

August 18, 2014

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

Dear Members of the Board,

Please be advised that a regular meeting of the Board of Directors of the East Orange County Water District will be held on Thursday, **August 21, 2014**, at **5:00 p.m.** in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. Enclosed please find the agenda for the meeting.

Very truly yours,

EAST ORANGE COUNTY WATER  
DISTRICT

By:  Joan C. Arneson  
Secretary

JCA/

Enclosures

cc: Mailing List

150473

AGENDA

EAST ORANGE COUNTY WATER DISTRICT  
(EOCWD)

Thursday,  
August 21, 2014  
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)

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

4. **General Manager's Report (Exhibit "A")**

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

5. **Approval of Minutes of July 17 and August 7, 2014 Meetings (Exhibit "B")**

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

- A. Value of water communications plan – presentation by Municipal Water District of Orange County (MWDOC) (Exhibit "C")
- B. Local sewer service (Orange County San #7) reorganization – status report (Exhibit "D")
- E. Wholesale and retail water usage report (Exhibit "E")

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

## 7. Financial Matters

- A. Approval of schedules of disbursements (Exhibit "F")
- B. Report on investments/ ratification of investment activity (Exhibit "G")
- C. Receipt and filing of financial statements (June 30) – (Exhibit "H")

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

- D. Revisions to Retail Zone Rate Schedule Sheet (Exhibit "I")

**Recommended Motion:** "THAT RESOLUTION NO. \_\_\_\_ BE ADOPTED, ENTITLED:

'RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ADOPTING CHANGES TO NON-WATER DELIVERY CHARGES FOR RETAIL SERVICE'"

- E. Revision of credit card limit – (Exhibit "J")

**Recommended Motion:** "THAT AN INCREASE OF THE CREDIT LIMIT ON THE DISTRICT'S CALIFORNIA BANK & TRUST CREDIT CARD TO \$10,000 BE APPROVED"

## 8. Miscellaneous Matters

- A. Reports from committees and representatives to organizations
- B. Directors' reports on meetings attended
- C. Biennial conflict of interest code review (Exhibit "K")

**Recommended Motion:** "THAT IT BE DETERMINED THAT NO REVISIONS TO THE DISTRICT'S CONFLICT OF INTEREST CODE ARE NECESSARY AND THAT THE SECRETARY BE DIRECTED TO FILE THE CODE REVIEW FORM WITH CLERK OF THE BOARD OF SUPERVISORS"

- D. Authorization of conference attendance (Exhibit "L")

- (1) California Special Districts Association (CSDA) Annual Conferences (Palm Springs, September 29 –October 2)

## 9. Informational Items

## 10. Closed Session

- A. Closed session – conference with labor negotiators (Government Code Section 54957.6)  
Agency designated representatives: Directors Bell and VanderWerff  
Unrepresented employees: Operations & Maintenance Superintendent; Part-Time Office Assistant; Distribution Operator III; Distribution Operator II

## Open Session

Reconvene in open session, report any actions and take action(s) (if any) regarding unrepresented employees' compensation

## 11. Adjournment

The scheduled date of the next Regular Meeting of the Board of Directors is **September 18, 2014**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

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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.

# **EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER'S REPORT**

**August 2014**

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

## **GENERAL MATTERS**

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

## **SEWER**

### **A. OCSD Transfer**

See related agenda item.

## **WHOLESALE ZONE**

### **A. Peters Canyon (6 MG) Reservoir Status Update**

Security System – Staff is working out some last details with AT&T regarding the installation of the fiber line and internet connection prior to commencement of construction.

Roof Repair – Richard Brady & Associates is providing additional information in support of their recommendations for the roof; staff will present this information to the Engineering Committee at their upcoming meeting.

#### Master Plan Update and Treatment Plant Feasibility Study

District Engineer Phil Lauri has advised that due to unforeseen circumstances, Assistant District Engineer Karyn Igar will not have the time available to manage the Master Plan/Feasibility Study; they will however, continue to provide technical expertise for the project. After discussion with the Engineering Committee, staff will be investigating the availability of a retired engineer to provide project management services for this nine-month project.

### **B. Emergency Generator at OC-70**

MET has completed the installation of the electrical equipment that will support the operation of a back-up generator at the OC-70 pump station, and provided all necessary cables to connect from the generator to the transfer switch. MET is also preparing standard operating procedures for the site that they will share with the District. A draft of those procedures is expected by the end of the month. Staff notes that MET staff were extremely professional and executed the installation very well; it was a pleasure to work with them.

### **C. WZ Connection Permits**

None to report.

## RETAIL ZONE

### 1) Well / Booster Station Operations

East Well – No issues to report. 100% of the retail zone demand is being met by this well.

OCWD Coastal Pumping Transfer Program (CPTP) Participation – Beginning in May, the RZ has been participating in the CPTP, a program that has coastal producers pumping below the Basin Production Percentage (70% of their demand) and some inland producers pumping above the BPP so that the net basin pumping is neutral. The CPTP is designed to reduce water losses to LA County as well as the gradient that encourages seawater intrusion. MET has been storing 44,000 AF of water in the Orange County Groundwater Basin and now wants to use it – this means that additional pumping will be required by other inland pumpers over and above the 70%, because the agencies that have been participating in the CPTP can't meet the additional demand. The RZ participation means that we will pay \$115/AF less for MET water due to incentives from OCWD and the mitigation value that additional pumping will have on the MET Ready-to-Serve Charge.

West Well and Stoller Booster Pump Repair Project – As mentioned in last month's General Manager report, staff had delayed sending out RFPs for the West Well and Stoller booster pump repair over concerns of the declining water levels in the groundwater basin. On a positive note, it appears that the water levels have stabilized over the last month. Water levels have been hovering between 293 to 296 feet.

The West Well and booster station have been offline since February 2013 due to worn pump assemblies; the East Well can and has been meeting our entire RZ demand.

Panorama Heights Reservoir Booster Station – Staff contracted with Hidden Valley Pump to replace the two 15hp booster pumps for the Vista Panorama hydro-pneumatic zone. Both pumps were installed on July 30<sup>th</sup> and are fully functional. The homeowners next to the site expressed gratitude for the new quieter pumps.

Panorama Heights Sidehill Booster Station – The Sidehill Booster Pump was installed in 2002 and provides an additional 1500 gpm of flow under high demands and supplements the 500 gpm provided by the primary booster station at the Panorama reservoir site.

During the replacement of the pumps located at the Panorama Heights reservoir site, staff discovered that the Sidehill Booster Pump Station was inoperable. Initially it was thought to be a blown fuse. Hidden Valley Pump was able to test the electrical leads on the motor and found that 2 of the 3 leads were grounded, indicating that the motor was bad. Staff contacted several pump companies to locate a replacement motor. The initial response was that it would take several weeks or even months to obtain a replacement motor and that there was no guarantee it would be a direct replacement and that significant modification may have to be made. Staff secured the services of Scott Szymborski of SSC Engineering, an expert in pump stations, to help facilitate a quick resolution to the repair or replacement of the pump and motor. Mr. Szymborski was able to prepare specifications and quickly obtain three quotes to repair the pump. Staff and SSC Engineering met with the Operations Committee on August 12<sup>th</sup> to review the bids. It was recommended that the District contract with Cortech Engineering (low bidder) to inspect and repair the existing bowl assembly and replace the existing 30hp Hitachi motor with a 30hp Tesla motor. The Committee gave the General Manager a budget of \$20,000 in the event it is determined after inspection that the

pump assembly needs replacing. Staff has contracted with Cortech to perform the work for a price of \$16,587.56 to replace the motor. The project is expected to be completed by August 22, 2014.

## **2) Water Smart Home Certification Program**

The District has 20 customers participating in this MWDOC sponsored program. The customers apply online to have a home inspection performed by the Mission Conservation District (MCD). The customers, located on Circula Panorama, Crawford Canyon Road, Miriam Place, Panorama View, Via Aventura, Via Del Cerro, Barrett Lane, El Roy Drive, View Ridge, St. Jude, Daniger Road, Greenwald Lane, Carmel Way and Kassy Drive met with District and MCD representatives between November 2013 and July 2014 to go through each interior and exterior plumbing fixture and evaluate their water efficiency.

Eighteen customers have received a water use report with recommendations on how to make their home water efficient. In order to achieve a Water Smart Home certification, the customer must have an efficiency score of 100. The high possible score is 120 which will give the home Gold certification status. The scores so far have ranged between 40 and 71 points. The customer then has 90 days to implement the recommendations and provide proof to MWDOC by providing invoices, receipts, and photographs. If all program criteria are met, the homeowner will receive a certificate stating that their home has been certified as being water efficient.

Participation has slowed down over the past months and MWDOC has developed a marketing plan to further bolster participation in the coming months. They will be identifying past participants of the programs who have already received some type of rebate for a water saving device and emailing them details of our program. They are also encouraging agencies to target their high water users, users who have identified leaks, and any customers who have high bill complaints; District staff have been doing this since the conception of the program.

## **3) System Leaks**

On Tuesday, July 29<sup>th</sup>, at approximately 2pm, staff noticed a small leak in front of 10572 Crawford Canyon Rd. Initially it was believed to be a leaking service lateral. Staff contacted Serrano Water District and requested assistance due to the location of the leak on Crawford Canyon Rd. and the high traffic flow. After exposing the mainline line and removing the surrounding soil, staff quickly realized that this was more than a service lateral leak. Staff performed a full shutdown of the pipeline which affected water service to 28 homes.

It was discovered that the saddle that would normally clamp onto the water main was completely loose; the steel straps had corroded away. Severe corrosion was also found on the 8" steel water pipe as well. When the service lateral was originally installed, the outside mortar coating was removed to allow for the installation of the saddle. However, it appeared that industry standard measures to protect the pipe were not taken which left the bare steel vulnerable to corrosion. Staff installed a 16" full circle repair clamp over the corroded area. A temporary highline was run to two homes to allow staff time to prepare for the installation of a new copper service. Further inspection of the 8" main revealed numerous rust spots in the mortar coating on the exterior of the pipe. These rust spots are signs of corrosion and a strong indication that future leaks are likely. Samples of the soil in the area of the pipe were taken to be analyzed for corrosivity. This information will be provided to Carollo Engineers for use in our Master Plan update and prioritizing future system replacements/improvements.

#### 4) **Water Availability Request**

Request for water service was received for a vacant lot located on St. Jude.  
Another request for water service was made for 12294B Circula Panorama.  
Both requests are under review.

### **Joint System (WZ & RZ) Activities**

#### **A. Training**

**Confined Space Training** – Field staff attended an 8-hour confined space training session hosted by Serrano Water District on August 6<sup>th</sup>. The training complies with OSHA's standard for confined space entry permit programs and is designed to protect employees from the hazards of confined spaces.

**Water Education Seminar** - Field staff attended the California/Nevada AWWA Water Education Seminar held at Rancho Santiago College on August 13, 2014. Over 600 attendees heard 60 speakers discuss drinking water regulations, water treatment objectives, distribution system challenges, water quality monitoring, system (SCADA) controls, emergency preparedness, backflow & cross connection prevention, safety and leadership and management.

#### **B. Monthly Operations Activities**

- Confined Space Training (8 hours at Serrano W.D.)
- RZ meter reading and re-reads.
- Leak repair and service replacement for 10572 CCR.
- Responded to sewer leak on Circula Panorama – job shadowed OCSD staff.
- Met with Hidden Valley Pump to install 2 new booster pumps at Vista Panorama reservoir site.
- Removed Sidehill Booster pump and met with engineers and electrician for inspection.
- Met with Tree Trimmers for quotes to clear easement behind Newport reservoir.
- Staff meeting to discuss mandatory conservation requirements.
- Attended pre-construction meeting at OC Public Works office for Old Foothill / Foothill Sidewalk Replacement Project.
- Met with Cla-Val Company to service Stoller PRV and repair Stoller pump control valve.
- Met with JPIA for annual loss review.
- Met with asphalt contractors to obtain quotes.
- Performed traffic control for asphalt contractor for patches on Crawford Canyon and Vista Panorama.
- Turf removal post evaluation for 12642 El Roy Dr.
- Leak investigation at Smiley Drive and Circula
- Met with SCE for Pump test on East Well and Stoller Booster
- Meter change-outs at 10472 CCR and 10572 CCR
- High water bills – 13102 St. Marks, 12531 Circula Panorama, 13026 Marcy Ranch Rd., 12602 Daniger Rd., 13001 Barrett Lane
- Meter Disconnects – 19432 St. Jude, 19282 Fairhaven Ext., 12900 Fairhaven Ext., 12326 Baja Panorama, 12432 Baja Panorama.
- Meter Connects – 19681 Vista Del Valle, 12432 Baja Panorama, 19282 Fairhaven Ext.

- Low Pressure – 12432 Baja Panorama
- Attended Water Education Summit at Santiago Canyon College

### **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
- Clean-up, organize and restock service trucks
- Clean-up and organized shop
- Vehicle maintenance

### **Monthly Tasks**

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

#### **A. MWDOC Manager's Meeting – July 17, 2014**

Meeting Summary: 1) Water Agency Liability for Fire Flow Failure – Yorba Linda Experience – Representatives from Yorba Linda Water District reviewed the results of the inverse

condemnation litigation that was initiated against them following the loss of 19 homes in the Hidden Hills area of Yorba Linda due to the Freeway Complex Fire. In 2012, for the first time in the nation's history, a water district was found liable for damages (\$69 million) under inverse condemnation principles (water districts are immune from tort claims), and further, the District's insurance company tried to claim that the District wasn't covered under its excess liability policy. Ultimately, the District and ACWA JPIA prevailed on the coverage issue, and recovered all funds the District paid out in partial settlement, but it took 5.5 years of litigation. 2) Factors for Prediction of Water Use in Orange County – A researcher from Stanford University is requesting participation in a study designed to provide better water use forecasting tools; EOCWD volunteered to participate. 3) MET Drought Outreach – MET is commencing a \$5 million campaign to increase drought awareness. 4) Potential MET Water Supply Allocation – The first meeting of the Water Supply Allocation Plan review started on Monday; MET agencies will be reviewing and updating the allocation plan in preparation for its use next year if necessary. 5) Orange County Water Reliability Study – Staff has sent out a Request for Proposals to prequalified firms; proposals are due back on August 27<sup>th</sup> and the contract will go to the MWDOC Board in September – estimated cost is \$350,000. 6) MWDOC's Met Director Appointment Update – It was noted that once the South County Agencies submit a candidate for the MET director position, an Ad Hoc Committee will be appointed by the MWDOC President to interview the candidate. 7) Government Affairs Director – Heather Baez, the new Government Affairs Director for MWDOC, was introduced and welcomed. 8) Water Policy Dinner – Attendees were reminded of the upcoming Water Policy Dinner with new MET Chair, Randy Record as the keynote speaker.

#### **B. Engineering Committee Meeting – July 22**

Meeting Summary – 1) Peters Canyon Reservoir Roof Study - the BRADY Engineering Final Report for the 6 MG Reservoir Roof was presented. Director Bell noted that the report was good, but requested an estimated cost be provided for the alternatives listed. Ms. Ohlund will ask Brady to provide this, however, she noted that they are at the end of their authorization and have provided services outside their scope and their contract may require amendment. The Committee concurred. 2) Master Plan/Feasibility Study Status Report - Staff is beginning the contract finalization process, however a problem has arisen in that Phil Lauri has indicated that Karyn Igar will not have time to oversee the contract as originally planned and we will need to retain the services of a contract engineer to assist with the effort. Mesa will, however, be able to provide technical oversight. Ms. Ohlund stated that she would like to interview 2-3 experienced engineers for this work. The Committee question what level of effort would be needed to oversee the contract; General Manager Ohlund indicated that she would need to review this with Mesa and the candidates for the position. Director Bell suggested some retired candidates for consideration. 3) Service Connections – One proposed RZ connection and one proposed WZ connection application and fee were received. 4) Wells – staff reported that the water level for the East Well appears to be stabilizing at 296 ft below ground surface (bgs); the perforations begin at 324 ft bgs. 5) Vista Panorama Reservoir Repair/Replacement – staff noted that they haven't had an opportunity yet to address the issue of this reservoir, particularly because there don't appear to be any easy solutions. Director Bell suggested performing a seismic repair similar to those used on freeway bridge supports – wrap it in steel. Staff will investigate this option further. 6) OCWD Long-Term Facilities Plan – staff noted that the draft LTFP was developed through a process of review and discussion with the Groundwater Producers, and was important step forward particularly in view of the overdraft that is occurring. 7) Sewer Transfer – LAFCO staff has sent a letter requesting comments on the proposed scope of work for the “focused MSR” that they are proposing to prepare to address our application. General Manager Ohlund met with LAFCO Assistant Executive Officer Ken Lee to discuss the scope. Ms. Ohlund stated that she will be meeting with the Ad-

Hoc Sewer Committee to also review the letter, Mr. Lee's additional information and obtain their input for the response.

**C. MWDOC Water Policy Forum – July 30**

Meeting Summary: CSDA Director Bill Nelson presented MWDOC Board President Larry Dick with the CSDA "Transparency Certificate of Excellence" for MWDOC's efforts to promote transparency in local government, particularly with their website. The keynote speaker was Randy Record, the new Chairman of the Metropolitan Water District, and a fifth generation California farmer. Mr. Record reviewed some of the many accomplishments that MET has attained over its 86 year history (the presentation included historic footage of the construction of the Colorado River Aqueduct and the State Water Project. He noted that there was much opposition to both projects when they were proposed and that the flood control that the SWP provided allowed Sacramento to expand to the city that it is today. He reviewed the local projects program – particularly the conservation programs – that have achieved over 800,000 AFY of reduced demand. He finished by showing that of the 32.85 MAF of total flows in the Delta, MET receives only 4% of that – 48% flows to the Pacific Ocean.

**D. Operations Planning & Personnel Committee Meeting**

Meeting Summary: 1) Sidehill Booster Pump Station Motor/Pump Outage - The Sidehill Booster Pump was installed in 2002 and provides an additional 1500 gpm of flow under high demands and supplements the 500 gpm provided by the primary booster station at the Panorama reservoir site. During the replacement of the pumps located at the Panorama Heights reservoir site, staff discovered that the Sidehill Booster Pump Station was inoperable; testing of the electrical leads on the motor revealed that the motor was bad. Staff secured the services of Scott Szymborski of SSC Engineering, an expert in pump stations, to help facilitate a quick resolution to the repair or replacement of the pump and motor; Mr. Szymborski quickly prepared specifications and obtained three bids. Staff and SSC Engineering met with the Operations Committee on August 12<sup>th</sup> to review the bids. It was recommended that the District contract with Cortech Engineering (low bidder) to inspect and repair the existing bowl assembly and replace the existing 30hp Hitachi motor with a 30hp Tesla motor. The Committee gave the General Manager a budget of \$20,000 in the event it is determined after inspection that the pump assembly needs replacing. Staff has contracted with Cortech to perform the work for a price of \$16,587.56 to replace the motor. The project is expected to be completed by August 22, 2014. 2) Old Foothill Development – staff reported that the developers are unwilling to upfront fund the necessary improvements for the Old Foothill area. 3) East Well Pumping Level – The Committee reviewed the most recent pumping level data; it appears that the pumping level has stabilized as 296 ft bgs. 4) Changes to Construction Water Rate – The Committee reviewed an opinion provided by legal counsel indicating that the construction water rate was not a property related charge, but rather a fee that could be set by the Board without a Proposition 218 process. Staff proposed setting the construction water rate at \$2.67 per CCF and the monthly charge for the meter at the rate that is equivalent of a 3" meter; the Committee concurred. 5) Low Demand Water Quality Study – legal counsel and staff have begun the process of review of the proposed policy and drafting a resolution to support it; staff will circulate the draft among the member agencies and obtain their comments prior to bringing it to the Committee. 6) Calle Grande/Jamboree connection – staff will be meeting with City of Orange representatives to determine if they have a need/use for the 10" line that will be abandoned between Chandler Ranch and Calle Grande. 7) Proposed Salary Adjustments – Staff reviewed performance and pay data and recommendations with the Committee, the Committee agreed to recommend approval by the Board. 8) Local Sewer Transfer – staff reviewed the proposed Scope of Work for the LAFCO MSR and staff's comments on the scope, noting that the Ad-Hoc Sewer Committee had also discussed the letter.

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

July 17, 2014

**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, July 17, 2014, 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 minutes with respect to Item 9(A) were recorded by General Manager OHLUND).

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT (by teleconference from location indicated on agenda) and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel (by telephone)
DOUG CHAPMAN	Former Director
GREG NEWMARK	Special Counsel Meyers Nave (by telephone)
PAUL COOK	Irvine Ranch Water District
GRAHAM JUBE	Carollo Engineers
KEN VECCHIARELLI	Golden State Water Company
ART VALENZUELA	City of Tustin
JONATHAN VOLZKE	Communications LAB
CHRIS BOUCLY	Communications LAB

**2. Public Communications to the Board.** Paul Cook, representing Irvine Ranch Water District (IRWD) was recognized. He said that on EOCWD's local sewer service reorganization, IRWD has so far not had a role, but with the recent receipt of information from LAFCO, he was now in a position to take this to his Board, and would try to do so quickly to accommodate

EOCWD's timing. Director DAVERT asked that EOCWD have the opportunity to participate and a forum to discuss mutual issues when this occurs, and Mr. COOK responded that he would try to find a way to accommodate such participation. President VANDERWERFF said that he would like to have IRWD support EOCWD in this. Mr. COOK said he had spoken with Ms. OHLUND about types of support that IRWD might provide, if his Board is willing, so he would make that part of the consideration of this question.

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

4. **General Manager's Report.**

**ACTION TAKEN:**

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

5. **Minutes.**

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried unanimously (roll call vote), the minutes of the meeting of June 19, 2014 were approved as submitted.

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

A. **Master Plan Updates and Peters Canyon Treatment Plant Feasibility Study.** Ms. OHLUND reviewed the selection process and interviewing team, noting that Carollo had provided a good level of detail on the proposed work effort and demonstrated a good understanding of the District's objectives from the financial perspective. She noted some small plants in operation. She introduced GRAHAM JUBE who indicated Carollo was excited to be taking on this effort with the District. Director BELL said this project would provide value to the District in countering supply uncertainties.

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried unanimously (roll call vote), the contract for the Wholesale and Retail Zone Master Plan Updates and Peters Canyon Treatment Plant Feasibility Study was awarded to Carollo Engineers, and the General Manager was authorized to execute the contract in the not-to-exceed amount of \$493,656.

B. **Bay Delta Conservation Plan – District Comment Letter.** Ms. OHLUND indicated she had nothing to add to the letter as recommended.

ACTION TAKEN:

Upon a motion duly made, seconded and carried on a roll call vote, 4-0-1 with EVERETT abstaining, the President was authorized and directed to sign the letter as presented, and staff was authorized and directed to submit the letter prior to the July 31 comment deadline.

C. State Water Resources Control Board (SWRCB) Emergency Rulemaking – Water Conservation Regulations. Ms. OHLUND reported that in this rather unprecedented step, yesterday MWDOC's General Manager Hunter testified to the SWRCB and provided excellent comments. She said compliance with the requirements adopted by SWRCB should be relatively easy to do under the District's existing ordinance, including some possible revisions in the Ordinance and proceeding to a Level One shortage, and she would bring back recommended actions at next month's meeting. She said it will be necessary to look at implementation of a second tier in the rates as most other agencies with a budget allocation have found necessary for the structure to be effective. Ms. OHLUND noted that Southern California had been doing well in cutting back usage, but recently showed an increase, and the MWDOC Managers would be meeting soon to discuss how best to communicate this to the public. Ms. OHLUND said she expected a high volume of calls from customers and was using Nicole Hopp in that role.

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND said she had nothing to add to her written report.

E. Water Demand Status Report. Ms. OHLUND said the most visually descriptive graphic in the report showed the Retail Zone with its highest sales in 5 to 10 years.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (roll call vote), the Water Demand Status Report was received and filed.

**7. Financial Matters.**

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$771,951.11 from Wholesale and Retail Operating Funds, \$2,067.00 for directors' payroll, and \$37,088.20 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (May 31). The financial statements were presented.

On behalf of the Finance Committee, Director DAVERT recommended approval of the schedule of disbursements and investment schedules, and receipt and filing of the financial statements.

ACTION TAKEN:

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

D. Revisions to Retail Zone Rate Schedule Sheet. Ms. OHLUND reviewed changes which did not include any changes to rate amounts, but made clarifications, including clarifications to the customer deposit requirements. Director BELL said he was of the view that construction water should be charged at the same as other water. President VANDERWERFF said he had looked at this and his understanding was that a change in the construction water rate would not require a Proposition 218 hearing process. Ms. ARNESON said she would need to review this in order to advise the Board. It was the consensus to adopt the recommended changes as proposed and bring back the construction water charge.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (roll call vote), the clarifications and revisions to the Retail Zone rate sheet were approved as presented.

E. Unclaimed Monies Policy. Ms. OHLUND said this procedure would allow the District to transfer this money into the General Fund. In response to Director DAVERT's inquiry she said currently about \$300 was unclaimed.

ACTION TAKEN:

Upon a motion duly made, seconded and carried on a roll call vote, 4-0-1 with VANDERWERFF abstaining, Resolution No. 741 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Adopting Unclaimed Monies Policy."

**8. Miscellaneous Matters.**

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

B. Directors' Reports on Meetings Attended. None.

C. Recognition of Denise Dobson For Services to the District. / D. Recognition of Randy Dunn For Services to the District. Ms. OHLUND said there was a nice luncheon today, and she planned to have these two employees attend a Board meeting for a more formal presentation.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (roll call vote), Resolution Nos. 742 and 743 were adopted, entitled, respectively: "Resolution of the Board of

Directors of the East Orange County Water District Expressing Appreciation, Commemorating and Inviting Public Attention to the Outstanding Services Rendered By Denise Dobson” And “Resolution of the Board of Directors of the East Orange County Water District Expressing Appreciation, Commemorating and Inviting Public Attention to the Outstanding Services Rendered By Randy Dunn.”

E. Award of Contract to Communications LAB For Public Outreach Assistance. Ms. OHLUND said this would provide the District with needed information on a more controlled basis than polling and would assist the District in communicating to the public. JONATHAN VOLZKE and CHRIS BOUCLY of Communications LAB were present to answer any questions. Director DAVERT said he was familiar with the firm’s work and they were uniquely qualified.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (roll call vote), the contract for provision of a community outreach work plan was awarded to Communications LAB, and the General Manager was authorized to execute the contract in the not-to-exceed amount of \$20,000.

