

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
July 13, 2011, 5:00 p.m.
MWDOC Conference Room 101

Committee:

Director Thomas, Chairman
Director Royce
Director Barbre

Staff: K. Hunt, K. Seckel, P. Letrong,
C. Harris, K. Davanaugh

Ex Officio Member: J. Finnegan

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING --
Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

PROPOSED BOARD CONSENT CALENDAR ITEMS-ACTION

1. **TREASURER'S REPORT**
 - a. Revenue/Cash Receipt Register - June 30, 2011
 - b. Approval of disbursements - July 2011
 - c. Ratification of disbursements - July 2011
 - d. Emergency disbursement - June 2011
 - e. Consolidated Summary of Cash and Investment - May 31, 2011
 - f. Water Use Efficiency Projects Cash Flow - June 30, 2011
2. Combined Financial Statements and Budget Comparative - July 1, 2010 thru May 31, 2011
3. **DISTRICT CONFERENCES**
 - a. Urban Water Institute Annual Conference, August 25-26, 2011, San Diego

ACTION ITEMS

4. RESOLUTION TO ADOPT THE PARS POST RETIREMENT HEALTH CARE PLAN TRUST AND APPOINT PLAN ADMINISTRATOR

DISCUSSION ITEMS

5. 2010-11 GRAND JURY REPORT REGARDING COMPENSATION SURVEY OF ORANGE COUNTY WATER AND SANITATION DISTRICTS
6. OC LAFCO FINANCIAL INDICATOR AND SHARED SERVICES
7. PLANNING FOR STRATEGIC PLAN REVIEW

INFORMATION ITEMS – (The following items are for informational purposes only– background information is included in the packet. Discussion is not necessary unless a Director requests.)

8. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFORMATION
9. PENDING ITEMS
 - a. Administration
 - b. Finance and Information Technology

OTHER ITEMS

10. REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
June 2011

WATER REVENUES

Date	From	Description	Amount
6/3/2011	City of La Palma	April 2011 Water deliveries	50,970.99
6/3/2011	East Orange County Water District	April 2011 Water deliveries	213,526.28
6/3/2011	City of Garden Grove	April 2011 Water deliveries	1,065,944.90
6/6/2011	City of San Juan Capistrano	April 2011 Water deliveries	277,499.42
6/9/2011	City of La Habra	April 2011 Water deliveries	39,180.24
6/9/2011	Serrano Water District	April 2011 Water deliveries	1,895.77
6/10/2011	South Coast Water District	April 2011 Water deliveries	288,857.27
6/10/2011	City of Fountain Valley	April 2011 Water deliveries	278,717.22
6/10/2011	City of Huntington Beach	April 2011 Water deliveries	234,880.79
6/13/2011	Trabuco Canyon Water District	April 2011 Water deliveries	11,634.06
6/13/2011	Santa Margarita Water District	April 2011 Water deliveries	1,566,154.81
6/13/2011	El Toro Water District	April 2011 Water deliveries	536,738.76
6/13/2011	City of Orange	April 2011 Water deliveries	331,222.03
6/14/2011	City of Newport Beach	April 2011 Water deliveries	180,501.67
6/14/2011	Yorba Linda Water District	April 2011 Water deliveries	432,863.09
6/15/2011	Laguna Beach County Water District	April 2011 Water deliveries	238,482.88
6/15/2011	City of Westminster	April 2011 Water deliveries	428,967.20
6/15/2011	Mesa Consolidated Water District	April 2011 Water deliveries	657,450.21
6/15/2011	Golden State Water Company	April 2011 Water deliveries	474,527.05
6/15/2011	Moulton Niguel Water District	April 2011 Water deliveries	1,732,939.93
6/15/2011	Irvine Ranch Water District	April 2011 Water deliveries	490,436.57
6/15/2011	Santiago Aqueduct Commission	April 2011 Water deliveries	28,128.63
6/24/2011	City of Buena Park	May 2011 Water deliveries	389,279.34
6/24/2011	City of Huntington Beach	May 2011 Water deliveries	409,880.61
6/24/2011	City of San Clemente	May 2011 Water deliveries	505,251.82
6/27/2011	City of Brea	May 2011 Water deliveries	235,122.86

TOTAL WATER REVENUES \$ 11,101,054.40

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
 June 2011

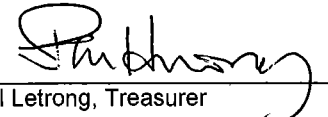
MISCELLANEOUS REVENUES

Date	From	Description	Amount
6/27/2011	Paypal	2/24/11 Water policy dinner, 6/30/11 ISDOC luncheon & 7/21/11 Water policy dinner registrations	1,438.26
6/3/2011	City of Huntington Beach	2010 Consumer confidence report technical consult	961.00
6/9/2011	City of La Palma	2010 Consumer confidence report technical consult	961.00
6/6/2011	City of San Juan Capistrano	2010 Consumer confidence report technical consult	1,490.00
6/6/2011	Santa Margarita Water District	2010 Consumer confidence report technical consult	492.00
6/13/2011	City of Orange	89 COPS semi annual debt service	40,058.50
6/22/2011	City of San Juan Capistrano	89 COPS semi annual debt service	3,800.00
6/21/2011	Santa Margarita Water District	89 COPS semi annual debt service	1,277,010.00
6/6/2011	Metropolitan Water District	Apr 2011 Indoor/Outdoor Survey program & Apr 2011 Large Landscape Survey program	5,617.00
6/8/2011	Phil Letrong	Business expense reimbursement	19.04
6/2/2011	Moulton Niguel Water District	Dana Point Ocean Desal phase 3	140,000.00
6/10/2011	Department of Water Resources	Feb 08 - Jun 10 Water Loss Management program	90,000.01
6/13/2011	Irvine Ranch Water District	Final payment on modification to service connection OC-38	462.44
6/9/2011	Metropolitan Water District	Jan 2011 Commercial Smartscape program	175.00
6/17/2011	Department of Water Resources	Jan-Mar 2010 Hotel Water Use Reduction Program & Jul-Sep 2010 Rotating Nozzles rebate program	60,977.49
6/24/2011	Beverly Crowe	Jul 2011 Retiree medical premium	227.95
6/9/2011	Department of Water Resources	Jul-Dec 2010 Hotel Water Use Reduction program	66,868.21
6/2/2011	Claire Seckel	Jun 2011 COBRA medical premium	605.21
6/3/2011	City of Anaheim	Mar 2011 Smartimer rebate program	72.00
6/2/2011	Moulton Niguel Water District	Mar 2011 Smartimer rebate program	234.00
6/6/2011	Santa Margarita Water District	Mar 2011 Smartimer rebate program	279.00
6/6/2011	Santa Margarita Water District	Mar 2011 Smartimer rebate program	54.00
6/9/2011	Serrano Water District	Mar 2011 Smartimer rebate program	153.00
6/20/2011	Mesa Consolidated Water District	May 2011 So Cal Watersmart rebate program	270.00
6/29/2011	Metropolitan Water District	May 2011 Large Landscape Survey program	7,667.78
6/13/2011	City of Santa Ana	MET GM workgrp assistance from Malcolm Pirnie phase 2 (FY10-11)	1,000.00
6/10/2011	Dianne Swanson	Movie Tickets	30.00
6/29/2011	2 Checks	Movie Tickets	52.50
6/8/2011	Dianne Swanson	Movie Tickets	30.00
6/10/2011	Bureau of Reclamation	Nov 09 - Mar 11 Water Smart desalination	311,019.58
6/6/2011	City of Orange	Nov 2010 Smartimer rebate program	63.00
6/17/2011	Orange County Water Association	OCWA Administrative Professionals luncheon gifts	163.40
6/8/2011	LA Dept of Water and Power	Strategic assistance on MET issues	9,000.00

TOTAL MISCELLANEOUS REVENUES **\$ 2,021,251.37**
 TOTAL REVENUES **\$ 13,122,305.77**



 Kevin P. Hunt, General Manager



 Phil Letrong, Treasurer



COMMITTEE ITEM

July 20, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff Contact: Phil Letrong

SUBJECT: **New Disbursement Register format**

DETAILED REPORT

At the June 15, 2011 Board meeting, the Board of Directors authorized a change in bill payment procedure where the Administrative & Finance committee will approve most of the District's bills before they are paid effective July 2011.

Attached are three disbursement reports that are and will be submitted on a monthly basis to the committee for approval and ratification:

1. Disbursement Approval Report for the month of July 2011: listing of disbursement payments to be approved by the A & F committee for the month of July 2011.
2. Disbursement Ratification Report for the month of June 2011: listing of all disbursement payments made in the month of June 2011, to be submitted to the committee for ratification. All June 2011 disbursements are to be ratified since the new disbursement approval procedure does not take effect until July 2011.
3. Emergency Disbursement Report for the month of June 2011: listing of emergency payments made prior to next committee meeting (with General Manager approval), to be submitted to the committee for ratification.

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

**Municipal Water District of Orange County
Disbursement Approval Report
for the month of July 2011**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>City of Anaheim</i>	
38	RPOI Distribution No. 38	14,273.32
		14,273.32
	<i>East Orange Co Water District</i>	
38	RPOI Distribution No. 38	40,141.58
		40,141.58
	<i>El Toro Water District</i>	
38	RPOI Distribution No. 38	61,185.67
		61,185.67
	<i>Irvine Ranch Water District</i>	
38	RPOI Distribution No. 38	554,479.50
		554,479.50
	<i>Moulton Niguel Water District</i>	
38	RPOI Distribution No. 38	179,651.48
		179,651.48
	<i>City of Orange</i>	
38	RPOI Distribution No. 38	69,759.44
		69,759.44
	<i>Santa Margarita Water District</i>	
38	RPOI Distribution No. 38	366,819.18
		366,819.18
	<i>Trabuco Canyon Water District</i>	
38	RPOI Distribution No. 38	22,360.03
		22,360.03
	<i>Yorba Linda Water District</i>	
38	RPOI Distribution No. 38	12,198.30
		12,198.30
	<i>ACWA/Joint Powers Insurance Authority</i>	
APR-JUN11	April - June 2011 Workers compensation insurance	6,886.00
		6,886.00

**Municipal Water District of Orange County
Disbursement Approval Report
for the month of July 2011**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Dissinger Associates</i>	
053111	May 2011 Benefit statement	135.00
		135.00
	<i>Federal Express Corporation</i>	
7-532-87976	6/13/11 Delivery charges	15.39
7-540-69558	6/15/11 & 6/20/11 Delivery charges	63.84
7-548-10834	6/27/11 Delivery charges	13.35
		92.58
	<i>Finley & Cook PLLC</i>	
ITM-013861	Jet Report annual license	957.60
ITM-013891	6/6/11 - 6/6/12 Annual maintenance for Matriks document software	434.00
		1,391.60
	<i>Fry's Electronics</i>	
18090106	6/17/11 Computer supplies	137.41
18100238	6/20/11 Computer supplies	65.24
		202.65
	<i>Warren Greco</i>	
062911	Apr - Jun 2011 Tuition reimbursement	1,614.93
		1,614.93
	<i>Ikon Office Solutions</i>	
5018973379	July 2011 Copier maintenance	237.52
		237.52
	<i>Lexis Nexis</i>	
18110371	California Deering government codes	335.98
		335.98
	<i>Norco Delivery Services</i>	
261895	6/30/11 Delivery charges	144.17
		144.17

**Municipal Water District of Orange County
Disbursement Approval Report
for the month of July 2011**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Office Solutions</i>	
I-00236311	6/27/11 Office supplies	34.87
I-00236465	6/27/11 Office supplies	153.04
		187.91
	<i>Orange County Water District</i>	
9946A	May 2011 Postage for Water & Super Hero program	284.67
9946	May 2011 Office expense, postage and copies	12,206.51
		12,491.18
	<i>Patricia Kennedy Inc.</i>	
2494	July 2011 Plant maintenance	214.00
		214.00
	<i>Tustin Irvine Medical Group</i>	
00505263	Pre-employment health exam	185.00
		185.00
	<i>CA Urban Water Conservation Council</i>	
2011G1-143	2011 Annual member agency dues	7,810.00
		7,810.00
	<i>Cal Desal</i>	
77	2011 Cal Desal membership	5,000.00
		5,000.00
	<i>Independent Special Districts of OC</i>	
063011	ISDOC Luncheon on Jun. 30, 2011 - Registration for D Cordero, M Thies, Directors L Dick, E Royce & J Finnegan	80.00
		80.00
	<i>County of Orange</i>	
GA00181	FY 11/12 LAFCO membership costs	24,843.11
PW101231	South Orange County Water Management Area cooperative agreement	3,675.00
		28,518.11

**Municipal Water District of Orange County
Disbursement Approval Report
for the month of July 2011**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Urban Water Institute</i>	
65	7/1/11 - 6/30/12 Annual membership dues	1,250.00
		1,250.00
	<i>James C. Barker, P.C.</i>	
105-0611, 105-	June 2011 Federal legislative advocacy services	8,000.00
		8,000.00
	<i>Kidman Behrens Tague, LLP</i>	
26938,39,40,43	June 2011 Legal services	32,745.80
		32,745.80
	<i>Lewis Consulting Group, LLC</i>	
1092	June 2011 Professional services	5,000.00
		5,000.00
	<i>Malcolm Pirnie, Inc.</i>	
0388917	April 2011 Consulting services on MET issues	8,330.03
0388918	May 2011 Consulting services on MET issues	8,333.00
		16,663.03
	<i>MJF Consulting, Inc.</i>	
JUN11	June 2011 General regulatory liaison support	2,740.00
		2,740.00
	<i>Townsend Public Affairs, Inc.</i>	
7046	June 2011 State & Federal legislative advocacy services	10,000.00
		10,000.00
	<i>Chambers Group</i>	
25893	April 2011 Enviornmental document services for SOCOD Desal project	539.00
25978	May 2011 Enviornmental document services for SOCOD Desal project	725.78
		539.00

**Municipal Water District of Orange County
Disbursement Approval Report
for the month of July 2011**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
SEPARA		
<i>Separation Processes, Inc</i>		
6214	May 2011 Pilot facilities operations for SOCOD Desal project	42,244.47
6215	May 2011 Pretreatment study for SOCOD Desal project	206,321.74
6216	May 2011 Source water quality sampling for SOCOD Desal project	4,532.25
		253,098.46
<i>AquaFicient Consulting</i>		
02-025	May 2011 Landscape Performance Certification program funded by IRWD and MET	1,500.00
		1,500.00
<i>Bemus Landscape Inc.</i>		
215983,215984	April 2011 Smartscape Incentive program	5,000.00
		5,000.00
<i>Chang's Landscaping Service</i>		
015,016,017-	May 2011 Smartscape Incentive program	7,500.00
		7,500.00
<i>ConserVision Consulting, LLC</i>		
LPCP-183	May 2011 Consulting services for Landscape Performance Certificate program	7,237.50
		7,237.50
<i>Fortech Software Consulting, Inc.</i>		
10934	June 2011 Progress billing for custom landscape database	5,260.00
		5,260.00
<i>Glen's Landscape</i>		
1020,2032	March & May 2011 Smartscape Incentive program	4,942.60
		4,942.60
<i>Mission Resource Conservation District</i>		
1201	June 2011 Field verifications for rebate programs	21,693.46
		21,693.46
<i>Orange County Printing</i>		
100344	Water Use Efficiency bill inserts for member agencies	10,230.45
		10,230.45

**Municipal Water District of Orange County
Disbursement Approval Report
for the month of July 2011**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>URS Corporation Americas</i>	
4712562	May 2011 Professional services for Industrial Process Water Use Reduction program	3,640.00
		<hr/> 3,640.00
	<i>Waterwise Consulting, Inc.</i>	
1525	June 2011 Professional services for Hotel program	5,222.50
		<hr/> 5,222.50
	Total:	<u><u>1,789,020.82</u></u>

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122803	6/6/11	BARBCO MAY2011	Brett Barbre May 2011 MET Director's compensation	1,994.58
			***Total ***	1,994.58
122804	6/6/11	HINMAN MAY2011	Susan Hinman May 2011 Business expense	478.34
			***Total ***	478.34
122805	6/6/11	MALCOL 0381613	Malcolm Pirnie, Inc. July 2010 - February 2011 Professional services for MET member agency workgroup	53,574.73
			***Total ***	53,574.73
122806	6/6/11	SDG&E 49159257768-	SDG&E 4/21/11 - 5/23/11 Electrical service for SOCOD Desal project- Phase 3 operations	6,761.66
			***Total ***	6,761.66
122807	6/6/11	SECOVA 06000307312311	Secova June 2011 Health insurance for Director Royce	125.00
			***Total ***	125.00
122808	6/6/11	SILVER 060111	Silver-Script June 2011 Prescription insurance for Director Royce	69.00
			***Total ***	69.00
122809	6/6/11	ATTEOC 0532-MAY11	AT&T May 2011 N. EOC Dedicated phone line	72.12
			***Total ***	72.12
122810	6/9/11	ACKERM MAY2011	Linda Ackerman May 2011 MET Director's compensation	2,216.20
			***Total ***	2,216.20
122811	6/9/11	BUITIF 053111	Tiffany Bui April - May 2011 Business expense	99.40
			***Total ***	99.40

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122812	6/9/11	DICKCO MAY2011	Larry Dick May 2011 MET Director's compensation	2,216.20
122813		053111	May 2011 Business expense	120.16
			***Total ***	2,336.36
122814	6/9/11	FOLEYJ MAY2011	John V. Foley May 2011 MET Director's compensation	1,994.58
			***Total ***	1,994.58
122815	6/9/11	ROYCE 053111	Ed Royce Sr. May 2011 Business expense	149.04
			***Total ***	149.04
122816	6/15/11	4IMPRI 2072920/1539774	4imprint, Inc. 34 WEROC EOC staff polo shirts	406.41
			***Total ***	406.41
122817	6/15/11	A&NTEC APR2011PS8	A & N Technical Services, Inc. April 2011 Professional services for the Reserve Sustainability project	18,649.17
			***Total ***	18,649.17
122818	6/15/11	AUTUMN 902	Autumn Print Group MWDOC logo sign for conference room	98.96
			***Total ***	98.96
122819	6/15/11	BACATI 051311	Tiffany Baca May 2011 Business expense	37.85
			***Total ***	37.85
122820	6/15/11	BERGJO 060811	Joe Berg May 2011 Business expense	404.90
			***Total ***	404.90
122821	6/15/11	BOFANA 4118-MAY11	Bank of America NA May 2011 Various credit card expenses (see attached sheet for details)	928.07
			***Total ***	928.07

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122822	6/15/11	BUSIN2	Business Communications Solutions	
		46293	Twelve foot IP phone handset cord	13.05
		46157	1 Cisco IP phone exchanged for upgrade model	149.53
			***Total ***	162.58
122823	6/15/11	CDWG	CDWG Inc.	
		XMP1505	20 Windows 7 Professional Upgrade Volume license	2,540.00
			***Total ***	2,540.00
122824	6/15/11	CHANGS	Chang's Landscaping Service	
		006,11,12-CHANG	March - May 2011 Smartscape Incentive program	7,500.00
			***Total ***	7,500.00
122825	6/15/11	CAMUNI	California Municipal Treasurers Assoc.	
		2499606	2011 Membership renewal	155.00
			***Total ***	155.00
122826	6/15/11	CORDER	David Cordero	
		05/13/11	April - May 2011 Business expense	1,019.11
			***Total ***	1,019.11
122827	6/15/11	ECIVIS	eCivis, Inc.	
		101813	2011 Grants Network membership renewal	3,879.00
			***Total ***	3,879.00
122828	6/15/11	FAHLBE	Beth Fahl	
		053111	May 2011 Business expense	51.51
			***Total ***	51.51
122829	6/15/11	FOODCR	Foodcraft Coffee & Refreshment	
		5-503722	5/17/11 Coffee/tea supplies	276.54
			***Total ***	276.54
122830	6/15/11	FRAZIE	Leah Frazier	
		053111	May 2011 Business expense	8.70
			***Total ***	8.70
122831	6/15/11	FRYSEL	Fry's Electronics	
		18021506	5/20/11 Computer supplies	266.40
		18022435	5/20/11 Computer supplies	54.36
			***Total ***	320.76

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122832	6/15/11	GEOSCI	Geoscience Support Services	
		1274-11-03	April - May 2011 Groundwater modeling for SOCOD Desal project	42,267.00
		1273-10-04	April - May 2011 Regional Water Quality Control Board compliance sampling for SOCOD Desal project - Phase 3	3,153.00
			***Total ***	45,420.00
122833	6/15/11	GHDINC	GHD, Inc.	
		8609338	April 2011 Preliminary project cost estimate for SOCOD Desal project	3,500.00
			***Total ***	3,500.00
122834	6/15/11	GLENSL	Glen's Landscape	
		1008,15,2022,25,2	November 2010 & April 2011 Smartscape Incentive program	14,961.40
			***Total ***	14,961.40
122835	6/15/11	HARRIS	Cathy Harris	
		050911	May 2011 Business expense	20.61
			***Total ***	20.61
122836	6/15/11	HUMANS	Humanscale Corporation	
		1497582	6 Ergonomic monitor arms	593.78
			***Total ***	593.78
122837	6/15/11	HUNTKE	Kevin Hunt	
		04/13/11	April 2011 Business expense	113.53
		051811	May 2011 Business expense	124.24
			***Total ***	237.77
122838	6/15/11	IKONOF	Ikon Office Solutions	
		84889633	June 2011 Copier lease	753.99
			***Total ***	753.99
122839	6/15/11	IKONMA	Ikon Office Solutions	
		5018487260	June 2011 Copier maintenance	237.52
			***Total ***	237.52
122840	6/15/11	IRONMO	Iron Mountain	
		DRD2941	June 2011 Storage/retrieval of archived documents	722.80
			***Total ***	722.80

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122841	6/15/11	KARENS 2188	<i>Karen's Detail Custom Frames</i> Frames for 2011 Poster and Slogan contest winners	587.25
			***Total ***	587.25
122842	6/15/11	LATIME 7289-JUNE2011	<i>Los Angeles Times</i> June 2011 - May 2012 Annual subscription	102.95
			***Total ***	102.95
122843	6/15/11	LEWISC 1086	<i>Lewis Consulting Group, LLC</i> May 2011 Professional services	5,000.00
			***Total ***	5,000.00
122844	6/15/11	LYONKE 053111	<i>Kelth Lyon</i> April - May 2011 Business expense	69.31
			***Total ***	69.31
122845	6/15/11	MCCLUR PI000021	<i>Peggy McClure</i> May 2011 Consulting services for conservation database	210.00
			***Total ***	210.00
122846	6/15/11	METOTH 500326	<i>Metropolitan Water District</i> Final payment for modifications to service connection OC-38 - billed to IRWD	462.44
			***Total ***	462.44
122847	6/15/11	MISS1 1186	<i>Mission Resource Conservation District</i> May 2011 Field verifications for rebate programs	17,689.74
			***Total ***	17,689.74
122848	6/15/11	MJFCO MAY11	<i>MJF Consulting, Inc.</i> May 2011 General regulatory liaison support	1,665.00
			***Total ***	1,665.00
122849	6/15/11	NOAHSC 051711	<i>Noah's Cleaning Service</i> May 2011 Bi-Monthly cleaning service for N. EOC and S. EOC	110.00
			***Total ***	110.00
122850	6/15/11	OCREGI 7003-MAY11	<i>The Orange County Register</i> Publish public hearing and adoption of Urban Water Management plan	552.00
			***Total ***	552.00

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122851	6/15/11	OCWD 9763	Orange County Water District April 2011 Refund for water deliveries credit	504,280.57
			***Total ***	504,280.57
122852	6/15/11	OFFSOL I-00225083 I-00225357	Office Solutions 5/18/11 Office supplies 5/19/11 Office supplies	504.85 53.29
			***Total ***	558.14
122853	6/15/11	OCFAST 44525	Orange County Fast Print, Inc. Business cards for D. Codero, D. Burke and J. Ouwerkerk	163.13
			***Total ***	163.13
122854	6/15/11	PATRIC 2451	Patricia Kennedy Inc. June 2011 Plant maintenance	214.00
			***Total ***	214.00
122855	6/15/11	RAMIRE 053111	Sergio Ramirez May 2011 Business expense	109.14
			***Total ***	109.14
122856	6/15/11	SEPARA 6171 6172 6173	Separation Processes, Inc April 2011 Pilot facilities operations for SOCOD Desal project April 2011 Pretreatment study for SOCOD Desal project April 2011 Source water quality sampling for SOCOD Desal project	14,536.01 6,297.50 7,253.25
			***Total ***	28,086.76
122857	6/15/11	SIEMEN 10138828/101525	Siemens Information Systems 4/15/11 - 5/17/11 Telephone maintenance contract	429.00
			***Total ***	429.00
122858	6/15/11	SIMPLE 30262	Simpler Life Emergency Provisions, Inc. 40 Emergency water containers for WEROC	670.52
			***Total ***	670.52
122859	6/15/11	STETSO 20563	Stetson Engineers Inc. February 2011 Professional services for 2010 Consumer Confidence reports	13,071.55
			***Total ***	13,071.55

