

AGENDA

EAST ORANGE COUNTY WATER DISTRICT
(EOCWD)

Thursday, June 21, 2012

5:00 p.m.

1. **Call Meeting to Order and Pledge of Allegiance – President VanderWerff**
2. **Public Communications to the Board**
3. **Addition of Items Arising After Posting of Agenda Requiring Immediate Action**
(Requires 2/3 vote or unanimous vote if less than 2/3 of members are present)
4. **General Manager's Report (Exhibit "A")**

Recommended Motion: "THAT THE GENERAL MANAGER'S REPORT BE RECEIVED AND FILED"

5. **Approval of Minutes of May 17, 2012 Meeting (Exhibit "B")**
6. **Operation, Management and Construction Matters**

- A. "AlertOC" participation – 2012/2013 extension (Exhibit "C")

Recommended Motion: "THAT THE 'MOU BETWEEN THE COUNTY OF ORANGE AND PARTICIPANTS FOR USE OF COUNTYWIDE MASS NOTIFICATION SYSTEM' (EXTENDING TERM OF PARTICIPATION FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013) BE APPROVED AND THAT THE GENERAL MANAGER BE AUTHORIZED TO EXECUTE THE MOU ON BEHALF OF THE DISTRICT"

- B. Wholesale meter replacement program (Exhibit "D")

Recommended Motion: "THAT A CONTRACT FOR METER REPLACEMENT BE AWARDED TO GOLDEN METER SERVICES ON THE PROPOSAL SUBMITTED IN THE AMOUNT OF \$38,597.13"

- C. Part-time office assistant position (Exhibit "E")

Recommended Motion: "THAT THE CONTINUATION OF THE PART-TIME OFFICE ASSISTANT POSITION FOR THE PERIOD FROM JULY 1, 2012 THROUGH JUNE 30, 2013, AT AN ESTIMATED COST OF \$12,700, BE APPROVED"

- D. Water demand status report (Exhibit "F")

7. Financial Matters

- A. Approval of schedules of disbursements (Exhibit "G")

Recommended Motion: "THAT THE SCHEDULES OF DISBURSEMENTS BE APPROVED"

- B. Report on investments/ ratification of investment activity (Exhibit "H")

Recommended Motion: "THAT THE SCHEDULES OF INVESTMENTS BE RATIFIED AND APPROVED"

- C. Receipt and filing of financial statements (April 30) – (Exhibit "I")

Recommended Motion: "THAT THE FINANCIAL STATEMENTS BE RECEIVED AND FILED"

- D. Investment management (Exhibit "J")

- E. 2012-13 Budgets (Wholesale, Retail, and Retail Capital Projects) (Exhibit "K")

- (1) Presentation and committee report

- (2) Adoption

Recommended Motion: "THAT RESOLUTION NOS. ____ AND ____ BE ADOPTED, ENTITLED:

'RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ADOPTING OPERATING BUDGET AND MAKING DETERMINATION RELATIVE TO APPROPRIATIONS SUBJECT TO LIMITATION FOR 2012/2013 FISCAL YEAR (OVERALL DISTRICT);' and

RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ADOPTING OPERATING BUDGET AND MAKING DETERMINATION RELATIVE TO APPROPRIATIONS SUBJECT TO LIMITATION FOR 2012/2013 FISCAL YEAR (RETAIL ZONE)'"

- F. Adoption of wholesale and retail rates (Exhibit "L")

Recommended Motion: "THAT RESOLUTION NOS. ____ AND ____ BE ADOPTED, ENTITLED:

'RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ESTABLISHING RATES FOR SALE OF WATER ON A WHOLESALE BASIS WITHIN THE DISTRICT'"

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

8. Miscellaneous Matters

- A. Tablet computer policy and allowance – consider adoption of the following resolution (Exhibit "M")

Recommended Motion: "THAT RESOLUTION NO. ____ BE ADOPTED, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ADOPTING POLICY ON USE OF AND ALLOWANCES FOR TABLET COMPUTER DEVICES'"

- B. Annual water quality report (Exhibit "N")

Recommended Motion: "THAT THE ANNUAL WATER QUALITY REPORT BE RECEIVED AND FILED"

- C. Response to Grand Jury Report "Let There Be Light – Dragging Special Districts From the Shadows" (Exhibit "O")

Recommended Motion: "[PROVIDE COMMENTS AND DIRECTION TO STAFF ON RESPONSE]"

- D. June 2012 newsletter (Exhibit "P")

Recommended Motion: "THAT THE GENERAL MANAGER BE AUTHORIZED AND DIRECTED TO DISTRIBUTE THE NEWSLETTER AS PRESENTED"

- E. Reports from committees and representatives to organizations

- F. Directors' reports on meetings attended

9. Informational Items

10. Closed Sessions

- A. Closed session – conference with legal counsel – anticipated litigation – significant exposure to litigation (Government Code Section 54956.9(b)) (one potential case)

Open Session

Reconvene in open session and report or take action(s) (if any) regarding litigation items

11. Adjournment

The scheduled date of the next Regular Meeting of the Board of Directors is **July 19, 2012**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the East Orange County Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board are available for public inspection in the District's office, 185 N. McPherson Road, Orange, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available at the reception desk of the District Office during business hours at the same time as they are distributed to the Board members, except that if such writings are distributed less than one hour prior to, or during, the meeting, they will be available in the meeting room of the District Office.

Disability-related accommodations: The East Orange County Water District Board of Directors meeting room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.) please contact Denise Dobson 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 Denise Dobson in the District Office, at least seventy-two (72) hours prior to the scheduled meeting.

END

EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER'S REPORT

June 2012

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

GENERAL MATTERS

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

WHOLESALE ZONE

1) Peters Canyon Reservoir Inspection by Brady & Associates

On June 5, District staff met with two engineers from Brady & Associates who performed an interior inspection of Peter's Canyon reservoir. Staff filled the reservoir to capacity and the engineers performed their inspection via the small raft we maintain for this purpose. While they noted that the wood rafters and supports are in good condition, the galvanized steel fasteners have reacted with the aluminum roof and are showing signs of extensive corrosion. Additionally, Brady inspected the inside portion of the smaller vents on the block wall and has preliminarily determined that the smaller vents were cut into the wall after it was constructed, and the interior cuts were poorly performed resulting in rough areas and exposure of the porous material. Their initial view is that this is not a severe structural problem. A hydrostatic test was also conducted to determine if there are any leaks in the reservoir; no discernable loss of water was detected during the test.

2) Wholesale Zone Master Planning/Treatment Plant Feasibility Study

At their May 25th Meeting, the Engineering Committee authorized the General Manager to contract with Brady and Associates to study the options and costs for building a new treatment plant at the site of the 6 MG reservoir. The study includes developing a list of treatment options including costs for initial construction as well as long-term operations and maintenance, recommending a preferred option for additional study, a site layout for a preferred option, a hydraulic profile, identification of appurtenant facilities (power, sludge disposal) and a schedule for implementation. The not-to-exceed price for this work is \$4,550.

3) Daniger Road Storm Drain Project

The County's storm drain project consisted of installing approximately 200 feet of 18" reinforced concrete pipe and a new catch basin on Daniger Road between Coralwood Drive and Highcrest Circle. This project necessitated that some District facilities be lowered to avoid conflict with the new storm drain. The County's contractor performed this relocation work at the County's expense. The contractor, GCI Construction, completed the relocation of two – 1" service laterals and 1 hydrant lateral on Daniger Road. District staff provided the contractor with a new replacement fire hydrant assembly which was installed as part of the relocation work. Inspection was also performed by the District's superintendent. The entire project was completed on Friday, June 15, 2012.

RETAIL ZONE

1) District Information Technology Improvements

Staff reviewed with the Operations, Planning and Personnel Committee a proposal to install a joint server that will allow all of the District computers to jointly share information, printers and store data on one common drive. Currently, staff cannot easily share or access data, nor can we store large amounts of pictures or other memory intensive information because it would take up too much of one individual's storage and/or memory. Staff is proposing to spend approximately \$3,600 plus installation and set-up costs to install the server. Additionally, the Office Manager's printer – which is used to print up the water bills – has broken and cannot be repaired. Staff is proposing to purchase a used printer that can print faster and can print 11" x 17" documents for \$850.

2) Well Operations

The East and West Wells are not being operated at this time due to In-Lieu Operations.

2) System Leaks

None to report.

3) Operational Activities

- RZ meter reading
- RZ door tags for shutoff – 63
- RZ shutoffs - 5
- Cleaned, prepped and painted East Well
- Requested quotes on magnetic flow meters
- Requested quotes on manual transfer switches
- Requested quotes on portable generators
- Researched California Air Resources Control Board requirements for portable generators
- Sold 1983 GMC Dump Truck
- Cleaned out valves cans and exercised valves in Peter's Canyon Park
- Inspection by staff of 6 Peter's Canyon Reservoir - interior
- Isolated Peter's Canyon Reservoir for leak test conducted by Brady & Associates
- Removed spoils and cleaned up Newport Reservoir site
- Weed abatement and cleanup at Peter's Canyon Reservoir
- Removed spoils and performed cleanup at McPherson Yard
- Cleanup at Andres Reservoir site
- Began installing and painting of new wood panels on east end of Peter's Canyon Reservoir
- Exercised valves on Daniger Road, Coralwood Drive, Highcrest Circle, El Roy Drive
- Cleaned out meter boxes on Daniger Road and Highcrest Circle
- Performed test shutdown on Daniger Road for relocation work
- Inspected relocation work on Daniger Road
- Flushed mainline and collected water quality sample on Daniger Road
- Assembled extension on new hydrant assembly for Daniger Road
- Painted rust areas on 2008 dump truck bed and 2005 service truck crane

- Inventoried Peter's Canyon security equipment
- Revised Wholesale Routine Bacteriological Sampling Plan
- Revised Wholesale Stage II Disinfection Byproduct Monitoring Plan
- Met with CDPH for Annual Sanitary Survey of Retail and Wholesale systems
- Spoke to Gicon Pump and Equipment regarding pump station
- Collected fire extinguishers for annual service
- Attended meeting at IRWD to discuss Baker Treatment Plant
- Met with Dave Pedersen and AJ Kalani of IRWD to visit and discuss 6 MG reservoir
- Marked USA on Foothill Blvd for 6" waterline to Foothill vault
- Work order – water quality complaint at 13272 Orange Knoll – issue with customer filtration system
- Work order – customer leak at 12241 Mystic Lane – customer shutoff valve leaking near garage – poor condition.
- Work order – angle meter stop replacement at 12742 Charmaine.
- Work order – final read at 19021 Fairhaven Extension
- Work order – shutoff/turn on at 12251 Vista Panorama
- Work order – met with customer at 12278 to identify service lines in backyard
- Sent water quality analyzer in for calibration and service
- Picked up Consumer Confidence Reports from printer
- Met with County inspector and asphalt contractor regarding repair on Crawford Canyon Rd.
- Picked up revised maps for Stage II Disinfection Byproduct monitoring from PSOMAS

Daily Tasks

- Attend daily staff meeting with General Manager (Superintendent only)
- Performed well rounds and reservoir rounds
- Performed general administrative, clerical and supervisory tasks
- Obtain price quotes for miscellaneous parts
- Picked up parts from various vendors, Home Depot
- Review incoming USA tickets to verify if there is a conflict.

Weekly Tasks

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

Monthly Tasks

- Attend monthly staff meeting with General Manager (all employees)
- Attend committee meetings – Operations and Engineering (Superintendent)
- Prepared monthly CDPH water quality reports
- Prepared monthly CRWQCB report for well discharge

- Performed dead-end flushing
- Read WZ meters
- Check WZ meter data; assist with preparation of WZ Billing
- Delivered Board agenda packages
- Participated in WEROC radio test

MISCELLANEOUS ITEMS

1) Meetings

District Board Members and/or Staff attended the following meetings: May 22nd Ad-Hoc Consolidation/Shared Services Committee Meeting with Serrano Water District; May 25th MWDOC Managers Meeting; May 26th Engineering Committee Meeting; May 31st ISDOC Meeting; June 4th Finance Committee Meeting; June 5th Ad-Hoc Investment Committee Meeting; May 12th Operations, Planning & Personnel Committee Meeting; June 14th ISDOC/CSDA Meeting on Grand Jury Report.

A. Ad Hoc Consolidation/Shared Services Committee Meeting (May 22, 2012)

Meeting Summary: Committee Members reviewed the performance of the shared services program between the two agencies. EOCWD complimented Serrano staff, particularly Finance Director Ann Michels for her efforts to accommodate the District when we have staffing absences on short notice and have requested our shared Accountant to fill in. We noted that we haven't required assistance from Serrano field services as we have had a full crew and stable operations over the past year. Serrano noted that they have been working on their treatment plant upgrade and expect to have it operational this Fall. Both parties agreed to continue to look for opportunities to share staff and knowledge.

B. MWDOC Managers Meeting (May 25, 2012)

Manager's Meeting Summary: 1) OC LAFCO and the Grand Jury Report – Joyce Crosthwaite and Joe Serrano from LAFCO were present to comment about the April 21st Grand Jury Report which recommended all Orange County special district be either absorbed by nearby cities or the County, or consolidated to create six regional water agencies. Ms. Crosthwaite noted that the LAFCO Board had requested that staff prepare a report indicating their dismay that very few of the comments and information they supplied to the Grand Jury made it into the report. 2) SAWPA Proposition 84 Project Criteria – Mesa Water was thanked and congratulated for their successful effort to mount a regional campaign to dissuade SAWPA from requiring an agency to have water budget based rates in order to qualify for grant funds. 3) Final Draft MWDOC 2012/13 Budget – Review of the final draft and request that all agencies submit their "Choice" Budget commitments. 4) WEROC – AlertOC – The County is requesting that agencies process a one-year extension to the memorandum of understanding for the Alert OC mass notification system; also WEROC representatives reviewed scripted messages that have been prepared in advance of need in the event of an emergency. 5) Bay/Delta Plan Update – The Sixth draft of the Delta Stewardship Council's Delta Plan was released for review and comment – the Plan was supposed to be adopted in June but no expectation for this anytime soon. All issues appear to be on hold until after the November election and the vote on the Governor's tax increase.

C. Engineering Committee Meeting (April 25, 2012)

Meeting Summary: 1) 6 MG Reservoir – Engineers from Brady are due out on June 5th to inspect the interior of the reservoir; discussion was also held about the potential for a treatment plant at the site, the Committee authorized Brady proceeding with a limited study to assess the potential cost; 2) View Ridge Drive Update – the Committee will be meeting with Supervisor Campbell on June 20th to discuss the issue; 3) OPA/IRWD Wells – staff reviewed the comment letter we submitted on IRWD's revised IS/MND; 4) Second Lower Cross Feeder Project – staff reviewed the project and is recommending that the District not participate in the proposed MWDOC-sponsored engineering studies; the costs appear to be very high and the potential for failure during an earthquake could be significant; 5) WZ and RZ Hydraulic Model – the Committee authorized retaining ID Modeling to provide QA/QC services for the model at a not-to-exceed cost of \$9,880.

D. ISDOC Meeting (May 31, 2012)

Meeting Summary: Director Dulebohn and General Manager Ohlund attended the quarterly ISDOC Meeting that featured a candidates forum for the California Special District's Association Region 6 Candidates and an update on the State Primary Election from former Senator Dick Ackerman. The Candidates Forum was very well done, featuring three candidates from the Orange and San Diego County area. Senator Ackerman provided a very interesting behind-the-scenes update on the upcoming primary which would be the first one that will allow open voting for any candidate regardless of voter party registration.

E. Finance Committee Meeting (June 4, 2012)

Meeting Summary: The Committee reviewed the proposed FY 2012/13 Wholesale Zone and Retail Zone Operating and Capital Budgets in-depth. Director Dulebohn requested that funding be included for membership in CSDA as a placeholder, and that this issue be brought to the Board for discussion and a determination in the near future; Director Chapman agreed to include the funding with the understanding that the Board would make the decision on joining.

F. Ad Hoc Investment Committee Meeting (June 5, 2012)

Meeting Summary: The Committee reviewed information supplied by Shawn Dewayne from OCWD's counsel in response to our question about conflicts of interest; OCWD counsel indicated that unless there is a specific issue affecting the District that comes before their Board, he didn't see any conflicts. The next steps were to review the requirements for setting up an account with EOCWD counsel to determine if there were any issues or concerns; the goal was to bring the paperwork to the June Board Meeting to open up an account and begin using Mr. Dewayne for investment assistance.

G. Operations, Planning, & Personnel Committee Meeting (April 10, 2012)

Meeting Summary: 1) Grand Jury Report – staff had not yet finished the draft response, but requested that it be placed on the agenda for the Board Meeting for an initial discussion – the response is not due until July 21st; 2) WZ & RZ Metering Changes/Improvements – staff updated the Committee on plans to change out the

meters from propeller to magnetic and that we are looking at meters that could contained automatic meter reading capability, because changes were going to be coming to the RZ meter reading equipment that may make it desirable to consider moving toward this technology; 3) Daniger Road Project – the project was nearing completion and had been done well with no problems encountered. 4) WZ Projects – Staff and Brady met with representatives of IRWD to review their proposed Baker Treatment Plant; IRWD was very helpful and has offered to share information on their planning and cost development; updates were also provided on the 6 MG roof study; 5) Request for Continuance of Part-Time Clerical Services – staff requested the ability to keep the part-time clerical assistance provided by Nicole Hoppe at 20 hours per week for the next fiscal year; the Committee agreed; 6) FY 2012/13 Budget – the WZ and RZ Budget were reviewed with the Committee; 7) District IT Improvements – staff requested the ability to purchase and install a server to link all computers to share, store and backup all computers together; 8) Alert OC Renewal – the MOU for this mass notification system expires on June 30th, the County is proposing a one-year renewal; 9) Operations Status – still taking In-Lieu; we are scheduling pressure testing to collect data for use in the hydraulic model; Committee was briefed on the SEMS system and capabilities.

H. ISDOC/CSDA Meeting on the Grand Jury Report (June 14, 2012)

Meeting Summary: President VanderWerff and General Manager Ohlund attended this workshop to discuss the Grand Jury Report. A former Grand Jury Foreman, Carlos Olvera spoke about how the Grand Jury is formed and how they pick the subjects that they are going to study; he noted that they undergo extensive training and typically consult with the subjects of their study – he didn't know why they didn't do that this time. Joyce Crosthwaite spoke about LAFCO's meetings with the Grand Jury and their dismay that the Grand Jury referenced very little of what they spoke about. A panel discussion was held; Vikki Beatley spoke regarding the errors in the financial points of the report; Scott Carrol of Mesa Sanitary spoke about the rebuttal that he submitted and a survey they had coincidentally just had conducted that indicated their constituents hold special districts in high regard. Kyle Packham of CSDA spoke about how legislators were successful getting rid of Redevelopment Agencies and he feels that special districts are next unless we do a better job of communicating our value to them.

Water Availability Request

One request for water availibilty was submitted for Hillview Highschool which is located in and served by the City of Tustin. Russ Hulse of AECOM ran the hydraulic model which indicated the hydrant at this location met the fire flow requirements.

END

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

April 19, 2012

1. **Call to Order.** A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by WILLIAM VANDERWERFF, President of the Board of Directors, at 5:00 p.m. on Thursday, April 19, 2012, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JOAN ARNESON, Secretary, recorded the minutes of the meeting.

The following Directors were present: RICHARD BARRETT, RICHARD BELL, DOUGLAS CHAPMAN, JOHN DULEBOHN and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel
JOSEPH REICHENBERGER	Loyola Marymount University
MEGAN TROTT, KARA DROZ, MICHAEL HARMON	Loyola Marymount University engineering students

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

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

4. **General Manager's Report.** President VANDERWERFF asked that staff urge the County to complete the Newport-Crawford Canyon work before the next rainy season. Director DULEBOHN requested elaboration on the reported Foothill High School connection fees, and Ms. OHLUND responded that the connection relates to an adjacent alternative school facility.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the General Manager's Report was received and filed.

5. Minutes.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the minutes of the meeting of March 15, 2012, were approved as corrected.

6. Operation, Management and Construction Matters.

B. Irvine Ranch Water District Orange Park Acres Wells Mitigated Negative Declaration/Joint Well. The Ad-Hoc Well Committee (President VANDERWERFF and Director BELL) and Ms. OHLUND reported on the recent meeting with IRWD, and said good progress was being made. Ms. OHLUND said the concept being discussed was an umbrella agreement for joint projects, with an individual agreement for each project. She added that the IRWD well project would have a pumping capacity limitation and that the yield would be governed by an existing agreement between IRWD and the City of Orange. Director DULEBOHN asked about coverage of other supply sources for the developments served by the IRWD well. Ms. OHLUND responded that such sources would be within the intended scope of the umbrella agreement to cover other joint projects. Director BARRETT asked what transmission mains will be needed in connection with the joint well. Ms. OHLUND said that will depend on the location and described the potential mains.

C. Water Demand Status Report. Ms. OHLUND said the report was in line with March demands from prior years. Director CHAPMAN noted Orange's lack of demand. Ms. OHLUND said Orange as well as IRWD have indicated their interest in having their connections be emergency-only, and she will bring the system implications to the Engineering Committee and the financial implications to the Finance Committee. Ms. OHLUND said that the retail demand is in line with projections and staff is looking at whether the full amount of the second approved rate increase step will be needed this June.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$156,569.27 from Wholesale and Retail Operating Funds, \$0 from the Chapman Avenue Account, \$1,748.20 for directors' payroll, and \$34,571.09 for employees' payroll. On behalf of the Finance Committee, Director CHAPMAN recommended approval.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the schedules of disbursements were approved as submitted.

B. Investment Activity. On behalf of the Finance Committee, Director CHAPMAN said there was no unusual activity and recommended approval of the investment schedules.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the schedules of investments were ratified and approved.

C. Financial Statements (February 29). Ms. OHLUND noted the pages showing explanations in regard to under and over-budget items. On behalf of the Finance Committee, Director CHAPMAN recommended receipt and filing of the financial statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the financial statements were received and filed.

D. Morgan Stanley Account Signature Authorization. Director BARRETT noted that Morgan Stanley's requested authorization was inconsistent with the District's policy requiring two Directors' signatures, and Director BELL added that the requested authorization also allows instruction by any authorized person. It was suggested that Ms. OHLUND submit modifications to the requested instructions consistent with the District standard signature authorization resolution.

8. Miscellaneous Matters.

A. Transition of ACWA Health Benefits Authority (HBA) to ACWA Joint Powers Insurance Authority (JPIA). Ms. OHLUND said based on concerns at ACWA with the ongoing operations of HBA, a decision was made to merge it with JPIA, to reduce costs and improve operations. This requires the HBA members' ratification of the termination of the HBA agreement.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 702 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Consenting To Join the Health Benefits Program of the ACWA Joint Powers Insurance Authority, Ratifying the Action of the ACWA Health Benefits Authority Board Of Directors To Terminate the Health Benefits Authority Joint Powers Agreement, and Authorizing and Directing the General Manager To Execute All Necessary Documents"

B. Paperless Agendas/ Replacement Devices for Agenda Packages. Ms. OHLUND said that staff has examined software, equipment and training needs and is ready to recommend moving forward. Discussion followed as to the accessibility of information. Ms. ARNESON said that legal guidance in this area hasn't been fully developed for agency-owned or personally-owned tablet devices. Ms. OHLUND added that it was important to be diligent in keeping personal and District information separate. Director CHAPMAN said it would be his preference to obtain his own tablet device. The use of an allowance was discussed and staff was requested to see how other agencies have handled this. President VANDERWERFF

proposed that the transition be taken under consideration. Director DULEBOHN said it appeared staff had completed the necessary investigation and a decision should be made. It was the consensus that staff proceed with implementation of paperless agendas.

6. Operation, Management and Construction Matters.

A. Loyola Marymount University Presentation of Hydraulic Model. Ms. OHLUND introduced Dr. JOSEPH REICHENBERGER, with his senior civil engineering students MEGAN TROTT, KARA DROZ and MICHAEL HARMON, who had developed hydraulic models of the District's retail and wholesale systems as their project. They presented their work, including definition of objectives, selection of methods, data collection and inputs, and model simulation of various facilities' operations. They provided brief demonstrations of the retail and wholesale models using different demand scenarios. The Board and Ms. OHLUND commended the Loyola team and expressed the District's appreciation for their efforts on this project.

8. Miscellaneous Matters. (cont'd)

C. Report on MWDOC Public Policy and Ethics Workshop. Ms. OHLUND reported on the workshop. She added that the Board members' ethics training is needed this year for the current two-year cycle, and noted an upcoming training session in Vista.

D. Report on municipal bond and debt financing workshop. Ms. OHLUND reported on the recent WACO seminar. She said the District is now debt-free, but added that debt strategies may have advantages to consider in the current low-rate environment.

E. MWDOC Board and Member Agency Elected Official Forum. Ms. OHLUND said previously Director CHAPMAN was designated to attend in President VANDERWERFF's absence, but both are interested in attending the forums.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, President VanderWerff and Vice President Chapman were appointed as the District's representatives to attend the semi-annual MWDOC elected official forums.

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

G. Directors' Reports on Meetings Attended. None.

9. Informational Items. No discussion.

10. Closed Sessions. President VANDERWERFF announced that the Board would meet in the following closed session as listed in the agenda: **(A)** conference with legal counsel – anticipated litigation – significant exposure to litigation (Government Code Section 54956.9(b)) (one potential case).

OPEN SESSION

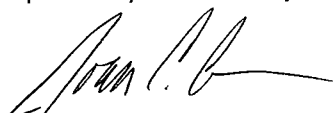
Open session was resumed. No action was reported from the closed session.

11. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 7:45 p.m., the next regular meeting date and time being Thursday, May 17, 2012, at 5:00 p.m., to be held in the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joan C. Arneson", written over a horizontal line.

Joan C. Arneson

END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: ALERTOC – EXTENSION OF CONTRACT FOR MASS NOTIFICATION SYSTEM SERVICES WITH THE COUNTY OF ORANGE
DATE: JUNE 15, 2012

Background

At the August 19, 2010 Meeting, the Board approved the District's participation in AlertOC, the County of Orange's mass notification system – commonly referred to as "Reverse 911."

AlertOC contains several components that when combined allows public safety officials to communicate more effectively with the public, including:

- Mass notification system
- Geographic maps (allowing for the notification of residents by specific GIS mapped areas; for example by pressure zone)
- Regional public awareness and education.

Specific to water agencies, events that might require a water agency to notify our customers include: Emergency Water Conservation, Boil Water, Do not Drink, Do not Use, Water Unavailable for Extended Period, and Event All Clear. This system includes the ability to notify residents and businesses of multiple cities and/or unincorporated areas.

Thankfully, we have not needed to use this service, however, in the event of an emergency, AlertOC provides a swift and easy method of mass notification so that we could quickly warn our constituency.

The current Memorandum will expire on June 30, 2012. The County has provided a one year extension to the contract, again at no cost.

Recommendation

The Board authorize the General Manager to sign the Memorandum of Understanding between the County of Orange and the District for use of Alert OC.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COUNTY OF ORANGE
AND
PARTICIPANTS
FOR USE OF COUNTYWIDE MASS NOTIFICATION SYSTEM**

This Memorandum of Understanding, hereinafter referred to as “MOU,” dated _____, which date is stated for purposes of reference only, is entered into by and between the County of Orange, a political subdivision of the State of California, hereinafter referred to as “COUNTY,” and the undersigned municipalities, public universities and water agencies responsible for protecting a resident population and maintaining a dedicated public safety answering point (PSAP) within the County of Orange, hereinafter referred to individually as “PARTICIPANT” or collectively as “PARTICIPANTS.”

This MOU is intended to establish governance and terms of use for a Countywide Public Mass Notification System.

RECITALS

WHEREAS, COUNTY is sponsoring a Countywide Public Mass Notification System (“System”) for the primary intent of providing timely communication to the public during times of emergency; and

WHEREAS, the County is making use of the System available to all cities and agencies within the County of Orange who have the responsibility for protecting a resident population and maintaining a dedicated public safety answering point (PSAP); and

WHEREAS, COUNTY entered into Orange County Agreement No. N1000009880 (“Agreement”) with NTI Group, Inc. (now Blackboard Connect, Inc.), for the provision of Public Mass Notification System Services, on or about May 6, 2008 and subsequently amended, attached hereto as Exhibit A, to disseminate critical, time-sensitive emergency information to COUNTY’s citizens and businesses through phone and e-mail devices for emergency notification purposes; and

WHEREAS, Blackboard Connect, Inc. agrees to provide to PARTICIPANTS the services agreed to by Blackboard Connect, Inc. and COUNTY as contained under the Agreement in exchange for abiding by the terms set forth in this MOU; and

WHEREAS, PARTICIPANTS agree to uphold the same terms and conditions of the Agreement, to use the System in compliance with all usage agreements identified and incorporated herein as Exhibit A (Orange County Agreement No. N1000009880), Exhibit B (Countywide Public Mass Notification System Policy and Guideline) and Exhibit C (Nondisclosure Document), and the terms of this MOU to receive the benefits under the Agreement.

NOW, THEREFORE, the parties agree as follows:

I. Definitions:

“Agreement” shall refer to Orange County Agreement No. N1000009880 between COUNTY and Blackboard Connect, Inc. The Agreement is attached to this MOU as Exhibit A.

“Countywide” shall mean all geographic locations in Orange County, California.

“Contact information” shall mean PARTICIPANT and public contact data stored in the System for the purpose of disseminating communication in accordance with this MOU and its Exhibits.

“Emergency” shall include, but not be limited to, instances of fire, flood, storm, epidemic, riots, or disease that threaten the safety and welfare of the citizens and property located within the boundaries of the COUNTY and PARTICIPANTS’ respective jurisdictions.

“Emergency information” shall mean information relevant to the safety and welfare of recipients in the event of an Emergency. Such information shall include but not be limited to instructions and directions to alleviate or avoid the impact of an emergency.

“Emergency notification situation” shall mean instances when emergency information is to be distributed through the System.

“Non-emergency information” shall refer to information that is not relevant to the safety and welfare of recipients, but has been deemed to be of significant importance to a PARTICIPANT’s jurisdiction to justify the use of the System to distribute such information.

“Non-emergency notification situation” shall mean instances when a PARTICIPANT deems non-emergency information to be of significance to a PARTICIPANT’S jurisdiction and the PARTICIPANT uses the System to distribute such information.

“System” shall mean the Public Mass Notification System as provided by Blackboard Connect, Inc. to COUNTY under the Agreement. The System is designed to disseminate information by utilizing common communications, i.e. telephone and e-mail communications to citizens and businesses as permitted under the Agreement.

II. Hold Harmless: PARTICIPANT will defend, indemnify and save harmless COUNTY, its elected officials, officers, agents, employees, volunteers and those special districts and agencies which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITIES") from and against any and all claims, demands, losses, damages, expenses or liabilities of any kind or nature which COUNTY, its officers,

agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damages to property as a result of, or arising out of the acts, errors or omissions of PARTICIPANT, its officers, agents, employees, subtenants, invitees, or licensees. COUNTY will defend, indemnify and save harmless PARTICIPANT, its officers, agents, employees and volunteers from and against any and all claims, demands, losses, damages, expenses or liabilities of any kind or nature which PARTICIPANT, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damages to property as a result of, or arising out of the acts, errors or omissions of COUNTY, its officers, agents, employees, subtenants, invitees, or licensees.

- III. **Term:** This MOU shall be in effect from July 1, 2012 and shall expire on June 30, 2013, unless COUNTY funding of the System becomes unavailable at which time PARTICIPANTS will be given six-month advance notice per the termination terms found in Paragraph IX. Termination, below.
- IV. **Scope of Services:** PARTICIPANTS shall receive from Blackboard Connect, Inc. the same services provided by Blackboard Connect, Inc. to the COUNTY under the Agreement. COUNTY's involvement in this MOU is limited only to extending the availability of the terms and conditions of the Agreement to the PARTICIPANTS. PARTICIPANTS and Blackboard Connect, Inc. acknowledge and agree that any actions taken by Blackboard Connect, Inc. or any PARTICIPANT under the scope of the Agreement and this MOU are the responsibility of Blackboard Connect, Inc. and the respective PARTICIPANT.
- V. **Use:** Use of the System and its data, including but not limited to contact information, is governed by the terms, conditions and restrictions set forth in the terms provided in Exhibit A, B and C. All PARTICIPANTS agree to the terms and conditions contained in Exhibits A, B, and C. COUNTY retains the right to update Exhibits A, B, and C as needed, in whole or in part, during the life of this MOU. Any and all revised Exhibits will be distributed to PARTICIPANTS within five business days of the revision date and shall be incorporated into this MOU. Such modifications to the Exhibits shall not be deemed an amendment for the purposes of Paragraph X. Amendments, below.

PARTICIPANT, including each of its agents, officers, employees, and representatives who are given access to the System, agrees to abide by the individual terms of each agreement and the additional conditions incorporated herein. Breach of use may result in individual user or PARTICIPANT access account termination.

The scope of services under the Agreement is limited to using the System to distribute business communication to PARTICIPANT inter-departmental resources and/or emergency information to the public in emergency notification situations.

PARTICIPANTS may arrange for the use of the System with Blackboard Connect, Inc. to distribute non-emergency information. However, any agreement reached between Blackboard Connect, Inc. and any PARTICIPANT for the use of the System for non-

emergency notification situations shall exist only between Blackboard Connect, Inc. and the PARTICIPANT. In accordance with Paragraph II. Hold Harmless, above, COUNTY shall be held harmless and indemnified by the PARTICIPANTS and Blackboard Connect, Inc. from any actions whatsoever arising from any PARTICIPANT's use of the System for non-emergency services.

All PARTICIPANTS have read and accept the terms and conditions found in COUNTY's "Countywide Public Mass Notification System Policy and Guideline (June 30, 2008)", attached hereto as Exhibit B.

- VI. Compensation:** All compensation owed by PARTICIPANTS to Blackboard Connect, Inc. shall be made between PARTICIPANTS and Blackboard Connect, Inc.
- VII. Notice:** Any notice or notices required or permitted to be given pursuant to this MOU shall be submitted in writing and delivered in person, via electronic mail or via United States mail as follows:

COUNTY:

County of Orange – Sheriff-Coroner Department
Emergency Management Bureau
Attn: Donna Boston / Emergency Management
2644 Santiago Canyon Road
Silverado, CA 92676

PARTICIPANTS: Each PARTICIPANT shall provide to COUNTY a contact person and notice information upon entering into this MOU.

Notice shall be considered tendered at the time it is received by the intended recipient.

- VIII. Confidentiality:** Each party agrees to maintain the confidentiality of all related records and information of the other party pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this MOU. All information and use of the System shall be in compliance with California Public Utilities Code section 2872.
- IX. Termination:** The COUNTY or any PARTICIPANT may terminate its participation in this MOU at any time for any reason whatsoever. If any PARTICIPANT chooses to terminate its participation in this MOU, the terminating PARTICIPANT shall provide written notification in accordance with Paragraph VII. Notice, above. Such notice shall be delivered to the COUNTY 30 days prior to the determined termination date. A terminating PARTICIPANT shall uphold the obligations contained in Paragraph II. Hold Harmless in its entirety and Paragraph VIII. Confidentiality, above. Upon termination, PARTICIPANT agrees to inform each PARTICIPANT user to stop using the System and to relinquish all System access, user accounts, passwords and non-PARTICIPANT data to COUNTY immediately. PARTICIPANT may choose to delete and/or export non-public PARTICIPANT (aka inter-departmental) owned contact information, as well as,

export resident provided contact information prior to termination. Resident provided contact information acquired through PARTICIPANT sources shall remain in the System and available to the County for regional or multi-jurisdictional notification use as needed.

Should COUNTY discontinue its funding for the System, which shall be grounds for COUNTY's termination of its participation, COUNTY shall give PARTICIPANTS six-month advance courtesy notice prior to terminating the Agreement. All other reasons for terminating by COUNTY shall be valid upon providing notice to the PARTICIPANTS. Upon termination by COUNTY, this MOU shall no longer be in effect.

Termination by a PARTICIPANT shall not be deemed an amendment to this MOU as defined in Paragraph X. Amendments, below.

- X. Amendments:** This MOU may be amended only by mutual written consent of the parties involved unless otherwise provided for in this MOU. The modifications shall have no force and effect unless such modifications are in writing and signed by an authorized representative of each party. Termination by a PARTICIPANT or adding a new PARTICIPANT to this MOU shall not be deemed an amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized representatives as of the dates opposite the signatures.

COUNTY OF ORANGE

By: _____ Date: _____
Sandra Hutchens, Sheriff-Coroner
County of Orange

PARTICIPANT: _____

By: _____ Date: _____
Authorized Signature

Print Name and Title

END

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: WHOLESALE ZONE METER REPLACEMENT
DATE: JUNE 15, 2012

Background

The Wholesale Zone currently has 19 production meters – 15 are for retail agency connections, 1 is an emergency connection to the retail zone, and 3 are tracking meters (Newport Intertie meter, Newport Control Valve meter, and Ethelbee Vault OC-48 meter). The Cox Communication meter is not being counted due to the size and type of connection. As you know, the Wholesale Zone system has experienced various amount of water loss over the years. With water becoming more scarce and expensive, it has become more important than ever to reduce the amount of “unaccounted for” water.

When most of these meters were originally installed, propeller meters were the most commonly available and the most appropriate application. The meters range in size from 6 inch to 20 inch. Over the course of the last five years, District staff has begun changing out these meters from propeller to magnetic flow (MF). The benefit of installing MF meters is the accuracy with which they can measure very low and high flow rates. In comparison, the accuracy of a propeller meter is plus or minus 2% whereas an MF meter's accuracy is .05%. The downside is that the magnetic flow meter requires a constant power supply. Fortunately, almost all of the meter locations have accessible power except for OPA which is no longer an active connection. Uninterruptible power supplies are installed with the meter to address power supply loss issues.

