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EAST ORANGE COUNTY WATER DISTRICT

DIRECTORS

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

Lisa Ohlund
General Manager

May 14, 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, **May 17, 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, May 17, 2012

5:00 p.m.

1. **Call Meeting to Order and Pledge of Allegiance – President VanderWerff**

2. **Public Communications to the Board**

3. **Addition of Items Arising After Posting of Agenda Requiring Immediate Action** (Requires 2/3 vote or unanimous vote if less than 2/3 of members are present)

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

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

5. **Approval of Minutes of April 19, 2012 Meeting** (Exhibit "**B**")

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

   A. Daniger Road storm drain project (Exhibit "**C**")

   B. Water demand status report (Exhibit "**D**")

7. **Financial Matters**

   A. Approval of schedules of disbursements (Exhibit "**E**")

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

   B. Report on investments/ ratification of investment activity (Exhibit "**F**")

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

(Next available
Resolution No: 703)

C. Receipt and filing of financial statements (March 31) – (Exhibit "**G**")

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

D. Budget/water rates – Metropolitan Water District, Municipal Water District of Orange County, Orange County Water District proposed 2012/2013 fiscal year budgets and rates – revenue requirements and retail and wholesale rate increases (Exhibit "**H**")

E. Investment management (Exhibit "**I**")

(1) Presentation by Shawn Dewayne, Raymond James Securities

(2) Ad hoc committee report and recommendation

Recommended Motion: "[PROVIDE DIRECTION TO STAFF, INCLUDING, IF DEEMED APPROPRIATE, AUTHORIZATION OF OFFICERS TO EXECUTE AND DELIVER DOCUMENTS, INSTRUMENTS AND ANY THIRD-PARTY CUSTODIAL ARRANGEMENTS AS MAY BE NECESSARY TO UTILIZE THE SERVICES OF RAYMOND JAMES SECURITIES IN REGARD TO THE DISTRICT'S INVESTMENTS]"

8. Miscellaneous Matters

A. November 2012 Election (Exhibit "**J**")

Recommended Motion: "DETERMINE THAT THE DISTRICT [SHALL/SHALL NOT] PAY FOR CANDIDATES' STATEMENTS AND THAT CANDIDATES' STATEMENTS SHALL CONTAIN A MAXIMUM OF [200/400] WORDS'"

B. Tablet computer policy and allowance (Exhibit "**K**")

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

C. Records management policy and request to destroy records (Exhibit "**L**")

Recommended Motion: "THAT RESOLUTION NO. ___ BE ADOPTED, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ADOPTING POLICY ON RECORDS RETENTION' AND APPROVE REQUEST TO DESTROY LISTED RECORDS"

D. Reports from committees and representatives to organizations

E. 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 **June 21, 2012**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

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

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

EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER'S REPORT

May 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) Changes to Bacteriological Sampling Plan/City of Orange and IRWD Demand Changes

The Operations, Planning and Personnel Committee began a review of the impacts to the WZ of Orange and IRWD reducing their demand for imported water; both agencies have informally requested changing from "regular" to "emergency" connections. Staff noted that the agreements with the retail agencies don't include provisions for changing their connection type or discontinuing "regular" deliveries. Orange and IRWD have taken very small amounts of water (~1 cfs) over the past several months and staff became concerned about water quality and have submitted a request to CDPH to change the sampling of these connections from "routine" to "special." This would mean that we would continue to sample the sites, but if we had a positive bacteria result, we would not have to report it as a violation unless downstream "routine" samples also test positive for bacteria.

Additionally, staff has requested that sampling at our three reservoir sites be changed from "routine" to "special" and that the routine sampling be conducted at other sites in the system; this would help to address the issue that happened last July at the Peters Canyon (6 MG) reservoir with a fouled sampling point, even though no positive samples occurred at downstream testing and/or in retail agency systems.

The Committee is concerned about potential liability to the District at the Orange and IRWD connections if they are used by these agencies on an emergency basis and that a formal agreement or policy should be adopted by the Board. The Committee will discuss this further at their next meeting.

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) Wholesale Zone Master Planning/Treatment Plant Feasibility Study

MET's Purchase Order with MWDOC will be expiring on December 31, 2012; this purchase order (which was voluntary), obligated MWDOC – over the ten year period 2002-2012 - to purchase an amount of water equal to 60 percent of its highest firm demand for MET water in any fiscal year from 1989-2002, multiplied by ten; MWDOC met this contractual obligation in 2009.

Now, MET is looking at its financial viability and with their higher volumetric rates causing other supplies to become viable. Staff anticipates that they will probably want to lock in higher commitments, particularly for treated water and/or may change their pricing structure to put more of their costs on fixed revenue. Staff requested permission from the Operations, Planning and Personnel Committee to solicit a proposal from Brady & Associates to do a very small, focused cost feasibility study looking at whether it makes sense to construct a treatment plant at the 6 MG Reservoir; the Committee approved this request. At the same time, we will be meeting with our Retail Agencies to explain this situation and assess their interest in taking this water.

Staff is also developing a Scope of Work for Master Plan/Betterment Studies for both the Wholesale and Retail Zones now that the hydraulic models are nearing completion, however, because we anticipate that we will be asked to make a more firm commitment by MWDOC and because this decision has important financial and operational ramifications, we are breaking out this portion from the overall study and focusing intently on it up front. Staff anticipates coming to the June Board Meeting with a recommendation from the Committee on whether and how to proceed forward on this issue.

4) Daniger Road Storm Drain Project

See Agenda Item.

5) 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; we will continue taking CUP water through June 30, 2012.

6) MET Water Quality Issue

On May 1st MET notified East Orange County Feeder #2 agencies that a total coliform sample taken at a turnout in Santa Ana (below our turnouts) on April 30th came back positive for coliform (no fecal present). Subsequent samples returned the same result. This was very similar to our Peters Canyon (6 MG) reservoir issue that occurred last July/August, so on May 2nd Superintendent Mendzer contacted MET and suggested that they examine their sampling line for biofilm growth. On May 4th, MET notified us that after a maintenance crew thoroughly cleaned and disinfected the sample line, the samples came back clean. MET will be investigating the situation further, however, this was not an event where any EOCF #2 agency was required to notify residents of the positive sample due to the fact that no downstream agencies themselves tested positive, and because MET takes so many samples, they are allowed several positive results before they are required to go to notification.

RETAIL ZONE

1) Well Operations

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

2) System Leaks

None to report.

3) Operational Activities

- RZ meter reading
- Requested quotes and purchased new pipe locator and leak detection equipment
- Flushed 25 dead-end hydrants as part of our quarterly flushing program
- Weed abatement and cleanup at Stoller Reservoir site
- Cleanup at McPherson Yard
- Weed abatement at Andres Reservoir site
- Completed installation and painting of new wood panels on west end of Peter's Canyon Reservoir
- Collected all approved scrap metals and delivered to recycling center
- Installed new hydrant reflectors on Viewridge Drive
- Took historical records down from storage for review and cataloging
- Attended Lock out / tag out class at City of Cerritos
- Work order – high bill at 18822 Winnwood, 12442 Vista Panorama, 12292 Baja Panorama, and 12311 Menuda Panorama
- Work order – meter change out at 12722 Panorama View
- Work order – shut off and turn on water at 18938 Smiley Drive
- Work order – final read at 19642 Vista Del Valle, 12273 Circula Panorama, 19112 Barrett Lane
- Replace broken angle meter stop at 12935 Villa Rose
- Reviewed Draft copy of Consumer Confidence Report
- Submitted revised bacteriological plan for WZ water system
- Met with Butier Engineering to review conflicts with City of Tustin Reservoir Project
- Met with Brady Engineering for kick off meeting on 6 MG reservoir roof project
- Met with County project engineer to review Daniger Storm Drain project
- Attended preconstruction meeting at the County yard for the Daniger Rd. project
- Participated in interview panel for City of Tustin
- Attended webinar for AC pipe
- Met with paving contractor to request quotes for McPherson, 6 MG, and 11.5 MG sites
- Attended quarterly WEROC meeting

Daily Tasks

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

Weekly Tasks

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

- Cleanup, organize and restock service trucks
- Cleanup and organized shop
- Vehicle maintenance

Monthly Tasks

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

MISCELLANEOUS ITEMS

1) Meetings

District Board Members and/or Staff attended the following meetings: April 17th Finance Committee Meeting; April 25th Engineering Committee Meeting; April 26th MWDOC Managers/Poseidon Huntington Beach Meeting; May 1st WEROC Quarterly Meeting; May 1st Ad-Hoc Investment Committee Meeting; May 4th WACO Meeting; May 8th Operations, Planning & Personnel Committee Meeting; May 9th Groundwater Producer's Meeting.

A. Finance Committee Meeting (April 17, 2012)

Meeting Summary: 1) Debt Payoff – The Committee was advised that with the early payoff of the DWR Loan and the PERS Side Fund – the District is debt free; 2) OCWD/MWDOC/MET Budgets – the Committee reviewed the proposed budgets and water costs for the three agencies; 3) FY 2012/13 Budget – the first draft of the proposed budget for next year was reviewed; 4) Budget Report – The February Budget Report was reviewed; 5) Revised Rules and Regulations for Water Use – this item was deferred to the next meeting.

B. Engineering Committee Meeting (April 25, 2012)

Meeting Summary: 1) 6 MG Reservoir Storm Repairs – Staff advised that as soon as work on the electrical and Cat V lines for the Security System were finalized, the Storm Repair project would proceed; 2) 6 MG Reservoir Roof Repairs – a proposal from Brady & Associates in the amount of $4,855 was reviewed and approved to review roof damage and recommend short- and long-term improvements and their associated estimated costs; 3) View Ridge Drive Update – the Committee was apprised of the latest developments; 4) OPA/IRWD Wells – IRWD released the revised MND; staff will be preparing a comment letter for submittal by May 24th; 5) WZ & RZ Master Plan/Betterment Plan – LMU will be refining and finalizing the model during June; 9) County of Orange Storm Drain Project on Daniger Road – the County has an urgent storm drain project on Daniger Road and is requesting the District relocate two service lines and a fire hydrant line at district expense by May 11th. Staff will be submitting the

District's 1911 easement and prior rights claim, requesting that the County fund the cost of this relocation.

C. MWDOC Managers Meeting/Poseidon Huntington Beach Meeting (April 26, 2012

Manager's Meeting Summary: 1) MWDOC FY 2012/13 Budget – MWDOC staff presented their final draft of their operating budget; 2) MET's Adopted 2013 & 2014 Rates – the MET Board approved an "average" 5% increase effective 1/1/2013 and 1/1/2014; 3) May 18th Water Summit Agenda – this year's Summit, entitled "Water, Get in the Game" will be held at the Disneyland Grand Californian; 4) A press release regarding the Los Angeles Economic Development Corporation's (LAEDC's) study of San Diego's Imperial Irrigation District water purchase (funded by seven Southern California water agencies including MWDOC) was briefly discussed.

Poseidon Meeting Summary: 1) AB 2595 (Hull) – This bill proposes to streamline the permitting process for desalination plants and is sponsored by CalDesal and supported by water agencies, California Chamber of Commerce and several labor unions; it's opposed by several environmental groups and the Coastal Commission. It's just starting the hearing process. 2) Update on the Carlsbad/SDCWA Project – the County Water Authority is supposed to take action on going ahead with the project in August 2012. 3) Brady Study Update – Brady & Association has been studying how best to move desal water through the county; preliminary indications that it may all be able to be used in the coastal area. 4) Draft Term Sheet Sub-Groups: Brian Thomas of PFM has been retained to review the financial aspects of the proposed plant (he is the former MET CFO; subgroups have been formed (EOCWD is in Group 2) to review the provisions of the terms sheets and comment upon them – first Group 2 meeting is May 17th.

D. WEROC Quarterly Meeting (May 1, 2012)

Meeting Summary (Note: due to potential security issues, some of the information presented is of a general and non-specific nature): 1) Overview of WebEOC Program – WEROC staff reviewed updates and other information associated with the County's internet based emergency operations reporting program; 2) Water Trailer Project Update – Funding to purchase four emergency water trailers has been received from Homeland Security; they will be housed by the City of Santa Ana and will be used to distribute potable water in the event of an emergency; 3) SCADA Security – SCADA security issues were discussed; 4) Emergency Response and Water Quality Coordination with CDPH – Requirements for certified personnel, water quality testing, mobile water treatment units were discussed.

E. Ad-Hoc Investment Committee Meeting (May 1, 2012)

Meeting Summary: The Committee met with Shawn Dewayne of Raymond James, a financial services firm based in Costa Mesa, to discuss the District's investment portfolio. Mr. Dewayne reviewed Raymond James' history and services offered, and discussed their approach to fixed income investing with an emphasis on service and safety; their Orange County clients have included the County of Orange and Orange County Water District (Mr. Dewayne is also a Board Member at Mesa Consolidated Water District and the Orange County Water District – he doesn't represent Raymond James in transactions with OCWD). General Manager Ohlund noted that she had run Mr. Dewayne's FINRA report and it was without any adverse comment or action of any kind. The Committee was

pleased with the presentation and recommended having Mr. Dewayne give a similar presentation to the Board.

F. WACO Meeting (May 4, 2012)

Meeting Summary: President VanderWerff and General Manager Ohlund attended this meeting that included: 1) A request by WACO to support the submission of a white paper authored by Peer Swan regarding an alternative conveyance option in the Delta; the request was approved. 2) A presentation by Mesa Water regarding an analysis they conducted that compared the cost of water per capita in their district with other Orange County districts (using expenditure data each district supplies to the State Controller's Office). 3) A presentation by IRWD regarding efforts to revise BMP 11 (the California Urban Water Conservation Council's requirement that fixed charges comprise no more than 30% of an agencies operating revenue) to recognize that declining water sales have impacted water agencies financial stability.

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

Meeting Summary: 1) Vista Panorama Reservoir – Staff is recommending to proceed with grouting repairs to the reservoir and assess further action in the RZ Master Plan; 2) Daniger Road Storm Drain Project – The County has requested that the District retain a contractor to move the facilities and they will reimburse us; the low bidder for the project is the contractor who will be doing the storm drain construction ($9,938); staff will request that the County issue a change order and fold this work into their project for administrative efficiency. 2) WZ Master Plan/Betterment Plan – Treatment Plant Feasibility Study – Staff requested approval to solicit a proposal from Brady Engineering to perform a very small scale cost feasibility study on the potential for a treatment plant at the 6 MG reservoir. The Committee approved the request subject to determining that Brady had the technical ability to perform the work. 3) LAFCO Special District Election – staff noted that Charlie Wilson, the current Special District's LAFCO representative was running for this position and had requested our support; it was not known if anyone else was running. The Committee agreed to support Mr. Wilson. 4) Revised Bacteriological Testing Plan – staff has submitted a request to CDPH to change five of our ten routine sampling sites, including those for Orange and IRWD; the Committee raised concerns regarding potential liability for poor water quality at the connections. 5) Operations Status: In-Lieu is on track and we will take all of our BPP by June 30th; Well Status – wells are off due to In-Lieu; Records Management System – at the next Board Meeting, staff will be proposing a policy as well as requesting permission to dispose of many boxes of old records; 8) Executive Session: View Ridge Road, OPA/IRWD Well MND.

H. Groundwater Producer's Meeting (May 10, 2012)

Meeting Summary: 1) Status Update on Water Quality Reports and the UCMR3 Regulations: the Water Quality Reports are ahead of schedule and should be printed before June. The Unregulated Contaminant Monitoring Regulation #3 final regulation was issued by EPA on May 2, 2012: requires agencies that serve populations in excess of 10,000 to monitor for 28 chemicals and 2 viruses from January 2012-December 2013 – OCWD will be subject to these regulations. 2) Basin Cleaning Vehicle Report – OCWD will be ending its research project on building a basin cleaning vehicle as it has been determined that the cost/benefit ratio is inadequate. 3) Desilting Demonstration Project – as a replacement for the cleaning vehicles, OCWD will commence studying two types of passive filtration methods to remove the fine silt/clay that builds up on the bottom of the

recharge basins. 4) SAWPA OWOW Process – Mesa Water has taken the lead in coalescing opposition to the approach SAWPA is taking with regards to limiting grant funds they distribute only to agencies that have adopted water budget-based rates. A letter requesting that SAWPA use the approved rate systems that the CUWCC adopted (including tiered and uniform rates) will be circulated to affected agencies for signature. 5) North Basin Groundwater Protection Project – OCWD briefly discussed their project to treat water in the North Basin that has been contaminated by industrial activities. 6) Election of Vice Chair – Nabil Saba of Santa Ana was elected Vice-Chair to replace Ray Burk.

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 ¾ -inch and a 1-inch meter. The ¾ -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 ¾ -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 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 and invited him to the event.

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 WATER DISTRICT

MEMO

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: **COUNTY OF ORANGE DANIGER ROAD STORM DRAIN PROJECT**

DATE: MAY 11, 2012

Background

In mid-April, the County informed us that they were installing a storm drain in the upper portion of Daniger Road that would require us to move to service laterals as well as a fire hydrant lateral at our expense. The County indicated that this was an urgent project and they were planning to start construction on May 14th; they asked us to complete our work prior to this date.

Discussions ensued with the County regarding the District's 1911 blanket easement and prior rights claim and ultimately the County agreed to fund the relocation by reimbursing the District for the expense. Staff obtained four bids for the work, including one from the County's contractor CGI, who ultimately submitted the lowest price for the work ($9,938). Ultimately, we requested that the County execute a change order to with CGI for purposes of administrative efficiency and to avoid delaying the primary storm drain work – the county ultimately agreed.

Recommendation

Information item, no action necessary.

EAST ORANGE COUNTY WATER DISTRICT

MEMO

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: WHOLESALE AND RETAIL ZONE WATER DEMANDS – APRIL 2012

DATE: MAY 11, 2012

Wholesale Zone Water Demands

Attached is a graphical representation of the Wholesale Zone water demand through April 30, 2012. Total water sales for the month of March totaled 306 AF; total year-to-date sales are 5,092 AF; this is a 224 AF or 22% increase over demand from March, 2011.

Retail Zone Water Demands

Also attached are graphs depicting the Retail Zone water demand. As shown in Figure 1, total demand for the month of April was 72 AF; this is 5 AF below our Year 2020 Target of 77 AF. Total cumulative demand is 823 AF, which is 6% above our Year 2020 Target of 774 AF and 3% below the average (848 AF) of the last 3 years. As shown in Figure 2 (historical demand 2008-2011), our cumulative demand is below 2008/2009 levels and almost event with 2009/2010 levels, but is now trending slightly above 2010-11 levels.

Wholesale Zone Water Demand

Total Monthly Sales for April 2012 = 306 AF

Total YTD Sales for July-April 2012= 5,092 (AF**)**

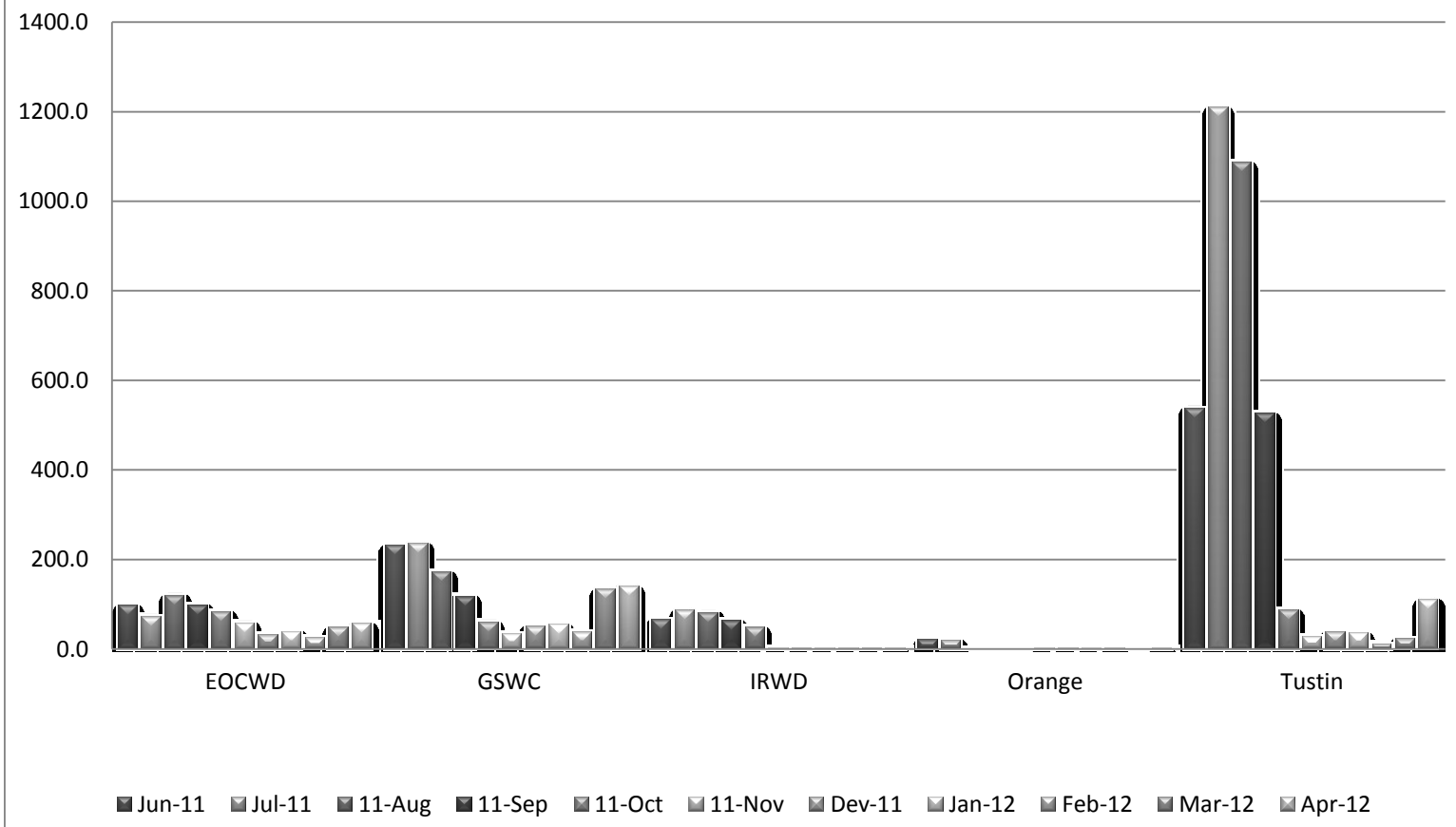
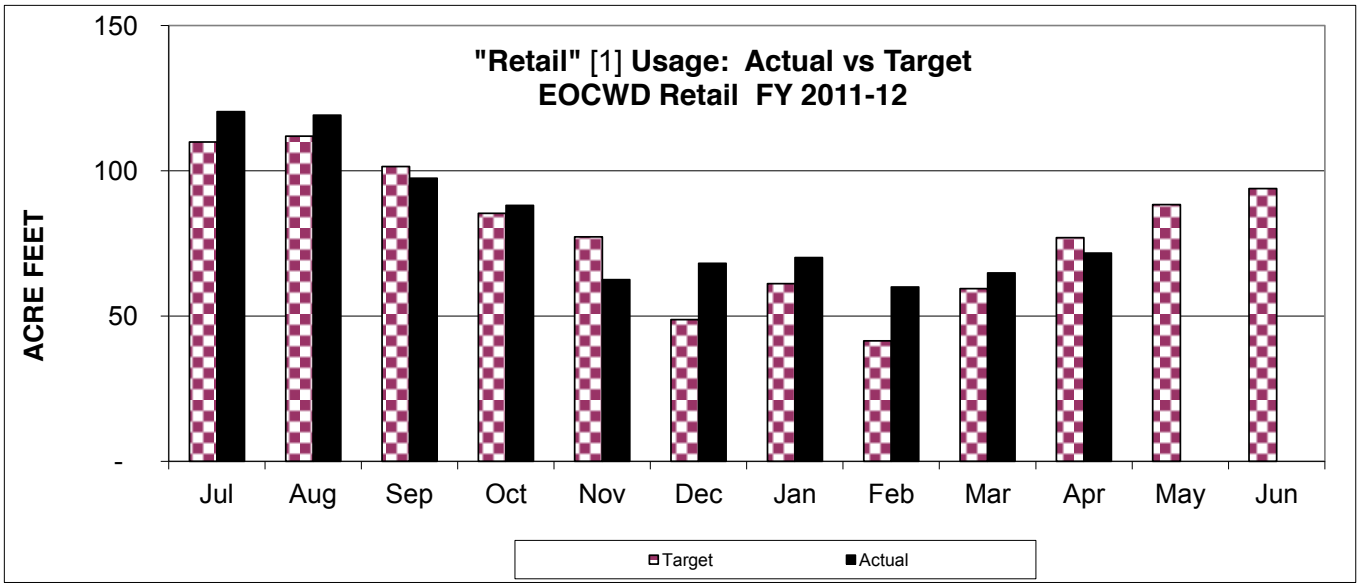


Fig. 1
Monthly Retail Water Usage: FY 11-12 "Retail" Water [1] versus SB7 2020 Target [4]
Retail Agency: **EOCWD Retail Zone**

Preliminary numbers subject to change

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Target Retail Usage Calculation						Acre-Feet							
2008-09 Usage	127	127	114	108	96	57	91	46	83	101	103	100	1,152
2009-10 Usage	123	124	112	97	86	55	52	35	59	74	96	110	1,021
2010-11 Usage	112	118	109	76	73	49	58	55	54	78	92	98	970
Average Usage	120	123	111	94	85	53	67	45	65	84	97	103	1,048
Monthly Usage Pattern	0.115	0.117	0.106	0.089	0.081	0.051	0.064	0.043	0.062	0.080	0.092	0.098	1.000
Population [2] in FY 2011-12													3,245
2020 GPCD Estimate [3]													263
Target [4] Retail Use	110	112	101	85	77	49	61	41	59	77	88	94	956
Current Year "Retail" [1] **Usage, by Source**													
MET water purch.													-
													-
MET purch. via EO Whole	72.5	119.2	97.0	87.6	57.8	30.6	37.9	19.7	47.3	55.9			625.5
subtract In-Lieu	(72.5)	(119.2)	(97.0)										
MET sold to													-
MET Total	**-**	**-**	**-**	**88**	**58**	**31**	**38**	**20**	**47**	**56**	**-**	**-**	**337**
OCWD Pumped GW	47.9	-	0.5	0.5	4.7	37.6	32.3	40.3	17.6	15.8			197.2
OCWD In-Lieu	72.5	119.2	97.0										288.7
other:													-
other:													-
other:													-
Local Total	**120**	**119**	**98**	**1**	**5**	**38**	**32**	**40**	**18**	**16**	**-**	**-**	**486**
"Retail" [1] **Usage 11-12**	**120**	**119**	**98**	**88**	**63**	**68**	**70**	**60**	**65**	**72**	**-**	**-**	**823**
Actual vs Retail Target [4]	+10%	+6%	-4%	+3%	-19%	+40%	+15%	+45%	+9%	-7%			



[1] "Retail" usage includes MET water and Local water but **excludes recycled water.**
[2] Population estimated based on Census 2010.
[3] gpcd estimate for Year 2020 is from an analysis of compliance with SB7. Analysis performed by MWDOC in April 2011.
[4] Target is 2020 gpcd times Population, converted to Acre-Feet/year

