

January 18, 2016

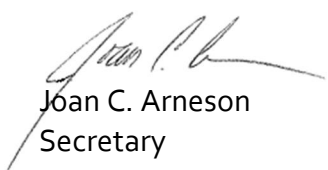
Board of Directors  
East Orange County Water District  
185 N. McPherson Road  
Orange, California 92869

Dear Members of the Board,

Please be advised that a regular meeting of the Board of Directors of the East Orange County Water District will be held on Thursday, **January 21, 2016**, at **5:00 p.m.** in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. Enclosed please find the agenda for the meeting.

Very truly yours,

EAST ORANGE COUNTY WATER  
DISTRICT

By:  Joan C. Arneson  
Secretary

JCA/

Enclosures

cc: Mailing List

150473 .07

AGENDA

EAST ORANGE COUNTY WATER DISTRICT  
(EOCWD)

Thursday,  
January 21, 2016  
185 N. McPherson Road, Orange, California  
5:00 p.m.

1. **Call Meeting to Order and Pledge of Allegiance – President Davert**
2. **Public Communications to the Board**
3. **Addition of Items Arising After Posting of Agenda Requiring Immediate Action**  
(Requires 2/3 vote or unanimous vote if less than 2/3 of members are present)

**Recommended Motion:** "THAT IT BE DETERMINED THAT THE NEED TO TAKE IMMEDIATE ACTION ON [SPECIFY ITEM(S)] CAME TO THE DISTRICT'S ATTENTION AFTER POSTING OF THE AGENDA AND THAT SUCH ITEM(S) BE ADDED TO THE AGENDA"

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

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

5. **Approval of Minutes of December 17, 2015 Meeting (Exhibit "B")**
6. **Organizational Matters**

- A. Administration of oath of office to appointed Director (Exhibit "C")
- B. Account signature authorizations – update authorizations (Exhibit "D")

**Recommended Motion:** "THAT RESOLUTION NO. \_\_\_\_ BE ADOPTED, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT AUTHORIZING SIGNATURES FOR ALL ACCOUNTS, AUTHORIZING SELECTION OF DEPOSITORIES, AND RESCINDING PRIOR RESOLUTION'"

**Recommended Motion:** "THAT RESOLUTION NO. \_\_\_\_ BE ADOPTED, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT REGARDING DESIGNATION OF OFFICERS AUTHORIZED TO

(Next available Resolution No: 762)

ORDER SALE, ASSIGNMENT, TRANSFER, AND/OR DELIVERY OF DISTRICT INVESTMENT SECURITIES (RAYMOND JAMES FINANCIAL SERVICES, INC., ACCOUNT, AND RESCINDING PRIOR RESOLUTION)'''

**Recommended Motion:** "THAT RESOLUTION NO. \_\_\_\_ BE ADOPTED, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT REGARDING DESIGNATION OF OFFICERS AUTHORIZED TO ORDER DEPOSIT AND WITHDRAWAL OF DISTRICT FUNDS IN AND FROM THE LOCAL AGENCY INVESTMENT FUND'"

- C. Committee reorganization (Exhibit "E")

**Recommended Motion:** CONSIDER CONSOLIDATION OF OPERATIONS, PLANNING AND PERSONNEL COMMITTEE AND ENGINEERING COMMITTEE

## 7. Operation, Management and Construction Matters

- A. Participation in Municipal Water District of Orange County (MWDOC) Water Loss Program (Exhibit "F")

**Recommended Motion:** "THAT THE FISCAL YEAR 2015/16 CAPITAL IMPROVEMENT BUDGET BE AMENDED TO ADD \$20,000 TO ACCOUNT NO. 7900-100-1 AND \$25,000 TO ACCOUNT NO. 7900-100-2, THAT THE CONTRACT WITH MWDOC FOR WATER LOSS CONTROL SERVICES, IN THE NOT-TO-EXCEED AMOUNT OF \$45,000, BE APPROVED AND THAT THE GENERAL MANAGER BE AUTHORIZED TO EXECUTE THE CONTRACT"

- B. Peters Canyon Treatment Plant Financial Feasibility Study – status report (Exhibit "G")
- C. Water Quality Briefing (Exhibit "H")

## 8. Financial Matters

- A. Approval of schedules of disbursements (Exhibit "I")
- B. Report on investments/ ratification of investment activity (Exhibit "J")
- C. Receipt and filing of financial statements (December 31) – (Exhibit "K")

**Recommended Motion:** "THAT THE SCHEDULES OF DISBURSEMENTS BE APPROVED AS SUBMITTED, THAT THE SCHEDULES OF INVESTMENTS BE RATIFIED AND APPROVED, AND THAT THE FINANCIAL STATEMENTS BE RECEIVED AND FILED"

**9. Miscellaneous Matters**

- A. Reports from committees and representatives to organizations
- B. Directors' reports on meetings attended at District expense (Government Code Section 53232.3)
- C. Authorization of conference/meeting attendance (Exhibit "L")
  - (1) Urban Water Institute Annual Conference (Palm Springs, February 10-12)
- D. Local sewer service transfer - status report (Exhibit "M")
- E. Wholesale and retail water usage report (Exhibit "N")

**Recommended Motion:** "THAT THE WHOLESALE AND RETAIL WATER USAGE REPORT BE RECEIVED AND FILED"

- F. Drought response report (Exhibit "O")

**Recommended Motion:** "THAT THE DROUGHT RESPONSE REPORT BE RECEIVED AND FILED"

**10. Informational Items**

- A. General interest publications: *Channel 4 Southern California* – 'Exceptional' Drought Improves Only 2 Percent After California Storms (Exhibit "1")

**11. Closed Sessions**

- A. Closed session – conference with labor negotiators (Government Code Section 54957.6)  
 Agency designated representatives: Directors Bell and Dulebohn  
 Unrepresented employees: Superintendent; Management Analyst; Administrative Assistant; Water Distribution Operator III; Water Distribution Operator II; Water Distribution Operator I; Part-Time Office Assistant

Open session

**Recommended Motion:** TAKE ACTIONS AS DETERMINED, RELATING TO EMPLOYEE COMPENSATION



## 12. Adjournment

The scheduled date of the next Regular Meeting of the Board of Directors is **February 18, 2016**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California

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

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

# **EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER'S REPORT**

**December 2015**

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

## **GENERAL MATTERS**

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

### **SEWER**

#### **A. OCSD Transfer**

See Agenda Item

## **WHOLESALE ZONE**

#### **A. Peters Canyon (6 MG) Reservoir Status Update**

Security System – Staff is working with a security contractor to finish the installation of the remaining parts of the system; delays have occurred as staff has been involved with other issues. Staff has met with a system integrator who has reviewed the existing infrastructure and equipment. They will be providing a cost estimate by January 25.

Reservoir Roof – awaiting roof drawings from Carollo Engineering.

Storm Water Drainage Improvements – The target date for substantial completion of this project was January 15<sup>th</sup>, 2016. Despite significant rain delays, the contractor has been able to stay on schedule and meet the substantial completion date; Champion is expected to finish the remaining work by the completion due date of January 22.

#### **Master Plans and Treatment Plant Feasibility Study Update**

##### **Master Plan Status:**

1. Staff has completed comments for the Draft RZ and WZ Master Plan and submitted them to Carollo.

##### **WTP Feasibility Study:**

1. Presentation of the draft financial feasibility study will be made at the January 21, 2016 Board Meeting.

#### **B. OC-70 Meter Test Comparison**

Background: An ongoing issue in the Wholesale Zone has been “unaccounted-for water.” For several years, staff has been investigating the seeming “loss” of millions of gallons of water each

month – so much water in fact, that it would be creating large lakes somewhere if it was entering and escaping our system.

Over the past several years, staff has conducted many analyses and failed to find a cause or a pattern of loss that yielded clues as to the cause. After exhausting all reasonable possibilities on the District's side of the meter, we contacted MWDOC staff and sought their assistance in setting up a meeting with MWDSC (MET) to determine if the problem is on their side of the meter.

On June 2<sup>nd</sup>, staff/MWDOC held their first meeting with MET staff to review the history of this problem and the efforts that EOCWD has gone to find the cause. As a result of that meeting MET staff agreed to examine their meter, calibration and design of the meter installation.

A second meeting was held on July 20<sup>th</sup> with MET to further review MET's investigation; MET suggested that more investigation work be performed over the next month to better determine whether these discrepancies are related to meter error. Some recommendations that came out of the meeting were to pull the existing meter and inspect it for possible irregularities as well as inspect the check valve downstream of the meter to ensure it is holding tight during pumping conditions; EOCWD staff is working with MET staff to make operational arrangements so that the meter and check valves can be physically removed and examined. This work was initially scheduled for early September, however, no date has yet been identified.

New Developments: On October 22, EOCWD staff met with MWDOC and MET staff to review and provide feedback on Met's draft test plan which identifies a step by step process of looking at various components at the OC-70 pump station that could be causing the metering inaccuracies. A multi-step plan to determine the source of the error has been established and requires that staff isolate the Peters Canyon Reservoir during the first week of December to enable MWD to perform a thorough simultaneous flow test of the MWD meter, comparing it directly against the EOCWD 20" magnetic flow meter under varying scenarios. MWD Staff will be on hand at both locations to record readings. Various tests will be performed over a three-day period; EOCWD staff will be on-hand to observe.

On Monday, November 23<sup>rd</sup>, MWD staff sent an email to MWDOC stating that they had an issue with the EOCWD magmeter installation and wanted to proceed with inspecting their Venturi meter at OC-70 and their check valve. On Tuesday, November 24<sup>th</sup>, EOCWD staff participated in a conference call with MWDOC and MWD staff to discuss the issue. The outcome of that discussion was that MWD requested EOCWD relocate our existing mag meter so that a minimum of 18 feet (pipe diameter x 10) of straight pipe existed both upstream and downstream of the meter to eliminate the possibility of any interference to the meter; this would be an approximately \$20,000 expense for EOCWD. MWD claims that there is too much interference to the mag meter in its current location with the isolation valve and 90 degree bend being too close.

Update: At the January 14<sup>th</sup> Engineering committee meeting, staff discussed the concerns it had installing a vault and meter at the toe of the dam and discussed alternatives and rain delays for this project. Staff was directed to get pricing on a new 24" magnetic flow meter to install on the inlet line of the reservoir outside of the area near the dam face. Staff will be reporting back to the Committee on the costs for the meter purchase and installation.

### **C. WZ Connection Permits**

None to report.

## RETAIL ZONE

### 1) **East Orange DroughtReach™ Program**

Working with Communications Lab, the District has developed our DroughtReach Program™ comprised of a series of educational coffee/donut meetings, signs, printed mailed material, social media, bill stuffers and one-on-one customer service outreach.

After hanging door tags in early December, we are happy to report that customers did achieve the required 36% reduction for December. Extensive outreach has been made to remind customers to reduce their irrigation timers to one time per week watering. Please refer to the monthly agenda item for December's DroughtReach™ activities.

### 2) **Well / Booster Station Operations**

East Well – No issues to report. For December 65% of the Retail Zone demand was met using imported water; the remaining 35% was met using the East Well. Total groundwater pumped during December was 16.9 acre feet.

West Well and Stoller Booster Pump Repair Project – The West Well and booster station have been offline since February 2013 due to worn pump assemblies; the East Well can and has been meeting our RZ demand, augmented by imported water purchases.

Background: As mentioned in the previous months' General Manager's reports, staff has delayed sending out RFPs for the West Well and Stoller booster pump repair over concerns that well companies are continuing to be very busy. Well water levels are rising and are now at 267 feet BGS (below ground surface).

New Developments: Nothing to report.

### 3) **System Leaks**

On December 24<sup>th</sup> at 2208 hours, staff responded to a report of a leak at 12901 Panorama Place. Upon arriving, staff found that one of the customer's guests had backed his car into one of the District's air vacuum release valves causing it to leak. Staff was able to isolate the mainline and then close the valve below the air release and turn the water back on. The District will be seeking reimbursement of these costs through the homeowner's insurance company.

### 4) **Water Availability Request/Connection Permits**

No requests for permits were received in December.

## JOINT SYSTEM (WZ & RZ) ACTIVITIES

### **SEDARU**

Please see the attached Sedaru work report that provides information on work staff is performing and the types of customer interactions that staff are having.

**A. Monthly Operations Activities**

- Attended Water Loss Workshop at MWDOC (Superintendent)
- Reviewed and inspected work for Peter's Canyon Reservoir Storm Water Drainage Project (Superintendent)
- Attended weekly Engineering meeting with GM (Superintendent)
- Installed new replacement vault lids for Foxrun meter vault (Staff)
- RZ meter reading, door tags, and shutoffs
- Drained, cleaned and inspected Vista Panorama hydro-pneumatic tank.
- Assisted contractor with seismic upgrades to Vista Panorama hydro-pneumatic tank.
- Smogged 2 district vehicles and filed report with State.
- Repaired leak on Panorama Place.
- Attended construction meetings for Peters Canyon Reservoir Storm Water Project (Superintendent)

**Weekly Tasks**

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

**Monthly Tasks**

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

**MEETINGS**

District staff attended the following meetings:

**A. MWDOC Manager's Meeting – December 17, 2015**

Meeting Summary: 1) Valley Fire Presentation- WEROC Manager Kelly Hubbard provided a briefing on the Lake County "Valley" Fire in which 1200 homes were destroyed over a 3 month period last summer. She also noted that there has been an increase in cyber security incidents at water agencies, including one in Orange County. 2) Drought Allocation/State Tracking – October and November cutbacks didn't meet the required reductions, however, cumulative reduction is still over the required amount. Snowfall is at 82% of normal as of mid-December; predictions are still for above average rain/snowfall this winter. 3) SWRCB Emergency Regulations – it is expected that the SWRCB staff is going to propose modifications to the emergency regulation; anticipate that some credit will be given to IPR (GWRS). 4) Legislative Issues Update – The surface transportation bill was passed that included WIFIA cleanup provisions that allow great use of tax-free bonds. No action has been taken to relieve recipients of turf removal funds from IRS obligations – W-9s will be going out to these customers. 5) Water Loss Control Committee – Joe Berg will be participating in statewide water loss control and audit committee. 6) 2016 MWDOC Capacity Charge – The estimated capacity charge for 2016 was distributed to member agencies. 7) MWDOC 2016-17 Budget Schedule – Staff noted that the budget letter is going out including an allocation process for the Choice Program. 8) MWDOC Rate Study Process – MWDOC will be hiring Raffetis to perform a review of their rates; MWDOC is not subject to Proposition 218, the rate study is to review the adequacy, sustainability and equity of their current structure. 9) MET's IRP Update – MET has published their Draft IRP Report and their Draft Urban Water Management Plan (both are on MET's website). 10) OC Reliability Study – The next meeting for the Reliability Study is January 4<sup>th</sup>.

**B. OC Reliability Study - December 14, 2015**

Meeting Summary: The second of four Workgroup meetings targeted System Reliability Issues. The meeting included review and input of the planning spreadsheet developed by MWDOC to assist in reviewing the ability of each agency to respond to: 1) Outages of the Import System for up to 60 days and, 2) Outages of the Electrical Grid for up to 7 days. MWDOC will meet with individual agencies to walk through this analysis.

**C. Groundwater Producers Meeting – January 13, 2015**

Meeting Summary: 1) Groundwater Basin Status/BPP – OCWD will consider adjusting the BPP in April pending rainfall totals; to-date, runoff has been small (12,000 AF). The accumulated overdraft is 400,000 AF. OCWD staff noted that very high RA increases may be required (\$100/AF) next year. 2) Future of Green Acres Project (GAP) – Four options are available for this project: 1) Continue, 2) Abandon, 3) Expand or 4) Cap. Issues were raised regarding how to coordinate this with GWRS and what would be the priced to dismantle it. Support among producers to maintain GAP but make no new major investment; consider viable customers, examine new treatment system, update the hydraulic model and conduct a rate study. 3) GAP Meeting Attendees: Anaheim suggested that attendees be limited to producer staff and managers, exclude others; majority feel attendees are not a problem. 4) OCSD Flows – There has been no rebound in flow to OCSD; the GWRS Phase 3 study is due out in 3 months.

**D. Operations, Planning & Personnel Committee – January 14, 2015**

Meeting Summary: 1) Review of WZ & RZ Master Plan Recommended CIP – General Manager Ohlund noted that because the meeting would include discussion of several CIP items, she felt it

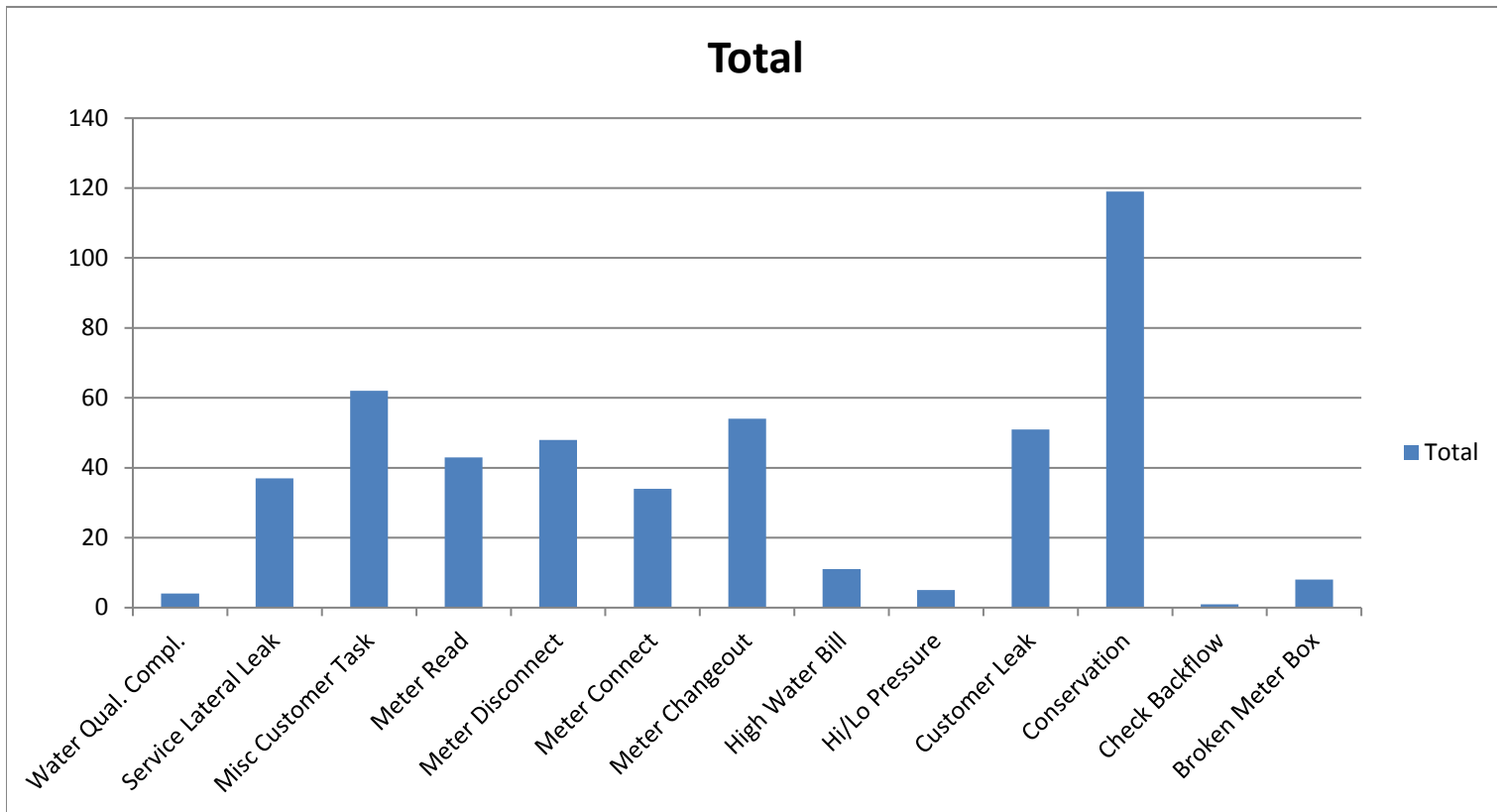
would be instructive to review the basis for prioritization of the projects. 2) Vista Panorama Reservoir – Engineer Everest provided a summary of staff's recommended option for seismically repairing the reservoir, along with two other options; after discussion, the Committee agreed to proceed with Option 1, staff's recommendation. 3) East Well Pumping Level – the RZ has been returned to groundwater in mid-December; groundwater levels have been rising and are at about 268 ft BGS. 4) RZ Water Use – the RZ achieved a 36% reduction in December, meeting the required reduction under the mandate. 5) Peters Canyon Reservoir Drainage Project – Despite significant rain delays, contractor Champion Paving will meet the substantial completion date of January 15<sup>th</sup>, with final completion by January 22<sup>nd</sup>. 6) OC-70 Meter Issue – staff will be locating a site on the inlet side of the reservoir to place a new meter to assist with the testing of the OC-70 meter. 7) WZ Water Use – For the first time in eight months, demand is higher than in 2014 (146 AF v. 91.5 AF), up 60% from 2014. 8) Participation in MWDOC Water Loss Control Program – Staff is recommending that the District participate in this program and a cost not-to-exceed \$45,000. The Committee recommended that the Board approve this participation. 9) Recommendation to Consolidate the Engineering and Operations Committee – Staff noted that consolidation of the Committees would increase staff efficiency and reduce costs; Committee members agreed to recommend consolidation of the Operations, Planning and Personnel Committee with the Engineering Committee to the Board, however, they further recommended that the Committee Meetings be noticed as regular Board Meetings to allow for the participation of the full Board.

# EOCWD Sedaru Asset Report

## Customer Tasks

December 31, 2015

Count of workdate	Column Labels												
Row Labels	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand
Broken Meter Box	3			3		2							8
Check Backflow				1									1
Conservation		1		2	1	24	34	35	4	6	12	4	123
Customer Leak	4	4	3	9	2	11	2	11	2	3			51
Hi/Lo Pressure		1		1		1					2		5
High Water Bill		2	3		3	2	1						11
Meter Changeout	14	3	1	7	4	10	3	6	2	3	1		54
Meter Connect	1	2	3	4	2	6	3	6	3	3	1	2	36
Meter Disconnect	1	2		9	5	5	3	9	4	10		4	52
Meter Read	1	2	4	1	2	12	5	7	1	2	6	6	49
Misc Customer Task	8	3	4	10	4	13	2	13	2	3		1	63
Service Lateral Leak	3	1		1	3	5		8	3	9	4		37
Water Qual. Compl.	1					1	2						4
Grand Total	36	21	18	48	26	92	55	95	21	39	26	17	494





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

December 17, 2015

**1. Call to Order.** A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by WILLIAM VANDERWERFF, President of the Board of Directors, at 5:00 p.m. on Thursday, December 17, 2015, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JOAN ARNESON, Secretary, recorded the minutes of the meeting.

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT and WILLIAM VANDERWERFF. Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
BILL EVEREST	District Consultant
PAUL KAYMARK	Pun Group
ART VALENZUELA	City of Tustin
KEN VECCHIARELLI	Golden State Water Company
BRIAN LOCHRIE	CommunicationsLab
JOHN LEWIS	Lewis Consulting
CINDY BYERRUM	Platinum Consulting; Interim Treasurer
MARILYN THOMS	North Tustin Resident
REYNA AYALA	District Administrative

**2. Public Communications to the Board.** None.

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

**4. General Manager's Report.** Ms. OHLUND said she had no additions to the written report. She updated the status of the security system project in response to questions.

**ACTION TAKEN:**

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

## 5. Minutes.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the minutes of the regular and special meetings of November 19, 2015 were approved as submitted.

## 8. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$337,428.23 from Wholesale and Retail Operating Funds, \$2,587.33 for directors' payroll, and \$36,087.48 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (October 31). The financial statements were presented.

On behalf of the Finance Committee, Director DULEBOHN recommended approval of the schedule of disbursements and investment schedules, and receipt and filing of the financial statements.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the schedules of disbursements were approved as submitted, the schedules of investments were ratified and approved, and the financial statements were received and filed.

D. Implementation of Governmental Accounting Standards Board (GASB) Nos. 68 and 71. CINDY BYERRUM noted that the audited financial statements to be discussed on tonight's agenda, balance sheet, showed the treatment of the pension plan liability in accordance with the GASB requirements. Ms. BYERRUM explained the Public Employees Retirement System (PERS) treatment of earnings assumptions and actual earnings and amortization, and how that is reflected in the changes in deferred inflows of resources. She said the District was not as significantly impacted by this as some agencies.

E. Audited Financial Statements. Mr. KAYMARK added to the discussion of the preceding item noting that an actuarial calculation and market return analysis are combined by PERS to derive the member agency liability analysis. This is now part of the balance sheet pursuant to the GASB requirements. In response to questions, Mr. KAYMARK reviewed the change in the District's net position as shown in the statement of cash flows.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the audited financial statements and management letter for the fiscal year ended June 30, 2015 were received and filed and the General Manager was authorized to make filings as required.

## 6. Organizational Matters.

A. Accept Resignation of and Commendation of William VanderWerff. President VANDERWERFF's letter of resignation from the Board, to be effective midnight December 31, was discussed. Directors DAVERT and BELL moved and seconded the item with much reluctance. Director EVERETT expressed his personal appreciation for President VANDERWERFF's leadership and dedication, crediting this for his interest in serving on the Board. Director DULEBOHN also credited President VANDERWERFF with the start of his involvement in the water industry. Director BELL and Director DAVERT added comments on the significant contributions of President VANDERWERFF in advancing his concerns for the ratepayer and frugality. President VANDERWERFF shared several memories of his involvement in the water industry and his time on the Board. Ms. OHLUND expressed her appreciation for President VANDERWERFF's leadership skills, and Tustin resident MARILYN THOMS spoke, saying we never thank our elected officials and she had been following the sewer service transfer matter and wanted to express appreciation for all that the Board and staff have done. KEN VECCHIARELLI and BILL EVEREST added their appreciation and best wishes to President VANDERWERFF.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the resignation of William Vanderwerff was accepted with regret and Resolution No. 761 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Expressing Appreciation, Commemorating and Inviting Public Attention to the Outstanding Services Rendered By William Vanderwerff As A Member of the District's Board Of Directors"

B. Procedure For Filling Vacancy. Ms. OHLUND recommended a procedure including an information session where residents can learn about the District and what their service on the Board would involve, an application submission period, followed by an interview session and appointment to take place in the same or separate Board meetings. It was the consensus of the Board that a quorum would not be needed for the informal information briefing, that a separate meeting be held for the candidate presentation forum and that this meeting be adjourned to January 20 for that purpose.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, it was determined that the vacancy shall be filled by appointment within the 60 day period allowed by law, and the General Manager was directed to give notice of the Board's intention to fill the vacancy by appointment in the form of the notice and affidavit as presented.

C. Election of Officers. For the vacancy in the office of President which will occur on January 1 with President VANDERWERFF's resignation, President VANDERWERFF nominated Directors DAVERT and BELL for the offices of President and Vice President, respectively. Nominations were closed.

ACTION TAKEN:

Upon a unanimous vote, Directors DAVERT and BELL were elected as President and Vice President, respectively.

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

A. Amendment to Sewer Transfer Agreement. Ms. OHLUND recommended approval of the proposed amendment negotiated with OCSD and approved by OCSD last night, which will facilitate the application and keep the District whole.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Amendment No. 2 to the Local Sewer Facilities Transfer Agreement was approved and the General Manager was authorized to execute the amendment.

B. Amendment to Contract For Public Outreach Assistance. Ms. OHLUND reported that the contract has sufficient remaining authorization for drought related communications but recommended an increase to cover the next six months for the sewer transfer related services. Director DAVERT said BRIAN LOCHRIE's and JOHN LEWIS' services have been invaluable in increasing awareness of the District and facilitating the ratepayers' and community's understanding of the messaging.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Amendment No. 3 to the contract with Communications Lab for provision of community outreach services, in the not-to-exceed amount of \$30,000, was approved and the General Manager was authorized to execute the amendment.

C. Amendment to Contract For Legislative Advocacy Assistance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Amendment No. 1 to the contract with Lewis Group for provision of legislative advocacy services related to proposed sewer transfer, in the not-to-exceed amount of \$30,000, was approved and the General Manager was authorized to execute the amendment."

**9. Miscellaneous Matters.**

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

B. Directors' Reports on Meetings Attended. None.

C. Authorization of Conference and Meeting Attendance. Ms. OHLUND reported that the MWDOC dinner will feature as a speaker SWRCB's chair Felicia Marcus.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, all Directors and key staff as authorized by the General Manager were authorized to attend the January 22 Municipal Water District of Orange County Water Policy Dinner.

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND reported that LAFCO will be deferring further action until both applications are deemed complete.

E. Water Demand Status Report. Ms. OHLUND reported that sales are down, and that the District is still meeting its cumulative reduction target.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Water Demand Status Report was received and filed.

F. Drought Response Report. Ms. OHLUND discussed recent outreach efforts.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Drought Response Report was received and filed.

**10. Informational Items.**

A. General Interest Publications. Included was *Foothill Sentry* – Sewer system transfer awash in multi-agency input.

**11. Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:20 p.m., to Wednesday, January 20, 2016, at 5:00 p.m., to be held in the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

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Joan C. Arneson



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: ADMINISTRATION OF OATH OF OFFICE**  
**DATE: JANUARY 21, 2016**

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## BACKGROUND

At the time this memo was drafted, interviews to select a candidate to fill the unexpired portion of Bill VanderWerff's term were scheduled for an adjourned meeting to be held at 5:00 p.m. on January 20, 2016. Subsequent to those interviews, the Board is scheduled to vote on the appointment of one of the candidates.

At the regular Board Meeting on January 21<sup>st</sup>, the Board Secretary will administer the Oath of Office to the appointed candidate and they will take their seat immediately.

## FISCAL IMPACT

None.

## RECOMMENDATION

No action is required.



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: ACCOUNT SIGNATURE AUTHORIZATIONS**  
**DATE: JANUARY 21, 2016**

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## BACKGROUND

Attached to this memo are three resolutions required as a function of the appointment of a new Board Member:

- 1) Authorizing signatures for all accounts, authorizing selection of depositories, and rescinding a prior resolution.
- 2) Authorization to order the deposit and withdrawal of district funds between our bank and the Local Agency Investment Fund (LAIF)
- 3) Designating officers authorized to order the sale, assignment, transfer, and/or delivery of district investment securities (Raymond James Financial Services, Inc. account and rescinding prior resolution)

## FISCAL IMPACT

None.

## RECOMMENDATION

"That Resolution no. \_\_\_\_ be adopted, entitled: 'Resolution of the Board of Directors of the East Orange County Water District authorizing signatures for all accounts, authorizing selection of depositories, and rescinding prior resolution'"

"That Resolution no. \_\_\_\_ be adopted, entitled: 'Resolution of the Board of Directors of the East Orange County Water District regarding designation of officers authorized to order deposit and withdrawal of district funds in and from the Local Agency Investment Fund'"

"That Resolution no. \_\_\_\_ be adopted, entitled: 'Resolution of the Board of Directors of the East Orange County Water District regarding designation of officers authorized to order sale, assignment, transfer, and/or delivery of district investment securities (Raymond James Financial Services, Inc., account, and rescinding prior resolution)'"

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST  
ORANGE COUNTY WATER DISTRICT AUTHORIZING  
SIGNATURES FOR ALL ACCOUNTS, AUTHORIZING  
SELECTION OF DEPOSITORIES, AND RESCINDING PRIOR  
RESOLUTION**

WHEREAS, by Resolution No. 726, the Board of Directors authorized signatures for all of the District's accounts at depositories designated by the Auditor; and

WHEREAS, the Board of Directors desires to revise its designation of the authorized signatures.

