

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
August 9, 2017, 8:30 a.m.
MWDOC Conference Room 101

Committee:

Director J. Thomas, Chairman
Director J. Finnegan
Director B. Barbre

Staff: R. Hunter, K. Seckel, C. Harris,
K. Davanaugh, H. Chumpitazi

Ex Officio Member: W. Osborne

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

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – July 2017
 - b. Disbursement Approval Report for the month of August 2017
 - c. Disbursement Ratification Report for the month of July 2017
 - d. GM Approved Disbursement Report for the month of July 2017
 - e. Water Use Efficiency Projects Cash Flow – July 31, 2017
 - f. Consolidated Summary of Cash and Investment – June 2017
 - g. OPEB Trust Fund monthly statement (to be emailed separately)
2. FINANCIAL REPORT
 - a. Draft Combined Financial Statements and Budget Comparative for the Period ending June 30, 2017
 - b. Quarterly Budget Review (deferred to FY 2016-17 Audited Annual Financials)

ACTION ITEMS

3. AUTHORIZATION FOR THE GENERAL MANAGER TO ENTER INTO CONTRACT WITH BEST BEST & KRIEGER FOR LEGAL SERVICES
4. AUTHORIZE ATTENDANCE AT COLORADO RIVER BOARD INSPECTION TRIP, AUGUST 28-31, 2017, COLORADO
5. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE CONSIDERATION FOR 2018/19

DISCUSSION ITEM

6. REVIEW OF DISTRICT INVESTMENT POLICY AND GUIDELINES
7. DISCUSSION REGARDING DIRECTOR INSURANCE (oral report)
8. ALIGNMENT OF MWDOC'S MET DELEGATION'S ACTIONS WITH THE POLICIES AND POSITIONS OF THE MWDOC BOARD

INFORMATION ITEMS – (THE FOLLOWING ITEMS ARE FOR INFORMATIONAL PURPOSES ONLY – BACKGROUND INFORMATION IS INCLUDED IN THE PACKET. DISCUSSION IS NOT NECESSARY UNLESS REQUESTED BY A DIRECTOR.)

9. SEMI-ANNUAL OVERTIME REPORT
10. DIRECTORS ACTIVITIES REPORT
11. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
12. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

13. 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
July 2017**

WATER REVENUES

Date	From	Description	Amount
07/03/17	City of Buena Park	May 2017 Water deliveries	270,777.74
07/03/17	City of La Palma	May 2017 Water deliveries	8,690.45
07/03/17	City of Seal Beach	May 2017 Water deliveries	7,403.61
07/06/17	City of Westminster	May 2017 Water deliveries	279,601.36
07/07/17	City of Huntington Beach	May 2017 Water deliveries	1,152,959.83
07/07/17	City of San Clemente	May 2017 Water deliveries	669,776.38
07/10/17	South Coast Water District	May 2017 Water deliveries	408,167.94
07/10/17	Santa Margarita Water District	May 2017 Water deliveries	1,921,422.83
07/11/17	El Toro Water District	May 2017 Water deliveries	556,397.98
07/13/17	Laguna Beach County Water District	May 2017 Water deliveries	96,393.97
07/13/17	East Orange County Water District	May 2017 Water deliveries	284,418.40
07/13/17	City of San Juan Capistrano	May 2017 Water deliveries	426,797.86
07/13/17	City of Orange	May 2017 Water deliveries	41,799.47
07/14/17	Orange County Water District	May 2017 Water deliveries	5,510,977.77
07/14/17	Irvine Ranch Water District	May 2017 Water deliveries	741,093.75
07/14/17	Moulton Niguel Water District	May 2017 Water deliveries	2,049,060.83
07/14/17	Yorba Linda Water District	May 2017 Water deliveries	507,442.16
07/14/17	Golden State Water Company	May 2017 Water deliveries	307,306.78
07/21/17	Serrano Water District	June 2017 Water deliveries	9,131.88
07/26/17	City of La Habra	June 2017 Water deliveries	7,827.31
07/26/17	City of Newport Beach	June 2017 Water deliveries	48,357.91
07/27/17	City of Fountain Valley	June 2017 Water deliveries	14,299.54
07/28/17	Trabuco Canyon Water District	June 2017 Water deliveries	95,596.01
07/28/17	City of Buena Park	June 2017 Water deliveries	310,525.14
07/28/17	City of Brea	June 2017 Water deliveries	126,983.98
07/31/17	City of Seal Beach	June 2017 Water deliveries	154,645.21

