



AGENDA

EAST ORANGE COUNTY WATER DISTRICT

ADMINISTRATION & FINANCE COMMITTEE AGENDA

**Friday, June 21, 2024
9:00 A.M.**

Call meeting to order – Chair Sears

Public Communications to the Committee

Additional items arising after posting of agenda

1. Monthly Financial Statements
Recommendation: Informational.
2. Monthly Disbursements
Recommendation: Informational.
3. Investment Policy Revisions
Recommendation: Recommend Board approve investment policy revisions
4. Annual Budget
Recommendation: Recommend Board approve annual budget

Adjournment

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 Administrative & Finance Committee in connection with a matter subject to discussion or consideration at an open meeting of the Administrative & Finance Committee are available for public inspection in the District's office, 185 McPherson Road, Orange, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available via phone or email request to Ms. Sylvia Prado at (714) 538-5815 or sprado@eocwd.com.



MEMO

TO: ADMINISTRATION AND FINANCE COMMITTEE
FROM: GENERAL MANAGER
SUBJECT: MONTHLY FINANCIAL STATEMENTS AND TRESURERS REPORT
DATE JUNE 21, 2024

Background

Monthly Financial Statements for Wholesale Zone, Retail Zone, and ID1 (wastewater) for April 2024.

Recommendation

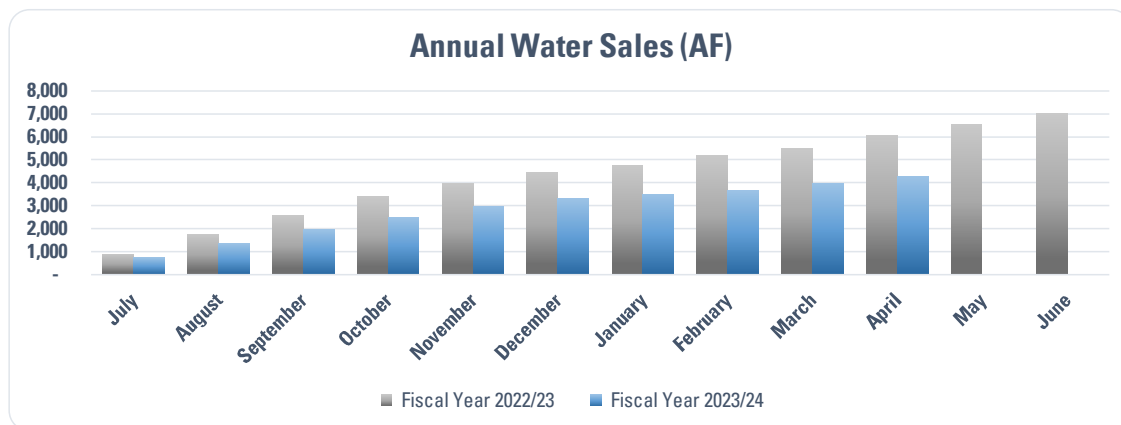
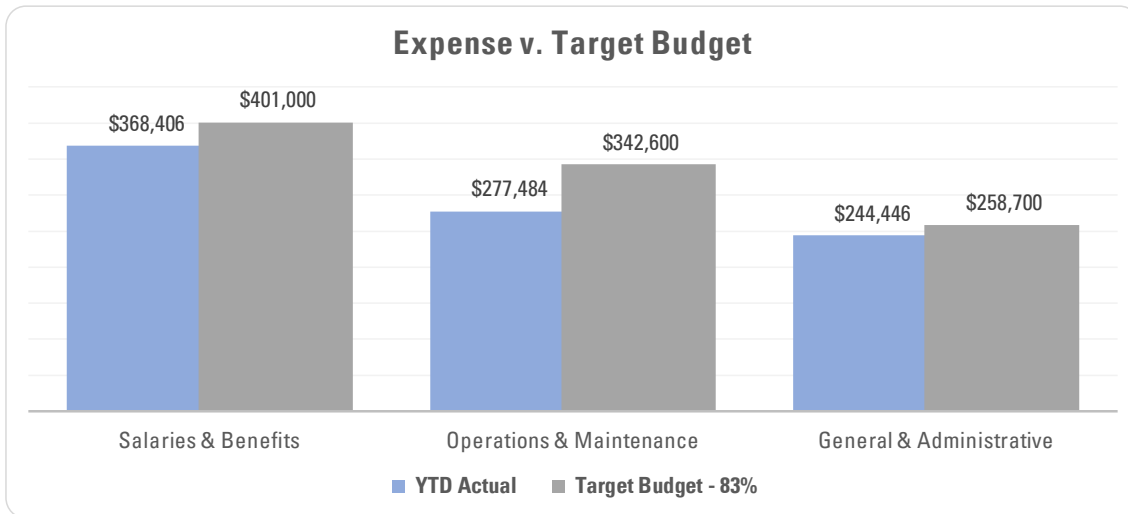
Informational.

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



Wholesale Budget to Actual Summary (Unaudited) For the Period Ending April 30, 2024

	A	B	C	D = B / C
<i>Wholesale Budget to Actual Summary</i>	APR 2024 ACTUAL	YTD ACTUAL	2023/24 ANNUAL BUDGET	YTD BUDGET 83%
1 REVENUE				
2 Operating Revenue	\$ 511,228	\$ 6,450,489	\$ 10,243,400	63%
3 Non-Operating Revenue /(Expense)	342,156	1,495,569	1,439,500	104%
4 TOTAL REVENUE	853,383	7,946,059	11,682,900	68%
5 EXPENSE				
6 Source of Supply	460,955	5,798,888	9,691,500	60%
7 Salaries & Benefits	37,539	368,406	483,100	76%
8 Operations & Maintenance	17,720	277,484	412,800	67%
9 General & Administrative	20,429	244,446	311,700	78%
10 TOTAL EXPENSE	536,643	6,689,224	10,899,100	61%
11 NET REVENUE / (EXPENSE)	316,740	1,256,834	783,800	160%
12 Capital Improvement Program PAYGO	(152,386)	(1,535,007)	(3,444,900)	45%
13 Section 115 Pension Trust Contribution	-	-	-	N/A
14 NET CASH INFLOW / (OUTFLOW)	\$ 164,354	\$ (278,173)	\$ (2,661,100)	10%

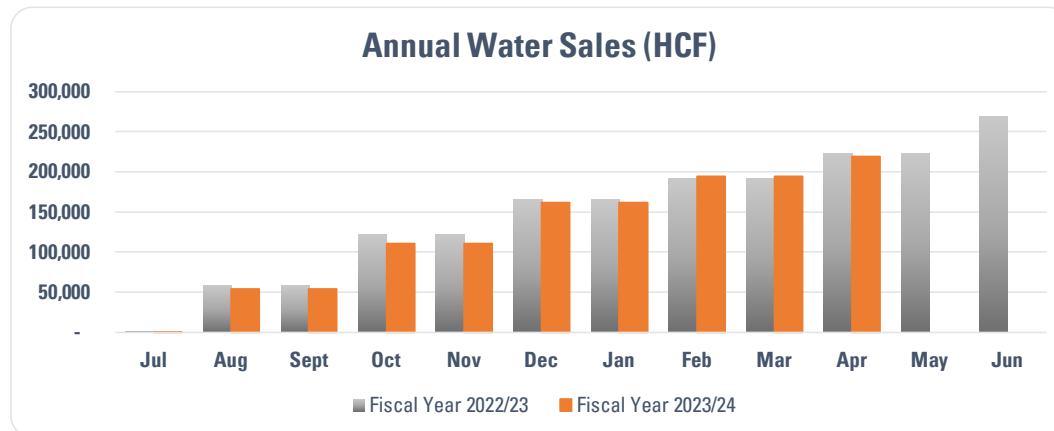
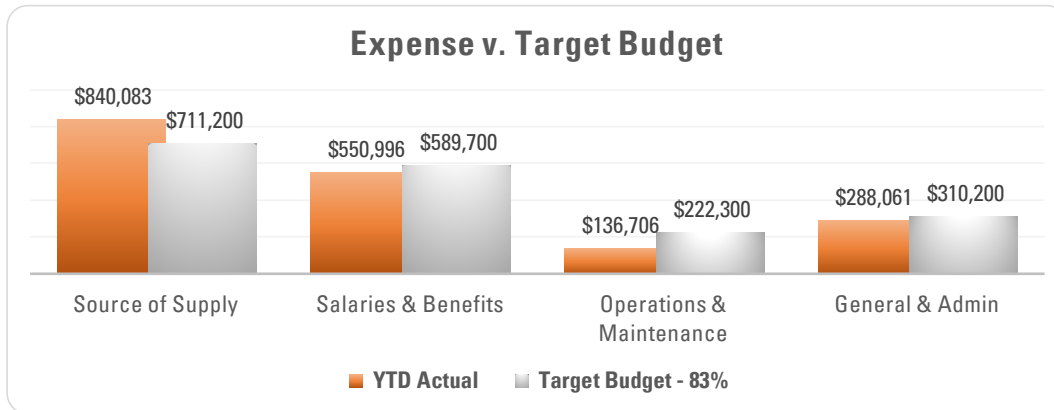


No assurance provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the U.S. not included.



Retail Budget to Actual Summary (Unaudited) For the Period Ending April 30, 2024

	A	B	C	D = B / C
<i>Retail Budget to Actual Summary</i>	APR 2024 ACTUAL	YTD ACTUAL	2023/24 ANNUAL BUDGET	YTD BUDGET 83%
1 REVENUE				
2 Operating Revenue	\$ 498,548	\$ 2,383,433	\$ 2,757,700	86%
3 Non-Operating Revenue /(Expense)	193,820	663,018	661,600	100%
4 TOTAL REVENUE	692,368	3,046,452	3,419,300	89%
5 EXPENSE				
6 Source of Supply	69,733	840,083	856,900	98%
7 Salaries & Benefits	56,219	550,996	710,500	78%
8 Operations & Maintenance	11,612	136,706	267,800	51%
9 General & Administrative	23,670	288,061	373,700	77%
10 TOTAL EXPENSE	161,234	1,815,847	2,208,900	82%
11 NET REVENUE / (EXPENSE)	531,134	1,230,605	1,210,400	102%
12 Debt Service	(217,520)	(259,039)	(259,000)	100%
13 Capital Improvement Program PAYGO	(282,383)	(1,248,717)	(5,707,600)	22%
14 Section 115 Pension Trust Contribution	-	-	-	N/A
15 NET CASH INFLOW / (OUTFLOW)	\$ 31,231	\$ (277,151)	\$ (4,756,200)	6%

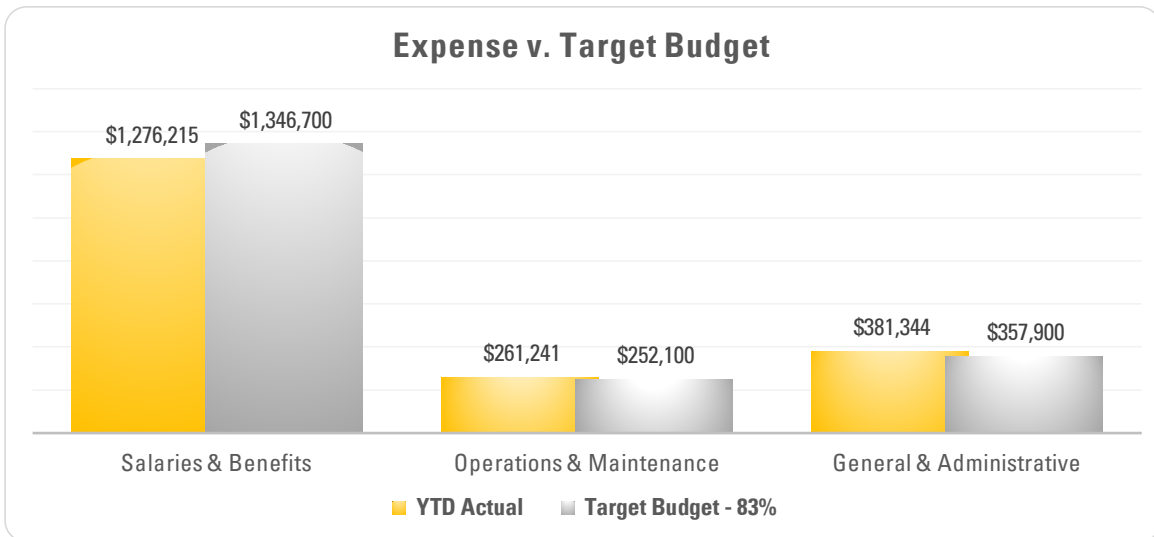


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Sewer
Budget to Actual Summary
(Unaudited)
For the Period Ending April 30, 2024

	A	B	C	D = B / C
<i>Sewer Budget to Actual Summary</i>	APR 2024 ACTUAL	YTD ACTUAL	2023/24 ANNUAL BUDGET	YTD BUDGET 83%
1 REVENUE				
2 Operating Revenue	\$ 1,183,275	\$ 3,517,050	\$ 3,426,700	103%
3 Non-Operating Revenue /(Expense)	(57,272)	1,743,949	1,715,400	102%
4 TOTAL REVENUE	1,126,003	5,260,999	5,142,100	102%
5 EXPENSE				
6 Salaries & Benefits	117,555	1,276,215	1,622,500	79%
7 Operations & Maintenance	3,315	261,241	303,700	86%
8 General & Administrative	27,447	381,344	431,200	88%
9 TOTAL EXPENSE	148,317	1,918,800	2,357,400	81%
10 NET REVENUE / (EXPENSE)	977,686	3,342,199	2,784,700	120%
11 Debt Service	(870,078)	(1,036,157)	(1,036,200)	100%
12 Capital Improvement Program PAYGO	(584,923)	(4,186,714)	(3,804,500)	110%
13 Section 115 Pension Trust Contribution	-	-	-	N/A
14 Prior Year Expense	-	(217,341)	-	N/A
15 NET CASH INFLOW / (OUTFLOW)	\$ (477,316)	\$ (2,098,012)	\$ (2,056,000)	102%



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Cash & Investments

(Unaudited)
April 30, 2024

	Type	Cost	Market	% Total
District Cash & Investments				
Unrestricted				
Local Agency Investment Fund (LAIF) *	Investment	\$ 2,176,448	\$ 2,163,805	3.8%
U.S. Bank - Sewer	Investment	7,842,477	7,527,543	13.3%
Raymond James Brokerage - Wholesale	Investment	2,572,638	2,482,809	4.4%
Raymond James Brokerage - Sewer	Investment	4,958,681	4,997,169	8.8%
CA CLASS Prime Fund **	Investment	5,312,901	5,312,649	9.4%
Citizens Business Bank	Checking	3,319,443	3,319,443	5.9%
Citizens Business Bank	Money Market	86,673	86,673	0.2%
Total Unrestricted		26,269,261	25,890,091	45.6%
Restricted				
U.S. Bank - Sewer Acquisition Funds	Investment	30,566,286	29,338,819	51.7%
U.S. Bank - Sewer Capacity Fees	Investment	1,396,508	1,340,428	2.4%
PARS Post-Employment Benefits	Trust	150,000	150,010	0.3%
Total Restricted		32,112,795	30,829,257	54.4%
Total District Cash & Investments		\$ 58,382,055	\$ 56,719,348	100.0%

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

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

Treasurer Certification

I certify that (1) all investment actions executed since the last report have been made in full compliance with the District's Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California.

Cindy Byerrum

Cindy Byerrum, Treasurer



MEMO

TO: ADMINISTRATION AND FINANCE COMMITTEE
FROM: GENERAL MANAGER
SUBJECT: MONTHLY DISBURSEMENTS
DATE JUNE 21, 2024

Background

Monthly disbursements

Recommendation

Informational.