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

Section 1. The Auditor (Treasurer) is authorized and directed, subject to periodic review by the Board of Directors, to designate and redesignate from time to time, a depository or depositories for corporation checking and savings account(s) of the District, which accounts shall be governed by the rules, regulations, bylaws, and practices of the respective depositories including interest, service charges and other matters.

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

Section 3. Signatures of any two (2) of the officers named in Section 2 are required upon any endorsements to, checks or withdrawals from said depositories.

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

Section 5. The authorities hereby conferred shall continue in full force until written notice of the revocation thereof by the Board of Directors of this District shall have been received by said



depositories, and the Secretary is hereby authorized to provide to each of said depositories a certified copy of this Resolution.

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

Section 7. The Auditor (Treasurer) of the District is directed to make a monthly report of all such accounts and transactions to this Board of Directors.

Section 8. Resolution No. 726 is hereby rescinded, and all other previous signature authorizations given for depositories of the District are hereby rescinded.

ADOPTED, SIGNED AND APPROVED this 21<sup>st</sup> day of January, 2016.

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

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

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EAST ORANGE COUNTY WATER DISTRICT REGARDING  
DESIGNATION OF OFFICERS AUTHORIZED TO ORDER DEPOSIT  
AND WITHDRAWAL OF DISTRICT FUNDS IN AND FROM THE  
LOCAL AGENCY INVESTMENT FUND**

WHEREAS, Section 16429.1 of the Government Code of the State of California provides for the creation, maintenance and operation of the Local Agency Investment Fund in the State Treasury (“LAIF”), into which money of a local agency may be deposited for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors has previously authorized and does hereby find that the deposit and withdrawal of East Orange County Water District (District) money in and from LAIF in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated therein is in the best interest of the District; and

WHEREAS, the Board of Directors of the District desires to modify its designation of officers authorized to order the deposit or withdrawal of District funds in and from LAIF;

NOW, THEREFORE, the Board of Directors of the East Orange County Water District  
DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The deposit and withdrawal of District money in and from LAIF, in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated therein, is hereby authorized.

Section 2. The individuals holding the following offices or titles of the District or their successors in office shall be authorized, each acting singly, to order the deposit or withdrawal of District money in and from LAIF:

Douglass Davert	Director
Richard Bell	Director
John Dulebohn	Director
Cindy Byerrum	Interim Treasurer
Sylvia M. Prado	Administrative Assistant.

Section 3. All prior authorizations to order the deposit or withdrawal of District money in and from LAIF are hereby rescinded.

ADOPTED, SIGNED AND APPROVED this 21<sup>st</sup> day of January, 2016.

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

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

RESOLUTION NO. \_\_\_\_

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE EAST ORANGE COUNTY WATER DISTRICT  
REGARDING DESIGNATION OF OFFICERS AUTHORIZED  
TO ORDER SALE, ASSIGNMENT, TRANSFER, AND/OR  
DELIVERY OF DISTRICT INVESTMENT SECURITIES  
(RAYMOND JAMES FINANCIAL SERVICES, INC., ACCOUNT)**

WHEREAS, the Board of Directors of the East Orange County Water District has adopted the Investment Policy of the District (the “Policy”); and

WHEREAS, the Board of Directors maintains an account with Raymond James Financial Services, Inc. (the “Account”), to provide broker/dealer services as requested with respect to the investment of District funds and the holding of investments in the District’s name, as authorized and directed by the Board and the Treasurer pursuant to and in accordance with the Policy; and

WHEREAS, the Board of Directors desires to revise its designation of officers authorized to order the sale, assignment, transfer, and/or delivery of District investment securities in, to and from the Account;

NOW, THEREFORE, the Board of Directors of the East Orange County Water District DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Richard B. Bell, Douglass S. Davert, John Dulebohn, Seymour Everett, and \_\_\_\_\_ are designated as the officers of the District authorized to order the sale, assignment, transfer, and/or delivery of District investment securities in, to and from the Account in the manner set forth in Section 2 hereof. The Secretary is hereby authorized to certify their signatures, which certification shall be attached as Exhibit "A" hereto and is incorporated herein by this reference, and is further authorized, where required, to certify their signatures upon an appropriate account agreement or card.

Section 2. Signatures of any two (2) of the officers named in Section 1 are required upon any orders for the sale, assignment, transfer, and/or delivery of District investment securities in, to and from the Account.

Section 3. Raymond James Financial Services, Inc., is authorized to honor and act in accordance with any such instruments so signed or endorsed and presented to it.

Section 4. The authorities hereby conferred shall continue in full force until written notice of the revocation thereof by the Board of Directors of this District shall have been received by Raymond James Financial Services, Inc., and the Secretary is hereby authorized to provide to Raymond James Financial Services, Inc., a certified copy of this Resolution.

Section 5. The President, Secretary and each other officer of the District is hereby authorized and directed to execute and deliver account agreements and/or cards, funds transfer agreements, depository or custodial agreements and any and all other documents and instruments necessary to or proper for carrying out the authorities conferred by this Resolution.

Section 6. The Treasurer of the District is directed to include information relating to the Account in his monthly report of investments to this Board of Directors.

Section 7. Resolution No.727 is hereby rescinded, and all other previous signature authorizations given for the Account are hereby rescinded

ADOPTED, SIGNED AND APPROVED this 21<sup>st</sup> day of January, 2016.

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

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

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: COMMITTEE REORGANIZATION**  
**DATE: JANUARY 21, 2016**

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## BACKGROUND

Currently, there three district Standing Committees with Board representation:

- 1) Finance Committee
- 2) Operations, Planning & Personnel Committee
- 3) Engineering Committee

Six district Ad-Hoc Committees:

- 1) Consolidation/Merger/Acquisition<sup>1</sup>
- 2) Local Agency Formation Commission (LAFCO)/Sewer Committee
- 3) Investment Committee
- 4) Antenna Site (Cell Tower) Committee
- 5) MWDOC/MET AMP Committee
- 6) Orange County Water District (OCWD) Committee

Appointments are also made to the following external organizations:

- 1) Independent Special Districts of Orange County (ISDOC)
- 2) Water Advisory Committee of Orange County (WACO)
- 3) Orange County Council of Governments (OCCOG)

See also the table attached to this memorandum that lists the committees and current assignments (made January 15, 2015).

At the last Operations, Planning and Personnel Meeting (held jointly with the Engineering Committee comprised of the same Board Members), staff requested that these two Committees be combined for purposes of efficiency and cost savings. The Committee agreed to recommend this to the Board, however, they also recommended that the meetings be noticed as full Board Meetings in order to provide a vehicle for other Board Members to attend and participate in the discussion should they so desire. Under Brown Act requirements, Board Members can attend Committee Meetings, but only under very strict rules as an observer. In order to participate, the meetings would be full Board Meetings, requiring attendance by the Board Secretary with minutes taken and the payment of Board Meeting fees (assuming other Board Members attend).

The Board may wish to discuss and/or revise the current committee structure.

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<sup>1</sup> The Consolidation Committee was initially formed as an Ad-Hoc Committee and then changed to a Standing Committee in 1998; it lapsed through inattention back into an Ad-Hoc Committee.

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**FISCAL IMPACT**

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Additional Board Secretary fees will be incurred if Committee meetings are expanded to Board Meetings; additional Board Member attendance fees will also be incurred. Total estimated impact could range from a low of \$18,000/year up to more than \$42,000/year, depending upon the number of meetings and number of Board Members in attendance.

**RECOMMENDATION**

The Board consider consolidating the Operations, Planning and Personnel Committee with the Engineering Committee.

**EAST ORANGE COUNTY WATER DISTRICT  
STANDING COMMITTEE APPOINTMENTS  
January 15, 2015**

COMMITTEE, AGENCY, OR GROUP	FREQUENCY	APPOINTMENTS	
		Regular Members or Representatives	Alternate Members or Representatives
Operations, Policy & Personnel Committee **	Monthly	Richard Bell Bill VanderWerff	John Dulebohn
Engineering Committee **	Monthly	Richard Bell Bill VanderWerff	Sy Everett
Finance Committee **	Monthly	John Dulebohn Doug Davert	Bill VanderWerff
Ad Hoc Consolidation/ Merger/ Acquisition Committee	As Needed	Bill VanderWerff Doug Davert	Richard Bell
Ad Hoc Investment Committee	As Needed	Bill Vanderwerff Sy Everett	Doug Davert
Independent Special Districts of OC (ISDOC)	As Needed	John Dulebohn	Sy Everett
Water Advisory Committee of OC (WACO)	As Needed	Bill VanderWerff	Richard Bell
Local Agency Formation Commission (LAFCO)	As Needed	Bill VanderWerff Doug Davert	Sy Everett
ACWA, JPIA, and Insurance Safety	As Needed	Doug Davert	Sy Everett
Municipal Water District (MWDOC) and Metropolitan (MET) for AMP	As Needed	Richard Bell	Bill VanderWerff
Orange County Water District (OCWD)	As Needed	John Dulebohn	Richard Bell
Orange County Council of Governments (OCCOG)	As Needed	Richard Bell	Doug Davert
Antenna Site Leases	As Needed	Doug Davert Sy Everett	Bill VanderWerff
Member Agency Managers	Monthly	General Manager	Staff
Ground Water Producers (OCWD)	Monthly	General Manager	Staff

\*\*Standing Committee. Standing committee members should announce their meetings dates and post their agenda 72 hours before the committee meeting. Wherever possible, committees should meet at least 8 days before a Board meeting so the Board meeting agenda can be prepared properly.

General Manager shall forward meeting dates of agencies to representatives, as needed.

Agency representative shall, when necessary, inform the General Manager of items that should be added to Board agenda for reporting or action to be taken.

**Updated 12 January 2015**

**My Documents / Excell / Standing Committee**



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: PARTICIPATION IN MWDOC WATER LOSS CONTROL PROGRAM**  
**DATE: JANUARY 21, 2016**

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## BACKGROUND

The district is in the process of developing its Urban Water Management Plan to be submitted to the California Department of Water Resources (DWR) by July 1, 2016. A recent addition to the Urban Water Management Planning Act, SB 1420, requires water agencies to complete and report a distribution system water balance in their Urban Water Management Plans. The water balance must utilize the American Water Works Association/International Water Association (AWWA/IWA) water balance methodology as defined in the AWWA M36 manual.

Additionally, SB555 (Wolk) was signed into law, which among other things, requires water agencies to submit a **validated** distribution system water balance to DWR annually by October 1, 2017. While “validated” has not yet been defined, DWR is indicating that a technical expert must be used to confirm the basis of all data used in the water balance and to characterize the quality of the data in the water balance.

To meet these requirements, MWDOC has developed a Water Loss Control Program that will consist of two elements: a “Core” program that will include establishment of an Orange County Water Loss Control Committee, and a “Choice” program that offers member agencies access to expert consultant services that can develop a validated distribution system water balance (water loss audit). This program achieves cost savings by sharing the overhead costs of developing and conducting the water loss audit, and also provides leak location and quantification services at an excellent cost.

Staff met with MWDOC Project Manager Joe Berg to review the services that would be available to EOCWD under this program. He noted that MWDOC has entered into a contract with Water Systems Optimization, Inc. to provide water loss control, water balance (audit), component analysis and leak detection services to all member agencies. The services include:

- Task 1 – Program Management – Consultant oversight of the project along with participation in the OC Water Loss Control Committee.
- Task 2 – Technical Assistance for Preparation of Distribution System Water Audit – The consultant will assist with the preparation of the audit and also provide training to district staff on identifying apparent and real water losses as well as coaching on various software tools available. Consultant will also provide data validation services and assistance in recommending future improvements in audit practices.
- Task 3(a) – Real Losses – Consultant will assist in establishing methods and data requirements to quantify background leakage, unreported leakage and reported leakage and assist with outlining the components of a Real Loss Control Strategy.
- Task 3(b) – Apparent Losses – Consultant will assist in establishing methods and data requirements to quantify customer metering inaccuracies, systematic data handling errors

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and unauthorized consumption, and assist with outlining the components of an Apparent Loss Control Strategy.

2

- Task 4 – Locate and Quantify Leakage – Using acoustic leak detection equipment, the Consultant will comprehensively survey the distribution system for leakage.
- Task 5 – Report Preparation – The consultant will prepare a summary report to document the entire process and the outcome, including recommendations for subsequent year work.

To participate, the district would enter into the attached contract with MWDOC. Staff reviewed this program with the Operations, Planning & Personnel Committee at their January 14<sup>th</sup> meeting and the Committee recommended the Board approve participation in the Program.

### **FISCAL IMPACT**

MWDOC estimates a not-to-exceed cost of \$45,000 for this effort; funding was not included in the capital budget until FY16/17 for this program. If the Board desires to proceed, the FY Capital Improvement Budget 15/16 budget could be amended and the funding obtained from undesignated reserves.

### **RECOMMENDATION**

The Board: 1) Amend the FY 15/16 Capital Improvement Budget to add \$20,000 to Account No. 7900-100-1 and \$25,000 to Account No. 7900-100-2 and, 2) Approve the contract with MWDOC for Water Loss Control Services in an amount not to exceed \$45,000.

## AGREEMENT FOR SHARING CONSULTANT COSTS

THIS AGREEMENT is made and entered into as of January 4, 2016, by and between the Municipal Water District of Orange County ("MWDOC") and

1. City of Anaheim
2. City of Brea
3. Buena Park
4. East Orange County Water District
5. El Toro Water District
6. Emerald Bay Services District
7. City of Fountain Valley
8. City of Fullerton
9. City of Garden Grove
10. Golden State Water Company
11. City of Huntington Beach
12. Irvine Ranch Water District
13. City of La Habra
14. City of La Palma
15. Laguna Beach County Water District
16. Mesa Water District
17. Moulton Niguel Water District
18. City of Newport Beach
19. City of Orange
20. City of San Clemente
21. City of San Juan Capistrano
22. City of Santa Ana
23. Santa Margarita Water District
24. City of Seal Beach
25. Serrano Water District
26. South Coast Water District
27. City of Tustin
28. Trabuco Canyon Water District
29. City of Westminster
30. Yorba Linda Water District

(collectively "Participating Agencies" and individually "Participating Agency"). MWDOC and Participating Agency may be collectively referred to as "Parties" and individually as a "Party."

### RECITALS

- A. MWDOC offers its member agencies ("Member Agencies") the benefits of certain programs called choice services, which are services that MWDOC makes available to Member Agencies that they may elect to participate in or not ("Choice Services").

## Cost Sharing Agreement

- B. If Member Agencies elect to receive Choice Services, they execute a cost sharing agreement with MWDOC that sets forth the terms and conditions for such Choice Services.
- C. The cost sharing component that MWDOC offers allows Member Agencies to obtain economies of scale and save money on such Choice Services.
- D. MWDOC has entered into a professional services agreement with Water Systems Optimization, Inc. ("WSO") for WSO to provide water loss control technical assistance to Member Agencies ("Consultant Agreement").
- E. The water loss control technical assistance involves five tasks, which include project administration and progress reporting, technical assistance for the preparation of distribution system water audits, component analysis – volume and value of real and apparent losses, location and quantification of leaks, and final report preparation ("WSO Services").
- F. Participating Agencies may select tasks from the WSO Services that they want to receive and the selected tasks will be described for each Participating Agency in Exhibit A to this Agreement. For clarity, Exhibit A includes a separate attachment for each Participating Agency that includes the selected tasks, total required payments and costs, and any additional information and requirements that are specific to each Participating Agency. Exhibit A may be periodically updated by letter agreement agreed to and executed by both of the Parties
- G. In addition to the WSO Services as part of the Choice Services, WSO will also assist MWDOC with establishing an Orange County Water Loss Control Committee for the benefit of the Member Agencies. This service is part of MWDOC's Core Services and is not included in this Agreement.
- H. The Parties desire to enter into this Agreement whereby MWDOC will provide project management and coordination assistance and the Participating Agencies will pay MWDOC the cost to receive the WSO Services that each Participating Agency elects to receive.

## TERMS

- 1. Administration of Consultant Agreement
  - 1.1 MWDOC will provide project management assistance in regards to the WSO Services, which includes working closely with and managing WSO to ensure compliance with the WSO Agreement, facilitating interactions between the Participating Agencies and WSO, and communicating regularly with the Participating Agencies regarding the WSO Services as needed.

## Cost Sharing Agreement

- 1.2 MWDOC shall make payments to the Consultant on a time and materials basis per the terms of the Consultant Agreement. A copy of the Consultant Agreement is attached as Exhibit B.
- 1.3 Each Participating Agency shall provide all documents, information and assistance requested by the Consultant during the performance of the Consultant Agreement.
- 1.4 Exhibit A is incorporated into this Agreement by reference and includes a separate attachment for each Participating Agency that includes the selected tasks, total required payments and costs, and any additional information and requirements that are specific to each Participating Agency.
- 1.5 Exhibit A may be updated as Member Agencies execute this Agreement and become Participating Agencies or pursuant to mutual agreement between a respective Participating Agency and MWDOC.

## 2. Cost Sharing by Participating Agencies.

### 2.1 MWDOC shall:

- 2.1.1 Collect from each Participating Agency upon execution of this Agreement the amount indicated in Exhibit A that is specific to each Participating Agency, which is the total cost of the selected WSO Services for each Participating Agency.
- 2.1.2 Inform the Participating Agency or Agencies of any proposed extra work under the Consultant Agreement that would result in an increase in the payments under this Agreement. MWDOC and the Participating Agency or Agencies must both approve such extra work before MWDOC will notify Consultant to proceed with the work.
- 2.1.3 Prepare a final accounting and either distribute any remaining funds collected from Participating Agencies back to the Participating Agencies consistent with the amounts in Exhibit A or issue a final bill to the Participating Agencies where there are funds due.

### 2.2 Participating Agencies shall:

- 2.2.1 Pay to MWDOC upon execution of this Agreement the full amount indicated in Exhibit A that is specific to each respective Participating Agency.
- 2.2.2 Pay to MWDOC, upon approval of any extra work under the Consultant Agreement, the full amount owed for any extra approved work.

## Cost Sharing Agreement

Participating Agencies shall bear all costs associated with extra work they approves.

### 3. Accounting

Upon request of Participating Agencies, MWDOC will provide copies of the Consultant's invoices and MWDOC's payment records.

### 4. Independent Contractor

The Consultant is not a party to this Agreement and is not an employee or agent of MWDOC or any of the Participating Agencies, either as a result of this Agreement or as a result of the Consultant Agreement between MWDOC and the Consultant. The Consultant is an independent contractor to MWDOC.

### 5. Warranty and Indemnification

MWDOC shall use its best efforts in administering the Consultant Agreement, but makes no representations, guarantees or warranties to the Participating Agencies as to the quality or timeliness of work product provided by the Consultant pursuant to the Consultant Agreement. The Participating Agencies agree to indemnify MWDOC, its directors, officers, employees and agents against, and will hold and save them harmless from, any and all actions, claims, penalties, obligations or liabilities, in law or in equity, of every kind or nature whatsoever, that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of or in any manner directly or indirectly connected with the Consultant Agreement or WSO Services provided for the benefit of the Participating Agencies.

### 6. Notice

Any notice or communication required to be given under this Agreement shall be in writing and effective when deposited, first class postage prepaid, with the United States Postal Service addressed to the contracting Parties as follows:

Notices to Parties	
If to:	
1. MWDOC	Robert J. Hunter, General Manager Municipal Water District of Orange County 18700 Ward St. P.O. Box 20895 Fountain Valley, CA 92728

## Cost Sharing Agreement

Notices to Parties	
2. City of Anaheim	Paul Emery, City Manager City of Anaheim City Hall East, 200 S. Anaheim Blvd. Anaheim, CA 92805
3. City of Brea	Tom O'Donnell, City Manager City of Brea 1 Civic Center Circle Brea, CA 92821
4. City of Buena Park	Rick Warsinski, City Manager City of Buena Park 6650 Beach Blvd. Buena Park, CA 90622
5. East Orange County Water District	Lisa Ohlund, General Manager East Orange County Water District 185 N. McPherson Rd. Orange, CA 92869
6. El Toro Water District	Robert Hill, General Manager El Toro Water District P.O. Box 4000 Laguna Hills, CA 92654
7. Emerald Bay Services District	Mike Dunbar, General Manager Emerald Bay Services District 600 Emerald Bay Laguna Beach, CA 92651
8. City of Fountain Valley	Bob Hall, City Manager City of Fountain Valley 10200 Slater Avenue Fountain Valley, CA 92708
9. City of Fullerton	Donald Hoppe, Director of Engineering City of Fullerton 303 W. Commonwealth Avenue Fullerton, CA 92832-1775
10. City of Garden Grove	Matthew Fertal, City Manager City of Garden Grove P.O. Box 3070 Garden Grove, CA 92842
11. Golden State Water Company	Ken Vecchiarelli, P.E. Orange County District Manager Golden State Water Company 1920 W. Corporate Way Anaheim, CA 92801
12. City of Huntington Beach	Fred Wilson, City Manager City of Huntington Beach 2000 Main Street Huntington Beach, CA 92648

## Cost Sharing Agreement

Notices to Parties	
13. Irvine Ranch Water District	Paul Cook, General Manager Irvine Ranch Water District P.O. Box 57000 Irvine, CA 92619-7000
14. City of La Habra	Don Hannah, City Manager City of La Habra P.O. Box 337 La Habra, CA 90633-0337
15. City of La Palma	Dominic Lazzaretto, City Manager City of La Palma 7822 Walker Street La Palma, CA 90623
16. Laguna Beach County Water District	Renae Hinchey, General Manager Laguna Beach County Water District P.O. Box 987 Laguna Beach, CA 92652
17. Mesa Water District	Paul Shoenberger, General Manager Mesa Water District 1965 Placentia Avenue Costa Mesa, CA 92627-3420
18. Moulton Niguel Water District	Joone Lopez, General Manager Moulton Niguel Water District 27500 La Paz Road P.O. Box 30203 Laguna Niguel, CA 92607-0203
19. City of Newport Beach	Dave Kiff, City Manager City of Newport Beach P.O. Box 1768 Newport Beach, CA 92663
20. City of Orange	John Sibley, City Manager City of Orange P.O. Box 449 Orange, CA 92866
21. City of San Clemente	James Makshanoff, City Manager City of San Clemente 100 Avenida Presidio San Clemente, CA 92672
22. City of San Juan Capistrano	Karen Brust, City Manager City of San Juan Capistrano 32400 Paseo Adelanto San Juan Capistrano, CA 92675
23. City of Santa Ana	David Ream, City Manager City of Santa Ana P.O. Box 1988, M-24 Santa Ana, CA 92702



## Cost Sharing Agreement

Notices to Parties	
24. Santa Margarita Water District	Dan Ferons, General Manager Santa Margarita Water District P.O. Box 7005 Mission Viejo, CA 92690
25. City of Seal Beach	Jill R. Ingram, City Manager City of Seal Beach 211 8 <sup>th</sup> Street Seal Beach, CA 90740
26. Serrano Water District	Jerry Vilander, General Manager Serrano Water District 18021 Lincoln Street Villa Park, CA 92861-6446
27. South Coast Water District	Andrew Brunhart, General Manager South Coast Water District 31592 West Street Laguna Beach, CA 92651
28. City of Tustin	Jeffrey Parker, City Manager City of Tustin 300 Centennial Way Tustin, CA 92780
29. Trabuco Canyon Water District	Hector Ruiz, General Manager Trabuco Canyon Water District 32003 Dove Canyon Drive Trabuco Canyon, CA 92679
30. City of Westminster	Eddie Manfro, City Manager City of Westminster 8200 Westminster Blvd. Westminster, CA 92683
31. Yorba Linda Water District	Marc Marcantonio, General Manager Yorba Linda Water District 1717 E. Miraloma Placentia, CA 92870

### 7. Jurisdiction and Venue

In all matters concerning the validity, interpretation, performance, or effect of this Agreement, the laws of the State of California shall govern and be applicable. The Parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Orange County, California.

### 8. Joint Drafting

All parties have participated in the drafting of this Agreement. The Agreement may be signed in counterpart to facilitate processing.

## Cost Sharing Agreement

### 9. Severability

If any provision of this Agreement shall be held illegal, invalid, or unenforceable, in whole or in part, the legality, validity, and enforceability of the remaining provisions shall not be affected thereby.

### 10. Entire Agreement

This Agreement contains the entire agreement of the Parties relating to the subject matter hereof; and the Parties have made no agreements, representations, or warranties, either written or oral, relating to the subject matter hereof that are not set forth herein. Except as provided herein, this Agreement may not be modified or altered without prior written approval from both parties.

IN WITNESS WHEREOF, the Parties have hereunto affixed their names as of the day and year thereafter written, which shall be and is the effective date of This Agreement.

Execution of Agreement by Parties	
1. MWDOC	<p>Date _____</p> <p>By: _____ Robert J. Hunter, General Manager Municipal Water District of Orange County</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ Joseph Byrne General Counsel</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
2. City of Anaheim	<p>Date _____</p> <p>By: _____ Paul Emery, City Manager City of Anaheim</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>
3. City of Brea	<p>Date _____</p> <p>By: _____ Bill Gallardo, City Manager City of Brea</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
4. City of Buena Park	<p>Date _____</p> <p>By: _____ James Vanderpool, City Manager City of Buena Park</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>
5. East Orange County Water District	<p>Date _____</p> <p>By: _____ Lisa Ohlund, General Manager East Orange County Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>General Counsel</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
6. El Toro Water District	<p>Date _____</p> <p>By: _____ Robert Hill, General Manager El Toro Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ General Counsel</p>
7. Emerald Bay Services District	<p>Date _____</p> <p>By: _____ Mike Dunbar, General Manager</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ General Counsel</p>
8. City of Fountain Valley	<p>Date _____</p> <p>By: _____ Bob Hall, City Manager City of Fountain Valley</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
9. City of Fullerton	<p>Date _____</p> <p>By: _____ Donald Hoppe, Director of Engineering City of Fullerton</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>
10. City of Garden Grove	<p>Date _____</p> <p>By: _____ Scott C Stiles, City Manager City of Garden Grove</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>
11. Golden State Water Company	<p>Date _____</p> <p>By: _____</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
12. City of Huntington Beach	<p>Date _____</p> <p>By: _____ Fred Wilson, City Manager City of Huntington Beach</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>
13. Irvine Ranch Water District	<p>Date _____</p> <p>By: _____ Paul Cook, General Manager Irvine Ranch Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>General Counsel</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
14. City of La Habra	<p>Date _____</p> <p>By: _____ Jim Sadro, City Manager City of La Habra</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>
15. City of La Palma	<p>Date _____</p> <p>By: _____ Ellen Volmert, City Manager City of La Palma</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>



## Cost Sharing Agreement

Execution of Agreement by Parties	
16. Laguna Beach County Water District	<p>Date _____</p> <p>By: _____ Renaë Hinchey, General Manager Laguna Beach County Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ General Counsel</p>
17. Mesa Water District	<p>Date _____</p> <p>By: _____ Paul Shoenberger, General Manager Mesa Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ General Counsel</p>
18. Moulton Niguel Water District	<p>Date _____</p> <p>By: _____ Joone Lopez, General Manager Moulton Niguel Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ General Counsel</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
19. City of Newport Beach	<p>Date _____</p> <p>By: _____ Dave Kiff, City Manager City of Newport Beach</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>
20. City of Orange	<p>Date _____</p> <p>By: _____ Rick Otto, City Manager City of Orange</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
21. City of San Clemente	<p>Date _____</p> <p>By: _____ James Makshanoff, City Manager City of San Clemente</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>
22. City of San Juan Capistrano	<p>Date _____</p> <p>By: _____ Keith Till, City Manager City of San Juan Capistrano</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
23. City of Santa Ana	<p>Date _____</p> <p>By: _____ David Cavazos, City Manager City of Santa Ana</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>
24. Santa Margarita Water District	<p>Date _____</p> <p>By: _____ Dan Ferons, General Manager Santa Margarita Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ General Counsel</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
25. City of Seal Beach	<p>Date _____</p> <p>By: _____ Jill R. Ingram, City Manager City of Seal Beach</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>City Attorney</p>
26. Serrano Water District	<p>Date _____</p> <p>By: _____ Jerry Vilander, General Manager Serrano Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____</p> <p>General Counsel</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
27. South Coast Water District	<p>Date _____</p> <p>By: _____ Andrew Brunhart, General Manager South Coast Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ Art Kidman</p>
28. City of Tustin	<p>Date _____</p> <p>By: _____ Jeffrey Parker, City Manager City of Tustin</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
29. Trabuco Canyon Water District	<p>Date _____</p> <p>By: _____ Hector Ruiz, General Manager Trabuco Canyon Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>
30. City of Westminster	<p>Date _____</p> <p>By: _____ Eddie Manfro, City Manager City of Westminster</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ City Attorney</p>

## Cost Sharing Agreement

Execution of Agreement by Parties	
31. Yorba Linda Water District	<p>Date _____</p> <p>By: _____ Marc Marcantonio, General Manager Yorba Linda Water District</p> <p>Approved as to Form:</p> <p>Date _____</p> <p>By: _____ General Counsel</p>



## Cost Sharing Agreement

### Exhibit A

<b>Participating Agency: _____</b> <b>Cost Sheet for Selected Water Loss Control Services</b> <b>from Water Systems Optimization, Inc.</b>	
Tasks:	Selected Water Loss Control Services
Task 1b & 1c – Project Administration and Progress Reporting	\$1,672
Task 2 – Technical Assistance for Preparation of “Top-Down” Distribution System Water Audits (Range = \$3,560 - \$6,620)	\$ _____
Task 3 – Component Analysis: Volume and Value of Real and Apparent Losses (Range = \$17,600 - \$29,700)	\$ _____
Task 4 – Locate and Quantify Leaks 25 – 50 miles = \$400/mile 50 – 100 miles = \$350/mile 101+ miles = \$300/mile	Miles = _____ \$ _____
Task 5 – Report Preparation (Range = \$4,200 - \$8,400)	\$ _____
Total:	\$ _____

This Cost Sheet may be updated upon mutual consent of the parties as indicated in writing.

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

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

By: \_\_\_\_\_

By: \_\_\_\_\_

Robert J. Hunter, General Manager

Print Name: \_\_\_\_\_

Municipal Water District of Orange County

Participating Agency: \_\_\_\_\_

**Exhibit B**

**Consultant Agreement between MWDOC and Water Systems Optimization, Inc.**

**Provided Separately**

## STANDARD AGREEMENT FOR CONSULTANT SERVICES

This **AGREEMENT** for consulting services dated December 3, 2015, which includes all exhibits and attachments hereto, "**AGREEMENT**" is made on the last day executed below by and between **MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**, hereinafter referred to as "**DISTRICT**," and, **WATER SYSTEM OPTIMIZATION, INC.** hereinafter referred to as "**CONSULTANT**" for water loss control system technical services, including retail water agency distribution system audits, component analysis, and leak detection, hereinafter referred to as "**SERVICES**."<sup>1</sup> **DISTRICT** and **CONSULTANT** are also referred to collectively herein as the "**PARTIES**" and individually as "**PARTY**". The **PARTIES** agree as follows:

### **I      PURPOSE AND SCOPE OF WORK**

#### **A.      Consulting Work**

**DISTRICT** hereby contracts with **CONSULTANT** to provide general or special **SERVICES** as more specifically set forth in **Exhibit "B"** attached hereto and incorporated herein. Tasks other than those specifically described therein shall not be performed without prior written approval of **DISTRICT's** General Manager.

