characteristics of each customer class and its contribution to the incurred costs, such as peaking factors, different delivery costs, service characteristics, and demand patterns. This analysis includes a review of matters such as system operations and water usage data—e.g., capacity (peak demand)², commodity (average demand)³, number of customers, customer service and accounting, equivalent meter size, and public fire protection services.⁴ The impact that these matters have on system operations determines how the costs are allocated among the various customer classes.

Rate Design. The final part of the analysis is the rate design. The rate design involves developing a rate structure that proportionately recovers costs from customers. The final rate structure and rate recommendations are designed to fund the utility’s long-term projected costs of providing service, proportionally allocate costs to all customer classes, provide a reasonable and prudent balance of revenue stability while encouraging conservation, and comply with the substantive requirements of Article XIII D.

² System capacity is the system’s ability to supply water to all delivery points at the time when demanded. It is measured by each customer’s water demand at the time of greatest system demand. The time of greatest demand is known as peak demand. Peak demand costs recover the costs of facilities needed to meet the peak use, or demands, placed on the system by each customer class. Both the operating costs and the capital assets related costs incurred to accommodate the peak flows are allocated to each customer class based upon the class’s contribution to the peak day event.

³ Commodity refers to the amount of metered water usage over a specific time period, typically a twelve-month period.

⁴ This refers to the need to increase the size of mainlines to provide public fire protection requirements.

3 General Assumptions

3.1 Inflation

The Study period is from Fiscal Year (FY) 2016 to 2021. Various types of assumptions and inputs are incorporated into the Study based on discussions with and/or direction from District staff. These include the projected number of accounts and annual growth rates in consumption for different customer classes, inflation factors, and other assumptions. The inflation factor assumptions are presented in Table 3-1.

Table 3-1: Assumed Inflation Factors

KEY FACTORS	FY 2018	FY 2019	FY 2020	FY 2021
General	3%	3%	3%	3%
Salary	5%	5%	5%	5%
Benefits	5%	5%	5%	5%
Utilities	5%	5%	5%	5%
Water Supply Costs⁵	5%	5%	5%	5%
EOCWD Charges⁶	0%	0%	0%	0%
Capital by ENR CCI⁷	3%	3%	3%	3%

The general inflation rate of 3 percent is based on a historical Consumer Price Index (CPI) range of 3-3.5 percent. The salary inflation rate of 5 percent is based on District staff estimates. The benefits inflation rate of 5 percent is based on the District's estimates of increasing health insurance costs and other factors. The utilities and water supply costs inflation rates of 5 percent are based on District staff estimates.

3.2 Projected Growth

The Retail Zone is essentially at built-out. The District assumes that there is no further growth for the study period. Table 3-2 shows the number of connections for Retail Zone customers, showing no account growth in FY 2017 and beyond.

Table 3-2: Projected Retail Zone Account Growth

Number of Connections	FY 2015	FY 2016	FY 2017	FY 2018 & beyond
Growth Rate			0%	0%
5/8"	9	9	9	9
3/4"	864	864	864	864
1"	289	291	291	291
1-1/2"	28	28	28	28
2"	5	5	5	5
3"	2	2	2	2
Total	1,197	1,199	1,199	1,199

⁵ Water Supply Costs from OCWD and MWDOC

⁶ EOCWD Wholesale Zone Reserve Fund and Readiness-to-Serve Charges

⁷ ENR CCI: Engineering News Record Construction Cost Indices

3.3 Reserve Policy

A reserve policy is a written document that provides a basis for the District to cope with unanticipated reductions in revenues, offset fluctuations in costs of providing services, and fiscal emergencies such as revenue shortfalls, asset failures, natural disasters, etc. It also provides a guideline for sound financial management with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and emergencies. It also sets funds aside for replacement of capital assets as they age and for new, innovative capital projects. Additionally, adopting and adhering to a sustainable reserve policy enhances financial management transparency and helps achieve or maintain a certain credit rating for future debt issues.

The appropriate amount of reserve and reserve types are determined by a variety of factors, such as the size of the operating budget, the amount of debt, the type of rate structure, frequency of customer billing, and risk of natural disaster. With this being said, most reserves tend to fall into the following categories: operations & maintenance (O&M) cash flow, rate stabilization, capital repair and replacement (R&R), and emergency.

O&M Cash Flow – The purpose of an O&M reserve is to provide working capital to support the operation, maintenance, and administration of the utility. From a risk management perspective, the O&M reserve supports the District’s cash flow needs during normal operations and ensures that operations can continue should there be significant events that impact cash flows. As it is unlikely for a utility to perfectly predict the revenues and revenue requirements for each billing period, a reserve set aside to hedge the risk of monthly negative cash positions is prudent in financial planning. Another factor to consider when creating a cash flow reserve is the frequency of billing. A utility that bills once a month would require less minimum reserves than a utility that bills semi-annually.

Rate Stabilization and Operating Emergency – While it is not typical for utilities to have substantial rate increases in a short period of time, factors such as declining water sales and rapidly increasing water supply costs may result in large rate increases. In order to minimize rate shocks, a rate stabilization reserve could be set up in order to smooth rate increases through gradual increases in rates as opposed to abrupt and large rate increases. A rate stabilization reserve acts as a buffer to protect customers from experiencing large shifts in their bills.

Capital Emergency – The purpose of an emergency fund is to allow the utility to provide uninterrupted service in light of a fiscal emergency, natural disaster, or facility failure. An emergency reserve decreases risk by recognizing the high capital cost of the utilities and setting aside adequate funds to restart the system after an event or replace an essential facility. Critical asset analysis completed by staff can provide the basis for the target level of emergency reserve.

Capital R&R – Capital R&R reserves are used to fund future obligations that are necessary for maintaining a reliable infrastructure. Because water and sewer utilities are highly capital-intensive enterprises, it is important to accurately estimate long-term R&R costs and develop a reserve to fund the eventual replacement of the system and new capital projects.

The District currently has an adopted reserve policy for its Retail Zone Enterprise (see Appendix 8.1). Table 3-3 shows the Retail Zone reserve targets based on the District's current reserve policy for FY 2016 and FY 2017 and the beginning fund balances as of July 1, 2015, extracted from the Annual Financial Report.

Table 3-3: Current Reserve Policy and Fund Balances

Retail Zone Enterprise	Descriptions	FY 2016 Targets	FY 2017 Targets
Operating	10 months of operating budget	\$951K	\$1,382K
Capital	1x of 10-year rolling future CIP average	\$648K	\$651K
Total Targets		\$1,599K	\$2,033K
Fund Balance as of June 30, 2015		\$2,265K	

RFC recommends that the District establishes a Rate Stabilization reserve in order to minimize rate shocks and to provide additional working capital during fiscal emergencies, such as a temporary increase in expenses, greater water sales reduction than previously anticipated, etc. With a Rate Stabilization reserve, the District will be able to implement gradual rate increases rather than abrupt and large rate increases in the event of a fiscal emergency. RFC recommends that the Rate Stabilization reserve target equal 25 percent of the District's Retail Zone commodity revenues. Table 3-4 shows the proposed FY 2016 and FY 2017 Rate Stabilization reserve targets, as well as the District's current Operating and Capital reserve targets.

Table 3-4: Proposed Reserve Policy and Fund Balances

Retail Zone Enterprise	Descriptions	FY 2016 Targets	FY 2017 Targets
Operating	10 months of operating budget	\$951K	\$1,382K
Rate Stabilization	25% of commodity revenues	\$177K	\$229K
Capital	1x of 10-year rolling future CIP average	\$648K	\$651K
Total Targets		\$1,776K	\$2,262K
Fund Balance as of June 30, 2015		\$2,265K	

3.4 Key Financial Information

During the course of the Study, RFC and District staff has completed a detailed review of projected revenues, operating expenses, and capital expenditures over the next several years. The Financial Plan Model is a comprehensive spreadsheet model of the District's revenues, operating and maintenance expenses, capital expenditures, and reserves for the Study period (FY 2016 to FY 2021). These projections

are derived from other planning tools and models, including the District's recently prepared draft Master Plan/Capital Improvement Program by Carollo Engineers and Operating Budgets for FY 2016 and FY 2017.

The Study utilized the following key financial documents and figures.

1. **Operating Budget** for Fiscal Year (FY) 2016 and FY 2017 for the Retail Zone Enterprise
2. **Reserve Policy** provided by District Staff
3. **Capital Improvement Plan (CIP)** for the Retail Zone Enterprise for the Study Period provided by the District
4. **Financial Information** (i.e. outstanding debt, reserve levels, etc.) as of June 30, 2015 provided by the District, extracted from "East Orange County Water District, Annual Financial Report for the Year Ended June 30, 2015"

4 Financial Plan

4.1 Water Revenue Requirements

A review of a utility's revenue requirements is a key first step in the rate study process. The review involves an analysis of annual operating revenues under the status quo, operation and maintenance (O&M) expenses, transfers between funds, and reserve requirements. This section of the report provides a discussion of the projected revenues, O&M expenses, other reserve funding, and revenue adjustments estimated as required to ensure the fiscal sustainability and solvency of the Retail Zone Enterprise.

4.1.1 Revenues

The District's current Retail Zone rates were last updated in August 2013. The rates consist of three distinct components: a monthly capital project fee of \$20 per meter per month, a monthly service charge that varies by meter size, and a uniform commodity rate applied to all usage at \$2.67 per ccf⁸. Table 4-1 shows the District's current water rates for Retail Zone customers.

Table 4-1: Current Retail Zone Water Rates

Current	
Effective Date	August 16, 2013
Monthly Capital Project Fees	\$20.00/meter
Monthly Service Charges	
5/8"	\$18.10
3/4"	\$20.50
1"	\$34.25
1-1/2"	\$52.00
2"	\$90.75
3"	\$128.75
Commodity Rate	\$2.67 / ccf

The revenues recovered from the Capital Project Fee are calculated by multiplying the \$20 monthly Capital Project Fee by the total amount of connections (shown in Table 3-2) for each monthly billing period. The Monthly Service Charge revenue for each meter is calculated by multiplying the service charge for a meter size with the number of connections for that meter size for each monthly billing period. The total service charge revenues are the sum of the revenues of each meter size individually. The commodity rate revenue is calculated by multiplying the total usage by the commodity rate. The projected and calculated revenues for all three rates are shown in Table 4-2.

⁸ 1 ccf = 100 cubic feet = 748 gallons of water

Table 4-2: Projected Revenues from Current EOCWD Charges

	FY 2015	FY 2016	FY 2017	FY 2018 & beyond
Number of connections (meters)				
5/8"	9	9	9	9
3/4"	864	864	864	864
1"	289	291	291	291
1-1/2"	28	28	28	28
2"	5	5	5	5
3"	2	2	2	2
Total	1,197	1,199	1,199	1,199
Projected Normal Water Sales⁹				
	367,439	323,074	323,074	323,074
Calculated Annual Revenues from Current Retail Water Rates				
Capital Project Fees	\$287,280	\$287,760	\$287,760	\$287,760
Service Charges	\$359,285	\$360,107	\$360,107	\$360,107
Commodity Rates	\$981,062	\$862,608	\$862,608	\$862,608
Total	\$1,627,626	\$1,510,474	\$1,510,474	\$1,510,474
Annual Revenues from Current Retail Water Rates from District's Budget				
Capital Project Fees	\$164,550	\$288,000		
Service Charges	\$350,000	\$359,269		
Commodity Rates	\$900,000	\$708,287		
Total	\$1,414,550	\$1,355,555		

In addition to revenues produced by water rates, the Retail Zone receives other revenues from different sources such as interest income, taxes, and rent income. Table 4-3 outlines the other miscellaneous revenues for the District's Retail Zone over the Study period.

Table 4-3: Projected Other Revenues

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Other Revenues						
Misc. Operating Revenues	\$ 14,703	\$ 5,600	\$ 12,726	\$ 12,853	\$ 12,982	\$ 13,112
Interest Income	\$ 6,266	\$ 2,030	\$ 21,554	\$ 18,489	\$ 17,816	\$ 21,466
Taxes	\$ 334,882	\$ 400,100	\$ 409,151	\$ 413,243	\$ 417,375	\$ 421,549
Misc. Non-Operating Revenues	\$ 4,590	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL OTHER REVENUES	\$ 360,440	\$ 407,730	\$ 443,431	\$ 444,585	\$ 448,172	\$ 456,127

⁹ Non-drought sales

4.1.2 O&M Expenses

4.1.2.1 Water Supply Costs

The District has two sources of water supply – (1) local groundwater and (2) treated import water. The groundwater supply is managed by Orange County Water District (OCWD), while the imported supply is managed by Municipal Water District of Orange County (MWDOC) via the distribution system operated by East Orange County Water District’s Wholesale Zone (WZ) Enterprise. As managers of the groundwater basin, OCWD sets the limits for the amount of water that can be pumped from the local groundwater basin. This is referred to as the Basin Pumping Percentage (BPP). As a member agency of OCWD, the District has access to this water supply at the limits set by OCWD. The variable unit charges that OCWD assesses are \$322 per AF and \$412 per AF for FY 2016 and FY 2017, respectively. These charges are expected to increase at 5 percent per year beyond FY 2017, as assumed in Table 3-1.

The District is reliant on imported water from MWDOC to meet the remaining demand beyond the BPP limit. The District incurs three separate base fees (readiness to serve, capacity charge, and retail charge) from MWDOC as well as the EOCWD Reserve Fund and Readiness-to-Serve Charges assessed by the EOCWD WZ.

Based on projections and inputs from District staff, the respective sources of water, per unit price, and expected purchase quantities are shown in Table 4-4. The water demand to be met by OCWD is calculated by multiplying the total water demand, including water loss, by the BPP for that year. The water demand to be met by MWDOC is the total remaining demand after pumping. The water supply cost components are separated into the unit costs and associated fees for each source of water.

Table 4-4: Water Supply Costs Projections

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
1	Water Sales	742 AF	742 AF	742 AF	742 AF	742 AF	742 AF
2	Water Demand (with 5.2% loss)	780 AF	780 AF	780 AF	780 AF	780 AF	780 AF
3	BPP	72.0%	70.0%	65.0%	65.0%	65.0%	65.0%
Water Demand to be met by							
4	OCWD	562 AF	546 AF	507 AF	507 AF	507 AF	507 AF
5	MWDOC	218 AF	234 AF	273 AF	273 AF	273 AF	273 AF
Water Supply Cost Components							
6	OCWD						
7	Replenish Assessment (RA)	\$322 / AF	\$412 / AF	\$433 / AF	\$454 / AF	\$477 / AF	\$501 / AF
8	MWDOC						
9	MET-MWDOC RTS	\$33,531	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543
10	MET-MWDOC Capacity Charge	\$16,000	\$16,000	\$16,800	\$17,640	\$18,522	\$19,448
11	MWDOC Choice	\$2,530	\$0	\$0	\$0	\$0	\$0
12	MWDOC Retail Charge	\$13,063	\$12,300	\$12,915	\$13,561	\$14,239	\$14,951
13	MWDOC Unit Cost	\$942/AF	\$979/AF	\$1,028/AF	\$1,079/AF	\$1,133/AF	\$1,190/AF
14	EOCWD WZ						
15	EOCWD WZ RTS Charge	\$9,030	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
16	EOCWD WZ Reserve Fund Charge	\$17,458	\$14,450	\$14,450	\$14,450	\$14,450	\$14,450

Based on the information provided in Table 4-4, the projected water supply costs, the pass-through water supply rates, and the total pass-through water supply costs are shown in Table 4-5. The total projected water supply costs are determined by multiplying the per unit cost for each source of water by the corresponding quantity purchased from that source and adding the fixed costs associated with each source. The All-in Water Supply Unit Rate, which includes the fixed charges from MET/MWDOC and EOCWD, is calculated by dividing the total water supply cost amount by the total water sales, resulting in an All-in Water Supply Unit Rate of \$644.89 per AF and \$1.49 per ccf. The Pass-through Water Supply Cumulative Unit Rate for each year is calculated by subtracting the current year's amount by the All-in Water Supply Unit Rate for FY 2016. The Pass-through Water Supply Incremental Rate is the incremental increase for each successive year. The next two lines in the table show the effective month and corresponding effective months of the Pass-through rates for the fiscal year. From there, the total Pass-through Water Supply Cost is calculated by multiplying the total water sales (ccf) by the corresponding year's cumulative rate multiplied by that year's effective months out of a total of 12 months out of the year, then multiplied by the previous year's cumulative rate multiplied by the remaining months out of corresponding year.

For example, in FY 2018, the Pass-through Water Supply Cumulative Rate is equal to \$0.33 per ccf, which will be effective in February, or for three months out of the fiscal year. To calculate the Pass-through Water Supply Costs for the effective three months of FY 2018, multiply the total water sales (323,074 ccf) by the Cumulative Rate of \$0.33 per ccf by the three effective months out of a total of 12 months (3 months/12 months). Since this calculation only takes into account the three effective months of the Cumulative Rate, an additional calculation needs to be made for the nine remaining months out of FY 2018 (12 months-3 months=9 months). To calculate the Pass-through Water Supply Costs for the remaining months of FY 2018, multiply the water sales (323,074 ccf) by the Cumulative Rate for the previous year (\$0.18 per ccf) by the remaining months out of FY 2018 (9 months/12 months). The total Pass-through Water Supply Cost for the entirety of FY 2018 is the sum of the previous two calculations (\$70,269).

Table 4-5: Projected Water Supply Costs and Pass-through Water Supply Rates

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OCWD - RA	\$180,892	\$225,022	\$219,397	\$230,366	\$241,885	\$253,979
Water purchases	\$205,797	\$229,157	\$280,718	\$294,754	\$309,491	\$324,966
MET-MWDOC RTS	\$33,531	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543
MET-MWDOC Capacity Charges	\$16,000	\$16,000	\$16,800	\$17,640	\$18,522	\$19,448
MWDOC Choice	\$2,530	\$0	\$0	\$0	\$0	\$0
MWDOC Retail Service Connection	\$13,063	\$12,300	\$12,915	\$13,561	\$14,239	\$14,951
EOCWD WZ RTS Charge	\$9,030	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
EOCWD WZ Reserve Fund Charge	\$17,458	\$14,450	\$14,450	\$14,450	\$14,450	\$14,450
Total Water Supply Costs	\$478,301	\$536,729	\$585,829	\$614,158	\$643,904	\$675,136
Water Sales	742 AF	742 AF	742 AF	742 AF	742 AF	742 AF
	323,074 ccf	323,074 ccf	323,074 ccf	323,074 ccf	323,074 ccf	323,074 ccf
All-in Water Supply Unit Rate¹⁰	\$644.89/AF	\$723.67/AF	\$789.87/AF	\$828.07/AF	\$868.17/AF	\$910.28/AF
	\$1.49/ccf	\$1.67/ccf	\$1.82/ccf	\$1.91/ccf	\$2.00/ccf	\$2.09/ccf
Pass-through WS Cumulative Unit Rate	\$0.00/ccf	\$0.18/ccf	\$0.33/ccf	\$0.42/ccf	\$0.51/ccf	\$0.60/ccf
Pass-through WS Incremental Rate		\$0.18/ccf	\$0.15/ccf	\$0.09/ccf	\$0.09/ccf	\$0.09/ccf
Effective Month		Oct	Feb	Feb	Feb	Feb
Effective Months		7 months ¹¹	3 months	3 months	3 months	3 months
Pass-through Water Supply Costs¹²		\$33,923	\$70,269	\$113,884	\$142,960	\$172,037

¹⁰ Includes fixed charges from MET/MWDOC and EOCWD

¹¹ New Rates are effective for usage in October and after, which will show in Nov bills and Revenues Collected in Dec → 2 months delayed. Total bills in Fiscal Year collected under new rates are 7 months for Oct 1st effective rates

¹² Example for FY 2018: 323,074 ccf / 12 months * (\$0.18/ccf*9 months + \$0.33/ccf *3 months) = \$70,269

4.1.2.2 Water O&M Expenses

The District's FY 2016 and FY 2017 budget values and inflation factors from Table 3-1 were assigned to each line item to determine future O&M costs for the Retail Zone. RFC worked closely with District staff to identify any non-recurring costs and other anticipated expenses for the Study period. In addition, RFC recommends that the District initiate pass through costs to its Retail customers to recover the increases in water supply costs. Table 4-6 summarizes the budgeted and projected O&M expenses for the District's Retail Zone during the Study period.

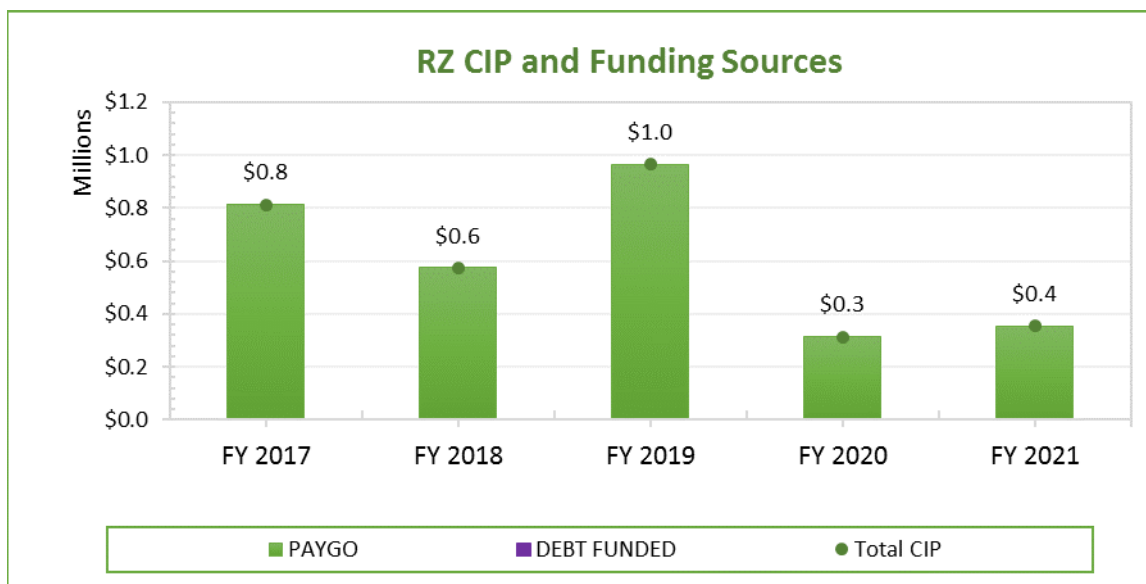
Table 4-6: Budgeted and Projected O&M Expenses

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
EXPENSES						
Operating Expenses	\$ 938,514	\$ 1,351,059	\$ 1,435,046	\$ 1,499,831	\$ 1,567,675	\$ 1,638,725
Water Purchases	\$ 172,647	\$ 229,157	\$ 280,718	\$ 294,754	\$ 309,491	\$ 324,966
OCWD- Replenish Assessment	\$ 138,324	\$ 225,022	\$ 219,397	\$ 230,366	\$ 241,885	\$ 253,979
MET-MWDOC readiness to serve charges	\$ 33,531	\$ 35,000	\$ 36,750	\$ 38,588	\$ 40,517	\$ 42,543
MET-MWDOC capacity charges	\$ 16,000	\$ 16,000	\$ 16,800	\$ 17,640	\$ 18,522	\$ 19,448
MWDOC Choice	\$ 2,530	\$ -	\$ -	\$ -	\$ -	\$ -
MWDOC Retail service connection	\$ 13,063	\$ 12,300	\$ 12,915	\$ 13,561	\$ 14,239	\$ 14,951
EOCWD WZ Readiness to Serve Charge	\$ 9,030	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800
EOCWD WZ Reserve Fund Charge	\$ 17,458	\$ 14,450	\$ 14,450	\$ 14,450	\$ 14,450	\$ 14,450
Other Operating Expenses	\$ 182,104	\$ 363,000	\$ 375,320	\$ 388,081	\$ 401,300	\$ 414,995
Labor	\$ 242,448	\$ 281,700	\$ 295,785	\$ 310,574	\$ 326,103	\$ 342,408
Benefits	\$ 111,379	\$ 169,630	\$ 178,112	\$ 187,017	\$ 196,368	\$ 206,186
Non-Operating Expenses	\$ 202,984	\$ 307,045	\$ 314,084	\$ 321,335	\$ 328,803	\$ 336,495
Rate Stabilization Funding	\$ 75,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1,216,498	\$ 1,758,104	\$ 1,749,130	\$ 1,821,166	\$ 1,896,478	\$ 1,975,220

4.1.3 Projected Capital Improvement Projects

The District has budgeted approximately \$3M in capital expenditures during the Study period for the Retail Zone, as shown in Figure 4-1. (A full list of projects and costs can be found in the Appendix 8.3). The CIP costs for future years is determined by using the programmed/budgeted costs and inflating the value by the capital cost inflation factor shown in Table 3-1. The District plans to fund 100 percent of its planned CIP by Pay-as-you-go (PAYGO) from rates and reserves.

Figure 4-1: Projected Retail Zone Capital Expenditures



4.2 Financial Plan

4.2.1 Status Quo Financial Plan

Table 4-7 displays the pro forma of the District's Retail Zone under current rates over the Study period. All projections shown in the table are based upon the District's current rate structure and do not include any rate adjustments and pass-through water supply revenues. The pro-forma incorporates the data shown in Table 4-2 through Table 4-6 and Figure 4-1.

Under the "status-quo" scenario, revenues generated from current rates and other miscellaneous revenues are inadequate to sufficiently recover operating and capital expenses of the utility beginning in FY 2017, shown by negative net cash changes in Table 4-7. While the ending reserve balance is currently above target levels (see Table 3-3), it falls below the targets starting FY 2017 and continues to drop below \$1M starting FY 2019 under this scenario. In short, the District is unable to maintain fiscal sustainability under the current rates.

Retail Zone Rate Study Report

East Orange County Water District



Table 4-7: Status Quo Retail Zone Financial Plan (No Revenue Adjustments)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
REVENUES						
Current Water sales	\$ 708,287	\$ 862,608	\$ 862,608	\$ 862,608	\$ 862,608	\$ 862,608
Commodity Rates Rev Adjmts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Meter charges	\$ 359,269	\$ 360,107	\$ 360,107	\$ 360,107	\$ 360,107	\$ 360,107
Meter Charges Rev Adjmts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Capital Fees	\$ 288,000	\$ 287,760	\$ 287,760	\$ 287,760	\$ 287,760	\$ 287,760
Capital Fees Rev Adjmts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Revenues from Rates	\$ 1,355,555	\$ 1,510,474	\$ 1,510,474	\$ 1,510,474	\$ 1,510,474	\$ 1,510,474
Other Revenues	\$ 360,440	\$ 407,730	\$ 441,411	\$ 439,590	\$ 438,359	\$ 439,452
Pass-through Water Supply Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc. Operating Revenues	\$ 14,703	\$ 5,600	\$ 12,726	\$ 12,853	\$ 12,982	\$ 13,112
Interest Income	\$ 6,266	\$ 2,030	\$ 19,534	\$ 13,494	\$ 8,003	\$ 4,791
Taxes	\$ 334,882	\$ 400,100	\$ 409,151	\$ 413,243	\$ 417,375	\$ 421,549
Misc. Non-Operating Revenues	\$ 4,590	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Rate Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 1,715,996	\$ 1,918,204	\$ 1,951,886	\$ 1,950,064	\$ 1,948,834	\$ 1,949,926
EXPENSES						
Operating Expenses						
Water Supply Costs	\$ 402,584	\$ 536,729	\$ 585,829	\$ 614,158	\$ 643,904	\$ 675,136
Labor & Benefits	\$ 353,827	\$ 451,330	\$ 473,897	\$ 497,591	\$ 522,471	\$ 548,594
Other Operating Expenses	\$ 182,104	\$ 363,000	\$ 375,320	\$ 388,081	\$ 401,300	\$ 414,995
Non-Operating Expenses	\$ 202,984	\$ 307,045	\$ 314,084	\$ 321,335	\$ 328,803	\$ 336,495
Rate Stabilization Funding	\$ 75,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1,216,498	\$ 1,758,104	\$ 1,749,130	\$ 1,821,166	\$ 1,896,478	\$ 1,975,220
NET OPERATING REVENUES	\$ 499,497	\$ 160,100	\$ 202,755	\$ 128,899	\$ 52,356	\$ (25,294)
CAPITAL EXPENDITURES						
PAYGO	\$ 147,500	\$ 813,000	\$ 574,225	\$ 965,419	\$ 314,159	\$ 355,154
Debt Funded		\$ -	\$ -	\$ -	\$ -	\$ -
TRANSFERS TO OTHER FUNDS	\$ (75,000)	\$ (100,000)	\$ -	\$ -	\$ -	\$ -
Transfers to Legal Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to/(from) Rate Stab	\$ (75,000)	\$ (100,000)	\$ -	\$ -	\$ -	\$ -
NET CASH CHANGES	\$ 426,997	\$ (552,900)	\$ (371,470)	\$ (836,520)	\$ (261,803)	\$ (380,449)
BEGINNING RZ RESERVE BALANCES	\$ 2,265,055	\$ 2,692,052	\$ 2,139,152	\$ 1,767,683	\$ 931,163	\$ 669,360
ENDING BALANCES	\$ 2,692,052	\$ 2,139,152	\$ 1,767,683	\$ 931,163	\$ 669,360	\$ 288,911
TARGET BALANCE	\$ 1,775,932	\$ 2,248,800	\$ 2,354,868	\$ 2,408,621	\$ 2,532,938	\$ 2,658,804
Target RZ Operating Reserve 10 mos of Operating Budget	\$ 951,249	\$ 1,381,754	\$ 1,457,608	\$ 1,517,638	\$ 1,580,398	\$ 1,646,017
Target RZ Rate Stab Reserve 25% of Commodity Revenues	\$ 177,072	\$ 215,652	\$ 215,652	\$ 215,652	\$ 215,652	\$ 215,652
Target RZ Capital Reserve 1 year Capital Spending	\$ 647,611	\$ 651,395	\$ 681,608	\$ 675,331	\$ 736,888	\$ 797,135

4.2.2 Proposed Financial Plan

Assembly Bill (AB) 3030¹³ enables retail utilities to establish a provision for directly passing through the increased costs of imported water supply costs from its suppliers to its customers as part of a five year rate adoption. RFC recommends that the District establish the pass-through water supply cost provision as allowed by AB 3030 as part of the proposed rate adoption. This provision reduces risk to the District by providing an additional source of revenue independent of rate increases that may be difficult to approve or may be late in implementing. Actual water supply pass-through costs will be determined annually to align with actual water cost increases imposed on the District.

In addition to the pass-through water supply costs, the Retail Zone needs additional revenue adjustments as shown in Table 4-8 to meet the target reserve requirement and maintain financial sufficiency for its expenses and other funding obligations.

Table 4-8: Proposed Retail Zone Revenue Adjustments

Fiscal Year	Effective Date	Proposed Revenue Adjustments
2017	October 1, 2016	11%
2018	Feb 1, 2018	10%
2019	Feb 1, 2019	10%
2020	Feb 1, 2020	10%
2021	Feb 1, 2021	10%

Table 4-9 shows the pro-forma for the Retail Zones with revenues with proposed revenue adjustments shown above, as well as the pass-through water supply costs shown in other revenues. By implementing the proposed revenue adjustments and the pass-through water supply costs, the District will have a positive net cash position by FY 2020 and eventually meet its reserve targets by FY 2021. The District will be less dependent on reserves for its funding obligations, thus increasing financial sufficiency.

¹³ An act to add Section 53756 to the Government Code of the State of California

Table 4-9: Proposed Retail Zone Financial Plan

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
REVENUES						
Current Water sales	\$ 708,287	\$ 862,608	\$ 862,608	\$ 862,608	\$ 862,608	\$ 862,608
Commodity Rates Rev Adjmts	\$ -	\$ 55,351	\$ 118,824	\$ 216,967	\$ 324,925	\$ 443,678
Current Meter charges	\$ 359,269	\$ 360,107	\$ 360,107	\$ 360,107	\$ 360,107	\$ 360,107
Meter Charges Rev Adjmts	\$ -	\$ 23,107	\$ 49,605	\$ 90,576	\$ 135,644	\$ 185,219
Current Capital Fees	\$ 288,000	\$ 287,760	\$ 287,760	\$ 287,760	\$ 287,760	\$ 287,760
Capital Fees Rev Adjmts	\$ -	\$ 18,465	\$ 39,639	\$ 72,379	\$ 108,393	\$ 148,008
Subtotal Revenues from Rates	\$ 1,355,555	\$ 1,607,396	\$ 1,718,542	\$ 1,890,396	\$ 2,079,436	\$ 2,287,380
Other Revenues	\$ 360,440	\$ 441,653	\$ 514,393	\$ 560,095	\$ 594,066	\$ 632,709
Pass-through Water Supply Costs	\$ -	\$ 33,923	\$ 70,269	\$ 113,884	\$ 142,960	\$ 172,037
Misc. Operating Revenues	\$ 14,703	\$ 5,600	\$ 12,726	\$ 12,853	\$ 12,982	\$ 13,112
Interest Income	\$ 6,266	\$ 2,030	\$ 22,248	\$ 20,115	\$ 20,749	\$ 26,012
Taxes	\$ 334,882	\$ 400,100	\$ 409,151	\$ 413,243	\$ 417,375	\$ 421,549
Misc. Non-Operating Revenues	\$ 4,590	\$ -	\$ -	\$ -	\$ -	\$ -
Funding from Rate Stabilization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 1,715,996	\$ 2,049,049	\$ 2,232,936	\$ 2,450,491	\$ 2,673,502	\$ 2,920,089
EXPENSES						
Operating Expenses						
Water Supply Costs	\$ 402,584	\$ 536,729	\$ 585,829	\$ 614,158	\$ 643,904	\$ 675,136
Labor & Benefits	\$ 353,827	\$ 451,330	\$ 473,897	\$ 497,591	\$ 522,471	\$ 548,594
Other Operating Expenses	\$ 182,104	\$ 363,000	\$ 375,320	\$ 388,081	\$ 401,300	\$ 414,995
Non-Operating Expenses	\$ 202,984	\$ 307,045	\$ 314,084	\$ 321,335	\$ 328,803	\$ 336,495
Rate Stabilization Funding	\$ 75,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1,216,498	\$ 1,758,104	\$ 1,749,130	\$ 1,821,166	\$ 1,896,478	\$ 1,975,220
NET OPERATING REVENUES	\$ 499,497	\$ 290,945	\$ 483,806	\$ 629,326	\$ 777,025	\$ 944,869
CAPITAL EXPENDITURES						
PAYGO	\$ 147,500	\$ 813,000	\$ 574,225	\$ 965,419	\$ 314,159	\$ 355,154
Debt Funded		\$ -	\$ -	\$ -	\$ -	\$ -
TRANSFERS TO OTHER FUNDS	\$ (75,000)	\$ (100,000)	\$ -	\$ -	\$ -	\$ -
Transfers to Legal Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to/(from) Rate Stab	\$ (75,000)	\$ (100,000)	\$ -	\$ -	\$ -	\$ -
NET CASH CHANGES	\$ 426,997	\$ (422,055)	\$ (90,419)	\$ (336,093)	\$ 462,866	\$ 589,714
BEGINNING RZ RESERVE BALANCES	\$ 2,265,055	\$ 2,692,052	\$ 2,269,997	\$ 2,179,578	\$ 1,843,484	\$ 2,306,350
ENDING BALANCES	\$ 2,692,052	\$ 2,269,997	\$ 2,179,578	\$ 1,843,484	\$ 2,306,350	\$ 2,896,064
TARGET BALANCE	\$ 1,775,932	\$ 2,262,638	\$ 2,384,574	\$ 2,462,863	\$ 2,614,169	\$ 2,769,723
Target RZ Operating Reserve 10 mos of Operating Budget	\$ 951,249	\$ 1,381,754	\$ 1,457,608	\$ 1,517,638	\$ 1,580,398	\$ 1,646,017
Target RZ Rate Stab Reserve 25% of Commodity Revenues	\$ 177,072	\$ 229,490	\$ 245,358	\$ 269,894	\$ 296,883	\$ 326,571
Target RZ Capital Reserve 1 year Capital Spending	\$ 647,611	\$ 651,395	\$ 681,608	\$ 675,331	\$ 736,888	\$ 797,135

The operating financial plan, which incorporates both the District's current and proposed revenues (as shown by the red and green lines, respectively), is shown graphically in Figure 4-2 for FY 2017 to FY 2021. The positive red bars indicate that the proposed revenues are sufficient to meet operating expenses with additional revenue to fund reserves and capital expenditures.

Figure 4-2: Retail Zone Operating Financial Plan

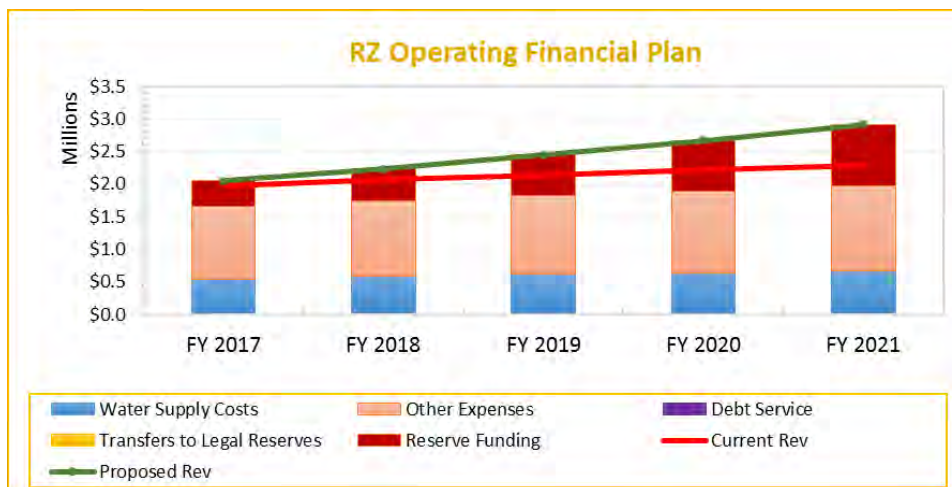
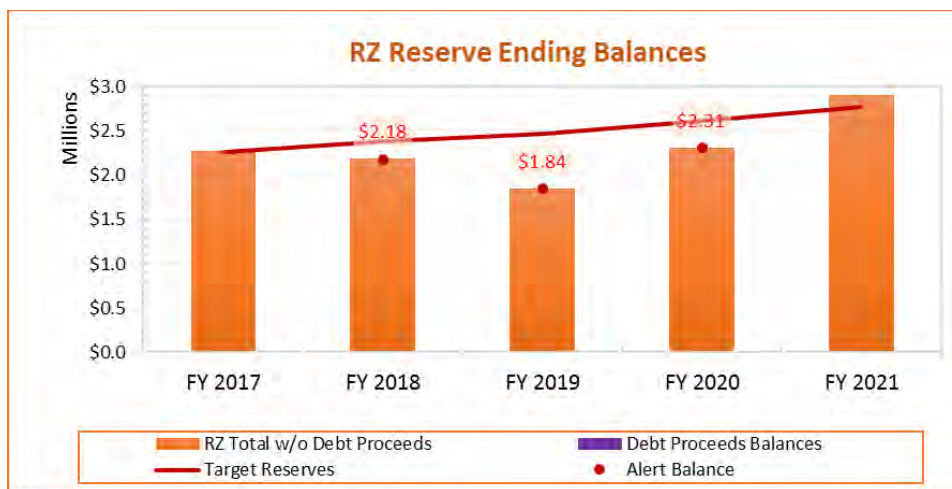


Figure 4-3 graphically depicts the District's reserve ending balances with the proposed revenue adjustments as well as the pass-through water supply costs after funding projected operational and capital expenditures for FY 2017 to FY 2021.

Figure 4-3: Projected Retail Zone Reserve Ending Balances



5 Cost of Service and Proposed Water Rates

Proposition 218 requires a nexus between the rates charged and the costs of providing service. Based on the proposed financial plan, the cost of service analysis translates this financial requirement into actual rates. The first step in the cost of service analysis is to determine how much revenue is required to be collected from rates. The methodology used is based upon the premise that the utility must generate annual revenues adequate to meet its projected annual expenses. Revenues from sources other than water rates and charges (e.g. revenues from miscellaneous services) are deducted. The financial plan shows the required revenue adjustment for FY 2016 effective October 1, 2015, or 9 months of revenues under new rates, however, the calculated revenue requirement shown in Table 5-1 is annualized for FY 2017.

Table 5-1: Annualized Revenue Requirements for FY 2017 for Retail Zone

	REVENUE REQUIREMENTS	FY 2017	Notes
1	Operating Expenses, excluding Rate Stab Funding	\$1,658,104	Table 4-7
2	Rate Funded CIP	\$813,000	Table 4-7
3	Reserve Funding	-\$518,977	Table 4-7
4	SUBTOTAL REVENUE REQUIREMENTS	\$1,952,127	
	<i>Less Non-Operating Revenues</i>		
5	Pass-through Water Supply Costs	-\$33,923	Table 4-7
6	Misc. Operating Revenues	-\$5,600	Table 4-7
7	Interest Income	-\$2,030	Table 4-7
8	Taxes	-\$400,100	Table 4-7
9	Misc. Non-Operating Revenues	\$0	Table 4-7
10	Connection Fee	\$0	Table 4-7
11	SUBTOTAL NON-OPERATING REVENUES	-\$441,653	
12	NET REVENUE REQUIREMENTS FROM CURRENT RATES	\$1,510,474	Row 4+ Row 11
13	Proposed Revenue Adjustment for FY 2016	11%	Table 4-8
14	Annualized Revenue Adjustment	\$166,152	Row 12*Row13
15	ANNUALIZED REVENUE REQUIREMENTS FROM PROPOSED RATES	\$1,676,627	Row 12 + Row 14
16	Plus Pass-through Water Supply Costs	\$33,923	Table 4-7
17	NET ANNUALIZED REVENUE REQUIREMENTS FROM PROPOSED RATES	\$1,710,549	Row 15 + Row 16
18	Less Capital Fees after Revenue Adjustment	\$319,414	\$287,760*1.11
19	NET ANNUALIZED REVENUE REQUIREMENTS FROM PROPOSED OPERATING RATES (NO CAPITAL FEES)	\$1,391,136	Row 17 – Row 18

According AWWA M1 Manual (Principles of Water Rates, Fees and Charges), the costs incurred in a water utility are based upon the specific service requirements or cost drivers imposed on the system by its customers. Each of the various water utility facilities are designed and sized to meet one or more of these cost drivers. The capital costs incurred in the construction/installation of these facilities, as well as the O&M expenses incurred in running the system, are linked to these service requirements. The principal service requirements that drive costs include the annual volume of water consumed, the peak water demands incurred, the number of customers in the system, and the number of fire services required to maintain adequate fire protection. Accordingly, these service requirements are the basis for the selection of the cost components used in the second step in the cost-of-service allocation process.

The AWWA recommends two methods for classifying costs among various customers: (1) the Base-Extra Capacity method in which costs are allocated to the different customer categories proportionate to their use of the water system; and (2) the Commodity-Demand method in which costs are proportionately allocated to each customer category based on their peak demand. Although the two methods vary in the way in which costs are allocated, both result in rates designed to recover the reasonable cost of service during periods of both average and peak demands. This Study uses the Base-Extra Capacity method, which is widely used in the water industry to serve retail customers.

The second step in the cost of service analysis is to functionalize the revenue requirements into cost components. This analysis employs the “Base-Extra Capacity” method, under which water utility costs of service are assigned to basic functional cost components including: water supply costs; base costs (fixed costs incurred to meet average demand); extra capacity or peaking costs (fixed water system costs to meet maximum day and maximum hour, or peaking, demand); and conservation, meter service and customer-service related costs as described in the M1 Manual. Base costs include fixed water supply costs and operations and maintenance costs, capital costs under average (base) demand conditions, a portion of operations and maintenance costs associated with storage, treatment, pumping and distributions facilities, and certain water capital cost investments. Extra capacity costs are costs associated with meeting water demands that exceed average (base) levels of use by system customers. These costs are incurred because of water use variations and peak demands of customers. Both base and peaking costs are considered fixed costs along with billing and customer service costs, fire protection, and meter service costs. Customer costs are costs associated with serving customers, such as meter reading, billing, customer service, etc.

Table 5-2 summarizes the peaking characteristics of the District’s water system estimated by the District Staff. The Average Daily Flow is the volume of water delivered to the system over the course of a year divided by 365 days. The Peak Day Demand is the largest volume of water delivered to the system in a single day. Similarly, the Peak Hour Demand is the maximum volume of water delivered to the system in a single hour. The Max Day peaking factor, which is the ratio of Peak Day Demand over Average Daily Flow, is 1.8 and the Max Hour peaking factor, or Peak Hour Demand over Average Daily Flow, is 3.00. These ratios are used to determine the appropriate percentage allocation of total O&M and capital costs towards peaking, as shown in the Appendix 8.5.

Table 5-2: Water System Peaking Factors

Peaking Factors	
Base	1.00
Max Day	1.80
Max Hour	3.00

The revenue to be recovered from rates, shown in Table 5-1, is allocated according to the categories listed below in Table 5-3 (see Appendices 8.4 and 8.5 for details). The Capital Fees recover a portion of the District's fixed system costs, such as meters and customer service, base and peaking costs. 100 percent of the water supply costs are recovered by the Operating Rates via the Commodity Rate. The Operating Rates column is the difference between the annualized revenue requirements from proposed rates and capital fees for each allocation category. For further detail please see the Appendices 8.4 and 8.5, which shows the step-by-step allocations.

Table 5-3: Allocated Water System Costs to Rate Components

	FY 2017 (A)	Capital Fees¹⁴ (B)	Operating Rates¹⁵ (C = A – B)
Water Supply	\$536,729		\$536,729
Base	\$627,512	\$109,663	\$517,849
Peaking	\$420,562	\$208,502	\$212,510
Meters & Customer Service	125,745	\$1,699	\$124,046
Total	\$1,676,627	\$319,414¹⁶	\$1,391,136
Current Revenues	\$1,510,474	\$287,760	\$1,222,714
% Change	13.6%	11.0%	13.8%

¹⁴ Revenue Requirements (\$319,414) allocated to Cost Categories using Asset Allocation Factor, shown in Appendix 8.4

¹⁵ Operating Rates = Service Charges + Commodity Rates

¹⁶ Proposed Revenue Requirement = Current Revenues (\$287,760) * (1 + 11%) = \$319,414

According to the M1 Manual, the cost-of-service approach to setting water rates results in the proportionate distribution of costs to each customer or customer class based on the costs that each incurs. A dual set of fees—fixed and variable—is an extension of this cost causation theory. For example, a utility incurs some costs associated with serving customers irrespective of the amount or rate of water they use, such as billing and customer service costs. These types of costs are referred to as customer-related costs and typically are costs that would be recovered through a fixed charge. These costs are usually recovered on a per-customer basis or some other non-consumptive basis. Regardless of the level of a customer's consumption, a customer will be charged this minimum amount in each bill.

Utilities invest in and continue to maintain facilities to provide capacity to meet all levels of desired consumption including the peak¹⁷ demand plus fire protection, and these costs must be recovered regardless of the amount of water used during a given period. Thus, peaking costs along with base costs and fixed water system costs to meet average demand are generally considered fixed water system costs. It is ideal that agencies recover 100 percent of the fixed costs through monthly fixed fees, however, it forgoes the affordability for essential use and heavily impacts efficient users. To balance between affordability and revenue stability, it is a common practice that a portion of the base costs and peaking costs are recovered in the monthly fixed charges (capital fees and service charges) along with the customer-related costs and meter-related costs.

The most common method for levying base fees is by meter size. Meter size is a proxy for the estimated demand that each customer places on the water system. The District's base meter is most commonly a 5/8-inch meter. The ratio at which the meter charge increases is a function of the meter's safe operating capacity. For example, based on the AWWA meter capacity ratios, a customer that has a 2-inch meter has the capacity equivalency of 8.00 5/8-inch meters. (A 2-inch meter has a safe operating capacity of 160 gallons per minute (gpm) compared to a 5/8-inch meter which has a safe operating capacity of 20 gpm as listed in Table B-1 in the M1 Manual).

The components of water system costs are recovered through either service charges or commodity rates, or a combination of both. As shown in Table 5-4, the entirety of the water supply costs is recovered from commodity rates. On the other hand, peaking costs and meter costs and customer service costs are entirely recovered from fixed service charges. Base costs are recovered from both service charges and commodity rates.

¹⁷ Peaking costs are the costs related to providing water during high-demand periods.

Table 5-4: Allocated of Revenue Requirements from Operating Rates to Rate Components

	FY 2017	Service Charges	Commodity Rates
Water Supply	\$536,729		\$536,729
Base	\$517,849	\$77,677	\$440,172
Peaking	\$212,510	\$212,510	
Meters & Customer Service	\$124,046	\$124,046	
Total	\$1,391,136	\$414,234	\$976,902
Current Revenues	\$1,222,714	\$360,107	\$862,608
% Change	13.8%	15.0%	13.9%

In order to create parity across the various meter sizes, each meter size is assigned a factor relative to a 5/8-inch meter, which has a value of 1. According to the AWWA M1 Manual, a particular meter size's ratio of meter and capacity servicing costs relative to that of a 5/8-inch meter is its "Equivalent Meter Units" (EMU). The Meter & Capacity factor escalates as meter size increases because the District's cost to service a meter increases with its size. To calculate the total EMUs per year for the District's Retail Zone, the number of accounts per meter size is multiplied by 12 to represent the number of monthly bills per year. Then, the amount of monthly bills for each meter size is multiplied by its corresponding Meter Equivalent Factor based on the AWWA meter capacity ratios, which results in the total EMUs per year for each meter size. The sum of all EMUs per year for each meter size is 26,970, shown in Table 5-5, which represents the total EMUs per year for the entire Retail Zone.

Table 5-5: Equivalent Meter Units

Meter Sizes	Number of Accts (A)	Monthly Bills (B)	Meter Equivalent Factor (C)	EMUs per Yr (D= B*C)
5/8	9	108	1.00	108
3/4	864	10,368	1.50	15,552
1	291	3,492	2.50	8,730
1 1/2	28	336	5.00	1,680
2	5	60	8.00	480
3	2	24	17.50	420
Total	1,199	14,388 bills		26,970

Table 5-6 depicts the unit rates for each rate component. For the Capital Fees, the revenue requirements (calculated in Table 5-3) are divided by the total number of monthly bills per year for the entire system to result in a unit rate of \$22.20 per monthly bill. For the Service Charges, the revenue requirements (Table 5-4) are divided by the total EMUs per year for the system (Table 5-5) to result in a unit rate of \$15.36 per EMU. Finally, the Commodity Rate is calculated by dividing the revenue

requirements (Table 5-4) by the total usage per year in ccf (Table 4-5) to determine the rate of \$3.04 per ccf.

Table 5-6: Unit Rates by Rate Components

	Capital Fees	Service Charges	Commodity Rates	Delivery Rate	Water Supply Rate
Revenue Requirements¹⁸	\$319,414	\$414,234	\$976,902	\$440,172	\$536,729
Annual Units of Service	14,388 monthly bills	26,970 EMUs / year	323,074 ccf	323,074 ccf	323,074 ccf
Unit Rate	\$22.20	\$15.36	\$3.04 / ccf	\$1.37 / ccf	\$1.67 / ccf

From the calculations in Table 5-6, the proposed fixed charges are determined for each meter size. Because the unit rate of the Capital Fees is per monthly bill, all meter sizes are charged the same monthly amount. The proposed Capital Fee is \$22.20 per month. For the monthly Service Charge, the unit rate of \$15.36 per EMU is multiplied by the Meter Equivalent Factor (Table 5-5) to determine the proposed Service Charge for each meter size, as shown in Table 5-7. The District's current Capital Fees and Service Charges for each meter size and the difference between the proposed rates and the current rates are also shown in Table 5-7 for reference.

Table 5-7: Proposed Retail Zone Monthly Fixed Charges: Capital Fees and Service Charges

Meter Sizes	Current		Proposed FY 2017 Effective Oct 1, 2016		\$ Change	
	Capital Fees	Service Charges	Capital Fees	Service Charges ¹⁹	Capital Fees	Service Charges
5/8	\$20.00	\$18.10	\$22.20	\$15.36	\$2.20	-\$2.74
3/4	\$20.00	\$20.50	\$22.20	\$23.04	\$2.20	\$2.54
1	\$20.00	\$34.25	\$22.20	\$38.40	\$2.20	\$4.15
1 1/2	\$20.00	\$52.00	\$22.20	\$76.80	\$2.20	\$24.80
2	\$20.00	\$90.75	\$22.20	\$122.88	\$2.20	\$32.13
3	\$20.00	\$128.75	\$22.20	\$268.80	\$2.20	\$140.05

The Uniform Commodity Rate has two components: the Delivery Rate and the Water Supply Rate. The Water Supply Rate is derived from the calculation in Table 4-5 and Table 5-6, and the Delivery Rate is calculated as shown Table 5-6. Table 5-8 shows the current and proposed Delivery Rate, Water Supply Rate, and Uniform Commodity Rate, as well as the change in dollar amount between the current and proposed rates.

¹⁸ From Table 5-4

¹⁹ Unit Rate \$15.36 * Meter Equivalent Factor shown in Table 5-5 for each meter size

Table 5-8: Proposed Retail Zone Commodity Rate

Commodity Rate	Current FY 2017	Proposed FY 2017 (Effective Oct 1, 2016)	\$ Change
Delivery Rate (1)	\$1.18	\$1.37	\$0.19
Water Supply Rate (2)	\$1.49	\$1.67	\$0.18
Uniform Commodity Rate (1+2)	\$2.67 / ccf	\$3.04 / ccf	\$0.37 /ccf

The proposed five-year Retail Zone water rates are shown in Table 5-9. The proposed revenue adjustments from Table 4-8 are used to determine the proposed Retail Zone water rates for the next five years applied to the proposed rates for FY 2017.

The monthly Capital Fee for each successive year is determined by increasing the current year's rate by the successive year's proposed revenue adjustment. For example, the proposed monthly Capital Fee for FY 2018 is calculated by increasing the prior year's rate (\$22.20 per month) by the proposed revenue adjustment for FY 2018 (10%), resulting in a proposed rate of \$24.42 per month for FY 2018. The monthly Service Charge is calculated similarly, resulting in the proposed rates for five successive years per meter size.

The base Commodity Rates are calculated similarly to the monthly fixed charges. For FY 2018 and beyond, the estimated Cumulative Pass-through Water Supply Rates are included into the final proposed Commodity Rates to result in the Commodity Rates including Pass-through for five successive years. Actual water supply pass-through costs will be determined annually to align with actual water cost increases imposed on the District.

Table 5-9: Proposed 5-year Retail Zone Water Rates

	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Effective Month	Current	Oct 2016	Feb 2018	Feb 2019	Feb 2020	Feb 2021
Proposed Revenue Adjustments			10.0%	10.0%	10.0%	10.0%
Monthly Capital Fees						
5/8"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
3/4"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
1"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
1-1/2"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
2"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
3"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
Monthly Service Charges						
5/8"	\$18.10	\$15.36	\$16.90	\$18.59	\$20.45	\$22.50
3/4"	\$20.50	\$23.04	\$25.35	\$27.89	\$30.68	\$33.75
1"	\$34.25	\$38.40	\$42.24	\$46.47	\$51.12	\$56.24
1-1/2"	\$52.00	\$76.80	\$84.48	\$92.93	\$102.23	\$112.46
2"	\$90.75	\$122.88	\$135.17	\$148.69	\$163.56	\$179.92
3"	\$128.75	\$268.80	\$295.68	\$325.25	\$357.78	\$393.56
Commodity Rates						
Commodity Rates (\$/ccf)	\$2.67/ccf	\$3.04/ccf	\$3.35/ccf	\$3.69/ccf	\$4.06/ccf	\$4.47/ccf
+ Est. Cum. Pass-through WS Rates			\$0.33/ccf	\$0.42/ccf	\$0.51/ccf	\$0.60/ccf
Commodity Rates incl. Pass-through	\$2.67/ccf	\$3.04/ccf	\$3.68/ccf	\$4.11/ccf	\$4.57/ccf	\$5.07/ccf

6 Drought Rates

Due to the current state of California's drought, it is necessary to analyze the financial impact of each stage of drought for the District's Retail Zone. Based on District staff's reduction estimations for each stage of drought, the projected demand and projected sales for the Retail Zone for Stages 1, 2, and 3 of the drought are depicted in Table 6-1.

Table 6-1: Drought Stages Definitions and Projected Sales

	Stage 1	Stage 2	Stage 3
Demand w/ loss	720 - 780 AF	660 – 720 AF	600 - 660 AF
Reduction (Non-Drought Sales ≥ 780AF)	1 - 8%	8 - 15%	15 - 23%
Projected Sales	685 AF	628 AF	571 AF
Projected Sales	298,222 ccf	273,370 ccf	248,518 ccf

Applying the demand estimates from Table 6-1, the following Proforma for each stage of drought is depicted in Table 6-2. The No Drought demand is 742 AF, derived earlier in Table 4-5. The demand estimates for Stages 1, 2, and 3 of drought are 720 AF, 660 AF, and 600 AF, respectively, as estimated in Table 6-1. The Proforma shows the differences between both revenues, expenses, and net operating revenues for each stage of drought at the proposed revenue adjustment percentages listed in Table 4-8 and Table 4-9.

Table 6-2: Proforma for FY 2017 under the Drought Stages

	No Drought	Stage 1	Stage 2	Stage 3
REVENUES				
Current Water sales	\$ 862,608	\$ 796,253	\$ 729,899	\$ 663,544
Commodity Rates Rev Adjmts	\$ 55,351	\$ 51,093	\$ 46,835	\$ 42,577
Current Meter charges	\$ 360,107	\$ 360,107	\$ 360,107	\$ 360,107
Meter Charges Rev Adjmts	\$ 23,107	\$ 23,107	\$ 23,107	\$ 23,107
Current Capital Fees	\$ 287,760	\$ 287,760	\$ 287,760	\$ 287,760
Capital Fees Rev Adjmts	\$ 18,465	\$ 18,465	\$ 18,465	\$ 18,465
Subtotal Revenues from Rates	\$ 1,607,396	\$ 1,536,784	\$ 1,466,172	\$ 1,395,560
Other Revenues	\$ 441,653	\$ 442,523	\$ 442,813	\$ 443,972
Drought Surcharge	\$ -	\$ -	\$ -	\$ -
Pass-through Water Supply Costs	\$ 33,923	\$ 34,793	\$ 35,083	\$ 36,242
Misc. Operating Revenues	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600
Interest Income	\$ 2,030	\$ 2,030	\$ 2,030	\$ 2,030
Taxes	\$ 400,100	\$ 400,100	\$ 400,100	\$ 400,100
Misc. Non-Operating Revenues	\$ -	\$ -	\$ -	\$ -
Funding from Rate Stabilization	\$ -	\$ -	\$ -	\$ -
Connection Fee	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 2,049,049	\$ 1,979,307	\$ 1,908,985	\$ 1,839,532
EXPENSES				
Operating Expenses				
Water Supply Costs	\$ 536,729	\$ 501,793	\$ 466,856	\$ 431,919
Labor & Benefits	\$ 451,330	\$ 451,330	\$ 451,330	\$ 451,330
Other Operating Expenses	\$ 363,000	\$ 363,000	\$ 363,000	\$ 363,000
Non-Operating Expenses	\$ 307,045	\$ 307,045	\$ 307,045	\$ 307,045
Rate Stabilization Funding	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
TOTAL EXPENSES	\$ 1,758,104	\$ 1,723,168	\$ 1,688,231	\$ 1,653,294
NET OPERATING REVENUES	\$ 290,945	\$ 256,139	\$ 220,754	\$ 186,238

The Proforma for No Drought, Stage 1, Stage 2, and Stage 3 of the drought serves as the basis for calculating the proposed drought rates for each stage, shown in Table 6-3. The Non-Drought Net Revenues in Row 1 is equal to the net operating revenues for No Drought in Table 6-2. The Drought Stage Net Revenues in Row 2 are the net operating revenues of each corresponding stage of drought. The Drought Surcharges Revenue Requirements is the difference between Row 1 and Row 2, which represents the additional revenue required at each stage of drought to maintain the District's financial sufficiency. It is important to note that the net operating revenues determined in Table 6-2 and in Rows 1 and 2 are proposed net operating revenues, which include the proposed revenue adjustments in Table 4-8.

To calculate the per unit drought surcharge, the Drought Surcharges Revenue Requirements figure (Row 3) is divided by the total Drought Sales (Row 4), calculated earlier in Table 6-1. The Uniform Commodity Drought Rates are the per unit increase for each stage of drought to maintain the Retail Zone Enterprises'

financial sufficiency. For example, the Commodity Rate for Stage 1 of drought is determined by adding the base Uniform Commodity Rate (\$3.04 per ccf) with the drought surcharge (\$0.12 per ccf) to define the final rate as \$3.16 per ccf.

Table 6-3: Proposed Drought Rates by Stages

		Stage 1	Stage 2	Stage 3
1	Non-Drought Net Revenues <i>(Table 6-2, No Drought)</i>	\$290.9K	\$290.9K	\$290.9K
2	Drought Stage Net Revenues <i>(Table 6-2)</i>	\$256.1K	\$220.8K	\$186.2K
3	Drought Surcharges Revenue Requirements <i>(Row 1 – Row 2)</i>	\$34.8K	\$70.2K	\$104.7K
4	Drought Sales <i>(Table 6-1)</i>	298,222 ccf	273,370 ccf	248,518 ccf
5	Uniform Commodity Drought Rates <i>(Row 3 / Row 4)</i>	\$0.12/ccf	\$0.26/ccf	\$0.43/ccf

7 Customer Impacts Analysis

While proposed rate adjustments are important to maintain the District's financial sufficiency, it is equally important to understand and analyze the potential customer impacts associated with these proposed changes. The following four figures graphically depict the customer impacts associated with each stage of drought, using the current monthly bill amount as a baseline.

Figure 7-1 depicts the monetary impact to a typical single-family residential customer with a 3/4-inch meter under the proposed rate structure in Table 5-9 (for FY 2017 rates). For instance, if the customer has a monthly usage of 15 ccf, the impact to the monthly bill will be an additional \$10.29, or a 12.8% increase.

For each stage of drought, the proposed bill amount includes the drought rates determined in Table 6-3. For that same customer in the first stage of drought, the proposed monthly bill will be \$92.64. The impact on this customer from No Drought to Stage 1 of drought will be an additional \$1.80 from the proposed monthly bill shown in Figure 7-1, or a 2.0% increase in their monthly bill (Figure 7-2). Similarly, the same customer will see an increase of \$3.90 per monthly bill in Stage 2 of drought as compared to the proposed No Drought monthly bill, or a 4.3% increase (Figure 7-3). Finally, the same customer will see an increase of \$6.45 per monthly bill in Stage 3 of drought, or a 7.1% increase (Figure 7-4).

Figure 7-1: FY 2017 Sample SFR Monthly Bills (No Drought Rates)

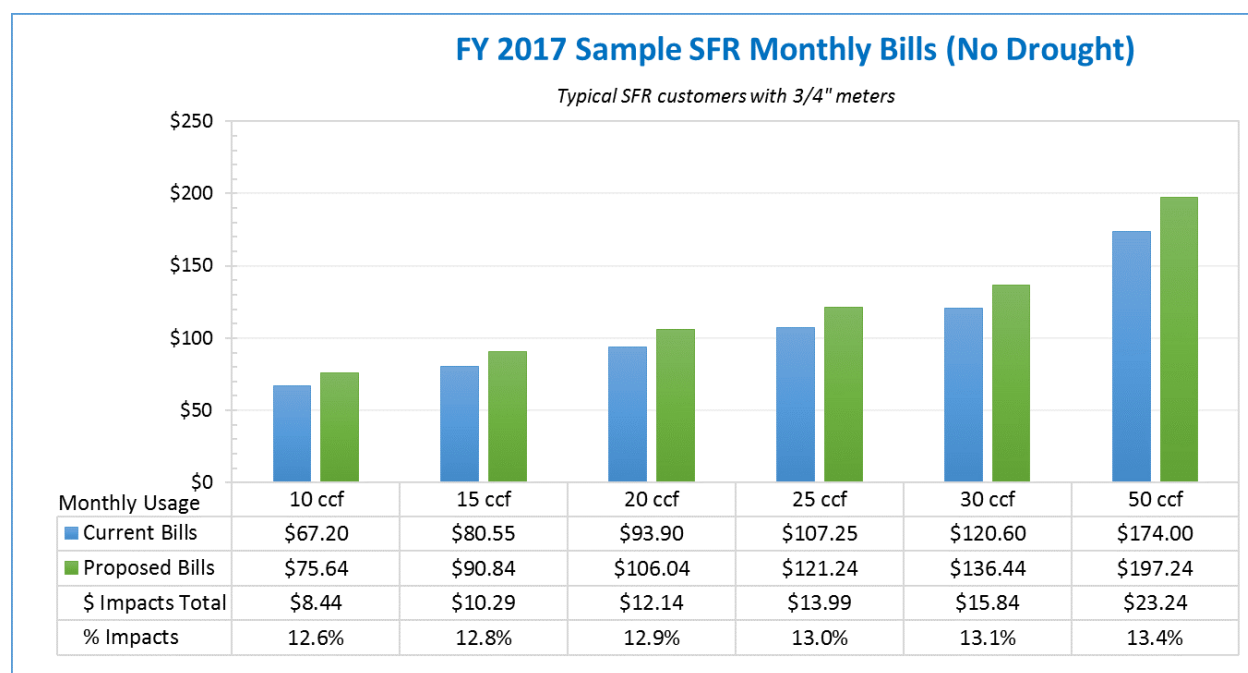


Figure 7-2: FY 2017 Sample SFR Monthly Bills (with Drought Rate for Stage 1)

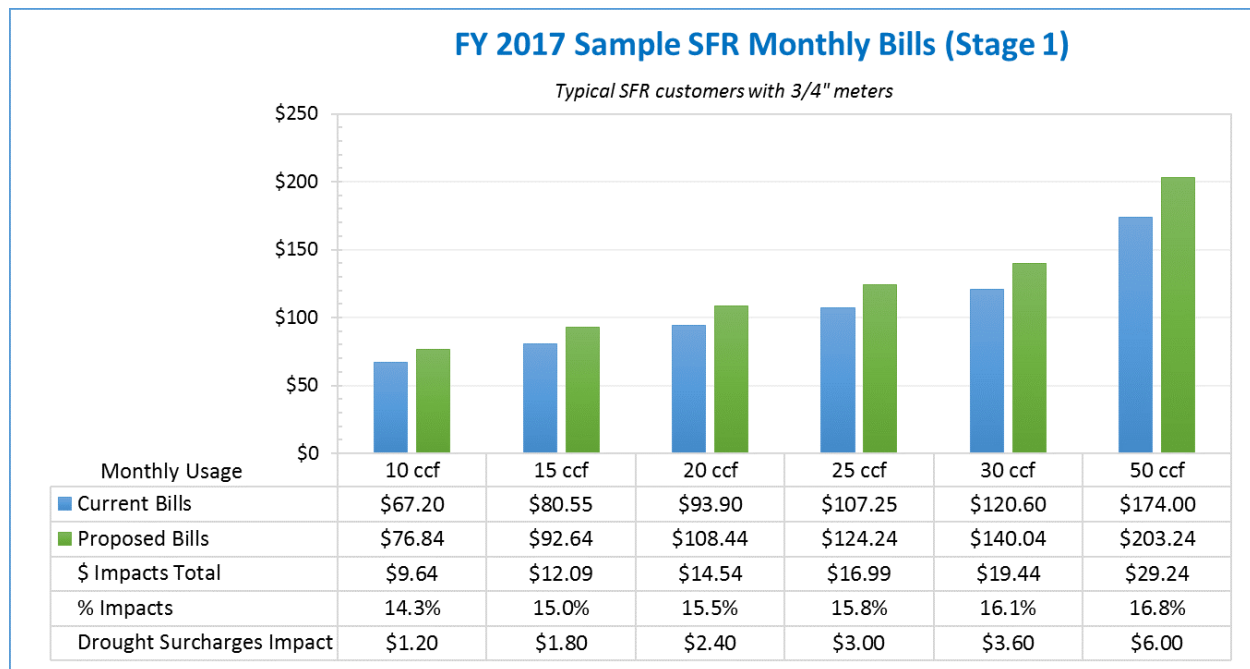


Figure 7-3: FY 2017 Sample SFR Monthly Bills (with Drought Rate for Stage 2)

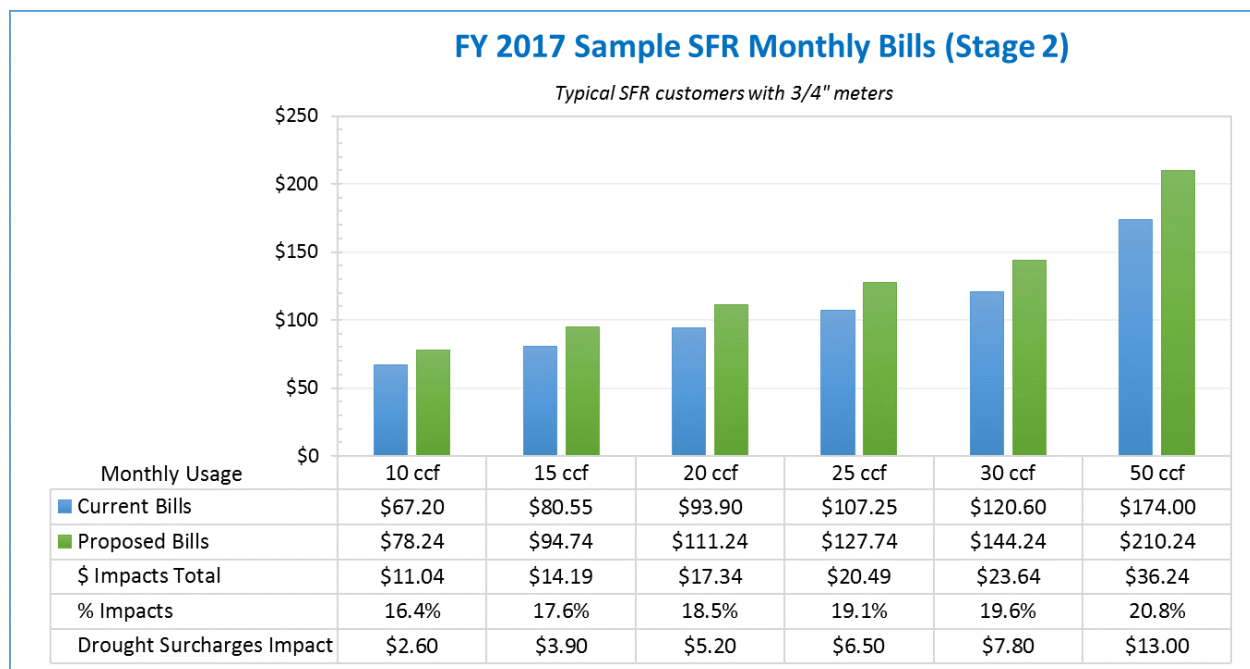
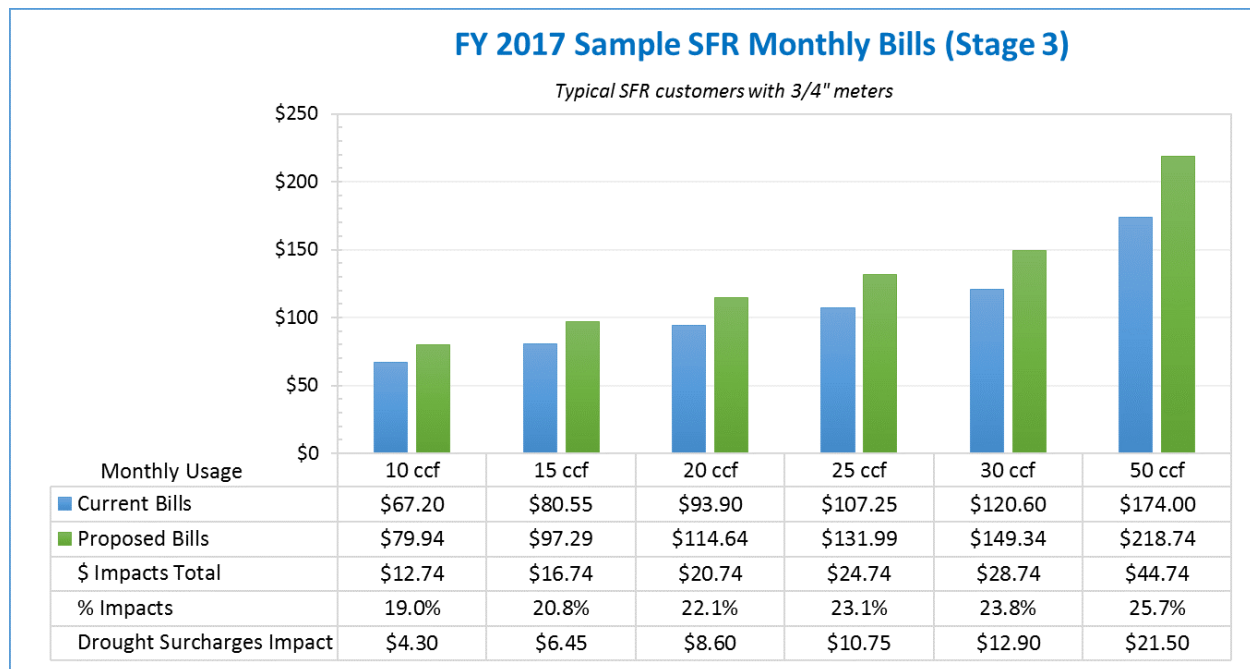


Figure 7-4: FY 2017 Sample SFR Monthly Bills (with Drought Rate for Stage 3)



8 Appendices

8.1 Current Adopted Reserve Policy

East Orange County Water District Reserve Funds Policy

PURPOSE

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital and debt service cost needs. An additional critical element of fiscal responsibility is to anticipate and prepare for future funding requirements as well as for unforeseen disasters and other unforeseen events. The East Orange County Water District (District) will at all times strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and maintained in a manner, which allows the District to fund costs consistent with long range financial and capital planning, avoiding significant rate fluctuations due to changes in cash flow requirements. Reserve funds will also include an emergency reserve position that may be utilized to fund unexpected disasters or unanticipated major failures. The Board of Directors will annually review the level of reserve funds maintained, including as provided in Resolution No. 595 (restating policy concerning maintenance and use of emergency/contingency/reserve ("ECR") fund and establishing replacements and capital improvements ("RCI") fund – wholesale system) and Resolution No. 596 (designating capital projects fund as replacements and capital improvements ("RCI") fund – retail zone, and restating policy concerning maintenance and use thereof) (the "Reserve Fund Resolutions").