9. Informational Items. None.

10. Closed Session. President VANDERWERFF announced that the Board would meet in a closed session listed in the agenda as follows: **(A)** conference with real property negotiators – (Government Code Section 54956.8) – property: premises leased for telecommunications at 9312 Jamboree Road/9764½ Handy Creek Road, Orange; negotiating parties: AT &T /New Cingular; agency negotiators: Director VanderWerff and General Manager Ohlund; under negotiation: price and terms of lease amendment.

OPEN SESSION

Open session was resumed. No action was reported from the closed session. Ms. ARNESON reported that on a unanimous vote the Board reapproved the Fourth Amendment to the Lease, revising provisions for the location of subsurface conduit and communications lines, providing for an increase in rent, providing for the lessee to reimburse labor costs for installation of the District’s line, modification of premises relocation provisions and related changes.

President VANDERWERFF then announced that the Board would meet in a closed session listed in the agenda as follows: **(B)** conference with legal counsel – anticipated litigation – initiation of litigation pursuant to Government Code § 54956.9(d)(4) (one potential case). Ms. ARNESON was excused from this closed session.

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 6:30 p.m., the next regular meeting date and time being Thursday, August 21, 2014, 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,

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Joan C. Arneson

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

August 7, 2014

1. **Call to Order.** A Special 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, August 7, 2014, 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. Director DAVERT was appointed temporary chairman for the meeting.

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

Also present were:

LISA OHLUND	General Manager
CHRISTI GRISWOLD	District Management Analyst
JOAN ARNESON	District Secretary and Legal Counsel (by telephone)
JOSE DIAZ	City of Orange

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

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

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

A. **District Response to State Water Resources Control Board (SWRCB) Emergency Drought Regulations.** Ms. OHLUND reported that the consideration of this item at tonight's special meeting was due to the timing of this rather unprecedented SWRCB step. She said there are different thresholds for compliance. An entity that is a public water supplier but not an urban water supplier must implement outdoor irrigation restrictions to 2 days per week or an equivalent measure. She said staff assumed the Board would prefer to proceed under the requirement to implement the initial drought level requiring outdoor irrigation restrictions; Level 1 of the District's ordinance requires a restriction to 3 days per week, targeting ornamental landscaping. Ms. OHLUND added that the District is already in compliance with the mandatory all-the-time restrictions.

In response to questions regarding implementation, Ms. OHLUND said staff would monitor compliance. She described various ongoing and proposed efforts to notify and

educate customers, including a page on the District's website (also of benefit to the retailers who can provide a link to it); bill messaging; monitoring over-budget use; proposed investigation of any complaints. She explained that the ordinance was based on a model developed by MWDOC in the urban water management plan (UWMP) process.

President VANDERWERFF expressed his view that this is a highly complex issue, with an attempt by the State to implement a bureaucratic solution that doesn't make economic sense because it burdens agencies like the District but overlooks, for example, the stormwater lost to the ocean. It also will divert staff effort to enforcement that would have been used on repairs and save more water. Chair DAVERT agreed and said he also was not comfortable the proposed action, but said the District is at risk unless it complies, and the District can educate and work with the customers to minimize problems. Ms. OHLUND said that if the State sees progress toward its 20% reduction target, which appears to be realistic, it will look at lifting the requirements. Director BELL said it is also possible that MWD will go into an allocation before that occurs, and asked how that will affect reserves. Ms. OHLUND discussed the anticipated effects of an allocation on rates and sales.

Ms. OHLUND said the data on how the implementation is working should be readily compiled and that she would report back to the Board on the handling of the implementation and any customer issues that may be encountered. In response to questions as to how this affects new connections, Ms. OHLUND said although they are not being restricted, she is conscious of these issues in discussions with developers.

ACTION TAKEN:

Upon a motion duly made, seconded and carried on a roll call vote, 4-0-1 with VANDERWERFF abstaining, Resolution No. 744 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Declaring That A 20 Percent Reduction Is Necessary In Customer Water Use and Approving Related Actions For Implementation of Ordinance."

B. Proposed Social Media Policy. Ms. OHLUND briefly introduced the proposed policy described in her written report.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 745 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Adopting Social Media Policy."

**5. Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:05 p.m., the next regular meeting date and time being Thursday, August 21,

2014, 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,

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Joan C. Arneson

# MEMO

**TO:** BOARD OF DIRECTORS  
**FROM:** GENERAL MANAGER  
**SUBJECT:** MWDOC VALUE OF WATER COMMUNICATIONS PLAN BRIEFING  
**DATE:** AUGUST 21, 2014

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## **BACKGROUND**

Early this year, MWDOC commenced the “Value of Water” Communication Plan. This Plan was designed to engage, inform and educate Orange County residents and businesses on the value that water service provides and is a joint communications message project with MWDOC member agencies.

Dr. Renee Fraser of Fraser Communications, was selected to provide consulting services in support of the development of the Plan, including conducting a public perception study group (focus group) evaluation of water issues as well as the water agencies themselves. The information gained from the focus groups was presented to the MWDOC Member Agencies at the monthly General Manager’s Meeting – attendees found the results informative and somewhat surprising.

Ms. Darcy Burke, Director of Public Affairs for MWDOC, will be present at the Board Meeting to present background on the study and the focus group results.

## **RECOMMENDATION**

This is an information item; no Board action is required.



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: LOCAL SEWER TRANSFER – STATUS UPDATE**  
**DATE: AUGUST 21, 2014**

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## **ACTIVITIES UPDATE**

### **Response to LAFCO Preliminary MSR Scope Letter**

On July 16<sup>th</sup>, staff received the attached letter from LAFCO, noting that they had completed meetings with staff from each stakeholder agency (i.e., EOCWD, the City of Tustin, City of Orange, Orange County Sanitation District, and Irvine Ranch Water District) affected by EOCWD's request for reorganization (sewer transfer). The purpose of the meetings was to provide an overview of EOCWD's application and to receive input on the proposed scope of work for the Municipal Service Review (MSR) scope of work.

Included with the letter was a copy of the draft MSR scope, as well as a timeline that estimates the MSR process, including preparation of a draft report, will take four months. Staff reviewed the proposed MSR and provided the comments reflected in the attached letter.

### **Sewer Overflow on Circula Panorama**

On Friday, August 8<sup>th</sup>, staff became aware of a sewer overflow at 12382 Circula Panorama. As this was not a regular work day for OCSD, a standby crew responded to the call. EOCWD staff were able to observe the initial response to the spill (lightweight "containment barriers" used to keep overflow out of the storm drain) as well as the arrival of the cleaning equipment and removal of a significant amount of tree roots. While staff did not assist in the response or clean-up, it was a valuable educational exercise.

## **RECOMMENDATION**

Information only; no action required.



July 16, 2014

CHAIR  
**JOE CARCHIO**  
Councilmember  
City of Huntington Beach

VICE CHAIR  
**PAT BATES**  
Supervisor  
5<sup>th</sup> District

**CHERYL BROTHERS**  
Councilmember  
City of Fountain Valley

**DEREK J. MCGREGOR**  
Representative of  
General Public

**JOHN MOORLACH**  
Supervisor  
2<sup>nd</sup> District

**CHARLEY WILSON**  
Director  
Santa Margarita  
Water District

**JOHN WITHERS**  
Director  
Irvine Ranch Water District

ALTERNATE  
**JAMES FISLER**  
Director  
Mesa Water District

ALTERNATE  
**TODD SPITZER**  
Supervisor  
3<sup>rd</sup> District

ALTERNATE  
**VACANT**  
Representative of  
General Public

ALTERNATE  
**VACANT**  
Councilmember

**CAROLYN EMERY**  
Executive Officer

Lisa Ohlund, General Manager  
EAST ORANGE COUNTY WATER DISTRICT  
185 N. McPherson Road  
Orange, CA 92869-3720

SUBJECT: Preliminary Scope – Focused Municipal Service Review for  
East Orange County Water District Reorganization for Local  
Sewer Service (RO 14-01)

Dear Ms. Ohlund:

Thank you for the opportunity to meet with you to discuss the focused municipal service review ("MSR") process and scope for the proposed "East Orange County Water District Reorganization for Local Sewer Service" (RO 14-01).

As discussed during our meeting, the MSR process will involve active stakeholder participation. We recently completed meetings with staff from each stakeholder agency – City of Tustin, City of Orange, Orange County Sanitation District ("OCSD"), East Orange County Water District ("EOCWD"), and Irvine Ranch Water District ("IRWD"). The purpose of those meetings was to provide an overview of EOCWD's application for the proposed EOCWD Reorganization and to discuss and receive direct input on the MSR scope.

Based on those meetings and LAFCO's adopted MSR policy, we have prepared the attached preliminary scope outlining the MSR scope and process. As we discussed with each stakeholder, our ability to complete the MSR process in-house, both efficiently and cost-effectively (based on filing fees collected from EOCWD), relies on our ability to facilitate a collaborative and cooperative multi-agency stakeholder process. We are currently anticipating a four-month timeline to complete the MSR process and prepare a draft MSR report.

We will finalize the attached scope by next Thursday, July 24, 2014. If you would like to offer any feedback on the scope, please e-mail Ken Lee, Assistant Executive Officer ([klee@oclafo.org](mailto:klee@oclafo.org)) before then.

If you have any questions, please contact myself or Ken Lee directly at (714) 834-2556.

Sincerely,



Carolyn Emery  
Executive Officer

Attachments:

- Preliminary Scope - EOCWD Reorganization MSR



## PRELIMINARY SCOPE:

### Municipal Service Review for the Proposed "East Orange County Water District Reorganization for Local Sewer Service" (RO 14-01)

## Background

On March 27, 2014, the East Orange County Water District ("EOCWD") filed an application with the Orange County Local Agency Formation Commission ("LAFCO") for the proposed "East Orange County Water District Reorganization for Local Sewer Service" (RO 14-01). The reorganization proposal would allow the Orange County Sanitation District ("OCSD") to divest itself of its local retail sewer service responsibilities and facilities in the territory referred to as OCSD Service Area 7, and transfer those facilities and service responsibilities to EOCWD. (See Attachment A for a map of the affected territory.) Since EOCWD does not currently provide local sewer service, per state law, LAFCO approval is required for the activation of EOCWD's "latent power" to provide sewer service. EOCWD's application and accompanying Plan for Service request that LAFCO initiate proceedings for:

- Activation of EOCWD's latent power to provide local retail sewer service to OCSD Service Area 7;
- Annexation of territory to EOCWD, solely for local sewer service, located in OCSD Service Area 7 but not currently in EOCWD's boundary; and
- Amendment of EOCWD's sphere of influence ("SOI") to include the annexation territories (solely for local sewer service).

## Activation of Latent Powers

"'Latent service or power' means those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by [LAFCO] pursuant to subdivision (i) of Section 56425" (Government Code §56050.5). The activation of a special district's latent power to provide a new or different function or class of service is, in principle, akin to the formation of a new agency to provide that service. While the activation of latent powers can allow existing service providers to gain efficiencies through economies of scope, the statutes also recognize that, typically, those service providers do not already possess the expertise, capacity, personnel, vehicles, equipment, and assets needed to provide the new service. Acquiring and developing the assets, resources, and ability to provide a new service can be costly and time-intensive.

As such, Government Code Sections 56653 and 56824.12 and LAFCO's locally adopted policies (Attachment B) require LAFCO to comprehensively evaluate a detailed Plan for Service that contains the district's financing plan to establish and provide the new service, the estimated cost to provide the service, the estimated cost to the customers, the potential fiscal impacts to customers of existing service providers, and alternatives to activating the latent power, including alternative service providers. (See Attachment C for a list of the required contents of the Plan for Service.) LAFCO's review of the Plan for Service is critical because LAFCO is statutorily prohibited from approving the activation of a latent power

unless the Commission determines that the special district will have sufficient revenues to carry out the new service.

## Focused Municipal Service Review

Given the depth and scope of LAFCO's review of the Plan for Service, and the required review of EOCWD's sphere of influence for both the latent power activation and SOI amendment, a municipal service review ("MSR") will be conducted to fulfill LAFCO's statutory requirements. Past MSRs prepared by LAFCO have also been effective in establishing a solid technical foundation for subsequent special district reorganizations and other proposals that improve municipal service delivery efficiencies and cost-effectiveness. Similarly, the MSR and Plan for Service review for the EOCWD Reorganization will conjunctively and comprehensively evaluate key factors impacting the efficiency, cost, and reliability of services to affected customers within the geographic study area. LAFCO's review will also address OCSD's current operations and the proposed transfer of OCSD assets, revenues, liabilities, and debt obligations, if any, to EOCWD to assume the local sewer service functions.

Government Code Section 56430 requires LAFCO to conduct MSRs "in order to prepare and to update spheres of influence." LAFCO is required to make seven determinations when conducting MSRs. (See Attachment C for a list of the determinations.) LAFCO's first round of MSRs in the early and mid-2000s were conducted on a sub-regional basis, involved heavy stakeholder participation, and were highly data intensive. Since the data is relatively current, those efforts do not need to be replicated as part of the EOCWD Reorganization MSR. Instead, the MSR will be a "focused MSR" that relies heavily on existing data, studies, and analyses prepared by OCSD and other agencies in the area. The MSR will be prepared by LAFCO staff. However, additional staff expertise and data resources from stakeholder agencies will be required. During the MSR process, if LAFCO staff determines that there is a major data gap or a lack of sufficient technical expertise to address data discrepancies or other issues, external consultant support may also be required.

## MSR Objectives

The EOCWD Reorganization MSR's primary focus and objectives will be to evaluate the short- and long-term options for service delivery and related cost impacts to residents and businesses in OCSD Service Area 7. LAFCO will review a number of contributing factors through the MSR including, but not limited to, the condition of the infrastructure, available cash reserves for capital outlay and emergency response, current and projected sewer fee rates, staffing levels, service delivery methods including contract services, and emergency response times. LAFCO's evaluation, including the MSR determinations, will inform and help guide the Commission's review of the proposed EOCWD Reorganization, including LAFCO's evaluation of service delivery alternatives.

## Scope and Process

The MSR's scope and process are structured around a number of factors and determinations LAFCO is statutorily required to consider when reviewing a Plan for Service for activation of a latent power, and when conducting MSRs (see Attachment B), including alternative governance structures. Those factors and determinations provide guidance and the basis for the MSR scope and LAFCO staff's collection of data and information from stakeholder agencies. The MSR may consider additional statutory and technical factors as determined by the LAFCO Executive Officer.

## Alternative Governance Structures

Government Code Sections 56824.12(a)(6) and 56430(b) require LAFCO to review alternative service delivery methods and governance structures “for improving efficiency and affordability of infrastructure and service delivery.” LAFCO’s review of alternatives will not be limited to a single method or a single successor agency. Given OCSD Service Area 7’s overlap with multiple jurisdictions, there are a number of alternative service delivery methods and governance structures within Service Area 7, as outlined in Table 1 below, including a “status quo” alternative.

OCSD’s Strategic Plan prioritizes the divestiture and transfer of OCSD’s local sewer facilities and service responsibilities throughout its service territory. While LAFCO is conceptually supportive of this goal in principle, LAFCO recognizes its role and responsibility of ensuring that the divestiture and transfer of those facilities and services benefits the customers, increases infrastructure reliability, and improves service delivery efficiencies.

**Table 1**

Alternative Governance Structures	Description	Alternative Service Provider(s)
<b>OCSD Remains Local Sewer Provider</b>	Status quo alternative – OCSD remains the local sewer provider.	OCSD
<b>Transfer Entire System to Single New Provider</b>	Transfer OCSD Service Area 7 facilities/services wholly to a single new service provider. EOCWD and IRWD are existing regional utility agencies in the area. Tustin and Orange would be required to extend services outside of their jurisdictional boundaries in anticipation of future annexation, which presents challenges in the North Tustin unincorporated area.	EOCWD IRWD Tustin Orange
<b>Transfer Portions of System to Multiple Providers</b>	If physically and economically feasible, transfer different portions of OCSD Service Area 7 to multiple service providers, including the possibility of OCSD retaining some portion of the system. The City of Orange currently provides local sewer services to City residents and could potentially extend services to unincorporated areas in its sphere of influence.	OCSD EOCWD IRWD Tustin Orange
<b>Contractual Service Arrangements</b>	Under any of the governance structures listed above, agencies have the ability to enter into contractual agreements for sewer services, including “shared services” arrangements for services, facilities, vehicles, equipment, or personnel.	OCSD EOCWD IRWD Tustin Orange

During May and June 2014, LAFCO staff met with staff from key sewer stakeholder agencies in OCSD Service Area 7 to provide an overview of the EOCWD Reorganization proposal, discuss the MSR scope, and receive early input on alternative governance and service delivery structures that LAFCO would review. Stakeholder agencies included OCSD, EOCWD, Irvine Ranch Water District (“IRWD”), City of Tustin, and City of Orange. It is important to note that these were preliminary staff-level discussions and the ultimate decision on an agency’s interest in assuming local sewer service rests with that agency’s elected Board or Council. The MSR process will continue to promote active stakeholder participation through an open process. During the course of LAFCO’s preparation of the MSR, if an agency takes a formal position that it has no interest in assuming local sewer services, LAFCO staff will not devote resources to analyzing that agency as an alternative service provider.

## Agency Financial Capacity & Cost to Customers

Based on the Plan for Services requirements and LAFCO’s required MSR determinations, a primary focal point of the MSR will be the financial ability of an agency to provide local sewer service, and how that ability translates into near-term and long-term costs to the customers. There are three primary cost drivers that LAFCO will be reviewing:

- Annual recurring operations and maintenance (“O&M”) costs;
- Infrastructure rehabilitation and replacement; and
- Emergency response, spill cleanup, and repairs.

There are currently three primary revenue sources to fund these costs:

- Property tax revenues currently allocated to OCSD in Service Area 7;
- Local sewer fee adopted by OCSD in Service Area 7 (effective FY 2008-09); and
- Sinking fund and/or reserve fund from local sewer fees.

The sinking fund will be a critical factor in the Plan for Service review and MSR. The infrastructure condition and long-term capital rehabilitation/replacement cost projections drive what an appropriate target funding level is for the sinking fund to finance rehabilitation/replacement costs and emergency response/cleanup/repair costs. The target level for the sinking fund drives the local sewer fee rate set for Service Area 7 and impacts the ongoing cost to the customers. The history of the local sewer fee, adopted in 2008 in accordance with Proposition 218, will therefore be important context for the MSR.

During the review process, there may be other critical issues that LAFCO will need to address in the MSR report and the Commission’s determinations, including levels of service (e.g., frequency of maintenance activities, emergency response times), costs of service, and agencies’ scopes of services and financial health. It should also be noted that the MSR is not a platform for a competitive bidding process. It is designed to collect data, identify and verify key facts, synthesize and analyze the data and facts, and make determinations that guide Commission deliberations and decisions.

## Tentative MSR Schedule of Milestones

Table 2 outlines LAFCO's tentative schedule of milestones for the MSR process.

**Table 2**

TASK	STATUS	TARGET DATE
<b>I. MSR Scoping Meetings</b>		
A. <u>Stakeholder Meetings</u> : Staff-level MSR scoping meetings with OCSD, EOCWD, IRWD, Tustin, and Orange.	Complete	May-June 2014
<b>II. Data Collection &amp; Review</b>		
A. <u>Data Requests</u> : Data requests to / responses from applicant and stakeholder agencies.	In Progress	June-July 2014
B. <u>Data Review</u> : Review of EOCWD application/Plan for Service, responses to data requests, and additional information provided by stakeholder agencies.	In Progress	July-August 2014
C. <u>Data Synthesis &amp; Summary</u> : Synthesis and organization of data to identify potential data gaps or issue areas requiring expertise and support from stakeholder agencies and/or outside technical assistance.	Not Started	July-August 2014
<b>III. Stakeholder Coordination</b>		
A. <u>Stakeholder Meetings</u> : Individual or joint staff-level meetings with stakeholder agencies to review data quality and data analysis methodology.	Not Started	July-August 2014
<b>IV. MSR Administrative Draft</b>		
A. <u>MSR Administrative Draft</u> : Prepare Administrative Draft of MSR Report.	Not Started	September 2014
B. <u>Stakeholder Meetings</u> : Staff-level meeting(s) with stakeholder agencies to review the Administrative Draft and discuss key issues throughout the MSR preparation process.	Not Started	August-October 2014

## V. Public Outreach (Tentative), Agency Outreach, and Regular Updates

A. <u>Public Outreach (Tentative)</u> <sup>1</sup> : Opportunity for public outreach/participation to inform the public about the Reorganization proposal and MSR and address questions. May include community meetings and Board/ Council meetings of stakeholder agencies.	Not Started	September 2014
B. <u>Regular Updates</u> : LAFCO staff will be providing regular updates to Commissioners throughout the MSR process.	In Progress	July-October 2014

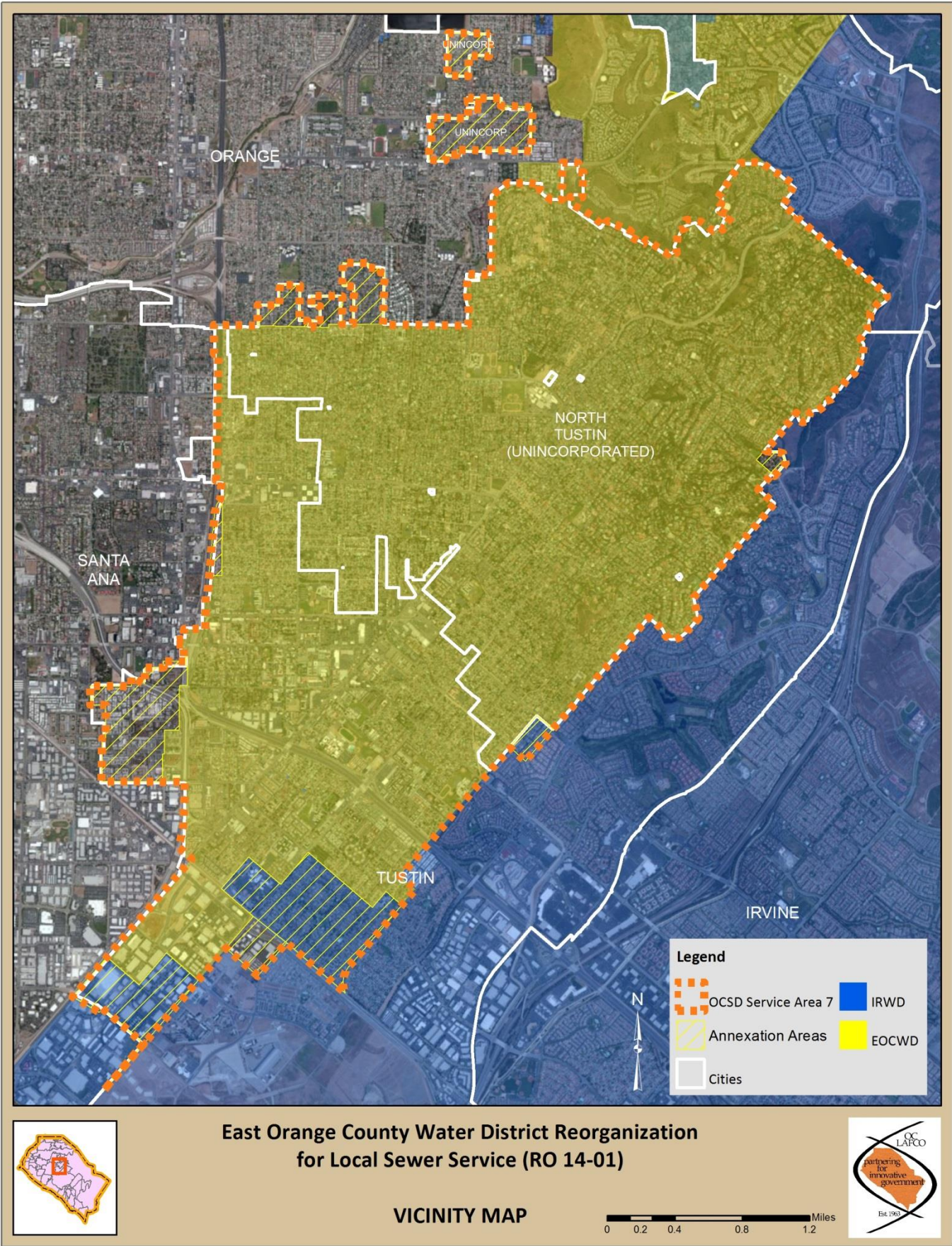
## VI. MSR Final Draft

A. <u>MSR Final Draft</u> : Prepare Final Draft of MSR Report addressing comments or issues raised by the public and stakeholder agencies.	Not Started	October 2014
B. <u>LAFCO Study Session</u> : Present MSR to the Commission at a study session.	Not Started	October 2014

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<sup>1</sup> Public Outreach: The appropriate level of public outreach and participation will be determined by LAFCO staff through discussions with the stakeholder agencies and community representatives.

ATTACHMENT A



## ATTACHMENT B

### **Standards for Evaluating Service Plans and Preparing Municipal Service Reviews**

#### **I. BACKGROUND**

Section 56653 of the Cortese/Knox Local Government Act of 1985 states that “whenever a local agency submits a resolution of application for a change of organization or reorganization the local agency shall submit a plan for providing services within the affected territory.”

LAFcos are also required to comprehensively review all municipal services provided by agencies with spheres of influences. Service reviews are conducted before, or in conjunction with, but no later than the time LAFCO establishes or updates SOIs. Service reviews are not intended to be agency specific. Rather, they focus on all public and private service providers within an identified geographic area that provide the service under review. A service review process must include adoption of written evaluations of service related issues (§56430).

This policy is based on existing circumstances unique to Orange County and is primarily directed to ensuring that local services are provided efficiently and economically. They are designed to provide a broad range of criteria in which to review service plans and to conduct municipal service reviews. As such, these standards are not intended to preclude any Commission action which may conflict with these standards if special circumstances surrounding a specific proposal warrant such action.