#### **B.      Independent Contractor**

**CONSULTANT** is retained as an independent contractor for the sole purpose of rendering professional and/or special **SERVICES** described herein and is not an agent or employee of **DISTRICT**. **CONSULTANT** shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance **CONSULTANT**, as an independent contractor, is responsible for paying under federal, state or local law. **CONSULTANT** is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS. Unless, expressly provided herein, **CONSULTANT** is not eligible to receive overtime, vacation or sick pay. **CONSULTANT** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **DISTRICT**. **CONSULTANT** shall have the sole and absolute discretion in determining the methods, details and means of performing the **SERVICES** required by **DISTRICT**. **CONSULTANT** shall furnish, at his/her own expense, all labor, materials, equipment and transportation necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **DISTRICT** shall not have any right to direct the methods, details and means of the **SERVICES**; however, **CONSULTANT** must receive prior written approval from **DISTRICT** before using any sub-consultants for **SERVICES** under this **AGREEMENT**.

**CONSULTANT** represents and warrants that in the process of hiring **CONSULTANT's** employees who participate in the performance of **SERVICES**, **CONSULTANT** conducts such lawful screening of those employees (including, but not limited to, background checks and Megan's Law reviews) as are appropriate and standard for employees who provide **SERVICES** of the type contemplated by this Agreement.

#### **C.      Changes in Scope of Work**

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<sup>1</sup> Pursuant to Section 8002 of the District's Administrative Code, the District's "Ethics Policy" set forth at sections 7100-7111 of the Administrative Code is attached hereto as Exhibit "A" and incorporated herein by this reference.

If **DISTRICT** requires changes in the tasks or scope of work shown in **Exhibit "B"** or additional work not specified therein, **DISTRICT** shall prepare a written change order. If **CONSULTANT** believes work or materials are required outside the tasks or scope of work described in **Exhibit "B,"** it shall submit a written request for a change order to the **DISTRICT**. A change order must be approved and signed by the **PARTIES** before **CONSULTANT** performs any work outside the scope of work shown in **Exhibit "B."** **DISTRICT** shall have no responsibility to compensate **CONSULTANT** for such work without an approved and signed change order. Change orders shall specify the change in the budgeted amount for **SERVICES**.

## **II      TERM**

This **AGREEMENT** shall commence upon the date of its execution and shall extend thereafter for the period specified in **Exhibit "B"** or until terminated on thirty (30) days notice as provided herein.

## **III      BUDGET, FEES, COSTS, BILLING, PAYMENT AND RECORDS**

### **A.      Budgeted Amount for SERVICES**

**CONSULTANT** is expected to complete all **SERVICES** within the Budgeted Amount set forth on **Exhibit "B."** The total compensation for the **SERVICES** to be performed under this **AGREEMENT** shall not exceed the Budgeted Amount unless modified as provided herein. Upon invoicing the **DISTRICT** 80% of the Budgeted Amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining **SERVICES**. The **PARTIES** shall work together to complete the project within the agreed-upon Budgeted Amount, but the obligation to complete the **SERVICES** within the Budgeted Amount lies with the **CONSULTANT**.

### **B.      Fees**

Fees shall be billed per the terms and conditions and at the rates set forth on **Exhibit "B"** for the term of the **AGREEMENT**. Should the term of the **AGREEMENT** extend beyond the period for which the rates are effective, the rates specified in **Exhibit "B"** shall continue to apply unless and until modified by consent of the **PARTIES**.

### **C.      Work and Payment Restriction**

**CONSULTANT** shall not perform any work pursuant to this **AGREEMENT** on behalf of or for the benefit of a member agency of the **DISTRICT** unless an executed agreement exists between the **DISTRICT** and the member agency of the **DISTRICT** for the provision of such **SERVICES**. **CONSULTANT** will not be paid pursuant to this Agreement for any work performed on behalf of or for the benefit of a member agency of the **DISTRICT** unless an executed agreement exists between the **DISTRICT** and the member agency of the **DISTRICT** for the provision of such **SERVICES**, and **CONSULTANT** will only be paid consistent with the amount in such agreement.

### **D.      Notification Clause**

Formal notices, demands and communications to be given hereunder by either **PARTY** shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing. If the name or address of the person to whom notices, demands or

communication shall be given changes, written notice of such change shall be given, in accordance with this section, within five(5) working days.

**Notices shall be made as follows:**

Municipal Water District of Orange County  
Joseph M. Berg  
Director of Water Use Efficiency  
18700 Ward Street, P.O. Box 20895  
Fountain Valley, CA 92708

Water Systems Optimization, Inc.  
Reinhardt Sturm  
Chief Operating Officer  
290 Division Street, Suite 311  
San Francisco, CA 94103

**E. Billing and Payment**

**CONSULTANT's** fees shall be billed by the 25<sup>th</sup> day of the month and paid by **DISTRICT** on or before the 15<sup>th</sup> of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**. All invoices in connection with the Water Loss Control Program, as set forth in **Exhibit "B"**, must be specific to an individual **DISTRICT** member agency and must include a breakdown of services by task.

**DISTRICT** shall review and approve all invoices prior to payment. **CONSULTANT** agrees to submit additional supporting documentation to support the invoice if requested by **DISTRICT**. If **DISTRICT** does not approve an invoice, **DISTRICT** shall send a notice to **CONSULTANT** setting forth the reason(s) the invoice was not approved. **CONSULTANT** may re-invoice **DISTRICT** to cure the defects identified in the **DISTRICT** notice. The revised invoice will be treated as a new submittal. If **DISTRICT** contests all or any portion of an invoice, **DISTRICT** and **CONSULTANT** shall use their best efforts to resolve the contested portion of the invoice.

**F. Billing Records**

**CONSULTANT** shall keep records of all **SERVICES** and costs billed pursuant to this **AGREEMENT** for at least a period of seven (7) years and shall make them available for review and audit if requested by **DISTRICT**.

**IV DOCUMENTS**

All **MATERIALS** as defined in Paragraph XI below, related to **SERVICES** performed under this **AGREEMENT** shall be furnished to **DISTRICT** upon completion or termination of this **AGREEMENT**, or upon request by **DISTRICT**, and are the property of **DISTRICT**.

**V TERMINATION**

Each **PARTY** may terminate this **AGREEMENT** at any time upon thirty (30) days written notice to the other **PARTY**, except as provided otherwise in **Exhibit "B."** In the event of termination: (1) all work product prepared by or in custody of **CONSULTANT** shall be promptly delivered to **DISTRICT**; (2) **DISTRICT** shall pay **CONSULTANT** all payments due under this **AGREEMENT** at the effective date of termination; (3) **CONSULTANT** shall promptly submit a final invoice to the **DISTRICT**, which shall include any and all non-cancelable obligations owed by **CONSULTANT** at the time of termination, (4) neither **PARTY** waives any claim of any nature whatsoever against the other for any breach of this **AGREEMENT**; (5) **DISTRICT** may withhold 125 percent of the estimated value of any disputed amount pending resolution of the dispute, consistent with the provisions of section III D above, and; (6) **DISTRICT** and **CONSULTANT** agree to exert their best efforts to expeditiously resolve any dispute between the **PARTIES**.

## **VI     INSURANCE REQUIREMENTS**

**CONSULTANT** shall obtain prior to commencing work and maintain in force and effect throughout the term of this **AGREEMENT**, all insurance set forth below.

### **A.     Workers' Compensation Insurance**

By his/her signature hereunder, **CONSULTANT** certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that **CONSULTANT** will comply with such provisions before commencing the performance of the **SERVICES** under this **AGREEMENT**.

**CONSULTANT** and sub-consultant will keep workers' compensation insurance for their employees in effect during all work covered by this **AGREEMENT**. An ACORD certificate of insurance or other certificate of insurance satisfactory to **DISTRICT**, evidencing such coverage must be provided (1) by **CONSULTANT** and (2) by sub-consultant's upon request by **DISTRICT**.

### **B.     Professional Liability Insurance**

**CONSULTANT** shall file with **DISTRICT**, before beginning professional **SERVICES**, an ACORD certificate of insurance, or any other certificate of insurance satisfactory to **DISTRICT**, evidencing professional liability coverage of not less than \$1,000,000 per claim and \$1,000,000 aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to **DISTRICT**.

Such coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalent. The retroactive date (if any) of such insurance coverage shall be no later than the effective date of this **AGREEMENT**. In the event that the **CONSULTANT** employs sub-consultants as part of the **SERVICES** covered by this **AGREEMENT**, **CONSULTANT** shall be responsible for requiring and confirming that each sub-consultant meets the minimum insurance requirements specified herein.

### **C.     Other Insurance**

**CONSULTANT** will file with **DISTRICT**, before beginning professional **SERVICES**, ACORD certificates of insurance, or other certificates of insurance satisfactory to **DISTRICT**, evidencing general liability coverage of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage; automobile liability (owned, scheduled, non-owned or hired) of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to **DISTRICT**. For the coverage required under this paragraph, the insurer(s) shall waive all rights of subrogation against **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers, and against each member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers. **CONSULTANT's** insurance coverage shall be primary insurance as respects **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and volunteers, and each member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers, for all liability arising out of the activities performed by or on behalf of the **CONSULTANT**. Any insurance pool coverage, or self-

insurance maintained by **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers, or any member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers, shall be excess of the **CONSULTANT's** insurance and shall not contribute to it.

The general liability coverage shall give **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and authorized volunteers, and each member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers, additional insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalents. In the event that the **CONSULTANT** employs sub-consultant as part of the work covered by the **AGREEMENT**, it shall be the **CONSULTANT's** responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified herein.

#### D. **Expiration of Coverage**

If any of the required coverages expire during the term of the **AGREEMENT**, **CONSULTANT** shall deliver the renewal certificate(s) including the general liability additional insured endorsement to **DISTRICT** at least ten (10) days prior to the expiration date.

### VII **INDEMNIFICATION**

To the fullest extent permitted by applicable law, **CONSULTANT** shall indemnify, defend and hold harmless **DISTRICT**, its officers, Directors and employees and authorized volunteers, and each of them, and each member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers, and each of them, from and against:

- a. When the law establishes a professional standard of care for the **CONSULTANT's** services, all claims and demands of all persons that arise out of, pertain to, or relate to the **CONSULTANT's** negligence, recklessness or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. **CONSULTANT** shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of **CONSULTANT's** performance or non-performance of the **SERVICES** hereunder, and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of **CONSULTANT**.
- c. Any and all losses, expenses, damages (including damages to the work itself), attorney's fees incurred by counsel of the **DISTRICT's** choice and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of **CONSULTANT** to faithfully perform the work and all of the **CONSULTANT's** obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by counsel of the **DISTRICT's** choice, incurred by the indemnified parties in any lawsuit to which they are a party.

**CONSULTANT** shall immediately defend, at **CONSULTANT's** own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against **DISTRICT** or its directors, officers, employees, or authorized

volunteers, or a member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers, with legal counsel reasonably acceptable to **DISTRICT**, and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers, or, a member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers.

**CONSULTANT** shall immediately pay and satisfy any judgment, award or decree that may be rendered against **DISTRICT** or its directors, officers, employees, or authorized volunteers, or a member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers, in any and all such suits, actions, or other legal proceedings.

**CONSULTANT** shall immediately reimburse **DISTRICT** or its directors, officers, employees, or authorized volunteers, or a member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing indemnity herein provided.

**CONSULTANT's** obligation to indemnify shall survive the termination or completion of this agreement for the full period of time allowed by law and shall not be restricted to insurance proceeds, if any, received by **DISTRICT**, or its directors, officers, employees, or authorized volunteers, or a member agency of **DISTRICT**, its officers, Directors and employees and authorized volunteers.

## **VIII FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST**

Although **CONSULTANT** is retained as an independent contractor, **CONSULTANT** may still be required, under the California Political Reform Act and **DISTRICT's** Administrative Code, to file annual disclosure reports. **CONSULTANT** agrees to file such financial disclosure reports upon request by **DISTRICT**. Further, **CONSULTANT** shall file the annual summary of gifts required by Section 7105 of the **DISTRICT's** Ethics Policy, attached hereto as **Exhibit "A."**

Failure to file financial disclosure reports upon request and failure to file the required gift summary are grounds for termination of this **AGREEMENT**. Any action by **CONSULTANT** that is inconsistent with **DISTRICT's** Ethics Policy current at the time of the action is grounds for termination of this **AGREEMENT**. The Ethics Policy as of the date of this **AGREEMENT** is attached hereto as **Exhibit "A."**

## **IX PERMITS AND LICENSES**

**CONSULTANT** shall procure and maintain all permits, licenses and other government-required certification necessary for the performance of its **SERVICES**, all at the sole cost of **CONSULTANT**. None of the items referenced in this section shall be reimbursable to **CONSULTANT** under the **AGREEMENT**. **CONSULTANT** shall comply with any and all applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.

## **X LABOR AND MATERIALS**

**CONSULTANT** shall furnish, at its own expense, all labor, materials, equipment, tools, transportation and other items or services necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **CONSULTANT** shall give its full attention and supervision to the fulfillment of the provisions of this **AGREEMENT** by its employees and sub-consultant and shall be responsible for the timely performance of the **SERVICES** required by this **AGREEMENT**. All compensation for **CONSULTANT's SERVICES** under this **AGREEMENT** shall be pursuant to **Exhibit "B"** to the **AGREEMENT**.



Only those **SERVICES**, materials, administrative, overhead and travel expenses specifically listed in **Exhibit "B"** will be charged and paid. No other costs will be paid. **CONSULTANT** agrees not to invoice **DISTRICT** for any administrative expenses, overhead or travel time in connection with the **SERVICES**, **unless agreed upon and listed in Exhibit "B"**.

## **XI      CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE**

### **A.      Confidential Nature of Materials**

**CONSULTANT** understands that all documents, records, reports, data, or other materials (collectively "**MATERIALS**") provided by **DISTRICT** to **CONSULTANT** pursuant to the **AGREEMENT**, including but not limited to draft reports, final report(s) and all data, information, documents, graphic displays and other items that are not proprietary to **CONSULTANT** and that are utilized or produced by **CONSULTANT** pursuant to the **AGREEMENT** are to be considered confidential for all purposes.

### **B.      No Disclosure of Confidential Materials**

**CONSULTANT** shall be responsible for protecting the confidentiality and maintaining the security of **DISTRICT MATERIALS** and records in its possession. All **MATERIALS** shall be deemed confidential and shall remain the property of **DISTRICT**. **CONSULTANT** understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or sub-consultants will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, or other materials except as provided herein or as authorized, in writing, by **DISTRICT's** representative. **CONSULTANT** agrees not to make use of such **MATERIALS** for any purpose not related to the performance of the **SERVICES** under the **AGREEMENT**. **CONSULTANT** shall not make written or oral disclosures thereof, other than as necessary for its performance of the **SERVICES** hereunder, without the prior written approval of **DISTRICT**. Disclosure of confidential **MATERIALS** shall not be made to any individual, agency, or organization except as provided for in the **AGREEMENT** or as provided for by law.

### **C.      Protections to Ensure Control Over Materials**

All confidential **MATERIALS** saved or stored by **CONSULTANT** in an electronic form shall be protected by adequate security measures to ensure that such confidential **MATERIALS** are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this section survive the termination or completion of the **AGREEMENT**.

## **XII      OWNERSHIP OF DOCUMENTS AND DISPLAYS**

All original written or recorded data, documents, graphic displays, reports or other **MATERIALS** which contain information relating to **CONSULTANT's** performance hereunder and which are originated and prepared for **DISTRICT** pursuant to the **AGREEMENT** are instruments of service and shall become the property of **DISTRICT** upon completion or termination of the Project. **CONSULTANT** hereby assigns all of its right, title and interest therein to **DISTRICT**, including but not limited to any copyright interest. In addition, **DISTRICT** reserves the right to use, duplicate and disclose in whole, or in part, in any manner and for any

purpose whatsoever all such data, documents, graphic displays, reports or other **MATERIALS** delivered to **DISTRICT** pursuant to this **AGREEMENT** and to authorize others to do so.

To the extent that **CONSULTANT** utilizes any of its property (including, without limitation, any hardware or software of **CONSULTANT** or any proprietary or confidential information of **CONSULTANT** or any trade secrets of **CONSULTANT**) in performing **SERVICES** hereunder, such property shall remain the property of **CONSULTANT**, and **DISTRICT** shall acquire no right or interest in such property.

**CONSULTANT** hereby assigns to **DISTRICT** or **DISTRICT's** designee, for no additional consideration, all **CONSULTANT's** intellectual property rights, including, but not limited to, copyrights, in all deliverables and other works prepared by the **CONSULTANT** under this agreement. **CONSULTANT** shall, and shall cause its employees and agents to, promptly sign and deliver any documents and take any actions that **DISTRICT** or **DISTRICT's** designee reasonably requests to establish and perfect the rights assigned to **DISTRICT** or its designee under this provision.

### **XIII EQUAL OPPORTUNITY**

**DISTRICT** is committed to a policy of equal opportunity for all and to providing a work environment that is free of unlawful discrimination and harassment. In keeping with this commitment, **DISTRICT** maintains a policy prohibiting unlawful discrimination and harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, sex, sexual orientation, veteran status or age by officials, employees and non-employees (vendors, contractors, etc.).

This policy applies to all employees, consultants and contractors of the **DISTRICT**. Appropriate corrective action will be taken against all offenders, up to and including immediate discharge or termination of this **AGREEMENT**. During, and in conjunction with, the performance of this **AGREEMENT**, **CONSULTANT** shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin.

### **XIV INTEGRATION OF ALL OTHER AGREEMENTS**

This **AGREEMENT**, including any Exhibits and Addenda, contains the entire understanding of the **PARTIES**, and there are no further or other agreements or understandings, written or oral, in effect between the **PARTIES** hereto relating to the subject matter hereof. Any prior understanding or agreement of the **PARTIES** shall not be binding unless expressly set forth herein and, except to the extent expressly provided for herein, no changes of this **AGREEMENT** may be made without the written consent of both **PARTIES**.

### **XV ATTORNEYS' FEES**

In any action at law or in equity to enforce any of the provisions or rights under this **AGREEMENT**, the prevailing **PARTY** shall be entitled to recover from the unsuccessful **PARTY** all costs, expenses and reasonable attorney's fees incurred therein by the prevailing **PARTY** (including, without limitations, such costs, expense and fees on any appeals), and if such prevailing **PARTY** shall recover judgment in any such action or proceeding, such costs, expenses, including those of expert witnesses and attorneys' fees, shall be included as part of this judgment.


**IN WITNESS WHEREOF**, the **PARTIES** have hereunto affixed their names as of the day and year thereafter, which shall be and is the effective date of this **AGREEMENT**.

**APPROVED BY:**

  
Date 12-8-15

Robert Hunter, General Manager  
Municipal Water District of Orange County  
18700 Ward Street, P.O. Box 20895  
Fountain Valley, CA 92708  
(714) 963-3058

**CONSULTANT ACCEPTANCE:**

  
Date 12-03-2015

Reinhardt Sturm, Chief Operating Officer  
Water Systems Optimization, Inc.  
290 Division Street, Suite 311  
San Francisco, CA 94103  
Phone: (415) 538-8641  
Tax I.D. # 75-3055233

**Internal Use Only:**

Program No. \_\_\_\_\_

Line Item: \_\_\_\_\_

Funding Year: \_\_\_\_\_

Contract Amt.: \_\_\_\_\_

Purchase Order # \_\_\_\_\_

## EXHIBIT "A"

<b>ETHICS POLICY</b>	<b>§7100-§7111</b>
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### **§7100 PURPOSE**

The policy of MWDOC is to maintain the highest standards of ethics from its Board members, officers and employees (all shall be referred to as employees for the purposes of this section). The proper operation of MWDOC requires decisions and policy to be made in the proper manner, that public office not be used for personal gain, and that all individuals associated with MWDOC remain impartial and responsible toward the public. Accordingly, all employees are expected to abide by the highest ethical standards and integrity when dealing on behalf of MWDOC with fellow Board members or employees, vendors, contractors, customers, and other members of the public.

### **§7101 RESPONSIBILITIES OF BOARD MEMBERS**

Board members are obliged to uphold the Constitution of the United States and the Constitution of the State of California and shall comply with all applicable laws regulating Board member conduct, including conflicts of interest and financial disclosure laws. No Board member or officer shall grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in the same circumstances.

### **§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES**

Except as specifically authorized, no employee shall use or remove or permit the use or removal of MWDOC property, including MWDOC vehicles, equipment, telephones, office supplies, and materials for personal convenience or profit. No employee shall require another MWDOC employee to perform services for the personal convenience or profit of another employee. Each employee must protect and properly use any MWDOC asset within his/her control, including information recorded on paper or in electronic form. Employees shall safeguard MWDOC property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

Employees are responsible for maintaining written records, including expense reports, in sufficient detail to reflect accurately and completely all transactions and expenditures made on MWDOC's behalf. Creating a document with misleading or false information is prohibited.

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Motion - 1/17/96;

### **§7103 CONFLICT OF INTEREST**

All MWDOC Directors, officers, and employees at every level shall comply with the requirements of Section 1090 of the California Government Code which prohibits such persons from being financially interested in any contract made by them in their official capacity, or by anybody or board of which they are members, or from being a purchaser at any sale or a vendor at any purchase made by them in their official capacity.

All Directors and employees designated under MWDOC's Conflict of Interest Code ("designated employees") and employees required to report under Chapter 7, Article 2 of the Political Reform Act (Government Code Section 7300 et seq.) shall promptly and fully comply with all requirements thereof.

MWDOC employees who are not designated employees under MWDOC's Conflict of Interest Code shall refrain from participating in, making a recommendation, or otherwise attempting to influence MWDOC's selection of a contractor, consultant, product, or source of supply if the non-designated employee, or an immediate family member, has a direct or indirect financial interest in the outcome of the selection process. No employee shall use his/her position with MWDOC in any manner for the purpose of obtaining personal favors, advantages or benefits for him/herself or an immediate family member from a person or entity doing business or seeking to do business with MWDOC. Such favors, advantages, or benefits would include, but are not limited to: 1) offers of employment; 2) free or discounted goods or services; or 3) gifts.

#### **§7104 GIFTS**

No employee shall accept, directly or indirectly, any compensation, reward or gift from any source except from MWDOC, for any action related to the conduct of MWDOC business, except as set forth below:

1. Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a breakfast, luncheon or dinner meeting or other meeting or on an inspection tour where the arrangements are consistent with the transaction of official business.\*
2. Acceptance of transportation, lodging, meals or refreshments, in connection with attendance at widely attended gatherings sponsored by industrial, technical or professional organizations; or in connection with attendance at public ceremonies or similar activities financed by nongovernmental sources where the employee's participation on behalf of MWDOC is the result of an invitation addressed to him or her in his/her official capacity, and the transportation, lodging, meals or refreshment accepted is related to, and is in keeping with, his/her official participation.\*
3. Acceptance of unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, or other items of nominal value.\*
4. Acceptance of plaques and commemorative mementoes, of nominal value, or of value only to the recipient, such as service pins, recognition awards, retirement mementoes.
5. Acceptance of incidental transportation from a private organization provided it is furnished in connection with an employee's official duties and is of the type customarily provided by the private organization.

\* Nothing herein shall be deemed to relieve any Director or designated employee from reporting the value of such meals, transportation, lodging or gifts and abstaining from participation in any decision of MWDOC which could foreseeably have a material financial effect on the donor when the value of such gifts reaches the limits set forth in MWDOC's Conflict of Interest Code and the Political Reform Act.

In no event shall any employee accept gifts from any single source, the cumulative value of which exceeds the applicable gift limit under California law.

A gift or gratuity, the receipt of which is prohibited under this section, shall be returned to the donor. If return is not possible, the gift or gratuity shall be turned over to a public or charitable institution without being claimed as a charitable deduction and a report of such action and the reasons why return was not feasible shall be made on MWDOC records. When possible, the donor also shall be informed of this action.

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Motion - 1/17/96;

## **§7105 PERSONS OR COMPANIES REPORTING GIFTS**

All persons and companies doing business with MWDOC, with the exception of public agencies, shall submit a summary, by January 31 of each calendar year, of all gifts claimed for internal vendor audits (including meals) made to, or on behalf of, employees or Directors of MWDOC, or their immediate family members, that have occurred in the normal course of business during the previous calendar year. Failure to provide this information to MWDOC may result in the termination of MWDOC business with that person or company.

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Motion - 7/21/93; Motion - 8/18/93;

## **§7106 USE OF CONFIDENTIAL INFORMATION**

Confidential information (i.e., information which is exempt from disclosure under the California Public Records Act) shall not be released to unauthorized persons unless the disclosure is approved by the Board, President of the Board, or General Manager. Employees are prohibited from using any confidential information for personal advantage or profit.

## **§7107 POLITICAL ACTIVITIES**

Employees are free to endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC.

## **§7108 IMPROPER ACTIVITIES**

Employees shall not interfere with the proper performance of the official duties of others, but are strongly encouraged to fulfill their own moral obligations to the public, MWDOC, and its member agencies by disclosing, to the extent not expressly prohibited by law, improper activities within their knowledge. No employee shall directly or indirectly use or attempt to use the authority or influence of his/her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

## **§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS**

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the General Manager for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination. If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action.

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Motion - 1/17/96;

## **§7110 VIOLATION OF POLICY -- DIRECTORS**

A perceived violation of this policy by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

## **§7111 PERIODIC REVIEW OF CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES**

During the first quarter of the year immediately following an election (every two years), the Board shall meet to review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct.

## EXHIBIT "B"

### SCOPE OF WORK, TERMS OF AGREEMENT AND TERMS AND CONDITIONS FOR BILLING

<b>Company:</b>	Water Systems Optimization, Inc.
<b>Name:</b>	Reinhard Sturm
<b>Address:</b>	290 Division Street, Suite 311 San Francisco, CA 94103
<b>Phone:</b>	(415) 538-8641
<b>Tax I.D. #</b>	75-3055233

1. Term – Commencement December 1, 2015. Termination on December 31, 2016.
2. Fees/Rates to be billed:

Project Director	\$250.00 per hour
Sr. Project Director	\$140.00 per hour
Project Manager	\$120.00 per hour
Assoc. Project Manager	\$110.00 per hour

Fees will only be paid for the above positions and at the above hourly rates, unless otherwise agreed to in writing by MWDOC.

3. Budgeted Amount. Compensation is to be on a "time and material" basis not to exceed (1) \$1,221,080 for Water Loss Control Program activities; and (2) \$32,200 for work related to the Orange County Water Loss Control Committee. **CONSULTANT's** fees shall be billed by the 25<sup>th</sup> day of the month and paid by **DISTRICT** on or before the 15<sup>th</sup> of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**. All invoices in connection with the Water Loss Control Program must be specific to an individual **DISTRICT** member agency and must include a breakdown of services by task.

Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining work.

4. Payment Restriction. **CONSULTANT** will not be paid pursuant to this Agreement for any work performed on behalf of or for the benefit of a member agency of the **DISTRICT** unless an executed agreement exists between the **DISTRICT** and the member agency of the **DISTRICT** for the provision of such **SERVICES**.

5. Scope of Work/Services.

Each water agency's water loss profile is unique: some systems have significant opportunities to reduce losses while others are operating without much room for improvement. Having confidence in the use of the AWWA water audit and the data that informs the non-revenue water assessment is a critical step in identifying where there are the best water loss control opportunities for MWDOC member agencies. The following tasks are designed to provide a framework for progressive technical assistance to MWDOC member agencies and allows agencies to access any level of technical assistance they desire depending on their needs and familiarity with the AWWA water audit methodology.



## Task 1 –Water Loss Control Committee Coordination, Project Administration & Reporting

### Task 1a – Water Loss Control Committee Coordination

The first step will be to form the OC Water Loss Control Committee (WLCC) comprised of MWDOC staff and member agency staff. The WLCC's first meeting will feature several key items for discussion: the WLCC's **purpose, vision, and goal outcomes** will be discussed and decided. WSO together with MWDOC will lead the WLCC meetings, provide technical input, schedule the meetings, prepare meeting agendas, steer the WLCC toward goal outcomes, share background information and additional resources, prepare meeting notes and keep track of action items identified during these meetings. Figure 1 presents a summary of participants and activity we expect for the WLCC. WSO will also establish a cloud based WLCC data hub, where participants will have access to all materials developed and shared within the WLCC.

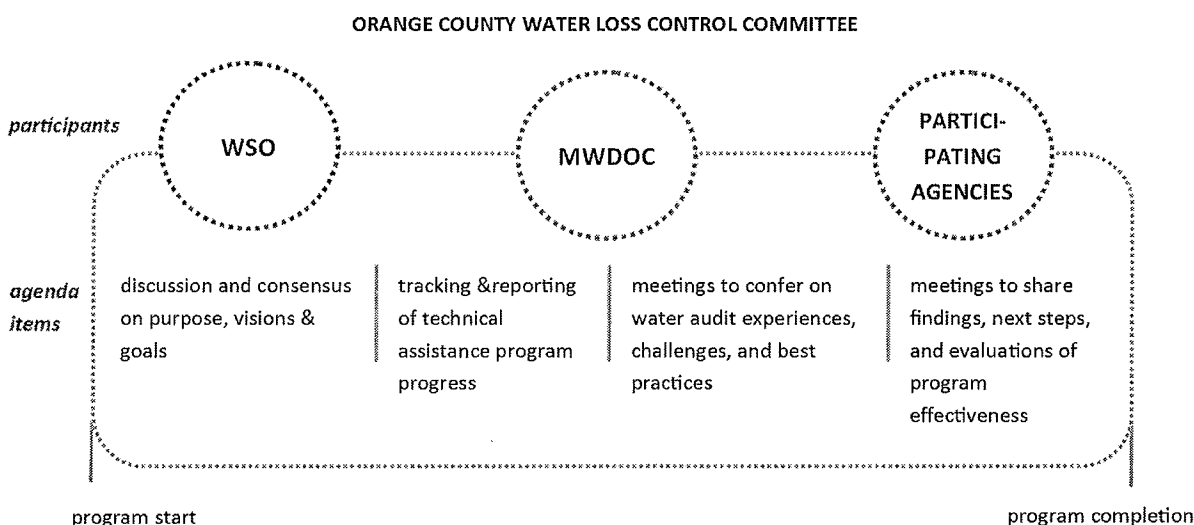


Figure 1: Summary of WLCC Activity

### Task 1a & b – Project Administration and Reporting

In addition to leading and coordinating the WLCC, WSO will provide typical project management services such as: monthly progress reports summarizing work completed by agency and by task, monthly invoices summarizing time and materials spent by agency and by task, tracking of budget and hours spent on the project by agency and by task, and all necessary scheduling for the technical assistance portion of this project.