Fig. 2

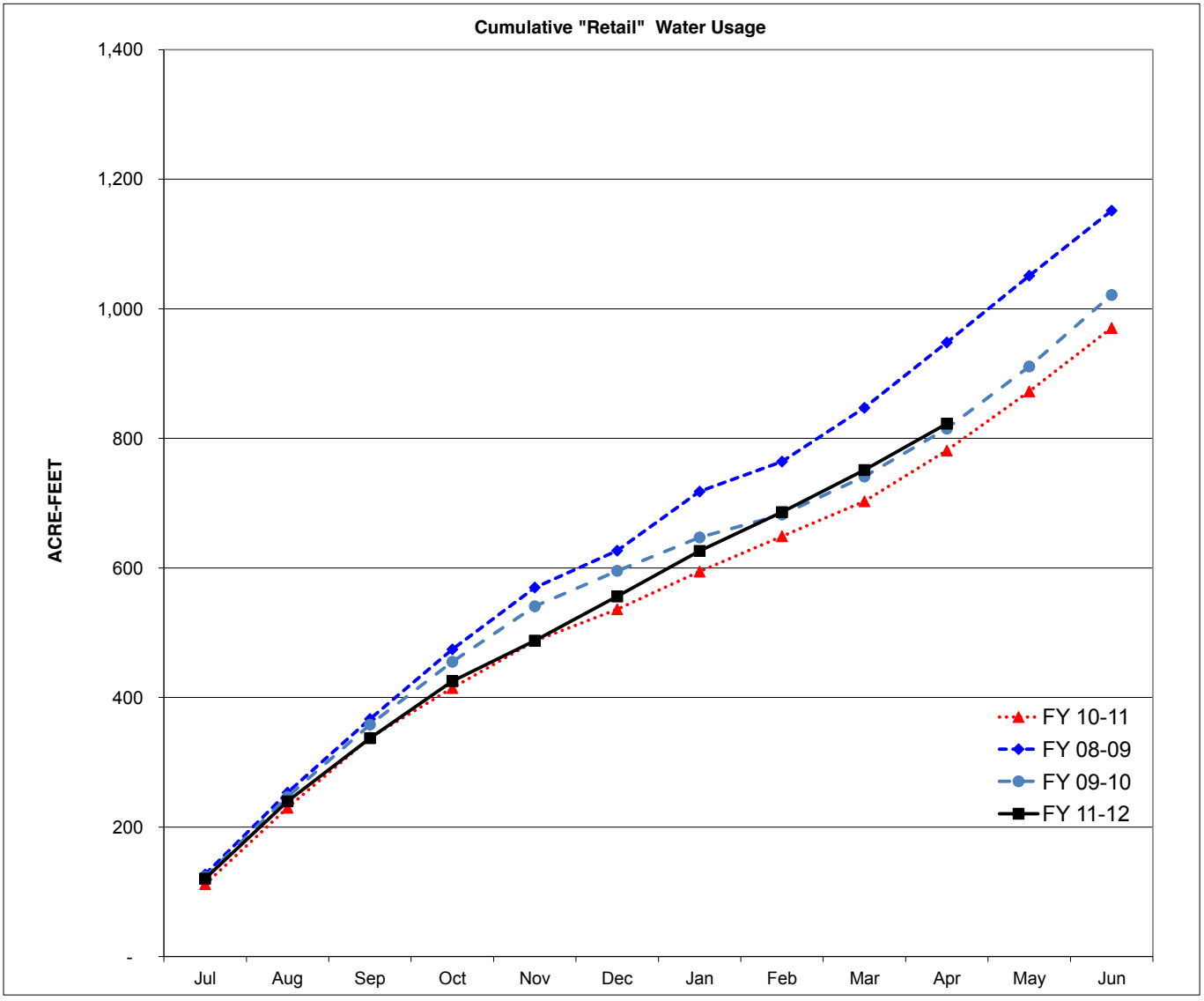
Cumulative Monthly "Retail Water" [1] Demand In Current and Previous Fiscal Years

cumulative through the end of the last month shown

Preliminary numbers subject to change

EOCWD Retail Zone

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



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

EAST ORANGE COUNTY WATER DISTRICT

DISBURSEMENT SUMMARY
MAY 17, 2012

WHOLESALE AND RETAIL BILLS	$283,854.24
CHAPMAN AVENUE ACCOUNT	$0.00
DIRECTOR'S PAYROLL (04-19-2012 PAYROLL)	$2,290.52
EMPLOYEE'S PAYROLL (04/04/12 + 04/18/2012)	$33,605.34
DISBURSEMENT TOTAL	**$319,750.10**

TRANSFER SUMMARY
MAY 17, 2012

TRANSFERS FROM MORGAN STANLEY TO CHECKING	$258,979.85
TRANSFER TOTAL	**$258,979.85**
TRANSFERS FROM CB&T RETAIL ZONE MONEY MARKET TO MORGAN STANLEY OR CHECKING	$ -
TRANSFER TOTAL	**$0.00**

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

Check History Report
Sorted By Check Number

Activity From: 4/15/2012 to 6/30/2012

EAST ORANGE COUNTY WATER DIST (EOC)

Bank Code: A CHECKING- CA BANK & TRUST

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
007597	4/18/2012	A724082	AT&T	458.95	Auto
007598	4/18/2012	E431872	ELITE EQUIPMENT INC	78.52	Auto
007599	4/18/2012	L27612	LASER IMAGE PLUS	316.66	Auto
007600	4/18/2012	O81196	OCCU-MED LTD	185.00	Auto
007601	4/18/2012	T764656	TRUESDAIL LABORATORIES, INC	100.00	Auto
007602	4/18/2012	X178697	XEROX CORPORATION	32.98	Auto
007603	4/20/2012	L327571	TONY LIPKA	250.00	Manual
007604	5/2/2012	A724082	AT&T	248.39	Auto
007605	5/2/2012	PETTY	DENISE DOBSON - PETTY CASH	200.81	Auto
007606	5/2/2012	H004494	HACH COMPANY	258.03	Auto
007607	5/2/2012	I522422	INSTANT LUBE, INC.	85.26	Auto
007608	5/2/2012	K026049	KARCHER DIGITAL & PRINTING	1,174.55	Auto
007609	5/2/2012	O284291	LISA OHLUND	80.00	Auto
007610	5/2/2012	M188342	MEYERS / NAVE	2,207.50	Auto
007611	5/2/2012	M842327	MWDOC	190,152.95	Auto
007612	5/2/2012	P025940	PARADISE DRINKING WATERS	6.45	Auto
007613	5/2/2012	P706224	PSOMAS	6,982.13	Auto
007614	5/2/2012	S563332	SOUTHERN CALIFORNIA EDISON	1,847.53	Auto
007615	5/2/2012	T002605	TAB ANSWER NETWORK	31.25	Auto
007616	5/2/2012	T764656	TRUESDAIL LABORATORIES, INC	573.00	Auto
007617	5/2/2012	U685150	USA BLUE BOOK	71.34	Auto
007618	5/17/2012	A034150	ACWA-HEALTH BENEFITS AUTHORITY	8,255.51	Auto
007619	5/17/2012	A426268	ALEXIS OIL COMPANY	234.95	Auto
007620	5/17/2012	A435319	ALLCOM	170.00	Auto
007621	5/17/2012	A647854	ARAMARK UNIFORM SERVICES	218.60	Auto
007622	5/17/2012	A724082	AT&T	44.30	Auto
007623	5/17/2012	A724083	AT&T	296.49	Auto
007624	5/17/2012	B565648	BOWIE ARNESON WILES & GIANNONE	4,432.44	Auto
007625	5/17/2012	C002110	CA BANK & TRUST	635.87	Auto
007626	5/17/2012	C647974	CR&R INC.	48.26	Auto
007627	5/17/2012	E028422	EAST ORANGE COUNTY WATER DIST.	41,539.47	Auto
007628	5/17/2012	G543900	GOLDEN METERS SERVICE	187.50	Auto
007629	5/17/2012	H004494	HACH COMPANY	872.76	Auto
007630	5/17/2012	H027991	HASLER	112.98	Auto
007631	5/17/2012	K026049	KARCHER DIGITAL & PRINTING	31.95	Auto
007632	5/17/2012	O81196	OCCU-MED LTD	410.00	Auto
007633	5/17/2012	P025940	PARADISE DRINKING WATERS	18.00	Auto
007634	5/17/2012	S077326	SC FUELS	780.38	Auto
007635	5/17/2012	S563332	SOUTHERN CALIFORNIA EDISON	2,423.56	Auto
007636	5/17/2012	H027990	TOTALFUNDS BY HASLER	100.00	Auto
007637	5/17/2012	U499787	UNDERGROUND SERVICE ALERT	40.50	Auto
007638	5/17/2012	V178373	VERIZON WIRELESS	174.62	Auto
007639	5/17/2012	X178697	XEROX CORPORATION	34.56	Auto
			Bank A Total:	283,854.24	
			Report Total:	283,854.24	

EAST ORANGE COUNTY WATER DISTRICT
CALIFORNIA BANK & TRUST
Prior Month's Checks To Ratify
DIRECTORS' PAYROLL*
MAY 17, 2012

PAYMENT FOR BOARD AND COMMITTEE MEETINGS IN THE MONTH OF MARCH 2012

DATE	CHECK NO	AMOUNT	PAYABLE TO
04/19/12	530	$396.73	RICHARD BARRETT
04/19/12	531	$396.73	RICHARD BELL
04/19/12	532	$163.36	DOUGLAS CHAPMAN
04/19/12	533	$116.69	JOHN DULEBOHN
04/19/12	534	$630.12	WILLIAM VANDER WERFF
		$1,703.63	TOTAL PAYROLL CHECKS

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

4/19/2012	$306.62	ADP TAXES
4/19/2012	$92.42	ADP CHARGE
4/19/2012	$187.85	PERS ELECTRONIC FUNDS TRANSFER
	$586.89	TOTAL CHARGES & TRANSFER
	$2,290.52	**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*
MAY 17, 2012

	CHECK DATE	CHECK AMOUNT	PAYABLE TO
AUTO DEPOSIT	4/4/2012	$1,229.39	DENISE DOBSON
AUTO DEPOSIT	4/4/2012	$300.00	DENISE DOBSON- SAVINGS
AUTO DEPOSIT	4/4/2012	$2,200.53	RANDY DUNN
AUTO DEPOSIT	4/4/2012	$1,883.85	JERRY MENDZER
AUTO DEPOSIT	4/4/2012	$2,016.34	LISA OHLUND
AUTO DEPOSIT	4/4/2012	$1,178.94	MATTHEW PLUMMER
CK # 112	4/4/2012	$80.28	NICOLE HOPP
AUTO DEPOSIT	4/4/2012	$328.34	DANIELLE KAPLAN
TRANS TO PERS 457	4/4/2012	$700.00	CAL PERS 457 - ING BANK
AUTO DEPOSIT	4/18/2012	$1,203.81	DENISE DOBSON
AUTO DEPOSIT	4/18/2012	$300.00	DENISE DOBSON- SAVINGS
AUTO DEPOSIT	4/18/2012	$2,174.69	RANDY DUNN
AUTO DEPOSIT	4/18/2012	$1,601.34	JERRY MENDZER
AUTO DEPOSIT	4/18/2012	$469.54	LISA OHLUND
AUTO DEPOSIT	4/18/2012	$1,423.67	MATTHEW PLUMMER
CK # 113	4/18/2012	$130.69	NICOLE HOPP - TEMP
AUTO DEPOSIT	4/18/2012	$328.33	DANIELLE KAPLAN - TEMP
TRANS TO PERS 457	4/18/2012	$2,700.00	CAL PERS 457 - ING BANK
		$20,249.74	TOTAL PAYROLL CHECKS

PAYROLL TAXES, ADP CHARGES, AND PERS EFT

			PAYROLL 4/4/2012	PAYROLL 4/18/2012
4/4/2012	$4,953.69	ADP TAXES	$9,917.67	$10,332.07
4/4/2012	$1,952.33	PERS ELECTRONIC FUNDS TRANSFER	$7,003.21	$6,352.39
4/4/2012	$97.19	ADP CHARGE		
4/18/2012	$4,362.63	ADP TAXES		
4/18/2012	$1,903.07	PERS ELECTRONIC FUNDS TRANSFER		
4/18/2012	$86.69	ADP CHARGE & ADJUSTMENT		
			$16,920.88	**$16,684.46**
	$13,355.60	TOTAL TRANSFERS		
	$33,605.34	**GRAND TOTAL PAYROLL**		

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

Check History Report
Sorted By Check Number
Activity From: 3/22/2012 to 6/30/2012

EAST ORANGE COUNTY WATER DIST (EOC)

Bank Code: M MONEY MARKET- MORGAN STANLEY

Check Number	Check Date	Vendor Number	Name	Check Amount	Check Type
001174	4/17/2012	E028422	EAST ORANGE COUNTY WATER DIST.	38,245.73	Manual
001175	5/1/2012	E028422	EAST ORANGE COUNTY WATER DIST.	220,734.12	Manual
			Bank M Total:	258,979.85	
			Report Total:	258,979.85	

FUNDS TRANSFERRED BETWEEN ACCOUNTS
MAY 17, 2012

MORGAN STANLEY TO CHECKING

DATE PAID	CHECK NO	AMOUNT	PAYEE	REASON FOR FUND TRANSFER
4/17/2012	1174	$ 38,245.73	EOCWD	TO COVER EMPLOYEE PAYROLL4/18/12 $16,684.46, DIRECTORS' PAYROLL 4/19/12 $2,290.52 AND BILLS FOR CONSIDERATION $18,997.35, BANK ANALYSIS FEE $253.40 ADJ TO MM TRANS $20.
5/1/2012	1175	$ 220,734.12	EOCWD	TO COVER EMPLOYEE PAYROLL5/01/12 $16,814.93, BILLS FOR CONSIDERATION $203,919.19
		$ 258,979.85		**GRAND TOTAL**

CB&T MONEY MARKET TO CHECKING OR MORGAN STANLEY

			NO TRANSFERS MADE
350	$ -		
	$ -		**GRAND TOTAL**

EAST ORANGE COUNTY WATER DISTRICT

Treasurer's Report

May 11, 2012

Board of Directors
East Orange County Water District

The accompanying information contained in Schedule 1, Distribution of Investment Activity for the month of April 2012, and Schedule 2, Investment Portfolio, as of April 30, 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.

Carl R. Schoonover
Treasurer

DIRECTORS

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

Lisa Ohlund
General Manager

185 N Mc Pherson Road
Orange, CA 92869-3720

www.eocwd.com

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

EXHIBIT F

EAST ORANGE COUNTY WATER DISTRICT
SCHEDULE 1 – INVESTMENT ACTIVITY
APRIL 30, 2012

	SECURITY TYPE	BOOK VALUE
BEGINNING BALANCES APRIL 1, 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
ACTIVITY		
ADDITIONS		
DEPOSIT TO MORGAN STANLEY SMITH BARNEY	DEMAND MM	419,241
DEPOSIT TO LAIF – FROM CHECKING	DEMAND LAIF	4,254
DELETIONS		
TRANSFER FROM LAIF TO CHECKING	DEMAND LAIF	
TRANSFERS BETWEEN FUNDS	DUE TO/FROM	0
TRANSFERS TO CHECKING	DEMAND MM	(38,246)
ENDING BALANCES APRIL 30, 2012		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	4,530,212
MORGAN STANLEY SMITH BARNEY – MM	DEMAND MONEY MARKET	1,238,829
DUE TO FROM OTHER FUNDS	DUE TO/FROM	0
US TREASURY OBLIGATIONS	US TREASURY	0
TOTAL		5,769,041

05/11/2012 12:06 949-24P-9903 SCHOONOVER O'SHEA PAGE 03/04

EAST ORANGE COUNTY WATER DISTRICT
SCHEDULE 2 – INVESTMENT PORTFOLIO
APRIL 30, 2012

ITEM NO.	NAME	SECURITY TYPE AND NUMBER	PURCHASE DATE	MATURITY DATE	FACE VALUE	PURCHASE PRICE	INTEREST STATED	INTEREST YIELD	MARKET VALUE	NET BOOK VALUE	% TO PORTFOLIO
2	LAIF	DEMAND	N/A	N/A	4,530,212	4,530,212	0.367%	0.367%	4,530,212	4,530,212	78.53%
30	MS SB	MONEY MARKET	N/A	N/A	1,238,829	1,238,829	0.010%	0.010%	1,238,829	1,238,829	21.47%
								0.290%	$5,769,041	$5,769,041	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

CARL R. SCHOONOVER, TREASURER

05/11/2012 12:06 949-24P 9903 SCHOONOVER O'SHEA PAGE 04/04

WHOLESALE ZONE

EAST ORANGE COUNTY WATER DISTRICT 4/17/2012
2011-2012 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MONTH : MARCH 2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET $ EXCESS (REMAINING)	PERCENT RECEIVED
OPERATING REVENUE:					
WATER SALES	164,555	3,872,928	2,527,337	1,345,591	153.24%
MWDOC CONNECTION FEES	26,269	286,445	414,734	(128,289)	69.07%
REIMBURSED EXP-IRWD	-	16,402	11,000	5,402	149.11%
OTHER CHARGES	-	72	1	71	7235.00%
				-	
TOTAL OPERATING REVENUE:	190,824	4,175,848	2,953,072	1,222,776	141.41%
				-	
NON-OPERATING REVENUES (EXPENSES):				-	
PROPERTY TAXES	28,671	359,012	590,025	(231,013)	60.85%
RENTAL INCOME - CELLULAR ANTENNAS	3,500	50,638	90,000	(39,362)	56.26%
INTEREST & INVESTMENT EARNINGS	7	1,817	12,000	(10,183)	15.14%
INTEREST INCOME - NOTE RECEIVABLE - AMP	-	46,218	59,163	(12,945)	78.12%
MISCELLENOUS, INCOME	92	1,557	500	1,057	311.46%
TOTAL NON-OPERATING REVENUES, NET	32,271	459,242	751,688	(292,446)	61.09%
NET OPERATING INCOME	223,094	4,635,090	3,704,760	930,330	125.11%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
OPERATING EXPENSE:					
SOURCE OF SUPPLY	164,519	3,896,664	2,527,337	(1,369,327)	154.18%
PIPELINE CAPACITY LEASE	37,542	304,944	414,734	109,790	73.53%
ENERGY	168	1,331	1,800	469	73.95%
OPERATIONS & MAINTENANCE	37,537	263,478	357,629	94,151	73.67%
GENERAL & ADMINISTRATIVE	8,689	85,300	197,760	112,460	43.13%
TRANFER TO CAPITAL PROJECTS EXPENSE	16,667	150,000	200,000	50,000	75.00%
DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
TOTAL OPERATING EXPENSE	265,123	4,701,718	3,699,260	(1,002,458)	127.10%
NET INCOME FROM OPERATIONS	(42,028)	(66,628)	5,500	(72,128)	
PRIOR YEARS EXPENSES	-	-	5,000	(5,000)	
NET INCOME (LOSS)	(42,028)	(66,628)	10,500	(77,128)	

EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE

FOR PERIOD ENDED March 31, 2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET $ EXCESS (REMAINING)	PERCENT RECEIVED
WATER SALES	164,554.99	3,872,928.25	2,527,337.00	1,345,591.25	153.24%
RETAIL SERVICE CONNECTIONS	10,825.00	97,425.00	129,825.00	(32,400.00)	75.04%
READINESS TO SERVE	15,443.74	111,733.45	162,630.00	(50,896.55)	68.70%
MET-MWDOC CAPACITY CHARGE	-	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	190,823.73	4,175,847.72	2,953,072.00	1,222,775.72	141.41%
INTEREST-MM	4.38	27.82	50.00	(22.18)	55.64%
INTEREST-MORGAN STANLEY-OP	2.97	29.34	75.00	(45.66)	39.12%
INTEREST-MORGAN STANLEY-CONT	0.03	(1.06)	25.00	(26.06)	-4.24%
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	28,273.51	325,697.56	548,000.00	(222,302.44)	59.43%
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	397.45	9,215.05	15,000.00	(5,784.95)	61.43%
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)	-	19,137.92	48,000.00	(28,862.08)	39.87%
RENT INCOME-MOUNTAIN UNION	3,500.00	31,500.00	42,000.00	(10,500.00)	75.00%
AMP SALE INSTALLMENTS	-	46,217.89	59,163.00	(12,945.11)	78.12%
MISCELLANEOUS INCOME	92.20	1,557.28	500.00	1,057.28	311.46%
TOTAL NON OPERATING INCOME	32,270.54	459,242.27	751,688.00	(292,445.73)	61.09%
TOTAL OPERATING REVENUE	223,094.27	4,635,089.99	3,704,760.00	930,329.99	125.11%
NET OPERATING INCOME	223,094.27	4,635,089.99	3,704,760.00	930,329.99	125.11%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
EOCF #2 NONINTERR OC 43	-	1,102,227.79	859,295.00	(242,932.79)	128.27%
EOCF #2 NONINTERR OC 48	6,545.65	1,138,553.97	480,194.00	(658,359.97)	237.10%
WATER PURCHASED OC 70	157,973.68	1,655,882.42	1,187,848.00	(468,034.42)	139.40%
WATER PURCHASED	-	-	-	-	0.00%
WATER PURCHASED IN-LIEU	-	-	-	-	0.00%
WATER PURCHASED-IN LIEU CREDIT	-	-	-	-	0.00%
AMP_FAP LEASE EXPENSE	1,083.33	9,750.01	-	(9,750.01)	0.00%
MET-MWDOC READINESS TO SERVE	15,443.74	105,039.59	162,630.00	57,590.41	64.59%
MET-MWDOC CAPACITY FEES	10,189.88	92,729.84	122,279.00	29,549.16	75.83%
MWDOC RETAIL SERVICE CONNECT	10,825.00	97,425.00	129,825.00	32,400.00	75.04%
UTILITY- SCADA RTU	168.21	1,331.02	1,800.00	468.98	73.95%
SMALL TOOLS	151.81	2,165.42	2,400.00	234.58	90.23%

EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE

FOR PERIOD ENDED March 31, 2012

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
GASOLINE, OIL & DIESEL FUEL	549.34	2,933.05	6,800.00	3,866.95	43.13%
PERMIT	-	-	-	-	0.00%
PROF SERV WATER QUAL. CONTROL	2,536.53	19,904.31	28,674.00	8,769.69	69.42%
SCADA REPLACEMENTS/UPGRADES	-	192.32	10,000.00	9,807.68	1.92%
OPERATIONS REPORTING SOFTWARE	(78.75)	374.27	1,380.00	1,005.73	27.12%
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	6.52	2,719.00	25,000.00	22,281.00	10.88%
R/M- MAINS	134.80	1,625.07	6,000.00	4,374.93	27.08%
DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
R/M- SERVICE LATERALS	-	-	1,000.00	1,000.00	0.00%
R/M- RESERVOIRS	2,297.39	10,542.28	10,000.00	(542.28)	105.42%
R/M- VAULTS	-	680.66	10,000.00	9,319.34	6.81%
R/M- CATHODIC PROTECTION	160.11	1,273.55	12,000.00	10,726.45	10.61%
MAINTAIN & OPERATE EOCF#2	4,939.26	44,453.34	23,000.00	(21,453.34)	193.28%
METER TESTING	-	3,068.25	3,000.00	(68.25)	102.28%
MAINTAIN & OPERATER SAC LINE	155.33	1,398.01	2,000.00	601.99	69.90%
EQUIPMENT RENTAL	-	-	200.00	200.00	0.00%
MAINTENANCE- BACKHOE	-	660.89	1,200.00	539.11	55.07%
MAINTENANCE- VEHICLES	18.83	834.74	2,500.00	1,665.26	33.39%
MAINTENANCE- BUILDINGS/GROUNDS	893.94	1,974.14	4,000.00	2,025.86	49.35%
WAGES	13,609.41	110,478.35	120,000.00	9,521.65	92.07%
PAYROLL TAXES- FICA & MEDICARE	782.51	8,105.39	11,500.00	3,394.61	70.48%
RETIREMENT- PERS	8,232.84	20,218.95	24,000.00	3,781.05	84.25%
PAYROLL TAXES- SUI & ETT	26.99	484.01	325.00	(159.01)	148.93%
HEALTH & ACCIDENT INSURANCE	2,319.20	17,959.80	26,000.00	8,040.20	69.08%
DENTAL INSURANCE	193.40	1,547.82	1,700.00	152.18	91.05%
VISION INSURANCE	37.44	291.22	550.00	258.78	52.95%
LIFE INSURANCE	22.82	203.83	400.00	196.17	50.96%
WORKMEN'S COMP INSURANCE	472.52	2,761.41	5,000.00	2,238.59	55.23%
UNIFORMS- MAINTENANCE	74.66	1,177.22	1,000.00	(177.22)	117.72%
DISTRICT WEBSITE	-	10.00	750.00	740.00	1.33%
MCPHERSON FAX	17.09	145.05	200.00	54.95	72.53%
MCPHERSON INTERNET	-	321.55	450.00	128.45	71.46%
MCPHERSON OFFICE PHONES	241.85	1,082.22	1,200.00	117.78	90.19%
ANSWERING SERVICE	15.63	156.30	225.00	68.70	69.47%
PHONE CIRCUITS TO CTRL EQUIP	415.55	3,216.39	4,000.00	783.61	80.41%
CELLPHONES	79.96	713.00	1,600.00	887.00	-
UNDERGROUND SERVICE ALERT	19.50	204.00	400.00	196.00	51.00%
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	207.00	1,333.42	-	(1,333.42)	0.00%
MILEAGE	-	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 & MEBMERSHIPS- FCA	-	10.00	-	(10.00)	0.00%
DUES/MEMBER- ISDOC/URBAN WTR	557.24	907.24	1,025.00	117.76	88.51%
MISCELLANEOUS EXP	-	106.35	500.00	393.65	21.27%
RICHARD BARRETT	87.50	1,100.00	2,000.00	900.00	55.00%
WILLIAM VANDERWERFF	150.00	2,100.00	3,000.00	900.00	70.00%