#### **II. SERVICE PLANS**

The following standards have been adopted by the Orange County Local Agency Formation Commission to assist in the review of service plans and to facilitate consistency with LAFCO’s stated purposes and objectives. LAFCO staff has the responsibility for determining on a case by case basis, which standards should be applied to a proposed service plan:

- A. The plan for Services shall include all of the following information:
  - 1. An enumeration and description of the services to be extended to the affected territory;
  - 2. The level and range of those services;
  - 3. An indication of when those services can feasibly be extended to the affected territory;
  - 4. An indication of any improvement, or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory;

5. An indication of how the agency's services will be financed if the change of organization is approved;
  6. An indication of whether the affected area is or will be proposed for inclusion with an existing or proposed improvement zone, redevelopment area, assessment district or community facilities district.
- B. The Plan for Services shall be prepared and submitted by a local agency for all proposed changes of organization initiated by resolution and, if determined necessary by the Executive Officer, for proposed changes of organization initiated by petition.
  - C. The Plan for Services must be signed and dated by an official representative of the affected city or district.
  - D. In the case of a proposed annexation, the Plan for Services should demonstrate that the range and level of services currently available within the study area will be maintained or exceeded by the annexing agency.
  - E. In the case of a proposed annexation, the Plan for Services should demonstrate that the cost of services to existing residents will not increase as a result of the annexation, unless a corresponding increase in the levels of service also occurs.
  - F. The Plan for Service should demonstrate that proposed services will not result in any unnecessary duplication of services.
  - G. The Plan for Services should demonstrate that each service provider represents the most efficient and cost effective source of service delivery.
  - H. In the case of a proposed reorganization consisting of annexations to multiple agencies, the Plan for Services shall address each of the items specified above for each annexing agency.

### **III. MUNICIPAL SERVICE REVIEWS**

The following guidelines are intended to assist in the preparation of municipal service reviews and to facilitate consistency with LAFCO's stated purposes and objectives. LAFCO staff has the responsibility for determining on a case by case basis, which portions of the following policy should be applied to a proposed municipal service review. All municipal service reviews are required to be consistent with existing State laws.

LAFCO shall conduct a service review of all municipal services provided in the county or other appropriate designated area. LAFCO can use a "horizontal" approach to municipal service reviews where particular services are examined on a regional basis or a "vertical" approach which would examine a range of services within an area and for agencies specified by LAFCO. (§56430).

LAFCO's MSR Program is designed to promote a unique and innovative strategy and programmatic approach to the MSRs. Therefore, MSRs should be:

- Future-oriented studies that address future growth and municipal service and infrastructure needs and opportunities over the next 15 to 20 years
- Valuable to the stakeholders and the public as the ultimate end-users of the studies
- Conducted through an open and inclusive process.

LAFCO shall comprehensively review all services of the agencies and private entities that provide the identified service or services within the designated area (§56430). Service reviews do not replace designations or updates of SOIs, LAFCO will attempt to minimize the number of required service reviews by clustering services or agencies as feasible and appropriate.

LAFCO shall work to streamline service review processes by (1) integrating SOI proposal processing and related CEQA processes with service reviews where appropriate; (2) placing high priority on reviews of services affected by pending or anticipated proposals where feasible and fair; (3) using existing information resources, technical support from the county, cities and special districts when available and adequate; and (4) using other innovative strategies to reduce service review processing costs and timelines. The Commission may reaffirm previously approved municipal service review reports and SOIs where deemed appropriate.

LAFCO shall encourage collaboration, cooperation and information sharing among service review stakeholders including participation in designing the service review, negotiating funding strategies, developing information needs assessment and collection strategies, identifying applicable industry standards, selecting consultants if appropriate, and evaluating technical drafts. LAFCO shall encourage private service providers to fully participate in service review processes (§56430).

LAFCO shall independently review and verify service review information compiled by other agencies. Appropriate local, state, federal and industry standards, identified during the scoping process, will be used to support analysis of technical data and conditions.

Service reviews shall contain conclusions and recommendations for SOI or other government structure changes needed to implement positive service changes.

For each service review, LAFCO shall adopt a written statement of its determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
- (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- (3) Financial ability of agencies to provide services.

- (4) Status of, and opportunities for, shared facilities.
- (5) Accountability for community service needs, including governmental structure and operational efficiencies.
- (6) Any other matter related to effective or efficient service delivery, as required by commission policy.

LAFCO may consider SOI actions that are based on an approved service review immediately after adoption of written determinations. Such action should be delayed if imminent requests for reconsideration are expected or oral or written requests for delay are received prior to the end of the service review hearing.

Original Adoption Date: 1989  
Date of Last Review: 4/9/2014  
Date of Last Revision: 3/11/2009

# ATTACHMENT C

## Activation of Latent Powers – Plan for Service Review Requirements

Government Code Sections 56653(b) and 56824.12(a) outline the requirements for a Plan for Service prepared for the activation of a latent power.

### **General Requirements for All LAFCO Proposals (Government Code §56653(b)):**

- An enumeration and description of the services to be extended to the affected territory.
- The level and range of those services.
- An indication of when those services can feasibly be extended to the affected territory.
- An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- Information with respect to how those services will be financed.
- Any additional information required by the Commission or LAFCO Executive Officer.

### **Special Requirements for Latent Power Activation (Government Code §56824.12(a)):**

- The total estimated cost to provide the new or different function or class of services within the special district's jurisdictional boundaries.
- The estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries. The estimated costs may be identified by customer class.
- An identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
- A written summary of whether the new or different function or class of services or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district, pursuant to subdivision (b) of Section 56654, will involve the activation or divestiture of the power to provide a particular service or services, service function or functions, or class of service or services.
- A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.
- Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.

## MSR Determinations

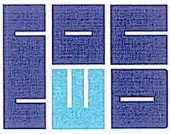
Government Code Section 56430(a) outlines the written determinations that LAFCO is required to make when conducting an MSR.

### **MSR Determinations (Government Code §56430(a)):**

- Growth and population projections for the affected area.
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- Financial ability of agencies to provide services.
- Status of, and opportunities for, shared facilities.
- Accountability for community service needs, including governmental structure and operational efficiencies.
- Any other matter related to effective or efficient service delivery, as required by LAFCO policy.

### **Service Delivery and Governance Structure Alternatives (Government Code §56430(b)):**

- In conducting a service review, the Commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The Commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.



**EAST  
ORANGE  
COUNTY  
WATER  
DISTRICT**

**DIRECTORS**

Richard E. Barrett  
Richard B. Bell  
Douglass S. Davert  
John Dulebohn  
William Vanderwerff

Lisa Ohlund  
General Manager

August 4, 2014

Mr. Ken Lee  
Assistant Executive Director  
**Orange County Local Agency Formation Commission**  
12 Civic Center Plaza, Room 235  
Santa Ana, California 92701

**Subject: Response to July 16, 2014 Letter Re: Preliminary Scope – Focused  
Municipal Service Review for East Orange County Water District  
Reorganization for Local Sewer Service (RO 14-01)**

Dear Mr. Lee;

Thank you for the opportunity to review the preliminary Scope of Work (SOW) for the focused Municipal Service Review of our application for reorganization and activation of latent sewer powers. Thank you also for meeting with me on July 22<sup>nd</sup> and providing clarity regarding some of the initial concerns that I expressed as I reviewed the preliminary SOW. In the time since our meeting, I had the opportunity to meet with our Ad-Hoc Committee that is providing Board oversight for this issue and we had a robust discussion. As a result of that meeting, there are a few comments we would like to submit for your consideration, as well as to suggest an alternative approach.

- **Activation of Latent Powers**

While we appreciate that the first paragraph of this section recognizes that, "...**typically** [emphasis added], those service providers do not already possess the expertise, capacity, personnel, vehicles, equipment and assets needed to provide the new service. Acquiring and developing the assets, resources and ability to provide a new service can be costly and time-intensive..." we suggest that the entirety of this situation doesn't apply in this instance.

Not only is this a transfer (not a start-up) of an on-going operation, this statement doesn't recognize that the EOCWD General Manager has 14 years of wastewater treatment and collections experience with two regional wastewater agencies, as well as another 18 years of experience as a consultant to wastewater agencies where I performed several performance assessments of wastewater collection and treatment system operations and maintenance departments/agencies.

Further, Orange County Sanitation District has contracted for the majority of maintenance services for this area for at least seven years and will be transferring to EOCWD vehicles, equipment and other assets they use to

185 N. McPherson Road  
Orange, CA 92869-3720

[www.eocwd.com](http://www.eocwd.com)

Phone 714.538.5815  
Fax 714.538.0334

respond to urgent and planned situations such as spills and hot spot cleanings. As we plan on continuing to contract for cleaning services and to use OCSD to provide interim services until we hire a limited number of trained field personnel to respond to urgent and planned situations.

Our concern in this instance is that the reader of this background section would assume that EOCWD had neither the existing capacity, nor an already negotiated plan with OCSD to provide for the smooth transition of these services as well as the transfer of equipment and materials, nor a detailed Plan of Service showing adequacy of revenues, therefore the need for focused MSR would seem logical.

We would appreciate your consideration of the inclusion of some of the specifics of the work and agreements that OCSD and EOCWD have performed already, and that there is a substantial body of information that both agencies have developed and made available to each other, as well as a detailed Plan of Service that has been submitted that also includes a significant amount of information.

- **Focused Municipal Service Review**

We appreciate the inclusion of a “focused MSR” in the discussion of the second paragraph regarding the difference between an “MSR” developed in the early-mid 2000s and this one. However, we are concerned by the last sentence of the second paragraph wherein it states that if LAFCO staff determines that there is a major data gap or “...lack of sufficient technical expertise to address data discrepancies or other issues, external consultant support may also be required.” Originally, I was concerned that this level of review was very broad and deep, and would duplicate the due diligence review that the City of Tustin, and then EOCWD, performed in reviewing the asset condition of Service Area #7 because LAFCO staff did not have this expertise in-house. This could lead to a substantial effort, both in time and cost, and the source of the funds to pay for this was unclear.

As I noted during our meeting, EOCWD has spent many hours, as did Tustin representatives, reviewing the condition of the sewers both via video and written records and were concerned that funds that would be better spent for rehabilitation and repair than to an engineering effort that would duplicate what we’ve already done. Our conversation during our meeting provided assurance that LAFCO was also concerned that duplication of effort did not occur and that you were concerned about the potential for unknown data gaps, and noted that you hadn’t encountered any of these up to that point. You also clarified that Service Area #7 funds would be utilized in the event such services were needed.

- **MSR Objectives**

Again, our concerns in this area were primarily focused on the issues of non-duplication of effort with regards to the condition of the assets. During our meeting we discussed the availability of some written information provided by the pipeline CCI/DVI companies that discuss the condition of

August 4, 2014

sewers post-inspection that you would be obtaining from OCSD perhaps in-lieu of the actual CCI/DVI footage files.

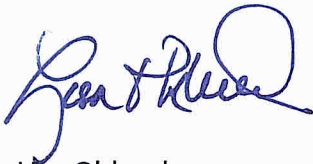
- **Agency Financial Capacity & Cost to Customers**

In the third paragraph of this section, the discussion notes that LAFCO will address issues including levels of service, costs of service and agencies' scopes of services and financial health. Because we believe that environmental, regulatory and governance issues are as substantive as cost issues – in fact, the ignorance of these issues have lead agencies that have long provided these services to incur substantial fines that have had a significant derogatory effect on their financial situation – we ask that these issues also be included in the SOW as separate from levels of service and cost of service discussion. We note that consideration of governance is included in the *Standards for Preparing Service Plans and Conducting Municipal Service Reviews* (April 9, 2014), but it appears primarily to be as how it relates to service delivery, and not to the issue of local, direct representation.

We would also appreciate the opportunity to attend any study sessions or briefings that are provided to the Commission. We note that during our meeting you offered the ability to review and comment on the MSR Administrative Draft, we look forward to that opportunity.

Again, we appreciate this opportunity to comment on the SOW; please contact me if you have any questions regarding this submittal.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Lisa Ohlund", with a stylized, flowing script.

Lisa Ohlund  
General Manager

c: Ms. Carolyn Emery, OCLAFCO Executive Officer



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: WHOLESALE AND RETAIL ZONE WATER DEMANDS – JULY 2014**  
**DATE: AUGUST 21, 2014**

---

## **Wholesale Zone Water Demands**

Attached is a graphical representation of the Wholesale Zone water demand through July 31, 2014. Total water sales for the month of July totaled 691.6 AF; total year-to-date sales are 691.6 AF. This is a 116.01 AF or 14% reduction in demand from July 2013.

## **Retail Zone Water Demands**

Also attached are graphs depicting the Retail Zone's water demand. As shown in Figure 1, total demand for the month of June was 100 AF; this 4 AF (4%) lower than our demand for June 2013 and 16 AF or 16% below our average demand for the last 6 years.

Please note that MWDOC has changed the format of this graph; they have deleted Figure 2 that graphed our historic water use by year and added a table that shows "gallons per capita per day" or GPCD. The table shows our resident's per person, per day water consumption for the month of July 2014 (318) compared to the month of July 2013 (335). This number is derived by dividing the total amount of water used by the population (a number calculated by the Center for Demographics at Cal State Fullerton). For comparison, the average GPCD for the South Coast area of California is 176 GPCD (Source: Department of Water Resources).

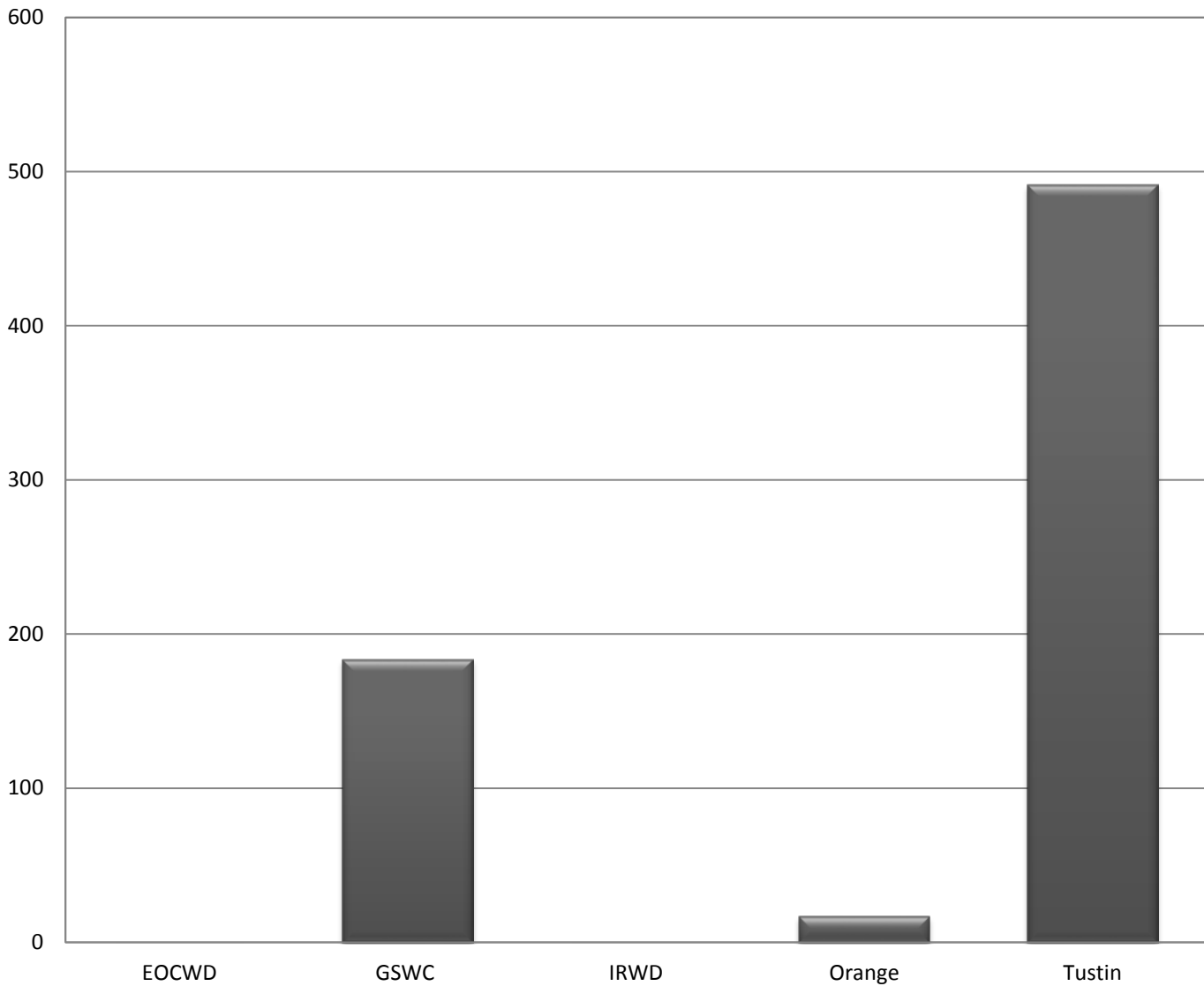
Staff has concerns that this number is not reflective of our actual GPCD due to potential small sample error (our service area is small and irregular; the population may not be easily calculated as a larger area or a city that has easily defined boundaries). Additionally, our service area is typified by large residential lots that have significant landscaping, and this, combined with the fact that there may not be a lot of people that live on the lot, make the GPCD seem high compared to an area that has smaller lots and more multi-family housing.

Staff has requested that MWDOC enquire as to the methodology of estimating our population as well the validity of using a metric that may require further refinement.

## Wholesale Zone Water Demand

Total Monthly Sales for July, 2014 = 691.6AF

Total YTD Sales for July - June, 2014 = 691.6 AF)



Jul-14

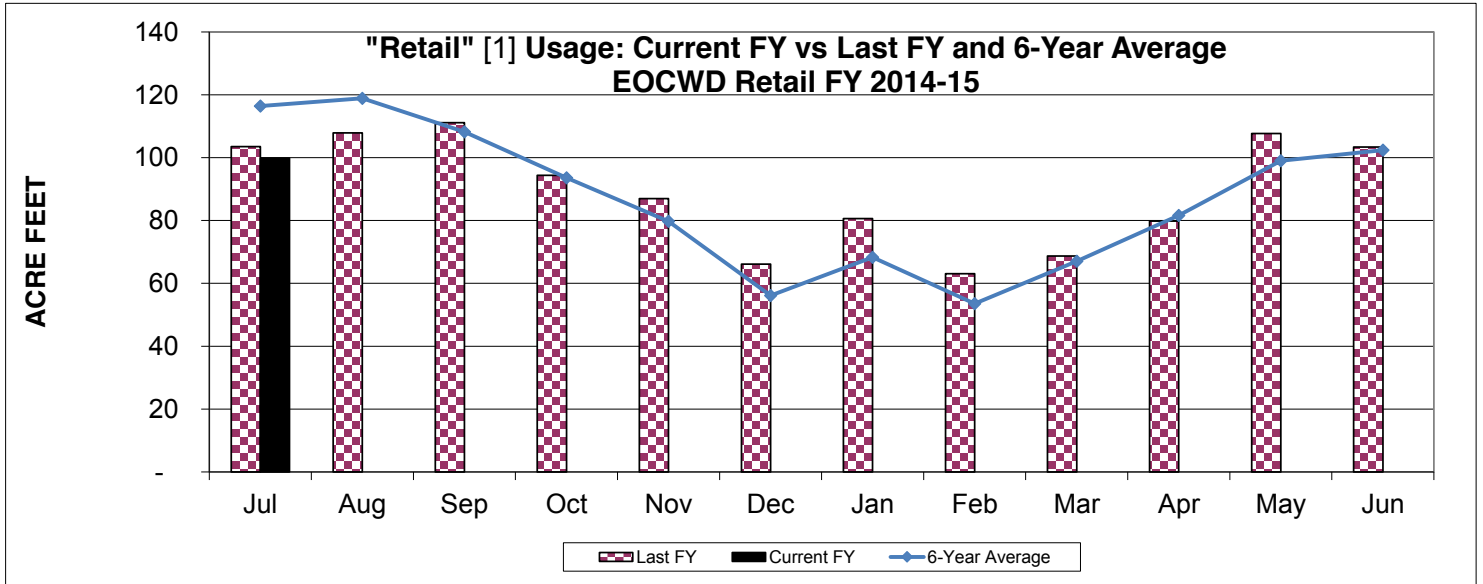
**Fig. 1**  
**Monthly "Retail" [1] Water Usage: FY 14-15 (AF)**  
 Retail Agency: **EOCWD Retail Zone**

*Preliminary  
 numbers subject to change*

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2007-08 Usage	139	125	114	110	89	72	50	58	88	108	114	119	1,186
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
2011-12 Usage	120	119	98	88	63	68	70	60	65	72	95	100	1,017
2012-13 Usage	114	118	107	99	75	42	58	62	73	85	101	103	1,037
2013-14 Usage	104	108	111	94	87	66	81	63	69	80	108	103	1,073
<b>Average of Last 6 FYs</b>	<b>116</b>	<b>119</b>	<b>108</b>	<b>94</b>	<b>80</b>	<b>56</b>	<b>68</b>	<b>54</b>	<b>67</b>	<b>82</b>	<b>99</b>	<b>102</b>	<b>1,045</b>

**Current Year "Retail" [1] Usage, by Source**

MET purch. via EO Wholesale plus CUP-IN	0.0												-
subtract In-Lieu MET sold to MET Total	-	-	-	-	-	-	-	-	-	-	-	-	-
OCWD Pumped GW	99.9												99.9
OCWD In-Lieu other:													-
other:													-
other:													-
<b>Local Total</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>
<b>"Retail" [1] Usage 14-15</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>
FY 14-15 versus FY 13-14	-3%												-91%



[1] "Retail" usage includes MET water and Local water but **excludes recycled water**.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total
FY 13-14 "Retail" [1] Usage (AF)	104	108	111	94	87	66	81	63	69	80	108	103	1,073
GPCD with 2014 Population 3,247	335	349	360	306	282	214	261	204	222	258	349	335	295
FY 14-15 "Retail" [1] Usage (AF)	100												
GPCD with 2015 Population <b>3,300</b>	318												
FY over FY change in GPCD	-17												

**EAST ORANGE COUNTY WATER DISTRICT**

**DISBURSEMENT SUMMARY**

**August 21, 2014**

WHOLESALE AND RETAIL BILLS	\$1,033,839.95
DIRECTOR'S PAYROLL	\$2,189.63
EMPLOYEE'S PAYROLL	\$45,522.44
<b>DISBURSEMENT TOTAL</b>	<b><u><u>\$1,081,552.02</u></u></b>

**TRANSFER SUMMARY**

**August 21, 2014**

TRANSFERS	\$ 346,812.53
<b>TRANSFER TOTAL</b>	<b><u><u>\$346,812.53</u></u></b>

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

Check History Report  
Sorted By Check Number  
Activity From: 7/11/2014 to 8/13/2014

EAST ORANGE COUNTY WATER DIST (EOC)

Bank Code: A CHECKING- CA BANK & TRUST

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
008887	7/11/2014	CUST RZ	Dane & Leila Deboer	261.98	Auto
008888	7/14/2014	C002110	CA BANK & TRUST	2,151.49	Auto
008889	7/17/2014	A034159	ACWA- WORKERS COMP	2,341.00	Auto
008889	7/17/2014	A034159	ACWA- WORKERS COMP	2,341.00-	Reversal
008890	7/17/2014	A647854	ARAMARK UNIFORM SERVICES	151.40	Auto
008890	7/17/2014	A647854	ARAMARK UNIFORM SERVICES	151.40-	Reversal
008891	7/17/2014	A724082	AT&T	88.29	Auto
008892	7/17/2014	C647974	CR&R INC.	50.75	Auto
008893	7/17/2014	CUST RZ	DEBORAH CONOSCENTE	269.06	Auto
008894	7/17/2014	CUSTRZ2	EOS Enterprises, LLC	354.53	Auto
008895	7/17/2014	G172337	GENERATOR SERVICES CO, INC	2,205.00	Auto
008896	7/17/2014	H555841	NICOLE HOPP	286.51	Auto
008897	7/17/2014	I133422	ID MODELING, INC.	800.00	Auto
008898	7/17/2014	M179395	MESA WATER DISTRICT	9,460.00	Auto
008899	7/17/2014	M188342	MEYERS NAVE	8,539.38	Auto
008900	7/17/2014	O284291	LISA OHLUND	71.46	Auto
008901	7/17/2014	O649654	ORANGE COUNTY TREASURER	183.50	Auto
008902	7/17/2014	O650816	ORANGE COUNTY WATER DISTRICT	88,209.60	Auto
008903	7/17/2014	R667738	G O RODRIGUEZ TRUCKING, INC	498.70	Auto
008904	7/17/2014	S563332	SOUTHERN CALIFORNIA EDISON	8,648.43	Auto
008905	7/17/2014	T002605	TAB ANSWER NETWORK	27.56	Auto
008906	7/17/2014	X929427	XYLEM DEWATERING SOLUTIONS, IN	1,042.90	Auto
008907	7/16/2014	A034159	ACWA- WORKERS COMP	2,341.00	Auto
008908	7/16/2014	A647854	ARAMARK UNIFORM SERVICES	151.40	Auto
008909	7/29/2014	A724082	AT&T	887.70	Auto
008910	7/29/2014	B565648	BOWIE ARNESON WILES & GIANNONE	2,940.00	Auto
008911	7/29/2014	B647368	BRADY	807.50	Auto
008912	7/29/2014	CUST RZ	RICHARD REY	62.60	Auto
008913	7/29/2014	G647638	GRAINGER	140.79	Auto
008914	7/29/2014	H004494	HACH COMPANY	167.58	Auto
008915	7/29/2014	P420232	PLATINUM CONSULTING GROUP	2,613.75	Auto
008916	7/29/2014	P565432	POWERS ELECTRIC PRODUCTS CO	35.18	Auto
008917	7/29/2014	S088147	SCHOONOVER ACCOUNTANCY CORP	728.75	Auto
008918	7/29/2014	S178859	SERRANO WATER DISTRICT	200.00	Auto
008919	7/29/2014	S563332	SOUTHERN CALIFORNIA EDISON	45.43	Auto
008920	7/29/2014	T560850	TOTAL EXTERMINATING INC	875.00	Auto
008921	7/29/2014	U131548	ULINE	57.74	Auto
008922	7/29/2014	Y533326	YO FIRE	549.33	Auto
008923	7/29/2014	G647638	GRAINGER	65.82	Auto
008924	7/29/2014	U695607	US HEALTHWORKS	55.00	Auto
008925	8/7/2014	A435319	ALLCOM	195.00	Auto
008926	8/8/2014	A724082	AT&T	94.14	Auto
008927	8/8/2014	A724083	AT&T	192.81	Auto
008928	8/8/2014	C002110	CA BANK & TRUST	3,150.12	Auto
008929	8/8/2014	E028422	EAST ORANGE COUNTY WATER DIST.	5,685.93	Auto
008930	8/8/2014	F157570	CHARLES Z FEDAK & CO	1,500.00	Auto
008931	8/8/2014	G172337	GENERATOR SERVICES CO, INC	2,205.00	Auto
008932	8/8/2014	H550882	HOME DEPOT CREDIT SERVICES	767.66	Auto
008933	8/8/2014	H781147	HUNT RESOURCES LLC	1,970.00	Auto
008934	8/8/2014	I523175	INTEGRATED TOOL SOLUTIONS	972.00	Auto
008935	8/8/2014	I678193	IRVINE PIPE SUPPLY	17.09	Auto
008936	8/8/2014	M154178	MEASUREMENT CONTROL SYSTEMS IN	3,054.43	Auto
008937	8/8/2014	M842327	MWDOC	873,327.01	Auto
008938	8/8/2014	P025940	PARADISE DRINKING WATERS	129.00	Auto