So far staff has installed 6 MF meters in the Wholesale Zone system and is proposing to install 9 more. These new locations are at the Prospect, Hewes, Foothill, Foxrun, Lemon Heights, Cowan Heights, Skyline, Newport Intertie, and the outlet of the Peter's Canyon 6(6 MG) Reservoir.

After considering accuracy, durability, installation issues, automated meter reading (AMR) ability and local support of several different MF meters, staff determined that McCrometer Ultra Mag offered met both the accuracy and durability standards, but also offered the advantage that they can be customer ordered in length which avoids costly repiping. They also use software that is user friendly and there is also strong local technical support.

Another benefit with this meter is that it offers data recording of flow rates and totals. In a related issue, we learned last month that our hand held meter reading devices that were purchased in 2007, will no longer be supported by the manufacturer, Northrup Grumman, after 2013. Because of this, we will need new meter reading devices and with the advances that have been made in lowering the cost of AMR, we wanted to purchase equipment that we can use to phase in AMR in both the WZ and RZ – the McCrometer meters offer that ability.

Staff solicited bids from three companies (see attached bids):

2

Golden Meter Services	\$38,597.13
McCall's Meter Sales	\$40,915.95
Measurement Control Systems	\$41,725.15

Golden Meter Services provided the lowest price quote for the 9 meters at \$38,597.13. Staff had budget \$50,000 for this purchase in the WZ Capital Improvement Budget.

Recommendation

The Board award a contract in the amount of \$38,597.13 to Golden Meter Services.



Golden Meters Service Inc.

14812 Hunter Lane
Midway City, CA 92655

Phone # 714-450-5929

GoldenMetersService@gmail.com

Estimate

Date	Estimate #
6/15/2012	34Q

Name / Address
East Orange County Water District 185 N McPherson Road Orange, CA 92869

			Project
Description	Qty	Rate	Total
6" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, W/ANSI 150 FLANGES SPECIAL LAYING LENGTH: 21 7/8"	1	3,176.20	3,176.20T
6" ULTRAMAG, ELECTROMAGNETIC FLOWMETER, 150 PSI SPECIAL LAYING LENGTH: 21 7/8"	1	2,995.75	2,995.75T
6" ULTRAMAG, ELECTROMAGNETIC FLOWMETER, 150 PSI SPECIAL LAYING LENGTH: 21 3/4"	4	2,995.75	11,983.00T
14" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, 150 PSI SPECIAL LAYING LENGTH 39 3/8" W/2ea Grounding Rings	1	5,743.70	5,743.70T
10" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, 150 PSI SPECIAL LAYING LENGTH: 28"		4,275.75	4,275.75T
20" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, 150 PSI LENGTH: 25.6" W/2ea Grounding Rings		6,896.60	6,896.60T
ALL WITH REMOTE MOUNT CONVERTERS, 50ft CABLE, 120VAC			
INSPECTION, CALIBRATION VERIFICATION IF REQUIRED		750.00	750.00
Freight Estimate		750.00	750.00T
DELIVERY: 6-8 WEEKS			
Sales Tax		7.75%	2,776.13
Thank you for your inquiry, Manny.		Total	\$39,347.13 \$38,597.13

McCALL'S METER SALES & SERVICE

1498 MESA VIEW STREET
HEMET, CA 92543
PH: 951-654-3799
FAX: 951-654-3991

QUOTATION

DATE	ESTIMATE #
6/15/2012	14961E

CUSTOMER							
EAST ORANGE COUNTY WATER DISTRICT 185 N. McPHERSON ROAD ORANGE, CA 92869							
					TERMS	REP	FOB
					Net 30	DLB	ORIGIN
QTY	ITEM	DESCRIPTION	COST	TOTAL			
1	UM06A-06-R	6" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, W/ANSI 150 FLANGES Special Lay Length 21 7/8"	3,397.00	3,397.00T			
1	UM06-06-R	6" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, 150 PSI Special Lay Length 21 7/8"	3,204.00	3,204.00T			
4	UM06-06-R	6" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, 150 PSI Special Lay Length 21 3/4"	3,204.00	12,816.00T			
1	UM06-14-R	14" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, 150 PSI Special Lay Length 39 3/8" w/2ea Grounding Rings	6,143.00	6,143.00T			
1	UM06-10-R	10" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, 150 PSI Special Lay Length 28"	4,573.00	4,573.00T			
1	UM06-20-R	20" ULTRA MAG, ELECTROMAGNETIC FLOWMETER, 150 PSI Length 25.6" w/2ea Grounding Rings	7,376.00	7,376.00T			
		All With Remote Mount Converters, 50ft Cable, 120VAC		37,509			
	START-UP	INSPECTION, CALIBRATION VERIFICATION if REQUIRED	500.00	500.00			
		Delivery: 6-8 Weeks		✓			
	FRT	FREIGHT APPROX.	500.00	500.00			
		TAX	2,906.95	2,906.95			
THANK YOU FOR THE INQUIRY			TOTAL 40,915.95				
			\$41,415.95				

SIGNATURE _____



Quotation

EAST ORANGE COUNTY WATER DISTRICT

Jerry Mendzer
Maintenance and Operations Superintendent
P 714-538-5815
C 714-501-5596
jmendez@eocwd.com

Date: 6/15/12

Item	Quantity	Description of Material	Unit Price Less Taxes
McCROMETER ULTRA MAG FLOW METERS WITH REMOTE TOTALIZERS AND 50 CABLE			
1	1	6" WITH ANSI 150# FLANGES & 21 7/8" LAYING LENGTH	\$3,465.00
2	1	6" WITH 150# FLANGES & 21 7/8" LAYING LENGTH	\$3,268.00
3	4	6" WITH 150# FLANGES & 21 3/4" LAYING LENGTH	\$3,268.00 13,072
4	1	14" WITH 150# FLANGES, GROUNDING RINGS & 39 3/8" LAYING LENGTH	\$6,266.00
5	1	10" WITH 150# FLANGES & 28" LAYING LENGTH	\$4,665.00
6	1	20" WITH 150# FLANGES, GROUNDING RINGS & 25.6" LYING LENGTH	\$7,524.00
7	1	START-UP, IF REQUIRED	38,260.00 2,965.15 \$750.00
8	1	SHIPPING CHARGES (ESTIMATED)	\$400 - \$600
Terms* Net 30 Days			F.O.B. Ship Point
			Lead Time 6-8 Weeks

* On approval of credit, Visa and Mastercard Accepted
ARO = after receipt of order

*PRICES-VALID FOR 30 CALENDAR DAYS ONLY

Timothy Wetzel, General Manager

END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: REQUEST FOR CONTINUANCE OF STAFFING ASSISTANCE
DATE: JUNE 16, 2012

Background

At the December 15, 2011 Meeting, the Board authorized the hiring of two part-time positions: 1) an Intern from Rancho Santiago College for 20 hours per week and 2) an Office Assistant for 10-12 hours per week. These positions were authorized for the period January through June, 2012.

These temporary positions have been an enormous help to all of the District staff. The intern that was ultimately hired through Rancho Santiago, Danielle Kaplan, has done a tremendous job setting up our utility management software (SEMS). We now have all of our drinking water compliance (laboratory results, monitoring sample schedule, compliance reports), backflow device management, inventory management and asset management information entered into the program. Because of this, the annual backflow device certification program was completely generated from this program, tracked and completed in a relatively short period of time, freeing up Denise from a significant amount of repetitive phone calls and letter reminders and Jerry from the minutia of administering it. Danielle has been an excellent and hard working intern and a very nice addition to the office. She has just completed her water & wastewater coursework at Rancho Santiago and hopes to get a full-time position at a local water agency.

The part-time office assistant, Nicole Hoppe, has also been of enormous assistance. Working with the General Manager, she worked to organize almost 180 boxes of historical records, categorizing them and verifying their contents while fighting off black widow spiders and giant silverfish! Additionally, she has provided valuable clerical assistance to all staff by answering phones, filing, typing letter, ordering supplies, filling in for Denise and/or Carolyn and assisting with many bookkeeping and accounting tasks like processing payments, preparing deposits and organizing financial information. Nicole just graduated from Rosary High School and, like Danielle, has been an excellent and hard-working employee and her agreeable and helpful personality makes her a pleasure to work with. She will also be attending Rancho Santiago College in the Fall to pursue her General Education requirements.

Because of the assistance rendered by these two employees, staff has been able to address several long-standing issues: 1) converting the water quality, backflow compliance, inventory and asset management programs from manual recordkeeping and paper files to digital files and useful and useable information – and information that we can now send to regulatory agencies, customers and our own staff quickly and easily; 2) organizing historical records so that important records can be located quickly, and extraneous records are disposed of; 3) creating a library of District reports and records that can be searched to locate reports

and other documents; 4) beginning the process of digitizing important historical records so that they can be stored off-site for protection and so that they can be easily searched and located; 2
5) more efficient use of management and mid-management resources to help the General Manager and Superintendent with routine clerical tasks so that they aren't spending their time filing, copying and searching for records.

Staff requests the ability to retain Ms. Hoppe to continue to perform routine clerical task, as well as to continue the work that Danielle started with the SEMS program by performing data input and task tracking for the Superintendent. This work would consist of 20 hours per week at \$12 per hour (\$12.20 with insurance); Ms. Hoppe would generally work from 1:00 p.m. to 5:00 p.m. each day from July 1, 2012 through June 30, 2013 at an estimated cost of approximately \$12,700. This position would be subject to annual review to determine whether it should be continued.

Funding for these services has been included in the proposed FY 2012-13 Budget.

Recommendation

The Board approve the hiring of a part-time Office Assistant at the rate of \$12.00 per hour for 20 hours per week for the period July 1, 2012 through June 30, 2013.

END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: WHOLESALE AND RETAIL ZONE WATER DEMANDS – MAY 2012
DATE: JUNE 15, 2012

Wholesale Zone Water Demands

Attached is a graphical representation of the Wholesale Zone water demand through May 31, 2012. Total water sales for the month of May totaled 711 AF; total year-to-date sales are 5,801 AF; this is a 172.7 AF or 32% increase in demand over May, 2011.

Retail Zone Water Demands

Also attached are graphs depicting the Retail Zone water demand. As shown in Figure 1, total demand for the month of May was 95 AF; this is 6 AF or 7% above our Year 2020 Target of 89 AF. Total cumulative demand is 917 AF, which is 6% above our Year 2020 Target of 697 AF and 3% below the average (945 AF) of the last 3 years. As shown in Figure 2 (historical demand 2008-2011), our cumulative demand is below 2008/2009 and 2009/2010 levels, but is now trending slightly above 2010-11 levels.

Total Monthly Sales for May 2012 = 711 AF
Total YTD Sales for July - May 2012= 5,801 (AF)

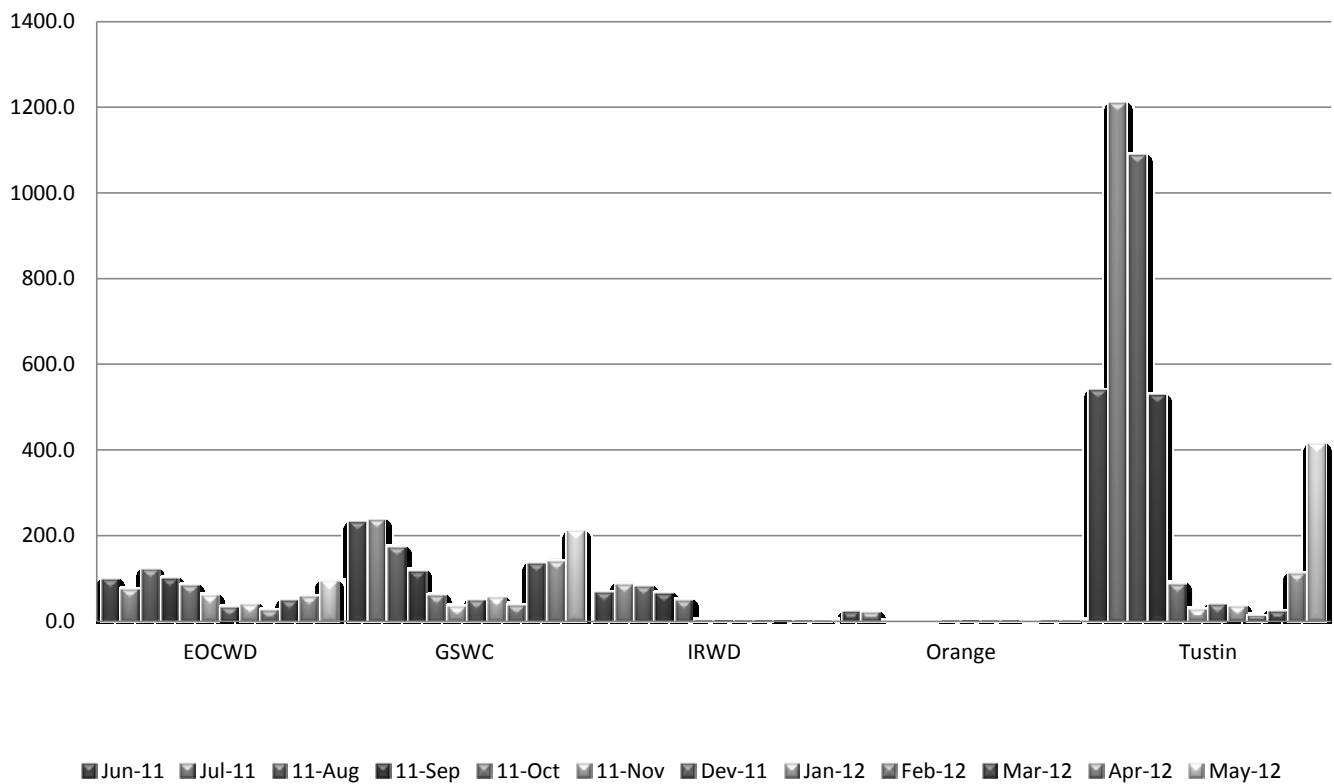


Fig. 1

Monthly Retail Water Usage: FY 11-12 "Retail" Water [1] versus SB7 2020 Target [4]

Retail Agency: **EOCWD Retail Zone**

*Preliminary
numbers subject to change*

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Target Retail Usage Calculation													
2008-09 Usage	127	127	114	108	96	57	91	46	83	101	103	100	1,152
2009-10 Usage	123	124	112	97	86	55	52	35	59	74	96	110	1,021
2010-11 Usage	112	118	109	76	73	49	58	55	54	78	92	98	970
Average Usage	120	123	111	94	85	53	67	45	65	84	97	103	1,048
Monthly Usage Pattern	0.115	0.117	0.106	0.089	0.081	0.051	0.064	0.043	0.062	0.080	0.092	0.098	1.000

Population [2] in FY 2011-12

2020 GPCD Estimate [3]

Target [4] Retail Use	110	113	102	86	78	49	61	42	60	77	89	94	961
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Current Year "Retail" [1] Usage, by Source

MET water purch.

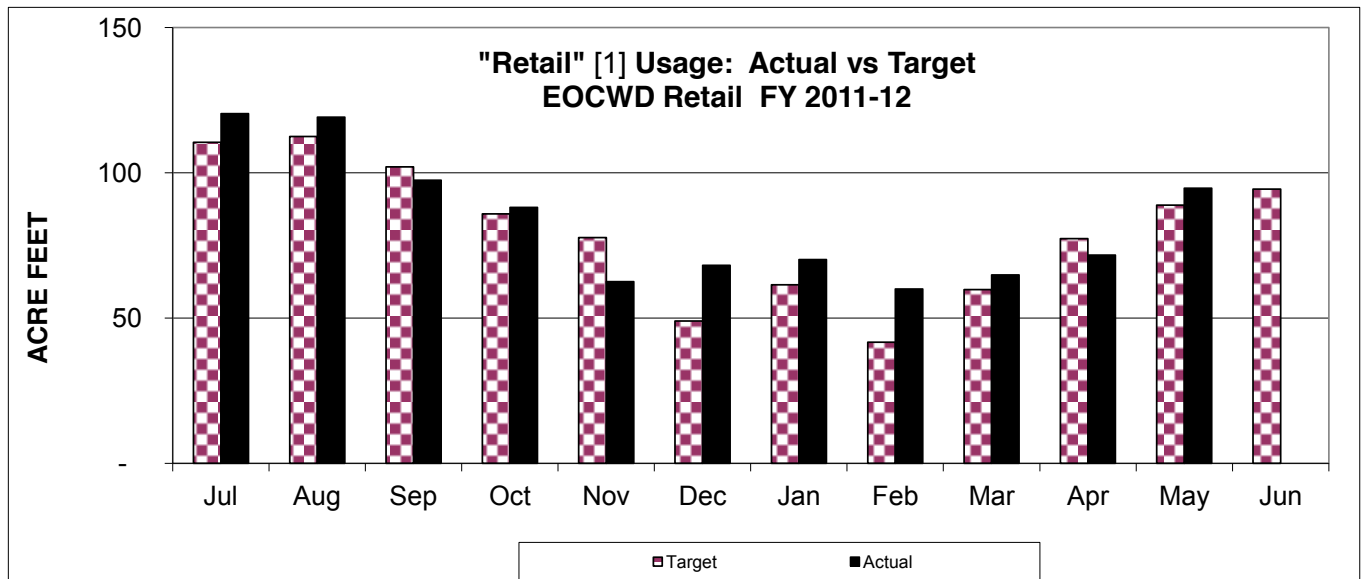
MET purch. via EO Whole:	72.5	119.2	97.0	87.6	57.8	30.6	37.9	19.7	47.3	55.9	94.2		719.7
subtract In-Lieu	(72.5)	(119.2)	(97.0)	-	-	-	-	-	-	(26.1)			
MET sold to	-	-	-	88	58	31	38	20	47	30	94	-	405

OCWD Pumped GW	47.9	-	0.5	0.5	4.7	37.6	32.3	40.3	17.6	15.8	0.5		197.7
OCWD In-Lieu	72.5	119.2	97.0	-	-	-	-	-	-	26.1			314.8
other:													-
other:													-
other:													-

Local Total	120	119	98	1	5	38	32	40	18	42	0	-	512
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"Retail" [1] Usage 11-12	120	119	98	88	63	68	70	60	65	72	95	-	917
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Actual vs Retail Target [4]	+9%	+6%	-4%	+3%	-20%	+39%	+14%	+44%	+9%	-7%	+7%		
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[1] "Retail" usage includes MET water and Local water but **excludes recycled water**.

[2] Population estimated based on Census 2010.

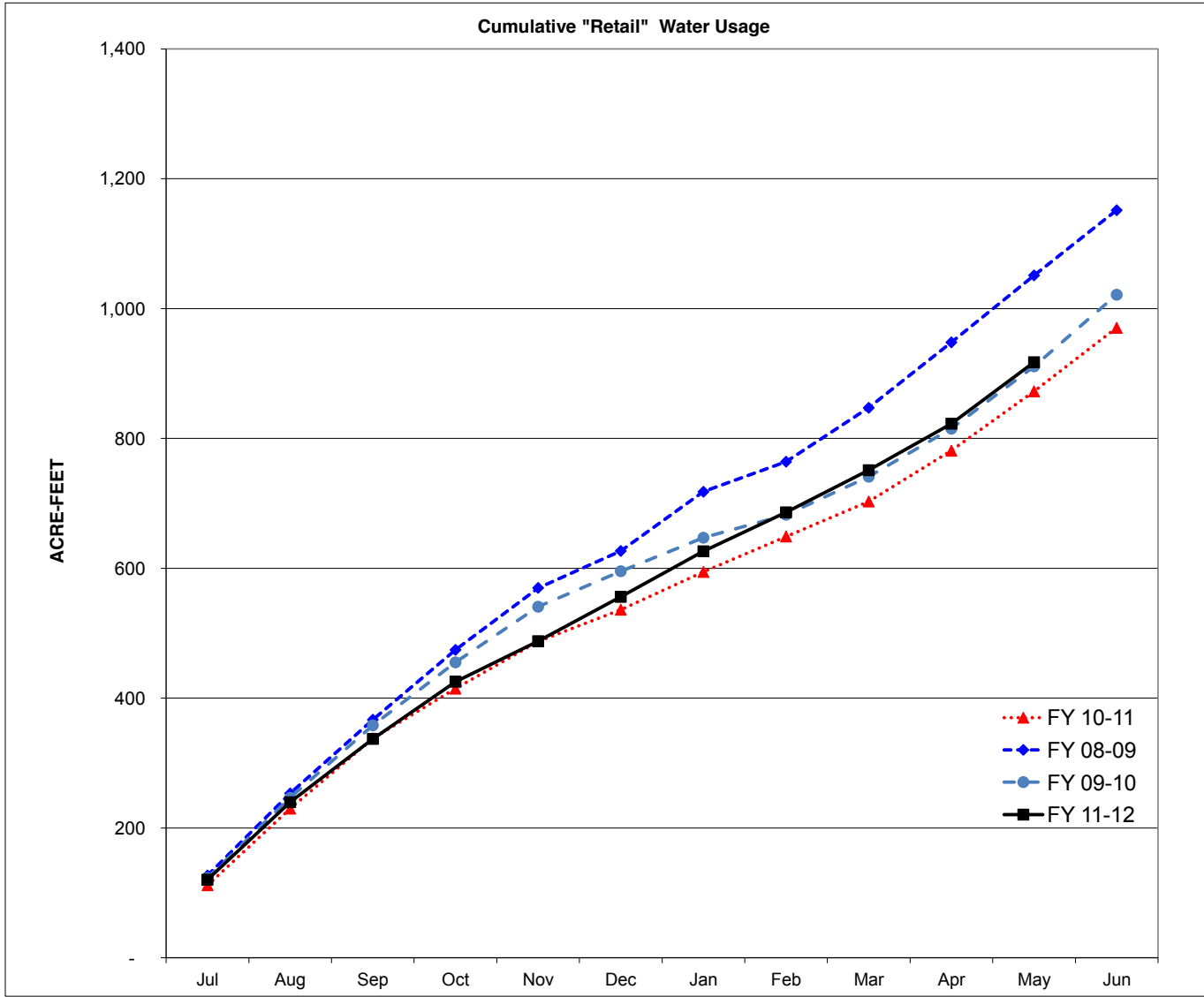
[3] gpcd estimate for Year 2020 is from an analysis of compliance with SB7. Analysis performed by MWDOC in April 2011.

[4] Target is 2020 gpcd times Population, converted to Acre-Feet/year

Preliminary
numbers subject to change

Fig. 2
Cumulative Monthly "Retail Water" [1] Demand In Current and Previous Fiscal Years
 cumulative through the end of the last month shown
EOCWD Retail Zone

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 08-09	127	253	367	474	570	627	718	764	847	948	1,051	1,152
FY 09-10	123	246	358	455	541	595	647	682	741	815	911	1,021
FY 10-11	112	230	338	415	487	536	594	649	703	781	873	970
FY 11-12	120	240	337	425	488	556	626	686	751	823	917	



[1] "Retail" usage includes MET water and Local water (excluding recycled water)

END

EAST ORANGE COUNTY WATER DISTRICT

**DISBURSEMENT SUMMARY
JUNE 21, 2012**

WHOLESALE AND RETAIL BILLS	\$356,630.18
CHAPMAN AVENUE ACCOUNT	\$0.00
DIRECTOR'S PAYROLL (05-17-2012 PAYROLL)	\$3,372.56
EMPLOYEE'S PAYROLL (05/02/12 + 05/16/2012 + 05/30/2012)	\$38,706.80
DISBURSEMENT TOTAL	<u>\$398,709.54</u>

**TRANSFER SUMMARY
JUNE 21, 2012**

TRANSFERS FROM MORGAN STANLEY TO CHECKING	\$318,744.26
TRANSFER TOTAL	<u>\$318,744.26</u>
TRANSFERS FROM CB&T RETAIL ZONE MONEY MARKET TO CHECKING	\$ 64,803.15
TRANSFER TOTAL	<u>\$64,803.15</u>

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

Check History Report
Sorted By Check Number

Activity From: 5/15/2012 to 6/14/2012

EAST ORANGE COUNTY WATER DIST (EOC)

Bank Code: A CHECKING- CA BANK & TRUST					
Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
007640	5/15/2012	A724082	AT&T	486.14	Auto
007641	5/15/2012	P653998	PRES-TECH	6,541.50	Auto
007642	5/15/2012	S171683	SEMS TECHNOLOGIES	300.00	Auto
007643	5/15/2012	T764656	TRUESDAIL LABORATORIES, INC	195.00	Auto
007644	6/1/2012	A724082	AT&T	253.91	Auto
007645	6/1/2012	B565648	BOWIE ARNESON WILES & GIANNONE	2,653.61	Auto
007646	6/1/2012	C002110	CA BANK & TRUST	1,031.71	Auto
007647	6/1/2012	R667738	G O RODRIGUEZ TRUCKING, INC	573.60	Auto
007648	6/1/2012	M188342	MEYERS / NAVE	445.00	Auto
007649	6/1/2012	M842327	MWDOC	276,276.40	Auto
007650	6/1/2012	O650816	ORANGE COUNTY WATER DISTRICT	8,195.40	Auto
007651	6/1/2012	P706224	PSOMAS	7,544.42	Auto
007652	6/1/2012	S088147	SCHOONOVER ACCOUNTANCY CORP	2,145.00	Auto
007653	6/1/2012	S563332	SOUTHERN CALIFORNIA EDISON	1,228.59	Auto
007654	6/1/2012	T002605	TAB ANSWER NETWORK	31.25	Auto
007655	6/1/2012	T764656	TRUESDAIL LABORATORIES, INC	559.00	Auto
007656	6/1/2012	V777319	VULCAN MATERIALS COMPANY	313.47	Auto
007657	6/4/2012	R667738	G O RODRIGUEZ TRUCKING, INC	988.00	Auto
007658	6/4/2012	I133422	ID MODELING ENGINEERING INNOVAT	2,070.00	Auto
007659	6/4/2012	S077326	SC FUELS	1,063.70	Auto
007660	6/14/2012	A034150	ACWA-HEALTH BENEFITS AUTHORITY	8,255.51	Auto
007661	6/14/2012	A435319	ALLCOM	170.00	Auto
007662	6/14/2012	A647854	ARAMARK UNIFORM SERVICES	222.74	Auto
007663	6/14/2012	A650060	ARC	31.52	Auto
007664	6/14/2012	A724082	AT&T	39.93	Auto
007665	6/14/2012	A724083	AT&T	107.77	Auto
007666	6/14/2012	W032432	C WELLS PIPELINE MATERIALS INC	3,047.17	Auto
007667	6/14/2012	C647974	CR&R INC.	249.67	Auto
007668	6/14/2012	NOF	CUEMF	35.00	Auto
007669	6/14/2012	E028422	EAST ORANGE COUNTY WATER DIST.	27,431.77	Auto
007670	6/14/2012	H550882	HOME DEPOT CREDIT SERVICES	1,073.07	Auto
007671	6/14/2012	P025940	PARADISE DRINKING WATERS	46.90	Auto
007672	6/14/2012	S563332	SOUTHERN CALIFORNIA EDISON	2,517.23	Auto
007673	6/14/2012	H027990	TOTALFUNDS BY HASLER	200.00	Auto
007674	6/14/2012	U499787	UNDERGROUND SERVICE ALERT	49.50	Auto
007675	6/14/2012	V178373	VERIZON WIRELESS	219.52	Auto
007676	6/14/2012	X178697	XEROX CORPORATION	37.18	Auto
Bank A Total:				356,630.18	
Report Total:				356,630.18	

FUNDS TRANSFERRED BETWEEN ACCOUNTS
JUNE 21, 2012

MORGAN STANLEY TO CHECKING

<u>DATE PAID</u>	<u>CHECK NO</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>REASON FOR FUND TRANSFER</u>
6/1/2012	1176	\$ 318,744.26	EOCWD	TO COVER EMPLOYEE PAYROLL 5/30/12 \$17,357.96, BILLS FOR CONSIDERATION \$301,251.36, BANK ANALYSIS FEE \$134.94.

\$ 318,744.26

GRAND TOTAL

CB&T MONEY MARKET TO CHECKING OR MORGAN STANLEY

6/4/2012	351	\$ 4,121.70	EOCWD	TO COVER BILLS FOR CONSIDERATION
6/14/2012	352	\$ 60,681.45		TO COVER EMPLOYEE PAYROLL 6/13/12 \$16,946.97, BILLS FOR CONSIDERATION \$43,734.48

\$ 64,803.15

GRAND TOTAL

Check History Report
Sorted By Check Number
Activity From: 5/18/2012 to 6/30/2012

EAST ORANGE COUNTY WATER DIST (EOC)

Bank Code: C MONEY MARKET-CA BANK & TRUST

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
000351	6/4/2012	E028422	EAST ORANGE COUNTY WATER DIST.	4,121.70	Manual
000352	6/14/2012	E028422	EAST ORANGE COUNTY WATER DIST.	60,681.45	Manual
Bank C Total:				64,803.15	

Check History Report
Sorted By Check Number
Activity From: 5/18/2012 to 6/30/2012

EAST ORANGE COUNTY WATER DIST (EOC)

Bank Code: M MONEY MARKET- MORGAN STANLEY

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
001176	6/1/2012	E028422	EAST ORANGE COUNTY WATER DIST.	318,744.26	Manual
Bank M Total:				318,744.26	
Report Total:				318,744.26	

EAST ORANGE COUNTY WATER DISTRICT
CALIFORNIA BANK & TRUST
Prior Month's Checks To Ratify
DIRECTORS' PAYROLL*
JUNE 21, 2012

***PAYMENT FOR BOARD AND COMMITTEE MEETINGS IN THE MONTH OF
APRIL 2012***

DATE	CHECK NO	AMOUNT	PAYABLE TO
05/17/12	535	\$280.05	RICHARD BARRETT
05/17/12	536	\$630.12	RICHARD BELL
05/17/12	537	\$396.74	DOUGLAS CHAPMAN
05/17/12	538	\$280.05	JOHN DULEBOHN
05/17/12	539	\$980.17	WILLIAM VANDER WERFF
		<u>\$2,567.13</u>	TOTAL PAYROLL CHECKS

PAYROLL TAXES, ADP CHARGE, AND PERS EFT
(PERS TRANSFERRED WITH EMPLOYEE PAYROLL)

5/17/2012	\$461.99	ADP TAXES
5/17/2012	\$81.92	ADP CHARGE
5/17/2012	\$261.52	PERS ELECTRONIC FUNDS TRANSFER
	<u>\$805.43</u>	TOTAL CHARGES & TRANSFER
	<u><u>\$3,372.56</u></u>	GRAND TOTAL PAYROLL

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

EAST ORANGE COUNTY WATER DISTRICT
CALIFORNIA BANK & TRUST
Prior Month's Checks To Ratify
EMPLOYEES' PAYROLL*
JUNE 21, 2012

	CHECK DATE	CHECK AMOUNT	PAYABLE TO
AUTO DEPOSIT	5/2/2012	\$1,203.81	DENISE DOBSON
AUTO DEPOSIT	5/2/2012	\$300.00	DENISE DOBSON- SAVINGS
AUTO DEPOSIT	5/2/2012	\$1,873.34	RANDY DUNN
AUTO DEPOSIT	5/2/2012	\$1,883.85	JERRY MENDZER
AUTO DEPOSIT	5/2/2012	\$1,275.13	LISA OHLUND
AUTO DEPOSIT	5/2/2012	\$1,426.41	MATTHEW PLUMMER
CK # 114	5/2/2012	\$205.37	NICOLE HOPP
AUTO DEPOSIT	5/2/2012	\$288.33	DANIELLE KAPLAN
TRANS TO PERS 457	5/2/2012	\$1,700.00	CAL PERS 457 - ING BANK
AUTO DEPOSIT	5/16/2012	\$1,398.62	DENISE DOBSON
AUTO DEPOSIT	5/16/2012	\$400.00	DENISE DOBSON- SAVINGS
AUTO DEPOSIT	5/16/2012	\$2,200.52	RANDY DUNN
AUTO DEPOSIT	5/16/2012	\$1,601.34	JERRY MENDZER
AUTO DEPOSIT	5/16/2012	\$1,275.12	LISA OHLUND
AUTO DEPOSIT	5/16/2012	\$1,486.07	MATTHEW PLUMMER
CK # 115	5/16/2012	\$356.28	NICOLE HOPP - TEMP
AUTO DEPOSIT	5/16/2012	\$328.33	DANIELLE KAPLAN - TEMP
TRANS TO PERS 457	5/16/2012	\$1,700.00	CAL PERS 457 - ING BANK
AUTO DEPOSIT	5/30/2012	\$1,398.62	DENISE DOBSON
AUTO DEPOSIT	5/30/2012	\$400.00	DENISE DOBSON- SAVINGS
AUTO DEPOSIT	5/30/2012	\$0.00	RANDY DUNN
AUTO DEPOSIT	5/30/2012	\$0.00	JERRY MENDZER
AUTO DEPOSIT	5/30/2012	\$1,275.12	LISA OHLUND
AUTO DEPOSIT	5/30/2012	\$0.00	MATTHEW PLUMMER
CK # 116	5/30/2012	\$0.00	NICOLE HOPP - TEMP
AUTO DEPOSIT	5/30/2012	\$0.00	DANIELLE KAPLAN - TEMP
TRANS TO PERS 457	5/30/2012	\$1,700.00	CAL PERS 457 - ING BANK
		<u>\$25,676.26</u>	TOTAL PAYROLL CHECKS

PAYROLL TAXES, ADP CHARGES, AND PERS EFT

5/2/2012	\$4,648.02	ADP TAXES
5/2/2012	\$1,923.98	PERS ELECTRONIC FUNDS TRANSFER
5/2/2012	\$86.69	ADP CHARGE
5/16/2012	\$4,363.52	ADP TAXES
5/16/2012	\$1,921.64	PERS ELECTRONIC FUNDS TRANSFER
5/16/2012	\$86.69	ADP CHARGE & ADJUSTMENT
5/30/2012	\$0.00	ADP TAXES
5/30/2012	\$0.00	PERS ELECTRONIC FUNDS TRANSFER
5/30/2012	\$0.00	ADP CHARGE & ADJUSTMENT
	<u>\$13,030.54</u>	TOTAL TRANSFERS
	<u>\$38,706.80</u>	GRAND TOTAL PAYROLL

PAYROLL 5/2/2012	PAYROLL 5/16/2012
\$10,156.24	\$10,746.28
\$6,658.69	\$6,371.85
\$16,814.93	\$17,118.13

PAYROLL 5/30/2012
\$4,773.74
\$0.00
\$4,773.74

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

END



**EAST
ORANGE
COUNTY
WATER DISTRICT**

Treasurer's Report

June 14, 2012

Board of Directors
East Orange County Water District

The accompanying information contained in Schedule 1, Distribution of Investment Activity for the month of May 2012, and Schedule 2, Investment Portfolio, as of May 31, 2012 (which are presented only for supplementary analysis purposes) have been prepared by management who is responsible for their integrity and objectivity. These schedules have not been compiled, reviewed or audited by outside accountants.

East Orange County Water District maintains a system of internal accounting control designed to provide reasonable assurance that assets are safeguarded and that transactions are properly executed, recorded and summarized to produce reliable records and reports.

To the best of management's knowledge and belief, the schedules and related information were prepared in conformity with generally accepted accounting principles, and are based on recorded transactions and management's best estimates and judgments.

A handwritten signature in black ink that reads "Carl R. Schoonover".

Carl R. Schoonover
Treasurer

DIRECTORS

Richard E. Barrett
Richard B. Bell
Douglas Chapman
John Dulebohn
William Vanderwerff

Lisa Ohlund
General Manager

185 N Mc Pherson Road
Orange, CA 92869-3720

www.eocwd.com

Ph: (714) 538-5815
Fax: (714) 538-0334

EXHIBIT H

**EAST ORANGE COUNTY WATER DISTRICT
SCHEDULE 1 – INVESTMENT ACTIVITY
MAY 31, 2012**

	SECURITY TYPE	BOOK VALUE
BEGINNING BALANCES MAY 1, 2012		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	4,530,212
MORGAN STANLEY SMITH BARNEY – MM	DEMAND MONEY MARKET	1,238,829
DUE TO/FROM OTHER FUNDS	DUE TO/FROM	0
US TREASURY OBLIGATIONS	US TREASURY	0
Total		5,769,041
ACTIVITY		
ADDITIONS		
DEPOSIT TO MORGAN STANLEY SMITH BARNEY	DEMAND MM	228,507
DEPOSIT TO LAIF – FROM CHECKING	DEMAND LAIF	0
DELETIONS		
TRANSFER FROM LAIF TO CHECKING	DEMAND LAIF	
TRANSFERS BETWEEN FUNDS	DUE TO/FROM	0
TRANSFERS TO CHECKING	DEMAND MM	(220,734)
ENDING BALANCES MAY 31, 2012		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	4,530,212
MORGAN STANLEY SMITH BARNEY – MM	DEMAND MONEY MARKET	1,246,602
DUE TO/FROM OTHER FUNDS	DUE TO/FROM	0
US TREASURY OBLIGATIONS	US TREASURY	0
TOTAL		5,776,814

**EAST ORANGE COUNTY WATER DISTRICT
SCHEDULE 2 - INVESTMENT PORTFOLIO
MAY 31, 2012**

ITEM NO.	NAME	SECURITY TYPE AND NUMBER	PURCHASE DATE	MATURITY DATE	FACE VALUE	PURCHASE PRICE	INTEREST		MARKET VALUE	NET BOOK VALUE	% TO PORTFOLIO
							STATED	YIELD			
2	LAIF	DEMAND	N/A	N/A	4,530,212	4,530,212	0.363%	0.363%	4,530,212	4,530,212	78.42%
30	MS SB	MONEY MARKET	N/A	N/A	1,246,602	1,246,602	0.010%	0.010%	1,246,602	1,246,602	21.58%
									5,776,814	5,776,814	100.00%

LAIF=LOCAL AGENCY INVESTMENT FUND
MS SB=MORGAN STANLEY SMITH BARNEY

CERTIFICATION

I CERTIFY THAT (1) ALL INVESTMENT ACTIONS EXECUTED SINCE THE LAST REPORT HAVE BEEN MADE IN FULL COMPLIANCE WITH THE DISTRICT'S INVESTMENT POLICY AND, (2) THE DISTRICT WILL MEET ITS EXPENDITURE OBLIGATIONS FOR THE NEXT SIX MONTHS AS REQUIRED BY CALIFORNIA GOVERNMENT CODE SECTIONS 53646(b)(2) AND (3), RESPECTIVELY.


