



AGENDA

EAST ORANGE COUNTY WATER DISTRICT
(EOCWD)

Thursday, March 28, 2024 AT 5:00 P.M.
Clifton C. Miller Community Center
300 Centennial Way, Tustin, CA 92780

MEETING MAY BE ATTENDED IN-PERSON AT THE ABOVE-REFERENCED LOCATION, OR REMOTELY AT:

To Access the Meeting by Computer/Device

<https://us02web.zoom.us/j/81199487652?pwd=TzZrTDJNcWZ2OVpyUGxDOw5Na0JJdz09>

or via short link: <https://bit.ly/4cvBVuo>

To Access the meeting by Phone: Dial: (669) 444-9171

Meeting ID: 811 9948 7652 Passcode: 719224

Members of the public shall be permitted to speak live either in-person or by using the above-referenced internet or telephone options at the meeting as to both agendized and non-agendized items. Those wishing to speak may either submit a speaker request via the on-line chat feature before an item is heard, or by verbally indicating their desire to comment at the time the item is called. Additionally, members of the public may, but are not required to, e-mail comments to Sylvia Prado at sprado@eocwd.com up to 30 minutes before the Board meeting, and such comments shall be provided to the Board. Members of the public wishing to attend the meeting that require other reasonable modifications or accommodation to facilitate such attendance should contact Ms. Prado at (714) 538-5815 or the e-mail provided as soon as feasible before the meeting to make such request.

1. **Call Meeting to Order; Pledge of Allegiance – Director Thoms**
2. **Consideration of Teleconferencing Notifications or Requests from Board Members**
Per Government Code § 54953(f), less than a quorum of Board members may on a limited basis videoconference to Board meetings for just cause or emergency circumstances.
3. **Addition of Items Arising After Posting of Agenda Requiring Immediate Action**
(Requires 2/3 vote or unanimous vote if less than 2/3 of members are present)
Recommendation: Adopt resolution determining need to take immediate action on item(s) and that the need for action came to the District's attention after posting of the Agenda and that such item(s) be added to the Agenda.

4. **Public Communications to the Board:** Opportunity for members of the public to comment on agendized and non-agendized items. Each speaker and comment is limited to three minutes. During this time, e-mailed comments timely submitted to Ms. Prado shall be provided to the Board. Interested speakers who either verbally indicate their desire to speak during this item or submit a chat request at the beginning of the meeting shall be afforded an opportunity to address the Board. At the discretion of the Board President, comments on a particular agendized item may be deferred until that item is heard.

CONSENT CALENDAR (Items 5-14) All matters on the Consent Calendar are to be approved by one motion, without separate discussion on these items, unless a Board member or District staff request that specific items be removed from the Consent Calendar for separate consideration.

5. Minutes of Regular Board Meeting Held January 25, 2024
Recommendation: Approve minutes as presented.
6. General Manager's Report
Recommendation: Receive and File.
7. Wholesale and Retail Water Usage Report
Recommendation: Informational.

Items Approved by Administration & Finance Committee:

8. Schedule of Disbursements
Recommendation: Approval of disbursements as submitted.
9. Financial Statements
Recommendation: Informational.
10. Annual Audit
Recommendation: Receive and File.
11. Use of Remaining Fund Balance from \$20 Million Installment Purchase Agreement
Recommendation: Recommend Capital Budget Adjustment.
12. Proposed Revisions to Personnel Policy Handbook
Recommendation: Approve Revised Personnel Handbook.

Items Approved by Engineering & Operations Committee:

13. District HQ Furniture Vendor Selection
Recommendation: Ratify the General Manager's Vendor Selection.



MATTERS FOR CONSIDERATION

- 14. Conference and Meeting Requests
Recommendation: Authorize attendance as desired.

- 15. District Open House Discussion
Recommendation: Provide direction as desired.

MISCELLANEOUS ITEMS

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

- 17. Monthly Legislative & Outreach Report
Recommendation: Receive and File.

ADJOURNMENT

Adjourning to the next Regular Meeting scheduled for **April 25 ,2024**, or such other date as may be established by Item 12 of this Agenda, at 5:00 p.m., at the Clifton C. Miller Community Center, 300 Centennial Way, Tustin, CA 92780 or on-line as noticed pursuant to findings of the Board.

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

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

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

January 25, 2024

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District held at the Clifton C. Miller Community Center was called to order by President DOUGLASS DAVERT at 5:00 p.m. on Thursday, January 25, 2024, with Director JOHN SEARS leading the Pledge of Allegiance. Public attendance was permitted in-person or via video or teleconference. JEFFREY HOSKINSON, Secretary, recorded the minutes of the meeting.

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

Also present were:

DAVID YOUNGBLOOD
JEFF SMYTH
JERRY MENDZER
SYLVIA PRADO
JULIAN DE LA O SOLIS
JEFF HOSKINSON
HON. JOHN LEWIS*

General Manager
Engineering Manager
Operations Manager
Office Manager
Administrative Assistant
District Secretary and Legal Counsel
Lewis Consulting

* Attended via videoconference

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

2. Consideration of Teleconferencing Notifications/Requests.

ACTION TAKEN: None.

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).

ACTION TAKEN: None.

4. Public Communications to the Board. None received.

**** ITEM 12 WAS HEARD OUT OF ORDER**

Miscellaneous Items.

12. **Monthly Legislative & Outreach Report.** Hon. John Lewis of Lewis Consulting provided an overview of his written report, including an update on the New Hampshire primary and current County issues, including conflict of interest reporting.

ACTION TAKEN: The Board, on motion by MURDOCH, seconded by THOMS, by unanimous vote received and filed the report.

**** THE BOARD RETURNED TO THE BALANCE OF THE AGENDA AS AGENDIZED**

Consent Calendar. The Board, on motion from SEARS, seconded by NIELSEN, approved the balance of the Consent Calendar by unanimous vote as follows:

5. **Minutes:** THE MINUTES OF THE DECEMBER 14, 2023 REGULAR MEETING OF THE BOARD WERE APPROVED AS SUBMITTED;
6. **Schedules of Disbursements:** THE BOARD APPROVED THE SCHEDULE OF DISBURSEMENTS AS SUBMITTED;
7. **General Manager's Report:** THE BOARD RECEIVED AND FILED THE GENERAL MANAGER'S REPORT;
8. **Financial Statements:** THE BOARD RECEIVED AND FILED THE FINANCIAL STATEMENTS;
9. **Wholesale and Retail Water Usage Report:** THE BOARD RECEIVED AND FILED THE WHOLESALE AND RETAIL WATER USAGE REPORT; and

Matters for Consideration.

10. **Medical Insurance Benefits.** General Manager Youngblood introduced the item, discussing the proposed medical insurance benefit modifications and a survey of local agencies and competitive recruiting needs, projecting a cost impact to EOCWD of approximately \$50,000 per year. The Board engaged in a discussion over various elements of the proposed benefits, and cost impacts per employee and health plans included.

ACTION TAKEN: The Board, on motion from NIELSEN, seconded by SEARS, authorized the increase of medical insurance benefits to cover the costs to the employee and family.

Miscellaneous Items.

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

President Davert

12/14/23 EOCWD Regular Board Meeting
12/20/23 EOCWD Employee Recognition Holiday Lunch

Vice President Murdoch

12/14/23 EOCWD Regular Board Meeting
12/20/23 EOCWD Employee Recognition Holiday Lunch

Director Sears

12/8/23 Water Advisory Committee of Orange County (WACO)
12/14/23 EOCWD Regular Board Meeting
12/20/23 EOCWD Employee Recognition Holiday Lunch

Director Thoms

12/8/23 Water Advisory Committee of Orange County (WACO)
12/14/23 EOCWD Regular Board Meeting

Director Nielsen

12/14/23 EOCWD Regular Board Meeting

Director SEARS provided a summary of the monthly WACO meeting he attended.

Vice-President MURDOCH requested an update from General Manager Youngblood on the EOCWD Director boundaries and mapping of the District. General Manager Youngblood indicated that he had discussions with the County relative to the Director boundaries and some errors, and the EOCWD GIS Manager and OC Vote worked together to correct the discrepancies and the proper classification of EOCWD's services.

Adjournment.

The Board adjourned the meeting at approximately 5:38 p.m. to the next Regular Meeting of the Board of Directors to be held on **Thursday, March 28, 2024**, at 5:00 p.m., at the Clifton C. Miller Community Center, or at a location otherwise noticed.

Respectfully submitted,

Jeffrey A. Hoskinson



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: GENERAL MANAGER'S REPORT
DATE MARCH 28, 2024

Background

Monthly report from the General Manager on District activities

Recommendation

Receive and File.

Attachment(s): General Manager's Report

EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER'S REPORT

March 2024

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

SEWER

1) ID1 Update

Activities & Accomplishments for January and February include:

Activities

- Completed Groups 1 and 2 cleaning (see attached reports).
- Reviewed applications for sewer permits.
- Completed monthly siphon cleaning.
- Completed monthly hot spot cleaning.
- Completed CCTV inspections.
- Responded to sanitary sewer overflow on Barrett Lane
- Completed 63 FSE Inspections.
- Issued 19 FSE Permits.
- Completed Dig Alert tickets.
- Ordered misc. sewer supplies and tools.
- Provided training to water staff on use of combo trucks (on going).

Sewer Spills:

On February 13, 2024, staff discovered a manhole spilling near Barrett Lane and Old Foothill while performing bi-monthly meter reading. A piece of mortar like debris was found blocking the downstream opening of the manhole causing an estimated 397 gallons of sewage to be spilled. Staff was able to quickly respond and remove the blockage. Cleanup was performed as well as pipe cleaning and inspection along Barrett Lane from Old Foothill to St. Thomas Drive to ensure no other debris was in the pipes. Staff also installed a Smart Cover at this location to provide alerts should more debris become a problem.

Permits:

Update: Five (5) permits were issued in February; three (3) permits were issued for ADUs, two (2) in the City of Tustin and one (1) in the unincorporated area; two (2) permits were issued for SFR remodels, in the City of Tustin.

Eleven (11) sewer permits were issued in January; six (6) for SFR remodels, four (4) in the unincorporated area, one (1) in the City of Tustin, and one (1) in the City of Orange; five (5) permits were issued for ADUs, three (3) in the unincorporated area, one (1) in the City of Tustin and one (1) in the City of Orange.

WHOLESALE ZONE

1) WZ Water Demands

See attachment.

2) **Water Quality Update**

On September 6, 2023, Metropolitan Water District of Southern California (MWD) provided a water quality notice informing member agencies that the Diemer plant service area was experiencing nitrification. To address this MWD implemented several operational changes at the Diemer plant which included raising plant effluent pH, maintaining a plant effluent total chlorine residual of 2.7 mg/L, and minimizing free ammonia leaving the plant. In addition, the source water blend for the Diemer plant was lowered from approximately 80 percent State Water Project (SWP) to 25 percent. Once MET made the changes described above, staff was able to see significant improvements in water quality throughout the WZ system.

Update: Water quality throughout the system remains good. No issues to report.

3) **OC-43/Walnut Takeout RTU Panel**

Update: The SCADA RTU panel has been received, however, TESCO is still working on the program. It will be installed at a later date.

4) **WZ Connection Permits**

One (1) wholesale permit was issued in February in the City of Tustin.

Three (3) wholesale permits were issued in January, two (2) in the unincorporated area and one (1) in the City of Tustin

RETAIL ZONE

1) **Water Demand** – see attachments

2) **East Orange DroughtReach™ Program**

Update: RZ Demand was 3% lower in January 2024 than January 2023 and 22% lower in February 2024 than February 2023. Water efficiency messaging continues through social media and print media (Foothill Sentry).

3) **Well / Booster Station Operations**

No Update.

Well Levels – Update: There has been a rise over the last month in the groundwater level as shown on the attached graph. The pumping water level for the East Well in January was 206 feet BGS (below ground surface) and 204 feet BGS in February. Please note that pumping water levels have been as low as 297 feet BGS back in July 2014).

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

Update: A pre-construction meeting was held with Mike Bubalo Construction for the installation of the Customer PRV's. Authorization from the property owners for the installation of the PRVs has been received from the majority of owners. Construction of the customer PRV's is expected to start in April and construction of the pipeline has been delayed until May.

5) **VanderWerff Well/PFAS Treatment**

Update: Construction of the PFAS Treatment Plant and Well is 100% complete. Commissioning is in progress and they are expected to be fully operational in April.

6) **System Leaks**

None to report.

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

No permits were issued in January or February.

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

- Set up temporary pump in preparation for MET Treatment Plant outage in January 2024.
- Installed temporary hydro tank at Vista Panorama. Coordinated demolition of existing tank with contractor.
- Installed temporary piping for temporary hydro tank and relocated telemetry.
- Installed new vault for East Well meter.
- Removed and re-installed reservoir mixer at Newport reservoir. Needed repair.
- Verified customer lateral materials for Retail customers impacted by Zone 3 to Zone 2 Pipeline Project.
- Sent letters out and door tagged 78 Retail customers affected by Zone 3 to Zone 2 Pipeline Project.
- Repaired service leak in Stonehenge HOA.
- Coordinated cleaning and inspection work for Newport, Peters Canyon and Paul Andres reservoirs.
- Assisted contractor with installation of radio antennas at reservoir sites.
- Coordinated site work at Vista Panorama – grading and haul off.
- Received training on various pieces of equipment for treatment plant.
- Coordinated backflow testing for customer devices.
- Attended meetings for Barrett Booster Station, ID1, SCADA, Admin Building, Vista Panorama reservoir, Newport reservoir projects and Water Standards Update, Zone 2 to Zone 3 project.
- Ordered misc. tools, parts, and materials for water and sewer departments.
- Completed Dig Alerts.
- Monitored daily operations of reservoir chlorination system at Andres reservoir (Ops. Manager).
- Attended Groundwater Producer Meetings (Eng. Manager).
- Submitted monthly, quarterly, and annual reports to SWRCB.
- Reviewed weekly water quality data.
- Ordered water quality supplies.
- Attend weekly maintenance and operations meeting with GM (Engineering and Ops. Managers).

JOINT SYSTEM ACTIVITIES

A. **District Headquarters Building Replacement**

Update: The building is nearly complete. Move-in is expected late-April and completion if the remaining site work is expected in June. The emergency backup generator, a long lead time item, will be installed in November.

B. Pandemic Response (COVID-19) Plan

No Update.

C. Public Safety Power Shutoff (PSPS)

No Update.

D. SEDARU

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

E. GIS Newsletter

Newsletter attached.

F. Safety

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

January:

- Eye Protection
- Trenching Safety
- Backing up Hazards
- Stretching Pros and Cons Safety Talk
- Back Injuries and Prevention
- Fire Extinguishers Use and Inspection
- Slip Hazards
- Hydrogen Sulfide Safety Talk
- Skid Steer Safety
- Hand Safety and Injury Prevention

February

- Attitude and Behavior
- Dealing with Stress
- Homeless People
- Lighting Safety
- Trenching Checklist
- Working Along the Roadway
- Thunderstorms and Lightning Hazards
- Drowsy Driving

G. Engineering & Operations Committee

Minutes from the March 21, 2024 meeting are attached.

H. Administrative & Finance Committee

Minutes from the March 8, 2024 meeting are attached.



Monthly Sewer Asset Report

January 2024

Sewer Gravity Main Work

CCTV Inspections Conducted	6	Mains CCVT'd	6
Line Cleaning Conducted	235	Feet CCTV'd	1,392
Main Repairs Conducted	0	% of Monthly Target Cleaned	64%
Pipe Edits Completed	3	% of Year-to-date Annual Target Cleaned	64%
Root Foaming Conducted	0	% of Annual Target Cleaned	5%
Grand Total	244	Feet of Main Cleaned this Month	54,360
Feet of Main Root Foamed	0		

Easement Work

Easement Inspections Conducted	0
Easement Edits Completed	0

DigTicket Work

811 Locates Conducted	359
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Water Hydrants

Hydrant Meter Read	0	Water Used in CCF	0.00
		Water Used in Gallons	0

Manhole Work

Manhole Edit	0
Manhole Inspection	29
Manhole Rehab	0
Roach Spray	1789
Grand Total	1,818

Customer Work

Const. Inspection	0
Customer Investigation	2
Parcel Edit	0
Parcel Permit Info Edit	0
Pre construction	0
Grand Total	2

FOG Work

BMP GRE Inspection	13
BMP GRE Violation Follow-up	6
BMP Inspection	13
BMP Violation Follow-up	1
FOG Permitting	13
FSE Edit	1
GRE Inspection	6
GRE Violation Follow-up	2
Initial Inspection	0
Other Entity Inspection	0
Private Sewer Investigation	0
Grand Total	55

SSO Report

Spill Date and Time	Quantity
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Lateral Work

Lateral Connection Edit	0
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Monthly Sewer Asset Report

February 2024

Sewer Gravity Main Work

CCTV Inspections Conducted	6	Mains CCVT'd	6
Line Cleaning Conducted	301	Feet CCTV'd	910
Main Repairs Conducted	0	% of Monthly Target Cleaned	79%
Pipe Edits Completed	49	% of Year-to-date Annual Target Cleaned	71%
Root Foaming Conducted	0	% of Annual Target Cleaned	12%
Grand Total	356	Feet of Main Cleaned this Month	68,499
Feet of Main Root Foamed	0		

Easement Work

Easement Inspections Conducted	0
Easement Edits Completed	0

DigTicket Work

811 Locates Conducted	129
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Water Hydrants

Hydrant Meter Read	2	Water Used in CCF	14.50
		Water Used in Gallons	10,875

Manhole Work

Manhole Edit	14
Manhole Inspection	24
Manhole Rehab	0
Roach Spray	0
Grand Total	38

Customer Work

Const. Inspection	1
Customer Investigation	0
Parcel Edit	0
Parcel Permit Info Edit	0
Pre construction	0
Grand Total	1

FOG Work

BMP GRE Inspection	5
BMP GRE Violation Follow-up	2
BMP Inspection	21
BMP Violation Follow-up	2
FOG Permitting	1
FSE Edit	1
GRE Inspection	2
GRE Violation Follow-up	2
Initial Inspection	0
Other Entity Inspection	0
Private Sewer Investigation	0
Grand Total	36

SSO Report

Spill Date and Time	Quantity
2024-02-13 7:45:00	1

Lateral Work

Lateral Connection Edit	0
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Monthly Water Asset Report January 2024

Customer Work	
Conservation	1
Customer Leak	1
High Water Bill	3
Meter Changeout	2
Meter Connect	3
Meter Disconnect	2
Meter Edit	3
Meter Leak	1
Meter Read	4
Misc Customer Task	2
Grand Total	22

Hydrant Work	
Fire Flow Test	1
Hydrant Edit	0
Hydrant Flushing	14
Hydrant Installation	1
Hydrant Maintenance	4
Hydrant Meter Install	0
Hydrant Meter Read	1
Hydrant Meter Removal	2
Grand Total	23
Gallons Used	1,230

Facilities Work	
Andres Reservoir Site	3
Barret Reservoir Site	0
Facility Edit	0
Maintenance	8
McPherson Site	0
Newport Reservoir Site	0
Peters Canyon Reservoir Site	0
Repairs	0
Vista Panorama Reservoir Site	2
Grand Total	13

Pressure Reducing Station Work	
Pressure Reducing Station Edit	0
Pressure Reducing Station Maintenance	0
Grand Total	0

Water Distribution Line Work	
Main Leak Report	0
Pipe Edit	0
Grand Total	0
Service Lateral Leak	0

Lateral Work	
Lateral Edit	4
Lateral Inspection	202
% of LCRR Goal Reached	39%
Deadline: October 2024	

Parcel Work	
Door Tag	0
Parcel Review or Edit	0
Sewer Permit Review	0
Water Pressure Investigation	0
Water Quality Investigation	0
Grand Total	0

Production Meter Work	
Production Meter Changeout	0
Production Meter Maintenance	0

DigTicket Work	
Water	18

Sample Work	
In-House WQ Data	70

Pump Work	
Pump and Motor Maintenance	0

Valve Work	
Valve Edit	1
Valve Exercise	8
Grand Total	9

Air Vac Work	
Air Vac Edit	0
Air Vac Maintenance	0



Monthly Water Asset Report February 2024

Customer Work	
Conservation	0
Customer Leak	3
High Water Bill	3
Meter Changeout	2
Meter Connect	1
Meter Disconnect	1
Meter Edit	0
Meter Leak	3
Meter Read	3
Misc Customer Task	1
Grand Total	17

Hydrant Work	
Fire Flow Test	0
Hydrant Edit	0
Hydrant Flushing	32
Hydrant Installation	1
Hydrant Maintenance	2
Hydrant Meter Install	0
Hydrant Meter Read	0
Hydrant Meter Removal	0
Grand Total	35
Gallons Used	500

Facilities Work	
Andres Reservoir Site	2
Barret Reservoir Site	1
Facility Edit	0
Maintenance	3
McPherson Site	0
Newport Reservoir Site	3
Peters Canyon Reservoir Site	3
Repairs	0
Vista Panorama Reservoir Site	3
Grand Total	15

Pressure Reducing Station Work	
Pressure Reducing Station Edit	0
Pressure Reducing Station Maintenance	1
Grand Total	1

Water Distribution Line Work	
Main Leak Report	0
Pipe Edit	0
Grand Total	0
Service Lateral Leak	2

Lateral Work	
Lateral Edit	4
Lateral Inspection	0
% of LCRR Goal Reached	39%
Deadline: October 2024	

Parcel Work	
Door Tag	0
Parcel Review or Edit	0
Sewer Permit Review	0
Water Pressure Investigation	0
Water Quality Investigation	0
Grand Total	0

Production Meter Work	
Production Meter Changeout	0
Production Meter Maintenance	0

DigTicket Work	
Water	15

Sample Work	
In-House WQ Data	68

Pump Work	
Pump and Motor Maintenance	0

Valve Work	
Valve Edit	6
Valve Exercise	47
Grand Total	53

Air Vac Work	
Air Vac Edit	0
Air Vac Maintenance	0



THE VERSITILE FIRE HYDRANT

While onsite with our team as they replaced a valve and our contractor Doty Brothers relocated a hydrant and after doing some research, I learned that fire hydrants do so much more than provide an instant water supply during a fire emergency. They provide us with tools to maintain better water quality and act as devices that let us better maintain the system. In this instance—replacing a valve and moving a hydrant—system valves were closed to isolate the work area and a hydrant at a higher elevation was opened, as in the image below, which allowed air into the system and drained the areas to be worked.



Figure 1. Opened fire hydrant allowing air to enter the system.

The following figure shows a baffle being used to drain the system at the lower elevation.



Figure 2. Baffle draining system.

In order to do this without wasting water, the system has to be methodically isolated by closing valves. Jason Thorsell developed the shutdown procedure and calculated that it would take 30 minutes to drain the system. This calculation is important because if the system is not isolated properly, then water will continue to flow after 30 minutes, alerting you that there's a problem.

In addition to the fire fighting and hydraulic benefits hydrants provide, here are some other uses:

1. Pressure Testing: Hydrants are used to measure water pressure in the distribution system to ensure it meets safety standards.
2. System Calibration: Hydrants assist in calibrating water distribution systems by

measuring flow rates and pressure at various points.

3. Construction: Hydrants provide a temporary water source for construction projects, helping builders and contractors meet water requirements.
4. Emergency Water Supply: In case of water main breaks or other emergencies affecting the water supply, hydrants can serve as alternative water sources.
5. Public Events and Festivals: Hydrants may be used to supply water for public events, festivals, or gatherings where temporary water access is needed.
6. Water System Flushing: Hydrants are used to flush out sediment and maintain water quality by improving water circulation.



Figure 3. Our team replacing a valve.

7. Street Cleaning: Water agencies may use hydrants to supply water for street cleaning purposes.
8. Cooling Systems: Hydrants can provide water for cooling systems in industrial processes or equipment.
9. Training Exercises: Firefighters often use hydrants for training exercises to simulate real-life scenarios.
10. Film and TV Production: Hydrants may be used in the entertainment industry to create scenes that require water, such as rain or water spray.
11. Dust Suppression: Hydrants can be employed to suppress dust in construction sites or unpaved areas.

For all of these reasons, it is important that we inspect, test, and maintain hydrants on a regular schedule. Hydrants should be tested (flushed) at least once a year. However, hydrants at the end of a water line, known as dead end hydrants, should be flushed quarterly to help maintain proper water quality. 📍

A NEW FRONTIER IN EOCWD's SAGA

As some of you know, Aquatic Informatics has decided to no longer offer Sedaru, which will be going away in July ... so, just like 2023, all good things must come to an end.

However, since Sedaru has been writing all our data to an Esri geodatabase, we can spin up a new asset management system without having to migrate our data to a new format. How this affects all of us, in addition to making my life remarkably less miserable, is that all of your hard work, recorded in Sedaru for the past 10 years, won't be lost or corrupted, and will live on in perpetuity to continue to drive data-based analytics and decision making. In addition, over the past year, I have been documenting all our workflows that currently exist in Sedaru so that we can not only create the same workflows in the new

asset management system as they are in Sedaru, but also enhance them while we transition.

To replace Sedaru, we are spinning up Esri's ArcGIS Enterprise, which is the foundational software system for GIS, powering mapping and visualization, analytics, and data management. It is the backbone for running the Esri suite of applications and custom applications. Enterprise provides us with nearly unlimited ability to design an asset management system based entirely around our needs and how we want to use it. And, unlike other software companies that may come and go, ahem, Esri is well-established and won't be going away. Some stats: Esri has over a million active users in 350,000 organizations worldwide. Esri is a leading provider of GIS software and has a presence in every country. Fifty percent of Fortune 500 companies, most national governments, 20,000 cities, 50 US states, and 7,000+ universities rely on their technology. Esri has 4,000 employees from 73 countries, 10 regional U.S. offices, and over 3,000 partners globally.

Enterprise will also provide you more direct access to our GIS and data. Esri has made great progress in making the GIS more available to non-GIS professionals and provides you with simple tools to make your own maps, run your

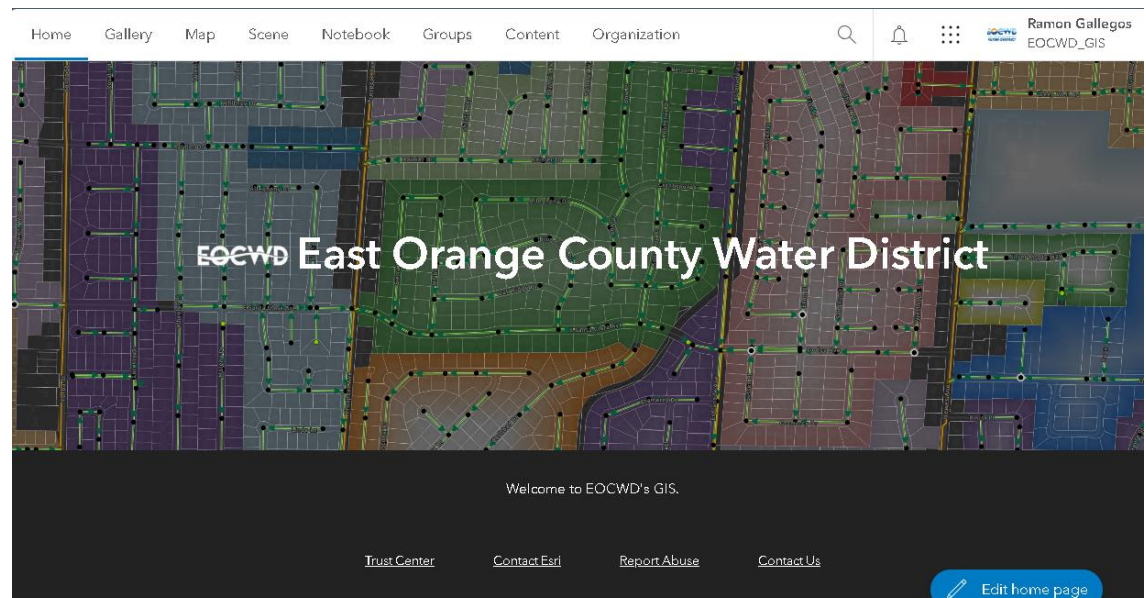


Figure 4. EOCWD's GIS Enterprise home page.

own queries and analysis, and even make your own apps! Esri offers a remarkable catalog of short training courses should you be interested in learning how to make our data work for you.

For the most part, Enterprise, for us, will provide asset management through different Esri apps and websites and will have more of a webpage interface, as in the previous image, which is our current home page. The home page is where you would go to access all our resources and maps.

Our mission is to *provide our customers with reliable, high quality water services featuring home town service, fiscal discipline and direct accountability*. I do believe Enterprise will enhance our ability to deliver on that mission. 📱

WHAT HAPPENED TO OUR LEAD??

The LCRR deadline is fast approaching! Due to a number of factors, such as short handedness and special projects, our early lead on our inventory has dissolved. Where, at one time, we could have made the deadline by identifying the material of 10 services a week, we now have to do 30. However, now that we have our new water intern, Brayden

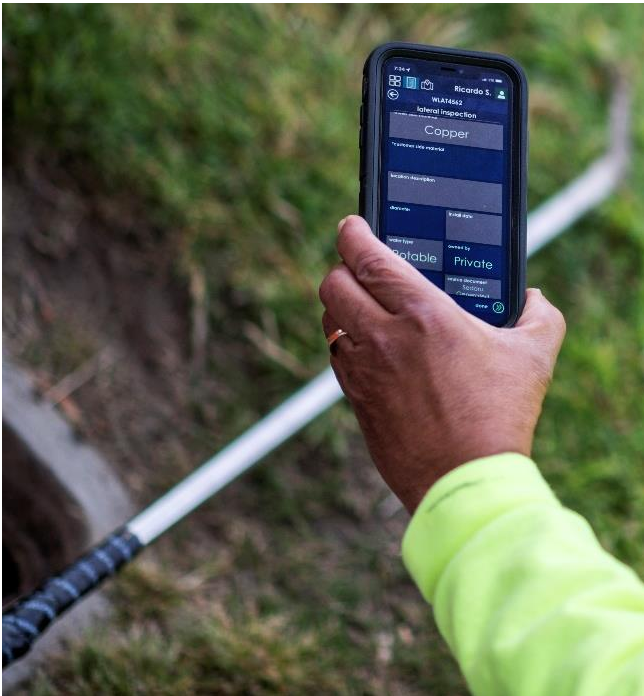


Figure 5. Recorded service line material

Bonnell (welcome aboard Brayden!), and with some of the special projects finishing up, we can get back on track to get this completed.

Here are some EOCWD data-laden statistics, (in other words, more than you probably care to know):

- We have a total of 1,210 domestic meters.
- This means there are a total of 2,420 lateral lines to gather material information for (1 lateral line on either side of the meter = 1 District lateral and 1 customer lateral per meter).
- This in turn means there are a total of 3,630 material points to record (2 material points for each customer lateral, 1 at the meter and one at the house connection, and 1 material point for each District lateral, 1 at the meter).
- We have already inspected 747 lateral lines, as in the following image.
- So far, we have zero lead in our service area. As in the previous image, 90% of service line material has been identified as copper. 📱



Figure 6. Inspected laterals are light blue. Non-inspected laterals are red.



PRESSURE ZONE CONVERSION

Because some Water Pressure Zone 3 mains need to be abandoned and replaced and given that the Vista Panorama Reservoir was removed, we had to create a project to install new pipe that would become part of Water Pressure Zone 2, as in the image below. In the image, the grey pipes, along Circula Panorama, are the Zone 3 main to be abandoned, and the red pipes are the new Zone 2 pipes that will replace them. Zone 2 has a greater water pressure than Zone 3, so the project also includes the installation of three new water

pressure reducing stations. Moreover, any residences that are connected to the Zone 3 mains to be abandoned and replaced (residences along the red pipes in Figure 1) must be retrofitted with their own pressure reducing valve (PRV).

In addition to all the steps needed for replacing a main, this project obviously had many other moving parts due to the residential PRV factor. First and foremost, we needed an accurate list of which customers were actually affected. This was paramount, as it dictated how much the project would cost. Second, we had to provide the bidding contractors with detailed information about the ground situation for each customer that would need a PRV—information that would directly impact schedule, liability, customer buy-in, and price. The contractors needed to know how much work each installation would be, such as

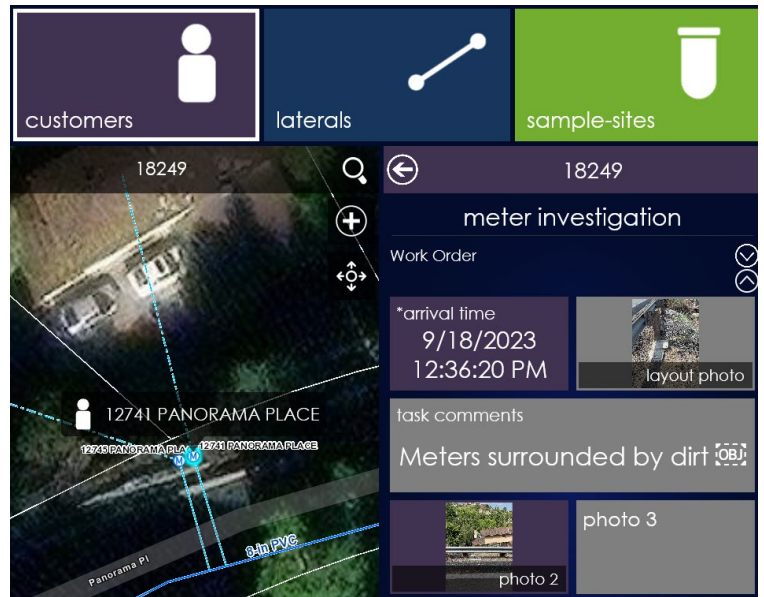


Figure 2. Meter Investigation workflow.

whether they would simply be digging into dirt or would have to cut through concrete, or if there would be obstacles such as fences to contend with, and so on. In response to these needs, we developed a short meter investigation workflow in Sedaru that went live September 2023, shown in the image above. For the most part, we already had the meter data necessary for the bidders to develop responsible bids, such as size and make. What was missing was something to provide the ground conditions, so the meter investigation’s main purpose was to enable our field team to capture a picture of the meter—as we all know, a picture is worth a thousand words—as well as to leave comments should they find something they think would impact the project.

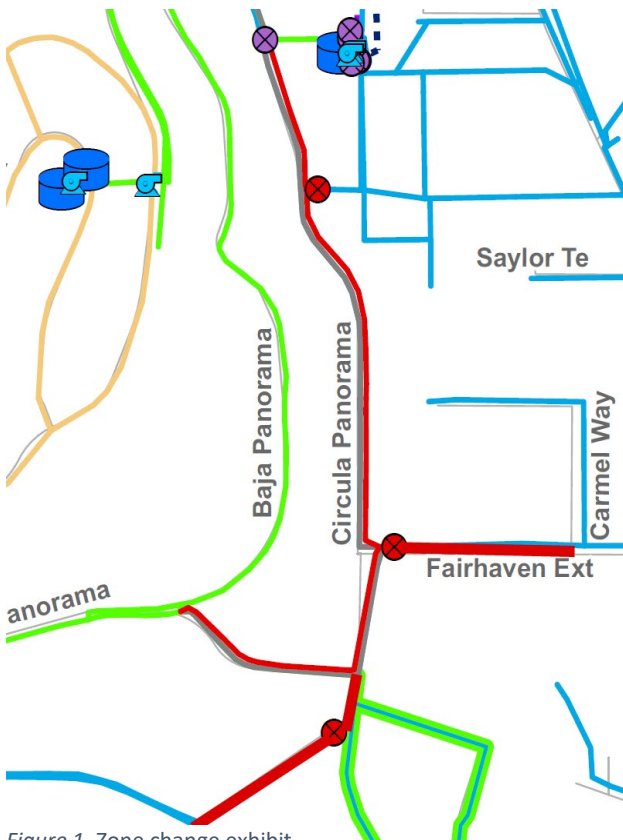


Figure 1. Zone change exhibit.

In Figure 2, you can see that Matt Plummer took two pictures of the meter and left us a descriptive comment. With this streamlined workflow, all necessary pictures were captured in a little more than two hours.

To ensure customer buy-in, we sent out mailers describing the project, why it was necessary, and how it would impact the customer. The mailer also requested that customers grant us and our contractor access to their yards.

A total of 78 customers were affected that would need a PRV installed. This presented a challenge: how do we provide the bidders with all the meter information and pictures? The meter information was easy enough; we could just include a table with address, meter size, and so on. But the pictures were going to be difficult—after all, there were 80+ pictures, too many to put on a static map and too many to add in a Word document. That's when we decided to simply use the GIS. After all, the pictures were already in the GIS because they were captured in Sedaru.

As I mentioned in the last GIS News letter, we will be transitioning to Esri products to replace Sedaru. Also, as I mentioned, Esri makes it terribly simple to create your own, GIS centric apps, and that is exactly what we did to be able to efficiently deliver the meter images to prospective bidders. By following an app-building wizard available on our Esri ArcGIS Online account, I was able to answer a few questions, and the wizard helped me design the app. Some of the questions were

1. What do you want the app to do?

2. Who is the audience?
3. Do they need to be able to edit data?
4. What information would you like the user to have access to?

The app was accessible simply by clicking a Uniform Resource Locator (URL) (a URL, or Uniform Resource Locator, is nothing more than the address of a given unique resource on the Web):

<https://eocwd.maps.arcgis.com/apps/instant/attachmentviewer/index.html?appid=473955fe51384caebce541f3a7deb748>. There was nothing for the user to install. The app enabled the prospective bidder to search for meters by address, pan and zoom around the map, toggle between multiple images, and ultimately decide the level of effort for each meter.

So, if or when you get a special project, consider using our GIS. We have loads of existing asset information, imagery, and work history, and Esri provides a nearly unlimited array of base data, such as the Department of Agriculture's Soil Survey. ¹¹

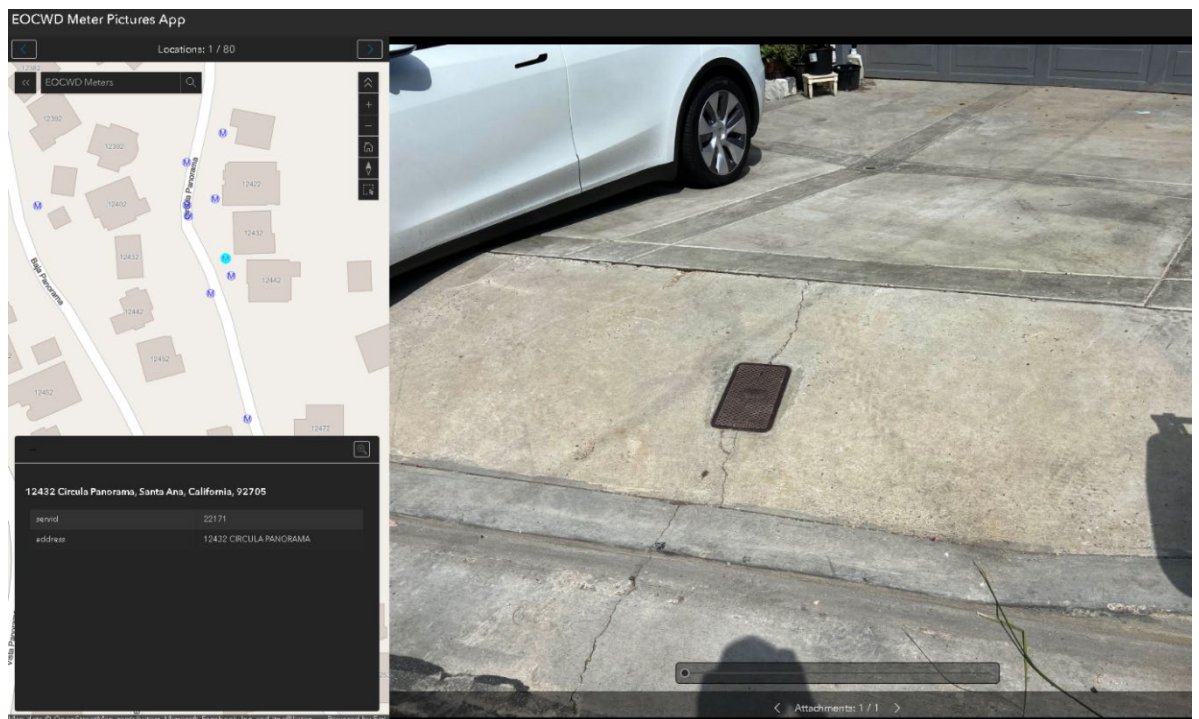


Figure 1. Meter picture app for bidding companies.

**Minutes of the
Engineering & Operations Committee
March 21, 2024**

1. The meeting was called to order at 4:33 p.m. by Director Murdoch.

The following Directors attended the meeting: Director Murdoch and Director Thoms. Also present at the meeting were: David Youngblood – General Manager, Jeff Smyth – Engineering Manager, Jerry Mendzer – Operations Manager, and Sylvia Prado – Office Manager.

2. No public comments were received.
3. No additional items were added to the agenda.

Informational Items

4. RZ Well Levels, System Status, and Water Use – Staff informed the Committee there weren't any leaks in the Retail Zone since the last Committee meeting [November 16, 2023]. Staff is working on the service lateral inventory in compliance with the Lead and Copper Rule. The current intern has been assisting with sewer maintenance. Staff noted groundwater levels are high and water use has declined to a historic low of 38 acft.
5. WZ System Status and Water Use – Staff informed the committee regarding reservoir inspections and cleaning.
6. Sewer System Status and Permit Reports – Staff informed the Committee regarding a 400 gallon sewer spill on February 13, 2024 on Barrett Lane near old foothill. The spill was caused by a piece of dried concrete that got lodged in a manhole and caused the spill. It did not appear that the concrete had originated from the system. Director Thoms noted construction on Ethelbee and Marshall. Staff will verify permitting for the construction.
7. Capital Projects Update – Staff presented information regarding capital project budget to actual financial status and a more detailed presentation on the current status of large capital projects. Director Murdoch commented a Risk Management Plan may be required for the treatment plant due to the presence of ammonia. Staff will verify the requirements and take additional action as necessary.
8. Sharon Lane Lift Station – Staff presented the item to the Committee. Directors Thoms and Murdoch were supportive of concept the lift station transfer and directed staff to move forward.