Check History Report  
Sorted By Check Number  
Activity From: 7/11/2014 to 8/13/2014

EAST ORANGE COUNTY WATER DIST (EOC)

Bank Code: A CHECKING- CA BANK & TRUST

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
008939	8/8/2014	R158759	RED WING SHOE STORE	794.66	Auto
008940	8/8/2014	S077326	SC FUELS	1,242.61	Auto
008941	8/8/2014	S178859	SERRANO WATER DISTRICT	852.47	Auto
008942	8/8/2014	T002605	TAB ANSWER NETWORK	27.56	Auto
008943	8/8/2014	T560850	TOTAL EXTERMINATING INC	88.00	Auto
008944	8/8/2014	U499787	UNDERGROUND SERVICE ALERT	84.00	Auto
008945	8/8/2014	V178373	VERIZON WIRELESS	330.46	Auto
008946	8/8/2014	W032432	C WELLS PIPELINE MATERIALS INC	864.00	Auto
008947	8/8/2014	Y533326	YO FIRE	36.94	Auto
008948	8/5/2014	S533093	SONSRAY MACHINERY LLC	385.35	Auto
Bank A Total:				<u>1,033,839.95</u>	
Report Total:				<u><u>1,033,839.95</u></u>	

EAST ORANGE COUNTY WATER DISTRICT  
CALIFORNIA BANK & TRUST  
Prior Month's Checks To Ratify  
DIRECTORS' PAYROLL\*  
21-Aug-14

**PAYMENT FOR BOARD AND COMMITTEE MEETINGS IN THE MONTH OF  
JUNE 2014**

DATE	CHECK NO	AMOUNT	PAYABLE TO
07/17/14	148	\$388.24	BOARD DIRECTOR
07/17/14	149	\$274.05	BOARD DIRECTOR
07/17/14	150	\$159.86	BOARD DIRECTOR
07/17/14	151	\$876.06	BOARD DIRECTOR - PRESIDENT

<u>\$1,698.21</u>	TOTAL PAYROLL CHECKS
-------------------	----------------------

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

7/17/2014	\$352.22	ADP TAXES
7/17/2014	\$139.20	PERS ELECTRONIC FUNDS TRANSFER

<u>\$491.42</u>	TOTAL CHARGES & TRANSFER
-----------------	--------------------------

<u><b>\$2,189.63</b></u>	<b>GRAND TOTAL PAYROLL</b>
--------------------------	----------------------------

**\*\*\* NOTE: DOUG DAVERT DECLINED PAYMENT FOR ALL MEETINGS**

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

EAST ORANGE COUNTY WATER DISTRICT  
CALIFORNIA BANK & TRUST  
Prior Month's Checks To Ratify  
EMPLOYEES' PAYROLL\*  
21-Aug-14

	CHECK DATE	CHECK AMOUNT	PAYABLE TO
AUTO DEPOSIT	7/9/2014	\$ 1,309.76	WATER DISTRIBUTION I
AUTO DEPOSIT	7/9/2014	\$ 1,845.70	OFFICE MANAGER
AUTO DEPOSIT	7/9/2014	\$ 880.45	OFFICE ASSISTANT
AUTO DEPOSIT	7/9/2014	\$ 1,532.28	MAINTENANCE AND OPERATIONS SUPERINTENDENT
AUTO DEPOSIT	7/9/2014	\$ 1,942.75	GENERAL MANAGER
AUTO DEPOSIT	7/9/2014	\$ 2,344.09	WATER DISTRIBUTION II
AUTO DEPOSIT	7/9/2014	\$ 775.96	MANAGEMENT ANALYST
AUTO DEPOSIT	7/9/2014	\$ 572.94	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	7/23/2014	\$ 1,047.80	WATER DISTRIBUTION I
AUTO DEPOSIT	7/23/2014	\$ 1,794.59	OFFICE MANAGER
AUTO DEPOSIT	7/23/2014	\$ 888.07	OFFICE ASSISTANT
AUTO DEPOSIT	7/23/2014	\$ 1,532.28	MAINTENANCE AND OPERATIONS SUPERINTENDENT
AUTO DEPOSIT	7/23/2014	\$ 2,019.15	GENERAL MANAGER
AUTO DEPOSIT	7/23/2014	\$ 1,739.02	WATER DISTRIBUTION II
AUTO DEPOSIT	7/23/2014	\$ 1,735.10	MANAGEMENT ANALYST
AUTO DEPOSIT	7/23/2014	\$ 1,772.43	ADMINISTRATIVE ASSISTANT
		<u>\$ 23,732.37</u>	TOTAL PAYROLL CHECKS

**PAYROLL TAXES, ADP CHARGES, AND PERS EFT**

7/9/2014	\$6,307.12	ADP TAXES
7/9/2014	\$2,133.63	PERS ELECTRONIC FUNDS TRANSFER
7/9/2014	\$342.68	PERS PEPRA MEMBER
7/9/2014	\$1,425.00	CAL PERS 457 - ING BANK
7/23/2014	\$7,259.32	ADP TAXES
7/23/2014	\$2,331.88	PERS ELECTRONIC FUNDS TRANSFER
7/23/2014	\$565.44	PERS PEPRA MEMBER
7/23/2014	\$1,425.00	CAL PERS 457 - ING BANK

PAYROLL 7/9/2014	PAYROLL 7/23/2014
\$11,203.93	\$12,528.44
\$10,208.43	\$11,581.64
<b>\$21,412.36</b>	<b>\$24,110.08</b>

<u>\$21,790.07</u>	TOTAL TRANSFERS
<u><b>\$45,522.44</b></u>	<b>GRAND TOTAL PAYROLL</b>

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

EAST ORANGE COUNTY WATER DISTRICT  
FUNDS TRANSFERRED BETWEEN ACCOUNTS  
21-Aug-14

DATE	TRANSFER NO	AMOUNT	FROM	TO	REASON FOR FUND TRANSFER
8/8/2014	T37	\$ 72,000.00	LAIF	CB&T CHECKING	MOVED EXCESS INTO CHECKING TO COVER BILLS FOR CONSIDERATION
8/8/2014	T38	\$ 236,000.00	CB&T MONEY MARKET	CB&T CHECKING	TO COVER BILLS FOR CONSIDERATION
8/12/2014	T39	\$ 35,500.00	CB&T MONEY MARKET	CB&T CHECKING	FUNDS DEPOSITED INTO THE WRONG ACCOUNT
8/12/2014	T40	\$ 3,312.53	CB&T CHECKING	CB&T MONEY MARKET	FUNDS DEPOSITED INTO THE WRONG ACCOUNT
<u>\$ 346,812.53</u>					GRAND TOTAL



## Treasurer's Report

August 9, 2014

Board of Directors  
East Orange County Water District

### DIRECTORS

Richard B. Bell  
Douglass S. Davert  
John Dulebohn  
Seymour (Sy) Everett  
William Vanderwerff

Lisa Ohlund  
General Manager

The accompanying information contained in Schedule 1, Distribution of Investment Activity for the month July 2014, and Schedule 2, Investment Portfolio, as of July 31, 2014 (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.

*Carl R. Schoonover*

Carl R. Schoonover  
Treasurer

185 N Mc Pherson Road  
Orange, CA 92869-3720

[www.eocwd.com](http://www.eocwd.com)

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

**EAST ORANGE COUNTY WATER DISTRICT  
SCHEDULE 1 - INVESTMENT ACTIVITY  
MONTH OF JULY 2014**

	SECURITY TYPE	BOOK VALUE
<b>BEGINNING BALANCES JULY 1, 2014</b>		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	6,121,136
RAYMOND JAMES-CDs	DEMAND BROKERAGE	1,523,374
DUE TO FROM OTHER FUNDS	DUE TO/FROM	0
US TREASURY OBLIGATIONS	US TREASURY	0
<b>Total</b>		<b>7,644,509</b>
<b>ACTIVITY</b>		
<b>ADDITIONS</b>		
DEPOSIT TO MORGAN STANLEY SMITH BARNEY	DEMAND MM	0
DEPOSIT TO LAIF-FROM CHECKING	DEMAND LAIF	0
DEPOSIT TO LAIF-INTEREST	DEMAND LAIF	3,191
DEPOSIT TO RAYMOND JAMES-FROM CHECKING	DEMAND BROKERAGE	0
DEPOSIT TO RAYMOND JAMES-INTEREST	DEMAND BROKERAGE	0
SOLD MS LS US TREAS	MUTUAL FUND	0
TRANSFERS BETWEEN FUNDS	DUE TO/FROM	0
<b>REDUCTIONS</b>		
TRANSFER FROM LAIF TO CHECKING	DEMAND LAIF	0
TRANSFERS BETWEEN FUNDS	DUE TO/FROM	0
TRANSFERS TO CHECKING	DEMAND MM	0
TRANSFER TO RAYMOND JAMES	DEMAND MM	0
SOLD US TREASURY BOND	US TREASURY BOND/NOTE	0
MATURITY OF US TREASURY NOTE	US TREASURY NOTE	0
PURCHASE US TREASURY BOND FED STRIP	TREASURY BOND	0
<b>ENDING BALANCES JULY 31, 2014</b>		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	6,124,326
RAYMOND JAMES-CDs and CASH	CERTIFICATES OF DEPOSIT	1,523,374
DUE TO FROM OTHER FUNDS	DUE TO/FROM	0
US TREASURY OBLIGATIONS	US TREASURY	0
<b>TOTAL</b>		<b>7,647,700</b>

**EAST ORANGE COUNTY WATER DISTRICT  
SCHEDULE 2 - INVESTMENT PORTFOLIO  
JULY 31, 2014**

NAME	SECURITY TYPE AND NUMBER	PURCHASE DATE	MATURITY DATE	INTEREST		MARKET VALUE	PURCHASE PRICE	PREMIUM OR (DISCOUNT) *	ACCRUED INTEREST *	FACE VALUE	% TO PORTFOLIO
				STATED	YIELD						
LAIF	DEMAND	N/A	N/A	0.244%	0.244%	6,124,326	6,124,326	0	0	6,124,326	80.13%
RJ-CD	ALLY BANK	12/05/12	12/05/14	0.750%	0.750%	200,338	200,000	0	0	200,000	2.62%
RJ-CD	AMERICAN EXPRESS	10/25/12	01/26/15	0.850%	0.850%	100,211	100,000	0	0	100,000	1.31%
RJ-CD	AMERICAN EXPRESS	10/25/12	07/27/15	1.000%	1.000%	100,432	100,000	0	0	100,000	1.31%
RJ-CD	BMW BANK OF N AMERICA	11/19/12	11/12/15	2.000%	2.000%	101,954	102,937	2,898	38	100,000	1.31%
RJ-CD	CIT BANK	03/06/13	03/06/18	1.100%	1.100%	144,548	145,000	0	0	145,000	1.90%
RJ-CD	DISCOVER BANK	10/17/12	10/17/16	1.200%	1.200%	100,957	100,000	0	0	100,000	1.31%
RJ-CD	DISCOVER BANK	02/20/13	02/20/18	1.100%	1.100%	149,618	150,000	0	0	150,000	1.96%
RJ-CD	GE MONEY BANK	10/25/12	08/31/17	1.650%	1.650%	100,947	100,998	754	244	100,000	1.31%
RJ-CD	GE CAPITAL RETAIL BANK	11/19/12	11/09/16	1.350%	1.350%	100,831	100,536	499	37	100,000	1.31%
RJ-CD	GE CAPITAL RETAIL BANK	02/22/13	02/22/18	1.100%	1.100%	147,836	150,000	0	0	150,000	1.96%
RJ-CD	GOLDMAN SACHS BANK	02/13/13	02/13/18	1.200%	1.200%	149,537	150,000		0	150,000	1.96%
RJ-CD	GOLDMAN SACHS BANK	10/11/12	10/03/17	1.550%	1.550%	100,708	99,977	-11	34	100,000	1.31%
RJ	CASH	N/A	N/A	0.000%	0.020%	23,926	23,926			23,926	0.31%
				0.385%		\$7,646,167	\$7,647,700	\$4,142	\$354	\$7,643,253	100.00%

\* Monthly adjustments to interest income should be made to amortize accrued interest and premiums/discounts to face value at maturity.

LAIF=LOCAL AGENCY INVESTMENT FUND  
RJ=RAYMOND JAMES

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

Carl R. Schoonover  
CARL R. SCHOONOVER, TREASURER

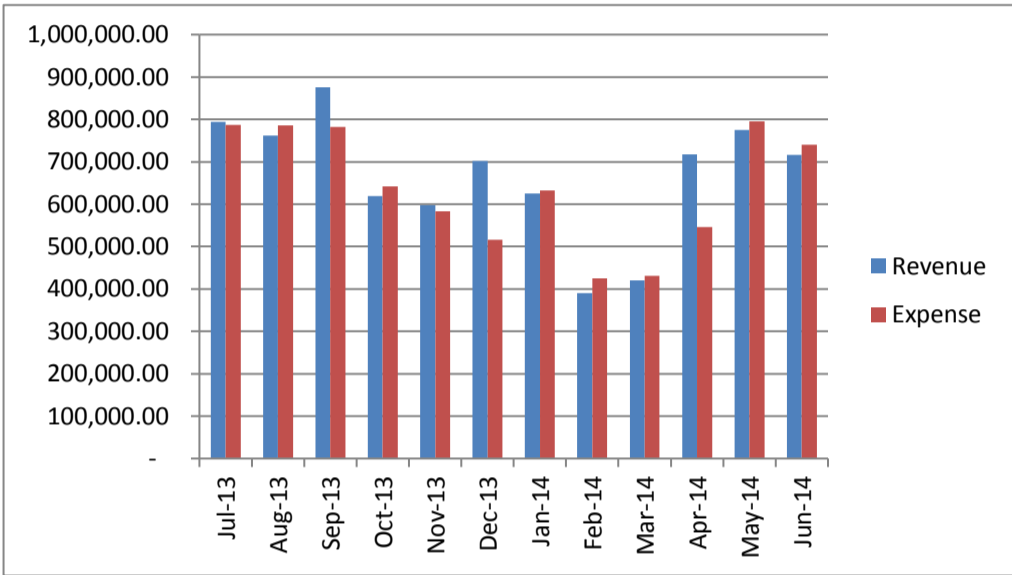
PRELIMINARY

Wholesale Zone Financial Summary  
For Period Ending June 30, 2014

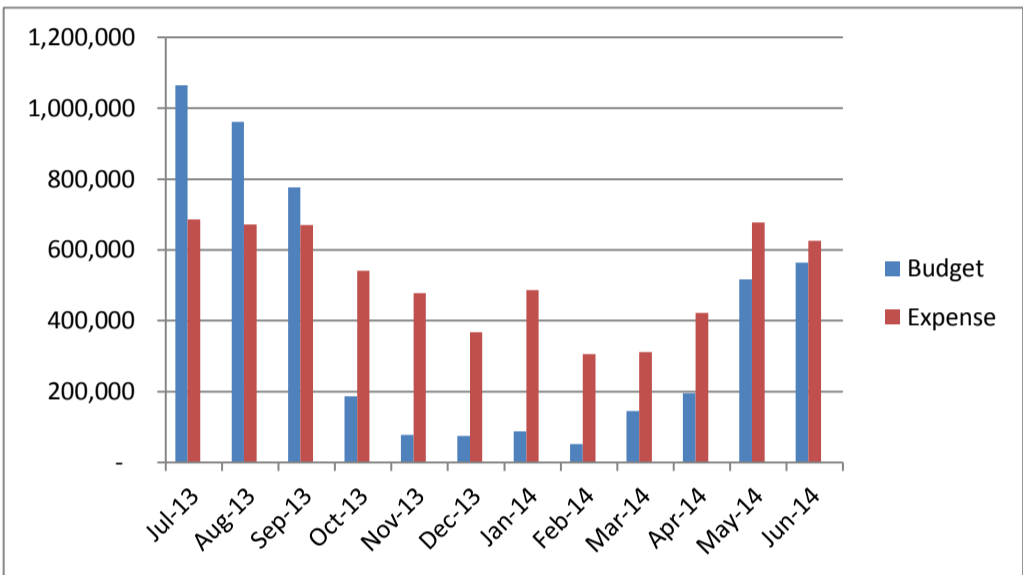
YTD Operating Income     \$        7,994,555

YTD Operating Expense     \$        7,666,027

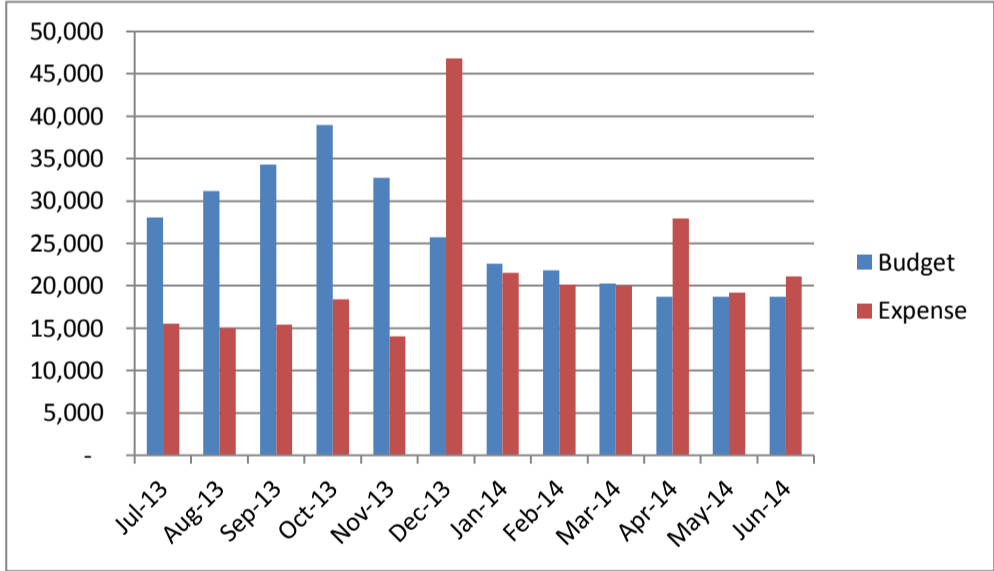
Revenue vs. Expenses



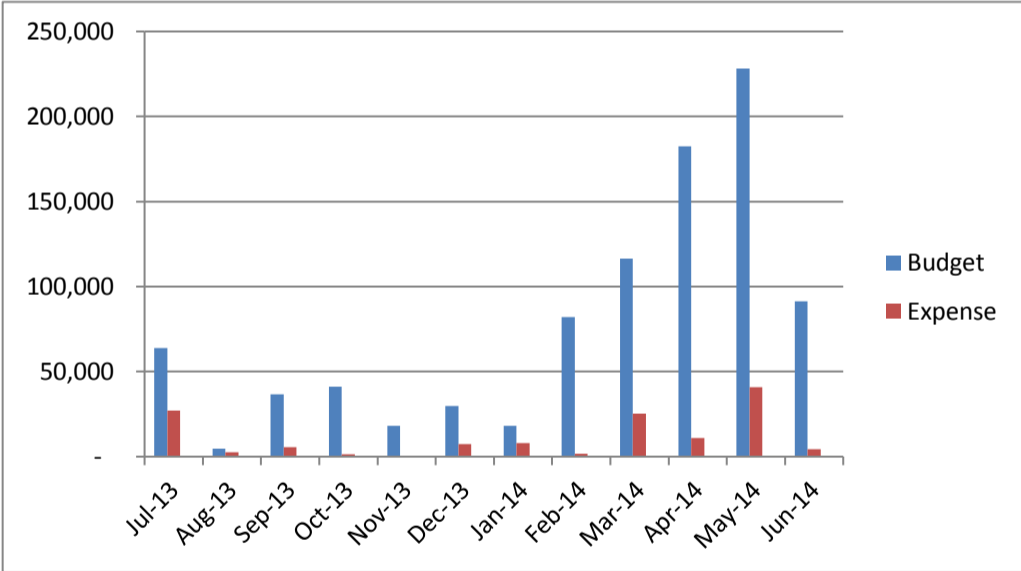
Water Purchased Budget vs. Actual



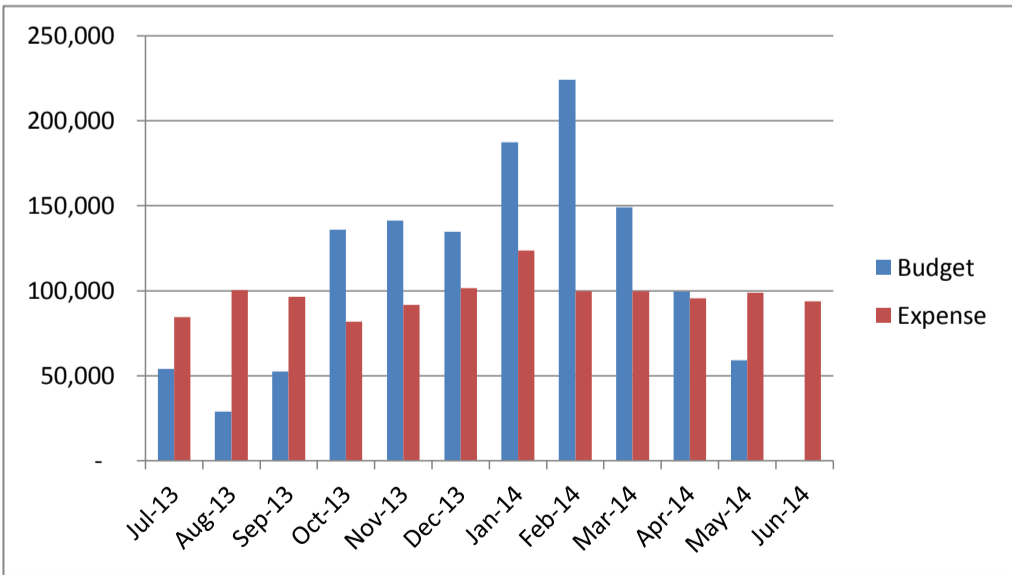
Salaries & Benefits Budget vs. Actual



CIP Budget & Actual



O&M Budget vs. Actual



## WHOLESALE ZONE

EAST ORANGE COUNTY WATER DISTRICT  
2013-2014 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MONTH: JUNE 2014

REVENUE		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		ACTUAL	ACTUAL	2013-14	OVER	OF BUDGET
		REVENUE	REVENUE	BUDGET	(UNDER)	EXPENDED
1	OPERATING REVENUE:					
2	WATER SALES	625,710	6,243,541	4,705,463	1,538,079	132.69%
3	FIXED CHARGES	44,129	487,292	480,255	7,037	101.47%
4	EOCWD FIXED CHARGES	21,772	261,264	250,000	11,264	104.51%
5	REIMBURSED EXP-IRWD	1,774	26,715	19,516	7,199	136.89%
6	OTHER CHARGES	192	3,641	30	3,611	12136.47%
7	TOTAL OPERATING REVENUE:	693,576	7,022,454	5,455,264	1,567,190	
8	NON-OPERATING REVENUES (EXPENSES):					
9	PROPERTY TAXES	14,846	672,674	659,500	13,174	102.00%
10	RENTAL INCOME - CELLULAR ANTENNAS	4,200	102,843	100,000	2,843	102.84%
11	INTEREST & INVESTMENT EARNINGS	748	22,411	14,640	7,771	153.08%
12	NOTE RECEIVABLE - AMP	-	173,573	47,355	126,218	366.53%
13	MISCELLENIOUS INCOME	50	600	500	100	120.00%
14	TOTAL NON-OPERATING REVENUES, NET	19,844	972,101	821,995	150,106	
15	NET OPERATING INCOME	713,421	7,994,555	6,277,259	1,717,296	

EXPENSES		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		EXPENSES	EXPENSES	2013-14	OVER	OF BUDGET
				BUDGET	(UNDER)	EXPENDED
16	OPERATING EXPENSE:					
17	SOURCE OF SUPPLY	625,632	6,242,587	4,705,463	1,537,125	132.67%
18	MET/MWDOC FIXED CHARGE	30,755	327,395	328,607	(1,212)	99.63%
19	EOCWD FIXED CHARGE	14,624	176,261	166,648	9,613	105.77%
20	ENERGY	236	1,935	2,600	(665)	74.42%
21	OPERATIONS & MAINTENANCE	33,638	402,256	536,100	(133,844)	75.03%
22	GENERAL & ADMINISTRATIVE	15,077	275,377	304,351	(28,974)	90.48%
23	TRANSFER TO CAPITAL PROJECTS EXPENSE & RESERVES	20,778	249,334	239,990	9,344	103.89%
24	DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
25	MARKET VALUE ADJUSTMENT ON INVESTMENTS	219	(9,117)	-	(9,117)	0.00%
26	TOTAL OPERATING EXPENSE	740,959	7,666,027	6,283,759	1,382,269	
27	NET INCOME FROM OPERATIONS	(27,538)	328,527	(6,500)	335,027	
28	PRIOR YEARS INCOME (EXPENSES)	-	(4,030)	(500)	(4,530)	
29	NET INCOME (LOSS)	(27,538)	324,497	(7,000)	339,558	

