

**EAST
ORANGE
COUNTY
WATER
DISTRICT**

DIRECTORS

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

Lisa Ohlund
General Manager

Public
Copy

April 16, 2012

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, **April 19, 2012**, 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

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AGENDA

EAST ORANGE COUNTY WATER DISTRICT
(EOCWD)

Thursday, April 19, 2012

5:00 p.m.

1. **Call Meeting to Order and Pledge of Allegiance – President VanderWerff**
2. **Public Communications to the Board**
3. **Addition of Items Arising After Posting of Agenda**
4. **General Manager's Report (Exhibit "A")**

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

5. **Approval of Minutes of March 15, 2012 Meeting (Exhibit "B")**
6. **Operation, Management and Construction Matters**
 - A. Loyola Marymount University presentation of hydraulic model (Exhibit "C")
 - B. Irvine Ranch Water District Orange Park Acres well project mitigated negative declaration/joint well - update (Exhibit "D")
 - C. Water demand status report (Exhibit "E")

7. **Financial Matters**

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

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

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

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

- C. Receipt and filing of financial statements (February 29) – (Exhibit "H")

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

- D. Morgan Stanley account signature authorization (Exhibit "I")

Recommended Motion: "THAT RESOLUTION NO. ____ BE ADOPTED, AUTHORIZING SIGNATURES AND ACTIONS RELATIVE TO MORGAN STANLEY SMITH BARNEY ACCOUNT"

8. Miscellaneous Matters

- A. Transition of ACWA Health Benefits Authority to ACWA Joint Powers Insurance Authority (Exhibit "J")

Recommended Motion: "THAT RESOLUTION NO. ____ BE ADOPTED, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT CONSENTING TO JOIN THE HEALTH BENEFITS PROGRAM OF THE ACWA JOINT POWERS INSURANCE AUTHORITY, RATIFYING THE ACTION OF THE ACWA HEALTH BENEFITS AUTHORITY BOARD OF DIRECTORS TO TERMINATE THE HEALTH BENEFITS AUTHORITY JOINT POWERS AGREEMENT NATE, AND AUTHORIZING AND DIRECTING THE GENERAL MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS'"

- B. Paperless agendas/ replacement devices for agenda packages (Exhibit "K")

Recommended Motion: "THAT STAFF BE AUTHORIZED AND DIRECTED TO IMPLEMENT PAPERLESS AGENDAS BY THE JULY BOARD MEETING"

- C. Report on MWDOC public policy and ethics workshop (Exhibit "L")

- D. Report on municipal bond and debt financing workshop (Exhibit "M")

- E. MWDOC Board and Member Agency Elected Official Forum (Exhibit "N")

Recommended Motion: "THAT THE PRESIDENT AND VICE PRESIDENT BE APPOINTED AS THE DISTRICT'S REPRESENTATIVES TO ATTEND THE SEMI-ANNUAL MWDOC ELECTED OFFICIAL FORUMS"

- F. Reports from committees and representatives to organizations

- G. Directors' reports on meetings attended

9. Informational Items

10. Closed Sessions

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

Open Session

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

11. Adjournment

The scheduled date of the next Regular Meeting of the Board of Directors is **May 17, 2012**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

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

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

EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER'S REPORT

April 2012

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

GENERAL MATTERS

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

WHOLESALE ZONE

1) Storm Damage Update - Peters Canyon (6 MG) Reservoir

After conferring with the Engineering Committee, it was determined to hold this project for bidding until late summer due to increasing asphalt prices (asphalt curbing and paving is a major portion of the work under this project). Asphalt prices have increased substantially due to increasing oil prices and the extensive demand for asphalt created by the American Recovery and Reinvestment Act (stimulus).

2) Peters Canyon Reservoir (6 MG) Security Improvements

There has been no change to the schedule for this project; we anticipate that this project will be delayed until the May/June time period.

3) Andres Reservoir 2 Year Coating Warranty Inspection

On March 21st, staff began draining approximately 18 inches of water (a little over 1 acre foot) from the tank in preparation for its two-year coating inspection. All man-ways were unbolted and the tank floor was extensively cleaned. CSI Services, the inspection company that was originally hired to perform the inspection in 2010, was hired to do the warranty inspection as well. District staff met with CSI and the painting contractor (Techno Coatings) on March 27th to inspect the interior and exterior of the reservoir.

The inspector from CSI commented that the tank interior looked excellent. Some minor touch-up was needed at various locations on the floor and wall; also along some of the column floor plates. The exterior of the tank was also in excellent condition with only a couple locations along the bottom drip ring needing touch-up. Staff made arrangements with the contractor to perform the repair work on Friday, March 30th. On the following Monday, staff once again washed out the interior of the tank and disinfected the interior. The reservoir was filled to 5 feet and sampled for bacteriological quality on two separate days. Both tests were clear and the tank was placed back in service on Thursday, April 5th. Staff is in the process of preparing an RFP to design a cathodic protection system for the tank (CP for the WZ pipelines will also be included in the RFP).

4) In-Lieu Deliveries

OCWD requested that the District begin taking In-Lieu water in order to help OCWD meet its obligations to MET under the CUP Program to recharge 16,500 AFY into the basin; the District commenced taking in-lieu as of 4/13/12.

5) Refund of Urban Water Management Plan Fees

MWDOC participated with 21 other agencies to complete the 2010 Urban Water Management Plans. The contract with Malcolm Pirnie was estimated to cost \$625,819, however it was finalized at a cost of \$478,877. The District deposited \$29,646 with MWDOC to cover our original estimated cost for Plans covering both the WZ and RZ; the final cost was \$20,986 and we have received a refund of \$8,660. For comparison purposes, the District's 2005 (original) UWMP was completed at a cost of over \$40,000.

RETAIL ZONE

1) Storm Damage Update – Baja Panorama and Crawford Canyon/Newport Avenue

The County of Orange has submitted a request for utility information for Crawford Canyon Road (Chapman Avenue to Newport Avenue) as well as Old Crawford Canyon Road (the area where our 8" pipeline was severely eroded during the 2010/2011 storms). This request is part of the design process for storm drain improvements on Crawford Canyon Road (scheduled for construction in 2014/15) and for drainage improvements for a proposed "passive park" at the Old Crawford Canyon site. Staff has contacted the County Parks Department regarding the schedule for the proposed drainage improvements, however they have not yet identified the time schedule. We will be submitting a letter to both the County Parks and County Flood Control regarding this project and requesting that it be funding immediately.

2) Well Operations

The East Well is operational and meets CDPH requirements.

The West Well is operational and continues to meet CDPH requirements, however we have been experiencing increasing plate counts.

Operations staff have detected vibration in both wells/pumps; a vibration analysis will be performed and the results reviewed with the Operations Committee at their next meeting.

3) System Leaks

Staff repaired a black plastic service line leak at 13031 Painted Pony.

Operational Activities

- Met with Salesman from Metrotech for leak detection and pipeline locating demonstration
- Worked on WZ Connection Permit Applications for 1 school and 1 residential
- Sent information to LMU for model

- Visited City of Huntington Beach Water Department to look at roofing system on 21 MG reservoir
- Attended pre-construction meeting for City of Tustin reservoir project
- Began Retail Zone Meter Reading
- Set door tags for late payments
- Performed hydro-static test on Baja Panorama to verify no leakage after road completion
- Performed hydro-static test on View Ridge – from top of View Ridge to Miriam Place to verify no leakage
- Disassembled old water meters for recycling.
- Turned in surplus materials to recycling company.
- Trimmed along fence line and cleared v-ditches at Andres reservoir
- Work order – exposed pipe at 12624 Baja Panorama – abandoned 12 inch concrete irrigation line.
- Work order – turn water on at 12872 Via Aventura
- Work order – turn water off at 12808 Panorama Crest, 12652 Shelly Lane
- Work order – took final read at 12872 Via Aventura, 242 Crawford Canyon Rd. #22, 12621 Baja Panorama, and 12971 Azusa Circle
- Checked meter read for customer at 19462 Holiday Lane
- Sent out RFP for lab services (Truesdail Laboratory, Associated Laboratory, Irvine Ranch Water District)
- Trouble shoot transducer issue with East Well meter
- Cleaned up around McPherson Yard
- Pulled down historical records from shop attic for review by GM

Daily Tasks

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

Weekly Tasks

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

Monthly Tasks

- Attend monthly staff meeting with General Manager (all employees)
- Attend committee meetings – Operations and Engineering (Superintendent)

- Prepared monthly CDPH water quality reports
- Prepared monthly CRWQCB report for well discharge
- Performed dead-end flushing
- Read WZ meters
- Check WZ meter data; assist with preparation of WZ Billing
- Delivered Board agenda packages
- Participated in WEROC radio test

MISCELLANEOUS ITEMS

1) Meetings

District Board Members and Staff attended the following meetings: March 19th Ethics & Conflict of Interest Disclosure Workshop; March 20th MWDOC Public Affairs Workgroup Meeting; March 21st WACO Municipal Bond and Debt Financing Workshop; March 22nd MWDOC Managers Meeting; March 26th City of Orange Meeting; March 27th Meeting with View Ridge Road Parties; March 28th City of Tustin Meeting; March 28th Ad-Hoc Investment Committee Meeting; March 29th ISDOC Meeting; March 29th MWDOC Water Sustainability Meeting; April 3rd Ad-Hoc Well Committee Meeting; April 5th MWDOC Elected Officials Semi-Annual Meeting; April 10th Operations, Planning & Personnel Committee Meeting; April 11th Groundwater Producer's Meeting; April 11th Ad-Hoc Well Committee Meeting with IRWD.

A. MWDOC Ethics and Conflict of Interest Meeting (March 19, 2012)

Meeting Summary: See attached agenda item.

B. MWDOC Public Affairs Workshop (March 20, 2012)

Meeting Summary: MWDOC staff noted that the MWDOC Member Agency Managers cited trust and credibility with the public as the top priority for their strategic plan; MWDOC hosted a workshop on this issue and reviewed the workshop outcomes and workplan. Discussion also ensued regarding the MET/SDCWA lawsuit and public perception of the charges made by SDCWA, a discussion of crafting an appropriate message. A review of the CBS (Channel 2) investigation into MET Board Member and staff spending was provided and discussed as was an update on the current water supply situation (below average precipitation). A discussion was also held regarding whether to continue the tradition of manning a booth at the Orange County Fair – MWDOC staff will return with ideas regarding reworking the display/exhibit to make it more participatory.

C. WACO Municipal Bond and Debt Financing Workshop (March 21, 2012)

Meeting Summary: See attached agenda item.

D. MWDOC Managers Meeting (March 22, 2012)

Meeting Summary: 1) MWDOC FY 2012/13 Budget Presentation (see attached agenda item); 2) MET/SDCWA Lawsuit: a discussion of the allegations regarding a "Secret Society" were discussed; 3) Recap of Public Perception Workshop: staff discussed the outcome of the special workshop held regarding the concern about falling credibility of water agencies; 4) Update about Appointment of MWDOC Director – Wayne Osborne,

former Public Works Director for the City of Fountain Valley, was appointed to fill the remaining term of retiring Director Ed Royce, Sr.

E. City of Orange Meeting (March 26, 2012)

Meeting Summary: General Manager Ohlund met with Acting Water Manager Bob Baehner to discuss: 1) OPA/IRWD proposed revised MND; 2) Orange and IRWD request to change active WZ connections to emergency connections; 3) MWD upcoming contract requirements; 4) Poseidon Desalination Plant and; 5) Emergency Preparedness/Mutual Aid/Backup Generators. Additional discussion will be held with the Operations and Planning Committee regarding this meeting prior to coming to the Board.

F. Meeting with View Ridge Road Parties (March 27, 2012)

Meeting Summary: The General Manager met with the View Ridge Road Parties; an update will be provided in Executive Session regarding the discussion.

G. City of Tustin Meeting (March 28, 2012)

Meeting Summary: General Manager Ohlund met with Public Works Director Doug Stack; Water Supervisor Art Valenzuela and Water Construction and Maintenance Supervisor Bart Crowley to discuss: 1) OPA/IRWD proposed revised MND; 2) Orange and IRWD request to change active WZ connections to emergency connections; 3) MWD upcoming contract requirements; 4) Rawlings Reservoir Operations After Construction; 5) Poseidon Desalination Plant; 6) OC-43 Sampling Requirements/WZ Sampling Modifications and; 7) Emergency Preparedness/Mutual Aid/Backup Generators. Additional discussion will be held with the Operations and Planning Committee regarding this meeting prior to coming to the Board.

H. Ad-Hoc Investment Committee Meeting (March 28, 2012)

Meeting Summary: The Committee met with Jim Mair of Vice President of UnionBanc Investment Services (Irvine) to discuss the District's investment portfolio. Mr. Mair reviewed UnionBanc's services and discussed their approach to fixed income investing; their clients include large public agencies including the City of Portland, Oregon State Treasurer. The Committee is also considering talking with a representative from Raymond James Investment Services in Costa Mesa.

I. ISDOC Meeting (March 29, 2012)

Meeting Summary: Director Dulebohn attending this meeting on behalf of the District (General Manager Ohlund was attending a concurrent meeting at MWDOC). Supervisor John Moorlach spoke regarding the State of the County and the challenges ahead and State Assemblyman Chris Norby spoke regarding the elimination of redevelopment agencies and what it means to Orange County.

J. MWDOC Water Sustainability Meeting (March 29, 2012)

Meeting Summary: Professor Rob Skinner from the University of Melbourne, Australia, and former Managing Director of Melbourne Water discussed adapting to a Water Scarce Future (Experiences from Down Under); Nick Apostolidis of GHD (Australian engineering firm) spoke about Integrated Water Management and adaptation strategies for urban

areas; a panel of southern California water agencies spoke on strategies and lessons learned that have been implemented within the MET agencies and; a toolkit demonstration using a GHD-derived model that easily allows water conservation planning down to the household level. Takeaways: Australia has shifted from a linear IWM configuration to a Closed Loop System (Water recycling, water conservation, and storm water harvesting is integrated into potable water resources planning). The model GHD developed has provides a powerful and effective tool for visualizing sustainable water resources development.

K. Ad-Hoc Well Committee Meeting (April 3, 2012)

Meeting Summary: See attached agenda item

L. MWDOC Elected Officials Semi-Annual Forum (April 5, 2012)

Meeting Summary: President VanderWerff, Vice-President Chapman and General Manager Ohlund attended the semi-annual Forum

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

Meeting Summary: 1) Vista Panorama Reservoir – Staff worked with RCE Engineering to develop the scope of work for the project and staff reviewed it with the Committee – the Committee visited the site and asked staff to refine the scope based upon the discussions held at the site; 2) MWDOC Desalination Committee/Meeting with Tustin: Tustin staff agreed to pursue joining the Poseidon Desal Committee jointly with the District; MWDOC agreed to have one fee for this and draw up two agreements. 3) OCWD FY 2012/13 Proposed Budget – OCWD will be increasing the RA from \$254 to \$266; 4) MWDOC FY 2012/13 Budget – MWDOC is proposing a 6% increase in its Core Budget; 6) MET FY 2012/13 Budget - MET is considering either an average 5%, 6% or 7.5% increase; Baja Panorama Road Improvements – Road works is almost done; should be finished by 3/23; 7) Operations Status –11.5 MG Reservoir 2-Year Coating Inspection went well, no problems; Well Status – a vibration analysis will be performed on the wells to assess the condition of the pump bowls; Newport/Crawford Canyon Storm Damage – County is beginning work on storm drain system; 8) Executive Session: View Ridge Road Meeting & Pressure Testing, OPA/IRWD Well MND, Cybersecurity.

N. Groundwater Producer's Meeting (April 11, 2012)

Meeting Summary: 1)SAWPA OWOW Process-SAWPA administers the Integrated Regional Water Management Plan (IRWMP) funds for Santa Ana region. The Santa Ana River IRWMP was completed in 2009 using these funds. Recently SAWPA awarded \$12M for Santa Ana Region projects. OCWD was awarded \$1M for GWR System Flow Equalization Project. The next rounds of funding will be for \$16.6M and \$59.9M, respectively; these funds are expected to be awarded in 2013 and 2014. A new eligibility requirement is being considered that would require OCWD's agencies to have water-budget based rates (which the majority of agencies don't have). Several Producers objected to this; OCWD recommended that agencies opposing this requirement write letters to SAWPA. 2) FY12-13 Budget Update – Review of CIP – the major project under the CIP is the GWR System Initial Expansion estimated to cost \$102M over three years. 3) Groundwater Basin Underflow Losses to LA County - It was initially thought that OCWD was losing 7K acre feet of water to LA County each year and now it is thought to be more in the realm of 14K acre feet per year. More analyses is going to be done by

OCWD and Long Beach to confirm numbers. There was mention of possibly reviving the Conjunctive Well Use Program which would encourage more pumping near the LA / OC boundary to reduce water losses to LA County. 4) Potential In-Lieu for May and June OCWD has an agreement with MWD to recharge 16.5K acre feet per year. Currently, OCWD has only been able to recharge approximately 3K acre feet. OCWD is in the process of asking certain agencies to take in-lieu. The District was requested to take In-Lieu on April 13th; we began taking later that day. 6) Cause and prevention of well bore clogging by particles – a presentation on The Netherland's study of well clogging and recommendations for well operation, well construction and well design to prevent well bore clogging. There was also a presentation on well drilling, design, permitting, materials, development and testing.

Ad-Hoc Well Committee Meeting with IRWD (April 11, 2012)

Meeting Summary: See attached agenda item.

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

March 15, 2012

1. **Call to Order.** A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by WILLIAM VANDERWERFF, President of the Board of Directors, at 5:00 p.m. on Thursday, March 15, 2012, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JOAN ARNESON, Secretary, recorded the minutes of the meeting.

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

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel
HARVEY GOBAS	Psomas District Engineer
TOM BARKER	District Resident

2. **Public Communications to the Board.** President VANDERWERFF recognized TOM BARKER who explained his request for a reduced meter size. He said his property has a $\frac{3}{4}$ -inch and a 1-inch meter. The $\frac{3}{4}$ -inch meter is used for the house and most of the landscape irrigation. He said since the watering for his property has been reduced, the 1-inch is used only for planters and he requested to downsize that one to a $\frac{3}{4}$ -inch. He said he had spoken about this with the Orange County Fire Authority who said they only recommend meter sizes and it is up to the property owner's architect. President VANDERWERFF said the Board planned to discuss the District's policy on meter downsizing requests later on tonight's agenda and when a decision is made, the General Manager will get back to him, if that would be acceptable. Mr. BARKER said it would be.

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

4. **General Manager's Report.** President VANDERWERFF requested elaboration regarding the item on plan review for the slope repair and road asphalt berm improvements at the Peters Canyon 6MG Reservoir. Director BELL responded that two methodologies had been submitted by the geotechnical engineer, and added that the Committee (not he) approved moving forward. Ms. OHLUND said that both options will be bid and the results will be brought to the Board.

President VANDERWERFF also inquired, concerning the MWDOC Managers meeting, if any agencies raised objections to the proposed 11% budget increase. Ms. OHLUND said this was only the first draft review, there were many questions, and MWDOC's General Manager responded on the details of the increase regarding salary adjustments and other matters. MWDOC is looking at increasing the per connection charge and reducing the commodity rate. President VANDERWERFF requested that the Finance Committee provide any recommendations to Ms. OHLUND for the upcoming review sessions.

Director BELL commented on the language regarding fire flow performance information and Ms. OHLUND said she would review and revise it as needed.

ACTION TAKEN:

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

5. **Minutes.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Dulebohn absent), the minutes of the meeting of February 16, 2012, were approved as submitted.

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

A. **Meter Size Reduction Requests.** Ms. OHLUND reviewed some concerns that staff has identified with downsizing requests made for the purpose of reducing meter charges. She said that as of January 1, 2011, fire code requires that any new home be equipped with a fire sprinkler system that must have a minimum 1" meter. Another concern is that the District's fixed costs avoided by downsizing are shifted to the rest of the customer base. Director BELL said system fire flow capacity, independent of meter size, drives cost and consideration should be given to a fixed per connection charge that doesn't vary by meter size. Discussion followed as to analysis, if any, to be provided to the requesting customer and releases to be obtained. It was the consensus that analysis should not be provided by the District but a standardized worksheet could be provided to assist the customer in calculating the impact of the reduction on the property's onsite water demands. It was the further consensus that Ms. OHLUND continue to review this and bring draft documentation for downsizing requests to the Board.

B. Equipment and Material Surplus Declaration. Ms. OHLUND and Mr. MENDZER discussed the types of items staff was requesting to be declared surplus and responded to questions.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Dulebohn absent), the items included in the list as presented were declared surplus and staff was directed to dispose of said items in an environmentally and fiscally responsible manner.

C. Participation in MWDOC/Poseidon Ocean Desalination Project Choice Activity Budget. Ms. OHLUND discussed the District's potential participation. She said it was likely that the District wouldn't physically receive desalinated water, and it will likely be used in the coastal area shifting other supplies to the District and other areas of the distribution system. In light of the importance of the project from the perspective of local water supply needs, she recommended that the District participate on behalf of itself, Tustin and any other interested District retailers for the amount needed to sit at the table, \$2,300. Participation will require signing the memorandum regarding Poseidon confidential information. Ms. ARNESON said she anticipated that retailers receiving the information would also be required to sign. Director CHAPMAN moved that the District participate if it is confirmed that project confidential information can be shared with its retailers. The motion died for want of a second. Director BARRETT moved that the District participate for one year. The motion failed to carry on a 2-0-1-2 vote, with Barrett and Chapman voting aye, Dulebohn absent, Bell and VanderWerff abstaining.

ACTION TAKEN:

After further discussion, upon a motion duly made, seconded and carried 3-0-1-1 (Dulebohn absent and Bell abstaining), the District's participation was authorized subject to staff's prior confirmation that Tustin is willing to pay half of the \$2,300 participation cost and that the District and Tustin can both receive the confidential project information.

D. Roof Damage at Peters Canyon 6MG Reservoir. Ms. OHLUND reported that staff had observed a small hole in the roof and is requesting proposals to assess the condition and remaining useful life of the roof. She added that cautionary signs have been posted and staff will wear safety equipment when accessing the roof. Ms. OHLUND said she will report back, including any recommendation to budget for repair or replacement.

E. Baja Panorama Road 8-Inch Water Line Relocation Project Completion. Ms. OHLUND showed photos of the County's completed work. Director BARRETT described his site visit earlier that day and commented that the completed work includes two-lane striping, guard rails and K-rails.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$297,661.78 from Wholesale and Retail Operating Funds, \$44,506.46 from the Chapman Avenue Account, \$3,894.83 for directors' payroll, and \$34,438.19 for employees' payroll. On behalf of the Finance Committee, Director CHAPMAN recommended approval.

ACTION TAKEN:

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

B. Investment Activity. On behalf of the Finance Committee, Director CHAPMAN recommended approval of the investment schedules.

ACTION TAKEN:

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

C. Financial Statements (January 31). On behalf of the Finance Committee, Director CHAPMAN recommended receipt and filing of the financial statements.