TOTAL REVENUES \$ 16,007,856.09

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
July 2017**

MISCELLANEOUS REVENUES

Date	From	Description	Amount
07/14/17	City of Buena Park	8/30/17 Water Policy dinner	80.00
07/28/17	Paypal	8/30/17 Water Policy dinner	5,507.78
07/31/17	East Orange County Water District	8/30/17 Water Policy dinner	740.00
07/13/17	Stan Sprague	July 2017 Retiree Health insurance	234.00
07/31/17	Keith Lyon	August 2017 Retiree Health insurance	259.60
07/21/17	Maribeth Goldsby	Movie Tickets	34.00
07/10/17	Yvonne Howard	Purchase of 2 cabinets	100.00
07/24/17	Inland Empire Utilities Agency	Reimbursement for 25% of cost for DC Briefing Lunch	682.95
07/28/17	Trabuco Canyon Water District	Overpayment of the June 2017 Water deliveries	0.01
07/21/17	City of San Clemente	May 2017 Smartimer rebate program	179.96
07/28/17	City of Huntington Beach	May 2017 Smartimer rebate program	264.00
07/17/17	Santa Margarita Water District	April 2017 Turf Removal rebate program	57.32
07/21/17	City of Orange	May 2017 Turf Removal rebate program	444.00
07/25/17	Irvine Ranch Water District	May 2017 Turf Removal rebate program	17,405.76
07/26/17	City of Newport Beach	May 2017 Turf Removal rebate program	406.31
07/27/17	City of Fountain Valley	May 2017 Turf Removal rebate program	333.00
07/21/17	El Toro Water District	May 2017 Smartimer and Turf Removal rebate program	1,107.00
07/28/17	El Toro Water District	June 2017 Smartimer and Turf Removal rebate program	1,881.98
07/31/17	Moulton Niguel Water District	May 2017 Smartimer and Turf Removal rebate program	7,661.16
07/31/17	Moulton Niguel Water District	November 2016 Smartimer and Turf Removal rebate program	10,289.28
07/31/17	Moulton Niguel Water District	June 2017 Smartimer, Rotating Nozzle & Turf Removal rebate program	11,683.64
07/17/17	Moulton Niguel Water District	May 2017 So Cal Watersmart Residential rebate program	8,000.00
07/18/17	Irvine Ranch Water District	May 2017 So Cal Watersmart Residential rebate program	21,312.20
07/21/17	2 Checks	May 2017 So Cal Watersmart Residential rebate program	1,230.00
07/27/17	Laguna Beach County Water District	May 2017 So Cal Watersmart Residential rebate program	85.00
07/28/17	Trabuco Canyon Water District	May 2017 So Cal Watersmart Residential rebate program	201.00
07/17/17	South Coast Water District	Additional Meter Accuracy Testing	85.00
07/07/17	City of Anaheim	Jan-Jun 2016 School billing	13,888.95
07/28/17	City of Fullerton	Jan-Jun 2017 School billing	5,450.54
07/28/17	City of Fullerton	Jul-Dec 2016 School billing	4,397.34
07/27/17	City of Garden Grove	Addition to the Choice School Program FY 16-17	66.47
07/21/17	El Toro Water District	Printing of Sunset Waterwise booklet	641.67
07/26/17	City of Newport Beach	Printing of Sunset Waterwise booklet	320.83
07/28/17	City of Huntington Beach	Printing of Sunset Waterwise booklet	802.09
07/31/17	East Orange County Water District	Printing of Sunset Waterwise booklet	1,283.34
07/28/17	City of Buena Park	Water Loss Control technical assistance - WSO, Inc.	9,432.00
07/10/17	Serrano Water District	FY 17-18 Annual Retail Service Connection charge	26,965.40
07/13/17	City of Newport Beach	FY 17-18 Annual Retail Service Connection charge	310,411.50
07/17/17	El Toro Water District	FY 17-18 Annual Retail Service Connection charge	115,251.50
07/20/17	City of La Palma	FY 17-18 Annual Retail Service Connection charge	51,836.40
07/21/17	City of Brea	FY 17-18 Annual Retail Service Connection charge	152,677.00
07/24/17	City of Seal Beach	FY 17-18 Annual Retail Service Connection charge	63,795.90
07/24/17	Moulton Niguel Water District	FY 17-18 Annual Retail Service Connection charge	626,999.10
07/25/17	City of Garden Grove	FY 17-18 Annual Retail Service Connection charge	400,304.10
07/27/17	City of Fountain Valley	FY 17-18 Annual Retail Service Connection charge	204,120.70
07/27/17	City of Westminster	FY 17-18 Annual Retail Service Connection charge	239,915.90
07/27/17	Laguna Beach County Water District	FY 17-18 Annual Retail Service Connection charge	103,125.40
07/27/17	Mesa Water	FY 17-18 Annual Retail Service Connection charge	282,041.90
07/27/17	Yorba Linda Water District	FY 17-18 Annual Retail Service Connection charge	296,357.60
07/28/17	City of Buena Park	FY 17-18 Annual Retail Service Connection charge	225,719.20
07/28/17	City of Huntington Beach	FY 17-18 Annual Retail Service Connection charge	630,247.80