## Wholesale Zone

### June 2014 Variance Report - 100% of Budget Year Expended

Account Number	Account Name	Income(I) Expense (E)	YTD Amount	Percent Received/ Spent	Comments
<b>New</b>					
4915-0001-1	INTEREST INCOME-WS	I	2,661	5191.75%	More interest received than expected
5607-0001-1	DISTRICT WEBSITE	E	2,011	134.07%	Unplanned website costs
<b>Ongoing</b>					
4110-0001-1	WATER SALES	I	6,243,541	132.69%	Water sales are higher than anticipated
4112-0001-1	LATE CHARGE	I	90	300.00%	More penalties received than expected
4160-0060-1	REIMBURSED EXP- IRWD	I	26,715	136.89%	Reimbursements are higher than anticipated
4917-0001-1	INTEREST- LAIF- OP	I	1,894	1847.79%	More interest received than expected
4924-0001-1	INTEREST EARNED - RAYMOND JAMES	I	17,798	136.91%	Interest earned is higher than expected
4975-0001-1	RENT INCOME- AT&T	I	52,946	105.89%	Budget based on prior year contract
4980-0001-1	AMP SALE INSTALLMENTS	I	173,573	366.53%	MWDOC paid the full portion of their loan outstanding
4990-0001-1	MISCELLANEOUS INCOME	I	600	120.00%	More revenue received than expected
5130-0048-1	EOCF #2 NONINTERR OC 48	E	1,792,680	190.49%	Increased sales causing increased supply costs
5130-0070-1	WATER PURCHASED AMP	E	2,988,694	127.03%	Increased sales causing increased supply costs
5313-0001-1	SMALL TOOLS	E	3,480	145.02%	Unplanned purchase of a gas detector
5339-0001-1	OPERATIONS REPORTING SOFTWARE	E	9,847	218.81%	Purchase of I-Pads in November
5345-0001-1	PRESSURE REGULATORS R&M	E	5,044	168.12%	Overage due to pressure regulator maintenance
5359-0001-1	SAC LINE R&M	E	3,555	177.75%	R&M is higher than expected
5365-0001-1	EQUIPMENT RENTAL	E	20,161	504.03%	Unplanned generator rental
5610-0009-1	MCPHERSON FAX	E	298	148.75%	Underbudgeted based on current billings
5610-0015-1	MCPHERSON OFFICE PHONES	E	2,258	141.11%	Underbudgeted based on current billings
5616-0001-1	MILEAGE	E	469	156.45%	Expenses were higher than expected
5618-0037-1	DUES- ISDOC/URBAN WTR	E	1,001	111.28%	Dues were higher than expected
5639-0001-1	OUTSIDE SERVICES	E	4,866	202.74%	Unplanned pest control services
5641-0001-1	TAX COLLECTION FEES	E	5,864	293.21%	Unplanned property tax collection costs
5644-0003-1	ACCOUNTING- SERRANO	E	25,041	113.82%	Unplanned consulting expenses
5645-0001-1	LEGAL	E	118,217	147.77%	Legal fees associated with sewer
5647-0001-1	ENGINEERING-WS	E	39,550	131.83%	Unplanned water quality model calibration and emergency operations analyses
9510-0001-1	PRIOR YEARS INCOME (EXPENSES)	E	(4,030)	806.10%	Prior year Department of Health invoice

## Capital Projects

### New

### Ongoing

## EAST ORANGE COUNTY WATER DISTRICT

## FOR WHOLESALE

MONTH: JUNE 2014

ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
<b>REVENUE</b>						
1	4110-0001-1 WATER SALES	625,710	6,243,541	4,705,463	1,538,079	132.69%
2	4111-0001-1 STANDBY	177	2,410	-	2,410	0.00%
3	4112-0001-1 LATE CHARGE	15	90	30	60	300.00%
4	4114-0001-1 EOCWD RESERVE FUND CHARGE-WS	17,445	209,344	200,000	9,344	104.67%
5	4115-0001-1 READINESS TO SERVE - EOCWD	4,327	51,921	50,000	1,921	103.84%
6	4130-0001-1 RETAIL SERVICE CONNECTIONS	14,624	174,897	166,648	8,249	104.95%
7	4131-0001-1 READINESS TO SERVE - MWDOC	19,350	203,925	203,564	361	100.18%
8	4133-0001-1 MET-MWDOC CAPACITY CHARGE	10,154	108,470	110,043	(1,573)	98.57%
9	4134-0001-1 MET-MWDOC CHOICE-WS	-	1,141	-	1,141	0.00%
10	4160-0060-1 REIMBURSED EXP- IRWD	1,774	26,715	19,516	7,199	136.89%
11	4160-0065-1 REFUNDS	-	-	-	-	0.00%
12	Total OPERATING REVENUE:	693,576	7,022,454	5,455,264	1,567,190	
13	NON OPERATING INCOME					
14	4915-0001-1 INTEREST INCOME-WS	-	2,661	51	2,610	5191.75%
15	4916-0001-1 INTEREST-MORGAN STANLEY-OP	-	-	-	-	0.00%
16	4916-0957-1 INTEREST-MORGAN STANLEY- CONT	-	-	-	-	0.00%
17	4917-0001-1 INTEREST- LAIF- OP	-	1,894	103	1,791	1847.79%
18	4917-0957-1 INTEREST-LAIF-CONT.	-	59	-	59	0.00%
19	4918-0001-1 INTEREST-US TREASURY BOND	-	-	-	-	0.00%
20	4918-0957-1 INTEREST US TREASURY BOND	-	-	-	-	0.00%
21	4922-0001-1 INTEREST INCOME-CTY OF ORANGE	-	-	51	(51)	0.00%
22	4923-0001-1 INTEREST INCOME-ACWA	-	-	1,435	(1,435)	0.00%
23	4924-0001-1 INTEREST EARNED - RAYMOND JAMES	748	17,798	13,000	4,798	136.91%
24	4930-0030-1 TAXES SECURED	514	577,633	585,000	(7,367)	98.74%
25	4930-0031-1 TAXES UNSECURED	-	20,922	15,000	5,922	139.48%
26	4930-0032-1 TAXES SUPPLEMENTAL ROLL	722	10,735	5,000	5,735	214.70%
27	4930-0040-1 TAXES PRIOR YEARS	139	7,240	15,000	(7,760)	48.26%
28	4930-0052-1 TAXES HOMEOWNER'S SUBVENTION	-	-	4,000	(4,000)	0.00%
29	4930-0054-1 TAXES PUBLIC UTILITY	-	-	10,000	(10,000)	0.00%
30	4930-0055-1 TAXES TUSTIN RDA	13,471	56,144	40,000	16,144	140.36%
31	4930-0056-1 TAXES MISC	-	-	500	(500)	0.00%
32	4930-0057-1 TAXES ACCRUED	-	-	(15,000)	15,000	0.00%
33	4930-0058-1 STATE TAXES CONFISCATED	-	-	-	-	0.00%
34	4930-0059-1 PROCEEDS IN-LIEU TAXES	-	-	-	-	0.00%
35	4975-0001-1 RENT INCOME- AT&T	-	52,946	50,000	2,946	105.89%
36	4977-0001-1 RENT INCOME- CROWN CASTLE	4,200	49,897	50,000	(103)	99.79%
37	4980-0001-1 AMP SALE INSTALLMENTS	-	173,573	47,355	126,218	366.53%
38	4990-0001-1 MISCELLANEOUS INCOME	50	600	500	100	120.00%
39	Total NON OPERATING INCOME:	19,844	972,101	821,995	150,106	
40	Total OPERATING REVENUE	713,421	7,994,555	6,277,259	1,717,296	
41	NET OPERATING INCOME:	713,421	7,994,555	6,277,259	1,717,296	

## EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE

MONTH: JUNE 2014

ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
<b>EXPENSES</b>						
42	5130-0043-1 EOCF #2 NONINTERR OC 43	148,547	1,461,213	1,411,639	49,575	103.51%
43	5130-0048-1 EOCF #2 NONINTERR OC 48	191,334	1,792,680	941,093	851,588	190.49%
44	5130-0070-1 WATER PURCHASED AMP	285,751	2,988,694	2,352,731	635,963	127.03%
45	5138-0001-1 WATER PURCHASED	-	-	-	-	0.00%
46	5139-0001-1 WATER PURCHASED IN-LIEU	-	-	-	-	0.00%
47	5141-0001-1 WATER PURCHASED-IN LIEU CREDIT	-	-	-	-	0.00%
48	5149-0001-1 AMP_FAP LEASE EXPENSE	1,250	15,000	15,000	-	100.00%
49	5161-0001-1 MET-MWDOC READINESS TO SERVE	19,350	203,925	203,564	361	100.18%
50	5163-0001-1 MET-MWDOC CAPACITY FEES	10,154	108,470	110,043	(1,573)	98.57%
51	5164-0001-1 MWDOC RETAIL SERVICE CONNECT	14,624	176,261	166,648	9,613	105.77%
52	5219-0001-1 UTILITY- SCADA RTU	236	1,935	2,600	(665)	74.42%
53	5313-0001-1 SMALL TOOLS	467	3,480	2,400	1,080	145.02%
54	5320-0001-1 GASOLINE, OIL & DIES-WS	-	-	-	-	0.00%
55	5320-0022-1 GASOLINE, OIL & DIESEL FUEL	287	3,463	8,800	(5,337)	39.35%
56	5324-0001-1 REGULATORY PERMITS	417	4,249	5,000	(751)	84.98%
57	5326-0001-1 NPDS PERMIT	-	-	-	-	0.00%
58	5327-0001-1 PROF SERV WATER QUAL. CONTROL	261	12,710	25,000	(12,290)	50.84%
59	5338-0001-1 SCADA REPAIR/UPGRADE	-	5,266	12,500	(7,234)	42.13%
60	5339-0001-1 OPERATIONS REPORTING SOFTWARE	320	9,847	4,500	5,347	218.81%
61	5343-0001-1 METER PURCHASE/REPAIR	28	9,025	15,000	(5,975)	60.17%
62	5345-0001-1 PRESSURE REGULATORS R&M	56	5,044	3,000	2,044	168.12%
63	5350-0035-1 R/M- MAINS	871	1,683	25,000	(23,317)	6.73%
64	5350-0039-1 DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
65	5350-0041-1 SERVICE CONNECTIONS R&M	-	992	1,000	(8)	99.15%
66	5350-0051-1 RESERVOIRS R&M	-	9,468	20,000	(10,532)	47.34%
67	5350-0052-1 R/M- VAULTS	-	1,098	10,000	(8,902)	10.98%
68	5350-0402-1 R/M- CATHODIC PROTECTION	-	1,969	20,500	(18,531)	9.61%
69	5357-0001-1 MAINTAIN & OPERATE EOCF#2	3,833	46,000	46,000	(0)	100.00%
70	5358-0001-1 METER TESTING	2,558	2,963	3,000	(37)	98.78%
71	5359-0001-1 SAC LINE R&M	296	3,555	2,000	1,555	177.75%
72	5365-0001-1 EQUIPMENT RENTAL	2,520	20,161	4,000	16,161	504.03%
73	5370-0070-1 BACKHOE R&M	-	63	3,000	(2,937)	30.66%
74	5370-0071-1 VEHICLES R&M	563	3,066	10,000	(6,934)	30.66%
75	5370-0080-1 BUILDING/GROUNDS R&M	49	3,022	3,500	(478)	86.34%
76	5467-0001-1 WAGES	14,736	177,394	175,000	2,394	101.37%
77	5469-0069-1 PAYROLL TAXES- FICA & MEDICARE	1,201	14,451	18,000	(3,549)	80.28%
78	5469-0083-1 RETIREMENT- PERS	1,933	22,717	42,000	(19,283)	54.09%
79	5480-0070-1 PAYROLL TAXES- SUI & ETT	26	951	2,000	(1,049)	47.54%
80	5480-0072-1 HEALTH & ACCIDENT INSURANCE	2,272	32,336	55,000	(22,664)	58.79%
81	5480-0075-1 DENTAL INSURANCE	198	2,561	4,000	(1,439)	64.02%
82	5480-0076-1 VISION INSURANCE	110	565	1,000	(435)	56.49%
83	5480-0080-1 LIFE INSURANCE	23	381	900	(519)	42.30%
84	5480-0082-1 WORKER'S COMP INSURANCE	563	3,066	10,000	(6,934)	30.66%
85	5486-0001-1 UNIFORMS	52	710	4,000	(3,290)	17.74%

## EAST ORANGE COUNTY WATER DISTRICT

## FOR WHOLESALE

MONTH: JUNE 2014

	ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
86	5607-0001-1	DISTRICT WEBSITE	1,000	2,011	1,500	511	134.07%
87	5610-0009-1	MCPHERSON FAX	27	298	200	98	148.75%
88	5610-0010-1	MCPHERSON INTERNET	53	605	1,000	(395)	60.54%
89	5610-0015-1	MCPHERSON OFFICE PHONES	179	2,258	1,600	658	141.11%
90	5610-0016-1	ANSWERING SERVICE	14	209	246	(37)	85.07%
91	5610-0017-1	PHONE CIRCUITS TO CTRL EQUIP	356	4,247	4,600	(353)	92.32%
92	5610-0019-1	CELLPHONES	170	1,845	1,650	195	111.84%
93	5610-0020-1	UNDERGROUND SERVICE ALERT	55	387	400	(13)	96.75%
94	5611-0001-1	TRAINING/SCHOOLS	294	640	2,500	(1,860)	25.60%
95	5613-0001-1	CONSERVATION EDUCATION	72	2,036	15,000	(12,964)	13.57%
96	5614-0001-1	TRAVEL- CONF/SEMINARS	-	2,311	5,000	(2,689)	46.23%
97	5616-0001-1	MILEAGE	137	469	300	169	156.45%
98	5618-0029-1	DUES & MEMBERSHIP- ACWA	-	1,535	2,800	(1,265)	54.81%
99	5618-0030-1	DUES & MEMBERSHIPS- OCWA	-	25	100	(75)	25.00%
100	5618-0031-1	DUES & MEMBERSHIPS- AWWA	-	207	300	(94)	68.83%
101	5618-0032-1	DUES & MEMBERSHIP- FCA	-	10	30	(20)	33.33%
102	5618-0033-1	DUES & MEMBERSHIP- CSDA	-	1,079	2,000	(921)	53.96%
103	5618-0037-1	DUES- ISDOC/URBAN WTR	20	1,001	900	101	111.28%
104	5619-0001-1	MISCELLANEOUS EXP	-	21	500	(479)	4.12%
105	5620-0021-1	DIRECTOR- R. BARRETT	-	700	2,500	(1,800)	28.00%
106	5620-0022-1	DIRECTOR- W. VANDERWERFF	463	5,413	5,000	413	108.25%
107	5620-0023-1	DIRECTOR- D. CHAPMAN	-	-	-	-	0.00%
108	5620-0024-1	DIRECTOR- J. DULEBOHN	88	1,725	3,600	(1,875)	47.92%
109	5620-0026-1	DIRECTOR- R. BELL	213	2,725	3,600	(875)	75.69%
110	5620-0027-1	DIRECTOR- D. DAVERT	-	-	-	-	0.00%
111	5620-0028-1	DIRECTOR- W. EVERETT	88	263	-	263	0.00%
112	5621-0001-1	BOARD MEETING EXPENSE	236	1,268	2,000	(732)	63.39%
113	5632-0001-1	POSTAGE	7	238	800	(562)	29.81%
114	5633-0001-1	OFFICE SUPPLY/FURN/SMALL EQUIP	236	3,356	7,000	(3,644)	47.94%
115	5634-0001-1	PUBLICATIONS & LEGAL NOTICES	462	3,367	5,500	(2,133)	61.23%
116	5635-0001-1	COPIER CONTRACT	37	254	425	(171)	59.77%
117	5638-0001-1	BANK CHARGES	189	1,788	3,300	(1,512)	54.18%
118	5639-0001-1	OUTSIDE SERVICES	331	4,866	2,400	2,466	202.74%
119	5640-0001-1	AUDITING	2,120	6,678	8,800	(2,122)	75.89%
120	5641-0001-1	TAX COLLECTION FEES	50	5,864	2,000	3,864	293.21%
121	5644-0001-1	TREASURER	-	4,201	10,000	(5,799)	42.01%
122	5644-0003-1	ACCOUNTING- SERRANO	889	25,041	22,000	3,041	113.82%
123	5645-0001-1	LEGAL	4,383	118,217	80,000	38,217	147.77%
124	5646-0001-1	COMPUTER CONSULTING	633	1,828	4,000	(2,172)	45.69%
125	5647-0001-1	ENGINEERING-WS	450	39,550	30,000	9,550	131.83%
126	5648-0001-1	LAFCO	-	11,452	18,000	(6,548)	63.62%
127	5650-0050-1	INSURANCE-AUTO & GEN LIABILITY	879	10,325	15,000	(4,675)	68.83%
128	5650-0051-1	INSURANCE-PROPERTY	231	1,350	5,000	(3,650)	27.00%
129	5650-0052-1	INSURANCE-EMP. FIDELITY BOND	18	213	500	(287)	42.66%
130	5670-0072-1	OFFICE EQUIPMENT R&M	-	33	300	(267)	11.15%
131	5680-0083-1	UTILITIES-DUMPSTER	431	817	1,500	(683)	54.44%

## EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE

MONTH: JUNE 2014

	ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
132	5680-0084-1	UTILITIES- THE GAS CO.- OFFICE	-	-	-	-	0.00%
133	5680-0085-1	UTILITIES- OFFICE- ELECT & WTR	269	2,652	3,500	(848)	75.77%
134	5686-0001-1	SECURITY	-	-	2,000	(2,000)	0.00%
135	5689-0001-1	ELECTION EXPENSE	-	-	25,000	(25,000)	0.00%
136	8910-0001-1	DEPRECIATION EXP.	-	-	-	-	0.00%
137	8955-0001-1	TRANS. TO WRCI-CAPITAL PROJECT	-	-	-	-	0.00%
138	8961-0001-1	TRANS TO CAPITAL PROJECTS	3,333	39,990	39,990	-	100.00%
139	8981-0001-1	TRANSFER TO (FROM) RESERVES	17,445	209,344	200,000	9,344	104.67%
140	9011-0001-1	MARKET VALUE ADJUST-INVESTMENT	301	301	-	301	0.00%
141	9011-0953-1	MARKET VALUE ADJUST-INVESTMENT	(96)	(9,432)	-	(9,432)	0.00%
142	9011-0957-1	MARKET VALUE ADJUST-INVESTMENT	14	14	-	14	0.00%
143		Total EXPENSES:	740,959	7,666,027	6,283,759	1,382,269	
144		NET INCOME FROM OPERATIONS:	(27,538)	328,527	(6,500)	335,027	
145		OTHER INCOME AND EXPENSE					
146	9510-0001-1	PRIOR YEARS INCOME (EXPENSES)	-	(4,030)	(500)	(4,530)	806.10%
147		Total OTHER INCOME AND EXPENSE	-	(4,030)	(500)	(4,530)	806.10%
148		NET INCOME (LOSS)	(27,538)	324,497	(7,000)	339,558	

## WHOLESALE ZONE CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT

2013-2014 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

MONTH: JUNE 2014

REVENUE					
DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
1 FUNDS PROVIDED BY RESERVE	-	-	819,010	(819,010)	0.00%
2 CAPITAL PROJECTS REVENUE					
3 CONNECTION FEES	-	10,745	10,000	745	107.45%
4 INTEREST EARNINGS	-	3,599	15,000	(11,401)	24.00%
5 INTEREST RECEIVABLE- AMP SALE	-	1	15,000	(14,999)	0.00%
6 TRANSFER FROM OPERATING EXPENSES	3,333	39,990	39,990	-	100.00%
7 REIMBURSEMENT FOR STORM DAMAGE REPAIRS	-	-	-	-	0.00%
8 REIMBURSEMENT FOR SECURITY UPGRADES	-	-	-	-	0.00%
9 NET OPERATING INCOME	3,333	54,335	899,000	(844,665)	
EXPENSES					
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
10 CAPITAL PROJECTS EXPENSES					
11 CAPITALIZED ACCOUNTING COSTS	-	-	5,000	(5,000)	0.00%
12 METAL FLASHING AT PETERS CANYON RESERVOIR	-	74	11,000	(10,926)	0.67%
13 SECURITY GATE AT 6 MG SITE-CONST	-	-	9,000	(9,000)	0.00%
14 SECURITY SYSTEM AT PETERS CANYON RESERVOIR	-	2,337	20,000	(17,663)	11.68%
15 BACKUP GENERATOR AT OC70 PUMP STATION	-	61,807	36,000	25,807	171.69%
16 PIPELINE INSPECTIONS-ENGINEERING	-	-	26,000	(26,000)	0.00%
17 BETTERMENT AND REPLACEMENT PLAN	-	1,000	75,000	(74,000)	1.33%
18 6 MG RESERVOIR ROOF REPAIRS	380	47,079	190,000	(142,921)	24.78%
19 6 MG RESERVOIR - LANDSCAPE/V-DITCH	-	-	50,000	(50,000)	0.00%
20 SLURRY SEAL ASPHALT AROUND ANDRES & NEWPORT RESERVOIRS	-	-	11,000	(11,000)	0.00%
21 CATHODIC PROTECTION - PIPELINES	-	-	26,000	(26,000)	0.00%
22 MCPHERSON OFFICE/YARD IMPROVEMENTS	-	-	13,000	(13,000)	0.00%
23 11.5 MG RESERVOIR CATHODIC PROTECTION SYSTEM	-	-	36,000	(36,000)	0.00%
24 USED VEHICLE TO SUPPLEMENT FLEET	-	-	15,000	(15,000)	0.00%
25 MOBILE ENGINE DRIVEN PUMP	-	1,638	-	1,638	0.00%
26 NEW PROJECT - 6 MG TREATMENT PLANT FEASIBILITY STUDY	4,380	21,506	255,000	(233,494)	8.43%
27 VULNERABILITY UPGRADES-ANDRES RESERVOIR	-	-	15,000	(15,000)	0.00%
28 VALVE REPLACEMENTS (12" - 27")	-	-	23,000	(23,000)	0.00%
29 REPLACE BACKHOE	-	-	25,000	(25,000)	0.00%
30 NEW PROJECT - NEWPORT RESERVOIR MIXING SYSTEM	-	-	31,000	(31,000)	0.00%
31 NEW PROJECT- ISOLATION VALVES - 11.5 & 1 MG	-	-	41,000	(41,000)	0.00%
32 TOTAL OPERATING EXPENSE	4,760	135,440	913,000	(777,560)	
33 NET INCOME FROM OPERATIONS	(1,428)	(81,105)	(14,000)	(67,105)	
34 PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	
35 NET INCOME (LOSS)	(1,428)	(81,105)	(14,000)	(67,105)	

EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE  
MONTH: JUNE 2014

ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
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REVENUE

	FUNDED BY RESERVES	-	-	819,010	(819,010)	
1	4113-0001-1 CONNECTION FEES	-	10,745	10,000	745	107.45%
2	4914-0953-1 INTEREST- RAYMOND JAMES	-	-	15,000	(15,000)	0.00%
3	4916-0953-1 INTEREST-MORGAN STANLEY-CAP	-	-	-	-	0.00%
4	4917-0953-1 INTEREST-LAIF-CAP	-	3,599	-	3,599	0.00%
5	4918-0953-1 INTEREST-US TREASURY BOND	-	-	-	-	0.00%
6	4925-0001-1 INTEREST INCOME-AMP SALE	-	1	15,000	(14,999)	0.00%
7	4991-0010-1 REIMBURSEMENT- STORM DAMAGE	-	-	-	-	0.00%
8	4991-0011-1 REIMBURSEMENT-SECURITY UPGRAD	-	-	-	-	0.00%
9	4993-0953-1 TRANSFER FROM WZ OPERATIONS	3,333	39,990	39,990	-	100.00%
10	Total NON OPERATING INCOME:	3,333	54,335	899,000	(844,664)	
11	Total OPERATING REVENUE	3,333	54,335	899,000	(844,664)	
12	NET OPERATING INCOME:	3,333	54,335	899,000	(844,664)	

EXPENSES

13	7900-100C-1 CAPITALIZED ACCOUNTING COSTS	-	-	5,000	(5,000)	0.00%
14	7912-102C-1 METAL FLASHING AT PETERS CANYON RESERVOIR-CONSTRUCTION	-	-	10,000	(10,000)	0.00%
15	7912-102L-1 METAL FLASHING AT PETERS CANYON RESERVOIR-LABOR	-	74	1,000	(926)	7.37%
16	7912-103C-1 SECURITY GATE AT 6 MG SITE-CONST (WZ PORTION)(CARRYOVER)	-	-	8,000	(8,000)	0.00%
17	7912-103L-1 SECURITY GATE AT 6 MG SITE-LABOR (WZ PORTION)(CARRYOVER)	-	-	1,000	(1,000)	0.00%
18	7912-105C-1 SECURITY SYSTEM AT PETERS CANYON RESERVOIR-CONSTRUCTION	-	2,337	15,000	(12,663)	15.58%
19	7912-105L-1 SECURITY SYSTEM AT PETERS CANYON RESERVOIR-LABOR	-	-	5,000	(5,000)	0.00%
20	7912-107C-1 BACKUP GENERATOR AT OC70 PUMP STATION-CONST (CARRYOVER)	-	61,567	35,000	26,567	175.91%
21	7912-107L-1 BACKUP GENERATOR AT OC70 PUMP STATION-LABOR	-	240	1,000	(760)	24.05%
22	7912-110E-1 PIPELINE INSPECTIONS-ENGINEERING (CARRYOVER)	-	-	25,000	(25,000)	0.00%
23	7912-110L-1 PIPELINE INSPECTIONS-LABOR	-	-	1,000	(1,000)	0.00%
24	7912-201E-1 BETTERMENT AND REPLACEMENT PLAN-ENGINEERING (CARRYOVER)	-	1,000	75,000	(74,000)	1.33%
25	7913-102C-1 6 MG RESERVOIR ROOF REPAIRS-CONSTRUCTION	-	-	150,000	(150,000)	0.00%
26	7913-102E-1 6 MG RESERVOIR ROOF REPAIRS-ENGINEERING	380	47,025	30,000	17,025	156.75%
27	7913-102L-1 6 MG RESERVOIR ROOF REPAIRS-LABOR	-	53	10,000	(9,947)	0.53%
28	7913-104C-1 6 MG RESERVOIR - LANDSCAPE/V-DITCH-CONSTRUCTION	-	-	30,000	(30,000)	0.00%
29	7913-104E-1 6 MG RESERVOIR - LANDSCAPE/V-DITCH-ENGINEERING	-	-	5,000	(5,000)	0.00%
30	7913-104L-1 6 MG RESERVOIR - LANDSCAPE/V-DITCH-LABOR	-	-	15,000	(15,000)	0.00%
31	7913-105C-1 SLURRY SEAL ASPHALT AROUND ANDRES & NEWPORT RESERVOIRS-CONST.	-	-	10,000	(10,000)	0.00%
32	7913-105L-1 SLURRY SEAL ASPHALT AROUND ANDRES & NEWPORT RESERVOIRS-LABOR	-	-	1,000	(1,000)	0.00%
33	7913-106C-1 CATHODIC PROTECTION - PIPELINES-CONSTRUCTION	-	-	20,000	(20,000)	0.00%
34	7913-106E-1 CATHODIC PROTECTION - PIPELINES-ENGINEERING	-	-	5,000	(5,000)	0.00%
35	7913-106L-1 CATHODIC PROTECTION - PIPELINES-LABOR	-	-	1,000	(1,000)	0.00%
36	7913-201C-1 MCPHERSON OFFICE/YARD IMPROVEMENTS-CONSTRUCTION	-	-	10,000	(10,000)	0.00%
37	7913-201L-1 MCPHERSON OFFICE/YARD IMPROVEMENTS-LABOR	-	-	3,000	(3,000)	0.00%
38	7913-202C-1 11.5 MG RESERVOIR CATHODIC PROTECTION SYSTEM-CONSTRUCTION	-	-	25,000	(25,000)	0.00%
39	7913-202E-1 11.5 MG RESERVOIR CATHODIC PROTECTION SYSTEM-ENGINEERING	-	-	10,000	(10,000)	0.00%
40	7913-202L-1 11.5 MG RESERVOIR CATHODIC PROTECTION SYSTEM-LABOR	-	-	1,000	(1,000)	0.00%
41	7913-203C-1 USED VEHICLE TO SUPPLEMENT FLEET	-	-	15,000	(15,000)	0.00%
42	7913-204C-1 MOBILE ENGINE DRIVEN PUMP- CONST.	-	1,638	-	1,638	0.00%
43	7914-101E-1 NEW PROJECT - 6 MG TREATMENT PLANT FEASIBILITY STUDY-ENGINEERING	4,380	21,506	250,000	(228,494)	8.60%
44	7914-101L-1 NEW PROJECT - 6 MG TREATMENT PLANT -LABOR	-	-	5,000	(5,000)	0.00%
45	7914-102C-1 VULNERABILITY UPGRADES-ANDRES RESERVOIR-CONSTRUCTION	-	-	9,000	(9,000)	0.00%
46	7914-102E-1 VULNERABILITY UPGRADES-ANDRES RESERVOIR-ENGINEERING	-	-	5,000	(5,000)	0.00%
47	7914-102L-1 VULNERABILITY UPGRADES-ANDRES RESERVOIR-LABOR	-	-	1,000	(1,000)	0.00%
48	7914-103C-1 VALVE REPLACEMENTS (12" - 27")-CONSTRUCTION	-	-	12,000	(12,000)	0.00%
49	7914-103E-1 VALVE REPLACEMENTS (12" - 27")-ENGINEERING	-	-	5,000	(5,000)	0.00%
50	7914-103L-1 VALVE REPLACEMENTS (12" - 27")-LABOR	-	-	6,000	(6,000)	0.00%
51	7914-201C-2 REPLACE BACKHOE	-	-	25,000	(25,000)	0.00%
52	7914-xx1C-1 NEW PROJECT- CONTSTRUCTION - NEWPORT RESERVOIR MIXING SYSTEM	-	-	25,000	(25,000)	0.00%
53	7914-xx2C-1 NEW PROJECT- CONSTRUCTION - ISOLATION VALVES - 11.5 & 1 MG	-	-	30,000	(30,000)	0.00%
54	7914-xx1E-1 NEW PROJECT- ENGINEERING - NEWPORT RESERVOIR MIXING SYSTEM	-	-	5,000	(5,000)	0.00%
55	7914-xx2E-1 NEW PROJECT- ENGINEERING - ISOLATION VALVES - 11.5 & 1 MG RESERVOIRS	-	-	5,000	(5,000)	0.00%
56	7914-xx1L-1 NEW PROJECT- LABOR - NEWPORT RESERVOIR MIXING SYSTEM	-	-	1,000	(1,000)	0.00%
57	7914-xx2L-1 NEW PROJECT- LABOR- ISOLATION VALVES - 11.5 & 1 MG	-	-	6,000	(6,000)	0.00%
58	Total EXPENSES:	4,760	135,440	913,000	(777,560)	
59	NET INCOME FROM OPERATIONS:	(1,428)	(81,105)	(14,000)	(67,105)	
60	NET INCOME (LOSS)	(1,428)	(81,105)	(14,000)	(67,105)	

