



AGENDA

EAST ORANGE COUNTY WATER DISTRICT (EOCWD)

Thursday, February 20, 2025
East Orange County Water District
185 N. McPherson Road, Orange CA 92869

5:00 p.m.

Members of the public shall be permitted to speak in-person as to both agendized and non-agendized items. Those wishing to speak may verbally indicating their desire to comment at the time the item is called. Additionally, members of the public may, but are not required to, e-mail comments to Sylvia Prado at sprado@eocwd.com up to 60 minutes before the Board meeting, and such comments shall be provided to the Board. Members of the public wishing to attend the meeting that require other reasonable modifications or accommodation to facilitate such attendance should contact Ms. Prado at (714) 538-5815 or the e-mail provided as soon as feasible before the meeting to make such request.

- 1. Call Meeting to Order; Pledge of Allegiance – Director Davert**
- 2. Administration of the Oath of Office – Karin Marquez**
- 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)
Recommendation: Determine by motion need to take immediate action on item(s) and that the need for action came to the District's attention after posting of the Agenda and that such item(s) be added to the Agenda.
- 4. Public Communications to the Board:** Opportunity for members of the public to comment on agendized and non-agendized items. Each speaker and comment is limited to three minutes. During this time, e-mailed comments timely submitted to Ms. Prado shall be provided to the Board. Interested speakers who verbally indicate their desire to speak during this item shall be afforded an opportunity to address the Board. At the discretion of the Board President, comments on a particular agendized item may be deferred until that item is heard

CONSENT CALENDAR (Items 5-9) All matters on the Consent Calendar are to be approved by one motion, without separate discussion on these items, unless a Board member or District staff request that specific items be removed from the Consent Calendar for separate consideration.

- 5. Minutes of Special Board Meeting Held January 22, 2025 and Regular Board Meeting Held January 23, 2025**
Recommendation: Approve minutes as presented.

6. General Manager's Report
Recommendation: Receive and File.
7. Wholesale and Retail Water Usage Report
Recommendation: Informational.
8. Schedule of Disbursements
Recommendation: Informational.
9. Financial Statements
Recommendation: Receive and File.

MATTERS FOR CONSIDERATION

10. Annual Audit Presentation
Recommendation: Receive and file 2023-2024 Audit.
11. Committee Assignments
Recommendation: Receive and file.
12. Special Counsel Transition
Recommendation: Delegate authority to General Manager.

MISCELLANEOUS ITEMS

13. Monthly Legislative & Outreach Report
Recommendation: Receive and File.
14. Directors' reports on meetings attended at District expense (Government Code Section 53232.3) and Directors' comments. Directors or staff may ask questions for clarification, make brief announcements, and make brief reports on their own activities. Directors may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning a matter, or direct staff to place a matter on a future agenda (Government Code § 54954.2)

ADJOURNMENT

Adjourning to the next Regular Meeting scheduled for **March 27, 2025**, at 5:00 p.m., at East Orange County Water District, 185 N. McPherson Orange, CA 92869 or as noticed pursuant to findings of the Board.

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
SPECIAL BOARD MEETING OF THE BOARD OF DIRECTORS
OF THE EAST ORANGE COUNTY WATER DISTRICT (EOCWD)

January 22, 2025

1. Call to Order. A Special Meeting of the Board of Directors of the East Orange County Water District was called to order by President GEORGE MURDOCH at 5:00 p.m. on Wednesday, January 22, 2025, at the District Office located at 185 N. McPherson Road in the City of Orange, California. Director JOHN SEARS led the Pledge of Allegiance. JEFFREY HOSKINSON, Secretary, recorded the minutes of the meeting.

The following Directors attended the meeting: DOUGLASS DAVERT, GEORGE MURDOCH, JOHN SEARS, and MARILYN THOMS.

Also present were:

DAVID YOUNGBLOOD
SYLVIA PRADO
JEFF HOSKINSON
JIMMIE KELLEY
MICHAEL ZWISSLER

General Manager
Administrative Assistant
District Secretary and Legal Counsel
Board Member Candidate
Board Member Candidate

Other staff and members of the public may have attended in-person that are not listed above.

2. Public Communications to the Board. None.

MATTERS FOR CONSIDERATION.

3. Consideration of Board Vacancy Candidates – Division 4. President MURDOCH introduced the item, providing opening remarks as to the process for the interviewing of candidates and selection of a new Board member, including a request that candidates wait in the lobby during interviews, though they are not legally required to do so and may if they desire sit in the open meeting. Candidates Jimmie Kelley and Michael Zwissler, who each elected to wait in the lobby, were then both provided five minutes to introduce themselves to the Board, after which they each answered questions from Board members. Candidate Karin Marquez was not in attendance due to personal family reasons, though Director DAVERT indicated his familiarity with Ms. Marquez from various City of Tustin-related entities and commissions, and President MURDOCH and Vice-President THOMS indicated their familiarity with Ms. Marquez from prior introductions.

The Board invited all candidates back into the otherwise open meeting, at which point the Board discussed the quality candidates that had come before them, each presenting a beneficial skill that could enhance the Board.

ACTION TAKEN: The Board, on motion and nomination by DAVERT, seconded by SEARS, by unanimous vote appointed Karin Marquez to fill the Division 4 Board Vacancy.



ADJOURNMENT.

The Board adjourned the meeting to the next Regular Meeting of the Board of Directors to be held on January 23, 2025, at 5:00 p.m., at the District Office located at 185 North McPherson, Orange, California, 92869.

Respectfully submitted,

Jeffrey A. Hoskinson

DRAFT



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

January 23, 2025

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District, held at the District Office, located at 185 N. McPherson Road in the City of Orange, California, was called to order by President GEORGE MURDOCH at 5:00 p.m. on Thursday, January 23, 2025. Vice-President MARILYN THOMS led the Pledge of Allegiance. JEFFREY HOSKINSON, Secretary, recorded the minutes of the meeting.

The following Directors attended the meeting: DOUGLASS DAVERT, GEORGE MURDOCH, JOHN SEARS, and MARILYN THOMS. KARIN MARQUEZ, who was appointed as a director the day prior while out-of-town for personal reasons, was absent from the meeting.

Also present were:

| | |
|------------------|--------------------------------------|
| DAVID YOUNGBLOOD | General Manager |
| JERRY MENDZER | Operations Manager |
| BOBBY YOUNG | Engineering Manager |
| SYLVIA PRADO | Office Manager |
| JEFF HOSKINSON | District Secretary and Legal Counsel |
| HON. JOHN LEWIS | Lewis Consulting |
| JOHN NIELSEN | Former Director |
| SUE PAYNE | Public |

Other staff and members of the public may have attended but are not listed above.

2. 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).

ACTION TAKEN: None.

3. Public Communications to the Board. None.

CONSENT CALENDAR. Director DAVERT requested that Item No. 10 be pulled from the Consent Calendar. As to the balance of the Consent Calendar, the Board, on motion from SEARS, seconded by THOMS, approved the Consent Calendar by a unanimous vote of all members present as follows:

- 4. Minutes:** THE MINUTES OF THE DECEMBER 19, 2024 REGULAR MEETING OF THE BOARD WERE APPROVED AS SUBMITTED;
- 5. General Manager's Report:** THE BOARD RECEIVED AND FILED THE GENERAL MANAGER'S REPORT;

6. **Wholesale and Retail Water Usage Report:** THE BOARD RECEIVED AND FILED THE WHOLESALE AND RETAIL WATER USAGE REPORT;
7. **Schedules of Disbursements:** THE BOARD APPROVED THE SCHEDULE OF DISBURSEMENTS AS SUBMITTED;
8. **Financial Statements:** THE BOARD RECEIVED AND FILED THE FINANCIAL STATEMENTS; and
9. **Conference and Meeting Requests:** THE BOARD AUTHORIZED ATTENDANCE AS DESIRED AT THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) SPRING CONFERENCE IN MAY 2025.

The Board then considered Item No. 10 individually, as follows:

10. Commendation of John Nielsen. The Board recognized and honored former Director John Nielsen for his service for the East Orange County Water District, following his election to the City of Tustin City Council.

ACTION TAKEN: The Board, on motion by DAVERT, seconded by MURDOCH, approved by unanimous vote of all members present Resolution No. 951, expressing appreciation to former Director John Nielsen for the outstanding service rendered to EOCWD.

MATTERS FOR CONSIDERATION.

11. Recognition Policy. General Manager Youngblood deferred to the staff report on this item, added at the request of Director SEARS. At the request of Director SEARS, President MURDOCH summarized the item before the Board. The Board discussed the item, with Director SEARS indicating specifically that he desired for former Board President William VanderWerff's picture to be hung in the EOCWD lobby not as a policy, but specific request. Director DAVERT expressed his disapproval of naming things after people who are living and his desire for a policy to not engage in extra efforts to honor former Board members beyond commendation resolutions. The Board discussed the various preferences of its members.

ACTION TAKEN: The Board, on motion by DAVERT, seconded by THOMS, approved by a vote of 3-1, with MURDOCH, THOMS, and DAVERT voting for, and SEARS against, a policy (1) to provide no further recognition for former Director VanderWerff beyond the naming of the well and prior resolutions, and (2) to generally limit future Board member recognition to commendation resolutions.

12. Board Appointment – Division 4. President MURDOCH announced that the Board had at the January 22, 2025 Special Meeting appointed Director MARQUEZ to fill the vacancy of former Director Nielsen. Accordingly, this item was pulled for action on this Agenda.

ACTION TAKEN: None.

13. Financial Management Services. General Manager Youngblood introduced the item, which included a recommendation to transition the provision of financial services from Eide Bailly to Starting Line Advisory effective in April 2025, upon the retirement of Cindy Byerrum.

ACTION TAKEN: The Board, on motion from DAVERT, seconded by SEARS, approved by unanimous vote of all members present a professional services agreement with Starting Line Advisory for financial services.

MISCELLANEOUS ITEMS.

14. Monthly Legislative & Outreach Report. Honorable John Lewis, of Lewis Consulting, provided a brief oral update on his written report, including an overview of County politics and personal announcements. President MURDOCH commented on the Townsend Public Affairs report, and the good information within it.

ACTION TAKEN: The Board, on motion from DAVERT, seconded by THOMS, approved by unanimous vote of all members present to receive and file the presented reports.

15. Directors' reports on meetings attended at District expense (Government Code Section 53232.3) and Directors' comments. The Directors reported attendance as set forth in the agenda, as follows:

President Murdoch

12/3-12/5 2024 ACWA Fall Conference
12/4 ACWA Region 10 Membership Meeting
12/16 ACWA Region 10 Board Meeting
12/19 EOCWD Employee Recognition Holiday Lunch
12/19 EOCWD Regular Board Meeting

Vice President Thoms

12/2-12/5 2024 ACWA Fall Conference
12/9 Independent Special Districts of Orange County (ISDOC) Executive Board Meeting
12/13 Water Advisory Committee of Orange County (WACO)
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Director Davert

12/19 EOCWD Employee Recognition Holiday Lunch
12/19 EOCWD Regular Board Meeting

Director Sears

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Director SEARS provided an overview of the WACO meeting in January, including a summary of a presentation from a climate expert. Director DAVERT inquired as to the status of the cloudseeding pilot project at EOCWD's facility, to which General Manager Youngblood indicated the pilot project had concluded as to EOCWD's facilities, and there was not an intention to use the site again going forward. Vice-President THOMS provided an overview of the upcoming ISDOC quarterly luncheon. President MURDOCH provided an update on ACWA and his involvement.

ADJOURNMENT.

The Board adjourned the meeting at approximately 5:36 p.m., noting that the next Regular Meeting due to conflicts has been scheduled for **Thursday, February 20, 2025**, at 5:00 p.m., at the District Office located at 185 North McPherson, Orange, California, 92869.

Respectfully submitted,

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Respectfully submitted,

Jeffrey A. Hoskinson



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: GENERAL MANAGER'S REPORT
DATE FEBRUARY 20, 2025

Background

Monthly report from the General Manager on District activities

Recommendation

Receive and File.

Attachment(s): General Manager's Report

EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER'S REPORT

February 2025

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

SEWER

1) ID1 Update

Activities & Accomplishments for January 2025 include:

Activities

- Completed Group 1 cleaning (see attached reports).
- Reviewed applications for sewer permits.
- Completed monthly siphon cleaning.
- Completed monthly hot spot cleaning.
- Completed 57 CCTV inspections.
- Completed 4 FSE Inspections.
- Completed 487 Dig Alert tickets.
- Ordered misc. sewer supplies and tools.
- Performed Spill Emergency Response Plan training (on going).
- Provided training to water staff on use of combo trucks (on going).

EOCWD Sewer Spills - None to report for January

Private Sewer Spills – None to report for January

Permits Update:

Eight (8) permits issued in January; four (4) for SFR remodels in the City of Tustin; two (2) for ADUs, one (1) in the City of Tustin and one (1) in the unincorporated area; and one (1) for a septic to sewer conversion in the unincorporated area.

WHOLESALE ZONE

1) WZ Water Demands - see attachment

2) WZ Connection Permits

Two (2) permits were issued in the month of January in the unincorporated area.

RETAIL ZONE

1) Water Demand – see attachments

2) East Orange DroughtReach™ Program

Update: RZ Demand in January 2025 was 59 acre feet compared to 39 acre feet in 2024. Water efficiency messaging continues through social media and print media (Foothill Sentry).

3) **Well**

Well Levels – Update: Water levels have continued to decline over the last month as shown on the attached graph. The pumping water level for the East Well in January was 251 feet BGS (below ground surface) while the VanderWerff Well pumping water level was 262 feet BGS. Please note that the VanderWerff Well continues to pump 24/7 at a flow rate between 1,000 and 1,400 gpm. Historically pumping water levels have been as low as 297 feet BGS back in July 2014).

4) **Circula Panorama Pipeline Conversion (Zone 3 to 2) and Replacement Project**

Update: The project is complete.

5) **6MG Reservoir Replacement Project**

Update: CalOES notified staff that HMGP grant funding, in the amount of \$1.5M has been approved for Phase 1 – Design of the Peters Canyon Reservoir Seismic Reconstruction Project. A kickoff meeting with CalOES is scheduled in December. Procurement of a design consultant will follow.

6) **System Leaks**

Staff repaired a mainline leak at Hinton Way west of Crawford Canyon. An old repair clamp was found to be leaking on the 4" ac main.

Staff repaired a one inch copper service lateral which had a pinhole leak at Los Timbres on January 29th.

7) **Water Availability Request/Connection Permits**

No permits were issued in January.

8) **Monthly WZ & RZ Operations Activities**

- Exercised mainline valves.
- Performed maintenance on the PFAS plant.
- Installed new cabinet and pressure switches at Vista Panorama hydro-pneumatic booster pump station.
- Trouble shoot and repair short on Barrett Pump Station.
- Installed new hydrant for Crawford Canyon Park project.
- Ordered misc. tools, parts, and materials for water and sewer departments.
- Completed Dig Alerts.
- Monitored daily operations of treatment plant, reservoir chlorination system at Andres reservoir (Ops. Manager).
- Attended Groundwater Producer Meetings (Eng. Manager).
- Submitted monthly, quarterly, and annual reports to SWRCB.
- Reviewed weekly water quality data.
- Ordered water quality supplies.

JOINT SYSTEM ACTIVITIES

A. District Headquarters Building Replacement

The emergency backup generator has been installed. Staff is working with the vendors to schedule start-up and commissioning of the generator.

Update: Vendor will be on site February 19th to perform start-up and commissioning.

B. Pandemic Response (COVID-19) Plan

No Update.

C. Public Safety Power Shutoff (PSPS)

Due to the strong wind events in January, SCE implemented several PSPS events. Most district sites were affected either by the PSPS events or unplanned power outages. Emergency generators were utilized through the events. There was no damage to facilities however there was a downed pine tree at the Peters Canyon Reservoir site which had snapped SCE's power lines. Fortunately, this site was already part of a PSPS event when this occurred. SCE has been very diligent at this site with regard to equipment inspections, tree inspections, and tree trimming.

D. Field Maps

Please see the attached Field Maps water work and sewer work reports which provide information on work staff is performing and the types of customer interactions that staff are having.

E. GIS Newsletter

No Update.

F. Safety

Update: Staff completed training on the following topics during the month of January:

- Flagger Safety on Construction Sites
- High Winds
- Confined Space Entry
- Lockout / Tagout
- Pinch Points and Hand Injuries
- Vehicle Inspections
- Slip and Fall Prevention

G. Engineering & Operations Committee

The January meeting was cancelled.

H. Administrative & Finance Committee

The January meeting was cancelled.



Monthly Sewer Asset Report

January 2025

As of: 2/7/2025

| Sewer Gravity Main Work | | | FOG Work | |
|-------------------------|------------------|---------------------|-----------------------------|---------------------|
| Workflow | Sum of reclength | Workflows Completed | Workflow | Workflows Completed |
| CCTV Inspection | 15,243 | 57 | BMP GRE Inspection | 2 |
| Main Cleaning | 88,886 | 357 | BMP GRE Violation Follow-up | 0 |
| Main Lining | 0 | 0 | BMP Inspection | 1 |
| Main Repair | 0 | 0 | BMP Violation Follow-up | 0 |
| Main Replace | 0 | 0 | FOG Permitting | 0 |
| Managers Form | 0 | 0 | GRE Inspection | 0 |
| Pipe Edit | 0 | 0 | GRE Violation Follow-up | 0 |
| Root Foaming | 0 | 0 | Initial Inspection | 1 |
| Total | | 414 | Other Entity Inspection | 0 |
| | | | Private Sewer Investigation | 0 |
| | | | Total | 4 |

| Easement Work | |
|---------------------|---------------------|
| Workflow | Workflows Completed |
| Easement Edit | 0 |
| Easement Inspection | 0 |
| Total | 0 |

| Lateral Work | |
|--------------------------|---------------------|
| Workflow | Workflows Completed |
| Lateral Connection Edit | 0 |
| Lateral Connection Rehab | 0 |
| Total | 0 |

| Water Hydrants | | | |
|--------------------|---------------------|-----------------------|-------------------|
| Workflow | Workflows Completed | Water Used in Gallons | Water Used in CCF |
| Hydrant Meter Read | 2 | 13,500 | 18 |

| Manhole Work | |
|--------------------|---------------------|
| Workflow | Workflows Completed |
| Manhole Edit | 0 |
| Manhole Inspection | 320 |
| Manhole Rehab | 0 |
| Manhole Repair | 0 |
| Roach Spray | 1,607 |
| SSO Report | 0 |
| Total | 1,927 |

| SSO Report | | |
|---------------------|------------|-----------------|
| Spill Date and Time | Spill Size | Spill Recovered |
| No Spills | | |



Monthly Water Asset Report

January 2025

As of: 2/7/2025

Meter Work

| Workflow | Work Completed |
|---------------------|----------------|
| Broken Meter Box | 0 |
| Meter Changeout | 1 |
| Meter Connect | 2 |
| Meter Disconnect | 0 |
| Meter Investigation | 0 |
| Meter Leak | 0 |
| Meter Read | 1 |
| Meter Re-read | 0 |
| Grand Total | 4 |

Hydrant Work

| Workflow | Work Completed |
|-----------------------|----------------|
| Dead End Flushing | 17 |
| Fire Flow Test | 0 |
| Hydrant Flushing | 13 |
| Hydrant Installation | 0 |
| Hydrant Maintenance | 0 |
| Hydrant Meter Install | 0 |
| Hydrant Meter Read | 0 |
| Hydrant Meter Removal | 0 |
| Grand Total | 30 |

Facilities Work

| Workflow | Work Completed |
|-------------------------------|----------------|
| Andres Reservoir Site | 5 |
| Barret Reservoir Site | 7 |
| Final Read | 0 |
| Maintenance | 3 |
| McPherson Site | 0 |
| Newport Reservoir Site | 8 |
| Peters Canyon Reservoir Site | 10 |
| PFAS Treatment Plant | 5 |
| Repairs | 0 |
| Reservoir Cleaning | 0 |
| Tank Inspection | 0 |
| Vista Panorama Reservoir Site | 0 |
| Well Meter Read | 2 |
| Grand Total | 40 |

Asset Production Meters

Production Meter Work

| Workflow | Work Completed |
|------------------------------|----------------|
| Production Meter Changeout | 0 |
| Production Meter Maintenance | 0 |
| Production Meter Repair | 0 |
| Production Meter Test | 1 |
| Grand Total | 1 |

Asset Valves

Valve Work

| Workflow | Work Completed |
|----------------------|----------------|
| Main Line Shut Down | 4 |
| Valve Exercise | 35 |
| Valve Repair/Replace | 0 |
| Grand Total | 39 |

Pump Work

| Workflow | Work Completed |
|----------------------------|----------------|
| Pump and Motor Inspection | 0 |
| Pump and Motor Maintenance | 0 |
| Grand Total | 0 |

Sample Work

| Workflow | Work Completed |
|--------------------|----------------|
| In-House WQ Data | 59 |
| Grand Total | 59 |

Lateral Work

| Workflow | Work Completed |
|--------------------|----------------|
| Lateral Inspection | 0 |
| Lateral Leak | 1 |
| Grand Total | 1 |

Pressure Reducing Station Work

| Workflow | Work Completed |
|---------------------------------------|----------------|
| Pressure Reducing Station Maintenance | 0 |
| Grand Total | 0 |

Water Distribution Line Work

| Workflow | Work Completed |
|--------------------|----------------|
| Main Leak Report | 1 |
| Water Main Repair | 0 |
| Grand Total | 1 |

Air Vac Work

| Workflow | Work Completed |
|---------------------|----------------|
| Air Vac Maintenance | 0 |
| Grand Total | 0 |

Monthly Customer and Locate Work Report

January 2025

As of: 2/7/2025

Customer Work

| Workflow | Work Completed |
|---|----------------|
| Construction Inspection | 0 |
| Brayden Bonnell | 0 |
| Justin Davis | 0 |
| Customer Door Tag | 0 |
| Brayden Bonnell | 0 |
| Jason Thorsell | 0 |
| Matt Plummer | 0 |
| Customer High Water Bill Investigation | 0 |
| Jason Thorsell | 0 |
| Matt Plummer | 0 |
| Customer Investigation | 2 |
| Brayden Bonnell | 0 |
| Jason Thorsell | 2 |
| Matt Plummer | 0 |
| Ricardo Sanchez | 0 |
| Customer Leak | 0 |
| Jason Thorsell | 0 |
| Matt Plummer | 0 |
| Customer Task or Investigation | 0 |
| Brayden Bonnell | 0 |
| Jason Thorsell | 0 |
| Matt Plummer | 0 |
| Customer Water Pressure Investigation | 2 |
| Brayden Bonnell | 0 |
| Jason Thorsell | 2 |
| Matt Plummer | 0 |
| Customer Water Quality Investigation | 0 |
| Jason Thorsell | 0 |
| Matt Plummer | 0 |
| Preconstruction | 0 |
| Justin Davis | 0 |
| Water Pressure Investigation | 0 |
| Brayden Bonnell | 0 |
| Jason Thorsell | 0 |
| Matt Plummer | 0 |
| Grand Total | 4 |

DigTicket Work

| Workflow | Work Completed |
|----------------------------|----------------|
| Tickets completed by Sewer | 487 |
| Tickets completed by Water | 40 |
| Grand Total | 527 |





MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: WHOLESALE AND RETAIL WATER USAGE REPORT
DATE FEBRUARY 20, 2025

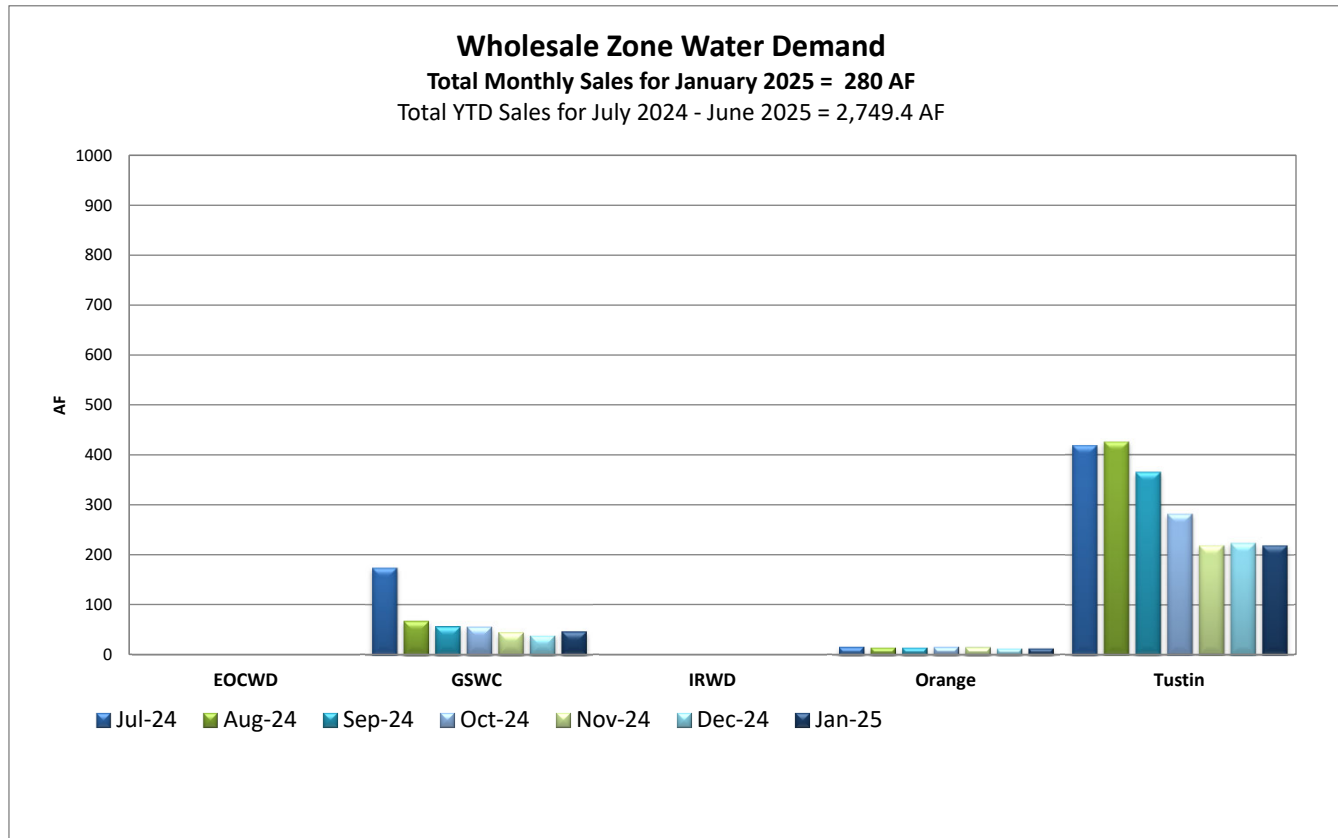
Background

Monthly report on wholesale and retail water usage for the month of January.

Recommendation

Informational.