Attachment(s): Monthly disbursements report

EAST ORANGE COUNTY WATER DISTRICT

DISBURSEMENT SUMMARY

June 21, 2024

Wholesale Zone, Retail Zone, and ID1 Bill Payments	\$465,272.59
Wire Payments:	
MWDOC - April 2024 Water Deliveries Payment	\$437,465.72
Snyder Langston - Payment for New Administration Building	\$415,002.00
Director's Payroll	\$3,361.17
Employee's Payroll	\$288,750.45
Disbursement Total	<u><u>\$1,609,851.93</u></u>

TRANSFER SUMMARY

Transfers	\$ 230,000.00
Transfer Total	<u><u>\$230,000.00</u></u>

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

East Orange County Water District
 Bills For Consideration

Date	Num	Name	As of June 14, 2024	Memo	Credit
05/28/2024	8811	ALS GROUP USA, CORP	Laboratory Analysis (water quality) April 2024		542.00
05/28/2024	8812	AT&T MOBILITY	Cellular Line - 05/13/2024-06/12/2024		107.50
05/28/2024	8813	ATKINSON, ANDELSON, LOYA, RUUD & ROM	April 2024 Legal Fees		4,533.00
05/28/2024	8814	BAY ALARM	Alarm Services 06/01/24-08/31/24 - 210 McPherson Rd		9,325.51
05/28/2024	8815	California Water Environment Association	Employee Certification Renewal		324.00
05/28/2024	8816	CHAMPION PAVING INC.	Vista Panorama & RZ Mains		6,997.00
05/28/2024	8817	CINTAS CORPORATION NO. 3	Uniforms - April 2024		191.38
05/28/2024	8818	COUNTY OF ORANGE	Encroachment Permits		1,713.31
05/28/2024	8819	CUMMINS INC.	Vista Panorama Sidehill Generator Repairs		2,796.07
05/28/2024	8820	FOOTHILL SENTRY, INC	Display Color Ad April 2024		525.17
05/28/2024	8821	GRAINGER	Small Tools		134.42
05/28/2024	8822	HACH COMPANY	Water Quality		246.80
05/28/2024	8823	MONRO, INC.	Vehicle Maintenance		2,816.09
05/28/2024	8824	MORROW MEADOWS CORP	District Headquarters		457.05
05/28/2024	8825	O'REILLY AUTO ENTERPRISES, LLC	Vehicle Maintenance		103.38
05/28/2024	8826	PARADISE DRINKING WATERS	Bottled Water (Office & Field)		79.55
05/28/2024	8827	PLUMBERS DEPOT INC.	Vehicle Maintenance - Jetter Part		1,166.03
05/28/2024	8828	PTI SAND & GRAVEL	Vista Panorama		710.91
05/28/2024	8829	SALCO ELECTRIC, INC.	District Headquarters		5,000.00
05/28/2024	8830	SOUTH COAST AIR QUALITY MANAGEMENT	AQMD Fee - July 2023 through June 2024		323.62
05/28/2024	8831	SOUTHERN CALIFORNIA EDISON	Electric Services - 210 N McPherson 12/19/23 to 04/28/24		6,116.23
05/28/2024	8832	SPECTRUM BUSINESS	Office Voip Phones 05/12/24-06/11/24		30.19
05/28/2024	8833	Springbrook Software	Standard Professional Services		5,390.00
05/28/2024	8834	SUNKIST SOLUTIONS, LLC	Professional Services - January - April 2024		525.00
05/28/2024	8835	UNITED WATERWORKS INC.	Vista Panorama & Valve Replacement		4,309.34
05/28/2024	8836	WATERLINE TECHNOLOGIES INC.	Water Quality		1,058.35
05/28/2024	8837	YO FIRE	Valve Replacement & Circula Panorama		15,203.60
TOTAL					70,725.50

East Orange County Water District
Bills For Consideration
As of June 14, 2024

Date	Num	Name	Memo	Credit
06/05/2024	8838	ACWA-JPIA (EMP INSURANCE)	Employee Med/Dental/Vision/Life Insurance June & July 2024	52,293.38
06/05/2024	8839	BUTIER ENGINEERING, INC	Construction Management Services - Admin Building	7,400.00
06/05/2024	8840	CINTAS CORPORATION NO. 3	Uniforms - May 2024	95.69
06/05/2024	8841	COMMUNICATIONS LAB	Professional Services - May 2024	5,000.00
06/05/2024	8842	CORNERSTONE LAND SURVEYING, INC.	Surveying - Vista Panorama	2,785.00
06/05/2024	8843	Cynthia Chandler	RZ Customer Deposit Refund	293.40
06/05/2024	8844	EAST ORANGE COUNTY WATER DIST.	Payment to WZ for Imported Water - April 2024	68,960.63
06/05/2024	8845	EEC ENVIRONMENTAL	FOG Program 04/01/24-04/30/24	4,833.75
06/05/2024	8846	Great America Networks, Inc.	Office Phones 05/01/24-05/29/24	344.04
06/05/2024	8847	LEWIS CONSULTING GROUP	Consulting Services - May 2024	2,500.00
06/05/2024	8848	MATRIX COMPUTER SERVICE	IT Support 04/20/24-05/17/24	6,650.00
06/05/2024	8849	MOBILE MODULAR	Mobile Modular - Removal	2,298.79
06/05/2024	8850	Orange County Janitorial, EBS	May 2024 Janitorial Services	795.00
06/05/2024	8851	PorterMatt Electric Inc	District Headquarter's Electric - Low Voltage Work	5,400.00
06/05/2024	8852	Ryan Gates	RZ Customer Deposit Refund	145.60
06/05/2024	8853	SALCO ELECTRIC, INC.	District Headquarter's	13,149.81
06/05/2024	8854	SOCALGAS	Gas - 185 N McPherson	19.09
06/05/2024	8855	SOUTHERN CALIFORNIA EDISON	Electric Services- Various Locations 04/24/24 to 05/22/24	2,990.72
06/05/2024	8856	SPECTRUM BUSINESS	Office Phones & Scada System Lines 05/14/24 - 06/14/24	279.98
06/05/2024	8857	STANDARD INSURANCE COMPANY	Life Insurance Premium 06/01/24-06/30/24	845.60
06/05/2024	8858	TOWNSEND PUBLIC AFFAIRS, INC.	State/Fed Gov Relations June 2024	3,000.00
06/05/2024	8859	ULINE	Office Supplies	553.67
06/05/2024	8860	UMPQUA BANK	Credit Card Activity 05/08/24-05/31/24	15,110.45
06/05/2024	8861	UNITED SITE SERVICES OF CALIFORNIA, INC	Waste Holding Tank - 05/28/24-05/29/24	38.58
06/05/2024	8862	VERIZON WIRELESS	Wireless - 04/26/24-05/25/24	798.97
06/05/2024	8863	Wallace Holdsworth	RZ Customer Deposit Refund	309.41
06/05/2024	8864	DRAW TAP GIS, LLC	ArcGIS Enterprise 11.1 Implementation	16,800.00
06/05/2024	8864	No Payee - Check misprint	Void	0.00
06/05/2024	8864	No Payee - Check misprint	Void	0.00
06/06/2024	8867	CONTINENTAL UTILITY SOLUTIONS, INC	Annual Maintenance and Support 7/31/24 - 7/31/25	2,000.00
06/06/2024	8868	PETTY CASH	Petty Cash Reimbursement	212.04
06/14/2024	8869	AT&T	Void	
06/14/2024	8870	AT&T LONG DISTANCE	Telephone - Long Distance - May 2024	27.55
06/14/2024	8871	BEST BEST & KRIEGER LLP	Legal Services through 05/31/24	1,767.50
06/14/2024	8872	BORCHARD SURVEYING AND MAPPING, INC	Professional Services 05/01/2024-06/01/2024	6,620.00
06/14/2024	8873	California Water Environment Association	CWEA Membership Employee Renewal	221.00
06/14/2024	8874	CINTAS CORPORATION NO. 3	Uniforms - May 2024	95.69
06/14/2024	8875	CITY OF TUSTIN	Construction Meter 03/27/2023 - 05/15/2024 (to clean sewer system)	1,159.48
06/14/2024	8876	CR&R INC.	Service Period 06/01/24-06/30/24 (185 N & 210 N McPherson)	383.39
06/14/2024	8877	EIDE BAILLY LLP	Consulting Services Retainer - April 2024	17,238.00
06/14/2024	8878	INDUCTIVE AUTOMATION LLC	SCADA - Basic Care Support Plan Renewal 8/31/24-8/31/25	5,688.80
06/14/2024	8879	JB3D	District Headquarters	2,489.40
06/14/2024	8880	Mike Bubalo Construction Co., Inc.	Circula Panorama Pipeline	72,105.00
06/14/2024	8881	Minh Tuong Nguyen	RZ Customer Deposit Refund	492.89
06/14/2024	8882	MKN	Barrett Pump Station Replacement, Hinton Way and St. Jude Pipeline & EOCWD Zone 3 to 2 Pipeline ...	22,896.61
06/14/2024	8883	Orange County Sanitation District	May 2024 Sewer Permits	28,172.73
06/14/2024	8884	Solv Business Solutions	Accounting Checks	195.21
06/14/2024	8885	SOUTHERN CALIFORNIA EDISON	Electricity - Various locations 05/03/24-06/09/24	1,985.09
06/14/2024	8886	STEVEN ANDREWS ENGINEERING	Engineering Services 03/01/24-03/31/24	14,260.00
06/14/2024	8887	UNITED SITE SERVICES OF CALIFORNIA, INC	Waste Holding Tank - 06/06/24-07/03/24	342.20
06/14/2024	8888	VERIZON WIRELESS	Wireless - 03/26/24-04/25/24	873.97
06/14/2024	8889	WEST YOST & ASSOCIATES, INC	Professional Services 04/06/24 to 05/03/24 - SCADA Upgrades	1,054.00
06/14/2024	8890	XEROX CORPORATION	Copier - Monthly Maintenance 04/25/24-05/21/24	140.83
06/14/2024	8891	AT&T	Office Lines 05/01/2024-05/31/2024	0.64
06/14/2024	8892	AT&T	SCADA Fax 05/01/2024-05/31/2024	12.80
06/14/2024	8893	AT&T	SCADA System 05/01/2024-05/31/2024	375.29
06/14/2024	8894	AT&T	SCADA Alarm 05/01/2024-05/31/2024	45.42

TOTAL 394,547.09

DIRECTORS' PAYROLL*
21-Jun-24

PAYMENT FOR BOARD AND COMMITTEE MEETINGS IN THE MONTHS OF MARCH & APRIL 2024

MARCH EXPENSES

DATE	CHECK NO	AMOUNT	PAYABLE TO
5/23/2024	444	\$ 319.37	BOARD DIRECTOR
5/23/2024	445	\$ 319.37	BOARD DIRECTOR
5/23/2024	446	\$ 484.84	BOARD DIRECTOR
5/23/2024	447	\$ 479.06	BOARD DIRECTOR
		\$ 1,602.64	TOTAL PAYROLL CHECKS
		\$309.42	ADP TAXES
		\$1,912.06	GRAND TOTAL PAYROLL

APRIL EXPENSES

DATE	CHECK NO	AMOUNT	PAYABLE TO
5/23/2024	448	\$ 433.67	BOARD DIRECTOR
5/23/2024	449	\$ 484.84	BOARD DIRECTOR
5/23/2024	450	\$ 319.37	BOARD DIRECTOR
		\$ 1,237.88	TOTAL PAYROLL CHECKS
		\$211.23	ADP TAXES
		\$1,449.11	GRAND TOTAL PAYROLL

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

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

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

CHECK DATE	CHECK AMOUNT	PAYABLE TO	
AUTO DEPOSIT	5/1/2024	\$ 8,146.04	GENERAL MANAGER
AUTO DEPOSIT	5/1/2024	\$ 6,066.17	ENGINEERING MANAGER
AUTO DEPOSIT	5/1/2024	\$ 5,452.67	OPERATIONS MANAGER
AUTO DEPOSIT	5/1/2024	\$ 3,790.43	GIS MANAGER
AUTO DEPOSIT	5/1/2024	\$ 4,313.03	WASTEWATER SUPERVISOR
AUTO DEPOSIT	5/1/2024	\$ 2,886.57	WATER DISTRIBUTION OPERATOR III
AUTO DEPOSIT	5/1/2024	\$ 3,139.31	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	5/1/2024	\$ 2,789.24	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	5/1/2024	\$ 2,228.61	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	5/1/2024	\$ -	WASTEWATER COLLECTIONS OPERATOR II
AUTO DEPOSIT	5/1/2024	\$ 1,923.10	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	5/1/2024	\$ 1,546.69	INTERN
AUTO DEPOSIT	5/1/2024	\$ 3,880.61	OFFICE MANAGER
AUTO DEPOSIT	5/1/2024	\$ 2,303.87	MANAGEMENT ANALYST
AUTO DEPOSIT	5/1/2024	\$ 2,701.25	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	5/1/2024	\$ 1,658.41	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 52,826.00</u>	SUB TOTAL

AUTO DEPOSIT	5/15/2024	\$ 7,346.05	GENERAL MANAGER
AUTO DEPOSIT	5/15/2024	\$ 6,066.17	ENGINEERING MANAGER
AUTO DEPOSIT	5/15/2024	\$ 5,970.93	OPERATIONS MANAGER
AUTO DEPOSIT	5/15/2024	\$ 3,790.43	GIS MANAGER
AUTO DEPOSIT	5/15/2024	\$ 3,943.05	WASTEWATER SUPERVISOR
AUTO DEPOSIT	5/15/2024	\$ 2,243.97	WATER DISTRIBUTION OPERATOR III
AUTO DEPOSIT	5/15/2024	\$ 3,066.00	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	5/15/2024	\$ 2,762.52	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	5/15/2024	\$ 2,413.48	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	5/15/2024	\$ 2,784.33	WASTEWATER COLLECTIONS LEAD OPERATOR
AUTO DEPOSIT	5/15/2024	\$ 2,081.18	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	5/15/2024	\$ 1,462.77	INTERN
AUTO DEPOSIT	5/15/2024	\$ 2,480.76	OFFICE MANAGER
AUTO DEPOSIT	5/15/2024	\$ 2,151.72	MANAGEMENT ANALYST
AUTO DEPOSIT	5/15/2024	\$ 2,422.27	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	5/15/2024	\$ 1,724.80	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 52,710.43</u>	SUB TOTAL

AUTO DEPOSIT	5/29/2024	\$ 7,346.03	GENERAL MANAGER
AUTO DEPOSIT	5/29/2024	\$ 6,066.16	ENGINEERING MANAGER
AUTO DEPOSIT	5/29/2024	\$ 5,969.35	OPERATIONS MANAGER
AUTO DEPOSIT	5/29/2024	\$ 3,790.44	GIS MANAGER
AUTO DEPOSIT	5/29/2024	\$ 4,963.13	WASTEWATER SUPERVISOR
AUTO DEPOSIT	5/29/2024	\$ 2,645.07	WATER DISTRIBUTION OPERATOR III
AUTO DEPOSIT	5/29/2024	\$ 2,382.74	WATER DISTRIBUTION OPERATOR I
AUTO DEPOSIT	5/29/2024	\$ 3,166.55	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	5/29/2024	\$ 2,376.49	WASTEWATER COLLECTION OPERATOR II
AUTO DEPOSIT	5/29/2024	\$ 2,841.23	WASTEWATER COLLECTIONS LEAD OPERATOR
AUTO DEPOSIT	5/29/2024	\$ 2,049.57	WASTEWATER COLLECTION OPERATOR I
AUTO DEPOSIT	5/29/2024	\$ 1,546.70	INTERN
AUTO DEPOSIT	5/29/2024	\$ 2,586.37	OFFICE MANAGER
AUTO DEPOSIT	5/29/2024	\$ 2,151.71	MANAGEMENT ANALYST
AUTO DEPOSIT	5/29/2024	\$ 2,382.40	ADMINISTRATIVE ASSISTANT I
AUTO DEPOSIT	5/29/2024	\$ 1,724.79	PART TIME ADMINISTRATIVE ASSISTANT
		<u>\$ 53,988.73</u>	SUB TOTAL

5/1/2024	\$ 27,764.18	ADP TAXES
5/1/2024	\$ 3,091.07	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
5/1/2024	\$ 4,459.98	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
5/1/2024	\$ 2,191.71	EMPLOYEE PERS PEPPRA TRANSFER
5/1/2024	\$ 2,171.92	EMPLOYER PERS PEPPRA MEMBER TRANSFER
5/1/2024	\$ 2,811.05	CAL PERS 457 - ING BANK
	<u>\$42,489.91</u>	TOTAL TRANSFERS

PAYROLL	PAYROLL	PAYROLL
5/1/2024	5/15/2024	5/29/2024
\$52,826.00	\$52,710.43	\$53,988.73
\$42,489.91	\$42,748.78	\$43,986.60
<u>\$95,315.91</u>	<u>\$95,459.21</u>	<u>\$97,975.33</u>

5/15/2024	\$ 27,574.22	ADP TAXES
5/15/2024	\$ 3,091.07	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
5/15/2024	\$ 4,459.98	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
5/15/2024	\$ 2,403.94	EMPLOYEE PERS PEPPRA TRANSFER
5/15/2024	\$ 2,382.23	EMPLOYER PERS PEPPRA MEMBER TRANSFER
5/15/2024	\$ 2,837.34	CAL PERS 457 - ING BANK
	<u>\$42,748.78</u>	TOTAL TRANSFERS

5/29/2024	\$ 28,527.79	ADP TAXES
5/29/2024	\$ 3,102.44	EMPLOYEE PERS ELECTRONIC FUNDS TRANSFER
5/29/2024	\$ 4,476.39	EMPLOYER PERS ELECTRONIC FUNDS TRANSFER
5/29/2024	\$ 2,475.24	EMPLOYEE PERS PEPPRA TRANSFER
5/29/2024	\$ 2,452.88	EMPLOYER PERS PEPPRA MEMBER TRANSFER
5/29/2024	\$ 2,951.86	CAL PERS 457 - ING BANK
	<u>\$43,986.60</u>	TOTAL TRANSFERS

\$288,750.45 GRAND TOTAL PAYROLL

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

EAST ORANGE COUNTY WATER DISTRICT
FUNDS TRANSFERRED BETWEEN ACCOUNTS
21-Jun-24

DATE	AMOUNT	FROM	TO	REASON FOR FUND TRANSFER
6/17/2024	\$230,000.00	Citizens Business Bank Money Market Account	Citizens Business Bank Checking Account	Excess Funds



MEMO

TO: ADMINISTRATION AND FINANCE COMMITTEE
FROM: GENERAL MANAGER
SUBJECT: REVISED INVESTMENT POLICY
DATE JUNE 21, 2024

Background

The District investment policy requires periodic updating to account for management changes, code revisions and District direction. In collaboration with East Orange County Water District's investment advisor, Chandler Asset Management (CAM), finance staff recently reviewed and updated the District's investment policy to capture recent changes to California Government Code sections that govern the investment of public funds. Staff also reviewed the policy to ensure inclusion of the latest best practices from recognized industry groups such as Government Finance Officers Association (GFOA), California Society of Municipal Finance Officers (CSMFO) and California Municipal Treasurers Association (CMTA). These changes were proposed by Chandler Asset Management and are recommended by District staff.

