



AGENDA

EAST ORANGE COUNTY WATER DISTRICT  
(EOCWD)

Thursday, June 16, 2022  
185 N. McPherson Road, Orange, California

5:00 p.m.

**NOTE:** On March 4, 2020, California Governor Gavin Newsom declared a State of Emergency in California as a result of the COVID-19 Pandemic, for which Orange County Public Health Officials have continued to recommend measures to promote social distancing. Pursuant to Government Code Section 54953, and corresponding findings of the Board that currently remain in effect, (1) members of the Board of Directors and public may elect to attend this Regular Meeting by telephone or video conference due to concerns relative to COVID-19 Coronavirus and avoidance of public gatherings, and (2) **THERE WILL BE NO PUBLIC LOCATION TO ATTEND THIS BOARD MEETING IN PERSON.** The public may attend either telephonically by calling into, or by videoconference by logging into, the meeting at:

**To Access the Meeting by Computer/Device**

<https://us02web.zoom.us/j/84577149550?pwd=dGw1RzUvY3RBSkFrVVIkbGIHakR2UT09>  
or via shortlink: <https://bit.ly/3ra4ab2>

**To Access the meeting by Phone:**

Dial: (669) 900-6833

Meeting ID: 845 7714 9550 Passcode: 902788

Members of the public shall be permitted to speak live at the meeting as to both agendized and non-agendized items, as reflected in the agenda, utilizing the above-referenced internet or telephone options. 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. State of Emergency Virtual Meeting Findings – Government Code § 54953(e)(3)**

For the duration of the COVID-19 emergency, to support the continued use of virtual meetings, the Board shall as appropriate and justified find, by majority vote, determined whether (1) the State of Emergency declared by California Governor Newsom on March 4, 2020, relative to the COVID-19 Emergency, remains in effect; and (2) State or Local Health Officials continue to recommend or impose measures to promote social distancing in connection with such Emergency, and/or due to existing rate of community transmission and the small meeting space available to the District for in-person attendance, the provision of a physical location for the District’s meetings would present imminent risks to the health and safety of attendees. Such a finding will remain in effect for the next 30 days.

Recommendation: That the Board renew its prior Government Code section 54953(e) findings, authorizing the continued use of emergency teleconferencing procedures for all District meetings as (1) the State of Emergency declared by Governor Newsom on March 4, 2020, relative to the Covid-19 emergency, remains in effect; and (2) Orange County public health officials continue to recommend measures to promote social distancing in connection with such emergency, and the Board finds that the provision of a physical location for the District’s meetings, in light of the existing rate of community transmission and the small meeting space available to the District, would present imminent risks to the health and safety of attendees.

**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 5-13)** 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 May 19, 2022  
Recommendation: Approve minutes as presented.
6. Schedule of Disbursements  
Recommendation: Approval of disbursements as submitted.
7. General Manager's Report  
Recommendation: Receive and File.
8. Financial Statements  
Recommendation: Informational.
9. Wholesale and Retail Water Usage Report  
Recommendation: Informational.
10. 2022 Water Quality Report  
Recommendation: Receive and File, and post as required.
11. Account Signature Authorizations – Update authorizations  
Recommendation: Approve Resolution No. 920 Authorizing Signatures for All Accounts, and Rescinding Prior Resolution.

*Approved by Engineering Committee*

12. VanderWerff Well Engineering Services  
Recommendation: Approve amendment to Steve Andrews engineering contract.
13. ID 1 CRA Project Construction Services  
Recommendation: Approve change order to TE Roberts for Construction Package 2.

#### **MATTER FOR CONSIDERATION**

14. 2022-23 Budget Consideration  
Recommendation: Approve proposed 2022-23 budget and adopt Resolution No. 921 determining appropriations subject to limitation.
15. Establish Rates and Charges for the sale of water on a Wholesale Basis  
Recommendation: Approve rates and charges and adopt Resolution No. 922.



16. Sewer System User Fee Authorization  
Recommendation: Adopt Resolution No. 923 Authorizing sewer charges and direct collection on property taxes.

#### MISCELLANEOUS ITEMS

17. 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)

18. Monthly Legislative & Outreach Report  
Recommendation: Receive and File.

#### ADJOURNMENT

Adjourning to the next Regular Meeting scheduled for **August 18, 2022**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California or on-line as noticed pursuant to findings of the Board.

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

Disability-related accommodations: The East Orange County Water District Board of Directors meeting room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.) please contact 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)

May 19, 2022

**Call to Order.** A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by President DOUGLASS DAVERT at 5:01 p.m. on Thursday, May 19, 2022, with Director GEORGE MURDOCH leading the Pledge of Allegiance. Pursuant to Government Code Section 54953(e), and related findings of the Board of Directors, there was no public location for attending this board meeting in-person. JEFFREY HOSKINSON, Secretary, recorded the minutes of the meeting.

The following Directors attended the meeting: Directors RICHARD BELL, DOUGLASS DAVERT, GEORGE MURDOCH, and JOHN SEARS. Former Director JOHN DULEBOHN tendered his resignation on or about April 1, 2022, effective April 14, 2022, and as such a vacancy existed on the Board relative to his previous position. MARILYN THOMS attended the meeting as an applicant for the vacant position, until such time, as noted herein, she was appointed to the Board as a Director.

Also present were:

DAVID YOUNGBLOOD	General Manager
JERRY MENDZER	Operations Manager
JEFF SMYTH	Engineering Manager
JULIAN DE LA O SOLIS	Administrative Assistant
JEFF HOSKINSON	District Secretary and Legal Counsel
CINDY BYERRUM	Public (videoconference)

There was no in-person location provided due to COVID-19 restrictions currently in-place. Other staff and members of the public may have attended via videoconference that are not listed.

**State of Emergency Virtual Meeting Findings.**

**ACTION TAKEN:** The Board, on motion from SEARS, seconded by MURDOCH, by unanimous vote renewed for an additional 30 days its prior Government Code section 54953(e) findings, authorizing the continued use of emergency teleconferencing procedures for all District meetings as (1) the State of Emergency declared by Governor Newsom on March 4, 2020, relative to the COVID-19 emergency, remains in effect; and (2) Orange County public health officials continue to recommend measures to promote social distancing in connection with such emergency, and the Board finds that the provision of a physical location for the District's meetings, in light of the existing rate of community transmission and the small meeting space available to the District, would present imminent risks to the health and safety of attendees.

**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:** The Board, on motion from MURDOCH, seconded by SEARS, by unanimous roll-call vote and based on an urgency that came to the attention after the posting of the agenda, added item: Closed Session: Claim Consideration.

**Public Communications to the Board.** No public comments were presented. Ms. Prado confirmed that the District had not received any e-mail communications for public comment.

**Consent Calendar.** The Board, on motion from SEARS, seconded by BELL, approved the Consent Calendar items by unanimous roll-call vote, as follows:

5. **Minutes:** THE MINUTES OF THE APRIL 21, 2022 REGULAR MEETING OF THE BOARD WERE APPROVED AS SUBMITTED;
6. **Schedules of Disbursements:** THE BOARD APPROVED THE SCHEDULES 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;
10. **2022 Election – Candidate Statements:** Authorize candidate statements to contain no more than 400 words at no cost to District;
11. **Surplus Equipment:** Declare items surplus and direct staff to dispose of the items per District policy;
12. **Barrett Booster Pump Station:** Authorize notice of exemption for project;
13. **Sewer Pipe Rehabilitation:** Authorize contract with Sancon for \$220,199;
14. **CRA Project Engineering and Construction Management Support:** Approve an agreement with HDR for \$363,700 and Amendment #2 with Butier for \$594,100.

Matters for Consideration.

**15. Board Member Appointment.** President DAVERT presented the item, and noted that the District received one application to fill the vacancy from Marilyn Thoms.

ACTION TAKEN: The Board, on motion by BELL, seconded by SEARS, by unanimous roll-call vote, appointed Marilyn Thoms to fill the vacancy on the Board of Directors left by the resignation of Director Dulebohn.

**\*\* THE BOARD TOOK ITEM 20 OUT OF ORDER**

**20. Monthly Legislative & Outreach Report.** Hon. John Lewis of Lewis Consulting presented an oral update to his written report relative to current political issues, including the Orange County Board of Supervisors and other local issues.

ACTION TAKEN: The Board, on motion by MURDOCH, seconded by DAVERT, by unanimous roll-call vote, received and filed the Monthly Legislative and Outreach Report.

**\*\* GENERAL COUNSEL JEFF HOSKINSON ADMINISTERED THE OATH OF OFFICE TO MARILYN THOMS. DIRECTOR THOMS AT THIS POINT TOOK HER SEAT ON THE BOARD FOR THE REMAINDER OF THE MEETING, ATTENDING VIA VIDEOCONFERENCE.**

**16. Board Reorganization.** President DAVERT presented the item relative to filling the vacancy of Vice-President left by the resignation of former Director John Dulebohn. President DAVERT moved to appoint Director GEORGE MURDOCH as Vice-President.

ACTION TAKEN: The Board, on motion by DAVERT, seconded by BELL, by unanimous roll-call vote elected Director MURDOCH as Vice-President of the Board.

**17. Vista Panorama Reservoir Update.** General Manager Youngblood provided an update on the Vista Panorama Project, including bid status and project options, with additional information provided by Engineering Manager Jeff Smyth.

ACTION TAKEN: Information Only.

**18. VanderWerff Well Equipping.** General Manger Youngblood presented the item, providing an update on the current project status, noting that Pascal and Ludwig, Orange County Water District's contractor, is already on-site, and thus in a position to complete the project at a reduced cost. Staff recommended a deviation from competitive bidding policy, in light of existing mobilization and cost savings. Engineering Manager Jeff Smyth confirmed that the costs were reviewed against cost estimates.

ACTION TAKEN: The Board, on motion by BELL, seconded by THOMS, by unanimous roll-call vote, awarded a contract to Pascal and Ludwig Constructors in the amount of \$1,327,151, with a \$132,849 contingency for the General Manager, with a finding of good cause to proceed without competitive bidding due to the contractor already mobilized on site, District staff having bench marked the bid against others, and the need to proceed quickly.

**Miscellaneous Items.**

**19. 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

4/8 Administrative & Finance Committee Meeting

4/13 OC LAFCO Commission Meeting

4/21 EOCWD Regular Board Meeting

Director Bell

4/7 EOCWD Engineering & Operations Committee Meeting

4/21 EOCWD Regular Board Meeting

Director Murdoch

4/7 EOCWD Engineering & Operations Committee Meeting

4/12 ACWA Region 10 Board Meeting

4/13 ACWA Preferred Provider Program Subcommittee Meeting

4/19 ACWA Region 10 Event Workgroup

4/20 ACWA Business Development Committee Meeting

4/21 EOCWD Regular Board Meeting

4/27 ACWA Region 10 State Legislative Committee Prep Meeting

Director Sears

3/31 Foothill Communities Association Meeting

4/1 Water Advisory Committee of Orange County (WACO) Meeting

4/8 Administrative & Finance Committee

4/12 Fire Safe Council Meeting

4/21 EOCWD Regular Board Meeting

Director SEARS provided an update on former Director Vanderwerff, along with some drought discussion. President DAVERT noted that he and Director SEARS testified at the Coastal Commission in support of the Poseidon Project. Director BELL noted that he listened to the hearing, and believed the reasons for the denial to be outrageous. Director BELL also provided an update on the ACWA Conference in Sacramento.

**Closed Session.** At the request of President DAVERT, General Counsel Hoskinson introduced the items, including noting that the added Closed Session item related to a claim submitted to the District by John Wolcott. At approximately 5:39 p.m., the Board recessed into Closed Session to discuss as follows:

1. Conference with Legal Counsel - Existing Litigation (Govt Code § 54956.9(d)(1))– *Irvine Ranch Water District v. Orange County Water District*, Case No. 30-2016-00858584-CU-WMCJC.
2. Conference with Real Property Negotiators (Govt. Code § 54956.8):  
Property: 2343 Handy Creek Road (Orange County APN: 105-015-32)  
Agency Negotiator: David Youngblood, General Manager  
Jeff Hoskinson, General Counsel  
Negotiating Parties: Crown Castle MU LLC and New Cingular Wireless PCS/AT&T  
Under Negotiation: Lease and Terms of Payment
3. Conference with Legal Counsel – Potential Litigation (Govt. Code § 54956.9(d)(4)): *AT&T and T-Mobile Communications (Vista Panorama)*
4. Conference with Legal Counsel – Potential Litigation (Govt. Code § 54956.9(d)(4)): Claim of John Wolcott

**Report Out of Closed Session:** The Board reconvened in Open Session at approximately 6:17pm, with General Counsel Hoskinson reporting that as to Item No. 4, and the Claim of John Wolcott, the Board, on motion by SEARS, seconded by MURDOCH, by unanimous roll-call vote rejected the claim of Mr. Wolcott.

**Adjournment.**

The Board adjourned the meeting at or around 6:22 p.m. to the next Regular Meeting of the Board of Directors on **Thursday, June 16, 2022**, at 5:00 p.m., to be held on-line pursuant to Government Code Section 54953(e) and, as applicable, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

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Jeffrey A. Hoskinson



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: MONTHLY DISBURSEMENTS**  
**DATE JUNE 16, 2022**

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## Background

Monthly disbursements

## Recommendation

Approval of disbursements as submitted.

Attachment(s): Monthly disbursements report

**EAST ORANGE COUNTY WATER DISTRICT**

**DISBURSEMENT SUMMARY**

**June 16, 2022**

WHOLESALE AND RETAIL BILLS	\$1,259,332.14
DIRECTOR'S PAYROLL	\$2,111.12
EMPLOYEE'S PAYROLL	\$153,435.96
<b>DISBURSEMENT TOTAL</b>	<b><u><u>\$1,414,879.22</u></u></b>

**TRANSFER SUMMARY**

TRANSFERS	\$ 1,500,000.00
<b>TRANSFER TOTAL</b>	<b><u><u>\$1,500,000.00</u></u></b>

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

**East Orange County Water District**  
**Bills For Consideration**  
As of May 31, 2022

Date	Num	Name	Memo	Credit
05/19/2022	6496	AKEL ENGINEERING, INC	Fire Flow Analysis	1,200.00
05/19/2022	6497	ALS GROUP USA, CORP	Laboratory Analysis (water quality) May 2022	455.00
05/19/2022	6498	ARDURRA GROUP, INC.	Professional Engineering Services 04/01/22 - 04/30/22	585.00
05/19/2022	6499	AT&T	Various SCADA Lines 04/01/22-04/30/22	661.79
05/19/2022	6500	BLACK & VEATCH CORPORATION	Walnut Project - Valve Vault Relocation	10,387.50
05/19/2022	6501	C WELLS PIPELINE MATERIALS INC	Hydrant Repair	922.72
05/19/2022	6502	CINTAS CORPORATION NO. 3	Uniforms - May 2022	106.22
05/19/2022	6503	COUNTY OF ORANGE	Communication Charges - 04/01/22 - 06/31/22	437.00
05/19/2022	6504	CR&R INC.	Waste Disposal Service 05/01/22 - 05/31/22	194.59
05/19/2022	6505	CUSI	Annual Maintenance & Technical Support	2,000.00
05/19/2022	6506	GENERATOR SERVICES CO, INC	Generator Rental 04/01/22 - 05/31/22	5,399.04
05/19/2022	6507	GRAINGER	Small Tools	27.65
05/19/2022	6508	HACH COMPANY	Water Quality Testing Materials	1,343.20
05/19/2022	6509	HOME DEPOT CREDIT SERVICES	Misc. Hardware, Materials & Tools/Maintenance	2,184.32
05/19/2022	6510	MKN	VOID	
05/19/2022	6511	O'REILLY AUTO ENTERPRISES, LLC	Small Tools	58.16
05/19/2022	6512	PERFORMANCE PIPELINE TECHNOLO...	CIPP Install 4/29/22	13,125.00
05/19/2022	6513	PTI SAND & GRAVEL	Mains Repair	482.64
05/19/2022	6514	RAFTELIS FINANCIAL CONSULTANTS	Professional Services 04/01/22 - 04/30/22	9,697.50
05/19/2022	6515	Robert Ward	Customer Deposit Refund - Account 1502423	197.24
05/19/2022	6516	SOUTHERN CALIFORNIA EDISON	Electricity - Various Locations 04/11/22 - 05/10/22	2,599.22
05/19/2022	6517	SPECTRUM BUSINESS	Office Internet 05/08/22 - 06/07/22	450.93
05/19/2022	6518	TOTAL EXTERMINATING INC	Rodent Control - Peter's Canyon Res May 2022	550.00
05/19/2022	6519	UMPQUA BANK	Credit Card Activity 04/01/22 - 04/30/22	4,272.93
05/19/2022	6520	UNDERGROUND SERVICE ALERT	USA Location - April 2022	473.23
05/19/2022	6521	UNITED WATERWORKS INC.	Los Timbres Project	835.60
05/19/2022	6522	V & A CONSULTING ENGINEERS	Engineering Services - 2021 CP Annual Survey	2,300.50
05/19/2022	6523	VERIZON WIRELESS	Wireless 03/26/22 - 04/25/22	764.94
05/19/2022	6524	VULCAN MATERIALS COMPANY	Los Timbres Project	712.77
05/19/2022	6525	WATERLINE TECHNOLOGIES INC.	Water Quality Supplies	834.20
05/19/2022	6526	WEST YOST & ASSOCIATES, INC	Professional Services 03/05/22 - 04/08/22	16,978.25
05/19/2022	6527	WESTERN WATER WORKS SUPPLY C...	Pipe and Hydrant Replacement	37,522.00
05/19/2022	6528	Westerners The First People of Earth	Native American Monitoring Services for Vanderwerff	375.00
05/19/2022	6529	YO FIRE	Service Connection Parts	1,636.64
05/20/2022	6530	MKN	Barrett Pump Station Replacement	97,418.17
05/31/2022	6531	ALS GROUP USA, CORP	Laboratory Analysis (water quality) May 2022	312.50
05/31/2022	6532	ATKINSON, ANDELSON, LOYA, RUUD &...	April 2022 Legal Fees	6,696.00
05/31/2022	6533	BAY ALARM	Alarm Services 06/01/22-09/01/22	113.61
05/31/2022	6534	CINTAS CORPORATION NO. 3	Uniforms - May 2022	106.22
05/31/2022	6535	CLA-VAL, SOUNDCAST, GRISWOLD CA...	Valve Maintenance	16,489.85
05/31/2022	6536	COMMUNICATIONS LAB	Professional Services - April 2022	5,000.00
05/31/2022	6537	HACH COMPANY	Water Quality Testing Materials	1,125.90
05/31/2022	6538	HILL BROTHERS CHEMICAL CO	Chemicals for WZ Reservoir	836.25
05/31/2022	6539	LEWIS CONSULTING GROUP	Consulting Services - May 2022	2,500.00
05/31/2022	6540	MUNICIPAL MAINTENANCE EQUIPMENT	Vehicle Maintenance	344.27
05/31/2022	6541	O'REILLY AUTO ENTERPRISES, LLC	Vehicle Maintenance	252.92
05/31/2022	6542	Orange County Sanitation District	OCHCA FOG/BMP Inspections - 2021-22 Q3	498.17
05/31/2022	6543	STANDARD INSURANCE COMPANY	Life Insurance Premium 06/01/22-06/30/22	772.03
05/31/2022	6544	Stonehenge Orange HOA c/o Interpacific Mg	Plant Material Replacement for Los Timbres Project	95.00
05/31/2022	6545	UNITED WATERWORKS INC.	Materials for Los Timbres Project	2,364.11
05/31/2022	6546	VULCAN MATERIALS COMPANY	Materials for Los Timbres Project	735.17
05/31/2022	6547	WATERLINE TECHNOLOGIES INC.	Chemicals for WZ Reservoir	504.40
05/31/2022	6548	YO FIRE	Materials for Los Timbres Project	326.97
<b>TOTAL</b>				<b>256,262.32</b>

## East Orange County Water District Bills For Consideration

06/08/22

Accrual Basis

As of June 8, 2022

Date	Num	Name	Memo	Credit
06/07/2022	6549	ACWA-JPIA (EMP INSURANCE)	Employee Med/Dental/Vision/Life Insurance July	21,322.74
06/07/2022	6550	ALLCOM BUILDING SERVICES, LLC	July 2022 Janitorial	710.00
06/07/2022	6551	ALS GROUP USA, CORP	Laboratory Analysis (water quality) May 2022	333.13
06/07/2022	6552	AT&T	Various SCADA Lines 05/01/22-05/31/22	589.64
06/07/2022	6553	AT&T LONG DISTANCE	Long Distance Calls 04/26/22-05/25/22	19.34
06/07/2022	6554	CALIFORNIA NEWSPAPERS PARTNER...	Notice of Public Hearing - RZ Water Contingency Level 2 & Board V...	8,284.00
06/07/2022	6555	California Water Environment Association	CWEA Membership & Certification	192.00
06/07/2022	6556	CINTAS CORPORATION NO. 3	Uniforms - May 2022	212.44
06/07/2022	6557	CITY OF TUSTIN	VOID	
06/07/2022	6558	CORE & MAIN LP	Meter Purchases	2,601.83
06/07/2022	6559	EAST ORANGE COUNTY WATER DIST.	Payment to WZ for Imported Water	88,316.91
06/07/2022	6560	EIDE BAILLY LLP	Consulting Services Retainer & Out of Scope - April 2022	9,145.00
06/07/2022	6561	EISEL ENTERPRISES, INC	Meter Boxes	205.26
06/07/2022	6562	ERA North Orange County Real State	RZ Closed Account Payment Refund	390.46
06/07/2022	6563	FOOTHILL SENTRY, INC	Water Conservation Ad	580.75
06/07/2022	6564	GEIGER ENTERPRISES, INC	Equipment Maintenance - Daniger Fire Pump	1,431.57
06/07/2022	6565	GENERATOR SERVICES CO, INC	Generator Rental 06/01/22-06/30/22	2,699.52
06/07/2022	6566	GILLIS & PANICHAPAN ARCHITECTS, I...	EOCWD Conceptual Master Planning	8,285.00
06/07/2022	6567	HACH COMPANY	Water Quality Testing Materials	792.67
06/07/2022	6568	HARDY & HARPER, INC	RZ Hydrant Deposit Refund	1,000.00
06/07/2022	6569	HERMILO MONDRAGON JR.	Collection System Maint. Grade 2 Certification	195.00
06/07/2022	6570	INSTANT LUBE, INC.	Vehicle Maintenance	60.34
06/07/2022	6571	IRVINE PIPE SUPPLY	Mains Repair	303.06
06/07/2022	6572	MATRIX COMPUTER SERVICE	IT Support 04/18/22 - 05/15/22	1,710.00
06/07/2022	6573	McMASTER-CARR SUPPLY COMPANY	Small Tools	71.92
06/07/2022	6574	MKN	Barrett Pump Station Replacement & Sewer Standards Update	29,522.81
06/07/2022	6575	MWDOC	Wholesale Zone Water Purchase April 2022	777,461.00
06/07/2022	6576	Orange County Sanitation District	April & May 2022 Sewer Permits	27,390.18
06/07/2022	6577	PARADISE DRINKING WATERS	Bottled Water (Office/Field)	56.70
06/07/2022	6578	PTI SAND & GRAVEL	Mains Repair	954.33
06/07/2022	6579	SC FUELS	Fuel - May 2022	4,889.49
06/07/2022	6580	SOLUTIONS PROJECT MANAGEMENT, ...	OCTA Environmental Cleanup Committee	450.00
06/07/2022	6581	SOUTH COAST AIR QUALITY MANAGE...	Emissions Fees FY 21-22	143.88
06/07/2022	6582	SOUTHERN CALIFORNIA EDISON	Electricity - Various Location 04/24/22 - 05/26/22	393.24
06/07/2022	6583	TOTAL EXTERMINATING INC	Rodent Control - Peter's Canyon Res May 2022	275.00
06/07/2022	6584	TOWNSEND PUBLIC AFFAIRS, INC.	State/Fed Gov Relations June 2022	3,000.00
06/07/2022	6585	TRENCH SHORING COMPANY	Equipment - Los Timbres Project	1,007.50
06/07/2022	6586	ULINE	Office Supplies	138.42
06/07/2022	6587	USA BLUE BOOK	Water Quality Materials	504.29
06/07/2022	6588	VERIZON WIRELESS	Wireless 04/26/22-05/25/22	762.38
06/07/2022	6589	Westerners The First People of Earth	Native American Monitoring Services for Vanderwerff	1,537.50
06/07/2022	6590	XEROX CORPORATION	Copier - Monthly Maintenance May 2022	167.96
06/07/2022	6591	YO FIRE	Material for Mains Repair & Los Timbres Project	4,042.70
06/08/2022	6592	CITY OF TUSTIN	Construction Meter 03/31/2022-05/26/2022 (to clean sewer system)	719.86
<b>TOTAL</b>				<b>1,003,069.82</b>

EAST ORANGE COUNTY WATER DISTRICT  
 CITIZENS BUSINESS BANK  
 Prior Month's Checks To Ratify  
 DIRECTORS' PAYROLL\*  
 16-Jun-22

**PAYMENT FOR BOARD AND COMMITTEE MEETINGS IN THE MONTH OF APRIL 2022**

DATE	CHECK NO	AMOUNT	PAYABLE TO
5/19/2022	351	\$ 323.23	BOARD DIRECTOR
5/19/2022	352	\$ 889.38	BOARD DIRECTOR
5/19/2022	353	\$ 484.84	BOARD DIRECTOR
		\$ 1,697.45	TOTAL PAYROLL CHECKS

**PAYROLL TAXES, ADP CHARGE EFT**

\$413.67	ADP TAXES
\$413.67	TOTAL CHARGES & TRANSFER
<b>\$2,111.12</b>	

**\*\*\* 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 May 2022**

	CHECK DATE	CHECK AMOUNT	PAYABLE TO
AUTO DEPOSIT	5/4/2022	\$ 7,147.21	GENERAL MANAGER
AUTO DEPOSIT	5/4/2022	\$ 5,500.90	ENGINEERING MANAGER
AUTO DEPOSIT	5/4/2022	\$ 5,257.09	OPERATIONS MANAGER
AUTO DEPOSIT	5/4/2022	\$ 3,687.82	WASTEWATER SUPERVISOR
AUTO DEPOSIT	5/4/2022	\$ 2,776.87	WATER DISTRIBUTION OPERATOR III
AUTO DEPOSIT	5/4/2022	\$ 1,990.23	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	5/4/2022	\$ 2,238.31	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	5/4/2022	\$ 2,293.46	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	5/4/2022	\$ 1,715.30	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	5/4/2022	\$ 2,710.79	WASTEWATER COLLECTIONS OPERATOR I
AUTO DEPOSIT	5/4/2022	\$ 2,272.08	OFFICE MANAGER
AUTO DEPOSIT	5/4/2022	\$ 2,279.65	MANAGEMENT ANALYST
AUTO DEPOSIT	5/4/2022	\$ 2,129.66	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	5/4/2022	\$ 1,498.53	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 43,497.90</u>	SUB TOTAL

AUTO DEPOSIT	5/18/2022	\$ 6,347.21	GENERAL MANAGER
AUTO DEPOSIT	5/18/2022	\$ 5,500.89	ENGINEERING MANAGER
AUTO DEPOSIT	5/18/2022	\$ 4,781.03	OPERATIONS MANAGER
AUTO DEPOSIT	5/18/2022	\$ 3,646.35	WASTEWATER SUPERVISOR
AUTO DEPOSIT	5/18/2022	\$ 2,773.55	WATER DISTRIBUTION III
AUTO DEPOSIT	5/18/2022	\$ 1,990.22	WATER DISTRIBUTION WORKER I
AUTO DEPOSIT	5/18/2022	\$ 2,759.65	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	5/18/2022	\$ 2,620.07	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	5/18/2022	\$ 1,715.30	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	5/18/2022	\$ 2,280.92	WASTEWATER COLLECTIONS WORKER I
AUTO DEPOSIT	5/18/2022	\$ 2,272.09	OFFICE MANAGER
AUTO DEPOSIT	5/18/2022	\$ 2,202.62	MANAGEMENT ANALYST
AUTO DEPOSIT	5/18/2022	\$ 2,129.64	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	5/18/2022	\$ 1,481.82	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 42,501.36</u>	SUB TOTAL

5/4/2022	\$22,388.39	ADP TAXES
5/4/2022	\$2,754.70	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
5/4/2022	\$3,404.00	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
5/4/2022	\$1,613.67	EMPLOYEE PERS PEPRA TRANSFER
5/4/2022	\$1,814.45	EMPLOYER PERS PEPRA MEMBER TRANSFER
5/4/2022	\$1,757.77	CAL PERS 457 - ING BANK
	<u>\$33,732.98</u>	TOTAL TRANSFERS

5/18/2022	\$22,341.97	ADP TAXES
5/18/2022	\$2,768.18	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
5/18/2022	\$3,420.67	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
5/18/2022	\$1,613.65	EMPLOYEE PERS PEPRA TRANSFER
5/18/2022	\$1,814.47	EMPLOYER PERS PEPRA MEMBER TRANSFER
5/18/2022	\$1,744.78	CAL PERS 457 - ING BANK
	<u>\$33,703.72</u>	TOTAL TRANSFERS

**\$153,435.96 GRAND TOTAL PAYROLL**

PAYROLL	PAYROLL
5/4/2022	5/18/2022
\$43,497.90	\$42,501.36
\$33,732.98	\$33,703.72
<b><u>\$77,230.88</u></b>	<b><u>\$76,205.08</u></b>

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

EAST ORANGE COUNTY WATER DISTRICT  
FUNDS TRANSFERRED BETWEEN ACCOUNTS  
16-Jun-22

DATE	AMOUNT	FROM	TO	REASON FOR FUND TRANSFER
6/9/2022	\$1,500,000.00	LAIF	Checking	Cover expenditures



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: GENERAL MANAGER'S REPORT**  
**DATE JUNE 16, 2022**

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## 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

May 2022

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

## SEWER

### 1) ID1 Update

Activities & Accomplishments for May include:

#### Activities

- Completed Group 5 cleaning (see attached report).
- Reviewed applications for sewer permits.
- Completed monthly siphon cleaning.
- Completed monthly hot spot cleaning.
- Completed CCTV inspection of 22,575 feet of pipe.
- Completed 224 Dig Alert tickets.
- Ordered misc. sewer supplies and tools.
- Completed 3 FOG Inspections and issued 10 permit renewals.

#### Sewer Spills

**Update:** No spills to report for May 2022.

#### Permits:

**Update:** Nine permits were issued in May; eight SFR remodels, one in Tustin and seven in unincorporated area; and one septic to sewer conversion in unincorporated area.

### 2) ID1 Capacity, Reliability, and Augmentation Project #1

**Update:** The design for Construction Package #2 is complete and staff is presenting an item to the Board for consideration of awarding a change order for construction of Package #2 by T.E. Roberts.

## WHOLESALE ZONE

### 1) WZ Water Demands

See attachment.

### 2) Water Quality Update

No Update.

3) **OC-43/Walnut Takeout Vault Rehabilitation/Replacement Update**

**Update:** Staff expects the 100% drawings this month and bidding in July. Staff is finalizing an agreement with Tustin for delineation of ownership and maintenance responsibilities of all of the EOCWD/Tustin turnout vaults and associated equipment.

4) **OC-70 Meter Test Update**

**Update:** Staff has not yet received a credit or check for the meter error.

5) **WZ Connection Permits**

**Update:** One (1) wholesale zone permit was issued in May.

**RETAIL ZONE**

1) **Water Demand** – see attachment

2) **East Orange DroughtReach™ Program**

**Update:** RZ Demand was 8.2% lower in May 2022 than May 2021. Water efficiency messaging continues through social media and print media (Foothill Sentry).

3) **Well / Booster Station Operations**

No Update.

**Well Levels - Update:** Groundwater levels have declined slightly over the last month as shown on the attached graph.

The pumping water level for the East Well is currently at 221.3 feet BGS (below ground surface. (Note that pumping water levels have been as low as 297 feet BGS back in July 2014).

4) **Vista Panorama Reservoir**

**Update:** Staff is evaluating layouts of the site without the reservoir. Staff created an RFP for designing the replacement and conversion of the Zone 3 pipeline on Circula Panorama to Zone 2.

5) **New Well/PFAS Treatment**

**Update:** Pascal and Ludwig, the treatment plant contractor, is continuing installation of electrical conduits and installing forms for equipment pads. In May, the Board awarded the construction of the well equipping to Pascal and Ludwig.

6) **System Leaks**

None to report.

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

None to report.

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

- Performed valve inspections and valve exercising in the upper wholesale zone system in preparation for valve replacement work.
- Obtained encroachment permits for valve replacement work.
- Excavated and plated valve replacement locations.
- Installed new air vacuum release valve on 18" line near Highcliff on Newport.
- Performed vault inspections and cleaning at Skyline and Coronel.
- Completed Los Timbres pipeline project.
- Ordered materials for WZ valve replacement work.
- Assisted SCADA contractor with installation of new equipment.
- Completed 10 meter change outs.
- Investigated 21 possible customer leaks.
- Responded to 4 high bill complaints.
- Performed five meter disconnects and 4 re-connects.
- Attended meetings for Barrett Booster Station, ID1, SCADA, Admin Building, Vista Panorama reservoir, Newport reservoir projects and Sewer Standards Update.
- Ordered misc. tools, parts, and materials.
- Completed 73 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.
- Reviewed and updated 2022 Water Quality Report
- Ordered water quality supplies.
- Attend weekly maintenance and operations meeting with GM (Engineering and Ops Managers).

**JOINT SYSTEM ACTIVITIES**

A. **Pandemic Response (COVID-19) Plan**

No Update.

B. **Public Safety Power Shutoff (PSPS)**

No Update.

C. **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.

**D. America's Water Infrastructure Act (AWIA) Cybersecurity Improvements**

**Update:** Staff is reviewing the draft policies and procedures and holding meetings with West Yost to review the comments.

**E. Safety**

**Update:** Field staff completed hearing conservation training.

**F. Engineering & Operations Committee**

Minutes for the June 9, 2022 meeting is attached.

**G. Administrative & Finance Committee**

Minutes for the June 10, 2022 meeting is attached.



## Monthly Water Asset Report May 2022

**Date**

May 2022 MONTHS ▾

2021 2022

DEC JAN FEB MAR APR MAY

◀ □ ▶

Customer Work														
	Broken Meter Box	Check Backflow	Customer Leak	Hi/Lo Pressure	High Water Bill	Meter Changeout	Meter Connect	Meter Disconnect	Meter Edit	Meter Read	Meter Re-read	Misc Customer Task	Water Qual. Compl.	Grand Total
May	1	0	1	0	1	10	4	5	0	6	2	2	1	33

Facilities Work								
	Andres Reservoir Site	Barret Reservoir Site	Facility Edit	Maintenance	Newport Reservoir Site	Peters Canyon Reservoir Site	Vista Panorama Reservoir Site	Grand Total
May	6	0	0	6	4	3	4	23

Pump Work		
	Pump and Motor Maintenance	Pump Edit
May	0	0

DigTicket Work		
	Water	Grand Total
May	73	73

Air Vac Work	
	Air Vac Maintenance
May	1

Sample Work	
	In-House WQ Data
May	71

Hydrant Work						
	Hydrant Edit	Hydrant Flushing	Hydrant Maintenance	Install Hyd. Meter	Grand Total	Gallons Used
May	0	0	4	0	4	0

Pressure Reducing Station Work	
	Pressure Reducing Station Maintenance
May	0

Water Distribution Line Work				
	Main Leak Report	Pipe Edit	Grand Total	Service Lateral Leak
May	0	0	0	4

Valve Work			
	Valve Edit	Valve Exercise	Grand Total
May	0	10	10

Production Meter Work			
	Production Meter Maintenance	Production Meter Test	Grand Total
May	0	5	5



# Monthly Sewer Asset Report

## May 2022

### Sewer Gravity Main Work

	Line Cleaning Segments	Pipe Edit	Grand Total
May	321	89	410

	Pipes CCTVd	Feet of Main CCTVd	Feet of Main Cleaned	Feet of Main Root Foamed
May	89	22,575	77,107	99,683

### Permitting Work

	Const. Inspection	Customer Investigation	Parcel Permit Info Edit	Pre construction	Grand Total
May	5			1	6

**Date**

May 2022 MONTHS ▾

2022

FEB MAR APR MAY JUN JUL AUG SE

◀ [ ] ▶

### Manhole Work

	Manhole Inspection	Manhole Rehab	Roach Spray	Grand Total
May	308			308

### Easement Work

	Easement Inspect
May	

### Water Hydrants

	Hydrant Meter Read	Water Used in CCF	Water Used in Gallons
May	May	53	23,775

### FOG Work

	FOG Form
May	3

### DigTicket Work

	Sewer 811 Locate
May	224

**Minutes of the  
Engineering & Operations Committee  
June 9, 2022**

The meeting was called to order at 4:36 p.m. by Director Bell.

1. The following Directors attended the meeting: Directors Bell and Murdoch with Director Bell attending electronically. Also present 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. Additional items: Director Bell commented on indoor water use legislation and requested further information. Townsend Public Affairs, the District’s legislative consultant, will include information on an upcoming Board agenda. Director Bell also commented the District does not have representation on the Orange County Sanitation District’s Board of Director’s. Staff will look into the representation. Staff noted the Capital Budget review is item 4E.
4. Engineering
  - RZ System
    - A. General PFAS Update – Staff presented the informational item. Staff informed the Committee on the status of the PFAS Treatment plant construction and future planned abandonment of the West Well. Staff will present the General PFAS Update quarterly concurrent with the OCWD update at future meetings.
    - B. VanderWerff Well – PSA Amendment to Steven Andrews Engineering – Staff presented the item to the Committee. The Committee recommended the Board award a PSA Amendment #1, in the amount of \$73,940 for a total contract amount of \$272,120, to SAE for engineering services during the VanderWerff Well equipping construction.

Wholesale Zone

The Committee requested the status of the credit/check from MWD for the OC70 meter inaccuracy. Staff reported a check had not been received.

Sewer System

- C. Sewer Development Permits – Information – See attached report.
- D. ID1 CRA Project Construction – CCO to T.E. Roberts – Staff presented the item to the Committee. Director Bell had questions relative to the license agreement with OCTA. Staff informed the Committee, OCTA does not grant easements, crossings are permitted by licensing agreement only. Director Bell agreed with moving forward with the licensing agreement and requested staff take action to establish longer term rights at a future date. Director Murdoch had questions relative to the construction total listed in the recommendation and the cost exhibit. Staff explained the total and will make it more clear in the Board writeup. Staff also explained the deficiencies in Quanta’s cost summary, omission of slurry backfill and spoil disposal, the differences in the cost

**Minutes of the  
Engineering & Operations Committee  
June 9, 2022**

proposals, and the extensive review of T.E. Roberts proposal. T.E. Roberts had excellent performance on Construction Package #1. The Committee recommended the Board authorize the General Manager to execute a contract change order, in the amount of \$7,553,601, to T.E. Roberts for construction of Package #2 and a time extension of 13 months; authorize and approve the General Manager a \$1,000,000 contingency to address any unanticipated conditions; authorize and approve the General Manager to execute a License Agreement with the Orange County Transit Authority; and authorize the General Manager to acquire and accept temporary construction easements for the project.

Joint

- E. Capital Budget Review – Staff presented the highlights of the Capital Budget. Director Murdoch requested additional information on the use of reserves for capital projects and the current reserve amounts. Staff will include additional information with the presentation to the Board.

5. Operations

RZ System

- A. East & West Well – Pumping Level Information – See attached report.
- B. RZ System Status and Water Use – Information – See attached report.

WZ System

- C. WZ System Status and Water Use – Information – See attached report – Staff reported four valves were replaced in the upper zone and one valve was replaced in the lower zone.

Sewer System

- D. System Status and Spill Report – Information – No sewer spills in May.

6. Adjournment at 6:06 pm

# Administrative & Finance Committee

## Minutes of the June 10, 2022 Meeting

Present: Chair Doug Davert, Director John Sears, David Youngblood, Sylvia Prado, Theresa Jurotich of Raftelis, Ian Berg of Eide Bailly

The meeting was called to order at 8:00 a.m.

No public comments were received.

No additional items were added to the agenda.

1. Monthly Financial Reports April 2022 - Staff reported monthly financials for April 2022.
2. Monthly Disbursements - Staff reported monthly disbursements.
3. Rate Study Presentation – Staff reported that recent shifts in inflationary costs as well as rising costs of both groundwater and imported water have been considered in the latest version of Raftelis 5 year rate study. The presentation contains revisions from the April presentation. A more defined rate study will be presented to the Committee and Board in the next month or two. Staff reported that the District will begin the process for transferring the water capital fees on to the property tax bill for FY 23-24. The deadline to submit to the County is August 1<sup>st</sup>. There is not enough time to submit this year and Staff reported that the District will submit in 2023. The annual sewer service increase will be deferred to 2023 as well.
4. Annual Budget Presentation – Staff has been working with Eide Bailly on the annual budget for fiscal year 2022-23 and Ian Berg of Eide Bailly gave the presentation to the Committee. Staff reported that there is an aggressive plan for RZ Capital spending and that most of the work will be done in 2023. Minimal modifications will be made prior to presenting to the Board. The Committee concurred with Staff's recommendation.

Adjourned at 9:00 a.m.



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: MONTHLY FINANCIALS**  
**DATE JUNE 16, 2022**

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## Background

Monthly Financial Summary for Wholesale Zone, Retail Zone, and ID1 (wastewater).

## Recommendation

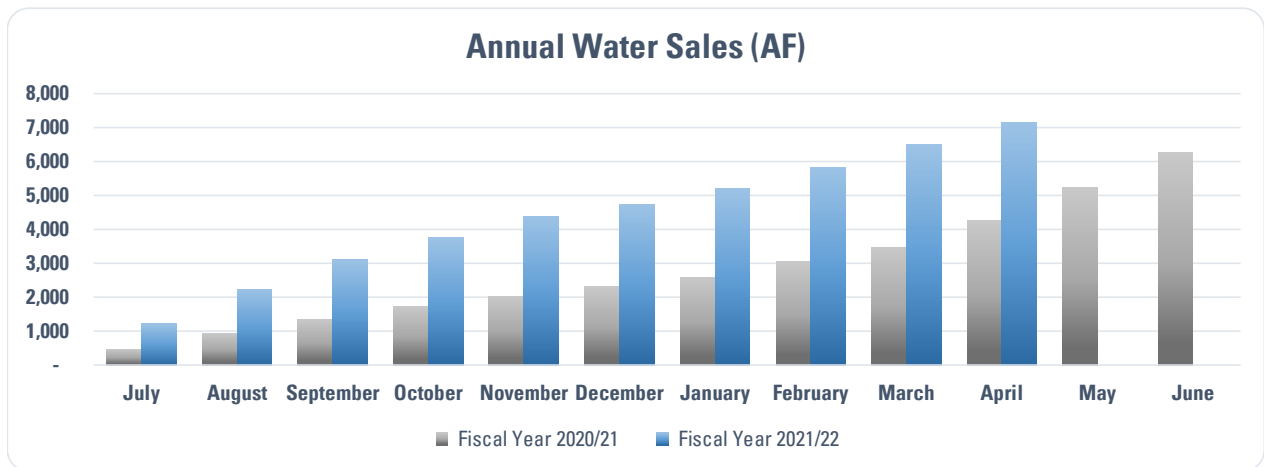
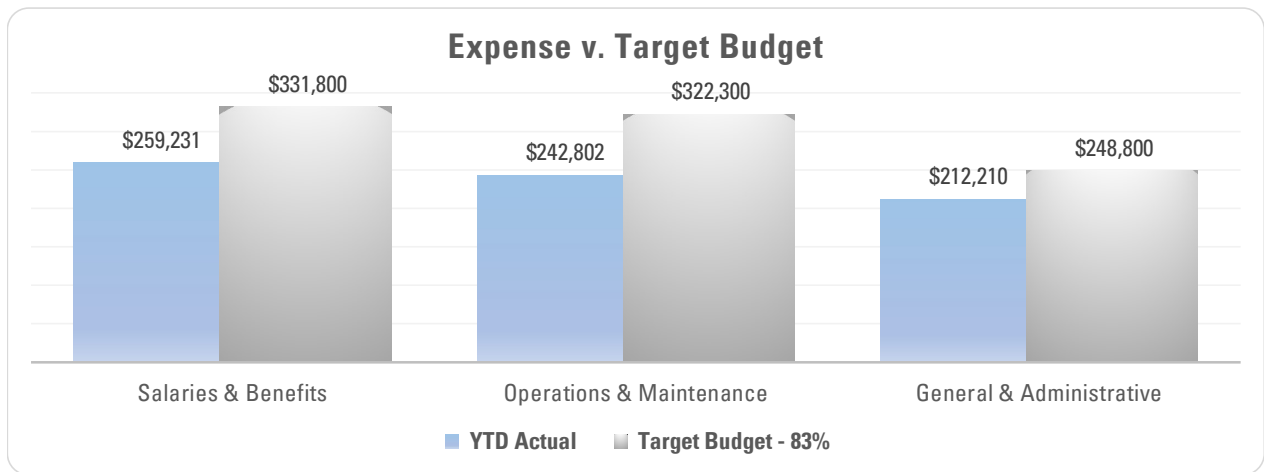
Informational.

Attachment(s): WZ, RZ, and ID1 Financial Summary for April 2022.



## Revenue & Expense Summary Wholesale (Unaudited) Period Ending April 30, 2022

	A	B	C	D = B/C
	APR 2022 ACTUAL	YTD ACTUAL	2021/22 ANNUAL BUDGET	YTD BUDGET 83%
<b>1 REVENUES</b>				
2 Operating Revenues	\$ 842,232	\$ 8,633,044	\$ 5,619,400	154%
3 Non-Operating Revenues	290,797	984,943	1,189,400	83%
<b>4 TOTAL REVENUES</b>	<b>1,133,029</b>	<b>9,617,987</b>	<b>6,808,800</b>	<b>141%</b>
<b>5 EXPENSES</b>				
6 Source of Supply	800,010	8,185,251	5,116,900	160%
7 Salaries & Benefits	25,831	259,231	398,100	65%
8 Operations & Maintenance	26,721	242,802	386,700	63%
9 General & Administrative	21,796	212,210	298,600	71%
<b>10 TOTAL EXPENSES</b>	<b>874,357</b>	<b>8,899,494</b>	<b>6,200,300</b>	<b>144%</b>
<b>11 NET INCOME / (LOSS) BEFORE DEBT, CAPITAL &amp; ADPS</b>	<b>258,673</b>	<b>718,494</b>	<b>608,500</b>	<b>118%</b>
12 Section 115 Pension Trust Contributions	-	-	(50,000)	0%
13 CalPERS Additional Discretionary Payments	-	(149,485)	(149,500)	100%
14 Capital Expenses (Reserve-Funded)	(8,637)	(401,249)	(2,845,400)	14%
<b>15 NET INCREASE / (DECREASE) TO RESERVES</b>	<b>\$ 250,035</b>	<b>\$ 167,760</b>	<b>\$ (2,436,400)</b>	



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.