EAST ORANGE COUNTY WATER DISTRICT

FOR WHOLESALE

FOR PERIOD ENDED March 31, 2012

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
DOUGLAS CHAPMAN	150.00	1,350.00	2,500.00	1,150.00	54.00%
JOHN DULEBOHN	150.00	1,325.00	2,500.00	1,175.00	53.00%
RICHARD BELL	150.00	1,525.00	2,500.00	975.00	61.00%
BOARD MEETING EXPENSE	17.52	455.15	1,000.00	544.85	45.52%
POSTAGE	72.30	529.24	500.00	(29.24)	105.85%
OFFICE SUPPLY/FURN/SMALL EQUIP	839.24	2,086.74	7,000.00	4,913.26	29.81%
PUBLICATIONS & LEGAL NOTICES	-	-	800.00	800.00	0.00%
MAINTENANCE- COPIER CONTRACT	19.38	125.19	250.00	124.81	50.08%
BANK CHARGES	167.15	707.17	2,000.00	1,292.83	35.36%
OUTSIDE SERVICES- LABOR	211.64	2,140.81	2,220.00	79.19	96.43%
AUDITING	-	8,147.99	7,000.00	(1,147.99)	116.40%
TAX COLLECTION FEES	71.68	905.87	2,000.00	1,094.13	45.29%
TREASURER	-	4,092.11	33,000.00	28,907.89	12.40%
ACCOUNTING- SERRANO	2,123.96	14,575.95	-	(14,575.95)	0.00%
LEGAL	787.50	8,905.73	15,000.00	6,094.27	59.37%
COMPUTER CONSULTING	1,026.00	1,121.00	1,500.00	379.00	74.73%
LAFCO	-	11,912.14	12,600.00	687.86	94.54%
INSURANCE-AUTO & GEN LIABILITY	701.56	6,646.51	13,000.00	6,353.49	51.13%
INSURANCE-PROPERTY	177.93	1,601.51	2,400.00	798.49	66.73%
INSURANCE-EMP. FIDELITY BOND	10.33	92.93	180.00	87.07	51.63%
OFFICE EQUIPMENT R&M	-	-	250.00	250.00	0.00%
UTILITIES-DUMPSTER	24.13	202.70	1,200.00	997.30	16.89%
UTILITIES- THE GAS CO.- OFFICE	-	-	200.00	200.00	0.00%
UTILITIES- OFFICE- ELECT & WTR	197.81	1,667.83	2,500.00	832.17	66.71%
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	149,999.94	200,000.00	50,000.06	75.00%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
TOTAL OPERATING EXPENSE	265,122.50	4,701,718.39	3,699,260.00	(1,002,458.39)	127.10%
NET INCOME FROM OPERATIONS	(42,028.23)	(66,628.40)	5,500.00	(72,128.40)	-1211.43%
PRIOR YEARS EXPENSE	-	-	5,000.00	(5,000.00)	0.00%
NET INCOME (LOSS)	(42,028.23)	(66,628.40)	10,500.00	(77,128.40)	

RETAIL ZONE

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

4/17/2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET $ EXCESS (REMAINING)	0.00% PERCENT RECEIVED
OPERATING REVENUE:					
WATER SALES	-	612,895	891,000	(278,105)	68.79%
METER CHARGE	-	192,697	312,000	(119,303)	61.76%
OTHER CHARGES	-	9,189	9,000	189	102.10%
TOTAL OPERATING REVENUE:	-	814,781	1,212,000	(397,219)	67.23%
NON-OPERATING REVENUES (EXPENSES):					
PROPERTY TAXES	16,279	191,083	338,600	(147,517)	56.43%
INTEREST & INVESTMENT EARNINGS	-	56	500	(444)	11.12%
MISCELLENOUS, INCOME	-	306	500	(194)	61.13%
TOTAL NON-OPERATING REVENUES, NET	16,279	191,444	339,600	(148,156)	56.37%
NET OPERATING INCOME	16,279	1,006,225	1,551,600	(545,375)	64.85%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
OPERATING EXPENSE:					
SOURCE OF SUPPLY	34,732	298,971	389,950	90,980	76.67%
PIPELINE CAPACITY LEASE	3,601	23,687	44,730	21,043	52.96%
ENERGY	5,082	30,571	98,250	67,679	31.12%
OPERATIONS & MAINTENANCE	38,962	320,660	565,122	244,462	56.74%
GENERAL & ADMINISTRATIVE	9,914	95,491	142,028	46,537	67.23%
TRANSFER TO CAPITAL EXPENSE	16,667	150,000	200,000	50,000	75.00%
INTEREST EXPENSE - NOTE PAYABLE - DWR	44,506	66,622	-	(66,622)	0.00%
RETAIL OPERATIONS CONTINGENCY FUND	-	-	50,000	50,000	0.00%
DISPOSAL OF ASSET GAIN (LOSS)	-	-	(2,000)	(2,000)	0.00%
DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
TOTAL OPERATING EXPENSE	153,463	986,001	1,488,080	502,079	66.26%
NET INCOME FROM OPERATIONS	(137,185)	20,224	63,520	(43,296)	
PRIOR YEARS EXPENSES	-	-	-	-	
NET INCOME (LOSS)	(137,185)	20,224	63,520	(43,296)	

EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL

FOR PERIOD ENDED March 31, 2012

DESCRIPTION	MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2011-12 BUDGET	BUDGET $ EXCESS (REMAINING)	PERCENT RECEIVED
WATER SALES	-	612,894.93	891,000.00	(278,105.07)	68.79%
METER CHARGE	-	192,696.84	312,000.00	(119,303.16)	61.76%
LATE CHARGE	-	7,995.00	9,000.00	(1,005.00)	88.83%
CONNECTION FEES	-	-	-	-	0.00%
RETURNED CHECK CHARGE	-	382.80	500.00	(117.20)	76.56%
TURN OFF CHARGE	-	620.00	1,000.00	(380.00)	62.00%
OTHER CHARGES	-	-	500.00	(500.00)	0.00%
UNCOLLECTIBLE ACCOUNTS	-	-	(5,000.00)	5,000.00	0.00%
TURN ON NEW SERVICE	-	-	1,000.00	(1,000.00)	0.00%
REFUNDS	-	-	2,000.00	(2,000.00)	0.00%
SERVICE UPGRADE FEE	-	191.30	-	191.30	0.00%
TOTAL OPERATING REVENUE	-	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	16,050.52	184,920.11	313,500.00	(128,579.89)	58.99%
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	228.14	5,559.93	4,000.00	1,559.93	139.00%
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	16,278.66	191,444.21	339,600.00	(148,155.79)	56.37%
TOTAL OPERATING REVENUE	16,278.66	1,006,225.08	1,551,600.00	(545,374.92)	64.85%
NET OPERATING INCOME	16,278.66	1,006,225.08	1,551,600.00	(545,374.92)	64.85%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
WATER PURCHASED	30,261.39	336,440.46	361,200.00	24,759.54	93.15%
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	4,470.40	33,649.96	92,750.00	59,100.04	36.28%
MET-MWDOC READINESS TO SERVE	2,104.94	12,908.73	25,000.00	12,091.27	51.63%
MET-MWDOC CAPICITY FEES	866.15	5,658.82	12,030.00	6,371.18	47.04%
MWDOC RETAIL SERVICE CONNECT	629.69	5,119.60	7,700.00	2,580.40	66.49%
UTILITY STOLLER RESERVOIR	2,250.16	15,184.46	44,000.00	28,815.54	34.51%
UTILITY VISTA PANORAMA BOOSTER	307.61	2,915.55	7,000.00	4,084.45	41.65%
ULITILITIES- WELLS- EAST/WEST	2,524.01	12,470.54	47,250.00	34,779.46	26.39%
SMALL TOOLS	204.58	2,112.41	2,500.00	387.59	84.50%
GASOLINE, OIL & DIESEL FUEL	1,066.36	5,574.35	6,800.00	1,225.65	81.98%

EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL

FOR PERIOD ENDED March 31, 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	1,492.05	13,000.68	20,500.00	7,499.32	63.42%
CHLORINE GENERATOR/SALT PURCH	324.48	918.23	2,565.00	1,646.77	35.80%
WEST WELL MAINTENANCE	-	2,353.67	3,075.00	721.33	76.54%
EAST WELL MAINTENANCE	-	1,629.45	3,075.00	1,445.55	52.99%
STOLLER RESERVOIR EXP	-	-	6,150.00	6,150.00	0.00%
VISTA PANORAMA BOOSTER	-	548.05	4,100.00	3,551.95	13.37%
VISTA PANORAMA RESERVOIR	-	2,908.80	5,125.00	2,216.20	56.76%
CHLORINE GENERATOR	-	324.47	3,075.00	2,750.53	10.55%
SCADA REPLACEMENTS/UPGRADES	-	152.14	2,050.00	1,897.86	7.42%
OPERATIONS REPORTING SOFTWARE	(46.25)	691.73	3,300.00	2,608.27	20.96%
HYDRANT REPAIR & REPLACEMENTS	-	7,810.82	15,750.00	7,939.18	49.59%
PRODUCTION METER PURCHASES	128.49	871.42	10,500.00	9,628.58	8.30%
SERVICE PRESSURE VALVES	-	-	1,050.00	1,050.00	0.00%
ENGINEERING	(1,261.14)	10,741.50	40,000.00	29,258.50	26.85%
R/M- MAINS	131.83	14,639.13	26,250.00	11,610.87	55.77%
DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
R/M- SERVICE LATERALS	-	7,081.34	21,000.00	13,918.66	33.72%
R/M- RESERVOIRS	65.33	1,255.76	4,200.00	2,944.24	29.90%
R/M- VAULTS	-	-	-	-	0.00%
R/M- CATHODIC PROTECTION	-	-	5,000.00	5,000.00	0.00%
METER TESTING	-	712.20	1,500.00	787.80	47.48%
EQUIPMENT RENTAL	-	32.26	205.00	172.74	15.74%
MAINTENANCE- BACKHOE	-	1,242.86	1,845.00	602.14	67.36%
MAINTENANCE- VEHICLES	18.83	1,206.02	2,565.00	1,358.98	47.02%
MAINTENANCE- BUILDINGS/GROUNDS	19.02	910.96	3,075.00	2,164.04	29.62%
WAGES	13,617.81	140,061.50	234,600.00	94,538.50	59.70%
PAYROLL TAXES- FICA & MEDICARE	1,469.49	14,142.40	20,400.00	6,257.60	69.33%
RETIREMENT- PERS	15,841.46	41,042.34	44,000.00	2,957.66	93.28%
PAYROLL TAXES- SUI & ETT	30.60	693.46	357.00	(336.46)	194.25%
HEALTH & ACCIDENT INSURANCE	4,349.47	33,116.80	49,500.00	16,383.20	66.90%
DENTAL INSURANCE	362.08	2,751.65	4,400.00	1,648.35	62.54%
VISION INSURANCE	70.21	543.57	1,130.00	586.43	48.10%
LIFE INSURANCE	43.23	334.79	765.00	430.21	43.76%
WORKMEN'S COMP INSURANCE	889.15	7,014.54	11,550.00	4,535.46	60.73%
UNIFORMS- MAINTENANCE	144.84	2,297.65	1,540.00	(757.65)	149.20%
DISTRICT WEBSITE	-	9.99	5,000.00	4,990.01	0.20%
MCPHERSON FAX	17.08	145.02	155.00	9.98	93.56%
MCPHERSON INTERNET	-	321.54	513.00	191.46	62.68%
MCPHERSON OFFICE PHONES	241.84	1,082.16	1,230.00	147.84	87.98%
ANSWERING SERVICE	15.62	156.20	256.00	99.80	61.02%
PHONE CIRCUITS TO CTRL EQUIP	261.54	1,875.83	2,563.00	687.17	73.19%
CELLPHONES	79.97	712.97	1,538.00	825.03	46.36%
UNDERGROUND SERVICE ALERT	19.50	204.00	360.00	156.00	56.67%
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	207.00	1,333.37	-	(1,333.37)	0.00%
MILEAGE	-	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 March 31, 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 & MEBMERSHIPS- FCA	-	10.00	-	(10.00)	0.00%
DUES/MEMBER- ISDOC/URBAN WTR	557.24	907.24	700.00	(207.24)	129.61%
MISCELLANEOUS EXP	-	106.06	2,000.00	1,893.94	5.30%
RICHARD BARRETT	87.50	1,100.00	2,400.00	1,300.00	45.83%
WILLIAM VANDERWERFF	150.00	2,100.00	3,600.00	1,500.00	58.33%
DOUGLAS CHAPMAN	150.00	1,350.00	3,600.00	2,250.00	37.50%
JOHN DULEBOHN	150.00	1,325.00	3,600.00	2,275.00	36.81%
RICHARD BELL	150.00	1,525.00	3,600.00	2,075.00	42.36%
BOARD MEETING EXPENSE	17.51	431.23	1,000.00	568.77	43.12%
POSTAGE	118.50	3,008.96	6,000.00	2,991.04	50.15%
OFFICE SUPPLY/FURN/SMALL EQUIP	839.23	3,059.75	4,500.00	1,440.25	67.99%
PUBLICATIONS & LEGAL NOTICES	-	570.41	1,428.00	857.59	39.94%
MAINTENANCE- COPIER CONTRACT	19.38	146.32	515.00	368.68	28.41%
MAINTENANCE-VERSATERM CONTRACT	-	1,410.00	2,870.00	1,460.00	49.13%
BANK CHARGES	399.80	2,989.69	3,030.00	40.31	98.67%
OUTSIDE SERVICES	211.63	2,066.06	6,300.00	4,233.94	32.79%
AUDITING	-	6,459.01	6,500.00	40.99	99.37%
TAX COLLECTION FEES	40.70	512.52	2,050.00	1,537.48	25.00%
COMPUTER BILLING	-	4,166.38	4,000.00	(166.38)	104.16%
TREASURER	-	4,092.09	30,000.00	25,907.91	13.64%
ACCOUNTING- SERRANO	2,123.95	14,575.91	-	(14,575.91)	0.00%
LEGAL	3,187.50	24,146.22	18,000.00	(6,146.22)	134.15%
COMPUTER CONSULTING	114.00	209.00	1,000.00	791.00	20.90%
LAFCO	-	2,036.90	3,000.00	963.10	67.90%
INSURANCE-AUTO & GEN LIABILITY	401.53	4,545.43	4,000.00	(545.43)	113.64%
INSURANCE-PROPERTY	123.65	1,112.83	1,300.00	187.17	85.60%
INSURANCE-EMP. FIDELITY BOND	7.18	64.58	80.00	15.42	80.73%
OFFICE EQUIPMENT R&M	-	-	260.00	260.00	0.00%
UTILITIES-DUMPSTER	24.13	231.64	1,025.00	793.36	22.60%
UTILITIES- THE GAS CO.- OFFICE	-	-	345.00	345.00	0.00%
UTILITIES- OFFICE- ELECT & WTR	197.81	1,764.59	3,850.00	2,085.41	45.83%
SECURITY	-	-	-	-	0.00%
ELECTION EXPENSE	-	-	-	-	0.00%
INTEREST EXPENSE DWR	44,506.46	66,621.98	-	(66,621.98)	0.00%
DISPOSAL OF ASSET GAIN (LOSS)	-	-	(2,000.00)	(2,000.00)	0.00%
DEPRECIATION EXP.	-	-	-	-	0.00%
TRANS TO CAPITAL PROJECTS	16,666.66	150,000.02	200,000.00	49,999.98	75.00%
RZ- CONTINGENCY FUND	-	-	50,000.00	50,000.00	0.00%
TOTAL OPERATING EXPENSE	153,463.18	986,001.41	1,488,080.00	502,078.59	66.26%
NET INCOME FROM OPERATIONS	(137,184.52)	20,223.67	63,520.00	(43,296.33)	
PRIOR YEARS EXPENSE	-	-	-	-	
NET INCOME (LOSS)	(137,184.52)	20,223.67	63,520.00	(43,296.33)	

WHOLESALE ZONE CAPITAL PROJECTS

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

4/17/2012

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	10,190	12,927	25,000	(12,073)	51.71%
INTEREST EARNINGS	4	8,338	50,000	(41,662)	16.68%
INTEREST RECEIVABLE - AMP NOTE	-	-	18,000	(18,000)	0.00%
TRANSFER FROM OPERATING EXPENSES	16,667	150,000	200,000	(50,000)	75.00%
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	26,860	171,265	449,172	(277,907)	38.13%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
CAPITAL PROJECT EXPENSES					
6 MG STORM DAMAGE REPAIR	-	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	75,100	73,628	1.96%
UWMP UPDATE	-	-	-	-	0.00%
TOTAL CAPITAL PROJECT EXPENSES	-	96,458	449,172	352,714	21.47%
NET CAPITAL PROJECTS INCOME (LOSS)	26,860	74,807	-	74,807	

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	10,190.00	12,927.25	25,000.00	(12,072.75)	51.71%
INTEREST-MORGAN STANLEY-CAP	3.75	32.44	75.00	(42.56)	43.25%
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	149,999.94	200,000.00	(50,000.06)	75.00%
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	26,860.41	171,265.18	449,172.00	(277,906.82)	38.13%

CAPITAL PROJECT EXPENSES DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
6 MG STORM DAMAGE REPAIR	-	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	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	-	96,457.99	449,172.00	352,714.01	21.47%
NET CAPITAL PROJECTS INCOME (LOSS)	26,860.41	74,807.19	-	74,807.19	

RETAIL ZONE CAPITAL PROJECTS

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

4/17/2012

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	-	142,394	215,000	(72,606)	66.23%
INTEREST EARNINGS	1	249	500	(251)	49.73%
TRANSFER FROM OPERATING EXPENSES	16,667	150,000	200,000	(50,000)	75.00%
FUNDS BORROWED FROM WHOLESALE ZONE	-	-	-	-	0.00%
I-BANK LOAN	-	-	-	-	0.00%
TOTAL CAPITAL PROJECT REVENUE	16,668	292,643	824,000	(531,357)	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	71,250	69,778	2.07%
UWMP UPDATE	-	-	-	-	0.00%
2011 SYS IMPROVE-ENG/INSPECT/ADMIN	-	96,620	95,250	(1,370)	101.44%
BAJA PIPE RELOCATION ENG	(11,732)	4,773	15,000	10,227	31.82%
2011 SYS IMPROVE-CONSTRUCTION	35	627,878	561,250	(66,628)	111.87%
COUNTY OF ORANGE PAVING PROJ.	-	28,295	56,250	27,955	50.30%
BAJA PIPE RELOCATION CONST	(13,679)	7,285	25,000	17,715	29.14%
TOTAL CAPITAL PROJECT EXPENSES	(25,377)	766,324	824,000	57,676	93.00%
NET CAPITAL PROJECTS INCOME (LOSS)	42,044	(473,681)	-	(473,681)	

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	-	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	0.93	13.16	50.00	(36.84)	26.32%
TRANSFER FROM OPERATIONS	16,666.66	150,000.02	200,000.00	(49,999.98)	75.00%
FUNDS BORROWED FROM WHOLESALE ZONE			-	-	0.00%
I-BANK LOAN			-	-	0.00%
TOTAL CAPITAL PROJECT REVENUE	16,667.59	292,642.68	824,000.00	(531,357.32)	35.51%

DESCRIPTION	MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2011-12 BUDGET	BUDGET $ REMAINING (EXCESS)	PERCENT SPENT
BETTERMENT & REPLACEMENT PLAN	-	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	(11,732.34)	950.83	13,000.00	12,049.17	7.31%
BAJA PIPE RELOCATION ENG LABOR	-	3,822.32	2,000.00	(1,822.32)	191.12%
2011 SYS IMPROVE-CONSTRUCTION	35.00	610,650.50	560,000.00	(50,650.50)	109.04%
2011 SYS IMPROVE-CONSTRUCTION LABOR	-	17,227.13	1,250.00	(15,977.13)	1378.17%
COUNTY OF ORANGE PAVING PROJ.	-	27,812.64	55,000.00	27,187.36	50.57%
COUNTY OF ORANGE PAVING PROJ. LABOR	-	482.68	1,250.00	767.32	38.61%
BAJA PIPE RELOCATION CONST	(14,497.83)	1,192.41	23,000.00	21,807.59	5.18%
BAJA PIPE RELOCATION CONST LABOR	818.66	6,092.46	2,000.00	(4,092.46)	304.62%
TOTAL CAPITAL PROJECT EXPENSES	(25,376.51)	766,323.52	824,000.00	57,676.48	93.00%
NET CAPITAL PROJECTS INCOME (LOSS)	42,044.10	(473,680.84)	-	(473,680.84)	

Wholesale Zone

Account Number	Account Name	Income(I) Expense (E)	Amount	Percent (Received)/ Spent	Comments
March 2012					
New					
5632-0001-1	Postage	E	529.24	105.85%	Postage higher than expected due to rate increases.
Ongoing					
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	(1,557.28)	-311.46%	This is the Rent paid for the Trailer at the 6 MG and the Meter Charge/Standby Charge on the Wholesale Zone billing.
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	1,138,553.97	237.10%	Demand higher then projected
5130-0070-1	WATER PURCHASED OC-70	E	1,655,882.42	139.40%	Demand higher then projected
5350-0051-1	R/M- Reservoirs	E	10,542.28	105.42%	Includes cleaning & inspecting 6 MG reservoir, along with the evaluation of 6 MG roof
5357-0001-1	Maintain & Operate EOCF #2	E	44,453.34	193.28%	The amount budgeted was based on the 2009/10 Fiscal year didn't include increased MWD costs for capital projects.
5358-0001-1	Meter Testing	E	3,068.25	102.28%	Meter repairs exceeded anticipated amount.
5486-0001-1	Uniforms- Maintenance	E	1,177.22	117.72%	Replacement of field employee's boots
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
March					
New					
5618-0037-2	Dues & Membership- ISDOC/URBAN Wtr	E	907.24	129.61%	Includes the 2012 CA Urban Water Conservation Council Membership. In April we will move $153.62 to Prepaid Expenses for the 2012/13 Fiscal Year.
Ongoing					
4900-0002-2	Miscellaneous Income	I	(305.63)	-61.13%	This is payment received for an unpaid water bill from a previous year.
5486-0002-2	Uniforms- Maintenance	E	2,297.65	149.20%	Replacement of field employee's boots
5618-0031-2	Dues & Membership- AWWA	E	206.50	118.00%	There was an increase in the Dues for the 2011/12 fiscal year & the split between Wholesale & Retail was corrected to be a 50/50 split. The Budget was set up with a 55/45 split.
5618-0037-2	Dues & Membership- ISDOC/URBAN Wtr	E	907.24	129.61%	Includes the 2012 CA Urban Water Conservation Council Membership. In April we will move $153.62 to Prepaid Expenses for the 2012/13 Fiscal Year.
5642-0002-2	Computer Billing	E	4,166.38	104.16%	Pre-purchase of billing forms
5645-0002-2	Legal	E	24,146.22	134.15%	Overage related to OPA wells MND issue.
5650-0050-2	Insurance- Auto & General Liability	E	4,545.43	113.64%	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.

EAST ORANGE COUNTY WATER DISTRICT

MEMO

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: **MWD/MWDOC/OCWD FY 2012/13 BUDGETS AND RATES**

DATE: MAY 11, 2012

Background

Purchased water is the single largest expense in our budget; for FY 2012/13, we estimate that it will comprise 80% of our Wholesale Zone expenses. Between 2003 and January 2013, the cost of both imported and local groundwater will more than double - from $408 to $847/AF for imported water, and from $127 to $265/AF for groundwater. Primarily because of this, last year the Board approved a series of three rate increases that will be phased in between 2011 and 2013.

In their FY 2012/13 Budgets all three wholesale agencies from which we purchase water are raising their costs again. MET will be increasing their commodity charge, but we will be seeing a small offset to the Capacity and Readiness-to-Serve (RTS) charges. MWDOC will decrease their Commodity Charge, but fully offset it with an increased fixed charge. OCWD is increasing their rate to cover the expansion of the Groundwater Replenishment Facility, however their overall budget has decrease 1.7%. The following tables presents their proposed rates and budgets:

FY 2012/13 Rates and Charges – MWD/MWDOC/OCWD

Agency	FY 2011/12 Rate	FY 2012/13 Rate	Increase/(Decrease)
MWD			
Tier 1 Treated	794/AF	847/AF	6.7%
Capacity Charge	$122,280	$114,107	(6.7%)
Readiness-to-Serve	$185,325	$184,264	(.5%)
MWDOC			
Commodity	$4.25/AF	$3.75/AF	(12%)
Meter Charge	$6.25/Meter	$7.25/Meter	16%
OCWD			
Commodity	$254/AF	$266/AF	5%

Their proposed budgets are:

FY 2012/13 Proposed Budgets – MWD/MWDOC/OCWD

Agency	FY 2011/12 Rate	FY 2012/13 Rate	Increase/(Decrease)
MWD			
General	1,823,700,000	1,775,500,000	(2.6%)
MWDOC			
General	$5,773,534	$6,430,000	6.0%
OCWD			
Commodity	$54,011,000	$53,095,000	(-1.7%)

A copy of the budget summary for each of the agencies is attached to this memo.

Recommendation

Information item, no action necessary.

BIENNIAL BUDGET

Fiscal Years 2011/12 and 2012/13

June 2011

The proposed biennial budget, which includes the previously approved 2011/12 budget, marks the initiation of a formal two-year budget cycle and provides the Board with the means to address budgetary planning over a longer time horizon than the traditional annual budget process. This approach permits the Board to focus on longer term issues, assumptions, and policy considerations for 2012/13 while challenging staff to manage any near term financial uncertainties within the appropriation of the adopted 2011/12 budget. Metropolitan's Board directed staff to implement a biennial budget process in a rolling two-year budget format where the Board approves the first year and provisionally approves the second year. For this transition year, with the 2011/12 budget already approved, provisional approval of the 2012/13 budget was requested in April 2011. In January 2012, the Board will be presented with an updated 2012/13 budget for final approval by April 2012 that reflects more current information.

The proposed 2012/13 budget presented in this letter for provisional approval reflects input from and participation by the Board and member agencies over the past four months. This was facilitated by two board workshops on January 25 and March 22, 2011, discussion at the January 11, February 7, and March 7 Finance and Insurance Committee meetings, discussion at the February 22 Executive Committee meeting, and several other presentations and caucuses with member agencies.

EXPENDITURE BUDGET SUMMARY

The 2012/13 proposed budget expenditures shown in Table 1 total $1.78 billion, including operating expenditures, capital expenditures, and debt service. With 2010/11 water sales trending at about 1.7 million acre-feet, the 2012/13 proposed budget reflects water sales of 1.8 million acre-feet, about 200 thousand acre-feet below what is forecast in Metropolitan's Integrated Water Resources Plan (IRP). As a result, the proposed 2012/13 budget is $48 million less than the approved 2011/12 budget. The 2011/12 projected budget also reflects water sales of 1.8 million acre-feet as compared to the 2 million acre-feet estimate contained in the approved budget.

Table 1. 2010/11 Budget Summary – Total Expenditures (Dollars in Millions)

	2009/10 Actual	2010/11 Budget	2010/11 Projected	2011/12 Approved Budget	2011/12 Projected	2012/13 Budget	2011/12 Approved Budget Compared to 2010/11 Budget	2012/13 Proposed Budget Compared to 2011/12 Approved Budget
Expenditures								
State Water Contract	$ 438.2	$ 488.5	$ 501.8	$ 517.1	$ 557.5	$ 552.7	$ 28.5	$ 35.6
Supply Programs	121.9	101.4	103.0	119.1	47.5	45.4	17.7	(73.7)
Colorado River Power	42.4	59.6	49.0	61.5	45.4	46.5	1.9	(15.0)
Debt Service	293.7	331.7	321.5	351.9	332.8	355.3	20.2	3.4
Demand Management	62.4	58.2	54.5	59.1	59.1	60.7	0.8	1.7
Departmental O&M	293.8	294.6	295.4	302.7	309.8	316.2	8.1	13.4
Treatment Chemicals, Solids & Power	23.1	26.5	26.5	29.4	22.9	24.3	2.9	(5.1)
Other O&M	18.5	15.7	15.0	41.8	23.6	27.6	26.2	(14.2)
Sub-total Expenditures	**1,294.0**	**1,376.3**	**1,366.7**	**1,482.6**	**1,398.5**	**1,428.6**	**106.4**	**(54.0)**
Capital Investment Plan	**316.4**	**259.9**	**222.0**	**341.0**	**281.9**	**346.8**	**81.1**	**5.8**
TOTAL Expenditures	**$ 1,610.3**	**$ 1,636.2**	**$ 1,588.7**	**$ 1,823.7**	**$ 1,680.5**	**$ 1,775.5**	**$ 187.4**	**$ (48.2)**

Totals may not foot due to rounding.