CARL R. SCHOONOVER, TREASURER

END

WHOLESALE ZONE

EAST ORANGE COUNTY WATER DISTRICT
2011-2012 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MONTH : APRIL 2012

5/22/2012

REVENUE	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET
DESCRIPTION					
OPERATING REVENUE:					
WATER SALES	243,666	4,116,594	2,527,337	1,589,257	162.88%
MWDOC CONNECTION FEES	26,269	312,714	414,734	(102,020)	75.40%
REIMBURSED EXP-IRWD	1,540	17,942	11,000	6,942	163.11%
OTHER CHARGES	15	87	1	86	8735.00%
				-	
TOTAL OPERATING REVENUE:	271,490	4,447,337	2,953,072	1,494,265	150.60%
NON-OPERATING REVENUES (EXPENSES):					
PROPERTY TAXES	202,980	561,992	590,025	(28,033)	95.25%
RENTAL INCOME - CELLULAR ANTENNAS	5,892	56,530	90,000	(33,470)	62.81%
INTEREST & INVESTMENT EARNINGS	65	1,882	12,000	(10,118)	15.68%
INTEREST INCOME - NOTE RECEIVABLE - AMP	-	46,218	59,163	(12,945)	78.12%
MISCELLANEOUS, INCOME	2,748	4,305	500	3,805	860.98%
TOTAL NON-OPERATING REVENUES, NET	211,685	670,927	751,688	(80,761)	89.26%
NET OPERATING INCOME	483,175	5,118,265	3,704,760	1,413,505	138.15%

EXPENSES	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
DESCRIPTION					
OPERATING EXPENSE:					
SOURCE OF SUPPLY	222,792	4,119,456	2,527,337	(1,592,119)	163.00%
PIPELINE CAPACITY LEASE	37,542	342,486	414,734	72,248	82.58%
ENERGY	157	1,488	1,800	312	82.68%
OPERATIONS & MAINTENANCE	31,854	295,332	357,629	62,297	82.58%
GENERAL & ADMINISTRATIVE	8,824	94,124	197,760	103,636	47.60%
TRANSFER TO CAPITAL PROJECTS EXPENSE	16,667	166,667	200,000	33,333	83.33%
DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
TOTAL OPERATING EXPENSE	317,835	5,019,553	3,699,260	(1,320,293)	135.69%
NET INCOME FROM OPERATIONS	165,340	98,712	5,500	93,212	
PRIOR YEARS EXPENSES	-	-	5,000	(5,000)	
NET INCOME (LOSS)	165,340	98,712	10,500	88,212	

REVENUE

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET
WATER SALES	243,666.06	4,116,594.31	2,527,337.00	1,589,257.31	162.88%
RETAIL SERVICE CONNECTIONS	10,825.00	108,250.00	129,825.00	(21,575.00)	83.38%
READINESS TO SERVE	15,443.74	127,177.19	162,630.00	(35,452.81)	78.20%
MET-MWDOC CAPACITY CHARGE	-	77,286.34	122,279.00	(44,992.66)	63.20%
REIMBURSED EXP- IRWD	1,539.81	17,942.14	11,000.00	6,942.14	163.11%
LATE CHARGE	15.00	87.35	-	87.35	0.00%
REFUNDS	-	-	1.00	(1.00)	0.00%
TOTAL OPERATING REVENUE	271,489.61	4,447,337.33	2,953,072.00	1,494,265.33	150.60%
INTEREST-MM	1.76	29.58	50.00	(20.42)	59.16%
INTEREST-MORGAN STANLEY-OP	3.03	32.37	75.00	(42.63)	43.16%
INTEREST-MORGAN STANLEY-CONT	0.02	(1.04)	25.00	(26.04)	-4.16%
INTEREST-LAIF-OP	12.31	69.83	10,150.00	(10,080.17)	0.69%
INTEREST-LAIF-CONT	47.69	145.51	125.00	20.51	116.41%
INTEREST-CTY OF ORANGE	-	37.82	-	37.82	0.00%
INTEREST-ACWA	-	1,568.08	1,575.00	(6.92)	99.56%
TAXES SECURED	202,641.35	528,338.91	548,000.00	(19,661.09)	96.41%
TAXES UNSECURED	-	18,769.97	23,000.00	(4,230.03)	81.61%
TAXES SUPPLEMENTAL ROLL	-	2,615.64	10,000.00	(7,384.36)	26.16%
TAXES PRIOR YEARS	338.90	9,553.95	15,000.00	(5,446.05)	63.69%
TAXES HOMEOWNER'S SUBVENTION	-	2,396.54	4,000.00	(1,603.46)	59.91%
TAXES PUBLIC UTILITY	-	5,270.11	10,000.00	(4,729.89)	52.70%
TAXES MISC	-	828.04	25.00	803.04	3312.16%
TAXES ACCRUED	-	(5,781.07)	(20,000.00)	14,218.93	0.00%
STATE TAXES CONFISCATED	-	-	-	-	0.00%
PROCEEDS IN-LIEU TAXES	-	-	-	-	0.00%
RENT INCOME- CINGULAR (AT&T)	2,392.24	21,530.16	48,000.00	(26,469.84)	44.85%
RENT INCOME-MOUNTAIN UNION	3,500.00	35,000.00	42,000.00	(7,000.00)	83.33%
AMP SALE INSTALLMENTS	-	46,217.89	59,163.00	(12,945.11)	78.12%
MISCELLANEOUS INCOME	2,747.60	4,304.88	500.00	3,804.88	860.98%
TOTAL NON OPERATING INCOME	211,684.90	670,927.17	751,688.00	(80,760.83)	89.26%
TOTAL OPERATING REVENUE	483,174.51	5,118,264.50	3,704,760.00	1,413,504.50	138.15%
NET OPERATING INCOME	483,174.51	5,118,264.50	3,704,760.00	1,413,504.50	138.15%

EXPENSES

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
EOCF #2 NONINTERR OC 43	1,995.63	1,104,223.42	859,295.00	(244,928.42)	128.50%
EOCF #2 NONINTERR OC 48	50,529.23	1,189,083.20	480,194.00	(708,889.20)	247.63%
WATER PURCHASED OC 70	170,266.72	1,826,149.14	1,187,848.00	(638,301.14)	153.74%
WATER PURCHASED	-	-	-	-	0.00%
WATER PURCHASED IN-LIEU	-	-	-	-	0.00%
WATER PURCHASED-IN LIEU CREDIT	-	-	-	-	0.00%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
AMP_FAP LEASE EXPENSE	1,083.33	10,833.34	-	(10,833.34)	0.00%
MET-MWDOC READINESS TO SERVE	15,443.74	120,483.33	162,630.00	42,146.67	74.08%
MET-MWDOC CAPACITY FEES	10,189.88	102,919.72	122,279.00	19,359.28	84.17%
MWDOC RETAIL SERVICE CONNECT	10,825.00	108,250.00	129,825.00	21,575.00	83.38%
UTILITY- SCADA RTU	157.14	1,488.16	1,800.00	311.84	82.68%
SMALL TOOLS	108.88	2,274.30	2,400.00	125.70	94.76%
GASOLINE, OIL & DIESEL FUEL	-	2,933.05	6,800.00	3,866.95	43.13%
PERMIT	-	-	-	-	0.00%
PROF SERV WATER QUAL. CONTROL	1,635.08	21,539.39	28,674.00	7,134.61	75.12%
SCADA REPLACEMENTS/UPGRADES	-	192.32	10,000.00	9,807.68	1.92%
OPERATIONS REPORTING SOFTWARE	866.25	1,240.52	1,380.00	139.48	89.89%
PRODUCTION METER PURCHASES	-	4,406.48	15,000.00	10,593.52	29.38%
SERVICE PRESSURE VALVES	-	1,044.69	3,000.00	1,955.31	34.82%
ENGINEERING	-	2,719.00	25,000.00	22,281.00	10.88%
R/M- MAINS	-	1,625.07	6,000.00	4,374.93	27.08%
DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
R/M- SERVICE LATERALS	-	-	1,000.00	1,000.00	0.00%
R/M- RESERVOIRS	382.69	10,924.97	10,000.00	(924.97)	109.25%
R/M- VAULTS	-	680.66	10,000.00	9,319.34	6.81%
R/M- CATHODIC PROTECTION	144.81	1,418.36	12,000.00	10,581.64	11.82%
MAINTAIN & OPERATE EOC#2	4,939.26	49,392.60	23,000.00	(26,392.60)	214.75%
METER TESTING	-	3,068.25	3,000.00	(68.25)	102.28%
MAINTAIN & OPERATER SAC LINE	155.33	1,553.34	2,000.00	446.66	77.67%
EQUIPMENT RENTAL	-	-	200.00	200.00	0.00%
MAINTENANCE- BACKHOE	-	660.89	1,200.00	539.11	55.07%
MAINTENANCE- VEHICLES	63.46	898.20	2,500.00	1,601.80	35.93%
MAINTENANCE- BUILDINGS/GROUNDS	-	1,974.14	4,000.00	2,025.86	49.35%
WAGES	18,415.13	128,893.48	120,000.00	(8,893.48)	107.41%
PAYROLL TAXES- FICA & MEDICARE	807.08	8,912.47	11,500.00	2,587.53	77.50%
RETIREMENT- PERS	1,274.19	21,493.14	24,000.00	2,506.86	89.55%
PAYROLL TAXES- SUI & ETT	31.27	515.28	325.00	(190.28)	158.55%
HEALTH & ACCIDENT INSURANCE	2,184.10	20,143.90	26,000.00	5,856.10	77.48%
DENTAL INSURANCE	178.60	1,726.42	1,700.00	(26.42)	101.55%
VISION INSURANCE	35.12	326.34	550.00	223.66	59.33%
LIFE INSURANCE	24.25	228.08	400.00	171.92	57.02%
WORKMEN'S COMP INSURANCE	515.48	3,276.89	5,000.00	1,723.11	65.54%
UNIFORMS- MAINTENANCE	92.64	1,269.86	1,000.00	(269.86)	126.99%
DISTRICT WEBSITE	-	10.00	750.00	740.00	1.33%
MCPHERSON FAX	16.93	161.98	200.00	38.02	80.99%
MCPHERSON INTERNET	42.38	363.93	450.00	86.07	80.87%
MCPHERSON OFFICE PHONES	2.01	1,084.23	1,200.00	115.77	90.35%
ANSWERING SERVICE	15.63	171.93	225.00	53.07	76.41%
PHONE CIRCUITS TO CTRL EQUIP	323.40	3,539.79	4,000.00	460.21	88.49%
CELLPHONES	93.74	806.74	1,600.00	793.26	44
UNDERGROUND SERVICE ALERT	21.00	225.00	400.00	175.00	56.25%
SEMINARS/TRAINING	-	75.00	2,400.00	2,325.00	3.13%
CONSERVATION EDUCATION	-	565.00	25,000.00	24,435.00	2.26%
TRANSPORTATION & TRAVEL	165.00	1,498.42	-	(1,498.42)	0.00%
MILEAGE	73.61	232.86	125.00	(107.86)	186.29%

FOR PERIOD ENDED April 30, 2012

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
DUES & MEMBERSHIP0 ACWA	-	2,747.50	2,500.00	(247.50)	109.90%
DUES & MEMBERSHIPS- OCWA	-	25.00	75.00	50.00	33.33%
DUES & MEMBERSHIPS- AWWA	-	206.50	210.00	3.50	98.33%
DUES & MEMBERSHIPS- FCA	-	10.00	-	(10.00)	0.00%
DUES/MEMBER- ISDOC/URBAN WTR	-	907.24	1,025.00	117.76	88.51%
MISCELLANEOUS EXP	-	106.35	500.00	393.65	21.27%
RICHARD BARRETT	212.50	1,312.50	2,000.00	687.50	65.63%
WILLIAM VANDERWERFF	337.50	2,437.50	3,000.00	562.50	81.25%
DOUGLAS CHAPMAN	87.50	1,437.50	2,500.00	1,062.50	57.50%
JOHN DULEBOHN	62.50	1,387.50	2,500.00	1,112.50	55.50%
RICHARD BELL	212.50	1,737.50	2,500.00	762.50	69.50%
BOARD MEETING EXPENSE	40.30	495.45	1,000.00	504.55	49.55%
POSTAGE	36.19	565.43	500.00	(65.43)	113.09%
OFFICE SUPPLY/FURN/SMALL EQUIP	274.31	2,361.05	7,000.00	4,638.95	33.73%
PUBLICATIONS & LEGAL NOTICES	-	-	800.00	800.00	0.00%
MAINTENANCE- COPIER CONTRACT	16.49	141.68	250.00	108.32	56.67%
BANK CHARGES	253.40	960.57	2,000.00	1,039.43	48.03%
OUTSIDE SERVICES- LABOR	315.66	2,456.47	2,220.00	(236.47)	110.65%
AUDITING	-	8,147.99	7,000.00	(1,147.99)	116.40%
TAX COLLECTION FEES	4,900.75	5,806.62	2,000.00	(3,806.62)	290.33%
TREASURER	-	4,092.11	33,000.00	28,907.89	12.40%
ACCOUNTING- SERRANO	-	14,575.95	-	(14,575.95)	0.00%
LEGAL	-	8,905.73	15,000.00	6,094.27	59.37%
COMPUTER CONSULTING	-	1,121.00	1,500.00	379.00	74.73%
LAFCO	-	11,912.14	12,600.00	687.86	94.54%
INSURANCE-AUTO & GEN LIABILITY	771.72	7,418.23	13,000.00	5,581.77	57.06%
INSURANCE-PROPERTY	193.05	1,794.56	2,400.00	605.44	74.77%
INSURANCE-EMP. FIDELITY BOND	18.96	111.89	180.00	68.11	62.16%
OFFICE EQUIPMENT R&M	-	-	250.00	250.00	0.00%
UTILITIES-DUMPSTER	24.13	226.83	1,200.00	973.17	18.90%
UTILITIES- THE GAS CO.- OFFICE	-	-	200.00	200.00	0.00%
UTILITIES- OFFICE- ELECT & WTR	312.43	1,980.26	2,500.00	519.74	79.21%
SECURITY	-	-	-	-	0.00%
ELECTION EXPENSE	-	-	40,000.00	40,000.00	0.00%
DEPRECIATION EXP.	-	-	-	-	0.00%
TRANS. TO WRCI-CAPITAL PROJECT	-	-	-	-	0.00%
TRANS TO CAPITAL PROJECTS	16,666.66	166,666.60	200,000.00	33,333.40	83.33%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
TOTAL OPERATING EXPENSE	317,834.54	5,019,552.93	3,699,260.00	(1,320,292.93)	135.69%
NET INCOME FROM OPERATIONS	165,339.97	98,711.57	5,500.00	93,211.57	1794.76%
PRIOR YEARS EXPENSE	-	-	5,000.00	(5,000.00)	0.00%
NET INCOME (LOSS)	165,339.97	98,711.57	10,500.00	88,211.57	

WHOLESALE ZONE CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT
2011-2012 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MONTH : APRIL 2012

5/22/2012

REVENUE	MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION	ACTUAL	ACTUAL	2011-12	OVER	OF
	REVENUE	REVENUE	BUDGET	(UNDER)	BUDGET
FUNDS PROVIDED BY RESERVE	-	-	66,172	(66,172)	0.00%
CAPITAL PROJECTS REVENUE					
CONNECTION FEES	14,055	26,982	25,000	1,982	107.93%
INTEREST EARNINGS	4,053	12,391	50,000	(37,609)	24.78%
INTEREST RECEIVABLE - AMP NOTE	-	-	18,000	(18,000)	0.00%
TRANSFER FROM OPERATING EXPENSES	16,667	166,667	200,000	(33,333)	83.33%
REIMBURSEMENT FOR STORM DAMAGE REPAIRS	-	-	30,000	(30,000)	0.00%
REIMBURSEMENT FOR SECURITY UPGRADES	-	-	60,000	(60,000)	0.00%
TOTAL CAPITAL PROJECT REVENUE	34,774	206,039	449,172	(243,133)	45.87%

EXPENSES	MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION	ACTUAL	ACTUAL	2011-12	(OVER)	OF
	EXPENSES	EXPENSES	BUDGET	UNDER	BUDGET
CAPITAL PROJECT EXPENSES					
6 MG STORM DAMAGE REPAIR	91	3,953	60,100	56,147	6.58%
METAL FLASHING @ 6 MG RESERV.	-	-	10,100	10,100	0.00%
6 MG ISOLATION VALVE CHANGEOUT	-	9,022	12,100	3,078	74.57%
6 MG SAMPLE STATION REPLACE	-	36,215	27,672	(8,543)	130.87%
6 MG SECURITY SYSTEM	343	46,230	60,100	13,870	76.92%
6 MG SECURITY GATE @ JAMBOREE	-	-	8,600	8,600	0.00%
BACKUP GENERATOR OC70 PUMP	-	-	100,100	100,100	0.00%
BACKUP GENERATOR ELECTRIC MOD	-	-	15,100	15,100	0.00%
WZ METER REPLACEMENT	-	-	50,100	50,100	0.00%
PIPELINE INSPECTION	-	-	30,100	30,100	0.00%
BETTERMENT & REPLACEMENT PLAN	1,730	3,202	75,100	71,898	4.26%
UWMP UPDATE	-	-	-	-	0.00%
TOTAL CAPITAL PROJECT EXPENSES	2,164	98,622	449,172	350,550	21.96%
NET CAPITAL PROJECTS INCOME (LOSS)	32,610	107,417	-	107,417	

CAPITAL PROJECT

EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE
FOR PERIOD ENDED April 30, 2012

REVENUE

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET
FUNDS PROVIDED BY RESERVE	-	-	66,172.00	(66,172.00)	0.00%
CONNECTION FEES	14,055.00	26,982.25	25,000.00	1,982.25	107.93%
INTEREST-MORGAN STANLEY-CAP	3.82	36.26	75.00	(38.74)	48.35%
INTEREST-LAIF-CAP	4,048.79	12,354.34	49,925.00	(37,570.66)	24.75%
INTEREST INCOME-AMP SALE	-	-	18,000.00	(18,000.00)	0.00%
TRANSFER FROM WS OPERATIONS	16,666.66	166,666.60	200,000.00	(33,333.40)	83.33%
REIMBURSEMENT FOR STORM DAMAGE REPAIRS	-	-	30,000.00	(30,000.00)	0.00%
REIMBURSEMENT FOR SECURITY UPGRADES	-	-	60,000.00	(60,000.00)	0.00%
CAPITAL PROJECT REVENUE	34,774.27	206,039.45	449,172.00	(243,132.55)	45.87%

EXPENSES

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
6 MG STORM DAMAGE REPAIR	-	3,335.00	60,000.00	56,665.00	5.56%
6 MG STORM DAMAGE REPAIR LABOR	91.24	618.08	100.00	(518.08)	618.08%
METAL FLASHING @ 6 MG RESERV.	-	-	10,000.00	10,000.00	0.00%
METAL FLASHING @ 6 MG RESERV. LABOR	-	-	100.00	100.00	0.00%
6 MG ISOLATION VALVE CHANGEOUT	-	7,610.39	12,000.00	4,389.61	63.42%
6 MG ISOLATION VALVE CHANGEOUT LABOR	-	1,412.07	100.00	(1,312.07)	1412.07%
6 MG SAMPLE STATION REPLACE	-	17,518.24	27,572.00	10,053.76	63.54%
6 MG SAMPLE STATION REPLACE LABOR	-	18,696.59	100.00	(18,596.59)	18696.59%
6 MG SECURITY SYSTEM	-	44,669.92	60,000.00	15,330.08	74.45%
6 MG SECURITY SYSTEM LABOR	343.41	1,559.85	100.00	(1,459.85)	1559.85%
6 MG SECURITY GATE @ JAMBOREE	-	-	8,500.00	8,500.00	0.00%
6 MG SECURITY GATE @ JAMBOREE LABOR	-	-	100.00	100.00	0.00%
BACKUP GENERATOR OC70 PUMP	-	-	100,000.00	100,000.00	0.00%
BACKUP GENERATOR OC70 PUMP LABOR	-	-	100.00	100.00	0.00%
BACKUP GENERATOR ELECTRIC MOD	-	-	15,000.00	15,000.00	0.00%
BACKUP GENERATOR ELECTRIC MOD. LABOR	-	-	100.00	100.00	0.00%
WZ METER REPLACEMENT	-	-	50,000.00	50,000.00	0.00%
WZ METER REPLACEMENT LABOR	-	-	100.00	100.00	0.00%
PIPELINE INSPECTION	-	-	30,000.00	30,000.00	0.00%
PIPELINE INSPECTION LABOR	-	-	100.00	100.00	0.00%
BETTERMENT & REPLACEMENT PLAN	1,500.00	2,972.50	75,000.00	72,027.50	3.96%
BETTERMENT & REPLACEMENT PLAN LABOR	229.55	229.55	100.00	(129.55)	229.55%
UWMP UPDATE	-	-	-	-	0.00%
UWMP UPDATE LABOR	-	-	-	-	0.00%
TOTAL CAPITAL PROJECT EXPENSES	2,164.20	98,622.19	449,172.00	350,549.81	21.96%
NET CAPITAL PROJECTS INCOME (LOSS)	32,610.07	107,417.26	-	107,417.26	

Wholesale Zone

Account Number	Account Name	Income(I) Expense (E)	Amount	Percent Received/ Spent	Comments
<u>April 2012</u>					
<u>New</u>					
5467-0001-1	Wages	E	128,893.48	107.41%	The current Labor Split between WZ & RZ is 45/55. We originally predicted 34/66 Split.
5480-0070-1	Payroll Taxes- SUI & ETT	E	515.28	158.55%	Non-Salary Employees received a raise on July 1, 2011 and 2 part time employees were added to staff.
5639-0001-1	Outside Services- Labor	E	2,456.47	110.65%	2012 Security Invoice was Overpaid. Refund being issued.
5641-0001-1	Tax Collection Fees	E	5,806.62	290.33%	
<u>Ongoing</u>					
4930-0056-1	Taxes Miscellaneous Taxes	I	828.04	3312.16%	Delinquent Supplemental Penalties Paid (\$253.70) and Delinquent Supplemental Collection Paid (\$574.34).
4990-0001-1	Miscellaneous Income	I	4,304.88	890.98%	This is the Rent paid for the Trailer at the 6 MG and the Meter Charge/Standby Charge on the Wholesale Zone billing. April's had income of \$2,480.40 for Scrap Metal along with the rent and Wholesale billing income.
5130-0043-1	EOCF#2 NONINTERR OC-43	E	1,104,223.42	128.50%	Demand higher then projected
5130-0048-1	EOCF#2 NONINTERR OC-48	E	1,189,083.20	247.63%	Demand higher then projected
5130-0070-1	WATER PURCHASED OC-70	E	1,826,149.14	153.74%	Demand higher then projected
5350-0051-1	R/M- Reservoirs	E	10,924.97	109.25%	Includes cleaning & inspecting 6 MG reservoir, and July 2011 WQ issue.
5357-0001-1	Maintain & Operate EOCF #2	E	49,392.60	214.75%	The amount budgeted was based on the 2009/10 Fiscal year didn't include increased MWD costs for capital projects.
5358-0001-1	Meter Testing	E	3,068.25	102.28%	Register for 10 inch intertie meter needed to be replaced
5486-0001-1	Uniforms- Maintenance	E	1,269.86	126.99%	Replacement of field employee's boots
5616-0001-1	Mileage	E	232.86	186.29%	Overage due to increased IRS rate.

Wholesale Zone

Account Number	Account Name	Income(I) Expense (E)	Amount	Percent Received/ Spent	Comments
5618-0029-1	Dues & Membership- ACWA	E	2,747.50	109.90%	The split between Wholesale & Retail was corrected to be a 50/50 split. The Budget was set up with a 42/61 split.
5632-0001-1	Postage	E	565.43	113.09%	Postage higher than expected due to rate increases.

RETAIL ZONE

EAST ORANGE COUNTY WATER DISTRICT
2011-2012 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MONTH : APRIL 2012

5/22/2012

REVENUE		MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET
DESCRIPTION						
OPERATING REVENUE:						
WATER SALES		117,703	730,597	891,000	(160,403)	82.00%
METER CHARGE		48,155	240,852	312,000	(71,148)	77.20%
OTHER CHARGES		1,897	11,086	9,000	2,086	123.18%
TOTAL OPERATING REVENUE:		167,755	982,536	1,212,000	(229,464)	81.07%
NON-OPERATING REVENUES (EXPENSES):						
PROPERTY TAXES		115,231	306,314	338,600	(32,286)	90.46%
INTEREST & INVESTMENT EARNINGS		32	87	500	(413)	17.44%
MISCELLANEOUS, INCOME		3,370	3,675	500	3,175	735.08%
TOTAL NON-OPERATING REVENUES, NET		118,633	310,077	339,600	(29,523)	91.31%
NET OPERATING INCOME		286,388	1,292,613	1,551,600	(258,987)	83.31%

EXPENSES		MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
DESCRIPTION						
OPERATING EXPENSE:						
SOURCE OF SUPPLY		50,140	349,110	389,950	40,840	89.53%
PIPELINE CAPACITY LEASE		3,601	27,288	44,730	17,442	61.01%
ENERGY		4,085	34,656	98,250	63,594	35.27%
OPERATIONS & MAINTENANCE		28,615	349,275	565,122	215,847	61.81%
GENERAL & ADMINISTRATIVE		9,342	104,833	142,028	37,195	73.81%
TRANSFER TO CAPITAL EXPENSE		16,667	166,667	200,000	33,333	83.33%
INTEREST EXPENSE - NOTE PAYABLE - DWR		-	66,622	-	(66,622)	0.00%
RETAIL OPERATIONS CONTINGENCY FUND		-	-	50,000	50,000	0.00%
DISPOSAL OF ASSET GAIN (LOSS)		-	-	(2,000)	(2,000)	0.00%
DEPRECIATION & AMORTIZATION		-	-	-	-	0.00%
TOTAL OPERATING EXPENSE		112,449	1,098,450	1,488,080	389,630	73.82%
NET INCOME FROM OPERATIONS		173,939	194,162	63,520	130,642	
PRIOR YEARS EXPENSES		-	-	-	-	
NET INCOME (LOSS)		173,939	194,162	63,520	130,642	

REVENUE

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET
WATER SALES	117,702.55	730,597.48	891,000.00	(160,402.52)	82.00%
METER CHARGE	48,155.21	240,852.05	312,000.00	(71,147.95)	77.20%
LATE CHARGE	1,830.00	9,825.00	9,000.00	825.00	109.17%
CONNECTION FEES	-	-	-	-	0.00%
RETURNED CHECK CHARGE	-	382.80	500.00	(117.20)	76.56%
TURN OFF CHARGE	-	620.00	1,000.00	(380.00)	62.00%
OTHER CHARGES	-	-	500.00	(500.00)	0.00%
UNCOLLECTIBLE ACCOUNTS	-	-	(5,000.00)	5,000.00	0.00%
TURN ON NEW SERVICE	-	-	1,000.00	(1,000.00)	0.00%
REFUNDS	-	-	2,000.00	(2,000.00)	0.00%
SERVICE UPGRADE FEE	67.27	258.57	-	258.57	0.00%
TOTAL OPERATING REVENUE	167,755.03	982,535.90	1,212,000.00	(229,464.10)	81.07%
INTEREST-MORGAN STANLEY-OP	0.29	3.64	50.00	(46.36)	7.28%
INTEREST-LAIF-OP	31.28	63.18	450.00	(386.82)	14.04%
INTEREST-CTY OF ORANGE	-	20.37	-	20.37	0.00%
TAXES SECURED	115,036.87	299,956.98	313,500.00	(13,543.02)	95.68%
TAXES UNSECURED	-	10,634.05	15,000.00	(4,365.95)	70.89%
TAXES SUPPLEMENTAL ROLL	-	1,414.84	5,000.00	(3,585.16)	28.30%
TAXES PRIOR YEARS	194.53	5,754.46	4,000.00	1,754.46	143.86%
TAXES HOMEOWNER'S SUBVENTION	-	1,360.48	1,000.00	360.48	136.05%
TAXES PUBLIC UTILITY	-	2,747.38	5,000.00	(2,252.62)	54.95%
TAXES MISC	-	-	100.00	(100.00)	0.00%
TAXES ACCRUED	-	(15,553.83)	(5,000.00)	(10,553.83)	0.00%
STATE TAXES CONFISCATED	-	-	-	-	0.00%
PROCEEDS IN-LIEU TAXES	-	-	-	-	0.00%
MISCELLANEOUS INCOME	3,369.79	3,675.42	500.00	3,175.42	735.08%
CAPITAL PROJECT @ \$0.11/CCF	-	-	-	-	0.00%
TOTAL NON OPERATING INCOME	118,632.76	310,076.97	339,600.00	(29,523.03)	91.31%
TOTAL OPERATING REVENUE	286,387.79	1,292,612.87	1,551,600.00	(258,987.13)	83.31%
NET OPERATING INCOME	286,387.79	1,292,612.87	1,551,600.00	(258,987.13)	83.31%

EXPENSES

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
WATER PURCHASED	37,938.69	374,379.15	361,200.00	(13,179.15)	103.65%
WATER PURCHASED IN-LIEU	8,195.40	98,847.20	106,000.00	7,152.80	93.25%
WATER PURCHASED IN LIEU CREDIT	-	(161,771.72)	(170,000.00)	(8,228.28)	0.00%
OCWD- REPLENISH ASSESSMENT	4,005.58	37,655.54	92,750.00	55,094.46	40.60%
MET-MWDOC READINESS TO SERVE	2,104.94	15,013.67	25,000.00	9,986.33	60.05%
MET-MWDOC CAPACITY FEES	866.15	6,524.97	12,030.00	5,505.03	54.24%

REVENUE

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	BUDGET \$ PERCENT SPENT
MWDOC RETAIL SERVICE CONNECT	629.69	5,749.29	7,700.00	1,950.71	74.67%
UTILITY STOLLER RESERVOIR	1,715.39	16,899.85	44,000.00	27,100.15	38.41%
UTILITY VISTA PANORAMA BOOSTER	305.91	3,221.46	7,000.00	3,778.54	46.02%
UTILITIES- WELLS- EAST/WEST	2,063.69	14,534.23	47,250.00	32,715.77	30.76%
SMALL TOOLS	108.84	2,221.25	2,500.00	278.75	88.85%
GASOLINE, OIL & DIESEL FUEL	-	5,574.35	6,800.00	1,225.65	81.98%
PERMIT	-	1,943.00	-	(1,943.00)	0.00%
NPDS PERMIT	-	-	1,625.00	1,625.00	0.00%
PROF SERV WATER QUAL. CONTROL	1,503.33	14,504.01	20,500.00	5,995.99	70.75%
CHLORINE GENERATOR/SALT PURCH	-	918.23	2,565.00	1,646.77	35.80%
WEST WELL MAINTENANCE	-	2,353.67	3,075.00	721.33	76.54%
EAST WELL MAINTENANCE	-	1,629.45	3,075.00	1,445.55	52.99%
STOLLER RESERVOIR EXP	-	-	6,150.00	6,150.00	0.00%
VISTA PANORAMA BOOSTER	-	548.05	4,100.00	3,551.95	13.37%
VISTA PANORAMA RESERVOIR	-	2,908.80	5,125.00	2,216.20	56.76%
CHLORINE GENERATOR	4.30	328.77	3,075.00	2,746.23	10.69%
SCADA REPLACEMENTS/UPGRADES	-	152.14	2,050.00	1,897.86	7.42%
OPERATIONS REPORTING SOFTWARE	508.75	1,200.48	3,300.00	2,099.52	36.38%
HYDRANT REPAIR & REPLACEMENTS	-	7,810.82	15,750.00	7,939.18	49.59%
PRODUCTION METER PURCHASES	-	871.42	10,500.00	9,628.58	8.30%
SERVICE PRESSURE VALVES	-	-	1,050.00	1,050.00	0.00%
ENGINEERING	6,982.13	17,723.63	40,000.00	22,276.37	44.31%
R/M- MAINS	-	14,639.13	26,250.00	11,610.87	55.77%
DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
R/M- SERVICE LATERALS	-	7,081.34	21,000.00	13,918.66	33.72%
R/M- RESERVOIRS	84.24	1,340.00	4,200.00	2,860.00	31.90%
R/M- VAULTS	-	-	-	-	0.00%
R/M- CATHODIC PROTECTION	-	-	5,000.00	5,000.00	0.00%
METER TESTING	-	712.20	1,500.00	787.80	47.48%
EQUIPMENT RENTAL	-	32.26	205.00	172.74	15.74%
MAINTENANCE- BACKHOE	-	1,242.86	1,845.00	602.14	67.36%
MAINTENANCE- VEHICLES	65.06	1,271.08	2,565.00	1,293.92	49.55%
MAINTENANCE- BUILDINGS/GROUNDS	-	910.96	3,075.00	2,164.04	29.62%
WAGES	9,121.95	149,183.45	234,600.00	85,416.55	63.59%
PAYROLL TAXES- FICA & MEDICARE	1,501.00	15,643.40	20,400.00	4,756.60	76.68%
RETIREMENT- PERS	2,591.82	43,634.16	44,000.00	365.84	99.17%
PAYROLL TAXES- SUI & ETT	39.21	732.67	357.00	(375.67)	205.23%
HEALTH & ACCIDENT INSURANCE	4,474.00	37,590.80	49,500.00	11,909.20	75.94%
DENTAL INSURANCE	370.61	3,122.26	4,400.00	1,277.74	70.96%
VISION INSURANCE	71.90	615.47	1,130.00	514.53	54.47%
LIFE INSURANCE	49.18	383.97	765.00	381.03	50.19%
WORKMEN'S COMP INSURANCE	958.99	7,973.53	11,550.00	3,576.47	69.03%
UNIFORMS- MAINTENANCE	179.71	2,477.36	1,540.00	(937.36)	160.87%
DISTRICT WEBSITE	-	9.99	5,000.00	4,990.01	0.20%
MCPHERSON FAX	16.93	161.95	155.00	(6.95)	104.48%
MCPHERSON INTERNET	42.38	363.92	513.00	149.08	70.94%
MCPHERSON OFFICE PHONES	2.00	1,084.16	1,230.00	145.84	88.14%
ANSWERING SERVICE	15.62	171.82	256.00	84.18	67.12%

REVENUE

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	BUDGET \$ PERCENT SPENT
PHONE CIRCUITS TO CTRL EQUIP	189.92	2,065.75	2,563.00	497.25	80.60%
CELLPHONES	93.75	806.72	1,538.00	731.28	52.45%
UNDERGROUND SERVICE ALERT	21.00	225.00	360.00	135.00	62.50%
TRAINING/SCHOOLS	-	135.40	2,250.00	2,114.60	6.02%
CONSERVATION EDUCATION	-	367.00	3,500.00	3,133.00	10.49%
TRANSPORTATION & TRAVEL	165.00	1,498.37	-	(1,498.37)	0.00%
MILEAGE	146.95	292.91	360.00	67.09	81.36%
DUES & MEMBERSHIPS- ACWA	-	2,747.50	3,500.00	752.50	78.50%
DUES & MEMBERSHIPS- OCWA	-	25.00	75.00	50.00	33.33%
DUES & MEMBERSHIPS- AWWA	-	206.50	175.00	(31.50)	118.00%
DUES & MEMBERSHIPS- FCA	-	10.00	-	(10.00)	0.00%
DUES/MEMBER- ISDOC/URBAN WTR	-	907.24	700.00	(207.24)	129.61%
MISCELLANEOUS EXP	-	106.06	2,000.00	1,893.94	5.30%
RICHARD BARRETT	212.50	1,312.50	2,400.00	1,087.50	54.69%
WILLIAM VANDERWERFF	337.50	2,437.50	3,600.00	1,162.50	67.71%
DOUGLAS CHAPMAN	87.50	1,437.50	3,600.00	2,162.50	39.93%
JOHN DULEBOHN	62.50	1,387.50	3,600.00	2,212.50	38.54%
RICHARD BELL	212.50	1,737.50	3,600.00	1,862.50	48.26%
BOARD MEETING EXPENSE	40.29	471.52	1,000.00	528.48	47.15%
POSTAGE	601.55	3,610.51	6,000.00	2,389.49	60.18%
OFFICE SUPPLY/FURN/SMALL EQUIP	547.52	3,607.27	4,500.00	892.73	80.16%
PUBLICATIONS & LEGAL NOTICES	204.37	774.78	1,428.00	653.22	54.26%
MAINTENANCE- COPIER CONTRACT	16.49	162.81	515.00	352.19	31.61%
MAINTENANCE-VERSATERM CONTRACT	-	1,410.00	2,870.00	1,460.00	49.13%
BANK CHARGES	96.09	3,085.78	3,030.00	(55.78)	101.84%
OUTSIDE SERVICES	315.64	2,381.70	6,300.00	3,918.30	37.80%
AUDITING	-	6,459.01	6,500.00	40.99	99.37%
TAX COLLECTION FEES	2,816.73	3,329.25	2,050.00	(1,279.25)	162.40%
COMPUTER BILLING	178.65	4,345.03	4,000.00	(345.03)	108.63%
TREASURER	-	4,092.09	30,000.00	25,907.91	13.64%
ACCOUNTING- SERRANO	-	14,575.91	-	(14,575.91)	0.00%
LEGAL	2,207.50	26,353.72	18,000.00	(8,353.72)	146.41%
COMPUTER CONSULTING	-	209.00	1,000.00	791.00	20.90%
LAFCO	-	2,036.90	3,000.00	963.10	67.90%
INSURANCE-AUTO & GEN LIABILITY	536.28	5,081.71	4,000.00	(1,081.71)	127.04%
INSURANCE-PROPERTY	134.20	1,247.03	1,300.00	52.97	95.93%
INSURANCE-EMP. FIDELITY BOND	13.17	77.75	80.00	2.25	97.19%
OFFICE EQUIPMENT R&M	-	-	260.00	260.00	0.00%
UTILITIES-DUMPSTER	24.13	255.77	1,025.00	769.23	24.95%
UTILITIES- THE GAS CO.- OFFICE	-	-	345.00	345.00	0.00%
UTILITIES- OFFICE- ELECT & WTR	3.22	1,767.81	3,850.00	2,082.19	45.92%
SECURITY	-	-	-	-	0.00%
ELECTION EXPENSE	-	-	-	-	0.00%
INTEREST EXPENSE DWR	-	66,621.98	-	(66,621.98)	0.00%
DISPOSAL OF ASSET GAIN (LOSS)	-	-	(2,000.00)	(2,000.00)	0.00%
DEPRECIATION EXP.	-	-	-	-	0.00%
TRANS TO CAPITAL PROJECTS	16,666.66	166,666.68	200,000.00	33,333.32	83.33%
RZ- CONTINGENCY FUND	-	-	50,000.00	50,000.00	0.00%