Attachment(s): Wholesale and Retail Usage Reports
East Well Levels Report



EOCWD IMPORTED WATER DELIVERY BALANCE - FY23/24

(Acre-feet)

| | OC-43 | OC-48 | | | | OC-70 | | | | | | TOTAL DELIVERIES BY AGENCY | | | | |
|--------------|---------------|----------------|-----------------|--------------|--------------|------------------|--------------|----------------|-----------------|--------------|--------------|----------------------------|--------------|----------------|-----------------|---------------|
| | MWD Tustin | Retail Zone | Golden State | Tustin | MWD Total | IRWD Jamboree | Orange | Retail Zone | Golden State | Tustin | MWD Total | IRWD OPA | Orange | Retail Zone | Golden State | Tustin |
| JUL | 224.2 | 0.0 | 9.4 | 172.5 | 181.9 | 0.0 | 16.0 | 0.0 | 164.0 | 23.2 | 203.2 | 0.0 | 16.0 | 0.0 | 173.4 | 419.9 |
| AUG | 197.1 | 0.0 | 0.8 | 173.0 | 173.8 | 0.0 | 14.8 | 0.0 | 67.7 | 56.6 | 139.1 | 0.0 | 14.8 | 0.0 | 68.5 | 426.7 |
| SEP | 136.8 | 0.0 | 0.0 | 178.6 | 178.6 | 0.0 | 14.8 | 0.0 | 57.6 | 50.4 | 122.8 | 0.0 | 14.8 | 0.0 | 57.6 | 365.8 |
| OCT | 106.2 | 0.0 | 0.0 | 135.8 | 135.8 | 0.0 | 16.0 | 0.0 | 57.0 | 40.4 | 113.4 | 0.0 | 16.0 | 0.0 | 57.0 | 282.4 |
| NOV | 93.1 | 0.0 | 0.0 | 95.7 | 95.7 | 0.0 | 15.1 | 0.0 | 45.6 | 30.5 | 91.2 | 0.0 | 15.1 | 0.0 | 45.6 | 219.3 |
| DEC | 97.2 | 0.0 | 0.0 | 105.3 | 105.3 | 0.0 | 12.9 | 0.0 | 39.4 | 21.7 | 74.0 | 0.0 | 12.9 | 0.0 | 39.4 | 224.2 |
| JAN | 128.5 | 0.0 | 0.1 | 73.9 | 74.0 | 0.0 | 13.1 | 0.0 | 47.3 | 17.1 | 77.5 | 0.0 | 13.1 | 0.0 | 47.4 | 219.5 |
| FEB | | | | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MAR | | | | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| APR | | | | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MAY | | | | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| JUN | | | | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 983.1 | 0.0 | 10.3 | 934.8 | 945.1 | 0.0 | 102.7 | 0.0 | 478.6 | 239.9 | 821.2 | 0.0 | 102.7 | 0.0 | 488.9 | 2157.8 |

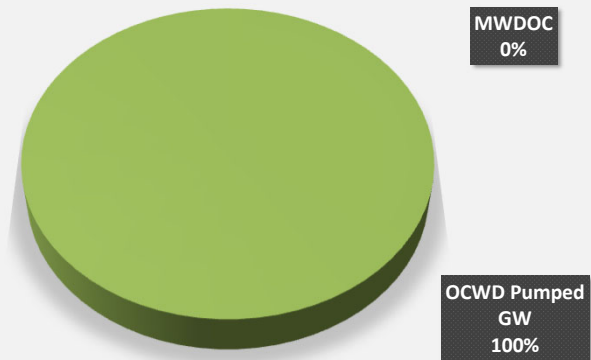
East Orange County Retail Zone Water Usage Report

East Orange County Retail Zone Overview of Usage FY 2024-25 Monthly Water Use

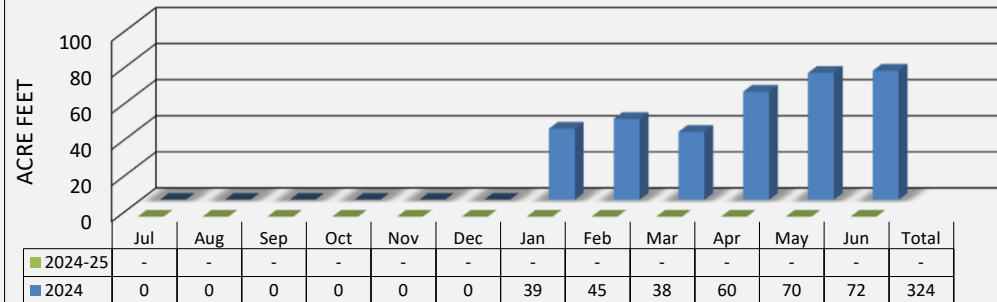
| Type of Supply | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|----------------|------------|------------|------------|------------|------------|------------|------------|----------|----------|----------|----------|----------|--------------|
| MWDOC | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OCWD Pumped GW | 139.5 | 166.1 | 147.2 | 162.9 | 167.9 | 143.8 | 159.2 | - | - | - | - | - | 1,087 |
| Total | 140 | 166 | 147 | 163 | 168 | 144 | 159 | - | - | - | - | - | 1,087 |

| | | | | | | | | | | | | | |
|------------------|---|---|---|---|---|---|----|----|----|----|----|----|-----|
| 2024 MWDOC Usage | 0 | 0 | 0 | 0 | 0 | 0 | 39 | 45 | 38 | 60 | 70 | 72 | 324 |
|------------------|---|---|---|---|---|---|----|----|----|----|----|----|-----|

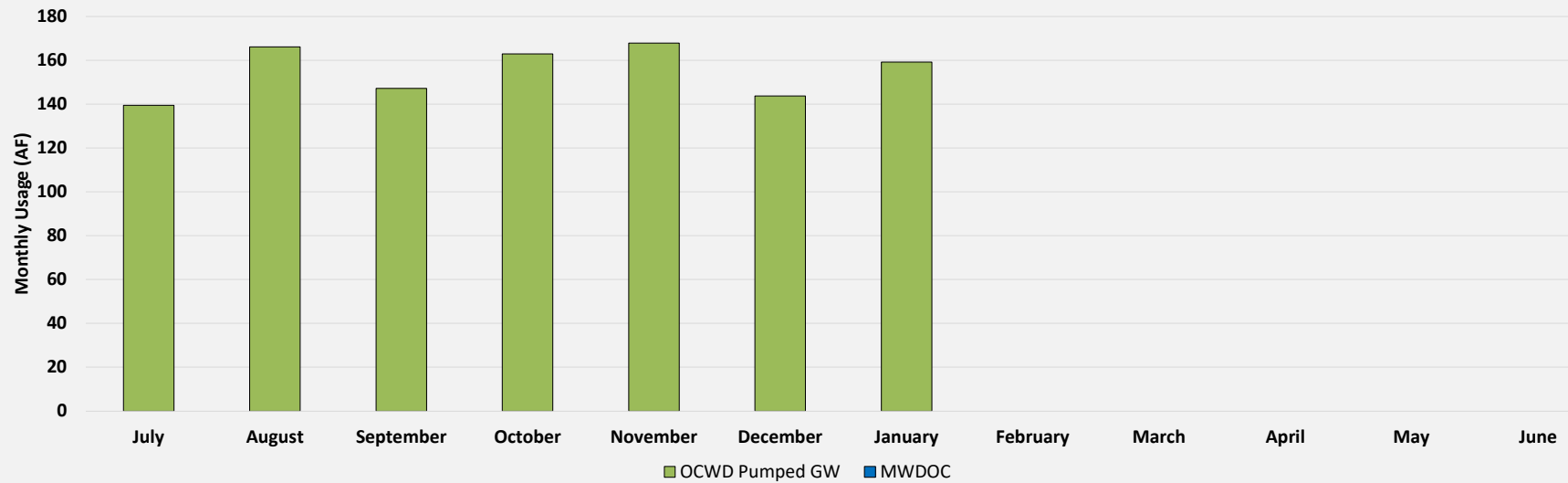
2024-25 Sources of Water



MWDOC Calendar Year and Fiscal Year Purchases



2024-25 Monthly Water Supply Sources

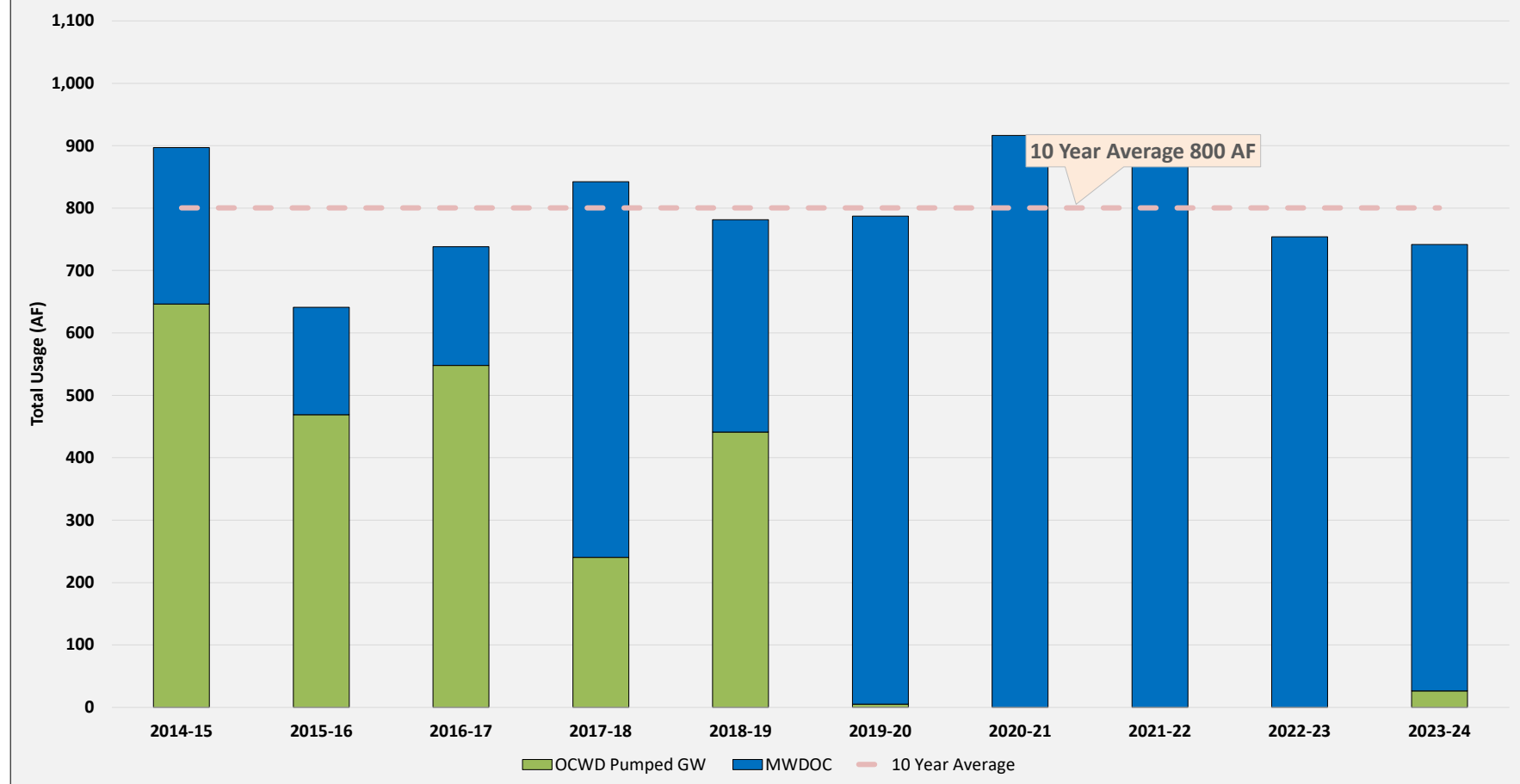


East Orange County Retail Zone Water Usage Report

Annual Water Usage

| Type of Supply | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Average |
|----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| MWDOC | 250.7 | 172.1 | 190.2 | 602.1 | 340.0 | 781.8 | 916.4 | 903.3 | 753.9 | 715.3 | 562.6 |
| OCWD Pumped GW | 646.3 | 468.8 | 547.8 | 240.2 | 441.3 | 5.2 | 0.0 | 0.0 | 0.0 | 26.3 | 237.6 |
| Total | 897 | 641 | 738 | 842 | 781 | 787 | 916 | 903 | 754 | 742 | 800 |

10 Year Water Supply Sources

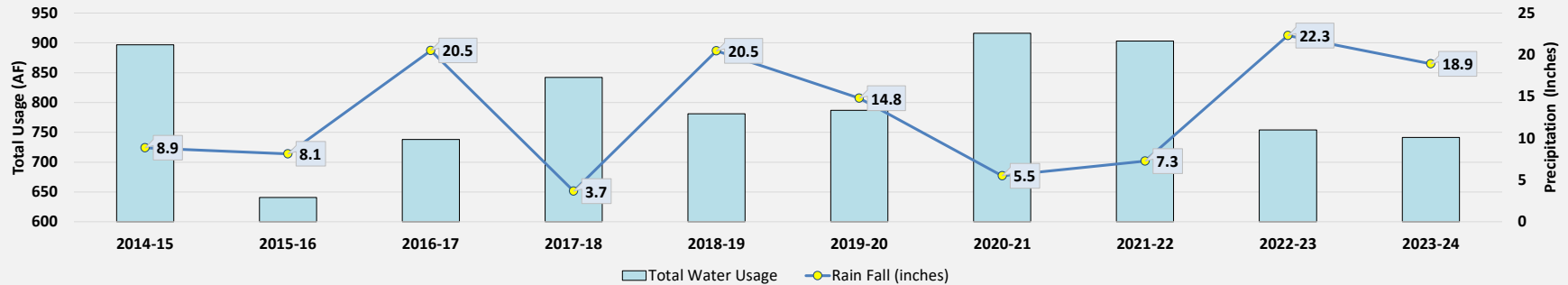


East Orange County Retail Zone Water Usage Report

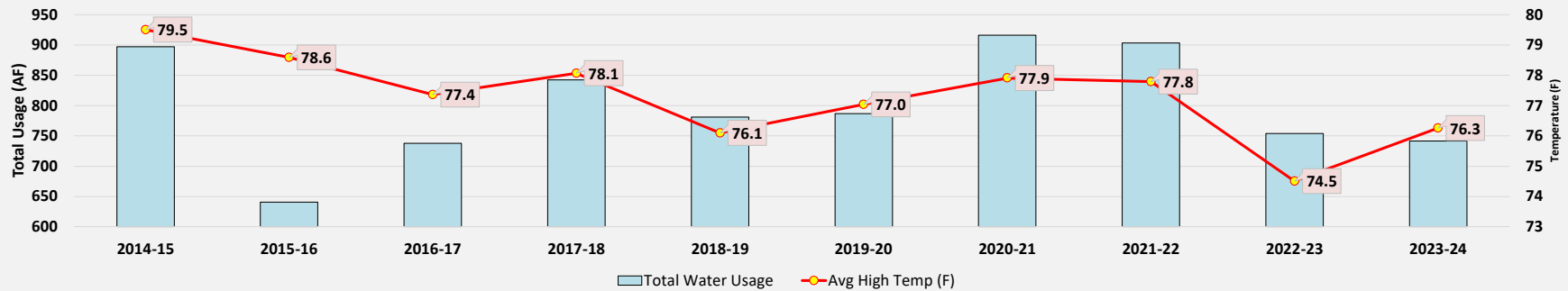
Water Usage Variables

| Type of Supply | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Average |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Rain Fall (inches) | 8.9 | 8.1 | 20.5 | 3.7 | 20.5 | 14.8 | 5.5 | 7.3 | 22.3 | 18.9 | 13.0 |
| Avg High Temp (F) | 79.5 | 78.6 | 77.4 | 78.1 | 76.1 | 77.0 | 77.9 | 77.8 | 74.5 | 76.3 | 77.3 |
| OC Unemployment % | 5.0% | 4.2% | 3.8% | 3.2% | 2.9% | 5.8% | 8.1% | 4.2% | 3.2% | 3.8% | 4.4% |
| Total Water Usage | 897 | 641 | 738 | 842 | 781 | 787 | 916 | 903 | 754 | 742 | 800 |

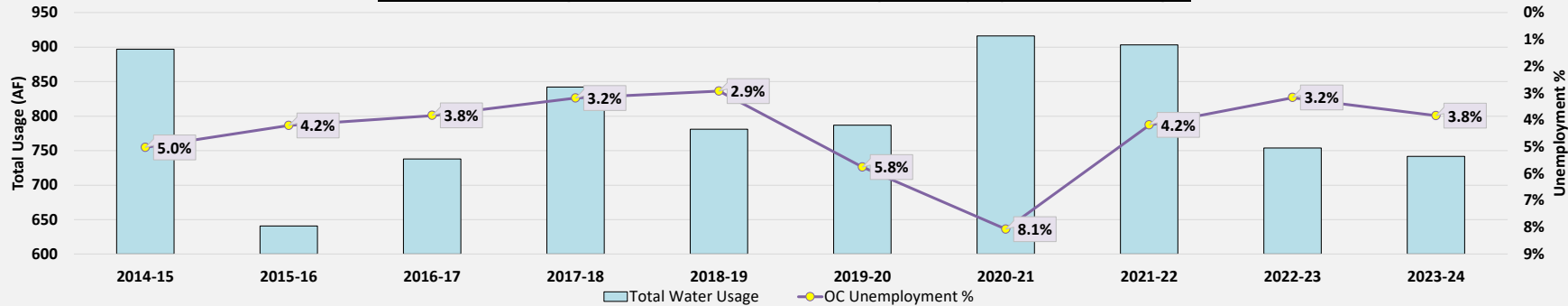
10 Year Water Usage VS Precipitation (SNA #121 Station)



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 |
|--------------------------|------|--------|-----------|---------|----------|----------|---------|----------|-------|-------|-----|------|-------|
| 2018-19 Usage | 87 | 98 | 77 | 81 | 60 | 70 | 53 | 49 | 45 | 67 | 71 | 84 | 842 |
| 2019-20 Usage | 107 | 99 | 85 | 73 | 62 | 40 | 47 | 29 | 43 | 61 | 59 | 77 | 781 |
| 2020-21 Usage | 82 | 87 | 86 | 83 | 68 | 46 | 47 | 56 | 38 | 52 | 67 | 76 | 787 |
| 2021-22 Usage | 90 | 99 | 93 | 90 | 74 | 68 | 62 | 54 | 43 | 64 | 84 | 95 | 916 |
| 2022-23 Usage | 100 | 102 | 89 | 76 | 73 | 48 | 55 | 62 | 69 | 72 | 78 | 79 | 903 |
| 2023-24 Usage | 84 | 87 | 81 | 68 | 57 | 53 | 39 | 45 | 38 | 60 | 70 | 72 | 754 |
| Average of Last 6 FYs | 92 | 96 | 85 | 79 | 66 | 54 | 51 | 49 | 46 | 63 | 72 | 80 | 831 |
| Monthly Usage Percentage | 11% | 12% | 10% | 9% | 8% | 7% | 6% | 6% | 6% | 8% | 9% | 10% | 100% |

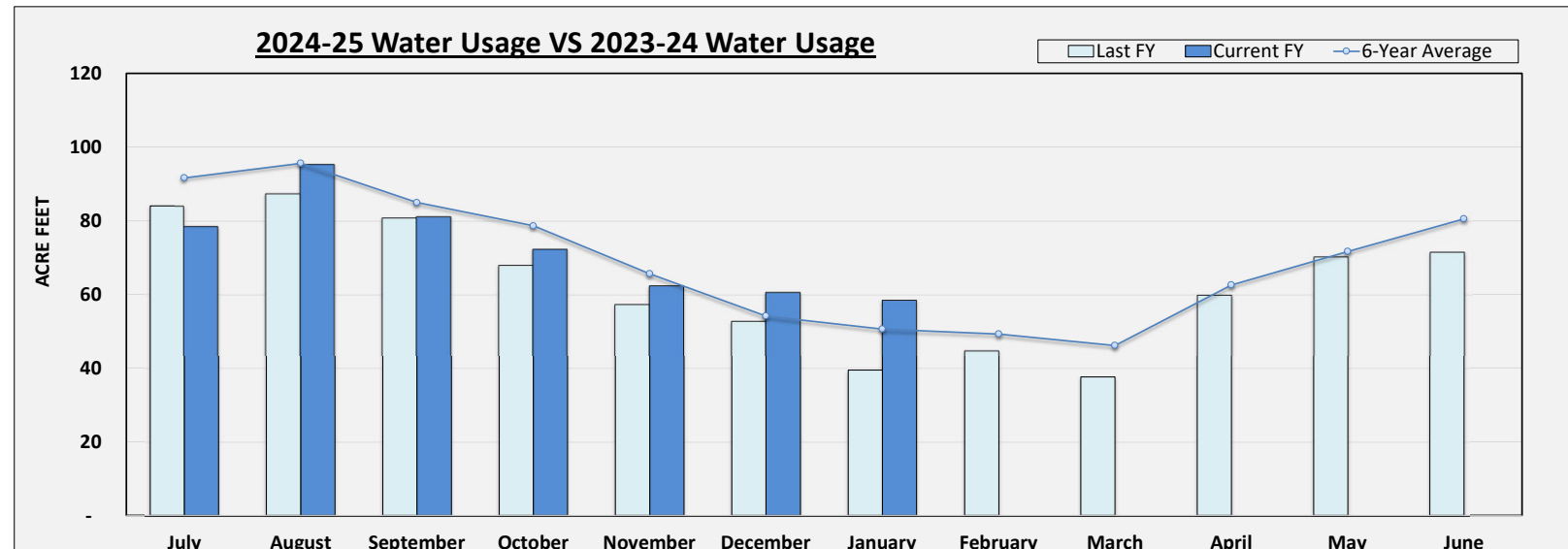
Water Usage By Source

| Imported | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|---------------------------------------|------|--------|-----------|---------|----------|----------|---------|----------|-------|-------|-----|------|-------|
| MWD via EO Wholesale | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Water from IRWD during OC-70 shutdown | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CPTP | - | - | - | - | - | - | - | - | - | - | - | - | - |
| MWD In-Lieu* | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Imported Total | - | - | - | - | - | - | - | - | - | - | - | - | - |

*In-lieu totals are subtracted from imported totals

| Local | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|-------------------------------|---------|---------|-----------|---------|----------|----------|---------|----------|-------|-------|-----|------|---------|
| OCWD Pumped GW | 139.5 | 166.1 | 147.2 | 162.9 | 167.9 | 143.8 | 159.2 | - | - | - | - | - | 1,086.6 |
| Less Fill up Reservoir | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less CPTP | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OCWD to Tustin | (57.80) | (70.40) | (66.1) | (90.5) | (105.5) | (83.1) | (100.4) | - | - | - | - | - | (573.8) |
| OCWD to GSWC | (3.20) | (0.40) | - | - | - | - | (0.2) | - | - | - | - | - | (3.8) |
| Local Total (minus reservoir) | 78.5 | 95.3 | 81.1 | 72.4 | 62.4 | 60.7 | 58.6 | - | - | - | - | - | 509.0 |

| | | | | | | | | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|------|------|---|---|---|---|---|-----|
| Total Usage 2024-25 | 79 | 95 | 81 | 72 | 62 | 61 | 59 | - | - | - | - | - | 509 |
| FY 23-24 versus FY 24-25 | -7% | +9% | +0% | +6% | +9% | +15% | +49% | | | | | | |



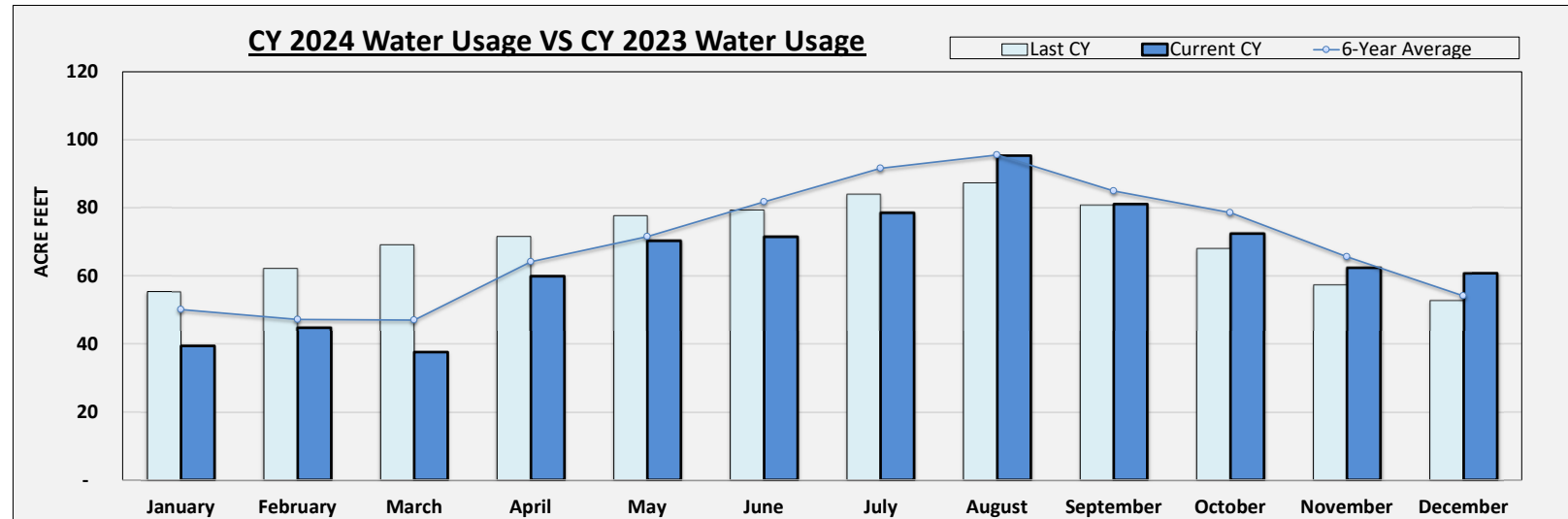
East Orange County Retail Zone Water Usage Report

Historical Monthly Potable Usage (Calendar Year)

| Calendar Year | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|----------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|-------|
| 2018 | 37 | 32 | 43 | 70 | 70 | 79 | 87 | 98 | 77 | 81 | 60 | 70 | 803 |
| 2019 | 53 | 49 | 45 | 67 | 71 | 84 | 107 | 99 | 85 | 73 | 62 | 40 | 835 |
| 2020 | 47 | 29 | 43 | 61 | 59 | 77 | 82 | 87 | 86 | 83 | 68 | 46 | 767 |
| 2021 | 47 | 56 | 38 | 52 | 67 | 76 | 90 | 99 | 93 | 90 | 74 | 68 | 849 |
| 2022 | 62 | 54 | 43 | 64 | 84 | 95 | 100 | 102 | 89 | 76 | 73 | 48 | 891 |
| 2023 | 55 | 62 | 69 | 72 | 78 | 79 | 84 | 87 | 81 | 68 | 57 | 53 | 846 |
| 6 year Average | 50 | 47 | 47 | 64 | 72 | 82 | 92 | 96 | 85 | 79 | 66 | 54 | 832 |

| Total Water Usage 2024 | 39 | 45 | 38 | 60 | 70 | 72 | 79 | 95 | 81 | 72 | 62 | 61 | 774 |
|------------------------|----|----|----|----|----|----|----|----|----|----|----|----|-----|
|------------------------|----|----|----|----|----|----|----|----|----|----|----|----|-----|

2024 VS 2023 Usage -29% -28% -46% -16% -10% -10% -7% +9% +0% +6% +9% +15%



| | Population | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|-----------------|------------|-----|-----|-----|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|
| 2023 Usage (AF) | | 55 | 62 | 69 | 72 | 78 | 79 | 84 | 87 | 81 | 68 | 57 | 53 | 846 |
| 2023 GPCD | 3,473 | 168 | 208 | 209 | 224 | 235 | 248 | 254 | 265 | 253 | 206 | 180 | 160 | 217 |
| 2024 Usage (AF) | | 39 | 45 | 38 | 60 | 70 | 72 | (61) | (71) | (66) | (91) | (106) | (83) | (154) |
| 2024 GPCD | 3,464 | 120 | 151 | 114 | 188 | 213 | 224 | (185) | (215) | (207) | (275) | (331) | (252) | (40) |

CY over CY change in GPCD -48 -58 -95 -36 -22 -24

| | Population | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
|--------------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| 2023-24 Usage (AF) | | 84 | 87 | 81 | 68 | 57 | 53 | 39 | 45 | 38 | 60 | 70 | 72 | 754 |
| 2023-24 GPCD | 3,473 | 254 | 265 | 253 | 206 | 180 | 160 | 119 | 150 | 114 | 187 | 213 | 224 | 194 |
| 2024-25 Usage (AF) | | 79 | 95 | 81 | 72 | 62 | 61 | 59 | - | - | - | - | - | 509 |
| 2024-25 GPCD | 3,464 | 238 | 289 | 254 | 220 | 196 | 184 | 178 | - | - | - | - | - | 226 |

FY over FY change in GPCD -16 +25 +2 +14 +16 +24 +59 +32

*Cumulative through the end of the last month shown

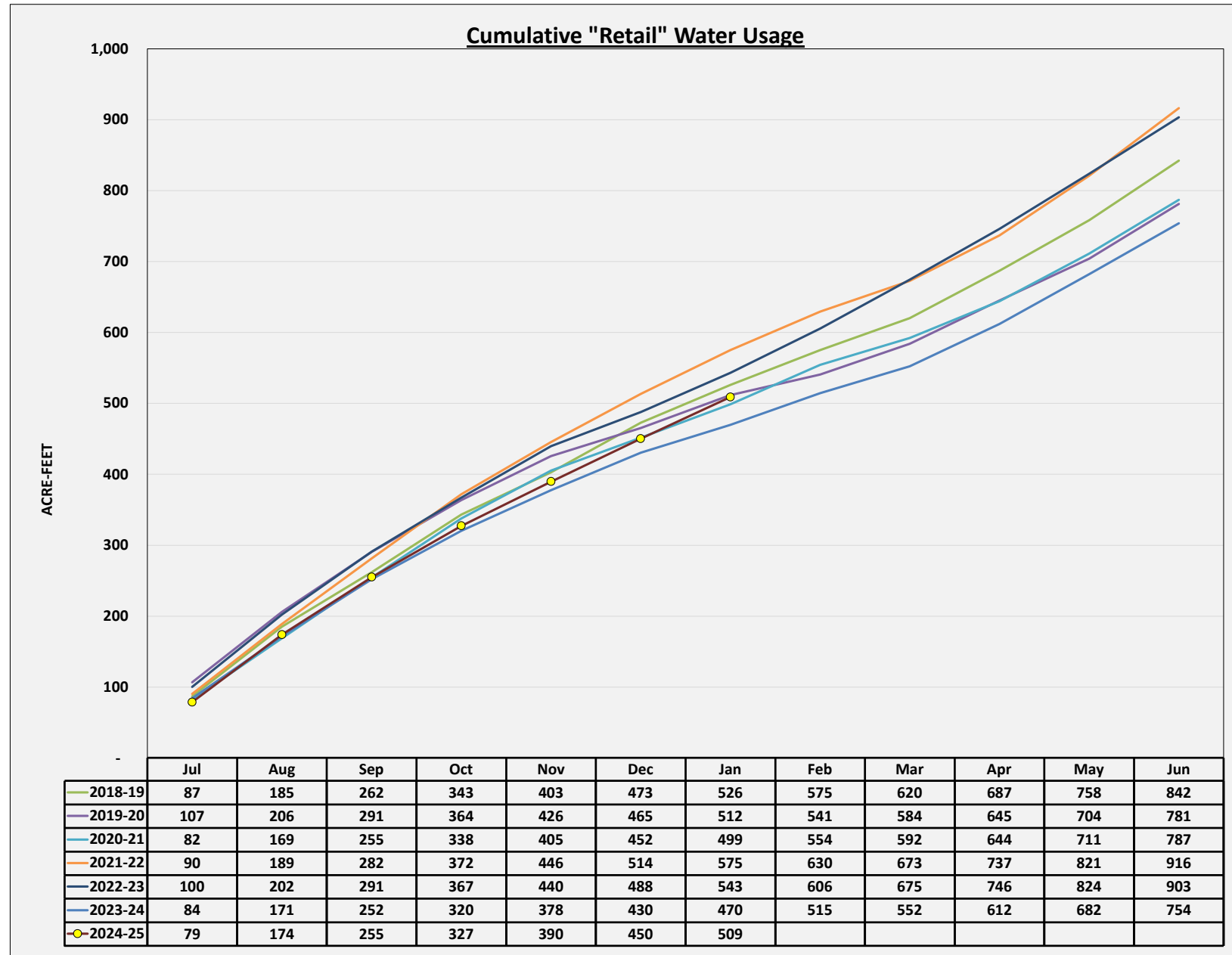
*GPCD = (Total Monthly Production - Fill up Reservoir) / Population/days in the month

*For the months of July 2022 through September 2022, groundwater usage was not delivered to customers and is not counted towards GPCD

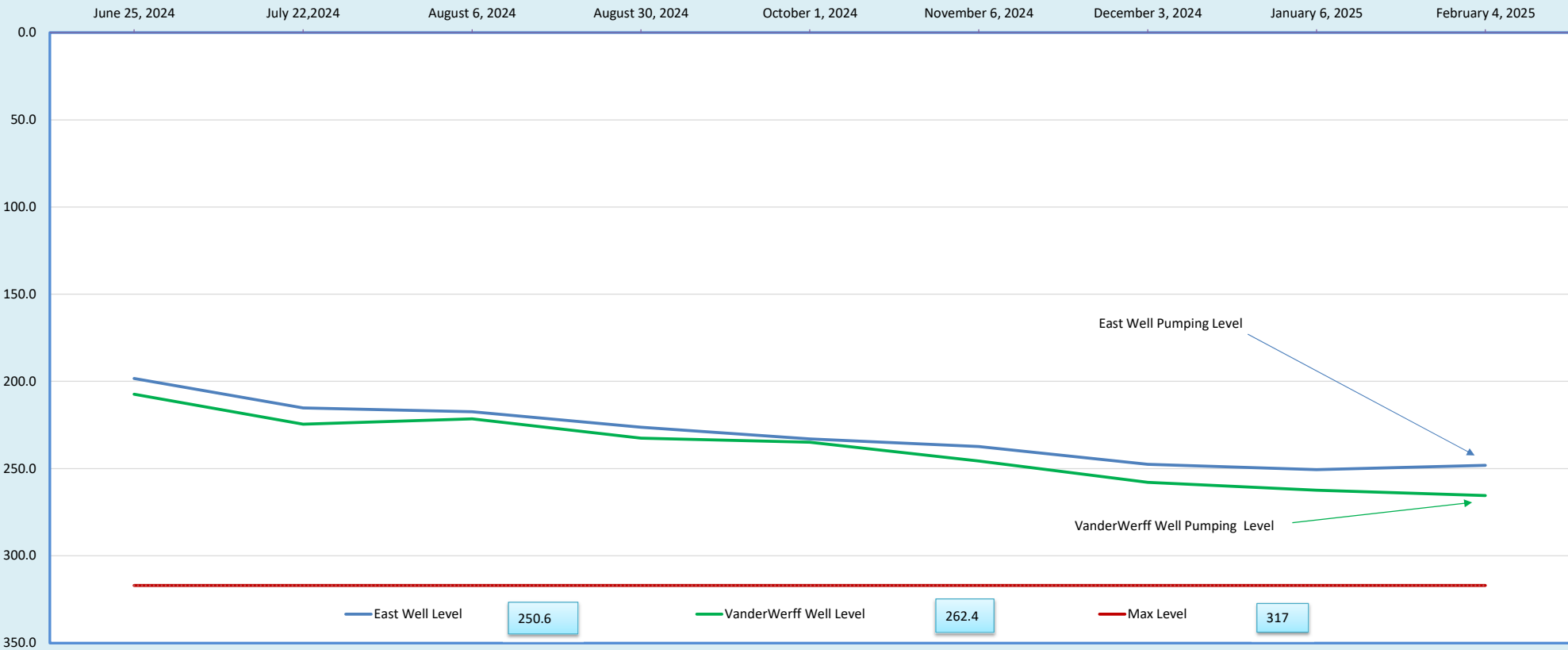


East Orange County Retail Zone Water Usage Report

Cumulative Water Usage by Fiscal Year



VanderWerff Well and East Well Pumping Water Levels





MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: MONTHLY DISBURSEMENTS
DATE FEBRUARY 20, 2025

Background

Monthly disbursements.