Summary of the proposed changes:

- **Section: Ethics and Conflicts of Interest**
 - Updated language incorporating best practices.
- **Section: Authorized and Suitable Investments**
 - Subsection 2: Federal Agencies
 - Adding language on limiting callable securities to 20%.
- **Section: Investment Vehicles and Practices**
 - Added the limitation on purchasing securities with a settlement date greater than 45 days per the passing of SB 1489.
- **Section: Collateralization**
 - Updated collateralization requirements for CDs, bank deposits and Repo.

Recommendation

Recommend Board adopt the revised investment policy as presented.

Attachment(s): Revised Investment Policy

EAST ORANGE COUNTY WATER DISTRICT

INVESTMENT POLICY

It shall be the policy of the East Orange County Water District to invest funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the district and conforming to all statutes governing the investment of East Orange County Water District funds.

SCOPE OF POLICY

This Investment Policy ("Policy") applies to all financial assets of the District. These funds are accounted for in the annual district audited financial statements and include:

- 1) Operating Funds, Retail and Wholesale Water, and Sewer ID 1 funds
- 2) Replacement and Capital Improvement (Construction) Funds, Retail and Wholesale
- 3) Emergency/Contingency Fund, Wholesale and Retail

Funds in the deferred compensation plan or governed by an indenture such as bond reserves are not governed by this Policy.

PRUDENCE

Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the contest of managing an overall portfolio. Investment officers, acting in accordance with written procedures and the Policy, and when exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

OBJECTIVES

As specified in California Government Code Section 53600.3, when investing, reinvesting, purchasing, acquiring; exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- 4) Safety: Safety of principal is the foremost objective of the Policy. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 5) Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.
- 6) Return on Investments. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

DELEGATION OF AUTHORITY

Authority to manage the Policy is derived from California Government Code Section 53600.3, *et. seq.* Management responsibility for the Policy is hereby delegated to the treasurer/fiscal officer within the parameters (investment types, maturities, type of issuers, percentages of portfolio or particular District fund or dollar amount limitations) set from time to time by the Board of Directors. No person may engage in as investment transaction except as provided under the terms of this Policy. The Board of Directors shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code Section 53600.3, the Board of Directors and the treasurer/fiscal officer are trustees and fiduciaries subject to the prudent investor standard.

ETHICS AND CONFLICTS OF INTEREST

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus, employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the Treasurer any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.

All participants in the investment process are required to comply with terms of the Political Reform Act, Fair Political Practices Commission Regulations promulgated thereunder (2 C.C.R. §§ 18110 through 18998), the City's Conflict of Interest Policy, including, without limitation, filing of Form 700, notification and recusal obligations, and Government Code section 1090 prohibitions.

INTERNAL CONTROLS

The Treasurer/fiscal officer is responsible for establishing and maintaining an internal control structure designed to ensure that the District's assets are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the District and/or the Board of Directors, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Board of Directors of EOCWD may, in its discretion, engage the services of one or more registered investment advisors to assist in the management of EOCWD's investment portfolio in a manner consistent with EOCWD's objectives. Such external investment advisors, which shall be selected through a competitive process, shall be granted the discretion to purchase and sell investment securities in accordance with this Investment Policy. Such advisors must be registered under the Investment Advisors Act of 1940, or be exempt from such registration. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Board of Directors, Finance Committee, or treasurer/fiscal officer shall select only broker/dealers who are licensed and in good standing with the

California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Board of Directors or Treasurer/Fiscal Officer shall have received from said firm a signed Certification Form, This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Policy.

AUTHORIZED AND SUITABLE INVESTMENTS

The District's investments are governed by California Government Code, Sections 53600 et seq. Within the investments permitted by the Code, the District seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased pursuant to California Government Code Section 53601.

If a security owned by the Agency is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken: any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner, if a decision is made to retain the security, the credit situation will be monitored and reported to the District's Board of Directors.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

- 1) U.S. Treasuries and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the District may invest in U.S. Treasuries, provided that:
 - a. The maximum maturity is five (5) years.
- 2) Federal Agencies or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the District may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:
 - a. No more than 30% of the portfolio may be invested in any single Agency/GSE issuer.
 - ~~b.~~ b. The maximum maturity does not exceed five (5) years.
 - ~~b-c.~~ b-c. No more than 20% of the total portfolio may be invested in callable agency securities.
- 3) Supranationals, provided that:
 - a. Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
 - b. The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
 - c. No more than 30% of the total portfolio may be invested in these securities.

- d. No more than 10% of the portfolio may be invested in any single issuer.
 - e. The maximum maturity does not exceed five (5) years.
- 4) Municipal Securities include obligations issued or entities controlled by the East Orange County Water District, the State of California, and any local agency within the State of California. In addition, (Registered treasury notes or bonds) of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California provided that:
- a. The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
 - b. No more than 5% of the portfolio may be invested in any single issuer.
 - c. No more than 30% of the portfolio may be in Municipal Securities.
 - d. The maximum maturity does not exceed five (5) years.
 - e. Obligations of the East Orange County Water District cannot exceed a maximum maturity of five (5) years and are exempt from all other restrictions listed above.
- 5) Corporate Medium Term Notes (MTNs), provided that:
- a. The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
 - b. The securities are rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
 - c. No more than 30% of the total portfolio may be invested in MTNs.
 - d. No more than 5% of the portfolio may be invested in any single issuer.
 - e. The maximum maturity does not exceed five (5) years.
- 6) Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations, from issuers not defined in sections 1 and 2 of the authorized investments section of this policy, provided that:
- a. The securities are rated in a rating category of “AA” or its equivalent or better by a NRSRO.
 - b. No more than 20% of the total portfolio may be invested in these securities.
 - c. No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer. There is no issuer limitation on any Mortgage security where the issuer is the US Treasury or a Federal Agency/GSE.
 - d. The maximum legal final maturity does not exceed five (5) years.
- 7) Negotiable Certificates of Deposit (NCDs), issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:
- a. The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
 - b. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated “A-1” or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of “A” or its equivalent or better by at least one NRSRO.
 - c. No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
 - d. No more than 5% of the portfolio may be invested in any single issuer.
 - e. The maximum maturity does not exceed five (5) years.
- 8) Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:
- a. The amount per institution is limited to the maximum covered under federal insurance.
 - b. No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.

- c. Amount must be insured by the FDIC.
 - d. The maximum maturity does not exceed five (5) years.
- 9) Collateralized Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:
- a. No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
 - b. The maximum maturity does not exceed five (5) years.
- 10) Certificate of Deposit Placement Service (CDARS), provided that:
- a. No more than 20% of the total portfolio may be invested in a combination of Certificates of Deposit, including CDARS.
 - b. The maximum maturity does not exceed five (5) years.
- 11) Collateralized Bank Deposits, provided that:
- a. The District's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651.
 - b. There are no limits on the dollar amount or percentage that the District may invest in collateralized bank deposits.
- 12) Banker's Acceptances, provided that:
- a. They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - b. No more than 40% of the portfolio may be invested in Banker's Acceptances.
 - c. No more than 5% of the portfolio may be invested in any single issuer.
 - d. The maximum maturity does not exceed 180 days.
- 13) Commercial Paper, provided that:
- a. The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million.
 - b. The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
 - c. They are issued by corporations which have long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - d. The District may purchase no more than 10% of the outstanding commercial paper of any single issuer.
 - e. No more than 25% of the portfolio may be invested in Commercial Paper.
 - f. No more than 5% of the portfolio may be invested in any single issuer.
 - g. The maximum maturity does not exceed 270 days.
- 14) Repurchase Agreements collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the District may invest, provided that:
- a. Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
 - b. Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
 - c. The maximum maturity does not exceed one (1) year.

- 15) Reverse Repurchase Agreements collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the District may invest, provided that:
 - a. Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
 - b. Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
 - c. No more than 20% of the portfolio may be invested in Reverse Repurchase Agreements.
 - d. The maximum maturity does not exceed 92 days.

- 16) State of California Local Agency Investment Fund (LAIF), provided that:
 - a. The District may invest up to the maximum amount permitted by LAIF.
 - b. LAIF's investments in instruments prohibited by or not specified in the District's policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the Treasurer to adequately judge the risk inherent in LAIF's portfolio.

- 17) County Pooled Investment Funds
 - a. There is no issuer limitation for Local Government Investment Pools

- 18) Local Government Investment Pools (LGIP)
 - a. Other LGIPs permitted by the District.
 - b. There is no issuer limitation for Local Government Investment Pools

- 19) Joint Powers Authority Pool (JPAP)
 - a. Other JPAPs permitted by the District.

- 20) Mutual Funds and Money Market Mutual Funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:
 - a. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
 - i. Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
 - iii. No more than 10% of the total portfolio may be invested in shares of any one mutual fund.

 - b. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
 - i. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.

- iii. No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.
- c. No more than 20% of the total portfolio may be invested in these securities.

PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- 1) State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- 2) In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- 3) Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
- 4) Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- 5) Purchasing or selling securities on margin is prohibited.
- 6) The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- 7) The purchase of foreign currency denominated securities is prohibited.
- 7)8) The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

INVESTMENT POOLS/MUTUAL FUNDS

The District shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- 1) A description of eligible investment securities, and a written statement of investment policy and objectives.
- 2) A description of interest calculations and how it is distributed, and how gains and losses are treated.
- 3) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- 4) A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- 5) A schedule for receiving statements and portfolio listings.
- 6) Are reserves, retained earnings, etc. utilized by the pool/fund?
- 7) A fee schedule, and when and how is it assessed.
- 8) Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

California Government Code: Summary of CA Govt Code 53600-53610 (NOTE: the table below is only a summary. Investments are subject to restrictions, limitations and exceptions described in this statute and in the District’s investment policy.)

Authorized Investment	Max Maturity ¹	Max % of Portfolio ²	Max Single Issuer Exposure ²	Minimum Credit Rating Requirement ²
US Treasury Obligations	5 Years‡	None	None	None
US Agency & GSE Obligations	5 Years‡	None	30%	None
Supranational Obligations	5 Years	30%	10%	“AA” ratings category or its equivalent
Municipal Securities	5 Years	30%	5%	“A” ratings category or its equivalent
Corporate Medium Term Notes	5 Years	30%	5%	“A” ratings category or its equivalent

Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and	5 Years	20%	5%	“AA” ratings category or its equivalent
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Collateralized Mortgage Obligations				
Negotiable Certificates of Deposit (NCDs)	5 Years	30%	5%	Any amount above the FDIC insured limit must be issued by institutions with short-term debt obligations in the “A-1” ratings category or its equivalent; or long-term obligations in the rating category of “A”.
Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit)	5 Years	20%	None	Amount must be insured by the FDIC
Collateralized Time Deposits (Non-Negotiable Certificates of Deposit)	5 Years	20%	None	None
Certificate of Deposit Placement Service (CDARS)	5 Years	20%	None	None
Collateralized Bank Deposits	None	None	None	None
Banker’s Acceptances	180 Days	40%	5%	“A-1” ratings category or its equivalent
Commercial Paper	270 Days	25%	5%	“A-1” ratings category or its equivalent
Repurchase Agreements	1 Year	None	None	None
Reverse Repurchase Agreements	92 Days	20% ³	None	None
State of California Local Agency Investment Fund (LAIF)	None	None	None	None
Local Government Investment Pools	N/A	None	None	None
County Investment Funds	N/A	None	None	None
Joint Powers Authority Pool	N/A	None	None	See note ⁴
Mutual Funds Diversified Management Companies	N/A	20% (total, with money funds)	10%	“AAA” ratings category or its equivalent ⁴
Money Market Mutual Funds	N/A	20% (total, with mutual funds)	None	“AAA” ratings category or its equivalent ⁴

¹Where the symbol ‡ appears, the investment is subject to the default maturity limitation of 5 years remaining at time of investment, unless longer maturity is authorized by Board not less than 3 months prior to investment.

²At the date of purchase.

³Twenty percent (20%) 20% of the base value of the portfolio.

⁴Retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.

COLLATERALIZATION

CERTIFICATES OF DEPOSIT (CDS). The District shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

COLLATERALIZATION OF BANK DEPOSITS. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The District shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

REPURCHASE AGREEMENTS. The District requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The District shall receive monthly statements of collateral.

SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by California Government Code Section 53601.

DIVERSIFICATION AND RISK MANAGEMENT

The District will diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- 1) Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- 2) Maturities selected shall provide for stability of income and liquidity.
- 3) No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy

Disbursement and payroll dates shall be covered through maturities investments, marketable U.S. Treasury Bills, or other cash equivalent instruments such as money market mutual funds.

MAXIMUM MATURITIES

To the extent possible, EOCWD will match its investments with reasonably anticipated cash flow requirements. The Treasurer shall develop a five-year cash flow forecast, which shall be updated annually. Based on this forecast, the Treasurer shall designate, from time-to-time, the amounts to be allocated to the investment portfolio. EOCWD monies invested in accordance with this Policy are divided into two (2) categories:

- 1) Liquid Operating Monies. Funds needed for current operating and capital expenditures with a maximum final stated maturity of one hundred eighty (180) days from the date of purchase and;
- 2) Long-Term Operating Monies. Funds needed for longer term purposes with a maximum maturity of five (5) years and a duration that
 - a. is recommended by the Treasurer in consultation with the Investment Advisory (if retained),
 - b. never exceeds 60 months and,
 - c. the average duration shall never be more than 70% of the 60-month limit.

REVIEW OF INVESTMENT PORTFOLIO

The securities held by the District must be in compliance with the Authorized and Suitable Investments section of this policy at the time of purchase. A compliance review should be done at least annually to identify any securities that do not comply. The Treasurer will establish procedures to report to the Board of Directors any major and critical incidences of noncompliance identified through the review of the portfolio.

REPORTING

In accordance with California Government Code Section 53646(b)(1), the treasurer/fiscal officer shall submit to each member of the Board a monthly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and current market values of each component of the portfolio, including funds managed for the District by third party contracted managers, if applicable. The report will also include the source of the portfolio valuation. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with

the Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively, 3) cost and accurate and complete market value of the portfolio, 4) dollar changes in value of the portfolio for a one-percent change in interest rates., 3) the percent of the portfolio maturing within 90 days, 5) average portfolio credit quality; 5) percent of portfolio with credit ratings below “A” by any rating agency, and a description of such securities; and 6) time-weighted total rate of return for the portfolio for the prior three months, twelve months, year-to-date and prior three years. The treasurer/fiscal officer shall maintain a complete and timely record of all investment transactions. Monthly transactions reports will be submitted by the treasurer/fiscal officer to the Board in accordance with California Government Code Section 53607.