Action Items

9. District Headquarters Building Furniture Vendor Selection – Staff presented the item to the Committee. The Committee recommended presenting the item to the Board for ratification of the award.
10. East Well Electrical Construction Award – Staff presented the item to the Committee. The Committee awarded the contract to Big Bear Electric in the amount of \$121,788 and authorized and approved the General Manager a \$25,000 contingency for the construction of the East Well Electrical upgrades.
11. Adjournment at 5:39 p.m.

**Minutes of the
Administration & Finance Committee
March 8, 2024**

Present: Chair John Sears, Director John Nielsen, David Youngblood – General Manager, Sylvia Prado – Office Manager, Paul Kaymark of Nigro & Nigro PC, Devin Sinner of Eide Bailly.

The meeting was called to order at 9:00 a.m. by Director Sears.

No public comments were received.

No additional items were added to the agenda.

1. Monthly Financial Reports December 2023 - Staff reported monthly financials for December 2023. Director Nielsen inquired about the difference in the operating revenue. Staff informed this is due WZ agencies taking more water than usual because of PFAS. Staff informed the Committee that hopefully, by end of the year EOCWD will be back on ground water. Staff informed the Committee about a meeting that will be scheduled with OCWD to discuss City of Tustin pumping additional water.
2. Monthly Disbursements - Staff reported monthly disbursements.
3. Annual Audit – Paul Kaymark of Nigro & Nigro presented the Committee with a summary of his findings. Staff reported that the District received a “clean opinion”. The Committee concurs with Staff’s recommendation.
4. \$20 million Installment Purchase Agreement – Staff reported to the Committee final accounting expenditures. The \$1.5 million remaining funds will be applied to the Vista Panorama Pipeline Project. Staff reported that the New District Building will not be funded by these funds. Staff reported an astonishing amount of capital projects this past year and an update will be presented to the Engineering & Operations Committee on Capital Improvement Projects. The Committee concurs with Staff’s recommendation.
5. Proposed Revision to Personnel Handbook – Staff reported minor changes to the Personnel Policy Handbook. The Committee concurs with Staff’s recommendation.

Adjourned at 9:35 a.m.



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: WHOLESALE AND RETAIL WATER USAGE REPORT
DATE MARCH 28, 2024

Background

Monthly report on wholesale and retail water usage for the months of January & February 2024.

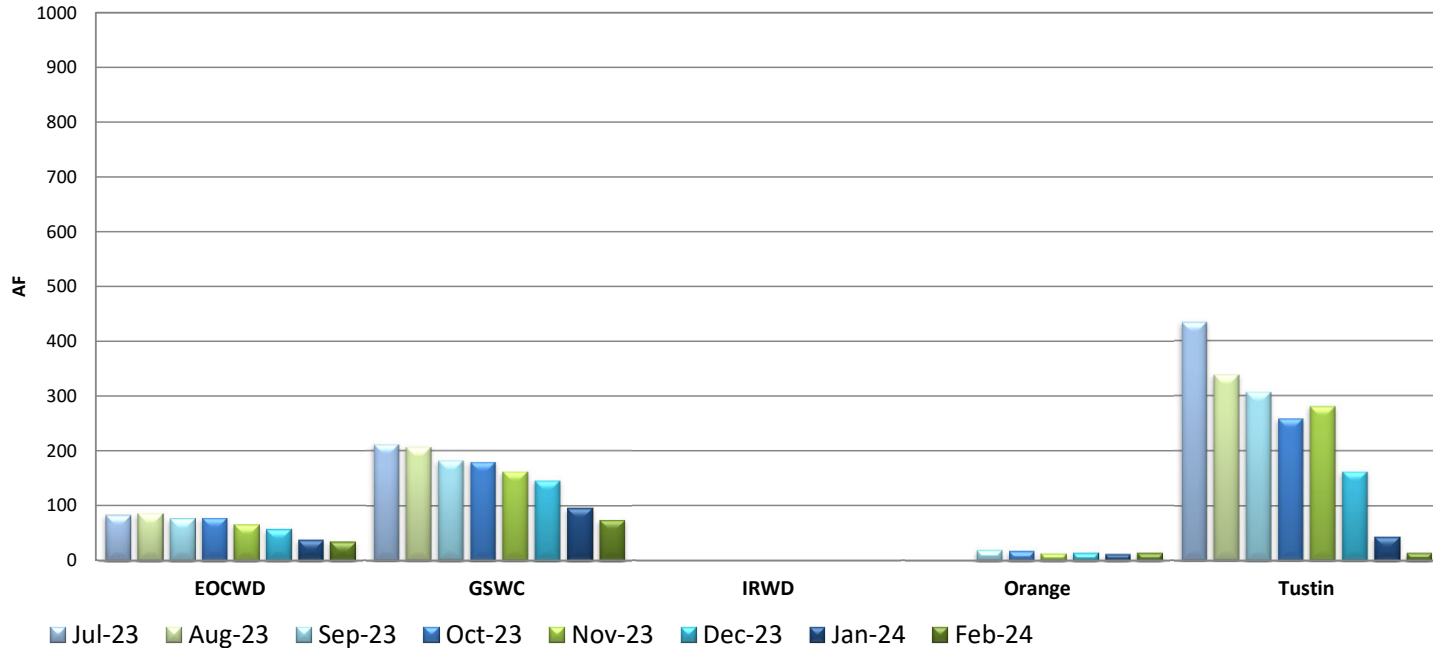
Recommendation

Informational.

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

Wholesale Zone Water Demand

Total Monthly Sales for February 2024 = 139.8 AF
 Total YTD Sales for July 2023 - June 2024 = 3,710.4 AF



EOCWD IMPORTED WATER DELIVERY BALANCE - FY23/24

(Acre-feet)

	OC-43	OC-48				OC-70						TOTAL DELIVERIES BY AGENCY				
	MWD Tustin	Retail Zone	Golden State	Tustin	MWD Total	IRWD Jamboree	Orange	Retail Zone	Golden State	Tustin	MWD Total	IRWD OPA	Orange	Retail Zone	Golden State	Tustin
JUL	206.2	0.0	19.2	220.6	239.8	0.0	0.0	82.1	192.9	7.4	282.4	0.0	0.0	82.1	212.1	434.2
AUG	168.8	0.0	17.7	166.4	184.1	0.0	0.0	85.1	189.6	3.4	278.1	0.0	0.0	85.1	207.3	338.6
SEP	156.2	0.0	16.7	147.2	163.9	0.0	18.7	76.0	166.0	4.0	264.7	0.0	18.7	76.0	182.7	307.4
OCT	94.9	0.0	16.7	160.8	177.5	0.0	17.2	77.1	163.3	3.2	260.8	0.0	17.2	77.1	180.0	258.9
NOV	146.6	0.0	15.3	131.3	146.6	0.0	12.9	65.2	147.4	3.1	228.6	0.0	12.9	65.2	162.7	281.0
DEC	57.3	0.0	10.9	89.8	100.7	0.0	14.0	57.0	135.3	15.8	222.1	0.0	14.0	57.0	146.2	162.9
JAN	6.7	0.0	9.3	29.7	39.0	0.0	11.9	38.1	87.6	8.0	145.6	0.0	11.9	38.1	96.9	44.4
FEB	6.2	0.0	5.3	5.8	11.1	0.0	14.2	34.8	70.2	3.3	122.5	0.0	14.2	34.8	75.5	15.3
MAR												0.0	0.0	0.0	0.0	0.0
APR												0.0	0.0	0.0	0.0	0.0
MAY												0.0	0.0	0.0	0.0	0.0
JUN												0.0	0.0	0.0	0.0	0.0
Total	842.9	0.0	111.1	951.6	1062.7	0.0	88.9	515.4	1152.3	48.2	1804.8	0.0	88.9	515.4	1263.4	1842.7

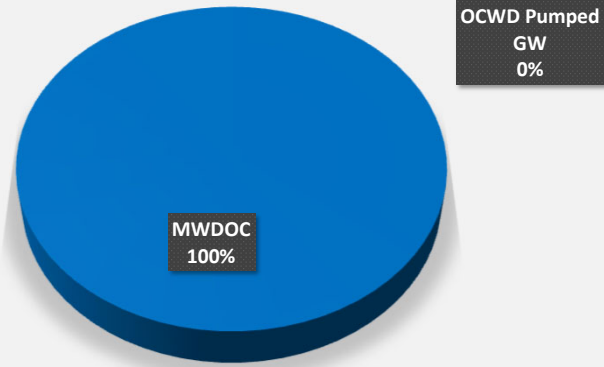
East Orange County Retail Zone Water Usage Report

East Orange County Retail Zone Overview of Usage FY 2023-24 Monthly Water Use

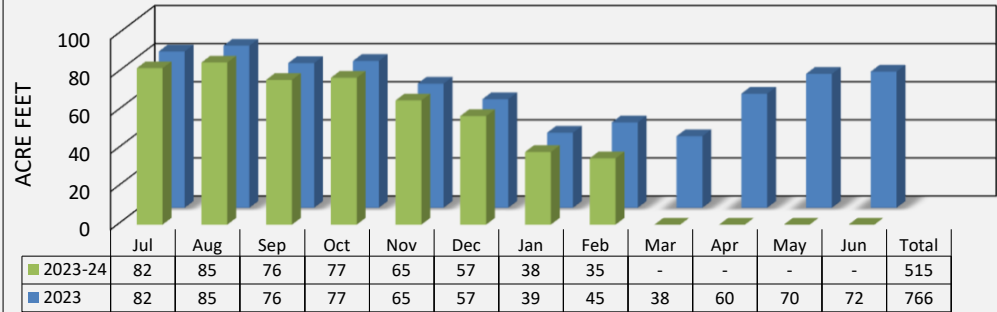
Type of Supply	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWDOC	82	85	76	77	65	57	38	35	-	-	-	-	515
OCWD Pumped GW	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	82	85	76	77	65	57	38	35	-	-	-	-	515

2023 MWDOC Usage	82	85	76	77	65	57	39	45	38	60	70	72	766
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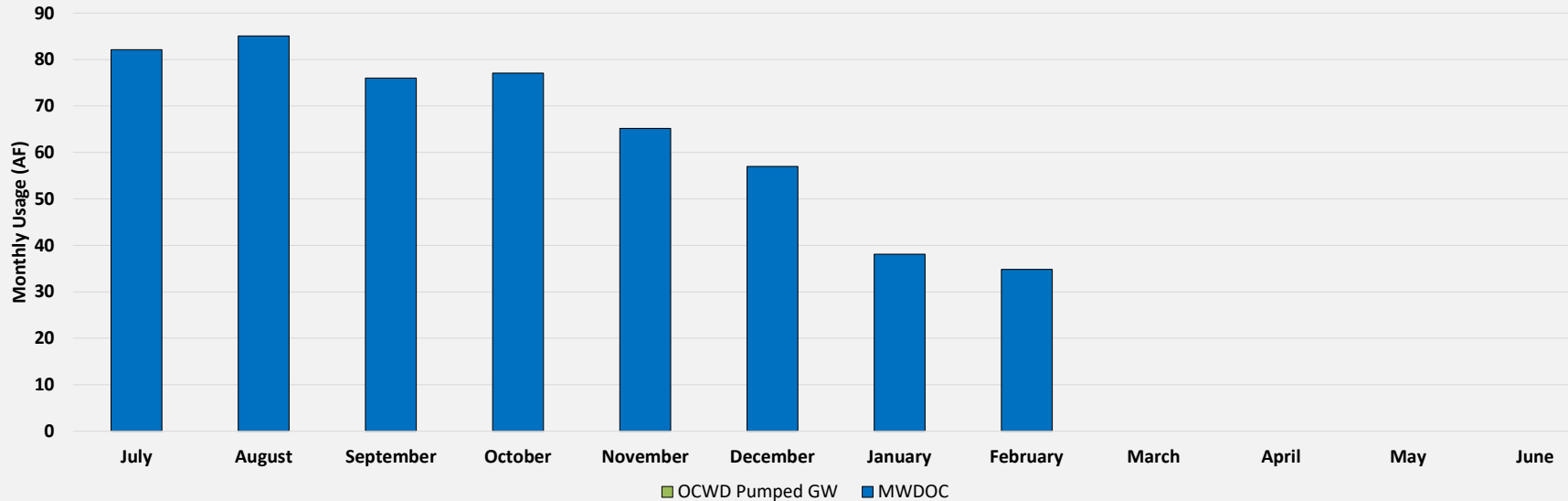
2023-24 Sources of Water



MWDOC Calendar Year and Fiscal Year Purchases



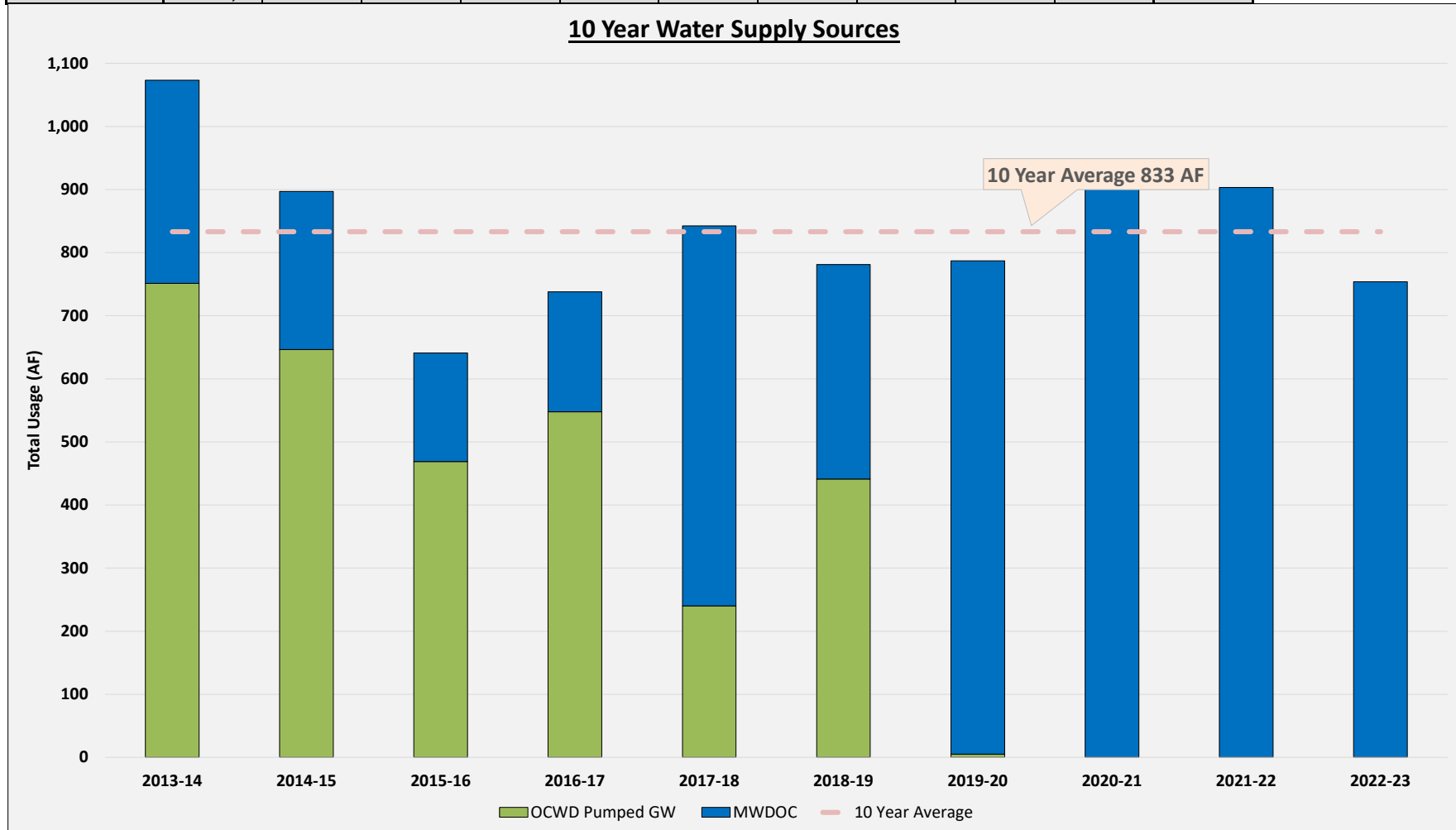
2023-24 Monthly Water Supply Sources



East Orange County Retail Zone Water Usage Report

Annual Water Usage

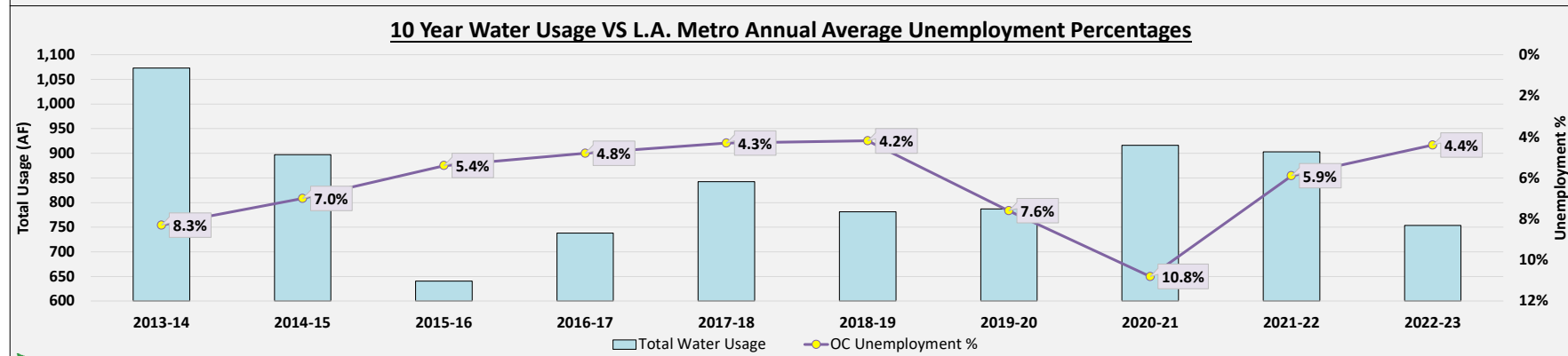
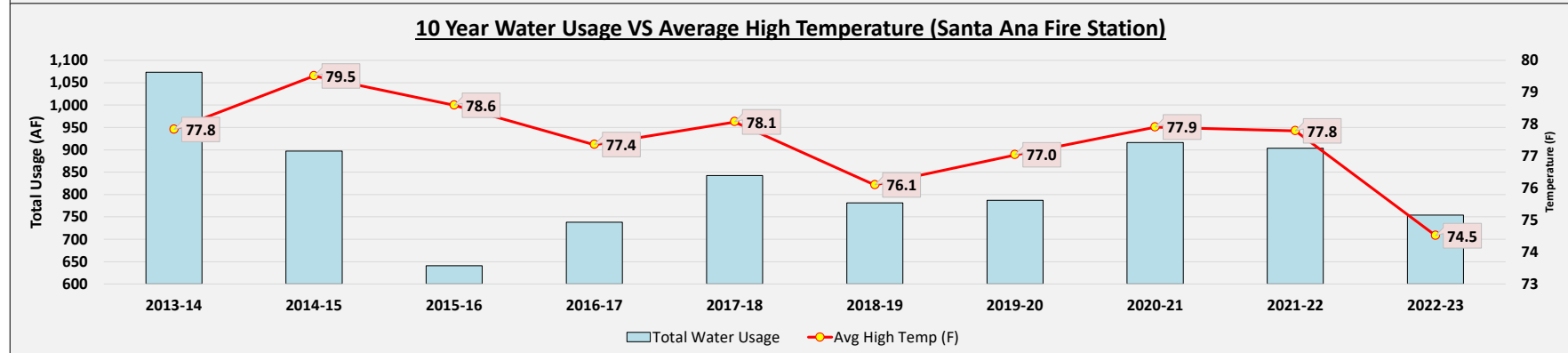
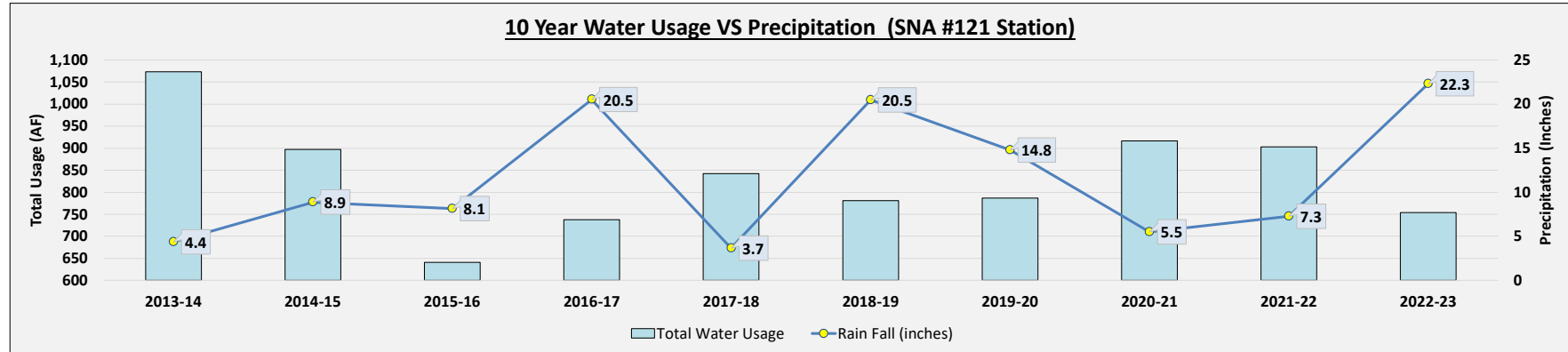
Type of Supply	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
MWDOC	322.0	250.7	172.1	190.2	602.1	340.0	781.8	916.4	903.3	753.9	523.3
OCWD Pumped GW	751.3	646.3	468.8	547.8	240.2	441.3	5.2	0.0	0.0	0.0	310.1
Total	1,073	897	641	738	842	781	787	916	903	754	833



East Orange County Retail Zone Water Usage Report

Water Usage Variables

Type of Supply	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Average
Rain Fall (inches)	4.4	8.9	8.1	20.5	3.7	20.5	14.8	5.5	7.3	22.3	11.6
Avg High Temp (F)	77.8	79.5	78.6	77.4	78.1	76.1	77.0	77.9	77.8	74.5	77.5
OC Unemployment %	8.3%	7.0%	5.4%	4.8%	4.3%	4.2%	7.6%	10.8%	5.9%	4.4%	6.3%
Total Water Usage	1,073	897	641	738	842	781	787	916	903	754	833



East Orange County Retail Zone Water Usage Report

East Orange County Retail Zone Detailed Usage Historical Monthly Potable Usage (Fiscal Year, July-June)

Fiscal Year	July	August	September	October	November	December	January	February	March	April	May	June	Total
2017-18 Usage	87	98	77	81	60	70	53	49	45	67	71	84	842
2018-19 Usage	107	99	85	73	62	40	47	29	43	61	59	77	781
2019-20 Usage	82	87	86	83	68	46	47	56	38	52	67	76	787
2020-21 Usage	90	99	93	90	74	68	62	54	43	64	84	95	916
2021-22 Usage	100	102	89	76	73	48	55	62	69	72	78	79	903
2022-23 Usage	84	87	81	68	57	53	39	45	38	60	70	72	754
Average of Last 6 FYs	92	96	85	79	66	54	51	49	46	63	72	80	831
Monthly Usage Percentage	11%	12%	10%	9%	8%	7%	6%	6%	6%	8%	9%	10%	100%

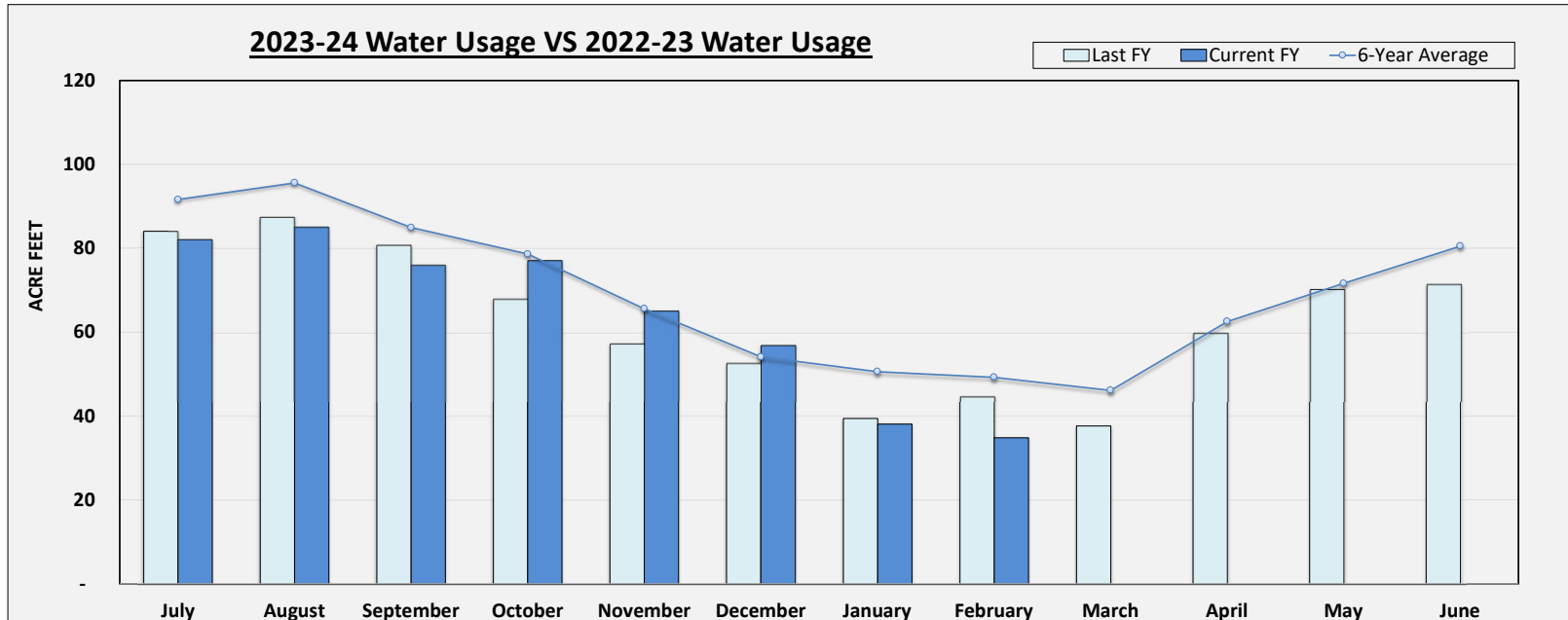
Water Usage By Source

Imported	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWD via EO Wholesale	82.1	85.1	76.0	77.1	65.2	57.0	38.1	34.8					515.4
Water from IRWD during OC-70 shutdown	-	-	-	-	-	-	-	-					-
CPTP	-	-	-	-	-	-	-	-					-
MWD In-Lieu*	-	-	-	-	-	-	-	-					-
Imported Total	82	85	76	77	65	57	38	35	-	-	-	-	515.4

*In-lieu totals are subtracted from imported totals

Local	July	August	September	October	November	December	January	February	March	April	May	June	Total
OCWD Pumped GW	-	-	-	-	-	-	-	-					-
Less Fill up Reservoir	-	-	-	-	-	-	-	-					-
Less CPTP	-	-	-	-	-	-	-	-					-
Local Total (minus reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-

Total Usage 2023-24	82	85	76	77	65	57	38	35	-	-	-	-	515
FY 22-23 versus FY 23-24	-2%	-3%	-6%	+13%	+14%	+8%	-3%	-22%					

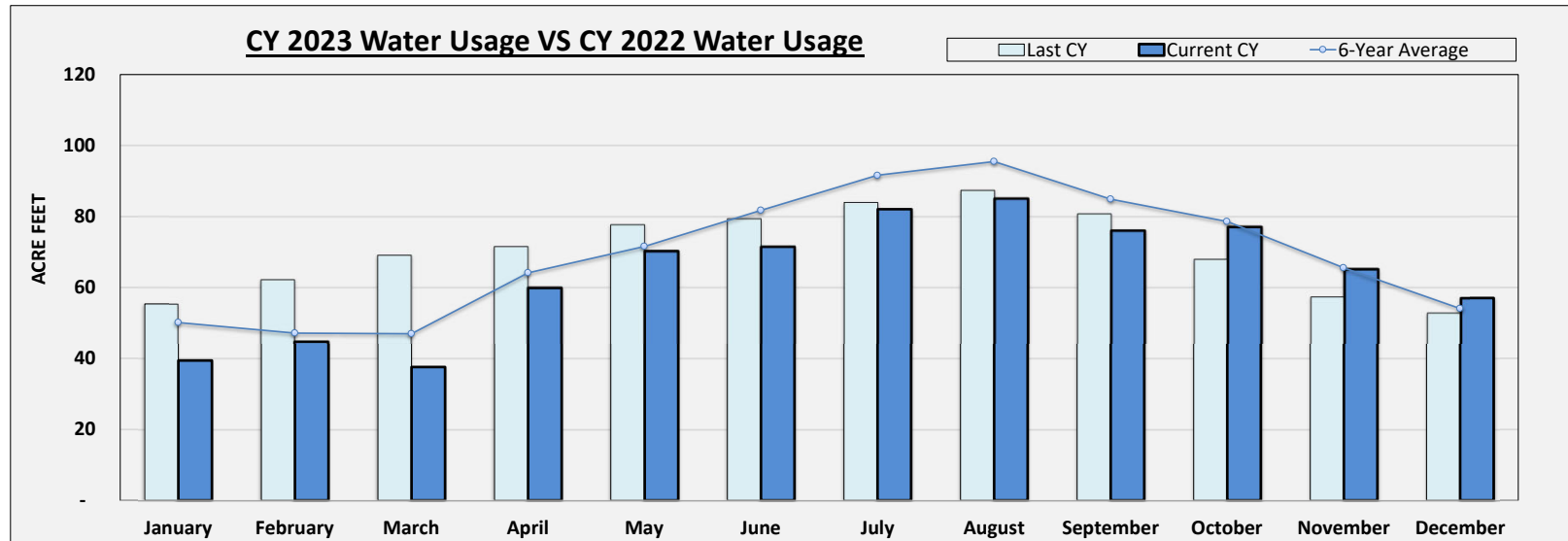


East Orange County Retail Zone Water Usage Report

Historical Monthly Potable Usage (Calendar Year)

Calendar Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2017	37	32	43	70	70	79	87	98	77	81	60	70	803
2018	53	49	45	67	71	84	107	99	85	73	62	40	835
2019	47	29	43	61	59	77	82	87	86	83	68	46	767
2020	47	56	38	52	67	76	90	99	93	90	74	68	849
2021	62	54	43	64	84	95	100	102	89	76	73	48	891
2022	55	62	69	72	78	79	84	87	81	68	57	53	846
6 year Average	50	47	47	64	72	82	92	96	85	79	66	54	832

Total Water Usage 2023	39	45	38	60	70	72	82	85	76	77	65	57	766
2023 VS 2022 Usage	-29%	-28%	-46%	-16%	-10%	-10%	-2%	-3%	-6%	+13%	+14%	+8%	



	Population	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2022 Usage (AF)	3,515	55	62	69	72	78	79	84	87	81	68	57	53	846
2022 GPCD		166	206	207	221	232	245	251	261	250	203	177	158	215
2023 Usage (AF)	3,534	39	45	38	60	70	72	82	85	76	77	65	57	766
2023 GPCD		117	148	112	184	209	220	244	253	234	229	200	170	194
CY over CY change in GPCD		-48	-58	-95	-37	-23	-26	-7	-8	-16	+26	+23	+12	-21

	Population	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2022-23 Usage (AF)	3,515	84	87	81	68	57	53	39	45	38	60	70	72	754
2022-23 GPCD		251	261	250	203	177	158	118	148	112	185	210	221	191
2023-24 Usage (AF)	3,534	82	85	76	77	65	57	38	35	-	-	-	-	515
2023-24 GPCD		244	253	234	229	200	170	113	115	-	-	-	-	196
FY over FY change in GPCD		-7	-8	-16	+26	+23	+12	-5	-34					+4

*Cumulative through the end of the last month shown

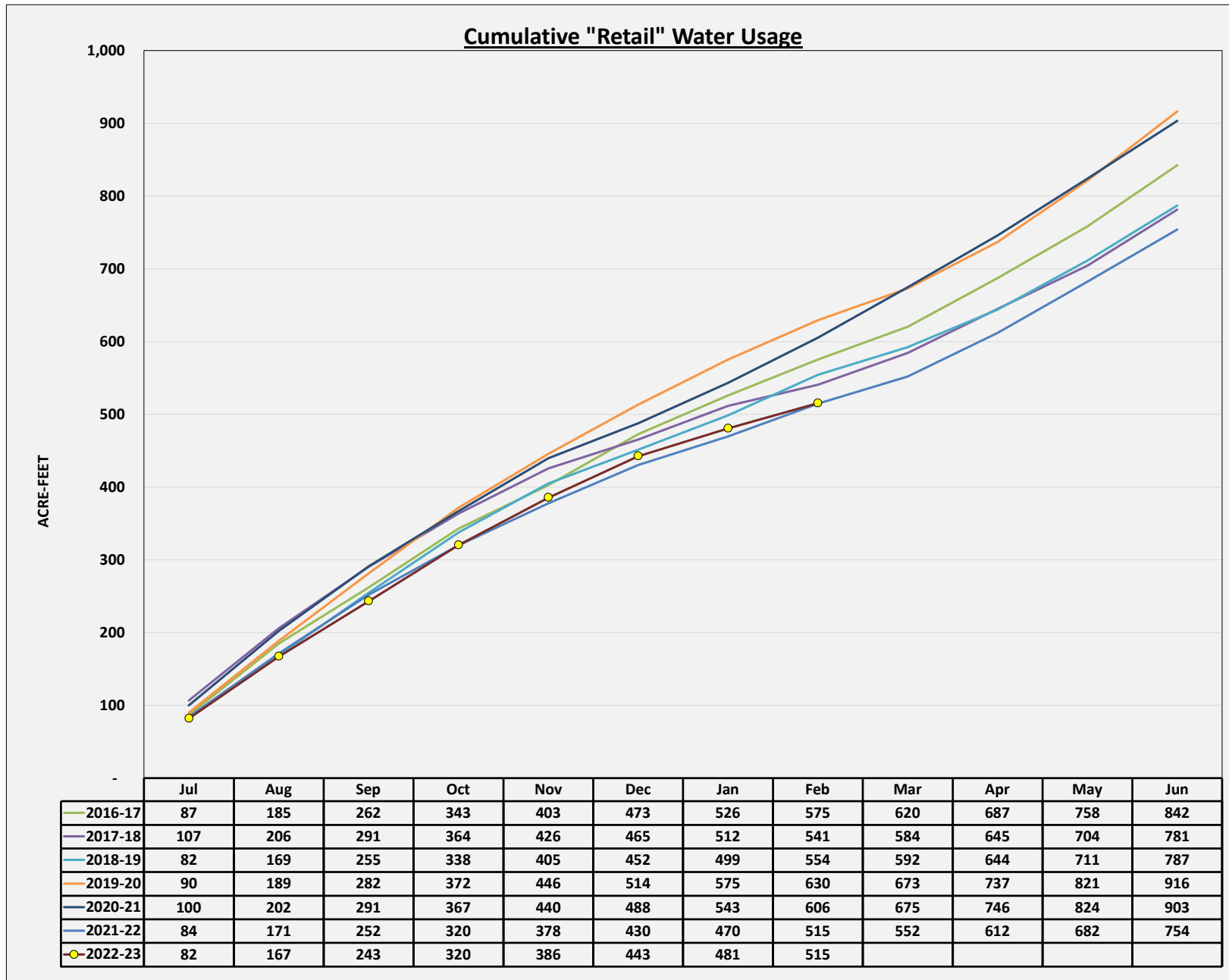
*GPCD = (Total Monthly Production - Fill up Reservoir) / Population/days in the month

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

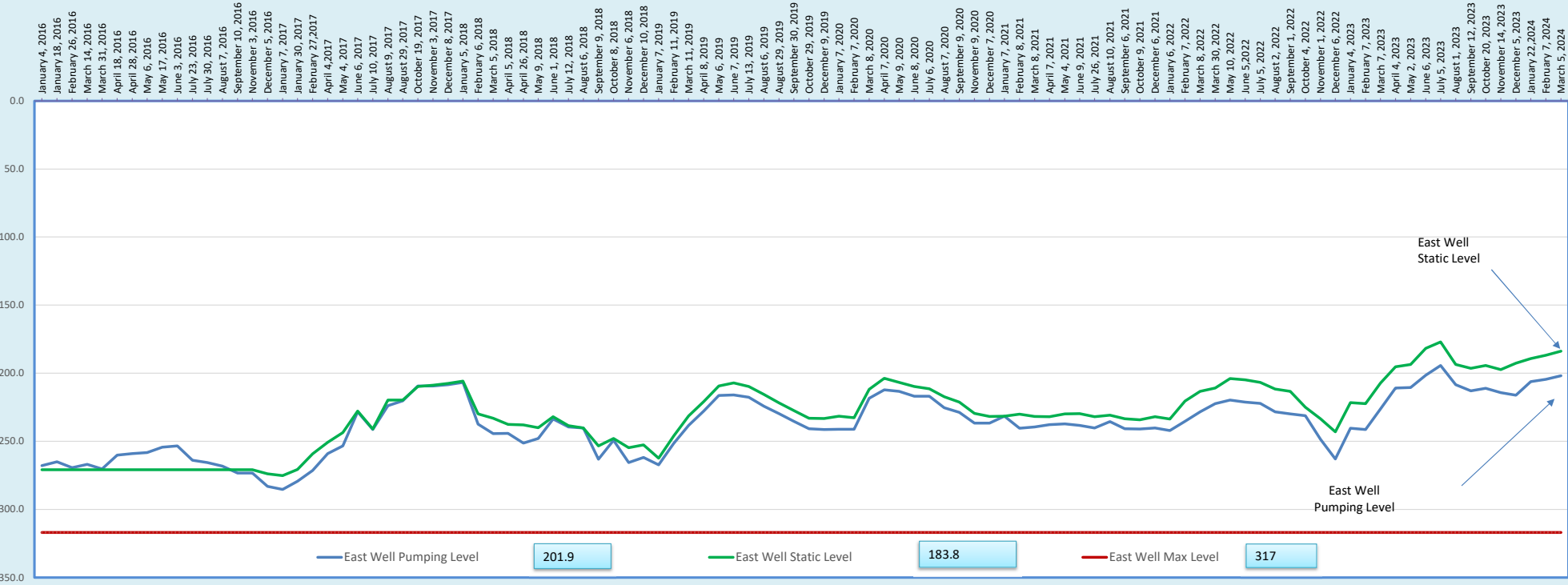


East Orange County Retail Zone Water Usage Report

Cumulative Water Usage by Fiscal Year



East Well Pumping & Static Water Levels



East Well Pumping Level 201.9

East Well Static Level 183.8

East Well Max Level 317



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: MONTHLY DISBURSEMENTS
DATE MARCH 28, 2024

Background

Monthly disbursements.

Recommendation

Approval of disbursements as submitted.