The District shall maintain reserve funds within each of the separate enterprise funds (including the Wholesale System and Retail Zone operating funds and RCI funds and the Wholesale ECR Fund maintained within such enterprise funds) and within such other enterprise funds as the District may establish and maintain from time to time (ref. Resolution No. 669). This policy establishes the level of reserves necessary for maintaining the District's credit worthiness and for adequately providing for:

- Funding infrastructure replacement.
- Economic uncertainties and other financial hardships.
- Loss of significant revenue sources such as property tax receipts or connection fees.
- Local disasters or catastrophic events.
- Future debt or capital obligations.
- Cash flow requirements.
- Unfunded mandates including costly regulatory requirements.
- Projects or programs, including litigation, that the Board has determined to be of significant benefit to the majority of the customers of the District.

DEFINITIONS:

Restricted Reserves: Restrictions on their use are imposed by an outside source such as creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Reserves: Have no externally imposed use restriction. The use of Unrestricted Reserve funds is at the discretion of the Board of Directors. There are two categories of Unrestricted Reserves - Designated and Undesignated. At the District, all Unrestricted Reserves are Designated Reserves.

Designated Reserves: Set-aside for a specific purpose, which is, determined by the Board of Directors. The Board of Directors also has the authority to redirect the use of these reserve funds as needs of the District change. These reserves have various names (e.g., Operating Reserve, Capital Reserve, etc.) to indicate the subgroup use for the specific reserve fund.

Capital Reserve Fund Charge (Wholesale): a fee or charge, which may from time to time be levied by the Board of Directors relative to wholesale water sales, connections, or otherwise in the wholesale system pursuant to Resolution No. 595, to provide funds necessary to contribute such amounts to the wholesale RCI, ECR or reserves within the wholesale enterprise funds as the Board may deem reasonable and proper.

Capital Projects Fee (Retail): The monthly fee, referred to in the schedule of rates as the "Monthly Fee for Existing Water System Capital Projects" or similar term, levied for the cost of repairing, rehabilitating, replacing and/or improving capital facilities in the Retail Zone water system.

POLICY

Operating Reserves

Operating reserves are used to fund ongoing cash flow needs of the agency. Due to the large variability in the month-to-month cash flow needs due to the seasonal demand for water, the minimum amount of operating reserves will equal ten (10) months of budgeted operating expenses. The maximum amount of operating reserves will equal twelve (12) months of operating expenses.

Capital Reserves

Capital reserves will be accumulated to fund infrastructure projects and will be an integral part of the District's capital plan documented in its Five-Year Capital Improvement Program, Ten-Year Forecast and Reserve Fund Resolutions. A key objective for accumulating capital reserves is to minimize external borrowing and interest expense. The minimum amount of capital reserves will equal one year's capital spending. The maximum amount of capital reserves will equal two times the accumulated depreciation balance.

It is the practice of the District, in regards to capital expenditures, to follow a "pay as you go (PAYGO)" philosophy. That is, capital expenditures are funded out of the current year collections of the Capital Reserve Fund Charge and/or Capital Projects Fee for all funds. To the extent that the current year's Capital Replacement/Reserve Fees plus capital reserves in a fund are insufficient to cover the District's Five-Year Capital Improvement Program, then the District will investigate alternative funding or rate adjustments.

The appropriate Capital Reserve Fund balances will be determined as follows:

1. Funds available from Capital Replacement Fees will be projected for five- and ten-year periods.
2. Capital expenditures will be projected for five- and ten-year periods.
3. The Capital Reserve will be the difference between the funds available (Item 1) and the funds required (Item 2), but no less than two times the accumulated depreciation balance.

Advances from any enterprise funds Capital Reserves may be made to meet expenses in another enterprise funds upon the determination of the Board of Directors of the need for the advance and satisfactory assurance of repayment, and upon such terms for repayment as the Board shall establish.

Self-Insurance and Litigation Reserves

The District is self-insured up to \$25,000 for each claim and maintains pooled property and liability insurance through the Association of California Water Agencies for claims up to \$2,000,000. Additionally, periodically the District may have extraordinary litigation expenses that exceed annual operating budget expenses. The minimum self-insurance and litigation reserve will equal \$500,000; the maximum self-insurance and litigation reserve will total \$5,000,000.

PROCEDURE FOR USING RESERVE FUNDS

Operating and Self-Insurance and Litigation Reserves

Operating and self-insurance reserves can be used at any time to meet cash flow requirements of District operations. Authority to use the funds will be consistent with the District's Purchasing Policy.

Capital Reserves

The Board of Directors will authorize use of capital reserves during the budget process. Capital reserves are also available for unplanned (unbudgeted) capital replacement. Authorization for the use of capital reserves for unplanned capital replacement will be consistent with the District's Purchasing Policy.

PROCEDURE FOR MONITORING RESERVE LEVELS

The Accountant shall perform a reserve analysis to be submitted to the Board of Directors upon the occurrence of the following events:

- Board of Directors' deliberation of the annual budget;
- Board of Directors' deliberation of a service charge rate increase;
- Upon renewal of the self-insurance excess insurance coverage; or,
- When a major change in conditions threatens the reserve levels established within this policy.

If the analysis indicates projected or actual reserve levels falling 10% below or above the levels outlined in this policy, at least one of the following actions shall be included with the analysis:

- An explanation of why the reserve levels are not at the targeted level, and/ or
- An identified course of action to bring reserve levels within the minimum and maximum levels prescribed.

Retail Zone Rate Study Report
East Orange County Water District



8.2 Detailed O&M Budget

Table 8-1: Retail Operating Budget provided by District Staff

EAST ORANGE COUNTY WATER DISTRICT							
RETAIL ZONE OPERATING BUDGET							
FY 2015-16							2014-15 Projected 2014-15
Account	Title	Detail	PROPOSED 2016-17 16-17	2015-16 Projected	ACTUAL JUL TO FEB 16	BUDGET 15-16 Proposed	
RECEIPTS							
4001-20	Water sales	6		708,287	472,191	1,020,115	900,000
4002-20	Drought Surcharge			-	-	250,000	
4150-20	Meter charges	6		359,269	239,513	387,415	350,000
4202-20	Late charges	6	11,000	10,446	6,964	11,000	11,400
4110-20	Connection Fee	6		-	-	-	-
4204-20	Returned check charges	6	1,000	480	320	1,000	1,000
4205-20	Turn-off charges	6	600	600	400	600	100
4206-20	Other charges	6		1,950	1,300	-	-
4207-20	Uncollectible accounts	6	(2,000)	-	-	(2,000)	(2,114)
4606-20	Interest earned-Money Market	7	30	54	36	30	30
4603-20	Interest earned-LAIF	7	2,000	6,212	4,141	4,050	3,000
4701-20	Taxes-secured	7	350,000	301,874	201,249	346,545	330,200
4702-20	Taxes-unsecured	7	15,100	15,289	10,193	15,100	15,100
4703-20	Taxes-supplemental roll	7	9,900	7,494	4,996	9,900	9,900
4705-20	Taxes-prior years	7	3,900	3,663	2,442	3,900	3,900
4706-20	Taxes-homeowners subvention	8	1,900	1,883	1,255	1,900	1,900
4707-20	Taxes-public utility	8	4,300	4,679	3,119	4,300	4,300
4708-20	Taxes- Tustin RDA Taxes		20,000	-	-	20,945	20,000
Inactive	Taxes Accrued		(5,000)	-	-	(5,000)	-
4709-20	Taxes-miscellaneous	8		-	-	-	-
	Subtotal Property Taxes		400,100	334,882	223,254	397,590	385,300
4690-20	Miscellaneous income	8	500	4,590	3,060	500	3,900
4680-20	Gain or (loss) on sale of assets	9	-	-	-	-	-
TOTAL RETAIL OPERATING FUND RECEIPTS			813,330	1,427,996	951,997	2,070,300	1,652,616

Retail Zone Rate Study Report

East Orange County Water District



Table 8-1 (cont.)

EAST ORANGE COUNTY WATER DISTRICT RETAIL OPERATING FUND-BUDGET FOR 2015-16							
EXPENDITURES			PROPOSED 16-17	2015-16 Projected	ACTUAL JUL TO FEB 16	2015-16 BUDGET	2014-15 Projected
5051-20	Water purchases	9	251,603	172,647	115,098	251,600	1,000
5051-20	In-lieu water purchases	9	-	-	-	-	-
5052-20	In-Lieu credit on water purchases	9	-	-	-	-	-
5050-20	OCWD- Replenish Assessment	9	247,200	138,324	92,216	247,200	301,100
5058-20	MET-MWDOC readiness to serve charges	13	30,000	33,531	22,354	35,000	30,900
5057-20	MET-MWDOC capacity charges	13	15,000	16,000	10,667	16,000	11,600
5059-20	MWDOC Choice		3,000	2,530	1,687		
5054-20	MWDOC Retail service connection	9	13,000	13,063	8,709	12,300	12,700
5056-20	EOCWD WZ Readiness to Serve Charge		9,204	9,030	6,020	4,800	3,300
5055-20	EOCWD WZ Reserve Fund Charge		17,809	17,458	11,639	14,450	13,300
5143-20	Utilities-Stoller Boosters	9	65,000	31,933	21,288	60,000	55,700
5142-20	Utilities-Vista Panorama Reservoir	9	9,000	2,815	1,876	8,000	4,400
5141-20	Utilities-Wells East/West	9	68,500	36,550	24,367	67,000	63,500
5160-20	Small tools	11	4,000	3,743	2,495	3,600	3,500
5144-20	Gasoline, Oil & Diesel Fuel	11	6,850	3,884	2,590	6,700	5,800
5170-20	Regulatory Permits	11	7,500	4,105	2,737	6,600	6,500
5120-20	Water quality testing	12	20,500	7,404	4,936	20,000	9,500
5121-20	Chlorine generator / salt purchases	12	1,200	632	421	1,200	1,000
5104-20	West well maintenance	12	5,000	346	231	3,500	400
5105-20	East well maintenance	12	10,000	15,412	10,275	5,000	800
5106-20	Barrett Reservoir & Boosters maintenance	12	9,000	1,358	905	9,000	8,800
5107-20	Vista Panorama Booster maintenance	12	4,200	-	-	4,200	100
5108-20	Vista Panorama Reservoir maintenance	12	12,000	-	-	12,000	9,200
5109-20	Chlorine generator maintenance	12	6,000	3,598	2,399	6,000	5,600
5122-20	SCADA Replacements / Upgrades	13	12,000	-	-	12,000	100
5161-20	Operations Reporting Software	13	16,000	7,794	5,196	16,000	7,800
5111-20	Hydrants- repair and maintenance	12	16,100	10,704	7,136	16,100	5,600
5124-20	Meter purchase and testing	12	21,000	4,356	2,904	20,000	9,200
5112-20	PRV-repair and maintenance	13	2,000	-	-	2,000	400
5101-20	Mains-repair and maintenance	12	30,500	18,359	12,239	30,000	36,400

Retail Zone Rate Study Report

East Orange County Water District



Table 8-1 (cont.)

EAST ORANGE COUNTY WATER DISTRICT RETAIL OPERATING FUND-BUDGET FOR 2015-16			PROPOSED 16-17	2015-16 Projected	ACTUAL JUL TO FEB 16	2015-16 BUDGET	2014-15 Projected
EXPENDITURES							
5110-20	Service Connections-repair and maintenance	12	25,500	4,869	3,246	25,000	18,100
5102-20	Reservoirs-repair and maintenance	13	2,050	321	214	2,000	600
5103-20	Vaults-repair and maintenance		1,550	1,277	851	1,500	600
5131-20	Catholic Protection- monitoring, repairs & maintenance	13	5,100	-	-	5,000	-
5129-20	Meter testing	13	1,050	450	300	1,000	-
5155-20	Equipment rental	13	20,500	18,443	12,296	20,000	16,200
5150-20	Equipment maintenance	16	4,500	851	567	4,500	700
5151-20	Vehicle maintenance	17	3,550	1,635	1,090	3,500	3,500
5152-20	Maintenance-buildings and grounds	17	3,550	1,266	844	3,500	700
5401-20	Wages	11	245,000	242,448	161,632	281,700	260,200
5402-20	FICA and Medicare	13	18,000	19,540	13,027	21,600	22,000
5498-20	Retirement PERS 5420-20	14	45,000	-	-	46,300	35,400
5427-20	PERS Unfunded			6,293	4,195	-	-
5421-20	Pers Classic(ER-Contribution)			16,053	10,702	-	-
5422-20	Pers Classic (ER-paid member)			8,830	5,887	-	-
5424-20	PERS PEPRA (ER)			5,195	3,463	-	-
5403-20	Retirement - PERS (Employee Contribution)	14	(8,000)	-	-	(7,100)	(7,000)
5423-20	PERS Classic (Employee)			(3,527)	(2,351)		
5426-20	PERS PEPRA (Employee)			(2,869)	(1,913)		
5404-20	SUI and ETT	14	4,200	1,265	843	4,100	1,000
5410-20	Health & Accident Insurance	14	70,000	49,624	33,083	87,900	59,600
5411-20	Dental insurance	14	5,000	4,185	2,790	5,300	4,900
5412-20	Vision insurance	14	1,000	844	563	1,100	1,000
5413-20	Life insurance	14	500	352	234	430	500
5414-20	Worker's compensation insurance	14	10,200	5,594	3,730	10,000	6,100
5181-20	Uniforms	13	2,754	1,046	697	2,700	1,800
5207-20	District website	10	10,000	648	432	10,650	1,500
5204-20	McPherson fax	10	550	495	330	300	600
5205-20	McPherson internet	10	4,080	1,128	752	4,000	700
5206-20	McPherson office phones	10	3,550	3,694	2,463	3,525	2,700
5208-20	Answering service	10	255	190	127	250	200
5210-20	Control equipment communications	10	3,000	3,278	2,186	3,000	2,300
5209-20	Cellphones	10	1,750	1,619	1,079	1,700	1,500
5269-20	Underground Service Alert	10	500	509	339	500	300
5220-20	Training / Schools	11	6,500	454	303	6,500	3,000
5221-20	Conservation	11	22,400	35,690	23,793	20,000	2,100
5222-20	Conference and Meeting Expenses	15	10,000	4,019	2,679	9,500	4,900
5223-20	Mileage	11	1,000	652	435	900	800
5230-20	ACWA	15	3,825	765	510	3,750	2,400
5231-20	Orange County Water Works Association	15	75	45	30	75	25
5232-20	American Water Works Association	15	500	-	-	400	400
5233-20	Foothill Communities Association		20	-	-	20	20
5234-20	CSDA Membership		3,570	4,305	2,870	3,500	2,000
5235-20	ISDOC / Urban Water Institute	15	1,020	212	142	1,000	350
5299-20	Miscellaneous expense	15	510	202	134	500	160
5433-20	Director's fees-John Dulebohn	15	3,675	2,719	1,813	3,600	1,700
5434-20	Director's fees-Richard Bell	15	3,675	2,175	1,450	3,600	2,600
5435-20	Director's fees-Douglass Davert	15	-	-	-	-	-
5436-20	Director's fees-Sy Everett	15	3,675	1,181	788	3,600	1,100
5437-20	Director's fees-John Sears	15	3,675	263	175		
5224-20	Meeting Expenses	15	2,050	2,391	1,594	2,000	1,000
5240-20	Postage	15	5,100	5,048	3,365	5,000	4,900
5241-20	Office supplies / furnishings / small equipment	15	6,120	4,464	2,976	6,000	2,300
5250-20	Public Information & Legal Notices	15	20,400	892	594	20,000	1,000
5251-20	Copier contract	13	5,650	351	234	650	300
5272-20	Versatarm contract-route manager	13	5,100	825	550	5,000	800

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East Orange County Water District



Table 8-1 (cont.)

EAST ORANGE COUNTY WATER DISTRICT RETAIL OPERATING FUND-BUDGET FOR 2015-16							
PENDITURES			PROPOSED 16-17	2015-16 Projected	ACTUAL JUL TO FEB 16	2015-16 BUDGET	2014-15 Projected
5270-20 Bank charges	15		8,000	8,152	5,435	7,900	7,700
5260-20 Outside services	11		11,200	15,407	10,271	10,000	7,400
5261-20 Audit	16		8,500	5,063	3,375	8,400	8,200
5262-20 Tax collection fees	16		7,200	819	546	7,000	5,100
5271-20 Computer billing	15		7,300	7,995	5,330	7,100	7,000
5263-20 Treasurer	16		5,000	-	-	5,000	1,800
5264-20 Accounting			26,000	23,259	15,506	25,500	25,000
5265-20 Legal	16		35,000	24,508	16,339	35,000	18,200
5266-20 Computer consulting	16		6,500	6,907	4,605	5,000	2,500
5267-20 Engineering	16		41,000	8,143	5,428	40,000	8,400
5268-20 LAFCO	16		5,100	3,536	2,357	5,000	3,600
5280-20 Insurance-auto and general liability	16		8,160	7,900	5,266	8,000	6,900
5281-20 Insurance-property	16		3,060	876	584	3,000	900
5282-20 Insurance-fidelity bond	16		408	194	129	400	200
5252-20 Office equipment maintenance	16		1,020	691	461	1,000	800
5203-20 Dumpster	17		510	352	235	500	300
5201-20 Electric - Office	17		4,284	3,326	2,217	4,200	4,200
5291-20 Security			1,530	-	-	1,500	300
5292-20 Election expense	17		8,160	391	261	8,000	8,700
5920-20 Transfers to capital projects funds	17		350,000	300,000	200,000	300,000	164,600
5940-20 Retail Operations Contingency Fund	17		100,000	65,000	43,333	65,000	75,000
5960-20 Funded to/by Reserve	17		50,000	50,000	33,333	50,000	50,000
5990-20 Market value adjustments to investments	17		-	-	-	-	-
5670-20 Prior year expense			-	-	-	-	-
TOTAL RETAIL OPERATING FUND EXPENDITURES			2,194,328	1,556,498	1,037,666	2,133,800	1,488,955

Retail Zone Rate Study Report

East Orange County Water District



8.3 Detailed Capital Improvement Projects

Table 8-2: Detailed Capital Improvement Projects

Project # / Map ID	Descriptions	Wholesale Retail	FY 2015 Actual	FY 2016 Est. Actual	FY 2017 Budgeted	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
MULTI YEAR CIP															
70202E1	UWMP Update-Engineering (WS portion) (Completed)	Wholesale		\$ 30,000			\$ -	\$ -	\$ -	\$ -					
70102E1	Water Loss Analysis/Recovery	Wholesale	\$ -		\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -					
70103C1	Security Gate at 6 MG Site-Const (WZ Portion)(Carryover)	Wholesale				\$ -	\$ -	\$ -	\$ -	\$ -					
70103L1	Security Gate at 6 MG Site-Labor (WZ Portion)(Carryover)	Wholesale				\$ -	\$ -	\$ -	\$ -	\$ -					
70105C1	Security System at Peters Canyon Reservoir-Construction	Wholesale	\$ 10,000			\$ -	\$ -	\$ -	\$ -	\$ -					
70105L1	Security System at Peters Canyon Reservoir-Labor	Wholesale	\$ 1,000			\$ -	\$ -	\$ -	\$ -	\$ -					
70107E1	Backup generator at OC70 Pump Station-Engineering	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
70107C1	Backup generator at OC70 Pump Station-Const (Carryover)	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
70107L1	Backup generator at OC70 Pump Station-Labor	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
70108E1	Electrical modifications for Backup Generator-Engineering	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
70108C1	Electrical modifications for Backup Generator-Construction (Carryover)	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
70108L1	Electrical modifications for Backup Generator-Labor	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
	Metering Improvements for WZ Billing-Engineering	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
	Metering Improvements for WZ Billing-Construction	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
	Metering Improvements for WZ Billing-Labor	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
70110E1	Pipeline Inspections-Engineering (Carryover)	Wholesale	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -					
70110L1	Pipeline Inspections-Labor	Wholesale	\$ -												
70201E1	Master Plan/Condition Assessment	Wholesale	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
70201Q1	Programmatic CEQA - CIP	Wholesale			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71102E1	6 MG Reservoir Roof Repairs-Engineering	Wholesale	\$ 125,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71102C1	6 MG Reservoir Roof Repairs-Construction	Wholesale	\$ 250,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71102L1	6 MG Reservoir Roof Repairs-Labor	Wholesale	\$ 20,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71104E1	6 MG Reservoir - Landscape/V-Ditch-Engineering	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71104C1	6 MG Reservoir - Landscape/V-Ditch-Construction	Wholesale		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71104L1	6 MG Reservoir - Landscape/V-Ditch-Labor	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71106E1	Cathodic Protection -Pipelines - Engineering	Wholesale	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71106C1	Cathodic Protection - Pipelines-Construction	Wholesale	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71106L1	Cathodic Protection - Pipelines-Labor	Wholesale	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71201C1	McPherson Office/Yard Improvements-Construction	Wholesale	\$ 2,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71201L1	McPherson Office/Yard Improvements-Labor	Wholesale	\$ 2,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71202E1	11.5 MG Reservoir Cathodic Protection System-Engineering	Wholesale	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71202C1	11.5 MG Reservoir Cathodic Protection System-Construction	Wholesale	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71202L1	11.5 MG Reservoir Cathodic Protection System-Labor	Wholesale	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71203C1	Vehicle to supplement fleet	Wholesale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71204C1	New Truck for field operations	Wholesale	\$ -	\$ 20,000				\$ -	\$ -	\$ -					
71205E1	OC-70 Magnetic Flow Meter Purchase and Installation-Engineering	Wholesale	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71205C1	OC-70 Magnetic Flow Meter Purchase and Installation-Construction	Wholesale	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
71205L1	OC-70 Magnetic Flow Meter Purchase and Installation-Labor	Wholesale	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					

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Table 8-2 (cont.)

Project # / Map ID	Descriptions	Wholesale Retail	FY 2015 Actual	FY 2016 Est. Actual	FY 2017 Budgeted	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
MULTI YEAR CIP															
71206E1	6 MG Reservoir Leak Detection System-Engineering	Wholesale		\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -						
71206C1	6 MG Reservoir Leak Detection System - Construction	Wholesale		\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -						
71206L1	6 MG Reservoir Leak Detection System - Labor	Wholesale		\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -						
7210101	6 MG Treatment Plant Feasibility Study-Engineering	Wholesale		\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -						
72101Q1	6 MG Treatment Plant CEQA	Wholesale		\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -						
72101E1	6 MG Treatment Plant - Preliminary Design	Wholesale		\$ 300,000	\$ -				\$ -						
72101C1	6 MG Treatment Plant -Construction	Wholesale		\$ -	\$ -				\$ -						
72101L1	6 MG Treatment Plant -Labor	Wholesale		\$ 2,500	\$ 5,000	\$ 75,000	\$ -	\$ -	\$ -						
72102E1	Security -Andres Reservoir-Engineering	Wholesale		\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -						
72102C1	Security - Andres Reservoir-Construction	Wholesale		\$ 9,000	\$ -	\$ 9,000	\$ -	\$ -	\$ -						
72102L1	Security -Andres Reservoir-Labor	Wholesale		\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -						
72103E1	Valve Replacements (12" - 27")-Engineering	Wholesale		\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -						
72103C1	Valve Replacements (12" - 27")-Construction	Wholesale		\$ -	\$ 12,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000						
72103L1	Valve Replacements (12" - 27")-Labor	Wholesale		\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -						
72201C1	Replace backhoe	Wholesale		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
72104E1	Newport Reservoir Mixing System - Engineering	Wholesale			\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -						
72104C1	Newport Reservoir Mixing System - Construction	Wholesale			\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -						
72104L1	Newport Reservoir Mixing System - Labor	Wholesale			\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -						
72105E1	6 MGReservoir Mixing System - Engineering	Wholesale			\$ -	\$ 2,500	\$ -	\$ -	\$ -						
72105C1	6 MGReservoir Mixing System - Construction	Wholesale			\$ -	\$ 12,500	\$ -	\$ -	\$ -						
72105L1	6 MG Reservoir Mixing System - Labor	Wholesale			\$ -	\$ 500	\$ -	\$ -	\$ -						
70109E1	Isolation valves - 11.5 & 1 MG Reservoirs - Engineering	Wholesale		\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -						
70109C1	Isolation Valves - 11.5 & 1 MG - Construction	Wholesale		\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -						
70109L1	Isolation Valves - 11.5 & 1 MG - Labor	Wholesale		\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -						
72018C1	OC 33 Reconnection - Engineering	Wholesale			\$ -	\$ 25,000	\$ -	\$ -	\$ -						
7204011	New Project- Construction- OC33 Reconnection	Wholesale			\$ -	\$ 25,000	\$ -	\$ -	\$ -						
72018L1	OC33 Reconnection - Labor	Wholesale			\$ -	\$ 50,000	\$ -	\$ -	\$ -						
72060C1	Security-OC-70 turnout & pump station-Construction	Wholesale			\$ -	\$ 12,000	\$ 12,000	\$ -	\$ -						
72010C1	Security OC-48	Wholesale		\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -						
72010L1	Security-Fairhaven TM-	Wholesale		\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -						
72010E1	Sedaru Improvements	Wholesale		\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -						
72020C1	Pipeline Repair/Replacement Reserve-Engineering	Wholesale		\$ -	\$ -										
72030C1	Pipeline Repair/Replacement Reserve-Construction	Wholesale		\$ -	\$ -										
72030C1	Pipeline Repair/Replacement Reserve-Labor	Wholesale		\$ -	\$ -										
72040C1	Pipeline Accoustic Testing	Wholesale		\$ -	\$ -										
72041C1	Pipeline Other Testing	Wholesale		\$ -											
72050C1	Turnout/Takeout Condition Assessment	Wholesale		\$ -											
70201E2	Master Plan & Condition Assessment - Engineering	Retail		\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -						
70201C2	Master Plan & Condition Assessment - CEQA	Retail			\$ -	\$ -	\$ -	\$ -	\$ -						
70201L2	Master Plan & Condition Assessment - Labor	Retail		\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -						
70102E2	Water Loss Recovery Program (WSO)	Retail		\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -						
71201C2	McPherson Office/Yard/House Improvements-Construction	Retail		\$ 2,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -						
71201L2	McPherson Office/Yard/House Improvements-Labor	Retail		\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -						
71202E2	Cathodic Protection-Engineering	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
71202C2	Cathodic Protection-Construction	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
71202L2	Cathodic Protection-Labor	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
71203C2	New Vehicle for Field Operations	Retail		\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -						
71204E2	Mobile Engine Driven Pump- Engineering	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
71204C2	Mobile Engine Driven Pump- Const.	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
71204L2	Mobile Engine Driven Pump- Labor	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
71204C2	New Vehicle for Field Operations	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
71503E2	VP Hydro Tank Seismic Upgrade -Engineering	Retail		\$ 15,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -						
71503C2	VP Hydro Tank Seismic Upgrade -Construction	Retail		\$ 20,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -						
71503L2	VP Hydro Tank Seismic Upgrade -Labor	Retail		\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -						

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Table 8-2 (cont.)

Project # / Map ID	Descriptions	Wholesale Retail	FY 2015 Actual	FY 2016 Est. Actual	FY 2017 Budgeted	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
MULTI YEAR CIP															
71504E2	Vista Panorama Reservoir Repair-Engineering	Retail			\$ 60,000	\$ -	\$ -	\$ -	\$ -						
71504C2	Vista Panorama Reservoir Repair-Construction	Retail			\$ 180,000	\$ -	\$ -	\$ -	\$ -						
71504L2	Vista Panorama Reservoir Repair-Labor	Retail		\$ 3,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -						
71507E2	Valve Raising - Crawford Canyon-Engineering	Retail		\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -						
71507C2	Valve Raising - Crawford Canyon-Construction	Retail		\$ -	\$ -	\$ -	\$ 17,000	\$ -	\$ -						
71507L2	Valve Raising - Crawford Canyon-Labor	Retail		\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -						
71508C2	Valve Replacements - System-Construction	Retail		\$ 5,000			\$ -	\$ -	\$ -						
71508L2	Valve Replacements - System-Labor	Retail		\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -						
71509E2	Allowance for system relocations-Engineering	Retail		\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -						
71509C2	Allowance for system relocations-Construction	Retail		\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -						
71509L2	Allowance for system relocations-Labor	Retail		\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -						
71510C2	Backup Generator for VPBooster Station-Construction	Retail		\$ -			\$ -	\$ -	\$ -						
71510L2	Backup Generator for VPBooster Station-Labor	Retail		\$ -	\$ -		\$ -	\$ -	\$ -						
71600C2	Generator Transfer Switch - East/West Well	Retail		\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -						
71601C2	Generator Transfer Switch - Barrett Booster Station	Retail		\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -						
71511C2	6" Mag Meters @ Barrett PRVs-Construction	Retail			\$ -	\$ -	\$ -	\$ -	\$ -						
71511L2	6" Mag Meters @ Barrett PRVs-Labor	Retail			\$ -	\$ -	\$ -	\$ -	\$ -						
71512C2	Barrett Res. 150hp Booster Pump - Construction	Retail		\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -						
71512L2	Barrett Res. 150hp Booster - Labor	Retail		\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -						
71520C2	Barrett Res. 75hp Booster Pump Replacement-Construction	Retail		\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -						
71520L2	Barrett Res. 75hp Booster Pump Replacement-Labor	Retail		\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -						
72530E2	Stoller Lane Pipeline Replacement-Engineering	Retail			\$ -	\$ -	\$ 20,000	\$ -	\$ -						
72530C2	Stoller Lane Pipeline Replacement-Construction	Retail			\$ -	\$ -	\$ 105,000	\$ -	\$ -						
72530L2	Stoller Lane Pipeline Replacement-Labor	Retail			\$ -	\$ -	\$ 5,000	\$ -	\$ -						
72531E2	Fowler Ave. Service Improvements-Engineering	Retail			\$ -	\$ -	\$ 30,000	\$ -	\$ -						
72531C2	Fowler Ave. Service Improvements-Construction	Retail			\$ -	\$ -	\$ 145,000	\$ -	\$ -						
72531L2	Fowler Ave. Service Improvements-Labor	Retail			\$ -	\$ -	\$ 5,000	\$ -	\$ -						
72532E2	Crawford Canyon Service Line/ 12" Main Renewal-Engineering	Retail			\$ -	\$ -	\$ 30,000	\$ -	\$ -						
72532C2	Crawford Canyon Service Lines/12" Mainline Renewal-Construction	Retail			\$ -	\$ -	\$ 152,000	\$ -	\$ -						
72532L2	Crawford Canyon Service Line/12" Mainline Renewal-Labor	Retail			\$ -	\$ -	\$ 10,000	\$ -	\$ -						
72501E2	Replacement Recommendations-Engineering	Retail			\$ -	\$ -	\$ -								
72501C2	Replacement Recommendations-Construction	Retail			\$ -	\$ -	\$ -								
72501L2	Replacement Recommendations-Labor	Retail			\$ -	\$ -	\$ -								
72503E2	Backup System PRV - Circula Panorama/ Orange Knoll PRV Replaceme	Retail		\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -						
72503C2	Backup System PRV - Circula Panorama/Orange Knoll PRV Replaceme	Retail			\$ 150,000	\$ -	\$ -	\$ -	\$ -						
72503L2	Backup System PRV - Circula Panorama/Orange Knoll PRV Replaceme	Retail		\$ 2,500	\$ 7,500	\$ -	\$ -	\$ -	\$ -						
7250500	New Well - Engineering	Retail				\$ -	\$ -	\$ -	\$ -						
72505C2	New Well - Construction	Retail				\$ -	\$ -	\$ -	\$ -						
72505L2	New Well - Labor	Retail				\$ -	\$ -	\$ -	\$ -						
72506C2	Security Improvements - Reservoir Sites-Construction	Retail				\$ 10,000	\$ -	\$ -	\$ -						
72506L2	Security Improvements - Reservoir Sites-Labor	Retail				\$ 5,000	\$ -	\$ -	\$ -						
72507E2	Joint Well - Engineering	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
72507C2	Joint Well- Construction	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
72507L2	Joint Well - Labor	Retail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
72508E2	Well Disinfection Conversion-Engineering	Retail				\$ -	\$ 10,000	\$ -	\$ -						
72508C2	Well Disinfection Conversion -Const/Equip	Retail				\$ -	\$ 45,000	\$ -	\$ -						
72508L2	Well Disinfection Conversion - Labor	Retail				\$ -	\$ 2,500	\$ -	\$ -						
72509C2	West Well Rehabilitation -Replacement-Construction	Retail		\$ -	\$ 80,000	\$ 400,000	\$ -	\$ -	\$ -						
72509L2	West Well Rehabilitation -Replacement-Labor	Retail		\$ -	\$ 2,000	\$ 10,000	\$ -	\$ -	\$ -						
72540E2	SCADA System Site Additions - VP Sidehill and RZ Fire Pump	Retail		\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -						
72010E1	Sedaru Improvements	Retail		\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -						

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Table 8-2 (cont.)

Project # / Map ID	Descriptions	Wholesale Retail	FY 2015 Actual	FY 2016 Est. Actual	FY 2017 Budgeted	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
MASTER PLAN CIP															
H-3	Replace 4" along Via Aventura due to hot soil	Retail			\$ -	\$ -	\$ -	\$ -		\$ 18,100	\$ 18,100	\$ 18,100	\$ 18,100	\$ 18,100	\$ 18,100
H-4	Replace 4" along XX Driveway due to hot soil	Retail			\$ -	\$ -	\$ -	\$ -		\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500
H-5	Replace undersized 4" along Kiersy Place	Retail			\$ -	\$ -	\$ -	\$ -		\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300	\$ 23,300
H-6	Repair 8" along Fairhaven Extension	Retail			\$ -	\$ -	\$ -	\$ -		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
H-7	Replace 6" along Fairhaven Extension due to hot soil (included in CIP)	Retail							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H-8	Upsize 4" along Fairhaven Ext and Circula Panorama for future PRS	Retail			\$ -	\$ -	\$ -	\$ -		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
H-9	Replace undersized 4" pipeline along Pine Canyon Rd	Retail			\$ -	\$ -	\$ -	\$ -		\$ 18,100	\$ 18,100	\$ 18,100	\$ 18,100	\$ 18,100	\$ 18,100
H-14	Install future connection on E Los Arboles Ave	Retail								\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500
H-15	Replace undersized 4" pipeline along E Smiley Dr	Retail								\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800
FF-2	Fire flow improvement at the end of St. Marks Dr (upsized 4" to 8")	Retail								\$ 10,300	\$ 10,300	\$ 10,300	\$ 10,300	\$ 10,300	\$ 10,300
FF-3	Fire flow improvement along Kiersy Place (upsized 4" to 8")	Retail								\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
FF-4	Fire flow improvement along Springwood Dr and Villa Rose Dr (upsized 4" to 8")	Retail			\$ -	\$ -	\$ -	\$ -		\$ 25,700	\$ 25,700	\$ 25,700	\$ 25,700	\$ 25,700	\$ 25,700
FF-5	Fire flow improvement along Crawford Canyon Rd and Daniger Drive	Retail			\$ -	\$ -	\$ -	\$ -	\$ 181,000						
FF-6	Fire flow improvement from end of Willis Ln and El Roy Dr (upsized 4" to 8")	Retail			\$ -	\$ -	\$ -	\$ -		\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800	\$ 43,800
FF-7	Fire Flow Improvement: Relocate services along Fowler St and connect to existing main	Retail			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RZ-1	Upsize 6" to 8" along Fairhave Extension to resolves hydraulic bottling	Retail			\$ -	\$ -	\$ -	\$ -		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
RZ-2	Shift services from 3.5" to new 8" South of Stoller PS to Circular Panorama	Retail						\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WZ-1	Replace 12" along Newport Blvd with 16" (or 20")	Wholesale							\$ -	\$ 668,000	\$ 668,000	\$ 668,000	\$ 668,000	\$ -	\$ -
WZ-2	Replace valve at Newport Intertie	Wholesale			\$ -	\$ -	\$ -	\$ -	\$ 50,000						
RR-2	Add'l Seismic Retrofit of Peter's Canyon (6 MG) Reservoir with RR-1 c	Wholesale			\$ -	\$ -	\$ -	\$ -		\$ 82,900	\$ 82,900	\$ 82,900	\$ 82,900	\$ 82,900	\$ 82,900
RR-6	Accoustic Field Condition Assessments WZ (1 mi./year)	Wholesale			\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
RR-7	Accoustic Field Condition Assessments RZ (1 mi./year)	Retail			\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
RR-8	Other Field Condition Assessments WZ (method TBD)	Wholesale			\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
RR-9	Other Field Condition Assessments RZ (method TBD)	Retail			\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
RR-10	Age Replacements (2" to 8" by 2020)	Retail							\$ 6,750	\$ 6,750	\$ 6,750	\$ 6,750	\$ -	\$ -	\$ -
RR-11	Age Replacements (4" to 8" by 2030)	Retail			\$ -	\$ -	\$ -	\$ -	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800
RR-14	In-line Valve Replacement Program (500 valves in system)	Retail			\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
RR-16	Replace East Well (excl. land acquisition)	Retail			\$ -	\$ -	\$ -	\$ -					\$ 265,200	\$ 265,200	\$ 265,200
RR-17	Install Corrosion Protection Systems at Barret PS	Retail					\$ 25,000	\$ 25,000		\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
RR-23	OC-70 PS - Corrosion improvements for instrumentation (to be funded by PRS)	Wholesale							\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
RR-24	All PS - Corrosion Mitigation Project	Retail							\$ -	\$ 31,250	\$ 31,250	\$ 31,250	\$ 31,250	\$ -	\$ -
RR-25	All Retail PRS - Pipe Support R&R	Retail							\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -
RR-26	All Wholesale PRS - Pipe Support R&R	Wholesale			\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RR-27	All PRS - Corrosion Mitigation Project	Retail							\$ -	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ -	\$ -
RR-28	Orange Knoll PRS - Replace with above grade PRS	Wholesale					\$ 60,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RR-29	Ethelbee PRS - Flowmeter Rehab and Corrosion Repairs	Wholesale			\$ 16,250	\$ 65,000	\$ 16,250	\$ 16,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RR-30	Vista PRS - Vault Modification w/ventilation	Retail					\$ 65,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

8.4 Asset List and Allocation Factors

Table 8-3: Peaking Factors and Allocation Factors to Base, Max Day, Max Hour Cost Categories

Peaking Factors		Base	Max Day	Max Hour
Base	1.0	100%		
MDD / ADD	1.8	57%	43%	
PHD / ADD	3.0	33%	25%	42%

Table 8-4: Asset List Summary and Allocation Factors

Capital Asset Allocation	FY 2015	Water Supply	Base	Max Day	Max Hour	Billing & CS	Meters	General	Total
Total Asset Values as of 06/30/15	Original Cost (OC)								
Equipment Retail	\$390,226							100%	100%
Structures & Improvements	\$7,918,393		33%	25%	42%			0%	100%
Land & Easements	\$12,289							100%	100%
Total	\$8,320,909	\$0	\$2,639,464	\$1,979,598	\$3,299,331	\$0	\$0	\$402,515	\$8,320,909
Asset Allocation %		0%	32%	24%	40%	0%	0%	5%	
General Cost Allocation		0%	54%	16%	19%	0%	11%	-100%	
	\$0	\$0	\$217,314	\$64,055	\$76,891	\$0	\$44,255	-\$402,515	
	\$8,320,909	\$0	\$2,856,779	\$2,043,653	\$3,376,222	\$0	\$44,255	\$0	\$8,320,909
Asset Allocation after General Cost Reallocated		0.0%	34.3%	24.6%	40.6%	0.0%	0.5%	0%	

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Table 8-5: Water O&M Expenses Allocations to Water Cost Categories

O&M Expenses Allocation		FY 2017	Water Supply	Base	Max Day	Max Hour	Billing & CS	Meters	General	Total
OPERATING EXPENSES		\$1,351,059								
5051-20	Water purchases	\$229,157	100%						0%	100%
5051-20	In-lieu water purchases	\$0	100%						0%	100%
5052-20	In-Lieu credit on water purchases	\$0	100%						0%	100%
5050-20	OCWD- Replenish Assessment	\$225,022	100%						0%	100%
5058-20	MET-MWDOC readiness to serve charges	\$35,000	100%						0%	100%
5057-20	MET-MWDOC capacity charges	\$16,000	100%						0%	100%
5059-20	MWDOC Choice	\$0	100%						0%	100%
5054-20	MWDOC Retail service connection	\$12,300	100%						0%	100%
5056-20	EOCWD WZ Readiness to Serve Charge	\$4,800	100%						0%	100%
5055-20	EOCWD WZ Reserve Fund Charge	\$14,450	100%						0%	100%
5143-20	Utilities-Stoller Boosters	\$60,000		100%					0%	100%
5142-20	Utilities-Vista Panorama Reservoir	\$8,000		100%					0%	100%
5141-20	Utilities-Wells East/West	\$67,000		100%					0%	100%
5160-20	Small tools	\$3,600		100%					0%	100%
5144-20	Gasoline, Oil & Diesel Fuel	\$6,700		100%					0%	100%
5170-20	Regulatory Permits	\$6,600		100%					0%	100%
5120-20	Water quality testing	\$20,000		100%					0%	100%
5121-20	Chlorine generator / salt purchases	\$1,200		57%	43%				0%	100%
5104-20	West well maintenance	\$3,500		57%	43%				0%	100%
5105-20	East well maintenance	\$5,000		57%	43%				0%	100%
5106-20	Barrett Reservoir & Boosters maintenance	\$9,000		57%	43%				0%	100%
5107-20	Vista Panorama Booster maintenance	\$4,200		57%	43%				0%	100%
5108-20	Vista Panorama Reservoir maintenance	\$12,000		57%	43%				0%	100%
5109-20	Chlorine generator maintenance	\$6,000		100%					0%	100%
5122-20	SCADA Replacements / Upgrades	\$100		100%					0%	100%
5161-20	Operations Reporting Software	\$16,000						100%	0%	100%
5111-20	Hydrants- repair and maintenance	\$16,100						100%	0%	100%
5124-20	Meter purchase and testing	\$20,000		100%					0%	100%
5112-20	PRV-repair and maintenance	\$2,000		100%					0%	100%
5101-20	Mains-repair and maintenance	\$30,000						100%	0%	100%
5110-20	Service Connections-repair and maintenance	\$25,000		57%	43%				0%	100%
5102-20	Reservoirs-repair and maintenance	\$2,000		57%	43%				0%	100%
5103-20	Vaults-repair and maintenance	\$1,500		57%	43%				0%	100%
5131-20	Cathodic Protection- monitoring, repairs & maintena	\$5,000						100%	0%	100%
5129-20	Meter testing	\$1,000							100%	100%
5155-20	Equipment rental	\$20,000							100%	100%
5150-20	Equipment maintenance	\$4,500							100%	100%
5151-20	Vehicle maintenance	\$3,500							100%	100%
5152-20	Maintenance-buildings and grounds	\$3,500							100%	100%
5401-20	Wages	\$281,700							100%	100%
5402-20	FICA and Medicare	\$21,600							100%	100%
5498-20	Retirement PERS	\$46,300							100%	100%
5427-20	PERS Unfunded	\$0							100%	100%
5421-20	Pers Classic(ER-Contribution)	\$0							100%	100%
5422-20	Pers Classic (ER-paid member)	\$0							100%	100%
5424-20	PERS PEPRA (ER)	\$0							100%	100%
5403-20	Retirement - PERS (Employee Contribution)	-\$7,100							100%	100%
5423-20	PERS Classic (Employee)	\$0							100%	100%
5426-20	PERS PEPRA (Employee)	\$0							100%	100%
5404-20	SUI and ETT	\$4,100							100%	100%
5410-20	Health & Accident Insurance	\$87,900							100%	100%
5411-20	Dental insurance	\$5,300							100%	100%
5412-20	Vision insurance	\$1,100							100%	100%
5413-20	Life insurance	\$430							100%	100%
5414-20	Worker's compensation insurance	\$10,000							100%	100%

Retail Zone Rate Study Report

East Orange County Water District



Table 8-5 (cont.)

O&M Expenses Allocation		FY 2017	Water Supply	Base	Max Day	Max Hour	Billing & CS	Meters	General	Total
NON-OPERATING EXPENSES		\$307,045								
5181-20	Uniforms	\$2,700							100%	100%
5207-20	District website	\$10,650							100%	100%
5204-20	McPherson fax	\$300							100%	100%
5205-20	McPherson internet	\$4,000							100%	100%
5206-20	McPherson office phones	\$3,550							100%	100%
5208-20	Answering service	\$250							100%	100%
5210-20	Control equipment communications	\$3,000							100%	100%
5209-20	Cellphones	\$1,700							100%	100%
5269-20	Underground Service Alert	\$500							100%	100%
5220-20	Training / Schools	\$6,500							100%	100%
5221-20	Conservation	\$20,000							100%	100%
5222-20	Conference and Meeting Expenses	\$9,500							100%	100%
5223-20	Mileage	\$900							100%	100%
5230-20	ACWA	\$3,750							100%	100%
5231-20	Orange County Water Works Association	\$75							100%	100%
5232-20	American Water Works Association	\$400							100%	100%
5233-20	Foothill Communities Association	\$20							100%	100%
5234-20	CSDA Membership	\$3,500							100%	100%
5235-20	ISDOC / Urban Water Institute	\$1,000							100%	100%
5299-20	Miscellaneous expense	\$500							100%	100%
5430-20	Director's fees-Richard Barrett	\$0							100%	100%
5431-20	Director's fees-William Vanderwerff	\$6,500							100%	100%
Inactive	Director's fees-Douglas Chapman	\$0							100%	100%
5433-20	Director's fees-John Dulebohn	\$3,600							100%	100%
Inactive	Director's fees-Gary Veeh	\$0							100%	100%
5434-20	Director's fees-Richard Bell	\$3,600							100%	100%
5435-20	Director's fees-Douglass Davert	\$0							100%	100%
5436-20	Director's fees-Sy Everett	\$3,600							100%	100%
5437-20	Director's fees-John Sears	\$0							100%	100%
5224-20	Meeting Expenses	\$2,000							100%	100%
5240-20	Postage	\$5,000							100%	100%
5241-20	Office supplies / furnishings / small equipment	\$6,000							100%	100%
5250-20	Public Information & Legal Notices	\$20,000							100%	100%
5251-20	Copier contract	\$650							100%	100%
5272-20	Versaterm contract-route manager	\$5,000							100%	100%
5270-20	Bank charges	\$7,900							100%	100%
5260-20	Outside services	\$10,000							100%	100%
5261-20	Audit	\$8,400							100%	100%
5262-20	Tax collection fees	\$7,000							100%	100%
5271-20	Computer billing	\$7,100							100%	100%
5263-20	Treasurer	\$5,000							100%	100%
5264-20	Accounting	\$25,500							100%	100%
5265-20	Legal	\$35,000							100%	100%
5266-20	Computer consulting	\$5,000							100%	100%
5267-20	Engineering	\$40,000							100%	100%
5268-20	LAFCO	\$5,000							100%	100%
5280-20	Insurance-auto and general liability	\$8,000							100%	100%
5281-20	Insurance-property	\$3,000							100%	100%
5282-20	Insurance-fidelity bond	\$400							100%	100%
5252-20	Office equipment maintenance	\$1,000							100%	100%
5203-20	Dumpster	\$500							100%	100%
Inactive	The Gas Co-McPherson Road	\$0							100%	100%
5201-20	Electric - Office	\$0							100%	100%
5291-20	Security	\$1,500							100%	100%
5292-20	Election expense	\$8,000							100%	100%
5670-20	Prior year expense	\$0							100%	100%
Total		\$1,658,104	\$536,729	\$236,229	\$27,171	\$0	\$0	\$67,100	\$790,875	\$1,658,104
		TRUE								
Operating Expenses Allocation %			32%	14%	2%	0%	0%	4%	48%	

8.5 Water Cost Allocation Factors

Table 8-6: Water Revenue Requirements to Water Cost Categories


			FY 2017	Water Supply	Base	Max Day	Max Hour	Billing & CS	Meters	General	Total
REVENUE REQUIREMENTS @ CURRENT RATES											
Operating Expenses			\$1,658,104	\$536,729	\$236,229	\$27,171	\$0	\$0	\$67,100	\$790,875	\$1,658,104
Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to Legal Reserves			\$0							\$0	\$0
Rate Funded CIP			\$813,000	\$0	\$257,891	\$193,418	\$322,363	\$0	\$0	\$39,328	\$813,000
Reserve Funding			-\$518,977	\$0	-\$164,624	-\$123,468	-\$205,780	\$0	\$0	-\$25,105	-\$518,977
SUBTOTAL REVENUE REQUIREMENTS			\$1,952,127	\$536,729	\$329,495	\$97,121	\$116,583	\$0	\$67,100	\$805,098	\$1,952,127
Less Non-Operating Revenues											
Pass-through Water Supply Costs			-\$33,923	-\$33,923							-\$33,923
Misc. Operating Revenues			-\$5,600							-\$5,600	-\$5,600
Interest Income			-\$2,030							-\$2,030	-\$2,030
Taxes			-\$400,100							-\$400,100	-\$400,100
Misc. Non-Operating Revenues			\$0							\$0	\$0
Connection Fee			\$0							\$0	\$0
SUBTOTAL NON-OPERATING REVENUES			-\$441,653	-\$33,923	\$0	\$0	\$0	\$0	\$0	-\$407,730	-\$441,653
NET REVENUE REQUIREMENTS			\$1,510,474	\$502,807	\$329,495	\$97,121	\$116,583	\$0	\$67,100	\$397,368	\$1,510,474
					54%	16%	19%	0%	11%	-100%	
Reallocation of General Costs					\$214,535	\$63,236	\$75,908	\$0	\$43,689	-\$397,368	\$0
NET ADJUSTED REV REQMT FROM CURRENT RATES			\$1,510,474	\$502,807	\$544,030	\$160,357	\$192,491	\$0	\$110,789	\$0	\$1,510,474
					54%	16%	19%	0%	11%	0%	
Annualized Rev Adjustments			\$166,152	\$0	\$83,482	\$29,178	\$38,536	\$0	\$14,956	\$0	\$166,152
		Current									
Capital Fees	11.0%	\$287,760	\$31,654	\$0	\$10,867	\$7,774	\$12,843	\$0	\$168	\$0	\$31,654
Meter Charges	11.0%	\$360,107	\$39,612	\$0	\$21,386	\$6,304	\$7,567	\$0	\$4,355	\$0	\$39,612
Commodity Rates	11.0%	\$862,608	\$94,887	\$0	\$51,229	\$15,100	\$18,126	\$0	\$10,432	\$0	\$94,887
NET ADJUSTED REV REQMT FROM PROPOSED RATES			\$1,676,627	\$502,807	\$627,512	\$189,535	\$231,027	\$0	\$125,745	\$0	\$1,676,627
Less Capital Fees			-\$319,414	\$0	-\$109,663	-\$78,449	-\$129,603	\$0	-\$1,699	\$0	-\$319,414
Plus Pass-through WS Rate			\$33,923	\$33,923							\$33,923
REV REQMT FROM PROPOSED OPERATING RATES			\$1,391,136	\$536,729	\$517,850	\$111,086	\$101,425	\$0	\$124,046	\$0	\$1,391,136

WHY ARE NEW RATES BEING CONSIDERED?

EOCWD is a public agency whose rate setting is regulated by state law. The District may only charge its customers for the costs associated with providing water service. It cannot charge rates that result in a profit. EOCWD considers the following factors when determining its water rates:



Fair treatment
of all customers



Reflecting
the true cost
of service



Protecting the
District's financial
stability and its
ability to provide
high-level service

EOCWD water rates have remained unchanged since 2013.
The most significant cost factors that affect EOCWD's water rates include:



DROUGHT & STATE MANDATED
CONSERVATION, WATER SCARCITY
AND INCREASING REGULATIONS

While conservation is critical, a reduction in water sales also means less revenue to cover the costs involved in operating EOCWD's water delivery system. The majority of these costs do not change regardless of how much water is delivered. EOCWD needs to increase the rates for its water service to ensure there is sufficient revenue to provide customers with the same level of service, reliability and high-quality water. Increasing costs for the water itself and more regulations are also affecting us.



DRINKING WATER SYSTEM OPERATION
& MAINTENANCE (O&M),
AND REPAIR & REPLACEMENT (R&R)

Proactive upgrades and improvements to the water system are critical to service the 1,200 Retail Zone customers who depend on EOCWD for reliable water service every day. These upgrades also save money in the long run; according to the American Society of Civil Engineers, planned replacement of pipes is five times less expensive than fixing pipes once they break.



185 North McPherson Road
Orange, Ca 92869-3720



NOTICE OF PUBLIC HEARING

And protest instructions for
proposed changes to water rates and rate structure

IMPORTANT INFORMATION ABOUT YOUR RATES

Date:
September 15, 2016

Time:
5:00 p.m.

Location:
East Orange County Water
District Board Room
185 N McPherson Rd,
Orange, CA 92869

PARA OBTENER ESTA NOTIFICACIÓN DE
AUDICIÓN PÚBLICA Y INSTURCCIONES
PARA PROTESTAR LOS CAMBIOS
PROPUESTOS DE LAS TARIFAS DE AGUA
Y LAS ESTRUCTURAS DE TARIFAS EN
ESPAÑOL, LLAME AL 714.538-5815.

The East Orange County Water District (EOCWD) Board of Directors will conduct a public hearing to consider a proposed schedule of increases and changes to the rates and charges for domestic water service provided to residential and commercial customers. If approved by the EOCWD Board of Directors, the increase would take effect on October 1, 2016, with subsequent increases proposed annually over the next four years.

The public hearing will be conducted at the time, date and location specified above.

All members of the public are invited to attend the public hearing.

This notice is being sent to all record owners of property upon which the proposed charges will be imposed and any tenants who are directly liable for the payment of such charges (i.e. customers of record who are not property owners).

EOCWD is dedicated to keeping its customers informed throughout the process. Additional information about water rates and charges is included in this document and online at www.eocwd.com/ratechange.

HOW DO DROUGHT PENALTIES IMPACT MY BILL?

EOCWD was mandated by the state of California to reduce district wide water consumption by 36 percent during 2015. Local drought penalties were adopted by the District as a temporary tool aimed at facilitating customer water savings. The penalties apply to customers who consume quantities of water in excess of their pre-established monthly water budget. Any penalties collected are used to fund local water conservation and education programs.

To date, EOCWD has collected only \$150 since the drought penalties were adopted by the EOCWD Board of Directors in July 2015. Our customers achieved the 36% cutback without having to levy many penalties. The District is proposing to adopt future drought rates. For more information, please see the *Drought Rates* box in blue located in the center panel on the opposite side of this document.

WHY HAVE I RECEIVED
THIS NOTICE?

You have received this notice to inform you that EOCWD's Board of Directors is considering changes to and increases in its water rates. The District is providing this information to ensure the public is aware of this issue and the opportunities that exist for them to raise questions, share concerns, seek clarification, and provide input that can help the Board of Directors as it deliberates and determines the appropriate course of action.

EOCWD is committed to providing safe, reliable, and affordable drinking water to the community. The rates charged for water service are developed to treat all customers fairly, reflect the true cost to provide that service and to protect EOCWD's financial stability and its ability to provide the same level of service in the future.

THIS NOTICE WAS DEVELOPED TO:

- Inform you about potential changes in your water rate
- Explain the reasons for the proposed rate changes
- Share how you can participate in the process
- Invite you to attend informational neighborhood meetings, in addition to the public hearing at which time the proposed rate changes will be considered.

We invite you to review this information and contact us with questions, comments or concerns at admin@eocwd.com

ABOUT THE DISTRICT

EOCWD was founded in 1961 under the principles of local community service and fiscal discipline, which it maintains to this day. EOCWD prides itself on providing high-quality, reliable wholesale and retail water to you and your neighbors at a fair price. The rates that are charged reflects the true cost of providing water service to the community and ensuring the District's long-term financial stability and maintaining the same level of reliable service that our customers have received for the past 55 years.



CONSERVATION PROGRAMS

EOCWD has adopted a 15% reduction in water use from 2013 levels as a standard going forward. Based upon the successful achievement of the 36% reduction, the Board of Directors adopted this standard as achievable and prudent.

Customers who are interested in obtaining information on water-saving programs can visit www.eocwd.com and www.bewaterwise.com. Information on rebate programs as incentives to purchase water-saving devices and landscaping can be found at www.ocwatersmart.com.

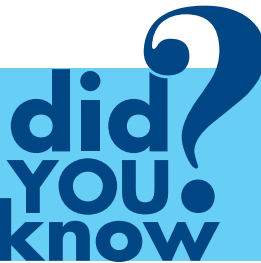
WATER USE EFFICIENCY PROGRAMS:

- Turf removal (if available)
- Smart irrigation controllers
- Artificial turf installation (if available)
- Rotating sprinkler nozzles

WATER SAVINGS ACHIEVEMENTS

EOCWD customers have made significant water saving achievements since 2015. To date more than 100 million gallons of water have been conserved through many of the water efficient measures listed above.

Water districts in California are not allowed by law to discount or "forgive" water charges. Each customer must pay for their water as the value of the property is directly tied to this benefit.



WATER BUDGETS

HOW ARE WATER BUDGETS CALCULATED?

Each customer is allocated a reasonable amount of water based on that customer's particular needs. This allocation is referred to as a "water budget." EOCWD's residential water budgets are comprised of a fixed indoor and outdoor budget. The indoor budget ensures enough water to meet the indoor needs of four people (55 gallons per person, per day). If more than four people reside at a home, the indoor water budget can be easily increased by up to four additional people.

Outdoor water budgets are calculated using four factors: (1) the amount of irrigable area per parcel determined by aerial survey; (2) actual daily plant water loss (evapotranspiration); (3) a "plant factor" that reflects the water needs of (winter) grasses; and (4) the Drought Factor (currently 85%). Water budgets use satellite weather data to provide more water in summer months to ensure landscaping gets the water it needs.



HOW IS MY MONEY SPENT?

EOCWD is a fiscally conservative steward of its customers' ratepayer dollars and believes its customers should not only understand how their money is already being invested but also why the proposed rate increases are necessary and what the new revenue will fund moving forward.

The graphic below shows how each dollar generated by the proposed rate increase would address rising costs of providing you with safe, clean and reliable water.



UNDERSTANDING THE RATE INCREASE

Your water bill is comprised of two types of rates (charges) – fixed and volumetric. The fixed rate service charge does not vary from month to month. The volumetric commodity rate reflects the amount of water you use in a billing period.

FIXED RATE: Capital Fee & Capital Replacement Fee

WHAT IT PAYS FOR:

Operation & Maintenance Costs: A portion of the costs to operate and maintain the domestic water system are allocated to the fixed rate as well as all overhead costs.

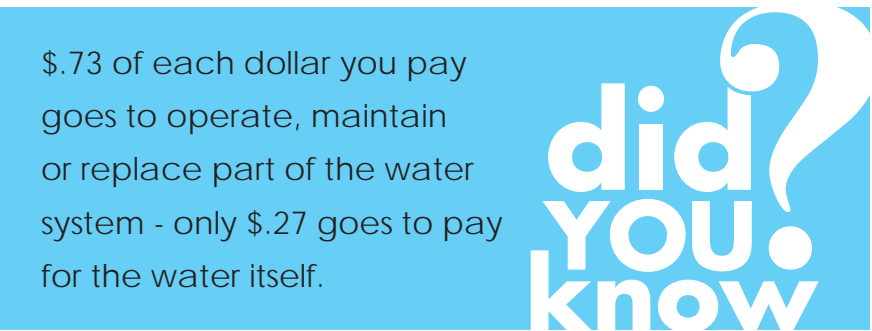
Capital Replacement Fee: These fees pay for improvement and/or replacement of capital facilities; they are fixed because they do not vary depending upon the amount of water used.

(variable) **VOLUMETRIC RATE:** Water Charge

WHAT IT PAYS FOR:

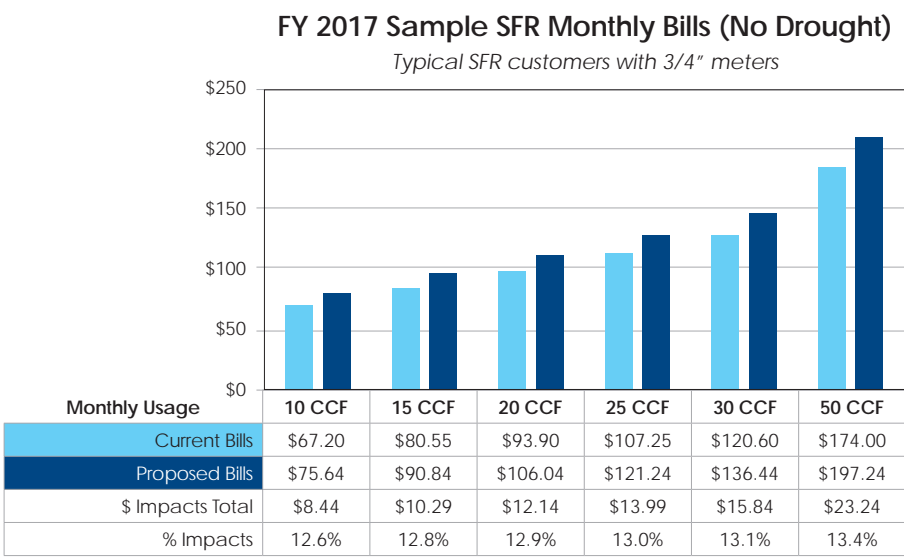
These charges pay for the water and electricity used to deliver the water; they also pay for a portion of the cost to operate and maintain the domestic water system.

Operation & Maintenance Costs: The remainder of the costs to operate and maintain the domestic water system used to deliver water to your home or business are allocated to the volumetric rate.



HOW WILL THIS IMPACT ME?

The charts below provide an example of how a typical single-family residence (SFR) water bill might look under two different scenarios. The first scenario reflects rates under non-drought conditions. The second scenario reflects rates during a Level 1 Drought Emergency.



FIXED AND VOLUMETRIC RATES INCREASE BREAKDOWN

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Effective Month	Current	Oct 2016	Feb 2018	Feb 2019	Feb 2020	Feb 2021
Proposed Revenue Adjustments		11.0%	10.0%	10.0%	10.0%	10.0%
Monthly Capital Fees						
5/8"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
3/4"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
1"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
1-1/2"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
2"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52
3"	\$20.00	\$22.20	\$24.42	\$26.87	\$29.56	\$32.52

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Monthly Service Fees						
5/8"	\$18.10	\$15.36	\$16.90	\$18.59	\$20.45	\$22.50
3/4"	\$20.50	\$23.04	\$25.35	\$27.89	\$30.68	\$33.75
1"	\$34.25	\$38.40	\$42.24	\$46.47	\$51.12	\$56.24
1-1/2"	\$52.00	\$76.80	\$84.48	\$92.93	\$102.23	\$112.46
2"	\$90.75	\$122.88	\$135.17	\$148.69	\$163.56	\$179.92
3"	\$128.75	\$268.80	\$295.68	\$325.25	\$357.78	\$393.56
Commodity Rates						
Commodity Rates (\$/ccf)	\$2.67/ccf	\$3.04/ccf	\$3.35/ccf	\$3.69/ccf	\$4.06/ccf	\$4.47/ccf

PASS THROUGH RATES

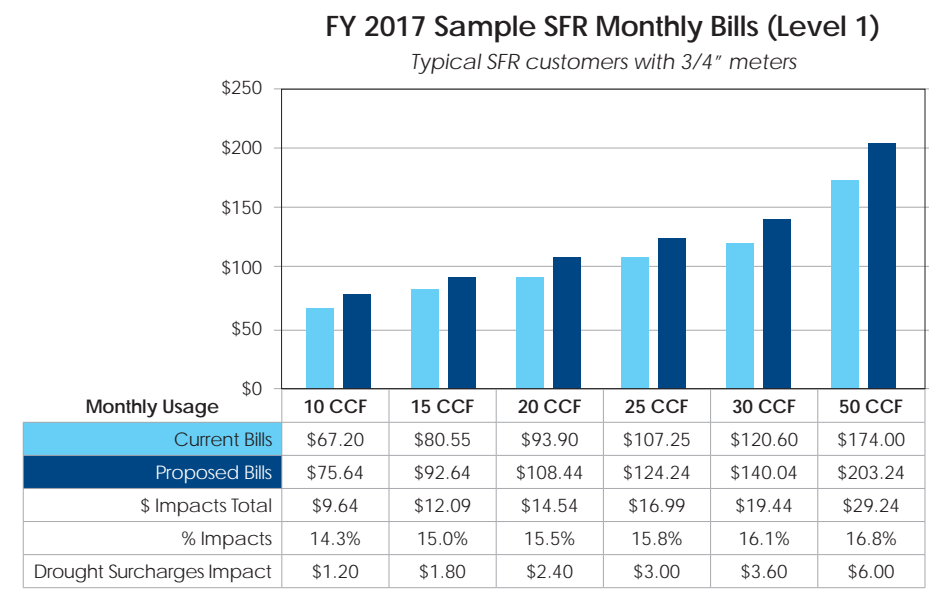
Even though the District has used its best information to project future increases by the Metropolitan Water District of Southern California, Municipal Water District of Orange County and Orange County Water District, if they should adopt changes to their rates that are higher than what the District projected and included in these rates, the District may automatically make changes to include these increases without a further hearing process.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Commodity Rates						
+ Est. Cum. Pass-through WS Rates			\$0.33/ccf	\$0.42/ccf	\$0.51/ccf	\$0.60/ccf
Commodity Rates incl. Pass-through	\$2.67/ccf	\$3.04/ccf	\$3.68/ccf	\$4.11/ccf	\$4.57/ccf	\$5.07/ccf

DROUGHT RATES

In the event that the State Water Resources Control Board and/or MWD/MWDOC requires mandatory water reductions, these charges will be applied to augment decreased water sales.

	Level 1	Level 2	Level 3
Uniform Commodity Drought Rates	\$0.12/ccf	\$0.26/ccf	\$0.43/ccf



HOW CAN I PARTICIPATE?

East Orange County Water District welcomes your input as its Board of Directors considers the changes explained in this notice. If you have questions or comments, you can:



Visit, call, or online – The Cost of Services Analysis, Rate Study and other information

related to the proposed rate increases are available for review at the EOCWD Office

located at 185 N. McPherson Road, Orange, CA 92869-3720.

You may also obtain information by calling the District at (714) 538-5815 or online at www.eocwd.com/ratechange.



Write – Any record owners of a parcel upon

which the proposed charges will be imposed and tenants directly liable for the payment of the proposed charges have the right to submit

a formal written protest to the proposed rates, but only one protest may be counted per parcel. Written protests may be mailed or hand delivered to:

**East Orange County Water District,
Attention: General Manager,
185 N. McPherson Road,
Orange, CA 92869-3720**

Written protests may also be submitted at the public hearing being held at 185 N. McPherson Road, Orange, CA 92869-3720 on Thursday, September 15, 2016 at 5:00 p.m. Written protests must be received prior to the conclusion of the public input portion of the public hearing. Protests to the proposed rates must include your name, signature, street address, parcel number and/or account number. **Protests submitted by email or other electronic means do not count as formal written protests.**



Attend a public meeting/hearing –

The public hearing will take place on Thursday, September 15, 2016 beginning at 5:00 p.m.

at East Orange County Water District (185 N McPherson Road, Orange, CA 92869-3720). At the conclusion of the public hearing, the Board of Directors will make a recommendation for the adoption of the proposed rate increases. At the public hearing, all members of the public will have an opportunity to speak, but verbal comments alone do not qualify as a formal protest.

PUBLIC HEARING PROCESS

At the time of the public hearing, the Board of Directors will hear and consider all written protests and public comments. After the hearing, if a majority of the property owners of the impacted parcels or tenants directly liable for the payment of the charges submit written protests in opposition to the proposed rate increases, the increases will not be imposed. If a majority protest is not received, the EOCWD Board of Directors may adopt the proposed changes, though they are not obligated to. If adopted, the proposed rates will become effective October 1, 2016, and subsequent increases would be proposed for February 1, 2018, 2019, 2020 and 2021.

COMMUNITY MEETING SCHEDULE

EOCWD will host a series of "open house" style neighborhood meetings throughout the district service area to discuss the proposed rate changes with its customers. All members of the public are invited to attend the meetings, ask questions, and provide feedback. Information about the proposed rate changes is also available at www.eocwd.com/ratechange.

Neighborhood Meetings

Saturday, August 6, 2016

8 – 11 a.m.

Foothill High School

19251 Dodge Ave,

Santa Ana, CA 92705

Tuesday, August 16, 2016

4 – 5:30 p.m./ 5:30 – 7 p.m.

El Modena Branch Library

380 S Hewes St,

Orange, CA 92869

Saturday, August 20, 2016

8 – 11 a.m.

Panorama Elementary School

10512 S Crawford Canyon Rd,

Santa Ana, CA 92705

Tuesday, August 30, 2016

4 – 5:30 p.m./ 5:30 – 7 p.m.

East Orange County Water District

Board Room

185 N McPherson Rd.,

Orange, CA 92869

Public Hearing / Board Vote

Thursday, September 15, 2016

5 p.m.

East Orange County Water District

Board Room

185 N McPherson Rd.,

Orange, CA 92869

(The EOCWD Board of Directors will vote on the proposed rate changes and increases.)

August 31, 2016

East Orange County Water District
185 N. McPherson Road
Orange, Ca, 92869

RECEIVED

SEP 07 2016

East Orange County Water District

Dear East Orange County Water District

I want to formally protesting this exorbitant rate increase....

We are living on fixed income and haven't had a raise in our social security in the past 2 years and East Orange Water District wants an 11% in 2017, 10% in 2018, 10% in 2019, 10% in 2020, and finally 10% in 2021.E

Since I have been keeping records of EOCWD has had plenty of price increases see below.

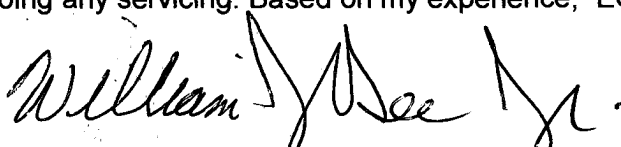
6/2011	Commodity went up 11.50%	Capital Replacement 50.00%	Meter rental 54.79%
6/2012	Commodity went up 7.70%	Capital Replacement 16.60%	Meter rental 6.07%
6/2013	Commodity went up 11.00%	Capital Replacement 14.30%	Meter rental 16.15%
TOTAL LAST 3 INCREASE	30.20%	80.90%	77.01%

AVERAGE INCREASE

OVER LAST 5 YEARS	6.04%	16.18%	15.40%
--------------------------	--------------	---------------	---------------

I have lived in EOCWD district since 1989, we have NEVER had an EOCWD worker at our home or on our property doing any servicing. Based on my experience, EOCWD **DOESN'T NEED** any increase in your rates....