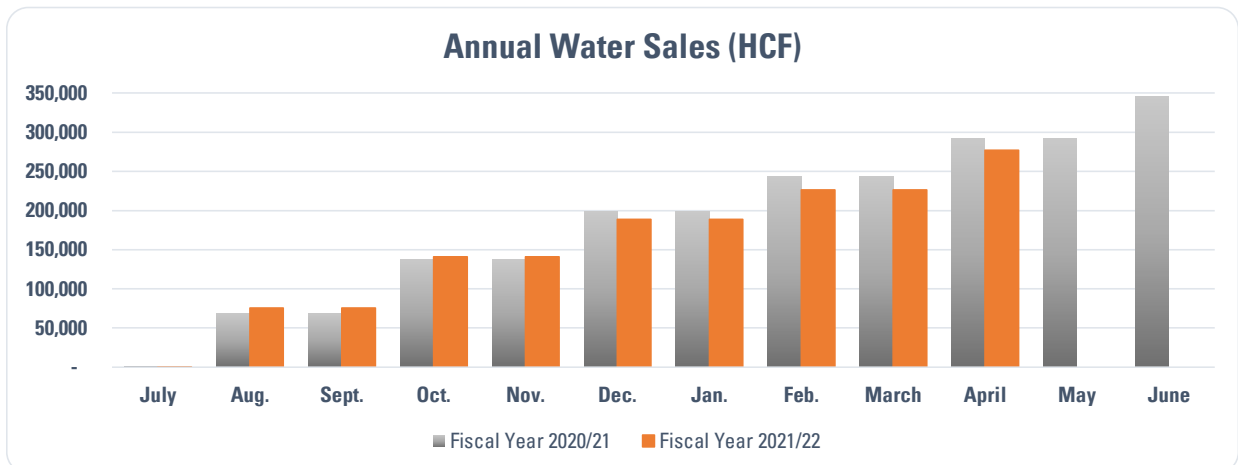
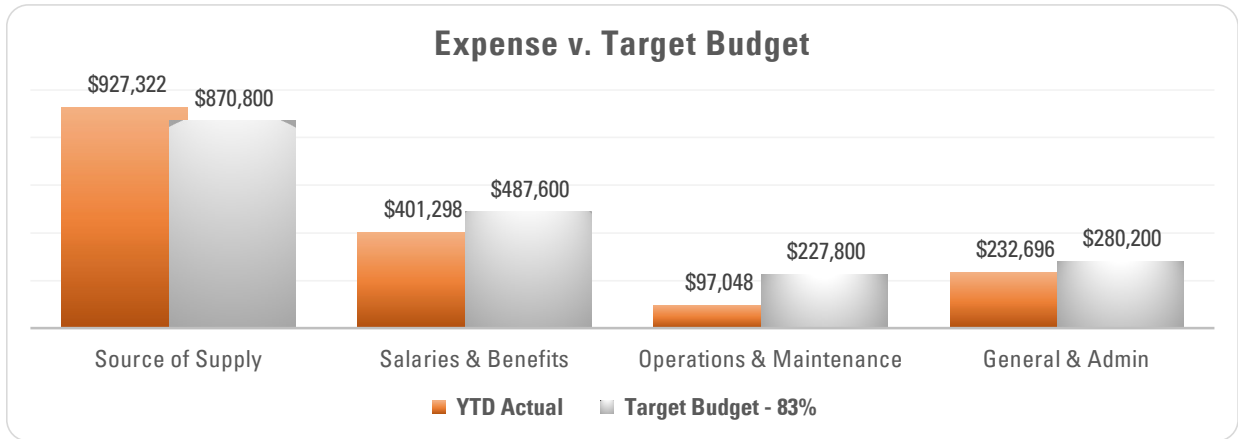


## Revenue & Expense Summary

### Retail (Unaudited)

#### Period Ending April 30, 2022

	A	B	C	D = B/C
	APR 2022 ACTUAL	YTD ACTUAL	2021/22 ANNUAL BUDGET	YTD BUDGET 83%
<b>1 REVENUES</b>				
2 Operating Revenues	\$ 436,871	\$ 2,274,961	\$ 2,667,300	85%
3 Non-Operating Revenues	161,033	499,796	505,500	99%
<b>4 TOTAL REVENUES</b>	<b>597,904</b>	<b>2,774,757</b>	<b>3,172,800</b>	<b>87%</b>
<b>5 EXPENSES</b>				
6 Source of Supply	91,925	927,322	1,044,900	89%
7 Salaries & Benefits	39,745	401,298	585,100	69%
8 Operations & Maintenance	11,026	97,048	273,400	35%
9 General & Administrative	24,961	232,696	336,200	69%
<b>10 TOTAL EXPENSES</b>	<b>167,657</b>	<b>1,658,364</b>	<b>2,239,600</b>	<b>74%</b>
<b>11 NET INCOME / (LOSS) BEFORE DEBT, CAPITAL &amp; ADPs</b>	<b>430,246</b>	<b>1,116,393</b>	<b>933,200</b>	<b>120%</b>
12 Debt Service	(213,632)	(259,064)	(259,100)	100%
13 Section 115 Pension Trust Contributions	-	-	(50,000)	0%
14 CalPERS Additional Discretionary Payments	-	(149,485)	(149,500)	100%
15 Capital Expenses (Reserve-Funded)	(73,691)	(429,908)	(2,174,900)	20%
<b>16 NET INCREASE / (DECREASE) TO RESERVES</b>	<b>\$ 142,923</b>	<b>\$ 277,936</b>	<b>\$ (1,700,300)</b>	



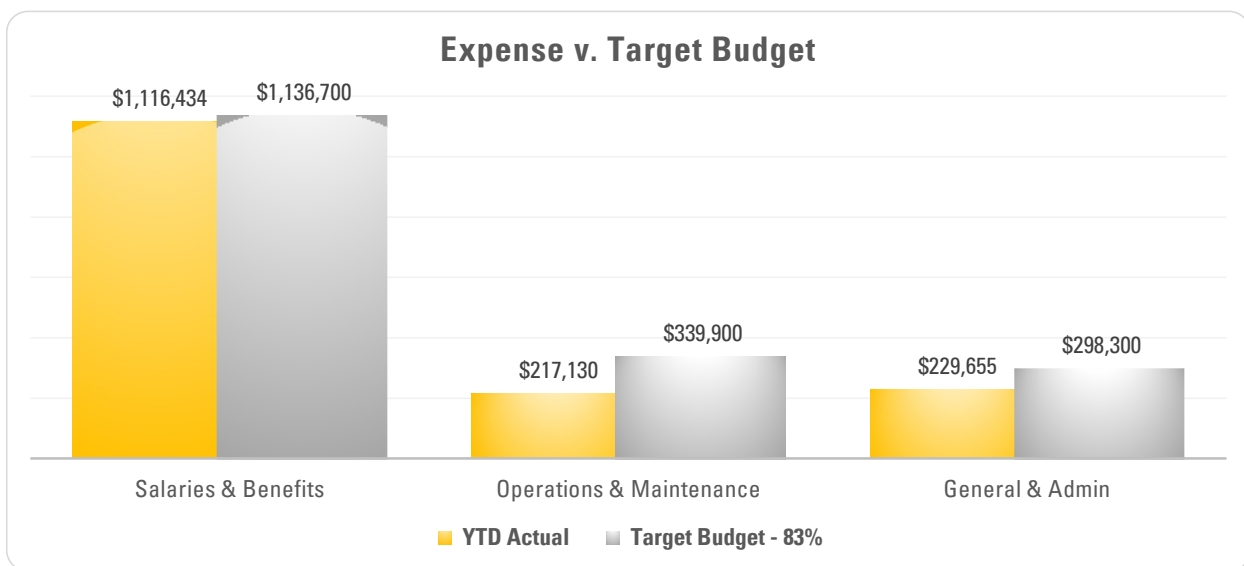
*No assurance provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the U.S. not included.*



## Revenue & Expense Summary Sewers (Unaudited) Period Ending April 30, 2022

	A	B	C	D = B/C
	APR 2022 ACTUAL	YTD ACTUAL	2021/22 ANNUAL BUDGET	YTD BUDGET 83%
<b>1 REVENUES</b>				
2 Operating Revenues	\$ 1,109,614	\$ 3,094,119	\$ 3,171,300	98%
3 Non-Operating Revenues *	(195,154)	(1,256,123)	878,500	-143%
<b>4 TOTAL REVENUES</b>	<b>914,460</b>	<b>1,837,996</b>	<b>4,049,800</b>	<b>45%</b>
<b>5 EXPENSES</b>				
6 Salaries & Benefits	111,250	1,116,434	1,364,000	82%
7 Operations & Maintenance	35,142	217,130	407,900	53%
8 General & Administrative	23,434	229,655	358,000	64%
<b>9 TOTAL EXPENSES</b>	<b>169,826</b>	<b>1,563,219</b>	<b>2,129,900</b>	<b>73%</b>
<b>10 NET INCOME / (LOSS) BEFORE DEBT, CAPITAL &amp; ADPs</b>	<b>744,634</b>	<b>274,777</b>	<b>1,919,900</b>	
11 Debt Service	(854,528)	(1,036,255)	(1,036,300)	100%
12 Section 115 Pension Trust Contribution	-	-	(50,000)	0%
13 CalPERS Additional Discretionary Payments	-	(17,333)	(17,400)	100%
14 Capital Expenses (Reserve-Funded)	(26,653)	(617,706)	(2,543,600)	24%
15 Prior Year Expense	(540)	(129,915)	-	0%
<b>16 NET INCREASE / (DECREASE) TO RESERVES</b>	<b>\$ (137,086)</b>	<b>\$ (1,526,433)</b>	<b>\$ (1,727,400)</b>	<b>88%</b>

\* Non-Operating Revenues are currently negative due to Unrealized Gain/(Loss) on Investments held for long-term capital.





# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: WHOLESALE AND RETAIL WATER USAGE REPORT**  
**DATE JUNE 16, 2022**

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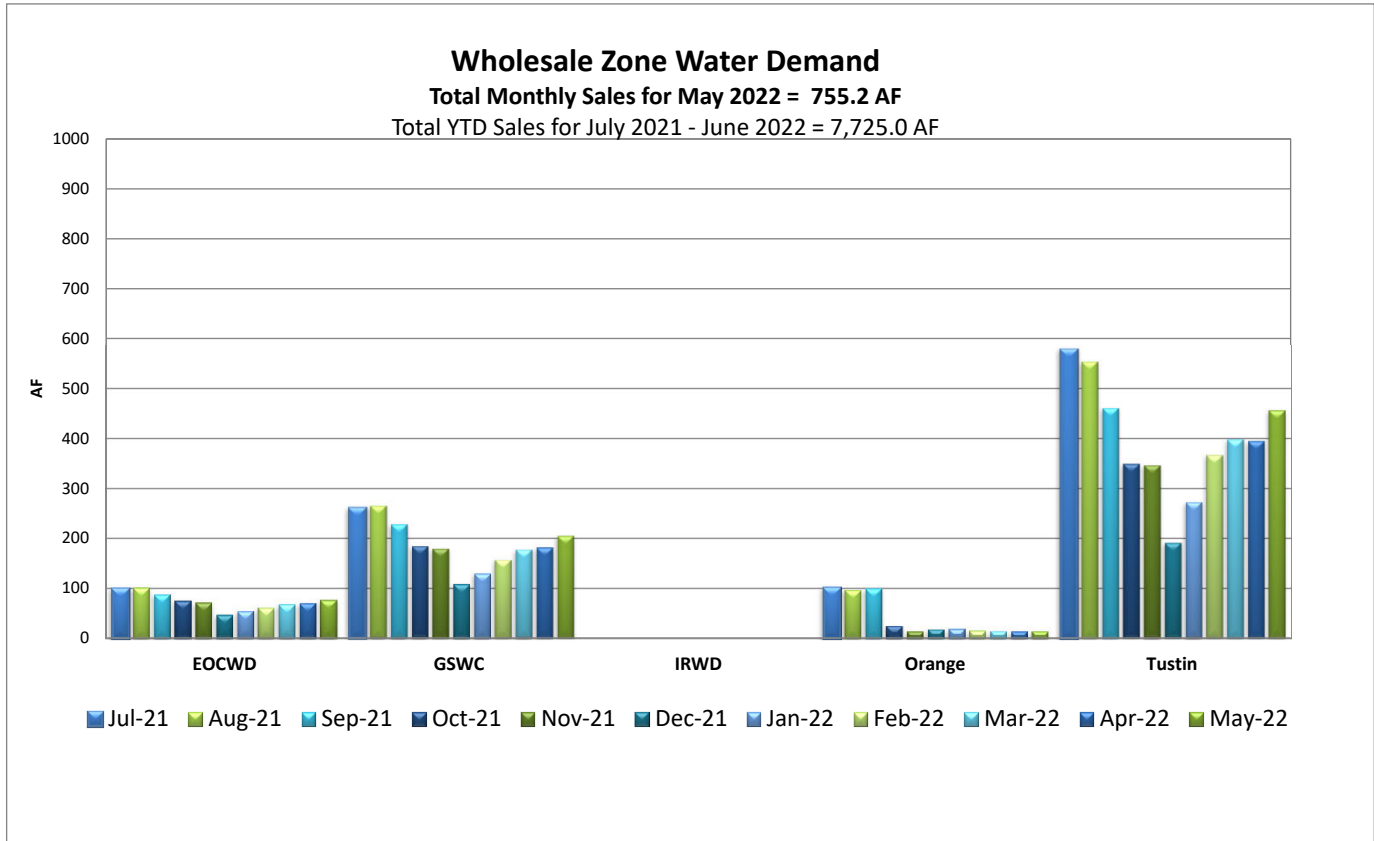
## Background

Monthly report on wholesale and retail water usage for the month of May 2022.

## Recommendation

Informational; no action necessary.

Attachment(s): Wholesale and Retail Usage Reports



**EOCWD IMPORTED WATER DELIVERY BALANCE - FY21/22**  
(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	357.4	0.0	22.0	218.6	240.5	0.0	101.6	100.0	238.7	1.8	442.1	0.0	101.6	100.0	260.7	577.8
AUG	315.3	0.0	21.7	237.3	259.0	0.0	97.8	102.4	244.3	1.7	446.3	0.0	97.8	102.4	266.0	554.3
SEP	258.6	0.0	16.1	196.1	212.2	0.0	101.1	88.7	212.9	6.7	409.4	0.0	101.1	88.7	229.0	461.4
OCT	188.5	0.0	13.9	145.7	159.6	0.0	26.3	76.1	171.4	15.6	289.4	0.0	26.3	76.1	185.3	349.8
NOV	194.4	0.0	15.0	147.9	162.9	0.0	15.1	72.7	165.3	4.7	257.8	0.0	15.1	72.7	180.3	347.0
DEC	98.6	0.0	8.8	92.2	101.0	0.0	19.1	48.0	100.9	1.0	169.0	0.0	19.1	48.0	109.7	191.8
JAN	140.1	0.0	10.3	128.7	139.0	0.0	19.8	55.4	120.5	4.3	200.0	0.0	19.8	55.4	130.8	273.1
FEB	195.0	0.0	13.1	169.9	183.0	0.0	16.2	62.2	144.7	2.2	225.3	0.0	16.2	62.2	157.8	367.1
MAR	242.6	0.0	17.5	154.3	171.8	0.0	15.4	69.1	160.7	1.7	246.9	0.0	15.4	69.1	178.2	398.6
APR	230.2	0.0	15.3	162.3	177.6	0.0	15.0	71.6	167.0	2.7	256.3	0.0	15.0	71.6	182.3	395.2
MAY	277.0	0.0	17.2	177.0	194.1	0.0	15.2	77.7	188.6	2.5	284.0	0.0	15.2	77.7	205.8	456.5
JUN												0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>2497.7</b>	<b>0.0</b>	<b>170.9</b>	<b>1830.0</b>	<b>2000.7</b>	<b>0.0</b>	<b>442.6</b>	<b>823.9</b>	<b>1915.0</b>	<b>44.9</b>	<b>3226.5</b>	<b>0.0</b>	<b>442.6</b>	<b>823.9</b>	<b>2085.9</b>	<b>4372.6</b>

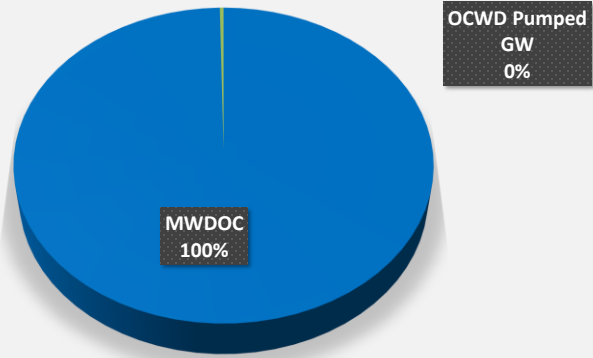
# East Orange County Retail Zone Water Usage Report

## East Orange County Retail Zone Overview of Usage FY 2021-22 Monthly Water Use

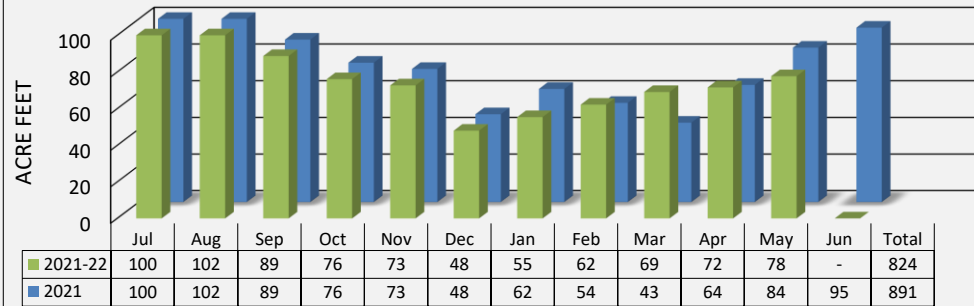
Type of Supply	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWDOC	100	102	89	76	73	48	55	62	69	72	78	-	824
OCWD Pumped GW	0.2	0.3	0.3	0.3	0.3	-	0.3	0.6	-	0.3	-	-	3
<b>Total</b>	<b>100</b>	<b>103</b>	<b>89</b>	<b>76</b>	<b>73</b>	<b>48</b>	<b>56</b>	<b>63</b>	<b>69</b>	<b>72</b>	<b>78</b>	<b>-</b>	<b>827</b>

2021 MWDOC Usage	July	August	September	October	November	December	January	February	March	April	May	June	Total
	100	102	89	76	73	48	62	54	43	64	84	95	891

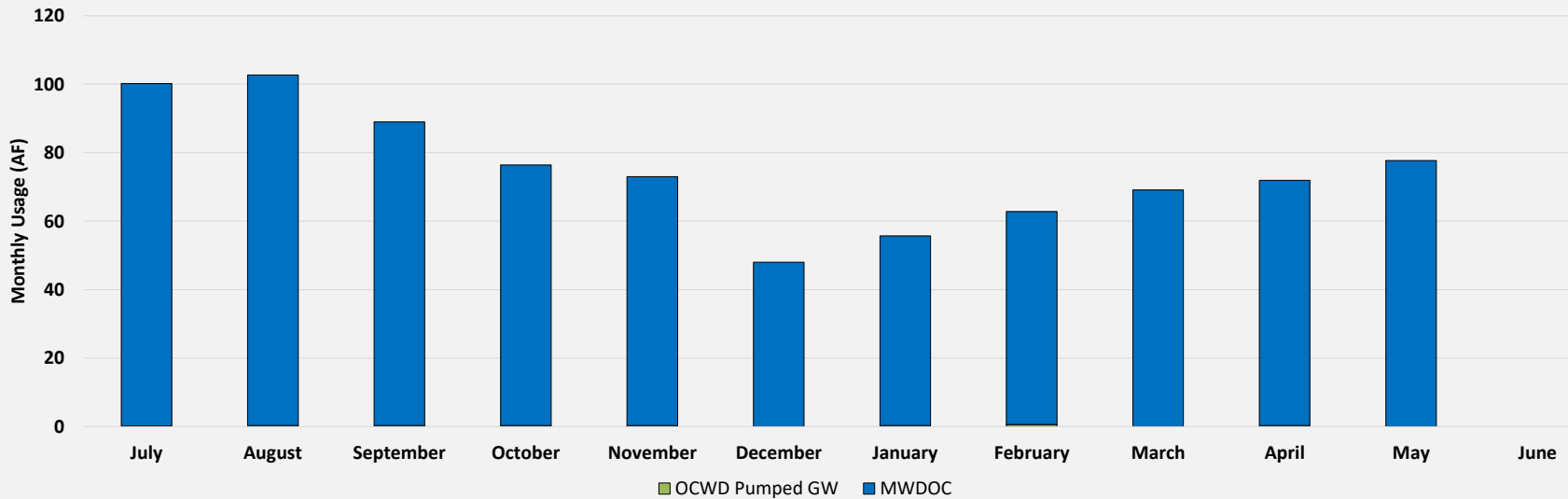
**2021-22 Sources of Water**



**MWDOC Calendar Year and Fiscal Year Purchases**



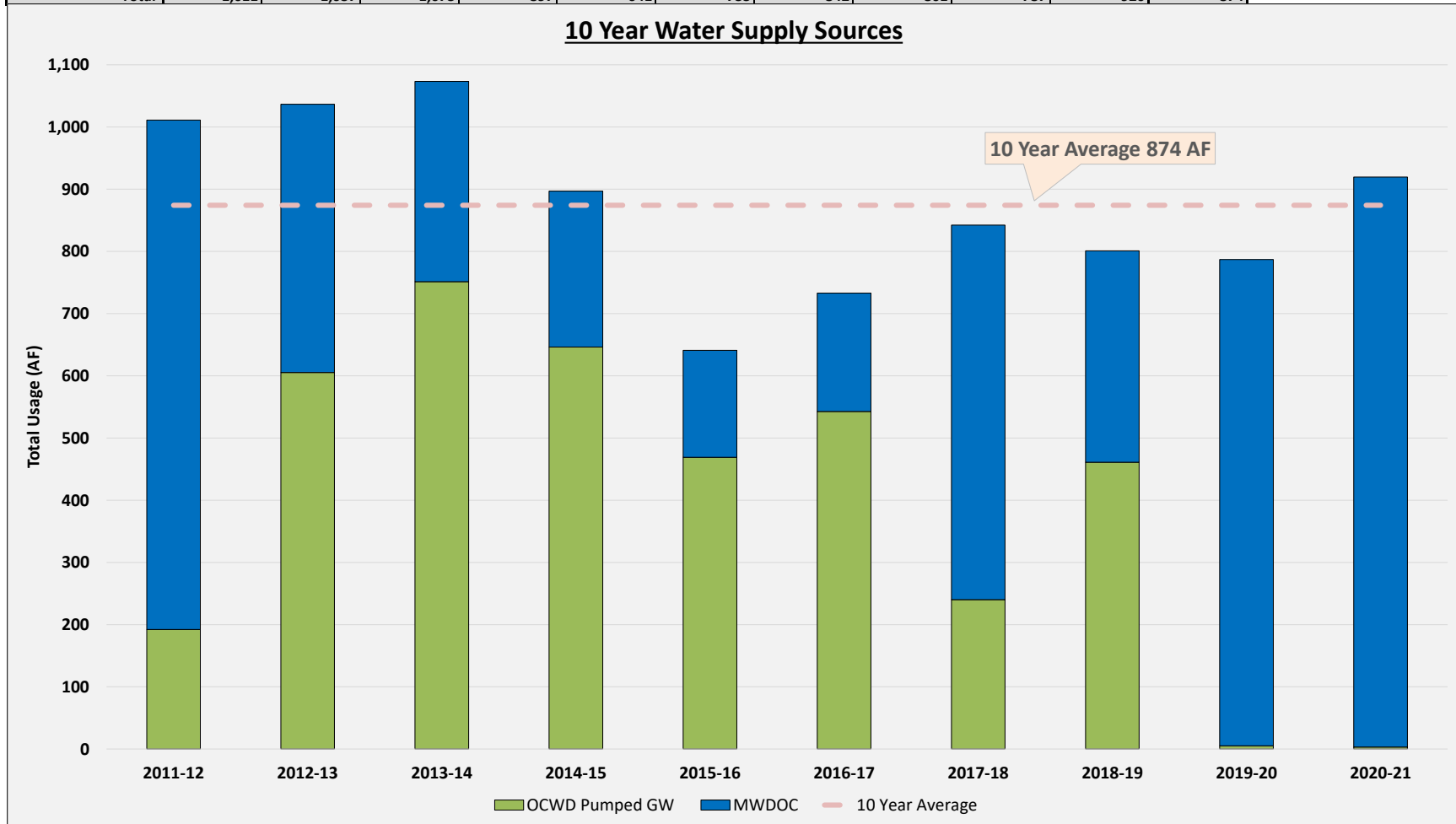
**2021-22 Monthly Water Supply Sources**



# East Orange County Retail Zone Water Usage Report

## Annual Water Usage

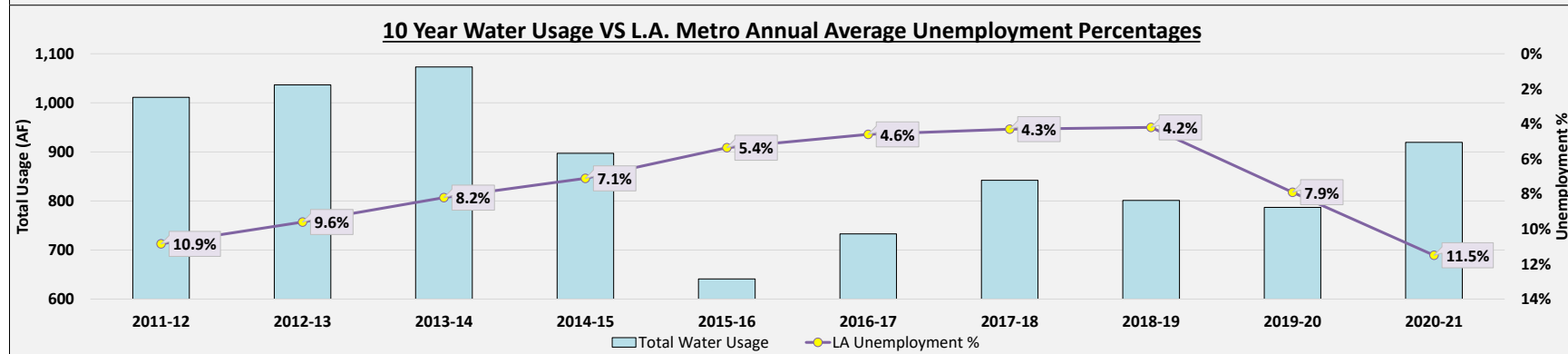
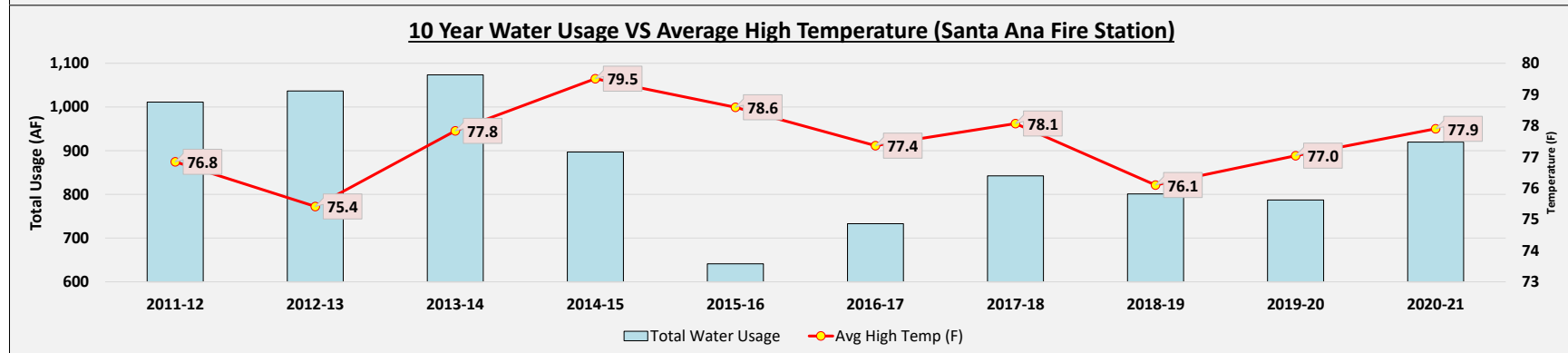
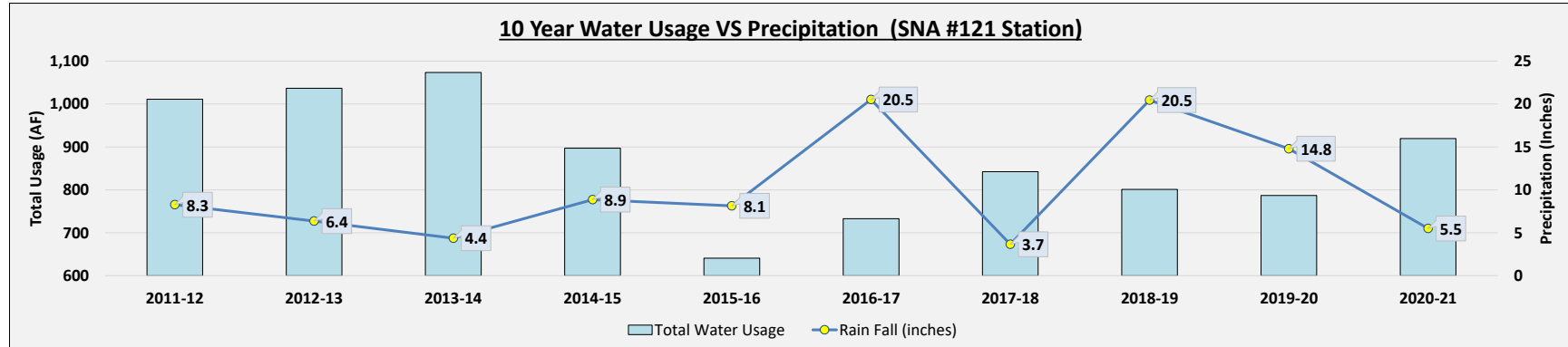
Type of Supply	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Average
MWDOC	819.1	431.3	322.0	250.7	172.1	190.2	602.1	340.0	781.8	916.4	482.6
OCWD Pumped GW	192.1	605.2	751.3	646.3	468.9	542.7	240.2	461.0	5.2	3.1	391.6
<b>Total</b>	<b>1,011</b>	<b>1,037</b>	<b>1,073</b>	<b>897</b>	<b>641</b>	<b>733</b>	<b>842</b>	<b>801</b>	<b>787</b>	<b>920</b>	<b>874</b>



# East Orange County Retail Zone Water Usage Report

## Water Usage Variables

Type of Supply	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Average
Rain Fall (inches)	8.3	6.4	4.4	8.9	8.1	20.5	3.7	20.5	14.8	5.5	10.1
Avg High Temp (F)	76.8	75.4	77.8	79.5	78.6	77.4	78.1	76.1	77.0	77.9	77.5
LA Unemployment %	10.9%	9.6%	8.2%	7.1%	5.4%	4.6%	4.3%	4.2%	7.9%	11.5%	7.4%
Total Water Usage	1,011	1,037	1,073	897	641	733	842	801	787	920	874



# 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
2015-16 Usage	54	69	60	46	61	45	29	46	64	35	63	69	641
2016-17 Usage	82	87	70	68	58	44	37	32	43	70	70	79	738
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	91	75	68	62	54	44	64	85	95	920
<b>Average of Last 6 FYs</b>	<b>83</b>	<b>90</b>	<b>78</b>	<b>74</b>	<b>64</b>	<b>52</b>	<b>46</b>	<b>44</b>	<b>46</b>	<b>58</b>	<b>69</b>	<b>80</b>	<b>785</b>
Monthly Usage Percentage	11%	11%	10%	9%	8%	7%	6%	6%	6%	7%	9%	10%	100%

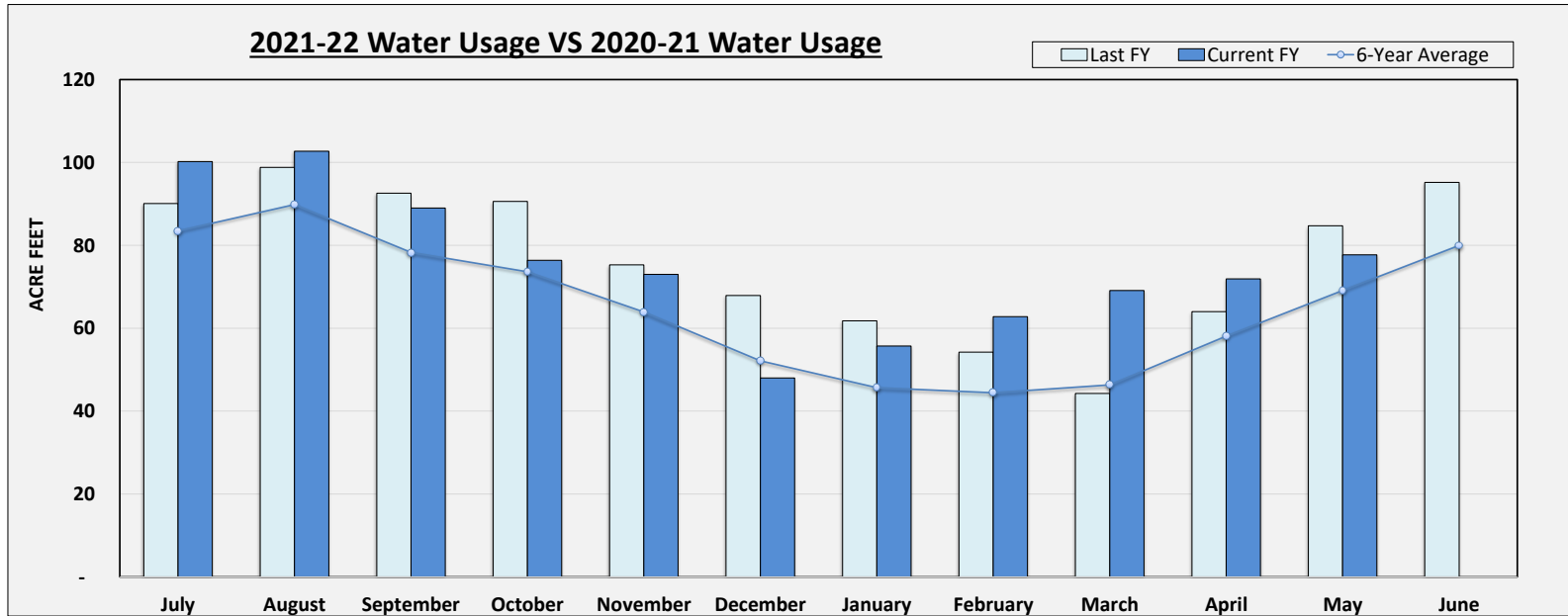
### Water Usage By Source

Imported	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWD via EO Wholesale	100.0	102.4	88.7	76.1	72.7	48.0	55.4	62.2	69.1	71.6	77.7	-	823.9
Water from IRWD during OC-70 shutdo	-	-	-	-	-	-	-	-	-	-	-	-	-
CPTP	-	-	-	-	-	-	-	-	-	-	-	-	-
MWD In-Lieu*	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Imported Total</b>	<b>100</b>	<b>102</b>	<b>89</b>	<b>76</b>	<b>73</b>	<b>48</b>	<b>55</b>	<b>62</b>	<b>69</b>	<b>72</b>	<b>78</b>	<b>-</b>	<b>823.9</b>

\*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	0.2	0.3	0.3	0.3	0.3	-	0.3	0.6	-	0.3	-	-	2.6
Less Fill up Reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-
Less CPTP	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Local Total (minus reservoir)</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>-</b>	<b>0.3</b>	<b>0.6</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>2.6</b>

<b>Total Usage 2021-22 (minus reservoir)</b>	<b>100</b>	<b>103</b>	<b>89</b>	<b>76</b>	<b>73</b>	<b>48</b>	<b>56</b>	<b>63</b>	<b>69</b>	<b>72</b>	<b>78</b>	<b>-</b>	<b>827</b>
FY 20-21 versus FY 21-22	+11%	+4%	-4%	-16%	-3%	-29%	-10%	+16%	+56%	+12%	-8%		

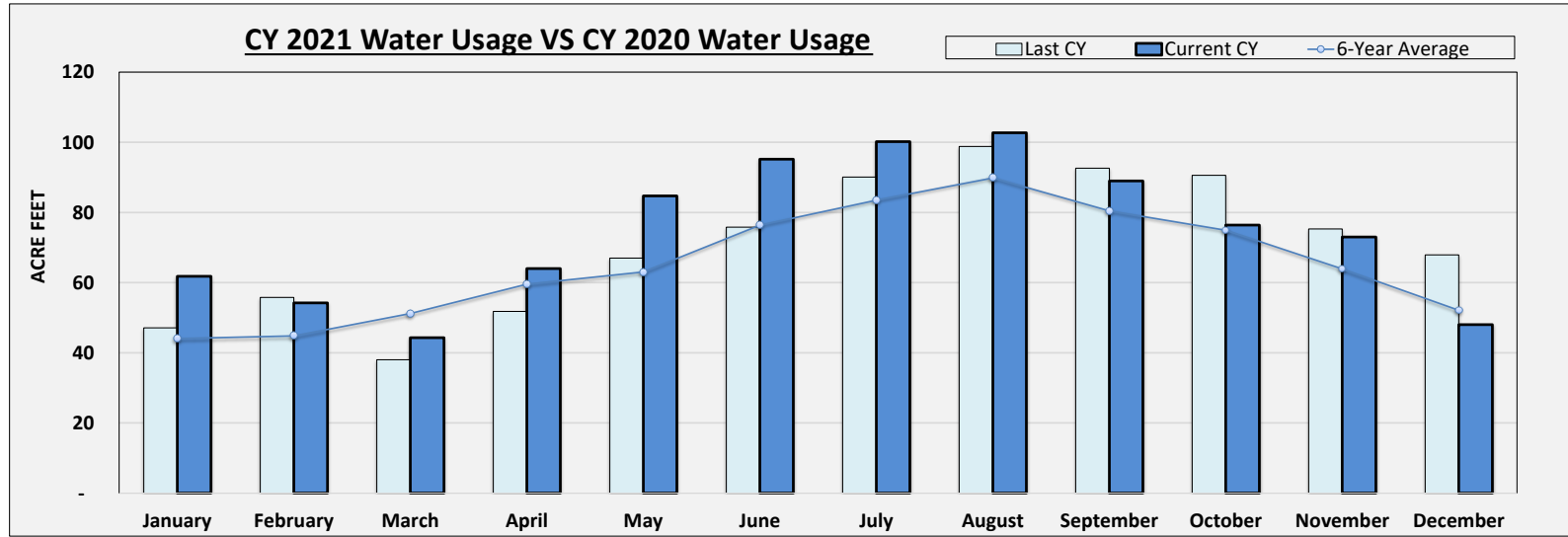


# East Orange County Retail Zone Water Usage Report

## Historical Monthly Potable Usage (Calendar Year)

Calendar Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2015	59	53	72	73	52	74	54	69	60	46	61	45	718
2016	29	46	64	35	63	69	82	87	70	68	58	44	713
2017	31	32	43	70	70	79	87	98	77	81	60	70	798
2018	53	49	45	67	71	84	107	99	97	81	62	40	855
2019	45	33	45	61	55	77	82	87	86	83	68	46	767
2020	47	56	38	52	67	76	90	99	93	91	75	68	851
<b>6 year Average</b>	<b>44</b>	<b>45</b>	<b>51</b>	<b>60</b>	<b>63</b>	<b>76</b>	<b>83</b>	<b>90</b>	<b>80</b>	<b>75</b>	<b>64</b>	<b>52</b>	<b>784</b>

Total Water Usage 2021	62	54	44	64	85	95	100	103	89	76	73	48	894
2021 VS 2020 Usage	+31%	-3%	+17%	+24%	+26%	+26%	+11%	+4%	-4%	-16%	-3%	-29%	



	Population	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020 Usage (AF)		47	56	38	52	67	76	90	99	93	91	75	68	851
2020 GPCD	3,210	154	202	124	175	219	256	295	324	313	297	255	222	237
2021 Usage (AF)		62	54	44	64	85	95	100	102	89	76	73	48	892
2021 GPCD	3,222	202	196	144	216	276	321	326	334	299	248	245	157	247
CY over CY change in GPCD		+47	-6	+20	+40	+57	+64	+31	+11	-14	-48	-10	-66	+11

	Population	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2020-21 Usage (AF)		90	99	93	91	75	68	62	54	44	64	85	95	920
2020-21 GPCD	3,210	295	324	313	297	255	222	202	197	145	217	277	322	256
2021-22 Usage (AF)		100	102	89	76	73	48	55	62	69	72	78	-	824
2021-22 GPCD	3,222	326	334	299	248	245	157	181	225	225	241	253	-	249
FY over FY change in GPCD		+31	+11	-14	-48	-10	-66	-22	+28	+80	+25	-24	-	-7

\*Cumulative through the end of the last month shown

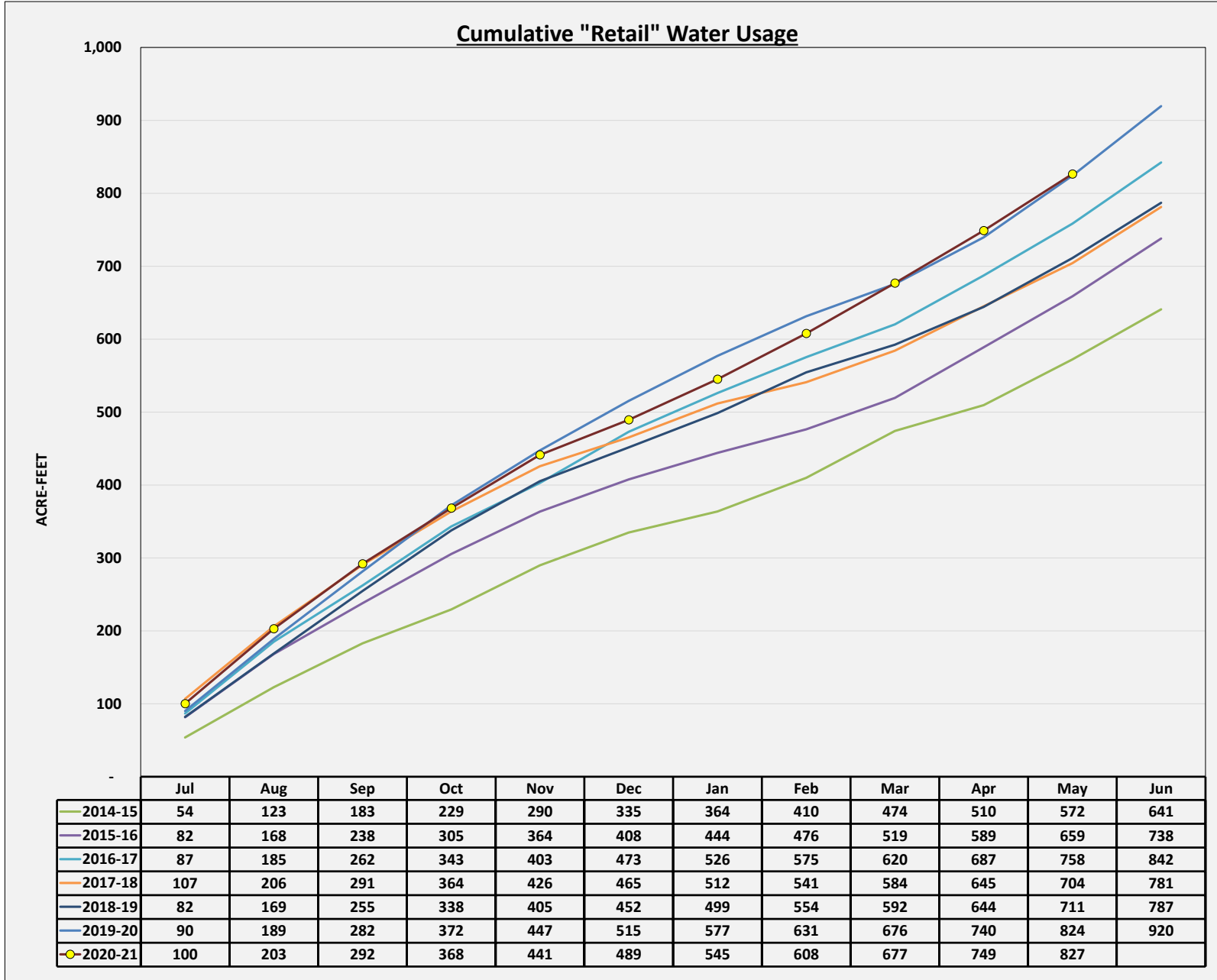
\*GPCD = (Total Monthly Production - Fill up Reservoir) / Population/days in the month

\*For the months of July 2021 through May 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





# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: ANNUAL WATER QUALITY REPORT**  
**DATE JUNE 16, 2022**

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## Background

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

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

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

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

The report will be posted on our website and emailed to those customers that have provided email. It is required to be posted by June 30<sup>th</sup>.

**Recommendation:** Receive and file, and post as required.

**Attachment(s):** 2022 Water Quality Report

# WATER QUALITY REPORT 2022



**EOCWD**  
EAST ORANGE COUNTY  
WATER DISTRICT



# YOUR 2022 WATER QUALITY REPORT

Since 1990, California public water utilities have been providing an annual Water Quality Report to their customers. This year's report covers calendar year 2021 drinking water quality testing and reporting.

The East Orange County Water District (EOCWD) vigilantly safeguards its water supply and, as in years past, the water delivered to your home meets the quality standards required by federal and state regulatory agencies. The U.S. Environmental Protection Agency (USEPA) and the State Water Resources Control Board, Division of Drinking Water (DDW) are the agencies responsible for establishing and enforcing drinking water quality standards.

In some cases, EOCWD goes beyond what is required by testing for unregulated chemicals that may have known health risks but do not have drinking water standards. For example, the Orange County Water District (OCWD), which manages the groundwater basin, and

the Metropolitan Water District of Southern California (MWDSC), which supplies treated imported surface water to EOCWD, test for unregulated chemicals in our water supply. Unregulated chemical monitoring helps USEPA and DDW determine where certain chemicals occur and whether new standards need to be established for those chemicals to protect public health.

Through drinking water quality testing programs carried out by OCWD for groundwater, MWDSC for treated surface water and EOCWD for the water distribution system, your drinking water is consistently monitored from source to tap for regulated and unregulated constituents. The State allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of our data, though representative, are more than one year old.



*This report contains important information about your drinking water. Please contact East Orange County Water District at 714-538-5815 if you need assistance translating this information.*

*Este informe contiene información muy importante sobre su agua potable. Para más información ó traducción, favor de contactar a East Orange County Water District.*

*Telefono: (714) 538-5815.*

## QUESTIONS ABOUT YOUR WATER? CONTACT US FOR ANSWERS.

For information about this report, or your water quality in general, please contact Jerry Mendzer, Operations Manager, at (714) 538-5815. The EOCWD Board of Directors meets on the 3rd Thursday of each month at 5:00 p.m. Meetings are held at 185 N. McPherson Road, Orange. For more information about the health effects of the listed contaminants in the following tables, call the USEPA hotline at (800) 426-4791.

# THE QUALITY OF YOUR WATER IS OUR PRIMARY CONCERN

## SOURCES OF SUPPLY

Orange County's water supplies are a blend of groundwater managed by the OCWD and water imported from Northern California and the Colorado River by the Municipal Water District of Orange County (MWDOC) via MWDSC. Groundwater comes from a natural underground aquifer that is replenished with water from the Santa Ana River, local rainfall and imported water. The groundwater basin covers 350 square miles and lies beneath north and central Orange County from Irvine to the Los Angeles County border and from Yorba Linda to the Pacific Ocean. More than 20 cities and retail water districts draw from the basin to provide water to homes and businesses. In south Orange County, nearly 100 percent of the water is imported and delivered to the cities and retail water districts, where it is stored in above-ground reservoirs and tanks before being sent to homes and businesses. In 2021, East Orange County Water District supplied its customers with 100% imported surface water.

## ORANGE COUNTY'S WATER FUTURE

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

## SAVE MONEY AND WATER: LEARN TO STOP LEAKS IN YOUR HOME

Nationwide, more than 1 trillion gallons of water are lost annually due to household leaks. That's equal to the annual water use of more than 11 million homes. The average household can waste more than 10,000 gallons each year due to correctable leaks. That's enough to wash 270 loads of laundry!

Ten percent of homes have leaks that waste 90 gallons or more per day! Common sources include toilets, faucets, showerheads, and landscape irrigation. But you should also consider less obvious sources of leaks: water heaters, ice makers, dishwashers, and filtration systems. Many of these are easily correctable and fixing them can save about 10 percent of the average water bill.

Be sure to check your toilet for leaks at least once a year. Put food coloring in the tank. If it seeps into the bowl without flushing, there's a leak. And if your toilet flapper doesn't close properly after flushing, replace it. Remember, one drop a second adds up to five gallons lost per day! So regularly check your faucets and showerheads, as well as hoses and connectors.

Many household leaks can be solved with simple tools and a little education—and fortunately, Do-It-Yourselfers have access to multiple resources. But even if you must pay for repairs, you will still save money in the long run. For more information on water conservation, visit [www.ocwatersmart.com](http://www.ocwatersmart.com).