ACTION TAKEN:

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

8. Miscellaneous Matters.

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

B. Directors' Reports on Meetings Attended. None.

9. Informational Items. No discussion. President VANDERWERFF reported that his former employer gave shower timers to employees in honor of his service and his contributions in the water community.

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

OPEN SESSION

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

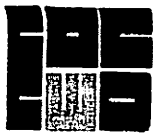
11. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 8:50 p.m., the next regular meeting date and time being Thursday, April 19, 2012, at 5:00 p.m., to be held in the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

Joan C. Arneson



**EAST
ORANGE
COUNTY
DISTRICT**

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: LMU PRESENTATION ON HYDRAULIC MODEL
DATE: APRIL 13, 2012

Background

Last year, the Board approved the District working with Dr. Joseph Reichenberger of Loyola Marymount University (LMU) and his Civil Engineering students to develop an hydraulic model of the Wholesale and Retail Zones. Staff has been working with Dr. Reichenberger and the students since January on the development of the models and they are nearly complete. The students will present the results of their work to the Board at the meeting.

As you will recall, when the original proposal to do the modeling through LMU was made, concerns were expressed regarding the reliability of the model for use in our capital improvement planning/master plan updating process. Once LMU completes their work, an outside firm that specializes in hydraulic models will conduct a review to ensure that it is representative of the system. A contract for this work will be brought to the Board at the May meeting.

Recommendation

This is an information item only; no action is necessary.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: UPDATE ON IRWD WELL MITIGATED NEGATIVE DECLARATION
DATE: APRIL 13, 2012

Background

In February, we advised the Board that IRWD had notified General Manager Ohlund that they were revising the June 2011 Initial Statement/Mitigated Negative Declaration to reflect the drilling of one new well (rather than the two originally proposed) as replacement for the original OPA well. At that time, the Ad-Hoc Committee was directed to prepare an appropriate response to the IS/MND.

Staff worked with Special Counsel, Greg Newmark of Meyers Nave to draft recommended wording that the District would like included in the IS/MND to describe the revised project. The Ad-Hoc Well Committee met to review the wording and agreed that it clarified the project further and provided clear delineation regarding the size of the well and that if any further wells were planned they would be required to abide by CEQA and consult with the District prior to proceeding. General Manager Ohlund met with IRWD staff and reviewed our submittal, subsequently, IRWD returned with additional comments on our submittal. After review with legal counsel and the Committee, during a meeting held on April 11th, we agreed that IRWD's changes were non-substantive and agreeable to us.

During the same time period, Staff prepared a draft Memorandum of Understanding that provided a general outline as to how the need for and desire to work to build a joint facility; details about the specific project were outlined in a project specific agreement (see attached). The Committee agreed with the concept and the proposal to present it to IRWD at the same meeting that we reviewed the IS/MND comments.

At the April 11th, the Committee and IRWD representatives discussed the MOU at length and agreed to proceed with the MOU as well as an engineering study to determine the feasibility, demand, location and timing of a joint project. The scope of work for the study was not ready in time for distribution in this agenda, but should be ready by the Board Meeting for review and approval.

Recommendation

The Board approve: 1) a Joint Well MOU in concept; and 2) the preparation of a scope of work and solicitation of proposals for a feasibility study for a joint well project. No expenditure of funds or commitment to proceed would occur until a final MOU and costs for the engineering study are presented to the Board and formally approved.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
EAST ORANGE COUNTY WATER DISTRICT
AND
IRVINE RANCH WATER DISTRICT
FOR
JOINT FACILITIES DEVELOPMENT**

WHEREAS, an adequate and safe water supply for the East Orange County Water District (EOCWD) and the Irvine Ranch Water District (IRWD) is vital to both existing and future customers and implementing the long-term comprehensive plans of EOCWD and IRWD; and

WHEREAS, it is recognized that in certain cases water agencies may, in order to avoid duplication of cost and effort, and in order to take advantage of economies of scale, find it necessary or advisable to enter into agreements whereby joint public water supply facilities are constructed, operated and maintained; and

WHEREAS, projects that provide for the joint use and operation of supply, transmission, storage, treatment, and pumping facilities to minimize cost, provide for improved water quality, protect the environment, provide for emergency needs, and maximize the best use of these resources is in the best interest of the customers of the East Orange area, Orange Park Acres and IRWD;

WHEREAS, the current, near-term and future development and water needs of EOCWD and IRWD indicates that a cooperative sub regional approach to groundwater management in the East Orange area would benefit the ability of both agencies to assure an adequate water supply; and

WHEREAS, EOCWD AND IRWD are committed to cooperate toward regional solutions for long range water supply and management needs.

NOW THEREFORE, EOCWD and IRWD (Parties) agree as follows:

1. GENERAL

A. The Parties agree to jointly develop, engineer, design and construct a potable water well, and such necessary transmission mains and other related improvements as required to distribute water to each agency.

B. The Parties recognize the benefits of developing a subregional water supply system that will allow the optimum use of groundwater to better supply, manage and protect the area's water resources; and

C. The Parties will hold a joint meeting at least monthly to review the status of this

Agreement and any Amendments as well as other problems of mutual concern until the Agreement is adopted, and then will meet annually thereafter. The specific date, time, and location of the meetings will be set by mutual agreement.

2. INTENT

A. This Agreement will provide a framework for joint development of a specific project(s) that will include the Parties. Each facility project shall be developed under a separate Project Agreement (PA) consistent with this Agreement subject to approval by their respective district boards. Exhibit A is the suggested content of what should be included in each Project Agreement.

B. The specific intent of this Agreement is to memorialize the goal to develop a joint facility(s) to meet the public water supply needs for both district's approved uses, and to establish a basis for agreement between the Parties for financing, ownership, construction, and operation of a project(s). This project(s) may include common facilities with other Agencies outside the Parties if desired.

C. It is further the specific intent of this Agreement to preserve existing water rights and protect the established or planned interest and needs of each Member with respect to sources of water.

D. Ownership of the physical facilities that exist on the date of this Agreement shall remain with the individual Participants. Unless otherwise agreed to within a specific Project Agreement, ownership and operational responsibilities of new facilities shall be based generally on location in designated service areas, with capacity rights defined by the specific Project Agreement.

E. The term "Parties" as used in this Agreement shall mean EOCWD and IRWD.

F. The term "Participant" as used in this Agreement shall mean all the signatories of a Project Agreement consistent with and implemented subsequent to this Agreement.

G. The term "Operating Party" shall mean the Party that ultimately owns and operates the Project(s).

3. WATER SUPPLY- CAPACITY RIGHTS

A. Capacity Rights. Each Participant may purchase capacity in a Project and memorialize these capacity rights in a Project Agreement, approved by the appropriate affected district boards. This Agreement will not impair either Parties' right or ability to meet their operational, fire-flow and/or emergency demands. Both Parties will work cooperatively to ensure that a Project will meet those demands and that neither Party will inhibit, hinder or cause the other Party to be unable to access their Basin Production Percentage (BPP) at any time.

B. Additional Participants. Other agencies may purchase capacity rights in a Project with consent of the Parties. Such consent shall not be unreasonably withheld. If other agencies become a Participant in future projects, past costs recognized by this Agreement including, but not limited to, a percentage of the costs associated with development of this Agreement, negotiations, and any feasibility studies will be assessed to the new Participant

C. Wholesaling Water. EOCWD may wholesale water through a project in an emergency, so long as the Parties' capacity rights are not negatively impacted.

D. OCWD Requirements. The Parties will work with the Orange County Water District (OCWD) to develop a joint project that meets OCWD's monitoring and reporting requirements as if it was a stand-alone project.

E. Quality. An objective of the Parties is to maintain the quality of the water in a Project at or above the quality required by State drinking water standards. The Operating Party will have the authority and responsibility for ensuring that project water quality meets federal and state requirements at the point it enters a Participant's system. The Participants will meet periodically to ensure that water quality and operational issues are addressed, and that needed information is exchanged in a timely fashion. The written results of these meetings will be circulated in a timely manner to all Parties and participants and reviewed at the annual meeting.

F. Additional Facilities. Projected needs will be identified by the Participants based on the Participant's designated service areas. As five or more years may be needed to bring facilities on-line, five-year and ten-year forecasts are required, and must be updated whenever a Participant becomes aware of any significant change in their forecast demand. These will be discussed jointly as they arise, and reviewed at the annual meeting.

G. Financing - Each Project Agreement will include pertinent details of financing for that project. Financial participation in existing and additional facilities will be based on each Participant's projected need for each facility, as designated capacity rights.

H. Cost of Service Charge - The Parties and Participants will establish wholesale water sales charges for both emergency and long-term supply that include: (1) capital cost, (2) fixed operating cost, and (3) a variable operating cost based on quantity of water delivered based on actual costs of providing the service.

Fixed and variable operating and maintenance costs payments will be made monthly per meter and use rates. Projected annual rate adjustments and documentation shall be provided at the annual meeting. Any rate increase will be effective beginning January 1, of the following year.

(1) The Rates and Charges for the capital, operation, and maintenance of the system shall be based on the following:

(a) Capital Costs - Those construction related costs incurred for Capacity Rights. Capital Costs for facilities contracted solely for a specific Project are allocated based on designated capacity to be purchased. Capital costs shall include the debt service for each Participant.

Such debt service shall be defined as the actual debt service on debt issued for the Participant's proportionate share of capacity rights, or if no debt is issued for the Participant's costs by the financing Participant, the amortized value at the interest rate of the most recent revenue bond issued by the State of California for financing over 20 years. However, should all capital costs be paid in full by any Participant purchasing capacity rights prior to the time of the financing Participant incurring the costs, no interest charges shall be assigned to the Participant purchasing capacity rights.

Capital Costs associated with a supplying Participant's construction of their internal water system facilities may be included in the fixed and variable operating costs as appropriate, using cost of service principles, in the same manner as those costs are included in the supplying Participant's customer rate base.

(b) Fixed Operating Cost - The cost of labor, supervision, supplies, utilities, services, taxes, insurance, and all other costs required to operate and maintain the system other than those items included under Variable Operating Cost. The operating cost will include an allocation for renewal and replacement.

(c) Variable Operating Cost- Those costs directly proportionate to the volume of water produced, including chemicals, electric power, and other costs required to meet customer and system needs not included in (a) and (b) above.

(2) Accounting

Project accounting shall be documented in accordance with generally accepted accounting practices acceptable to the Participants.

4. ADMINISTRATIVE, LEGAL, AND OTHER PROVISIONS

A. Each Participant shall designate in writing their representative responsible for coordination and implementation of the Agreement and the subsequent Project Agreements. The designated individuals will be the primary contact for all project approvals and communication and shall prepare and publish a schedule and plan to facilitate the planning, design and day-by-day operation of facilities associated with the Agreement.

An Annual Meeting of the Parties and Participants shall be held to review past activity and to propose efforts that may lead to further Amendments to this Agreement.

B. This Agreement shall remain in full force unless terminated by mutual agreement. Any Member may request Amendment to this Agreement at any time with approval subject to both Parties' district boards.

EXHIBIT A

CHECKLIST FOR PROJECT AGREEMENTS

1. Project Title

2. General

- a) List of Utilities to be Parties to the Project Agreement and approval of appropriate district boards.
- b) Consistency with Joint Development Agreement (Agreement)
- c) Description of need for project.
- d) Recognition of assessment of costs associated with development of the Agreement.
- e) Recognition that Members have right of first refusal on excess capacity.
- f) Recognition that capacity and water rights are available to meet the needs of the Project.

3. Description of the Project

Inclusion of a drawing (or description) which identifies all the facilities to be considered within the Project. Included within the description should be all jointly and solely owned facilities that are to be operated or paid for by a Party to the Project.

The information within the description should include the following:

- a) Long-term ownership of the facility
- b) Participant responsible for long-term maintenance of the facility
- c) Participant responsible for payment for design and construction for the facility

4. Project Costs, Financing, and Capacity Rights

- a) Description of all project costs and the allocation to each Participant.
- b) Definition of Capacity rights for all facilities.
- c) Definition of cost sharing for long-term maintenance for each facility.
- d) Definition of methods of reimbursement for monies expended (if required).
- e) Description of any applicable latecomer fees or hook-up charges.
- f) Description of requirements for record keeping and monitoring of costs.
- g) Description of manner to finance project and to pay for purchased water including initial costs and method to adjust costs over time.

5. Project Design and Construction Management

- a) Definition of overall project management responsibilities.
- b) Definition of design and construction management responsibilities for individual facilities.
- c) Description of basic periodic meeting schedule for project review.

6. Conditions of Service

- a) Limitations to source sharing or delivery of water
- b) Design Criteria for full project.
- c) Minimum and maximum flow rates and pressures.
- d) Items specifically excluded from the project.

7. Term of Duration of the Agreement

- a) Discussion of the length of time the agreement is in effect as well as the method to terminate the agreement and succeeding agencies' obligations.

8. Amendments

- a) Methods by which the agreement could be amended.

9. Hold harmless, liability language, etc.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: WATER DEMANDS – MARCH 31, 2012
DATE: APRIL 13, 2012

Background

The water demands were not complete at the time of agenda preparation; they will be handed out at the meeting.

EAST ORANGE COUNTY WATER DISTRICT

**DISBURSEMENT SUMMARY
APRIL 19, 2012**

WHOLESALE AND RETAIL BILLS	\$156,569.27
CHAPMAN AVENUE ACCOUNT	\$0.00
DIRECTOR'S PAYROLL (03-15-2012 PAYROLL)	\$1,748.20
EMPLOYEE'S PAYROLL (03/07/12 + 03/21/2012)	\$34,571.09
DISBURSEMENT TOTAL	<u>\$192,888.56</u>

**TRANSFER SUMMARY
APRIL 19, 2012**

TRANSFERS FROM MORGAN STANLEY TO CHECKING	\$63,987.39
TRANSFER TOTAL	<u>\$63,987.39</u>
TRANSFERS FROM CB&T RETAIL ZONE MONEY MARKET TO MORGAN STANLEY OR CHECKING	\$ 238,846.66
TRANSFER TOTAL	<u>\$238,846.66</u>

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

CHECK HISTORY REPORT

EAST ORANGE COUNTY WATER DIST

SORTED BY CHECK NUMBER

ACTIVITY FROM: 03/21/12

TO: 12/31/99

BANK CODE: A CHECKING- CA BANK & TRUST

CHECK NUMBER	CHECK DATE	VENDOR NUMBER	NAME	CHECK AMOUNT
007556	04/05/12	A034159	ACWA- WORKERS COMP	4,244.00
007557	04/05/12	A435319	ALLCOM	170.00
007558	04/05/12	A724082	AT&T	283.93
007559	04/05/12	A724083	AT&T	130.33
007560	04/05/12	B565648	BOWIE ARNESON WILES & GIANNONE	1,680.00
007561	04/05/12	C002110	CA BANK & TRUST	3,617.88
007562	04/05/12	C006136	CA URBAN WATER CONSERVATION	614.48
007563	04/05/12	D176030	DEPT OF PUBLIC HEALTH	5,090.40
007564	04/05/12	D535633	DENISE DOBSON	183.37
007565	04/05/12	E028422	EAST ORANGE COUNTY WATER DIST.	19,345.59
007566	04/05/12	H004494	HACH COMPANY	200.17
007567	04/05/12	H027990	TOTALFUNDS BY HASLER	100.00
007568	04/05/12	I678193	IRVINE PIPE SUPPLY	443.13
007569	04/05/12	L56882	LOYOLA MARYMOUNT UNIVERSITY	3,000.00
007570	04/05/12	M028769	MATRIX COMPUTER SERVICE	1,140.00
007571	04/05/12	M842327	MWDOC	85,502.37
007572	04/05/12	P025940	PARADISE DRINKING WATERS	28.90
007573	04/05/12	P706224	PSOMAS	4,721.02
007574	04/05/12	S077326	SC FUELS	888.91
007575	04/05/12	S178859	SERRANO WATER DISTRICT	4,247.91
007576	04/05/12	S563332	SOUTHERN CALIFORNIA EDISON	2,382.83
007577	04/05/12	T002605	TAB ANSWER NETWORK	31.25
007578	04/05/12	T764656	TRUESDAIL LABORATORIES, INC	112.50
007579	04/05/12	U499787	UNDERGROUND SERVICE ALERT	42.00
007580	04/05/12	Y533326	YO FIRE	543.06
007581	04/19/12	A034150	ACWA-HEALTH BENEFITS AUTHORITY	8,255.51
007582	04/19/12	A034151	ACWA JPLA	386.00
007583	04/19/12	A464500	AMERICAN WATER WORKS ASSOC	413.00
007584	04/19/12	A647854	ARAMARK UNIFORM SERVICES	273.25
007585	04/19/12	A724082	AT&T	27.19
007586	04/19/12	C647974	CR&R INC.	48.26
007587	04/19/12	G549373	GOLDAK , INC	1,350.00
007588	04/19/12	H004494	HACH COMPANY	227.10
007589	04/19/12	H550882	HOME DEPOT CREDIT SERVICES	1,617.21
007590	04/19/12	L327571	TONY LIPKA	375.00
007591	04/19/12	R082970	RCE CONSULTANTS, INC	136.62
007592	04/19/12	S171683	SEMS TECHNOLOGIES	1,500.00
007593	04/19/12	S563332	SOUTHERN CALIFORNIA EDISON	2,848.61
007594	04/19/12	T764656	TRUESDAIL LABORATORIES, INC	180.00
007595	04/19/12	V178373	VERIZON WIRELESS	223.92
007595	04/19/12	V178373	VERIZON WIRELESS	223.92- (REVRSL)
007596	04/19/12	V178373	VERIZON WIRELESS	187.49
BANK A TOTAL:				156,569.27
REPORT TOTAL:				156,569.27

EAST ORANGE COUNTY WATER DISTRICT
 CALIFORNIA BANK & TRUST
 Prior Month's Checks To Ratify
 DIRECTORS' PAYROLL*
 APRIL 19, 2012

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

DATE	CHECK NO	AMOUNT	PAYABLE TO
03/15/12	525	\$163.37	RICHARD BARRETT
03/15/12	526	\$280.05	RICHARD BELL
03/15/12	527	\$280.05	DOUGLAS CHAPMAN
03/15/12	528	\$280.05	JOHN DULEBOHN
03/15/12	529	\$280.05	WILLIAM VANDER WERFF
		<u>\$1,283.57</u>	TOTAL PAYROLL CHECKS

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

3/15/2012	\$230.99	ADP TAXES
3/15/2012	\$81.92	ADP CHARGE
3/15/2012	\$151.72	PERS ELECTRONIC FUNDS TRANSFER
	<u>\$464.63</u>	TOTAL CHARGES & TRANSFER
	<u>\$1,748.20</u>	GRAND TOTAL PAYROLL

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

**EAST ORANGE COUNTY WATER DISTRICT
CALIFORNIA BANK & TRUST
Prior Month's Checks To Ratify
EMPLOYEES' PAYROLL*
APRIL 19, 2012**

	CHECK DATE	CHECK AMOUNT	PAYABLE TO
AUTO DEPOSIT	3/7/2012	\$1,203.81	DENISE DOBSON
AUTO DEPOSIT	3/7/2012	\$300.00	DENISE DOBSON- SAVINGS
AUTO DEPOSIT	3/7/2012	\$2,212.37	RANDY DUNN
AUTO DEPOSIT	3/7/2012	\$1,591.65	JERRY MENDZER
AUTO DEPOSIT	3/7/2012	\$1,271.72	LISA OHLUND
AUTO DEPOSIT	3/7/2012	\$1,557.36	MATTHEW PLUMMER
CK # 110	3/7/2012	\$98.02	NICOLE HOPP
TRANS TO PERS 457	3/7/2012	\$1,700.00	CAL PERS 457 - ING BANK
AUTO DEPOSIT	3/16/2012	\$1,229.40	DENISE DOBSON
AUTO DEPOSIT	3/16/2012	\$300.00	DENISE DOBSON- SAVINGS
AUTO DEPOSIT	3/16/2012	\$1,905.63	RANDY DUNN
AUTO DEPOSIT	3/16/2012	\$1,954.94	JERRY MENDZER
AUTO DEPOSIT	3/16/2012	\$1,660.86	LISA OHLUND
AUTO DEPOSIT	3/16/2012	\$1,412.01	MATTHEW PLUMMER
CK # 111	3/16/2012	\$162.43	NICOLE HOPP - TEMP
AUTO DEPOSIT	3/16/2012	\$168.30	DANIELLE KAPLAN - TEMP
TRANS TO PERS 457	3/16/2012	\$1,200.00	CAL PERS 457 - ING BANK
		<u>\$19,928.50</u>	TOTAL PAYROLL CHECKS

PAYROLL TAXES, ADP CHARGES, AND PERS EFT

3/7/2012	\$4,549.37	ADP TAXES
3/7/2012	\$2,573.70	PERS ELECTRONIC FUNDS TRANSFER
3/7/2012	\$84.66	ADP CHARGE
3/16/2012	\$4,791.76	ADP TAXES
3/16/2012	\$2,556.41	PERS ELECTRONIC FUNDS TRANSFER
3/16/2012	\$86.69	ADP CHARGE & ADJUSTMENT
	<u>\$14,642.59</u>	TOTAL TRANSFERS
	<u>\$34,571.09</u>	GRAND TOTAL PAYROLL

PAYROLL 3/7/2012	PAYROLL 3/16/2012
\$9,934.93	\$9,993.57
\$7,207.73	\$7,434.86
\$17,142.66	\$17,428.43

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

**FUNDS TRANSFERRED BETWEEN ACCOUNTS
APRIL 19, 2012**

MORGAN STANLEY TO CHECKING

<u>DATE PAID</u>	<u>CHECK NO</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>REASON FOR FUND TRANSFER</u>
3/13/2012	1172	\$ 22,877.95	EOCWD	TO COVER DIRECTORS' PAYROLL \$1,748.20 AND BILLS FOR CONSIDERATION \$21,129.75
3/21/2012	1173	\$ 41,109.44	EOCWD	TO COVER EMPLOYEE PAYROLL \$17,428.43, BILLS FOR CONSIDERATION \$23,513.86, BANK ANALYSIS FEE \$167.15
		<u><u>\$ 63,987.39</u></u>		GRAND TOTAL

CB&T MONEY MARKET TO CHECKING OR MORGAN STANLEY

2/16/2012	347	\$ 49,339.58		RZ TRANSFER FROM MONEY MARKET TO CHECKING TO COVER DIRECTORS' PAYROLL \$3,894.83 AND FILLS FOR CONSIDERATION \$45,444.75 NOTE: CK NO WAS INCORRECT ON MARCH'S STATEMENT)
3/14/2012	348	\$ 33,862.17	EOCWD	RZ TRANSFER FROM MONEY MARKET TO CHECKING TO COVER BILLS FOR CONSIDERATION
4/5/2012	349	\$ 155,644.91	EOCWD	RZ TRANSFER FROM MONEYPARK TO CHECKING TO COVER EMPLOYEE PAYROLL \$16,920.88, BILLS FOR CONSIDERATION \$138,744.03 -(NOTE: TRANS WAS \$20 SHORT - S/B \$155,664.99)
		<u><u>\$ 238,846.66</u></u>		GRAND TOTAL