#### Water Loss Control Committee Coordination, Project Administration & Reporting deliverables:

1. Water Loss Control Committee Meetings (six meetings)
2. Monthly progress reports summarizing services provided by participating agency and task
3. Monthly invoices with time spend and fees charges tabulated by participating agency and task

## Task 2 – Technical Assistance for Preparation of “Top Down” Water Audits

In order to achieve the desired outcomes of Task 2 the following approach is suggested:

**Identification of Agency Lead:** The first step will be to identify/appoint a project lead from each participating member agency. That person will be the point person for all activities related to Task 2 and all communication between WSO and the member agency will be through the agencies project lead.

**Data Collection Tracking Sheet:** WSO will develop and distribute to each participating agency an online data collection tracking sheet, where all data necessary for the completion of the AWWA water audit software is identified. This data collection tracking sheet will also serve to identify and document the key agency stakeholders providing the water audit data.

**Q&A Phone Call Around Data Collection:** WSO will then follow up with a phone call to each agency lead to discuss the data collection exercise and to answer any questions that might exist around what data is needed.

**Web-Meeting to Review Audit Data and Populate AWWA Audit Software:** Once all the water audit data has been collected by the agency and/or missing data has been identified a web-meeting will be organized and WSO together with the agency will walk through each volume of the audit software, documenting and discussing sources of data and areas of concern.

**Provide Recommendations for Data Validation Improvements:** Equipped with a thorough introduction to the water agency's initial water balance, WSO will follow up with suggested investigations and provide recommendations for methods and techniques to improve the validity of each water audit component (where applicable).

**Web-Meeting for Final Review & Final Documentation:** The next step is to schedule another web-meeting to review and discuss any data updates/improvements made by the agency since the last call. After understanding the final status of data source and quality, WSO will work with the agency to finalize the water balance, appropriately assign each data validity score in the audit software, and document improvements. A key component of this final web-meeting with the agency will be the development of key performance indicators for the agency and coaching in how to best interpret them and communicate them to the public, press and elected officials etc.

Each agency will have at least six points of interaction with WSO throughout the process of preparing the agencies water balance.

**Top Down Water Audit deliverables:**

1. an initial water balance with appropriately assigned data validity scores,
2. customized recommendations for data quality improvements,
3. water loss performance indicators and coaching in how to interpret and present them, and
4. a solid understanding and proficiency in using the AWWA free water audit software.

**Task 3 – Component Analysis: Volume of Real and Apparent Losses**

WSO is uniquely equipped to advise MWDOC member agencies on how to conduct a component analysis of real and apparent losses. WSO recently developed the only freely available software model for component analysis in North America (the model development was financed by the Water Research Foundation and EPA). Task 3 will be implemented via phone, email and web-meetings.

***Task 3-A: COMPONENT ANALYSIS OF REAL LOSSES***

Using an annual "Breaks and Background Estimates" (BABE) model (also known as a real loss component analysis), WSO will assist the member agencies to separate the leak and break volumes of

real loss into the following categories: background losses, reported leakage, and unreported leakage (see Figure 2).

Understanding how the Real Loss volume breaks down into these different components is critical in developing intervention strategies to reduce Real Losses. Three distinct interventions are evaluated, given the real loss profile breakdown. First, **improvement in location and repair** of both reported and discovered unreported leaks will be evaluated based on the failure repair data collected for this analysis. Second, we can use the component analysis to determine how much unreported leakage could be recovered through additional **proactive leak detection**. Third, the component analysis also allows for modeling the effect a change in system **pressure** will have on the volume of real losses and its subcomponents.

In the process of assisting the member agencies in collecting and reviewing the failure repair data necessary for the component analysis, WSO will help member agencies enhance the standard leak repair data collection practices and protocols to improve future component analysis and Economic Level of Leakage results.

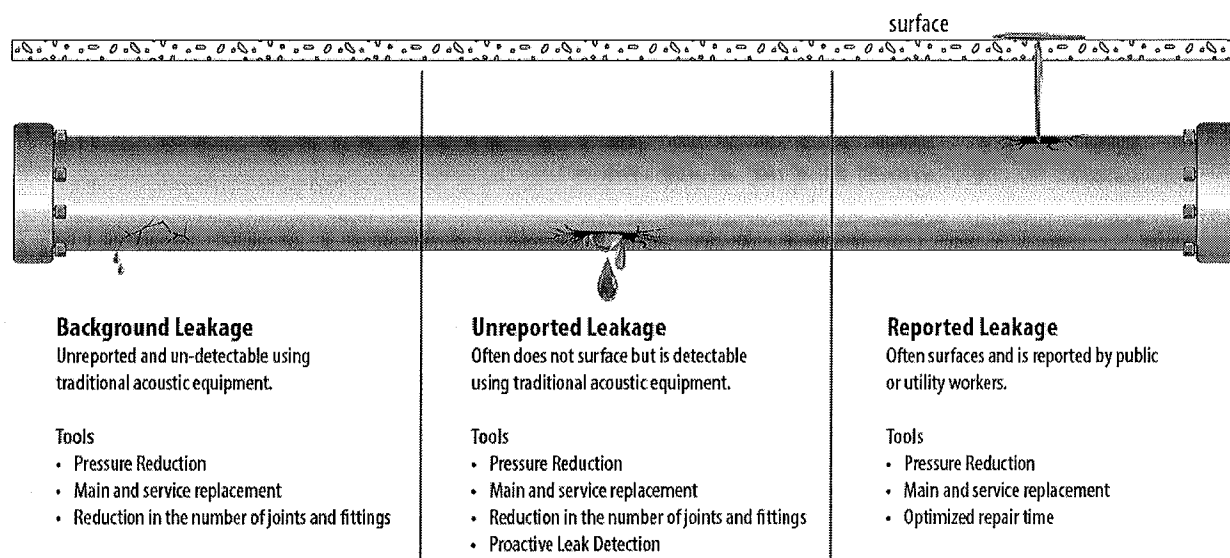


Figure 2: Real Loss Components<sup>2</sup>

### Determination of Background Leakage

WSO together with the member agencies will review infrastructure data to determine the volume of background leakage throughout the system. This involves some amount of sensitivity analysis given the system's infrastructure components, system age, operational characteristics and operating pressure. WSO will provide training in determining background leakage volumes and provide recommendations (where applicable) on data improvements.

### Determination of Reported Leakage

WSO will provide the member agencies with a detailed failure data request list and together with the agencies will review all documentation of reported failures for the audit period. Validating the runtimes of each failure instance and estimating flow rates will then culminate in calculation of water loss attributed to reported leakage.

<sup>2</sup> Graphic courtesy of Water Research Foundation, as featured in "Advances in Water Research", July – September 2014; Volume 24, Number 3.

## **Determination of Unreported Leakage**

WSO will review any leak detection activity that occurred during the audit period. If applicable, we will validate the runtimes of each failure instance and estimate flow rates to calculate the water loss attributed to unreported leakage.

## **Evaluation of Economic Intervention Strategies**

Utilizing the WRF component analysis model WSO will evaluate together with the member agencies economic intervention strategies for real loss reduction via leak detection, pressure management and improved leak repair times. For each member agency a specific set recommended intervention strategies will be developed.

### **Real Loss Component Analysis Deliverables:**

#### Real Loss Components Volume Determination and Economic Evaluation:

1. Identify the volumes of each type of real losses: background leakage, unreported leakage, and reported leakage.
2. Quantify the volume of hidden leakage, the volume of unreported leakage that continues uninterrupted throughout the system that could be recovered through leak detection.
3. Quantify the volume of leakage currently lost through reported and unreported leaks that were addressed by the agency during the audit period
4. Break frequency analysis and comparison to national and international data sets and benchmarks
5. Identification of real loss intervention strategies

#### Real Loss Tracking and Process Review:

1. Review of leak repair data to evaluate efficiency of leak repair response times
2. Data review and validation of the following information: leak repair database information and data handling and collection process, leak detection program results, average system pressure and infrastructure condition
3. Provide guidelines on leak repair data collection to meet current industry best practices
4. Training in real loss component analysis

## ***Task 3-B: COMPONENT ANALYSIS OF APPARENT LOSSES***

### **Identify and Review Existing Data**

WSO will provide a list of data required for a component analysis of apparent losses so its subcomponents (meter inaccuracies, systematic data handling errors and unauthorized consumption) can be quantified for each participating member agency. Since the majority of apparent losses usually is caused by customer meter under registration WSO will review together with the member agencies any available meter test data. If no test data is available WSO will provide the member agencies with recommendations for random meter testing of small customer meters (2inch and smaller).

### **Review of Current Large Meter Testing**

This stage of the apparent loss analysis involves assessing the appropriate testing and/or overhaul procedures for the member agency's large meter stock. WSO will provide recommendations (where feasible) to enhance the member agency's large meter testing program to incorporate considerations around consumption and revenue opportunities, improving overall cost-effectiveness.

## Total Apparent Loss Determination

Based on the available data for small and large meter tests, WSO will assist the participating member agencies in determining the volume attributed to meter under-registration for audit period. In parallel, WSO will assist the participating member agencies in determining the apparent loss volumes attributed to data handling errors and unauthorized consumption (this will involve a review of any documentation and/or assessment of appropriate estimations to apply and a review of the meter reading and bill procedure currently in place).

### Apparent Loss Component Analysis Deliverables:

1. Validation of all apparent loss volumes: small meter under-registration, large meter under-registration, unauthorized consumption, and data handling errors.
2. Recommendations for better testing procedures, data handling and management, and monitoring of unauthorized consumption.
3. High Level Evaluation of Apparent Losses vs Apparent Loss Control Strategies.

## Task 4 – Locate and Quantify Leakage

It is standard best practice for WSO to undertake detailed leak detection surveys for our clients, where every available hydrant, select valves and every service connection is sounded for leak noise. We therefore suggest the following methodology:

### Leak Detection Methodology

WSO will adopt the following procedures for the comprehensive leak detection survey:

WSO will organize a kick-off meeting for each participating member agency to discuss the suggested project approach, review available mapping information and any activities by the member agency with regards to leak detection and repair. At this meeting WSO will provide the member agency staff with a detailed work plan and project schedule, discuss the plan and make changes to the plan if necessary based on feedback from member agency staff. Requirements for traffic control will be discussed with the member agency as well.

A comprehensive survey will then be undertaken by making physical contact with each hydrant, select valves and **each customer service connection**. Sonic leak sound amplification instruments will be used. These instruments are specifically designed for this purpose and have a transducer rated at a minimum sensitivity of 1.5 VG (volt per "G") or greater.

When normal contact points are not available or cannot be created within a reasonable distance, sonic ground listening devices will be used by making physical ground contact at intervals no greater than 6 feet directly over the pipe. If excessive ambient noise precludes the effectiveness of the ground listening device in an area during daytime hours then this portion of the network will be scheduled for survey during night-time hours. These situations will be pre-approved with the member agency before any survey during night-time hours is undertaken. Sonic ground listening instruments will only be used when ground cover is pavement, concrete or similar hard surface.

When ground cover is not a hard surface, probe rods will be used at 10 feet intervals when normal contact points are not available. A sound amplification instrument with 1.5 VG (volts per "G") or greater transducer minimum output will be used on probe rods. Probe rods will be driven into the ground a minimum of 6" directly over the pipe when ground conditions allow.

A detailed report of decibel levels at suspected leak sound locations and observations will be compiled during the survey for reinvestigation and possible pinpointing at a later time. This reinvestigation is to increase the efficiency of the survey and should eliminate correlating on most false leak sounds.

All indications of leaks found during survey will be verified a second time, after which the leak will be pinpointed with a computer-based leak sound correlator when possible. Pinpointing leak locations through interpretation of sound intensity, either by ear, decibel metering, or other like methods, will not be used when contact points are available for use with a computer-based leak sound correlator.

The survey equipment used will not normally require valves to be operated during surveying and pinpointing. However, on occasion, services or valves may require operation to eliminate service connection draw noises or to change velocity noise. If required, any appurtenance operation will need to be performed by member agency personnel only.

WSO will prepare a list of appurtenances that need to be operated by member agency staff for verification or pinpointing of a leak on a weekly base. The following week member agency staff together with WSO's leak detection specialist will operate the requested appurtenances and the leak will be validated and pinpointed.

The correlator equipment that will be used will have the capability of prompting the operator to input the variables when different pipe sizes and/or pipe materials are encountered in the same span to be investigated. The correlators have the capability of correlating up to at least four various pipe sizes and types at one time in a given span.

WSO will provide the leak reports for any leaks that are pinpointed on a weekly basis. The leak report sheets will be customized to meet member agency's needs and will contain a photo showing the leak location, X-Y GPS coordinates, satellite photo with location of leak, details of the type of leak found, estimated leak flow rate in gallons per minute, leak classification and prioritization, equipment and technique used to locate the leak. Pinpointed leaks will be marked on the asphalt in accordance with member agency's requirements. The leak report sheets can be customized to meet the member agency's needs (see APPENDIX D for Example).

Each of the leak detection specialists is equipped with a Smart Phone or Android Tablet to catalog each leak found in the field. WSO has developed a software module that interacts with WSO's online Water Loss Tracking sheet in Google Docs to insure that the member agency has online access to the leak detection survey progress and results. This tool has been designed to provide a more efficient way of sharing project progress and leak detection results with our clients. This will allow the member agency's project manager and any stakeholders to easily keep track of the project progress. Figure 3 and Figure 4 show screenshots from the project management tool used for the leak detection project completed for the Puerto Rican Aqueduct and Sewer Authority in 2013. WSO will customize the online progress-monitoring tool for the member agency – if available pipe age information should be included as well.

The online tracking tool will also provide the electronic copies of all leak reports.

If especially large leaks or other interesting events occur, the technicians will be able to use the tablet to take photos or video that can be quickly shared with the project team.

At the end of each week WSO will submit a weekly summary of miles surveyed, project status and estimated completion, number and type of leaks detected. In addition WSO will update the member agency weekly on the routing plan and list of requested appurtenances to be operated by the member agency for final leak verification (if needed).

All best efforts will be made to pinpoint all existing leaks.

## PRASA Leak Detection Services Tracking ☆ 📊

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A	B	C	D	E	F	G	H	I
PRASA Leak Detection Services Tracking						Travel/Vacation Days		
						Weekends		
		Planned Miles	Mileage	Total Completed Mileage				
4/30/2013								
5/1/2013		5	5.3	5.3	Main Mileage			325
5/2/2013		5	4.1	4.1	Planned Mileage			325
5/3/2013		5	3	3	Miles Surveyed			325
5/4/2013			6	6	Remaining Miles			0
5/5/2013			8	8	Percent of Total System Surveyed			100.00%
5/6/2013		5	2	2	Percent of Total System Remaining			0.00%
5/7/2013		5	4	4				
5/8/2013		5	6	6				
5/9/2013		5	9	9				
5/10/2013		5	10.6	10.6				

Figure 3: Screen Shot from Water Loss Project Monitoring Tool: Survey Mileage Tracking

PRASA Leak Detection Services Tracking

File Edit View Insert Format Data Tools Form (0) Help All changes saved in Drive

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Figure 4: Screen Shot from Water Loss Project Monitoring Tool: Leak List

**Locate and Quantify Leakage Task 4 deliverables:**

WSO will provide a Final Report within thirty (30) working days from the end of field work. The Final Report will include:

1. Executive Summary shall include footage covered, approximate GPD loss, types of leaks found, quantity of leaks found and remarks recommending improvements that may be made to improve the water loss performance of the distribution system and future leak detection activities and cost benefit analysis of leak detection project.

2. Summary of theft instances discovered and summary of missing infrastructure information discovered.
3. Survey Review explaining the procedures and methods used during the study.
4. WSO will analyze the leak detection results and in combination with the result of the most recent water audit prepared by the member agency in order to provide adequate recommendations for follow up testing and to update recommendations for the member agency's water loss control strategies. The final report will also compare the water loss baseline before leak detection and repair and provide an estimation of water loss savings achieved through the proactive leak detection program.

### Task 5 – Report Preparation

WSO will prepare individual reports for each agency. A draft report will be prepared for review and comment by each agency. The reports shall document the entire project and the outcomes for each agency by task. The reports will include but not be limited to:

- A summary of work performed and methods used
- Water Loss Control outcomes, appropriate interpretation and use of results
- Recommendations for data collection, data management and data storage
- Challenges encountered and lessons learned
- Recommended action items and tasks for subsequent years.

Three (3) bound hardcopies of the final report shall be submitted and an electronic version of the final report in PDF format.

### TEAM - WSO Organizational Structure

WSO has an established team of water loss control experts. The company is organized as displayed in Figure 5. WSO has an office in San Francisco, CA and Nashville TN.

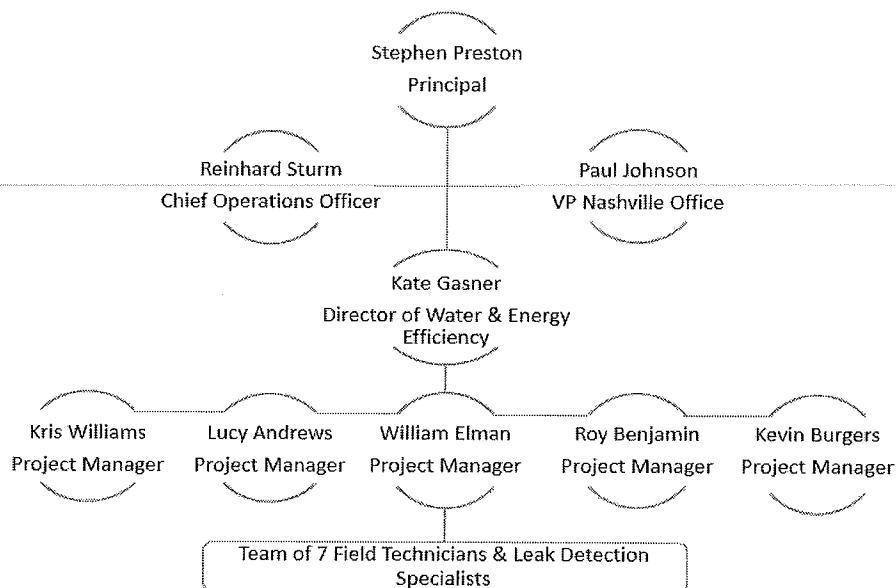


Figure 5: WSO Organizational Chart



## Location

The WSO team will be performing work from the San Francisco office, located at 290 Division St. Suite 311, San Francisco, CA, 94103.

## SCHEDULE

Table 1 outlines the estimated timing for each of the tasks for MWDOC's Water Loss Control Program. WSO hereby assures sufficient capacity for delivery of the outlined scope of work by the schedule provided.

TASK	PROGRAM ELEMENT	target deadline	2015	2016			
			Q4	Q1	Q2	Q3	Q4
1	PROJECT ADMINISTRATION & WLCC COORDINATION	setup WLCC early, ongoing admin					
2	TECHNICAL ASSISTANCE	April 2016					
3	COMPONENT ANALYSIS	October 2016					
4	LEAK DETECTION	October 2016					
5	REPORT PREPARATION	December 2016					

Table 1: Estimated Schedule for Completion of MWDOC Water Loss Control Program

## DETAILED BUDGET AND SUPPORTING DOCUMENTATION

The following tables detail the hours for WSO staff members, for each task in the MWDOC Water Loss Control program. All tasks are presented on a *per agency basis*.

As required, we present two cost scenarios for tasks 2, 3 and 5: a low cost scenario and a high cost scenario. Each utility has unique data protocols and data quality; some are much more "validation-ready" (they have complete and accessible data documentation for each volume) than others. The level of complexity for each analysis can vary widely depending on the utility's setup. As such, the low cost scenario describes each task cost for a straight-forward analysis with a "validation-ready" utility; the high cost scenario describes each task cost where there is higher complexity and more data integrity investigations required. **Table 2** outlines the low and high cost range for Tasks 2, 3, and 5. Please note that we have included a number of trips in Task 1 to attend and help facilitate the Water Loss Control Committee meetings.

<b>Table 2: Low and High Cost Range for Water Loss Program Services</b> <b>(Revised following the Board Meeting)</b>		
Tasks:	WSO Estimated Cost Range	
	Low	High
Water Loss Control Committee (Core activity to be funded by MWDOC)	\$32,200	
Task 1 – Project Administration and Progress Reporting	\$1,672	
Task 2 – Technical Assistance for Preparation of “Top-Down” Distribution System Water Audits	\$3,560 22 hrs.	\$6,620 40 hrs.
Task 3 – Component Analysis: Volume and Value of Real and Apparent Losses	\$17,600 112 hrs.	\$29,700 192 hrs.
Task 4 – Locate and Quantify Leaks	25 – 50 miles = \$400/mile 50 – 100 miles = \$350/mile 101+ miles = \$300/mile	
Task 5 – Report Preparation	\$4,200 30 hrs.	\$8,400 60 hrs.
Note: Tasks 1 – 5 are Choice activities agencies can pick and choose from as needed.		

6. Consultant Representative: Reinhard Sturm

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: PRESENTATION OF DRAFT FINANCIAL FEASIBILITY STUDY FOR  
RECONSTRUCTION OF PETERS CANYON TREATMENT PLANT**  
**DATE: JANUARY 21, 2016**

---

## BACKGROUND

At the July 17, 2014 Board Meeting, Carollo Engineers was awarded a contract to perform two major tasks: 1) Update the Master Plans for the Wholesale and Retail Zones and 2) study the feasibility of reconstructing the water treatment plant that was located at the Peters Canyon Reservoir site.

Within the Water Treatment Plant Feasibility Study, there were six major tasks:

1. Determine the Basis of Design for the plant
2. Evaluate various treatment processes and recommend one for further study
3. Prepare a conceptual design for the selected treatment process
4. Prepare an implementation plan
5. Provide a cost estimate and financial evaluation
6. Document this study in a report

Carollo has completed Tasks 1-4 and is ready to present the draft cost estimate and financial evaluation required under Task 5; the Engineering Committee viewed this presentation at their December 10<sup>th</sup> meeting.

Staff is working on developing further information that will provide further information/refinement to the cost information for the plant over the next few months.

## FISCAL IMPACT

None.

## RECOMMENDATION

Information only; no action is required.



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: WATER QUALITY BRIEFING**  
**DATE: JANUARY 21, 2016**

---

## **BACKGROUND**

At the request of Director Everett, staff has prepared a short briefing on the water quality issues facing Flint, Michigan, how they developed, and the efforts taken to protect both our Wholesale Zone's imported water quality and Retail Zone's groundwater quality.

## **FISCAL IMPACT**

None.

## **RECOMMENDATION**

Information only; no action is required.

## EAST ORANGE COUNTY WATER DISTRICT

### DISBURSEMENT SUMMARY

January 21, 2016

WHOLESALE AND RETAIL BILLS	\$638,350.17
DIRECTOR'S PAYROLL	\$2,330.21
EMPLOYEE'S PAYROLL	\$45,836.32
<b>DISBURSEMENT TOTAL</b>	<b><u><u>\$686,516.70</u></u></b>

### TRANSFER SUMMARY

TRANSFERS	\$ -
<b>TRANSFER TOTAL</b>	<b><u><u>\$0.00</u></u></b>

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

# East Orange County Water District

## Bills For Consideration

As of January 14, 2016

Type	Date	Num	Name	Credit
<b>1001-10 - Checking-WZ</b>				
Bill Pmt -Check	12/17/2015	10751	ACWA-JPIA (EMP INSURANCE)	9,993.49
Bill Pmt -Check	12/17/2015	10752	ARAMARK UNIFORM SERVICES	29.99
Bill Pmt -Check	12/17/2015	10753	AT&T	517.91
Bill Pmt -Check	12/17/2015	10754	GENERATOR SERVICES CO, INC	7,245.00
Bill Pmt -Check	12/17/2015	10755	GRAINGER	45.79
Bill Pmt -Check	12/17/2015	10756	HACH COMPANY	107.00
Bill Pmt -Check	12/17/2015	10757	MEYERS NAVE	5,078.70
Bill Pmt -Check	12/17/2015	10758	PETTY CASH	
Bill Pmt -Check	12/17/2015	10759	SETH HAMILTON	41.40
Bill Pmt -Check	12/17/2015	10760	SOUTHERN CALIFORNIA EDISON	508.92
Bill Pmt -Check	12/17/2015	10761	TOTAL EXTERMINATING INC	275.00
Bill Pmt -Check	12/17/2015	10762	UNDERGROUND SERVICE ALERT	48.00
Bill Pmt -Check	12/17/2015	10763	W R EVEREST & ASSOCIATES	8,470.00
Bill Pmt -Check	12/17/2015	10764	PETTY CASH	35.58
Bill Pmt -Check	12/17/2015	10765	SYLVIA PRADO	150.00
Bill Pmt -Check	12/18/2015	10766	AMERICAN PRINTING	546.00
Bill Pmt -Check	01/07/2016	10767	ACWA- WORKERS COMP	2,135.00
Bill Pmt -Check	01/07/2016	10768	ACWA-JPIA (EMP INSURANCE)	9,992.14
Bill Pmt -Check	01/07/2016	10769	ALLCOM	195.00
Bill Pmt -Check	01/07/2016	10770	ARAMARK UNIFORM SERVICES	71.81
Bill Pmt -Check	01/07/2016	10771	AT&T	650.26
Bill Pmt -Check	01/07/2016	10772	AT&T LONG DISTANCE	172.13
Bill Pmt -Check	01/07/2016	10773	BOWIE ARNESON WILES & GIANNO...	5,146.00
Bill Pmt -Check	01/07/2016	10774	C WELLS PIPELINE MATERIALS INC	2,843.97
Bill Pmt -Check	01/07/2016	10775	CA BANK & TRUST	1,726.85
Bill Pmt -Check	01/07/2016	10776	CAROLLO ENGINEERING	85,845.56
Bill Pmt -Check	01/07/2016	10777	COMMUNICATIONS LAB	8,953.59
Bill Pmt -Check	01/07/2016	10778	EAST ORANGE COUNTY WATER DI...	62,976.82
Bill Pmt -Check	01/07/2016	10779	GENERATOR SERVICES CO, INC	3,150.00
Bill Pmt -Check	01/07/2016	10780	HACH COMPANY	251.86
Bill Pmt -Check	01/07/2016	10781	HEIDI BROWN	303.77
Bill Pmt -Check	01/07/2016	10782	HOME DEPOT CREDIT SERVICES	1,238.68
Bill Pmt -Check	01/07/2016	10783	ID MODELING, INC.	800.00
Bill Pmt -Check	01/07/2016	10784	IRVINE PIPE SUPPLY	770.47
Bill Pmt -Check	01/07/2016	10785	JUBJUB	62.50
Bill Pmt -Check	01/07/2016	10786	LEWIS CONSULTING GROUP	5,000.00
Bill Pmt -Check	01/07/2016	10787	MAIN GRAPHICS	937.44
Bill Pmt -Check	01/07/2016	10788	MATRIX COMPUTER SERVICE	3,170.00
Bill Pmt -Check	01/07/2016	10789	MWDOC	303,842.67
Bill Pmt -Check	01/07/2016	10790	Orange County Sanitation District	391.57
Bill Pmt -Check	01/07/2016	10791	ORANGE COUNTY WATER DISTRICT	79,308.60
Bill Pmt -Check	01/07/2016	10792	PARADISE DRINKING WATERS	49.75
Bill Pmt -Check	01/07/2016	10793	PLATINUM CONSULTING GROUP	7,511.25
Bill Pmt -Check	01/07/2016	10794	SC FUELS	701.57
Bill Pmt -Check	01/07/2016	10795	SOUTHERN CALIFORNIA EDISON	1,199.09
Bill Pmt -Check	01/07/2016	10796	TAB ANSWER NETWORK	29.00
Bill Pmt -Check	01/07/2016	10797	TIME WARNER CABLE	179.99
Bill Pmt -Check	01/07/2016	10798	TRUESDAIL LABORATORIES, INC	1,880.50
Bill Pmt -Check	01/07/2016	10799	UNDERGROUND SERVICE ALERT	70.50
Bill Pmt -Check	01/07/2016	10800	USF FABRICATION	2,084.02
Bill Pmt -Check	01/07/2016	10801	VERIZON WIRELESS	270.03
Bill Pmt -Check	01/07/2016	10802	W R EVEREST & ASSOCIATES	2,520.00
Bill Pmt -Check	01/07/2016	10803	XEROX CORPORATION	45.33
Bill Pmt -Check	01/07/2016	10804	YO FIRE	1,265.01
Bill Pmt -Check	01/14/2016	10805	ARAMARK UNIFORM SERVICES	29.99
Bill Pmt -Check	01/14/2016	10806	CR&R INC.	52.08
Bill Pmt -Check	01/14/2016	10807	GENERATOR SERVICES CO, INC	945.00
Bill Pmt -Check	01/14/2016	10808	ID MODELING, INC.	500.00
Bill Pmt -Check	01/14/2016	10809	OCCU-MED LTD	426.00
Bill Pmt -Check	01/14/2016	10810	ORANGE COUNTY TREASURER	304.76
Bill Pmt -Check	01/14/2016	10811	PLATINUM CONSULTING GROUP	2,828.75
Bill Pmt -Check	01/14/2016	10812	SOUTHERN CALIFORNIA EDISON	2,046.58
Bill Pmt -Check	01/14/2016	10813	TRUESDAIL LABORATORIES, INC	381.50
Total 1001-10 - Checking-WZ				638,350.17
<b>TOTAL</b>				<b>638,350.17</b>

**East Orange County Water District**  
**Custom Transaction Detail Report**  
**December 17, 2015**

---

Type	Date	Num	Name	Memo	Debit	Credit
Dec 17, 15						
Bill Pmt -Check	12/17/2015	10758	PETTY CASH	VOID: PETTY	0.00	
Bill Pmt -Check	12/17/2015	10758	PETTY CASH	VOID: PETTY	0.00	
Dec 17, 15					<u>0.00</u>	<u>0.00</u>

EAST ORANGE COUNTY WATER DISTRICT  
CALIFORNIA BANK & TRUST  
Prior Month's Checks To Ratify  
DIRECTORS' PAYROLL \*  
21-Jan-16

**PAYMENT FOR BOARD AND COMMITTEE MEETINGS IN THE MONTH OF  
1-Nov-15**

DATE	CHECK NO	AMOUNT	PAYABLE TO
12/17/15	218	\$277.05	BOARD DIRECTOR
12/17/15	219	\$ 277.05	BOARD DIRECTOR
12/17/15	220	\$ 161.61	BOARD DIRECTOR
12/17/15	221	\$ 1,155.06	BOARD DIRECTOR - PRESIDENT
		<u>\$1,870.77</u>	TOTAL PAYROLL CHECKS

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

12/17/2015	\$298.36	ADP TAXES
12/17/2015	\$161.08	PERS ELECTRONIC FUNDS TRANSFER
	<u>\$459.44</u>	TOTAL CHARGES & TRANSFER
	<u>\$2,330.21</u>	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  
CALIFORNIA BANK & TRUST  
Prior Month's Checks To Ratify  
EMPLOYEES' PAYROLL\*  
21-Jan-16

	CHECK DATE	CHECK AMOUNT	PAYABLE TO
AUTO DEPOSIT	12/9/2015	\$ 3,356.39	MAINTENANCE AND OPERATIONS SUPERINTENDENT
AUTO DEPOSIT	12/9/2015	\$ 3,025.32	GENERAL MANAGER
AUTO DEPOSIT	12/9/2015	\$ 1,998.50	WATER DISTRIBUTION II
AUTO DEPOSIT	12/9/2015	\$ 1,167.06	WATER DISTRIBUTION I
AUTO DEPOSIT	12/9/2015	\$ 1,713.08	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	12/9/2015	\$ 1,543.59	ADMINISTRATIVE ASSISTANT