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
July 2017

MISCELLANEOUS REVENUES

Date	From	Description	Amount
07/28/17	City of Orange	FY 17-18 Annual Retail Service Connection charge	393,354.50
07/31/17	East Orange County Water District	FY 17-18 Annual Retail Service Connection charge	253,327.20
07/31/17	Golden State Water Company	FY 17-18 Annual Retail Service Connection charge	491,672.30
TOTAL MISCELLANEOUS REVENUES			\$ 4,994,671.58
TOTAL REVENUES			\$ 21,002,527.67



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of August 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard C. Ackerman	
1139	June 2017 Consulting for legal & regulatory matters	1,800.00
1143	July 2017 Consulting for legal & regulatory matters	1,900.00
	*** Total ***	3,700.00
	Aleshire & Wynder LLP	
42532	June 2017 Legal services	1,616.00
42939	July 2017 Legal services	1,617.50
	*** Total ***	3,233.50
	ALTA FoodCraft	
517062034	6/30/17 Coffee & tea supplies	304.28
	*** Total ***	304.28
	Best Best and Krieger LLP	
55401-JUN17	June 2017 Legal services	10,093.69
799498	June 2017 State legislative advocacy services	8,048.95
	*** Total ***	18,142.64
	Business Comm. Solutions	
98242	24 Port Cisco switch	2,184.29
	*** Total ***	2,184.29
	C2, LLC (Tracker)	
08-03131	August 2017-July 2018 Subscription for investment software	2,340.00
	*** Total ***	2,340.00
	California Nevada Section, AWWA	
1724-2017	Renewal of Water Use Efficiency Practitioner certification for M. Conway	50.00
	*** Total ***	50.00
	CDM Smith	
90021491	3/19/17-5/31/17 Engineering services for O.C. Water Reliability Investigation	8,944.00
	*** Total ***	8,944.00
	Constant Contact Inc.	
XR8WAECAB20217	October 2017-September 2018 Constant Contact e-mail marketing subscription	2,478.00
	*** Total ***	2,478.00
	Hunter T. Cook	
MAY-JUL2017	May-June 2017 Retiree medical premium	1,505.52
	*** Total ***	1,505.52
	Harvey De La Torre	
072417	Computer Purchase Loan program	1,457.36
	*** Total ***	1,457.36

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of August 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	ENow, Inc.	
E7403-1	Monitoring software subscription with reports for Outlook e-mail	850.00
	*** Total ***	850.00
	Finley & Cook PLLC	
SI0023003	June 2017 Enhancement for Navision software	138.75
	*** Total ***	138.75
	GovConnection, Inc.	
54959863	8/15/17-8/14/18 Annual Cisco firewall support	621.79
	*** Total ***	621.79
	James C. Barker, P.C.	
105-0717	July 2017 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	L. A. Design Studio	
4825	July 2017 Services to redesign MWDOC website	11,000.00
	*** Total ***	11,000.00
	Lewis Consulting Group, LLC	
2017-139	July 2017 Consulting services	3,125.00
	*** Total ***	3,125.00
	Edward G. Means III	
MWDOC-1050	July 2017 Support for MET issues	1,011.77
	*** Total ***	1,011.77
	Norco Delivery Services	
710150	6/30/17 Delivery charges for Board packets	169.36
710297	7/14/17 Delivery charges for Board packets	169.36
	*** Total ***	338.72
	Office Solutions	
I-01201222	7/24/17 Office supplies	390.04
I-01201282	7/24/17 Office supplies	30.59
I-01201322	7/24/17 Office supplies	39.15
I-01206743	8/2/17 Office supplies	78.28
I-01207734	8/3/17 Office supplies	104.16
	*** Total ***	642.22
	County of Orange	
GA17180058	FY 17-18 LAFCO Costs	26,418.60
	*** Total ***	26,418.60
	Orange County Fast Print, Inc.	
54930	Business cards for B. Roberto	58.88
	*** Total ***	58.88