OCWD and MWDOC work cooperatively to evaluate new and innovative water management and supply development programs, including water reuse and recycling, wetlands expansion, recharge facility construction, ocean and brackish water desalination, surface storage, water use efficiency programs, improved stormwater and dry weather urban runoff recovery. These efforts are helping to enhance long-term countywide water reliability and water quality.

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



## BASIC INFORMATION ABOUT DRINKING WATER CONTAMINANTS

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

*Contaminants that may be present in source water include:*

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

In order to ensure that tap water is safe to drink, USEPA and the DDW prescribe regulations that limit the amount of certain contaminants in water provided by public water systems.

The U.S. Food and Drug Administration regulations and California law also establish limits for contaminants in bottled water that must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk.

More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline at (800) 426-4791.

# FEDERAL AND STATE WATER QUALITY REGULATIONS

## WATER QUALITY ISSUES THAT COULD AFFECT YOUR HEALTH

### DRINKING WATER FLUORIDATION

Fluoride has been added to U.S. drinking water supplies since 1945. Of the 50 largest cities in the U.S., 43 fluoridate their drinking water. In December 2007, MWDSC joined a majority of the nation's public water suppliers in adding fluoride to drinking water in order to prevent tooth decay. MWDSC was in compliance with all provisions of the State's fluoridation system requirements. Our local groundwater is not supplemented with fluoride. Fluoride levels in drinking water are limited under California state regulations at a maximum dosage of 2 parts per million.

Additional information about the fluoridation of drinking water can be found through the following sources:

**U.S. Centers for Disease Control and Prevention:**

1-888-CDC-INFO (1-888-232-4636)

[www.cdc.gov/fluoridation/](http://www.cdc.gov/fluoridation/)

**State Water Resources Control Board,  
Division of Drinking Water**

[www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/  
Fluoridation.shtml](http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Fluoridation.shtml)

**American Dental Association**

[www.ada.org/en/public-programs/advocating-for-the-public/fluoride-and-fluoridation/ada-fluoridation-resources](http://www.ada.org/en/public-programs/advocating-for-the-public/fluoride-and-fluoridation/ada-fluoridation-resources)

**American Water Works Association:**

[www.awwa.org](http://www.awwa.org)

### ABOUT LEAD IN TAP WATER

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

### DISINFECTANTS AND DISINFECTION BYPRODUCTS

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

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

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

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

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



# WATER QUALITY ISSUES THAT COULD AFFECT YOUR HEALTH

## IMMUNO-COMPROMISED PEOPLE

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

## CHLORAMINES

EOCWD imports water from MWDSC and produces water using chloramines, a combination of chlorine and ammonia, as its drinking water disinfectant. Chloramines are effective killers of bacteria and other microorganisms that may cause disease. Chloramines form fewer disinfection byproducts and have no odor when used properly. People who use kidney dialysis machines may want to take special precautions and consult their physician for the appropriate type of water treatment. Customers who maintain fish ponds, tanks or aquaria should also make necessary adjustments in water quality treatment, as these disinfectants are toxic to fish.

For further information or if you have any questions about chloramines please visit our website, [www.eocwd.com](http://www.eocwd.com), or call (714) 538-5815.

## CRYPTOSPORIDIUM

Cryptosporidium is a microscopic organism that, when ingested, can cause diarrhea, fever, and other gastrointestinal symptoms. The organism comes from animal and/or human wastes and may be in surface water. MWDSC tested their source water and treated surface water for Cryptosporidium in 2021 but did not detect it. If it ever is detected, Cryptosporidium is eliminated by an effective treatment combination including sedimentation, filtration and disinfection.

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

## CHART LEGEND

### WHAT ARE WATER QUALITY STANDARDS?

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

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

### HOW ARE CONTAMINANTS MEASURED?

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

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

### WHAT IS A WATER QUALITY GOAL?

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

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



## SOURCEWATER ASSESSMENTS

### GROUNDWATER ASSESSMENT

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

A copy of the complete assessment is available at SWRCB, Division of Drinking Water, 2 MacArthur Place, Suite 150, Santa Ana CA 92707. You may request a summary of the assessment by contacting Jerry Mendzer at EOCWD, (714) 538-5815.

### IMPORTED (MWDSC) WATER ASSESSMENT

Every five years, MWDSC is required by DDW to examine possible sources of drinking water contamination in its State Water Project and Colorado River source waters. The most recent watershed sanitary surveys for MWDSC's source waters are the Colorado River Watershed Sanitary Survey – 2020 Update, and the State Water Project Watershed Sanitary Survey – 2016 Update.

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

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

A copy of the most recent summary of either Watershed Sanitary Survey or the SWA can be obtained by calling MWDSC at (800) CALL-MWD (225-5693).



## 2021 EAST ORANGE COUNTY WATER DISTRICT DRINKING WATER QUALITY METROPOLITAN WATER DISTRICT TREATED SURFACE WATER

Chemical	MCL	PHG (MCLG)	Average Amount	Range of Detections	MCL Violation?	Typical Source of Contaminant
<b>Radiologicals - Tested in 2020 and 2021</b>						
Gross Alpha Particle Activity (pCi/L)	15	(0)	ND	ND - 3	No	Erosion of Natural Deposits
Gross Beta Particle Activity (pCi/L)	50	(0)	5	4 - 6	No	Decay of Natural and Man-made Deposits
Uranium (pCi/L)	20	0.43	2	1 - 3	No	Erosion of Natural Deposits
<b>Inorganic Chemicals - Tested in 2021</b>						
Aluminum (ppm)	1	0.6	0.141	ND - 0.21	No	Treatment Process Residue, Natural Deposits
Barium (ppm)	1	2	0.111	0.111	No	Refinery Discharge, Erosion of Natural Deposits
Bromate (ppb)	10	0.1	ND	ND - 4.6	No	Byproduct of Drinking Water Ozonation
Fluoride (ppm)	2	1	0.7	0.6 - 0.9	No	Water additive for Dental Health
<b>Secondary Standards* - Tested in 2021</b>						
Aluminum (ppb)	200*	600	141	ND - 210	No	Treatment Process Residue, Natural Deposits
Chloride (ppm)	500*	n/a	96	95 - 97	No	Runoff or Leaching from Natural Deposits
Color (color units)	15*	n/a	1	1	No	Naturally-occurring Organic Materials
Odor (threshold odor number)	3*	n/a	2	2	No	Naturally-occurring Organic Materials
Specific Conductance (µmho/cm)	1,600*	n/a	958	950 - 965	No	Substances that form Ions in Water
Sulfate (ppm)	500*	n/a	214	214 - 215	No	Runoff or Leaching of Natural Deposits
Total Dissolved Solids (ppm)	1,000*	n/a	597	597	No	Runoff or Leaching of Natural Deposits
<b>Unregulated Chemicals - Tested in 2021</b>						
Alkalinity, total as CaCO <sub>3</sub> (ppm)	Not Regulated	n/a	125	124 - 126	n/a	Runoff or Leaching from Natural Deposits
Boron (ppm)	NL = 1	n/a	0.13	0.13	n/a	Runoff or Leaching from Natural Deposits
Calcium (ppm)	Not Regulated	n/a	66	65 - 66	n/a	Runoff or Leaching from Natural Deposits
Hardness, total as CaCO <sub>3</sub> (ppm)	Not Regulated	n/a	274	271 - 276	n/a	Runoff or Leaching from Natural Deposits
Hardness, total (grains/gallon)	Not Regulated	n/a	16	16	n/a	Runoff or Leaching from Natural Deposits
Magnesium (ppm)	Not Regulated	n/a	25	24 - 26	n/a	Runoff or Leaching from Natural Deposits
pH (pH units)	Not Regulated	n/a	8.1	8.1	n/a	Hydrogen Ion Concentration
Potassium (ppm)	Not Regulated	n/a	4.4	4.2 - 4.6	n/a	Runoff or Leaching from Natural Deposits
Sodium (ppm)	Not Regulated	n/a	94	93 - 95	n/a	Runoff or Leaching from Natural Deposits
Total Organic Carbon (ppm)	TT	n/a	2.4	1.9 - 2.8	n/a	Various Natural and Man-made Sources

**ppb** = parts per billion; **ppm** = parts per million; **pCi/L** = picoCuries per liter; **µmho/cm** = micromhos per centimeter; **ND** = not detected;

**MCL** = Maximum Contaminant Level; **(MCLG)** = federal MCL Goal; **PHG** = California Public Health Goal

**NL** = Notification Level; **n/a** = not applicable; **TT** = treatment technique \* *Chemical is regulated by a secondary standard.*

Turbidity - combined filter effluent Metropolitan Water District Diemer Filtration Plant	Treatment Technique	Turbidity Measurements	TT Violation?	Typical Source of Contaminant
1) Highest single turbidity measurement (NTU)	0.3	0.03	No	Soil Runoff
2) Percentage of samples less than or equal to 0.3 NTU	95%	100%	No	Soil Runoff

Turbidity is a measure of the cloudiness of the water, an indication of particulate matter, some of which might include harmful microorganisms.

Low turbidity in Metropolitan's treated water is a good indicator of effective filtration. Filtration is called a "treatment technique" (TT).

A treatment technique is a required process intended to reduce the level of chemicals in drinking water that are difficult and sometimes impossible to measure directly.

**NTU** = nephelometric turbidity units

## 2021 EAST ORANGE COUNTY WATER DISTRICT DISTRIBUTION SYSTEM WATER QUALITY

Disinfection Byproducts	MCL (MRDL/MRDLG)	Average Amount	Range of Detections	MCL Violation?	Typical Source of Contaminant
Total Trihalomethanes (ppb)	80	38	26 - 47	No	Byproducts of Chlorine Disinfection
Haloacetic Acids (ppb)	60	18	5.1 - 37	No	Byproducts of Chlorine Disinfection
Chlorine Residual (ppm)	( 4 / 4 )	2.07	1.14 - 2.5	No	Disinfectant Added for Treatment
Aesthetic Quality					
Color (color units)	15*	ND	ND - 1	No	Erosion of Natural Deposits
Turbidity (ntu)	5*	<0.1	ND - 0.2	No	Erosion of Natural Deposits

Two locations in the distribution system are tested quarterly for total trihalomethanes and haloacetic acids; one location is tested monthly for color, odor and turbidity. Odor was not detected in 2021.

**MRDL** = Maximum Residual Disinfectant Level; **MRDLG** = Maximum Residual Disinfectant Level Goal;

\*Contaminant is regulated by a secondary standard to maintain aesthetic qualities (taste, odor, color).

## LEAD AND COPPER ACTION LEVELS AT RESIDENTIAL TAPS

	Action Level (AL)	Public Health Goal	90th Percentile Value	Sites Exceeding AL / Number of Sites	AL Violation?	Typical Source of Contaminant
Lead (ppb)	15	0.2	ND	0/20	No	Corrosion of Household Plumbing
Copper (ppm)	1.3	0.3	0.087	0/20	No	Corrosion of Household Plumbing

Twenty residences were tested for lead and copper at-the-tap during 2021. Lead was not detected in any sample.

Copper was detected in 3 samples but none exceeded the action level. The regulatory action level is the concentration of lead or copper which, if exceeded in more than ten percent of the homes tested, triggers treatment or other requirements that a water system must follow. In 2021, no school submitted a request to be sampled for lead.



# YOUR DRINKING WATER REMAINS SAFE AND RELIABLE

## EOCWD ADDRESSES PFAS TO ENSURE FULL COMPLIANCE WITH WATER QUALITY STANDARDS

EOCWD provides safe, reliable and high-quality drinking water meeting all state and federal standards to customers in our service area. Because we value the trust you and your family place in us as your water provider, we are addressing PFAS in our groundwater supply system.

PFAS are chemicals prevalent in the environment that were once commonly used in many consumer products including carpets, clothing, furniture fabrics, paper food packaging, water/stain/grease resistant materials and fire-fighting foam used at airfields. In 2019, the California State Water Resources Control Board's Division of Drinking Water (DDW) required testing by water agencies across the state for PFAS compounds in groundwater wells.

Wells utilized by EOCWD tested positive for PFAS compounds which exceeded the notification levels established by DDW of 6.5 ppt (parts per trillion) for Perfluoro octane sulfonic acid (PFOS) and 5.1 ppt for Perfluoro octanoic acid (PFOA). Please note that response levels of 10 ppt for PFOA and 40 ppt for PFOS were set by DDW. Assembly Bill 756 requires wells with detections above the response level to be taken out of service or public notification.

In response to the above detections, EOCWD discontinued use of groundwater wells in May, 2019. Since that time, no groundwater from EOCWD wells has been served to customers. Our team also immediately began work on treatment options so that we can again utilize our groundwater supply. We are currently in the construction phase of a treatment system which is expected to come online in early-to-mid 2023.

Additional information on PFAS may be found on the California Water Board's Division of Drinking Water website, [www.waterboards.ca.gov/pfas/](http://www.waterboards.ca.gov/pfas/)

Further information about updated regulation standards can be found in a release issued by the California Water Boards at, [www.waterboards.ca.gov/press\\_room/press\\_releases/2020/pr02062020\\_pfoa\\_pfos\\_response\\_levels.pdf](http://www.waterboards.ca.gov/press_room/press_releases/2020/pr02062020_pfoa_pfos_response_levels.pdf)

View Orange County Water District's resource page concerning PFAS at, [www.ocwd.com/what-we-do/water-quality/pfoapfos/](http://www.ocwd.com/what-we-do/water-quality/pfoapfos/)

The Federal EPA also recently announced plans to further address PFAS at the national level. More information is available on their website at, [www.epa.gov/newsreleases/epa-announces-proposed-decision-regulate-pfoa-and-pfos-drinking-water](http://www.epa.gov/newsreleases/epa-announces-proposed-decision-regulate-pfoa-and-pfos-drinking-water)

### PFAS CAN BE FOUND IN:



### WHERE CAN YOU LEARN MORE?

There's a wealth of information on the internet about Drinking Water Quality and water issues in general. Some good sites to begin your own research are:

**Metropolitan Water District of Southern California:**

[www.mwdh2o.com](http://www.mwdh2o.com)

**California Department of Water Resources:**

[www.water.ca.gov](http://www.water.ca.gov)

**The Water Education Foundation:**

[www.watereducation.org](http://www.watereducation.org)

To learn more about **Water Conservation & Rebate Information:**

[www.bewaterwise.com](http://www.bewaterwise.com) • [www.ocwatersmart.com](http://www.ocwatersmart.com)

And to see the Aqueducts in action, check out these two videos:

**Wings Over the State Water Project:**

[www.youtube.com/watch?v=8A1v1Rr2neU](https://www.youtube.com/watch?v=8A1v1Rr2neU)

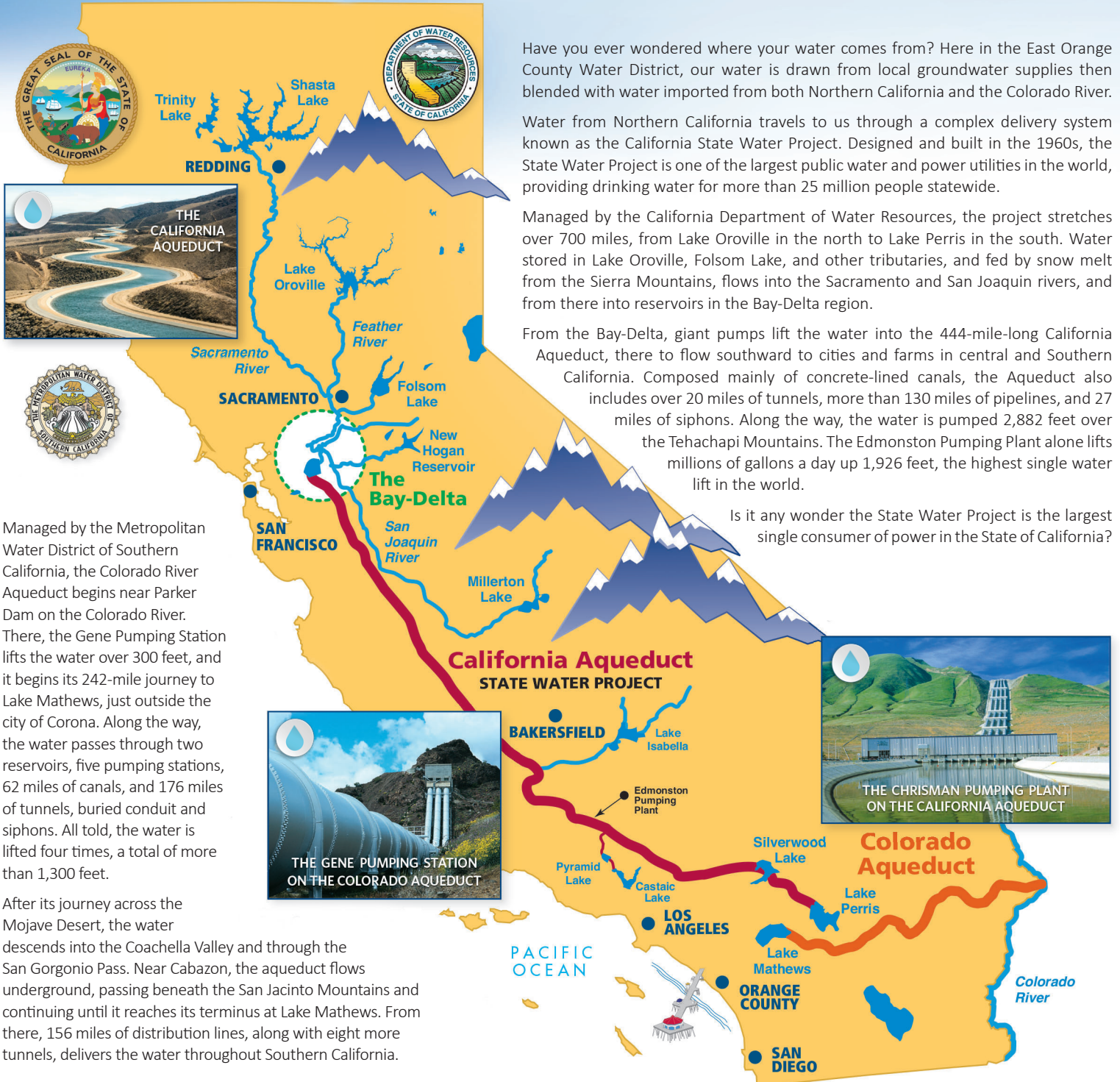
**Wings Over the Colorado Aqueduct:**

[www.youtube.com/watch?v=\\_orUhyA\\_1q8](https://www.youtube.com/watch?v=_orUhyA_1q8)

# WHERE DOES OUR WATER COME FROM?



## ...AND HOW DOES IT GET TO US?



Have you ever wondered where your water comes from? Here in the East Orange County Water District, our water is drawn from local groundwater supplies then blended with water imported from both Northern California and the Colorado River.

Water from Northern California travels to us through a complex delivery system known as the California State Water Project. Designed and built in the 1960s, the State Water Project is one of the largest public water and power utilities in the world, providing drinking water for more than 25 million people statewide.

Managed by the California Department of Water Resources, the project stretches over 700 miles, from Lake Oroville in the north to Lake Perris in the south. Water stored in Lake Oroville, Folsom Lake, and other tributaries, and fed by snow melt from the Sierra Mountains, flows into the Sacramento and San Joaquin rivers, and from there into reservoirs in the Bay-Delta region.

From the Bay-Delta, giant pumps lift the water into the 444-mile-long California Aqueduct, there to flow southward to cities and farms in central and Southern California. Composed mainly of concrete-lined canals, the Aqueduct also includes over 20 miles of tunnels, more than 130 miles of pipelines, and 27 miles of siphons. Along the way, the water is pumped 2,882 feet over the Tehachapi Mountains. The Edmonston Pumping Plant alone lifts millions of gallons a day up 1,926 feet, the highest single water lift in the world.

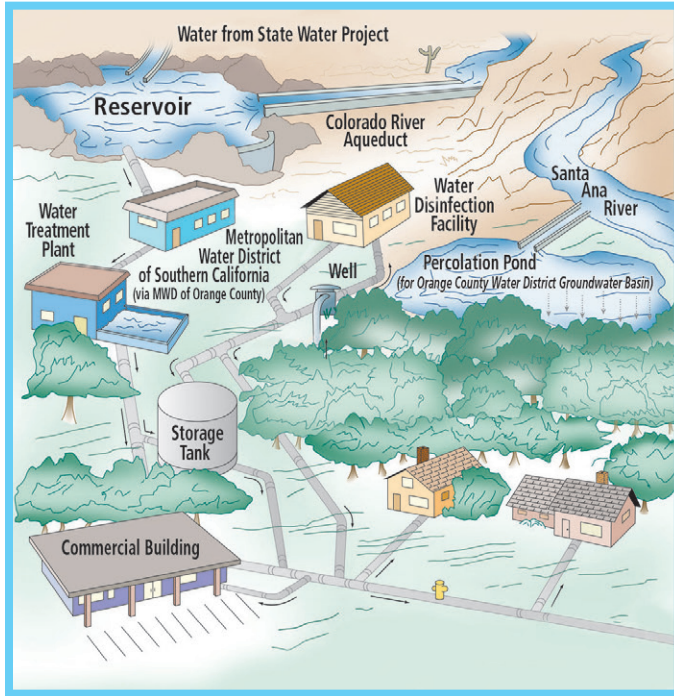
Is it any wonder the State Water Project is the largest single consumer of power in the State of California?

Managed by the Metropolitan Water District of Southern California, the Colorado River Aqueduct begins near Parker Dam on the Colorado River. There, the Gene Pumping Station lifts the water over 300 feet, and it begins its 242-mile journey to Lake Mathews, just outside the city of Corona. Along the way, the water passes through two reservoirs, five pumping stations, 62 miles of canals, and 176 miles of tunnels, buried conduit and siphons. All told, the water is lifted four times, a total of more than 1,300 feet.

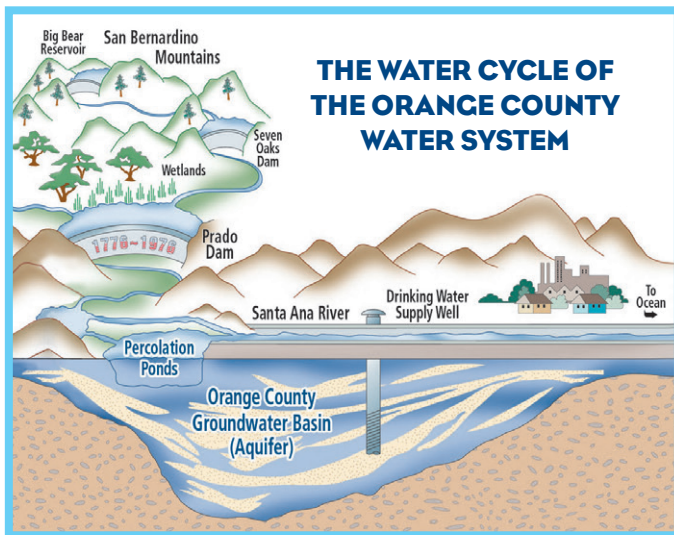
After its journey across the Mojave Desert, the water descends into the Coachella Valley and through the San Geronio Pass. Near Cabazon, the aqueduct flows underground, passing beneath the San Jacinto Mountains and continuing until it reaches its terminus at Lake Mathews. From there, 156 miles of distribution lines, along with eight more tunnels, delivers the water throughout Southern California.

## HOW DOES OUR WATER GET TO US?

Importing water from hundreds of miles away is only the start to providing you clean, fresh water. Once the water is in the southland, the Municipal Water District of Orange County, in partnership with the Metropolitan Water District of Southern California, pumps the water to individual cities throughout Orange County. The Orange County Water District, which manages the groundwater basin beneath the county, ensures the quality and supply of groundwater throughout its service area. East Orange County Water District sits atop the county aquifer and draws water from this local source, then blends it with the imported surface water.



Cascading from its source high in the San Bernardino Mountains, the Santa Ana River is fed by a watershed over 2,500 square miles in area. River water is captured behind Prado Dam and slowly released to help replenish the Orange County groundwater basin. Percolation ponds in Anaheim and Orange hold this water so it can seep into the basin.



The East Orange County Water District vigorously works to ensure the safety of your drinking water and, in conjunction with Metropolitan Water District and OCWD, continuously monitors the water to verify adherence with drinking water regulations.

## THE NEED TO CONSERVE WATER REMAINS A HIGH PRIORITY THROUGHOUT CALIFORNIA

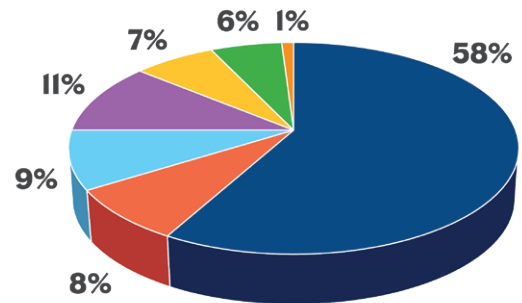
This winter's wet weather, while welcome, has not alleviated the State's water situation. One good season can't overcome the effects of five dry years. Southern California has an arid climate and the need for wise water use must remain a part of everyone's daily lives. Simple water saving acts like the ones listed here can save countless gallons of water every day.

- Soak pots and pans instead of letting water run while you scrub them clean. **This both saves water and makes the job easier.**
- Keep a pitcher of drinking water in the refrigerator. **This can save gallons of water every day and it's always cold!**
- Plug the sink instead of running water to rinse your razor or wet your toothbrush. **This can save upwards of 300 gallons of water a month.**
- Use a broom instead of a hose to clean off sidewalks and driveways. **It takes very little time to sweep and the water savings quickly adds up.**
- Check your sprinkler system for leaks, overspray, and broken sprinkler heads and repair promptly. **This can save countless gallons each time you water.**
- Water plants in the early morning. **It reduces evaporation and ensures deeper watering.**

## WHERE DO WE USE WATER THE MOST?

Outdoor watering of lawns and gardens makes up approximately 60% of home water use. By reducing outdoor water use – by either cutting back on irrigation or planting more drought tolerant landscaping – you can dramatically reduce your overall water use.

*Save the most where you use the most: Make your outdoor use efficient.*



- Landscaping
- Leaks
- Showers & Baths
- Faucets
- Clothes Washers
- Dishwashers
- Toilets

*Data is representative of average consumption; your water usage may vary.*



East Orange County Water District  
185 North McPherson Rd • Orange, California 92869  
(714) 538-5815 • www.eocwd.com

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: ACCOUNT SIGNATURE AUTHORIZATIONS**  
**DATE: JUNE 16, 2022**

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## Background

With the retirement of John Dulebohn, Board Director and the appointment of Marilyn Thoms, Board Director, action must be taken authorizing selection signature authorities granted to the Board Members and signatories (e.g., bank accounts, credit cards, investment accounts).

The attached resolution accomplishes these transfers/signatory changes and authorizes the President and Secretary to sign such documents as may be required by the institutions to effect such changes.

## Financial Impact

None.

## Recommendation

The Board approve Resolution No. 920 authorizing signatures for all accounts and rescinding prior resolution.

RESOLUTION NO. 920

RESOLUTION OF THE BOARD OF DIRECTORS  
AUTHORIZING SIGNATURES FOR ALL ACCOUNTS, AND  
RESCINDING PRIOR RESOLUTIONS

WHEREAS, the Board of Directors (“Board”) of the East Orange County Water District (“EOCWD” or “District”) recently appointed Marilyn Thoms, effective May 19, 2022, to complete the term of office left vacant by the resignation of Director John Dulebohn; and

WHEREAS, the Board previously adopted Resolution No. 906, whereby the Board authorized signatures for all of the District’s accounts at designated depositories and rescinded prior resolutions; and

WHEREAS, the Board desires to revise its authorization of signatures and authorization to make specified transfers, so as to add Marilyn Thoms and remove John Dulebohn, an otherwise renew the prior authorizations; and

WHEREAS, the Board will, by Board resolution, designate and re-designate from time to time a depository or depositories for corporate checking and/or savings account(s) of the District, which accounts shall be governed by the rules, regulations, bylaws, and practices of the respective depositories including interest, service charges, and other matters.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The members of the Board, the General Manager, and the Treasurer are designated as the officers of the District who shall be authorized to draw checks on, withdraw funds from, and endorse and receive payments to the District’s accounts at each of said depositories in the manner set forth in Section 3 hereof. The Secretary is hereby authorized and directed to (1) certify the signatures of the members of the Board, General Manager, and Treasurer, which certification shall be attached as Exhibit A hereto and be incorporated herein by this reference; and (2) certify their signatures upon an appropriate bank depositor’s agreement or card.

Section 2. For any endorsement to a check or withdrawal from said depositories in an amount of up to and including \$74,999.99, one (1) signature, which shall be the signature of either the General Manager or Treasurer is required upon such instrument. Except as provided in

the preceding sentence, two (2) signatures, consisting of the signature of one (1) of the members of the Board and the signature of either the General Manager or Treasurer are required upon any endorsements to checks or withdrawals from said depositories. The one (1) signature required by the first sentence and one of said (2) signatures required by the second sentence may be a facsimile, electronic or otherwise, of the signature, if such facsimile signature resembles the facsimile specimen from time to time filed with the depository.

Section 3. The General Manager and Treasurer, or any of them, are authorized to execute and deliver to each depository such agreements as the depository may require, and any renewals or amendments thereof, for fund transfers and electronic payment services relating to transfers and/or payments from or to the District's account(s), and each such agreement may contain such provisions as the General Manager or Treasurer approves (including but not limited to provisions relating to security procedures and indemnities). The General Manager or Treasurer are further authorized to initiate, amend, cancel, confirm, or verify the authenticity of instruction to each depository for fund transfers and electronic payments, whether given orally, electronically, or by facsimile instructions.

Section 4. Each of said depositories designated by the Board is authorized to honor and act in accordance with any such instruments so signed or endorsed and presented to it.

Section 5. The authorities hereby conferred shall continue in full force and effect until written notice of the revocation thereby by the Board shall have been received by said depositories, and the Secretary is hereby authorized to provide to each of said depositories a certified copy of this Resolution.

Section 6. The President, Secretary, and each other officer of the District is hereby authorized and directed to execute and deliver bank depositor agreements and/or cards, fund transfer agreements, depository or custodial agreements, and any and all other documents and instruments necessary to or proper for carrying out the authorities conferred by this Resolution. The Treasurer, as District Auditor and Treasurer, is directed to deliver, or cause to be delivered, any such agreements, cards, documents, and instruments to the respective depositories.

Section 7. The Treasurer, serving as the District Auditor, is directed to make, or cause to be made, a monthly report of all such accounts and transactions to the Board.

Section 8. Except as otherwise stated herein, all prior resolutions adopted by the Board as of the date of this Resolution, relative to the appointment of a Treasurer, are hereby deemed superseded by this Resolution. All prior signature authorizations given for depositories of the District pursuant to the authority granted by those prior resolutions are hereby superseded by this Resolution.

ADOPTED, SIGNED, AND APPROVED this 16th day of June, 2022.

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Douglass S. Davert, President  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors thereof

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Jeffrey A. Hoskinson, Secretary  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors thereof

STATE OF CALIFORNIA    )  
  ) ss.  
COUNTY OF ORANGE    )

I, JEFFREY A. HOSKINSON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. 920 was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on June 16, 2022, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Jeffrey A. Hoskinson, Secretary  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors thereof

EXHIBIT A

SECRETARY'S CERTIFICATE

I, JEFFREY A. HOSKINSON, do hereby certify that I am the duly appointed, qualified, and acting Secretary of the EAST ORANGE COUNTY WATER DISTRICT, a county water district organized and existing under and by virtue of the laws of the State of California, and I further certify that the persons whose names are set forth below are (1) the duly elected and/or appointed members of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, and/or (2) the persons authorized under Resolution No. 920 by such combination of their signatures as designed therein, to draw checks on, withdraw funds from, and endorse and receive payments to the District's accounts at depositories designated by the Board of Directors of the District, and that the signatures set forth opposite their names below are their true and genuine signatures.

RICHARD B. BELL  
Director

\_\_\_\_\_

DOUGLASS S. DAVERT  
Director

\_\_\_\_\_

GEORGE MURDOCH  
Director

\_\_\_\_\_

JOHN L. SEARS  
Director

\_\_\_\_\_

MARILYN THOMS  
Director

\_\_\_\_\_

DAVID YOUNGBLOOD  
General Manager

\_\_\_\_\_

CINDY BYERRUM  
Treasurer

\_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
JEFFREY A. HOSKINSON  
Secretary of the EAST ORANGE COUNTY  
WATER DISTRICT and the Board of  
Directors thereof

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: VANDERWERFF WELL – PSA AMENDMENT TO STEVEN ANDREWS ENGINEERING**  
**DATE: JUNE 16, 2022**

**Background**

At the May 12, 2022 meeting, the Board awarded a contract to Pascal and Ludwig Constructors to equip the VanderWerff Well. Steven Andrews Engineering (SAE) provided design services for the well equipping. At staff’s request SAE submitted the attached proposal for engineering services during construction.

Staff recommends awarding Professional Services Agreement (PSA) Amendment #1, in the amount of \$73,940 for a total contract amount of \$272,120, to SAE for engineering services during the VanderWerff Well equipping construction. Staff expects construction the VanderWerff Well equipping to be completed in Spring 2023.

This item was reviewed by the Engineering and Operations Committee at the meeting on June 9, 2022 and the Committee recommended the Board award PSA Amendment #1 in the amount of \$73,940 to SAE.

**Financial Impact**

Funds have been budgeted in Account #7202106 for the VanderWerff Well project.

Cost Summary Table

VanderWerff Well		
Phase	Drilling, Install and Development	Equipping
Design	\$ 28,000	\$ 200,000
Construction	\$1,070,000	\$3,700,000
CA&I	\$ 83,000	\$ 75,000
Contingency	Complete	\$ 133,000
Total	\$1,181,000	\$4,108,000
Grant Funding		(\$2,080,000)
Grand Total		\$3,209,000

**Recommendation**

That the Board award a PSA Amendment #1, in the amount of \$73,940 for a total contract amount of \$272,120, to SAE for engineering services during the VanderWerff Well equipping construction.

**Attachment(s):** Steven Andrews Engineering Proposal



June 3, 2022

Job No. 224-11

Mr. Jeff Smyth  
East Orange County Water District  
185 N. McPherson Rd.  
Orange, CA 92869

**Subject: Construction Engineering Services for East Orange County Water District (EOCWD) VanderWerff Well Equipping**

Dear Mr. Smyth:

Steven Andrews Engineering (SAE) is pleased to submit this proposal to provide construction engineering services for the EOCWD VanderWerff Well Equipping Project to East Orange County Water District. The contents of this proposal include a Scope of Work and Fee for the project and will cover all proposal and construction engineering services to be completed by SAE.

The proposed scope of work is detailed below:

**SCOPE OF WORK**

For the Construction Engineering Services of the EOCWD VanderWerff Well Equipping Project, SAE will complete the following scope of work:

**Task 1 – Project Management**

Project Management is a continuous task throughout the projects duration and includes project setup and closure, quality assurance and quality control (QA/QC) for major deliverables.

**Task 2 – Proposal Phase**

SAE will provide technical support to District staff during Pascal & Ludwig Constructors (Pascal & Ludwig) proposal phase as follows:

- Review and prepare response to Pascal & Ludwig questions and requests for information (RFI). Issue clarifications and/or addendums as needed.
- Prepare change order to the Pascal & Ludwig contract documents to include revision to the drawings and specifications.
- Assist EOCWD staff with the preparation and execution of construction contract to Pascal & Ludwig.

Deliverables:

- Electronic submittal in CAD and pdf of conformed drawings.

### Task 3 – Engineering Services During Construction

For the construction phase of the EOCWD VanderWerff Well Equipping Project SAE will assist the EOCWD staff as follows:

- SAE will attend an on-site pre-construction conference with Pascal & Ludwig and EOCWD staff. SAE will attend progress meetings (Field or Zoom) meetings on a weekly basis.
- SAE will review and respond to RFI's from Pascal & Ludwig as needed. RFI responses will be provided within 5 working days from date of receipt. This included time for review and preparation of response.
- SAE will review and respond to shop drawing submittals as needed. Submittal responses will be provided within 10 working days from date of receipt.
- SAE will attend two (2) field visits to observe and monitor construction progress. In addition, SAE's electrical engineer will attend two (2) field visits.
- SAE will prepare and recommend for approval change orders as needed.
- SAE will prepare record drawings from as-built plans marked up by Pascal & Ludwig.
- SAE will provide assistance during permitting process.
- SAE will attend field visit during equipment startup and testing.
- SAE will assist with final inspection and project closeout.

#### Deliverables:

- Responses to RFI's, Submittal and Change Orders.
- Record Drawings in PDF format.

## SCHEDULE AND FEE

SAE estimates that the proposal phase for the project will take two (2) weeks to complete and the construction phase will take approximately two hundred seventy (270) working days to complete after award and execution of the contract. SAE proposes to complete the above scope of work (Task 1 through Task 3) on an hourly rate basis per the attached SAE rate schedule, for a not-to-exceed fee of \$73,940.00.

To successfully monitor the construction activities for this project the following work is recommended to be performed by others and not included in SAE proposal are:

- Site Survey
- Utility potholing
- Obtain City, County, other permits and any permit fee
- Soils investigation or reports
- Subgrade compaction and testing for the engine generator foundation slab.
- Concrete testing.
- Environmental studies or reports
- Construction observation by CDM inspector.

We appreciate this opportunity to submit this proposal and look forward to a successful project with District. If you have any questions or need any additional information, please contact us.

Very truly yours,

STEVEN ANDREWS ENGINEERING



Steven R. Andrews, P.E.  
President



## **RATE SCHEDULE**

(Valid January 1, 2022 through December 31, 2022)

<b><u>PROFESSIONAL SERVICES</u></b>	<b><u>HOURLY RATE</u></b> (\$)
Principal Engineer	220.00
Senior Engineer	200.00
Project Engineer	185.00
Senior Designer	130.00
Administrative Assistant	70.00

<b><u>REIMBURSABLE EXPENSES</u></b>	<b><u>RATE</u></b>
Reproduction	Cost + 10%
Consultant Services	Cost + 10%
Commercial Travel & Subsistence	Cost + 10%
Mileage	per IRS guidelines
Agency Fees	Cost



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: ID1 CRA PROJECT – CCO FOR CONSTRUCTION PACKAGE #2 TO T.E. ROBERTS, INC.**  
**DATE: JUNE 16, 2022**

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## Background

At the December 2, 2021 special meeting, the Board awarded ID1 CRA Project Construction Package #1 to T.E. Roberts, Inc. (T.E. Roberts). T.E. Roberts performed well and asphalt restoration is nearly complete.

Construction Package #2 will install new sewer main crossings at the I5 Freeway and Fallen Leaf (below the flood control channel and railroad) as well as sewer main replacement at Crawford Canyon, 6<sup>th</sup> Street, and Browning south of the I5 Freeway, as shown on the attached location map. Installation of the new sewer main crossing from Fallen Leaf to Edinger beneath the railroad requires a license agreement with the Orange County Transit Authority. The attached agreement has been reviewed by District legal counsel. In addition, temporary construction easements will be required from property owners adjacent to the construction area on Fallen Leaf and Royal Oak to facilitate the construction of the new sewer main and diversion structure. Staff is requesting and recommending the Board authorize the General Manager to acquire and accept the temporary construction easements. The anticipated cost of the easements collectively are expected to be substantially lower than the General Manager's approval level.

## CCO Cost Analysis

The design of Construction Package #2 was nearing completion when staff became aware of a future County of Orange improvement project along Crawford Canyon Road. The County project is expected to begin later this year and extend to the summer of 2023. Ideally, to minimize disruption to Panorama Elementary School and avoid any conflicts with the County project, the segment along Crawford Canyon should be installed this summer.

At staff's request, T.E. Roberts provided a construction cost estimate for Construction Package #2. Staff and Butier Engineering (Butier) reviewed the estimate and, with cost escalation, found it to be consistent with their costs on Package #1 (competitively bid in November of 2021) and with current market rates. In addition, the costs were compared to an estimate provided by the previous design-builder, Quanta. Staff and Butier found T.E. Robert's cost estimate to be of great value to the District considering T.E. Robert's overall cost was lower than Quanta's. It also represents a significant overall project cost reduction of approximately \$1.25M with the elimination of design-builder fees in transitioning the project to design-bid-build last fall. A summary of the estimates is attached.

Staff is recommending approval of a construction change order to T.E. Roberts, Inc. in the amount of \$7,553,601 and a time extension of 13 months to complete Construction Package #2 due to the following;

1. Staff and Butier compared T.E. Robert's estimated cost to an estimate received from Quanta and it was lower, Butier benchmarked it against their extensive knowledge of recent projects

- and believes it reflects current market rates, and it presents a great value to the District
2. T.E. Robert’s exemplary performance on Construction Package #1
  3. To avoid potential conflicts with the future County project on Crawford Canyon Rd.
  4. Completing the majority of the work on Crawford Canyon this summer with reduced traffic is safer and minimizes traffic impacts to Panorama Elementary and the surrounding community
  5. Delaying the project will most likely result in a higher cost with the current state of rapidly increasing construction costs post-pandemic

Staff is also requesting an increase to the current contingency from \$500,000 to \$1,000,000 to address any additional unanticipated field conditions. This will result in a total Construction budget for Construction Packages #1 and #2 with contingency of \$13,104,886.

T.E. Roberts is prepared to begin shortly after the award and expects to complete the Crawford Canyon segment this summer with final project completion in May of 2023.

This item was reviewed by the Engineering and Operations Committee at the meeting on June 9, 2022 and the Committee recommended the Board authorize the General Manager to execute a contract change order in the amount of \$7,553,601 to T.E. Roberts and a 13 month time extension; approve the General Manager a \$1,000,000 contingency to address any unanticipated conditions; authorize and approve the General Manager to execute a License Agreement with the Orange County Transit Authority; and authorize the General Manager to acquire and accept temporary construction easements for the project.

**Financial Impact**

Funds have been budgeted in Account #7302120 for the ID1 CRA Project.

ID1 CRA Project Cost Summary	
Design	\$ 2,350,000
Construction – Package 1	\$ 4,551,000
Construction – Package 2	\$ 7,554,000
CM&I	\$ 1,480,000
Contingency	\$ 1,000,000
Total	\$16,935,000

**Recommendation**

That the Board authorize the General Manager to execute a contract change order, in the amount of \$7,553,601, to T.E. Roberts for construction of Package #2 and a time extension of 13 months; authorize and approve the General Manager a \$1,000,000 contingency to address any unanticipated conditions; authorize and approve the General Manager to execute a License Agreement with the Orange County Transit Authority; and authorize the General Manager to acquire and accept temporary construction easements for the project.

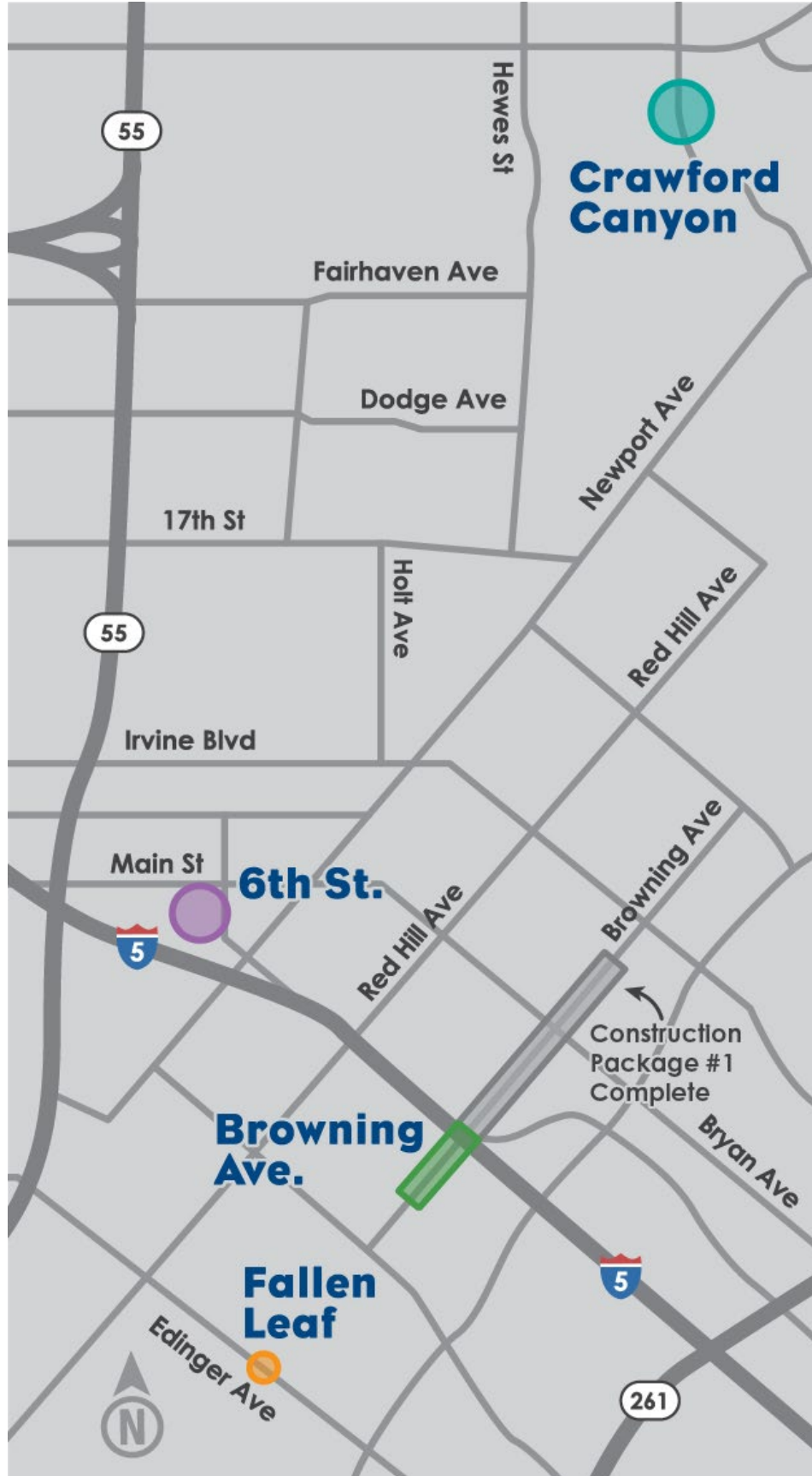
**Attachment(s):**

Location Map

OCTA License Agreement

Cost Estimate Summary

# ID1 CRA PROJECT LOCATION MAP



**ORANGE COUNTY TRANSPORTATION AUTHORITY  
LICENSE AGREEMENT**

This LICENSE AGREEMENT ("Agreement") is made and entered into as of June 6, 2022 ("Effective Date"), by and between the ORANGE COUNTY TRANSPORTATION AUTHORITY, a public entity ("OCTA"), and EAST ORANGE COUNTY WATER DISTRICT, ("Licensee"), upon and in consideration of the agreements, covenants, terms and conditions below:

**PART I - BASIC LICENSE PROVISIONS**

1. **Description of License Property:** The "License Property" shall be defined as that portion of the OCTA railroad right of way near Mile Post 178.47 located North of Edinger Avenue in the city of Tustin, California as shown on Exhibit "A" attached hereto and incorporated herein and as otherwise may further be defined and limited in Part II, Section 1.1 of this Agreement.

Approximate area:                      600 ± square feet

2. **Use of License Property:**      Installation of a 20-inch sewer line within a 36-inch steel encasement and subject to all the terms, conditions and limitations as set forth in Part II of this Agreement.

3. **Commencement Date:**            Notwithstanding the Effective Date set forth above, the Term of the license provided by this Agreement shall commence only upon the date all parties have signed this Agreement.

4. **Term:**                                      Month-to-Month

5. **License Fees:**

A.      Base License Fee:      \$2,000.00 payable annually in advance

B.      One-Time Fee:              \$500.00

C.      Base License Fee Adjustment:      Annually, based on CPI Index, per Section 2.2.1, Annual CPI Adjustment, General License Provisions.

6. **Insurance Requirements:** Insurance requirements are detailed in Section 16, Insurance.