REVENUE

TOTAL OPERATING EXPENSE	112,449.00	1,098,450.41	1,488,080.00	389,629.59	73.82%
NET INCOME FROM OPERATIONS	173,938.79	194,162.46	63,520.00	130,642.46	
PRIOR YEARS EXPENSE	-	-	-	-	
NET INCOME (LOSS)	173,938.79	194,162.46	63,520.00	130,642.46	

RETAIL ZONE CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT
 2011-2012 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 MONTH : APRIL 2012

5/22/2012

REVENUE		MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET
DESCRIPTION						
FUNDS PROVIDED BY RESERVE		-	-	408,500	(408,500)	0.00%
CAPITAL PROJECTS REVENUE						
CAPITAL PROJECTS FEES		35,571	177,965	215,000	(37,035)	82.77%
INTEREST EARNINGS		115	363	500	(137)	72.63%
TRANSFER FROM OPERATING EXPENSES		16,667	166,667	200,000	(33,333)	83.33%
FUNDS BORROWED FROM WHOLESALE ZONE		-	-	-	-	0.00%
I-BANK LOAN		-	-	-	-	0.00%
TOTAL CAPITAL PROJECT REVENUE		52,352	344,995	824,000	(479,005)	41.87%

EXPENSES		MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
DESCRIPTION						
CAPITAL PROJECT EXPENSES						
BETTERMENT & REPLACEMENT PLAN		1,730	3,202	71,250	68,048	4.49%
UWMP UPDATE		-	-	-	-	0.00%
2011 SYS IMPROVE-ENG/INSPECT/ADMIN		137	96,757	95,250	(1,507)	101.58%
BAJA PIPE RELOCATION ENG		1,350	6,123	15,000	8,877	40.82%
2011 SYS IMPROVE-CONSTRUCTION		-	627,878	561,250	(66,628)	111.87%
COUNTY OF ORANGE PAVING PROJ.		-	28,295	56,250	27,955	50.30%
BAJA PIPE RELOCATION CONST		-	7,285	25,000	17,715	29.14%
TOTAL CAPITAL PROJECT EXPENSES		3,216	769,540	824,000	54,460	93.39%
NET CAPITAL PROJECTS INCOME (LOSS)		49,136	(424,545)	-	(424,545)	

CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT

FOR PERIOD ENDED

FOR RETAIL

April 30, 2012

REVENUE

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET
FUNDS PROVIDED BY RESERVE	-	-	408,500	(408,500)	0.00%
WATER SALES-CAPITAL PROJECTS	35,571.00	177,965.00	215,000.00	(37,035.00)	82.77%
INTEREST-MORGAN STANLEY- CAP	-	1.05	25.00	(23.95)	4.20%
INTEREST-LAIF- CAP	114.29	348.74	425.00	(76.26)	82.06%
INTEREST-DWR MM- CAP	0.21	13.37	50.00	(36.63)	26.74%
TRANSFER FROM OPERATIONS	16,666.66	166,666.68	200,000.00	(33,333.32)	83.33%
FUNDS BORROWED FROM WHOLESALE ZONE			-	-	0.00%
I-BANK LOAN			-	-	0.00%
TOTAL CAPITAL PROJECT REVENUE	52,352.16	344,994.84	824,000.00	(479,005.16)	41.87%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ (OVER) UNDER	PERCENT OF BUDGET
BETTERMENT & REPLACEMENT PLAN	1,500.00	2,972.50	70,000.00	67,027.50	4.25%
BETTERMENT & REPLACEMENT PLAN LABOR	229.55	229.55	1,250.00	1,020.45	18.36%
UWMP UPDATE	-	-	-	-	0.00%
UWMP UPDATE LABOR	-	-	-	-	0.00%
2011 SYS IMPROVE-ENG/INSPECT/ADMIN	136.62	96,230.62	94,000.00	(2,230.62)	102.37%
2011 SYS IMPROVE-ENG/INSPECT/ADMIN LABOR	-	526.05	1,250.00	723.95	42.08%
BAJA PIPE RELOCATION ENG	1,350.00	2,300.83	13,000.00	10,699.17	17.70%
BAJA PIPE RELOCATION ENG LABOR	-	3,822.32	2,000.00	(1,822.32)	191.12%
2011 SYS IMPROVE-CONSTRUCTION	-	610,650.50	560,000.00	(50,650.50)	109.04%
2011 SYS IMPROVE-CONSTRUCTION LABOR	-	17,227.13	1,250.00	(15,977.13)	1378.17%
COUNTY OF ORANGE PAVING PROJ.	-	27,812.64	55,000.00	27,187.36	50.57%
COUNTY OF ORANGE PAVING PROJ. LABOR	-	482.68	1,250.00	767.32	38.61%
BAJA PIPE RELOCATION CONST	-	1,192.41	23,000.00	21,807.59	5.18%
BAJA PIPE RELOCATION CONST LABOR	-	6,092.46	2,000.00	(4,092.46)	304.62%
TOTAL CAPITAL PROJECT EXPENSES	3,216.17	769,539.69	824,000.00	54,460.31	93.39%
NET CAPITAL PROJECTS INCOME (LOSS)	49,135.99	(424,544.85)	-	(424,544.85)	

Retail Zone

Account Number	Account Name	Income(I) Expense (E)	Amount	Percent Received/ Spent	Comments
<u>April 2012</u>					
<u>New</u>					
5130-0070-2	Water Purchased	E	374,379.15	103.65%	This amount include the \$161,771.72 for water that was bought as In-Lieu water. The credit for the In-Lieu water is in account 5141-0002-2. If you combine the two accounts we are under budget for water purchased.
5480-0070-2	Payroll Taxes- SUI & ETT	E	732.67	205.23%	Non-Salary Employees received a raise on July 1, 2011 and 2 part time employees were added to staff.
5641-0002-2	Tax Collection Fees	E	3,329.25	162.40%	
<u>Ongoing</u>					
4900-0002-2	Miscellaneous Income	I	3,675.42	735.08%	This is payment received for an unpaid water bill from a previous year. April's had income of \$3,369.79 for Scrap Metal along with the rent and Wholesale billing income.
5486-0002-2	Uniforms- Maintenance	E	2,477.36	160.87%	Replacement of field employee's boots
5618-0031-2	Dues & Membership- AWWA	E	206.50	118.00%	There was an increase in the Dues for the 2011/12 fiscal year & the split between Wholesale & Retail was corrected to be a 50/50 split. The Budget was set up with a 55/45 split.
5618-0037-2	Dues & Membership- ISDOC/URBAN Wtr	E	907.24	129.61%	Includes the 2012 CA Urban Water Conservation Council Membership. In April we will move \$153.62 to Prepaid Expenses for the 2012/13 Fiscal Year.
5642-0002-2	Computer Billing	E	4,345.03	108.63%	Pre-purchase of billing forms
5645-0002-2	Legal	E	26,353.72	146.41%	Overage related to OPA wells MND issue.

Retail Zone

Account Number	Account Name	Income(I) Expense (E)	Amount	Percent Received/ Spent	Comments
5650-0050-2	Insurance- Auto & General Liability	E	5,081.71	127.04%	The split between Wholesale & Retail was corrected to be the same as the last years asset split (59/41). Budget was set up with a 77/24 split.

END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: STATUS OF INVESTMENT SERVICES AGREEMENT WITH SHAWN DEWAYNE OF RAYMOND JAMES
DATE: JUNE 15, 2012

Background

At the May 17th Meeting, the Board received a presentation from Mr. Shawn Dewayne of Raymond James, a financial services firm located in Costa Mesa. The Board appeared pleased with the Mr. Dewayne's experience and background, but asked that he obtain an opinion from Orange County Water District's legal counsel that there was no conflict of interest if he provided investment services to the District.

Attached please find an email from Joel Kuperberg indicating that unless there is a matter specifically involving the District, Mr. Dewayne can provide financial consulting services to us.

Subsequently, staff has met with Mr. Dewayne to review the Investment Policy and to discuss the items needed to set up an account – subsequent to that meeting I have spoken with District Counsel and the District Treasurer regarding this contract. During these conversations it became clear that all four parties (Ms. Arneson, Mr. Schoonover, Mr. Dewayne and myself) need to sit down and go over the “nuts and bolts” of the required documentation, the requirements in the Investment Policy etc. Unfortunately, we did not have the time to meet prior to this month's Board Meeting, however, we intend to return to the Board in July with all issues clarified and ready to proceed with retaining Mr. Dewayne, should that be the desire of the Board.

I apologize for the delay in handling this issue, particularly because this issue has been discussed for some time and because literally, “time *is* money!” We are operating out of an excess amount of caution and but should the Board approve Mr. Dewayne's services next month – we will have the infrastructure in place to moving forward quickly.

Recommendation

Information only; no action is necessary.

From: [Shawn Dewane](#)
To: [Lisa Ohlund](#)
Subject: Response from Rutan and Tuckker - Conflict of Interest Opinion
Date: Friday, June 08, 2012 2:19:03 PM

Hi Lisa:

Here is Joel's response. Hope you have a great weekend.

Shawn



Shawn Dewane | Registered Principal
Investment Management Consultant
2701 W. Coast Highway Newport Beach, CA 92663
888-880-7537 | 949-631-7200 | 949-631-7272 Fax

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shawn.dewane@raymondjames.com
www.dewaneis.com

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The firm's asset management subsidiaries manage approximately \$28 Billion of financial assets for individuals, pension plans and municipalities. Total assets under management as of September 2009, including all Private Client Group accounts, were approximately \$220 billion. Established in 1962 and a public company since 1983, Raymond James Financial shares are currently owned by more than 14,000 individual investors and institutions. The shareholders equity, or company net worth is more than \$1.9 Billion.

Raymond James has been recognized nationally for its community support and corporate philanthropy. The company has been ranked as one of the best in the country in customer service, as a great place to work and as a national leader in support of the arts.

If you would like to execute a trade or if you have time-sensitive information for me, please call my office at 888-880-7537 or 949-631-7200, if you have a transaction that requires immediate assistance press 4 and you will be connected to client services.

From: Kuperberg, Joel [mailto:jkuperberg@rutan.com]

Sent: Monday, May 21, 2012 1:51 PM

To: Shawn Dewane

Subject: RE: Conflict of Interest Opinion

Shawn: Without knowing more about how your business is organized, what proportion of the business you own, etc., the conservative answer is that you can provide FA consulting services to EOCWD; however, should OCWD have a matter involving EOCWD (such as a contract, a BEA waiver, or other possible action by the Board), you would have to declare a conflict of interest, not participate in the matter, and leave the room during Board discussion and vote. Other than that, your consulting for EOCWD should not impact your ability to take action as an OCWD Director.

Let me know if you need more, or have any questions. Thanks, Joel

Joel D. Kuperberg

Rutan & Tucker, LLP

611 Anton Boulevard, 14th Floor

Costa Mesa, CA 92626

714-662-4608 Direct

714-546-9035 Fax

jkuperberg@rutan.com

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Please consider the environment before printing this e-mail.

From: Shawn Dewane [mailto:Shawn.Dewane@RaymondJames.com]

Sent: Monday, May 21, 2012 12:12 PM

To: Kuperberg, Joel

Subject: Conflict of Interest Opinion

Hi Joel:

Do you perceive a conflict of interest with my duties at OCWD and the following:

If I were to serve as Financial Advisor to East Orange County Water District to help them invest their reserve assets.

Thanks,



Shawn Dewane | Registered Principal
Investment Management Consultant
2701 W. Coast Highway Newport Beach, CA 92663
888-880-7537 | 949-631-7200 | 949-631-7272 Fax

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shawn.dewane@raymondjames.com
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If you would like to execute a trade or if you have time-sensitive information for me, please call my office at 888-880-7537 or 949-631-7200, if you have a transaction that requires immediate assistance press 4 and you will be connected to client services.

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END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: PROPOSED FY 2012/2013 BUDGET
DATE: JUNE 15, 2012

Background

The proposed Budget attached to this memo has been reviewed with the Finance Committee at their April 17th, May 16th and June 4th meetings, as well as with the Operations and Personnel Committee at their June 12th meeting. All committees recommend the proposed budget for adoption.

A detailed budget presentation will be made at the Board Meeting; an overview of the major provisions is presented below:

Overview

The proposed FY 2009/2010 District Budget estimates the following total income and expenses:

<u>REVENUES</u>	Proposed 2012-13	FY 2011-12	% Change
WS OPERATIONS	3,849,314	\$3,704,260	3.92%
WS CIP	255,000	383,000	-33.42%
RZ OPERATIONS	1,679,800	1,554,100	7.83%
RZ CIP	400,080	415,500	-3.71%
TOTAL	\$6,180,194	\$6,056,860	2.04%

<u>EXPENDITURES</u>	Proposed 2012-13	FY 2011-12	% Change
WZ OPERATIONS	3,849,314	\$3,704,260	3.92%
WZ CIP	635,000	421,500	50.65%
RZ OPERATIONS	1,679,800	1,540,080	9.07%
RZ CIP	396,500	784,000	-49.43%
TOTAL	\$6,556,614	\$6,449,840	1.66%

Both the Wholesale Zone (WZ) and Retail Zone (RZ) Operating Budgets are balanced with revenues equal to expenses. While the RZ Capital Budget has less projected expenses than revenues (\$3,580), the WZ Capital Expenses are expected to exceed its revenue – the \$392,000 shortfall will be funded from reserves. Both CIP budgets also include carry forward projects that staff was unable to accomplish this fiscal year – for the WZ budget this amounts to \$395,500 of the proposed \$635,000 budget. For the RZ it amounts to \$70,000 of the proposed \$396,500 budget.

Budget Discussion

2

Wholesale Zone – While we are projecting a slight increase in water sales revenue, we are projecting a decrease in demand – the sales figure is higher because of the 5% increase in MET's Tier 1 Treated Rate. As of June 1, 2012, IRWD will no longer be taking water through their OPA connection, and the City of Orange has taken less than 10 AF of water in the last six months. While water sales were up slightly this year, this can be attributed almost solely to the In-Lieu Program; once it ceases on June 30th, we don't anticipate any further deliveries unless there is substantial snow/rainfall in Northern California next winter. Capital Improvement Fund revenue is expected to decrease due to more realistic revenue assumptions; the prior year assumptions were too optimistic.

The increase in Wholesale Zone operations expenditures is almost entirely due to the increased MET charge as well as increases in the MET Readiness to Serve (RTS) charge and the MWDOC Connection Fee Charge. Currently, the MET/MWDOC cost of an acre-foot of Tier 1 treated water is \$798.25; this cost will rise to \$850.25 as of January 1, 2013.

The increased WZ Capital Improvement Program expenditures are primarily due to carrying forward several projects that were not completed in FY 2011/12, as well as the addition of exploratory work on a treatment plant at the 6 MG reservoir, design and installation of cathodic protection at the 11.5 MG reservoir, and repairs to the roof and interior concrete wall at the 6 MG reservoir.

Retail Zone – Increased operations revenue for the Retail Zone is anticipated due to the implementation of Year 2 of the 3-year rate increase adopted by the Board last year. Increased operational expenditures are almost entirely due to the increased cost of water from both imported and local sources (OCWD is raising their rates from \$249 to \$265/AF) as well as some energy and gasoline related increases.

It should be noted that the Finance Committee asked to include funding for the district to join the California Special Districts Association – this request came in view of the work they have done representing special districts in Sacramento and particularly locally – working with local members, CSDA submitted an extensive comment letter in response to the Orange County Grand Jury's April 21st report, and recently participated in an ISDOC workshop to discuss their response as well as their statewide advocacy efforts on behalf of special districts. The Finance Committee recognized that the Board will vote on the issue separately, but requested that the funding be placed in the budget as a placeholder. This issue will be brought to the Board at the July Meeting.

Recommendation

Approve the proposed FY 2011/2012 Wholesale Zone and Retail Zone Operating and Capital Budgets.

EAST ORANGE COUNTY WATER DISTRICT

**WHOLESALE OPERATING BUDGET
FY 2012-13**

Fund 14201 Account	Title	2012-13 BUDGET	2011-12 BUDGET	ACTUAL 2010-11	ACTUAL 2009-10	ACTUAL 2008-09	ACTUAL 2007-08	ACTUAL 2006-07
RECEIPTS								
4110-0001-1	Water sales	\$2,616,994	\$2,527,337	\$2,805,738	\$3,773,289	\$3,604,009	\$3,303,177	\$5,054,263
4111-0001-1	Meter/standby charge	\$250	\$0	N/A	N/A	N/A	N/A	N/A
4112-0001-1	Late charge	\$30	\$0	\$0				
4122-0001-1	Tax shift recovery	\$0	\$0	\$0	\$0		\$352,350	\$345,654
4130-0001-1	Retail service connections-MWDOC meter charges	\$157,100	\$129,825	\$122,100	\$108,873	\$108,207	\$106,612	\$105,617
4131-0001-1	MET-MWDOC Readiness to serve recovery	\$193,500	\$162,630	\$137,793	\$62,815	\$63,548	\$75,738	\$74,200
4133-0001-1	MET-MWDOC Capacity charge recovery	\$116,000	\$122,279	\$113,028	\$111,371	\$119,379	\$60,300	\$0
4980-0001-1	AMP Sale proceeds - RPOI distributions	\$40,500	\$59,163	\$30,569	\$26,754		\$206,614	\$205,884
1472-0001-1	Accrued interest receipts-AMP sale	\$0	\$0	\$7,004	\$0	\$29,088	\$31,270	\$25,064
4916-0001-1	Interest earned-demand accounts	\$50	\$50	\$0	\$0	\$662	\$877	\$550
4917-0001-1	Interest earned-LAIF	\$100	\$10,250	\$1,005	\$1,654	\$164	\$185	\$130
4922-0001-1	Interest earned-County of Orange	\$50	\$0	\$257	\$791	\$1,603	\$2,612	\$249
4923-0001-1	Interest earned-ACWA	\$1,400	\$1,600	\$2,470	\$2,705	\$2,823	\$2,940	\$3,551
4916-0001-1	Interest earned-Morgan Stanley	\$100	\$100	\$35	\$508	\$3,253	\$6,166	\$2,235
4918-0001-1	Interest earned-U.S. Treasury Bonds	\$200	\$0	\$0	\$3,871	\$10,219	\$9,958	\$12,901
4930-0030-1	Taxes-secured	\$575,000	\$548,000	\$509,000	\$546,045	\$532,406	\$488,039	\$448,897
4930-0031-1	Taxes-unsecured	\$15,000	\$23,000	\$25,025	\$22,724	\$22,805	\$23,981	\$23,955
4930-0032-1	Taxes-supplemental roll	\$5,000	\$10,000	\$3,996	\$11,767	\$23,902	\$28,299	\$31,768
4930-0040-1	Taxes-prior years	\$15,000	\$15,000	\$16,496	\$25,225	\$15,238	\$9,008	\$7,003
4930-0052-1	Taxes-homeowners subvention	\$4,000	\$4,000	\$4,832	\$4,891	\$5,026	\$5,101	\$5,279
4930-0054-1	Taxes-public utility	\$10,000	\$10,000	\$9,723	\$10,349	\$10,063	\$9,187	\$8,800
4930-0056-1	Taxes-miscellaneous	\$500	\$25	\$35	\$45	\$28	\$0	\$0
4930-0057-1	Taxes-accrued	(\$15,000)	(\$20,000)	\$15,554	(\$23,686)	(\$19,556)	(\$11,501)	(\$8,306)
4930-0058-1	Taxes confiscated by State	\$0	\$0	\$0	\$0		\$0	(\$349,145)
	Subtotal Propety Taxes	\$609,500	\$590,025	\$584,659	\$597,360	\$589,912	\$552,113	\$168,251
4160-0060-1	Reimbursed expenses-IRWD	\$19,040	\$11,000	\$19,037	\$8,907	\$6,277	\$12,641	\$12,960
4160-0065-1	Refunds	\$0	\$1	\$0	\$1	\$2,839	\$971	\$6,258
4975-0001-1	Rent income-Cingular (AT&T)	\$50,000	\$48,000	\$30,407	\$27,372	\$26,400	\$23,373	\$20,531
4977-0001-1	Rent income-Crown Castle (Mountain Union)	\$44,000	\$42,000	\$42,000	\$17,855	\$15,611	\$15,000	\$15,000
4990-0001-1	Miscellaneous income	\$500	\$0	\$13,532	\$0		\$34	\$797
8900-0001-1	Gain or (loss) on sale of assets	\$0	\$0	\$0	\$0		\$0	\$4,250
	TOTAL WHOLESALE OPERATING FUND RECEIPTS	\$3,849,314	\$3,704,260	\$3,909,634	\$4,744,126	\$4,583,993	\$4,762,932	\$6,058,345
	Increase over prior year's budget			3.92%				

**EAST ORANGE COUNTY WATER DISTRICT
WHOLESALE OPERATING FUND-BUDGET FOR 2012-2013
EXPENDITURES**

	2012-13 BUDGET	2011-12 BUDGET	ACTUAL 2010-11	ACTUAL 2009-10	ACTUAL 2008-09	ACTUAL 2007-08	ACTUAL 2006-07
5219-0001-1 Utility- SCADA RTU	\$2,500	\$1,800	\$2,241	1,508.00	\$1,536	\$1,481	\$1,451
5130-0070-1 Water purchases-OC70	\$1,308,497	\$1,187,848	\$2,519,626	2,089,824.00	\$2,133,410	\$2,152,191	\$2,641,937
5130-0048-1 Water purchases-EOCF#2 OC48	\$523,399	\$480,194	\$784,801	774,405.00	\$912,122	\$684,034	\$966,905
5130-0043-1 Water purchases-EOCF#2 OC43	\$785,098	\$859,295	\$826,107	997,523.00	\$655,824	\$592,289	\$1,543,404
5164-0001-1 Retail service connection-MWDOC meter charges	\$157,100	\$129,825	\$119,439	(2,483.00)	\$108,207	\$106,612	\$105,617
5148-0001-1 Diemer lease amortization-bond	\$0	\$0	\$0	\$0		\$12,840	\$68,605
5149-0001-1 AMP-FAP lease	\$13,000	\$13,000	\$12,000	\$20,313	\$19,569	\$20,269	\$19,934
5607-0001-1 District website	\$750	\$750	\$750	\$764		\$60	\$8
5610-0009-1 McPherson fax	\$200	\$200	\$195	\$197	\$112	\$113	\$197
5610-0010-1 McPherson internet	\$475	\$450	\$417	\$444	\$419	\$408	\$397
5610-0015-1 McPherson office phones	\$1,250	\$1,200	\$1,243	\$1,091	\$1,233	\$990	\$957
5610-0016-1 Answering service	\$240	\$225	\$194	\$204	\$203	\$218	\$211
5610-0017-1 Phone circuits to contol equipment	\$4,100	\$4,000	\$4,034	\$3,825	\$3,733	\$3,751	\$3,806
5310-0018-1 Pagers	\$0	\$0	\$0	\$0		\$148	\$159
5610-0019-1 Cellphones	\$1,600	\$1,600	\$1,038	\$1,495	\$1,751	\$1,542	\$1,548
5610-0020-1 Underground Service Alert	\$400	\$400	\$478	\$332	\$333	\$360	\$386
5467-0001-1 Wages	\$124,800	\$120,000	\$138,166	\$99,836	\$148,731	\$142,853	\$112,456
5639-0001-1 Outside services	\$2,300	\$2,220	\$642	\$468	\$572	\$602	\$430
5313-0001-1 Small tools	\$2,400	\$2,400	\$1,841	\$943	\$5,917	\$1,468	\$2,923
5613-0001-1 Conservation expense	\$25,000	\$25,000	\$0	\$2,300		\$0	\$0
5320-0022-1 Gasoline, oil & diesel fuel	\$8,600	\$6,800	\$3,472	\$1,360	\$2,681	\$2,013	\$1,737
5616-0001-1 Mileage	\$200	\$125	\$120	\$135	\$150	\$47	\$177
5611-0001-1 Training / Schools	\$1,000	\$400	\$850	\$135	\$499	\$450	\$404
5324-0001-1 Regulatory Permits	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
5327-0001-1 Water quality testing	\$26,000	\$28,674	\$20,326	\$27,252	\$30,887	\$23,199	\$14,130
5338-0001-1 SCADA Replacements / Upgrades	\$12,000	\$10,000	\$0	\$3,443	\$712	\$3,027	\$2,880
5339-0001-1 Operations Reporting Software	\$1,500	\$1,380	\$0	\$1,380	\$0	\$0	\$0
5343-0001-1 Production meter purchases and installations	\$15,000	\$15,000	\$0	\$12,009	\$12,158	\$21,833	\$12,672
5350-0035-1 Mains-repair and maintenance	\$10,000	\$6,000	\$18,243	\$910	\$15,390	\$29,835	\$3,792
5350-0041-1 Service Connections-repair and maintenance	\$1,000	\$1,000	\$0	\$145	\$397	\$0	\$720
5345-0001-1 PRV-repair and maintenance	\$3,000	\$3,000	\$2,035	\$2,654	\$3,668	\$0	\$0
5350-0051-1 Reservoirs-repair and maintenance	\$10,000	\$10,000	\$2,205	\$4,748	\$11,747	\$8,330	\$5,603
5350-0052-1 Vaults-repair and maintenance	\$10,000	\$10,000	\$0	\$16,319	\$2,368	\$26	\$0
5358-0001-1 Meter Testing	\$3,000	\$3,000	\$2,170	\$1,678	\$3,167	\$4,980	\$3,122
5350-0402-1 Cathodic protection-monitor, repair and maintenance	\$15,000	\$12,000	\$1,507	\$10,407	\$4,827	\$8,595	\$7,108
5357-0001-1 EOCF # 2 maintenance and operations	\$45,000	\$23,000	\$42,452	\$20,900	\$16,200	\$11,000	\$11,275
5359-0001-1 SAC line maintenance and operations	\$2,000	\$2,000	\$1,915	\$1,719	\$1,649	\$1,663	\$1,682
5161-0001-1 MET-MWDOC Readiness to serve charge	\$193,500	\$162,630	\$137,793	\$62,803	\$63,548	\$75,738	\$74,200
5163-0001-1 MET-MWDOC Capacity charge	\$116,000	\$122,279	\$124,071	\$105,228	\$119,379	\$60,178	\$0
5365-0001-1 Equipment rental	\$200	\$200	\$0	\$200	\$34	\$0	\$68
5486-0001-1 Uniforms	\$2,000	\$1,000	\$1,387	\$960	\$972	\$1,610	\$1,159
5469-0069-1 FICA and Medicare	\$11,960	\$11,500	\$11,268	\$10,791	\$11,476	\$10,828	\$9,333
5469-0083-1 Retirement PERS	\$24,000	\$24,000	\$22,701	\$22,885	\$26,887	\$24,122	\$18,726
5480-0070-1 SUI and ETT	\$650	\$325	\$438	\$296	\$429	\$398	\$257

**EAST ORANGE COUNTY WATER DISTRICT
WHOLESALE OPERATING FUND-BUDGET FOR 2012-2013**

	2012-13 BUDGET	2011-12 BUDGET	ACTUAL 2010-11	ACTUAL 2009-10	ACTUAL 2008-09	ACTUAL 2007-08	ACTUAL 2006-07
EXPENDITURES							
5480-0072-1 Health & accident insurance	\$28,000	\$26,000	\$28,772	\$20,800	\$22,716	\$15,418	\$13,188
5480-0075-1 Dental insurance	\$2,000	\$1,700	\$2,390	\$1,568	\$1,873	\$1,347	\$1,265
5480-0076-1 Vision insurance	\$550	\$550	\$448	\$480	\$556	\$379	\$302
5480-0080-1 Life insurance	\$400	\$400	\$300	\$352	\$406	\$305	\$305
5480-0082-1 Worker's compensation insurance	\$6,000	\$5,000	\$6,464	\$4,000	\$3,930	\$4,501	\$9,241
5621-0001-1 Board Expenses	\$1,000	\$1,000	N/A	N/A	N/A	N/A	N/A
5614-0001-1 Board & Meeting Expenses	\$3,000	\$2,000	\$0	\$789	\$1,371	\$3,113	\$4,273
5618-0029-1 ACWA	\$2,750	\$2,500	\$3,231	\$2,410	\$2,273	\$2,228	\$2,080
5618-0030-1 Orange County Water Works Association	\$75	\$75	\$25	\$0	\$18		\$18
5618-0031-1 American Water Works Association	\$250	\$210	\$0	\$203	\$161	\$153	\$140
5618-0032-2 Foothill Communities Association	\$20	\$0	\$0	\$0	\$0	\$0	\$0
5618-0037-1 ISDOC / Urban Water Institute	\$900	\$1,025	\$358	\$1,025	\$825	\$775	\$750
5619-0001-1 Miscellaneous expense	\$500	\$500	\$167	\$215	\$240	\$24	\$21
5620-0021-1 Director's fees-Richard Barrett	\$2,500	\$2,000	\$1,488	\$1,400	\$1,225	\$800	\$900
5620-0022-1 Director's fees-William Vanderwerff	\$4,000	\$3,000	\$3,238	\$2,900	\$2,100	\$1,775	\$1,825
5620-0023-1 Director's fees-Douglas Chapman	\$3,600	\$2,500	\$2,150	\$1,850	\$1,513	\$1,225	\$1,450
5620-0024-1 Director's fees-John Dulebohn	\$3,600	\$2,500	\$2,238	\$1,938	\$263		
5620-0025-1 Director's fees-Gary Veeh	\$0	\$0	\$0	\$0	\$938	\$1,450	\$1,475
5620-0026-1 Director's fees-Richard Bell	\$3,600	\$2,500	\$3,025	\$2,225	\$1,688	\$1,700	\$1,675
5632-0001-1 Postage	\$750	\$500	\$430	\$368	\$412	\$390	\$405
5633-0001-1 Office supplies / furnishings / small equipment	\$7,000	\$7,000	\$7,461	\$8,232	\$9,191	\$7,778	\$8,053
5634-0001-1 Publications and legal notices	\$500	\$800	\$312	\$746	\$310	\$550	\$405
5635-0001-1 Copier contract	\$400	\$250	\$387	\$150	\$287	\$542	\$263
5638-0001-1 Bank Charges	\$3,200	\$2,000	\$2,737	\$2,046	\$217		
5640-0001-1 Audit	\$8,500	\$7,000	\$7,752	\$6,500	\$5,893	\$5,587	\$4,912
5641-0001-1 Tax collection fees	\$2,000	\$2,000	\$5,839	\$5,053	\$4,174	\$4,191	\$1,107
5348-0001-1 Engineering	\$25,000	\$25,000	\$6,259	\$12,226	\$21,309	\$20,400	\$16,487
5644-0001-1 Treasurer	\$10,000	\$30,000	\$32,817	\$42,776	\$28,226	\$32,357	\$33,850
5644-0003-1 Accounting- Serrano	\$20,000	\$15,000	N/A	N/A	N/A	N/A	N/A
5645-0001-1 Legal	\$18,000	\$15,000	\$22,277	\$13,919	\$12,370	\$12,137	\$9,126
5646-0001-1 Computer consulting	\$2,500	\$1,500	\$1,568	\$468	\$570	\$450	\$488
5648-0001-1 LAFCO	\$13,000	\$12,600	\$11,408	\$12,573	\$8,874	\$5,874	\$5,465
5649-0001-1 LAFCO MSR	\$0	\$0	\$0	\$385	\$61	\$3	\$5,562

**EAST ORANGE COUNTY WATER DISTRICT
WHOLESALE OPERATING FUND-BUDGET FOR 2012-2013**

	2012-13 BUDGET	2011-12 BUDGET	ACTUAL 2010-11	ACTUAL 2009-10	ACTUAL 2008-09	ACTUAL 2007-08	ACTUAL 2006-07
5650-0050-1 Insurance-auto and general liability	\$14,500	\$13,000	\$9,893	\$11,762	\$11,091	\$12,913	\$11,678
5650-0051-1 Insurance-property	\$3,000	\$2,400	\$2,256	\$2,230	\$2,189	\$2,192	\$2,003
5650-0052-1 Insurance-fidelity bond	\$200	\$180	\$50	\$155	\$160	\$160	\$160
5670-0072-1 Office equipment maintenance	\$300	\$250	\$0	\$576		\$0	\$0
5370-0070-1 Backhoe maintenance	\$2,000	\$1,200	\$1,180	\$346	\$168	\$0	\$2,115
5370-0071-1 Vehicle maintenance	\$2,500	\$2,500	\$1,118	\$2,144	\$2,867	\$2,446	\$3,048
5680-0083-1 Dumpster	\$1,400	\$1,200	\$302	\$450	\$695	\$348	\$293
5680-0084-1 The Gas Co-McPherson Rd	\$0	\$200	\$58	\$107	\$178	\$206	\$290
5680-0085-1 Electric and water-office	\$2,600	\$2,500	\$1,918	\$2,113	\$2,108	\$2,101	\$1,791
5686-0001-1 Security	\$500	\$0	\$59	\$0	\$0	\$0	\$0
5370-0080-1 Maintenance-buildings and grounds	\$3,500	\$4,000	\$7,053	\$1,468	\$911	\$3,932	\$3,261
5689-0001-1 Election expense	\$40,000	\$40,000	\$26	\$94		\$14,694	\$0
8961-0001-1 Transfer to capital projects	\$135,000	\$175,000	\$0	\$19,206	\$288,897	\$457,987	\$245,558
9011-0001-1 Market value adjustments to investments	\$0	\$0	\$511	\$887	(\$11,444)		\$2,395
9510-0001-1 Prior year expenses or (income)	\$500	\$5,000	(\$404)	\$7,663	\$8,576	\$4,975	\$2,426
TOTAL WHOLESALE OPERATING FUND EXPENDITURES	\$3,849,314	\$3,704,260	\$4,983,726	4,498,142.72	\$4,758,816	\$4,635,803	\$6,037,051
Increase over prior year's budget			3.92%				

REVENUE**4110-0001-1 WATER SALES**

Projected sales based on previous years' actual sales

\$2,616,994

	%	\$	Six Months 7-1 thru 12-31-11	\$	Six Months 7-1 thru 12-31-11	
City of Tustin	1,725.0	0.5	\$798.25	\$688,491	\$850.25	\$733,341
Golden State Water Company	1,080.0	0.5	\$798.25	\$431,055	\$850.25	\$459,135
City of Orange	20.0	0.5	\$798.25	\$7,983	\$850.25	\$8,503
EOCWD-Retail Zone	350.0	0.5	\$798.25	\$139,694	\$850.25	\$148,794
Irvine Ranch Water District (formerly OPA)	0.0	0.5	\$798.25	\$0	\$850.25	\$0
Irvine Ranch Water District	0.0	0.5	\$798.25	\$0	\$850.25	\$0
TOTAL	3,175.0	1.0	\$798.25	\$1,267,222	\$850.25	\$1,349,772
In lieu and desalter credit passthroughs			\$0.00	\$0		\$0
				\$1,267,222		\$1,349,772

4130-0001-1 METER/STANDBY CHARGE

MET Standby Charge - Allocated by MWDOC

\$157,100**4130-0001-1 RETAIL SERVICE CONNECTIONS-MWDOC METER CHARGES**

MWDOC annual connection charges based on total meters in Wholesale District - 20,784

\$157,100**4131-0001-1 MET-MWDOC READINESS TO SERVE RECOVERY**

Collected from Wholesale customers for pass-through of MWDOC readiness to serve charge.

Per draft calculation from MWDOC dated 4/29/11

\$193,500**4133-0001-1 MET-MWDOC CAPACITY CHARGE RECOVERY**

MWDOC unbundled this charge from the water rate and is billing it separately since January 1, 2007.

This will be billed to EOCWD monthly on a calendar year 3 year rolling average history.