AUTO DEPOSIT	12/23/2015	\$ 1,792.37	MAINTENANCE AND OPERATIONS SUPERINTENDENT
AUTO DEPOSIT	12/23/2015	\$ 2,043.52	GENERAL MANAGER
AUTO DEPOSIT	12/23/2015	\$ 1,694.56	WATER DISTRIBUTION II
AUTO DEPOSIT	12/23/2015	\$ 1,167.07	WATER DISTRIBUTION I
AUTO DEPOSIT	12/23/2015	\$ 2,022.96	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	12/23/2015	\$ 1,530.45	ADMINISTRATIVE ASSISTANT
AUTO DEPOSIT	12/23/2015	\$ 1,350.80	TEMPORARY PROJECT INSPECTOR

<u>\$ 24,405.67</u>	TOTAL PAYROLL CHECKS
---------------------	----------------------

**PAYROLL TAXES, ADP CHARGES, AND PERS EFT**

12/9/2015	\$8,342.68	ADP TAXES
12/9/2015	\$1,781.99	PERS ELECTRONIC FUNDS TRANSFER
12/9/2015	\$465.91	PERS PEPRA MEMBER
12/9/2015	\$1,280.39	CAL PERS 457 - ING BANK
12/23/2015	\$6,095.87	ADP TAXES
12/23/2015	\$1,690.18	PERS ELECTRONIC FUNDS TRANSFER
12/23/2015	\$465.91	PERS PEPRA MEMBER
12/23/2015	\$1,307.72	CAL PERS 457 - ING BANK

PAYROLL 12/9/2015	PAYROLL 12/23/2015
\$12,803.94	\$11,601.73
\$11,870.97	\$9,559.68
<b>\$24,674.91</b>	<b>\$21,161.41</b>

<u>\$21,430.65</u>	TOTAL TRANSFERS
--------------------	-----------------

<u><b>\$45,836.32</b></u>	<b>GRAND TOTAL PAYROLL</b>
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\*Note: Payroll is processed by ADP (Automatic Data Processing)

**EAST ORANGE COUNTY WATER DISTRICT  
SCHEDULE 1 - INVESTMENT ACTIVITY  
MONTH OF DECEMBER 2015**

	SECURITY TYPE	BOOK VALUE
<b>BEGINNING BALANCES DECEMBER 1, 2015</b>		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	\$ 6,473,941
RAYMOND JAMES-CDs	DEMAND BROKERAGE	\$ 1,548,640
US TREASURY OBLIGATIONS	US TREASURY	\$ -
<b>Total</b>		<b>\$ 8,022,581</b>
<b>ACTIVITY</b>		
<b>ADDITIONS</b>		
DEPOSIT TO RAYMOND JAMES-INTEREST	DEMAND BROKERAGE	\$ 0.39
<b>REDUCTIONS</b>		
<b>ENDING BALANCES DECEMBER 31, 2015</b>		
LOCAL AGENCY INVESTMENT FUND	DEMAND LAIF	\$ 6,473,941
RAYMOND JAMES-CDs and CASH	CERTIFICATES OF DEPOSIT	\$ 1,548,640
US TREASURY OBLIGATIONS	US TREASURY	\$ -
<b>TOTAL</b>		<b>\$ 8,022,582</b>

**EAST ORANGE COUNTY WATER DISTRICT  
SCHEDULE 2 - INVESTMENT PORTFOLIO  
December 31, 2015**

NAME	SECURITY TYPE AND NUMBER	PURCHASE DATE	MATURITY DATE	INTEREST		MARKET VALUE	PURCHASE PRICE	PREMIUM OR DISCOUNT	ACCRUED INTEREST	FACE VALUE	% TO PORTFOLIO
				STATED	YIELD						
LAIF	DEMAND	N/A	N/A	0.320%	0.320%	\$ 6,477,791	\$ 6,473,941	\$ -	\$ -	\$ -	80.70%
RJ-CD	AMERICAN EXPRESS	12/09/15	12/09/20	2.250%	2.250%	109,043	110,000	0	0	110,000	1.37%
RJ-CD	CAPITAL ONE BANK	08/17/15	08/20/20	2.300%	2.300%	99,898	100,000	0	0	100,000	1.25%
RJ-CD	CIT BANK	03/06/13	03/06/18	1.100%	1.100%	144,624	145,000	0	0	145,000	1.81%
RJ-CD	DISCOVER BANK	10/17/12	10/17/16	1.200%	1.200%	100,459	100,000	0	0	100,000	1.25%
RJ-CD	DISCOVER BANK	02/20/13	02/20/18	1.100%	1.100%	148,577	150,000	0	0	150,000	1.87%
RJ-CD	EVERBANK	01/30/15	11/15/19	1.500%	1.740%	146,345	148,818	-1,650	468	150,000	1.85%
RJ-CD	FEDERAL FARM CREDIT	06/05/15	05/28/19	1.430%	1.482%	40,000	39,938	-73	11	40,000	0.50%
RJ-CD	GE MONEY BANK	10/25/12	08/31/17	1.650%	1.650%	100,567	100,998	754	244	100,000	1.26%
RJ-CD	GE CAPITAL RETAIL BANK	11/19/12	11/09/16	1.350%	1.350%	100,422	100,536	499	37	100,000	1.25%
RJ-CD	GE CAPITAL RETAIL BANK	02/22/13	02/22/18	1.100%	1.100%	148,566	150,000	0	0	150,000	1.87%
RJ-CD	GOLDMAN SACHS BANK	02/13/13	02/13/18	1.200%	1.200%	148,922	150,000	0	0	150,000	1.87%
RJ-CD	GOLDMAN SACHS BANK	10/11/12	10/03/17	1.550%	1.550%	100,334	99,977	-11	34	100,000	1.25%
RJ-CD	SYNCHRONY BANK	01/30/15	01/30/20	1.800%	1.800%	149,262	150,000	0	0	150,000	1.87%
RJ	CASH	N/A	N/A	0.000%	0.020%	3,373	3,373	0	0	3,373	0.04%
					<b>1.334%</b>	<b>\$ 8,018,183</b>	<b>\$ 8,022,582</b>	<b>\$ (480)</b>	<b>\$ 796</b>	<b>\$ 1,548,374</b>	<b>100.00%</b>

LAIF=LOCAL AGENCY INVESTMENT FUND

RJ=RAYMOND JAMES

**CERTIFICATION**

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

*Cindy Byerrum, Treasurer*

CINDY BYERRUM, TREASURER

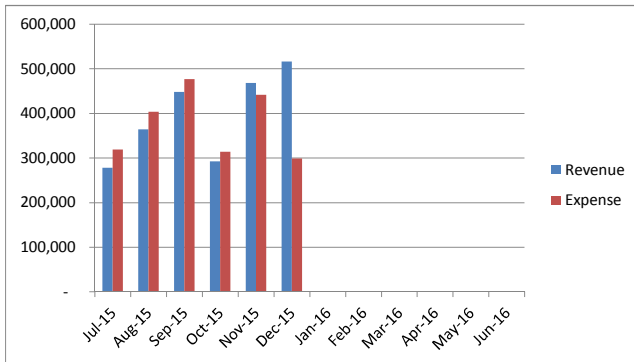
# Wholesale Zone Financial Summary

## For Period Ending December 31, 2015

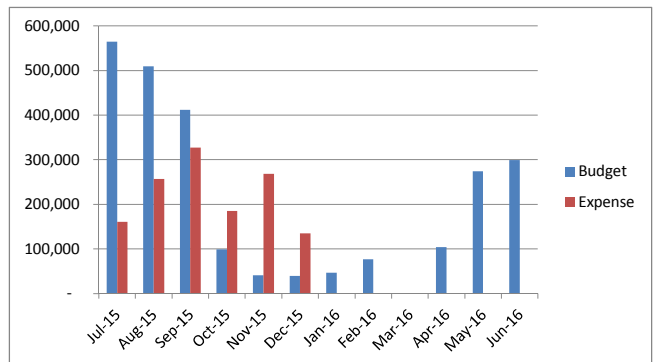
YTD Operating Income     \$     2,367,517

YTD Operating Expense     \$     2,254,927

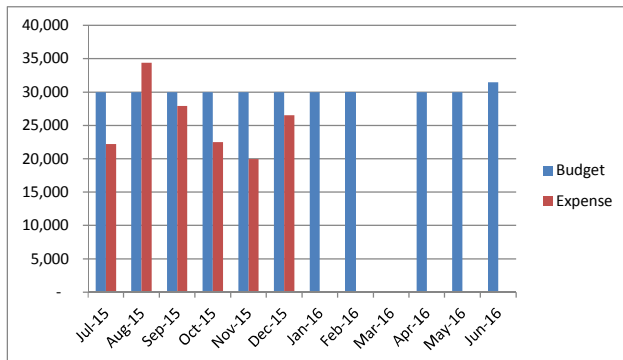
Revenue vs. Expenses



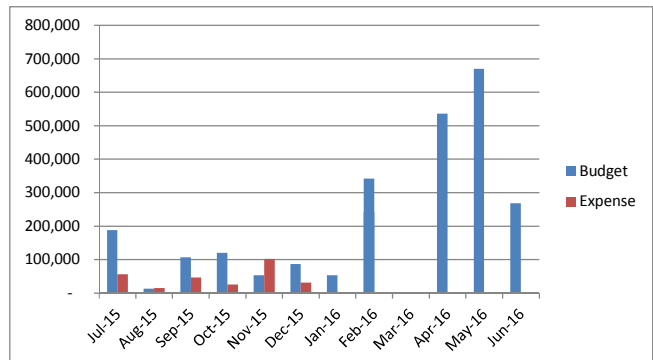
Water Purchased Budget vs. Actual



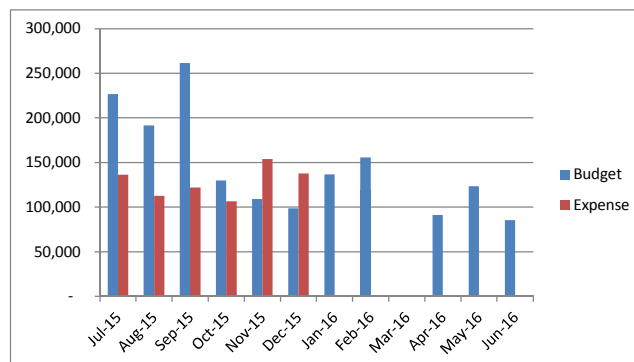
Salaries & Benefits Budget vs. Actual



CIP Budget & Actual



O&M Budget vs. Actual



## WHOLESALE ZONE

**EAST ORANGE COUNTY WATER DISTRICT  
2015-2016 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MONTH: DECEMBER 2015**

REVENUE		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		ACTUAL	ACTUAL	2015-16	OVER	OF BUDGET
		REVENUE	REVENUE	BUDGET	(UNDER)	EXPENDED
1	OPERATING REVENUE:					
2	WATER SALES	135,004	1,333,327	2,494,800	(1,161,473)	53.44%
3	FIXED CHARGES	54,455	326,732	653,950	(327,218)	49.96%
4	EOCWD FIXED CHARGES	38,502	246,018	459,327	(213,309)	53.56%
5	REIMBURSED EXP-IRWD	-	-	-	-	0.00%
6	OTHER CHARGES	(4,968)	28,479	82,325	(53,846)	34.59%
7	TOTAL OPERATING REVENUE:	222,993	1,934,556	3,690,402	(1,755,846)	
8	NON-OPERATING REVENUES (EXPENSES):					
9	PROPERTY TAXES	283,782	367,424	678,500	(311,076)	54.15%
10	RENTAL INCOME - CELLULAR ANTENNAS	8,271	49,576	108,020	(58,444)	45.90%
11	INTEREST & INVESTMENT EARNINGS	0	11,474	20,900	(9,426)	54.90%
12	NOTE RECEIVABLE - AMP	-	144	-	144	0.00%
13	MISCELLANEOUS INCOME (EXPENSE)	1,350	4,342	600	3,742	723.73%
14	TOTAL NON-OPERATING REVENUES, NET	293,404	432,961	808,020	(375,059)	53.58%
15	NET OPERATING INCOME	516,397	2,367,517	4,498,422	(2,130,905)	52.63%

EXPENSES		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		ACTUAL	ACTUAL	2015-16	OVER	OF BUDGET
		EXPENSES	EXPENSES	BUDGET	(UNDER)	EXPENDED
16	OPERATING EXPENSE:					
17	SOURCE OF SUPPLY	134,943	1,332,720	2,494,900	(1,162,180)	53.42%
18	MET/MWDOC FIXED CHARGE	35,619	219,104	507,975	(288,871)	43.13%
19	EOCWD FIXED CHARGE	18,837	113,019	226,000	(112,981)	50.01%
20	ENERGY	155	1,092	2,600	(1,508)	42.00%
21	OPERATIONS & MAINTENANCE	38,621	217,349	631,850	(414,501)	34.40%
22	GENERAL & ADMINISTRATIVE	31,584	175,955	257,145	(81,190)	68.43%
23	TRANSFER TO CAPITAL PROJECTS EXPENSE & RESERVES	31,496	188,976	377,952	(188,976)	50.00%
24	DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
25	MARKET VALUE ADJUSTMENT ON INVESTMENTS	8,027	6,713	-	6,713	0.00%
26	TOTAL OPERATING EXPENSE	299,281	2,254,927	4,498,422	(2,243,495)	50.13%
27	NET INCOME FROM OPERATIONS	217,116	112,589	-	112,589	
28	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	
29	NET INCOME (LOSS)	217,116	112,589	-	112,589	

## **Wholesale Zone**

### **December 2015 Variance Report - 50% of Budget Year Expended**

Account Name	Income(I) Expense (E)	YTD Amount	Percent Received/ Spent	Comments
<b><u>New</u></b>				
INTEREST EARNED - RAYMOND JAMES	I	10,235.56	61.29%	YTD is over 60% of budget due to more interest received than expected
TAXES SUPPLEMENTAL ROLL	I	8,114.23	81.14%	YTD is over 80% of budget due to the timing of receipts
<b><u>Ongoing</u></b>				
CONNECTION FEES	I	15,000.00	1500.00%	YTD is higher than budget due to receipt of a large deposit in Tustin
LATE CHARGE	I	2,765.03	2765.03%	YTD is higher than budget due to late charges for various customers
TAXES-UNSECURED	I	14,442.96	72.21%	YTD is over 70% of budget due to the timing of receipts
WATER PURCHASED AMP	E	1,065,418.90	85.41%	YTD is at 85% due to more use of the AMP line and OC 43 & OC 48 lines
METER TESTING	E	2,699.80	89.99%	YTD is almost 90% due to timing of the year and when testing is performed
EQUIPMENT RENTAL	E	20,433.26	108.11%	YTD is over budget due to generator expenses being more than expected
COMPUTER CONSULTING	E	4,604.50	92.09%	YTD is near budget due to unexpected computer expense
LAFCO	E	87,050.00	290.17%	YTD is higher than budget due to timing of the year when bills are received and costs relating to sewers
PERS CLASSIC (ER-PAID MEMBER)	E	3,943.69	0.00%	This account is a new account and was budgeted in Line 66 PERS Classic (ER-Contribution)
PERS PEPRA (ER)	E	2,133.09	0.00%	This account is a new account and was budgeted in Line 66 PERS Classic (ER-Contribution)
PERS UNFUNDED	E	2,734.68	0.00%	This account is a new account and was budgeted in Line 66 PERS Classic (ER-Contribution)
PERS PEPRA (EMPLOYEE)	E	(1,129.77)	0.00%	This account is a new account and was budgeted in Line 70 PERS Classic (Employee)

## **Capital Projects**

### **New**

### **Ongoing**

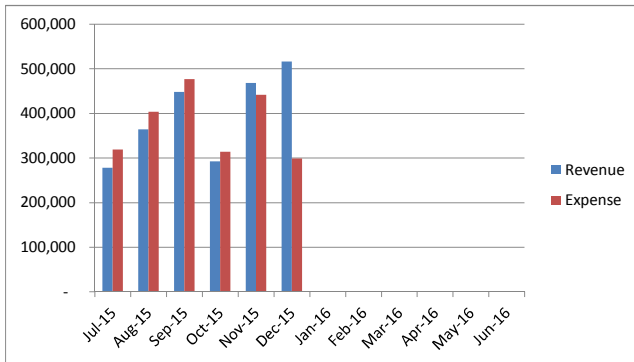
# Wholesale Zone Financial Summary

## For Period Ending December 31, 2015

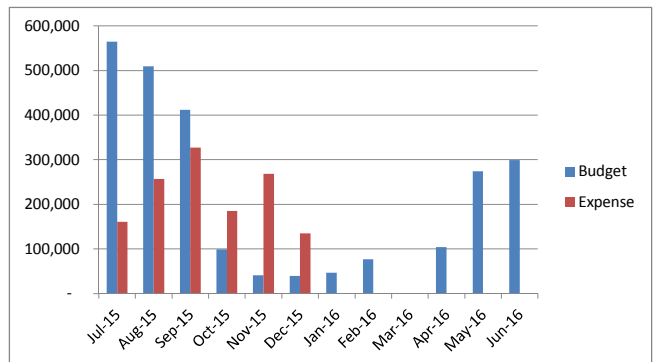
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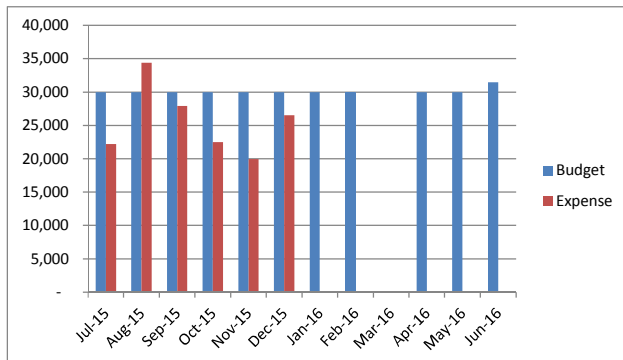
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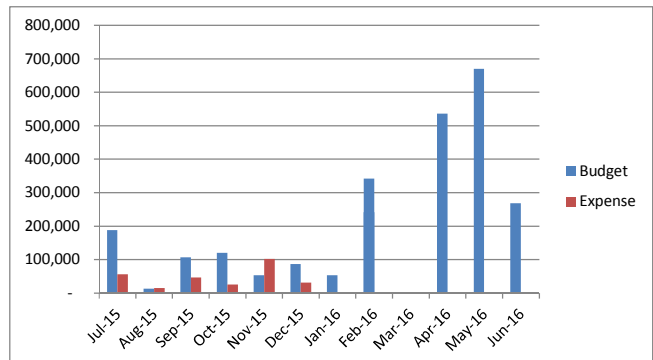
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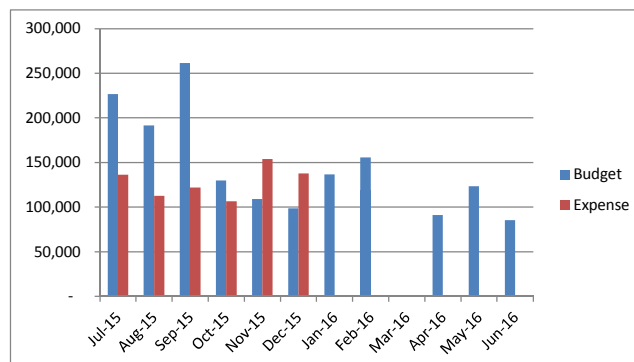
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CIP Budget & Actual



O&M Budget vs. Actual



## WHOLESALE ZONE

**EAST ORANGE COUNTY WATER DISTRICT  
2015-2016 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MONTH: DECEMBER 2015**

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26	TOTAL OPERATING EXPENSE	299,281	2,254,927	4,498,422	(2,243,495)	50.13%
27	NET INCOME FROM OPERATIONS	217,116	112,589	-	112,589	
28	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	
29	NET INCOME (LOSS)	217,116	112,589	-	112,589	



## **Wholesale Zone**

### **December 2015 Variance Report - 50% of Budget Year Expended**

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<b><u>Ongoing</u></b>				
CONNECTION FEES	I	15,000.00	1500.00%	YTD is higher than budget due to receipt of a large deposit in Tustin
LATE CHARGE	I	2,765.03	2765.03%	YTD is higher than budget due to late charges for various customers
TAXES-UNSECURED	I	14,442.96	72.21%	YTD is over 70% of budget due to the timing of receipts
WATER PURCHASED AMP	E	1,065,418.90	85.41%	YTD is at 85% due to more use of the AMP line and OC 43 & OC 48 lines
METER TESTING	E	2,699.80	89.99%	YTD is almost 90% due to timing of the year and when testing is performed
EQUIPMENT RENTAL	E	20,433.26	108.11%	YTD is over budget due to generator expenses being more than expected
COMPUTER CONSULTING	E	4,604.50	92.09%	YTD is near budget due to unexpected computer expense
LAFCO	E	87,050.00	290.17%	YTD is higher than budget due to timing of the year when bills are received and costs relating to sewers
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PERS PEPRA (ER)	E	2,133.09	0.00%	This account is a new account and was budgeted in Line 66 PERS Classic (ER-Contribution)
PERS UNFUNDED	E	2,734.68	0.00%	This account is a new account and was budgeted in Line 66 PERS Classic (ER-Contribution)
PERS PEPRA (EMPLOYEE)	E	(1,129.77)	0.00%	This account is a new account and was budgeted in Line 70 PERS Classic (Employee)

## **Capital Projects**

### **New**

### **Ongoing**

**EAST ORANGE COUNTY WATER DISTRICT****FOR WHOLESALE  
MONTH: DECEMBER 2015**

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
<b>REVENUE</b>					
1 WATER SALES	135,004	1,333,327	2,494,800	(1,161,473)	53.44%
2 METER CHARGE	152	837	2,200	(1,363)	38.05%
3 LATE CHARGE	-	2,765	100	2,665	2765.03%
4 CONNECTION FEES	-	15,000	1,000	14,000	1500.00%
5 EOCWD RESERVE FUND CHARGE	25,481	152,888	302,079	(149,191)	50.61%
6 EOCWD READINESS TO SERVE CHARGE	13,021	78,130	156,248	(78,118)	50.00%
7 RETAIL SERVICE CONNECTIONS	18,836	113,019	226,000	(112,981)	50.01%
8 MET-MWDOC READINESS TO SERVE	20,686	124,115	243,250	(119,135)	51.02%
9 MET-MWDOC CAPACITY CHARGE	14,933	89,598	184,700	(95,102)	48.51%
10 MET-MWDOC CHOICE-WS	(5,120)	24,060	80,025	(55,965)	30.07%
11 REIMBURSED EXPENSES-IRWD	-	-	-	-	0.00%
12 REFUNDS	-	817	-	817	0.00%
13 Total OPERATING REVENUE:	222,993	1,934,556	3,690,402	(1,755,846)	
14 NON OPERATING INCOME					
15 INTEREST EARNED-LAIF	-	1,238	4,200	(2,962)	29.49%
16 INTEREST EARNED - RAYMOND JAMES	0	10,236	16,700	(6,464)	61.29%
17 TAXES-SECURED	277,400	340,420	590,000	(249,580)	57.70%
18 TAXES-UNSECURED	-	14,443	20,000	(5,557)	72.21%
19 TAXES SUPPLEMENTAL ROLL	4,922	8,114	10,000	(1,886)	81.14%
20 TAXES PRIOR YEARS	796	3,782	6,900	(3,118)	54.81%
21 TAXES HOMEOWNER'S SUBVENTION	665	665	3,300	(2,635)	20.15%
22 TAXES PUBLIC UTILITY	-	-	8,300	(8,300)	0.00%
23 TAXES TUSTIN RDA	-	-	40,000	(40,000)	0.00%
24 TAXES MISC	-	-	-	-	0.00%
25 RENT INCOME- AT&T	4,540	27,190	56,000	(28,810)	48.55%
26 RENT INCOME- CROWN CASTLE	3,731	22,386	52,020	(29,634)	43.03%
27 AMP SALE INSTALLMENTS	-	144	-	144	0.00%
28 MISCELLANEOUS INCOME	1,350	4,342	600	3,742	723.73%
29 Total NON OPERATING INCOME:	293,404	432,961	808,020	(375,059)	
30 Total OPERATING REVENUE	516,397	2,367,517	4,498,422	(2,130,905)	
31 NET OPERATING INCOME:	516,397	2,367,517	4,498,422	(2,130,905)	

**EXPENSES**

32 EOCF #2 NONINTERR OC 43	-	200,199	499,000	(298,801)	40.12%
33 EOCF #2 NONINTERR OC 48	6,923	67,102	748,500	(681,398)	8.96%
34 WATER PURCHASED AMP	128,020	1,065,419	1,247,400	(181,981)	85.41%
35 AMP_FAP LEASE EXPENSE	-	-	-	-	0.00%
36 MET-MWDOC CHOICE BUDGET	-	10,120	80,025	(69,905)	12.65%
37 MET-MWDOC READINESS TO SERVE	20,686	119,385	243,250	(123,865)	49.08%

**EAST ORANGE COUNTY WATER DISTRICT****FOR WHOLESALE  
MONTH: DECEMBER 2015**

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
38	MET-MWDOC CAPACITY FEES	14,933	89,599	184,700	(95,101)	48.51%
39	MWDOC RETAIL SERVICE CONNECT	18,837	113,019	226,000	(112,981)	50.01%
40	UTILITY- SCADA RTU	155	1,092	2,600	(1,508)	42.00%
41	SMALL TOOLS	259	2,119	3,600	(1,481)	58.85%
42	GASOLINE, OIL & DIESEL FUEL	316	1,643	5,000	(3,357)	32.85%
43	REGULATORY PERMITS	362	1,296	7,000	(5,704)	18.51%
44	PROF SERV WATER QUAL. CONTROL	1,813	6,940	25,500	(18,560)	27.22%
45	SCADA REPLACEMENTS / UPGRADES	-	-	10,000	(10,000)	0.00%
46	OPERATIONS REPORTING SOFTWARE	191	1,445	20,000	(18,555)	7.23%
47	METER PURCHASE/REPAIR	-	1,645	10,000	(8,355)	16.45%
48	PRESSURE REGULATORS R&M	-	-	5,000	(5,000)	0.00%
49	R/M- MAINS	851	8,783	25,000	(16,217)	35.13%
50	SERVICE CONNECTIONS R&M	-	750	1,500	(750)	50.02%
51	RESERVOIRS R&M	-	1,350	25,000	(23,650)	5.40%
52	R/M- VAULTS	2,440	2,521	10,000	(7,479)	25.21%
53	R/M- CATHODIC PROTECTION	146	918	15,000	(14,082)	6.12%
54	MAINTAIN & OPERATE EOCF#2	1,417	8,500	50,000	(41,500)	17.00%
55	METER TESTING	-	2,700	3,000	(300)	89.99%
56	SAC LINE R&M	204	1,221	25,800	(24,579)	4.73%
57	EQUIPMENT RENTAL	4,095	20,433	18,900	1,533	108.11%
58	EQUIPMENT MAINTENANCE	-	567	3,500	(2,933)	28.06%
59	VEHICLE MAINTENANCE	-	443	2,800	(2,357)	15.81%
60	MAINTENANCE-BUILDINGS AND GROUNDS	-	603	3,800	(3,197)	15.87%
61	WAGES	18,679	107,107	230,500	(123,393)	46.47%
62	PAYROLL TAXES- FICA & MEDICARE	1,464	8,669	17,600	(8,931)	49.26%
63	PERS CLASSIC(ER-CONTRIBUTION)	1,077	7,215	37,900	(30,685)	19.04%
64	PERS CLASSIC (ER-PAID MEMBER)	618	3,944	-	3,944	0.00%
65	PERS PEPRA (ER)	433	2,133	-	2,133	0.00%
66	PERS UNFUNDED	456	2,735	-	2,735	0.00%
67	PERS CLASSIC (EMPLOYEE)	(464)	(1,796)	(5,700)	3,904	0.00%
68	PERS PEPRA (EMPLOYEE)	(123)	(1,130)	-	(1,130)	0.00%
69	PAYROLL TAXES- SUI & ETT	56	231	1,300	(1,069)	17.79%
70	HEALTH & ACCIDENT INSURANCE	3,724	19,436	64,000	(44,564)	30.37%
71	DENTAL INSURANCE	278	1,727	4,400	(2,673)	39.25%
72	VISION INSURANCE	63	335	900	(565)	37.22%
73	LIFE INSURANCE	26	142	350	(208)	40.47%
74	WORKER'S COMP INSURANCE	208	2,301	8,200	(5,899)	28.06%
75	UNIFORMS	33	423	2,000	(1,577)	21.13%
76	UTILITIES- OFFICE- ELECT & WTR	227	1,843	4,000	(2,157)	46.07%
77	UTILITIES-DUMPSTER	26	183	500	(317)	36.52%
78	MCPHERSON FAX	43	256	400	(144)	64.07%
79	MCPHERSON INTERNET	90	710	2,400	(1,690)	29.57%
80	MCPHERSON OFFICE PHONES	252	1,824	3,500	(1,677)	52.10%
81	DISTRICT WEBSITE	51	305	2,250	(1,945)	13.55%

**EAST ORANGE COUNTY WATER DISTRICT****FOR WHOLESALE  
MONTH: DECEMBER 2015**

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
82	ANSWERING SERVICE	14	84	200	(116)	42.16%
83	CELLPHONES	135	809	2,000	(1,191)	40.44%
84	PHONE CIRCUITS TO CTRL EQUIP	467	2,417	4,000	(1,583)	60.43%
85	TRAINING/SCHOOLS	(6)	116	7,000	(6,885)	1.65%
86	CONSERVATION EDUCATION	152	1,955	5,000	(3,045)	39.11%
87	TRAVEL- CONF/SEMINARS	-	2,073	9,500	(7,428)	21.82%
88	MILEAGE	79	362	700	(338)	51.73%
89	BOARD MEETING EXPENSE	309	1,089	3,000	(1,911)	36.29%
90	DUES & MEMBERSHIP- ACWA	-	-	3,700	(3,700)	0.00%
91	DUES & MEMBERSHIPS- OCWA	-	-	75	(75)	0.00%
92	DUES & MEMBERSHIPS- AWWA	-	-	400	(400)	0.00%
93	DUES & MEMBERSHIP- FCA	-	-	20	(20)	0.00%
94	DUES & MEMBERSHIP- CSDA	-	41	3,500	(3,460)	1.16%
95	DUES- ISDOC/URBAN WTR	-	-	1,100	(1,100)	0.00%
96	POSTAGE	31	190	2,000	(1,810)	9.52%
97	OFFICE SUPPLY/FURN/SMALL EQUIP	431	1,188	7,000	(5,812)	16.97%
98	PUBLICATIONS & LEGAL NOTICES	-	1,268	5,000	(3,732)	25.35%
99	COPIER CONTRACT	23	181	650	(469)	27.83%
100	OFFICE EQUIPMENT R&M	-	114	800	(686)	14.22%
101	OUTSIDE SERVICES	365	17,029	10,000	7,029	170.29%
102	AUDITING	-	3,375	8,200	(4,825)	41.16%
103	TAX COLLECTION FEES	695	897	7,000	(6,103)	12.81%
104	TREASURER	-	-	5,000	(5,000)	0.00%
105	ACCOUNTING	1,415	12,037	25,500	(13,463)	47.20%
106	LEGAL	1,313	14,035	25,000	(10,965)	56.14%
107	COMPUTER CONSULTING	90	4,605	5,000	(396)	92.09%
108	ENGINEERING-WS	560	5,991	20,000	(14,009)	29.95%
109	LAFCO	22,484	87,050	30,000	57,050	290.17%
110	UNDERGROUND SERVICE ALERT	35	260	400	(141)	64.88%
111	BANK CHARGES	197	1,033	2,000	(967)	51.66%
112	INSURANCE-AUTO & GEN LIABILITY	846	4,930	12,000	(7,070)	41.08%
113	INSURANCE-PROPERTY	219	1,315	3,750	(2,435)	35.06%
114	INSURANCE-EMP. FIDELITY BOND	18	109	300	(191)	36.48%
115	SECURITY	-	-	1,500	(1,500)	0.00%
116	ELECTION EXPENSE	-	-	15,000	(15,000)	0.00%
117	MISCELLANEOUS EXP	-	50	500	(450)	10.00%
118	DIRECTOR- R. BARRETT	-	-	-	-	0.00%
119	DIRECTOR- W. VANDERWERFF	634	3,534	6,500	(2,966)	54.37%
120	DIRECTOR- J. DULEBOHN	150	1,300	3,600	(2,300)	36.11%
121	DIRECTOR- R. BELL	150	875	3,600	(2,725)	24.31%
122	DIRECTOR- D. DAVERT	-	-	-	-	0.00%
123	DIRECTOR- W. EVERETT	88	525	3,600	(3,075)	14.58%
124	DEPRECIATION EXP.	-	-	-	-	0.00%
125	TRANS TO CAPITAL PROJECTS	6,323	37,937	75,873	(37,937)	50.00%

**EAST ORANGE COUNTY WATER DISTRICT****FOR WHOLESALE  
MONTH: DECEMBER 2015**

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
126	TRANSFER TO (FROM) RESERVES	25,173	151,040	302,079	(151,040)	50.00%
127	MARKET VALUE ADJUST-INVESTMENT	8,027	6,713	-	6,713	0.00%
128	MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
128	Total EXPENSES:	299,281	2,254,927	4,498,422	(2,243,495)	
129	NET INCOME FROM OPERATIONS:	217,116	112,589	-	112,589	
130	OTHER INCOME AND EXPENSE					
131	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	0.00%
132	Total OTHER INCOME AND EXPENSE	-	-	-	-	0.00%
133	NET INCOME (LOSS)	217,116	112,589	-	112,589	

No assurance is 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 United States are not included.