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122860	6/15/11	THOMAS 053111	<i>Jeffery Thomas</i> May 2011 Business expense	154.32
			***Total ***	154.32
122861	6/15/11	TIMEWA 3564-JUN11	<i>Time Warner Cable</i> June 2011 Telephone expense for 4 analog fax lines	122.95
			***Total ***	122.95
122862	6/15/11	TOWNSE 6991	<i>Townsend Public Affairs, Inc.</i> May 2011 State & Federal legislative advocacy services	10,000.00
			***Total ***	10,000.00
122863	6/15/11	TUSTI4 00498565	<i>Tustin Irvine Medical Group</i> Pre-employment health exam	160.00
			***Total ***	160.00
122864	6/15/11	WATERW 1481	<i>Waterwise Consulting, Inc.</i> May 2011 Professional services for Hotel program	557.50
			***Total ***	557.50
122865	6/15/11	WAXIES 72638029	<i>Waxie Sanitary Supply</i> 5/18/11 Office supplies	713.98
			***Total ***	713.98
122866	6/24/11	BELLRI 061011	<i>Richard Bell</i> April - May 2011 Business expense	362.54
			***Total ***	362.54
122867	6/24/11	CORPPA MAY11	<i>Corporate Payment Systems</i> 4/22/11 - 5/22/11 Credit card charges (see attached sheet for details)	9,597.32
			***Total ***	9,597.32
122868	6/24/11	CHANGS 014-CHANG	<i>Chang's Landscaping Service</i> May 2011 Smartscape Incentive program	2,500.00
			***Total ***	2,500.00
122869	6/24/11	EARTH 556-32	<i>Earthco Commercial Landscape</i> May 2011 Smartscape Incentive program	2,495.30
			***Total ***	2,495.30

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122870	6/24/11	FINNEG 053111	Joan Finnegan May 2011 Business expense	607.13
			***Total ***	607.13
122871	6/24/11	GLENSL 1014,2023,2024	Glen's Landscape January & April 2011 Smartscape Incentive program	7,499.55
			***Total ***	7,499.55
122872	6/24/11	HUBBAR 06/09/11	Kelly Hubbard May 2011 Business expense	123.45
			***Total ***	123.45
122873	6/30/11	A&NTEC MAY2011PS7	A & N Technical Services, Inc. May 2011 Professional services for the Reserve Sustainability project	10,115.00
			***Total ***	10,115.00
122874	6/30/11	ATTTEL 3710-JUN11	AT&T Teleconference Services May 2011 Teleconference expense	84.89
			***Total ***	84.89
122875	6/30/11	AWARDS 5859 5754	Awards & Trophies Co., Inc. Desk plate for J. Ouwerkerk Trophies for Poster Slogan Award winners	27.90 179.44
			***Total ***	207.34
122876	6/30/11	JAMESB 105-0511	James C. Barker, P.C. May 2011 Federal legislative advocacy services	8,788.92
			***Total ***	8,788.92
122877	6/30/11	CAROLL 0116715	Carollo Engineers, Inc. May 2011 Professional services for SOCOD Desal project	890.00
			***Total ***	890.00
122878	6/30/11	CATALI 0005819	Catalina Island Conservancy June 2011 WEROC radio repeater site lease	1,282.21
			***Total ***	1,282.21

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122879	6/30/11	CONSTA XR8WAECAB16811	<i>Constant Contact Inc.</i> Annual subscription for Constant Contact e-mail marketing service	924.00
			***Total ***	924.00
122880	6/30/11	DISCOV 053111MWDOC 053111MWDOCA	<i>Discovery Science Center</i> May 2011 School program New equipment for Water Education School program	13,723.82 1,771.77
			***Total ***	15,495.59
122881	6/30/11	EMBROI G7680	<i>EmbroidMe Cypress, Inc.</i> T-shirts with artwork for Poster Slogan Award winners	580.40
			***Total ***	580.40
122882	6/30/11	FOODCR 5-504654	<i>Foodcraft Coffee & Refreshment</i> 6/15/11 Coffee/tea supplies	194.02
			***Total ***	194.02
122883	6/30/11	GENISYS 044643	<i>Genisys Corporation</i> Dell primary domain network server	4,425.00
			***Total ***	4,425.00
122884	6/30/11	GEOSCI 1275-11-01	<i>Geoscience Support Services</i> April - May 2011 Groundwater data collection for SOCOD Desal project	5,975.00
			***Total ***	5,975.00
122885	6/30/11	HINMAN 063011	<i>Susan Hinman</i> June 2011 Business expense	346.08
			***Total ***	346.08
122886	6/30/11	JAMESK 2533	<i>James Klein & Associates</i> Logo development for Water Smart Industrial program	271.88
			***Total ***	271.88
122887	6/30/11	KARENS 2195	<i>Karen's Detail Custom Frames</i> Framing for MWDOC Mission statement and El Toto Water District resolution	108.75
			***Total ***	108.75

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

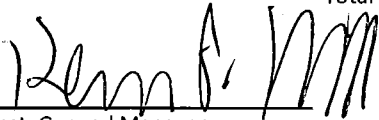
Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122888	6/30/11	MCCORM 26775-78,81,807	<i>Kidman Behrens & Tague, LLP</i> May 2011 Legal services	32,177.33
			***Total ***	32,177.33
122889	6/30/11	METWAT 7000	<i>Metropolitan Water District</i> April 2011 Water deliveries	10,089,476.73
			***Total ***	10,089,476.73
122890	6/30/11	NEXTEL 320982721-082	<i>Nextel Communications</i> June 2011 WEROC cell phone expense	150.56
			***Total ***	150.56
122891	6/30/11	NORCOD 254223	<i>Norco Delivery Services</i> 6/2/11 Delivery charges	271.95
			***Total ***	271.95
122892	6/30/11	NOSSAM 385132/385133	<i>Nossaman LLP</i> May 2011 Legal services	3,878.75
			***Total ***	3,878.75
122893	6/30/11	OCPRIN 99946 100113 100181	<i>Orange County Printing</i> Industrial program brochure design Graphic design of Water Use Efficiency bill inserts Industrial program brochure printing	530.70 657.39 872.18
			***Total ***	2,060.27
122894	6/30/11	OCWD 9816	<i>Orange County Water District</i> May 2011 50% share of WACO expense	150.00
			***Total ***	150.00
122895	6/30/11	OFFSOL I-00230237 I-00230356 I-00231158 I-00232280 I-00232282 I-00232598	<i>Office Solutions</i> 6/6/11 Office Supplies 6/7/11 Office supplies 6/9/11 Office supplies 6/13/11 Office supplies 6/13/11 Office supplies 6/14/11 Office supplies	77.84 429.56 6.53 540.87 13.02 349.25
			***Total ***	1,417.07

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122896	6/30/11	PETTYC 063011	Petty Cash April - June 2011 Petty Cash reimbursement	37.69
			***Total ***	37.69
122897	6/30/11	PUBLI1 061511	Public Storage July 2011 Storage rent for unit E034	331.00
			***Total ***	331.00
122898	6/30/11	SANTAM APR2011	Santa Margarita Water District April 2011 SCP operation surcharge	22,148.94
			***Total ***	22,148.94
122899	6/30/11	STAPLE 8018841653	Staples Advantage 6/11/11 Office supplies	40.66
			***Total ***	40.66
122900	6/30/11	STAPL1 4362-JUN11	Staples Credit Plan 5/31/11 Office supplies	69.51
			***Total ***	69.51
122901	6/30/11	SHELDO 062911	Stephen Sheldon May - June 2011 Business expense	42.04
			***Total ***	42.04
122902	6/30/11	STETSO 20563	Stetson Engineers Inc. February 2011 Professional services for 2010 Consumer Confidence reports	896.50
			***Total ***	896.50
122903	6/30/11	TIMEWA 5210-JUN11	Time Warner Cable June 2011 Telephone and internet expense	1,216.26
			***Total ***	1,216.26
122904	6/30/11	TOPHAT 82173	Top Hat Productions Catering for WUE/PAW meeting on 6/2/11	588.88
			***Total ***	588.88
122905	6/30/11	UNIONB 685652	Union Bank, N.A. 4th Quarterly custodial bank service charges	625.00
			***Total ***	625.00

**Municipal Water District of Orange County
Disbursement Ratification Report
for the month of June 2011**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
122906	6/30/11	URS 4680285	URS Corporation Americas April 2011 Professional services for Industrial Process Water Use Reduction program	1,415.00
			***Total ***	1,415.00
122907	6/30/11	WENNER 062711	Pauline D. Wennerstrom July - September 2011 Retiree medical premium	332.70
			***Total ***	332.70
			Total Check Amount	<u>10,988,698.90</u>
			Total Void Amount	<u>0.00</u>



Kevin P. Hunt, General Manager



Philip Letrong, Treasurer

LM.P.A.C. Government Services (Cal Card) Statement Detail
Statement Date: May 23, 2011
Payment Date: June 24, 2011

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>Phil's Card</u>		
4/21/2011	Computer supplies, returned	\$ (44.95)
4/29/2011	Computer supplies	35.88
5/12/2011	Staff development lunch	54.75
	Subtotal	\$ 45.68
<u>Karl's Card</u>		
4/25/2011	Write-on magnetic ribbon for WEROC EOC whiteboards	\$ 523.25
4/30/2011	Government Finance Officers Association Annual conference in San Antonio, TX from May 22-25, 2011 - Airfare for P. Letrong	199.40
5/2/2011	ACWA 2011 Spring conference in Sacramento, CA from May 10-13, 2011 - Airfare for D. Cordero	335.40
5/3/2011	Government Finance Officers Association Annual conference in San Antonio, TX from May 22-25, 2011 - Registration for P. Letrong	455.00
5/4/2011	Book purchase - Reimagining the California Lawn	30.20
5/4/2011	Book purchase - California Native Plants for the Garden	31.94
5/4/2011	2011 CSDA Legislative Days conference in Sacramento, CA from May 3-4, 2011 - Airfare for D. Cordero	89.00
5/11/2011	5 Safety straps for WEROC equipment	55.88
5/12/2011	Association of California Cities - Orange County City directory	166.76
5/12/2011	GoToMeeting monthly fee for WEROC	49.00
5/16/2011	15 WEROC promotional desk caddies - returned	(46.20)
5/17/2011	CUWCC Quarterly meeting in Oakland, CA on Jun. 8, 2011 - Airfare for J. Berg	342.40
5/18/2011	Lunch for WEROC 2011 Spring Trainings	439.87
	Subtotal	\$ 2,671.90

LM.P.A.C. Government Services (Cal Card) Statement Detail

Statement Date: May 23, 2011

Payment Date: June 24, 2011

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>Kevin's Card</u>		
4/22/2011	ACWA 2011 Spring conference in Sacramento, CA from May 10-13, 2011 - Airfare for Director Clark and spouse	\$ 654.80 ¹
4/24/2011	UPS delivery charges for Board & Committee packets - Apr. 14, 2011	53.80
4/26/2011	Legislative activities in Washington, DC from May 21-24, 2011 - Airfare change for Director Barbre	15.40 ²
4/27/2011	Pre-employment skills assessment testing from Society for H.R. Management	144.00 ³
4/28/2011	Pre-employment skills assessment testing from Eskill	280.00
5/3/2011	Staff development luncheon	395.10
5/4/2011	ACWA 2011 Legislative Symposium in Sacramento, CA on Mar. 16, 2011 - Registration for D. Cordero	210.00
5/5/2011	Employee recognition gift cards	500.00
5/8/2011	UPS delivery charges for Board & Committee packets - Apr. 28, 2011	73.70
5/12/2011	ACWA 2011 Spring conference in Sacramento, CA from May 10-13, 2011 - Accommodations for Director Hinman	437.86
5/13/2011	ACWA 2011 Spring conference in Sacramento, CA from May 10-13, 2011 - Accommodations for Director Finnegan	1,219.65
5/13/2011	ACWA 2011 Spring conference in Sacramento, CA from May 10-13, 2011 - Accommodations for Director Clark and spouse	1,226.47 ⁴
5/15/2011	UPS delivery charges for Board & Committee packets - May 5, 2011	74.65
5/17/2011	Legislative activities in Washington, DC from May 21-24, 2011 - Accommodations for Director Barbre	697.89 ⁵
5/18/2011	Employee recognition gift cards	813.80
5/18/2011	Flowers for H. De La Torre	82.62
	Subtotal	\$ 6,879.74
	Total	\$ 9,597.32

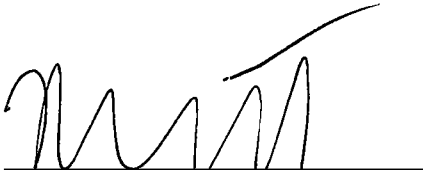
- ¹ Director Clark to reimburse MWDOC \$327.40
- ² Director Barbre to reimburse MWDOC \$15.40
- ³ Canceled unused tests, MWDOC will receive credit for \$87.75
- ⁴ Director Clark to reimburse MWDOC \$175.37
- ⁵ Director Barbre to reimburse MWDOC \$232.63

Bank of America VISA Statement Detail
Statement Date: May 27, 2011
Payment Date: June 15, 2011

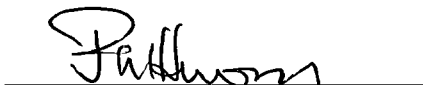
<u>Posting Date</u>	<u>Description</u>	<u>Amount</u>
4/28/11 - 5/27/11	Meals for K. Hunt's meetings on various dates	928.07
	Total	\$ 928.07

**Municipal Water District of Orange County
Emergency Disbursement Report
for the month of June 2011**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
			NONE	
			Total Check Amount	<u>0.00</u>
			Total Void Amount	<u>0.00</u>



Kevin P. Hunt, General Manager



Philip Letrong, Treasurer



Municipal Water District of Orange County Consolidated Summary of Cash and Investment May 2011

Street Address:
18700 Ward Street
Fountain Valley, California 92708

Mailing Address:
P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058
Fax: (714) 964-9389
www.mwdoc.com

Joan C. Finnegan
President

Jeffery M. Thomas
Vice President

Brett R. Barbre
Director

Wayne A. Clark
Director

Larry D. Dick
Director

Susan Hinman
Director

Ed Royce, Sr.
Director

Kevin P. Hunt, P.E.
General Manager

MEMBER AGENCIES

- City of Brea
- City of Buena Park
- East Orange County Water District
- El Toro Water District
- Emerald Bay Service District
- City of Fountain Valley
- City of Garden Grove
- Golden State Water Co.
- City of Huntington Beach
- Irvine Ranch Water District
- Laguna Beach County Water District
- City of La Habra
- City of La Palma
- Mesa Consolidated Water District
- Moulton Niguel Water District
- City of Newport Beach
- City of Orange
- Orange County Water District
- City of San Clemente
- City of San Juan Capistrano
- Santa Margarita Water District
- City of Seal Beach
- Serrano Water District
- South Coast Water District
- Trabuco Canyon Water District
- City of Tustin
- City of Westminster
- Yorba Linda Water District

District investments and cash balances are held in various funds designated for certain purposes as follows:

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	1,563,282	14.44%
Grant & Project Cash Flow	1,000,000	9.23%
Election Expense	500,000	4.62%
Building Repair	<u>350,000</u>	<u>3.23%</u>
Total Designated Reserves	3,413,282	31.52%
Restricted Reserve for OPEB	500,000	4.62%
General Fund	541,681	5.00%
Water Fund	5,948,809	54.93%
Conservation Fund	(17,909)	-0.17%
Desalination Feasibility Study Fund	169,023	1.56%
WEROC Fund	32,371	0.30%
Trustee Activities Fund	242,498	2.24%
Total	10,829,755	100.00%

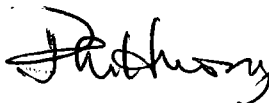
The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.91%	98,420	\$ 98,420
Short-term investment			
• LAIF	56.78%	6,148,769	6,148,769
• OCIP	9.42%	1,020,484	1,020,484
Long-term investment			
• Federal Agency Issues	11.57%	1,252,645	1,253,947
• Misc. Securities	18.58%	2,012,437	2,050,625
• Certificates of Deposit	2.74%	297,000	303,552
Total	100.00%	\$10,829,755	\$10,875,797

The average number of days to maturity/call as of May 31, 2011 equaled 321 and the average term for the portfolio totaled 574 days. The average yield to maturity is 1.33%, calculated on a 365-day basis. During the month, the District's average daily balance was \$15,084,986. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of May.

The \$46,042 difference between the book value and the market value at May 2011 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments till maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.


Kevin P. Hunt
General Manager


Phil Letrong
Treasurer

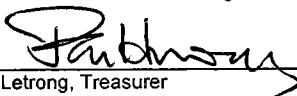
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Portfolio Summary
May 31, 2011

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Federal Agency Issues - Coupon	250,000.00	251,507.50	252,645.50	2.35	1,827	98	2.968	3.009
Certificates of Deposit - Bank	297,000.00	303,552.08	297,000.00	2.77	1,335	757	2.379	2.412
Local Agency Investment Funds	6,148,768.61	6,148,768.61	6,148,768.61	57.30	1	1	0.580	0.588
Miscellaneous Securities - Coupon	2,000,000.00	2,050,625.00	2,012,436.91	18.75	1,722	1,536	3.336	3.382
Federal Agency Issues - Step-up	1,000,000.00	1,002,440.00	1,000,000.00	9.32	1,826	101	1.628	1.650
Orange County Investment Pool	1,020,483.58	1,020,483.58	1,020,483.58	9.51	1	1	0.694	0.704
Investments	10,716,252.19	10,777,376.77	10,731,334.60	100.00%	574	321	1.311	1.330
Cash								
Passbook/Checking (not included in yield calculations)	98,420.48	98,420.48	98,420.48		1	1	0.000	0.000
Total Cash and Investments	10,814,672.67	10,875,797.25	10,829,755.08		574	321	1.311	1.330

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	13,901.33	190,719.26
Average Daily Balance	15,084,986.44	18,469,539.75
Effective Rate of Return	1.09%	1.13%

We certify that this report reflects the cash and investments of the Municipal Water District of Orange County and is in conformity with the Government Code requirements and the District Investment Policy and Guidelines in effect at the time of investment. The Investment Program herein shown provides sufficient cash flow liquidity to meet the next six month's estimated expenditures. The source for the market values are from Union Bank.


 Kevin P. Hunt, General Manager 7-7-11


 Phil Letrong, Treasurer 6-28-11

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Summary
May 31, 2011

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Federal Agency Issues - Coupon	250,000.00	251,507.50	252,645.50	7.09	1,827	98	2.968	3.009
Certificates of Deposit - Bank	297,000.00	303,552.08	297,000.00	8.34	1,335	757	2.379	2.412
Miscellaneous Securities - Coupon	2,000,000.00	2,050,625.00	2,012,436.91	56.50	1,722	1,536	3.336	3.382
Federal Agency Issues - Step-up	1,000,000.00	1,002,440.00	1,000,000.00	28.07	1,826	101	1.628	1.650
Investments	3,547,000.00	3,608,124.58	3,562,082.41	100.00%	1,727	966	2.751	2.789

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	8,212.02	121,421.37

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
May 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 360	YTM/C 365 Mat./Call	Days to	Maturity Date
Federal Agency Issues - Coupon												
3136FRCT8	20110307-006	FNMA		03/07/2011	250,000.00	251,507.50	252,645.50	3.250	2.968	3.009	98	03/07/2016
Subtotal and Average			252,667.13		250,000.00	251,507.50	252,645.50		2.968	3.009	98	
Certificates of Deposit - Bank												
36161ND39	20100910-001	GE Money Bank		09/10/2010	200,000.00	201,834.00	200,000.00	1.400	1.381	1.400	832	09/10/2013
939379W90	20080123-008	Chase Bank		01/23/2008	97,000.00	101,718.08	97,000.00	4.500	4.438	4.500	602	01/23/2013
Subtotal and Average			297,000.00		297,000.00	303,552.08	297,000.00		2.379	2.412	757	
Miscellaneous Securities - Coupon												
06051GED7	20101014-003	Bank of America Corp		10/14/2010	250,000.00	256,252.50	256,861.92	3.700	3.274	3.320	1,553	09/01/2015
46625HHR4	20101123-004	JP Morgan		11/23/2010	250,000.00	258,427.50	256,645.97	3.400	2.663	2.700	1,484	06/24/2015
59217GAD1	20110225-005	Met Life Global		02/25/2011	500,000.00	506,765.00	502,505.13	3.125	2.966	3.007	1,685	01/11/2016
61747YCT0	20110309-007	Morgan Stanley		03/09/2011	500,000.00	501,005.00	498,811.27	3.450	3.460	3.508	1,615	11/02/2015
90261XFY3	20100610-010	UBS Financial Services, Inc		06/10/2010	500,000.00	528,175.00	497,612.62	3.875	3.965	4.020	1,324	01/15/2015
Subtotal and Average			2,012,548.58		2,000,000.00	2,050,625.00	2,012,436.91		3.336	3.382	1,536	
Federal Agency Issues - Step-up												
3133712G0	20100929-002	FHLB		09/29/2010	500,000.00	500,420.00	500,000.00	1.250	1.234	1.251	28	09/29/2015
3136FHTN5	20090521-005	FNMA		05/21/2009	500,000.00	502,020.00	500,000.00	2.050	2.022	2.050	173	05/21/2014
Subtotal and Average			1,000,000.00		1,000,000.00	1,002,440.00	1,000,000.00		1.628	1.650	101	
Total and Average			3,562,215.72		3,547,000.00	3,608,124.58	3,562,082.41		2.751	2.789	966	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Summary
May 31, 2011

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Local Agency Investment Funds	6,148,768.61	6,148,768.61	6,148,768.61	85.77	1	1	0.580	0.588
Orange County Investment Pool	1,020,483.58	1,020,483.58	1,020,483.58	14.23	1	1	0.694	0.704
Investments	7,169,252.19	7,169,252.19	7,169,252.19	100.00%	1	1	0.596	0.605
<hr/>								
Cash								
Passbook/Checking (not included in yield calculations)	98,420.48	98,420.48	98,420.48		1	1	0.000	0.000
Total Cash and Investments	7,267,672.67	7,267,672.67	7,267,672.67		1	1	0.596	0.605