Per calculation from MWDOC dated 4/29/11

\$116,000**4980-0001-1 AMP SALE PROCEEDS - RPOI DISTRIBUTIONS**

Distributions scheduled by MWDOC continue until July 2016 based

on reduced debt service on MWDOC 89 COPS

\$50,000
\$9,163

\$40,500**Various INTEREST EARNED ON INVESTED FUNDS**

Includes Interest from LAIF, County of Orange, ACWA & other investments TBD

Average yield estimated to be 1.0%

Doesn't include Capital Funds Interest

\$1,900

<u>4930-0030-1</u>	<u>TAXES-SECURED</u> Basic levy - estimated levy doesn't come from County until August	\$575,000
<u>4930-0031-1</u>	<u>TAXES-UNSECURED</u> Estimated levy does not come from County of Orange until August.	\$15,000
<u>4930-0032-1</u>	<u>TAXES-SUPPLEMENTAL ROLL</u> These taxes depend on real estate sales within the District which are unpredictable. Estimate is based reduced from previous years' budget	\$5,000
<u>4930-0040-1</u>	<u>TAXES-PRIOR YEARS</u> These taxes are shown on the tax ledger of the county as Miscellaneous Taxes These taxes depend on the County of Orange's collection of delinquent taxes which is unpredictable. Estimate is based on 100% of prior year budgeted amount., rounded up	\$15,000
<u>4930-0052-1</u>	<u>TAXES-HOMEOWNER'S SUBVENTION</u> These taxes depend on the County of Orange's receipt of monies from the State of California which are designed to reimburse cities, counties and local agencies for taxes lost to homeowner exemptions from property taxes, and they are unpredictable. Estimate is based on previous years' budgeted amount	\$4,000
<u>4930-0054-1</u>	<u>TAXES-PUBLIC UTILITY</u> Estimated basic levy does not come from County of Orange until August. Estimate is based on previous years budgeted amount, rounded down	\$10,000
<u>4930-0056-1</u>	<u>TAXES-MISCELLANEOUS</u> These taxes are odd type taxes that are occasionally distributed by County of Orange. They are not consistently distributed from one year to the next, and are unpredictable. Estimate is based on 100% of prior year budgeted amount.	\$500
<u>4930-0057-1</u>	<u>TAXES-ACCRUED</u> This account is used to accrue taxes at year end that will not be collected until next year. The amount is not determinable until the end of the year. Estimate is based on 100% of prior year budgeted amount, rounded up. (This should be a negative number)	(\$15,000)
<u>4930-0058-1</u>	<u>TAXES CONFISCATED BY STATE</u> This account was used to capture the secured taxes the District did not receive due to the reallocation of taxes from special districts to the State's general fund during 2004-05 and 2005-06. There should be no further reduction under this State redirection of taxes.	\$0

4160-0060-1 REIMBURSED EXPENSES-IRWD

This account is to record reimbursed expenses from IRWD that are billed to them for their share of facilities jointly owned by EOCWD and IRWD

\$19,040

4160-0065-1 REFUNDS

This account is to record refunds of expenses for damages, or other refunds of any other type of expense. Estimate is based on estimate by General Manager

\$0

4975-0001-1 RENT INCOME- AT&T

Space rent for equipment-per contract

\$50,000

4977-0001-1 RENT INCOME-CROWN CASTLE (MOUNTAIN UNION)

Space rent for equipment-per contract

\$44,000

4990-0001-1 MISCELLANEOUS INCOME

This account is not used unless some other receipt is unclassifiable-no budgeted amount

\$500

8900-0001-1 GAIN OR (LOSS) ON SALE OF ASSETS

The District does not plan to sell any assets during the budget year - no budgeted amount

\$0

EXPENDITURES

5219-0001-1 UTILITY- SCADA RTU

This account is for electricity for SCADA at remote stations. Estimate based on 2002-03 through previous year with nominal increase for electricity cost increases

\$2,500

WATER PURCHASES

TOTAL WATER TO BE PURCHASED

5130-0070-1 Through OC70 - historically 47; this year 50%%

\$1,308,497

5130-0048-1 Through EOCF # 2 - OC48 - historically 19%; this year 20%

\$523,399

5130-0043-1 Through EOCF # 2 - OC43 - historically 34%; this year 30%

\$785,098

5164-0001-1 RETAIL SERVICE CONNECTION-MWDOC METER CHARGES

MWDOC annual connection charges based on total meters in Wholesale District - 20,784

\$157,100

5148-0001-1 DIEMER LEASE AMORTIZATION-BOND

Amortization of prepaid lease payment to MWDOC based on 1996 COPS debt service

2006-07 was the final year for debt service on the 1996 COPS debt service. No more budgeting for this line item.

\$0

<u>5149-0001-1</u>	<u>AMP - FAP LEASE</u> Amortization of prepaid lease payment to MWDOC based on 1989 COPS Series D reduced debt service schedule. 89 COPS was <u>prepaid off</u> in April 2010, and is now prepaid AMP lease.	\$13,000
<u>5607-0001-1</u>	<u>DISTRICT WEBSITE</u> Wholesale Zone share of cost	\$750
<u>5610-0009-1</u>	<u>MCPHERSON FAX</u> Based on General Manager's estimate	\$200
<u>5610-0010-1</u>	<u>MCPHERSON INTERNET</u> Based on previous years' projected actual expenditures	\$475
<u>5610-0015-1</u>	<u>MCPHERSON OFFICE PHONES</u> Based on prior year's experience	\$1,250
<u>5610-0016-1</u>	<u>ANSWERING SERVICE</u> Based on previous years' projected actual expenditures	\$240
<u>5610-0017-1</u>	<u>PHONE CIRCUITS TO CONTROL EQUIPMENT</u> Based on previous years' projected actual expenditures	\$4,100
<u>5310-0018-1</u>	<u>PAGERS</u> Pagers have been discontinued	\$0
<u>5610-0019-1</u>	<u>CELLPHONES</u> Based on previous years' budget	\$1,600
<u>5610-0020-1</u>	<u>UNDERGROUND SERVICE ALERT</u> Based on previous years' projected actual expenditures	\$400
<u>5467-0001-1</u>	<u>WAGES</u> Total current hourly wages-all employees Overtime rate = 1.5 x average rate per employee Total Overtime wages Standby = 52 weekends x 6 hrs = 312 hours plus 11 holidays x 3 hrs.= 33 hours Total standby hours Standby rate = Standby wages = 342 hours Include cost for 2% raise for employees Also includes cost for part-time clerk @ \$12/hour	\$124,800
<u>5639-0001-1</u>	<u>OUTSIDE SERVICES</u> Based on General Manager's estimate	\$2,300.00
<u>5313-0001-1</u>	<u>SMALL TOOLS</u>	

	Based on General Managers' estimate	\$2,400.00
<u>5613-0001-1</u>	<u>CONSERVATION EXPENDITURES</u>	
	Conservation incentives approved by the Board	\$25,000
<u>5320-0022-1</u>	<u>GASOLINE, OIL AND DIESEL</u>	
	Based on history and previous years' budget, increased for cost of gasoline prices (3,200 gallons at average \$4.25)	\$8,600
	Wholesale allocation based on general manager's estimate-50%	
<u>5616-0001-1</u>	<u>MILEAGE</u>	
	Based on history and previous years' budget	\$200
	Wholesale allocation based on general manager's estimate-30%	
<u>5611-0001-1</u>	<u>TRAINING / SCHOOLS</u>	
	Based on previous years' actual	\$1,000
<u>5163-0001-1</u>	<u>REGULATORY PERMIT</u>	
	Based on previous years' actual	\$5,000
<u>5327-0001-1</u>	<u>WATER QUALITY TESTING</u>	
	Based on increasing history. More testing will be required	\$26,000
	Wholesale direct cost based on prior year actual	
<u>5338-0001-1</u>	<u>SCADA REPLACEMENTS / UPGRADES</u>	
	Based on General Manager's estimate	\$12,000
<u>5339-0001-1</u>	<u>OPERATIONS REPORTING SOFTWARE</u>	
	SEMS software - maintenance, laboratory, asset management & reporting	\$1,500
<u>5343-0001-1</u>	<u>PRODUCTION METER PURCHASES AND INSTALLATIONS</u>	
	Stoller 14" mag production meter for Wholesale sales to Retail Zone	\$15,000
	Wholesale direct expense	
<u>5350-0035-1</u>	<u>MAINS-REPAIR AND MAINTENANCE</u>	
	Piping, valves, sand, temporary asphalt, permits and other maintenance direct supplies, dump fees	\$10,000
	Budget estimated by General Manager	

<u>5350-0041-1</u>	<u>SERVICE CONNECTIONS- REPAIR AND MAINTENANCE</u>	
	Piping, valves, sand, temporary asphalt, permits and other maintenance direct supplies	\$1,000
	Budget estimated by General Manager	
<u>5345-0001-1</u>	<u>PRV- REPAIR AND MAINTENANCE</u>	
	Budget estimated by General Manager	\$3,000
<u>5350-0051-1</u>	<u>RESERVOIRS- REPAIR AND MAINTENANCE</u>	
	Budget of \$6,000 estimated by General Manager and increased by \$4,000 for Valve Replacement at Peters Canyon Reservoir	\$10,000
<u>5350-0052-1</u>	<u>VAULTS- REPAIR AND MAINTENANCE</u>	
	Repair and maintenance-budget estimated by General Manager	\$10,000
<u>5358-0001-1</u>	<u>METER TESTING</u>	
	Annual meter testing and repairs	\$3,000
<u>5350-0402-1</u>	<u>CATHODIC PROTECTION MONITORING, REPAIR AND MAINTENANCE</u>	
	Budget estimated by General Manager	\$15,000
<u>5357-0001-1</u>	<u>EOCF # 2 MAINTENANCE AND OPERATIONS</u>	
	Based on current MWDOC budget.	\$45,000
<u>5359-0001-1</u>	<u>SAC LINE MAINTENANCE AND OPERATIONS</u>	
	Based on General Manager's estimates. SAC has not yet sent its budget for this	\$2,000
<u>5161-0001-1</u>	<u>MET-MWDOC READINESS TO SERVE CHARGE</u>	
	Based on MWDOC allocation to EOCWD of 4 yr average of RTS Eligible Purchases	\$193,500
<u>5163-0001-1</u>	<u>MET-MWDOC CAPACITY CHARGE</u>	
	EOCWD share of unbundled capacity charge	\$116,000
<u>5365-0001-1</u>	<u>EQUIPMENT RENTAL</u>	
	Budget based on previous years' budget	\$200
<u>5486-0001-1</u>	<u>UNIFORMS</u>	
	Budget based on previous years' budget	\$2,000

<u>5469-0069-1</u>	<u>FICA AND MEDICARE</u>	
	Total wages	
	Director fees	\$11,960
	Total amount subject to FICA and Medicare	
	FICA & Medicare = 7.65% of payroll	
<u>5469-0083-1</u>	<u>RETIREMENT-PERS</u>	
	Applies only to regular wages	\$24,000
	Employee Contribution - 7%	
	Employer contribution 8%	
<u>5480-0070-1</u>	<u>SUI and ETT</u>	
	SUI = 1.5%; ETT = .1%; Total = 1.6%; Maximum wages subject are \$7,000.	\$650
<u>5480-0072-1</u>	<u>HEALTH AND ACCIDENT INSURANCE</u>	
	ACWA - ASC	\$28,000
	Budget based on ACWA information	
<u>5480-0075-1</u>	<u>DENTAL INSURANCE</u>	
	ACWA - ASC	\$2,000
	Budget based on previous years' actual	
<u>5480-0076-1</u>	<u>VISION INSURANCE</u>	
	Budget based on previous years' actual	\$550
<u>5480-0080-1</u>	<u>LIFE INSURANCE</u>	
	Budget based on previous years' actual	\$400
<u>5480-0082-1</u>	<u>WORKER'S COMPENSATION INSURANCE</u>	
	Based on information from JPIA	\$6,000
<u>5621-0001-1</u>	<u>BOARD & COMMITTEE MEETING EXPENSE</u>	
	This line remains for prior years history. These are budgeted separately below for this budget year.	\$1,000
<u>5614-0001-1</u>	<u>CONFERENCE & MEETING EXPENSES</u>	
	Based on General Manager's estimate	\$3,000
<u>5618-0029-1</u>	<u>ACWA</u>	
	Dues & Misc Expenses. Based on previous years' projected actual	\$2,750

<u>5618-0030-1</u>	<u>ORANGE COUNTY WATERWORKS ASSOCIATION</u>	
	Dues & Misc Expenses. Based on previous years' projected actual	\$75
<u>5618-0031-1</u>	<u>AMERICAN WATERWORKS ASSOCIATION</u>	
	Dues & Misc Expenses. Based on previous years' projected actual	\$250
<u>5618-0032-2</u>	<u>FOOTHILL COMMUNITIES ASSOCIATION</u>	
	Dues & Misc Expenses. Based on previous years' projected actual	\$20
<u>5618-0037-1</u>	<u>INDEPENDENT SPECIAL DISTRICT'S ASSOCIATION / URBAN WATER INSTITUTE</u>	
	Dues & Misc Expenses. Based on previous years' projected actual	\$900
<u>5619-0001-1</u>	<u>MISCELLANEOUS EXPENSE</u>	
	Minimal budget for this category for this budget year	\$500
	<u>DIRECTOR'S FEES</u>	
	Budget based on General Manager's estimate / including Committee meetings	
<u>5620-0021-1</u>	<u>Richard Barrett</u>	\$2,500
<u>5620-0022-1</u>	<u>William Vanderwerff</u>	\$4,000
<u>5620-0023-1</u>	<u>Douglas Chapman</u>	\$3,600
<u>5620-0024-1</u>	<u>John Dulebohn</u>	\$3,600
<u>5620-0026-1</u>	<u>Richard Bell</u>	\$3,600
<u>5632-0001-1</u>	<u>POSTAGE</u>	
	Budget based on General Manager's estimate	\$750
<u>5633-0001-1</u>	<u>OFFICE SUPPLIES / FURNISHINGS / SMALL EQUIPMENT</u>	
	Budget based on General Manager's estimate	\$7,000
<u>5634-0001-1</u>	<u>PUBLICATIONS AND LEGAL NOTICES</u>	
	Budget based on previous years' projected actual	\$500
<u>5635-0001-1</u>	<u>COPIER CONTRACT</u>	
	Budget based on previous years' projected actual	\$400
<u>5638-0001-1</u>	<u>BANK CHARGES</u>	
	Based on previous years' actual	\$3,200

<u>5640-0001-1</u>	<u>AUDIT</u>	
	Budget based on contract	\$8,500
<u>5641-0001-1</u>	<u>TAX COLLECTION FEES</u>	
	Based on previous years' projected actual	\$2,000
<u>5348-0001-1</u>	<u>ENGINEERING</u>	
	Budget based on General Manager's estimate	\$25,000
<u>5644-0001-1</u>	<u>TREASURER</u>	
	Budget based on General Manager's estimate	\$10,000
<u>5644-0003-1</u>	<u>ACCOUNTING- SERRANO</u>	
	Budget based on General Manager's estimate	\$20,000
<u>5645-0001-1</u>	<u>LEGAL</u>	
	Budget based on General Manager's estimate	\$18,000
<u>5646-0001-1</u>	<u>COMPUTER CONSULTING</u>	
	Budget based on General Manager's estimate	\$2,500
<u>5648-0001-1</u>	<u>LAFCO</u>	
	Budget based on information from Local Agency Formation Commission	\$13,000
<u>5649-0001-1</u>	<u>LAFCO MSR</u>	
	General manager's estimate for MSR for budget year	\$0
<u>5650-0050-1</u>	<u>INSURANCE-AUTO AND GENERAL LIABILITY</u>	
	Budget based on previous years' projected actual with an increase	\$14,500
<u>5650-0051-1</u>	<u>INSURANCE-PROPERTY</u>	
	Budget based on previous years' budget	\$3,000
<u>5650-0052-1</u>	<u>INSURANCE-FIDELITY BOND</u>	
	Budget based on previous years' budget	\$200
<u>5670-0072-1</u>	<u>OFFICE EQUIPMENT MAINTENANCE</u>	
	Budget based on General Manager's estimate	\$300
<u>5370-0070-1</u>	<u>BACKHOE MAINTENANCE</u>	
	Budget based on General Manager's estimate	\$2,000
<u>5370-0071-1</u>	<u>VEHICLE MAINTENANCE</u>	
	Budget based on General Manager's estimate	\$2,500
<u>5680-0083-1</u>	<u>DUMPSTER</u>	
	Budget based on General Manager's estimate WS allocation 30%	\$1,400

<u>5680-0084-1</u>	<u>THE GAS COMPANY-MCPHERSON ROAD THIS IS FOR THE DISTRICT'S HOUSE</u>	
	Paid by Superintendent	\$0
<u>5680-0085-1</u>	<u>ELECTRIC AND WATER-OFFICE</u>	
	Budget based on previous years' projected actual with nominal increase WS allocation 30%	\$2,600
<u>5686-0001-1</u>	<u>SECURITY</u>	
	New account - costs (locks, etc.) related to security	\$500
<u>5370-0080-1</u>	<u>MAINTENANCE-BUILDINGS AND GROUNDS</u>	
	Budget includes repairs to District house	\$3,500
<u>5689-0001-1</u>	<u>ELECTION EXPENSE</u>	
	Budget based on estimate by Registrar of Voters	\$40,000
<u>8961-0001-1</u>	<u>TRANSFER TO OR (FROM) CAPITAL PROJECTS</u>	
	Any excess of receipts over expenditures of the Wholesale Operating Fund that is not needed for working capital is transferred to the Wholesale Replacement and Capital Improvements Fund	\$135,000
<u>9011-0001-1</u>	<u>MARKET VALUE ADJUSTMENTS TO INVESTMENTS</u>	
	This account records any decrease to the value of investments, which must be written down to fair market value annually if a significant decrease in their value occurs.	\$0
<u>9510-0001-1</u>	<u>PRIOR YEAR EXPENSES</u>	
	This account captures expenses that relate to a previous fiscal year so that they are segregated for audit. Based on history of prior year items paid or received in budget year	\$500

EAST ORANGE COUNTY WATER DISTRICT
WHOLESALE ZONE
MULTI-YEAR CAPITAL PLAN

PROJECTED AVAILABLE RESOURCES:

	Projected beginning cash and cash equivalents
4113-0001-1	Projected connection fees
Various	Projected interest earnings
4925-0001-1	Projected Interest Receivable - AMP Note
4993-0953-1	Transfers from Operating Expenses
4991-0010-1	Reimbursement for Storm Damage Repairs
4991-0011-1	Reimbursement for Security Upgrades

Subtotal Projected Annual Revenue

Projected Annual Resources

TOTAL ANTICIPATED NET REVENUE 2012-2016

Current Year	2012-2013	2013-14	2014-15	2015-16	2016-17	TOTAL
\$5,365,000	\$5,760,657	\$5,380,657	\$5,579,657	\$5,692,657	\$5,877,657	
\$25,000	\$20,000	\$5,000	\$5,000	\$5,000	\$5,000	\$40,000
\$50,000	\$10,000	\$50,000	\$50,000	\$50,000	\$50,000	\$210,000
\$18,000	\$10,000	\$15,000	\$13,000	\$10,000	\$5,000	\$53,000
\$200,000	\$135,000	\$200,000	\$200,000	\$200,000	\$200,000	\$935,000
\$30,000	\$20,000					\$50,000
\$60,000	\$60,000					\$120,000
\$383,000	\$255,000	\$270,000	\$268,000	\$265,000	\$260,000	
\$5,748,000	\$6,015,657	\$5,650,657	\$5,847,657	\$5,957,657	\$6,137,657	
						\$1,408,000
Current Year	2012-2013	2013-14	2014-15	2015-16	2016-17	TOTAL
\$25,000				\$25,000		\$25,000
						\$0
						\$0
	\$10,000					\$10,000
	\$1,000					\$1,000
\$5,500	\$8,000					\$8,000
	\$1,000					\$1,000
\$75,000	\$75,000					\$75,000
\$60,000	\$20,000					\$20,000
	\$1,000					\$1,000
	\$15,000					\$15,000
\$15,000	\$15,000					\$15,000
	\$1,000					\$1,000
	\$15,000					\$15,000
\$100,000	\$85,000					\$85,000
	\$1,000					\$1,000
	\$1,000					\$1,000
	\$30,000					\$30,000
	\$1,000					\$1,000
\$30,000	\$25,000					\$25,000
	\$1,000					\$1,000
	\$50,000					\$50,000
	\$25,000					\$25,000
	\$50,000					\$50,000
	\$1,000					\$1,000

CAPITAL PROJECTS AND REPLACEMENTS

7912-202E-1	UWMP Update-Engineering (WS portion)
7912-202C-1	UWMP Update-Construction (WS portion)
7912-202L-1	UWMP Update-Labor (WS portion)
7912-102C-1	Metal Flashing at Peters Canyon Reservoir-Construction
7912-102L-1	Metal Flashing at Peters Canyon Reservoir-Labor
7912-103C-1	Security Gate at 6 MG Site-Const (WZ Portion)(Carryover)
7912-103L-1	Security Gate at 6 MG Site-Labor (WZ Portion)(Carryover)
7912-201E-1	Betterment and Replacement Plan-Engineering (Carryover)
7912-105C-1	Security System at Peters Canyon Reservoir-Construction
7912-105L-1	Security System at Peters Canyon Reservoir-Labor
7912-108E-1	Electrical modifications for Backup Generator-Engineering
7912-108C-1	Electrical modifications for Backup Generator-Construction (Carryover)
7912-108L-1	Electrical modifications for Backup Generator-Labor
7912-107E-1	Backup generator at OC70 Pump Station-Engineering
7912-107C-1	Backup generator at OC70 Pump Station-Construction
7912-107L-1	Backup generator at OC70 Pump Station-Labor
7912-109E-1	Metering Improvements for WZ Billing-Engineering
7912-109C-1	Metering Improvements for WZ Billing-Construction
7912-109L-1	Metering Improvements for WZ Billing-Labor
7912-110E-1	Pipeline Inspections-Engineering (Carryover)
7912-110L-1	Pipeline Inspections-Labor
7913-101E-1	Feasibility & Env. Review - Treatment Plant-Engineering
7913-102E-1	6 MG Reservoir Roof Repairs-Engineering
7913-102C-1	6 MG Reservoir Roof Repairs-Construction
7913-102L-1	6 MG Reservoir Roof Repairs-Labor

EAST ORANGE COUNTY WATER DISTRICT
WHOLESALE ZONE
MULTI-YEAR CAPITAL PLAN

CAPITAL PROJECTS AND REPLACEMENTS

7913-103E-1	6 MG Reservoir - Slope Repair/Asphalt/Curb-Engineering	
7913-103C-1	6 MG Reservoir - Slope Repair/Asphalt/Curb-Construction (Carryover)	\$60,000
7913-103L-1	6 MG Reservoir - Slope Repair/Asphalt/Curb-Labor	
7913-104E-1	6 MG Reservoir - Landscape/V-Ditch-Engineering	
7913-104C-1	6 MG Reservoir - Landscape/V-Ditch-Construction	
7913-104L-1	6 MG Reservoir - Landscape/V-Ditch-Labor	
7913-105C-1	Slurry seal asphalt around Andres & Newport Reservoirs-Construction	
7913-105L-1	Slurry seal asphalt around Andres & Newport Reservoirs-Labor	
7913-201C-1	McPherson Office/Yard Improvements-Construction	
7913-201L-1	McPherson Office/Yard Improvements-Labor	
7913-202E-1	11.5 MG Reservoir Cathodic Protection System-Engineering	
7913-202C-1	11.5 MG Reservoir Cathodic Protection System-Construction	
7913-202L-1	11.5 MG Reservoir Cathodic Protection System-Labor	
7913-106E-1	Cathodic Protection - Pipelines-Engineering	
7913-106C-1	Cathodic Protection - Pipelines-Construction	
7913-106L-1	Cathodic Protection - Pipelines-Labor	
7913-203C-1	Used vehicle to supplement fleet	
7914-101C-2	Replace backhoe	
7914-101E-1	6 MG Treatment Plant Demolition-Engineering	
7914-101C-1	6 MG Treatment Plant Demolition-Construction	
7914-101L-1	6 MG Treatment Plant Demolition -Labor	
7916-101E-1	Pipeline Repair/Replacement Reserve-Engineering	
7916-101C-1	Pipeline Repair/Replacement Reserve-Construction	
7914-102C-1	Vulnerability upgrades-Andres Reservoir-Construction	
7914-103C-1	Valve Replacements (12" - 27")-Construction	
7915-101C-1	Vulnerability upgrades-OC-70 turnout & pump station-Construction	
7915-102C-1	Vulnerability upgrades-Peter's Canyon Reservoir-Construction	
7915-103C-1	Vulnerability upgrades-OC-48 MET turnout-Construction	
7915-104E-1	Vulnerability upgrades-Fairhaven Transmission Main bridge-Engineering	
7900-100C-1	* Capitalized Accounting Costs	\$1,000
Total Projected Annual Expenditures		\$421,500

PROJECTED ENDING AVAILABLE RESOURCES

NET REDUCTION IN RESERVE FUND

* FY Current Year Revenue and Expenses not included in Net Revenue or Net Reduction calculations

Current Year	2012-2013	2013-14	2014-15	2015-16	2016-17	TOTAL
	\$10,000					\$10,000
\$60,000	\$50,000					\$50,000
	\$1,000					\$1,000
	\$5,000					\$5,000
	\$20,000					\$20,000
	\$1,000					\$1,000
	\$30,000					\$30,000
	\$1,000					\$1,000
	\$10,000					\$10,000
	\$1,000					\$1,000
	\$10,000					\$10,000
	\$25,000					\$25,000
	\$1,000					\$1,000
	\$5,000					\$5,000
	\$15,000					\$15,000
	\$1,000					\$1,000
	\$12,000					\$12,000
		\$20,000				
		\$5,000				\$5,000
		\$25,000				\$25,000
		\$1,000				\$1,000
					\$100,000	\$100,000
					\$900,000	\$900,000
		\$9,000				\$9,000
		\$6,000	\$60,000	\$50,000	\$75,000	\$191,000
			\$12,000			\$12,000
			\$70,000			\$70,000
			\$3,000			\$3,000
			\$5,000			\$5,000
\$1,000	\$5,000	\$5,000	\$5,000	\$5,000	\$4,000	\$24,000
\$421,500	\$635,000	\$71,000	\$155,000	\$80,000	\$1,079,000	\$1,727,000
\$5,326,500	\$5,380,657	\$5,579,657	\$5,692,657	\$5,877,657	\$5,058,657	
NET REDUCTION IN RESERVE FUND						\$319,000

REVENUE

	<u>PROJECTED BEGINNING CASH AND CASH EQUIVALENTS</u>	
	Fund Reserves	\$5,760,657
<u>4113-0001-1</u>	<u>PROJECTED CONNECTION FEES</u>	
	Fees paid to connect to WZ	\$20,000
<u>Various</u>	<u>INTEREST EARNED ON INVESTED FUNDS</u>	\$10,000
	Includes Interest from Raymond James, LAIF & Treasury Bonds Average yield estimated to be 1.0%	
<u>5327-0002-2</u>	<u>Projected Interest Receivable - AMP Note</u>	\$10,000
<u>5350-0052-2</u>	<u>Transfers from Operating Expenses</u>	\$135,000
<u>5350-0051-2</u>	<u>Reimbursement for Storm Damage Repairs</u>	\$20,000
<u>5350-0052-1</u>	<u>Reimbursement for Security Upgrades</u>	\$60,000

EXPENDITURES

<u>7912-102C-1</u>	<u>Metal Flashing at Peters Canyon Reservoir-Construction</u>	\$10,000
<u>7912-102L-1</u>	<u>Metal Flashing at Peters Canyon Reservoir-Labor</u>	\$1,000
	Completion of fire "hardening" as recommended by OCFA	
<u>7912-103C-1</u>	<u>Security Gate at 6 MG Site-Const (WZ Portion)(Carryover)</u>	\$8,000
<u>7912-103L-1</u>	<u>Security Gate at 6 MG Site-Labor (WZ Portion)(Carryover)</u>	\$1,000
	Installation of automatic gate and security card reader	
<u>7912-201E-1</u>	<u>Betterment and Replacement Plan-Engineering (Carryover)</u>	\$75,000
<u>7912-105C-1</u>	<u>Security System at Peters Canyon Reservoir-Construction</u>	\$20,000
<u>7912-105L-1</u>	<u>Security System at Peters Canyon Reservoir-Labor</u>	\$1,000
	WZ Update to 1970s Master Plan	
<u>7912-108E-1</u>	<u>Electrical modifications for Backup Generator-Engineering</u>	\$15,000
<u>7912-108C-1</u>	<u>Electrical modifications for Backup Generator-Construction (Carryover)</u>	\$15,000
<u>7912-108L-1</u>	<u>Electrical modifications for Backup Generator-Labor</u>	\$1,000
	Installation of harness to facilitate use of backup generator	

<u>7912-107E-1</u>	<u>Backup generator at OC70 Pump Station-Engineering</u>	\$15,000
<u>7912-107C-1</u>	<u>Backup generator at OC70 Pump Station-Construction</u>	\$85,000
<u>7912-107L-1</u>	<u>Backup generator at OC70 Pump Station-Labor</u>	\$1,000
Purchase of generator and wiring/electrical for generator		
<u>7912-109E-1</u>	<u>Metering Improvements for WZ Billing-Engineering</u>	\$1,000
<u>7912-109C-1</u>	<u>Metering Improvements for WZ Billing-Construction</u>	\$30,000
<u>7912-109L-1</u>	<u>Metering Improvements for WZ Billing-Labor</u>	\$1,000
Equipment purchase and installationof transmitters for AMR		
<u>7912-110E-1</u>	<u>Pipeline Inspections-Engineering (Carryover)</u>	\$25,000
<u>7912-110L-1</u>	<u>Pipeline Inspections-Labor</u>	\$1,000
Leak detection survey		
<u>7913-101E-1</u>	<u>Feasibility & Env. Review - Treatment Plant-Engineering</u>	\$50,000
Allowance for preliminary investigation into treatment plant feasibility		
<u>7913-102E-1</u>	<u>6 MG Reservoir Roof Repairs-Engineering</u>	\$25,000
<u>7913-102C-1</u>	<u>6 MG Reservoir Roof Repairs-Construction</u>	\$50,000
<u>7913-102L-1</u>	<u>6 MG Reservoir Roof Repairs-Labor</u>	\$1,000
Repairs to corrosion damage to aluminum roof and interior spalling of concrete		
<u>7913-103E-1</u>	<u>6 MG Reservoir - Slope Repair/Asphalt/Curb-Engineering</u>	\$10,000
<u>7913-103C-1</u>	<u>6 MG Reservoir - Slope Repair/Asphalt/Curb-Construction (Carryover)</u>	\$50,000
<u>7913-103L-1</u>	<u>6 MG Reservoir - Slope Repair/Asphalt/Curb-Labor</u>	\$1,000
Storm Damage repairs (slope rebuilding/asphalt berm construction)		
<u>7913-104E-1</u>	<u>6 MG Reservoir - Landscape/V-Ditch-Engineering</u>	\$5,000
<u>7913-104C-1</u>	<u>6 MG Reservoir - Landscape/V-Ditch-Construction</u>	\$20,000
<u>7913-104L-1</u>	<u>6 MG Reservoir - Landscape/V-Ditch-Labor</u>	\$1,000
Installation of V-Ditch at top of north slope to limit slope erosion		
<u>7913-105C-1</u>	<u>Slurry seal asphalt around Andres & Newport Reservoirs-Construction</u>	\$30,000
<u>7913-105L-1</u>	<u>Slurry seal asphalt around Andres & Newport Reservoirs-Labor</u>	\$1,000
Periodic slurry seal at reservoir sites		
<u>7913-201C-1</u>	<u>McPherson Office/Yard Improvements-Construction</u>	\$10,000
<u>7913-201L-1</u>	<u>McPherson Office/Yard Improvements-Labor</u>	\$1,000
Flooring & misc supplies for interior modifications to office & McPherson house & asphalt/slurry work in yard		
<u>7913-202E-1</u>	<u>11.5 MG Reservoir Cathodic Protection System-Engineering</u>	\$10,000
<u>7913-202C-1</u>	<u>11.5 MG Reservoir Cathodic Protection System-Construction</u>	\$25,000
<u>7913-202L-1</u>	<u>11.5 MG Reservoir Cathodic Protection System-Labor</u>	\$1,000
Design & installation of cathodic protection system for Andres Reservoir		

7913-106E-1 **Cathodic Protection - Pipelines-Engineering**
7913-106C-1 **Cathodic Protection - Pipelines-Construction**
7913-106L-1 **Cathodic Protection - Pipelines-Labor**
Design & installation of cathodic protection system for pipelines

\$5,000
\$15,000
\$1,000

7913-203C-1 **Used vehicle to supplement fleet**
WZ portion of used electric or gas assist small SUV

\$12,000

7900-100C-1 *** Capitalized Accounting Costs**

\$5,000

EAST ORANGE COUNTY WATER DISTRICT

RETAIL ZONE OPERATING BUDGET

FY 2012-13

Account	Title	2012-13 BUDGET	2011-12 BUDGET	ACTUAL 2010-11	ACTUAL 2009-10	ACTUAL 2008-09	ACTUAL 2007-08
RECEIPTS							
4110-0002-2	Water sales	972,000	891,000	756,737	740,407	766,815	799,527
4111-0002-2	Meter charges	355,000	312,000	187,249	156,332	154,323	155,849
4112-0002-2	Late charges	9,000	9,000	10,530	11,580	11,880	10,980
4113-0002-2	Connection Fee	0	0	0	3,500	700	1,000
4115-0002-2	Returned check charges	500	500	330	630	570	600
4116-0002-2	Turn-off charges	1,000	1,000	1,380	1,400	750	1,090
4117-0002-2	Other charges	750	500	863	0	2,080	2,802
4118-0002-2	Uncollectible accounts	(5,000)	(5,000)	(2,883)	(3,485)	(876)	(665)
4120-0002-2	Meter installation	0	0	0	0		0
4121-0002-2	Turn-on new service	1,000	1,000	0	5,130	8,217	14,836
4122-0002-2	State tax shifts	0	0	0	0		84,744
4917-0002-2	Interest earned-LAIF	150	700	176	1,573	3,034	3,429
4915-0001-1	Interest earned-Money Market	500	50	37	444	863	1,419
4916-0002-2	Interest earned-Morgan Stanley	50	50	12	538	3,141	5,917
4918-0002-2	Interest earned-U.S. Treas Bond	100	100	0	0	0	0
4922-0002-2	Interest earned-Cty of Orange	50	100	107			
4930-0030-2	Taxes-secured	316,500	313,500	292,127	307,112	299,000	277,379
4930-0031-2	Taxes-unsecured	15,500	15,000	9,048	12,781	12,807	13,630
4930-0032-2	Taxes-supplemental roll	5,100	5,000	2,290	6,618	13,423	16,084
4930-0040-2	Taxes-prior years	4,000	4,000	8,765	14,164	8,661	5,146
4930-0052-2	Taxes-homeowners subvention	1,000	1,000	2,773	2,751	2,822	2,899
4930-0054-2	Taxes-public utility	5,000	5,000	5,046	5,013	5,206	4,740
4930-0056-2	Taxes-miscellaneous	100	100	12	10	(0)	0
4930-0057-2	Taxes-accrued	(5,000)	(5,000)	(8,931)	(13,302)	(11,115)	(6,564)
4930-0058-2	Taxes confiscated by State	0	0	0	0	0	0
	Subtotal Property Taxes	342,200	338,600	311,130	335,147	330,805	313,314
4160-0065-2	Refunds	2,000	2,000	2,957	4,770	6,849	8,996
4166-0002-2	Service upgrade/downgrade fee	0	0	0	302	497	4,619
4990-0002-2	Miscellaneous income	500	500	2,759	889	938	629
8900-0002-2	Gain or (loss) on sale of assets	-	2,000	-		-	4,250
TOTAL RETAIL OPERATING FUND RECEIPTS		\$1,679,800	\$1,554,100	\$1,271,385	\$1,259,157	\$1,290,585	\$1,413,336

Increase over Prior Year Budget

8%

**EAST ORANGE COUNTY WATER DISTRICT
RETAIL OPERATING FUND-BUDGET FOR 2012**

EXPENDITURES	2012-13 BUDGET	2011-12 BUDGET	ACTUAL 2010-11	ACTUAL 2009-10	ACTUAL 2008-09	ACTUAL 2007-08
5206-0002-2 Utilities-Stoller Boosters	50,850	44,000	23,210	23,130	27,109	28,035
5212-0002-2 Utilities-Vista Panorama Reservoir	6,500	7,000	4,186	6,453	3,638	3,612
5216-0002-2 Utilities-Wells East/West	59,585	47,250	31,879	38,002	34,664	25,536
5130-0070-2 Water purchases	311,600	361,200	339,133	191,767	364,813	305,237
5139-0002-2 In-lieu water purchases	0	106,000	47,760	0		80,454
5141-0002-2 In-Lieu credit on water purchases	0	(170,000)	0	0		(144,404)
5164-0002-2 Retail service connection	8,270	7,700	6,952	6,628	6,589	6,578
5145-0002-2 Tax recovery expense	0	0	0	0		21,222
5146-0002-2 OCWD- Replenish Assessment	183,000	92,750	76,469	189,091	98,639	123,036
5607-0002-2 District website	1,000	5,000	750	764		60
5610-0009-2 McPherson fax	160	155	194	149	122	113
5610-0010-2 McPherson internet	525	513	417	428	435	407
5610-0015-2 McPherson office phones	1,260	1,230	1,243	1,128	1,233	973
5610-0016-2 Answering service	260	256	213	204	203	203
5610-0017-2 Phone circuits to control equipment	3,080	2,563	2,277	2,126	2,027	1,603
5610-0018-2 Pagers	0	0	0	0	0	164
5610-0019-2 Cellphones	1,550	1,538	1,006	1,496	1,751	1,542
5610-0020-2 Underground Service Alert	400	360	423	332	333	360
5467-0002-2 Wages	258,794	234,600	201,858	197,077	194,282	189,774
5639-0002-2 Outside services	6,400	6,300	723	2,160	1,104	1,219
5313-0002-2 Small tools	3,000	2,500	2,007	513	5,897	2,096
5613-0002-2 Conservation	4,000	3,500	108	0	0	
5320-0022-2 Gasoline, oil and diesel fuel	8,800	6,800	5,405	4,977	7,671	7,910
5616-0002-2 Mileage	500	360	405	503	351	189
5611-0002-2 Training / Schools	1,500	750	1,321	260	967	1,010
5324-0002-2 Regulatory Permits	2,500	1,625	1,452	1,452	1,185	1,185
5327-0002-2 Water quality testing	19,500	20,500	14,290	19,662	12,452	14,989
5328-0002-2 Chlorine generator / salt purchases	2,650	2,565	0	1,336	468	695
5329-0002-2 West well maintenance	3,200	3,075	271	5,978	1,245	4,448
5330-0002-2 East well maintenance	3,200	3,075	156	692	11,533	1,514
5331-0002-2 Stoller Reservoir & Boosters maint	6,300	6,150	2,203	6,488	7,115	6,042
5332-0002-2 Vista Panorama Booster maintena	4,200	4,100	0	661	1,706	4,536
5333-0002-2 Vista Panorama Reservoir mainter	5,200	5,125	0	4,742	6,765	0
5334-0002-2 Chlorine generator maintenance	3,150	3,075	526	4,179	767	1,099