## WHOLESALE ZONE CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT

2015-2016 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

MONTH: DECEMBER 2015

REVENUE		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		ACTUAL	ACTUAL	2015-16	OVER	OF BUDGET
		REVENUE	REVENUE	BUDGET	(UNDER)	EXPENDED
1	FUNDS PROVIDED BY RESERVE	-	-	6,150,881	(6,150,881)	0.00%
2	CAPITAL PROJECTS REVENUE					
3	INTEREST EARNINGS	-	2,468	16,700	(14,232)	14.78%
4	REIMBURSEMENTS	-	-	-	-	0.00%
5	TRANSFER FROM OPERATING EXPENSES	31,496	188,976	377,952	(188,976)	50.00%
6	NET OPERATING INCOME	31,496	191,444	6,545,533	(6,354,089)	
EXPENSES		MONTHLY	YTD	ANNUAL	BUDGET \$	PERCENT
DESCRIPTION		ACTUAL	ACTUAL	2015-16	OVER	OF BUDGET
		EXPENSES	EXPENSES	BUDGET	(UNDER)	EXPENDED
7	CAPITAL PROJECTS EXPENSES					
8	UWMP UPDATE	140	26,216	55,000	(28,784)	47.67%
9	6 MG SECURITY GATE @ JAMBOREE	-	190	11,000	(10,810)	1.73%
10	6 MG SECURITY SYSTEM	-	-	25,000	(25,000)	0.00%
11	PIPELINE INSPECTION	-	-	31,000	(31,000)	0.00%
12	BETTERMENT & REPLACEMENT PLAN	27,025	216,548	70,000	146,548	309.35%
13	PROGRAMMATIC CEQA	-	-	40,000	(40,000)	0.00%
14	6 MG RESERVOIR ROOF REPAIRS	3,921	19,041	1,475,000	(1,455,959)	1.29%
15	PIPELINE CATHODIC PROTECTION	-	-	45,500	(45,500)	0.00%
16	OFFICE/YARD IMPROVEMENT	-	3,127	7,000	(3,873)	44.67%
17	11.5 CATHODIC PROTECTION	-	-	57,000	(57,000)	0.00%
18	NEW VEHICLE TO SUPPLEMENT FLEET	-	-	20,000	(20,000)	0.00%
19	6 MG TREATMENT PLANT	-	3,150	657,500	(654,350)	0.48%
20	ANDRES RESERVOIR VULNERABILITY UPGRADE	-	-	15,000	(15,000)	0.00%
21	VALVE REPLACEMENT (12" - 27")	-	-	23,000	(23,000)	0.00%
22	NEWPORT RESERVOIR MIXING SYSTEM	-	-	15,500	(15,500)	0.00%
23	6 MG RESERVOIR MIXING LAB	-	-	15,500	(15,500)	0.00%
24	11.5 & 1 MG RESERVOIR ISOLATION VALVES	-	-	35,000	(35,000)	0.00%
25	OC33 RECONNECTION	-	-	45,000	(45,000)	0.00%
26	VULNERABILITY UPGRADES-OC 70	-	490	12,000	(11,510)	4.08%
27	SEDARU IMPROVEMENTS	-	7,070	20,000	(12,930)	35.35%
28	WZ CAPITALIZED ACCOUNTING	-	-	5,000	(5,000)	0.00%
					-	0.00%
29	TOTAL OPERATING EXPENSE	31,086	275,831	2,680,000	(2,404,169)	
30	NET INCOME FROM OPERATIONS	410	(84,387)	3,865,533	(3,949,920)	
31	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	
32	NET INCOME (LOSS)	410	(84,387)	3,865,533	(3,949,920)	

**FOR WHOLESALE  
MONTH: DECEMBER 2015**

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
<b>REVENUE</b>					
FUNDED BY RESERVES	-	-	6,150,881	(6,150,881)	
1 INTEREST-LAIF-CAP	-	2,468	16,700	(14,232)	14.78%
2 REIMBURSEMENTS	-	-	-	-	0.00%
3 TRANSFER FROM WZ OPERATIONS EXPENSES	6,323	37,937	75,873	(37,937)	50.00%
4 TRANSFER FROM CAPITAL RESERVES	25,173	151,040	302,079	(151,040)	50.00%
5 Total NON OPERATING INCOME:	31,496	191,444	6,545,533	(6,354,088)	
6 Total OPERATING REVENUE	31,496	191,444	6,545,533	(6,354,088)	
7 NET OPERATING INCOME:	31,496	191,444	6,545,533	(6,354,088)	
<b>EXPENSES</b>					
8 UWMP Update	140	26,216	55,000	(28,784)	47.67%
9 6 MG Security Gate @ Jamboree-Construction	-	190	10,000	(9,810)	1.90%
10 6 MG Security Gate @ Jamboree-Labor	-	-	1,000	(1,000)	0.00%
11 6 MG Security System-Construction	-	-	20,000	(20,000)	0.00%
12 6 MG Security System-Labor	-	-	5,000	(5,000)	0.00%
13 Pipeline Inspection-Engineering	-	-	30,000	(30,000)	0.00%
14 Pipeline Inspection-Labor	-	-	1,000	(1,000)	0.00%
15 Betterment & Replacement Plan-Engineering	27,025	216,548	70,000	146,548	309.35%
16 Programmatic CEQA	-	-	40,000	(40,000)	0.00%
17 6 MG Reservoir Roof Repairs-Construction	-	-	1,300,000	(1,300,000)	0.00%
18 6 MG Reservoir Roof Repairs-Engineering	3,921	16,941	150,000	(133,059)	11.29%
19 6 MG Reservoir Roof Repairs-Labor	-	2,100	25,000	(22,900)	8.40%
20 Pipeline Cathodic Protection-Construction	-	-	20,000	(20,000)	0.00%
21 Pipeline Cathodic Protection-Engineering	-	-	25,000	(25,000)	0.00%
22 Pipeline Cathodic Protection-Labor	-	-	500	(500)	0.00%
23 Office/Yard Improvement-Construction	-	3,127	5,000	(1,873)	62.53%
24 Office/Yard Improvement-Labor	-	-	2,000	(2,000)	0.00%
25 11.5 Cathodic Protection-Construction	-	-	30,000	(30,000)	0.00%
26 11.5 Cathodic Protection-Engineering	-	-	25,000	(25,000)	0.00%
27 11.5 Cathodic Protection-Labor	-	-	2,000	(2,000)	0.00%
28 New Vehicle To Supplement Fleet	-	-	20,000	(20,000)	0.00%
29 6 MG Treatment Plant - Preliminary	-	3,150	500,000	(496,850)	0.63%
30 6 MG Treatment Plant - CEQA	-	-	75,000	(75,000)	0.00%
31 6 MG Treatment Plant-Construction	-	-	-	-	0.00%
32 6 MG Treatment Plant-Engineering	-	-	75,000	(75,000)	0.00%
33 6 MG Treatment Plant-Labor	-	-	7,500	(7,500)	0.00%
34 Andres Reservoir Vulnerability Upgrade-Construction	-	-	9,000	(9,000)	0.00%
35 Andres Reservoir Vulnerability Upgrade-Engineering	-	-	5,000	(5,000)	0.00%
36 Andres Reservoir Vulnerability Upgrade-Labor	-	-	1,000	(1,000)	0.00%
37 Valve Replacement (12" - 27")-Construction	-	-	12,000	(12,000)	0.00%

**FOR WHOLESALE  
MONTH: DECEMBER 2015**

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
38 Valve Replacement (12" - 27")-Engineering	-	-	5,000	(5,000)	0.00%
39 Valve Replacement (12" - 27")-Labor	-	-	6,000	(6,000)	0.00%
40 Newport Reservoir Mixing System-Labor	-	-	500	(500)	0.00%
41 Newport Reservoir Mixing System-Engineering	-	-	2,500	(2,500)	0.00%
42 Newport Reservoir Mixing System-Construction	-	-	12,500	(12,500)	0.00%
43 6 MG Reservoir Mixing Lab-Labor	-	-	500	(500)	0.00%
44 6 MG Reservoir Mixing Lab-Engineering	-	-	2,500	(2,500)	0.00%
45 6 MG Reservoir Mixing Lab-Construction	-	-	12,500	(12,500)	0.00%
46 11.5 & 1 MG Reservoir Isolation Valves-Labor	-	-	10,000	(10,000)	0.00%
47 11.5 & 1 MG Reservoir Isolation Valves-Engineering	-	-	5,000	(5,000)	0.00%
48 11.5 & 1 MG Reservoir Isolation Valves-Construction	-	-	20,000	(20,000)	0.00%
49 OC33 Reconnection-Labor	-	-	10,000	(10,000)	0.00%
50 OC33 Reconnection-Engineering	-	-	10,000	(10,000)	0.00%
51 OC33 Reconnection-Construction	-	-	25,000	(25,000)	0.00%
52 Vulnerability Upgrades-OC 70-Construction	-	490	12,000	(11,510)	4.08%
53 Sedaru Improvements	-	7,070	20,000	(12,930)	35.35%
54 WZ Capitalized Accounting	-	-	5,000	(5,000)	0.00%
55 Total EXPENSES:	31,086	275,831	2,680,000	(2,404,169)	
56 NET INCOME (LOSS)	410	(84,387)	3,865,533	(3,949,919)	-2.18%



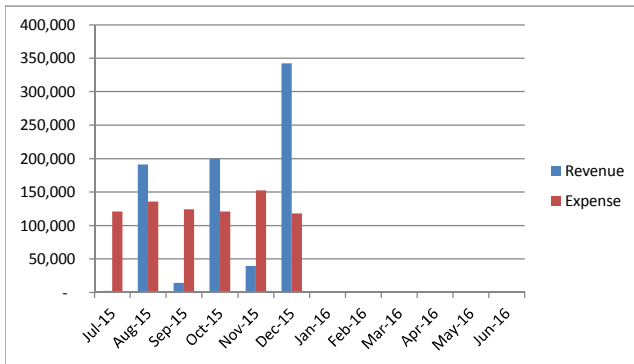
# Retail Zone Financial Summary

## For Period Ending December 31, 2015

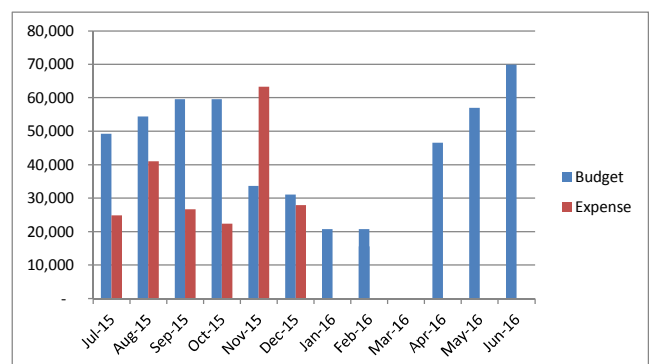
YTD Operating Income     \$            789,227

YTD Operating Expense     \$            772,459

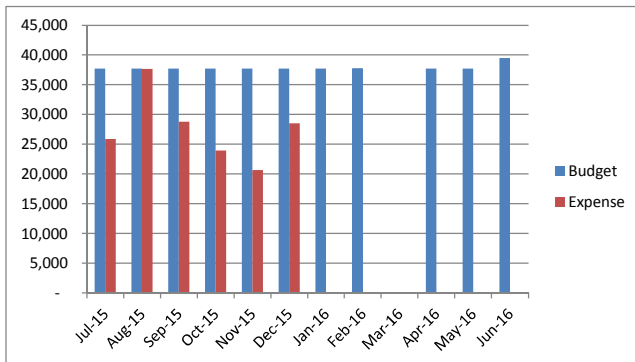
**Revenue vs Expenses**



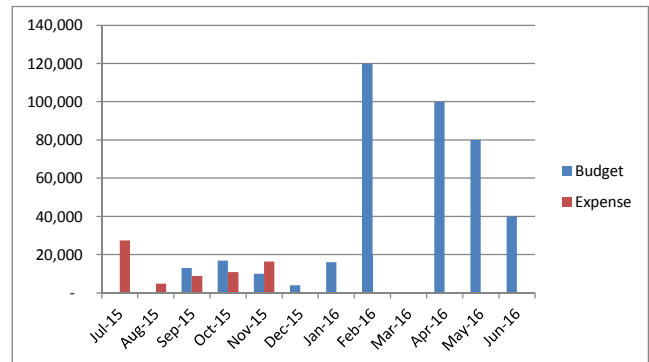
**Water Purchased Budget vs. Actual**



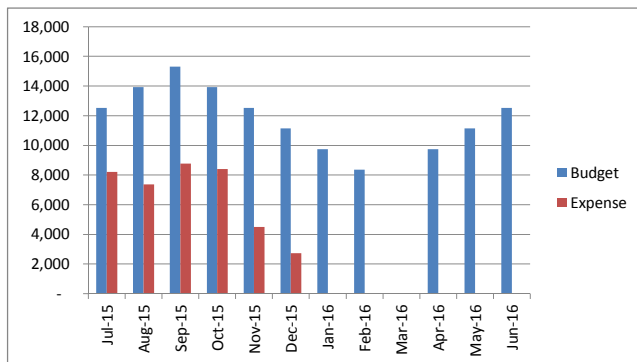
**Salaries & Benefits Budget vs. Actual**



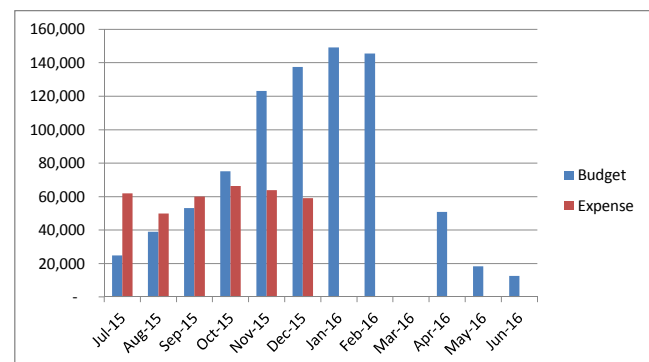
**CIP Budget vs. Actual**



**Electrical Budget vs. Actual**



**O&M Budget vs. Actual**



## RETAIL ZONE

EAST ORANGE COUNTY WATER DISTRICT  
2015-2016 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MONTH: DECEMBER 2015

REVENUE		MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
DESCRIPTION						
1	OPERATING REVENUE:					
2	WATER SALES	121,495	389,408	1,270,115	(880,707)	30.66%
3	METER CHARGE	59,900	179,477	387,415	(207,938)	46.33%
4	OTHER CHARGES	110	7,942	10,600	(2,658)	74.92%
5	TOTAL OPERATING REVENUE:	181,505	576,827	1,668,130	(1,091,303)	34.58%
6	NON-OPERATING REVENUES (EXPENSES):					
7	PROPERTY TAXES	160,742	208,166	397,590	(189,424)	52.36%
8	INTEREST & INVESTMENT EARNINGS	4	1,324	4,080	(2,756)	32.44%
9	MISCELLANEOUS INCOME	150	2,910	500	2,410	582.06%
10	MARKET VALUE ADJUSTMENT ON INVESTMENTS	-	-	-	-	0.00%
11	DISPOSAL OF ASSET GAIN (LOSS)	-	-	-	-	0.00%
12	TOTAL NON-OPERATING REVENUES, NET	160,895	212,400	402,170	(189,770)	52.81%
13	NET OPERATING INCOME	342,400	789,227	2,070,300	(1,281,073)	38.12%

EXPENSES		MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
DESCRIPTION						
14	OPERATING EXPENSE:					
15	SOURCE OF SUPPLY	20,429	161,301	435,300	(273,999)	37.06%
16	MET/MWDOC FIXED CHARGE	1,089	6,532	12,300	(5,768)	53.10%
17	WZ FIXED CHARGE	2,207	13,244	19,250	(6,006)	68.80%
18	PIPELINE CAPACITY LEASE	4,169	26,703	51,000	(24,297)	52.36%
19	ENERGY	2,492	38,124	135,000	(96,876)	28.24%
20	OPERATIONS & MAINTENANCE	37,289	221,483	693,930	(472,447)	31.92%
21	GENERAL & ADMINISTRATIVE	17,387	97,572	308,520	(210,948)	31.63%
22	TRANSFER TO CAPITAL PROJECTS EXPENSE	25,000	150,000	300,000	(150,000)	50.00%
23	RETAIL OPERATIONS CONTINGENCY FUND	5,417	32,500	65,000	(32,500)	50.00%
24	FUNDED TO/BY RESERVE	4,167	25,000	50,000	(25,000)	50.00%
25	DEPRECIATION & AMORTIZATION	-	-	-	-	0.00%
26	TOTAL OPERATING EXPENSE	119,645	772,459	2,070,300	(1,297,841)	37.31%
27	NET INCOME FROM OPERATIONS	222,754	16,768	-	16,768	
28	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	
29	NET INCOME (LOSS)	222,754	16,768	-	16,768	

**Retail Zone****December 2015 Variance Report - 50% of Budget Year Expended**

Account Name	Income(I) Expense (E)	YTD Amount	Percent Received/ Spent	Comments
Operating				
<b><u>New</u></b>				
MCPHERSON FAX	E	256.26	85%	The expenses were higher than anticipated causing YTD to be at 70% of budget
INTEREST INCOME-MM	I	21.81	73%	YTD is over 70% due to receiving more interest than expected
<b><u>Ongoing</u></b>				
TAXES UNSECURED	I	8,221.08	54%	YTD is over 50% due to timing of collections
MISCELLANEOUS INCOME	I	2,910.28	582%	YTD is over budget due to rebate for new vehicle purchase in PY
EOCWD WR RESERVE FUND CHARGE	E	4,515.00	94%	YTD is over 75% of budget due to underbudgeting the account
OUTSIDE SERVICES	E	7,128.38	71%	YTD is over 60% of budget due to PR services and strategic plan
COMPUTER CONSULTING	E	4,604.50	92%	YTD is over 60% of budget due to unexpected computer expenses
COMPUTER BILLING (RZ BILLS)	E	4,429.38	62%	YTD is over 75% of budget due to unplanned work on computers
PERS Classic (ER-paid member)	E	4,511.10	0%	This account is a new account and was budgeted in Line 66 PERS Classic (ER-Contribution)
PERS PEPRA (ER)	E	2,454.18	0%	This account is a new account and was budgeted in Line 66 PERS Classic (ER-Contribution)
PERS Unfunded	E	3,146.34	0%	This account is a new account and was budgeted in Line 66 PERS Classic (ER-Contribution)
PERS PEPRA (Employee)	E	(1,299.79)	0%	This account is a new account and was budgeted in Line 70 PERS Classic (Employee)
Capital				
<b><u>New</u></b>				
<b><u>Ongoing</u></b>				

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
<b>REVENUE</b>					
1 WATER SALES	121,495	389,408	1,020,115	(630,707)	38.17%
2 DROUGHT SURCHARGE	-	-	250,000	(250,000)	0.00%
3 METER CHARGE	59,900	179,477	387,415	(207,938)	46.33%
4 LATE CHARGE	(90)	5,364	11,000	(5,636)	48.77%
5 RETURNED CHECK CHARGE	-	260	1,000	(740)	26.00%
6 TURN OFF CHARGE	200	200	600	(400)	33.33%
7 OTHER CHARGES	-	1,300	-	1,300	0.00%
8 UNCOLLECTIBLE ACCOUNTS	-	-	(2,000)	2,000	0.00%
9 TURN ON NEW SERVICE	-	-	-	-	0.00%
10 REFUNDS	-	817	-	817	0.00%
11 Total OPERATING REVENUE:	181,505	576,827	1,668,130	(1,091,303)	
12 INTEREST INCOME-MM	4	22	30	(8)	72.70%
13 INTEREST-LAIF-OP	-	1,302	4,050	(2,748)	32.14%
14 TAXES SECURED	157,124	192,820	346,545	(153,725)	55.64%
15 TAXES UNSECURED	-	8,221	15,100	(6,879)	54.44%
16 TAXES SUPPLEMENTAL ROLL	2,788	4,596	9,900	(5,304)	46.42%
17 TAXES PRIOR YEARS	453	2,153	3,900	(1,747)	55.19%
18 TAXES HOMEOWNER'S SUBVENTION	377	377	1,900	(1,523)	19.82%
19 TAXES PUBLIC UTILITY	-	-	4,300	(4,300)	0.00%
20 TAXES TUSTIN RDA	-	-	20,945	(20,945)	0.00%
21 TAXES MISC	-	-	-	-	0.00%
22 TAXES ACCRUED	-	-	(5,000)	5,000	0.00%
23 DISPOSAL OF ASSETS GAIN(LOSS)	-	-	-	-	0.00%
24 MISCELLANEOUS INCOME	150	2,910	500	2,410	582.06%
25 Total NON OPERATING INCOME:	160,895	212,400	402,170	(189,770)	
26 Total OPERATING REVENUE	342,400	789,227	2,070,300	(1,281,073)	
27 NET OPERATING INCOME:	342,400	789,227	2,070,300	(1,281,073)	

**EXPENSES**

28 WATER PURCHASED	25,935	81,843	242,100	(160,257)	33.81%
29 WATER PURCHASED IN-LIEU	-	-	-	-	0.00%
30 WATER PURCHASED IN LIEU CREDIT	-	-	-	-	0.00%
31 OCWD- REPLENISH ASSESSMENT	(5,506)	79,459	193,200	(113,741)	41.13%
32 MET-MWDOC READINESS TO SERVE	2,823	16,936	35,000	(18,064)	48.39%
33 MET-MWDOC CAPACITY FEES	1,347	8,080	16,000	(7,920)	50.50%
34 MET-MWDOC CHOICE	-	1,687	-	1,687	0.00%
35 MWDOC RETAIL SERVICE CONNECT	1,089	6,532	12,300	(5,768)	53.10%
36 EOCWD WR RESERVE FUND CHARGE	753	4,515	4,800	(285)	94.06%
37 EOCWD WR READINESS TO SERVE	1,455	8,729	14,450	(5,721)	60.41%
38 UTILITY STOLLER RESERVOIR	1,153	16,892	60,000	(43,108)	28.15%
39 UTILITY VISTA PANORAMA BOOSTER	188	1,498	8,000	(6,502)	18.73%
40 UTILITIES- WELLS- EAST/WEST	1,151	19,735	67,000	(47,265)	29.45%
41 SMALL TOOLS	195	2,089	3,600	(1,511)	58.02%
42 GASOLINE, OIL & DIESEL FUEL	386	2,008	6,700	(4,692)	29.96%
43 REGULATORY PERMITS	362	2,403	6,600	(4,197)	36.41%
44 NPDS PERMIT	-	-	-	-	0.00%
45 PROF SERV WATER QUAL. CONTROL	456	4,130	20,000	(15,870)	20.65%
46 CHLORINE GENERATOR/SALT PURCH	421	421	1,200	(779)	35.10%
47 WEST WELL MAINTENANCE	-	231	3,500	(3,269)	6.60%
48 EAST WELL MAINTENANCE	-	-	5,000	(5,000)	0.00%
49 STOLLER RESERVOIR/BOOSTER R&M	266	850	9,000	(8,150)	9.45%
50 VISTA PANORAMA BOOSTER R&M	-	-	4,200	(4,200)	0.00%
51 R&M VISTA PANORAMA RESERVOIR	-	-	12,000	(12,000)	0.00%

## EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL  
MONTH: DECEMBER 2015

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
52	CHLORINE GENERATOR	-	1,443	6,000	(4,557)	24.04%
53	SCADA REPAIR/UPGRADE	-	-	12,000	(12,000)	0.00%
54	OPERATIONS REPORTING SOFTWARE	676	4,260	16,000	(11,740)	26.62%
55	HYDRANT REPAIR & REPLACEMENTS	2,626	5,499	16,100	(10,601)	34.16%
56	METER PURCHASE REPAIR	-	2,379	20,000	(17,621)	11.90%
57	PRV- R & M	-	-	2,000	(2,000)	0.00%
58	R/M- MAINS	706	10,253	30,000	(19,747)	34.18%
59	DAMAGE REPAIR- CAL EMA	-	-	-	-	0.00%
60	SERVICE LATERALS R&M	-	3,014	25,000	(21,986)	12.05%
61	RESERVOIRS R&M	-	98	2,000	(1,902)	4.90%
62	R/M- VAULTS	356	776	1,500	(724)	51.72%
63	R/M- CATHODIC PROTECTION	-	-	5,000	(5,000)	0.00%
64	METER TESTING	-	300	1,000	(700)	30.00%
65	EQUIPMENT RENTAL	-	1,218	20,000	(18,782)	6.09%
66	BACKHOE R&M	-	567	4,500	(3,933)	12.60%
67	VEHICLES R&M	-	451	3,500	(3,049)	12.89%
68	BUILDING/GROUNDS R&M	-	603	3,500	(2,897)	17.23%
69	WAGES	21,491	123,231	281,700	(158,469)	43.75%
70	PAYROLL TAXES- FICA & MEDICARE	1,673	9,903	21,600	(11,697)	45.85%
71	PERS Classic(ER-Contribution)	1,231	8,306	46,300	(37,994)	17.94%
72	PERS Classic (ER-paid member)	707	4,511	-	4,511	0.00%
73	PERS PEPRA (ER)	499	2,454	-	2,454	0.00%
74	PERS Unfunded	524	3,146	-	3,146	0.00%
75	PERS Classic (Employee)	(532)	(2,051)	(7,100)	5,049	28.88%
76	PERS PEPRA (Employee)	(142)	(1,300)	-	(1,300)	0.00%
77	PAYROLL TAXES- SUI & ETT	65	258	4,100	(3,842)	6.29%
78	HEALTH & ACCIDENT INSURANCE	4,581	23,995	87,900	(63,905)	27.30%
79	DENTAL INSURANCE	340	2,111	5,300	(3,189)	39.82%
80	VISION INSURANCE	77	409	1,100	(691)	37.22%
81	LIFE INSURANCE	31	173	430	(257)	40.27%
82	WORKER'S COMP INSURANCE	255	2,810	10,000	(7,190)	28.10%
83	UNIFORMS	39	532	2,700	(2,168)	19.72%
84	DISTRICT WEBSITE	51	305	10,650	(10,345)	2.86%
85	MCPHERSON FAX	43	256	300	(44)	85.42%
86	MCPHERSON INTERNET	90	572	4,000	(3,428)	14.31%
87	MCPHERSON OFFICE PHONES	252	1,824	3,525	(1,701)	51.73%
88	ANSWERING SERVICE	14	84	250	(166)	33.74%
89	PHONE CIRCUITS TO CTRL EQUIP	398	1,540	3,000	(1,460)	51.34%
90	CELLPHONES	135	809	1,700	(891)	47.58%
91	UNDERGROUND SERVICE ALERT	35	260	500	(241)	51.90%
92	TRAINING/SCHOOLS	(6)	76	6,500	(6,425)	1.16%
93	CONSERVATION EDUCATION	7,393	15,629	20,000	(4,371)	78.14%
94	TRAVEL-CONF/SEMINARS	-	2,113	9,500	(7,387)	22.24%
95	MILEAGE	70	345	900	(555)	38.34%
96	DUES & MEMBERSHIPS- ACWA	-	-	3,750	(3,750)	0.00%
97	DUES & MEMBERSHIPS- OCWA	-	-	75	(75)	0.00%
98	DUES & MEMBERSHIPS- AWWA	-	-	400	(400)	0.00%
99	DUES & MEMBERSHIP- FCA	-	-	20	(20)	0.00%
100	DUES & MEMBERSHIP-CSDA	-	41	3,500	(3,460)	1.16%
101	DUES- ISDOC/URBAN WTR	-	-	1,000	(1,000)	0.00%
102	MISCELLANEOUS EXP	-	50	500	(450)	10.00%
103	DIRECTOR- R. BARRETT	-	-	-	-	0.00%
104	DIRECTOR- W. VANDERWERFF	634	3,534	6,500	(2,966)	54.37%
105	DIRECTOR- J. DULEBOHN	150	1,300	3,600	(2,300)	36.11%
106	DIRECTOR- R. BELL	150	875	3,600	(2,725)	24.31%
107	DIRECTOR- D. DAVERT	-	-	-	-	0.00%
108	DIRECTOR- W. EVERETT	88	525	3,600	(3,075)	14.58%
109	BOARD MEETING EXPENSE	309	1,089	2,000	(911)	54.44%
110	POSTAGE	648	2,681	5,000	(2,319)	53.61%
111	OFFICE SUPPLY/FURN/SMALL EQUIP	431	1,188	6,000	(4,812)	19.80%
112	PUBLICATIONS & LEGAL NOTICES	-	546	20,000	(19,454)	2.73%

## EAST ORANGE COUNTY WATER DISTRICT

FOR RETAIL  
MONTH: DECEMBER 2015

	DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
113	COPIER CONTRACT	23	181	650	(469)	27.84%
114	VERSATERM CONTRACT (RZ BILLS)	-	550	5,000	(4,450)	11.00%
115	BANK CHARGES	968	3,957	7,900	(3,943)	50.09%
116	OUTSIDE SERVICES	381	7,128	10,000	(2,872)	71.28%
117	AUDITING	-	3,375	8,400	(5,025)	40.18%
118	TAX COLLECTION FEES	394	508	7,000	(6,492)	7.25%
119	COMPUTER BILLING (RZ BILLS)	567	4,429	7,100	(2,671)	62.39%
120	TREASURER	-	-	5,000	(5,000)	0.00%
121	ACCOUNTING	1,414	12,037	25,500	(13,463)	47.20%
122	LEGAL	1,313	13,135	35,000	(21,865)	37.53%
123	COMPUTER CONSULTING	90	4,605	5,000	(396)	92.09%
124	ENGINEERING-RZ	280	3,178	40,000	(36,822)	7.95%
125	LAFCO	8	2,350	5,000	(2,651)	46.99%
126	INSURANCE-AUTO & GEN LIABILITY	721	3,824	8,000	(4,176)	47.81%
127	INSURANCE-PROPERTY	73	438	3,000	(2,562)	14.61%
128	INSURANCE-EMP. FIDELITY BOND	16	97	400	(303)	24.27%
129	OFFICE EQUIPMENT R&M	-	114	1,000	(886)	11.38%
130	UTILITIES-DUMPSTER	26	183	500	(317)	36.52%
131	UTILITIES- OFFICE- ELECT & WTR	227	1,843	4,200	(2,357)	43.88%
132	SECURITY	-	-	1,500	(1,500)	0.00%
133	ELECTION EXPENSE	-	-	8,000	(8,000)	0.00%
134	DEPRECIATION EXP.	-	-	-	-	0.00%
135	TRANS TO CAPITAL PROJECTS	25,000	150,000	300,000	(150,000)	50.00%
136	RZ- CONTINGENCY FUND	5,417	32,500	65,000	(32,500)	50.00%
137	FUNDED TO/BY RESERVE-RZ	4,167	25,000	50,000	(25,000)	50.00%
138	MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
139	MARKET VALUE ADJUST-INVESTMENT	-	-	-	-	0.00%
140	TOTAL OPERATING EXPENSES:	119,645	772,459	2,070,300	(1,297,841)	
141	NET INCOME FROM OPERATIONS:	222,754	16,768	-	16,768	
142	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	0.00%
143	PRIOR YEARS INCOME (EXPENSES)	-	-	-	-	0.00%
144	Total OTHER INCOME AND EXPENSES	-	-	-	-	
145	NET INCOME (LOSS)	222,754	16,768	-	16,768	

No assurance is 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 United States are not included.