CHECK HISTORY REPORT

EAST ORANGE COUNTY WATER DIST

SORTED BY CHECK NUMBER

ACTIVITY FROM: 03/13/12

TO: 12/31/99

BANK CODE: M MONEY MARKET- MORGAN STANLEY

CHECK NUMBER	CHECK DATE	VENDOR NUMBER	NAME	CHECK AMOUNT	
001172	03/13/12	E028422	EAST ORANGE COUNTY WATER DIST.	22,877.95	(MANUAL)
001173	03/20/12	E028422	EAST ORANGE COUNTY WATER DIST.	41,109.44	(MANUAL)
BANK M TOTAL:				63,987.39	
REPORT TOTAL:				63,987.39	

CHECK HISTORY REPORT

EAST ORANGE COUNTY WATER DIST

SORTED BY CHECK NUMBER

ACTIVITY FROM: 02/08/12

TO: 12/31/99

BANK CODE: C MONEY MARKET-CA BANK & TRUST

CHECK NUMBER	CHECK DATE	VENDOR NUMBER	NAME	CHECK AMOUNT	
000346	02/08/12	E028422	EAST ORANGE COUNTY WATER DIST.	163,556.77	(MANUAL)
000347	02/16/12	E028422	EAST ORANGE COUNTY WATER DIST.	49,339.58	(MANUAL)
000348	03/14/12	E028422	EAST ORANGE COUNTY WATER DIST.	33,862.17	(MANUAL)
000349	04/05/12	E028422	EAST ORANGE COUNTY WATER DIST.	155,644.91	(MANUAL)
BANK C TOTAL:				402,403.43	
REPORT TOTAL:				402,403.43	



EAST
ORANGE
COUNTY
WATER
DISTRICT

Treasurer's Report

April 13, 2012

Board of Directors
East Orange County Water District

DIRECTORS

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

Lisa Ohlund
General Manager

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

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

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

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

Carl R. Schoonover
Treasurer

185 N Mc Pherson Road
Orange, CA 92869-3720

www.eocwd.com

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

EXHIBIT G

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

	SECURITY TYPE	BOOK VALUE
BEGINNING BALANCES MARCH 1, 2012		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	4,525,957
MORGAN STANLEY SMITH BARNEY – MM	DEMAND MONEY MARKET	866,688
DUE TO FROM OTHER FUNDS	DUE TO/FROM	0
US TREASURY OBLIGATIONS	US TREASURY	0
Total		5,392,645
ACTIVITY		
ADDITIONS		
DEPOSIT TO MORGAN STANLEY SMITH BARNEY	DEMAND MM	202,954
DEPOSIT TO LAIF – FROM CHECKING	DEMAND LAIF	0
DELETIONS		
TRANSFER FROM LAIF TO CHECKING	DEMAND LAIF	
TRANSFERS BETWEEN FUNDS	DUE TO/FROM	0
TRANSFERS TO CHECKING	DEMAND MM	(211,808)
ENDING BALANCES MARCH 31, 2012		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	4,525,957
MORGAN STANLEY SMITH BARNEY – MM	DEMAND MONEY MARKET	857,834
DUE TO FROM OTHER FUNDS	DUE TO/FROM	0
US TREASURY OBLIGATIONS	US TREASURY	0
TOTAL		5,383,791

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

ITEM NO.	NAME	SECURITY TYPE AND NUMBER	PURCHASE DATE	MATURITY DATE	FACE VALUE	PURCHASE PRICE	INTEREST		MARKET VALUE	NET BOOK VALUE	% TO PORTFOLIO
							STATED	YIELD			
2	LAIF	DEMAND	N/A	N/A	4,525,957	4,525,957	0.383%	0.383%	4,525,957	4,525,957	84.07%
30	MS SB	MONEY MARKET	N/A	N/A	857,834	857,834	0.010%	0.010%	857,834	857,834	15.93%
							0.324%		\$5,383,791	\$5,383,791	100.00%

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

CERTIFICATION

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


CARL R. SCHOONOVER, TREASURER

WHOLESALE ZONE

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

4/10/2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ EXCESS (REMAINING)	PERCENT RECEIVED
OPERATING REVENUE:					
WATER SALES	59,904	3,708,373	2,527,337	1,181,036	146.73%
MWDOC CONNECTION FEES	36,459	260,176	414,734	(154,558)	62.73%
REIMBURSED EXP-IRWD	-	16,402	11,000	5,402	149.11%
OTHER CHARGES	-	72	1	71	7235.00%
				-	
TOTAL OPERATING REVENUE:	96,363	3,985,024	2,953,072	1,031,952	134.95%
NON-OPERATING REVENUES (EXPENSES):				-	
PROPERTY TAXES	380	330,341	590,025	(259,684)	55.99%
RENTAL INCOME - CELLULAR ANTENNAS	5,892	47,138	90,000	(42,862)	52.38%
INTEREST & INVESTMENT EARNINGS	5	1,810	12,000	(10,190)	15.08%
INTEREST INCOME - NOTE RECEIVABLE - AMP	-	46,218	59,163	(12,945)	78.12%
MISCELLANEOUS, INCOME	242	1,465	500	965	293.02%
TOTAL NON-OPERATING REVENUES, NET	6,520	426,972	751,688	(324,716)	56.80%
NET OPERATING INCOME	102,883	4,411,996	3,704,760	707,236	119.09%
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
OPERATING EXPENSE:					
SOURCE OF SUPPLY	59,869	3,732,145	2,527,337	(1,204,808)	147.67%
PIPELINE CAPACITY LEASE	37,542	267,402	414,734	147,332	64.48%
ENERGY	161	1,163	1,800	637	64.60%
OPERATIONS & MAINTENANCE	34,444	225,942	357,629	131,687	63.18%
GENERAL & ADMINISTRATIVE	8,565	76,611	197,760	121,149	38.74%
TRANSFER TO CAPITAL PROJECTS EXPENSE	16,667	133,333	200,000	66,667	66.67%
DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
TOTAL OPERATING EXPENSE	157,248	4,436,596	3,699,260	(737,336)	119.93%
NET INCOME FROM OPERATIONS	(54,365)	(24,600)	5,500	(30,100)	
PRIOR YEARS EXPENSES	-	-	5,000	(5,000)	
NET INCOME (LOSS)	(54,365)	(24,600)	10,500	(35,100)	

EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE

FOR PERIOD ENDED February 29, 2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ EXCESS (REMAINING)	PERCENT RECEIVED
WATER SALES	59,904.42	3,708,373.26	2,527,337.00	1,181,036.26	146.73%
RETAIL SERVICE CONNECTIONS	10,825.00	86,600.00	129,825.00	(43,225.00)	66.71%
READINESS TO SERVE	15,443.74	96,289.71	162,630.00	(66,340.29)	59.21%
MET-MWDOC CAPACITY CHARGE	10,190.00	77,286.34	122,279.00	(44,992.66)	63.20%
REIMBURSED EXP- IRWD	-	16,402.33	11,000.00	5,402.33	149.11%
LATE CHARGE	-	72.35	-	72.35	0.00%
REFUNDS	-	-	1.00	(1.00)	0.00%
TOTAL OPERATING REVENUE	96,363.16	3,985,023.99	2,953,072.00	1,031,951.99	134.95%
INTEREST-MM	2.51	23.44	50.00	(26.56)	46.88%
INTEREST-MORGAN STANLEY-OP	2.54	26.37	75.00	(48.63)	35.16%
INTEREST-MORGAN STANLEY-CONT	0.03	(1.09)	25.00	(26.09)	-4.36%
INTEREST-LAIF-OP	-	57.52	10,150.00	(10,092.48)	0.57%
INTEREST-LAIF-CONT	-	97.82	125.00	(27.18)	78.26%
INTEREST-CTY OF ORANGE	-	37.82	-	37.82	0.00%
INTEREST-ACWA	-	1,568.08	1,575.00	(6.92)	99.56%
TAXES SECURED	-	297,424.05	548,000.00	(250,575.95)	54.27%
TAXES UNSECURED	-	18,769.97	23,000.00	(4,230.03)	81.61%
TAXES SUPPLEMENTAL ROLL	-	2,615.64	10,000.00	(7,384.36)	26.16%
TAXES PRIOR YEARS	380.02	8,817.60	15,000.00	(6,182.40)	58.78%
TAXES HOMEOWNER'S SUBVENTION	-	2,396.54	4,000.00	(1,603.46)	59.91%
TAXES PUBLIC UTILITY	-	5,270.11	10,000.00	(4,729.89)	52.70%
TAXES MISC	-	828.04	25.00	803.04	3312.16%
TAXES ACCRUED	-	(5,781.07)	(20,000.00)	14,218.93	0.00%
STATE TAXES CONFISCATED	-	-	-	-	0.00%
PROCEEDS IN-LIEU TAXES	-	-	-	-	0.00%
RENT INCOME- CINGULAR (AT&T)	2,392.24	19,137.92	48,000.00	(28,862.08)	39.87%
RENT INCOME-MOUNTAIN UNION	3,500.00	28,000.00	42,000.00	(14,000.00)	66.67%
AMP SALE INSTALLMENTS	-	46,217.89	59,163.00	(12,945.11)	78.12%
MISCELLANEOUS INCOME	242.20	1,465.08	500.00	965.08	293.02%
TOTAL NON OPERATING INCOME	6,519.54	426,971.73	751,688.00	(324,716.27)	56.80%
TOTAL OPERATING REVENUE	102,882.70	4,411,995.72	3,704,760.00	707,235.72	119.09%
NET OPERATING INCOME	102,882.70	4,411,995.72	3,704,760.00	707,235.72	119.09%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
EOCF #2 NONINTERR OC 43	4,470.20	1,102,227.79	859,295.00	(242,932.79)	128.27%
EOCF #2 NONINTERR OC 48	-	1,132,008.32	480,194.00	(651,814.32)	235.74%
WATER PURCHASED OC 70	55,398.55	1,497,908.74	1,187,848.00	(310,060.74)	126.10%
WATER PURCHASED	-	-	-	-	0.00%
WATER PURCHASED IN-LIEU	-	-	-	-	0.00%
WATER PURCHASED-IN LIEU CREDIT	-	-	-	-	0.00%
AMP_FAP LEASE EXPENSE	1,083.33	8,666.68	-	(8,666.68)	0.00%
MET-MWDOC READINESS TO SERVE	10,189.88	89,595.85	162,630.00	73,034.15	55.09%
MET-MWDOC CAPACITY FEES	15,443.74	82,539.96	122,279.00	39,739.04	67.50%
MWDOC RETAIL SERVICE CONNECT	10,825.00	86,600.00	129,825.00	43,225.00	66.71%
UTILITY- SCADA RTU	161.23	1,162.81	1,800.00	637.19	64.60%
SMALL TOOLS	309.61	2,013.61	2,400.00	386.39	83.90%

EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE

FOR PERIOD ENDED February 29, 2012

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
GASOLINE, OIL & DIESEL FUEL	-	2,383.71	6,800.00	4,416.29	35.05%
PERMIT	-	-	-	-	0.00%
PROF SERV WATER QUAL. CONTROL	2,647.30	17,367.78	28,674.00	11,306.22	60.57%
SCADA REPLACEMENTS/UPGRADES	189.96	192.32	10,000.00	9,807.68	1.92%
OPERATIONS REPORTING SOFTWARE	78.75	453.02	1,380.00	926.98	32.83%
PRODUCTION METER PURCHASES	-	4,406.48	15,000.00	10,593.52	29.38%
SERVICE PRESSURE VALVES	-	1,044.69	3,000.00	1,955.31	34.82%
ENGINEERING	355.98	2,712.48	25,000.00	22,287.52	10.85%
R/M- MAINS	327.69	1,490.27	6,000.00	4,509.73	24.84%
DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
R/M- SERVICE LATERALS	-	-	1,000.00	1,000.00	0.00%
R/M- RESERVOIRS	123.24	8,244.89	10,000.00	1,755.11	82.45%
R/M- VAULTS	-	680.66	10,000.00	9,319.34	6.81%
R/M- CATHODIC PROTECTION	134.51	1,113.44	12,000.00	10,886.56	9.28%
MAINTAIN & OPERATE EOCF#2	12,681.67	39,514.08	23,000.00	(16,514.08)	171.80%
METER TESTING	-	3,068.25	3,000.00	(68.25)	102.28%
MAINTAIN & OPERATER SAC LINE	155.33	1,242.68	2,000.00	757.32	62.13%
EQUIPMENT RENTAL	-	-	200.00	200.00	0.00%
MAINTENANCE- BACKHOE	401.77	660.89	1,200.00	539.11	55.07%
MAINTENANCE- VEHICLES	167.38	815.91	2,500.00	1,684.09	32.64%
MAINTENANCE- BUILDINGS/GROUNDS	39.06	1,080.20	4,000.00	2,919.80	27.01%
WAGES	9,472.79	96,868.94	120,000.00	23,131.06	80.72%
PAYROLL TAXES- FICA & MEDICARE	838.81	7,322.88	11,500.00	4,177.12	63.68%
RETIREMENT- PERS	1,974.93	11,986.11	24,000.00	12,013.89	49.94%
PAYROLL TAXES- SUI & ETT	94.06	457.02	325.00	(132.02)	140.62%
HEALTH & ACCIDENT INSURANCE	3,534.12	15,640.60	26,000.00	10,359.40	60.16%
DENTAL INSURANCE	284.41	1,354.42	1,700.00	345.58	79.67%
VISION INSURANCE	55.05	253.78	550.00	296.22	46.14%
LIFE INSURANCE	33.56	181.01	400.00	218.99	45.25%
WORKMEN'S COMP INSURANCE	472.37	2,288.89	5,000.00	2,711.11	45.78%
UNIFORMS- MAINTENANCE	71.56	1,102.56	1,000.00	(102.56)	110.26%
DISTRICT WEBSITE	-	10.00	750.00	740.00	1.33%
MCPHERSON FAX	17.06	127.96	200.00	72.04	63.98%
MCPHERSON INTERNET	33.20	321.55	450.00	128.45	71.46%
MCPHERSON OFFICE PHONES	69.96	840.37	1,200.00	359.63	70.03%
ANSWERING SERVICE	15.63	140.67	225.00	84.33	62.52%
PHONE CIRCUITS TO CTRL EQUIP	348.91	2,800.84	4,000.00	1,199.16	70.02%
CELLPHONES	76.48	633.04	1,600.00	966.96	-
UNDERGROUND SERVICE ALERT	-	184.50	400.00	215.50	46.13%
SEMINARS/TRAINING	-	75.00	2,400.00	2,325.00	3.13%
CONSERVATION EDUCATION	-	565.00	25,000.00	24,435.00	2.26%
TRANSPORTATION & TRAVEL	50.80	1,126.42	-	(1,126.42)	0.00%
MILEAGE	(142.97)	159.25	125.00	(34.25)	127.40%
DUES & MEMBERSHIP0 ACWA	-	2,747.50	2,500.00	(247.50)	109.90%
DUES & MEMBERSHIPS- OCWA	-	25.00	75.00	50.00	33.33%
DUES & MEMBERSHIPS- AWWA	-	206.50	210.00	3.50	98.33%
DUES & MEMBERSHIPS- FCA	-	10.00	-	(10.00)	0.00%
DUES/MEMBER- ISDOC/URBAN WTR	-	350.00	1,025.00	675.00	34.15%
MISCELLANEOUS EXP	72.63	106.35	500.00	393.65	21.27%
RICHARD BARRETT	300.00	1,012.50	2,000.00	987.50	50.63%
WILLIAM VANDERWERFF	487.50	1,950.00	3,000.00	1,050.00	65.00%

EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE

FOR PERIOD ENDED February 29, 2012

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
DOUGLAS CHAPMAN	300.00	1,200.00	2,500.00	1,300.00	48.00%
JOHN DULEBOHN	237.50	1,175.00	2,500.00	1,325.00	47.00%
RICHARD BELL	212.50	1,375.00	2,500.00	1,125.00	55.00%
BOARD MEETING EXPENSE	107.93	437.63	1,000.00	562.37	43.76%
POSTAGE	150.83	456.94	500.00	43.06	91.39%
OFFICE SUPPLY/FURN/SMALL EQUIP	165.02	1,247.50	7,000.00	5,752.50	17.82%
PUBLICATIONS & LEGAL NOTICES	-	-	800.00	800.00	0.00%
MAINTENANCE- COPIER CONTRACT	15.34	105.81	250.00	144.19	42.32%
BANK CHARGES	234.89	540.02	2,000.00	1,459.98	27.00%
OUTSIDE SERVICES- LABOR	85.00	1,929.17	2,220.00	290.83	86.90%
AUDITING	-	8,147.99	7,000.00	(1,147.99)	116.40%
TAX COLLECTION FEES	0.95	834.19	2,000.00	1,165.81	41.71%
ACCOUNTING	-	4,092.11	33,000.00	28,907.89	12.40%
ACCOUNTING- SERRANO	1,538.19	12,451.99	-	(12,451.99)	0.00%
LEGAL	1,531.25	8,118.23	15,000.00	6,881.77	54.12%
COMPUTER CONSULTING	-	95.00	1,500.00	1,405.00	6.33%
LAFCO	-	11,912.14	12,600.00	687.86	94.54%
INSURANCE-AUTO & GEN LIABILITY	1,794.33	5,944.95	13,000.00	7,055.05	45.73%
INSURANCE-PROPERTY	579.05	1,423.58	2,400.00	976.42	59.32%
INSURANCE-EMP. FIDELITY BOND	33.60	82.60	180.00	97.40	45.89%
	-	-	250.00	250.00	0.00%
UTILITIES-DUMPSTER	24.13	178.57	1,200.00	1,021.43	14.88%
UTILITIES- THE GAS CO.- OFFICE	-	-	200.00	200.00	0.00%
UTILITIES- OFFICE- ELECT & WTR	225.60	1,470.02	2,500.00	1,029.98	58.80%
SECURITY	-	-	-	-	0.00%
ELECTION EXPENSE	-	-	40,000.00	40,000.00	0.00%
DEPRECIATION EXP.	-	-	-	-	0.00%
TRANS. TO WRCI-CAPITAL PROJECT	-	-	-	-	0.00%
TRANS TO CAPITAL PROJECTS	16,666.66	133,333.28	200,000.00	66,666.72	66.67%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
TOTAL OPERATING EXPENSE	157,247.81	4,436,595.89	3,699,260.00	(737,335.89)	119.93%
NET INCOME FROM OPERATIONS	(54,365.11)	(24,600.17)	5,500.00	(30,100.17)	-447.28%
PRIOR YEARS EXPENSE	-	-	5,000.00	(5,000.00)	0.00%
NET INCOME (LOSS)	(54,365.11)	(24,600.17)	10,500.00	(35,100.17)	

WHOLESALE ZONE CAPITAL PROJECTS

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

4/10/2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ EXCESS (REMAINING)	PERCENT RECEIVED
FUNDS PROVIDED BY RESERVE	-	-	66,172	(66,172)	0.00%
CAPITAL PROJECTS REVENUE					
CONNECTION FEES	1,000	2,737	25,000	(22,263)	10.95%
INTEREST EARNINGS	4	8,334	50,000	(41,666)	16.67%
INTEREST RECEIVABLE - AMP NOTE	-	-	18,000	(18,000)	0.00%
TRANSFER FROM OPERATING EXPENSES	16,667	133,333	200,000	(66,667)	66.67%
REIMBURSEMENT FOR STORM DAMAGE REPAIRS	-	-	30,000	(30,000)	0.00%
REIMBURSEMENT FOR SECURITY UPGRADES	-	-	60,000	(60,000)	0.00%
TOTAL CAPITAL PROJECT REVENUE	17,671	144,405	449,172	(304,767)	32.15%
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
CAPITAL PROJECT EXPENSES					
6 MG STORM DAMAGE REPAIR	2,500	3,862	60,100	56,238	6.43%
METAL FLASHING @ 6 MG RESERV.	-	-	10,100	10,100	0.00%
6 MG ISOLATION VALVE CHANGEOUT	-	9,022	12,100	3,078	74.57%
6 MG SAMPLE STATION REPLACE	-	36,215	27,672	(8,543)	130.87%
6 MG SECURITY SYSTEM	-	45,886	60,100	14,214	76.35%
6 MG SECURITY GATE @ JAMBOREE	-	-	8,600	8,600	0.00%
BACKUP GENERATOR OC70 PUMP	-	-	100,100	100,100	0.00%
BACKUP GENERATOR ELECTRIC MOD	-	-	15,100	15,100	0.00%
WZ METER REPLACEMENT	-	-	50,100	50,100	0.00%
PIPELINE INSPECTION	-	-	30,100	30,100	0.00%
BETTERMENT & REPLACEMENT PLAN	1,473	1,473	75,100	73,628	1.96%
UWMP UPDATE	-	-	-	-	0.00%
TOTAL CAPITAL PROJECT EXPENSES	3,973	96,458	449,172	352,714	21.47%
NET CAPITAL PROJECTS INCOME (LOSS)	13,698	47,947	-	47,947	

CAPITAL PROJECTS

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ EXCESS (REMAINING)	PERCENT RECEIVED
FUNDS PROVIDED BY RESERVE	-	-	66,172	(66,172)	0.00%
CONNECTION FEES	1,000.00	2,737.25	25,000.00	(22,262.75)	10.95%
INTEREST-MORGAN STANLEY-CAP	3.90	28.69	75.00	(46.31)	38.25%
INTEREST-LAIF-CAP	-	8,305.55	49,925.00	(41,619.45)	16.64%
INTEREST INCOME-AMP SALE	-	-	18,000.00	(18,000.00)	0.00%
TRANSFER FROM WS OPERATIONS	16,666.66	133,333.28	200,000.00	(66,666.72)	66.67%
REIMBURSEMENT FOR STORM DAMAGE REPAIRS	-	-	30,000.00	(30,000.00)	0.00%
REIMBURSEMENT FOR SECURITY UPGRADES	-	-	60,000.00	(60,000.00)	0.00%