PERFORMANCE EVALUATION

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the District’s risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio’s performance relative to the chosen market benchmark(s), which will be included in the Treasurer’s quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark.

INVESTMENT POLICY ADOPTION

The Policy shall be adopted by resolution of the Board of Directors. The Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors .

GLOSSARY OF INVESTMENT TERMS

Agencies. Shorthand market terminology for any obligation issued by a government-sponsored entity (GSE), or a federally related institution. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry.

FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asset Backed Securities. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Banker’s Acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Certificate of Deposit Account Registry SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have various levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper. The short-term unsecured debt of corporations.

Coupon. The rate of return at which interest is paid on a bond.

Credit Risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery vs. Payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Federal Funds Rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity. The speed and ease with which an asset can be converted to cash.

Local Agency Investment Fund (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

Local Government Investment Pool. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

Make Whole Call. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

Margin. The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value. The price at which a security can be traded.

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium Term Notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities. Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO).
A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

Negotiable CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Primary Dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Person (Prudent Investor) Rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as “Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes.”

Repurchase Agreement. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller’s point of view, the same transaction is a reverse repurchase agreement.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer’s name.

Supranational. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Total Rate of Return. A measure of a portfolio’s performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

Treasury Notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury Bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Yield to Maturity. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



MEMO

TO: ADMINISTRATION AND FINANCE COMMITTEE
FROM: GENERAL MANAGER
SUBJECT: ANNUAL BUDGET
DATE JUNE 21, 2024

Background

District staff have spent the last few months preparing the annual budget for fiscal year 2024-25. No major departures for the financial plan developed for the rate study. One item of note, the financial plan did include a \$2 million loan from the sewer system to the retail system which is included in this draft budget. Attached is the draft budget for your review. Staff will summarize the budget for the committee.

Recommendation

Recommend the Board approve the annual budget for fiscal year 2024-25.

Attachment(s): FY 24-25 Draft Budget

DRAFT 2024.06.11



Proposed Annual Budget

Fiscal Year (FY) 2025

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*East Orange County Water District
FY 2025 Annual Budget*

Schedule A – District Budget Summary

This schedule summarizes the total revenues and expenses budgeted by fund and as a District-wide total. Column (A) displays the Wholesale Water fund. Column (B) displays the Retail Water fund. Column (C) displays the Sewer fund. Column (D) displays the District-Wide total budget for FY 25.

Lines 1-4 display operating and non-operating revenues.

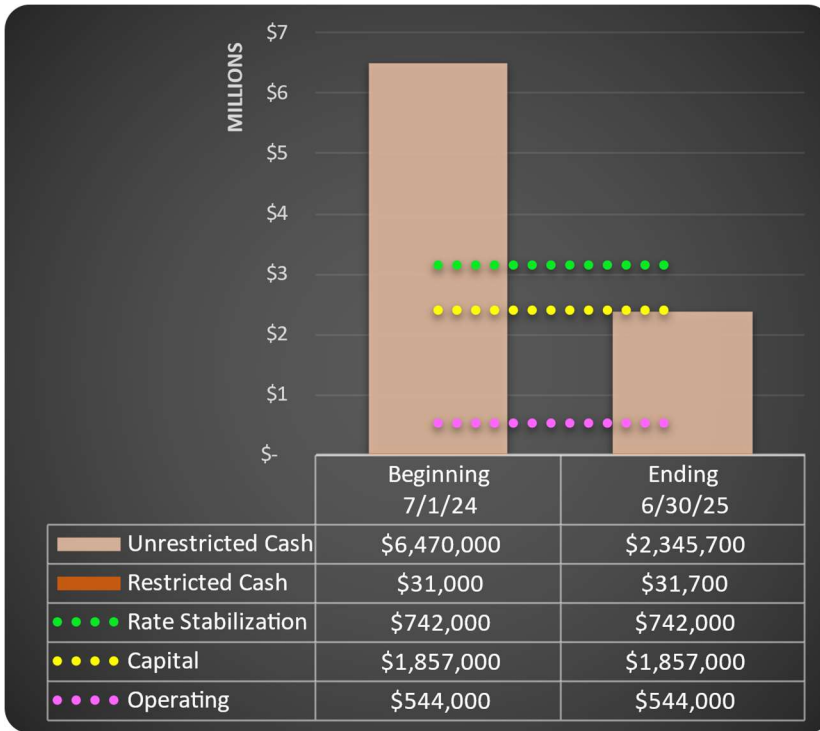
Lines 5-10 display major expense groupings including source of supply, salaries and benefits, operations and maintenance, and general and administrative.

Line 11 measures net revenues after expenses. Net revenues are available to fund debt service, internal loans between funds, pay-go capital, contributions to the Section 115 Pension Trust, and CalPERS Additional Discretionary Payments (ADPs). No contributions to the pension trust are budgeted for FY 25. ADPs Additional Discretionary Payments (ADPs) are voluntary contributions to CalPERS that reduce the District’s Unfunded Accrued Liability (UAL) and are recommended to reduce future required contributions resulting in significant long-term savings.

Line 16 displays the net increase or decrease in cash balances planned for the budget year after other cash inflows and outflows are considered. This amount fluctuates year to year, with some years positive and some negative, primarily as the District’s Capital Improvement Program (CIP) fluctuates.

<i>Schedule A District Budget Summary</i>	A	B	C	D
	Wholesale	Retail	Sewer	District-Wide
	FY 25 Proposed Budget	FY 25 Proposed Budget	FY 25 Proposed Budget	FY 25 Proposed Budget
1 REVENUE				
2 Operating Revenues	\$ 8,177,100	\$ 2,966,600	\$ 3,941,400	\$ 15,085,100
3 Non-Operating Revenues	1,511,700	727,800	1,455,900	3,695,400
4 TOTAL REVENUE	9,688,800	3,694,400	5,397,300	18,780,500
5 EXPENSE				
6 Source of Supply	7,590,300	706,400	-	8,296,700
7 Salaries & Benefits	578,700	837,500	1,756,100	3,172,300
8 Operations & Maintenance	377,950	217,500	330,200	925,650
9 General & Administrative	361,800	413,100	495,400	1,270,300
10 TOTAL EXPENSE	8,908,750	2,174,500	2,581,700	13,664,950
11 NET REVENUE / (EXPENSE)	780,050	1,519,900	2,815,600	5,115,550
12 Debt Service	-	(259,000)	(1,036,000)	(1,295,000)
13 Internal Loan Issuance for Capital	-	2,000,000	(2,000,000)	-
14 Grant Proceeds for Capital	-	1,000,000	-	1,000,000
15 Capital Improvement Program	(2,539,300)	(8,374,450)	(1,595,250)	(12,509,000)
16 Section 115 Pension Trust Contribution	-	-	-	-
17 CalPERS Additional Discretionary Payments	(7,079)	(10,031)	(17,810)	(34,920)
18 NET CASH INFLOW / (OUTFLOW)	\$ (1,766,329)	\$ (4,123,581)	\$ (1,833,460)	\$ (7,723,370)
19 PROJECTED BEG. CASH 7/1/24	\$ 6,932,000	\$ 6,501,000	\$ 43,715,000	\$ 57,148,000
20 PROJECTED END CASH 6/30/25	\$ 5,165,671	\$ 2,377,419	\$ 41,881,540	\$ 49,424,630

RETAIL CASH TO RESERVE TARGETS



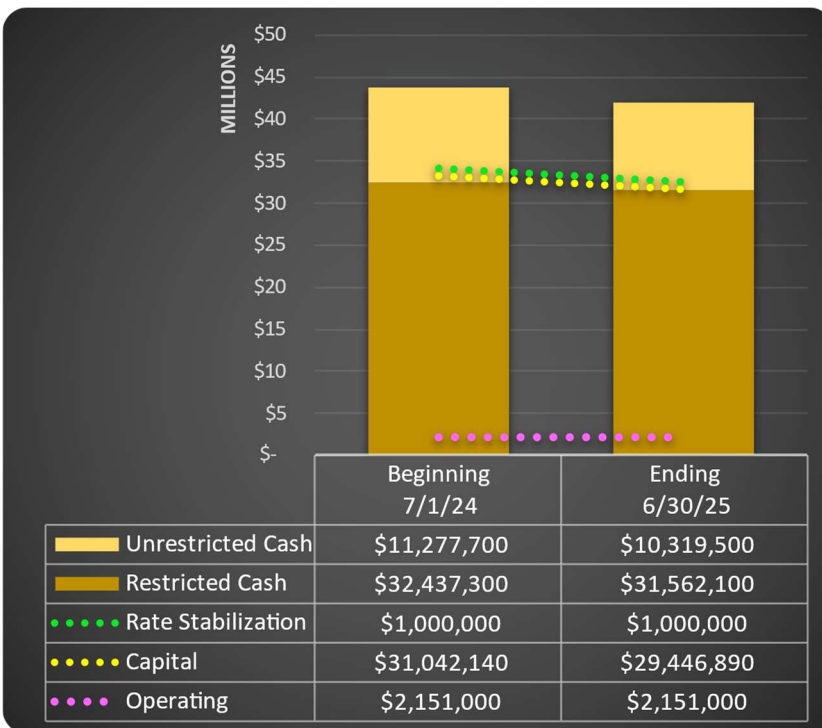
Analysis

Retail cash balances meet all reserve targets in the beginning of FY 24 and falls below the Capital (Cap) and Rate Stabilization (RS) and Operating (Op) reserve targets by the end of the fiscal year. This is largely due to \$8.3M in CIP, reduced to \$5.3M net of grant and debt proceeds. Restricted cash balances are minimal but include funds held within the Section 115 Pension Trust purposed for retirement costs.

Target Calculations per Policy

The Operating Reserve is calculated as 6 months of budgeted operating expenses. The Capital target is calculated at 20% of the cost of Retail fixed assets. The Rate Stabilization target is calculated at 25% of operating revenues.

SEWER CASH TO RESERVE TARGETS



Analysis

Sewer cash balances meet reserve targets in the beginning and ending of the fiscal year. The Capital Reserve target is reduced due to \$1.6M in CIP PAYGO spending and the drawdown of OCSD acquisition funds (target discussed in detail within 2nd paragraph of section). Sewer restricted cash balances consist mainly of acquisition funds and Section 115 Trust funds.

Target Calculations per Policy

The Operating Reserve is calculated as 10 months of budgeted operating expenses. The Capital Reserve target is calculated annually (described in paragraph two of this budget section). The Rate Stabilization target is set at \$1M for Sewer spills remediation.

Schedule B – Salaries & Benefits Summary (District Total)

This schedule provides a summary and analysis of the District-wide total salaries and benefits combined for the Wholesale, Retail and Sewer funds. Column (A) displays the FY 24 adopted budget, column (B) displays FY 24 projected results, column (C) displays the FY 25 adopted budget and columns (D) and (E) provide changes in dollars and percentages from FY 24 projected results to the FY 25 adopted budget.

Line 2 Salaries & Wages includes regular pay, overtime, standby and car allowances. The FY 25 budget includes a 3.1% cost-of-living adjustment and 3% merit increases for eligible employees. FY 25 is increasing primarily due to the addition of the open position for Lead Water Operator. There are also two promotions effective for FY 25 including Wastewater Operator II to Lead Wastewater Operator as well as promotion of the Temporary Intern to the Water Distributor I position. General allocations for Water operations personnel are 40% Wholesale / 50% Retail / 10% Sewer. Dedicated Sewer employees are allocated 100% to Sewer. Management is allocated 25% Wholesale / 25% Retail / 50% Sewer. Additional allocations are evaluated and utilized for other shared employees with specific position duties.

Line 3 Health Benefits includes insurance premiums for medical, dental and vision insurance. Premiums are estimated to increase by 5% on January 1, 2025. The increase for FY 25 also includes the District's cost of medical coverage for employees and their families, which was previously paid by the employee.

Line 4 Payroll Taxes includes Social Security, Medicare, and State Unemployment Insurance (SUI). The FY 25 budget is increasing from FY 24 projections due to assumptions discussed in line 2.

Line 5 Worker's Compensation Insurance includes workers compensation premiums paid on employee wages. FY 25 is budgeted based on current rates applied to budgeted employee wages at the individual level.

Line 6 CalPERS Retirement includes retirement contributions paid every pay period. CalPERS Classic rates are 10.15% and Public Employee Pension Reform Act (PEPRA) rates are 7.87% of eligible pay for FY 25. District employees contribute the full employee share under both plans. Increase of 28% is to due increasing salaries and the addition of the Lead Water Operator position.

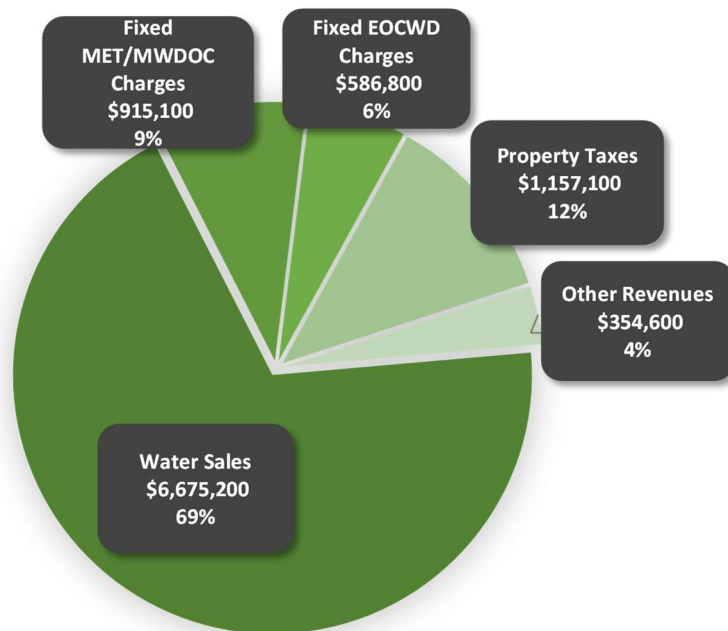
Line 7 CalPERS Unfunded Accrued Liability (Required) includes the minimum payment required by CalPERS to pay down the Unfunded Accrued Liability (UAL). As of the June 30, 2022 CalPERS valuation reports, the District's Classic plan is 93% funded and PEPRA plan is 89.6% funded. For FY 25, minimum required UAL payments are \$14,694 and \$1,487 respectively. The minimum required contributions above are less than interest on the UAL and if only the minimum required contributions are made, contributions are not expected to exceed interest on the UAL until FY 27. Therefore, for FY 25 the District is budgeting to make Additional Discretionary Payments for which further detail can be found in the fund detail pages of schedules C, D and E that follow. The CalPERS Unfunded Liability is volatile and can vary annually based on CalPERS asset returns and various actuarial assumptions.

<i>Schedule B Salaries & Benefits Summary</i>	A	B	C	D = C-B	E = D/B
	FY 24 Adopted Budget	FY 24 Projected Results	FY 25 Proposed Budget	Variance \$	Variance %
1 SALARIES & BENEFITS					
2 Salaries & Wages	\$ 2,212,800	\$ 2,150,800	\$ 2,395,500	\$ 244,700	11.4%
3 Health Benefits	232,600	275,600	352,400	76,800	27.9%
4 Payroll Taxes (FICA)	149,800	149,000	165,000	16,000	10.7%
5 Workers Compensation	41,000	32,200	39,800	7,600	23.6%
6 CalPERS Retirement	179,900	178,300	203,500	25,200	14.1%
7 CalPERS UAL (Required)	-	-	16,100	16,100	0.0%
8 TOTAL SALARIES & BENEFITS	\$ 2,816,100	\$ 2,785,900	\$ 3,172,300	\$ 386,400	13.9%

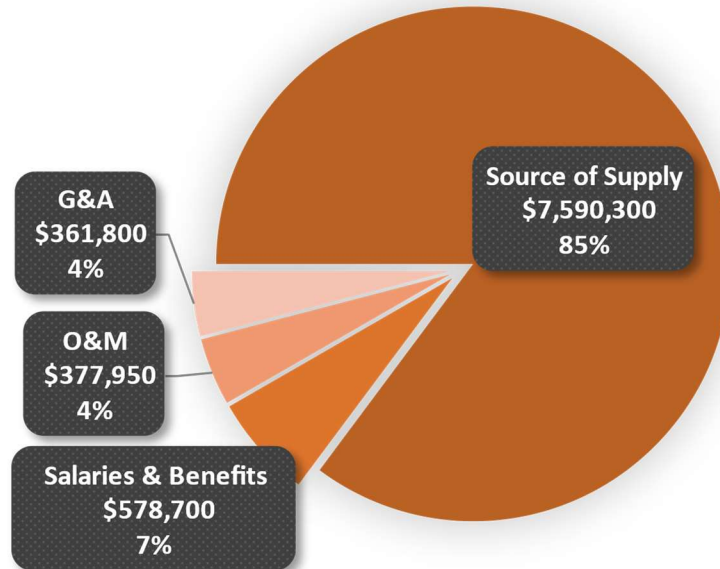
Schedule C.1 – Wholesale Budget Summary Charts

The following charts display the FY 25 budget summary of major revenue and expense categories for the Wholesale fund. Wholesale revenues are comprised of volumetric water sales, fixed charges, property taxes and other revenue from rental sites and investments. Wholesale expenses are attributed to source of supply, salaries and benefits, operations and maintenance (O&M) and general and administrative (G&A) activities.