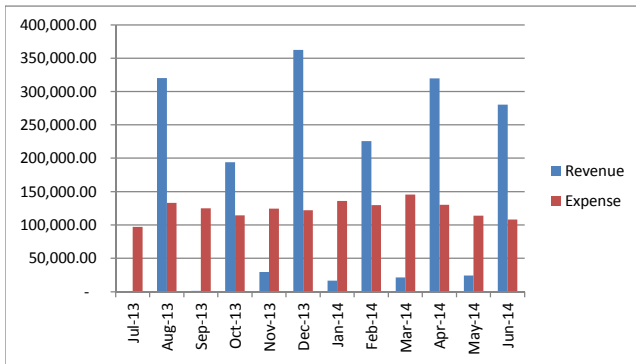
# Retail Zone Financial Summary

For Period Ending June 30, 2014

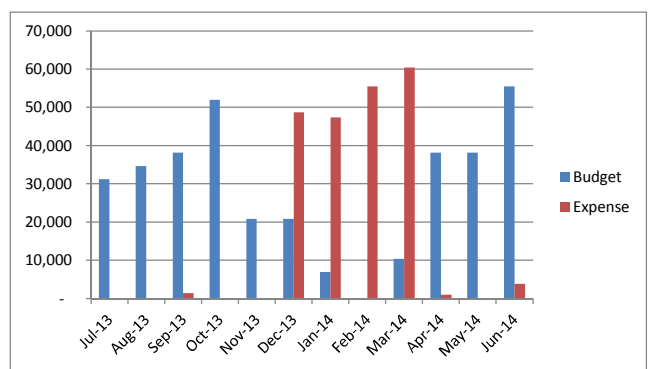
YTD Operating Income \$ 1,795,629

YTD Operating Expense \$ 1,479,217

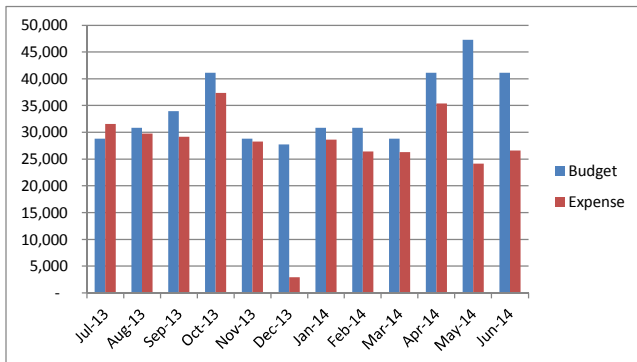
Revenue vs Expenses



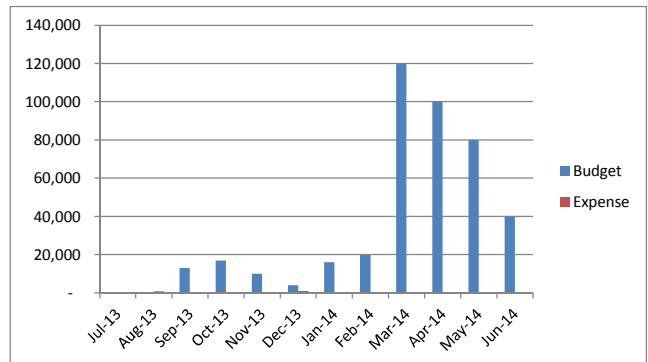
Water Purchased Budget vs. Actual



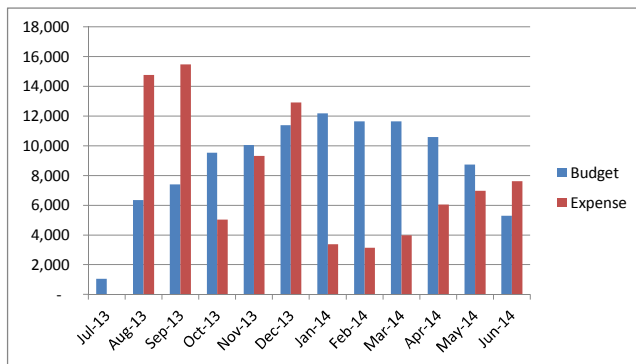
Salaries & Benefits Budget vs. Actual



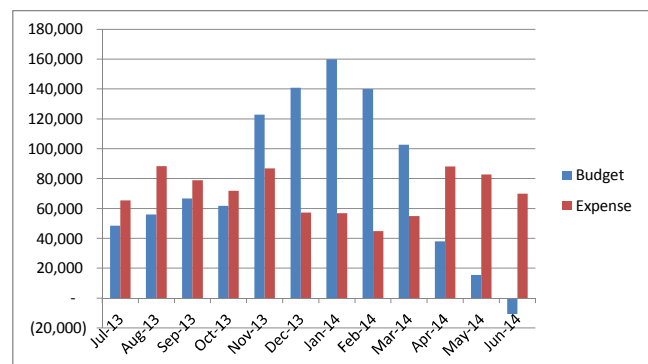
CIP Budget vs. Actual



Electrical Budget vs. Actual



O&M Budget vs. Actual



## RETAIL ZONE

EAST ORANGE COUNTY WATER DISTRICT  
2013-2014 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MONTH: JUNE 2014

REVENUE		MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
DESCRIPTION						
1	OPERATING REVENUE:					
2	WATER SALES	217,989	1,073,378	1,095,925	(22,546)	97.94%
3	METER CHARGE	59,748	350,167	364,000	(13,833)	96.20%
4	OTHER CHARGES	(75)	16,490	5,200	11,290	317.11%
5	TOTAL OPERATING REVENUE:	277,662	1,440,035	1,465,125	(25,089)	98.29%
6	NON-OPERATING REVENUES (EXPENSES):					
7	PROPERTY TAXES	1,071	354,556	361,200	(6,644)	98.16%
8	INTEREST & INVESTMENT EARNINGS	-	1,060	440	620	240.98%
9	MISCELLANEOUS INCOME	-	1	500	(499)	0.12%
10	MARKET VALUE ADJUSTMENT ON INVESTMENTS	(23)	(23)	-	(23)	0.00%
11	DISPOSAL OF ASSET GAIN (LOSS)	-	-	-	-	0.00%
12	TOTAL NON-OPERATING REVENUES, NET	1,048	355,594	362,140	(6,546)	
13	NET OPERATING INCOME	278,710	1,795,629	1,827,265	(31,635)	

EXPENSES		MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
DESCRIPTION						
14	OPERATING EXPENSE:					
15	SOURCE OF SUPPLY	32,336	447,016	540,496	(93,480)	82.70%
16	MET/MWDOC FIXED CHARGE	846	10,156	10,156	0	100.00%
17	WZ FIXED CHARGE	1,242	14,907	15,000	(93)	99.38%
18	PIPELINE CAPACITY LEASE	3,572	37,781	44,000	(6,219)	85.87%
19	ENERGY	10,017	85,901	101,750	(15,849)	84.42%
20	OPERATIONS & MAINTENANCE	27,086	429,703	590,095	(160,392)	72.82%
21	GENERAL & ADMINISTRATIVE	10,696	159,652	229,765	(70,113)	69.48%
22	TRANSFER TO CAPITAL PROJECTS EXPENSE	14,508	174,100	174,100	(0)	100.00%
23	RETAIL OPERATIONS CONTINGENCY FUND	5,833	70,000	70,000	(0)	100.00%
24	FUNDED TO/BY RESERVE	4,167	50,000	50,000	0	100.00%
25	DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
26	TOTAL OPERATING EXPENSE	110,305	1,479,217	1,825,362	(346,145)	
27	NET INCOME FROM OPERATIONS	168,405	316,412	1,903	314,510	
28	PRIOR YEARS INCOME (EXPENSES)	-	(202)	(1,903)	1,701	
29	NET INCOME (LOSS)	168,405	316,614	-	316,210	

## Retail Zone

### June 2014 Variance Report - 100% of Budget Year Expended

Account Number	Account Name	Income(I) Expense (E)	YTD Amount	Percent Received/ Spent	Comments
<b>New</b>					
4112-0002-2	LATE CHARGE	I	12,117	134.63%	Late charges are negative due to adjustment of customer accounts
5330-0002-2	EAST WELL MAINTENANCE	E	874	26.88%	The current month is negative due to a refund for parts purchased in April and May
<b>Ongoing</b>					
4112-0002-2	LATE CHARGE	I	12,117	134.63%	Late charges are higher than expected
4115-0002-2	RETURNED CHECK CHARGE	I	1,092	218.38%	Returned checks are higher than expected
4116-0002-2	TURN OFF CHARGE	I	1,281	182.99%	Turn off charges are higher than expected
4915-0002-2	INTEREST INCOME-MM	I	470	1175.93%	More interest received than expected
4917-0002-2	INTEREST-LAIF-OP	I	590	589.92%	More LAIF Interest received than expected
5313-0002-2	SMALL TOOLS	E	3,484	113.29%	Small tools are higher than budgeted currently but are not planned to go
5324-0002-2	REGULATORY PERMITS	E	5,549	221.96%	Fees for the SWRCB were not budgeted
5339-0002-2	OPERATIONS REPORTING SOFTWARE	E	17,394	108.71%	There was one time Sedaru set up, configuration, training, and implementation costs
5365-0002-2	EQUIPMENT RENTAL	E	14,174	7086.83%	Unplanned generator rental
5480-0070-2	PAYROLL TAXES- SUI & ETT	E	1,067	106.68%	Payroll taxes are higher than expected
5480-0072-2	HEALTH & ACCIDENT INSURANCE	E	65,436	109.06%	An Employee was added to health insurance in January
5610-0009-2	MCPHERSON FAX	E	297	145.09%	Underbudgeted
5610-0015-2	MCPHERSON OFFICE PHONES	E	2,258	141.11%	Underbudgeted
5610-0019-2	CELLPHONES	E	1,845	119.06%	Unplanned expense for field worker I-Pad data
5618-0037-2	DUES- ISDOC/URBAN WTR	E	1,001	111.28%	Dues were higher than expected
5638-0002-2	BANK CHARGES	E	6,728	168.19%	Bank charges are higher than expected
5641-0002-2	TAX COLLECTION FEES	E	5,150	128.76%	Unplanned property tax collection costs
5644-0003-2	ACCOUNTING- SERRANO	E	25,437	108.24%	Unplanned accounting consultant expenses
5650-0051-2	INSURANCE-PROPERTY	E	2,252	134.45%	Insurance was higher than expected
5650-0052-2	INSURANCE-EMP. FIDELITY BOND	E	189	126.14%	Underbudgeted

	ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
	REVENUE						
1	4110-0002-2	WATER SALES	217,989	1,073,378	1,095,925	(22,546)	97.94%
2	4111-0002-2	METER CHARGE	59,748	350,167	364,000	(13,833)	96.20%
3	4112-0002-2	LATE CHARGE	(135)	12,117	9,000	3,117	134.63%
4	4115-0002-2	RETURNED CHECK CHARGE	60	1,092	500	592	218.38%
5	4116-0002-2	TURN OFF CHARGE	-	1,281	700	581	182.99%
6	4117-0002-2	OTHER CHARGES	-	2,000	-	2,000	0.00%
7	4118-0002-2	UNCOLLECTIBLE ACCOUNTS	-	-	(5,000)	5,000	0.00%
8	4121-0002-2	TURN ON NEW SERVICE	-	-	-	-	0.00%
9	4160-0065-2	REFUNDS	-	-	-	-	0.00%
10	4166-0002-2	SERVICE UPGRADE FEE	-	-	-	-	0.00%
11		Total OPERATING REVENUE:	277,662	1,440,035	1,465,125	(25,089)	
12	4915-0002-2	INTEREST INCOME-MM	-	470	40	430	1175.93%
13	4916-0002-2	INTEREST-MORGAN STANLEY-OP	-	-	-	-	0.00%
14	4917-0002-2	INTEREST-LAIF-OP	-	590	100	490	589.92%
15	4918-0002-2	INTEREST- US TREASURY BOND	-	-	200	(200)	0.00%
16	4922-0002-2	INTEREST INCOME-CTY OF ORANGE	-	-	100	(100)	0.00%
17	4930-0030-2	TAXES SECURED	580	329,538	315,000	14,538	104.62%
18	4930-0031-2	TAXES UNSECURED	-	11,869	13,000	(1,131)	91.30%
19	4930-0032-2	TAXES SUPPLEMENTAL ROLL	412	6,132	2,200	3,932	278.73%
20	4930-0040-2	TAXES PRIOR YEARS	79	4,105	8,000	(3,895)	51.31%
21	4930-0052-2	TAXES HOMEOWNER'S SUBVENTION	-	-	3,000	(3,000)	0.00%
22	4930-0054-2	TAXES PUBLIC UTILITY	-	-	5,000	(5,000)	0.00%
23	4930-0055-2	TAXES TUSTIN RDA	-	2,912	20,000	(17,088)	14.56%
24	4930-0056-2	TAXES MISC	-	-	-	-	0.00%
25	4930-0057-2	TAXES ACCRUED	-	-	(5,000)	5,000	0.00%
26	4930-0058-2	STATE TAXES CONFISCATED	-	-	-	-	0.00%
27	4930-0059-2	PROCEEDS IN-LIEU TAXES	-	-	-	-	0.00%
28	4990-0002-2	MISCELLANEOUS INCOME	-	1	500	(499)	0.12%
29		Total NON OPERATING INCOME:	1,071	355,617	362,140	(6,523)	
30		Total OPERATING REVENUE	278,733	1,795,652	1,827,265	(31,612)	
31		NET OPERATING INCOME:	278,733	1,795,652	1,827,265	(31,612)	

**EXPENSES**

32	5130-0070-2	WATER PURCHASED	3,875	218,512	346,596	(128,084)	63.05%
33	5139-0002-2	WATER PURCHASED IN-LIEU	-	-	-	-	0.00%
34	5141-0002-2	WATER PURCHASED IN LIEU CREDIT	-	-	-	-	0.00%
35	5146-0002-2	OCWD- REPLENISH ASSESSMENT	28,461	228,504	193,900	34,604	117.85%
36	5161-0002-2	MET-MWDOC READINESS TO SERVE	2,643	27,856	27,500	356	101.30%
37	5163-0002-2	MET-MWDOC CAPACITY FEES	929	9,925	16,500	(6,575)	60.15%
38	5164-0002-2	MWDOC RETAIL SERVICE CONNECT	846	10,156	10,156	0	100.00%
39	5165-0010-2	EOCWD WR READINESS TO SERVE	247	2,962	3,000	(38)	98.75%
40	5165-0020-2	EOCWD WR RESERVE FUND CHARGE	995	11,945	12,000	(55)	99.54%
41	5206-0002-2	UTILITY STOLLER RESERVOIR	7,560	41,065	45,000	(3,935)	91.25%
42	5212-0002-2	UTILITY VISTA PANORAMA BOOSTER	321	5,042	6,750	(1,708)	74.70%
43	5216-0002-2	ULILITIES- WELLS- EAST/WEST	2,136	39,794	50,000	(10,206)	79.59%
44	5313-0002-2	SMALL TOOLS	462	3,484	3,075	409	113.29%
45	5320-0002-2	GASOLINE, OIL & DIES-RZ	-	-	-	-	0.00%
46	5320-0022-2	GASOLINE, OIL & DIESEL FUEL	558	6,742	9,020	(2,278)	74.75%
47	5324-0002-2	REGULATORY PERMITS	208	5,549	2,500	3,049	221.96%
48	5326-0002-2	NPDS PERMIT	-	-	-	-	0.00%
49	5327-0002-2	PROF SERV WATER QUAL. CONTROL	405	5,847	20,000	(14,153)	29.24%
50	5328-0002-2	CHLORINE GENERATOR/SALT PURCH	-	884	2,700	(1,816)	32.75%
51	5329-0002-2	WEST WELL MAINTENANCE	212	739	3,250	(2,511)	22.73%
52	5330-0002-2	EAST WELL MAINTENANCE	(5,780)	874	3,250	(2,376)	26.88%
53	5331-0002-2	STOLLER RESERVOIR/BOOSTER R&M	13	728	6,000	(5,272)	12.13%
54	5332-0002-2	VISTA PANORAMA BOOSTER R&M	-	279	4,200	(3,921)	6.65%
55	5333-0002-2	R&M VISTA PANORAMA RESERVOIR	-	199	5,300	(5,101)	3.75%
56	5334-0002-2	CHLORINE GENERATOR	255	342	3,000	(2,658)	11.41%

## EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL  
MONTH: JUNE 2014

	ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
57	5338-0002-2	SCADA REPAIR/UPGRADE	-	463	2,100	(1,637)	22.06%
58	5339-0002-2	OPERATIONS REPORTING SOFTWARE	709	17,394	16,000	1,394	108.71%
59	5342-0002-2	HYDRANT REPAIR & REPLACEMENTS	-	1,067	16,100	(15,033)	6.63%
60	5343-0002-2	METER PURCHASE REPAIR	208	8,474	9,200	(726)	92.11%
61	5345-0002-2	PRV- R & M	-	1,345	2,000	(655)	67.26%
62	5350-0035-2	R/M- MAINS	272	3,875	23,000	(19,125)	16.85%
63	5350-0039-2	DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
64	5350-0041-2	SERVICE LATERALS R&M	716	19,792	20,000	(208)	98.96%
65	5350-0051-2	RESERVOIRS R&M	11	759	2,000	(1,241)	37.95%
66	5350-0052-2	R/M- VAULTS	11	46	1,500	(1,454)	42.54%
67	5350-0402-2	R/M- CATHODIC PROTECTION	672	5,531	13,000	(7,469)	42.54%
68	5358-0002-2	METER TESTING	578	788	1,000	(213)	78.75%
69	5365-0002-2	EQUIPMENT RENTAL	945	14,174	200	13,974	7086.83%
70	5370-0070-2	BACKHOE R&M	-	63	3,500	(3,437)	1.79%
71	5370-0071-2	VEHICLES R&M	-	2,015	3,100	(1,085)	65.01%
72	5370-0080-2	BUILDING/GROUNDS R&M	49	1,808	4,000	(2,192)	45.20%
73	5467-0002-2	WAGES	16,954	203,894	255,000	(51,106)	79.96%
74	5469-0069-2	PAYROLL TAXES- FICA & MEDICARE	1,371	16,546	22,000	(5,454)	75.21%
75	5469-0083-2	RETIREMENT- PERS	2,213	26,042	51,100	(25,058)	50.96%
76	5480-0070-2	PAYROLL TAXES- SUI & ETT	26	1,067	1,000	67	106.68%
77	5480-0072-2	HEALTH & ACCIDENT INSURANCE	4,800	65,436	60,000	5,436	109.06%
78	5480-0075-2	DENTAL INSURANCE	384	4,983	5,000	(17)	99.67%
79	5480-0076-2	VISION INSURANCE	-	885	1,200	(315)	73.74%
80	5480-0080-2	LIFE INSURANCE	61	683	800	(117)	85.36%
81	5480-0082-2	WORKER'S COMP INSURANCE	672	5,531	13,000	(7,469)	42.54%
82	5486-0002-2	UNIFORMS	100	1,377	2,000	(623)	68.84%
83	5607-0002-2	DISTRICT WEBSITE	1,000	2,011	3,000	(989)	67.04%
84	5610-0009-2	MCPHERSON FAX	27	297	205	92	145.09%
85	5610-0010-2	MCPHERSON INTERNET	53	605	525	80	115.31%
86	5610-0015-2	MCPHERSON OFFICE PHONES	179	2,258	1,600	658	141.11%
87	5610-0016-2	ANSWERING SERVICE	14	209	250	(41)	83.70%
88	5610-0017-2	PHONE CIRCUITS TO CTRL EQUIP	209	2,598	3,000	(402)	86.60%
89	5610-0019-2	CELLPHONES	170	1,845	1,550	295	119.06%
90	5610-0020-2	UNDERGROUND SERVICE ALERT	55	387	400	(13)	96.75%
91	5611-0002-2	TRAINING/SCHOOLS	354	738	2,000	(1,262)	36.91%
92	5613-0002-2	CONSERVATION EDUCATION	-	637	4,000	(3,363)	15.92%
93	5614-0002-2	TRAVEL-CONF/SEMINARS	-	2,266	5,000	(2,734)	45.33%
94	5616-0002-2	MILEAGE	213	664	500	164	132.82%
95	5618-0029-2	DUES & MEMBERSHIPS- ACWA	-	1,535	3,500	(1,965)	43.85%
96	5618-0030-2	DUES & MEMBERSHIPS- OCWA	-	25	75	(50)	33.33%
97	5618-0031-2	DUES & MEMBERSHIPS- AWWA	-	207	275	(69)	75.09%
98	5618-0032-2	DUES & MEMBERSHIP- FCA	-	10	10	(0)	97.56%
99	5618-0033-2	DUES & MEMBERSHIP-CSDA	-	2,095	3,500	(1,405)	59.85%
100	5618-0037-2	DUES- ISDOC/URBAN WTR	20	1,001	900	101	111.28%
101	5619-0002-2	MISCELLANEOUS EXP	-	16	500	(484)	3.16%
102	5620-0021-2	DIRECTOR- R. BARRETT	-	700	2,500	(1,800)	28.00%
103	5620-0022-2	DIRECTOR- W. VANDERWERFF	463	5,413	6,000	(588)	90.21%
104	5620-0023-2	DIRECTOR- D. CHAPMAN	-	-	-	-	0.00%
105	5620-0024-2	DIRECTOR- J. DULEBOHN	88	1,725	3,600	(1,875)	47.92%
106	5620-0026-2	DIRECTOR- R. BELL	213	2,725	3,600	(875)	75.69%
107	5620-0027-1	DIRECTOR- D. DAVERT	-	-	-	-	0.00%
108	5620-0028-2	DIRECTOR- W. EVERETT	88	263	-	263	0.00%
109	5621-0002-2	BOARD MEETING EXPENSE	109	967	1,000	(33)	96.68%
110	5632-0002-2	POSTAGE	21	3,781	6,000	(2,219)	63.02%
111	5633-0002-2	OFFICE SUPPLY/FURN/SMALL EQUIP	236	3,355	6,500	(3,145)	51.62%
112	5634-0002-2	PUBLICATIONS & LEGAL NOTICES	462	3,839	7,550	(3,711)	50.85%
113	5635-0002-2	COPIER CONTRACT	37	254	550	(296)	46.18%
114	5636-0002-2	VERSATERM CONTRACT (RZ BILLS)	-	2,269	3,000	(731)	75.62%
115	5638-0002-2	BANK CHARGES	772	6,728	4,000	2,728	168.19%
116	5639-0002-2	OUTSIDE SERVICES	331	5,090	6,000	(910)	84.83%
117	5640-0002-2	AUDITING	1,880	5,922	8,200	(2,278)	72.22%
118	5641-0002-2	TAX COLLECTION FEES	6	5,150	4,000	1,150	128.76%
119	5642-0002-2	COMPUTER BILLING (RZ BILLS)	375	4,582	7,000	(2,418)	65.45%
120	5644-0002-2	TREASURER	-	3,805	10,250	(6,445)	37.12%
121	5644-0003-2	ACCOUNTING- SERRANO	889	25,437	23,500	1,937	108.24%
122	5645-0002-2	LEGAL	919	18,986	20,000	(1,014)	94.93%

	ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
123	5646-0002-2	COMPUTER CONSULTING	633	1,828	10,000	(8,172)	18.28%
124	5647-0002-2	ENGINEERING-RZ	177	22,295	45,000	(22,705)	49.54%
125	5648-0002-2	LAFCO	-	2,448	5,000	(2,552)	48.96%
126	5650-0050-2	INSURANCE-AUTO & GEN LIABILITY	611	7,175	7,500	(325)	95.66%
127	5650-0051-2	INSURANCE-PROPERTY	77	2,252	1,675	577	134.45%
128	5650-0052-2	INSURANCE-EMP. FIDELITY BOND	16	189	150	39	126.14%
129	5670-0072-2	OFFICE EQUIPMENT R&M	-	33	300	(267)	11.14%
130	5680-0083-2	UTILITIES-DUMPSTER	-	385	1,000	(615)	38.52%
131	5680-0084-2	UTILITIES- THE GAS CO.- OFFICE	-	-	-	-	0.00%
132	5680-0085-2	UTILITIES- OFFICE- ELECT & WTR	2	2,652	4,100	(1,448)	64.68%
133	5686-0002-2	SECURITY	-	-	1,000	(1,000)	0.00%
134	5689-0002-2	ELECTION EXPENSE	-	-	-	-	0.00%
135	5912-0002-2	INTEREST EXPENSE DWR	-	-	-	-	0.00%
136	8900-0002-2	DISPOSAL OF ASSET GAIN (LOSS)	-	-	-	-	0.00%
137	8910-0002-2	DEPRECIATION EXP.	-	-	-	-	0.00%
138	8920-0959-2	PRIOR YEAR ADJUSTMENTS	-	-	-	-	0.00%
139	8960-0002-2	TRANS TO CAPITAL PROJECT AF	-	-	-	-	0.00%
140	8961-0002-2	TRANS TO CAPITAL PROJECTS	14,508	174,100	174,100	(0)	100.00%
141	8975-0002-2	RZ- CONTINGENCY FUND	5,833	70,000	70,000	(0)	100.00%
142	8996-0002-2	FUNDED TO/BY RESERVE-RZ	4,167	50,000	50,000	0	100.00%
143	9011-0002-2	MARKET VALUE ADJUST-INVESTMENT	23	23	-	23	0.00%
144		TOTAL OPERATING EXPENSES:	110,328	1,479,240	1,825,362	(346,122)	
145		NET INCOME FROM OPERATIONS:	168,405	316,412	1,903	314,510	
146	9510-0002-2	PRIOR YEARS INCOME (EXPENSES)	-	(202)	(1,903)	1,701	0.00%
147	9510-0959-2	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	0.00%
148		Total OTHER INCOME AND EXPENSES	-	(202)	(1,903)	1,701	
149		NET INCOME (LOSS)	168,405	316,614	-	316,210	

## RETAIL ZONE CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT  
2013-2014 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MONTH: JUNE 2014

REVENUE		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		ACTUAL	ACTUAL	2013-14	OVER	OF BUDGET
		REVENUE	REVENUE	BUDGET	(UNDER)	EXPENDED
1	FUNDS PROVIDED BY RESERVE	-	-	213,650	(213,650)	0.00%
2	CAPITAL PROJECTS REVENUE					
3	CAPITAL PROJECTS FEES	47,761	280,235	288,000	(7,765)	97.30%
4	CONNECTION FEES	-	1,001	-	1,001	0.00%
5	INTEREST EARNINGS	-	4	-	4	0.00%
6	TRANSFER FROM OPERATING EXPENSES	14,508	174,100	174,100	(0)	100.00%
7	FUNDS BORROWED FROM WHOLESALE ZONE	-	-	-	-	0.00%
8	REIMBURSEMENT- RZ BILL RATE STUDY	-	-	-	-	0.00%
9	NET OPERATING INCOME	62,270	455,339	675,750	(220,411)	
EXPENSES		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		EXPENSES	EXPENSES	2013-14	OVER	OF BUDGET
				BUDGET	(UNDER)	EXPENDED
10	CAPITAL PROJECTS EXPENSES					
11	RZ CAPITALIZED ACCOUNTING COST	-	-	5,000	5,000	0.00%
12	BETTERMENT & REPLACEMENT PLAN	-	1,000	70,500	69,500	1.42%
13	MCPHERSON OFFICE/YARD IMPROVE-	-	-	15,000	15,000	0.00%
14	CATHODIC PROTECTIONS-	-	-	5,500	5,500	0.00%
15	USED VEHICLE TO SUPPLEMENT FLEET	-	-	15,000	15,000	0.00%
16	MOBILE ENGINE DRIVEN PUMP	-	1,638	-	(1,638)	0.00%
17	MCPHERSON HOUSE REMODEL	-	-	-	-	0.00%
18	VIEW RIDGE MODIFICATION-	-	-	-	-	0.00%
19	VP VAULT PIPING/METER UPGRADE-	-	-	27,000	27,000	0.00%
20	VISTA PANORAMA RESERVOIR REPAIR-	-	(720)	85,000	85,720	-0.85%
21	VP PUMP REBUILD-	-	-	5,250	5,250	0.00%
22	VALVE RAISING-CRAWFORD CANYON-	-	-	13,000	13,000	0.00%
23	VALVE REPLACEMENTS- SYSTEM	-	-	20,000	20,000	0.00%
24	ALLOW FOR SYSTEM RELOCATION-	-	-	12,000	12,000	0.00%
25	BACKUP GENERATOR FOR VP BOOSTER-	-	26	-	(26)	0.00%
26	6" MAG METERS @ STOLLER PRVS-	-	-	15,000	15,000	0.00%
27	STOLLER 150HP BOOSTER PUMP -	-	-	37,000	37,000	0.00%
28	REPLACE BACKHOE-	-	-	25,000	25,000	0.00%
29	BACKUP SYSTEM PRV - CIRCULA PANORAMA-	-	-	50,000	50,000	0.00%
30	JOINT WELL - ENGINEERING	-	-	105,000	105,000	0.00%
31	WELL DISINFECTION CONVERSION -	-	-	57,500	57,500	0.00%
32	WEST WELL REHABILITATION -REPLACEMENT-	-	-	72,000	72,000	0.00%
33	CHARMAINE / FOWLER PIPING MODIFICATION -	-	-	26,000	26,000	0.00%
34	SCADA SYSTEM SITE ADDITIONS - VP SIDEHILL AND RZ FIRE PUMP	-	-	15,000	15,000	0.00%
35	TOTAL OPERATING EXPENSE	-	1,944	675,750	673,806	
36	NET INCOME FROM OPERATIONS	62,270	453,395	-	453,395	
37	PRIOR YEARS EXPENSES	-	-	-	-	
38	NET INCOME (LOSS)	62,270	453,395	-	453,395	

## EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL  
MONTH: JUNE 2014

ACCOUNT	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2013-14 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
<b>REVENUE</b>						
1	FUNDED BY RESERVES	-	-	213,650	(213,650)	
2	4109-0002-2 WATER SALES-CAPITAL PROJECTS	47,761	280,235	288,000	(7,765)	97.30%
3	4113-0002-2 CONNECTION FEES	-	1,001	-	1,001	0.00%
4	4915-0959-2 INTEREST INCOME- CHAPMAN AVE	-	-	-	-	0.00%
5	4916-0959-2 INTEREST-MORGAN STANLEY-CAP	-	-	-	-	0.00%
6	4917-0959-2 INTEREST-LAIF-CAP	-	4	-	4	0.00%
7	4918-0959-2 INTEREST US TREASURY BOND	-	-	-	-	0.00%
8	4991-0012-2 REIMBURSEMENT- RZ BILL RATE STUDY	-	-	-	-	0.00%
9	4994-0959-2 TRANSFER IN CAPITAL PROJECTS	14,508	174,100	174,100	(0)	100.00%
10	Total NON OPERATING INCOME:	62,270	455,339	675,750	(220,411)	
11	Total OPERATING REVENUE	62,270	455,339	675,750	(220,411)	
12	NET OPERATING INCOME:	62,270	455,339	675,750	(220,411)	

**EXPENSES**

13	7900-100C-2 RZ CAPITALIZED ACCOUNTING COST	-	-	5,000	(5,000)	0.00%
14	7912-201E-2 BETTERMENT & REPLACEMENT PLAN	-	1,000	70,000	(69,000)	1.43%
15	7912-201L-2 BETTERMENT & REPLACEMENT PLAN	-	-	500	(500)	0.00%
16	7913-201C-2 MCPHERSON OFFICE/YARD IMPROVE-CONST.	-	-	10,000	(10,000)	0.00%
17	7913-201L-2 MCPHERSON OFFICE/YARD IMPROVE-LABOR	-	-	5,000	(5,000)	0.00%
18	7913-202C-2 CATHODIC PROTECTIONS-CONST.	-	-	5,000	(5,000)	0.00%
19	7913-202L-2 CATHODIC PROTECTION-LABOR	-	-	500	(500)	0.00%
20	7913-203C-2 USED VEHICLE TO SUPPLEMENT FLEET	-	-	15,000	(15,000)	0.00%
21	7913-204C-2 MOBILE ENGINE DRIVEN PUMP	-	1,638	-	1,638	0.00%
22	7913-204L-2 MOBILE ENGINE DRIVEN PUMP LABOR	-	-	-	-	0.00%
23	7913-205C-2 MCPHERSON HOUSE REMODEL	-	-	-	-	0.00%
24	7913-501C-2 VIEW RIDGE MODIFICATION-CONST.	-	-	-	-	0.00%
25	7913-503C-2 VP VAULT PIPING/METER UPGRADE-CONST.	-	-	20,000	(20,000)	0.00%
26	7913-503E-2 VP VAULT PIPING/METER UPGRADE-ENG.	-	-	5,000	(5,000)	0.00%
27	7913-503L-2 VP VAULT PIPING/METER UPGRADE-LABOR	-	-	2,000	(2,000)	0.00%
28	7913-504C-2 VISTA PANORAMA RESERVOIR REPAIR-CONST.	-	(720)	65,000	(65,720)	-1.11%
29	7913-504E-2 VISTA PANORAMA RESERVOIR REPAIR-ENG.	-	-	15,000	(15,000)	0.00%
30	7913-504L-2 VISTA PANORAMA RESERVOIR REPAIR-LABOR	-	-	5,000	(5,000)	0.00%
31	7913-505C-2 VP PUMP REBUILD-CONST.	-	-	5,000	(5,000)	0.00%
32	7913-505L-2 VP PUMP REBUILD-LABOR	-	-	250	(250)	0.00%
33	7913-507C-2 VALVE RAISING-CRAWFORD CANYON-CONST.	-	-	12,000	(12,000)	0.00%
34	7913-507E-2 VALVE RAISING-CRAWFORD CANYON-ENG.	-	-	500	(500)	0.00%
35	7913-507L-2 VALVE RAISING-CRAWFORD CANYON-LABOR	-	-	500	(500)	0.00%
36	7913-508C-2 VALVE REPLACEMENTS- SYSTEM CONST.	-	-	15,000	(15,000)	0.00%
37	7913-508L-2 VALVE REPLACEMENTS- SYSTEM LABOR	-	-	5,000	(5,000)	0.00%
38	7913-509C-2 ALLOW FOR SYSTEM RELOCATION-CONST.	-	-	10,000	(10,000)	0.00%
39	7913-509E-2 ALLOW FOR SYSTEM RELOCATION-ENG.	-	-	2,000	(2,000)	0.00%
40	7913-510C-2 BACKUP GENERATOR FOR VP BOOSTER-CONST.	-	26	-	26	0.00%
41	7913-510L-2 BACKUP GENERATOR FOR VP BOOSTER-LABOR	-	-	-	-	0.00%
42	7913-511C-2 6" MAG METERS @ STOLLER PRVS-CONST.	-	-	10,000	(10,000)	0.00%
43	7913-511L-2 6" MAG METERS @ STOLLER PRVS-LABOR	-	-	5,000	(5,000)	0.00%
44	7913-512C-2 STOLLER 150HP BOOSTER PUMP - CONSTRUCTION	-	-	35,000	(35,000)	0.00%
45	7913-512E-2 STOLLER 150HP BOOSTER PUMP - ENGINEERING	-	-	1,000	(1,000)	0.00%

## EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL  
MONTH: JUNE 2014

		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
		ACTUAL	ACTUAL	2013-14 BUDGET	OVER (UNDER)	OF BUDGET EXPENDED
ACCOUNT	DESCRIPTION					
46	7913-512L-2 STOLLER 150HP BOOSTER - LABOR	-	-	1,000	(1,000)	0.00%
47	7914-201C-2 REPLACE BACKHOE-CONSTRUCTION	-	-	25,000	(25,000)	0.00%
48	7914-503C-2 BACKUP SYSTEM PRV - CIRCULA PANORAMA-CONSTRUCTION	-	-	30,000	(30,000)	0.00%
49	7914-503E-2 BACKUP SYSTEM PRV - CIRCULA PANORAMA-ENGINEERING	-	-	10,000	(10,000)	0.00%
50	7914-503L-2 BACKUP SYSTEM PRV - CIRCULA PANORAMA-LABOR	-	-	10,000	(10,000)	0.00%
51	7914-507E-2 JOINT WELL - ENGINEERING	-	-	100,000	(100,000)	0.00%
52	7914-507L-2 JOINT WELL - LABOR	-	-	5,000	(5,000)	0.00%
53	7914-508C-2 WELL DISINFECTION CONVERSION -CONST/EQUIP	-	-	45,000	(45,000)	0.00%
54	7914-508E-2 WELL DISINFECTION CONVERSION-ENGINEERING	-	-	10,000	(10,000)	0.00%
55	7914-508L-2 WELL DISINFECTION CONVERSION - LABOR	-	-	2,500	(2,500)	0.00%
56	7914-509C-2 WEST WELL REHABILITATION -REPLACEMENT-CONSTRUCTION	-	-	70,000	(70,000)	0.00%
57	7914-509L-2 WEST WELL REHABILITATION -REPLACEMENT-LABOR	-	-	2,000	(2,000)	0.00%
58	7914-515C-2 CHARMAINE / FOWLER PIPING MODIFICATION - CONST	-	-	5,000	(5,000)	0.00%
59	7914-515E-2 CHARMAINE / FOWLER PIPING MODIFICATION - ENG	-	-	2,000	(2,000)	0.00%
60	7914-515L-2 CHARMAINE / FOWLER PIPING MODIFICATION - LABOR	-	-	7,000	(7,000)	0.00%
61	7912-201C-2 MCPHERSON OFFICE/YARD IMPROVEMENTS	-	-	10,000	(10,000)	0.00%
62	7913-509L-2 ALLOW FOR SYSTEM RELOCATION-LABOR.	-	-	2,000	(2,000)	0.00%
63	7914-540E-2 SCADA SYSTEM SITE ADDITIONS - VP SIDEHILL AND RZ FIRE PUMP	-	-	15,000	(15,000)	0.00%
64	TOTAL OPERATING EXPENSES:	-	1,944	675,750	(673,806)	
65	Net Income (Loss):	62,270	453,395	-	453,395	



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: REVISIONS TO RETAIL ZONE RATE SHEET**  
**DATE: AUGUST 21, 2014**

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## **BACKGROUND**

At the July 17<sup>th</sup> Meeting, the Board considered and approved certain non-substantive changes to the Retail Zone Rate Sheet. During review of this item, President VanderWerff and Director Bell requested that staff investigate why the Construction Water Rate (both the per CCF rates and the monthly charge) were less than those charged to our ratepayers.

Staff reviewed this issue with legal counsel and determined that certain fees, such as construction water fees, are considered miscellaneous charges (late fees, returned check fees, service restoration fees, etc.), and are not subject to Proposition 218. Construction water fees also fall into this category because they don't fit the criteria for "property-related charges for water delivery" characterized in the *Bighorn-Desert View Water Agency v. Beringson* (Bighorn) Supreme Court decision, because this water is drawn from a hydrant and is not "delivered" to the property.

Based upon this legal opinion, staff recommended to the Operations Committee at their August 12<sup>th</sup> meeting that the Construction Water Rate be set at \$2.67 per CCF, and the monthly charge be set equal to the monthly charge for a 3" meter connection (hydrant meters are 3" meters); the Committee concurred. The revised rates are shown on the attached revised Retail Zone Rate Sheet.

## **RECOMMENDATION**

The Board approve revisions to the Retail Zone Rate Sheet as presented.

RESOLUTION NO. \_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EAST ORANGE COUNTY WATER DISTRICT ADOPTING CHANGES  
TO NON-WATER DELIVERY CHARGES FOR RETAIL SERVICE

WHEREAS, the Board of Directors of East Orange County Water District (EOCWD) has duly considered the cost to EOCWD of providing non-water delivery services within the Retail Zone of EOCWD, including establishment of water services and other processing fees and charges; 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, charges relating to establishment of service and other processing fees and charges are not property-related fees or charges governed by Article XIID of the Constitution of the State of California; and

WHEREAS, the Board of Directors has considered the new and increased charges relating to establishment of service and other processing fees and charges;

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

Section 1. It is hereby found and determined that the 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 establishment of water service and other processing fees and charges as amended hereby are non-delivery charges that recover the actual cost of the services for which the fees and charges are imposed.

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 a non-delivery service.

Section 4. The following amended rate(s), fee(s) or charge(s) 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 21<sup>st</sup> day of August, 2014.

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

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

Exhibit A

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

(Inclusive of Changes Effective August 16, 2013)

Domestic Delivered Water Rate, per 100 cubic feet (CCF) (748 gallons)	2.67
Monthly Meter Charge:	
518" Meter	18.10
3/4" Meter	20.50
1" Meter	34.25
1-1/2" Meter	52.00
2" Meter	90.75
3" Meter	128.75
Monthly Fee for Existing Water System Capital Projects	20.00
Construction Water, per CCF (748 gallons)	2.3567
Flat Rate per month for 3" Construction Meter	40.00\$128.75
Refundable Construction Meter Deposit	1,000.00
Service Establishment:	
Deposit	two times average bill for previous 24 months at service address
Meter Test Deposit	75.00
Meter Downsizing Request Processing Fee	25.00
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
Electronic Funds Transfer (EFT) or Credit Card	1%
Fee for Notification of Tenants of Lessor Delinquent Charges	25.00
Fee for Notice of Planned Shutoff	actual personnel hourly rate plus overhead cost
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 to main; extra charge for additional length or non-standard site conditions, based on cost)	2500.00
Dishonored Check or EFT or Credit Card 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

STATE OF CALIFORNIA    )  
  ) ss.  
COUNTY OF ORANGE    )

I, JOAN C. ARNESON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. \_\_\_\_ was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on August 21, 2014, and that it was so adopted by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

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

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: REQUEST TO INCREASE CREDIT CARD LIMIT**  
**DATE: AUGUST 21, 2014**

---

## **BACKGROUND**

For bookkeeping and accounting efficiency and cost-effectiveness reasons, the District maintains credit cards for three services:

1. General (Visa) credit card through California Bank & Trust (\$5,000 limit)
2. Gasoline credit card through SC Fuels (\$1,500 limit)
3. Miscellaneous equipment & supplied credit card with Home Depot (\$5,000 limit)

Over the past several years, it has not been uncommon for the limit on the CB&T Visa to reach its limit within two weeks of paying the balance due; this is generally due to the fact that many District supplies can be purchased with a credit card quicker and with less paperwork than with purchase orders. However, when we reach the limit on the credit card, it usually has coincided with the immediate need to purchase something, and then staff must prepare a check, locate Board Members available to sign it, and take it to them to sign – this nullifies any efficiencies and advantages to having the credit card.

We reviewed a request to raise the limit on the CB&T Visa to \$10,000 with the Finance Committee, noting that the balance is always paid off and no interest or late charge fees are every incurred. The Committee supports the recommendation.

## **RECOMMENDATION**

The Board approve raising the credit limit on the California Bank & Trust Visa Card to \$10,000.

# MEMO

**TO:** BOARD OF DIRECTORS  
**FROM:** GENERAL MANAGER  
**SUBJECT:** CONFLICT OF INTEREST POLICY – REQUEST BY THE ORANGE COUNTY  
CLERK OF THE BOARD FOR ELECTRONIC FILING  
**DATE:** AUGUST 21, 2014

---

## **BACKGROUND**

The Political Reform Act requires every public agency to review its Conflict of Interest Code (COI) biennially and to notify the code reviewing body – the Clerk of the Board of Supervisor - if their current code is accurate, or alternatively, that their code must be amended. We have been notified by the Clerk of the Board of Supervisors (our code reviewing body), that we must complete this review by October 31, 2014. The District last reviewed and amended our COI on January 17, 2013 (see attached Resolution No. 718).

The COI applies to an agency's Designated Employees and Consultants and requires them to file certain financial interest disclosures. District Secretary/Counsel Arneson has reviewed the District's Conflict of Interest Code and confirmed that the COI conforms to the requirements of the Political Reform Act and the Fair Political Practices Commission regulations.

Staff recommends that the Board determine no changes are necessary and direct the Secretary to file the appropriate form(s) with the Clerk of the Board of Supervisors.

## **RECOMMENDATION**

The Board determine that no revisions to the District's Conflict of Interest Code are necessary and that the Secretary be directed to file the Code Review Form with the Clerk of the Board of Supervisors.

RESOLUTION NO. 718

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EAST ORANGE COUNTY WATER DISTRICT ADOPTING  
A CONFLICT OF INTEREST CODE WHICH SUPERSEDES  
ALL PRIOR CONFLICT OF INTEREST CODES AND  
AMENDMENTS PREVIOUSLY ADOPTED**

WHEREAS, the Political Reform Act of 1974, Government Code Section 81000 *et seq.* (the "Act"), requires a local government agency to adopt a Conflict of Interest Code pursuant to the Act; and

WHEREAS, the East Orange County Water District ("EOCWD") has previously adopted a Conflict of Interest Code and that Code now requires updating; and

WHEREAS, amendments to the Act have in the past and foreseeably will in the future require conforming amendments to be made to the Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, Title 2, California Code of Regulations, Section 18730, which contains terms for a standard model Conflict of Interest Code, which, together with amendments thereto, may be adopted by public agencies and incorporated by reference to save public agencies time and money by minimizing the actions required of such agencies to keep their codes in conformity with the Political Reform Act.

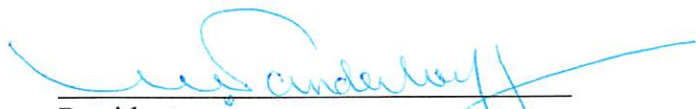
NOW, THEREFORE, the Board of Directors of the East Orange County Water District DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:


Section 1. The terms of Title 2, California Code of Regulations, Section 18730, (Attachment A) and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, together with Exhibits A and B in which members and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the East Orange County Water District.

Section 2. The provisions of all Conflict of Interest Codes and Amendments thereto previously adopted by EOCWD are hereby superseded.

Section 3. The Secretary of the District (Filing Officer) is hereby authorized to forward a copy of this Resolution to the Clerk of the Orange County Board of Supervisors for review and approval by the Orange County Board of Supervisors as required by California Government Code Section 87303.

ADOPTED, SIGNED AND APPROVED this 17<sup>th</sup> day of January, 2013.

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

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

STATE OF CALIFORNIA    )  
  ) ss  
COUNTY OF ORANGE    )


I, JOAN C. ARNESON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. 718 was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on January 17, 2013, and that it was so adopted by the following vote:

AYES:           BARRETT, BELL, DAVERT, DULEBOHN, VANDERWERFF

NOES:           NONE

ABSENT:        NONE

ABSTAIN:       NONE

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

## **ATTACHMENT A**

### **CONFLICT OF INTEREST CODE FOR THE EAST ORANGE COUNTY WATER DISTRICT**

The Political Reform Act, Government Code Sections 81000, *et seq.*, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) which contains the terms of a standard Conflict of Interest Code, which may be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the East Orange County Water District.

Original statements of economic interests for the following positions: None (however, see positions listed under Officials Who Manage Public Investments, below), shall be filed with the Clerk of the Orange County Board of Supervisors as the Filing Officer for these positions who will make the statements available for public inspection and reproduction (Government Code Section 81008).

All other designated positions shall file statements of economic interests with the District Secretary, as the District's Political Reform Act Filing Officer, who will make the statements available for public inspection and reproduction (Government Code Section 81008) and will be retained by the District's Filing Officer.

#### **OFFICIALS WHO MANAGE PUBLIC INVESTMENTS**

Officials who manage public investments, as defined by 2 Cal. Code of Regs. §18701(b), are NOT subject to the disclosure requirement of the District's code, but are subject to the disclosure requirement of the Act. (Government Code Section 87200 *et seq.*). [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments:

Members of the Board of Directors  
General Manager  
Treasurer

These positions shall file original statements with the Clerk of the Orange County Board of Supervisors. The disclosure categories and requirements for these positions are set forth in article 2 of chapter 7 of the Political Reform Act, Government Code section 87200 *et seq.* They generally require the disclosure of interests in real property in the agency's jurisdiction, as well as investments, business positions and sources of income (including gifts, loans and travel payments).

## Conflict of Interest Code

### EXHIBIT A

#### Designated Positions and Disclosure Categories

Agency: East Orange County Water District

Position	Disclosure Category	Files With
District Engineer	OC-43	District Filing Officer
General Legal Counsel	OC-01	District Filing Officer
Secretary	OC-01	District Filing Officer
Engineering Consultant (other than District Engineer)*	OC-30	District Filing Officer
Financial Consultant*	OC-30	District Filing Officer
Special Legal Counsel*	OC-30	District Filing Officer

\*Consultants shall disclose pursuant to the broadest disclosure category in this Code, subject to the following limitation:

The General Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described above. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

#### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments, as defined by 2 Cal. Code of Regs. §18701(b), are NOT subject to the disclosure requirement of the District's code, but are subject to the disclosure requirement of the Political Reform Act. (Government Code Section 87200 *et seq.*). [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments:

Member of the Board of Directors	Files with	COB
General Manager	Files with	COB
Treasurer	Files with	COB

### Conflict of Interest Code

## EXHIBIT B

## Disclosure Descriptions

Agency: East Orange County Water District

[illegible]

# MEMO

**TO:** BOARD OF DIRECTORS  
**FROM:** GENERAL MANAGER  
**SUBJECT:** CONFERENCE AND MEETING ATTENDANCE REQUEST  
**DATE:** AUGUST 21, 2014

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## **BACKGROUND**

Pursuant to District Resolution No. 658, prior authorization for Board Member conference/meeting attendance and travel is required. There is one upcoming event that Board Members may wish to attend:

- California Special Districts Association (CSDA) Annual Conference – September 29-October 2, Palm Springs. Registration - \$550 (before August 22), \$600 (after August 22).