CAPITAL PROJECT REVENUE	17,670.56	144,404.77	449,172.00	(304,767.23)	32.15%
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DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
6 MG STORM DAMAGE REPAIR	2,500.00	3,335.00	60,000.00	56,665.00	5.56%
6 MG STORM DAMAGE REPAIR LABOR	-	526.84	100.00	(426.84)	526.84%
METAL FLASHING @ 6 MG RESERV.	-	-	10,000.00	10,000.00	0.00%
METAL FLASHING @ 6 MG RESERV. LABOR	-	-	100.00	100.00	0.00%
6 MG ISOLATION VALVE CHANGEOUT	-	7,610.39	12,000.00	4,389.61	63.42%
6 MG ISOLATION VALVE CHANGEOUT LABOR	-	1,412.07	100.00	(1,312.07)	1412.07%
6 MG SAMPLE STATION REPLACE	-	17,518.24	27,572.00	10,053.76	63.54%
6 MG SAMPLE STATION REPLACE LABOR	-	18,696.59	100.00	(18,596.59)	18696.59%
6 MG SECURITY SYSTEM	-	44,669.92	60,000.00	15,330.08	74.45%
6 MG SECURITY SYSTEM LABOR	-	1,216.44	100.00	(1,116.44)	1216.44%
6 MG SECURITY GATE @ JAMBOREE	-	-	8,500.00	8,500.00	0.00%
6 MG SECURITY GATE @ JAMBOREE LABOR	-	-	100.00	100.00	0.00%
BACKUP GENERATOR OC70 PUMP	-	-	100,000.00	100,000.00	0.00%
BACKUP GENERATOR OC70 PUMP LABOR	-	-	100.00	100.00	0.00%
BACKUP GENERATOR ELECTRIC MOD	-	-	15,000.00	15,000.00	0.00%
BACKUP GENERATOR ELECTRIC MOD. LABOR	-	-	100.00	100.00	0.00%
WZ METER REPLACEMENT	-	-	50,000.00	50,000.00	0.00%
WZ METER REPLACEMENT LABOR	-	-	100.00	100.00	0.00%
PIPELINE INSPECTION	-	-	30,000.00	30,000.00	0.00%
PIPELINE INSPECTION LABOR	-	-	100.00	100.00	0.00%
BETTERMENT & REPLACEMENT PLAN	1,472.50	1,472.50	75,000.00	73,527.50	1.96%
BETTERMENT & REPLACEMENT PLAN LABOR	-	-	100.00	100.00	0.00%
UWMP UPDATE	-	-	-	-	0.00%
UWMP UPDATE LABOR	-	-	-	-	0.00%

TOTAL CAPITAL PROJECT EXPENSES	3,972.50	96,457.99	449,172.00	352,714.01	21.47%
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NET CAPITAL PROJECTS INCOME (LOSS)	13,698.06	47,946.78	-	47,946.78	
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RETAIL ZONE

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

4/10/2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ EXCESS (REMAINING)	0.00% PERCENT RECEIVED
OPERATING REVENUE:					
WATER SALES	117,606	612,895	891,000	(278,105)	68.79%
METER CHARGE	48,254	192,697	312,000	(119,303)	61.76%
OTHER CHARGES	2,438	9,189	8,000	189	102.10%
TOTAL OPERATING REVENUE:	168,298	814,781	1,212,000	(397,219)	67.23%
NON-OPERATING REVENUES (EXPENSES):					
PROPERTY TAXES	218	174,804	338,600	(163,796)	51.63%
INTEREST & INVESTMENT EARNINGS	-	56	500	(444)	11.12%
MISCELLANEOUS, INCOME	-	306	500	(194)	61.13%
TOTAL NON-OPERATING REVENUES, NET	218	175,166	339,600	(164,434)	51.58%
NET OPERATING INCOME	168,516	989,946	1,551,600	(561,654)	63.80%
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
OPERATING EXPENSE:					
SOURCE OF SUPPLY	44,800	264,239	389,950	125,711	67.76%
PIPELINE CAPACITY LEASE	3,601	20,086	44,730	24,644	44.91%
ENERGY	4,566	25,489	98,250	72,761	25.94%
OPERATIONS & MAINTENANCE	35,153	281,698	565,122	283,424	49.85%
GENERAL & ADMINISTRATIVE	6,136	85,577	142,028	56,451	60.25%
TRANSFER TO CAPITAL EXPENSE	18,667	133,333	200,000	66,667	66.67%
INTEREST EXPENSE - NOTE PAYABLE - DWR	-	22,116	-	(22,116)	0.00%
RETAIL OPERATIONS CONTINGENCY FUND	-	-	50,000	50,000	0.00%
DISPOSAL OF ASSET GAIN (LOSS)	-	-	(2,000)	(2,000)	0.00%
DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
TOTAL OPERATING EXPENSE	110,921	832,538	1,488,080	655,542	55.95%
NET INCOME FROM OPERATIONS	57,595	157,408	63,520	93,888	
PRIOR YEARS EXPENSES	-	-	-	-	
NET INCOME (LOSS)	57,595	157,408	63,520	93,888	

EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL

FOR PERIOD ENDED

February 29, 2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ EXCESS (REMAINING)	PERCENT RECEIVED
WATER SALES	117,606.46	612,894.93	891,000.00	(278,105.07)	68.79%
METER CHARGE	48,254.06	192,696.84	312,000.00	(119,303.16)	61.76%
LATE CHARGE	1,995.00	7,995.00	9,000.00	(1,005.00)	88.83%
CONNECTION FEES	-	-	-	-	0.00%
RETURNED CHECK CHARGE	292.80	382.80	500.00	(117.20)	76.56%
TURN OFF CHARGE	150.00	620.00	1,000.00	(380.00)	62.00%
OTHER CHARGES	-	-	500.00	(500.00)	0.00%
UNCOLLECTIBLE ACCOUNTS	-	-	(5,000.00)	5,000.00	0.00%
TURN ON NEW SERVICE	-	-	1,000.00	(1,000.00)	0.00%
REFUNDS	-	-	2,000.00	(2,000.00)	0.00%
SERVICE UPGRADE FEE	-	191.30	-	191.30	0.00%
TOTAL OPERATING REVENUE	168,298.32	814,780.87	1,212,000.00	(397,219.13)	67.23%
INTEREST-MORGAN STANLEY-OP	-	3.35	50.00	(46.65)	6.70%
INTEREST-LAIF-OP	-	31.90	450.00	(418.10)	7.09%
INTEREST-CTY OF ORANGE	-	20.37	-	20.37	0.00%
TAXES SECURED	-	168,869.59	313,500.00	(144,630.41)	53.87%
TAXES UNSECURED	-	10,634.05	15,000.00	(4,365.95)	70.89%
TAXES SUPPLEMENTAL ROLL	-	1,414.84	5,000.00	(3,585.16)	28.30%
TAXES PRIOR YEARS	218.14	5,331.79	4,000.00	1,331.79	133.29%
TAXES HOMEOWNER'S SUBVENTION	-	1,360.48	1,000.00	360.48	136.05%
TAXES PUBLIC UTILITY	-	2,747.38	5,000.00	(2,252.62)	54.95%
TAXES MISC	-	-	100.00	(100.00)	0.00%
TAXES ACCRUED	-	(15,553.83)	(5,000.00)	(10,553.83)	0.00%
STATE TAXES CONFISCATED	-	-	-	-	0.00%
PROCEEDS IN-LIEU TAXES	-	-	-	-	0.00%
MISCELLANEOUS INCOME	-	305.63	500.00	(194.37)	61.13%
CAPITAL PROJECT @ \$0.11/CCF	-	-	-	-	0.00%
TOTAL NON OPERATING INCOME	218.14	175,165.55	339,600.00	(164,434.45)	51.58%
TOTAL OPERATING REVENUE	168,516.46	989,946.42	1,551,600.00	(561,653.58)	63.80%
NET OPERATING INCOME	168,516.46	989,946.42	1,551,600.00	(561,653.58)	63.80%
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
WATER PURCHASED	15,744.81	306,179.07	361,200.00	55,020.93	84.77%
WATER PURCHASED IN-LIEU	-	90,651.80	106,000.00	15,348.20	85.52%
WATER PURCHASED IN LIEU CREDIT	-	(161,771.72)	(170,000.00)	(8,228.28)	0.00%
OCWD- REPLENISH ASSESSMENT	29,055.06	29,179.56	92,750.00	63,570.44	31.46%
MET-MWDOC READINESS TO SERVE	2,104.94	10,803.79	25,000.00	14,196.21	43.22%
MET-MWDOC CAPICITY FEES	866.15	4,792.67	12,030.00	7,237.33	39.84%
MWDOC RETAIL SERVICE CONNECT	629.69	4,489.91	7,700.00	3,210.09	58.31%
UTILITY STOLLER RESERVOIR	2,728.04	12,934.30	44,000.00	31,065.70	29.40%
UTILITY VISTA PANORAMA BOOSTER	303.84	2,607.94	7,000.00	4,392.06	37.26%
ULILITIES- WELLS- EAST/WEST	1,533.68	9,946.53	47,250.00	37,303.47	21.05%
SMALL TOOLS	309.58	1,907.83	2,500.00	592.17	76.31%
GASOLINE, OIL & DIESEL FUEL	-	4,507.99	6,800.00	2,292.01	66.29%

EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL

FOR PERIOD ENDED

February 29, 2012

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
PERMIT	-	1,943.00	-	(1,943.00)	0.00%
NPDS PERMIT	-	-	1,625.00	1,625.00	0.00%
PROF SERV WATER QUAL CONTROL	1,551.21	11,508.63	20,500.00	8,991.37	56.14%
CHLORINE GENERATOR/SALT PURCH	-	593.75	2,565.00	1,971.25	23.15%
WEST WELL MAINTENANCE	-	2,353.67	3,075.00	721.33	76.54%
EAST WELL MAINTENANCE	-	1,629.45	3,075.00	1,445.55	52.99%
STOLLER RESERVOIR EXP	-	-	6,150.00	6,150.00	0.00%
VISTA PANORAMA BOOSTER	-	548.05	4,100.00	3,551.95	13.37%
VISTA PANORAMA RESERVOIR	-	2,908.80	5,125.00	2,216.20	56.76%
CHLORINE GENERATOR	-	324.47	3,075.00	2,750.53	10.55%
SCADA REPLACEMENTS/UPGRADES	150.76	152.14	2,050.00	1,897.86	7.42%
OPERATIONS REPORTING SOFTWARE	462.50	737.98	3,300.00	2,562.02	22.36%
HYDRANT REPAIR & REPLACEMENTS	1,507.44	7,810.82	15,750.00	7,939.18	49.59%
PRODUCTION METER PURCHASES	-	742.93	10,500.00	9,757.07	7.08%
SERVICE PRESSURE VALVES	-	-	1,050.00	1,050.00	0.00%
ENGINEERING	986.40	12,002.64	40,000.00	27,997.36	30.01%
R/M- MAINS	585.49	14,507.30	26,250.00	11,742.70	55.27%
DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
R/M- SERVICE LATERALS	-	7,081.34	21,000.00	13,918.66	33.72%
R/M- RESERVOIRS	628.19	1,190.43	4,200.00	3,009.57	28.34%
R/M- VAULTS	-	-	-	-	0.00%
R/M- CATHODIC PROTECTION	-	-	5,000.00	5,000.00	0.00%
METER TESTING	-	712.20	1,500.00	787.80	47.48%
EQUIPMENT RENTAL	32.26	32.26	205.00	172.74	15.74%
MAINTENANCE- BACKHOE	779.89	1,242.86	1,845.00	602.14	67.36%
MAINTENANCE- VEHICLES	324.91	1,187.19	2,565.00	1,377.81	46.28%
MAINTENANCE- BUILDINGS/GROUNDS	39.06	891.94	3,075.00	2,183.06	29.01%
WAGES	17,858.33	126,443.69	234,600.00	108,156.31	53.90%
PAYROLL TAXES- FICA & MEDICARE	1,517.58	12,672.91	20,400.00	7,727.09	62.12%
RETIREMENT- PERS	3,600.72	25,200.88	44,000.00	18,799.12	57.27%
PAYROLL TAXES- SUI & ETT	143.81	662.86	357.00	(305.86)	185.68%
HEALTH & ACCIDENT INSURANCE	3,266.50	28,767.33	49,500.00	20,732.67	58.12%
DENTAL INSURANCE	277.90	2,389.57	4,400.00	2,010.43	54.31%
VISION INSURANCE	54.03	473.36	1,130.00	656.64	41.89%
LIFE INSURANCE	33.21	291.56	765.00	473.44	38.11%
WORKMEN'S COMP INSURANCE	903.85	6,125.39	11,550.00	5,424.61	53.03%
UNIFORMS- MAINTENANCE	138.92	2,152.81	1,540.00	(612.81)	139.79%
DISTRICT WEBSITE	-	9.99	5,000.00	4,990.01	0.20%
MCPHERSON FAX	17.05	127.94	155.00	27.06	82.54%
MCPHERSON INTERNET	33.20	321.54	513.00	191.46	62.68%
MCPHERSON OFFICE PHONES	69.95	840.32	1,230.00	389.68	68.32%
ANSWERING SERVICE	15.62	140.58	256.00	115.42	54.91%
PHONE CIRCUITS TO CTRL EQUIP	204.90	1,614.29	2,563.00	948.71	62.98%
CELLPHONES	76.47	633.00	1,538.00	905.00	41.16%
UNDERGROUND SERVICE ALERT	-	184.50	360.00	175.50	51.25%
TRAINING/SCHOOLS	-	135.40	2,250.00	2,114.60	6.02%
CONSERVATION EDUCATION	-	367.00	3,500.00	3,133.00	10.49%
TRANSPORTATION & TRAVEL	50.79	1,126.37	-	(1,126.37)	0.00%
MILEAGE	0.62	145.96	360.00	214.04	40.54%
DUES & MEMBERSHIPS- ACWA	-	2,747.50	3,500.00	752.50	78.50%

EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL

FOR PERIOD ENDED

February 29, 2012

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
DUES & MEMBERSHIPS- OCWA	-	25.00	75.00	50.00	33.33%
DUES & MEMBERSHIPS- AWWA	-	206.50	175.00	(31.50)	118.00%
DUES & MEMBERSHIPS- FCA	-	10.00	-	(10.00)	0.00%
DUES/MEMBER- ISDOC/URBAN WTR	-	350.00	700.00	350.00	50.00%
MISCELLANEOUS EXP	72.62	106.06	2,000.00	1,893.94	5.30%
RICHARD BARRETT	300.00	1,012.50	2,400.00	1,387.50	42.19%
WILLIAM VANDERWERFF	487.50	1,950.00	3,600.00	1,650.00	54.17%
DOUGLAS CHAPMAN	300.00	1,200.00	3,600.00	2,400.00	33.33%
JOHN DULEBOHN	237.50	1,175.00	3,600.00	2,425.00	32.64%
RICHARD BELL	212.50	1,375.00	3,600.00	2,225.00	38.19%
BOARD MEETING EXPENSE	107.91	413.72	1,000.00	586.28	41.37%
POSTAGE	687.17	2,890.46	6,000.00	3,109.54	48.17%
OFFICE SUPPLY/FURN/SMALL EQUIP	165.00	2,220.52	4,500.00	2,279.48	49.34%
PUBLICATIONS & LEGAL NOTICES	-	570.41	1,428.00	857.59	39.94%
MAINTENANCE- COPIER CONTRACT	15.34	126.94	515.00	388.06	24.65%
MAINTENANCE-VERSATERM CONTRACT	-	1,410.00	2,870.00	1,460.00	49.13%
BANK CHARGES	81.54	2,589.89	3,030.00	440.11	85.47%
OUTSIDE SERVICES	85.00	1,854.43	6,300.00	4,445.57	29.44%
AUDITING	-	6,459.01	6,500.00	40.99	99.37%
TAX COLLECTION FEES	0.55	471.82	2,050.00	1,578.18	23.02%
COMPUTER BILLING	270.57	4,166.38	4,000.00	(166.38)	104.16%
ACCOUNTING	-	4,092.09	30,000.00	25,907.91	13.64%
ACCOUNTING- SERRANO	1,538.19	12,451.96	-	(12,451.96)	0.00%
LEGAL	1,636.25	20,958.72	18,000.00	(2,958.72)	116.44%
COMPUTER CONSULTING	-	95.00	1,000.00	905.00	9.50%
LAFCO	-	2,036.90	3,000.00	963.10	67.90%
INSURANCE-AUTO & GEN LIABILITY	(486.33)	4,143.90	4,000.00	(143.90)	103.60%
INSURANCE-PROPERTY	(277.47)	989.18	1,300.00	310.82	76.09%
INSURANCE-EMP. FIDELITY BOND	(16.10)	57.40	80.00	22.60	71.75%
OFFICE EQUIPMENT R&M	-	-	260.00	260.00	0.00%
UTILITIES-DUMPSTER	24.13	207.51	1,025.00	817.49	20.24%
UTILITIES- THE GAS CO.- OFFICE	-	-	345.00	345.00	0.00%
UTILITIES- OFFICE- ELECT & WTR	225.59	1,566.78	3,850.00	2,283.22	40.70%
SECURITY	-	-	-	-	0.00%
ELECTION EXPENSE	-	-	-	-	0.00%
INTEREST EXPENSE DWR	-	22,115.52	-	(22,115.52)	0.00%
DISPOSAL OF ASSET GAIN (LOSS)	-	-	(2,000.00)	(2,000.00)	0.00%
DEPRECIATION EXP.	-	-	-	-	0.00%
TRANS TO CAPITAL PROJECTS	16,666.66	133,333.36	200,000.00	66,666.64	66.67%
RZ- CONTINGENCY FUND	-	-	50,000.00	50,000.00	0.00%
TOTAL OPERATING EXPENSE	110,921.47	832,538.23	1,488,080.00	655,541.77	55.95%
NET INCOME FROM OPERATIONS	57,594.99	157,408.19	63,520.00	93,888.19	
PRIOR YEARS EXPENSE	-	-	-	-	
NET INCOME (LOSS)	57,594.99	157,408.19	63,520.00	93,888.19	

RETAIL ZONE CAPITAL PROJECTS

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

4/10/2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ EXCESS (REMAINING)	PERCENT RECEIVED
FUNDS PROVIDED BY RESERVE	-	-	408,500	(408,500)	0.00%
CAPITAL PROJECTS REVENUE					
CAPITAL PROJECTS FEES	35,671	142,394	215,000	(72,606)	66.23%
INTEREST EARNINGS	1	248	500	(252)	49.55%
TRANSFER FROM OPERATING EXPENSES	16,667	133,333	200,000	(66,667)	66.67%
FUNDS BORROWED FROM WHOLESALE ZONE	-	-	-	-	0.00%
I-BANK LOAN	-	-	-	-	0.00%
TOTAL CAPITAL PROJECT REVENUE	52,339	275,975	824,000	(548,025)	0
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
CAPITAL PROJECT EXPENSES					
BETTERMENT & REPLACEMENT PLAN	1,473	1,473	71,250	69,778	2.07%
UWMP UPDATE	-	-	-	-	0.00%
2011 SYS IMPROVE-ENG/INSPECT/ADMIN	-	96,620	85,250	(1,370)	101.44%
BAJA PIPE RELOCATION ENG	-	16,505	15,000	(1,505)	110.04%
2011 SYS IMPROVE-CONSTRUCTION	30,120	627,843	561,250	(66,593)	111.87%
COUNTY OF ORANGE PAVING PROJ.	-	28,295	56,250	27,955	50.30%
BAJA PIPE RELOCATION CONST	1,046	20,964	25,000	4,036	83.86%
TOTAL CAPITAL PROJECT EXPENSES	32,639	791,700	824,000	32,300	96.08%
NET CAPITAL PROJECTS INCOME (LOSS)	19,700	(515,725)	-	(515,725)	

CAPITAL PROJECTS

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET \$ EXCESS (REMAINING)	PERCENT RECEIVED
FUNDS PROVIDED BY RESERVE	-	-	408,500	(408,500)	0.00%
WATER SALES-CAPITAL PROJECTS	35,671.00	142,394.00	215,000.00	(72,606.00)	66.23%
INTEREST-MORGAN STANLEY- CAP	-	1.05	25.00	(23.95)	4.20%
INTEREST-LAIF- CAP	-	234.45	425.00	(190.55)	55.16%
INTEREST-DWR MM- CAP	1.36	12.23	50.00	(37.77)	24.46%
TRANSFER FROM OPERATIONS	16,666.66	133,333.36	200,000.00	(66,666.64)	66.67%
FUNDS BORROWED FROM WHOLESALE ZONE			-	-	0.00%
I-BANK LOAN			-	-	0.00%
TOTAL CAPITAL PROJECT REVENUE	52,339.02	275,975.09	824,000.00	(548,024.91)	33.49%
DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET \$ REMAINING (EXCESS)	PERCENT SPENT
BETTERMENT & REPLACEMENT PLAN	1,472.50	1,472.50	70,000.00	68,527.50	2.10%
BETTERMENT & REPLACEMENT PLAN LABOR	-	-	1,250.00	1,250.00	0.00%
UWMP UPDATE	-	-	-	-	0.00%
UWMP UPDATE LABOR	-	-	-	-	0.00%
2011 SYS IMPROVE-ENG/INSPECT/ADMIN	-	96,094.00	94,000.00	(2,094.00)	102.23%
2011 SYS IMPROVE-ENG/INSPECT/ADMIN LABOR	-	526.05	1,250.00	723.95	42.08%
BAJA PIPE RELOCATION ENG	-	12,683.17	13,000.00	316.83	97.56%
BAJA PIPE RELOCATION ENG LABOR	-	3,822.32	2,000.00	(1,822.32)	191.12%
2011 SYS IMPROVE-CONSTRUCTION	30,119.87	610,615.50	560,000.00	(50,615.50)	109.04%
2011 SYS IMPROVE-CONSTRUCTION LABOR	-	17,227.13	1,250.00	(15,977.13)	1378.17%
COUNTY OF ORANGE PAVING PROJ.	-	27,812.64	55,000.00	27,187.36	50.57%
COUNTY OF ORANGE PAVING PROJ. LABOR	-	482.68	1,250.00	767.32	38.61%
BAJA PIPE RELOCATION CONST	675.00	15,690.24	23,000.00	7,309.76	68.22%
BAJA PIPE RELOCATION CONST LABOR	371.19	5,273.80	2,000.00	(3,273.80)	263.69%
TOTAL CAPITAL PROJECT EXPENSES	32,638.56	791,700.03	824,000.00	32,299.97	96.08%
NET CAPITAL PROJECTS INCOME (LOSS)	19,700.46	(515,724.94)	-	(515,724.94)	

Wholesale Zone

Account Number	Account Name	Income(I) Expense (E)	Amount	Percent Received/ Spent	Comments
<u>February 2012</u>					
<u>New</u>					
5130-0043-1	EOCF#2 NONINTERR OC-43	E	1,102,227.79	128.27%	Demand higher then projected
5130-0048-1	EOCF#2 NONINTERR OC-48	E	1,132,008.32	235.74%	Demand higher then projected
5130-0070-1	WATER PURCHASED OC-70	E	1,497,908.74	126.10%	Demand higher then projected
5486-0001-1	Uniforms- Maintenance	E	1,102.56	110.26%	Replacement of field employee's boots
<u>Ongoing</u>					
4930-0056-1	Taxes Miscellaneous Taxes	I	828.04	3312.16%	Delinquent Supplemental Penalties Paid (\$253.70) and Delinquent Supplemental Collection Paid (\$574.34).
4990-0001-1	Miscellaneous Income	I	1,465.08	293.02%	This is the Rent paid for the Trailer at the 6 MG and the Meter Charge/Standby Charge on the Wholesale Zone billing.
5357-0001-1	Maintain & Operate EOCF #2	E	39,514.08	171.80%	The amount budgeted was based on the 2009/10 Fiscal year didn't include increased MWD costs for capital projects.
5616-0001-1	Mileage	E	159.25	127.40%	The coding error last month has been corrected. Overage due to increased IRS rate.
5618-0029-1	Dues & Membership- ACWA	E	2,747.50	109.90%	The split between Wholesale & Retail was corrected to be a 50/50 split. The Budget was set up with a 42/61 split.