Sincerely,



William J Dee Jr.

Address: 19402 Lemon Cir.

Santa Ana, Ca. 92705

Account #0407200

Service ID #04072

Meter #38658327

AUG 29 2016

East Orange County Water District

12624 Vista Panorama Circle
North Tustin, CA 92705
August 24, 2016

East Orange County Water District
Attention: General Manager
185 N. McPherson Road
Orange, CA 92869-3720

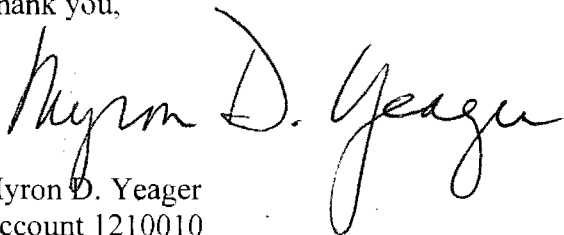
Subject: Opposition to Proposed Rate Increase

Since neither my spouse nor I will be unable to attend the hearing on September 15, 2016, concerning the proposed rate increases, please accept this letter as a statement of formal opposition.

While I understand the drought conditions have created pressure on both the providers and the users of California water resources, the proposed increase seems extreme and out of line given rates of other southern California water providers. I urge the board of directors to return to the budget and find ways that a more moderate increase, if any, can be proposed.

Please accept this letter as adamant, unqualified opposition to the proposed rate increase schedule.

Thank you,



Myron D. Yeager
Account 1210010

September 3, 2016

East Orange County Water District
185 N McPherson Rd, Orange CA 92869-3720

RECEIVED

SEP 08 2016

Attn: General Manager

East Orange County Water District

This letter is sent in protest of a water rate hike!

We are adamantly opposed to any water rate hike. This rate hike comes on the heels of an aggressive campaign to win the sewer contract from the Irvine Co , which EOCWD has no experience and no capacity.

EOCWD spent a lot money, manhours to successfully convinced the community & LAFCO ... That's great. We prefer the local control, but not at the expense of inefficiencies and increased overhead. And as a result, those of us who buy water from EOCWD will now have to pay more.

Are the new board members EOCWD experienced with sewer? Are they the reason that the board is now having to raise the rates?

Whether it was your intent or not, the perception is that the acquisition of a sewer district is kingdom building, rather than increasing efficiencies, and therefore increasing prices of water. Now the financial weight will be borne by those already paying the lion share of the bill...us the water homeowners.

In short, because you won the bid for the sewers, you need to increase our water rates.

This is just plain wrong. Do not increase water rates.

Special request: please take down the sign on the corner of Marcy and Newport.



Sincerely, your neighbors
Doug & Lilly McBee
19672 Vista del Valle
Santa Ana, CA 92705

Villa Del Cerro HOA
1346 S. Easy Way
Anaheim, CA 92804
EOCWD Account # 2110800

RECEIVED

SEP 12 2016

East Orange County Water District

East Orange County Water District
Attention: General Manager
185 N. McPherson Road
Orange, CA 92869-3720

Reason: Formal Protest of Proposed Increases to Water Rates

September 9, 2016

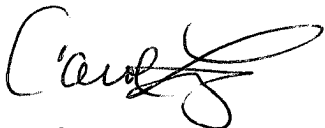
Dear Lisa Ohlund

Please accept and include this as a Formal Protest of the new water rates proposed by EOCWD. I have carefully reviewed the proposed new rates and find them to be both capricious and disconnected from the reality of our water shortage and conservation situation.

These new rates provide for as much as a 100% increase in water rates over the next several years. I fully realize that our rates must be reviewed and reconsidered due to the successful water conservation that our district has achieved and the consequent loss of revenue for the water district. However, providing for a 100% increase is, in my opinion, an overreaction that is mostly designed to relieve the district from having to manage its expenses in the most cost effective manner.

I would like to encourage the district to do the right thing, although it may also be the hard thing, and go back to the drawing board and come up with a reasonable approach to our current revenue shortfall that does not include a doubling of our water rates by 2021.

We are all in this together, and the water users of our district did their job and achieved significant conservations over the past 18 months, now it is it time for the district to do its part and exhaust all efforts to keep our water rates as low as possible and without arbitrary 100% increases that defy all logic to any independent observer.



Carol Lutz, Property Manager
Villa Del Cerro HOA
1346 S. Easy Way
Anaheim, CA 92804
EOCWD Account # 2110800

Villa Del Cerro HOA
1346 S. Easy Way
Anaheim, CA 92804
EOCWD Account # 2110700

RECEIVED

SEP 12 2016

East Orange County Water District

East Orange County Water District
Attention: General Manager
185 N. McPherson Road
Orange, CA 92869-3720

Reason: Formal Protest of Proposed Increases to Water Rates

September 9, 2016

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Carol Lutz, Property Manager
Villa Del Cerro HOA
1346 S. Easy Way
Anaheim, CA 92804
EOCWD Account # 2110700

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: IMPROVEMENT DISTRICT 1 – WASTEWATER DISCHARGE REGULATIONS
DATE: SEPTEMBER 15, 2016

BACKGROUND

As part of the sewer transfer, the District is required to adopt wastewater discharge regulations – these regulations are commonly referred to as the “Sewer Use Ordinance.” At the July 21, 2016 Meeting, the Board approved the continued use of OCSD’s Ordinance 48 until we have ours in place.

As has been noted previously, the Sewer Use Ordinance is arguably the most important regulation pertaining to Improvement District 1. Federal, state and local laws all require that EOCWD comply with standards pertaining to the quality of the influent wastewater that enters a sewage treatment plant (from the local sewer systems). The Ordinance is also a requirement of the Sewer System Management Plan that was reviewed with the Board at the Workshop Meeting held on August 9th.

The proposed EOCWD Wastewater Discharge Regulations Ordinance 2016-01 is based upon OCSD Ordinance 48, however there are a few differences that relate primarily to industrial and commercial discharges. Because certain industrial/commercial discharges can have dangerous and/or damaging effects on a sewage collection system, treatment plant and outfall (or on the byproducts produced by the wastewater system), a program to regulate those discharges called the “Source Control Program” is operated by OCSD. This program requires that prior to discharge into a sewerage system, OCSD’s Source Control Program personnel issue a permit for the discharge and monitor it on a periodic basis. If a violation were to occur, OCSD (not EOCWD) would conduct enforcement proceedings.

At the August 18, 2016 meeting, the Board held the first reading of EOCWD Ordinance 16-01, Wastewater Discharge Regulations (attached). As required by law, a public hearing will be held, a second reading by title only (if approved by the Board), and the Board will consider the Ordinance for adoption. If approved, the entire Ordinance must be published within 15 days; it goes into effect on the 31st day following adoption.

FINANCIAL IMPACT

The Ordinance has no direct financial impact, but does set forth, among other authorities, the ability for the District to collect fees and charges and the legal authority to enforce the Ordinance.

RECOMMENDATION

That Ordinance No. 2016-01 be introduced for second reading and read by title only by the Secretary, that further reading of the ordinance be waived, and that the Board adopt the Ordinance.

ORDINANCE NO. 2016-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
EAST ORANGE COUNTY WATER DISTRICT ESTABLISHING
WASTEWATER DISCHARGE REGULATIONS

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The Board of Directors of the East Orange County Water District (EOCWD) does hereby FIND:

- A. That EOCWD is required by federal and state law, including the Clean Water Act (33 U.S.C. 1251, et seq.), the General Pretreatment Regulations (40 CFR 403), and the Porter-Cologne Water Quality Control Act (Water Code Sections 13000, et seq.), to implement and enforce a program for the regulation of Wastewater discharges to EOCWD's sewers; and
- B. That EOCWD is required by federal, state, and local law to meet applicable standards of treatment plant effluent quality; and
- C. That the adoption of this Ordinance is statutorily exempt under the California Environmental Quality Act pursuant to the provisions of Public Resources Code Section 21080(b)(8) and California Code of Regulations Section 15273(a) and categorically exempt pursuant to California Code of Regulations Sections 15307 and 15308; and
- D. That pending the actions of the Local Agency Formation Commission to form Improvement District No. 1 ("ID 1") of EOCWD, activate EOCWD sewer powers and transfer the sewer collection system of Orange County Sanitation District ("OCSD") "San 7" to EOCWD, this Board of Directors, on July 21, 2016, declared its intention to retain in full force and effect in ID 1 of EOCWD, OCSD's Ordinance Establishing Wastewater Discharge Regulations, as amended from time to time; and
- E. This Board of Directors wishes at this time to adopt EOCWD wastewater discharge regulations for ID 1, which, upon becoming effective, shall be implemented in coordination with OCSD's implementation of its Ordinance Establishing Wastewater Discharge Regulations within ID 1.

NOW, THEREFORE, the Board of Directors of the East Orange County Water District does ORDAIN:

Section 1: Wastewater Discharge Regulations governing the use of EOCWD's sewerage Facilities are hereby adopted to provide as follows:

ARTICLE 1. GENERAL PROVISIONS

101. PURPOSE AND POLICY

This ordinance sets uniform requirements for Users of EOCWD's Sewerage Facilities and enables EOCWD to comply with all applicable state and federal laws, including the Clean Water Act (33 United States Code [U.S.C.] section 1251, et seq.) and the General Pretreatment Regulations (Title 40 of the Code of Federal Regulations [CFR] Part 403). This Ordinance shall be interpreted in accordance with the definitions set forth in Section

102. The provisions of the Ordinance shall apply to the direct or indirect discharge of all liquid wastes carried to facilities of EOCWD.

- A. The purpose of this Ordinance is to provide for the maximum public benefit from the use of EOCWD's Sewerage Facilities. This shall be accomplished by regulating sewer use and Wastewater discharges; by providing equitable distribution of costs, in compliance with applicable federal, state, and local regulations; and by supporting the proper disposal of Prescription Drugs as noted in the guidelines published by the Office of National Drug Control Policy. The revenues to be derived from the application of this Ordinance shall be used to defray all costs of providing sewerage service by EOCWD, including, but not limited to, administration, operation, monitoring, maintenance, financing, capital construction, replacement and recovery,

and provisions for necessary reserves;

- B. This ordinance is meant to protect both EOCWD personnel who may be affected by Wastewater in the course of their employment and the general public.
- C. To comply with federal, state, and local policies and to allow EOCWD and OCSD to meet applicable standards of treatment plant effluent quality, biosolids quality, and air quality, provisions are made in this Ordinance for the regulation of Wastewater discharges to the public sewer. This Ordinance establishes quantity and quality limits on all Wastewater discharges which may adversely affect EOCWD's Sewerage System, as well as OCSD treatment processes, effluent quality, biosolids quality, air emission characteristics, or inhibit EOCWD's and/or OCSD's ability to beneficially reuse or dispose of treated Wastewater, biosolids or meet biosolids discharge criteria.
- D. It is the intent of these limits to improve the quality of Wastewater being received for treatment and to encourage water conservation and Wastewater minimization by all Users connected to a public sewer. This Ordinance also provides for regulation of the degree of Wastewater Pretreatment required, the issuance of permits for Wastewater discharge and connections and other miscellaneous permits, and establishes penalties for violation of the Ordinance.
- E. EOCWD is committed to: 1) a policy of support for Wastewater reuse through groundwater recharge; and 2) a policy for the protection of groundwater. EOCWD is also committed to help protect groundwater goals as established by various water quality and water purveyor agencies. To fulfill these commitments, EOCWD may implement more stringent quality requirements on Wastewater discharges through regulation, including revisions to this Ordinance.
- F. EOCWD is committed to a policy for the beneficial use of biosolids, the implementation of programs to land-apply or provide for the marketing and distribution of biosolids, which may necessitate more stringent quality requirements on Wastewater discharges.
- G. EOCWD is also committed to meet applicable air quality goals established by the South Coast Air Quality Management District, which may further necessitate more stringent quality requirements on Wastewater discharges.

102. DEFINITIONS

- A. Unless otherwise defined herein, terms related to water quality shall be as adopted in the latest edition of *Standard Methods for the Examination of*

Water and Wastewater, published by the American Public Health Association, the American Water Works Association, and the Water Environment Federation.

The testing procedures for Wastewater constituents and characteristics shall be as provided in 40 CFR 136 (Code of Federal Regulations; Title 40; Protection of Environment; Chapter I, Environmental Protection Agency; Part 136, Guidelines Establishing Test Procedures for the Analyses of Pollutants), or as specified.

Other terms not herein defined shall have the same meaning as defined in the latest California Building and Construction Codes, Title 24, California Code of Regulations.

1. Act or "the Act" shall mean the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, 33 U.S.C. section 1251, et seq.
2. Approved POTW Pretreatment Program or Program or POTW Pretreatment Program shall mean a program administered by a POTW that meets the criteria established in 40 CFR 403.8 and 403.9 and which has been approved by a Regional Administrator or State Director in accordance with 40 CFR 403.11.
3. Authorized Representative or Designated Signatory shall mean:
 - a) If the applicant or User is a corporation:
 - (1) The president, secretary, treasurer, or a vice president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision making functions for the corporation; or
 - (2) The manager of one or more manufacturing, production, or operation facilities, provided the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for individual Wastewater discharge permit requirements;

and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

- b) If the applicant or User is a partnership or sole proprietorship: a general partner or proprietor, respectively.
 - c) If the applicant or User is a federal, state, or local governmental facility: a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or the designee.
 - d) The individuals described in paragraphs (a) through (c) above, as Responsible Officers, may designate an Authorized Representative if the authorization is in writing, the authorization specifies the individual or position responsible for the overall operation of the facility from which the discharge originates or having overall responsibility for environmental matters for the company or organization, and the written authorization is submitted to EOCWD.
 - e) An applicant or User not falling within one of the above categories must designate as the Responsible Officer an individual responsible for the overall operation of the facility. The Responsible Officer may designate an Authorized Representative.
4. Best Management Practices (BMPs) shall mean schedules of activities, prohibitions of practices, maintenance procedures, operating procedures, and practices to control spillage or leaks, treatment requirements, and other management practices to prevent or reduce pollution or to meet Article 2 standards. Such BMPs shall be considered local limits and Pretreatment Standards as stated in 40 CFR 403.5(c)(4).
5. Biochemical Oxygen Demand (BOD) shall mean a measurement of oxygen utilized by the decomposition of organic material, over a specified time period (usually 5 days) in a Wastewater sample. It is used as a measurement of the readily decomposable organic content of Wastewater.
6. Board shall mean the Board of Directors of the East Orange County Water District.
7. Bypass shall mean the intentional diversion of wastestreams from any portion of a User's treatment facility.

8. Capital Facilities Capacity Charge shall mean the payment of a fee, imposed by the governing Board of OCSD, to pay for the future costs of constructing new sewerage collection, treatment, and disposal facilities; and as a contributive share of the cost of the existing facilities. This charge shall be paid by all property owners at the time they develop the property and connect directly or indirectly to EOCWD's and OCSD's Sewerage Facilities as a new system User. This charge, which rates are set forth in a separate Ordinance, is expressly authorized by the provisions of California Health & Safety Code Sections 5471 and 5474.
9. Charge For Use shall mean EOCWD's sanitary sewer service charge, a charge established and levied by EOCWD upon residential, commercial, and industrial Users of EOCWD's Sewerage System, pursuant to Sections 302.6(F), or 303.6(E) of this Ordinance, in proportion to the use of the treatment works by their respective class, that provides for the recovery of the costs of operation and maintenance expenses, capital facilities rehabilitation or replacement, and adequate reserves for the POTW. The minimum charge for use is the Annual Sewer Service Fee Residential Users.
10. Chemical Oxygen Demand (COD) shall mean a measure of the oxygen required to oxidize all compounds, both organic and inorganic, in Wastewater.
11. Class I User shall mean any User who discharges Wastewater that:
 - a) is a Significant Industrial User; or
 - b) Is determined to have a reasonable potential for adversely affecting EOCWD's operation or for violating any Pretreatment Standard, Local Limit, or discharge requirement, or may cause Pass Through affecting EOCWD's ability to comply with its NPDES Permit or other regulations and standards; or
 - c) may cause pass through or Interference with EOCWD's and/or OCSD's Sewerage Facilities.
12. Class II User shall mean any User whose charge for use is greater than the special assessment "EOCWD Sewer User Fee" included on the County of Orange secured property tax bill exclusive of debt service, that discharges wastes other than sanitary, and that is not otherwise required to obtain a Class I permit.
13. Code of Federal Regulations (CFR) shall mean the codification of the

general and permanent regulations published in the Federal Register by the executive departments and agencies of the federal government.

14. Compatible Pollutant shall mean a combination of biochemical oxygen demand, suspended solids, pH, fecal coliform bacteria, plus other Pollutants that OCSD's treatment facilities are designed to accept and/or remove. Compatible Pollutants are non-compatible when discharged in quantities that have an adverse effect on EOCWD's and/or OCSD's Sewerage System or NPDES permit, or when discharged in qualities or quantities violating any Federal Categorical Pretreatment Standards, local limit, or other discharge requirement.
15. Composite Sample shall mean a collection of individual samples obtained at selected intervals based on an increment of either flow or time. The resulting mixture (composite sample) forms a representative sample of the Wastestream discharged during the sample period.
16. Connection Permit shall mean a permit issued by EOCWD/OCWD, upon payment of a capital facilities capacity charge, authorizing the Permittee to connect directly to an EOCWD's and OCWD's Sewerage Facilities or to a sewer which ultimately discharges into an EOCWD's Sewerage Facilities.
17. Department Head shall mean that person duly designated by the General Manager to perform those delegated duties as specified in this Ordinance.
18. Discharger shall mean any Person who discharges or causes a discharge of Wastewater directly or indirectly to a public sewer. Discharger shall mean the same as User.
19. District shall mean the East Orange County Water District or EOCWD.
20. Division Head shall mean that person duly designated by the General Manager to implement the Pretreatment Program and perform the duties as specified in this Ordinance.
21. Domestic Septage shall mean the liquid and solid material removed from food service establishments, or a septic tank, cesspool, portable toilet, Type III marine sanitation device, or similar treatment works that receives only domestic Wastewater.
22. Domestic Wastewater shall mean the liquid and solid waterborne wastes derived from the ordinary living processes of humans of such Character as to permit satisfactory disposal, without special treatment, into the public sewer or by means of a private disposal system.

23. Downstream Sampling or Monitoring shall mean sampling or monitoring usually conducted in a city or agency owned sewer for the purpose of determining the compliance status of an industrial or commercial Discharger.
24. Dry Weather Urban Runoff shall mean surface runoff flow that is generated from any drainage area within EOCWD's service area during a period that does not fall within the definition of Wet Weather. It is surface runoff that contains Pollutants that interfere with or prohibit the recreational use and enjoyment of public beaches or cause an environmental risk or health hazard.
25. Enforcement Compliance Schedule Agreement (ECSA) shall mean a mutual agreement between EOCWD/OCSD and Permittee requiring implementation of necessary Pretreatment practices and/or installation of equipment to ensure permit compliance.
26. Enforcement Response Plan shall mean a plan containing detailed procedures indicating how EOCWD/OCSD will investigate and respond to instances of Industrial User non-compliance in accordance with 40 CFR 403.8(f)(1) or other Users in accordance with EOCWD non-compliance procedures.
27. EOCWD shall mean East Orange County Water District.
28. EOCWD/OCSD shall mean either or both of EOCWD and OCSD acting in coordination with one another, as they shall determine.
29. EOCWD's Sewerage Facilities or System shall mean any property belonging to EOCWD used in the collection and transportation of Wastewater.
30. Federal Categorical Pretreatment Standards shall mean any regulation containing Pollutant discharge limits promulgated by the U.S. EPA in accordance with Sections 307(b) and (c) of the Clean Water Act (33 U.S.C. 1317) which apply to a specific category of Industrial Users and which appear in 40 CFR Chapter I, Subchapter N, Parts 405-471.
31. Federal Regulations shall mean any applicable provision of the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, Title 33, United States Code, Section 1251 and following, and any regulation promulgated by the United States Environmental Protection Agency under Title 40 CFR implementing that act.

32. Flow Monitoring Facilities shall mean equipment and structures provided at a User's expense to measure, totalize, and/or record, the incoming water to the facility or the Wastewater discharged to the sewer.
33. General Manager shall mean the individual duly designated by the Board of Directors of EOCWD or the individual duly designated by Board of Directors of OCSD to administer a provision of this Ordinance (see also Section 107).
34. Grab Sample shall mean a sample taken from a wastestream on a one-time basis without regard to the flow in the wastestream and without consideration of time.
35. Indirect Discharge or Discharge shall mean the introduction of Pollutants into a POTW from any non-domestic source regulated under section 307(b), (c) or (d) of the Act.
36. Industrial User shall mean any User that discharges Industrial Wastewater.
37. Industrial Wastewater shall mean all liquid carried wastes and Wastewater of the community, excluding domestic Wastewater and domestic septage, and shall include all Wastewater from any producing, manufacturing, processing, agricultural, or other operation.
38. Inspector shall mean a person authorized by the General Manager to inspect any existing or proposed Wastewater generation, conveyance, processing, and disposal facilities.
39. Instantaneous Limit (see the Maximum Allowable Discharge Limit)
40. Interference shall mean any discharge which, alone or in conjunction with a discharge or discharges from other sources, either:
- a) inhibits or disrupts EOCWD or OCSD, either of their respective treatment processes or operations, or either of their respective biosolids processes, use, or disposal; or
 - b) is a cause of a violation of any requirement of EOCWD's WDR and/or OCSD's NPDES permit or prevents lawful biosolids or treated effluent use or disposal.
41. LEL (Lower Explosive Limit) shall mean the minimum concentration of a combustible gas or vapor in air (usually expressed in percent by volume at sea level) which will ignite if an ignition source (sufficient ignition energy) is present.

42. Letter to Discharge shall mean a letter authorizing a User to discharge to the sewer without having to obtain a Special Purpose Discharge Permit. The discharge volume is generally limited to less than 1 million gallons.
43. Local Limit shall mean specific discharge limits developed and enforced by EOCWD and/or OCSD upon industrial or commercial facilities to implement the general and specific discharge prohibitions listed in 40 CFR 403.5(a)(1) and (b).
44. Local Sewering Agency shall mean any public agency or private corporation responsible for the collection and disposal of Wastewater to OCSD's Sewerage Facilities duly authorized under the laws of the State of California to construct and/or maintain public sewers. EOCWD is a Local Sewering Agency.
45. Major Violation shall mean a discharge over the permitted discharge limit, as determined by the result of a sample analysis, as follows:
- a) a discharge exceeding a Mass Emission Rate limit by 20% or more, or
 - b) a discharge exceeding a concentration limit by 20% or more, or
 - c) a pH discharge less than 5.0.
46. Mass Emission Rate shall mean the weight of material discharged to the sewer system during a given time interval. Unless otherwise specified, the mass emission rate shall mean pounds per day of a particular constituent or combination of constituents.
47. Maximum Allowable Discharge Limit shall mean the maximum quantity or concentration of a Pollutant allowed to be discharged at any period of time, determined from the analysis of any discrete or composited sample collected, independent of the industrial flow rate and the duration of the sampling event.
48. Medical Waste shall mean the discharge of isolation wastes, infectious agents human blood and blood byproducts, pathological wastes, sharps, body parts, fomites, etiologic agents, contaminated bedding, surgical wastes, potentially contaminated laboratory wastes, and dialysis wastes.
49. Milligrams Per Liter (mg/L or mg/l) shall mean a unit of the concentration of a constituent or compound that is found in water or

Wastewater. It is 1 milligram of the constituent or compound in 1 liter of water or Wastewater.

50. Minor Violation shall mean a discharge over the permitted discharge limit as determined by the result of a sample analysis, as follows:
 - a) a discharge exceeding a Mass Emission Rate limit by less than 20%, or
 - b) a discharge exceeding a concentration limit by less than 20%, or.
 - c) a pH discharge equal to or greater than 5.0, but less than 6.0, or
 - d) a pH discharge greater than 12.0.
51. National Pretreatment Standard, Pretreatment Standard, or Standard shall mean any regulation containing Pollutant discharge limits promulgated by the EPA in accordance with section 307 (b) and (c) of the Act, which applies to Industrial Users. This term includes prohibitive discharges and categorical standards established pursuant to 40 CFR 403.5 and 40 CFR 403.6.
52. North American Industry Classification System (NAICS) shall mean an industry classification system that groups establishments into industries based on the activities in which they are primarily engaged.
53. National Pollutant Discharge Elimination System Permit (NPDES Permit) shall mean the permit issued to control the discharge to surface waters of the United States as detailed in Public Law 92 500, Section 402.
54. New Source shall mean those sources that are new as defined by 40 CFR 403.3(m) as revised.
55. Non-compatible Pollutant shall mean any Pollutant which is not a Compatible Pollutant as defined herein.
56. OCSD shall mean Orange County Sanitation District.
57. OCSD's Sewerage Facilities or System shall mean any property belonging to OCSD used in the collection, transportation, treatment and disposal of Wastewater.
58. Ordinance shall mean that document entitled "Wastewater Discharge Regulations" containing EOCWD requirements, conditions, and limits

for connecting and discharging to the sewer system, as may be amended and modified.

59. pH shall mean both acidity and alkalinity on a scale ranging from 0 to 14 where 7 represents neutrality, numbers less than 7 increasing acidity, and more than 7 increasing alkalinity, and is the logarithm of the reciprocal of the quantity of hydrogen ions in moles per liter of solution.
60. Pass Through shall mean discharge through OCSD's Sewerage Facilities to Waters of the U.S. which, alone or in conjunction with discharges from other sources, is a cause of a violation of OCSD's NPDES permit.
61. Permittee shall mean a Person who has received a permit to discharge Wastewater into EOCWD's Sewerage Facilities subject to the requirements and conditions established by EOCWD.
62. Person shall mean any individual, partnership, co-partnership, company, firm, association, corporation or public agency, joint stock company, trust, estate, or any other legal entity; or their legal representatives, agents, assigns, including all federal, state, and local governmental entities.
63. Pesticides shall mean those compounds classified as such under federal or state law or regulations including, but not limited to DDT (dichlorodiphenyltrichloro-ethane, both isomers); DDE (dichlorodiphenyl-ethylene); DDD (dichlorodiphenyldichloroethane); aldrin, benzene hexachloride (alpha [α], beta [β], and gamma [γ] isomers); chlordane; endrin; endrin aldehyde; 2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD); toxaphene; α -endosulfan; β -endosulfan; endosulfan sulfate; heptachlor; heptachlor epoxide; dieldrin; demeton; guthion; malathion; methoxychlor; mirex; and parathion.
64. Pollutant shall mean any constituent, compound, or characteristic of Wastewaters on which a discharge limit or requirement may be imposed either by EOCWD or the regulatory bodies empowered to regulate EOCWD.
65. Polychlorinated Biphenyls (PCB) shall mean those compounds classified as such under federal or state law including, but not limited to Aroclors 1016, 1221, 1228, 1232, 1242, 1248, 1254, 1260, and 1262.
66. Pretreatment shall mean the reduction of the amount of Pollutants, the elimination of Pollutants, or the alteration of the nature of Pollutant

properties in Wastewater to a level authorized by EOCWD prior to, or in lieu of, discharge of the Wastewater into EOCWD's Sewerage System. The reduction or alteration can be obtained by physical, chemical or biological processes, by process changes, or by other means.

67. Pretreatment Facility shall mean any works or devices that the General Manager determines are appropriate to treat, restrict, or prevent the flow of Industrial Wastewater prior to discharge into a public sewer.
68. Pretreatment Requirements shall mean any substantive or procedural requirement related to Pretreatment, other than a National Pretreatment Standard, imposed on an Industrial User.
69. Priority Pollutants shall mean the most recently adopted list of toxic Pollutants identified and listed by EPA as having the greatest environmental impact. They are classified as Non-compatible Pollutants and may require Pretreatment prior to discharge to prevent:
 - a) Interference with EOCWD's and/or OCSD's operation; or
 - b) biosolids contamination; or
 - c) Pass Through into receiving waters or into the atmosphere.
70. Public Agency shall mean the State of California and any city, county, district, other local authority or public body of or within this state.
71. Public Sewer shall mean a sewer owned and operated by EOCWD.
72. Publicly Owned Treatment Works or POTW shall mean a treatment works as defined by section 212 of the Act, which is owned by a state or municipality (as defined by section 502(4) of the Act). This definition includes any devices and systems used in the storage, treatment, recycling and reclamation of municipal Sewage or industrial wastes of a liquid nature. It also includes sewers, pipes and other conveyances only if they convey Wastewater to a POTW Treatment Plant. The term also means the municipality as defined in section 502(4) of the Act, which has jurisdiction over the Indirect Discharges to and the discharges from such a treatment works.
73. RCRA shall mean Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901, et seq.) and as amended.

74. Regulatory Agencies shall mean those agencies having jurisdiction over the operation of EOCWD including, but not limited to, the following:
- a) United States Environmental Protection Agency, Region IX, San Francisco and Washington, DC (EPA).
 - b) California State Water Resources Control Board (SWRCB).
 - c) California Regional Water Quality Control Board, Santa Ana Region (RWQCB).
 - d) South Coast Air Quality Management District (SCAQMD).
 - e) California Environmental Protection Agency (Cal-EPA).
75. Regulatory Compliance Schedule Agreement (RCSA) shall mean an agreement between EOCWD/OCSD and Permittee requiring the Permittee to implement Pretreatment practices and/or install equipment to ensure compliance with future revised categorical Pretreatment Standards or revised discharge limits.
76. Responsible Officer shall mean:
- a) If the applicant or User is a corporation:
 - (1) The president, secretary, treasurer, or a vice president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision making functions for the corporation; or
 - (2) The manager of one or more manufacturing, production, or operation facilities, provided the manager is authorized to make management decisions that govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for individual Wastewater discharge permit requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

- b) If the applicant or User is a partnership or sole proprietorship: a general partner or proprietor, respectively.
 - c) If the applicant or User is a federal, state, or local governmental facility: a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or the designee.
 - d) An applicant or User not falling within one of the above categories must designate as the Responsible Officer an individual responsible for the overall operation of the facility.
77. Sample Point shall mean a location accepted by EOCWD/OCSD, from which Wastewater can be collected that is representative in content and consistency of the entire flow of Wastewater being sampled.
78. Sampling Facilities shall mean structure(s) provided at a User's expense for EOCWD/OCSD or User to measure and record Wastewater constituent mass, concentrations, collect a representative sample, or provide access to plug or terminate the discharge.
79. Sanitary Waste shall mean domestic Wastewater, human excrement, and gray water (e.g., water from household showers, dishwashing operations, etc.).
80. Septic Waste shall mean any Sewage from holding tanks such as vessels, chemical toilets, campers, trailers, and septic tanks.
81. Service Area shall mean an area for which EOCWD has agreed to provide sewer service.
82. Sewage shall mean Wastewater.
83. Sewerage Facilities or System shall mean any and all facilities owned by EOCWD and used for the collection and conveyance of Wastewater.
84. Significant Industrial User, except as provided in 40 CFR 403.3 (v)(2) and (v)(3), shall mean: (i) All Industrial Users subject to Categorical Pretreatment Standards under 40 CFR 403.6 and 40 CFR chapter I, subchapter N; and (ii) Any other Industrial User that: discharges an average of 25,000 gallons per day or more of process Wastewater to the POTW (excluding sanitary, noncontact cooling and boiler blowdown Wastewater); contributes a process wastestream which makes up 5 percent or more of the average dry weather hydraulic or organic capacity of the POTW Treatment plant; or is designated as such by EOCWD/OCSD on the basis that the Industrial User has a reasonable

potential for adversely affecting the POTW's operation or for violating any Pretreatment Standard or requirement (in accordance with 40 CFR 403.8(f)(6)).

85. Significant Non-Compliance (SNC) shall mean the compliance status of an Industrial User who is in violation of one or more of the criteria as described in 40 CFR 403.8(f)(2)(viii).
86. Slug Load or Slug Discharge shall mean any discharge at a flow rate or concentration, which could cause a violation of the prohibited discharge standards in Section 201 of this Ordinance. A Slug Discharge is any Discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch Discharge, which has a reasonable potential to cause Interference or Pass Through, or in any other way violate the POTW's regulations, Local Limits, or Permit conditions.
87. Sludge shall mean any solid, semi-solid or liquid decant, subnate or supernate from a manufacturing process, utility service, or Pretreatment Facility.
88. Special Assessment Credit shall mean the portion of the secured property tax bill that represents the regional special assessment sewer User fee as defined by OCSD or EOCWD.
89. Special Purpose User shall mean any Discharger who is granted a Special Purpose Discharge Permit by EOCWD to discharge unpolluted water, storm runoff, or groundwater to EOCWD's Sewerage Facilities.
90. Spent Solutions shall mean any concentrated Industrial Wastewater or Wastewater that is not authorized to be discharged to a Sewage facility until appropriately treated.
91. Spill Containment shall mean a protection system installed by the Permittee to prohibit the discharge to the sewer of non-compatible Pollutants.
92. Standard Methods shall mean procedures described in the current edition of *Standard Methods for the Examination of Water and Wastewater*, as published by the American Public Health Association, the American Water Works Association and Water Pollution Control Federation.
93. Suspended Solids shall mean any insoluble material contained as a component of Wastewater and capable of separation from the liquid portion of said Wastewater by laboratory filtration as determined by the

appropriate testing procedure and expressed in terms of milligrams per liter.

94. Total Organic Carbon (TOC) shall mean the measure of total organic carbon in mg/L using heat, oxygen, ultraviolet irradiation, chemical oxidants, or combinations of these oxidants that convert organic carbon to carbon dioxide, rounded to two significant figures. As such, Total Toxic Organics is a subset of TOC.
95. Total Toxic Organics (TTO) shall mean the summation of all quantifiable values greater than 0.01 milligrams per liter for the organics regulated by the EPA or EOCWD/OCSD for a specific industrial category.
96. Unpolluted Water shall mean water to which no Pollutant has been added either intentionally or accidentally.
97. User shall mean any Person who discharges or causes a discharge of Wastewater directly or indirectly to a public sewer. User shall mean the same as Discharger. User includes Industrial Users as a type of User.
98. Waste-Tracking Form shall mean that receipt which is retained by the generator of hazardous wastes as required by the State of California or the United States Government pursuant to RCRA, or the California Hazardous Materials Act, or that receipt which is retained by the generator for recyclable wastes or liquid non- hazardous wastes as required by EOCWD/OCSD. The Waste-Tracking Form is typically known as a "waste manifest."
99. Wastehauler shall mean any Person carrying on or engaging in vehicular transport of brine, domestic septage (except the SAWPA Sewer Service Area in compliance with the 1996 OCSD/SAWPA Agreement), or Wastewater as part of, or incidental to, any business for the purpose of discharging directly or indirectly said Wastewater into OCSD's Sewerage System.
100. Wastewater shall mean the liquid and water-carried wastes of the community and all constituents thereof, whether treated or untreated, discharged into or permitted to enter a public sewer.
101. Wastewater Constituents and Characteristics shall mean the individual chemical, physical, bacteriological, and radiological parameters, including volume and flow rate and such other parameters that serve to define, classify or measure the quality and quantity of Wastewater.

102. Wet Weather shall mean any period of time during which measurable rainfall occurs within EOCWD's service area. This period shall include the time following the cessation of rainfall until EOCWD/OCSD determines that the wet weather event is no longer impacting EOCWD or OCSD's Sewerage System.
103. Working Day shall mean the period of time during which production or operation is taking place or any period during which discharge to the sewer is occurring.
104. Zero Discharge Certification shall mean a control mechanism that is issued by EOCWD and/or OCSD to insure that specific facilities are not discharging a Pollutant(s) that may otherwise qualify the facility for a discharge permit.

- B. Words used in this Ordinance in the singular may include the plural and the plural the singular. Terms used in the masculine form shall include feminine, and terms used in the feminine form shall include masculine.

103. CONFIDENTIAL INFORMATION

All user information and data on file with EOCWD shall be available to the public and governmental agencies without restriction unless the User specifically requests and is able to demonstrate to the satisfaction of EOCWD that the release of such information would divulge information, processes or methods which would be detrimental to the User's competitive position. The demonstration of the need for confidentiality made by the Permittee must meet the burden necessary for withholding such information from the general public under applicable state and federal law. Any such claim must be made at the time of submittal of the information by marking the submittal "Confidential Business Information" on each page containing such information.

Information which is demonstrated to be confidential shall not be transmitted to anyone other than a governmental agency without prior notification to the User. Wastewater constituents and characteristics and other effluent data, as defined in 40 CFR 2.302 shall not be recognized as confidential information and shall be available to the public.

104. SALE OR CHANGE OF OWNERSHIP

- A. Permits issued under this Ordinance are for a specific User, for a specific operation at a specific location or for a specific Wastehauler, and create no vested rights. Notwithstanding 104.C, the existing permit will be terminated

upon sale or change of ownership.

- B. No permit may be transferred to allow a discharge to a public sewer from a point other than the location for which the permit was originally issued.
- C. When the permittee is a legal entity (such as a corporation, partnership, limited liability company, or other legal entity), the permittee is deemed to have undergone a change of ownership when any other legal entity or person acquires direct or indirect ownership or control of more than fifty percent (50%) of the total ownership interest in the permittee.
- D. At least thirty (30) days prior to the sale or change of ownership of any business operating under a permit issued by EOCWD or OCSD, the Permittee shall notify EOCWD in writing of the proposed sale or change of ownership. The successor owner shall apply to OCSD for a new permit at least fifteen (15) days prior to the sale or change of ownership in accordance with the provisions of this Ordinance. A successor owner shall not discharge any Wastewater for which a permit is required by this Ordinance until a new permit is issued by OCSD to the successor owner.
- E. The written notification of intended sale or change of ownership shall be in a form approved by EOCWD/OCSD and shall include a written certification by the new owner or Authorized Representative, which shall include as a minimum:
 - 1. the specific date on which the sale or change of ownership is to occur; and
 - 2. an acknowledgement to comply fully with all the terms, conditions, limits, and provisions of this Ordinance and the new permit.

105. RESERVED

106. AUTHORITY

- A. EOCWD is regulated by several agencies of the United States Government and the State of California, pursuant to the provisions of federal and state Law. Federal and state laws grant to EOCWD the authority to regulate and/or prohibit, by the adoption of ordinances or resolutions, and by issuance of discharge certifications, or discharge permits, the discharge of any Wastewater, directly or indirectly, to EOCWD's Sewerage Facilities. Said authority includes the right to establish limits, conditions, and prohibitions; to establish flow rates or prohibit flows discharged to EOCWD's Sewerage Facilities; to require the development of compliance schedules for the installation of equipment systems and materials by all Users; and to take all actions necessary to enforce its authority including implementation of the

Enforcement Response Plan, whether within or outside EOCWD's boundaries, including those Users that are tributary to EOCWD or within areas for which EOCWD has contracted to provide sewerage services.

- B. EOCWD has the authority pursuant to California Health and Safety Codes 5471 and 5474 to prescribe, revise, and collect all fees and charges for services and facilities furnished by EOCWD either within or without its territorial limits.

107. DELEGATION OF AUTHORITY

Whenever any power is granted to or a duty is imposed upon the General Manager, the power may be exercised or the duty may be performed by any person so authorized by the General Manager.

108. SIGNATORY REQUIREMENTS

Reports and permit applications required by this Ordinance shall contain the following certification statement:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The statement shall be signed by an authorized representative of the Industrial User as defined in 40 CFR 403.12(l) or as defined and designated by EOCWD.

109. RECORD KEEPING REQUIREMENTS

Any User subject to EOCWD's reporting requirements shall maintain and make available for inspection and copying records of all information obtained pursuant to, or resulting from, any monitoring activities required by EOCWD, including documentation associated with Best Management Practices, and any additional records or information obtained pursuant to monitoring activities undertaken by the User independent of such requirements. Such records shall include information as shown in 40 CFR 403.12(o)(1) and (2). These records shall remain available for a period of at least three (3) years. This period shall be automatically extended for the duration of any litigation concerning the User or EOCWD, or where the User has been specifically notified of a longer retention period by the General Manager.

ARTICLE 2. GENERAL PROHIBITIONS, LIMITS AND REQUIREMENTS FOR DISCHARGE

201. PROHIBITED DISCHARGES

These prohibitions apply to all Users of EOCWD's Sewerage Facilities whether or not they are subject to Federal Categorical Pretreatment Standards or any other national, state, or local Pretreatment Standards or requirements.

A. General Prohibitions.

1. No User shall introduce or cause to be introduced into EOCWD's Sewerage Facilities any Pollutant, Wastewater, or flow which causes Pass Through or Interference or would cause EOCWD to violate any federal, state, or local regulatory requirement.
2. No User shall increase the contribution of flow, Pollutants, or change the nature of Pollutants where such contribution or change does not meet applicable standards and requirements or where such contribution would cause EOCWD to violate any federal, state, or local regulatory permit.
3. No Person shall transport Wastewater from one location or facility to another for the purpose of treating or discharging it directly or indirectly to EOCWD's Sewerage Facilities without written permission from EOCWD.
4. No Person shall deliver by vehicular transport, rail car, or dedicated pipeline, directly or indirectly to EOCWD's Sewerage Facilities, Wastewater which contains any substance that is defined as a hazardous waste by the Regulatory Agencies.

B. Specific Prohibitions. No User shall introduce or cause to be introduced into the Sewerage Facilities, any Pollutant, substance, or Wastewater which:

1. Creates a fire or explosive hazard in the Sewerage Facilities including, but not limited to, wastestreams with a closed-cup flashpoint of less than 140 degrees Fahrenheit (60 degrees Centigrade) using the test methods specified in 40 CFR 261.21; or produces a gaseous mixture that is 10% or greater of the lower explosive limit (LEL).
2. Causes obstruction to the flow in the Sewerage Facilities resulting in interference or damage to the Sewerage Facilities.

3. Produces noxious or malodorous liquids, gases, solids, or other Wastewater which, either singly or by interaction with other Wastes, is sufficient to create a public nuisance or a hazard to life, or to prevent entry into the Sewerage Facilities for maintenance or repair.
4. Results in toxic gases, vapors, or fumes within the Sewerage Facilities in a quantity that may cause acute worker health and safety problems.
5. Contains any radioactive Wastes or isotopes except in compliance with applicable regulations from other governmental agencies empowered to regulate the use of radioactive materials.
6. Causes, alone or in conjunction with other sources, EOCWD's treatment plant effluent to fail a toxicity test.
7. Causes EOCWD's effluent or any other product of the treatment process, residues, biosolids, or scums, to be unsuitable for reclamation, reuse or disposal. Examples of items which may cause these conditions include, but are not limited, to food packaging, product containers, and non-dispersible products.
8. Causes discoloration or any other condition which affects the quality of EOCWD's influent or effluent in such a manner that inhibits EOCWD's ability to meet receiving water quality, biosolids quality, or air quality requirements established by Regulatory Agencies.
9. Creates excessive foaming in the Sewerage Facilities.
10. Violates any applicable Federal Categorical Pretreatment Standards, statute, regulation, or ordinance of any public agency or Regulatory Agency having jurisdiction over the operation of or discharge of Wastewater through the Sewerage Facilities.
11. Has a temperature higher than 140 degrees Fahrenheit, (60 degrees Centigrade), or which causes the temperature at the treatment plant to exceed 104 degrees Fahrenheit (40 degrees Centigrade).
12. Has a pH less than 6.0 or greater than 12.0.
13. Causes corrosion, fouling, occlusion, or damage to the POTW beyond normal wear and tear.

14. Is released in a discharge at a flow rate and/or Pollutant concentration (including oxygen-demanding Pollutant (BOD, etc.)) which will cause interference with EOCWD's Sewerage Facilities.
15. Is in excess of the permitted OCSD Mass Emission Rates established in accordance with Section 213, or the concentration limits set forth in Table 1, or the discharge permit.
16. Contains material which will readily settle or cause an obstruction to flow in the Sewerage Facilities resulting in interference, such as, but not limited to, sand, mud, glass, metal filings, diatomaceous earth, cat litter, asphalt, wood, bones, hair, fleshings, food packaging, product containers, and non-dispersible products.
17. Includes petroleum oil, non-biodegradable cutting oil, or products of mineral oil origin in amounts that will cause interference or Pass Through.
18. Causes the Orange County Water District Groundwater Replenishment System product water to exceed its TOC limit of 0.5 mg/L.

202. PROHIBITION ON DILUTION

No User shall increase the use of water or in any other manner attempt to dilute a discharge as a partial or complete substitute for treatment to achieve compliance with this Ordinance and the User's permit or to establish an artificially high flow rate for permit Mass Emission Rates.

203. PROHIBITION ON SURFACE RUNOFF AND GROUNDWATER

- A. No Person shall discharge groundwater, surface runoff, or subsurface drainage directly or indirectly to EOCWD's Sewerage Facilities except as provided herein. Pursuant to Section 304 or 305, et seq., EOCWD may approve the discharge of such water only when no alternate method of disposal is reasonably available or to mitigate an environmental risk or health hazard.
- B. The discharge of such waters shall require a Dry Weather Urban Runoff Discharge Permit or a Special Purpose Discharge Permit from EOCWD and OCSD.
- C. If a permit is granted for the discharge of such water into a Public Sewer, the User shall pay all applicable charges and shall meet such other conditions as required by EOCWD and OCSD.

204. PROHIBITION ON UNPOLLUTED WATER

- A. No Person shall discharge unpolluted water such as single pass cooling water directly or indirectly to EOCWD's Sewerage Facilities except as provided herein. Pursuant to Section 305, et seq., EOCWD may approve the discharge of such water only when no alternate method of disposal or reuse is reasonably available or to mitigate an environmental risk or health hazard.
- B. The discharge of such waters shall require a Special Purpose Discharge Permit from EOCWD/OCSD.
- C. If a permit is granted for the discharge of such water into a public sewer, the User shall pay all applicable charges and shall meet such other conditions as required by EOCWD/OCSD.

205. PROHIBITION ON SLUG DISCHARGES AND NOTIFICATION REQUIREMENT

EOCWD has the right to control slug discharges, if it is determined to be necessary. All Significant Industrial Users are required to notify EOCWD immediately of any changes at their facilities that could affect the potential for a slug discharge.

206. PROHIBITION ON THE USE OF GRINDERS

- A. Waste from industrial or commercial grinders shall not be discharged into a Public Sewer, except wastes generated in packing or preparing food or food products. Such grinders must shred the waste to a degree that all particles will be carried freely under normal flow conditions prevailing in the Public Sewer.
- B. Waste from Food Service Establishments operating a grinder is prohibited and shall not be discharged into a Public Sewer unless written authorization from the General Manager is obtained.

207. PROHIBITION ON POINT OF DISCHARGE

No Person, except Local Sewering Agencies involved in maintenance functions of sanitary sewer facilities, shall discharge any Wastewater directly into a manhole or other opening in a sewer other than through an approved building sewer, unless approved by EOCWD upon written application by the User and payment of the applicable fees and charges established therefor.

208. HAZARDOUS WASTE DISCHARGE NOTIFICATION REQUIREMENT

Any User that discharges any hazardous waste into the Sewerage System shall notify EOCWD immediately as required by 40 CFR 403.12(p).

209. PROHIBITION ON MEDICAL WASTE

- A. No solid Wastes consisting of, but not limited to, hypodermic needles, syringes, instruments, utensils or other paper and plastic items from hospitals, clinics, offices of medical doctors, convalescent homes, medical laboratories or other medical facilities shall be discharged to the Sewerage System, unless prior written approval for such discharges has been granted by the General Manager.
- B. EOCWD shall have the authority to require that any discharge of etiologic agents or infectious agents or substances to the Sewerage System be rendered inactive and noninfectious prior to discharge if the infectious Waste is deemed to pose a threat to the public health and safety, or can become an etiologic agent subsequent to discharge to the Sewerage System, or will result in any violation of applicable Wastewater discharge requirements.
- C. No unused, unwanted, or expired pharmaceuticals (both over the counter and prescription-only medications) shall be disposed of in the Sewerage System, except in accordance with federal and state regulations, or in the absence of such regulations, using Best Management Practices.

210. PROHIBITION ON DISPOSAL OF SPENT SOLUTIONS AND SLUDGES

Spent solutions, sludges, and materials of quantity or quality in violation of, or prohibited by this Ordinance, or any permit issued under this Ordinance must be disposed of in compliance with all regulatory requirements at a permitted point of disposal as defined by EOCWD/OCSD or Regulatory Agency with jurisdiction thereof.

If the point of disposal is at an OCSD-permitted treatment facility, all Waste-Tracking Forms shall be retained for a minimum of three years by the facility and Wastehauler of said Wastewater, and made available for copying for review upon request.

211. RESERVED

212. MASS EMISSION RATE DETERMINATION

- A. Mass Emission Rates for non-compatible or Compatible Pollutants that are present or anticipated in the User's Wastewater discharge may be set for each User and made an applicable part of each User's permit. These rates shall be based on Table 1, Maximum Allowable Local Discharge Limits, or Federal Categorical Pretreatment Standards, and the User's average daily Wastewater discharge for the past three years, the most recent representative data, or other data acceptable to the General Manager.

- B. To verify the User's operating data, EOCWD may require the User to submit an inventory of all Wastewater streams and/or records indicating production rates.
- C. EOCWD may revise limits or Mass Emission Rates previously established in the discharger's permit at any time, based on: current or anticipated operating data of the discharger or EOCWD; EOCWD's ability to meet NPDES limits; or changes in the requirements of Regulatory Agencies.
- D. The excess use of water to establish an artificially high flow rate for Mass Emission Rate determination is prohibited.

213. MAXIMUM ALLOWABLE LOCAL DISCHARGE LIMITS

EOCWD's and OCSD's Maximum Allowable Local Discharge Limits are shown in Table 1 below.

TABLE 1

MAXIMUM ALLOWABLE LOCAL NON-DOMESTIC DISCHARGE LIMITS ⁽¹⁾	
<u>CONSTITUENT</u>	<u>MILLIGRAMS/LITER</u>
1,4-dioxane ⁽²⁾	1.0
Ammonia	Mass ⁽³⁾
Arsenic	2.0
Biochemical Oxygen Demand (BOD)	Mass ⁽³⁾
Cadmium	1.0
Chromium (Total)	20.0
Copper	3.0
Cyanide (Total)	5.0
Lead	2.0
Mercury	0.03
Molybdenum	2.3
Nickel	10.0
Pesticides	0.01
Oil and Grease of Mineral or Petroleum Origin ⁽⁴⁾	100.0
Polychlorinated Biphenyls (PCB)	0.01
Selenium	3.9
Silver	15.0
Sulfide (Dissolved)	0.5
Sulfide (Total)	5.0
Zinc	10.0
MAXIMUM ALLOWABLE DISCHARGE LIMITS FOR WASTEHAULERS DISCHARGING DOMESTIC SEPTAGE TO THE EOCWD WASTEHAULER STATION	
<u>CONSTITUENT</u>	<u>MILLIGRAMS/LITER</u>
Cadmium	1.0
Chromium	35.0
Copper	25.0
Lead	10.0

Nickel	10.0
Zinc	50.0

- ⁽¹⁾ Users subject to Federal Categorical Pretreatment Standards may be required to meet more stringent limits.
- ⁽²⁾ 1,4-dioxane is also known as "p-dioxane."
- ⁽³⁾ BOD and ammonia mass discharged will be tracked by OCSD and Users. It is the Permittee's responsibility to report the intended technically-based mass use to OCSD.
- ⁽⁴⁾ "Oil and Grease of Mineral or Petroleum Origin" is also known as "Petroleum Oil and Grease as Silica Gel Treated n-Hexane Extractable Material" or "SGT-HEM Non-Polar Material."

ARTICLE 3. DISCHARGE PERMITS, CERTIFICATIONS, CHARGES, AND FEES

301. INTRODUCTION

- A. To provide the maximum public benefit from the use of EOCWD's and OCSD's Sewerage Facilities, written authorization to use said facilities is required. This written authorization shall be in the form of a discharge permit or certification. No vested right shall be given by issuance of permits or certifications provided for in this Ordinance. EOCWD/OCSD reserves the right to establish, by Ordinance regulation, or in Wastewater Discharge Permits or certifications, more stringent standards or requirements on discharges to EOCWD Sewerage Facilities if deemed by the General Manager appropriate to comply with this Ordinance and the requirements of Regulatory Agencies.
- B. The discharge permit shall be in one of five forms and is dependent upon the type of discharger, volume, and characteristics of discharge. The five discharge permits are:
 - 1. Class I Wastewater Discharge Permit.
 - 2. Class II Wastewater Discharge Permit.
 - 3. Dry Weather Urban Runoff Discharge Permit.
 - 4. Special Purpose Discharge Permit.
- C. The Discharge Certification is issued to those Users that are discharging regulated Wastewater but are not otherwise required to obtain a discharge permit.
- D. The Zero Discharge Certification is issued to certify that a particular Pollutant or process is not used or discharged to EOCWD and/or OCSD, even though regulated process Wastewater may still be generated on-site and eventually wastehauled or otherwise eliminated. Such a facility does not require a discharge permit, but may require a Zero Discharge Certification.
- E. A permit issued under OCSD's Wastewater Discharge Ordinance shall be valid under this Ordinance.

302. CLASS I WASTEWATER DISCHARGE PERMITS

- A. No User requiring a Class I permit shall discharge Wastewater without obtaining a Class I Wastewater Discharge Permit.
- B. Class I Wastewater Discharge Permits shall be expressly subject to all provisions of this Ordinance and all other regulations, charges for use, and fees established by OCSD. The conditions of Wastewater Discharge Permits shall be enforced by OCSD in accordance with this Ordinance and applicable state and federal regulations.
- C. All Class I Users proposing to discharge directly or indirectly into the EOCWD and OCSD Sewerage Facilities shall obtain a Wastewater Discharge Permit by filing an application pursuant to Section ARTICLE 2 and paying the applicable fees pursuant to Section 302.3. For purposes of this Ordinance, a Class I User is any User:
 - 1. Subject to Federal Categorical Pretreatment Standards under 40 CFR 403.6 and 40 CFR chapter I, subchapter N; or
 - 2. That discharges an average of 25,000 gallons per day or more of process Wastewater to the EOCWD System and the OCSD POTW (excluding sanitary, noncontact cooling and boiler blowdown Wastewater); or
 - 3. Contributes a process wastestream which makes up 5 percent or more of the average dry weather hydraulic or organic capacity of the EOCWD system and/or the OCSD POTW; or
 - 4. That is designated as such by EOCWD/OCSD on the basis that the Industrial User has a reasonable potential for adversely affecting the EOCWD System and/or OCSD's POTW operation or for violating any Pretreatment Standard, local limit or requirement (in accordance with 40 CFR 403.8(f)(6)); or
 - 5. That may cause Pass Through affecting OCSD's ability to comply with its NPDES Permit or other regulations and standards; or
 - 6. That may cause Interference with OCSD's Sewerage Facilities.

302.1 Class I Wastewater Discharge Permit Application

- A. Any User required to obtain a Class I Wastewater Discharge Permit shall complete and file with OCSD, prior to commencing discharge, an application on the form prescribed by OCSD. The applicant shall submit, in units and terms appropriate for evaluation, the following information:
 - 1. Name, address, assessor's parcel number(s), NAICS number(s), description of the manufacturing process or service activity.

2. (Whichever is applicable) name, address of any and all principals/owners/major shareholders of company; Articles of Incorporation; most recent Report of the Secretary of State; Business License.
3. Volume of Wastewater to be discharged.
4. Name of individual who can be served with notices other than officers of corporation.
5. Name and address of property owner, landlord and/or manager of the property.
6. Water supplier and water account numbers.
7. Wastewater constituents and characteristics as required by OCSD, including, but not limited to, those mentioned in Section 213, Mass Emission Rate Determination, and Table 1, Local Discharge Limits, of this Ordinance. These constituents and characteristics shall be determined by a laboratory selected by the discharger and acceptable to OCSD.
8. Time and duration of discharge.
9. Number of employees per shift and hours of work per employee per day for each shift.
10. Waste minimization, best management practices, and water conservation practices.
11. Production records, if applicable.
12. Waste-Tracking Forms, if applicable.
13. Landscaped area in square feet, if applicable.
14. Tons of cooling tower capacity, if applicable.
15. EPA Hazardous Waste Generator Number, if applicable.
16. Any other information as specified.

- B. Applicants may be required to submit site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, spill containment, clarifiers, Pretreatment equipment, and appurtenances by size, location, and elevation for evaluation.

- C. Applicants may also be required to submit information related to the applicant's business operations, processes, and potential discharge as may be requested by OCSD to properly evaluate the permit application.
- D. After evaluation of the data, OCSD may issue a Wastewater Discharge Permit, subject to terms and conditions set forth in this Ordinance and as otherwise determined by the OCSD General Manager to be appropriate to protect EOCWD's and OCSD's Sewerage Facilities.
- E. The permit application may be denied if the applicant fails to establish to OCSD's satisfaction that adequate Pretreatment equipment is included within the applicant's plans to ensure that the discharge limits will be met or if the applicant has, in the past, demonstrated an inability to comply with applicable discharge limits.
- F. The permit application may be denied if the applicant has in the past demonstrated an inability to keep current with OCSD invoices for items such as Permit Fees, Non-Compliance Resampling Fees, Civil Penalties, Administrative Civil Penalties, Charges for Use, and Supplemental Capital Facilities Capacity Charges.

302.2 Class I Permit Conditions, and Limits

- A. A Class I permit shall contain all of the following conditions or limits:
 - 1. Mass Emission Rates and concentration limits regulating non-compatible Pollutants.
 - 2. Requirements to notify OCSD in writing prior to modification to processes or operations through which Industrial Wastewater may be produced.
 - 3. Location of the User's on-site sampling point.
 - 4. Requirements for submission of self-monitoring reports, technical reports, production data, discharge reports, compliance with Pretreatment Standards, BMP-based Categorical Pretreatment Standards and/or local limits, and/or Waste-Tracking Forms.
 - 5. Requirements for maintaining, for a minimum of three (3) years, plant records relating to Wastewater discharge, and Waste-Tracking Forms as specified by OCSD.
 - 6. Requirements to submit copies of tax and water bills.
- B. A Class I permit may contain any of the following conditions and/or limits:

1. Requirements for the User to construct and maintain, at his own expense, appropriate Pretreatment equipment, pH control, Flow Monitoring Facilities, and sampling facilities.
2. Limits on rate and time of discharge or requirements for flow regulation and equalization.
3. Requirements to self-monitor.
4. Assumed values for BOD and suspended solids characteristics that typify the Discharger's effluent for determination of the charge for use.
5. Other terms and conditions which may be appropriate to ensure compliance with this Ordinance or determined by the General Manager to be appropriate to protect OCSD's Sewerage System.

302.3 Class I Permit Fee

- A. The Class I permit fee shall be in an amount adopted by Ordinance of the Board of Directors. The permit fee shall be payable at the time a permit application is submitted for the issuance of a new permit or a renewed permit. Payment of permit fees must be received by OCSD prior to issuance of either a new permit or a renewed permit. Permittee shall also pay any delinquent invoices in full prior to permit renewal.
- B. Any permit issued for a location wherein the Permittee is not the property owner may be conditioned upon depositing financial security to guarantee payment of all annual fees and charges to be incurred, in accordance with the provisions of Section 623.(E) of this Ordinance.

302.4 Class I Permit Modification of Terms and Conditions

- A. The terms and conditions of an issued permit may be subject to modification and change in the sole determination by the General Manager during the life of the permit based on:
 1. The Discharger's current or anticipated operating data;
 2. OCSD's current or anticipated operating data;
 3. Changes in the requirements of Regulatory Agencies which affect EOCWD and/or OCSD; or
 4. A determination by the General Manager that such modification is appropriate to further the objectives of this Ordinance.

- B. New source indirect Dischargers shall be required to install and start up any necessary pollution control equipment before beginning discharge, and comply with applicable Federal Categorical Pretreatment Standards not to exceed thirty (30) days after the commencement of discharge.
- C. Permittee may request a modification to the terms and conditions of an issued permit. The request shall be in writing stating the requested change, and the reasons for the change. OCSD shall review the request, make a determination on the request, and respond in writing.
- D. Permittee shall be informed of any change in the permit limitations, conditions, or requirements at least forty-five (45) days prior to the effective date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

302.5 Class I Permit Duration and Renewal

Class I permits shall normally be issued for a period not to exceed four (4) years. At least forty-five (45) days prior to the expiration of the permit, the User shall apply for renewal of the permit in accordance with the provisions of this Article 3.

302.6 Class I Permit Charge for Use

- A. The purpose of a charge for use is to ensure that each recipient of sewerage service from OCSD pays its reasonably proportionate share of all the costs of providing that sewerage service. Charges for use to recover the cost of conveying, treating, and disposing of Sewage in OCSD's Sewerage Facilities are exclusive of any fees levied by EOCWD. The charge for use shall be based on the total maintenance, operation, capital expenditures, and reserve requirements for providing Wastewater collection, treatment, and disposal.
- B. A Discharger who is issued a Class I Wastewater Discharge Permit under the provisions of this Ordinance shall pay a charge for use in accordance with the formula contained herein and the unit charge rates adopted by Ordinance of the Board of Directors. These fees shall be invoiced on a quarterly basis. The quarterly invoice shall be based upon an estimate of the annual use as determined by OCSD. OCSD shall compute the charge for use based upon actual use for the preceding fiscal year on an annual reconciliation statement.
- C. The charge for use is payable within forty-five (45) days of invoicing by OCSD. A special assessment credit will be allowed for any regional sanitary sewer service charge adopted by the OCSD Board of Directors by separate Ordinance and levied against the permitted property.
- D. In order for OCSD to determine actual annual water use, the User shall provide to OCSD copies of its water bills. If these water bill copies are not

received by August 15th of each year for the 12 month period ended closest to June 30, OCSD will endeavor to obtain the water use data. Data obtained by OCSD will be considered correct and will not be adjusted before the next annual reconciliation statement. There shall be a fee levied for OCSD administrative costs when OCSD obtains water use data. OCSD's Board of Directors shall adopt the amount of the fee.

E. The charge for use shall be computed by the following formula: Charge for Use

$$= \text{VoV} + \text{BoB} + \text{SoS} - \text{Special Assessment Credit}$$

E. Where V = total annual volume of flow, in millions of gallons

B = total annual discharge of biochemical oxygen demand, in thousands of pounds

S = total annual discharge of suspended solids, in thousands of pounds

Vo, Bo, So = Unit Charge rates established and adopted by Ordinance of OCSD's Board of Directors, based upon the funding requirements of providing sewerage service, in dollars per unit as described in Paragraph F below:

F. The Unit Charge rates in the charge-for-use formula shall be determined by the following method:

1. An Operations and Maintenance component of the Unit Charge for the total annual operation and maintenance funding requirements of the Sewerage System shall be levied at a rate to be determined from time to time by the OCSD Board of Directors. This Charge shall be allocated among the three Wastewater charge parameters of flow, biochemical oxygen demand and suspended solids in accordance with the General Manager's determination as to the costs associated with each parameter and pursuant to applicable requirements of state and federal Regulatory Agencies.

The operation and maintenance costs as distributed to flow, biochemical oxygen demand and suspended solids shall be divided by the projected annual total flow volume and weights of biochemical oxygen demand and suspended solids to be treated by the Sewerage System in the budgeted year.

2. A Capital Facilities Replacement Service component of the Unit Charge for capital replacement and capital improvement shall be levied at a rate to be determined from time to time by the Board of Directors. This charge shall be allocated among Wastewater charge parameters of flow, biochemical oxygen demand, and suspended solids

in accordance with the OCSD General Manager's determination of which portion of the charge predominantly relates to each parameter.

The capital facilities charge distributed to biochemical oxygen demand, and suspended solids shall be divided by the projected annual weights of biochemical oxygen demand and suspended solids to be treated by the Sewerage System in the budgeted year.

3. The Unit Charge rates for each respective Wastewater component in (1) and (2) above shall be summed. The Unit Charge rates so determined will be expressed in dollars per million gallons for Vo, and in dollars per thousand pounds for Bo and So.
- G. Other measurements of the organic content of the Wastewater of a Discharger, such as COD or TOC, may be used instead of BOD. However, the Discharger must establish to the General Manager's satisfaction a relationship between the BOD of the Wastewater and the parameter of measure. This relationship shall be used by OCSD in determining the charge for use.

When Wastewater from sanitary facilities is discharged separately from the other Wastewater of a Discharger, the charge for use for discharging the Wastewater may be determined by using the following:

1. 25 gallons per employee per eight-hour working day.
2. BOD and suspended solids to be calculated at domestic Wastewater strength per employee per year.

The number of employees will be considered as the average number of people employed full time on a daily basis. This may be determined by averaging the number of people employed at the beginning and end of each quarter, or other period that reflects normal employment fluctuations.

303. CLASS II WASTEWATER DISCHARGE PERMITS

- A. No User requiring a Class II permit shall discharge Wastewater without obtaining a Wastewater Discharge Permit.
- B. Class II Wastewater Discharge Permits shall be expressly subject to all provisions of this Ordinance and all other regulations, charges for use and fees established by OCSD. The conditions of Wastewater Discharge Permits shall be enforced by OCSD in accordance with this Ordinance and applicable state and federal regulations.
- C. All Class II Users proposing to discharge directly or indirectly into

EOCWD's and OCSD's Sewerage Facilities shall obtain a Wastewater discharge Permit by filing an application pursuant to Section ARTICLE 1 and paying the applicable fees pursuant to Section 303.3. For purposes of this Ordinance, a Class II User is any User:

1. Whose charge for use is greater than the special assessment OCSD Sewer User Fee" included on the County of Orange secured property tax bill exclusive of debt service; and
2. Discharging Wastewater other than sanitary; and
3. Not otherwise required to obtain a Class I permit.

303.1 Class II Wastewater Discharge Permit Application

A. Any User required to obtain a Class II Wastewater Discharge Permit shall complete and file with OCSD, prior to commencing discharge, an application on the form prescribed by OCSD. The applicant shall submit, in units and terms appropriate for evaluation, the following information:

1. Name, address, assessor's parcel number(s) and NAICS number(s); description of the manufacturing process or service activity.
2. (Whichever is applicable) Name, address of any and all principals/owners/major shareholders of company; Articles of Incorporation; most recent Report of the Secretary of State; Business License.
3. Volume of Wastewater to be discharged.
4. Name of individual who can be served with notices other than officers of corporation.
5. Name and address of property owner, landlord and/or manager of the property.
6. Water supplier and water account numbers.
7. Wastewater constituents and characteristics as required by OCSD, including, but not limited to, those mentioned in Section 213, Mass Emission Rate Determination, and Table 1, Local Discharge Limits of this Ordinance. These constituents and characteristics shall be determined by a laboratory selected by the Discharger and acceptable to OCSD.
8. Time and duration of discharge.

9. Number of employees and average hours of work per employee per day.
 10. Production records, if applicable.
 11. Waste-Tracking Forms, if applicable.
 12. Landscaped area in square feet, if applicable.
 13. Tons of cooling tower capacity, if applicable.
 14. EPA Hazardous Waste Generator Number, if applicable.
 15. Any other information as specified.
- B. Applicants may be required to submit site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, spill containment, clarifiers, Pretreatment systems, and appurtenances by size, location, and elevation for evaluation.
- C. Applicants may also be required to submit other information related to the applicant's business operations, processes, and potential discharge as may be requested to properly evaluate the permit application.
- D. After evaluation of the data furnished, OCSD may issue a Wastewater Discharge Permit, subject to terms and conditions set forth in this Ordinance and as otherwise determined by the General Manager to be appropriate to protect the OCSD system.
- E. The permit application may be denied if the applicant fails to establish to OCSD's satisfaction that adequate Pretreatment equipment is included within the applicant's plans to ensure that the discharge limits will be met or if the applicant has, in the past, demonstrated an inability to comply with applicable discharge limits.

303.2 Class II Permit Conditions and Limits

- A. A Class II permit shall contain all of the following conditions and/or limits:
1. Applicable Mass Emission Rates and concentration limits regulating non-compatible Pollutants.
 2. Requirements to notify OCSD in writing prior to modification to processes or operations through which Industrial Wastewater may be produced.

3. Location of the User's on-site sample point.
 4. Requirements for submission of technical reports, production data, discharge reports, and/or Waste-Tracking Forms.
 5. Requirements to submit copies of tax and water bills.
- B. A Class II permit may contain any of the following conditions and/or limits:
1. Requirements for the User to construct and maintain, at his own expense, appropriate Pretreatment equipment, pH control, flow monitoring and/or sampling facilities.
 2. Limits on rate and time of discharge or requirements for flow regulation and equalization.
 3. Assumed values for BOD and suspended solids characteristics that typify the Discharger's effluent for determination of the charge for use.
 4. Requirements to self-monitor.
 5. Requirements for maintaining, for a minimum of three years, plant records relating to Wastewater discharge, and Waste-Tracking Forms as specified by OCSD.
 6. Other provisions which may be appropriate to ensure compliance with this Ordinance.
 7. Other terms and conditions determined by the General Manager to be appropriate to protect EOCWD's and OCSD's Sewerage Systems.

303.3 Class II Permit Fee

- A. The Class II permit fee shall be in an amount adopted by Ordinance of the Board of Directors. The permit fee shall be payable at the time a permit application is submitted for the issuance of a new permit or a renewed permit. Payment of the permit fee must be received by OCSD prior to issuance of either a new permit or a renewed permit. Permittee shall also pay any delinquent invoices in full prior to permit renewal.
- B. Any permit issued for a location wherein the Permittee is not the property owner may be conditioned upon depositing financial security to guarantee payment of all annual fees and charges to be incurred, in accordance with the provisions of Section 623.(E) of this Ordinance.

303.4 Class II Permit Modification of Terms and Conditions

- A. The terms and conditions of an issued permit may be subject to modification and change in the sole determination by the General Manager during the life of the permit based on:
 - 1. The Discharger's current or anticipated operating data;
 - 2. OCSD's current or anticipated operating data;
 - 3. Changes in the requirements of Regulatory Agencies which affect EOCWD and/or OCSD; or
 - 4. A determination by the General Manager that such modification is appropriate to further the objectives of this Ordinance.
- B. The Permittee may request a modification to the terms and conditions of an issued permit. The request shall be in writing stating the requested change, and the reasons for the change. OCSD shall review the request, make a determination on the request, and respond in writing.
- C. Permittee shall be informed of any change in the permit limitations, conditions, or requirements at least forty-five (45) days prior to the effective date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

303.5 Class II Permit Duration and Renewal

Class II permits shall normally be issued for a period not to exceed five (5) years. At least forty-five (45) days prior to the expiration of the permit, the User shall apply for renewal of the permit in accordance with the provisions of this Article 3.

303.6 Class II Permit Charge for Use

- A. The purpose of a charge for use is to ensure that each recipient of sewerage service from EOCWD and OCSD pays its reasonably proportionate share of all the costs of providing that sewerage service. Charges for use to recover the cost of conveying, treating, and disposing of Sewage in OCSD's Sewerage Facilities are exclusive of any fees levied by EOCWD. The charge for use shall be based on the total maintenance, operation, capital expenditures, and reserve requirements for providing Wastewater collection, treatment, and disposal.
- B. A Discharger who is issued a Class II Wastewater Discharge Permit under the provisions of this Ordinance shall pay a charge for use in accordance with the formula contained herein and the Unit Charge rates adopted

annually by Ordinance of the Board of Directors. These fees shall be invoiced on a quarterly basis. The quarterly invoice shall be based upon an estimate of the annual use as determined by OCSD.

Annually, OCSD shall compute the charge for use based upon actual use for the preceding fiscal year on an annual reconciliation statement. The charge for use is payable within forty-five (45) days of invoicing by OCSD. A special assessment credit will be allowed for any regional sanitary sewer service charge adopted by the Board of Directors by separate Ordinance and levied against the permitted property.

- C. In order for OCSD to determine actual annual water use, the User shall provide to OCSD copies of its water bills. If these water bill copies are not received by August 15th of each year for the 12 month period ended closest to June 30, OCSD will endeavor to obtain the water use data. Data obtained by OCSD will be considered correct and will not be adjusted before the next annual reconciliation statement.

There shall be a fee levied for OCSD administrative costs when water use data is obtained by OCSD. The amount of the fee shall be adopted by the Board of Directors.

- D. The charge for use shall be computed by the following formula: Charge

for Use = $VoV + BoB + SoS - \text{Special Assessment Credit}$ Where V =

total annual volume of flow, in millions of gallons

B = total annual discharge of biochemical oxygen demand, in thousands of pounds

S = total annual discharge of suspended solids, in thousands of pounds

Vo, Bo, So = Unit Charge rates adopted annually by Ordinance of OCSD's Board of Directors, based upon the funding requirements of providing sewerage service, in dollars per unit as described in Paragraph E below.