7. **OCTA's Address:**

ORANGE COUNTY TRANSPORTATION AUTHORITY  
550 S. Main Street  
P. O. Box 14184  
Orange, CA 92863-1584  
Attn: Real Property Department

**8. Licensee's Address:**

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

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9. **Facility:** The "Facility" shall be defined as any improvements made to the License Property by Licensee, which may include, but not limited to, a 20-inch sewer line within a 36-inch steel encasement. The "Facility" shall **not** include any existing improvements on the License Property prior to the Commencement Date.

10. **Right to Possession.** Licensee's right to possession and use of the License Property shall be effective and take place upon the Commencement Date.

11. **The License Agreement.** The **BASIC LICENSE PROVISIONS** (Part I) above and the **GENERAL LICENSE PROVISIONS** (Part II) set forth below are incorporated into the other and taken as a whole constitute this Agreement. If any conflict exists between Part I and Part II of this Agreement then Part I shall control.

## **PART II - GENERAL LICENSE PROVISIONS**

### **1. LICENSE/TERM.**

1.1 **License.** OCTA hereby grants to Licensee a non-exclusive license to use the real property owned by OCTA described on the attached Exhibit "A", which is incorporated herein by reference, and described in Item 1 of the Basic License Provisions (the "License Property"). The License Property shall be used solely for the limited purpose of construction, installation, operation, alteration, maintenance, reconstruction and/or removal of the Facility described in Item 9 of the Basic License Provisions, and any usual, necessary and related appurtenances thereto, for the purposes described in Item 2 of the Basic License Provisions, together with rights for access and entry onto the License Property as necessary or convenient for the use of the Facility.

1.2 **Licensee Party.** In connection with this Agreement, Licensee, its officers, directors, employees, agents, customers, visitors, invitees, licensees and contractors (collectively, "Licensee Party"), subject to the provisions of this Agreement, may have reasonable rights of entry and access onto the License Property and use thereof. The License Property together with any adjoining real property (or any interest therein) of OCTA or personal property of OCTA located thereon, shall hereinafter collectively be defined and referred to as "OCTA Property."

1.3 **Term of Agreement.** The term ("Term") of this Agreement shall commence on the "Commencement Date" specified in Item 3 of the Basic License Provisions. This Agreement shall continue in full force and effect on a Month-to-Month basis as provided in Item 4 of the Basic License Provisions until terminated by either party on ninety (90) days' prior written notice. Licensee, therefore, acknowledges and agrees that notwithstanding any reliance upon this Agreement, the construction of the Facility or other expenditures incurred by Licensee based upon this Agreement, OCTA shall have the absolute right to terminate this Agreement prior to the date specified in Item 4 in its sole discretion by delivering ninety (90) days' prior written notice to Licensee.

1.4 **Public Use.** In addition to any and all other termination rights of OCTA described herein, Licensee hereby expressly recognizes and agrees that the License Property are located on OCTA

Property that may be developed for public projects and programs which may be implemented by OCTA or other public agencies, such as, but not limited to: rail and bus transitways, bikeways, walkways, beautification projects, roadways, parking facilities, flood control and drainage facilities, and/or any other public or other governmental uses (collectively and individually, "Public Use"). As such, Licensee's use of the License Property under this Agreement is a temporary, interim use as to which Licensee has no right to nor expectation of use for any particular length of time, may be terminated by OCTA by ninety (90) days written notice to Licensee as set forth in Section 1.2 above, and accordingly, as a condition to entering into this License, Licensee expressly acknowledges and agrees as follows:

- (a) OCTA may terminate this License as set forth above for any Public Use, to be determined in the sole and absolute discretion of OCTA's Executive Director, or designee;
- (b) Licensee waives any objection to, opposition, or protest at any public hearing, permitting process, or other approval proceeding and shall not file suit to prevent or delay any Public Use when planned or implemented on the License Property, or any other OCTA Property;
- (c) If OCTA's Executive Director, or designee, at any time, or from time to time, determines in his or her sole and absolute discretion, that there is a need for the License Property or any adjoining property for a Public Use and such Public Use requires relocation, modification, or removal of the Facility, Licensee shall reconstruct, alter, modify, relocate or remove the Facility as directed by OCTA or any parties having operating rights over the License Property, at Licensee's sole cost and expense, within ninety (90) days after written notice from OCTA; and
- (d) Licensee expressly assumes all risk of any future Public Use as determined by OCTA and in the event OCTA terminates this License and requires Licensee to vacate the License Property for any Public Use, Licensee agrees and acknowledges that Licensee shall not, as a result of such termination and vacation of the License Property, be entitled to receive any:
  - (i) relocation assistance, moving expenses, goodwill or other payments under the Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §4601 et seq. and/or the California Relocation Assistance Law, as amended, California Government Code §7260 et seq.; or
  - (ii) compensation under any eminent domain or inverse condemnation law, including under California Eminent Domain Law (Government Code § 1230.010 et seq.).

1.5 Condition of License Property. Licensee acknowledges that it has inspected and accepts the License Property in its present condition as suitable for the use for which this license is granted. Execution of this Agreement by Licensee shall be conclusive to establish that the License Property is in a condition which is satisfactory to Licensee as of the Commencement Date.

## 2. PAYMENTS.

2.1 License Fee. As consideration for the rights given hereunder, Licensee agrees to pay to OCTA the Base License Fee specified in Item 5 of the Basic License Provisions, as such amount may be adjusted as set forth in Section 2.2, and the one-time Additional License Fee specified in Item 5 of the Basic License Provisions. The one-time Additional License Fee and the first-year annual installment of the Base License Fee are due and payable upon execution of this Agreement. Thereafter, the Base License Fee, as such fee may be adjusted pursuant to the provisions of Section 2.2, shall be due and payable, without demand, on or before the anniversary date of the Commencement Date and each subsequent annual installment provided herein shall be made before each anniversary year thereafter. The Base License fee for any fractional period upon the termination of this Agreement, or any specific Term provided herein, shall be prorated on a daily basis based upon a 365-day year and shall be reimbursed to Licensee.

### 2.2 License Fee Adjustment.

2.2.1 Annual CPI Adjustment. The Base License Fee shall be increased, but not decreased, as provided below as of and on each anniversary of the Commencement Date unless another date(s) is provided in Item 5 of the Basic License Provisions (the "Adjustment Date"). The adjusted Base License Fee as of each Adjustment Date shall be the greater of the Base License Fee on the day preceding that Adjustment Date or that amount multiplied by a fraction, the numerator of which is the CPI figure for the third month preceding the month during which the particular Adjustment Date occurs and the denominator of which is the CPI figure for the month that is three (3) months prior to the month containing the prior Adjustment Date or, if none, the Commencement Date. As used in this section, the "CPI" means the Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles/Anaheim/Riverside, all items (1982-84 = 100), published by the U.S. Department of Labor, Bureau of Labor Statistics, or if such index is no longer published, the U.S. Department of Labor's most comprehensive official index then in use that most nearly corresponds to the index named above. If it is calculated from a base different from the base period 1982-84 = 100, figures used for calculating the adjustment shall first be converted to the base period used under a formula supplied by the Bureau. If a comparable index shall no longer be published by the U.S. Department of Labor, another index generally recognized as authoritative shall be substituted by OCTA.

2.2.2 Fair Market Adjustment. At intervals of not less than five (5) years, the Base License Fee (as such fee may be adjusted by Section 2.2.1, above) payable under this Section 2 shall be increased, but not decreased, in order to adjust the fee to the then fair market rental value of the License Property as determined by OCTA in good faith discretion. Such increases shall be effective on an anniversary date of the Commencement Date. OCTA shall give Licensee written notice of the date and amount of any such adjustment not less than thirty (30) days prior to the applicable anniversary date. If no adjustment is made on the fifth anniversary of the Commencement Date, an adjustment may nevertheless be made on any subsequent anniversary date and thereafter at intervals of not less than five (5) years apart. Any such adjustment may take into consideration the increase in fair market rental value since the last adjustment.

2.3 Late Charge. Licensee acknowledges that late payment by Licensee of any payment owed to OCTA under this Agreement will cause OCTA to incur costs not contemplated by this Agreement. Therefore, if any payment due from Licensee is not received by OCTA within five (5) days of the date when due, Licensee shall pay to OCTA an additional sum of ten percent (10%) of the overdue payment as a late charge, up to a maximum amount of \$1,000 for each late payment. The parties agree that this late charge represents a fair and reasonable estimate of the administrative costs that OCTA will incur by reason of a late payment by Licensee. Acceptance of any late payment shall not constitute a waiver of Licensee's default with respect to the overdue payment, and shall not prevent OCTA from exercising any of the other

rights and remedies available to OCTA under this Agreement, at law or in equity, including, but not limited to, the interest charge imposed pursuant to Section 24.5.

**3. TAXES.** Licensee shall be liable for and agrees to pay promptly and prior to delinquency, any tax or assessment, including but not limited to any possessory interest tax, levied by any governmental authority: (a) against the Facility and its operations, the License Property, and/or any personal property, fixtures or equipment of Licensee used in connection therewith, or (b) as a result of any Licensee Party's use of the License Property, or the Facility.

**4. CONSTRUCTION OF FACILITY AND RESTORATION.**

**4.1 Work on License Property.** All construction work performed or caused to be performed by Licensee on the Facility or the License Property shall be performed in accordance with and any and all applicable laws, rules and regulations (including the OCTA's rules and regulations), and in a manner which (i) meets or exceeds the then applicable standards of the industry for such construction work, and (ii) is satisfactory to OCTA. Prior to commencement of any construction, maintenance, reconstruction, installation, restoration, alteration, repair, replacement or removal (other than normal maintenance) (hereinafter, "Work") on the License Property, Licensee shall submit work plans to OCTA for review and approval. Any such Work must be carried out pursuant to work plans approved in writing by OCTA wherein such approval is at the sole discretion of OCTA. In addition, Licensee shall provide OCTA and all holders of underground utility facilities located within the License Property with at least ten (10) calendar days' written notice prior to commencement of any Work on the License Property or the Facility, except in cases of emergency, in which event Licensee shall notify OCTA's representative personally or by phone prior to commencing any Work.

**4.2 Restoration of License Property.** Unless otherwise requested by OCTA in writing, upon termination of this Agreement, Licensee shall remove the Facility and restore the License Property to its condition immediately preceding the commencement of any Work.

**5. CONTRACTORS - APPROVAL AND INSURANCE.** Any contractors of Licensee performing Work on the Facility or the License Property shall first be approved in writing by OCTA. With respect to such Work, Licensee shall, at its sole cost and expense, obtain and maintain in full force and effect, throughout the term of such Work, insurance, as required by OCTA, in the amounts and coverages specified on, and issued by insurance companies as specified in Section 16, Insurance, of this Agreement. Additionally, Licensee shall cause any and all of its contractors and subcontractors which may (a) be involved with such Work, or (b) may, for any reason, need to enter onto the License Property, to obtain and maintain in full force and effect throughout the term of such Work (as applicable), insurance, as required by OCTA, in the amounts and coverages specified on, and issued by insurance companies as described in Section 16, Insurance. OCTA reserves the right, at any time and throughout this Agreement, to review and change the amount and type of insurance coverage it requires in connection with this Agreement provided OCTA gives Licensee sixty (60) days' prior written notice of such change.

**6. REIMBURSEMENT.** Licensee agrees to reimburse OCTA for all reasonable costs and expenses incurred by OCTA in connection with Work on or maintenance of the License Property or the Facility, including, but not limited to, (a) costs incurred by OCTA in furnishing any materials or performing any labor, in connection with any Work on the License Property; (b) reviewing Licensee's Work plans and/or inspecting any Work; (c) installing or removing, if necessary, protection beneath or along OCTA's tracks; (d) furnishing of watchmen, flagmen and inspectors as OCTA deems necessary; and (e) such other items or acts as OCTA in its sole discretion deems necessary to monitor or aid in compliance with this Agreement.

**7. LIENS.** Licensee will fully and promptly pay for all materials joined or affixed to the Facility or the License Property, and fully and promptly pay all persons who perform labor upon the Facility or the License

Property. Licensee shall not suffer or permit to be filed or enforced against the License Property or the Facility, or any part thereof, any mechanics', materialmen's, contractors', or subcontractors' liens or stop notices arising from, or any claim for damage growing out of, any testing, investigation, maintenance or Work, or out of any other claim or demand of any kind. Licensee shall pay or cause to be paid all such liens, claims or demands, including sums due with respect to stop notices, together with attorney's fees incurred by OCTA with respect thereto, within ten (10) business days after notice thereof and shall indemnify, hold harmless, and defend OCTA from all obligations and claims made against OCTA for the above described work, including attorney's fees. Licensee shall immediately furnish evidence of payment of any Work performed on the License Property upon request of OCTA. Licensee may contest any lien, claim or demand by furnishing a statutory lien bond or equivalent with respect to stop notices to OCTA in compliance with applicable California law. If Licensee does not discharge any mechanic's liens or stop notice for work performed for Licensee, OCTA shall have the right to discharge the same (including by paying the claimant), and Licensee shall reimburse OCTA for the cost of such discharge within ten (10) business days after billing, including all reasonable attorneys' fees incurred by OCTA related thereto. OCTA reserves the right at any time to post and maintain on the OCTA Property and on the License Property such notices as may be necessary to protect OCTA against liability for all such liens and claims. The provisions of this Section 7 shall survive the termination of this Agreement.

**8. MAINTENANCE AND REPAIR.** Licensee, at Licensee's sole expense, shall maintain and repair the License Property and the Facility in a condition satisfactory to OCTA and in accordance with the additional provisions set forth in Exhibit B attached hereto and incorporated herein during the Term of this Agreement and shall be responsible for all clean up and maintenance of the License Property resulting from its use. Licensee shall be responsible for any citations issued by any agency having jurisdiction as a result of Licensee's failure to comply with local codes. If any portion of OCTA Property, including improvements or fixtures, suffers damage by reason of the access to or use thereof by Licensee or any Licensee Party, including but not limited to damage arising from any test or investigations conducted upon the License Property, Licensee shall, at its own cost and expense, immediately repair all such damage and restore the OCTA Property to as good a condition as before such cause of damage occurred. Licensee's obligation for repair of damage shall include, without limitation, regrading and resurfacing of any holes, ditches, cracks, indentations, mounds or other inclines created by any excavation by Licensee or Licensee Party.

**9. LANDSCAPING/PROTECTIVE FENCING.** If required by OCTA, Licensee, at its sole cost and expense, shall install barrier fencing and/or landscaping to shield the railroad track area from public access and/or the Facility from public view. OCTA shall have the right to review and approve fencing and/or landscaping plans prior to installation. All fencing and/or landscaping work shall be done in accordance with the provisions of Sections 4 and 5 and subject to the maintenance and repair provisions of Section 8 of this Agreement.

**10. LIMITED USE.** The License Property and the Facility shall be used solely for the purposes specified in Item 2 of the Basic License Provisions and for such lawful purposes as may be directly incidental and necessary thereto, but such use shall be interpreted in the most restrictive manner. No change shall be made by Licensee in the use of the License Property or the Facility without OCTA's prior written approval, which may be withheld at its sole discretion.

**11. ABANDONMENT.** If at any time Licensee abandons the use of the Facility or the License Property, or any part thereof, or fails to use or occupy the License Property for a continuous period of ninety (90) days for the purposes contemplated herein, then this Agreement shall automatically terminate to the extent of the portion so abandoned or discontinued, and in addition to any other rights or remedies, OCTA shall immediately be entitled to exclusive possession and ownership of that portion of the License Property and Facility so abandoned or discontinued, without the encumbrance of this Agreement. OCTA, at its option, may remove any materials, improvements, or any portion of the Facility remaining on the

abandoned property, and store and/or destroy the same, at Licensee's sole expense. Licensee shall provide OCTA a written notification of its intent to cease use of the License Property and/or abandon the License Property, or any portion thereof.

**12. EVENT OF DEFAULT.** If Licensee breaches, or fails to keep, observe or perform any agreement, covenant, term, or condition of this Agreement (collectively, "Event of Default") sole, then, in addition to any other available rights and remedies, OCTA, at its option, may:

(a) perform any necessary or appropriate corrective work caused by or relating to the Event of Default at Licensee's expense, which Licensee agrees to immediately pay to OCTA such expense, including reasonable attorney's fees, upon demand, or

(b) with or without written notice or demand, immediately terminate this Agreement and at any time thereafter, recover possession of the License Property or any part thereof, and expel and remove Licensee or any other person occupying the License Property, by any lawful means, and repossess and enjoy the License Property and the Facility, without prejudice to any of the rights and remedies that OCTA may have under this Agreement, at law or in equity by reason of Licensee's Event of Default or of such termination.

**13. SURRENDER.** Upon termination of this Agreement, unless otherwise requested in writing by OCTA to leave all, or any portion of, the Facility in place, prior to the date of termination, Licensee, at its own cost and expense, shall immediately remove the Facility and restore the License Property to as nearly as possible the same state and condition as existed prior to the construction, reconstruction or installation of the Facility. If Licensee fails to comply with the requirements of the preceding sentence, OCTA may at its option (a) perform the same at Licensee's sole cost and expense, which costs Licensee agrees to pay to OCTA immediately on demand, or (b) assume title and ownership of the Facility. No termination of this Agreement shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions, or events happening prior to the date the Facility is removed and the License Property is restored.

**14. INDEMNIFICATION.** Licensee agrees to indemnify, defend and hold OCTA and its employees, officers, directors, agents and representatives and its and their respective successors and assigns (collectively, the "Indemnified Parties") harmless from and against any and all claims, damages, losses, liabilities, costs and expenses, including attorney's fees (collectively, the "Claims") for injury or damage to real, personal, tangible or intangible property, including loss of use of any OCTA property, and all Claims for bodily injury, sickness, disease, or death of any person, arising from or in any way related to (i) any act, omission or entry upon the License Property or other activity under this Agreement by Licensee or a Licensee Party (including but not limited to any Claim by any insurance company which has paid a claim and is subrogated to the rights of the claimant), or (ii) any breach by Licensee or a Licensee Party of its obligations under this Agreement; provided, however, that no indemnification shall be provided hereunder to the extent any Claim has been caused by the gross negligence or willful misconduct of Indemnified Parties.

This Section 14 shall survive termination of this Agreement; and is in addition to any other rights or remedies which Indemnified Parties may have under the law or under this Agreement. Upon request of OCTA, Licensee shall provide insurance coverage for possible claims or losses covered by the indemnification and defense provisions of this Agreement.

Claims against the Indemnified Parties by Licensee or a Licensee Party shall not limit Licensee's indemnification obligations hereunder in any way, whether or not such claims against Indemnified Parties may result in any limitation on the amount or type of damages, compensation, or benefits payable by or for

Licensee or a Licensee Party under workers' compensation acts, disability benefit acts or other employee benefit acts or insurance.

**15. ASSUMPTION OF RISK AND WAIVER.** To the maximum extent allowed by law, Licensee assumes any and all risk of loss, damage or injury of any kind to any person or property, including, without limitation, the Facility, the License Property and any other property of, or under the control or custody of, Licensee, which is on or near the License Property. Licensee's assumption of risk shall include, without limitation, loss or damage caused by defects in any structure or improvement on OCTA Property, accident, fire, or other casualty on OCTA Property, or electrical discharge, noise or vibration resulting from OCTA's transit operations on or near OCTA Property. The term "OCTA" as used in this Section 15 shall include: (a) any transit or rail-related company validly operating upon or over OCTA's tracks or other property, and (b) any other persons or companies employed, retained or engaged by OCTA. As a material part of the consideration for this Agreement, Licensee, on behalf of itself and any Licensee Party, hereby waives all claims and demands against OCTA for any such loss, damage or injury of Licensee and/or any Licensee Party. Licensee waives the benefit of California Civil Code Section 1542, which provides as follows:

**"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

Licensee accepts the risk that the facts or the law may later turn out to be different than Licensee understands them to be at this time and acknowledges that this assumption of risk and waiver will not be affected by such different state of facts or law. The provisions of this Section 15 shall survive the termination of this Agreement.

**16. INSURANCE.**

- A. LICENSEE shall procure and maintain insurance coverage in full force and effect during the entire term of the Agreement. Coverage shall be full coverage and not subject to self-insurance provisions. LICENSEE shall provide the following insurance coverage:
1. Commercial General Liability, to include Contractual Liability, Personal Injury Liability, and Property Damage with a minimum limit of \$1,000,000 per occurrence, \$2,000,000 general aggregate.
  2. Commercial Automobile Liability Insurance to include owned, hired and non-owned autos with a combined single limit of \$1,000,000 for each accident.
  3. Workers' Compensation with limits as required by the State of California including a Waiver of Subrogation in favor of AUTHORITY, its officers, directors and employees.
  4. Employers' Liability with minimum limits of \$1,000,000 per accident, \$1,000,000 policy limit-disease, and \$1,000,000 policy limit employee-disease; and
  5. Pollution Liability with a minimum limit of \$1,000,000 per occurrence, \$2,000,000 general aggregate.

Proof of such coverage, in the form of a certificate of insurance and an insurance policy blanket additional insured endorsement, designating the AUTHORITY, its officers, directors and employees as additional insureds as required by the License Agreement. LICENSEE shall include on the face of the certificate of insurance the License Agreement name and Number OC-306.

Proof of insurance coverage must be received by AUTHORITY within ten (10) calendar days from the effective date of the Agreement. Such insurance shall be primary and non-contributive to any insurance or self-insurance maintained by the AUTHORITY. Furthermore, AUTHORITY reserves the right to request certified copies or review all related insurance policies, in response to a related loss. se to a related loss.

**17. TESTS AND INSPECTION.** OCTA shall have the right at any time to inspect the License Property and the Facility to monitor compliance with the terms of this Agreement. OCTA shall be permitted to conduct any tests or assessments, including but not limited to environmental assessments, of, on or about the License Property, as it determines to be necessary in its sole judgment or useful to evaluate the condition of the License Property. Licensee shall cooperate with OCTA and its agents in any tests or inspections deemed necessary by OCTA. Licensee shall pay or reimburse OCTA and appropriate regulatory agencies, as appropriate, for all reasonable costs and expenses incurred due to the tests, inspections or any necessary corrective work and inspections thereafter.

**18. HAZARDOUS/TOXIC MATERIALS USE AND INDEMNITY.** Licensee shall operate and maintain the License Property in compliance with all applicable federal, state, and local environmental, health and/or safety-related laws, regulations, standards, decisions of the courts, permits or permit conditions, currently existing or as amended or adopted in the future which are or become applicable to Licensee or the License Property ("Environmental Laws"). Licensee shall not cause or permit, or allow any Licensee Party to cause or permit, any Hazardous Materials to be brought upon, stored, used, generated, treated or disposed of on or about the brought upon, stored, used, generated, treated or disposed of on the License Property or OCTA Property. As used herein, "Hazardous Materials" means any chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Laws based upon, directly or indirectly, its properties or effects.

Licensee shall indemnify, defend (by counsel acceptable to OCTA) and hold harmless Indemnified Parties (as defined in Section 14) from and against all loss, liability, claim, damage, cost or expense (including without limitation, any fines, penalties, judgments, litigation expenses, attorneys' fees, and consulting, engineering, and construction fees and expenses) incurred by Indemnified Parties as a result of (a) Licensee's or a Licensee Party's breach of any prohibition or provision of this Section 18 or (b) any release of Hazardous Materials upon or from the Facility or OCTA Property or contamination of OCTA Property (i) which occurs due to the use and occupancy of the Facility or the License Property by Licensee or a Licensee Party, or (ii) which is made worse due to the act or failure to act of Licensee or Licensee Party.

The foregoing indemnity shall be effective regardless of any negligence (whether active, passive, derivative, joint, concurring or comparative) on the part of Indemnified Parties, unless caused solely by the gross negligence or willful misconduct of Indemnified Parties; shall survive termination of this Agreement; and is in addition to any other rights or remedies which Indemnified Parties may have under the law or under this Agreement.

In addition, in the event of any release on or contamination of OCTA Property and/or any adjacent property, whether or not owned by OCTA, Licensee, at its sole expense, shall promptly take all actions necessary to clean up all such affected property and to return the affected property to the condition existing prior to such release or contamination, to the satisfaction of OCTA and any governmental authorities having jurisdiction thereover.

Upon the termination of this Agreement at any time and for any reason, Licensee shall, prior to the effective date of such termination, clean up and remove all Hazardous Materials in, on, under and/or about OCTA Property, which Licensee or any Licensee Party caused or permitted to be brought upon OCTA Property, in accordance with the requirements of all Environmental Laws and to the satisfaction of OCTA and any governmental authorities having jurisdiction thereover.

**19. UNDERGROUND STORAGE TANKS.** NEITHER LICENSEE NOR ANY LICENSEE PARTY SHALL INSTALL OR USE ANY UNDERGROUND STORAGE TANKS ON THE LICENSE PROPERTY.

**20. SUBORDINATE RIGHTS.** This Agreement is subject and subordinate to all prior and continuing rights and/or obligations of OCTA, and its successors and assigns, to use OCTA Property, inclusive of the License Property, in the exercise of its powers and in the performance of its duties, or for any other purpose including but not limited to those as a public transportation body. Accordingly, there is reserved and retained unto OCTA, its successors, assigns and permittees, the right to construct, reconstruct, maintain and use existing and future rail tracks, facilities and appurtenances and existing and future transportation, communication, pipeline and other facilities and appurtenances in, upon, over, under, across and along OCTA Property, and to otherwise use OCTA Property, and in connection therewith the right of OCTA, its successors and assigns, to grant and convey to others, rights to and interests in OCTA Property, including on or in the vicinity of the License Property and the Facility. This Agreement is subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens, claims and other matters of title, recorded and unrecorded ("Title Exceptions") which may affect OCTA Property now or hereafter, and no provision of this Agreement shall be construed as a covenant or warranty against the existence of any such present or future Title Exceptions, whether or not arising out of the actions of OCTA, its successors or assigns. OCTA makes no representations or warranties of any kind with regard to title to the License Property and Licensee accepts the License Property "AS IS WITH ALL FAULTS".

**21. COMPLIANCE WITH LAWS.** Licensee and any other Licensee Party shall comply with all applicable federal, state and local laws, regulations, rules and orders in its work on, or maintenance, inspection, testing or use of, the Facility and the License Property. OCTA may enter the License Property to inspect the Facility at any time, upon provision of reasonable notice of inspection to Licensee. Licensee shall obtain all required permits or licenses required by any governmental authority for its use of the License Property and the Facility, at its sole cost and expense.

**22. CONDEMNATION.** In the event all or any portion of the License Property shall be taken or condemned for public use (including conveyance by deed in lieu of or in settlement of condemnation proceedings), Licensee shall only receive compensation (if any) from the condemning entity for the taking and damage to the Facility and any other compensation or damages arising out of such taking or condemnation, whether temporary or permanent, shall be awarded to OCTA and are hereby assigned by Licensee to OCTA. Licensee shall have no rights under California law or federal law to the receipt of any damages arising out of any use or proposed use of the License Property by OCTA or its respective agents, officers, contractors or employees and in entering into this Agreement expressly waives any such rights.

**23. MARKERS.** At the sole discretion of OCTA, Licensee shall place project markers in form and size satisfactory to OCTA on or about the License Property, identifying the Facility and its owners, which markers shall be constantly maintained by and at the expense of Licensee at such locations as OCTA shall designate. Such markers shall be relocated or removed upon request of OCTA without expense to OCTA. Licensee hereby acknowledges that the absence of markers in or about the License Property and OCTA Property does not constitute a warranty or representation by OCTA of the absence of subsurface installations.

**24. GENERAL PROVISIONS.**

24.1 Notices. All notices and demands, which either party is required to or desires to give to the other under this Agreement, shall be made in writing and sent by certified mail, return receipt requested, postage prepaid, and addressed to such party at its address set forth in the Basic License Provisions. Either party may change its address for the receipt of notice by giving written notice thereof to the other party in the manner herein provided. Notices shall be effective on the date delivered to custody of U.S. Postal Service.

24.2 Non-Exclusive License. The license granted hereunder is not exclusive and OCTA specifically reserves the right to grant other licenses within the License Property so long as such other use does not reasonably interfere with use by of the License Property by Licensee as provided for in this Agreement.

24.3 Governing Law and Venue. This Agreement shall be governed by the laws of the State of California and venue for any action or proceeding shall be within Orange County, California and if a civil action, jurisdiction shall be with the Orange County Superior Courts.

24.4 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, covenants, conditions, or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

24.5 Interest on Past-Due Obligations. Except as expressly herein provided, any amount due to OCTA not paid when due shall bear interest, from the date due, at the maximum rate then allowable by law. Such interest will be due OCTA as it accrues. Payment of such interest shall not excuse or cure any default by Licensee under this Agreement. Interest shall not be payable on late charges incurred by Licensee.

24.6 Survival of Obligations. All obligations of Licensee hereunder not fully performed as of the expiration or earlier termination of any Term of this Agreement shall survive the expiration or earlier termination of this Agreement, including without limitation, all indemnification provisions and obligations, payment obligations with respect to License Fees, and all obligations concerning the condition of the License Property and the Facility.

24.7 Waiver of Covenants or Conditions. The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement.

24.8 Amendment. This Agreement may be amended at any time only by the written agreement of OCTA and Licensee. All amendments, changes, revisions, and discharges of this Agreement in whole or in part, and from time to time, shall be binding upon the parties, so long as the same shall be in writing and executed by the parties hereto.

24.9 Assignment. This Agreement and the license granted hereunder are personal to the Licensee. Licensee shall not assign or transfer (whether voluntarily or involuntarily) this Agreement in whole or in part, or permit any other person or entity to use the rights or privileges granted hereunder, without the prior written consent of OCTA, which may be withheld in OCTA's sole and absolute discretion. Any attempted act in violation of the foregoing sentence shall be void and without effect and grant OCTA the right to immediately terminate this Agreement.

24.10 Attorney's Fees. In any judicial or arbitration proceeding involving performance under this Agreement, or default or breach thereof, the prevailing party shall be entitled to its reasonable attorney's fees and costs.

24.11 Nondiscrimination. Licensee certifies and agrees that all persons employed and any contractors retained, by either Licensee or other Licensee Party with respect to the License Property, are and shall be treated equally without regard to or because of race, religion, ancestry, national origin, disability or sex, and in compliance with all federal and state laws prohibiting discrimination in employment, including but not limited to the Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the California Fair Employment Practices Act.

24.12 Further Acts. At OCTA's sole discretion, but at the sole expense of Licensee and without a right of reimbursement, Licensee agrees to perform any further acts and to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement, including the relocation of the Facility and the license granted hereunder.

24.13 Acknowledgement of No Right to Claim Relocation Benefits Against OCTA. Licensee hereby acknowledges and agrees that if OCTA asks Licensee to vacate the License Property, then Licensee shall not be entitled to any relocation benefits under this Agreement or by virtue of state or federal law, including, but limited to, **no** relocation assistance, moving expenses, loss of goodwill, or other payments under the Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §4601 *et seq.* and/or the California Relocation Assistance Law, as amended, California Government Code §7260 *et seq.* Further, Licensee agrees it is not entitled to loss of good will or moving expensed from OCTA, SCRRA, Amtrak or BNSF.

24.14 Time of Essence. Time is of the essence in the performance of this Agreement.

24.15 No Recording. Licensee acknowledges and agrees this Agreement and the license granted herein does not constitute an interest in real property. Licensee shall not record or permit this Agreement to be recorded in the official records of the county where the License Property is located, which prohibition shall include any memorandum of this Agreement or any other document giving notice of the existence of this Agreement or the license granted hereunder.

24.16 Revocable License. Licensee agrees that notwithstanding the improvements made by Licensee to the License Property, including the Facility, or other sums expended by Licensee in furtherance of this Agreement, the license granted hereunder is revocable by OCTA in accordance with the terms of this Agreement and Licensee and any other Licensee Party assume the risk of such financial expenditures, which may not be recovered against OCTA.

24.17 Entire Agreement. This Agreement and Exhibits "A" and "B" hereto constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior verbal or written agreements and understandings between the parties with respect to the items set forth herein.

24.18 Captions. The captions included in this Agreement are for convenience only and shall not be used to define, limit, or otherwise describe the scope or intent of this Agreement or any provisions hereof, or in any way affect the interpretation of this Agreement.

24.19 Additional Provisions. Those additional provisions set forth in Exhibit "B", if any, are hereby incorporated into this Agreement by this reference as if fully set forth herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date first written above.

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: \_\_\_\_\_  
James G. Beil, P.E, Executive Director,  
Capital Programs

Date: \_\_\_\_\_

Approved As To Form:

By: \_\_\_\_\_  
James M. Donich  
General Counsel

LICENSEE

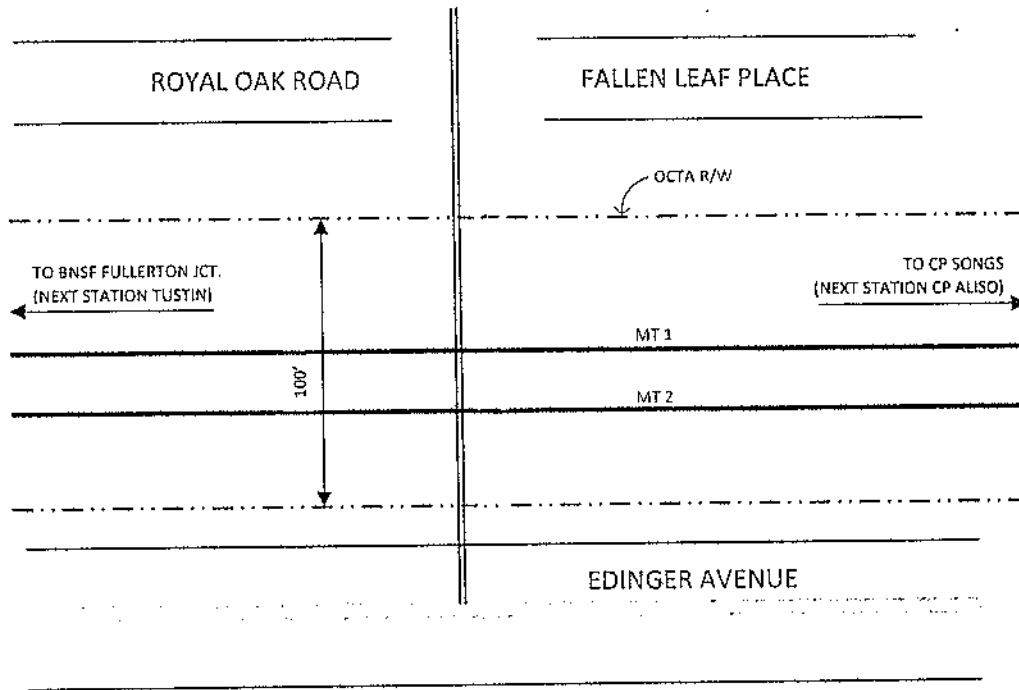
EAST ORANGE COUNTY WATER DISTRICT


By: \_\_\_\_\_  
David Youngblood, P.E., General Manager

Date: \_\_\_\_\_

**EXHIBIT "A"**  
**(To be Attached)**

# EXHIBIT "A"



LINE/BRANCH <b>ORANGE</b>	COUNTY: <b>ORANGE</b>	MILE POST <b>178.47</b>		LICENSEE:  <b>EAST ORANGE COUNTY WATER DISTRICT</b>	
Location <b>CITY OF TUSTIN</b>		LICENSE AREA [IN SQUARE FEET]: <b>600 +/- SQ.FT.</b>		<b>ORANGE COUNTY TRANSPORTATION AUTHORITY</b> P.O. BOX 14184 550 SOUTH MAIN STREET ORANGE, CA 92863-1584 TEL. NO. (714) 560-6282	
NEAREST CROSS STREETS: <b>EDINGER AVENUE</b>			CONTRACT NO.:  <b>OC-306</b>		
USE:  <b>INSTALLATION OF A 20" SEWER LINE WITHIN A 36" STEEL CASING</b>			SCALE: <b>N-T-S</b>	DATE: <b>05/23/22</b>	

This sketch is not a representation or warranty of the extent of, or boundaries of OCTA property right

**EXHIBIT "B"**

This Agreement is subject to the following additional terms and conditions:

1. The Licensee agrees to execute and deliver to SCRRA, prior to commencing then the Licensee shall incorporate in its contract documents SCRRA Form No. 6 and Rules and Requirements for Construction on Railway Property (SCRRA Form No. 37).
2. Licensee's contractor, at its sole cost and expense, shall obtain and maintain, in full force and effect, insurance as required by SCRRA during the entire construction period. The Contractor shall furnish copies of the insurance certificates to all affected operating railroads.
3. If the personnel working on this project do not have CURRENT, SCRRA Safety Training Certification, contact Mr. Trevor Williams with JACOBS to schedule your 1- (up to 20 people) SCRRA Safety Training at (714) 659-1141 or via e-mail at, [Trevor.Williams@jacobs.com](mailto:Trevor.Williams@jacobs.com) Allow 24 to 72 hours from the request for safety training to arrange the training. No work may commence on the railroad right of way until this training has been completed. The contractor will need a valid SCRRA project number, located in the upper right-hand corner of the executed SCRRA Right-of-Entry Permit.
4. Flagging services are limited due to projects SCRRA has going on within the SCRRA Right-of-Way. J.L. Patterson requests the contractor to arrange flagging services a minimum of fifteen working days prior to beginning work. Although every effort is made to accommodate the contractor's schedule, prior notification does not guarantee the availability of protective services for the proposed date of work. Contractor shall contact Mr. Dale Stuart Jr. with J.L. Patterson at 1-213- 305-8424 to schedule (EIC) Flagging Services. The contractor will need a valid SCRRA project number, located in the upper right-hand corner of the Right-of-Entry.
5. Licensee or licensee's contractor shall be responsible for the location and protection of any and all surface, sub-surface, and overhead lines and structures.
6. The applicant and/or the contractor shall follow SCRRA rules and regulations, addressed in "Rules and Requirements for Construction on Railway Property" (SCRRA Form 37). "Form 37 can be found on our website at: [https://www.metrolinktrains.com/globalassets/about/engineering/scrra\\_form\\_no\\_37.pdf](https://www.metrolinktrains.com/globalassets/about/engineering/scrra_form_no_37.pdf)
7. The applicant and/or the contractor will adhere to SCRRA's Excavation Support Guidelines. SCRRA's Excavation Support Guidelines can be found in our Design Criteria Manual (DCM), Chapter 15, which is on our website at: [https://www.metrolinktrains.com/globalassets/about/engineering/scrra\\_design\\_criteria\\_manual.pdf](https://www.metrolinktrains.com/globalassets/about/engineering/scrra_design_criteria_manual.pdf)
8. Construction of pipeline will adhere to SCRRA Engineering Standard Plan ES 5001. "Engineering Standard ES 5001 may be found on our website at" [https://www.metrolinktrains.com/globalassets/about/engineering/es5001\\_pipelines\\_nonflammable\\_substances.pdf](https://www.metrolinktrains.com/globalassets/about/engineering/es5001_pipelines_nonflammable_substances.pdf)
9. Contractor will have to provide Shoring Plans for SCRRA Engineering to review
10. The boring, tunneling or jacking operation shall be progressed on a 24-hour basis without

stoppage when the casing is 20 feet from the centerline of the nearest track. In order to minimize disruption of Metrolink train services, this jacking operation will be done during weekends, preferable on Sunday when the train traffic is less than normal.

11. The face of all jacking and receiving pits shall be located outside of Right-of-Way, or a minimum of 25 feet from the center line of the nearest track, measured at right angle to the track, whichever is greater unless otherwise approved by SCRRA. The use of trench boxes may be permitted for jacking and receiving pits, however, trench boxes, shields, and hydraulic shores are not acceptable inside the zone of influence from railroad loading. Design of the temporary supports for the jacking and receiving pits must be conform to the requirements of SCRRA "Excavation Support Guidelines."
12. For any pipeline that is bored or jacked under the track, the Contractor must guarantee the work against settlement for two years after the completion of the work and must furnish a performance bond against failure or settlement of the soil around the jacked pipe or casing in the amount of \$180,000.00 as per SCRRA requirements shown in Form 37. PLEASE NOTE: More information on SCRRA's Performance Bond Requirements may be found in SECTION 5.11 Page 32 of SCRRA's Form 37.
13. If Traffic Control will be utilized. The temporary traffic control plans shall be prepared, signed and sealed by a California Licensed Civil or Traffic Engineer. Temporary traffic control will comply with the current editions of the California Manual of Uniform traffic Control Devices (CA MUTCD), Work area Traffic Control Handbook (WATCH), Temporary Traffic Control Work At or Near Grade Crossing Guidelines prepared by SCRRA and SCRRA's Engineering Standard ES43301.
14. No equipment, trucks or materials are allowed to be stored on the railroad right-of-way.
15. Cold milling of pavement within 3' of railroad crossing panels shall be performed with small equipment and done in a manner to not damage the railroad crossing panels.
16. A SCRRA RR Flagger will need to be present for any work within the RR ROW (including setup and removal of traffic control devices).
17. The Licensee agrees to comply and to ensure that its contractor complies with instructions of SCRRA's Employee-In-Charge (EIC) and representatives, in relation to the proper manner of protection of the tracks and the traffic moving thereon, pole lines, signals and other property of SCRRA or its member agency tenants or licensees at or in the vicinity of the work and shall perform the work at such times as not to endanger or interfere with safe and timely operation of SCRRA's tract and other facilities.
18. The Licensee shall obtain permission from any fiber optic, gas or oil lines that may be located along or across the right-of-way.
19. If there will be ANY excavation on RR ROW, Licensee's contractor shall call SCRRA's Signal Department at (909) 592-1346 to mark signal and communication cables and conduits. In case of signal emergencies or grade crossing problems, the contractor shall call SCRRA's 24-hour

signal emergency number 1-888-446-9721.

20. Before excavating, the Contractor must determine whether any underground pipelines, electric wires, or cables, including fiber optic cable systems, are present and located within the Project work area by calling the Southern California Underground Service Alert at 811.
21. **Please Note:** Once the project has gone out to bid and a contractor selected they will need to provide (in one complete submittal):
  1. A completed Site Specific Work Plan (SSWP) that can be found on our website at:  
[http://metrolinktrains.com/pdfs/EngineeringConstruction/Site Specific Work Plan.pdf](http://metrolinktrains.com/pdfs/EngineeringConstruction/Site%20Specific%20Work%20Plan.pdf)
  2. Daily Schedule of Activities
  3. Completed SCRRA Form 6 along with Insurance Certificates meeting SCRRA parameters of Coverage as outlined on pages 11-15 of the Form 6 + Performance Bond. SCRRA's Form 6 may be found on our website at:  
[http://metrolinktrains.com/globalassets/about/engineering/scrra form no 6.pdf](http://metrolinktrains.com/globalassets/about/engineering/scrra%20form%20no%206.pdf)
  4. Monies to cover; continued plan review, continued administration fee, contingency, Flagging Services, SCRRA Safety Training and, Cable Signal Marking. These costs are outlined on our ROE Schedule of Fees that may be found on our website at:  
[http://metrolinktrains.com/globalassets/about/engineering/scrra schedule of fees for third party construction.pdf](http://metrolinktrains.com/globalassets/about/engineering/scrra%20schedule%20of%20fees%20for%20third%20party%20construction.pdf).
  5. Shoring PlansFinally, PLEASE ADVISE THE CONTRACTOR TO RECH OUT TO CHRISTOS SOURMELIS, SCRRA, [sourmelisc@scrra.net](mailto:sourmelisc@scrra.net) or 909-392-8463 REFERENCING SCRRA PROJECT #: 882114 PRIOR TO SUBMITTAL AND MR. SOURMELIS WILL GLADLY WALK THEM THROUGH THE PROCESS AND ANSWER ANY QUESTIONS THEY MAY HAVE.
22. No work may commence, and no direct services may be scheduled until ACRRA (Metrolink) issues an executed Right-of-Entry (ROE) Agreement, Form 6 in support of this project.
23. If SCRRA shall deem it necessary in the future, to build additional track, tracks or other facilities in connection with the operation of its railroad, at the request of SCRRA, the Licensee shall modify, at its own expense, the proposed utility and/or roadway to conform to the rail line.

**ID 1 CAPACITY, RELIABILITY, AND AUGMENTATION PROJECT #1, CONSTRUCTION PACKAGE #2**

<b>Cost Summary</b>			
<b>Item Description</b>	<b>T.E. ROBERTS</b>	<b>QUANTA*</b>	
<b>MOB/DEMOB/Permits</b>	\$ 212,832	\$ 253,500	
<b>Browning/I-5 Crossing</b>	\$ 2,793,514	\$ 2,869,013	
<b>Crawford Canyon</b>	\$ 889,725	\$ 879,376	
<b>6th Street</b>	\$ 906,626	\$ 772,630	
<b>Fallen Leaf</b>	\$ 1,262,040	\$ 1,527,674	
<b>Slurry Backfill</b>	\$ 1,186,493	\$ 1,186,493	
<b>Spoils Disposal</b>	\$ 302,371	\$ 302,371	
<b>TOTAL</b>	\$ 7,553,601	\$ 7,791,057	
<b>*Quanta estimate did not include slurry backfill and spoils disposal but was added for comparison.</b>			
<b>Quanta's DB fee of \$715,040 was not included in the total above.</b>			

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: 2022/23 BUDGET CONSIDERATION**  
**DATE: JUNE 16, 2021**

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## Background

Staff have been working on budget development for fiscal year 2022/23 over the last few months. The coming year has an aggressive capital budget of \$12.8 million. This budget includes completion of the well and treatment system, the Browning CRA project, Newport Reservoir rehabilitation and the Barret Pump Station replacement. In addition, the District will beginning construction of the new headquarters building in the coming fiscal year.

Water purchases and labor costs account for an additional 85% of the operational costs. For water purchases, an assumption has been made that groundwater will not be available during the year so all water will be imported from MWD. Labor costs include one previously approved but unfilled position in this budget to supervise water operations. Also imbedded in these costs are increases associated with fringe benefits, a 3% merit pool and a cost-of-living adjustment (COLA) of 6.1%. We have assumed all positions would be fully staffed for the coming fiscal year.

Operational budgets for each of the three services yield a positive cash to fund capital investments. We have an ambitious number of capital projects planned and underway which will require funding from reserves. This is warranted given the work we have in front of us. We are funding some of these projects through debt and we have received approval for several grants that also offset these costs. That said, if we complete all planned projects in this budget, we will be utilizing \$11 million from reserves leaving a total of \$53 million in reserves across all three funds.

The Engineering and Operations Committee reviewed the capital plan on June 9<sup>th</sup> and the Administration and Finance Committee reviewed the draft budget on June 10<sup>th</sup>. Both committees have recommended that the Board approve the presented budget.

## Recommendation

Approve the FY 2022/23 Budget as presented and adopt Resolution No. 921 Determining Appropriations Subject to Limitation

Attachment(s): Resolution No. 921 Determining Appropriations Subject to Limitation  
FY 2022/23 Budget Presentation  
FY 2022/23 Budget Schedules & Narrative

RESOLUTION NO. 921

RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ADOPTING OPERATING AND CAPITAL PROJECT BUDGETS AND MAKING DETERMINATIONS RELATIVE TO APPROPRIATIONS SUBJECT TO LIMITATION FOR THE 2022/2023 FISCAL YEAR FOR THE EOCWD WHOLESALE ZONE, RETAIL ZONE, AND IMPROVEMENT DISTRICT 1 (SEWER) ZONE

WHEREAS, the Board of Directors of East Orange County Water District (EOCWD) has duly considered the revenues anticipated to be received by the EOCWD during the 2022/2023 Fiscal Year in the Wholesale, Retail, and EOCWD Improvement District No. 1 (Sewer) zones, as well as all other charges, claims, expenditures, and expenses anticipated to be incurred by EOCWD during the 2022/2023 Fiscal year; and

WHEREAS, Article XIII B of the Constitution of the State of California provides that the appropriations of local agencies will be limited each year to those of the previous year, adjusted for changes in population, cost of living and transfers in sources of funding; and

WHEREAS, Section 9(c) of Article XIII B excludes from “appropriations subject to limitation” the appropriations of any special district which existed on January 1, 1978, and which, in the 1977-78 fiscal year, levied an ad valorem tax rate of not more than 12 and 1/2 cents per \$100 of assessed value; and

WHEREAS, Section 8 of Article XIII B specifically excludes from “proceeds of taxes” any user charges or fees or regulatory fees as long as such fees and charges do not produce revenues exceeding the costs reasonably borne in providing the regulation, product or service, and Section 9 thereof excludes debt service and qualified capital outlay projects from appropriations subject to limitation; and

WHEREAS, EOCWD was formed and existing prior to and as of January 1, 1978, and in the fiscal year 1977-78, levied a tax rate of 8.69 cents per \$100 of assessed value for operating revenues;

NOW, THEREFORE, THE BOARD OF DIRECTIONS OF EOCWD DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Pursuant to Section 9(c) of Article XIII B, this Board finds and determines that:

- (a) the appropriations comprising EOCWD’s Budget for the Wholesale Zone for the Fiscal Year 2022/2023 are not subject to limitation under the provisions of

Article XIII B and Section 7900 and following of the Government Code of the State of California; and

- (b) the appropriations comprising the EOCWD Retail Zone Operating Fund and Capital Projects Fund Budgets for Fiscal Year 2022/2023 are not subject to limitation under the provisions of Article XIII B and Section 7900 and following of the Government Code of the State of California;
- (c) the appropriations comprising the EOCWD Improvement District 1 Operating Fund and Capital Projects Fund Budgets for Fiscal Year 2022/2023 are not subject to limitation under the provisions of Article XIII B and Section 7900 and following of the Government Code of the State of California.