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	5,689.31	69,297.89

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Investments
May 31, 2011

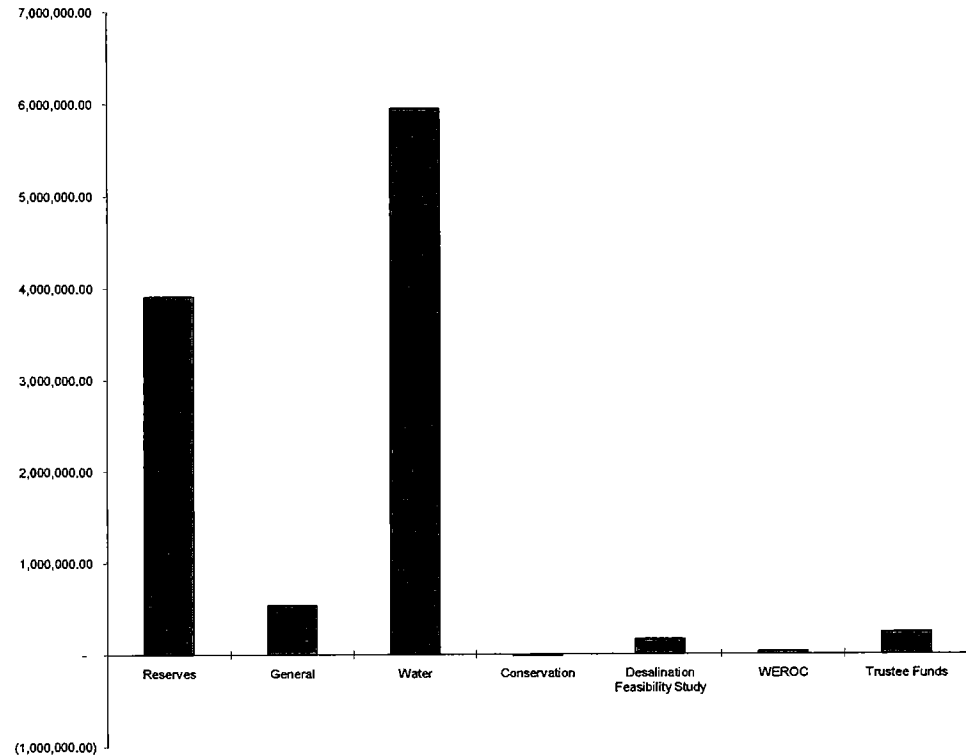
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 360	YTM/C 365 Mat/Call	Days to	Maturity Date
Local Agency Investment Funds												
SYS000000001LAI	000000001LAI	Local Agency Investment Fund			6,148,768.61	6,148,768.61	6,148,768.61	0.588	0.580	0.588	1	
Subtotal and Average			10,170,542.80		6,148,768.61	6,148,768.61	6,148,768.61		0.580	0.588	1	
Orange County Investment Pool												
SYSOCIP	OCIP	County of Orange		06/29/2005	1,020,483.58	1,020,483.58	1,020,483.58	0.704	0.694	0.704	1	
Subtotal and Average			1,020,484.61		1,020,483.58	1,020,483.58	1,020,483.58		0.694	0.704	1	
Total and Average			11,522,770.72		7,169,252.19	7,169,252.19	7,169,252.19		0.596	0.605	1	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash
May 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 360	YTM/C 365 Mat./Call	Days to
Passbook/Checking Accounts											
SYS00000CHK-GEN	00000CHK-GEN	Bank of America		07/01/2010	97,920.48	97,920.48	97,920.48	0.000	0.000		1
SYSZ0000PCV-GEN	Z0000PCV-GEN	Petty Cash		07/01/2010	500.00	500.00	500.00	0.000	0.000		1
		Average Balance	0.00								1
Total Cash and Investments			11,522,770.72		7,267,672.67	7,267,672.67	7,267,672.67	0.596	0.605		1

Cash and Investments at May 31, 2011

ALLOCATION	AMOUNT	%
MWDOC		
Designated Reserves		
General	\$ 1,563,282	14.44%
Grant & Project Cash Flow	1,000,000	9.23%
Election Expense	500,000	4.62%
Building Repair	350,000	3.23%
Total Designated Reserves	3,413,282	31.52%
Restricted Reserves for OPEB Funding	500,000	4.62%
General	541,681	5.00%
Water	5,948,809	54.93%
Conservation	(17,909)	-0.17%
Desalination Feasibility Study	169,023	1.56%
WEROC	32,371	0.30%
TOTAL MWDOC	\$ 10,587,257	97.76%
TRUSTEE ACTIVITIES		
AMP Sales Admin	\$ 6,010	0.06%
Urban Water Management Plan	236,488	2.18%
TOTAL TRUSTEE ACTIVITIES	\$ 242,498	2.24%
TOTAL CASH & INVESTMENTS	\$ 10,829,755	100.00%



**Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 6/30/11**

	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	TOTALS
Cash - Beginning Balance	\$ (291,575.34)	\$ 25,685.13	\$ (331,694.49)	\$ (363,812.61)	\$ (382,768.37)	\$ (488,908.62)	\$ (525,278.22)	\$ (565,359.05)	\$ (763,726.86)	\$ (391,259.68)	\$ (686,214.94)	\$ (17,908.99)	
REVENUES:													
BUREC		184,406.60	775.09	15,885.50				58,359.89		5,976.43	25,122.04		\$ 290,525.55
City of Anaheim, Brea, Buena Park		1,391.70		54.00			900.00		144.00			72.00	2,561.70
City of Fountain Valley, Fullerton		467.70	72.00	166.40		27.00	174.30	108.00	45.00	99.00	144.00		1,303.40
City of Garden Grove, Huntington Beach		408.00	136.20	279.00			135.00						958.20
City of La Palma, La Habra, Newport Bch	63.00					72.00		36.00			36.00		207.00
City of Santa Ana, San Clemente		279.00	90.00	225.00		90.00	558.00		63.00	414.00	927.00		2,646.00
City of San Juan Capistrano	144.00	361.50	220.50	171.00	893.10		610.50		108.00				2,508.60
City of Tustin, Westminster		99.00	54.00	126.00	99.00		441.00				27.00		846.00
City of Orange, DWR		4,558.50			41,070.62			162.00	350,156.70	21,288.22	504,516.44	217,908.71	1,139,661.19
East Orange County Water District							108.00						108.00
El Toro Water District				45.00			268.50						313.50
Golden State Water Company		1,659.67	72.00	440.70	54.00		257.10						2,483.47
Irvine Ranch Water District	457,228.88		3,750.00				122,886.28		51,100.00	1,500.00	104,500.00		740,965.16
Laguna Beach County Water District							72.00		189.00				261.00
Mesa Consolidated Water District		252.00		414.00	4,297.00		61.50	99.00	219.00	540.00	120.00	270.00	6,272.50
Metropolitan Water District						256.45			5,406.71		144,487.20	17,815.45	167,965.81
Moulton Niguel Water District, NRCS	108.00	32,056.39	37,052.35	117.00	279.00	28,683.81	1,404.00		16,575.45	72.00		234.00	116,582.00
MWDOC									11,646.00				11,646.00
Santa Margarita Water District		2,123.00	1,285.00	1,084.60		81.00	3,525.00	270.00	117.00		603.00	333.00	9,421.60
Serrano Water District			522.00									153.00	675.00
South Coast Water District		1,246.87		148.50			128.70			108.00	189.00		1,821.07
State Water Resources Control Board				36,043.97			69,072.57				45,522.29		150,638.83
Yorba Linda Water District			54.00				1,107.00		198.00		11,772.00		13,131.00
Trabuco Canyon Water District					90.00						54.00		144.00
Miscellaneous Revenues													
Interest Revenue							47.94						47.94
Total Revenues	457,543.88	229,309.93	44,083.14	55,200.67	46,782.72	29,210.26	201,757.39	59,034.89	435,967.86	29,997.65	838,019.97	236,786.16	\$ 2,663,694.52
EXPENDITURES:													
A&N Technical services, Autumn Print					9,197.50	9,852.88	4,610.38	4,615.25	5,871.65	10,127.30		21,500.89	65,775.85
Aquaficient, ABG Mrktg, Bryton Printing		3,363.22	4,500.00	3,000.00		3,000.00		3,000.00		3,000.00	3,000.00		\$ 22,863.22
Bemus, Brad Lancaster									3,436.60				\$ 3,436.60
CA Lndscpe Contractor, Chang's Lndscp							7,500.00	2,500.00			12,500.00	10,000.00	32,500.00
Conservation Consulting, LLC, Earthco			18,411.75	14,089.50		16,173.00	7,301.75	7,256.25	4,966.30	22,556.25	15,705.00	2,495.30	108,955.10
Electric Gas Industries Assoc., Fortech			11,600.00		11,691.00		16,155.00	3,945.00			15,439.30		58,830.30
Federal Express, Glen's Landscaping							9,508.40	4,999.50	12,256.75		17,487.00	22,460.95	66,712.60
Geotivity, Hotel Program participant										5,300.00			5,300.00
Malcolm Pirnie Inc.	9,516.00				20,022.32								29,538.32
Metropolitan Water District	113,841.88	540,190.49	29,662.09	34,835.39	93,124.77		141,980.32	201,047.20		120,997.08	88,076.62		1,363,755.84
Mission RCD	14,687.96	28,134.84	9,080.92	12,015.72	8,091.88	19,649.98	23,842.67	14,099.60	7,285.88	15,402.86	14,843.60	17,689.74	184,825.65
Rafelis Financial Consultants				5,012.65	945.00		2,046.00			630.00			8,633.65
Prudential Overall Supply, Rajan Brown		2,466.00	1,861.50	3,723.00	4,083.00	1,861.50	4,459.50	900.00	5,073.00	511.50			24,939.00
Sierra Analytical Labs, Spero Strategies						11,570.00	2,860.00						14,430.00
Terra Firma, Turf Removal, URS Corp	1,760.00	3,547.50		900.00	1,845.00		18,685.00		21,518.00	127,570.70	1,415.00	1,415.00	178,656.20
Wade Landscaping							2,379.20	3,898.40					6,277.60
Waterwise Consulting, Inc.		8,987.50	1,085.00		3,922.50	3,472.50	510.00	11,141.50	3,092.50	18,172.50	1,247.50	557.50	52,189.00
Miscellaneous Expenses													
Interest Expense	477.57			580.17						684.72			1,742.46
Total Expenditures	140,283.41	586,689.55	76,201.26	74,156.43	152,922.97	65,579.86	241,838.22	257,402.70	63,500.68	324,952.91	169,714.02	76,119.38	\$ 2,229,361.39
Cash - Ending Balance	\$ 25,685.13	\$ (331,694.49)	\$ (363,812.61)	\$ (382,768.37)	\$ (488,908.62)	\$ (525,278.22)	\$ (565,359.05)	\$ (763,726.86)	\$ (391,259.68)	\$ (686,214.94)	\$ (17,908.99)	\$ 142,757.79	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2010 THRU MAY 31, 2011

**Municipal Water District of Orange County
Combined Balance Sheet
As of May 31, 2011**

<u>ASSETS</u>	Amount
Cash in Bank	98,420.48
Investments	10,731,334.60
Accounts Receivable	26,933,825.64
Accounts Receivable - Other	272,522.01
Accrued Interest Receivable	36,921.82
Prepays/Deposits	200,960.26
Leasehold Improvements	2,675,264.08
Furniture, Fixtures & Equipment	675,943.21
Less: Accum Depreciation	<u>(2,097,495.77)</u>
TOTAL ASSETS	<u><u>\$39,527,696.33</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	25,171,152.49
Accrued Salaries and Benefits Payable	372,244.76
Other Liabilities	593,926.07
Unearned Revenue	1,291,564.49
Total Liabilities	<u>27,428,887.81</u>
Fund Balances	
Restricted Fund Balances	
Reserve for OPEB Funding	500,000.00
Water Fund - T2C	4,676,989.87
Water Fund - CC	89,504.56
Total Restricted Fund Balances	<u>5,266,494.43</u>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	1,563,281.81
Grant & Project Cash Flow	1,000,000.00
Election Expense	500,000.00
Building Repair	350,000.00
Total Designated Reserves	<u>3,413,281.81</u>
WEROC	80,528.11
Total Unrestricted Fund Balances	<u>80,528.11</u>
Investments in Capital Assets	1,299,116.03
Excess Revenue over Expenditures	
Operating Fund	(76,939.65)
Other Funds	2,116,327.79
Total Fund Balance	<u>12,098,808.52</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$39,527,696.33</u></u>

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru May 2011**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	3,493,539.00	3,493,539.00	100.00%	0.00	0.00
Water Increment	<u>117,434.64</u>	<u>1,501,759.04</u>	<u>1,816,216.00</u>	<u>82.69%</u>	<u>0.00</u>	<u>314,456.96</u>
Water rate revenues	117,434.64	4,995,298.04	5,309,755.00	94.08%	0.00	314,456.96
Interest Revenue	<u>11,764.81</u>	<u>144,266.31</u>	<u>115,000.00</u>	<u>125.45%</u>	<u>0.00</u>	<u>(29,266.31)</u>
Subtotal	129,199.45	5,139,564.35	5,424,755.00	94.74%	0.00	285,190.65
Miscellaneous Income	281.86	39,289.39	3,000.00	1309.65%	0.00	(36,289.39)
School Contracts	2,136.10	64,501.20	60,000.00	107.50%	0.00	(4,501.20)
Gain on Sale of Investments	0.00	26,660.00	0.00	0.00%	0.00	(26,660.00)
Transfer-In From Reserve	<u>0.00</u>	<u>0.00</u>	<u>(9,141.00)</u>	<u>0.00%</u>	<u>0.00</u>	<u>(9,141.00)</u>
Subtotal	<u>2,417.96</u>	<u>130,450.59</u>	<u>53,859.00</u>	<u>242.21%</u>	<u>0.00</u>	<u>(76,591.59)</u>
TOTAL REVENUES	<u>131,617.41</u>	<u>5,270,014.94</u>	<u>5,478,614.00</u>	<u>96.19%</u>	<u>0.00</u>	<u>208,599.06</u>

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru May 2011**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	334,444.71	2,455,292.56	2,657,409.00	92.39%	0.00	202,116.44
Salaries & Wages - Grant Recovery	0.00	(15,866.04)	(139,049.00)	11.41%	0.00	(123,182.96)
Directors' Compensation	15,513.40	158,679.92	171,733.00	92.40%	0.00	13,053.08
MWD Representation	8,421.56	88,648.00	75,000.00	118.20%	0.00	(13,648.00)
Employee Benefits	70,369.41	781,613.82	850,125.00	91.94%	0.00	68,511.18
Employee Benefits - Grant Recovery	0.00	(6,019.46)	0.00	0.00%	0.00	6,019.46
Director's Benefits	6,850.88	70,381.17	75,186.00	93.61%	664.00	4,140.83
Health Ins \$'s for Retirees	2,342.03	33,762.86	33,940.00	99.48%	0.00	177.14
Training Expense	0.00	4,224.78	7,000.00	60.35%	0.00	2,775.22
Tuition Reimbursement	0.00	3,269.07	8,000.00	40.86%	0.00	4,730.93
Temporary Help Expense	0.00	3,120.00	3,000.00	104.00%	0.00	(120.00)
Personnel Expenses	<u>437,941.99</u>	<u>3,577,106.68</u>	<u>3,742,344.00</u>	<u>95.58%</u>	<u>664.00</u>	<u>164,573.32</u>
Engineering Expense	1,665.00	192,553.50	241,000.00	79.90%	51,872.98	(3,426.48)
Legal Expense	36,056.08	360,196.12	268,000.00	134.40%	49,295.13	(141,491.25)
Audit Expense	0.00	17,800.00	19,200.00	92.71%	0.00	1,400.00
Professional Services	41,081.65	427,269.27	575,200.00	74.28%	127,034.56	20,896.17
Professional Services - Grant Recovery	0.00	(15,594.26)	(105,200.00)	0.00%	0.00	(89,605.74)
Professional Fees	<u>78,802.73</u>	<u>982,224.63</u>	<u>998,200.00</u>	<u>98.40%</u>	<u>228,202.67</u>	<u>(212,227.30)</u>
Conference-Staff	665.00	7,229.50	7,446.00	97.09%	0.00	216.50
Conference-Directors	(200.00)	9,568.50	5,040.00	189.85%	0.00	(4,528.50)
Travel & Accom.-Staff	5,078.71	35,208.89	18,780.00	187.48%	0.00	(16,428.89)
Travel & Accom.-Directors	3,254.09	15,332.02	16,880.00	90.83%	0.00	1,547.98
Travel & Conference	<u>8,797.80</u>	<u>67,338.91</u>	<u>48,146.00</u>	<u>139.86%</u>	<u>0.00</u>	<u>(19,192.91)</u>
Membership/Sponsorship	155.00	71,258.11	75,486.00	94.40%	0.00	4,227.89
CDR Support	0.00	38,000.00	38,000.00	100.00%	0.00	0.00
Dues & Memberships	<u>155.00</u>	<u>109,258.11</u>	<u>113,486.00</u>	<u>96.27%</u>	<u>0.00</u>	<u>4,227.89</u>
Maintenance Office	10,883.01	135,018.73	111,723.00	120.85%	10,698.13	(33,993.86)
Storage Rental & Equipment Lease	1,577.27	18,659.81	18,508.00	100.82%	2,032.12	(2,183.93)
Office Supplies	4,222.20	42,556.02	27,600.00	154.19%	2,067.53	(17,023.55)
Postage/Mail Delivery	1,042.62	13,126.90	19,076.00	68.81%	1,639.58	4,309.52
Subscriptions & Books	166.76	3,119.73	2,340.00	133.32%	0.00	(779.73)
Reproduction Expense	853.23	16,033.16	38,000.00	42.19%	0.00	21,966.84
Maintenance-Computers	356.64	6,725.93	6,000.00	112.10%	1,779.44	(2,505.37)
Software Purchase	3,663.25	5,728.38	6,000.00	95.47%	0.00	271.62
Software Support	0.00	23,400.91	25,000.00	93.60%	0.00	1,599.09
Automotive Expense	1,844.79	13,228.52	13,952.00	94.81%	0.00	723.48
Toll Road Charges	131.75	832.00	730.00	113.97%	0.00	(102.00)
Insurance Expense	7,461.13	95,474.67	105,000.00	90.93%	0.00	9,525.33
Utilities - Telephone	2,170.21	19,070.65	20,000.00	95.35%	0.00	929.35
Bank Fees	717.37	9,459.97	9,100.00	103.96%	0.00	(359.97)
Miscellaneous Expense	5,924.70	67,955.37	63,050.00	107.78%	642.16	(5,547.53)
MWDOC's Contrb. To Programs	7,529.91	82,829.09	90,359.00	91.67%	0.00	7,529.91
Depreciation Expense	3,682.91	45,404.51	0.00	0.00%	0.00	(45,404.51)
Other Expenses	<u>52,227.75</u>	<u>598,624.35</u>	<u>556,438.00</u>	<u>107.58%</u>	<u>18,858.96</u>	<u>(61,045.31)</u>
Election Expense	0.00	3,327.66	0.00	0.00%	0.00	(3,327.66)
Capital Acquisition	0.00	9,074.25	20,000.00	45.37%	4,425.00	6,500.75
TOTAL EXPENSES	<u>577,925.27</u>	<u>5,346,954.59</u>	<u>5,478,614.00</u>	<u>97.60%</u>	<u>252,150.63</u>	<u>(120,491.22)</u>
NET INCOME (LOSS)	<u>(446,307.86)</u>	<u>(76,939.65)</u>	<u>0.00</u>			

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru May 2011**

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	13,040,352.70	111,286,176.70	138,694,327.00	80.24%	27,408,150.30
Readiness to Serve Charge	684,986.00	6,941,944.00	7,022,508.00	98.85%	80,564.00
Capacity Charge CCF	293,700.00	3,157,620.00	3,378,240.00	93.47%	220,620.00
SCP Surcharge	25,824.14	254,285.46	349,353.00	72.79%	95,067.54
Interest	2,376.55	21,713.54	46,900.00	46.30%	25,186.46
TOTAL WATER REVENUES	<u>14,047,239.39</u>	<u>121,661,739.70</u>	<u>149,491,328.00</u>	81.38%	<u>27,829,588.30</u>
<u>WATER PURCHASES</u>					
Water Sales	13,040,352.70	111,286,176.70	138,694,327.00	80.24%	27,408,150.30
Readiness to Serve Charge	684,986.00	6,941,944.00	7,022,508.00	98.85%	80,564.00
Capacity Charge CCF	293,700.00	3,157,620.00	3,378,240.00	93.47%	220,620.00
SCP Surcharge	25,824.14	254,285.46	349,353.00	72.79%	95,067.54
TOTAL WATER PURCHASES	<u>14,044,862.84</u>	<u>121,640,026.16</u>	<u>149,444,428.00</u>	81.39%	<u>27,804,401.84</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>2,376.55</u>	<u>21,713.54</u>	<u>46,900.00</u>		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru May 2011

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	128,087.25	113,000.00	113.35%
Expenses	146,695.98	113,000.00	129.82%
Excess of Revenues over Expenditures	(18,608.73)	0.00	
SmarTimer Rebate			
Revenues	346,476.73	920,890.00	37.62%
Expenses	483,721.66	920,890.00	52.53%
Excess of Revenues over Expenditures	(137,244.93)	0.00	
Industrial Water Use Reduction			
Revenues	40,069.31	347,425.00	11.53%
Expenses	41,692.44	347,425.00	12.00%
Excess of Revenues over Expenditures	(1,623.13)	0.00	
Rotating Nozzles Rebate			
Revenues	101,586.49	200,400.00	50.69%
Expenses	117,779.27	200,400.00	58.77%
Excess of Revenues over Expenditures	(16,192.78)	0.00	
Synthetic Turf Program			
Revenues	8,026.10	0.00	0.00%
Expenses	5,767.23	0.00	0.00%
Excess of Revenues over Expenditures	2,258.87	0.00	
Hotel Water Use Reduction Program			
Revenues	299,636.29	309,849.00	96.70%
Expenses	311,601.93	309,849.00	100.57%
Excess of Revenues over Expenditures	(11,965.64)	0.00	
ULFT Rebate Program			
Revenues	28,137.90	100,000.00	28.14%
Expenses	16,587.61	100,000.00	16.59%
Excess of Revenues over Expenditures	11,550.29	0.00	
HECW Rebate Program			
Revenues	489,935.00	350,000.00	139.98%
Expenses	451,497.00	350,000.00	129.00%
Excess of Revenues over Expenditures	38,438.00	0.00	
CII Rebate Program			
Revenues	79,431.35	0.00	0.00%
Expenses	73,229.50	0.00	0.00%
Excess of Revenues over Expenditures	6,201.85	0.00	
Turf Removal Program			
Revenues	143,758.70	0.00	0.00%
Expenses	143,850.03	0.00	0.00%
Excess of Revenues over Expenditures	(91.33)	0.00	

Municipal Water District of Orange County
WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)
From July thru May 2011

WEROC			
Revenues	169,939.09	182,056.00	93.34%
Expenses	<u>166,924.51</u>	<u>182,056.00</u>	91.69%
Excess of Revenues over Expenditures	3,014.58	0.00	
 WEROC EOC Remodal			
Revenues	0.00	83625.00	0.00%
Expenses	<u>54264.04</u>	<u>83625.00</u>	64.89%
Excess of Revenues over Expenditures	-54264.04	0.00	
 WUE Projects			
Revenues	1,665,145.12	2,341,564.00	71.11%
Expenses	<u>1,792,422.65</u>	<u>2,341,564.00</u>	76.55%
Excess of Revenues over Expenditures	(127,277.53)	0.00	
 RPOI Distributions			
Revenues	1,552,604.00	1,552,605.00	100.00%
Expenses	<u>231,735.50</u>	<u>1,552,605.00</u>	14.93%
Excess of Revenues over Expenditures	1,320,868.50	0.00	
 Ocean Desalination			
Revenues	1,650,343.47	2,503,000.00	65.93%
Expenses	<u>1,120,538.96</u>	<u>2,503,000.00</u>	44.77%
Excess of Revenues over Expenditures	529,804.51	0.00	



CONSENT CALENDAR - ACTION ITEM

July 20, 2011

To: Board of Directors

**From: Administration & Finance Committee
(Directors Thomas, Royce and Barbre)**

Subject: District t Conferences

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file financial information pertaining to District conference and travel expenses.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

	Month to Date	Year to Date	Annual Budget	% used	Budget Remaining
Conf-Staff	665.00	7,229.50	7,446	97.09	216.50
Conf-Directors	-200.00	9,568.50	5,040	189.85	-4,528.50
Travel/Accom - Staff	5,078.71	35,208.89	18,780	187.48	-16,428.89
Travel/Accom - Directors	3,254.09	15,332.02	16,880	90.83	1,547.98
TOTAL	8,797.80	67,338.91	48,146		-19,192.91



Item No. 3a

ACTION ITEM

July 20, 2011

TO: Board of Directors

FROM: Administration & Finance Committee
(Thomas, Royce, Barbre)

Kevin Hunt, General Manager

Staff Contact: Katie Davanaugh

SUBJECT: Urban Water Conference
August 25-26, 2011
San Diego, CA

STAFF RECOMMENDATION

Staff recommends the Board of Directors consider authorizing travel as outlined.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Brochure attached.

Cost:

Conference registration
Hotel

\$350
\$235 /night

SAVE THE DATE



For
Urban Water Institute's
18th ANNUAL WATER CONFERENCE
On Water Policy Issues

August 25 - 26, 2011

at the
Hilton Mission Bay Resort
1775 East Mission Bay Drive
San Diego, California
(619) 276-4010

TENTATIVE CONFERENCE TOPICS:

Prospects For The Delta
The Delta- Who's In Charge?
Financing The Delta Plan: A Contrarian View
San Francisco Bay Area: Is Water Reliability Assured?
How Can California Resolve Its Water Wars?
Water In The Southwest
Can The Colorado River Support The Southwest's Growing Population?
Colorado River Water Supply Challenges

For more information please contact Julie Ackman at
(949) 679-9676 or julie@urbanwater.com

Please visit our website www.urbanwater.com

REGISTRATION FORM

Urban Water Institute's 18th Annual Water Conference

August 25th-26th, 2011

Hilton Mission Bay Resort: 1775 East Mission Bay Drive • San Diego, California

(Please Print or Type)

NAME: _____ TITLE: _____

ORGANIZATION: _____

ADDRESS: _____ CITY/STATE/ZIP: _____

TEL: _____ FAX: _____ E-MAIL: _____

CONFERENCE REGISTRATION FEES

Registration fees include handouts, continental breakfasts, luncheon, breaks and reception.