Recommendation

Informational.

Attachment(s): Monthly disbursements report

East Orange County Water District

Disbursement Summary February 20, 2025

| | |
|---|-------------------------------------|
| Wholesale Zone, Retail Zone, and ID1 Bill Payments | \$1,208,576.38 |
| Wire Payments: | |
| MWDOC - December 2024 Water Deliveries Payment | \$394,475.57 |
| US Bank - Community Facilities District 2018 Debt Service | \$11,447.48 |
| Director's Payroll | \$3,537.86 |
| Employee's Payroll | \$194,787.61 |
| Disbursement Total | <u><u>\$1,816,362.76</u></u> |

Transfer Summary

| | |
|-----------------------|-------------------------------------|
| Transfers | \$ 4,400,000.00 |
| Transfer Total | <u><u>\$4,400,000.00</u></u> |

NOTE: THE EXPLANATION OF FUNDS TRANSFERRED IS SHOWN ON THE FUNDS TRANSFERRED SHEET ATTACHED.



Check Disbursements January 2025

| Check Date | Check No. | Payee Name | Description | Check Amount |
|-----------------|-----------|---|---|-------------------|
| 01/22/2025 | 25628 | Southern California Edison | Electric Services - Alexander Ln - 05/07/24-12/22/24 | 169,259.25 |
| 01/23/2025 | 25629 | Orange County Water District | Water Production Statement for Facility No. 93-02-1-B & 93-335-31-A | 630,620.80 |
| 01/24/2025 | 25630 | Umpqua Bank | Credit Card Activity - 12/01/24-12/31/24 | 11,663.77 |
| 01/27/2025 | 25631 | Akel Engineering, Inc. | Fire Flow Analysis | 1,270.00 |
| 01/27/2025 | 25632 | AT&T | Scada Alarm Lines for 12/01/24-12/31/24 | 48.31 |
| 01/27/2025 | 25633 | AT&T | Scada System Lines for 12/01/24-12/31/24 | 375.29 |
| 01/27/2025 | 25634 | AT&T | Scada Fax Lines 12/01/24-12/31/24 | 48.31 |
| 01/27/2025 | 25635 | Best Best & Krieger, LLP | Legal Services through 12/31/24 | 8,092.20 |
| 01/27/2025 | 25636 | Cintas Corporation No. 3 | Uniforms - December & January | 532.30 |
| 01/27/2025 | 25637 | Communications Lab | Professional Services for December 2024 | 5,000.00 |
| 01/27/2025 | 25638 | Concentra Medical Centers | Employee Physicals | 402.00 |
| 01/27/2025 | 25639 | County Of Orange | Communication Charges - 01/01/25-03/31/25 | 1,030.77 |
| 01/27/2025 | 25640 | CR&R, Inc. | Service Period 01/01/25-01/31/25 (185 N McPherson & Handy Creek) | 383.39 |
| 01/27/2025 | 25641 | Home Depot Credit Services | Misc. Hardware, Materials & Tools/Maintenance | 3,232.34 |
| 01/27/2025 | 25642 | JAN-PRO Franchise Development of Southern Cal | Monthly Janitorial Service - February 2025 | 823.05 |
| 01/27/2025 | 25643 | Main Graphics | Business Cards | 1,483.69 |
| 01/27/2025 | 25644 | MKN | EOCWD Zone 3 to 2 Pipeline Conversion & Brae Glen Pipeline - Decemt | 6,744.97 |
| 01/27/2025 | 25645 | Orange County Sanitation District | Sewer Permits - December 2024 | 8,504.26 |
| 01/27/2025 | 25646 | PorterMatt Electric Inc | EOCWD - ATS & Generator Installation | 9,400.00 |
| 01/27/2025 | 25647 | Southern California Edison | Electric Services - Various Sites- 12/18/24-01/16/25 | 47.10 |
| 01/27/2025 | 25648 | Southern California News Group | Public Notice - Notice of Vacancy of the Board of Directors | 1,741.53 |
| 01/27/2025 | 25649 | Springbrook Holding Company, LLC | Finance Software Subscription - 12/21/24-12/20/25 | 20,897.10 |
| 01/27/2025 | 25650 | Tom Dodson & Associates | CEQA Support On-Call | 1,500.00 |
| 01/27/2025 | 25651 | Main Graphics | Bi-Monthly Mailing | 1,576.70 |
| Total \$ | | | | 884,677.13 |



Check Disbursements February 2025

| Check Date | Check No. | Payee Name | Description | Check Amount |
|------------|-----------|---------------------------------------|--|--------------|
| 02/04/2025 | 25652 | ALS Group Usa, Corp | Water Quality | 1,101.00 |
| 02/04/2025 | 25653 | Atkinson, Andelson, Loya, Ruud & Romo | December 2024 Legal Fees | 5,190.00 |
| 02/04/2025 | 25654 | Cintas Corporation No. 3 | Uniforms | 106.46 |
| 02/04/2025 | 25655 | | Void | - |
| 02/04/2025 | 25656 | Ditch Witch West | Equipment Maintenance | 1,670.42 |
| 02/04/2025 | 25657 | East Orange County Water District | Payment to WZ for Imported Water - December 2024 | 9,572.44 |
| 02/04/2025 | 25658 | Eide Bailly, LLP | Consulting Services Retainer - December 2024 | 10,085.77 |
| 02/04/2025 | 25659 | Foothill Sentry, Inc. | Display Color Ad | 525.17 |
| 02/04/2025 | 25660 | Grainger | Small Tools | 1,123.12 |
| 02/04/2025 | 25661 | Hach Company | Water Quality | 387.63 |
| 02/04/2025 | 25662 | John's Salt Service, Inc. | Generator Maintenance | 5,282.47 |
| 02/04/2025 | 25663 | Matrix Computer Service | IT Support 12/21/24-01/17/25 | 2,660.00 |
| 02/04/2025 | 25664 | McMaster-Carr Supply Company | Material | 94.11 |
| 02/04/2025 | 25665 | Morrow Meadows Corp | Reinstall Flow Meter Display Panel | 656.04 |
| 02/04/2025 | 25666 | O'Reilly Auto Enterprises, LLC | Vehicle Maintenance | 69.24 |
| 02/04/2025 | 25667 | Quinn Company | Annual Maintenance - Skid Steer | 1,052.70 |
| 02/04/2025 | 25668 | Red Wing Shoe Store | Boots for Employees | 368.46 |
| 02/04/2025 | 25669 | SC Fuels | Diesek Fuel | 786.61 |
| 02/04/2025 | 25670 | SoCalGas | Gas - 185 N McPherson (12/26/24-01/24/25) | 23.25 |
| 02/04/2025 | 25671 | Southern California Edison | Electric Services - Various Location - 12/03/24-01/22/25 | 313.57 |
| 02/04/2025 | 25672 | Spectrum Business | Scada System & Office Voip Lines - 01/15/25-02/14/25 | 384.97 |
| 02/04/2025 | 25673 | Standard Insurance Company | Life Insurance Premium 09/01/24-09/30/24 | 889.99 |
| 02/04/2025 | 25674 | Steven Andrews Engineering | Professional Services - Vista Panorama -11/01/24-11/30/24 | 4,600.00 |
| 02/04/2025 | 25675 | Sunkist Solutions, LLC | December 2024 - Professional Services | 2,437.50 |
| 02/04/2025 | 25676 | SWRCB Fees | Water System Annual Fees 7/01/24-6/30/25 | 29,127.98 |
| 02/04/2025 | 25677 | Total Exterminating, Inc. | Rodent Control - Peter's Canyon Res January | 285.00 |
| 02/04/2025 | 25678 | Waterline Technologies, Inc. | Water Quality | 1,049.20 |
| 02/04/2025 | 25679 | Xerox Corporation | Copier - Monthly Maintenance -12/21/24-01/21/24 | 105.09 |
| 02/04/2025 | 25680 | | Void | - |
| 02/04/2025 | 25681 | County Of Orange | Encroachment Permit | 625.01 |
| 02/11/2025 | 25682 | ACWA Joint Powers Insurance Authority | Employee Medical Insurance - March 2025 | 23,615.92 |
| 02/11/2025 | 25683 | ALS Group Usa, Corp | Water Quality | 1,510.00 |
| 02/11/2025 | 25684 | AT&T | Scada Alarm - 01/01/25-01/31/25 | 46.98 |
| 02/11/2025 | 25685 | AT&T | Scada System - 01/01/25-01/31/25 | 375.29 |
| 02/11/2025 | 25686 | AT&T | Scada Fax - 01/01/25-01/31/25 | 46.98 |
| 02/11/2025 | 25687 | Big Bear Electric, Inc. | EOCWD PLC Upgrade SCADA Phase 2 | 2,707.50 |
| 02/11/2025 | 25688 | Cintas Corporation No. 3 | Uniforms | 198.50 |
| 02/11/2025 | 25689 | City Of Orange | Vehilce Maintenance | 1,625.34 |
| 02/11/2025 | 25690 | City Of Tustin | Constrution Meter - 11/15/24-01/15/25 (to clean sewer syster | 1,118.05 |
| 02/11/2025 | 25691 | Communications Lab | Professional Services - January 2025 | 5,140.45 |
| 02/11/2025 | 25692 | D&S Security Inc | Fire Alarm Monitoring 02/01/25-04/30/25 | 150.00 |
| 02/11/2025 | 25693 | Generator Services Co, Inc. | Rental Generator -01/01/25-01/31/25 150KVA | 1,349.76 |
| 02/11/2025 | 25694 | Grainger | Small Tools | 107.63 |
| 02/11/2025 | 25695 | Great America Networks, Inc | Office Phones 02/01/25-02/28/25 | 352.38 |
| 02/11/2025 | 25696 | Hach Company | Water Quality | 769.11 |
| 02/11/2025 | 25697 | Lewis Consulting Group | Consulting Services - January 2025 | 2,500.00 |
| 02/11/2025 | 25698 | Maricarmen Fraga | Sewer - Customer Refund | 719.00 |
| 02/11/2025 | 25699 | McMaster-Carr Supply Company | Small Tools | 45.42 |
| 02/11/2025 | 25700 | Mesa Water District | October 2024 Fee Share | 147.98 |
| 02/11/2025 | 25701 | Morrow Meadows Corp | Electric Services - 185 N & 210 N McPherson | 3,209.78 |
| 02/11/2025 | 25702 | Orange Chamber Of Commerce | Annual Affiliate Investment - Classic Level | 525.00 |
| 02/11/2025 | 25703 | Paradise Drinking Waters | Bottled Water (Office & Field) | 79.55 |

| Check Date | Check No. | Payee Name | Description | Check Amount |
|------------|-----------|--|---|--------------|
| 02/11/2025 | 25704 | Plumbers Depot, Inc. | Equipment Maintenance | 2,292.06 |
| 02/11/2025 | 25705 | R.J. Noble Company | Manhole Adjustments | 86,290.00 |
| 02/11/2025 | 25706 | SC Fuels | Fuel - January 2025 | 5,098.45 |
| 02/11/2025 | 25707 | South Coast Air Quality Management Dis | AQMD Fee - July 2024 through June 2025 | 1,248.04 |
| 02/11/2025 | 25708 | Southern California Edison | Electric Services - Various Sites - 12/09/24-01/26/25 | 22,787.52 |
| 02/11/2025 | 25709 | T.E. Roberts, Inc. | Fire Hydrant Installation - Crawford Canyon Park | 23,586.00 |
| 02/11/2025 | 25710 | Townsend Public Affairs, Inc. | Consulting Services for February 2025 | 3,500.00 |
| 02/11/2025 | 25711 | Underground Service Alert | USA Location - January 2025 | 701.06 |
| 02/11/2025 | 25712 | USA Blue Book | Water Quality | 1,470.83 |
| 02/11/2025 | 25713 | Verizon Wireless | Wireless 12/26/24-01/25/25 | 1,058.47 |
| 02/11/2025 | 25714 | W.M. Lyles Co. | SCADA Field Site RTU Programming | 48,312.50 |
| 02/11/2025 | 25715 | Waterline Technologies, Inc. | Water Quality | 640.50 |
| Total \$ | | | | 323,899.25 |

East Orange County Water District
Citizens Business Bank
Prior Month's Checks To Ratify
Directors' Payroll*

Payment for meeting activity in the month of December 2024

| Date | Check No. | Amount | Payable To |
|-----------|-----------|--------------------------|----------------------------|
| 1/23/2025 | 479 | \$ 875.00 | Board Director |
| 1/23/2025 | 480 | \$ 875.00 | Board Director |
| 1/23/2025 | 481 | \$ 1,225.00 | Board Director |
| | | <u>\$ 2,975.00</u> | Total Payroll Checks |
| | | \$562.86 | ADP taxes |
| | | <u>\$3,537.86</u> | Grand Total Payroll |

***** NOTE: DOUG DAVERT DECLINES PAYMENT FOR ALL MEETINGS**

*Note: Payroll is processed by ADP (Automatic Data Processing)

East Orange County Water District
Citizens Business bank
Prior Month's Checks To Ratify
Employee Payroll*
Month of January 2025

| | Check Date | Check Amount | Payable To |
|--------------|---------------|---------------------|--------------------------------------|
| Auto Deposit | 1/8/2025 | \$ 7,678.21 | General Manager |
| Auto Deposit | 1/8/2025 | \$ 4,847.89 | Operations Manager |
| Auto Deposit | 1/8/2025 | \$ 3,900.73 | GIS Manager |
| Auto Deposit | 1/8/2025 | \$ 5,090.29 | Wastewater Collections Supervisor |
| Auto Deposit | 1/8/2025 | \$ 2,962.69 | Water Distribution Lead Operator |
| Auto Deposit | 1/8/2025 | \$ 4,171.70 | Water Distribution Operator I |
| Auto Deposit | 1/8/2025 | \$ 2,433.36 | Wastewater Collections Operator II |
| Auto Deposit | 1/8/2025 | \$ 2,350.36 | Wastewater Collections Operator II |
| Auto Deposit | 1/8/2025 | \$ 3,449.24 | Wastewater Collections Lead Operator |
| Auto Deposit | 1/8/2025 | \$ 2,012.46 | Wastewater Collections Operator I |
| Auto Deposit | 1/8/2025 | \$ 1,776.73 | Water Distribution Operator I |
| Auto Deposit | 1/8/2025 | \$ 2,712.06 | Office Manager |
| Auto Deposit | 1/8/2025 | \$ 2,512.90 | Administrative Assistant II |
| Auto Deposit | 1/8/2025 | \$ 1,801.27 | Administrative Assistant II |
| Auto Deposit | 1/8/2025 | \$ 1,714.36 | Part Time Administrative Assistant |
| | | <u>\$ 49,414.25</u> | Sub Total |

| | | | |
|--------------|-----------|---------------------|--------------------------------------|
| Auto Deposit | 1/22/2025 | \$ 6,878.20 | General Manager |
| Auto Deposit | 1/22/2025 | \$ 4,444.96 | Engineering Manager |
| Auto Deposit | 1/22/2025 | \$ 5,293.27 | Operations Manager |
| Auto Deposit | 1/22/2025 | \$ 3,900.73 | GIS Manager |
| Auto Deposit | 1/22/2025 | \$ 4,272.68 | Wastewater Collections Supervisor |
| Auto Deposit | 1/22/2025 | \$ 2,236.71 | Water Distribution Lead Operator |
| Auto Deposit | 1/22/2025 | \$ 3,505.96 | Water Distribution Operator I |
| Auto Deposit | 1/22/2025 | \$ 2,846.00 | Wastewater Collections Operator II |
| Auto Deposit | 1/22/2025 | \$ 2,350.38 | Wastewater Collections Operator II |
| Auto Deposit | 1/22/2025 | \$ 3,274.54 | Wastewater Collections Lead Operator |
| Auto Deposit | 1/22/2025 | \$ 2,012.45 | Wastewater Collections Operator I |
| Auto Deposit | 1/22/2025 | \$ 1,776.72 | Water Distribution Operator I |
| Auto Deposit | 1/22/2025 | \$ 2,712.26 | Office Manager |
| Auto Deposit | 1/22/2025 | \$ 2,512.90 | Administrative Assistant II |
| Auto Deposit | 1/22/2025 | \$ 1,714.37 | Administrative Assistant II |
| Auto Deposit | 1/22/2025 | \$ 2,395.98 | Part Time Administrative Assistant |
| | | <u>\$ 52,128.11</u> | Sub Total |

| | | |
|----------|--------------------|--|
| 1/8/2025 | \$ 29,938.52 | ADP Taxes |
| 1/8/2025 | \$ 2,584.62 | Employee CalPERS Electronic Funds Transfer |
| 1/8/2025 | \$ 3,747.69 | Employer CalPERS Electronic Funds Transfer |
| 1/8/2025 | \$ 3,137.35 | Employee CalPERS PEPRA Electronic Funds Transfer |
| 1/8/2025 | \$ 3,185.92 | Employer CalPERS PEPRA Electronic Funds Transfer |
| 1/8/2025 | \$ 2,746.54 | CalPERS PERS 457 - Voya |
| | <u>\$45,340.64</u> | Total Transfers |

| | | |
|-----------|--------------------|--|
| 1/22/2025 | \$ 31,868.96 | ADP Taxes |
| 1/22/2025 | \$ 2,590.50 | Employee CalPERS Electronic Funds Transfer |
| 1/22/2025 | \$ 3,756.22 | Employer CalPERS Electronic Funds Transfer |
| 1/22/2025 | \$ 3,137.35 | Employee CalPERS PEPRA Electronic Funds Transfer |
| 1/22/2025 | \$ 3,185.93 | Employer CalPERS PEPRA Electronic Funds Transfer |
| 1/22/2025 | \$ 3,365.65 | CalPERS PERS 457 - Voya |
| | <u>\$47,904.61</u> | Total Transfers |

\$194,787.61 **Grand Total Payroll**

| Payroll | Payroll |
|---------------------------|----------------------------|
| 1/8/2025 | 1/22/2025 |
| \$49,414.25 | \$52,128.11 |
| \$45,340.64 | \$47,904.61 |
| <u>\$94,754.89</u> | <u>\$100,032.72</u> |

*Note: Payroll is processed by ADP (Automatic Data Processing)

EAST ORANGE COUNTY WATER DISTRICT
FUNDS TRANSFERRED BETWEEN ACCOUNTS

| DATE | AMOUNT | FROM | TO | REASON FOR FUND TRANSFER |
|-----------|----------------|--|--|-----------------------------------|
| 1/27/2025 | \$400,000.00 | Citizens Business Bank Money Market Account | Citizens Business Bank Checking Account | Excess Funds |
| 2/7/2025 | \$4,000,000.00 | Chandler Asset Investment US Bank | California CLASS | Loan of funds from Sewer to RZ |



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: FINANCIAL STATEMENTS
DATE FEBRUARY 20, 2025

Background

Monthly Financial Statements for Wholesale Zone, Retail Zone, and ID1 (wastewater).

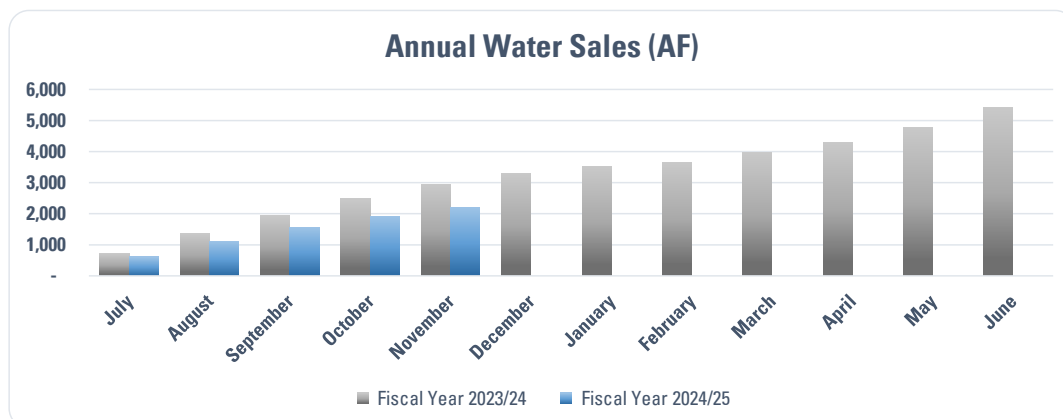
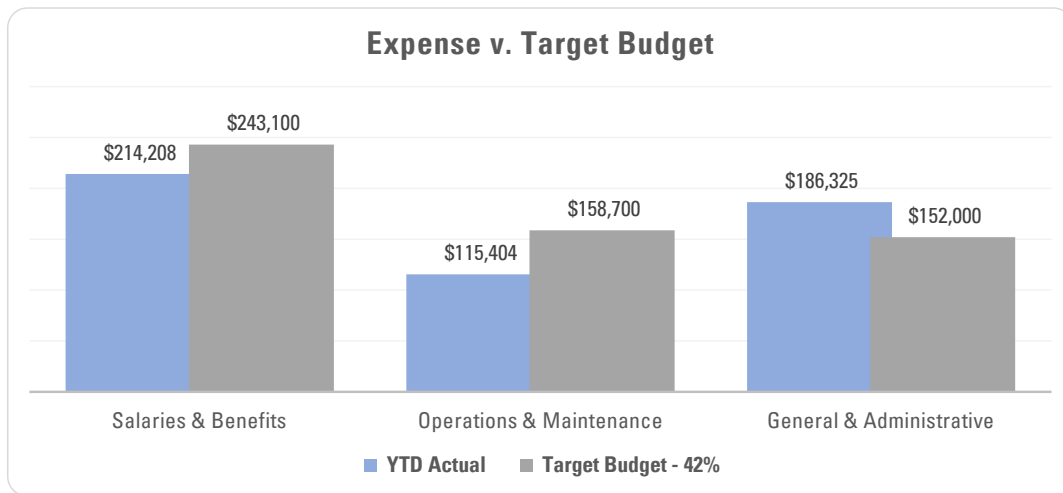
Recommendation

Receive and File.

Attachment(s): Financial Statements for November 2024

Wholesale
Budget to Actual Summary
(Unaudited)
For the Period Ending November 30, 2024

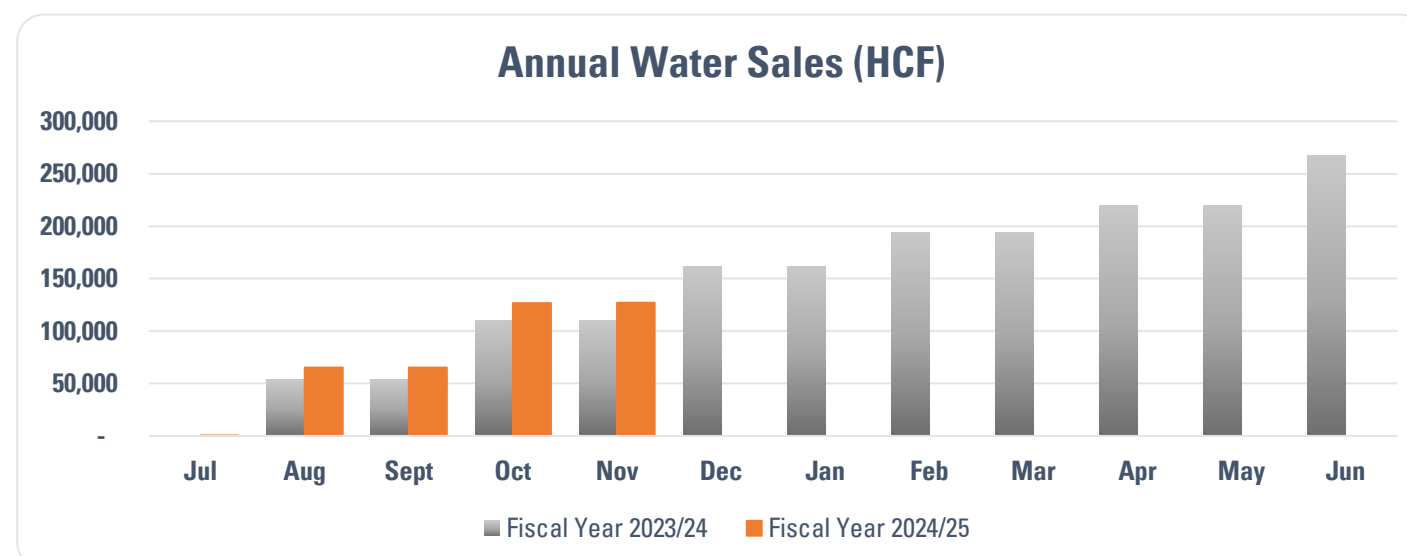
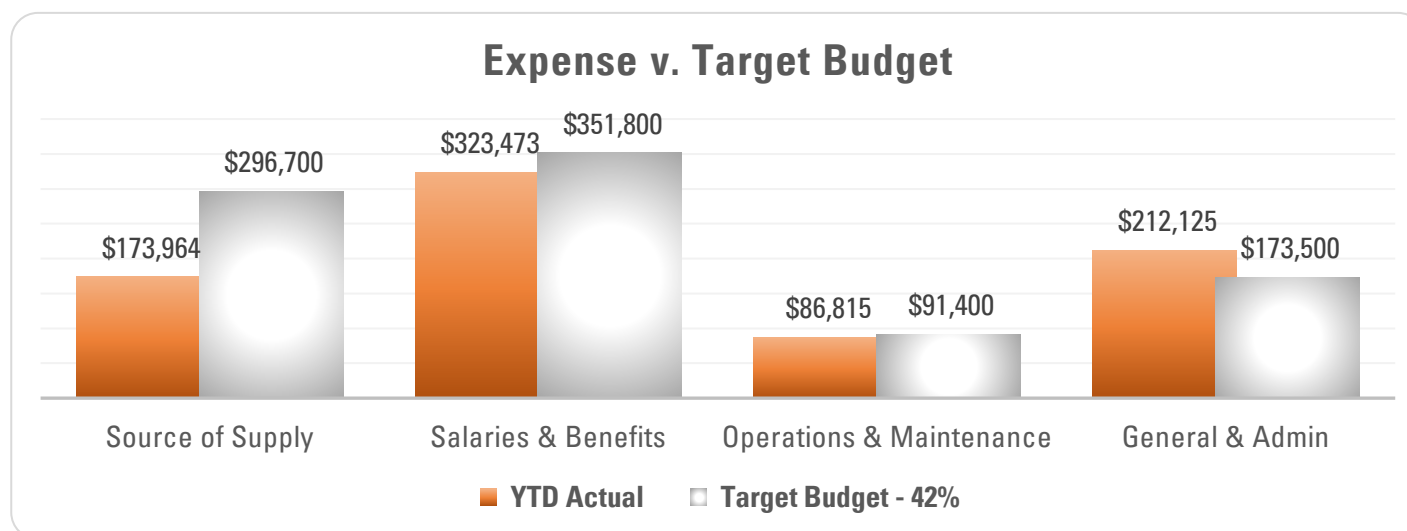
| | A | B | C | D = B / C |
|--|--------------------|------------------|-----------------------------|----------------------|
| <i>Wholesale Budget to Actual Summary</i> | NOV 2024 ACTUAL | YTD ACTUAL | 2024/25 ANNUAL BUDGET | YTD BUDGET 42% |
| 1 REVENUE | | | | |
| 2 Operating Revenue | \$ 474,568 | \$ 3,453,339 | \$ 8,177,100 | 42% |
| 3 Non-Operating Revenue /(Expense) | 204,289 | 309,999 | 1,511,700 | 21% |
| 4 TOTAL REVENUE | 678,857 | 3,763,337 | 9,688,800 | 39% |
| 5 EXPENSE | | | | |
| 6 Source of Supply | 424,560 | 3,117,116 | 7,590,300 | 41% |
| 7 Salaries & Benefits | 36,450 | 214,208 | 578,700 | 37% |
| 8 Operations & Maintenance | 18,489 | 115,404 | 377,950 | 31% |
| 9 General & Administrative | 23,586 | 186,325 | 361,800 | 51% |
| 10 TOTAL EXPENSE | 503,085 | 3,633,053 | 8,908,750 | 41% |
| 11 NET REVENUE / (EXPENSE) | 175,772 | 130,284 | 780,050 | 17% |
| 12 Capital Improvement Program PAYGO | (14,408) | (68,182) | (2,539,300) | 3% |
| 13 Section 115 Pension Trust Contribution | - | - | - | N/A |
| 14 CalPERS Additional Discretionary Payments | - | - | (7,079) | 0% |
| 15 NET CASH INFLOW / (OUTFLOW) | \$ 161,365 | \$ 62,102 | \$ (1,766,329) | |