Section 2. That the estimated amount of money required to be raised by taxes on the taxable property within the EOCWD Wholesale Zone, the EOCWD Retail Zone, and EOCWD Improvement District No. 1 during the 2022/2023 Fiscal Year, be and the same is hereby established in the amounts and total set forth in the budget documents presented to the Board at this meeting (“Budgets”), which are by this reference incorporated herein, and the said Budgets are hereby affirmed and approved.

Section 3. That the estimated amount of money needed to be raised by EOCWD in the Wholesale Zone, the Retail Zone for the Operating Fund and Capital Projects Fund of the EOCWD Retail Zone, and EOCWD Improvement District No. 1 for the 2022/2023 Fiscal Year are set forth in said Budgets. The amount of taxes to be received by EOCWD in the Wholesale Zone, Retail Zone, and Improvement District No. 1 therefor is to be determined by the Auditor of the County of Orange, separately from each other.

Section 4. That the President and Secretary be, and the same are hereby, authorized to execute the Budgets and deliver copies of this Resolution, including said Budgets, to the Auditor of the County of Orange, and the Auditor of the County of Orange is hereby authorized to make the necessary adjustments in order to produce a total tax rate or amount for the (i) EOCWD Wholesale Zone, (ii) the EOCWD Retail Zone, and (iii) EOCWD Improvement District No. 1 not in excess of the rate or amount to be determined by the Auditor of the County of Orange for the full assessed value of taxable property within EOCWD, the EOCWD Retail Zone, and EOCWD Improvement District No. 1, respectively.

Section 5. Revenues collected from connection fees in the EOCWD Wholesale Zone are hereby appropriated to pay the costs associated with providing the service for which they are

imposed as described in the Rules and Regulations for Water Connection Charges (Wholesale Service).

Section 6. Revenues collected from connection fees and capital project charges in the EOCWD Retail Zone are hereby appropriated to pay the costs of the capital projects as shown in the Master Plan for the Retail Zone, as amended and supplemented from time to time.

Section 7. Revenues collected from connection fees and capital project charges in EOCWD Improvement District 1 are hereby appropriated to pay the costs of the capital projects as shown in the capital projects plan for EOCWD Improvement District 1, as amended and supplemented from time to time.

ADOPTED, SIGNED and APPROVED this 16th day of June, 2022.

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Douglass S. Davert, President  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors  
thereof

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Jeffrey A. Hoskinson, Secretary  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors  
thereof

006313.00001  
33215370.1

STATE OF CALIFORNIA    )  
  ) ss.  
COUNTY OF ORANGE    )

I, JEFFREY A. HOSKINSON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. 921 was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on June 16, 2022, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Jeffrey A. Hoskinson, Secretary  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors thereof



# **FISCAL YEAR 2022/23 PROPOSED BUDGET**

**JUNE 10, 2021**

# FY 2022/23 DISTRICT SUMMARY

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
	Wholesale	Retail	Sewer	Total
	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget
<b>1 REVENUES</b>				
2 Operating Revenues	\$ 9,540,800	\$ 2,725,900	\$ 3,229,500	\$ 15,496,200
3 Non-Operating Revenues	1,217,200	520,200	690,900	2,428,300
<b>4 TOTAL REVENUES</b>	<b>10,758,000</b>	<b>3,246,100</b>	<b>3,920,400</b>	<b>17,924,500</b>
<b>5 EXPENSES</b>				
6 Source of Supply	9,011,200	1,080,100	-	10,091,300
7 Salaries & Benefits	519,600	725,000	1,346,700	2,591,300
8 Operations & Maintenance	410,100	234,300	307,200	951,600
9 General & Administrative	318,800	345,800	357,200	1,021,800
<b>10 TOTAL EXPENSES</b>	<b>10,259,700</b>	<b>2,385,200</b>	<b>2,011,100</b>	<b>14,656,000</b>
<b>11 NET INCOME / (LOSS) BEFORE DEBT, CAPITAL &amp; ADPs</b>	<b>498,300</b>	<b>860,900</b>	<b>1,909,300</b>	<b>3,268,500</b>
12 Debt Service	-	(259,000)	(1,036,000)	(1,295,000)
13 Section 115 Pension Trust Contribution	(50,000)	(50,000)	(50,000)	(150,000)
14 CalPERS Additional Discretionary Payments	-	-	-	-
15 Capital Expenses (Reserve-Funded)	(3,562,300)	(5,664,200)	(3,627,600)	(12,854,100)
<b>16 NET INCREASE / (DECREASE) TO RESERVES</b>	<b>\$ (3,114,000)</b>	<b>\$ (5,112,300)</b>	<b>\$ (2,804,300)</b>	<b>\$ (11,030,600)</b>
<b>17 PROJECTED BEGINNING RESERVES</b>	<b>9,484,100</b>	<b>7,690,300</b>	<b>46,300,700</b>	<b>63,475,100</b>
<b>18 PROJECTED ENDING RESERVES</b>	<b>\$ 6,370,100</b>	<b>\$ 2,578,000</b>	<b>\$ 43,496,400</b>	<b>\$ 52,444,500</b>

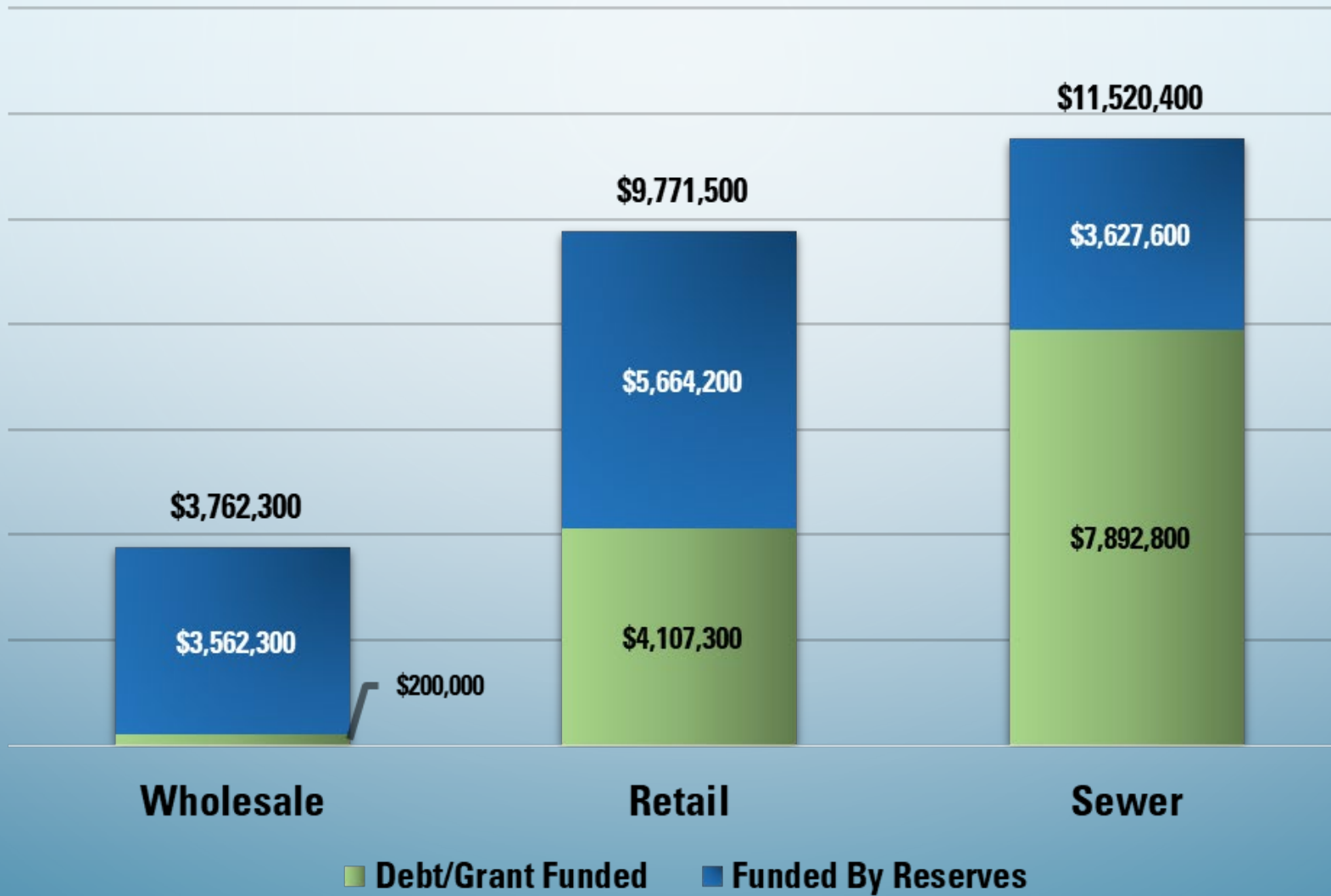
# FY 2022/23 SALARIES AND BENEFITS DISTRICT TOTAL

	A		B		C		D = C-B		E = D/B
	FY 2021/22 Adopted Budget		FY 2021/22 Projected Results		FY 2022/23 Proposed Budget		Variance \$		Variance %
<b>1 SALARIES &amp; BENEFITS</b>									
2 Salaries & Wages	\$ 1,764,400	\$	1,569,900	\$	1,936,700	\$	366,800		23.4%
3 Health Benefits	265,900		225,400		251,600		26,200		11.6%
4 Payroll Taxes (FICA)	119,900		104,800		127,300		22,500		21.5%
5 Worker's Comp.	42,000		34,600		46,000		11,400		32.9%
6 CalPERS Retirement	135,000		119,300		148,700		29,400		24.6%
7 CalPERS UAL (Required)	-		-		36,300		36,300		0.0%
8 Education, Training & Travel	20,000		24,400		44,700		20,300		83.2%
<b>9 TOTAL SALARIES &amp; BENEFITS</b>	<b>\$ 2,347,200</b>	<b>\$</b>	<b>2,078,400</b>	<b>\$</b>	<b>2,591,300</b>	<b>\$</b>	<b>512,900</b>		<b>24.7%</b>

## KEY ASSUMPTIONS

- 6.1% COLA
- 3% MERIT
- HIRE WATER SUPERVISOR
- 5% INCREASE IN HEALTH INSURANCE

# FY 2022/23 CAPITAL PLAN



# FY 2022/23 CAPITAL PLAN MAJOR PROJECTS

## WHOLESALE

- \$800K IN 6MG RESERVOIR SITE AND INFRASTRUCTURE IMPROVEMENTS
- \$700K NEWPORT RESERVOIR
- \$700K WALNUT VAULT REPLACEMENT
- \$533K SCADA SYSTEM IMPROVEMENTS
- \$356K DISTRICT HEADQUARTERS

## RETAIL

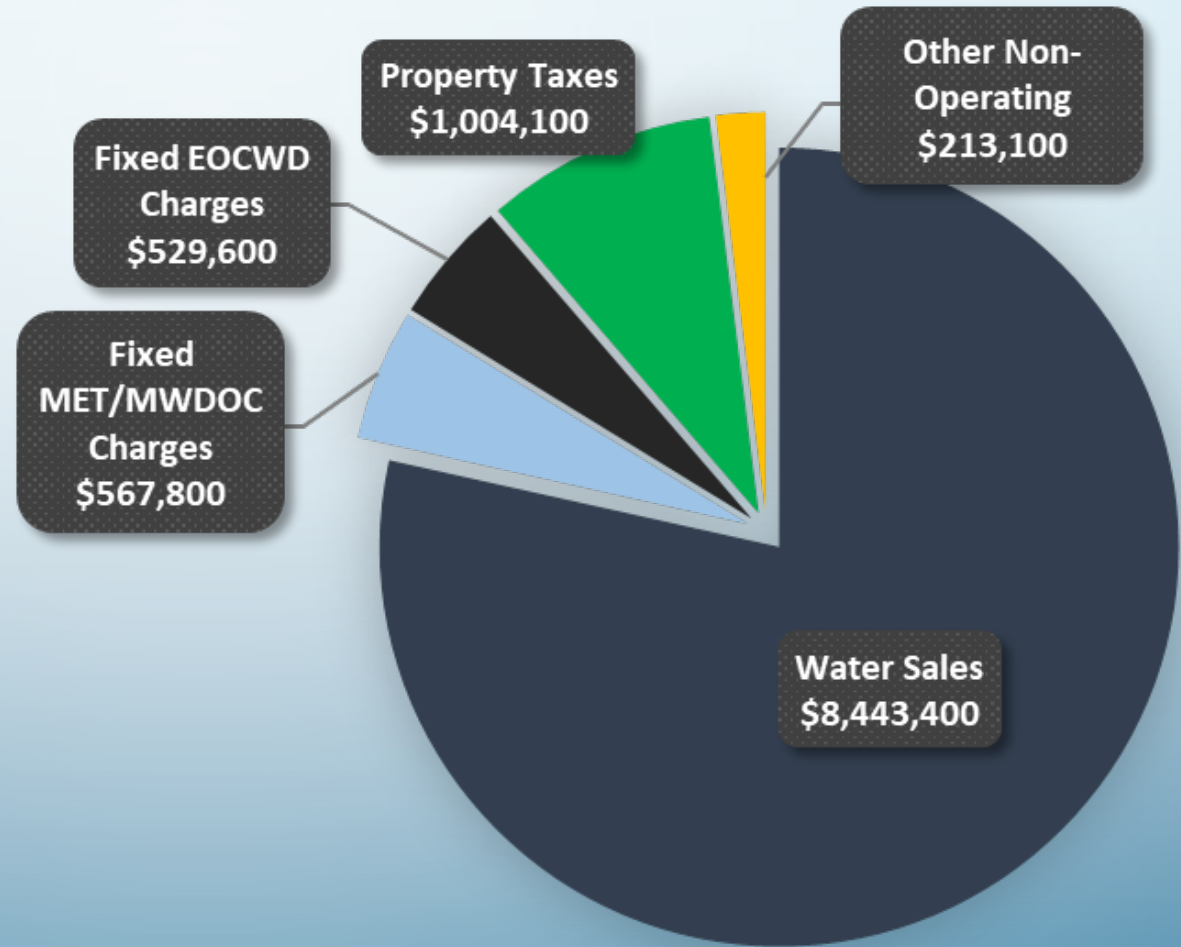
- \$3.86M VANDERWERFF WELL
  - \$1.58M IN GRANT PROCEEDS
- \$1.5M BARRETT RESERVOIR BOOSTER PUMP STATION REPLACEMENT
- \$1.2M VISTA PANORAMA RESERVOIR REPLACEMENT
  - DEBT-FUNDED
- \$1M CIRCULA PANORAMA PIPELINE REPLACEMENT / CONVERSION
- \$350K BRAE GLEN PRESSURIZED CIPP
- \$326K DISTRICT HEADQUARTERS

## SEWERS

- \$9M BROWNING REHABILITATION
  - \$7.89M DEBT PROCEEDS
- \$1.4M DISTRICT HEADQUARTERS
- \$300K CIPP
- \$250K MANHOLES
- \$150K SEWER REPLACEMENTS

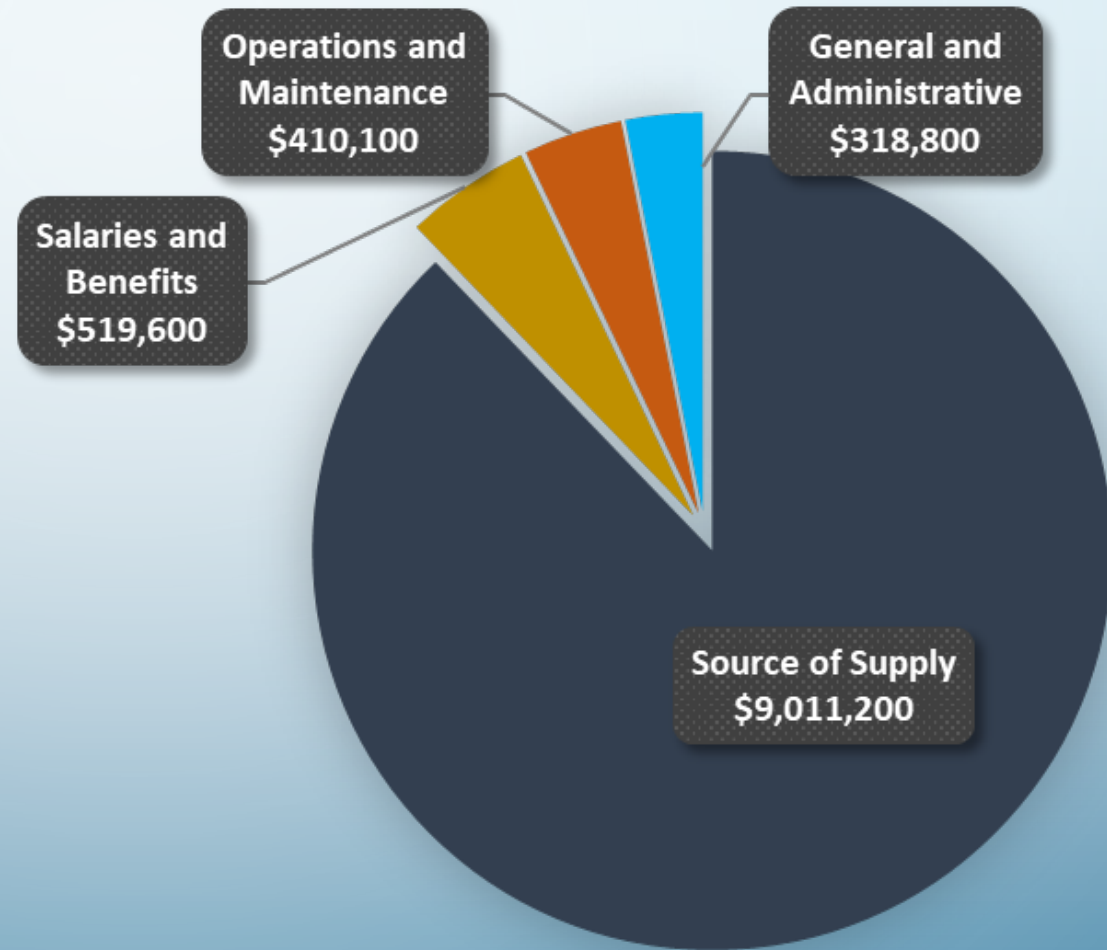
# WHOLESALE OPERATIONS REVENUE FY 2022/23

- 8% RATE INCREASE EFFECTIVE OCTOBER 1, 2022
- 2% INCREASE TO PROPERTY TAXES REVENUE FROM FY 22 PROJECTIONS
- 5% INCREASE IN INTEREST INCOME FROM PROJECTED RESULTS
- NO BUDGETED CONNECTION FEES AND \$10K IN MISCELLANEOUS REVENUES
- **TOTAL REVENUES \$10,758,000**



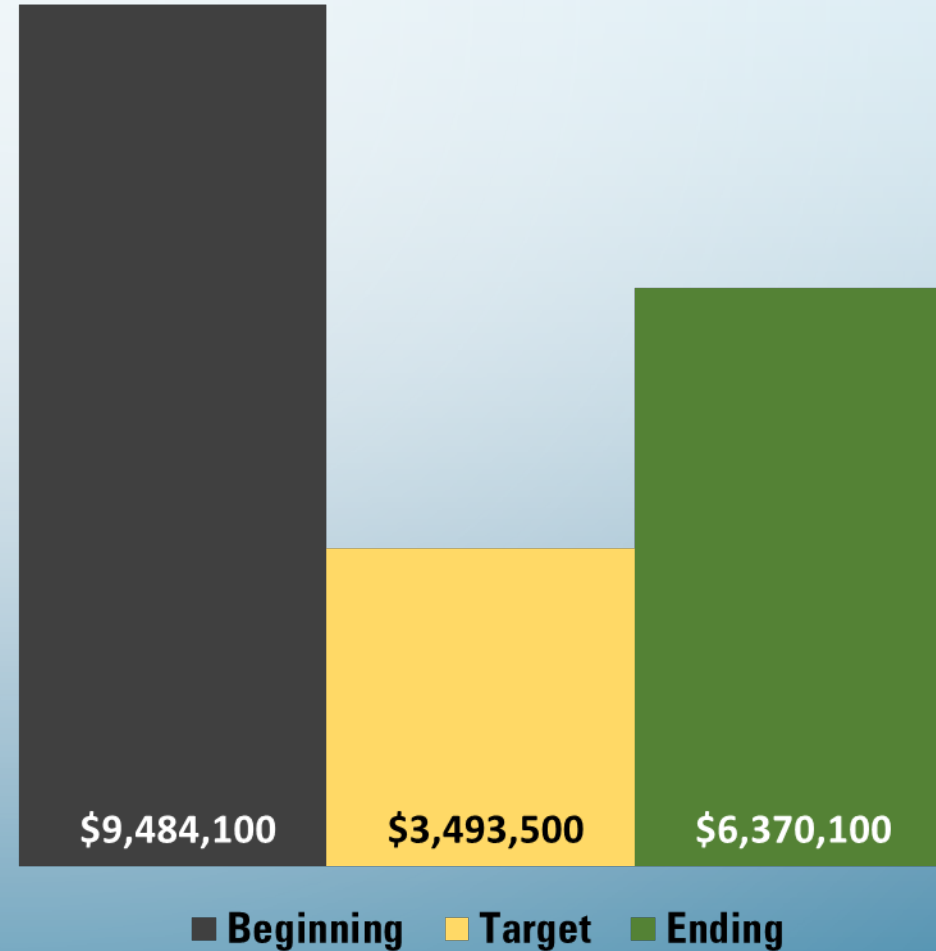
# WHOLESALE OPERATIONS EXPENSE FY 2022/23

- MET RATE INCREASE TO \$1,209/AF FROM \$1,143/AF ON JANUARY 1, 2023
- SALARIES AND BENEFITS ALLOCATED PER EMPLOYEE TO WHOLESAL
- 5% INFLATION
- DISTRICT SHARED COSTS SPLIT 1/3
- **TOTAL EXPENSES \$10,259,700**



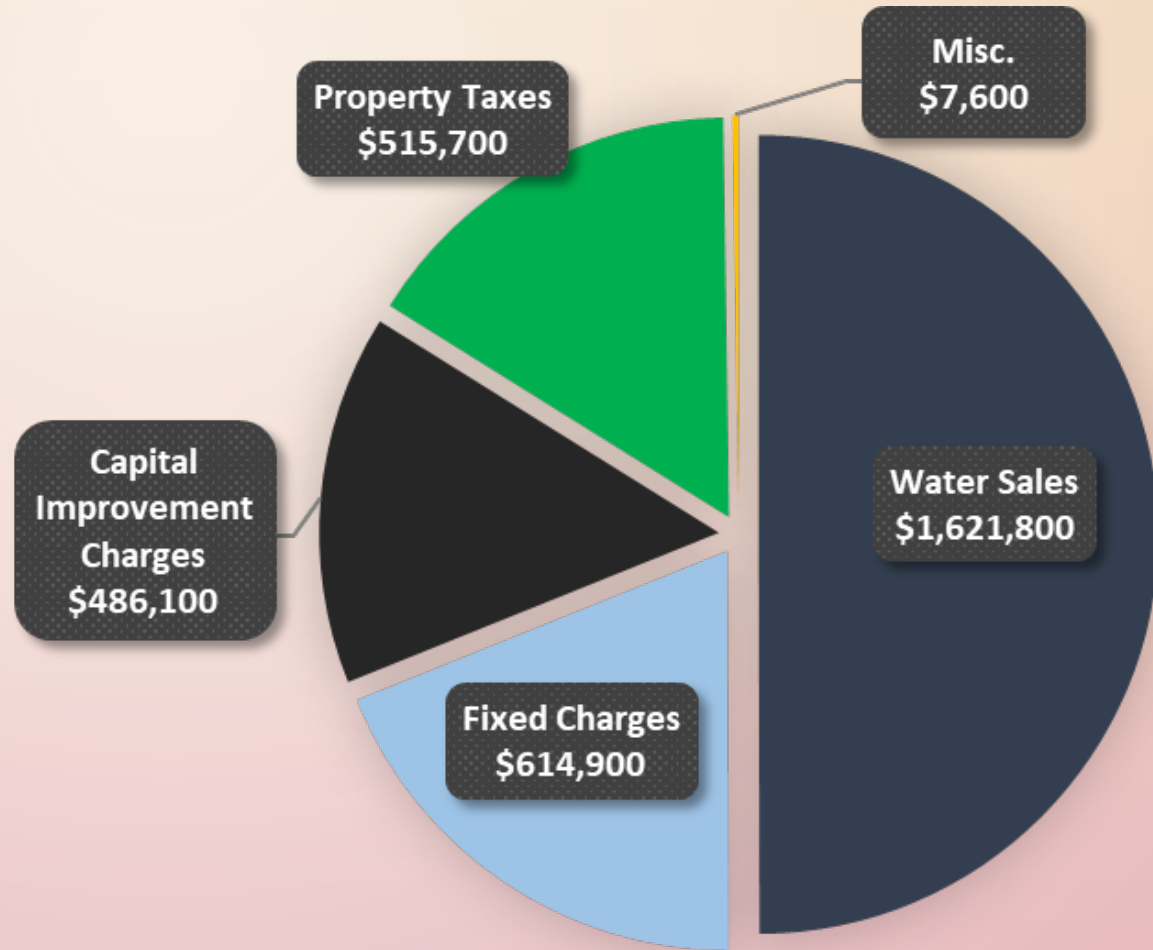
# WHOLESALE RESERVES FY 2022/23

- NET OPERATIONS INCOME \$498,300 BEFORE DEBT SERVICE, CAPITAL EXPENSES AND ADDITIONAL PENSION PAYMENTS
- NO WHOLESALE DEBT SERVICE
- \$3,562,300 IN CAPITAL EXPENSES FUNDED BY WHOLESALE RESERVES
- **FY 2022/23 RESERVES BUDGETED TO DECREASE \$3,114,000**



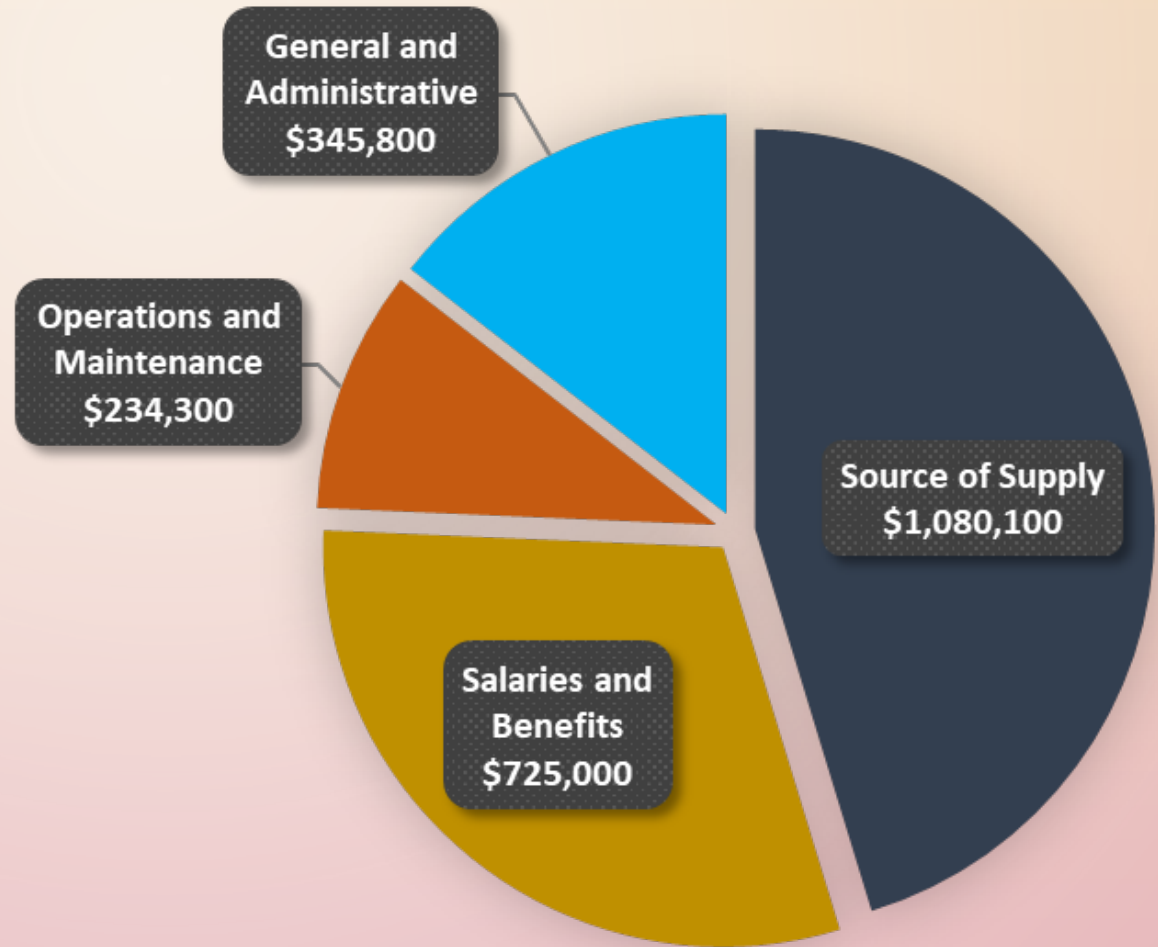
# RETAIL OPERATIONS REVENUE FY 2022/23

- 6% RATE INCREASE EFFECTIVE OCTOBER 1, 2022
- 2% INCREASE TO PROPERTY TAXES FROM FY 2022 PROJECTIONS
- 5% INCREASE IN INTEREST INCOME FROM PROJECTED RESULTS
- NO BUDGETED CONNECTION FEES AND \$1K IN MISCELLANEOUS REVENUES
- **TOTAL REVENUES \$3,246,100**



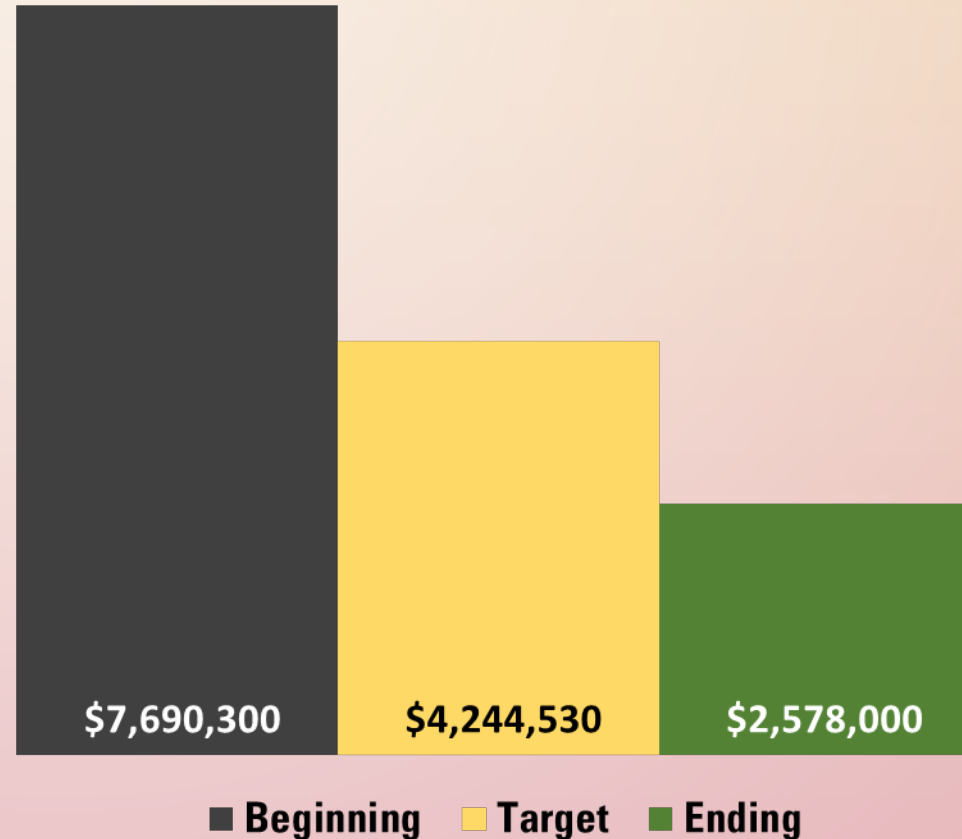
# RETAIL OPERATIONS EXPENSE FY 2022/23

- SOURCE OF SUPPLY - 100% IMPORT WATER
- MET RATE INCREASE TO \$1,209/AF FROM \$1,143/AF ON JANUARY 1, 2023
- SALARIES AND BENEFITS ALLOCATED PER EMPLOYEE TO RETAIL
- 5% INFLATION
- DISTRICT SHARED COSTS SPLIT 1/3
- **TOTAL EXPENSES \$2,385,200**



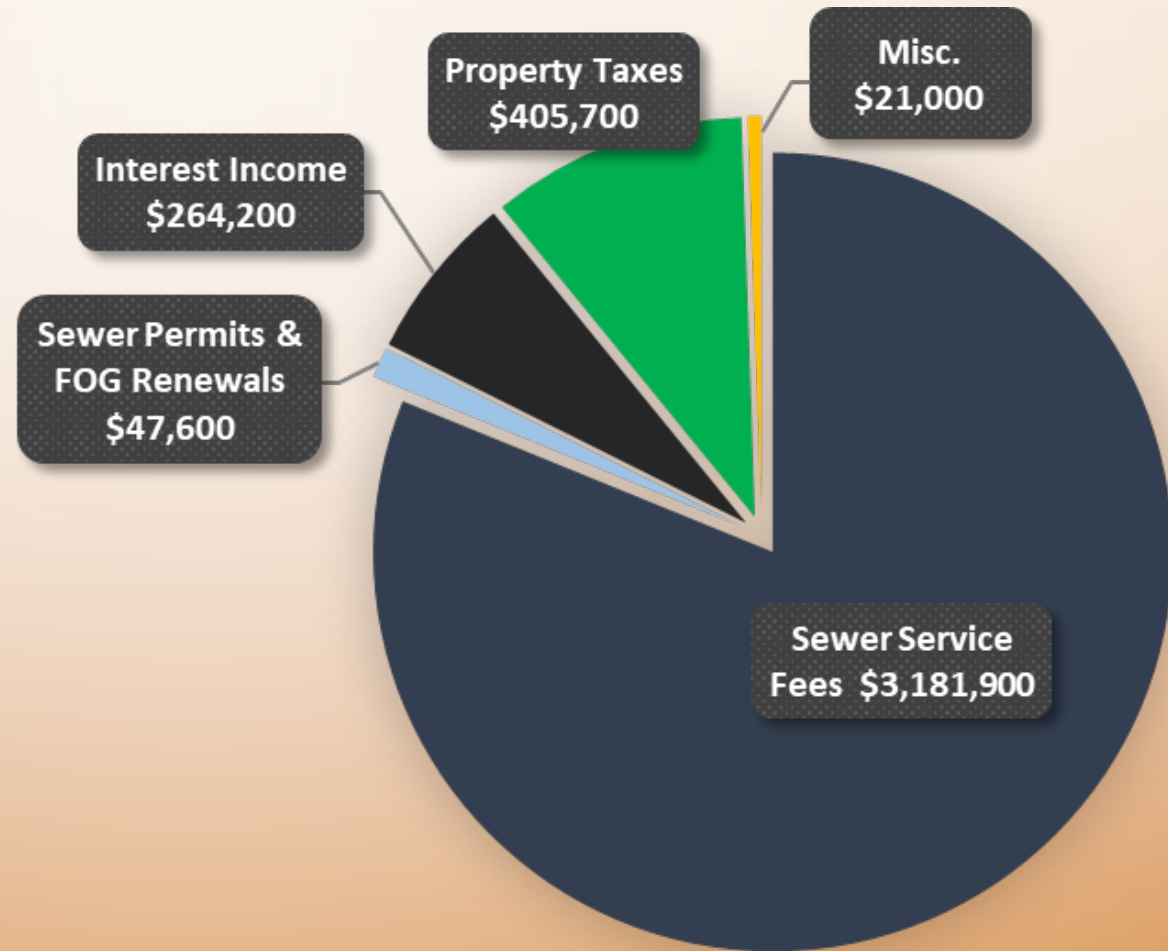
# RETAIL RESERVES FY 2022/23

- NET OPERATIONS INCOME \$860,900 BEFORE DEBT SERVICE, CAPITAL EXPENSES AND ADDITIONAL PENSION PAYMENTS
- \$259,000 DEBT SERVICE
- \$5,664,200 IN CAPITAL EXPENSES FUNDED BY RETAIL RESERVES
- **FY 2022/23 RESERVES BUDGETED TO DECREASE \$5,112,300**



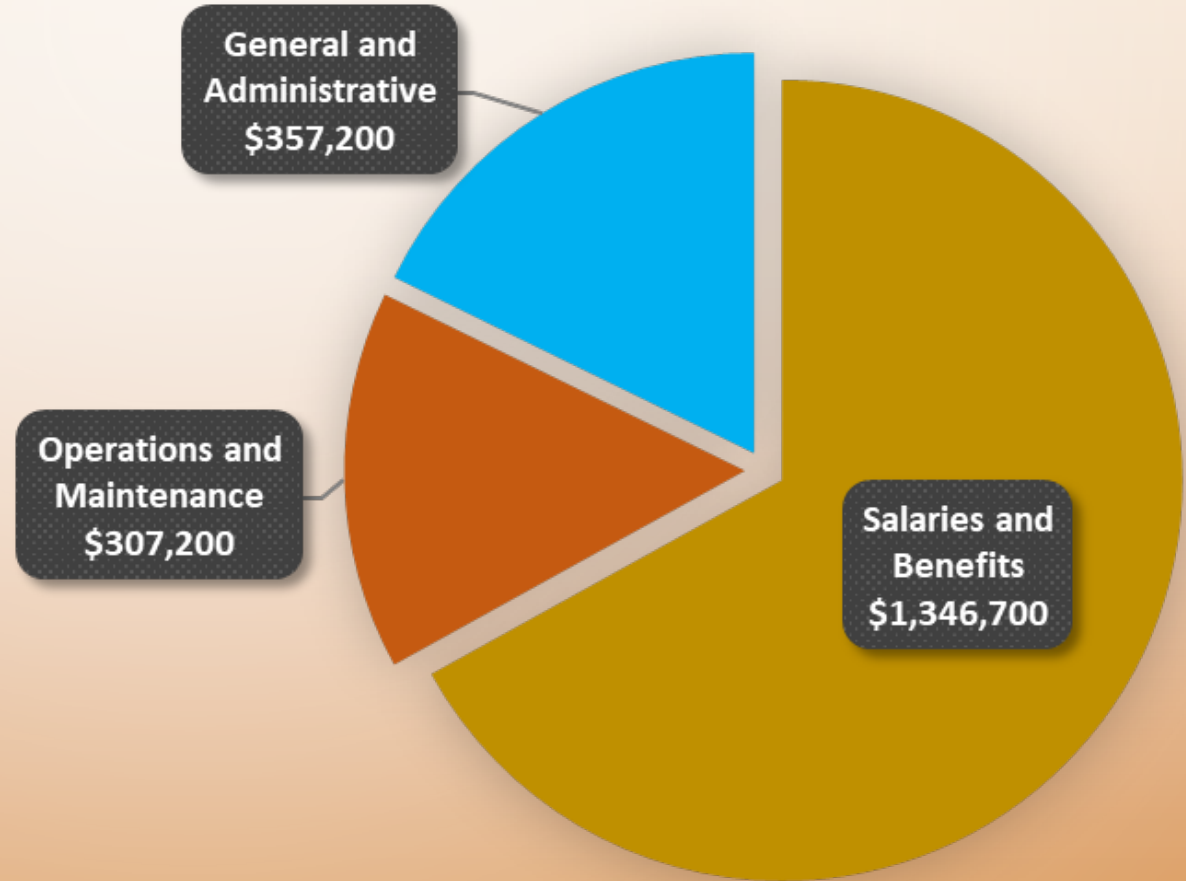
# SEWERS OPERATIONS REVENUE FY 2022/23

- NO RATE INCREASE UNTIL FY 2023/24
- NO INCREASE FOR PERMITS AND FOG RENEWALS FROM FY 2022 PROJECTIONS
- 2% INCREASE TO PROPERTY TAXES FROM FY 2022 PROJECTIONS
- 5% INCREASE IN INTEREST INCOME FROM PROJECTED RESULTS
- \$21K IN MISCELLANEOUS REVENUES
- **TOTAL REVENUES \$3,920,400**



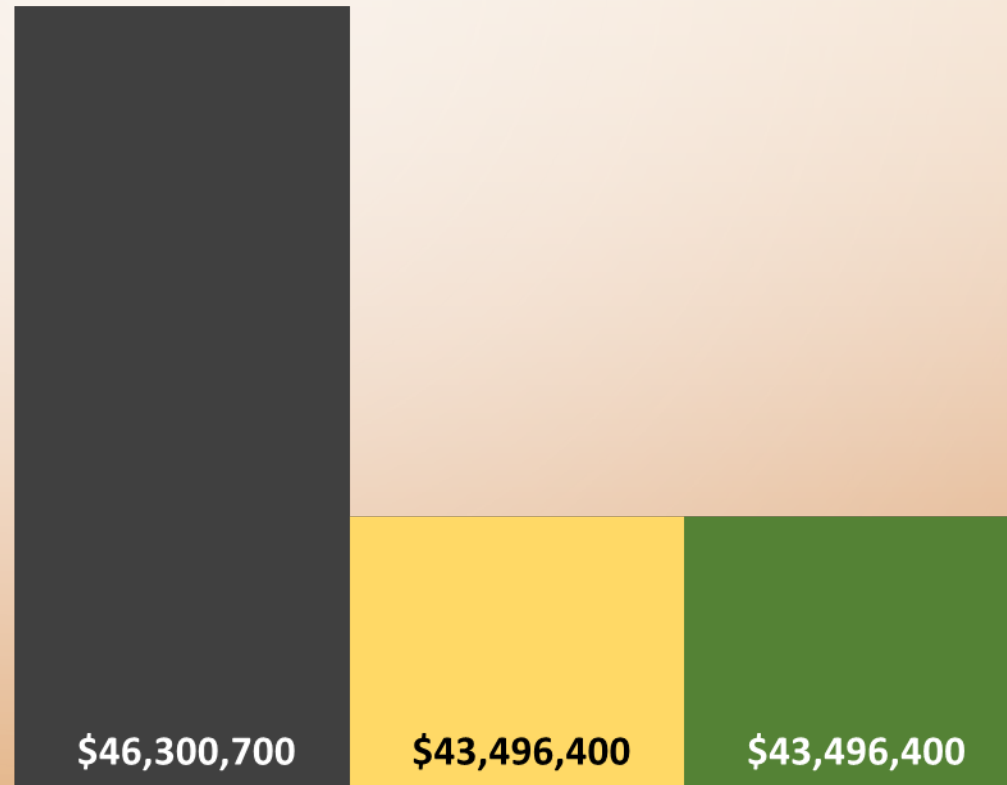
# SEWERS OPERATIONS EXPENSE FY 2022/23

- SALARIES AND BENEFITS ALLOCATED PER EMPLOYEE TO SEWERS
- 5% INFLATION
- DISTRICT SHARED COSTS SPLIT 1/3
- **TOTAL EXPENSES \$2,011,100**



# SEWER RESERVES FY 2022/23

- NET OPERATIONS INCOME \$1,909,300 BEFORE DEBT SERVICE, CAPITAL EXPENSES AND ADDITIONAL PENSION PAYMENTS
- \$1,036,000 DEBT SERVICE
- \$3,627,600 IN CAPITAL EXPENSES FUNDED BY SEWER RESERVES
- **FY 2022/23 SEWER RESERVES BUDGETED TO DECREASE \$2,804,300**



■ Beginning ■ Target ■ Ending



# **QUESTIONS AND DISCUSSION**



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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#### **SCHEDULE A: SUMMARY BUDGET**

This schedule summarizes operating and non-operating revenues, source of supply, salaries and benefits, operations and maintenance expenses, and general and administrative expenses of the District by fund and in total. Line 11 measures the difference between operating revenues and expenses; resulting in net revenues remaining to fund capital, debt service, pension trust contributions and Additional Discretionary Payments (ADPs) towards CalPERS pension liabilities. The District is budgeted to have \$3,293,800 in net revenues available to fund capital projects and debt service as shown in line 11.

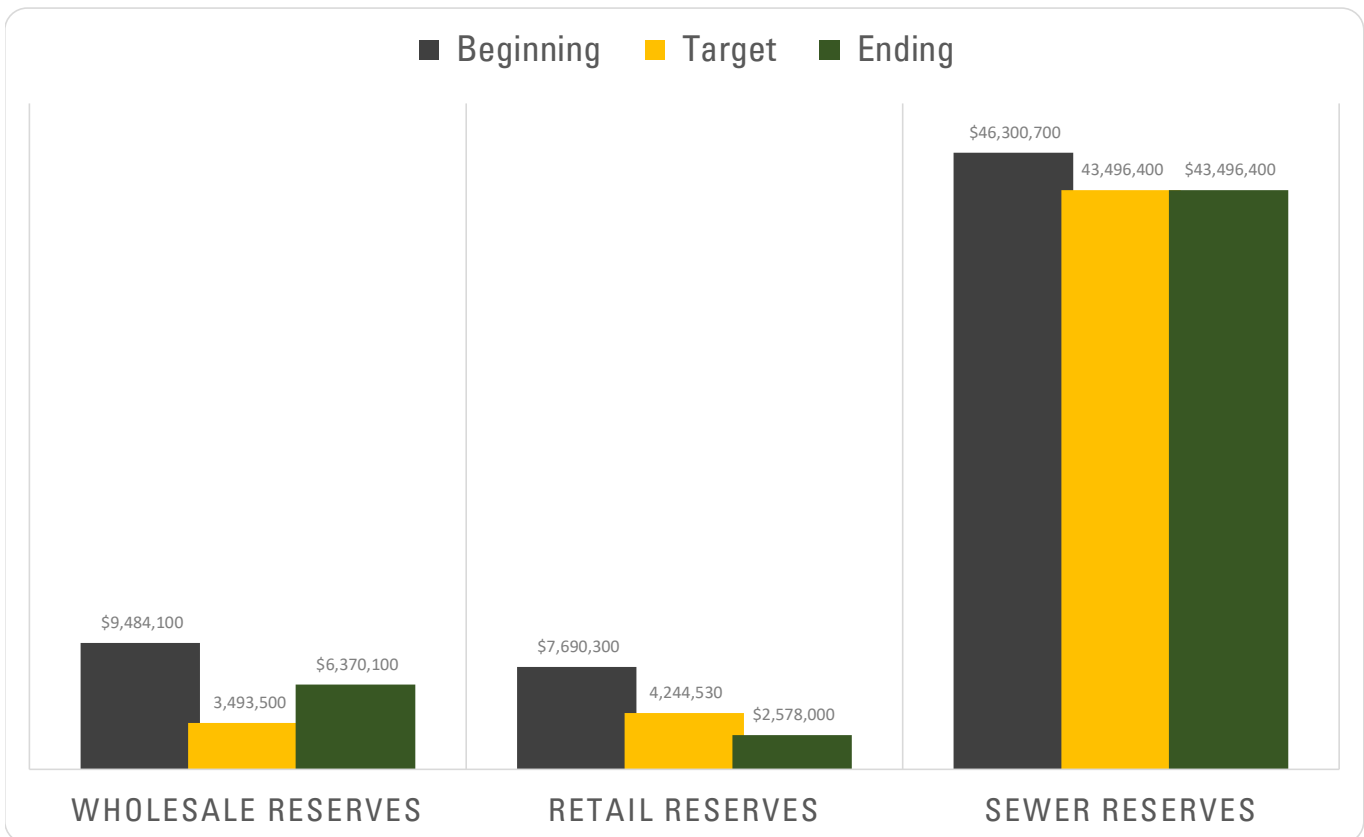
Line 16 shows the net increase or decrease in District Reserves planned for the year after debt service, capital spending, pension trust contributions and ADPs are taken into consideration. This amount fluctuates year to year, with some years positive and some negative, primarily as the District's Capital Improvement Program fluctuates.