Note: Self parking for hotel guests is complimentary

\$350 UWI Member Registration Fee for Conference August 25-26, 2011 (*Must be a current Member of the Urban Water Institute, Inc.*)

\$400 Non-Member Registration Fee for Conference August 25-26, 2011

\$100 Spouse Registration-Includes breakfast, lunch, break and reception

Spouse Name For Nametag:

\$35 Copy of Power Point Presentation presented at the Annual Water Conference

REGISTRATION INFORMATION

Location

The Annual Water Conference will be conducted in San Diego at The Hilton Mission Bay Resort located at:
1775 East Mission Bay Drive, San Diego, California

Will you stay at the Hilton Mission Bay Resort? Arrival Date () Departure Date ()

Please contact the hotel directly to reserve your room, we have a special conference rate of \$235 per night plus tax. To make your room reservations, call the Hilton Mission Bay Resort directly at (619) 276-4010 and reference **Urban Water Institute**. Please note the cut-off date for the group rate is August 3, 2011. Reservations can also be made online at www.hilton.com.

Conference Registration (*All Registrations Should Be Made In Advance*)

To pay by credit card visit our website www.urbanwater.com. You can register online and pay with a Visa, MasterCard or American Express.

To pay by check, please complete the Registration Form and send it along with a check made payable to Urban Water Institute:
18800 Von Karman Avenue, Suite 100, Irvine, CA 92612.

After August 18, 2011 registrations will be accepted at the door on a space available basis, with an additional \$25 administrative charge. Registration includes continental breakfast, program lunch, breaks, handout materials and reception.

Cancellation Policy

Cancellations must be received in writing by August 18, 2011. Faxes are accepted at (949) 474-8258. Registration fee will be refunded, less a \$50 administrative charge if received by August 18, 2011. Substitutes are accepted. **No refunds after August 18, 2011.** The Institute reserves the right to substitute announced speakers and assumes no responsibility for personal expenses.

Exhibitor & Sponsor Information

Information on exhibiting and sponsoring may be obtained by calling (949) 679-9676 or can be found on the Urban Water Website www.urbanwater.com.

Mail Conference Registration Checks Payable To:

Urban Water Institute

18800 Von Karman Avenue, Suite 100 • Irvine, CA 92612

*** Tax ID # 33-0578523 ***

For More Information Contact Julie Ackman at (949) 679-9676 or julie@urbanwater.com



18th Annual Water Policy Conference

Hilton Mission Bay Resort

1775 East Mission Bay Drive – San Diego, California

August 24-26, 2011

CONFERENCE AGENDA

Wednesday, August 24, 2011

4:00 p.m. – Registration Opens

5:30 p.m. – Pre-Conference Urban Water Reception with Special Guest
(All Conference Attendees Invited)

Thursday, August 25, 2011

7:00 a.m. – Registration and Continental Breakfast- Exhibits

8:00 a.m. – Welcome to San Diego

8:30 a.m. – Keynote Speaker – Prospects for the Delta

9:30 a.m. – Break – Exhibits

10:00 a.m. – The Delta – Who's In Charge?

There is a plethora of agencies developing plans for development and/or preservation of the Bay Delta region. Who actually will make the final decisions? Among them are the Delta Protection Commission, the Delta Conservancy and others. Who IS in charge? What about State and Federal regulatory agencies, counties and cities?

11:15 a.m. –The California Department of Water Resources does more than
manage the State Water Project

Because of budget cuts, the ability of the Department of Water Resources to deliver approved water flows through the State Water Project has been questioned. What should be the continuing role of the DWR?

12:00 p.m. – Lunch

1:00 p.m. – Keynote Speaker

1:45 p.m. – Break - Exhibits

2:00 p.m. – Financing the Delta Plan: A Contrarian View

2:30 p.m. – San Francisco Bay Area: Is Water Reliability Assured? - Panel

As the state's second most populous region, the San Francisco Bay Area has a significant role in the state's economy. The region's water reliability depends on several other major sources as well as the Delta. What is being done to assure future water reliability? Are the Bay Area agencies concerned with costs for fixing the Delta and future water project conveyance costs?

4:00 p.m. – How Can California Resolve Its Water Wars?

Open Microphone Session

5:00 p.m. – Adjourn

5:30 p.m. to 6:30 p.m. – Chairman's Reception

Dinner on your own

Friday, August 26, 2011

7:30 a.m. – Continental Breakfast - Exhibits

8:00 a.m. – Keynote Speaker – Water in the Southwest

Is Climate Change key to the Department's assessment for the future of water resources in the Southwest? What is happening with agriculture in the Southwest? What about wildfires?

9:00 a.m. – Can the Colorado River support the Southwest's growing population?

10:00 a.m. – Break - Exhibits

10:30 a.m. – Colorado River Water Supply Challenges

11:15 a.m. – Keynote Speaker

12:00 p.m. – Adjourn

1:00 p.m. – Board of Directors Luncheon – All Board Members Welcome

2:00 p.m. – Board of Directors Meeting



ACTION ITEM

July 20, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff Contact: Phil Letrong

SUBJECT: Resolution to adopt the PARS Post Retirement Health Care Plan Trust and appoint Plan Administrator

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve the Resolution to adopt PARS Post Retirement Health Care Plan Trust and appoint the General Manager as Plan Administrator.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

At the June 15, 2011 Board meeting, the Board of Directors appointed PARS as the District OPEB Trust Administrator and Union Bank as Trustee, and authorized execution of all necessary Trust documents. A formal Resolution is also required in order to move forward with the execution of Trust documents.

The attached Resolution is to:

- Adopt the PARS Public Agencies Post-Retirement Health Care Plan Trust
- Appoint the General Manager, his/her successor or his/her designee as Plan Administrator
- Authorize the Plan Administrator to execute all PARS legal and administrative documents and take whatever actions to administer MWDOC's PARS plan.

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

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
AUTHORIZING THE EXECUTION OF THE
OPEB TRUST AGREEMENT (AS PREVIOUSLY APPROVED BY THE BOARD)
AND
APPOINTING PLAN ADMINISTRATOR

WHEREAS it is determined to be in the best interest of the Municipal Water District of Orange County (~~the~~ "MWDOC") to participate in the PARS Public Agencies Post-Retirement Health Care Plan Trust (the "Program") to fund post-employment benefits for its employees as specified in ~~the~~ MWDOC's policies, employment contracts and/or applicable collective bargaining agreements; and

WHEREAS ~~the~~ MWDOC is eligible to participate in the Program, which is a tax-exempt trust and plan performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued thereunder, and is a tax-exempt trust under the relevant statutory provisions of the State of California.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors of ~~the~~ MWDOC hereby adopts the PARS Public Agencies Post-Retirement Health Care Plan Trust, including the PARS Public Agencies Post-Retirement Health Care Plan, as part of the MWDOC Retirement Program, effective _____, 2011; and

2. The Board of Directors of ~~the~~ MWDOC hereby appoints the General Manager ~~(POSITION OR TITLE)~~, or his/her successor or his/her designee as ~~the~~ MWDOC's Plan Administrator for the Program; and

3. ~~The~~ MWDOC's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of ~~the~~ MWDOC and to take whatever additional actions are necessary to maintain ~~the~~ MWDOC's participation in the Program and to maintain compliance of with any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer ~~the~~ MWDOC's PARS plan(s).

Said Resolution was adopted, on roll call, by the following vote:

AYES:

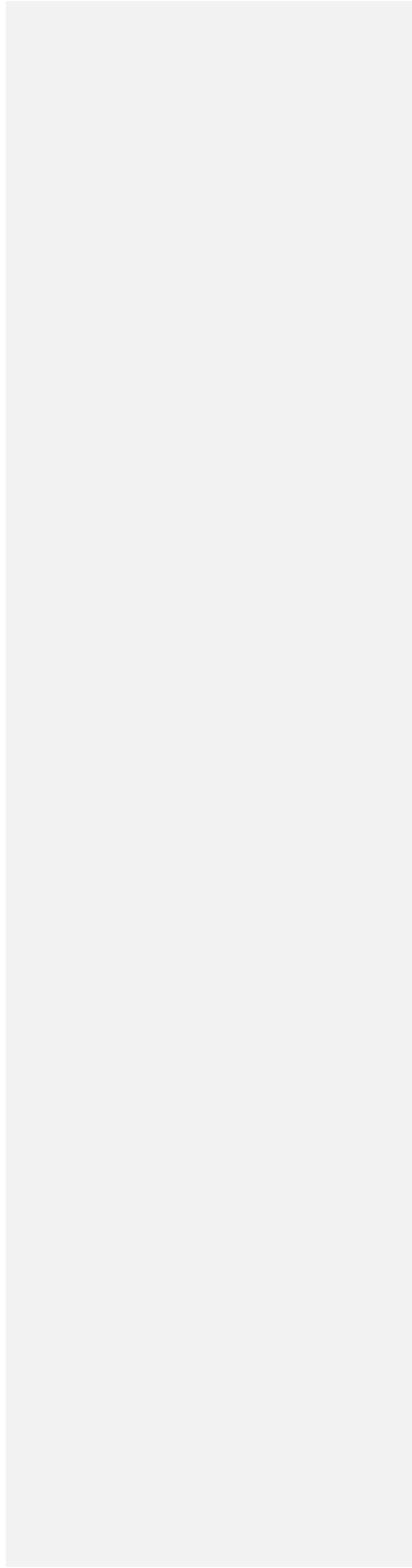
NOES:
ABSENT:
ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF ORANGE

_____, the Secretary of the Board of Directors of the Municipal Water District of Orange County, California, hereby certifies that the above foregoing is true and correct copy of Resolution No. _____ was duly and regularly adopted by the Directors of Municipal Water District of Orange County at a regular meeting thereof held on the _____, and passed by a _____ vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____,
2011. ATTEST:

Maribeth Goldsby, Secretary of the Board of Directors [DP1]
Municipal Water District of Orange County





DISCUSSION ITEM

July 13, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff Contact: Cathy Harris
Administrative Services Manager

SUBJECT: 2010-11 GRAND JURY REPORT REGARDING COMPENSATION SURVEY OF ORANGE COUNTY WATER AND SANITATION DISTRICTS

STAFF RECOMMENDATION

Staff recommends the Board of Directors review, discuss and provide direction to staff regarding the District's response to the Grand Jury and implementation of the recommendations.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The OC Grand jury Report was released in June 2011. The review was based on 2009/10 information regarding compensation practices for the Board of Directors and General Managers of 18 water and sanitation districts in Orange County.

Based on its review, the OC Grand Jury issued two principal findings:

- F.1: District websites often do not provide easy public access to compensation and financial data of the district, if available at all.
- F.2: District websites were sometimes not updated to reflect public meeting changes or cancellations.

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

Based on its findings the OC Grand Jury's recommendations are as follows:

- R.1: Provide in an easily accessible format on the District's website, data on compensation for the board of Directors and General Manager, as well as current budget and financial reports.
- R.2: Maintain and update agendas, minutes, meeting schedules and location on the District's website.

Next Steps:

Since MWDOC was part of the review, MWDOC is required to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency.

The District is required to respond to the Grand Jury Report in accordance with the California Penal Code Section and address each finding and recommendation. The specific format is outlined in page 178 of the OC Grand Jury Report. The timeline to respond is 90 days after the OC Grand Jury publishes its report. The report was published in early June therefore the District's response must be submitted by September. MWDOC staff proposes to respond as follows:

- R.1: MWDOC agrees with the recommendation and will post prior year compensation for the Board of Directors and General Manager on the District website under the heading "Board and Director Compensation" as a subheading to "Board of Directors" .
- R.2: MWDOC agrees and fully complies.

Compensation Survey of Orange County Water and Sanitation Districts



Compensation Survey of Orange County Water and Sanitation Districts

SUMMARY

The 2010/11 Orange County Grand Jury has completed a review of compensation practices for the boards of directors and general managers of the eighteen water and sanitation districts in Orange County.

The districts studied are independent government agencies, run by an elected or appointed board of directors, and administer combined annual revenues of over \$1.3 billion. Yet for a variety of reasons, they receive little public interest or scrutiny. Given the recent excesses in local government, the potential for serious problems exist, thus the attention of the Grand Jury.

In general, despite a seeming lack of interest on the part of the public, it was found the districts went efficiently about their business, providing water, wastewater and solid waste collections services to the citizens of Orange County. However, there are several areas of concern.

While payments for meeting attendance by board directors are limited by State statute, there is no limitation of benefits paid to directors. Some districts have chosen to provide their directors with limited or no benefits, there are some instances of full time benefits being paid for part time work.

The Grand Jury found wide variation among the districts studied in the ability of the general public to obtain compensation, financial and meeting information. As a result, the Grand Jury has recommended minimum standards for information access on district websites.

REASON FOR STUDY

Water and sanitation districts within Orange County are not well understood by the general public, and given little attention. Yet these districts have tremendous power to levy fees and often possess substantial capital reserves. They also play a vital role in public health and safety.

Due to recent excesses in local government compensation and the mounting financial burden created by public pension obligations, there is justified concern on the part of the public towards local government and the way it conducts its affairs.

Given this heightened concern over local government operations, the Grand Jury determined it would be worthwhile to review and illuminate the compensation received by the boards of directors and general managers of the water and sanitation special districts within Orange County. Many have referred to this concept as “transparency.” Beyond just providing compensation data, the Grand Jury also felt an examination of how that information is conveyed to the public would be useful. It is hoped that by providing this information in a uniform context, public confidence can be increased for this sector of government.

METHODOLOGY

The Grand Jury made the decision at the study’s inception to review all special districts in Orange County dealing in water or wastewater, regardless of their size or function. This approach combines water

retailers, water wholesalers, as well as wastewater treatment agencies. Water retailers provide water directly to individual users while water wholesalers provide water to water retailers, thus complexity of operations will differ.

Each district was sent a questionnaire soliciting compensation and benefits information for the board of directors and the general manager position. Other documents requested included annual reports, district by-laws, financial statements and budgets, organization charts, as well as any employment contract for the general manager. Follow up contacts were made to clarify data or seek additional information.

This data was analyzed to see if it was in compliance with the State of California Water Code (Water Districts) and the State of California Sanitation Code (Sanitation Districts). All districts appeared to be following state guidelines in regards to number of monthly meetings and director compensation.

In addition to the direct information supplied by the districts, the Grand Jury also reviewed each district's individual website as well as the website of the State Controller of California. The individual district websites were surveyed to judge their ease of use, the value of the information provided to the public as well as to provide data for some of the statistical analysis contained in this report. The State Controller's website contains the annual "Local Government Compensation Report", which includes special districts such as water and sewer districts. The data presented on the Controller's website is for the calendar year of 2009 and thus may be at variance with values stated in this report.

Members of the Grand Jury attended various district board meetings to gauge the level of public interest and attendance and to see if district business was conducted in an open and detailed manner. On two occasions, members arrived at the scheduled time and place of the public meeting as shown on a district's website and found it to be cancelled, with notice posted only at the location of the meeting site.

This report is focused on total compensation, including value of benefits, to the individual general manager or board of directors member.

"Retirement benefits", as used in this study, do not include those amounts that the employer is normally required to pay as the employer's standard share of pension contributions. However, if the employer is paying all or some of the amount an employee would normally be expected to pay (the "employee's share"), then that amount was included as additional compensation to the employee in the calculations. In all cases retirement benefits included any type of defined benefit retirement plan, retirement health accounts or any other deferred compensation contributions the employer is making on the employee's behalf.

"Insurance" includes any combination of the following: medical, dental, vision, life and accidental death, short-term disability, long-term disability, and long term care insurance. These numbers include only the cost to the employer; they do not include any premiums paid by the employee. If an employee elected to take cash in lieu of insurance coverage that dollar amount was captured in the insurance calculations.

"Car allowance" may be either an actual cash payment to the employee or the imputed value of using

a district supplied vehicle. If the general manager used a district “pool” vehicle for daily work it was not included as a car allowance.

Bonuses were noted, although it is recognized that they may be a one-time benefit and may not reappear in other years as compensation.

Focusing on the larger picture and major elements of compensation, it was elected to not quantify benefits for less expensive categories, such as cell phone allowances. Likewise, job-related reimbursables, such as conferences, travel, training, etc., were excluded.

Board of directors for these special districts do not receive a salary, rather they are compensated for attending meetings related to district business. These stipends are set by State of California government statute and contain inflation escalation clauses. The statute also limits the number of meetings a board member may collect fees for in any given month.

Quantifying compensation for a district’s board of directors presented some challenges. First, the basic compensation for a director is dependent upon the number of meetings attended by a given director, and considerable variation was observed. Further, different insurance health packages (when offered) were selected by various directors leading to large spreads in insurance costs on individual boards.

The Grand Jury felt the fairest presentation of the compensation for a given board member was to use an averaging method. To accomplish this, the actual annual total district expenditures for board of directors’ stipends, health insurance and retirement amounts were divided by the number of directors on the district’s board, giving an “average compensation” for directors. Some directors were compensated above this average value and some less. While some precision is diminished, the Grand Jury feels it provides a valuable benchmark for comparison.

FACTS

Fact: Combined total annual revenues for the 18 water and sanitation special districts in Orange County exceed \$1.3 billion.

Fact: California state law defines a special district as “any agency of the state for the local performance of governmental or proprietary functions within limited boundaries (Government Code Section 16271 (d)).

Fact: Compensation for the board of directors of water districts must be set in accordance with the California Water Code Section 20202 and for the board of directors of Sanitation Districts, in accordance with the Health and Safety Code, Section 6489.

Fact: Board of director meeting stipends for water and sanitation special districts are capped by the state. Other compensation packages for the board of directors and the general manager are set by the board of directors in each district.

Fact: Elected or appointed officers of a special district, commission or board elected or appointed after June 30, 1994 are prohibited from participating in the California Public Employees' Retirement System (CalPERS).

ANALYSIS

What are Special Districts?

The agencies reviewed by this report are commonly referred to as "special districts". State law defines a special district as "any agency of the state for the local performance of governmental or proprietary functions within limited boundaries." A special district is a separate local government that delivers a limited number of public services to a geographically limited area.

Inadequate revenue bases and competing demands for existing taxes make it hard for counties and cities to provide all of the services that their constituents want. When residents want new services or higher levels of existing services, they can form a district to pay for them. Special districts localize the costs and benefits of public services. Most special districts serve just a single purpose, such as districts for sewage treatment or water delivery, the focus of this report.

Sometimes county supervisors or city councils are special districts' governing boards, as is the case of dependent special districts. Independent special districts operate under state laws as autonomous government entities with independent elected board of directors accountable to the local voters they serve. However, special districts must make certain reports to the State of California. For example, special districts must send their annual financial reports to the State Controller's Office. Districts must also follow the state laws for special taxes, bonded debt, public hearings, public records, and elections.

Water districts were formed in Orange County as early as 1925 (Laguna Beach County Water District). Population growth, coupled with the drought beginning in 1987 and escalating in 1989-90, generated a new way of thinking for the water districts in Orange County. A renewed focus began to be placed on conservation, groundwater management and water recycling.

Orange County has 14 water and 4 sanitation districts; all classified as independent districts, each having their own board of directors. Not all areas of Orange County use water district services. These communities (typically older cities) have their own water sources and are operated by either city governments or private water companies.

Originally, water districts were limited by state law to what services they could provide. But in 1963 the California Water District Act was amended allowing water districts to provide wastewater and water reclamation services. Of the 18 special districts studied in this report, 8 provide both water and wastewater services.

District descriptions and background

The following table contains demographic data describing each of the districts, with particular emphasis on various measures of size. It's important to note that these districts have an annual combined total revenue of approximately \$1.375 billion, yet very few taxpayers give the attention to the structure and management of these entities that they may give to their local city councils.

The data in the table was acquired from a number of sources, the majority from the districts themselves, their annual reports or their websites. “Annual Revenue (2009/10)” generally reflects the total income received from all sources by each district for the fiscal year of 2009/10. This can differ from a district’s operating budget, which may exclude amounts for debt servicing or capital projects.

Special Districts Statistical Summary

District	Year Formed	Employees	Population Served	Annual Revenue (2009/ 10)
Costa Mesa Sanitary District	1944	18	116,700	\$10,452,000
East Orange County Water District	1961	10	104,000	\$6,307,708
El Toro Water District	1960	55	51,000	\$19,724,200
Irvine Ranch Water District	1961	315	330,000	\$205,500,000
Laguna Beach County Water District	1925	40	25,000	\$9,000,000
Mesa Consolidated Water District	1960	60	116,479	\$29,102,086
Midway City Sanitary District	1939	24	100,000	\$8,926,587
Moulton Niguel Water District	1960	98	166,964	\$77,195,000
Municipal Water District of O.C.	1951	30	2,300,000	\$154,963,970
Orange County Sanitation District	1946	648	2,600,000	\$594,700,000
Orange County Water District	1933	217	2,400,000	\$109,775,309
Rossmoor/ Los Alamitos Area Sewer Dist.	1952	0.5	24,204	\$384,608
Santa Margarita Water District	1964	128	150,000	\$79,053,240
Serrano Water District	1927	11	6,500	\$4,639,911
South Coast Water District	1932	73	40,000	\$31,900,685
Sunset Beach Sanitary District	1930	3	2,500	\$948,283
Trabuco Canyon Water District	1962	23	13,350	\$7,055,526
Yorba Linda Water District	1959	76	75,000	\$25,858,705
Total for all Districts:				\$ 1,375,487,818

The following section provides a brief overview of each of the 18 special districts included in this report. Any features or operations unique to each district are mentioned.

Costa Mesa Sanitary District (*Sewer and solid waste pickup*)

The District's boundaries encompass all of the City of Costa Mesa and portions of Newport Beach and unincorporated Orange County. In addition to providing sewer service to 116,000 residents, the District also provides curbside refuse and recycling collection services to over 21,000 households.

East Orange County Water District (*Water only*)

The District's wholesale operation encompasses an area of approximately 10,000 acres including the City of Tustin, a portion of the City of Orange and unincorporated territory bordering the eastern side of Santa Ana and Orange. In July 1985 the District entered retail water operations when it took over the operations of Orange County Water Works System #8.

El Toro Water District (*Water and sewer*)

The El Toro Water District's water and wastewater system serves over 5,000 acres including all of Laguna Woods and portions of the cities of Laguna Hills, Mission Viejo, Lake Forest and Aliso Viejo. Service connections are provided for residential, commercial, industrial and institutional use. In September 1983, the District purchased the assets of a privately owned utility to become a retail water and sewer provider.

Irvine Ranch Water District (*Water and sewer*)

The District serves 181 square miles in central Orange County including the City of Irvine and portions of Tustin, Newport Beach, Costa Mesa, Orange, Lake Forest and unincorporated areas. It provides drinking water, reliable wastewater collection and treatment, recycled water and urban runoff treatment. Over the last ten plus years the District has consolidated with five water districts which resulted in greater efficiency and lower rates and charges to its customers.

Laguna Beach County Water District (*Water only*)

The District provides service within an 8.5 square mile area including portions of Laguna Beach, Crystal Cove State Park and supplies, under contract, water and services to the unincorporated community of Emerald Bay. Its 8,450 service connections service mostly residential water users. Within the District there are 21 water storage reservoirs providing approximately ten days of water to the community in the event of an emergency.

In November of 2000, the District became a subsidiary of the City of Laguna Beach. Through an operating agreement with the City, the District operates independently, retaining its assets, separate legal counsel, separate insurance and benefits and continues to operate under the State of California Water Code. The Laguna Beach City council members act as the Water District's ex-officio Board of Directors. They draw no salary but their medical insurance benefits are paid by the water district and not by the City of Laguna Beach. Besides the Board, there is also a Commission that does the day to day decision making. The Commission members are appointed by the Board of Directors (Laguna Beach City Council) and serve 2 year terms. This report considers compensation of only the Commissioners.

Mesa Consolidated Water District *(Water only)*

The District was created through the merger of three districts and the City of Costa Mesa Water Department. This was the first California water agency to consolidate two or more water districts and assumed the debts and obligations. The District serves an 18 square mile area and includes the City of Costa Mesa, parts of Newport Beach, unincorporated areas and John Wayne Airport.