TOTAL WHOLESALE REVENUE \$9,688,800



TOTAL WHOLESALE EXPENSE \$8,908,750



Schedule C.2 – Wholesale Budget Detail

This schedule shows the detail budget for the Wholesale fund and will be used during FY 25 to report monthly financials to the Board. Column (A) displays the FY 24 adopted budget. Column (B) displays FY 24 projected results (actual results will vary). Column (C) displays the FY 25 proposed budget. Columns (D) and (E) display changes in dollars and percentages from FY 24 projected results to the FY 25 proposed budget. The following narrative describes line items included in Schedule C, which follows the narrative.

Line 2 Water Sales includes volumetric water sold to wholesale agencies. FY 25 is budgeted at the Municipal Water District of Orange County (MWDOC) treated full-service rate of \$1,256/acre-foot (AF) currently and \$1,395/AF effective January 1, 2025. FY 25 volumetric sales is based on FY 24 projected usage and is decreasing from FY 24 projected year-end due to the EOCWD retail system planning to operate on 100% groundwater.

Line 3 Fixed MET/MWDOC Charges includes retail service connection, readiness-to-serve (RTS), and capacity charges billed to the Wholesale fund from MWDOC. These are paid to MWDOC monthly and reimbursed monthly from participating wholesale customers, including the EOCWD Retail fund. FY 25 is budgeted based on approved rate schedules from MWDOC. The allocation of MWDOC fixed charges among participating agencies is based on a 4-year rolling average of usage.

Line 4 Fixed EOCWD Charges includes the Wholesale reserve fund charge and readiness-to-serve charge assessed to Wholesale customers. These are billed to wholesale member agencies monthly in proportion to the number of active retail meters. Effective July 1, 2024, Wholesale began assigning the reserve fund charge to its customers

based on total number of agency meters in combination with their equivalent meter size. This has resulted in a more equitable cost distribution based on weighted system impact. For FY 25, the same methodology will continue, and 7% scheduled rate increase is budgeted effective July 1, 2024.

Line 5 Connection Fees include connection fees for customer connections to the Wholesale system. These revenues are budgeted at zero due to their unpredictable and inconsistent nature.

Line 8 Property Taxes includes property tax revenues received from the County of Orange. FY 25 is budgeted with a 2% increase to FY 24 projected results.

Line 9 Rental Revenue includes cell tower lease payments from Crown Castle and AT&T. FY 25 is budgeted based on FY 24 projected results with a 2% increase per contract terms.

Line 10 Interest Revenue includes interest revenue earned on Wholesale investments held in the State of California's Local Agency Investment Fund (LAIF), investments with Raymond James, and the California Liquid Assets Securities System (CLASS) prime fund. Interest revenues for are budgeted based on change in projected cash balances for FY 25 with a conservative average yield.

Line 11 Miscellaneous Revenue includes late fees, proceeds from scrap recycling and asset disposals and various types of reimbursements. FY 25 is budgeted conservatively at \$5K based on the unpredictable nature of these receipts. In FY 24 the District received \$215K in capital contribution revenue from Southern California Edison for its portion of costs related to the Walnut Vault Project, an non-recurring receipt that is excluded from budget projections for FY 25.

Line 15 Water Purchases includes the cost of volumetric water purchases from MWDOC. Purchase costs are passed on to Wholesale customers (shown in line 2). FY 25 is budgeted at the Municipal Water District of Orange County (MWDOC) treated full-service rate of \$1,256/acre-foot (AF) currently and \$1,395/AF effective January 1, 2025. FY 25 volumetric purchases is based on FY 24 projected purchases and is decreasing from FY 24 projected year-end by an estimate of 755 AF due to the EOCWD retail system planning to operate on 100% groundwater.

Line 16 Fixed MET/MWDOC Expense includes retail service connection, readiness to serve (RTS), capacity and choice program charges from MWDOC. These charges are passed on to wholesale customers monthly (shown in line 3) and are budgeted based on the MWDOC approved rate schedules. The allocation of MWDOC fixed charges among participating agencies is based on a 4-year rolling average of usage. FY 25 is increasing over prior year due to MWDOC increases of 4% for the retail service connection charge, 60% for the RTS charge, and 14% for the capacity charge.

Line 18 – 25 Salaries & Benefits includes wages, health benefits, payroll taxes, workers compensation, CalPERS retirement, and CalPERS unfunded accrued liability (UAL) minimum required payments. Salaries and benefits are allocated out to the Wholesale fund on an individual employee basis based on position classification. An analysis of total salaries and benefits is included in **Schedule B: District-Wide Salaries & Benefits**.

Line 27 Water System Repairs & Maintenance includes the cost of upkeep on District wholesale system for main lines, reservoirs, vaults, service connections, meters, and cathodic protection. The cost of equipment rental, small tools, and operations reporting software such as SCADA and GIS Systems are also included. FY 25 is budgeted for preventative and reactive maintenance on the Wholesale system that is not always needed but acts as a safety net for unexpected occurrences within the system.

Line 28 Water Quality includes the cost of water quality testing, testing supplies, and chemicals. The FY 25 budget is based on FY 24 projected results with a 10% increase in projected chemical costs and 3% increase for inflation.

Line 29 Permits & Fees includes annual water system fees assessed by the State Water Resources Control Board, Air Quality Management District, and other regulatory fees. The FY 25 budget is based on FY 24 projected results with a 10% increase in State fees anticipated.

Line 30 Vehicles & Equipment includes costs to fuel and maintain District vehicles and equipment for the Wholesale zone. The FY 25 budget includes provisions for maintenance on vehicles/equipment that are not always needed but act as a safety net for unexpected occurrences. Budget for FY 25 is decreasing from FY 24 projections due to a change in assumptions of fuel allocation for each fund, now based on District vehicle usage rather than standard percentages.

Line 33 Professional Services includes audit, accounting, government relations, legal, engineering, IT services, payroll processing, environmental health and safety, and banking fees. These costs are generally allocated to each fund by 1/3 unless services are specific to a fund's operations. The FY 25 budget anticipates increases for engineering, information technology, and financial/treasurer services. FY 25 also includes new budget for the environmental health and safety consulting services and legal fees are budgeted for \$50K even though FY 24 is projected to end at \$20.8K.

Line 34 District Office Expenses includes office repairs, utilities, supplies and postage, records management, annual software subscriptions and licenses, uniforms, and safety equipment. The FY 25 budget is based on FY 24 projected results with a 3% inflationary increase on most line items. The completion of the new headquarters office necessitates a budgeted increase in janitorial and office maintenance costs. FY 25 also includes new costs for licensing of the District's financial software, Springbrook Enterprise.

Line 35 Public Noticing & Community Outreach includes legal noticing and community outreach with District news and conservation efforts. These costs are generally allocated to each fund by 33.3% unless specific to a fund's operations. The FY 25 budget for legal noticing and community outreach is increased from FY 24 projected results by an inflation assumption of 3%. All conservation-related expenses are split 20% to Wholesale and 80% to Retail.

Line 36 Dues & Memberships includes memberships and dues paid to Orange County LAFCO, California Special District Association, Urban Water Institute, Association of California Water Agencies, American Water Works Association, and Southern California Water Coalition, and other various agencies and associations. Water costs are split 50% between Wholesale and Retail. District-wide costs are allocated 1/3 to each fund. The FY 25 budget is increasing from FY 24 projected results with inflation.

Line 37 Education, Training and Travel includes training and education costs for District staff as well as travel expenses for staff to attend conferences and meetings. FY 25 is budgeted based on FY 24 projections with inflation, and includes new trainings specific for the District’s Geographic Information Systems (GIS) department.

Line 38 Insurance includes general liability, automobile, and property insurance policies administered through ACWA-JPIA. FY 25 is budgeted based on FY 24 projected results with a 15% estimated insurance premium increase for general liability and cyber coverage and a 50% estimated increase for property coverage due to the new headquarters and VanderWerff Well sites. Liability insurance based on each fund’s share of full-time employee costs and automobile, property insurance is allocated based on each fund’s capital asset cost of property and equipment, and cyber insurance is allocated 1/3 to each fund.

Line 39 Board of Directors includes director stipends, conference attendance, mileage and travel, board meetings, and bi-annual election costs. Stipends are budgeted based on estimated meeting and conference attendance and other board expenses for FY 25 are based on FY 24 projected results with inflation. FY 25 includes budget for board election expenses which are billed by the County of Orange. Since there has not been an official general election since November 2020 these costs are difficult to estimate but are budgeted for \$60K District wide and are allocated to each fund based on factors of population and area in the District boundaries.

Line 43 Capital Improvement Program PAYGO includes Capital Improvement Program (CIP) pay-as-you-go (PAYGO) costs funded by cash reserves. Please refer to **Schedule G** for the detailed Wholesale CIP FY 25 budget.

Line 44 Section 115 Pension Trust Contribution includes cash contributions to the pension trust fund. No contributions are budgeted for FY 25 and the District will continue to evaluate the pension trust fund’s market value volatility and propensity for growth before making any additional contributions.

Line 45 CalPERS Additional Discretionary Payments include voluntary payments toward the CalPERS Unfunded Accrued Liability (UAL) above the minimum required payment shown in line 24. ADPs serve to provide greater UAL reduction for future years. For FY 25 the District is budgeting additional discretionary payments (based on a 10-year funding horizon/amortization) of \$42.8K for the Classic plan and \$5.4K for the PEPR plan. These payments are allocated to Wholesale consistent with retirement expense and are based on each employee’s position classification.



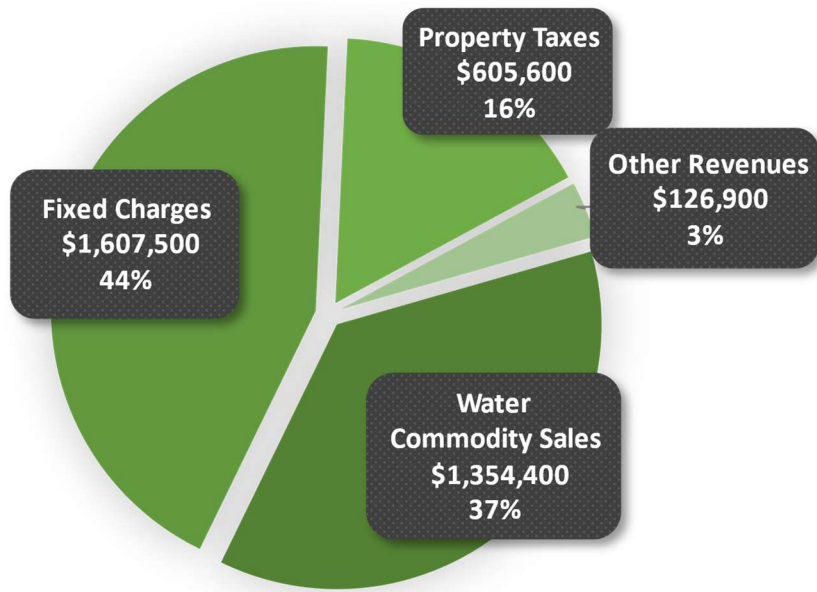
East Orange County Water District FY 2025 Annual Budget

	A	B	C	D = C - B	E = D / B
<i>Schedule C.2 Wholesale Budget Detail</i>	FY 24 Adopted Budget	FY 24 Projected Results	FY 25 Proposed Budget	Variance \$	Variance %
1 OPERATING REVENUE					
2 Water Sales	\$ 8,963,200	\$ 7,159,900	\$ 6,675,200	\$ (484,700)	-7%
3 Fixed MET/MWDOC Charges	728,300	713,600	915,100	201,500	28%
4 Fixed EOCWD Charges	551,900	548,800	586,800	38,000	7%
5 Connection Fees	-	189,700	-	(189,700)	-100%
6 TOTAL OPERATING REVENUE	10,243,400	8,612,000	8,177,100	(434,900)	-5%
7 NON-OPERATING REVENUE					
8 Property Taxes	1,081,400	1,134,300	1,157,100	22,800	2%
9 Rental Revenue	152,000	152,400	155,400	3,000	2%
10 Interest Revenue	191,500	196,700	194,200	(2,500)	-1%
11 Miscellaneous Revenue	5,000	226,600	5,000	(221,600)	-98%
12 TOTAL NON-OPERATING REVENUE	1,429,900	1,710,000	1,511,700	(198,300)	-12%
13 TOTAL REVENUE	11,673,300	10,322,000	9,688,800	(633,200)	-6%
14 SOURCE OF SUPPLY					
15 Water Purchases	8,963,200	7,159,800	6,675,200	(484,600)	-7%
16 Fixed MET/MWDOC Expense	728,300	713,600	915,100	201,500	28%
17 TOTAL SOURCE OF SUPPLY	9,691,500	7,873,400	7,590,300	(283,100)	-4%
18 SALARIES & BENEFITS					
19 Salaries & Wages	383,100	372,600	438,700	66,100	18%
20 Health Benefits	36,300	42,100	61,500	19,400	46%
21 Payroll Taxes (FICA)	24,500	25,100	29,000	3,900	16%
22 Workers Compensation	7,700	6,100	8,100	2,000	33%
23 CalPERS Retirement	31,500	31,600	38,100	6,500	21%
24 CalPERS UAL (Required)	-	-	3,300	3,300	0%
25 TOTAL SALARIES & BENEFITS	483,100	477,500	578,700	101,200	21%
26 OPERATIONS & MAINTENANCE					
27 Water System Repairs & Maintenance	298,700	227,100	273,250	46,150	20%
28 Water Quality	74,000	70,300	74,900	4,600	7%
29 Permits & Fees	15,100	14,600	16,100	1,500	10%
30 Vehicles & Equipment	25,000	22,700	13,700	(9,000)	-40%
31 TOTAL OPERATIONS & MAINTENANCE	412,800	334,700	377,950	43,250	13%
32 GENERAL & ADMINISTRATIVE					
33 Professional Services	174,100	151,400	191,000	39,600	26%
34 District Office Expenses	50,500	33,600	47,200	13,600	40%
35 Public Noticing & Community Outreach	18,800	18,700	19,200	500	3%
36 Dues & Memberships	19,500	20,000	20,600	600	3%
37 Education, Training & Travel	2,000	2,200	4,500	2,300	105%
38 Insurance	25,300	21,200	29,100	7,900	37%
39 Board of Directors	21,500	20,600	50,200	29,600	144%
40 TOTAL GENERAL & ADMINISTRATIVE	311,700	267,700	361,800	94,100	35%
41 TOTAL EXPENSE	10,899,100	8,953,300	8,908,750	(44,550)	0%
42 NET REVENUE / (EXPENSE)	774,200	1,368,700	780,050	(588,650)	-43%
43 Capital Improvement Program PAYGO	(3,445,300)	(2,059,300)	(2,539,300)	(480,000)	23%
44 Section 115 Pension Trust Contribution	-	-	-	-	0%
45 CalPERS Additional Discretionary Payments	-	-	(7,079)	(7,079)	0%
46 NET CASH INFLOW / (OUTFLOW)	\$ (2,671,100)	\$ (690,600)	\$ (1,766,329)	\$ (1,075,729)	156%
47 PROJECTED BEG. CASH 7/1/24			\$ 6,932,000		
48 PROJECTED END CASH 6/30/25		\$ 6,932,000	\$ 5,165,671		

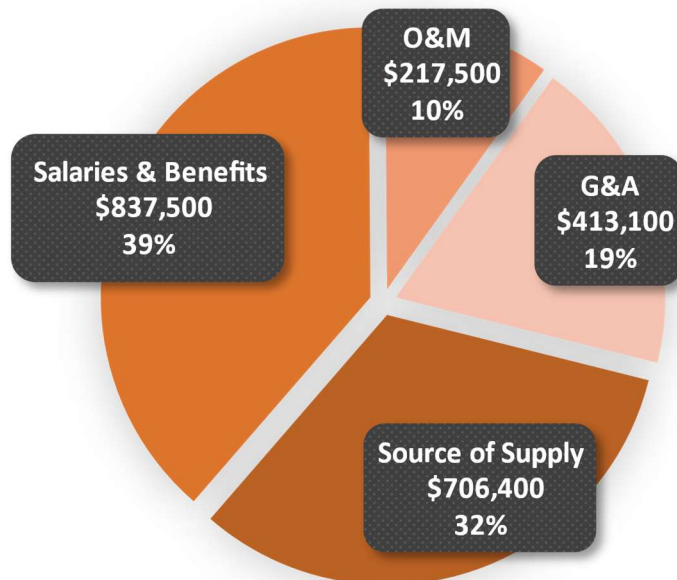
Schedule D.1 – Retail Budget Summary Charts

The following charts display the FY 25 budget summary of major revenue and expense categories for the Retail fund. Retail revenues are comprised of fixed charges (monthly service and capital), water commodity sales, property taxes and other revenue from rental sites and investments. Retail expenses are attributed to source of supply, salaries and benefits, operations and maintenance (O&M) and general and administrative (G&A) activities.