# East Orange County Water District Proposed Budget Summary FY 2022/23

Schedule A

	A	B	C	D
	Wholesale	Retail	Sewer	Total
	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget	FY 2022/23 Proposed Budget
<b>1 REVENUES</b>				
2 Operating Revenues	\$ 9,540,800	\$ 2,725,900	\$ 3,229,500	\$ 15,496,200
3 Non-Operating Revenues	1,217,200	520,200	690,900	2,428,300
<b>4 TOTAL REVENUES</b>	<b>10,758,000</b>	<b>3,246,100</b>	<b>3,920,400</b>	<b>17,924,500</b>
<b>5 EXPENSES</b>				
6 Source of Supply	9,011,200	1,080,100	-	10,091,300
7 Salaries & Benefits	519,600	725,000	1,346,700	2,591,300
8 Operations & Maintenance	410,100	234,300	307,200	951,600
9 General & Administrative	318,800	345,800	357,200	1,021,800
<b>10 TOTAL EXPENSES</b>	<b>10,259,700</b>	<b>2,385,200</b>	<b>2,011,100</b>	<b>14,656,000</b>
<b>11 NET INCOME / (LOSS) BEFORE DEBT, CAPITAL &amp; ADPs</b>	<b>498,300</b>	<b>860,900</b>	<b>1,909,300</b>	<b>3,268,500</b>
12 Debt Service	-	(259,000)	(1,036,000)	(1,295,000)
13 Section 115 Pension Trust Contribution	(50,000)	(50,000)	(50,000)	(150,000)
14 CalPERS Additional Discretionary Payments	-	-	-	-
15 Capital Expenses (Reserve-Funded)	(3,562,300)	(5,664,200)	(3,627,600)	(12,854,100)
<b>16 NET INCREASE / (DECREASE) TO RESERVES</b>	<b>\$ (3,114,000)</b>	<b>\$ (5,112,300)</b>	<b>\$ (2,804,300)</b>	<b>\$ (11,030,600)</b>
<b>17 PROJECTED BEGINNING RESERVES</b>	9,484,100	7,690,300	46,300,700	63,475,100
<b>18 PROJECTED ENDING RESERVES</b>	<b>\$ 6,370,100</b>	<b>\$ 2,578,000</b>	<b>\$ 43,496,400</b>	<b>\$ 52,444,500</b>





# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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#### Schedule B - District Wide Salaries & Benefits

This schedule provides a detailed analysis of the total District Salaries & Benefits budgeted for FY 22/23. Column (A) provides the prior year Adopted Budget, column (B) provides projected year-end results, column (C) provides the proposed budget for the upcoming fiscal year, and columns (D) and (E) provide differences in dollars and percentages from FY 21/22 Projected Results to the FY 22/23 Proposed Budget.

**Line 2 Salaries & Wages** is increasing due to:

- Merit increases averaging 3%
- A Cost-of-Living Adjustment (COLA) of 6.1%
- Water Supervisor position

**Line 3 Health Benefits** - Expenses are estimated to increase 5% per preliminary estimates from ACWA JPIA. In addition, one new employee is anticipated to be hired and is budgeted at the highest insurance premiums since the actual premiums cost is currently unknown.

**Line 4 Payroll Taxes** - Includes costs for Social Security, Medicare, and State Unemployment Insurance (SUI). Budget for FY 22/23 is increasing due to items discussed for increased salaries and wages.

**Line 5 Worker's Compensation Insurance** - FY 22/23 is budgeted based on current insurance rates applied to budgeted District salaries.

**Line 6 CalPERS Retirement** - Rates are 8.63% of base salary for Classic members, and 7.47% for Public Employee Pension Reform Act (PEPRA) employees, which are generally employees hired after January 1, 2013. District employees contribute the full employee contribution under both plans.

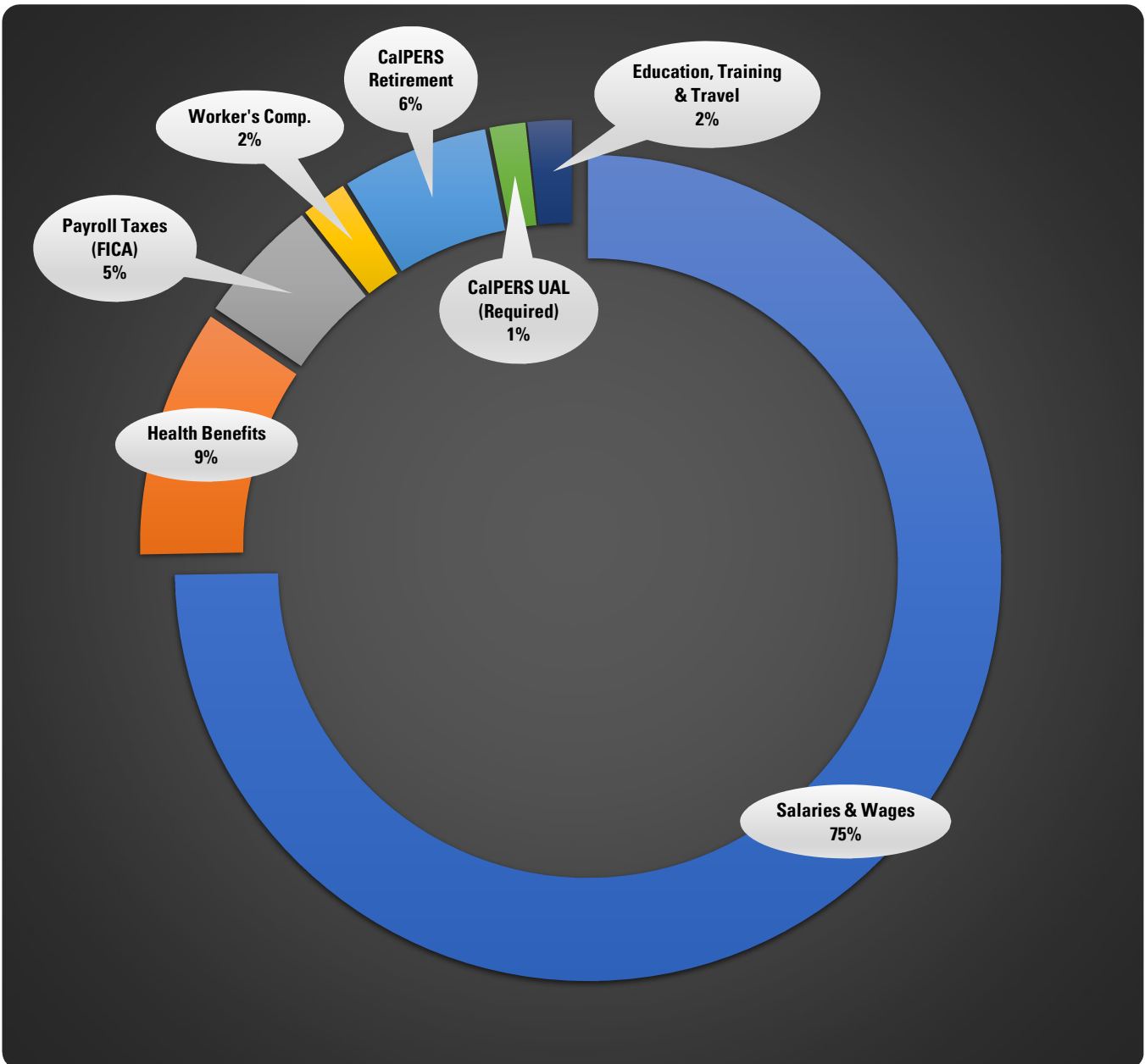
**Line 7 CalPERS Unfunded Accrued Liability (Required)** - This is the annual payment the District is required to send CalPERS to pay down the District's Unfunded Accrued Liability (UAL). As of June 30, 2020, the District made additional discretionary payments (budgeted in Line 14 of Schedule A) towards the Misc. and Misc.-PEPRA liabilities to achieve 100% funded status. Therefore, no minimum required payments were anticipated for FY 21/22. FY 22/23 budget is per CalPERS actuarial reports.

**Line 8 Education, Training & Travel** - This category is budgeted to increase from projected FY 21/22 costs primarily due to an inflation increase of 5%, and employee educational reimbursement provisions.

**East Orange County Water District  
District-Wide Salaries & Benefits  
FY 2022-23**

- 1 **SALARIES & BENEFITS**
- 2 Salaries & Wages
- 3 Health Benefits
- 4 Payroll Taxes (FICA)
- 5 Worker's Comp.
- 6 CalPERS Retirement
- 7 CalPERS UAL (Required)
- 8 Education, Training & Travel
- 9 **TOTAL SALARIES & BENEFITS**

	A	B	C	D = C-B	E = D/B
	FY 2021/22 Adopted Budget	FY 2021/22 Projected Results	FY 2022/23 Proposed Budget	Variance \$	Variance %
2 Salaries & Wages	\$ 1,764,400	\$ 1,569,900	\$ 1,936,700	\$ 366,800	23.4%
3 Health Benefits	265,900	225,400	251,600	26,200	11.6%
4 Payroll Taxes (FICA)	119,900	104,800	127,300	22,500	21.5%
5 Worker's Comp.	42,000	34,600	46,000	11,400	32.9%
6 CalPERS Retirement	135,000	119,300	148,700	29,400	24.6%
7 CalPERS UAL (Required)	-	-	36,300	36,300	0.0%
8 Education, Training & Travel	20,000	24,400	44,700	20,300	83.2%
9 <b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$ 2,347,200</b>	<b>\$ 2,078,400</b>	<b>\$ 2,591,300</b>	<b>\$ 512,900</b>	<b>24.7%</b>





# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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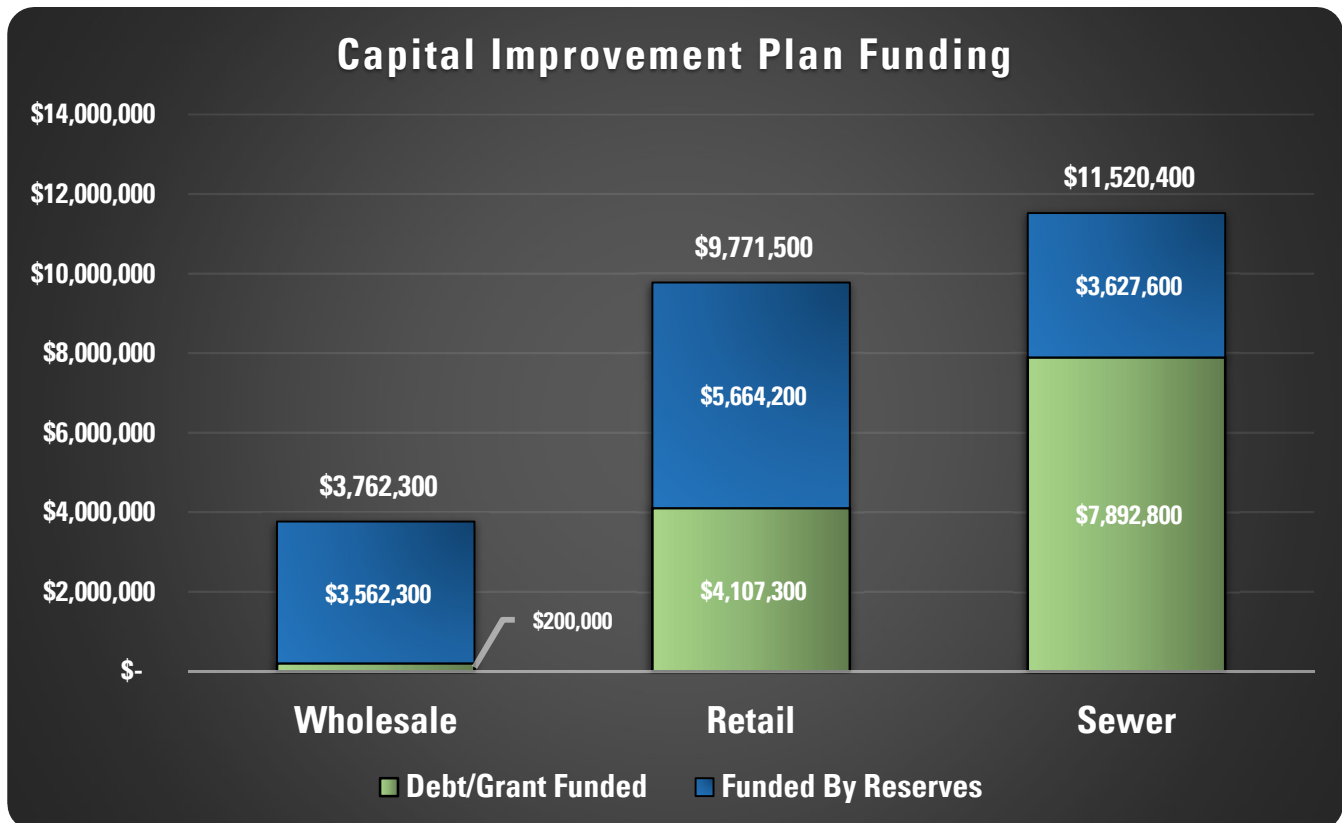
#### **Schedule C – CIP Budget Summary**

This Schedule shows the budget summary by fund for District’s Capital Improvement Plan for FY 22/23.

Column (A) shows the proposed CIP budget for the Wholesale zone, Column (B) shows the proposed CIP budget for the Retail zone, and Column (C) shows the proposed CIP budget for the Sewer zone. Column (D) shows the FY 22/23 District total Proposed CIP budget.

The Capital Improvement Plan is condensed into a few broad categories to summarize planned CIP spending by fund for the upcoming fiscal year. Projects anticipated to be funded by Debt or Grant proceeds are excluded from the calculation for Net Use of District Reserves for CIP in line 11.

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
	<b>Wholesale</b>	<b>Retail</b>	<b>Sewer</b>	<b>Total</b>
	<b>Proposed FY 2022/23 Budget</b>	<b>Proposed FY 2022/23 Budget</b>	<b>Proposed FY 2022/23 Budget</b>	<b>Proposed FY 2022/23 Budget</b>
<b>1 Capital Improvement Program</b>				
2 Wells & Treatment	\$ -	\$ 5,490,000	\$ -	\$ 5,490,000
3 Transmission/Distribution Systems	3,293,400	3,776,600	9,947,500	17,017,500
4 Vehicles & Equipment	42,300	48,300	84,300	174,900
5 Structures & Facilities	356,000	326,000	1,418,000	2,100,000
6 Information Technology	37,300	37,300	37,300	111,900
7 Studies & Assessments	33,300	93,300	33,300	159,900
<b>8 Total Capital Improvement Program</b>	<b>3,762,300</b>	<b>9,771,500</b>	<b>11,520,400</b>	<b>25,054,200</b>
9 Less: Debt Proceeds for CIP	-	(2,527,300)	(7,892,800)	(10,420,100)
10 Less: Grant Proceeds for CIP	(200,000)	(1,580,000)	-	(1,780,000)
<b>11 Net Use of District Reserves for CIP</b>	<b>\$ 3,562,300</b>	<b>\$ 5,664,200</b>	<b>\$ 3,627,600</b>	<b>\$ 12,854,100</b>





**East Orange County Water District  
Wholesale Capital Detail  
FY 2022/23**

Schedule C-1

Project ID	Project	Proposed Budget
<b>1</b>	<b>Transmission/Distribution Systems</b>	
2	21-38 Newport Reservoir Roof Repair and Recoating	\$ 700,000
3	21-43 Walnut Vault Replacement	700,000
4	21-45 SCADA System Improvements	533,400
5	23-05 Demo Treatment Plant and new storage at 6M site	300,000
6	23-07 6MG Reservoir - Pipeline and Vault Improvements	300,000
7	22-34 6MG Reservoir Replacement**	200,000
8	23-03 Cathodic Protection Improvements	190,000
9	22-17 Hydrant relocation at Jamboree	100,000
10	21-02 Valve Replacements	75,000
11	21-03 System Relocations / Pipeline Replacement	50,000
12	22-51 Wholesale Reservoir Backup Generators	50,000
13	22-49 Evaluation of Pump Station at Newport Reservoir (Hydraulic Modelling)	40,000
14	22-45 Hydrant Replacements	15,000
15	22-48 Service Lateral Replacement	10,000
16	22-46 Easement clearing behind Newport Reservoir	10,000
17	21-50 SAC Pipeline Repairs	10,000
18	22-16 Pedestal Replacement at Chandler Ranch Turnout	10,000
<b>19</b>	<b>Total Transmission/Distribution Systems</b>	<b>3,293,400</b>
<b>20</b>	<b>Vehicles &amp; Equipment</b>	
21	23-01 Dump Truck for Field Operations	33,300
22	23-08 Skid Steer Trailer	9,000
<b>23</b>	<b>Total Vehicles &amp; Equipment</b>	<b>42,300</b>
<b>24</b>	<b>Structures &amp; Facilities</b>	
25	22-33 District Headquarters	356,000
<b>26</b>	<b>Total Structures &amp; Facilities</b>	<b>356,000</b>
<b>27</b>	<b>Information Technology</b>	
28	22-01 Financial Software and Implementation	37,300
<b>29</b>	<b>Total Information Technology</b>	<b>37,300</b>
<b>30</b>	<b>Studies &amp; Assessments</b>	
31	21-29 AWIA Project	33,300
<b>32</b>	<b>Total Studies &amp; Assessments</b>	<b>33,300</b>
<b>33</b>	<b>Wholesale CIP Total</b>	<b>\$ 3,762,300</b>
34	Less: Debts Proceeds Allocated for Capital Projects	-
35	Less: Grant Proceeds Allocated for Capital Projects	(200,000)
<b>36</b>	<b>Wholesale CIP Net Budget (Reserve-Funded)</b>	<b>\$ 3,562,300</b>

\*Indicates projects will be funded by Debt Proceeds.

\*\*Indicates projects will be funded by anticipated Grant Proceeds.



**East Orange County Water District  
Retail Capital Detail  
FY 2022/23**

Schedule C-2

Project ID	Project	Proposed Budget
<b>1</b>	<b>Wells &amp; Treatment</b>	
2	21-06 VanderWerff Well**	\$ 3,860,000
3	21-01 VP Reservoir Replacement*	1,200,000
4	22-28 East Well Pump and Motor	150,000
5	23-02 Abandon West Well	150,000
6	22-29 East Well Eletrical	100,000
7	21-05 PFAS Treatment Facility	30,000
<b>8</b>	<b>Total Wells &amp; Treatment</b>	<b>5,490,000</b>
<b>9</b>	<b>Transmission/Distribution Systems</b>	
10	21-04 Barrett Reservoir Booster Pump Station Replacement	1,500,000
11	22-40 Circula Panorama Pipeline Replacement / Conversion	1,000,000
12	21-11 Brae Glen Pressurized CIPP	350,000
13	21-45 SCADA System Improvements	266,600
14	22-18 Orange Knoll PRV Station	130,000
15	21-02 Valve Replacements	100,000
16	22-32 Upsize 6" pipe on Circula Panorama to 12"	100,000
17	21-03 Allowance for System Relocations/Pipeline Replacement	60,000
18	22-45 Hydrant Replacements	60,000
19	22-37 6" Pipe Upsize / 8" Replacement Fairhaven Extension - Fowler to Circula	50,000
20	22-43 Replace 500' of 4" CMLMC pipe and install PRV Station to Zone III	50,000
21	22-48 Service Lateral Replacement	40,000
22	23-10 RZ Barrett Reservoir Exterior Coating	30,000
23	22-31 Barrett and Hinton Service Relocations	30,000
24	22-30 View Ridge New Valve	10,000
<b>25</b>	<b>Total Transmission/Distribution Systems</b>	<b>3,776,600</b>
<b>26</b>	<b>Vehicles &amp; Equipment</b>	
27	23-01 Dump Truck for Field Operations	33,300
28	23-08 Skid Steer Trailer	15,000
<b>29</b>	<b>Total Vehicles &amp; Equipment</b>	<b>48,300</b>
<b>30</b>	<b>Structures &amp; Facilities</b>	
31	22-33 District Headquarters	326,000
<b>32</b>	<b>Total Structures &amp; Facilities</b>	<b>326,000</b>
<b>33</b>	<b>Information Technology</b>	
34	22-01 Financial Software and Implementation	37,300
<b>35</b>	<b>Total Information Technology</b>	<b>37,300</b>
<b>36</b>	<b>Studies &amp; Assessments</b>	
37	23-01 RZ Update Water Specifications	50,000
38	21-29 AWIA Project	33,300
39	23-09 RZ Update Water Atlas	10,000
<b>40</b>	<b>Total Studies &amp; Assessments</b>	<b>93,300</b>
<b>41</b>	<b>Retail CIP Total</b>	<b>\$ 9,771,500</b>
42	Less: Debts Proceeds Allocated for Capital Projects	(2,527,300)
43	Less: Grant Proceeds Allocated for Capital Projects	(1,580,000)
<b>44</b>	<b>Retail CIP Net Budget (Reserve-Funded)</b>	<b>\$ 5,664,200</b>

\*Indicates projects will be funded by Debt Proceeds.

\*\*Indicates projects will be funded by anticipated Grant Proceeds.



**East Orange County Water District  
Sewers Capital Detail  
FY 2022/23**

Schedule C-3

Project ID	Project	Proposed Budget
<b>1</b>	<b>Transmission/Distribution Systems</b>	
2	21-20 Browning Rehabilitation*	\$ 9,000,000
3	21-18 Manhole Additions, Raising, Frames & Covers (includes County projects)	250,000
4	21-13 CIPP	300,000
5	21-14 Sewer Replacement	150,000
6	21-17 Manhole Rehabilitation/Replacement	125,000
7	21-03 System Relocations / Pipeline Replacement	90,000
6	21-21 Backwater Valve Program	20,000
7	21-26 Smart Covers	12,500
<b>10</b>	<b>Total Transmission/Distribution Systems</b>	<b>9,947,500</b>
<b>11</b>	<b>Vehicles &amp; Equipment</b>	
12	23-01 Dump Truck for Field Operations	33,300
12	21-34 Truck for Field Ops	35,000
13	21-25 Arrow Board	10,000
15	23-08 Skid Steer Tractor	6,000
<b>16</b>	<b>Total Vehicles &amp; Equipment</b>	<b>84,300</b>
<b>17</b>	<b>Structures &amp; Facilities</b>	
18	22-33 District Headquarters	1,418,000
<b>19</b>	<b>Total Structures &amp; Facilities</b>	<b>1,418,000</b>
<b>20</b>	<b>Information Technology</b>	
21	22-01 Financial Software and Implementation	37,300
<b>22</b>	<b>Total Information Technology</b>	<b>37,300</b>
<b>23</b>	<b>Studies &amp; Assessments</b>	
24	21-29 AWIA Project	33,300
<b>25</b>	<b>Total Studies &amp; Assessments</b>	<b>33,300</b>
<b>26</b>	<b>Sewer CIP Total</b>	<b>\$ 11,520,400</b>
27	Less: Debts Proceeds Allocated for Capital Projects	(7,892,800)
28	Less: Grant Proceeds Allocated for Capital Projects	-
<b>29</b>	<b>Sewer CIP Net Budget (Reserve-Funded)</b>	<b>\$ 3,627,600</b>

\*Indicates projects will be funded by Debt Proceeds.

\*\*Indicates projects will be funded by anticipated Grant Proceeds.



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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#### Schedule D: Wholesale Zone Budget Detail

This Schedule shows the detail budget for the District's Wholesale zone and will be used during fiscal year (FY) 22/23 to report monthly operating financials to the Board.

Column (A) is the Adopted Budget for FY 21/22. Column (B) represents projected year-end results for Fiscal Year 21/22 (projected amounts are estimates; actual results will vary). Column (C) displays the Proposed Budget for FY 22/23. Columns (D) and (E) display differences in dollars and percentages from Projected FY 21/22 results to the FY 22/23 Proposed Budget.

#### REVENUES

**Line 2 Water Sales** – Volumetric water sales to wholesale customers.

- Revenues are budgeted for FY 22/23 with a 5.7% MWDOC rate increase adopted for consumption after January 1, 2023. MWDOC implemented a previous rate increase of 3.5% January 1, 2022.

**Line 3 Fixed MET/MWDOC Charges** – This includes Retail Service Connection, Readiness-to-Serve (RTS), Capacity and Choice Program charges remitted to MWDOC. These charges are paid to MWDOC and collected from wholesale customers monthly. FY 22/23 is budgeted based on approved rate schedules from MWDOC.

**Line 4 Fixed EOCWD Charges** – This includes the District's Reserve Fund Charge and Readiness-to-Serve charge assessed to Wholesale customers. These charges are budgeted based on per-meter rates adopted through the District Rate Study process. These rates are billed to each wholesale member agency monthly according to each agency's number and sizes of active retail meters. FY 22/23 is budgeted for an 8% rate increase effective October 1, 2022.

**Line 5 Connection Fees** – Connection fees charge for new connections to the Wholesale system. These revenues are budgeted at zero due to their unpredictable nature.

**Line 8 Property Taxes** – Annual Ad Valorem property taxes assessed to homeowners through the County of Orange and remitted to the District. FY 22/23 is budgeted in with a 2% increase on FY 21/22 projected results.

**Line 9 Rental Revenue** – Includes cell tower lease payments from Crown Castle. FY 22/23 is budgeted in line with FY 21/22 projected results with a 2% increase.

**Line 10 Interest Revenue** – Interest revenue earned on District investments held in the State of California's Local Agency Investment Fund (LAIF) and Raymond James. Interest is conservatively budgeted for no increase.



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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- **Line 11 Miscellaneous Income** – Includes Meter Charges, Capital Reimbursements, Late Charges, Grant Proceeds, and various types of reimbursements. FY 22/23 is budgeted conservatively based on the unpredictable nature of these receipts.

#### EXPENSES

**Line 14-17 Source of Supply** – The cost of water sold to Wholesale zone customers.

- **Line 15 Water Purchases** – The cost of volumetric water purchases from MWDOC. These charges are passed on to Wholesale customers (shown in line 2). Purchases budgeted for FY 22/23 with a 5.7% MWDOC rate increase adopted for consumption after January 1, 2023.
- **Line 16 Fixed MET/MWDOC Expense** – Includes retail service connection (RTS), readiness to serve, capacity and choice program charges assessed by MWDOC. These charges are passed on to wholesale customers monthly (shown in line 3). Budgeted based on approved rate schedules from MWDOC.

**Line 18-26 Salaries & Benefits** – Lists the detail of salaries and wages, health benefits, payroll taxes, worker’s compensation, CalPERS retirement, required CalPERS unfunded accrued liability contributions, and education expenses. Please note that personnel expenses are allocated out to the respective funds on an individual employee basis based on position classification. For an overall picture of salaries and benefits please refer to Schedule B District-Wide Salary & Benefits and related narrative.

**Line 27-33 Operations and Maintenance** – Costs incurred for adequate operation and maintenance of the Wholesale water system including operating software, water quality, permits, fees, vehicles and equipment.

**Line 28 Water Systems Repairs & Maintenance** – Includes expenses to keep the District wholesale system running including: mains, reservoirs, vaults, service connections, meters, cathodic protection, and small tools. FY 22/23 budget includes provisions for maintenance on the wholesale system that are not always needed but act as a safety net for unexpected occurrences with the water system.

**Line 29 Operations Reporting Software** – Includes monitoring software for operations such as Sedaru and SCADA software. Budget for FY 22/23 determined by the renewal costs of the respective software and allocation to appropriate funds. Sedaru is allocated 15% Wholesale, 15% Retail and 70% Sewer.

**Line 30 Water Quality** – Includes costs of water quality testing, testing supplies, and chemical purchases. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase.

**Line 31 Permits & Fees** – Includes annual water system fees assessed by the State Water Resources Control Board and other regulatory fees. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% increase for inflation.

**Line 32 Vehicles & Equipment** – Includes costs to fuel and maintain District vehicles and equipment for the Wholesale zone. FY 22/23 budget includes provisions for maintenance on vehicles/equipment that are not always needed but act as a safety net for unexpected occurrences.



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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**Line 34-43 General & Administrative** – Includes professional services, District office expenses, dues and memberships, insurance, board of directors, conservation, election expenses and other administrative expenses.

**Line 35 Professional Services** – Includes audit, accounting, government relations, legal, engineering, computer consulting, tax collection, banking and other professional fees. These costs are generally allocated to each fund by 33.3%, unless directly specific to a fund. FY 22/23 Budget is increasing from FY 21/22 projected results due to provisions for legal and engineering costs.

**Line 36 District Office Expenses** – Includes office repairs, utilities, postage, supplies, safety and records management. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase.

**Line 37 Dues & Memberships** – Annual memberships and dues paid to Orange County LAFCO, the California Special District Association, Urban Water Institute, Association of California Water Agencies, Sustain Southern California, American Water Works Association, and Southern California Alliance of Publicly Owned Treatment Works (SCAP). Memberships related exclusively to water agencies are split 50% between Wholesale and Retail. General District-wide memberships are allocated 1/3 to each fund. SCAP is 100% exclusive to the Sewer zone.

**Line 38 Insurance** – Automobile, general liability and property insurance policies administered through ACWA-JPIA. FY 22/23 is budgeted based on FY 21/22 projected results with a 5% estimated increase.

**Line 39 Board of Directors Expense** – Director stipends, mileage and various board meeting expenses. FY 22/23 is budgeted assuming increased Director travel and meeting expenses as pandemic restrictions lighten.

**Line 40 Conservation** – Costs for public conservation efforts. With California forecasted to enter another drought, water conservation efforts are expected to increase. District-wide conservation expenses are split 20% to the Wholesale zone and 80% to the Retail zone.

**Line 41 Election Expense** – Election expenses related to Board member elections. Board members serve four-year terms with seats up for election every other year. The next board member election will take place in December 2022.

**Line 42 Miscellaneous Expense** - Includes bank fees, uniforms, and other miscellaneous expenses. FY 22/23 is budgeted based on projected results for FY 21/22 with a 5% inflation increase.

**Line 45 Net Income (Loss) Before Debt & Capital** – Measures the difference between revenues and expenses; resulting in net revenues remaining to fund capital and debt service.

**Line 46 Capital Expenses (Reserve-Funded)** – Please refer to schedule C-1 and associated narrative for detailed budget information and analysis.



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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**Line 47 Section 115 Pension Trust Contribution** - Cash contributions to the District's pension trust fund. Budget for FY 22/23 includes a total contribution of \$150K, which is split evenly between wholesale, retail and sewer.

**Line 48 CalPERS Additional Discretionary Payments** - Voluntary payments toward the CalPERS Unfunded Accrued Liability (UAL) above the minimum required payment shown in line 24. Pension liabilities incurred after Sewer system acquisition in August 2017 are allocated at 1/3 each between the Wholesale, Retail and Sewer funds. The District has achieved 90% funded status within CalPERS and does not plan to make ADPs during FY 22/23.

**Line 49 Net Increase / (Decrease) to Reserves** - Wholesale Reserves are budgeted to decrease in FY 22/23 by \$(3.114M).



**East Orange County Water District  
Wholesale Budget Detail  
FY 2022-23**

*Schedule D*

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D = C-B</b>	<b>E = D/B</b>
	<b>FY 2021/22 Adopted Budget</b>	<b>FY 2021/22 Projected Results</b>	<b>FY 2022/23 Proposed Budget</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>1 OPERATING REVENUES</b>					
2 Water Sales	\$ 4,652,300	\$ 8,089,200	\$ 8,443,400	\$ 354,200	4.4%
3 Fixed MET/MWDOC Charges	464,600	477,200	567,800	90,600	19.0%
4 Fixed EOCWD Charges	499,600	499,600	529,600	30,000	6.0%
5 Connection Fees	-	18,000	-	(18,000)	-100.0%
<b>6 TOTAL OPERATING REVENUES</b>	<b>5,616,500</b>	<b>9,084,000</b>	<b>9,540,800</b>	<b>456,800</b>	<b>5.0%</b>
<b>7 NON-OPERATING REVENUES</b>					
8 Property Taxes	965,800	984,300	1,004,100	19,800	2.0%
9 Rental Revenue	149,900	152,900	156,000	3,100	2.0%
10 Interest Income	66,600	44,900	47,100	2,200	4.9%
11 Miscellaneous Income	10,000	15,500	10,000	(5,500)	-35.5%
<b>12 TOTAL NON-OPERATING REVENUES</b>	<b>1,192,300</b>	<b>1,197,600</b>	<b>1,217,200</b>	<b>19,600</b>	<b>1.6%</b>
<b>13 TOTAL REVENUES</b>	<b>6,808,800</b>	<b>10,281,600</b>	<b>10,758,000</b>	<b>476,400</b>	<b>4.6%</b>
<b>14 SOURCE OF SUPPLY</b>					
15 Water Purchases	4,652,300	8,089,100	8,443,400	354,300	4.4%
16 Fixed MET/MWDOC Expense	464,600	478,600	567,800	89,200	18.6%
<b>17 TOTAL SOURCE OF SUPPLY</b>	<b>5,116,900</b>	<b>8,567,700</b>	<b>9,011,200</b>	<b>443,500</b>	<b>5.2%</b>
<b>18 SALARIES &amp; BENEFITS</b>					
19 Salaries & Wages	294,300	225,200	382,800	157,600	70.0%
20 Health Benefits	46,200	32,500	47,600	15,100	46.5%
21 Payroll Taxes (FICA)	19,900	14,800	24,200	9,400	63.5%
22 Worker's Comp.	8,300	7,100	9,700	2,600	36.6%
23 CalPERS Retirement	22,400	16,900	29,400	12,500	74.0%
24 CalPERS UAL (Required)	-	-	12,100	12,100	0.0%
25 Education, Training & Travel	7,000	6,600	13,800	7,200	109.1%
<b>26 TOTAL SALARIES &amp; BENEFITS</b>	<b>398,100</b>	<b>303,100</b>	<b>519,600</b>	<b>216,500</b>	<b>71.4%</b>
<b>27 OPERATIONS &amp; MAINTENANCE</b>					
28 Water System Repairs & Maintenance	306,500	238,000	304,700	66,700	28.0%
29 Operations Reporting Software	22,600	16,600	16,200	(400)	-2.4%
30 Water Quality	29,300	49,900	52,400	2,500	5.0%
31 Permits & Fees	9,500	11,600	12,200	600	5.2%
32 Vehicles & Equipment	18,800	18,400	24,600	6,200	33.7%
<b>33 TOTAL OPERATIONS &amp; MAINTENANCE</b>	<b>386,700</b>	<b>334,500</b>	<b>410,100</b>	<b>75,600</b>	<b>22.6%</b>
<b>34 GENERAL &amp; ADMINISTRATIVE</b>					
35 Professional Services	209,500	168,500	193,100	24,600	14.6%
36 District Office Expenses	27,400	25,900	27,200	1,300	5.0%
37 Dues & Memberships	16,100	16,700	17,100	400	2.4%
38 Insurance	25,900	30,700	32,300	1,600	5.2%
39 Board of Directors Expense	7,700	8,000	13,500	5,500	68.8%
40 Conservation	10,000	4,100	5,000	900	22.0%
41 Election Expense	-	-	28,500	28,500	0.0%
42 Miscellaneous Expense	2,000	2,000	2,100	100	5.0%
<b>43 TOTAL GENERAL &amp; ADMINISTRATIVE</b>	<b>298,600</b>	<b>255,900</b>	<b>318,800</b>	<b>62,900</b>	<b>24.6%</b>
<b>44 TOTAL EXPENSES</b>	<b>6,200,300</b>	<b>9,461,200</b>	<b>10,259,700</b>	<b>798,500</b>	<b>8.4%</b>
<b>45 NET INCOME / (LOSS) BEFORE DEBT, CAPITAL &amp; ADPs</b>	<b>608,500</b>	<b>820,400</b>	<b>498,300</b>	<b>(322,100)</b>	<b>-39.3%</b>
46 Capital Expenses (Reserve-Funded)	(2,595,400)	(400,300)	(3,562,300)	(3,162,000)	
47 Section 115 Pension Trust Contribution	(50,000)	-	(50,000)	(50,000)	
48 CalPERS Additional Discretionary Payments	(149,500)	(149,500)	-	149,500	
<b>49 NET INCREASE / (DECREASE) TO RESERVES</b>	<b>\$ (2,186,400)</b>	<b>\$ 270,600</b>	<b>\$ (3,114,000)</b>	<b>\$ (3,384,600)</b>	



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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#### Schedule E: Retail Zone Budget Detail

This Schedule shows the detail budget for the District's Retail zone and will be used during fiscal year (FY) 22/23 for reporting monthly operating financials to the Board.

Column (A) is the Adopted Budget for FY 21/22. Column (B) represents projected year-end results for Fiscal Year 21/22 (projected amounts are estimates; actual results will vary). Column (C) displays the Proposed Budget for FY 22/23. Columns (D) and (E) display differences in dollars and percentages from Projected FY 21/22 results to the FY 22/23 Proposed Budget.

#### REVENUES

**Line 2 Water Sales** – Volumetric water sales including residential, commercial, landscape, and irrigation water sales. Revenues are budgeted for FY 22/23 based on FY 21/22 data with a -2% decrease in consumption and 6% rate increase adopted for billing cycles after October 1, 2022.

**Line 3 Fixed Charges** – This includes the fixed monthly meter charge to retail customers. Revenues are budgeted for FY 22/23 based on FY 21/22 projected results with a 6% rate increase effective October 1, 2022.

**Line 4 Penalty & Other Charges** – This includes late, returned check, turn off and other miscellaneous charges. Budget for FY 22/23 is based on actual results for FY 21/22 with no increase.

**Line 5 Capital Improvement Charges** – This is the fixed fee charged to all residential customers to fund maintenance and capital replacement on the Retail system. Revenues are budgeted for FY 22/23 based on FY 21/22 actual results with a 6% rate increase effective October 1, 2022.

**Line 6 Connection Fees** – Connection fees charge for new connections to the Retail system. These revenues are budgeted for conservatively at zero due to their unpredictable nature.

**Line 7 Uncollectible Accounts** – Estimated uncollectible portion of outstanding utility billing accounts receivable. This amount is estimated using a ratio of 5-year historic bad debt expense applied to FY 22/23 budgeted operating revenue.

**Line 10 Property Taxes** – Annual Ad Valorem property tax fees assessed to homeowners and paid to the District through the County of Orange. FY 22/23 is budgeted in line with actual results from FY 21/22 with a 2% increase.

**Line 11 Interest Income** – Interest is earned primarily on District investments in the State of California's Local Agency Investment Fund (LAIF). Interest is budgeted to increase 5% from FY 21/22 year-end.

**Line 12 Miscellaneous Income** – This includes items such as insurance reimbursements, recycling, and other miscellaneous items. FY 22/23 budgeted conservatively due to their unpredictable nature of these revenues.



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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#### EXPENSES

**Line 15-21 Source of Supply** – Costs incurred for water purchases and pumping water from District aquifers into the water system. Budget for FY 22/23 assumes the District will operate using 100% imported water.

- **Line 16 Water Purchases** - Volumetric water purchases from MWDOC through the Wholesale zone at the MET/MWDOC rate. Budget for FY 22/23 assumes the District will operate using imported water for the whole year.
- **Line 17 Fixed MET/MWDOC Expense** - This includes retail service connection, readiness to serve, capacity and choice charges that are paid to MWDOC through the Wholesale zone. Budget for FY 21/22 is based on approved rate schedules from MWDOC and allocated to the Retail zone based on max peak flows and 4-year rolling average demand comparative to the other Wholesale zone agencies.
- **Line 18 Fixed EOCWD Expense** – This includes the Wholesale zone reserve fund charge and readiness to serve charge. These charges are budgeted based on the number and size of active retail meters at each wholesale zone member agency and the adopted rate study. Budget for FY 22/23 is lower than projected ending results for FY 21/22 due to the change in capital improvement charge based on meter size.
- **Line 19 Replenishment Assessment** – This includes the replenishment assessment paid to OCWD per AF pumped from the District’s wells. Budget for FY 22/23 assumes the District will operate using imported water.
- **Line 20 Pumping Electricity** – Includes electricity costs to operate the wells. FY 22/23 is budgeted in line with actual results from FY 21/22 with a 6% increase.

**Line 22-30 Salaries & Benefits** – Lists the detail of salaries and wages, health benefits, payroll taxes, worker’s compensation, CalPERS retirement, required CalPERS unfunded accrued liability contributions, and education expenses. Please note that personnel expenses are allocated out to the respective funds on an individual employee basis based on position classification. For an overall picture of salaries and benefits please refer to Schedule B District-Wide Salary & Benefits and related narrative.

**Line 31-37 Operations and Maintenance** – Costs to maintain assets in the District’s Retail system as well as other general operating expenses including operations software, water quality testing, permits/fees and vehicle maintenance.

**Line 32 Water Systems Repairs & Maintenance** - Expenses to keep the Retail system running including: mains, reservoirs, vaults, service connections, meters, cathodic protection, East & West well maintenance, hydrants, water loss control and small tools. FY 22/23 budget includes provisions for maintenance on the Retail system that are not always needed but act as a safety net for unexpected occurrences with the water system.



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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**Line 33 Operations Reporting Software** - Includes monitoring software for operations such as Sedaru and SCADA software. Budget for FY 22/23 determined by the renewal costs of the respective software and allocation to appropriate funds. Sedaru is allocated 15% Wholesale, 15% Retail and 70% Sewer.

**Line 34 Water Quality** - Includes costs of water quality testing, testing supplies, and chemical purchases. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase.

**Line 35 Permits & Fees** - Includes annual water system fees and other regulatory fees. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase.

**Line 36 Vehicles & Equipment** - Includes costs to fuel and maintain District vehicles and equipment for the Retail zone. FY 22/23 budget includes provisions for maintenance on vehicles/equipment that are not always needed but act as a safety net for unexpected occurrences.

**Line 38-48 General & Administrative** - Includes professional services, District office expenses, dues and memberships, insurance, board of directors, conservation, election expenses and other administrative expenses.

**Line 39 Professional Services** - Includes audit, accounting, government relations, legal, engineering, computer consulting, tax collection, banking and other professional fees. These costs are generally allocated to each fund by 33.3%, unless directly specific to one or two funds. Budget for FY 22/23 is increasing from actual results for FY 21/22 due to provisions for legal and engineering costs.

**Line 40 District Office Expenses** - Includes office repairs, utilities, postage, supplies, safety and records management. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase.

**Line 41 Dues & Memberships** - Includes annual membership fees/dues for the following: Orange County LAFCO, California Special District Association, Urban Water Institute, Association of California Water Agencies, Sustain Southern California, American Water Works Association, and Southern California Alliance of Publicly Owned Treatment Works (SCAP). Memberships relating exclusively to water agencies are split 50%/50% between the Wholesale and Retail zones. General memberships are allocation to each fund 33.3%. SCAP membership is exclusive to the Sewer zone.

**Line 42 Insurance** - Includes auto, general liability and property insurance policies through ACWA-JPIA. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% estimated increase.

**Line 43 Board of Directors Expense** - Includes director stipends, mileage and board meeting expenses. FY 22/23 is budgeted assuming increased Director travel and meeting expenses as travel restrictions are lifted.

**Line 44 Conservation** - Includes costs for public conservation efforts. With California forecasted to enter another drought, water conservation efforts are expected to increase. District-wide conservation expenses are split 20% to the Wholesale zone and 80% to the Retail zone.



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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**Line 45 Customer Billing** – Includes costs related to the customer billing system, credit card processing, and meter reading. FY 22/23 budget is based on FY 21/22 projected results with a 5% inflation increase.

**Line 46 Miscellaneous Expense** – Includes uniforms, and other miscellaneous expenses. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase

**Line 47 Election Expense** – Election expenses related to Board member elections. Board members serve four-year terms with seats up for election every other year. The next board member election will take place in December 2022.

**Line 50 Net Income (Loss) Before Debt, Capital & ADPs** – Measures the difference between revenues and expenses; resulting in net revenues remaining to fund capital and debt service.

**Line 51 Debt Service** - Includes interest and principal portion of bi-annual payments on the Sterling Bank Loan. This debt is shared between the Retail zone (20%) and Sewer zone (80%). Payments occur in June and December.

**Line 52 Capital Expenses (Reserve-Funded)** – Please refer to schedule C-2 and associated narrative for detailed budget information and analysis.

**Line 53 Section 115 Pension Trust Contribution** - Cash contributions to the District's pension trust fund. Budget for FY 22/23 includes a total contribution of \$150K, which is split evenly between wholesale, retail and sewer.

**Line 54 CalPERS Additional Discretionary Payments** – Voluntary payments toward the CalPERS Unfunded Accrued Liability (UAL) above the minimum required payment shown in line 24. Pension liabilities incurred after Sewer system acquisition in August 2017 are allocated at 1/3 each between the Wholesale, Retail and Sewer funds. The District has achieved 90% funded status within CalPERS and does not plan to make ADPs during FY 22/23.