## RETAIL ZONE CAPITAL PROJECTS

EAST ORANGE COUNTY WATER DISTRICT  
2015-2016 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MONTH: DECEMBER 2015

REVENUE		MONTHLY ACTUAL REVENUE	YTD ACTUAL REVENUE	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
DESCRIPTION						
1 FUNDS PROVIDED BY RESERVE		-	-	1,958,747	(1,958,747)	0.00%
2 CAPITAL PROJECTS REVENUE						
3 CAPITAL PROJECTS FEES		47,811	143,331	288,000	(144,669)	49.77%
4 CONNECTION FEES		500	6,449	2,500	3,949	257.97%
5 INTEREST EARNINGS		-	200	500	(300)	40.03%
6 TRANSFER FROM OPERATING EXPENSES		29,167	175,000	350,000	(175,000)	50.00%
7 LOAN FOR SYSTEM IMPROVEMENTS		-	-	5,000,000	(5,000,000)	
8 NET OPERATING INCOME		77,477	324,981	7,599,747	(7,274,766)	
EXPENSES		MONTHLY ACTUAL EXPENSES	YTD ACTUAL EXPENSES	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
DESCRIPTION						
9 CAPITAL PROJECTS EXPENSES						
10 LOAN FOR SYSTEM IMPROVEMENTS		-	-	113,700	(113,700)	0.00%
11 MASTER PLAN & CONDITION ASSESSMENT		-	59,052	86,000	(26,948)	68.66%
12 OFFICE/YARD IMPROVEMENT		-	3,127	6,000	(2,873)	52.11%
13 NEW VEHICLE TO SUPPLEMENT FLEET		-	-	20,000	(20,000)	0.00%
14 VP HYDRO TANK SEISMIC UPGRADE		-	-	62,000	(62,000)	0.00%
15 VISTA PANORAMA RESERVOIR REPAIR		-	2,310	166,000	(163,690)	1.39%
16 VALVE RAISING-CRAWFORD CANYON		-	-	18,000	(18,000)	0.00%
17 VALVE REPLACEMENTS		-	-	25,000	(25,000)	0.00%
18 ALLOWANCE FOR SYSTEM RELOCATION		-	-	110,000	(110,000)	0.00%
19 BACKUP GENERATOR FOR VP BOOSTER		-	-	50,500	(50,500)	0.00%
20 6" MAGMETERS @ STOLLER PRVS		-	-	15,000	(15,000)	0.00%
21 STOLLER 150HP BOOST PUMP		-	-	81,000	(81,000)	0.00%
22 REPLACEMENT RECOMMENDATIONS		-	-	180,000	(180,000)	0.00%
23 BACKUP SYSTEM PRV - CIRCULA PANORAMA		-	280	710,000	(709,720)	0.04%
24 NEW WELL CONSTRUCTION		-	-	65,000	(65,000)	0.00%
25 SECURITY IMPROVEMENTS-RESERVOIR SITES		-	-	15,000	(15,000)	0.00%
26 WELL DISINFECTION CONVERSION		-	-	57,500	(57,500)	0.00%
27 WEST WELL REHABILITATION		-	-	72,000	(72,000)	0.00%
28 SCADA SYSTEM ADDITIONS		-	-	20,000	(20,000)	0.00%
29 SEDARU IMPROVEMENTS		-	3,570	10,000	(6,430)	35.70%
30 CAPITALIZED ACCOUNTING		-	-	5,000	(5,000)	0.00%
31 TOTAL OPERATING EXPENSE		-	68,338	1,887,700	(1,819,362)	
32 NET INCOME FROM OPERATIONS		77,477	256,643	5,712,047	(5,455,404)	
33 PRIOR YEARS EXPENSES		-	-	-	-	
34 NET INCOME (LOSS)		77,477	256,643	5,712,047	(5,455,404)	

FOR RETAIL  
MONTH: DECEMBER 2015

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
<b>REVENUE</b>					
1 FUNDED BY RESERVES	-	-	1,958,747	(1,958,747)	
2 WATER SALES-CAPITAL PROJECTS	47,811	143,331	288,000	(144,669)	49.77%
3 CONNECTION FEES	500	6,449	2,500	3,949	257.97%
4 INTEREST-LAIF-CAP	-	200	500	(300)	40.03%
5 TRANSFER IN CAPITAL PROJECTS	25,000	150,000	300,000	(150,000)	50.00%
6 TRANSFER IN CAPITAL RESERVES	4,167	25,000	50,000	(25,000)	50.00%
7 LOAN FOR SYSTEM IMPROVEMENTS	-	-	5,000,000	(5,000,000)	0.00%
8 Total NON OPERATING INCOME:	77,477	324,981	7,599,747	(7,274,766)	
9 Total OPERATING REVENUE	77,477	324,981	7,599,747	(7,274,766)	
10 NET OPERATING INCOME:	77,477	324,981	7,599,747	(7,274,766)	

## EXPENSES

11 Loan For System Improvements	-	-	113,700	(113,700)	0.00%
12 Master Plan & Condition Assessment-Construction	-	-	50,000	(50,000)	0.00%
13 Master Plan & Condition Assessment-Engineering	-	59,052	35,000	24,052	168.72%
14 Master Plan & Condition Assessment-Labor	-	-	1,000	(1,000)	0.00%
15 Office/Yard Improvement-Construction	-	2,588	5,000	(2,412)	51.77%
16 Office/Yard Improvement-Engineering	-	-	-	-	0.00%
17 Office/Yard Improvement-Labor	-	538	1,000	(462)	53.81%
18 New Vehicle To Supplement Fleet	-	-	20,000	(20,000)	0.00%
19 VP Hydro Tank Seismic Upgrade-Construction	-	-	40,000	(40,000)	0.00%
20 VP Hydro Tank Seismic Upgrade-Engineering	-	-	20,000	(20,000)	0.00%
21 VP Hydro Tank Seismic Upgrade-Labor	-	-	2,000	(2,000)	0.00%
22 Vista Panorama Reservoir Repair-Construction	-	-	100,000	(100,000)	0.00%
23 Vista Panorama Reservoir Repair-Engineering	-	630	60,000	(59,370)	1.05%
24 Vista Panorama Reservoir Repair-Labor	-	1,680	6,000	(4,320)	28.00%
25 Valve Raising-Crawford Canyon-Construction	-	-	17,000	(17,000)	0.00%
26 Valve Raising-Crawford Canyon-Engineering	-	-	500	(500)	0.00%
27 Valve Raising-Crawford Canyon-Labor	-	-	500	(500)	0.00%
28 Valve Replacements-Labor	-	-	20,000	(20,000)	0.00%
29 Valve Replacements-Construction	-	-	5,000	(5,000)	0.00%
30 Allowance For System Relocation-Labor	-	-	5,000	(5,000)	0.00%
31 Allowance For System Relocation-Engineering	-	-	5,000	(5,000)	0.00%
32 Allowance For System Relocation-Construction	-	-	100,000	(100,000)	0.00%
33 Backup Generator For VP Booster-Labor	-	-	500	(500)	0.00%
34 Backup Generator For VP Booster-Construction	-	-	50,000	(50,000)	0.00%
35 6" Magmeters @ Stoller Prvs-Labor	-	-	5,000	(5,000)	0.00%
36 6" Magmeters @ Stoller Prvs-Construction	-	-	10,000	(10,000)	0.00%



FOR RETAIL  
MONTH: DECEMBER 2015

DESCRIPTION	MONTHLY ACTUAL	YTD ACTUAL	ANNUAL 2015-16 BUDGET	BUDGET \$ OVER (UNDER)	PERCENT OF BUDGET EXPENDED
37 Stoller 150Hp Boost Pump-Labor	-	-	80,000	(80,000)	0.00%
38 Stoller 150Hp Boost Pump-Engineering	-	-	1,000	(1,000)	0.00%
39 Replacement Recommendations-Labor	-	-	20,000	(20,000)	0.00%
40 Replacement Recommendations-Engineering	-	-	60,000	(60,000)	0.00%
41 Replacement Recommendations-Construction	-	-	100,000	(100,000)	0.00%
42 Backup System PRV - Circula Panorama-Labor	-	-	10,000	(10,000)	0.00%
43 Backup System PRV - Circula Panorama-Engineering	-	280	100,000	(99,720)	0.28%
44 Backup System PRV - Circula Panorama-Construction	-	-	600,000	(600,000)	0.00%
45 New Well Construction-Construction	-	-	10,000	(10,000)	0.00%
46 New Well Construction-Labor	-	-	5,000	(5,000)	0.00%
47 New Well Construction-Engineering	-	-	50,000	(50,000)	0.00%
48 Security Improvements-Reservoir Sites-Labor	-	-	5,000	(5,000)	0.00%
49 Security Improvements-Reservoir Sites-Construction	-	-	10,000	(10,000)	0.00%
50 Well Disinfection Conversion-Labor	-	-	2,500	(2,500)	0.00%
51 Well Disinfection Conversion-Engineering	-	-	10,000	(10,000)	0.00%
52 Well Disinfection Conversion-Construction	-	-	45,000	(45,000)	0.00%
53 West Well Rehabilitation-Labor	-	-	2,000	(2,000)	0.00%
54 West Well Rehabilitation-Construction	-	-	70,000	(70,000)	0.00%
55 SCADA System Additions-Engineering	-	-	20,000	(20,000)	0.00%
56 Sedaru Improvements	-	3,570	10,000	(6,430)	35.70%
57 Capitalized Accounting	-	-	5,000	(5,000)	0.00%
58 TOTAL OPERATING EXPENSES:	-	68,338	1,887,700	(1,819,362)	
59 Net Income (Loss):	<u>77,477</u>	<u>256,643</u>	<u>5,712,047</u>	<u>(5,455,404)</u>	

# MEMO

**TO:** BOARD OF DIRECTORS  
**FROM:** GENERAL MANAGER  
**SUBJECT:** CONFERENCE AND MEETING ATTENDANCE REQUEST  
**DATE:** JANUARY 21, 2016

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## BACKGROUND

Pursuant to District Resolution No. 658, prior authorization for Board Member conference/meeting attendance and travel is required. There is one upcoming event that Board Members may wish to attend:

- Urban Water Institute Annual Conference – February 10-12, 2016  
Registration: \$375 Hotel: Hilton - \$148/night  
Location: Palm Springs

A conference agenda is attached.

## FISCAL IMPACT

Conference expenses are estimated to total \$1,050 per Board Member (cost also includes reimbursement for meals, Director meeting fee and transportation). Limited funding is available under Account Nos. 5222-10 (WZ) and 5222-20 (RZ).

## RECOMMENDATION

The Board approve attendance at the Urban Water Institute Annual Conference for designated Board Members as desired.

## Urban Water Institute's Spring Water Conference

### February 10-12, 2016 • Hilton Palm Springs Hotel • Palm Springs, CA

#### Wednesday, February 10, 2016

##### 12:00 p.m. - Registration, Networking & Exhibits

##### 1:00 p.m. - Opening Remarks & Introduction

- Matt Stone, Chair, Urban Water Institute

##### 1:15 p.m. - Welcome to Palm Springs

- Jim Cioffi, President of the Board of Directors, Desert Water Agency

##### 1:30 p.m. – Colorado River Supply Demand Study

- Carly Jerla, Colorado River Basin Study Manager, U.S. Bureau of Reclamation

##### 2:00 p.m. – Colorado River Upper Basin Issues

- Eric Kuhn, General Manager, Colorado River Water Conservation District

##### 2:30 p.m. – Networking Break – Sponsored by Upper San Gabriel Municipal Water District

##### 2:45 p.m. – Speaker Secured

- *Wishes not to be listed at this time*

##### 3:15 p.m. – Brad Udall, Colorado Water Institute, Colorado State University (*Invited*)

##### 4:00 p.m. - Adjourn

##### 4:30 p.m. - Welcome Reception

##### 5:30 p.m. – Dinner On Your Own

#### Thursday, February 11, 2016

##### 8:00 a.m. - Registration, Exhibits, Networking & Continental Breakfast – Sponsored by Irvine Ranch Water District

##### 9:00 a.m. - Opening Remarks

- Charley Wilson, Senior Policy Manager, Southern California Edison

##### 9:15 a.m. – Road to Sustainability

- Marty Adams, Assistant General Manager, Los Angeles Department of Water and Power

##### 9:45 a.m. – MWD & LA County Sanitation Recycle Project

- Moderator: Ray Tremblay, Department Head, Sanitation Districts of Los Angeles County
- Grace Robinson Hyde, General Manager & Chief Engineer, Sanitation Districts of Los Angeles County
- Debra Man, Assistant General Manager, Metropolitan Water District of Southern California
- Mike Markus, General Manager, Orange County Water District

##### 10:45 a.m. – Networking Break – Sponsored by ARCADIS

##### 11:00 a.m. – Salton Sea... Have We Finally Turned The Corner?

- Moderator: Mary Aileen Matheis, Director, Irvine Ranch Water District
- Valerie Simon, Salton Sea Program Manager, Bureau of Reclamation Imperial Representative
- Tina Shields, Manager, Colorado River Resources Imperial Irrigation District

##### 12:00 p.m. – Luncheon – Sponsored by Coachella Valley Water District

## Urban Water Institute's Spring Water Conference

### February 10-12, 2016 • Hilton Palm Springs Hotel • Palm Springs, CA

1:00 p.m. – Alf W. Brandt, Legislative Director  
for Assemblymember Anthony Rendon (*Invited*)

1:45 p.m. – Desal: What Happens After  
Carlsbad?

- Moderator: Rich Nagel, General Manager,  
West Basin Municipal Water District
- Gary Crisp, Director of Business  
Development, Sacyr (*Invited*)
- Scott Maloni, Vice President, Poseidon  
Resources (*Invited*)

2:30 p.m. - **Networking Break**

2:45 p.m. – One Size DOES NOT Fit All:  
Implementing the State's Drought Mandate in  
the Coachella Valley

- Moderator: John Soulliere, Conservation  
and Public Affairs Officer, Mission Springs  
Water District
- Berlinda Blackburn,  
Environmental/Regulatory Programs  
Manager, Coachella Water Authority
- Ashley Hudes, Public Information Officer,  
Desert Water Agency
- Katie Raurk, Conservation Manager,  
Coachella Valley Water District
- Scott Trujillo, Water Conservation Programs  
Coordinator, Indio Water Authority

3:30 p.m. – **Industries Reaction to the Drought**

- Moderator: Arthur Levine, Host & Executive  
Producer, Straight Talk TV Show
- Craig Kessler, Director of Government  
Affairs, Southern California Golf Association
- Tim Suydam, Senior Water Operations  
Manager, Stone Brewery

4:15 p.m. – How Southern Nevada Will Meet  
The Water Needs For The Future

- Colby Pellegrino, Colorado River Program  
Manager, Southern Nevada Water  
Authority

4:45 p.m. – Adjourn

5:00 p.m. - **Chairman's Reception – Sponsored  
by Water Replenishment District**

6:00 p.m. – Dinner on your own

Friday, February 12, 2016

8:00 a.m. - **Registration, Exhibits, Networking &  
Buffet Breakfast – Sponsored by Carollo  
Engineers, Inc.**

*Don't miss your opportunity to participate in the  
Chairman's Drawing! Please pick up your raffle ticket at  
the registration desk for your chance to win an Apple  
Watch!*

8:30 a.m. - **Opening Remarks**

- James Noyes, Executive Director,  
Urban Water Institute

8:45 a.m. – **Applying the Lessons of History to  
California's Water Future**

- Moderator: Ed Means, President, Means  
Consulting LLC
- Ron Gastelum, Principal, Water  
Conservation Partners
- Woody Wodraska, President, Wodraska  
Partners, Inc.

9:45 a.m. – **Networking Break**



## Urban Water Institute's Spring Water Conference February 10-12, 2016 • Hilton Palm Springs Hotel • Palm Springs, CA

**10:00 a.m. – The Future of Water Conservation  
Regulations – With or Without Drought**

*California is on the precipice of either a fifth year of drought, or potentially catastrophic floods. What does either scenario portend for the future of water conservation regulations?*

- Moderator: Greg Newmark, Principal,  
Meyers Nave
- Mayor Rusty Bailey, City of Riverside
- State Board Water Representative

**10:45 a.m. – Infrastructure and Water Security**

- Special Agent Frederick J. Simon, FBI,  
InfraGard Los Angeles Division

**11:30 a.m. - Conference Adjourn**

# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: LOCAL SEWER TRANSFER**  
**DATE: JANUARY 21, 2016**

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## ACTIVITIES UPDATE

### Outreach & Communications

On December 7, 2015, General Manager Ohlund met with members of the Lincoln Club, including Mesa Water director, Ethan Temianka to discuss the proposed sewer transfer.

On December 16, 2015, General Manager Ohlund met with Santa Ana Regional Water Quality Control Board Executive Director Kurt Berchtold and staff to discuss the proposed sewer transfer.

On December 17, 2015, General Manager Ohlund attended the Supervisor's Open House held by Supervisor's Nelson, Do and Bartlett.

## OC LAFCO/OCSD

At their December 9<sup>th</sup> Meeting, the Commission considered EOCWD's submission of a revised financial plan that included using debt to lower the annual fee to \$108.00 per year. After significant discussion, the Commission noted that they don't have a policy that would limit the submission, so they accepted it with the proviso that no further changes be submitted by the District unless requested by LAFCO staff.

At this same meeting, the District's application was in front of the Board for approval/denial. LAFCO staff's recommendation was to deny our application. A motion to deny it was made and died for lack of a second. Ultimately, the Commission reiterated that they want to see both the District's and IRWD's applications "side-by-side." It is estimated that this will occur sometime in either March or April, depending upon when OCSD approves and agreement with IRWD, and then the Board of Supervisor's subsequently approves the property tax transfer for IRWD.

## RECOMMENDATION

Information item only; no action required.



# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: WHOLESALE AND RETAIL ZONE WATER DEMANDS – DECEMBER 2015**  
**DATE: JANUARY 21, 2016**

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## Wholesale Zone Water Demands

Attached is a graphical representation of the Wholesale Zone water demand through December 31, 2015. Total water sales for the month of December totaled 146.20 AF; total year-to-date sales are 1443.93 AF. This is a 54.70 AF or 59.8% increase in demand from December, 2014.

## Retail Zone Water Demands

Page 1 of the attached report is an overview of the sources of water supply and our monthly usage (45 AF). Currently, all water supplied to the RZ is from the groundwater basin. With the end of the Coastal Pumping Transfer Program (CPTP), we will begin to provide some imported water to the RZ.

Page 2 of the report depicts our 10-year water usage and how much of this was groundwater versus imported water. As shown on this graph, drought allocations begun in 2014/15 have reduced total demand below the 10 year average of 1,070 AF. We expect that this will continue to decrease this year due to the enhanced conservation required under the drought.

Page 3 provides a comparison of water demand versus precipitation, water demand versus average high temperature and water demand versus unemployment rates. As would be expected, generally in wet years, demand is lower than in dry years, whereas average temperature doesn't have as much of a cause/effect relationship. There does appear to be a slight relationship between unemployment rates and water demand, with increasing demand occurring as unemployment rates decrease.

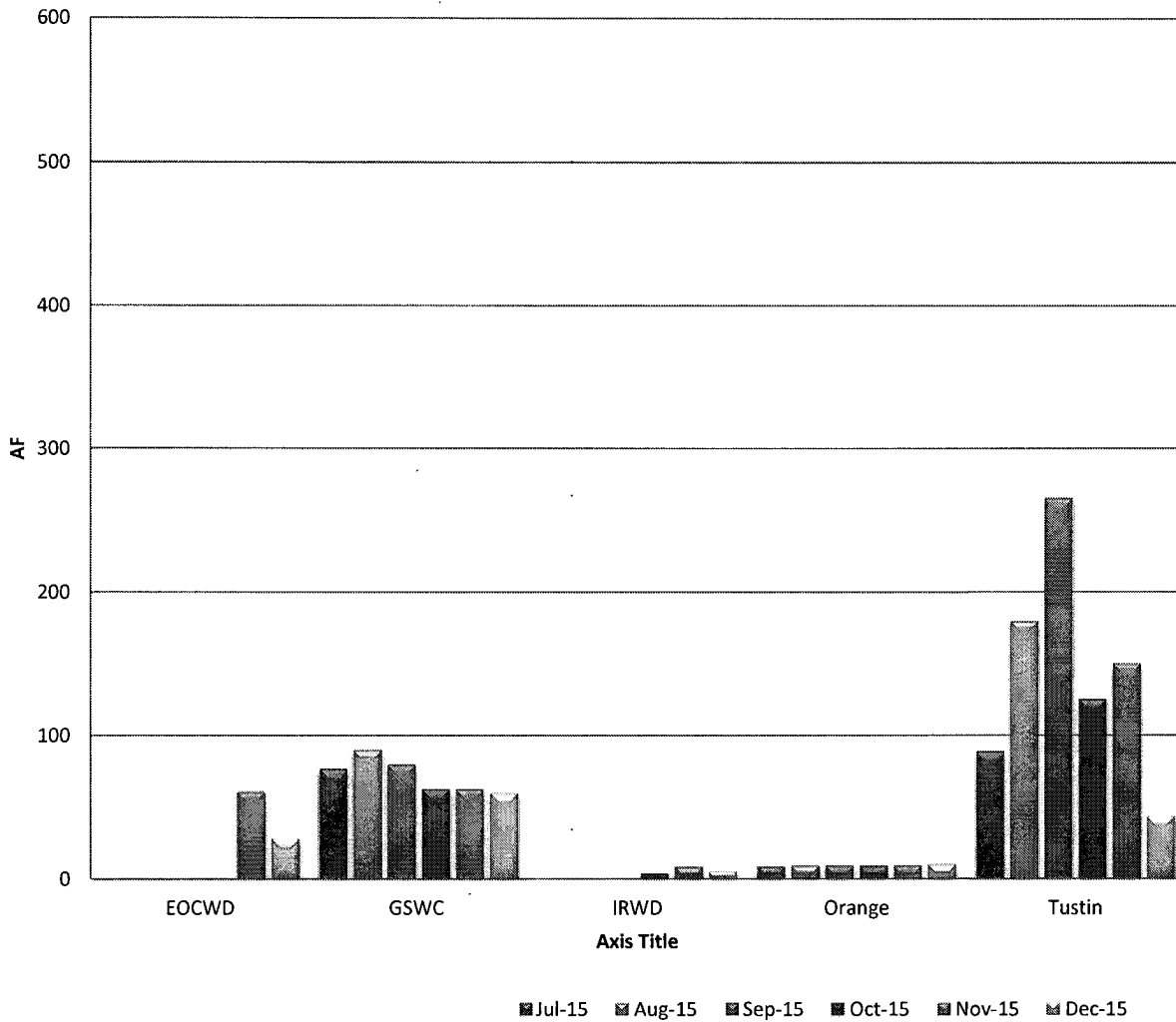
As shown on Page 4, total production for the month of December was 45 AF; this is 4 AF (10%) higher than our demand for December 2014 (41 AF), but 8 AF (5%) lower than our average demand for the last 6 years.

Also attached are graphs depicting the Retail Zone's water demand, including a table that shows "gallons per capita per day" or GPCD. The effect of the increased conservation is shown very vividly here - the table shows our residents' per person, per day water consumption for the month of **December 2015 (145)** compared to **December 2014 (132)**. This number is derived by dividing the total amount of water used by the population (a number calculated by the Center for Demographics at Cal State Fullerton). For comparison, the average GPCD for the South Coast area of California is 176 GPCD (Source: Department of Water Resources). The average GPCD for RZ customers for FY 2014/15 was 246 GPCD.

## Wholesale Zone Water Demand

Total Monthly Sales for December, 2015= 146.20 AF

Total YTD Sales for July - December, 2015 = 1,443.93 AF





# East Orange County Retail Zone Water Usage Report

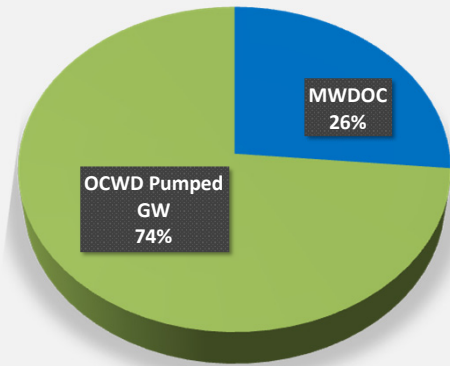
## East Orange County Retail Zone Overview of Usage FY 2015-16 Monthly Water Use

Type of Supply	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWDOC	-	-	-	-	60	28	-	-	-	-	-	-	89
OCWD Pumped GW	54	69	60	46	0	17	-	-	-	-	-	-	246
<b>Total</b>	<b>54</b>	<b>69</b>	<b>60</b>	<b>46</b>	<b>61</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>335</b>

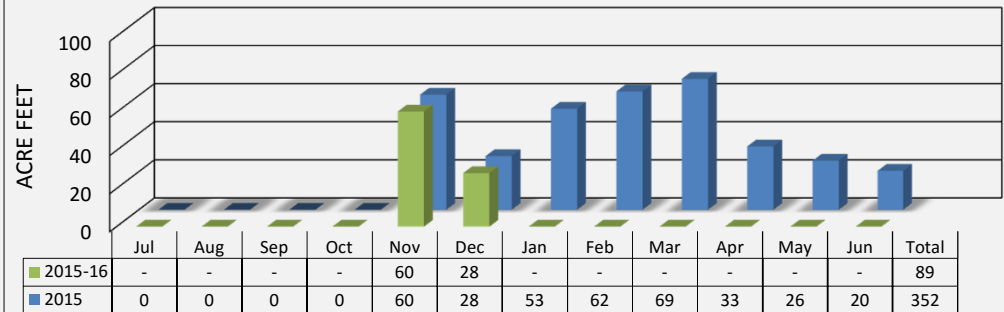
  

2015 MWDOC Usage	0	0	0	0	60	28	53	62	69	33	26	20	352
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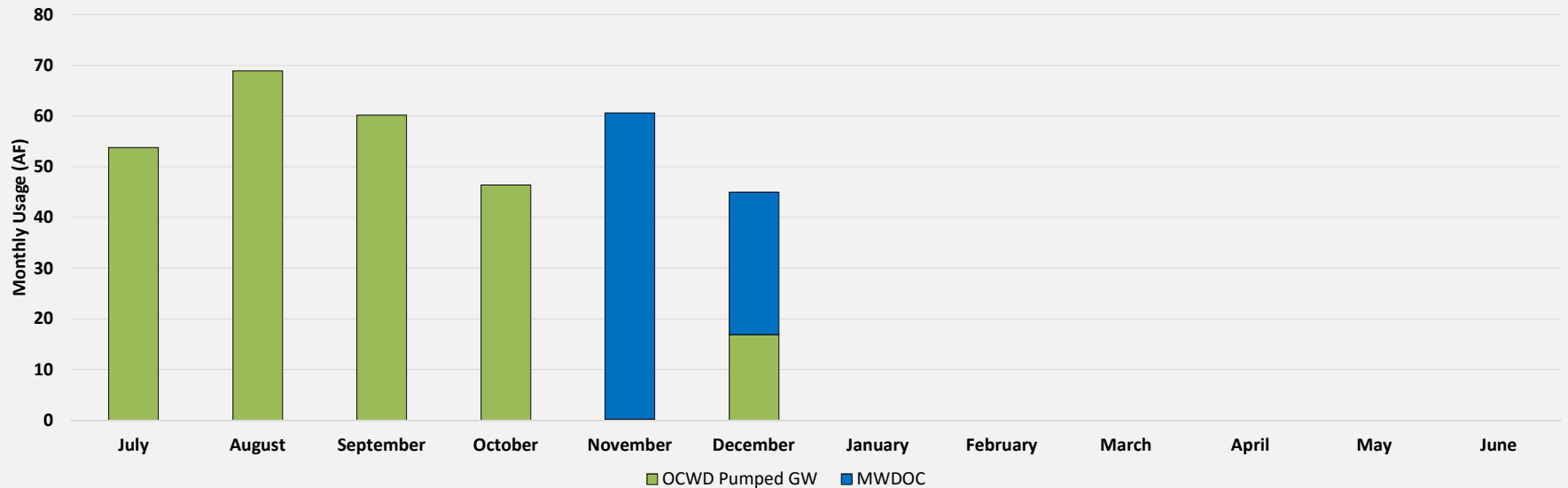
**2015-16 Sources of Water Supply**