- E. The unit charge rates in the charge for use formula shall be established annually and shall be determined by the following method:

1. An Operations and Maintenance component of the Unit Charge for the total annual operation and maintenance funding requirements of the Sewerage System shall be levied at a rate to be determined from time to time by the OCSD Board of Directors. This charge shall be allocated among the three Wastewater charge parameters of flow, biochemical oxygen demand and suspended solids in accordance with the General Manager's determination as to the

costs associated with each parameter and pursuant to applicable requirements of state and federal Regulatory Agencies.

The operation and maintenance costs as distributed to flow, biochemical oxygen demand and suspended solids shall be divided by the projected annual total flow volume and weights of biochemical oxygen demand and suspended solids to be treated by the Sewerage System in the budgeted year.

2. A Capital Facilities Replacement component of the Unit Charge for capital replacement and capital improvement shall be levied at a rate to be determined from time to time by the Board of Directors. This charge shall be allocated among the three Wastewater charge parameters of flow, biochemical oxygen demand and suspended solids in accordance with the General Manager's determination of which portion of the charge predominantly relates to each parameter.

The capital facilities charge distributed to biochemical oxygen demand and suspended solids shall be divided by the projected annual weights of biochemical oxygen demand and suspended solids to be treated by the OCSD Sewerage System in the budgeted year.

3. The unit charge rates for each respective Wastewater component in (1) and (2) above shall be summed. The Unit Charge rates so determined will be expressed in dollars per million gallons for Vo, and in dollars per thousand pounds for Bo and So.

- F. Other measurements of the organic content of the Wastewater of a Discharger, such as COD or TOC, may be used instead of BOD. However, the Discharger must establish to the OCSD General Manager's satisfaction a relationship between the BOD of the Wastewater and the other parameter of measure. This relationship shall be used by OCSD in determining the charge for use. When Wastewater from sanitary facilities is discharged separately from the other Wastewater of a Discharger, the charge for use for discharging the sanitary Wastewater may be determined by using the following:

1. 25 gallons per employee per eight-hour working day.
2. BOD and suspended solids to be calculated at domestic Wastewater strength per employee per year.

The number of employees will be considered as the average number of people employed full time on a daily basis. This may be determined by averaging the number of people employed at the

beginning and end of each quarter, or other period that reflects normal employment fluctuations.

304. DRY WEATHER URBAN RUNOFF DISCHARGE PERMITS

- A. No User shall discharge urban runoff directly to EOCWD's/ OCSD's Sewerage System without obtaining a Dry Weather Urban Runoff Discharge Permit.
- B. EOCWD/OCSD shall determine whether the dry weather urban runoff proposed to be discharged into EOCWD's/OCSD's Sewerage System may cause a potential environmental risk and/or health hazard that cannot be economically or practically controlled by alternative disposal methods.
- C. Dry Weather Urban Runoff Discharge Permits shall be subject to all provisions of this Ordinance and all other regulations, charges for use, and fees established by EOCWD/ OCSD.
- D. All Users required to obtain a Dry Weather Urban Runoff Discharge Permit proposing to discharge directly or indirectly into EOCWD's/OCSD's Sewerage Facilities shall file an application pursuant to Section 304 and pay the applicable fees pursuant to Sections 304.3 and 304.6.

304.1 Dry Weather Urban Runoff Discharge Permit Application

- A. An applicant shall contact EOCWD/OCSD prior to any construction of facilities and discharge of dry weather urban runoff into the Sewerage System to determine if the discharge of dry weather urban runoff to EOCWD's/OCSD's Sewerage Facilities is feasible.
- B. Applicants shall complete and file with EOCWD/OCSD, prior to commencing discharge, an application in the form prescribed by EOCWD/OCSD. This application shall be accompanied by applicable fees, design plans, a detailed analysis of other disposal alternatives, or other data as needed by both agencies for review. The applicant shall provide justification that disposal alternatives for the dry weather urban runoff are not economically or practically feasible in lieu of sewer discharge.
- C. In addition to the discharge permit, EOCWD/OCSD may require that the permit applicant enter into an agreement setting forth the terms under which the dry weather urban runoff discharge is authorized.
- D. Applicants shall provide adequate Pretreatment and/or Best Management Practices included within the applicants' plans to ensure that the applicable discharge limits shall be met.

304.2 Dry Weather Urban Runoff Discharge Permit Condition and Limits

The issuance of a Dry Weather Urban Runoff Discharge Permit may contain any the following conditions or limits:

- A. Mass Emission Rates and concentration limits regulating non-compatible Pollutants.
- B. Requirements for the User to construct and maintain, at the User's expense, appropriate Pretreatment equipment, Flow Monitoring Facilities, and devices to prevent storm water discharge into EOCWD's/OCSD's Sewerage System during a wet weather event (rain event).
- C. Requirements for the User to provide EOCWD/OCSD with its operations and maintenance plan, best management practices, and pollution prevention strategies designed to minimize or eliminate dry weather urban runoff Pollutants.
- D. Limits on rate and time of discharge or requirements for flow regulation and equalization prior to discharge to EOCWD's/OCSD's Sewerage Systems.
- E. Requirements to self-monitor the discharge to EOCWD's/OCSD's Sewerage Systems.
- F. The General Manager may impose additional requirements as may be appropriate to reduce the burden on EOCWD's/OCSD's Sewerage Facilities.
- G. Prohibitions on the discharge, which may cause OCSD's effluent, biosolids, or any other product of its treatment process, to be unsuitable for reclamation, reuse, or disposal.

304.3 Dry Weather Urban Runoff Discharge Permit Fee

The Dry Weather Urban Runoff Discharge Permit fee shall be paid by the applicant in an amount established in the applicable Ordinance adopted by the Board of Directors. Payment of permit fees must be received by EOCWD/ OCSD prior to issuance of either a new permit or a renewed permit. Each Permittee shall also pay delinquent invoices in full prior to permit renewal.

304.4 Dry Weather Urban Runoff Discharge Permit Modification of Terms and Conditions

- A. The terms and conditions of an issued permit may be subject to modification and change in the sole determination by EOCWD/OCSD during the life of the permit based on:
 - 1. The discharger's current or anticipated operating data;

2. EOCWD's/OCSD's current or anticipated operating data;
 3. Changes in the requirements of Regulatory Agencies, which affect EOCWD/OCSD; or
 4. A determination by the General Manager that such modification is appropriate to further the objectives of this Ordinance.
- B. A Permittee may request a modification to the terms and conditions of an issued permit. The request shall be in writing stating the requested changes and the reasons for the change. EOCWD/OCSD shall review the request, make a determination on the request, and respond accordingly.
- C. A Permittee shall be informed of any changes in the permit at least forty-five (45) days prior to the effective date change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

304.5 Dry Weather Urban Runoff Discharge Permit Duration and Renewal

Dry Weather Urban Runoff Discharge Permit shall normally be issued for a period not to exceed five (5) years. At least forty-five (45) days prior to the expiration of the permit, the User shall apply for renewal of the permit in accordance with the provisions of this Article 3.

304.6 Dry Weather Urban Runoff Discharge Permit Charge for Use

A Discharger who is issued a Dry Weather Urban Runoff Discharge Permit under the provision of this Ordinance shall pay a charge for use in accordance with rates established by Ordinance adopted by the Board of Directors.

305. SPECIAL PURPOSE DISCHARGE PERMITS

- A. No User requiring a Special Purpose Discharge Permit shall discharge Wastewater without obtaining a Special Purpose Discharge Permit. Alternatively, at the discretion of the General Manager and/or Division Head or Department Head, EOCWD/OCSD may issue a Letter to Discharge in lieu of a Special Purpose Discharge Permit.
- B. Special Purpose Discharge Permits shall be expressly subject to all provisions of this Ordinance and all other regulations, charges for use, and fees established by EOCWD/OCSD. The conditions of Special Purpose Discharge Permits shall be enforced by EOCWD/OCSD in accordance with this Ordinance and applicable state and federal regulations.
- C. All Special Purpose Discharge Permit Users proposing to discharge directly

or indirectly into EOCWD's/OCSD's Sewerage Facilities shall obtain a Special Purpose Discharge Permit by filing an application pursuant to Section 305 and paying the applicable fees pursuant to Sections 305.3 and 305.6. This discharge permit may be granted when no alternative method of disposal is reasonably available, or to mitigate an environmental risk or health hazard.

305.1 Special Purpose Discharge Permit Application

- A. Applicants seeking a Special Purpose Discharge Permit shall complete and file with EOCWD/OCSD, prior to commencing discharge, an application in the form prescribed by EOCWD/OCSD. This application shall be accompanied by the applicable fees, plumbing plans, a detailed analysis of the alternatives for water disposal, or other data as needed by EOCWD/OCSD for review.
- B. The permit application may be denied when the applicant has failed to establish to EOCWD's/OCSD's satisfaction that adequate Pretreatment equipment is included within the applicants' plans to ensure that the discharge limits will be met or that the applicant has, in the past, demonstrated an inability to comply with applicable discharge limits.

305.2 Special Purpose Discharge Permit Conditions and Limits

- A. Discharge conditions and limits shall be no less stringent than Section 201(A), General Prohibitions; 201(B), Specific Prohibitions; Section 213, Mass Emission Rate Determination; and Table 1, Local Discharge Limits.
- B. Monitoring requirements for the discharge shall be for those non-compatible Pollutants known to exist in the discharge. At least one set of baseline analysis prior to or upon sewer discharge may be required for all constituents contained in the most current Environmental Protection Agency (EPA) "Priority Pollutant" list, excluding asbestos, as listed in Appendix A of 40 CFR 423, or as subsequently amended.
- C. EOCWD/OCSD may specify and make part of each Special Purpose Discharge Permit specific Pretreatment Requirements or other terms and conditions determined by the General Manager to be appropriate to protect EOCWD's/OCSD's Sewerage Facilities, to comply with Regulatory Agencies' requirements, to ensure compliance with this Ordinance, and to assess a charge for use.

305.3 Special Purpose Discharge Permit Fee

The special purpose discharge permit fee shall be paid by the applicant in an amount adopted by Ordinance of the Board of Directors. Payment of permit fees must be received by EOCWD/OCSD prior to issuance of either a new permit or a renewed permit. Each Permittee shall also pay delinquent invoices in full prior to permit renewal.

305.4 Special Purpose Discharge Permit Modification of Terms and Conditions

- A. The terms and conditions of an issued permit may be subject to modification and change in the determination by EOCWD/OCSD during the life of the permit based on:
 - 1. The Discharger's current or anticipated operating data;
 - 2. EOCWD's/OCSD's current or anticipated operating data;
 - 3. Changes in the requirements of Regulatory Agencies which affect EOCWD/OCSD; or
 - 4. A determination by the General Manager that such modification is appropriate to further the objectives of this Ordinance.
- B. A Permittee may request a modification to the terms and conditions of an issued permit. The request shall be in writing stating the requested change, and the reasons for the change. EOCWD/OCSD shall review the request, make a determination on the request, and respond in writing.
- C. A Permittee shall be informed of any changes in the permit at least forty five (45) days prior to the effective date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

305.5 Special Purpose Discharge Permit Duration and Renewal

Special purpose discharge permits shall normally be issued for a period not to exceed five (5) years, but may be renewed as determined by the General Manager. Users seeking permit renewal shall comply with all provisions of this Article 3.

305.6 Special Purpose Discharge Permit Charge for Use

The General Manager shall establish a charge for use to cover all costs of EOCWD/OCSD for providing sewerage service and monitoring. A deposit determined by the General Manager to be sufficient to pay the estimated charges for use shall accompany the Special Purpose Discharge Permit application, and said deposit shall be applied to the charges for use.

- G. A Zero Discharge Certification shall contain as a minimum:

1. A statement that no discharge of regulated Wastewater is permitted;
2. Requirements to notify EOCWD/OCSD of any changes in operation resulting in a potential for discharge;
3. Requirements to periodically certify that no discharge of regulated Wastewater has occurred;
4. Notice that EOCWD/OCSD may inspect the facility as necessary to assess and assure compliance with the "no discharge" requirement; and
5. Requirements to comply with Resource Conservation and Recovery Act (RCRA) and state hazardous waste regulations regarding the proper disposal of hazardous waste.

306. OUT OF DISTRICT PERMITS/DISCHARGERS

- A. Industrial Wastewater Discharge Permits for Dischargers located outside EOCWD's boundaries but within the OCSD service area and tributary to EOCWD's Sewerage Facilities, may be issued by OCSD after approval by EOCWD. EOCWD/OCSD shall have the right of inspection and sampling of the User's discharge to determine compliance with Industrial Wastewater discharge regulations. Such inspection and sampling will be performed under a coordinated plan developed with EOCWD. The more stringent of the industrial wastewater discharge regulations and effluent limits of OCSD shall apply to the Discharger.
- B. Pursuant to Article 6 herein, OCSD shall have the right to enforce the Federal Regulations, the provisions of this Ordinance, and permit conditions and limits applicable to any User located outside of EOCWD's service area, but whose discharge is tributary to EOCWD's Sewerage Facilities.
- C. The fees for use shall be determined by EOCWD/OCSD and set forth in a use agreement with EOCWD.

ARTICLE 4. FACILITIES REQUIREMENTS

401. DRAWING SUBMITTAL REQUIREMENTS

Upon request by EOCWD:

- A. Applicants or Users may be required to submit three copies of detailed facility plans. The submittal shall be in a form and content acceptable to EOCWD/OCSD for review of existing or proposed Pretreatment facilities, spill containment facilities, monitoring facilities, metering facilities, and operating procedures. The review of the plans and procedures shall in no way relieve the User of the responsibility of modifying the facilities or procedures in the future, as necessary to produce a discharge acceptable to EOCWD/OCSD, and to meet the requirements of this Ordinance or any requirements of other Regulatory Agencies.
- B. The drawing shall depict as a minimum the manufacturing process (Wastewater generating sources), spill containment, monitoring or metering facilities, and Pretreatment facilities.
- C. The applicant or User shall submit a schematic drawing of the Pretreatment facilities, piping and instrumentation diagram, and Wastewater characterization report.
- D. Users and applicants may also be required to submit for review site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, spill containment, clarifiers, and appurtenances by size, location, and elevation for evaluation.
- E. EOCWD/OCSD may require the drawings be prepared by a California Registered Chemical, Mechanical, or Civil Engineer.
- F. Permittees shall be required to submit updated detailed facility plans.

402. PRETREATMENT FACILITIES

- A. All Users shall provide Wastewater treatment as necessary to comply with this ordinance and shall achieve compliance with all Categorical Pretreatment Standards, Table 1, Local Discharge Limits, and the prohibitions set out in Sections 201 (A) & (B) of this Ordinance within the time limitations specified by EPA, the state, or EOCWD/OCSD, whichever is more stringent. Any facilities necessary for compliance shall be provided, operated by a qualified operator, and maintained in proper operating condition at the User's expense.

- B. All Users may also be required by EOCWD/OCSD to submit Wastewater analysis plans, contingency plans, and meet other necessary requirements to ensure proper operation of the Pretreatment facilities and compliance with permit limits and this Ordinance.
- C. No User shall increase the use of water or in any other manner attempt to dilute a discharge as a partial or complete substitute for treatment to achieve compliance with this Ordinance and the User's Permit.

403. SPILL CONTAINMENT FACILITIES/ACCIDENTAL SLUG CONTROL PLANS

- A. All Users shall provide spill containment for protection against discharge of prohibited Pollutants, materials or other Wastewaters regulated by this Ordinance. Such protection shall be designed to secure the discharges and to prevent them from entering into the EOCWD/OCSD Sewerage System in accordance with reasonable engineering standards. Such facilities shall be provided and maintained at the User's expense.
- B. The General Manager shall require any Significant Industrial User to develop and implement an accidental discharge/slugs control plan. EOCWD/OCSD may evaluate whether each Industrial User needs such a plan. Any User required to develop and implement an accidental discharge/control slug plan shall submit a plan which addresses, at a minimum, the following:
 - 1. Description of discharge practices, including non-routine batch discharges.
 - 2. Description of stored chemicals.
 - 3. Procedures for immediately notifying EOCWD/OCSD of any accidental of slug discharge. Such notification must also be given for any discharge which would violate any of the prohibited discharges in Article 2 of this Ordinance.
 - 4. Procedures to prevent adverse impact from any accidental or slug discharge. Such procedures include, but are not limited to, inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site run-off, worker training, building of containment structures or equipment, measures for containing toxic organic Pollutants (including solvents), and measures and equipment for emergency response.

404. MONITORING/METERING FACILITIES

All Wastewater samples must be representative of the User's discharge. Wastewater monitoring and flow measurement facilities shall be properly operated, kept clean, and maintained in good working order at all times. The failure of a User to keep its monitoring facility in good working order shall not be grounds for the User to claim that sample results are unrepresentative of its discharge.

- A. EOCWD/OCSD may require the User to construct and maintain in proper operating condition at the User's sole expense, flow monitoring, constituent monitoring and/or sampling facilities.
- B. Permittees may be required to install and maintain an appropriate effluent flow monitoring device. Calibration of such flow monitoring device shall be done annually or as specified in the Wastewater discharge permit.
- C. The monitoring or metering facilities may be required to include a security closure that can be locked with an EOCWD/OCSD provided hasp lock during sampling or upon termination of service.
- D. The location of the monitoring or metering facilities shall be subject to approval by EOCWD/OCSD.
- E. The User shall provide immediate, clear, safe and uninterrupted access to EOCWD/OCSD to the User's monitoring and metering facilities.
- F. For all industries permitted by OCSD, domestic Wastewaters shall be kept segregated from all Industrial Wastewaters until the Industrial Wastewaters have passed through any required Pretreatment system or device and the Permittee's sample point.

405. WASTE MINIMIZATION REQUIREMENTS

- A. As required by a User's permit, the User shall provide waste minimization plans to reduce or eliminate Pollutant discharge to the EOCWD/OCSD Sewerage System and conserve water. The User shall investigate product substitution, housekeeping practices, provide inventory control, implement employee education, and other steps as necessary to minimize Wastewater produced.
- B. Upon approval by OCSD, a User may certify that their facility does not discharge any type of Wastewater containing Pollutants that may directly or indirectly discharge into EOCWD's/OCSD's Sewerage System as a form of Best Management Practice (BMP).

ARTICLE 5. MONITORING, REPORTING, NOTIFICATION, AND INSPECTION REQUIREMENTS

501. MONITORING AND REPORTING CONDITIONS

A. Monitoring for Annual Charge for Use

The Wastewater constituents and characteristics of a Discharger needed for determining the annual charge for use shall be submitted in the form of self-monitoring reports by the User to OCSD, if requested. The frequency of analyses and reporting shall be set forth in the User's permit. The analyses of these constituents and characteristics shall be by a laboratory acceptable to OCSD, and at the sole expense of the Permittee. Analyses performed by OCSD's personnel may be used in the determination of the annual charge for use.

B. Monitoring for Compliance with Permit Conditions or Reporting Requirements

OCSD may require reports for self-monitoring of Wastewater constituents and characteristics of the Discharger needed for determining compliance with any limit or requirements as specified in the User's permit, federal or state regulations, or this Ordinance. The federal Pretreatment regulations at 40 CFR 403.12(g)(3) and (4) contain requirements for collecting samples such as requiring that sampling must be representative of conditions occurring during the reporting period and that grab samples must be collected for certain parameters. These reports include:

1. Baseline Monitoring Reports.

- a) Within either one hundred eighty (180) days after the effective date of a categorical Pretreatment Standard, or the final administrative decision on a category determination under 40 CFR 403.6(a)(4), whichever is later, existing Significant Industrial Users subject to categorical Pretreatment Standard(s) currently discharging to or scheduled to discharge to OCSD shall submit to the General Manager a report which contains the information listed in paragraph b), below. At least ninety (90) days prior to commencement of their discharge, New Sources, and sources that become Significant Industrial Users subsequent to the promulgation of an applicable categorical Standard, shall submit to the General Manager a report which contains the information listed in paragraph c), below. A New Source shall report the method of Pretreatment it intends to use to meet applicable categorical Pretreatment Standards. A New Source also shall

give estimates of its anticipated flow and quantity of Pollutants to be discharged.

- b) Users described above shall submit the information set forth below.
 - (1) All information required in Section ARTICLE 23 including requirements in 40 CFR 403.12(b)(1)-(7).
 - (2) Measurement of Pollutants.
 - a) The User shall provide the following information.
 - 1) The categorical Pretreatment Standards applicable to each regulated process and any new categorically regulated processes for Existing Sources.
 - 2) The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the Standard or by the General Manager, of regulated Pollutants in the discharge from each regulated process.
 - 3) Instantaneous, Daily Maximum, and long-term average concentrations or mass, where required, shall be reported.
 - 4) The sample shall be representative of daily operations and shall be analyzed in accordance with procedures set out in Section 501.2 of this Ordinance. Where the Standard requires compliance with a BMP or pollution prevention alternative, the User shall submit documentation as required by the General Manager or the applicable Standards to determine compliance with the Standard.
 - 5) Sampling must be performed in accordance with procedures set out in Section 602 of this Ordinance.
 - b) The User shall take a minimum of one representative sample to compile that data

necessary to comply with the requirements of this paragraph.

- c) Samples should be taken immediately downstream from Pretreatment facilities if such exist or immediately downstream from the regulated process if no Pretreatment exists. If other Wastewaters are mixed with the regulated Wastewater prior to Pretreatment the User should measure the flows and concentrations necessary to allow use of the Combined Wastestream Formula in 40 CFR 403.6(e) to evaluate compliance with the Pretreatment Standards. Where an alternate concentration or mass limit has been calculated in accordance with 40 CFR 403.6(e) this adjusted limit along with supporting data shall be submitted to OCSD;
 - d) Sampling and analysis shall be performed in accordance with this Ordinance;
 - e) The General Manager may allow the submission of a baseline report which utilizes only historical data so long as the data provides information sufficient to determine the need for industrial Pretreatment measures;
 - f) The baseline report shall indicate the time, date and place of sampling and methods of analysis, and shall certify that such sampling and analysis is representative of normal work cycles and expected Pollutant discharges to OCSD.
- (3) Compliance Certification. A statement, reviewed by the User's Authorized Representative as defined in this Ordinance and certified by a qualified professional, indicating whether Pretreatment Standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O&M) and/or additional Pretreatment is required to meet the Pretreatment Standards and Requirements.
- (4) Compliance Schedule. If additional Pretreatment and/or O&M will be required to meet the Pretreatment Standards, the shortest schedule by which the User will

provide such additional Pretreatment and/or O&M must be provided.

The completion date in this schedule shall not be later than the compliance date established for the applicable Pretreatment Standard. A compliance schedule pursuant to this Section must meet the requirements set forth in this Ordinance.

- (5) Signature and Report Certification. All baseline monitoring reports must be certified in accordance with this Ordinance and signed by an Authorized Representative.

2. Compliance Schedule Progress Reports.

The following conditions shall apply to the compliance schedule required by this Ordinance:

- a) The schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional Pretreatment required for the User to meet the applicable Pretreatment Standards (such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation);
- b) No increment referred to above shall exceed nine (9) months;
- c) The User shall submit a progress report to the General Manager no later than fourteen (14) days following each date in the schedule and the final date of compliance including, as a minimum, whether or not it complied with the increment of progress, the reason for any delay, and, if appropriate, the steps being taken by the User to return to the established schedule; and
- d) In no event shall more than nine (9) months elapse between such progress reports to the General Manager.

3. 90-Day Compliance Reports.

Within ninety (90) days following the date for final compliance with applicable categorical Pretreatment Standards, or in the case of a

New Source following commencement of the introduction of Wastewater into EOCWD/OCSD, any User subject to such Pretreatment Standards and Pretreatment Requirements shall submit to the General Manager a report containing the information described in this Ordinance. For Users subject to equivalent mass or concentration limits, this report shall contain a reasonable measure of the User's long-term production rate. For all other Users subject to categorical Pretreatment Standards expressed in terms of allowable Pollutant discharge per unit of production (or other measure of operation), this report shall include the User's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with this Ordinance. All sampling will be done in conformance with Section 602.

4. Periodic Compliance Reports.

- a) Except as otherwise specified in this Ordinance, all Significant Industrial Users must, at a frequency determined by the General Manager, submit no less than twice per year on dates specified by EOCWD/OCSD reports indicating the nature, concentration of Pollutants in the discharge which are limited by Pretreatment Standards and the measured or estimated average and maximum daily flows for the reporting period. In cases where the Pretreatment Standard requires compliance with a Best Management Practice (BMP) or pollution prevention alternative, the User must submit documentation required by the General Manager or the Pretreatment Standard necessary to determine the compliance status of the User including documentation associated with Best Management Practices.
- b) OCSD will meet reporting requirements as specified by 40 CFR Part 3 (Cross-Media Electronic Reporting). Therefore, Users that send electronic (digital) documents to OCSD to satisfy the requirements of this Section must register for the system online and submit a signed Subscriber Agreement to OCSD for review and approval.

5. Notification of the Discharge of Hazardous Waste.

- a) Any User who commences the discharge of hazardous waste shall notify EOCWD/OCSD, the EPA Regional Waste Management Division Director, and state hazardous waste authorities, in writing, of any discharge into EOCWD/OCSD of a substance which, if otherwise disposed of, would be a hazardous waste under 40

CFR Part 261. The User shall receive written approval from the EOCWD/OCSD to discharge hazardous waste. Such notification must include the name of the hazardous waste as set forth in 40 CFR Part 261, the EPA hazardous waste number, and the type of discharge (continuous, batch, or other). If the User discharges more than one hundred (100) kilograms of such waste per calendar month to EOCWD/OCSD, the notification also shall contain the following information to the extent such information is known and readily available to the User: an identification of the hazardous constituents contained in the wastes, an estimation of the mass and concentration of such constituents in the wastestream discharged during that calendar month, and an estimation of the mass of constituents in the wastestream expected to be discharged during the following twelve (12) months. All notifications must take place no later than one hundred and eighty (180) days after the discharge commences. Any notification under this paragraph need be submitted only once for each hazardous waste discharged. However, notifications of changed conditions must be submitted under subdivision 6 below. The notification requirement in this Section does not apply to Pollutants already reported by Users subject to categorical Pretreatment Standards under the self-monitoring requirements of this Ordinance.

- b) Dischargers are exempt from the requirements of paragraph (a), above, during a calendar month in which they discharge no more than fifteen (15) kilograms of hazardous wastes, unless the wastes are acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e). Discharge of more than fifteen (15) kilograms of non-acute hazardous wastes in a calendar month, or of any quantity of acute hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e), requires a one-time notification. Subsequent months during which the User discharges more than such quantities of any hazardous waste do not require additional notification.
- c) In the case of any new regulations under section 3001 of RCRA identifying additional characteristics of hazardous waste or listing any additional substance as a hazardous waste, the User must notify the General Manager, the EPA Regional Waste Management Waste Division Director, and state hazardous waste authorities of the discharge of such substance within ninety (90) days of the effective date of such regulations.

- d) In the case of any notification made under this Section, the User shall certify that it has a program in place to reduce the volume and toxicity of hazardous wastes generated to the degree it has determined to be economically practical.
- e) This provision does not create a right to discharge any substance not otherwise permitted to be discharged by this Ordinance, a permit issued thereunder, or any applicable federal or state law.

6. Reports of Changed Conditions

Each User must notify the General Manager of any significant changes to the User's operations or system which might alter the nature, quality, or volume of its Wastewater in advance of the change. The notification must be made promptly, but normally within 30 days. In certain cases, this period may be longer.

- a) The General Manager may require the User to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a Wastewater discharge permit application under this Ordinance.
- b) The General Manager may issue a Wastewater discharge permit under this Ordinance or modify an existing Wastewater discharge permit under this ordinance in response to changed conditions or anticipated changed conditions.

7. Reports of Potential Problems

- a) In the case of any discharge, including, but not limited to, accidental discharges, discharges of a non-routine, episodic nature, a non-customary batch discharge, a Slug Discharge or Slug Load, that might cause potential problems for EOCWD/OCSD, the User shall follow the notification procedures under Notification of Spill or Slug Loading in Article 5. This notification shall also include the location of the discharge, type of Wastewater, concentration and volume, if known, and corrective actions taken by the User.
- b) Within five (5) days following such discharge, the User shall, unless waived by the General Manager, submit a detailed written report. This written notification shall include, but not be limited to, the date of the incident, the reasons for the discharge or spill, what steps were taken to immediately correct the problem, and what steps are being taken to

prevent the problem from recurring.

- c) Such notification shall not relieve the User of any expense, loss, damage, or other liability which might be incurred as a result of damage or loss to EOCWD/OCSD, natural resources, or any other damage to person or property; nor shall such notification relieve the User of any fees, fines, penalties, or other liability which may be imposed pursuant to this Ordinance or other applicable law.
- d) A notice shall be permanently posted on the User's bulletin board or other prominent place advising employees who to call in the event of a discharge described in paragraph a, above. Employers shall ensure that all employees, who could cause such a discharge to occur, are advised of the emergency notification procedure.
- e) Significant Industrial Users are required to notify the General Manager immediately of any changes at its facility affecting the potential for a Slug Discharge.

8. Reports from Unpermitted Users

All Users not required to obtain a Wastewater discharge permit shall provide appropriate reports to the General Manager as the General Manager may require.

9. Notice of Violation/Repeat Sampling and Reporting

If sampling performed by a User indicates a violation, the User must notify the General Manager within twenty-four (24) hours of becoming aware of the violation. The User shall also repeat the sampling and analysis and submit the results of the repeat analysis to the General Manager within thirty (30) days after becoming aware of the violation. Resampling by the User is not required if EOCWD/OCSD performs sampling at the User's facility at least once a month, or if EOCWD/OCSD performs sampling at the User's facility between the time when the initial sampling was conducted and the time when the User or EOCWD/OCSD receives the results of this sampling, or if EOCWD/OCSD as performed the sampling and analysis in lieu of the User.

10. Other reports as required by EOCWD/OCSD.

- a) Monitoring reports of the analyses of Wastewater constituents and characteristics shall be in a manner and form approved by EOCWD/OCSD and shall be submitted upon request of EOCWD/OCSD. When applicable, the self-monitoring

requirement and frequency of reporting may be set forth in the User's permit as directed by EOCWD/OCSD. The analyses of Wastewater constituents and characteristics and the preparation of the monitoring report shall be done at the sole expense of the User.

- b) Failure by the User to perform any required monitoring, or to submit monitoring reports required by EOCWD/OCSD constitutes a violation of this Ordinance, may result in determining whether the Permittee is in significant non-compliance, and be cause for EOCWD/OCSD to initiate all necessary tasks and analyses to determine the Wastewater constituents and characteristics for compliance with any limits and requirements specified in the User's permit or in this Ordinance. The User shall be responsible for any and all expenses of EOCWD/OCSD in undertaking such monitoring analyses and preparation of reports.

501.1 Inspection and Sampling Conditions

- A. EOCWD/OCSD may inspect and sample the Wastewater generating and disposal facilities of any User to ascertain whether the intent of this Ordinance is being met and the User is complying with all requirements.
- B. EOCWD/OCSD shall have the right to place on the User's property or other locations as determined by EOCWD/OCSD, such devices as are necessary to conduct sampling or metering operations. Other sampling locations may include downstream manholes, usually in the EOCWD/OCSD Sewerage System, for the purpose of determining the compliance status of an industrial or commercial Discharger.
- C. EOCWD/OCSD may require the User to install and maintain sample points in areas acceptable to EOCWD/OCSD outside the User's facility, within the reasonable control of the User or EOCWD/OCSD. EOCWD/OCSD may also require lockable sample boxes fully containing the sample points. The User shall grant EOCWD/OCSD access to the sample points and sample boxes in accordance with this Ordinance.
- D. In order for EOCWD/OCSD to determine the Wastewater characteristics of the Discharger for purposes of determining the annual use charge and for compliance with permit requirements, the User shall make available for inspection and copying by EOCWD/OCSD all notices, self-monitoring reports, Waste-Tracking Forms, and records including, but not limited to, those related to production, Wastewater generation, Wastewater disposal, and those required in the Pretreatment Requirements without restriction but subject to the confidentiality provision set forth in Section 103 herein. All such records shall be kept by the User a minimum of three (3) years.

- E. If a Discharger falsifies, tampers with, or knowingly renders inaccurate any monitoring device or sample collection method, the Discharger may be subject to imposition of penalties, permit suspension or permit revocation.

501.2 Analytical Requirements

All Pollutant analyses, including sampling techniques, to be submitted as part of a Wastewater discharge permit application or report shall be performed in accordance with the techniques prescribed in 40 CFR Part 136 and amendments thereto, unless otherwise specified in an applicable categorical Pretreatment Standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the Pollutant in question, or where the EPA determines that the Part 136 sampling and analytical techniques are inappropriate for the Pollutant in question, sampling and analyses shall be performed by using validated analytical methods or any other applicable sampling and analytical procedures, including EPA-approved procedures or procedures approved by the General Manager.

501.3 Right of Entry

- A. Persons or occupants of premises where Wastewater is created or discharged shall allow EOCWD/OCSD, or its representatives, reasonable access to all parts of the Wastewater generating and disposal facilities for the purposes of inspection and sampling during all times the Discharger's facility is open, operating, or any other reasonable time. No Person shall interfere with, delay, resist or refuse entrance to authorized EOCWD/OCSD personnel attempting to inspect any facility involved directly or indirectly with a discharge of Wastewater to EOCWD's/OCSD's Sewerage System.
- B. Where a User has security measures in place, the User shall make necessary arrangements so that personnel from EOCWD/OCSD shall be permitted to enter without delay for the purpose of performing their specific responsibilities.

501.4 Notification of Spill or Slug Loading

- A. In the event the Discharger is unable to comply with any permit condition due to a breakdown of equipment, accidents, or human error, or the Discharger has reasonable opportunity to know that a discharge will exceed the discharge provisions of the User's permit, Sections 201(A) & (B) or Table 1, Local Discharge Limits, the Discharger shall immediately notify EOCWD/OCSD by telephone. If the Wastewater or material discharged to the sewer has the potential to cause or result in a fire or explosion hazard, the Discharger shall immediately notify the local fire department, EOCWD/OCSD. Also see *Reports of Potential Problems* in this Article.

501.5 Bypass Prohibition; Notification of Bypass

- A. Bypass of Industrial Wastewater to the Sewerage System is prohibited. EOCWD/OCSD may take enforcement action against the User, unless:
 - 1. Bypass was unavoidable because it was done to prevent loss of life, personal injury, or severe property damage;
 - 2. There were no feasible alternatives to the Bypass, such as the use of auxiliary treatment facilities, retention of untreated Wastes, elective slow-down or shut-down of production units or maintenance during periods of production downtime. This condition is not satisfied if adequate backup equipment could have been feasibly installed in the exercise of reasonable engineering judgment to prevent a Bypass which occurred during normal periods of equipment downtime or preventative maintenance; and
 - 3. The Permittee submitted notices as required under Section 501.4(A).
- B. If a Permittee knows in advance of the need for a Bypass, it shall submit a written request to allow the Bypass to EOCWD/OCSD, if possible, at least ten (10) days before the date of the Bypass.
- C. EOCWD/OCSD may approve an anticipated Bypass at its sole discretion after considering its adverse effects, and EOCWD/OCSD determines that the conditions listed in Section 501.5(A)(1-3) are met.
- D. A Permittee shall provide telephone notification to EOCWD/OCSD of an unanticipated Bypass that exceeds its permitted discharge limits within four hours from the time the Permittee becomes aware of the Bypass. A written report shall also be provided within five (5) days of the time the Permittee becomes aware or could reasonably have been aware of the Bypass. The report shall contain a description of the Bypass and its cause; the duration of the Bypass, including exact dates and times, and, if the Bypass has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the Bypass. Failure to comply with the oral notice or written report may be grounds for permit revocation.

ARTICLE 6. ENFORCEMENT

601. PURPOSE AND SCOPE

- A. The Board finds that in order for EOCWD/OCSD to comply with the laws, regulations, and rules imposed upon it by Regulatory Agencies and to ensure that EOCWD's/OCSD's Sewerage Facilities and treatment processes are protected and are able to operate with the highest degree of efficiency, and to protect the public health and environment, specific enforcement provisions must be adopted to govern the discharges to EOCWD's/OCSD's Sewerage System by Permittees or by facilities required to obtain Zero Discharge Certifications. Certain violations may result in civil or criminal penalties for violation of Pretreatment Standards and requirements, and any applicable compliance schedule. Such schedules may not extend the compliance date beyond applicable federal deadlines.
- B. To ensure that all interested parties are afforded due process of law and that non-compliance and violations are resolved as soon as possible, the general policy of EOCWD/OCSD is that:
 - 1. Any determination relating to a Zero Discharge Certification, Probation Order, Enforcement Compliance Schedule Agreement (ECSA), or Regulatory Compliance Schedule Agreement (RCSA) will be made by the Division Head of the OCSD Pretreatment Program, with a right of appeal by the Permittee to the General Manager pursuant to the procedures set forth in Section 618.
 - 2. Any permit suspension or revocation recommended by the Division Head responsible for the OCSD Pretreatment Program will be heard and a recommendation made to the General Manager by a Department Head or other person designated by the General Manager.
 - 3. Actions and decisions by the Division Head or Department Head are made pursuant to a delegation of authority by the General Manager as authorized by Section 107 of this Ordinance.
 - 4. The Board of Directors may adopt rules of procedure to establish the conduct of certain administrative proceedings.
- C. EOCWD/OCSD, at its discretion, may utilize any one, combination, or all enforcement remedies provided in this Article 6 in response to any permit or Ordinance violation.

602. DETERMINATION OF NON COMPLIANCE WITH DISCHARGE LIMITS

A. Sampling Procedures

1. Sampling of all Permittees' facilities, Wastewater and discharges shall be conducted in the time, place, manner, and frequency determined at the sole discretion of OCSD.
2. Non-compliance with Mass Emission Rate limits, concentration limits, permit discharge conditions, or any discharge provision of this Ordinance may be determined by an analysis of a grab or composite sample of the effluent of a User. Non-compliance with Mass Emission Rate limits shall be determined by an analysis of a composite sample of the User's effluent, except that a grab sample may be used to determine compliance with Mass Emission Rate limits when the discharge is from a closed (batch) treatment system in which there is no Wastewater flow into the system when the discharge is occurring, the volume of Wastewater contained in the batch system is known, the time interval of discharge is known, and the grab sample is homogeneous and representative of the discharge.
3. All Wastewater samples must be representative of the User's discharge. Any sample taken from a sample point is considered to be representative of the discharge to the public sewer.
4. Wastewater monitoring and flow measurement facilities shall be properly operated, kept clean, and maintained in good working order at all times. The failure of a User to keep its monitoring facility in good working order shall not be grounds for the User to claim that sample results are unrepresentative of its discharge.
5. If a User subject to the reporting requirement in this section monitors any regulated Pollutant at the appropriate sampling location more frequently than required by the General Manager, using the procedures prescribed in this Ordinance, the results of this monitoring shall be included in the report.

603. ENFORCEMENT PROCEDURES AND APPLICABLE FEES

A. Self-Monitoring Requirements as a Result of Non-Compliance

1. If analysis of any sample obtained by EOCWD/OCSD shows non-compliance with the applicable Wastewater discharge limits set forth in this Ordinance or in the Permittee's discharge permit, EOCWD/OCSD may impose self-monitoring requirements on the Permittee.

2. A Permittee shall perform required self-monitoring of constituents in a frequency, at the specific location, and in a manner directed by OCSD.
3. All analyses of self-monitoring samples shall be performed by an independent laboratory acceptable to OCSD and submitted to OCSD in the form and frequency determined by OCSD.
4. All self-monitoring costs shall be borne by the Permittee.
5. Nothing in this section shall be deemed to limit the authority of EOCWD/OCSD to impose self-monitoring as a permit condition.

B. Purpose of Non-Compliance Resampling Fees

The purpose of the non-compliance resampling fee is to compensate EOCWD/OCSD for costs of additional sampling, monitoring, laboratory analysis, treatment, disposal, and administrative processing incurred as a result of the non-compliance, and shall be in addition to and not in lieu of any penalties as may be assessed pursuant to Sections 616 and 617.

C. Non Compliance Resampling Fees for Composite Samples

1. Each violation of a Permittee's permit limit or condition is a violation of this Ordinance.
 - a) If analysis of any composite sample of a Permittee's discharge obtained by EOCWD/OCSD shows a major violation by the Permittee of the Mass Emission Rates or concentration limits specified in the Permittee's discharge permit or in this Ordinance, then the Permittee shall pay non-compliance resampling fees to EOCWD/OCSD pursuant to fee schedules adopted by the Board of Directors.
 - b) If analysis of any composite sample of a Permittee's discharge obtained by EOCWD/OCSD shows a minor violation by the Permittee of the Mass Emission Rates or concentration limits specified in the Permittee's discharge permit or in this Ordinance, then EOCWD/OCSD shall impose non-compliance resampling fees pursuant to fee schedules adopted by the Board of Directors.
2. The fees specified in subsection 603.C.1.a), C.1.b) and D herein shall be imposed for each date on which EOCWD/OCSD conducts sampling as a result of a violation by a Permittee.

D. Non-Compliance Resampling Fees for Grab Samples and Self-Monitoring Results

1. If analysis of any grab sample of a Permittee's discharge shows non-compliance with any concentration limits as set forth in the User's permit or in this Ordinance, EOCWD/OCSD may impose non-compliance resampling fees, pursuant to fee schedules adopted by the Board of Directors, for resampling conducted by EOCWD/OCSD as a result of a violation by the Permittee.
2. If any self-monitoring analysis of a Permittee's discharge shows non-compliance with any concentration limits or Mass Emission Rates as set forth in the User's permit or in this Ordinance, EOCWD/OCSD may impose non-compliance resampling fees, pursuant to fee schedules adopted by the Board of Directors, for sampling conducted by EOCWD/OCSD as a result of a violation by the Permittee.

603.1 Probation Order

A. Grounds

In the event the Division Head determines that a Permittee has violated any provision of this Ordinance, or the terms, conditions and limits of its discharge permit, or has not made payment of all amounts owed to OCSD for User charges, non-compliance resampling fees or any other fees, the General Manager may issue a Probation Order, whereby the Permittee must comply with all directives, conditions and requirements therein within the time prescribed.

B. Provisions

The issuance of a Probation Order may contain terms and conditions including, but not limited to, installation of Pretreatment equipment and facilities, requirements for self-monitoring, submittal of drawings or technical reports, operator certification, audit of Waste minimization practices, payment of fees, limits on rate and time of discharge, or other provisions to ensure compliance with this Ordinance.

C. Probation Order - Expiration

A Probation Order issued by the General Manager shall be in effect for a period not to exceed ninety (90) days.

603.2 Enforcement Compliance Schedule Agreement (ECSA)

A. Grounds

Upon determination that a Permittee is in non-compliance with the terms, conditions or limits specified in its permit or any provision of this Ordinance, and needs to construct and/or acquire and install equipment related to Pretreatment, the General Manager may require the Permittee to enter into an ECSA which will, upon the effective date of the ECSA, amend the Permittee's permit. The ECSA shall contain terms and conditions by which a Permittee must operate during its term and shall provide specific dates for achieving compliance with each term and condition for construction and/or acquisition and installation of required equipment related to Pretreatment.

B. Provisions

The issuance of an ECSA may contain terms and conditions including but not limited to requirements for self-monitoring, installation of Pretreatment equipment and facilities, submittal of drawings or reports, operator certification, audit of Waste minimization practices, payment of fees, limits on rate and time of discharge, deposit of performance guarantee, interim limits, or other provisions to ensure compliance with this Ordinance.

C. ECSA - Payment of Amounts Owed

OCSD shall not enter into an ECSA until such time as all amounts owed to OCSD, including User fees, non-compliance resampling fees, deposits, or other amounts due are paid in full, or an agreement for deferred payment secured by collateral or a third party, is approved by the General Manager. Failure to pay all amounts owed to OCSD shall be grounds for permit suspension or permit revocation as set forth in Section 605 and 606.

D. ECSA - Permit Suspension/Revocation

If compliance is not achieved in accordance with the terms and conditions of an ECSA during its term, the General Manager may issue an order suspending or revoking the discharge permit pursuant to Section 605 or 606 of this Ordinance.

604. REGULATORY COMPLIANCE SCHEDULE AGREEMENT (RCSA)

A. Grounds

If at any time subsequent to the issuance of a Wastewater Discharge Permit to an Industrial User, Federal Categorical Pretreatment Standards are adopted or revised by the United States Environmental Protection Agency,

or in the event EOCWD/OCSD enacts revised or new discharge limits, the General Manager, upon determination that an Industrial User would not be in compliance with the adopted revised or new limits, may require the industrial User to enter into a RCSA with EOCWD/OCSD under terms and conditions that would provide for achieving compliance with all new standards by the industrial User on a specific date. The RCSA shall have a maximum term of two hundred-seventy (270) days. The General Manager may approve a longer term, upon a showing of good cause.

B. Provisions

The issuance of a RCSA may contain terms and conditions including but not limited to requirements for installation of Pretreatment equipment and facilities, submittal of drawings or reports, waste minimization practices or other provisions to ensure compliance with this Ordinance.

C. RCSA - Non-Compliance Resampling Fee

During the period a RCSA is in effect, any discharge by Permittee in violation of the RCSA will require payment of non-compliance resampling fees in accordance with this Article 6.

605. PERMIT SUSPENSION

A. Grounds

The General Manager may suspend any permit when it is determined that a Permittee:

1. Fails to comply with the terms and conditions of either an ECSA or RCSA.
2. Knowingly provides a false statement, representation, record, report, or other document to EOCWD/OCSD.
3. Refuses to provide records, reports, plans, or other documents required by EOCWD/OCSD to determine permit terms, conditions, or limits, discharge compliance, or compliance with this Ordinance.
4. Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or sample collection method.
5. Fails to report significant changes in operations or Wastewater constituents and characteristics.
6. Violates a Probation Order.

7. Refuses reasonable access to the Permittee's premises for the purpose of inspection and monitoring.
8. Does not make timely payment of all amounts owed to OCSD for User charges, non-compliance sampling fees, permit fees, or any other fees imposed pursuant to this Ordinance.
9. Violates any condition or limit of its discharge permit or any provision of EOCWD's/OCSD's Ordinances or regulations.

B. Notice/Hearing

When the General Manager has reason to believe that grounds exist for permit suspension, he shall give written notice thereof via personal delivery, mail with proof of delivery, or a similar method to the permittee setting forth a statement of the facts and grounds deemed to exist, together with the time and place where the charges shall be heard by the General Manager's designee. The hearing date shall be not less than fifteen (15) calendar days nor more than forty-five (45) calendar days after the mailing of such notice.

1. At the suspension hearing, the Permittee shall have an opportunity to respond to the allegations set forth in the notice by presenting written or oral evidence. The hearing shall be conducted in accordance with procedures established by the General Manager and approved by General Counsel.
2. After the conclusion of the hearing, the General Manager's designee shall submit a written report to the General Manager within thirty (30) calendar days after the conclusion of the hearing setting forth a brief statement of facts found to be true, a determination of the issues presented, conclusions, and a recommendation.

Upon receipt of the written report, the General Manager shall make his determination and should he/she find that grounds exist for suspension of the permit, he/she shall issue his/her decision and order in writing within twenty (20) calendar days. The written decision and order of the General Manager shall be sent via personal delivery, mail with proof of delivery, or a similar method to the Permittee or its legal counsel/representative at the Permittee's business address.

C. Effect

1. Upon issuance, an order of permit suspension issued by the General Manager shall be final in all respects.

2. The permittee shall immediately cease and desist its discharge of any Wastewater, directly or indirectly to EOCWD's/OCSD's Sewerage System for the duration of the suspension. All costs for physically terminating and reinstating service shall be paid by the Permittee.
3. Any owner and responsible management employee of the Permittee shall be bound by the order of suspension.

606. PERMIT REVOCATION

A. Grounds

The General Manager may revoke any permit when it is determined that a Permittee:

1. Knowingly provides a false statement, representation, record, report, or other document to EOCWD/OCSD.
2. Refuses to provide records, reports, plans, or other documents required by EOCWD/OCSD to determine permit terms, conditions, or limits, discharge compliance, or compliance with this Ordinance.
3. Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or sample collection method.
4. Fails to report significant changes in operations or Wastewater constituents and characteristics.
5. Fails to comply with the terms and conditions of an ECSA, permit suspension, or probation order.
6. Discharges effluent to EOCWD's/OCSD's Sewerage Systems while its permit is suspended.
7. Refuses reasonable access to the Permittee's premises for the purpose of inspection and monitoring.
8. Does not make timely payment of all amounts owed to OCSD for User charges, non-compliance resampling fees, permit fees, or any other fees imposed pursuant to this Ordinance.
9. Causes interference with EOCWD's/OCSD's collection, treatment, or disposal system.
10. Fails to submit oral notice or written report of a Bypass occurrence.

11. Violates any condition or limit of its discharge permit or any provision of EOCWD's/OCSD's Ordinances or regulations.

B. Notice/Hearing

When the General Manager has reason to believe that grounds exist for the revocation of a permit, he/she shall give written notice via personal delivery, mail with proof of delivery, or a similar method thereof to the Permittee setting forth a statement of the facts and grounds deemed to exist together with the time and place where the charges shall be heard by the General Manager's designee. The hearing date shall be not less than fifteen (15) calendar days nor more than forty five (45) calendar days after the mailing of such notice.

1. At the hearing, the Permittee shall have an opportunity to respond to the allegations set forth in the notice by presenting written or oral evidence. The revocation hearing shall be conducted in accordance with the procedures established by the General Manager and approved by General Counsel.
2. After the conclusion of the hearing, the General Manager's designee shall submit a written report to the General Manager within thirty (30) calendar days setting forth a brief statement of facts found to be true, a determination of the issues presented, conclusions, and a recommendation.
3. Upon receipt of the written report, the General Manager shall make his/her determination and should he/she find that grounds exist for permanent revocation of the permit, he/she shall issue his/her decision and order in writing within twenty (20) calendar days. The written decision and order of the General Manager shall be sent via personal delivery, mail with proof of delivery, or a similar method to the Permittee or its legal counsel/representative at the Permittee's business address.
4. In the event the General Manager determines to not revoke the permit, he/she may order other enforcement actions, including, but not limited to, a temporary suspension of the permit, under terms and conditions that he/she deems appropriate.

C. Effect

1. Upon issuance, an order of permit revocation issued by the General Manager shall be final in all respects.
2. The Permittee shall immediately cease and desist its discharge of

any Wastewater directly or indirectly to EOCWD's/OCSD's Sewerage System. All costs for physical termination shall be paid by the Permittee.

3. Any owner or Authorized Representative of the Permittee shall be bound by the order of revocation.
4. Any future application for a permit at any location within EOCWD's service area by any Person subject to an order of revocation will be considered by EOCWD/OCSD after fully reviewing the records of the revoked permit, which records may be the basis for denial of a new permit.

607. DAMAGE TO FACILITIES OR INTERRUPTION OF NORMAL OPERATIONS

- A. Any User who discharges any Wastewater which causes or contributes to any obstruction, interference, damage, or any other impairment to EOCWD's/OCSD's Sewerage Facilities or to the operation of those facilities shall be liable for all costs required to clean or repair the facilities together with expenses incurred by EOCWD/OCSD to resume normal operations. Such discharge shall be grounds for permit revocation. A service charge of twenty five percent (25%) of EOCWD's/OCSD's costs shall be added to the costs and charges to reimburse EOCWD/OCSD for miscellaneous overhead, including administrative personnel and record keeping. The total amount shall be payable within forty five (45) days of invoicing by EOCWD/OCSD.
- B. Any User who discharges a Wastewater which causes or contributes to EOCWD/OCSD violating its discharge requirements established by any Regulatory Agency incurring additional expenses or suffering losses or damage to the facilities, shall be liable for any costs or expenses incurred by EOCWD/OCSD, including regulatory fines, penalties, and assessments made by other agencies or a court.

608. INDUSTRIAL WASTEWATER PASS THROUGH

Any User whose discharge results in a Pass Through event affecting EOCWD's/OCSD's Sewerage Facilities shall be liable for all costs associated with the event, including treatment costs, regulatory fines, penalties, assessments, and other indirect costs. The Discharger shall submit to EOCWD/OCSD plans to prevent future recurrences to the satisfaction of EOCWD/OCSD.

609. PUBLICATION OF VIOLATION

Upon a determination in a permit suspension, permit revocation, or civil penalty proceedings that a User has discharged in violation of its permit or any provision under this Ordinance, EOCWD/OCSD may require that the User notify the public and/or other

Users of EOCWD's/OCSD's Sewerage Facilities of such violation, of actions taken to correct such violation, and of any administrative or judicial orders or penalties imposed as a result of such violation.

610. PUBLISHED NOTICES FOR SIGNIFICANT NON-COMPLIANCE

In accordance with Federal Regulations, OCSD shall annually cause to be published the names of all Industrial Users in significant non-compliance. Upon a minimum of a thirty (30) day notification to the User, said publication shall be made in a newspaper(s) of general circulation that provides meaningful public notice within the jurisdiction(s) served by EOCWD/OCSD.

611. PUBLIC NUISANCE

Discharge of Wastewater in any manner in violation of this Ordinance or of any order issued by the General Manager, as authorized by this Ordinance, is hereby declared a public nuisance and shall be corrected or abated as directed by the General Manager. Any Person creating a public nuisance is guilty of a misdemeanor.

612. TERMINATION OF SERVICE

- A. EOCWD/OCSD, by order of the General Manager, may physically terminate sewerage service to any property as follows:
 - 1. On a term of any order of emergency suspension or revocation of a permit; or
 - 2. Upon the failure of a Person not holding a valid discharge permit to immediately cease discharge, whether direct or indirect, to EOCWD's/OCSD's Sewerage Facilities; or
 - 3. Upon the failure of a facility not holding a valid discharge permit or certification.
- B. All costs for physical termination shall be paid by the User as well as all costs for reinstating service.

613. EMERGENCY SUSPENSION ORDER

- A. EOCWD/OCSD may, by order of the General Manager, suspend sewerage service or Wastehauler discharge service when the General Manager determines that such suspension is necessary in order to stop an actual or impending discharge which presents or may present an imminent or substantial endangerment to the health and welfare of persons, or to the environment, or may cause interference to the EOCWD's/OCSD's Sewerage Facilities, or may cause EOCWD/OCSD to violate any state or federal law or regulation. Any Discharger notified of and subject to an Emergency Suspension Order shall immediately cease and desist the discharge of all Industrial Wastewater to the Sewerage System.

- B. As soon as reasonably practicable following the issuance of an Emergency Suspension Order, but in no event more than five (5) days following the issuance of such order, the General Manager shall hold a hearing to provide the User the opportunity to present information in opposition to the issuance of the Emergency Suspension Order. Such a hearing shall not stay the effect of the Emergency Suspension Order. The hearing shall be conducted in accordance with procedures established by the General Manager and approved by General Counsel. The General Manager shall issue a written decision and order within two (2) business days following the hearing, which decision shall be sent via personal delivery, mail with proof of delivery, or a similar method to the User or its legal counsel/representative at that User's business address. The decision of the General Manager following the hearing shall be final in all respects.

614. INJUNCTION

Whenever a Discharger of Wastewater is in violation of or has the reasonable potential to violate any provision of this Ordinance, permit condition, or any Federal Categorical Pretreatment Standards or Pretreatment Requirements as set forth in 40 CFR Section 403.8, et seq., fails to submit required reports, or refuses to allow EOCWD/OCSD entry to inspect or monitor the User's discharge, EOCWD/OCSD may petition the Superior Court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate to restrain the continued violation or to prevent threatened violations by the Discharger.

615. CIVIL PENALTIES

A. Authority

All Users of EOCWD's/OCSD's Sewerage System and facilities are subject to enforcement actions administratively or judicially by EOCWD, OCSD, U.S. EPA, State of California Regional Water Quality Control Board, or the County of Orange District Attorney. Said actions may be taken pursuant to the authority and provisions of several laws, including but not limited to: (1) Federal Water Pollution Control Act, commonly known as the Clean Water Act (33 U.S.C.A. Section 1251, et seq.); (2) California Porter-Cologne Water Quality Control Act (California Water Code Section 13000, et seq.); (3) California Hazardous Waste Control Law (California Health & Safety Code Sections 25100 to 25250); (4) Resource Conservation and Recovery Act of 1976 (42 U.S.C.A. Section 6901, et seq.); and (5) California Government Code, Sections 54739-54740.

B. Recovery of Fines or Penalties

In the event EOCWD/OCSD is subject to the payment of fines or penalties pursuant to the legal authority and actions of other Regulatory Agencies or enforcement agencies based on a violation of law or regulation or its permits, and said violation can be established by EOCWD/OCSD, as caused by the discharge of any User of EOCWD's/OCSD's Sewerage

System which is in violation of any provision of this Ordinance or the User's permit, EOCWD/OCSD shall be entitled to recover from the User all costs and expenses, including, but not limited to, the full amount of said fines or penalties to which EOCWD/OCSD has been subjected.

C. Ordinance

Pursuant to the authority of California Government Code Sections 54739 - 54740, any Person who violates any provision of this Ordinance; any permit condition, prohibition or effluent limit; or any suspension or revocation order shall be liable civilly for a sum not to exceed \$25,000.00 per violation for each day in which such violation occurs. Pursuant to the authority of the Clean Water Act, 33 U.S.C. Section 1251, et seq., any Person who violates any provision of this Ordinance, or any permit condition, prohibition, or effluent limit shall be liable civilly for a sum not to exceed \$25,000.00 per violation for each day in which such violation occurs. The General Counsel, upon order of the General Manager, shall petition the Superior Court to impose, assess, and recover such penalties, or such other penalties as EOCWD/OCSD may impose, assess, and recover pursuant to federal and/or state legislative authorization.

D. Administrative Civil Penalties

1. Pursuant to the authority of California Government Code Sections 54740.5 and 54740.6, EOCWD/OCSD may issue an administrative complaint to any Person who violates:
 - a) any provision of this Ordinance;
 - b) any permit condition, prohibition, or effluent limit, or certification requirement; or
 - c) any suspension or revocation order.
2. The administrative complaint shall be served via personal delivery, mail with proof of delivery, or a similar method on the Person and shall inform the Person that a hearing will be conducted, and shall specify a hearing date within sixty (60) days. The administrative complaint will allege the act or failure to act that constitutes the violation of EOCWD/OCSD requirements, the provisions of law authorizing civil liability to be imposed, and the proposed civil penalty. The matter shall be heard by the General Manager's designee. The Person to whom an administrative complaint has been issued may waive the right to a hearing, in which case a hearing will not be conducted.
3. At the hearing, the Person shall have an opportunity to respond to the allegations set forth in the administrative complaint by presenting written or oral evidence. The hearing shall be conducted in accordance with

the procedures established by the General Manager and approved by General Counsel.

4. After the conclusion of the hearing, the General Manager's designee shall submit a written report to the General Manager within thirty (30) calendar days setting forth a brief statement of the facts found to be true, a determination of the issues presented, conclusions, and a recommendation.
5. Upon receipt of the written report, the General Manager shall make his/her determination and should he/she find that grounds exist for assessment of a civil penalty against the Person, he/she shall issue his/her decision and order in writing within twenty (20) calendar days.
6. If, after the hearing or appeal, if any, it is found that the Person has violated reporting or discharge requirements, the General Manager may assess a civil penalty against that Person. In determining the amount of the civil penalty, the General Manager may take into consideration all relevant circumstances, including but not limited to the extent of harm caused by the violation, the economic benefit derived through any non-compliance, the nature and persistence of the violation, the length of time over which the violation occurs, and corrective action, if any, attempted or taken by the Person involved.
7. Civil penalties may be assessed as follows:
 - a) In an amount which shall not exceed two thousand dollars (\$2,000.00) for each day for failing or refusing to furnish technical, monitoring reports, or any other required documents;
 - b) In an amount which shall not exceed three thousand dollars (\$3,000.00) for each day for failing or refusing to timely comply with any compliance schedules established by EOCWD/ OCSD;
 - c) In an amount which shall not exceed five thousand dollars (\$5,000.00) per violation for each day of discharge in violation of any Wastewater discharge limit, permit condition, or requirement issued, reissued, or adopted by EOCWD/OCSD;
 - d) In any amount which does not exceed ten dollars (\$10.00) per gallon for discharges in violation of any suspension, revocation, cease and desist order or other orders, or prohibition issued, reissued, or adopted by EOCWD/OCSD;
8. Any Person aggrieved by an order issued by the General Manager assessing administrative civil penalties may, within fifteen (15) days after the General Manager issues the order, file an appeal with the Governing Board. The evidence on appeal shall consist solely of the General Manager's order and the administrative record

before the hearing officer. The Governing Board shall determine whether to uphold, modify, or reverse the General Manager's order. The decision of the Governing Board shall be set forth in writing and be sent by certified mail to the appellant. The decision of the Governing Board shall be final in all respects. If no appeal of the General Manager's decision is filed within fifteen (15) days of its issuance, the General Manager's order becomes final in all respects.

9. Copies of the administrative order shall be served on the party served with the administrative complaint, either by personal service or by registered mail to the Person at his business or residence address, and upon other persons who appeared at the hearing and requested a copy of the order.
10. Any Person aggrieved by a final decision issued by the Governing Board, may obtain review in the superior court, pursuant to Government Code Section 54740.6, by filing in the court a petition for writ of mandate within thirty (30) days following the service of a copy of the Governing Board decision.
11. Payment of any order setting administrative civil penalties shall be made within thirty (30) days of the date the order becomes final. The amount of any administrative civil penalties imposed which have remained delinquent for a period of sixty (60) days shall constitute a lien against the real property of the Discharger from which the discharge resulting in the imposition of the civil penalty originated. The lien shall have no effect until recorded with the county recorder. EOCWD/OCSD may record the lien for any unpaid administrative civil penalties on the ninety-first (91st) day following the date the order becomes final.
12. No administrative civil penalties shall be recoverable under Section 616.D for any violation for which EOCWD/OCSD has recovered civil penalties through a judicial proceeding filed pursuant to Government Code Section 54740.

616. CRIMINAL PENALTIES

Any Person who violates any provision of this Ordinance is guilty of a misdemeanor, which upon conviction is punishable by a fine not to exceed \$1,000.00, or imprisonment for not more than thirty (30) days, or both. Each violation and each day in which a violation occurs may constitute a new and separate violation of this Ordinance and shall be subject to the penalties contained herein.

617. APPEALS TO GENERAL MANAGER

A. General

Any User, permit applicant, or Permittee affected by any decision, action or determination made by the General Manager a written request for an appeal hearing. The request must be received by EOCWD/OCSD within fifteen (15) days of mailing of notice of the decision, action, or determination of EOCWD/OCSD to the appellant. The request for hearing shall set forth in detail all facts supporting the appellant's request. Filing of an appeal shall stay the proceedings and furtherance of the action being appealed

B. Notice

The General Manager shall, within fifteen (15) days of receiving the request for appeal, and pursuant to Section 107, designate a Department Head or other person to hear the appeal and provide written notice to the appellant of the hearing date, time and place via personal delivery, mail with proof of delivery, or a similar method. The hearing date shall not be more than thirty (30) days from the delivery date of such notice to the appellant unless a later date is agreed to by the appellant. If the hearing is not held within said time due to actions or inactions of the appellant, then the staff decision shall be deemed final.

C. Hearing

At the hearing, the appellant shall have the opportunity to present information supporting its position concerning the Division Head's decision, action or determination. The hearing shall be conducted in accordance with procedures established by the General Manager and approved by General Counsel.

D. Written Determination

After the conclusion of the hearing, the Department Head (or other designee) shall submit a written report to the General Manager setting forth a brief statement of facts found to be true, a determination of the issues presented, conclusions, and a recommendation whether to uphold, modify or reverse the Division Head's original decision, action or determination. Upon receipt of the written report, the General Manager shall make his/her determination and shall issue his/her decision and order within thirty (30) calendar days of the hearing by his/her designee. Upon issuance, the order of the General Manager shall be final in all respects. The written decision and order of the General Manager shall be sent via personal delivery, mail with proof of delivery, or a similar method to the appellant or its legal counsel/representative at the appellant's business address.

618. PAYMENT OF CHARGES

- A. Except as otherwise provided, all fees, charges and penalties established by this Ordinance are due and payable upon receipt of notice thereof. All such amounts are delinquent if unpaid forty five (45) days after date of invoice.
- B. Any charge that becomes delinquent shall have added to it a penalty in accordance with the following:
 - 1. Forty six (46) days after date of invoice, a basic penalty of ten percent (10%) of the base invoice amount, not to exceed a maximum of \$1,000.00; and
 - 2. A penalty of one and one-half percent (1.5%) per month of the base invoice amount and basic penalty shall accrue from and after the forty-sixth (46th) day after date of invoice.
- C. Any invoice outstanding and unpaid after ninety (90) days shall be cause for immediate suspension of the permit.
- D. Penalties charged under this Section shall not accrue to those invoices successfully appealed.
- E. Payment of disputed charges is still required by the due date during EOCWD's/OCSD's review of any appeal submitted by Permittees.

619. COLLECTION OF DELINQUENT ACCOUNTS

Collection of delinquent accounts shall be in accordance with EOCWD's/OCSD's policy resolution establishing procedures for collection of delinquent obligations owed to EOCWD/OCSD, as amended from time to time by the Board of Directors. Any such action for collection may include an application for an injunction to prevent repeated and recurring violations of this Ordinance.

620. APPEAL OF CHARGES AND FEES

Except for non-compliance charges and penalties, any User, permit applicant, or Permittee affected by any decision, action, or determination by EOCWD/OCSD, relating to fiscal issues of EOCWD/OCSD in which the User, applicant, or Permittee is located, including but not limited to the imposition and collection of fees, such as capital facility capacity charges, sewer use charges, special purpose discharge use charges and Wastehauler fees, may request that EOCWD/OCSD reconsider imposition of such fees or charges. Following review of such a request, EOCWD/OCSD shall notify the User, permit applicant, or Permittee via personal delivery mail with proof of delivery, or a similar method of EOCWD's/OCSD's decision on the reconsideration request. Any User, permit applicant, or Permittee adversely affected by EOCWD's/OCSD's decision on the reconsideration request may file an appeal which shall be heard by the Board of Directors. The notice of appeal must be received by EOCWD/OCSD within thirty (30) days of the mailing of OCSD's decision on the reconsideration request.

621. RECOVERY OF COSTS INCURRED BY EOCWD/OCSD

In the event any User, permit applicant, or permittee fails to comply with any of the terms and conditions of this Ordinance, a probationary order, an order of permit suspension or revocation, an ECSA, a RCSA, a certification, or a permit issued hereunder, EOCWD/OCSD shall be entitled to reasonable attorney's fees and costs which may be incurred in order to enforce any of said terms and conditions, with or without filing proceedings in court.

622. FINANCIAL SECURITY/AMENDMENTS TO PERMIT

A. Compliance Deposit

Permittees that have been subject to enforcement and/or collection proceedings may be required to deposit with EOCWD/OCSD an amount determined by the General Manager as necessary to guarantee payment to EOCWD/OCSD of all charges, fees, penalties, costs and expenses that may be incurred in the future, before permission is granted for further discharge to the sewer.

B. Delinquent Accounts

EOCWD/OCSD may require an amendment to the permit of any Permittee who fails to make payment in full of all fees and charges assessed by EOCWD/OCSD, including reconciliation amounts, delinquency penalties, and other costs or fees incurred by Permittee.

C. Bankruptcy

Every Permittee filing any legal action in any court of competent jurisdiction, including the United States Bankruptcy Court, for purposes of discharging its financial debts or obligations or seeking court ordered, protection from its creditors, shall, within ten (10) days of filing such action, apply for and obtain the issuance of an amendment to its permit.

D. Permit Amendments

EOCWD/OCSD shall review and examine Permittee's account to determine whether previously incurred fees and charges have been paid in accordance with time requirements prescribed by this Ordinance. EOCWD/OCSD may thereafter issue an amendment to the User's permit in accordance with the provisions of Article 3 and subsection E below.

E. Security

An amendment to a Wastewater discharge permit issued pursuant to subdivisions (B), (C) and (D) above, may be conditioned upon the Permittee depositing financial security in an amount equal to the average total fees and charges for two (2) calendar quarters during the preceding year. Said deposit shall be used to guarantee payment of all fees and charges incurred for future services and facilities furnished by EOCWD/OCSD and shall not be used by EOCWD/OCSD to recover outstanding fees and charges incurred prior to the Permittee filing and receiving protection from creditors in the United States Bankruptcy Court.

F. Return of Security

In the event the Permittee makes payment in full within the time prescribed by this Ordinance of all fees and charges incurred over a period of two (2) years following the issuance of an amendment to the permit pursuant to subdivisions (B), (C) and (D), EOCWD/OCSD shall either return the security deposit posted by the Permittee or credit their account.

623. JUDICIAL REVIEW

A. Purpose and Effect

Pursuant to Section 1094.6 of the California Code of Civil Procedure, EOCWD/OCSD hereby enacts this part to limit to ninety (90) days following final decisions in adjudicatory administrative hearings the time within which an action can be brought to review such decisions by means of administrative mandamus.

B. Definitions

As used in this Section, the following terms and words shall have the following meanings:

1. Decision shall mean and include adjudicatory administrative decisions that are made after hearing, or after revoking, suspending, or denying an application for a permit.
2. Complete Record shall mean and include the transcript, if any exists, of the proceedings, all pleadings, all notices and orders, any proposed decision by the General Manager, the final decision, all admitted exhibits, all rejected exhibits in the possession of EOCWD/OCSD or its offices or agents, all written evidence, and any other papers in the case.

3. Party shall mean a Person whose permit has been denied, suspended, or revoked.

C. Time Limit for Judicial Review

Judicial review of any decision of OCSD or its officer or agent may be made pursuant to Section 1094.5 of the Code of Civil Procedure only if the petition for writ of mandate is filed not later than the ninetieth (90th) day following the date on which the decision becomes final. If there is no provision for reconsideration in the procedures governing the proceedings or if the date is not otherwise specified, the decision is final on the date it is made. If there is provision for reconsideration, the decision is final upon the expiration of the period during which such reconsideration can be sought; provided that if reconsideration is sought pursuant to such provision the decision is final for the purposes of this Section on the date that reconsideration is rejected.

D. Preparation of the Record

The complete record of the proceedings shall be prepared by the EOCWD/OCSD officer or agent who made the decision and shall be delivered to the petitioner within ninety (90) days after he/she has filed written request therefor. EOCWD/OCSD may recover from the petitioner its actual costs for transcribing or otherwise preparing the record.

E. Extension

If the petitioner files a request for the record within ten (10) days after the date the decision becomes final, the time within which a petition, pursuant to Section 1094.5 of the Code of Civil Procedure, may be filed shall be extended to not later than the thirtieth (30th) day following the date on which the record is either personally delivered or mailed to the petitioner or the petitioner's attorney of record.

F. Notice

In making a final decision, EOCWD/OCSD shall provide notice to the party that the time within which judicial review must be sought is governed by Section 1094.6 of the Code of Civil Procedure.

G. Administrative Civil Penalties

Notwithstanding the provisions in this Section, and pursuant to Government Code Section 54740.6, judicial review of an order of the General Manager imposing administrative civil penalties pursuant to Section 616.D may be made only if the petition for writ of mandate is filed not later than the thirtieth (30th) day following the day on which the order of the General Manager becomes final.

ARTICLE 7. SEWER SERVICE CHARGES – CAPITAL FACILITY CAPACITY CHARGES

701. SANITARY SEWER SERVICE CHARGE

Every parcel of real property located within EOCWD which is improved with structures designed for residential, commercial, or industrial use, and connected to the EOCWD's Sewerage System, shall pay a sanitary sewer service charge in an amount adopted by the Board of Directors by separate Ordinance.

702. CAPITAL FACILITIES CAPACITY CHARGE

Every parcel of real property located within EOCWD which is improved with structures designed for residential, commercial, or industrial use, and connected to the EOCWD's Sewerage System, shall pay a capital facilities capacity charge in an amount adopted by the Board of Directors by separate Ordinance.

ARTICLE 8. SEVERABILITY

801. SEVERABILITY

If any provision of these Regulations or the application to any circumstances is held invalid, the remainder of the regulations or the application of such provision to other persons or other circumstances shall not be affected.

802. GENERAL APPLICATION

The provisions of this Ordinance shall apply to all properties within EOCWD including those properties otherwise deemed exempt from payment of taxes or assessments by provisions of the state Constitution or statute, including properties owned by other public agencies or tax-exempt organizations.