Significant factors driving the 2012/13 proposed budget include:

a. **State Water Contract (SWC) Costs** – State Water Project (SWP) costs continue to rise, reflecting increasing SWC capital and OMP&R costs as well as anticipated increases in water allocations. The SWC is a "take-or-pay" contract, which obligates Metropolitan to pay the capital and operating costs even if no water is delivered. Deliveries on the SWP are expected to total 0.99 million acre-feet in the 2012/13, of which 87 thousand acre-feet are received via exchange. Metropolitan's SWC costs are estimated to be $552.7 million in 2012/13. The primary drivers of the $35.6 million increase in 2012/13 as compared to 2011/12 approved budget are an $18.6-million increase in SWC power costs due to higher SWP deliveries and higher rates and a $17-million increase in fixed charges as a result of higher costs for the Delta Habitat Conservation and Conveyance Program, scheduled debt service and maintenance, Perris Dam and Edmonston pumps and Oroville FERC relicensing partially offset by lower off-aqueduct charges.

b. **Water Supply Programs** – The estimated cost of water supply programs is expected to be $73.7 million lower in 2012/13 than in the 2011/12 approved budget as a result of lower demands for supplemental water stemming from the lower 1.8 million acre-feet sales assumption. These programs include Colorado River programs, the PVID Land Management Program, SWP transfer programs, and the IID/MWD conservation agreement.

c. **Colorado River Power** – Similar to the supply program costs, Colorado River power costs are also lower in 2012/13 as compared to the 2011/12 approved budget as a result of lower estimated flows in the Colorado River Aqueduct. The 2012/13 proposed budget includes an estimated 0.99 million acre-feet pumping volume while the 2011/12 approved budget included an estimated 1.16 million acre-feet.

d. **Debt Service** – As Metropolitan continues to fund its ongoing Capital Investment Plan (CIP), debt service will continue to rise. It is projected that debt service in 2012/13 will be $355.3 million, a $3.4-million increase over the 2011/12 approved budget.

e. **Demand Management** – Metropolitan financial assistance to its member agencies for the development of local water recycling and groundwater projects and for the development of conservation programs is expected to continue with a $1.7 million increase in funding in 2012/13 over the 2011/12 approved budget.

f. **Operations and Maintenance (O&M) Costs** – O&M costs total $368 million in 2012/13, $5.9 million less than the 2011/12 approved budget. The primary drivers for this reduction are deferral of $10 million to begin funding other post-employment benefits (OPEB), a reduction of $5.1 million in variable treatment costs related to reduced treated water sales, and elimination of $4.5 million of the $7.3 million contingency. These reductions were partially offset by a $5.3-million increase in employee and retiree medical costs, a $3.3-million increase in retirement contribution costs, $1.2 million for merit increases for eligible employees, and a $1.3-million reduction in the construction overhead credit as a result of reductions in the CIP described below. The 2011/12 approved budget, 2011/12 projected, and the 2012/13 proposed budget do not include any base salary increases (COLA).

g. **CIP Expenditures** – The CIP is estimated to be $346.8 million in 2012/13. As a result of lower water sales forecasts, capital spending for fiscal years 2011/12 and 2012/13 was reduced $97 million by deferring growth related projects and focusing on infrastructure reliability and water quality/regulatory projects. Over the five-year period from fiscal year 2011/12 through 2015/16, capital expenditure projections have been reduced by $156 million. Driving this reduction is the rescheduling of a number of growth driven projects including the Mills

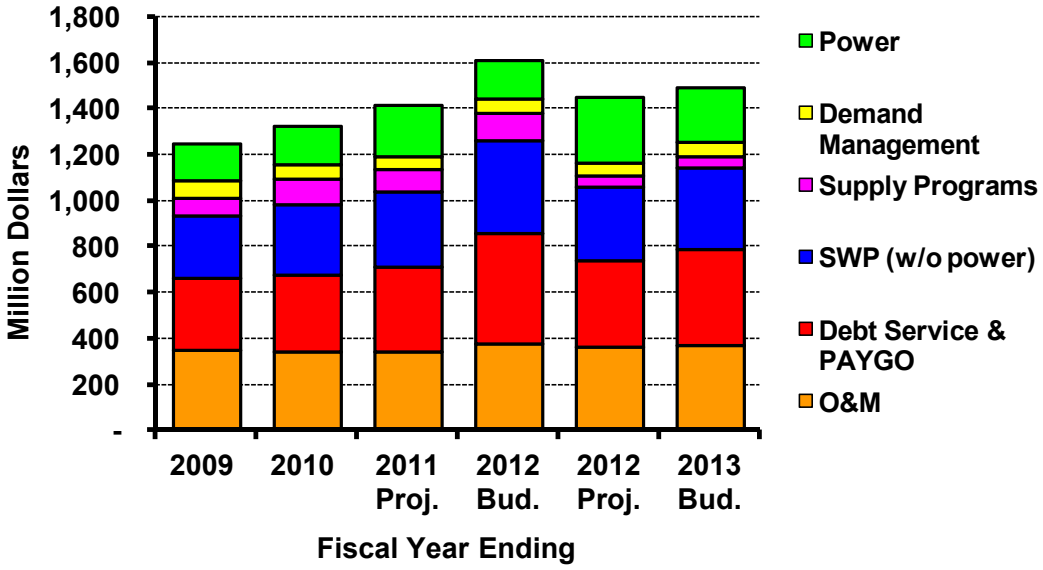
Capacity Upgrade projects, San Diego Pipeline No. 6, the Central Pool Augmentation Program, and the final tunnel connection on the Perris Valley Pipeline South Reach. Additionally, the construction schedules for the Weymouth Oxidation Retrofit Program and the Jensen Solids Handling Facilities have been staged to reflect updated demand projections.

Additional detail regarding Metropolitan's budget is contained in the Proposed Budget Summary section of this budget book.

BUDGET TREND

To provide a longer term picture of Metropolitan's costs, Figure 1 shows the major expenditure categories (excluding bond-funded CIP) over a five year period from 2008/09 actual through the 2012/13 proposed budget. From 2008/09 through 2012/13, expenditures are forecasted to increase by about $235 million, or about 4 percent annually. The primary cost drivers from 2008/09 to 2012/13 are a $98-million increase in debt service and PAYGO expenditures, an $88-million increase in fixed SWP costs, a $79-million increase in power costs, and a $23 million increase in departmental O&M partially offset by a $15-million decrease in demand management costs and a $39-million decrease in supply program costs.

Figure 1. ExpenditureTrend



OPERATIONS AND MAINTENANCE BUDGET SUMMARY

In response to the need to meet the Board's priorities, the 2012/13 proposed O&M budget is $5.9 million lower than the $374 million 2011/12 approved budget. Significant factors that are reflected in the proposed O&M budget include:

a. **Other Post-Employment Benefits (OPEB)** – Fiscal year 2011/12 included $10 million to begin to fund Metropolitan's OPEB obligation to its current and future retirees. This funding was deferred as part of the 2011/12 projection in response to lower projected water sales. The

2012/13 proposed budget also defers that commitment until water sales return to levels forecasted in Metropolitan's IRP. It is anticipated that OPEB obligations will be funded at $10 million in 2012/13 if water sales exceed 1.8 million acre-feet by a sufficient amount to ensure coverage of Metropolitan's full cost of service.

b. Zero increase in base salaries – The proposed budget assumes no across-the-board salary increases, subject to labor negotiations. The O&M budget does, however, reflect an $8.6 million increase in the cost of employee benefits driven primarily by increases in retirement contributions and employee and retiree medical insurance costs. The O&M budget also reflects a $1.2-million increase for merit increases for eligible employees, a $1.3-million decrease in the construction overhead credit charged to capital, and a $0.3-million increase for two additional positions in Water Resources Management for SWP finance and contract management.

c. **PC Replacement Program** – Consistent with Metropolitan's IT Strategic Plan, the 2011/12 approved budget included $1.4 million to complete the PC Replacement Program to replace outdated desktop workstations at the end of their anticipated useful life. This program has been deferred an additional year, resulting in deferral of the $1.4 million included in the 2011/12 budget to the 2012/13 budget.

d. **Budget Contingency** – The 2012/13 budget includes a $2.8 million budget contingency, a $4.5-million decrease as compared to the 2011/12 approved budget. This contingency is less than 1% of the total O&M budget. Although less than past practice, the contingency will help mitigate the risk of cost increases including those associated with volatility in fuel costs, outstanding bargaining unit agreements, and increases in water treatment costs over the longer planning horizon of this biennial budget period.

e. **Water Treatment Costs –** The cost of chemicals, power, and sludge disposal incurred in the water treatment process in the 2012/13 budget is anticipated to decrease by $5.1 million as compared to the 2011/12 approved budget as a result of lower treated water sales. This decrease will be partially offset by higher unit costs, particularly for ammonia, the unit price of which nearly doubled in March 2011.

A summary of the operating and maintenance budget is provided in Table 2.

Table 2. Budget Summary – Operations and Maintenance

Expenditure Type	2009/10 Actuals	2010/11 Aproved Budget	2011/12 Approved Budget	2011/12 Projected	2012/13 Budget	Change 2011/12 Approved vs. 2010/11 Approved	Change 2012/13 Proposed vs. 2011/12 Approved
Salaries & Benefits	212,319,770	212,803,200	218,779,200	225,487,800	229,850,100	5,976,000	11,070,900
Chemicals, Solids, and Pow er	23,128,078	26,493,300	29,406,000	22,891,400	24,281,700	2,912,700	(5,124,300)
Outside Services	40,175,825	37,652,000	40,054,600	39,750,900	40,140,500	2,402,600	85,900
Materials & Supplies	21,073,662	22,547,800	22,777,200	22,219,000	22,734,800	229,400	(42,400)
Cargill Settlement / OPEB	600,727	500,000	10,500,000	500,000	-	10,000,000	(10,500,000)
Other	32,551,457	34,676,900	45,409,500	37,898,300	43,685,500	10,732,600	(1,724,000)
Operating Equipment	5,520,268	2,091,500	7,035,600	7,489,400	7,344,700	4,944,100	309,100
Total	**335,369,787**	**336,764,700**	**373,962,100**	**356,236,800**	**368,037,300**	**37,197,400**	**(5,924,800)**
Total Budgeted Positions	2,019	1,924	1,921	1,921	1,928	(3)	7

Totals may not foot due to rounding

IMPACT OF LOWER WATER SALES

In January 2011, the 2012/13 budget was presented to the Finance and Insurance Committee based on 2 million acre-feet of water sales consistent with the 2010 IRP. However, because water sales for 2010/11 are currently trending at about 1.7 million acre-feet, the 2012/13 budget has been adjusted to reflect water sales of 1.8 million acre-feet. This 200,000 acre-feet reduction in water sales results in about $140 million reduction in revenues. In order to mitigate for the impact of these lower water sales while maintaining the approved rate increase of 7.5% in 2012 and the estimated rate increase of 5% in 2013, expenditures were reduced $147.8 million as shown in Table 3.

Table 3. Budget Reductions to Mitigate Reduced Water Sales

Action	Reduction to 2012/13 Budget
State Water Contract costs	$6.2 million
Reduce supply programs	($47.1 million)
Eliminate OPEB Funding	($15.0 million)
Reduced power costs	($10.6 million)
Reduce O&M budget	($4.9 million)
Defer PC Replacement Program	($1.9 million)
Reduced treatment costs	($1.3 million)
Reduce PAYGO	($65.0 million)
Reduce CIP / Defer debt	($8.2 million)
Total	**($147.8 million)**

While these actions address the expenditures side of the budget, other actions, including raising rates, obtaining grant funding, and increasing other revenues such as leases, could also help mitigate the impact of sales that are lower than anticipated in the budget. In contrast, if water sales exceed the 1.8 million acre-feet forecast for the 2011/12 projected and 2012/13 budgets, restoration of some of these reductions could be considered, beginning with OPEB and PAYGO funding.

SOURCES OF FUNDS

As shown in Table 4, the 2012/13 budget sources of funds are expected to total $1.91 billion. This includes receipts of $1.56 billion, net of bond proceeds and reimbursements. Water sales receipts of $1.23 billion account for 74 percent of receipts. These receipts are based on projected water sales of 1.8 million acre-feet and include an increase in base rates and charges of 7.5 percent, effective January 1, 2012. In addition, a 5% rate increase would be required on January 1, 2013.

Other revenues include readiness-to-serve charge revenues of $150.5 million, revenues from the capacity charge of $35.2 million, and tax and annexation revenues of about $82.6 million. Interest earnings are expected to be $18.7 million based on an average interest rate of 1.83%. Power and other miscellaneous revenues are expected to generate about $20.5 million and $19.5 million, respectively.

To meet the ongoing funding requirements of the CIP, Metropolitan plans to issue $250 million of fixed rate bonds in 2011/12 and $100 million of fixed rate bonds in 2012/13. Any remaining CIP funding requirements will be met from current operating funds (i.e., PAYGO from the R&R and General Fund).

The revenue bond debt service coverage ratio is forecast to be just below the Board's adopted target of 2 times revenue bond debt service. Given a 7.5-percent increase in rates and charges and water sales of 1.8 million acre-feet, the debt service coverage ratio is expected to be about 1.9 times coverage in 2012/13, increasing from a low of 1.4 times in 2010/11 and 1.7 times in 2011/12. Metropolitan's fixed charge coverage is expected to be about 1.3 times, which meets the board-adopted objective of 1.2 times coverage, increasing from 0.9 times in 2010/11 and 1.2 times in 2011/12.

Table 4. 2010/11 Annual Budget Uses and Sources of Funds – Cash Basis (Dollars in Millions)

	2009/10 Actual	2010/11 Budget	2010/11 Projected	2011/12 Approved Budget	2011/12 Projected	2012/13 Budget	2011/12 Approved Budget Compared to 2010/11 Budget	2012/13 Proposed Budget Compared to 2011/12 Approved Budget
USES OF FUNDS								
Expenditures								
State Water Contract	$ 438.2	$ 488.5	$ 501.8	$ 517.1	$ 557.5	$ 552.7	$ 28.5	$ 35.6
Supply Programs	121.9	101.4	103.0	119.1	47.5	45.4	17.7	(73.7)
Colorado River Power	42.4	59.6	49.0	61.5	45.4	46.5	1.9	(15.0)
Debt Service	293.7	331.7	321.5	351.9	332.8	355.3	20.2	3.4
Demand Management	62.4	58.2	54.5	59.1	59.1	60.7	0.8	1.7
Departmental O&M	293.8	294.6	295.4	302.7	309.8	316.2	8.1	13.4
Treatment Chemicals, Solids & Power	23.1	26.5	26.5	29.4	22.9	24.3	2.9	(5.1)
Other O&M	18.5	15.7	15.0	41.8	23.6	27.6	26.2	(14.2)
Sub-total Expenditures	**1,294.0**	**1,376.3**	**1,366.7**	**1,482.6**	**1,398.5**	**1,428.6**	**106.4**	**(54.0)**
Capital Investment Plan	**316.4**	**259.9**	**222.0**	**341.0**	**281.9**	**346.8**	**81.1**	**5.8**
Fund Deposits								
R&R and General Fund	36.7	95.0	45.0	125.0	45.0	60.0	30.0	(65.0)
Revenue Bond Construction	44.9	199.1	71.0	-	20.9	-	(199.1)	-
Water Stewardship Fund	0.0	4.2	-	3.0	-	-	(1.2)	(3.0)
Interest for Construction & Trust Funds	5.4	7.0	4.7	7.8	3.6	2.5	0.8	(5.4)
Increase in Required Reserves	27.6	62.6	-	57.1	44.5	61.0	(5.5)	3.9
Increase in Rate Stabilization Fund	-	-	-	-	-	8.0	-	8.0
Other Fund Activity	11.8	-	-	-	-	-	-	-
Sub-total Fund Deposits	**126.4**	**367.9**	**120.7**	**192.9**	**114.0**	**131.5**	**(175.1)**	**(61.4)**
TOTAL USES OF FUNDS	**$ 1,736.7**	**$ 2,004.2**	**$ 1,709.3**	**$ 2,016.5**	**$ 1,794.5**	**$ 1,906.9**	**$ 12.4**	**$ (109.6)**
SOURCES OF FUNDS								
Receipts								
Taxes	$ 96.6	$ 80.8	$ 80.8	$ 81.0	$ 80.0	$ 81.6	$ 0.3	$ 0.6
Annexations	0.7	1.0	1.0	1.0	1.0	1.0	-	-
Interest Income	23.9	37.2	29.1	41.4	18.0	18.7	4.2	(22.7)
Hydro Power	18.8	22.4	25.0	22.1	21.5	20.5	(0.2)	(1.6)
Fixed Charges (RTS & Capacity Charge)	135.3	154.4	154.4	171.3	170.2	185.7	16.9	14.4
Water Sales Revenue	1,011.1	1,199.9	1,023.1	1,331.6	1,155.4	1,228.9	131.7	(102.7)
Miscellaneous Revenue	31.6	8.8	27.0	13.2	18.2	19.5	4.4	6.3
Bond Proceeds and Reimbursements	342.5	384.0	248.0	-	268.0	99.2	(384.0)	99.2
Sub-total Receipts	**1,660.3**	**1,888.4**	**1,588.4**	**1,661.7**	**1,732.4**	**1,655.2**	**(226.7)**	**(6.4)**
Fund Withdrawals								
Water Transfer Fund	11.9	-	-	-	-	-	-	-
R&R and General Fund	36.7	95.0	45.0	125.0	45.0	60.0	30.0	(65.0)
Bond Funds for Construction	-	-	-	216.0	-	191.7	216.0	(24.3)
Water Stewardship Fund	-	-	-	-	-	-	-	-
Decrease in Required Reserves	-	-	11.5	-	-	-	-	-
Decrease in Rate Stabilization Fund	27.8	20.8	64.4	13.9	17.1	-	(6.9)	(13.9)
Sub-total Fund Withdrawals	**76.4**	**115.8**	**120.9**	**354.9**	**62.1**	**251.7**	**239.1**	**(103.2)**
TOTAL SOURCES OF FUNDS	**$ 1,736.7**	**$ 2,004.2**	**$ 1,709.3**	**$ 2,016.5**	**$ 1,794.5**	**$ 1,906.9**	**$ 12.4**	**$ (109.6)**

Totals may not foot due to rounding.

RESERVES

Based on projected receipts and expenditures, the total balance in the Water Rate Stabilization, Revenue Remainder, the Treatment Surcharge Stabilization Fund, and Water Stewardship funds is estimated to be about $234.9 million, about $8 million over the minimum target. Total restricted and unrestricted reserves are estimated to be $1,020.8 million on June 30, 2013.

Jeffrey Kightlinger
General Manager

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Memorandum

To: **MWDOC Member Agency Managers**

From: **Karl Seckel**

Date: **March 1, 2012**

Subject: **DRAFT MWDOC Budget for CORE & CHOICE Programs for 2012-13**

Please note that the FIRST DRAFT of MWDOC's CORE & CHOICE budget for 2012-13 is attached to this document. MWDOC is soliciting input, suggestions and questions that you may have. This will be considered by the MWDOC Board at its March A&F Committee on March 14 and will be discussed at the March 22 Manager's meeting.

Attached is an excerpt from the Settlement Agreement that discusses the publication and review of the Budget and the timing for selection of CHOICE participation for the year. Some aspects of the CHOICE programs were reviewed at the February 23 Manager's meeting. The provisions of the Settlement Agreement call for an indication of the selection of the CHOICE programs and participation by March 15. We will consider this a target date, but will agencies up until April 15 to make their final selection.

Please call or email with any questions you may have.

Excerpt from the Settlement Agreement

2.2 Review of Budget. MWDOC will continue its practice of soliciting and considering review and input on its budget from all MWDOC Member Agencies commencing in December and developing a conceptual draft budget for Member Agency review the following January. On or before March 1st of each calendar year, MWDOC shall publish its draft budget and shall solicit comments from Member Agencies. Each Member Agency shall indicate to MWDOC in writing by March 15th of each year if any changes in the Choice Services they will be participating in are being considered or are to be deleted as a Choice Service (some services, such as the South Orange Coastal Ocean Desalination Project, have existing contractual commitments that differ from fiscal year commitments). In the absence of such timely notification of changes by the Member Agencies, the Member Agencies will be deemed to be participating without change in those Choice services in the following budget year to the same extent that the Member Agencies are participating in such Choice Services as of March 15. Member Agencies desiring to submit formal comments on the budget shall deliver such formal comments to MWDOC before April 15th. (See Section 6.1 below, "Elected Officials 'Meeting.") These comments will be considered in preparation of the final Budget and will be presented to the MWDOC Board in May. The Parties acknowledge that the MWDOC Board is solely responsible for final approval and establishment of the MWDOC Budget and all rates and charges.

Item No.

COMMITTEE DISCUSSION ITEM

March 14, 2012

TO: **Administration & Finance Committee**
(Directors Barbre, Dick, Finnegan)

FROM: Kevin Hunt
General Manager

Staff Contact: Karl Seckel

SUBJECT: **FIRST DRAFT of MWDOC Budget and Discussion of Budget Issues for 2012-13**

STAFF RECOMMENDATION

Staff recommends the Committee discuss and provide input on the FIRST DRAFT of MWDOC's budget for 2012-13 and direct staff to keep working on the budget with the Member Agencies.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The 2012-13 budget for the Municipal Water District of Orange County presents several challenges:

- Continuing to carryout the Goals and Objectives of the Strategic Plan
- The market conditions and economy continue to be weak
- Succession planning has been identified as a need at MWDOC
- Maintaining a high quality level of service to our Member Agencies
- Benefit costs have risen and merit increases were last granted in July 2009.
- Moving into the second year of CHOICE activities
- Improving Credibility with the ultimate water customers is a high priority

Following is a brief discussion on a number of these topics:

Budgeted (Y/N):	Budgeted amount:
Action item amount:	Line item:
Fiscal Impact (explain if unbudgeted):	

Providing a high quality of service to our Member Agencies – MWDOC collectively employs one of the most dedicated, talented, cooperative and hard working staffs of any agency around. We cover more issues, programs and topics and we "Do More With Less" for most of our programs. We are at the forefront of water resources planning, outreach and communications, emergency preparedness and water use efficiency efforts in the State. We seek and are successful on many grant applications. We have tailored many programs to the needs of our agencies and the regional cooperative spirit that has been generated in numerous programs helps us all get ahead at a lower cost. MWDOC intends to continue putting forth this type of effort in the upcoming budget years. To continue to maintain this level of service, MWDOC staff evaluated options for adding staff this year. However, due to the economic times and comments from the Member Agencies that short term work efforts could be better covered with consultants, we elected to withdraw the addition of a full time technical staff member from the proposed budget. The budget includes the conversion of a ½ time FTE to a full time FTE in Water Use Efficiency to enable additional senior staff time to be spent on MET activities. As we move forward, it should be noted that there have been significant increases in the District's workload over the last five years. Exhibit 1 is a summary from staff of some of the changes. During the budget process and the Strategic Review, it will be important that MWDOC prioritize its activities to match its current staffing levels or plan and budget for increased staffing.

Weak Economy - The U.S., California and Orange County economies continue to be weak, with slight signs of improvement. The cities in Orange County are facing their most difficult year yet. Financial concerns permeate all levels of society. It is imperative that public agencies demonstrate the need for and appropriateness of all expenditures.

Costs of Employee Benefits - Projected costs for employee benefits and health insurance coverage for retirees and directors have risen by an estimated $75,000 over last year's actual costs. The increases are primarily driven by medical and dental cost increases.

Other Post Employment Benefits (OPEB) – Last year MWDOC took a large step towards handling its OPEB benefit liability by setting aside $500,000 towards its liability. MWDOC's annual contributions toward the liability include both a payment to meet the current costs plus an additional contribution to help eliminate the OPEB liability over the next 20 years.

Recognition of Merit Performance – MWDOC has, due to the difficult economic times, not provided a merit or COLA raise pool for employees since July 2009, except for a 1% performance award in 2011. A review of the MWDOC agencies indicates that some agencies are granting merit, some are granting COLAs and others are still in the cutting mode (especially Cities hit with the elimination of the Redevelopment Agencies). An eligible merit pool budget of 4.9% of salaries is proposed for only merit purposes (no COLAs are granted). This should help with staff retention and succession planning.

MWDOC Reserve Policy – In January 2012, MWDOC completed a review of its Reserve Policy. The table below outlines the current status of the District's reserves. The Board noted that the General Reserves were established to fall between $1.65 million and $2.15 million, but are currently around $1.3 million. They noted that the reserves should be increased over the next several years, if possible. Also, the Election Reserve is currently $500,000. MWDOC is expecting at least one division up for election this fall at an estimated

cost of $125,000. The Election Reserve may need to be increased prior to the 2014 election (two years out). Staff has elected not to include any increases for the election reserve for this year.

TABLE 1
MWDOC Reserve Summary
($millions of dollars)

Name	Use	Type	2012 Amount	Target Range	Increase	Source of Funds
General	Variations in income; operations, expense, litigation, other	Designated (unrestricted)	$1.26	$1.65 to $2.15	With inflation	District rates
Cash Flow Reserves	Grant and proposed project & program cash flow	Designated	$1.0	$1.0	5 yrs. experience	Trailing revenue; district rates
Election Expense	Election costs	Designated	$0.5	$0.5-0.7	With cost experience	District rates
Building Repair	Repair, replace, refurbish	Designated	$0.35	$0.35	With need assessment	District rates
	Total Designated Reserves		**$3.11**	**$3.50 to $4.20**		
OPEB Liability	Pay OPEB liability	Restricted	$0.5	$0.5-$2.1	With annual payment	District rates
	Total Restricted Reserves		**$0.5**			

Legal Costs – Legal costs have continued to run above budgeted levels. Issues driving these costs include public information requests, lawsuits or threatened lawsuits and a large number of agreements required to support MWDOC's many activities.

Improving Credibility with Customers – MWDOC held a meeting on February 21 to begin discussions with our member agencies, MET, the MET Member Agencies and others on ways to expand outreach and communications efforts to improve credibility with the ultimate customers of water. It is not entirely known where this program is headed; limited additional budgeting for help has been included within the Water Awareness budget.

Transparency of Governance – MWDOC is committed to transparency of operations. As such, the Board has requested that the Committee and Board meetings be recorded and posted to give access to remote viewers that cannot physically make it to our meetings. Staff has budgeted both capital and operating funds to cover this activity. This issue was treated with a note of caution by the Member Agencies – they noted that the benefits of transparency come at a fiscal cost and potentially a political cost. Having our meetings recorded and posted will open MWDOC up to creative editing and manipulation of sound bites that could complicate our operations.