Attachment(s): Monthly disbursements report

EAST ORANGE COUNTY WATER DISTRICT

DISBURSEMENT SUMMARY

March 28, 2024

Wholesale Zone, Retail Zone, and ID1 Bill Payments	\$924,936.64
Wire Payments:	
Snyer Langston - Payment for New Administration Building	\$855,602.00
US Bank - Payment for Debt Service for CFD 2018-1	\$11,824.41
MWDOC - December 2023 Water Deliveries Payment	\$493,571.50
Tangram Interiors - 50% Deposit for New Building Furniture	\$111,354.52
Snyer Langston - Payment for New Administration Building	\$1,166,579.00
MWDOC - January 2024 Water Deliveries Payment	\$278,204.87
Director's Payroll	\$954.04
Employee's Payroll	\$378,428.88
Disbursement Total	<u><u>\$4,221,455.86</u></u>

TRANSFER SUMMARY

Transfers	\$ 100,000.00
Transfer Total	<u><u>\$100,000.00</u></u>

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

**East Orange County Water District
Bills For Consideration
As of January 31, 2024**

Date	Num	Name	Memo	Credit
01/23/2024	8425	Aric Toll	RZ Customer Deposit Refund	654.67
01/23/2024	8426	AT&T MOBILITY	Cellular Line - 01/13/2024-02/12/2024	73.12
01/23/2024	8427	CINTAS CORPORATION NO. 3	Uniforms - January 2024	106.54
01/23/2024	8428	COMMUNICATIONS LAB	Professional Services - December 2023	5,000.00
01/23/2024	8429	EAST ORANGE COUNTY WATER DIST.	Payment to WZ for Imported Water	76,678.10
01/23/2024	8430	Jiansen Huang & Qian Yuan	Sewer and Wholesale Permit Refund	1,575.20
01/23/2024	8431	MY SELF STORAGE SPACE ORANGE	Storage Rental	579.00
01/23/2024	8432	Orange County Sanitation District	December 2023 Sewer Permits	11,326.70
01/23/2024	8433	R.J. NOBLE COMPANY	Manhole Adjustments	55,245.00
01/23/2024	8434	TOWNSEND PUBLIC AFFAIRS, INC.	State/Fed Gov Relations January 2024	3,000.00
01/23/2024	8435	UMPQUA BANK	Credit Card Activity 12/1/23-12/31/23	12,685.47
01/23/2024	8436	UNITED SITE SERVICES OF CALIFORNI...	Waste Holding Tank - Vista Panorama 01/18/24-02/14/24	508.16
01/24/2024	8437	HOME DEPOT CREDIT SERVICES	Misc. Hardware, Materials & Tools/Maintenance	888.21
01/24/2024	8438	ORANGE COUNTY WATER DISTRICT	Groundwater - Jul- Dec '23	1,123.20
01/30/2024	8439	ALS GROUP USA, CORP	Laboratory Analysis (water quality) January 2024	7.50
01/30/2024	8440	ATKINSON, ANDELSON, LOYA, RUUD &...	December 2023 Legal Fees	3,120.00
01/30/2024	8441	BECKO, INC.	Vista Panorama Reservoir Site	21,697.00
01/30/2024	8442	BEE REMOVERS	Honeybee Removal December 2023	195.00
01/30/2024	8443	CALIFORNIA CONCRETE READY MIX, I...	District Headquarters	1,650.00
01/30/2024	8444	CDM SMITH INC.	VanderWerff Well Equipping Construction Management & Inspection	2,577.80
01/30/2024	8445	CINTAS CORPORATION NO. 3	Uniforms - January 2024	101.03
01/30/2024	8446	CITY OF ORANGE	Vehicle Maintenance	1,729.07
01/30/2024	8447	EIDE BAILLY LLP	Consulting Services Retainer - November 2023	9,253.00
01/30/2024	8448	FOOTHILL SENTRY, INC	Display Color Ad February 2024	525.17
01/30/2024	8449	G O RODRIGUEZ TRUCKING, INC	Spoils Haul Off	2,360.00
01/30/2024	8450	HYDROPRO SOLUTIONS	RZ Meter Maintenance	1,369.39
01/30/2024	8451	LEWIS CONSULTING GROUP	Consulting Services - January 2024	2,500.00
01/30/2024	8452	MOBILE MODULAR	Mobile Modular - Rental 01/25/24-02/23/24	1,632.41
01/30/2024	8453	PTI SAND & GRAVEL	Mains Maintenance	1,449.28
01/30/2024	8454	SOUTH COAST AIR QUALITY MANAGE...	Emissions Fees FY 23-24	665.26
01/30/2024	8455	SOUTHERN CALIFORNIA EDISON	Electric Services- Various Sites - 12/01/23-01/24/24	415.74
01/30/2024	8456	SPECTRUM BUSINESS	Office Internet 09/08/23-02/07/24	2,609.60
01/30/2024	8457	STANDARD INSURANCE COMPANY	Life Insurance Premium 02/01/24-02/29/24	845.60
01/30/2024	8458	SUNBELT RENTALS	Equipment Rental	842.83
01/30/2024	8459	TOTAL EXTERMINATING INC	Rodent Control - Peter's Canyon Res January 2024	275.00
01/30/2024	8460	UNITED WATERWORKS INC.	Small Tools and Vista Panorama	435.26
01/30/2024	8461	WATERLINE TECHNOLOGIES INC.	Water Quality	457.50
TOTAL				226,156.81

East Orange County Water District Bills For Consideration

03/22/24

Accrual Basis

As of February 29, 2024

Date	Num	Name	Memo	Credit
02/08/2024	8462	ACWA-JPIA (EMP INSURANCE)	Employee Med/Dental/Vision/Life Insurance March 2024	26,084.58
02/08/2024	8463	ALLCOM BUILDING SERVICES	February 2024 Janitorial	300.00
02/08/2024	8464	ALS GROUP USA, CORP	Laboratory Analysis (water quality) January 2024	969.50
02/08/2024	8465	BEST BEST & KRIEGER LLP	Legal Services through 01/31/24	651.00
02/08/2024	8466	Brayden Bonnell	Uniform Reimbursement	177.76
02/08/2024	8467	CASAMAR GROUP, LLC	Labor Compliance Monitoring and Enforcement - January 2024	1,396.12
02/08/2024	8468	CHAMPION PAVING INC.	Base Paving and Sidewalk Replacement for Admin Building	27,682.00
02/08/2024	8469	CINTAS CORPORATION NO. 3	Uniforms - February 2024	101.03
02/08/2024	8470	CITY OF ORANGE	Vehicle Maintenance	710.88
02/08/2024	8471	CORE & MAIN LP	Valve Maintenance	2,230.43
02/08/2024	8472	COUNTY OF ORANGE	Encroachment Permit	3,686.36
02/08/2024	8473	DRAW TAP GIS, LLC	ArcGIS Enterprise 11.1 Implementation	4,743.75
02/08/2024	8474	EEC ENVIRONMENTAL	FOG Program 12/01/23-12/31/23	1,247.50
02/08/2024	8475	G O RODRIGUEZ TRUCKING, INC	Spoils Haul Off	1,570.00
02/08/2024	8476	GENERATOR SERVICES CO, INC	Rental Generator -12/01/23-12/31/23	2,699.52
02/08/2024	8477	HACH COMPANY	Water Quality Supplies	261.89
02/08/2024	8478	HILL BROTHERS CHEMICAL CO	Chemicals for WZ Reservoir	1,059.33
02/08/2024	8479	HOME DEPOT CREDIT SERVICES	Misc. Hardware, Materials & Tools/Maintenance	2,408.85
02/08/2024	8480	INSTANT LUBE, INC.	Vehicle Maintenance	72.94
02/08/2024	8481	MAIN GRAPHICS	Bi-Monthly Mailing	1,748.20
02/08/2024	8482	MATRIX COMPUTER SERVICE	IT Support 12/18/23-01/09/24	4,900.00
02/08/2024	8483	McMASTER-CARR SUPPLY COMPANY	Small Tools	222.83
02/08/2024	8484	MORROW MEADOWS CORP	Vista Panorama	503.65
02/08/2024	8485	ORANGE CHAMBER OF COMMERCE	Annual Affiliate Investment	525.00
02/08/2024	8486	Orange County Sanitation District	January 2024 Sewer Permits	7,669.39
02/08/2024	8487	PARADISE DRINKING WATERS	Bottled Water (Office & Field)	73.60
02/08/2024	8488	SALCO ELECTRIC, INC.	District Headquarters	23,408.00
02/08/2024	8489	SC FUELS	Fuel - January 2024	4,178.46
02/08/2024	8490	SOUTH COAST AIR QUALITY MANAGE...	Permit Processing Fee	1,108.33
02/08/2024	8491	SOUTHERN CALIFORNIA EDISON	Electric Services - Various locations 01/04/24-02/01/24	995.54
02/08/2024	8492	SOUTHERN CALIFORNIA WATER COAL...	SCWC Membership 01/01/24 - 12/31/24	1,000.00
02/08/2024	8493	T.E. ROBERTS, INC.	Sewer Mains Lines Maintenance	18,200.00
02/08/2024	8494	TOWNSEND PUBLIC AFFAIRS, INC.	State/Fed Gov Relations February 2024	3,000.00
02/08/2024	8495	TRENCH SHORING COMPANY	Hydrant and Water Service Installation for Admin Building	1,959.20
02/08/2024	8496	UNDERGROUND SERVICE ALERT	USA Location -January 2024	774.88
02/08/2024	8497	UNITED WATERWORKS INC.	System Maintenance	10.95
02/08/2024	8498	VERIZON WIRELESS	Wireless - 12/26/23-01/25/24	809.05
02/08/2024	8499	WATERLINE TECHNOLOGIES INC.	Water Quality	3,309.25
02/08/2024	8500	Webb Municipal Finance	Professional Services 2024	3,000.00
02/08/2024	8501	WEST YOST & ASSOCIATES, INC	Professional Services 10/07/2023-12/08/2023	15,978.78
02/09/2024	8502	CITY OF TUSTIN	2024 Annual Blanket Permit - Various Locations	6,312.00
02/20/2024	8503	AT&T	Office Lines 01/01/2024-01/31/2024	79.01
02/20/2024	8504	AT&T	SCADA System 01/01/2024-01/31/2024	375.29
02/20/2024	8505	AT&T	Office Fax 01/01/2024-01/31/2024	44.82
02/20/2024	8506	AT&T	SCADA ALARM 01/01/2024-01/31/2024	44.82
02/20/2024	8507	AT&T	SCADA FAX 01/01/2024-01/31/2024	44.82
02/20/2024	8508	BAY ALARM	Alarm Services 03/01/24-05/31/24	133.47
02/20/2024	8509	BUTIER ENGINEERING, INC	Construction Management Services - Admin Office Building & Circul...	18,740.00
02/20/2024	8510	CDM SMITH INC.	VanderWerff Well Equipping Construction Management & Insepection	2,597.80
02/20/2024	8511	CINTAS CORPORATION NO. 3	Uniforms - February 2024	1,467.89
02/20/2024	8512	CORNERSTONE LAND SURVEYING, INC.	Vista Panorama	4,020.00
02/20/2024	8513	CR&R INC.	Waste Disposal Service - 02/01/24-02/29/24	263.60
02/20/2024	8514	Danny Trinh	RZ Customer Deposit Refund	748.18
02/20/2024	8515	EIDE BAILLY LLP	Consulting Services Retainer - December 2023	9,253.00
02/20/2024	8516	MAJESTIC MASONRY, INC.	210 McPherson Wall Repair	2,590.00
02/20/2024	8517	MESA WATER DISTRICT	October- November Fee Share	171.99
02/20/2024	8518	MKN	Brae Glen Pipeline, Zone 3 to 2 Pipeline Conversion & Barrett Pump...	26,049.81
02/20/2024	8519	MY SELF STORAGE SPACE ORANGE	Storage Rental	614.00
02/20/2024	8520	RED WING SHOE STORE	Boots for Employees	400.00
02/20/2024	8521	Sheldon Development LLC	Sewer Analysis Refund	398.87
02/20/2024	8522	SOUTHERN CALIFORNIA EDISON	Electric Services 01/09/24-02/07/24	2,411.76
02/20/2024	8523	SPECTRUM BUSINESS	Office Internet 02/08/24-03/07/24	521.92
02/20/2024	8524	STEVEN ANDREWS ENGINEERING	Engineering Services 01/01/24-01/31/24	1,725.00
02/20/2024	8525	TEKDRAILICS	Barrett Reservoir Pump Station	3,045.00
02/20/2024	8526	UMPQUA BANK	Credit Card Activity 01/1/24-01/31/24	10,018.05
02/20/2024	8527	UNITED SITE SERVICES OF CALIFORNI...	Waste Holding Tank - 02/06/24-03/04/24	540.16
02/20/2024	8528	WEST YOST & ASSOCIATES, INC	Professional Services 12/09/23-01/05/24	6,972.85
02/20/2024	8529	XEROX CORPORATION	Copier - Monthly Maintenance 12/21/23-01/21/24	127.63
02/20/2024	8530	JOHN'S SALT SERVICE INC.	Generator Maintenance	2,165.12
02/28/2024	8531	ALS GROUP USA, CORP	Laboratory Analysis (water quality) February 2024	369.50
02/28/2024	8532	CALIFORNIA CONCRETE READY MIX, I...	District Headquarters	1,145.00
02/28/2024	8533	CHAMPION PAVING INC.	Vista Panorma - Grading & Paving	16,440.00
02/28/2024	8534	CINTAS CORPORATION NO. 3	Uniforms - February 2024	156.81
02/28/2024	8535	DITCH WITCH WEST	Equipment Maintenance	2,424.90
02/28/2024	8536	DOTY BROS EQUIPMENT CO.	Hydrant and Water Service Installation for Admin Building	36,434.45
02/28/2024	8537	FOOTHILL SENTRY, INC	Display Color Ad February 2024	525.17
02/28/2024	8538	GENERATOR SERVICES CO, INC	Rental Generator -01/01/24-01/31/24	2,699.52
02/28/2024	8539	HAAKER EQUIPMENT COMPANY	Vehicle Maintenance	6,529.00

East Orange County Water District Bills For Consideration

As of February 29, 2024

Date	Num	Name	Memo	Credit
02/28/2024	8540	HACH COMPANY	Water Quality	1,893.32
02/28/2024	8541	HILL BROTHERS CHEMICAL CO	Water Quality	1,740.00
02/28/2024	8542	MAIN GRAPHICS	Bi-Monthly Water Bill Mailing	1,494.59
02/28/2024	8543	MATRIX COMPUTER SERVICE	IT Support 01/20/24-02/16/24	5,035.00
02/28/2024	8544	MOBILE MODULAR	Mobile Modular - Rental 02/24/24-03/24/24	1,632.41
02/28/2024	8545	MONRO, INC.	Vehicle Maintenance	730.15
02/28/2024	8546	MORROW MEADOWS CORP	Main Lines Maintenance	457.05
02/28/2024	8547	O'REILLY AUTO ENTERPRISES, LLC	Vehicle Maintenance	22.52
02/28/2024	8548	Oldcastle Infrastructure, Inc.	District Headquarters	13,963.00
02/28/2024	8549	PSI WATER TECHNOLOGIES, INC	Water Quality	1,913.49
02/28/2024	8550	PTI SAND & GRAVEL	Reservoir Maintenance	1,330.45
02/28/2024	8551	SOUTHERN CALIFORNIA EDISON	Electric Services-Vista Panorama 01/23/24-02/22/24	204.10
02/28/2024	8552	STANDARD INSURANCE COMPANY	Life Insurance Premium 02/01/24-02/29/24	845.60
02/28/2024	8553	TRENCH SHORING COMPANY	Hydrant and Water Service Installation for Admin Building	1,583.25
02/28/2024	8554	UNITED SITE SERVICES OF CALIFORNI...	Waste Holding Tank - 02/15/24-03/13/24	342.20
02/28/2024	8555	WATERLINE TECHNOLOGIES INC.	Water Quality	1,366.40
02/28/2024	8556	SC FUELS	Fuel	4,352.37
TOTAL				378,935.66

East Orange County Water District Bills For Consideration

03/22/24

Accrual Basis

As of March 22, 2024

Date	Num	Name	Memo	Credit
03/08/2024	8557	ACWA-JPIA (EMP INSURANCE)	Employee Med/Dental/Vision/Life Insurance April 2024	26,084.58
03/08/2024	8558	AECOM	6MG Reservoir Monitoring Project	12,123.43
03/08/2024	8559	ALLCOM BUILDING SERVICES	March 2024 Janitorial	300.00
03/08/2024	8560	ARC Document Solutions, LLC	Drawings - Circula Panorama	21.54
03/08/2024	8561	AT&T MOBILITY	Cellular Line - 02/13/2024-03/12/2024	93.75
03/08/2024	8562	ATKINSON, ANDELSON, LOYA, RUUD &...	January 2024 Legal Fees	9,840.00
03/08/2024	8563	Big Bear Electric Inc.	EOCWD PLC Upgrade SCADA Phase 2	7,350.00
03/08/2024	8564	BUTIER ENGINEERING, INC	Circula Panorama Pipeline Replacement Project	1,050.00
03/08/2024	8565	CINTAS CORPORATION NO. 3	Uniforms - March 2024	95.69
03/08/2024	8566	CITY OF ORANGE-WATER	12/14/23-02/23/24 Water Usage for 185 & 210 N. McPherson Road	3,006.38
03/08/2024	8567	COMMUNICATIONS LAB	Professional Services - January & February 2024	10,000.00
03/08/2024	8568	CORE & MAIN LP	Circula Panorama Pipeline Conversion	17,196.90
03/08/2024	8569	COUNTY OF ORANGE	VOID	
03/08/2024	8570	DRAW TAP GIS, LLC	ArcGIS Enterprise 11.1 Implementation	1,237.50
03/08/2024	8571	EAST ORANGE COUNTY WATER DIST.	Payment to WZ for Imported Water - January 2024	56,068.20
03/08/2024	8572	EEC ENVIRONMENTAL	FOG Program 01/01/24-01/31/24	5,050.00
03/08/2024	8573	EIDE BAILLY LLP	Consulting Services Retainer - January 2024	9,253.00
03/08/2024	8574	G O RODRIGUEZ TRUCKING, INC	Spoils Haul Off	9,795.00
03/08/2024	8575	GENERATOR SERVICES CO, INC	Rental Generator 02/01/24-02/29/24	2,699.52
03/08/2024	8576	GOLDEN BELL PRODUCTS, INC.	Insecticide Control Service	40,670.00
03/08/2024	8577	INSTANT LUBE, INC.	Vehicle Maintenance	154.18
03/08/2024	8578	LEWIS CONSULTING GROUP	Consulting Services - February 2024	2,500.00
03/08/2024	8579	MALLORY SAFETY AND SUPPLY LLC	Safety Equipment	379.71
03/08/2024	8580	MKN	Barrett Pump Station Replacement, Brae Glen Pipeline & Zone 3 to ...	6,836.62
03/08/2024	8581	MONRO, INC.	Vehicle Maintenance	1,046.27
03/08/2024	8582	NINYO & MOORE	Consulting Services - EOCWD Headquarters Building	9,442.50
03/08/2024	8583	PARADISE DRINKING WATERS	Bottled Water (Office & Field)	65.15
03/08/2024	8584	SC FUELS	Fuel - February 2024	3,492.61
03/08/2024	8585	SOUTHERN CALIFORNIA EDISON	Electric Services 01/26/24-02/26/24	458.79
03/08/2024	8586	STEVEN ANDREWS ENGINEERING	Engineering Services 10/01/23-01/31/24	2,320.00
03/08/2024	8587	TOTAL EXTERMINATING INC	Rodent Control - Peter's Canyon Res - February 2024	845.00
03/08/2024	8588	TOWNSEND PUBLIC AFFAIRS, INC.	State/Fed Gov Relations March 2024	3,000.00
03/08/2024	8589	UNDERGROUND SERVICE ALERT	USA Location - February 2024	396.88
03/08/2024	8590	UNITED SITE SERVICES OF CALIFORNI...	Waste Holding Tank - 03/05/24-04/01/24	540.16
03/08/2024	8591	UNITED WATERWORKS INC.	System Maintenance	92.57
03/08/2024	8592	WATERLINE TECHNOLOGIES INC.	Water Quality	689.30
03/08/2024	8593	COUNTY OF ORANGE	Encroachment Permits	1,630.35
03/22/2024	8594	AT&T	Office Lines 02/01/2024-02/29/2024	81.85
03/22/2024	8595	AT&T	Office Fax 2/01/2024-02/29/2024	44.80
03/22/2024	8596	AT&T	SCADA Alarm 02/01/2024-02/29/2024	44.80
03/22/2024	8597	AT&T	SCADA Fax 02/01/2024-02/29/2024	44.80
03/22/2024	8598	BEST BEST & KRIEGER LLP	Legal Services through 02/29/24	220.00
03/22/2024	8599	BUTIER ENGINEERING, INC	Construction Management Services - Admin Office Building & Circul...	27,395.00
03/22/2024	8600	CASAMAR GROUP, LLC	Labor Compliance Monitoring and Enforcement - February 2024	1,702.59
03/22/2024	8601	CINTAS CORPORATION NO. 3	Uniforms - March 2024	685.77
03/22/2024	8602	CORNERSTONE LAND SURVEYING, INC.	Surveying - Vista Panorama	2,010.00
03/22/2024	8603	CR&R INC.	Waste Disposal Service -03/01/24-03/31/24	396.37
03/22/2024	8604	FOOTHILL SENTRY, INC	Display Color Ad March 2024	525.17
03/22/2024	8605	HOME DEPOT CREDIT SERVICES	Misc. Hardware, Materials & Tools/Maintenance	1,692.01
03/22/2024	8606	KEEPING SCORE CUSTOMER LETTERI...	Uniforms	503.84
03/22/2024	8607	Maurice Dusol, Jr.	RZ Cutsomer Deposit Refund	273.61
03/22/2024	8608	Orange County Sanitation District	February 2024 Sewer Permits	3,151.15
03/22/2024	8609	SOUTHERN CALIFORNIA EDISON	Electric Services - Various locations 02/04/24-03/03/24	2,916.86
03/22/2024	8610	SPECTRUM BUSINESS	Office Internet 03/08/24-04/07/24	525.94
03/22/2024	8611	STEVEN ANDREWS ENGINEERING	Engineering Services 02/01/24-02/29/24	4,025.00
03/22/2024	8612	UMPQUA BANK	Credit Card Activity 02/1/24-02/29/24	8,641.11
03/22/2024	8613	VERIZON WIRELESS	Wireless - 01/26/24-02/25/24	704.05
03/22/2024	8614	waterTALENT, LLC	Temporary Backflow Operator	1,856.00
03/22/2024	8615	WEST YOST & ASSOCIATES, INC	Professional Services 01/06/24 to 02/09/24	16,382.37
03/22/2024	8616	XEROX CORPORATION	Copier - Monthly Maintenance 01/21/24-02/21/24	140.36
03/22/2024	8617	AT&T MOBILITY	Cellular Line - 03/13/2024-04/12/2024	55.14
TOTAL				319,844.17

EAST ORANGE COUNTY WATER DISTRICT
 CITIZENS BUSINESS BANK
 Prior Month's Checks To Ratify
 DIRECTORS' PAYROLL*
 28-Mar-24

PAYMENT FOR BOARD AND COMMITTEE MEETINGS IN THE MONTHS OF JANUARY & FEB 2024

DATE	CHECK NO	AMOUNT	PAYABLE TO
1/25/2024	433	\$ 159.68	BOARD DIRECTOR
1/25/2024	434	\$ 159.68	BOARD DIRECTOR
1/25/2024	435	\$ 323.22	BOARD DIRECTOR
1/25/2024	436	\$ 159.68	BOARD DIRECTOR
		\$ 802.26	TOTAL PAYROLL CHECKS
		\$151.78	ADP TAXES
		\$954.04	GRAND TOTAL PAYROLL

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

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

EAST ORANGE COUNTY WATER DISTRICT
 CITIZENS BUSINESS BANK
 Prior Month's Checks To Ratify
 EMPLOYEES' PAYROLL*
 Month of January 2024

CHECK DATE	CHECK AMOUNT	PAYABLE TO	
AUTO DEPOSIT	1/10/2024	\$ 8,005.36	GENERAL MANAGER
AUTO DEPOSIT	1/10/2024	\$ 5,923.22	ENGINEERING MANAGER
AUTO DEPOSIT	1/10/2024	\$ 5,307.05	OPERATIONS MANAGER
AUTO DEPOSIT	1/10/2024	\$ 3,631.91	GIS MANAGER
AUTO DEPOSIT	1/10/2024	\$ 4,665.64	WASTEWATER SUPERVISOR
AUTO DEPOSIT	1/10/2024	\$ 3,306.58	WATER DISTRIBUTION OPERATOR III
AUTO DEPOSIT	1/10/2024	\$ 3,521.19	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	1/10/2024	\$ 3,096.99	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	1/10/2024	\$ 2,228.63	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	1/10/2024	\$ 2,359.81	WASTEWATER COLLECTIONS OPERATOR II
AUTO DEPOSIT	1/10/2024	\$ 276.85	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	1/10/2024	\$ 3,033.27	OFFICE MANAGER
AUTO DEPOSIT	1/10/2024	\$ 2,151.71	MANAGEMENT ANALYST
AUTO DEPOSIT	1/10/2024	\$ 2,382.40	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	1/10/2024	\$ 1,710.29	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 51,600.90</u>	SUB TOTAL

AUTO DEPOSIT	1/24/2024	\$ 7,205.36	GENERAL MANAGER
AUTO DEPOSIT	1/24/2024	\$ 5,923.20	ENGINEERING MANAGER
AUTO DEPOSIT	1/24/2024	\$ 5,825.75	OPERATIONS MANAGER
AUTO DEPOSIT	1/24/2024	\$ 3,631.91	GIS MANAGER
AUTO DEPOSIT	1/24/2024	\$ 4,877.82	WASTEWATER SUPERVISOR
AUTO DEPOSIT	1/24/2024	\$ 2,824.49	WATER DISTRIBUTION OPERATOR III
AUTO DEPOSIT	1/24/2024	\$ 2,402.24	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	1/24/2024	\$ 2,897.31	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	1/24/2024	\$ 2,228.61	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	1/24/2024	\$ 2,359.82	WASTEWATER COLLECTIONS OPERATOR II
AUTO DEPOSIT	1/24/2024	\$ 2,026.90	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	1/24/2024	\$ 1,444.81	INTERN
AUTO DEPOSIT	1/24/2024	\$ 3,246.13	OFFICE MANAGER
AUTO DEPOSIT	1/24/2024	\$ 2,173.46	MANAGEMENT ANALYST
AUTO DEPOSIT	1/24/2024	\$ 2,382.40	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	1/24/2024	\$ 1,710.28	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 53,160.49</u>	SUB TOTAL

1/10/2024	\$ 28,744.07	ADP TAXES
1/10/2024	\$ 3,091.07	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
1/10/2024	\$ 4,459.98	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
1/10/2024	\$ 2,292.80	EMPLOYEE PERS PEPRA TRANSFER
1/10/2024	\$ 2,272.10	EMPLOYER PERS PEPRA MEMBER TRANSFER
1/10/2024	\$ 2,408.16	CAL PERS 457 - ING BANK
	<u>\$43,268.18</u>	TOTAL TRANSFERS

1/24/2024	\$ 28,099.11	ADP TAXES
1/24/2024	\$ 3,106.84	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
1/24/2024	\$ 4,482.73	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
1/24/2024	\$ 2,454.94	EMPLOYEE PERS PEPRA TRANSFER
1/24/2024	\$ 2,432.77	EMPLOYER PERS PEPRA MEMBER TRANSFER
1/24/2024	\$ 2,273.72	CAL PERS 457 - ING BANK
	<u>\$42,850.11</u>	TOTAL TRANSFERS

\$190,879.68 GRAND TOTAL PAYROLL

PAYROLL	PAYROLL
1/10/2024	1/24/2024
\$51,600.90	\$53,160.49
\$43,268.18	\$42,850.11
\$94,869.08	\$96,010.60

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

EAST ORANGE COUNTY WATER DISTRICT
 CITIZENS BUSINESS BANK
 Prior Month's Checks To Ratify
 EMPLOYEES' PAYROLL*
 Month of February 2024

CHECK DATE	CHECK AMOUNT	PAYABLE TO	
AUTO DEPOSIT	2/7/2024	\$ 8,146.04	GENERAL MANAGER
AUTO DEPOSIT	2/7/2024	\$ 6,066.16	ENGINEERING MANAGER
AUTO DEPOSIT	2/7/2024	\$ 5,970.92	OPERATIONS MANAGER
AUTO DEPOSIT	2/7/2024	\$ 3,925.62	GIS MANAGER
AUTO DEPOSIT	2/7/2024	\$ 4,356.55	WASTEWATER SUPERVISOR
AUTO DEPOSIT	2/7/2024	\$ 2,184.04	WATER DISTRIBUTION OPERATOR III
AUTO DEPOSIT	2/7/2024	\$ 3,274.98	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	2/7/2024	\$ 2,762.51	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	2/7/2024	\$ 2,228.63	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	2/7/2024	\$ 2,530.70	WASTEWATER COLLECTIONS OPERATOR II
AUTO DEPOSIT	2/7/2024	\$ 1,923.09	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	2/7/2024	\$ 1,426.82	INTERN
AUTO DEPOSIT	2/7/2024	\$ 2,609.96	OFFICE MANAGER
AUTO DEPOSIT	2/7/2024	\$ 2,151.71	MANAGEMENT ANALYST
AUTO DEPOSIT	2/7/2024	\$ 2,442.20	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	2/7/2024	\$ 1,690.29	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 53,690.22</u>	SUB TOTAL

AUTO DEPOSIT	2/21/2024	\$ 7,346.04	GENERAL MANAGER
AUTO DEPOSIT	2/21/2024	\$ 6,066.17	ENGINEERING MANAGER
AUTO DEPOSIT	2/21/2024	\$ 5,450.14	OPERATIONS MANAGER
AUTO DEPOSIT	2/21/2024	\$ 3,891.62	GIS MANAGER
AUTO DEPOSIT	2/21/2024	\$ 5,193.34	WASTEWATER SUPERVISOR
AUTO DEPOSIT	2/21/2024	\$ 2,585.98	WATER DISTRIBUTION OPERATOR III
AUTO DEPOSIT	2/21/2024	\$ 2,917.77	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	2/21/2024	\$ 2,361.57	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	2/21/2024	\$ 1,221.95	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	2/21/2024	\$ -	WASTEWATER COLLECTIONS OPERATOR II
AUTO DEPOSIT	2/21/2024	\$ 1,923.11	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	2/21/2024	\$ 1,426.82	INTERN
AUTO DEPOSIT	2/21/2024	\$ 3,217.16	OFFICE MANAGER
AUTO DEPOSIT	2/21/2024	\$ 2,151.72	MANAGEMENT ANALYST
AUTO DEPOSIT	2/21/2024	\$ 2,422.26	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	2/21/2024	\$ 1,690.28	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 49,865.93</u>	SUB TOTAL

2/7/2024	\$ 27,799.68	ADP TAXES
2/7/2024	\$ 3,091.07	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
2/7/2024	\$ 4,459.98	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
2/7/2024	\$ 2,471.73	EMPLOYEE PERS PEPRA TRANSFER
2/7/2024	\$ 2,449.41	EMPLOYER PERS PEPRA MEMBER TRANSFER
2/7/2024	\$ 2,805.96	CAL PERS 457 - ING BANK
	<u>\$43,077.83</u>	TOTAL TRANSFERS

2/21/2024	\$ 26,502.04	ADP TAXES
2/21/2024	\$ 3,101.86	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
2/21/2024	\$ 4,475.55	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
2/21/2024	\$ 2,060.60	EMPLOYEE PERS PEPRA TRANSFER
2/21/2024	\$ 2,041.97	EMPLOYER PERS PEPRA MEMBER TRANSFER
2/21/2024	\$ 2,733.20	CAL PERS 457 - ING BANK
	<u>\$40,915.22</u>	TOTAL TRANSFERS

\$187,549.20 GRAND TOTAL PAYROLL

PAYROLL	PAYROLL
2/7/2024	2/21/2024
\$53,690.22	\$49,865.93
\$43,077.83	\$40,915.22
<u>\$96,768.05</u>	<u>\$90,781.15</u>

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

EAST ORANGE COUNTY WATER DISTRICT
FUNDS TRANSFERRED BETWEEN ACCOUNTS
28-Mar-24

<u>DATE</u>	<u>AMOUNT</u>	<u>FROM</u>	<u>TO</u>	<u>REASON FOR FUND TRANSFER</u>
2/28/2024	\$100,000.00	Citizens Business Bank Money Market Account	Citizens Business Bank Checking Account	Excess Funds



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: MONTHLY FINANCIAL STATEMENTS
DATE MARCH 28, 2024

Background

Monthly Financial Statements for Wholesale Zone, Retail Zone, and ID1 (wastewater) FOR December 2023 and January 2024.

Recommendation

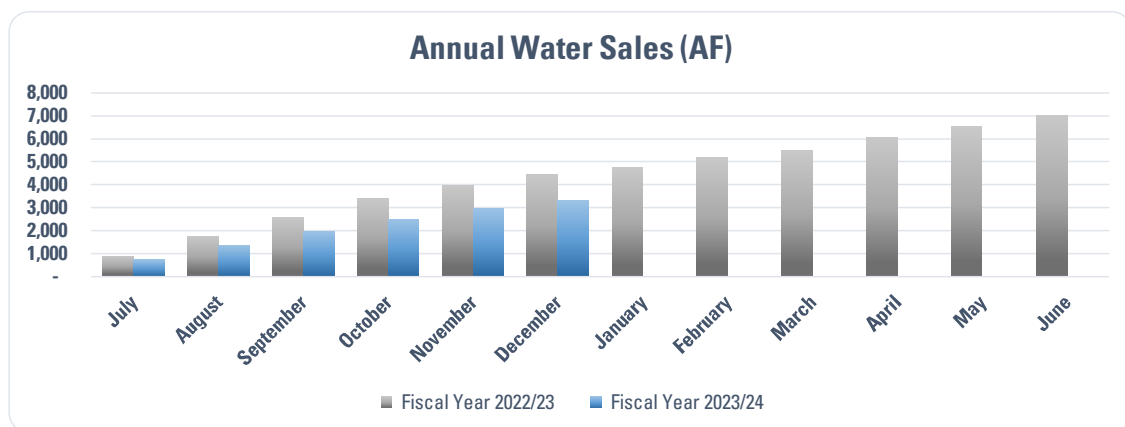
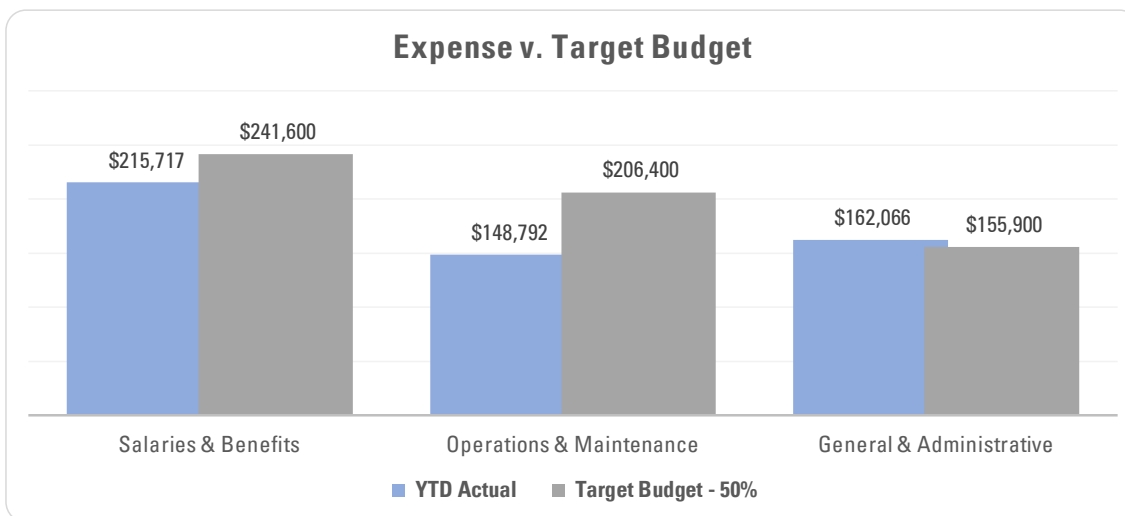
Informational.

Attachment(s): WZ, RZ, and ID1 Financial Statements for November
Treasurer's Report



Wholesale Budget to Actual Summary (Unaudited) For the Period Ending December 31, 2023

	A	B	C	D = B / C
<i>Wholesale Budget to Actual Summary</i>	DEC 2023 ACTUAL	YTD ACTUAL	2023/24 ANNUAL BUDGET	YTD BUDGET 50%
1 REVENUE				
2 Operating Revenue	\$ 564,456	\$ 4,807,777	\$ 10,243,400	47%
3 Non-Operating Revenue /(Expense)	397,553	819,409	1,439,900	57%
4 TOTAL REVENUE	962,009	5,627,186	11,683,300	48%
5 EXPENSE				
6 Source of Supply	517,060	4,346,942	9,691,500	45%
7 Salaries & Benefits	36,293	215,717	483,100	45%
8 Operations & Maintenance	25,721	148,792	412,800	36%
9 General & Administrative	14,565	162,066	311,700	52%
10 TOTAL EXPENSE	593,640	4,873,517	10,899,100	45%
11 NET REVENUE / (EXPENSE)	368,369	753,670	784,200	96%
12 Capital Improvement Program PAYGO	(164,638)	(1,062,579)	(3,445,300)	31%
13 Section 115 Pension Trust Contribution	-	-	-	N/A
14 NET CASH INFLOW / (OUTFLOW)	\$ 203,730	\$ (308,909)	\$ (2,661,100)	12%



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

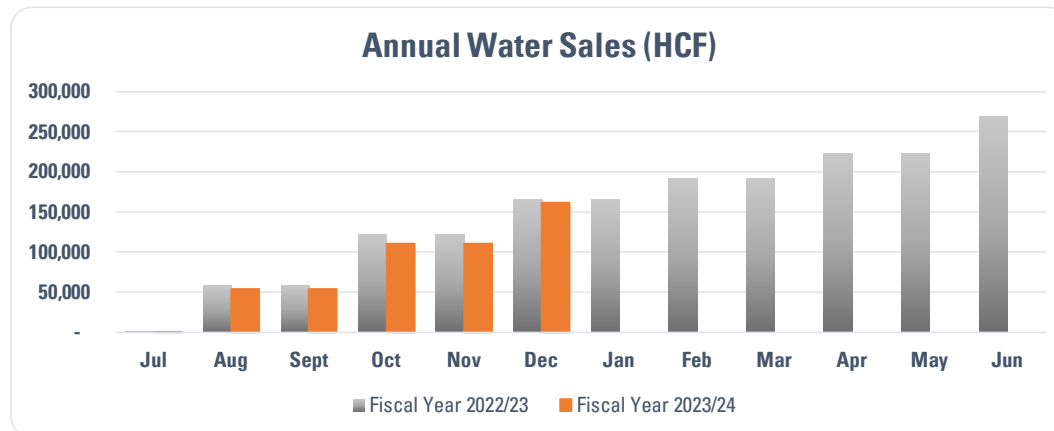
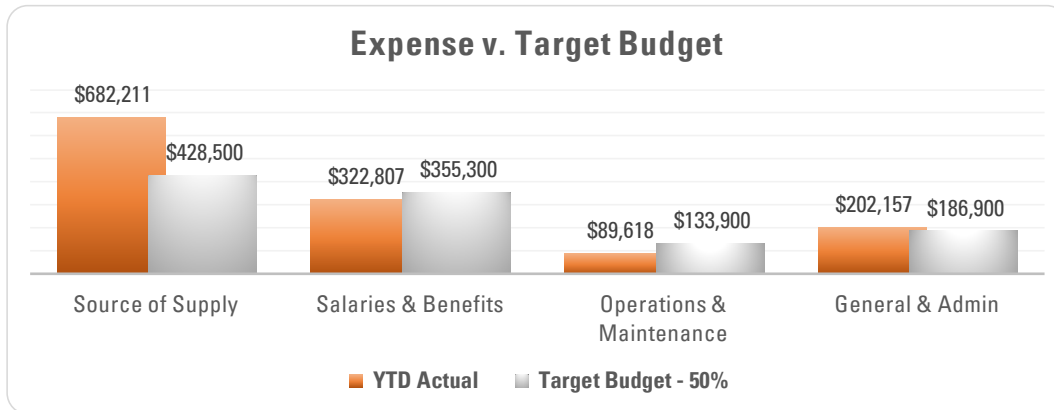


Retail Budget to Actual Summary

(Unaudited)

For the Period Ending December 31, 2023

<i>Retail Budget to Actual Summary</i>	A	B	C	D = B / C
	DEC 2023	YTD	2023/24 ANNUAL	YTD BUDGET
	ACTUAL	ACTUAL	BUDGET	50%
1 REVENUE				
2 Operating Revenue	\$ 643,688	\$ 1,563,890	\$ 2,757,700	57%
3 Non-Operating Revenue /(Expense)	201,709	363,146	661,600	55%
4 TOTAL REVENUE	845,397	1,927,036	3,419,300	56%
5 EXPENSE				
6 Source of Supply	166,589	682,211	856,900	80%
7 Salaries & Benefits	53,742	322,807	710,500	45%
8 Operations & Maintenance	23,693	89,618	267,800	33%
9 General & Administrative	24,248	202,157	373,700	54%
10 TOTAL EXPENSE	268,273	1,296,793	2,208,900	59%
11 NET REVENUE / (EXPENSE)	577,125	630,243	1,210,400	52%
12 Debt Service	-	(41,520)	(259,000)	16%
13 Capital Improvement Program PAYGO	(161,525)	(972,043)	(5,707,600)	17%
14 Section 115 Pension Trust Contribution	-	-	-	N/A
15 NET CASH INFLOW / (OUTFLOW)	\$ 415,600	\$ (383,319)	\$ (4,756,200)	8%



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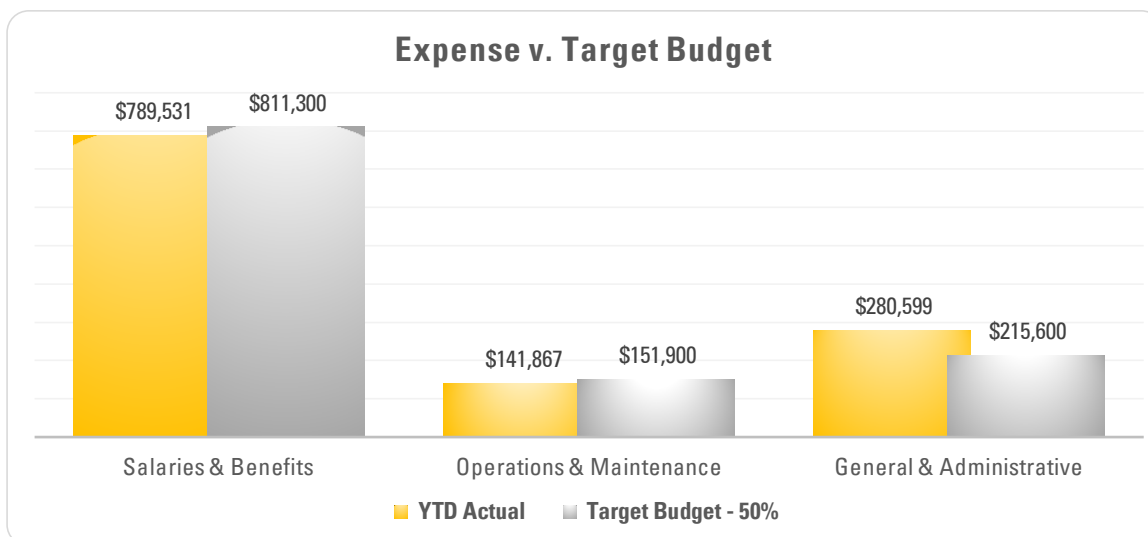


Sewer Budget to Actual Summary

(Unaudited)

For the Period Ending December 31, 2023

	A	B	C	D = B / C
<i>Sewer Budget to Actual Summary</i>	DEC 2023 ACTUAL	YTD ACTUAL	2023/24 ANNUAL BUDGET	YTD BUDGET 50%
1 REVENUE				
2 Operating Revenue	\$ 1,247,744	\$ 2,002,037	\$ 3,426,700	58%
3 Non-Operating Revenue /(Expense)	623,537	1,558,715	1,715,400	91%
4 TOTAL REVENUE	1,871,281	3,560,752	5,142,100	69%
5 EXPENSE				
6 Salaries & Benefits	132,290	789,531	1,622,500	49%
7 Operations & Maintenance	14,219	141,867	303,700	47%
8 General & Administrative	37,316	280,599	431,200	65%
9 TOTAL EXPENSE	183,826	1,211,998	2,357,400	51%
10 NET REVENUE / (EXPENSE)	1,687,455	2,348,755	2,784,700	84%
11 Debt Service	-	(166,078)	(1,036,200)	16%
12 Capital Improvement Program PAYGO	(667,094)	(3,236,978)	(3,804,500)	85%
13 Section 115 Pension Trust Contribution	-	-	-	N/A
14 Prior Year Expense	-	(198,719)	-	N/A
15 NET CASH INFLOW / (OUTFLOW)	\$ 1,020,362	\$ (1,253,021)	\$ (2,056,000)	61%



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



Cash & Investments

(Unaudited)

December 31, 2023

	Type	Cost	Market	% Total
District Cash & Investments				
Unrestricted				
Local Agency Investment Fund (LAIF) *	Investment	\$ 2,118,023	\$ 2,104,347	3.6%
U.S. Bank - Sewer	Investment	5,844,846	5,644,716	9.7%
Raymond James Brokerage - Wholesale	Investment	7,389,302	7,352,657	12.7%
Raymond James Brokerage - Sewer	Investment	4,868	4,930	0.0%
CA CLASS Prime Fund **	Investment	5,218,405	5,218,761	9.0%
Citizens Business Bank	Checking	3,196,878	3,196,878	5.5%
Citizens Business Bank	Money Market	73,099	73,099	0.1%
Total Unrestricted		23,845,421	23,595,388	40.7%
Restricted				
U.S. Bank - Sewer Acquisition Funds	Investment	32,577,959	31,462,473	54.2%
U.S. Bank - Sewer Capacity Fees	Investment	1,332,980	1,287,338	2.2%
U.S. Bank - Debt Proceeds	Investment	1,546,282	1,546,282	2.7%
PARS Post-Employment Benefits	Trust	150,000	148,931	0.3%
Total Restricted		35,607,221	34,445,024	59.3%
Total District Cash & Investments		\$ 59,452,643	\$ 58,040,412	100.0%

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

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

Treasurer 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.