**EAST ORANGE COUNTY WATER DISTRICT
RETAIL OPERATING FUND-BUDGET FOR 2012-2013**

EXPENDITURES	2012-13 BUDGET	2011-12 BUDGET	ACTUAL 2010-11	ACTUAL 2009-10	ACTUAL 2008-09	ACTUAL 2007-08
5350-0035-2 Mains-repair and maintenance	24,900	26,250	13,662	3,433	2,402	20,456
5350-0041-2 Service Connections-repair and maintenance	21,525	21,000	15,734	22,616	26,599	20,347
5342-0002-2 Hydrants- repair and maintenance	16,100	15,750	11,869	9,564	8,105	5,850
5343-0002-2 Production meter purchases and installation	9,200	10,500	9,544	18,632	4,831	8,101
5345-0002-2 PRV-repair and maintenance	1,075	1,050	5,926	139	785	0
5350-0051-2 Reservoirs-repair and maintenance	4,300	4,200	398	4,222	1,794	356
5358-0002-2 Meter testing	1,550	1,500	930	270	1,499	1,015
5350-0402-2 Cathodic Protection- monitoring, repair and maintenance	5,500	5,000	0	650	964	200
5350-0052-2 Vaults-repair and maintenance	1,500	0	0	0	0	0
5338-0002-2 SCADA Replacements / Upgrades	2,100	2,050	29	922	5,756	5,445
5339-0002-2 Operations Reporting Software	3,400	3,300	0	3,220	0	0
5635-0002-2 Copier contract	550	515	420	388	287	542
5636-0002-2 Versaterm contract-route manager	5,000	2,870	1,410	1,222	1,205	736
5161-0002-2 MET-MWDOC readiness to serve	23,000	25,000	17,775	6,093	6,012	7,354
5163-0002-2 MET-MWDOC capacity charges	15,000	12,030	13,861	11,849	8,669	4,402
5365-0002-2 Equipment rental	210	205	0	0	34	0
5486-0002-2 Uniforms	1,700	1,540	2,248	2,211	1,445	2,805
5469-0069-2 FICA and Medicare	21,216	20,400	18,058	16,629	16,162	15,377
5469-0083-2 Retirement - PERS	44,000	44,000	30,674	31,597	32,722	33,632
5480-0070-2 SUI and ETT	500	357	(797)	476	386	349
5480-0072-2 Health and accident insurance	52,000	49,500	42,265	37,501	31,393	27,741
5480-0075-2 Dental insurance	4,500	4,400	3,469	4,400	2,631	2,465
5480-0076-2 Vision insurance	1,200	1,130	728	711	715	710
5480-0080-2 Life insurance	800	765	446	391	463	419
5480-0082-2 Worker's compensation insurance	13,000	11,550	10,500	5,638	5,810	7,655
5618-0029-2 ACWA	3,500	3,500	2,543	2,410	2,273	2,228
5618-0030-2 Orange County Water Association	75	75	25	75	18	0
5618-0031-2 American Water Works Association	175	175	0	178	161	153
5618-0032-2 Foothill Communities Association	10	0	0	0	0	
5618-0037-2 ISDOC / Urban Water Institute	900	700	2,193	525	525	275
5618-0033-2 CSDA Membership	4,000					
5621-0002-2 Board & Meeting Expenses	1,000	1,000	N/A	N/A	N/A	N/A
5614-0002-2 Conference and Meeting Expenses	2,500	1,500	0	743	601	1,889
5619-0002-2 Miscellaneous expense	500	2,000	82	157	53	123
5620-0021-2 Director's fees-Richard Barrett	2,500	2,400	1,488	1,400	1,225	800
5620-0022-2 Director's fees-William Vanderwerf	4,000	3,600	3,238	2,900	2,100	1,775

5620-0023-2 Director's fees-Douglas Chapman	3,600	3,600	2,150	1,850	1,513	1,225
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EAST ORANGE COUNTY WATER DISTRICT

RETAIL OPERATING FUND-BUDGET FOR 2012-2013

<u>EXPENDITURES</u>	2012-13	2011-12	ACTUAL	2009-10	ACTUAL	ACTUAL
5620-0024-2 Director's fees-John Dulebohn	3,600	3,600	2,238	1,938	263	0
5620-0025-2 Director's fees-Gary Veeh	0	0	0	0	938	1,450
5620-0026-2 Director's fees-Richard Bell	3,600	3,600	3,025	2,225	1,688	1,700
5632-0002-2 Postage	6,000	6,000	5,231	6,131	5,039	4,768
5633-0002-2 Office supplies / furnishings / smal	4,600	4,500	5,908	5,374	7,968	4,888
5634-0002-2 Publications and legal notices	1,500	1,428	3,010	0	2,490	2,237
5638-0002-2 Bank charges	3,500	3,030	2,369	1,424	774	
5642-0002-2 Computer billing	5,000	4,000	3,244	5,087	1,082	1,299
5640-0002-2 Auditing	8,000	6,500	5,848	5,000	3,929	3,725
5641-0002-2 Tax collection fees	2,200	2,050	3,290	2,837	2,332	2,365
5348-0002-2 Engineering	45,000	40,000	28,718	18,222	36,738	37,786
5644-0002-2 Treasurer	10,000	10,000	30,715	32,679	21,101	24,154
5644-0003-2 Accounting- Serrano	23,000	20,000	N/A	N/A	N/A	N/A
5645-0002-2 Legal	20,000	18,000	12,975	15,335	12,322	11,944
5646-0002-2 Computer consulting	5,000	1,000	1,568	564	570	450
5648-0002-2 LAFCO	3,000	3,000	2,504	2,760	8,874	5,874
5649-0002-2 LAFCO-MSR	0	0	0	385	61	3
5650-0050-2 Insurance-auto and general liability	4,200	4,000	4,488	5,041	4,440	4,304
5650-0051-2 Insurance-property	1,500	1,300	1,361	956	938	940
5650-0052-2 Insurance-fidelity bond	150	80	160	69	68	69
5670-0072-2 Office equipment maintenance	300	260	0	250	0	0
5370-0070-2 Backhoe maintenance	3,000	1,845	1,770	481	175	0
5370-0071-2 Vehicle maintenance	3,000	2,565	1,118	2,122	2,867	2,446
5680-0083-2 Dumpster	1,100	1,025	264	1,073	747	673
5680-0084-2 The Gas Co-McPherson Road	0	345	88	134	322	310
5680-0085-2 Electric and water-office	4,000	3,850	2,751	3,243	3,414	3,118
5686-0002-2 Security	1,000	0	159			
5370-0080-2 Maintenance-buildings and ground	4,000	3,075	2,581	2,335	2,320	3,702
5689-0002-2 Election expense	10,000	0	26	59	0	14,694
8961-0002-2 Transfers to capital projects funds	148,030	200,000	24,109	217,422	155,976	380,262
8975-0002-2 Retail Operations Contingency Fur	50,000	50,000	50,000	50,000	0	
8981-0002-2 Funded to/by Reserve	50,000	50,000	0	0	0	
9011-0002-2 Market value adjustments to invest	0	0	71	11	(30)	(85)
9510-0002-2 Prior year expense	(2,000)	0	(1,676)	(1,521)	(4,529)	7,735
TOTAL RETAIL OPERATING FUND EXPENDITURES	1,679,800	1,540,080	1,175,618	1,288,547	1,228,605	1,386,669

Increase over prior year budget 9%

EAST ORANGE COUNTY WATER DISTRICT BUDGET DETAIL

<u>4110-0002-2</u>	<u>WATER SALES</u> Budget based upon the sale of 930 AF of water at \$2.4/ccf	972,000.00
<u>4111-0002-2</u>	<u>METER CHARGE</u> Budget based upon average 3/4" meter charge of \$16.64/month	355,000.00
<u>4112-0002-2</u>	<u>LATE CHARGES</u> Budget based on \$750 per month	9,000.00
<u>4113-0002-2</u>	<u>CONNECTION FEES</u> No Connection Fees Expected	0.00
<u>4115-0002-2</u>	<u>RETURNED CHECK CHARGES</u> Budget based on approximately \$40 per month	500.00
<u>4116-0002-2</u>	<u>TURN OFF CHARGES</u> Budget based on historical \$80 per month	1,000.00
<u>4117-0002-2</u>	<u>OTHER CHARGES</u> Billing adjustments, miscellaneous deposits and damage reimbursements	750.00
<u>4118-0002-2</u>	<u>UNCOLLECTIBLE ACCOUNTS</u> Budget estimated by General Manager	(5,000.00)
<u>4120-0002-2</u>	<u>METER INSTALLATIONS</u> There have been no meter installation revenues the past five years	0.00
<u>4120-0002-2</u>	<u>TURN-ON NEW SERVICES</u> Proposed change to Rules & Regulations to collect this fee	1,000.00

4122-0002-2 **TURN OFF CHARGES**

0.00

Various **INTEREST EARNED ON INVESTED FUNDS**

Includes Interest from LAIF, County of Orange, ACWA & other investments TBD

Average yield estimated to be 1.0%

Doesn't include Capital Funds Interest

150.00

4930-0030-2 **TAXES-SECURED**

Estimated - based on prior year's figures

316,500.00

4930-0031-2 **TAXES-UNSECURED**

Estimated - based on prior year's figures

15,500.00

4930-0032-2 **TAXES-SUPPLEMENTAL ROLL**

These taxes depend on real estate sales within the District which are unpredictable.

5,100.00

4930-0040-2 **TAXES-PRIOR YEARS**

These taxes are shown on the tax ledger of the county as Miscellaneous Taxes

These taxes depend on the County of Orange's collection of delinquent taxes which is unpredictable.

4,000.00

4930-0052-2 **TAXES-HOMEOWNER'S SUBVENTION**

These taxes depend on the County of Orange's receipt of monies from the State of California which are designed to reimburse cities, counties and local agencies for taxes lost to homeowner exemptions from property taxes, and they are unpredictable.

1,000.00

4930-0054-2 **TAXES-PUBLIC UTILITY**

Estimated - based on prior year's figures

5,000.00

4930-0056-2 **TAXES-MISCELLANEOUS**

These taxes are odd type taxes that are occasionally distributed by County of Orange. They are not consistently distributed from one year to the next, and are unpredictable.

Estimate is based on 100% of prior year 2008-2009 budgeted amount.

100.00

<u>4930-0057-2</u>	<u>TAXES-ACCRUED</u> This account is used to accrue taxes at year end that will not be collected until next year. The amount is not determinable until the end of the year. (This should be a negative number as it is revenue that will not be realized in the current year)	(5,000.00)
<u>4160-0065-2</u>	<u>REFUNDS</u> This account is to record refunds of expenses for damages, or other refunds of any other type of expense.	2,000.00
<u>4166-0002-2</u>	<u>SERVICE UPGRADE FEE/DOWNGRADE FEE</u> No service upgrades (changing from a smaller to a larger meter) expected	0.00
<u>4990-0002-2</u>	<u>MISCELLANEOUS INCOME</u> General Manager's estimate	500.00
<u>8900-0002-2</u>	<u>GAIN OR (LOSS) ON SALE OF ASSETS</u> The District does not plan to sell any assets during the budget year - no budgeted amount	#REF!

EXPENDITURES

<u>5206-0002-2</u>	<u>UTILITIES-STOLLER BOOSTERS</u> Budget based on Edison efficiency test-601 AF pumped x \$67 / AF average + 10% rate increase over 2011-12	50,850.00
<u>5212-0002-2</u>	<u>UTILITIES-VISTA PANORAMA RESERVOIR</u> Budget based on prior years' experience plus SCE 10% rate increase	6,500.00
<u>5216-0002-2</u>	<u>UTILITIES-WELLS EAST/WEST</u> Budget based on Edison efficiency test-601 AF pumped x \$72 / AF + rate increase 10%	59,585.00
<u>5130-0070-2</u>	<u>WATER PURCHASES - IMPORTED</u> Budget based on 380 AF x average rate of \$824.25	311,600.00
<u>5139-0002-2</u>	<u>IN LIEU WATER PURCHASES</u> No In-Lieu Water expected in 2012/13	0.00

<u>5141-0002-2</u>	<u>IN LIEU WATER CREDIT</u> No In-Lieu Water expected in 2012/13	0.00
<u>5164-0002-2</u>	<u>RETAIL SERVICE CONNECTION-MWDOC</u> Amortization of prepaid retail service connection to MWDOC 1,209 connections @ \$6.25 from MWDOC passed through from 1	8,270.00
<u>5146-0002-2</u>	<u>OCWD-REPLENISH ASSESSMENT</u> OCWA RA rate increasing to \$265/AF (from \$249/AF) Total water to be pumped 690 AF @\$265/AF	183,000.00
<u>5607-0002-2</u>	<u>DISTRICT WEBSITE</u> Website changes anticipated to comply with Orange County Grand Jury Report	1,000.00
<u>5610-0009-2</u>	<u>MCPHERSON FAX</u> Based on previous years' budgeted amount - Wholesale and Retail	160.00
<u>5610-0010-2</u>	<u>MCPHERSON INTERNET</u> Based on previous years' projected actual expenditures	525.00
<u>5610-0015-2</u>	<u>MCPHERSON OFFICE PHONES</u> Based on projected actual expenditures -	1,260.00
<u>5610-0016-2</u>	<u>ANSWERING SERVICE</u> Based on 2011-12 projected actual expenditures	260.00
<u>5610-0017-2</u>	<u>PHONE CIRCUITS TO CONTROL EQUIPMENT</u> Based on previous years' projected actual expenditures	3,080.00
<u>5610-0018-2</u>	<u>PAGERS</u> Use of pagers has been discontinued	0.00
<u>5610-0019-2</u>	<u>CELLPHONES</u> Based on prior years' experience	1,550.00

<u>5610-0020-2</u>	<u>UNDERGROUND SERVICE ALERT</u> Based on previous years' projected actual expenditures	400.00
<u>5467-0002-2</u>	<u>WAGES</u> Total current hourly wages-all employees (Less) hourly wages not subject to increase Total current hourly wages subject to increase 2.0% wage increase Overtime hours budgeted plus 11 holidays x 11 hrs. Total Overtime Hours Plus Standby Hours = 52 weekends x 8 hrs = 312 hours Includes cost for part-time clerk @ \$12/hour	258,794.00
<u>5639-0002-2</u>	<u>OUTSIDE SERVICES</u> Based on previous fiscal years' budget	6,400.00
<u>5313-0002-2</u>	<u>SMALL TOOLS</u> Based on previous fiscal years' budget	3,000.00
<u>5613-0002-2</u>	<u>CONSERVATION</u> Retail Zone allocation based on increased funding for school education	4,000.00
<u>5320-0022-2</u>	<u>GASOLINE, OIL AND DIESEL</u> Based on history and previous years' budget, increased for cost of gasoline prices	8,800.00
<u>5616-0002-2</u>	<u>MILEAGE</u> Based on history and previous years' budget	500.00
<u>5611-0002-2</u>	<u>TRAINING / SCHOOLS</u> Based on previous years' budget	1,500.00
<u>5324-0002-2</u>	<u>REGULATORY PERMIT</u> Based on previous years' actual	2,500.00

<u>5327-0002-2</u>	<u>WATER QUALITY TESTING</u> Based on increasing history. More testing will be required. Also includes DHS yearly inspections	19,500.00
<u>5328-0002-2</u>	<u>CHLORINE GENERATOR SALT PURCHASES</u> Budget based on General Manager's estimate	2,650.00
<u>5329-0002-2</u>	<u>WEST WELL MAINTENANCE</u> Budget based on previous years' budget	3,200.00
<u>5330-0002-2</u>	<u>EAST WELL MAINTENANCE</u> Budget based on previous years' budget	3,200.00
<u>5331-0002-2</u>	<u>STOLLER RESERVOIR & BOOSTERS MAINTENANCE</u> Budget based on projected previous years' actual	6,300.00
<u>5332-0002-2</u>	<u>VISTA PANORAMA BOOSTER MAINTENANCE</u> Budget based on projected previous years' actual	4,200.00
<u>5333-0002-2</u>	<u>VISTA PANORAMA RESERVOIR MAINTENANCE</u> Budget increased because pump repair and maintenance needed	5,200.00
<u>5334-0002-2</u>	<u>CHLORINE GENERATOR MAINTENANCE</u> Budget based on prior experience	3,150.00
<u>5350-0035-2</u>	<u>MAINS-REPAIR AND MAINTENANCE</u> Piping, valves, sand, temporary asphalt, permits and other maintenance direct supplies, dump fees	24,900.00
<u>5350-0041-2</u>	<u>SERVICE CONNECTIONS- REPAIR AND MAINTENANCE</u> Piping, valves, sand, temporary asphalt, permits and other maintenance direct supplies	21,525.00
<u>5342-0002-2</u>	<u>HYDRANTS- REPAIRS AND MAINTENANCE</u> Hydrant replacement & repair - based on prior year's budget	16,100.00
<u>5343-0002-2</u>	<u>PRODUCTION METER PURCHASES AND INSTALLATIONS</u> Replacement meters	9,200.00

<u>5345-0002-2</u>	<u>PRV- REPAIR AND MAINTENANCE</u> Allocation for repair and maintenance of PRVs	1,075.00
<u>5350-0051-2</u>	<u>RESERVOIRS- REPAIR AND MAINTENANCE</u> General Manager's estimate	4,300.00
<u>5358-0002-2</u>	<u>METER TESTING</u> Annual meter testing and repairs	1,550.00
<u>5350-0402-2</u>	<u>CATHODIC PROTECTION MONITORING, REPAIR AND MAINTENANCE</u> Increase due to new cathodic system installed at Andres Reservoir (see CIP)	5,500.00
<u>5350-0052-2</u>	<u>VAULTS- REPAIR AND MAINTENANCE</u> Repair and maintenance-budget estimated by General Manager	\$1,500
<u>5338-0002-2</u>	<u>SCADA REPLACEMENTS / UPGRADES</u> Based on prior year's experience	2,100.00
<u>5339-0002-2</u>	<u>OPERATIONS REPORTING SOFTWARE</u> SEMS contract - maintenance, laboratory, asset management & reporting software	3,400.00
<u>5635-0002-2</u>	<u>COPIER CONTRACT</u> Budget based on previous years' actual	550.00
<u>5636-0002-2</u>	<u>VERSATERM CONTRACT-ROUTE MANAGER</u> Existing meter reading equipment will be unsupported after 2013 - new equipment will be purchased	5,000.00
<u>5161-0002-2</u>	<u>MET-MWDOC READINESS TO SERVE CHARGES</u> This is a passthrough charge from Wholesale to its retail customers; this year's RTS Charge Budget based on projected deliveries from Wholesale Operation of EOCWD - Retail Zone =	23,000.00
<u>5163-0002-2</u>	<u>MET-MWDOC CAPACITY CHARGE</u> This is a passthrough charge from Wholesale to its retail customers; this years Wholesale charge is Budget based on projected deliveries from Wholesale Operation of EOCWD - Retail Zone =	15,000.00

<u>5365-0002-2</u>	<u>EQUIPMENT RENTAL</u> Budget based on previous years' budget	210.00
<u>5486-0002-2</u>	<u>UNIFORMS</u> Budget based on previous years' projected actual	1,700.00
<u>5469-0069-2</u>	<u>FICA AND MEDICARE</u> Total wages FICA & Medicare = 7.65% of payroll	21,216.00
<u>5469-0083-2</u>	<u>RETIREMENT-PERS</u> Regular wages Employee contribution (Paid by District) - 7% Employer Contribution - 8.0%	44,000.00
<u>5480-0070-2</u>	<u>SUI and ETT</u> SUI = 1.5%; ETT = .1%; Total = 1.6%; Maximum wages subject are \$7,000.	500.00
<u>5480-0072-2</u>	<u>HEALTH AND ACCIDENT INSURANCE</u> ACWA - ASC Budget based on ACWA information	52,000.00
<u>5480-0075-2</u>	<u>DENTAL INSURANCE</u> ACWA - ASC Budget based on previous years' actual	4,500.00
<u>5480-0076-2</u>	<u>VISION INSURANCE</u> Budget based on previous years' actual	1,200.00
<u>5480-0080-2</u>	<u>LIFE INSURANCE</u> Budget based on previous years' actual	800.00
<u>5480-0082-2</u>	<u>WORKER'S COMPENSATION INSURANCE</u> Based on information from JPIA	13,000.00

<u>5618-0029-2</u>	<u>ACWA</u> Dues & Misc Expenses. Based on previous years' projected actual	3,500.00
<u>5618-0030-2</u>	<u>ORANGE COUNTY WATERWORKS ASSOCIATION</u> Dues & Misc Expenses. Based on previous years' projected actual	75.00
<u>5618-0031-2</u>	<u>AMERICAN WATERWORKS ASSOCIATION</u> Dues & Misc Expenses. Based on previous years' projected actual	175.00
<u>5618-0037-2</u>	<u>FOOTHILL COMMUNITIES ASSOCIATION</u> Dues & Misc Expenses. Based on previous years' projected actual	\$15
<u>5618-0037-2</u>	<u>INDEPENDENT SPECIAL DISTRICT'S ASSOCIATION / URBAN WATER INSTITUTE</u> Dues & Misc Expenses. Based on previous years' projected actual	900.00
<u>5614-0002-2</u>	<u>CONFERENCE & MEETING EXPENSES</u> Based on General Manager's estimate	2,500.00
<u>5619-0002-2</u>	<u>MISCELLANEOUS EXPENSE</u> Small (<\$50) purchases that are not accounted for elsewhere	500.00
	<u>DIRECTOR'S FEES</u> Budget based on General Manager's estimate	
<u>5620-0021-2</u>	<u>Richard Barrett</u>	2,500.00
<u>5620-0022-2</u>	<u>William Vanderwerff</u>	4,000.00
<u>5620-0023-2</u>	<u>Douglas Chapman</u>	3,600.00
<u>5620-0024-2</u>	<u>John Dulebohn</u>	3,600.00
<u>5620-0025-2</u>	<u>Richard Bell</u>	3,600.00
<u>5632-0002-2</u>	<u>POSTAGE</u> Budget based on General Manager's estimate	6,000.00

<u>5633-0002-2</u>	<u>OFFICE SUPPLIES / FURNISHINGS / SMALL EQUIPMENT</u> Budget based on General Manager's estimate	4,600.00
<u>5634-0002-2</u>	<u>PUBLICATIONS AND LEGAL NOTICES</u> Budget based on previous years' actual	1,500.00
<u>5638-0002-2</u>	<u>BANK CHARGES</u> Charges for internet payments by customers	3,500.00
<u>5642-0002-2</u>	<u>COMPUTER BILLING</u> Estimate by General Manager	5,000.00
<u>5640-0002-2</u>	<u>AUDIT</u> Budget based on contract Retail Zone allocation based on General Manager's estimate	8,000.00
<u>5641-0002-2</u>	<u>TAX COLLECTION FEES</u> Budget based on 2010-2011 actual	2,200.00
<u>5348-0002-2</u>	<u>ENGINEERING</u> Budget based on General Manager's estimate Retail Zone - direct expense	45,000.00
<u>5644-0002-2</u>	<u>TREASURER</u> Budget based on General Manager's estimate	10,000.00
<u>5644-0003-2</u>	<u>ACCOUNTING- SERRANO</u> Budget based on General Manager's estimate	23,000.00
<u>5645-0002-2</u>	<u>LEGAL</u> Budget based on General Manager's estimate	20,000.00
<u>5646-0002-2</u>	<u>COMPUTER CONSULTING</u> Budget based on General Manager's estimate	5,000.00

<u>5648-0002-2</u>	<u>LAFCO</u> Budget based on information from Local Agency Formation Commission	3,000.00
<u>5649-0002-2</u>	<u>LAFCO MSR</u>	0.00
<u>5650-0050-2</u>	<u>INSURANCE-AUTO AND GENERAL LIABILITY</u> Budget based on projected actual	4,200.00
<u>5650-0051-2</u>	<u>INSURANCE-PROPERTY</u> Budget based on previous years' budget	1,500.00
<u>5650-0052-2</u>	<u>INSURANCE-FIDELITY BOND</u> Budget based on previous years' budget	150.00
<u>5670-0072-2</u>	<u>EQUIPMENT MAINTENANCE</u> Budget based on General Manager's estimate	300.00
<u>5370-0070-2</u>	<u>BACKHOE MAINTENANCE</u> Budget based on General Manager's estimate	3,000.00
<u>5370-0071-2</u>	<u>VEHICLE MAINTENANCE</u> Budget based on General Manager's estimate	3,000.00
<u>5680-0083-2</u>	<u>DUMPSTER</u> Budget based on General Manager's estimate	1,100.00
<u>5680-0084-2</u>	<u>THE GAS COMPANY-MCPHERSON ROAD THIS IS FOR THE DISTRICT'S HOUSE</u> Budget based on previous years' budget Paid by Superintendent	0.00
<u>5680-0085-2</u>	<u>ELECTRIC AND WATER-OFFICE</u> Budget based on previous years' actual with nominal increase	4,000.00
<u>5370-0080-2</u>	<u>MAINTENANCE-BUILDINGS AND GROUNDS</u> Budget includes repairs to District house	4,000.00

<u>5689-0002-2</u>	<u>ELECTION EXPENSE</u> Budget based on estimate by Registrar of Voters	10,000.00
<u>8975-0002-2</u>	<u>RETAIL OPERATIONS CONTINGENCY FUND</u> Allocated 100% to Retail Zone	50,000.00
<u>8961-0002-2</u>	<u>TRANSFER TO OR (FROM) CAPITAL PROJECTS</u> Any excess of receipts over expenditures of the Retail Zone Operating Fund that is not needed for working capital is transferred to the Retail Zone Replacement and Capital Improvements Fund	148,030.00
<u>8981-0002-2</u>	<u>FUNDED TO/BY RESERVES</u> Reserve Funds for future capital replacements	50,000.00
<u>9011-0002-2</u>	<u>MARKET VALUE ADJUSTMENTS TO INVESTMENTS</u> This account records any decrease to the value of investments, which must be written down to fair market value annually if a significant decrease in their value occurs.	0.00
<u>9510-0002-2</u>	<u>PRIOR YEAR EXPENSES</u> This account captures expenses that relate to a previous fiscal year so that they are segregated for audit.	(2,000.00)

EAST ORANGE COUNTY WATER DISTRICT
RETAIL ZONE
MULTI-YEAR CAPITAL IMPROVEMENT PLAN

PROJECTED AVAILABLE RESOURCES

	Projected beginning cash and cash equivalents
4109-0002-2	Projected capital project fees
4113-0002-2	Projected connection fees
Various	Projected interest earnings
4994-0959-2	Projected transfers from operations
	Funds Borrowed from Wholesale Zone
	I-Bank Loan

Subtotal Projected Annual Revenue

Annual Projected Available Resources

TOTAL ANTICIPATED REVENUE 2012-2016

DEBT SERVICE

2250-0002-2	Debt Service-Principal on DWR Loan
5912-0002-2	Debt Service-Interest on DWR Loan
	Initial I-Bank Loan Fee
	Debt Service-I-Bank Loan

Total Debt Service

CAPITAL PROJECTS AND REPLACEMENTS

7912-550C-2	2011 System Improvements-Construction
7912-500E-2	2011 System Improvements-Engineering
7912-201E-2	Betterment and Replacement Plan (Incl Hydraulic Model)-Eng
7913-101E-2	View Ridge Modifications-Engineering
7913-101C-2	View Ridge Modifications-Construction
7913-101L-2	View Ridge Modifications-Labor
7913-102E-2	Stoller Reservoir - 75 hp Booster Pump Replacement-Eng
7913-102C-2	Stoller Reservoir - 75 hp Booster Pump Replacement-Cons
7913-102L-2	Stoller Reservoir - 75 hp Booster Pump Replacement-Labor
7913-103E-2	VP Vault Piping/Meter Upgrade 6" to 8" -Engineering
7913-103C-2	VP Vault Piping/Meter Upgrade 6" to 8" -Construction
7913-103L-2	VP Vault Piping/Meter Upgrade 6" to 8" -Labor
7913-104E-2	Vista Panorama Reservoir Repair-Engineering
7913-104C-2	Vista Panorama Reservoir Repair-Construction
7913-104L-2	Vista Panorama Reservoir Repair-Labor

<u>Current Year</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>TOTAL</u>
\$713,063	\$299,592	\$303,172	\$1,672	\$35,672	\$69,672	
\$215,000	\$252,000	\$288,000	\$288,000	\$288,000	\$288,000	\$1,619,000
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$500	\$50	\$500	\$1,000	\$1,000	\$1,000	\$4,050
\$200,000	\$148,030	\$105,000	\$105,000	\$105,000	\$105,000	\$768,030
\$0						\$0
\$0		\$1,800,000				\$1,800,000
\$415,500	\$400,080	\$2,193,500	\$394,000	\$394,000	\$394,000	
<u>\$1,128,563</u>	<u>\$699,672</u>	<u>\$2,496,672</u>	<u>\$395,672</u>	<u>\$429,672</u>	<u>\$463,672</u>	
						\$4,191,080
\$ 43,093	\$0					\$ 43,093
\$ 1,878	\$0					\$ 1,878
	\$0	\$65,000				\$ 65,000
	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$ 600,000
\$ 44,971	\$ -	\$215,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 709,971
<u>Current Year</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>TOTAL</u>
\$ 560,000						\$ -
\$ 94,000						\$ -
\$ 70,000	\$ 70,000					\$ 70,000
	\$ 15,000					\$ 15,000
	\$ 15,000					\$ 15,000
	\$ 500					\$ 500
	\$ 5,000					\$ 5,000
	\$ 10,000					\$ 10,000
	\$ 250					\$ 250
	\$ 5,000					\$ 5,000
	\$ 15,000					\$ 15,000
	\$ 250					\$ 250
	\$ 5,000					\$ 5,000
	\$ 45,000					\$ 45,000
	\$ 500					\$ 500

**EAST ORANGE COUNTY WATER DISTRICT
RETAIL ZONE
MULTI-YEAR CAPITAL IMPROVEMENT PLAN**

CAPITAL PROJECTS AND REPLACEMENTS

7913-105C-2	VP Pump Rebuild-Construction
7913-105L-2	VP Pump Rebuild-Labor
7913-106E-2	Cathodic Protection-Engineering
7913-106C-2	Cathodic Protection-Construction
7913-106L-2	Cathodic Protection-Labor
7913-107E-2	Valve Raising - Crawford Canyon-Engineering
7913-107C-2	Valve Raising - Crawford Canyon-Construction
7913-107L-2	Valve Raising - Crawford Canyon-Labor
7913-108C-2	Valve Replacements - System-Construction
7913-108L-2	Valve Replacements - System-Labor
7913-201C-2	McPherson Office/Yard Improvements-Construction
7913-201L-2	McPherson Office/Yard Improvements-Labor
7913-203C-2	Used vehicle to supplement fleet
7913-109E-2	Allowance for system relocations-Engineering
7913-109C-2	Allowance for system relocations-Construction
7914-101C-2	Replace Backhoe-Construction
7914-102E-2	Replacement Recommendations-Engineering
7914-102C-2	Replacement Recommendations-Construction
7914-102L-2	Replacement Recommendations-Labor
7914-103C-2	System Equipment Replacements (Valves/Airvacs)-Cons
7914-104C-2	Backup System PRV - Circula Panorama-Construction
7914-105E-2	East Well Upgrade-Replacement-Engineering
7914-105C-2	East Well Upgrade-Replacement-Construction
7912-551C-2	County of Orange Paving Project (100% Retail)-Construction
7913-110E-2	Backup Generator for VPBooster Station-Engineering
7913-110C-2	Backup Generator for VPBooster Station-Construction
7913-110L-2	Backup Generator for VPBooster Station-Labor
7913-111C-2	6" Mag Meters @ Stoller PRVs-Construction
7913-111L-2	6" Mag Meters @ Stoller PRVs-Labor
7914-106E-2	Security Improvements - Reservoir Sites-Engineering
7914-106C-2	Security Improvements - Reservoir Sites-Construction
7914-106L-2	Security Improvements - Reservoir Sites-Labor
7900-100C-2	* Capitalized Accounting Costs

Total Annual Projected Expenditures

PROJECTED ANNUAL ENDING AVAILABLE RESOURCES

NET REDUCTION IN RESERVE FUND 2012-2016

* FY 2010-11 Revenue and Expenses not included in Net Reduction calculation

<u>Current Year</u>	<u>2012-2013</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>TOTAL</u>
	\$ 5,000					\$ 5,000
	\$ 250					\$ 250
	\$ 5,000					\$ 5,000
	\$ 20,000					\$ 20,000
	\$ 500					\$ 500
	\$ 5,000					\$ 5,000
	\$ 10,000					\$ 10,000
	\$ 250					\$ 250
	\$ 15,000					\$ 15,000
	\$ 500					\$ 500
	\$ 10,000					\$ 10,000
	\$ 500					\$ 500
	\$ 12,000					\$ 12,000
	\$ 2,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 27,000
	\$ 10,000	\$ 75,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 145,000
		\$ 20,000				\$ 20,000
		\$ 50,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 175,000
		\$ 198,000	\$ 100,000	\$ 100,000	\$ 73,000	\$ 471,000
		\$ 2,000	\$ 5,000	\$ 5,000	\$ 2,000	\$ 14,000
		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 100,000
		\$ 35,000				\$ 35,000
	\$ 20,000	\$ 50,000				\$ 70,000
\$ 55,000		\$ 1,750,000				\$ 1,750,000
						\$ -
	\$ 5,000					\$ 5,000
	\$ 75,000					\$ 75,000
	\$ 250					\$ 250
	\$ 12,500					\$ 12,500
	\$ 250					\$ 250
		\$ 10,000				\$ 10,000
		\$ 45,000				\$ 45,000
		\$ 5,000				\$ 5,000
\$ 5,000	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 21,000
\$ 784,000	\$ 396,500	\$ 2,280,000	\$ 210,000	\$ 210,000	\$ 155,000	\$ 3,251,500
<u>\$ 299,592</u>	<u>\$ 303,172</u>	<u>\$ 1,672</u>	<u>\$ 35,672</u>	<u>\$ 69,672</u>	<u>\$ 158,672</u>	
						<u>\$3,481,109</u>

REVENUE

	<u>Projected beginning cash and cash equivalents</u>	\$299,592
<u>4109-0002-2</u>	<u>Projected capital project fees</u>	\$252,000
<u>4113-0002-2</u>	<u>Projected connection fees</u>	\$0
<u>Various</u>	<u>Projected interest earnings</u>	\$50
<u>4994-0959-2</u>	<u>Projected transfers from operations</u>	\$148,030
	<u>Funds Borrowed from Wholesale Zone</u>	\$0
	<u>I-Bank Lo:</u> (If required for new well)	\$0

DEBT SERVICE

<u>2250-0002-2</u>	<u>Debt Service-Principal on DWR Loan</u>	(Paid off in 2012)	\$0
<u>5912-0002-2</u>	<u>Debt Service-Interest on DWR Loan</u>	(Paid off in 2012)	\$0
	<u>Initial I-Bank Loan Fee</u>		\$0
	<u>Debt Service-I-Bank Loan</u>		\$0

EXPENDITURES

<u>7912-201E-2</u>	<u>Betterment and Replacement Plan (Incl Hydraulic Model)-Eng</u>	\$ 70,000
Funding for Retail Zone Update to 1989 Master Plan		

<u>7913-101E-2</u>	<u>View Ridge Modifications-Engineering</u>	\$ 15,000
<u>7913-101C-2</u>	<u>View Ridge Modifications-Construction</u>	\$ 15,000
<u>7913-101L-2</u>	<u>View Ridge Modifications-Labor</u>	\$ 500
Contingency funding to address issues associate with soil movement that threatens a District pipeline		

<u>7913-102E-2</u>	<u>Stoller Reservoir - 75 hp Booster Pump Replacement-Eng</u>	\$ 5,000
<u>7913-102C-2</u>	<u>Stoller Reservoir - 75 hp Booster Pump Replacement-Cons</u>	\$ 10,000
<u>7913-102L-2</u>	<u>Stoller Reservoir - 75 hp Booster Pump Replacement-Labor</u>	\$ 250
Replacement of booster pump if rotating element can't be repaired		

<u>7913-103E-2</u>	<u>VP Vault Piping/Meter Upgrade 6" to 8" -Engineering</u>	\$ 5,000
<u>7913-103C-2</u>	<u>VP Vault Piping/Meter Upgrade 6" to 8" -Construction</u>	\$ 15,000
<u>7913-103L-2</u>	<u>VP Vault Piping/Meter Upgrade 6" to 8" -Labor</u>	\$ 250
Replacement of piping would reduce "bottleneck" also would replace wood and paint the pump house and run electrical for a 2-way meter.		