Retail Budget to Actual Summary (Unaudited) For the Period Ending November 30, 2024

| | A | B | C | D = B / C |
|--|-----------------------|-----------------------|-----------------------------|----------------------|
| <i>Retail Budget to Actual Summary</i> | NOV 2024 ACTUAL | YTD ACTUAL | 2024/25 ANNUAL BUDGET | YTD BUDGET 42% |
| 1 REVENUE | | | | |
| 2 Operating Revenue | \$ 184,549 | \$ 984,528 | \$ 2,966,600 | 33% |
| 3 Non-Operating Revenue /(Expense) | 108,755 | 141,276 | 727,800 | 19% |
| 4 TOTAL REVENUE | 293,304 | 1,125,804 | 3,694,400 | 30% |
| 5 EXPENSE | | | | |
| 6 Source of Supply | 31,430 | 173,964 | 706,400 | 25% |
| 7 Salaries & Benefits | 57,507 | 323,473 | 837,500 | 39% |
| 8 Operations & Maintenance | 14,210 | 86,815 | 217,500 | 40% |
| 9 General & Administrative | 25,402 | 212,125 | 413,100 | 51% |
| 10 TOTAL EXPENSE | 128,549 | 796,378 | 2,174,500 | 37% |
| 11 NET REVENUE / (EXPENSE) | 164,755 | 329,427 | 1,519,900 | 22% |
| 12 Debt Service | (39,496) | (39,496) | (259,000) | 15% |
| 13 Capital Improvement Program PAYGO | (1,216,153) | (3,942,452) | (5,374,450) | 73% |
| 14 Section 115 Pension Trust Contribution | - | - | - | N/A |
| 15 CalPERS Additional Discretionary Payments | - | - | (10,031) | 0% |
| 16 NET CASH INFLOW / (OUTFLOW) | \$ (1,090,894) | \$ (3,652,521) | \$ (4,123,581) | 89% |

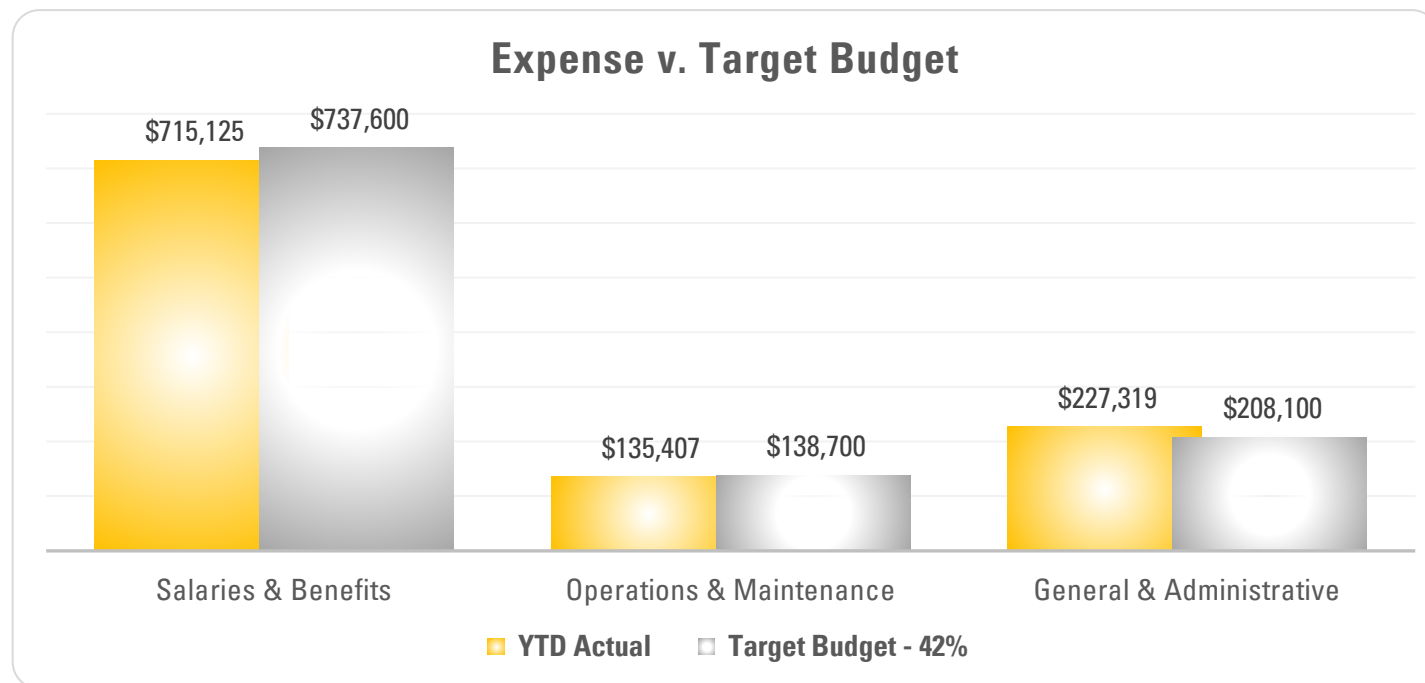


No assurance provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the U.S. not included.



Sewer Budget to Actual Summary (Unaudited) For the Period Ending November 30, 2024

| | A | B | C | D = B / C |
|--|--------------------|------------------|-----------------------------|----------------------|
| <i>Sewer Budget to Actual Summary</i> | NOV 2024 ACTUAL | YTD ACTUAL | 2024/25 ANNUAL BUDGET | YTD BUDGET 42% |
| 1 REVENUE | | | | |
| 2 Operating Revenue | \$ 719,576 | \$ 1,073,491 | \$ 3,941,400 | 27% |
| 3 Non-Operating Revenue /(Expense) | 170,780 | 602,308 | 1,455,900 | 41% |
| 4 TOTAL REVENUE | 890,356 | 1,675,800 | 5,397,300 | 31% |
| 5 EXPENSE | | | | |
| 6 Salaries & Benefits | 124,419 | 715,125 | 1,756,100 | 41% |
| 7 Operations & Maintenance | 18,689 | 135,407 | 330,200 | 41% |
| 8 General & Administrative | 26,688 | 227,319 | 495,400 | 46% |
| 9 TOTAL EXPENSE | 169,797 | 1,077,850 | 2,581,700 | 42% |
| 10 NET REVENUE / (EXPENSE) | 720,559 | 597,949 | 2,815,600 | 21% |
| 11 Debt Service | (157,982) | (157,982) | (1,036,000) | 15% |
| 12 Internal Loan Issuance for Capital | - | - | (2,000,000) | 0% |
| 13 Capital Improvement Program PAYGO | (53,939) | (341,483) | (1,595,250) | 21% |
| 14 Section 115 Pension Trust Contribution | - | - | - | N/A |
| 15 CalPERS Additional Discretionary Payments | - | - | (17,810) | 0% |
| 16 NET CASH INFLOW / (OUTFLOW) | \$ 508,638 | \$ 98,484 | \$ (1,833,460) | |



No assurance 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 U.S. not included.



Cash & Investments

(Unaudited)

November 30, 2024

| | Type | Cost | Market | % Total |
|--|--------------|----------------------|----------------------|---------------|
| District Cash & Investments | | | | |
| Unrestricted | | | | |
| Local Agency Investment Fund (LAIF) * | Investment | \$ 104,313 | \$ 104,273 | 0.2% |
| U.S. Bank - Sewer | Investment | 9,044,499 | 8,930,866 | 17.8% |
| Raymond James Brokerage - Wholesale | Investment | 2,619,349 | 2,565,513 | 5.1% |
| Raymond James Brokerage - Sewer | Investment | 5,064,787 | 5,101,888 | 10.2% |
| CA CLASS Prime Fund ** | Investment | 1,333,184 | 1,333,193 | 2.7% |
| Citizens Business Bank | Checking | 1,029,077 | 1,029,077 | 2.1% |
| Citizens Business Bank | Money Market | 61,741 | 61,741 | 0.1% |
| Total Unrestricted | | 19,256,950 | 19,126,552 | 38.2% |
| Restricted | | | | |
| U.S. Bank - Sewer Acquisition Funds | Investment | 29,793,467 | 29,419,151 | 58.7% |
| U.S. Bank - Sewer Capacity Fees | Investment | 1,435,458 | 1,417,423 | 2.8% |
| PARS Post-Employment Benefits | Trust | 125,000 | 166,487 | 0.3% |
| Total Restricted | | 31,353,925 | 31,003,062 | 61.8% |
| Total District Cash & Investments | | \$ 50,610,875 | \$ 50,129,614 | 100.0% |

* The LAIF Market Value factor is updated quarterly in September, December, March, and June.

** The CLASS Prime Fund Net Asset Value factor is updated monthly.



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: ANNUAL AUDIT FOR FY 2023-24
DATE: FEBRUARY 20, 2025

Background

As required by law, the District performs an annual independent audit of our financials. Paul Kaymark of Nigro & Nigro oversaw the audit for Fiscal Year 2023-2024. Attached to this memo is a copy of the final Audited Financial Statements for the period ending June 30, 2024. As noted in the audited financials, the District received an "unmodified opinion".

For comparative purposes, the table below shows the net position for each fund at the end of fiscal years 2024 and 2023.

| Year | Fund | | | Total |
|------|------------------|---------------|--------------|--------------|
| | <i>Wholesale</i> | <i>Retail</i> | <i>Sewer</i> | |
| 2024 | \$16,691,920 | \$15,080,826 | \$55,288,599 | \$87,061,345 |
| 2023 | \$15,927,792 | \$14,852,067 | \$52,430,509 | \$83,210,368 |

Total net position increased by 5%. Overall, net position for each fund increased slightly compare to the prior year. Operating revenues decreased by 5% due to decreases in both wholesale and retail water use. Operating expenses dropped by 8% due to decreased water purchases.

The audit team reviewed our internal procedures and then tested them to see how well we follow our own procedures. The Auditor's Management Letter that reports on internal controls overall and the audit is attached. As noted in the letter, no issues were encountered in conducting the audit.

Recommendation

Receive and file the fiscal year 2023/2024 audited financial statement.

Attachment(s): a) Audit Presentation to the Board
 b) Audit Communications Letter
 c) 2023/2024 Audited Financial Statement

EAST ORANGE COUNTY WATER DISTRICT
Presentation to the Board of Directors
For the Fiscal Year Ended
June 30, 2024

NIGRO
& NIGRO^{PC}



SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. Our responsibility is to plan and perform the audit to obtain **reasonable assurance (not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.
3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

AUDIT RESULTS

An Auditor's **Unmodified Opinion** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation, Pension, and OPEB expense.
- Required disclosures are properly reflected in the Annual Financial Statements.

AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

No Material Issues Arose to be Reported to the Governing Board/Management

Any Minor Issues Were Discussed Orally and Corrected by Management

How Do We Make You Better?

Best Practice Solutions Were Conveyed to Management – That's the Audit ROI

East Orange County Water District - Wholesale Fund

Dashboard – Audited Financial Statements

June 30, 2024 vs 2023

| Revenues & Expenses | 2024 | 2023 | Variance |
|--|-----------------------|-----------------------|---------------------|
| Operating Revenues: | | | |
| Water consumption sales | \$ 6,635,584 | \$ 8,181,833 | \$ (1,546,249) |
| Water service charges | 1,264,451 | 1,081,216 | 183,235 |
| Connection fees | 206,360 | 80,578 | 125,782 |
| Non-Operating Revenues: | | | |
| Property taxes | 1,129,978 | 1,078,335 | 51,643 |
| Rental and contract revenue | 144,132 | 143,834 | 298 |
| Investment earnings | 349,678 | 244,140 | 105,538 |
| Other non-operating revenues | 600 | 10,585 | (9,985) |
| Capital Contributions | | | |
| Contributed capital | 215,279 | 250,390 | (35,111) |
| Total Revenues | <u>9,946,062</u> | <u>11,070,911</u> | <u>(1,124,849)</u> |
| Operating Expenses: | | | |
| Source of supply | 7,348,418 | 8,752,739 | (1,404,321) |
| Transmission and distribution | 342,178 | 275,535 | 66,643 |
| Salaries and benefits | 683,238 | 830,578 | (147,340) |
| General and administrative | 387,584 | 317,368 | 70,216 |
| Operating expenses before depr. | <u>8,761,418</u> | <u>10,176,220</u> | <u>(1,414,802)</u> |
| Depreciation expense | 420,516 | 399,104 | 21,412 |
| Total Operating Expenses | <u>9,181,934</u> | <u>10,575,324</u> | <u>(1,393,390)</u> |
| Non-Operating Expenses: | | | |
| Interest expense | - | - | - |
| Total Expenses | <u>9,181,934</u> | <u>10,575,324</u> | <u>(1,393,390)</u> |
| Change in Revenues & Expenses | <u>\$ 764,128</u> | <u>\$ 495,587</u> | <u>\$ 268,541</u> |
| Capital Outlay: | | | |
| Capital Asset Additions | \$ (1,932,053) | \$ (2,821,084) | \$ 889,031 |
| Depreciation Expense | <u>420,516</u> | <u>399,104</u> | <u>21,412</u> |
| Change in Capital Expense | <u>\$ (1,511,537)</u> | <u>\$ (2,421,980)</u> | <u>\$ 910,443</u> |
| Cash & Investments | <u>\$ 7,900,925</u> | <u>\$ 8,166,225</u> | <u>\$ (265,300)</u> |
| Quick Summary: | | | |
| Change in Revenues & Expenses | \$ 764,128 | | |
| Change in Capital Expense | (1,511,537) | Use of cash | |
| Change in Accounts Receivable | 145,233 | Change to Cash | |
| Change in Accounts Payable | 121,393 | Change to Cash | |
| Change in Pension Expense | 157,646 | Non-Cash | |
| Change in Cash & Investments | <u>\$ (323,137)</u> | Approximately | <u>\$ (57,837)</u> |
| Investment Earnings to Portfolio | <u>4.35%</u> | | |

| East Orange County Water District - Retail Fund | | | |
|---|----------------|----------------|----------------|
| Dashboard – Audited Financial Statements | | | |
| June 30, 2024 vs 2023 | | | |
| Revenues & Expenses | 2024 | 2023 | Variance |
| Operating Revenues: | | | |
| Water consumption sales | \$ 1,201,739 | \$ 1,355,937 | \$ (154,198) |
| Water service charges | 1,495,468 | 1,066,144 | 429,324 |
| Connection and other fees | 68,609 | 43,833 | 24,776 |
| Non-Operating Revenues: | | | 299,902 |
| Property taxes | 591,649 | 557,457 | 34,192 |
| Investment earnings | 155,899 | 52,254 | 103,645 |
| Other non-operating revenues | 12,912 | 49,403 | (36,491) |
| Capital Contributions | | | |
| Contributed capital | - | 1,085,021 | (1,085,021) |
| Total Revenues | 3,526,276 | 4,210,049 | (683,773) |
| Operating Expenses: | | | |
| Source of supply | 997,748 | 957,811 | 39,937 |
| Pumping | 32,459 | 23,447 | 9,012 |
| Transmission and distribution | 202,533 | 258,808 | (56,275) |
| Salaries and benefits | 895,552 | 1,024,355 | (128,803) |
| General and administrative | 810,535 | 416,020 | 394,515 |
| Operating expenses before depr. | 2,938,827 | 2,680,441 | 258,386 |
| Depreciation expense | 275,972 | 307,809 | (31,837) |
| Total Operating Expenses | 3,214,799 | 2,988,250 | 226,549 |
| Non-Operating Expenses: | | | |
| Interest expense | 82,718 | 86,682 | (3,964) |
| Total Expenses | 3,297,517 | 3,074,932 | 222,585 |
| Change in Revenues & Expenses | \$ 228,759 | \$ 1,135,117 | \$ (906,358) |
| Capital Outlay: | | | |
| Capital Asset Additions | \$ (4,817,707) | \$ (4,393,682) | \$ (424,025) |
| Depreciation Expense | 275,972 | 307,809 | (31,837) |
| Change in Capital Expense | \$ (4,541,735) | \$ (4,085,873) | \$ (455,862) |
| Debt Service: | | | |
| Principal Paid | \$ (176,000) | \$ (172,000) | \$ (4,000) |
| Cash & Investments | \$ 4,181,642 | \$ 6,539,180 | \$ (2,357,538) |
| Quick Summary: | | | |
| Change in Revenues & Expenses | \$ 228,759 | | |
| Change in Capital Expense | (4,541,735) | Use of cash | |
| Debt Service – Principal Payments | (176,000) | Use of cash | |
| Change in Accounts Receivable | 89,758 | Change to Cash | |
| Change in Accounts Payable | 1,815,066 | Change to Cash | |
| Change in Pension Expense | 157,646 | Non-Cash | |
| Change in Cash & Investments | \$ (2,426,506) | Approximately | \$ (68,968) |
| Investment Earnings to Portfolio | 2.91% | | |

| East Orange County Water District - Sewer Fund | | | |
|--|-----------------------|-----------------------|-----------------------|
| Dashboard – Audited Financial Statements | | | |
| June 30, 2024 vs 2023 | | | |
| Revenues & Expenses | 2024 | 2023 | Variance |
| Operating Revenues: | | | |
| Sewer service charges | \$ 3,420,582 | \$ 3,079,234 | \$ 341,348 |
| Other revenues | 48,851 | 54,948 | (6,097) |
| Non-Operating Revenues: | | | |
| Property taxes | 468,593 | 438,923 | 29,670 |
| Investment earnings | 2,016,420 | 244,254 | 1,772,166 |
| Other non-operating revenues | 8,847 | 11,486 | (2,639) |
| Capital Contributions | | | |
| Contributed capital | 257,884 | 88,033 | 169,851 |
| Total Revenues | <u>6,221,177</u> | <u>3,916,878</u> | <u>2,304,299</u> |
| Operating Expenses: | | | |
| Sewer operations | 316,228 | 203,152 | 113,076 |
| Salaries and benefits | 1,513,842 | 1,582,152 | (68,310) |
| General and administrative | 508,251 | 505,284 | 2,967 |
| Operating expenses before depr. | <u>2,338,321</u> | <u>2,290,588</u> | <u>47,733</u> |
| Depreciation expense | 473,988 | 583,704 | (109,716) |
| Total Operating Expenses | <u>2,812,309</u> | <u>2,874,292</u> | <u>(61,983)</u> |
| Non-Operating Expenses: | | | |
| Other non-operating expenses | 219,904 | - | 219,904 |
| Interest expense | 330,874 | 346,727 | (15,853) |
| Total Expenses | <u>3,363,087</u> | <u>3,221,019</u> | <u>142,068</u> |
| Change in Revenues & Expenses | \$ <u>2,858,090</u> | \$ <u>695,859</u> | \$ <u>2,162,231</u> |
| Capital Outlay: | | | |
| Capital Asset Additions | \$ (7,999,231) | \$ (7,866,809) | \$ (132,422) |
| Depreciation Expense | <u>473,988</u> | <u>583,704</u> | <u>(109,716)</u> |
| Change in Capital Expense | \$ <u>(7,525,243)</u> | \$ <u>(7,283,105)</u> | \$ <u>(242,138)</u> |
| Debt Service: | | | |
| Principal Paid | \$ <u>(704,000)</u> | \$ <u>(688,000)</u> | \$ <u>(16,000)</u> |
| Cash & Investments | \$ <u>42,252,402</u> | \$ <u>47,793,864</u> | \$ <u>(5,541,462)</u> |
| Quick Summary: | | | |
| Change in Revenues & Expenses | \$ 2,858,090 | | |
| Change in Capital Expense | (7,525,243) | Use of cash | |
| Debt Service – Principal Payments | (704,000) | Use of cash | |
| Change in Accounts Payable | (97,974) | Change to Cash | |
| Change in Pension Expense | (55,642) | Non-Cash | |
| Change in Cash & Investments | \$ <u>(5,524,769)</u> | Approximately | \$ 16,693 |
| Investment Earnings to Portfolio | <u>4.48%</u> | | |

EAST ORANGE COUNTY WATER DISTRICT
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2024

NIGRO
& NIGRO^{PC}

EAST ORANGE COUNTY WATER DISTRICT

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For the Fiscal Year Ended June 30, 2024

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Board of Directors
East Orange County Water District
Orange, California

We are pleased to present this report related to our audit of the financial statements of the East Orange County Water District (District) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Murrieta, California
February 20, 2025

Required Communications

EAST ORANGE COUNTY WATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2024

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

| Area | Comments |
|--|--|
| Our Responsibilities with Regard to the Financial Statement Audit | Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter. |
| Overview of the Planned Scope and Timing of the Financial Statement Audit | An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork. |
| Accounting Policies and Practices | <p>Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p>Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p> |
| Audit Adjustments | Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries . |
| Uncorrected Misstatements | We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial. |

EAST ORANGE COUNTY WATER DISTRICT*Required Communications**For the Fiscal Year Ended June 30, 2024*

| Area | Comments |
|---|---|
| Discussions With Management | We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. |
| Disagreements With Management | We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements. |
| Consultations With Other Accountants | We are not aware of any consultations management had with other accountants about accounting or auditing matters. |
| Significant Issues Discussed With Management | No significant issues arising from the audit were discussed or the subject of correspondence with management. |
| Significant Difficulties Encountered in Performing the Audit | No significant difficulties were encountered in performing our audit. |
| Required Supplementary Information | <p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none">1. Management's Discussion and Analysis2. Required Pension Plan Disclosures <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p> |

| Area | Comments |
|----------------------------------|---|
| Supplementary Information | <p>We were engaged to report on the, Supplementary Information:</p> <ol style="list-style-type: none"> 1. Combining Schedules of Balance Sheets 2. Combining Schedules of Revenues, Expenses and Changes in Net Position <p>Which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p> |

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

Summary of Adjusting Journal Entries

EAST ORANGE COUNTY WATER DISTRICT

Summary of Adjusting Journal Entries For the Fiscal Year Ended June 30, 2024

| Account | Description | Debit | Credit |
|---|----------------------------|---------------------|---------------------|
| Adjusting Journal Entries | | | |
| Adjusting Journal Entries JE # 1 | | | |
| To reclass Loss on Sale of Asset to Depreciation expense. | | | |
| 10-700-7500 | DEPRECIATION EXPENSE | 1,890.25 | |
| 20-700-7500 | DEPRECIATION EXPENSE | 968.15 | |
| 30-700-7500 | DEPRECIATION EXPENSE | 922.10 | |
| 10-000-4721 | GAIN / (LOSS) ON DISPOSAL | | 1,890.25 |
| 20-000-4721 | GAIN / (LOSS) ON DISPOSAL | | 968.15 |
| 30-000-4721 | GAIN / (LOSS) ON DISPOSAL | | 922.10 |
| Total | | 3,780.50 | 3,780.50 |
| Adjusting Journal Entries JE # 2 | | | |
| To record GASB 68. | | | |
| 10-000-2600 | NET PENSION LIABILITY | 13,349.00 | |
| 10-000-2602 | DIR PENSION RELATED | 79,627.00 | |
| 1405234 | GASB 68 PENSION EXPENSE WZ | 198,901.00 | |
| 20-000-2602 | DIR PENSION RELATED | 68,047.00 | |
| 2405234 | GASB 68 PENSION EXPENSE RZ | 179,940.00 | |
| 30-000-1601 | DOR CONTRIBUTIONS | 91,497.00 | |
| 30-000-1602 | DOR PENSION RELATED | 246,171.00 | |
| 10-000-1601 | DOR CONTRIBUTIONS | | 38,024.00 |
| 10-000-1602 | DOR PENSION RELATED | | 253,853.00 |
| 20-000-1601 | DOR CONTRIBUTIONS | | 23,360.00 |
| 20-000-1602 | DOR PENSION RELATED | | 211,713.00 |
| 20-000-2600 | NET PENSION LIABILITY | | 12,914.00 |
| 30-000-2600 | NET PENSION LIABILITY | | 170,219.00 |
| 30-000-2602 | DIR PENSION RELATED | | 66,505.00 |
| 3405234 | GASB 68 PENSION EXPENSE S | | 100,944.00 |
| Total | | 877,532.00 | 877,532.00 |
| Adjusting Journal Entries JE # 3 | | | |
| To record GASB 87 activity. | | | |
| 10-000-2700 | DIR LEASES | 133,788.00 | |
| 10-000-4601 | RENTAL REVENUE | 9,383.00 | |
| 10-000-1200 | LEASE RECEIVABLE | | 133,553.00 |
| 10-000-4610 | INTEREST REVENUE | | 9,618.00 |
| Total | | 143,171.00 | 143,171.00 |
| Total Adjusting Journal Entries | | 1,024,483.50 | 1,024,483.50 |

**EAST ORANGE COUNTY WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2024
(With Comparative Amounts as of June 30, 2023)**

NIGRO & NIGRO^{PC}

EAST ORANGE COUNTY WATER DISTRICT

For the Fiscal Year Ended June 30, 2024

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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
East Orange County Water District
Orange, California

Opinion

We have audited the accompanying financial statements of the East Orange County Water District (District), which comprise the balance sheet as of June 30, 2024, and related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2024, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the District's Proportionate Share of the Plan's Net Pension Liability, and Schedule of the District's Contributions to the Pension Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The Balance Sheets – Combined – Internal Funds and Schedule of Revenues, Expenses and Changes in Net Position – Combined – Internal Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated February 20, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California
February 20, 2025

EAST ORANGE COUNTY WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

Management's Discussion and Analysis (MD&A) offers readers of East Orange County Water District's (District's) financial statements a narrative overview of the District's financial activities for the year ended June 30, 2024 and 2023. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2024, the District's net position increased 4.63%, or \$3,850,977 from the prior year's net position of \$83,210,368 to \$87,061,345, as a result of the year's operations.
- In fiscal year 2024, operating revenues decreased by 4.46%, or \$623,902 from \$13,988,024 to \$13,364,122, from the prior year, primarily due to decreases in both wholesale and retail water consumption sales.
- In fiscal year 2024, operating expenses before depreciation expense decreased by 7.97% or \$1,130,506 from \$14,191,550 to \$13,061,044, from the prior year, primarily due to decreases in water purchases.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

EAST ORANGE COUNTY WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Condensed Balance Sheets

| | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>Change</u> |
|--|-----------------------|-----------------------|---------------------|
| Assets: | | | |
| Current assets | \$ 40,864,759 | \$ 38,580,928 | \$ 2,283,831 |
| Non-current assets | 15,694,503 | 26,637,532 | (10,943,029) |
| Capital assets, net | <u>53,040,623</u> | <u>39,462,108</u> | <u>13,578,515</u> |
| Total assets | <u>109,599,885</u> | <u>104,680,568</u> | <u>4,919,317</u> |
| Deferred outflows of resources | <u>675,636</u> | <u>864,918</u> | <u>(189,282)</u> |
| Total assets and deferred outflows of resources | <u>\$ 110,275,521</u> | <u>\$ 105,545,486</u> | <u>\$ 4,730,035</u> |
| Liabilities: | | | |
| Current liabilities | \$ 6,132,859 | \$ 4,324,017 | \$ 1,808,842 |
| Non-current liabilities | <u>16,668,467</u> | <u>17,383,294</u> | <u>(714,827)</u> |
| Total liabilities | <u>22,801,326</u> | <u>21,707,311</u> | <u>1,094,015</u> |
| Deferred inflows of resources | <u>412,850</u> | <u>627,807</u> | <u>(214,957)</u> |
| Net position: | | | |
| Net investment in capital assets | 35,868,623 | 25,959,367 | 9,909,256 |
| Restricted | 15,348,476 | 21,789,119 | (6,440,643) |
| Unrestricted | <u>35,844,246</u> | <u>35,461,882</u> | <u>382,364</u> |
| Total net position | <u>87,061,345</u> | <u>83,210,368</u> | <u>3,850,977</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 110,275,521</u> | <u>\$ 105,545,486</u> | <u>\$ 4,730,035</u> |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$87,061,345 and \$83,210,368 as of June 30, 2024 and June 30, 2023, respectively.

EAST ORANGE COUNTY WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

A large portion of the District's net position (41% and 31% as of June 30, 2024 and 2023, respectively) reflects the District's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2024, the District showed a positive balance in its unrestricted net position of \$35,844,246 which may be utilized in future years.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

| | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>Change</u> |
|---|-----------------------------|-----------------------------|----------------------------|
| Operating revenues | \$ 13,364,122 | \$ 13,988,024 | \$ (623,902) |
| Operating expenses | <u>(13,061,044)</u> | <u>(14,191,550)</u> | <u>1,130,506</u> |
| Operating income(loss) before depreciation | 303,078 | (203,526) | 506,604 |
| Depreciation expense | <u>(1,170,476)</u> | <u>(1,290,617)</u> | <u>120,141</u> |
| Operating income(loss) | (867,398) | (1,494,143) | 626,745 |
| Non-operating revenues(expenses), net | <u>4,245,212</u> | <u>2,397,262</u> | <u>1,847,950</u> |
| Capital contributions | <u>473,163</u> | <u>1,423,444</u> | <u>(950,281)</u> |
| Change in net position | 3,850,977 | 2,326,563 | 1,524,414 |
| Net position: | | | |
| Beginning of year | <u>83,210,368</u> | <u>80,883,805</u> | <u>2,326,563</u> |
| End of year | <u><u>\$ 87,061,345</u></u> | <u><u>\$ 83,210,368</u></u> | <u><u>\$ 3,850,977</u></u> |

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In fiscal year 2024, the District's net position increased 4.63%, or \$3,850,977 from the prior year's net position of \$83,210,368 to \$87,061,345, as a result of the year's operations.

EAST ORANGE COUNTY WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Years Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

The following table presents the detailed breakdown of the information presented in the condensed summary.

Total Revenues

| | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>Increase (Decrease)</u> |
|-------------------------------------|-----------------------------|-----------------------------|--------------------------------|
| Operating revenues: | | | |
| Water consumption sales – wholesale | \$ 5,753,268 | \$ 7,301,637 | \$ (1,548,369) |
| Water consumption sales – retail | 1,201,739 | 1,355,937 | (154,198) |
| Water service charges | 2,664,713 | 2,071,857 | 592,856 |
| Sewer service charges | 3,420,582 | 3,079,234 | 341,348 |
| Connection fees | 265,042 | 113,742 | 151,300 |
| Other operating revenues | <u>58,778</u> | <u>65,617</u> | <u>(6,839)</u> |
| Total operating revenues | <u>13,364,122</u> | <u>13,988,024</u> | <u>(623,902)</u> |
| Non-operating revenues: | | | |
| Property taxes | 2,190,220 | 2,074,715 | 115,505 |
| Investment earnings | 2,521,997 | 540,648 | 1,981,349 |
| Rental revenue – cellular antenna | 144,132 | 143,834 | 298 |
| Sale of capital assets | - | 32,550 | (32,550) |
| Other non-operating revenues | <u>22,359</u> | <u>38,924</u> | <u>(16,565)</u> |
| Total non-operating revenues | <u>4,878,708</u> | <u>2,830,671</u> | <u>2,048,037</u> |
| Capital contributions | <u>473,163</u> | <u>1,423,444</u> | <u>(950,281)</u> |
| Total revenues | <u><u>\$ 18,715,993</u></u> | <u><u>\$ 18,242,139</u></u> | <u><u>\$ 473,854</u></u> |

In fiscal year 2024, operating revenues decreased by 4.46%, or \$623,902 from \$13,988,024 to \$13,364,122, from the prior year, primarily due to decreases in both wholesale and retail water consumption sales.