TOTAL RETAIL REVENUE \$3,694,400



TOTAL RETAIL EXPENSE \$2,174,500



Schedule D.2 – Retail Budget Detail

This schedule shows the detail budget for the Retail fund and will be used during FY 25 to report monthly financials to the Board. Column (A) displays the FY 24 adopted budget. Column (B) displays FY 24 projected results (actual results will vary). Column (C) displays the FY 25 proposed budget. Columns (D) and (E) display changes in dollars and percentages from FY 24 projected results to the FY 25 proposed budget.

Line 2 Fixed Charges includes the fixed monthly meter service and capital charges to Retail customers. FY 25 is budgeted based Retail customer meter counts with new rates effective July 1, 2024, as determined in the 2023 Rate Study.

Line 3 Water Sales includes volumetric water sales to all Retail water customers. FY 25 is budgeted based on FY 24 projected consumption with a 7.5% increase in the commodity rate from \$4.49/ccf to \$4.82/ccf effective for billing cycles after July 1, 2024.

Line 4 Connection Fees include connection fees for new customer connections to the Retail system. These revenues are budgeted at zero due to their unpredictable and inconsistent nature each year. Projected FY 24 connection fees are approximately \$45K.

Line 5 Penalty & Other Charges includes late fees, returned checks, turn offs, system connection fees and other miscellaneous charges. The FY 25 budget is based on FY 24 projected results with the exclusion of unusual and non-recurring inspection revenues.

Line 6 Uncollectible Accounts includes an allowance for uncollectible amounts from past due utility billing accounts. This is estimated using a 5-year average of the historic bad debt expense as a ratio of water fixed and variable revenues. As of June 30, 2023, the 5-year average is 0.199%.

Line 9 Property Taxes includes property tax revenues received from the County of Orange. FY 25 is budgeted with a 2% increase to FY 24 projected results.

Line 10 Interest Revenue includes interest revenue earned on Retail investments held in the State of California's Local Agency Investment Fund (LAIF) and the California Liquid Assets Securities System (CLASS) prime fund. Interest revenues for are budgeted based on change in projected cash balances for FY 25 with a conservative average yield.

Line 11 Miscellaneous Revenue includes proceeds from insurance refunds, asset disposals, recycling and miscellaneous reimbursements. FY 25 budget includes PFAS Treatment Plant operations and maintenance reimbursements from OCWD. This is estimated at \$75/AF at a conservative 315 AF (\$23.6K). Other budgeted items are conservatively set at \$10K due to their unpredictable nature.

Line 15 Water Purchases and Assessments includes treated water purchased from Wholesale as well as assessments paid to Orange County Water District (OCWD) for groundwater replenishment. In FY 24, the District relied on 100% purchased water at the MET/MWDOC rate due to completion delays at the new VanderWerff Well

and PFAS Treatment Plant which resulted in higher source of supply costs than budgeted for. The Well and Treatment Plant are now complete, which will allow the District to supply groundwater to customers during FY 25. The FY 25 budget is decreasing from FY 24 projections due to the new assumption that 100% of supply is sourced from pumped groundwater at the more affordable replenishment rate. The OCWD groundwater assessment rate for FY 25 is \$688/AF, up from \$624/AF in FY 24. No budget is provided for volumetric water purchases in FY 25.

Line 16 Fixed MET/MWDOC Expense includes the retail service connection, readiness to serve, capacity and choice charges paid to the Wholesale fund for fixed MWDOC charge reimbursements. FY 25 is budgeted based on approved rate schedules from MWDOC and the Retail allocation based on max peak flows and a 4-year rolling average demand ratio in comparison to other participating Wholesale agencies.

Line 17 Fixed EOCWD Expense includes fixed charges paid to the Wholesale fund for the EOCWD reserve fund charge and EOCWD readiness to serve charge. These charges are budgeted based on the number and size of active retail meters at each Wholesale member agency with new rates effective July 1, 2024. The Wholesale revenue adjustment is 7% per the adopted rate study.

Line 18 Pumping Electricity includes the cost of electricity to operate wells and reservoir sites. FY 25 is budgeted with an expected 8% increase in Southern California Edison rates as well as additional provisions for electricity to pump groundwater from the new VanderWerff Well.

Line 20 – 27 Salaries & Benefits includes wages, health benefits, payroll taxes, workers compensation, CalPERS retirement, and CalPERS unfunded accrued liability (UAL) minimum required payments. Salaries and benefits are allocated out to the Retail fund on an individual employee basis based on position classification. An analysis of total salaries and benefits is included in **Schedule B: District-Wide Salaries & Benefits**.

Line 29 Water Systems Repairs & Maintenance includes costs for maintenance on the Retail water system including main lines, reservoirs, vaults, service connections, meters, cathodic protection, East & VanderWerff well maintenance, hydrants, equipment rental, small tools, and operations reporting software such as SCADA and GIS systems. The FY 25 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.

Line 30 Water Quality includes costs for water quality testing, testing supplies, and chemical purchases and expenses for the chlorine generation. The FY 25 budget is based on FY 24 projected results with anticipated increases in the cost of consumables such as salt, chloramine, and liquid ammonium sulfate and other chemicals.

Line 31 Permits & Fees includes annual water system fees assessed by the State Water Resources Control Board, Air Quality Management District, and other regulatory fees. The FY 25 budget is based on FY 24 projected results with a 10% increase anticipated.

Line 32 Vehicles & Equipment includes costs to fuel and maintain District vehicles and equipment for the Retail zone. The FY 25 budget includes provisions for maintenance on vehicles/equipment that are not always needed but act as a safety net for unexpected occurrences. Budget for FY 25 is decreasing from FY 24 projections due to

a change in assumptions of fuel allocation for each fund, now based on District vehicle usage rather than standard percentages.

Line 35 Professional Services includes audit, accounting, government relations, legal, engineering, IT services, payroll processing, and banking fees. These costs are generally allocated to each fund by 1/3 unless services are specific to a fund's operations. The FY 25 budget anticipates increases for information technology and financial/treasurer services, includes new budget for the environmental health and safety consulting services, and maintains a \$50K budget for Legal fees even though FY 24 is projected to end at \$30K.

Line 36 District Office Expenses includes office repairs, utilities, supplies and postage, records management, annual software subscriptions and licenses, uniforms, and safety equipment. The FY 25 budget is based on FY 24 projected results with a 3% inflationary increase on most line items. The completion of the new headquarters office necessitates a budgeted increase in janitorial and office maintenance costs and FY 25 includes new provisions for licensing of the District's financial software, Springbrook Enterprise.

Line 37 Public Noticing & Community Outreach includes legal noticing and community outreach with District news and conservation efforts. These costs are generally allocated to each fund by 33.3% unless specific to a fund's operations. The FY 25 budget for legal noticing and community outreach is increased from FY 24 projected results by an inflation assumption of 3%. All conservation-related expenses are split 20% to Wholesale and 80% to Retail.

Line 38 Dues & Memberships includes memberships and dues paid to Orange County LAFCO, California Special District Association, Urban Water Institute, Association of California Water Agencies, American Water Works Association, and Southern California Water Coalition, and other various agencies and associations. Water costs are split 50% between Wholesale and Retail. District-wide costs are allocated 1/3 to each fund.

Line 39 Education, Training and Travel includes training and education costs for District staff as well as travel expenses for staff to attend conferences and meetings. FY 25 is budgeted based on FY 24 projections with inflation, and includes new trainings specific for the District's Geographic Information Systems (GIS) department.

Line 40 Insurance includes general liability, automobile, and property insurance policies administered through ACWA-JPIA. FY 25 is budgeted based on FY 24 projected results with a 15% estimated insurance premium increase for general liability and cyber coverage and a 50% estimated increase for property coverage due to the new headquarters and VanderWerff Well sites. Liability insurance based on each fund's share of full-time employee costs and automobile, property insurance is allocated based on each fund's capital asset cost of property and equipment, and cyber insurance is allocated 1/3 to each fund.

Line 41 Board of Directors includes director stipends, conference attendance, mileage and travel, board meetings, and bi-annual election costs. Stipends are budgeted based on estimated meeting and conference attendance and other board expenses for FY 25 are based on FY 24 projected results with inflation. FY 25 includes budget for board election expenses which are billed by the County of Orange. Since there has not been an official general election since November 2020 these costs are difficult to estimate but are budgeted for \$60K District wide and are allocated to each fund based on factors of population and area in the District boundaries.

Line 42 Customer Billing includes costs related to the customer billing system, credit card processing, and meter reading. The FY 25 budget is based on FY 23 projected results with a 3% inflation increase.

Line 46 Debt Service includes interest and principal payments 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 47 Internal Loan Issuance for Capital includes the \$2M internal loan from the Sewer fund to the Retail fund proposed in the 2023 rate study for the purpose of funding necessary retail capital expenditures. The loan was proposed to be established in FY 25 with the first principal payment and due in FY 26 at a static 4% interest rate for a 20-year term. The use of loan funds can be found on schedule G.2 of the detailed Retail CIP FY 25 budget on line 38 and the debt proceeds reduce the Retail CIP total PAYGO.

Line 48 Grant Proceeds for Capital included anticipated grant funding from the Federal Earmark of \$1M for the Automated Meter Replacement project in the Retail fund.

Line 49 Capital Improvement Program includes Capital Improvement Program (CIP) expenditures. Please refer to **Schedule G** for the detailed Retail CIP FY 25 budget.

Line 50 Section 115 Pension Trust Contribution includes cash contributions to the pension trust fund. No contributions are budgeted for FY 25 and the District will continue to evaluate the pension trust fund's market value volatility and propensity for growth before making any additional contributions.

Line 51 CalPERS Additional Discretionary Payments include voluntary payments toward the CalPERS Unfunded Accrued Liability (UAL) above the minimum required payment shown in line 24. ADPs serve to provide greater UAL reduction for future years. For FY 25 the District is budgeting additional discretionary payments (based on a 10-year funding horizon/amortization) of \$42.8K for the Classic plan and \$5.4K for the PEPR plan. These payments are allocated to Retail consistent with retirement expense and are based on each employee's position classification.

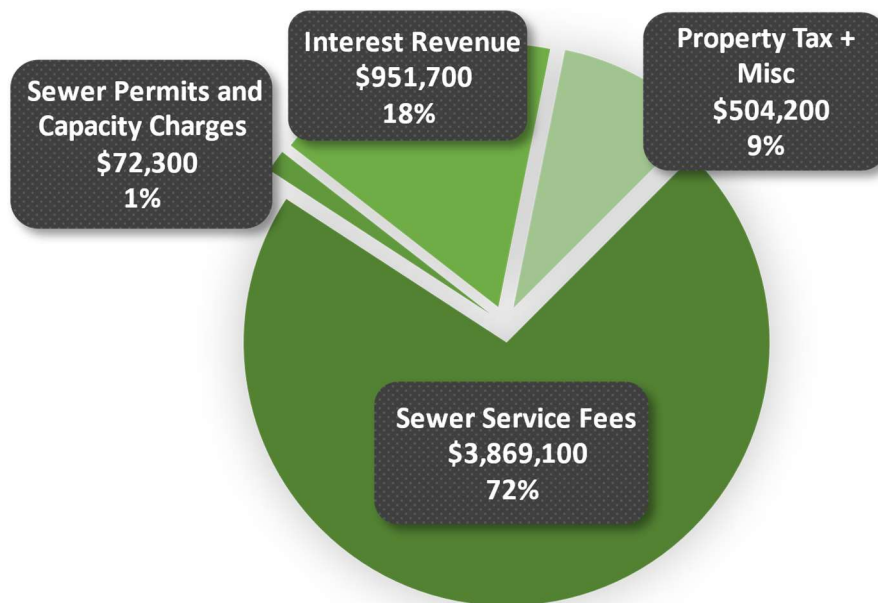
East Orange County Water District FY 2025 Annual Budget

		A	B	C	D = C - B	E = D / B
Schedule D.2		FY 24	FY 24	FY 25	Variance	Variance
Retail Budget Detail		Adopted	Projected	Proposed	\$	%
		Budget	Results	Budget		
1	OPERATING REVENUE					
2	Fixed Charges (Monthly Service and Capital)	\$ 1,495,700	\$ 1,508,300	\$ 1,607,500	\$ 99,200	7%
3	Water Sales	1,258,600	1,259,900	1,354,400	94,500	8%
4	Connection Fees	-	44,900	-	(44,900)	-100%
5	Penalty & Other Charges	8,800	12,000	10,600	(1,400)	-12%
6	Uncollectible Accounts	(5,400)	(5,500)	(5,900)	(400)	7%
7	TOTAL OPERATING REVENUE	2,757,700	2,819,600	2,966,600	147,000	5%
8	NON-OPERATING REVENUE					
9	Property Taxes	551,800	593,800	605,600	11,800	2%
10	Interest Revenue	76,900	94,700	88,600	(6,100)	-6%
11	Miscellaneous Revenue	32,900	21,300	33,600	12,300	58%
12	TOTAL NON-OPERATING REVENUE	661,600	709,800	727,800	18,000	3%
13	TOTAL REVENUE	3,419,300	3,529,400	3,694,400	165,000	5%
14	SOURCE OF SUPPLY					
15	Water Purchases and Assessments	707,600	930,800	518,300	(412,500)	-44%
16	Fixed MET/MWDOC Expense	71,700	70,100	102,100	32,000	46%
17	Fixed EOCWD Expense	27,900	27,900	29,800	1,900	7%
18	Pumping Electricity	49,700	28,000	56,200	28,200	101%
19	TOTAL SOURCE OF SUPPLY	856,900	1,056,800	706,400	(350,400)	-33%
20	SALARIES & BENEFITS					
21	Salaries & Wages	560,300	560,600	638,900	78,300	14%
22	Health Benefits	55,600	62,100	83,500	21,400	34%
23	Payroll Taxes (FICA)	38,500	39,800	44,800	5,000	13%
24	Workers Compensation	9,600	7,400	10,200	2,800	38%
25	CalPERS Retirement	46,500	47,200	55,400	8,200	17%
26	CalPERS UAL (Required)	-	-	4,700	4,700	0%
27	TOTAL SALARIES & BENEFITS	710,500	717,100	837,500	120,400	17%
28	OPERATIONS & MAINTENANCE					
29	Water System Repairs & Maintenance	192,400	96,600	151,400	54,800	57%
30	Water Quality	33,500	16,700	34,600	17,900	107%
31	Permits & Fees	16,900	16,200	17,800	1,600	10%
32	Vehicles & Equipment	25,000	23,300	13,700	(9,600)	-41%
33	TOTAL OPERATIONS & MAINTENANCE	267,800	152,800	217,500	64,700	42%
34	GENERAL & ADMINISTRATIVE					
35	Professional Services	180,200	159,000	192,400	33,400	21%
36	District Office Expenses	59,300	51,700	66,300	14,600	28%
37	Public Noticing & Community Outreach	25,700	23,100	23,700	600	3%
38	Dues & Memberships	19,500	20,000	20,600	600	3%
39	Education, Training & Travel	2,300	2,200	4,800	2,600	118%
40	Insurance	35,400	29,400	41,300	11,900	40%
41	Board of Directors	21,500	22,300	32,200	9,900	44%
42	Customer Billing	29,800	30,900	31,800	900	3%
43	TOTAL GENERAL & ADMINISTRATIVE	373,700	338,600	413,100	74,500	22%
44	TOTAL EXPENSE	2,208,900	2,265,300	2,174,500	(90,800)	-4%
45	NET REVENUE / (EXPENSE)	1,210,400	1,264,100	1,519,900	255,800	20%
46	Debt Service	(259,000)	(259,000)	(259,000)	-	0%
47	Internal Loan Issuance for Capital	-	-	2,000,000	2,000,000	0%
48	Grant Proceeds for Capital	-	2,551,326	1,000,000	-	-
49	Capital Improvement Program	(5,707,600)	(3,151,900)	(8,374,450)	(5,222,550)	166%
50	Section 115 Pension Trust Contribution	-	-	-	-	0%
51	CalPERS Additional Discretionary Payments	-	-	(10,031)	(10,031)	0%
52	NET CASH INFLOW / (OUTFLOW)	\$ (4,756,200)	\$ 404,526	\$ (4,123,581)	\$ (4,528,107)	-1119%
53	PROJECTED BEG. CASH 7/1/24			\$ 6,501,000		
54	PROJECTED END CASH 6/30/25		\$ 6,501,000	\$ 2,377,419		