Retail Zone

Account Number	Account Name	Income(I) Expense (E)	Amount	Percent Received/ Spent	Comments
<u>February 2012</u>					
<u>New</u>					
5486-0002-2	Uniforms- Maintenance	E	2,152.81	139.79%	Replacement of field employee's boots
5642-0002-2	Computer Billing	E	4,166.38	104.16%	Pre-purchase of billing forms
5645-0002-2	Legal	E	20,958.72	116.44%	Overage related to OPA wells MND issue.
<u>Ongoing</u>					
4900-0002-2	Miscellaneous Income	I	305.63	61.13%	This is payment received for an unpaid water bill from a previous year.
5618-0031-2	Dues & Membership- AWWA	E	206.50	118.00%	There was an increase in the Dues for the 2011/12 fiscal year & the split between Wholesale & Retail was corrected to be a 50/50 split. The Budget was set up with a 55/45 split.
5650-0050-2	Insurance- Auto & General Liability	E	4,143.90	103.60%	The split between Wholesale & Retail was corrected to be the same as the last years asset split (59/41). Budget was set up with a 77/24 split.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: MORGAN STANLEY ACCOUNT MAINTENANCE
DATE: APRIL 13, 2012

Background

Morgan Stanley notified us recently that the only signatures they have on the account are Carl and Joyce Schoonover and that they need the attached document completed and signed by all signatories on the account. Further, Homeland Security regulations require the inclusion of Social Security numbers and home addresses.

Though we may be moving our funds to another account at the conclusion of the Ad-Hoc Investment Committee's work, we will have funds on deposit with Morgan Stanley for some continuing period of time and they will not allow our continued use of Board Member signatures without this paperwork being executed.

Recommendation

The Board approve Resolution ____ designating all Board Members as signatory on the Morgan Stanley account and direct the Secretary to file the completed form with Morgan Stanley.

RESOLUTION NO. ____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE EAST ORANGE COUNTY WATER DISTRICT
MORGAN STANLEY SMITH BARNEY LLC
AUTHORIZED PERSONS**

[see attached pages]

RECEIVED

APR 06 2012

Morgan Stanley
Smith Barney

For Internal Use Only

Branch No. Account No. Financial Advisor No.
2 4 2 0 6 2 2 2 7 8 0 3

East Orange County Water District

Authorized Persons and Enabling Resolutions for Municipalities and Certain Other Unincorporated Entities

In consideration of Morgan Stanley Smith Barney LLC ("Morgan Stanley Smith Barney" or "MSSB") opening and/or maintaining one or more accounts for the entity named below, I, the undersigned, hereby certify as follows:

1. General Information

A. The full legal name of the entity (the "Client") to which this document applies is:

EAST ORANGE COUNTY WATER DISTRICT

NAME OF ENTITY

B. Is the entity a not-for-profit entity? ☐ Yes ☐ No

C. Type of Organization:

- | | | |
|---|--|--|
| <input type="checkbox"/> Municipality/Government Entity | <input type="checkbox"/> Union/Trade Association | <input type="checkbox"/> Condo/Homeowners' Association |
| <input type="checkbox"/> Educational Institution | <input type="checkbox"/> Charitable/Religious Organization | <input type="checkbox"/> Native American Tribe |
| <input type="checkbox"/> Private Foundation/Foundation | <input type="checkbox"/> Business Trust | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Civic Club/Assoc. | | DESCRIBE |

2. Authorized Persons

Morgan Stanley Smith Barney is hereby authorized to accept investment instructions and other instructions from the officers of the Client and/or other individuals listed below ("Authorized Persons"). These privileges include, but are not limited to, the authority to make distributions (e.g., of cash or securities) and transfers by check or otherwise to anyone, including the undersigned officers and/or other individuals.

If Morgan Stanley Smith Barney receives conflicting instructions from different Authorized Persons, or reasonably believes instructions from one Authorized Person might conflict with the wishes of another Authorized Person, Morgan Stanley Smith Barney may do any of the following: (a) choose which instructions to follow and which to disregard; (b) suspend all activity in the account until written instructions signed by all Authorized Persons are received; (c) close the account and deliver all securities and other property, net of debts or liabilities, to the address of record; and/or (d) take other action deemed necessary to protect the interests of MSSB.

(ALL AUTHORIZED PERSONS MUST COMPLETE THIS SECTION, EVEN IF ALSO SIGNING ON BEHALF OF THE CLIENT AT THE END OF THIS DOCUMENT.)

NAME	PRIMARY RESIDENCE ADDRESS		
SIGNATURE	SOCIAL SECURITY NUMBER	DATE OF BIRTH	TITLE
NAME	PRIMARY RESIDENCE ADDRESS		
SIGNATURE	SOCIAL SECURITY NUMBER	DATE OF BIRTH	TITLE
NAME	PRIMARY RESIDENCE ADDRESS		
SIGNATURE	SOCIAL SECURITY NUMBER	DATE OF BIRTH	TITLE
NAME	PRIMARY RESIDENCE ADDRESS		
SIGNATURE	SOCIAL SECURITY NUMBER	DATE OF BIRTH	TITLE

AUTHORIZED PERSONS AND ENABLING RESOLUTIONS FOR MUNICIPALITIES
AND CERTAIN OTHER UNINCORPORATED ENTITIES
NNAUFICF N1011 (11/2011)



For Internal Use Only

Branch No. Account No. Financial Advisor No.
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**Morgan Stanley
Smith Barney**

Authorized Persons and Enabling Resolutions for Municipalities and Certain Other Unincorporated Entities

In consideration of Morgan Stanley Smith Barney LLC ("Morgan Stanley Smith Barney" or "MSSB") opening and/or maintaining one or more accounts for the entity named below, I, the undersigned, hereby certify as follows:

1. General Information

A. The full legal name of the entity (the "Client") to which this document applies is:

NAME OF ENTITY _____

B. Is the entity a not-for-profit entity? ☐ Yes ☐ No

C. Type of Organization:

- | | | |
|---|--|--|
| <input type="checkbox"/> Municipality / Government Entity | <input type="checkbox"/> Union / Trade Association | <input type="checkbox"/> Condo / Homeowners' Association |
| <input type="checkbox"/> Educational Institution | <input type="checkbox"/> Charitable / Religious Organization | <input type="checkbox"/> Native American Tribe |
| <input type="checkbox"/> Private Foundation / Foundation | <input type="checkbox"/> Business Trust | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Civic Club / Assoc. | | DESCRIBE |

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(ALL AUTHORIZED PERSONS MUST COMPLETE THIS SECTION, EVEN IF ALSO SIGNING ON BEHALF OF THE CLIENT AT THE END OF THIS DOCUMENT.)

NAME _____	PRIMARY RESIDENCE ADDRESS _____		
SIGNATURE _____	SOCIAL SECURITY NUMBER _____	DATE OF BIRTH _____	TITLE _____
NAME _____	PRIMARY RESIDENCE ADDRESS _____		
SIGNATURE _____	SOCIAL SECURITY NUMBER _____	DATE OF BIRTH _____	TITLE _____
NAME _____	PRIMARY RESIDENCE ADDRESS _____		
SIGNATURE _____	SOCIAL SECURITY NUMBER _____	DATE OF BIRTH _____	TITLE _____
NAME _____	PRIMARY RESIDENCE ADDRESS _____		
SIGNATURE _____	SOCIAL SECURITY NUMBER _____	DATE OF BIRTH _____	TITLE _____

AUTHORIZED PERSONS AND ENABLING RESOLUTIONS FOR MUNICIPALITIES
AND CERTAIN OTHER UNINCORPORATED ENTITIES
NNAUFICF N1011 (11/2011)



For Internal Use Only

Branch No. Account No. Financial Advisor No.
2 4 2 0 6 2 2 2 7 8 0 3

Enabling Resolutions

The following is a full, true and correct copy of Resolutions duly and regularly adopted by vote of the Board of Trustees, Council or other supreme governing body, referred to as the "Board" of the Client, which Resolutions have not been rescinded or modified and are in full force and effect, and the Client further represents and warrants that: (1) the Resolutions are in accord with and pursuant to the Client's underlying charter and bylaws; (2) the Resolutions are in accord with all constitutional, statutory and regulatory provisions pertaining to the Client; (3) the Client is empowered to take the actions called for by the Resolutions; (4) the Client is duly organized, validly existing and in good standing under all applicable state laws or the laws of a non-U.S. jurisdiction; and (5) the persons designated herein as officers of the Client have been duly installed and now hold the offices in the Client set forth by their respective names and their true signatures.

RESOLVED:

FIRST, that the Authorized Persons are, and each of them hereby is, authorized and empowered to the fullest extent possible, to act on behalf of the Client, to establish and maintain with Morgan Stanley Smith Barney where eligible under applicable law one or more cash accounts, margin accounts, BusinessScape accounts, commodities accounts, or any other type of account offered by Morgan Stanley Smith Barney and its applicable affiliates ("Account"), for the purpose of purchasing, investing in, or otherwise acquiring, selling (including short selling), possessing, transferring, exchanging, borrowing, pledging or otherwise disposing of, and generally dealing in and with, cash and any and all forms of securities and financial instruments, including, but not limited to shares, stocks, bonds, debentures, notes, scrip, participation certificates, rights to subscribe, options, warrants, futures, commodities, commodity futures and/or options on futures, certificates of deposits, mortgages, evidence of indebtedness, commercial paper, and interests of any and every kind and nature whatsoever, secured and unsecured, whether represented by trust, participating and/or other certificates or otherwise.

SECOND, that, without obligation on MSSB's part to inquire, instructions or actions, by any Authorized Person shall individually have the fullest authority on behalf of the Client with respect to the Account including, but not limited to, authority to:

- 1) give written or oral instructions to MSSB with respect to any securities in, or transaction or service offered in connection with, the Account;
- 2) deposit or withdraw money, securities and other property of the Client to and from the Account;
- 3) borrow money from MSSB and secure payment thereof with the property of the Client;
- 4) bind the Client to any contract, arrangement or transaction, which shall be entered into by any Authorized Person with or through MSSB;
- 5) make payments related to the Account by checks and/or drafts drawn upon the funds of the Client;
- 6) endorse any securities in order to pass ownership thereof or for any other purpose;
- 7) direct the sale or exercise of any rights with respect to securities therein;
- 8) sign releases and powers of attorney and enter into contracts and agreements, including but not limited to any MSSB account agreements and documentation relating to any debit or credit card, the checkwriting privilege, online services, electronic fund transfers and other services which are or may be offered in connection with the Account (where available), as such documents may be modified from time to time, and any documentation permitted or contemplated by such agreements, products and services, and to affix the seal to same when necessary;
- 9) direct MSSB to surrender securities to the proper agent or party for the purpose of effecting any exchange or conversion, or otherwise;
- 10) take any and all action in connection with the Account deemed necessary or desirable by any Authorized Person.

THIRD, that any Authorized Person may appoint any person(s) ("Designated Persons") to: (1) conduct trading in the Account; (2) endorse any securities, or to make, execute and deliver; under the seal of the Client or otherwise, any instrument of assignment and/or transfer necessary or proper to pass title to such securities; (3) sign checks (in which event, the signature of the Designated Person

AUTHORIZED PERSONS AND ENABLING RESOLUTIONS FOR MUNICIPALITIES
AND CERTAIN OTHER UNINCORPORATED ENTITIES
NNAUFICF N1011 (11/2011)

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Branch No.

Account No.

Financial Advisor No.

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shall promptly be provided on any applicable signature card upon request by MSSB); (4) use any associated debit or credit card (where available); or (5) provide instructions to effect electronic fund transfers.

FOURTH, that each Authorized Person is empowered and authorized to do all things each deems necessary or desirable to implement the foregoing Resolutions.

FIFTH, that MSSB may deal with any and all of the persons directly or indirectly empowered by foregoing Resolutions as though they are dealing with the Client directly.

SIXTH, that the duly designated officer is hereby authorized and empowered to certify to MSSB, under the seal of the Client or otherwise:

- (a) a true, correct and complete copy of these Resolutions;
- (b) specimen signatures of each Authorized Person and each Designated Person empowered by these Resolutions, if so requested by MSSB;
- (c) a certificate (which, if required by MSSB, shall be supported by an opinion of the general counsel of the Client, or other counsel satisfactory to MSSB) that the Client is duly organized and in good standing, that Client's charter authorizes the action or business described in these Resolutions, and that no limitation has been imposed upon such powers by constitution, statute, regulation, charter, bylaw or otherwise.

SEVENTH, that MSSB may rely upon any certification given in accordance with these Resolutions as continuing fully effective unless and until MSSB shall receive due written notice of an amendment, modification or rescission of such Resolutions or certification. Further resolved that MSSB shall not be liable for any action taken or not taken upon instruction of any Authorized Person or Designated Person prior to MSSB's actual receipt of written notice of the termination or impairment of such person's authority. The failure to supply any specimen signature shall not invalidate any transaction which is in accordance with authority previously granted. Further resolved that the Client shall indemnify and hold harmless MSSB and any of its subsidiaries and affiliates from any and all claims that a transaction was unauthorized or outside the scope of the Client's powers, if such transaction was authorized by any of the Authorized Persons or Designated Persons.

EIGHTH, that in the event of any change in the office or powers of persons hereby empowered, the secretary (or other duly designated officer), shall certify such changes to MSSB, in writing, which certification, when MSSB receives it, shall terminate the powers of the persons previously authorized and empower the persons thereby substituted in accordance with all the provisions of these Resolutions.

NINTH, that the Client hereby authorizes MSSB to charge any amount due to MSSB under any arrangement with the Client, against any or all of the accounts and other property of the Client held with MSSB or any of its affiliates, with the Client remaining liable for any deficiency and each Authorized Person or Designated Person is authorized and directed to pay to MSSB by checks and/or drafts drawn upon the funds of the Client such sums as may be necessary to discharge the Client's obligations to MSSB.

TENTH, Client agrees that MSSB may apply these Resolutions to any accounts in the name of the Client listed herein.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the Seal of the Client,

this _____ day of _____, 20_____.

NAME OF DULY AUTHORIZED OFFICER (PRINT)

SIGNATURE OF DULY AUTHORIZED OFFICER

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**MorganStanley
SmithBarney**

AUTHORIZED PERSONS AND ENABLING RESOLUTIONS FOR MUNICIPALITIES
AND CERTAIN OTHER UNINCORPORATED ENTITIES
NNAUFICF N1011 (11/2011)

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MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: TRANSITION OF ACWA HBA INTO ACWA/JPIA
DATE: APRIL 13, 2012

Background

The District contracts with the Association of California Water Agencies Health Benefits Authority (HBA) - a separate Joint Powers Authority from ACWA itself - for health insurance benefits. Recently, the governing body of the HBA voted to consolidate with ACWA Joint Powers Insurance Authority (JPIA) – to which the District contracts for property, liability, auto and other business insurance. The move was undertaken in order to "...combine resources, reduce overall costs and improve operations."

In order to ensure that there is no loss or change to our existing coverage, JPIA has asked that we execute the attached resolution prior to May 31, 2012. The resolution, which was prepared by ACWA JPIA, contains the following provisions:

1. Incorporates the HBA Memorandum of Understanding that the District and ACWA HBA entered into for health benefits, into the resolution by reference;
2. Consents to join JPIA's Employee Benefits Program and agree that the terms and conditions from the HBA will apply to the JPIA.
3. Authorize the General Manager to execute any further documents that are needed to ensure that the existing benefits coverage is continues without lapse through JPIA.
4. Ratify the HBA Board of Director's termination of the HBA Agreement;
5. Direct the JPIA Secretary to send a copy of the resolution to the HBA.

Recommendation

The Board approve Resolution No. 2012- ____ consenting to join the health benefits program of the ACWA JPIA, ratify the action taken by the HBA Board of Directors, terminate the HBA Joint Powers Agreement and authorize and direct the execution of all necessary documents.



March 7, 2012

RECEIVED

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

MAR 12 2012

East Orange County Water District

RE: Transition of ACWA HBA into ACWA/JPIA

Dear Lisa,

We are pleased to announce a development that could result in cost savings for ACWA members enrolled in insurance programs offered by the ACWA Health Benefits Authority (HBA) and the ACWA/Joint Powers Insurance Authority (ACWA/JPIA).

The governing body of HBA has voted to initiate proceedings to transition its operations and programs into ACWA/JPIA. The move would allow the two organizations to combine resources, reduce overall costs and improve operations. Potential cost savings would be passed on to ACWA member agencies that participate in programs offered by HBA and ACWA/JPIA.

In order to proceed with the transition, HBA must undertake a formal process to dissolve itself and combine its operations with ACWA/JPIA. Under HBA's existing bylaws, the organization may be dissolved by its Board of Directors with written consent of 75% of HBA members. This consent threshold must be met by July 1 to proceed.

In the coming weeks, HBA will distribute a package of materials to general managers and board presidents at HBA member agencies with background and specific actions needed to formally approve the transition.

We are excited to pursue this opportunity and will keep all ACWA members apprised as the process moves forward. In the meantime, please do not hesitate to contact staff at HBA or ACWA/JPIA if you have any questions. Contacts are provided on reverse page.

Timothy Quinn
Executive Director
ACWA

Rick Gilmore
Board President
ACWA HBA

Walter "Andy" Sells
Chief Executive Officer
ACWA/JPIA



**ACWA
Health Benefits
Authority**

RECEIVED

APR 04 2012

East Orange County Water District

April 1, 2012

Ms. Lisa Ohlund
General Manager
East Orange CWD
185 N McPherson Rd
Orange, CA 92869

RE: Urgent Action Needed to Retain Health Benefits

Dear Ms. Ohlund,

On March 7 you received a notice announcing the impending transition of the ACWA Health Benefits Authority (HBA) into the ACWA/Joint Powers Insurance Authority (ACWA/JPIA). On March 28, the HBA Board voted to dissolve the HBA and transfer the health benefits program to ACWA/JPIA.

We need your immediate assistance to secure the needed concurrence within the mandated 90-day window. The following steps must be taken to ensure a seamless transition and to retain the employee benefits currently provided by HBA:

- 1. Your board will need to pass the enclosed resolution.** The resolution consents to join the Employee Benefits Program of the ACWA/Joint Powers Insurance Authority and ratifies the action of the ACWA Health Benefits Authority Board of Directors to terminate the Health Benefits Authority Joint Powers Agreement. **Please place the resolution on your next available agency agenda for action.**
- 2. Return the signed resolution:** HBA is requesting the signed resolution by April 30, 2012 (or sooner), if possible, and no later than May 31, 2012. Please mail to:

ACWA HBA
4600 Northgate Blvd, Suite #100
Sacramento, CA 95834

Failure to return the signed resolution by June 29, 2012, may result in loss of coverage for your district employees.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT CONSENTING TO JOIN THE HEALTH BENEFITS PROGRAM OF THE ACWA JOINT POWERS INSURANCE AUTHORITY, RATIFYING THE ACTION OF THE ACWA HEALTH BENEFITS AUTHORITY BOARD OF DIRECTORS TO TERMINATE THE HEALTH BENEFITS AUTHORITY JOINT POWERS AGREEMENT, AND AUTHORIZING AND DIRECTING THE GENERAL MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS

WHEREAS, the East Orange County Water District (this "Agency") entered into a joint exercise of powers agreement ("HBA Agreement") with the Association of California Water Agencies Health Benefits Authority ("HBA") in order to pool its purchasing needs with other public agencies desiring to provide their employees with comprehensive and economical health and welfare benefits; and

WHEREAS, this Agency entered into a Health Benefits Memorandum of Understanding ("MOU") to enroll in specific health programs and ancillary programs ("Existing Employee Benefits Coverage") offered by HBA and agreed to abide by: (1) the HBA Agreement; (2) all rules and procedures established by HBA in the administration of the Agency's Existing Employee Benefits Coverage; and (3) all underwriting, eligibility, and contribution requirements in Appendix A to the MOU; and

WHEREAS, this Agency entered into a joint exercise of powers agreement ("JPIA Agreement") with the Association of California Water Agencies Joint Powers Insurance Authority ("JPIA") in order to pool its purchasing needs with other public agencies desiring to obtain comprehensive and economical public liability, workers' compensation, unemployment, health, accident and/or dental, or property coverage; and

WHEREAS, JPIA is both qualified and authorized by the laws of the State of California to administer the Existing Employee Benefits Coverage to this Agency through JPIA's Employee Benefits Program; and

WHEREAS, during a noticed special meeting held on February 6, 2012, the HBA Board of Directors unanimously voted to transfer all HBA operations and administrative functions to JPIA on or about July 1, 2012, and to pursue a merger of the two public agencies after which the HBA Agreement would be terminated; and

WHEREAS, pursuant to Article 22 of the HBA Agreement, the HBA Agreement may be terminated by the HBA Board of Directors subject to ratification by the written consent of three-fourths of the HBA Member agencies within 90 days of the HBA Board's action, provided, however, that HBA and the HBA Agreement shall continue to exist for the purpose of concluding all functions necessary to wind up HBA's affairs; and

WHEREAS, during a noticed regular meeting held on March 28, 2012, the HBA Board of Directors approved HBA Resolution 12-03-02: (1) electing to terminate the HBA Agreement pursuant to Article 22 of the HBA Agreement and, except as provided in clause 2 below, said termination shall become effective upon ratification by the written consent of three-fourths of the HBA member districts and agencies; (2) recognizing that pursuant to Article 22 of the HBA Agreement, HBA and the HBA Agreement shall continue to exist for the purpose of winding up and dissolving the business affairs of HBA, and acknowledge that the HBA Board of Directors is vested with all powers of HBA for doing the same; and (3) declaring that Resolution 12-03-02 shall take effect on April 1, 2012, thereby beginning the 90-day ratification period.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Board Directors of East Orange County Water District hereby:

1. Agrees that the HBA Memorandum of Understanding referred to in the recitals

above is incorporated in this resolution by reference.

2. Consents to join JPIA's Employee Benefits Program and acknowledges, represents, and agrees that all terms and conditions of the HBA Memorandum of Understanding apply to the provision of this Agency's Existing Employee Benefits Coverage through JPIA.

3. Authorizes and directs this Agency's General Manager to cooperate fully with HBA and JPIA in the execution of any other documents and in the completion of any additional actions that may be necessary or appropriate for the purpose of ensuring that this Agency's Existing Employee Benefits Coverage continues without lapse through JPIA.

4. Ratifies the action of the HBA Board of Directors to terminate the HBA Agreement, to be effective as provided in Article 22 of the HBA Agreement.

5. Directs the Secretary of the Board of this Agency to immediately send a certified copy of this resolution to: Association of California Water Agencies Health Benefits Authority, 4600 Northgate Blvd, Suite 100, Sacramento, California, 95834.

ADOPTED, SIGNED AND APPROVED by the Board Directors of East Orange County Water District this __ day of _____, 2012.

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

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

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: TRANSITION TO PAPERLESS AGENDA
DATE: APRIL 13, 2012

Background

In February, Board Members expressed interest in examining the potential for moving to a "paperless agenda" by preparing it electronically and then accessing it using tablet devices (e.g., iPad).