EAST ORANGE COUNTY WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Years Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

| | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>Increase (Decrease)</u> |
|-------------------------------------|----------------------|----------------------|--------------------------------|
| Operating expenses: | | | |
| Source of supply | \$ 7,368,644 | \$ 8,754,851 | \$ (1,386,207) |
| Pumping | 32,459 | 23,447 | 9,012 |
| Transmission and distribution | 544,711 | 534,343 | 10,368 |
| Sewer operations | 316,228 | 203,152 | 113,076 |
| Salaries and benefits | 3,092,632 | 3,437,085 | (344,453) |
| General and administrative | 1,706,370 | 1,238,672 | 467,698 |
| Total operating expenses | <u>13,061,044</u> | <u>14,191,550</u> | <u>(1,130,506)</u> |
| Depreciation expense | <u>1,170,476</u> | <u>1,290,617</u> | <u>(120,141)</u> |
| Non-operating expenses: | | | |
| Interest expense | 413,592 | 433,409 | (19,817) |
| Other non-operating expenses | <u>219,904</u> | <u>-</u> | <u>219,904</u> |
| Total non-operating expenses | <u>633,496</u> | <u>433,409</u> | <u>200,087</u> |
| Total expenses | <u>\$ 14,865,016</u> | <u>\$ 15,915,576</u> | <u>\$ (1,050,560)</u> |

In fiscal year 2024, operating expenses before depreciation expense decreased by 7.97% or \$1,130,506 from \$14,191,550 to \$13,061,044, from the prior year, primarily due to decreases in water purchases.

Capital Assets

| | <u>Balance June 30, 2024</u> | <u>Balance June 30, 2023</u> |
|----------------------------------|----------------------------------|----------------------------------|
| Capital assets: | | |
| Non-depreciable assets | \$ 11,403,629 | \$ 25,808,590 |
| Depreciable assets | 58,722,102 | 29,697,123 |
| Accumulated depreciation | <u>(17,085,108)</u> | <u>(16,043,605)</u> |
| Total capital assets, net | <u>\$ 53,040,623</u> | <u>\$ 39,462,108</u> |

At June 30, 2024, the District's investment in capital assets amounted to \$53,040,623 (net of accumulated depreciation), respectively. Capital asset additions for fiscal year 2024 amounted to \$14,748,991 for various projects and equipment. See Note 6 for further information.

EAST ORANGE COUNTY WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

The long-term debt of the District is summarized below:

| | Balance | Balance |
|------------------------|-----------------------------|-----------------------------|
| Long-term debt: | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
| Loans payable | <u>\$ 17,172,000</u> | <u>\$ 18,052,000</u> |

For the year ended June 30, 2024, long-term debt decreased by \$880,000 from regular principal payments. See Note 8 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

Management is unaware of any item that would affect the District's current financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager, at 185 North McPherson Road, Orange, California 92869, (714) 538-5815.

EAST ORANGE COUNTY WATER DISTRICT

Balance Sheets

June 30, 2024 (With Comparable Amounts as of June 30, 2023)

| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | <u>2024</u> | <u>2023</u> |
|---|-----------------------|-----------------------|
| Current assets: | | |
| Cash and investments (Note 2) | \$ 38,986,493 | \$ 36,331,945 |
| Accrued interest receivable | 69,350 | 96,050 |
| Accounts receivable, net (Note 4) | 1,462,000 | 1,767,409 |
| Property tax receivable | 68,431 | 64,437 |
| Lease receivable (Note 5) | 141,576 | 133,553 |
| Inventory – water-in-storage | 54,762 | 55,940 |
| Prepaid expenses | 82,147 | 131,594 |
| Total current assets | 40,864,759 | 38,580,928 |
| Non-current assets: | | |
| Restricted – cash and investments (Note 2 and 3) | 15,348,476 | 26,167,324 |
| Restricted – accrued interest receivable (Note 3) | 188,449 | 171,054 |
| Lease receivable - (Note 5) | 157,578 | 299,154 |
| Capital assets – not being depreciated (Note 6) | 11,403,629 | 25,808,590 |
| Capital assets – being depreciated, net (Note 6) | 41,636,994 | 13,653,518 |
| Total non-current assets | 68,735,126 | 66,099,640 |
| Total assets | 109,599,885 | 104,680,568 |
| Deferred outflows of resources: | | |
| Deferred amounts related to net pension liability (Note 9) | 675,636 | 864,918 |
| Total deferred outflows of resources | 675,636 | 864,918 |
| Total assets and deferred outflows of resources | \$ 110,275,521 | \$ 105,545,486 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u> | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 4,861,572 | \$ 3,089,582 |
| Deposits and unearned revenues | 255,906 | 252,839 |
| Accrued interest payable | 31,294 | 32,898 |
| Long-term liabilities – due within one year: | | |
| Compensated absences (Note 7) | 84,087 | 68,698 |
| Loans payable (Note 8) | 900,000 | 880,000 |
| Total current liabilities | 6,132,859 | 4,324,017 |
| Non-current liabilities: | | |
| Long-term liabilities – due in more than one year: | | |
| Compensated absences (Note 7) | 84,086 | 68,697 |
| Loans payable (Note 8) | 16,272,000 | 17,172,000 |
| Net pension liability (Note 9) | 312,381 | 142,597 |
| Total non-current liabilities | 16,668,467 | 17,383,294 |
| Total liabilities | 22,801,326 | 21,707,311 |
| Deferred inflows of resources: | | |
| Deferred amounts related to leases (Note 5) | 275,110 | 408,898 |
| Deferred amounts related to net pension liability (Note 9) | 137,740 | 218,909 |
| Total deferred inflows of resources | 412,850 | 627,807 |
| Net position: | | |
| Net investment in capital assets (Note 10) | 35,868,623 | 25,959,367 |
| Restricted (Note 3) | 15,348,476 | 21,789,119 |
| Unrestricted | 35,844,246 | 35,461,882 |
| Total net position | 87,061,345 | 83,210,368 |
| Total liabilities, deferred inflows of resources and net position | \$ 110,275,521 | \$ 105,545,486 |

EAST ORANGE COUNTY WATER DISTRICT*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

| | <u>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| Operating revenues: | | |
| Water consumption sales – wholesale | \$ 5,753,268 | \$ 7,301,637 |
| Water consumption sales – retail | 1,201,739 | 1,355,937 |
| Water service charges | 2,664,713 | 2,071,857 |
| Sewer service charges | 3,420,582 | 3,079,234 |
| Connection fees | 265,042 | 113,742 |
| Other operating revenues | 58,778 | 65,617 |
| Total operating revenues | <u>13,364,122</u> | <u>13,988,024</u> |
| Operating expenses: | | |
| Source of supply | 7,368,644 | 8,754,851 |
| Pumping | 32,459 | 23,447 |
| Transmission and distribution | 544,711 | 534,343 |
| Sewer operations | 316,228 | 203,152 |
| Salaries and benefits | 3,092,632 | 3,437,085 |
| General and administrative | 1,706,370 | 1,238,672 |
| Total operating expenses | <u>13,061,044</u> | <u>14,191,550</u> |
| Operating income(loss) before depreciation | 303,078 | (203,526) |
| Depreciation expense | <u>(1,170,476)</u> | <u>(1,290,617)</u> |
| Operating loss | <u>(867,398)</u> | <u>(1,494,143)</u> |
| Non-operating revenues(expenses): | | |
| Property taxes | 2,190,220 | 2,074,715 |
| Investment earnings | 2,521,997 | 540,648 |
| Rental revenue – cellular antenna | 144,132 | 143,834 |
| Interest expense | (413,592) | (433,409) |
| Sale of capital assets | - | 32,550 |
| Other non-operating revenues | 22,359 | 38,924 |
| Other non-operating expenses | <u>(219,904)</u> | <u>-</u> |
| Total non-operating revenues(expenses), net | <u>4,245,212</u> | <u>2,397,262</u> |
| Change in net position before capital contributions | <u>3,377,814</u> | <u>903,119</u> |
| Capital contributions: | | |
| Capital grants | - | 1,085,021 |
| Contributed capital – developers | 215,279 | 250,390 |
| Capacity charges | 257,884 | 88,033 |
| Total capital contributions | <u>473,163</u> | <u>1,423,444</u> |
| Change in net position | <u>3,850,977</u> | <u>2,326,563</u> |
| Net position: | | |
| Beginning of year | <u>83,210,368</u> | <u>80,883,805</u> |
| End of year | <u>\$ 87,061,345</u> | <u>\$ 83,210,368</u> |

EAST ORANGE COUNTY WATER DISTRICT*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|----------------------|
| Cash flows from operating activities: | | |
| Cash receipts from customers and others | \$ 13,969,575 | \$ 16,650,878 |
| Cash paid to employees for salaries and wages | (1,908,439) | (1,725,868) |
| Cash paid to vendors and suppliers for materials and services | <u>(9,371,940)</u> | <u>(12,454,888)</u> |
| Net cash provided by operating activities | <u>2,689,196</u> | <u>2,470,122</u> |
| Cash flows from non-capital financing activities: | | |
| Proceeds from property taxes | <u>2,212,579</u> | <u>2,113,639</u> |
| Net cash provided by non-capital financing activities | <u>2,212,579</u> | <u>2,113,639</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition and construction of capital assets | (14,748,991) | (15,081,575) |
| Proceeds from the sale of capital assets | - | 32,550 |
| Capital grants | - | 1,085,021 |
| Capital contributions | 257,884 | 88,033 |
| Principal paid on long-term debt | (880,000) | (860,000) |
| Interest paid on long-term debt | <u>(415,196)</u> | <u>(434,976)</u> |
| Net cash used in capital and related financing activities | <u>(15,786,303)</u> | <u>(15,170,947)</u> |
| Cash flows from investing activities: | | |
| Sale of investments, net | 2,678,001 | 10,709,735 |
| Investment earnings | <u>2,531,302</u> | <u>474,967</u> |
| Net cash provided by investing activities | <u>5,209,303</u> | <u>11,184,702</u> |
| Net increase(decrease) in cash and cash equivalents | <u>(5,675,225)</u> | <u>597,516</u> |
| Cash and cash equivalents: | | |
| Beginning of year | <u>13,489,359</u> | <u>12,891,843</u> |
| End of year | <u>\$ 7,814,134</u> | <u>\$ 13,489,359</u> |
| Reconciliation of cash and cash equivalents: | | |
| Cash and investments | \$ 54,334,969 | \$ 62,499,269 |
| Less: Investments | <u>(46,520,835)</u> | <u>(49,009,910)</u> |
| Total cash and cash equivalents | <u>\$ 7,814,134</u> | <u>\$ 13,489,359</u> |

EAST ORANGE COUNTY WATER DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

| | <u>2024</u> | <u>2023</u> |
|--|-----------------------|---------------------|
| Reconciliation of operating loss to net cash provided by operating activities: | | |
| Operating loss | \$ (867,398) | \$ (1,494,143) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | | |
| Depreciation | 1,170,476 | 1,290,617 |
| Rental revenue | 144,132 | 143,834 |
| Other non-operating revenues | 22,359 | 38,924 |
| Other non-operating expenses | (219,904) | - |
| Change in assets - (increase)decrease: | | |
| Accounts receivable, net | 305,409 | 2,354,225 |
| Lease receivable | 133,553 | 125,871 |
| Inventory - water-in-storage | 1,178 | (4,688) |
| Prepaid expenses | 49,447 | (90,039) |
| Change in deferred outflows of resources - (increase)decrease | | |
| Deferred amounts related to net pension liability | 189,282 | 241,559 |
| Change in liabilities - increase(decrease): | | |
| Accounts payable and accrued expenses | 1,771,990 | (747,371) |
| Deposits and unearned revenues | 3,067 | 18,818 |
| Compensated absences | 30,778 | 16,233 |
| Net pension liability | 169,784 | 820,982 |
| Change in deferred inflows of resources - increase(decrease) | | |
| Deferred amounts related to leases | (133,788) | (133,788) |
| Deferred amounts related to net pension liability | (81,169) | (110,912) |
| Total adjustments | <u>3,556,594</u> | <u>3,964,265</u> |
| Net cash provided by operating activities | <u>\$ 2,689,196</u> | <u>\$ 2,470,122</u> |
| Noncash investing, capital and financing transactions | | |
| Change in fair-value of investments | <u>\$ (1,967,108)</u> | <u>\$ (533,906)</u> |

EAST ORANGE COUNTY WATER DISTRICT*Statement of Net Position – Fiduciary Fund**For the Fiscal Year Ended June 30, 2024*

| <u>Assets</u> | <u>Custodial Fund</u> |
|--|---------------------------|
| Current assets: | |
| Cash and investments (Note 2) | \$ 48,475 |
| Due from property owners | <u>5,855</u> |
| Total assets | <u>\$ 54,330</u> |
| <u>Liabilities and Net Position</u> | |
| Current liabilities: | |
| Accounts payable | <u>\$ -</u> |
| Total liabilities | <u>-</u> |
| Net position: | |
| Total net position | <u>54,330</u> |
| Total liabilities and net position | <u>\$ 54,330</u> |

EAST ORANGE COUNTY WATER DISTRICT
Statement of Changes in Net Position – Fiduciary Fund
For the Fiscal Year Ended June 30, 2024

| | Custodial Fund |
|-------------------------------|---------------------------|
| Additions: | |
| Parcel assessments | \$ 67,057 |
| Total revenues | <u>67,057</u> |
| Deductions: | |
| Administration | 3,144 |
| Interest expense | <u>40,040</u> |
| Total expenses | <u>43,184</u> |
| Change in net position | <u>23,873</u> |
| Net position: | |
| Beginning of year | <u>30,457</u> |
| End of year | <u><u>\$ 54,330</u></u> |

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The East Orange County Water District (District) was organized in 1961, under provisions of the County Water District Act (Sections 30000 et. seq. of the Water Code of the State of California). The District is governed by a Board of Directors, which consists of five directors, each of whom is elected at-large for a four-year term by the citizens living within the District's service area. The District was formed in order to furnish imported potable water to an area encompassing the eastern half of the City of Orange. The District provides wholesale potable water to five sub-agencies in the region through its pipeline transmission and distribution system. The five sub-agencies consist of the East Orange County Water District Retail Zone, Golden State Water Company, City of Tustin, Irvine Ranch Water District, and the City of Orange. The District provides potable water service through the East Orange County Water District Retail Zone to 1,211 customers within its service area.

In 2013, the Orange County Sanitation District (OCSD) proposed a transfer of ownership and operation of the local sewer system (Sewer Area 7) to the District. On May 11, 2016, after an extensive review and approval process, the Orange County Local Agency Formation Commission approved the transfer of sewers to the District effective August 1, 2016. The sewer system was transferred to the District as Improvement District No. 1 (ID No.1). It is comprised of 175 miles of primarily vitrified clay pipe sewers and approximately 3,700 manholes, both of which were largely installed in the 1960s.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

In January 2017, GASB issued Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The District reports a Custodial Fund that is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and other governments. The custodial funds are used to account for taxes received for special assessments debt for which the District is not obligated.

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Investments (continued)

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

4. Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts.

5. Water in Storage

Annually, a controlled quantity of water is purchased by the District and, if not used in the current year, is stored for use in the following year. Purchased stored water is subject to loss through meter error or leakage. The losses are not covered by insurance nor has a loss reserve been recorded. Water in storage is valued at average cost.

6. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

7. Lease Receivable and Deferred Inflows of Resources

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

| Description | Estimated Lives |
|--------------------------------------|-----------------|
| Transmission and distribution system | 5-100 years |
| Wastewater system | 10-100 years |
| Structures and improvements | 3-50 years |
| Equipment | 5-50 years |

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

10. Compensated Absences

The District's policy allows full-time employees to accumulate a maximum of 160 hours of vacation time. No compensation in lieu of time off is allowed except for termination or disability. Employees may accumulate up to 120 hours of sick time. As of December 31, each year, one-half of the excess over 120 hours may be credited to additional vacation or may be paid to the employee. The remaining one-half is forfeited. The District has allocated the liability for accrued vacation and sick pay in the accompanying financial statements as 50% current liability and 50% non-current liability.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

11. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

| | |
|--------------------|-------------------------------|
| Valuation Date | June 30, 2022 |
| Measurement Date | June 30, 2023 |
| Measurement Period | July 1, 2022 to June 30, 2023 |

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systemically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows as deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining lives of all members that are provided the benefits (active, inactive and retirees) as of the beginning of the measurement period.

12. Net Position

Net position is classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – This component of net position consists of external constraints placed on net position imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Property Taxes

The Orange County Assessor's Office assesses all real and personal property within the County each year. The Orange County Tax Collector's Office bills and collects the District's share of property taxes. The Orange County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the Orange County Tax Collector's Office, which have not been credited to the District's cash balance as of June 30.

The property tax calendar is as follows:

Lien date January 1

Levy date July 1

Due dates November 1 and February 1

Collection dates December 10 and April 10

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS

Cash and cash investments were classified in the accompanying financial statements as follows:

| <u>Description</u> | <u>June 30, 2024</u> |
|--|-----------------------------|
| Cash and investments | \$ 38,986,493 |
| Restricted – cash and investments | 15,348,476 |
| Cash and cash equivalents – fiduciary fund | <u>48,475</u> |
| Total cash and cash equivalents | <u>\$ 54,383,444</u> |

Cash and investments consisted of the following:

| <u>Description</u> | <u>June 30, 2024</u> |
|--|-----------------------------|
| Cash on hand | \$ 250 |
| Demand deposits held with financial institutions | 1,329,918 |
| Local Agency Investment Fund (LAIF) | 1,172,114 |
| California CLASS | 5,360,327 |
| Investments | <u>46,520,835</u> |
| Total cash and cash equivalents | <u>\$ 54,383,444</u> |

Demand Deposits with Financial Institutions

At June 30, 2024, the carrying amount of the District's demand deposits was \$1,329,918, and the financial institution's balance was \$1,660,434. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs to taxpayers, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and carries a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the District held \$1,172,114 in LAIF.

California Cooperative Liquid Assets Securities System (California CLASS)

The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian.

The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAM (S&P Global Ratings) and AAAf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the District held \$5,360,327 in California CLASS.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. The District had approximately 63% and 16% of its investment portfolio invested in U.S. Treasury Obligations and U.S. Government Sponsored agency securities, respectively.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments

The District's investments as of June 30, 2024, are presented in the following Investment Table:

| Type of Investments | Measurement Input | Credit Rating | Total Fair Value | Maturity | | |
|---|-------------------|---------------|----------------------|----------------------|---------------------|----------------------|
| | | | | 12 Months or Less | 13 to 24 Months | 25 to 120 Months |
| U.S. treasury obligations | Level 2 | N/A | \$ 29,406,499 | \$ 9,114,231 | \$ 6,237,487 | \$ 14,054,781 |
| U.S. government sponsored agency securities | Level 2 | A to AAA | 7,643,061 | 2,035,888 | 1,528,329 | 4,078,844 |
| Medium-term corporate notes | Level 2 | A to AAA | 4,779,637 | 343,024 | 798,968 | 3,637,645 |
| Negotiable certificates-of-deposit | Level 2 | AAA | 4,222,236 | 533,216 | 485,648 | 3,203,372 |
| Money-market mutual funds | N/A | N/A | 312,872 | 312,872 | - | - |
| Held by PARS trustee: | | | | | | |
| Money-market mutual funds | N/A | N/A | 156,530 | 156,530 | - | - |
| Total investments | | | \$ 46,520,835 | \$ 12,495,761 | \$ 9,050,432 | \$ 24,974,642 |

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments the investment of funds within the PARS Trust that are governed by the agreement between the District and the Trustee, rather than the general provisions of the California Government Code or the District's investment policy.

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer | Minimum Credit Rating |
|--|------------------|---------------------------------|----------------------------------|-----------------------|
| U.S. Treasury Obligations | 5-years | None | None | N/A |
| U.S. Government Sponsored Agency Securities | 5-years | None | 50% | None |
| Asset-Backed Securities | 5-years | 15% | 5% | AAA |
| Banker's Acceptances | 180 days | 40% | 5% | A-1 |
| Collateralized Certificates-of-Deposit | 5-years | 30% | 5% | \$250k deposit |
| Commercial Paper | 270 days | 25% | 5% | AA above |
| Medium- Term Notes | 5-years | 30% | 5% | A, A2 |
| Money-Market Funds | None | 20% | 5% | AAAm, Aaa |
| MortgageBacked Securities | 5-years | 15% | 5% | AAA, Aaa |
| Municipal Securities | 5-years | 20% | None | A, A2 |
| California Local Agency Investment Fund (LAIF) | None | 15% | 15% | None |
| California CLASS | None | 15% | 15% | None |

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2024.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2024. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the District's investments were assigned a Level 2 input on the Investment Table.

NOTE 3 – RESTRICTED – ASSETS AND RESTRICTED – NET POSITION

Restricted assets as of June 30, were classified in the accompanying financial statements as follows:

| <u>Description</u> | <u>June 30, 2024</u> |
|---|------------------------------------|
| Restricted – cash and cash equivalents | \$ 15,348,476 |
| Restricted –accrued interest receivable | 188,449 |
| Total restricted assets | <u><u>\$ 15,536,925</u></u> |

Restricted assets for the year ended June 30, were restricted as follows:

| <u>Description</u> | <u>June 30, 2024</u> |
|--------------------------------|------------------------------------|
| Capital projects | \$ 15,380,395 |
| PARS trust | 156,530 |
| Total restricted assets | <u><u>\$ 15,536,925</u></u> |

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net of allowance for doubtful accounts consisted of the following:

| Description | June 30, 2024 |
|---------------------------------------|---------------------|
| Accounts receivable | \$ 1,492,702 |
| Allowance for doubtful accounts | (30,702) |
| Total accounts receivable, net | \$ 1,462,000 |

NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES

Changes in the District's lease receivable for the year ended June 30, 2024 was as follows:

| Description | Balance July 1, 2023 | Additions | Deductions | Balance June 30, 2024 |
|------------------------------------|-------------------------|-------------|---------------------|--------------------------|
| Cellular antenna site rental No. 1 | \$ 145,437 | \$ - | \$ (70,522) | \$ 74,915 |
| Cellular antenna site rental No. 2 | 287,270 | - | (63,031) | 224,239 |
| | <u>\$ 432,707</u> | <u>\$ -</u> | <u>\$ (133,553)</u> | <u>\$ 299,154</u> |

The District is reporting a total lease receivable of \$299,154 and a total related deferred inflows of resources of \$275,110 for the year ending June 30, 2024. Also, the District is reporting total lease revenue of \$133,788 and interest revenue of \$9,618 related to lease payments received for the years ending June 30, 2024.

The leases held by the District do not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.40% - 3.0% to discount the lease revenue to the net present value. In some cases leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered "volatile leases." Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility. The District's leases are summarized as follows:

Cellular Antenna Site Rental No. 1

The District, on July 1, 2021, renewed a continuous lease for 48 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$274,167. As of June 30, 2024, the value of the lease receivable was \$74,915. The lease is required to make monthly fixed payments of \$5,738 for the first 12-month period, then increase 3.0% per year. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was \$68,535 as of June 30, 2024. The District recognized lease revenue of \$68,544 and interest revenue of \$3,407 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

EAST ORANGE COUNTY WATER DISTRICT*Notes to Financial Statements**For the Year Ended June 30, 2024***NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)*****Cellular Antenna Site Rental No. 2***

The District, on July 1, 2021, renewed a continuous lease for 74 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$402,307. As of June 30, 2024, the value of the lease receivable was \$224,239. The lease is required to make monthly fixed payments of \$5,238 for the first 12-month period, then increase 3.0% per year. The lease has an interest rate of 2.40%. The value of the deferred inflow of resources was \$206,575 as of June 30, 2024. The District recognized lease revenue of \$65,244 and interest revenue of \$6,211 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Minimum future lease receipts for the next four fiscal years are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|------------------|-----------------|--------------|
| 2025 | \$ 141,576 | \$ 5,889 | \$ 147,465 |
| 2026 | 70,444 | 3,015 | 73,459 |
| 2027 | 74,379 | 1,283 | 75,662 |
| 2028 | 12,755 | 39 | 12,794 |
| Total | 299,154 | \$ 10,226 | \$ 309,380 |
| Current | (141,576) | | |
| Long-term | \$ 157,578 | | |

Changes in the District's deferred inflows of resources related to leases for June 30, 2024, is as follows:

| Description | Balance July 1, 2023 | Additions | Deductions | Balance June 30, 2024 |
|------------------------------------|---------------------------------|------------------|---------------------|----------------------------------|
| Cellular antenna site rental No. 1 | \$ 137,079 | \$ - | \$ (68,544) | \$ 68,535 |
| Cellular antenna site rental No. 2 | 271,819 | - | (65,244) | 206,575 |
| | <u>\$ 408,898</u> | <u>\$ -</u> | <u>\$ (133,788)</u> | <u>\$ 275,110</u> |

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2024, will be amortized in future periods as follows:

| Amortization Period Fiscal Year Ended June 30 | Deferred Inflows of Resources |
|--|--|
| 2025 | \$ 133,788 |
| 2026 | 65,244 |
| 2027 | 65,244 |
| 2028 | 10,834 |
| Total | <u>\$ 275,110</u> |

EAST ORANGE COUNTY WATER DISTRICT*Notes to Financial Statements**For the Year Ended June 30, 2024***NOTE 6 – CAPITAL ASSETS AND DEPRECIATION**

Changes in capital assets for the fiscal year ended June 30, 2024, were as follows:

| Description | Balance July 1, 2023 | Additions | Deletions/ Transfers | Balance June 30, 2024 |
|---------------------------------------|-------------------------|----------------------|-------------------------|--------------------------|
| Non-depreciable assets: | | | | |
| Land | \$ 579,284 | \$ - | \$ - | \$ 579,284 |
| Capacity rights | 943,320 | - | - | 943,320 |
| Construction-in-process | 24,285,986 | 15,316,789 | (29,721,750) | 9,881,025 |
| Total non-depreciable assets | 25,808,590 | 15,316,789 | (29,721,750) | 11,403,629 |
| Depreciable assets: | | | | |
| Transmission and distribution system | 18,622,812 | 18,921,606 | (54,809) | 37,489,609 |
| Structures and improvements | 8,920,575 | 10,171,280 | (23,367) | 19,068,488 |
| Equipment | 2,153,736 | 61,066 | (50,797) | 2,164,005 |
| Total depreciable assets | 29,697,123 | 29,153,952 | (128,973) | 58,722,102 |
| Accumulated depreciation: | | | | |
| Transmission and distribution system | (10,848,950) | (644,237) | 54,809 | (11,438,378) |
| Structures and improvements | (4,104,297) | (248,561) | 23,367 | (4,329,491) |
| Equipment | (1,090,358) | (277,678) | 50,797 | (1,317,239) |
| Total accumulated depreciation | (16,043,605) | (1,170,476) | 128,973 | (17,085,108) |
| Total depreciable assets, net | 13,653,518 | 27,983,476 | - | 41,636,994 |
| Total capital assets, net | \$ 39,462,108 | \$ 43,300,265 | \$ (29,721,750) | \$ 53,040,623 |

In fiscal year 2024, major capital asset additions amounted to \$14,748,991, and depreciation expense amounted to \$1,170,476.

NOTE 7 – COMPENSATED ABSENCES

Changes in compensated absences amounts for the year ended June 30, 2024, were as follows:

| Balance July 1, 2023 | Additions | Deletions | Balance June 30, 2024 | Due Within One Year | Due in More Than One Year |
|-------------------------|------------|-------------|--------------------------|------------------------|------------------------------|
| \$ 137,395 | \$ 112,268 | \$ (81,490) | \$ 168,173 | \$ 84,087 | \$ 84,086 |

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 8 – LOANS PAYABLE

Changes in loans payable amounts for the year ended June 30, 2024, were as follows:

| Balance July 1, 2023 | Additions | Deductions | Balance June 30, 2024 | Current Portion | Long-term Portion |
|-------------------------|-----------|--------------|--------------------------|--------------------|----------------------|
| \$ 18,052,000 | \$ - | \$ (880,000) | \$ 17,172,000 | \$ 900,000 | \$ 16,272,000 |

2020 Installment Purchase Agreement

On December 1, 2020, the District entered into an Installment Purchase Agreement in the amount of \$20,120,000 with Sterling National Bank with interest at 2.30% used to finance the “2020 Project” which involves three capital improvement projects to comply with California Environmental Quality Act. The three capital improvement projects being financed are Vista Panorama Reservoir Replacement, VanderWerff Well Replacement, and Capacity Reliability Augmentation Project. Annual principal payments plus interest are due through June 2040.