<u>7913-104E-2</u>	<u>Vista Panorama Reservoir Repair-Engineering</u>	\$ 5,000
<u>7913-104C-2</u>	<u>Vista Panorama Reservoir Repair-Construction</u>	\$ 45,000
<u>7913-104L-2</u>	<u>Vista Panorama Reservoir Repair-Labor</u>	\$ 500
Repair crack in concrete, lower the piping from the pumps & hydro-pneumatic tank, replace two valves on outlet of hydro tank		

<u>7913-105C-2</u>	<u>VP Pump Rebuild-Construction</u>	\$ 5,000
<u>7913-105L-2</u>	<u>VP Pump Rebuild-Labor</u>	\$ 250
Rebuild VP pump		

<u>7913-106E-2</u>	<u>Cathodic Protection-Engineering</u>	\$ 5,000
<u>7913-106C-2</u>	<u>Cathodic Protection-Construction</u>	\$ 20,000
<u>7913-106L-2</u>	<u>Cathodic Protection-Labor</u>	\$ 500
Update cathodic protection system		
<u>7913-107E-2</u>	<u>Valve Raising - Crawford Canyon-Engineering</u>	\$ 5,000
<u>7913-107C-2</u>	<u>Valve Raising - Crawford Canyon-Construction</u>	\$ 10,000
<u>7913-107L-2</u>	<u>Valve Raising - Crawford Canyon-Labor</u>	\$ 250
Valve can raising for Crawford Canyon Resurfacing		
<u>7913-108C-2</u>	<u>Valve Replacements - System-Construction</u>	\$ 15,000
<u>7913-108L-2</u>	<u>Valve Replacements - System-Labor</u>	\$ 500
Valves needing replacement identified during exercising		
<u>7913-201C-2</u>	<u>McPherson Office/Yard Improvements-Construction</u>	\$ 10,000
<u>7913-201L-2</u>	<u>McPherson Office/Yard Improvements-Labor</u>	\$ 500
Flooring & misc supplies for interior modifications to office & McPherson house & asphalt/slurry work in yard		
<u>7913-203C-2</u>	<u>Used vehicle to supplement fleet</u>	\$ 12,000
RZ portion of used electric or gas assist small SUV		
<u>7913-109E-2</u>	<u>Allowance for system relocations-Engineering</u>	\$ 2,000
<u>7913-109C-2</u>	<u>Allowance for system relocations-Construction</u>	\$ 10,000
<u>7913-109L-2</u>	<u>Allowance for system relocations-Labor</u>	\$ -
Allowance for utility relocations upon request from County of Orange		
<u>7914-105E-2</u>	<u>East Well Upgrade-Replacement-Engineering</u>	\$ 20,000
Preliminary investigation into Joint Well with IRWD		
<u>7913-110E-2</u>	<u>Backup Generator for VPBooster Station-Engineering</u>	\$ 5,000
<u>7913-110C-2</u>	<u>Backup Generator for VPBooster Station-Construction</u>	\$ 75,000
<u>7913-110L-2</u>	<u>Backup Generator for VPBooster Station-Labor</u>	\$ 250
Portable generator to provide reliability for VP Booster Station		
<u>7913-111C-2</u>	<u>6" Mag Meters @ Stoller PRVs-Construction</u>	\$ 12,500
<u>7913-111L-2</u>	<u>6" Mag Meters @ Stoller PRVs-Labor</u>	\$ 250
Installation of Mag Meters at Stoller PRVs		
<u>7900-100C-2</u>	<u>* Capitalized Accounting Costs</u>	\$ 1,000

END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: PROPOSED FY 2012-2013 WZ AND RZ WATER RATES
DATE: JUNE 15, 2012

Background

Annually, after the adoption of the Wholesale Zone and Retail Zone Operating and Capital Budgets, the Board sets the water rates to fund the budget. The following is staff's recommendations for those rates:

Wholesale Zone

The Wholesale Zone revenues and expenditures are primarily divided into two categories: 1) those revenues associated with Retail Agency receipts and MET/MWDOC expenditures associated with the provision of water and; 2) those revenues associated with the receipt of property tax and miscellaneous income and expenditures related to the administration, operations, maintenance and capital improvements (O&M) of the assets of the system. It has been the policy of the Board to "pass through" the actual cost of water and fixed fees from MET/MWDOC to the Retail Agencies and to only recoup their direct cost, and to fund the costs of O&M from the receipt of property taxes and other miscellaneous income (primarily investment income, connection fees and property rents).

Attached to this memo is an estimate from MWDOC for the MET/MWDOC FY 2012-13 rates and charges (it should be noted that MWDOC includes only the estimated demand from the Retail Zone in this summary – the demand from other the other Retail Agencies is shown in their specific cost estimate). The rates are:

MET/MWDOC Charges	July-Dec 2012	Jan-Jun 2013	Cost Estimate
Treated Tier 1 Rate	\$794.00	\$847.00	
MWDOC Increment Rate	3.75	3.75	
Total MET/MWDOC Tier 1 Rate	<u>\$797.75</u>	<u>\$850.75</u>	<u>\$311,600</u>
Draft Capacity Charge (\$/CFS)	\$5,115	\$4,424	\$114,017
Draft Readiness-to-Serve (\$/AF)	\$48	\$47	\$184,264
MWDOC - Meter Charge (\$/Meter) ¹	\$7.25		\$150,481
MWDOC - Desal Program	\$2,183		\$2,183
MWDOC – Water Education Program	\$1,160		\$1,160
MWDOC – Water Use Efficiency	\$1,051		\$1,051

¹ All of MWDOC's charges, with the exception of the Increment Rate, are billed on a one-time basis in July of each year. MET's charges and MWDOC's Increment Rate are paid each month with the water charges.

This estimate was prepared prior to IRWD advising us that they had terminated their OPA connection. Last year, IRWD/OPA paid \$11,798 (4%) of the total \$307,605 of Capacity and RTS charges we were subject to. At this time we will continue to invoice IRWD for these costs as they are all based upon prior years' demands as we discuss this issue going forward with IRWD and MWDOC.

Retail Zone

Last year, the Board approved a three-year rate increase:

Fee or Charge	Effective 6/15/11	Effective 6/15/2012	Effective 6/15/2013
Water (Commodity) Fee per ccf	\$2.23	\$2.46	\$2.67
Meter Charge (Monthly)			
5/8"	\$14.70	\$15.60	\$18.10
3/4"	\$16.64	\$17.65	\$20.50
1"	\$27.80	\$29.50	\$34.25
1.5"	\$42.20	\$44.75	\$52.00
2"	\$73.50	\$78.00	\$90.75
3"	\$104.50	\$110.85	\$128.75
Capital Improvement Fee (Monthly)	\$15.00	\$17.50	\$20.00

When estimated FY 2012/13 and 2013/14 revenue and expenses, we had projected that MET would increase rates in FY 2012/13 by 7.5%; the actual increase was 5%. Because of this, staff is recommending that the Board set the Water Commodity portion of the rate at \$2.40 instead of \$2.46; all other fee increases would remain the same.

Recommendation

The Board approve the Wholesale Zone and Retail Zone Rates as presented and recommended.

FY 2012-13 Imported Water Rates & Cost Estimates
Adopted Metropolitan Rates and Proposed MWDOC Rates
East Orange County Water District

	Projections & Assumptions		Rates & Charges		Cost Estimate
Metropolitan Rates & Charges	<i>(Rates Approved by MWD Board on April 10, 2012)</i>				
	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	
	Acre-Feet		\$/Acre-Foot		
Treated Tier 1	210	120	\$794	\$847	\$268,378
	Acre-Feet		\$/Acre-Foot		
Untreated Tier 1	0	0	\$560	\$593	\$0
	Historical		Jul-Dec	Jan-Jun	
DRAFT Capacity Charge [1] [2]	3-Yr Peak CFS		\$/CFS		
	23.9		\$5,115	\$4,424	\$114,017
	4-Yr Avg Acre-Feet		\$/Acre-Foot		
Readiness to Serve [2]	3,868		\$48	\$47	\$184,264
Metropolitan Water District Total:					\$566,659
MWDOC Rates & Charges	<i>(First Draft Budget, April 11, 2012 MWDOC A&F Committee)</i>				
	Certified Meters		\$/Meter		
Meter Charge	20,756		\$7.25		\$150,481
	Acre-Feet		\$/Acre-Feet		
Increment Rate [3]	330		\$3.75		\$1,238
MWDOC Rates & Charges Total:					\$151,719
MWDOC Choice Programs	<i>(Participation Commitments Due May 1, 2012)</i>				
	Participation		\$/Agency		
South Orange County Ocean Desal	NO		\$28,750		\$0
	Participation		\$/Agency		
Huntington Beach Desal	YES		\$2,183		\$2,183
	Students		\$/Student		
Water Education School Program	392		\$2.96		\$1,160
Assembly Program (Grades K-5)	0		\$6.33		\$0
Keypad Program (Grades 3-5)	0		\$17.08		\$0
Water Quality Program (Grades 5-6)	0		\$6.00		\$0
WUE Kits (Grades K-12)	0				
Field Trips [4]	0		Please Contact MWDOC for Options & Pricing		
	Benefits Received		\$/Benefit Received		
Water Use Efficiency Choice Program [5]	\$4,775		\$0.22		\$1,051
MWDOC Choice Programs Total:					\$4,395
Total Rates and Charges:					\$722,772
Equivalent Cost Per Acre-Foot:					\$2,190

[1] Pass through of MWD Capacity Charge for CY 2013 is being completed by MWDOC staff. Draft charge assumes that peak days are the same as the CY 2012 charge.

[2] The RTS and Capacity Charge for EOCWD is calculated for the wholesaler and includes the City of Tustin and portions of Orange, GSWC, and IRWD.

[3] Water sales projections have been revised as of 4/18/2012 based on an BPP assumption of 68%.

[4] A variety of field trip programs to numerous locations are available to students of all ages through OC Coastkeeper and Inside the Outdoors. Field trips range in price, educational focus, and duration.

[5] Water Use Efficiency Program costs are allocated based on outside funding brought into the agency service area by MWDOC in the previous calendar year. For every dollar of outside spending in CY 2011 there is a charge of 22 cents to support the basic cost of operating the MWDOC WUE programs.

RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST
ORANGE COUNTY WATER DISTRICT ESTABLISHING WATER
RATES FOR THE SALE OF WATER ON A WHOLESALE BASIS
WITHIN THE DISTRICT

WHEREAS, the Board of Directors of The Metropolitan Water District of Southern California (MWD) has established its rates for water sold for all potable classes of service; and

WHEREAS, the Board of Directors of Municipal Water District of Orange County (MWDOC) has established its rates and charges for water sold for all classes of service, including per connection charges and per acre foot surcharges for water delivered through the Allen-McColloch Pipeline System; and

WHEREAS, the Board of Directors of East Orange County Water District (EOCWD) has duly considered the cost to EOCWD of providing water on a wholesale basis to water distributing agencies within EOCWD, including anticipated repairs to facilities necessary in the future and financial reserve needs; and

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

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

Section 1. It is hereby found and determined that the water rate adopted hereby is within the purposes set forth in Section 21080(b)(8) of the Public Resources Code, including, but not by way of limitation, the purposes of meeting operating expenses, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital facilities necessary to maintain service within existing service areas and therefore is exempt from CEQA pursuant to said Section 21080(b)(8).

Section 2. It is hereby found and determined that the water rate adopted hereby is based upon the actual cost of purchasing and supplying water, and that such rate is imposed upon the request for or use of service and not on property or ownership of property.

Section 3. The rate for the sale of treated water on a wholesale basis by EOCWD shall be established at [[\$748.25]] per acre foot, effective July 1, 2012 and at [[\$798.25]] per acre foot, effective January 1, 2013.

Section 4. The annual per retail water connection charges established by MWDOC are not included in the above-established rate and shall be passed through to the retail water purveyors within EOCWD, as follows: This charge shall be billed to each retail water purveyor as an aggregated annual amount equal to the charge multiplied by the number of the purveyor's retail water service meters.

Section 5. The annual readiness-to-serve charges and new-demand charges¹ established by MWDOC are not included in the above-established rate and shall be passed through to the retail water purveyors within EOCWD, as follows: to facilitate efficient and accurate determination of per-agency base amounts and collection of charges, MWDOC and EOCWD have determined that MWDOC shall determine the charges. MWDOC shall collect the entire amount of the MWDOC readiness-to-serve charge and new demand charge in the case of agencies receiving wholesale service from both MWDOC and EOCWD (Irvine Ranch Water District (including service as successor to Santiago County Water District), City of Orange and Golden State Water Company), and EOCWD shall collect the entire amount of the MWDOC readiness-to-serve charge and new demand charge in the case of agencies receiving all wholesale service from EOCWD (City of Tustin, Irvine Ranch Water District (as successor to Orange Park Acres Mutual Water Company), EOCWD Retail Zone and any other EOCWD customers purchasing at wholesale

¹ The new demand charge has been suspended by MWDOC; it may be reactivated.

or retail not listed in this sentence). The administrative procedure for apportionment, adjustment (if any), and collection of this charge shall be as set forth in Resolution No. 531 and as established by MWDOC.

Section 6. The MWDOC capacity charge shall be allocated by EOCWD and billed to each retail water purveyor as a fixed charge in monthly installments as invoiced to EOCWD by MWDOC. EOCWD shall apportion the charge among the retail water purveyors based upon the largest amount of water each purveyor purchased from EOCWD, excluding in-lieu deliveries, during the period May through September in the last three calendar years preceding the current year.

Section 7. Each retail water purveyor receiving an allocation of EOCWD's or MWDOC's per retail connection charges, or MWDOC's readiness-to-serve, new demand or capacity charges and corresponding base amounts derived from EOCWD purchases shall establish the manner of recovering such amounts, including any transactions with respect to its base amounts, in its own discretion.

Section 8. Pursuant to Resolution No. 595, included in the rate established hereby is the amount of \$0 per acre foot which shall be deposited into the reserve for facilities replacement purposes within the Replacements and Capital Improvements Fund - Wholesale System, and the amount of \$0 per acre foot which shall be deposited into the Emergency/Contingency/Reserve Fund.

Section 9. The rates and charges established herein shall be effective as set forth in Section 3.

Section 10. The rates and charges for the wholesale system shall be billed monthly by the 16th of the month, and shall be due on the first of the following month. Late fees shall apply as set forth in the retailer service agreements.

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ADOPTED, SIGNED AND APPROVED this 21st day of June, 2012.

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

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

EAST ORANGE COUNTY WATER DISTRICT
RETAIL ZONE
MONTHLY METER CHARGES/SERVICE CHARGES
AND DELIVERED WATER SERVICE CHARGES

*proposed
changes
from
existing*

Effective _____, 2012

Domestic Delivered Water Rate, per 100 cubic feet (CF)	2.23	2.46
Construction Water, per 100 CF	2.15	
Flat Rate per month for Construction Meter	40.00	
Refundable Construction Meter Deposit	1,000.00	
Monthly Meter Charge:		
5/8" Meter	14.70	15.60
3/4" Meter	16.64	17.65
1" Meter	27.80	29.50
1-1/2" Meter	42.20	44.75
2" Meter	73.50	78.00
3" Meter	104.50	110.85
Monthly Fee for Existing Water System Capital Projects	15.00	17.50
Service Charges:		
Processing charge for service discontinued for non- payment (normal working hours)	50.00	
Additional after-hours processing charge for service discontinued for non-payment (applies between 4:00 p.m. and 8:00 p.m.; no processing after 8:00 p.m.)	20.00	
Delinquency Penalty (after 30 days)	15.00	
Collection Processing Charge (Applies to accounts turned over to collection service for collection)	35%	
New Connection Charge, Per Residential Unit (Includes retail water system capacity charge; does not include cost of meter setting, service lateral, main extension or reimbursement for main extension)	2500.00	
Service Lateral Installation Charge, Per Residential Unit (Includes 1-inch meter setting; extra charge for larger meter, based on cost; installation of up to fifteen (15) feet of lateral, from meter box : main; extra charge for additional length or non-standard site conditions, based on cost)	2500.00	
Dishonored Check Charge	30.00	
Plan Check/Construction Inspection Deposit (Percentage of estimated cost of water improvements constructed; if actual plan checking and inspection costs exceed deposited amounts, additional deposit(s) will be required, and if actual costs are less than deposited amount(s), excess will be refunded without interest)		
Amount up to \$25,000	10%	
Amount over \$25,000	6%	
Minimum Fee (non-refundable)	400.00	

RESOLUTION NO. ____

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

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

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

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

WHEREAS, said mailed notice was given, setting Wednesday, May 25, 2011, at the hour of 5:00 p.m. of said day at El Modena Branch, City of Orange Library, 380 S. Hewes Street, Orange, California, as the time and place for a public hearing on the proposed property-related rates and charges set forth in Exhibit

A presented to this meeting; and

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

WHEREAS, pursuant to Section 53756 of the California Government Code, the rates and charges so adopted on May 25, 2011 included scheduled increases in such rates and charges for the fiscal years 2011/12, 2012/13 and 2013/14; and

WHEREAS, the Board of Directors has considered the scheduled increases for 2012/13 and has determined that such increases shall be implemented with specified reductions therein;

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

Section 1. It is hereby found and determined that the water rates, fees and charges as amended hereby are within the purposes set forth in Section 21080(b)(8) of the Public Resources Code, including, but not by way of limitation, the purposes of meeting operating expenses, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital facilities necessary to maintain service within existing service areas and therefore are exempt from CEQA pursuant to said Section 21080(b)(8).

Section 2. It is hereby found and determined that the water rates, fees and charges as amended hereby for 2012/13 are based upon the actual cost of purchasing and supplying water.

Section 3. It is hereby found and determined that the rates and charges amended hereby are imposed on the basis of demand as determined by measurements including water metering and meter size, dwelling units or other demand-generation characteristics of properties requesting connection, and the cost of service restoration, inspection and other services provided for all fees, and that such rates, charges and fees are imposed upon the request for or use of service.

Section 4. The following amended rate(s), fee(s) or charge(s) for the provision of domestic water service on a retail basis by EOCWD are hereby adopted, and the corresponding rate(s), fee(s) or charge(s), if any, currently in effect are hereby superseded: as set forth in Exhibit "A" attached to this resolution and by this reference incorporated herein. Staff is directed to incorporate the rate(s), fee(s) or charge(s) amended hereby into the schedule of rates, fees and charges for the provision of domestic water service on a retail basis by EOCWD.

ADOPTED, SIGNED AND APPROVED this 21st day of June, 2012.

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

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

END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: TABLET COMPUTER/COMMUNICATIONS POLICY AND ALLOWANCE
DATE: JUNE 15, 2012

Background

At the April 19th and May 17th Meetings, the Board discussed the concept of instituting a paperless agenda and providing a tablet computer to the Board and select staff in order to facilitate use of the paperless agenda and communication with staff.

At the May Meeting, the item was continued pending staff's investigation into making some adjustments to the paperless file that would facilitate its ease of use. We believe we have come up with a solution that meets the desires of the Board Members expressing an interest.

It is staff's intent that at the June Meeting, Board Members can try out an Apple iPad with an annotation program on it, to determine if this technology would be useful to them. At the time of this memo, we had obtained the use of three iPads.

Additionally, based upon recent discussions held with other agencies using tablet computers, staff made some changes to the proposed Communications Allowance Policy. These changes include:

- Clarification that the cost of an "entry-level" tablet computer will be reimbursed, rather than specifying the configuration, which may change as this technology rapidly changes.
- Clarification regarding the private ownership of the tablet computer and that it stays with the owner and is not given to the District upon termination of service with the District.
- Clarification that if the tablet computer is lost or stolen that it is not the responsibility of the District to replace it.
- Clarification that non-functioning tablet computers that break after two years of use may qualify for a new allowance if an independent technician verifies that it can't be repaired, or that the cost of repair exceeds the cost of a new entry-level tablet computer.

-
- After three years, the Communications Allowance Policy and the performance of tablet computers will be reviewed by the General Manager and his/her findings and recommendations will be brought to the Board for deliberation. 2

Recommendation

The Board take such action as they deem appropriate.

EAST ORANGE DISTRICT WATER DISTRICT

TABLET COMPUTER POLICY AND ALLOWANCE

I. PURPOSE AND SCOPE

This policy creates uniform standards related to tablet computer (e.g., “iPad”) equipment used for District business purposes by elected officials and District employees and officers. The District uses a “paperless agenda” and requires that elected officials, and certain officers and employees access the agenda via electronic means.

This policy intends to minimize the administrative costs of compliance with federal and State of California tax rules while providing a fair and practical reimbursement plan for elected officials, officers and employees conducting District business on these communication devices.

II. DEFINITIONS

- A. **Business Use:** Work-related tasks required to perform District assigned duties.
- B. **Tablet Computer:** The tablet computer adapter, battery pack and other accessory equipment specific to the tablet computer used for District business purposes.

III. ELIGIBILITY

A. **Eligibility Criteria.**

Elected Officials: All elected officials are eligible to receive a tablet computer.

District Secretary, General Manager and Superintendent: The District Secretary, General Manager and Superintendent are eligible to receive a tablet computer.

Other District Officers and General Employees: The General Manager shall determine which other district officers and general employees will require tablet computers for business use. Sufficient justification exists for assignment of tablet computers when the General Manager determines that the business use involves:

1. Timely, business critical internet access for which there is no reasonable, cost effective alternative technology; or
2. Emergency support and back up from a mobile environment; or
3. Special circumstances necessary for the efficient and effective operation of District business.

IV. OWNERSHIP OPTIONS AND RESPONSIBILITIES

- A. **Elected Official/Employee Purchased, Owned and Operated.** Privately owned tablet computers may be used for a combination of personal and business use. The

District will provide an allowance to eligible elected officials, officers and employees for the purpose of offsetting the costs for business use of such communication devices. The allowance will cover the purchase price of a ~~16-GB, entry level~~, Wi-Fi enabled tablet computer, protective cover, software applications that are directly related to annotation of the agenda package and associated California sales tax. The elected official, officer or employee receiving such allowance will be solely responsible for any costs of private ownership in excess of the allowance, including but not limited to, additional equipment, capabilities or accessories in excess of the entry level package, the activation on a cellular service, maintenance, support, monthly usage, late fees, interest, term commitments, replacement of such devices and any increase in personal income tax liability. Any employee who receives an allowance may add extra services, equipment or features as desired at his/her own expense.

The General Manager shall be provided with a ~~32-GB~~mid-level, Wi-Fi enabled tablet computer with annotation application software plus a monthly cellular data plan; the value of the tablet computer will be added to the General Manager's reported salary through the payroll system. The General Manager may add extra services, equipment or features as desired at his/her own expense.

The tablet computer will be owned by the Elected Official, Officer or Employee and will not be subject to return at the termination of service with the District. Lost or stolen tablet computers are the responsibility of the owner and will not be replaced at District expense. Malfunctioning tablet computers that cease to work after two years of use, and have independent technical verification that they can't be repaired, will qualify the Elected Official, Officer or Employee for a new allowance. For purposes of this policy, "can't be repaired" means that it cannot be returned to working order for less than the cost of a new entry-level tablet computer.

After three years of use, this Policy and tablet computer performance will be reviewed by the General Manager and his/her findings and recommendations brought to the Board for deliberation.

- B. **District Purchased, Owned and Operated.** District owned tablet computers shall be used exclusively for District business purposes except for occasional and infrequent use necessary for personal emergencies. Failure to comply with any part of this provision and IRS regulations may result in eliminating the use of the District owned tablet computer by the employee.

V. TABLET COMPUTER REQUIREMENTS

- C. **Security and Reporting Requirements.** Any elected official, officer or employee who uses a tablet computer for District business use shall protect their device against loss, theft or damage and shall report the loss of theft of the device to the General Manager as soon as possible for security reasons.
- D. **Compliance with Applicable Laws and District Policies.** Any elected official, officer or employee who uses a tablet computer for District business use shall comply with all local, state and federal laws and District policies related to such use.

- E. **Payment.** Any tablet computer allowance will be paid through the District payroll system upon determination by the General Manager that such allowance meets the requirements of this policy.

Due to internal controls, no retroactive requests for allowance payments will be processed; all allowances must have the pre-approval of the General Manager.

- G. **Determining Allowance or Reimbursement Amounts for Business Use of Computer Tablet.** In determining the appropriate allowance amounts and costs to reimburse an elected official, officer or employee, the General Manager may consider recent service and equipment invoices, and historical records for existing District tablet computers with the same or similar job duties, quotes from service and equipment providers and the information provided by the affected person.

END

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: 2012 CONSUMER CONFIDENCE REPORT
DATE: JUNE 15, 2012

Background

The Consumer Confidence Rule requires public water suppliers that have at least 15 service connections or regularly serve at least 25 year-round residents to provide annual consumer confidence reports (CCR) to their customers. These reports are also known as the “annual water quality reports” or “drinking water quality reports.”

While water systems are free to enhance their reports in any useful way, each report must provide consumers with the following fundamental information about their drinking water:

- the source(s) of their drinking water;
- a brief summary of the susceptibility to contamination of the local drinking water source, based on the source water assessments by states;
- how to get a copy of the water system's complete source water assessment;
- the level (or range of levels) of any contaminant found in local drinking water, as well as EPA's health-based standard (maximum contaminant level) for comparison;
- the likely source of that contaminant in the local drinking water supply;
- the potential health effects of any contaminant detected in violation of an EPA health standard, and an accounting of the system's actions to restore safe drinking water;
- the water system's compliance with other drinking water-related rules;
- an educational statement for vulnerable populations about avoiding *Cryptosporidium*;
- educational information on nitrate, arsenic, or lead in areas where these contaminant may be a concern; and
- phone numbers of additional sources of information, including the water system and EPA's Safe Drinking Water Hotline (800-426-4791).

The District's CCR reflects the high quality of our water; there are no contaminants that exceed any health-based standard, and we are in compliance with other drinking water rules also.

We participate in a joint effort with other districts for the preparation of this document in order to take advantage of economies of scale; the preparation and printing of this report (1300 copies) cost \$761.03 or \$.59/each – there was no change from last year's cost.

A copy of the District's 2012 Water Quality Report is attached to this memo; we've also included a production copy in your agenda envelope. It will be included in the June water bill that is sent out next week; they are due to consumers by July 1st.

Recommendation

Receive and file the 2012 Water Quality Report.

A close-up photograph of two ripe, orange-colored citrus fruits, likely oranges, hanging from a branch. The oranges have a textured, dimpled skin. Several large, vibrant green leaves are visible, some partially obscuring the fruit. The entire scene is reflected in a body of water at the bottom of the frame, creating a clear mirror image of the oranges and leaves.

2012 Water Quality Report

**EAST ORANGE COUNTY
WATER DISTRICT**

Your 2012 Water Quality Report

Drinking Water Quality

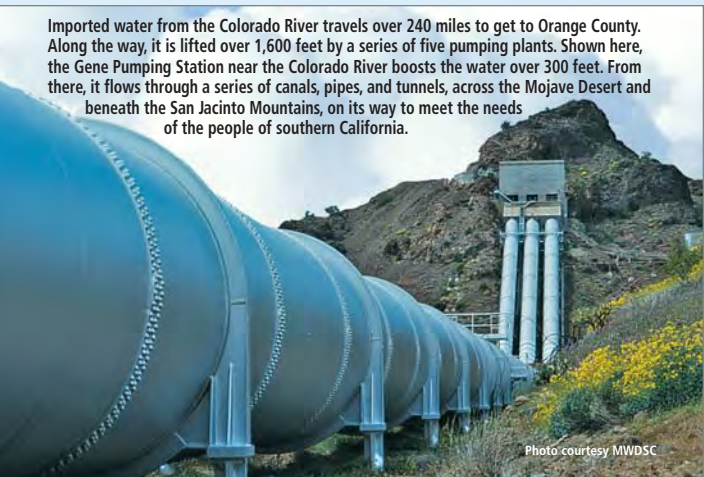
Since 1990, California public water utilities have been providing an annual Water Quality Report to their customers. This year's report covers calendar year 2011 drinking water quality testing and reporting. The East Orange County Water District (EOCWD) vigilantly safeguards its water supply and, as in years past, the water delivered to your home meets the quality standards required by federal and state regulatory agencies. The U.S. Environmental Protection Agency (USEPA) and the California Department of Public Health (CDPH) are the agencies responsible for establishing and enforcing drinking water quality standards.

In some cases, EOCWD goes beyond what is required by testing for unregulated chemicals that may have known health risks but do not have drinking water standards. For example, the Orange County Water District (OCWD), which manages the groundwater basin, and the Metropolitan Water District of Southern California (MWDSC), which supplies treated imported surface water to EOCWD, test for unregulated chemicals in our water supply. Unregulated chemical monitoring helps USEPA and CDPH determine where certain chemicals occur and whether new standards need to be established for those chemicals to protect public health.

Through drinking water quality testing programs carried out by OCWD for groundwater, MWDSC for treated surface water and EOCWD for the water distribution system, your drinking water is constantly monitored from source to tap for regulated and unregulated constituents.

The State allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of our data, though representative, are more than one year old.

Imported water from the Colorado River travels over 240 miles to get to Orange County. Along the way, it is lifted over 1,600 feet by a series of five pumping plants. Shown here, the Gene Pumping Station near the Colorado River boosts the water over 300 feet. From there, it flows through a series of canals, pipes, and tunnels, across the Mojave Desert and beneath the San Jacinto Mountains, on its way to meet the needs of the people of southern California.



We Go to Great Lengths to Ensure the Continued Quality of Your Water

Sources of Supply

Orange County's water supplies are a blend of groundwater managed by the OCWD and water imported from Northern California and the Colorado River by the Municipal Water District of Orange County (MWDOC) via MWDSC. Groundwater comes from a natural underground aquifer that is replenished with water from the Santa Ana River, local rainfall and imported water. The groundwater basin covers 350 square miles and lies beneath north and central Orange County from Irvine to the Los Angeles County border and from Yorba Linda to the Pacific Ocean. More than 20 cities and retail water districts draw from the basin to provide water to homes and businesses. In south Orange County, nearly 100 percent of the water is imported and delivered to the cities and retail water districts, where it is stored in above-ground reservoirs and tanks before being sent to homes and businesses. Normally, EOCWD imports 36% of its water and pumps groundwater for the other 64%; however, due to abundant precipitation in Northern California last winter, these figures were reversed for 2011.



Orange County's Water Future

For years, Orange County has enjoyed an abundant, seemingly endless supply of high-quality water. However, as water demand continues to increase statewide, we must be even more conscientious about our water supply and maximize the efficient use of this precious natural resource.

OCWD and MWDOC work cooperatively to evaluate new and innovative water management and supply development programs, including water reuse and recycling, wetlands expansion, recharge facility construction, ocean and brackish water desalination,

For information about this report, or your water quality in general, please contact Jerry Mendzer at (714) 538-5815.

The EOCWD Board of Directors meets on the 3rd Thursday of each month at 5:00 p.m. Meetings are held at 185 N. McPherson Road, Orange.

For more information about the health effects of the listed contaminants in the following tables, call the USEPA hotline at (800) 426-4791.

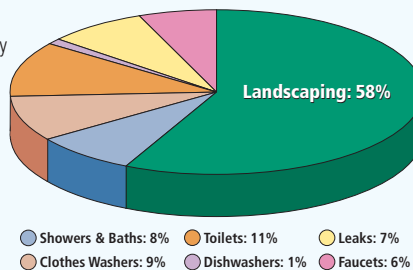
Questions
about
your
water?

Contact
us for
answers.

How Residential Water is Used in Orange County

Outdoor watering of lawns and gardens makes up approximately 60% of home water use. By cutting your outdoor watering by 1 or 2 days a week, you can dramatically reduce your overall water use.

Visit www.bewaterwise.com for water saving tips and ideas for your home and business.

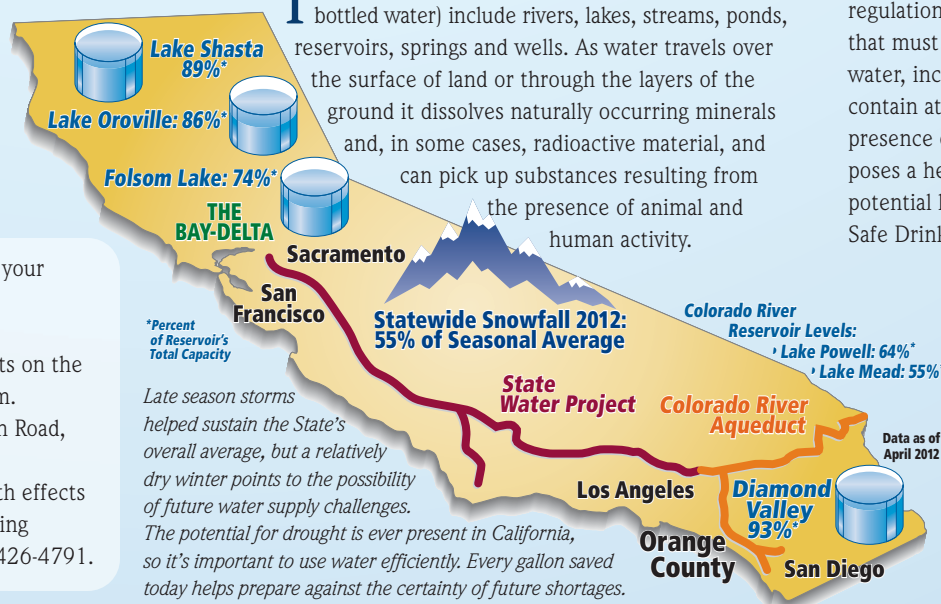


surface storage and water use efficiency programs. These efforts are helping to enhance long-term countywide water reliability and water quality.

A healthy water future for Orange County rests on finding and developing new water supplies, as well as protecting and improving the quality of the water that we have today. Your local and regional water agencies are committed to making the necessary investments today in new water management projects to ensure an abundant and high-quality water supply for our future.

Basic Information About Drinking Water Contaminants

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of land or through the layers of the ground it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animal and human activity.



Contaminants that may be present in source water include:

- Inorganic contaminants, such as salts and metals, which can be naturally occurring or result from urban storm runoff, industrial or domestic wastewater discharges, oil and gas production, mining and farming.
- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.
- Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production or mining activities.
- Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gasoline stations, urban stormwater runoff, agricultural application and septic systems.



In order to ensure that tap water is safe to drink, USEPA and the CDPH prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. CDPH regulations also establish limits for contaminants in bottled water that must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline at (800) 426-4791.

Immuno-Compromised People

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised people, such as those with cancer who are undergoing chemotherapy, persons who have had organ transplants, people with HIV/AIDS or other immune system disorders, some elderly persons and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers.

Information You Should Know About the Quality of Your Drinking Water

Disinfectants and Disinfection Byproducts

Disinfection of drinking water was one of the major public health advances in the 20th century. Disinfection was a major factor in reducing water-borne disease epidemics caused by pathogenic bacteria and viruses, and it remains an essential part of drinking water treatment today.

Chlorine disinfection has almost completely eliminated from our lives the risks of microbial waterborne diseases. Chlorine is added to your drinking water at the source of supply (groundwater well or surface water treatment plant). Enough chlorine is added so that it does not completely dissipate through the distribution system pipes. This “residual” chlorine helps to prevent the growth of bacteria in

the pipes that carry drinking water from the source into your home.

However, chlorine can react with naturally-occurring materials in the water to form unintended chemical byproducts, called disinfection byproducts (DBPs), which may pose health risks. A major challenge is how to balance the risks from microbial pathogens and DBPs. It is important to provide protection from these microbial pathogens while simultaneously ensuring decreasing health risks from DBPs. The Safe Drinking Water Act requires USEPA to develop rules to achieve these goals.

Trihalomethanes (THMs) and Haloacetic Acids (HAAs) are the most common and most studied DBPs found in drinking water treated with chlorine. In 1979, the USEPA set the maximum amount of total THMs allowed in drinking water at 100 parts per billion as an annual running average. Effective in January 2002, the Stage 1 Disinfectants / Disinfection Byproducts Rule lowered the total THM maximum annual average level to 80 parts per billion and added HAAs to the list of regulated

chemicals in drinking water. Your drinking water complies with the Stage 1 Disinfectants / Disinfection Byproducts Rule.

Stage 2 of the regulation was finalized by USEPA in 2006, which further controls allowable levels of DBPs in drinking water without compromising disinfection itself. A required distribution system evaluation was completed in 2008 and a Stage 2 monitoring plan has been approved by CDPH. Full Stage 2 compliance begins in 2012.

Cryptosporidium

Cryptosporidium is a microscopic organism that, when ingested, can cause diarrhea, fever, and other gastrointestinal symptoms. The organism comes from animal and/or human wastes and may be in surface water. MWDSC tested their source water and treated surface water for *Cryptosporidium* in 2011 but did not detect it. If it ever is detected, *Cryptosporidium* is eliminated by an effective treatment combination including sedimentation, filtration and disinfection.

What are Water Quality Standards?

Drinking water standards established by USEPA and CDPH set limits for substances that may affect consumer health or aesthetic qualities of drinking water. The chart in this report shows the following types of water quality standards:

- **Maximum Contaminant Level (MCL):** The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible.
- **Maximum Residual Disinfectant Level (MRDL):** The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- **Secondary MCLs** are set to protect the odor, taste, and appearance of drinking water.
- **Primary Drinking Water Standard:** MCLs for contaminants that affect health along with their monitoring and reporting requirements and water treatment requirements.
- **Regulatory Action Level (AL):** The concentration of a contaminant, which, if exceeded, triggers treatment or other requirements that a water system must follow.

How are Contaminants Measured?

Water is sampled and tested throughout the year. Contaminants are measured in:

- parts per million (ppm) or milligrams per liter (mg/L)
- parts per billion (ppb) or micrograms per liter (µg/L)
- parts per trillion (ppt) or nanograms per liter (ng/L)

What is a Water Quality Goal?