Section 1: This Ordinance is enacted in order to preserve the public health and safety, and in order to continue the provision of sewer services by EOCWD/OCSD. The facts requiring the public health and safety to be preserved are that the regulation of the discharge of industrial and sanitary Sewage is regulated by federal and state law, and protection of individuals' health and the environment require that no discharges of untreated Sewage/Wastewater are allowed to occur that are not in accord with technical specifications and requirements.

Section II: Effective Date. This Ordinance shall take effect October 1, 2016.

Section III: The Clerk of the Board shall certify to the adoption of this Ordinance and shall cause a summary to be published in a newspaper of general circulation as required by law.

PASSED AND ADOPTED by the Board of Directors of the East Orange County Water District at a Regular Meeting held the 15th day of September, 2016.

President, Board of Directors
East Orange County Water District

ATTEST:

STATE OF CALIFORNIA)
)SS.
COUNTY OF ORANGE)

I, Joan Arneson, Secretary to the Board of Directors of the East Orange County Water District, do hereby certify that the above and foregoing Ordinance No. 16-1 was introduced for first reading at a regular meeting of said Board on the 18th day of August, 2016, and passed and adopted at a regular meeting of said Board on the 15th day of September, 2016, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

INWITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of East Orange County Water District this 15th day of September, 2016.

Secretary to the Board of Directors
East Orange County Water District

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: IMPROVEMENT DISTRICT 1: ORDINANCE 16-02 - FATS, OILS & GREASE (FOG) CONTROL
DATE: AUGUST 18, 2016

BACKGROUND

As required by the Sewer System Management Plan (SSMP), the District must adopt regulations pertaining to the control of fats, oils & grease – FOG - in sewer parlance. At the July 21, 2016 Meeting, the Board authorized the continuance of OCSD Ordinance No. 25 until we have our own ordinance in place.

Proposed Ordinance 16-02 (attached) generally mirrors OCSD Ordinance No. 25. The FOG addressed in Ordinance 16-02 is primarily associated with Food Service Establishments (restaurants and bakeries or FSEs) which is often implicated in sanitary sewer overflows (SSOs). As noted previously, the State wastewater permit (General Waste Discharge Requirements 2006-0003-DWQ) that contains the requirements for the SSMP, includes a requirement the District monitor and control SSOs and develop a FOG control program. Staff is currently developing the FOG program in concert with EEC Environmental and as part of SEDARU, that will include as a minimum, permitting, monitoring and inspection of all FSEs within the service area. There will also be an outreach component to single and multi-family residences.

At the August 18, 2016 meeting, the Board held the first reading of EOCWD Ordinance 16-02, Wastewater Discharge Regulations (attached). As required by law, a public hearing will be held, a second reading by title only (if approved by the Board), and the Board will consider the Ordinance for adoption. If approved, the entire Ordinance must be published within 15 days; it goes into effect on the 31st day following adoption.

FINANCIAL IMPACT

The Ordinance is required as a part of the FOG program which is funded by Account #70205E-30. Some of the costs of implementing this Ordinance are recoverable through cost-of-service fees that will be presented to the Board upon completion of a fee study; it is estimated that this study will be completed by January 2017.

RECOMMENDATION

That Ordinance No. 2016-02 be introduced for second reading and read by title only by the Secretary, that further reading of the ordinance be waived, and the Board adopt the Ordinance.

ORDINANCE NO. 2016-02

AN ORDINANCE OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ADOPTING FATS, OILS AND GREASE CONTROL REGULATIONS APPLICABLE TO FOOD SERVICE ESTABLISHMENTS ADOPTING FATS, OILS AND GREASE CONTROL REGULATIONS APPLICABLE TO FOOD SERVICE ESTABLISHMENTS

WHEREAS, pursuant to the California Water Code Section 30000 et. seq., the East Orange County Water District ("District") has the authority to adopt ordinances relating to the provision of sewer services and facilities, and regulations of those services and facilities; and

WHEREAS, the Regional Water Quality Control Board ("RWQCB") for the Santa Ana Region adopted Order RB-2002-0014, which prescribes general waste discharge requirements prohibiting sanitary sewer overflows ("SSOs") by sewer collection agencies; and

WHEREAS, in Order RB-2002-0014, the RWQCB found that one of the leading causes of SSOs within the Santa Ana Region, which encompasses the District's service area is "grease blockages;" and

WHEREAS, SSOs often caused by discharge of wastewater containing high levels of fat, oils and grease ("FOG"), suspended solids, pathogenic organisms, and other pollutants, may cause temporary exceedances of applicable water quality objectives, pose a threat to the public health, adversely affect aquatic life, and impair the public recreational use and aesthetic enjoyment of surface waters within the District's service area; and

WHEREAS, General Waste Discharge Requirements for Sanitary Sewer Systems, Water Quality Order 2006-0003-DWQ requires the District to monitor and control SSOs and to develop a FOG Control Program; and

WHEREAS, the Marcy 26, 2015 Statewide Sanitary Sewer Overflow Reduction Program Annual Compliance Report identifies FOG as one of the primary causes of Sanitary Sewer Overflows in California; and

WHEREAS, in light of the overwhelming evidence that FOG is a primary cause of SSOs, the District desires to implement a FOG Control Program to prevent SSOs; and

WHEREAS, Section 1014 of the 2001 California Plumbing Code, applicable to all occupancies in the State pursuant to the California Building Standards Law, requires the installation of grease traps or interceptors when in the opinion of the Building Official waste pretreatment is required; and

WHEREAS, the foregoing findings indicate that a FOG Control Program is required for Food Service Establishments within the District's jurisdiction to comply with waste discharge regulations and prevent the harmful effects of SSOs; and

WHEREAS, the regulations adopted herein will require existing Food Service Establishments to install grease control devices or interceptors no later than three years from the

effective date of this Ordinance, and the Board finds that three years is a reasonable amortization period for existing Food Service Establishments that are operating without a grease control device or grease interceptor; and

WHEREAS, the Board of Directors finds that specific enforcement provisions must be adopted to govern discharges of wastewater to the District's system by Food Service Establishments.

NOW, THEREFORE, the Board of Directors does hereby ordain as follows:

ARTICLE 1 - GENERAL PROVISIONS

1.1 PURPOSE AND POLICY

- A. The purpose of this Ordinance is to facilitate the maximum beneficial public use of the District's sewer services and facilities while preventing blockages of the sewer lines resulting from discharges of FOG to the sewer facilities, and to specify appropriate FOG discharge requirements for Food Service Establishments.
- B. This Ordinance shall be interpreted in accordance with the definitions set forth in Section 1.2. The provisions of this Ordinance shall apply to the direct or indirect discharge of all wastewater or waste containing FOG carried to the sewer facilities of the District.
- C. To comply with Federal, State, and local policies and to allow the District to meet applicable standards, provisions are made in this Ordinance for the regulations of wastewater or waste containing FOG discharges to the sewer facilities.
- D. This Ordinance establishes quantity and quality standards on all wastewater and/or waste discharges containing FOG, which may alone or collectively cause or contribute to FOG accumulation in the sewer facilities causing or potentially causing or contributing to the occurrence of SSOs.

1.2 DEFINITIONS

- A. Unless otherwise defined herein, terms related to water quality shall be as adopted in the latest edition of Standard Methods for Examination of Water and Wastewater, published by the American Public Health Association, the American Water Works Association and the Water Environment Federation. The testing procedures for waste constituents and characteristics shall be as provided in 40 CFR 136 (Code of Federal Regulations).
- B. Other terms not herein defined are defined as being the same as set forth in the latest adopted applicable editions of the California Codes applicable to building construction adopted pursuant to the California Building Standards Law.
- C. Subject to the foregoing provisions, the following definitions shall apply in this Ordinance:

Best Management Practices	Schedules of activities, prohibitions of practices, maintenance procedures and other management practices to prevent or reduce the introduction of FOG to the sewer facilities.
Board	The Board of Directors of the District.
Change in Operations	Any change in the ownership, food types, or operational procedures that have the potential to increase the amount of FOG generated and/or discharged by Food Service Establishments in an amount that alone or collectively causes or creates a potential for SSOs to occur.
Composite Sample	A collection of individual samples obtained at selected intervals based on an increment of either flow or time. The resulting mixture (composite sample) forms a representative sample of the wastestream discharged during the sample period. Samples will be collected when a wastewater discharge occurs.
Discharger	Any person who discharges or causes a discharge of wastewater directly or indirectly to a public sewer. Discharger shall mean the same as User.
District	The East Orange County Water District.
Sewer Facility or System	Any property belonging to the District used in the treatment, reclamation, reuse, transportation, or disposal of wastewater, or sludge.
Effluent	Any liquid outflow from the Food Service Establishment that is discharged to the sewer.
Fats, Oils, and Grease ("FOG")	Any substance such as a vegetable or animal product that is used in, or is a by-product of, the cooking or food preparation process, and that turns or may turn viscous or solidifies with a change in temperature or other conditions.
FOG Control Program	The FOG Control Program required by and developed pursuant to General WDR 2006-0003-DWQ, Section (13)(viii).

FOG Control Program Manager	The individual designated by the District to administer the FOG Control Program. The FOG Control Program Manager is responsible for all determinations of compliance with the program, including approval of discretionary variances and waivers.
FOG Wastewater Discharge Permit	A permit issued by the District subject to the requirements and conditions established by the District authorizing the permittee or discharger to discharge wastewater into the District's facilities or into sewer facilities which ultimately discharge into a District facility.
Food Service Establishment	Facilities defined in California Uniform Retail Food Service Establishments Law (CURFFL) Section 113785, and any commercial entity within the boundaries of the District, operating in a permanently constructed structure such as a room, building, or place, or portion thereof, maintained, used, or operated for the purpose of storing, preparing, serving, or manufacturing, packaging, or otherwise handling food for sale to other entities, or for consumption by the public, its members or employees, and which has any process or device that uses or produces FOG, or grease vapors, steam, fumes, smoke or odors that are required to be removed by a Type I or Type II hood, as defined in CURFFL Section 113785. A limited food preparation establishment is not considered a Food Service Establishment when engaged only in reheating, hot holding or assembly of ready to eat food products and as a result, there is no wastewater discharge containing a significant amount of FOG. A limited food preparation establishment does not include any operation that changes the form, flavor, or consistency of food.
Food Grinder	Any device installed in the plumbing or sewage system for the purpose of grinding food waste or food preparation by products for the purpose of disposing it in the sewer system.
Grease Control Device	Any grease interceptor, grease trap or other mechanism, device, or process, which attaches to, or is applied to, wastewater plumbing fixtures and lines, the purpose of which is to trap or collect or treat FOG prior to it being discharged into the sewer system. "Grease control device" may also include any other proven method to reduce FOG subject to the approval of the District.

Grease Disposal Mitigation Fee	A fee charged to an Owner/Operator of a Food Service Establishment when there are physical limitations to the property that make the installation of the usual and customary grease interceptor or grease control device for the Food Service Establishment under consideration, impossible or impracticable. The Grease Disposal Mitigation Fee is intended to cover the costs of increased maintenance of the sewer system for inspection and cleaning of FOG and other viscous or solidifying agents that a properly employed grease control device would otherwise prevent from entering the sewer system.
Grease Interceptor	A multi-compartment device that is constructed in different sizes and is generally required to be located, according to the California Plumbing Code, underground between a Food Service Establishment and the connection to the sewer system. These devices primarily use gravity to separate FOG from the wastewater as it moves from one compartment to the next. These devices must be cleaned, maintained, and have the FOG removed and disposed of in a proper manner on regular intervals to be effective.
Grease Trap	A grease control device that is used to serve individual fixtures and have limited effect and should only be used in those cases where the use of a grease interceptor or other grease control device is determined to be impossible or impracticable.
General Manager	The individual duly designated by the Board of Directors of the District to administer this Ordinance.
Grab Sample	A sample taken from a waste stream on a one-time basis without regard to the flow in the waste stream and without consideration of time.
Hot Spots	Areas in sewer lines that have experienced sanitary sewer overflows or that must be cleaned or maintained frequently to avoid blockages of sewer system.
Inflow	Water entering a sewer system through a direct stormwater/ runoff connection to the sanitary sewer, which may cause an almost immediate increase in wastewater flows.
Infiltration	Water entering a sewer system, including sewer service connections, from the ground through such means as defective pipes, pipe joints, connections, or manhole walls.

Inspector	A person authorized by the District to inspect any existing or proposed wastewater generation, conveyance, processing, and disposal facilities.
Interceptor	A grease interceptor.
Interference	Any discharge which, alone or in conjunction with discharges from other sources, inhibits or disrupts the District's sewer system, treatment processes or operations; or is a cause of violation of the District's NPDES or Waste Discharge Requirements or prevents lawful sludge use or disposal.
Local Sewering Agency	Any public agency or private entity responsible for the collection and disposal of wastewater to the District's sewer facilities duly authorized under the laws of the State of California to construct and/or maintain public sewers.
NPDES	The National Pollutant Discharge Elimination System; the permit issued to control the discharge of liquids or other substances or solids to surface waters of the United States as detailed in Public Law 92-500, Section 402.
New Construction	Any structure planned or under construction for which a sewer connection permit has not been issued.
Permittee	A person who has received a permit to discharge wastewater into the District's sewer facilities subject to the requirements and conditions established by the District.
Person	Any individual, partnership, firm, association, corporation or public agency, including the State of California and the United States of America.
Public Agency	The State of California and/or any city, county, special district, other local governmental authority or public body of or within this State.
Public Sewer	A sewer owned and operated by the District, or other local Public Agency, which is tributary to the District's sewer facilities.

Regulatory Agencies	<p>Regulatory Agencies shall mean those agencies having regulatory jurisdiction over the operations of the District, including, but not limited to:</p> <ul style="list-style-type: none"> a) United States Environmental Protection Agency, Region IX, San Francisco and Washington, DC (EPA). b) California State Water Resources Control Board (SWRCB). c) California Regional Water Quality Control Board, Santa Ana Region (RWQCB). d) South Coast Air Quality Management District (SCAQMD). e) California Department of Health Services (OOHS).
Remodeling	<p>A physical change or operational change causing generation of the amount of FOG that exceed the current amount of FOG discharge to the sewer system by the Food Service Establishment in an amount that alone or collectively causes or create a potential for SSOs to occur; or exceeding a cost of \$50,000 to a Food Service Establishment that requires a building permit, and involves any one or combination of the following: (1) Under slab plumbing in the food processing area, (2) a 30% increase in the net public seating area, (3) a 30% increase in the size of the kitchen area, or (4) any change in the size or type of food preparation equipment.</p>
Sample Point	<p>A location approved by the District, from which wastewater can be collected that is representative in content and consistency of the entire flow of wastewater being sampled.</p>
Sampling Facilities	<p>Structure(s) provided at the user's expense for the District or user to measure and record wastewater constituent mass, concentrations, collect a representative sample, or provide access to plug or terminate the discharge.</p>
Sewage	<p>Wastewater.</p>
Sewer Facilities or System	<p>Any and all facilities used for collecting, conveying, pumping, treating, and disposing of wastewater and sludge.</p>

Sewer Lateral	A building sewer as defined in the latest edition of the California Plumbing Code. It is the wastewater connection between the building's wastewater facilities and a public sewer system.
Sludge	Any solid, semi-solid or liquid decant, subnate or supernate from a manufacturing process, utility service, or pretreatment facility.
Twenty-five percent (25%) Rule	Requirement for grease interceptors to be maintained such that the combined FOG and solids accumulation does not exceed 25% of the design hydraulic depth of the grease interceptor. This is to ensure that the minimum hydraulic retention time and required available hydraulic volume is maintained to effectively intercept and retain FOG discharged to the sewer system.
User	Any person who discharges or causes a discharge of wastewater directly or indirectly to a public sewer system. User shall mean the same as Discharger.
Waste	Sewage and any and all other waste substances, liquid, solid, gaseous or radioactive, associated with human habitation or of human or animal nature, including such wastes placed within containers of whatever nature prior to and for the purpose of disposal.
Manifest	That receipt which is retained by the generator of wastes for disposing recyclable wastes or liquid wastes as required by the District.
Waste Minimization Practices	Plans or programs intended to reduce or eliminate discharges to the sewer system or to conserve water, including, but not limited to, product substitutions, housekeeping practices, inventory control, employee education, and other steps as necessary to minimize wastewater produced.
Wastehauler	Any person carrying on or engaging in vehicular transport of waste as part of, or incidental to, any business for that purpose.
Wastewater	The liquid and water-carried wastes of the community and all constituents thereof, whether treated or untreated, discharged into or permitted to enter a public sewer.

**Wastewater
Constituents and
Characteristics**

The individual chemical, physical, bacteriological, and other parameters, including volume and flow rate and such other parameters that serve to define, classify or measure the quality and quantity of wastewater.

- D. Words used in this Ordinance in the singular may include the plural and the plural the singular. Use of masculine shall mean feminine and use of feminine shall mean masculine. Shall is mandatory; may is permissive or discretionary.

ARTICLE 2 - GENERAL LIMITATIONS, PROHIBITIONS, AND REQUIREMENTS ON FATS, OILS, AND GREASE ("FOG") DISCHARGES

2.1 FOG DISCHARGE REQUIREMENT

No Food Service establishment shall discharge or cause to be discharged into the sewer system FOG that exceeds a concentration level adopted by the Board or that may accumulate and/or cause or contribute to blockages in the sewer system or at the sewer system lateral which connects the Food Service Establishment to the sewer system.

2.2 PROHIBITIONS

The following prohibitions shall apply to all Food Service Establishments:

- A. Installation of food grinders in the plumbing system of new constructions of Food Service Establishments shall be prohibited. Furthermore, all food grinders shall be removed from all existing Food Service Establishments within 180 days of the effective date of this Ordinance, except when expressly allowed by the FOG Control Program Manager.
- B. Introduction of any additives into a Food Service Establishment's wastewater system for the purpose of emulsifying FOG or biologically/chemically treating FOG for grease remediation or as a supplement to interceptor maintenance, unless a specific written authorization from the FOG Control Program Manager is obtained.
- C. Disposal of waste cooking oil into drainage pipes is prohibited. All waste cooking oils shall be collected and stored properly in receptacles such as barrels or drums for recycling or other acceptable methods of disposal.
- D. Discharge of wastewater from dishwashers to any grease trap or grease interceptor is prohibited.
- E. Discharge of wastewater with temperatures in excess of 140°F to any grease control device, including grease traps and grease interceptors, is prohibited.
- F. Discharge of wastes from toilets, urinals, wash basins, and other fixtures containing fecal materials to sewer lines intended for grease interceptor service, or vice versa, is prohibited.
- G. Discharge of any waste including FOG and solid materials removed from the grease control device to the sewer system is prohibited. Grease removed from grease interceptors shall be wastehailed periodically as part of the operation and maintenance requirements for grease interceptors.

- H. Operation of grease interceptors with FOG and solids accumulation exceeding 25% of the design hydraulic depth of the grease interceptor (25% Rule)

2.3 FOG WASTEWATER DISCHARGE PERMIT REQUIRED

No person shall discharge, or cause to be discharged any wastewater from Food Service Establishments directly or indirectly into the sewer system without first obtaining a FOG Wastewater Discharge Permit pursuant to this Ordinance.

2.4 BEST MANAGEMENT PRACTICES REQUIRED

All Food Services Establishments shall implement Best Management Practices in its operation to minimize the discharge of FOG to the sewer system. Detailed requirements for Best Management Practices shall be specified in the permit. This may include kitchen practices and employee training that are essential in minimizing FOG discharge.

2.5 FOG PRETREATMENT REQUIRED

Food Service Establishments are required to install, operate and maintain an approved type and adequately sized grease interceptor necessary to maintain compliance with the objectives of this Ordinance, subject to the variance and waiver provisions of Section 2.6. The grease interceptor shall be adequate to separate and remove FOG contained in wastewater discharges from Food Service Establishments prior to discharge to the sewer system. Fixtures, equipment, and drain lines located in the food preparation and clean up areas of Food Service Establishments that are sources of FOG discharges shall be connected to the grease interceptor. Compliance shall be established as follows:

A. New Construction of Food Service Establishments

New construction of Food Service Establishments shall include and install grease interceptors prior to commencing discharges of wastewater to the sewer system.

B. Existing Food Service Establishments

1. For existing Food Service Establishments, the requirement to install and to properly operate and maintain a grease interceptor may be conditionally stayed, that is, delayed in its implementation by the FOG Control Program Manager for a maximum period of three years from the effective date of this Ordinance (3-year Amortization Period). Terms and conditions for application of a stay to a Food Service Establishment shall be set forth in the permit. The Board finds that three years is a reasonable amortization period for existing Food Service Establishments that are operating without a grease interceptor.

2. Existing Food Service Establishments, which have caused or contributed to grease-related blockage in the sewer system, or which have sewer laterals connected to hot spots, or which have been determined to contribute significant FOG to the sewer system by the FOG Control Program Manager based on inspection or sampling, shall be deemed to have reasonable potential to adversely impact the sewer system, and shall install grease interceptors within 180 days upon notification by the District.
3. Existing Food Service Establishments or Food Service Establishments that change ownership, that undergo remodeling or a change in operations as defined in Section 1.2 of this Ordinance, shall be required to install a grease interceptor.

2.6 VARIANCE AND WAIVER OF GREASE INTERCEPTOR REQUIREMENT

A. Variance from Grease Interceptor Requirements

An existing Food Service Establishment may obtain a variance from the grease interceptor requirement to allow alternative pretreatment technology that is, at least, equally effective in controlling the FOG discharge in lieu of a grease interceptor, if the Food Service Establishment demonstrates that it is impossible or impracticable to install, operate or maintain a grease interceptor. The FOG Control Program Manager's determination to grant a variance will be based upon, but not limited to, evaluation of the following conditions:

1. There is no adequate space for installation and/or maintenance of a grease interceptor.
2. There is no adequate slope for gravity flow between kitchen plumbing fixtures and the grease interceptor and/or between the grease interceptor and the private collection lines or the public sewer.
3. The Food Service Establishment can justify that the alternative pretreatment technology is equivalent or better than a grease interceptor in controlling its FOG discharge. In addition, the Food Service Establishment must be able to demonstrate, after installation of the proposed alternative pretreatment, its effectiveness to control FOG discharge through downstream visual monitoring of the sewer system, for at least three months, at its own expense. A Variance may be granted if the results show no visible accumulation of FOG in its lateral and/or tributary downstream sewer lines.

B. Conditional Waiver from Installation of Grease Interceptor

An existing Food Service Establishment may obtain a conditional waiver from installation of a grease interceptor, if the Food Service

Establishment demonstrates that it has negligible FOG discharge and insignificant impact to the sewer system. Although a waiver from installation of grease interceptor may be granted, the Food Service Establishment may be required to provide space and plumbing segregation for future installation of grease interceptor. The FOG Control Program Manager's determination to grant or revoke a conditional waiver shall be based upon, but not limited to, evaluation of the following conditions:

1. Quantity of FOG discharge as measured or as indicated by the size of Food Service Establishment based on seating capacity, number of meals served, menu, water usage, amount of on-site consumption of prepared food and other conditions that may reasonably be shown to contribute to FOG discharges.
2. Adequacy of implementation of Best Management Practices and compliance history.
3. Sewer size, grade, condition based on visual information, FOG deposition in the sewer by the Food Service Establishment, and history of maintenance and sewage spills in the receiving sewer system.
4. Changes in operations that significantly affect FOG discharge.
5. Any other condition deemed reasonably related to the generation of FOG discharges by the FOG Control Program Manager.

C. Waiver from Grease Interceptor Installation with a Grease Disposal Mitigation Fee

For Food Service Establishments where the installation of grease interceptor is not feasible and no equivalent alternative pretreatment can be installed, a waiver from the grease interceptor requirement may be granted with the imposition of a Grease Disposal Mitigation Fee as described in Section 2.8. Additional requirements may be imposed to mitigate the discharge of FOG into the sewer system. The FOG Control Program Manager's determination to grant the waiver with a Grease Disposal Mitigation Fee will be based upon, but not limited to, evaluation of the following conditions:

1. There is no adequate space for installation and/or maintenance of a grease interceptor.
2. There is no adequate slope for gravity flow between kitchen plumbing fixtures and the grease interceptor and/or between the grease interceptor and the private collection lines or the public sewer.
3. A variance from grease interceptor installation to allow alternative pretreatment technology cannot be granted.

D. Application for Waiver or Variance of Requirement for Grease Interceptor

A Food Service Establishment may submit an application for waiver or variance from the grease interceptor requirement to the FOG Control Program Manager. The Food Service Establishment bears the burden of demonstrating, to the FOG Control Program Manager's reasonable satisfaction, that the installation of a grease interceptor is not feasible or applicable. Upon determination by the FOG Control Program Manager that reasons are sufficient to justify a variance or waiver, the permit will be issued or revised to include the variance or waiver and relieve the Food Service Establishment from the requirement.

E. Terms and conditions

A variance or waiver shall contain terms and conditions that serve as basis for its issuance. A waiver or variance may be revoked at any time when any of the terms and conditions for its issuance is not satisfied or if the conditions upon which the waiver was based change so that the justification for the waiver no longer exists. The waiver or variance shall be valid so long as the Food Service Establishment remains in compliance with their terms and conditions until the expiration date specified in the variance or waiver.

2.7 **COMMERCIAL PROPERTIES**

Property owners of commercial properties or their official designee(s) shall be responsible for the installation and maintenance of the grease interceptor serving multiple Food Service Establishments that are located on a single parcel.

2.8 **GREASE DISPOSAL MITIGATION FEE**

Food Service Establishments that operate without a grease control interceptor may be required to pay an annual Grease Disposal Mitigation Fee to equitably cover the costs of increased maintenance of the sewer system as a result of the Food Service Establishments' inability to adequately remove FOG from its wastewater discharge. This Section shall not be interpreted to allow the new construction of, or existing Food Service Establishments undergoing remodeling or change in operations to operate without an approved grease interceptor unless the District has determined that it is impossible or impracticable to install or operate a grease control interceptor for the subject facility under the provisions of Section 2.6 of this Ordinance.

- A. The Grease Disposal Mitigation Fee shall be established by ordinance or resolution of the Board of Directors, and shall be based on the estimated annual increased cost of maintaining the sewer system for inspection and removal of FOG and other viscous or solidifying agents attributable to the Food Service Establishment resulting from the lack of a grease interceptor or grease control device.

- B. The Grease Disposal Mitigation Fee may be waived or reduced on a no less than an annual basis when the discharger demonstrates to the reasonable satisfaction of the FOG Control Program Manager that they had used best management and waste minimization practices on a regular basis that has significantly reduced the introduction of FOG into the sewer system.
- C. The Grease Disposal Mitigation Fee may not be waived or reduced when the Food Service Establishment does not comply with the minimum requirements of this Ordinance and/or its discharge into the sewer system in the preceding 12 months has caused or potentially caused or contributed alone or collectively, in sewer blockage or SSO in the sewer downstream, or surrounding the Food Service Establishment prior to the waiver request.

2.9 **SEWER SYSTEM OVERFLOWS, PUBLIC NUISANCE, ABATEMENT ORDERS AND CLEANUP COSTS**

Notwithstanding the three-year amortization period established in Section 2.5, Food Service Establishments found to have contributed to a sewer blockage, SSOs or any sewer system interferences resulting from the discharge of wastewater or waste containing FOG, shall be ordered to install and maintain a grease interceptor, and may be subject to a plan to abate the nuisance and prevent any future health hazards created by sewer line failures and blockages, SSOs or any other sewer system interferences. SSOs may cause threat and injury to public health, safety, and welfare of life and property and are hereby declared public nuisances. Furthermore, sewer lateral failures and SSOs caused by Food Service Establishments alone or collectively, are the responsibility of the private property owner or Food Service Establishment, and individual(s) as a responsible officer or owner of the Food Service Establishment. If the District must act immediately to contain and clean up an SSO caused by blockage of a private or public sewer lateral or system serving a Food Service Establishment, or at the request of the property owner or operator of the Food Service Establishment, or because of the failure of the property owner or Food Service Establishment to abate the condition causing immediate threat of injury to the health, safety, welfare, or property of the public, the District's costs for such abatement may be entirely borne by the property owner or operator of the Food Service Establishment, and individual(s) as a responsible officer or owner of the Food Service Establishment(s) and may constitute a debt to the District and become due and payable upon the District's request for reimbursement of such costs.

ARTICLE 3 - FOG WASTEWATER DISCHARGE PERMITS FOR FOOD SERVICE ESTABLISHMENTS

3.1 FOG WASTEWATER DISCHARGE PERMIT REQUIRED

- A. Food Service Establishments proposing to discharge or currently discharging wastewater containing FOG into the District's sewer system shall obtain a FOG Wastewater Discharge Permit from the District.
- B. FOG Wastewater Discharge Permits shall be expressly subject to all provisions of this Ordinance and all other regulations, charges for use, and fees established by the District. The conditions of FOG Wastewater Discharge Permits shall be enforced by the District in accordance with this Ordinance and applicable State and Federal Regulations.

3.2 FOG WASTEWATER DISCHARGE PERMIT APPLICATION

- A. Any person required to obtain a FOG Wastewater Discharge Permit shall complete and file with the District prior to commencing or continuing discharges, an application in a form prescribed by the District. The applicable fees shall accompany this application. The applicant shall submit, in units and terms appropriate for evaluation, the following information at a minimum:
 - 1. Name, address, telephone number, assessor's parcel number(s), description of the Food Service Establishment, operation, cuisine, service activities, or clients using the applicant's services.
 - 2. (Whichever is applicable) Name, address of any and all principals/owners/major shareholders of the Food Service Establishment; Articles of Incorporation; most recent Report of the Secretary of State; Business License.
 - 3. Name and address of property owner or lessor and the property manager where the Food Service Establishment is located.
 - 4. Any other information as specified in the application form.
- B. Applicants may be required to submit site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, FOG control device, grease interceptor or other pretreatment equipment and appurtenances by size, location, and elevation for evaluation.
- C. Other information related to the applicant's business operations and potential discharge may be requested to properly evaluate the permit application.
- D. After evaluation of the data furnished, the District may issue a FOG Wastewater Discharge Permit, subject to terms and conditions set forth in

this Ordinance and as otherwise determined by the FOG Control Program Manager to be appropriate to protect the District's sewer system.

3.3 FOG WASTEWATER DISCHARGE PERMIT CONDITIONS

The issuance of a FOG Wastewater Discharge Permit may contain any of the following conditions or limits:

- A. Limits on discharge of FOG and other priority pollutants.
- B. Requirements for proper operation and maintenance of grease interceptors and other grease control devices.
- C. Grease interceptor maintenance frequency and schedule.
- D. Requirements for implementation of Best Management Practices and installation of adequate grease interceptor and/or grease control device.
- E. Requirements for maintaining and reporting status of Best Management Practices
- F. Requirements for maintaining and submitting logs and records, including wastehauling records and waste manifests.
- G. Requirements to self-monitor.
- H. Requirements for the Food Service Establishment to construct, operate and maintain, at its own expense, FOG control device and sampling facilities.
- I. Additional requirements as otherwise determined to be reasonably appropriate by the FOG Control Program Manager to protect the District's system or as specified by other Regulatory Agencies.
- J. Other terms and conditions, which may be reasonably applicable to ensure compliance with this Ordinance.

3.4 FOG WASTEWATER DISCHARGE PERMIT APPLICATION FEE

The FOG Wastewater Discharge Permit Application fee shall be paid by the applicant in an amount adopted by ordinance or resolution of the Board of Directors of the District. Payment of permit application fee must be received by the District upon submission of the permit application. A permittee shall also pay any delinquent invoices in full prior to permit renewal.

3.5 FOG WASTEWATER DISCHARGE PERMIT MODIFICATION OF TERMS AND CONDITIONS

- A. The terms and conditions of an issued permit may be subject to modification and change by the sole determination of the FOG Control Program Manager during the life of the permit based on:

1. The discharger's current or anticipated operating data;
 2. The District's current or anticipated operating data;
 3. Changes in the requirements of Regulatory Agencies which affect the District; or
 4. A determination by the FOG Control Program Manager that such modification is appropriate to further the objectives of this Ordinance.
- B. The Permittee may request a modification to the terms and conditions of an issued permit. The request shall be in writing stating the requested change, and the reasons for the change. The FOG Control Program Manager shall review the request, make a determination on the request, and respond in writing.
- C. The Permittee shall be informed of any change in the permit limits, conditions, or requirements at least forty-five (45) days prior to the effective date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

3.6 FOG WASTEWATER DISCHARGE PERMIT DURATION AND RENEWAL

FOG Wastewater Discharge Permits shall be issued for a period not to exceed four (4) years. At least 60 days prior to the expiration of the permit, the user shall apply for renewal of the permit in accordance with the provisions of this Article 3.

3.7 EXEMPTION FROM FOG WASTEWATER DISCHARGE PERMIT

A limited food preparation establishment is not considered a Food Service Establishment and is exempt from obtaining a FOG Wastewater Discharge Permit. Exempted establishments shall be engaged only in reheating, hot holding or assembly of ready to eat food products and as a result, there is no wastewater discharge containing significant amount of FOG. A limited food preparation establishment does not include any operation that changes the form, flavor, or consistency of food.

3.8 NON-TRANSFERABILITY OF PERMITS

FOG Wastewater Discharge Permits issued under this Ordinance are for a specific Food Service Establishment, for a specific operation and create no vested rights.

- A. No permit holder shall assign, transfer, sell any FOG Wastewater Discharge Permit issued under this Ordinance nor use any such permit for or on any premises or for facilities or operations or discharges not expressly encompassed within the underlying permit.
- B. Any permit which is transferred to a new owner or operator or to a new facility is void.

3.9 FOG WASTEWATER DISCHARGE PERMIT CHARGE FOR USE

A charge to cover all costs of the District for providing the sewer service and monitoring shall be established by Ordinance or Resolution of the Board of Directors of the District.

ARTICLE 4 - FACILITIES REQUIREMENTS

4.1 DRAWING SUBMITTAL REQUIREMENTS

Upon request by the District:

- A. Food Service Establishments may be required to submit two copies of facility site plans, mechanical and plumbing plans, and details to show all sewer locations and connections. The submittal shall be in a form and content acceptable to the District for review of existing or proposed grease control device, grease interceptor, monitoring facilities, metering facilities, and operating procedures. The review of the plans and procedures shall in no way relieve the Food Service Establishments of the responsibility of modifying the facilities or procedures in the future, as necessary to produce an acceptable discharge, and to meet the requirements of this Ordinance or any requirements of other Regulatory Agencies.
- B. Applicants may be required to submit site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, FOG control device, grease interceptor or other pretreatment equipment and appurtenances by size, location, and elevation for evaluation.
- C. Food Service Establishments may be required to submit a schematic drawing of the FOG control device, grease interceptor or other pretreatment equipment, piping and instrumentation diagram, and wastewater characterization report.
- D. The District may require the drawings be prepared by a California Registered Civil, Chemical, Mechanical, or Electrical Engineer.

4.2 GREASE INTERCEPTOR REQUIREMENTS

- A. All Food Service Establishments shall provide wastewater acceptable to the District, under the requirements and standards established herein before discharging to any public sewer. Any Food Service Establishment required to provide FOG pretreatment shall install, operate, and maintain an approved type and adequately sized grease interceptor necessary to maintain compliance with the objectives of this Ordinance.
- B. Grease interceptor sizing and installation shall conform to the current edition of the Uniform Plumbing Code. Grease interceptors shall be constructed in accordance with the design approved by the FOG Control Program Manager and shall have a minimum of two compartments with fittings designed for grease retention.
- C. The grease interceptor shall be installed at a location where it shall be at all times easily accessible for inspection, cleaning, and removal of accumulated grease.

- D. Access manholes, with a minimum diameter of 24 inches, shall be provided over each grease interceptor chamber and sanitary tee. The access manholes shall extend at least to finished grade and be designed and maintained to prevent water inflow or infiltration. The manholes shall also have readily removable covers to facilitate inspection, grease removal, and wastewater sampling activities.

4.3 GREASE TRAP REQUIREMENTS

- A. Food Service Establishments may be required to install grease traps in the waste line leading from drains, sink, and other fixtures or equipment where grease may be introduced into the sewer system in quantities that can cause blockage.
- B. Sizing and installation of grease traps shall conform to the current edition of the California Plumbing Code.
- C. Grease traps shall be maintained in efficient operating conditions by removing accumulated grease on a daily basis.
- D. Grease traps shall be maintained free of all food residues and any FOG waste removed during the cleaning and scraping process.
- E. Grease traps shall be inspected periodically to check for leaking seams and pipes, and for effective operation of the baffles and flow regulating device. Grease traps and their baffles shall be maintained free of all caked-on FOG and waste. Removable baffles shall be removed and cleaned during the maintenance process.
- F. Dishwashers and food waste disposal units shall not be connected to or discharged into any grease trap.

4.4 MONITORING FACILITIES REQUIREMENTS

- A. The District may require the Food Service Establishments to construct and maintain in proper operating condition at the Food Service Establishment's sole expense, flow monitoring, constituent monitoring and/or sampling facilities.
- B. The location of the monitoring or metering facilities shall be subject to approval by the FOG Control Program Manager.
- C. Food Service Establishments may be required to provide immediate, clear, safe and uninterrupted access to the FOG Control Program Manager or inspectors to the Food Service Establishment's monitoring and metering facilities.
- D. Food Service Establishments may also be required by the FOG Control Program Manager to submit waste analysis plans, contingency plans, and meet other necessary requirements to ensure proper operation and

maintenance of the grease control device or grease interceptor and compliance with this Ordinance.

- E. No Food Service Establishment shall increase the use of water or in any other manner attempt to dilute a discharge as a partial or complete substitute for treatment to achieve compliance with this Ordinance and the FOG Wastewater Discharge Permit.

4.5 REQUIREMENTS FOR BEST MANAGEMENT PRACTICES

- A. All Food Service Establishments shall implement best management practices in accordance with the requirements and guidelines established by the District under its FOG Control Program in an effort to minimize the discharge of FOG to the sewer system.
- B. All Food Service Establishments shall be required, at a minimum, to comply with the following Best Management Practices, when applicable:
 - 1. Installation of drain screens. Drain screens shall be installed on all drainage pipes in food preparation areas.
 - 2. Segregation and collection of waste cooking oil. All waste cooking oil shall be collected and stored properly in recycling receptacles such as barrels or drums. Such recycling receptacles shall be maintained properly to ensure that they do not leak. Licensed waste haulers or an approved recycling facility must be used to dispose of waste cooking oil.
 - 3. Disposal of food waste. All food waste shall be disposed of directly into the trash or garbage, and not in sinks. Double-bagging food wastes that have the potential to leak in trash bins is highly recommended.
 - 4. Employee training. Employees of the food service establishment shall be trained by ownership/management periodically as specified in the permit, on the following subjects:
 - a) How to "dry wipe" pots, pans, dishware and work areas before washing to remove grease.
 - b) How to properly dispose of food waste and solids in enclosed plastic bags prior to disposal in trash bins or containers to prevent leaking and odors.
 - c) The location and use of absorption products to clean under fryer baskets and other locations where grease may be spilled or dripped.

- d) How to properly dispose of grease or oils from cooking equipment into a grease receptacle such as a barrel or drum without spilling.

Training shall be documented and employee signatures retained indicating each employee's attendance and understanding of the practices reviewed. Training records shall be available for review at any reasonable time by the FOG Control Program Manager or an inspector.

- 5. Maintenance of kitchen exhaust filters. Filters shall be cleaned as frequently as necessary to be maintained in good operating condition. The wastewater generated from cleaning the exhaust filter shall be disposed properly.
- 6. Kitchen sianaae. Best management and waste minimization practices shall be posted conspicuously in the food preparation and dishwashing areas at all times.

4.6 **GREASE INTERCEPTOR MAINTENANCE REQUIREMENTS**

- A. Grease Interceptors shall be maintained in efficient operating condition by periodic removal of the full content of the interceptor which includes wastewater, accumulated FOG, floating materials, sludge and solids.
- B. All existing and newly installed grease interceptors shall be maintained in a manner consistent with a maintenance frequency approved by the FOG Control Program Manager pursuant to this section.
- C. No FOG that has accumulated in a grease interceptor shall be allowed to pass into any sewer lateral, sewer system, storm drain, or public right of way during maintenance activities.
- D. Food Service Establishments with grease interceptors may be required to submit data and information necessary to establish the maintenance frequency grease interceptors.
- E. The maintenance frequency for all Food Service Establishments with a grease interceptor shall be determined in one of the following methods:
 - 1. Grease interceptors shall be fully pumped out and cleaned at a frequency such that the combined FOG and solids accumulation does not exceed 25% of the total design hydraulic depth of the grease interceptor. This is to ensure that the minimum hydraulic retention time and required available hydraulic volume is maintained to effectively intercept and retain FOG discharged to the sewer system.

2. All Food Service Establishments with a Grease Interceptor shall maintain their grease interceptor not less than every 6 months.
 3. Grease interceptors shall be fully pumped out and cleaned quarterly when the frequency described in (1) has not been established. The maintenance frequency shall be adjusted when sufficient data have been obtained to establish an average frequency based on the requirements described in (1) and guidelines adopted pursuant to the FOG Control Program. The District may change the maintenance frequency at any time to reflect changes in actual operating conditions in accordance with the FOG Control Program. Based on the actual generation of FOG from the Food Service Establishment, the maintenance frequency may increase or decrease.
 4. The owner/operator of a Food Service Establishment may submit a request to the FOG Control Program Manager requesting a change in the maintenance frequency at any time. The Food Service Establishment has the burden of responsibility to demonstrate that the requested change in frequency reflects actual operating conditions based on the average FOG accumulation over time and meets the requirements described in (1), and that it is in full compliance with the conditions of its permit and this Ordinance. Upon determination by the FOG Control Program Manager that requested revision is justified, the permit shall be revised accordingly to reflect the change in maintenance frequency.
 5. If the grease interceptor, at any time, contains FOG and solids accumulation that does not meet the requirements described in (1), the Food Service Establishment shall be required to have the grease interceptor serviced immediately such that all fats, oils, grease, sludge, and other materials are completely removed from the grease interceptor. If deemed necessary, the FOG Control Program Manager may also increase the maintenance frequency of the grease interceptor from the current frequency.
- F. Wastewater, accumulated FOG, floating materials, sludge/solids, and other materials removed from the grease interceptor shall be disposed off site properly by waste haulers in accordance with federal, state and/or local laws.

ARTICLE 5 - MONITORING, REPORTING, NOTIFICATION, AND INSPECTION REQUIREMENTS

5.1 MONITORING AND REPORTING CONDITIONS

A. Monitoring for Compliance with Permit Conditions and Reporting Requirements

1. The FOG Control Program Manager may require periodic reporting of the status of implementation of Best Management Practices, in accordance with the FOG Control Program.
2. The FOG Control Program Manager may require visual monitoring at the sole expense of the Permittee to observe the actual conditions of the Food Service Establishment's sewer lateral and sewer lines downstream.
3. The FOG Control Program Manager may require reports for self-monitoring of wastewater constituents and FOG characteristics of the Permittee needed for determining compliance with any conditions or requirements as specified in the FOG Wastewater Discharge Permit or this Ordinance. Monitoring reports of the analyses of wastewater constituents and FOG characteristics shall be in a manner and form approved by the FOG Control Program Manager and shall be submitted upon request of the FOG Control Program Manager. Failure by the Permittee to perform any required monitoring, or to submit monitoring reports required by the FOG Control Program Manager constitutes a violation of this Ordinance and be cause for the District to initiate all necessary tasks and analyses to determine the wastewater constituents and FOG characteristics for compliance with any conditions and requirements specified in the FOG Wastewater Discharge Permit or in this Ordinance. The Permittee shall be responsible for any and all expenses of the District in undertaking such monitoring analyses and preparation of reports.
4. Other reports may be required such as compliance schedule progress reports, FOG control monitoring reports, and any other reports deemed reasonably appropriate by the FOG Control Program Manager to ensure compliance with this Ordinance.

B. Record Keeping Requirements

The Permittee shall be required to keep all manifests, receipts and invoices of all cleaning, maintenance, grease removal of/from the grease control device, disposal carrier and disposal site location for no less than two years. The Permittee shall, upon request, make the manifests,

receipts and invoices available to any District representative, or inspector. These records may include:

1. A logbook of grease interceptor, grease trap or grease control device cleaning and maintenance practices.
2. A record of Best Management Practices being implemented including employee training.
3. Copies of records and manifests of wastehauling interceptor contents.
4. Records of sampling data and sludge height monitoring for FOG and solids accumulation in the grease interceptors.
5. Records of any spills and/or cleaning of the lateral or sewer system.
6. Any other information deemed appropriate by the FOG Control Program Manager to ensure compliance with this Ordinance.

C. Falsifying Information or Tampering with Process

It shall be unlawful to make any false statement, representation, record, report, plan or other document that is filed with the District, or to tamper with or knowingly render inoperable any grease control device, monitoring device or method or access point required under this Ordinance.

5.2 INSPECTION AND SAMPLING CONDITIONS

- A. The FOG Control Program Manager may inspect or order the inspection and sample the wastewater discharges of any Food Service Establishment to ascertain whether the intent of this Ordinance is being met and the Permittee is complying with all requirements. The Permittee shall allow the District access to the Food Service Establishment premises, during normal business hours, for purposes of inspecting the Food Service Establishment's grease control devices or interceptor, reviewing the manifests, receipts and invoices relating to the cleaning, maintenance and inspection of the grease control devices or interceptor.
- B. The FOG Control Program Manager shall have the right to place or order the placement on the Food Service Establishment's property or other locations as determined by the FOG Control Program Manager, such devices as are necessary to conduct sampling or metering operations. Where a Food Service Establishment has security measures in force, the Permittee shall make necessary arrangements so that representatives of the District shall be permitted to enter without delay for the purpose of performing their specific responsibilities.

- C. In order for the FOG Control Program Manager to determine the wastewater characteristics of the discharger for purposes of determining the annual use charge and for compliance with permit requirements, the Permittee shall make available for inspection and copying by the District all notices, monitoring reports, waste manifests, and records including, but not limited to, those related to wastewater generation, and wastewater disposal without restriction but subject to the confidentiality provision set forth in this Ordinance. All such records shall be kept by the Permittee a minimum of two (2) years.

5.3 RIGHT OF ENTRY

Persons or occupants of premises where wastewater is created or discharged shall allow the FOG Control Program Manager, or District representatives, reasonable access to all parts of the wastewater generating and disposal facilities for the purposes of inspection and sampling during all times the discharger's facility is open, operating, or any other reasonable time. No person shall interfere with, delay, resist or refuse entrance to District representatives attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the District's sewer system. In the event of an emergency involving actual or imminent sanitary sewer overflow, District's representatives may access adjoining businesses or properties which share a sewer system with a Food Service Establishment in order to prevent or remediate an actual or imminent sanitary overflow.

5.4 NOTIFICATION OF SPILL

- A. In the event a permittee is unable to comply with any permit condition due to a breakdown of equipment, accidents, or human error or the Permittee has reasonable opportunity to know that his/her/its discharge will exceed the discharge provisions of the FOG Wastewater Discharge Permit or this Ordinance, the discharger shall immediately notify the District by telephone at the number specified in the Permit. If the material discharged to the sewer has the potential to cause or result in sewer blockages or SSOs, the discharger shall immediately notify the local Health Department, City or County, and the District.
- B. Confirmation of this notification shall be made in writing to the FOG Control Program Manager at the address specified in the Permit no later than five (5) working days from the date of the incident. The written notification shall state the date of the incident, the reasons for the discharge or spill, what steps were taken to immediately correct the problem, and what steps are being taken to prevent the problem from recurring.
- C. Such notification shall not relieve the Permittee of any expense, loss, damage or other liability which may be incurred as a result of damage or loss to the District or any other damage or loss to person or property; nor shall such notification relieve the Permittee of any fees or other liability which may be imposed by this Ordinance or other applicable law.

5.5 NOTIFICATION OF PLANNED CHANGES

Permittee shall notify the District at least 60 days in advance prior to any facility expansion/remodeling, or process modifications that may result in new or substantially increased FOG discharges or a change in the nature of the discharge. Permittee shall notify the District in writing of the proposed expansion or remodeling and shall submit any information requested by the District for evaluation of the effect of such expansion on Permittee's FOG discharge to the sewer system.

ARTICLE 6 - ENFORCEMENT

6.1 PURPOSES AND SCOPE

- A. The Board of Directors finds that in order for the District to comply with the laws, regulations, and rules imposed upon it by Regulatory Agencies and to ensure that the District's sewer facilities are protected and are able to operate with the highest degree of efficiency, and to protect the public health and environment, specific enforcement provisions must be adopted to govern the discharges to the District's system by Food Service Establishments.
- B. To ensure that all interested parties are afforded due process of law and that violations are resolved as soon as possible, the general policy of the District is that:
 - 1. Any determination relating to a notice of violation and Compliance Schedule Agreement (CSA) will be made by the FOG Control Program Manager, with a right of appeal by the permittee to the General Manager pursuant to the procedures set forth in Section 6.12.
 - 2. A permittee, or applicant for a permit may request the Board of Directors of the District to hear an appeal of the General Manager's decision pursuant to Section 6.13. Such request may be granted or denied by the Board of Directors.
 - 3. Any permit suspension or revocation recommended by the FOG Control Program Manager will be heard and a recommendation made to the General Manager or other person designated by the General Manager with a right of appeal of the General Manager's order by the permittee to the Board of Directors pursuant to the provisions of Section 6.13.
- C. The District, at its discretion, may utilize any one, combination, or all enforcement remedies provided in Article 6 in response to any permit or Ordinance violations.

6.2 DETERMINATION OF NONCOMPLIANCE WITH FOG WASTEWATER DISCHARGE PERMIT CONDITIONS

- A. Inspection Procedures
 - 1. Inspection of Food Service Establishments shall be conducted in the time, place, manner, and frequency determined at the sole discretion of the FOG Control Program Manager.
 - 2. Noncompliance with Best Management Practices, 25% Rule for grease interceptors, maintenance frequency requirements for

grease interceptors, permit discharge conditions, or any discharge provisions of this Ordinance may be determined by an inspection of the Food Service Establishment.

B. Sampling Procedures

1. Sampling of Food Service Establishments shall be conducted in the time, place, manner, and frequency determined at the sole discretion of the District.
2. Non-compliance with mass emission rate limits, concentration limits, permit discharge conditions, or any discharge provision of this Ordinance may be determined by an analysis of a grab or composite sample of the effluent of a user. Non-compliance with mass emission rate limits shall be determined by an analysis of a composite sample of the user's effluent, except that a grab sample may be used to determine compliance with mass emission rate limits when the discharge is from a closed (batch) treatment system in which there is no wastewater flow into the system when the discharge is occurring, the volume of wastewater contained in the batch system is known, the time interval of discharge is known, and the grab sample is homogeneous and representative of the discharge.
3. Any sample taken from a sample point is considered to be representative of the discharge to the public sewer.

C. Noncompliance Fees

Any permittee determined to be in noncompliance with the terms and conditions specified in its permit or with any provision of this Ordinance shall pay a noncompliance fee. The purpose of the noncompliance fee is to compensate the District for costs of additional inspection and follow-up, sampling, monitoring, laboratory analysis, treatment, disposal, and administrative processing incurred as a result of the noncompliance, and shall be in addition to and not in lieu of any penalties as may be assessed pursuant to Sections 6.10 and 6.11. Noncompliance fees shall be in the amount adopted by ordinance or resolution by the District's Board of Directors.

6.3 COMPLIANCE SCHEDULE AGREEMENT (CSA)

- A. Upon determination that a permittee is in noncompliance with the terms and conditions specified in its permit or any provision of this Ordinance, or needs to construct and/or acquire and install a grease control device or grease interceptor, the FOG Control Program Manager may require the permittee to enter into a CSA.
- B. The issuance of a CSA may contain terms and conditions including but not limited to requirements for installation of a grease control device,

grease interceptor and facilities, submittal of drawings or reports, audit of waste hauling records, best management and waste minimization practices, payment of fees, or other provisions to ensure compliance with this Ordinance.

- C. The FOG Control Program Manager shall not enter into a CSA until such time as all amounts owed to the District, including user fees, noncompliance sampling fees, or other amounts due are paid in full, or an agreement for deferred payment secured by collateral or a third party, is approved by the FOG Control Program Manager.
- D. If compliance is not achieved in accordance with the terms and conditions of a CSA during its term, the FOG Control Program Manager may issue an order suspending or revoking the discharge permit pursuant to Section 6.4 or 6.5 of this Ordinance.

6.4 PERMIT SUSPENSION

- A. The General Manager may suspend any permit when it is determined that a permittee:
 - 1. Fails to comply with the terms and conditions of a CSA order.
 - 2. Knowingly provides a false statement, representation, record, report, or other document to the District.
 - 3. Refuses to provide records, reports, plans, or other documents required by the District to determine permit terms or conditions, discharge compliance, or compliance with this Ordinance.
 - 4. Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or sample collection method.
 - 5. Refuses reasonable access to the permittee's premises for the purpose of inspection and monitoring.
 - 6. Does not make timely payment of all amounts owed to the District for user charges, permit fees, or any other fees imposed pursuant to this Ordinance.
 - 7. Causes interference, sewer blockages, or SSOs with the District's collection, treatment, or disposal system.
 - 8. Violates grease interceptor maintenance requirements, any condition or limit of its discharge permit or any provision of the District's Ordinance.
- B. When the FOG Control Program Manager has reason to believe that grounds exist for permit suspension, he/she shall give written notice thereof by certified mail to the permittee setting forth a statement of the facts and grounds deemed to exist, together with the time and place

where the charges shall be heard by the General Manager or his/her designee. The hearing date shall be not less than fifteen (15) calendar days nor more than forty-five (45) calendar days after the mailing of such notice.

1. At the suspension hearing, the permittee shall have an opportunity to respond to the allegations set forth in the notice by presenting written or oral evidence. The hearing shall be conducted in accordance with procedures established by the General Manager and approved by the District's General Counsel.
2. If the General Manager designated a hearing officer, after the conclusion of the hearing, the hearing officer shall submit a written report to the General Manager setting forth a brief statement of facts found to be true, a determination of the issues presented, conclusions, and a recommendation.
3. Upon receipt of the written report of a hearing officer or conclusion of the hearing, if the General Manager conducted the hearing, the General Manager shall make his/her determination and should he/she find that grounds exist for suspension of the permit, he/she shall issue his/her decision and order in writing within thirty (30) calendar days after the conclusion of the hearing. The written decision and order of the General Manager shall be sent by certified mail to the permittee or its legal counsel/representative at the permittee's business address.

C. Effect

1. Upon an order of suspension by the General Manager becoming final, the permittee shall immediately cease and desist its discharge and shall have no right to discharge any wastewater containing FOG directly or indirectly to the District's system for the duration of the suspension. All costs for physically terminating and reinstating service shall be paid by the permittee.
2. Any owner or responsible management employee of the permittee shall be bound by the order of suspension.
3. An order of permit suspension issued by the General Manager shall be final in all respects on the sixteenth (16th) day after it is mailed to the permittee unless a request for hearing is filed with the Board of Directors of the District pursuant to Section 6.13. no later than 5:00 p.m. on the fifteenth (15th) day following such mailing.

6.5 PERMIT REVOCATION

- A. The General Manager may revoke any permit when it is determined that a permittee:

1. Knowingly provides a false statement, representation, record, report, or other document to the District.
2. Refuses to provide records, reports, plans, or other documents required by the District to determine permit terms, conditions, discharge compliance, or compliance with this Ordinance.
3. Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or sample collection method.
4. Fails to comply with the terms and conditions of permit suspension or CSA.
5. Discharges effluent to the District's sewer system while its permit is suspended.
6. Refuses reasonable access to the permittee's premises for the purpose of inspection and monitoring.
7. Does not make timely payment of all amounts owed to the District for user charges, permit fees, or any other fees imposed pursuant to this Ordinance.
8. Causes interference, sewer blockages, or SSOs with the District collection, treatment, or disposal system.
9. Violates grease interceptor maintenance requirements, any condition or limit of its discharge permit or any provision of the District's Ordinance.

B. Aooroval. When the FOG Control Program Manager has reason to believe that grounds exist for the revocation of a permit, he/she shall give written notice by certified mail thereof to the permittee setting forth a statement of the facts and grounds deemed to exist together with the time and place where the charges shall be heard by the General Manager or his/her designee. The hearing date shall be not less than fifteen (15) calendar days nor more than forty-five (45) calendar days after the mailing of such notice.

1. At the hearing, the permittee shall have an opportunity to respond to the allegations set forth in the notice by presenting written or oral evidence. The revocation hearing shall be conducted in accordance with the procedures established by the General Manager and approved by the District's General Counsel.
2. If the General Manager designated a hearing officer, after the conclusion of the hearing, the hearing officer shall submit a written report to the General Manager setting forth a brief statement of facts found to be true, a determination of the issues presented, conclusions, and a recommendation.

3. Upon receipt of the written report by the hearing officer, or conclusion of the hearing, if the General Manager conducted the hearing, the General Manager shall make his/her determination and should he/she find that grounds exist for permanent revocation of the permit, he/she shall issue his/her decision and order in writing within thirty (30) calendar days after the conclusion of the hearing. The written decision and order of the General Manager shall be sent by certified mail to the permittee or its legal counsel/representative at the permittee's business address.

In the event the General Manager determines to not revoke the permit, he/she may order other enforcement actions, including, but not limited to, a temporary suspension of the permit, under terms and conditions that he/she deems appropriate.

C. Effect

1. Upon an order of revocation by the General Manager becoming final, the permittee shall permanently lose all rights to discharge any wastewater containing FOG directly or indirectly to the District's system. All costs for physical termination shall be paid by the permittee.
2. Any owner or responsible management employee of the permittee shall be bound by the order of revocation.
3. Any future application for a permit at any location within the District by any person associated with an order of revocation will be considered by the District after fully reviewing the records of the revoked permit, which records may be the basis for denial of a new permit.
4. An order of permit revocation issued by the General Manager shall be final in all respects on the sixteenth (16th) day after it is mailed to the permittee unless a request for hearing is filed with the Board of Directors pursuant to Section 6.13 no later than 5:00 p.m. on the fifteenth (15th) day following such mailing.

6.6 DAMAGE TO FACILITIES OR INTERRUPTION OF NORMAL OPERATIONS

- A. Any person who discharges any waste which causes or contributes to any sewer blockage, SSOs, obstruction, interference, damage, or any other impairment to the District's sewer facilities or to the operation of those facilities shall be liable for all costs required to clean or repair the facilities together with expenses incurred by the District to resume normal operations. A service charge of twenty-five percent (25%) of District's costs shall be added to the costs and charges to reimburse the District for miscellaneous overhead, including administrative personnel and record keeping. The total amount shall be payable within forty five (45) days of invoicing by the District.

- B. Any person who discharges a waste which causes or contributes to the District violating its discharge requirements established by any Regulatory Agency incurring additional expenses or suffering losses or damage to the facilities, shall be liable for any costs or expenses incurred by the District, including regulatory fines, penalties, and assessments made by other agencies or a court.

6.7 PUBLIC NUISANCE

Discharge of wastewater in any manner in violation of this Ordinance or of any order issued by the FOG Control Program Manager or General Manager, as authorized by this Ordinance, is hereby declared a public nuisance and shall be corrected or abated as directed by the FOG Control Program Manager or General Manager. Any person creating a public nuisance is guilty of a misdemeanor.

6.8 TERMINATION OF SERVICE

- A. The District, by order of the General Manager, may physically terminate sewer service to any property as follows:
 - 1. On a term of any order of suspension or revocation of a permit; or
 - 2. Upon the failure of a person not holding a valid FOG Wastewater Discharge Permit to immediately cease the discharge, whether direct or indirect, to the District's sewer facilities after the notice and process in Section 6.5 herein.
- B. All costs for physical termination shall be paid by the owner or operator of the Food Service Establishment or permittee as well as all costs for reinstating service.

6.9 EMERGENCY SUSPENSION ORDER

- A. The District may, by order of the General Manager, suspend sewer service when the General Manager determines that such suspension is necessary in order to stop an actual or impending discharge which presents or may present an imminent or substantial endangerment to the health and welfare of persons, or to the environment, or may cause SSOs, sewer blockages, interference to the District's sewer facilities, or may cause the District to violate any State or Federal Law or Regulation. Any discharger notified of and subject to an Emergency Suspension Order shall immediately cease and desist the discharge of all wastewater containing FOG to the sewer system.
- B. As soon as reasonably practicable following the issuance of an Emergency Suspension Order, but in no event more than five (5) business days following the issuance of such order, the General Manager shall hold a hearing to provide the Food Service Establishment or Permittee the opportunity to present information in opposition to the issuance of the Emergency Suspension Order. Such a hearing shall not

stay the effect of the Emergency Suspension Order. The hearing shall be conducted in accordance with procedures established by the General Manager and approved by the District's General Counsel. The General Manager shall issue a written decision and order within two (2) business days following the hearing, which decision shall be sent by certified mail to the Food Service Establishment or its legal counsel/representative at that Food Service Establishment's business address. The decision of the General Manager following the hearing shall be final and not appealable to the Board, but may be subject to judicial review pursuant to Section 6.16.

6.10 CIVIL PENALTIES

- A. All users of the District's system and facilities are subject to enforcement actions administratively or judicially by the District, U.S. EPA, State of California Regional Water Quality Control Board, the County of Orange or District Attorney. Said actions may be taken pursuant to the authority and provisions of several laws, including but not limited to: (1) Federal Water Pollution Control Act, commonly known as the Clean Water Act (33 U.S.C.A. Section 1251 et seq.); (2) California Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.); (3) California Hazardous Waste Control Law (California Health & Safety Code Sections 25100 to 25250); (4) Resource Conservation and Recovery Act of 1976 (42 U.S.C.A Section 6901 et seq.); and (5) California Government Code, Sections 54739-54740.
- B. In the event the District is subject to the payment of fines or penalties pursuant to the legal authority and actions of other regulatory or enforcement agencies based on a violation of law or regulation or its permits, and said violation can be established by the District, as caused by the discharge of any user of the District's system which is in violation of any provision of the District's Ordinance or the user's permit, the District shall be entitled to recover from the user all costs and expenses, including, but not limited to, the full amount of said fines or penalties to which it has been subjected.
- C. Pursuant to the authority of California Government Code Sections 54739 - 54740, any person who violates any provision of this Ordinance; any permit condition, prohibition or effluent limit; or any suspension or revocation order shall be liable civilly for a sum not to exceed \$25,000.00 per violation for each day in which such violation occurs. Pursuant to the authority of the Clean Water Act, 33 U.S.C. Section 1251 et seq., any person who violates any provision of this Ordinance, or any permit condition, prohibition, or effluent limit shall be liable civilly for a sum not to exceed \$25,000.00 per violation for each day in which such violation occurs. The General Counsel of the District, upon request of the General Manager, shall petition the Superior Court to impose, assess, and recover such penalties, or such other penalties as the District may impose, assess, and recover pursuant to Federal and/or State legislative authorization.

D. Administrative Civil Penalties

1. Pursuant to the authority of California Government Code Sections 54740.5 and 54740.6, the District may issue an administrative complaint to any person who violates:
 - a) any provision of this Ordinance;
 - b) any permit condition, prohibition, or effluent limit; or
 - c) any suspension or revocation order.
2. The administrative complaint shall be served by personal delivery or certified mail on the person and shall inform the person that a hearing will be conducted, and shall specify a hearing date within sixty (60) days following service. The administrative complaint will allege the act or failure to act that constitutes the violation of the District's regulations, the provisions of law authorizing civil liability to be imposed, and the proposed civil penalty. The matter shall be heard by the General Manager or his/her designee. The person to whom an administrative complaint has been issued may waive the right to a hearing, in which case a hearing will not be conducted.
3. At the hearing, the person shall have an opportunity to respond to the allegations set forth in the administrative complaint by presenting written or oral evidence. The hearing shall be conducted in accordance with the procedures established by the General Manager and approved by the District's General Counsel.
4. If the General Manager designated a hearing officer, after the conclusion of the hearing, the hearing officer shall submit a written report to the General Manager setting forth a brief statement of the facts found to be true, a determination of the issues presented, conclusions, and a recommendation.
5. Upon receipt of the written report by the hearing officer, or conclusion of the hearing if the General Manager conducted the hearing, the General Manager shall make his/her determination and should he/she find that grounds exist for assessment of a civil penalty against the person, he/she shall issue his/her decision and order in writing within thirty (30) calendar days after the conclusion of the hearing .
6. If, after the hearing or appeal, if any, it is found that the person has violated reporting or discharge requirements, the General Manager or Board of Directors may assess a civil penalty against that person. In determining the amount of the civil penalty, the General Manager or Board of Directors may take into consideration all relevant circumstances, including but not limited to the extent of harm caused by the violation, the economic benefit

derived through any non-compliance, the nature and persistence of the violation, the length of time over which the violation occurs, and corrective action, if any, attempted or taken by the person involved.

7. Civil penalties may be assessed as follows:
 - a) In an amount which shall not exceed two thousand dollars (\$2,000.00) for each day for failing or refusing to furnish required reports;
 - b) In an amount which shall not exceed three thousand dollars (\$3,000.00) for each day for failing or refusing to timely comply with any compliance schedules established by the District;
 - c) In an amount which shall not exceed five thousand dollars (\$5,000.00) per violation for each day of discharge in violation of any waste discharge limit, permit condition, or requirement issued, reissued, or adopted by the District;
 - d) In any amount which does not exceed ten dollars (\$10.00) per gallon for discharges in violation of any suspension, revocation, cease and desist order or other orders, or prohibition issued, reissued, or adopted by the District;
8. An order assessing administrative civil penalties issued by the General Manager shall be final in all respects on the thirty-first (31st) day after it is served on the person unless an appeal and request for hearing is filed with the Board of Directors pursuant to Section 6.13 no later than the thirtieth (30th) day following such mailing. An order assessing administrative civil penalties issued by the Board of Directors shall be final upon issuance.
9. Copies of the administrative order shall be served on the party served with the administrative complaint, either by personal service or by registered mail to the person at his/her/its business or residence address, and upon other persons who appeared at the hearing and requested a copy of the order.
10. Any person aggrieved by a final order issued by the Board of Directors, after granting review of the order of the General Manager, may obtain review of the order of the Board of Directors in the superior court, pursuant to Government Code Section 54740.6, by filing in the court a petition for writ of mandate within thirty (30) days following the service of a copy of the decision or order issued by the Board of Directors.
11. Payment of any order setting administrative civil penalties shall be made within thirty (30) days of the date the order becomes final.

The amount of any administrative civil penalties imposed shall constitute a debt to the District.

12. No administrative civil penalties shall be recoverable for any violation for which the District has recovered civil penalties through a judicial proceeding filed pursuant to Government Code Section 54740.

6.11 CRIMINAL PENALTIES

Any person who violates any provision of this Ordinance is guilty of a misdemeanor, which upon conviction is punishable by a fine not to exceed \$1,000.00, or imprisonment for not more than 6 months, or both. Each violation and each day in which a violation occurs may constitute a new and separate violation of this Ordinance and shall be subject to the penalties contained herein.

6.12 APPEALS TO GENERAL MANAGER

- A. Any Food Service Establishment, permit applicant or permittee affected by any decision, action or determination made by the FOG Control Program Manager or notice of violation issued by any District inspector may file with the General Manager a written request for an appeal hearing. The request must be received by the District within fifteen (15) days of mailing of notice of the decision, action, or determination of the FOG Control Program Manager to the appellant. The request for hearing shall set forth in detail all facts supporting the appellant's request.
- B. The General Manager shall, within fifteen (15) days of receiving the request for appeal, designate a Department Head or other person to hear the appeal and provide written notice to the appellant of the hearing date, time and place. The hearing date shall not be more than thirty (30) days from the mailing of such notice by certified mail to the appellant unless a later date is agreed to by the appellant. If the hearing is not held within said time due to actions or inactions of the appellant, then the staff decision shall be deemed final.
- C. At the hearing, the appellant shall have the opportunity to present information supporting its position concerning the FOG Control Program Manager's decision, action or determination. The hearing shall be conducted in accordance with procedures established by the General Manager and approved by the District's General Counsel.
- D. After the conclusion of the hearing, the Department Head (or other designee) shall submit a written report to the General Manager setting forth a brief statement of facts found to be true, a determination of the issues presented, conclusions, and a recommendation whether to uphold, modify or reverse the FOG Control Program Manager's original decision, action or determination. Upon receipt of the written report, the General Manager shall make his/her determination and shall issue his/her decision and order within thirty (30) calendar days of the hearing by his/her designee. The written decision and order of the General Manager

shall be sent by certified mail to the appellant or its legal counsel/representative at the appellant's business address.

The order of the General/City Manager shall be final in all respects on the sixteenth (16th) day after it is mailed to the appellant unless a request for hearing is filed with the Board of Directors pursuant to Section 6.13, no later than 5:00 p.m. on the fifteenth day following such mailing.

6.13 APPEALS TO THE BOARD OF DIRECTORS

- A. Any Food Service Establishment, permit applicant, or permittee adversely affected by a decision, action, or determination made by the General Manager may, prior to the date that the General Manager's order becomes final, file a written request for hearing before the Board of Directors accompanied by an appeal fee in the amount established by a separate resolution of the District's Board of Directors. The request for hearing shall set forth in detail all the issues in dispute for which the appellant seeks determination and all facts supporting appellant's request.

No later than sixty (60) days after receipt of the request for hearing, the Board of Directors shall either set the matter for a hearing, or deny the request for a hearing.

A hearing shall be held by the Board of Directors within sixty-five (65) days from the date of determination granting a hearing, unless a later date is agreed to by the appellant and the Board of Directors. If the matter is not heard within the required time, due to actions or inactions of the appellant, the General Manager's order shall be deemed final.

- B. The Board of Directors shall grant all requests for a hearing on appeals concerning permit suspension, revocation, or denial. Whether to grant or deny the request for a hearing on appeals of other decisions of the General Manager shall be within the sole discretion of the Board of Directors.
- C. The appeal fee shall be refunded if the Board of Directors denies a hearing or reverses or modifies, in favor of the appellant, the order of the General Manager. The fee shall not be refunded if the Board of Directors denies the appeal.
- D. After the hearing, the Board of Directors shall make a determination whether to uphold, modify, or reverse the decision, action, or determination made by the General Manager.

The decision of the Board of Directors shall be set forth in writing within sixty-five (65) days after the close of the hearing and shall contain a finding of the facts found to be true, the determination of issues presented, and the conclusions. The written decision and order of the Board of Directors shall be sent by certified mail to the appellant or its legal counsel/representative at the appellant's business address.

The order of the Board of Directors shall be final upon its adoption. In the event the Board of Directors fails to reverse or modify the General Manager's order, it shall be deemed affirmed.

6.14 PAYMENT OF CHARGES

- A. Except as otherwise provided, all fees, charges and penalties established by this Ordinance are due and payable upon receipt of notice thereof. All such amounts are delinquent if unpaid forty-five (45) days after date of invoice.
- B. Any charge that becomes delinquent shall have added to it a penalty in accordance with the following:
 - 1. Forty-six (46) days after date of invoice, a basic penalty of ten percent (10%) of the base invoice amount, not to exceed a maximum of \$1,000.00; and
 - 2. A penalty of one and one-half percent (1.5%) per month of the base invoice amount and basic penalty shall accrue from and after the forty-sixth (46th) day after date of invoice.
- C. Any invoice outstanding and unpaid after ninety (90) days shall be cause for immediate initiation of permit revocation proceedings or immediate suspension of the permit.
- D. Penalties charged under this Section shall not accrue to those invoices successfully appealed, provided the District receives written notification of said appeal prior to the payment due date.
- E. Payment of disputed charges is still required by the due date during District review of any appeal submitted by permittees.

Collection of Delinquent Accounts

Collection of delinquent accounts shall be in accordance with the District's policy resolution establishing procedures for collection of delinquent obligations owed to the District, as amended from time to time by the Board of Directors. Any such action for collection may include an application for an injunction to prevent repeated and recurring violations of this Ordinance.

6.15 FINANCIAL SECURITY/AMENDMENTS TO PERMIT

A. Delinquent Accounts

The District may require an amendment to the permit of any Permittee who fails to make payment in full of all fees and charges assessed by the District, including reconciliation amounts, delinquency penalties, and other costs or fees incurred by the Permittee.

B. Bankruptcy

Every Permittee filing any legal action in any court of competent jurisdiction, including the United States Bankruptcy Court, for purposes of discharging its financial debts or obligations or seeking court-ordered, protection from its creditors, shall, within ten (10) days of filing such action, apply for and obtain the issuance of an amendment to its permit.