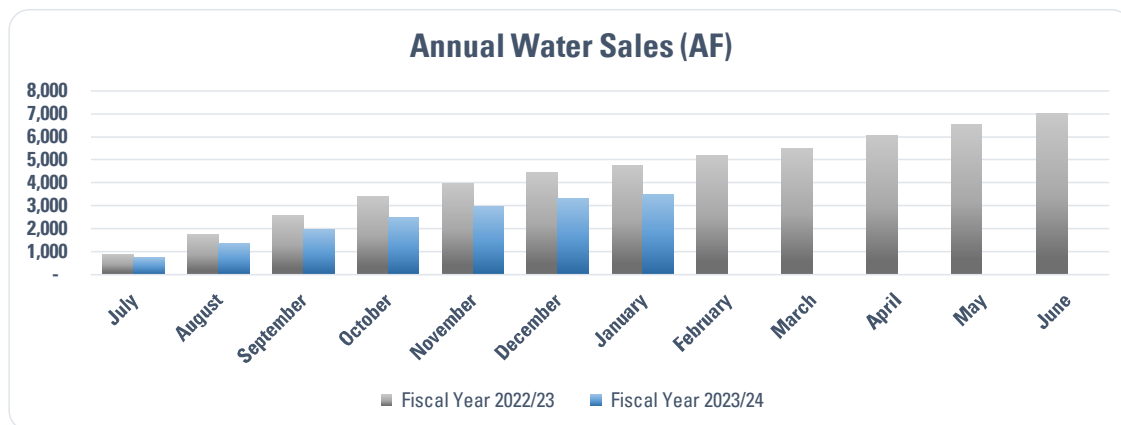
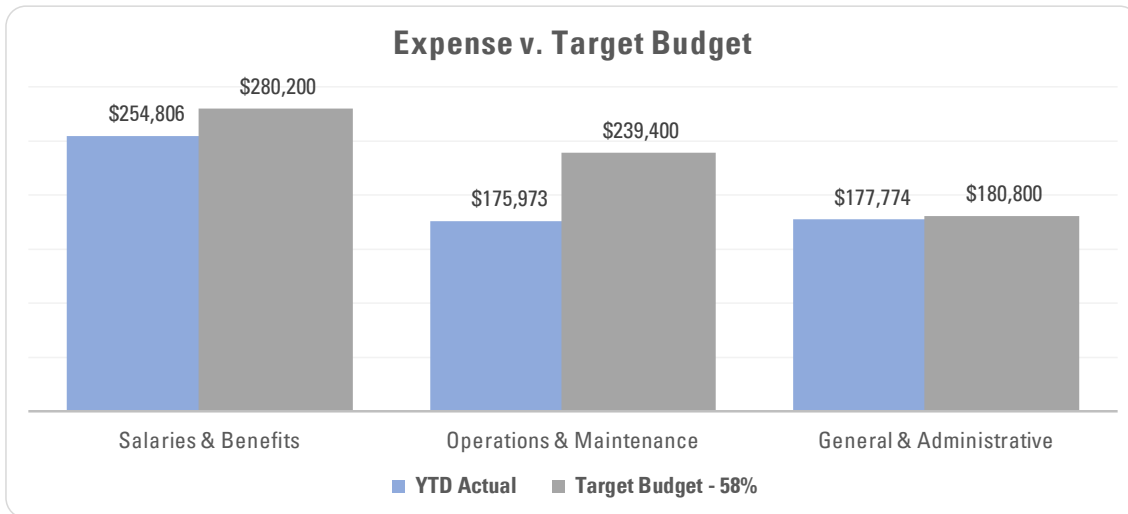
Cindy Byerrum

Cindy Byerrum, Treasurer



Wholesale Budget to Actual Summary (Unaudited) For the Period Ending January 31, 2024

	A	B	C	D = B / C
<i>Wholesale Budget to Actual Summary</i>	JAN 2024 ACTUAL	YTD ACTUAL	2023/24 ANNUAL BUDGET	YTD BUDGET 58%
1 REVENUE				
2 Operating Revenue	\$ 348,829	\$ 5,156,606	\$ 10,243,400	50%
3 Non-Operating Revenue /(Expense)	237,472	1,056,881	1,439,900	73%
4 TOTAL REVENUE	586,301	6,213,487	11,683,300	53%
5 EXPENSE				
6 Source of Supply	301,694	4,648,636	9,691,500	48%
7 Salaries & Benefits	39,089	254,806	483,100	53%
8 Operations & Maintenance	27,207	175,973	412,800	43%
9 General & Administrative	13,961	177,774	311,700	57%
10 TOTAL EXPENSE	381,951	5,257,188	10,899,100	48%
11 NET REVENUE / (EXPENSE)	204,350	956,299	784,200	122%
12 Capital Improvement Program PAYGO	(217,119)	(1,230,012)	(3,445,300)	36%
13 Section 115 Pension Trust Contribution	-	-	-	N/A
14 NET CASH INFLOW / (OUTFLOW)	\$ (12,769)	\$ (273,713)	\$ (2,661,100)	10%



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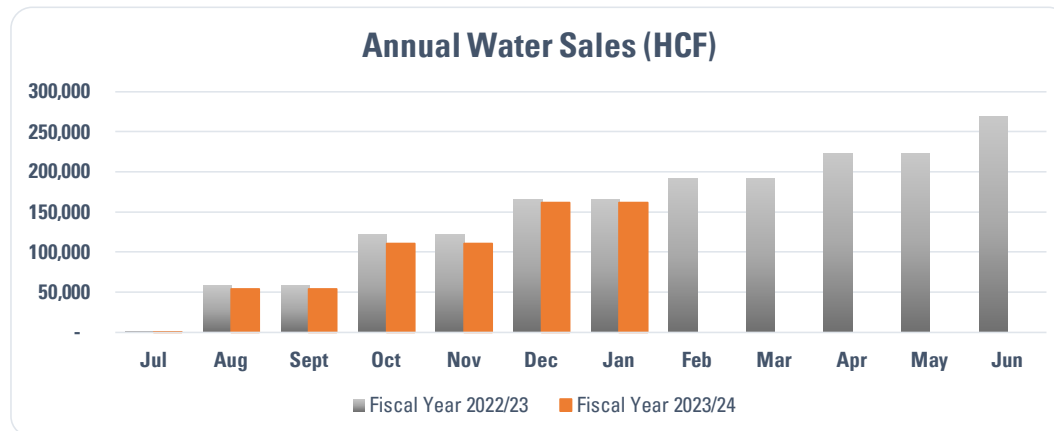
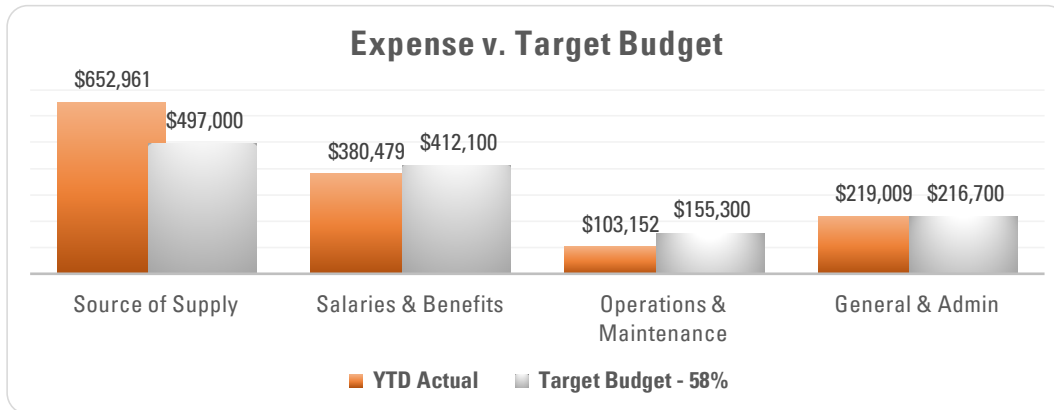


Retail Budget to Actual Summary

(Unaudited)

For the Period Ending January 31, 2024

<i>Retail Budget to Actual Summary</i>	A	B	C	D = B / C
	JAN 2024	YTD	2023/24 ANNUAL	YTD BUDGET
	ACTUAL	ACTUAL	BUDGET	58%
1 REVENUE				
2 Operating Revenue	\$ 18,441	\$ 1,582,331	\$ 2,757,700	57%
3 Non-Operating Revenue /(Expense)	44,049	407,195	661,600	62%
4 TOTAL REVENUE	62,489	1,989,525	3,419,300	58%
5 EXPENSE				
6 Source of Supply	56,899	652,961	856,900	76%
7 Salaries & Benefits	57,672	380,479	710,500	54%
8 Operations & Maintenance	13,534	103,152	267,800	39%
9 General & Administrative	15,166	219,009	373,700	59%
10 TOTAL EXPENSE	143,271	1,355,601	2,208,900	61%
11 NET REVENUE / (EXPENSE)	(80,782)	633,924	1,210,400	52%
12 Debt Service	-	(41,520)	(259,000)	16%
13 Capital Improvement Program PAYGO	(211,412)	(1,185,214)	(5,707,600)	21%
14 Section 115 Pension Trust Contribution	-	-	-	N/A
15 NET CASH INFLOW / (OUTFLOW)	\$ (292,194)	\$ (592,809)	\$ (4,756,200)	12%



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

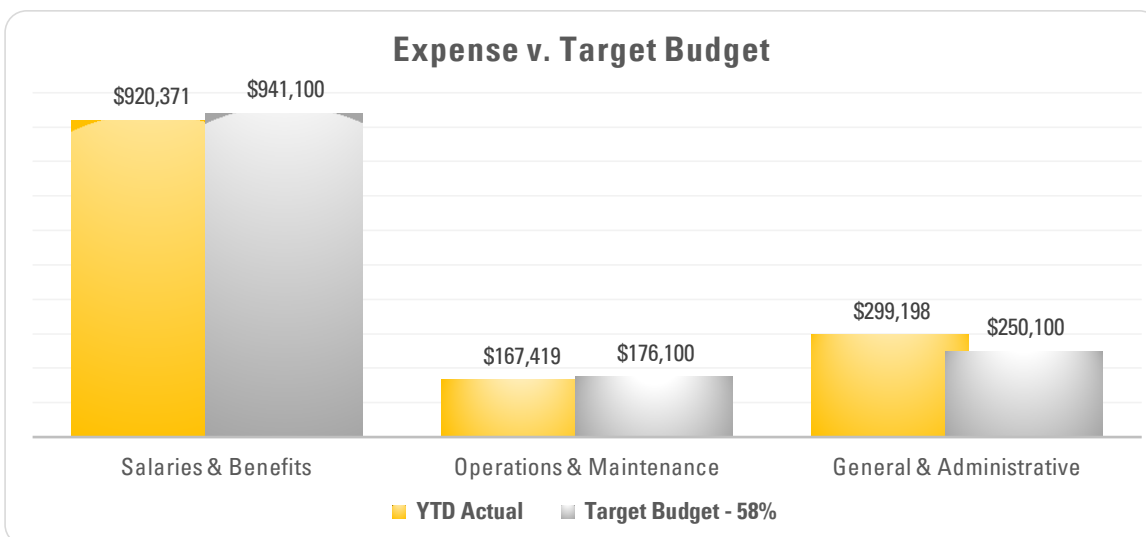


Sewer Budget to Actual Summary

(Unaudited)

For the Period Ending January 31, 2024

	A	B	C	D = B / C
<i>Sewer Budget to Actual Summary</i>	JAN 2024 ACTUAL	YTD ACTUAL	2023/24 ANNUAL BUDGET	YTD BUDGET 58%
1 REVENUE				
2 Operating Revenue	\$ 76,827	\$ 2,078,864	\$ 3,426,700	61%
3 Non-Operating Revenue /(Expense)	265,780	1,824,495	1,715,400	106%
4 TOTAL REVENUE	342,607	3,903,359	5,142,100	76%
5 EXPENSE				
6 Salaries & Benefits	130,840	920,371	1,622,500	57%
7 Operations & Maintenance	24,923	167,419	303,700	55%
8 General & Administrative	18,717	299,198	431,200	69%
9 TOTAL EXPENSE	174,480	1,386,988	2,357,400	59%
10 NET REVENUE / (EXPENSE)	168,127	2,516,371	2,784,700	90%
11 Debt Service	-	(166,078)	(1,036,200)	16%
12 Capital Improvement Program PAYGO	(909,833)	(4,146,811)	(3,804,500)	109%
13 Section 115 Pension Trust Contribution	-	-	-	N/A
14 Prior Year Expense	-	(217,341)	-	N/A
15 NET CASH INFLOW / (OUTFLOW)	\$ (741,706)	\$ (2,013,859)	\$ (2,056,000)	98%



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



Cash & Investments

(Unaudited)
January 31, 2024

	Type	Cost	Market	% Total
District Cash & Investments				
Unrestricted				
Local Agency Investment Fund (LAIF) *	Investment	\$ 2,153,457	\$ 2,139,552	3.7%
U.S. Bank - Sewer	Investment	5,972,321	5,790,462	10.0%
Raymond James Brokerage - Wholesale	Investment	2,551,862	2,477,331	4.3%
Raymond James Brokerage - Sewer	Investment	4,888,010	4,948,885	8.6%
CA CLASS Prime Fund **	Investment	5,242,704	5,243,531	9.1%
Citizens Business Bank	Checking	4,081,995	4,081,995	7.1%
Citizens Business Bank	Money Market	114,103	114,103	0.2%
Total Unrestricted		25,004,452	24,795,859	43.0%
Restricted				
U.S. Bank - Sewer Acquisition Funds	Investment	32,466,424	31,477,808	54.5%
U.S. Bank - Sewer Capacity Fees	Investment	1,340,163	1,299,354	2.3%
PARS Post-Employment Benefits	Trust	150,000	148,913	0.3%
Total Restricted		33,956,587	32,926,076	57.0%
Total District Cash & Investments		\$ 58,961,039	\$ 57,721,935	100.0%

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

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

Treasurer 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.

Cindy Byerrum

Cindy Byerrum, Treasurer



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: ANNUAL AUDIT FOR FY 2022-23
DATE MARCH 28, 2024

Background

Attached to this memo is a copy of the final Audited Financial Statements for the period ending June 30, 2023. As noted in the audited financials, the District received a “clean opinion.”

Paul Kaymark of Nigro & Nigro oversaw the audit.

For comparative purposes, the table below shows the position for each fund at the end of fiscal years 2023 and 2022.

Indicator	2023			2022		
	WZ	RZ	ID1	WZ	RZ	ID1
Net Position	\$15,927,792	\$14,852,067	\$52,430,509	\$15,432,205	\$13,716,950	\$51,734,650

Overall, that have not been large changes in net position even with significant capital expenditures during this period. This is primarily due to the use of debt financing with a low interest loan.



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

The item was presented to the Administration & Finance Committee at the March 8, 2024 meeting.

Recommendation

Receive and file the fiscal year 2022/2023 audited financial statement.

Attachment(s): Audit Presentation
 FY 2022/2023 Audited Financial Statement



EAST ORANGE COUNTY WATER DISTRICT
Presentation to the Board of Directors
For the Fiscal Year Ended
June 30, 2023

NIGRO & NIGRO^{PC}

East Orange County Water District - Wholesale Fund

Dashboard – Audited Financial Statements

June 30, 2023 vs 2022

Revenues & Expenses	2023	2022	Variance
Operating Revenues:			
Water consumption sales	\$ 8,181,833	\$ 9,572,245	\$ (1,390,412)
Water service charges	1,081,216	994,548	86,668
Connection fees	80,578	20,548	60,030
Non-Operating Revenues:			
Property taxes	1,078,335	991,692	86,643
Rental and contract revenue	143,834	173,090	(29,256)
Investment earnings	244,140	(170,468)	414,608
Other non-operating revenues	10,585	(5,199)	15,784
Capital Contributions			
Contributed capital	250,390	389	250,001
Total Revenues	11,070,911	11,576,845	(505,934)
Operating Expenses:			
Source of supply	8,752,739	10,045,955	(1,293,216)
Transmission and distribution	275,535	345,733	(70,198)
Salaries and benefits	830,578	(242,524)	1,073,102
General and administrative	317,368	286,846	30,522
Operating expenses before depr.	10,176,220	10,436,010	(259,790)
Depreciation expense	399,104	410,967	(11,863)
Total Operating Expenses	10,575,324	10,846,977	(271,653)
Non-Operating Expenses:			
Interest expense	-	-	-
Total Expenses	10,575,324	10,846,977	(271,653)
Change in Revenues & Expenses	\$ 495,587	\$ 729,868	\$ (234,281)
Capital Outlay:			
Capital Asset Additions	\$ (2,821,084)	\$ (1,297,547)	\$ (1,523,537)
Depreciation Expense	399,104	410,967	(11,863)
Change in Capital Expense	\$ (2,421,980)	\$ (886,580)	\$ (1,535,400)
Cash & Investments	\$ 8,166,225	\$ 8,530,155	\$ (363,930)
Quick Summary:			
Change in Revenues & Expenses	\$ 495,587		
Change in Capital Expense	(2,421,980)	Use of cash	
Change in Accounts Receivable	2,030,006	Change to Cash	
Change in Accounts Payable	(896,246)	Change to Cash	
Change in Pension Expense	517,938	Non-Cash	
Change in Cash & Investments	\$ (274,695)	Approximately	\$ 89,235
Investment Earnings to Portfolio	2.92%		

East Orange County Water District - Retail Fund

Dashboard – Audited Financial Statements

June 30, 2023 vs 2022

Revenues & Expenses	2023	2022	Variance
Operating Revenues:			
Water consumption sales	\$ 1,355,937	\$ 1,644,013	\$ (288,076)
Water service charges	1,066,144	1,075,075	(8,931)
Connection and other fees	43,833	21,686	22,147
Non-Operating Revenues:			
Property taxes	557,457	511,960	45,497
Investment earnings	52,254	26,757	25,497
Other non-operating revenues	49,403	232,063	(182,660)
Capital Contributions			
Contributed capital	1,085,021	35,153	1,049,868
Total Revenues	4,210,049	3,546,707	663,342
Operating Expenses:			
Source of supply	957,811	1,096,704	(138,893)
Pumping	23,447	25,447	(2,000)
Transmission and distribution	258,808	120,348	138,460
Salaries and benefits	1,024,355	(58,757)	1,083,112
General and administrative	416,020	316,340	99,680
Operating expenses before depr.	2,680,441	1,500,082	1,180,359
Depreciation expense	307,809	241,927	65,882
Total Operating Expenses	2,988,250	1,742,009	1,246,241
Non-Operating Expenses:			
Interest expense	86,682	90,557	(3,875)
Total Expenses	3,074,932	1,832,566	1,242,366
Change in Revenues & Expenses	\$ 1,135,117	\$ 1,714,141	\$ (579,024)
Capital Outlay:			
Capital Asset Additions	\$ (4,393,682)	\$ (1,297,547)	\$ (3,096,135)
Depreciation Expense	307,809	241,927	65,882
Change in Capital Expense	\$ (4,085,873)	\$ (1,055,620)	\$ (3,030,253)
Debt Service:			
Principal Paid	\$ (172,000)	\$ (168,200)	\$ (3,800)
Cash & Investments	\$ 6,539,180	\$ 8,696,686	\$ (2,157,506)
Quick Summary:			
Change in Revenues & Expenses	\$ 1,135,117		
Change in Capital Expense	(4,085,873)	Use of cash	
Debt Service – Principal Payments	(172,000)	Use of cash	
Change in Accounts Receivable	314,699	Change to Cash	
Change in Accounts Payable	233,661	Change to Cash	
Change in Pension Expense	517,938	Non-Cash	
Change in Cash & Investments	\$ (2,056,458)	Approximately	\$ 101,048
Investment Earnings to Portfolio	0.69%		

East Orange County Water District - Sewer Fund

Dashboard – Audited Financial Statements

June 30, 2023 vs 2022

Revenues & Expenses	2023	2022	Variance
Operating Revenues:			
Sewer service charges	\$ 3,079,234	\$ 3,093,772	\$ (14,538)
Other revenues	54,948	42,782	12,166
Non-Operating Revenues:			
Property taxes	438,923	401,635	37,288
Investment earnings	244,254	(1,649,374)	1,893,628
Other non-operating revenues	11,486	(113,495)	124,981
Capital Contributions			
Contributed capital	88,033	46,452	41,581
Total Revenues	3,916,878	1,821,772	2,095,106
Operating Expenses:			
Sewer operations	203,152	201,442	1,710
Salaries and benefits	1,582,152	1,362,425	219,727
General and administrative	505,284	369,176	136,108
Operating expenses before depr.	2,290,588	1,933,043	357,545
Depreciation expense	583,704	414,154	169,550
Total Operating Expenses	2,874,292	2,347,197	527,095
Non-Operating Expenses:			
Interest expense	346,727	362,229	(15,502)
Total Expenses	3,221,019	2,709,426	511,593
Change in Revenues & Expenses	\$ 695,859	\$ (887,654)	\$ 1,583,513
Capital Outlay:			
Capital Asset Additions	\$ (7,866,809)	\$ (6,454,632)	\$ (1,412,177)
Depreciation Expense	583,704	414,154	169,550
Change in Capital Expense	\$ (7,283,105)	\$ (6,040,478)	\$ (1,242,627)
Debt Service:			
Principal Paid	\$ (688,000)	\$ (672,800)	\$ (15,200)
Cash & Investments	\$ 47,793,864	\$ 55,184,198	\$ (7,390,334)
Quick Summary:			
Change in Revenues & Expenses	\$ 695,859		
Change in Capital Expense	(7,283,105)	Use of cash	
Debt Service – Principal Payments	(688,000)	Use of cash	
Change in Accounts Payable	(74,254)	Change to Cash	
Change in Pension Expense	60,057	Non-Cash	
Change in Cash & Investments	\$ (7,289,443)	Approximately	\$ 100,891
Investment Earnings to Portfolio	0.47%		

**EAST ORANGE COUNTY WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2023
(With Comparative Amounts as of June 30, 2022)**

NIGRO & NIGRO^{PC}

EAST ORANGE COUNTY WATER DISTRICT
For the Fiscal Year Ended June 30, 2023
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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
East Orange County Water District
Orange, California

Opinion

We have audited the accompanying financial statements of the East Orange County Water District (District), which comprise the balance sheet as of June 30, 2023, and related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated March 28, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California
March 28, 2024

EAST ORANGE COUNTY WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

Management's Discussion and Analysis (MD&A) offers readers of East Orange County Water District's (District's) financial statements a narrative overview of the District's financial activities for the year ended June 30, 2023 and 2022. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2023, the District's net position increased 2.88%, or \$2,326,563 from the prior year's net position of \$80,883,805 to \$83,210,368, as a result of the year's operations.
- In fiscal year 2023, operating revenues decreased by 9.03%, or \$1,387,992 from \$15,376,016 to \$13,988,024, from the prior year, primarily due to decreases in both wholesale and retail water consumption sales.
- In fiscal year 2023, operating expenses before depreciation expense increased by 11.04% or \$1,411,068 from \$12,780,482 to \$14,191,550, from the prior year, primarily due to increases in the non-cash expense related to the annual revaluation of the District's net pension liability.

REQUIRED FINANCIAL STATEMENTS

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

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

EAST ORANGE COUNTY WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT

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

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

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

Condensed Balance Sheets

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Assets:			
Current assets	\$ 38,580,928	\$ 34,912,127	\$ 3,668,801
Non-current assets	26,637,532	43,205,159	(16,567,627)
Capital assets, net	<u>39,462,108</u>	<u>25,671,150</u>	<u>13,790,958</u>
Total assets	<u>104,680,568</u>	<u>103,788,436</u>	<u>892,132</u>
Deferred outflows of resources	<u>864,918</u>	<u>1,106,477</u>	<u>(241,559)</u>
Total assets and deferred outflows of resources	<u>\$ 105,545,486</u>	<u>\$ 104,894,913</u>	<u>\$ 650,573</u>
Liabilities:			
Current liabilities	\$ 4,324,017	\$ 5,026,020	\$ (702,003)
Non-current liabilities	<u>17,383,294</u>	<u>18,112,581</u>	<u>(729,287)</u>
Total liabilities	<u>21,707,311</u>	<u>23,138,601</u>	<u>(1,431,290)</u>
Deferred inflows of resources	<u>627,807</u>	<u>872,507</u>	<u>(244,700)</u>
Net position:			
Net investment in capital assets	25,959,367	18,990,434	6,968,933
Restricted	21,789,119	29,862,783	(8,073,664)
Unrestricted	<u>35,461,882</u>	<u>32,030,588</u>	<u>3,431,294</u>
Total net position	<u>83,210,368</u>	<u>80,883,805</u>	<u>2,326,563</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 105,545,486</u>	<u>\$ 104,894,913</u>	<u>\$ 650,573</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$83,210,368 and \$80,883,805 as of June 30, 2023 and June 30, 2022, respectively.

EAST ORANGE COUNTY WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

A large portion of the District's net position (31% and 23% as of June 30, 2023 and 2022, respectively) reflects the District's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2023, the District showed a positive balance in its unrestricted net position of \$35,461,882 which may be utilized in future years.

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Operating revenues	\$ 13,988,024	\$ 15,376,016	\$ (1,387,992)
Operating expenses	<u>(14,191,550)</u>	<u>(12,780,482)</u>	<u>(1,411,068)</u>
Operating income before depreciation	(203,526)	2,595,534	(2,799,060)
Depreciation expense	<u>(1,290,617)</u>	<u>(1,067,048)</u>	<u>(223,569)</u>
Operating income	(1,494,143)	1,528,486	(3,022,629)
Non-operating revenues(expenses), net	<u>2,397,262</u>	<u>(54,125)</u>	<u>2,451,387</u>
Capital contributions	<u>1,423,444</u>	<u>81,994</u>	<u>1,341,450</u>
Change in net position	2,326,563	1,556,355	770,208
Net position:			
Beginning of year	<u>80,883,805</u>	<u>79,327,450</u>	<u>1,556,355</u>
End of year	<u>\$ 83,210,368</u>	<u>\$ 80,883,805</u>	<u>\$ 2,326,563</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In fiscal year 2023, the District's net position increased 2.88%, or \$2,326,563 from the prior year's net position of \$80,883,805 to \$83,210,368, as a result of the year's operations.

EAST ORANGE COUNTY WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Years Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

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

Total Revenues

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Water consumption sales – wholesale	\$ 7,301,637	\$ 8,558,584	\$ (1,256,947)
Water consumption sales – retail	1,355,937	1,644,013	(288,076)
Water service charges	2,071,857	1,994,631	77,226
Sewer service charges	3,079,234	3,093,772	(14,538)
Connection fees	113,742	33,405	80,337
Other operating revenues	<u>65,617</u>	<u>51,611</u>	<u>14,006</u>
Total operating revenues	<u>13,988,024</u>	<u>15,376,016</u>	<u>(1,387,992)</u>
Non-operating revenues:			
Property taxes	2,074,715	1,905,287	169,428
Investment earnings	540,648	(1,793,085)	2,333,733
Rental revenue – cellular antenna	143,834	173,090	(29,256)
Gain (loss) on sale of assets	32,550	(1,764)	34,314
Other non-operating revenues	<u>38,924</u>	<u>299,432</u>	<u>(260,508)</u>
Total non-operating revenues	<u>2,830,671</u>	<u>582,960</u>	<u>2,247,711</u>
Capital contributions	<u>1,423,444</u>	<u>81,994</u>	<u>1,341,450</u>
Total revenues	<u>\$ 18,242,139</u>	<u>\$ 16,040,970</u>	<u>\$ 2,201,169</u>

In fiscal year 2023, operating revenues decreased by 9.03%, or \$1,387,992 from \$15,376,016 to \$13,988,024, from the prior year, primarily due to decreases in both wholesale and retail water consumption sales.

EAST ORANGE COUNTY WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Expenses

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operating expenses:			
Source of supply	\$ 8,754,851	\$ 10,054,006	\$ (1,299,155)
Pumping	23,447	25,447	(2,000)
Transmission and distribution	534,343	466,081	68,262
Sewer operations	203,152	201,442	1,710
Salaries and benefits	3,437,085	1,041,886	2,395,199
General and administrative	1,238,672	991,620	247,052
Total operating expenses	<u>14,191,550</u>	<u>12,780,482</u>	<u>1,411,068</u>
Depreciation expense	<u>1,290,617</u>	<u>1,067,048</u>	<u>223,569</u>
Non-operating expenses:			
Interest expense	433,409	452,786	(19,377)
Other non-operating expenses	-	184,299	(184,299)
Total non-operating expenses	<u>433,409</u>	<u>637,085</u>	<u>(203,676)</u>
Total expenses	<u>\$ 15,915,576</u>	<u>\$ 14,484,615</u>	<u>\$ 1,430,961</u>

In fiscal year 2023, operating expenses before depreciation expense increased by 11.04% or \$1,411,068 from \$12,780,482 to \$14,191,550, from the prior year, primarily due to increases in the non-cash expense related to the annual revaluation of the District's net pension liability.

Capital Assets

	<u>Balance June 30, 2023</u>	<u>Balance June 30, 2022</u>
Capital assets:		
Non-depreciable assets	\$ 25,808,590	\$ 12,240,716
Depreciable assets	29,697,123	28,532,842
Accumulated depreciation	<u>(16,043,605)</u>	<u>(15,102,408)</u>
Total capital assets, net	<u>\$ 39,462,108</u>	<u>\$ 25,671,150</u>

At June 30, 2023, the District's investment in capital assets amounted to \$39,462,108 (net of accumulated depreciation), respectively. Capital asset additions for 2023 amounted to \$15,081,575 for various projects and equipment. See Note 6 for further information.

EAST ORANGE COUNTY WATER DISTRICT

Management’s Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

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

Long-term debt:	Balance	Balance
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Loans payable	<u>\$ 18,052,000</u>	<u>\$ 18,912,000</u>

For the year ended June 30, 2023, long-term debt decreased by \$860,000 from regular principal payments. See Note 8 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

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

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

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

EAST ORANGE COUNTY WATER DISTRICT

Balance Sheets

June 30, 2023 (With Comparable Amounts as of June 30, 2022)

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and investments (Note 2)	\$ 36,331,945	\$ 30,486,217
Accrued interest receivable	96,050	32,178
Accounts receivable, net (Note 4)	1,767,409	4,121,634
Property tax receivable	64,437	53,420
Lease receivable (Note 5)	133,553	125,871
Inventory - water-in-storage	55,940	51,252
Prepaid expenses	131,594	41,555
Total current assets	<u>38,580,928</u>	<u>34,912,127</u>
Non-current assets:		
Restricted - cash and investments (Note 2 and 3)	26,167,324	41,924,822
Restricted - accrued interest receivable (Note 3)	171,054	169,245
Lease receivable - (Note 5)	299,154	432,707
Net pension asset (Note 9)	-	678,385
Capital assets - not being depreciated (Note 6)	25,808,590	12,240,716
Capital assets - being depreciated, net (Note 6)	13,653,518	13,430,434
Total non-current assets	<u>66,099,640</u>	<u>68,876,309</u>
Total assets	<u>104,680,568</u>	<u>103,788,436</u>
Deferred outflows of resources:		
Deferred amounts related to net pension liability (Note 9)	864,918	1,106,477
Total deferred outflows of resources	<u>864,918</u>	<u>1,106,477</u>
Total assets and deferred outflows of resources	<u>\$ 105,545,486</u>	<u>\$ 104,894,913</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,089,582	\$ 3,829,129
Due to other governments	-	7,824
Deposits and unearned revenues	252,839	234,021
Accrued interest payable	32,898	34,465
Long-term liabilities - due within one year:		
Compensated absences (Note 7)	68,698	60,581
Loans payable (Note 8)	880,000	860,000
Total current liabilities	<u>4,324,017</u>	<u>5,026,020</u>
Non-current liabilities:		
Long-term liabilities - due in more than one year:		
Compensated absences (Note 7)	68,697	60,581
Loans payable (Note 8)	17,172,000	18,052,000
Net pension liability (Note 9)	142,597	-
Total non-current liabilities	<u>17,383,294</u>	<u>18,112,581</u>
Total liabilities	<u>21,707,311</u>	<u>23,138,601</u>
Deferred inflows of resources:		
Deferred amounts related to leases (Note 5)	408,898	542,686
Deferred amounts related to net pension liability (Note 9)	218,909	329,821
Total deferred inflows of resources	<u>627,807</u>	<u>872,507</u>
Net position:		
Net investment in capital assets (Note 10)	25,959,367	18,990,434
Restricted (Note 3)	21,789,119	29,862,783
Unrestricted	35,461,882	32,030,588
Total net position	<u>83,210,368</u>	<u>80,883,805</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 105,545,486</u>	<u>\$ 104,894,913</u>

EAST ORANGE COUNTY WATER DISTRICT*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Water consumption sales - wholesale	\$ 7,301,637	\$ 8,558,584
Water consumption sales - retail	1,355,937	1,644,013
Water service charges	2,071,857	1,994,631
Sewer service charges	3,079,234	3,093,772
Connection fees	113,742	33,405
Other operating revenues	65,617	51,611
Total operating revenues	<u>13,988,024</u>	<u>15,376,016</u>
Operating expenses:		
Source of supply	8,754,851	10,054,006
Pumping	23,447	25,447
Transmission and distribution	534,343	466,081
Sewer operations	203,152	201,442
Salaries and benefits	3,437,085	1,041,886
General and administrative	1,238,672	991,620
Total operating expenses	<u>14,191,550</u>	<u>12,780,482</u>
Operating loss before depreciation	(203,526)	2,595,534
Depreciation expense	(1,290,617)	(1,067,048)
Operating loss	<u>(1,494,143)</u>	<u>1,528,486</u>
Non-operating revenues(expenses):		
Property taxes	2,074,715	1,905,287
Investment earnings	540,648	(1,793,085)
Rental revenue - cellular antenna	143,834	173,090
Interest expense	(433,409)	(452,786)
Gain (loss) on sale of assets	32,550	(1,764)
Other non-operating revenues	38,924	299,432
Other non-operating Expenses	-	(184,299)
Total non-operating revenues(expenses), net	<u>2,397,262</u>	<u>(54,125)</u>
Change in net position before capital contributions	<u>903,119</u>	<u>1,474,361</u>
Capital contributions:		
Capital grants	1,085,021	-
Contributed capital - developers	250,390	35,541
Capacity charges	88,033	46,453
Total capital contributions	<u>1,423,444</u>	<u>81,994</u>
Change in net position	<u>2,326,563</u>	<u>1,556,355</u>
Net position:		
Beginning of year	<u>80,883,805</u>	<u>79,327,450</u>
End of year	<u>\$ 83,210,368</u>	<u>\$ 80,883,805</u>

EAST ORANGE COUNTY WATER DISTRICT*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 16,650,878	\$ 13,953,633
Cash paid to employees for salaries and wages	(1,725,868)	(1,836,009)
Cash paid to vendors and suppliers for materials and services	<u>(12,454,888)</u>	<u>(9,653,469)</u>
Net cash provided by operating activities	<u>2,470,122</u>	<u>2,464,155</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	<u>2,113,639</u>	<u>1,903,657</u>
Net cash provided by non-capital financing activities	<u>2,113,639</u>	<u>1,903,657</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(15,081,575)	(9,213,780)
Proceeds from the sale of capital assets	32,550	4,280
Capital grants	1,085,021	-
Capital contributions	88,033	81,994
Principal paid on long-term debt	(860,000)	(841,000)
Interest paid on long-term debt	<u>(434,976)</u>	<u>(452,786)</u>
Net cash used in capital and related financing activities	<u>(15,170,947)</u>	<u>(10,421,292)</u>
Cash flows from investing activities:		
Purchase of investments, net	10,709,735	(2,149,705)
Investment earnings	<u>474,967</u>	<u>517,422</u>
Net cash provided by (used in) investing activities	<u>11,184,702</u>	<u>(1,632,283)</u>
Net increase(decrease) in cash and cash equivalents	597,516	(7,685,763)
Cash and cash equivalents:		
Beginning of year	<u>12,891,843</u>	<u>20,577,606</u>
End of year	<u>\$ 13,489,359</u>	<u>\$ 12,891,843</u>
Reconciliation of cash and cash equivalents:		
Cash and investments	\$ 62,499,269	\$ 72,411,039
Less: Long-term investments	<u>(49,009,910)</u>	<u>(59,519,196)</u>
Total cash and cash equivalents	<u>\$ 13,489,359</u>	<u>\$ 12,891,843</u>

EAST ORANGE COUNTY WATER DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income(loss) to net cash provided by operating activities:		
Operating income(loss)	\$ (1,494,143)	\$ 1,528,486
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:		
Depreciation	1,290,617	1,067,048
Rental revenue	143,834	173,090
Other non-operating revenues	38,924	299,432
Other non-operating expenses	-	(184,299)
Change in assets - (increase)decrease:		
Accounts receivable, net	2,354,225	(1,357,307)
Lease receivable	125,871	(558,578)
Other receivables	-	20,980
Inventory - water-in-storage	(4,688)	(4,475)
Prepaid expenses	(90,039)	29,166
Change in deferred outflows of resources - (increase)decrease		
Deferred amounts related to net pension liability	241,559	(302,701)
Change in liabilities - increase(decrease):		
Accounts payable and accrued expenses	(747,371)	2,094,006
Deposits and unearned revenues	18,818	6,556
Compensated absences	16,233	23,118
Net pension liability	820,982	(947,718)
Change in deferred inflows of resources - increase(decrease)		
Deferred amounts related to leases	(133,788)	542,686
Deferred amounts related to net pension liability	(110,912)	34,665
Total adjustments	<u>3,964,265</u>	<u>935,669</u>
Net cash provided by operating activities	<u>\$ 2,470,122</u>	<u>\$ 2,464,155</u>
Noncash investing, capital and financing transactions		
Change in fair-value of investments	<u>\$ (533,906)</u>	<u>\$ (2,385,828)</u>

EAST ORANGE COUNTY WATER DISTRICT
Statement of Net Position – Fiduciary Fund
For the Fiscal Year Ended June 30, 2023

<u>Assets</u>	<u>Custodial Fund</u>
Current assets:	
Cash and investments (Note 2)	\$ 29,659
Due from property owners	<u>798</u>
Total assets	<u>\$ 30,457</u>
<u>Liabilities and Net Position</u>	
Current liabilities:	
Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>
Net position:	
Total net position	<u>30,457</u>
Total liabilities and net position	<u>\$ 30,457</u>

EAST ORANGE COUNTY WATER DISTRICT
Statement of Changes in Net Position – Fiduciary Fund
For the Fiscal Year Ended June 30, 2023

	<u>Custodial Fund</u>
Additions:	
Parcel assessments	\$ 51,708
Total revenues	<u>51,708</u>
Deductions:	
Administration	12,458
Interest expense	<u>40,056</u>
Total expenses	<u>52,514</u>
Change in net position	<u>(806)</u>
Net position:	
Beginning of year	<u>31,263</u>
End of year	<u>\$ 30,457</u>

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

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

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

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

B. Basis of Presentation, Basis of Accounting

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

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

2. Investments (continued)

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

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

3. Restricted Assets

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

4. Receivables and Allowance for Doubtful Accounts

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

5. Water in Storage

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

6. Prepays

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

7. Lease Receivable and Deferred Inflows of Resources

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

8. Capital Assets

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

<u>Description</u>	<u>Estimated Lives</u>
Transmission and distribution system	5-100 years
Wastewater system	10-100 years
Structures and improvements	3-50 years
Equipment	5-50 years

9. Deferred Outflows/Inflows of Resources

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

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

10. Compensated Absences

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

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

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

11. Pensions

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

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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

12. Net Position

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

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

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

D. Use of Estimates

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

E. Property Taxes

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

The property tax calendar is as follows:

Lien date January 1

Levy date July 1

Due dates November 1 and February 1

Collection dates December 10 and April 10

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS

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

<u>Description</u>	<u>June 30, 2023</u>
Cash and investments	\$ 36,331,945
Restricted – cash and investments	26,167,324
Cash and cash equivalents – fiduciary fund	<u>29,659</u>
Total cash and cash equivalents	<u><u>\$ 62,528,928</u></u>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2023</u>
Cash on hand	\$ 250
Demand deposits held with financial institutions	580,371
Local Agency Investment Fund (LAIF)	7,862,699
California CLASS	5,075,698
Investments	<u>49,009,910</u>
Total cash and cash equivalents	<u><u>\$ 62,528,928</u></u>

Demand Deposits with Financial Institutions

At June 30, 2023, the carrying amount of the District's demand deposits was \$580,371, and the financial institution's balances was \$2,164,684. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

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

Custodial Credit Risk

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

Local Agency Investment Fund (LAIF)

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

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2023, the District held \$7,862,699 in LAIF.