In addition to mandatory water quality standards, USEPA and CDPH have set voluntary water quality goals for some contaminants. Water quality goals are often set at such low levels that they are not achievable in practice and are not directly measurable. Nevertheless, these goals provide useful guideposts and direction for water management practices. The chart in this report includes three types of water quality goals:

- **Maximum Contaminant Level Goal (MCLG):** The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by USEPA.
- **Maximum Residual Disinfectant Level Goal (MRDLG):** The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- **Public Health Goal (PHG):** The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

2011 East Orange County Water District Drinking Water Quality Local Groundwater and Metropolitan Water District Treated Surface Water

Chemical	MCL	PHG (MCLG)	Avg. Groundwater Amount	Avg. Imported MWD Amount	Range of Detections	MCL Violation?	Typical Source of Contaminant
Radiologicals – Tested in 2008 and 2011							
Alpha Radiation (pCi/L)	15	(0)	ND	3.0	ND – 3.0	No	Erosion of natural deposits
Beta Radiation (pCi/L)	50	(0)	NR	<4.0	ND – 4.0	No	Decay of man-made or natural deposits
Uranium (pCi/L)	20	0.43	1.5	2.0	1.5 – 2.0	No	Erosion of natural deposits
Inorganic Chemicals – Tested in 2009 and 2011							
Aluminum (ppm)	1	0.6	ND	0.14	ND – 0.24	No	Treatment Process Residue, Natural Deposits
Fluoride (ppm) naturally-occurring	2	1	0.11	NR	0.11	No	Erosion of natural deposits
Fluoride (ppm) treatment-related	Control Range 0.7 – 1.3 ppm Optimal Level 0.8 ppm		NR	0.80	0.50 – 1.0	No	Water additive for dental health
Nitrate as NO ₃ (ppm)	45	45	16	<2.0	ND – 18	No	Agriculture runoff and sewage
Nitrate and Nitrite as N (ppm)	10	10	3.6	<0.40	ND – 4.1	No	Agriculture runoff and sewage
Secondary Standards* – Tested in 2009 and 2011							
Aluminum (ppb)	200*	600	ND	140	ND – 240	No	Treatment Process Residue, Natural Deposits
Chloride (ppm)	500*	n/a	100	72	70 – 100	No	Runoff or leaching from natural deposits
Color (color units)	15*	n/a	ND	1.0	ND – 1.0	No	Runoff or leaching from natural deposits
Odor (odor units)	3*	n/a	ND	2.0	ND – 2.0	No	Naturally-occurring organic materials
Specific Conductance (µmho/cm)	1,600*	n/a	910	690	320 – 960	No	Substances that form ions in water
Sulfate (ppm)	500*	n/a	130	160	130 – 170	No	Runoff or leaching of natural deposits
Total Dissolved Solids (ppm)	1,000*	n/a	570	470	440 – 580	No	Runoff or leaching of natural deposits
Turbidity (NTU)	5*	n/a	0.45	0.050	0.030 – 0.70	No	Runoff or leaching of natural deposits
Unregulated Chemicals – Tested in 2009 and 2011							
Alkalinity (ppm)	Not Regulated	n/a	190	89	48 – 190	n/a	Runoff or leaching from natural deposits
Boron (ppb)	NL = 1,000	n/a	ND	130	ND – 130	n/a	Runoff or leaching from natural deposits
Calcium (ppm)	Not Regulated	n/a	100	51	47 – 100	n/a	Runoff or leaching from natural deposits
Dichlorodifluoromethane (ppm)	NL = 1	n/a	<0.00050	ND	ND – 0.00070	n/a	Runoff or leaching from natural deposits
Hardness, total (ppm)	Not Regulated	n/a	350	190	57 – 350	n/a	Runoff or leaching of natural deposits
Hardness, total (grains/gal)	Not Regulated	n/a	20	11	3.0 – 20	n/a	Runoff or leaching of natural deposits
Magnesium (ppm)	Not Regulated	n/a	22	20	19 – 24	n/a	Runoff or leaching from natural deposits
pH (pH units)	Not Regulated	n/a	7.5	8.0	7.0 – 8.6	n/a	Hydrogen ion concentration
Potassium (ppm)	Not Regulated	n/a	2.3	3.8	2.0 – 4.0	n/a	Runoff or leaching from natural deposits
Sodium (ppm)	Not Regulated	n/a	58	72	54 – 77	n/a	Runoff or leaching from natural deposits
Total Organic Carbon (ppm)	TT	n/a	0.49	2.4	0.46 – 3.0	n/a	Various natural and man-made sources

ppb = parts-per-billion; ppm = parts-per-million; ppt = parts-per-trillion; pCi/L = picoCuries per liter; ntU = nephelometric turbidity units; µmho/cm = micromhos per centimeter; NR = not required to be tested; ND = not detected; NL = Notification Level; < = average is less than the detection limit for reporting purposes; MCL = Maximum Contaminant Level; (MCLG) = federal MCL Goal; PHG = California Public Health Goal; n/a = not applicable; TT = treatment technique *Contaminant is regulated by a secondary standard.

Turbidity – combined filter effluent Metropolitan Water District Diemer Filtration Plant	Treatment Technique	Turbidity Measurements	TT Violation?	Typical Source of Contaminant
1) Highest single turbidity measurement	0.3 NTU	0.08	No	Soil run-off
2) Percentage of samples less than 0.3 NTU	95%	100%	No	Soil run-off

Turbidity is a measure of the cloudiness of the water, an indication of particulate matter, some of which might include harmful microorganisms. Low turbidity in Metropolitan's treated water is a good indicator of effective filtration. Filtration is called a "treatment technique" (TT). A treatment technique is a required process intended to reduce the level of contaminants in drinking water that are difficult and sometimes impossible to measure directly.

The USEPA and the federal Centers for Disease Control guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from USEPA's Safe Drinking Water Hotline at (800) 426-4791 between 10 a.m. and 4 p.m. Eastern Time (7 a.m. to 1 p.m. in California).

Chloramines

EOCWD imports water from MWDSC and produces water using chloramines, a combination of chlorine and ammonia, as its drinking water disinfectant. Chloramines are effective killers of bacteria and other microorganisms that may cause disease. Chloramines form fewer disinfection byproducts and have no odor when used properly. People who use kidney dialysis machines may want to take special precautions and consult their physician for the appropriate type of water treatment. Customers who maintain fish ponds, tanks or aquaria should also make necessary adjustments in water quality treatment, as these disinfectants are toxic to fish. For further information or if you have any questions about chloramines please visit www.eocwd.com or call (714) 538-5815.

About Lead in Tap Water

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is

primarily from materials and components associated with service lines and home plumbing. East Orange County Water District is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline, (800) 426-4791 between 9 a.m. and 5 p.m. Eastern Time (6 a.m. to 2 p.m. in California), or at: www.epa.gov/safewater/lead.



Drinking Water Fluoridation

Fluoride has been added to U.S. drinking water supplies since 1945. Of the 50 largest cities in the U.S., 43 fluoridate their drinking water. In December 2007, MWDSC joined a majority of the nation's public water suppliers in adding fluoride to drinking water in order to prevent tooth decay. In line with recommendations from the CDPH, as well as the U.S. Centers for Disease Control and Prevention, MWDSC adjusted the natural fluoride level in imported treated water from the Colorado

River and State Project water to the optimal range for dental health of 0.7 to 1.3 parts per million. Our local water is not supplemented with fluoride. Fluoride levels in drinking water are limited under California state regulations at a maximum dosage of 2 parts per million.

There are many places to go for additional information about the fluoridation of drinking water:

U.S. Centers for Disease Control and Prevention
www.cdc.gov/fluoridation/

California Department of Public Health
www.cdph.ca.gov/certlic/drinkingwater/Pages/Fluoridation.aspx

American Water Works Association
www.awwa.org

For more information about the MWDSC's fluoridation program, please contact Edgar G. Dymally at (213) 217-5709 or at edymally@mwdh2o.com.

Source Water Assessments

Imported (MWDSC) Water Assessment

Every five years, MWDSC is required by CDPH to examine possible sources of drinking water contamination in its State Water Project and Colorado River source waters.

MWDSC has submitted to CDPH its 2010 updates to the Watershed Sanitary Surveys for the Colorado River and State Water Project, which include suggestions for how to better protect these source waters. Both source waters are exposed to stormwater runoff, recreational activities, wastewater discharges, wildlife, fires, and other watershed-related factors that could affect water quality.

Water from the Colorado River is considered to be most vulnerable to contamination from recreation, urban/stormwater runoff, increasing urbanization in the watershed, and wastewater. Water supplies from Northern California's State Water Project are most vulnerable to contamination from urban/ stormwater runoff, wildlife, agriculture, recreation, and wastewater.

USEPA also requires MWDSC to complete one Source Water Assessment (SWA) that utilizes information collected in the watershed sanitary surveys. MWDSC completed its SWA in December 2002. The SWA is used to evaluate the vulnerability of water sources to contamination and helps determine whether more protective measures are needed.

A copy of the most recent summary of either Watershed Sanitary Survey or the SWA can be obtained by calling MWDSC at (213) 217-6850.

Groundwater Assessment

An assessment of the drinking water sources for EOCWD was completed in December 2002. The groundwater sources are considered most vulnerable to the following activities associated with nitrates detected in the water supply: historic waste dumps/landfills, and past agricultural activities and application of fertilizers. The groundwater sources are considered most vulnerable to the following activities not associated with detected contaminants: dry cleaners and gas stations.

A copy of the complete assessment is available at CDPH Office of Drinking Water, Santa Ana District, 28 Civic Center Plaza, Room 325, Santa Ana, CA 92701. You may request a summary of the assessment by contacting Jerry Mendzer at EOCWD, (714) 538-5815.

Want Additional Information? There's a wealth of information on the internet about Drinking Water Quality and water issues in general. Some good sites — both local and national — to begin your own research are:

East Orange County Water District: www.eocwd.com • **Water Education Foundation:** www.watereducation.org

Municipal Water District of Orange County: www.mwdoc.com • **Orange County Water District:** www.ocwd.com

Metropolitan Water District of Southern California: www.mwdh2o.com

California Department of Public Health, Division of Drinking Water and Environmental Management:
www.cdph.ca.gov/certlic/drinkingwater

U.S. Environmental Protection Agency: www.epa.gov/safewater/

California Department of Water Resources: www.water.ca.gov

Water Conservation Tips: www.bewaterwise.com • www.wateruseitwisely.com

2011 East Orange County Water District Distribution System Water Quality

Disinfection Byproducts	MCL (MRDL/MRDLG)	Average Amount	Range of Detections	MCL Violation?	Typical Source of Contaminant
Total Trihalomethanes (ppb)	80	48	7.3 – 60	No	Byproducts of Chlorine Disinfection
Haloacetic Acids (ppb)	60	29	3.3 – 44	No	Byproducts of Chlorine Disinfection
Chlorine Residual (ppm)	(4 / 4)	1.3	0.2 – 2.3	No	Disinfectant Added for Treatment
Aesthetic Quality					
Color (Color Units)	15*	0.06	ND – 3.0	No	Erosion of Natural Deposits
Turbidity (ntu)	5*	0.015	ND – 0.27	No	Erosion of Natural Deposits

Two locations in the distribution system are tested quarterly for total trihalomethanes and haloacetic acids; one location is tested monthly for color, odor and turbidity. **MRDL** = Maximum Residual Disinfectant Level; **MRDLG** = Maximum Residual Disinfectant Level Goal; **ntu** = nephelometric turbidity units; **ND** = not detected. Odor was not detected in any sample in 2011. *Contaminant is regulated by a secondary standard to maintain aesthetic qualities (taste, odor, color).

Lead and Copper Action Levels at Residential Taps

	Action Level (AL)	Health Goal	90th Percentile Value	Sites Exceeding AL / Number of Sites	AL Violation?	Typical Source of Contaminant
Lead (ppb)	15	0.2	2.2	0 / 21	No	Corrosion of Household Plumbing
Copper (ppm)	1.3	0.3	0.21	0 / 21	No	Corrosion of Household Plumbing

Twenty-one residences were tested for lead and copper at-the-tap during 2009. Lead was detected in 10 samples; none exceeded the lead action level. Copper was detected in all samples but never exceeded the action level. The regulatory action level is the concentration of lead or copper which, if exceeded in more than ten percent of the homes tested, triggers treatment or other requirements that a water system must follow.

**This report contains important information about your drinking water.
Translate it, or speak with someone who understands it.**

يحتوي هذا التقرير على معلومات هامة عن نوعية ماء الشرب في منطقتك. يرجى ترجمته، أو ابحث التقرير مع صديق لك يفهم هذه المعلومات جيداً.

Arabic

Der Bericht enthält wichtige Informationen über die Wasserqualität in Ihrer Umgebung. Der Bericht sollte entweder offiziell übersetzt werden, oder sprechen Sie mit Freunden oder Bekannten, die gute Englischkenntnisse besitzen.

German

이 보고서는 귀하가 거주하는 지역의 수질에 관한 중요한 정보가 들어 있습니다. 이 것을 번역하거나 충분히 이해하시는 친구와 상의하십시오.

Korean

这份报告中有些重要的信息，讲到关于您所在社区的水的品质。请您找人翻译一下，或者请能看得懂这份报告的朋友给您解释一下。

Chinese

Questo rapporto contiene informazioni importanti che riguardano la vostra acqua potabile. Traducetelo, o parlate con una persona qualificata in grado di spiegarvelo.

Italian

Este informe contiene información muy importante sobre su agua potable. Para mas información ó traducción, favor de contactar a Customer Service Representative. Telefono: (714) 538-5815.

Spanish

Ce rapport contient des informations importantes sur votre eau potable. Traduisez-le ou parlez en avec quelqu'un qui le comprend bien.

French

この資料には、あなたの飲料水についての大切な情報が書かれています。内容をよく理解するために、日本語に翻訳して読むか説明を受けてください。

Japanese

Bản báo cáo có ghi những chỉ tiết quan trọng về phẩm chất nước trong cộng đồng quý vị. Hãy nhờ người thông dịch, hoặc hỏi một người bạn biết rõ về vấn đề này.

Vietnamese



**East Orange County
Water District**

185 North McPherson Road

Orange, California 92869

END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: RESPONSE TO APRIL 20, 2012 ORANGE COUNTY GRAND JURY REPORT
DATE: JUNE 15, 2012

Background

On April 27, 2012, the Orange County Grand Jury released their report, *"Let There Be Light" Dragging Special Districts from the Shadows*.

Attached to this memo is a response drafted by staff with substantial assistance by President VanderWerff; the Operations Committee has reviewed and commented upon it. Also attached to this memo is a copy of the California Special Districts Association's response to the report on behalf of their member agencies.

Recommendation

The Board review and comment upon the letter and provide staff with further direction.

June 21, 2012

DRAFT

The Honorable Thomas J. Borris
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

**SUBJECT: EOCWD RESPONSE TO 2010-2011 GRAND JURY REPORT:
“LET THERE BE LIGHT” DRAGGING SPECIAL DISTRICTS
FROM THE SHADOWS**

Dear Judge Borris:

The Grand Jury serves an important function in our county – they represent the citizens by investigating, evaluating and reporting on the operations of local government. While we have not always agreed with the findings of the Grand Juries, we respect that their third party review is a healthy check and balance for us, and has spurred us to more and better transparency about our operations.

But even more, we admire and honor the citizens that devote a year of their life and spend countless hours immersing themselves into the minutia of local government – reading innumerable documents, researching historical and computer records, attending trainings and briefings - so that they can perform their duties. It is no easy task to understand our acronyms, the engineering and science behind our water and wastewater systems, and the myriad ways we fund them. Because of this rigorous course of study, the reports produced were generally balanced and accurate.

It is because of this high esteem that we were surprised and dismayed to receive a report that, did not reflect the depth and breadth of study that previous Grand Juries had undertaken, but rather, contained substantive inaccuracies and unsupported opinion, included selective comments from outdated reports and even an editorial from a San Luis Obispo County newspaper – yet, they never met with us, and with the exception of one survey that requested general information, they never obtained any detailed information from us.

As a small special district, we understand that there are those who feel that size represents the quality or usefulness or value of a particular governmental entity – bigger is better. As a district that has been around for a long time (50 years) - but never in the headlines - we understand that there are those who believe we have outlived our usefulness and/or are hidden from our constituency. This despite the fact that we provide high quality, competitively priced water, that we send them bills every two months that include newsletters describing our activities, or that we receive phone calls every day with questions about their bills, water service or rates; or that they elect our Board. We recognize that there are those who don't believe that we should receive property tax funding and they think our property tax money should go to a school district or the state – anybody but a water district – which could be accomplished if we weren't here any longer.

DRAFT

What puzzles us is why the Grand Jury chose to only investigate and report on those opinions and not any that might represent the other side? Why was the information that LAFCO provided about the Municipal Services Reviews they conduct every five years – which amount to a performance audit – excluded from the report? Why we were asked to come in and review the report, and when we provided extensive comments and corrections – none were included in the final version? Why one special district was afforded the opportunity to meet with representatives of the grand jury before the report was released and allowed to provide further information, but the rest weren't?

For this response, we've selected a quote from the same Kimia Mizany and April Manatt publication quoted by the Grand Jury, *What's so Special About Special Districts*:

Celebrated as the best example of democracy, cursed as the worst form of fragmented government, and generally misunderstood even by the experts, special districts are California's unique contribution to local government. But what *is* so special about special districts anyway? The answer: **focused service**.

Focused because special districts only serve in specifically defined areas, unlike counties and cities that provide services throughout their boundaries. Special districts are also **focused** because most of them provide only a single service, allowing them to concentrate on one activity. **Service** because special districts deliver public programs and public facilities that their constituents want. Cities and counties must provide a wide variety of services, some of them mandated by the federal and state governments. Special districts provide the public services that the public wants."

Response to Findings

The Grand Jury has requested that the District to respond to Findings/Conclusions F-1, F-2, F-5, F-6, F-7, F-8, F-9, F-10, F-14 and F-15 and Recommendations R-1, R-4, R-5, R-6, R-7, R-8 and R-9. In accordance with Penal Code Sections 933 and 933.05, the following are the District's responses.

F1. Most Orange County special districts with or without the assistance of LAFCO, have been incapable or unwilling to consolidate, absorb or eliminate these outmoded and/or redundant agencies. LAFCO typically addresses larger issues such as merging of cities and elimination of "islands" within the county. The special districts themselves have not worked seriously toward their consolidation or demise. In this regard, the enterprise special districts and the non-enterprise special districts require independent evaluation and handling.

Response: We disagree. There have been numerous consolidations of special districts in Orange County, but other organizations will speak to this.

With regards to EOCWD, in 1985, the County of Orange requested that we absorb their Water Works District No. 8 into our district, and we obliged – despite the fact that we received it in extremely poor condition and with no reserve funds to repair

it. We've been trying to play "catch-up" ever since; this is the reason we levied our Capital Replacement Fee.

Since 1994, our District twice reviewed consolidation with Serrano Water District, and twice reviewed privatizing with the Southern California Water Company (currently Golden State Water Company). Also, exploratory discussions were held with Irvine Ranch Water District many years ago to consolidate with them and they declined.

As recently as 2009/2010, in another attempt at consolidation, and in coordination with Supervisor Campbell's office and LAFCO; EOCWD formally issued Requests for Proposals (RFPs) to six potential merger/consolidation candidates (City of Orange, City of Tustin, Irvine Ranch Water District, Golden State Water District, Serrano Water District and the Municipal Water District of Orange County). We spent one year working with these agencies, providing them detailed information on the state of our system and our finances.

On the bid opening date of February 1, 2010, all of these agencies declined to make an offer to consolidate. We believe that having reviewed our management structure, our operating costs and our still heavy capital replacement burden, these agencies realized that none of them would be able to operate the system less expensively than we are doing - which meant that they would have to raise their new customer's rates, or else their current customers would be subsidizing the new customers – a situation that wouldn't be fair to their current customers.

F2. Special districts have made very little progress in complying with the recommendations made by various governmental agencies. To ensure recommendations are followed, more coordination and cooperation is needed from the city and county agencies.

Response: We disagree with respect to EOCWD. As we've noted previously, we worked with Supervisor Campbell's office and LAFCO on our last consolidation effort.

Without having an in-depth knowledge of water industry operations and with all of the variables that can come into play, one cannot conclude that a single solution or approach can be applied to any given agency.

F5. The sixteen enterprise districts typically started as local agricultural irrigation providers and sanitation providers for local communities. These special districts have transitioned into providers of potable water and sewerage disposal for the cities that blossomed around them after 1950. These districts grew until their boundaries met a neighboring special district that was also growing. Some of these local smaller providers have already been absorbed by larger districts under one management.

Response: We partially disagree. We don't know why or how many of these districts started, or how many have been absorbed by larger districts, but EOCWD was never formed for agriculture irrigation; it was formed to supply imported water to the

east county area because there was insufficient groundwater to supply the area – which included portions of the growing cities of Orange and Tustin. These cities were already formed and functioning - but they did not extend water service to the unincorporated areas of the county (Orange Park Acres, Lemon Heights, Cowan Heights, Panorama Heights and North Tustin). We agree that in 1985, EOCWD cooperated with the County of Orange and absorbed Water Works District No. 8 into our district.

F6. The sixteen enterprise special districts of Orange County founded between 1919 and 1964 have grown with the urbanization of the county. Thirteen of these special districts rely upon taxes collected by the county while three rely on fees and other sources for their revenue. This suggests that all of these enterprise special districts could wean themselves from tax subsidies and rely on fees for their revenue. Severance from the tax subsidies would enable financial transparency and let the customers see the true cost of the services provided.

Response: We disagree. The property taxes we receive form the firm foundation of our short and long range financial plans. These funds are fundamental to the ability to operate and maintain this water system at a competitive price for the benefit of our ratepayers.

The Grand Jury's statement that special districts could "wean themselves from tax subsidies," implies that the property taxes we receive are not critical to the operation and maintenance of this district – and that there is something better and more readily available to take their place. They are critical, and there is no place else to go to get this money than from the people that are already paying it – our ratepayers.

Property taxes comprise one-fifth of our revenue – an estimated \$950,000 out of a proposed \$5,525,000 FY 2012/13 budget. If we lost this revenue, we would need to increase our Retail customer's bills by approximately \$29.00 per month. For our customers that use very little water, this increase would almost double their monthly water cost.

Further, much as it would for a household to lose one-fifth of its income, the loss of these funds would wreck havoc with the financial planning that – along with the frugal nature of our operation – has allowed us to take care of our obligations. Water districts are capital intensive operations – we set aside funds for emergency repairs (if one of our 24" water lines breaks under a major road such as Newport Avenue or Jamboree, the cost of repair could easily approach \$500,000 to \$700,000), for the planned replacement of pipelines, water tanks and pump stations. Just two years ago it cost us \$1,200,000 to paint the inside and outside of just one of our reservoirs – and because of the economy, we felt fortunate to receive a price that was almost \$400,000 less than we estimated it would have two years earlier. In 2011, we replaced 2,400 feet (less than ½ mile) of old 1940s/50s steel pipe at a cost of over \$700,000 (inclusive of engineering) – we still have about 26,600 feet or 5 miles of this pipe in our system. Taking away these funds would mean that we would either defer or forgo this work.

Our cost for water - which is our single largest annual expense and over 40% of our budget, has risen over 100% since 2006. Our Retail Zone water rate has risen 40% over this same period – the loss of these property taxes would add another 63% increase on top of this.

Taking away this source of revenue means that a portion of the property taxes our customers are paying to operate, maintain, repair and reconstruct their water system will no longer be going towards something that not only maintains their property value – but that through the provision of fire flow – protects life and property. They would pay more and not get anything more than they are receiving now – and this would be a further disincentive to consolidation with another agency.

F7. The unrestricted reserves of the special districts are available to the governing boards to spend as they please. Local citizens are not openly informed of this wealth when agencies ask for fee increases, special assessments, or bond measures. Most of the special districts do not appear to have specific criteria for amassing these reserves nor do they have published long-range plans for their constructive use.

Response: We disagree. As shown in the copies attached to this response, the EOCWD Board adopted reserve fund policies in 1979, 1985 and updated them in 2001. These funds are annually identified in our 5-Year Capital Improvement Program budget (also attached), and can only be spent with the specific approval of the EOCWD Board. Our CIP is part of our budget and is posted on our website. We are also required to submit annual financial reports to the State Controller's Office and a copy of our annual budget to the County of Orange.

F8. The twenty-seven special districts in Orange County have amassed unrestricted reserves of over \$866,000,000. That is enough money to fund all of these special districts for more than year without taxes, fees, interest, or other sources of revenue. The boards of directors have the sole discretion to spend these unrestricted reserves.

Response: We disagree. By law, the only restricted reserve funds an agency can have are those that are limited by legal or contractual requirements – this does not mean that these funds are undesignated. As we noted in F7, our Capital Improvement Plan shows the allocation of reserve funds for planned repairs and replacements in our system and for security and back-up power enhancements. These lists don't include emergencies that can quickly ruin reserves. For example, even a relatively mild earthquake could significantly damage our wells; so instead of getting 68% of our water at a cost of \$300/Acre-Foot (AF), we would be required to import it at a cost of \$800/AF – a new well costs about \$2 million, so we would have the expense of the well, plus the cost of the imported water for a year until we could get the well back on-line, an additional \$520,000 expense.

F10. The enterprise special districts could save millions of dollars in administration costs by consolidation into regional special districts. Five or six such enterprise special

districts within Orange County could save at least \$500,000 per year for each special district absorbed.

Response: We disagree. The report provides no information upon which they based that statement, so we don't believe that we can constructively comment on it.

We believe that with respect to EOCWD, we have demonstrated that contrary to generally accepted belief, small special districts can be efficient and effective in delivering services to their customers. One need only look to the myriad of small businesses that thrive in America to realize that while large agencies certainly enjoy economies of scale, they often blunt these advantages by becoming bureaucratic, lethargic and non-responsive to their customers. It is flawed logic to assume that just because another agency can deliver water services, that they will do it better or for a lower price than the existing agency. If this were the case, Orange County – and indeed the state – would only have 5 or 6 large cities or counties.

F14. The true cost of water and sanitary sewers in the enterprise special districts is hidden when both taxes and fees fund these districts. Only when the monthly service bills to the customers include all the costs for these services without the tax subsidy will the public understand the true cost of these services and achieve financial transparency.

Response: We disagree. Adam Smith, the Scottish Economist wrote in *The Wealth of Nations* that, "The real price of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it."

A portion of the property tax that our customers pay to the County two times per year is returned to them in the form of a transfer payment to their water district. Therefore, their toil and trouble of acquiring water is reduced by \$30.00 each month that they've already paid. If they were then required to pay an additional \$30.00 and their taxes were reduced by \$30.00, we assume that there would not be much outcry as this would be revenue neutral to them. But nowhere in the Grand Jury Report is that suggested. Instead, the implication is that they would still pay the \$30.00 they have been paying (which would now go to some other government agency), plus an additional \$30.00 – without getting them any closer to the "real price of water." The price didn't change, just the source of the revenue.

We think customers are probably more interested in why all water districts don't receive a portion of their ratepayers' property taxes, than they are in the true cost of water.

F15. Only one of the special districts, The South Coast Water District, has had recent performance audits. The lack of performance audits for the remaining special districts leaves the potential for inefficiencies, poor practices, outmoded operations, etc. hidden from the governing boards and the communities they serve. The lack of published performance audits has contributed to the public's ignorance of these districts.

Response: We partially disagree. We welcome the concept of performance audits in general as we believe we run an efficient, no-frills operation that gets the job of safe, reliable water done.

However, LAFCO conducts Municipal Service Reviews, which evaluate our efficiency and effectiveness and updates them every 5 years. Currently, we pay over \$15,000 per year to fund this and other LAFCO work. Because of this, we disagree with the recommendation as it would, in our opinion, be duplicative and costly without yielding any more or better information.

Responses to Recommendations R1, R4, R5, R6, R7, R8 and R9

R1. All special districts (except the Vector Control District and the County Cemetery District) should be eliminated from the county tax rolls and should rely solely on fees or the services of surrounding governments. (See F2, F3, F4, F5, & F6.)

Response: The District will not take any action to implement this recommendation because it is not warranted and it is not reasonable for all of the reasons that were previously stated under the "Findings" section.

Taking away the portion of the 1% property tax that our district receives without giving the property owners equivalent relief on their property taxes would not only impose an incredible hardship on our ratepayers, but it is arguably an illegal tax increase. While it is true that, like Redevelopment Agencies, the state can take away our right to exist, under the provisions of Proposition 13, it can't create a new tax without a vote of the affected people. Effectively, shifting our property tax revenue away and requiring a successor agency to absorb the lost revenue would be doing just that.

R4. Water and sewer districts should be consolidated into no more than six regional districts. Consideration should be given to including the city water agencies in the consolidation. LAFCO should meet with the water and sewer districts before October 31, 2012 to develop plans and schedules for consolidation. (See F5, F6 & F9.)

Response: The recommendation will not be implemented because the Grand Jury has failed to present any factual evidence that it warranted and there is any reasonable basis for the number of regional districts cited.

R5. Water and sewer districts should be removed from the tax rolls and operate solely on fees and other revenues for their services. Consideration should be given to forming non-profit agencies with ownership shared by the constituents. These districts should meet with county officials before October 31, 2012 to prepare plans and schedules to remove themselves from the county tax rolls. (See F2, F5, & F6.)

Response: The District will not take any action to implement this recommendation because it is not warranted and it is not reasonable for all of the reasons that were previously stated under the "Findings" section, R1 and R4.

R6. Special districts should adopt "board of director's practices" for all their reserves, restricted and unrestricted. All reserves should be classified in their 2013-2014 budgets according to GASB Standard No. 54. LAFCO should work with the special districts to prepare standard criteria for accumulating reserves according to the new classifications by December 15, 2012. These standards should be used in preparing the 2013-2014 budgets. (See F7 & F9.)

Response: This recommendation requires further analysis and discussion with our Board; that will occur within the next six months.

We have been advised that GASB 54 applies to General Fund entities (Counties, Cities, and School Districts) and dependent special districts - not independent (enterprise) entities such as EOCWD. Ironically, this statement was adopted by the Governmental Accounting Standards Board and applied to cities, counties and school districts for the very reason that it is not applicable to special districts: the way fund balance (reserve) information was being reported by cities and counties was vague and unclear, and allowed cities and counties to use water and sewer reserve funds to fund non-enterprise facilities (like parks and roads). Special District reserves can only be used to fund improvements, rehabilitation or replacement of facilities of the special district – nothing else.

There is merit to reiterating in our audited financial statements the information on reserve funding that is detailed in our CIP.

R7. Excessive unrestricted reserves should be used to reduce existing debts. Future revenues should be reduced to avoid the accumulation of unallocated revenue that does not meet the adopted new standards. (See F7 & F8.)

Response: This recommendation will not be implemented because it is not warranted – EOCWD currently has no debt. Because of credit tightening, we have been advised that have healthy reserves will result in a lower interest rate for long-term debt. If a certain portion of reserves is used as credit enhancement and/or to fund a portion of our debt service reserve fund, as well as to reduce the amount of revenue we would need to collect to provide the "coverage ratio," we understand that this is a primary indicator for debt-issuers – including the State when making loans or grants – that the entity is financially sound and able to repay the debt.

R8. Each special district should have an independent performance audit at least every three years. The executive summary of the performance audit should be distributed to all the taxpayers of each special district. Each of the special districts that has not had a performance audit within the last five years should contract with an independent outside consultant to conduct such an audit during 2012. These audits should be repeated at least every three years. (See F15.)

Response: The recommendation will not be implemented; please see our response to F15).

R9. Each special district should contribute 1% of its unrestricted reserve fund to LAFCO to help finance preparing and directing the consolidation, absorption, or elimination, and the setting of standards for reserves for the special districts. These funds should be included in LAFCO's future programs and budgets until the consolidation, absorption or elimination of each special district is achieved. With these additional funds, LAFCO should begin meeting with each special district before the 2014 fiscal year is budgeted for consolidation, absorption and/or elimination of these districts. (See F1, F2, F3, F4, F5, & F6.)

Response: The District will not take any action to implement this recommendation because it is not warranted and it is not supported by any factual information. Please see all of the reasons that were previously stated under the "Findings" section.

Please contact me or our General Manager, Lisa Ohlund at 714-538-5815 should you have any questions or concerns.

Respectfully Submitted,

William VanderWerff,
President East Orange County Water District

Copies to: Orange County Grand Jury
Joan Arneson, EOCWD Board Secretary
Lisa Ohlund, General Manager

END



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: JUNE 2012 NEWSLETTER
DATE: JUNE 15, 2012

Background

The District prepares a newsletter as a means of communicating important issues and events to our Retail Zone customers. Attached to this memorandum is the June 2012 issue of the newsletter that staff is proposing to include with the June billing.

This newsletter is focused on the rate increase and the setting the water rate lower than what was proposed last year (if the Board approves this action), an invitation to come to our Board Meeting and bring a youth to introduce them to local government, information about the importance of local rain to our area because of our groundwater basin and information about landscape irrigation and our on-line bill pay program.

The newsletter was not completed by the date of the Operations Committee Meeting so they have not reviewed the proposed newsletter or provided comments.

Recommendation

Review, comment and if desired, direct staff to transmit the newsletter to Retail Zone customers.

Teach Your Children Well... and About Wells too!

At 5:00 p.m. on the third Thursday night of every month, our Board meets to discuss, take action, or hear reports on issues affecting your water district.

Because we are a special district, we are a form of local government, and our meetings are open to the public – our agenda is posted at least three days in advance of our meetings in front of our office, but the most convenient way to see it is to go online (www.eocwd.com)

Do you have a child or grandchild that you'd like to show how local government works? Our meetings are less formal than city council meetings and usually much

What Does Local Rain Mean to Us?

Last year at this time, we were awash in almost 23" of local rainfall, the most we had received since the early 1990s. This year we've received almost 9.5" with the water year ending on June 30th. Unlike some parts of Southern California, local rainfall/snowfall is very important to us

because we receive between 60-70% of our water from below the ground, and the runoff in the Santa Ana River refills our groundwater basin. And of course, local rainfall means that we all can shut off our irrigation systems, sometimes for months!

But the reality we live with is that we still

"import" 30-40% of our water from the Colorado River & Northern California – which also received record rainfall last year. We've been able to refill reservoirs all over the state because of this and for now, reservoirs are full! But this year's rainfall reminds us to conserve!

Rate Increase to be Smaller than Projected

At their June Meeting, the East Orange County Water District Board of Directors approved a total Retail operating budget of \$1,679,800 that is 9% higher than last year. The largest increase in the budget was due to the escalation in the cost of the water we buy.

As part of a three-year rate increase passed last year on June 16, 2011, an increase in the water rates will go into effect on June 16, 2011.

However, the Board changed the water charge increase from \$2.46 per hundred cubic feet (748 gallons), to \$2.40 per ccf. This equates to a 7.6% increase instead of a 10.3%

The lower rate is due to a lower than expected increase in the cost of the water we purchase.

The Meter Charge and the Capital Improvement Charge will also increase on 6/16 – by 6% and 14% respectively. These funds are used to repair and maintain the system and to replace capital facilities

The new rates effective 6/16/12 are:

Water Charge: \$2.40 per ccf

5/8" Meter Charge - \$15.60

3/4" Meter Charge - \$17.65

1" Meter Charge - \$29.50

1.5" Meter Charge - \$44.75

2" Meter Charge - \$78.00

3" Meter Charge - \$110.85

Capital Improvement Fee - \$17.50/mo

LANDSCAPE WATERING SCHEDULE

We've just started the summer months, but thanks to little "May Gray" and "June Gloom," water use is about 10% higher than it was last year during the April – June billing period. As we get into the hottest months of the year – July through October – your water bill can be almost twice as much as your November – March bill because of irrigation usage.

One of the best ways to save money on your water bill is to set up an effective irrigation schedule. Southern Californians see the dry and cracked top soil and think that the soil below is also dry – but the best way to determine if it's time to water is to stick a long-bladed screwdriver into the ground. When you remove it, if the soil clinging to it is dry, it's time to water. But if it's damp the first few inches, but dry below, you just need to water a bit longer for deeper penetration. If the soil is overly moist, it's time to cut back on water. In waterlogged soil, the pore spaces between soil particles fill with water and displace the air the plant needs – effectively drowning it. Even in summer, giving a plant too much water is as harmful as giving it too little.

The schedule below contains a suggested watering schedule for August.

SUGGESTED WEEKLY WATERING SCHEDULE FOR AUGUST	
Turf Grass	Trees, Shrubs, and Groundcover
Four Days	Two Days
Three Cycles of Three Minutes	Three Cycles of Four Minutes

Please note that if your sprinklers are coming on every day – you're overwatering. If you don't want to mess with the controller, just turn it off one or two days a week – but don't forget to turn it back on!

EOCWD's ONLINE BILL PAY

Did you incur a late fee because you went away for a vacation and forgot to pay your water bill?

You can check your account and pay that bill from anywhere in the world using our online bill pay.

Go to our website: www.eocwd.com and register for an account by clicking on "View/Pay My Bill" on the left side of the screen. On your first visit, you will need to set up a new account by clicking on the link under the "First Time Here?" box. You will need a current email address and your EOCWD account number (listed on your bill). Once you are registered, a confirmation email will be sent with your login and password and you'll be able to login and pay your bill within minutes. There is a small 1% fee when you use this service.

Once you have an account you can view your bill, look at your consumption history and set-up automatic bill payment.

shorter! Our meetings tend to include discussion about reservoirs, pipelines, pumps, water rates, water quality, water supply, emergency preparedness, other government agencies, investments, budgets, water meters... and that's just our June meeting!

We welcome children 10 and older and are happy to help you meet a school report requirement, a Scout badge or just to help you teach your children about representative democracy.

Our office is located just off East Chapman Avenue at 185 N. McPherson Road.

If you come a little early, we can show you our ground-water wells too!

Looking for residential rebates and water saving tips? Go to www.bewaterwise.com

END