CHOICE Programs for 2012-13 – MWDOC is entering its second year of the CHOICE program budgets. For this year, staff has prepared the following CHOICE program budgets:

- Water Use Efficiency
- School Program
- South Orange Coastal Ocean Desalination Project
- Poseidon Huntington Beach Ocean Desalination Project
- (NEW) Second Lower Feeder Project

Interestingly, moving to the CHOICE Programs has complicated our budget preparation and reconciliation process in the following manner:

1. The work activities of the full time, part time and intern staff time are divided among all of the programs and aggregated into either CHOICE or CORE. This is an estimate of the amount of time to be spent on the various programs.
2. Grants and time for grant recovery of staff time is also included in these estimates. Some of these fall across multiple years.
3. If more time is charged to CHOICE programs, charges to the CORE programs will be less; the opposite is also true.
4. In 2011, less time was charged to some of the CHOICE activities and less grant recovery occurred and this results in a variance in our reporting. In this instance, the grant recovery in 2010 was actually higher (meaning that we received some of the grant money sooner than estimated).
5. The net impact of these unintended complications is that it makes examination of our budgets and variance reports more difficult to follow.
6. It should also be noted since we do not absolutely hit the mark on any of these estimates, that we have used "carryover" funds to help bridge between years. It could

occur that deficit funding occurs at some point and that could be carried over as well. Carryover funds for this year occurred in the following amounts:

- School Program = $8,500
- Water Use Efficiency = $25,000
- Poseidon Project = $24,000
- SOCOD Project = $150,000

The attached Powerpoint has information on the cost of the CHOICE programs for 2012-13. MWDOC is requesting input from the Member Agencies regarding participation levels in the various CHOICE programs.

The table below and the associated variance reports outline the CORE and CHOICE budgets for 2011-12 and for 2012-13:

MWDOC Core & CHOICE Budget Summary

$1,000's of Dollars

		2011-12 Budget	2011-12 Projected	2012-13 Budget	
Total Consolidated Budget		**5,774**	**6,044**	**6,430**	
	Variance		**270** [2]	**386**	[3]
	Percentage		**5%**	**6%**	
CHOICE Programs:					
	Poseidon	**44**	**20**	**45**	[1]
	SOCOD	**100**	**130**	**137**	[1]
	School	**202**	**201**	**258**	
	WUE	**641**	**617**	**620**	
	SLCF	**0**	**0**	**30**	[1]
	Total	**987**	**967**	**1,092**	
	Variance		**-20**	**125**	
	Percentage		**-2%**	**13%**	

[1] Only staffing costs shown in these programs

[2] Variances are as follows:

Salaries	28
Benefits	33
Less Recovery from Grants	51
Engineering	-19
Legal	147
Professional Fees	20
Other	10
	270

[3] Variances are as follows:

Salaries	138	(includes merit)
Benefits	65	
Accounting Transition	25	
Less Recovery from Grants	23	
Engineering	19	
Legal	-52	
WUE Master Plan	75	
Outreach Consulting	20	
Polling	18	
Video Clips	10	
Education Grant	30	
Granicus	26	
Other	-11	
	386	

Proposed water rates – MWDOC has proposed a balanced budget for 2012-13, meaning that water rate revenue is sufficient to cover our costs without having to tap into reserves. It was noted earlier that General Reserves are below the Board target and depending on the outcome of the election cycle, MWDOC may have to budget to increase election reserves in the upcoming years. The Fiscal Master Plan projection includes only balanced budgets into the out year period. The MWDOC Settlement Agreement requires an increase by 5% in the percentage of the water rate revenue from the Retail Connection Charge and a decrease by 5% of the revenue from the Water Increment Charge. For 2012-13, the mix is 85% Retail Connection and 15% Water Increment as the revenue split. The transition continues until 100% of the revenue is derived from the Retail Connection charge.

MWDOC Rate History

Fiscal year	**Water Increment** (per Acre-feet)	**Retail Connection** (per meter)	
2006-07	6.50	5.50	
2007-08	6.50	5.50	
2008-09	6.50	5.50	
2009-10	6.50	5.50	
2010-11	6.75	5.75	
2011-12	4.25	6.25	
2012-13	3.75	7.25	Proposed

2012-13 = 85% of the water revenue is on the Retail Connection charge.

We look forward to receiving Committee, Board and Member Agency input on these issues. Preliminary input was received from the Member Agencies on February 23. These comments are summarized in Exhibit 2.

Attached please find the initial draft of the budget for 2012-13 along with a Powerpoint Presentation on the Choice Budget items.

The schedule for completion of the budget is as follows:

- March 1 – Publish and circulate proposed draft for 2012-13 per the Settlement Agreement
- March 14 MWDOC A&F
- March 22 MWDOC Managers meeting

- April 5 = meeting of electeds from MWDOC Member Agencies per the Settlement Agreement (topics include budget and other critical issues)
- Formal comments due from Agencies by April 15 per the Settlement Agreement
- May 14 MWDOC A&F Proposed Final Budget
- May 16 Adopt Final Budget
- May 16 Establish Rates and Charges

Attachments

- Exhibit 1 = Summary of Increases in Work Activities for MWDOC Over the Past Five Years
- Exhibit 2 = Comments from Member Agencies on the intial review of budget issues from the February 23 Manager's Meeting
- Draft Budget for 2012-13
- Powerpoint Presentation on CHOICE Programs

Exhibit 1

Summary of Increases in Work Activities for MWDOC Over the Past Five Years

- Board Support and Board Related Activities
- MET Activities & MET Workgroups (more than 10 have been used in recent times or are still in effect)
    - Local Resources Program
    - Replenishment
    - Long Range Finance Plan
    - Water Supply Allocation Plan
    - MET MA Workgroup
    - IRP
    - Long Term Conservation Plan
    - Blue Ribbon
    - Ocean Desalination
    - Inspection Trips
    - MET Member Agency Meetings
    - Coordination among parties to the SDCWA Lawsuit
- Grants, Database & Accounting Activities – went from 10 cost centers to about 50 cost centers for accounting purposes
- WEROC Training and Emergency Operations Center Changes
- WUE Activities
    - 20 x 2020
    - Turf Removal Program administered in-house
- Ocean Desal in Orange County
- Public Records Requests
- Areas with Increased Emphasis
    - RTS & Capacity Charge Calculations
    - Monthly tracking of retail sales & monthly water reports
    - Communications with Member Agencies responding to questions & such
    - eCurrents is published regularly
    - Topical Dinners are held regularly
    - Summit is held annually
    - More requests to speak
    - IT Security issues
    - IT covers more servers, equipment & laptops including WEROC EOC's
- Items Brought In-House
    - VOIP Telephone
    - Graphics design
    - Website
- Settlement Agreement
    - Increased communications
    - Minimum of two elected meetings per year
    - CHOICE budgets

Orange County Water District

FINAL DRAFT

Budget Report
FY 2012-2013

Section 1
General Manager's Message

April 18, 2012

Board of Directors
Orange County Water District

Subject: BUDGET FOR FISCAL YEAR 2012-2013

OVERVIEW

I am pleased to present to the Board of Directors the recommended budget for fiscal year (FY) 2012-13. The budget includes general fund expenditures, debt service, water purchases, refurbishment and replacement items, and capital projects for Board review and consideration. Development of the draft budget began in December 2011 with Board review of the preparation schedule.

The District's general fund budget has been subdivided into 21 cost centers to provide greater detail. During the month of February I met with all of the District's managers in preparing the budgets for these cost centers and made $0.7 million in budget reductions from what they proposed.

The draft budget was reviewed at the Board meeting on March 7. Additional meetings and workshops were held on the budget through March and April with the Board and Groundwater Producers (Producers). The final draft budget presents the culmination of these meetings and workshops, along with a new review of the budget by me as General Manager, which lead to changes in expenses as shown in Table 1.

The budget describes activities and projects that are primarily a continuation of the District's existing workload. We expect the Groundwater Replenishment (GWR) System to produce 70,000 acre-feet (af) of water supplies. The budget is based on increasing the Basin Production Percentage (BPP) to 68 percent from 65 percent, which corresponds to approximately 299,960 acre-feet of pumping in FY 2012-13.

Highlights and assumptions of the proposed budget include:

- Assumes a normal hydrologic year on the Santa Ana River watershed.
- This budget contains an appropriation for Metropolitan Water District (MWD) untreated replenishment water 6,667 af and MWD in-lieu purchases 3,333 af. The new MWD replenishment program is still being developed by MWD and is expected to be complete sometime in 2012.
- Budgeting for 13,000 af of MWD untreated full service water supplies to recharge into the groundwater basin to support the recommended BPP.
- The groundwater basin's accumulated overdraft would decrease about 1,000 af with the 68 percent BPP and average hydrology.
- Decreasing General Fund expenses by $0.9 million
- A cost of living increase to salaries of 1.5% has been budgeted based on the June 15, 2011 Memorandum of Understanding. Also, merit increases based upon employee performance reviews have been budgeted.
- Reducing the full-time employee headcount from 217 to 216.
- The groundwater basin's projected June 30, 2012 accumulated overdraft is expected to range between 133,000 and 175,000 acre-feet. This range increases to 166,000 and 208,000 acre-feet (average of 187,000 acre-feet) if the 33,000 acre-feet of water MWD has stored in the basin is removed.

TABLE 1
PROPOSED CHANGES TO DRAFT FY 2012-13 BUDGET

ITEM	ADDITIONS	DEDUCTIONS	NOTES
Water Budget		$383,614	Budgeted MWD January 1, 2013 increase reduced from 7.5% to 5.0%
General Fund	$2,000		Bolsa Chica Conservancy
General Fund	$27,000		Santa Ana Watermaster
SUBTOTAL		$354,614	
CIP		$1,100,000	Raymond Basin
CIP		$100,000	Placentia Basin

TABLE 1
PROPOSED CHANGES TO DRAFT FY 2012-13 BUDGET

ITEM	ADDITIONS	DEDUCTIONS	NOTES
TOTAL		$1,554,614	

The recommended budget would require an increase in the RA to $266 per acre-feet for FY 2012-13 from the prior year's $254. Table 2 provides a summary of the proposed budget

Table 2
2012-13 PROPOSED BUDGET

EXPENSES	BUDGETED FY 11-12 ($ MILLIONS)	PROPOSED FY 12-13 ($ MILLIONS)
General Fund	54.0	53.1
Debt Service	29.0	28.9
Water Purchases	10.1	16.7
New Equipment	0.5	0.3
Capital Improvement Program	103.7	114.3
Appropriation to R&R Fund Reserves	3.7	4.9
Refurbishment and Replacement Expenditures	7.5	7.0
Retiree Health Insurance Trust	1.3	1.2
Total	**$209.8**	**$226.4**

BUDGET DETAILS

The Orange County Water District strives to improve the efficiency of all aspects of its operations in its continuing efforts to increase the water quality and reliability of Orange County's local water resources at the lowest possible cost. The *2012-13 Budget Report* for the District reflects the wide range of programs necessary to accomplish the District's primary mission of proactively managing the Orange County groundwater basin. The following sections provide highlights of the budget.

EXPENSES

GENERAL FUND BUDGET - $53.1 MILLION

The District has 21 cost centers and their proposed activities for the year are provided in detail in later sections of this document. The District constantly attempts to minimize increases to the General Fund by taking actions such as limiting administrative personnel, reviewing operations, maximizing outside funding opportunities, and reviewing all vacant positions before they are refilled.

The General Fund budget contains the expenses of operating a number of facilities including:

- The GWRS Advanced Water Purification Facility
- Green Acres Project (GAP)
- Talbert seawater barrier injection facilities
- Water quality monitoring well maintenance and sampling
- Laboratory
- Recharge operations in Anaheim and Orange
- Alamitos seawater barrier injection facilities
- Prado Wetlands and water conservation programs

The District's total salary and benefit costs are projected to be $27.6 million, which is allocated as follows: $26.4 million to the General Fund and $1.2 million to capital projects. As described in the Work Plans, the budget proposes a decrease in headcount from 217 to 216.

WATER PURCHASE BUDGET - $16.7 MILLION

The proposed water budget calls for purchasing 13,000 acre-feet of MWD untreated full service water and 10,000 acre-feet of MWD replenishment water. The final rules of the new MWD replenishment program have not been determined; however, staff expects to participate in the new program which is expected to be finalized sometime this calendar year. The total water budget is $16.7 million. Any money not spent in the annual water budget would remain in the water replenishment fund.

The District expects to have approximately $20 million in the water replenishment fund by the end of the current fiscal year which would allow for the purchase of approximately 31,600 acre-feet of MWD untreated full service water. The basin's accumulated overdraft is estimated to be 187,000 acre-feet excluding the 33,000 acre-feet in the MWD conjunctive use program storage account by June 30, 2012. This is 62,000 acre-feet from the District's target overdraft of 125,000 acre-feet.

DEBT SERVICE BUDGET - $28.9 MILLION

The District will have $466 million in outstanding debt at the start of the budget year.

This year's total debt service payment will be $28.9 million, comprising $13.1 million of fixed rate debt, $3.9 million of variable rate debt, $1.2 million of SWAP payments, $8.7 million low interest State Revolving Fund Loans, $1.0 million towards establishing a restricted reserve fund equal to one year's annual payment estimated at $9.2 million as a condition for the state loan used to finance GWRS Initial Expansion, and $1.0 million for debt administration. Variable rate debt interest cost has been budgeted at 3.0 percent.

The District has developed a comprehensive long-range debt management program, which provides for the funding of projects necessary to protect the basin and to increase basin production while providing predictable and minimal impacts to the RA.

The District holds very high credit ratings of AAA from Standard & Poor's and Fitch along with an Aa1 rating from Moody's. The ratings assigned by these three agencies have a direct impact on the District's ratepayers. The District's high credit ratings translate into lower annual interest payments.

RETIREE HEALTH INSURANCE TRUST FUND - $1.2 MILLION

The District conducted a biannual actuarial study in October 2011 to determine the estimated accrued liability of providing the retiree medical benefit which is $12.2 million. The annual cost to fund this liability (Annual Required Contribution or ARC) was estimated in the report at $1.2 million. At the end of FY 2011-12 the trust fund is expected to have a value of $4.0 million. The recommended FY2012-13 budget includes $1.2 million to continue fully funding the District's ARC. This cost is also referred to as Other Post Employment Benefits (OPEB).

Replacement and Refurbishment (R&R) Fund Budget - $7.0 Million

The District has over $820 million in existing plant and fixed assets. These facilities annually depreciate and require routine minor repairs to maintain their capabilities. In October 1998, the District formally established an R&R Fund.

In 2004 the R&R program was downsized to only include infrastructure type assets. The amount of money annually transferred into the R&R program was reduced from $4.5 million annually to $2.8 million with this change. The annual transfer amount has been growing by seven percent annually to provide sufficient funds to meet future expected R&R expenditures. The annual contribution also increased by $4.5 million with the construction of the GWRS. The total contribution in FY 2012-13 would be $11.1 million. The R&R program and model was formally reviewed and updated in 2011.

Actual expenditures from the fund vary significantly each year depending upon which District assets have reached the end of their useful life and need to be replaced or which assets can have their lives extended by refurbishing them. In FY 2012-13, the proposed R&R expenditures are $7.0 million.

The R&R Fund balance is expected to increase from $58.0 million on June 30, 2012 to $62.1 million on June 30, 2013.

Capital Projects Budget - $114.3 Million

The District prepares a multi-year CIP budget to support its mission. The CIP budget spans three years and provides expected capital expenditures over the 3-year period. The CIP budget is comprised of eighteen projects totaling $114.3 million in FY 2012-13. The eighteen projects are funded through long-term debt, possible legal settlements from companies who have polluted the groundwater basin, and the District will be funding $5 million of the CIP budget with RA revenue or current revenue (PAYGO) rather than borrowed funds. Details of the CIP budget are provided in Section 8 of the budget book.

The projects are necessary to:

- Support basin production by increasing recharge capacity and operational flexibility;
- Protect the coastal portion of the basin; and
- Provide water quality improvements.

The CIP program and the capitalization of expenses comply with the adopted District policy in October 2000, which: (1) defines the types of expenses that can be capitalized; and (2) uses long-term debt to fund the projects. Each project included in the CIP must be individually reviewed and approved by the Board prior to design and construction.

NEW CAPITAL EQUIPMENT ITEMS - $0.3 MILLION

This budget includes small equipment items such as laboratory equipment, machines, tools, computers and software, pumps, equipment, etc. These items are funded using current revenues.

A detailed list of these items is provided in Section 9 of this document.

REVENUES

ASSESSMENTS - $79.5 MILLION RA; $3.2 MILLION BASIN EQUITY ASSESSMENT

All water pumped out of the groundwater basin is assessed the RA on a dollar per acre-foot basis of $266. The RA is expected to generate $79.5 million in revenue for FY 2012-13 based on 299,960 acre-feet of total anticipated basin production at a 68 percent BPP. Anticipated agricultural pumping of approximately 2,500 acre-feet generates revenues based on half the RA ($133.00).

The Basin Equity Assessment (BEA) rate is calculated for each Producer based on the treated full service MWD water rate and each Producer's individual energy cost to pump groundwater. The BEA is assessed annually in September for all groundwater production above the BPP. For FY 2012-13, $3.2 million of BEA revenue is expected to be received.

AD VALOREM PROPERTY TAXES – $19.4 MILLION

The District would expect to receive approximately $19.4 million in property taxes collected within the service area.

The County of Orange assesses and collects the taxes and transfers them to the District at various times during the year. This revenue source is dedicated to the District's debt service expense.

INVESTMENT REVENUE – $2.3 MILLION

The District's cash reserves generate investment revenues. The majority of cash reserves are invested in short-term securities. Yields continue to decline and have been estimated at 1.25 percent.

Investment revenues have been estimated at $1.0 million for the General Fund. Approximately $0.7 million of the investment revenues are generated by and for the R&R program, another $0.4 million of the investment revenues are generated by and for the CIP program. The remaining $0.2 million in interest revenue is allotted to the Water Replenishment Fund.

MISCELLANEOUS REVENUES – $13.0 MILLION

MISCELLANEOUS REVENUES ARE COMPRISED OF NUMEROUS ITEMS INCLUDING:

Water sales from the GAP	$2.0 M
MWD GAP & LRP Subsidy	$0.3 M
GWRS MWD LRP Subsidy	$6.8 M
Annexation fees	$1.0 M
Producer well loan repayments	$1.2 M
Rents & leases	$1.3 M
Other minor misc. items	$0.4 M

RESERVES

The District maintains cash reserves to ensure its financial integrity so that the groundwater basin can be successfully managed and protected. Cash reserves ensure that:

- The District has sufficient funds for cash flow purposes;
- Funds are available for unexpected events such as contamination issues;
- Funds are available to make necessary replacements and repairs to the District's infrastructure;
- The District has access to debt programs with very low interest cost;
- A financial hedge is in place to balance the amount of outstanding variable rate debt the District has issued in case interest rates rise;
- The District can purchase MWD replenishment water when available.

The District has developed policies which result in the establishment of the reserve and operating fund levels shown in Table 3. The net effect of the proposed budget would be to increase total District reserves by $6.1 million with $4.1 million increasing the R&R fund, $1.0 million increasing the GWRS Initial Expansion (GWRSIE) state loan reserve fund which is a condition of the low cost loan, and $1.0 million increase in the operating reserve required by the District Act.

Table 3
Operating Reserves Levels

Reserve	Beginning FY11-12 ($/million)	Projected Year-end FY 11-12 ($/million)	Projected Year-end FY 12-13 ($/million)
R&R Fund	62.6	58.0	62.1
Toxic Clean-up	4.0	4.0	4.0
General Contingencies	3.0	3.0	3.0
GWRSIE State Loan Reserve Fund	0.0	0.7	1.7
Water Fund	59.1	20.0	20.0
Operating Reserves (15% of operating budget)	16.7	16.5	17.5
Sub-total	**145.4**	**102.2**	**108.3**
Operating Funds			
Operating Fund	40.0	50.0	50.0
TOTAL	**185.4**	**152.2**	**158.3**

COST CUTTING EFFORTS

Staff has been and will continue to work to reduce District expenses to minimize rate increases. Over the past three years the District's general fund expenses have been reduced from $58.9 million in FY 09-10 down to the recommended $53.1 million for FY12-13. Recent examples of cost cutting efforts include:

- Two recently vacated management positions have been eliminated. The work performed by these individuals has been reassigned;
- A full time administrative position will be reduced to a part time position this fiscal year;
- A recent vacated engineering position is being held open for six months to determine the workload impacts to see if the position can be eliminated;
- The District continues negotiating payment term discounts with vendors;
- A portion of the vehicle fleet has been centralized which will lead to better utilization and net reduction in the number of vehicles;
- A reduction in reproduction copies for Board packets along with a changed binding method will allow the District to utilize a smaller, less expensive copy machine;
- The security contract for Prado Field office was eliminated by making a one-time investment in new security equipment.

CONCLUSION

The proposed 2012-13 budget represents an expenditure plan that is fiscally sound and incorporates significant budget reductions while supporting necessary programs. As part of the District's commitment to provide local groundwater producers with a reliable, adequate, high-quality water supply at the lowest reasonable cost, the following areas will continue to be emphasized:

- Minimizing administrative and overhead type costs;
- Protect the coastal portion of the groundwater basin;
- Increase local water supplies were economical; and
- Maintain the financial health and integrity of the District.

Respectfully submitted,

Michael R. Markus, P.E.
General Manager

EAST ORANGE COUNTY WATER DISTRICT

MEMO

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: **PRESENTATION BY SHAWN DEWAYNE OF RAYMOND JAMES**

DATE: MAY 11, 2012

Background

On May 1st, the Ad-Hoc Investment Committee met with Shawn Dewayne of Raymond James, a financial services firm located in Costa Mesa. Raymond James is a publicly traded company with 2,400 locations in the United States, Canada and abroad, has 1.9 million client accounts and $275 billion in client assets under administration. They are distinguished from other large brokerage companies in that their local offices are co-owned by the local financial adviser; this provides a medium sized, service oriented broker with the trading and information resources of a large brokerage house.

Mr. Dewayne co-owns the Costa Mesa office. Additionally, Mr. Dewayne is a Board Member for the Mesa Consolidated Water District (recently renamed as "Mesa Water") as well as an Orange County Water District Board Member, and has chaired the Finance Committees for both agencies. Because of this experience, Mr. Dewayne has a unique and thorough understanding of the importance of safety and liquidity to the Board, while achieving yields that are reasonable and prudent.

The Committee spent almost two hours with Mr. Dewayne and found him to be very knowledgeable and interested in ensuring that the District's investment objectives were met in a way that the Board would understand and support. They recommended that he make a presentation to the full Board.

Attached to this memo is information on Raymond James, as well as three sample portfolios that Mr. Dewayne provided (subsequent to the Investment Committee Meeting) as examples of "risk" and how perceived risk may not always translate into additional yield:

- **Portfolio 1 – All Certificates of Deposit** (all FDIC insured, all screened through IDC Financial Publishing ranked Excellent (165 or better). The Federal Government uses IDC to rank banks.

- **Portfolio 2 – All Municipal Bonds** - with their associated ratings.

- **Portfolio 3 – U.S. Agency Bonds**

Mr. Dewayne will review these portfolios, as well as his qualifications, at the Board Meeting.

Recommendation

The Board take such action as it deems appropriate.

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A firm founded and still focused on putting clients first.

Raymond James has always been a different kind of financial services firm. We embrace long-term planning, value methodical decision-making and always remain client-focused. When we were first established nearly 50 years ago, Raymond James focused on financial planning to help individuals reach their goals. We pioneered that concept back in 1962 and remain 100% focused on our clients today.

Our first priority is to find out what you want your money to do for you. Based on that, we help you figure out how to invest it. And we do it together – working side by side with each client. It's just you and your financial advisor discussing your plans, your goals, your family and what you want to do with your money. That's client-focused.

That's Raymond James.

ABOUT RAYMOND JAMES

Founded in 1962 and headquartered in St. Petersburg, Florida, we have grown into one of the largest independent financial services firms in the United States. Raymond James is a publicly traded, global company with distinct business units that serve a variety of clients, from individuals and small business owners to municipalities and major corporations.

More than 5,300 financial advisors	2,400 locations (United States, Canada and abroad)	1.9 million client accounts	$275 billion in client assets under administration	$36 billion managed by our subsidiary asset managers

RAYMOND JAMES®

WORKING WITH YOUR ADVISOR

Your advisor will collaborate with you to tailor a plan that addresses all aspects of your financial life. You benefit from our in-house research and the expertise of an extensively trained, experienced financial advisor who will:

- **Understand your needs** – Your financial advisor typically begins by getting to know you and your family while gathering information about your current circumstances, your future goals, your concerns and your aspirations.
- **Design a comprehensive plan** – Depending on your circumstances, your Raymond James advisor will help you develop a plan that factors in your investment horizon as well as the types and levels of risk that you can afford and with which you're comfortable.
- **Implement your plan** – In this phase, the decisions you've made with the help of your advisor are put into motion, working with other relevant professionals – such as a Raymond James specialist or your current attorney or CPA – as needed to implement effective and efficient solutions.
- **Manage your plan once it's in place** – Financial planning is an ongoing process in which it's essential to monitor the progress of your investments within the context of your goals, periodically reviewing all relevant information.

CHOOSE WELL

Whether you're in the process of choosing a financial relationship for the first time or exploring the idea of changing your current affiliation, you'll find a friendly, knowledgeable financial advisor at Raymond James – as well as access to comprehensive wealth planning services comparable to those found at the largest brokerage firms.

In May 2011, SmartMoney *named Raymond James the best full-service broker in its Annual Broker Survey for the third time in four years. In fact, we were one of only two full-service brokers in the survey whose model portfolios beat the S&P 500.*

In March 2011, Fortune *magazine ranked Raymond James Financial the fourth most admired securities company in the world. The survey involved 673 companies from 32 countries. Judging was based on attributes such as quality of management, products, services and social responsibility.*

In April 2011, The Wall Street Journal *ranked seven Raymond James analysts as Master Stock Pickers for 2010 as part of its 19th annual "Best on the Street" survey.*

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LIFE WELL PLANNED.

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Shawn Dewane
Registered Principal

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RAYMOND JAMES AT A GLANCE

Despite the financial turmoil of the past few years, Raymond James has delivered **96 consecutive quarters of profitability**, reinforcing its reputation as a pillar of stability for our advisors and their clients. We believe that success has a lot to do with the firm's unwavering commitment to its founding core values of putting **clients first, conservatism, independence** and **integrity**.