C. Security

An amendment to a waste discharge permit issued, may be conditioned upon the Permittee depositing financial security in an amount equal to the average total fees and charges for two (2) calendar quarters during the preceding year. Said deposit shall be used to guarantee payment of all fees and charges incurred for future services and facilities furnished by District and shall not be used by the District to recover outstanding fees and charges incurred prior to the Permittee filing and receiving protection from creditors in the United States Bankruptcy Court.

D. Return of Security

In the event the Permittee makes payment in full within the time prescribed by this Ordinance of all fees and charges incurred over a period of two (2) years following the issuance of an amendment to the permit, the District shall either return the security deposit posted by the Permittee or credit their account.

6.16 JUDICIAL REVIEW

A. Pursuant to Section 1094.6 of the California Code of Civil Procedure, the District hereby enacts this part to limit to ninety (90) days following final decisions in adjudicatory administrative hearings the time within which an action can be brought to review such decisions by means of administrative mandamus.

B. Definitions

As used in this Section, the following terms and words shall have the following meanings:

1. Decision shall mean and include adjudicatory administrative decisions that are made after hearing, or after revoking, suspending, or denying an application for a permit.
2. Complete Record shall mean and include the transcript, if any exists, of the proceedings, all pleadings, all notices and orders, any proposed decision by the District's officers, agents, or employees, the final decision, all admitted exhibits, all rejected exhibits in the possession of the District or its officers, agents or employees, all written evidence, and any other papers in the case.

- C. Time Limit for Judicial Review. Judicial review of any decision of the District or its officer or agent may be made pursuant to Section 1094.5 of the Code of Civil Procedure only if the petition for writ of mandate is filed not later than the ninetieth (90th) day following the date on which the decision becomes final. If there is no provision for reconsideration in the procedures governing the proceedings or if the date is not otherwise specified, the decision is final on the date it is made. If there is provision for reconsideration, the decision is final upon the expiration of the period during which such reconsideration can be sought; provided that if reconsideration is sought pursuant to such provision the decision is final for the purposes of this Section on the date that reconsideration is rejected.
- D. The complete record of the proceedings shall be prepared by the District officer or agent who made the decision and shall be delivered to the petitioner within ninety (90) days after he/she has filed written request therefor. The District may recover from the petitioner its actual costs for transcribing or otherwise preparing the record.
- E. If the petitioner files a request for the record within ten (10) days after the date the decision becomes final, the time within which a petition, pursuant to Section 1094.5 of the Code of Civil Procedure, may be filed shall be extended to not later than the thirtieth (30th) day following the date on which the record is either personally delivered or mailed to the petitioner or the petitioner's attorney of record, if appropriate.
- F. In making a final decision, the District shall provide notice to the party that Section 1094.6 of the Code of Civil Procedure governs the time within which judicial review must be sought.
- G. Notwithstanding the foregoing in this Section 6.16, and pursuant to Government Code Section 54740.6, judicial review of an order of the Board of Directors imposing administrative civil penalties pursuant to Section 6.10.D may be made only if the petition for writ of mandate is filed not later than the thirtieth (30th) day following the day on which the order of the Board of Directors becomes final.

ARTICLE 7 - SEVERABILITY

If any section, subsection, subdivision, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such invalidity shall not affect the validity of this entire Ordinance or any of the remaining portions hereof. The Board of Directors hereby declares that it would have passed this Ordinance, and each section, subsection, subdivision, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sees, clauses or phrases be declared unconstitutional or otherwise invalid.

ARTICLE 8 - EFFECTIVE DATE

This Ordinance shall take effect October 1, 2016 and a summary shall be published in a newspaper of general circulation as provided by law.

PASSED AND ADOPTED by the Board of Directors of East Orange County Water District
this 15th day of September, 2016

President, Board of Directors
East Orange County Water District

STATE OF CALIFORNIA)
). COUNTY OF ORANGE)

I, JOAN ARNESON, Secretary of the Board of Directors of East Orange County Water District, do hereby certify that the above and foregoing Ordinance No. 16-4 was passed and adopted at a regular meeting of said Board on the 21st day of July, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of July, 2016.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: INDEFINITE ENGINEERING SERVICES – AWARD OF CONTRACT TO RCE ENGINEERING
DATE: SEPTEMBER 12, 2016

BACKGROUND

Currently, the district obtains general engineering services from several sources on a project-by-project basis with Bill Everest providing program management and project oversight. This has worked well for us, as we have been able to take advantage of the agility and cost competitiveness of smaller firms for smaller projects, but also to be able to use larger firms on larger and more technically complex projects.

The acquisition of Improvement District 1, however, has generated the need for recurrent, non-project specific engineering services, both for ongoing pipeline rehabilitation (a specialized service) and to assist with sewer connection review and permitting (a less specialized service). Because of this, staff determined that bundling both the water and wastewater general engineering services made sense from the aspect of developing depth and redundancy in a critical area of district operations. Staff reviewed this plan with the Engineering and Operations Committee who also agreed that this was a prudent approach.

After consultation with Bill Everest, Nick Arhontes and other water/wastewater districts, an RFP for an indefinite quantity of general water and wastewater engineering services was sent to eight (8) prequalified firms (alphabetical order):

AKM Engineering
Brown & Caldwell
Civiltec
Hazen and Sawyer
HDR
PACE Engineering
RCE Consultants
Robin B. Hamers & Associates

We received responses from two firms, Civiltec and RCE Consultants. Several of the firms declined to respond as they desired to participate in larger projects that will be upcoming and they would be precluded from proposing on these if they provided these services. Others declined because they lacked staffing capacity to provide the services needed on such a frequent basis.

Staff held interviews with Civiltec and RCE Consultants and was impressed with both firms, but ultimately is recommending RCE Consultants, Inc. for the provision of these services.

RCE was founded in 2004 to also provide general engineering services with a focus on private development as well as environmental engineering for public agencies; their primary office is located in Laguna Hills. Company President Rich Clark would be the Principal-In-Charge. Mr. Frank Cahill would be the Senior Project Manager that would provide most of the services, assisted by Project Engineers, Brandon Willnecker and Jason Pascual. Mr. Cahill has 27 years of experience as a professional civil

engineer. Mssrs. Willnecker and Pascual have 20 years and 10 years of experience, respectively. Clients that receive similar services include: EOCWD, Moulton Niguel Water District, South Coast Water District, Coachella Valley Water District and the City of Redlands.

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This recommendation was discussed with the Engineering and Operations Committee at their September 12th meeting; the Committee concurs with staff's recommendation and recommends Board approval.

The Master Agreement (attached) would be used to authorize these services, while funding would be provided through the budget process. The initial authorization for the general engineering services would be \$100,000, with the initial monthly level of effort expected to be in the \$7,500/month range. RCE would also be eligible for small project related engineering services (such as the Pressure Reducing Station design work they are currently performing). These would be awarded on a project-by-project basis where engineering fees don't exceed \$20,000.

These services were not budgeted for in the initial FY 2016/2017 budgets for the Retail Zone, Wholesale Zone and ID1, however funding is availability from contingency funds.

FINANCIAL IMPACT

The \$100,000 budget will be funded from Contingency Funds, Account No. 5940-10, 5940-20, 5940-30. It is anticipated that 50% will be sewer related expenses, and the other 50% will be split between the WZ and RZ on a direct charge basis.

RECOMMENDATION

The Board approve the Master Agreement for Ongoing General and District Engineering Services between the East Orange County Water District and RCE Consultants, Inc., and authorize a budget of \$100,000 for these services.

MASTER AGREEMENT
FOR ONGOING CONSULTING AND DISTRICT ENGINEERING SERVICES
BETWEEN EAST ORANGE COUNTY WATER DISTRICT
AND RCE CONSULTANTS, INC

THIS MASTER AGREEMENT is made and entered into on this 15th day of September, 2016, by and between East Orange County Water District, hereinafter referred to as "Client," and, RCE Consultants, Inc. a, California Corporation hereinafter referred to as "Consultant."

RECITALS:

WHEREAS, Client desires that from time to time Consultant furnish Client certain consulting services;

WHEREAS, Consultant has available and offers to provide personnel and facilities necessary to perform the services desired under this Agreement;

NOW, THEREFORE, Client and Consultant agree as follows:

I. DESCRIPTION OF SERVICES

Services to be provided shall be as requested from time-to-time by District staff or members of Board Committees or of the Board of Directors as designated under Section III of this Agreement and shall be governed by the terms of this Agreement. Some examples of specific services are provided in Exhibit A attached hereto; some examples of these services are generally as follows:

- A. General engineering advice relating to the operation of Client's facilities;
- B. Preparation of various planning, engineering and facility replacement cost studies;
- C. Preparation of easement descriptions and sketches or review of such documents prepared by others;
- D. Plan checking of plans and specifications for District facilities prepared by others;
- E. Preparation or updating of District standard specifications;
- F. Water system computer modeling and fire-flow analyses of proposed developments or of the entire District system;
- G. Mapping of District facilities;
- H. Attendance at pertinent District meetings.
- I. Preparation and review of general correspondence;

- J. Assisting District staff in the preparation of requests for proposals in those instances where Client deems that to be appropriate;
- K. Assisting District staff in the administration of engineering projects undertaken by other consultants that may be retained following the issuance of a request for proposal.
- L. Design of specific projects which may include the following subtasks:
 - 1. Preliminary investigations and designs;
 - 2. Preparation of specifications and procurement of soils tests, analyses, subsurface investigations and foundation explorations for design;
 - 3. Engineering design and analyses of facilities proposed for construction;
 - 4. Preparation of plans and specifications for construction of facilities;
 - 5. Preparation of quantities and opinions of probable construction costs;
 - 6. Assistance in securing construction bids and evaluation of said bids;
 - 7. Construction phase services as set forth in further detail in Section VII of this Agreement;
 - 8. Assistance in start-up or testing of equipment.

II. SCOPE OF CONSULTANT SERVICES

Consultant agrees to perform those basic services described in Section I and Exhibit A as requested from time-to-time by Client staff (the “Services”). This Agreement provides the terms, obligations and conditions which shall control all work unless specifically overridden by a separate agreement regarding a specific project.

III. RESPONSIBILITIES OF CLIENT

In addition to payment for the Services performed under this Agreement, Client shall:

- 1. Assist and cooperate with Consultant as necessary and within its ability to facilitate Consultant’s performance under this Agreement.
- 2. Designate the District General Manager to act as Client’s representative with respect to this Agreement. The designated person shall have complete authority to transmit instructions, receive information, interpret and define Client’s policies, make decisions and execute documents on Client’s behalf.

3. Furnish Consultant with all pertinent technical data in Client's possession including, but not limited to, maps, surveys, drawings, soils or geotechnical reports, and any other information required by, or useful to, Consultant in performance of its Services under this Agreement. Consultant shall be entitled to rely upon the information supplied by Client.
4. Notify Consultant of any known actual or known potential health or safety hazards existing at or near any project sites.
5. Provide access to and/or obtain permission for Consultant to enter upon all property, whether or not owned by Client, as required to perform and complete the Services.
6. If Consultant's scope of work includes services during construction, Client will require the construction contractor to indemnify and hold harmless Consultant, its officers, employees, agents, and consultants against claims, suits, demands, liabilities, losses, damages, and costs, including reasonable attorneys' fees and all other costs of defense, arising out of the performance of the work of the contractor, breach of contract, or willful misconduct of the contractor or its subcontractors, employees, and agents.

Client will require the contractor to name Consultant, its directors, officers and employees as additional insureds on the contractor's general liability insurance and/or Owner's and Contractor's Protective Policy (OCP), and any builder's risk, or other property insurance purchased by Client or the contractor to protect work in progress or any materials, supplies, or equipment purchased for installation therein.

Client will furnish contractor's certificates of insurance evidencing that Consultant, its officers, employees, agents, and consultants are named as additional insureds on contractor's general liability and property insurance applicable to the Project. Contractor's policies shall be primary and any such insurance carried by the Consultant shall be excess and noncontributory. The certificates shall provide that Consultant be given 30 days' written notice prior to any cancellation thereof.

IV. AMERICANS WITH DISABILITIES ACT

Any other provision of this Agreement to the contrary notwithstanding, unless otherwise specified in the Scope of Services, Client shall have sole responsibility as between Client and Consultant for compliance with the Americans With Disabilities Act ("ADA") 42 U.S.C. 12101 et. Seq. and the related regulations.

V. AUTHORIZATION AND COMPLETION

In signing this Agreement, Client grants Consultant specific authorization to proceed with any requested work.

VI. COMPENSATION

For the requested Services, Client agrees to pay, and Consultant agrees to accept the total compensation in accordance with compensation terms included in this Agreement. If requested,

Consultant shall provide Client with a breakdown of the total compensation into subtasks, with the understanding that such breakdowns are estimates only. Consultant may re-allocate compensation between tasks, provided total compensation is not exceeded without the approval of Client. Time charges shall be in accordance with the Time and Expense Rate Schedule contained in Exhibit B. The rate schedule shall be revised annually. Annual revisions to the Rate Schedule shall be submitted prior to the date that they take effect. The revised Rate Schedule shall take effect unless written notice is received from the Client that the revised rates are not accepted. Compensation shall be billed monthly in summary form. Payment to Consultant is due upon presentation of invoice to Client.

As long as Consultant has not defaulted under this Agreement, Client shall pay Consultant within 45 days of the date of Consultant's invoices for services performed and reimbursable expenses incurred under this Agreement. If Client has reason to question or contest any portion of any such invoice, amounts questioned or contested shall be identified and notice given to Consultant within 30 days of the date of the invoice. Any portion of any invoice not contested shall be deemed to be accepted and approved for payment and shall be paid to Consultant within 30 days of the date of the invoice. The Client agrees to cooperate with Consultant in a mutual effort to resolve promptly any contested portions of the Consultant's invoices.

In the event any uncontested portions of any invoice are not paid within 30 days of the date of Consultant's invoice, interest on the unpaid balance shall accrue beginning with the 31st day at the maximum interest rate permitted by law.

VII. RESPONSIBILITY OF CONSULTANT

A. Standard of Care—Professional Services

Subject to the limitations inherent in the agreed scope of work as to the degree of care, amount of time and expenses to be incurred, and subject to any other limitations contained in this Agreement, Consultant shall perform its Services in accordance with generally accepted standards and practices customarily utilized by competent engineering firms in effect at the time Consultant's Services are rendered. Consultant does not expressly or impliedly warrant or guarantee its Services.

B. Reliance upon Information Provided by Others

If Consultant's performance of services hereunder requires Consultant to rely on information provided by other parties (excepting Consultant's subcontractors), Consultant shall not independently verify the validity, completeness, or accuracy of such information unless otherwise expressly engaged to do so in writing by Client.

C. Consultant's Opinion of Costs

Client acknowledges that construction cost estimates, financial analyses and feasibility projections are subject to many influences including, but not limited to, price of labor and materials, unknown or latent conditions of existing equipment or structures, and time or quality of performance by third parties. Client acknowledges that such influences may not be precisely forecasted and are beyond the control of Consultant and that actual costs incurred may vary substantially from the estimates prepared by Consultant. Consultant does not warrant or guarantee the accuracy of construction or development cost estimates.

D. Construction Phase Services

1. Consultant's Activities at Construction Site. The presence of Consultant's personnel at a construction site, whether as on-site representative, resident engineer, construction manager, or otherwise, does not make Consultant responsible for those duties that belong to Client and/or construction contractors or others, and does not relieve construction contractors or others of their obligations, duties, and responsibilities, including, but not limited to, construction methods, means, techniques, sequences, and procedures necessary for completing all portions of the construction work in accordance with the contract documents, any health or safety programs and precautions required by such construction work, and any compliance with applicable laws and regulations. Any inspection or observation of the contractor's work is solely for the purpose of determining that the work is generally proceeding in conformance with the intent of the project specifications and contract documents. Consultant makes no warranty or guarantee with respect to the performance of a contractor. Consultant has no authority to exercise control over any construction contractor in connection with their work or health or safety programs and precautions. Except to protect Consultant's own personnel and except as may be expressly required elsewhere in the scope of services, Consultant has no duty to inspect, observe, correct, or report on health or safety deficiencies of the construction contractor.
2. Shop Drawing and Submittal Review. If requested by Client, Consultant shall review shop drawings or other contractor submittals for general conformance with the intent of the contract documents. Consultant shall not be required to verify dimensions, to engineer contractor's shop drawings or submittals, nor to coordinate shop drawings or other submittals with other shop drawings or submittals provided by contractor.
3. Record Drawings. Record drawings, if required, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the Project was finally constructed. Consultant is not responsible for any errors or omissions in the information from others that are incorporated into the record drawings.

VIII. ASBESTOS/HAZARDOUS MATERIALS

Consultant and Consultant's subcontractors shall have no responsibility for the discovery, handling, removal, or disposal of or exposure of persons to asbestos or hazardous or toxic materials that are present in any form at the Project site. Professional services related to or in any way connected with the investigation, detection, abatement, replacement, use, specification, or removal of products, materials, or processes containing asbestos or hazardous or toxic materials are beyond the scope of this Agreement. Client shall be solely responsible for notifying all appropriate governmental agencies, including the potentially affected public, of the existence of any hazardous or toxic materials located on or at the project site at any time.

In the event Consultant encounters asbestos or hazardous materials at the jobsite, Consultant may, at its option and without liability for damages, suspend the performance of services on the Project until such time as Client and Consultant mutually agree on an amendment to this Agreement to address the issue, or Client retains another specialist consultant or contractor to identify, classify, abate and/or remove the asbestos and/or hazardous materials.

IX. CONSULTANT'S WORK PRODUCT

A. Scope

Consultant's work product which is prepared solely for the purposes of this Agreement, including, but not limited to, drawings, test results, recommendations and technical specifications, whether in hard copy or electronic form, shall become the property of Client when Consultant has been fully compensated as set forth herein. Consultant may keep copies of all work product for its records.

Consultant and Client recognize that Consultant's work product submitted in performance of this Agreement is intended only for the project described in this Agreement. Client's alteration of Consultant's work product or its use by Client for any other purpose shall be at Client's sole risk, and Client shall hold harmless and indemnify Consultant against all losses, damages, costs and expense, including attorneys' fees, arising out of or related to any such alteration or unauthorized use.

B. Electronic Copies

If requested, solely as an aid and accommodation to Client, Consultant may provide copies of its work product documents in computer-readable media ("electronic copies," "CADD"). These documents will duplicate the documents provided as work product, but will not bear the signature and professional seals of the registered professionals responsible for the work. Client is cautioned that the accuracy of electronic copies and CADD documents may be compromised by electronic media degradation, errors in format translation, file corruption, printing errors and incompatibilities, operator inexperience and file modification. Consultant will maintain the original copy, which shall serve as the official, archived record of the

electronic and CADD documents. Client agrees to hold harmless, indemnify and defend Consultant from any claims arising out of or relating to any unauthorized change or alteration by anyone other than Consultant, of electronic copies and CADD documents.

X. INDEMNIFICATION

A. Indemnification of Client

Consultant agrees to indemnify, defend, and hold Client harmless from and against any liability to the extent arising out of the negligent errors or negligent omissions of Consultant, its agents, employees, or representatives, in the performance of Consultant's duties under this Agreement.

B. Consequential Damages

Regardless of any other term of this Agreement, in no event shall either party be responsible or liable to the other for any incidental, consequential, or other indirect damages.

XI. CONSULTANT'S INSURANCE

Consultant shall procure and maintain the following minimum insurance:

1. Commercial general liability insurance, including personal injury liability, blanket contractual liability and broad-form property damage liability coverage. The combined single limit for bodily injury and property damage shall be not less than \$5,000,000.
2. Automobile bodily injury and property damage liability insurance covering owned, non-owned, rented, and hired cars. The combined single limit for bodily injury and property damage shall be not less than \$1,000,000.
3. Statutory workers' compensation and employer's liability insurance as required by state law.
4. Professional liability insurance. The policy limit shall be not less than \$2,000,000.

Upon request, Consultant shall submit to Client certificates of insurance for the policies listed above. The certificates shall provide that the insurance company gives written notice to Client at least ten days prior to cancellation of the policy.

XII. CONFIDENTIALITY

Consultant agrees it will maintain the confidentiality of material it receives from Client which Client has clearly identified as "Confidential" and will not disclose, distribute, or publish to any third party such confidential information without the prior permission of Client. Notwithstanding the foregoing, Consultant shall have no confidentiality obligation with respect to information that:

- 1) becomes generally available to the public other than as a result of disclosure by Consultant or its agents or employees;
- 2) was available to Consultant on a non-confidential basis prior to its disclosure by Client;
- 3) becomes available to Consultant from a third party who is not, to the knowledge of Consultant, bound to retain such information in confidence.

In the event Consultant is compelled by subpoena, court order, or administrative order to disclose any confidential information, Consultant shall promptly notify Client and shall cooperate with Client prior to disclosure so that Client may take necessary actions to protect such confidential information from disclosure.

XIII. SUBCONTRACTS

Consultant shall be entitled, to the extent determined appropriate by Consultant, to subcontract any portion of the services to be performed under this Agreement. Prior to subcontracting with any entity, Consultant will first consult with Client and provide client with the option of retaining the recommended subcontractor under direct contract with the Client rather than as a subcontractor to Consultant.

XIV. SUSPENSION OF WORK

Work under this Agreement may be suspended as follows:

1. By Client. By written notice to Consultant, Client may suspend all or a portion of the Work under this Agreement if unforeseen circumstances beyond Client's control make normal progress of the Work impracticable. Consultant shall be compensated for its reasonable expenses resulting from such suspension including mobilization and demobilization. If suspension is greater than 30 days, then Consultant shall have the right to terminate this Agreement in accordance with Article XV, Termination of Work.
2. By Consultant. By written notice to Client, Consultant may suspend the Work if Consultant reasonably determines that working conditions at the Site (outside Consultant's control) are unsafe, or in violation of applicable laws, or for other circumstances not caused by Consultant that are interfering with the normal progress of the Work. Consultant's suspension of Work hereunder shall be without prejudice to any other remedy of Consultant at law or equity.

XV. TERMINATION OF WORK

- A. This Agreement may be terminated by Client as follows: (1) for its convenience on 30 days' notice to Consultant, or (2) for cause, if Consultant materially breaches this Agreement through no fault of Client and Consultant neither cures such material breach nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to Consultant.
- B. This Agreement may be terminated by Consultant as follows: (1) for cause, if Client materially breaches this Agreement through no fault of Consultant and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Consultant has given written notice of the alleged breach to Client, or (2) upon five days' notice if work under this Agreement has been suspended by either Client or Consultant for more than 30 days in the aggregate.

C. Payment upon Termination

In the event of termination, Consultant shall perform such additional work as is reasonably necessary for the orderly closing of the Work. Consultant shall be compensated for all work performed prior to the effective date of termination, plus work required for the orderly closing of the Work, including: (1) authorized work performed up to the termination date plus termination expenses, including all labor and expenses, at Consultant's standard billing rates, directly attributable to termination; (2) all efforts necessary to document the work completed or in progress; and (3) any termination reports requested by Client.

Except for termination of Consultant by Client for cause, Consultant shall also receive a reasonable termination fee to for termination of work on specific design or other projects. This fee shall account for Consultant's rescheduling adjustments, reassignment of personnel, and related costs incurred due to termination.

XVI. ASSIGNMENT

This Agreement is binding on the successors and assigns of the parties hereto. This Agreement may not be assigned by Client or Consultant without prior, written consent of the other.

XVII. NO BENEFIT FOR THIRD PARTIES

The services to be performed by Consultant are intended solely for the benefit of Client, and no benefit is conferred on, nor contractual relationship established with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on Consultant's services, opinions, recommendations, plans, or specifications without the express written consent of Consultant. No right to assert a claim against the Consultant, its officers, employees, agents, or consultants shall accrue to the construction contractor or to any subcontractor, supplier, manufacturer, lender, insurer, surety, or any other third party as a result of this Agreement or the performance or nonperformance of the Consultant's services hereunder.

XVIII. FORCE MAJEURE

Consultant shall not be responsible for delays caused by circumstances beyond its reasonable control, including, but not limited to (1) strikes, lockouts, work slowdowns or stoppages, or accidents, (2) acts of God, (3) failure of Client to furnish timely information or to approve or disapprove Consultant's instruments of service promptly, and (4) faulty performance or nonperformance by Client, Client's independent consultants or contractors, or governmental agencies. Consultant shall not be liable for damages arising out of any such delay, nor shall the Consultant be deemed to be in breach of this Agreement as a result thereof.

XIX. INTEGRATION

This Agreement represents the entire understanding of Client and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties. Any purchase order issued by Client, whether or not signed by Consultant, and any terms and conditions contained in such purchase order which are inconsistent with this Agreement shall be of no force and effect.

XX. SEVERABILITY

If any part of this Agreement is found unenforceable under applicable laws, such part shall be inoperative, null, and void insofar as it conflicts with said laws, but the remainder of this Agreement shall be in full force and effect.

XXI. CHOICE OF LAW/JURISDICTION

This Agreement shall be administered and interpreted under the laws of the state in which the Consultant office responsible for the project is located. Jurisdiction of litigation arising from the Agreement shall be in that state.

XXII. ATTORNEYS' FEES

In the event either party commences legal proceedings against the other, then the prevailing party shall, in addition to any other recovery, be entitled to recover its reasonable attorneys' fees and all other costs of such proceeding.

XXIII. NOTICES

All notices required under this Agreement shall be delivered by facsimile, personal delivery or mail and shall be addressed to the following persons:

Mr. Rich Clark
RCE Consultants, Inc.
24422 Avenida de la Carlota, Suite 300
Laguna Hills, CA 92653
Phone: (949) 453-0111
Fax: (949) 453-0411

General Manager
East Orange County Water District
185 N. McPherson Road
Orange, CA 92869
Phone: (714) 538-5815
Fax: (714) 538-0334

Notice shall be effective upon delivery to the above addresses. Either party may notify the other that a new person has been designated by it to receive notices, or that the address or Fax number for the delivery of such notices has been changed, provided that, until such time as the other party receives such notice in the manner provided for herein, any notice addressed to the previously-designated person and/or delivered to the previously-designated address or Fax number shall be effective.

XXIV. AUTHORIZATION

The persons executing this Agreement on behalf of the parties hereto represent and warrant that the parties have all legal authority and authorization necessary to enter into this Agreement, and that such persons have been duly authorized to execute this Agreement on their behalf.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

EAST ORANGE COUNTY
WATER DISTRICT

Signature: _____

Signature: _____

Printed Name: Rich Clark

Printed Name: Lisa Ohlund

Title: Principa-In-Charge

Title: General Manager

Federal Tax ID number:

COMPENSATION TIME AND EXPENSE RATE SCHEDULE

Compensation for services provided under Article II, "Scope of Consultant Services," for all services will be based on time-related charges, plus direct charges as described below. Payment shall be as specified in Article VI, "Compensation," of the Agreement.

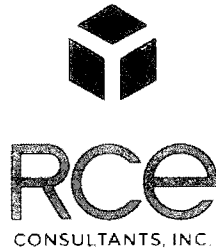
I. TIME-RELATED CHARGES

Time-related charges are the total hours worked on Project by each employee, multiplied by the employee's hourly billable rate.

III. DIRECT CHARGES

Direct charges are all charges, other than time-related charges, incurred directly for the Project. Subcontracted services and Other Direct Costs shall be billed at actual cost plus a service charge of ten percent and ten percent, respectively. In-house Services shall be billed at the standard billing rates with no further mark-up. Subcontracted services, Other Direct Costs and In-house Services include, but are not limited to:

1. Services and equipment such as special accounting services, computer electronic data processing, field testing, and laboratory analysis.
2. Reproduction services, including reproducing drawings, photocopying, printing, and binding.
3. Communication costs such as telephone, facsimile, telecopy, express delivery, and postage.
4. Subcontracted services.
5. Living and traveling expenses of employees when away from their home office.
6. Automobile mileage reimbursed to employee at the rate established and updated by the Internal Revenue Service.



ENGINEERING PROPOSAL

Prepared for:

East Orange County Water District

Indefinite Quantity Water and Wastewater General Engineering Services

RFP: # 2016-02

9/2/2016

24422 Avenida de la Carlota, Suite 300
Laguna Hills, California 92653
Phone 949.453.0111 • rceconsult.com



September 2, 2016

East Orange County Water District
Lisa Ohlund, General Manager
185 N. McPherson Rd
Orange, CA 92869

Reference: Request for Proposals for Indefinite Quantity Water and Wastewater General Engineering Services — East Orange County. RFP: # 2016-02

Dear Ms. Ohlund,

Thank you for the opportunity to provide our proposal for District Engineering and water/wastewater engineering services. As you know we have worked with the District for several years and have developed a strong working relationship.

We are very selective in the work we undertake and work only with clients for whom we can add value. We have elected to submit this proposal based on our ability to meet your expectations and because the work aligns with our core expertise.

At RCE, we pride ourselves on our ability to provide engineering services in an innovative, business centric manner; allowing the District to focus on its core business while relying on us to meet its engineering needs.

East Orange County Water District is a strategic client for us, meaning it is responsible for several infrastructure systems, which complement our expertise. Because of this, we are very interested in pursuing a long term relationship with the District.

We trust that this proposal adequately portrays our excitement at the opportunity to serve EOCWD. Our project team stands ready to meet with you to further describe our approach, fees, and qualifications. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads 'Patrick F. Cahill'.

Patrick F. Cahill, P.E.
Senior Project Manager



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INTRODUCTION / EXECUTIVE SUMMARY

RCE has worked with EOCWD for a number of years and we have developed a good working relationship with strong communication. Working with Jerry Mendzer and Bill Everest on the recent Pressure Regulating Valve project has been both enjoyable and effective.

We are sixteen (16) miles from your office and have a reputation for being extremely responsive. We can meet at (almost) no notice. We can be in the field in minutes to inspect a construction installation or pipe burst etc. We can adapt to changes as they happen in real time.

Our fees are reasonable due to our low overhead.

We specialize in Sewer and Water Master Planning and Infrastructure Design.

We have a staff of 14 at various experience levels ranging from new graduates to 30 years' experience. We are constantly growing and adapting and have been successful due to our commitment to "thinking like the owner" and therefore providing value rather than simply performing a service.

We also have extensive Land Development engineering experience which will be beneficial to the District as we interface with developers in your service area.

Our team will be led by our Senior Project Manager, Mr. Frank Cahill, P.E., who has over twenty seven years' experience managing water and sewer infrastructure projects throughout Southern California.

We have expertise in trenchless technology which can be brought to bear on the infrastructure systems owned by the District. Rather than open-trenching and installing new sewer and water pipes in existing streets, Pipe Bursting, Horizontal Directional Drill and other innovative installation methods are options that should be considered at the preliminary design stage. We will provide our expertise related to these techniques at the outset of the projects so that we can decide the most beneficial installation method based on the District's priorities.

We are sensitive to the public nature of the District Engineering role. We understand that beyond the engineering aspects of water delivery and sewage collection, there are many other factors which affect a project's or a system's success. We will consider the District's customers first and the public in general as we proceed with the CIP. We understand the benefit and importance of public outreach and strong communication with stakeholders during the implementation of infrastructure improvements and repairs.

Some of our recent and current water/wastewater infrastructure projects include: 30,000 linear feet of water main replacements for Golden State Water Company (GSWC), a six hundred thousand gallon reservoir, booster pump station and several miles of pipelines in the City of Simi Valley. Also, we are in the final phase of a sewage collection system installation in Thermal, California. This consists of three miles of sewer pipe and five sewage lift stations.



APPLICANT PROFILE

RCE Consultants, Inc., is a civil engineering firm specializing in providing design and construction management services to Cities and Special Districts, as well as residential community land development. Started in 2004 by two civil engineers, who combined have over 50 years' experience serving the Southern California region, the company is built on the strong foundation of their collective experience.

The **mission** of RCE is to focus on specialized areas of expertise by providing each of our clients the same excellent service, constant communication, and quality product that they have come to expect from our firm. Principal involvement on every assignment is the foundation by which the company operates.

Combined with our focus on responsiveness, providing services that meet and exceed our client's expectations, forms the core of our company. The Principal and Senior Management have built their individual reputations on these same values and have assembled a team of like-minded professionals.

A list of major services in which RCE specializes is as follows:

- Water/Wastewater design
- Sewer and Water Master plans
- Construction Engineering
- Residential/Commercial Land Development Engineering
- Survey

Within each of these specialties RCE has developed a team of skilled professionals to find effective solutions to complex issues. Their professionalism, pride of ownership, and attention to detail is brought to bear on each and every project.

RCE was incorporated in 2004 in the state of California. It's Federal Tax ID is 20-1467805



PROJECT UNDERSTANDING

We have reviewed your RFP, and have taken into account our other commitments. Based on this analysis, we can commit to undertaking your Indefinite Quantity Water and Wastewater General Engineering Services.

We understand that EOCWD requires the services of a District Engineer on an as-needed basis. Now that the District is responsible for both a sewer collection and a water distribution system, there is a need for engineering services to maintain and improve these systems going forward. We will provide the necessary professional engineering guidance to the District's staff and Board of Directors as required to support the Capital Improvement Program and routine repairs, modifications and replacement projects.

We will attend Board meetings and Engineering committee Meetings as required and represent the District in meetings and matters relating to land development, District planning, interagency relations, and other District matters. We will also meet twice monthly progress meetings with District staff.

We will Interface with the general public and District customers as may be required. We will develop and maintain a standard set of sewer specifications and plans in order to have a consistent design framework to comply with as we move forward with the Sewer Capital Improvement Program.

We will provide in-house engineering design and project management services when deemed appropriate and economical and will prepare Requests for Proposals (RFPs) to solicit engineering services for those projects to be done by outside engineering firms.

We will manage the RFP process, analyze the proposals and make recommendations of award to the General Manager and Board of Directors with back-up documentation supporting our decision.

We will manage the Capital Improvement Program (CIP) by prioritizing the projects and ensuring the projects are executed in a timely manner. An asset management plan is essential for both the sewer and water networks in order to maximize return on investment and minimize operation and maintenance costs. Based on the existing condition of the pipes and appurtenances, the age, material and expected life span, we will decide which elements of the systems need to be replaced in order to avoid pipe bursts, sewer failures etc. that deplete operational budgets disproportionately. We will proactively manage the system rather than reacting to system failures. We understand ID modelling runs your water hydraulic network. This is good starting point but several other considerations must be taken into account. We will look to implement a similar GIS based data system for the sewer facilities.

Once we have reliable data on the age and performance of the various elements of the systems, we can prepare a schedule of CIP projects in order of priority and execute against this schedule to maximize the District's return on investment. Rather than simplistically replacing the oldest pipes first, for instance, we will instead replace those pipes which are more likely to fail based on real data rather than assumptions or estimates. We would like to discuss this further with your



staff so that we can collectively make decisions and proceed with the District's economic interest at the forefront.

PROPOSED SCOPE OF WORK

We have reviewed the outline scope of work in your Request for Proposal (RFP) and we have concluded that the work is within our core competence and that we have the personnel and expertise to perform these services. This work includes:

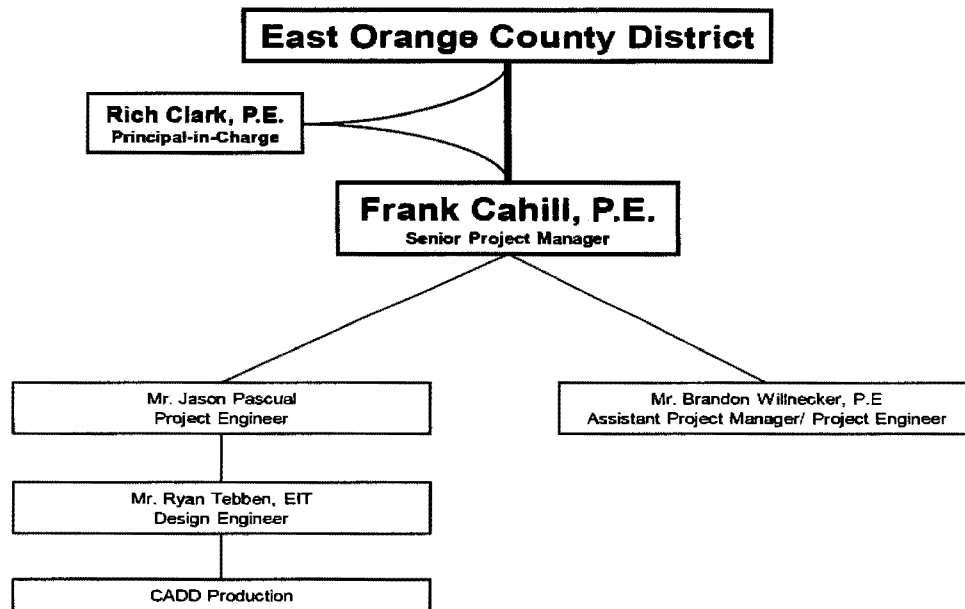
- District Engineering Services
- Project Management
- Water System Services
- Capital Improvement Program Management
- Sewer System Services
- Development Plan Checking and Construction Inspection

We are already under contract with EOCWD to provide Development Plan Checking services and have done so on an as-needed basis.

We have provided water system engineering services to EOCWD in the past and are currently finalizing a design for two pressure regulating facilities (PRVs) for the District.

RCE has assembled a team of uniquely qualified and highly talented professionals to assist EOCWD with its District Engineering needs. The members of the team have recent and relevant experience having completed projects for several Water Districts and Cities throughout Southern California. The team is comprised of RCE staff members that have been working together for the last several years and who have developed a strong working relationship with East Orange County Water District.

The following are the key staff assigned to this effort. This team, however, will have the support of the firm's overall resources, when required, which include additional engineering design, project administration, word processing and document management:



Mr. Patrick F. (Frank) Cahill, P.E.

The project team will be led by Mr. Cahill. He has twenty-seven years of experience in civil engineering and brings a strong technical and managerial background. He has been with RCE since its inception, providing excellent customer service and maintaining a high level of quality control. Mr. Cahill has managed most of the pipeline improvement projects over the years, including the City of Redlands CIP Water Main Replacements, East Orange County Water District's Retail Zone Water Improvements, Moulton Niguel Water District's Recycled Water Main Expansion projects, and South Coast Water District's Emergency Pipeline Relocation (See Statement of Qualifications below). These projects required the RCE team to provide fresh insight and develop infrastructure solutions in an urban setting. Mr. Cahill provided the leadership required to deal with both the complexities of the urban environment and phasing to maximize return on investment.

Mr. Rich Clark, P.E.

Mr. Clark has over twenty-eight years' experience, providing comprehensive consulting services for public and private clients throughout Southern California and abroad. His experience and training combine both a hands-on technical experience and a practical business background. Mr. Clark's expertise includes a blend of engineering design and business acumen that provides an additional depth of understanding related to project funding, value engineering, cash flow analysis, and capital budgeting in an engineering environment. Mr. Clark has applied this skill set to a



number of infrastructure projects, providing a creative approach to project phasing and capital expenditure. Mr. Clark will serve as the Principal-in-Charge for GSWC's projects as he has done since we first started working with GSWC.

Mr. Brandon Willnecker, P.E.

Mr. Willnecker has twenty years' experience in civil engineering design in the Southern California region with extensive water and sewer infrastructure expertise.

Mr. Jason Pascual

Mr. Pascual has over ten years' experience in civil engineering design in the Southern California region including several water and sewer design projects.

Mr. Ryan Tebben, EIT

Mr. Tebben has four years' experience at RCE working on a variety of projects including water distribution piping and sewer collection systems for local agencies.

STATEMENT OF QUALIFICATIONS; RELEVANT EXPERIENCE AND REFERENCES

RCE has an enviable track record of successful projects of complexity, scope, and scale, relevant to EOCWD's expected requirements. For example, RCE has completed 21,000 linear feet of water main replacement for Golden State Water Company, 29,000 feet of water main replacement for the City of Redlands, 3,000 feet of emergency water main replacement for South Coast Water District, and 11,000 feet of 24-inch transmission main extension for Coachella Valley Water District. To allow you to better evaluate our qualifications we have prepared a summary matrix of a portion of our more relevant recent pipeline experience:

	City of Redlands	MNWD	SCWD	EOCWD	CVWD
	Water Main Replacements	Recycled Water Projects	Emergency Pipeline Relocation	Retail Zone 2010 Water System Improvements	Ave 60 Transmission Main Extension
Feasibility Study		X	X	X	X
Survey & Mapping	X	X	X	X	X
Water Main Design	X	X	X	X	X
Permitting	X	X	X	X	X
Cost Estimating	X	X	X	X	X
Construction Admin.		X	X	X	X

The following provides more specific details related to each of the projects depicted in the RCE Experience summary matrix:

City of Redlands CIP Water Main Replacement – RCE assisted the City of Redlands with the replacement of the existing aged infrastructure throughout the City of Redlands. The project included approximately twenty-one (21) locations in which the water main system required replacement. The work included preliminary and final design, survey, permitting, utility coordination and coordination to minimize interruptions in service to the existing users. The total scope of the work included approximately 29,000 linear feet of ductile iron and steel pipe. A major portion of this pipeline was designed within Caltrans right-of-way. We procured the Caltrans Encroachment permits and incorporated Caltrans requirements into the pipeline design.

Reference: Bassam Alzammar – 909.798.7584

Moulton Niguel Water District (MNWD) Recycled Water Projects – RCE assisted MNWD with several of its recycled water pipeline projects. The scope of the work included survey, design and permitting for approximately 12,600 linear feet of 12" C900 PVC pipe and a pressure reducing station. The pipeline was constructed through three arterial and several residential streets. The scope of work also included utility coordination, base map preparation, plan and profile pipeline design, traffic control design, coordination with the City, construction staking and construction administration.

Reference: Matt Collings – 949.425.3552



East Orange county Water District 2011 Retail Zone Water System Improvements – RCE assisted EOCWD with its replacement of approximately 3,000 linear feet of old 8" and 12" diameter water mains in the North Tustin area. We completed the design, analyzed bids and assisted the District in awarding the construction contract. The project was fast tracked due to an imminent County of Orange paving project which required the design *and construction* of the pipelines to be complete in a five month period.

Reference: Lisa Ohlund – 714.538.5815

Coachella Valley Water District (CVWD) Avenue 60 Transmission Main Extension – RCE was selected to provide design services for the 11,000 foot extension of CVWD's 24-inch transmission main in Avenue 60 in Coachella. The project included coordination with Caltrans, Southern Pacific Railroad, and Riverside County. A portion of the project was installed using trenchless techniques.

Reference: Mark Johnson 760-398-2651 Ext 2264

Golden State Water Company (GSWC) 154th Street Improvements – RCE provided design services for 22,000 feet of water pipeline replacements in the County of Los Angeles. It was delivered in three phases and consisted of 8" and 12" diameter ductile iron pipe in residential and commercial streets.

Reference: Adrian Combes – (714) 535-7711 Ext 211

We strongly encourage you to contact our references. We are confident that they will share their experiences working with RCE and substantiate our commitment to responsiveness, critical thinking, problem solving, and customer service. If you would like additional reference information, please do not hesitate to contact us.

Relevant Pump Station Experience

To aid in your evaluation of our qualifications, we have also prepared a summary matrix of a portion of our pump station and lift station experience.

Client	Project	Maximum Flow Rate (gpm)	Total Dynamic Head (Feet of water)	Power (HP)	Pumps	Drives	Emergency Back-Up	Surge Protection	Pump Control
Moulton Niguel Water District	Highlands Pump Station	1,500	350	200	Horizontal Split Case (1 x 200 HP)	Constant Speed	Automatic Transfer Switch	Pressure Relief Valve	Cla-Val
City of San Clemente	Palizada Pump Station	1,400	140	120	Vertical Turbine (3 x 40 HP)	VFDs	Manual Transfer Switch	Pressure Relief Valve	VFDs
Moulton Niguel Water District	Wood Canyon Pump Station	3,600	140	600	Horizontal Split Case (4 x 150 HP)	Constant Speed	Automatic Transfer Switch	Surge Tank (Bladder Type)	Cla-Val
City of Ontario	Whispering Lakes Sewage Lift Station	7,000	100	300	Submersible (4 x 75 HP)	VFDs	Manual Transfer Switch	By-Pass	VFDs

As demonstrated by the above matrix, **RCE has relevant and varied Public Agency experience performing services similar to those required by the East Orange County Water District.** The following provides more specific details related to each of the projects depicted in the above RCE Experience matrix:

- **Highlands Domestic Water Pump Station, Moulton Niguel Water District** – RCE provided a pre-design report, construction drawings, specifications and construction administration for the replacement of an existing 50 HP pump with a 200 HP pump and associated piping, appurtenances, MCC and flow meter.
- **Palizada Domestic Water Pump Station, City of San Clemente** – This project involved the replacement of the existing 75 HP pump with three 40 HP vertical turbine pumps, each with variable frequency drives. Project included a pressure reducing facility, pump suction and discharge piping and appurtenances, masonry building, electrical controls and instrumentation, demolition of existing reservoir and pump station, grading, site paving and landscaping.
- **Wood Canyon Domestic Water Pump Station, Moulton Niguel Water District** – This project involved the design of four 150 HP pumps, suction and discharge piping and valves, LPG standby generator, electrical system and controls, masonry building, ventilation, grading and miscellaneous site work. Also provided construction management and inspection services.

- **Whispering Lakes Sewage Lift Station, City of Ontario** – Project included converting a wet well/dry well configuration to a wet well only, replacing the four existing 50 hp pumps with 75 hp submersible units, new discharge piping and valves, new motor control center, structure and site improvements.

PROPOSED SUBCONTRACTORS

We proposes to use the following specialty subcontractors when the need arises:

- Survey and Construction Staking
 - Guida Surveying, Inc.
 - Calveda Surveying, Inc.
- Cathodic Protection Design and Inspection
 - Corpro

REQUESTED EXCEPTIONS TO AGREEMENT TERMS

Under the Indemnification clause we suggest the following additional wording:

The other provisions of this indemnification notwithstanding, in the event of a claim within the purview of any indemnification provision as respects professional services, the indemnified party will control its own defense, and at the time of claim resolution the Engineer will provide reimbursement for those defense costs to the extent caused by any negligent or willful misconduct by or attributable to the Engineer or any other person for whom Engineer is legally liable on a comparative basis of fault as adjudicated by a court of competent jurisdiction.

DISCLOSURE OF LITIGATION, ADMINISTRATIVE PROCEEDING OR DEFAULT

We have had no litigation or court action since our inception.

STATEMENT OF FINANCIAL CAPACITY

Our revenues for this year and the past three are as follows:

- 2016 \$2.3M (Projected)
- 2015 \$2.0M
- 2014 \$1.9M
- 2013 \$1.7M
-

If required, further financial statements are available upon request.



EXHIBIT "A" 2016

HOURLY CHARGE RATE AND EXPENSE REIMBURSEMENT SCHEDULE

Professional

Engineering Intern	\$ 65.00
Designer/CAD Operator	\$ 115.00
Design Engineer / Senior Designer.....	\$ 135.00
Senior Engineer.....	\$ 148.00
Project Engineer/Project Coordinator	\$ 178.00
Project Manager/Sr. Project Coordinator..	\$ 185.00
Senior Project Manager.	\$ 220.00
Principal	\$ 275.00
Expert Witness Testimony*	\$ 450.00

Survey/Mapping

Survey Technician I	\$ 120.00
Survey Technician II/Field Supervisor	\$ 138.00
Senior Surveyor.....	\$ 145.00
Project Surveyor.	\$ 186.00
Two-Person Survey Party	\$ 285.00
Three-Person Survey Party	\$ 398.00
One-Man Survey Party.....	\$ 198.00

Administrative

Administrative Clerk.....	\$ 58.00
Word Processor/Admin. Support.....	\$ 75.00
Graphic Designer/Survey Research.....	\$ 110.00

Reproduction, special photography, postage, delivery services, express mail, out-of-area telephone calls, printing and any other services performed by subcontractor, will be billed at cost plus 15%.

Reimbursable In-House Costs

Photo Copies (B&W 8.5"x11")	\$ 0.20/Each	Large Format Copies	\$ 1.00/S.F.
Photo Copies (B&W 11"x17")	\$ 0.35/Each	Mileage	\$ 0.54/Mile
Color Copies (up to 8.5"x11")	\$ 1.50/Each		
Color Copies (to 11"x17")	\$ 2.50/Each		

NOTE: All rates are effective to November 1, 2016. There will be a negotiated increase in rates, 5% minimum per year, for contracts extending beyond October 31, 2016.

* Four hour minimum

RICH CLARK, P.E.

RCE Consultants, Inc., Principal-in-Charge

EDUCATION & BACKGROUND

Colorado State University, B.S. Civil Engineering, 1987

Mr. Clark's experience and training combine both a hands-on technical background and a practical business background. He has been providing comprehensive consulting services for public and private clients for over 24 years.

This background includes the management and application of land planning, engineering design, and business management. Mr. Clark's experience includes numerous projects throughout Southern California.

Mr. Clark's combination of design experience in private practice, public practice, and business acumen make him uniquely qualified to oversee and manage a broad spectrum of projects.

REGISTRATION AND PROFESSIONAL AFFILIATIONS

- Registered Professional Engineer: California No. 46559
- American Society of Civil Engineers (ASCE)
- Beta Gamma Sigma (Business)
- Urban Land Institute

SUMMARY OF RELATED EXPERIENCE

Pump Stations-Reservoirs-Pipelines

- **Rio Hondo Reclaimed Water Main** – Prepared plans and specifications for approximately 10,000 feet of recycled water main. Project included coordination of existing utilities, services and traffic control measures.
- **Desert Willow Golf Course Reclaimed Water System** – Provided preliminary and final design for the Desert Willow golf course reclaimed water main. Consisting of project management for a 5,000 foot reclaimed transmission main and a 2.8 MG reclaimed reservoir with floating cover. The project was performed for the City of Palm Desert Redevelopment Agency and included coordination with Coachella Valley Water District, the Health Department, and State Water Resource Control Board.
- **Punta Brava, Ensenada, Mexico** – Managed the design of approximately 120 very exclusive villas and casitas, 60 estate lots, a 40-villa hotel, an 18-hole golf course, restaurant, spa, maintenance facility, desalination plant, sewer treatment plant, internal roads and water infrastructure.
- **The Madison Club, La Quinta, CA** – Managed this 470-acre master planned community located in La Quinta, CA. RCE prepared 40-scale plan and profile water improvement plans in conformance with the CVWD's design criteria. The sewer improvement plans included horizontal and vertical information for the proposed

main line. RCE designed approximately 32,000 LF of water improvements including offsite connections.

- **Bahia de los Suenos, Baja, Mexico** – Managed the design for this 4,000-acre remote residential development near La Paz, Mexico. The project includes engineering and surveying services for 1,200 residential units and golf course. The project includes engineering services for boutique hotels, beach club design, marina, offsite improvements including major roadway rehabilitation of surrounding streets, in addition to complementary resort amenities. Services executed include grading, mapping, entitlement, survey, water, and sewer design.
- **Assessment District 96-1, City of Cathedral City** – Provided design and assessment engineering services for this 1,200 unit assessment district in Cathedral City, Project included preparation of approximately five (5) miles of water, sewer, and street improvement plans.
- **Canyons at Bighorn, Palm Desert, CA**—Managed and designed improvements for this 400-acre golf course community. Water system improvements included a 5 MG buried concrete reservoir, 2 MG steel reservoir, booster station, pressure reducing station, and in excess of 20,000 feet of transmission and distribution mains.
- **Rolling Hills HOA RW Pipeline – Phase I, Laguna Niguel, CA** - Mr. Clark was the principal in charge of Moulton Niguel Water District's Rolling Hills Home Owners Association Recycled Water Pipeline, Phase I, in the City of Laguna Niguel. The project consisted of two thousand, three hundred linear feet (2,300') of twelve inch (12") diameter C900 PVC pipeline to convert nine (9) domestic water irrigation services to recycled water. The connection point was on the opposite side of the adjacent arterial street, Crown Valley Parkway. Acquisition of a City encroachment permit was included in the scope of work as was design survey, utility coordination, plan and profile pipeline design, traffic control design, specifications, cost estimate and Construction Administration.

Storm Drainage Experience

- **Canyon View Estates in the City of Palm Desert** – Principal-in-charge and Project Manager for drainage design for this 20 lot addition to Ironwood Country Club. Project included three arch plate culverts, existing and developed hydrology, and selection of compatible BMP's for both interim and project build out.
- **Madison Club Drainage and Hydraulic Studies in the City of La Quinta** – Principal-in-charge for the preparation of hydrology studies for the 470 acre Madison Club, including rain fall estimates for the 10 and 100 year storms. The resulting drainage system included catch basins, storm drains and retention basins designed to collect 100% of the runoff generated by the community at full development. The storm drain system included approximately 61,000 linear feet of HDPE and RCP pipe ranging in size from 12" to 48". The project also included the design of sixteen water quality units and twelve infiltration wells.

Reclaimed Water

- **Rio Hondo Reclaimed Water Main** – Assisted in the preparation of plans and specifications.
- **West Basin Reclaimed Water Main** - Assisted in the preparation of plans. Provided project management for the construction staking of this project.
- **Section 4 Golf Course** – Provided preliminary and final design for the Desert Willow golf course reclaimed water main. Consisting of project management for a 5,000 foot reclaimed transmission main and a 2.8 MG reclaimed reservoir with floating cover. The project was performed for the City of Palm Desert Redevelopment Agency and included coordination with Coachella Valley Water District, the Health Department, and State Water Resource Control Board.

Sewer Design Experience

- **Sewer Final Design in the City of La Quinta** –Principal-in-Charge for preparation of 40-scale plan and profile sewer improvement plans in conformance with the CVWD's design criteria including manhole design and crossing utility coordination. The sewer improvement plans included horizontal and vertical information for the proposed main line. RCE designed approximately 32,000 LF of sewer improvements including offsite connections.
- **Sewer Master Planning in the City of Desert Hot Springs** –Principal-in-charge for the preparation of a preliminary sewer master plan for SunCal's Mission Creek Trails development located in the City of Desert Hot Springs. The project included alternatives to service approximately 2,000 units as part of a hillside development.
- **Coachella Valley Water District, 33-Inch Trunk Sewer, La Quinta, CA** – Principal-in-charge for the preparation of the design for a 33-inch trunk sewer. The sewer connects a sewer line on Madison Street to a sewer line on Jefferson Street through a residential development. The improvement serves the residential community and made it possible to decommission an existing lift station. The design included coordination with various agencies to locate the existing facilities and avoid conflicts. Segments of the sewer are more than 15' deep, which required modified bedding details along with "chimney" service laterals.

FRANK CAHILL, P.E.



RCE Consultants, Inc., Project Manager

EDUCATION & BACKGROUND

University College Dublin, Ireland, B. Eng., Civil Engineering, 1989

Mr. Cahill has over 25 years of related civil engineering management, design, and construction experience for water/wastewater projects. His field experience greatly influences and refines his designs, uniquely qualifying him to assist both public and private clients.

REGISTRATION AND PROFESSIONAL AFFILIATIONS

- Registered Professional Engineer: California No. 55373
- American Society of Civil Engineers (ASCE)
- American Water Works Association

SUMMARY OF RELATED EXPERIENCE

Water/Wastewater

- **Moulton Niguel Water District Highlands Pump Station Upgrades, Laguna Niguel, CA**– Project Manager for providing a pre-design report, construction drawings, specifications, and construction management for the replacement of an existing 50HP pump with a 200 HP pump and associated piping, appurtenances, MCC and a flow meter.
- **Moulton Niguel Water District (MNWD) Recycled Water Projects** – Project Manager for several of MNWD's recycled water pipeline projects. The scope of the work included survey, design and permitting for approximately 12,600 linear feet of 12" C900 PVC pipe and a pressure reducing station. The pipeline was constructed through three arterial and several residential streets. The scope of work also included utility coordination, base map preparation, plan and profile pipeline design, traffic control design, coordination with the City, construction staking and construction administration.
- **Domestic Well Site Design, La Quinta, CA** – Provided engineering design for eight domestic well sites to comply with Coachella Valley Water District. Services executed include site layout, grading, and connection to existing domestic distribution system. Project was completed for The Hideaway in La Quinta, CA.
- **Moulton Niguel Water District Upper Oso Reservoir RW Pipeline Extension, Mission Viejo, CA** - Mr. Cahill was the Project Manager for the Upper Oso Reservoir (UOR) Recycled Water Pipeline Extension in the City of Mission Viejo. This entailed 10,300 linear feet of 12" C 900 PVC pipe and pressure reducing station. The pipeline was constructed through two arterial and several residential streets. The scope of work included utility coordination, base map preparation,

plan and profile pipeline design, traffic control design, coordination with the City, construction staking and construction administration.

- **Solaire Water Master Plan, Unincorporated County of Riverside, CA** – Managed the design of the water master plan for a 605-acre planned community located in the County of Riverside, CA. The project includes engineering design for two reservoirs, a booster pump station, three domestic well sites, and 78,000 linear feet of 8"-18" pipeline.
- **Redlands 2010 CIP Water Main Replacement, Redlands, CA** - Project Manager for the City of Redlands domestic water main replacement program for 2010. The project includes approximately 30,000 linear feet of main replacement at twenty-one various locations throughout the City. The scope of work includes utility coordination, base map preparation, plan and profile pipeline design, traffic control design, and coordination with the City.
- **Rolling Hills HOA RW Pipeline – Phase I, Laguna Niguel, CA** – Project Manager for Moulton Niguel Water District's Rolling Hills Home Owners Association Recycled Water Pipeline, Phase I, in the City of Laguna Niguel. The project consisted of two thousand, three hundred linear feet (2,300') of twelve inch (12") diameter C900 PVC pipeline to convert nine (9) domestic water irrigation services to recycled water. The connection point was on the opposite side of the adjacent arterial street, Crown Valley Parkway. Acquisition of a City encroachment permit was included in the scope of work as was design survey, utility coordination, plan and profile pipeline design, traffic control design, specifications, cost estimate and Construction Administration.
- **Coachella Valley Water District (CVWD) Avenue 60 Transmission Main Extension** – Project Manager for the design services for the 11,000 foot extension of CVWD's 24-inch transmission main in Avenue 60 in Coachella. The project included coordination with Caltrans, Southern Pacific Railroad, and Riverside County. A portion of the project was installed using trenchless techniques.

Sewer Design

- **Sewer Master Planning in the City of Desert Hot Springs** – Design Engineer for the preparation of a preliminary sewer master plan for SunCal's Mission Creek Trails development located in the City of Desert Hot Springs. The project included alternatives to service approximately 2,000 units as part of a hillside development.
- **Jackson Street Sewer Project in Unincorporated Riverside County** – Project Manager responsible for the evaluation of the existing system, including the existing lift station, for current and future flows. A plan and profile of 2,700 lineal feet of 15" sewer line was designed to intercept flows from the City of Coachella, and transport the sewage to existing CVWD facilities already in place.
- **Coachella Valley Water District, 33-Inch Trunk Sewer, La Quinta, CA** – Prepared a plan and profile for a 33-inch trunk sewer. The sewer connects a sewer line on Madison Street to a sewer line on Jefferson Street through a residential development. The improvement serves the residential community and made it possible to decommission an existing lift station. The design included coordination with various agencies to locate the existing facilities and avoid conflicts. Segments of the sewer are more than 15' deep, which required modified bedding details along with "chimney" service laterals.
- **Universal Studios, Utility Design, Universal City, CA** – Mr. Cahill was responsible for the preliminary planning and final design of several sewer, water and various other utility plans throughout Universal City in support of the clients on-going Master Plan projects.

BRANDON WILLNECKER, P.E.



RCE Consultants, Inc., Project Manager

EDUCATION & BACKGROUND

University of Dayton, Bachelor of Civil Engineering, 1997

Mr. Willnecker has over 19 years of experience in civil and environmental engineering; with over 15 in Southern California. He has been responsible for the planning, design, and management through construction, for projects ranging from private lots, to retail power centers, as well as institutional and public works projects. His expertise is in land development engineering, and the myriad of areas land development projects touch. He has engineered public works infrastructure and water line projects throughout southern California and the inland empire, with an emphasis on new distribution systems to subdivision and large multiuse and multi-tenant projects, as well as off-site facility upgrades and pipe extensions to serve projects. His goal for each project he is involved in, is to deliver great solutions, value to the client, and professional service.

REGISTRATION AND PROFESSIONAL AFFILIATIONS

- Registered Professional Engineer: California No. 64681, Ohio No. 66793, Alaska No. AELC13723
- American Society of Civil Engineers (ASCE)

SUMMARY OF RELATED EXPERIENCE

Water

- **Valencia Water Company** – Golden Valley Ranch, Golden Valley Road and Highway 14. Engineer for water distribution system serving a 50 acre retail power center, and the backbone system, including water tank design for backbone system serving 200+ house residential subdivision.
- **Irvine Ranch Water District** – Irvine Boulevard water line improvements for water main upsizing, and installation of pressure reducing valves and new irrigation services to the University of California Research Center located in Irvine, California.
- **Elsinore Valley Municipal Water District** – Engineer of Record for a water line rehabilitation and replacement project along Highway 74 and Collier Avenue, in Lake Elsinore California. Existing infrastructure required replacement and upsizing to accommodate development and future development in the area. Projects also included public water lines on the Home Depot, Target, and Hunco Way developments in the area.
- **Southern California Water Company** – Home Depot Barstow, CA – Engineer of Record for Home Depot based shopping Center located at the northwest corner of L Street and Interstate 15, in Barstow, California. Project included the construction of a water main under Interstate 15 to provide service to the project.
- **Palmdale Water District** – Engineer of Record for multi-stage water line construction project at the intersection of Highway 138 and 47th Street. Coordination with Caltrans for the relocation of an existing 12" water main during the construction of a round-a-bout, and subsequent new 12" water main installation along ½ mile alignment. Project included the design of 5,000 feet of on-site public water distribution system serving over 300,000 square feet of commercial use buildings (fire and domestic).

Sewer

- **Central Avenue (Hwy 74) and Collier Avenue** – Lake Elsinore, CA
Regional Sewer Area Study – Upsize sewer main for capacity to accommodate 40+ acres of retail/commercial development
- **Winchester Road and Clinton Keith Road** – Murrieta, CA
Sewer Trunk Line in relocated Clinton Keith Road and Winchester Road – Caltrans and Riverside County Jurisdictions
- **Madera, CA**
Extend sewer main under Interstate 99 and Avenue 17 to service future residential and retail developments east of the freeway. Included lift station design, and capacity master planning.
- **Tustin/Irvine Marketplace** - City of Irvine and Tustin
Provide Civil Engineering design services for building/tenant expansions, and center wide grease bin facilities for restaurant waste.
- **Rossmoor Center & Seal Beach Boulevard** – Seal Beach California - Relocation of public sewer mains for 10 year rehabilitation project

JASON PASCUAL



RCE Consultants, Inc., Project Engineer

EDUCATION & BACKGROUND

California State Polytechnic, Pomona, B.S. Civil Engineering, 2006

Mr. Pascual has over 10 years of civil engineering experience in general civil design projects including water distribution.

Jason has managed the design and development of many projects, ranging from modernizations and upgrades, to demolition and construction of entire new sites. Prior to starting RCE Consultants, Mr. Pascual served as lead Project manager for several programs ranging from big box retail, to mixed used retail and restaurants.

REGISTRATION AND PROFESSIONAL AFFILIATIONS

- American Society of Civil Engineer (ASCE)

SUMMARY OF RELATED EXPERIENCE

Water / Wastewater

- **Pechanga Indian Reservation Waste Water System** - Temecula CA. - Design build project of a sewer system network for 100 low density residential lots. Included with the scope is to analyze and create Sewer Capacity Study report to correctly size the system from its tributary area and determine if the agency can adequately serve their project.
- **Planned community** - Perris, CA. - Conducted a domestic & recycled water distribution study and design for a planned community, which entails a new 50 acre High school and 10 acre middle school within the Val Verde Unified School District. 250 acres of tract homes were included with ranging from low to density residential.
- **Pacific Retail Shopping Center** - Indio, CA. - Project lead engineer of a 90 acre development consisting of several anchor commercial buildings, ranging from entertainment, Big Box retailers, restaurants and mixed use retail. An extension of the agency's water and waste water distribution network to the property was required along the center internal roadways, and drive aisle to serve each of the buildings.
- **Hacienda Unified school District** - Project lead Engineer for the construction of a Sewer lift station and force main. This system was created to aid the schools failed septic system. The waste water system stretched 5 miles from school to waste water treatment plant.

Sewer

- **Pechanga Indian Reservation** - Temecula, CA - Addition of 26,000LF of sewer with Sewer Capacity Study.
- **Southeast High School** - Perris, CA - Sewer Extension & Sewer Capacity Study.
- **Val Verde Unified School District** - 10,500 LF of sewer force main and lift station.

RYAN TEBBEN



RCE Consultants, Inc., Project Engineer

EDUCATION & BACKGROUND

University of California, Irvine
B.S. Environmental Engineering, 2012

REGISTRATION AND PROFESSIONAL AFFILIATIONS

- Engineer in Training (EIT) Certification, 2011
- American Society of Civil Engineers, YMF

SUMMARY OF RELATED EXPERIENCE

Water/Wastewater

- **Bighorn Clubhouse** - Palm Desert, CA – Project Manager and Lead Design for remodel of existing Clubhouse and adjacent facilities. The land development project includes Precise Grading Plans, Underground Utility Plans, Hydrology Report, and Water Quality Management Plan (WQMP). Coordinated with the State Waterboard for approval of project Stormwater Pollution Prevention Plan (SWPPP).
- **Golden State Water Company Waterline Replacement** - Simi Valley, CA – Project Engineer that performed utility research and preparation of relocation plans for the replacement of approximately 5,100 linear feet of waterline. The existing 8" waterline was to be replaced with a 12" waterline in Los Angeles Avenue from Sycamore Drive to Sequoia Avenue
- **Punta Lobos Sewer Master Plan, Todos Santos** - Baja California Sur, Mexico – Project Engineer for preliminary design of sewer main to serve five sub-areas of the master planned development. Design included sewer main, sewer services, and lift stations including the development of a Sewer Master Plan Report.

Sewer

- **Waste Management Landfill Entry Road & Scale House**, Simi Valley, CA – Lead Design for sanitary sewer leach field system including the process and approval through the Ventura County Environmental Health Department. Leach field system was designed for the proposed scale house & for the added capacity of an additional restroom facility to come online in a future project.

EAST ORANGE COUNTY WATER DISTRICT

DISBURSEMENT SUMMARY

September 15, 2016

WHOLESALE AND RETAIL BILLS	\$711,536.30
DIRECTOR'S PAYROLL	\$834.29
EMPLOYEE'S PAYROLL	\$75,702.44
DISBURSEMENT TOTAL	<u><u>\$788,073.03</u></u>

TRANSFER SUMMARY

TRANSFERS	\$ 550,000.00
TRANSFER TOTAL	<u><u>\$550,000.00</u></u>

NOTE: THE EXPLANATION OF FUNDS TRANSFERRED IS SHOWN ON THE FUNDS TRANSFERRED SHEET ATTACHED.