Midway City Sanitary District *(Sewer and solid waste pickup)*

The District maintains 174 miles of sewer mainlines transporting 13 million gallons a day to treatment facilities serving residents in Westminster and the unincorporated area known as Midway City. In addition, the District provides curbside refuse and recycling collection services to 20,600 residences and commercial and industrial properties within the District.

Moulton Niguel Water District *(Water and sewer)*

The District was formed in 1960 to provide a water supply to the Moulton Niguel Service. In 1964 the District began wastewater services previously provided by Orange County Sanitation District No. 12. The District encompasses approximately 36.5 square miles and includes the cities of Laguna Niguel, Aliso Viejo and portions of Laguna Hills, Mission Viejo and Dana Point. Water and sewer accounts are estimated at just over 54,000.

Municipal Water District of Orange County *(Water only)*

The District is a wholesale water management and planning agency that provides imported water to 28 water purveyors and two private water companies in a service area of over 600 square miles. These smaller entities then provide the water to residential and commercial customers. In 2001 the District consolidated with Coastal Municipal Water District of Southern California. It is the second largest member agency of the Metropolitan Water District of Southern California, the agency that supplies Southern California with the majority of its imported water. It coordinates countywide water/wastewater emergency preparedness and response efforts.

Orange County Sanitation District *(Sewer only)*

The District provides wastewater services for much of Orange County. Its boundaries cover 479 square miles, serving 21 cities and three special districts. The District has two operating facilities, one in Fountain Valley, the other in Huntington Beach, treating wastewater from residential, commercial and industrial sources in central and northwest Orange County. Each day approximately 230 million gallons of wastewater is treated, enough water to fill Angel Stadium three times a day.

The 25 members of the District's board of directors consist of elected representatives from each of the sewer agencies or cities within the Orange County Sanitation District. Thus the board members of the District are not elected directly, but are appointed by their respective agencies.

Orange County Water District *(Water only)*

Despite its name, the Orange County Water District is not a water provider in the usually understood sense. Its function is to manage the underground water in Orange County, called the aquifer. Agencies pumping water from the ground in Orange County are regulated and charged by this district. The Or-

ange County Water District also operates the Groundwater Replenishment System, a state of the art plant in Fountain Valley that purifies wastewater and injects it back into the ground for reuse.

The board of directors for this district is a hybrid of elected and appointed officials. Of the 10 board members, 7 are elected from defined service areas within the district, and 3 are appointed representatives of the cities of Fullerton, Anaheim and Santa Ana.

Rossmoor/Los Alamitos Area Sewer District *(Sewer only)*

The District was created in 1952 by area citizens desiring an adequate sewer system to replace outdated septic tanks. Annexations in 1954 and 1960 added the Rossmoor residential development and the nearby Naval base. The District serves more than 8,000 sewer connections in Rossmoor, Los Alamitos, the College Park West area of Seal Beach and parts of Cypress.

This district has only one part time employee, serving essentially as general manager. All other district work is contracted out.

Santa Margarita Water District *(Water and sewer)*

The District is the second largest water district in Orange County serving residents and businesses in Mission Viejo, Rancho Santa Margarita, Coto de Caza, Las Flores, Ladera Ranch and Talega. The size of the district expanded from 41,400 acres to its present size of 62,674 acres through a series of annexations and several small land exchanges with Moulton Niguel Water District to better align boundaries. The District is one of five south Orange County water agencies that partnered to finance and construct the 244 million gallon Upper Chiquita Reservoir project.

Serrano Water District *(Water only)*

The District provides services to approximately 2,000 acres which includes Villa Park and a minor portion of the city of Orange with approximately 2,250 domestic meters in service. This was the smallest water district studied, with a population of about 6,500. The District's principal source of water is native water drawn from Santiago Reservoir, also known as Irvine Lake, which it also manages as a recreational facility.

South Coast Water District *(Water and sewer)*

For decades the south coast area of Orange County was served by three water and sanitary agencies. As of January 1, 1999 these agencies consolidated to form the "expanded" South Coast Water District. Water and/or sewer services are provided to more than 17,000 customer accounts in Dana Point, Monarch Beach, Capistrano Beach, South Laguna and areas of north San Clemente and north San Juan Capistrano.

Sunset Beach Sanitary District *(Sewer only)*

The District was formed to provide wastewater services to an area of approximately 175 acres. This area includes the unincorporated community of Sunset Beach and Surfside Colony. The District collects both sewage and municipal solid waste. The District contracts with the Orange County Sanitation District for sewage treatment and effluent disposal and with the City of Huntington Beach for sewage conveyance.

This smallest district studied (population 2,500) lacks even a physical office and public meetings are held

in a local women's club. Its boundaries are included in the pending annexation of Sunset Beach by the City of Huntington Beach, so its future is unclear.

Trabuco Canyon Water District (*Water and sewer*)

The District provides retail water service, wastewater treatment, reclamation and agricultural services to over 4,000 metered connections in a 9,000 acre area at the foothills of the Santa Ana Mountains. This area is comprised of numerous canyons and hills with varying elevations from 900 to 2,400 feet above sea level and includes the communities of Dove Canyon, Trabuco Canyon, Robinson Ranch and Portola Hills. Wastewater is collected and reclaimed at the Robinson Ranch Wastewater Treatment Plant built in 1984 and expanded in 1992. One hundred percent of the reclaimed water is then used for irrigation.

Yorba Linda Water District (*Water and sewer*)

The District was started in an unincorporated area. Through the 1950s the area was largely rural but rapidly transitioned to suburban land use. Annexations expanded the District from 4,710 acres in 1959 to over 14,000 acres today. The District serves most residents in the City of Yorba Linda and portions of Placentia, Brea and Anaheim. The District has nine active wells which provide 50 percent of the water produced, the rest derived from imported sources.

Board of Directors compensation

Total compensation among the districts varies based on their size and on decisions made by their boards concerning their benefits.

In the early 1990's the California Water Code Section 20201 put a ceiling of \$100 on the maximum amount water board members can receive for attendance at any one meeting of the board or directors. However, Section 20202 authorizes water district boards to increase the amount of compensation not to exceed 5% for each calendar year, although any such increase is at the board's discretion.

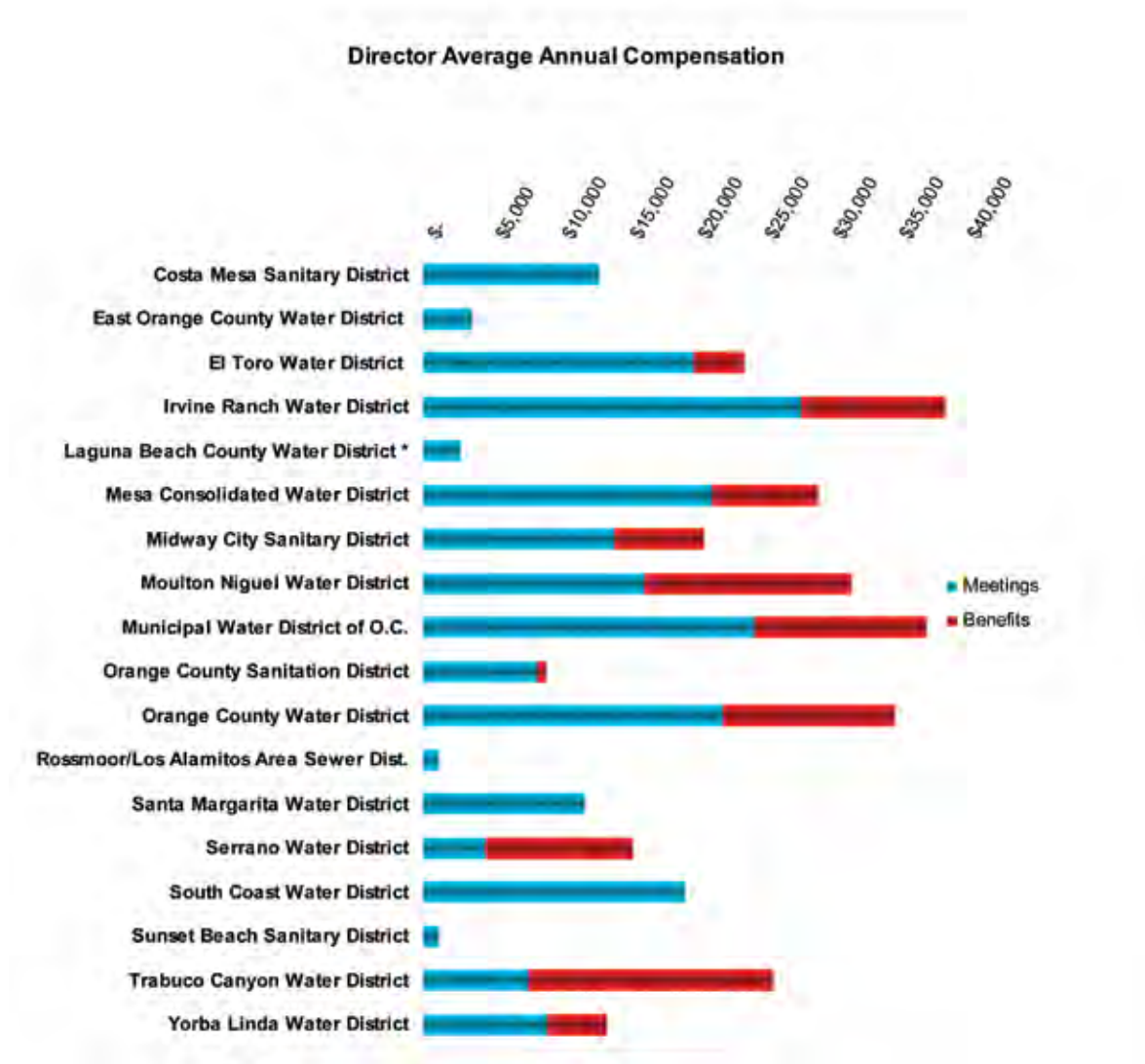
Some districts have chosen to increase the per meeting director stipend regularly while others have not. This has resulted in a disparity in meeting compensation between districts ranging from \$100 per meeting up to \$237 per meeting.

In addition to meeting compensation, State statutes also limit the maximum number of compensable meetings to 10 monthly for water districts and 6 monthly for sanitation districts. Some districts hold very few meetings per month, while others approach the maximum allowed, due to extensive subcommittee meetings or qualifying meetings with outside agencies. Thus annual director compensation for meetings alone has a wide range, from as little as \$1,200 (Sunset Beach Sanitary District) to \$28,000 (Irvine Ranch Water District).

While pay per meeting is set by statute, benefits such as medical insurance and retirement are not. Benefits paid to special district directors are set solely by the board of directors themselves. Four districts provide retirement benefits and ten districts provide insurance benefits to their directors.

It should be noted that board members elected since June 30, 1994 are prohibited from participating in the CalPERS retirement program. Four of the districts studied still have some sitting board members elected before the CalPERS prohibition was implemented 17 years ago. Because there are so few of these members and future board members cannot qualify for these funds, the Grand Jury elected to exclude these small amounts from the data reported here. There is no restriction against the participation of board members in other types of retirement programs, such as other defined benefit plans or deferred compensation plans.

The following graph shows the average annual fiscal year 2009/10 compensation received by board members of the special districts studied and analyzed as discussed in the “Methodology” section. After the graph follows a table showing a breakdown of director compensation in more detail. Note that in that table, and those following, the entry “-“ denotes a value of zero.



Director Average Annual Compensation

District	Meeting Compensation	Retirement	Insurance	Total Benefits	Total Compensation
Costa Mesa Sanitary District	\$ 13,083	\$ -	\$ -	\$ -	\$ 13,083
East Orange County Water District	3,600	-	-	-	3,600
El Toro Water District	20,000	-	3,796	3,796	23,796
Irvine Ranch Water District	28,000	-	10,730	10,730	38,730
Laguna Beach County Water District*	2,760	-	-	-	2,760
Mesa Consolidated Water District	21,404	-	7,906	7,906	29,310
Midway City Sanitary District	14,187	-	6,625	6,625	20,812
Moulton Niguel Water District	16,429	329	14,999	15,328	31,757
Municipal Water District of O.C.	24,505	3,168	9,613	12,781	37,286
Orange County Sanitation District	8,512	638	-	638	9,150
Orange County Water District	22,176	3,543	9,289	12,831	35,008
Rossmoor/Los Alamitos Area Sewer Dist.	1,200	-	-	-	1,200
Santa Margarita Water District	12,012	-	-	-	12,012
Serrano Water District	4,640	-	10,939	10,939	15,579
South Coast Water District	19,422	-	-	-	19,422
Sunset Beach Sanitary District	1,200	-	-	-	1,200
Trabuco Canyon Water District	7,850	-	18,077	18,077	25,927
Yorba Linda Water District	9,270	-	4,316	4,316	13,587

*Data shown is for Commissioners and based on monthly stipend

There is a significant variance in the benefits paid to boards of directors of the special districts studied. In some cases benefits constitute a significant portion of a director's total compensation. For example, in the case of the Trabuco Canyon Water District, the benefits make up approximately 70% of their directors' total compensation.

This level of benefits has opened many special districts up to criticism. Since board meetings are usually held only a few times per month (sometimes only once per month), they are effectively part-time jobs. Yet in many cases these part-time jobs come with full time benefits. There is no statutory prohibition against providing full-time benefits to board members for part-time duties.

The situation may have arisen due to the fact that in past years health benefits were much less expensive than today. As a result they were often provided as a standard benefit for many employees. As costs for these types of benefits have dramatically risen, districts may not have considered the appropriateness of their provision for what are essentially part time members.

Some of the smaller districts studied are models of frugality. The Sunset Beach Sanitary District and the Rossmoor/Los Alamitos Sanitary District seldom meet more than once a month, even though permitted to do so. Further, their directors receive no benefits beyond their modest meeting stipends.

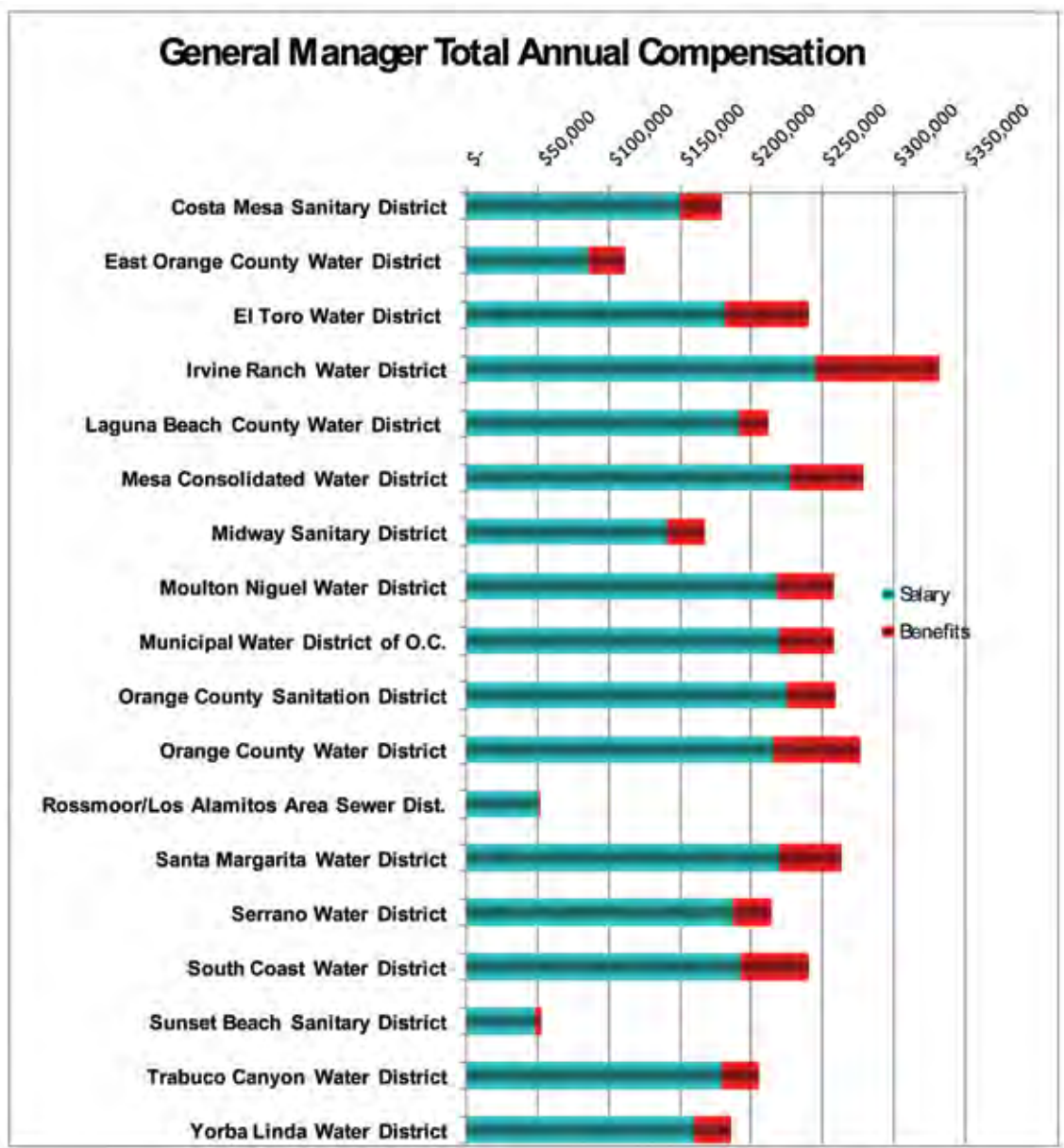
In the case of the small East Orange Water District, it is their policy that board members rarely go to outside meetings and collect their meeting stipend. Instead, the General Manager attends outside agency

meetings and reports back to the directors as a cost savings measure.

The Laguna Beach County Water District has a somewhat different compensation model than most. As previously described, there is a panel of “commissioners” who manage normal matters of the district. The commissioners each draw a monthly stipend of \$230, regardless of the number of meetings, and receive no benefits.

General Manager compensation

All of the special districts studied were directed by general managers (for one district the position is called “Superintendent”). The board of directors sets general policy for each district and approves budgets and expenditures, while the general manager runs the day to day operations and manages the staff of a district. For the districts studied, most of the general managers’ compensation fell in a relatively uniform range. There were a few exceptions, both on the low end and the high end. The following graph summarizes the general manager’s compensation for fiscal year 2009/10 and the subsequent table breaks it down in more detail.



General Manager Total Annual Compensation

District	Salary	Bonus	Retirement	Insurance	Car Allowance	Total Non-salary	Total Compensation
Costa Mesa Sanitary District	\$ 150,000	\$ 3,000	\$ 11,500	\$ 9,588	\$ 4,800	\$ 28,888	\$ 178,888
East Orange County Water District	85,540	-	5,988	16,265	4,200	26,453	111,993
El Toró Water District	181,064	-	36,667	15,896	6,600	59,163	240,227
Irvine Ranch Water District	244,992	25,479	39,688	13,569	7,992	86,728	331,720
Laguna Beach County Water District	191,324	-	13,393	7,432	-	20,825	212,149
Mesa Consolidated Water District	227,800	-	30,946	13,678	6,000	50,624	278,424
Midway Sanitary District	141,450	-	24,180	1,332	-	25,512	166,962
Moulton Niguel Water District	217,464	-	18,049	21,960	-	40,009	257,473
Municipal Water District of O.C.	219,902	-	15,393	14,052	9,000	38,445	258,347
Orange County Sanitation District	225,000	-	20,500	13,258	-	33,758	258,758
Orange County Water District	215,000	-	39,193	13,727	8,400	61,320	276,320
Rossmoor/Los Alamitos Area Sewer Dist.	50,000	-	-	-	780	780	50,780
Santa Margarita Water District	220,000	-	27,840	15,828	-	43,668	263,668
Serrano Water District	187,000	-	5,610	21,108	-	26,718	213,718
South Coast Water District	192,000	-	28,415	20,004	-	48,419	240,419
Sunset Beach Sanitary District	47,646	-	-	-	4,800	4,800	52,446
Trabuco Canyon Water District	179,500	-	14,360	11,994	-	26,354	205,854
Yorba Linda Water District	160,140	-	11,210	14,986	-	26,196	186,336

Two districts were notable for not providing retirement or insurance benefits for their general managers: Rossmoor/Los Alamitos Sanitation and Sunset Beach Sanitary Districts. This is possibly the result of the positions being part time, and also the districts being small and fiscally responsible. All other districts studied provided retirement and insurance benefits.

Two districts paid their general managers bonuses within the year studied, Costa Mesa Sanitary and Irvine Ranch Water Districts. The payment of a \$25,479 bonus to the general manager of Irvine Ranch Water District resulted in that position having the highest compensation of all general manager positions studied (Although as previously noted, bonuses may be one-time events.)

Car allowances were not uncommon, but were not a benefit restricted to only the larger, well funded districts. Several smaller districts provided their general managers with car allowances, yet a number of larger districts did not. However often larger districts maintain a fleet of district vehicles, which a general manager may use. In these cases, the use of a district vehicle did not show up as compensation.

There are two reasons for the largest variation in the “Total Non-salary” category which are both related to the retirement category. First, agencies with defined benefit programs sometime pay part of what would normally be the responsibility of employee to pay (the “employee’s share”) as a benefit. These districts feel it makes their job positions more attractive and improves hiring ability in a competitive market.

The second reason for wide retirement benefit variability has to do with deferred compensation. A num-

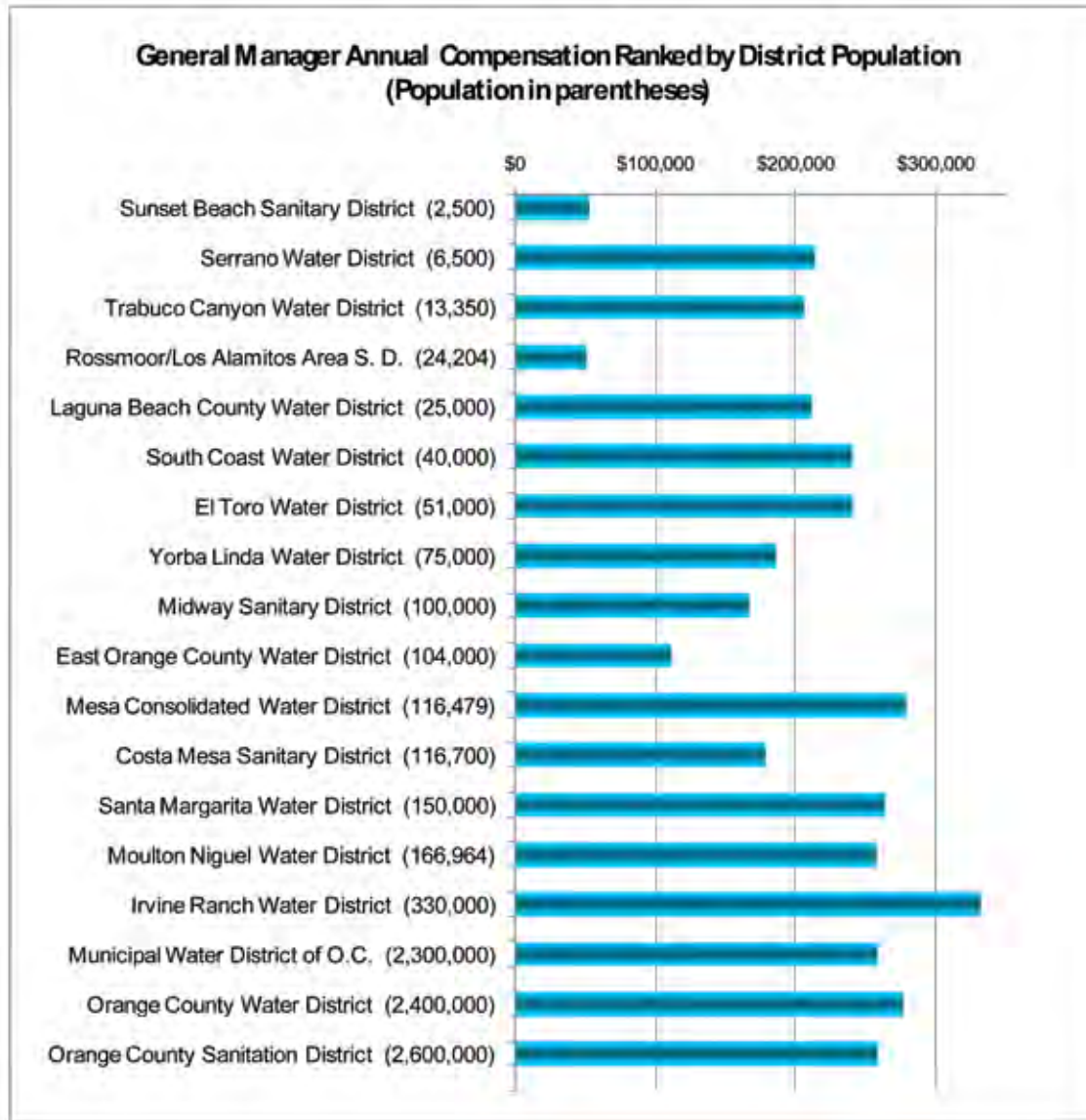
ber of districts provide deferred compensation programs whereby money is deposited into an employee's account for use upon their retirement. Some districts require an employee match with the employee's own funds, but in other cases the district deposits money whether an employee does or not.