Staff has completed its examination of the software, equipment and training that will be necessary to implement a paperless agenda; the results are summarized in this memo.

Many cities, districts and states throughout the state and country are adopting the use of electronic distribution of agenda packets to save money, as well as reduce environmental impacts by eliminating the need to print hardcopy agendas, packets and many other paper documents.

Paperless Agenda Process

When contemplating conversion to a paperless agenda process, one must consider that all involved parties will need to adapt their existing work methodology to realize the expected efficiencies, and that while a reduction in paper and mailing costs is achieved, there is equal or perhaps even more effort required to change to an electronic agenda.

The process to prepare an agenda packet essentially consists of three major components:

1. Agenda Packet Creation - Creation of the content and organization into a final product.
2. Agenda Packet Distribution - Distribution of the actual final product.
3. Agenda Packet Review (Physical Device) - Review and use of content by the intended audience prior to and during the actual meeting.

Agenda Packet Creation: The current agenda packet creation and approval process is entirely manual. During the creation process, the General Manager prepares each agenda item by creating electronic documents (Board Memos, miscellaneous attachments) and/or scanning related paper working documents and sending them via email to the District Secretary (Joan Arneson and her staff) as 15-25 individual electronic files. The size of the agenda packet varies depending on the topics being covered. During a 6-month sample period, the total number of pages varied between a low of 74 to a high of 502 pages. Ten full paper copies of each meeting's agenda packet are made by the District Secretary and during the sample six month period, the average monthly page count for all of the agenda packets combined was approximately 1,550 pages (including abbreviated agenda

packages that are mailed to others). Extrapolating out for a twelve month period, there are approximately 3,100 pages of agenda packet materials created. With the existing ten copies being made, that means that there are 31,000 pages of agenda packet material produced in an average year.

Agenda Packet Distribution: The agenda packets are copied on either the Friday or Monday prior to the Board Meeting and distributed that evening by staff. Board Members bring their copy of the agenda packet to the Thursday evening meeting, and either take their copy with them or leave it to be recycled – this yields a document lifespan of approximately four-six days.

The annual hard cost associated with this effort is only about \$2,000 per year because Bowie Arneson doesn't charge the District a per-page copying cost, nor do they charge us for the staff time to copy the package. The only time we pay for is Secretary Arneson's time preparing the minutes and her time preparing the agenda listing itself – these costs would remain just about the same even if we change to a paperless agenda. The \$2,000 represents the avoided cost of delivery plus some small time savings on staff's part associated with agenda preparation.

A relatively low-cost piece of software, Adobe Acrobat, is required to bring the individual scanned elements of the agenda packet into a single document, and to create a Table of Contents which will allow a user to quickly jump to different sections of the master document, mimicking the functionality of the "tab" created for the current paper document and binder. Inclusion of electronic documents rather than using a scanned copy allows individuals reviewing the agenda packet to "copy and paste" content from the packet to other documents, as well as enhance the ability to search agenda packet content, both within the packet itself as well as on the District's website.

Finally, certain materials in the Board Member's agenda packets may not be suitable to electronic distribution. Confidential legal communications would either need to be encrypted, or continue to be provided only in hard copy. Additionally, review of oversized documents, such as building plans and representations on an iPad, even with its ability to zoom and pan, may prove challenging.

For distribution of electronic Agenda packets to Board members, creation of a password protected section of the District's website and having Council members download the agenda packet is the easiest, lowest cost option. A viewable version will also be placed in the public section of the website containing all the non-confidential material.

Agenda Packet Review (Physical Device): The market has developed and introduced a wide variety of devices to create, edit and review electronic content (desktop computers, laptops, tablet computers such as the iPad, eBook readers like the Kindle and Nook) for home and businesses use. During staff's review, we focused primarily on the iPad and Samsung Galaxy Tab; ultimately the Galaxy Tab was eliminated from consideration because it did not support iAnnotate (the program used to "mark-up" the agenda, just as if one were writing on a real agenda packet).

When evaluating these types of devices for use in reviewing an electronic agenda packet, there are several key factors to consider which are discussed below:

- Display Size
- Tablet Computers compared to Laptops
- Display Type
- Other Issues

Display Size: In most organizations, the distribution of most "formal" information is still done on the traditional 8.5x 11-inch white sheets of paper, portrait format (vertical orientation) and typically, in black ink. The 8.5 x 11 portrait format is the de facto standard "business" document type for a variety of reasons, one of which is that the majority of technologies associated with document creation (word processing software, printers) default to this format. The 8.5x 11 paper document is easy to read and provides the reader with the ability to create notes in margins, use flags, highlighting, underlining, or even folding pages to be able to quickly reference information contained in the document. Paper documents remain in use for a variety of other reasons, such as they are portable, durable, do not require a battery, are easily read, and can be used in a wide variety of lighting types (fluorescent, incandescent, sunlight).

When considering converting from use of the traditional paper hard copy agenda packet to electronic format, the "ease of use" associated with the device presenting the information to the end user is very important. Additionally, how large format materials, such as plans and conceptual representations, would be presented also needs to be addressed. An ideal device would mirror the functionality currently available from a paper documents, and provide additional benefits via lower costs for reproduction, distribution, and storage.

Many electronic devices do not fully show content at a comparable size as a result of either their display size or orientation – but the iPad and the Samsung Galaxy Tab both provide an excellent display. Additionally, both of these devices allow the user to "zoom in and out" on any size document so as to comfortably view normal size and/or large format documents such as plans and conceptual representations.

Tablet Computers versus Laptops - When evaluating portable devices, staff also looked at laptop computers which, prior to the advent of tablet computers and e-book readers, offered the only real portable option. Laptops fall into two broad categories, netbooks (very small light weight laptops with a less powerful processors and a smaller size display), and "business class" laptops (larger, heavier, processing power closer to a desktop computer, and a larger display).

There are some disadvantages to using a laptop for review of materials like the agenda packet. A laptop's display defaults to landscape mode (although this can be changed) and annotating a document is not as easy or intuitive since reviewers would need to use the keyboard and mouse rather than simply jotting a note in the margin. Additionally, the smaller screen of a netbook type computer would most likely present challenges for individuals reviewing agenda packets. The larger screen size of a "business class" computer would alleviate part of the concerns with using a netbook (even with the default "landscape" orientation) but the size and weight of the device might present issues with portability and cost (they are generally 10-20% more expensive than tablets). Given the lesser degree of functionality associated with reviewing and annotating documents on a laptop, staff believes Board Members would be better served by using a tablet type device.

Display Type - In addition to the screen size and orientation factors, there are two major display technologies associated with portable electronic devices, the traditional Liquid Crystal Display (LCD) and Electronic Ink (E-Ink). Both technologies have advantages and disadvantages. The traditional LCD display offers the advantage of being able to display a wider color palette (E-Ink color displays are only currently coming to market, and are expected to only display 4096 colors compared to LCD display that can display 65,536 colors), a faster refresh rate (page changes and scrolling through a document take place quicker as well as providing the ability to easily display multi-media content such a video), and the capability to provide a superior touch screen interface (the ability to use either a stylus or a finger to select information directly on the screen rather than having to use the keyboard). Both the iPad and the Samsung Galaxy Tab have LCD displays, although the new iPad comes with a 2048 x 1536 (high definition) display while the Galaxy's resolution is 1280 x 800.

There are currently two models of iPads (each with different memory configuration), one which provides only WiFi capability, and one that uses the cellular data network (4G model) to provide "always on" connectivity to email and the Internet. The 4G model costs approximately \$200 per unit more than the WiFi unit, and requires an on-going monthly subscription from a wireless carrier to provide access (minimum of \$1800 annually for the five members of Board, plus another \$720 for the Secretary and Superintendent). Although providing the flexibility to download the agenda packet at virtually any location could be beneficial, multiple locations now offer free WiFi, and the cost to enable WiFi at a home is relatively small (less than \$50.00 for a WiFi enabled router). The District already has WiFi capability and our IT Consultant said that it will be able to handle many users at once (as long as no one is downloading video or music files). Given the District's need to control expenses, the WiFi iPad should provide the functionality necessary to review agenda packets at a lower initial cost, and without incurring an on-going expense.

The iPad comes with a software suite that will allow Board Members to use it for research, note-taking, and media storage. One additional piece of software, iAnnotate (\$9.99 per device) is necessary to allow Board Members the ability to highlight and annotate PDF documents. During the initial implementation, no additional software should be necessary.

Other Issues - Confidential legal documents should continue to be provided to the Board on hard copy only until such time that the District can implement encryption and auditing. Oversize documents should be provided as both an electronic copy and a hard copy until such time that a determination can be made by Board Members as to whether the functionality within the iPad is sufficient to meet their needs in this area.

Summary and Cost

Because the actual process of using the information contained within the agenda packet is perhaps the most important element, the device used is extremely critical, hence the greatest weight given in this review was to this aspect. The second most critical element in the process is the cost of the total system and whether or not it will prove to save money, as well as resources, over time. How the content in the packet is created and saved and distributed in a format that the physical device can utilize and that can be posted on our website to improve our customer's accessibility to Board deliberations was the third most important consideration.

The proposed paperless agenda direct costs include:

Acquisition of a full version of Adobe Acrobat Pro X and iAnnotate	\$ 800.00
Purchase of five (5) Apple iPad (WiFi model) devices for Board Members	3,500.00
Purchase of two (2) iPads to be used by the District Secretary and Superintendent on a routine basis	<u>1,400.00</u>
Total Cost	<u>\$5,700.00</u>

The cost of implementing a basic paperless agenda creation and distribution process (\$5,700) would not be quickly recovered due to the very economical manner in which the agenda has been prepared for many years. At \$2,000 per year, it will take almost three years to recoup the initial investment. Additionally, three paper packets would still be produced for the Secretary's records, the Library, and a public copy.

As part of the conversion to a paperless agenda, the Board would also need to adopt a policy regarding text and/or email messages sent or received during Board Meetings and as well as addressing the acceptable use, practices and support for the tablet devices. Having a WiFi connection for Board Member's iPads does raise the issue of electronic communication with other Board Members during meetings. Several Boards and Councils have enacted a policy to address the use of text and email messaging by Board Members during meetings. Although all members of the Board have personal cellular telephones and/or devices similar to the iPad, the visibility of the iPads on the table and the connectivity offered by WiFi connection will bring this issue forward in the mind of the public (if they are present). For this reason, staff will bring a policy regarding electronic communication during Board and committee meetings, as well as the appropriate use and care for the devices, to the Board for consideration.

Further, because they are District property, information contained on them would be subject to complete disclosure – because of this staff recommends that each Board Member be assigned a District email address and only District email be accessed on the devices to prevent personal emails from being subject to viewing and disclosure.

Next Steps

If the Board desires to proceed, Staff believes that the iPad represents a good compromise between functionality, usability, and cost. Alternatives to the iPad, such as some of the recently introduced true tablet computers and the convertible laptops are also viable options, but probably have a higher cost than the iPads without the functionality. Staff proposes to implement the paperless agendas at the July Meeting; this would provide approximately two months to procure the software, train all parties on it, procure and setup the tablet devices and train all parties in their use.

Recommendation

The Board approve the process of implementing a paperless agenda as described in this Board Memorandum and direct staff to complete the process by the July Meeting.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: REPORT ON MWDOC PUBLIC POLICY AND ETHICS WORKSHOP
DATE: APRIL 13, 2012

Background

On March 19th, MWDOC held a special workshop on Ethics and Conflict of Interest Disclosure. The workshop featured presentations and a panel discussion with representatives from the Fair Political Practices Commission (FPPC) and law firms Nossaman LLP and Best, Best & Krieger LLP.

The workshop was organized as follows:

- | | |
|--------------------------------------|---|
| • Completing Form 700 | Trish Mayer, FPPC |
| • Campaign Contributions | Sukhi Brar, FPPC |
| • Financial Conflicts of Interest | Dick Ackerman, Partner, Nossaman LLP |
| • Honoraria, Gifts & Travel Expenses | Grover Trask, Special Counsel, Best, Best & Krieger |

This workshop went into much more detail, particularly about Government Code Section 1090 (Financial Interests in Public Contracts) and Form 700, than the course provided through either ACWA or the Attorney General's office.

Attached are copies of the presentation slides and a handout entitled, "Avoiding Financial Conflicts of Interest." Some of the highlights from the presentation:

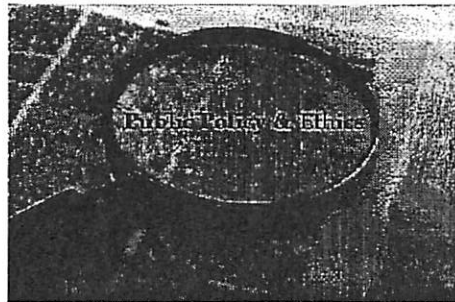
- A "Public Official" includes not only an elected official, it's also appointed officials and upper management such as General Managers, Assistant General Managers, Treasurers, etc.
- It's a violation to be involved in preliminary discussions, negotiations, planning or solicitation of bids as well as voting on the contract itself if you have a financial interest in a public contract.
- Disclosure of the conflict doesn't save the contract – the agency cannot enter into the contract if only one member has a financial interest in the contract.
- You can't participate in the making of a contract, even if you don't actually gain any direct financial benefit from the contract in question.
- A prize or award received in a competition not related to your official status is not subject to the gift limit, but it must be reported as income if the value is \$500 or more.
- You must report income and investments from businesses doing business in your jurisdiction – even if it is just that they sell products in your jurisdiction (McDonald's, General Mills, etc.).

Recommendation

This is an information item only; no action is necessary.

EXHIBIT L

**Municipal Water District
of Orange County**



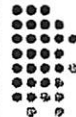
Dick Ackerman - Partner, *Nossaman LLP*

Amber Maltbie - Associate, *Nossaman LLP*

Grover Trask – Special Counsel, *Best, Best & Krieger*

Sukhi Brar – Counsel, *Fair Political Practices
Commission*

Trish Mayer – Staff Services Manager, *Fair Political
Practices Commission*



Ethics Laws

WHY DOES THE PUBLIC HOLD PUBLIC OFFICIALS TO HIGH STANDARDS OF ETHICAL CONDUCT?

- Power of Government
- Steward's of Tax Dollars
- Public Trust

WHAT ARE ETHICS LAWS?

- California's Statutory Laws
- Set the Minimum Legal Standard for a Public Official's Conduct



"When a man assumes a public trust, he should consider himself public property."

Principles of Public Service Ethics

TRUSTWORTHINESS
Public Office = Public Trust / Honest Service
FAIRNESS
The People's Business = Open Government
RESPONSIBILITY
Public Official's Decisions ≠ No Bias
Must be Merit Based ≠ No Personal Gain
No Conflicts of Interest
RESPECT
Public Confidence = No appearance of impropriety

Headline News...

...the public's perception of reality

DA's office probes QH Water District

*Use of money for parties, luncheons
must be justified*



Conflicts of Interest

**Under the Political Reform
Act of 1974**



Political Reform Act of 1974



Purposes

The PRA seeks to bring a degree of credibility to government by providing that those who hold a public trust must act, and appear to act, ethically. Erosion of confidence in public officials is detrimental to democracy.... To maintain confidence and to avoid public skepticism, conflicts of interest must be shunned.

*Consumers Union of U.S., Inc. v.
California Milk Producers Advisory Bd.
(1978) 82 Cal.App.3d 433.*

Conflicts of Interest - Violations



- Can be prosecuted for a misdemeanor and fined greater of \$10,000 or 3X amount official profited
- Can be sued in court by district attorney or FPPC for up to 3X amount official profited
- Can be administratively fined by FPPC up to \$5,000 per violation

Conflicts of Interests – The Basic Rule (Government Code Section 87100)



No public official at any level of state or local government shall:

- Make, participate in making, or use official position to influence
- A governmental decision
- In which official has an economic interest.

Your First Duty Under Conflict of Interest Law



- Determining whether official has conflict of interest is a complex legal analysis
- Not asking you to do this
- Asking you to determine two things:
 - Are you making, participating in making or using your official position to influence a govt decision?
 - Will the government decision affect your economic interests?

If answer is "yes" – get legal advice

Are You Making, Participating in Making, or Influencing a Government Decision?



- Yes when acting in official capacity and exercising judgment
 - Voting, appointing, making contract, committing agency to course of action
 - Negotiating, advising the decisionmaker (written or oral advice), report, research, investigation
 - Trying to influence own or another government agency
- No when actions are only clerical or manual

Will Government Decision Affect Your Economic Interests?



- Determine if government decision will have a reasonably foreseeable (substantially likely) monetary impact on one or more of your economic interests
- Generally your economic interests are what's reported on your Statement of Economic Interest (except includes residence and effects on personal finances)

Economic Interests (Detail)



- **Real Property** - Monetary impact on real property, option to purchase real property or lease (more than month-to-month) worth \$2,000 or more and held by you, spouse, registered domestic partner or dependent child
 - Although your home not reportable on Form 700, still is economic interest for conflict-of-interest purposes
 - **Example #1** – Increase or decrease in value of your home
 - **Example #2** – Increase or decrease in value of property owned solely by your spouse, registered domestic partner or dependent child.

Economic Interests (Detail)



- **Business Investment** - Monetary impact on a for-profit business in which you, spouse, registered domestic partner or dependent child has investment of \$2,000 or more
 - Does not apply to investments in government bonds, mutual funds, insurance policies
 - **Example #1** – Monetary impact on corporation in which you own \$3,500 in stock
 - **Example #2** – Monetary impact on partnership in which spouse owns interest worth \$2,000 or more

Economic Interests (Detail)



- **Business Employment or Management** - Monetary impact on any for-profit business where you are employed or hold a management position

Example - Increase in income to small for-profit corporation where you are on the board of directors but get no pay or benefits

Economic Interests (Detail)



- **Sources of income** – Monetary impact on source of income of \$500 or more to you:
 - Includes sources of income to your spouse or registered domestic partner (your community property income = ½)
 - Includes sources of income to any business in which you, spouse or registered domestic partner own a 10% or more interest
 - Does not apply to income from government agency, income from dividends or sale of stocks or bonds, interest income on bank account

Economic Interests (Detail)

Sources of Income (cont.)



- Example #1 – Impact on private company which employs spouse
- Example #2 – Impact on non-profit organization which employs spouse
- Example #3 – Impact on source of income to private company in which spouse has ownership interest

Economic Interests (Detail)



- **Sources of Gifts** – Monetary impact on source of gifts to you valued at \$420 or more during previous 12 months.

Example – A business gave you two tickets to basketball game worth \$250 in December 2009 and same in February 2010 (total \$500). In October 2010 you are asked to analyze a legal issue involving the business.

Note: Gift limit not exceeded.

Economic Interests (Detail)



- **Personal Finances** – Monetary impact of \$250 or more on personal finances of you, spouse, registered domestic partner or dependent child.

After You Determine Decision Will Affect Your Economic Interests



- When official has an economic interest in government decision, further analysis necessary
- Impact of government decision on official's economic interest must be:
 - reasonably foreseeable
 - "material"
- Exceptions for "public generally" and when official's participation legally required.
- Numerous statutes/regulations to determine issues; get legal advice

**What to Do If You Think Government
Decision Will Affect Your Economic
Interest**



Do not participate in the government decision
until seeking advice from agency's legal counsel
or the FPPC.

**Campaign Contributions
and Conflicts of Interest**
(Gov. Code Section 84308)



Under the Political Reform Act

Basic Rules



- Applies to elected officials in certain circumstances and appointees
- Prohibits participating in decisions affecting interests of people who contributed to your campaign within past 12 months.
- Prohibits accepting/soliciting contributions for 3 months after participating in decision.

Basic Rules - Continued



- Disclosure & Disqualification: \$250+ contribution during previous 12 months
- Ban on receiving or soliciting: campaign contributions of \$250+ during proceeding and 3 months thereafter
- Proceeding: involves a license, permit, or other entitlement for use

GOV. CODE 1090

Financial Interests in a Public Contract



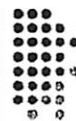
General Prohibition

Government Code section 1090 provides that a public official or employee may not "make" a contract in which he or she is financially interested.



GOV. CODE 1090

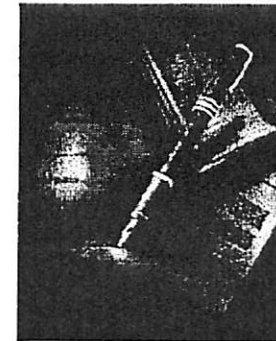
Financial Interests in a Public Contract



General Prohibition

• The public policy purpose of section 1090 is to make certain that public officials have:

- No self dealing in public contracts
- Avoid the perception of impropriety
- Maintain undivided loyalty to the public agency
- Eliminate all personal financial temptation for public officials when participating in public contracts.



Gov. Code 1090 Financial Interests

Interests in Public Contracts



Application of Section 1090

- Board members
- Employees



Gov. Code 1090 Financial Interests

Interests in Public Contracts



Making A Contract

- The prohibition against “making” a contract in which an official has an economic interest applies to:
 - Preliminary discussion;
 - Negotiations;
 - Reasoning;
 - Planning and solicitation of bids;
 - Voting on the contract itself.

Gov. Code 1090 Financial Interests

Interests in Public Contracts



No Disclosure and Disqualification by a Board Member Can Save the Contract

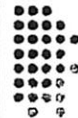
- When the prohibition applies, the agency may not enter into the contract in question if only one member of the agency governing board has a financial interest in the contract.
- The financially interested board member is conclusively presumed to be involved in making his or her agency's contracts regardless of actually participating in the making of the contract.

Public Agency Employees Treated Differently

- If an employee with a financial interest plays no role whatsoever in the contracting process, the public agency may enter into the contract.

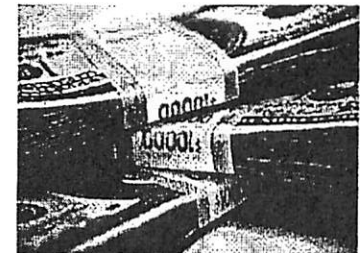
Personal Financial Interests

2. Interests in Public Contracts (Gov. Code § 1090)



Financial Interests

- Direct financial interests
- Indirect financial interest



Gov. Code 1090 Case Study:
Thomson v. Call
Indirect Financial Interest

"But Your Honor, I didn't directly benefit from the contract or decision!"

Defendant: City Councilman Hubert Call

Plaintiff: Bruce Thompson, Taxpayer and Landowner

Situation: Through a complex, multi-party transaction, Councilman Call sold his land for \$248,000 to a third party developer for use as part of a larger city park land. The city acquired the park land before closing a deal with a developer on an unrelated project.



Gov. Code 1090 Case Study:
Thomson v. Call
Indirect Financial Interest (cont'd)

His Defense: He was open and honest about the fact that he owned the land. He sold his property to a third party before it was sold to the city, and therefore had no financial interest in the city's contract with the developer.

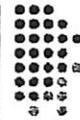
Why Defense Failed: California Conflict of Interest law was framed to compel public officials to "scrupulously" avoid even the appearance that their objectivity has been impaired by the potential of personal gain resulting from a decision.