California Cooperative Liquid Assets Securities System (California CLASS)

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

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

The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAM (S&P Global Ratings) and AAAf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2023, the District held \$5,075,698 in California CLASS.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. The District had approximately 66% and 15% of its investment portfolio invested in U.S. Treasury Obligations and U.S. Government Sponsored agency securities, respectively.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments

The District’s investments as of June 30, 2023, are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
U.S. treasury obligations	Level 2	N/A	\$ 32,287,152	\$ 7,103,261	\$ 9,588,108	\$ 15,595,783
U.S. government sponsored agency securities	Level 2	A to AAA	7,432,717	1,345,201	2,348,986	3,738,530
Medium-term corporate notes	Level 2	A to AAA	1,351,832	-	330,120	1,021,712
Negotiable certificates-of-deposit	Level 2	AAA	2,563,994	109,513	526,313	1,928,168
Money-market mutual funds	N/A	N/A	5,233,401	5,233,401	-	-
Held by PARS trustee:						
Money-market mutual funds	N/A	N/A	140,814	140,814	-	-
Total investments			\$ 49,009,910	\$ 13,932,190	\$ 12,793,527	\$ 22,284,193

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

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

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2023.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2023. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

Fair Value Measurements

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

NOTE 3 – RESTRICTED – ASSETS AND RESTRICTED – NET POSITION

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

<u>Description</u>	<u>June 30, 2023</u>
Restricted – cash and cash equivalents	\$ 26,167,324
Restricted – accrued interest receivable	171,054
Total restricted assets	\$ 26,338,378

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

<u>Description</u>	<u>June 30, 2023</u>
Capital projects	\$ 21,648,305
Unspent proceeds from loan issuance	4,549,259
PARS trust	140,814
Total restricted assets	26,338,378
Less: Unspent proceeds from loan issuance	(4,549,259)
Total restricted – net position	\$ 21,789,119

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 4 – ACCOUNTS RECEIVABLE, NET

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

<u>Description</u>	<u>June 30, 2023</u>
Accounts receivable	\$ 1,796,203
Allowance for doubtful accounts	<u>(28,794)</u>
Total accounts receivable, net	<u>\$ 1,767,409</u>

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

Changes in the District's lease receivable for the year ended June 30, 2023 was as follows:

<u>Description</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>
Cellular antenna site rental No. 1	\$ 211,759	\$ -	\$ (66,322)	\$ 145,437
Cellular antenna site rental No. 2	346,819	-	(59,549)	<u>287,270</u>
	<u>\$ 558,578</u>	<u>\$ -</u>	<u>\$ (125,871)</u>	<u>\$ 432,707</u>

The District is reporting a total lease receivable of \$432,707 and a total related deferred inflows of resources of \$408,898 for the year ending June 30, 2023. Also, the District is reporting total lease revenue of \$143,834 and interest revenue of \$13,130 related to lease payments received for the years ending June 30, 2023.

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

Cellular Antenna Site Rental No. 1

The District, on July 1, 2021, renewed a continuous lease for 48 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$274,167. As of June 30, 2023, the value of the lease receivable was \$145,437. The lease is required to make monthly fixed payments of \$5,738 for the first 12-month period, then increase 3.0% per year. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was \$137,079 as of June 30, 2023. The District recognized lease revenue of \$73,691 and interest revenue of \$5,453 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Cellular Antenna Site Rental No. 2

The District, on July 1, 2021, renewed a continuous lease for 74 months as lessor for the use of a cellular antenna site rental. An initial lease receivable was recorded in the amount of \$402,307. As of June 30, 2023, the value of the lease receivable was \$287,270. The lease is required to make monthly fixed payments of \$5,238 for the first 12-month period, then increase 3.0% per year. The lease has an interest rate of 2.40%. The value of the deferred inflow of resources was \$271,819 as of June 30, 2023. The District recognized lease revenue of \$70,143 and interest revenue of \$7,677 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 133,553	\$ 9,618	\$ 143,171
2025	141,576	5,889	147,465
2026	70,444	3,015	73,459
2027	74,379	1,283	75,662
2028	<u>12,755</u>	<u>39</u>	<u>12,794</u>
Total	432,707	<u>\$ 19,844</u>	<u>\$ 452,551</u>
Current	<u>(133,553)</u>		
Long-term	<u>\$ 299,154</u>		

Changes in the District’s deferred inflows of resources related to leases for June 30, 2023, is as follows:

<u>Description</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>
Cellular antenna site rental No. 1	\$ 205,623	\$ -	\$ (68,544)	\$ 137,079
Cellular antenna site rental No. 2	<u>337,063</u>		<u>(65,244)</u>	<u>271,819</u>
	<u>\$ 542,686</u>	<u>\$ -</u>	<u>\$ (133,788)</u>	<u>\$ 408,898</u>

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2023, will be amortized in future periods as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 133,788
2025	133,788
2026	65,244
2027	65,244
2028	<u>10,834</u>
Total	<u>\$ 408,898</u>

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2023, were as follows:

Description	Balance July 1, 2022	Additions	Deletions/ Transfers	Balance June 30, 2023
Non-depreciable assets:				
Land	\$ 579,284	\$ -	\$ -	\$ 579,284
Capacity rights	943,320	-	-	943,320
Construction-in-process	10,718,112	15,473,338	(1,905,464)	24,285,986
Total non-depreciable assets	12,240,716	15,473,338	(1,905,464)	25,808,590
Depreciable assets:				
Transmission and distribution system	17,447,439	1,263,439	(88,066)	18,622,812
Structures and improvements	8,944,206	111,599	(135,230)	8,920,575
Equipment	2,141,197	138,663	(126,124)	2,153,736
Total depreciable assets	28,532,842	1,513,701	(349,420)	29,697,123
Accumulated depreciation:				
Transmission and distribution system	(10,335,394)	(601,622)	88,066	(10,848,950)
Structures and improvements	(3,886,442)	(353,085)	135,230	(4,104,297)
Equipment	(880,572)	(335,910)	126,124	(1,090,358)
Total accumulated depreciation	(15,102,408)	(1,290,617)	349,420	(16,043,605)
Total depreciable assets, net	13,430,434	223,084	-	13,653,518
Total capital assets, net	\$ 25,671,150	\$ 15,696,422	\$ (1,905,464)	\$ 39,462,108

In fiscal year 2023, major capital asset additions amounted to \$15,081,575, and depreciation expense amounted to \$1,290,617.

NOTE 7 – COMPENSATED ABSENCES

Changes in compensated absences amounts for the year ended June 30, 2023, were as follows:

Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
\$ 121,162	\$ 93,861	\$ (77,628)	\$ 137,395	\$ 68,698	\$ 68,697

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 8 – LOANS PAYABLE

Changes in loans payable amounts for the year ended June 30, 2023, were as follows:

<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 18,912,000	\$ -	\$ (860,000)	\$ 18,052,000	\$ 880,000	\$ 17,172,000

2020 Installment Purchase Agreement

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

Annual debt service requirements on the loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 880,000	\$ 415,196	\$ 1,295,196
2025	900,000	394,956	1,294,956
2026	921,000	374,256	1,295,256
2027	942,000	353,003	1,295,003
2028	963,000	331,409	1,294,409
2029-2033	5,161,000	1,314,289	6,475,289
2034-2038	5,782,000	692,877	6,474,877
2039-2040	2,503,000	86,697	2,589,697
Total	18,052,000	<u>\$ 3,962,683</u>	<u>\$ 22,014,683</u>
Current	<u>(880,000)</u>		
Long-term	<u>\$ 17,172,000</u>		

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023

NOTE 9 – PENSION PLAN

Summary

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

Description	2023
Pension related deferred outflows	\$ 864,918
Net pension liability	142,597
Pension related deferred inflows	218,909

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

A. General Information about the Pension Plan

The Plan

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

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	7.000%	6.750%
Required employer contribution rates – FY 2022	8.650%	7.590%

Plan Description

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2021 and June 30, 2020 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

At June 30, 2022 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	6	8	14
Transferred and terminated members	7	3	10
Retired members and beneficiaries	9	1	10
Total plan members	22	12	34

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

Benefits Provided

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

Contributions

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

Contributions for the fiscal year ended June 30, 2023, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 94,523	\$ 49,780	\$ 144,303

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 9 – PENSION PLAN (continued)

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

Proportionate Share of Net Pension Liability and Pension Expense

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2023:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2023</u>	<u>Fiscal Year Ending June 30, 2022</u>	
Measurement Date	<u>June 30, 2022</u>	<u>June 30, 2021</u>	
Percentage of Risk Pool Net Pension Liability	0.003047%	-0.035727%	0.038774%
Percentage of Plan Net Pension Liability	0.003047%	-0.035727%	0.038774%

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

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2022:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability/(Asset)</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2021 (Measurement Date)	\$ 4,416,168	\$ 5,094,553	\$ (678,385)
Balance as of June 30, 2022 (Measurement Date)	\$ 5,066,466	\$ 4,923,869	\$ 142,597
Change in Plan Net Pension Liability	<u>\$ 650,298</u>	<u>\$ (170,684)</u>	<u>\$ 820,982</u>

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 9 – PENSION PLAN (continued)

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

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

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$1,095,933. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 144,303	\$ -
Difference between actual and proportionate share of employer contributions	202,658	(93,278)
Adjustment due to differences in proportions	474,361	(123,713)
Differences between expected and actual experience	2,864	(1,918)
Differences between projected and actual earnings on pension plan investments	26,120	-
Changes in assumptions	14,612	-
Total Deferred Outflows/(Inflows) of Resources	\$ 864,918	\$ (218,909)

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

An amount of \$144,303 for 2023, were reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 9 – PENSION PLAN (continued)

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

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2023 will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2022	\$ (221,163)
2023	(253,734)
2024	(300,175)
2025	(385,443)
Total	<u>\$ (1,160,515)</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021, total pension liability. The June 30, 2022, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

Long-term Expected Rate of Return

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

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 9 – PENSION PLAN (continued)

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

Long-term Expected Rate of Return (continued)

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

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

¹ An expected inflation of 2.3% is used for this period.

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

Discount Rate

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

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 9 – PENSION PLAN (continued)

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

Subsequent Events (continued)

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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

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

Changes in the discount rate for the year ended June 30, 2023, was as follows:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
CalPERS – Miscellaneous Plan	\$ 3,524,916	\$ 1,597,778	\$ 4,640

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plans

At June 30, 2023, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2023.

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

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

<u>Description</u>	<u>June 30, 2023</u>
Net investment in capital assets:	
Capital assets – not being depreciated	\$ 25,808,590
Capital assets, net – being depreciated	13,653,518
Loans payable – current portion	(880,000)
Loans payable – non-current portion	(17,172,000)
Unspent proceeds from loan issuance (Note 3)	<u>4,549,259</u>
Total net investment in capital assets	<u>\$ 25,959,367</u>

NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN

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

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

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 12 – RISK MANAGEMENT POOL

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

A. Entity	ACWA-JPIA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of September 30, 2022 – 396 member districts
D. Governing board	Nine representatives employed by members
E. Condensed financial information	September 30, 2022
Audit signed	February 7, 2023
Statement of financial position:	Sept 30, 2022
Total assets	<u>\$ 246,615,214</u>
Deferred outflows	<u>6,108,562</u>
Total liabilities	<u>137,126,606</u>
Deferred inflows	<u>2,813,249</u>
Net position	<u><u>\$ 112,783,921</u></u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 175,619,417
Total expenses	<u>(212,646,028)</u>
Change in net position	(37,026,611)
Beginning – net position	<u>149,810,532</u>
Ending – net position	<u><u>\$ 112,783,921</u></u>
F. Member agencies share of year-end financial position	Not Calculated

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

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

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 12 – RISK MANAGEMENT POOL (continued)

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

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

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

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

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

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

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2023, 2022, and 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022, and 2021.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

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

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

EAST ORANGE COUNTY WATER DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

NOTE 13 – COMMITMENTS AND CONTINGENCIES (continued)

Grant Awards

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

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and capital contributions.

Litigation

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

NOTE 14 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 28, 2024, the date which the financial statements were available to be issued.

Required Supplementary Information

EAST ORANGE COUNTY WATER DISTRICT

*Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023*

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.006416%	\$ 399,219	\$ 424,397	94.07%	83.03%
June 30, 2015	0.004970%	341,116	446,749	76.36%	78.40%
June 30, 2016	0.005772%	499,435	439,988	113.51%	74.06%
June 30, 2017	0.017840%	600,628	570,254	105.33%	78.98%
June 30, 2018	0.019150%	582,611	703,788	82.78%	81.99%
June 30, 2019	0.019830%	658,490	886,564	74.27%	81.54%
June 30, 2020	0.002475%	269,333	1,101,431	24.45%	93.20%
June 30, 2021	-0.035727%	(678,385)	1,322,992	-51.28%	115.36%
June 30, 2022	0.003047%	142,597	1,531,885	9.31%	97.19%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

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

There were no significant changes in assumptions.

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

There were no significant changes in assumptions.

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

There were no significant changes in assumptions.

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

There were no significant changes in assumptions.

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

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

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only nine years are shown. Certain amounts have been updated per the 2020 CalPERS Actuarial Valuations

EAST ORANGE COUNTY WATER DISTRICT

*Schedule of the District's Contributions to the Defined Benefit Pension Plan
For the Year Ended June 30, 2023*

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

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

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2012	Entry Age	Fair Value	2.75%	7.65%
June 30, 2016	June 30, 2013	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2015	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2016	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2020	Entry Age	Fair Value	2.30%	6.90%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

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

Mortality

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

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only nine years are shown. Certain amounts have been updated per the 2020 CalPERS Actuarial Valuations

Supplementary Information

EAST ORANGE COUNTY WATER DISTRICT
Balance Sheets – Combined – Internal Funds
June 30, 2023 (With Comparative Amounts as of June 30, 2022)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Wholesale	Retail	ID No. 1	Internal Balances	2023	2022
Current assets:						
Cash and investments	\$ 8,109,899	\$ 5,027,691	\$ 23,194,355	\$ -	\$ 36,331,945	\$ 30,486,217
Accrued interest receivable	29,214	35,162	31,674	-	96,050	32,178
Accounts receivable, net	1,401,283	443,564	15,716	(93,154)	1,767,409	4,121,634
Property tax receivable	15,898	8,896	39,643	-	64,437	53,420
Lease receivable	133,553	-	-	-	133,553	125,871
Inventory – water-in-storage	50,167	5,773	-	-	55,940	51,252
Prepaid expenses	18,925	25,931	86,738	-	131,594	41,555
Total current assets	9,758,939	5,547,017	23,368,126	(93,154)	38,580,928	34,912,127
Non-current assets:						
Restricted – cash and investments	56,326	1,511,489	24,599,509	-	26,167,324	41,924,822
Restricted – accrued interest receivable	-	-	171,054	-	171,054	169,245
Lease receivable	299,154	-	-	-	299,154	432,707
Net pension asset	-	-	-	-	-	678,385
Capital assets – not being depreciated	3,545,426	7,225,225	15,037,939	-	25,808,590	12,240,716
Capital assets – being depreciated, net	4,306,030	4,905,079	4,442,409	-	13,653,518	13,430,434
Total non-current assets	8,206,936	13,641,793	44,250,911	-	66,099,640	68,876,309
Total assets	17,965,875	19,188,810	67,619,037	(93,154)	104,680,568	103,788,436
Deferred outflows of resources:						
Deferred amounts related to net pension liability	408,761	408,761	47,396	-	864,918	1,106,477
Total deferred outflows of resources	408,761	408,761	47,396	-	864,918	1,106,477
Total assets and deferred outflows of resources	\$ 18,374,636	\$ 19,597,571	\$ 67,666,433	\$ (93,154)	\$ 105,545,486	\$ 104,894,913
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities:						
Accounts payable and accrued expenses	\$ 1,839,209	\$ 688,380	\$ 655,147	\$ (93,154)	\$ 3,089,582	\$ 3,829,129
Due to other governments	-	-	-	-	-	7,824
Deposits and unearned revenues	-	235,038	17,801	-	252,839	234,021
Accrued interest payable	-	6,580	26,318	-	32,898	34,465
Long-term liabilities – due within one year:						
Compensated absences	13,945	17,130	37,623	-	68,698	60,581
Loans payable	-	176,000	704,000	-	880,000	860,000
Total current liabilities	1,853,154	1,123,128	1,440,889	(93,154)	4,324,017	5,026,020
Non-current liabilities:						
Long-term liabilities – due in more than one year:						
Compensated absences	13,945	17,129	37,623	-	68,697	60,581
Loans payable	-	3,434,400	13,737,600	-	17,172,000	18,052,000
Net pension liability	67,391	67,391	7,815	-	142,597	-
Total non-current liabilities	81,336	3,518,920	13,783,038	-	17,383,294	18,112,581
Total liabilities	1,934,490	4,642,048	15,223,927	(93,154)	21,707,311	23,138,601
Deferred inflows of resources:						
Deferred amounts related to leases	408,898	-	-	-	408,898	542,686
Deferred amounts related to net pension liability	103,456	103,456	11,997	-	218,909	329,821
Total deferred inflows of resources	512,354	103,456	11,997	-	627,807	872,507
Net position:						
Net investment in capital assets	7,851,456	10,003,230	8,104,681	-	25,959,367	18,990,434
Restricted	56,326	28,163	21,704,630	-	21,789,119	29,862,783
Unrestricted	8,020,010	4,820,674	22,621,198	-	35,461,882	32,030,588
Total net position	15,927,792	14,852,067	52,430,509	-	83,210,368	80,883,805
Total liabilities, deferred inflows of resources and net position	\$ 18,374,636	\$ 19,597,571	\$ 67,666,433	\$ (93,154)	\$ 105,545,486	\$ 104,894,913

EAST ORANGE COUNTY WATER DISTRICT

Schedule of Revenues, Expenses and Changes in Net Position – Combined – Internal Funds For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)

	Wholesale	Retail	ID No. 1	Internal Balances	2023	2022
Operating revenues:						
Water consumption sales	\$ 8,181,833	\$ 1,355,937	\$ -	\$ (880,196)	\$ 8,657,574	\$ 10,202,597
Water service charges	1,081,216	1,066,144	-	(75,503)	2,071,857	1,994,631
Sewer service charges	-	-	3,079,234	-	3,079,234	3,093,772
Connection fees	80,578	33,164	-	-	113,742	33,405
Other operating revenues	-	10,669	54,948	-	65,617	51,611
Total operating revenues	9,343,627	2,465,914	3,134,182	(955,699)	13,988,024	15,376,016
Operating expenses:						
Source of supply	8,752,739	957,811	-	(955,699)	8,754,851	10,054,006
Pumping	-	23,447	-	-	23,447	25,447
Transmission and distribution	275,535	258,808	-	-	534,343	466,081
Sewer operations	-	-	203,152	-	203,152	201,442
Salaries and benefits	830,578	1,024,355	1,582,152	-	3,437,085	1,041,886
General and administrative	317,368	416,020	505,284	-	1,238,672	991,620
Total operating expenses	10,176,220	2,680,441	2,290,588	(955,699)	14,191,550	12,780,482
Operating income(loss) before depreciation	(832,593)	(214,527)	843,594	-	(203,526)	2,595,534
Depreciation expense	(399,104)	(307,809)	(583,704)	-	(1,290,617)	(1,067,048)
Operating income(loss)	(1,231,697)	(522,336)	259,890	-	(1,494,143)	1,528,486
Non-operating revenues(expenses):						
Property taxes	1,078,335	557,457	438,923	-	2,074,715	1,905,287
Investment earnings	244,140	52,254	244,254	-	540,648	(1,793,085)
Rental revenue – cellular antenna	143,834	-	-	-	143,834	173,090
Interest expense	-	(86,682)	(346,727)	-	(433,409)	(452,786)
Gain (loss) on sale of assets	10,590	10,959	11,001	-	32,550	(1,764)
Other non-operating revenues	17,110	14,393	7,421	-	38,924	299,432
Other non-operating Expenses	-	-	-	-	-	(184,299)
Transfers In/(Out)	(17,115)	24,051	(6,936)	-	-	-
Total non-operating revenues(expenses), net	1,476,894	572,432	347,936	-	2,397,262	(54,125)
Change in net position before capital contribs.	245,197	50,096	607,826	-	903,119	1,474,361
Capital contributions:						
Capital grants	-	1,085,021	-	-	1,085,021	-
Contributed capital – developers	250,390	-	-	-	250,390	35,541
Capacity charges	-	-	88,033	-	88,033	46,453
Total capital contributions	250,390	1,085,021	88,033	-	1,423,444	81,994
Change in net position	495,587	1,135,117	695,859	-	2,326,563	1,556,355
Net position:						
Beginning of year	15,432,205	13,716,950	51,734,650	-	80,883,805	79,327,450
End of year	\$ 15,927,792	\$ 14,852,067	\$ 52,430,509	\$ -	\$ 83,210,368	\$ 80,883,805

Other Independent Auditors' Reports



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

Board of Directors
East Orange County Water District
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the East Orange County Water District (District), which comprise the balance sheet as of June 30, 2023, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 28, 2024.

Internal Control Over Financial Reporting

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

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

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


Compliance and Other Matters

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

Purpose of this Report

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

Murrieta, California
March 28, 2024



EAST ORANGE COUNTY WATER DISTRICT
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2023



NIGRO & NIGRO^{PC}

EAST ORANGE COUNTY WATER DISTRICT

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Board of Directors
East Orange County Water District
Orange, California

We are pleased to present this report related to our audit of the financial statements of the East Orange County Water District (District) as of and for the year ended June 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

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

Very truly yours,

A handwritten signature in blue ink that reads 'Nigro & Nigro, PC'. The signature is written in a cursive, flowing style.

Walnut Creek, California
March 28, 2024

Required Communications

EAST ORANGE COUNTY WATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2023

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

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 1, 2023. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices	Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted. Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.
Audit Adjustments	Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries .
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

EAST ORANGE COUNTY WATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2023

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

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

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

Summary of Adjusting Journal Entries

EAST ORANGE COUNTY WATER DISTRICT

Summary of Adjusting Journal Entries For the Fiscal Year Ended June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To Fully Depreciate assets			
1707500	DEPRECIATION EXPENSE WZ	24,398.00	
2707500	DEPRECIATION EXPENSE RZ	37,546.00	
3707500	DEPRECIATION EXPENSE S	128,065.00	
1004721	GAIN / (LOSS) ON DISPOSAL WZ		24,398.00
2004721	GAIN / (LOSS) ON DISPOSAL RZ		37,546.00
3004721	GAIN/ (LOSS) ON DISPOSAL S		128,065.00
Total		190,009.00	190,009.00
Adjusting Journal Entries JE # 2			
Accrued back to retainage payment.			
1001300	CIP WZ	53,258.02	
3001300	CIP S	270,564.60	
1002110	RETAINAGE PAYABLE WZ		53,258.02
3002110	Retainage Payable S		270,564.60
Total		323,822.62	323,822.62
Adjusting Journal Entries JE # 3			
To Accrue Capital Contribution			
1001110	MISC RECEIVABLE WZ	250,000.00	
1004711	CAPITAL CONTRIBUTIONS WZ		250,000.00
Total		250,000.00	250,000.00
Adjusting Journal Entries JE # 4			
For Financial Reporting Purposes - To reclass property tax			
1004501	TAX SECURED WZ	2,292.41	
2004501	TAX SECURED RZ	1,282.61	
3004501	TAX SECURED S	976.66	
1004503	TAX SUPPLEMENTAL ROLL WZ		2,292.41
2004503	TAX SUPPLEMENTAL RZ		1,282.61
3004503	TAX SUPPLEMENTAL S		976.66
Total		4,551.68	4,551.68
Adjusting Journal Entries JE # 5			
To get beginning fund balance/net position to rollforward.			
1505402	OFFICE SUPPLIES WZ	2.10	
3998-20	UNRESTRICTED ASSETS	3.41	
3998-30	UNRESTRICTED ASSETS	1.58	
2505402	OFFICE SUPPLIES RZ		3.41
3505402	OFFICE SUPPLIES S		1.58
3998-10	UNRESTRICTED ASSETS		2.10
Total		7.09	7.09
Adjusting Journal Entries JE # 6			
To reclass restricted cash in the sewer fund for FINANCIAL REPORTING PURPOSES			
1040-30	Sterling Bank Loan Proceeds-ID1	21,648,305.16	
1030-33	US Bank		21,648,305.16
Total		21,648,305.16	21,648,305.16
Total Adjusting Journal Entries		22,416,695.55	22,416,695.55



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: 2020 INSTALLMENT PURCHASE AGREEMENT
DATE MARCH 28, 2024

Background

In December of 2020 the Board approved an Installment Purchase Agreement with Sterling Bank in the amount of \$20,120,000. The term for repayment was 20-years at an interest rate of 2.354%. At the time, the amount of capital was based on the current capital needs of the District and specific projects in the capital improvement plan. The expenditure of the funds was expected within three years.

Obviously, over three years there have been many changes to the capital improvements originally planned in 2020. These changes resulted in less spending on the projects initially included with this agreement and additional spending on projects that were not included or even planned at that time. As a result, a total of approximately \$18.6 million has been expended of the \$20.1 million total.

The District requested the remaining funds to be applied towards Vista Panorama Pipeline Project. The \$1.5 million from the loan will keep the Vista Panorama Project within budget. This project replaced the reservoir project where the funds would have been utilized. The bank agreed and those funds have been received.

This item was reviewed by the Administration and Finance Committee at the March 8, 2024 meeting.

Recommendation

The Board revise the capital budget for the Vista Panorama Pipeline to include the final \$1.5 million from the installment purchase agreement.

Attachment(s): Final Accounting of the \$20 million Installment Purchase Agreement Expenditures

	<u>Retail</u>	<u>Sewer</u>	<u>Total</u>
Original Loan Proceeds Available 12/01/2020	\$ 4,003,417	\$ 16,013,669	\$ 20,017,087
Drawdowns for Approved Capital Projects			
Retail - Vanderwerff Well	(2,956,276)	-	(2,956,276)
Retail - Vista Panorama Res.	(262,006)	-	(262,006)
Sewer - Browning/CRA	-	(15,254,357)	(15,254,357)
Subtotal Drawdowns for Approved Capital Projects	<u>(3,218,282)</u>	<u>(15,254,357)</u>	<u>(18,472,639)</u>
Add back Interest Earned	397	1,448	1,845
Unused Loan Proceeds Remitted to District 01/31/2024 for Desired Capital Projects	(785,533)	(760,761)	(1,546,293)
Restricted Loan Proceeds Available at 01/31/2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: PROPOSED REVISIONS TO PERSONNEL POLICY HANDBOOK
DATE MARCH 28, 2024

Background

The attached personnel handbook has been brought forward for a number of minor revisions to sections:

- 3.5 Nepotism – a more defined description is included
- 4.2 Work Schedules – outlines current field work schedule 6:30 am – 5:00 pm, Monday through Thursday.
- 8.2 Added Martin Luther King Jr. Holiday
- 8.7 Medical or Family Care Leave
- 11 Grievance Procedure
- 14 Alcohol & Drug Policy

The item was reviewed by the Administration & Finance Committee at the March 8, 2024 meeting.

Recommendation

The Board approve the revised personnel policy handbook.

Attachment(s): Revised Personnel Policy Handbook



PERSONNEL POLICY MANUAL

Adopted ~~May 19, 2020~~ **March 28, 2024**

DRAFT

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1. EMPLOYMENT POLICY

The East Orange County Water District (EOCWD) subscribes to the public policies of the United States and the State of California as set forth in all applicable statutes that are necessary to protect and safeguard the right and opportunity of all persons to seek, obtain, and hold employment without discrimination or abridgment because of race, religious creed, color, age, sex, physical, disability, national origin, or any other legally protected category.

EOCWD's policy provides full equal employment opportunity. Its recruitment and employment practices, all offers of employment, and all its courses of action concerning training opportunities and training, job placement, promotions, compensation, and termination are based solely on merit.

2. GENERAL EMPLOYMENT POLICIES

2.1 Categories of Employees

Each employee will be within one or more of the following categories:

2.2 Regular Employees (Exempt & Non-Exempt)

A person who is employed by EOCWD in a full-time position, has successfully completed their six (6) month probationary period, and is considered a regular employee whose employment is expected to continue over a long term. This employee is eligible for benefits as provided in the policies that relate to EOCWD's benefit programs. Eligibility is based upon length of continuous employment and, in all cases, the measurement shall begin with the employee's most recent date of hire.

Continuous employment is broken by:

- Quitting, either with or without notice.
- Discharge
- Layoff from which the employee is not rehired within one (1) year from the date of layoff.

Continuous employment is not broken by:

- Absence on layoff from which the employee is rehired within one (1) year from the date of layoff.
- Absence while an employee is on an approved leave of absence from which the employee returns to work.

Unless otherwise specifically stated, all EOCWD benefits apply only to regular full-time employees.

2.3 Temporary Employee (Non-Exempt)

A person who is hired to work for a limited period of time, not to exceed 960 hours, to meet seasonal or other short-term labor needs.

2.4 Part-time Employee (Non-Exempt)

A person who is employed to work less than thirty (30) hours per week on a regular or temporary basis.

2.5 Management Employee (Exempt)

Management employees serve at the pleasure of the Board of Directors and do not acquire a property right to continued employment. Management employees are exempt, as there is an expectation that there will be occasional work beyond the hours required of other full-time employees. As management employees are exempt, they do not receive overtime pay.

Management Employees' work hours and compensation are set by the Board. A Management Employee is considered a full-time employee and is entitled to the benefits of a Regular Employee as provided in the policies that are related to EOCWD's benefits programs.

A Management Employee whose regular work schedule is less than 34 hours per week is considered a part-time employee and is entitled to those benefits required by applicable federal and state laws.

With the written approval of the Board of Directors, Management employees may also receive compensation under salary and benefit plans that are different from those applicable to other employees.

Management (salaried-exempt) employees are as follows:

- General Manager
- Engineering Manager
- Operations Manager (Standby Pay Eligible)
- GIS Manager

2.6 Confidential Employee (Exempt & Non-Exempt)

Confidential employees are Management and supervisory employees who must exercise regular access to information considered by the District as confidential in the course of their job duties.

2.7 Non-Exempt Employee

Non-exempt employees are hourly-paid employees, who may receive overtime pay. Non-exempt employees are as follows:

Administrative/Office Employees

- Office Manager
- Administrative Assistant
- Management Analyst
- P/T Administrative Assistant
- P/T Office Assistant

Field Employees

- Water Distribution System Supervisor
- Wastewater Collections System Supervisor
- Water Distribution System Operator I
- Water Distribution System Operator II
- Water Distribution System Operator III
- Water Distribution System Lead Operator
- Wastewater Collections System Operator I
- Wastewater Collections System Operator II
- Wastewater Collections System Operator III
- Wastewater Collections System Lead Operator

3. HIRING AND PROMOTIONS

3.1 Posting New Jobs and Vacancies

When new jobs are created or vacancies occur, EOCWD shall first attempt to fill them through the recall procedure if any employee on layoff has necessary qualifications. If new jobs or vacancies are not filled through recall after layoff, a notice will be posted on District bulletin boards.

EOCWD may make emergency appointments to satisfy an immediate staffing need.

3.2 Selection

Employees shall be selected on the basis of their qualifications for the job and without regard for race, religious creed, color, age, sex, physical handicap, or national origin. The method of selecting a new employee will be objective and impartial and may consist of interviews, tests, examinations, and verifications, as the General Manager deems necessary and appropriate.

3.3 Application for Employment

Each candidate for employment who appears to be qualified to perform the job for which he/she is being considered shall be required to fill out and sign the EOCWD's Application for Employment form. Applications shall be considered if they are received on or before the final filing date.

3.4 Disqualification

Applications will be rejected if the applicant is determined to be physically or mentally unfit to perform the duties of the position under consideration, is addicted to the habitual excessive use of illegal substances or intoxicating liquor, is not a U.S. citizen or otherwise does not possess the minimum qualifications for the position. Persons falsifying application information shall be disqualified.

3.5 Nepotism

Nepotism occurs when family members favor other family members in employment decisions. Nepotism does not align with EOCWD's policy and practice of making employment decisions based solely on District needs, merit-based processes, and individual qualifications, skills, knowledge, abilities, and performance.

No person shall be hired, assigned, or promoted to a position with EOCWD whenever such person's relative already holds a position with EOCWD, and whenever such appointment, assignment, or promotion would result in the following:

1. Direct supervision of an employee by a related employee.
2. Related employees having the same immediate supervisor.
3. Related employees working in the same department, group, or facility, where such placement has the potential for creating an adverse impact on supervision, safety, or morale, or where such placement creates potential conflicts of interests or hazards greater for relatives than for other persons.

For purposes of this rule, relative shall include a child, parent, parent-in-law, child-in-law, sibling, step-parent, step-child, grandparent, grandchild, or first cousin but excluding the relationship of marriage. Individuals who become related persons, including by entering into marriage with another EOCWD employee, must promptly disclose the relationship to Human Resources.

Human Resources retains the discretion to change job assignments as necessary if the placement of related employees creates a potential adverse impact on supervision, safety, or morale. EOCWD retains the discretion to refuse to hire an applicant who is related to a current EOCWD employee (including married to a current EOCWD employee), if EOCWD determines that it would be impossible for the employment to take place for reasons of disruption of EOCWD affairs, supervision, safety, security, or morale.

If for operational reasons Human Resources cannot remove the conflict, Human Resources shall formulate a management plan to address the conflict created by the relationship while minimizing impact on the employees involved. At a minimum, all management plans must address reporting relationships, supervision, and evaluation to ensure a supervisor does not participate in employment decisions regarding a related person, as prohibited by this policy.

3.6 Physical Examinations

Candidates for initial employment and employees rehired after layoff must successfully pass a physical examination, which will include drug and alcohol screening prescribed by the District.

At the direction of the General Manager or designee, any employee may be required to undergo a physical examination at any time, consistent with applicable law.

All physical examinations prescribed by the District shall be performed by a licensed physician approved and paid for by the District.

3.7 Background Checks

Candidates for employment and employees rehired after layoff are subject to a background check following a conditional offer of employment or reemployment. The background check may include criminal record information, reference checks, credit checks (for certain positions consistent with applicable law), verification of prior employment, obtaining copies of licenses, certificates or other public and/or official records and documents.

If the background check reveals negative information, including a conviction of a felony or misdemeanor crime of moral turpitude, EOCWD will provide notice and a copy of the background report to the individual that the individual may be disqualified from being considered for or holding a particular position. EOCWD will conduct an individualized assessment of whether the candidate's criminal history has a direct and adverse relationship with the specific duties of the job. In making this individualized assessment, EOCWD will consider: (1) the nature and gravity of the offense or conduct; (2) the time that has passed since the offense or conduct and completion of the sentence; and (3) the nature of the job held or sought. The candidate will be provided five business days to respond to the notice and assessment, and will be provided five additional business days if the candidate disputes the accuracy of the background check report.

If the results of the background check and response of the candidate continue to indicate that EOCWD would be adversely affected by hiring or rehiring the applicant, EOCWD may decline to retain the individual. EOCWD will send final notice of its decision to the candidate, including a final written assessment.

3.8 Work Status

All individuals accepting employment shall provide verification of identity and legal authority to work in the United States pursuant to the federal immigration laws. Completion of Form I-9, U.S. Department of Justice, Immigration and Naturalization Service, is mandatory within seventy-two (72) hours of hiring. All offers of employment and continued employment are contingent on furnishing satisfactory evidence of identity and legal authority work in the United States.

3.9 Probationary Period

New Employees

The first six (6) months of employment shall constitute a probationary period during which EOCWD will investigate the new employee's qualifications, references, and work performance and determine whether his/her employment should be continued. New employees are subject to dismissal without cause at any time during this period at the discretion of the General Manager, and such termination shall not constitute a cause for any action against EOCWD.

New employees will be kept informed of their progress by means of periodic performance evaluations. They will be advised of any deficiencies in performance or conduct. At the end of the probationary period, new employees will be given a performance appraisal by their immediate supervisor. If it is determined that the probationary employee's performance does not meet EOCWD standards or EOCWD does not continue to need the position, his/her employment will be terminated.

3.10 Outside Employment

EOCWD employees must disclose outside activities, including professional or consulting services, to their immediate supervisor. EOCWD will assess if the performance of such work activities interferes with the employee's ability to perform his or her normal work duties or if the outside work activities creates an actual or apparent conflict of interest. Under no circumstances will a EOCWD employee enter into an employment or consulting agreement, or perform services for any vendor, landowner, or consulting firm that is under contract with EOCWD, that has done business with EOCWD in the preceding 12 months, or that is reasonably expected to do so in the foreseeable future.

With the written approval of the Board of Directors, a Management Employee may engage in employment other than that with EOCWD; but only if such outside employment does not (1) interfere with performance of the employee's assigned EOCWD duties, including overtime and on-call assignments; (2) create an actual or apparent conflict of interest; or (3) discredit or reasonably cause criticism of EOCWD or impair public confidence in EOCWD's integrity. The outside work activities for which the employee will be compensated must be performed on the employee's own time.

3.11 Training and Development

EOCWD encourages employee development by providing the opportunity for employee training. Compulsory training may be required as a condition of continued employment. Such training programs may include lecture courses, seminars, demonstrations, reading materials, or other methods for improving job performance. Employees are responsible for any/all required contact hour training needed to obtain and maintain certificates or licenses required to perform their job.

3.12 Personnel Records

The EOCWD business office will maintain a personnel file for each employee containing name, position, title, salary and such other information as may be deemed necessary by EOCWD. To insure that EOCWD records are correct and current, each employee is responsible for keeping Human Resources promptly informed as to changes in address, phone number, marital status, dependents, and other pertinent personal information.

Upon request, an employee may examine all his/her official personnel records.

3.13 Termination of Employment

The effective date of termination of employment is normally the last day worked by an employee. In the situation of a decision to terminate employment, rather than to restore an employee to work upon expiration of a leave of absence, the date of termination shall be the date of the decision to terminate.

An employee who plans to resign is requested to give his/her supervisor an advance notice in writing of at least two (2) weeks. Once submitted and accepted by the District, a resignation may not be withdrawn, except upon approval of the General Manager.

4. HOURS OF WORK

4.1 Schedules of Work/Pay Period

Work schedules follow a work period of fourteen (14) consecutive twenty-four (24) hour days, which begins at 5:00 p.m. on Friday and ends at the same time on the second following Friday.

4.2 Work Schedules

The "Standard Work Schedule" shall be eighty (80) hours consisting of ten (10) workdays within a period of fourteen (14) consecutive days, beginning with the employees' first shift on the first workday in the designated work schedule.

The normal daily hours for field employees on the "Field Work Schedule" shall be ten consecutive hours, including an unpaid lunch period of one-half (1/2) hour, from 6:30 a.m. until 5:00 p.m., Monday through Thursday.

The normal daily hours for office/administrative employees on the "Non-Field Standard Work Schedule" shall be eight and one-half (8 ½) consecutive hours, including an unpaid lunch period of one-half (1/2) hour from 8:00 am – 5:00 pm.

The normal daily hours for the General Manager, Engineering Manager, Operations Manager, and GIS Manager shall be such hours as required to perform the duties of the position.

Part-time Employees (Non-Exempt)

For part-time employees, the workday shall be as established by the immediate supervisor.

4.3 Lunch Periods

Field employees scheduled lunch period will be a one-half (1/2) hour period and shall be unpaid. The employee's supervisor or department manager will schedule lunch periods.

Office/Administrative employee's scheduled lunch period will be a one-half (1/2) hour period and shall be unpaid. The employee's supervisor or General Manager will schedule lunch periods.

4.4 Rest Periods

A rest period of fifteen (15) minutes may be taken each morning and afternoon and will be counted as time worked. Rest periods will be scheduled by the supervisor for the employee in each group.

5. JOB CLASSIFICATION

Job classifications describe the specific function of each position and the typical duties that an employee is expected to perform. Job classifications are not intended to limit the work to those typical duties described since other tasks may be assigned that are similar in nature and within the scope of the position.

All positions are evaluated according to their relative worth to EOCWD. Positions that are similar in type of work, level of difficulty and degree of responsibility are grouped together in the same classification. The General Manager or designee may recommend that the position be re-evaluated and reclassified. Similarly, job descriptions will be prepared for any new positions, which will be evaluated and classified according to their relative worth to EOCWD.

6. COMPENSATION

6.1 Salary Administration

As a public entity the EOCWD is committed to rendering the highest level of service possible at a fair and reasonable cost. EOCWD's ability to achieve this objective is affected by a number of factors, one of which is the quality and performance of EOCWD employees. In order to attract and retain highly competent employees, promote continuous superior performance, and give full recognition to EOCWD financial constraints, the following may be considered in establishing employee compensation:

- The impact of compensation on the cost of services, financial position of EOCWD, and overall operational costs;
- Compensation paid for similar work in other public and private jurisdictions;
- The general and specific performance of employees, and status of the labor force, economic conditions, recruitment and retention experience, and other factors influencing the maintenance of a stable and efficient work force.

6.2 Public Posting of Salary Information

Regulations adopted by the CalPERS Board of Administration require that:

- The payrates, time basis and any items of special compensation be listed for each position on a pay schedule;
- The pay schedule be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;

6.3 Salary Ranges

Salary ranges for Classified and Management employees are established and modified from time-to-time by the EOCWD Board of Directors.

The General Manager reviews performance and recommends compensation levels individually for all positions in the organization, subject to initial review of the Finance and Administrative Committee and approval of the Board.

The Board of Directors reviews performance and sets compensation for the General Manager.