Annual debt service requirements on the loan are as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------|--------------|---------------|
| 2025 | \$ 900,000 | \$ 394,956 | \$ 1,294,956 |
| 2026 | 921,000 | 374,256 | 1,295,256 |
| 2027 | 942,000 | 353,003 | 1,295,003 |
| 2028 | 963,000 | 331,409 | 1,294,409 |
| 2029 | 986,000 | 309,258 | 1,295,258 |
| 2030-2034 | 5,279,000 | 1,195,587 | 6,474,587 |
| 2035-2039 | 5,915,000 | 559,900 | 6,474,900 |
| 2040 | 1,266,000 | 29,118 | 1,295,118 |
| Total | 17,172,000 | \$ 3,547,487 | \$ 20,719,487 |
| Current | (900,000) | | |
| Long-term | \$ 16,272,000 | | |

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024

NOTE 9 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

| Description | 2024 |
|-----------------------------------|------------|
| Pension related deferred outflows | \$ 675,636 |
| Net pension liability | 312,381 |
| Pension related deferred inflows | 137,740 |

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

| | Miscellaneous Plans | |
|---|-----------------------------|--------------------------------|
| | Classic Tier 1 | PEPRA Tier 2 |
| Hire date | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula | 2.0% @ 60 | 2.0% @ 62 |
| Benefit vesting schedule | 5-years of service | 5-years of service |
| Benefits payments | monthly for life | monthly for life |
| Retirement age | 50 - 67 & up | 52 - 67 & up |
| Monthly benefits, as a % of eligible compensation | 2.0% to 2.7% | 1.0% to 2.0% |
| Required member contribution rates | 7.000% | 6.750% |
| Required employer contribution rates – FY 2023 | 8.630% | 7.470% |

Plan Description

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2022 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

At June 30, 2023 measurement date, the following members were covered by the benefit terms:

| Plan Members | Miscellaneous Plans | | Total |
|------------------------------------|---------------------|--------------|-----------|
| | Classic Tier 1 | PEPRA Tier 2 | |
| Active members | 6 | 10 | 16 |
| Transferred and terminated members | 6 | 3 | 9 |
| Retired members and beneficiaries | 10 | 1 | 11 |
| Total plan members | 22 | 14 | 36 |

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Contributions for the fiscal year ended June 30, 2024, were as follows:

| Contribution Type | Miscellaneous Plans | | Total |
|--------------------------|---------------------|--------------|------------|
| | Classic Tier 1 | PEPRA Tier 2 | |
| Contributions – employer | \$ 112,858 | \$ 61,558 | \$ 174,416 |

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension Expense

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2024:

| | Percentage Share of Risk Pool | | Change Increase/ (Decrease) |
|---|--|--|-----------------------------------|
| | Fiscal Year Ending June 30, 2024 | Fiscal Year Ending June 30, 2023 | |
| Measurement Date | June 30, 2023 | June 30, 2022 | |
| Percentage of Risk Pool Net Pension Liability | 0.006247% | 0.003047% | 0.003200% |
| Percentage of Plan Net Pension Liability | 0.002504% | 0.001235% | 0.001269% |

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2024:

| Plan Type and Balance Descriptions | Plan Total Pension Liability | Plan Fiduciary Net Position | Change in Plan Net Pension Liability/(Asset) |
|--|---------------------------------|--------------------------------|--|
| CalPERS – Miscellaneous Plan: | | | |
| Balance as of June 30, 2022 (Measurement Date) | \$ 5,066,466 | \$ 4,923,869 | \$ 142,597 |
| Balance as of June 30, 2023 (Measurement Date) | \$ 5,673,328 | \$ 5,360,947 | \$ 312,381 |
| Change in Plan Net Pension Liability | \$ 606,862 | \$ 437,078 | \$ 169,784 |

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$452,312. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Account Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions made after the measurement date | \$ 174,416 | \$ - |
| Difference between actual and proportionate share of employer contributions | 47,444 | (116,619) |
| Adjustment due to differences in proportions | 368,381 | (18,646) |
| Differences between expected and actual experience | 15,958 | (2,475) |
| Differences between projected and actual earnings on pension plan investments | 50,577 | - |
| Changes in assumptions | 18,860 | - |
| Total Deferred Outflows/(Inflows) of Resources | \$ 675,636 | \$ (137,740) |

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARS�) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARS� for the measurement period is 3.8 years.

An amount of \$174,416 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024 will be recognized as a reduction to pension expense as follows:

| <u>Amortization Period</u> <u>Fiscal Year Ended June 30</u> | <u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u> |
|--|---|
| 2025 | \$ 200,123 |
| 2026 | 120,339 |
| 2027 | 41,567 |
| 2028 | 1,451 |
| Total | <u><u>\$ 363,480</u></u> |

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022, total pension liability. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

| | |
|----------------------------------|--|
| Actuarial Cost Method | Entry Age Actuarial Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Price Inflation | 2.30% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table | Derived using CalPERS' Membership Data for all Funds. |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter |

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Long-term Expected Rate of Return (continued)

The table below reflects long-term expected real rate of return by asset class.

| Asset Class ¹ | Assumed Asset Allocation | Real Return ^{1,2} |
|----------------------------------|--------------------------|----------------------------|
| Global Equity - Cap-weighted | 30.0% | 4.54% |
| Global Equity - Non-Cap-weighted | 12.0% | 3.84% |
| Private Equity | 13.0% | 7.28% |
| Treasury | 5.0% | 0.27% |
| Mortgage-backed Securities | 5.0% | 0.50% |
| Investment Grade Corporates | 10.0% | 1.56% |
| High Yield | 5.0% | 2.27% |
| Emerging Market Debt | 5.0% | 2.48% |
| Private Debt | 5.0% | 3.57% |
| Real Estate | 15.0% | 3.21% |
| Leverage | -5.0% | -0.59% |
| | <u>100.0%</u> | |

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Changes in the discount rate for the year ended June 30, 2024, was as follows:

| Plan Type | Plan's Net Pension Liability/(Asset) | | |
|------------------------------|--------------------------------------|--------------------------------|-----------------------------|
| | Discount Rate - 1% 5.90% | Current Discount Rate 6.90% | Discount Rate + 1% 7.90% |
| CalPERS – Miscellaneous Plan | \$ 1,079,674 | \$ 312,381 | \$ (319,168) |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2024, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2024.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

| Description | June 30, 2024 |
|---|-----------------------------|
| Net investment in capital assets: | |
| Capital assets – not being depreciated | \$ 11,403,629 |
| Capital assets, net – being depreciated | 41,636,994 |
| Loans payable – current portion | (900,000) |
| Loans payable – non-current portion | <u>(16,272,000)</u> |
| Total net investment in capital assets | <u>\$ 35,868,623</u> |

NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 12 – RISK MANAGEMENT POOL

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling and self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Further information about the Insurance Authority is as follows:

| | |
|---|---|
| A. Entity | ACWA-JPIA |
| B. Purpose | To pool member contributions and realize the advantages of self-insurance |
| C. Participants | As of September 30, 2023 – 401 member districts |
| D. Governing board | Eight representatives employed by members |
| E. Condensed financial information | September 30, 2023 |
| Audit signed | March 20, 2024 |
| Statement of financial position: | Sept 30, 2023 |
| Total assets | <u>\$ 288,462,503</u> |
| Deferred outflows | <u>4,654,911</u> |
| Total liabilities | <u>167,203,667</u> |
| Deferred inflows | <u>5,200,835</u> |
| Net position | <u><u>\$ 120,712,912</u></u> |
| Statement of revenues, expenses and changes in net position: | |
| Total revenues | \$ 248,013,664 |
| Total expenses | <u>(240,084,673)</u> |
| Change in net position | 7,928,991 |
| Beginning – net position | <u>112,783,921</u> |
| Ending – net position | <u><u>\$ 120,712,912</u></u> |
| F. Member agencies share of year-end financial position | Not Calculated |

The District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000 (total insurable value of \$48,405,017). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$25,000/\$50,000 deductible for accidental mechanical breakdown, a \$1,000 deductible for mobile equipment, and a \$500 deductible for licensed vehicles.

General Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to of \$60,000,000. This program does not have a deductible.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 12 – RISK MANAGEMENT POOL (continued)

Auto Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000. This program does not have a deductible. Public Officials' Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000.

Cyber Liability - The Insurance Authority has purchased insurance coverage of \$3,000,000 per occurrence/\$5,000,000 aggregate. This program does not have a deductible.

Crime - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence. The District has a \$1,000 deductible.

Public Official Bond - The District has purchased a \$200,000 bond to cover the general manager's faithful performance of duty.

Workers' Compensation - The Insurance Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased up to the statutory limit for workers' compensation coverage. The Insurance Authority is self-insurance up to \$2,000,000 and has purchased excess insurance coverage of \$2,000,000 for employer's liability coverage.

Underground Storage Tank Pollution Liability - The Insurance Authority is self-insured up to \$500,000 per occurrence and has purchased excess coverage of \$3,000,000. The District has a \$10,000 deductible.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)

NOTE 13 – COMMITMENTS AND CONTINGENCIES (continued)

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided by a combination of debt proceeds, the District's replacement reserves and capital contributions. As of June 30, 2024, the District had approximately \$4,368,827 in open construction contracts related to projects in construction-in-process.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 14 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 20, 2025, the date on which the financial statements were available to be issued.

Required Supplementary Information

EAST ORANGE COUNTY WATER DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

| Measurement Date | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability | District's Covered Payroll | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability |
|------------------|--|---|----------------------------|--|---|
| June 30, 2014 | 0.006416% | \$ 399,219 | \$ 424,397 | 94.07% | 83.03% |
| June 30, 2015 | 0.004970% | 341,116 | 446,749 | 76.36% | 78.40% |
| June 30, 2016 | 0.005772% | 499,435 | 439,988 | 113.51% | 74.06% |
| June 30, 2017 | 0.017840% | 600,628 | 570,254 | 105.33% | 78.98% |
| June 30, 2018 | 0.019150% | 582,611 | 703,788 | 82.78% | 81.99% |
| June 30, 2019 | 0.019830% | 658,490 | 886,564 | 74.27% | 81.54% |
| June 30, 2020 | 0.002475% | 269,333 | 1,101,431 | 24.45% | 93.20% |
| June 30, 2021 | -0.012543% | (678,385) | 1,322,992 | -51.28% | 115.36% |
| June 30, 2022 | 0.001235% | 142,597 | 1,531,885 | 9.31% | 97.19% |
| June 30, 2023 | 0.002504% | 312,381 | 1,727,217 | 18.09% | 94.49% |

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90% and the inflation rate from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2024:

There were no significant changes in assumptions.

EAST ORANGE COUNTY WATER DISTRICT*Schedule of the District's Contributions to the Defined Benefit Pension Plan
For the Year Ended June 30, 2024***Last Ten Fiscal Years****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|--------------------|--|---|---|------------------------|---|
| June 30, 2015 | \$ 33,913 | \$ (33,913) | \$ - | \$ 446,749 | 7.59% |
| June 30, 2016 | 40,547 | (40,547) | - | 439,988 | 9.22% |
| June 30, 2017 | 56,240 | (56,240) | - | 570,254 | 9.86% |
| June 30, 2018 | 69,318 | (69,318) | - | 703,788 | 9.85% |
| June 30, 2019 | 96,026 | (96,026) | - | 886,564 | 10.83% |
| June 30, 2020 | 580,137 | (580,137) | - | 1,101,431 | 52.67% |
| June 30, 2021 | 451,154 | (451,154) | - | 1,322,992 | 34.10% |
| June 30, 2022 | 127,579 | (127,579) | - | 1,531,885 | 8.33% |
| June 30, 2023 | 144,303 | (144,303) | - | 1,727,217 | 8.35% |
| June 30, 2024 | 174,416 | (174,416) | - | 1,939,294 | 8.99% |

Notes to Schedule:

| Fiscal Year | Valuation Date | Actuarial Cost Method | Asset Valuation Method | Inflation | Investment Rate of Return |
|--------------------|-----------------------|----------------------------------|-----------------------------------|------------------|--------------------------------------|
| June 30, 2015 | June 30, 2013 | Entry Age | Fair Value | 2.75% | 7.65% |
| June 30, 2016 | June 30, 2014 | Entry Age | Fair Value | 2.75% | 7.65% |
| June 30, 2017 | June 30, 2015 | Entry Age | Fair Value | 2.75% | 7.65% |
| June 30, 2018 | June 30, 2016 | Entry Age | Fair Value | 2.75% | 7.15% |
| June 30, 2019 | June 30, 2017 | Entry Age | Fair Value | 2.50% | 7.15% |
| June 30, 2020 | June 30, 2018 | Entry Age | Fair Value | 2.50% | 7.15% |
| June 30, 2021 | June 30, 2019 | Entry Age | Fair Value | 2.50% | 7.15% |
| June 30, 2022 | June 30, 2020 | Entry Age | Fair Value | 2.50% | 7.15% |
| June 30, 2023 | June 30, 2021 | Entry Age | Fair Value | 2.30% | 6.90% |
| June 30, 2024 | June 30, 2022 | Entry Age | Fair Value | 2.30% | 6.90% |

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

50 years (2.0%@60), 52 years (2.0%@62)

Mortality

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

Supplementary Information

EAST ORANGE COUNTY WATER DISTRICT
Balance Sheets – Combined – Internal Funds
June 30, 2024 (With Comparative Amounts as of June 30, 2023)

| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | Wholesale | Retail | ID No. 1 | Internal Balances | 2024 | 2023 |
|--|----------------------|----------------------|----------------------|------------------------------|-----------------------|-----------------------|
| Current assets: | | | | | | |
| Cash and investments | \$ 7,838,313 | \$ 4,150,336 | \$ 26,997,844 | \$ - | \$ 38,986,493 | \$ 36,331,945 |
| Accrued interest receivable | 26,538 | 11,147 | 31,665 | - | 69,350 | 96,050 |
| Accounts receivable, net | 1,256,050 | 353,806 | 11,793 | (159,649) | 1,462,000 | 1,767,409 |
| Property tax receivable | 12,348 | 17,891 | 38,192 | - | 68,431 | 64,437 |
| Lease receivable | 141,576 | - | - | - | 141,576 | 133,553 |
| Inventory – water-in-storage | 50,868 | 3,894 | - | - | 54,762 | 55,940 |
| Prepaid expenses | 16,485 | 19,073 | 46,589 | - | 82,147 | 131,594 |
| Total current assets | 9,342,178 | 4,556,147 | 27,126,083 | (159,649) | 40,864,759 | 38,580,928 |
| Non-current assets: | | | | | | |
| Restricted – cash and investments | 62,612 | 31,306 | 15,254,558 | - | 15,348,476 | 26,167,324 |
| Restricted – accrued interest receivable | - | - | 188,449 | - | 188,449 | 171,054 |
| Lease receivable | 157,578 | - | - | - | 157,578 | 299,154 |
| Capital assets – not being depreciated | 1,462,712 | 9,374,174 | 566,743 | - | 11,403,629 | 25,808,590 |
| Capital assets – being depreciated, net | 7,900,281 | 7,297,865 | 26,438,848 | - | 41,636,994 | 13,653,518 |
| Total non-current assets | 9,583,183 | 16,703,345 | 42,448,598 | - | 68,735,126 | 66,099,640 |
| Total assets | 18,925,361 | 21,259,492 | 69,574,681 | (159,649) | 109,599,885 | 104,680,568 |
| Deferred outflows of resources: | | | | | | |
| Deferred amounts related to net pension liability | 116,884 | 173,688 | 385,064 | - | 675,636 | 864,918 |
| Total deferred outflows of resources | 116,884 | 173,688 | 385,064 | - | 675,636 | 864,918 |
| Total assets and deferred outflows of resources | \$ 19,042,245 | \$ 21,433,180 | \$ 69,959,745 | \$ (159,649) | \$ 110,275,521 | \$ 105,545,486 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable and accrued expenses | \$ 1,960,602 | \$ 2,503,446 | \$ 557,173 | \$ (159,649) | \$ 4,861,572 | \$ 3,089,582 |
| Deposits and unearned revenues | - | 247,335 | 8,571 | - | 255,906 | 252,839 |
| Accrued interest payable | - | 6,259 | 25,035 | - | 31,294 | 32,898 |
| Long-term liabilities – due within one year: | | | | | | |
| Compensated absences | 18,371 | 22,600 | 43,116 | - | 84,087 | 68,698 |
| Loans payable | - | 180,000 | 720,000 | - | 900,000 | 880,000 |
| Total current liabilities | 1,978,973 | 2,959,640 | 1,353,895 | (159,649) | 6,132,859 | 4,324,017 |
| Non-current liabilities: | | | | | | |
| Long-term liabilities – due in more than one year: | | | | | | |
| Compensated absences | 18,371 | 22,600 | 43,115 | - | 84,086 | 68,697 |
| Loans payable | - | 3,254,400 | 13,017,600 | - | 16,272,000 | 17,172,000 |
| Net pension liability | 54,042 | 80,305 | 178,034 | - | 312,381 | 142,597 |
| Total non-current liabilities | 72,413 | 3,357,305 | 13,238,749 | - | 16,668,467 | 17,383,294 |
| Total liabilities | 2,051,386 | 6,316,945 | 14,592,644 | (159,649) | 22,801,326 | 21,707,311 |
| Deferred inflows of resources: | | | | | | |
| Deferred amounts related to leases | 275,110 | - | - | - | 275,110 | 408,898 |
| Deferred amounts related to net pension liability | 23,829 | 35,409 | 78,502 | - | 137,740 | 218,909 |
| Total deferred inflows of resources | 298,939 | 35,409 | 78,502 | - | 412,850 | 627,807 |
| Net position: | | | | | | |
| Net investment in capital assets | 9,362,993 | 13,237,639 | 13,267,991 | - | 35,868,623 | 25,959,367 |
| Restricted | 62,612 | 31,306 | 15,254,558 | - | 15,348,476 | 21,789,119 |
| Unrestricted | 7,266,315 | 1,811,881 | 26,766,050 | - | 35,844,246 | 35,461,882 |
| Total net position | 16,691,920 | 15,080,826 | 55,288,599 | - | 87,061,345 | 83,210,368 |
| Total liabilities, deferred inflows of resources and net position | \$ 19,042,245 | \$ 21,433,180 | \$ 69,959,745 | \$ (159,649) | \$ 110,275,521 | \$ 105,545,486 |

EAST ORANGE COUNTY WATER DISTRICT

Schedule of Revenues, Expenses and Changes in Net Position – Combined – Internal Funds For the Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)

| | Wholesale | Retail | ID No. 1 | Internal Balances | 2024 | 2023 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operating revenues: | | | | | | |
| Water consumption sales | \$ 6,635,584 | \$ 1,201,739 | \$ - | \$ (882,316) | \$ 6,955,007 | \$ 8,657,574 |
| Water service charges | 1,264,451 | 1,495,468 | - | (95,206) | 2,664,713 | 2,071,857 |
| Sewer service charges | - | - | 3,420,582 | - | 3,420,582 | 3,079,234 |
| Connection fees | 206,360 | 58,682 | - | - | 265,042 | 113,742 |
| Other operating revenues | - | 9,927 | 48,851 | - | 58,778 | 65,617 |
| Total operating revenues | 8,106,395 | 2,765,816 | 3,469,433 | (977,522) | 13,364,122 | 13,988,024 |
| Operating expenses: | | | | | | |
| Source of supply | 7,348,418 | 997,748 | - | (977,522) | 7,368,644 | 8,754,851 |
| Pumping | - | 32,459 | - | - | 32,459 | 23,447 |
| Transmission and distribution | 342,178 | 202,533 | - | - | 544,711 | 534,343 |
| Sewer operations | - | - | 316,228 | - | 316,228 | 203,152 |
| Salaries and benefits | 683,238 | 895,552 | 1,513,842 | - | 3,092,632 | 3,437,085 |
| General and administrative | 387,584 | 810,535 | 508,251 | - | 1,706,370 | 1,238,672 |
| Total operating expenses | 8,761,418 | 2,938,827 | 2,338,321 | (977,522) | 13,061,044 | 14,191,550 |
| Operating income(loss) before depreciation | (655,023) | (173,011) | 1,131,112 | - | 303,078 | (203,526) |
| Depreciation expense | (420,516) | (275,972) | (473,988) | - | (1,170,476) | (1,290,617) |
| Operating income(loss) | (1,075,539) | (448,983) | 657,124 | - | (867,398) | (1,494,143) |
| Non-operating revenues(expenses): | | | | | | |
| Property taxes | 1,129,978 | 591,649 | 468,593 | - | 2,190,220 | 2,074,715 |
| Investment earnings | 349,678 | 155,899 | 2,016,420 | - | 2,521,997 | 540,648 |
| Rental revenue – cellular antenna | 144,132 | - | - | - | 144,132 | 143,834 |
| Interest expense | - | (82,718) | (330,874) | - | (413,592) | (433,409) |
| Gain (loss) on sale of assets | - | - | - | - | - | 32,550 |
| Other non-operating revenues | 600 | 12,912 | 8,847 | - | 22,359 | 38,924 |
| Other non-operating expenses | - | - | (219,904) | - | (219,904) | - |
| Total non-operating revenues(expenses), net | 1,624,388 | 677,742 | 1,943,082 | - | 4,245,212 | 2,397,262 |
| Change in net position before capital contribs. | 548,849 | 228,759 | 2,600,206 | - | 3,377,814 | 903,119 |
| Capital contributions: | | | | | | |
| Capital grants | - | - | - | - | - | 1,085,021 |
| Contributed capital – developers | 215,279 | - | - | - | 215,279 | 250,390 |
| Capacity charges | - | - | 257,884 | - | 257,884 | 88,033 |
| Total capital contributions | 215,279 | - | 257,884 | - | 473,163 | 1,423,444 |
| Change in net position | 764,128 | 228,759 | 2,858,090 | - | 3,850,977 | 2,326,563 |
| Net position: | | | | | | |
| Beginning of year | 15,927,792 | 14,852,067 | 52,430,509 | - | 83,210,368 | 80,883,805 |
| End of year | <u>\$ 16,691,920</u> | <u>\$ 15,080,826</u> | <u>\$ 55,288,599</u> | <u>\$ -</u> | <u>\$ 87,061,345</u> | <u>\$ 83,210,368</u> |

Other Independent Auditors' Reports



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
East Orange County Water District
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the East Orange County Water District (District), which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California
February 20, 2025



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: COMMITTEE ASSIGNMENTS
DATE FEBRUARY 20, 2025

Background

With the election of new Board officers in December and the appointment of a new Board member, the Board President has developed the Committee assignments according to the attached document. These assignments include standing and as-needed committee's as well as outside organizations.

Recommendation

Receive and File.

Attachment(s): Committee Appointments/Assignments

EAST ORANGE COUNTY WATER DISTRICT COMMITTEE APPOINTMENTS/ASSIGNMENTS

January 2025

| STANDING COMMITTEES | FREQUENCY | APPOINTMENTS | |
|---|-----------|---------------------------------------|---|
| | | Regular Members or Representatives | Alternate Members or Representatives |
| Engineering & Operations Committee | Monthly | George Murdoch* Marilyn Thoms | John Sears |
| Administrative & Finance Committee | Monthly | John Sears* Karin Marquez | Marilyn Thoms |
| Ad-Hoc Legislation and Communications | As Needed | George Murdoch* Marilyn Thoms | John Sears |
| EXTERNAL ORGANIZATIONS | | | |
| Association of California Water Agencies (ACWA) | As Needed | George Murdoch | Marilyn Thoms |
| Association of California Water Agencies (ACWA JPIA) | As Needed | Marilyn Thoms | John Sears |
| Urban Water Institute (UWI) | As Needed | Marilyn Thoms | John Sears |
| California Association of Sanitation Agencies (CASA) | As Needed | Marilyn Thoms | Karin Marquez |
| Independent Special Districts of OC (ISDOC) | As Needed | John Sears Marilyn Thoms | |
| Metropolitan Water District of Southern California (MWD) | As Needed | George Murdoch | Marilyn Thoms |
| Metropolitan Water District of Orange County (MWDOC) | As Needed | George Murdoch | John Sears |
| Orange County Water District (OCWD) | As needed | George Murdoch | John Sears |
| Water Advisory Committee of OC (WACO) | As Needed | John Sears Marilyn Thoms | |

*Denotes Committee Chair

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: SPECIAL COUNSEL TRANSITION – MEYERS NAVE/DUANE MORRIS
DATE: FEBRUARY 20, 2025

Background

In connection with the *Irvine Ranch Water District v. Orange County Water District* litigation currently before the Orange County Superior Court, the East Orange County Water District is currently represented by Greg Newmark, Esq., of Meyers Nave. Mr. Newmark jointly represents the District, Mesa Water District, and Yorba Linda Water District.

As that litigation nears its conclusion, Greg Newmark is in the process of, and by the date of this Board meeting will have completed, transitioning to the law firm of Duane Morris. As part of that process, Meyers Nave has reached out to the District to confirm whether it would prefer to retain Meyers Nave as its counsel in that litigation, or transfer its representation to Duane Morris in order to remain with existing counsel Greg Newmark.

Recommendation

For purposes of continuity in the existing litigation, Staff recommends that the Board delegate authority to the General Manager to direct a determination as to representation in the *IRWD v. OCWD* litigation, with a preference for continued representation by Mr. Newmark subject to confirmation that the District's partners in the litigation, Mesa Water and YLWD, intend to take the same action.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: LEGISLATIVE AND OUTREACH REPORT
DATE: FEBRUARY 20, 2025

Background

Attached is most recent monthly report from Lewis & Consulting Group regarding local, regional and state issues. Additionally, copies of our monthly print and social media outreach are also attached.

Recommendation

Receive and File.

Attachment(s): Townsend Legislative Report & Current Legislative Matrix
Lewis Consulting – County of Orange Report
Foothills Sentry Outreach Ad
Communications Lab Social Media Report

MEMORANDUM

To: East Orange County Water District
From: Townsend Public Affairs
Date: February 5, 2025
Subject: January 2025 Legislative Monthly Report

STATE UPDATES

The Legislature reconvened in January for the 2025-2026 Legislative Session, commencing with the release of Governor Newsom's proposed FY 2025-26 State Budget. Legislators also began introducing new bills and resumed the Special Session declared by Governor Newsom in November 2024, aimed at allocating funding for potential federal litigation against the Trump Administration. In response to the devastating wildfires impacting Southern California communities, the Special Session was expanded to include measures related to a Los Angeles County wildfire recovery package.

Below is an overview of pertinent state actions from the month of January.

STATE BUDGET

Breaking with tradition, the budget presentation was hosted by State Finance Director Joe Stephenshaw at the State Capitol, on January 10, while Governor Newsom remained in Los Angeles monitoring the ongoing wildfire response alongside Mayor Karen Bass and other state officials.

Prior to the January 10 constitutional deadline, the Governor presented a budget preview, which despite a projected \$2 billion deficit from the Legislative Analyst's Office, delivered a balanced \$322.2 billion budget with no deficit and a modest surplus, backed by \$16.9 billion in reserves. The Governor's proposal underscores California's economic leadership while addressing uncertainties posed by the incoming federal administration and anticipated challenges. Overall, the Governor acknowledged that the budget is a living document, subject to refinement during the May Revise period as updated tax receipt data becomes available.

Looking forward to the next several weeks, the Legislature will hold budget committee hearings to receive additional information on the proposals contained within the Governor's budget proposal, as well as work to develop their own list of priorities. The budget subcommittee hearings will continue through the spring until the Governor provides updated financial information, and refined proposals, as part of the May Revise. At that point, the Legislature and Administration will work to reach agreement on a final budget proposal to be adopted prior to June 15. As always, subsequent revisions to the Budget Act can be expected in the later summer months.

Senate Budget and Fiscal Review Committee Informational Hearing

In the last week of January, the Senate Budget and Fiscal Review Committee held an informational hearing containing an overview of Governor Newsom's proposed 2025–26 State Budget. The Committee was scheduled to receive an update from the California Air Resources Board (CARB) on the implementation of [Senate Bill 253 \(Wiener, 2023\)](#). However, due to scheduling conflicts, Committee Chair Senator Scott Wiener announced that the update from CARB will be presented during the first week of February.

The Legislative Analyst's Office (LAO) presented an overview of the Governor's budget, highlighting key proposals and fiscal projections for the upcoming fiscal year. Overall, the LAO stated that while the Governor's proposed FY2025–26 budget appears balanced, ongoing structural deficits pose significant long-term challenges, and the LAO reiterated the importance of prudent fiscal management to mitigate projected structural deficits in the coming years.

The LAO recommended that policymakers take a cautious approach to new spending initiatives and consider additional strategies to strengthen the State's fiscal position. Some recommendations include identifying further opportunities for cost containment, reassessing revenue policies, or implementing structural reforms to reduce long-term expenditure growth. The report suggests that careful fiscal management in the coming years will be essential to maintaining budget stability and avoiding deeper cuts in the future.

Overall, the questions and comments from Committee Members focused on ensuring fiscal responsibility while balancing the need for continued investments in education, housing, climate action, and social services. Numerous legislators expressed concerns over proposed funding shifts, the sustainability of certain programs, and the potential long-term consequences of the budgetary decisions.

Looking forward, Budget Subcommittees in both chambers will begin detailed reviews of specific budget areas, and will begin to hold hearings where legislators, experts, and the public can provide testimony on funding priorities and potential revisions.

Department of Finance Issues Workload Budget Letter

In mid-January, the California Department of Finance [released a Budget Letter](#) providing updated guidance for the 2025-26 Budget process. Despite a balanced budget and minor revenue growth outlined in the Governor's January proposal, future structural deficits and uncertainties, including delayed tax filings due to recent fires in Los Angeles and Ventura counties, necessitate fiscal caution. No increased current year spending is expected prior to the May Revise and the Administration anticipates that most changes within the May Revise will be based on caseload shifts, not investments in new or significantly expanded programs.

Departments are directed to prioritize proposals within this framework, as resource constraints may limit funding for both new and existing adjustments. Key deadlines for Spring Budget Change Proposals are February 7 for general requests and February 10 for Capital Outlay requests. Agencies are advised to ensure compliance with these parameters and are cautioned that they "should have no expectation of full funding for either new or existing proposals or adjustments". The budget will continue to evolve over the coming months as legislative budget subcommittees evaluate the Governor's January Budget proposal.

Ralph M. Brown Act Modernization Legislation Update

In March 2020, Governor Gavin Newsom issued an Executive Order to provide flexibility under public meeting requirements to local governments in response to the COVID-19 pandemic. The Executive Order temporarily suspended specific provisions of the Ralph M. Brown Act (Brown Act), enabling public agencies to hold meetings via teleconference without the traditional in-person attendance requirements. Public agencies were still required to provide a method for public participation, ensuring the continuity of governmental operations while prioritizing public health and safety during the crisis. The temporary suspension under the Governor's Executive Order expired on September 30, 2021. Since then, legislators have introduced various measures to modernize and expand provisions in the Brown Act.

In late-January, two Brown Act modernization measures were introduced in the Assembly and Senate. [AB 259](#) introduced by Assembly Member Blanca Rubio makes permanent certain provisions added to the Ralph M. Brown Act by Assembly Bill 2449 (Rubio, 2022). AB 2449 (Rubio, 2022) provides local agencies the option to invoke alternative Brown Act meeting procedures in the event of a board member's absence in connection with a "just cause" or "emergency circumstance."

[SB 239](#) introduced by Senator Jesse Arreguín expands existing teleconferencing provisions under the Ralph M. Brown Act by allowing certain subsidiary bodies of local agencies to use alternative teleconferencing procedures while maintaining public access and transparency. This measure imposes specific requirements for agenda posting, public participation, and on-camera visibility during meetings. Subsidiary bodies overseeing police oversight, elections, or budgets are exempt from teleconferencing provisions. SB 239 (Arreguín) is a reintroduction of AB 817 (Pacheco, 2023), which failed passage in the 2023-24 Legislative Session. SB 239 (Arreguín) currently contains amendments which were recommended by the Senate Local Government Committee for AB 817 (Pacheco, 2023), which were not incorporated into AB 817.