A schedule for the conference is attached to this memo.

## **RECOMMENDATION**

The Board consider attendance at the California Special Districts Association Annual Conference from September 29-October 2, 2014.

# Monday, September 29

## PRE-CONFERENCE PROGRAM EVENTS

8:00 a.m. – 3:45 p.m.

### **So You Want to Be A General Manager?**

(pre-registration/payment required)

Limited class size, register early! A practical career development workshop for senior executives and emerging leaders in special districts.

**\$100 INCLUDES CONTINENTAL BREAKFAST AND LUNCH.**

**SPONSORED BY CALIFORNIA SPECIAL DISTRICTS ASSOCIATION AND THE SPECIAL DISTRICT LEADERSHIP FOUNDATION**



9:00 – 11:00 a.m.

### **Special District Administrator (SDA) Exam**

The Special District Leadership Foundation

(optional – must be scheduled prior to conference)

9:00 a.m. – 3:00 p.m.

### **Special District Leadership Academy Module 1:**

#### **Governance Foundations**

(pre-registration/payment required) *Earn SDRMA CIPs*

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. This is specifically designed for special district board members.

**\$225 MEMBER \$375 NON-MEMBER**

12:00– 3:00 p.m.

### **How to Be a Great Decision Maker**

(pre-registration/payment required)

Once one gets elected or appointed to a public agency board, the public has expectations. Being a great decision maker is certainly one of those expectations. This course will lead you through the process of how to make your passions into policy. It will review the board processes in decision making as well as the opportunities and pitfalls of decision making as an individual and as a board team. The course will review how staff and the executive play crucial roles in our ability to make informed decisions and how this team needs to improve in order for the agency to optimize its performance.

**\$125 MEMBER \$175 NON-MEMBER**



10:00 a.m. – 3:00 p.m.

### **CSDA Annual Golf Tournament**

**Tahquitz Creek Golf Resort**

(pre-registration/payment required)

Transportation to/from on your own. Join special district elected officials, staff and business affiliates at this optional, fun annual event. Great golf skills not necessary!

**\$60 INCLUDES GOLF WITH CART, BREAKFAST, LUNCH AND PRIZES!**



10:00 a.m. – 3:00 p.m.

### **Water Awareness Tour: Coachella Valley Water District**

This tour is designed to give attendees an inside look at Coachella Valley Water District's expansive water system. This informative tour will include visits to a groundwater replenishment facility, domestic water reservoir, wastewater recycling plant and more! Register early, space is limited.

**\$45 PER PERSON. INCLUDES TRANSPORTATION AND LUNCH.**

## **Exhibit and Sponsor Opportunities**

This conference is a great opportunity to connect with special district decision makers. **With over five dedicated exhibit hall hours**, including three food functions, CSDA is committed to helping you maximize your marketing dollars. Contact Megan Hemming at [meganh@csda.net](mailto:meganh@csda.net) for details.



California Special Districts Association

## DISTRICT NETWORKS

4:00 – 5:00 p.m.

### CSDA Network/Region Meetings

Designed by local leaders, the recently launched District NetWorks connects local special district leaders across California. Attend this forum to get to know your network/region's members and dialogue with CSDA board members, serving as your delegates, in an interactive forum. Share local challenges and discuss how to better collaborate in meeting those challenges. Take this opportunity to connect with special district leaders near you and take action together! There will be a meeting for each network/region - visit the Registration Desk to find out which you belong to!



The creation of the Cabazon dinosaurs began in the 1960s by Knott's Berry Farm sculptor and portrait artist Claude K. Bell (1897–1988) to attract customers to his Wheel Inn Cafe, which opened in 1958. Dinny, the first of the Cabazon dinosaurs, was started in 1964 and created over a span of eleven years. Bell created Dinny out of spare material salvaged from the construction of nearby Interstate 10 at a cost of \$300,000.



## Conference Kick off!

5:30 – 7:30 p.m.

### President's Reception with the Exhibitors

(ALL ATTENDEES WELCOME)

Join us as we **mix and mingle** with business professionals who provide all types of **goods and services** to special districts.

Enjoy the taco bar, appetizers and refreshments as you meet with **CSDA's President Noelle Mattock - and board members** from around the state - who represent you.

# Tuesday, September 30

## PROGRAM

7:30 a.m. – 5:00 p.m.

**Exhibitor Showcase Open**

7:30 – 8:45 a.m.

**Continental Breakfast with the Exhibitors (Raffle)**  
(all attendees welcome)

9:00 – 10:45 a.m.

**Opening Keynote:**  
**Stephen M.R. Covey**  
**Leading at the Speed of Trust**



Author of the bestselling book, *The Speed of Trust™* Stephen is a sought-after and compelling motivational keynote speaker

and advisor on trust, leadership, ethics and high performance.

This dynamic presentation will go beyond a dialogue of trust as a soft social virtue and give leaders a greater vision of trust as a measurable, strategic advantage in all facets of life and work.

## (SCHEDULED BREAKOUT SESSIONS)

11:00 a.m. – 12:15 p.m.

### **Required Ethics AB 1234 Compliance Training (part 1)**

**Meyers Nave**

This two-part training covers general ethics principles and state laws related to: personal financial gain by public servants; conflict of interest, bribery and nepotism; gift, travel and mass-mailing restrictions; honoraria; financial interest disclosure and competitive bidding; prohibitions on the use of public resources for personal or political purposes; the Political Reform Act; the Brown Act open meeting law and the California Public Records Act.

*Must attend both sessions in order to receive your certificate.*

### **Words in Public Contracts Do Matter**

**Bergman Dacey Goldsmith**

This presentation will specifically address how standard provisions in public works contracts actually hurt, not help, the public entity. Solutions to these harmful provisions are also discussed and provided.

### **The Brown Act: Are You Doing it Wrong?**

**Burke, Williams & Sorensen**

In this advanced and interactive training session, attendees will work through a series of hypotheticals that illustrate common mistakes made by officials in complying with the Brown Act. An attorney with nearly a decade of experience dealing with citizens, gadflies and advocacy groups will explain applicable law and practical tips for avoiding errors. Attendees will learn how to properly form an ad hoc committee, what to do if the board wants to add an item to an agenda, and how to respond to a disruptive member of the public, among other things.

### **What You Need to Know When You Don't Have an HR Department**

**Renee Sloan Holtzmann Sakai LLP**

Given California's notoriously tricky employment laws, not having an HR department can be dangerous. Our panel will discuss the most common HR issues to confront managers in special districts and provide advice on how to deal with them.

### **CalPERS Dialogue with the Deputy Chief Actuary**

The Deputy Chief Actuary of CalPERS will provide an update on the actuarial office activities and answer employers' questions regarding changes in actuarial methods and assumptions, potential flexible funding options, GASB 68 requirements, proposed changes to risk pooling and other topics of interest. This is your opportunity to have an in-depth discussion with the Deputy Chief Actuary and to share any concerns or ideas with him.

### **Crisis Communications: How to Take Control and Tell Your Own Story When the Going Gets Tough**

**Communication Advantage**

This session will explore the rules of engagement when the news is bad: how to avoid defaulting to others to define the story; how to plan for recovery; and how to separate from the emotional and present the district in a way that protects, or begins to restore, credibility.



12:30 – 1:45 p.m.

### Lunch with the Exhibitors

All conference attendees are welcome to attend a hosted lunch in the exhibit hall.

## (SCHEDULED BREAKOUT SESSIONS)

2:00 – 3:15 p.m.

### Required Ethics AB1234 Compliance Training (part 2)

**Meyers Nave** - See previous description.

### Walking the Political Tightrope Between Employee Rights and Public Demands

**Kronick Moskovitz, Tiedemann, Girard and El Dorado Hills Community Services District**

Designed to help district management and elected officials know what to do and what not to do when you receive a complaint from a member of the public about one of the district's employees.

### At-Large Voting and the Rising Tide of VRA Claims

**Cota Cole LLP**

We have recently witnessed an increase in challenges to at-large voting throughout the state. This session will address the at-large method of election with respect to potential claims under both the California and Federal Voting Rights Acts.

### Ten Attributes of Best Boards

**BHI Management Consulting**

This session provides an overview of the actions and practices of those boards that have optimized their service to the public. The best boards are those that can look inwardly to find strong points and work together to represent the public in an efficient and well-ordered way. Come to this session and learn what the best boards do to optimize.



### How to Generate and Protect Funding for Your District: Practical Advice from Campaign, Polling and Legal Experts

**Burke Williams & Sorensen, Lew Edwards Group, Fairbanks, Maslin, Maulin, Metz & Associates, Santa Clara County Library District**

Learn from a multidisciplinary panel of campaign, polling and legal experts about what other districts are doing to: permanently extend voter-approved taxes beyond their sunsets, protect existing taxes or fees from attacks, and address significant needs such as aging infrastructure. Hear one agency's story and "lessons learned."

### Breaking the Code: Plain Language for Special Districts

**Burke Williams & Sorensen, LLP**

The use of plain language is an important aspect of government transparency. District officials and personnel participate in the preparation of many key district documents including resolutions, ordinances and public notices. This seminar provides an over-view on plain writing principles and techniques that will help make district documents clear and understandable.

*Tuesday continued on the following page.*



Palm Springs California is world famous for having the biggest concentration of mid-century modern architecture in the United States, and one of the largest collections of well-preserved 20th century modern properties – both commercial and residential – in the world.

**In 2006, the National Trust for Historic Preservation recognized Palm Springs for its achievements in preserving mid-century modern architecture.**

## Tuesday continued

### (SCHEDULED BREAKOUT SESSIONS)

3:30 – 4:30 p.m.

#### **Board Member Compensation Rules: Salaries, Healthcare, PERS & Expense Reimbursements**

*Meyers Nave*

This session will address compensation, health care, expense reimbursements and other perks of being a board member, including when it is necessary to report gifts and meals to the FPPC. Attendees will leave with an understanding of the limits on compensation, gifts and what perks a board member can accept and what perks may create conflicts or be impermissible.

#### **Telecom Leasing: Maximizing Revenues While Protecting Your Interests**

*Meyers Nave and Sunkay Associates*

Discuss how special districts can protect the public interest while maximizing revenues from both existing and potential cell sites. The concept of auditing existing sites to recover missing revenues will be explored along with how carriers identify potential sites and how districts may unintentionally hinder being selected for new sites. The financial value of a cell site lease will also be discussed.

#### **A Recipe for Excellence in the Face of Micromanagement, Problem Personalities and other Board Issues**

*Rauch Communication Consultants*

When the board's policy direction and management are not in sync, the district cannot be effective. This session clarifies the job of the board, best practices for carrying out its role, and how it can interact most effectively with the manager.

#### **The Latest Updates in California & Federal Prevailing Wage Laws**

*Contractor Compliance & Monitoring, Inc.*

California and Federal prevailing wage laws and regulations change almost every year; 2014 is no exception. New proposed legislation will overhaul the DIR's Compliance Monitoring Unit, all public works projects over \$30,000 require agencies to file a PWC-100 form, and federal Davis Bacon funded projects now cover surveying works.

#### **Lessons Learned for the 2014 Drought**

*Kampa Community Solutions*

The great drought of 2013/2014 will change the way water is managed statewide. Water self-sustainability, wastewater recycling and water reuse will be at the forefront of community planning activities and district management. This highly interactive session will provide you the tools and resources .

#### **Change Not for Change Sake – Public Sector Innovation**

*CPS HR Consulting*

CPS HR Consulting surveyed over 1,000 public sector employees to identify characteristics of the most and least innovative agencies. Discover what innovative government agencies do and don't do to achieve their mission and improve service.

4:30 – 5:00 p.m.

#### **Exhibit Hall Grand Prize Drawing**

Connect with exhibitors for one more chance to win one of our fabulous prizes!



### Fasten Your Seatbelts and Get Ready for Take Off!



6:00 – 9:00 p.m.

#### **Hangar Party at the Palm Springs Air Museum**

The Palm Springs Air Museum is home to one of the largest collections of flyable WWII aircraft housed in air-conditioned hangars with no ropes to keep you from interacting with exhibits. You'll feast on a USO themed buffet including a chicken and waffle station. Attendees will be in for a treat when "Company B – The Andrews Sisters Tribute" takes to the Bob Hope Stage.

\$50 per person includes dinner, two drink tickets, entertainment and transportation (*optional event, payment and registration required*)

**Wednesday, October 1**

PROGRAM



8:15 – 9:00 a.m.

**SDRMA Sponsored Full Plated Breakfast**  
(all attendees welcome)

SDRMA

9:00 – 10:45 a.m.

**SDRMA General Session, Safety Awards, Keynote**  
**Bob Gray, Memory Expert**  
**Experience the Power of Connections**

Take your connections to the next level. In this presentation, Bob reveals the untapped memory potential in each of us. Bob delivers two incredibly powerful memory demonstrations, which never fail to astonish. After entertaining the audience with his own memory, he enriches their minds by teaching the hilarious and practical 'Chain' system. (A system dating all the way back to ancient Greece, which is an invaluable tool for memorizing speeches, presentations lists, complex equations and more!)

Members of the audience always leave grinning and eager to test their new skills. Are you ready to accelerate your memory into rapid recall? The skills lay a short keynote presentation away.

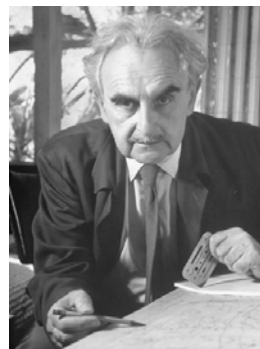
11:00 a.m. – 12:15 p.m.

**CSDA Finance Corporation Board and Annual Meeting**

11:00 a.m. – 4:45 p.m.

**SPECIAL TRACK: SDRMA Safety Specialist Certificate Program**

SDRMA is offering a new General Safety Specialist Certificate Program for SDRMA members only during the CSDA Annual Conference. The Certificate Program is an all-day specialized training program being presented by Bob Lapidus, CSP and Mary Beth O'Connell, CSP of Lapidus Safety Consulting. Participants who complete the training will receive a Safety Certificate for their respective agency and will also receive Credit Incentive Points, which will be applied to the agency to reduce program participation contribution amounts.

*Pre-Registration Required**Wednesday continued on the following page.*

**Richard Neutra's Kaufmann House** located in Palm Springs, California at 470 West Vista Chino Drive was ranked second on a 2008 Best Southern California Houses of All Time, based on a survey of well-known architects, historians and preservationists.



## Wednesday continued

### (SCHEDULED BREAKOUT SESSIONS)

11:00 a.m. – 12:15 p.m.

#### Understanding Contractual Risk Transfer Techniques

SDRMA and Stutz, Artiano, Shinoff & Holtz

This session will address risk transfer techniques your agency should review and use before entering into any contractual agreement. If you are leasing/renting premises, who is responsible if an accident occurs? How much insurance should a contractor have? Do we really need 'indemnity' language in the agreement? These topics and more will be discussed.

#### Rate Setting and the Role of Attorneys and Public Officials in Reviewing Cost of Service and Rate Studies for Compliance with Propositions 218 and 26

Best Best & Kreiger and Western Municipal Water District

The burden of proof for compliance with these two propositions is on public agencies. Courts will exercise their independent judgment when reviewing whether a public agency has complied with the substantive and procedural requirements of Proposition 218 and whether a fee is a tax under Proposition 26. This presentation will discuss the process for preparing a cost of service and rate study, and issues that attorneys and public officials should address in reviewing a cost of service and rate study.

#### How to Not Only Lower OPEB Liabilities But Reduce Post-Employment Benefit Liabilities Too

PARS

Nationally retiree health care liabilities now exceed pension liabilities. Our session will address the latest benefits and funding strategies and trends to reduce this growing obligation facing special districts. Our expert panel will address questions that your district needs to know.

#### Citizen Engagement: New Uses of Social Media and the Body Politic

Best Best & Krieger, Elsinore Valley Municipal Water District and Hi-Desert Water District

This multi-media workshop will combine the perspectives of a general counsel, social media expert and two water district public affairs experts to discuss innovative uses of social media to facilitate constituent communications and promote important issues of public policy on a regional basis.

#### A Board Member's Guide to Reading and Understanding Financial Statements

Mann, Urrutia & Nelson

Just because you don't have a finance or accounting background doesn't mean you can't read and understand the financial statements of your district. The presenter will review the Statements of Net Position, Activities and Cash Flows as well as footnotes and will provide easy-to-understand guidance on what you should be looking for as a board member or general manager of a special district.

#### Design-Build for Public Works Projects

Hanson Bridgett

Are you interested in learning more about design-build contracting on public works projects? This presentation will cover the various legal requirements that apply to special districts, the benefits that come with design-build, as well as anecdotes from actual public works projects.



12:30 – 2:00 p.m.

#### CSDA Annual Awards Luncheon

All attendees welcome.

12:30 – 2:00 p.m.

#### CSDA Annual Awards Luncheon

Join us as we celebrate the best of special districts with awards including: Board President of the Year, General Manager of the Year, the prestigious William Hollingsworth Award of Excellence, Chapter of the Year, Special District Leadership Foundation Awards and more!

#### CSDA RECOGNIZES THE BEST AMONG SPECIAL DISTRICTS

Do you have a board member, staff member, local chapter or program that you feel deserves recognition?

Each year, CSDA presents various awards during the CSDA Annual Conference and Exhibitor Showcase. There are a number of different categories. Please consider outstanding individuals within your district for individual awards. Chapter awards and district awards are also open for nominations. Visit the Awards section of our conference website at [conference.csda.net](http://conference.csda.net) for more information.

*If you have any questions regarding the awards or the awards process, please contact Charlotte Lowe, executive assistant, at the CSDA office toll-free at 877.924.2732 or by email at [charlottel@csda.net](mailto:charlottel@csda.net). Deadline for submissions is Friday, August 15, 2014. All applicants will be notified of the winning submissions prior to the Annual Conference. Winners will be awarded at the CSDA Annual Conference & Exhibitor Showcase during the Awards Luncheon.*



## (SCHEDULED BREAKOUT SESSIONS)

2:15 – 3:30 p.m.

**Building Your Financing Dream Team****CSDA Finance Corporation**

Getting a capital improvement project financed by issuing bonds is a coordinated effort by the agency and a whole team of professionals. The key to a smooth, successful transaction is having the right people to help you through the process. In this panel discussion you will learn the roles and responsibilities of the various players, how the type of transaction determines who needs to be involved, and how recent regulations may affect your team composition.

**Navigating Medical Treatment in the Workers' Compensation Claims Process****SDRMA and York Risk Services Group**

Your injured worker tells you they cannot receive the required medical treatment because Utilization Review declined it. What does this mean? Who controls the doctors? Why is it so hard to schedule some procedures? What is an MPN? This session will discuss issues facing the injured worker and employer navigating the Workers' Compensation medical system. Everything you wanted to know about AME, IME, QME, PTP, UR, TTD and PD will be discussed!

**Fraud Prevention and Detection for Special Districts****JG Davidson & Company**

Attendees at this session will learn to better understand and make clear distinctions between a procedure and a control, identify at what point in a process a key control is needed, more fully utilize a control generated document to facilitate better financial management, break down internal control review areas into manageable parts, and develop a plan to implement a comprehensive system of procedures and internal controls.

**Building Your Training Platform with TargetSolutions****SDRMA and TargetSolutions**

Identify how your agency can build on the TargetSolutions online training platform. By utilizing the platform your agency can reduce overall staff time for travel as well as training expenses.

**Consumption Based Fixed Rates – An Innovative New Conservation-Oriented Water Rate Structure Adopted by Davis, CA****Bartle Wells Associates**

Davis, CA is facing a costly transition from a 100% groundwater supply to a new conjunctive use groundwater-surface water supply. The \$100+ million project will be funded with debt proceeds that will result in fixed annual debt payments estimated to be larger than the current total annual enterprise expenses. Due to the amount of debt used to fund the project, future enterprise expenses are estimated to be about 80 percent fixed and only 20 percent variable. This presented a conundrum as an 80 percent fixed rate structure would be very expensive for small users and mute the overall conservation pricing incentive.

**The Great Board Chair****BHI Management Consulting**

The role of the board chair is key to optimal, well run meetings that best serve the public and get things done. The chair sets the tone for others that serve the public as board members. If you are a sitting board president or board chair, new or experienced; if you advise or assist the board chair in a staff capacity, come to this session to learn how to avoid pitfalls and optimize your service in this critical position.

*Wednesday continued on the following page.*

Singing cowboy Gene Autry was a familiar figure in Palm Springs when he was alive, and his larger-than-life statue ensures that he'll continue to be familiar for years to come.



## Wednesday continued

PROGRAM

### (SCHEDULED BREAKOUT SESSIONS)

3:45 – 4:45 p.m.

#### Employment Practices Liability Update

SDRMA and Stutz, Artiano, Shinoff & Holtz

The single largest risk your agency manages every day is your staff. This session will discuss current legal trends in work related litigation. What exactly is a “whistle blower”? What is the employer’s responsibility in providing “reasonable accommodations”? Does every employee qualify for California Family Rights/Family Medical Leave? Do these leaves run separately or concurrently? These issues and more will be discussed.

#### Property Tax Essentials for Board Members – Increasing Your Finance IQ

hdL Coren & Cone

Discussion of elements to be considered in preparation of property tax revenue projections. Topics include real estate trends impacting the recovery; residual revenue from successor agencies; recovery of values reduced under Prop 8; and increases in revenue from new development.

#### Grant Management for Dummies: The ABC’s of Record Keeping Compliance and USFS Grant Management

RCD of Greater San Diego

Learn how to successfully manage grants while streamlining the grant management reporting process, capturing required statistical and in-kind data, reducing staff hours, staying in compliance, and keeping grant dollars where they need to be—in the field.

#### Special Districts and CEQA – CEQA from Your Perspective

Best Best & Krieger

The panel will provide a brief overview of CEQA as it applies to districts and then engage the audience in a wide-ranging conversation based on questions submitted prior to or during the panel about how CEQA works for districts.

#### Board Ethics and Conflicts of Interest Issues

Liebert Cassidy Whitmore

We’ll address common ethical issues general managers should know in working with boards, including the complex conflict of interest rules applicable to board members and how those laws apply to your own work. Using case studies, we will look deeper into the ethical dilemmas you may face and ways to stay on the high ground.

#### 21<sup>st</sup> Century Privacy Issues

Liebert Cassidy Whitmore

Technology makes it possible for general managers to monitor employee conduct and gather an abundance of information about employees and job applicants. However, managers must balance their legitimate business practices against employee and applicant privacy rights. This workshop will explore the wide range of issues arising from the interplay between technology and privacy in the workplace. It will guide managers through the patchwork of federal and state laws and court decisions that govern these issues.

All attendees welcome.



SDLF



6:00 – 8:00 p.m.

**Special District  
Leadership Foundation  
“Taste of the City” Event**

Meet us poolside at the Renaissance Palm Springs for a Rat Pack inspired fundraiser for the Special District Leadership Foundation. Sample delicious food and drinks while being serenaded by Nick D’Egidio. The sultry sounds of Sinatra are back, with the ultimate Frank Sinatra Tribute Show. From “Luck be a Lady” to “The Way You Look Tonight” and everything in between, get ready for the best in flashback entertainment.

This party has a purpose. Attendees at this reception will have the opportunity to participate in the Special District Leadership Foundation (SDLF) silent auction to raise funds for scholarships for the Special District Leadership Academy programs. A special wine raffle will also be held at 7:30 p.m. Be sure to purchase tickets throughout the conference for the chance to win a deluxe 35 bottle wine cellar fully stocked with 35 bottles of wine...almost a \$1,000 value. You must be present to win!

SDLF is an independent, non-profit organization formed to promote good governance and best practices among California’s special districts through certification, accreditation and other recognition programs. The SDLF and its activities are supported through the California Special Districts Association and Special District Risk Management Authority.



# Thursday, October 2

PROGRAM

## (SCHEDULED BREAKOUT SESSIONS)

8:30 – 10:00 a.m.

### Chapter Roundtable Discussion

Join CSDA board members and local chapter leaders from across the state to share best practices and discuss issues and opportunities. All attendees welcome.

### Hiring a Design Professional

**Liebert Cassidy Whitmore and Imperial Irrigation District**

Special districts must comply with a qualifications based selection process under California's Little Brooks Act when hiring design professionals. We will provide an overview of the legal requirements and best practices regarding this selection process. During this interactive discussion we will share tips regarding how to request qualifications, evaluate submittals, interview, and select a firm to minimize the potential risk of challenge by an unsuccessful proposer. We will also discuss methods to reduce the risk of potential claims through successful contract negotiation strategies.

### Keep Calm & Update Your Status: Emerging Trends in Social Media

**Burke Williams Sorensen, LLP**

The impact of social media in the public workplace continues to raise questions more rapidly than courts can provide answers. As one question is answered, new legal issues and forms of social media emerge to raise new questions. This cutting-edge session will cover the most current developments related to social media in the public workplace, including the Public Records Act, cyber-vetting of employees, recent litigation and more.

### When Tough Times Come: Working Your Way through a Crisis or Challenge

**Rauch Communication Consultants**

Using actual case studies, learn how districts have overcome a variety of challenges, including: regulatory problems, legal attacks, public controversy, raucous board meetings, employee problems, and elections challenges. This session focuses on how to remain focused while managing crises and building public support.

### How to Obtain, Engage and Effectively Use Your General and/or Special Counsel

**Meyers Nave**

This presentation will discuss, through best practices, and examples, how special districts of all sizes can procure and maximize use of legal services to protect assets and achieve the district's goals. This interactive presentation will assist participants by prompting questions and spotting issues related to some of the following: How to identify and obtain the appropriate legal representation for your district's needs, whether that is general and/or special counsel services, in-house v. contract; examples of how different types of special districts utilize legal services; and more.

### Rules of Order Made Easy!

Learn how to facilitate proper debate protocol in a board; the rights and obligations of the board and those of the public during a board meeting instructed by a registered parliamentarian; the six steps to handling a motion; and the three forms of amendments.

## Advocacy Team

1. Ralph Heim
2. Kyle Packham
3. Dorothy Holzem
4. Christina Locke



1.



2.



3.



4.



## Don't miss it!

10:15 a.m. – 12:00 p.m.

### Closing Brunch: 2014 Legislative Outcomes: The Impact on Your Special District

CSDA's advocacy team will present attendees with the most up-to-date information on the outcome of the biggest state budget and legislative issues impacting special districts in 2014, as well as a sneak peak of what to expect in 2015. This year included major proposals on property taxes, new "green" local revenue opportunities, mandates, mandates, mandates and the continued implementation of public employee pension reforms.

Get all the latest legislative results and learn what they mean for special districts going forward.