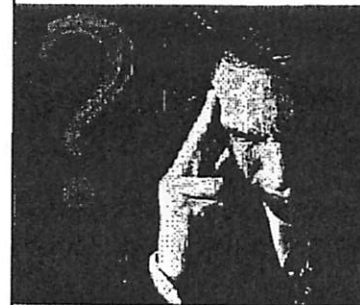
Gov. Code 1090 Case Study:
Thomson v. Call
Indirect Financial Interest (cont'd)

Consequence: Councilman Call was ordered to pay back all of the proceeds from the sale of his land. The city kept the land at no cost.

Rule: You may not participate in the making of a contract if you have a financial interest, regardless of whether or not you actually gain any direct financial benefit from the contract in question.



Gov. Code 1090 Case Study:
People v. Chacon (2007)
Willful Violations – Criminal Liability



"But Your Honor, I didn't know my actions were illegal!"

Case: *People v. Chacon (2007)*

Defendant: Councilwoman Maria Chacon

Plaintiff: People of the State of California

Situation: While serving on the City Council, Councilwoman Chacon sought and accepted a position as city manager, and was hired by the City Council of which she was still a member.



**Gov. Code 1090 Case Study:
People v. Chacon (2007)
Willful Violations (cont'd)**



Her Defense: Councilwoman Chacon acted on misinformation she received from the City Attorney, and mistakenly believed that her actions would be legally permissible.

Why Defense Failed: Conflict of interest law can be violated even when a public official does not know that her actions are unlawful. The court found that allowing ignorance to be claimed as an excuse would be contrary to "the strong public policy of strict enforcement of conflict of interest statutes and the attendant personal responsibility demanded of our officials."

**Gov. Code 1090 Case Study:
People v. Chacon (2007)
Willful Violations (cont'd)**



Consequence: Chacon pled guilty to a felony and was placed on probation. She is permanently prohibited from holding public office.

Rule: For an official to act "willfully" his or her actions concerning the contract must be purposeful and with knowledge of his or her financial interest in the contract. Relying on incorrect legal advice may not avoid prosecution upon the defense of estoppel.

Personal Financial Interests

2. Interests in Public Contracts (Gov. Code § 1090)



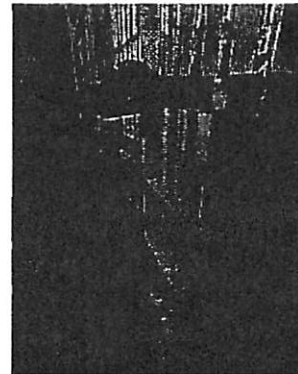
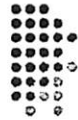
Exceptions

- Remote Interests
 - If board member has a remote interest in a contract, agency board can approve if member discloses and disqualifies and the conflict is noted in the agency's official record.
- Non-interests
 - If board member has a non-interest, agency board can approve. Disqualification is not required and disclosure required in very limited circumstances.



Personal Financial Interests

2. Interests in Public Contracts (Gov. Code § 1090)



Ramifications

- Civil Remedies
- Criminal Penalties
- Contract Deemed Void
- Disgorgement of Contract Benefits



Honoraria, Travel Expenses and Gifts



Honoraria

An "honorarium" is any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering.

Terms



- A "speech given" means a public address, oration, or other form of oral presentation, including participation in a panel, seminar, or debate.
- An "article published" means a nonfictional written work: 1) that is produced in connection with any activity other than the practice of a bona fide business, trade, or profession; and 2) that is published in a periodical, journal, newspaper, newsletter, magazine, pamphlet, or similar publication.
- "Attendance" means being present during, making an appearance at, or serving as host or master of ceremonies for any public or private conference, convention, meeting, social event, meal, or like gathering.

Exceptions



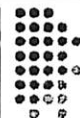
- An honorarium that is returned (unused) to the donor or the donor's agent or intermediary within 30 days.
- An honorarium that is delivered to your government agency within 30 days for donation to the agency's general fund or equivalent account for which you do not claim a deduction for income tax purposes.
- A payment that is not delivered to you but is made directly to a bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organization. However:
 - You may not make the donation a condition for your speech, article, or attendance;
 - You may not claim the donation as a deduction for income tax purposes;
 - You may not be identified to the non-profit organization in connection with the donation; and
 - The donation may have no reasonably foreseeable financial effect on you or on any member of your immediate family.
- A payment received from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person. However, a payment which would be considered an honorarium is prohibited if one of these persons is acting as an agent or intermediary for someone else.

Exceptions that may be reportable as income or gifts



- Payments received for a comedic, dramatic, musical, or other similar artistic performance, and payments received for the publication of books, plays, or screenplays.
 - Note: Such payments are reportable income.
- Income earned for your personal services if the services are provided in connection with a bona fide business, trade, or profession – such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting – and the services are customarily provided in connection with the business, trade, or profession.
- Certain payments for transportation, lodging, and subsistence are not considered honoraria but may be reportable and subject to the gift limit. Travel payments are discussed below.

What is a “Gift”?



Anything of value – meals, cup of coffee, tickets

- Any payment or other benefit that confers a personal benefit for which you do not provide payment or services of equal or greater value.
- Rebate or discounts: Gifts, unless made in the regular course of business to members of the public.

Scope of Applicable Gift Laws



- State gift laws apply to state and local officials.
- Local jurisdictions (counties, cities, special districts) are allowed to have gift rules that are stricter than state law.
- Some agencies adopt their own policies. It may be necessary to consult an agency's Conflict of interest Code and/or local law.

Gift Limits



- Local elected officers, candidates for local elective office, and local agency officials specified in Government Code Section 87200, and judicial candidates may not accept gifts from any single source totaling more than \$420 in a calendar year.

Gift Exceptions



- Gifts from family.
- Gifts exchanged on holidays birthdays and other similar occasions. Must be proportionate.
- Informational material to assist in performing official duty – i.e. tours, including travel not available commercially. Note: This does not include meals.
- Ceremonial Role.
- "Gift to Agency" rather than personal benefit to individual.
- 2011 Gift Regulations Overhaul
 - Codified, narrowed, and created new exceptions
- Bereavement offerings.
- "Acts of neighborliness."
- Gifts received on a date – not subject to limit or reportable; may trigger conflict of interest.

Speeches



Hosted costs for speeches and presentations related to legislative or governmental purposes are reportable gifts, but not subject to gift limits.

If a public official gives a formal, substantive presentation on a relevant public policy issue the following costs are not subject to gift limits, but must be reported:

- The public official's transportation
- The public official's lodging, meals and beverages on the days before, of and after the speech or panel.

Tickets



- **2011 Rule:** Public officials may receive one ticket from a non-profit or political committee to attend a fundraising event benefitting the non-profit or political committee. Tickets provided by a third party source, or in excess of the one ticket limit, are subject to the gift limit and reporting rules.
- **2012 Rule:** Two tickets for admission, for your own use, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket must be received from the organization or committee holding the fundraiser.
- **Valuation:** Tickets to 501(c)(3) and political events provided by a third party source, as well as tickets benefiting other types of non-profits, such as 501(c)(4)s, are gifts and are valued according to the official's pro-rata share of food and entertainment or the non-deductible portion of the ticket or admission.

Reportable Gifts not Subject to Limit



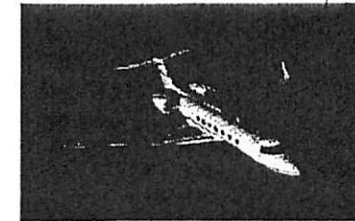
- Wedding gifts are not subject to the gift limit but are reportable. **2012 valuation rule:** For purposes of valuing wedding gifts, one-half of the value of each gift is attributable to each spouse.
- A prize or award received in a bona fide competition not related to your official status is not subject to the gift limit, but must be reported as income. Therefore, it is reportable if the value of the prize or award is \$500 or more.

Gifts to Agency

- **Form 801:** For an item to be considered a gift to the official's agency instead of a gift to the official, the payment (or item) must provide a **personal benefit** to a public official, such as a travel payment; and, in order for an agency to convert the payment into an agency gift, the payment may only be used for **official agency business and the agency must control the payment**. If the payment meets these requirements, the agency must report it on a Form 801 and the item is not reported on the individual's statement of economic interests (Form 700).
- **Form 802:** When an official's agency provides an entertainment or sporting ticket or pass to a public official in order for it not to be reported as a gift on the individual's statement of economic interests (Form 700), the agency must have a written policy stating the public purpose for distribution of the tickets. The ticket or pass cannot be earmarked by the original source for use by a particular agency official; the agency must determine, in its sole discretion, which official may use the ticket or pass. The Form 802 is also used to report tickets provided for officials who perform a ceremonial role on behalf of the agency.

Travel

- Gifts of travel are reportable and subject to limit, with certain exceptions.
- The term "travel payment" includes payments, advances, or reimbursements for travel, including actual transportation, parking and related lodging and subsistence.



- **2011 valuation rule:** Air transportation on non-commercial flights provided to officials is valued as the total cost of the flight divided by the number of officials on board the flight.
- **New valuation rule for 2012:** The new rule creates a more common sense valuation method by dividing the cost of air transportation by the number of passengers on board, regardless of their status as officials.

Travel – payments *not* reportable and *not* subject to limit



- The following types of travel payments are not subject to any limit and are not reportable on Form 700:
 - 1. Free admission to an event at which you make a speech, participate on a panel, or make a substantive formal presentation, transportation, and necessary lodging, food, or beverages, and nominal non-cash benefits provided to you in connection with the event so long as:
 - a. The speech is for official agency business and the official is representing his or her government agency in the course and scope of his or her official duties; and
 - b. The payment is a lawful expenditure made only by a federal, state, or local government agency for purposes related to conducting that agency's official business.
 - **Caution:** This exception does not apply to state or local elected officers and officials specified in Section 87200.
 - Travel payments provided to you by your government agency or by any state, local, or federal government agency which would be considered income and not a gift (i.e., payments for which you provide equal or greater consideration).
 - Reimbursements for travel expenses provided to you by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which you provide equal or greater consideration.
 - Travel payments provided to you directly in connection with campaign activities. However, these payments must be reported in accordance with campaign disclosure provisions.
 - Any payment for travel that falls into a gift exception.

Travel - Reportable payments *not* subject to limit



- Travel that is reasonably necessary in connection with a bona fide business, trade, or profession, and which satisfies the criteria for federal income tax deductions for business expenses specified in Sections 162 and 274 of the Internal Revenue Code. For reporting purposes, these travel payments would be considered part of the salary, wages, and other income received from the business entity and would be reported on Schedule A-2 or C of Form 700.
- Travel within the United States that is reasonably related to a legislative or governmental purpose – or to an issue of state, national, or international public policy – in connection with an event at which you give a speech, participate in a panel or seminar or provide a similar service. Lodging and subsistence expenses in this case are limited to the day immediately preceding, the day of, and the day immediately following the speech, panel, or other similar service.

Travel - Reportable payments *not* subject to limit

- Travel not in connection with giving a speech, participating in a panel, or seminar or providing a similar service but which is reasonably related to a legislative or governmental purpose – or to an issue of state, national, or international public policy – and which is provided by:
 - A government, governmental agency, foreign government, or government authority;
 - A bona fide public or private educational institution defined in Section 203 of the California Revenue and Taxation Code;
 - A non-profit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; or
 - A foreign organization that substantially satisfies the requirements for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Penalties for Violations

- Can be administratively fined by FPPC up to \$5,000 per violation



Statements of Economic Interests Form 700

**Orange County
Water Agencies**

Presented By:
The Technical Assistance Division
Fair Political Practices Commission
(866) ASK-FPPC advice@fppc.ca.gov
www.fppc.ca.gov

Purpose of Disclosure



§87100 - No public official or employee shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

~ As a result ~

The Political Reform Act requires most state and local government officials and employees to publicly disclose certain personal assets and income.

Who Files Form 700?



Who

Any officer, employee, member, or consultant of your agency whose position is designated your the agency's conflict-of- interest code. These positions are deemed to make or participate in making government decisions.

- Limited Form 700 disclosure
- Tied to agency's conflict-of-interest code
- Only affected interests should be reported

Who Files Form 700?



Who

Officials listed in Government Code Section 87200, including public officials who manage public investments (this most likely includes water board members).

- Full Form 700 disclosure
- Filing required by statute due to board being responsible for the investment of public dollars—the legislature feels that those who invest public funds have a higher fiduciary responsibility than a code filer.

What is Disclosed?



Investments
Income
Business Positions
Real Property

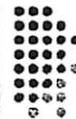
Most local agency officials are required to complete an ethics training course. The FPPC website has a link for a free online course. (AB 1234)




Know your Jurisdiction



- ☛ You only have to report investments and business positions in business entities, real property, and income from sources that are located or doing business in your agency's jurisdiction.
- ☛ An entity is doing business in your jurisdiction if it has business contacts on a regular or substantial basis in your jurisdiction.






CALIFORNIA FORM 700
FOR PUBLIC OFFICIALS AND CANDIDATES

STATEMENT OF ECONOMIC INTERESTS
COVER PAGE
A Public Document


Date Received
Official Use Only

Please type or print in ink

<small>NAME (LAST)</small>	<small>(FIRST)</small>	<small>(MIDDLE)</small>	<small>DAYTIME TELEPHONE NUMBER</small>
Rogers	Jane	A.	(714) 686-6200
<small>MAILING ADDRESS (OFFICE OR HOME ADDRESS)</small>	<small>STREET</small>	<small>CITY</small>	<small>STATE ZIP CODE</small>
18700 Ward St.	Fountain Valley	CA	92708



Note: Agency address is okay.
Jane has full disclosure.



Schedule A-1

\$2,000 or more

Common Reportable Investments

- Common/Preferred stock (including that held in an IRA or deferred compensation plan)
- Partnerships with less than 10% ownership
- Certain assets held in an IRA – such as stock

Not Reportable

- Government bonds
- Insurance policies (including annuities)
- Diversified mutual funds registered with the SEC
- Investment funds
- Bank accounts and credit union shares
- PERS Retirement

Schedule A-1

NAME OF BUSINESS ENTITY	NAME OF BUSINESS ENTITY
Toyota Automotive Manufacturer FAIR MARKET VALUE <input checked="" type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000 NATURE OF INVESTMENT <input checked="" type="checkbox"/> Stock <input type="checkbox"/> Other _____ IF APPLICABLE, LIST DATE: <div style="display: flex; justify-content: space-between;"> 1/07 ACQUIRED 1/07 DISPOSED </div>	Dean Witter Brokers Stock FAIR MARKET VALUE <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input checked="" type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000 NATURE OF INVESTMENT <input checked="" type="checkbox"/> Stock <input type="checkbox"/> Other _____ IF APPLICABLE, LIST DATE: <div style="display: flex; justify-content: space-between;"> 1/07 ACQUIRED 1/07 DISPOSED </div>

Any reportable stock held through a brokerage firm should be reported if the fair market value is \$2,000 or more.

Complete if investment was newly acquired or wholly disposed during reporting period.

Jane holds stock in both Microsoft and General Mills. Must she disclose this stock if she has full disclosure?

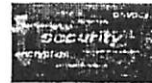
Yes. The companies may not have offices in the jurisdiction but both companies sell products in the jurisdiction.

Schedule A-2 \$2,000 or more

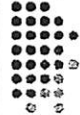


Common Reportable Investments

- Sole proprietorships
- Partnerships - 10% or greater
- Filer's, spouse's or registered domestic partner's business
- Living trust holdings:
Real property
Investments - stock





Schedule A-2	
1. BUSINESS ENTITY OR TRUST Rogers Engraving Name 1195 Park Avenue, Irvine Address Check one <input type="checkbox"/> Trust, go to 2 <input checked="" type="checkbox"/> Business Entity, complete the box, then go to 2	
2. INVESTMENT IN AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST Check one box <input type="checkbox"/> INVESTMENT <input checked="" type="checkbox"/> REAL PROPERTY 1195 Park Avenue Name of Business Entity or Street Address of Assessor's Parcel Number of Real Property	
GENERAL DESCRIPTION OF BUSINESS ACTIVITY Engraving FAIR MARKET VALUE IF APPLICABLE, LIST DATE: <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> 1/07 <input type="checkbox"/> 1/07 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED <input checked="" type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000 NATURE OF INVESTMENT <input checked="" type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Other YOUR BUSINESS POSITION Owner	
3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (FROM ANY SOURCE) Youth Baseball League	
4. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (FROM ANY SOURCE) San Irvine LOCATION OF BUSINESS ACTIVITY OR City or Other Precise Location of Real Property FAIR MARKET VALUE IF APPLICABLE, LIST DATE: <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> 1/07 <input type="checkbox"/> 1/07 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED <input checked="" type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000 NATURE OF INTEREST <input checked="" type="checkbox"/> Property Ownership/Deed of Trust <input type="checkbox"/> Stock <input type="checkbox"/> Partnership <input type="checkbox"/> Leasehold <input type="checkbox"/> Other Yes, something <input type="checkbox"/> No, nothing <input type="checkbox"/> Check box if additional schedules concerning investments or real property are attached	
5. CLIENTS OF \$10,000 OR MORE, NAMES REQUIRED Security	




Schedule B


\$2,000 or more


**Common Reportable
Interests in Real
Property**


-  Rental property
-  Vacant land/lot



**Not
Reportable**

-  Personal residence(s)
not used for business
activities





Schedule B

STREET ADDRESS OR PRECISE LOCATION
8860-8862 Palomar Avenue

CITY
Escondido


FAIR MARKET VALUE
☐ \$2,000 - \$10,000
☐ \$10,001 - \$100,000
☒ \$100,001 - \$1,000,000
☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:
 / / 07 / / 07
 ACQUIRED DISPOSED


NATURE OF INTEREST
☒ Ownership/Deed of Trust ☐ Easement
☐ Leasehold ☐ Other

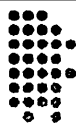
IF RENTAL PROPERTY, GROSS INCOME RECEIVED
☐ \$0 - \$499 ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☒ \$10,001 - \$100,000 ☐ Over \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.
 Susan Ward



**Name of Tenants
paying \$10,000
or more**

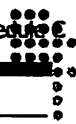




Schedule C

\$500 or more


Common Reportable Income and Loans	Not Reportable
<ul style="list-style-type: none"> ↳ Spouse's or registered domestic partner's income (50%) ↳ Proceeds from any sale, e.g., home or car ↳ Loan repayments ↳ Personal loan from a reportable source (including friends) 	<ul style="list-style-type: none"> ↳ Salary from governmental agency ↳ Social security, disability or other similar payments received from a federal, state or local government agency ↳ Insurance policy payments ↳ Stock dividends ↳ Redemption of a mutual fund ↳ Loan repayments from family members ↳ Commercial lending institution loans ↳ Retail credit debt



Schedule C

I. INDIVIDUAL	II. JOINT
NAME OF SOURCE OF INCOME George Simon	NAME OF SOURCE OF INCOME Parkland Hospital
ADDRESS 7464 Grant Avenue, Costa Mesa	ADDRESS 4100 Murray Drive, Oceanside
BUSINESS ACTIVITY, IF ANY, OF SOURCE 	BUSINESS ACTIVITY, IF ANY, OF SOURCE Hospital
YOUR BUSINESS POSITION 	YOUR BUSINESS POSITION
GROSS INCOME RECEIVED <input type="checkbox"/> \$0 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$25,000 <input checked="" type="checkbox"/> OVER \$25,000	GROSS INCOME RECEIVED <input type="checkbox"/> \$0 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$25,000 <input checked="" type="checkbox"/> OVER \$25,000
CONSIDERATION FOR WHICH INCOME WAS RECEIVED <input type="checkbox"/> Salary <input type="checkbox"/> Dividend or registered dividend partner's income <input type="checkbox"/> Loan repayment <input checked="" type="checkbox"/> Sale of Motor Home	CONSIDERATION FOR WHICH INCOME WAS RECEIVED <input type="checkbox"/> Salary <input checked="" type="checkbox"/> Dividend or registered dividend partner's income <input type="checkbox"/> Loan repayment <input type="checkbox"/> Sale of _____
<input type="checkbox"/> Contribution of _____	<input type="checkbox"/> Contribution of _____
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Name of spouse's or partner's employer required




Schedule D

\$50 or more


Common Reportable Gifts

- ↳ Certain tickets to sports or theater events
- ↳ Food and beverages
- ↳ Wedding gifts (report 1/2 the value)



Not Reportable

- ↳ Gifts from family members or made directly to family members
- ↳ Informational material
- ↳ Gifts received from sources not covered by your disclosure category



Schedule D

> NAME OF SOURCE
Greg Hatch Law Offices

ADDRESS
1859 F Street, Sacramento, CA

BUSINESS ACTIVITY, IF ANY, OF SOURCE
Law Practice

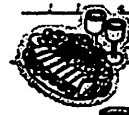
DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
5 / 15 / 11	100.00	Dinner

> NAME OF SOURCE
Building Industry Assn.


ADDRESS
312 Fifth Street, New York, NY

BUSINESS ACTIVITY, IF ANY, OF SOURCE
Mobile Home Consultants

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
4 / 13 / 11	175.00	2 Padres Tickets

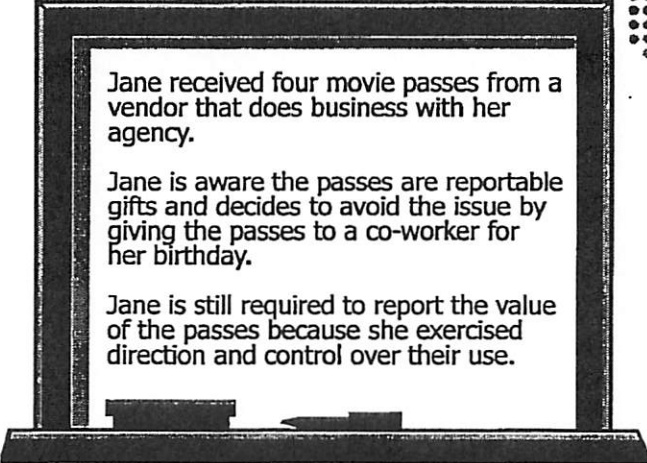


Notes:



No Jurisdictional Boundary

\$420 Annual Gift Limit Per Source




Jane received four movie passes from a vendor that does business with her agency.

Jane is aware the passes are reportable gifts and decides to avoid the issue by giving the passes to a co-worker for her birthday.

Jane is still required to report the value of the passes because she exercised direction and control over their use.

Schedule E



<p>Common Reportable Travel</p> <ul style="list-style-type: none"> ✦ Travel advances and payments or reimbursements for board meetings (such as CA Realtors Assn.) ✦ Related lodging 	<p>Not Reportable</p> <ul style="list-style-type: none"> ✦ Travel payments received from filer's agency (agency paid travel)
---	--

Schedule C

NAME OF SOURCE
CA Engravers Association

ADDRESS
1400 K Street

CITY AND STATE
Sacramento, CA

BUSINESS ACTIVITY, IF ANY, OF SOURCE
Trade Association

DATE: 12/21/11 / / AM- 175.00
(if applicable)

TYPE OF PAYMENT (must check one) ☒ Gift ☐ Income

DESCRIPTION: Air transportation to attend a conference, Los Angeles, CA

Note:
One box must be checked.