BY THE NUMBERS

1962 **50** YEARS 2012

More than 10,000 associates worldwide

Approximately **5,400** financial advisors

2,400 locations (United States, Canada and abroad)

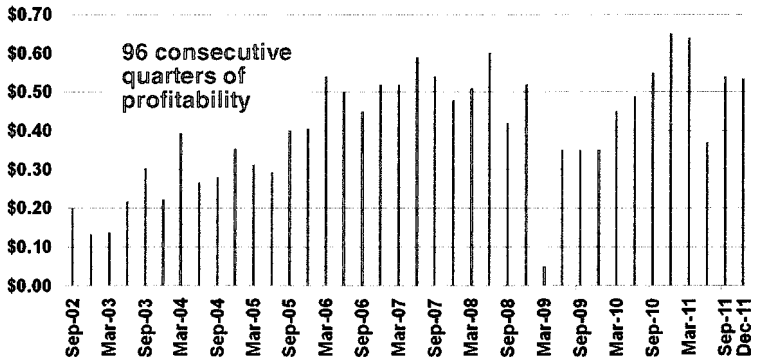
More than 2 million client accounts

$270 billion in client assets

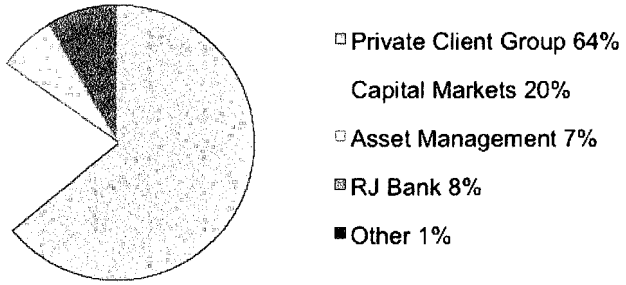
$35 billion managed by our subsidiary asset managers

STRENGTH AND STABILITY

Earnings Per Share – Trailing 10 Years



2011 Total Revenue – By Business Unit



HONORS AND ACCOLADES

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RAYMOND JAMES®

CERTIFICATE OF INSURANCE

ISSUE DATE December 6, 2011

THIS CERTIFICATE ISSUES AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

CERTIFICATE HOLDER	*PRODUCER*
Raymond James Financial, Inc. **880 Carillon Parkway** **St. Petersburg, FL 33716**	**Marsh, Inc.** **1166 Avenue of the Americas** **New York, New York 10036**

INSURED

Raymond James Financial, Inc.
880 Carillon Parkway
St. Petersburg, FL 33716

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	ALL LIMITS
Financial Institution Bond (Fidelity Coverage)	(A) 01-178-14-37 (B) 8212-65-26 (C) 8221-08-71 & FS314-79-02-01	10/01/2011 10/01/2011 10/01/2011	10/01/2012 10/01/2012 10/01/2012	$20,000,000 $10,000,000 $20,000,000

DESCRIPTION

This certificate represents solely a current statement that a bond or policy is in effect for the Named Insured only, that such bond or policy conveys no protection or rights to anyone other than the Named Insured and that reference to the bond or policy must be made for the terms and conditions of the coverage thereunder.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED AT THE TOP, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

COMPANIES AFFORDING COVERAGE	BROKER REPRESENTATIVE
(A) National Union Fire Insurance Company of Pittsburgh, PA **(B) Federal Insurance Company** **(C) Co-Surety: Federal Insurance & Great American Insurance Company**	Maria E. Cardona Vice President

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 05/01/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 1-800-955-8700 Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. 15 Enterprise, Ste 200 Aliso Viejo, CA 92656 Perry Even	CONTACT NAME: Mark Brumley PHONE (A/C, No, Ext): 727-567-3738 FAX (A/C, No): E-MAIL ADDRESS: Mark.Brumley@RaymondJames.com
INSURED Raymond James Financial, Inc. (attached addendum 2011-12) P.O. Box 12749 St. Petersburg , FL 33733-2749	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: STEADFAST INS CO — 26387 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 26949694 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	☐ CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$
	☐ POLICY ☐ PRO-JECT ☐ LOC							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ☐ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						☐ WC STATU-TORY LIMITS ☐ OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ N/A (Mandatory in NH)						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Structured Securities E&O			3757679-04	10/01/11	10/01/12	Each Wrongful Act	2,000,000
							Policy Aggregate	10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The Certificate Holder listed below is defined as an Insured under this policy. If an entity is listed, coverage applies to the errors & omissions of Insured reps only. Self Insured Retention: $5,000 each wrongful act, plus 10% of any loss amount above $5,000 up to a maximum of $30,000 each wrongful act. Coverage: Sale & servicing of Life, Accident & Health, Disability, Long Term Care, Fixed Products, Variable Life, Variable Annuities, Mutual Funds, Securities & Investment Advisory Services through the Named Insured. Coverage also extends to independent appointments the registered representative may hold outside of Planning Corporation America, as well as fee based advisory business conducted under an independent RIA (see attached addendum for additional policy provisions).

CERTIFICATE HOLDER	CANCELLATION
Shawn Dewane 72G2 2701 W. Coast Hwy Newport Beach, CA 92663 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

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Addendum to Certificate of Insurance:

The Named Insured shall pay covered claims on behalf of Registered Representatives and/or the Named Insured and seek indemnification for such claims from this policy. This policy will indemnify only the Named Insured;

This policy is subject to commutation at the discretion of the named insured either on or after October 1, 2013 or after all claims opened under this policy have been closed. Regardless, the Policy will automatically commute on October 1, 2022. In the event of commutation, the insurer will not have any further liability under the policy regardless of the date of an occurrence of a claim or an event giving rise to a claim;

The Policy may be commuted at the sole option of the Named Insured at any time three (3) years after the expiration of the Policy Period or if the Insurer's S&P credit rating drops below BBB, subject to (i) the Insured providing the Insurer with 90 day prior written notice, (ii) written notice to all litigants under the policy, and (iii) receipt of written confirmation from the Insured in a form acceptable to the Insurer that the Insurer has been released from complete and total liability under the Policy.

This policy may be automatically commuted at any time by the Insurer in the event the Named Insured breaches certain covenants contained in the policy;

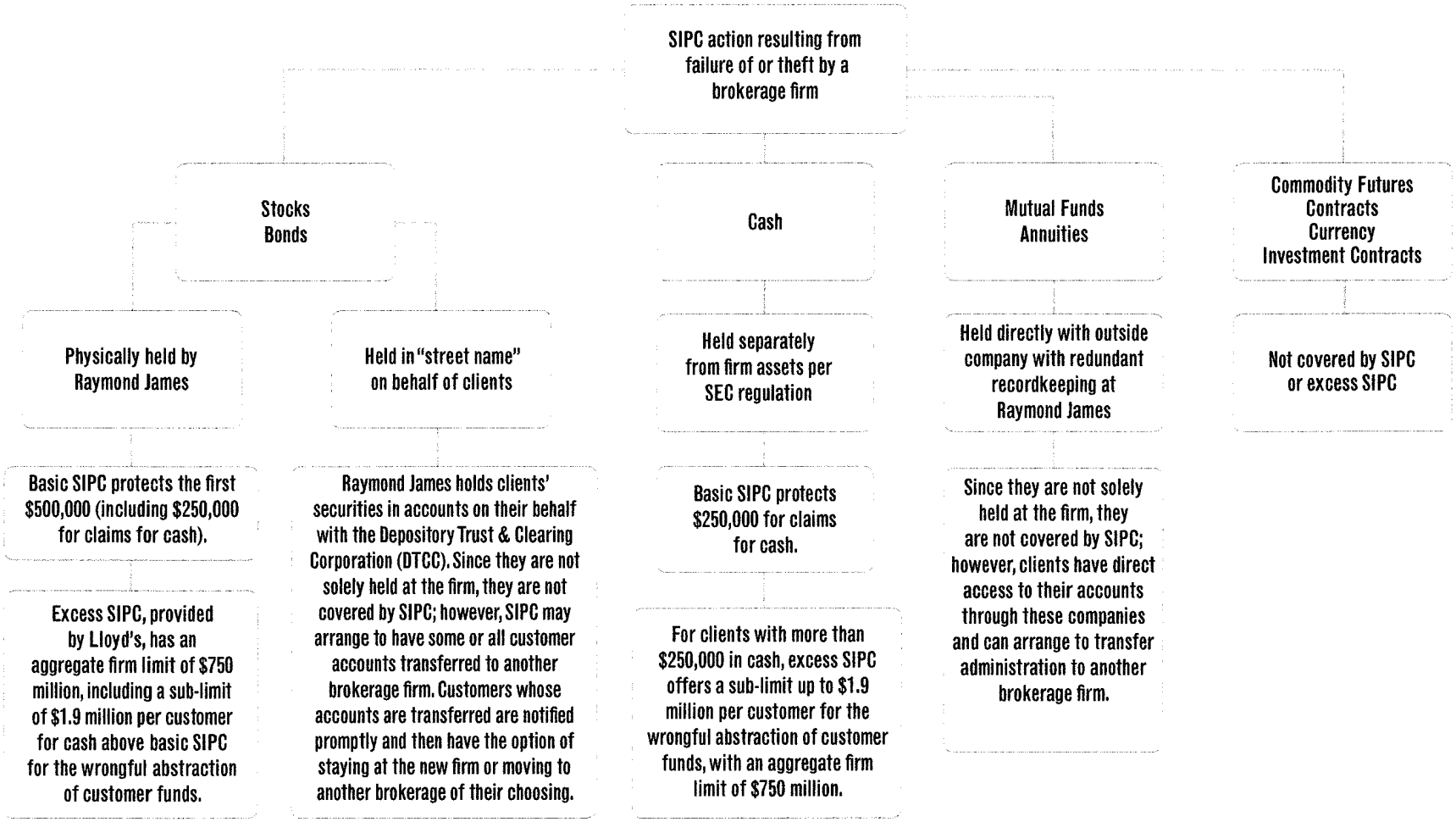
The insured has a self-insured retention on each and every claim under the policy. The self-insured retention will be between $5,000 and $30,000 on each and every wrongful act, depending on the amount and type of the loss;

This is a claims made and reported policy of indemnity;

The insurer does not provide any representation on the adequacy of the limits of liability for the exposures covered by this policy; and

For New York domiciled registered representatives no aggregate will apply.

ACCOUNT PROTECTION WITH SIPC AND EXCESS SIPC



RAYMOND JAMES®

Raymond James & Associates is a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to $500,000 (including $250,000 for claims for cash). An explanatory brochure is available upon request or at sipc.org or by calling (202) 371-8300. Account protection applies when a SIPC-member firm fails financially and is unable to meet obligations to securities clients, but it does not protect against market fluctuations. CORPIN-00030811 SM 08/11

Frequently Asked Questions about Account Protection

How are assets held in a client's brokerage account?
The Securities and Exchange Commission (SEC) requires securities firms to deposit client funds in a separate account, distinct from the firm's own money.

Further, the majority of client securities (approximately 92%) are held by clients in "street name" with Raymond James. This means that Raymond James hold securities in an account on each client's behalf – most often with the Depository Trust & Clearing Corporation (DTCC), a national clearinghouse for settling trades and a custodian of securities regulated by the SEC and the Federal Reserve – maintaining the securities and reporting current positions and transactions on clients' monthly statements.

In addition to regular reconciliation of records between Raymond James and DTCC, regulators and independent auditors periodically review the firm's financial records to ensure that clients' assets are accurately tracked and held separately from the firm's own holdings.

How are clients assets protected?
Client assets are first protected by the Securities Investor Protection Corporation (SIPC), a nonprofit corporation established by the federal government that provides limited protection.

Raymond James & Associates is a member of the Securities Investor Protection Corporation, which protects securities customers of its members that become insolvent or are liquidated. If any client's securities or cash are missing from eligible client accounts, SIPC works to replace those securities and cash. SIPC provides a maximum of $500,000, including up to $250,000 on claims for cash.

SIPC account protection does not protect against market fluctuations. An explanatory brochure is available upon request or at sipc.org or by calling 202-371-8300.

What assets are not eligible for SIPC coverage?
- Commodity futures contracts
- Currency
- Investment contracts (such as limited partnerships) that are not registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933
- Annuities and outside mutual funds

In the case of annuities and outside mutual funds, while Raymond James maintains records and provides reporting on these securities, redundant information is maintained by each respective fund company or insurance company. Since Raymond James does not have sole custody of these accounts, they would not be included in a SIPC liquidation process. However, clients would have access to their annuity or mutual fund positions by contacting the insurance or mutual fund company directly.

Are client assets further protected?
Raymond James has purchased additional coverage through various syndicates of Lloyd's, a London-based leading insurance carrier that holds an "A+" rating from Standard and Poor's and Fitch Ratings as well as an "A" (Excellent) rating from A.M. Best. Excess SIPC is fully protected by the Lloyd's trust funds and Lloyd's Central Fund. The additional protection (excess SIPC) currently provided has an aggregate firm limit of $750 million, including a sub-limit of $1.9 million per customer for cash above basic SIPC for the wrongful abstraction of customer funds.

Is the $750 million firm aggregate excess SIPC coverage adequate for Raymond James?
Yes. While many client account are below $500,000 and are therefore covered by basic SIPC, a substantial portion of client holdings are not directly held at Raymond James. As such, they would not be part of the SIPC liquidation process or protected by the Lloyd's excess SIPC policy.

Consider:

- Ninety-two percent of customer securities are held by Raymond James in street name on clients' behalf at DTCC, which means they would most likely be transferred to another broker/dealer in the event of liquidation.
- Redundant records for foreign depository items, annuities and outside mutual funds are maintained through the respective outside companies and are available to clients directly through those companies.
- Redundant records for Treasuries, Fannie Mae, Freddie Mac, government-backed positions and corporate bonds are held outside of Raymond James at J.P. Morgan Chase and are available to clients directly through that company.

Are Raymond James' cash sweep options covered by SIPC and excess SIPC?
Raymond James' cash sweep options all benefit from account protection; however, specific coverage depends on the selection options, as follows:

- **Eagle Class – JP Morgan Money Market Fund (MTX) and Eagle Class – JP Morgan Tax-Free Money market Fund (MTF):** While direct investments with Eagle mutual funds are not covered per the mutual fund exemption described above, MTX and MTF money market sweep accounts are covered. They are protected as any other covered security held at Raymond James (not as cash), subject to the $750 million firm aggregate for the wrongful abstraction of customer funds.
- **Client Interest Program (CIP):** Client deposits in CIP qualify as cash under the SIPC definition. This means protection of $250,000 per customer is provided by basic SIPC, while an additional sublimit of up to $1.9 million per customer for cash is provided by Lloyd's excess SIPC for the wrongful abstraction of customer funds.
- **Raymond James Bank Deposit Program (RJBDP):** RJBDP sweep accounts are held at Raymond James Bank and are covered by FDIC insurance rather than SIPC or excess SIPC.*

Are margin accounts protected?
If a margin balance exists in an account, the account holder no longer "owns" the number of shares equivalent to the amount of the loan.

If a firm becomes insolvent, the account holder would only be entitled to SIPC and excess SIPC coverage for the shares actually in the account at the time of insolvency. Therefore, when SIPC begins the settlement process, it would determine the value of the account based on the securities and cash positions held in the account the day of insolvency and subtract the amount of money due on margin.

* Raymond James & Associates, Inc., and Raymond James Financial Services, Inc., are affiliated with Raymond James Bank, member FDIC, a federally chartered savings bank. Unless otherwise specified, products purchased from or held at Raymond James & Associates are not insured by the FDIC, are not deposits or other obligations of Raymond James Bank, are not guaranteed by Raymond James Bank and are subject to investment risks, including possible loss of the principal invested. Ratings are subject to change and do not remove market risk.

Investments in the Eagle money market funds are neither guaranteed nor insured by the FDIC or any other government agency. Although the funds seek to preserve the value of your investment at $1 per share, it is possible to lose money by investing in the funds. Investors should carefully consider the investment objectives, risks, charges and expenses of the Eagle money market funds before investing. The prospectus contains this and other information about the money market fund. The prospectus is available from our office and should be read carefully before investing.

RAYMOND JAMES®

I believe the enclosed information might be of interest to you in making your investment decisions. Please contact me to discuss how these securities may enhance your portfolio and to assure that they meet your investment objectives.

Shawn Dewane
Registered Principal - Investment Management Consultant
Raymond James Financial Services Inc.
Member FINRA/SIPC
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Shawn.Dewane@RaymondJames.com

Portfolio
1

Offer Sheet

Monday, May 7, 2012

East Orange County Water District
Lisa Ohlund - General Manager

RAYMOND JAMES®

Shawn Dewane
Registered Principal - Investment Management Consultant
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Qty	Cusip	Moody/S&P FDIC #	Issue	Coupon	Maturity	Modified Duration	Convexity	Price	Yield to Worst	Yield to Maturity	Accrued Interest	Principal	Net Amount
200	02587DGJ1	27471	AMERICAN EXPRESS CENTURION BANK SALT LAKE CITY, UT Conditional Puts - Death of holder - Restricted States: OH, TX	1.150%	11/12/2013	1.50	0.03	$101.123	0.403%	0.403%	$0.00	$202,246.44	$202,246.44
200	02005QF24	57803	ALLY BANK MIDVALE UTAH Conditional Puts - Death of holder	0.750%	05/16/2014	1.99	0.05	$100.000	0.750%	0.750%	$0.00	$200,000.00	$200,000.00
200	36160WK32	33778	GE CAPITAL FINANCIAL BANK SALT LAKE CITY UT Conditional Puts - Death of holder - Restricted States: OH, TX	1.000%	05/04/2015	2.94	0.10	$100.106	0.964%	0.964%	$32.88	$200,211.66	$200,244.54
250	02005QE82	57803	ALLY BANK MIDVALE UTAH Conditional Puts - Death of holder	1.250%	05/16/2016	3.89	0.17	$100.000	1.250%	1.250%	$0.00	$250,000.00	$250,000.00
250	254671AU4	5649	DISCOVER BK GREENWOOD DEL Conditional Puts - Death of holder	1.750%	05/16/2017	4.77	0.26	$100.000	1.750%	1.750%	$0.00	$250,000.00	$250,000.00
250	38143ASL0	33124	GOLDMAN SACHS BK USA NEW YORK Conditional Puts - Death of holder	1.800%	05/16/2017	4.77	0.26	$100.000	1.800%	1.800%	$0.00	$250,000.00	$250,000.00
			Weighted Averages and Totals	**1.319% Avg Coupon**	**3.57 Avg Yrs Maturity**	**3.43 Avg Modified Duration**	**0.15 Avg Convexity**	**$100.182 Avg Price**	**1.201% Avg Yield to Worst**	**1.201% Avg Yield to Maturity**	**$32.88 Total Accrued Interest**	**$1,352,458.10 Total Principal**	**$1,352,490.98 Total Investment**

(n) Floating/Variable Rate (c) Yield to Call (p) Yield to Par Call (w) Yield to Middle Call (u) Yield to Put (dis) Discount Yield (r) Pre-Refund (t) Mandatory Put (f) Called in Full

Offer Sheet

Monday, May 7, 2012

East Orange County Water District
Lisa Ohlund - General Manager

RAYMOND JAMES®

Shawn Dewane
Registered Principal - Investment Management Consultant
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Minimum purchases may apply. Prices and yields are subject to change based upon market conditions and availability.

An overview of these investments, their features and risks is available at raymondjames.com, "Smart Bond Investing" at finra.org , under "Learn More" at investinginbonds.com, or emma.msrb.org.

RISK CONSIDERATIONS: These securities are subject to risk factors that may decrease (or increase) the market value of your investment. Interest or dividend rate risk is the risk that changes in interest rates may reduce (or increase) the market value of your investment. Generally, a rise in interest rates decreases market price; while a fall in interest rates increases market price. Default or credit risk is the risk that the issuer, obligor, or insurer will be unable to make interest payments or repay principal when due. Liquidity risk is the risk that you will be unable to sell these securities in the secondary market. If you decide to sell prior to maturity, your proceeds may be more or less than the original cost, and may be subject to capital gains or loss.

CREDIT RISK OR DEFAULT RISK refers to the risks that the issuer's creditworthiness may weaken or possibly the issuer will not be able to pay interest or repay principal. Adverse changes in the creditworthiness and rating may decrease value of the investment. Generally, higher yields and/or lower ratings reflect higher perceived credit risk. Independent rating agencies provide actual and underlying security ratings on most securities which at times include future outlook and/or placement of the security under review for future action. These ratings are subject to change at any time and are not meant as a recommendation to buy, sell or hold. Securities with the same rating can actually trade at significantly different prices. Raymond James trade confirmations, online accounts and monthly statements display only the current ratings and subsequent changes of those Rating Agencies to which Raymond James subscribes. Investors may request Moody's and/or S&P credit reports from their financial advisors, and Fitch reports are available for municipal bonds. To learn more please refer to moodys.com, standardandpoors.com, and fitchratings.com
Insurance, if specified, relates to the timely payment of principal and interest. Insurance does not guarantee market value or protect against fluctuations in bond prices resulting from general market fluctuations. No representation is made as to the insurer's ability to meet its financial commitments and the underlying credit should be considered. High yield bonds are not suitable for all investors and are generally considered speculative in nature with greater potential loss of interest and/or principal. Brokered Certificate of Deposit FDIC insurance covers up to $250,000 (including principal and interest) for deposits held in different ownership categories, including single accounts, joint accounts, trust accounts, IRAs, and certain other retirement accounts, per issuer. Funds may not be withdrawn until the maturity date or redemption date. However, these CDs are negotiable, which means, that although not obligated to do so, Raymond James and other broker/dealers currently maintain an active secondary market at current interest rates. FDIC insurance does not guarantee market value or protect against fluctuations in CD prices resulting from general market changes.
INCOME: In general, fixed income investments pay a fixed interest rate coupon. Some bonds, however can pay variable payments such as step coupons and or variable rates based on a predetermined formula. Interest from taxable zero coupon securities is subject to annual taxation as ordinary income, even though no income is received. Certain federally tax-exempt municipal securities, although federally tax-exempt, may be subject to federal alternative minimum tax (AMT). Brokered CDs annual percentage yields (APY) represents the interest earned based on simple interest calculations

MATURITY: Brokered CDs with a maturity of longer than 1 yr are considered as Long-Term. Certain early redemption features, such as a call at issuer's option, provide the issuer an option to repay principal prior to maturity and may change the term of the investment. Certain brokered CDs are also callable at the option of the issuer. Modified Duration and Convexity are measures of price sensitivity of a fixed-income security to changes in interest rates. Modified Duration is the approximate percentage change in price that would occur with a 1% change in interest rates. Convexity estimates the impact of interest rate changes on modified duration. Modified Duration and Convexity may be used together to approximate price volatility of fixed-income securities. Modified Duration does not account for early redemption features, such as calls by the issuer. Mortgage-backed securities and Collateralized Mortgage Obligations (CMOs) are priced based on average life which includes prepayment assumptions that may or may not be met and changes in prepayments may significantly affect yield and average life.

For more complete information about new issues, including charges and expenses, obtain a prospectus at sec.gov or municipal official statement at emma.msrb.org or from your Financial Advisor. Please read it carefully before you invest or send money.

Offer Sheet

Monday, May 7, 2012

East Orange County Water District
Lisa Ohlund - General Manager

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The information in this report has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. This firm may have a long or short position in the securities presented in this report and may buy or sell such securities in the course of our regular business.

Investors are urged to consult with their own tax advisors with regard to their specific situation prior to making any investment decisions with tax consequences.

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I believe the enclosed information might be of interest to you in making your investment decisions. Please contact me to discuss how these securities may enhance your portfolio and to assure that they meet your investment objectives.

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Portfolio #2

Offer Sheet

Friday, May 11, 2012

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Qty	Cusip	Moody/S&P	Issue	Coupon	Maturity	Modified Duration	Convexity	Price	Yield to Worst	Yield to Maturity	Accrued Interest	Principal	Net Amount
50	469485KC9	A1 A	JACKSONVILLE FLA SALES TA	2.000%	10/01/2013	1.36	0.03	$102.312	0.313%	0.313%	$130.56	$51,156.00	$51,286.56
55	705795JW3	AAA	PELHAM N Y UN FREE SCH DI Material Events - Bank Qualified	2.000%	11/15/2013	1.48	0.03	$102.493	0.329%	0.329%	$3.06	$56,371.15	$56,374.21
10	196454EB4	Aa2 AA	COLORADO DEPT TRANS REV Material Events - NATL, insured	5.500%	06/15/2014	1.95	0.05	$110.194	0.564%	0.564%	$230.69	$11,019.40	$11,250.09
10	544644Y35	Aa2 AA-	LOS ANGELES CALIF UNI SCH OID - Material Events - AMBAC, insured	3.750%	07/01/2014	2.03	0.05	$106.822	0.518%	0.518%	$140.63	$10,682.20	$10,822.83
25	43232LEN9	Aa1 AA+	HILLSBOROUGH CNTY FLA CAP Material Events - NATL, insured	3.500%	07/01/2014	2.04	0.05	$106.193	0.564%	0.564%	$328.13	$26,548.25	$26,876.38
25	646039AV9	Aa3 AA-	NEW JERSEY ST Material Events	5.250%	07/01/2014	2.00	0.05	$109.916	0.550%	0.550%	$492.19	$27,479.00	$27,971.19
25	228485GN2	Aa3 AA-	CROWN POINT IND MULTI-SCH Material Events - AGMC, insured	3.500%	07/15/2014	2.08	0.06	$106.419	0.513%	0.513%	$294.10	$26,604.75	$26,898.85
25	476705NZ7	AA-	JERSEY SHORE AREA PA SCH Material Events - Bank Qualified - AGC, insured	2.000%	09/01/2014	2.24	0.06	$103.117	0.628%	0.628%	$104.17	$25,779.25	$25,883.42
10	725209FB1	Aa3 AA-	PITTSBURGH PA Material Events - AGMC, insured	5.000%	09/01/2014	2.17	0.06	$109.591	0.769%	0.769%	$104.17	$10,959.10	$11,063.27
25	790407GN4	Aa3 AA-	ST.JOHNS COUNTY FLORIDA S OID - Material Events - AGC, insured	3.250%	10/01/2014	2.29	0.07	$105.913	0.734%	0.734%	$101.56	$26,478.25	$26,579.81
25	837152RD1	A1	SOUTH CAROLINA TRANSN INF	3.000%	10/01/2014	2.30	0.07	$105.318	0.737%	0.737%	$93.75	$26,329.50	$26,423.25
30	649905G59	Aa3 AA-	NEW YORK ST DORM AUTH REV Material Events - AGMC, insured	2.000%	10/01/2014	2.32	0.07	$103.450	0.536%	0.536%	$75.00	$31,035.00	$31,110.00
10	917572PA1	Aa3	UTAH WTR FIN AGY REV Material Events - AMBAC, insured	5.000%	10/01/2014	2.26	0.06	$110.160	0.680%	0.680%	$62.50	$11,016.00	$11,078.50