**Line 55 Net Increase / (Decrease) to Reserves** – Retail Reserves are budgeted to decrease \$(5.112M) during FY 22/23.



**East Orange County Water District  
Budget Detail - Retail  
FY 2022-23**

*Schedule E*

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D = C-B</b>	<b>E = D/B</b>
	<b>FY 2021/22 Adopted Budget</b>	<b>FY 2021/22 Projected Results</b>	<b>FY 2022/23 Proposed Budget</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>1 OPERATING REVENUES</b>					
2 Water Sales	\$ 1,635,700	\$ 1,582,200	\$ 1,621,800	\$ 39,600	2.5%
3 Fixed Charges	600,200	588,400	614,900	26,500	4.5%
4 Penalty & Other Charges	9,200	9,800	9,800	-	0.0%
5 Capital Improvement Charges	427,400	465,200	486,100	20,900	4.5%
6 Connection Fees	-	12,900	-	(12,900)	-100.0%
7 Uncollectible Accounts	(5,200)	(9,900)	(6,700)	3,200	-32.3%
<b>8 TOTAL OPERATING REVENUES</b>	<b>2,667,300</b>	<b>2,648,600</b>	<b>2,725,900</b>	<b>77,300</b>	<b>2.9%</b>
<b>9 NON-OPERATING REVENUES</b>					
10 Property Taxes	500,100	505,600	515,700	10,100	2.0%
11 Interest Income	4,400	3,300	3,500	200	6.1%
12 Miscellaneous Income	1,000	9,500	1,000	(8,500)	-89.5%
<b>13 TOTAL NON-OPERATING REVENUES</b>	<b>505,500</b>	<b>518,400</b>	<b>520,200</b>	<b>1,800</b>	<b>0.3%</b>
<b>14 TOTAL REVENUES</b>	<b>3,172,800</b>	<b>3,167,000</b>	<b>3,246,100</b>	<b>79,100</b>	<b>2.5%</b>
<b>15 SOURCE OF SUPPLY</b>					
16 Water Purchases	945,800	933,800	964,100	30,300	3.2%
17 Fixed MET/MWDOC Expense	46,200	45,400	54,600	9,200	20.3%
18 Fixed EOCWD Expense	29,000	29,400	27,300	(2,100)	-7.1%
19 Replenishment Assessment	1,000	8,100	8,100	-	0.0%
20 Pumping Electricity	22,900	24,500	26,000	1,500	6.1%
<b>21 TOTAL SOURCE OF SUPPLY</b>	<b>1,022,000</b>	<b>1,041,200</b>	<b>1,080,100</b>	<b>38,900</b>	<b>3.7%</b>
<b>22 SALARIES &amp; BENEFITS</b>					
23 Salaries & Wages	435,800	349,500	539,100	189,600	54.2%
24 Health Benefits	66,900	51,900	69,900	18,000	34.7%
25 Payroll Taxes (FICA)	30,900	24,700	36,300	11,600	47.0%
26 Worker's Comp.	10,500	8,700	12,100	3,400	39.1%
27 CalPERS Retirement	33,500	26,500	41,600	15,100	57.0%
28 CalPERS UAL (Required)	-	-	12,100	12,100	0.0%
29 Education, Training & Travel	7,500	8,400	13,900	5,500	65.5%
<b>30 TOTAL SALARIES &amp; BENEFITS</b>	<b>585,100</b>	<b>469,700</b>	<b>725,000</b>	<b>255,300</b>	<b>54.4%</b>
<b>31 OPERATIONS &amp; MAINTENANCE</b>					
32 Water System Repairs & Maintenance	218,400	57,300	176,000	118,700	207.2%
33 Operations Reporting Software	11,500	11,200	10,500	(700)	-6.3%
34 Water Quality	13,000	9,500	10,000	500	5.3%
35 Permits & Fees	11,400	13,100	13,800	700	5.3%
36 Vehicles & Equipment	19,100	20,200	24,000	3,800	18.8%
<b>37 TOTAL OPERATIONS &amp; MAINTENANCE</b>	<b>273,400</b>	<b>111,300</b>	<b>234,300</b>	<b>123,000</b>	<b>110.5%</b>
<b>38 GENERAL &amp; ADMINISTRATIVE</b>					
39 Professional Services	204,800	178,800	195,700	16,900	9.5%
40 District Office Expenses	30,400	30,100	31,800	1,700	5.6%
41 Dues & Memberships	11,600	12,100	12,300	200	1.7%
42 Insurance	18,400	21,700	22,800	1,100	5.1%
43 Board of Directors Expense	7,800	8,100	13,500	5,400	66.7%
44 Conservation	40,000	4,100	40,000	35,900	875.6%
45 Customer Billing	21,400	23,600	24,700	1,100	4.7%
46 Miscellaneous Expense	1,800	1,900	2,000	100	5.3%
47 Election Expense	-	-	3,000	3,000	0.0%
<b>48 TOTAL GENERAL &amp; ADMINISTRATIVE</b>	<b>336,200</b>	<b>280,400</b>	<b>345,800</b>	<b>65,400</b>	<b>23.3%</b>
<b>49 TOTAL EXPENSES</b>	<b>2,239,600</b>	<b>1,902,600</b>	<b>2,385,200</b>	<b>482,600</b>	<b>25.4%</b>
<b>50 NET INCOME / (LOSS) BEFORE DEBT, CAPITAL &amp; ADPs</b>	<b>933,200</b>	<b>1,264,400</b>	<b>860,900</b>	<b>(403,500)</b>	<b>-31.9%</b>
51 Debt Service	(259,100)	(259,100)	(259,000)	100	
52 Capital Expenses (Reserve-Funded)	(2,174,900)	(363,100)	(5,664,200)	(5,301,100)	
53 Section 115 Pension Trust Contribution	(50,000)	-	(50,000)	(50,000)	
54 CalPERS Additional Discretionary Payments	(149,500)	(149,500)	-	149,500	
<b>55 NET INCREASE / (DECREASE) TO RESERVES</b>	<b>\$ (1,700,300)</b>	<b>\$ 492,700</b>	<b>\$ (5,112,300)</b>	<b>\$ (5,605,000)</b>	



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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#### Schedule F: Sewer Budget Detail

This Schedule shows the detail budget for the District's Sewer zone and will be used during fiscal year (FY) 22/23 for reporting monthly operating financials to the Board.

Column (A) is the Adopted Budget for FY 21/22. Column (B) represents projected year-end results for Fiscal Year 21/22 (projected amounts are estimates; actual results will vary). Column (C) displays the Proposed Budget for FY 22/23. Columns (D) and (E) display differences in dollars and percentages from Projected FY 21/22 results to the FY 22/23 Proposed Budget.

#### REVENUES

**Line 2 Sewer Service Fees** – Annual sewer service fees assessed to homeowners and paid to the District through the County of Orange. FY 22/23 is budgeted in line with actual results from FY 21/22 with no increase.

**Line 3 Sewer Permits & FOG Renewals** – This includes sewer capacity charges and OCSD permit processing fees, as well as annual fats, oils and grease (FOG) renewal fees. FOG renewal fees and sewer permit fees for FY 22/23 are budget based on FY 21/22 actual results.

**Line 6 Property Taxes** – Annual Ad Valorem property tax fees assessed to homeowners and paid to the District through the County of Orange. FY 22/23 is budgeted in line with actual results from FY 21/22 with a 2% increase.

**Line 7 Interest Income** – Interest is earned primarily on District investments in the US Bank investment account and the State of California's Local Agency Investment Fund (LAIF). Interest is conservatively budgeted for no increase.

**Line 8 Miscellaneous Income** – This includes items such as late charges, sewer permit inspection fees and other miscellaneous items. FY 22/23 is budget based on FY 21/22 actual results.

#### EXPENSES

**Line 11-19 Salaries & Benefits** – Lists the detail of salaries and wages, health benefits, payroll taxes, worker's compensation, CalPERS retirement, required CalPERS unfunded accrued liability contributions, and education expenses. Please note that personnel expenses are allocated out to the respective funds on an individual employee basis based on position classification. For an overall picture of salaries and benefits please refer to Schedule B District-Wide Salary & Benefits and related narrative.

**Line 20-25 Operations and Maintenance** – Costs to maintain assets in the sewer system as well as other general operating expenses including operations software, permits/fees and vehicle maintenance.

**Line 21 Sewer System Repairs & Maintenance** - Expenses to keep the Sewer system running including: mains repair, insecticide, root control, odor control, uniforms and small tools. FY 22/23 budget includes



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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provisions for maintenance on the Sewer system that are not always needed but act as a safety net for unexpected occurrences.

**Line 22 Operations Reporting Software** - Includes monitoring software for operations such as Sedaru, and SCADA software Budget for FY 22/23 determined by the renewal costs of the respective software and allocation to appropriate funds. Sedaru is allocated 15% Wholesale, 15% Retail and 70% Sewer.

**Line 23 Permits & Fees** - Includes annual sewer system fees and other regulatory fees. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase.

**Line 24 Vehicles & Equipment** - Includes costs to fuel and maintain District vehicles and equipment for the Sewer zone. FY 22/23 budget includes provisions for maintenance on vehicles/equipment that are not always needed but act as a safety net for unexpected occurrences.

**Line 26-34 General & Administrative** – Includes professional services, District office expenses, dues and memberships, insurance, board of directors, conservation, election expenses and other administrative expenses.

**Line 27 Professional Services** - Includes FOG services, audit, accounting, government relations, legal, engineering, computer consulting, tax collection, banking and other professional fees. These costs are generally allocated to each fund by 33.3%, unless directly specific to one or two funds. Budget for FY 22/23 is increasing from actual results for FY 21/22 due to provisions for legal and engineering costs.

**Line 28 District Office Expenses** - Includes office repairs, utilities, postage, supplies, safety and records management. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase.

**Line 29 Dues & Memberships** - Includes annual membership fees/dues for the following: Orange County LAFCO, California Special District Association, Urban Water Institute, Association of California Water Agencies, Sustain Southern California, American Water Works Association, and Southern California Alliance of Publicly Owned Treatment Works (SCAP). Memberships relating exclusively to water agencies are split 50%/50% between the Wholesale and Retail zones. General memberships are allocation to each fund 33.3%. SCAP membership is exclusive to the Sewer zone.

**Line 30 Insurance** - Includes auto, general liability and property insurance policies through ACWA-JPIA. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% estimated increase.

**Line 31 Board of Directors Expense** - Includes director stipends, mileage and board meeting expenses. FY 22/23 is budgeted assuming increased Director travel and meeting expenses as pandemic restrictions lighten.

**Line 32 Election Expense** – Election expenses related to Board member elections. Board members serve four-year terms with seats up for election every other year. The next board member election will take place in December 2022.



# EOCWD

## Budget Schedules & Line Items Narrative

### FY 2022/23 Proposed Budget

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**Line 33 Miscellaneous Expense** - Includes US Bank custodial fees, and other miscellaneous expenses. Budget for FY 22/23 is based on actual results for FY 21/22 with a 5% inflation increase.

**Line 36 Net Income (Loss) Before Debt, Capital & ADPs** – Measures the difference between revenues and expenses; resulting in net revenues remaining to fund capital and debt service.

**Line 37 Debt Service** - Includes interest and principal portion of bi-annual payments on the Sterling Bank Loan. This debt is shared between the Retail zone (20%) and Sewer zone (80%). Payments occur in June and December.

**Line 38 Capital Expenses (Reserve-Funded)** – Please refer to schedule C-3 and associated narrative for detailed budget information and analysis.

**Line 39 Section 115 Pension Trust Contribution** - Cash contributions to the District's pension trust fund. Budget for FY 22/23 includes a total contribution of \$150K, which is split evenly between wholesale, retail and sewer.

**Line 40 CalPERS Additional Discretionary Payments** – Voluntary payments toward the CalPERS Unfunded Accrued Liability (UAL) above the minimum required payment shown in line 24. Pension liabilities incurred after Sewer system acquisition in August 2017 are allocated at 1/3 each between the Wholesale, Retail and Sewer funds. The District has achieved 90% funded status within CalPERS and does not plan to make ADPs during FY 22/23.

**Line 41 Net Increase / (Decrease) to Reserves** – Sewer Reserves are budgeted to decrease \$(2.804M) during FY 22/23.



**East Orange County Water District  
Budget Detail - Sewers  
FY 2022-23**

*Schedule F*

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D = C-B</b>	<b>E = D/B</b>
	<b>FY 2021/22 Adopted Budget</b>	<b>FY 2021/22 Projected Results</b>	<b>FY 2022/23 Proposed Budget</b>	<b>Variance \$</b>	<b>Variance %</b>
<b>1 OPERATING REVENUES</b>					
2 Sewer Service Fees	\$ 3,153,700	\$ 3,181,900	\$ 3,181,900	\$ -	0.0%
3 Sewer Permits & FOG Renewals	17,600	47,600	47,600	-	0.0%
<b>4 TOTAL OPERATING REVENUES</b>	<b>3,171,300</b>	<b>3,229,500</b>	<b>3,229,500</b>	<b>-</b>	<b>0.0%</b>
<b>5 NON-OPERATING REVENUES</b>					
6 Property Taxes	387,900	397,800	405,700	7,900	2.0%
7 Interest Income	470,600	251,700	264,200	12,500	5.0%
8 Miscellaneous Income	20,000	23,500	21,000	(2,500)	-10.6%
<b>9 TOTAL NON-OPERATING REVENUES</b>	<b>878,500</b>	<b>673,000</b>	<b>690,900</b>	<b>17,900</b>	<b>2.7%</b>
<b>10 TOTAL REVENUES</b>	<b>4,049,800</b>	<b>3,902,500</b>	<b>3,920,400</b>	<b>17,900</b>	<b>0.5%</b>
<b>11 SALARIES &amp; BENEFITS</b>					
12 Salaries & Wages	1,034,300	995,200	1,014,800	19,600	2.0%
13 Health Benefits	152,800	141,000	134,100	(6,900)	-4.9%
14 Payroll Taxes (FICA)	69,100	65,300	66,800	1,500	2.3%
15 Worker's Comp.	23,200	18,800	24,200	5,400	28.7%
16 CalPERS Retirement	79,100	75,900	77,700	1,800	2.4%
17 CalPERS UAL (Required)	-	-	12,100	12,100	0.0%
18 Education, Training & Travel	5,500	9,400	17,000	7,600	80.9%
<b>19 TOTAL SALARIES &amp; BENEFITS</b>	<b>1,364,000</b>	<b>1,305,600</b>	<b>1,346,700</b>	<b>41,100</b>	<b>3.1%</b>
<b>20 OPERATIONS &amp; MAINTENANCE</b>					
21 Sewer System R&M	282,000	156,100	166,100	10,000	6.4%
22 Operations Reporting Software	37,000	44,000	48,800	4,800	10.9%
23 Permits & Fees	23,200	28,600	30,000	1,400	4.9%
24 Vehicles & Equipment	65,700	41,500	62,300	20,800	50.1%
<b>25 TOTAL OPERATIONS &amp; MAINTENANCE</b>	<b>407,900</b>	<b>270,200</b>	<b>307,200</b>	<b>37,000</b>	<b>13.7%</b>
<b>26 GENERAL &amp; ADMINISTRATIVE</b>					
27 Professional Services	243,600	192,100	227,500	35,400	18.4%
28 District Office Expenses	49,200	25,000	26,300	1,300	5.2%
29 Dues & Memberships	10,000	11,000	10,300	(700)	-6.4%
30 Insurance	23,400	27,600	29,000	1,400	5.1%
31 Board of Directors Expense	7,000	6,100	13,500	7,400	121.3%
32 Election Expense	-	-	28,500	28,500	0.0%
33 Miscellaneous Expense	24,800	150,400	22,100	(128,300)	-85.3%
<b>34 TOTAL GENERAL &amp; ADMINISTRATIVE</b>	<b>358,000</b>	<b>412,200</b>	<b>357,200</b>	<b>(55,000)</b>	<b>-13.3%</b>
<b>35 TOTAL EXPENSES</b>	<b>2,129,900</b>	<b>1,988,000</b>	<b>2,011,100</b>	<b>23,100</b>	<b>1.2%</b>
<b>36 NET INCOME / (LOSS) BEFORE DEBT, CAPITAL &amp; ADPs</b>	<b>1,919,900</b>	<b>1,914,500</b>	<b>1,909,300</b>	<b>(5,200)</b>	<b>-0.3%</b>
37 Debt Service	(1,036,300)	(1,036,300)	(1,036,000)	300	
38 Capital Expenses (Reserve-Funded)	(2,488,600)	(610,900)	(3,627,600)	(3,016,700)	
39 Section 115 Pension Trust Contribution	(50,000)	-	(50,000)	(50,000)	
40 CalPERS Additional Discretionary Payments	(17,400)	(17,400)	-	17,400	
<b>41 NET INCREASE / (DECREASE) TO RESERVES</b>	<b>\$ (1,672,400)</b>	<b>\$ 249,900</b>	<b>\$ (2,804,300)</b>	<b>\$ (3,054,200)</b>	

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: WHOLESALE ZONE RATES AND CHARGE FOR FY 2022/23**  
**DATE: JUNE 16, 2022**

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**Background**

Unlike the rates and charges for the Retail Zone and ID1 (which are set periodically and on a multi-year basis through the Propositions 218 and 26 process), the Wholesale Rates and Charges are set annually, primarily through the MWDC and MWDOC budget processes – EOCWD essentially passes through these charges with no markup. The rates and charges that originate at MWD and MWDOC, their rate and effective date are:

<b>Charge</b>	<b>Rate</b>	<b>Effective Date</b>
Wholesale Full Service Treated Water, per acre foot	\$1,143	1/1/2022
Wholesale Full Service Treated Water, per acre foot	\$1,209	1/1/2023
MWDOC Administrative Fee, pass-through per meter	\$13.75	7/1/2022
MWDC Readiness-to-Serve, annual (paid monthly)	\$125,276	7/1/2022
MWDC Capacity Charge, annual (paid monthly)	\$172,231	7/1/2022

There are two Wholesale Zone Charges that are not passthrough, but rather, are charges that EOCWD levies to fund the readiness-to-serve ability and capital replacement of the system; regardless of how much water is sold, the system must be fully operational 365 days per year as it provides a significant portion of the water our Wholesale Zone customers rely on to make-up for water they cannot pump from the groundwater basin. The charges (below) remain unchanged from FY 2018/19

<b>Charge</b>	<b>Rate</b>	<b>Effective Date</b>
EOCWD Replacement Reserve, per connection	\$ 16.00	7/1/2022
EOCWD Readiness-to-Serve, per connection	\$ 8.50	7/1/2022

The attached resolution details the statutory requirements for setting and approving these charges.

**Recommendation**

Adopt Resolution No. 922 Establishing Rates and Charges for the sale of water on a wholesale basis.

**Attachment(s):** Resolution No. 922 Establish Rates and Charges for Wholesale Zone

RESOLUTION NO. 922

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

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

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

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

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

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

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

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

Section 3. The rates for the sale of treated water on a wholesale basis by EOCWD shall be established at the amounts per acre foot set forth in Exhibit A to this resolution.

Section 4. An EOCWD replacement reserve charge in the amount per month per retail water connection set forth in Exhibit A, separate from and in addition to the herein-established rate per acre foot, is established and shall be calculated and billed as follows: This charge shall be billed to each retail water purveyor, including the EOCWD Retail Zone, as an aggregated

amount equal to the charge multiplied by the number of the purveyor's retail water service meters as reported to MWDOC.

Section 5. An EOCWD readiness-to-serve charge in the amount per month per retail water connection set forth in Exhibit A, separate from and in addition to the above-established rate per acre foot, is established and shall be calculated and billed as follows: This charge shall be billed to each retail water purveyor, including the EOCWD Retail Zone, as an aggregated amount equal to the charge multiplied by the number of the purveyor's retail water service meters as reported to MWDOC.

Section 6. The per retail water connection charges established by MWDOC are not included in the above-established rate and shall be passed through to the retail water purveyors within EOCWD, as follows: This charge shall be billed to each retail water purveyor as an aggregated amount equal to the charge multiplied by the number of the purveyor's retail water service meters.

Section 7. The readiness-to-serve charges and new-demand charges<sup>1</sup> established by MWDOC are not included in the herein-established rate and shall be passed through to the retail water purveyors within EOCWD, as follows: to facilitate efficient and accurate determination of per-agency base amounts and collection of charges, MWDOC and EOCWD have determined that MWDOC shall determine the charges. MWDOC shall collect the entire amount of the MWDOC readiness-to-serve charge and new demand charge in the case of agencies receiving wholesale service from both MWDOC and EOCWD (Irvine Ranch Water District (including service as successor to Santiago County Water District), City of Orange and Golden State Water Company), and EOCWD shall collect the entire amount of the MWDOC readiness-to-serve charge and new demand charge in the case of agencies receiving all wholesale service from EOCWD (City of Tustin, Irvine Ranch Water District (as successor to Orange Park Acres Mutual Water Company), EOCWD Retail Zone and any other EOCWD customers purchasing at wholesale or retail not listed in this sentence). The foregoing procedures and the administrative procedure for apportionment, adjustment (if any), and collection of these charges shall be as set forth in Resolution No. 531, as amended or superseded, and as established by MWDOC.

Section 8. The MWDOC capacity charge shall be allocated by EOCWD and billed to each retail water purveyor as a fixed charge in monthly installments as invoiced to EOCWD by MWDOC. EOCWD shall apportion the charge among the retail water purveyors based upon the largest amount of water each purveyor purchased from EOCWD, excluding in-lieu deliveries,

during the period May through September in the last three calendar years preceding the current year.

Section 9. Each retail water purveyor receiving an allocation of EOCWD's or MWDOC's per retail connection charges, or MWDOC's readiness-to-serve, new demand or capacity charges and corresponding base amounts derived from EOCWD purchases shall establish the manner of recovering such amounts, including any transactions with respect to its base amounts, in its own discretion.

Section 10. Pursuant to Resolution No. 595, included in the per acre foot rates established hereby is the amount of \$16 per meter (as shown in Exhibit A) which shall be deposited into the reserve for facilities replacement purposes within the Replacements and Capital Improvements Fund - Wholesale System.

Section 11. The rates and charges established herein shall be effective on the applicable dates set forth in Exhibit A.

Section 12. The rates and charges for the wholesale system shall be billed monthly by the 16<sup>th</sup> of the month, and shall be due on the first of the following month. Late fees shall apply as set forth in the retailer service agreements.

ADOPTED, SIGNED AND APPROVED this 16th day of June, 2022.

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Douglass S. Davert, President  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors  
thereof

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Jeffrey A. Hoskinson, Secretary  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors  
thereof

STATE OF CALIFORNIA    )  
                                  ) ss.  
COUNTY OF ORANGE    )

I, JEFFREY A. HOSKINSON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. 922 was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on June 16, 2022, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Jeffrey A. Hoskinson, Secretary  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors thereof

EAST ORANGE COUNTY WATER DISTRICT  
RATES AND CHARGES FOR  
WHOLESALE WATER SERVICE

Adopted by Resolution No. 922

Effective July 1, 2022

Service or Charge	Rate	Effective
Wholesale Full Service Treated, per acre foot	\$ 1,143.00	January 1, 2022
Wholesale Full Service Treated, per acre foot	\$ 1,209.00	January 1, 2023
Replacement Reserve, per connection	\$ 16.00	July 1, 2022
Readiness-to-Serve, per connection	\$ 8.50	July 1, 2022
MWDOC Administrative Fee, pass-through per connection	\$ 13.75/meter	July 1, 2022
MWDSC Readiness-to-Serve	\$125,276	July 1, 2022
MWDSC Capacity Charge, pass-through per largest amount of water purchased May-September prior three calendar years	\$ 172,231	July 1, 2022

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: SEWER SERVICES CHARGES**  
**DATE: JUNE 16, 2022**

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## Background

Unlike the retail or wholesale water billing, which are invoiced on a bimonthly and monthly basis, the sewer fee is invoiced to ID1 customers as part of the property tax bill and is remitted to EOCWD in two payments: December and April.

The process of submitting the sewer service charge to the Auditor-Controller's Office is a complex and very time sensitive process as it must happen as close to the actual commencement of the property tax year as possible. Once the subject resolution is submitted, the Auditor-Controller provides a parcel listing of all of the parcels within ID1. Using this listing, staff assigns the dollar amount for each property type: everything from single family homes, multi-family dwellings, to retail stores, to restaurants – each have a different sewer service charge assigned to them; assessments must be submitted by August 1. The attached resolution includes the various categories and charges that are used to determine their respective annual sewer service charges.

The direct charges must be authorized by the Board of Directors via resolution on an annual basis; this is now a part of the ID1 budget process.

## Recommendation

Adopt Resolution No. 923 authorizing certain sanitary service charges and directing the County Tax Collector to collect charges on the FY 2022/23 property tax bills.

Attachment(s): Resolution No. 923

RESOLUTION NO. 923

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EAST ORANGE COUNTY WATER DISTRICT  
AUTHORIZING CERTAIN SANITARY SEWER CHARGES  
AND DIRECTING THE COUNTY TAX COLLECTOR TO  
INCLUDE SANITARY SEWER SERVICE CHARGES ON THE  
FISCAL YEAR 2022/2023 PROPERTY TAX BILLS

WHEREAS, the Orange County Sanitation District (“OCSD”) adopted OCSD Ordinance Nos. OCSD-43 (“OCSD-43”), OCSD-46 (“OCSD-46”), and OCSD Resolution No. 16-09 (collectively, “OCSD Actions”), whereby the OCSD Board of Directors (“OCSD Board”) adopted, imposed, and collected rates and charges for sanitary sewer services and facilities provided by OCSD and established procedures related thereto, applicable to OCSD Service Area No. 7 (hereafter, “OCWD Service Area 7,” or “OCSD-7”); and

WHEREAS, the sanitary sewer charges were set for Improvement District No. 1 by the OCSD Actions; and

WHEREAS, on or about May 11, 2016, the Orange County Local Agency Formation Commission (“LAFCO”) approved the transfer of OCSD-7 to the East Orange County Water District (“EOCWD”), and, among other things, created EOCWD Improvement District 1 (“Improvement District 1,” or “ID1”); and

WHEREAS, on or about July 21, 2016, the EOCWD Board of Directors (“Board”) declared its intention to retain in full force and effect in Improvement District No. 1 of the EOCWD all OCSD ordinances, including the OCSD Actions, establishing local sanitary sewer service charges and Table B Property Use Classifications, as amended from time to time; and

WHEREAS, on or about July 21, 2016, the Board adopted Resolution No. 16-2, establishing Local Sanitary Sewer Services Charges and Table B Property Use Classifications. Resolution No. 16-2 is attached hereto as Exhibit A, and incorporated herein by this reference; and

WHEREAS, pursuant to California Health and Safety Code Sections 4766 and 5473, the Board, by a two-thirds vote of its members, is authorized to elect to have the proposed local sanitary sewer service charges collected on the tax roll in the same manner, by the same persons, and at the same time as, together with, and not separate from, general taxes; and

WHEREAS, the Board, in Resolution No. 16-2, authorized and ordered the County Tax Collector to make said collections in accordance with the terms and conditions of agreements between the County and EOCWD; and

WHEREAS, as part of the budget preparation process, EOCWD's management has prepared financial and engineering reports, setting forth financial projections for providing the sewer services and facilities to Improvement District No.1 for Fiscal Year 2022/2023 as presented to the Board on June 16, 2022. The charges established by Resolution No. 16-2 reflect an allocation of the costs of operation and maintenance, such that the charges do not exceed the estimated reasonable costs to provide the sewage services and facilities. The charges are imposed exclusively to finance the capital costs, maintenance, and operating expenses of EOCWD's sewer facilities; and

WHEREAS, pursuant to California Constitution Article XIID (Proposition 218), as of July 1, 1997, sanitary sewer service charges may be deemed to be charges for property-related services. The sanitary sewer service charges set by EOCWD Ordinance 16-2 comply with the provisions of Article IIID, in that they do not exceed the cost to EOCWD to provide the service and facilities. The charges are imposed exclusively to finance the capital costs, maintenance, and operating expenses of EOCWD's sewer facilities.

NOW, THEREFORE, THE BOARD OF DIRECTIONS OF EOCWD DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The rates and charges set forth in EOCWD Resolution No. 16-2 are affirmed herein by the Board of Directors, as consistent with the findings hereinabove stated, for Fiscal Years 2022/2023, in those amounts set forth in Table A in Exhibit B. The Annual Local Sewer Service Charges are set forth in Table B in Exhibit C. Both Exhibits B and C are incorporated herein by this reference.

Section 2. Pursuant to California Health and Safety Code Sections 4766 and 5473, the County Tax Assessor is hereby ordered and directed to include sanitary sewer service charges, as adopted by EOCWD Resolution No. 16-2, in the same manner, by the same persons, and at the same time as, together with, and not separately from, the general taxes; and that such sanitary sewer service charges be included in the annual property taxes for Fiscal Year 2022/2023.

Section 3. Pursuant to California Health and Safety Code Section 5473, this Resolution shall remain in full force and effect until amended or repealed, or until such time as the rates of

the sanitary sewer charges, as established by EOCWD Resolution No. 16-2, are changed by increasing the annual rate.

Section 4. The General Manager of EOCWD, or his designee, shall be, and is hereby, authorized and directed to execute any necessary documents or agreements to implement the order set forth in Section 2 of this Resolution.

ADOPTED, SIGNED and APPROVED this 16th day of June, 2022.

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Douglass S. Davert, President  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors  
thereof

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Jeffrey A. Hoskinson, Secretary  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors  
thereof

STATE OF CALIFORNIA    )  
  ) ss.  
COUNTY OF ORANGE    )

I, JEFFREY A. HOSKINSON, Secretary of the Board of Directors of the EAST ORANGE COUNTY WATER DISTRICT, do hereby certify that the foregoing Resolution No. 923 was duly adopted by the Board of Directors of said District at a Regular Meeting of said District held on June 16, 2022, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Jeffrey A. Hoskinson, Secretary  
EAST ORANGE COUNTY WATER DISTRICT  
and of the Board of Directors thereof

EXHIBIT A

RESOLUTION NO. 16-2

RESOLUTION NO. 16-2

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ESTABLISHING LOCAL SANITARY SEWER SERVICE CHARGES AND TABLE B PROPERTY USE CLASSIFICATIONS**

WHEREAS, The District maintains the local sewers for approximately 18,000 parcels located in Improvement District 1; and

WHEREAS, The District, as part of the LAFCO process undertook an evaluation and study of its operational and financial needs for the next 20- and 100-years, relying upon data developed by the former owner of these local sewers, Orange County Sanitation District; and representations made by OCSD regarding the condition of the local sewer system; and

WHEREAS, based upon these analysis, a reduction to the sewer service charge collected by OCSD was included in the EOCWD Plan of Service; and

WHEREAS, Pursuant to Health and Safety Code section 5471, the Board of Directors is authorized to prescribe, revise and collect fees, tolls, rates, rentals or other charges for services and facilities furnished by the District in connection with its sewerage system; and

WHEREAS, it is necessary to establishing local sanitary sewer service charges for customers to allow the District to recover the reasonable costs to provide local sanitary sewer service to individual properties within Improvement District 1; and

WHEREAS, the stated effective period of the local sanitary sewer service charges imposed by OCSD will expire on July 31, 2016; and

WHEREAS, Section 21080(b)(8) of the Public Resources Code states that "the establishment, modification, structuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of (A) meeting operating expenses, including employee wage rates and fringe benefits, (B) purchasing or leasing supplies, equipment, or materials, (C) meeting financial reserve needs and requirements, (D) obtaining funds for capital projects necessary to maintain service within existing service areas, or (E) obtaining funds necessary to maintain those intracity transfers as are authorized by city charter" is not subject to CEQA; and

WHEREAS, Section 15273(a) of the California Code of Regulations states that "CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of: (1) Meeting operating expenses, including employee wage rates and fringe

benefits, (2) Purchasing or leasing supplies equipment, or materials, (3) Meeting financial reserve needs and requirements, (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas, or (5) Obtaining funds necessary to maintain such intra-city transfers as are authorized by city charter"; and

WHEREAS, pursuant to Health and Safety Code sections 4766 and 5473, the Board of Directors is authorized to elect to have the proposed local sanitary sewer service charges collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes; and

WHEREAS, pursuant to Health and Safety Code section 5473.1, on May 6, 2013, and again on May 13, 2013, Notice of the Public Hearing regarding the proposed local sanitary sewer service charges and the election to have such charges collected on the tax role, which included the date, time and location of the hearing, was published in The Orange County Register, a newspaper of general circulation within the District published in the county where the District is located; and

WHEREAS, on Wednesday, May 11, 2016, the Orange County Local Agency Formation Commission approved the transfer of the OCSD local sewers in Service Area 7 to EOCWD and among other things, created Improvement District 1 and approved EOCWD's proposed financial plan that included the local sanitary sewer service charges and the election to have such charges collected on the tax roll; and

WHEREAS, the Board of Directors desires to implement its Plan of Service inclusive of the proposed schedule of reduced fees; and

NOW, THEREFORE, the Board of Directors of the East Orange County Water District does hereby ORDAIN:

**Section I. Findings.** Based upon substantial evidence presented to the Board of Directors, the Board of Directors of District hereby adopts the following Findings supporting the imposition of the reduced fee schedule adopted pursuant to this Ordinance. The Board of Directors hereby finds:

A. That the revenues derived under the provisions of this Ordinance will be used for (i) the acquisition, construction, reconstruction, maintenance, and operation of the local sanitary sewer system facilities of the District, (ii) to repay principal and interest on debt instruments, and (iii) to repay federal and state loans issued for the construction and reconstruction of said sewerage facilities, together with costs of administration and provisions for necessary reserves.

B. That the local sanitary sewer service charges established by this Ordinance are reasonably related to, and do not exceed the funds required to provide the property-related sewer services, and

shall herein be levied on each parcel to allow the District to recover the reasonable costs to provide a service to individual properties which have been improved for different types of uses.

C. That the basis for the respective charge is not based on potential or future use, but rather, is based upon the request of the owner of property or a structure thereon, for the benefit of him/her/itself, or the occupants of the property, to receive a service for actual use, consumption, and disposal of water to the District's system in lieu of disposal by other means.

D. That the revenues derived from the local sanitary sewer service charges shall not be used for any purpose other than that for which the charge is imposed.

E. That the local sanitary sewer service charges established by this Ordinance are not imposed as a condition of approval of a development project, as defined in California Government Code Section 66001, and do not exceed the proportional cost of the sewer service attributable to the parcel for which the fee is levied, as provided in California Constitution Article XIII D, Section 6(b).

F. That the local sanitary sewer service charges established herein are an extension of existing fees, and are not a new or increased fee or charge. Therefore, the procedural requirements of California Constitution Article XIII D, section 6(a) do not apply.

G. That the local sanitary sewer service charges adopted herein will not result in an expansion of facilities to provide for growth within or outside the existing service area. The adoption of these local sanitary sewer service charges will not result in any specific project, nor result in a direct physical change in the environment.

H. That the Board of Directors is adopting the local sanitary sewer service charges herein to (i) meet operating expenses, (ii) purchase or lease supplies, equipment, or materials, (iii) meet financial reserve needs and requirements, and (iv) obtain funds for capital projects necessary to maintain service within former Revenue Area 7. Therefore, the Board finds and determines, based upon substantial evidence, that the establishment of the local sanitary sewer service charges are statutorily exempt from CEQA, pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the California Code of Regulations.

J. That all fees and charges established herein have been approved by the District's Board of Directors at a noticed public meeting, all in accordance with applicable provisions of law.

**Section II. Annual Local Sewer Service Charge**

Commencing with the effective date of this Ordinance, the owner of each parcel of real property located within the local sewer service area operated and maintained by the District which is improved with structures designed for residential, commercial, or industrial use and which, at the request of the owner or the owner's predecessor-in-interest, is connected to the District's system, shall pay an annual Local Sewer Service Charge based on the respective class of users, in the sum or sums, as set forth in Tables A and B of this Ordinance, below. The annual Local Sewer Service Charges for residential users are set forth in Table A. The applicable single family residential rate shown in Table A is multiplied by the applicable percentage figure shown on Table B with respect to the particular use classification to arrive at the annual Local Sewer Service Charge rate per 1,000 square feet for the commercial or industrial user. The annual Local Sewer Service Charges for commercial or industrial users are dependent upon the respective classifications of property use, determined by reference to Table B."

B. Table A is hereby adopted in its entirety effective August 1, 2016:

**"TABLE A  
ANNUAL LOCAL SEWER SERVICE CHARGES RESIDENTIAL USERS**

YEAR	2016/17	2017/18	2018/19	2019/20	2020/21
SFR*	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00
MFR	\$ 75.60	\$ 75.60	\$ 75.60	\$ 75.60	\$ 75.60

SFR = SINGLE FAMILY RESIDENTIAL  
MFR = MULTI FAMILY RESIDENTIAL

\* The SFR fee is the minimum local sewer service charge any user must pay.

\*\* The charges identified for 2012-13 shall continue and remain in effect for each fiscal year thereafter unless otherwise amended by the Board of Directors."

C. Table B is hereby adopted, effective August 1, 2016, with the following:

**TABLE B**  
**ANNUAL LOCAL SEWER SERVICE CHARGES**

**PROPERTY USE CLASSIFICATIONS**

Percentage of SFR Assessor Use Code	Description	Per 1,000 SF or Unit
1	VACANT LAND PARCEL	0%
5	COMMON AREA PARCEL	0%
6	"HOLD" PARCEL	0%
8	EQUIV TO VACANT	0%
121	PARCEL OF MINIMAL OR NO VALUE	0%
122	SUBSURFACE PARCELS	0%
124	OIUMINERAL RIGHTS	0%
125	MINERAL RIGHTS EQUIPMENT	0%
126	VACANT COMMON AREA-IMP ALLOC	0%
201	HOME OWNERS EXEMPTION ADD'N	0%
666	UNASSIGNED VACANT	0%
777	SEPTIC TANK PROPERTY	0%
112	STEEL BUILDING	5%
113	MINI-WAREHOUSE	5%
58	NURSERIES (PLANTS)	9%
100	DRIVE-IN THEATER	9%
110	WAREHOUSE - SINGLE TENANT	11%
111	WAREHOUSE - MULTI TENANT	11%
115	RECREATIONAL VEHICLE STORAGE	11%
116	TRUCK TERMINAL	11%
44	LUMBER/CONSTR MATL YARD	18%
71	PARKING GARAGE	18%
72	PAVED PARKING LOT	18%
33	CHURCH BUILDINGS	20%
94	DEPARTMENT STORE	22%
95	DISCOUNT STORE	22%
96	UNATTACHED SINGLE STORE	22%
97	STRIP STORE	22%
74	RECREATION VEHICLE PARK	23%
225	UNITED STATES POST OFFICE	28%
107	LIGHT INDUSTRIAL - SINGLE TENANT	30%
108	LIGHT INDUSTRIAL - MULTI TENANT	30%
109	RESEARCH AND DEVELOPMENT	30%
114	INDUSTRIAL PARK	30%

40	HEALTH CLUB	33%
88	LOW DEMAND CENTER	36%
36	FINANCIAL BUILDINGS	39%
68	HIGH RISE OFFICE	39%
21	AUTOMOBILE DEALERSHIP	39%
22	AUTO REPAIR SHOP	39%
23	AUTOMOTIVE SERVICE	39%
24	USED CAR LOT	39%
39	GOLF COURSE	39%
57	MOTORCYCLE/SMALL VEHICLE BLDG	39%
83	AUTOMOTIVE SERVICE STATION	39%
84	MARINE SERVICE STATION	39%
86	COMBIN:SERVICE STN/CONVIENCE MKT	39%
65	SINGLE OFFICE BLDGS TO 3 STORIES	40%
66	SMALL OFFICE CENTER	40%
67	OFFICE COMPLEX	40%
69	CONVERTED RESIDENCE TO OFFICE	40%
85	COMBIN: SERV STN/RESTAURANT	42%
48	CONVENIENCE MARKET	44%
37	FRATERNAL BUILDINGS	49%
101	UNATTACHED THEATER	49%
7	MOBILEHOME	50%
55	MOBILE HOME PARK	52%
26	AIRPORT AND RELATED	56%
45	MARINAS	56%
32	CEMETERY & RELATED	56%
38	FUNERAL HOME	56%
3	TWO OR MORE SFR	70%
10	DUPLEX ONLY	70%
11	TRIPLEX ONLY	70%
12	04-UNITS ONLY	70%
13	5 TO 16 UNITS	70%
14	17 TO 25 UNITS	70%
15	26-40 UNITS ONLY	70%
16	41-99 UNITS ONLY	70%
17	100 OR MORE UNITS	70%
18	A MIX OF FORMS	70%
19	SFR WITH 1 OR 2 RENTALS	71%
4	MISC IMPROVEMENT	71%
28	BOWLING ALLEYS	71%
92	SKATING RINKS	71%
118	GOVERNMENTAL USE	79%
81	PRE-SCHOOLS, NURSERY OR CARE	80%
82	PRIVATE SCHOOLS	80%
98	STORE WITH OFFICES OR LIV QTR	80%

99	STORE W/ OFFICE UPSTAIRS	80%
47	SUPERMARKET	84%
89	AVERAGE DEMAND CENTER	92%
34	DORMITORY	99%
61	CONVALESCENT HOSPITALS	99%
42	HOSPITAL	100%
2	ONE RESIDENCE	100%
103	CHEMICAL TANK AND BULK STORAGE	100%
104	FOOD PROCESSING PLANT	100%
105	COLD STORAGE PLANT	100%
106	FACTORY	100%
119	PUBLIC UTILITY	100%
120	WATER MUTUAL OR COMPANY	100%
888	CONVERSION-COMPOSITE PROP	100%
60	NURSING HOME	103%
62	CONVERTED RES USED AS NURSING	103%
63	LOW RISE RETIREMENT BUILDING	108%
64	HIGH RISE RETIREMENT BUILDING	108%
43	HOTEUMOTEL	109%
56	HOTEUMOTEL	109%
50	SINGLE MEDICAL BLDGS TO 3 STORIES	118%
51	SMALL MEDICAL CENTER	118%
52	MEDICAL CENTER COMPLEX	118%
53	HIGH RISE MEDICAL	118%
54	CONVERTED RESIDENCE TO MEDICAL	118%
20	AMUSEMENT PARKS	138%
35	ENTERTAINMENT CENTER	138%
73	RECREATION	138%
224	NIGHTCLUB	146%
90	HIGH DEMAND CENTER	149%
76	RESTAURANT - LOW DEMAND	212%
30	COIN OPERATED CAR WASH	252%
77	RESTAURANT - COFFEE SHOP	424%
78	RESTAURANT - DINNER HOUSE	424%
79	RESTAURANT - CONVERSION FROM SFR	424%
29	CONVENTIONAL CAR WASH	1425%
223	LAUNDROMAT	1563%

NOTE: Multiply the Table A Single Family Residential Rate by the percentage figure above in order to determine the rate per 1,000 square feet for the commercial or industrial user."

### Section III. Collection of Fees.

A. Pursuant to the authority granted by California Health & Safety Code Section 5473, and except as otherwise provided in Subparagraph B below, all local sewer service charges established herein shall be collected on

the County Tax Roll in the same manner, by the same persons, and at the same time as, together with, and not separately from, its general taxes. The County Tax Collector is authorized and hereby ordered to make said collections in accordance with the terms and conditions of agreements between the County of Orange and the District.

B. In the event District determines that, due to billing or payment error, or to inequity in the amount billed, a property owner has underpaid annual Local Sewer Service Charges payable to District, District, within four (4) years after the date of mailing of the tax bill, may:

- (1) collect the amount of any deficiency directly on the County Tax Roll;
- (2) off-set the amount of any deficiency against any amounts that District determines is owing, by District, to the property owner, as a rebate or refund under this Ordinance; or
- (3) submit, directly to the property owner, a bill for the amount of any deficiency, which shall be due and payable within thirty (30) days of the invoice date and which, if not paid, shall become a lien on said property.

Section IV. Effect of Amendment. Except as expressly amended in Section II herein and to the extent they have been expressly superseded herein, no other amendments, changes, or modifications are being made to the remaining portions of Ordinance No. EOCWD-38. The remaining findings and provisions set forth in Ordinance No. EOCWD-38, or portions thereof, not superseded herein shall continue in full force and effect.

Section V. Severability. If any provision of this Ordinance, or the application to any person or circumstances is held invalid by order of Court, the remainder of the Ordinance, or the application of such provision to other persons or other circumstances, shall not be affected.

Section VI. Effective Date. This Ordinance shall take effect August 1, 2016

Section VII. Certification and Publication. The Clerk of the Board shall certify to the adoption of this Ordinance, and shall cause a summary to be published in a newspaper of general circulation as required by law.

PASSED AND ADOPTED by a vote of not less than two-thirds of the Board of Directors of the East Orange County Water District at a Regular Meeting held July 21, 2016



PRESIDENT, BOARD OF DIRECTORS  
EASTORANGE COUNTY WATER DISTRICT

ATTEST :



SECRETARY TO THE BOARD  
EAST ORANGE COUNTY WATER DISTRICT

EXHIBIT B

TABLE A

ANNUAL LOCAL SEWER SERVICE CHARGES RESIDENTIAL USERS

YEAR	2022/2023
SFR*	\$108.00
MFR**	\$75.60

SFR = SINGLE FAMILY RESIDENTIAL

MFR = MULTI-FAMILY RESIDENTIAL

\* The SFR Fee is the minimum local sewer service charge any user must pay.

\*\* The MFR Fee is charged per residential unit.

# Exhibit C

## TABLE B

### ANNUAL LOCAL SEWER SERVICE CHARGES

#### PROPERTY USE CLASSIFICATIONS

<u>Assessor Use Code</u>	<u>Description</u>	<u>Percentage of SFR Per 1,000 SF or Unit</u>
1	VACANT LAND PARCEL	0%
5	COMMON AREA PARCEL	0%
6	"HOLD" PARCEL	0%
8	EQUIV TO VACANT	0%
121	PARCEL OF MINIMAL OR NO VALUE	0%
122	SUBSURFACE PARCELS	0%
124	OIUMINERAL RIGHTS	0%
125	MINERAL RIGHTS EQUIPMENT	0%
126	VACANT COMMON AREA-IMP ALLOC	0%
201	HOME OWNERS EXEMPTION ADD'N	0%
666	UNASSIGNED VACANT	0%
777	SEPTIC TANK PROPERTY	0%
112	STEEL BUILDING	5%
113	MINI-WAREHOUSE	5%
58	NURSERIES (PLANTS)	9%
100	DRIVE-IN THEATER	9%
110	WAREHOUSE - SINGLE TENANT	11%
111	WAREHOUSE - MULTI TENANT	11%
115	RECREATIONAL VEHICLE STORAGE	11%
116	TRUCK TERMINAL	11%
44	LUMBER/CONSTR MATL YARD	18%
71	PARKING GARAGE	18%
72	PAVED PARKING LOT	18%
33	CHURCH BUILDINGS	20%
94	DEPARTMENT STORE	22%
95	DISCOUNT STORE	22%
96	UNATTACHED SINGLE STORE	22%
97	STRIP STORE	22%
74	RECREATION VEHICLE PARK	23%
225	UNITED STATES POST OFFICE	28%
107	LIGHT INDUSTRIAL - SINGLE TENANT	30%
108	LIGHT INDUSTRIAL - MULTI TENANT	30%
109	RESEARCH AND DEVELOPMENT	30%
114	INDUSTRIAL PARK	30%

40	HEALTH CLUB	33%
88	LOW DEMAND CENTER	36%
36	FINANCIAL BUILDINGS	39%
68	HIGH RISE OFFICE	39%
21	AUTOMOBILE DEALERSHIP	39%
22	AUTO REPAIR SHOP	<b>39%</b>
23	AUTOMOTIVE SERVICE	39%
24	USED CAR LOT	39%
39	GOLF COURSE	39%
57	MOTORCYCLE/SMALL VEHICLE BLDG	39%
83	AUTOMOTIVE SERVICE STATION	39%
84	MARINE SERVICE STATION	39%
86	COMBIN:SERVICE STN/CONVIENCE MKT	39%
65	SINGLE OFFICE BLDGS TO 3 STORIES	40%
66	SMALL OFFICE CENTER	40%
67	OFFICE COMPLEX	40%
69	CONVERTED RESIDENCE TO OFFICE	40%
85	COMBIN: SERV STN/RESTAURANT	42%
48	CONVENIENCE MARKET	44%
37	FRATERNAL BUILDINGS	49%
101	UNATTACHED THEATER	49%
7	MOBILEHOME	50%
55	MOBILE HOME PARK	52%
26	AIRPORT AND RELATED	56%
45	MARINAS	56%
32	CEMETERY & RELATED	56%
38	FUNERAL HOME	56%
3	TWO OR MORE SFR	70%
10	DUPLEX ONLY	70%
11	TRIPLEX ONLY	70%
12	04-UNITS ONLY	70%
13	5 TO 16 UNITS	70%
14	17 TO 25 UNITS	70%
15	26-40 UNITS ONLY	70%
16	41-99 UNITS ONLY	70%
17	100 OR MORE UNITS	70%
18	A MIX OF FORMS	70%
19	SFR WITH 1 OR 2 RENTALS	71 ob
4	MISC IMPROVEMENT	71%
28	BOWLING ALLEYS	71%
92	SKATING RINKS	71%
118	GOVERNMENTAL USE	79%
81	PRE-SCHOOLS, NURSERY OR CARE	80%
82	PRIVATE SCHOOLS	80%
98	STORE WITH OFFICES OR LIV QTR	80%

99	STORE W/ OFFICE UPSTAIRS	80%
47	SUPERMARKET	84%
89	AVERAGE DEMAND CENTER	92%
34	DORMITORY	99%
61	CONVALESCENT HOSPITALS	99%
42	HOSPITAL	100%
2	ONE RESIDENCE	100%
103	CHEMICAL TANK AND BULK STORAGE	100%
104	FOOD PROCESSING PLANT	100%
105	COLD STORAGE PLANT	100%
106	FACTORY	100%
119	PUBLIC UTILITY	100%
120	WATER MUTUAL OR COMPANY	100%
888	CONVERSION-COMPOSITE PROP	100%
60	NURSING HOME	103%
62	CONVERTED RES USED AS NURSING	103%
63	LOW RISE RETIREMENT BUILDING	108%
64	HIGH RISE RETIREMENT BUILDING	108%
43	HOTEUMOTEL	109%
56	HOTEUMOTEL	109%
50	SINGLE MEDICAL SLOGS TO 3 STORIES	118%
51	SMALL MEDICAL CENTER	118%
52	MEDICAL CENTER COMPLEX	118%
53	HIGH RISE MEDICAL	118%
54	CONVERTED RESIDENCE TO MEDICAL	118%
20	AMUSEMENT PARKS	138%
35	ENTERTAINMENT CENTER	138%
73	RECREATION	138%
224	NIGHTCLUB	146%
90	HIGH DEMAND CENTER	149%
76	RESTAURANT - LOW DEMAND	212%
30	COIN OPERATED CAR WASH	252%
77	RESTAURANT - COFFEE SHOP	424%
78	RESTAURANT- DINNER HOUSE	424%
79	RESTAURANT - CONVERSION FROM SFR	424%
29	CONVENTIONAL CAR WASH	1425%
223	LAUNDROMAT	1563%

**NOTE: Multiply the Table A Single Family Residential Rate by the percentage figure above in order to determine the rate per 1,000 square feet for the commercial or industrial user."**

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: DIRECTOR'S REPORTS**  
**DATE: JUNE 16, 2022**

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## Background

Board members represented the District at the following meetings in May 2022:

President Davert

5/11 OC LAFCO Commission Meeting  
5/19 EOCWD Regular Board Meeting

Vice President Murdoch

5/3 – 5/5 ACWA Spring Conference - Sacramento, CA  
5/3 ACWA Membership Committee  
5/3 AALR Dinner  
5/4 ACWA Region 10 Membership Committee  
5/12 EOCWD Engineering & Operations Committee  
5/18 ACWA Region 10 State Legislative Committee Prep Meeting  
5/19 ACWA Region 10 Event Workgroup  
5/19 EOCWD Regular Board Meeting

Director Bell

5/3 – 5/5 ACWA Spring Conference - Sacramento, CA  
5/12 EOCWD Engineering & Operations Committee Meeting  
5/19 EOCWD Regular Board Meeting

Director Sears

5/5 Foothill Communities Association (FCA) Meeting  
5/12 California Coastal Commission Hearing  
5/13 Water Advisory Committee of Orange County (WACO) Meeting  
5/19 EOCWD Regular Board Meeting

Director Thoms

5/19 EOCWD Regular Board Meeting

## Recommendation

Informational.