The districts with the second and third highest retirement values listed, Orange County Water and El Toro Water Districts, deserve special mention. Of all the districts studied with employee retirement plans, these two are the only districts whose plans are not defined benefit plans. They are instead defined contribution plans. The districts and employees each contribute minimum required amounts to a deferred compensation plan. Either party may contribute more than the minimum, depending upon financial conditions.

A defined benefit plan, such as offered through CalPERS or the Orange County Employees Retirement System (OCERS) is the stereotypical government pension plan. It defines the benefit to the employee upon retirement, regardless of financial conditions at that time. This type of plan has generated much controversy in the current economic times.

A defined contribution plan instead specifies how much an employee and employer will contribute into a tax-deferred compensation plan, with no guarantee as to what the ultimate payout to the employee will be. The defined contribution plan reduces financial risk to the employer and is being held by many as a more responsible retirement plan for public employees.

The following shows the total general manager compensation for each district, ranked by the population data obtained from each district. The smallest district, Sunset Beach Sanitary District, is at the top, and the most populous district, Orange County Sanitation District, is at the bottom.



Generally, it appears district population bears no significant relationship to salary and benefits paid to the general manager. However, two of the relatively small water districts, Serrano Water District and Trabuco Canyon Water District offer their general managers compensation on par with much larger organizations.

Serrano Water District is noteworthy. With a population of only about 6,500, Serrano Water District compensates its general manager more than the general manager of Costa Mesa Sanitary District, which is almost eighteen times larger in terms of population. However the Serrano Water District does have the additional responsibility of managing recreational activities at Irvine Lake.

From the data presented, the compensation received by the general manager of the Irvine Ranch Water District is the highest of all districts studied. However if the \$25,479 bonus is set aside, it is not far re-

moved from general manager compensation of other large districts. Considering the size both in population and geography of that district, and the fact it operates the second largest budget of all districts studied, perhaps the level of compensation is not surprising.

If it could be said that there is a standout among these districts, then perhaps it would be the East Orange County Water District. The frugality previously displayed in their board of directors compensation continues with their general manager. The general manager's compensation is significantly less than seven other, smaller-populated districts, and greater than only the two districts with part-time general managers.

Information accessibility

During the investigative process for this report, the Grand Jury utilized a number of sources to acquire data. One very important source was the websites operated by the districts themselves. There is a wide disparity in the availability of data, its ease of finding and the timeliness of the information. This did not necessarily correlate with the size of the district. Some large, sophisticated districts had limited online access to compensation and financial data, while some smaller districts excelled.

A keystone of improving public confidence in local government operation is to make operating information easily available and demonstrate nothing is hidden.

Websites maintained by special districts should provide at least these minimum features.

- A clearly labeled link or links on the website's home page to all financial and compensation information.
- Compensation data should be provided for the board of directors and general manager listing all types of compensation (salary and other benefits) in a clear, understandable manner.
- If the general manager operates under a contract, then a copy of the current contract should be posted on the district's website.
- The current and previous fiscal year budgets should be posted. If available, the district's Comprehensive Annual Financial Report (CAFR) should be included.
- Public meeting information, including dates, times, location, agendas and minutes should be listed and rigorously updated.

As an example of what the Grand Jury would consider best practices in this area, reference is made to the website of the Costa Mesa Sanitary District. Through the "Transparency" link on their home page, access is provided to an extensive variety of compensation and benefit information. Additional links to "Agenda & Minutes" and "Finances" round out what is a superior website in terms of information accessibility.

Grand Jury members attended scheduled public meetings of many of the districts in this report. Typically, the only members of the public present at the meetings were those of the Grand Jury. Citizens of those districts, for whom significant financial decisions are being made, simply choose not to attend.

The only sure prevention for government abuse and excess is citizen participation. The Grand Jury did not observe this participation to be occurring to any significant level in the case of special districts. Public apathy towards these districts, unless corrected, is a recipe for disaster. While current management is hon-

est and focused on the good of the people, lax public oversight could result in a very different situation.

FINDINGS

In accordance with California Penal Code Sections 933 and 933.05, the 2010-2011 Grand Jury requires responses from the agencies affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based upon its Compensation Survey of Orange County Water and Sanitation Districts, the 2010-2011 Orange County Grand Jury has arrived at two principal findings, as follows:

- F.1:** District websites often do not provide easy public access to compensation and financial data of the district, if available at all.
- F.2:** District websites were sometimes not updated to reflect public meeting changes or cancellations.

RECOMMENDATIONS:

In accordance with California Penal Code Sections 933 and 933.05, the 2010-2011 Grand Jury requires responses from the agencies affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based upon its Compensation Survey of Orange County Water and Sanitation Districts, the 2010-2011 Orange County Grand Jury makes the following two recommendations:

- R.1:** Provide in an easily accessible format on the district's website, data on compensation for the board of directors and general manager, as well as current budget and financial reports.
- R.2:** Maintain and update agendas, minutes, meeting schedules and location on the district's website.

REQUIREMENTS AND INSTRUCTIONS:

The California Penal Code Section 933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section 933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
 - (1) The respondent agrees with the finding
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
 - (1) The recommendation has been implemented, with a summary regarding the implemented action.
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code Section 933.05 are required from the Boards of Directors of the following agencies:

<u>Responding Agency</u>	<u>Findings</u>	<u>Recommendations</u>
<p>Costa Mesa Sanitary District East Orange County Water Dist. El Toro Water District Irvine Ranch Water District Laguna Beach County Water Dist. Mesa Consolidated Water District Midway Sanitary District Moulton Niguel Water District Municipal Water District of O.C. Orange County Sanitation District Orange County Water District Rossmoor/Los Alamitos Area S.D. Santa Margarita Water District Serrano Water District South Coast Water District Sunset Beach Sanitary District Trabuco Canyon Water District Yorba Linda Water District</p>	<p>F.1 and E.2</p>	<p>R.1 and R.2</p>



DISCUSSION ITEM

July 13, 2011

TO: Board of Directors

FROM: Administration & Finance Committee
(Directors Thomas, Royce, Barbre)

Kevin Hunt, General Manager

SUBJECT: OC LAFCO Financial Indicator and Shared Services

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file the report.

COMMITTEE RECOMMENDATION

DETAILED REPORT

The Orange County Local Agency Formation Commission (OC LAFCO) is currently developing a web-based Early Warning Fiscal System as a method of assessing the financial condition of local governments in Orange County. The early warning system is intended to be a user-friendly “financial dashboard” depicting the financial conditions of local governments. The data would be collected annually from the audited financial statements of cities and special districts, and the information would be reviewed by the local agencies and outside financial experts. The early warning system is intended to fulfill the LAFCO Municipal Service Review mandate by assessing the financial ability of agencies to provide services over time.

MWDOC staff has provided OC LAFCO with financial data from fiscal year 2006 to 2010 to populate the attached Financial Trend Analysis Report. This report is presently residing on a private server for agencies to review and will soon go live on OC LAFCO’s website at the end of July.

OC LAFCO is also developing a stakeholder process for exploring the potential for local agencies to create efficiencies and possible cost-savings through shared services. A survey was sent to over 100 agencies, including cities, special districts, school districts, homeowner associations, the County, and the Orange County Business Council, with 29 agencies indicating a desire to be in the working group. MWDOC staff will bring to the next A&F Committee options for MWDOC participation in the “shared services” process.

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



November 10, 2010

CHAIR
PETER HERZOG
Councilmember
City of Lake Forest

TO: Local Agency Formation Commission

VICE CHAIR
JOHN MOORLACH
Supervisor
2nd District

FROM: Executive Officer
Policy Analyst

CHERYL BROTHERS
Councilmember
City of Fountain Valley

SUBJECT: Proposed Process for the Development of the OC LAFCO
Financial Early Warning System

BILL CAMPBELL
Supervisor
3rd District

PURPOSE

The purpose of this report is to provide a proposed process for the development of the OC LAFCO Financial Early Warning System (*Attachment A*). The report includes discussion of financial indicators and an overview of “financial dashboards” as user-friendly methods of depicting the financial condition of local governments.

ARLENE SCHAFFER
Director
Costa Mesa
Sanitary District

JOHN WITHERS
Director
Irvine Ranch Water District

BACKGROUND

At the January 2010 meeting, this Commission directed staff to return with information regarding LAFCO’s role, if any, in assessing financially stressed public agencies and LAFCO’s role in public agency bankruptcy. In April of this year, the Commission was presented with a report on LAFCO’s role in public agency bankruptcy, and in June staff presented a Best Practices update on the financial ability of local agencies to provide services. Finally, in August of 2010, the Commission requested the development of an early warning system as a method of assessing the financial condition of local governments in Orange County.

SUSAN WILSON
Representative of
General Public

ALTERNATE
PAT BATES
Supervisor
5th District

FINAL PRODUCT

The final product of the proposed financial early warning system will be a user friendly, publicly accessible, web-based financial dashboard capable of assessing the financial condition of local agencies. Similar to a car’s dashboard, the financial dashboard provides a visual, graphic depiction of an agency’s financial information as well as historical data so that trends may be followed in agency’s finances. Web-based dashboards have emerged from the private sector as management tools to assess the financial condition of corporations and are discussed in detail later in this report.

ALTERNATE
PATSY MARSHALL
Councilmember
City of Buena Park

ALTERNATE
DEREK J. MCGREGOR
Representative of
General Public

ALTERNATE
CHARLEY WILSON
Director
Santa Margarita
Water District

JOYCE CROTHWAITE
Executive Officer

The proposed financial early warning system would be annually updated with standardized data readily available from the audited financial statements of Orange County cities and special districts. Staff is proposing that the indicators used in the financial early warning system be vetted by local stakeholders and financial experts. The financial early warning system would also help fulfill the LAFCO municipal service review (MSR) mandate by providing a method of assessing the financial ability of agencies to provide services over time.

COMPONENTS OF THE FINANCIAL EARLY WARNING SYSTEM

There are two components of the financial early warning system that are presented as part of this initial report. First, the report describes the wide array of financial indicators already developed by both the public and private sectors. Secondly, financial dashboards are reviewed as a tool for presenting the financial condition of local agencies.

Sources of Indicators

Financial indicators are not a new method of analysis and have been studied at all levels of government and the private sector. This section explores sources of indicators used to develop the initial, comprehensive list in *Attachment B*.

The International City Manager's Association's (ICMA) Financial Trend Monitoring System (FTMS) provides one of the most complete sources of financial indicators. The ICMA system identifies factors that affect financial conditions that can be easily measured and analyzed. Two other methods of assessing the financial conditions of local governments that may be useful in the development of LAFCO's early warning system were developed through state offices in Florida and North Carolina.

The Florida State Auditor General has developed the Local Government Entity Financial Condition Assessment Procedures for analyzing trends to assess the financial health of local agencies.¹ Another potential resource is the *County and Municipal Fiscal Analysis Tool* developed through collaboration between the North Carolina State Treasurer's office and the University of North Carolina. The tool is presented as a web-based financial dashboard which is "a management tool that helps local governments in North Carolina analyze and communicate their financial condition."² This tool is presented later in this report as the recommended template for LAFCO's financial early warning system.

In addition, there are many local sources of indicators specific to California and Orange County. For example, each year the California State Controller compiles the *Cities Annual Report* which is a compilation of financial data for California's city governments. Orange County specific sources of indicators include the *Orange County Progress Report*, the *Orange County Community Indicators*, and the *Orange County Infrastructure Report Card*. All of

¹ For additional information visit the Florida State Auditor General's website:
http://www.myflorida.com/audgen/pages/fca_procedures.htm

² For additional information visit the North Carolina State Treasurer's website:
<http://www.nctreasurer.com/dsthome/StateAndLocalGov/lgcreport>

these reports provide varying levels of analysis using indicators ranging from the economy to the environment. While they provide important data specifically tailored to Orange County, none of them provide the level or type of detail anticipated in the proposed early warning system.

Financial Dashboard

It is easy to get lost in spreadsheets of financial data. Similarly, ratios and indicators provide valuable information, but it is difficult to see the forest from the trees. In order to provide a complete picture of an agency’s financial condition staff has explored the potential for a dashboard method of analysis as LAFCO’s early warning system.

There are many different displays of financial dashboard systems. The method recommended uses a web-based tool developed by the North Carolina State Treasurer’s office in conjunction with the University of North Carolina’s School of Government. The tool compares an agency with benchmarks and is annually updated. This method allows for agencies of similar characteristics (i.e. geographic size and terrain, population, levels and types of services) to be compared. The chart below has been taken from the website of the North Carolina State Treasurer’s office and depicts two municipalities with similar populations and service responsibilities.

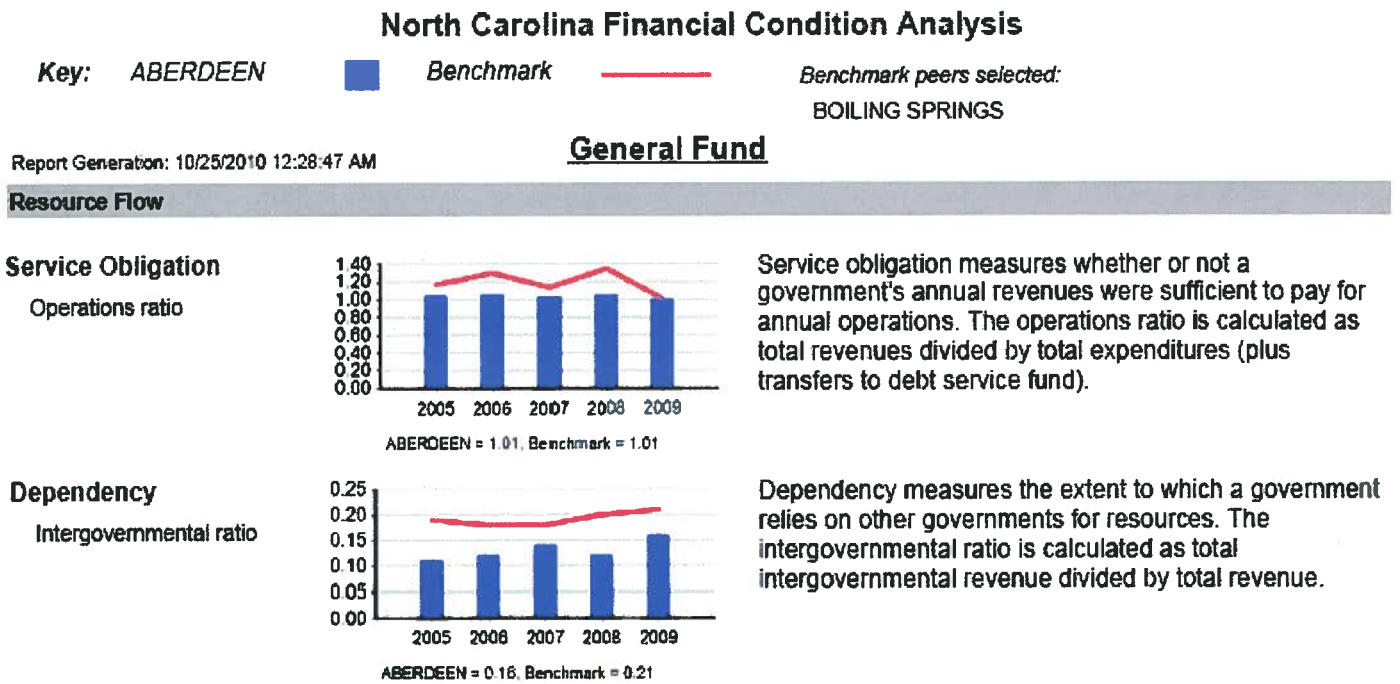


Figure 1: North Carolina Financial Condition Analysis

The analysis examines a series of financial ratios and provides comparison between the two municipalities selected. For example, Figure 1 depicts a comparison of the Operations Ratio for the City of Aberdeen (blue columns) and the City of Boiling Springs (red line). An operations ratio assess whether the government’s annual revenues were sufficient to pay

for annual operations. A ratio of one (1.0) would indicate that revenues equaled expenditures for operations. As depicted in Figure 1, the City of Aberdeen had a steady rate of 1.01 for the period of 2005 to 2009 while the City of Boiling Springs displayed more erratic indicators with revenues exceeding operating expenditures in 2006 and 2008. A downward warning trend cannot be determined without data for 2010, but could be “red flagged” as a community to watch in the future. A similar approach could be used for the LAFCO financial early warning system. In addition to the comparison of similar agencies, the Commission may also want to include the comparison to a county-wide average of each of the indicators selected.

PROPOSED PROCESS

The proposed process is provided in detail in *Attachment A* to this report. The initial efforts involve obtaining feedback on the proposed process from the entire Commission and the creation of a Commission Advisory Group to provide general oversight over the process during the next six months. Staff is recommending the Commission Advisory Group be comprised of three Commissioners. The group would provide assistance in vetting the comprehensive list of indicators (*Attachment B*), would add legitimacy to the process, and encourage participation by local stakeholders.

The next step would be the distribution of a survey to all affected agencies to determine the current use of financial indicators and to receive feedback on the proposed system. A specific question on the survey would ask about participation in a working group and a prototype study. The survey results of this question would be directed to the Commission Advisory Group which would recommend members of the working group and selection of the prototype study to the full Commission. The working group would consist of representatives from the cities, special districts, and the private sector. The Commission Advisory Group would participate in the working group meetings to direct preparation of and collect feedback on the prototype study.

Prior to the March 2011 LAFCO hearing, the prototype study would be vetted by an independent financial consultant to ensure completeness and objectivity. A case study of the City of Victorville might also be included in the prototype study as a method of assessing the capabilities of the early warning system and the strength of the indicators selected. San Bernardino LAFCO determined during the last sphere of influence update for the City of Victorville (September 2010) that the agency was experiencing fiscal stress and a case study could test the capability of the prototype study. The prototype study, with the Commission’s concurrence, could be expanded to all of the cities and special districts in Orange County. The timeline proposes the final expanded early warning system presentation to the Commission in May 2011. Staff anticipates the web-based financial early warning system being “live” on the LAFCO website in June of next year.

CONCLUSION

The proposed process (*Attachment A*) will develop a financial early warning system specific to Orange County that will be vetted and peer reviewed to allow opportunities for input from all of the local government stakeholders. Financial indicators and benchmarks cannot provide a complete picture of an agency's financial condition. Non-quantifiable factors such as internal management practices can greatly impact an agency's financial health. Given this limitation, the anticipated final product will focus on depicting the quantifiable factors of Orange County local governments while recognizing the unique political and economic climate of each agency.

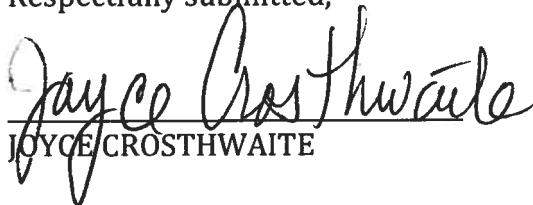
The process discussed above allows for the involvement of LAFCO Commissioners, financial experts, and local government stakeholders. This interactive approach is intended to allow for a thorough vetting of the indicators which will be specifically tailored to Orange County agencies.

RECOMMENDATIONS

Staff recommends that the Commission:

1. Approve the proposed process for the development of the financial early warning system as presented in *Attachment A* of this report.
2. Direct staff to initiate data requests from all of the cities and special districts in Orange County for audited financial statements for the past five (5) years.
3. Form a Commissioner Advisory Group consisting of three Commissioners.
4. Receive and file the initial report.

Respectfully submitted,


JOYCE CROSTHWAITE


BENJAMIN LEEBANDT

PROPOSED PROCESS

To ensure sufficient stakeholder involvement and time to analyze and vet the various financial indicators the following process and timeframe is recommended.

- 1) Initial report presented to Commission** *November 10, 2010*
The report provides an overview of the dashboard presentation of financial indicators and includes the proposed process.
- 2) Form Commissioner Advisory Group** *November 10, 2010*
*Advisory Group would consist of 3 Commissioners to provide input on the draft list of indicators presented in **Attachment B**; attend working group meetings and provide oversight.*
- 3) Distribute survey to cities & special districts** *November – January 2011*
This step would determine current utilization of financial indicators and also include interviews with willing participants in preparation for establishment of working group.
- 4) Prepare a draft list of indicators** *January 2011*
Based on the survey results a draft list of indicators will be prepared for vetting by the working group.
- 5) Working group meetings** *January – February 2011*
Representatives from the Commission, OCBC, Finance Officers, City Managers, and Special District General Managers
- 6) Prototype Study** *March 9, 2011*
Based on indicators chosen by working group a prototype of the final product will analyze a test group of agencies in Orange County.
- 7) Peer review of prototype study** *April 2011*
If approved by Commission in March the prototype system will be peer reviewed by independent consultant.
- 8) Working Group review of prototype system** *April 2011*
Working group will provide final review of peer review of the prototype study and system.
- 9) Presentation to Commission** *May 11, 2011*
- 10) Financial Dashboard system available for the public and local agencies on LAFCO website** *June 2011*

Attachment B

Category	Indicator	Formula	Warning Trend	Data availability
Revenues	(1) Revenues per Capita	Net operating revenues/population	Decreasing net operating revenues per capita	
	(2) Restricted Revenues	Restricted operating revenues/net operating revenues	Increasing amount of restricted operating revenues as a percentage of net operating revenues	
	(3) Intergovernmental Revenues	Intergovernmental operating revenues/gross operating revenues	Increasing amount of intergovernmental operating revenues as a percentage of gross operating revenues	
	(4) Elastic Revenues	Elastic operating revenues / net operating revenues	Decreasing amount of elastic operating revenues as a percentage of net operating revenues	
	(5) One Time Revenues	One-time operating revenues / net operating revenues	Increasing use of one-time operating revenues as a percentage of net operating revenues	
	(6) Tax Revenues	Tax revenues (constant dollars)	Decline in tax revenues	
	(7) Uncollected property taxes	Uncollected property taxes / net property tax levy	Increasing amount of uncollected property taxes as a percentage of net property tax levy	
	(8) User Charge Coverage	Revenues from fees and user charges/Expenditures for related services	Decreasing revenues from user charges as a percentage of total expenditures for related services	
	(9) Revenue shortfalls or surpluses	Revenue shortfalls or surpluses/net operating	Increase in revenue shortfalls or surpluses as a percentage of	

		revenues	actual net operating revenues	
Expenditures	(10) Expenditures per capita	Net operating expenditures/population	Increasing net operating expenditures per capita	
	(11) Operating expenses as a total of all expenses			
	(12) Expenditures by function	Operating expenditures for one function / total net operating expenditures	Increasing operating expenditures for one function as a percentage of total net operating expenditures	
	(13) Employees per capita	Number of municipal employees / population	Increasing number of municipal employees per capita	
	(14) Fixed costs	Fixed costs / net operating expenditures	Increasing fixed costs as a percentage of net operating expenditures	
	(15) Fringe benefits	Fringe benefit expenditures / salaries and wages	Increasing fringe benefit expenditures as a percentage of salaries and wages	
Operating Position	(16) Operating Deficit or Surplus	General fund operating deficit or surplus/net operating revenues	Increase in general fund operating deficit or surplus as a percentage of net operating revenues	
	(17) Enterprise Operating Position	Enterprise working capital or operating income in constant dollars	Reductions in working capital or recurring operating losses	
	(18) Fund balances	Unreserved fund balances / Net operating revenues	Declining unreserved fund balances as a percentage of net operating revenues	
	(19) Liquidity	Cash & short-term investments / Current	Decreasing amount of cash and short-term investments as a	

		liabilities	percentage of current liabilities	
Debt Structure	(20) Current liabilities	Current liabilities / net operating revenues	Increasing current liabilities at the end of the year as a percentage of net operating revenues	
	(21) Long-term debt	Net direct bonded long-term debt / assessed valuation, population, or personal income	Increasing net direct bonded long-term debt as a percentage of assessed valuation, population, or personal income	
	(22) Debt Service	Net direct debt service/net operating revenues	Increasing net direct debt service as a percentage of net operating revenues	
	(23) Overlapping Debt	Long-term overlapping bonded debt / assessed valuation	Increasing long-term overlapping bonded debt as a percentage of assessed valuation	
Unfunded liabilities	(24) Pension Obligations	Pension obligations/salaries and wages	Increasing pension obligations as a percentage of salaries and wages	
	(25) Pension assets	Pension plan assets / annual pension benefits paid	Decreasing value of pension plan assets as a percentage of benefits paid	
	(26) Post Employment Benefits	Total liability for post employment benefits/number of municipal employees	Increasing post employment benefits liability per municipal employee	
Capital Plant Indicators	(27) Maintenance effort	Expenditures for repair and maintenance of general fixed assets (constant dollars) / quantity of assets	Declining expenditures for maintenance of general fixed assets per unit of asset (constant dollars)	
	(28) Capital outlay	Capital outlay from	A three or more year decline in	

		operating funds / Net operating expenditures	capital outlay from operating funds as a percentage of net operating expenditures	
Community needs and resources indicators	(29) Population growth	Population over time	Rapid change in population	
	(30) Population density	Population / jurisdiction area in square miles	Decreasing population density	
	(31) Population under 18 & over 64	Population under 18 or over 64 / population	Increasing percentage of population under 18 or over 64	
	(32) Per Capita Income	Personal income (constant dollars) / population	Decline in the level of growth rate, or personal income per capita (constant dollars)	
	(33) Poverty households or public assistance recipients	Poverty households or public assistance recipients / households in thousands	Increasing proportion of poverty households or public assistance recipients	
	(34) Property Value	Change in property value (constant dollars) / property value in prior year (constant dollars)	Declining growth or drop in the market value or residential, commercial, or industrial property (constant dollars)	
	(35) Top five taxpayers	Total assessed value for top five taxpayers / total assessed valuation	High percentage or increasing percentage of overall assessed valuation owned by a few taxpayers	
	(36) Home ownership	Home ownership rate	Decreasing home ownership	
	(37) Vacancy rates	Vacancy rates	Increasing vacancy rates in residential, commercial, or industrial buildings	
	(38) Crime rate	Crime rate	Increasing crime rate	
(39) Employment base	Local unemployment rate and/or the number of jobs in the community	Increasing rate of local unemployment or a decline in the number of jobs in the		