6.4 Special Compensation

Special Compensation, for purposes of the PERS calculation, is paid to Field Employees and is reportable to PERS as follows:

- Holiday Pay
- Uniform Allowance (not inclusive of safety shoes)

6.5 Payment of Compensation

Basic Hourly Salary Rate

Employees shall be paid based upon an hourly salary rate. The hourly rate for non-exempt EOCWD employees shall be payment for the non-overtime hours worked.

Time of Payment - Regular Pay Day

Pay periods are 14 consecutive days in duration, terminating each alternate Friday. Payment shall be made within the week immediately following the close of the pay period. Normally, payment will be made on alternating Wednesdays. Payment for the pay period is calculated as follows:

Applicable Hourly Rate x Eligible Hours

"Eligible Hours" are defined as those hours (regular, overtime and standby) that an employee worked during the period and/or is eligible for payment, such as vacation, sick leave, holiday

and/or compensatory time.

Terminations

Prior to termination, employees are required to complete an Exit Interview with the General Manager, or designee, and to return all EOCWD property (keys, uniforms, etc.). Employees who terminate will receive their final pay as soon as possible after separation. Final pay is made up of the following elements:

- Unpaid salary for work performed
- Accrued and unused vacation to the date of termination, provided they have completed six (6) full months of continuous employment.

6.6 Salary Deductions

Deductions are made from a full-time employee's pay as follows:

- Those deductions required by law for Federal and State Income Taxes, Social Security (F.I.C.A.), and State Disability Insurance;
- Contributions due for EOCWD's authorized Retirement Plan, and if authorized in writing by employees, as provided for on EOCWD forms:
 - EOCWD's authorized deferred compensation plan.

Deductions are made from a part-time employee's pay as follows:

- Those deductions required by law for Federal and State Income Taxes, Social Security (F.I.C.A.), and State Disability Insurance.
- Contributions due for EOCWD's authorized Retirement Plan.
- Authorized by employee, as provided for on EOCWD form, authorized deferred compensation plan.

6.7 Overtime

Overtime work is a condition of employment for all employees as may be deemed necessary by the immediate supervisor.

Overtime Levels

For purposes of overtime only, EOCWD employees are divided into two categories as follows:

Non-Exempt Employees

- Office Manager
- Administrative Assistant
- Management Analyst
- Part Time Administrative Assistant
- Part-Time Office Assistant
- Water Distribution System Supervisor
- Wastewater Collections System Supervisor
- Water Distribution System Operator I / II / III
- Water Distribution System Lead Operator
- Wastewater Collections System Operator I / II / III
- Wastewater Collections System Lead Operator

Exempt Employees

- General Manager
- Operations Manager (Standby Pay Eligible)
- Engineering Manager
- GIS Manager

Overtime Hours

Overtime worked by Non-Exempt employees shall be paid at the rate of one-half (1 1/2) times the employee's basic hourly rate.

Overtime for Non-Exempt Office Employee

- Hours worked by Non-Exempt office employee in excess of eight and one-half (8 1/2) hours in any workday;
- Hours worked in excess of forty (40) hours in any workweek, but not in addition to overtime paid for hours worked in excess of eight and one-half (8 ½) in any one work day.
- All time worked on any EOCWD designated holiday;
- For accumulation of overtime hours, pay for holidays and vacations shall be considered as hours worked.
- Sick Leave, Jury Leave are not "worked time" and cannot be used to calculate daily or weekly overtime hours.

Overtime for Non-Exempt Field Staff Employee

- Hours worked in excess of ten (10) hours Monday through Thursday;

- Hours worked in excess of forty hours (40) in any workweek, but not in addition to overtime paid for hours worked in excess of ten and one-half (10 ½) in any one work day;
- All time worked on any EOCWD designated holiday;
- For accumulation of overtime hours, pay for holidays and vacations shall be considered as hours worked.
- Sick Leave, Jury Leave are not “worked time” and cannot be used to calculate daily or weekly overtime hours.

6.8 Compensatory Time

Non-exempt employees have the option of taking compensatory leave time instead of overtime pay. A maximum of forty (40) hours per year of Compensatory Time may be accrued at a rate equivalent to one and one half (1 ½) hours for every hour of overtime worked beyond forty (40) hours in a workweek. Vacation, Sick Leave, or other approved Leave are not to be counted as time worked for the purpose of computing compensatory time. Only hours worked and holidays are to be counted. Compensatory Time may be used in-lieu of Vacation and/or Sick Leave for absences under eight (8) hours in a day.

The use of compensatory time must be requested and approved by the General Manager or designee. Only Non-Exempt Employees shall be eligible for Compensatory Time.

Exempt employees, **with the exception of the Operations Manager**, are not eligible for monetary compensation or compensating time off for overtime worked, except in unusual and extenuating circumstances as determined by the Board of Directors. If the Board of Directors makes such determination, Exempt employees may be granted periodic compensating time off when work schedules permit.

6.9 Standby Duty

General Regulations

Standby duty is an assignment of responsibility to remain available to respond rapidly to emergency calls after the regular worked day, on holidays and on weekends.

Resident Employee

The employee residing on EOCWD’S property is automatically on Standby Duty for the Retail and Wholesale Zone weekly for the four-day period Monday beginning 6:30 am through Thursday 5:00 pm.

Substitute Standby Persons for Resident Employees

On an as-required basis, substitute standby persons will be made available provided prior request is made three (3) days before and is approved by the General Manager. The Operations

Manager shall make personnel substitute arrangements based upon names provided to the General Manager from those persons who are available for Standby Duty.

Standby Duty When EOCWD Resident Position is Vacant

If the EOCWD Resident position is vacant, then the Standby Duty assignment is the seven (7) day period from 5:00 p.m. Thursday to 6:30 a.m. the following Thursday.

Weekend Standby Duty

The Weekend Standby Duty assignment is for the period commencing at 5:00 p.m. on Thursday to 6:30 a.m. on Monday. Weekend Standby Duty will be rotated among eligible employees. The Operations Manager will establish the work schedule during each ninety (90) day period for each employee assigned the duty and may grant exchanges of duty for justifiable reasons. Employees so assigned are authorized to use the duty truck provided by EOCWD only for EOCWD business.

Employees are assigned Standby Duty by the Operations Manager after they have completed their probationary period or are progressing satisfactorily.

In the event there are an insufficient number of employees requesting Standby Duty, the Operations Manager shall assign employees to the Standby Duty.

Pay Regulations for Standby Duty for Resident Employees

The Resident employee is not eligible for weekday standby pay as the use of EOCWD property for personal residence is considered in-lieu compensation. Compensation for after hours worked is listed above under Overtime Hours.

The Standby Duty hourly rate of pay shall be the employee's regular hourly rate. The hours credited for Standby Duty shall be in accordance with the following:

- Thursday (5:00 pm through Monday 6:30 a.m.
One (1) hour straight time for every eight (8) hours each day standby and two (2) hours minimum at overtime pay ($1\frac{1}{2}$ * base wage) each day for actual rounds worked on the weekend and holidays.

In the event a Services Contract is in existence with another water agency, Resident Retail Zone employee shall also be paid one (1) day additional hour per day straight time Standby Duty on weekends. Employees, other than Resident employee, shall be paid for Standby Duty as stated above under Overtime Hours.

Pay Regulations for Standby Duty Non-Resident Employees

The Standby Duty hourly rate of pay shall be the employee's regular hourly rate. The hours credited for Standby Duty shall be in accordance with the following:

- Monday (6:30 am) through Thursday (5:00 pm)

Two (2) hours straight time daily

- Friday through Sunday – One (1) hour straight time for every eight (8) hours each day standby and two (2) hours minimum at overtime pay (1½ * base wage) each day for actual rounds worked.

Standby Pay for Holidays Observed by EOCWD

An additional one (1) hour at the Standby rate for every eight (8) hours on standby shall be paid in addition to eight (8) hours regular holiday pay.

Emergency Call-Out Compensation

For Field Personnel, all actual time worked in excess of eighty (80) hours in a pay period will be compensated at 1.5 times the employee's regular hourly rate.

7. ESTABLISHMENT OF RATES OF PAY

7.1 New Employees Regular Employees

The starting rate for a newly hired regular employee shall be recommended by the General Manager or designee and within the salary schedule approved by the Board of Directors.

7.2 Temporary and Part-time Employees

Temporary and part-time employees shall be paid on an hourly basis at a rate to be determined in each instance in accordance with the level of duties to be performed, but not less than the State of California minimum hourly wage.

7.3 Promotions

Effective upon promotion, employees shall receive an increase in base salary recommended by the General Manager or designee and is within the budget approved by the Board of Directors.

7.4 Reassignments/Demotions

If it is determined at any time during the probationary period that a promoted employee cannot perform the duties of the new position, the employee will be reassigned to another position at the discretion of the General Manager or designee. The basic salary of employees demoted at their own request to their previous position in a lower salary range shall be their previous salary.

In the event of a disciplinary demotion, the employee's salary shall be set at a rate, which is at least five percent (5%) less than the rate received in the previous position.

7.5 Lateral Transfers

Except as otherwise determined by the Board, the basic salary of employees transferred to another position that does not reflect a promotion or demotion shall be unchanged.

7.6 Recall from Layoff

The basic salary of employees recalled from layoff to the same position as that from which they were laid off shall be the same salary that they were paid when laid off. The basic salary of employees recalled from layoff to a position with a lower salary than they occupied when laid off shall be their rate at the time of layoff or the rate for the new position, whichever is lower.

7.7 Merit Increases

Annual performance reviews and consideration for merit increase will be given to employees annually. Merit increases are not an automatic event, but are based upon proficient job performance, merit reviews, and other pertinent information available to EOCWD. The General Manager and Department Supervisor shall review the performance of employees prior to the eligible date for a merit increase. The reviews will point out areas in which performance is good and those areas in which improvement is needed.

Merit advancement shall be based upon the following:

Determination by the supervisor that the employee's performance is meeting the expectations of EOCWD. Such determination relates to the entire job performance including quality of work, level of work effort, (productivity) job attitude, cooperation, desire to learn, willingness and ability to accept responsibility, punctuality, regularity of attendance and an obvious desire to excel, among others.

8. BENEFITS

8.1 Vacation

Vacation Allowances

Full-time EOCWD employees accrue vacation credit in accordance with the following schedule:

<u>Period of Continuous Employment</u>	<u>Month</u>	<u>Maximum</u>
First year through fifth year (1 – 5 years)	6.67	80.0
Sixth year through fifteenth year (6 – 15 years)	10.00	120.0
After fifteen years (After 15 years)	13.33	160.0

Part-time employees shall earn vacation on a pro-rata basis.

Four (4) hours of vacation may be earned annually as part of the Safety Program incentive.

Vacation Accrual

Vacation Leave may be accrued up to the following limits:

- Five hundred (500) hours for Exempt Employees
- One-Hundred Sixty Hours (160) Hours for Non-Exempt Employees
- Vacation hours that exceed the accrued limits by the last pay period of the calendar year, shall automatically be paid to the employee at the end of that pay period, at the employee's current regular rate of pay, provided that the employee has taken at least 80 hours of vacation during the preceding fiscal year.

Vacation credit is accrued on a monthly basis except during the first and last months of employment when pro-rated credit is given for full days worked.

Vacation credit shall not accrue during unexcused absences or during the following absences that extend for five (5) or more accumulated full working days:

- Time between a layoff and rehire
- Approved personal or indefinite military leave of absence, unless otherwise provided by law.
- Approved medical leave.

Temporary employees do not accrue vacation credit and are not eligible to take vacation time off.

Use Of Vacation Credit

Vacation credits may not be used during the first six (6) months of employment. The use of vacation credits shall not exceed the number of whole days of vacation credit accrued by employees as of the day their vacation commences.

Vacation shall be scheduled so as not to interrupt normal operations of EOCWD. The scheduling of vacation time is subject to approval of the department manager, who may require that request for vacation be submitted up to thirty (30) days in advance of the requested start of the vacation for the use of vacation credits of thirty (30) or more hours. Vacation credit use of less than thirty (30) hours may be submitted less than thirty (30) days in advance, but no less than seventy-two (72) hours prior to start of use. If EOCWD requires a change in any previously scheduled and approved vacation, reasonable advance notification of such a change will be given to affected employees.

Except upon termination, or except as provided under Termination (pg. 16) or Vacation Accrual (pg. 22), in no event shall employees be paid compensation in lieu of vacation time off. An EOCWD holiday occurring during an employee's vacation shall not be considered as a day of vacation.

*An employee who is receiving State Disability Insurance (SDI) or Worker's Compensation payments may use accrued vacation to supplement said payment provided that the total amount received shall not exceed 100% of the employee's regular salary.

Termination

Employees who terminate shall be paid for all accrued and unused vacation credits at their rate of pay at the time of termination.

Posting Vacation Credit

EOCWD will provide the accumulated vacation credits of each employee on their paycheck information.

8.2 Holidays

Observed Holidays

District policy provides for twelve (12) specific holidays, including a floating holiday as follows:

- New Year's Day (January 1)
- Martin Luther King Jr. Day (third Monday in January)
- President's Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Veteran's Day (November 11)
- Thanksgiving Day (fourth Thursday in November)
- Friday immediately following Thanksgiving Day
- 1/2 Day before Christmas (December 24)
- Christmas Day (December 25)
- 1/2 Day before New Year's Day (12-31)
- One (1) floating holiday at the employee's choice, as approved by the General Manager or designee, with at least one (1) week's advanced notice. Cannot be accumulated.

For employees assigned to a ten-hour, four-day work schedule, when the holiday falls on the employee's regularly scheduled day off, a floating holiday will be given for the observed holiday.

Saturday and Sunday Holidays

A holiday falling on Saturday shall be observed on Friday, the day preceding, and a holiday falling on Sunday shall be observed on Monday, the day following.

Holiday Pay

Regular and part-time employees are paid for their normally scheduled work hours at their

base hourly rate for each of the holidays listed above.

Temporary employees are ineligible to receive holiday pay.

If regular or part-time employees, who are not on standby, are required to work on a holiday, they are paid at the rate of one and one-half (1 ½) times their basic hourly rate for hours actually worked in addition to straight time holiday pay. For hours worked over their regular scheduled hours they are paid two (2) times their basic hourly rate.

Employees assigned to standby duty are paid for holidays in accordance with the provisions stated under Compensation.

Employees on an approved medical or temporary military training leave of absence or on a leave for job-related injury or occupational disease shall be paid holiday pay as provided above. Employees on any other type of leave of absence shall receive no holiday pay for any holiday occurring during their leave of absence.

Employees on jury duty shall be paid holiday pay as provided above for any EOCWD holiday observed during the periods of jury service.

Eligibility for Holiday Pay

Employees are not entitled to holiday pay if they extend a holiday by unexcused absence on the last regular workday before or the next regular workday after a holiday.

8.3 Sick Leave

Accumulated sick time leave may be used for: Absences caused to aid or care for a family member.

- An employee's incapacitation which resulted from illness, injury, or pregnancy.
- Absences resulting from work related injuries or illness, which is not compensated by Worker's Compensation.
- Quarantine imposed by public health authorities.
- Receipt of medical care, treatment, or diagnosis.
- To aid or care for the employee's "family member". For purposes of this section, "family member" shall include: father, mother, step-parent, brother, sister, spouse, domestic partner, child, or grandparents; provided that payment of basic salary during absence for this reason shall continue for no more than three (3) work days per calendar year.
- Voluntarily induced periods of physical incapacitation, provided that not more than twenty (20) days may be used in any calendar year. For purposes of this section, voluntarily induced physical incapacitation means incapacitation resulting from cosmetic surgery and non-physician directed sterilization.

- A supplementary payment to SDI or Worker's Compensation payments which, when combined with said payments, results in a maximum payment of 90% of the employee's regular salary.

Sick Leave Allowance

Upon completion of 90 days continuous service, all regular employees shall have a sick leave allowance of 7.25 hours for each full month of continuous employment. After completion of six (6) months of continuous service, the amount accumulated is retroactive to the date of hire.

Part-time and temporary employees are eligible for sick leave at the rate of 1 hour for every 30 hours worked.

Unused sick leave allowance may be accumulated to a maximum of 120 hours.

Each year on the last day of November, employees who have accumulated an allowance in excess of (120) hours shall be given the choice of payoff or credit to vacation of one-half (1/2) of the amount in excess of (120) hours and the remaining one-half (1/2) shall expire. If employee chooses payoff it will be included in the first pay date of December.

Sick leave allowance shall not be credited for unapproved absences or during the following absences, which extend for five (5) or more accumulated full working days:

- Approved personal or indefinite military leave of absence, unless otherwise provided by law, and approved medical leave.

Absence due to any of these causes shall be deducted from the employee's accumulated sick leave allowance, provided:

- The General Manager is notified during regular working hours as promptly as possible as to the reason for and probable duration of the absence.

Employees are required to immediately report a work-related injury/incident to their supervisor, in any event, within twenty-four (24) hours after the injury has occurred.

Upon return to work after an absence of three or more days due to personal illness, injury, or pregnancy, employees will if practicable provide a written statement from the attending physician concerning the reason for the.

Sick leave shall not be used for absence on a holiday on which an employee is scheduled to work.

In no event shall paid sick leave exceed the employee's accrued sick leave allowance.

The minimum charge to an employee's sick leave allowance shall be one hour. Absence of more than one (1) hour shall be charged to the nearest full hour.

Periods of incapacity of one (1) day or more due to illness, injury, or pregnancy while an employee is on paid vacation may be charged to the employee's sick leave allowance, provided:

- The incapacity is of such a nature as to prevent the effective use of the vacation and would prevent the performance of normal duties if the employee were not on vacation.
- Notice is given to the employee's supervisor within four (4) calendar days of the onset of the incapacity or the end of the scheduled vacation period, whichever is earlier.

Termination

Upon termination, payment shall not be made for any accumulated but unused sick leave.

8.4 Bereavement Leave

Whenever employees are compelled to be absent from work because of the death of a member of their immediate family, no deduction shall be made from their basic salary on account of such absence, which shall not exceed three (3) days for each incident.

"Immediate family" of the employee is defined as parents, parent-in-law, stepparents, spouse, child, brother, sister, grandparents, and grandparents-in-law.

Compensation for absence due to bereavement shall not be deducted from either an employee's accumulated sick leave or vacation credits.

8.5 Catastrophic Illness/Injury Leave Donation Program

The Catastrophic Illness / Injury Leave Donation Program allows employees to donate leave time to other employees that are not able to work due to a catastrophic illness or injury.

A catastrophic illness or injury means an illness or injury that is expected to incapacitate an employee for an extended period of time (at least 90 continuous working hours) and for which taking extended time off from work creates a financial hardship for the employee because he or she has exhausted all of his or her sick, vacation or other paid time off. This illness or injury may serve to incapacitate the employee or a member(s) of the employee's immediate family which requires the employee to take time off from work for an extended period of time to care for that family member(s).

Documentation

The employee receiving a leave donation shall provide the District with a medical doctor's written verification that catastrophic illness or injury has occurred. Such information shall be made a part of the employee's confidential medical file and shall be covered by all applicable privacy laws.

8.6 Personal Leave of Absence Without Pay

The General Manager may grant a personal leave of absence without pay of not more than two (2) calendar weeks to an employee requesting it in writing at least two (2) weeks in advance

of the requested start of the leave. If circumstances prevent such advance notice, this requirement may be waived.

If an unusual emergency occurs which would prevent the employee from returning to work at the end of the leave, upon formal request, the General Manager, subject to Board concurrence, may grant one (1) extension of up to two (2) calendar weeks.

8.7 Medical or Family Care Leave

Under the FMLA and/or California Family Rights Act (“CFRA”), an unpaid leave of absence may be granted to employees who have worked for the EOCWD for at least 12 months, a minimum of 1,250 hours in the 12 months preceding the leave, and who are employed at a work site where 50 or more employees are employed by the EOCWD within 75 miles of that work site. Such employees may be eligible for a leave where they have a bona fide need to care for a seriously ill parent, spouse, or child, or for the birth or adoption of a child, or the placement of a foster child. In addition, eligible employees may be granted an unpaid leave of absence caused by their own serious health condition that prevents them from working. Eligible employees may qualify for Military Caregiver Leave or Military Qualifying Exigency Leave under the FMLA, as defined below. All leaves under this policy are referred to as “Medical or Family Care LOA.” Unless stated otherwise, the maximum allowable time for any Medical or Family Care LOA under this policy is 12 weeks per a rolling 12 month period. Where possible, Medical or Family Care LOAs under both FMLA and CFRA will run concurrently.

Employee Notice

Employees must provide sufficient information for EOCWD to determine if the leave may qualify as a Medical or Family Care LOA, as well as the expected timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization, or continuing treatment by a health care provider, or circumstances that support the need for Military Caregiver Leave or Military Qualifying Exigency Leave as indicated below. Employees also must inform EOCWD if the requested leave is for a reason for which Medical or Family Care LOA was previously taken or certified. When possible, EOCWD requests 30 days’ notice of the need for leave in order to plan for work coverage. If 30 days’ notice is not possible, then employees must provide as much notice as practicable under the circumstances and must follow EOCWD’s call-in and/or attendance policies.

EOCWD Notice

Once an employee provides sufficient information, EOCWD will notify the employee (a) whether the employee is eligible for Medical or Family Care LOA and, if so, (b) whether any additional information is required, and (c) the employee’s rights and responsibilities regarding such a leave. EOCWD will also notify an eligible employee who has requested Medical or Family Care LOA if the requested leave will be designated as FMLA/CFRA protected leave and counted against the employee’s leave entitlement.

If EOCWD determines an employee is not eligible for Medical or Family Care LOA, EOCWD will provide at least one reason for ineligibility. EOCWD will also inform the employee if it determines that the requested leave does not qualify for FMLA/CFRA protection.

Employees not eligible for a Medical or Family Care LOA may be eligible for an unpaid leave of absence due to their own disability or medical condition, which will be assessed by EOCWD on a case-by-case basis. EOCWD cannot guarantee reinstatement to employment at the conclusion of such a leave.

Serious Health Condition

To qualify for a Medical or Family Care LOA, an employee must have a serious health condition. A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. The FMLA definitions of "serious injury or illness" for current servicemembers and veterans are distinct from the FMLA definition of "serious health condition."

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy (under FMLA only), or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Certification of Need for Medical or Family Care Leave of Absence

EOCWD may require an attending health care provider's certification of the employee or family member's serious health condition. EOCWD may also require periodic recertification supporting the need for leave. In any case in which EOCWD has reason to doubt the validity of any medical certification provided to support an employee's request to take Medical or Family Care LOA because of the employee's own serious health condition, EOCWD may require the opinion of a second and third health care provider consistent with state and federal law.

Military Qualifying Exigency Leave

Eligible employees under FMLA may be provided up to twelve (12) weeks of leave in a rolling 12 month period when the employee has a qualifying exigency arising out of the fact that a spouse, son, daughter, or parent is on covered active duty or has been called to covered active duty in the National Guard or Reserves or Armed Forces. "Qualifying exigency" is defined by law as: (1) short-notice deployment, (2) military events and related activities, (3) childcare and school activities, (4) financial and legal arrangements, (5) counseling, (6) rest and recuperation, (7) post-deployment activities, (8) parental care, and (9) additional activities where the Company and employee agree to the leave. Time off for Military Qualifying Exigency Leave counts towards the 12-week maximum allowable time for Medical or Family Care LOA under FMLA.

Military Caregiver Leave

Eligible employees under FMLA will be provided up to ten (10) days of leave during a single 12-month period to care for a covered servicemember. A covered servicemember is the employee's spouse, son, daughter, parent, or next of kin (meaning "nearest blood relative" or person "specially designated") who is a current member of the armed forces, including a member of the

National Guard or Reserves, who is undergoing medical treatment, recuperation, therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retirement list, for a serious injury or illness, and includes veterans who were members of the Armed Forces, National Guard or Reserves, any time during the past five (5) years, who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness, and was discharged or released under conditions other than dishonorable. An employee may take a maximum combined total of 26 weeks of leave for Military Caregiver Leave and Medical or Family Care Leave or Military Qualifying Exigency Leave in a single 12-month period.

During Medical or Family Care Leave of Absence

When an employee is taking an unpaid Medical or Family Care LOA for the employee's own serious health condition, the employee may elect, or EOCWD may require, the use of accrued but unused vacation time and/or available sick leave, except where the employee is receiving paid leave benefits (state disability insurance, workers' compensation, or paid family leave), then the employee and EOCWD must agree on the use of sick and/or vacation time to supplement such benefits. When an employee is taking an unpaid Medical or Family Care LOA to care for a seriously ill family member, EOCWD may require the use of accrued but unused vacation time, or the employee may elect to use available sick leave. In order to use any accrued paid leave time, employees must comply with EOCWD's normal paid leave policies.

During a Medical or Family Care LOA, EOCWD will continue to pay all applicable group health insurance premiums that it ordinarily pays on behalf of the employee. Employees must continue to pay the employee portion of the insurance premium during the leave of absence. Failure by an employee to make the employee's premium payment may result in a loss of benefits. If the employee fails to return from this leave, in some circumstances, the City may attempt to recoup the cost of the insurance premiums paid on behalf of the employee during the leave.

Employees need not use their Medical or Family Care LOA entitlement in one block. Such a leave may be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt EOCWD's operations.

Returning to Work from Medical or Family Care Leave of Absence

Employees returning to work upon conclusion of the Medical or Family Care LOA will be returned to their original position or to an equivalent position with equivalent pay and benefits, provided such job would have been available had the employee not taken the leave. Before returning to work, where the leave of absence is for the employee's own serious health condition, the employee must provide EOCWD with certification from the attending health care provider indicating the employee is able to resume the employee's work.

Failure to return to work from a Medical or Family Care LOA on the designated date may be interpreted as the employee's voluntary resignation. If the employee returns to work outside of the legally allotted time for such a leave, the employee will only be reinstated if there is an available open position that they are qualified to fill.

FMLA/CFRA Protections

Use of any of the leaves permitted by the FMLA and the CFRA cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

It is unlawful for employers to interfere with, restrain, or deny the exercise of any right provided under the FMLA or the CFRA or to discharge or discriminate against any person for opposing any practice made unlawful by either law or for involvement in any proceeding under or relating to the FMLA or the CFRA. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement that provides for greater family or medical leave rights.

If employees believe that they have been aggrieved, they may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

8.8 Job Related Injury or Occupational Disease

Employees are required to immediately report a work-related injury/incident to their supervisor.

An employee that sustains a job-related injury or incurs an occupational disease arising out of and during the course of employment by EOCWD, will be granted a leave automatically for the full period of legal temporary disability.

8.9 Jury Duty Leave

Employees shall be paid their regular salary while serving on jury duty up to ten (10) working days. Any jury duty beyond ten (10) days will have to be served under the voluntary leave of absence criteria set forth in Section 8.6 of this policy. An employee required to respond to emergency calls on the same day of completing jury duty shall be paid at their regular rate of pay.

8.10 Maternity Leave of Absence

A maternity leave without pay may be taken up to one (1) calendar month before birth and extending up to three (3) calendar months following birth.

8.11 Voting

Time off work for voting in general, direct primary, or presidential primary elections is in accordance with the laws of California which provide, in substance, as follows:

If an employee who is a registered voter does not have sufficient time outside working hours in which to vote, the employee may take off enough time from work, when added to available voting time outside working hours, which will enable the employee to vote. Up to two (2) hours of such time off work shall be allowed before time off is deducted from the employee's pay.

Time off from work must be at the beginning or end of the regular work day, whichever will permit the most free time for voting and the least time off work.

At least two (2) days notice, in writing, in advance of the election must be given by the employee who requests time off work to vote.

8.12 Insurance

EOCWD provides health, dental, vision, life and disability insurance to regular employees and their dependents, and the District pays the full monthly premium. Part-time and temporary employees are not eligible for insurance benefits. Details concerning insurance benefits are contained in separate documents that are issued from time to time to each regular employee. This document describes the provisions of the Group Policy principally affecting the persons insured. The final interpretation of any specific provisions in this booklet is governed by the terms of the Group Policy. Eligible employees and dependents are covered as follows:

Coverage of employees commences on the first of the month following completion of one full calendar month of service following the date of hire. If an employee is off work due to disability, insurance coverage starts upon the employee's return to active full-time work.

Enrolled dependents are covered on the date the employee's insurance is effective or on the date an individual becomes a dependent and is enrolled, whichever is later.

8.13 Retirement Plan

EOCWD's PERS Retirement Plan provides benefits to participating employees upon retiring. The details of these benefits are set forth in separate documents issued to regular employees.

Regular employees are automatically enrolled upon employment based on PERS guidelines. Part-Time, permanent employees who work more than 1,000 hours in a year will be enrolled in PERS after attaining the requisite number of hours worked.

8.14 Educational Assistance

In order to encourage employees to develop and improve their job-related skills through continuing education, EOCWD has established an assistance plan for employee education.

Qualifications

To become eligible for assistance, employees must:

- Have been continuously employed at least six (6) months and successfully completed the probation period unless an exception is approved by the immediate supervisor;
- The course or program must be approved by the immediate supervisor;
- Courses must be selected from those given by an accredited or approved college or school which relate directly to their present or future assignments, and do not conflict

with their regular work schedule, unless approved by the immediate supervisor; and

- Submit a written request for course or program approval.

All courses must be approved in writing by the General Manager prior to the beginning of the course.

8.15 Tuition Reimbursement

Employees who receive approval for courses or a program, continue to be employed by the EOCWD, and achieve a final grade of "C" or better, will be fully reimbursed on a semester or course basis, whichever is applicable, for the cost of tuition, registration fees, and required text books.

Reimbursement will be equal to the cost requirements at the least expensive educational institution offering the same or equivalent course or program.

Original receipts from the educational institution will be required before reimbursement payment will be processed.

8.16 Uniform/Identification

All employees who are provided with uniforms are required to wear them at all times on the job. Employees who are provided an identification card or badge shall carry or wear it while on the job.

9. LAYOFF AND RECALL

9.1 Layoff

In the event a reduction in EOCWD's labor force becomes necessary, EOCWD will determine employees who are to be laid off, with consideration given to work needs, employee's work performance, and length of continuous employment.

EOCWD shall first determine the classifications from which employees subject to layoff will be drawn. All employees in the selected classifications shall be subject to layoff, except employees who have special or unique skills essential to EOCWD operations. Part-time, temporary, and probationary employees in classifications from which positions are to be eliminated shall be subject to layoff or termination prior to regular, non-probationary employees.

Work performance shall be the primary determinant of the order of layoff among employees subject to layoff. Employees whose performance is the least satisfactory will be laid off first.

Among employees whose work performance is relatively equal, those employees with less continuous employment will be laid off first.

9.2 Re-Employment List

Regular employees who have been laid off shall be placed on the employment list in the reverse order of their layoff; i.e., the last employee laid off shall be the first eligible for recall.

Employees laid off for a continuous period in excess of one (1) year shall no longer be eligible for recall, and their names shall be removed from the recall list. However, an employee may request that his name be retained on the list for an additional year if the employee request is received prior to the end of the one-year period.

9.3 Recall

When new jobs are created or vacancies occur, the General Manager or designee shall determine whether there are employees on the recall list who are qualified to fill such jobs.

Employees on the recall list are eligible to be recalled in reverse order of layoff, first, to a position from which they were laid off. If no vacancies occur in their former position and if they are qualified, they are eligible for recall to another, lower position.

An employee who is offered and refuses to accept a position, from which he was laid off, shall lose all recall rights under these rules.

10. SAFETY

Employees shall conduct their job duties in a safe manner in compliance with the District's written Injury and Illness Prevention Program and all CAL-OSHA rules and regulations.

At the end of each calendar year, an assessment of the safety program shall be made and reported to the Board of Directors. Should there be no OSHA Form 300 Recordable Injuries or Illnesses sustained during the year, each employee shall accrue four hours of vacation time to be used alone or in combination with other vacation hours at their discretion. The immediate supervisor shall consider causation and an employee's ability to have prevented such injury or illness in determining whether to recommend to the Board to award the bonus vacation hours.

10.1 Vehicle Responsibility

Employees entering District employment may be required to operate District vehicles on a regular or semi-regular basis.

Employees operating District vehicles are responsible for the safe operation of the vehicle in accordance with the law. Most job classifications require daily or periodic operation of District vehicles. Employees who are required to operate District vehicles in the performance of their job, wither on a regular or semi-regular basis, are required to possess and maintain a valid California driver's license. All employees are required to immediately notify their immediate supervisor if license is lost, suspended, restricted, revoked, or a driving citation is received while driving a District motor vehicle. Violation of this policy may result in suspension or termination of employment at the discretion of the District. The District's

insurance carrier requires annual copies of employee's driving records be made available for District review.

11. GRIEVANCE PROCEDURE

A procedure has been established for the following purposes:

- Promoting improved employer/employee relations by establishing an appropriate means for determining the validity of a personnel matter which remains unresolved; i.e., claims by an employee that EOCWD has violated, misinterpreted, or misapplied an obligation to the employee as such obligation is expressed and written in the EOCWD's employee policies and procedures;
- Providing a method of resolving such claims as closely as possible to the point of origin and as informally as possible, and encouraging communications between supervisors and employees.

The grievance procedure is not intended to be used for:

- a) Any decision to separate the employment of an at-will management employee as described in the "General Employment Policies" section above.
- b) Any disciplinary action as described in the "Disciplinary Action" section below.
- c) Challenging the ratings in a performance evaluation.

A grievant is an employee or group of employees adversely affected by an act or omission of the employer. Nothing in this grievance procedure shall be construed as applying to matters for which an administrative remedy is otherwise provided for by this Manual.

11.1 Procedure Steps

Step One: Immediate Supervisor

An employee who has an unresolved matter shall first discuss it informally with his/her immediate supervisor within five (5) working days after he/she knew or reasonably should have known of the cause for the matters or issue. (Step Two is to be omitted if the immediate supervisor is the General Manager).

Step Two: General Manager

If the matter or issue is not resolved within two (2) working days after its submission in Step One, employee may submit the matter or issue in writing to the General Manager within five (5) working days thereafter. The General Manager shall meet with the employee within two (2) working days after submission of the matter or issue and shall deliver his/her answer in writing to the employee within two (2) working days after such meeting.

Step Three: Operations Committee of the Board of Directors

If the matter or issue is not resolved in Step Two, the employee may submit it in writing to the Finance and Administrative Committee of the Board of Directors within five (5) working days after receiving the matter or issue and shall deliver its answer to the employee in writing within five (5) working days after such meeting.

Step Four: Board of Directors

If the matter or issue is not resolved in Step Three, the employee may submit it in writing to the Board of Directors by requesting the Finance and Administrative Committee to arrange for a hearing before the Board at its next regular meeting. This time limit may be extended to a definite date by mutual agreement of the employee and the Finance and Administrative Committee. The Board of Directors shall respond to the matter or issue at their next regular meeting following the Board's meeting at which the matter/issue was heard or as soon as mutually convenient. The decision of the Board of Directors shall be final and not subject to judicial review.

General Provisions

If appeal for one of the above-described steps is not made within the time limits indicated, the matter/issue will be considered to be settled on the basis of the last decision rendered. Any matter/issue not responded to within the prescribed time limits will automatically be advanced to the next higher step unless the time limit is extended by mutual agreement.

Employees are assured freedom from reprisal for using this grievance procedure.

12. PERSONAL CONDUCT

In order to safeguard the best interests of themselves, EOCWD, and the public, all employees are expected to comply with standards of conduct on the job.

In performing their work, employees may come into contact with the public, which judges the EOCWD service by the appearance and behavior of its employees and has the right to expect good manners and service. When employees encounter discourteous persons, it is especially important for them to maintain a helpful attitude. Continuing courtesy on the part of employees, in spite of an occasional irate individual, will do much to perpetuate the excellent relationship that exists between EOCWD employees and the community.

12.1 EOCWD Property

Employees in possession of keys to EOCWD premises shall not permit their keys to be used by unauthorized persons, and shall not permit persons not conducting official EOCWD business or authorized Governmental or peace officers, to enter EOCWD's premises or facilities except those portions open to the public. Employees shall lock and secure gates and

buildings when they vacate them.

Every job in EOCWD requires the use of District supplies, materials, and equipment. It is the employee's responsibility to maintain District property and equipment in the best possible condition and to make the most economical use of supplies.

12.2 Use of Telephone

While it is understood that the use of District telephones and cell phones for personal reasons is occasionally necessary, the privilege must not be abused, and time spent with a personal call should be kept to a minimum. Personal toll calls are not to be charged to the District, as this will be considered misappropriation of public funds.

12.3 Personal Use of EOCWD Property

EOCWD vehicles and equipment shall not be utilized for personal use.

12.4 Use of EOCWD Residence and Residence Sites

Use of the EOCWD residence site shall be governed by separate agreement or arrangements with the affected employee.

13. DISCIPLINARY ACTION

13.1 Kinds of Disciplinary Action

The following disciplinary action may be taken against any employee either by the General Manager or his designee.

- Oral or written warning.
- Suspension (an involuntary absence without pay).
- Demotion (subject to Board approval).
- Dismissal (subject to Board approval).

Demotion is defined as a reduction from a position to another position having a lower salary effected for disciplinary purposes. (Demotions resulting from employee's inability to perform required duties, organizational changes, and layoffs are not disciplinary).

Dismissal is defined as a discharge from employment with EOCWD.

13.2 Cause for Disciplinary Action

Supervisors are responsible for carefully investigating those cases in which it is believed that an employee has engaged in misconduct and shall take appropriate corrective action.

It is intended that discipline be imposed primarily for corrective purposes and

to address deficiencies in work performance. The following is a non-exclusive list of causes for disciplinary action that are contrary to the employment policies and procedures of EOCWD:

- Inefficiency or incompetence.
- Willful disobedience or insubordination.
- Dishonesty.
- Consumption of alcoholic beverages or the use or possession of illegal drugs during regular work hours, including lunch hour, and reporting to work under the influence of alcohol or illegal drugs.
- Possession of weapons or firearms while on duty.
- Disorderly or immoral conduct.
- Discourteous treatment of the public.
- Conviction of a felony.
- Absence without approved leave.
- Excessive tardiness.
- Poor work attitude or neglect of duty or failure to perform any assigned task or duty.
- Actions incompatible with, or not in the best interests of, public services.
- Failure to follow safe working practices or failure to promptly report an injury.
- Threats against the District or its employees.
- Fighting or physical assault involving any other person on duty or on EOCWD premises.
- Harassing, discriminatory, or abusive conduct towards others.
- Failure to report an apparent or actual conflict of interest.
- Unauthorized outside employment.
- Working overtime without authorization
- Willful failure to read customer water meters.

Of the causes listed above, it should be noted that the following, due to the extreme seriousness of the matter, might be cause for immediate termination:

- Violation of the Drug and Alcohol Policy.
- Willful failure to read meters, or misrepresentation of any water meter reading, including use of estimates.
- Conviction of a felony.
- Possession of weapons or firearms while on duty.
- Threats against the District or its employees.
- Fighting or physical assault involving any other person on duty or on EOCWD premises.

13.3 Disciplinary Process

All employees, with the exception of management, probationary, part-time, and temporary employees, shall have the right to use the procedures provided below for proposed disciplinary action.

Step 1: Notification of Proposed Disciplinary Action

An affected employee shall be given prior notification of a proposed disciplinary action. Notification shall include the following:

- The disciplinary action intended.
- The specific charges upon which the action is based.
- A factual summary of the grounds upon which the charges are based.
- A copy of all written materials, reports, or documents upon which the proposed discipline is based.
- Notice of the employee's right to respond to the charges either orally or in writing to the Finance and Administrative Committee.
- Notice that failure to respond at the time specified shall constitute a waiver of the right to respond prior to final discipline being imposed.

A copy of the notice shall be sent to the Finance and Administrative Committee and the Board.

Response by Employee

The employee shall have the right to respond to the Finance and Administrative Committee orally or in writing at a meeting with the Committee. The employee's timely filed response shall be considered before final action is taken.

Step 2: Decision

The Finance and Administrative Committee will issue a final notice of disciplinary action within [INSERT DEADLINE, E.G. 7 CALENDAR DAYS] of the meeting, setting forth the action to be taken, the grounds for the discipline, and the employee's right to appeal to arbitration.

Step 3: Advisory Arbitration

The affected employee may appeal the final decision of the Finance and Administrative Committee by submitting a written request for an arbitration hearing to the [INSERT PARTY] within 10 business days of receipt of the final notice of disciplinary action.

EOCWD shall present the employee with a list of five potential hearing officers. EOCWD and the employee will then mutually select the Hearing Officer by striking names from the list in alternating order, with the employee striking first.

The Hearing Officer has the authority to schedule hearing (or hearings), and shall coordinate with the parties in scheduling hearing dates. The Hearing Officer has the authority to issue subpoenas, compel the attendance of witnesses, and to require the production of documents.

All interested parties may: (1) call and question witnesses; (2) cross-examine opposing witnesses on any

matter, relevant to the subject matter and/or grounds identified in the appeal; (3) introduce documentary exhibits; and (4) present oral or written arguments in support of their position. The Hearing Officer is not bound to conduct a hearing according to the technical rules of evidence in civil actions. The Hearing Officer will determine the relevance, weight, and credibility of testimony, evidence, and argument. The Hearing Officer may exclude irrelevant or cumulative evidence, and may exclude any witnesses.

EOCWD bears the burden of proof, that the preponderance of the evidence supports the proposed disciplinary action. The Hearing Officer may direct the parties to submit written briefs at the conclusion of an arbitration hearing, in lieu of presenting a verbal closing statement. EOCWD shall entirely bear the expenses and fees charged by the Hearing Officer.

The Hearing Officer will issue an advisory written decision to the employee and EOCWD within 30 calendar days after the hearing date. The Hearing Officer does not have the authority to add, subtract, or modify from EOCWD's Personnel Manual, departmental policies, or any other rules or regulation.

The Board of Directors shall either uphold the advisory decision of the arbitrator, or call for a review of the matter, after which it shall issue a final decision. The Board of Director's decision is final and binding, and is subject to review in accordance with the requirements of section 1094.6 of the California Code of Civil Procedure.

14. Alcohol And Drug Policy

The purpose of this policy is to establish a safe healthy working environment for all employees.

EOCWD earnestly solicits the understanding and cooperation of all employees in implementing the policies set forth herein.