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: LEGISLATIVE AND OUTREACH REPORT**  
**DATE: JUNE 16, 2022**

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## Background

Attached are the most recent monthly reports from Lewis & Consulting Group and Townsend & Associates regarding local, regional and state issues and legislation of interest to the District. Additionally, copies of our monthly print and social media outreach are also attached.

## Recommendation

The Board receive and file the report.

Attachment(s): Townsend Legislative Report  
Lewis Consulting – County of Orange Report  
Foothills Sentry Outreach Ad  
Communications Lab Social Media Report

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**MEMORANDUM**

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**To:** East Orange County Water District  
**From:** Townsend Public Affairs  
**Date:** June 6, 2022  
**Subject:** Monthly State and Federal Legislative Update

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**State Legislative Update**

The month of May saw numerous anticipated developments – such as the release of the Governor’s updated spending proposal and the progress and failure of hundreds of bills that needed to pass off the appropriations suspense file and adhere to the house of origin deadline. Notably, however, the month of May also saw several unanticipated developments – such as potential changes to the Assembly Speakership, with Assembly Member Robert Rivas announcing that he had secured enough votes from the Democratic Caucus to replace the current Speaker, Anthony Rendon. Below is an overview of state legislative updates that transpired during the month of May.

**State Legislature**

The month of May featured two major legislative deadlines bills must pass in order to advance to the second house: the appropriations suspense file hearings, and the house of origin deadline.

On May 19, both the Senate and Assembly Appropriations Committees held their “suspense file” hearings, wherein hundreds of bills were held under submission and will not move forward for the remainder of the Legislative Session. The appropriations suspense process was borne out of a desire for fiscal prudence, and essentially serves as a filter for the hundreds of bills introduced each year that are deemed to have a significant fiscal impact on the state’s finite resources. Bills may be held under submission for a number of reasons - their structure may be duplicative to existing budget spending proposals, bill authors may have identified other bills within their portfolio as having a greater priority, or a bill may be deemed politically unfeasible for a number of reasons. Suspense file hearings are done in rapid speed, with Appropriations Chairs reading the outcomes of hundreds of bills. This year, the Assembly Appropriations Suspense file featured 601 bills, of which 175 were held under submission (29%). The Senate Appropriations Suspense file featured 358 bills, of which 48 bills were held under submission (13%).

Because May’s suspense file hearings mark the first iteration of two, more bills tend to pass out of their house of origin’s suspense file than the suspense file hearing in the second house. This can be somewhat attributed to political favorability of bills authored by colleagues within the same house.

## State Water Board Moves to Increase Water Conservation Efforts

Last month, the State Water Resources Control Board voted unanimously to implement a statewide ban on the watering of non-functional turf in the commercial, industrial, and institutional sectors, as well as regulations requiring local agencies to implement water use restrictions. These new regulations come amid projections that available water supplies may be 20% lower than average due to extreme weather conditions, which includes drought.

The regulation also requires all urban water suppliers to implement conservation actions under level two of their water shortage contingency plans. Level two water shortage contingency plans are meant to address up to a 20% shortage of water supplies. In addition to implementing level two actions, the regulation requires urban water suppliers to fast-track supply and demand assessments to plan for potential extended dry conditions. Level two actions often include limiting outdoor irrigation to certain days or hours, increasing patrolling to identify water waste, and increasing water conservation outreach communications. However, about half of the state's 436 water suppliers (both urban water retailers and wholesalers) have not yet activated level two, and 36 have not submitted drought plans. Thus, the emergency regulation will require those suppliers who have not yet activated level two requirements to do so once the regulation becomes effective.

The approved regulation will be submitted to the Office of Administrative Law, or OAL, for approval.

## State Budget

On May 13, Governor Newsom released the May Revision of his budget proposal for the 2022-2023 fiscal year. The "May Revise" edition of the budget framework reflects revised revenue and expenditure estimates for both the current and budget years and allows the Administration and the Legislature to reconcile and reconfigure spending plans appropriately.

In total, the updated spending plan includes **\$300.7 billion in total spending**, reflecting a 5% increase from January's total spending plan of \$286 billion. In the spirit of fiscal prudence, Governor Newsom iterated that 99% of new programs included in the May Revise would utilize one-time spending formulas because ongoing programs can be difficult to fund in the long-term.

The Governor announced that the state had a **\$97 billion-dollar projected surplus** – up over \$50 billion dollars from January's projected surplus of \$45.7 billion. To put this into perspective, it was just 20 years ago that the state's entire budget hit \$100 billion for the first time. Now, the surplus is almost that much, in an over \$300 billion spending plan. **Of the \$97 billion surplus, \$49.2 billion is marked for discretionary use.**

Despite this massive revenue growth, the Legislative Analyst's Office (LAO) cautions that the implications of unanticipated revenues for the state's budget are not straightforward, and that the state should anticipate significant spending constraints due to the requirements of the State Appropriations Limit (SAL). Having reached the Proposition 4 (1979) SAL, each additional dollar of revenue must be allocated consistent with SAL requirements, generally making them unavailable to fund baseline expenditures. In addition, the state must allocate its statutorily dedicated percentages of funds toward education, reserve, and debt payments, consistent with provisions pursuant to Propositions 98 (1988) and 2 (2014). The LAO estimates that for every dollar of tax revenue above the SAL, the state faces approximately \$1.60 in constitutional funding

obligations. This is expected to materialize into major budget issues during the 2025-26 fiscal year, if not met with SAL reform or other resilience-enhancing actions.

Regarding the state's reserve accounts, the Governor announced the May revise projects a total of \$37.1 in total reserves, broken down into the following accounts:

- \$23.3 Billion in the Rainy-Day Fund,
- \$9.5 billion in the School Stabilization Reserve,
- \$3.4 billion in the Operating Reserve; and
- \$900 million in the Safety Net Reserve.

While January's proposed budget framework focused on addressing what Governor Newsom referred to as "California's five existential threats" which included addressing the COVID-19 crisis and investments in climate resiliency, the rising cost of living, homelessness, and public safety, the May Revise doubled down on the issues of the rising cost of living, infrastructure investments, and climate resiliency.

As global inflation and war in Europe drive up costs across the country, the Governor is proposing an \$18.1 billion inflation relief package to get money back into the pockets of Californians and bring down costs for families. The package includes an additional \$2.7 billion in rental relief and utility bill assistance, \$400 rebates to offset the rising cost of gas, stipends to nursing and hospital staff, family fee waivers for childcare, and more.

In addition to the inflation relief package, another top spending adjustment was made to the Climate resiliency package, which the Governor now touts as comprising \$47.1 billion in total spending. The May Revise built upon recent investments and proposed increasing funding for drought mitigation, wildfire and forest protection, and energy storage and capacity.

Noticeably absent from the May Revise were typically massive investments in housing and transportation. During his presentation, Governor Newsom mentioned that "local governments have received unprecedented support in terms of flexible dollars" and that the allocation of future flexible dollars will depend on local governments' ability to meet accountability metrics – with special attention focused on the Homekey, Encampment Resolution Grants, and CARE Court programs. While his revised Budget proposes \$500 million in additional encampment resolution grant dollars and \$150 million in new Homekey funds, the Senate's budget priorities outline an additional \$3 billion in HHAP funds over a three-year period. It is likely that negotiations between the Governor, Senate, and Assembly will result in a modification of the Senate's proposed allocation to HHAP.

Following internal negotiations and informational budget hearings, the Assembly and Senate will release their implementing budget language within their chosen budget vehicles – [AB 1624](#) for the Assembly and [SB 840](#) for the Senate. It is important to note that the budget process will include reconciliation between the Governor's, Assembly's, and the Senate's versions.

Below is a high-level overview of proposed expenditures, organized by issue area:

**Inflation Relief Package (\$18.1 billion total new investments)**

- \$11.5 billion: Tax Refunds
- \$2.7 billion: Emergency Rental Assistance (Bringing total amount of dispersed rental assistance to \$8.1 billion)
- \$1.4 Billion: Helping people pay utility bills
  - \$1.2 billion for electricity

- \$200 million for water
- \$933 million: Health care worker retention stipends
  - \$1,500 payments to hospital and nursing home staff
- \$750 million: Free Public Transit for three months
- \$439 million: 12 month pause on diesel tax
- \$304 million: Middle class health care subsidies
- \$157 million: Fee waivers for childcare (savings up to \$595 per month)

#### **Climate Resiliency:**

- Total Commitment: \$47.1 billion
  - 2021-22 Budget investments: \$15.1 billion:
  - January budget framework: \$22.5 billion
  - May: Additional \$9.5 Billion

#### **Climate Resiliency (Drought: \$1.3 billion in new proposed spending):**

- Total \$7.2 billion
  - \$5.2 billion: 2021-22
  - \$750 million: January
  - \$1.3 billion: May
- \$1.3 billion in additional May Revise funds for the following projects:
  - \$533 million: Drought Relief projects, food assistance for farmworkers
  - \$530 million: Water recycling, groundwater cleanup, clean water projects
  - \$280 million: habitat/nature-based solutions to address drought impacts on fish and wildlife, habitat, and water resilience projects
  - \$187 million: agricultural and water conservation practices

#### **Climate Resiliency (Wildfire and Forest Protection: \$233 million in new proposed spending)**

- \$1.5 billion: 2021-22
- \$1.2 billion + \$648 million: January
- \$233 million: May
- \$233 million in additional May Revise funds for the following projects:
  - \$104 million: Fire crews – CA Conservation Corps and Military
  - \$83 million: 2022 Fire Season Augmentation
  - \$37 million: Mission Operations Support
  - \$9 million: Air Attack Staffing

#### **Climate Resiliency (Energy: \$8 billion included in new spending in the May Revise)**

- \$5.2 billion: Strategic Electricity Reliability Reserve
- \$1.2 billion: Energy bill supports (utility arrearages)
- \$970 Million: Accelerate renewable energy development – residential solar and storage systems
- \$225 million: New Electricity transmission, including from Salton Sea

#### **Jobs/Economy**

- \$2.1 billion: Grow and Relocate to California
  - \$1.05 billion: Clean Energy Grants (over a 4-year period)
  - \$1.02 Billion: Cal Compensates tax credits and grants (over 5-year period)
  - \$45 million: sales tax exemptions (over 3 years)
- \$500 million in small business grants

- \$450 in conformity expansion
- \$439 million: Diesel sales tax pause
- \$75 million: supporting agricultural businesses impacted by drought conditions

### Debate over the Next Speaker of the Assembly

On May 27, Assembly Member Robert Rivas (D-Salinas) announced he secured enough votes from members of the Democratic Caucus to become the next Speaker of the California State Assembly. Assembly Member Rivas represents the 30<sup>th</sup> Assembly District, encompassing San Benito County and parts of Monterey, Santa Clara, and Santa Cruz counties. He has served as the Assembly Member for the 30<sup>th</sup> District since 2018. If elected, he would become the first California State Assembly Speaker in the modern era to represent a rural district.

Assembly Member Rivas' issue portfolio ranges from championing efforts to clean up waterways, securing relief funding for California farmworkers, and supporting efforts to build more affordable housing. Notably, in the interim time before the start of the 2022 Legislative Session, he and Assembly Member Grayson formed the first ever "Assembly Housing Working Group" to examine barriers and explore solutions to the state's housing production and affordability crisis. The Working Group toured areas throughout the state to meet with local officials and housing stakeholders to understand unique housing and affordability circumstances in various communities. The Working Group's findings transpired into many legislative proposals during the 2022 Session.

In order to become the next Speaker, a candidate must secure enough votes from the Democratic Caucus, which is then followed by an official vote of all members of the Assembly on the Assembly floor. It is typical for leadership changes to be negotiated in private and announced via a joint statement between the outgoing and incoming leader. In this particular case, Speaker Rendon did not acknowledge or accept Assembly Member Rivas' attempt at succession.

On Tuesday, May 31, the Assembly convened in the chambers to go over the regular order of business. However, Members were quick to make motions to immediately break for closed session Caucus meetings to deliberate the choice of the next Speaker. The Democratic Caucus then debated the course of the next speakership for six continuous hours. Once they emerged, both Speaker Rendon and Assembly Member Rivas released the following joint statement:

*"I applaud Robert Rivas for securing the support of a majority of the current Democratic Caucus to succeed me as Speaker of the Assembly," said Speaker Anthony Rendon. "Assembly Member Rivas has brought together a broad and diverse coalition that reflects the high esteem in which he is held by our colleagues."*

*"Anthony Rendon is serving us well as Speaker and we have a lot of important business in front of us," said Assembly Member Robert Rivas. "I agree with the majority of our current caucus that Speaker Rendon should remain as Speaker for at least the rest of this legislative session. I look forward to working with him for the betterment of California and the unity of the Assembly Democratic Caucus."*

The statement points to Speaker Rendon maintaining his status for the remainder of the 2022 legislative session. While Assembly Member Rivas is now poised to succeed Rendon, the timing of the transition presents interesting challenges. For one, the beginning of next session will bring 13 new Assembly Democrats following the massive turnover from this year. This could sway the

Caucus' position on the Speakership succession out of Rivas' favor. In addition, following the six hour closed Caucus session, Assembly Member Kevin McCarty told reporters that Speaker Rendon plans to run again for Speaker next year, which could result in him maintaining the Speakership until he terms out in 2024. This signals that the issue will continue to develop until the vote is held at the beginning of next year's session.

A change in Assembly Speakership is also likely to catalyze changes to existing committee chairs, given that the Speaker presides over the appointment of Committee members and leadership. It is likely that Assembly Member Rivas may appoint other members within the Caucus to serve as chairs to powerful committees. The Assembly Speakership has often been referred to as the second most powerful position in California, behind the Governor. Unlike in the Senate where the Lieutenant Governor technically serves as the President, the Assembly Speaker is less constricted by higher office proceedings and has greater discretion to exercise power through various means – whether that be through committee appointments, agenda setting, and the order of business conducted on the floor.

### Taxpayer Protection and Government Accountability Act

Last month, the California Business Roundtable (CBRT) announced they will not get the "Taxpayer Protection and Government Accountability Act" on the November 2022 ballot. Instead, they will try again for 2024.

The Taxpayer Protection and Government Accountability Act would amend the California Constitution to restrict the ability of the state, local governments, and the electorate to approve or collect taxes, fees, and other revenues. It would require voter approval of all state taxes, would further restrict local fee authority by limiting it to the "minimum amount necessary" to provide government services, and would require voter approval for local measures such as franchise fees. Its provisions would make it easier to challenge local revenue measures by increasing the burden of proof on local agencies while disallowing an agency's characterization of a measure from being considered in court.

The measure would prohibit city charter amendments that provide for any revenue whatsoever from being submitted to the electorate. It would also prohibit local agencies from placing advisory measures on the same ballot as any general revenue measure and would raise the threshold for voter approval of local revenue measures proposed by initiative to two-thirds. Notably, the threshold to pass this measure is only by majority vote.

To be placed on the November 2022 ballot, the measure must garner no less than 997,139 total signatures by August 2, 2022. On March 16, 2022, the Secretary of State's Office reported that the measure gathered 25% of its required signatures, signaling the proponent's campaign funding stability and momentum. However, with this news, the measure will no longer appear on the ballot for voter consideration.

### Federal Legislative Update

#### 2022 Water Resources Development Act (WRDA)

Last month, the House Transportation and Infrastructure Committee advanced their 2022 Water Resources Development Act (WRDA) to authorize improvements to the nation's waterways and

investments in flood control and coastal resiliency projects. The biennial legislation is popular with both Democrats and Republicans as most have Corps projects within their states and districts.

Earlier in May, the Senate Environment and Public Works Committee advanced its WRDA legislation unanimously. It is likely the Senate will take up this legislation this summer.

The House and Senate bills are similar but not identical. Both seek to provide more assistance and resources to tribal communities and underserved community harbors to complete important water projects.

- The House bill does not create an advisory committee to provide advice and recommendations to the Corps on water resources projects, unlike the Senate bill.
- The House bill would direct the Army Corps of Engineers to conduct 72 new feasibility studies to begin assessing projects' risk and opportunities. It would also direct 8 studies to modify existing projects and authorize construction of 16 pending proposed projects.
- The Senate bill would direct 36 new feasibility studies by the Army Corps of Engineers and authorize or modify 21 projects for construction.

The House will likely take up their bill this summer which will kick off a conference between the House and the Senate. Final passage is likely to occur during the lame duck session between the November election and the end of 2022.

#### U.S. Senate Energy and Natural Resources Subcommittee on Water and Power Holds Hearing

On Wednesday, May 25, the U.S. Senate Energy and Natural Resources Subcommittee on Water and Power held a hearing on two bills introduced by Senator Dianne Feinstein: the STREAM Act and the Canal Conveyance Capacity Restoration Act. Remarks by Senator Feinstein can be read [here](#).

#### **S.4231 *STREAM Act***

The Support to Rehydrate the Environment, Agriculture and Municipalities (STREAM) Act was introduced by Senator Dianne Feinstein on May 18, 2022.

The bill would authorize \$750 million for storage, \$300 million for water recycling, \$150 million for desalination, \$100 million for drinking water for disadvantaged communities and \$150 million in a new, low-interest loan program for water supply projects.

In addition to these authorizations for water infrastructure the bill would authorize \$250 million for environmental restoration efforts.

Senator Feinstein posted a one-page summary of the bill [here](#). A section-by-section summary of the bill is available [here](#). And a list of supporters of the bill are [here](#).

#### **S.1179 *Canal Conveyance Capacity Restoration Act***

Introduced in April 2021 the *Canal Conveyance Capacity Restoration Act* would authorize \$833.4 million in funding for the Bureau of Reclamation to mitigate subsidence related damages to the Friant-Kern Canal, Delta-Mendota Canal, and California Aqueduct. \$180 million of that amount would be for implementation of the restoration goals of the San Joaquin River Restoration Program.

#### Bureau of Reclamation Announces Public Meeting on the Re-initiation of Consultation on the Long-Term Operation of the CVP and SWP

The Bureau of Reclamation will hold a quarterly meeting on June 14 between 1–3 p.m. to provide an update on the development of the Biological Assessment for the 2021 Re-initiation of Consultation on the Long-Term Operation of the Central Valley Project and State Water Project. The meeting will be held virtually and will cover information received during the public scoping process. For meeting materials, including the link to the meeting, please see [www.usbr.gov/mp/bdo](http://www.usbr.gov/mp/bdo)

### EPA Announces Federal Working Group to Strengthen Coordination on Water Reuse and Integrated Water Resources Management Approaches

In May the U.S. Environmental Protection Agency announced a Water Reuse Interagency Working Group, which was established as part of the bipartisan infrastructure law. The Working Group is composed of senior officials from 15 federal agencies, and is charged with developing and coordinating actions, tools, and resources to advance water reuse across the country.

The federal agencies participating in the working group with EPA include: Council on Environmental Quality; Office of Management and Budget; Centers for Disease Control and Prevention; U.S. Food and Drug Administration; Federal Emergency Management Agency; General Services Administration; U.S. Agency for International Development; U.S. Department of Agriculture; U.S. Army Corps of Engineers; U.S. Army Public Health Center; Department of Energy; U.S. Bureau of Reclamation; U.S. Geological Survey; U.S. Department of State. They will be collaborating with states, Tribes and water sector partners to advance the National Water Reuse Action Plan by building capacity for communities pursuing water reuse.

EPA will capture Working Group activities and findings in a biannual report to Congress, beginning in 2024. The Working Group will remain active until at least 2028 and can be extended at the discretion of the Chair.

The National Water Reuse Action Plan (WRAP) was developed in collaboration with partners across the water sector. Actions in the plan are intended to drive progress on reuse and address local and national barriers across a range of topics including technical, institutional, and financial. Currently, there is direct federal involvement in the implementation of approximately 40 WRAP actions.

### EPA Adds Five PFAS Chemicals to List of Regional Screening and Removal Management Levels

EPA added five PFAS chemicals to a list of risk-based values that help EPA determine if response or remediation activities are needed. This brings the total number of PFAS chemicals on this list to six.

Screening and removal management levels are not cleanup standards. They are risk-based values that help EPA determine if further investigation or actions are needed to protect public health, such as, sampling, assessing risks, and taking further action, which could include providing alternative drinking water. These mechanisms allow site teams to make better site decisions that will protect nearby communities.

The five PFAS additions include: hexafluoropropylene oxide dimer acid and its ammonium salt (HFPO-DA – sometimes referred to as GenX chemicals), perfluorooctanesulfonic acid (PFOS), perfluorooctanoic acid (PFOA), perfluorononanoic acid (PFNA), and perfluorohexanesulfonic acid (PFHxS). EPA added the first PFAS substance, PFBS or perfluorobutanesulfonic acid, to the

Regional Screening Level and Regional Removal Management Level lists in 2014 and updated it in 2021 when EPA released its updated toxicity assessment for PFBS.

Regional Screening Levels are used to identify contaminated media (i.e., air, tap water, and soil) at a site that may need further investigation. In general, if a contaminant concentration is below the screening level, no further action or investigation is needed. If the concentration is above the screening level, further investigation is generally needed to determine if some action is required. Regional Removal Management Levels are used to support EPA's decisions to undertake a removal action under CERCLA, such as providing alternative drinking water, or remediation of contaminated media, if necessary.

In addition to updating the Regional Screening Levels and Regional Removal Management Levels, EPA is moving to update the interim health advisories for PFOA and PFOS to reflect new science and input from the Science Advisory Board. Concurrently, EPA will continue to develop a proposed PFAS National Drinking Water Regulation for publication in fall 2022. EPA anticipates finalizing the rule in fall of 2023.

# The County of Orange Report

Prepared for the East Orange County Water District

June 10, 2022

by Lewis Consulting Group

## Election Results Bring Some Clarity

With several million ballots in California and 200,000 in Orange County left to be counted, there is surprisingly little drama. A large part of election predictability is due to the gerrymander that exists for legislative and congressional districts in California. If the late vote counted is heavily Republican, a few races could still flip.



### **EAST ORANGE COUNTY WATER DISTRICT'S FUTURE REPRESENTATIVES**

BOARD OF SUPERVISORS 3<sup>rd</sup> DISTRICT - Don Wagner

The only supervisor not on the ballot this June.

CONGRESSIONAL DISTRICT 40 - for November Young Kim vs. Dr. Asif Mahmood. After a grueling primary, Congresswoman Kim will be heavily favored.

STATE SENATE DISTRICT 37 - not on the November ballot. Incumbent Dave Min has two years left on his current term.

EOCWD's representation in the State Assembly is split between two assembly districts.

ASSEMBLY DISTRICT 59 - incumbent Phillip Chen ran unopposed. He will represent the North Tustin portion of our district.

ASSEMBLY DISTRICT 73 - two incumbent members of the Assembly, Cottie Petrie-Norris and Steven Choi will face-off in a district that includes the City of Tustin. Assemblywoman Petrie-Norris is a slight favorite.

In other races in Orange County, here are the winners or "top two" in the run-off:

CONGRESSIONAL DISTRICT 38 -	Linda Sanchez [inc]	vs	Eric Ching
CONGRESSIONAL DISTRICT 45 -	Michelle Steel [inc]	vs	Jay Chen
CONGRESSIONAL DISTRICT 46 -	Lou Correa [inc]	vs	Christopher Gonzalez
CONGRESSIONAL DISTRICT 47 -	Katie Porter [inc]	vs	Scott Baugh
CONGRESSIONAL DISTRICT 49 -	Mike Levin [inc]	vs	Brian Maryott
STATE SENATE DISTRICT 32 -	Kelly Seyanto	vs	Brian Nash
STATE SENATE DISTRICT 34 -	Tom Umberg [inc]	vs	Rhonda Shader
STATE SENATE DISTRICT 36 -	Janet Nguyen	vs	Kim Carr
STATE SENATE DISTRICT 38 -	Matt Gunderson	vs	Catherine Blakespear
ASSEMBLY DISTRICT 64 -	Raul Ortiz Jr.	vs	Blanca Pacheco
ASSEMBLY DISTRICT 67 -	Sharon Quirk Silva [inc]	vs	Soo Yoo
ASSEMBLY DISTRICT 68 -	Avelino Valencia	vs	Mike Tardif
ASSEMBLY DISTRICT 70 -	Deidre Thu-Ha Nguyen	vs	Tri Ta
ASSEMBLY DISTRICT 71 -	Matt Rahn	vs	Katie Sanchez
ASSEMBLY DISTRICT 72 -	Judy Mancuso	vs	Diane Dixon
ASSEMBLY DISTRICT 74 -	Laurie Davies [inc]	vs	Chris Duncan
O.C. SUPERVISOR DISTRICT 2 -	Vince Sanmiento	vs	Kim Bernice Nguyen
O.C. SUPERVISOR DISTRICT 4 -	Sunny Park	vs	Doug Chaffee [inc]
O.C. SUPERVISOR DISTRICT 5 -	Katrina Foley [inc] *	vs	Pat Bates

O.C. COUNTY ASSESSOR -	Claude Parrish re-elected
O.C. AUDITOR-CONTROLLER -	Andrew Hamilton elected
O.C. CLERK-RECORDER -	Hugh Nguyen re-elected
O.C. SHERIFF -	Don Barnes re-elected
O.C. TREASURER TAX COLLECTOR -	Sheri Freiderich re-elected
O.C. DISTRICT ATTORNEY -	Todd Spitzer re-elected in a LANDSLIDE. The expected progressive challenge against incumbent District Attorney Todd Spitzer never materialized and D.A. Spitzer, who went "all in" in the primary, was rewarded with decisive victory now standing at 64% of the vote.

BOARD OF EQUALIZATION DISTRICT 4 - Denis Bilodeau is hanging on in a battle for BOE. If OCWD Director Bilodeau makes it into the "top two" run-off and ultimately wins in November, he would be the highest ranking Republican Constitutional office holder in California. He is presently 6,000 votes out of 2<sup>nd</sup> place.

**POOR SHOWING FOR COUNTY SUPERVISORS**

Among the five current members of the Board of Supervisors, Supervisor Don Wagner had the best night and he wasn't even on the ballot. The others . . .

ANDREW DO -	fails to reach the Top Two in the race for California Treasurer
LISA BARTLETT -	fails to reach the Top Two in her race for Congress
DOUG CHAFFEE -	is currently in 2 <sup>nd</sup> place, but 3 <sup>rd</sup> place is close. If late votes break Republican, Chaffee's tenure is over come January.
KATRINA FOLEY -	had a weak incumbent showing with 40% of the vote.



The highlight of the June 8<sup>th</sup> OCLAFCO meeting was an unanimous vote for approving the annexation of unincorporated Hamer Island in North Orange County. The 76 acre island is completely surrounded by the City of Placentia. It encompasses 1,000 residents and 326 single family homes. LAFCO staff, along with City of Placentia officials had worked collaboratively to quell the fears of residents worried about being folded into the City of Placentia. In accomplishing this annexation, LAFCO made progress in one of their core missions.

Another issue raised by Supervisor Wagner and to be considered at a future meeting, deals with how absences are recorded for the committee's alternate members. Some alternate elected officials, due to time constraints, choose to not attend if they know the voting member will be present. They don't like having those meetings count as absences due to appearances.

In July there will be no regularly scheduled OCLAFCO meeting, but instead from 8:30AM to 12:00PM, the annual Strategic Planning Workshop will be held. According to the Executive Officer's report, the plan is to refine LAFCO goals set out in its prior workshop last September.

Finally, the meeting marked the final meeting for City Commissioner Mike Posey. Alternate member Peggy Huang will be elevated to a full voting member.

## New PPIC Poll Showcases California Opinions

A poll recently released by the Public Policy Institute of California covered a wide ranging list of issues of which a few are featured here. The survey of 1,702 Californian adults was conducted May 12-22. A survey of this size has a margin of error of +/- 3.9% with a confidence level of 95%.

Thinking about the state as a whole, what do you think is the most important issue facing people in California today?

- 27% economy, jobs, inflation
- 12% housing costs, housing availability
- 11% homelessness
- 7% gasoline prices, oil prices
- 6% water, water availability/quality, drought
- 4% crime, gangs, drugs
- 4% environment, pollution, climate change
- 4% state budget, deficit, spending
- 3% government in general, problems with elected officials, political parties
- 3% immigration, illegal immigration
- 2% COVID-19, coronavirus, mandates
- 2% education, teachers, schools
- 2% electricity costs, energy supply
- 11% other
- 2% don't know

### Jobs, the economy, and inflation are the top issue for Californians



Have recent price increases caused any financial hardships for you or others in your household, or not?

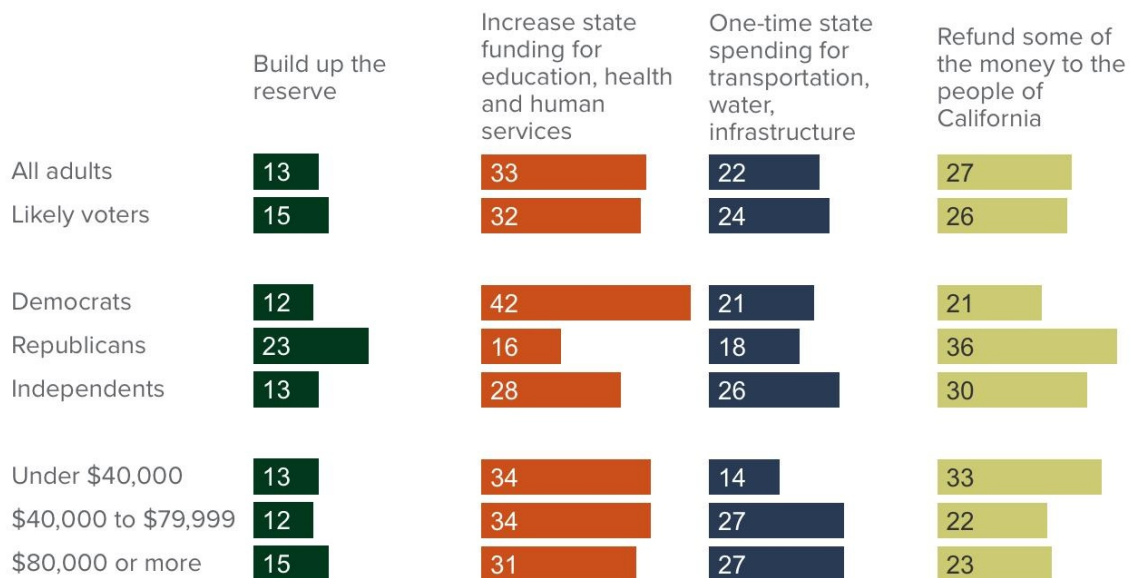
- 36% yes, serious
- 31% yes, not serious
- 32% no
- 1% don't know

The state is projected to have a budget surplus of several billion dollars. In general, how would you prefer to use this extra money? Would you prefer to pay down state debt and

build up the reserve [or] would you prefer to increase state funding for education, health, and human service programs [or] would you prefer one-time state spending for transportation, water, and infrastructure projects [or] would you prefer to refund some of this money to the people of California?

- 33% increase state funding for education, health, and human services
- 27% refund some money to the people of California
- 22% one-time state spending for transportation, water, infrastructure
- 13% pay down debt and build up reserve
- 2% other
- 3% don't know

### Californians are divided on what to do with surplus budget funds



As part of the May Revision to the state budget, Governor Newsom has proposed spending \$18 billion in funding to address inflation with most of the money going towards tax rebates for vehicle owners and making public transportation free for three months. Overall, do you favor or oppose this plan?

- 62% favor
- 33% oppose
- 5% don't know

Proposition 13 is the 1978 ballot measure that limits the property tax rate to 1 percent of assessed value at time of purchase and annual tax increases to no more than 2 percent until the property is sold. Overall, do you feel passing Proposition 13 turned out to be mostly a good thing for California or mostly a bad thing?

- 64% mostly a good thing
- 21% mostly a bad thing
- 2% mixed
- 12% don't know

It should be noted that in more recent national polls, gun violence has zoomed up as a top concern in wake of the tragic Texas school shootings.

## Orange County COVID-19 Update

ORANGE COUNTY COVID-19 STATS	6/6/2022	5/10/2022
CUMULATIVE CASES TO DATE	579,292	557,338
CUMULATIVE DEATHS TO DATE	7,045	7,019
DEATHS REPORTED TODAY	0	8
CUMULATIVE TESTS TO DATE	9,236,432	8,874,220
TESTS REPORTED THIS WEEK	69,918	90,470
CASES CURRENTLY HOSPITALIZED	158 *	101 *
CASES CURRENTLY IN ICU	18	17
CUMULATIVE RECOVERED TO DATE	551,658 *	541,929 *

\* = INCLUDES *ICU* CASES

## California Snowpack Vanishes - Reservoirs Hurting

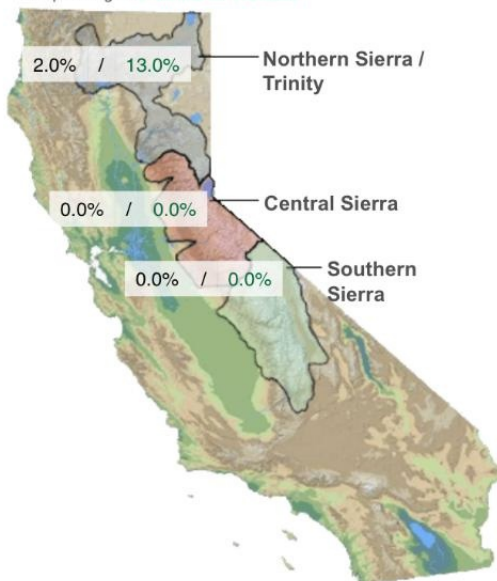
The latest information from the California Data Exchange center shows that the California snowpack is now a dismal 4% of average. Below is the map and graph of California's frozen gold.

### ➔ Snow Water Equivalent (inches)

Provided by the California Cooperative Snow Surveys

Data For: 08-Jun-2022

% Apr 1 Avg. / % Normal for this Date



Change Date :



08-Jun-2022

#### NORTH

Data For: 08-Jun-2022

Number of Stations Reporting	29
Average snow water equivalent	0.7"
Percent of April 1 Average	2%
Percent of normal for this date	13%

#### CENTRAL

Data For: 08-Jun-2022

Number of Stations Reporting	45
Average snow water equivalent	0.0"
Percent of April 1 Average	0%
Percent of normal for this date	0%

#### SOUTH

Data For: 08-Jun-2022

Number of Stations Reporting	25
Average snow water equivalent	0.0"
Percent of April 1 Average	0%
Percent of normal for this date	0%

#### STATEWIDE SUMMARY

Data For: 08-Jun-2022

Number of Stations Reporting	99
Average snow water equivalent	0.2"
Percent of April 1 Average	1%
Percent of normal for this date	4%

As a result, there is little help ahead for California's beleaguered reservoirs.

## CALIFORNIA RESERVOIR LEVELS OVER TIME

JUNE 8, 2022

RESERVOIR	% Capacity	% Average
Shasta Lake	40	48
New Melones	35	56
Don Pedro	67	83
<b>Lake Oroville</b>	<b>53</b>	<b>68</b>
Trinity Lake	30	38
San Luis Res	44	67
<b>New Bullards Bar</b>	<b>90</b>	<b>102</b>
Lake McClure	43	63
Pine Flat Res	62	90
<b>FOLSOM LAKE</b>	<b>88</b>	<b>110</b>



Learn more at [www.eocwd.com](http://www.eocwd.com)

*Every day*  
is a chance to  
*save water.*  
*And money.*

Transform your landscape. Get a rebate at  [bewaterwise.com](http://bewaterwise.com)<sup>®</sup>




**To:** David Youngblood, *General Manager, EOCWD*  
**From:** Michelle Lim, *Social Media Manager, Communications LAB*  
**Date:** May 25, 2022  
**Re:** Social Media Report and Web Analytics // May 2022

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## Total Reach

### Page Overview

#### Discovery

 Post reach	2,819
 Post engagement	18
 New Page Followers	2

#### Interactions

 Reactions	3
 Comments	0
 Shares	0
 Photo Views	9
 Link Clicks	0

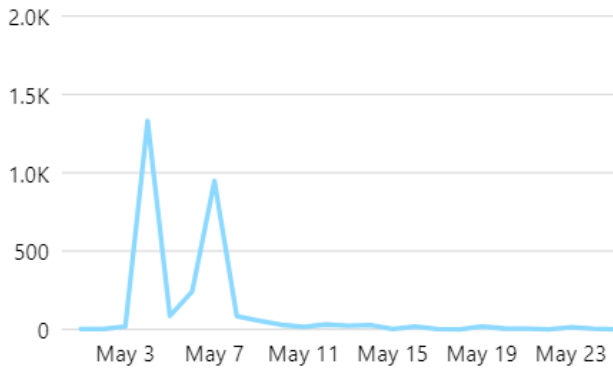
#### Other

 Hide All Posts	0
 Unfollows	0

## Total Reach by Platform

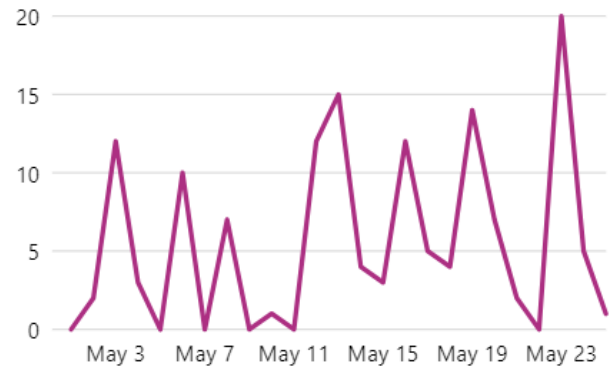
Facebook Page reach ⓘ

2,803 ↑ 1.1K%



Instagram reach ⓘ

58 ↓ 25.6%

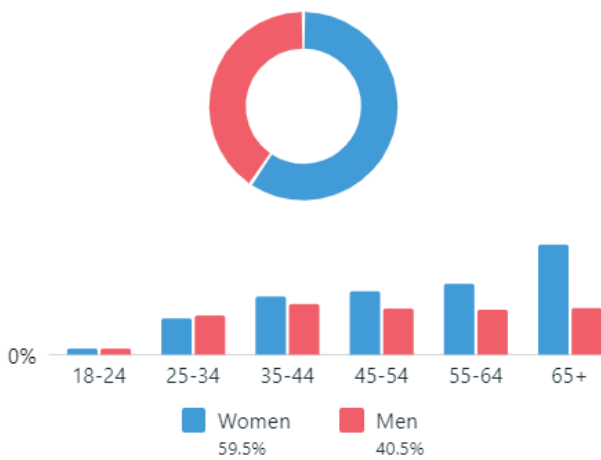


## Page Likes

Facebook Page followers ⓘ

2,276

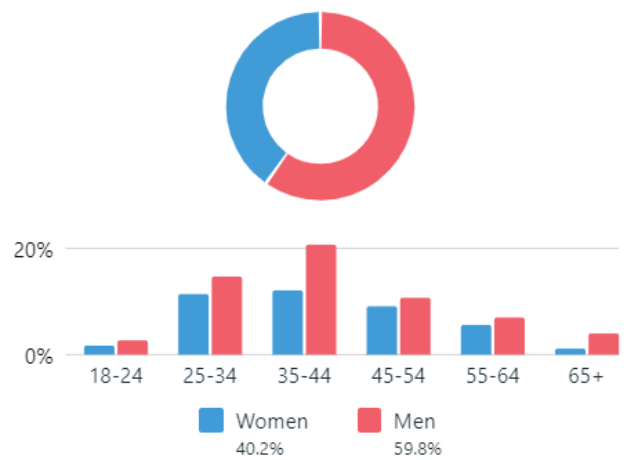
Age & gender ⓘ



Instagram followers ⓘ

517

Age & gender ⓘ



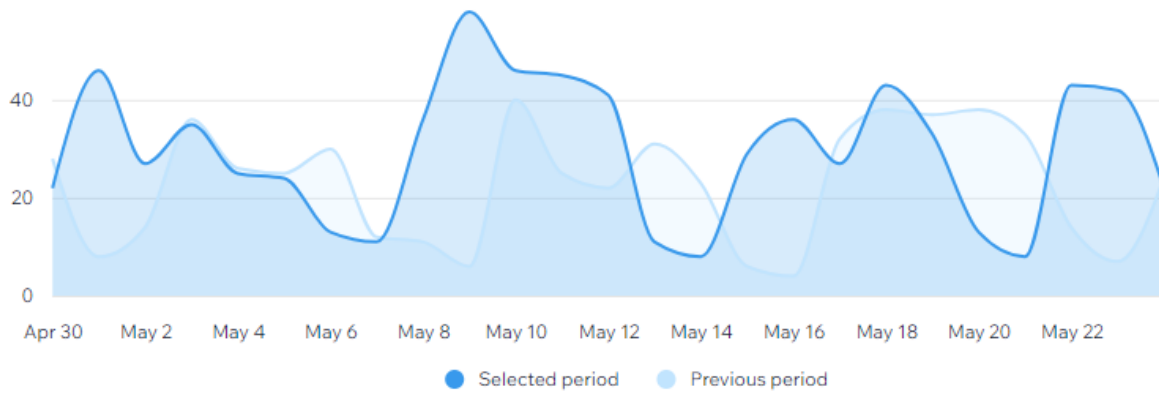
# Wix Website

Site sessions  
**744** ↑ 31%

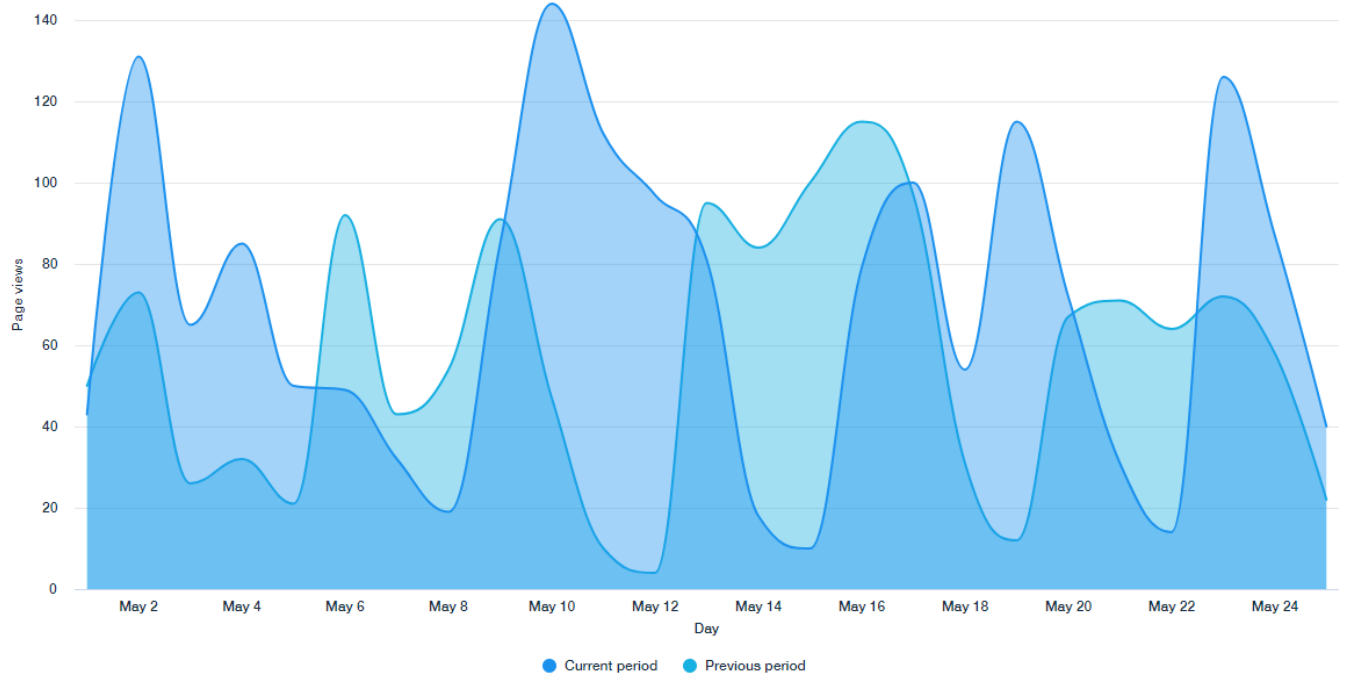
Unique visitors  
**582** ↑ 32%

Avg. session duration  
**3m 41s** ↓ 12%

## Sessions over time



## Page Views



## Traffic by Time of Day

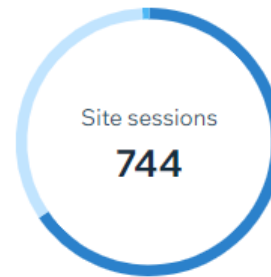
Day >	Saturday	Friday	Thursday	Wednesday	Tuesday	Monday	Sunday
Hour							
02 am	2	0	0	0	1	0	0
08 am	2	2	2	2	3	3	1
09 am	2	2	1	4	5	3	1
10 am	2	6	4	2	4	4	1
03 pm	2	2	4	3	2	3	2
09 pm	2	1	0	2	3	2	2
05 am	1	0	1	1	1	1	1
06 am	1	1	2	1	1	1	0
07 am	1	1	1	1	2	2	2
11 am	1	4	3	2	3	2	1
12 pm	1	1	3	3	2	1	1
02 pm	1	4	4	3	2	3	1
04 pm	1	1	3	2	3	4	3
06 pm	1	1	1	2	1	2	1
07 pm	1	2	1	1	1	2	1
08 pm	1	2	2	1	1	1	1
10 pm	1	1	1	3	1	1	1
11 pm	1	0	0	1	2	1	1
01 pm	0	2	2	3	4	4	1
05 pm	0	1	2	1	3	2	1
00 am	0	0	2	0	1	1	0
01 am	0	0	1	1	0	1	1
03 am	0	0	1	0	0	0	0
04 am	0	0	1	0	1	1	1

### New vs returning visitors



- New  
82% • 478
- Returning  
18% • 104

### Sessions by device



- Desktop  
65% • 487
- Mobile  
34% • 251
- Tablet  
1% • 6

## Top pages by sessions

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/ (Homepage)	↑ 18%	427
/employment-op	↑ 132%	139
/view-pay-my-bil	↑ 11%	110
/board-meetings	↑ 9%	73

## Top traffic sources by sessions ⓘ

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Google	↑ 30%	346
Direct	↑ 10%	273
Bing	↑ 43%	30
bcwaterjobs.secure.force.com		26
Unknown	↑ 36%	15