Susan is a board member with full disclosure. Steve is an analyst who discloses income from and investments in any business entity which provides data processing or computer services, supplies, materials, machinery or equipment of the type utilized by the agency. Who must disclose the following?

1. \$10,000 stock in Microsoft **Both**
2. \$15,000 stock in Starbucks **Susan**
3. Two Kings tickets from Xerox Company. (Tickets valued at \$200.) **Both**
4. Two tickets to Jersey Boys, from a friend who works for City of Sacramento (Tickets valued at \$250.) **Susan**
5. A rental property located in Orange County and rented by a college student **Susan**
6. Spouse's income from the school district **Neither**

More on Form 700

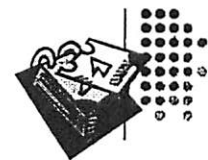


Form 700 is a public document available for inspection by the public.

Visit the FPPC website to access an interactive Form 700 and Reference Pamphlet.

An Excel version is also available.

When to File (Annual Statement)



- ☞ File by April 1st of each year.
- ☞ Period covered is generally January 1-December 31 of previous year.
- ☞ Period covered for persons who assumed office during the year covers the day after assuming office through December 31.
- ☞ File Form 700 within 30 days of leaving your position.



Mass Mailings

Under the Political Reform Act



Mass Mailings

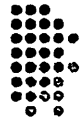
- **General Rule:** Public resources cannot be used to distribute more than 200 items in a calendar month if:
 - Public resources are used to send or deliver the items or more than \$50 in public resources is used in designing, producing or printing the items with intent that over 200 items will be sent by a non-public entity.
 - The items are substantially similar.
 - The items are tangible. (Airwaves or internet are not tangible.)
 - The items are delivered by any means to the recipient at his or her residence, place of employment or business or post office box.
 - The items feature a state or local elected official affiliated with the public agency that sends or delivers the items, refers to an elected official affiliated with the agency that sends or delivers the items and the items are sent in cooperation, consultation or coordination with the elected official.

Mass Mailings



- An elected official is "featured" if his or her photograph or signature appears in the items or he or she is otherwise singled out by a manner of display of his or her name or office in the layout of the document such as by headlines, captions, type size, typeface, or type color.

Mass Mailings: Exceptions



- Name of the elected official only in letterhead or logotype of the stationery and no photograph, signature, or any other reference to the elected official.
- Agency rosters where elected official's name is in same type and location as others and no photograph, signature or any other reference to the official.
- Press releases sent to the media.
- Items sent in the normal course of business from one governmental entity to another or to other agency staff.
- Payment or collection of funds items where the use of the elected official's name, office or title is necessary to the payment or collection and do not include a photograph, signature or other reference to the elected official.

Mass Mailings: Exceptions



- Items sent as part of administering an agency program to persons subject to that program if use of the elected official's name, office, title or signature is essential to the functioning of the program and the elected official's photograph is not included.
- The items are legal notices or other items sent as required by law and inclusion of the elected official's name, office, title or signature is necessary.
- Telephone directories, organization chart or similar listing or roster that includes the names of elected officials as well as other individuals in the agency and the name of the elected official appears in the same type as the other names with no photograph of the official.

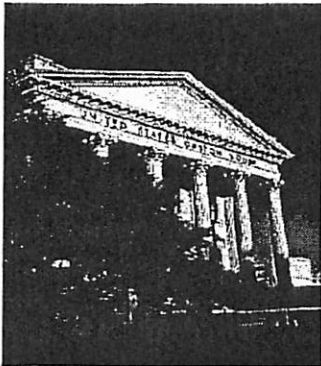
Mass Mailings: Exceptions



- Announcements of a meeting sent to constituents regarding a public meeting that is directly related to the elected official's governmental duties, is held by the elected official, elected official intends to attend, no photograph or signature and makes only a single mention of the elected official.
- The items are an announcement of any official agency events or events for which the agency is providing the use of its facilities or staff or other financial support and the announcement does not include the elected official's photograph or signature.
- The items are an agenda or other writing that is required to be made available by law.

Fair Process

Incompatible Offices Doctrine



Elements:

- **Public Officer**
- **Simultaneously holding two public offices**
- **Conflicting or overlapping functions**

Ramifications

Conclusion

Dick Ackerman, Partner, Nossaman LLP



- Dick Ackerman has 35 years of experience in corporate, real estate, and business law. He assists companies, individuals, groups, and public agencies in their interactions with governments at the local, county, state, and federal levels. In addition, Mr. Ackerman assists clients in dealing with government and special districts on how to get through the political process.
- Mr. Ackerman draws on his 25 years of experience in elected office, as a California State Senator, State Assemblyman, City Councilman, and mayor. He served as Vice Chair of the Senate Budget and Fiscal Review Committee and spent four years as Senate Republican Leader.
- Mr. Ackerman was a member of the "Big 5," one of the legislative leaders charged with consulting with California's Governor on key infrastructure and budget issues.

Amber Maltbie, Associate Nossaman LLP



- Amber Maltbie is a member of Nossaman's Public Policy Practice Group assisting clients with a wide range of concerns related to California election law, campaign finance requirements, and ethics rules.
- Ms. Maltbie provides strategic counsel to help clients navigate the complex and ever changing regulations promulgated by California's ethics watchdog, the Fair Political Practices Commission. She monitors state and local level ethics agencies to ensure clients are aware of the regulatory changes affecting them. Upon request, she can provide clients with dynamic trainings tailored to their particular needs. Ms. Maltbie's clients include public officials, candidates, political treasurers, lobbyists, fundraisers, and consultants with political law needs.

Grover C. Trask, Special Counsel Best Best & Krieger



- Grover Trask is Special Counsel in Best Best & Krieger LLP's Municipal and Redevelopment Law practice group. He leads the Firm's Public Policy and Ethics sub-practice group. Mr. Trask's practice focuses on government accountability, ethics, conflicts of interest, and election law matters. He provides compliance counseling on governmental accountability and, in particular, ensuring timely and accurate investigation of alleged ethical violations. He also advises and represents clients on public integrity issues involving conflicts, fair political practices and other areas of regulations impacting public and corporate entities and individual elected officials.
- Mr. Trask served for nearly a quarter century as Riverside County District Attorney and 32 years as a prosecutor. As District Attorney, he headed the fourth largest District Attorneys office in California with an annual budget of \$85 million and a staff of over 800 people, including 256 attorneys. Mr. Trask supervised the successful prosecution of hundreds of criminal defendants during his career. While District Attorney, he implemented innovative programs targeting local gangs, drug dealers, child and elder abusers, domestic violence and consumer/white collar fraud. His strong public safety stance had statewide impact affecting important policy issues such as juvenile crime reform and tougher laws on drug dealers.

Sukhi Brar, Counsel Fair Political Practices Commission



- Sukhi Brar is a Commission Counsel with the Fair Political Practices Commission, having served in both the enforcement and legal divisions. Sukhi is also an adjunct professor of law at the University of the Pacific McGeorge School of Law.

**Trish Mayer, Staff Services Manager
Fair Political Practices Commission**



Trish Mayer is a Staff Services Manager in the FPPC's Technical Assistance Division. She has over 23 years of experience working with the Political Reform Act and advising the public on its requirements.

POCKET GUIDE FOR PUBLIC OFFICIALS

• **Real Property Interest – Indirectly Involved:** If the real property in which you have an economic interest is more than 500 feet from the property involved in the decision, your real property interest is indirectly involved. The effect of the decision on your real property interest is presumed not to be material unless the specific circumstance of the decision and the nature of your property interest make it reasonably foreseeable the decision will have a significant financial effect on your real property interest. Factors include the development potential of the property, use of the property and character of the neighborhood.

• **Personal Finances Interest:** The effect of the decision on your personal finances interest is material if it is reasonably foreseeable the decision will result in an increase or decrease of \$250 or more, during any 12-month period, of any personal expense, income, asset or liability of you or your immediate family.

Does the decision affect your economic interests differently than the "Public Generally?"

Even if you answered "yes" to the first three questions, you have a financial conflict of interest only if the decision affects you differently than the public in general. A decision is deemed to affect you differently than the "public generally" unless one of the following "significant segments" of the population is affected in "substantially the same manner" as you.

- **Business Interest:** The lesser of 2,000 or 25% of all businesses within your agency's jurisdiction or your electoral district must be affected in substantially the same manner, and the businesses must collectively belong to more than one industry, trade or profession.
- **Real Property Interest:** The lesser of 5,000 property owners within your agency's jurisdiction or 10% of all property owners within your agency's jurisdiction or your

electoral district must be affected in substantially the same manner.

- **Personal Finances Interest:** The lesser of 5,000 residents or 10% of the population within your agency's jurisdiction or your electoral district must be affected in substantially the same manner.

What Should I Do if a Financial Conflict Exists?

1 Do NOT participate in the decision

If you answered "YES" to all four questions above, you most likely have a financial conflict of interest and you are prohibited from participating in the decision-making process. Do not participate in the discussion or render any opinion or advice, and do not act in any way that might influence the decision.

2 Disclosure and removal is required

State law requires you to publicly disclose your financial conflict of interest and excuse yourself from the meeting while the matter is being considered in open session. You do not have to excuse yourself on consent calendar items but must publicly disclose your financial interest.

3 Violations of the Political Reform Act

Violation of the PRA can result in administrative fines, civil penalties and criminal sanctions.

4 Financial v. economic interest

Under the Act, "financial interest" and "economic interest" mean different things. Financial interest by a public official means it is reasonably foreseeable that the decision will have a material financial effect on his or her economic interest. An enumerated "economic interest" is a label applied to six types of interests recognized by the Act and the FPCC as potential sources of a financial conflict of interest.

AVOIDING CONFLICTS OF INTEREST

Other Conflict of Interest Laws

There are two other key financial conflict of interest laws that apply to public officials which you may encounter either as a public employee, consultant or board member in the decision-making process:

1 Self-Interested Contracts (Govt. Code sec. 1090)

This key law prohibits you, as an elected or appointed official, from voting, discussing or negotiating a proposed contract or sale with your public agency if you will receive some financial gain or personal benefit from the contract or sale. Even if you abstain as a board member, the entire board or council is prohibited from entering into the contract. Any contract signed by a public agency board in violation of 1090 is void. The rule is different if you are a decision-making employee not on the board or council. A public agency employee may disclose his or her financial interest in the public agency contract and be disqualified from any involvement, allowing the board or council to legally enter the contract. Violation of this law will void the contract or sale and may result in permanent forfeiture of office for elected officials. There are limited exceptions to this law beyond the scope of this guide.

2 Campaign Contributions (Govt. Code sec. 84308)

If you are an appointed public official, or if you are an elected public official serving on an appointed board or commission, this law prohibits you from participating in proceedings on licenses, permits or other entitlements that affect a person, business or other entity from which you have received a campaign contribution of \$250 or more within the last 12 months.

Best Best & Krieger LLP's Public Policy and Ethics Compliance attorneys counsel public agencies, officials and private businesses who wish to promote public confidence in their decision-making processes by assuring that official conduct is above reproach. For more information, visit www.bbkllaw.com or contact our Public Policy and Ethics practice leaders:

Grover Trask • Grover.Trask@bbkllaw.com • 951.826.8277
Sonia Carvalho • Sonia.Carvalho@bbkllaw.com • 949.263.2603

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BEST BEST & KRIEGER
ATTORNEYS AT LAW

AVOIDING FINANCIAL CONFLICTS OF INTEREST:

Should I Participate in this Decision?

The Political Reform Act of 1974 (Gov. Code secs. 87100-91015) forms the foundation for California's financial conflict of interest laws for public officials. The purpose is to cover both actual and apparent conflict of interest situations between a public official's private interest and his or her public duties.

The basic rule is that no public official shall make, participate in making or in any way attempt to use his or her official position to influence a governmental decision if he or she knows, or has reason to know, that he or she has a financial interest in the decision.

Nothing in this Pocket Guide should be construed as individual or group legal advice. Readers are cautioned to seek individualized legal assistance based on detailed analysis of particular facts and situations.

POCKET GUIDE FOR PUBLIC OFFICIALS

AVOIDING CONFLICTS OF INTEREST

Who Should Use the Pocket Guide?

All decision-making public officials for local government agencies. Public officials include every member, officer, employee or consultant of a local government agency. Public officials may also include members of public agency boards, commissions and committees with decision-making authority.

If you are a public official who may make, participate in making or in any way influence a public agency decision, use this Pocket Guide to help determine if you have a potential financial conflict of interest that needs to be addressed.

Do I Have a Financial Conflict of Interest Under the Political Reform Act?

Before making a decision or discussing a future decision of your public agency, try to answer the following four questions:

1 Will you be "Participating in a Decision?"

You are "participating in a decision" of your public agency by doing any of the following:

- **Making an actual decision:** Voting, making an appointment or taking an action that obligates or commits your public agency.
- **Contributing to the decision-making process:** Making a recommendation or participating in negotiations surrounding the public agency decision.
- **Influencing the decision:** Making your position known, discussing the decision with other agency officials, providing reports, or influencing others (such as staff or consultants) who are involved in the decision-making process.

2 Does the decision affect one or more of your "Economic Interests?"

A financial conflict of interest can exist if the public agency decision you are participating in affects (positively or negatively) any of the Act's "economic interests" listed to the right:

- **Business Interest:** Any direct or indirect investment in a for-profit business entity in which you or your immediate family (spouse and dependent children) have an investment worth \$2,000 or more. You also have an economic interest in any business in which you are an employee, manager, officer, director, owner, partner, or trustee irrespective of whether you have an investment or receive income from the entity.
- **Source of Gross Income:** A public official has an economic interest in any source of income that is either received by or promised to the official and totals \$500 or more in the 12 months prior to the decision. Income is very broadly defined as "a payment received" with few exceptions. Examples include salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, loan, forgiveness or payment of debt, or community property interest in income of spouse. The FPCC regulations make it clear that a conflict of interest results whenever either the amount or the source of an official's income is affected by a decision. Also, a decision which foreseeably will materially affect an official's employer would necessitate a disclosure and disqualification even if the amount of income received by the official was not affected. Common exclusions from income include loans or gifts from commercial lending institutions in the ordinary course of business made on terms available to the general public, campaign contributions, government salaries and benefits, money inheritances, reimbursement for travel expenses and per diem received from a bona fide educational or charitable organization, and alimony or child support payments.
- **Gift Interest:** Any gift(s) – cash, goods or services – promised or given to you in the past 12 months by a person, business or other entity totaling \$420 or more in value. The dollar limit is adjusted biennially in odd-numbered years based on the CPI.

- **Real Property Interest:** Any real property interest including ownership, mortgage, lease, option, easement or license located in the public agency jurisdiction owned directly or indirectly by you or your immediate family if the fair market value of the interest is \$2,000 or more. Month-to-month tenancies are not considered an interest in real property. Interest in real property also includes a pro rata share of a business entity's real property or trust in which the public official or immediate family owns, directly or indirectly, a 10% interest or greater.
- **Personal Finances Interest:** Any personal expense, income, asset or liability of you or your immediate family. If the public agency decision will result in an increase or decrease of \$250 or more in a 12 month period, the effect is material. Note that this economic interest does not apply whenever your economic interest falls within the source of income, business position, investments or real property economic interests as discussed above.

3 Will the public agency decision have a "Material Financial Effect" on any of your economic interests?

Participation in a decision that affects your economic interest creates a conflict of interest only if it is reasonably foreseeable (a substantial likelihood) the effect is "material." Material means important or significant and depends upon whether the interest is directly or indirectly involved. For each economic interest you identified above as potentially affected by the decision, review the corresponding analysis below to determine if the effect is material.

Note: Materiality generally is presumed when the public official's economic interests are directly involved in the public agency decision (named as a party, initiates the proceeding or is the subject of the proceeding) unless the public official can demonstrate that the decision will not have a financial effect on the official or his or her interest.

• Business, Source of Income and Gift Economic Interests – Directly Involved:

Your economic interest is directly involved and the effect of the decision on your economic interest is presumed material if it is reasonably foreseeable the business or the "source" of the income or gifts is the "subject of the decision."

- **Business, Source of Income and Gift Economic Interests – Indirectly Involved:** For all circumstances other than where your economic interest is directly involved, the effect of the decision on your economic interest is presumed not to be material unless it meets the following reasonably foreseeable standard:

- a) The decision will increase or decrease the gross revenues, assets or liabilities of the business or the "source" of income or gifts;
- b) The decision will result in the business or the "source" of income or gifts incurring or avoiding an expense; or
- c) If the "source" of income or gifts is an individual: (i) the decision will increase the individual's income, investments, assets or liabilities by \$1,000 or more, or (ii) the decision will have a substantial financial effect on the individual's real property.

Note: A number of monetary thresholds beyond the scope of this guide affect the application of this section to your particular circumstances.

- **Real Property Interest – Directly Involved:** Your real property interest directly involved in a public agency decision is presumed material. Direct involvement includes such matters as zoning, annexation, sale, lease, actual or permitted use of taxes, fees, redevelopment decisions, and improved services imposed on the property in which you have an interest. The decision's effect is presumed material if: (i) the real property in which you have an economic interest is the "subject of the decision," or (ii) any part of the property in which you have an economic interest is within a 500-foot radius of the real property involved in the decision.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: REPORT ON MUNICIPAL BOND AND DEBT FINANCING WORKSHOP
DATE: APRIL 13, 2012

Background

On March 21st, the Water Advisory Committee of Orange County (WACO) hosted the "Bonds 101, Municipal Bond and Debt Financing" workshop. The intent of the workshop was to cover everything from, "What are municipal bonds" to "Should an agency use Pay-As-You-Go (PayGo) or debt finance to pay for new or replacement infrastructure?"

The speakers included:

- Gary Breaux, Assistant General Manager & Chief Financial Officer, MET
- Kathryn Masterson, Senior Director, Fitch Ratings, Inc.
- Jeff Pickett, Vice President, Raymond James & Associates
- Robert Porr, Sr. Vice President, Fieldman, Rolapp & Associates
- Brett Barbre, Moderator

Gary Breaux, the new CFO for Met spoke about MET's philosophy towards debt:

1. It's the primary source of funding for their Capital Improvement Program
2. They spread the capital costs over the useful life of projects
3. They restructure and refund (refinance) debt when they are able to mitigate the impact on water rates.

Mr. Breaux noted that MET currently has total debt of \$4.81 Billion, of which \$2.95 Billion (62%) is at a fixed rate (4.34%) and the remaining \$1.76 Billion is at a variable rate of 0.64%. Mr. Breaux spoke extensively about the importance of maintaining debt service coverage at 2 times the amount of annual debt payments and have a rate covenant (guaranteeing you will raise your rates to maintain coverage) of 1 times the annual debt payment.

Ms. Masterson spoke about the criteria Fitch uses to rate water and sewer bonds:

- Governance and Management: Sound management practices are critical to a highly rated utility credit.
- Debt Profile: Utilities that use PayGo for most of their capital programs are viewed more favorably than those that rely on debt.
- Covenants: They promote a certain level of credit stability for investors.
- Operating Profile: Steady growth is considered more positively than rapid growth.

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- **Regulatory Compliance:** Enforcement actions may reflect an underlying credit weakness.
 - **Community Characteristics:** Highest rated utilities have broad economies and diverse customer bases.

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Fitch has a stable outlook for the water and sewer sector for 2012 because most agencies are fundamentally sound, their debt profile is relatively moderate, water affordability is still good and the regulatory environment is relatively stable. This could change if agencies fail to implement timely rate increases, if there are substantial changes to environmental regulations and if sustained economic weakness makes it difficult to collect sufficient fees to cover their costs.

Mr. Pickett of Raymond James noted that municipal bonds predate corporate debt by centuries and that the bond institutions we see today (legal debt limits, bond counsel, rating agencies) were a result of the panic of 1873 when public agencies and the railroads defaulted on their debt. He noted that bond insurance was once purchased by over 57% of the agencies issuing debt, but has fallen to 2011 as fallout from the 2008 financial crisis.

He explained the bond issuance process and the roles played by the Issuer (Agency), Underwriter (Investment Banks), Bond Counsel (represents the bond holders) and Financial Advisor (works for the Issuer and helps structure financing to provide the most marketable and credit-worthy issuance).

Individual investors own over 50% of the municipal bond market – primarily households (50%) and then mutual funds, banks, insurance companies, money market funds, etc.; they are desirable because of their tax-exempt quality and the promises to pay which are backed by covenants such as rate covenants, debt coverage, limitations on additional debt, annual audits and continuing disclosure.

Bond proceeds can be used for new money (capital projects, the cost of the issuance, pre-funded interest), refundings (if bonds are called due to lowering interest rates), working capital (cash-flow borrowing, long-term working capital) and interim finance (bridge financing in anticipation of other longer term financing being placed).

Mr. Porr addressed the issue of whether to use PayGo or finance improvements. He noted that prior to 2008, credit was very easy to get – agencies would do enough to establish an investment grade rating and then by bond insurance to get a low interest rate. The financial crisis created a liquidity and credit crisis with investors fleeing to high quality debt and higher interest rates for most municipal borrowers. Without easy credit, agencies now have to stand on their own credit and if they don't have cash, they don't have good credit.

Because interest rates on investments are unattractive right now, many agencies are spending reserves and taking advantage of low construction costs and no interest expense, however Mr. Porr encouraged attendees to hold onto substantial cash balances so that they

can maintain a strong rating (a double A is the minimum rating to have; anything lower and the interest costs may be so high that it changes the economics of the project). Bottom line, prudent fixed-rate borrowing now is a good hedge against rising interest rates because an agency will have cash for future investments, but debt will have been issued at a lower interest rate and you will experience "legal" arbitrage. 3

Recommendation

This is an information item only; no action is necessary.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: MWDOC SENI-ANNUAL ELECTED OFFICIALS FORUM
DATE: APRIL 13, 2012

Background

At the March 3, 2011 Special Meeting, the Board approved the "Agreement between Municipal Water District of Orange County (MWDOC) and its Member Agencies on Budget, Activities, Charges," also referred to as the "MWDOC/South County Agreement."

Under the agreement, MWDOC began holding semi-annual meetings specifically for elected representatives from Orange County water entities to attend and participate; at that time, the Board appointed Vice-President Chapman to attend on behalf of the District due to the unavailability of the President.

Since that time, President VanderWerff's availability to attend these meetings has increased, and he and Vice-President Chapman attended the April 5th Forum; however staff failed to put the notice of the meeting on the March Board agenda so that timely Board approval could have been obtained. District policy requires that attendance at meetings be ratified the Board.

The Forum meetings are very informative and cover a wide range of topics – and are focused on elected officials. It is appropriate that two Board Members represent the District at these meetings because of the policy issues that are discussed; staff recommends that both President VanderWerff and Vice-President Chapman attend these twice yearly meetings.

Recommendation

The Board appoint the President and the Vice-President as the District Representatives to attend the semi-annual MWDOC Elected Official Forums.