	(40) Business activity	Retail sales (constant dollars) Number of business units Gross business receipts (constant dollars)	community Decline in business activity as measured by retail sales, number of business units, or gross business receipts (constant dollars where appropriate)	
Intergovernmental constraints	(41) Mandated activities	Expenditures for mandated activities / Net operating expenditures	Increasing percentage of expenditures for mandated activities	
	(42) Restrictions on fiscal powers	See trend worksheet	High level of external restrictions on fiscal powers	
Disaster Risk	(43) Disaster Risk	See trend worksheet	Lack of financial preparation for predictable natural disasters	

OC LAFCO - Fiscal Trend Analysis

Entity: Municipal WD of OC

Source: Financial Statements

Report Generation: July 2011 06:24:55 PM

Governmental Activities

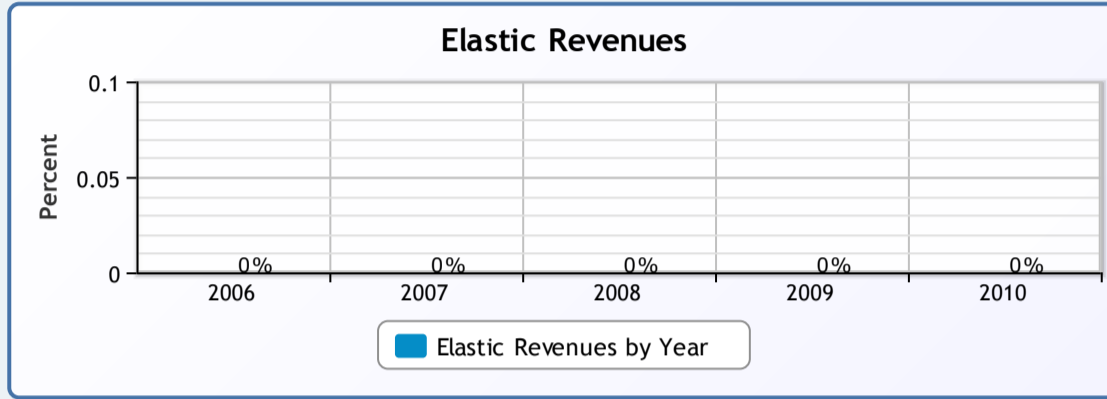
Elastic Revenues

Formula:

Elastic operating revenues / net operating revenues

Trend Analysis:

Decreasing amount of elastic operating revenues as a percentage of net operating revenues.



Description:

This indicator can help agencies determine how elastic revenues are impacting their abilities to provide services. If revenues rely heavily on elastic sources the agency may want to explore opportunities for increasing inelastic sources to offset the shortfalls in the inelastic revenues.

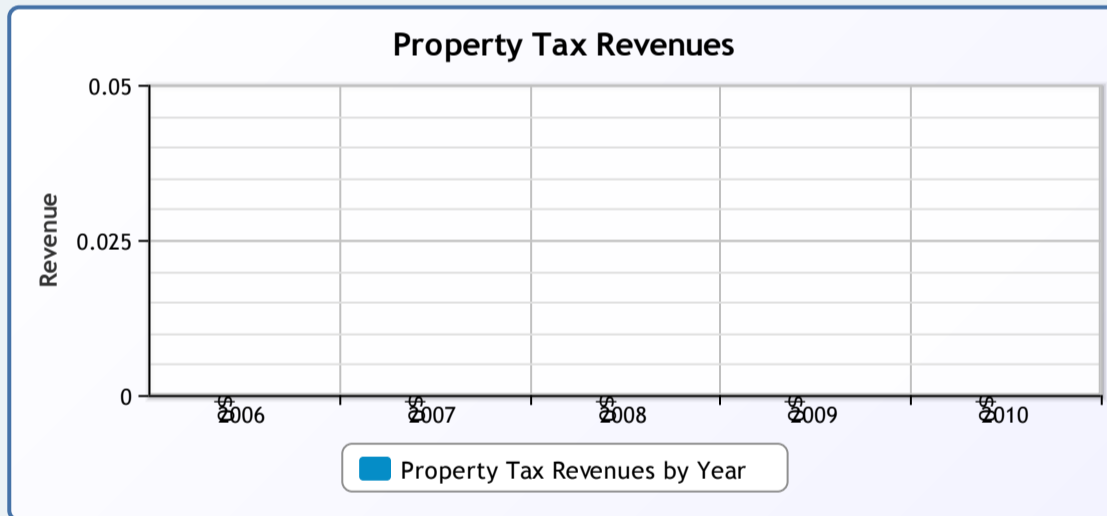
Property Tax Revenues

Formula:

Property Tax Revenue / Calendar year

Trend Analysis:

Declining property tax revenues over time



Description:

This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As these revenues are closely tied to market conditions this indicator can depict the ability of an agency to respond to economic fluctuations. The property taxes are distributed based on the calendar year and the years indicated in the chart are the ending years for each calendar year.

Current Liabilities

Formula:

Current liabilities / net operating revenues

Trend Analysis:

Increasing current liabilities at the end of the year as a percentage of net operating revenues over time.



Description:

A major component of current liabilities may be short-term debt in the form of tax or bond anticipation notes. Although short-term borrowing is an accepted way to deal with uneven cash flow, an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

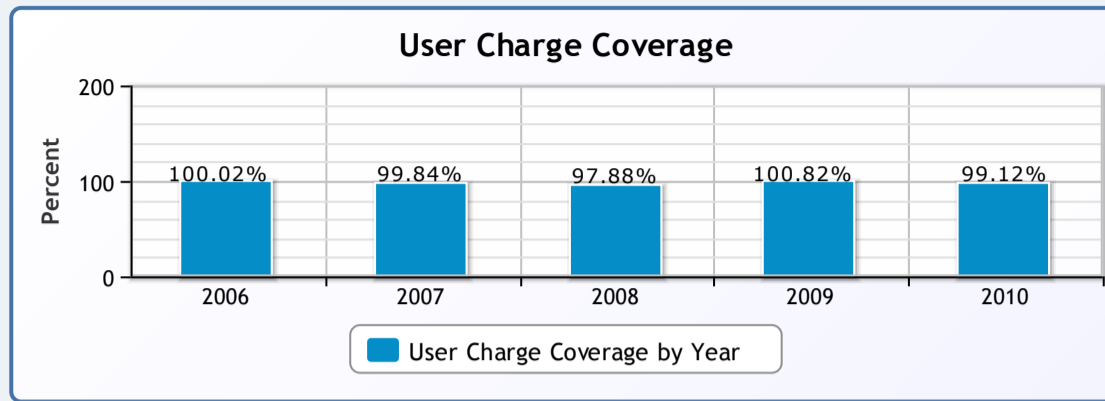
User Charge Coverage

Formula:

Revenues from fees and user charges / Expenditures for related services

Trend Analysis:

Decreasing revenues from user charges as a percentage of total expenditures for related services



Description:

The term "user charge coverage" refers to the use of fees and charges to cover the costs of providing a service. As coverage declines, the burden on other revenues to support the services increases. Because the typical municipal accounting system does not employ cost-accounting techniques, it is easy for inflation and other factors to erode user charge coverage without being noticed. It should be noted that user charge coverage for agencies with infrastructure maintenance obligations will likely exceed 100% as the agency builds the necessary reserves to upgrade and maintain infrastructure.

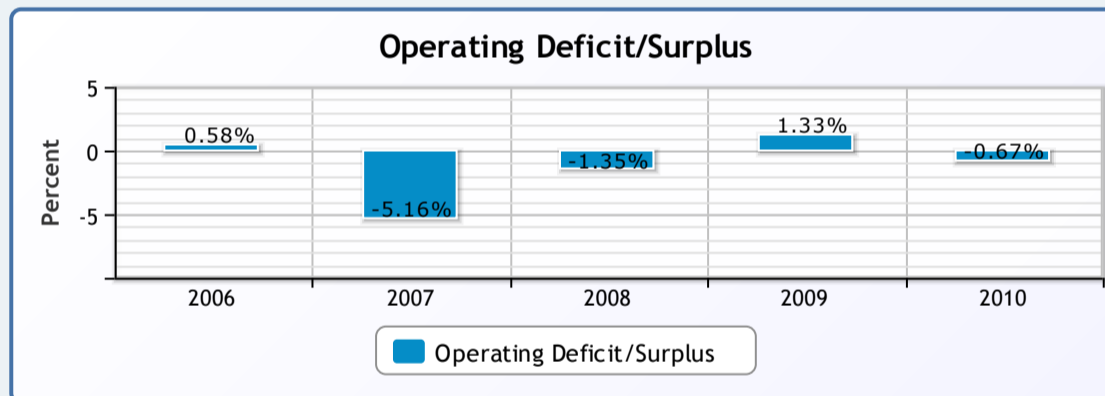
Operating Deficit/Surplus

Formula:

General fund operating deficit or surplus / net operating revenues

Trend Analysis:

Increase in general fund operating deficit or surplus as a percentage of net operating revenues.



Description:

This indicator is especially important because a pattern of operating deficits can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not indicate a problem if the agency had planned the operating deficits and was deliberately drawing down fund balances or using extra revenues from another fund for temporary needs.

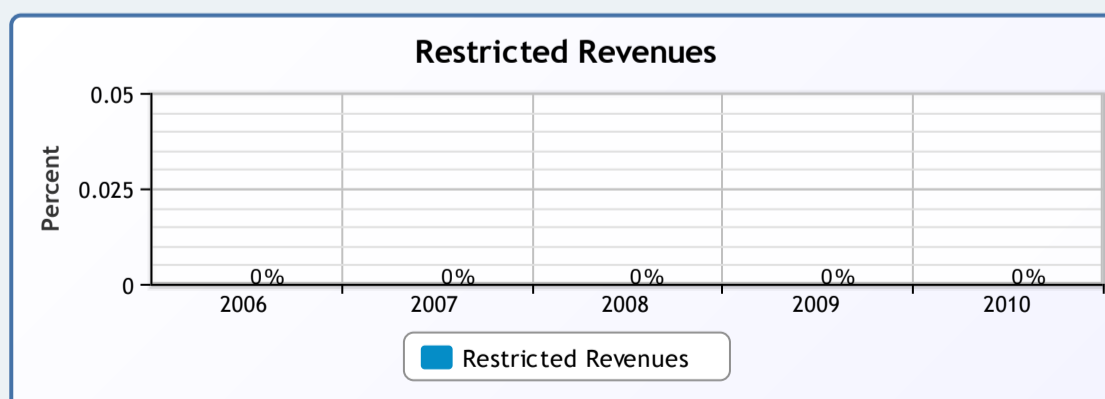
Restricted Revenues

Formula:

Restricted operating revenues / net operating revenues.

Trend Analysis:

Increasing amount of restricted operating revenues as a percentage of net operating revenues.



Description:

As the percentage of restricted revenues increases, a local government loses its ability to respond to changing conditions and to citizens' needs and demands. Increases in restricted revenues may also indicate overdependence on external revenues and signal future inability to maintain or enhance service levels.

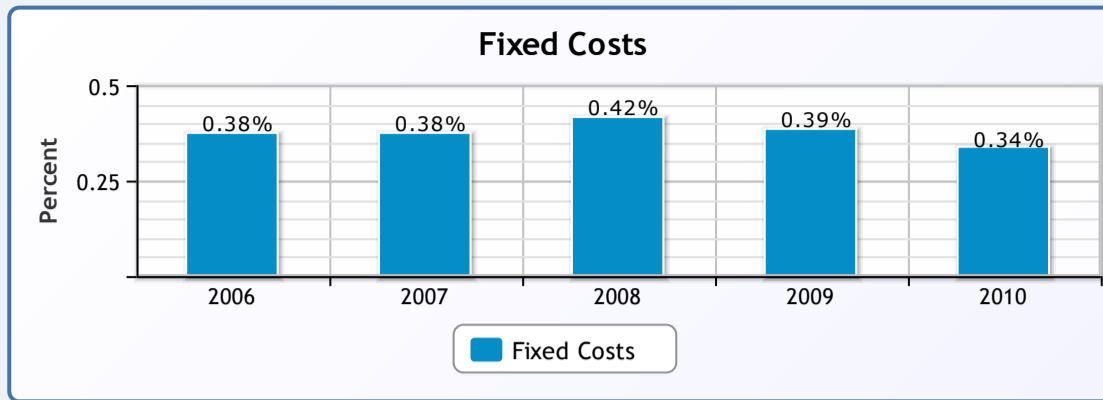
Fixed Costs

Formula:

Fixed costs / net operating expenditures.

Trend Analysis:

Increasing fixed costs as a percentage of net operating expenditures.



Description:

Fixed costs become especially important during economic downturns. Mandatory expenditures such as debt service are usually unaffected by a reduction in service levels. The higher the levels of fixed costs, the less freedom local officials have to adjust spending on products and services in response to economic changes.

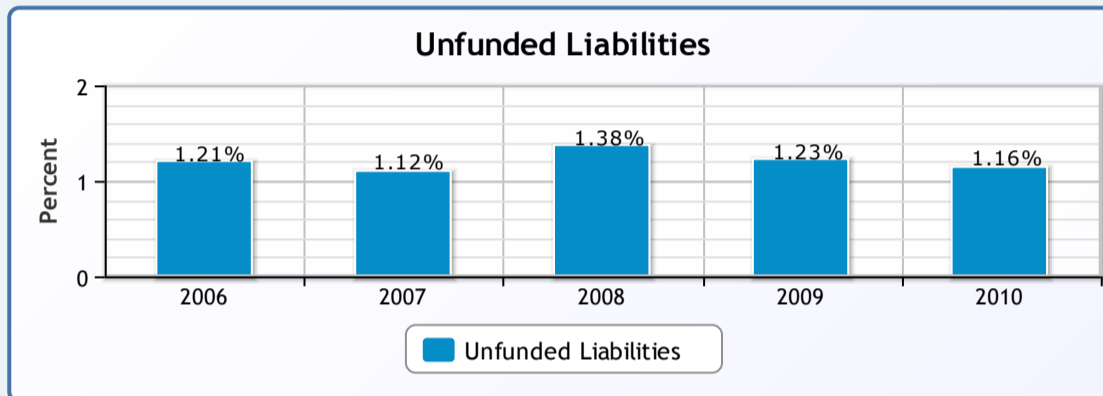
Unfunded Liabilities

Formula:

Unfunded liabilities / net operating revenues.

Trend Analysis:

Increasing unfunded liabilities as a percentage of net operating revenues.



Description:

Monitoring this indicator will help identify changes in unfunded liabilities relative to changes in the unreserved general fund balance, which could have a future impact on the agency's financial condition. For this indicator the unfunded liabilities are limited to Leave Bank accrual and other post-employment benefits (OPEB).

Gross Salaries

Formula:

Salaries / general operating expenditures.

Trend Analysis:

Increases in salaries as a percentage of general operating expenditures.



Description:

Salaries often represent the highest expenditure for public agencies. This indicator helps to monitor the trending of an agency's salaries as they relate to the agency's general operating expenditures.

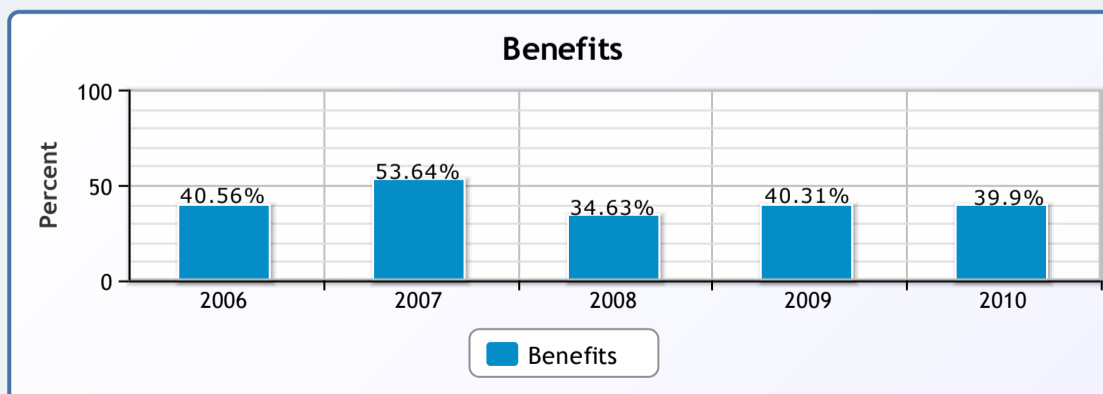
Benefits

Formula:

Benefits / salaries

Trend Analysis:

Increases in benefits as a percentage of salaries and wages.



Description:

This indicator helps to monitor the trending of the costs of employee benefits as they relate to the costs for salaries.

	Elastic Revenues	Net Operating Revenue	Current Liabilities	User Charge Coverage	Operating Deficit/Surplus	Restricted Revenues	Fixed Costs	Unfunded Liabilities	Gross Salaries	Benefits
2010	0%	\$0	24.29%	99.12%	-0.67%	0%	0.34%	1.16%	1.99%	39.9%
2009	0%	\$0	23.92%	100.82%	1.33%	0%	0.39%	1.23%	2.23%	40.31%
2008	0%	\$0	21.25%	97.88%	-1.35%	0%	0.42%	1.38%	2.33%	34.63%
2007	0%	\$0	20.28%	99.84%	-5.16%	0%	0.38%	1.12%	1.79%	53.64%
2006	0%	\$0	28.96%	100.02%	0.58%	0%	0.38%	1.21%	1.81%	40.56%



DISCUSSION ITEM

July 13, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff Contact: Darcy Burke

SUBJECT: PLANNING FOR 2011/12 STRATEGIC PLAN REVIEW AND UPDATE

STAFF RECOMMENDATION

Staff recommends the Board of Directors review, discuss and provide direction to staff.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Background

Last year, MWDOC adopted a Strategic Plan outlining the District’s mission, goals, and objectives. A mid-year update briefed the Board on progress. We are now commencing a new fiscal year.

Recommendation

Staff recommends the Board schedule a 2-hour workshop in August or September to: 1) review progress on last year’s priorities and 2) identify any changes to plan to adapt to changes in the external environment or to set new District priorities. The workshop can be part of a regular scheduled Board meeting, or a standalone meeting.

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



INFORMATION ITEM

July 13, 2011

TO: Board of Directors

FROM: **Administration and Finance Committee**
Directors Thomas, Royce, Barbre

Kevin Hunt
General Manager

Staff Contact: Lee Jacobi

SUBJECT: Monthly Water Usage Data, Tier 2 Projection, & Water Supply Info.

STAFF RECOMMENDATION

Staff recommends the Board of Directors read and file.

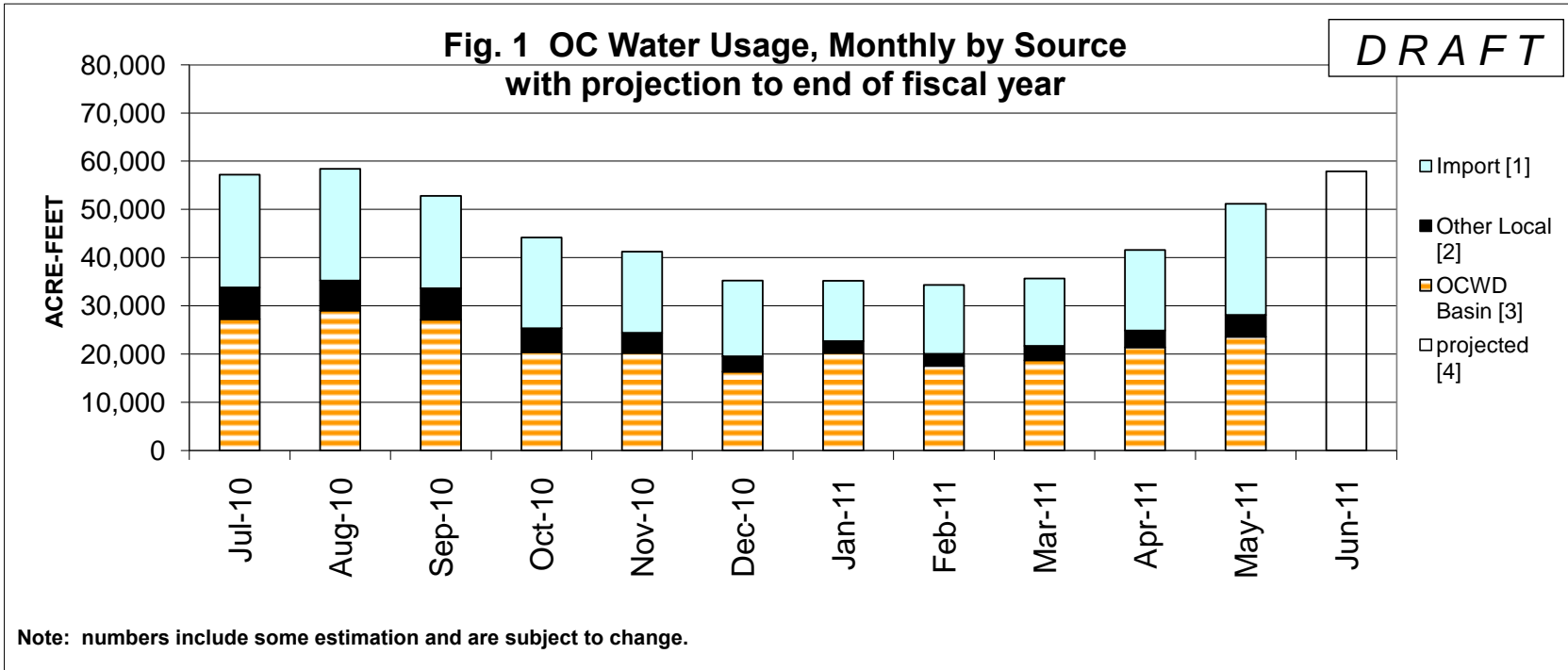
COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee Meeting)

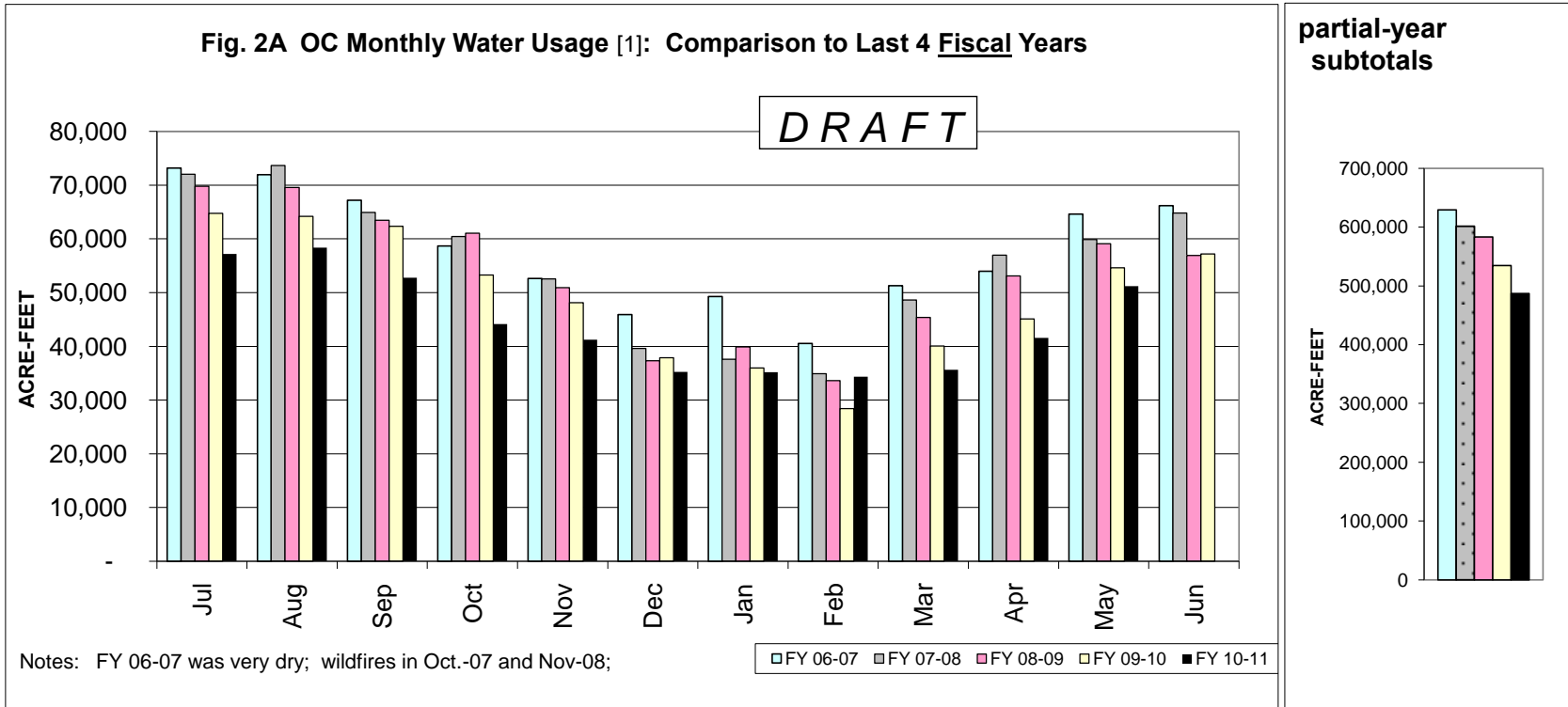
REPORT

The five attached figures show the recent trend of water consumption in Orange County, an estimate of Tier 2 volume for MWDOC, and selected water supply information.