Offer Sheet

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20	59259RWD2	A2 A	METROPOLITAN TRANSN AUTH Material Events - AMBAC, insured	5.000%	11/15/2014	2.37	0.07	$110.137	0.887%	0.887%	$2.78	$22,027.40	$22,030.18
40	59259RA95	A2 A	METROPOLITAN TRANSN AUTH Material Events	5.000%	11/15/2014	2.38	0.07	$110.520	0.740%	0.740%	$5.56	$44,208.00	$44,213.56
25	474176GG3	Aa3 A+	JEFFERSON LA SALES TAX DI Material Events - AMBAC, insured	5.000%	12/01/2014	2.37	0.07	$110.856	0.684%	0.684%	$572.92	$27,714.00	$28,286.92
25	513877AF7	Aaa AAA	LANCASTER COUNTY NEBRASKA Material Events	3.000%	12/01/2014	2.43	0.07	$106.181	0.548%	0.548%	$343.75	$26,545.25	$26,889.00
50	186343ZY8	Aa3 AA	CLEVELAND OHIO Material Events - AGC, insured	2.750%	12/01/2014	2.44	0.07	$105.550	0.548%	0.548%	$630.21	$52,775.00	$53,405.21
35	6461353R2	A1 A+	NEW JERSEY ST TRANSN TR F Material Events - NATL, insured	5.250%	12/15/2014	2.40	0.07	$111.352	0.797%	0.797%	$770.73	$38,973.20	$39,743.93
50	208356JD8	Aa3 AA-	CONRAD WEISER AREA SCH DI Material Events - AGMC, insured	4.500%	12/15/2014	2.42	0.07	$109.706	0.698%	0.698%	$943.75	$54,853.00	$55,796.75
25	13066YQL6	Aa3 AA-	CALIFORNIA (STATE OF) DEP Material Events	5.000%	05/01/2015	2.79	0.09	$113.509	0.402%	0.402%	$52.08	$28,377.25	$28,429.33
50	155213JA0	AA-	CENTRAL SQUARE N Y CENT S Material Events - AGMC, insured	2.000%	05/15/2015	2.91	0.10	$103.057	0.963%	0.963%	$2.78	$51,528.50	$51,531.28
10	254845AJ9	Aa2 AA+	DISTRICT COLUMBIA WTR & S Material Events - AGMC, insured	6.000%	10/01/2015	3.10	0.12	$116.892	0.906%	0.906%	$75.00	$11,689.20	$11,764.20
10	167562EF0	A2 A	CHICAGO ILL MIDWAY ARPT R Material Events - NATL, insured	5.500%	01/01/2016	3.27	0.13	$113.612	1.618%	1.618%	$206.25	$11,361.20	$11,567.45
50	659016BA6	Aa3	NORTH DANSVILLE N Y Material Events - Bank Qualified - AGMC, insured	3.500%	04/01/2016	3.64	0.16	$109.568	0.978%	0.978%	$218.75	$54,784.00	$55,002.75
15	040647DH9	Aa2 AA	ARIZONA ST TRANSN BRD	5.000%	07/01/2016	3.73	0.17	$116.045	1.018%	1.018%	$281.25	$17,406.75	$17,688.00
25	567303EX6	Aa3	MARICOPA CNTY ARIZ ELEM S Material Events - Bank Qualified - AGMC, insured	3.750%	07/01/2016	3.81	0.17	$111.422	0.921%	0.921%	$351.56	$27,855.50	$28,207.06

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50	452152MD0	A2 A+	ILLINOIS ST OID	2.000%	08/01/2016	4.02	0.19	$100.997	1.753%	1.753%	$22.22	$50,498.50	$50,520.72
50	13062TF82	A1 A-	CALIFORNIA ST Material Events	5.000%	08/01/2016	3.81	0.17	$116.702	0.942%	0.942%	$729.17	$58,351.00	$59,080.17
25	4140046P1	Aa3 AA-	HARRIS CNTY TEX Material Events	5.000%	08/15/2016	3.85	0.18	$116.980	0.914%	0.914%	$315.97	$29,245.00	$29,560.97
40	235258JQ4	Aa3 AA-	DALLAS TEX CIVIC CTR CONV Material Events - AGC, insured	5.000%	08/15/2016	3.85	0.18	$115.714	1.194%	1.194%	$505.56	$46,285.60	$46,791.16
50	392274VM5	Aa3 AA-	GREATER ORLANDO AVIATION Subject to AMT - Material Events - AGMC, insured	5.000%	10/01/2016	3.98	0.19	$117.308	0.951%	0.951%	$312.50	$58,654.00	$58,966.50
40	67755CXX2	Aa2 AA	OHIO ST BLDG AUTH Material Events	5.000%	10/01/2016	3.98	0.19	$117.074	1.001%	1.001%	$250.00	$46,829.60	$47,079.60
35	819747AH9	Aa3 AA-	SHARON PA SAN AUTH SWR RE Material Events - AGMC, insured	5.000%	10/01/2016	3.98	0.19	$117.074	1.001%	1.001%	$218.75	$40,975.90	$41,194.65
50	592646WR0	Aa3 AA-	METROPOLITAN WASH D C ARP Subject to AMT - Material Events - AMBAC, insured	5.000%	10/01/2016	3.98	0.19	$117.308	0.951%	0.951%	$312.50	$58,654.00	$58,966.50
25	576097GQ6	Aa2	MASSAPEQUA N Y UN FREE SC Material Events - NATL, insured	4.000%	11/01/2016	4.13	0.20	$113.943	0.809%	0.809%	$41.67	$28,485.75	$28,527.42
40	9813055S0	Aa3 AA-	WORCESTER MASS Material Events - AGMC, insured	3.000%	11/01/2016	4.20	0.20	$109.334	0.861%	0.861%	$50.00	$43,733.60	$43,783.60
25	914084N61	Aa2	UNIVERSITY ARK UNIV REVS OID - Material Events - AMBAC, insured	4.250%	11/01/2016	4.11	0.20	$115.041	0.808%	0.808%	$44.27	$28,760.25	$28,804.52
45	49151ET94	Aa3 A+	KENTUCKY ST PPTY & BLDGS OID - Material Events	4.500%	11/01/2016	4.09	0.20	$115.190	1.007%	1.007%	$84.38	$51,835.50	$51,919.88
20	59259RZB3	A2 A	METROPOLITAN TRANSN AUTH Material Events	4.250%	11/15/2016	4.14	0.20	$113.456	1.170%	1.170%	$2.36	$22,691.20	$22,693.56

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25	239832AJ7	Aa2 AA-	DAYTON OHIO Material Events - AMBAC, insured	5.000%	12/01/2016	4.06	0.20	$117.646	1.014%	1.014%	$572.92	$29,411.50	$29,984.42
50	717893UJ8	A1 A	CITY OF PHILADELPHIA, PEN Material Events	5.750%	01/01/2017	4.08	0.20	$120.357	1.210%	1.210%	$1,078.13	$60,178.50	$61,256.63
30	5925974C9	Aa3 AA-	METROPOLITAN TRANSN AUTH Material Events - NATL insured	5.750%	01/01/2017	4.09	0.20	$121.755	0.933%	0.933%	$646.88	$36,526.50	$37,173.38
25	927781EB6	Aa1 AA+	VIRGINIA COLLEGE BLDG AUT Material Events	5.000%	02/01/2017	4.23	0.21	$118.769	0.918%	0.918%	$364.58	$29,692.25	$30,056.83
50	86476PCR7	A1 AA	SUFFOLK CNTY N Y Material Events	3.000%	02/01/2017	4.37	0.22	$106.586	1.544%	1.544%	$437.50	$53,293.00	$53,730.50
15	207758HN6	Aa3 AA	STATE OF CONNECTICUT ,SER Material Events	4.250%	02/01/2017	4.28	0.22	$114.860	1.010%	1.010%	$185.94	$17,229.00	$17,414.94
25	67760HCB5	Aa3 AA	OHIO ST TPK COMMN TPK REV Material Events - FGIC, insured	5.500%	02/15/2017	4.22	0.21	$119.952	1.167%	1.167%	$347.57	$29,988.00	$30,335.57
30	70914PHF2	Aa1 AA	PENNSYLVANIA ST Material Events	5.000%	02/15/2017	4.27	0.22	$119.168	0.869%	0.869%	$379.17	$35,750.40	$36,129.57
20	516823A50	Aa2 AA-	LAREDO TEX Material Events - NATL, insured	5.000%	02/15/2017	4.26	0.22	$118.504	0.999%	0.999%	$252.78	$23,700.80	$23,953.58
50	13376RAK5	A1 A	CAMINO REAL REGL MOBILITY Material Events	5.000%	02/15/2017	4.24	0.21	$115.491	1.598%	1.598%	$631.94	$57,745.50	$58,377.44
30	442331RA4	Aa2 AA	HOUSTON TEX Material Events	5.000%	03/01/2017	4.31	0.22	$118.817	0.971%	0.971%	$312.50	$35,645.10	$35,957.60
25	176553CC7	A2 A+	CITIZENS PROP INS CORP Material Events - NATL, insured	5.000%	03/01/2017	4.27	0.22	$112.380	2.259%	2.259%	$260.42	$28,095.00	$28,355.42
50	64966HGP9	Aa2 AA	NEW YORK, NY OID - Material Events	4.000%	03/01/2017	4.39	0.23	$114.077	0.985%	0.985%	$416.67	$57,038.50	$57,455.17
50	59333AGE5	A3 A-	MIAMI-DADE CNTY FLA EDL F Material Events - AMBAC, insured	5.000%	04/01/2017	4.36	0.23	$114.753	1.823%	1.823%	$312.50	$57,376.50	$57,689.00
10	914455HR4	Aaa AAA	UNIVERSITY MICH UNIV REVS Material Events	5.000%	04/01/2017	4.39	0.23	$119.176	0.964%	0.964%	$62.50	$11,917.60	$11,980.10

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20	70914PJX1	Aa1 AA	COMMONWEALTH OF PENNSYLVA Material Event s	5.000%	04/15/2017	4.43	0.23	$119.259	0.976%	0.976%	$86.11	$23,851.80	$23,937.91
25	97705LZX8	Aa2 AA	WISCONSIN ST Material Events	5.000%	05/01/2017	4.48	0.24	$119.955	0.878%	0.878%	$52.08	$29,988.75	$30,040.83
			Weighted Averages and Totals	**4.174% Avg Coupon**	**3.72 Avg Yrs Maturity**	**3.45 Avg Modified Duration**	**0.15 Avg Convexity**	**$112.022 Avg Price**	**0.954% Avg Yield to Worst**	**0.954% Avg Yield to Maturity**	**$15,907.42 Total Accrued Interest**	**$1,993,984.70 Total Principal**	**$2,009,892.12 Total Investment**

(n) Floating/Variable Rate (c) Yield to Call (p) Yield to Par Call (w) Yield to Middle Call (u) Yield to Put (dis) Discount Yield (r) Pre-Refund (t) Mandatory Put (f) Called in Full

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Minimum purchases may apply. Prices and yields are subject to change based upon market conditions and availability.

An overview of these investments, their features and risks is available at raymondjames.com, "Smart Bond Investing" at finra.org , under "Learn More" at investinginbonds.com, or emma.msrb.org.

RISK CONSIDERATIONS: These securities are subject to risk factors that may decrease (or increase) the market value of your investment. Interest or dividend rate risk is the risk that changes in interest rates may reduce (or increase) the market value of your investment. Generally, a rise in interest rates decreases market price; while a fall in interest rates increases market price. Default or credit risk is the risk that the issuer, obligor, or insurer will be unable to make interest payments or repay principal when due. Liquidity risk is the risk that you will be unable to sell these securities in the secondary market. If you decide to sell prior to maturity, your proceeds may be more or less than the original cost, and may be subject to capital gains or loss.

CREDIT RISK OR DEFAULT RISK refers to the risks that the issuer's creditworthiness may weaken or possibly the issuer will not be able to pay interest or repay principal. Adverse changes in the creditworthiness and rating may decrease value of the investment. Generally, higher yields and/or lower ratings reflect higher perceived credit risk. Independent rating agencies provide actual and underlying security ratings on most securities which at times include future outlook and/or placement of the security under review for future action. These ratings are subject to change at any time and are not meant as a recommendation to buy, sell or hold. Securities with the same rating can actually trade at significantly different prices. Raymond James trade confirmations, online accounts and monthly statements display only the current ratings and subsequent changes of those Rating Agencies to which Raymond James subscribes. Investors may request Moody's and/or S&P credit reports from their financial advisors, and Fitch reports are available for municipal bonds. To learn more please refer to moodys.com, standardandpoors.com, and fitchratings.com
Insurance, if specified, relates to the timely payment of principal and interest. Insurance does not guarantee market value or protect against fluctuations in bond prices resulting from general market fluctuations. No representation is made as to the insurer's ability to meet its financial commitments and the underlying credit should be considered. High yield bonds are not suitable for all investors and are generally considered speculative in nature with greater potential loss of interest and/or principal. Brokered Certificate of Deposit FDIC insurance covers up to $250,000 (including principal and interest) for deposits held in different ownership categories, including single accounts, joint accounts, trust accounts, IRAs, and certain other retirement accounts, per issuer. Funds may not be withdrawn until the maturity date or redemption date. However, these CDs are negotiable, which means, that although not obligated to do so, Raymond James and other broker/dealers currently maintain an active secondary market at current interest rates. FDIC insurance does not guarantee market value or protect against fluctuations in CD prices resulting from general market changes.
INCOME: In general, fixed income investments pay a fixed interest rate coupon. Some bonds, however can pay variable payments such as step coupons and or variable rates based on a predetermined formula. Interest from taxable zero coupon securities is subject to annual taxation as ordinary income, even though no income is received. Certain federally tax-exempt municipal securities, although federally tax-exempt, may be subject to federal alternative minimum tax (AMT). Brokered CDs annual percentage yields (APY) represents the interest earned based on simple interest calculations

MATURITY: Brokered CDs with a maturity of longer than 1 yr are considered as Long-Term. Certain early redemption features, such as a call at issuer's option, provide the issuer an option to repay principal prior to maturity and may change the term of the investment. Certain brokered CDs are also callable at the option of the issuer. Modified Duration and Convexity are measures of price sensitivity of a fixed-income security to changes in interest rates. Modified Duration is the approximate percentage change in price that would occur with a 1% change in interest rates. Convexity estimates the impact of interest rate changes on modified duration. Modified Duration and Convexity may be used together to approximate price volatility of fixed-income securities. Modified Duration does not account for early redemption features, such as calls by the issuer. Mortgage-backed securities and Collateralized Mortgage Obligations (CMOs) are priced based on average life which includes prepayment assumptions that may or may not be met and changes in prepayments may significantly affect yield and average life.

For more complete information about new issues, including charges and expenses, obtain a prospectus at sec.gov or municipal official statement at emma.msrb.org or from your Financial Advisor. Please read it carefully before you invest or send money.

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The information in this report has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. This firm may have a long or short position in the securities presented in this report and may buy or sell such securities in the course of our regular business.

Investors are urged to consult with their own tax advisors with regard to their specific situation prior to making any investment decisions with tax consequences.

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I believe the enclosed information might be of interest to you in making your investment decisions. Please contact me to discuss how these securities may enhance your portfolio and to assure that they meet your investment objectives.

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25	31331VWS1	Aaa AA+	FFCB-FED FARM CREDIT BANK	5.200%	04/17/2014	1.85	0.04	$109.394	0.302%	0.302%	$97.50	$27,348.50	$27,446.00
50	31331GAR0	Aaa AA+	FFCB-FED FARM CREDIT BANK	4.350%	09/02/2014	2.20	0.06	$109.076	0.383%	0.383%	$435.00	$54,538.02	$54,973.02
50	3133MB2B2	Aaa AA+	FHLB-FED HOME LOAN BANK	7.375%	02/13/2015	2.52	0.08	$118.951	0.428%	0.428%	$911.63	$59,475.34	$60,386.97
33	31331XCY6	Aaa AA+	FFCB-FED FARM CREDIT BANK	5.050%	05/06/2015	2.81	0.10	$113.598	0.448%	0.448%	$37.03	$37,487.49	$37,524.52
75	3133XBQF5	Aaa AA+	FHLB-FED HOME LOAN BANK	5.100%	05/12/2015	2.82	0.10	$113.681	0.492%	0.492%	$21.25	$85,260.46	$85,281.71
100	31331VQU3	Aaa AA+	FFCB-FED FARM CREDIT BANK	5.000%	02/16/2016	3.45	0.14	$116.589	0.532%	0.532%	$1,222.22	$116,589.36	$117,811.58
25	31315PSN0		FEDERAL AGRIC MTG CORP MT	2.600%	03/10/2016	3.64	0.15	$107.050	0.724%	0.724%	$119.17	$26,762.55	$26,881.72
250	3137EACW7	Aaa AA+	FHLMC-FED HOME LOAN MTG C	2.000%	08/25/2016	4.10	0.19	$105.902	0.601%	0.601%	$1,097.22	$264,755.26	$265,852.48
50	3133XGJA3	Aaa AA+	FHLB-FED HOME LOAN BANK	5.375%	09/09/2016	3.91	0.18	$120.056	0.658%	0.658%	$485.24	$60,028.00	$60,513.24
250	3134G3SP6	Aaa AA+	FHLMC-FED HOME LOAN MTG C Callable 03/14@100	1.050%	09/28/2016	1.85	0.04	$100.952	0.538% (c)	0.828%	$335.42	$252,380.00	$252,715.42
250	3133EAMV7	Aaa AA+	FFCB-FED FARM CREDIT BANK Callable 04/13@100	1.200%	04/25/2017	0.94	0.01	$100.450	0.722% (c)	1.106%	$158.33	$251,125.00	$251,283.33
25	31331YK58	Aaa AA+	FFCB-FED FARM CREDIT BANK	4.550%	05/02/2017	4.52	0.24	$117.919	0.857%	0.857%	$37.92	$29,479.72	$29,517.64
250	3133EAPB8	Aaa AA+	FFCB-FED FARM CREDIT BANK Callable 05/13@100	1.230%	05/02/2017	0.96	0.01	$100.908	0.289% (c)	1.042%	$102.50	$252,270.00	$252,372.50
250	3136G0EQ0	Aaa AA+	FNMA-FED NATL MTG ASSN Callable 05/13@100	1.300%	05/10/2017	0.98	0.02	$100.902	0.385% (c)	1.114%	$36.11	$252,255.00	$252,291.11
			Weighted Averages and Totals	**2.322% Avg Coupon**	**4.36 Avg Yrs Maturity**	**2.15 Avg Modified Duration**	**0.08 Avg Convexity**	**$105.155 Avg Price**	**0.512% Avg Yield to Worst**	**0.819% Avg Yield to Maturity**	**$5,096.54 Total Accrued Interest**	**$1,769,754.70 Total Principal**	**$1,774,851.24 Total Investment**

(n) Floating/Variable Rate (c) Yield to Call (p) Yield to Par Call (w) Yield to Middle Call (u) Yield to Put (dis) Discount Yield (r) Pre-Refund (t) Mandatory Put (f) Called in Full

RAYMOND JAMES®

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YIELDS REPRESENT YIELD TO MATURITY OR YIELD TO WORST CALL AS INDICATED. PLEASE REVIEW THIS INFORMATION CAREFULLY WITH YOUR FINANCIAL ADVISOR TO ASSURE IT MEETS YOUR INVESTMENT OBJECTIVES.

Minimum purchases may apply. Prices and yields are subject to change based upon market conditions and availability.

An overview of these investments, their features and risks is available at raymondjames.com, "Smart Bond Investing" at finra.org , under "Learn More" at investinginbonds.com, or emma.msrb.org.

RISK CONSIDERATIONS: These securities are subject to risk factors that may decrease (or increase) the market value of your investment. Interest or dividend rate risk is the risk that changes in interest rates may reduce (or increase) the market value of your investment. Generally, a rise in interest rates decreases market price; while a fall in interest rates increases market price. Default or credit risk is the risk that the issuer, obligor, or insurer will be unable to make interest payments or repay principal when due. Liquidity risk is the risk that you will be unable to sell these securities in the secondary market. If you decide to sell prior to maturity, your proceeds may be more or less than the original cost, and may be subject to capital gains or loss.

CREDIT RISK OR DEFAULT RISK refers to the risks that the issuer's creditworthiness may weaken or possibly the issuer will not be able to pay interest or repay principal. Adverse changes in the creditworthiness and rating may decrease value of the investment. Generally, higher yields and/or lower ratings reflect higher perceived credit risk. Independent rating agencies provide actual and underlying security ratings on most securities which at times include future outlook and/or placement of the security under review for future action. These ratings are subject to change at any time and are not meant as a recommendation to buy, sell or hold. Securities with the same rating can actually trade at significantly different prices. Raymond James trade confirmations, online accounts and monthly statements display only the current ratings and subsequent changes of those Rating Agencies to which Raymond James subscribes. Investors may request Moody's and/or S&P credit reports from their financial advisors, and Fitch reports are available for municipal bonds. To learn more please refer to moodys.com, standardandpoors.com, and fitchratings.com
Insurance, if specified, relates to the timely payment of principal and interest. Insurance does not guarantee market value or protect against fluctuations in bond prices resulting from general market fluctuations. No representation is made as to the insurer's ability to meet its financial commitments and the underlying credit should be considered. High yield bonds are not suitable for all investors and are generally considered speculative in nature with greater potential loss of interest and/or principal. Brokered Certificate of Deposit FDIC insurance covers up to $250,000 (including principal and interest) for deposits held in different ownership categories, including single accounts, joint accounts, trust accounts, IRAs, and certain other retirement accounts, per issuer. Funds may not be withdrawn until the maturity date or redemption date. However, these CDs are negotiable, which means, that although not obligated to do so, Raymond James and other broker/dealers currently maintain an active secondary market at current interest rates. FDIC insurance does not guarantee market value or protect against fluctuations in CD prices resulting from general market changes.
INCOME: In general, fixed income investments pay a fixed interest rate coupon. Some bonds, however can pay variable payments such as step coupons and or variable rates based on a predetermined formula. Interest from taxable zero coupon securities is subject to annual taxation as ordinary income, even though no income is received. Certain federally tax-exempt municipal securities, although federally tax-exempt, may be subject to federal alternative minimum tax (AMT). Brokered CDs annual percentage yields (APY) represents the interest earned based on simple interest calculations

MATURITY: Brokered CDs with a maturity of longer than 1 yr are considered as Long-Term. Certain early redemption features, such as a call at issuer's option, provide the issuer an option to repay principal prior to maturity and may change the term of the investment. Certain brokered CDs are also callable at the option of the issuer. Modified Duration and Convexity are measures of price sensitivity of a fixed-income security to changes in interest rates. Modified Duration is the approximate percentage change in price that would occur with a 1% change in interest rates. Convexity estimates the impact of interest rate changes on modified duration. Modified Duration and Convexity may be used together to approximate price volatility of fixed-income securities. Modified Duration does not account for early redemption features, such as calls by the issuer. Mortgage-backed securities and Collateralized Mortgage Obligations (CMOs) are priced based on average life which includes prepayment assumptions that may or may not be met and changes in prepayments may significantly affect yield and average life.

For more complete information about new issues, including charges and expenses, obtain a prospectus at sec.gov or municipal official statement at emma.msrb.org or from your Financial Advisor. Please read it carefully before you invest or send money.

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The information in this report has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. This firm may have a long or short position in the securities presented in this report and may buy or sell such securities in the course of our regular business.

Investors are urged to consult with their own tax advisors with regard to their specific situation prior to making any investment decisions with tax consequences.

EAST ORANGE COUNTY WATER DISTRICT

MEMO

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: **NOVEMBER 6, 2012 ELECTION – REGISTRAR OF VOTERS REQUEST**

DATE: MAY 11, 2012

Background

President VanderWerff and Director Chapman will be standing for re-election on November 6, 2012. Attached to this memorandum is a letter from the Registrar of Voters requesting: 1) how many words (either 200 or 400) the District authorizes for candidate statements and, 2) whether the District will pay for these statements. Historically, this District has authorized 200 words and has not elected to pay for the candidate statements. The Board action would authorize the District Secretary to record the Board action and submit it to the Registrar.

For information purposes, the candidate filing period begins July 16th and ends August 10th.

Recommendation

The Board authorize a 200 word-count for candidate statements and elect not to pay for candidate statements, and direct the District Secretary to so indicate the Board's action to the Registrar of Voters.

NEAL KELLEY
Registrar of Voters

Mailing Address:
P.O. Box 11298
Santa Ana, California 92711

REGISTRAR OF VOTERS
1300 South Grand Avenue, Bldg. C
Santa Ana, California 92705
(714) 567-7600
TDD (714) 567-7608
FAX (714) 567-7627
www.ocvote.com

April 20, 2012

RECEIVED

APR 23 2012

East Orange County Water District

TO: Manager/Director

FM: Kay Cotton, Candidate & Voter Services Manager KC

RE: Election Information for the November 6, 2012 General Election

Enclosed is a Transmittal of Election Information form to be completed and returned to the Registrar of Voters' office by May 18, 2012.

On the Transmittal of Election Information form, please list the name(s) of Director(s) whose term(s) expire and whose seat(s) will be scheduled for election on November 6, 2012. This would include any Director(s) appointed since your last election. Appointed Directors must file for the two-year unexpired term if they were appointed to fill a vacancy which would not have been scheduled for election until 2014.

We also need to know if your District **will** or **will not** pay for a Candidate's Statement of Qualifications and if the District is authorizing 200 or 400 words to be used in that statement.

Please send the completed Transmittal of Election Information form to me at 1300 South Grand Avenue, Building C, Santa Ana, CA 92705 or email to kay.cotton@rov.ocgov.com.

Pursuant to Elections Code § 10522, the District is required to submit a map showing the current district boundary lines, with divisions (if any), regardless if changes have occurred. We would prefer to receive the map in shape file format by email to rebecca.getzen@rov.ocgov.com.

Candidate Filing for the November 6, 2012 General Election will be July 16, 2012 through August 10, 2012, 5:00 p.m. The Candidate's Handbook will be on our website at the end of May. We ask that you post these important dates.

If you have any questions, please contact me at kay.cotton@rov.ocgov.com or (714) 567-7606. Thanks for your assistance.

Enclosure

TRANSMITTAL OF ELECTION INFORMATION SPECIAL DISTRICT

(EC §10509, §10522)

_____DISTRICT

DISTRICT BOUNDARIES:

Choose One:

☐ I will send to the Registrar of Voters an electronic shape file of District boundaries and the boundaries of the Divisions of the District, if any, in which a Director is to be elected at the November 6, 2012 General Election.
(Note: This is the Registrar of Voters' preferred method of transmittal.)

☐ Attached is a map showing the boundaries of this District and the boundaries of the Divisions of the District, if any, in which a Director is to be elected at the November 6, 2012 General Election.

Choose One:

Voters in the District will be voting: ☐ at-large ☐ by division

THE ELECTIVE OFFICES FOR WHICH AN ELECTION WILL BE HELD WITHIN THE SPECIAL DISTRICT ON NOVEMBER 6, 2012 ARE:

Choose One:

_____ Director(s) to be elected at-large
(# of directors)

OR

Director(s) to be elected in the following Divisions:

_____ in Division _____
(# of directors) (# of division)

_____ in Division _____
(# of directors) (# of division)

_____ in Division _____
(# of directors) (# of division)

_____ in Division _____
(# of directors) (# of division)

Please list below the names of the Incumbents/Appointed Incumbents for the above-mentioned positions:

(Name)_____ ☐ Elected ☐ Appointed (If appointed, the term ends in 20__.)

(Name)_____ ☐ Elected ☐ Appointed (If appointed, the term ends in 20__.)

(Name)_____ ☐ Elected ☐ Appointed (If appointed, the term ends in 20__.)

(Name)_____ ☐ Elected ☐ Appointed (If appointed, the term ends in 20__.)

The District authorizes the Candidate's Statement of Qualifications to contain no more than:

(Circle one) (200) or (400) words.

The District (will) (will not) pay for a Candidate's Statement of Qualifications.

Dated _____

(District Seal)

_____
(District Name)

Secretary of the _____ District

Note: Please send the above information and a boundary map to the Office of the Registrar of Voters by **May 18, 2012**.

EAST ORANGE COUNTY WATER DISTRICT

MEMO

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: **TABLET COMPUTER POLICY AND ALLOWANCE**

DATE: MAY 11, 2012

Background

In February, the Board directed staff to investigate the potential for moving to a "paperless agenda" by preparing it electronically and then being able to access it using a tablet computer (e.g., "iPad").