14.1 Definitions

Alcohol or Alcoholic Beverages - any beverage that may be legally sold and consumed and that has an alcoholic content;

Drug - any illegal drugs as defined under federal and state;

Prescribed Drug - any legal drug prescribed for the individual consuming it by a licensed medical practitioner;

14.2 Policy Statement

The public has a right to expect each public employee to deliver services in a safe and conscientious manner. The use of controlled substances or alcohol by EOCWD employees in the workplace, or at such time as it may impair the employee's ability to perform required duties during working hours, creates a serious potential public liability. Therefore, in order to ensure the safety of employees, the public and the work environment, EOCWD employees must be free of potential impairment by controlled substances or alcohol.

The unlawful manufacture, distribution, dispensing, possession, use or being under the influence

of a controlled substance or alcohol by EOCWD employees in the workplace, on EOCWD premises, or in EOCWD-owned vehicles, or in personal vehicles while on EOCWD business or at such time as it may impair the employee's ability to perform required duties during working hours, is strictly prohibited.

Employees using medication prescribed by a licensed physician may be required to provide management with proof that such medication is safe to take while the employee is on duty. Management will have sole discretion as to whether or not it will be safe for those employees to remain on duty.

Violation of this policy shall result in disciplinary action, up to and including termination of employment.

Employees who suspect they may have a chemical dependency problem based on alcohol or controlled substance are encouraged to utilize EOCWD's Employee Assistance Program (EAP) before this dependency affects their employment status. Such participation in the program is voluntary and confidential. An employee's participation in the EAP shall not preclude EOCWD from taking disciplinary action for conduct that constitutes a violation of this Policy.

14.3 Conditions of Testing the Workforce

Supervisors and managers are charged with the responsibility to ensure that employees are not allowed to perform hazardous duties when there is any reasonable objective indication of impairment of their ability to perform their required duties. EOCWD reserves the right to require and conduct drug or alcohol tests whenever reasonable suspicion exists that an employee is under the influence of alcohol or drugs. Refusal by an employee to submit to such testing will be considered insubordination and grounds for discipline, up to and including termination of employment.

If a supervisor or manager has a reasonable suspicion that an employee is working in an impaired condition or otherwise engaging in conduct that violates this policy, the employee will be required to take a drug and alcohol test.

"Reasonable suspicion" is defined as "the good faith belief based on specific articulable facts or evidence that an employee may have violated this policy and that substance testing could reveal evidence related to that violation." Among other things, such reasonable suspicion may be based on:

- direct observation of drug manufacture, use or possession or of the physical symptoms of being under the influence of a drug or alcohol;
- a pattern of abnormal, unsafe or erratic behavior or conduct; and
- arrest or conviction for a drug-related offense, or the identification of an employee as the focus of a criminal investigation into illegal drug possession, use or trafficking at the workplace.

Testing will be conducted by a professional medical staff and laboratory designated by EOCWD. Testing will be conducted, without cost to the employee, while the employee is "on the clock." If the employee is believed to be in an impaired condition, transportation will be provided to and

from the medical facility. Employees will be required to **consent to the test and authorize the release of information concerning the test and the results to the designated EOCWD official. Any such consent, authorization and disclosure shall be in accordance with all applicable State and federal privacy requirements.**

A positive result from a drug or alcohol test shall constitute satisfactory evidence of an employee being under the influence for purposes of establishing a violation of this Policy, and is therefore subject to disciplinary action, up to and including termination.

If a supervisor or manager has a reasonable suspicion that an employee is working in an impaired condition or otherwise engaging in conduct that violates this policy, EOCWD may also search: any vehicle brought upon EOCWD premises; any vehicle parked upon EOCWD premises; any pocket, package, purse, briefcase, tool box, lunch box, or other container brought upon EOCWD premises; or any desk, file or cabinet in the workplace.

Note: Medical screening and/or searches will not be conducted without the knowledge and consent of the Finance and Administrative Committee and/or Board of Directors. A written report for each search and/or medical screen will be prepared and submitted to the Board for review.

The District encourages employees who feel that they have developed an addiction to, dependence upon or problem with alcohol or drugs, legal or illegal, to seek assistance and rehabilitation. Assistance may be sought by contacting the General Manager.

All contacts are totally confidential and are not considered part of an employee's personnel file.

15. Sexual Harassment and Discrimination

The District strictly prohibits harassment or discrimination of an individual because of that individual's sex, gender, gender identity, gender expression, race, religious creed, color, age, national origin, ancestry, marital status, medical condition, genetic information, military or veterans status, sexual orientation, physical or mental handicap or disability, or membership in any other protected classification under applicable law. Such harassment by employees and non-employees is not only unlawful, but it may result in high turnover, absenteeism, low morale and productivity, and an uncomfortable work environment. Therefore, the District will not tolerate any such harassment of its employees and will take affirmative steps to stop it.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: DISTRICT HEADQUARTERS BUILDING – FURNITURE VENDOR SELECTION
DATE: MARCH 28, 2024

Background

At the December 14, 2023 meeting, the Board authorized the General Manager to execute purchase agreements up to a total amount of \$225,000 for the office furniture. The agreements would be presented to the Board for ratification as soon as possible.

Quotes were requested for this District supplied item from three select vendors, Tangram Interiors (Tangram), People Space, and CBI. Following a competitive selection process, staff selected Tangram Interiors based on cost, lead times, and quality. The General Manager awarded a purchase agreement with Tangram in the amount of \$222,709. The General Manager requests ratification of the selection by the Board.

Costs for the office furniture (FF&E – furniture, fixtures, and equipment) were included in the District Costs item in the approved project budget provided for reference below.

This item was reviewed by the Engineering and Operations Committee at the March 21, 2024 meeting and the Committee recommends ratification of the award by the Board.

District Headquarters Building Approved Budget	
Description	Est. Cost
Design-Builder	
Building Design and Construction	\$5,200,000
Site	\$2,000,000
District Costs (CM&I, IT, AV, SCADA, FF&E, Generator, Demo)	\$1,000,000
Contingency	\$ 500,000
Total	\$8,700,000

Recommendation

That the Board ratify the award of the office furniture to Tangram Interiors in the amount of \$222,709 by the General Manager.

Attachment(s): None



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: CONFERENCE & MEETING REQUESTS
DATE MARCH 28, 2024

Background

District policy requires prior approval for Board Member attendance at conferences and meetings. Annual Elected Officials' Forum will be held April 10, 2024.

Recommendation

Board to authorize attendance as desired.

Attachment(s): None

SHARE:

[Join Our Email List](#)



Annual Elected Officials' Forum

APRIL 10, 2024
6:00 PM to 8:00 PM



Please Join Us!

[Register Here](#)

We would like to invite you to join us for our Annual Elected Officials' Forum on Wednesday, April 10, 2024, from 6:00 PM to 8:00 PM. This meeting will focus on:

- [Water Supply Conditions for 2024](#)
- [MWDOC's Budget and Proposed Activities for FY 2024-2025 \(please note the following link to second draft budget: \[Draft Budget for Fiscal Year 2024-25\]\(#\)\)](#)
- Overview of Metropolitan Water District of Southern California's (MET) Proposed Two-Year Budget

We strive to provide an educational and relevant experience for all attendees, and we are soliciting your input. In addition to the agenda items above, we would like to know what other topics interest you. If

If you are unable to attend in person, you may choose the Zoom link, or use the following phone numbers:

[Click here to access zoom meeting.](#)

**US Toll-free: (877) 853-5247
Meeting ID: 882 866 5300**

Questions: Harvey De La Torre
General Manager
hdelatorre@mwdoc.com
(714) 593-5027

Questions Contact:
Leah Frazier
lfrazier@mwdoc.com

you have additional items you would like to discuss, please let us know through the following survey link: [April 10, 2024 Survey](#).

(714) 593-5001

STAY CONNECTED

WWW.MWDOC.COM



Logistics:

This meeting will be held in person and via the Zoom platform, all are welcome to attend. You can access the Zoom meeting by either clicking on the following link:

<https://zoom.us/j/8828665300>; or via telephone audio: (669) 900-9128 (fees may apply), or toll-free (877) 853-5247. The Zoom ID is: 882 866 5300#

For those attending in person, we will provide a light meal of sandwiches and salads; please RSVP so that we can plan accordingly.

Who We Are

The Municipal Water District of Orange County (MWDOC) is the wholesale water provider and resource planning agency for all of Orange County (with the exception of the cities of Anaheim, Fullerton, and Santa Ana). Our efforts focus on sound planning and appropriate investments in water supply development, water use efficiency, public information, water education, emergency preparedness, and legislative advocacy, including Metropolitan representation and rate development. MWDOC serves Orange County through twenty-seven water retailers and the Orange County Water District. [Learn More.](#)

We look forward to seeing you there!

Sincerely,

Bob McVicker
Board President
Municipal Water District of Orange
County

Municipal Water District of Orange County | 18700 Ward Street, Fountain Valley, CA 92708

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MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: DISTRICT OPEN HOUSE DISCUSSION
DATE MARCH 28, 2024

Background

The District is nearly complete with the new well, treatment plant and the headquarters facility. With the completion of these projects the District has an opportunity to share these accomplishments with our ratepayers and regional partners.

The timing of the event would likely be in June or July. There are obviously numerous options for an event. Staff have been considering an informal open house event staged over a couple of working hours to allow people to come and go as they are available. Other options include a more formal ceremony with a dedication of the facilities.

Staff intend to take input during this discussion to further develop this concept into a future event.

Recommendation

Provide direction as desired.

Attachment(s): None



MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: DIRECTOR'S REPORTS
DATE: MARCH 28, 2024

Background

Board members represented the District at the following meetings in January and February 2024:

President Davert

1/25/24 EOCWD Regular Board Meeting
 1/31/24 MWDOC Water Policy Forum & Dinner
 2/21-23/24 Urban Water Institute Spring Conference

Vice President Murdoch

1/8/24 ACWA A.C.E. Committee
 1/22/24 ACWA Region 10 Board Meeting
 1/25/24 EOCWD Regular Board Meeting
 1/31/24 MWDOC Water Policy Forum & Dinner
 2/21-23/24 Urban Water Institute Spring Conference

Director Sears

1/5/24 Water Advisory Committee of Orange County (WACO)
 1/25/24 ISDOC Quarterly Luncheon
 1/25/24 EOCWD Regular Board Meeting
 1/31/24 MWDOC Water Policy Forum & Dinner
 2/2/24 Water Advisory Committee of Orange County (WACO)
 2/21-23/24 Urban Water Institute Spring Conference

Director Thoms

1/5/24 Water Advisory Committee of Orange County (WACO)
 1/25/24 EOCWD Regular Board Meeting
 1/31/24 MWDOC Water Policy Forum & Dinner
 2/2/24 Water Advisory Committee of Orange County (WACO)
 2/21-23/24 Urban Water Institute Spring Conference

Director Nielsen

1/25/24 EOCWD Regular Board Meeting
 1/31/24 MWDOC Water Policy Forum & Dinner

Recommendation

Informational.

MEMO

TO: BOARD OF DIRECTORS
FROM: GENERAL MANAGER
SUBJECT: LEGISLATIVE AND OUTREACH REPORT
DATE: MARCH 28, 2024

Background

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

Recommendation

Receive and File.

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

MEMORANDUM

To: East Orange County Water District
From: Townsend Public Affairs
Date: February 7, 2024
Subject: State and Federal Legislative Monthly Report

STATE LEGISLATIVE UPDATES

The State Legislature returned from interim recess on January 3 to begin the second year of the 2023-24 legislative session. As it is the second year of a two-year session, those bills that did not progress in the previous session and were marked as “2-Year Bills” had the opportunity to progress at the behest of their authors by the end of January. Critical issues on the forefront of Member’s minds include matters such as housing affordability, climate change initiatives, disaster preparedness, and education reforms.

Legislative trends that have emerged for 2024 include governing the deployment of artificial intelligence, Proposition 47 reform and theft prevention, and electric bicycle and firearm safety. New bills will continue to trickle in until the February 16 bill introduction deadline, which marks the final day for new bill vehicles. As always, Members will have the opportunity to amend or “gut and amend” existing bills into entirely new policies throughout the session, so long as their progress adheres to the 72-hour in print rule.

Additionally, the month of January also included the release of the Governor Newsom’s Proposed Budget for the 2024-25 fiscal year. The Proposed Budget, released on January 10, includes an estimated \$37.9 billion budget shortfall. The Governor stated that the shortfall can be attributed to two main factors; the substantial decline in the stock market that drove down revenues in 2022 and the unprecedented delay in critical income tax collections.

Below is an overview of pertinent legislative actions taken during the month of January.

Governor Newsom Announces 2024-24 Proposed Budget

On January 10, Governor Newsom [released his 2024-25 State Budget](#). The Proposed Budget includes an estimated \$37.9 billion budget shortfall. According to the Governor, the shortfall can be attributed to two main factors; the substantial decline in the stock market that drove down revenues in 2022 and the unprecedented delay in critical income tax collections. (NOTE: The Governor’s shortfall estimate is significantly lower than the Legislative Analyst’s estimate of \$68 billion primarily due to differing accounting measures and more optimistic revenue estimates.)

Last year, due to the unprecedented tax deadline delays, the majority of the State’s revenues did not arrive until October and November of 2023. This means that the revision of the State’s spending plan that typically would come as part of last year’s May Revision is instead being made in the January 2024 proposed budget release.

In June 2023, the State passed a budget that planned accordingly, setting aside record reserves of just under \$38 billion. Now, the State faces a budget that must solve last year's shortfall while adjusting State spending to ensure continued fiscal stability for years to come.

Following the budget surpluses in 2021 and 2022, the State Budget approved \$8.7 billion over multiple years to mitigate impacts from extreme drought and flood as well as protect fish and wildlife. The Governor's 2024-2025 January Budget proposes to maintain \$7.3 billion of the previously allocated \$8.7 billion over multiple years, but also proposes to cut or delay approximately \$900 million in previously allocated or budgeted funds. Major cuts and retractions in the budget include water recycling, PFAS remediation, and watershed climate resiliency.

While the budget proposal includes various spending reductions and deferrals, it is important to note that the budget situation will continue to evolve over the next few months before its enactment. The Governor's proposal will be updated in May to reflect changes to tax returns, inflationary pressures, and federal monetary policy that could result in additional spending cuts or the restoration of spending programs.

Looking forward, in late January, the Legislature's budget subcommittees will begin their hearings, reviewing and recommending changes to the proposed budget. After a few months of the Legislature's budget hearings, the Governor must present a revised budget by May 14 based on updated revenue estimates. After negotiations between the Governor and the Legislature, the Legislature's deadline to pass a balanced budget is June 15 and the Governor needs to approve a final 2024-25 spending plan before the new budget year beginning July 1.

Assembly and Senate Hold Budget Committee Hearings

On January 23, both the Assembly and Senate held their respective Budget Committee hearings. In both hearings Chief Deputy Director of the Department of Finance Erika Li and Legislative Analyst Gabriel Patek presented to the Committee members their perspectives and recommendations on the upcoming budget. Ms. Li laid out the basis for the Administration's deficit estimate and discussed broadly the Governor's solutions to the budget problem. Mr. Patek commented that, while the Governor's budget estimates are potentially accurate, his office believes that the revenue assumptions are quite optimistic and therefore the Legislature may need to find more solutions than the Governor has thus far outlined.

Both presenters agreed on two points. First, that the State has done a relatively good job in building its reserve funds to address what may be a minor recession in the State's economy. Second, that it is likely that there will be budget deficits in the out years beyond this coming fiscal year and the Legislature must keep in mind that ongoing solutions could be in order.

Most members of each Committee took time to ask clarifying questions from the presenters, as well as to discuss their priorities for the upcoming budget. Each Committee Chair spoke of the many upcoming budget subcommittee hearings at which the work of compiling the balanced budget will take place.

Legislative Analyst's Office (LAO) Report on Urban Water Use Efficiency Requirements

In 2018, the Legislature passed legislation that worked to establish a long-term urban water use efficiency framework to “Make Conservation a California Way of Life.” This framework creates new requirements for about 405 urban retail water suppliers that supply water to nearly 95 percent of state residents and requires these suppliers to evaluate their actual water use against a Water Use Objective. This framework was stringent in its development and established objectives and targets for urban water suppliers that are difficult to reach, even with appropriate investment into drinking water systems.

The LAO, a nonpartisan office within the state government that gives fiscal and policy advice to the Legislature, released a report in January on the effectiveness of the legislation and subsequent regulations from the State Water Resources Control Board and the Department of Water Resources. The report found that the proposed regulations create significant implementation challenges for urban water suppliers and go beyond what the 2018 legislation requires or what DWR recommended. Furthermore, the report outlined that the urban water efficiency targets will be difficult to achieve in the aggressive time period given in the regulations, will be far most costly than originally assumed, and could disproportionate effect low-income customers.

The LAO report concluded with a list of recommendations for the Legislature to consider adopting to improve the current goals set in statute and the ongoing regulation process. Such recommendations include enhanced technical assistance to urban water suppliers, reduce complexity and improve variances, and re-evaluate the framework’s key milestones set out in the 2018 legislation.

The Make Conservation a California Way of Life regulations are expected to be adopted in Summer/Fall 2024, giving the Legislature a narrow window to make improvements to the statute this year.

Assembly Members Introduce Healthy Environment Constitutional Amendment

On January 25, Assembly Members Bryan, Kalra and Muratsuchi introduced [ACA 16](#), a resolution to amend the California Constitution that would enshrine the people’s right to clean air and water and a healthy environment. The measure is coauthored by Assembly Members Friedman, Jackson, Lee, McKinnor, and Valencia as well as Senators Limon and Stern. If enacted, this measure could have significant impacts on all levels of government as it could essentially become a legal guarantee that all residents of California never be exposed to anything but a healthy environment – and if a resident is exposed to anything unhealthy, the government(s) with jurisdiction could be found liable for that exposure. This could open substantial courses of litigation and costs a variety of governmental entities.

As with all proposed Constitutional amendments it must pass both houses of the Legislature with two-thirds votes and then is placed on the statewide ballot. The Governor has no involvement and therefore cannot veto if passed by the Legislature. It is unclear whether the authors of the measure intend to move forward with it or if it has the support of leadership in either house.

Supreme Court Hears Case on Impact Fees

Earlier this month, a dispute arising from a resident of Placerville over El Dorado County's imposition of \$23,420 in impact fees rose to the highest court in the state. The legal saga began in 2016 when George Sheetz built a small, manufactured home on a vacant tract in the city of Placerville. The County imposed a development impact fee of over \$20,000 which Mr. Sheetz paid before launching a lawsuit against the County for violation of property rights.

Specifically, the lawsuit alleged that the county failed to prove that the impact fee accurately reflected the impact his project would have on the surrounding local infrastructure. Instead, the County should have completed a thorough, property-specific inspection and analysis of the local impacts to justify the fee.

The State courts ultimately ruled against him, citing the decades-old California law that permits local governments to charge fees to builders for "costs attributable to the increased demand for public facilities reasonably related to the development project." Justice Elena Duarte, who presided over the initial case, iterated that the fee leveraged by the County was "imposed pursuant to a legislatively authorized fee program that generally applies to all new development projects within the County."

However, upon appeal, the case rose to the ranks of the U.S. Supreme Court, which took up the issue on January 9. The plaintiff has since received support from various organizations and housing affordability advocates, including the California Building Industry Association and the National Association of Homebuilders.

Ultimately, the outcome of the case will be incredibly consequential to how local governments can apply – and the steps they must take to justify – development impact fees. Local government advocates cite the potential for a dangerous decline in critical local revenues in a world with dwindling property taxes to subsidize infrastructure development, alongside the potential for permitting approval delays associated with the administratively burdensome fee justification process. Housing advocates, on the other hand, argue that impact fee reductions and transparency would eliminate cost barriers to build.

A ruling is anticipated in February 2024.

FEDERAL LEGISLATIVE UPDATES

Congress was busy in January, first averting a government shutdown, continuing work on an ongoing border reform and immigration policy negotiations, and finally negotiating a bipartisan tax deal. The White House and executive agencies took crucial steps for electrical vehicles, aiming to accelerate charging station permits and provide tax incentives.

Below is an overview of pertinent actions taken during the month of January.

Lawmakers Agree to Temporarily Extend Government Funding

On January 18, federal lawmakers avoided a government shutdown by passing a third continuing resolution (CR) to extend the previous fiscal year's funding for six more weeks. The CR continues to use House Speaker Mike Johnson's novel two-step funding approach, setting two new funding deadlines for different segments of the federal government. Under the newly passed CR a first wave of shutdowns would occur on March 1 and a second wave on March 8.

Congressional leaders believe the six-week extension buys them more time to iron out the details of their previously announced topline spending agreement, and for Speaker Johnson to coalesce the House Republican Conference around full Fiscal year 2024 appropriations bills.

A funding topline agreement was announced for each of the 12 spending measures on January 29. Appropriations subcommittee leaders can now negotiate the details of their annual government-funding bills. As lawmakers continue to move ahead on FY24 appropriations, the Fiscal Year 2025 budget and appropriations process is approaching with an anticipated release of the President's budget in early March to coincide with his State of the Union Address scheduled for March 7.

Low-Income Water Assistance

Senate Environment and Public Works Subcommittee on Fisheries, Water and Wildlife Chairman Senator Alex Padilla (D-CA) led 24 of his Senate colleagues in calling on the Senate Appropriations Committee to restore funding for the Low-Income Household Water Assistance Program (LIHWAP) for Fiscal Year 2024. The request has large national support as over 150 organizations wrote a similar letter to Congress. Full text of the letter is [here](#). Furthermore, Senator Padilla is anticipated to re-introduce his "LIHWAP Establishment Act", to establish a national, low-income water assistance program.

Department Of Treasury and IRS Releases Clean Vehicle Charging Guidance

The Biden Administration and the IRS released additional guidance providing clarity on eligibility for tax incentives to install electric vehicle charging stations and other alternative fuel refueling stations. The Alternative Fuel Vehicle Refueling Property Credit (30C) is an incentive that provides a credit for up to 30% of the cost of a qualified alternative fuel vehicle refueling facility placed in service by the taxpayer. The credit is limited to \$100,000 for business property, and \$1,000 for personal property, and can be claimed for home electric vehicle charging and other refueling equipment and by businesses.

EPA To Publish Plan for EV Charging Station Permits

The Environmental Protection Agency (EPA) published their plan to accelerate the permitting of electrical vehicle charging stations. The EPA will use the Department of Energy's categorical exclusions to quickly permit new charging stations, modifications, operations, and removals if needed. Categorical exclusions are decisions made for projects that do not harm the environment and can be used by other agencies. Although the announcement aims to accelerate the process,

the EPA will ensure that a proposed charging station will not threaten the environment, release hazardous substances, or require major expansions of waste storage or disposal.

Relevant Legislation

Below is relevant legislation that advanced out of the House Committee on Natural Resources and the House Committee on Transportation and Infrastructure in the month of January.

- [H.R. 2950 Coastal Habitat Conservation Act of 2023](#) aims to preserve coastal areas along the Atlantic and Pacific Oceans, Gulf of Mexico, Great Chesapeake Lakes, and the Caribbean. Sponsor Rep. Jared Huffman (CA-02) successfully passed the bill through the House Committee on Natural Resources with intention to preserve the “health and resilience of coastal habitats in benefit of the wildlife, communities, and economies that depend on them.”
- [H.R. 5770 Water Data Improvement Act](#) aims to address water scarcity across the West in order to “bolster drought resiliency and improve water quality.” Sponsor Rep. Joe Neguse (CO-02) successfully passed the bipartisan bill through the House Committee on Natural Resources heading to the House Floor for consideration.
- [H.R. 7013 The Confidence in Clean Water Permits Act](#) introduced by Rep. John Duarte (CA-13) proposes the EPA policy to create “clear, objective, concrete limits on pollutants” listed within the permits.
- [H.R. 7023 The Nationwide Permitting Improvement Act](#), a proposition among five bills under the initiative of clean water, is publicly endorsed by Water Resources and Environment Subcommittee Chairman David Rouzer (NC-07). It significantly improves “U.S. energy production, transportation, infrastructure, and other commercial activities” through clarifying the Federal Water Pollution Control Act, also known as section 404.
- [H.R. 7026 The Reducing Permitting Uncertainty Act](#) seeks to prevent the Environmental Protection Agency (EPA) from vetoing a dredge and fill permit prior to its filing or after the issuing of a permit by the Corps. The EPA is authorized to veto if the permit is determined to have adverse effects on the environment, however, the veto has been utilized beyond its original grounds, with employment before and after the pending of a permit.
- [H.R. 7021 The Water Quality Criteria Development and Transparency Act](#) seeks to establish transparent water quality criteria and testing. The bill aims to limit judicial review and allow public participation for a collaborative approach regarding water quality management.
- [H.R. 7008 The Judicial Review Timeline Clarity Act](#) specifies lawsuits seeking judicial review filing within a duration of sixty days following the date it was issued. To “facilitate speedy authorizations, spur infrastructure development, and safeguard against lawsuits” to infrastructure projects.

MEMORANDUM

To: East Orange County Water District
From: Townsend Public Affairs
Date: March 6, 2024
Subject: State and Federal Legislative Monthly Report

STATE LEGISLATIVE UPDATES

The month of February included the Legislature's bill introduction deadline of February 16, featuring the introduction of over 1,500 new bill vehicles, and gave new insight into legislative trends for the 2024 Legislative Session.

The February bill introduction deadline also signaled a change in legislative action, with the beginning of legislative policy committee hearings to kickstart the bill deliberation process. It is anticipated that hundreds of bills will begin to be heard in their respective policy and fiscal committees in the next couple of weeks. Below is an overview of pertinent State actions from February.

LAO Releases Revenue Update as Budget Deficit Grows

On February 20, the Legislative Analyst's Office (LAO) [released an update](#) to State Revenues in relation to the State Budget. Previously, the LAO estimated that the State is facing a budget deficit of about \$58 billion, under the Governor's Proposed Budget released on January 10. The LAO estimates that the deficit is about \$24 billion below the Governor's Budget across 2022-23 to 2024-25. Under the LAO's estimates, this increases the previously estimated \$58 billion deficit to **\$73 billion**.

As a few possible solutions to the budget deficit the LAO recommends both revenue increases and spending reductions (on both a one-time and ongoing basis), as well as other tools, like utilizing reserves and cost shifts. Additionally, the LAO recommends that Legislators evaluate whether recent augmentations designated for one-time and temporary expenditures could be retracted or minimized, by using two rationales. Firstly, to consider that when the allocations for one-time and temporary expenditures were approved, it was under the understanding that they would serve as a buffer for future budgetary challenges. For instance, the Administration frequently projected "operating surpluses" in its multi-year forecasts, excluding such expenditures, indicating an acknowledgment that the State's resources could not cover all projected commitments. However, they could accommodate ongoing budgetary requirements. Secondly, as the Legislature diminishes one-time and temporary expenditures in 2024-25, it preserves a greater array of tools for addressing future budgetary challenges. The reduction of such spending constitutes a "use or lose" mechanism in tackling budgetary issues—once funds are allocated to recipients, retracting them becomes exceedingly impractical.

The figure below from the [LAO Report](#) shows the breakdown of possible remaining one-time and temporary spending.

Figure 1

Summary of Possible Remaining One-Time and Temporary Spending

(In Millions)

	2023-24	2024-25	2025-26
Business and Labor	\$266	\$284	\$198
Criminal Justice	130	40	—
Education	602	1,195	1,109
Health and Human Services	867	301	701
Housing and Homelessness	1,599	—	260
Other	1,752	557	432
Resources and Environment	1,049	1,005	1,377
Transportation	146	739	1,000
Totals	\$6,411	\$4,121	\$5,076

Note: Amounts reflect one-time and temporary spending adopted in the 2021 and 2022 budget packages.

Looking forward, Legislators will be in ongoing negotiations with the Administration to pass the Budget Bill by the June 15 constitutional deadline to pass the State Budget.

Senate Leadership and Committee Changes

On February 5, Senator Mike McGuire was sworn in as Senate Pro Tem on the Senate Floor by California Supreme Court Chief Justice Patricia Guerrero. Later in the week, on February 8, Senate Pro Tem McGuire announced new Senate and Committee assignments. Leadership changes include the appointment of Senator Lena Gonzalez as the Majority Leader, and Senators Angelique Ashby and Aisha Wahab as co-Assistant Majority Leaders. These members will be instrumental in leading the House and the Democratic Caucus' policy decisions and priorities for the next few years.

Notable committee changes include the following:

- Senator Scott Wiener replaces Senator Nancy Skinner as the new Budget Chair
- The Senate Governance and Finance Committee has returned to its pre-redevelopment dissolution roots and has split into two committees that mirror the Assembly: the Senate Local Government Committee, whose chair will be Senator Maria Elena Durazo, and the Senate Revenue and Taxation Committee, whose chair will be Senator Steve Glazer.

A full list of leadership changes and committee membership changes can be found [here](#).

Cap and Trade Rulemaking Oversight Hearing

On February 13 the Senate Environmental Quality Committee, the Senate Budget and Fiscal Review Subcommittee No. 2 On Resources, Environmental Protection, and Energy Committee held a joint oversight hearing on Cap and Trade rulemaking. Cap and Trade is a market-based emissions trading program administered by the California Air Resources Board (CARB) that covers roughly 80% of California's GHG emissions and aims to reduce them. The program imposes a declining, aggregate cap on the amount of GHGs allowed to be emitted in the State each year and has been run by CARB for the past ten years. In running the program, CARB has held workshops and solicited feedback on the changes they are considering. The hearing gave legislators an opportunity to learn about how the changes being considered at CARB will affect the nature of the State's climate policy. Panelists included:

- Liane Randolph, Chair, CARB
- Sarah Cornett, Fiscal and Policy Analyst, Legislative Analyst's Office (LAO)
- Katelyn Roedner Sutter, Assembly Appointee, Independent Emissions Market Advisory Committee
- Catherine Garoupa, Chair, CARB Environmental Justice Advisory Committee
- Danny Cullenward, Vice Chair and Senate Appointee, Independent Emissions Market Advisory Committee
- Matthew Botill, Chief, Industrial Strategies Division, CARB

The panelists discussed the current stake in the State's Cap and Trade rulemaking and presented what is next for the State's program. The LAO had many legislative considerations, including discussing the State balancing pursuing emissions reductions with potential cost impacts, and asking if the Legislature wants to expand the program beyond 2030. One major concern mentioned by the Committee and many panelists was regarding whether underserved communities are truly benefiting from the program dollars.

FEDERAL LEGISLATIVE UPDATES

In the month of February, Congress was out of session for two weeks which led to a decline in moving legislation. However, in February, updates on appropriations and new task forces were released. Below is a summary of activities in both the executive and legislative branches in the month of February.

Congress Approves Interim Funds to Avert Government Shutdown

During the February recess Lawmakers were hopeful that appropriations bill text would be released prior to their return in late February. However, Senate Majority Leader Chuck Schumer announced that this would not occur. This prompted President Biden to meet with Senate Majority Leader Schumer, Senate Minority Leader Mitch McConnell, House Speaker Mike Johnson, and House Minority Leader Hakeem Jeffries at the White House on February 27 to discuss strategies to avert a government shutdown.

Ultimately, Speaker Johnson offered to push the government shutdown dates to March 8 and March 22 to buy more time for leadership to finalize FY2024 appropriations bill text. This approach played out on February 29 as the U.S. House of Representatives passed a continuing resolution (CR) to fund the government for a few more days, avoiding a shutdown that had been in line to

occur the night of March 1. The Senate passed the bill on a 77-13 vote shortly after the House acted, sending it to President Biden for his signature.

Under the deal, funding for Agriculture-FDA, Energy and Water, Military Construction-VA, Transportation-HUD, Commerce-Justice-Science and Interior-Environment are extended to March 8. Whereas Defense, Financial Services-General Government, Homeland Security, Labor-HHS-Education, Legislative Branch, and State-Foreign Operations are extended to March 22. The deal doesn't include any Ukraine aid, which House Republicans are holding up as they demand a range of new restrictions on US immigration and border policies.

Under the parameters of the deal reached this week, two six-bill packages will come to the floor of the House in March. When Congress returns to Washington, DC on March 4 we anticipate action will be taken on the first package of bills, with action on the second coming during the week of March 18.

Top House Leaders Announce Bipartisan AI Task Force

Speaker Mike Johnson and Minority Leader Hakeem Jeffries announced a bipartisan task force to explore potential legislation to address concerns around artificial intelligence. This comes after a robocall imitating President Biden sought to discourage people from voting for him in the New Hampshire Democratic primary election. Strong attention was brought to this issue thus prompting the Federal Communications Commission to rule that AI-generated phone calls are illegal shortly after. Speaker Johnson and Leader Jeffries have each appointed twelve members to the Task Force on Artificial Intelligence that represent key committees of jurisdiction. Congressman Jay Obernolte (CA-23) is the Chairman of the 24 member task force and Congressman Ted Lieu (CA-36) is the Co-Chair. To read their joint statement click [here](#).

Update on 2024 Water Resources Development Act

Congress is working hard to abide by a traditional timeline to enact the 2024 Water Resources Development Act. Bipartisan committee leaders indicated that they are working toward holding committee action on the bills around May, with consideration by the full House and Senate in the Summer followed by a conference committee to reconcile differences that may stretch into the Fall. The bill authorizing U.S. Army Corps of Engineers projects and programs is typically enacted every two years and provides an opportunity for specific projects to be authorized, the first step toward appropriations.

Additionally, The Senate Committee on Environment and Public Works held a hearing in February to receive an update on implementation of projects authorized by past Water Resources Development Acts. Senators pressed Biden Administration officials at the U.S. Army Corps of Engineers in charge with implementation on the slow roll out of past authorizations and encouraged haste in future roll outs.

Reclamation Releases Guidelines for Colorado River Operations

Under a drought contingency plan published by the Bureau of Reclamation, farmers in Arizona and California and other water users in the region will be required to drastically cut their Colorado River use. The Plan, outlined in a final supplemental environmental impact statement on an update to interim drought guidelines for the Colorado River adopted in 2007, calls for a cut of water use of up to 3 million acre-feet in the basin through the end of 2026. Many water users will

be compensated for their conservation measures using some of the \$4.6 billion in federal drought contingency funding provided by Congress in the 2022 Inflation Reduction Act.

Conservation agreements with 24 irrigation districts and other water providers in California and Arizona are expected to serve up to 1.58 million acre-feet of water through 2026, supported by \$670.2 million from the Inflation Reduction Act. The Bureau's move follows an October announcement that a draft 20-year drought plan for the Colorado River that will take effect in 2027 will be published by the end of 2024.

Details of the operational update can be found on the Bureau's website [here](#).

Reclamation announces 2024 Central Valley Project Water Supply Allocations

The Bureau of Reclamation announced initial 2024 water supply allocations for Central Valley Project water users. Water supply allocations are based on an estimate of water available for delivery to Central Valley Project water users and reflect current reservoir storage, precipitation, and snowpack in the Sierra Nevada. To view the Central Valley Project water supply allocations please visit usbr.gov. The ranges for different water contractors based on geography range from 15% to 100% of their contract total.

Senator Padilla Introduces Bill to Create Permanent, National Water Assistance Program

Senator Alex Padilla (D-CA) introduced the *Low-Income Household Water Assistance Program Establishment Act* (LIHWAP) on February 28th. The legislation establishes a nationwide water assistance program to help struggling families pay their water bills. Currently, LIHWAP funding is available in California through March 2024. However, the program needs congressional authorization to continue. This legislation would make it a permanent program with mandatory funding each year.

The County of Orange Report

Prepared for East Orange County Water District

February 15, 2024
by Lewis Consulting Group



LAFCO Meeting Unveils Proposed Commissioner Handbook

The ordinary February LAFCO meeting lasted three minutes. Following, facilitator Bill Kelly led the group in a study session unveiling a proposed Commission handbook; a product of collaboration between Mr. Kelly and LAFCO staff.

To instill team building collegiality, Mr. Kelly first led the Commissioners in a self-analysis exercise, trying to determine each commissioner's membership strength. Each Commissioner rated themselves in four different qualities - a directive style, as an analyzer, supportive or emotive.

Once that finished, Mr. Kelly produced an overview of the proposed handbook. Presently there is no such handbook at OCLAFCO or other LAFCO's queried. They all operate under their own commission by-laws.

The third chapter of the proposed handbook offers up the most controversial features of the document. It is billed as an attempt "to ensure that they are properly representing the position as officials of OCLAFCO". Some LAFCO Commissioners may find some of the provisions as excessive and an attempt to muzzle their freedom of expression.

It was announced that comments should be withheld until the April LAFCO meeting. However, Chair Don Wagner commented he felt the handbook contained rules too restrictive on commissioners. He also expressed concern that a handbook could be used as a cudgel by the public against Commissioners. Finally, he even wondered out loud whether or not a handbook was necessary,

The April LAFCO meeting should be interesting.



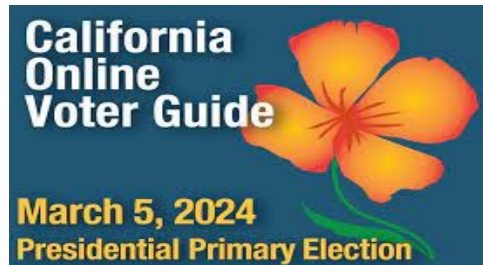
A Board Meeting Minus the Public

The February 6th meeting of the Board of Supervisors was held during a torrential rain storm. The five Board members braved the elements, but few members of the public did the same. All together, there were 31 items to be dealt with and only five public speakers in the audience. The meeting lasted a scant 58 minutes and there were no controversial issues. The usual length of a Board meeting is 3-5 hours. Without the usual gadflies, this meeting was on hyper-speed.

Local Races Highlight March Election

Two of Orange County's five Supervisors are on the ballot in March. Depending on their outcome, the Board's philosophical direction could see a major change.

The Board's only two Republican seats held by Supervisors Don Wagner and Andrew Do are the only seats up this cycle. If a Democrat emerges victorious in either seat, let alone two the tenor of the Board will completely change. At present, the Board more closely resembles a 2-2 split with moderate Democrat Doug Chaffee serving as the swing vote. One of the two seats, the 3rd District, will be settled in March.



IRVINE MAYOR FARRAH KHAN 3RD DISTRICT SUPERVISOR DON WAGNER

Supervisor Don Wagner currently serves as Board Chair and is seeking his second and final term. Irvine Mayor Farrah Khan is finishing her final term as Mayor.

Khan has accused Wagner of being an enemy of transparency pointing to his opposition to an enhanced OCTA Measure M audit along with a vote against additional reporting of Supervisors relatives ties to County sub-contractors.

For her past, Khan is still hindered by her relationship with lobbyist Melahat Rafiei, who served as Khan's campaign manager and top advisor. Rafiei plead guilty to wire fraud after trying to bribe two Irvine City Councilmembers.

In the election to succeed Supervisor Andrew Do in the First Supervisorial District, there are five candidates, but only three seen to have a chance to make November's top two run-off.



STATE SENATOR JANET NGUYEN



VAN TRAN



FRANCES MARQUEZ

State Senator and former Supervisor Janet Nguyen appears to have the inside track for one of the two November run-off seats. Vying for the other slot, are former Assemblymember Van Tran, running with Supervisor Do's endorsement and Cypress City Councilmember Frances Marques, the lone Democrat in a field of five. Rounding out the list are former Fountain Valley Mayor Michael Vo and Westminster Councilmember Kimberly Ho.



USC / Dornslife Pre-election Poll Released

The University of Southern California Dornslife / Price Center for Urban Politics and Policy, just released its pre-California Primary poll. In addition to election issues, several interesting policy questions were queried as well. The poll was conducted January 21-29, 2024. The survey of 1,416 California voters yields a margin of error +/- 2.6%. Below are some results of the poll.

US SENATE ELECTION

Which candidate will you vote for in the 2024 primary election for U.S. Senate?

- 25% Adam Schiff (US House member, Democrat)
- 15% Katie Porter (US House member, Democrat)
- 15% Steve Garvey (Businessperson/Former baseball player, Republican)
- 7% Barbara Lee (US House member, Democrat)
- 1% Eric Early (Attorney, Republican)
- 1% James Bradley (CFO, Republican)
- 1% Jessica Resendez (Advocate, Democrat)
- <1% All other individual candidates
- 29% Don't know/undecided

PRESIDENTIAL ELECTION

In the Republican Party primary election for president in 2024, who do you think you would vote for in the party primary?

66%	Donald Trump
24%	Nikki Haley
<1%	Ryan Binkley
<1%	David Stuckenberg
10%	Don't know

In the November 2024 presidential election, who would you vote for if the general election race was between the following candidates?

53%	Joe Biden	(Democrat)
25%	Donald Trump	(Republican)
7%	Robert Kennedy, Jr.	(Independent)
3%	Cornel West	(Independent)
<1%	Lars Mapstead	(Libertarian)
1%	Jill Stein	(Green Party)
10%	Don't know	

GOVERNOR GAVIN NEWSOM

Do you approve or disapprove of the job Gavin Newsom is doing as governor on the following issues?

Economy -

44%	Approve
45%	Disapprove
11%	Don't know

Housing -

The state of California has sued cities to force them to comply with state law to build sufficient housing for their residents. Do you agree or disagree with the state suing localities to build more housing?

31%	Strongly agree
27%	Somewhat agree
19%	Somewhat disagree
22%	Strongly disagree

The California Association of Counties and other groups recently filed a "friend of the court" brief in a case to be decided by the U.S. Supreme Court. The court case is about homelessness in California and other western states. The groups are making a legal argument that current law makes it too hard to remove homeless encampments in public spaces. Do you support or oppose this legal argument that would make it easier to clean and remove homeless encampments?

47%	Strongly support
27%	Somewhat support
10%	Somewhat oppose
7%	Strongly oppose
8%	Don't know

Crime and safety -

Proposition 47 was passed by California voters about a decade ago. This law, Proposition 47, reduced simple possession of drugs for personal use from a felony to a misdemeanor. This law

also changed how theft cases were classified as misdemeanors or felonies. Under the current law, theft of goods valued at more than \$950 is a felony and theft of goods less than \$950 is a misdemeanor, which is less strict than the previous law's threshold of \$400 or more for a felony charge. Do you think Proposition 47 caused increases in petty theft such as "smash and grabs" in California?