Currently, AB 259 (Rubio) and SB 239 (Arreguín) are pending committee assignment.

CARB's 2025 Priorities: Advanced Clean Fleets (ACF) Regulations and Local Government Compliance

As cities and counties across California continue working toward a cleaner transportation future, the California Air Resources Board (CARB) has reaffirmed its commitment to enforcing Advanced Clean Fleets (ACF) regulations on state and local fleets. Despite recent shifts at the federal level—including CARB's withdrawal of several Clean Air Act waiver requests—the requirements for public sector fleets remain in place. Local governments therefore must continue their compliance efforts as CARB moves forward with its broader climate agenda.

ACF Regulations: What Public Agencies Need to Know

The ACF regulations are a key component of California's strategy to transition medium- and heavy-duty vehicle fleets to zero-emission alternatives. These regulations mandate a phased transition, requiring local governments to begin replacing aging fleet vehicles with zero-emission alternatives. The timeline for compliance is already underway:

- January 1, 2024 – State and local agencies must begin replacing fleet vehicles with zero-emission alternatives.

- 2025-2035 – Compliance benchmarks will increase incrementally, leading up to a full transition by 2045.

Although CARB withdrew three pending EPA waivers—affecting ACF requirements for private and federal fleets, in-use locomotive standards, and commercial harbor craft regulations—the agency has been clear that the ACF rules still apply to public sector fleets. Cities and counties should not assume exemptions or delays in enforcement.

Potential State Mandate Reimbursement

One major development stemming from CARB’s waiver withdrawal is the potential reclassification of ACF regulations as reimbursable state mandates. Previously, CARB maintained that ACF was not a state mandate because it applied to both public and private fleets. However, with private sector enforcement now uncertain, local governments may be able to file a test claim with the Commission on State Mandates to seek reimbursement for the costs incurred in complying with the regulations. This process is complex and often takes years to yield funding, but it could provide some financial relief for local agencies burdened by the transition.

Next Steps for Local Agencies

Local governments should remain proactive in ensuring compliance with the ACF regulations while also exploring potential cost recovery options. Key actions include:

- Continuing Compliance Efforts: The regulations remain in effect—public agencies should stay on track with their fleet transition plans and compliance.
- Staying Engaged with CARB’s Broader Priorities: In addition to ACF, CARB’s 2025 agenda includes updating SB 375 VMT targets, landfill methane regulations, carbon capture rules, and corporate climate risk reporting. Local agencies should track these developments to ensure they remain informed about new regulatory requirements that could impact their operations.

Resources

- CARB’s Jan. 23rd meeting recording (Steve Cliff’s presentation at 1:32:00): [CAL-SPAN](#)
- State-Mandated Cost Programs: [State Controller’s Office](#)
- Mandate Reimbursement Guidance: [Commission on State Mandates](#)

FEDERAL UPDATES

LEGISLATIVE BRANCH ACTIVITY

President Biden Signs Social Security Fairness Act

On January 5, President Biden signed the Social Security Fairness Act (H.R. 82) into law. H.R. 82 had large bipartisan support and passed overwhelmingly in both chambers of Congress. The legislation targets two provisions that reduce monthly Social Security benefits for workers and their spouses if they also receive public pensions from jobs not covered by the Social Security system and not subject to its payroll tax.

The provisions include:

- **Government pension offset**, which reduces Social Security benefits for spouses and surviving spouses by two-thirds of their own pensions based on work not covered by Social Security.
- **Windfall elimination provision**, which is a modified formula that reduces benefits for certain retired and disabled workers who also receive noncovered pensions.

The changes apply to Social Security benefits after December 2023. The majority of beneficiaries affected by the rules are federal workers hired before Jan. 1, 1984, covered by the Civil Service Retirement System or similar retirement plan, and state and local government employees covered by alternative staff retirement systems. The windfall elimination provision affects about 2 million Social Security beneficiaries, and the government pension offset affects approximately 800,000 retirees.

President Trump Meets with Speaker Johnson and Majority Leader Thune

President Donald Trump sat down with House Speaker Mike Johnson and Senate Majority Leader John Thune for their first discussion since Republicans formally took power in Washington DC. The discussion centered around the President's agenda, deadlines to lift the debt ceiling, and funding the government using their narrow majorities.

The budget reconciliation process, widely assumed to be used this year, will allow Republicans to address spending-related issues by simple majority, bypassing the Senate filibuster. Afterwards, Speaker Johnson told reporters he is personally working on a "one-bill strategy" to pass President Trump's policy agenda. House Majority Leader Steve Scalise suggested that Senate Republicans were on board for the one bill strategy; Senate Majority Leader Thune has previously vocalized support for two separate legislative packages on behalf of Senate Republicans. All three will continue their discussions throughout the first 100 days of President Trump's final term.

House Committees began shaping their strategies for the reconciliation package. House Committee on Energy and Commerce Chair Brett Guthrie has said Republicans are interested in utilizing savings from the Greenhouse Gas Reduction Fund, a \$27 billion investment created by the Inflation Reduction Act. Additionally, Republicans have discussed repealing green energy tax incentives and approving mining and oil and gas drilling projects in order to pay for their legislative priorities.

House Passes the Fix Our Forests Act

The House of Representatives approved the *Fix our Forests Act* (H.R. 471), the legislation heads to the Senate for further consideration. Federal agencies would have expanded authorities to take preventative action against wildfires that would be exempt from environmental review and shielded from legal challenges. The Agriculture and Interior Departments would have to actively manage areas facing a heightened risk of wildfires, including by removing trees and vegetation that cause fire to spread.

The bipartisan bill was considered by the House of Representatives in September of 2024 but was not taken up by the Senate before the end of last year's legislative session. The disastrous wildfires in Southern California renewed the effort by congressional leaders to address forest management issues, spurring renewed consideration of the legislation.

President Trump Discusses Raising the SALT Deduction Cap

The bipartisan SALT Caucus, led by Rep. Mike Lawler, is unhappy with the cap on state and local tax deductions (SALT) in current federal tax law. The SALT Caucus has recently opened discussions with President Donald Trump about raising the \$10,000 SALT deduction. President Trump's economic advisers have discussed expanding the cap to \$20,000 despite calls from lawmakers to completely eliminate it. The debate is part of the development of a tax reform package which many Republicans in Washington DC say should contain budget cuts to be offset cuts.

Raising or eliminating the SALT cap would soften the burden for constituents in states like New York and California, where the combination of high tax rates and expensive property values make a write-off especially valuable. SALT was originally a feature of the 2017 Tax Cuts and Jobs Act (TCJA), which expires in December 2025. With Republicans controlling Congress for two years, their tax priorities are likely to be included in an extension of the TCJA. Lifting the cap is unpopular among some conservative Republicans from lower-tax states and nonpartisan analysts, who say the change would benefit mostly high-income households in largely Democratic states. The House Ways and Means Committee is generating models to show how different SALT caps will impact different congressional districts around the country.

Republicans Consider Adding California Wildfire Relief to Debt Ceiling Vote

In order to force a vote on raising the debt ceiling, House Republican leadership is discussing adding disaster relief funding for the current California wildfires to future legislation raising the nation's borrowing limit. Attaching a measure to a reconciliation package would make disaster relief conditional, thereby avoiding negotiation with Democrats. However, several lawmakers are loath to change the debt limit, which could jeopardize leadership's reconciliation plans.

A number of Democratic lawmakers from California led by Rep. Judy Chu invited President Trump to visit California and assess the damages of the ongoing wildfires. In [a letter](#) to the President, Rep. Chu along with CA Senators Alex Padilla and Adam Schiff urged Congress "to pass bipartisan emergency disaster appropriations legislation to support the long recovery ahead." Additionally, the group wrote to congressional leaders and appropriators inviting them to tour the damage.

House Water Wildlife and Fisheries Subcommittee Conducts Legislative Hearing

On January 23rd, the House Committee on Natural Resources Subcommittee on Water, Wildlife, and Fisheries hosted a legislative hearing to open discussions on the following:

- **H.R. 231** "*Colorado River Basin System Conservation Extension Act of 2025*"

The bill would extend a \$125 million effort, the System Conservation Pilot Program (SCPP), to reduce water use in the Upper Basin of the Colorado River. The extension of the SCPP provides opportunities for agricultural districts, urban water agencies, and Tribes to receive federal funding in exchange for reducing water consumption.

- **H.R. 331** - *“A bill to amend the Aquifer Recharge Flexibility Act to clarify a provision relating to conveyances for aquifer recharge purposes”*

The bill would amend the Aquifer Recharge Flexibility Act to address conflict between state officials and the Bureau of Land Management (BLM) about the use of existing rights-of-way to transport water. H.R. 331 would allow the holder of a right-of-way (ROW) grant approved by BLM, acting on behalf of themselves or a third party, to use the existing ROW for the purposes of aquifer recharge without further authorization from the Secretary. The bill further clarifies that this use shall not be considered an expansion or modification.

EXECUTIVE BRANCH ACTIVITY

President Trump Sworn-in and Signs Dozens of Executive Actions

On January 20, President Donald Trump signed 200 executive orders aimed at reversing policies from the previous administration and implementing his campaign promises. All information on the executive orders can be found [here](#).

Key actions include:

1. Unleashing American Energy

The President declared a "national energy emergency" to expedite the development of fossil fuel infrastructure. This includes plans to:

- replenish strategic reserves
- increase energy exports,
- cease federal leasing for wind farms,
- withdraw from the Paris climate agreement,
- encourage energy exploration on federal lands and waters,
- dismantle subsidies and policies favoring electric vehicles

These actions align with his campaign promises to boost the oil and gas industries and roll back climate policies from the previous administration.

2. Deployment of U.S. Troops to the Border

An executive order was signed to deploy U.S. troops to the southern border. Additionally, certain international cartels and crime organizations have been labeled as terrorist groups. The Departments of Homeland Security and Defense have been directed to complete the construction of the border wall and deploy personnel for border control. These actions are part of a series of 11 border-related executive orders aimed at enhancing U.S. border security.

3. End of Birthright Citizenship

President Trump signed an executive order to end birthright citizenship for children of undocumented immigrants. This policy, set to take effect in 30 days, claims that U.S. citizenship should not automatically extend to children born in the country to parents who are unlawfully present, non-citizens, or under temporary legal status. This move contradicts the 14th Amendment, which grants automatic citizenship to anyone born on U.S. soil, and significant legal challenges have already been filed.

4. Reversal of Transgender Protections and Termination of DEI Programs

President Trump signed executive orders that reverse protections for transgender individuals and terminate diversity, equity, and inclusion (DEI) programs within the federal government. One order restricts federal recognition to only two sexes, male and female, based on reproductive anatomy, blocking federally funded transition services and other transgender affirmations such as pronoun use in government facilities. Another order halts federal DEI initiatives, promoting a return to merit-based treatment. These actions have provoked significant backlash from civil rights groups who argue that gender and equity are more nuanced.

5. Pardons Related to January 6 Capitol Riot

The President issued pardons for individuals charged in connection with the January 6 Capitol riot. This includes approximately 1,500 people charged in the 2021 attack, directing the Justice Department to drop about 300 pending cases, and ordering the release of a small group of 14 other defendants who were charged in the most serious seditious cases. These actions go farther than many were expecting, as they cover roughly 600 people with felony convictions for assaulting police officers or impeding police during the riot.

6. Withdrawal from the World Health Organization (WHO)

An executive order was signed to begin the process of withdrawing the United States from the World Health Organization. This move has raised concerns among scientists and public health experts, who fear it could roll back decades-long gains made in fighting infectious diseases and weaken global defenses against dangerous new outbreaks capable of triggering pandemics.

7. California Water Conveyance Memorandum

The memo issued by President Trump directs the U.S. Bureau of Reclamation, U.S. Fish and Wildlife Service, and National Marine Fisheries Service to “route more water from the Sacramento-San Joaquin Delta to other parts of the state for use by the people there who desperately need a reliable water supply.” The agencies have 90 days to report on what their future actions will be.

The likely outcome is that the agencies will reinstate consultation on the long term operations of the Central Valley Project and State Water Project and work toward issuance of a new biological opinion managing the CVP and SWP operations.

These executive orders reflect President Trump's commitment to implementing his "America First" agenda and reversing policies from the previous administration

Office of Management and Budget Reverses Course on Funding Freeze

On January 27, the acting director of the Trump Administration's Office of Management and Budget (OMB) issued the now defunct memo directing agencies to halt all federal financial assistance. The memo directed agencies to "temporarily pause all activities related to obligation or disbursement of all federal financial assistance, and other relevant agency activities that may be implicated by the executive orders, including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal." Additionally, a spreadsheet was circulated that reveals the broad scope of President Trump's scrutiny of federal spending. It provided a list of programs that could at least temporarily be affected by a funding pause, though many of the programs appear to be unrelated to President Trump's focus on cultural issues.

As a result, many states reported issues accessing funds under the Medicaid low-income health insurance program. Preschool centers struggled to obtain reimbursements under the federal program known as Head Start, putting some childcare services at risk. However, the directive likely does not comply with the Budget and Impoundment Control Act of 1974, which sets the parameters under which the President can rescind or delay money that's been approved by Congress. The Trump Administration argues that this law is unconstitutional.

The memo earned quick criticism on Capitol Hill and consternation across Washington DC, with officials saying the sweeping guidance could imperil critical programs. The Trump Administration stated that the funding pause would not affect Social Security or Medicare, or other instances of assistance provided directly to individuals. Ultimately, a federal judge in Washington temporarily blocked the funding pause as several nonprofits filed lawsuits over the action. Facing significant backlash, OMB issued another memo rescinding the original freeze on federal funds.

Reclamation To Streamline Environmental Reviews

The Bureau of Reclamation moved with final revisions to seven categorical exclusions under the National Environmental Policy Act of 1969. The revisions clarify existing categorical exclusions on certain financial assistance funding, water-related contracting, and use authorization actions to allow for more consistent interpretation and more efficient review of appropriate actions based on Reclamation's experience implementing the categorical exclusions. The revisions will allow Reclamation to complete environmental reviews more efficiently.

Most of Reclamation's categorical exclusions have been in place for over 40 years, and these revisions are part of ongoing efforts to modernize and streamline environmental review processes, ensuring they remain consistent with current regulations and policies. More information on the revisions is available [here](#).

President Trump Reverses Biden Electric Vehicle Orders

President Donald Trump has issued executive orders to eliminate subsidies and other policies that favor electric vehicles. The orders direct agencies to pause disbursement of funds appropriated through the Inflation Reduction Act and Infrastructure Investment and Jobs Act,

including funding for EV charging stations. The order calls for terminating waivers that allow states to limit gas-powered car sales, indicating that President Trump will look to take on California on those grounds. Currently, California requires automakers to deliver increasing numbers of zero-emission vehicles every year through 2035, when all new cars sold will need to be zero-emission.



East Orange County Water District Legislative Matrix

AB 259 **(Rubio, Blanca, D) Open meetings: local agencies: teleconferences.**

Status: 01/17/2025 - From printer. May be heard in committee February 16.



Location: 01/16/2025 - Assembly PRINT

Summary: The Ralph M. Brown Act authorizes the legislative body of a local agency to use teleconferencing, as specified, and requires a legislative body of a local agency that elects to use teleconferencing to comply with specified requirements, including that the local agency post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would remove the January 1, 2026, date from those provisions, thereby extending the alternative teleconferencing procedures indefinitely. (Based on 01/16/2025 text)

AB 263 **(Rogers, D) Scott River: Shasta River: watersheds.**

Status: 01/17/2025 - From printer. May be heard in committee February 16.



Location: 01/16/2025 - Assembly PRINT

Summary: Current law provides that an emergency regulation adopted by the State Water Resources Control Board following a Governor's proclamation of a state of emergency based on drought conditions, for which the board makes specified findings, may remain in effect for up to one year, as provided, and may be renewed if the board determines that specified conditions relating to precipitation are still in effect. This bill would provide that specified emergency regulations adopted by the board for the Scott River and Shasta River watersheds shall remain in effect until permanent rules establishing and implementing long-term instream flow requirements are adopted for those watersheds. (Based on 01/16/2025 text)

AB 267 **(Macedo, R) Greenhouse Gas Reduction Fund: high-speed rail: water infrastructure and wildfire prevention.**

Status: 01/18/2025 - From printer. May be heard in committee February 17.



Location: 01/17/2025 - Assembly PRINT

Summary: Would suspend the appropriation to the High-Speed Rail Authority for the 2026–27 and 2027–28 fiscal years and would instead require those amounts from moneys collected by the State Air Resources Board to be transferred to the General Fund. The bill would specify that the transferred amounts shall be available, upon appropriation by the Legislature, to augment funding for water infrastructure and wildfire prevention. (Based on 01/17/2025 text)

AB 269 **(Bennett, D) Dam Safety and Climate Resilience Local Assistance Program.**

Status: 01/18/2025 - From printer. May be heard in committee February 17.



Location: 01/17/2025 - Assembly PRINT

Summary: Current law provides for the regulation and supervision of dams and reservoirs by the state, and requires the Department of Water Resources, under the police power of the state, to supervise the construction, enlargement, alteration, repair, maintenance, operation, and removal of dams and reservoirs for the protection of life and property, as prescribed. Current law requires the department to, upon appropriation by the Legislature, develop and administer the Dam Safety and Climate Resilience Local Assistance Program to provide state funding for repairs, rehabilitation, enhancements, and other dam safety projects at existing state jurisdictional dams and associated facilities that were in service prior to January 1, 2023, subject to prescribed criteria. This bill would include the removal of project facilities as additional projects eligible to receive funding under the program. (Based on 01/17/2025 text)

AB 288 **(McKinnor, D) Public employment: labor relations: employee information.**

Status: 01/23/2025 - From printer. May be heard in committee February 22.



Location: 01/22/2025 - Assembly PRINT

Summary: Current law requires certain public employers to provide labor representatives with the names and addresses of newly hired employees, as well as related information, within 30 days of hire or by the first pay period of the month following hire. Current law also requires the public employers to provide this information for all employees in a bargaining unit at least every 120 days, as specified. Current law, operative July 1, 2022, authorizes an exclusive representative to file a charge of an unfair labor practice with the Public Employment Relations Board alleging a violation of the above provisions only after certain requirements have been met. This bill would delete the above reference to the July 1, 2022, operative date in those provisions. (Based on 01/22/2025 text)

AB 293 **(Bennett, D) Groundwater sustainability agency: transparency.**

Status: 01/23/2025 - From printer. May be heard in committee February 22.



Location: 01/22/2025 - Assembly PRINT

Summary: Current law requires a groundwater sustainability plan to be developed and implemented for each medium- or high-priority basin by a groundwater sustainability agency. Current law authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin, as provided. Current law requires members of the board of directors and the executive, as defined, of a groundwater sustainability agency to file statements of economic interests with the Fair Political Practices Commission using the commission's online system for filing statements of economic interests. This bill would require each groundwater sustainability agency to publish the membership of its board of directors on its internet website, or on the local agency's internet website, as provided. The bill would also require each groundwater sustainability agency to publish a link on its internet website or its local agency's internet website to the location on the Fair Political Practices Commission's internet website where the statements of economic interests, filed by the members of the board and executives of the agency, can be viewed. (Based on 01/22/2025 text)

AB 295 **(Macedo, R) California Environmental Quality Act: environmental leadership development projects: water storage, water conveyance, and groundwater recharge projects: streamlined review.**

Status: 01/24/2025 - From printer. May be heard in committee February 23.



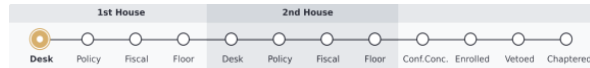
Location: 01/23/2025 - Assembly PRINT

Summary: The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 authorizes the Governor, until January 1, 2032, to certify environmental leadership development projects that meet specified requirements for certain streamlining benefits related to the California Environmental Quality Act (CEQA). The act, among other things, requires a lead agency to prepare the record of proceedings for an environmental leadership development project, as provided, and to provide a specified notice within 10 days of the Governor certifying the project. The act is repealed by its own term on January 1, 2034. This bill would extend the application of the act to water storage projects, water conveyance projects, and groundwater

recharge projects that provide public benefits and drought preparedness. Because a lead agency would be required to prepare the record of proceedings for water storage projects, water conveyance projects, and groundwater recharge projects pursuant to the act, this bill would impose a state-mandated local program. (Based on 01/23/2025 text)

AB 339 **(Ortega, D) Local public employee organizations: notice requirements.**

Status: 01/29/2025 - From printer. May be heard in committee February 28.

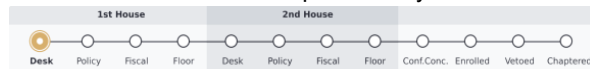


Location: 01/28/2025 - Assembly PRINT

Summary: The Meyers-Milias-Brown Act contains various provisions that govern collective bargaining of local represented employees and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. Current law requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations. Current law requires the governing body of a public agency, and boards and commissions designated by law or by the governing body, to give reasonable written notice, except in cases of emergency, as specified, to each recognized employee organization affected of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the governing body or the designated boards and commissions. This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill would require the notice to include specified information, including the anticipated duration of the contract. (Based on 01/28/2025 text)

AB 340 **(Ahrens, D) Employer-employee relations: confidential communications.**

Status: 01/29/2025 - From printer. May be heard in committee February 28.



Location: 01/28/2025 - Assembly PRINT

Summary: Current law that governs the labor relations of public employees and employers, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, provisions relating to public schools, provisions relating to higher education, and provisions relating to the San Francisco Bay Area Rapid Transit District, prohibits employers from taking certain actions relating to employee organization, including imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions of existing law further prohibit denying to employee organizations the rights guaranteed to them by current law. This bill would also prohibit a local public agency employer, a state employer, a public school employer, a higher education employer, or the district from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. (Based on 01/28/2025 text)

AB 362 **(Ramos, D) Water policy: California tribal communities.**

Status: 01/31/2025 - From printer. May be heard in committee March 2.



Location: 01/30/2025 - Assembly PRINT

Summary: The Porter-Cologne Water Quality Control Act establishes a statewide program for the control of the quality of all the waters in the state and makes certain legislative findings and declarations. Current law defines the term "beneficial uses" for the purposes of water quality as certain waters of the state that may be protected against quality degradation, to include, among others, domestic, municipal, agricultural, and industrial supplies. This bill would add findings and declarations related to California tribal communities and the importance of protecting tribal water use, as those terms are defined. The bill would add tribal water uses as waters of the state that may be protected against quality degradation for purposes of the defined term "beneficial uses." (Based on 01/30/2025 text)

AB 370 **(Carrillo, D) California Public Records Act: cyberattacks.**

Status: 02/04/2025 - From printer. May be heard in committee March 6.



Location: 02/03/2025 - Assembly PRINT

Summary: The California Public Records Act requires state and local agencies to make their records available for public inspection, except as specified. Current law requires each agency, within 10 days of a request for a copy of records, to determine whether the request seeks copies of disclosable public records in possession of the agency and to promptly notify the person of the determination and the reasons therefor. Current law authorizes that time limit to be extended by no more than 14 days under unusual circumstances, and defines “unusual circumstances” to include, among other things, the need to search for, collect, and appropriately examine records during a state of emergency when the state of emergency currently affects the agency’s ability to timely respond to requests due to staffing shortages or closure of facilities, as provided. This bill would revise the definition of unusual circumstances as it applies to a state of emergency to require the state of emergency, in addition to currently affecting the agency’s ability to timely respond to requests as described above, to also require the state of emergency to directly affect the agency’s ability to timely respond to requests as described above. By restricting the time period in which a local agency may respond to requests, thus increasing the duties of local officials, this bill would create a state-mandated local program. (Based on 02/03/2025 text)

AB 372 (Bennett, D) Office of Emergency Services: state matching funds: water system infrastructure improvements.

Status: 02/04/2025 - From printer. May be heard in committee March 6.



Location: 02/03/2025 - Assembly PRINT

Summary: Current law establishes, within the office of the Governor, the Office of Emergency Services (OES), under the direction of the Director of Emergency Services. Current law charges the OES with coordinating various emergency activities within the state. The California Emergency Services Act, contingent upon an appropriation by the Legislature, requires the OES to enter into a joint powers agreement pursuant to the Joint Exercise of Powers Act with the Department of Forestry and Fire Protection to develop and administer a comprehensive wildfire mitigation program relating to structure hardening and retrofitting and prescribed fuel modification activities. Current law authorizes the joint powers authority to establish financial assistance limits and matching funding or other recipient contribution requirements for the program, as provided. This bill, contingent on funding being appropriated pursuant to a bond act, as specified, would establish the Rural Water Infrastructure for Wildfire Resilience Program within the OES for the distribution of state matching funds to communities within the Wildland Urban Interface in designated high fire hazard severity zones or very high fire hazard severity zones to improve water system infrastructure, as prescribed. (Based on 02/03/2025 text)

SB 31 (McNerney, D) Water quality: water recycling facilities: state policy.

Status: 01/29/2025 - Referred to Com. on RLS.



Location: 12/02/2024 - Senate Rules

Summary: Current law states the intention of the Legislature that the state undertake all possible steps to encourage development of water recycling facilities so that recycled water may be made available to help meet the growing water requirements of the state. This bill would make a nonsubstantive change to that statement. (Based on 12/02/2024 text)

SB 72 (Caballero, D) The California Water Plan: long-term supply targets.

Status: 01/29/2025 - Referred to Com. on N.R. & W.



Location: 01/29/2025 - Senate Natural Resources and Water

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as “The California Water Plan.” Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers, that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This

bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to expand the membership of the advisory committee to include tribes, labor, and environmental justice interests. The bill would require the department, as part of the 2033 update to the plan, to update the interim planning target for 2050, as provided. The bill would require the target to consider the identified and future water needs for a sustainable urban sector, agricultural sector, and environment, and ensure safe drinking water for all Californians, among other things. (Based on 01/15/2025 text)

SB 90

(Seyarto, R) Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: grants: improvements to public evacuation routes: mobile rigid water storage.

Status: 01/29/2025 - Referred to Coms. on G.O. and N.R. & W.



Location: 01/29/2025 - Senate Governmental Organization

Summary: The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 makes \$135,000,000 available, upon appropriation by the Legislature, to the Office of Emergency Services for a wildfire mitigation grant program to provide, among other things, loans, direct assistance, and matching funds for projects that prevent wildfires, increase resilience, maintain existing wildfire risk reduction projects, reduce the risk of wildfires to communities, or increase home or community hardening. The act provides that eligible projects include, but are not limited to, grants to local agencies, state agencies, joint powers authorities, tribes, resource conservation districts, fire safe councils, and nonprofit organizations for structure hardening of critical community infrastructure, wildfire smoke mitigation, evacuation centers, including community clean air centers, structure hardening projects that reduce the risk of wildfire for entire neighborhoods and communities, water delivery system improvements for fire suppression purposes for communities in very high or high fire hazard areas, wildfire buffers, and incentives to remove structures that significantly increase hazard risk. This bill would include in the list of eligible projects grants to the above-mentioned entities for improvements to public evacuation routes in very high and high fire hazard severity zones, mobile rigid dip tanks, as defined, to support firefighting efforts, prepositioned mobile rigid water storage, as defined, and improvements to the response and effectiveness of fire engines and helicopters. (Based on 01/22/2025 text)

SB 224

(Hurtado, D) Department of Water Resources: water supply forecasting.

Status: 01/28/2025 - From printer. May be acted upon on or after February 27.



Location: 01/27/2025 - Senate Rules

Summary: Current law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop. Current law also requires the department to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as "The California Water Plan." This bill would require the department, on or before January 1, 2027, to adopt a new water supply forecasting model and procedures that better address the effects of climate change and implement a formal policy and procedures for documenting the department's operational plans and the department's rationale for its operating procedures, including the department's rationale for water releases from reservoirs. (Based on 01/27/2025 text)

SB 239

(Arreguin, D) Open meetings: teleconferencing: subsidiary body.

Status: 02/03/2025 - From printer. May be acted upon on or after March 2.



Location: 01/30/2025 - Senate Rules

Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified. Current law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference

provisions, as specified. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require the subsidiary body to post the agenda at the primary physical meeting location. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. (Based on 01/30/2025 text)

The County of Orange Report

Prepared for East Orange County Water District

February 13, 2025
by Lewis Consulting Group

OCWD - MSR + Merger Study Released

The long anticipated feasibility study of merging Orange County Water District and Municipal Water District of Orange County has been publicly released. It is currently in the public comments time line. The MSR and feasibility study are slated to be discussed and possibly voted on at the March 2025 LAFCO meeting.

The two studies were compiled by Riverside County's Albert Webb & Associates along with John J. Schatz. The study is a comprehensive 172 pages. Much of the study provide an overview of how OCWD operates Orange County's ground water basin. In doing so, it listed a set of determinations.

The determinations included growth and population projection, location and characterizations of disadvantaged unincorporated communities, present and planned capacity of public facilities and adequacy of public services, the financial ability of the agency to provide services, the status of and opportunity for shared facilities, accountability for community service needs and any other matters related to effective and efficient service delivery.

OCWD received high marks for all studied features. For example, in the fourth determination related to financial ability the report states "the District is able to meet all of its budgeted expenses and obligations and maintain an AAA credit rating with Fitch and Standard and Poors. Replenishment Assessments represented over 62% of total revenues in fiscal year 2023-2024 and can and do increase annually when necessary to help ensure revenues meet expense requirements. This flexibility along with its other revenue sources, budgeted reserves and great credit ratings put OCWD in a stable financial position to continue providing services to its customers."

The study was very complementary of their management of the ground water basin, but noted that the integrity of wells is an on-going challenge. PFAS remains the biggest threat and 61 wells have been targeted for treatment system. Already 30 of the 61 wells are treated and back in service. Depending on which standard EPA ultimately imposes, the District could be looking at as many as 200 wells that need treatment. Other threats to wells include salt water intrusion and land subsidence.

What About Consolidation?

The study stated it was steering clear of a recommendation. "In its application for an MSR and SOI update, OCWD requested a feasibility study of a consolidation with MWDOC. The purpose of the feasibility study is to analyze certain aspects of the two agencies using multiple factors to find whether efficiencies in the provision of service

could exist upon combining the two wholesale water agencies. Therefore this MSR includes said analysis with finding NO CONCLUSIONS OR RECOMMENDATIONS ARE PROVIDED.”

The study acknowledged the Orange County Grand Jury’s nudging from its 2022 report calling for consolidation. It also noted that 2022 was the fourth Grand Jury Report 1982, 1994, 2013 and 2022. Twice there was a call for consolidation and twice a call to remain separate.

In 2006, LAFCO released a study opposing consolidation because implementing consolidation would take an act of legislation, because it involves changing OCWD’s principal act.