At the April Meeting, the Board reviewed information regarding the paperless agenda preparation process, distribution, the types and features of tablet computers and the total cost of implementing a paperless agenda process.

Significant discussion ensued regarding the privacy rights of elected officials with regards to these devices and who would own them. Staff was directed to research the issue and return with this information and a recommendation.

After discussion and informal polling at the April MWDOC Manager's Meeting; staff determined that most agencies provide an allowance to elected officials and senior management staff for communications devices; the tablet computer is considered to be one of the eligible communications devices. Additionally, most of those agencies that have gone to paperless agendas require the use of tablet computers as they do not prepare paper copies any longer.

Attached to this memo is a recommended Tablet Computer Policy, which includes uniform standards for the use of the tablet computer, a requirement for the use of tablet computers instead of paper copies for the Board Meeting Agenda and an allowance for the purchase of a Wi-Fi enabled tablet computer (the tablet device would only be able to access the internet if connected wirelessly to an internet modem), annotation software and protective cover.

If the Board approves this policy, we anticipate that we would produce the first official paperless agenda for the July meeting. A paperless agenda has been produced for the May Board Meeting and will be demonstrated, along with annotation software, to the Board at the meeting.

Recommendation

The Board take such action as they deem appropriate.

EAST ORANGE DISTRICT WATER DISTRICT
TABLET COMPUTER POLICY AND ALLOWANCE

I. PURPOSE AND SCOPE

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

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

II. DEFINITIONS

A. **Business Use**: Work-related tasks required to perform District assigned duties.

B. **Tablet Computer:** The tablet computer adapter, battery pack and other accessory equipment specific to the tablet computer used for District business purposes.

III. ELIGIBILITY

A. **Eligibility Criteria.**

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

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

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

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

IV. OWNERSHIP OPTIONS AND RESPONSIBILITES

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

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

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

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

V. TABLET COMPUTER REQUIREMENTS

C. **Security and Reporting Requirements**. Any elected official, officer or employee who uses a tablet computer for District business use shall protect their device against loss, theft or damage and shall report the loss of theft of the device to the General Manager as soon as possible for security reasons.

D. **Compliance with Applicable Laws and District Policies.** Any elected official, officer or employee who uses a tablet computer for District business use shall comply with all local, state and federal laws and District policies related to such use.

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

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

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

EAST ORANGE COUNTY WATER DISTRICT

MEMO

TO: BOARD OF DIRECTORS

FROM: GENERAL MANAGER

SUBJECT: **RECORDS RETENTION POLICY AND REQUEST TO DESTROY RECORDS**

DATE: MAY 11, 2012

Background

In 1968 the Legislature passed the California Public Records Act (PRA) (Government Code, Section 6250 et seq.) which is modeled after the federal Freedom of Information Act and details what government information is, and is not, available to the public. In general, all records are open to the public except 28 specific exemption categories listed in PRA, Section 6254. The PRA applies to all records, in whatever form, maintained by local public agencies.

With the exception of the PRA, county, city and/or local government agencies do not have a standardized program of accountability for their treatment of public records. Nor does local government have standard retention periods for various record categories other than certain record types identified in government codes that mandate specific local programs. To address this situation the 1999 legislature added Section 12236 to the Government Code, which required the Secretary of State to establish guidelines for local government records retention.

The District currently doesn't have a formal Records Retention Policy. To rectify this situation and to address a records management problem, the attached Records Retention Policy has been drafted for the Board's review and approval. As noted in the Policy, it has been developed to meet the both the requirements of the PRA and Government Code Section 12236.

With regards to the records management problem we are dealing with, currently the District is storing approximately 175 boxes of records in the Maintenance Shop. These records span the years from 1930 to present. Over the past month, the General Manager and our part-time clerical assistant have gone through all but 15 of the boxes and determined that 121 of these contain records have little or no value to the District and should be destroyed. An additional 38 boxes contain records that are valuable and/or should be retained to meet the requirements of the Records Retention Policy. A list of boxes of records recommended for destruction (Certificate of Records Destruction) via shredding by a certified document destruction company is attached, as is a list of those records proposed for retention (Certificate of Records Retention. It is staff's intent to digitize the retained documents that meet the "permanent retention" standard over time.

Recommendation

The Board approve the Records Retention Policy and authorize staff to destroy the records listed on the Certificate of Records Destruction and retain and digitize those records determined to meet the "permanent retention" standard.

East Orange County Water District

RECORDS RETENTION POLICY

The East Orange County Water District (District) has an obligation to create and maintain records and information in accordance with the California Public Records Act (PRA) (Government Code Section 6250 et seq.). Additionally, the California State Legislature adopted Section 12236 of the Government Code which establishes guidelines for local government records retention. This policy has been developed to meet both the requirements of the PRA as well as the guidelines developed by the Secretary of State to comply with Section 12236.

It shall be the District's policy to maintain records in accordance with the following Records Retention Schedule. Pursuant to Government Code section 60201, unless otherwise provided by state statute, all records not specifically mentioned in this policy shall be retained for a period of not less than two years.

In general, all records are open to the public except the specific exemption categories listed in the PRA, Section 6254.

RECORDS RETENTION SCHEDULE

Type	Title	Retention Period
ADM	**Administration**	
	Certificate of Records Destruction	Permanent
	Certificate of Records Retention	Permanent
	Correspondence/Email	Three years
	Policy and Procedures	Permanent
	Accreditation	Permanent
	Personnel files	Four years after termination
	Pension	Four years
	First aid records	Four years
	Safety/ MSDS	30 years
	Job application, Resumes, Ads	Two years
	I-9 (Immigration)	Three years after termination
	Interview Documents	Two years
BOD	**Board of Directors**	
	Agendas	Permanent
	Packets	Permanent
	Meeting notices	Permanent
	Minutes of Board Meetings	Permanent
	Resolutions	Permanent
	Ordinances	

COM	**Committees**	
	Meeting Notices	Permanent
	Packets	Permanent
CON	**Contracts**	
	Agreements and Contracts	Seven years following end of contracts
ELE	**Elections**	Permanent
	General	Permanent
EME	**Emergency Preparedness**	
	Correspondence	Permanent
	Plans	Permanent
FIN	**Financial**	
	Accounts payable	Three years following audit
	Correspondence	Three years following audit
	A/P Distribution Journal	Three years following audit
	Cash Disbursements	Three years following audit
	Check Stubs	Three years following audit
	Expense Reports	Three years following audit
	Invoices	Three years following audit
	Payroll	Three years following audit
	Wage (timecards, etc.)	Three years following audit
	Inventory	Three years following audit
	Debt Issuance Documents	Permanent
	Investments	Three years following maturity
	Accounts Receivable	
	A/R Register	Three years following audit
	Aged Trial Balance	Three years following audit
	Invoices	Three years following audit
	Audit Reporting	
	Correspondence/Workpapers	Permanent
	Reports	Permanent
	State Controller's Report	Permanent
	Banking	
	Correspondence	Three years following audit
	Bank Confirmations	Three years following audit
	Bank Reconciliation's	Three years following audit
	Bank Statements	Three years following audit
	Cancelled and Voided Checks	Three years following audit
	Deposit Slips	Three years following audit
	Signature Authorizations	Three years following audit

	Financial Reporting	
	Reports and Studies	Permanent
	Chart of Accounts	Permanent
	Ledgers	
	Balance Sheets	Three years following audit
	General Ledger	Three years following audit
	Journal Entries	Three years following audit
BIL	Billing Records	
	Application	Three years following termination
	Billing	Three years following audit
	Meter Reads	Three years following audit
	Collection Agency	Three years following collection or write-off
INS	**Insurance**	
	Memorandum of Coverage	Permanent
	Insurance Policies	Permanent
	Endorsements	Permanent
	Claims Audits	Permanent
	Certificates of Insurance	Permanent
LGL	**Legal**	
	General Correspondence	Permanent
	Attorney Correspondence	Permanent
	Conflicts of Interest Code	Permanent
	Conflicts of Interest stmts	Seven years following filing
	Agreements	Permanent
	Claims	Permanent
	Litigation	Permanent
	Opinions	Permanent
	Permits	Permanent
PROP	**Property**	
	Deeds	Permanent
	Easements	Permanent
	Permits	Permanent
CDPH	**Health Department**	
	Correspondence	Permanent
	Reports	Permanent
	Back-Flow Tests	Three years
EQUIP	**Equipment & Supplies**	
	Inventory Lists	Three years following audit
	Purchase Order/Requests	Three years following audit
	Equipment Maintenance	Permanent during life of equip

	Hardware/Software Documents	Permanent during life of equip
	Vehicle Information	Permanent during life of equip
	SCADA Data (Computer)	Permanent
	SCADA Data (Printed)	One year
PR	**Public Relations**	
	Newsletters	Permanent
	Press Releases	Permanent
ENG	**Engineering**	
	Maps	Permanent
	Construction Plans	Permanent
	Drawings – As Built	Permanent
	Project Specifications	Permanent
	Standard Specifications	Permanent until updated
	Permits	Permanent
	Reports/Studies	Permanent
WO	**WORK ORDERS**	
	Work Orders	Three years following audit
	USA Tickets	Three years following audit

EAST ORANGE COUNTY WATER DISTRICT
185 N. McPherson Road, Orange, CA 92869

CERTIFICATE OF RECORDS DESTRUCTION

This form documents the destruction of public records in accordance with the East Orange County Water District Records Retention Policy.

SUBMIT TYPE-WRITTEN FORM WITH ORIGINAL SIGNATURES

RECORDS TO BE DESTROYED

Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
2	RZ Billing and Meter Reads	4/15/97-12/15/97	Maintenance Annex	1	
3	EOCWD Paid Bills	1982-1983	Maintenance Annex	1	
4	Billing and meter Reads	4/15/96-2/15/97	Maintenance Annex	1	
5	Bank Statements	1984-1985	Maintenance Annex	1	
6	Payroll, State and Federal Quarterlies, PERS, Lincoln National, Timesheets	1999-2001	Maintenance Annex	1	
7	Accounts Payable	7/1/91-6/30/92	Maintenance Annex	1	
8	Billing and Meter Reads	6/15/95-2/15/96	Maintenance Annex	1	
9	WS Reads and WS Back Billing	1993-1996	Maintenance Annex	1	
10	County of Orange Financial Procedure Manuals, Journal Entries for FY	1992-1993	Maintenance Annex	1	
12	Accounts Payable	1991-1995	Maintenance Annex	1	

DESTRUCTION APPROVALS

NOTE: Public records may not be destroyed without receiving prior authorization from the Designated Records Officer.

We certify that the records listed above have been retained for the scheduled retention period, required audits have been completed, and no pending or ongoing litigation or investigation involving these records is known to exist.

Designated Records Officer (Print) _____ Signature _____ Date _____

Records Destroyed By (Print) _____ Signature _____ Date _____

EAST ORANGE COUNTY WATER DISTRICT
185 N. McPherson Road, Orange, CA 92869

CERTIFICATE OF RECORDS DESTRUCTION

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SUBMIT TYPE-WRITTEN FORM WITH ORIGINAL SIGNATURES

RECORDS TO BE DESTROYED

Schedule and Records Series Number	Records Series Title	Date Range (mo/yr)	Location	Volume	Destruction Method
13	Bank Statements, Financial Files, Check Stubs	7/91-6/92	Maintenance Annex	1	
14	Bank Statements, Cancelled Checks, Adjusting Entries	1992-1998	Maintenance Annex	1	
15	Bank and Investment Statements, Check Register	1998-1999	Maintenance Annex	1	
16	Accounts Payable	7/1/99-6/15/00	Maintenance Annex	1	
17	Paid Bills and General Ledgers	1984-1985	Maintenance Annex	1	
18	Payroll Worksheets	6/20/91-6/27/97	Maintenance Annex	1	
19	Payments and Deposit Slips	2/15/03-12/15/03	Maintenance Annex	1	
20	USA Tickets and Work Orders	2000-2002	Maintenance Annex	1	
21	Meter Reads and RZ Billing	2001	Maintenance Annex	1	
22	Misc Ledgers and Billing Information	1974-1980	Maintenance Annex	1	

DESTRUCTION APPROVALS

NOTE: Public records may not be destroyed without receiving prior authorization from the Designated Records Officer.

We certify that the records listed above have been retained for the scheduled retention period, required audits have been completed, and no pending or ongoing litigation or investigation involving these records is known to exist.

Designated Records Officer (Print) _____ Signature _____ Date _____

Records Destroyed By (Print) _____ Signature _____ Date _____

EAST ORANGE COUNTY WATER DISTRICT
185 N. McPherson Road, Orange, CA 92869

CERTIFICATE OF RECORDS DESTRUCTION

This form documents the destruction of public records in accordance with the East Orange County Water District Records Retention Policy.

SUBMIT TYPE-WRITTEN FORM WITH ORIGINAL SIGNATURES

RECORDS TO BE DESTROYED

Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
23	County of Orange Expenditure Reports	12/80	Maintenance Annex	1	
24	Paid Bills	1986-1987	Maintenance Annex	1	
25	Billing and Meter Reads	6/15/92-12/15/92	Maintenance Annex	1	
26	Billing Records and Ledgers	8/15/91-4/15/92	Maintenance Annex	1	
27	Quarterly Financial Information	1995-1996	Maintenance Annex	1	
28	Journal Entries for FY End	1998-1999, 1999-2000	Maintenance Annex	1	
30	Retail Billing and Meter Reads	2002	Maintenance Annex	1	
31	Meter Reads and RZ Billing Information	2000	Maintenance Annex	1	
32	Quarterly Financial Information and Paid Bills	1981-1983	Maintenance Annex	1	
33	Meter Reads and RZ Billing	1999	Maintenance Annex	1	

DESTRUCTION APPROVALS

NOTE: Public records may not be destroyed without receiving prior authorization from the Designated Records Officer.

We certify that the records listed above have been retained for the scheduled retention period, required audits have been completed, and no pending or ongoing litigation or investigation involving these records is known to exist.

Designated Records Officer (Print) _____ Signature _____ Date _____

Records Destroyed By (Print) _____ Signature _____ Date _____

EAST ORANGE COUNTY WATER DISTRICT
185 N. McPherson Road, Orange, CA 92869

CERTIFICATE OF RECORDS DESTRUCTION

This form documents the destruction of public records in accordance with the East Orange County Water District Records Retention Policy.

SUBMIT TYPE-WRITTEN FORM WITH ORIGINAL SIGNATURES

RECORDS TO BE DESTROYED

Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
34	Billing and Meter Reads	1998	Maintenance Annex	1	
35	Accounts Payable	1995-1996	Maintenance Annex	1	
36	Quarterly Financial Information	1994-1996	Maintenance Annex	1	
37	General ledgers	1987-1996	Maintenance Annex	1	
38	Quarterly Financial Information	1990-1994	Maintenance Annex	1	
39	Payments	1995-1996	Maintenance Annex	1	
40	Return Checks, Work Orders, USA Tickets	1987-1998	Maintenance Annex	1	
41	Collection Agency, Account Records Shut offs, Reconciliation, Special Assessments, Old Personal Policy Manuals	1992-1995	Maintenance Annex	1	
42	Quarterly Financial Information	1996-1997	Maintenance Annex	1	
43	Financial and Misc Records, General Ledgers, Journal Entries	1987-1988	Maintenance Annex	1	

DESTRUCTION APPROVALS

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Designated Records Officer (Print) _____ Signature _____ Date _____

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44	OCWA Salary Surveys	1990-1992	Maintenance Annex	1	
45	Financial Information and Computer Journals	7/92-6/93	Maintenance Annex	1	
46	Accounts Payable	7/90-6/91	Maintenance Annex	1	
48	Accounts Payable	7/1/96-6/30/97	Maintenance Annex	1	
49	Quarterly Financial Information, Computer and Handwritten Journal Entries	7/90-6/91	Maintenance Annex	1	
50	WS Reads, IRWD Back Billing, Tustin Summary	1995-2000	Maintenance Annex	1	
51	Duplicate Copies of AMP Official Statements	1989	Maintenance Annex	1	
53	Financial Statements, General Ledgers, Journal Entries	1980-1987	Maintenance Annex	1	
54	CAL- PERS, Circular Letters and Books	1987-2001	Maintenance Annex	1	
55	Payroll, Payroll Tax, Records, State/Fed Records, Payroll Worksheets/ Stubs	1993-1998	Maintenance Annex	1	

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56	WS invoices, WS Payroll, Deferred Compensation ¼ Reports, Return Checks	1992-1997	Maintenance Annex	1	
57	Yearly Backflow Tests	1989-2000	Maintenance Annex	1	
59	Bank Statements, Miscellaneous, Check Stubs, Financial Files	7/90-6/91	Maintenance Annex	1	
61	USA Ticket/ Work Orders	2005-2006	Maintenance Annex	1	
62	Recording Charts	1990-1993	Maintenance Annex	1	
64	Recording Charts	1984-1998	Maintenance Annex	1	
65	Accounts Payable	1986-1987	Maintenance Annex	1	
66	Bank Statements	1982-1983	Maintenance Annex	1	
67	Bank Statements	1983-1984	Maintenance Annex	1	
69	Billing Payments	7/97-6/98	Maintenance Annex	1	

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RECORDS TO BE DESTROYED

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70	Quarterly Financial Information	1988, 1989	Maintenance Annex	1	
71	Work Orders, Returned Checks, USA Tickets	1994-1998	Maintenance Annex	1	
72	USA Tickets	1996-1997	Maintenance Annex	1	
73	Quarterly Financial Information	1985-1986	Maintenance Annex	1	
74	Financial Information, Check Stubs, Payroll, Customer Correspondence, Bank Statements	1988-1989	Maintenance Annex	1	
76	Bank Statements, Financial Records, Reconciliation, Deposits, Investments	1994-1995	Maintenance Annex	1	
78	Misc Adjustment File Policies, Water Deliveries	1982-1985	Maintenance Annex	1	
80	Billing and Meter Reads	2002-2003	Maintenance Annex	1	

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RECORDS TO BE DESTROYED

Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
82	Water Bill Payments and Deposit Slips	2001-2002	Maintenance Annex	1	
84	RZ Billing Records	1/05-12/05	Maintenance Annex	1	
87	Accounts Payable Records	2011-2012	Maintenance Annex	1	
88	Billing and Meter Reads	2006	Maintenance Annex	1	
91	Accounts Payable	7/1/98-6/30/99	Maintenance Annex	1	
92	Standard Specification, Vehicle Maintenance Logs	1991-1998	Maintenance Annex	1	
95	Deposit Slips and Payments	4/15/00-8/20/00	Maintenance Annex	1	
96	Accounts Payable	7/1/00-6/30/01	Maintenance Annex	1	

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Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
97	Bank Statements, Deposits, Financial Records, Tax information, Investments, Reconciliations	1993-1994	Maintenance Annex	1	
98	Financial Statements, Management Letters	1983-1998	Maintenance Annex	1	
99	Meter Books, Terminated Application Cards 1-10	1989-1990	Maintenance Annex	1	
100	WS Billing, Health records, Check Stubs, Retail Deposits, Payroll Recap, Back Billing	1988-1990	Maintenance Annex	1	
101	Payroll Recap/ Old Employees- Apuron Linker/ Payroll Stubs PERS/ Deferred Comp.	1997-2000	Maintenance Annex	1	
102	Financial Records, Reconciliation, Bank Statements FY	2000-2001	Maintenance Annex	1	
103	Financial Records, Bank Statements, Check Register and Check Stubs, Journal Entries	7/1/01-6/30/02	Maintenance Annex	1	
104	SCADA Printouts	9/2/03-12/30/05	Maintenance Annex	1	
105	Journal Entries, Check Register	1994-1997	Maintenance Annex	1	
107	Accounts Payable	7/1/93-6/30/94	Maintenance Annex	1	

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Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
108	Payment Stubs and Deposit Slips	6/15/93-4/15/94	Maintenance Annex	1	
109	Accounts Payable, Deferred Compensation	1997-1998	Maintenance Annex	1	
111	General Ledgers	1995-2000	Maintenance Annex	1	
112	Accounts Payable	1992-1993	Maintenance Annex	1	
113	Adjusting Entries/ Quarterly Financial Information	1998-1999	Maintenance Annex	1	
114	Work Orders/ USA Tickets	2003-2004	Maintenance Annex	1	
115	RZ Payments and Billing Records	1999	Maintenance Annex	1	
118	Journal Entries/ Bank Reconciliations	2002-2003	Maintenance Annex	1	
119	Payroll and Deposit Slips	1/05-12/05	Maintenance Annex	1	
120	RZ Payment Stubs/ Deposit Slips	1/04-12/04	Maintenance Annex	1	

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RECORDS TO BE DESTROYED

Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
121	Bank Statements from District Accounts	1992-1993	Maintenance Annex	1	
123	RZ Payment Stubs/ Web Payments and Check Copies	4/15/10-10/15/10	Maintenance Annex	1	
124	RZ Billing and Meter Reads	2008	Maintenance Annex	1	
125	RZ Billing and Meter Reads	6/15/10-10/15/10	Maintenance Annex	1	
126	WS Billing and ½ Month Reads	2004-2006	Maintenance Annex	1	
128	RZ Billing and Meter Reads	2/15/07-12/15/07	Maintenance Annex	1	
129	Journal Entries	1998-2000	Maintenance Annex	1	
130	RZ Billing and Meter Reads	2004	Maintenance Annex	1	
131	RZ Payment Stubs	2/15/06-12/15/06	Maintenance Annex	1	
133	State and Federal Quarterlies, PERS, Deposits, Payroll Timesheets and Billing	2005-2008	Maintenance Annex	1	

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RECORDS TO BE DESTROYED

Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
134	Accounts Payable	7/1/04-6/30/05	Maintenance Annex	1	
135	Accounts Payable	7/1/03-6/30/04	Maintenance Annex	1	
136	Retail Billing and Meter Reads	2007-2008	Maintenance Annex	1	
137	Journal Entries/ Special Assessments/ RZ Payment Stubs	1995-1997	Maintenance Annex	1	
138	State and Federal Quarterlies, Payroll Timesheets	2004-2005	Maintenance Annex	1	
139	Accounts Payable	7/1/05-6/30/06	Maintenance Annex	1	
140	Accounts payable	7/1/02-6/30/03	Maintenance Annex	1	
141	USA Tickets	2007-2008	Maintenance Annex	1	
145	Accounts Payable, MWDOC Water Bills	7/1/01-6/30/08	Maintenance Annex	1	
150	Payroll Records, Personnel Records (Huermam Moreno, Kiddle), State and Federal Quarterly taxes	2003	Maintenance Annex	1	

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RECORDS TO BE DESTROYED

Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Destruction Method
151	Accounts Payable	7/1/06-6/30/07	Maintenance Annex	1	
152	Retail Billing, Payment Stubs	1996-2003 2004-2006	Maintenance Annex	1	
153	RZ Collections Correspondence, Return Checks	1996-2003 2004-2006	Maintenance Annex	1	
154	RZ Billing and Meter Reads	6/08-10/08	Maintenance Annex	1	
156	No Box- Missed Number		Maintenance Annex	1	

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EAST ORANGE COUNTY WATER DISTRICT
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CERTIFICATE OF RECORDS RETENTION

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SUBMIT TYPE-WRITTEN FORM WITH ORIGINAL SIGNATURES

RECORDS TO BE RETAINED

Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Retention Method
1	6MG Access Roads, Easement Deed, "Relocated' Deed, Relocation Files, "Silverado" Relocation	1989-1997	Maintenance Annex	1	Retain
11	Tract Maps and Permits	1977-1979	Maintenance Annex	1	Retain
29	Connection Correspondence, Connection Permits and WZ Connection Permits	1987-1992	Maintenance Annex	1	Retain
47	Bond Files, Old Construction Files	1986-1987	Maintenance Annex	1	Retain
52	Category 3 Completed Projects	1991-1992	Maintenance Annex	1	Retain
58	Tract Maps WW #8 Correspondence	1976-1980	Maintenance Annex	1	Retain
60	MJ Schiff, Completed Projects	1999-2000	Maintenance Annex	1	Retain
63	CDPH Reports	1986-1993	Maintenance Annex	1	Retain
68	Tract Maps and Drawings	1980, 1992	Maintenance Annex	1	Retain
75	6MG Reservoir –Roof Damage	1996-1997	Maintenance Annex	1	Retain
77	Baja Panorama Lawsuit	2000	Maintenance Annex	1	

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Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Retention Method
79	Baja Panorama Lawsuit	2000	Maintenance Annex	1	
81	Newport and Chapman Pipeline, Fairhaven Completed Projects	1985-1990	Maintenance Annex	1	Retain
83	Mountain Union Wireless	1994-2003	Maintenance Annex	1	Retain
85	Water Quality	1988-2007	Maintenance Annex	1	Retain
86	SAC Line Reorganization Study	1995-2001	Maintenance Annex	1	Retain
89	Water Quality Records	1994-2000	Maintenance Annex	1	Retain
90	Atlas Allied- Newport Control Valve Lawsuit	2002	Maintenance Annex	1	Retain
93	General Ledgers	1954-1978	Maintenance Annex	1	Retain
94	Ledgers, Journals, Cash Books	1930-1982	Maintenance Annex	1	Retain
106	Newport and Chapmen Pipelines Completed Projects	1989-1990	Maintenance Annex	1	Retain
110	Water Permits Development Agreement	1978-1988	Maintenance Annex	1	Retain

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Schedule and Records Series Number	Records Title	Date Range (mo/yr)	Location	Volume	Retention Method
116	State Controllers Reports/ Budgets	1996-2001	Maintenance Annex	1	Retain
117	Financial Statements	1995-2004	Maintenance Annex	1	Retain
122	Waterline Project Construction Plans for Greenwald Lane Waterline Project	2007-2008	Maintenance Annex	1	Retain
127	RZ Billing and Meter Reads	12/15/09-4/15/10	Maintenance Annex	1	Retain
132	RZ Payment Stubs	2/15/09-8/15/09	Maintenance Annex	1	Retain
142	Payment Stubs, Credit Card	12/15/10-10/15/11	Maintenance Annex	1	Retain

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143	RZ Payment Stubs	10/15/09-2/15/10	Maintenance Annex	1	Retain
144	RZ Billing and Meter Reads	12/15/10-10/15/11	Maintenance Annex	1	Retain
146	Accounts Payable	7/1/08-6/30/09	Maintenance Annex	1	Retain
147	Waterworks #8 Development Agreements/ Permits RZ	1970-1980	Maintenance Annex	1	Retain
148	Job Pictures and Address Keys	1970	Maintenance Annex	1	Retain
149	Computer Microfiche backups, diskettes, Floppy Disks	1962-1990	Maintenance Annex	1	Retain
155	RZ Billing and Meter Reads	2008-2009	Maintenance Annex	1	Retain
157	Waterworks #8 Misc Equipment and Operations Records	1970	Maintenance Annex	1	Retain

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RECORDS TO BE RETAINED

Schedule and Records Series Number	Records Series Title	Date Range (mo/yr)	Location	Volume	Retention Method
158	Customer Correspondence, Return Checks, Work Orders	2007-2009	Maintenance Annex	1	Retain
159	RZ Billing and Meter Reads	6/15/09-10/15/09	Maintenance Annex	1	Retain

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