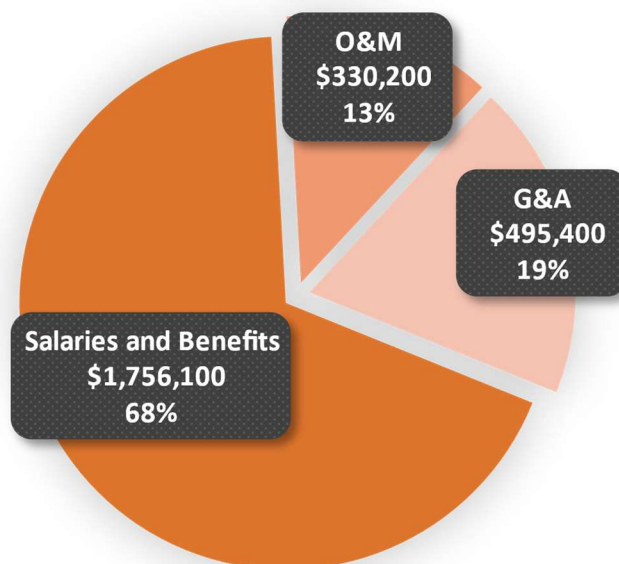
Schedule E.1 – Sewer Budget Summary Charts

The following charts display the FY 25 budget summary of major revenue and expense categories for the Sewer fund. Sewer revenues are comprised of sewer service fees, interest revenue, property taxes, sewers permits and capacity charges. Sewer expenses are attributed to salaries and benefits, operations and maintenance (O&M) and general and administrative (G&A) activities.

TOTAL SEWER REVENUE \$5,397,300



TOTAL SEWER EXPENSE \$2,581,700



Schedule E.2 – Sewer Budget Detail

This schedule shows the detail budget for the Sewer fund and will be used during FY 25 to report monthly financials to the Board. Column (A) displays the FY 24 adopted budget. Column (B) displays FY 24 projected results (actual results will vary). Column (C) displays the FY 25 proposed budget. Columns (D) and (E) display changes in dollars and percentages from FY 24 projected results to the FY 25 proposed budget.

Line 2 Sewer Service Fees includes sewer service fees assessed to homeowners within Improvement District No. 1 (ID1) and collected on the County tax roll. FY 25 is budgeted based on projected ending results from FY 24 with a 12% rate adjustment effective July 1, 2024.

Line 3 Sewer Permits & Capacity Charges includes capacity charges and Orange County Sanitation District (OCSD) permit processing fees, as well as annual fats, oils and grease (FOG) permit renewal fees. FOG renewal fees and sewer permit fees for FY 25 are budgeted in line with FY 24 projected ending results with no increase. Capacity charges are budgeted conservatively at \$50K due to their unpredictable nature. FY 24 is projected to end at \$173K in capacity charges.

Line 6 Property Taxes includes property tax revenues received from the County of Orange. FY 25 is budgeted with a 2% increase to FY 24 projected results.

Line 7 Interest Revenue includes interest revenue earned on Sewer investments held in the State of California's Local Agency Investment Fund (LAIF), investments with Raymond James, and the California Liquid Assets Securities System (CLASS) prime fund. Interest revenues for are budgeted based on change in projected cash balances for FY 25 with a conservative average yield.

Line 8 Miscellaneous Revenue includes items such as late charges, plan check fees and other miscellaneous reimbursements and revenues. FY 25 is budgeted based on FY 24 actual results with no change except for developer review fees which are budgeted at zero due to their unpredictable nature. The Sewer fund received \$4.2K in insurance proceeds for a spill and \$8.8K from vendor reimbursements during FY 24 that are non-recurring items and therefore excluded from budget projections for FY 25.

Line 11 – 18 Salaries & Benefits includes wages, health benefits, payroll taxes, workers compensation, CalPERS retirement, and CalPERS unfunded accrued liability (UAL) minimum required payments. Salaries and benefits are allocated out to the Sewer fund on an individual employee basis based on position classification. An analysis of total salaries and benefits is included in **Schedule B: District-Wide Salaries & Benefits**.

Line 20 Sewer System Repairs & Maintenance includes the cost of maintaining and running the Sewer system including sewer main repairs, insecticide, root control, odor control, small tools, and operations reporting software such as GIS Systems and Smart covers. The FY 25 budget includes provisions for maintenance on the Sewer system that are not always needed but act as a safety net for unexpected occurrences.

Line 21 Permits & Fees includes annual sewer system fees, Air Quality Management District fees, and other regulatory fees. The FY 25 budget is based on FY 24 projected results with a 10% increase anticipated.

Line 22 Vehicles & Equipment includes costs to fuel and maintain District vehicles and equipment for the Sewer fund. The vehicles and equipment budget includes provisions for maintenance on vehicles/equipment that are not always needed but act as a safety net for unexpected occurrences. In FY 24 there were unusually high cost of repairs (approximately \$75K) required on the Vac-Con truck that were not only outside the historical trends of routine vehicle repairs and maintenance but also outside the safety net built into the FY 24 budget. The District is not anticipating any more large Vac-Con truck repairs and therefore the FY 25 budget is excluding those costs in the projections. Budget for FY 25 is increasing from the FY 24 adopted budget to a change in assumptions of fuel allocation for each fund, now based on District vehicle usage rather than standard percentages.

Line 25 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. The FY 25 budget anticipates increased information technology, engineering, and financial/treasurer costs. Legal fees are budgeted at \$50K even though FY 24 is projected to end at \$21K.

Line 26 District Office Expenses includes office repairs, utilities, supplies and postage, records management, annual software subscriptions and licenses, uniforms, and safety training and equipment. The FY 25 budget is based on FY 24 projected results with a 3% inflationary increase on most line items. The primary reason for the decrease in FY 25 budgeted expenses from FY 24 projections is due to elimination of the temporary site at handy creek that housed sewer operations during the construction of the new headquarters. This saving is offset by a budgeted increase in janitorial and office maintenance costs at new headquarters and new provisions for licensing of the District's financial software, Springbrook Enterprise.

Line 27 Dues & Memberships includes memberships and dues paid to Orange County LAFCO, California Special District Association, Sustain Southern California, and the California Association of Sanitation Agencies (CASA). General memberships are allocated 1/3 to the Sewer fund. Dues and membership such as the CASA membership are 100% exclusive to the Sewer zone and allocated accordingly. The FY 25 budget is increasing from FY 24 projected results with inflation.

Line 28 Public Noticing & Community Outreach includes legal noticing and community outreach for District news. This line is generally allocated to each fund by 33.3% unless specific to a certain fund activity such as water conservation for Retail and Wholesale. The FY 25 budget is increased from FY 24 projected results by an inflation assumption.

Line 29 Insurance includes general liability, automobile, and property insurance policies administered through ACWA-JPIA. FY 25 is budgeted based on FY 24 projected results with a 15% estimated insurance premium increase for general liability and cyber coverage and a 50% estimated increase for property coverage due to the new headquarters and VanderWerff Well sites. Liability insurance based on each fund's share of full-time employee costs and automobile, property insurance is allocated based on each fund's capital asset cost of property and equipment, and cyber insurance is allocated 1/3 to each fund.

Line 31 Board of Directors includes director stipends, board meetings expenses, and bi-annual election costs. Stipends are budgeted based on estimated meetings and other board expenses for FY 25 are based on FY 24

projected results with inflation. Unlike Wholesale and Retail funds, Sewer does not have budget for any conference attendance related expense as all conference attended are water focused and are therefore split evenly between the water funds. If board members attend Sanitation or Sewer focused conferences and events in the future, those expenses would be allocated as appropriate to the Sewer fund. FY 25 includes expenses for the election billed by the County of Orange. Since there has not been an official general election since November 2020 these costs are difficult to estimate but are budgeted for \$60K District wide and are allocated to each fund based on factors of population and area in the District boundaries.

Line 35 Debt Service includes interest and principal 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 36 Internal Loan Issuance for Capital includes the \$2M internal loan from the Sewer fund to the Retail fund proposed in the 2023 rate study for the purpose of funding necessary retail capital expenditures. The loan was proposed to be established in FY 25 with the first principal payment and due in FY 26 at a static 4% interest rate for a 20-year term. The use of loan funds can be found on schedule G of the detailed Retail CIP FY 25 budget on line 37 and the debt proceeds reduces the Retail CIP total PAYGO.

Line 37 Capital Improvement Program PAYGO includes Capital Improvement Program (CIP) pay-as-you-go (PAYGO) costs funded by cash reserves. Please refer to **Schedule G** for the detailed Sewer CIP FY 25 budget.

Line 38 Section 115 Pension Trust Contribution includes cash contributions to the pension trust fund. No contributions are budgeted for FY 25 and the District will continue to evaluate the pension trust fund's market value volatility and propensity for growth before making any additional contributions.

Line 39 CalPERS Additional Discretionary Payments include voluntary payments toward the CalPERS Unfunded Accrued Liability (UAL) above the minimum required payment shown in line 24. ADPs serve to provide greater UAL reduction for future years. For FY 25 the District is budgeting additional discretionary payments (based on a 10-year funding horizon/amortization) of \$42.8K for the Classic plan and \$5.4K for the PEPRA plan. These payments are allocated to each fund consistent with retirement expense and are based on each employee's position classification.

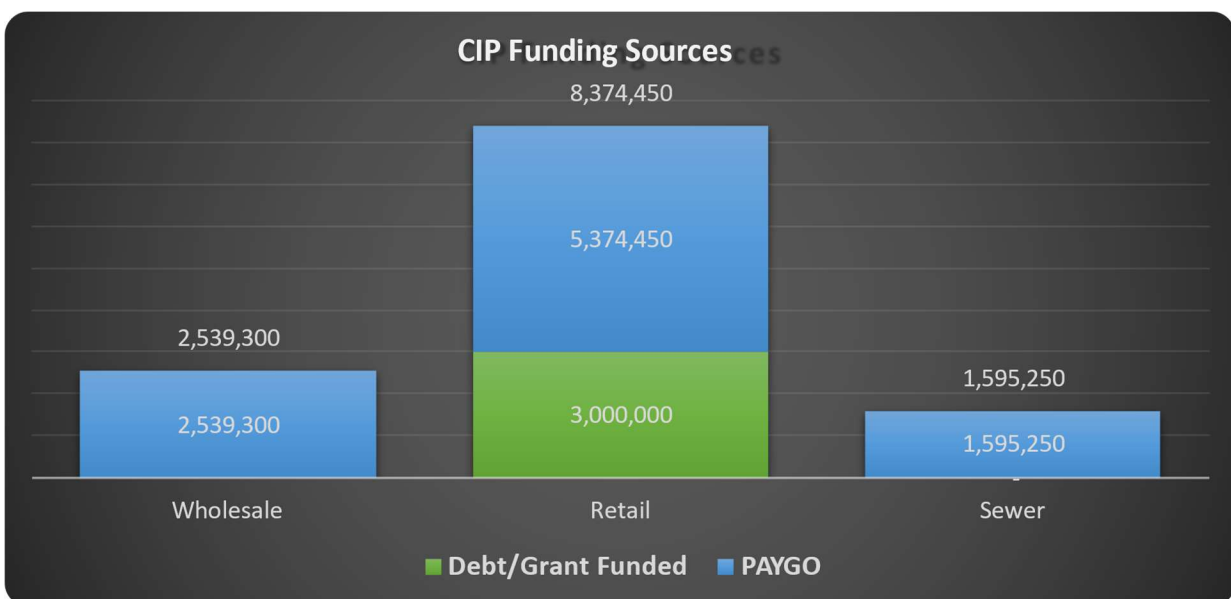
East Orange County Water District FY 2025 Annual Budget

	A	B	C	D = C-B	E = D/B
<i>Schedule E.2</i> <i>Sewer Budget Detail</i>	FY 24 Adopted Budget	FY 24 Projected Results	FY 25 Proposed Budget	Variance \$	Variance %
1 OPERATING REVENUE					
2 Sewer Service Fees	\$ 3,372,600	\$ 3,456,200	\$ 3,869,100	\$ 412,900	12%
3 Sewer Permits & Capacity Charges	50,500	196,000	72,300	(123,700)	-63%
4 TOTAL OPERATING REVENUE	3,423,100	3,652,200	3,941,400	289,200	8%
5 NON-OPERATING REVENUE					
6 Property Taxes	440,000	468,700	478,200	9,500	2%
7 Interest Revenue	1,257,000	969,800	951,700	(18,100)	-2%
8 Miscellaneous Revenue	22,000	40,500	26,000	(14,500)	-36%
9 TOTAL NON-OPERATING REVENUE	1,719,000	1,479,000	1,455,900	(23,100)	-2%
10 TOTAL REVENUE	5,142,100	5,131,200	5,397,300	266,100	5%
11 SALARIES & BENEFITS					
12 Salaries & Wages	1,269,400	1,217,600	1,317,900	100,300	8%
13 Health Benefits	140,700	171,400	207,400	36,000	21%
14 Payroll Taxes (FICA)	86,800	84,100	91,200	7,100	8%
15 Workers Compensation	23,700	18,700	21,500	2,800	15%
16 CalPERS Retirement	101,900	99,500	110,000	10,500	11%
17 CalPERS UAL (Required)	-	-	8,100	8,100	0%
18 TOTAL SALARIES & BENEFITS	1,622,500	1,591,300	1,756,100	164,800	10%
19 OPERATIONS & MAINTENANCE					
20 Sewer System Repairs & Maintenance	210,400	202,100	208,700	6,600	3%
21 Permits & Fees	30,400	26,600	29,300	2,700	10%
22 Vehicles & Equipment	62,900	105,900	92,200	(13,700)	-13%
23 TOTAL OPERATIONS & MAINTENANCE	303,700	334,600	330,200	(4,400)	-1%
24 GENERAL & ADMINISTRATIVE					
25 Professional Services	252,500	239,500	287,900	48,400	20%
26 District Office Expenses	77,400	103,600	76,900	(26,700)	-26%
27 Dues & Memberships	15,200	15,300	15,700	400	3%
28 Public Noticing & Community Outreach	14,600	16,800	17,300	500	3%
29 Insurance	58,200	42,500	48,200	5,700	13%
30 Education, Training & Travel	4,900	5,100	10,600	5,500	108%
31 Board of Directors	8,400	7,900	38,800	30,900	391%
32 TOTAL GENERAL & ADMINISTRATIVE	431,200	430,700	495,400	64,700	15%
33 TOTAL EXPENSE	2,357,400	2,356,600	2,581,700	225,100	10%
34 NET REVENUE / (EXPENSE)	2,784,700	2,774,600	2,815,600	41,000	1%
35 Debt Service	(1,036,200)	(1,036,200)	(1,036,000)	200	0%
36 Internal Loan Issuance for Capital	-	-	(2,000,000)	(2,000,000)	0%
37 Capital Improvement Program PAYGO	(3,804,500)	(5,080,822)	(1,595,250)	3,485,572	-69%
38 Section 115 Pension Trust Contribution	-	-	-	-	0%
39 CalPERS Additional Discretionary Payments	-	-	(17,810)	(17,810)	0%
40 NET CASH INFLOW / (OUTFLOW)	\$ (2,056,000)	\$ (3,342,422)	\$ (1,833,460)	\$ 1,508,962	-45%
41 PROJECTED BEG. CASH 7/1/24			\$ 43,715,000		
42 PROJECTED END CASH 6/30/25		\$ 43,715,000	\$ 41,881,540		

Schedule F: Capital Improvement Program (CIP) Budget Summary

This schedule shows the CIP budget summary by fund and as a District total. CIP is summarized into major groups within lines 2-7. Line 9 displays budgeted proceeds from new debt to be issued in FY 25 from the Sewer fund to the Retail fund to finance Retail CIP expenditures. The balance of available proceeds from the 2020 Installment Sale with Sterling Bank were entirely consumed in FY 24. Line 10 displays budgeted grant funding for the Automated Meter Replacement project in the Retail fund from the Federal Earmark. The amount of grant funding actually collected in FY 25 is dependent on submittals and the timing of receipts. Line 11 displays the total cost of the FY 25 Capital Improvement Program for each fund and the District total that is pay-as-you-go (PAYGO) costs funded by cash reserves.