**MWDOC Calendar Year and Fiscal Year Purchases**



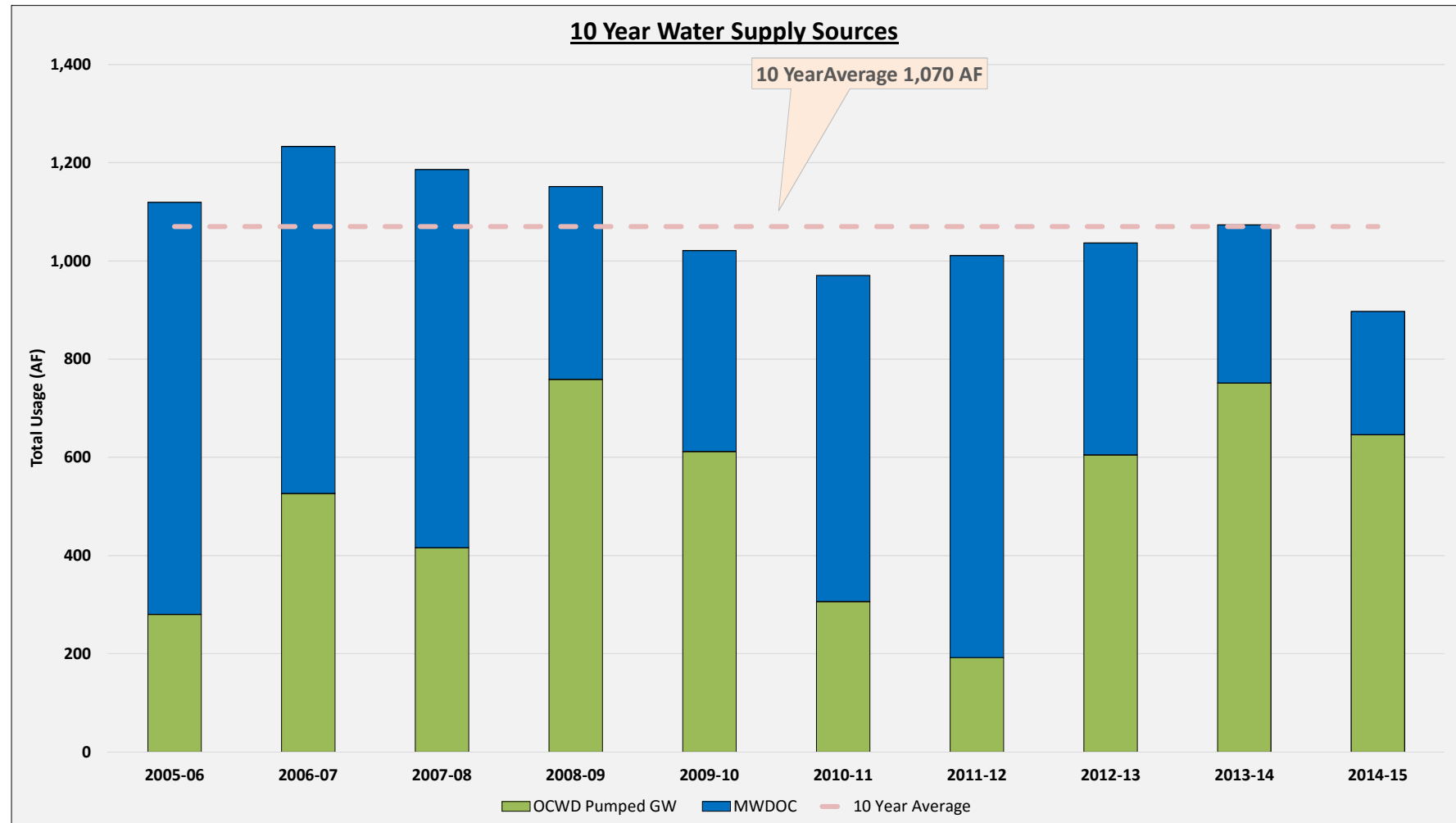
**2015-16 Water Supply Sources**



# East Orange County Retail Zone Water Usage Report

## Annual Water Usage

Type of Supply	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average
MWDOC	839.5	707.1	770.0	392.3	409.3	663.8	819.1	431.3	322.0	250.7	560.5
OCWD Pumped GW	280.2	526.3	416.0	759.1	612.0	306.5	192.1	605.2	751.3	646.3	509.5
<b>Total</b>	<b>1,120</b>	<b>1,233</b>	<b>1,186</b>	<b>1,151</b>	<b>1,021</b>	<b>970</b>	<b>1,011</b>	<b>1,037</b>	<b>1,073</b>	<b>897</b>	<b>1,070</b>

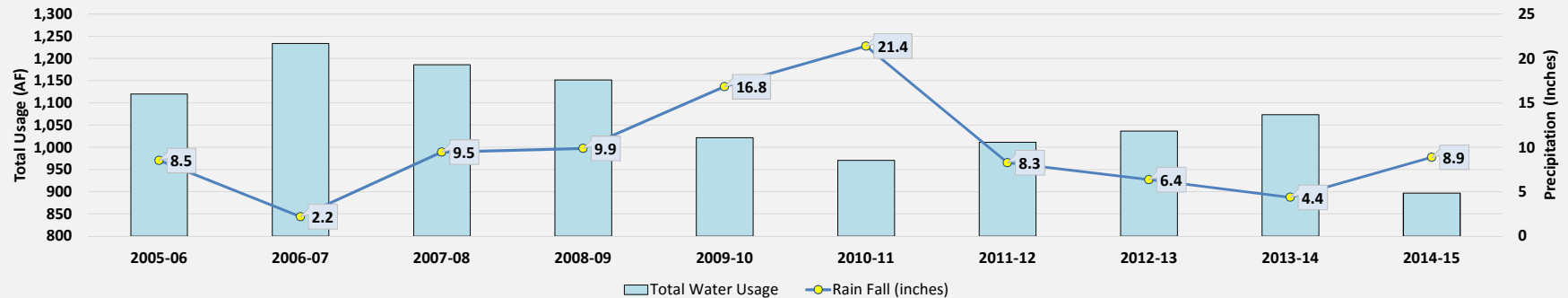


# East Orange County Retail Zone Water Usage Report

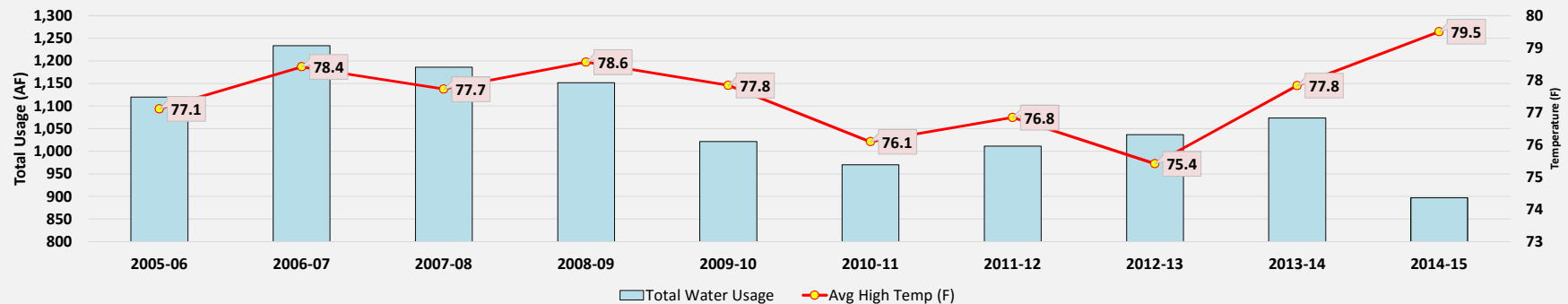
## Water Usage Variables

Type of Supply	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average
Rain Fall (inches)	8.5	2.2	9.5	9.9	16.8	21.4	8.3	6.4	4.4	8.9	9.6
Avg High Temp (F)	77.1	78.4	77.7	78.6	77.8	76.1	76.8	75.4	77.8	79.5	77.5
LA Unemployment %	4.6%	4.4%	5.5%	9.1%	11.6%	11.7%	10.9%	9.5%	8.2%	7.2%	8.3%
Total Water Usage	1,120	1,233	1,186	1,151	1,021	970	1,011	1,037	1,073	897	1,070

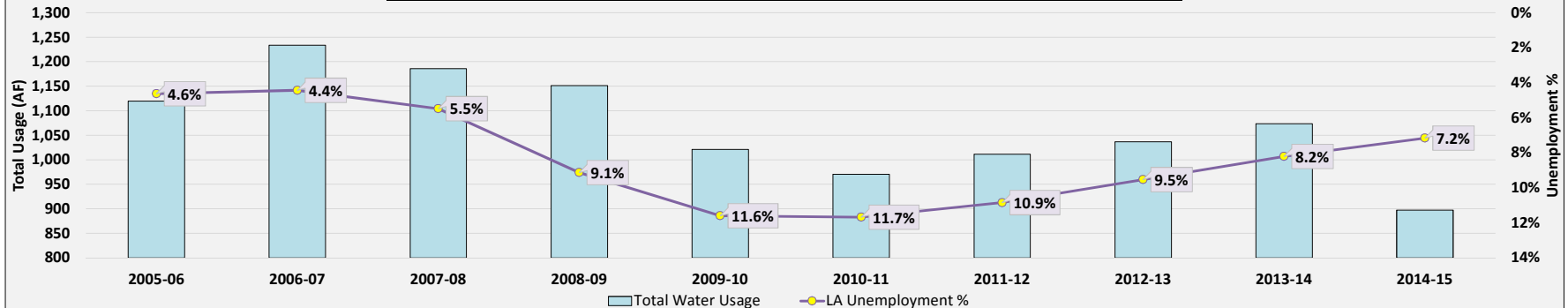
**10 Year Water Usage VS Precipitation (SNA #121 Station)**



**10 Year Water Usage VS Average High Temperature (Santa Ana Fire Station)**



**10 Year Water Usage VS L.A. Metro Annual Average Unemployment Percentages**



# East Orange County Retail Zone Water Usage Report

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

Fiscal Year	July	August	September	October	November	December	January	February	March	April	May	June	Total
2008-09 Usage	127	127	114	108	96	57	91	46	83	101	103	100	1,152
2009-10 Usage	123	124	112	97	86	55	52	35	59	74	96	110	1,021
2010-11 Usage	112	118	109	76	73	49	58	55	54	78	92	98	970
2011-12 Usage	120	119	98	88	63	68	71	58	67	65	95	100	1,011
2012-13 Usage	114	118	107	99	75	42	58	62	73	85	101	103	1,037
2013-14 Usage	104	108	111	94	87	66	81	63	69	80	108	103	1,073
2014-15 Usage	100	104	102	93	74	41	59	53	72	73	52	74	897
Average of Last 6 FYs	112	115	106	91	76	53	63	54	66	76	91	98	1,002
Monthly Usage Percentage	11%	11%	11%	9%	8%	5%	6%	5%	7%	8%	9%	10%	100%

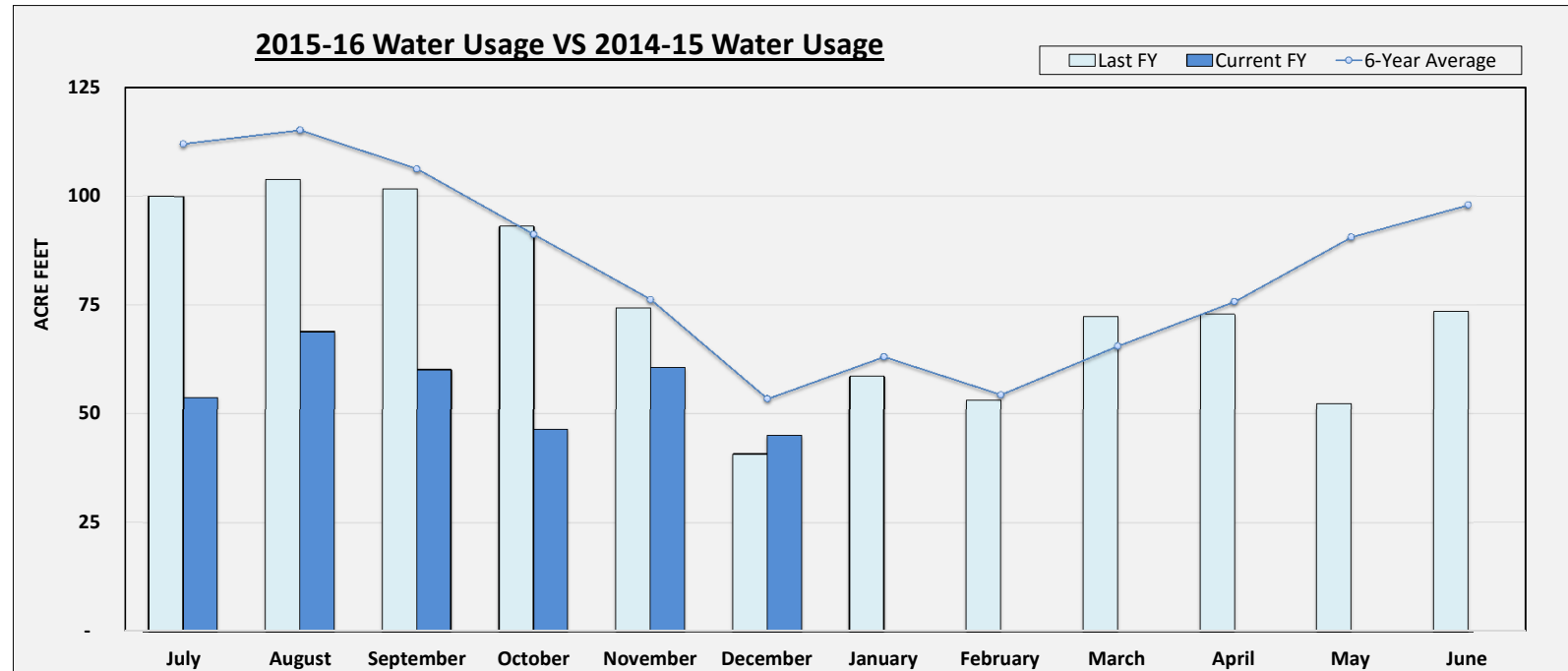
### Water Usage By Source

Imported	July	August	September	October	November	December	January	February	March	April	May	June	Total
MWD via EO Wholesale	-	-	-	-	60.4	28.1							88.5
CPTP													-
Imported Total	-	-	-	-	60	28	-	-	-	-	-	-	88.50

Local	July	August	September	October	November	December	January	February	March	April	May	June	Total
OCWD Pumped GW	53.8	68.9	60.2	46.4	0.2	16.9							246.4
Less CPTP													-
Local Total	54	69	60	46	0	17	-	-	-	-	-	-	246.40

Total Usage 2015-16	54	69	60	46	61	45	-	-	-	-	-	-	334.90
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FY 14-15 versus FY 13-14      -46%      -34%      -41%      -50%      -19%      +10%

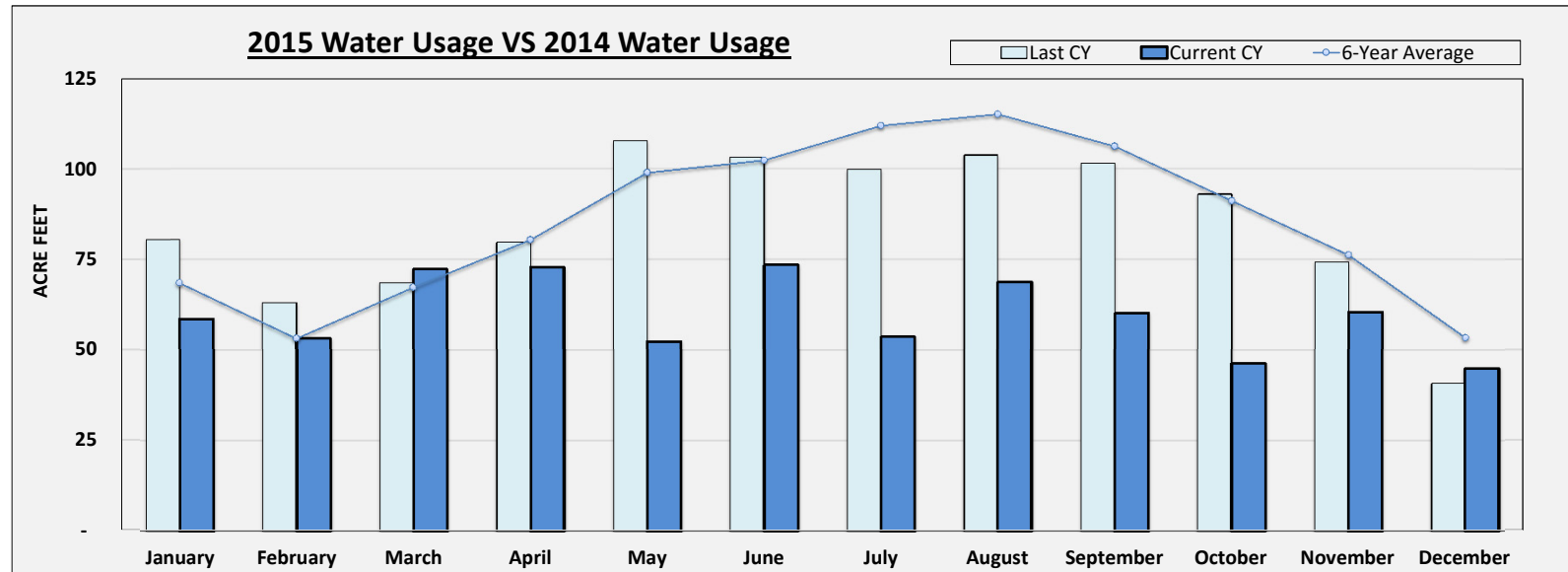


# East Orange County Retail Zone Water Usage Report

## Historical Monthly Potable Usage (Calendar Year)

Calendar Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2009	91	46	83	101	103	100	123	124	112	97	86	55	1,120
2010	52	35	59	74	96	110	112	118	109	76	73	49	962
2011	58	55	54	78	92	98	120	119	98	88	63	68	990
2012	71	58	67	65	95	100	114	118	107	99	75	42	1,010
2013	58	62	73	85	101	103	104	108	111	94	87	66	1,052
2014	81	63	69	80	108	103	100	104	102	93	74	41	1,017
6 year Average	69	53	67	80	99	102	112	115	106	91	76	53	1,025

Total Water Usage 2015	59	53	72	73	52	74	54	69	60	46	61	45	718
2015 VS 2014 Usage	+1%	-14%	-1%	-14%	-48%	-28%	-48%	-36%	-46%	-51%	-30%	-32%	-29%



	Population	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014 Usage (AF)		81	63	69	80	108	103	100	104	102	93	74	41	1,017
2014 GPCD	3,249	261	226	222	267	348	346	323	336	340	301	249	132	279
2015 Usage (AF)		59	53	72	73	52	74	54	69	60	46	61	45	718
2015 GPCD	3,257	189	190	234	243	169	245	174	222	201	150	202	145	197
CY over CY change in GPCD		-71	-36	+11	-24	-179	-100	-150	-114	-139	-151	-47	+13	-83

	Population	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2014-15 Usage (AF)		100	104	102	93	74	41	59	53	72	73	52	74	897
2014-15 GPCD	3,249	323	336	340	301	249	132	190	191	234	244	170	246	246
2015-16 Usage (AF)		54	69	60	46	61	45	-	-	-	-	-	-	335
2015-16 GPCD	3,257	174	222	201	150	202	145	-	-	-	-	-	-	182
FY over FY change in GPCD		-150	-114	-139	-151	-47	+13							-64

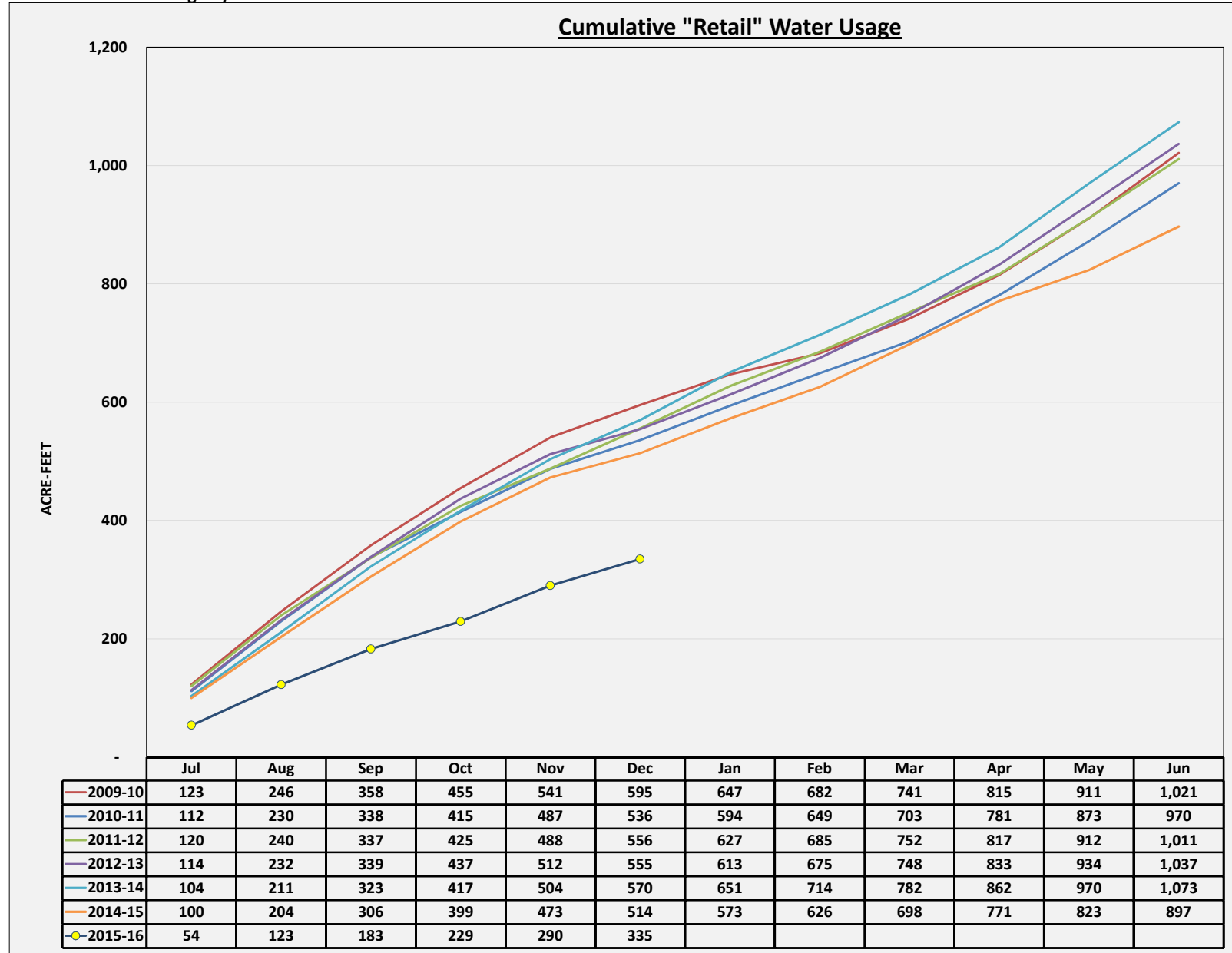
\*Cumulative through the end of the last month shown

\*GPCD = Total Monthly Production/ Population/days in the month



# East Orange County Retail Zone Water Usage Report

Cumulative Water Usage by Fiscal Year



## Drought Education/Enforcement Efforts - December 2015

<i>Activity</i>	<i>Date</i>	<i>Action</i>
Meetings		
Orange County Water Use Efficiency Meeting	3-Dec-15	Reyna Ayala attended this monthly meeting. Items discussed included status of drought compliance, agency problem solving roundtable, SWRCB emergency drought regulations modifications, water loss control technical assistance, public affairs/marketing, winter messaging campaign, HOA marketing, search engine marketing, grant funding opportunities, MET update, Waterdex savings presentation, turf removal program status, CUWCC meeting, 2015 Water Smart Innovations conference presentations.
Turf Waitlist & Droplet Webinar-Reyna	December 16, 2015	Reyna Turf Waitlist & Droplet Webinar sponsored by MWDOC.
Water Waste/High Water Bill Phone Calls		
Water conservation assistance-Minh	December 14, 2015	Customer at Circula Panorama requested assistance with water conservation and irrigation help.
Water conservation assistance-Matt	December 17, 2015	Customer at Baja Panorama requested assistance. Taught customer to set irrigation timer; ultimately turned off all of the sprinkler system.

Water conservation assistance-Minh	December 28, 2015	Customer at Gateway Lane requested water conservation and irrigation help. Customer's sprinkler system was going off every day without her knowing. Customer has 10 fruit trees and a 500 sq.ft. Garden; additional allowance for trees and garden was provided to her water budget.
Water conservation assistance-Minh	December 28, 2015	Customer at Barrett Lane requested water conservation and irrigation help. Customer did not know that the sprinklers were running and for how long.
Drought Social Media/Print Messaging Efforts		
Door Hanger, Bill Inserts	December 3-15, 2015	Working with Communications Lab, 20" long door hangers in the shape of a giant "1" were produced to remind customers that they need to change their sprinklers to 1x per week watering or turn them off if there is rain. The hanger also reminds customers to fix leaks within 24 hours and reiterates prohibitions on filling uncovered pools, eliminating overspray and no hosing down of sidewalks, driveways, etc. A flyer entitled, "Will El Nino end California's drought?" was reproduced and placed in water bills.
Facebook	December-15	Site is updated on a weekly basis by Communications Lab staff and EOCWD staff. Eleven posts were shared in EOCWD's Facebook page.
Twitter	December-15	Twitter activity is maintained by Communications Lab staff providing content. Ten tweets were shared in Twitter.
EOCWD Drought Page on Website	December-15	Drought- A new item was included under the website's Conservation dropdown: "Will El Nino End California's Drought?"



Foothill Sentry Ad	December-15	Produced advertisement showing that we didn't make November reduction of 36%; achieved only 20%.
Customer Rebate Activities		
Rain Barrel Rebate	December 3,2015	Customer at Old Foothill Blvd received a rebate for \$300.00
Rain Barrel Rebate	December 3,2015	Customer at Country Haven LN received a rebate for \$150.00
Rain Barrel Rebate	December 3,2015	Customer at Panorama PL receive a rebate for \$225.00
Turf Removal post-inspection-Minh	December 14, 2015	Customer at Greenwald Lane had a Turf Removal post-inspection.
Turf removal post-inspection-Matt & Minh	December 24, 2015	Customer at Craftsman Lane had a Turf Removal post-Inspection.

Groundwater Replenishment System (GWRS) Credits

MWDOC/OCWD	<b>December 31, 2015</b>	The GWRS production allocated to EOCWD can be reported as Indirect Potable Reuse (IPR). For the month of December, EOCWD showed an IPR credit of 7.2 acre feet (equivalent to 2.3 million gallons or 16.5 % of the RZ's December demand) that was sent to GWRS by sewer customers in the RZ for eventual reuse through the groundwater wells. This number represents "new" water that wasn't imported.
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# MEMO

**TO: BOARD OF DIRECTORS**  
**FROM: GENERAL MANAGER**  
**SUBJECT: GENERAL INTEREST PUBLICATIONS**  
**DATE: DECEMBER 17, 2015**

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## BACKGROUND

Attached to this memo is a copy of information pertinent to current events in the water industry:

- *“Exceptional” Drought Improves Only 2 Percent After California Storms – Jonathan Lloyd Channel 4, Los Angeles January 15, 2017*

## RECOMMENDATION


Information only; no action required.



# 'Exceptional' Drought Improves Only 2 Percent After California Storms

More than 42 percent of California remains under exceptional drought after last week's El Niño-influenced storms

By [Jonathan Lloyd](#)

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YOU MAY ALSO BE INTERESTED IN...

[Play Gallery](#)

1 of

Parts of drought-stricken California saw only minor improvement this week after a series of storms marched through the region.

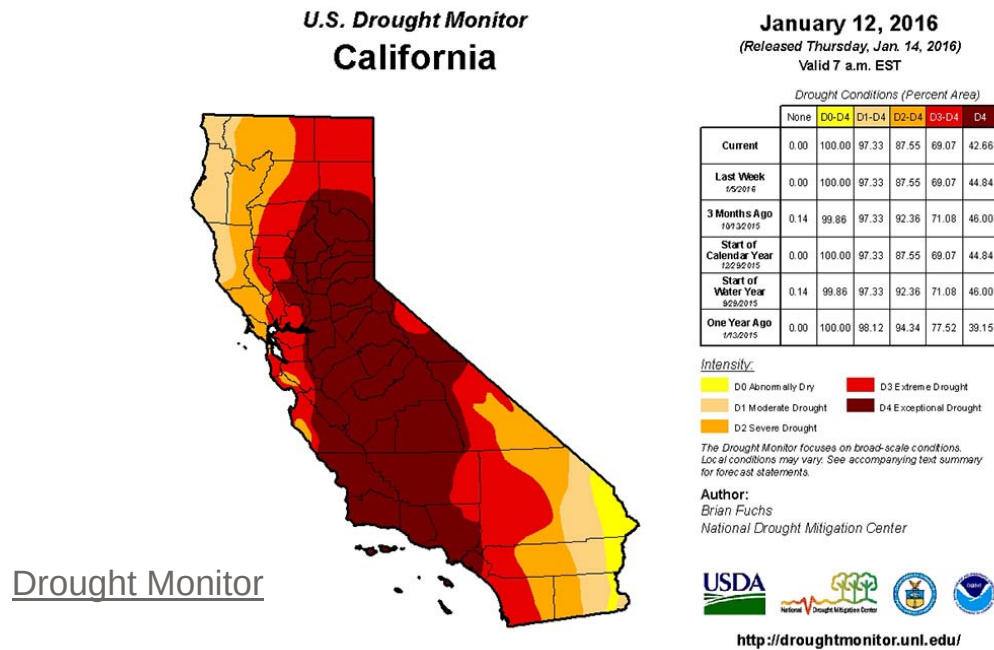
This week's California Drought Monitor shows only a 2 percent improvement to the exceptional drought category -- the most severe -- in Northern California following storms that brought rain and snow to the state. Water reservoirs remain below normal as the state's hopes for a degree of drought recovery hinge on the effects of a strong El Niño.

- [California Drought Images: Disappearing Water](#)

The warming of Pacific waters influences weather conditions around the globe and could mean a wetter-than-normal winter for California.

"Even with the rain and snow received over the last several weeks, many areas are still running below normal for precipitation and snow for the current water year," according to the weekly report. "Wells, reservoirs, ground water, and soil

moisture are all recovering slowly, which is to be expected after three-plus years of drought."



The U.S. Drought Monitor report released Thursday Jan. 14, 2016.

Photo credit: US Drought Monitor

More than 42 percent of California remains under exceptional drought. That figure is down by about 4 percentage points since the start of the water year at the end of September.

More than 87 percent of California remains under severe drought.

- [Running Dry](#)

Recovery is expected to be slow and require much more rain and snowfall, according to the report. Northern California could see more precipitation in the coming week.

"Remember, it took many years to get here," said NBC4 forecaster Crystal Egger. "We need to see more storms coming into our state over the next several months. We will put a dent in our drought if we keep up with that storm track to our north."