- 52% Definitely caused increases in theft and "smash and grabs"
- 19% Somewhat caused increases in theft and "smash and grabs"
- 6% Somewhat did not cause increases in theft and "smash and grabs"
- 10% Definitely did not cause increases in theft and "smash and grabs"
- 14% Don't know

Leaving California -

Have you ever thought about moving out of California?

- 63% Yes
- 35% No
- 2% Don't know

What was the single biggest reason you have thought about moving out of California?

- 40% Cost of living
- 28% The political climate
- 6% To be closer to family
- 4% To buy a house
- 3% Job opportunities elsewhere
- 2% To find cheaper rent
- 2% Earthquakes, fires, climate risks
- 14% Other

OTHER U.S. SENATE ELECTION POLLS

EMERSON -

- 25% Adam Schiff
- 18% Steve Garvey
- 13% Katie Porter
- 8% Barbara Lee
- 7% Other

L.A. TIMES -

- 21% Adam Schiff
- 17% Katie Porter
- 13% Steve Garvey
- 9% Barbara Lee
- 6% Other

Schiff Employs Interesting Tactic

For those like myself, who are entertained by how campaigns are conducted, Adam Schiff's campaign is as interesting as it gets. Due to California's "top two" run-off law, Schiff is maneuvering to help Republican Steve Garvey make the run-off knowing that would provide an easier path to a November victory than facing Katie Porter or Barbara Lee.

Schiff has peppered the airwaves with commercials proclaiming it's a two person race between himself and the Republican-Trump leaning Garvey. The effort seems to be working as Garvey is consolidating the Republican vote. But will it work well enough for Garvey to edge out Porter or Lee?

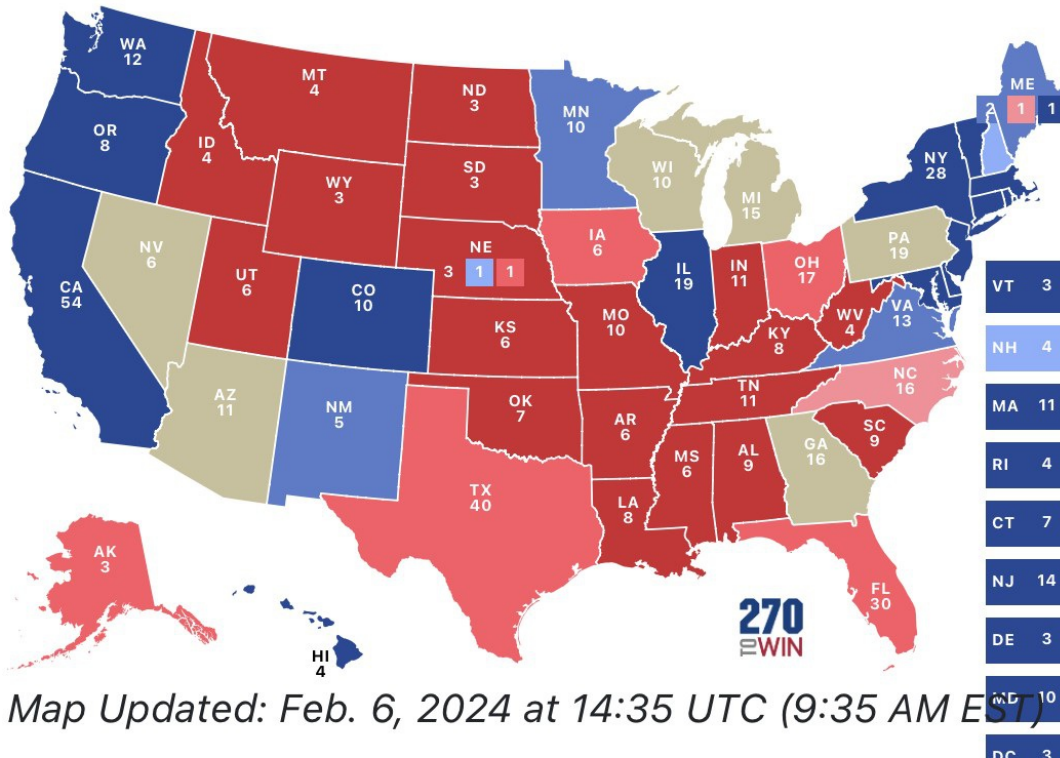
The Presidency - Electoral Votes

Democrats ▾

Republicans ▾

226

235

















Latest Congressional Election Projection

	HOUSE OF REPRESENTATIVES		U.S. SENATE	
SABATOS CRYSTAL BALL	GOP = 212	DEMS = 203	GOP = 50	DEMS = 47
COOK POLITICAL REPORT	GOP = 210	DEMS = 202	GOP = 50	DEMS = 47
270 TO WIN	GOP = 207	DEMS = 204	GOP = 50	DEMS = 47

Finally - Rain Eases Snow Drought

An atmospheric river finally drenched parts of California with much needed rain and snow. As a result, California's snowpack went from 50% of normal to 77% of normal. California reservoirs are still in great shape holding 118% of normal storage. The Colorado River basin has a snowpack of 91% of normal.

More Good News, Look What's Coming

Sun 18	45°/31°		Mostly Sunny	 19%	 S 7 mph	
Mon 19	38°/25°		Snow	 94%	 SSW 12 mph	
Tue 20	39°/26°		Snow	 80%	 S 8 mph	
Wed 21	39°/23°		AM Snow Showers	 47%	 SSW 10 mph	
Thu 22	41°/24°		Partly Cloudy	 23%	 S 8 mph	
Fri 23	41°/25°		Partly Cloudy	 24%	 SSE 8 mph	
Sat 24	40°/25°		Partly Cloudy	 24%	 SSE 8 mph	
Sun 25	41°/25°		PM Snow Showers	 49%	 SW 10 mph	
Mon 26	40°/24°		Snow Showers	 58%	 SW 16 mph	
Tue 27	38°/24°		Snow Showers	 58%	 SSW 12 mph	
Wed 28	38°/23°		Rain/Snow	 58%	 SSW 13 mph	
Thu 29	37°/21°		Rain/Snow	 58%	 SSW 12 mph	

Lake Tahoe Weather Forecast

The County of Orange Report

Prepared for East Orange County Water District

March 21, 2024

by Lewis Consulting Group

Primary Election Results Bring November Clarity

WAGNER RE-ELECTED



Orange County Supervisor (and Chairman) Don Wagner scored an easy victory besting Irvine Mayor Farrah Khan 64% to 36%. Due to County election rules, the two person race guaranteed a March Primary victor. Wagner's second four year term beginning next year will be his last due to Supervisor term limits.

SCHIFF GETS HIS WISH

After spending millions of dollars attacking Republican opponent Steve Garvey as too conservative, the ploy worked and helped Garvey secure a second place finish. Because of California's huge democratic advantage, Schiff wanted to face a Republican instead of Katie Porter or Barbara Lee in November. He gets his wish and will be the prohibitive favorite.

ORANGE COUNTY KEY CONGRESSIONAL RACES

Every year there seems to be at least one candidate whose heart is broken by a prolonged ballot count. This year, the victim is in the 45th Congressional District. Kim Bernice Nguyen-Penalozza was projected to come in second and face Michelle Steel in November. She surprisingly trailed when the first returns were announced. However, as the days went on, she closed the gap each day to come within 60 votes. On Monday March 18 a batch of ballots came in leaving Derek Tran with an insurmountable lead and left Nguyen-Penalozza wondering what happened?

In the 47th district, by besting fellow Democrat Joanna Weiss, State Senator Dave Min will be squaring off against Republican Scott Baugh in the general election. This race promises to be one of the most competitive and expensive races in the country.

CLOSE STATE SENATE RACE

Incumbent Democrat State Senator Josh Newman will face Republican Assemblymember Steven Choi in November. The four GOP candidates generated 53% of the vote combined. Notwithstanding, Democrat turnout should improve in November. A close race is the forecast.

JANET NGUYEN PROHIBITIVE FAVORITE IN NOVEMBER

For Orange County’s other Supervisorial election this year, former Supervisor Janet Nguyen appears almost impossible to beat. Nguyen received 44% of the vote compared to her November opponent Frances Marquez garnering 26%. Third place finisher Van Tran ended with 18% of the vote.

Latest Presidential Polls

2024 General Election: Trump vs Biden vs Kennedy



(2-Way, 5-Way)

Battleground States: Arizona | Nevada | Wisconsin | Michigan | Pennsylvania | North Carolina | Georgia

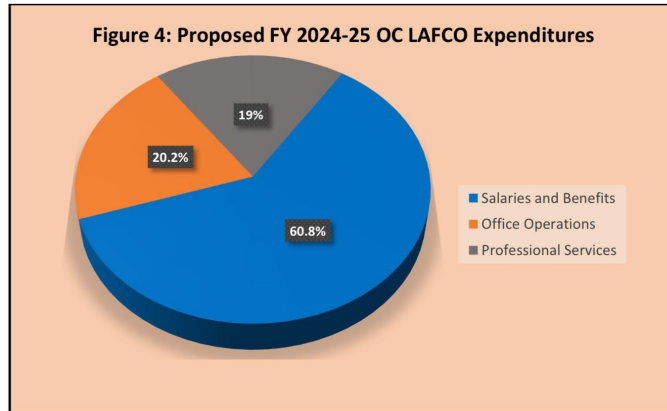
This Day In History: March 18, 2020: Biden +6.4 | March 18, 2016: Clinton +8.7

POLLSTER	DATE	SAMPLE	MOE	TRUMP (R)	BIDEN (D)	KENNEDY (I)	SPREAD
RCP Average	12/14 - 2/22	—	—	39.8	35.5	15.0	Trump +4.3
Harvard-Harris	2/21 - 2/22	2022 RV	—	44	37	18	Trump +7
Rasmussen Reports	2/13 - 2/15	868 LV	3.0	43	37	12	Trump +6
Reuters/Ipsos	1/22 - 1/24	1250 A	3.0	36	30	8	Trump +6
Quinnipiac	12/14 - 12/18	1647 RV	2.4	36	38	22	Biden +2

LAFCO Budget Unveiled

The March 13, 2024 meeting of LAFCO featured a public hearing to review the proposed budget and fee schedule for 2024/2025. The proposed budget totals \$1,860,050 representing a 6.6% increase over 2023/2024.

The apportionments grew by 12% this year due to a lower reliance on excess reserves. It is anticipated that there will be another 12% increase next year before striving to be in sync with CPI increases.



OC LAFCO FY 2024-25 Special District Allocations

District	ISDOC Formula Calculation FY 2024-25
Silverado-Modjeska Rec. & Park	\$ 632.53
Surfside Colony Stormwater	632.53
Surfside Colony CSD	632.53
Rossmoor/Los Alamitos Area Sewer District	3,057.22
Capistrano Bay CSD	3,057.22
Rossmoor CSD	3,057.22
Three Arch Bay CSD	3,057.22
Emerald Bay CSD	3,057.22
Buena Park Library District	3,057.22
Placentia Library District	3,057.22
Orange County Cemetery District	4,585.83
Orange County Vector Control District	6,114.44
Total Non-Enterprise Districts	\$ 33,998.40
Sunset Beach Sanitary District	6,114.44
Serrano Water District	18,290.60
East Orange Co. Water District	24,352.33
Midway City Sanitary District	24,352.33
Trabuco Canyon Water District	24,352.33
Costa Mesa Sanitary District	24,352.33
El Toro Water District	30,466.77
Mesa Water District	30,466.77
Yorba Linda Water District	36,528.49
South Coast Water District	36,528.49
Moulton Niguel Water District	42,642.93
Santa Margarita Water District	42,642.93
Municipal Water District of O.C.	48,651.94
Orange County Water District	48,651.94
Irvine Ranch Water District	54,713.65
Total Enterprise Districts	\$ 493,108.27
Total Special Districts	\$ 527,106.67



County Adopts Emergency Operation Plan

The March 12th meeting of the Board of Supervisors featured adoption of the County of Orange and Orange County Operation Area Unified Emergency Operation Plan.

As described in the report:

Chapter 1 INTRODUCTION

The EOP describes the fundamental systems, strategies, policies, assumptions, responsibilities, and operational priorities the County of Orange will use to guide and support emergency management efforts. Essential elements of this EOP include:

- A description of the emergency services provided by governmental agencies and how resources are mobilized;
- An outline of the methods for carrying out emergency operations and the process for rendering mutual aid;
- An overview of the system for providing public information.

These elements culminate with a comprehensive emergency management concept of operations that outlines the relationships and responsibilities of County government, its political subdivisions, and other participating organizations.

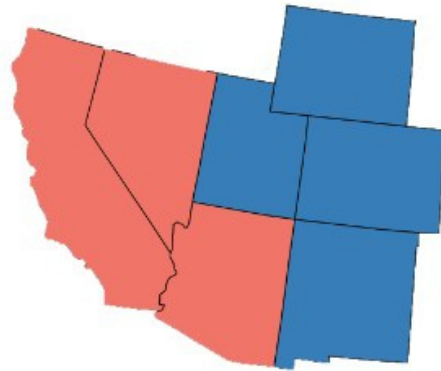
The heart of the report includes an alphabetical listing of threats to the Orange County populace. These include:

ACTS OF WAR
AIRCRAFT INCIDENT
CIVIL UNREST
CYBER THREAT (Intrusion/Attack)
DAM/LEVEE/RESERVOIR FAILURE
DISEASE OUTBREAK (Large Scale) or EPIDEMIC
DROUGHT
EARTHQUAKE
ECONOMIC COLLAPSE
EXCESSIVE TEMPERATURE (Heat/Cold)
FLOOD
HAZARDOUS MATERIALS RELEASE
HIGH WINDS
LARGE SPECIAL EVENTS
MISINFORMATION
LANDSLIDE/MUDSLIDE/DEBRIS FLOW
OIL SPILL
PANDEMIC/HIGH CONSEQUENCE DISEASES
PRODUCT CONTAMINATION
RAIL INCIDENT
SEA LEVEL RISE
NUCLEAR INCIDENTS, including San Onofre Nuclear Generating Station (SONGS)
TERRORISM
TSUNAMI
UTILITY FAILURE
VECTOR-BORNE DISEASES
WILDLAND FIRE/URBAN FIRE

As someone who was living in Baldwin Hills during the 1963 Dam disaster, I have a particular interest in NOT living through that again. The Dam Failure report appropriately focuses on Prado Dam due to its sheer size. I was surprised that there was no mention of Santiago Dam. The report, particularly the threats and their descriptions, is interesting reading and can be found in Agenda Item #5 of the March 12 meeting.

Deck Reshuffled in Colorado River Fight

During 2022 and going into 2023 California was the lone state to refuse to sign a water use reduction pact with the six other Colorado River states. The pact would have imposed draconian water cutbacks on the Golden State. The pact was not adopted. Instead, California, Arizona and Nevada agreed to cuts in exchange for a billion dollars in federal money for cities, tribes and water districts. The deal will conclude in 2026.



In March, the three Lower Basin states jointly submitted to the Bureau of Reclamation a long-term post 2026 plan for the river water usage reduction. The four Upper Basin states - Colorado, Utah, Wyoming and New Mexico have rejected the proposal and instead submitted their own plan.

Both Upper and Lower Basin states agree that the lower basin in most years will have to shoulder cuts of 1.5 million acre feet. The disagreement is focused on whether Upper Basin states should face any cuts at all.



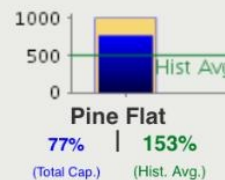
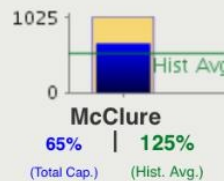
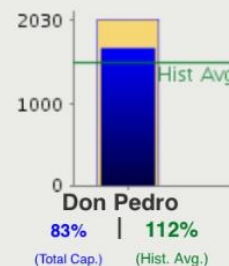
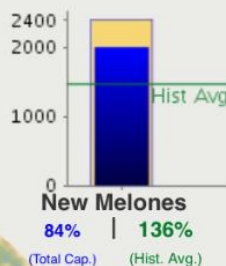
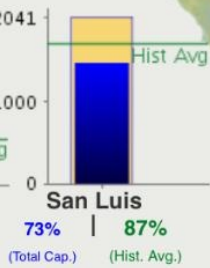
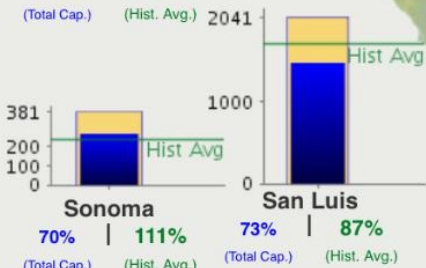
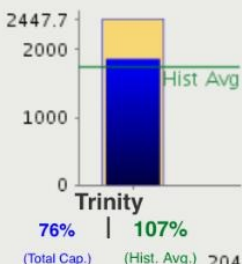
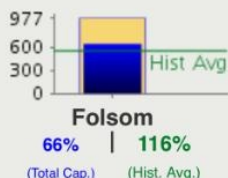
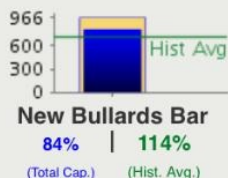
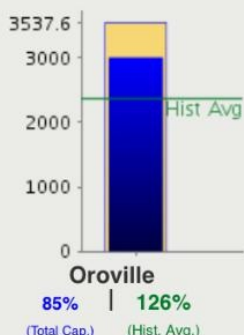
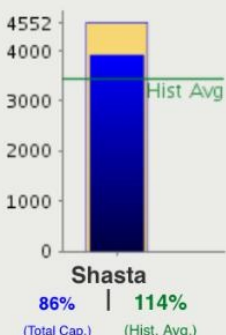
Drought Averted Again

For the second consecutive year, plentiful rain and healthy snowpacks have guaranteed a drought-free state through 2025. As of March 18th, the Sierra snowpack was 103% of normal. The snowpack in the Powell Watershed is 101% of normal. The result is a very healthy California reservoir system.

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:17-MAR-2024

Midnight: 17-Mar-2024

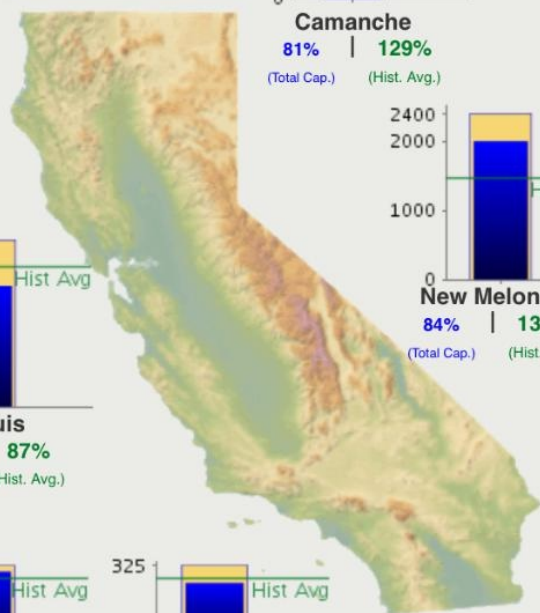
Change Date: 17-Mar-2024



LEGEND

- Blue Bar:** Storage level for date
- Gold Bar:** Total reservoir capacity
- Green Line:** Historic level for date.

% of Capacity | % Hist. Avg.
(Click res. 3 char. code for details)



[Click for printable version of current data.](#)

Report Generated: 18-Mar-2024 7:35 PM

The CSI link has been disabled to zoom in, for the lack of historical data.

January 2024 Ad



Learn more at eocwd.com

February 2024 Ad

**Please make sure your
sprinklers are on the
winter setting.**



**TWO
DAYS A
WEEK**

**If you need assistance, please call us at
714 538-5815 and we'll be happy to help you.**



Learn more at www.eocwd.com



SOCIAL MEDIA REPORT

To: David Youngblood, General Manager, EOCWD

From: Kailey Gaffikin, Account Manager, *Communications LAB*

Date: February 2, 2024

Re: Social Media Report // January 2024

SUMMARY REPORT

FACEBOOK

CURRENT PAGE FOLLOWERS

2,263

NEW PAGE LIKES

0

PAGE VISITS

21 -43.2%

PAGE REACH

365 +518.6%

INSTAGRAM

TOTAL FOLLOWERS

608

NEW FOLLOWERS

10 +42.9%

PAGE REACH

114 +20%

PROFILE VISITS

10 +42.9%

LINKEDIN

TOTAL FOLLOWERS

19

NEW FOLLOWERS

1 -66.7%

PAGE VIEWS

29 +16%

UNIQUE VISITORS

17 +88.9%

TWITTER

TWEETS

9

IMPRESSIONS

106

RETWEETS

0

FOLLOWERS

324

LIKES

1

TOP SOCIAL MEDIA POSTS

TOP FACEBOOK POST



**California Native
Plant Spotlight**
Reach: 269
Engagements: 3

TOP INSTAGRAM POST

EOCWD Is Working For You
Reach: 54
Engagement: 3



TOP TWEET

Lemonade Berry
Impressions: 18
Retweets: 0
Engagement: 1



TOP LINKEDIN POST



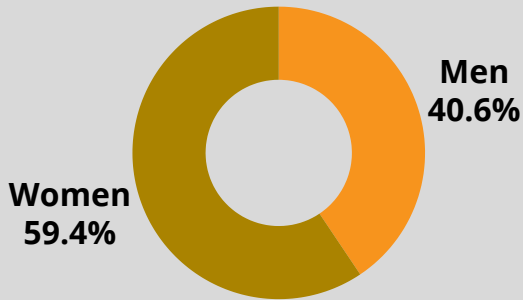
**Important Announcement:
Water Meter Update**
Reach: 99
Engagements: 4

DEMOGRAPHIC | TARGET MARKET

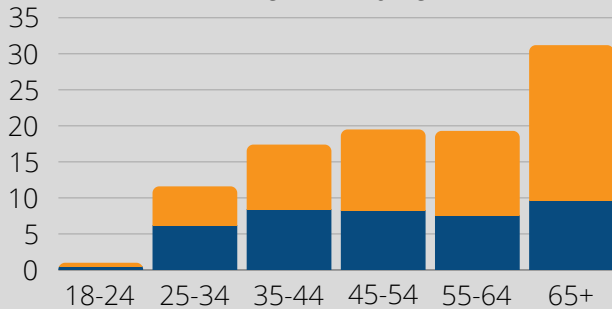
PAGE LIKES & FOLLOWERS (AGE & GENDER)

FACEBOOK PAGE FOLLOWERS

2,263



■ Men ■ Women



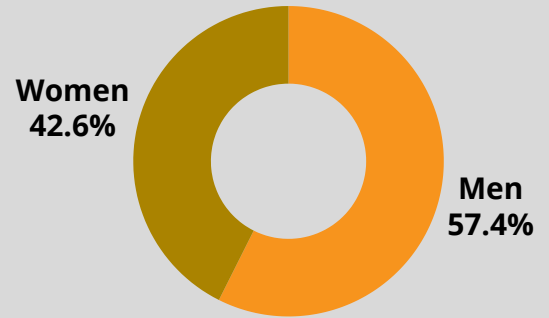
TOP DEMOGRAPHIC:

AGES 65+

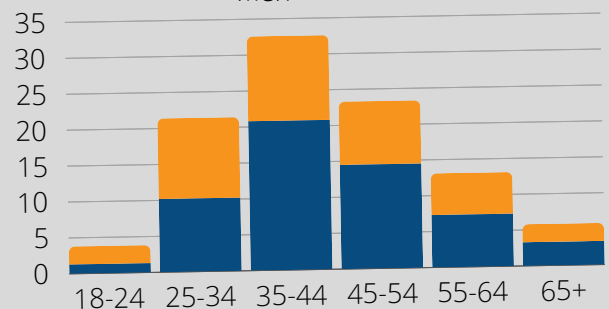
WOMEN (21.5%) MEN (9.7%)

INSTAGRAM PAGE FOLLOWERS

608



■ Men ■ Women



TOP DEMOGRAPHIC:

AGES 35-44

WOMEN (11.8%) MEN (20.8%)

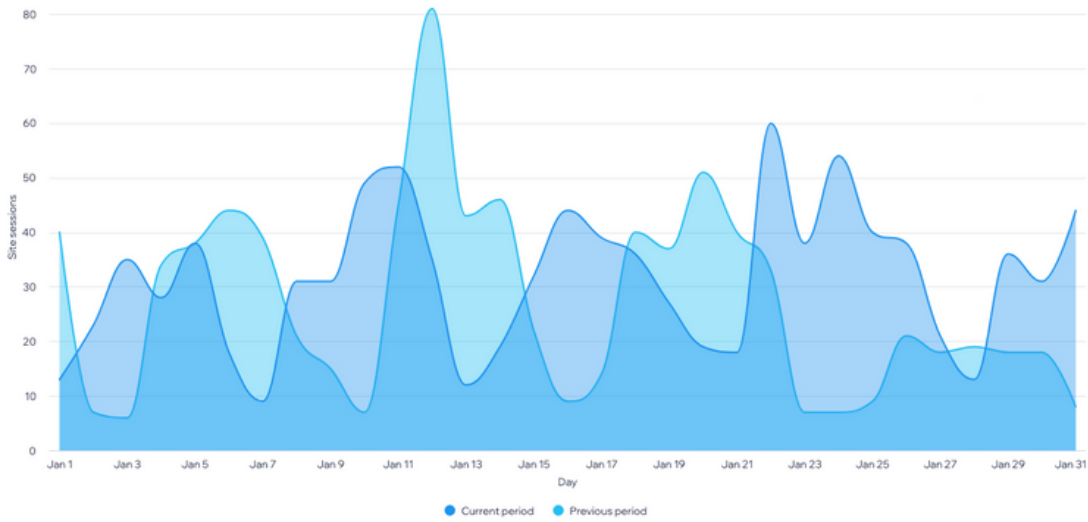
TOP CITIES (FACEBOOK)

- Los Angeles, CA 12.1%
- Santa Ana, CA 6.3%
- Orange, CA 5.4%
- Anaheim, CA 5.3%
- Long Beach, CA 3.3%

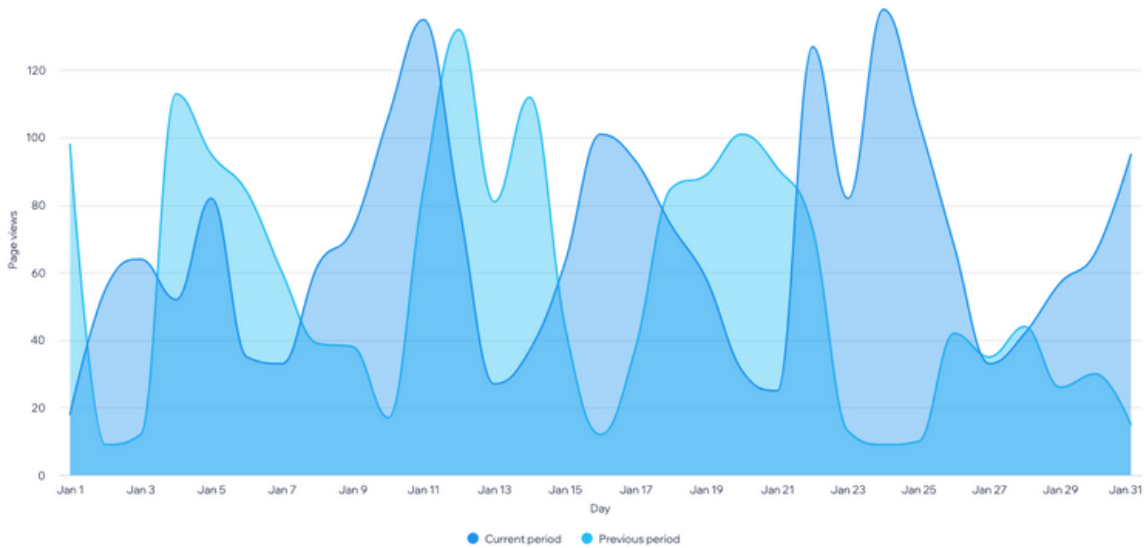
TOP CITIES (INSTAGRAM)

- Los Angeles, CA 3.3%
- San Diego, CA 2.8%
- Orange, CA 1.8%
- Anaheim, CA 1.6%
- Long Beach, CA 1.3%

TRAFFIC OVER TIME *1/1/24 -1/31/24 v. 12/1/23 -12/31/23*



PAGE VIEWS *1/1/24 -1/31/24 v. 12/1/23 -12/31/23*



TRAFFIC BY TIME OF DAY

Best time of day to schedule:

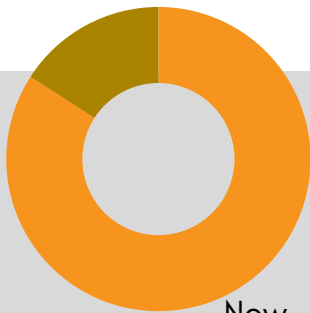
Wednesday or Thursday (9:00am - 10:00am)

Day >	Sunday	Sunday	Monday	Monday	Tuesday	Wednesday	Wednesday	Thursday	Friday	Saturday	Saturday
Hour ^											
00am	0	0	0	1	2	0	1	1	1	0	1
01am	0	0	0	0	1	0	0	1	1	0	0
02am	0	1	0	1	1	0	3	1	1	0	1
03am	0	0	0	0	1	0	1	1	1	0	1
04am	0	0	0	1	1	0	0	1	1	0	1
05am	0	2	0	1	1	0	2	1	2	0	2
06am	0	0	0	0	2	0	2	1	1	0	1
07am	0	1	0	2	3	0	2	2	2	0	1
08am	0	2	0	2	2	0	3	2	3	0	0
09am	0	1	0	1	3	0	4	4	2	0	1
10am	0	1	0	4	4	0	4	4	3	0	1
11am	0	1	0	4	2	0	3	2	2	0	1
12pm	0	1	0	3	3	0	1	2	2	0	1
01pm	0	0	0	2	3	0	1	3	2	0	1
02pm	0	1	0	3	7	0	3	4	1	0	1
03pm	0	1	0	4	4	0	2	2	2	0	1
04pm	0	1	0	4	3	0	4	3	2	0	1
05pm	0	1	0	1	3	0	2	1	1	0	1
06pm	0	0	0	0	2	0	3	2	1	0	2
07pm	0	1	0	2	2	0	2	1	1	0	0
08pm	0	1	0	3	1	0	1	2	1	0	1
09pm	0	0	0	1	2	0	2	1	1	0	1
10pm	0	1	0	1	5	0	1	1	1	0	0
11pm	0	0	0	1	1	0	1	1	1	0	1

TOP TRAFFIC SOURCES BY SESSIONS



Returning
114



New
603

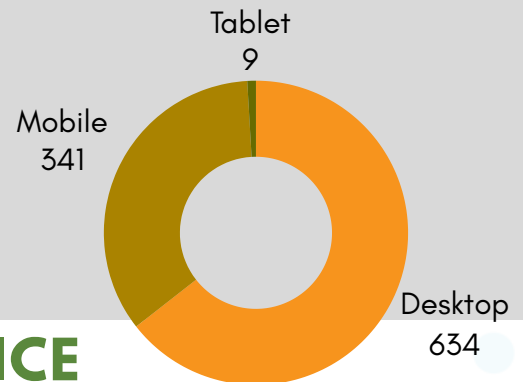
NEW VS. RETURNING VISITORS

717

UNIQUE VISITORS

983

SITE SESSIONS



SESSIONS BY DEVICE

OVERVIEW

SITE SESSIONS

983 +17%

UNIQUE VISITORS

717 +6%

AVG. SESSION DURATION

3M 6S -5%



SOCIAL MEDIA REPORT

To: David Youngblood, General Manager, EOCWD

From: Kailey Gaffikin, Account Manager, *Communications LAB*

Date: March 8, 2024

Re: Social Media Report // February 2024

SUMMARY REPORT

FACEBOOK

CURRENT PAGE FOLLOWERS

2,262

NEW PAGE FOLLOWERS

0

PAGE VISITS

9 -57.1%

PAGE REACH

66 -81.6%

INSTAGRAM

TOTAL FOLLOWERS

609

NEW FOLLOWERS

6 -33.3%

PAGE REACH

160 +45.5%

PROFILE VISITS

18 +100%

LINKEDIN

TOTAL FOLLOWERS

27

NEW FOLLOWERS

7 +600%

PAGE VIEWS

0

UNIQUE VISITORS

12 -29.4%

TWITTER

TWEETS

13

IMPRESSIONS

197

RETWEETS

0

FOLLOWERS

328

LIKES

3

TOP SOCIAL MEDIA POSTS

TOP FACEBOOK POST



Water Meter Inspection

Reach: 21

Engagement: 2

TOP INSTAGRAM POST

Water Meter Inspection

Reach: 96

Engagement: 8



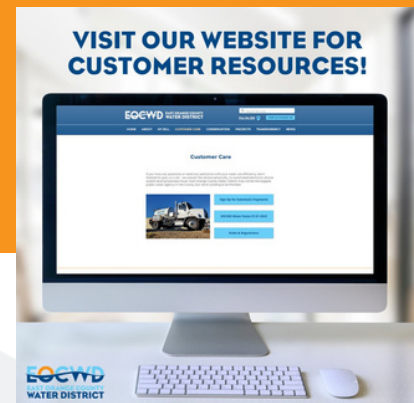
TOP TWEET

Customer Care

Impressions: 12

Retweets: 0

Engagement: 0



TOP LINKEDIN POST

Water Meter Inspection

Reach: 42

Engagements: 0

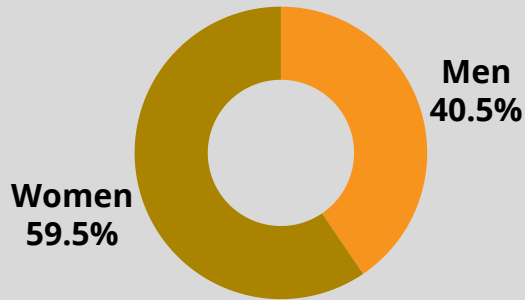


DEMOGRAPHIC | TARGET MARKET

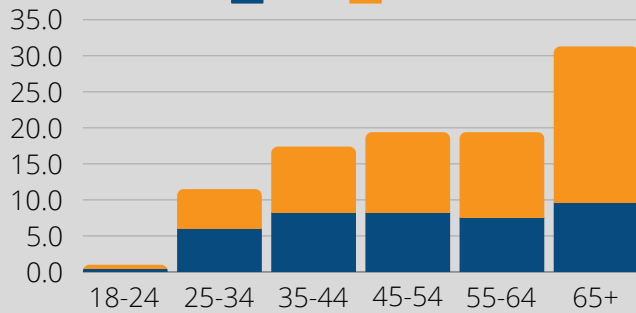
PAGE LIKES & FOLLOWERS (AGE & GENDER)

FACEBOOK PAGE FOLLOWERS

2,262



Men Women



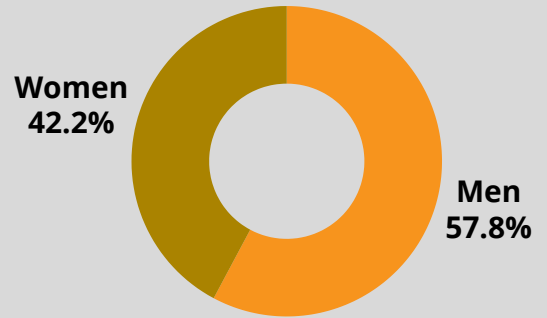
TOP DEMOGRAPHIC:

AGES 65+

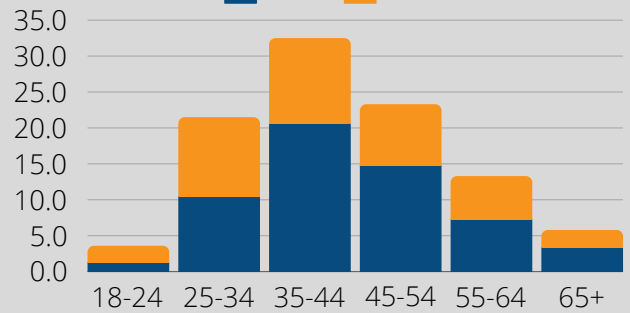
WOMEN (21.6%) MEN (9.7%)

INSTAGRAM PAGE FOLLOWERS

609



Men Women



TOP DEMOGRAPHIC:

AGES 35-44

WOMEN (11.9%) MEN (20.6%)

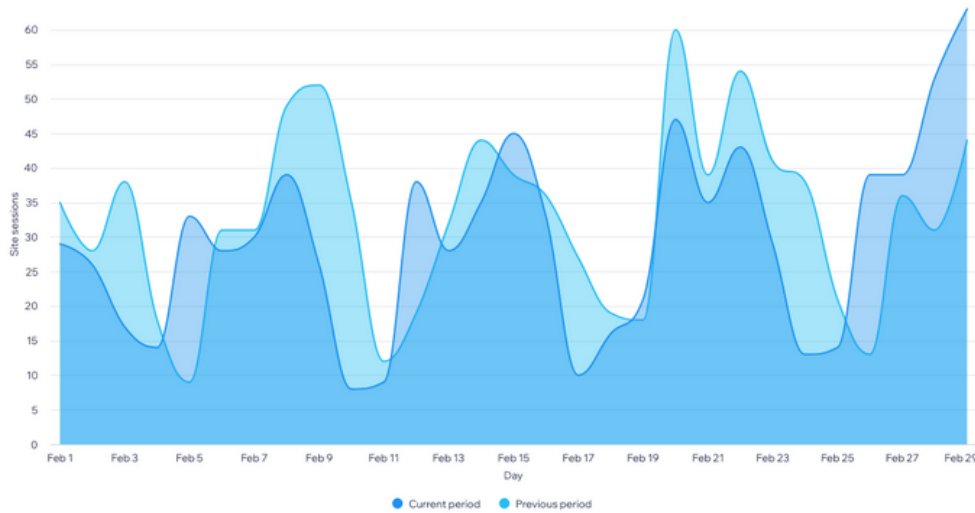
TOP CITIES (FACEBOOK)

- Los Angeles, CA 11.8%
- Santa Ana, CA 6.1%
- Anaheim, CA 5.5%
- Orange, CA 5.4%
- Long Beach, CA 3.1%

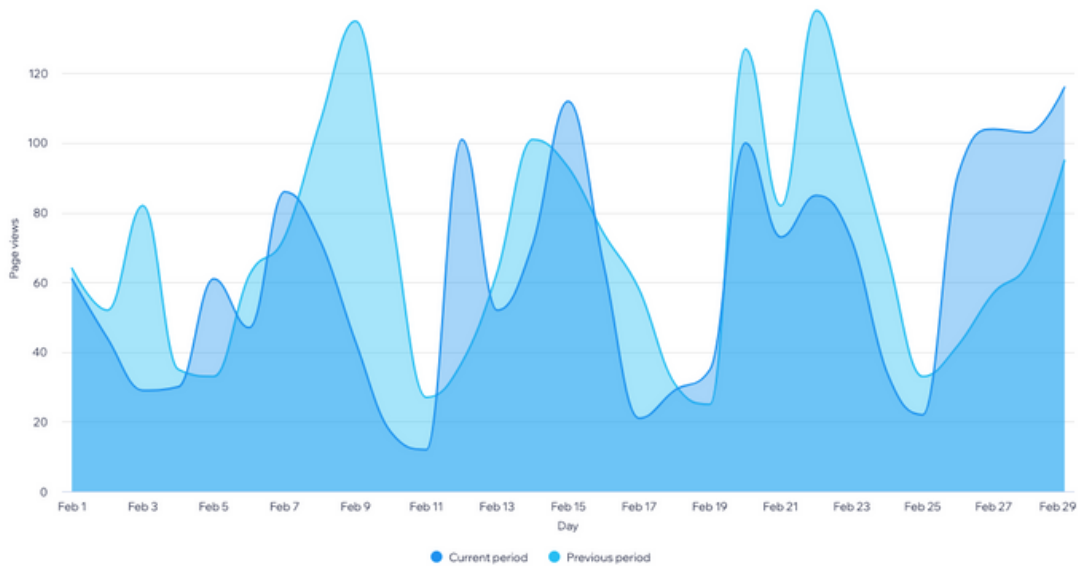
TOP CITIES (INSTAGRAM)

- Los Angeles, CA 3%
- San Diego, CA 3%
- Orange, CA 1.8%
- Anaheim, CA 1.6%
- Long Beach, CA 1.6%

TRAFFIC OVER TIME 2/1/24 - 2/29/24 v. 1/1/24 - 1/31/24



PAGE VIEWS 2/1/24 - 2/29/24 v. 1/1/24 - 1/31/24



TRAFFIC BY TIME OF DAY

Best time of day to schedule:

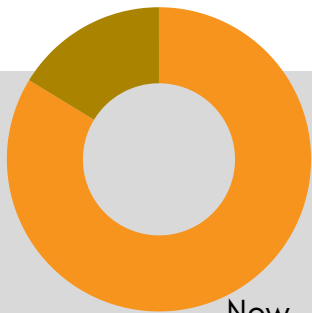
Wednesday or Thursday (10:00am - 11:00am)

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

TOP TRAFFIC SOURCES BY SESSIONS



Returning
107



New
550

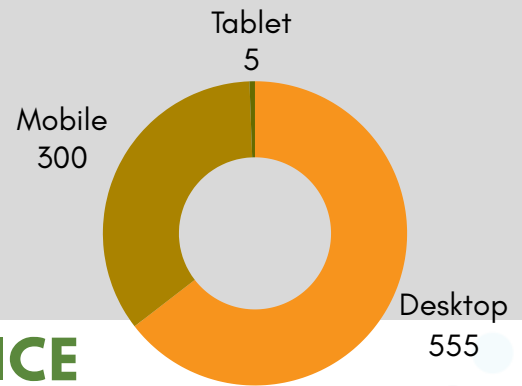
NEW VS. RETURNING VISITORS

657

UNIQUE VISITORS

860

SITE SESSIONS



SESSIONS BY DEVICE

OVERVIEW

SITE SESSIONS

860 -9%

UNIQUE VISITORS

657 -10%

AVG. SESSION DURATION

3M -4%