Merging these two agencies would not necessarily achieve greater efficiencies in overall management of water resources in Orange County. Keeping these two agencies separate maintain an important check and balance system, preventing one agency from having control over the water supply for the entire County.

The last 62 pages of the report are authored by John Schatz and reviews the feasibility of consolidation. Schatz estimates that removing duplicative positions [\$2.25 million] along with economies of scale and savings in health care benefits could realize an annual savings of \$3.98 million. If the new agency also placed all employees in a CAL-PERS defined benefit plan, that would increase savings to a maximum of \$6,391,927 annually.

The final three findings state that the “consolidation of the two agencies is considered fiscally feasible and sustainable.” Also, “water supply reliability and services to MWDOC’s member agencies and OCWD’s groundwater producers are not anticipated to be interrupted or diminished by a consolidation of the agencies”. Lastly, the “consolidation of OCWD and MWDOC may offer opportunities involving unified representation of Orange County water suppliers at the local, state and federal levels through representation of Orange County on the MWD Board of Directors”.

The study did pose a question on what future governance might look like and noted that legislatively it would be easier for MWDOC to absorb OCWD than the other way around.

The March LAFCO meeting could be interesting. . .

A New National Political Realignment

I broke into serious political activism in the early 1970's. While in college, the second term of the Nixon Presidency coupled with the Watergate Scandal made the Republican brand toxic. In the 1974 election, as people abandoned the GOP in droves, Democrats picked up 49 House seats and achieved a two-thirds majority in the House of Representatives. It wasn't until the Reagan era of 1980-1988 that the GOP became relevant again.

A new article in *The Liberal Patriot* argues that voter registration figures from 31 states paints a bleak trend for Democrats. In 2008, Democrats held a voter registration edge in 21 states, the Republicans only led in seven states. Fast forward to today and

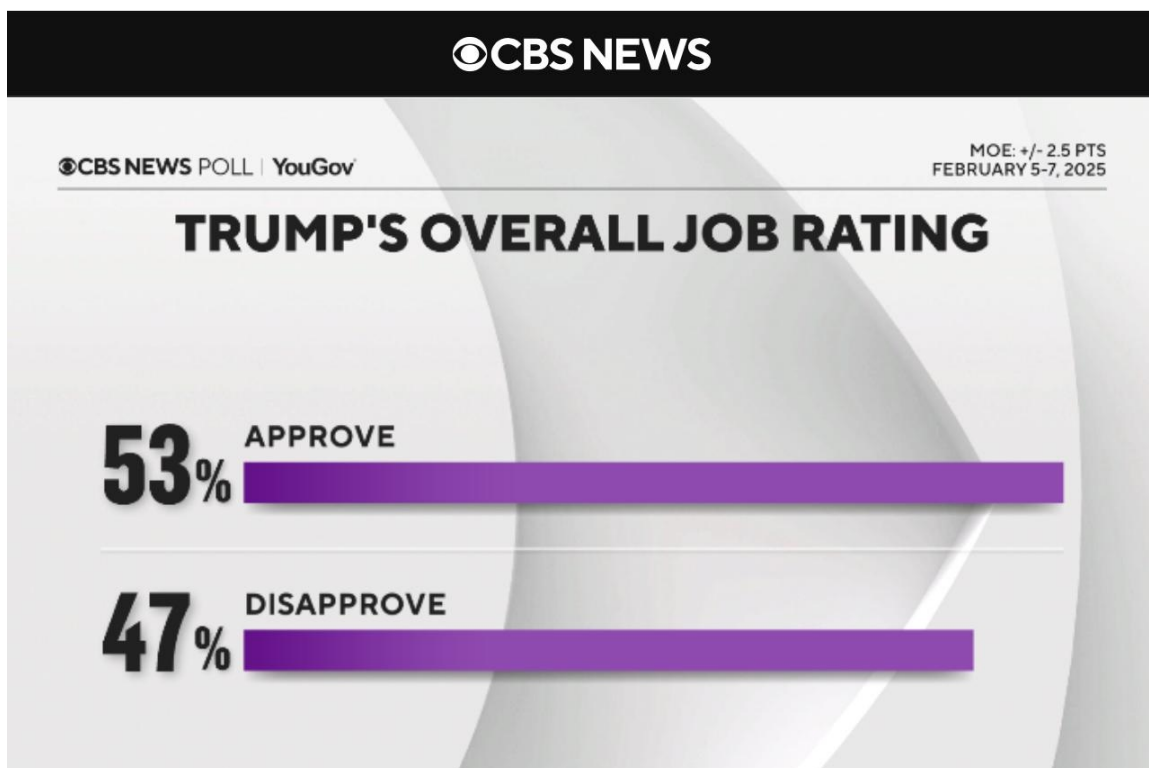
Democrats have the registration edge in 17 states, while Republicans have increased to 14. Since 2008 Democrats have achieved a new majority status in only one state, Colorado. At the same time, Republican registration has overtaken Democrats in six states. One of the states, Florida, the surge has been so dramatic, the state has moved from “Presidential swing state” status to safely Republican. The same trend is underway in Nevada, North Carolina and Pennsylvania.

Voter registration figures can be both a trailing and future indication of electoral success. The national Democrat party has veered too far to the left and are now paying the political price.

Two questions that the next few years will resolve. First, will this trend help Republicans overcome the natural off-year election disadvantage they face in 2026? The majorities in the U.S. Senate and House will be resolved by this answer. Secondly, how many years will the Democrat Party remain in decline? Political theater is always interesting.

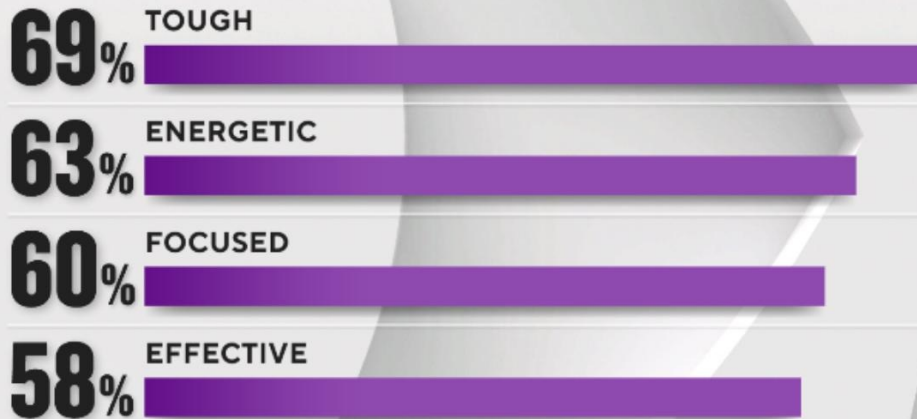
Trump’s Popularity Hits New High

CBS recently conducted a survey which among other things tested the President’s current popularity along with initiatives he is pursuing. The 53% positive rating reflects a 9% increase over the same time in his 2016 administration.



DESCRIBE DONALD TRUMP AS...?

TOP ANSWERS



ORANGE COUNTY LAFCO February Meeting

The regularly scheduled February 12th meeting of OC LAFCO was canceled and rescheduled to February 19th as County offices were closed on the 12th in observance of Lincoln's birthday.

With the scheduling of the OCWD MSR and possible water agency consolidation to be discussed at the March meeting, the February agenda is rather lackluster.

Items to be discussed include a policy of indemnification of LAFCO by applicants, a new records retention and destruction policy, an update on OC LAFCO's continued membership in CAL-LAFCO and a water system consolidation report from the University of California Berkeley Division of Agriculture and Natural Resources.



Board Confirms Stripping OC Treasurer of Investment Duties

Two items of great interest were acted upon at the February 11th meeting of the Board of Supervisors. The first was the Board creating a new financial investment plan for County assets and at the same time voting to transfer management of the huge county fund to the County's Chief Financial Officer. With that, the defenestration of elected County Treasurer Shari Freidenrich's office was complete.

Curiously no one from the County Supervisors or staff are publicly disclosing why such a draconian measure was needed. Treasurer Freidenrich's plea to retain her investment duties fell on deaf ears. Another curious occurrence was District Attorney and former Supervisor Todd Spitzer injecting himself into the fray questioning the wisdom of the Supervisors's actions. Spitzer even reminded the Board that in accepting responsibility for the fund, they would also inherit possible legal liability if investments went wrong. Spitzer recounted how Supervisors were criminally indicted [not convicted] during the Orange County Bankruptcy. The Supervisors were not amused by the D.A.'s comments and conducted their final unanimous vote changing oversight of all County funds.

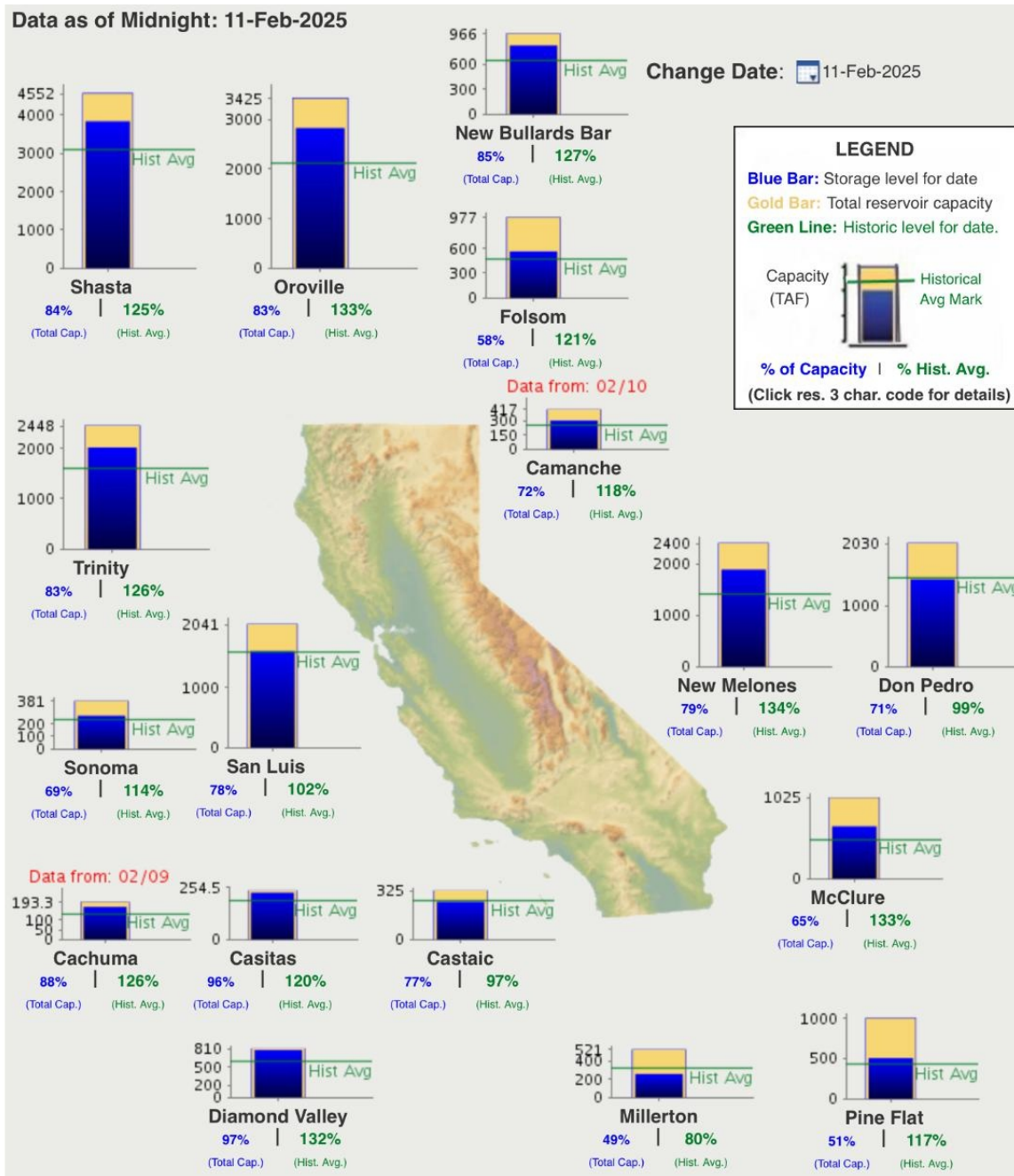
Total Board Discord

Could two separate Board of Supervisor squabbles bring uncertainty to Board governance? One year ago, before the Andrew Do implosion, the Board had a working majority comprised of Supervisors Do, Chaffee and Wagner.

That automatic majority has been shattered by the enmity between Wagner and Nguyen. That in-fighting started with Wagner endorsing against Nguyen in her Supervisor race. It further escalated when she opposed Wagner's bid to become Orange County Republican Party Chairman. It escalated further when Nguyen convinced new Board Chair Chaffee to replace Wagner with herself on the AQMD Board. She also managed to convince Chaffee to appoint her as one of the County's two Orange County Fire Authority members. In doing so, it broke with the long precedent of the two Supervisors representing OC's fire prone foothills to be on the Fire Authority Board. However, Katrina Foley made an impassioned plea for her remaining on the Board. She was supported by Supervisor Sarmiento in that effort and when a motion was made to put the appointments over for two weeks, Chairman Chaffee vigorously protested. Don Wagner cast the swing vote challenging and possibly blocking the appointments. The vitriol between Chaffee and Foley and now Wagner and Nguyen could have serious implications regarding the smooth operation of the Board going forward.

The Rain Has Returned

Rains and snowfall predominantly in Northern California have replenished our state's reservoirs.



ARTWORK PROOF

Approval Send Date: January 22, 2025

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Month/Issue: FEB 2025

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To: David Youngblood, General Manager, EOCWD

From: Victoria Castro, Social Media Manager, *Communications LAB*

Date: January 29th. 2025

Re: Social Media Report // January 2025

SUMMARY REPORT

FACEBOOK

CURRENT PAGE FOLLOWERS

2,249

NEW PAGE FOLLOWERS

3

PAGE VISITS

115 -6.1%

PAGE REACH

11.8K +37.1%

INSTAGRAM

TOTAL FOLLOWERS

627

NEW FOLLOWERS

6 +20%

PAGE REACH

1.3K +50.5%

PROFILE VISITS

9 -40%

LINKEDIN

TOTAL FOLLOWERS

77

NEW FOLLOWERS

9

PAGE VIEWS

28 +100%

UNIQUE VISITORS

15 +114.3%

TOP SOCIAL MEDIA POSTS

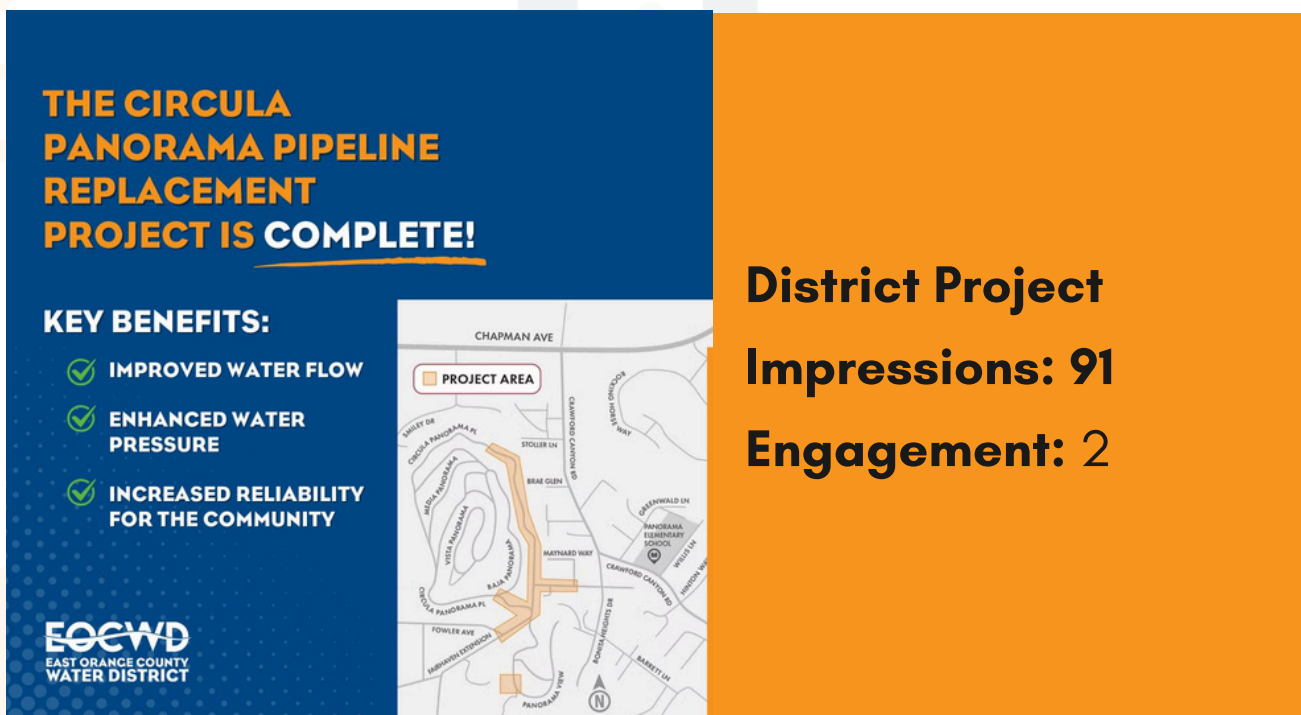
TOP INSTAGRAM POST



TOP FACEBOOK POST



TOP LINKEDIN POST

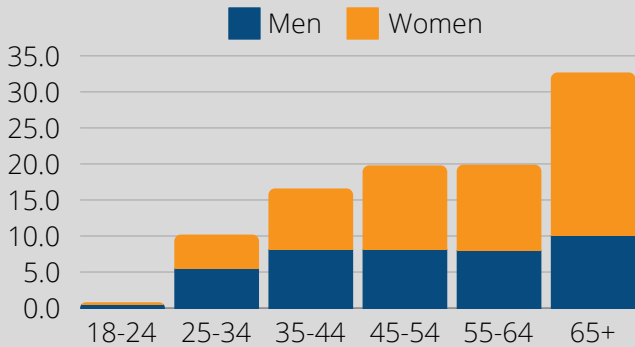
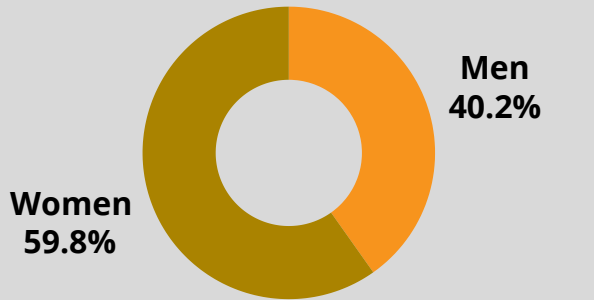


DEMOGRAPHIC | TARGET MARKET

PAGE LIKES & FOLLOWERS (AGE & GENDER)

FACEBOOK PAGE FOLLOWERS

2,250



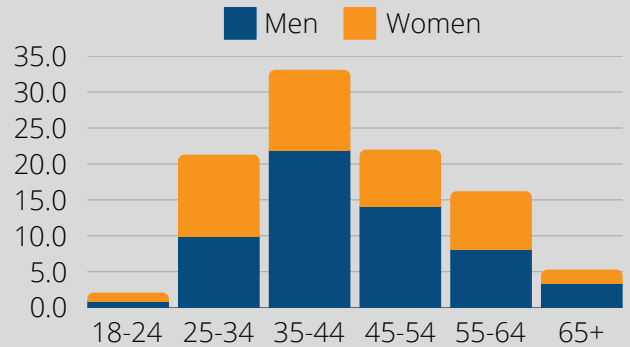
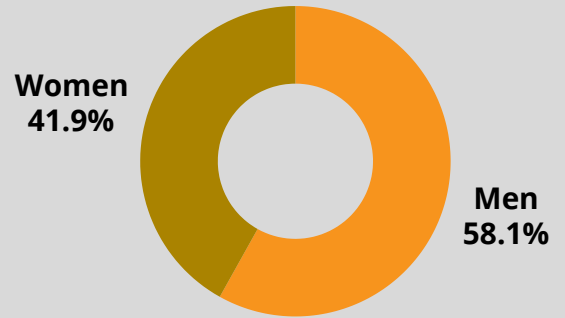
TOP DEMOGRAPHIC:

AGES 65+

WOMEN (22.5%) MEN (10%)

INSTAGRAM PAGE FOLLOWERS

626



TOP DEMOGRAPHIC:

AGES 35-44

WOMEN (11.3%) MEN (21.7%)

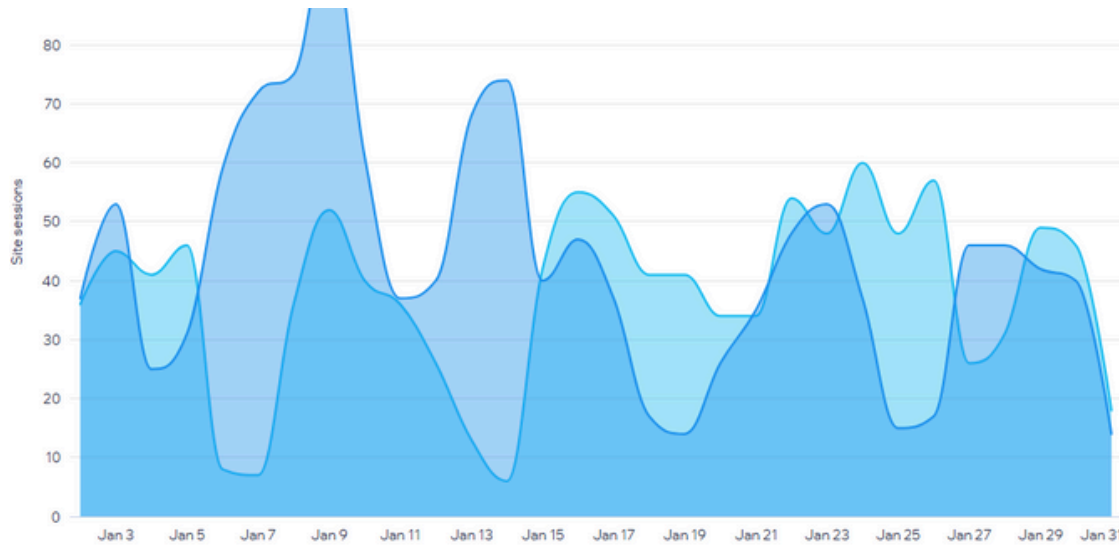
TOP CITIES (FACEBOOK)

- Los Angeles, CA 10.7%
- Santa Ana, CA 8.1%
- Orange, CA 5.2%
- Anaheim, CA 5%
- Long Beach, CA 4.1%

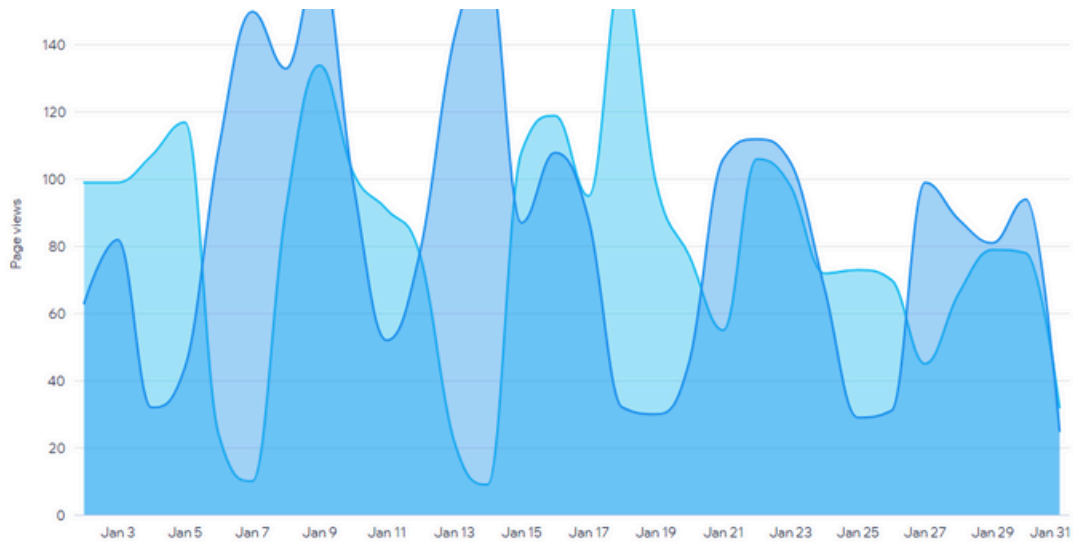
TOP CITIES (INSTAGRAM)

- Los Angeles, CA 3.2%
- San Diego, CA 2.7%
- Long Beach, CA 2.1%
- Anaheim, CA 2.1%
- Orange, CA 1.9%

TRAFFIC OVER TIME *1/1/25 - 1/31/25 v. 12/1/25 - 12/31/25*



PAGE VIEWS *1/1/25 - 1/31/25 v. 12/1/25 - 12/31/25*

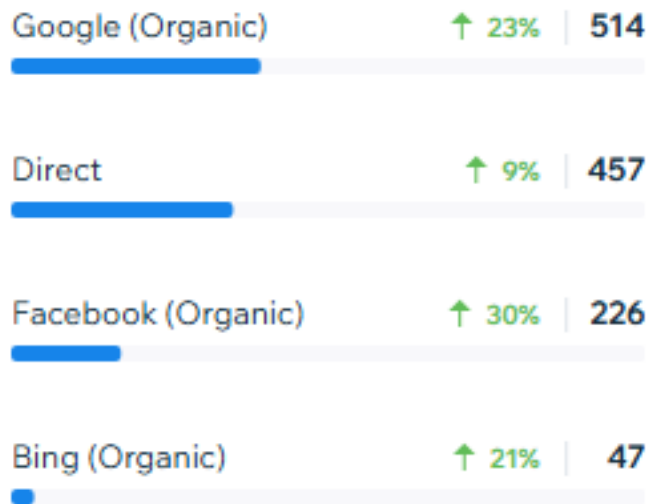


TRAFFIC BY TIME OF DAY

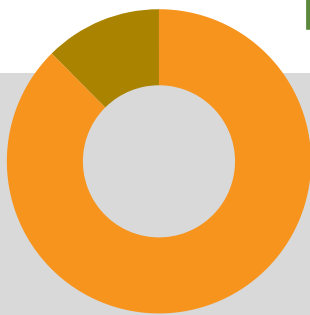
Best time of day to schedule: Wednesday (2:00pm)

| Day > | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|--------|--------|---------|-----------|----------|--------|----------|
| Hour ^ | | | | | | | |
| 00 am | 1 | 0 | 2 | 1 | 2 | 2 | 1 |
| 01 am | 0 | 1 | 1 | 2 | 1 | 2 | 1 |
| 02 am | 1 | 0 | 2 | 1 | 1 | 1 | 1 |
| 03 am | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| 04 am | 0 | 1 | 1 | 1 | 1 | 2 | 1 |
| 05 am | 1 | 1 | 3 | 1 | 2 | 1 | 1 |
| 06 am | 1 | 1 | 2 | 1 | 1 | 1 | 0 |
| 07 am | 1 | 2 | 3 | 2 | 2 | 1 | 1 |
| 08 am | 2 | 2 | 3 | 4 | 4 | 2 | 1 |
| 09 am | 1 | 4 | 3 | 3 | 4 | 3 | 1 |
| 10 am | 1 | 5 | 4 | 3 | 2 | 3 | 2 |
| 11 am | 1 | 3 | 4 | 3 | 4 | 4 | 1 |
| 12 pm | 2 | 2 | 5 | 3 | 4 | 3 | 2 |
| 01 pm | 2 | 6 | 5 | 3 | 4 | 3 | 2 |
| 02 pm | 2 | 4 | 3 | 6 | 4 | 4 | 1 |
| 03 pm | 1 | 4 | 2 | 3 | 3 | 4 | 1 |
| 04 pm | 1 | 4 | 6 | 3 | 4 | 3 | 1 |
| 05 pm | 2 | 2 | 3 | 2 | 4 | 2 | 2 |
| 06 pm | 1 | 2 | 4 | 2 | 2 | 2 | 1 |
| 07 pm | 1 | 1 | 2 | 3 | 2 | 2 | 2 |
| 08 pm | 2 | 4 | 2 | 1 | 2 | 2 | 2 |
| 09 pm | 1 | 1 | 2 | 1 | 1 | 1 | 3 |
| 10 pm | 2 | 1 | 1 | 3 | 3 | 1 | 1 |
| 11 pm | 1 | 2 | 2 | 1 | 2 | 2 | 1 |

TOP TRAFFIC SOURCES BY SESSIONS



Returning
125



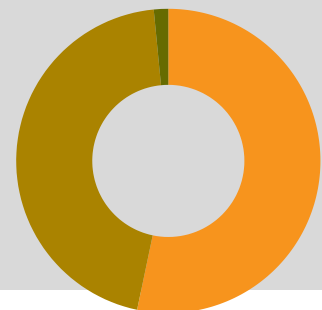
New
879

NEW VS. RETURNING VISITORS

1,004 UNIQUE VISITORS

1,306 SITE SESSIONS

Tablet
20



Mobile
590

Desktop
696

SESSIONS BY DEVICE

OVERVIEW

SITE SESSIONS

1,306

UNIQUE VISITORS

1,004

AVG. SESSION
DURATION

3M 24S



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: DIRECTOR'S REPORTS
DATE: FEBRUARY 20, 2025

Background

Board members represented the District at the following meetings in December 2024:

President Murdoch

| | |
|------|---------------------------------|
| 1/13 | ACWA R10 Midterm Board Meeting |
| 1/22 | EOCWD Special Board Meeting |
| 1/23 | EOCWD Regular Board Meeting |
| 1/28 | ACWA Region 10 Board Meeting |
| 1/30 | ACWA Board Workshop, Sacramento |
| 1/31 | ACWA Board Meeting, Sacramento |

Vice President Thoms

| | |
|------|--|
| 1/3 | Water Advisory Committee of Orange County (WACO) |
| 1/7 | ISDOC Executive Committee |
| 1/22 | EOCWD Special Board Meeting |
| 1/23 | EOCWD Regular Board Meeting |
| 1/29 | ISDOC Quarterly Luncheon |

Director Davert

| | |
|------|-----------------------------|
| 1/22 | EOCWD Special Board Meeting |
| 1/23 | EOCWD Regular Board Meeting |

Director Sears

| | |
|------|--|
| 1/3 | Water Advisory Committee of Orange County (WACO) |
| 1/22 | EOCWD Special Board Meeting |
| 1/23 | EOCWD Regular Board Meeting |
| 1/29 | ISDOC Quarterly Luncheon |

Recommendation

Informational.