East Orange County Water District

09/09/16

Bills For Consideration

Accrual Basis

As of September 9, 2016

Type	Date	Num	Name	Credit
1001-10 · Checking-WZ				
Bill Pmt -Check	08/18/2016	11205	ALLCOM	781.00
Bill Pmt -Check	08/18/2016	11206	ARAMARK UNIFORM SERVICES	105.63
Bill Pmt -Check	08/18/2016	11207	AT&T	582.66
Bill Pmt -Check	08/18/2016	11208	AT&T LONG DISTANCE	279.28
Bill Pmt -Check	08/18/2016	11209	BEST TEL	1,185.81
Bill Pmt -Check	08/18/2016	11210	Brithinee Electric	3,203.11
Bill Pmt -Check	08/18/2016	11211	CALPERS (B)	1,300.00
Bill Pmt -Check	08/18/2016	11212	CITY OF ORANGE	2,300.00
Bill Pmt -Check	08/18/2016	11213	CITY OF TUSTIN	500.00
Bill Pmt -Check	08/18/2016	11214	CR&R INC.	52.08
Bill Pmt -Check	08/18/2016	11215	G O RODRIGUEZ TRUCKING, INC	944.61
Bill Pmt -Check	08/18/2016	11216	GALLADE CHEMICAL	227.30
Bill Pmt -Check	08/18/2016	11217	GENERATOR SERVICES CO, INC	2,520.00
Bill Pmt -Check	08/18/2016	11218	HOME DEPOT CREDIT SERVICES	372.93
Bill Pmt -Check	08/18/2016	11219	ID MODELING, INC.	217.50
Bill Pmt -Check	08/18/2016	11220	JESUS MUNOZ-VASQUEZ	415.99
Bill Pmt -Check	08/18/2016	11221	MATRIX COMPUTER SERVICE	1,870.00
Bill Pmt -Check	08/18/2016	11222	MITCHELL SCHLAU	5.75
Bill Pmt -Check	08/18/2016	11223	PARADISE DRINKING WATERS	25.85
Bill Pmt -Check	08/18/2016	11224	PLATINUM CONSULTING GROUP	7,517.50
Bill Pmt -Check	08/18/2016	11225	ROBERTO RAMIREZ	250.00
Bill Pmt -Check	08/18/2016	11226	SCAP	538.00
Bill Pmt -Check	08/18/2016	11227	SOUTHERN CALIFORNIA EDISON	1,728.76
Bill Pmt -Check	08/18/2016	11228	THE PUN GROUP	5,000.00
Bill Pmt -Check	08/18/2016	11229	THOMAS ASHIMOTO	189.23
Bill Pmt -Check	08/18/2016	11230	TRUESDAIL LABORATORIES, INC	119.00
Bill Pmt -Check	08/18/2016	11231	ULINE	180.29
Bill Pmt -Check	08/18/2016	11232	USA BLUE BOOK	320.98
Bill Pmt -Check	08/18/2016	11233	USA FACT	82.58
Bill Pmt -Check	08/18/2016	11234	Orange County Sanitation District	2,183.00
Bill Pmt -Check	08/18/2016	11236	MATRIX COMPUTER SERVICE	4,845.00
Bill Pmt -Check	08/24/2016	11237	ACWA-JPIA (EMP INSURANCE)	9,996.32
Bill Pmt -Check	08/24/2016	11238	ARAMARK UNIFORM SERVICES	34.17
Bill Pmt -Check	08/24/2016	11239	AT&T	446.62
Bill Pmt -Check	08/24/2016	11240	COMMERCIAL TRANSPORTATION S...	4,702.64
Bill Pmt -Check	08/24/2016	11241	CUSI	2,200.00
Bill Pmt -Check	08/24/2016	11242	MATRIX COMPUTER SERVICE	699.98
Bill Pmt -Check	08/24/2016	11243	ORANGE COUNTY PUMP CORPORA...	18,735.25
Bill Pmt -Check	08/24/2016	11244	PETTY CASH	194.93
Bill Pmt -Check	08/24/2016	11245	STATE BOARD OF EQUALIZATION	3,550.00
Bill Pmt -Check	08/24/2016	11246	TOTAL EXTERMINATING INC	275.00
Bill Pmt -Check	08/24/2016	11247	TRUESDAIL LABORATORIES, INC	389.00
Bill Pmt -Check	08/24/2016	11248	USA FACT	62.13
Total 1001-10 · Checking-WZ				81,129.88
TOTAL				81,129.88

12:18 PM

09/09/16

Accrual Basis

East Orange County Water District
Bills For Consideration
As of August 18, 2016

Type	Date	Num	Name	Memo	Credit
1001-10 · Checking-WZ					
Check	08/18/2016	11235	EAST ORANGE COUNTY WATER DI...	VOID: E028422	
Total 1001-10 · Checking-WZ					0.00
TOTAL					<u>0.00</u>

East Orange County Water District
Bills For Consideration
As of September 9, 2016

Type	Date	Num	Name	Credit
1001-10 · Checking-WZ				
Bill Pmt -Check	09/09/2016	1001	ACWA-JPIA (EMP INSURANCE)	9,996.18
Bill Pmt -Check	09/09/2016	1002	ALLCOM	390.00
Bill Pmt -Check	09/09/2016	1003	ARAMARK UNIFORM SERVICES	110.19
Bill Pmt -Check	09/09/2016	1004	AT&T	62.76
Bill Pmt -Check	09/09/2016	1005	AT&T LONG DISTANCE	433.60
Bill Pmt -Check	09/09/2016	1006	BEST TEL	843.20
Bill Pmt -Check	09/09/2016	1007	BOWIE ARNESON WILES & GIANNO...	7,112.48
Bill Pmt -Check	09/09/2016	1008	CA BANK & TRUST	6,995.54
Bill Pmt -Check	09/09/2016	1009	CHAMPION PAVING INC.	2,000.00
Bill Pmt -Check	09/09/2016	1010	CITY OF ORANGE	42.32
Bill Pmt -Check	09/09/2016	1011	COMMUNICATIONS LAB	6,010.01
Bill Pmt -Check	09/09/2016	1012	DOTY BROS EQUIPMENT CO.	5,311.48
Bill Pmt -Check	09/09/2016	1013	EAST ORANGE COUNTY WATER DI...	49,358.21
Bill Pmt -Check	09/09/2016	1014	EWING	1,268.88
Bill Pmt -Check	09/09/2016	1015	HAAKER EQUIPMENT COMPANY	10,888.70
Bill Pmt -Check	09/09/2016	1016	HACH COMPANY	257.47
Bill Pmt -Check	09/09/2016	1017	J G TUCKER & SON, INC	6,796.98
Bill Pmt -Check	09/09/2016	1018	JERRY MENDZER	7,160.63
Bill Pmt -Check	09/09/2016	1019	LISA OHLUND	1,614.59
Bill Pmt -Check	09/09/2016	1020	MAIN GRAPHICS	887.94
Bill Pmt -Check	09/09/2016	1021	MEYERS NAVE	543.96
Bill Pmt -Check	09/09/2016	1022	MWDOC	446,607.17
Bill Pmt -Check	09/09/2016	1023	ORANGE COUNTY WATER ASSOC.	125.00
Bill Pmt -Check	09/09/2016	1024	ORANGE UNIFIED SCHOOL DISTRICT	100.00
Bill Pmt -Check	09/09/2016	1025	PERFORMANCE PIPELINE TECHNO...	43,741.03
Bill Pmt -Check	09/09/2016	1026	PROFESSIONAL PIPE SERVICES	925.00
Bill Pmt -Check	09/09/2016	1027	SOUTH COAST AIR QUALITY MANA...	479.21
Bill Pmt -Check	09/09/2016	1028	SOUTHERN CALIFORNIA EDISON	9,052.53
Bill Pmt -Check	09/09/2016	1029	SWRCB FEES	105.00
Bill Pmt -Check	09/09/2016	1030	TAB ANSWER NETWORK	63.80
Bill Pmt -Check	09/09/2016	1031	TIME WARNER CABLE	179.99
Bill Pmt -Check	09/09/2016	1032	TOWNSEND PUBLIC AFFAIRS	2,500.00
Bill Pmt -Check	09/09/2016	1033	TRUESDAIL LABORATORIES, INC	162.50
Bill Pmt -Check	09/09/2016	1034	UNDERGROUND SERVICE ALERT	55.50
Bill Pmt -Check	09/09/2016	1035	VERIZON WIRELESS	2,679.64
Bill Pmt -Check	09/09/2016	1036	WEST COAST SAFETY SUPPLY CO....	5,486.79
Bill Pmt -Check	09/09/2016	1037	XEROX CORPORATION	58.14
Total 1001-10 · Checking-WZ				630,406.42
TOTAL				630,406.42

EAST ORANGE COUNTY WATER DISTRICT
CALIFORNIA BANK & TRUST
Prior Month's Checks To Ratify
DIRECTORS' PAYROLL*
15-Sep-16

**PAYMENT FOR BOARD AND COMMITTEE MEETINGS IN THE MONTH OF
7/1/2016**

DATE	CHECK NO	AMOUNT	PAYABLE TO
08/18/16	253	\$ 115.44	BOARD DIRECTOR
08/18/16	254	\$ 277.05	BOARD DIRECTOR
08/18/16	255	\$ 161.61	BOARD DIRECTOR
08/18/16	256	\$ 161.61	BOARD DIRECTOR
		<u>\$ 715.71</u>	TOTAL PAYROLL CHECKS

PAYROLL TAXES, ADP CHARGE

8/18/2016	\$118.58	ADP TAXES
	<u>\$118.58</u>	TOTAL CHARGES & TRANSFER
	<u><u>\$834.29</u></u>	

***** NOTE: DOUG DAVERT DECLINES PAYMENT FOR ALL MEETINGS**

*Note: Payroll is processed by ADP (Automatic Data Processing)

EAST ORANGE COUNTY WATER DISTRICT
CALIFORNIA BANK & TRUST
Prior Month's Checks To Ratify
EMPLOYEES' PAYROLL*
15-Sep-16

	CHECK DATE	CHECK AMOUNT	PAYABLE TO
AUTO DEPOSIT	8/3/2016	\$ 1,881.21	MAINTENANCE AND OPERATIONS SUPERINTENDENT
AUTO DEPOSIT	8/3/2016	\$ 2,888.70	GENERAL MANAGER
AUTO DEPOSIT	8/3/2016	\$ 1,897.83	WATER DISTRIBUTION II
AUTO DEPOSIT	8/3/2016	\$ -	WATER DISTRIBUTION I
AUTO DEPOSIT	8/3/2016	\$ 2,337.37	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	8/3/2016	\$ 1,746.39	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	8/3/2016	\$ 250.57	SUMMER INTERN
AUTO DEPOSIT	8/3/2016	\$ 507.11	SUMMER INTERN
AUTO DEPOSIT	8/17/2016	\$ 2,451.31	MAINTENANCE AND OPERATIONS SUPERINTENDENT
AUTO DEPOSIT	8/17/2016	\$ 2,898.59	GENERAL MANAGER
AUTO DEPOSIT	8/17/2016	\$ 1,688.46	WATER DISTRIBUTION II
AUTO DEPOSIT	8/17/2016		WATER DISTRIBUTION I
AUTO DEPOSIT	8/17/2016	\$ 318.64	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	8/17/2016	\$ 2,293.86	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	8/17/2016	\$ 1,791.91	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	8/17/2016	\$ 1,147.41	SUMMER INTERN
AUTO DEPOSIT	8/17/2016	\$ 364.91	SUMMER INTERN
AUTO DEPOSIT	8/17/2016	\$ 2,214.47	MAINTENANCE AND OPERATIONS SUPERINTENDENT
AUTO DEPOSIT	8/31/2016	\$ 2,903.55	GENERAL MANAGER
AUTO DEPOSIT	8/31/2016	\$ 2,296.51	WATER DISTRIBUTION II
AUTO DEPOSIT	8/31/2016	\$ 699.41	WATER DISTRIBUTION I
AUTO DEPOSIT	8/31/2016		WATER DISTRIBUTION I
AUTO DEPOSIT	8/31/2016	\$ 1,372.78	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	8/31/2016	\$ 2,332.19	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	8/31/2016	\$ 1,875.16	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	8/31/2016	\$ 919.17	SUMMER INTERN
AUTO DEPOSIT	8/31/2016	\$ 206.44	SUMMER INTERN
		<u>\$ 39,283.95</u>	TOTAL PAYROLL CHECKS

PAYROLL TAXES, ADP CHARGES, AND PERS EFT

8/3/2016	\$7,317.91	ADP TAXES
8/3/2016	\$2,128.12	PERS ELECTRONIC FUNDS TRANSFER
8/3/2016	\$304.66	PERS PEPRA MEMBER
8/3/2016	\$1,315.98	CAL PERS 457 - ING BANK
8/17/2016	\$8,256.02	ADP TAXES
8/17/2016	\$2,199.41	PERS ELECTRONIC FUNDS TRANSFER
8/17/2016	\$362.08	PERS PEPRA MEMBER
8/17/2016	\$1,282.26	CAL PERS 457 - ING BANK
8/17/2016	\$9,084.97	ADP TAXES
8/17/2016	\$2,140.95	PERS ELECTRONIC FUNDS TRANSFER
8/17/2016	\$645.78	PERS PEPRA MEMBER
8/17/2016	\$1,380.35	CAL PERS 457 - ING BANK
	<u>\$36,418.49</u>	TOTAL TRANSFERS
	<u>\$75,702.44</u>	GRAND TOTAL PAYROLL

PAYROLL 8/3/2016	PAYROLL 8/17/2016	PAYROLL 1/0/1900
\$11,509.18	\$12,955.09	\$14,819.68
\$11,066.67	\$12,099.77	\$13,252.05
\$22,575.85	\$25,054.86	\$28,071.73

*Note: Payroll is processed by ADP (Automatic Data Processing)

EAST ORANGE COUNTY WATER DISTRICT
FUNDS TRANSFERRED BETWEEN ACCOUNTS
15-Sep-16

DATE	TRANSFER NO	AMOUNT	FROM	TO	REASON FOR FUND TRANSFER
9/9/1962	T62	\$ 550,000.00	CB&T MONEY MARKET	CITIZENS BANK CHECKING	NEW ACCOUNTS ESTABLISHED AT CITIZENS BANK
		\$ -			

**EAST ORANGE COUNTY WATER DISTRICT
SCHEDULE 1 - INVESTMENT ACTIVITY
MONTH OF AUGUST 2016 (at cost)**

	SECURITY TYPE	BOOK VALUE
BEGINNING BALANCES AUGUST 1, 2016		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	\$ 6,496,239
RAYMOND JAMES-CDs	DEMAND BROKERAGE	\$ 1,560,084
Total		\$ 8,056,323
ACTIVITY		
ADDITIONS		
DEPOSIT TO LAIF-FROM MONEY MARKET	DEMAND LAIF	\$ 25,000,000
DEPOSIT TO RAYMOND JAMES-INTEREST	DEMAND BROKERAGE	\$ 6,410.00
ENDING BALANCES AUGUST 31, 2016		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	\$ 31,496,239
RAYMOND JAMES-CDs and CASH	CERTIFICATES OF DEPOSIT	\$ 1,566,494
US TREASURY OBLIGATIONS	US TREASURY	\$ -
TOTAL		\$ 33,062,733

**EAST ORANGE COUNTY WATER DISTRICT
SCHEDULE 2 - INVESTMENT PORTFOLIO
August 31, 2016**

NAME	SECURITY TYPE AND NUMBER	PURCHASE DATE	MATURITY DATE	INTEREST		MARKET VALUE	PURCHASE PRICE	PREMIUM OR DISCOUNT	ACCRUED INTEREST	FACE VALUE	% TO PORTFOLIO
				STATED	YIELD						
LAIF	DEMAND	N/A	N/A	0.576%	0.576%	\$ 31,515,805	\$ 31,496,239	\$ -	\$ -	\$ -	95.26%
RJ-CD	AMERICAN EXPRESS	12/09/15	12/09/20	2.250%	2.250%	113,828	110,000	0	0	110,000	0.33%
RJ-CD	CAPITAL ONE BANK	08/17/15	08/20/20	2.300%	2.300%	103,865	100,000	0	0	100,000	0.30%
RJ-CD	CIT BANK	03/06/13	03/06/18	1.100%	1.100%	146,291	145,000	0	0	145,000	0.44%
RJ-CD	DISCOVER BANK	10/17/12	10/17/16	1.200%	1.200%	100,083	100,000	0	0	100,000	0.30%
RJ-CD	DISCOVER BANK	02/20/13	02/20/18	1.100%	1.100%	150,554	150,000	0	0	150,000	0.45%
RJ-CD	EVERBANK	01/30/15	11/15/19	1.500%	1.740%	151,682	148,818	-1,650	468	150,000	0.45%
RJ-CD	GE MONEY BANK	10/25/12	08/31/17	1.650%	1.650%	100,882	100,998	754	244	100,000	0.31%
RJ-CD	GE CAPITAL RETAIL BANK	11/19/12	11/09/16	1.350%	1.350%	100,152	100,536	499	37	100,000	0.30%
RJ-CD	GE CAPITAL RETAIL BANK	02/22/13	02/22/18	1.100%	1.100%	150,554	150,000	0	0	150,000	0.45%
RJ-CD	GOLDMAN SACHS BANK	02/13/13	02/13/18	1.200%	1.200%	150,768	150,000	0	0	150,000	0.45%
RJ-CD	GOLDMAN SACHS BANK	10/11/12	10/03/17	1.550%	1.550%	100,835	99,977	-11	34	100,000	0.30%
RJ-CD	SYNCHRONY BANK	01/30/15	01/30/20	1.800%	1.800%	154,547	150,000	0	0	150,000	0.45%
RJ	CASH	N/A	N/A	0.000%	0.050%	61,227	61,165	0	0	61,227	0.18%
				1.280%		\$ 33,101,071	\$ 33,062,733	\$ (407)	\$ 785	\$ 1,566,227	100.00%

LAIF=LOCAL AGENCY INVESTMENT FUND

RJ=RAYMOND JAMES

CERTIFICATION

I CERTIFY THAT (1) ALL INVESTMENT ACTIONS EXECUTED SINCE THE LAST REPORT HAVE BEEN MADE IN FULL COMPLIANCE WITH THE DISTRICT'S INVESTMENT POLICY AND,(2) THE DISTRICT WILL MEET ITS EXPENDITURE OBLIGATIONS FOR THE NEXT SIX MONTHS AS REQUIRED BY CALIFORNIA GOVERNMENT CODE SECTIONS 53646(b)(2) AND (3), RESPECTIVELY.

Cindy Byerrum, Treasurer

CINDY BYERRUM, TREASURER

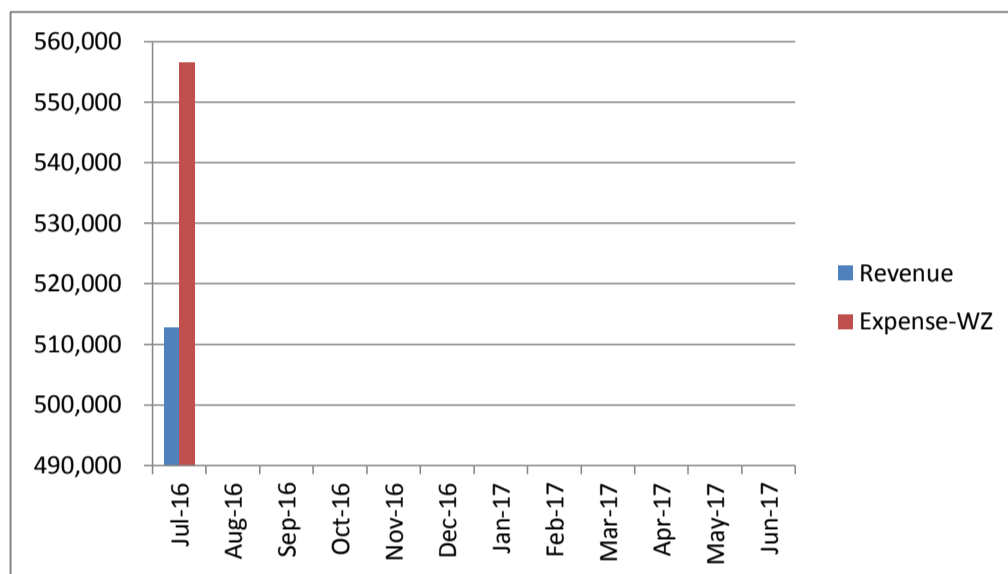
Wholesale Zone Financial Summary

For Period Ending July 31, 2016

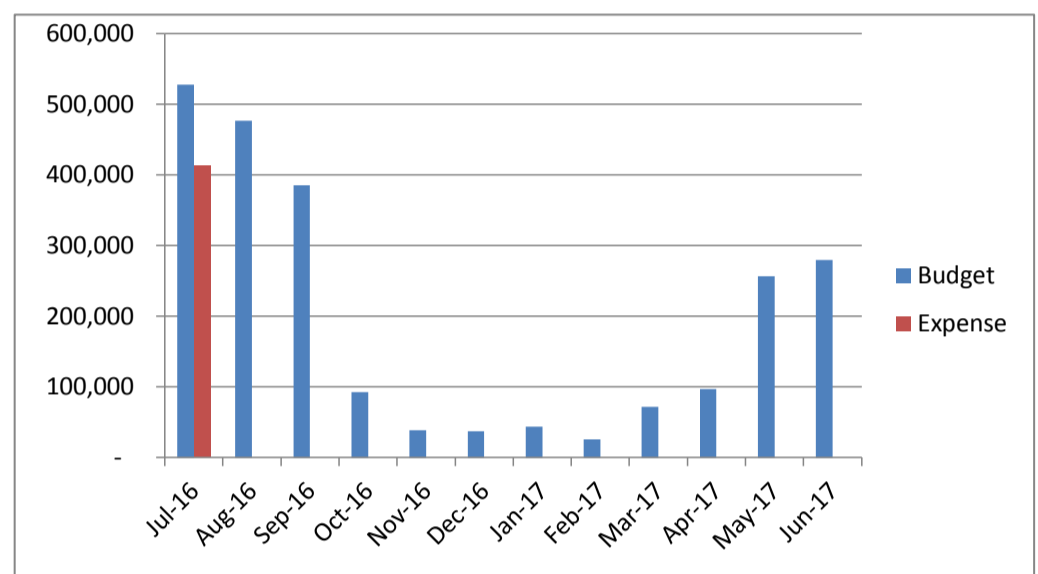
YTD Operating Income \$ 512,708

YTD Operating Expense \$ 556,586

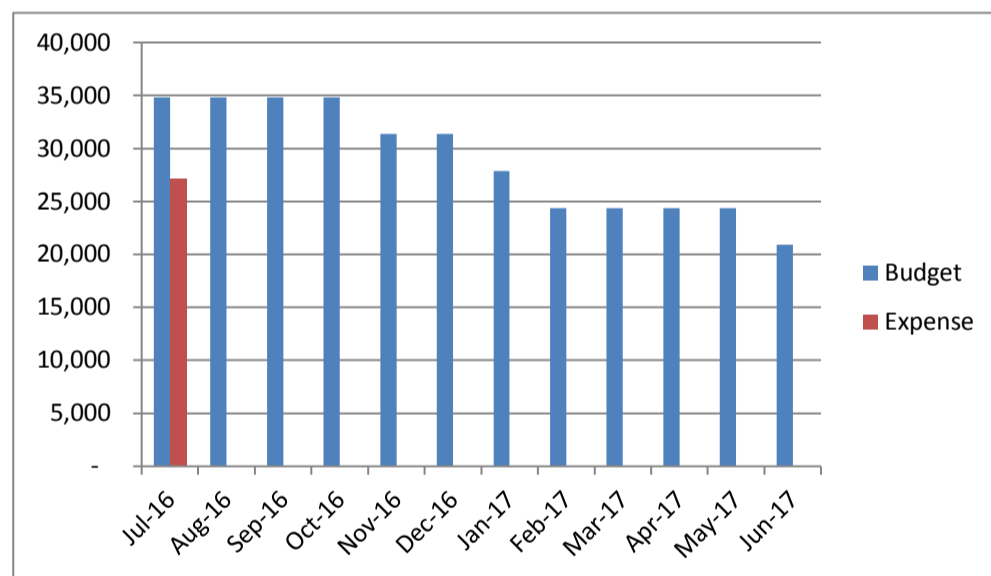
Revenue vs. Expenses



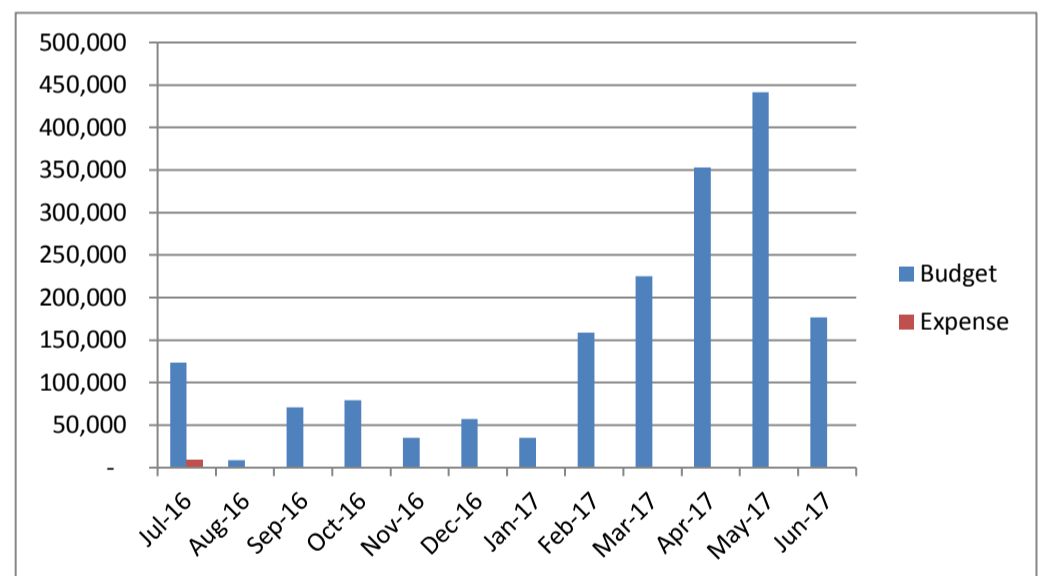
Water Purchased Budget vs. Actual



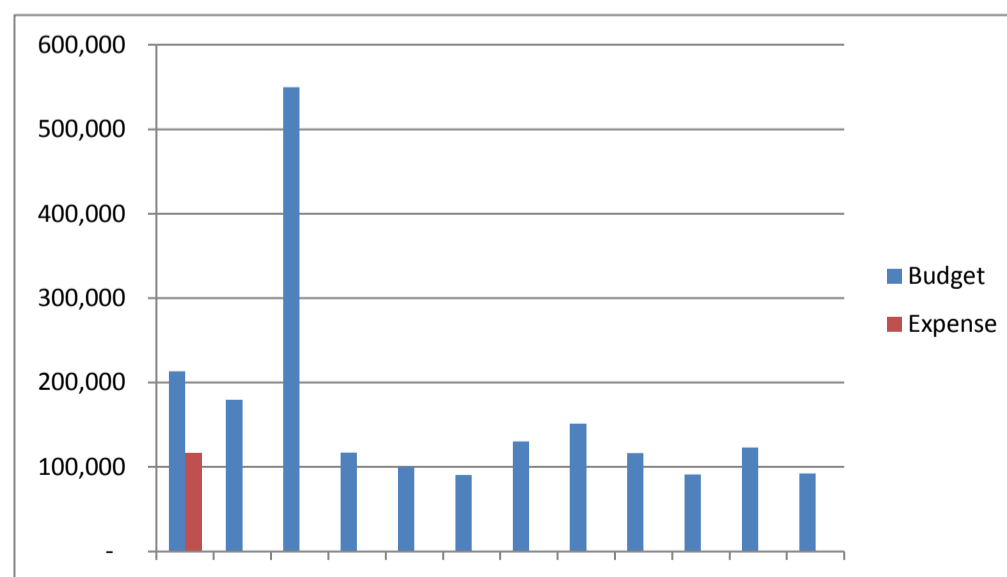
Salaries & Benefits Budget vs. Actual



CIP Budget & Actual



O&M Budget vs. Actual



WHOLESALE ZONE

**EAST ORANGE COUNTY WATER DISTRICT
2015-2016 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MONTH: JULY 2016**

REVENUE		MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
DESCRIPTION						
1	OPERATING REVENUE:					
2	WATER SALES	413,317	413,317	2,334,592	(1,921,275)	17.70%
3	FIXED CHARGES	52,362	52,362	575,807	(523,445)	9.09%
4	EOCWD FIXED CHARGES	38,502	38,502	489,575	(451,073)	7.86%
5	REIMBURSED EXP-IRWD	-	-	-	-	0.00%
6	OTHER CHARGES	187	187	30,755	(30,568)	0.61%
7	TOTAL OPERATING REVENUE:	504,368	504,368	3,430,729	(2,926,361)	
8	NON-OPERATING REVENUES (EXPENSES):					
9	PROPERTY TAXES	-	-	690,100	(690,100)	0.00%
10	RENTAL INCOME - CELLULAR ANTENNAS	8,288	8,288	110,180	(101,892)	7.52%
11	INTEREST & INVESTMENT EARNINGS	2	2	21,250	(21,248)	0.01%
12	NOTE RECEIVABLE - AMP	-	-	-	-	0.00%
13	MISCELLENIOUS INCOME (EXPENSE)	50	50	600	(550)	8.33%
14	TOTAL NON-OPERATING REVENUES, NET	8,341	8,341	822,130	(813,789)	1.01%
15	TOTAL REVENUES	512,708	512,708	4,252,859	(3,740,151)	12.06%

EXPENSES		MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
DESCRIPTION						
16	OPERATING EXPENSE:					
17	SOURCE OF SUPPLY	413,255	413,255	2,334,592	(1,921,337)	17.70%
18	MET/MWDOC FIXED CHARGE	33,352	33,352	376,341	(342,989)	8.86%
19	EOCWD FIXED CHARGE	19,010	19,010	228,121	(209,111)	8.33%
20	ENERGY	148	148	2,650	(2,502)	5.59%
21	OPERATIONS & MAINTENANCE	33,630	33,630	622,072	(588,442)	5.41%
22	GENERAL & ADMINISTRATIVE	19,273	19,273	293,590	(274,317)	6.56%
23	TRANSFER TO CAPITAL PROJECTS EXPENSE & RESERVES	32,948	32,948	395,493	(362,545)	8.33%
24	DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
25	MARKET VALUE ADJUSTMENT ON INVESTMENTS	(1,324)	(1,324)	-	(1,324)	0.00%
26	TOTAL OPERATING EXPENSE	550,292	550,292	4,252,859	(3,702,567)	12.94%
27	NET INCOME FROM OPERATIONS	(37,584)	(37,584)	-	(37,584)	
28	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	
29	NET INCOME (LOSS)	(37,584)	(37,584)	-	(37,584)	

Wholesale Zone

July 2016 Variance Report - 8% of Budget Year Expended

Account Name	Income(I) Expense (E)	YTD Amount	Percent Received/ Spent	Comments
<u>New</u>				
LATE CHARGE	I	60	60.00%	YTD is over 60% of budget due to late fees to COX
EOCF #2 NONINTERR OC 43	E	86,099	20.49%	YTD is trending high because it is summer and consumption is higher
WATER PURCHASED AMP	E	316,983	22.63%	YTD is trending high because it is summer and consumption is higher
LAFCO	E	5,232	65.40%	YTD is over budget due to having fees that were higher than expected

Ongoing

Capital Projects

New

Ongoing

EAST ORANGE COUNTY WATER DISTRICT**FOR WHOLESALE****MONTH: JULY 2016**

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
REVENUE					
1 WATER SALES	413,317	413,317	2,334,592	(1,921,275)	17.70%
2 METER CHARGE	127	127	1,000	(873)	12.70%
3 LATE CHARGE	60	60	100	(40)	60.00%
4 CONNECTION FEES	-	-	1,000	(1,000)	0.00%
5 EOCWD RESERVE FUND CHARGE	25,481	25,481	312,495	(287,014)	8.15%
6 EOCWD READINESS TO SERVE CHARGE	13,021	13,021	177,080	(164,059)	7.35%
7 RETAIL SERVICE CONNECTIONS	19,010	19,010	228,121	(209,111)	8.33%
8 MET-MWDOC READINESS TO SERVE	19,012	19,012	207,704	(188,692)	9.15%
9 MET-MWDOC CAPACITY CHARGE	14,340	14,340	139,982	(125,642)	10.24%
10 MET-MWDOC CHOICE-WS	-	-	28,655	(28,655)	0.00%
11 REIMBURSED EXPENSES-IRWD	-	-	-	-	0.00%
12 REFUNDS	-	-	-	-	0.00%
13 Total OPERATING REVENUE:	504,368	504,368	3,430,729	(2,926,361)	
14 NON OPERATING INCOME					
15 INTEREST EARNED-LAIF	-	-	4,250	(4,250)	0.00%
16 INTEREST EARNED - RAYMOND JAMES	2	2	17,000	(16,998)	0.01%
17 TAXES-SECURED	-	-	600,000	(600,000)	0.00%
18 TAXES-UNSECURED	-	-	20,400	(20,400)	0.00%
19 TAXES SUPPLEMENTAL ROLL	-	-	10,200	(10,200)	0.00%
20 TAXES PRIOR YEARS	-	-	7,000	(7,000)	0.00%
21 TAXES HOMEOWNER'S SUBVENTION	-	-	3,300	(3,300)	0.00%
22 TAXES PUBLIC UTILITY	-	-	8,400	(8,400)	0.00%
23 TAXES TUSTIN RDA	-	-	40,800	(40,800)	0.00%
24 TAXES MISC	-	-	-	-	0.00%
25 RENT INCOME- AT&T	4,540	4,540	57,120	(52,580)	7.95%
26 RENT INCOME- CROWN CASTLE	3,748	3,748	53,060	(49,312)	7.06%
27 AMP SALE INSTALLMENTS	-	-	-	-	0.00%
28 MISCELLANEOUS INCOME	50	50	600	(550)	8.33%
29 Total NON OPERATING INCOME:	8,341	8,341	822,130	(813,789)	1.01%
30 Total REVENUES	512,708	512,708	4,252,859	(3,740,151)	12.06%

EXPENSES

31 EOCF #2 NONINTERR OC 43	86,099	86,099	420,227	(334,128)	20.49%
32 EOCF #2 NONINTERR OC 48	10,174	10,174	513,610	(503,436)	1.98%
33 WATER PURCHASED AMP	316,983	316,983	1,400,755	(1,083,772)	22.63%
34 AMP_FAP LEASE EXPENSE	-	-	-	-	0.00%
35 MET-MWDOC CHOICE BUDGET	-	-	28,655	(28,655)	0.00%
36 MET-MWDOC READINESS TO SERVE	19,012	19,012	207,704	(188,692)	9.15%
37 MET-MWDOC CAPACITY FEES	14,340	14,340	139,982	(125,642)	10.24%
38 MWDOC RETAIL SERVICE CONNECT	19,010	19,010	228,121	(209,111)	8.33%

EAST ORANGE COUNTY WATER DISTRICT**FOR WHOLESALE****MONTH: JULY 2016**

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
39	UTILITY- SCADA RTU	148	148	2,650	(2,502)	5.59%
40	SMALL TOOLS	49	49	3,675	(3,627)	1.32%
41	GASOLINE, OIL & DIESEL FUEL	317	317	5,100	(4,783)	6.21%
42	REGULATORY PERMITS	243	243	7,150	(6,907)	3.40%
43	PROF SERV WATER QUAL. CONTROL	710	710	26,000	(25,290)	2.73%
44	SCADA REPLACEMENTS / UPGRADES	-	-	10,200	(10,200)	0.00%
45	OPERATIONS REPORTING SOFTWARE	974	974	15,000	(14,027)	6.49%
46	METER PURCHASE/REPAIR	-	-	10,200	(10,200)	0.00%
47	PRESSURE REGULATORS R&M	-	-	5,100	(5,100)	0.00%
48	R/M- MAINS	-	-	25,500	(25,500)	0.00%
49	SERVICE CONNECTIONS R&M	-	-	1,550	(1,550)	0.00%
50	RESERVOIRS R&M	13	13	25,500	(25,487)	0.05%
51	R/M- VAULTS	-	-	10,200	(10,200)	0.00%
52	R/M- CATHODIC PROTECTION	189	189	25,300	(25,111)	0.75%
53	MAINTAIN & OPERATE EOCF#2	1,705	1,705	45,000	(43,295)	3.79%
54	METER TESTING	-	-	3,060	(3,060)	0.00%
55	SAC LINE R&M	351	351	25,000	(24,650)	1.40%
56	EQUIPMENT RENTAL	1,733	1,733	20,000	(18,268)	8.66%
57	EQUIPMENT MAINTENANCE	-	-	3,570	(3,570)	7.27%
58	VEHICLE MAINTENANCE	116	116	2,900	(2,784)	3.99%
59	MAINTENANCE-BUILDINGS AND GROUNDS	150	150	3,800	(3,650)	3.95%
60	WAGES	18,639	18,639	200,000	(181,361)	9.32%
61	PAYROLL TAXES- FICA & MEDICARE	1,476	1,476	17,000	(15,524)	8.68%
62	PERS CLASSIC(ER-CONTRIBUTION)	1,137	1,137	13,000	(11,863)	8.75%
63	PERS CLASSIC (ER-PAID MEMBER)	842	842	6,500	(5,658)	12.96%
64	PERS PEPRA (ER)	277	277	4,500	(4,223)	6.16%
65	PERS UNFUNDED	595	595	5,500	(4,905)	10.82%
66	PERS CLASSIC (EMPLOYEE)	(280)	(280)	(3,000)	2,720	9.33%
67	PERS PEPRA (EMPLOYEE)	(140)	(140)	(2,500)	2,360	5.60%
68	PERS - OTHER	-	-	39,227	(39,227)	0.00%
69	PAYROLL TAXES- SUI & ETT	33	33	1,000	(967)	3.30%
70	HEALTH & ACCIDENT INSURANCE	3,692	3,692	50,000	(46,308)	7.38%
71	DENTAL INSURANCE	278	278	4,000	(3,722)	6.95%
72	VISION INSURANCE	63	63	700	(637)	8.97%
73	LIFE INSURANCE	27	27	300	(273)	9.06%
74	WORKER'S COMP INSURANCE	363	363	5,000	(4,637)	7.27%
75	EDUCATIONAL REIMBURSEMENTS	-	-	5,000	(5,000)	0.00%
76	UNIFORMS	78	78	2,040	(1,962)	3.83%
77	UTILITIES- OFFICE- ELECT & WTR	281	281	4,000	(3,719)	7.04%
78	UTILITIES-DUMPSTER	26	26	500	(474)	5.21%
79	MCPHERSON FAX	35	35	600	(565)	5.87%
80	MCPHERSON INTERNET	90	90	2,500	(2,410)	3.60%
81	MCPHERSON OFFICE PHONES	369	369	3,570	(3,201)	10.34%
82	DISTRICT WEBSITE	43	43	2,295	(2,253)	1.85%

EAST ORANGE COUNTY WATER DISTRICT**FOR WHOLESALE****MONTH: JULY 2016**

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
83	ANSWERING SERVICE	15	15	200	(185)	7.38%
84	CELLPHONES	135	135	2,040	(1,905)	6.62%
85	PHONE CIRCUITS TO CTRL EQUIP	442	442	7,080	(6,638)	6.24%
86	TRAINING/SCHOOLS	193	193	7,150	(6,957)	2.70%
87	CONSERVATION EDUCATION	255	255	5,100	(4,845)	5.00%
88	TRAVEL- CONF/SEMINARS	-	-	10,000	(10,000)	0.00%
89	MILEAGE	39	39	715	(676)	5.48%
90	BOARD MEETING EXPENSE	46	46	2,000	(1,954)	2.30%
91	DUES & MEMBERSHIP- ACWA	255	255	3,800	(3,545)	6.71%
92	DUES & MEMBERSHIPS- OCWA	-	-	100	(100)	0.00%
93	DUES & MEMBERSHIPS- AWWA	-	-	500	(500)	0.00%
94	DUES & MEMBERSHIP- FCA	-	-	50	(50)	0.00%
95	DUES & MEMBERSHIP- CSDA	-	-	3,570	(3,570)	0.00%
96	DUES- ISDOC/URBAN WTR	21	21	1,200	(1,179)	1.74%
97	POSTAGE	19	19	2,050	(2,031)	0.91%
98	OFFICE SUPPLY/FURN/SMALL EQUIP	57	57	10,000	(9,943)	0.57%
99	PUBLICATIONS & LEGAL NOTICES	5	5	5,100	(5,095)	0.10%
100	COPIER CONTRACT	29	29	2,500	(2,471)	1.16%
101	OFFICE EQUIPMENT R&M	592	592	800	(208)	74.06%
102	OUTSIDE SERVICES	423	423	15,000	(14,577)	2.82%
103	AUDITING	2,500	2,500	8,400	(5,900)	29.76%
104	TAX COLLECTION FEES	-	-	7,100	(7,100)	0.00%
105	TREASURER	-	-	5,100	(5,100)	0.00%
106	ACCOUNTING	3,430	3,430	26,010	(22,580)	13.19%
107	LEGAL	-	-	45,000	(45,000)	0.00%
108	COMPUTER CONSULTING	935	935	10,100	(9,165)	9.26%
109	ENGINEERING-WS	2,000	2,000	20,500	(18,500)	9.76%
110	LAFCO	5,232	5,232	8,000	(2,768)	65.40%
111	UNDERGROUND SERVICE ALERT	47	47	400	(353)	11.81%
112	BANK CHARGES	133	133	2,000	(1,867)	6.65%
113	INSURANCE-AUTO & GEN LIABILITY	846	846	12,500	(11,654)	6.77%
114	INSURANCE-PROPERTY	225	225	3,750	(3,525)	6.00%
115	INSURANCE-EMP. FIDELITY BOND	17	17	300	(283)	5.74%
116	SECURITY	-	-	1,500	(1,500)	0.00%
117	ELECTION EXPENSE	-	-	40,000	(40,000)	0.00%
118	MISCELLANEOUS EXP	-	-	510	(510)	0.00%
119	DIRECTOR- BARRETT	-	-	-	-	0.00%
120	DIRECTOR- VANDERWERFF	-	-	-	-	0.00%
121	DIRECTOR- DULEBOHN	213	213	2,500	(2,288)	8.50%
122	DIRECTOR- BELL	150	150	2,500	(2,350)	6.00%
123	DIRECTOR- DAVERT	-	-	-	-	0.00%
124	DIRECTOR- EVERETT	88	88	2,500	(2,413)	3.50%
125	DIRECTOR- SEARS	88	88	2,500	(2,413)	3.50%
126	DEPRECIATION EXP.	-	-	-	-	0.00%

EAST ORANGE COUNTY WATER DISTRICT**FOR WHOLESALE
MONTH: JULY 2016**

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
127	TRANS TO CAPITAL PROJECTS	3,756	3,756	45,193	(41,437)	8.31%
128	TRANSFER TO (FROM) RESERVES	29,192	29,192	350,300	(321,108)	8.33%
129	MARKET VALUE ADJUST-INVESTMENT	(1,324)	(1,324)	-	(1,324)	0.00%
130	MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
130	Total EXPENSES:	550,292	550,292	4,252,859	(3,702,567)	12.94%
131	NET INCOME FROM OPERATIONS:	(37,584)	(37,584)	-	(37,584)	
132	OTHER INCOME AND EXPENSE					
133	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	0.00%
134	Total OTHER INCOME AND EXPENSE	-	-	-	-	0.00%
135	NET INCOME (LOSS)	(37,584)	(37,584)	-	(37,584)	

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

WHOLESALE ZONE CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT
2015-2016 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MONTH: JULY 2016

REVENUE					
DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
1 FUNDS PROVIDED BY RESERVE	-	-	6,008,830	(6,008,830)	0.00%
2 CAPITAL PROJECTS REVENUE					
3 INTEREST EARNINGS	-	-	17,000	(17,000)	0.00%
4 REIMBURSEMENTS	-	-	-	-	0.00%
5 TRANSFER FROM OPERATING EXPENSES	32,948	32,948	395,494	(362,545)	8.33%
6 NET OPERATING INCOME	32,948	32,948	6,421,324	(6,388,375)	

EXPENSES					
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
7 CAPITAL PROJECTS EXPENSES					
8 UWMP UPDATE	-	-	-	-	0.00%
9 6 MG SECURITY GATE @ JAMBOREE	-	-	-	-	0.00%
10 6 MG SECURITY SYSTEM	-	-	-	-	0.00%
11 PIPELINE INSPECTION	-	-	-	-	0.00%
12 BETTERMENT & REPLACEMENT PLAN	-	-	-	-	0.00%
13 PROGRAMMATIC CEQA	-	-	-	-	0.00%
14 6 MG RESERVOIR ROOF REPAIRS	8,896	8,896	1,325,000	(1,316,104)	0.67%
15 6 MG LEAK DETECTION SYSTEM	-	-	80,000	(80,000)	0.00%
16 PIPELINE CATHODIC PROTECTION	-	-	45,000	(45,000)	0.00%
17 OFFICE/YARD IMPROVEMENT	-	-	6,000	(6,000)	0.00%
18 11.5 CATHODIC PROTECTION	-	-	57,000	(57,000)	0.00%
19 NEW FIELD TRUCK FOR OPERATIONS	-	-	20,000	(20,000)	0.00%
20 6 MG TREATMENT PLANT	-	-	22,500	(22,500)	0.00%
21 ANDRES RESERVOIR VULNERABILITY UPGRADE	-	-	-	-	0.00%
22 VALVE REPLACEMENT (12" - 27")	-	-	23,000	(23,000)	0.00%
23 NEWPORT RESERVOIR MIXING SYSTEM	-	-	31,000	(31,000)	0.00%
24 6 MG RESERVOIR MIXING LAB	-	-	-	-	0.00%
25 11.5 & 1 MG RESERVOIR ISOLATION VALVES	-	-	-	-	0.00%
26 OC33 RECONNECTION	-	-	-	-	0.00%
27 VULNERABILITY UPGRADES-OC 70	-	-	-	-	0.00%
28 SEDARU IMPROVEMENTS	-	-	10,000	(10,000)	0.00%
29 WZ CAPITALIZED ACCOUNTING	-	-	-	-	0.00%
30 EL NINO PREPARATION	-	-	-	-	0.00%
31 SCADA SYSTEM IMPROVEMENTS	-	-	30,000	(30,000)	-
32 PIPELINE REPAIR/REPLACEMENT RESERVE	500	500	75,000	(74,500)	-
33 WZ TURNOUT REPAIRS-FLOWMETER REHAB & CORROSION REPAIRS	-	-	16,250	(16,250)	-
34 COPIER	-	-	5,000	(5,000)	-
35 WATER LOSS ANALYSIS/RECOVERY	-	-	20,000	(20,000)	0.00%
36 TOTAL OPERATING EXPENSE	9,396	9,396	1,765,750	(1,756,354)	
37 NET INCOME FROM OPERATIONS	23,551	23,551	4,655,574	(4,632,022)	
38 PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	
39 NET INCOME (LOSS)	23,551	23,551	4,655,574	(4,632,022)	

**FOR WHOLESALE
MONTH: JULY 2016**

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
REVENUE					
FUNDED BY RESERVES	-	-	6,008,830	(6,008,830)	
1 INTEREST-LAIF-CAP	-	-	17,000	(17,000)	0.00%
2 REIMBURSEMENTS	-	-	-	-	0.00%
3 TRANSFER FROM WZ OPERATIONS EXPENSES	3,756	3,756	45,194	(41,438)	8.31%
4 TRANSFER FROM CAPITAL RESERVES	29,192	29,192	350,300	(321,108)	8.33%
5 Total NON OPERATING INCOME:	32,948	32,948	6,421,324	(6,388,375)	
6 Total OPERATING REVENUE	32,948	32,948	6,421,324	(6,388,375)	
7 NET OPERATING INCOME:	32,948	32,948	6,421,324	(6,388,375)	
EXPENSES					
8 UWMP Update	-	-	-	-	0.00%
9 6 MG Security Gate @ Jamboree-Construction	-	-	-	-	0.00%
10 6 MG Security Gate @ Jamboree-Labor	-	-	-	-	0.00%
11 6 MG Security System-Construction	-	-	-	-	0.00%
12 6 MG Security System-Labor	-	-	-	-	0.00%
13 Pipeline Inspection-Engineering	-	-	-	-	0.00%
14 Pipeline Inspection-Labor	-	-	-	-	0.00%
15 Betterment & Replacement Plan-Engineering	-	-	-	-	0.00%
16 Programmatic CEQA	-	-	-	-	0.00%
17 6 MG Reservoir Roof Repairs-Construction	-	-	1,200,000	(1,200,000)	0.00%
18 6 MG Reservoir Roof Repairs-Engineering	8,896	8,896	100,000	(91,104)	8.90%
19 6 MG Reservoir Roof Repairs-Labor	-	-	25,000	(25,000)	0.00%
20 Pipeline Cathodic Protection-Construction	-	-	25,000	(25,000)	0.00%
21 Pipeline Cathodic Protection-Engineering	-	-	-	-	0.00%
22 Pipeline Cathodic Protection-Labor	-	-	20,000	(20,000)	0.00%
23 Office/Yard Improvement-Construction	-	-	5,000	(5,000)	0.00%
24 Office/Yard Improvement-Labor	-	-	1,000	(1,000)	0.00%
25 11.5 Cathodic Protection-Construction	-	-	30,000	(30,000)	0.00%
26 11.5 Cathodic Protection-Engineering	-	-	25,000	(25,000)	0.00%
27 11.5 Cathodic Protection-Labor	-	-	2,000	(2,000)	0.00%
28 New Truck for Field Operations	-	-	20,000	(20,000)	0.00%
29 6 MG Leak Detection System-Engineering	-	-	20,000	(20,000)	0.00%
30 6 MG Leak Detection System-Construction	-	-	50,000	(50,000)	0.00%
31 6 MG Leak Detection System-Labor	-	-	10,000	(10,000)	0.00%
32 6 MG Treatment Plant - Preliminary	-	-	-	-	0.00%
33 6 MG Treatment Plant - CEQA	-	-	17,500	(17,500)	0.00%
34 6 MG Treatment Plant-Construction	-	-	-	-	0.00%
35 6 MG Treatment Plant Feasibility Study-Engineering	-	-	-	-	0.00%
36 6 MG Treatment Plant-Labor	-	-	5,000	(5,000)	0.00%
37 Andres Reservoir Vulnerability Upgrade-Construction	-	-	-	-	0.00%
38 Andres Reservoir Vulnerability Upgrade-Engineering	-	-	-	-	0.00%

**FOR WHOLESALE
MONTH: JULY 2016**

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
39 Andres Reservoir Vulnerability Upgrade-Labor	-	-	-	-	0.00%
40 Valve Replacement (12" - 27")-Construction	-	-	12,000	(12,000)	0.00%
41 Valve Replacement (12" - 27")-Engineering	-	-	5,000	(5,000)	0.00%
42 Valve Replacement (12" - 27")-Labor	-	-	6,000	(6,000)	0.00%
43 Newport Reservoir Mixing System-Labor	-	-	1,000	(1,000)	0.00%
44 Newport Reservoir Mixing System-Engineering	-	-	5,000	(5,000)	0.00%
45 Newport Reservoir Mixing System-Construction	-	-	25,000	(25,000)	0.00%
46 6 MG Reservoir Mixing Lab-Labor	-	-	-	-	0.00%
47 6 MG Reservoir Mixing Lab-Engineering	-	-	-	-	0.00%
48 6 MG Reservoir Mixing Lab-Construction	-	-	-	-	0.00%
49 11.5 & 1 MG Reservoir Isolation Valves-Labor	-	-	-	-	0.00%
50 11.5 & 1 MG Reservoir Isolation Valves-Engineering	-	-	-	-	0.00%
51 11.5 & 1 MG Reservoir Isolation Valves-Construction	-	-	-	-	0.00%
52 OC33 Reconnection-Labor	-	-	-	-	0.00%
53 OC33 Reconnection-Engineering	-	-	-	-	0.00%
54 OC33 Reconnection-Construction	-	-	-	-	0.00%
55 Vulnerability Upgrades-OC 70-Construction	-	-	-	-	0.00%
56 Sedaru Improvements	-	-	10,000	(10,000)	0.00%
57 WZ Capitalized Accounting	-	-	-	-	0.00%
58 El Nino Preparation	-	-	-	-	0.00%
59 Scada System Improvements	-	-	30,000	(30,000)	0.00%
60 Pipeline Repair/Replacement Reserve-Engineering	-	-	12,500	(12,500)	0.00%
61 Pipeline Repair/Replacement Reserve-Construction	500	500	62,500	(62,000)	0.80%
62 WZ Turnout Repairs-Flowmeter Rehab & Corrosion Repair	-	-	16,250	(16,250)	0.00%
63 Copier	-	-	5,000	(5,000)	0.00%
64 Water Loss Analysis/Recovery	-	-	20,000	(20,000)	0.00%
65 Total EXPENSES:	9,396	9,396	1,765,750	(1,756,354)	
66 NET INCOME (LOSS)	23,551	23,551	4,655,574	(4,632,022)	0.51%

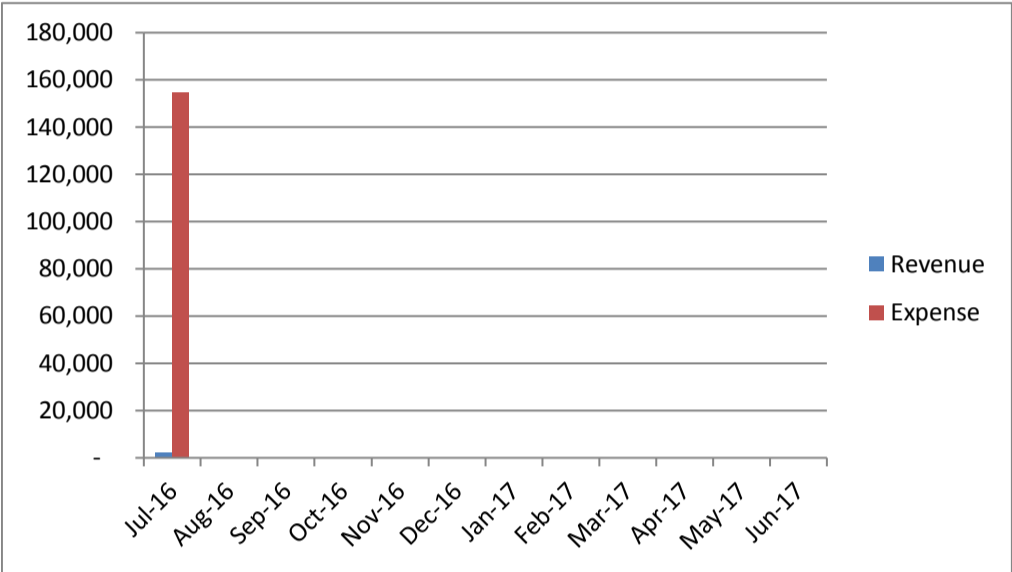
Retail Zone Financial Summary

For Period Ending July 31, 2016

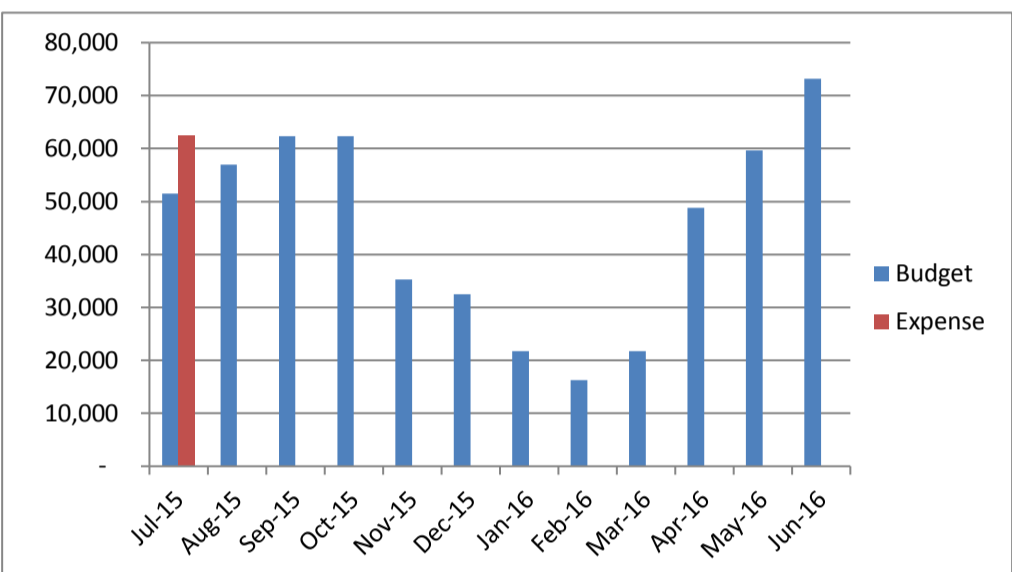
YTD Operating Income \$ 2,237

YTD Operating Expense \$ 154,751

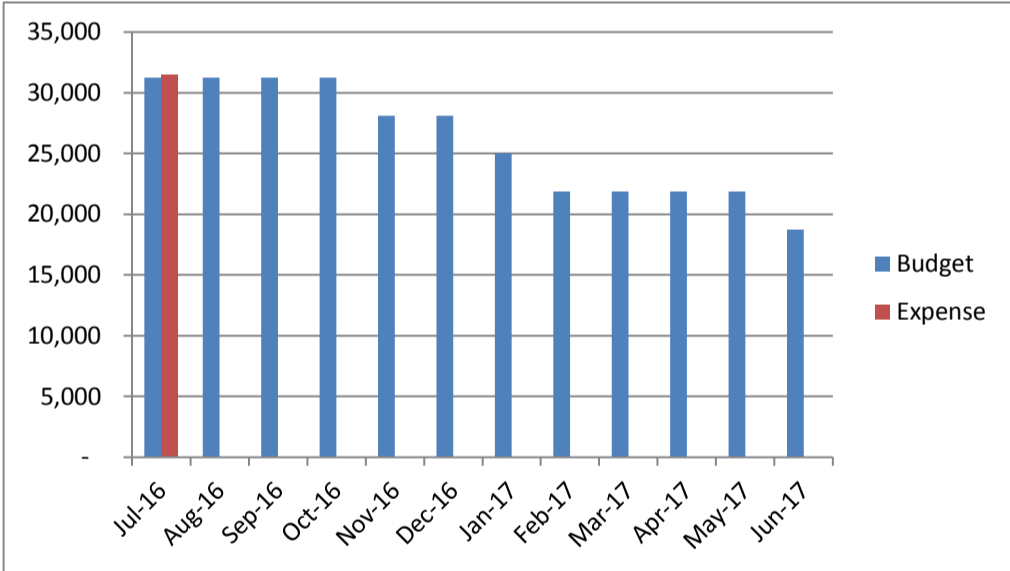
Revenue vs Expenses



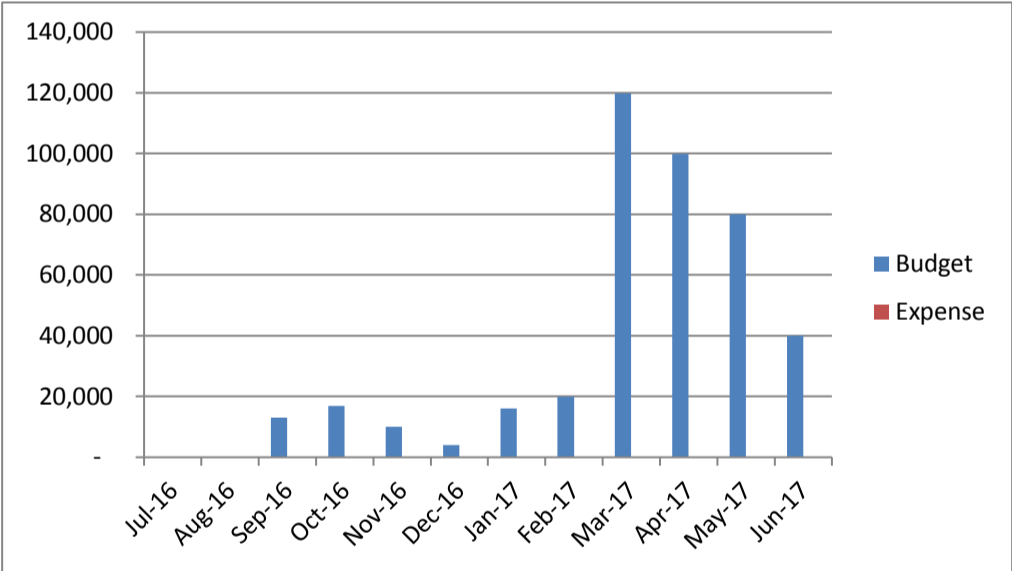
Water Purchased Budget vs. Actual



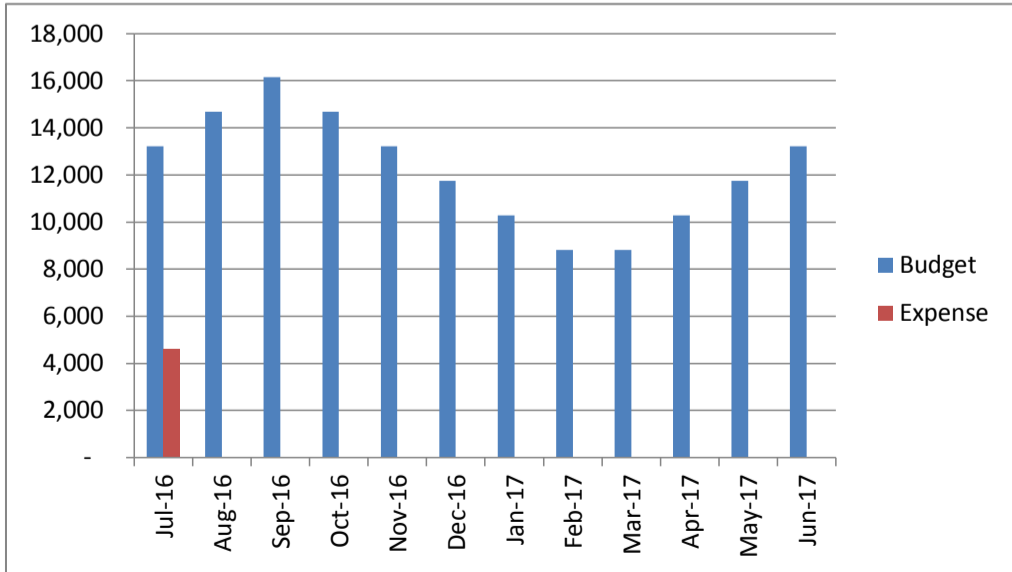
Salaries & Benefits Budget vs. Actual



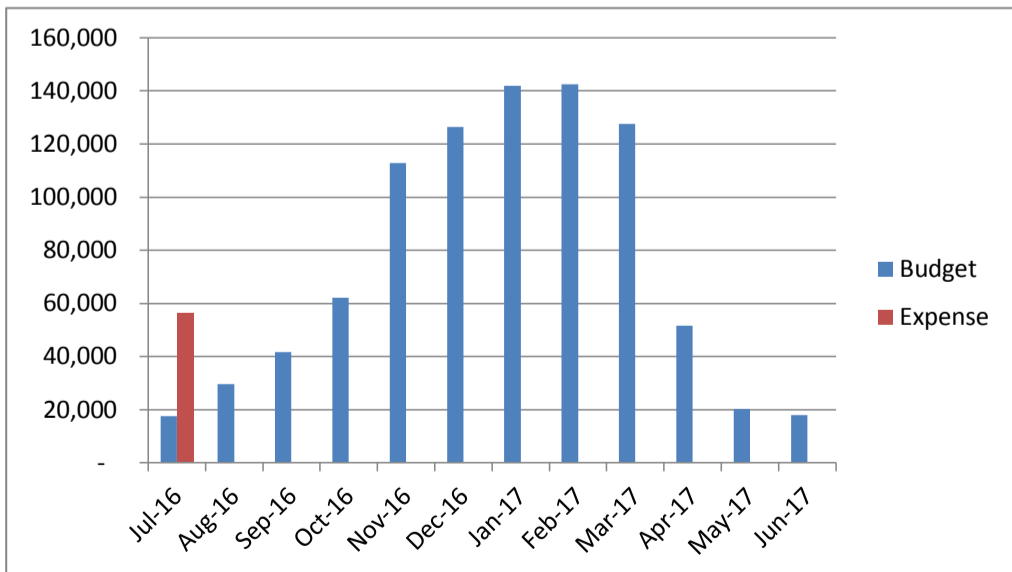
CIP Budget vs. Actual



Electrical Budget vs. Actual



O&M Budget vs. Actual



RETAIL ZONE

EAST ORANGE COUNTY WATER DISTRICT
2016-2017 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MONTH: JULY 2016

REVENUE		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		ACTUAL	ACTUAL	2016-17	OVER	OF BUDGET
		REVENUE	REVENUE	BUDGET	(UNDER)	EXPENDED
1	OPERATING REVENUE:					
2	WATER SALES	422	422	1,072,000	(1,071,578)	0.04%
3	METER CHARGE	128	128	405,900	(405,772)	0.03%
4	OTHER CHARGES	1,440	1,440	10,600	(9,160)	13.58%
5	TOTAL OPERATING REVENUE:	1,991	1,991	1,488,500	(1,486,509)	0.13%
6	NON-OPERATING REVENUES (EXPENSES):					
7	PROPERTY TAXES	-	-	400,100	(400,100)	0.00%
8	INTEREST & INVESTMENT EARNINGS	6	6	4,100	(4,094)	0.15%
9	MISCELLENIOUS INCOME	240	240	500	(260)	48.00%
10	MARKET VALUE ADJUSTMENT ON INVESTMENTS	-	-	-	-	0.00%
11	DISPOSAL OF ASSET GAIN (LOSS)	-	-	-	-	0.00%
12	TOTAL NON-OPERATING REVENUES, NET	246	246	404,700	(404,454)	0.06%
13	TOTAL REVENUES	2,237	2,237	1,893,200	(1,890,963)	0.12%

EXPENSES		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		ACTUAL	ACTUAL	2016-17	OVER	OF BUDGET
		EXPENSES	EXPENSES	BUDGET	(UNDER)	EXPENDED
14	OPERATING EXPENSE:					
15	SOURCE OF SUPPLY	55,246	55,246	423,200	(367,954)	13.05%
16	MET/MWDOC FIXED CHARGE	1,099	1,099	13,300	(12,201)	8.26%
17	WZ FIXED CHARGE	2,207	2,207	29,700	(27,493)	7.43%
18	PIPELINE CAPACITY LEASE	3,887	3,887	76,000	(72,113)	5.12%
19	ENERGY	4,316	4,316	142,500	(138,184)	3.03%
20	OPERATIONS & MAINTENANCE	42,311	42,311	570,900	(528,589)	7.41%
21	GENERAL & ADMINISTRATIVE	21,225	21,207	341,410	(320,203)	6.21%
22	TRANSFER TO CAPITAL PROJECTS EXPENSE	15,099	15,099	181,190	(166,091)	8.33%
23	RETAIL OPERATIONS CONTINGENCY FUND	5,417	5,417	65,000	(59,583)	8.33%
24	FUNDED TO/BY RESERVE	4,167	4,167	50,000	(45,833)	8.33%
25	DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
26	TOTAL OPERATING EXPENSE	154,975	154,957	1,893,200	(1,738,243)	8.18%
27	NET INCOME FROM OPERATIONS	(152,738)	(152,720)	-	(152,720)	
28	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	
29	NET INCOME (LOSS)	(152,738)	(152,720)	-	(152,720)	

Retail Zone**July 2016 Variance Report - 8% of Budget Year Expended**

Account Name	Income(I) Expense (E)	YTD Amount	Percent Received/ Spent	Comments
Operating				
<u>New</u>				
MISCELLANEOUS INCOME	I	240	48%	YTD is 48% of budget due to money received from ACWA for employee wellness
WATER PURCHASED	E	45,007	26%	YTD is over 25% because we budgeted based off the 29% reduction instead of the 15% reduction which was adopted
LAFCO	E	2,735	55%	YTD is at 50% due to timing and paying LAFCO fees at the beginning of the year
OFFICE EQUIPMENT R&M	E	592	59%	YTD is over 50% due to the installation of new phones

Ongoing**Capital****Ongoing**

EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL
MONTH: JULY 2016

YTD ACT DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2016-17 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
REVENUE					
1 WATER SALES	422	422	1,072,000	(1,071,578)	0.04%
2 DROUGHT SURCHARGE	-	-	-	-	0.00%
3 METER CHARGE	128	128	405,900	(405,772)	0.03%
4 LATE CHARGE	1,350	1,350	11,000	(9,650)	12.27%
5 RETURNED CHECK CHARGE	90	90	1,000	(910)	9.00%
6 TURN OFF CHARGE	-	-	600	(600)	0.00%
7 OTHER CHARGES	-	-	-	-	0.00%
8 UNCOLLECTIBLE ACCOUNTS	-	-	(2,000)	2,000	0.00%
9 TURN ON NEW SERVICE	-	-	-	-	0.00%
10 REFUNDS	-	-	-	-	0.00%
11 Total OPERATING REVENUE:	1,991	1,991	1,488,500	(1,486,509)	0.13%
12 INTEREST INCOME-MM	6	6	100	(94)	6.16%
13 INTEREST-LAIF-OP	-	-	4,000	(4,000)	0.00%
14 TAXES SECURED	-	-	350,000	(350,000)	0.00%
15 TAXES UNSECURED	-	-	15,100	(15,100)	0.00%
16 TAXES SUPPLEMENTAL ROLL	-	-	9,900	(9,900)	0.00%
17 TAXES PRIOR YEARS	-	-	3,900	(3,900)	0.00%
18 TAXES HOMEOWNER'S SUBVENTION	-	-	1,900	(1,900)	0.00%
19 TAXES PUBLIC UTILITY	-	-	4,300	(4,300)	0.00%
20 TAXES TUSTIN RDA	-	-	20,000	(20,000)	0.00%
21 TAXES MISC	-	-	-	-	0.00%
22 TAXES ACCRUED	-	-	(5,000)	5,000	0.00%
23 DISPOSAL OF ASSETS GAIN(LOSS)	-	-	-	-	0.00%
24 MISCELLANEOUS INCOME	240	240	500	(260)	48.00%
25 Total NON OPERATING INCOME:	246	246	404,700	(404,454)	
26 Total REVENUE	2,237	2,237	1,893,200	(1,890,963)	

EXPENSES

27 WATER PURCHASED	45,007	45,007	176,000	(130,993)	25.57%
28 WATER PURCHASED IN-LIEU	-	-	-	-	0.00%
29 WATER PURCHASED IN LIEU CREDIT	-	-	-	-	0.00%
30 OCWD- REPLENISH ASSESSMENT	10,239	10,239	247,200	(236,962)	4.14%
31 MET-MWDOC READINESS TO SERVE	2,594	2,594	35,000	(32,406)	7.41%
32 MET-MWDOC CAPACITY FEES	1,293	1,293	16,000	(14,707)	8.08%
33 MET-MWDOC CHOICE	-	-	25,000	(25,000)	0.00%
34 MWDOC RETAIL SERVICE CONNECT	1,099	1,099	13,300	(12,201)	8.26%
35 EOCWD WR RESERVE FUND CHARGE	753	753	10,300	(9,548)	7.31%
36 EOCWD WR READINESS TO SERVE	1,455	1,455	19,400	(17,945)	7.50%
37 UTILITY STOLLER RESERVOIR	1,717	1,717	65,000	(63,283)	2.64%
38 UTILITY VISTA PANORAMA BOOSTER	284	284	9,000	(8,716)	3.16%
39 ULILITIES- WELLS- EAST/WEST	2,315	2,315	68,500	(66,185)	3.38%
40 SMALL TOOLS	49	49	4,000	(3,951)	1.21%
41 GASOLINE, OIL & DIESEL FUEL	317	317	6,800	(6,483)	4.66%
42 REGULATORY PERMITS	335	335	7,500	(7,165)	4.46%
43 NPDS PERMIT	-	-	-	-	0.00%
44 PROF SERV WATER QUAL. CONTROL	321	321	20,500	(20,179)	1.57%
45 CHLORINE GENERATOR/SALT PURCH	-	-	1,200	(1,200)	0.00%
46 WEST WELL MAINTENANCE	3,203	3,203	5,000	(1,797)	64.06%
47 EAST WELL MAINTENANCE	52	52	10,000	(9,948)	0.52%
48 STOLLER RESERVOIR/BOOSTER R&M	-	-	9,000	(9,000)	0.00%
49 VISTA PANORAMA BOOSTER R&M	-	-	4,200	(4,200)	0.00%
50 R&M VISTA PANORAMA RESERVOIR	-	-	12,000	(12,000)	0.00%
51 CHLORINE GENERATOR	372	372	6,000	(5,628)	6.20%
52 SCADA REPAIR/UPGRADE	-	-	12,000	(12,000)	0.00%
53 OPERATIONS REPORTING SOFTWARE	444	444	12,000	(11,556)	3.70%
54 HYDRANT REPAIR & REPLACEMENTS	-	-	16,100	(16,100)	0.00%
55 METER PURCHASE REPAIR	-	-	21,000	(21,000)	0.00%
56 PRV- R & M	-	-	2,000	(2,000)	0.00%
57 R/M- MAINS	1,059	1,059	30,500	(29,441)	3.47%
58 DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
59 SERVICE LATERALS R&M	1,685	1,685	25,500	(23,815)	6.61%
60 RESERVOIRS R&M	13	13	10,000	(9,987)	0.13%
61 R/M- VAULTS	-	-	1,500	(1,500)	0.00%
62 R/M- CATHODIC PROTECTION	-	-	5,100	(5,100)	0.00%
63 METER TESTING	-	-	1,000	(1,000)	0.00%

EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL
MONTH: JULY 2016

YTD ACT DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2016-17 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
64 EQUIPMENT RENTAL	2,678	2,678	22,500	(19,823)	11.90%
65 EQUIPMENT MAINTENANCE	-	-	4,500	(4,500)	0.00%
66 VEHICLES R&M	116	116	5,000	(4,884)	2.31%
67 BUILDING/GROUNDS R&M	150	150	3,500	(3,350)	4.29%
68 WAGES	21,445	21,445	200,000	(178,555)	10.72%
69 PAYROLL TAXES- FICA & MEDICARE	1,692	1,692	13,500	(11,808)	12.53%
70 PERS Classic(ER-Contribution)	1,309	1,309	15,000	(13,691)	8.72%
71 PERS Classic (ER-paid member)	969	969	8,000	(7,031)	12.12%
72 PERS PEPRA (ER)	319	319	5,000	(4,681)	6.38%
73 PERS Unfunded	685	685	6,000	(5,315)	11.41%
74 PERS Classic (Employee)	(322)	(322)	(3,000)	2,678	10.73%
75 PERS PEPRA (Employee)	(161)	(161)	(2,000)	1,839	8.06%
76 PERS OTHER	-	-	-	-	0.00%
77 PAYROLL TAXES- SUI & ETT	38	38	3,700	(3,662)	1.02%
78 HEALTH & ACCIDENT INSURANCE	4,544	4,544	50,000	(45,456)	9.09%
79 DENTAL INSURANCE	340	340	4,000	(3,660)	8.49%
80 VISION INSURANCE	77	77	1,000	(923)	7.68%
81 LIFE INSURANCE	33	33	500	(467)	6.64%
82 WORKER'S COMP INSURANCE	444	444	5,000	(4,556)	8.88%
83 EDUCATIONAL REIMBURSEMENTS	-	-	3,000	(3,000)	0.00%
84 UNIFORMS	108	108	2,800	(2,692)	3.86%
85 DISTRICT WEBSITE	43	43	10,000	(9,958)	0.43%
86 MCPHERSON FAX	35	35	500	(465)	7.04%
87 MCPHERSON INTERNET	90	90	4,000	(3,910)	2.25%
88 MCPHERSON OFFICE PHONES	369	369	3,700	(3,331)	9.98%
89 ANSWERING SERVICE	15	15	200	(185)	7.38%
90 PHONE CIRCUITS TO CTRL EQUIP	251	251	3,000	(2,749)	8.38%
91 CELLPHONES	135	135	1,700	(1,565)	7.95%
92 UNDERGROUND SERVICE ALERT	47	47	500	(453)	9.45%
93 TRAINING/SCHOOLS	193	193	10,000	(9,807)	1.93%
94 CONSERVATION EDUCATION	6,400	6,400	20,000	(13,600)	32.00%
95 TRAVEL-CONF/SEMINARS	-	-	13,000	(13,000)	0.00%
96 MILEAGE	35	35	3,000	(2,965)	1.16%
97 DUES & MEMBERSHIPS- ACWA	255	255	3,900	(3,645)	6.54%
98 DUES & MEMBERSHIPS- OCWA	-	-	100	(100)	0.00%
99 DUES & MEMBERSHIPS- AWWA	-	-	500	(500)	0.00%
100 DUES & MEMBERSHIP- FCA	-	-	100	(100)	0.00%
101 DUES & MEMBERSHIP-CSDA	-	-	3,600	(3,600)	0.00%
102 DUES- ISDOC/URBAN WTR	21	21	200	(179)	10.42%
103 DUES- ISDOC/URBAN WTR	-	-	500	(500)	0.00%
104 MISCELLANEOUS EXP	-	-	1,000	(1,000)	0.00%
105 DIRECTOR- BARRETT	-	-	510	(510)	0.00%
106 DIRECTOR- VANDERWERFF	-	-	2,500	(2,500)	0.00%
107 DIRECTOR- DULEBOHN	213	213	2,500	(2,288)	8.50%
108 DIRECTOR- BELL	150	150	2,500	(2,350)	6.00%
109 DIRECTOR- DAVERT	-	-	-	-	0.00%
110 DIRECTOR- EVERETT	88	88	2,500	(2,413)	3.50%
111 DIRECTOR- SEARS	88	88	2,500	(2,413)	3.50%
112 BOARD MEETING EXPENSE	46	46	2,000	(1,954)	2.30%
113 POSTAGE	65	65	5,100	(5,035)	1.27%
114 OFFICE SUPPLY/FURN/SMALL EQUIP	57	57	10,000	(9,943)	0.57%
115 PUBLICATIONS & LEGAL NOTICES	5	5	20,000	(19,995)	0.03%
116 COPIER CONTRACT	29	29	2,500	(2,471)	1.16%
117 VERSATERM CONTRACT (RZ BILLS)	-	-	5,100	(5,100)	0.00%
118 BANK CHARGES	275	275	8,000	(7,725)	3.44%
119 OUTSIDE SERVICES	809	809	15,200	(14,391)	5.32%
120 AUDITING	2,500	2,500	8,500	(6,000)	29.41%
121 TAX COLLECTION FEES	-	-	7,200	(7,200)	0.00%
122 COMPUTER BILLING (RZ BILLS)	182	182	8,500	(8,318)	2.14%
123 TREASURER	-	-	5,000	(5,000)	0.00%
124 ACCOUNTING	3,430	3,430	26,000	(22,570)	13.19%
125 LEGAL	-	-	45,000	(45,000)	0.00%
126 COMPUTER CONSULTING	935	935	7,000	(6,065)	13.36%
127 ENGINEERING-RZ	-	-	40,000	(40,000)	0.00%
128 LAFCO	2,753	2,735	5,000	(2,265)	54.71%
129 INSURANCE-AUTO & GEN LIABILITY	721	721	8,000	(7,279)	9.01%
130 INSURANCE-PROPERTY	75	75	3,000	(2,925)	2.50%
131 INSURANCE-EMP. FIDELITY BOND	17	17	500	(483)	3.44%
132 OFFICE EQUIPMENT R&M	592	592	1,000	(408)	59.25%
133 UTILITIES-DUMPSTER	26	26	500	(474)	5.21%
134 UTILITIES- OFFICE- ELECT & WTR	281	281	4,300	(4,019)	6.55%

EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL
MONTH: JULY 2016

YTD ACT DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2016-17 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
135 SECURITY	-	-	1,500	(1,500)	0.00%
136 ELECTION EXPENSE	-	-	10,000	(10,000)	0.00%
137 DEPRECIATION EXP.	-	-	-	-	0.00%
138 TRANS TO CAPITAL PROJECTS	15,099	15,099	181,190	(166,091)	8.33%
139 RZ- CONTINGENCY FUND	5,417	5,417	65,000	(59,583)	8.33%
140 FUNDED TO/BY RESERVE-RZ	4,167	4,167	50,000	(45,833)	8.33%
141 MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
142 MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
143 ESTIMATED RECEIVABLES NOT COLLECTABLE	-	-	-	-	0.00%
144 TOTAL OPERATING EXPENSES:	154,975	154,957	1,893,200	(1,738,243)	
145 NET INCOME FROM OPERATIONS:	(152,738)	(152,720)	-	(152,720)	
146 PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	0.00%
147 PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	0.00%
148 Total OTHER INCOME AND EXPENSES	-	-	-	-	
149 NET INCOME (LOSS)	(152,738)	(152,720)	-	(152,720)	

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

RETAIL ZONE CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT
2015-2016 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MONTH: JULY 2016

REVENUE					
DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2016-17 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
1 FUNDS PROVIDED BY RESERVE	-	-	2,265,055	(2,265,055)	0.00%
2 CAPITAL PROJECTS REVENUE					
3 CAPITAL PROJECTS FEES	82	82	325,000	(324,918)	0.03%
4 CONNECTION FEES	-	-	5,000	(5,000)	0.00%
5 INTEREST EARNINGS	-	-	500	(500)	0.00%
6 TRANSFER FROM OPERATING EXPENSES	19,266	19,266	231,190	(211,924)	8.33%
7 LOAN FOR SYSTEM IMPROVEMENTS	-	-	-	-	
8 NET OPERATING INCOME	19,348	19,348	2,826,745	(2,807,398)	
EXPENSES					
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2016-17 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
9 CAPITAL PROJECTS EXPENSES					
10 LOAN FOR SYSTEM IMPROVEMENTS	-	-	-	-	0.00%
11 MASTER PLAN & CONDITION ASSESSMENT	-	-	-	-	0.00%
12 OFFICE/YARD IMPROVEMENT	-	-	6,000	(6,000)	0.00%
13 NEW VEHICLE TO SUPPLEMENT FLEET	-	-	-	-	0.00%
14 VP HYDRO TANK SEISMIC UPGRADE	-	-	-	-	0.00%
15 VISTA PANORAMA RESERVOIR REPAIR	-	-	-	-	0.00%
16 VALVE RAISING-CRAWFORD CANYON	-	-	18,000	(18,000)	0.00%
17 VALVE REPLACEMENTS	-	-	20,000	(20,000)	0.00%
18 ALLOWANCE FOR SYSTEM RELOCATION	-	-	110,000	(110,000)	0.00%
19 BACKUP GENERATOR FOR VP BOOSTER	-	-	70,500	(70,500)	0.00%
20 6" MAGMETERS @ STOLLER PRVS	-	-	-	-	0.00%
21 BARRETT 150HP BOOST PUMP	-	-	-	-	0.00%
BARRETT 75HP BOOST PUMP REPLACEMENT	-	-	26,000	(26,000)	0.00%
22 REPLACEMENT RECOMMENDATIONS	-	-	-	-	0.00%
23 BACKUP SYSTEM PRV - CIRCULA PANORAMA	-	-	167,500	(167,500)	0.00%
24 NEW WELL CONSTRUCTION	-	-	-	-	0.00%
25 SECURITY IMPROVEMENTS-RESERVOIR SITES	-	-	-	-	0.00%
26 WELL DISINFECTION CONVERSION	-	-	-	-	0.00%
27 WEST WELL REHABILITATION	-	-	62,000	(62,000)	0.00%
28 GENERATOR TRANSFER SWITCH @ EAST/WEST WELL	-	-	15,000	(15,000)	0.00%
29 GENERATOR TRANSFER SWITCH @ BARRETT BOOSTER STATION	-	-	15,000	(15,000)	0.00%
30 SCADA SYSTEM ADDITIONS	-	-	20,000	(20,000)	0.00%
31 SEDARU IMPROVEMENTS	-	-	10,000	(10,000)	0.00%
32 CAPITALIZED ACCOUNTING	-	-	-	-	0.00%
33 EL NINO PREPARATION	-	-	-	-	0.00%
34 COPIER	-	-	5,000	(5,000)	0.00%
35 WATER LOSS CONTROL	-	-	20,000	(20,000)	0.00%
36 TOTAL OPERATING EXPENSE	-	-	565,000	(565,000)	
37 NET INCOME FROM OPERATIONS	19,348	19,348	2,261,745	(2,242,398)	
38 PRIOR YEARS EXPENSES	-	-	-	-	
39 NET INCOME (LOSS)	19,348	19,348	2,261,745	(2,242,398)	

FOR RETAIL
MONTH: JULY 2016

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2016-17 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
REVENUE					
1 FUNDED BY RESERVES	-	-	2,265,055	(2,265,055)	
2 WATER SALES-CAPITAL PROJECTS	82	82	325,000	(324,918)	0.03%
3 CONNECTION FEES	-	-	5,000	(5,000)	0.00%
4 INTEREST-LAIF-CAP	-	-	500	(500)	0.00%
5 TRANSFER IN CAPITAL PROJECTS	15,099	15,099	181,190	(166,091)	8.33%
6 TRANSFER IN CAPITAL RESERVES	4,167	4,167	50,000	(45,833)	8.33%
7 LOAN FOR SYSTEM IMPROVEMENTS	-	-	-	-	0.00%
8 Total NON OPERATING INCOME:	19,348	19,348	2,826,745	(2,807,398)	
9 Total OPERATING REVENUE	19,348	19,348	2,826,745	(2,807,398)	
10 NET OPERATING INCOME:	19,348	19,348	2,826,745	(2,807,398)	

EXPENSES

11 Loan For System Improvements	-	-	-	-	0.00%
12 Master Plan & Condition Assessment-Construction	-	-	-	-	0.00%
13 Master Plan & Condition Assessment-Engineering	-	-	-	-	0.00%
14 Master Plan & Condition Assessment-Labor	-	-	-	-	0.00%
15 Office/Yard Improvement-Construction	-	-	5,000	(5,000)	0.00%
16 Office/Yard Improvement-Engineering	-	-	-	-	0.00%
17 Office/Yard Improvement-Labor	-	-	1,000	(1,000)	0.00%
18 New Vehicle To Supplement Fleet	-	-	-	-	0.00%
19 VP Hydro Tank Seismic Upgrade-Construction	-	-	-	-	0.00%
20 VP Hydro Tank Seismic Upgrade-Engineering	-	-	-	-	0.00%
21 VP Hydro Tank Seismic Upgrade-Labor	-	-	-	-	0.00%
22 Vista Panorama Reservoir Repair-Construction	-	-	-	-	0.00%
23 Vista Panorama Reservoir Repair-Engineering	-	-	-	-	0.00%
24 Vista Panorama Reservoir Repair-Labor	-	-	-	-	0.00%
25 Valve Raising-Crawford Canyon-Construction	-	-	17,000	(17,000)	0.00%
26 Valve Raising-Crawford Canyon-Engineering	-	-	500	(500)	0.00%
27 Valve Raising-Crawford Canyon-Labor	-	-	500	(500)	0.00%
28 Valve Replacements-System-Labor	-	-	15,000	(15,000)	0.00%
29 Valve Replacements-System-Construction	-	-	5,000	(5,000)	0.00%
30 Allowance For System Relocation-Labor	-	-	5,000	(5,000)	0.00%
31 Allowance For System Relocation-Engineering	-	-	5,000	(5,000)	0.00%
32 Allowance For System Relocation-Construction	-	-	100,000	(100,000)	0.00%
33 Backup Generator For VP Booster-Labor	-	-	500	(500)	0.00%
34 Backup Generator For VP Booster-Construction	-	-	70,000	(70,000)	0.00%
35 6" Magmeters @ Stoller Prvs-Labor	-	-	-	-	0.00%
36 6" Magmeters @ Stoller Prvs-Construction	-	-	-	-	0.00%
37 Barrett Res. 150Hp Boost Pump-Labor	-	-	-	-	0.00%

FOR RETAIL
MONTH: JULY 2016

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2016-17 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
38	Barrett Res. 150Hp Boost Pump-Engineering	-	-	-	-	0.00%
39	Barrett Res. 150Hp Boost Pump-Construction	-	-	-	-	0.00%
40	Barrett Reservoir 75Hp Booster Pump Replacement-Construction	-	-	25,000	(25,000)	0.00%
41	Barrett Reservoir 75Hp Booster Pump Replacement-Labor	-	-	1,000	(1,000)	0.00%
42	Replacement Recommendations-Labor	-	-	-	-	0.00%
43	Replacement Recommendations-Engineering	-	-	-	-	0.00%
44	Replacement Recommendations-Construction	-	-	-	-	0.00%
45	Backup System PRV - Circula Panorama-Labor	-	-	7,500	(7,500)	0.00%
46	Backup System PRV - Circula Panorama-Engineering	-	-	10,000	(10,000)	0.00%
47	Backup System PRV - Circula Panorama-Construction	-	-	150,000	(150,000)	0.00%
48	New Well Construction-Construction	-	-	-	-	0.00%
49	New Well Construction-Labor	-	-	-	-	0.00%
50	New Well Construction-Engineering	-	-	-	-	0.00%
51	Security Improvements-Reservoir Sites-Labor	-	-	-	-	0.00%
52	Security Improvements-Reservoir Sites-Construction	-	-	-	-	0.00%
53	Well Disinfection Conversion-Labor	-	-	-	-	0.00%
54	Well Disinfection Conversion-Engineering	-	-	-	-	0.00%
55	Well Disinfection Conversion-Construction	-	-	-	-	0.00%
56	West Well Rehabilitation-Labor	-	-	2,000	(2,000)	0.00%
57	West Well Rehabilitation-Construction	-	-	60,000	(60,000)	0.00%
58	Generator Transfer Switch - East/West Well	-	-	15,000	(15,000)	0.00%
59	Generator Transfer Switch - Barrett Booster Station	-	-	15,000	(15,000)	0.00%
60	SCADA System Additions-Engineering	-	-	20,000	(20,000)	0.00%
61	Sedaru Improvements	-	-	10,000	(10,000)	0.00%
62	Capitalized Accounting	-	-	-	-	0.00%
63	El Nino Preparation	-	-	-	-	0.00%
64	Copier	-	-	5,000	(5,000)	0.00%
65	Water Loss Recovery Program (WSO)	-	-	20,000	(20,000)	0.00%
66	TOTAL OPERATING EXPENSES:	-	-	565,000	(565,000)	
	NET INCOME FROM OPERATIONS:	19,348	19,348	2,261,745	(3,372,398)	
67	Net Income (Loss):	19,348	19,348	2,261,745	(2,242,398)	

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: REQUEST TO AMEND IMPROVEMENT DISTRICT 1 CAPITAL IMPROVEMENT BUDGET
DATE: SEPTEMBER 15, 2016

BACKGROUND

As reported at the August 9, 2016 Special Meeting, staff was advised by Orange County Sanitation District prior to the August 1st transfer that they had identified 116 sites that had been found to be in need of structural repair in a timely manner (attached). The repairs are anticipated to be primarily rehabilitative in nature, such as Cured-In-Place-Pipe (CIPP), as well as areas that will require excavation and replacement. OCSD has estimated the cost of these repairs at \$876,000 and anticipates that they can be bundled into 5 or 6 separate contracts.

To resolve these repairs, and in recognition that EOCWD had not anticipated the need for such a significant CIP effort so early in our ownership, OCSD is providing the services of two engineers, Mr. Dickie Fernandez, who is a current OCSD Engineering Department employee that is very familiar with ID1 sewers, as well as Mr. Chuck Winsor, a former OCSD engineer who is also very familiar with ID1 sewers.

OCSD has provided both engineers to the District with the intent of not only assisting us with the capital repairs, but to also assist/train the general engineering services consultant and staff in preparing plans and specifications for these specialized repairs, issuing permits, developing the Sewer System Management Plan (SSMP) and other related general engineering needs. This is welcome and appreciated assistance that will assist in an ongoing smooth transition. OCSD will provide Mr. Fernandez's assistance through the completion of the capital projects (estimated Spring 2017); Mr. Winsor's assistance is being provided through January 31, 2017.

The Improvement District 1 Capital Improvement Program Budget will require amendment for the construction cost of the repairs. Staff has rounded up OCSD's \$876,000 Budget to \$950,000 as OCSD's estimate was preliminary in nature and didn't include a contingency.

The Engineering and Operations Committee reviewed this issue at their September 12, 2016 meeting and recommended that the Board approve the amendment to the ID1 Capital Improvement Budget.

FINANCIAL IMPACT

Funding for the \$950,000 addition to the ID1 CIP will come from ID1 reserve funds that have not been invested in the Chandler Asset Management Investment Funds (approximately \$3 Million). With the additional project funds, the revised ID1 CIP budget will be \$1,666,100.

RECOMMENDATION

The Board approve a revised Improvement District 1 Capital Improvement Program Budget of \$1,666,100, reflecting a \$950,000 increase to fund Rehabilitation and Repair of ID1 Sewers.

RED0500-0000;RED0500-0005	5.5 Action Required	Crack/Fracture/Broken	Missing Pipe at MH 000	\$3,000
HAT0225-0020;HAT0225-0025	381.31 Action Required	Crack/Fracture/Broken	Multiple Fractures at 379' - No Emergency but needs repair	\$10,000
HAT0180-0030;HAT0180-0035	320 Action Required	Crack/Fracture/Broken	Multiple Fractures at 266' - No Emergency but needs repair	\$9,000
RED0450-0000;RED0450-0005	267.52 Action Required	Crack/Fracture/Broken	Broken at 54-58' and 259' - No Emergency but needs repair	\$7,000
RED0465-0005;RED0465-0010	247 Action Required	Crack/Fracture/Broken	Multiple Fractures at 78' - No Emergency but needs repair	\$7,000
RED0365-0035;RED0365-0040	97.94 Action Required	Crack/Fracture/Broken	Multiple Fractures at 33' - No Emergency but needs repair	\$3,000
HAT0485-0000;HAT0490-0000	33.11 Action Required	Crack/Fracture/Broken	Multiple Fractures at 16' - No Emergency but needs repair	\$1,000
SUN0315-1085;SUN0315-1100	106.5 Action Required	Crack/Fracture/Broken	Multiple Fractures at 1.99' from MH Sun0315-1085, no emergency but needs repair.	\$3,000
SUN0315-1160;SUN0315-1165	220 Action Required	Crack/Fracture/Broken	Broken pipe at 286' from SUN0315-1160, not an emergency but needs repair.	\$6,000
SUN0415-0065;SUN0415-0593	246.2 Action Required	Crack/Fracture/Broken	Multiple fractures at 34' from MHSUN0415-0593, not an emergency but needs repair	\$7,000
SUN0415-0365;SUN0415-0370	300 Action Required	Crack/Fracture/Broken	Broken pipe at 3' from MH SUN0415-0365, no emergency but needs to be repaired.	\$8,000
SUN0415-0600;SUN0415-0610	353 Action Required	Crack/Fracture/Broken	Multiple Fractures at 305' from MH SUN0415-0610, not an emergency but needs repair	\$10,000
SUN0455-0005;SUN0455-0010	419 Action Required	Crack/Fracture/Broken	Broken pipe at 2.29' from MH SUN0455-0010, not an emergency but needs to be repaired.	\$11,000
SUN0455-0025;SUN0455-0030	182.41 Action Required	Crack/Fracture/Broken	Multiple Fractures at 178' from MH SUN0455-0030, not an emergency but needs repair	\$5,000
SUN0455-0035;SUN0455-0085	54 Action Required	Crack/Fracture/Broken	Multiple Fractures at 47' from MH SUN0455-0035, not an emergency but needs repair.	\$2,000
SUN0455-0045;SUN0455-0050	69.06 Action Required	Crack/Fracture/Broken	Broken and hole in pipe at 46' from MH SUN0455-0050, no emergency but needs repair.	\$2,000
SUN0455-0120;SUN0455-0125	256.99 Action Required	Sag	Pipe sags from 242' of MH SUN0455-0125 to end of line, camera under water, not an emergency but needs repair. Also Multiple fractures at 22' from same MH, again not an emergency but needs repair.	\$30,000
SUN0465-0020;SUN0465-0030	395 Action Required	Crack/Fracture/Broken	Broken pipe at 384' from MH SUN0465-0030, not an emergency but needs repair.	\$11,000
SUN0820-0000;SUN0825-0000	419.19 Action Required	Crack/Fracture/Broken	Multiple Fractures at 349' and 387' from MH SUN0825-0000, not an emergency but needs to be repaired.	\$11,000
SUN0845-0000;SUN0850-0000	340.8 Action Required	Crack/Fracture/Broken	Broken pipe at 7' from MH SUN0850-0000, not an emergency but needs repair.	\$9,000
SUN0870-0000;SUN0875-0000	237.5 Action Required	Crack/Fracture/Broken	Broken pipe at 24' from MH SUN0875-0000, not an emergency but needs repair.	\$7,000
RED0625-0225;RED0625-0265	215 Action Required	Crack/Fracture/Broken	Needs repair but not an emergency, multiple fractures at 172' from MH RED0625-0225, Cleaning required at 190' due to root ball 90%.	\$6,000
SUN0415-0030;SUN0415-0265	182.03 Action Required	Hole	Hole in pipe at 36' from MH SUN0415-0030, not an emergency but needs repair. Also from Reverse setup pipe is broken at 135' from MH SUN0415-0265, also not an emergency but needs repair.	\$5,000

RED0395-0020:RED0395-0025	312.53 Action Required	Crack/Fracture/Broken	Broken pipe between 12 TO 3 o'clock @ 215' No Emergency but needs to be repaired.	\$9,000
SUN0430-1570:SUN0430-1920	300 Action Required	Crack/Fracture/Broken	Broken pipe between 4 to 9 o'clock @ 265' and Multiple fractures at 294' - No Emergency but needs to be repaired.	\$8,000
BKR0020-0320:BKR0020-0325	369.17 Action Required	Crack/Fracture/Broken	Broken pipe between 8 to 4 o'clock @ 367' No Emergency but needs to be repaired.	\$10,000
HAT0000-0645:HAT0000-0650	285 Action Required	Crack/Fracture/Broken	Multiple fractures @250' - No Emergency but needs to be repaired.	\$8,000
BKR0020-0155:BKR0020-0160	479.48 Action Required	Crack/Fracture/Broken	Broken pipe between 10 to 2 o'clock @454' Multiple Fractures between 11 and 6 o'clock @ 72' - No Emergency but needs to be repaired.	\$13,000
RED0395-0055:RED0395-0060	76 Action Required	Crack/Fracture/Broken	Hole Soil Visible at 153' needs to be repaired No Emergency	\$2,000
SUN0315-0230:SUN0315-0235	370 Action Required	Hole		\$10,000
RED0085-0020:RED0085-0025	305 Action Required	Crack/Fracture/Broken	Broken pipe between 7 and 5 o'clock @ 303', No Emergency but needs to be repaired. Multiple Fractures between 4 and 8 o'clock @ 247' and pipe broken from 7 to 9 o'clock at 144' No Emergency but need to be repaired.	\$8,000
SUN0480-1415:SUN0480-1445	253 Action Required	Crack/Fracture/Broken	Broken pipe between 8 and 4 o'clock @ 2' multiple fractures at 47' and slightly deformed- No Emergency but needs to be repaired.	\$7,000
SUN0480-1635:SUN0480-1640	230.7 Action Required	Crack/Fracture/Broken	Broken pipe between 7 and 9 o'clock @ 246' No Emergency but needs to be repaired. Also Surface corrosion, Rebar visible at MH 1695	\$6,000
SUN0430-1690:SUN0430-1695	348.04 Action Required	Crack/Fracture/Broken	Multiple Fractures throughout @ 34' - No Emergency but needs to be repaired.	\$10,000
SUN0430-1695:SUN0430-1700	81 Action Required	Crack/Fracture/Broken		\$3,000
SUN0430-1700:SUN0430-1705	250 Action Required	Crack/Fracture/Broken	Miscoded as Broken, Actually Fractured @ 52' No Emergency but needs to be repaired. Hole Soil Visible at 303' needs to be repaired No Emergency	\$7,000
SUN0430-1950:SUN0430-1955	307.81 Action Required	Hole		\$9,000
SUN0480-0700:SUN0480-0705	132.17 Action Required	Crack/Fracture/Broken	Broken pipe between 7 and 5 o'clock @ 3'. No Emergency but needs to be repaired.	\$4,000
SUN0480-0105:SUN0480-1065	53.85 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 1065 Hole Soil Visible at 324' needs to be repaired No Emergency	\$5,000
SUN0480-1100:SUN0480-1105	330 Action Required	Hole		\$9,000
SUN0480-1320:SUN0480-1322	92 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 1320 Broken pipe between 10 and 3 o'clock @ 388", No Emergency but needs to be repaired.	\$5,000
SUN0430-1620:SUN0430-1830	403.02 Action Required	Crack/Fracture/Broken	Broken pipe and multiple fractures @ several places- No Emergency but need to be repaired.	\$11,000
SUN0430-1830:SUN0430-1835	324.87 Action Required	Crack/Fracture/Broken		\$9,000
SUN0430-1845:SUN0430-1850	101.66 Action Required	Crack/Fracture/Broken	Broken pipe between 3 and 5 o'clock @ 50', No Emergency but needs to be repaired.	\$3,000
SUN0430-1855:SUN0430-1860	105.97 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 1860	\$5,000

SUN0430-1860:SUN0430-1865	150 Action Required	Crack/Fracture/Broken	Broken pipe between 7 and 10 o'clock @ 112' and multiple fractures at 68' - No Emergency but needs to be repaired. Also Surface corrosion, Rebar visible at MH 1865	\$9,000
SUN0430-1865:SUN0430-1870	307.91 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 1870 Broken pipe between 2 and 3 o'clock @ 160' - No Emergency but needs to be repaired. Also Surface corrosion, Rebar visible at MH 1875	\$5,000
SUN0430-1875:SUN0430-1880	263.5 Action Required	Crack/Fracture/Broken	Miscoded as Broken, Actually Fractured @ 211' - No Emergency but needs to be repaired.	\$12,000
SUN0480-1120:SUN0480-1230	390 Action Required	Crack/Fracture/Broken	Broken pipe between 2 and 10 o'clock @ 57', No Emergency but needs to be repaired. Broken pipe between 12 and 4 o'clock @ 7' multiple fractures at 78' and 358' - No Emergency but need to be repaired.	\$11,000
SUN0480-1245:SUN0480-1250	165 Action Required	Crack/Fracture/Broken	Broken pipe between 8 and 10 o'clock @ 12', No Emergency but needs to be repaired. Hole Soil Visible @ 375', No Emergency but needs to be repaired.	\$5,000
SUN0480-1265:SUN0480-1280	426 Action Required	Crack/Fracture/Broken	Broken pipe between 5 and 7 o'clock @ 90' - No Emergency, but needs to be repaired. Broken pipe at 149' and 279' - No emergency but needs repair.	\$12,000
RED0120-0285:RED0120-0290	235.9 Action Required	Crack/Fracture/Broken	Broken pipe at 97' from 10 to 4 o'clock - No emergency but needs repair. Surface corrosion, Rebar visible @ both MHs	\$7,000
RED0115-0030:RED0115-0035	570.91 Action Required	Hole	Surface corrosion, Rebar visible @ MH 10	\$15,000
RED0420-0270:RED0420-0320	96 Action Required	Crack/Fracture/Broken	Surface corrosion, Rebar visible @ MH 20	\$3,000
RED0380-0000:RED0380-0005	285 Action Required	Crack/Fracture/Broken	Surface corrosion, Rebar visible @ MH 25	\$8,000
RED0380-0005:RED0380-0010	300 Action Required	Crack/Fracture/Broken	Surface corrosion, Rebar visible @ both MHs	\$18,000
RED0380-0010:RED0380-0015	206 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 10	\$5,000
RED0380-0015:RED0380-0020	212 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 20	\$5,000
RED0380-0020:RED0380-0025	248.48 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 25	\$5,000
RED0380-0025:RED0380-0030	186.56 Action Required	Corrosion	Surface corrosion, Rebar visible @ both MHs Broken pipe at 3' from 10 to 3 o'clock - No emergency but needs repair.	\$5,000
RED0380-0030:RED0380-0035	300 Action Required	Crack/Fracture/Broken	Surface corrosion, Rebar visible @ MH 45	\$8,000
RED0380-0040:RED0380-0045	309.47 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 30	\$5,000
RED0380-0030:RED0380-0070	300 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 420.	\$5,000
RED0390-0415:RED0390-0420	363.92 Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 590	\$5,000
RED0390-0590:RED0390-0595	140.09 Action Required	Corrosion	Pipe Broken @ 156' - No Emergency but needs to be repaired; Surface corrosion, Rebar Visible @ MH 250	\$5,000
RED0395-0250:RED0395-0270	317 Action Required	Crack/Fracture/Broken	Multiple Fractures @ 63' - No Emergency but needs to be repaired; Surface corrosion, Rebar Visible @ MH 270	\$14,000
RED0395-0270:RED0395-0275	360 Action Required	Crack/Fracture/Broken	Broken pipes @ 48' and 234' - No Emergency but needs repair.	\$15,000
RED0420-0160:RED0420-0440	300 Action Required	Crack/Fracture/Broken	Broken pipe @ 127' - No Emergency but needs repair.	\$8,000
SUN0315-1165:SUN0315-1170	200 Action Required	Crack/Fracture/Broken	Surface corrosion, Rebar visible @ MH 605.	\$6,000
SUN0430-0605:SUN0430-0610	192 Action Required	Corrosion	Broken pipes @ 89' and 99' also multiple fractures at 110' - No Emergency but needs repair.	\$5,000
SUN0430-0770:SUN0430-0775	407 Action Required	Crack/Fracture/Broken	Broken pipes @ 113' and 143', multiple cracks at 2' - No Emergency but needs repair. Broken pipes @ 4' and 68' - No Emergency but needs repair.	\$11,000
SUN0430-0380:SUN0430-0905	305.45 Action Required	Crack/Fracture/Broken		\$8,000
SUN0430-0905:SUN0430-0910	204.63 Action Required	Crack/Fracture/Broken		\$6,000

SUN0430-0910:SUN0430-0915	414	Action Required	Crack/Fracture/Broken	Broken pipe @ 28' and fractures at 46' - No Emergency but needs repair.	\$11,000
SUN0430-0930:SUN0430-0935	120.01	Action Required	Crack/Fracture/Broken	Broken pipe @ 3' - No Emergency but needs repair.	\$4,000
SUN0430-0945:SUN0430-0950	173.09	Action Required	Crack/Fracture/Broken	Broken pipe @ 4' - No Emergency but needs repair.	\$5,000
SUN0430-0960:SUN0430-0965	379.58	Action Required	Crack/Fracture/Broken	Broken pipe @ 2' - No Emergency but needs repair.	\$10,000
SUN0430-0970:SUN0430-1125	206.19	Action Required	Crack/Fracture/Broken	Broken pipe @ 4' - No Emergency but needs repair.	\$6,000
SUN0430-1135:SUN0430-1140	181.22	Action Required	Crack/Fracture/Broken	Broken pipe @ 172' - No Emergency but needs repair.	\$5,000
SUN0430-1260:SUN0430-1270	221	Action Required	Crack/Fracture/Broken	Broken pipe @ 127' - No Emergency but needs repair.	\$6,000
SUN0430-1300:SUN0430-1305	257.12	Action Required	Crack/Fracture/Broken	Broken pipe @ 14' and multiple fractures at 9' - No Emergency but needs repair.	\$7,000
SUN0430-1310:SUN0430-1315	208.59	Action Required	Crack/Fracture/Broken	Broken pipe @ 184' - No Emergency but needs repair.	\$6,000
SUN0430-1330:SUN0430-1335	188.54	Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 1335	\$5,000
SUN0430-0935:SUN0430-1340	244.47	Action Required	Crack/Fracture/Broken	Broken pipe @ 232' - No Emergency but needs repair.	\$7,000
SUN0430-1370:SUN0430-1375	118.95	Action Required	Corrosion	Surface corrosion, Rebar visible @ MH 1370	\$5,000
SUN0430-0425:SUN0430-0430	412.1	Action Required	Crack/Fracture/Broken	Broken pipe @ 408' and multiple fractures/cracks throughout - No Emergency but needs repair.	\$11,000
SUN0430-0430:SUN0430-0435	134.83	Action Required	Crack/Fracture/Broken	Broken pipe @ 22' - No Emergency but needs repair.	\$4,000
SUN0500-0030:SUN0500-0035	276	Action Required	Crack/Fracture/Broken	Broken pipe @ 175' and fractured @ 20' - No Emergency but needs repair.	\$8,000
RED0345-0000:RED0345-0005	25	Action Required	Crack/Fracture/Broken	Multiple Fractures @ 24' and Surface corrosion, Rebar visible at MH 5 - No Emergency but needs repair.	\$6,000
SUN0400-0035:SUN0400-0040	364	Action Required	Corrosion	Surface corrosion, Rebar Visible at MH 35	\$5,000
SUN0400-0045:SUN0400-0050	275	Action Required	Crack/Fracture/Broken	Broken pipe @ 102' - No Emergency but needs repair.	\$8,000
SUN0400-0055:SUN0400-0060	343	Action Required	Crack/Fracture/Broken	Broken pipe @ 188' and Surface corrosion, Rebar visible at MH 60 - No Emergency but needs repair.	\$14,000
SUN0400-0075:SUN0400-0080	250.76	Action Required	Hole	Hole at 62' - No Emergency but needs repair.	\$7,000
SUN0400-0055:SUN0400-0090	450	Action Required	Hole	Hole at 132' - No Emergency but needs repair.	\$12,000
SUN0400-0095:SUN0400-0100	140	Action Required	Corrosion	Surface corrosion, Rebar Visible at MH 95	\$5,000
SUN0400-0100:SUN0400-0105	274	Action Required	Corrosion	Surface corrosion, Rebar Visible at MH 100	\$5,000
SUN0400-0105:SUN0400-0110	282	Action Required	Crack/Fracture/Broken	Broken pipe @ 5' - No Emergency but needs repair.	\$8,000
SUN0400-0110:SUN0400-0115	255	Action Required	Crack/Fracture/Broken	Broken pipe @ 21' - No Emergency but needs repair.	\$7,000
SUN0415-0270:SUN0415-0275	158	Action Required	Crack/Fracture/Broken	Multiple Fractures @ 150' and Surface corrosion, Rebar visible at MH 270 - No Emergency but needs repair.	\$5,000
HAT0000-0515:HAT0000-0520	33	Action Required	Corrosion	Surface corrosion, Rebar Visible at MH 520	\$5,000
SUN0315-2305:SUN0315-2355	350	Action Required	Crack/Fracture/Broken	Pipe Fractured and broken from 71-73' - No Emergency but needs repair.	\$10,000
SUN0315-2375:SUN0315-2380	280	Action Required	Crack/Fracture/Broken	Pipe broken at 278' - No Emergency but needs repair.	\$8,000
SUN0315-2650:SUN0315-2655	159.48	Action Required	Crack/Fracture/Broken	Pipe broken at 88' - No Emergency but needs repair.	\$5,000
SUN0315-2870:SUN0315-2875	284.68	Action Required	Crack/Fracture/Broken	Fractures at 5' and 100' and broken at 27', 54'-61' - No Emergency but needs repair.	\$8,000

			Mutliple Fractures at 71' and 73' - No Emergency but needs repair. Also Surface Corrosion at MH 2935, but MH in good Condition No action required.	\$12,000
SUN0315-2930:SUN0315-2935	258.14	Action Required	Crack/Fracture/Broken	
SUN0315-2935:SUN0315-2940	155.93	Action Required	Crack/Fracture/Broken	
			Mutliple Fractures at 119' and 154' - No Emergency but needs repair.	\$5,000
SUN0315-3600:SUN0315-3605	335.42	Action Required	Crack/Fracture/Broken	
			Broken Pipe @ 336' - No Emergency but needs repair.	\$9,000
HAT0170-0000:HAT0175-0000	226	Action Required	Crack/Fracture/Broken	
			Broken Pipe at 193' - No Emergency but needs repair.	\$6,000
HAT0255-0000:HAT0260-0000	400.32	Action Required	Crack/Fracture/Broken	
			Broken Pipe at 3' - No Emergency, but needs repair	\$11,000
SUN0315-0635:SUN0315-0640	159.2	Action Required	Crack/Fracture/Broken	
			Pipe Broken at 150' - No Emergency but needs repair.	\$5,000
SUN0315-0920:SUN0315-0925	260	Action Required	Crack/Fracture/Broken	
			Pipe broken at 190' - No Emergency but needs repair.	\$7,000
SUN0315-0930:SUN0315-0935	400	Action Required	Crack/Fracture/Broken	
			Broken Pipe at 399' - No Emergency but needs repair.	\$11,000
SUN0315-0375:SUN0315-0380	302.5	Action Required	Crack/Fracture/Broken	
			Pipe Brokel at 238' - No Emergency but needs repair	\$8,000
HAT0240-0005:HAT0240-0010	300	Action Required	Crack/Fracture/Broken	
			Broken pipe at 2' - No Emergency but will need repair	\$8,000
RED0120-0795:RED0120-0800	290.5	Action Required	Crack/Fracture/Broken	
			Broken Pipe at 287' - No Emergency but needs repair.	\$8,000
RED0400-0050:RED0400-0055	300	Action Required	Crack/Fracture/Broken	
			Broken pipe between 4 and 6 o clock @ 98' - No Emergency but needs to be repaired.	\$8,000
Total Estimated Cost				876,000



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: WHOLESALE AND RETAIL ZONE WATER DEMANDS – August 2016
DATE: September 10, 2016

Wholesale Zone Water Demands

Attached is a graphical representation of the Wholesale Zone water demand through August 31, 2016. Water sales for the month of August totaled 297 AF; This is an 18.9 AF increase (6.3%) in demand from August 2015.

Retail Zone Water Demands

Page 1 of the attached report is an overview of the sources of water supply and our monthly production (87 AF). For August 2016, 100% of total Retail Zone demand was met using groundwater produced from our East Well.

Page 2 of the report depicts our 10-year water usage and how much of this was groundwater versus imported water. As shown on this graph, drought allocations begun in 2014/15 have reduced total demand below the 10 year average of 1,022 AF. We expect that this may increase slightly this year due to the reduced conservation standards established by the state.

Page 3 provides a comparison of water demand versus precipitation, water demand versus average high temperature and water demand versus unemployment rates. As would be expected, generally in wet years, demand is lower than in dry years, whereas average temperature doesn't have as much of a cause/effect relationship. There does appear to be a slight relationship between unemployment rates and water demand, with increasing demand occurring as unemployment rates decrease.

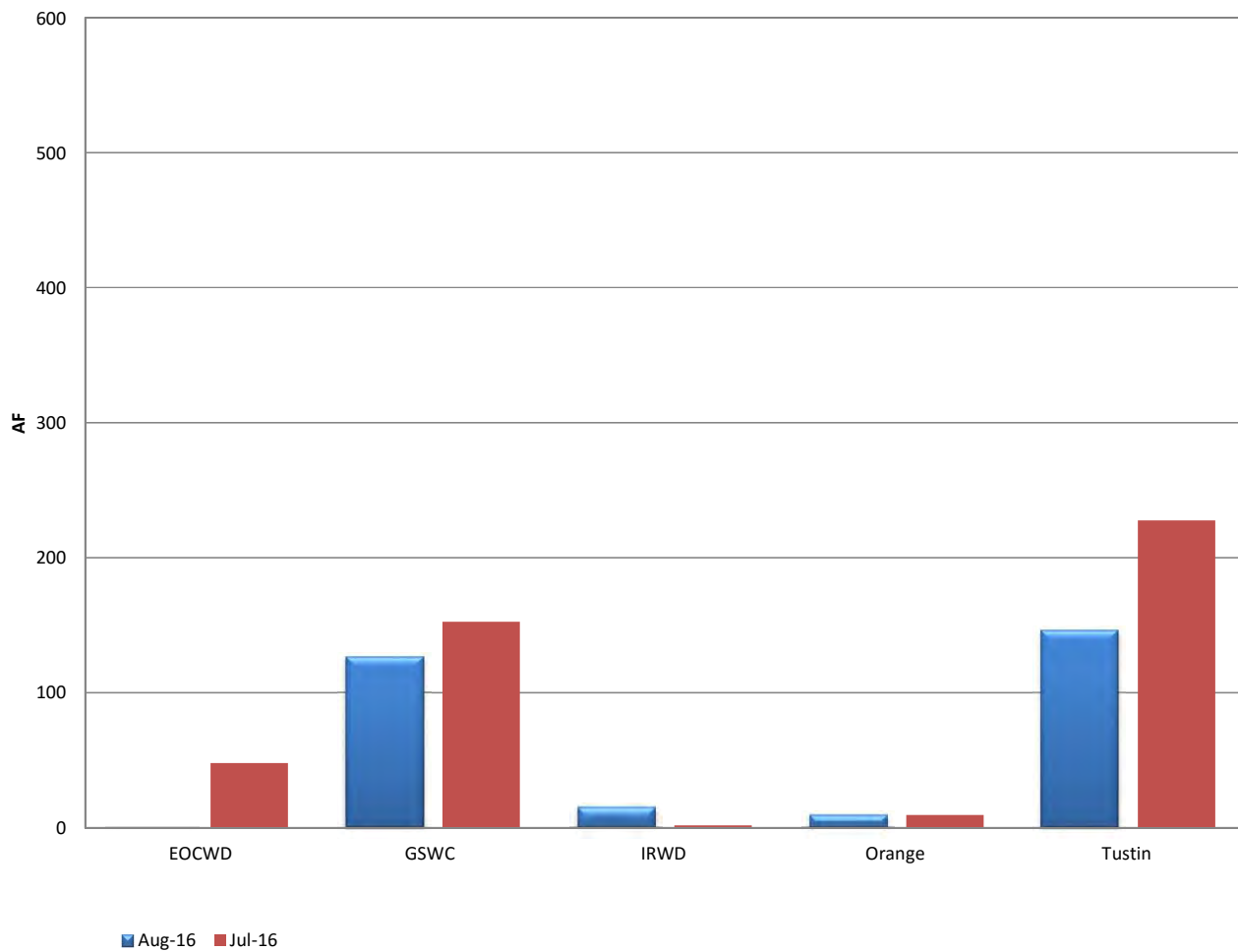
As shown on Page 4, total production for the month of August was 87 AF; August's demands are 18 AF (21%) higher than our demand for August 2015, and 19 AF (18%) lower than our average demand for the last 6 years. Of the 87 AF of groundwater produced, 28.4 AF of that represents water supplied due to the Groundwater Replenishment System (GWRS).

Also attached are graphs depicting the Retail Zone's water demand, including a table that shows "gallons per capita per day" or GPCD. The effect of the decreased conservation is shown very vividly here - the table shows our residents' per person, per day water consumption for the month of **August 2016 (280 GPCD)** compared to **August 2015 (222 GPCD)**. This number is derived by dividing the total amount of water used by the population (a number calculated by the Center for Demographics at Cal State Fullerton). For comparison, the average GPCD for the South Coast area of California is 176 GPCD (Source: Department of Water Resources). The average GPCD for RZ customers for FY 2015/16 was 176 GPCD.

Wholesale Zone Water Demand

Total Monthly Sales for August, 2016 = 297.0 AF

Total YTD Sales for July 2016 - June 2017 = 735.69 AF



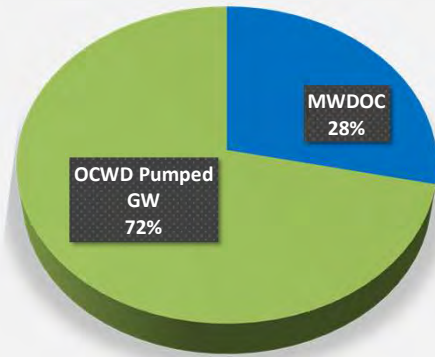
East Orange County Retail Zone Water Usage Report

East Orange County Retail Zone Overview of Usage FY 2016-17 Monthly Water Use

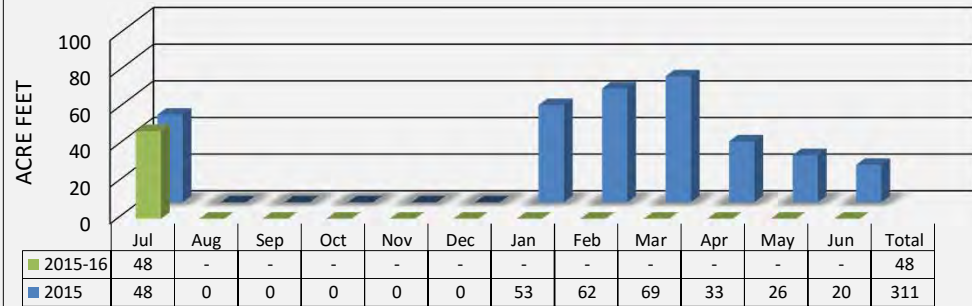
Type of Supply	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWDOC	48	-	-	-	-	-	-	-	-	-	-	-	48
OCWD Pumped GW	34	87	-	-	-	-	-	-	-	-	-	-	120
Total	82	87	-	-	-	-	-	-	-	-	-	-	168

2016 MWDOC Usage	48	0	0	0	0	0	53	62	69	33	26	20	311
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2016-17 Sources of Water



MWDOC Calendar Year and Fiscal Year Purchases



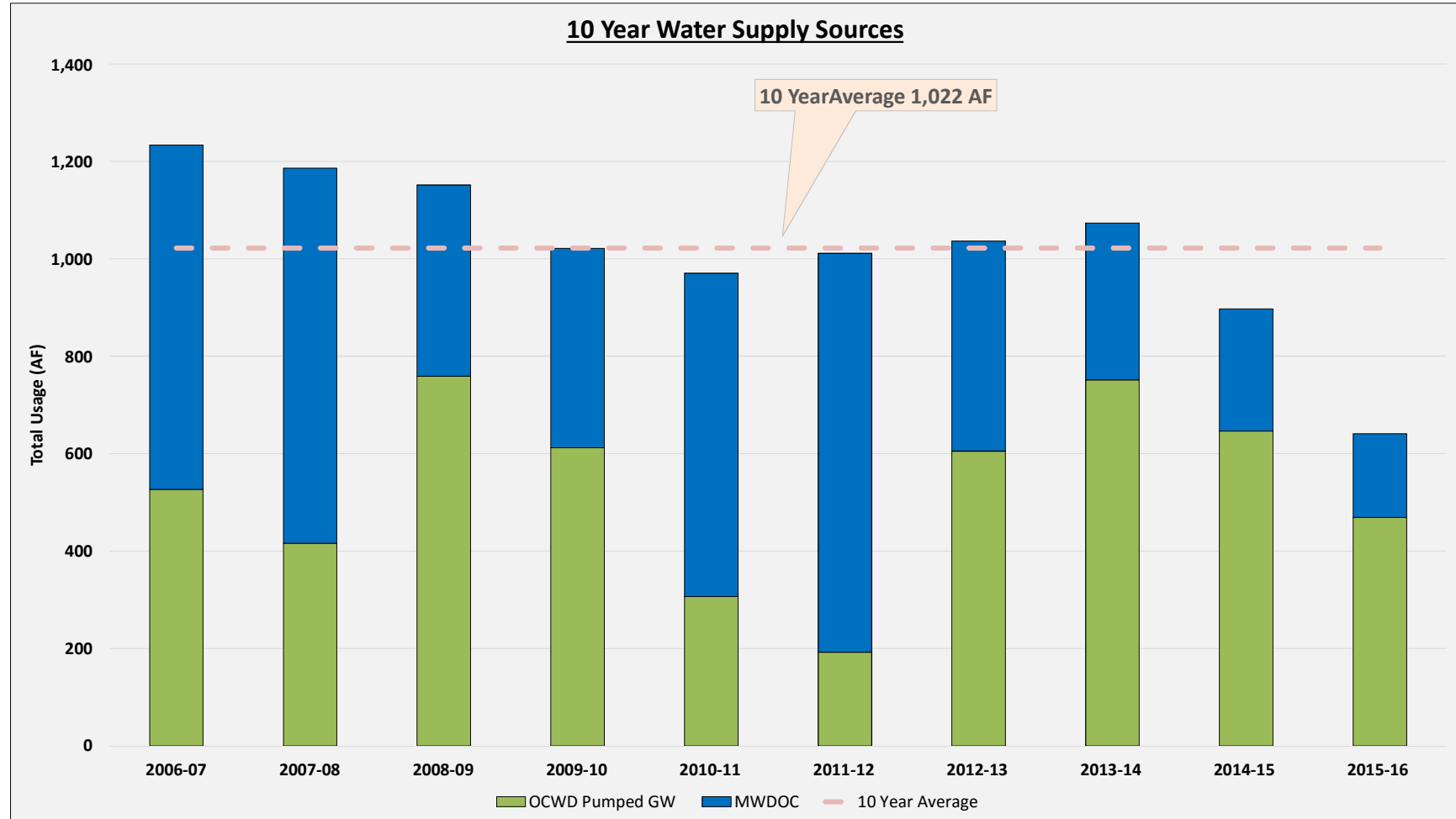
2016-17 Monthly Water Supply Sources



East Orange County Retail Zone Water Usage Report

Annual Water Usage

Type of Supply	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Average
MWDOC	707.1	770.0	392.3	409.3	663.8	819.1	431.3	322.0	250.7	172.1	493.8
OCWD Pumped GW	526.3	416.0	759.1	612.0	306.5	192.1	605.2	751.3	646.3	468.9	528.4
Total	1,233	1,186	1,151	1,021	970	1,011	1,037	1,073	897	641	1,022

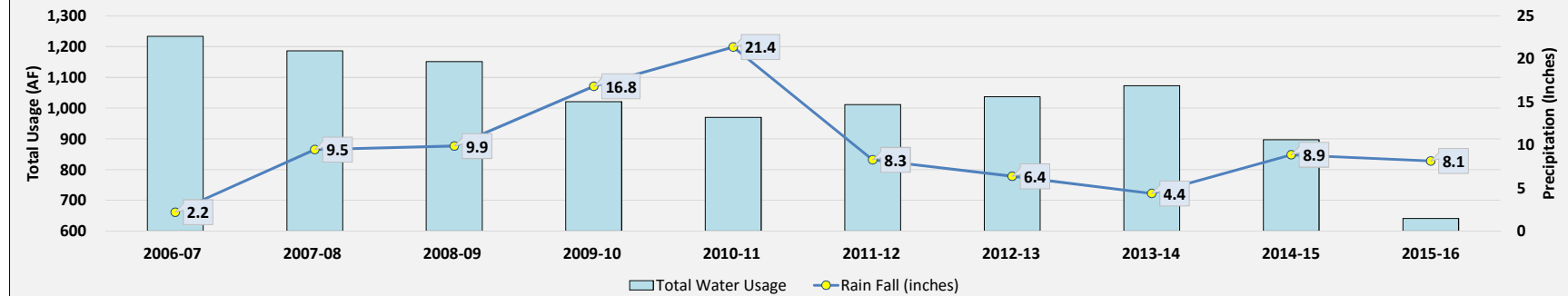


East Orange County Retail Zone Water Usage Report

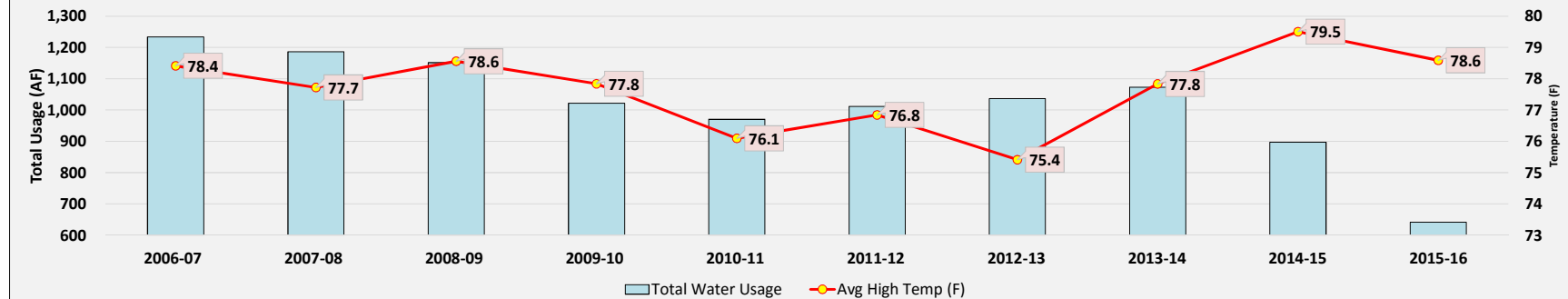
Water Usage Variables

Type of Supply	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Average
Rain Fall (inches)	2.2	9.5	9.9	16.8	21.4	8.3	6.4	4.4	8.9	8.1	9.6
Avg High Temp (F)	78.4	77.7	78.6	77.8	76.1	76.8	75.4	77.8	79.5	78.6	77.7
LA Unemployment %	4.5%	5.5%	9.2%	11.6%	11.7%	10.9%	9.6%	8.2%	7.0%	5.4%	8.4%
Total Water Usage	1,233	1,186	1,151	1,021	970	1,011	1,037	1,073	897	641	1,022

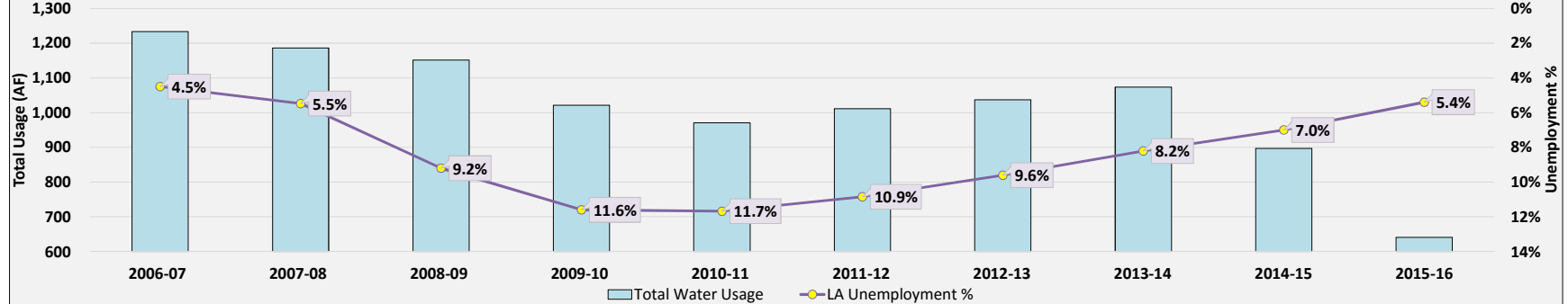
10 Year Water Usage VS Precipitation (SNA #121 Station)



10 Year Water Usage VS Average High Temperature (Santa Ana Fire Station)



10 Year Water Usage VS L.A. Metro Annual Average Unemployment Percentages



East Orange County Retail Zone Water Usage Report

East Orange County Retail Zone Detailed Usage Historical Monthly Potable Usage (Fiscal Year, July-June)

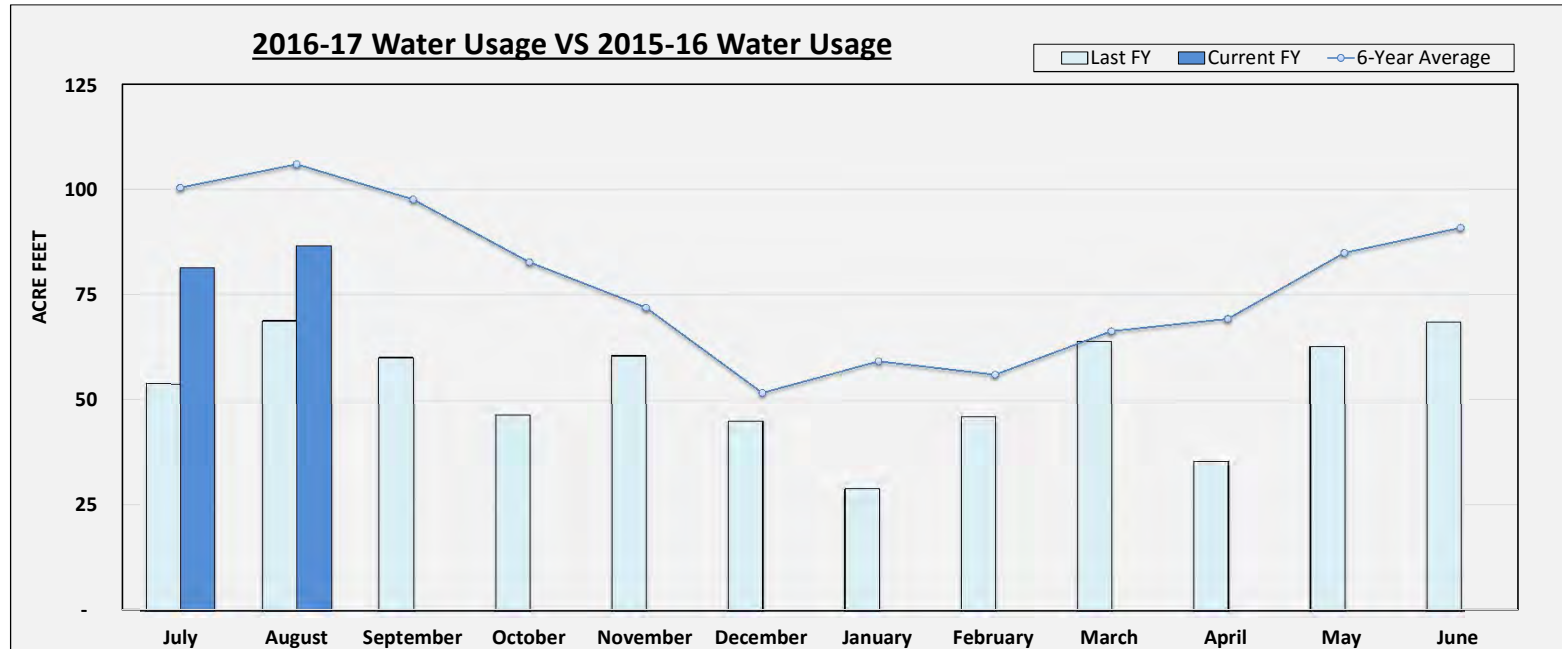
Fiscal Year	July	August	September	October	November	December	January	February	March	April	May	June	Total
2009-10 Usage	123	124	112	97	86	55	52	35	59	74	96	110	1,021
2010-11 Usage	112	118	109	76	73	49	58	55	54	78	92	98	970
2011-12 Usage	120	119	98	88	63	68	71	58	67	65	95	100	1,011
2012-13 Usage	114	118	107	99	75	42	58	62	73	85	101	103	1,037
2013-14 Usage	104	108	111	94	87	66	81	63	69	80	108	103	1,073
2014-15 Usage	100	104	102	93	74	41	59	53	72	73	52	74	897
2015-16 Usage	54	69	60	46	61	45	29	46	64	35	63	69	641
Average of Last 6 FYs	100	106	98	83	72	52	59	56	66	69	85	91	938
Monthly Usage Percentage	11%	11%	10%	9%	8%	6%	6%	6%	7%	7%	9%	10%	100%

Water Usage By Source

Imported	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWD via EO Wholesale	47.8	-	-	-	-	-	-	-	-	-	-	-	47.8
CPTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Imported Total	48	-	-	-	-	-	-	-	-	-	-	-	47.80

Local	July	August	September	October	November	December	January	February	March	April	May	June	Total
OCWD Pumped GW	33.7	86.7	-	-	-	-	-	-	-	-	-	-	120.4
Less Fill up Reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-
Less CPTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Total	34	87	-	-	-	-	-	-	-	-	-	-	120.40

Total Usage 2016-17	82	87	-	-	-	-	-	-	-	-	-	-	168.20
FY 16-17 versus FY 15-16	+51%	+26%											

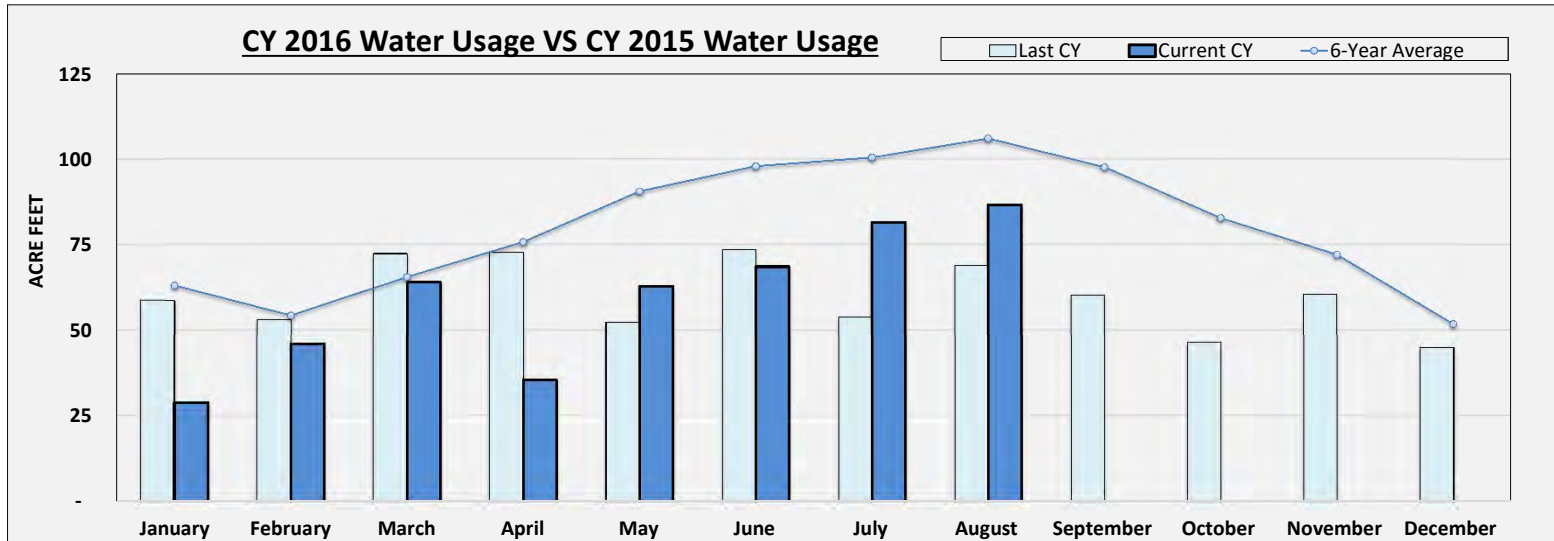


East Orange County Retail Zone Water Usage Report

Historical Monthly Potable Usage (Calendar Year)

Calendar Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2010	52	35	59	74	96	110	112	118	109	76	73	49	962
2011	58	55	54	78	92	98	120	119	98	88	63	68	990
2012	71	58	67	65	95	100	114	118	107	99	75	42	1,010
2013	58	62	73	85	101	103	104	108	111	94	87	66	1,052
2014	81	63	69	80	108	103	100	104	102	93	74	41	1,017
2015	59	53	72	73	52	74	54	69	60	46	61	45	718
6 year Average	63	54	66	76	91	98	100	106	98	83	72	52	958

Total Water Usage 2016	29	46	64	35	63	69	82	87	-	-	-	-	474
2016 VS 2015 Usage	-64%	-27%	-7%	-56%	-42%	-34%	-18%	-17%					-34%



	Population	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2015 Usage (AF)	3,257	59	53	72	73	52	74	54	69	60	46	61	45	718
2015 GPCD		189	190	234	243	169	245	174	222	201	150	202	145	197
2016 Usage (AF)		29	46	64	35	63	69	82	87	-	-	-	-	474
2016 GPCD	3,257	93	164	207	118	203	229	263	280	-	-	-	-	195
CY over CY change in GPCD		-96	-26	-27	-125	+34	-17	+89	+57					-2

	Population	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2015-16 Usage (AF)	3,257	54	69	60	46	61	45	29	46	64	35	63	69	641
2015-16 GPCD		174	222	201	150	202	145	93	164	207	118	203	229	176
2016-17 Usage (AF)		82	87	-	-	-	-	-	-	-	-	-	-	168
2016-17 GPCD	3,257	263	280	-	-	-	-	-	-	-	-	-	-	271
FY over FY change in GPCD		+89	+57											+96

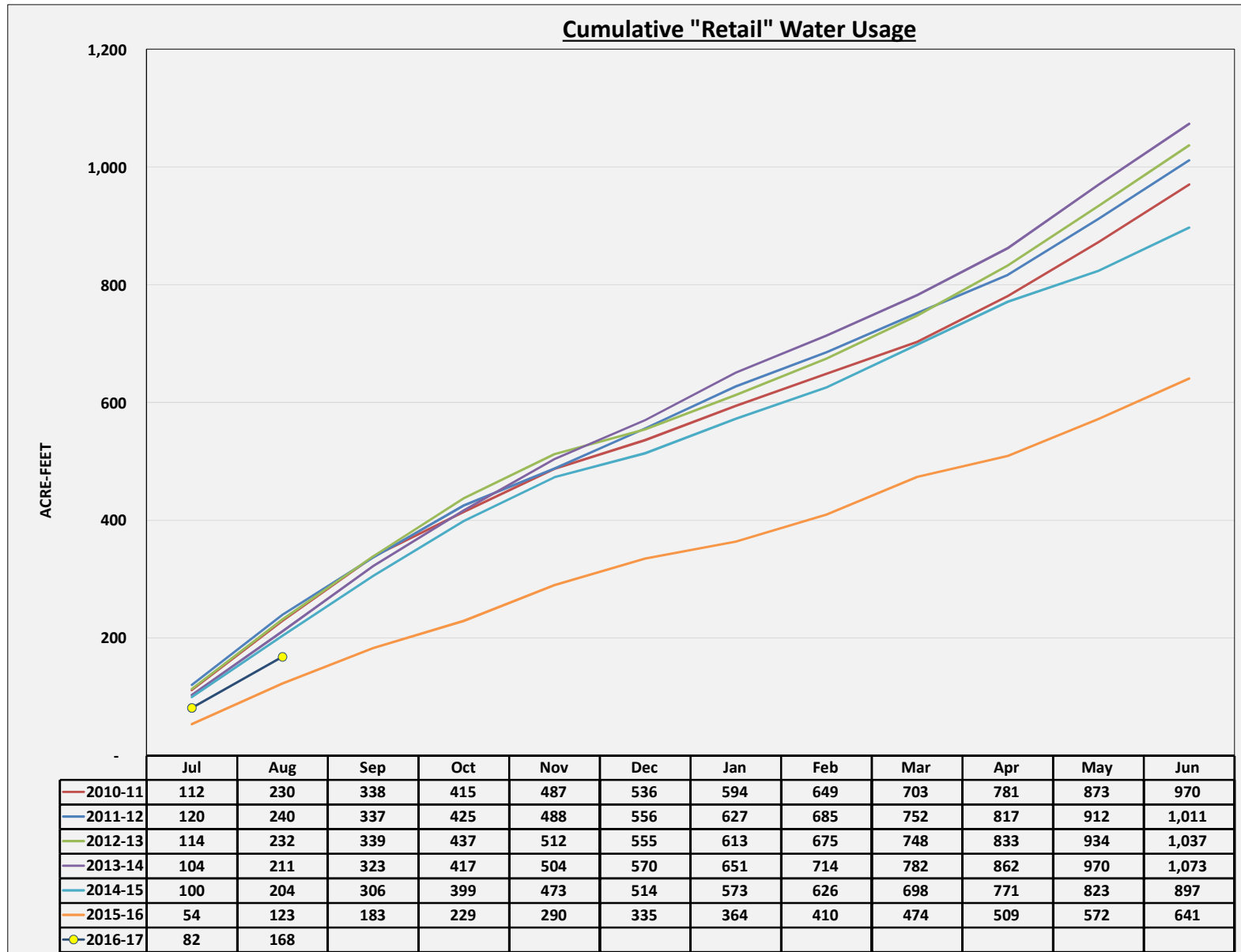
*Cumulative through the end of the last month shown

*GPCD = Total Monthly Production/ Population/days in the month



East Orange County Retail Zone Water Usage Report

Cumulative Water Usage by Fiscal Year





MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: GENERAL INTEREST PUBLICATIONS
DATE: AUGUST 18, 2016

BACKGROUND

Attached to this memo is a copy of information pertinent to current events in the water industry:

- *"Imagine a Day Without Water"* The Value of Water Coalition, September 15, 2016
- *"Commentary: Local Control Critical for All California Cities"* David Sander, Mayor, City of Rancho Cordova, August 31, 2016

RECOMMENDATION

Information only; no action required.



Imagine a Day Without Water

September 15, 2016

The Hidden Infrastructure Shaping Your Life

We have all experienced the frustration of bone-rattling potholes or traffic back-ups from emergency road repairs on a hot summer day. It's maddening, expensive, and it has become commonplace to demand public officials step up to fix it. Now keep those potholes and traffic jams in mind, but picture a separate, hidden infrastructure system that is larger and, in some cases, a hundred years older than those roads and bridges. You can't see it, but it ensures we are able to go about our daily routines without a second thought. It keeps our food growing, our manufacturing plants humming, and the lights on in our houses and offices.

These are our water and wastewater systems – underground, out of sight and out of mind. But they work 24 hours a day, seven days a week, 365 days a year, to bring clean, safe water to us and take it away after we use it to be treated before it is safely released back into the environment. Unlike the potholed roads you see on your daily commute, these systems – many of which were built for the America of a century ago, not modern metropolises and sprawling supply chains – don't show their age as easily. But a broken water system is absolutely devastating.

What happens when these systems fail to keep up with our needs? Imagine a day without water. You would not be able to give your dog a bowl of water or make your coffee. Forget about brushing your teeth, flushing the toilet or taking a shower. And that is just residential use. Commercial enterprises, from breweries to hospitals, factories to power plants, carwashes to aquariums, need water, too.

Too many communities around the America have already experienced how terrible life is without safe, reliable water service. Of course the catastrophe in Flint, Michigan comes to mind, as well as other communities facing broken infrastructure that taints water supplies and leaves residents fearful. Beach goers along the Great Lakes are accustomed to seeing beach closure signs because untreated sewage overflows make water unsafe for swimming. New Orleans' residents routinely have "boil water advisories." In the last year, residents from South Carolina to West Virginia lost water and wastewater service because of terrible flooding. And communities experiencing epic drought in the Central Valley of California have literally relocated residents because their wells have run dry. These communities know that a day without water is a crisis.

It's why we at East Orange County Water District are taking part in a nationwide educational effort called "Imagine a Day Without Water." Hundreds of organizations across the country, including water agencies, mayors, engineers, contractors, business and labor leaders, schools, and other community organizations are joining forces to raise public awareness and spark action to solve water and wastewater problems today, before they become a crisis tomorrow.

And while water falls from the sky and flows through our rivers, it is far from free. Processing it, treating it, bringing it to and from your house costs EOCWD, millions a year. Here in Orange County, the continuing drought has complicated our revenues, reducing the water sales that we rely on to pay for those fixed costs of treatment and delivery.

The good news is that if we make adjustments before the most expensive repairs, like deferring maintenance until a water main breaks, we can be ahead of the curve. Through continually maintaining the system, by upgrading our pipes and deploying new technologies that spot weaknesses before they turn into breaks, we can save money in the long run, prevent disruptions to daily life, and protect the health of our citizens and economy.

It also requires effort and attention from community leaders, elected officials, business owners, workers, and more. Without strong voices advocating for this work, our water systems will continue to be out of site and out of mind. We have to keep up the pressure to address issues with our water and wastewater systems today so we can imagine a day without water if we need to, but never we never have to live through it.



LOCAL GOVERNMENT



Commentary: Local Control Critical for All California Cities

POSTED BY : **GUEST COMMENTARY** AUGUST 31, 2016

UPDATE: SB 1387 failed on the Assembly floor Wednesday with only 30 votes, 11 short of a majority.

By David Sander, Mayor, City of Rancho Cordova.

I am proud to be the mayor of a city that has the motto "City Life Reinvented." My fellow City Councilmembers and I take the character of our city and that spirit of positive reinvention to heart every day in the decisions we make on behalf of our residents with our understanding of our community's unique needs. That principle of locally elected officials working on policy solutions based on knowledge of their local residents and local conditions is essential to the functioning of our cities and of our democracy as a whole. Government works when leaders are accountable to their constituents – and government often fails when that accountability is lost. Accountability works best at the local level in local self-government. That is the strength of our system. Local self-governance is the cornerstone of democracy and our national strength lies in the unity of our diverse communities each with their own interests.

This foundational tradition is under threat this week, however, from a bill that is facing one last vote of the California State Assembly before going to the Governor if it passes. SB 1387 is a proposal that would significantly undermine the principles of local control and accountability in our state. The bill proposes to add three more state appointees to the Board of Directors of the South Coast Air Quality Management District (SCAQMD) in Southern California, for a new total of six appointees (40% of the Board). This effectively dilutes the influence of local elected officials on the SCAQMD in favor of Sacramento appointed board members, so that Sacramento can more easily impose their agenda on Southern California residents.

LATEST HEADLINES

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SB 1387 has the potential to threaten the local authority throughout our state. That is why I, as a city council member and Mayor from the northern part of the state, am speaking up on a Southern California issue. If passed, Sacramento Leadership could someday overrule decisions made by other important local government agencies like water districts, transportation authorities, school districts and many others – including those here in our county. These agencies typically have boards that are either directly elected or made up of local elected officials who are accountable to the people. SB 1387 sets a bad precedent by allowing the state to veto decisions made by these locally elected and accountable officials.

As is true of many of these agency boards throughout California, SCAQMD has been successful in performing its job. In the past 20 years SCAQMD has made tremendous progress with improving air quality for all in the South Coast Air Basin. That's exactly the kind of result the people of California should expect from their local elected officials – effective government that balances local needs with statewide goals. Sacramento Leadership is being very disrespectful of local residents by sending a message that they no longer trust the great mayors, city council members and county supervisors of our state to make decisions that benefit their own cities and communities.

There is just no need for this bill. It sets a dangerous precedent by undermining the authority of local elected officials across our state, in addition to disrespecting the long years of hard work and investment in our communities put in by the good people who make our government work. I simply do not believe we should give more power to unaccountable Sacramento, especially when our local boards have a proven record of accountability and effective results.

It is my great privilege to be the mayor of a community reinventing city life. But I want no part of the reinvention the authors of this bill have in mind. Cities are vital to the strength of the California economy and the vitality of cities is dependent upon their fiscal stability and local autonomy.

I strongly encourage the State Assembly to vote "NO" on SB 1387 and protect local control, self-governance and government accountability for all our California communities.

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