Schedule F CIP Budget Summary	A	B	C	D
	Wholesale	Retail	Sewer	District Total
	FY 25 Proposed Budget	FY 25 Proposed Budget	FY 25 Proposed Budget	FY 25 Proposed Budget
1 Capital Improvement Program (CIP)				
2 Transmission / Distribution System	\$ 2,243,000	\$ 7,687,000	\$ 1,110,000	\$ 11,040,000
3 District Facilities and Structures	16,150	17,100	61,750	95,000
4 Wells and Treatment	-	150,000	-	150,000
5 Vehicles and Equipment	60,150	300,350	153,500	514,000
6 Information Technology	20,000	20,000	20,000	60,000
7 Studies and Assessments	200,000	200,000	250,000	650,000
8 Total CIP	2,539,300	8,374,450	1,595,250	12,509,000
9 Less: Debt Funding	-	(2,000,000)	-	(2,000,000)
10 Less: Grant Funding	-	(1,000,000)	-	(1,000,000)
11 CIP, Net PAYGO Funded	\$ 2,539,300	\$ 5,374,450	\$ 1,595,250	\$ 9,509,000



Schedule G: CIP Budget Details

The following schedules detail Wholesale, Retail and Sewer CIP budgets for FY 25. Projects highlighted green have grant-funding approved.

WHOLESALE CIP BUDGET DETAIL (G.1)

Project ID	Project	FY 25 Proposed Budget
1	Transmission/Distribution Systems	
2	21-45 SCADA System Improvements	200,000
3	23-07 6MG Reservoir - Pipeline and Vault Improvements	200,000
4	22-51 Wholesale Reservoir Backup Power	245,000
5	24-07 Wholesale Reservoir Management Systems	1,500,000
6	25-11 Valve Replacements	40,000
7	25-12 Hydrant Replacements	8,000
8	Total Transmission/Distribution Systems	2,193,000
9	Vehicles & Equipment	
10	25-07 District HQ Backup Generator	22,100
11	25-08 Work Truck	25,000
12	25-08 11.5MG Spare Mixer	13,050
13	Total Vehicles & Equipment	60,150
14	Structures & Facilities	
15	25-04 6MG Site Canopy	12,750
16	25-05 6MG Site Additional Storage	3,400
17	Total Structures & Facilities	16,150
18	Information Technology	
19	22-01 Financial Software and Implementation	20,000
20	Total Information Technology	20,000
21	Studies & Assessments	
22	24-01 Master Plan Update	150,000
23	24-11 Hazard Mitigation Plan	50,000
24	25-03 AWIA Assessment	50,000
25	Total Studies & Assessments	250,000
26	Wholesale CIP Total	2,539,300
27	Less: Debts Proceeds for Capital Projects	-
28	Less: Grant Proceeds for Capital Projects	-
29	Wholesale CIP, Net Paygo-Funded	\$ 2,539,300

Key - CIP Budget Details

Projects in green have approved grant-funding and are fully or partially funded by grant proceeds.

RETAIL CIP BUDGET DETAIL (G.2)

Project ID	Project	FY 25 Proposed Budget
1	Wells & Treatment	
2	22-29 East Well Electrical	150,000
3	Total Wells & Treatment	150,000
4	Transmission/Distribution Systems	
5	22-40 Circula Panorama Pipeline Replacement/Conversion	4,700,000
6	21-09 Springwood Drive Pipeline Improvement	100,000
7	21-11 Brae Glen Pipeline Replacement	500,000
8	21-45 SCADA System Improvements	100,000
9	22-18 Orange Knoll PRV Station	75,000
10	22-31 Barrett and Hinton Service Relocations	225,000
11	24-08 Daniger Pump Station Upgrades	230,000
12	24-09 St. Jude/Panorama View Pipeline	225,000
13	24-10 Barrett to Cresthaven Pipeline Replacement	75,000
14	25-01 4" Main Replace/Abandon on Hewes & Fowler	100,000
15	25-02 Automated Meter Replacement	1,200,000
16	25-06 Vista Panorama Pump Station	250,000
17	25-11 Valve Replacements	75,000
18	25-12 Hydrant Replacements	32,000
19	Total Transmission/Distribution Systems	7,887,000
20	Vehicles & Equipment	
21	25-07 District HQ Backup Generator	23,400
22	25-08 Work Truck	25,000
23	25-15 11.5MG Spare Mixer	1,950
24	Total Vehicles & Equipment	50,350
25	Structures & Facilities	
26	25-04 6MG Site Canopy	13,500
27	25-05 6MG Site Additional Storage	3,600
28	Total Structures & Facilities	17,100
29	Information Technology	
30	22-01 Financial Software and Implementation	20,000
31	Total Information Technology	20,000
32	Studies & Assessments	
33	24-02 Master Plan Update	150,000
34	24-11 Hazard Mitigation Plan	50,000
35	25-03 AWIA Assessment	50,000
36	Total Studies & Assessments	250,000
37	Retail CIP Total	8,374,450
38	Less: Debts Proceeds for Capital Projects	(2,000,000)
39	Less: Grant Proceeds for Capital Projects	(1,000,000)
40	Retail CIP Net Paygo-Funded	\$ 5,374,450

Key - CIP Budget Details

Projects in green have approved grant-funding and are fully or partially funded by grant proceeds.

SEWER CIP BUDGET DETAIL (G.3)

Project ID	Project	FY 25 Proposed Budget
1	Transmission/Distribution Systems	
2	25-10 Cured in Place Pipe (CIPP)	300,000
3	25-13 Manhole Additions, Raising, Frames & Covers (includes County projects)	100,000
4	25-14 Manhole Rehabilitation/Replacement	500,000
5	24-04 Lemon Heights Dr. Lift Station Rehabilitation	60,000
6	25-13 Fallen Leaf Sewer Rehab	100,000
7	Total Transmission/Distribution Systems	1,060,000
8	Vehicles & Equipment	
9	25-07 District HQ Backup Generator	84,500
10	25-08 Work Truck	25,000
11	25-09 Robotic Sewer Inspection Camera	44,000
12	Total Vehicles & Equipment	153,500
13	Structures & Facilities	
14	25-04 6MG Site Canopy	48,750
15	25-05 6MG Site Additional Storage	13,000
16	Total Structures & Facilities	61,750
17	Information Technology	
18	22-01 Financial Software and Implementation	20,000
19	Total Information Technology	20,000
20	Studies & Assessments	
21	24-03 SSMP Update and Spill Response	200,000
22	24-11 Hazard Mitigation Plan	50,000
23	25-03 AWIA Assessment	50,000
24	Total Studies & Assessments	300,000
25	Sewer CIP Total	1,595,250
27	Less: Debts Proceeds for Capital Projects	-
28	Less: Grant Proceeds for Capital Projects	-
29	Sewer CIP Net Paygo Funded	\$ 1,595,250

Key - CIP Budget Details

Projects in green have approved grant-funding and are fully or partially funded by grant proceeds.

Schedule H: CIP Project Summary

The following schedule provides status details on each of the Capital Improvement Projects from FY 24 and FY 25. Column (A) displays each projects total project’s proposed total budget. Column (B) displays FY 24 adopted budget. Column (C) displays the FY 25 proposed budget. Column (D) displays the Total Projected Project Expenditures). Column (E) provide the status of each project as of July 1, 2024 (FY 25).



East Orange County Water District FY 2025 Annual Budget

		A	B	C	D	E
Project ID	Capital Improvement Projects	Project Budget	FY 24 Adopted Budget	FY 25 Proposed Budget	Total Projected Expenditures	Project Status for FY 25
SHARED COST PROJECTS						
22-33	District Headquarters	\$ 8,700,000	\$ 7,500,000	\$ -	\$ 8,500,000	Complete in FY 24
21-45	SCADA System Improvements (Phase II)	885,000	700,000	300,000	810,000	In Progress
22-01	Financial Software and Implementation	150,000	90,000	60,000	144,300	In Progress
24-06	GIS Server	35,100	35,000	-	61,000	Complete in FY 24*
24-12	Skid Steer Attachment	15,000	15,000	-	-	Closed/Cancelled
24-13	Water Loss Control Program	60,000	60,000	-	-	Closed/Cancelled
21-03	Pipeline Replacements	250,000	250,000	-	-	Closed/Cancelled
22-48	Service Lateral Replacements	50,000	50,000	-	-	Closed/Cancelled
24-11	Hazard Mitigation Plan	200,000	25,000	150,000	200,000	Carry Forward, Includes FY26
22-45	Hydrant Replacements 2024	40,000	40,000	-	-	Closed/Cancelled
25-12	Hydrant Replacements 2025	40,000	-	40,000	40,000	New
25-07	District HQ Backup Generator	130,000	-	130,000	130,000	New (Long lead time)
25-08	Field Truck	75,000	-	75,000	75,000	New
25-04	6MG Equipment Canopy	75,000	-	75,000	75,000	New
25-05	6MG Site Additional Storage	20,000	-	20,000	20,000	New
25-03	AWIA Assessment	150,000	-	150,000	150,000	New
25-15	11.5MG Spare Mixer	15,000	-	15,000	15,000	New
Subtotal Shared Fund Projects		10,890,100	8,765,000	1,015,000	10,220,300	
WHOLESALE ONLY						
21-43	Walnut Vault Replacement	1,500,000	200,000	-	1,152,900	Complete in FY 24
23-03	Catholic Protection Improvements	225,000	225,000	-	183,700	Complete in FY 24
22-34	6MG Reservoir Replacement	100,000	100,000	-	90,500	Closed/Cancelled
23-05	Demo Treatment Plant and new storage at 6MG site	430,000	300,000	-	416,300	Completed in FY 24
23-07	6MG Reservoir - Pipeline and Vault Improvements	300,000	300,000	200,000	283,500	Carry Forward
22-51	Wholesale Reservoir Backup Power	260,000	100,000	245,000	258,500	In Progress
21-50	SAC Pipeline Repairs	10,000	10,000	-	-	Closed/Cancelled
24-07	Wholesale Reservoir Management Systems	1,500,000	100,000	1,500,000	1,500,000	Carry Forward and Increase
24-01	Master Plan Update - Wholesale	150,000	150,000	150,000	150,000	Carry Forward
21-02	Valve Replacements	50,000	50,000	-	2,000	Complete in FY 24
25-11	Valve Replacements 2025	NA	-	40,000	40,000	New
Subtotal Wholesale		4,525,000	1,535,000	2,135,000	4,077,400	
RETAIL ONLY						
21-01	Vista Panorama Reservoir {Demolition/Site Imp.}	800,000	800,000	-	643,100	Complete in FY 24
21-05	PFAS Treatment Facility	180,000	10,000	-	78,600	Complete in FY 24
21-06	Vanderwerff Well	5,200,000	1,344,400	-	4,799,500	Complete in FY 24
21-04	Barrett Reservoir Booster Pump Station Replacement	1,720,000	100,000	-	1,543,900	Complete in FY 24
21-11	Brae Glen Pipeline Replacement	700,000	700,000	500,000	696,000	In Progress
22-40	Circula Panorama Pipeline Replacement / Conversion	5,150,000	3,000,000	4,700,000	5,143,900	In Progress
22-18	Orange Knoll PRV Station	160,000	150,000	75,000	158,100	In Progress
21-09	Springwood Drive Pipeline Improvement	100,000	100,000	100,000	100,000	Carry Forward
22-28	East Well Pump and Motor	200,000	200,000	-	-	Closed/Cancelled
22-29	East Well Electrical	150,000	150,000	150,000	150,000	In Progress (Awarded)
22-30	View Ridge New Valve	15,000	15,000	-	-	Complete
22-31	Barrett and Hinton Service Relocations	250,000	100,000	225,000	246,400	In Progress - budget inc. for const.
24-08	Daniger Pump Station Upgrades	250,000	75,000	230,000	250,000	In Progress - budget inc. for const.
24-09	St. Jude/Panorama View Pipeline	250,000	50,000	225,000	244,400	In Progress - budget inc. for const.
24-10	Barrett to Cresthaven Pipeline Replacement	225,000	75,000	75,000	225,000	Carry Forward - budget inc. for const.
24-02	Master Plan Update - Retail	150,000	150,000	150,000	150,000	Carry Forward
21-02	Valve Replacements	80,000	80,000	-	5,000	Complete in FY 24
25-11	Valve Replacements 2025	75,000	-	75,000	75,000	New
25-01	4" Main Replace/Abandon on Hewes & Fowler	100,000	-	100,000	100,000	New
25-02	Automated Meter Replacement	1,200,000	-	1,200,000	1,200,000	New
25-06	Vista Panorama Pump Station	250,000	-	250,000	250,000	New
Subtotal Retail		17,205,000	7,099,400	8,055,000	16,058,900	
SEWER ONLY						
21-20	Browning Rehabilitation	16,935,000	550,000	-	15,598,600	Complete in FY 24**
21-21	Backwater Valve Program	10,000	10,000	-	-	Closed/Cancelled
24-05	Rehabilitate 12" 5 FWY Crossing	100,000	100,000	-	60,000	Complete in FY 24
24-04	Lemon Heights Dr. Lift Station Rehabilitation	60,000	50,000	60,000	60,000	Carry Forward and Increase
24-03	SSMP Update and Spill Response	200,000	130,000	200,000	200,000	Carry Forward, Inc. for Audit Update
21-13	Cured in Place Pipe (CIPP)	300,000	300,000	-	300,000	Complete in FY 24
25-10	Cured in Place Pipe (CIPP) 2025	300,000	-	300,000	300,000	New
21-18	Manhole Additions, Raising, Frames & Covers	500,000	500,000	-	500,000	Complete in FY 24
25-13	Manhole Additions, Raising, Frames & Covers 2025	100,000	-	100,000	100,000	New
21-17	Manhole Rehabilitation/Replacement	100,000	100,000	-	20,000	Complete in FY 24
25-14	Manhole Rehabilitation/Replacement 2025	500,000	-	500,000	500,000	New
25-13	Fallen Leaf Sewer Rehab	100,000	-	100,000	100,000	New
25-09	Robotic Sewer Inspection Camera	44,000	-	44,000	44,000	New
Subtotal Sewer		19,249,000	1,740,000	1,304,000	17,782,600	
TOTAL CIP		\$ 51,869,100	\$ 19,139,400	\$ 12,509,000	\$ 48,139,200	
Less: Debt Proceeds		(20,000,000)	(5,114,000)	(2,000,000)	(22,000,000)	
Less: Grant Proceeds		(2,075,140)	(1,068,000)	(1,000,000)	(3,075,140)	
CIP, Net PAYGO Funded		\$ 29,793,960	\$ 12,957,400	\$ 9,509,000	\$ 23,064,060	

Key - CIP Budget Details
 Projects in green have approved grant-funding and are fully or partially funded by grant proceeds.
 * GIS Server Expenses exceeded budget due to unforeseen integration complications.
 ** Browning Rehabilitation FY 24 Actual exceeded FY 24 Budget due to timing of expenses.