- Fig. 1 OC Water Usage, Monthly by Source May water usage was below the projection that was accumulated from the water agencies.
- Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in May 2011 was lower than in the last three Mays. This is due to a combination of factors- cool weather, retail water rate increases, and the economic recession.
- Fig. 3 Historical OC Water Consumption OC water consumption has been in a generally declining trend since peaking in FY1999-00 (a dry year) even though population has increased over the past decade. The long-term decreasing water usage can be credited mostly to water use efficiency (water conservation) efforts.
- Fig. 4 MWDOC "Firm" Water Purchases, 2011 "Firm" water above the Tier 1 limit will be charged at the higher Tier 2 rate. Our current projection of Tier 2 volume is zero. This projection is subject to the variability of demands and the variability in the usage of local supplies versus imported water.
- Fig. 5 Water Supply Information Includes data on: Rainfall in OC; the OCWD Basin overdraft; Northern Calif. and Colorado R. Basin precipitation data; the State Water Project (SWP) Allocation, and Colorado, State and MET storage volumes.

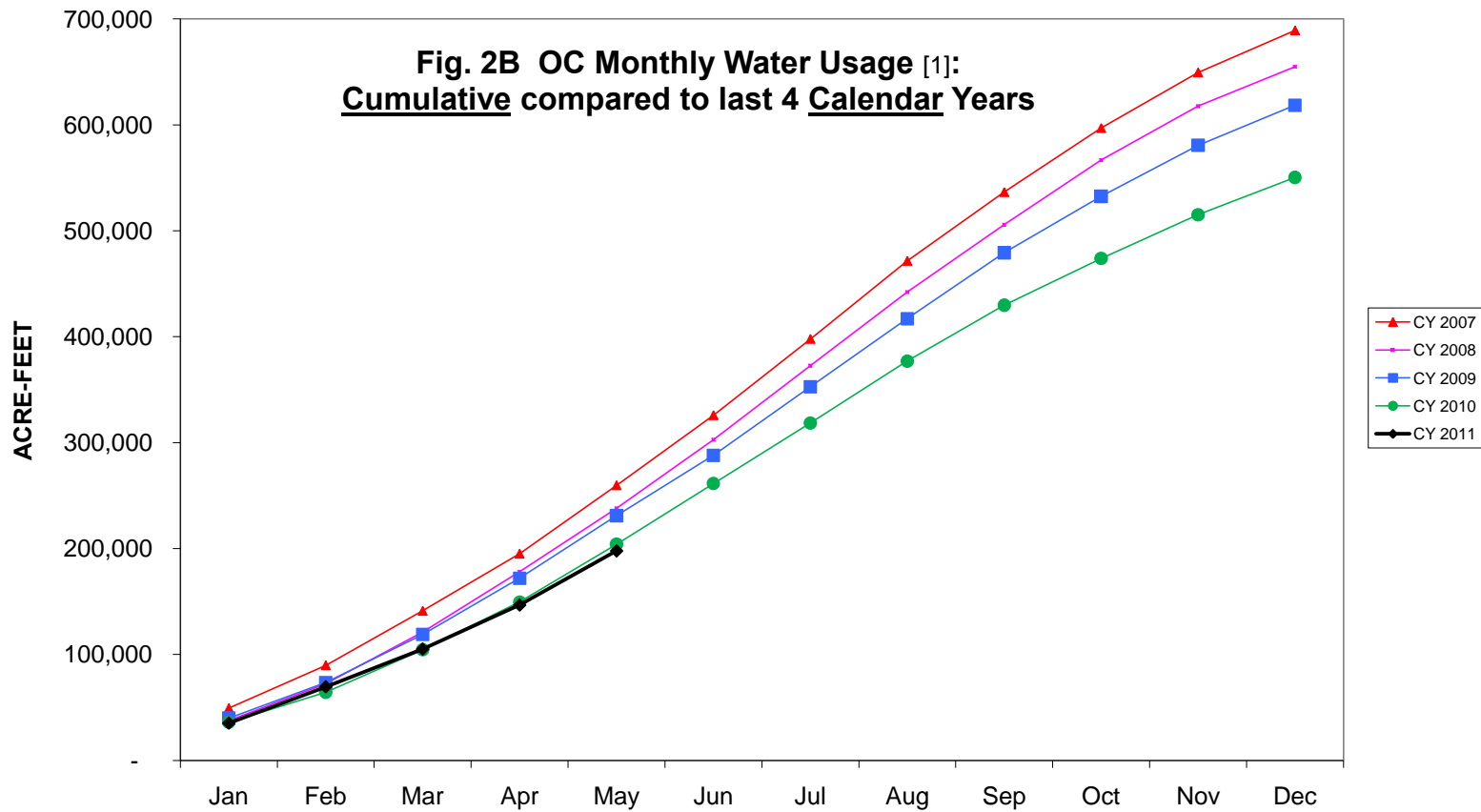


- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment", "Barrier Replenishment", and deliveries into Irvine Lake.
- [2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are estimates until data collection is completed.
- [3] GW for consumptive use only. Excludes extraction of CUP water that is counted with Import. BPP in FY '10-11 is 62%.
- [4] MWDOC estimate of monthly demand is based on the projected FY 09-10 "Retail" water demand and historical monthly demand pattern.



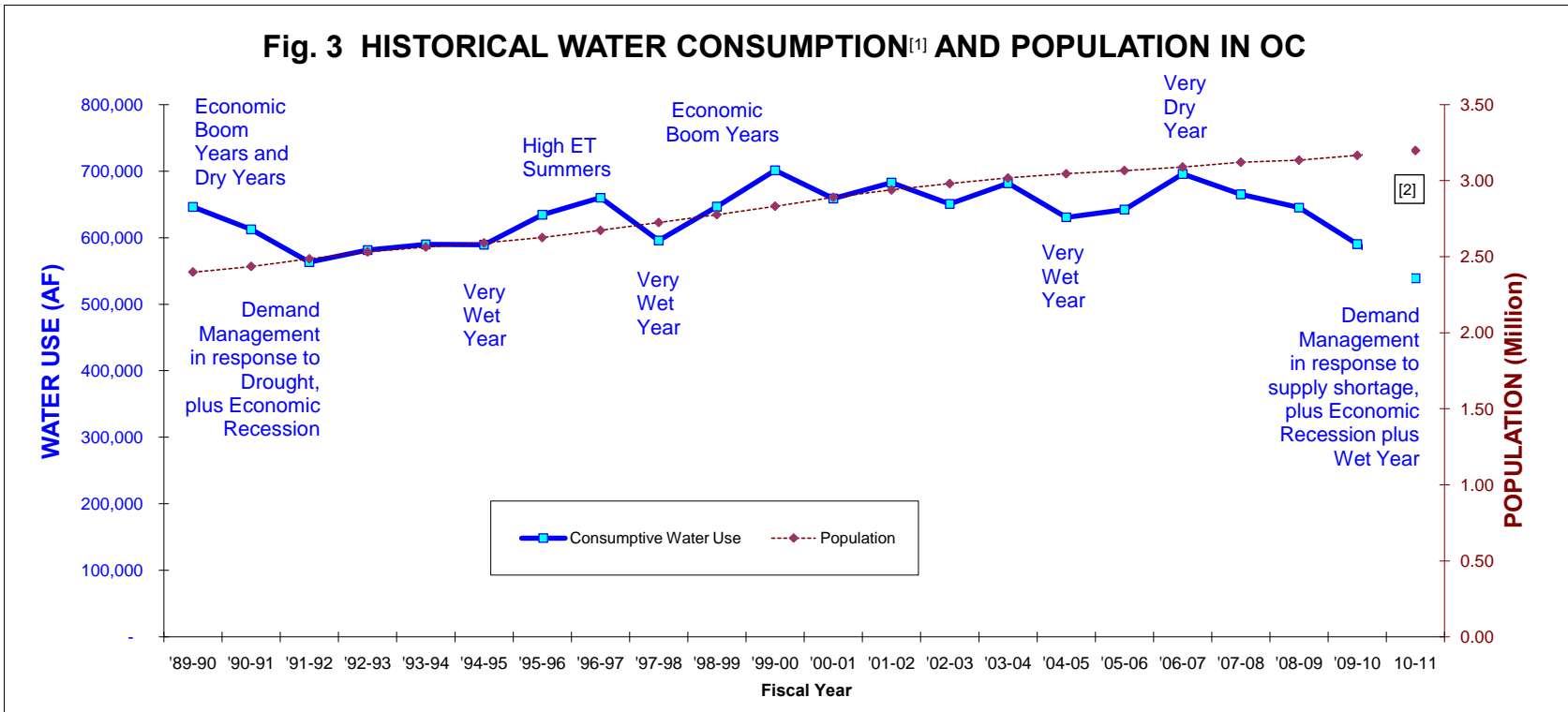
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production, groundwater pumped to waste, and waste brine from water treatment projects).

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[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production and waste brine from water quality pumping projects).

Fig. 3 HISTORICAL WATER CONSUMPTION^[1] AND POPULATION IN OC

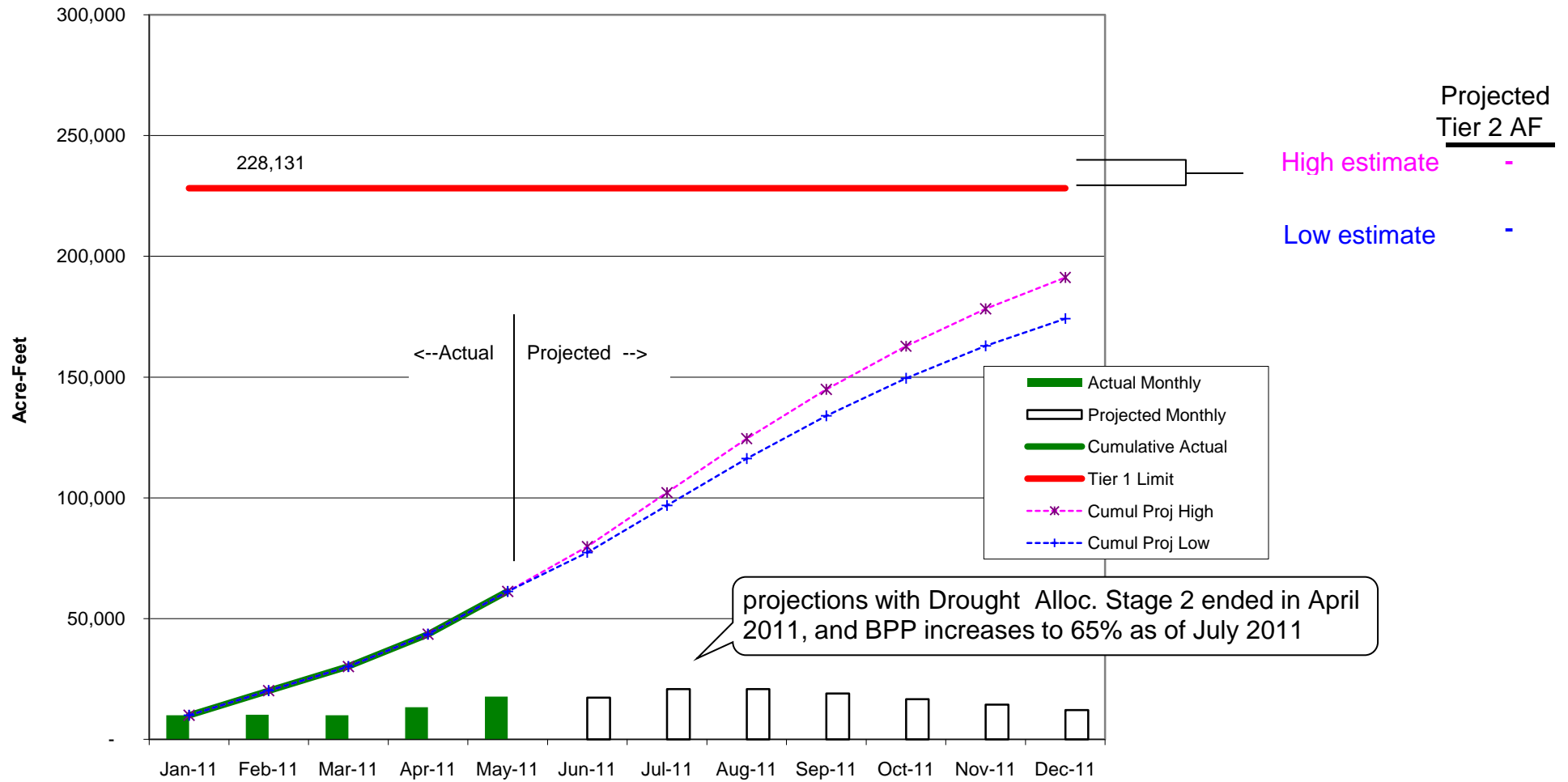


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier water and Spreading water.

[2] Projection of FY 10-11 water use estimated by MWDOC based on partial-year data. Projection of FY 10-11 population estimated by MWDOC continues historical trend.

Fig. 4 MWDOC's Firm Water Purchases, CY 2011

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Notes

1. "Firm" includes Full and Barrier; excludes Long-Term Replenishment (both In-Lieu and Direct).
2. Import demands for Jan.-Jun. projected by MWDOC with BPP 62%.
 Import demands for Jul.-Dec. projected by MWDOC with BPP 65%.

Figure 5. Selected Water Supply Information

Rainfall in Orange County [1]	FY 08-09	FY 09-10	FY 10-11
as of date	6/30/2009	6/30/2010	6/30/2011
Cumulative Rainfall (inches) since July 1st	9.88 final	16.82 final	21.39
Percent of Normal for this date	78%	133%	171%

[1] Rainfall at Santa Ana (Station #121) accumulated since July 1st. Rainfall amount may vary considerably within the County, generally more at higher elevation.

OCWD Basin Accumulated Overdraft [2]	as of 6/30/2008	as of 6/30/2009	as of 6/30/2010	projected for 6/30/2011
Accumulated Overdraft (AF)	306,000	347,000	323,000	280,000
MET storage in Basin (AF)	49,000	23,000	-	16,500
Accum. Overdraft absent MET storage (AF)	355,000	370,000	323,000	296,500

[2] Amount of water necessary to be replaced into the groundwater basin to prevent seawater intrusion. Number is estimated by OCWD.

Large Basin Information		4 Rivers Runoff, accumulated [3]		Snowpack (SWE) [4]	
Area	Pct. of 50-Yr Avg.	as of date	Pct. of Normal	as of date	
California- Northern Sierras	125%	5/31/2011	173%	4/1/2011	
Colorado R. Basin- above Lk. Powell			115%	4/15/2011	

[3] Runoff, accumulated since October 1st, of Sacramento R. above Bend Bridge, Feather R. at Oroville (below Lk. Oroville), Yuba R. near Smartville and American R. below Folsom Lk. 50-Year average is for 1956-2006.
 [4] SWE= Snow Water Equivalent, the liquid content of the snow on the ground. Percent shown compares to the historical normal amount found at this date of the year. *This statistic loses validity later than 4/01 (N Sierras) or 4/15 (Upper Colorado).

State Water Project Allocation			
SWP Allocation [5] as of date	5/20/2009	6/23/2010	4/20/2011
	40% final **	50% final **	80% preliminary **

[5] SWP Allocation is for long-term SWP Contractors, including MET. The percentage applies to the contracted delivery amount of the Contractor. **SWP Allocation would have been higher if not for the Wanger court judgement of Dec. 2007.

Colorado and Calif. Reservoir Storage	Colorado Basin		Northern Sierras	
	Lk. Mead	Lk. Powell	Lk. Shasta	Lk. Oroville
as of date	6/29/2011	6/29/2011	6/29/2011	6/29/2011
Volume now in Storage (Million AF)	11.7	17.0	4.41	3.53
Pct. of Full	45%	70%	97%	100%

California, primarily MET, now has the right to store up to 1.5 Million Acre-Feet in Lake Mead.

MET Storage	Diamond Valley Lk. (DVL)	MET Dry Year Storage (exclud. Emergency Storage)	estimated for
as of date	6/30/2011	as of date	Jan-2012
Volume in Storage (AF)	782,200	Million AF	2.3 - 2.5
Pct. of Full	96%	Jan-2011	1.7

Disclaimer: MWDOC cannot guarantee the accuracy of this data gathered from several sources.

**Administration Activities Report
June 3, 2011 to July 7, 2011**

Activity	Summary	Target Date
Administration	Pat Meszaros is coordinating speaking requests and meetings for MET Chairman Foley.	Ongoing
MWDOC/OCWD Joint Administration	No activity to report	
Property/Liability/Workers Compensation Insurance	<p>South EOC Claim on the December 2010 flooding is still open.</p> <p>Received notice from ACWA/JPIA that the District's Experience Modifier dropped from 0.93 to 0.87. the annual premium for the period of 7/1/2011 to 7/1/2012 was reduced by \$2,562.</p>	Ongoing
Records Management	<ul style="list-style-type: none"> Sarah is continuing to coordinate with staff in transferring files from their offices into the electronic records management system. 	Ongoing
Review of District Standard Agreement	Maribeth is currently working with Karl on creating a comprehensive checklist for internal use to assure that those initiating Agreements are familiar with the processes and procedures.	10/31/11
Board	Staff assisted with coordination of Board/Committee meeting activities.	Ongoing
Human Resources		
Benefits	No activity to report.	
Retirement	Pension Plan Committee will be meeting with ING Representatives to review the Annual Plan status on July 12 th . A meeting will be scheduled later in the Summer early Fall for all Participants.	7/30/11
CalPERS	Staff is training to utilize CalPERS new software program which all employers will be required to use beginning this Fall. All payroll and HR Departments will be utilizing the system.	
Job Classifications/Career Progression	Katie and Cathy continue the evaluation of all job descriptions and classifications to allow for growth, career progression and succession planning within the District where possible.	8/30/11
Personnel Manual	Staff is undergoing a complete review of the Personnel Manual to assure legal compliance and consistency with internal processes and procedures.	10/31/11
Human Resources (Continued)		
Recruitment	<ul style="list-style-type: none"> On July 5, Becky Miller began her Summer internship with the Public Affairs Department. Becky currently attends San Juan Hills High School and will be a senior coming this fall. On June 21, Laura Whitaker began her internship with the Public Affairs Department. Laura currently is in her second year at Cal Poly San Luis Obispo where she is majoring in Environmental Management and Protection. 	6/17/11

Activity	Summary	Target Date
Outside Requests for Information	Cathy and Katie responded to the following: <ul style="list-style-type: none"> • Responded to El Toro Water District regarding the District's HMO benefits currently offered to employees. • Responded to Yorba Linda Water District regarding pay policies • Responded to El Toro Water District regarding auto allowance policies • Responded to MET re: Full-time employee salaries and average cost of benefits • Responded to MET re: General Salary/Merit Increases planned for 2011 through 2013 	Ongoing
Special Projects/Other Tasks		
Performance Evaluations	Cathy is working with Managers on the completion of Performance Evaluations due at the end of July.	7/30/11



INFORMATION ITEM

(July 13, 2011)

TO: Administration & Finance Committee
(Directors Thomas, Royce and Barbre)

FROM: Kevin Hunt
General Manager

Staff Contact: Phil Letrong

SUBJECT: Finance and Information Technology Pending items

SUMMARY

Attached is a list of **Special Tasks** that are in-progress or to be completed within fiscal year 2011-12. Items highlighted below reflect changes from last month.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Annual financial audit conducted by Diehl, Evans & Co.	10%	11-30-11	In Progress
Preparation of Audited Financial Statement Report	0%	11-30-11	Not started
State Controller Report preparation and filing	0%	11-30-11	Not started
State Tax filing for Water Facilities Corporation	0%	11-30-11	Not started
State Mandated Cost filing	0%	01-31-12	Not started
Budget preparation process for FY 2012-13, tentatively submitted for final Board approval on May 16, 2012	0%	05-16-12	Not started
Customized improvements of Financial Management System (Serenic)	75%	08-31-11	In Progress
Implementation of PARS OPEB Plan Trust	60%	08-15-11	In Progress

Maintaining database application for the administration of Smartimer, Save-a-Buck, Commercial and Residential Rotating Nozzle and Synthetic Turf program	On-going	Unknown	Constantly updating and improving database application.
Assist WUE with new Database application (including testing, history conversion and on-going reporting requirements)	35%	08-31-11	In Progress

<u>Information Technology</u>			
Replace Exchange E-mail Server hardware	0%	06-30-12	Not started
Migrate to Windows Server 2008	10%	12-31-11	In Progress
Implement Network Server Virtualization for optimum efficiency	0%	03-31-12	Not started
Upgrade workstations to Windows 7 - Phase 2	0%	12-31-11	Not started
Installation of overhead projector in Conference room 102	20%	09-30-11	In Progress
Implement IT Disaster Recovery Plan (including Backup Executive software upgrade)	60%	12-31-11	In Progress
Upgrade Network Attached Storage devices for data backup	0%	10-31-11	Not started
Select and install Multi-feed Scanner for Accounting	0%	12-31-11	Not started
Upgrade 4 desktop workstations	0%	03-31-12	Not started
Network security issues (hackers, viruses and spam emails).	On-going	Unknown	Constantly monitoring system vulnerability.