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of August 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Orange County Water District</i>	
17739	June 2017 50% share of WACO expense	213.75
17802	June 2017 Postage, shared office & maintenance expense	11,555.14
	*** Total ***	11,768.89
	<i>Patricia Kennedy Inc.</i>	
21385	August 2017 Plant maintenance	214.00
	*** Total ***	214.00
	<i>Public Financial Management, Inc.</i>	
21669	January-March 2017 Assistance with financial management policies	6,075.00
	*** Total ***	6,075.00
	<i>Ricoh USA, Inc.</i>	
5049514655	March-May 2017 Reproduction costs	1,004.87
	*** Total ***	1,004.87
	<i>Staffing Network, LLC</i>	
95705822	7/3/17-7/9/17 Temporary help for scanning records and front desk coverage	848.64
95706288	7/10/17-7/16/17 Temporary help for scanning records and front desk coverage	1,060.80
95706922	7/17/17-7/23/17 Temporary help for scanning records and front desk coverage	1,060.80
	*** Total ***	2,970.24
	<i>Stetson Engineers Inc.</i>	
3905	February-June 2017 Technical services provided for Consumer Confidence Reports	32,165.93
	*** Total ***	32,165.93
	<i>U. S. HealthWorks Medical Group</i>	
3154716-CA	7/7/17 Pre-employment exam	173.00
	*** Total ***	173.00
	<i>USAFact Inc.</i>	
7072218	7/13/17 Pre-employment background check	28.92
	*** Total ***	28.92
	<i>Vavrinke, Trine, Day & Co., LLP</i>	
0136639-IN	Successor auditor review	150.00
	*** Total ***	150.00
	<i>Water Systems Optimization, Inc.</i>	
1186	June 2017 Water Loss Control program	2,977.41
	*** Total ***	2,977.41

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of August 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Pauline D. Wennerstrom	
JUL-SEP2017	July-September 2017 Retiree medical premium	318.00
	*** Total ***	318.00
	Total Core Expenditures	<hr/> 154,391.58

Choice Expenditures:

	Discovery Science Center	
DSOC/IV/000578	June 2017 School program	24,650.56
	*** Total ***	24,650.56
	Enterprise Information Sys Inc	
MWDOC-22003	8/15/17-11/15/17 Support for California Sprinkler Adjustment Notification System website	3,000.00
	*** Total ***	3,000.00
	Orange County Water District	
17802	June 2017 Postage for rebate programs	31.48
	*** Total ***	31.48
	Spotlight Video	
1175	Completion of #2 and #3 whiteboard videos	8,525.00
	*** Total ***	8,525.00
	Top Hat Productions	
93042	7/11/17 Lunch for Water Loss Control workgroup meeting	338.07
	*** Total ***	338.07
	Water Systems Optimization, Inc.	
1186	June 2017 Water Loss Control program	41,262.50
	*** Total ***	41,262.50
	Total Choice Expenditures	<hr/> 77,807.61

Other Funds Expenditures:

	DeLorenzo International	
21048	July 2017 One-on-One design assistance for Landscape Design program	5,050.50
	*** Total ***	5,050.50
	EcoTech Services, Inc.	
925	6/26-7/25/17 One-on-One design assistance for Landscape Design program	10,275.00
	*** Total ***	10,275.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of August 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Mission RCD</i>	
2272	5/26/17-6/30/17 Field verifications for rebate programs	17,627.75
	*** Total ***	17,627.75
	<i>Westerly Meter Service Company</i>	
15420	July 2017 Meter Accuracy Testing for City of Orange	1,135.00
	*** Total ***	1,135.00
	<i>Total Other Funds Expenditures</i>	<u>34,088.25</u>
	<i>Total Expenditures</i>	<u><u>266,287.44</u></u>

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of July 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
136974	7/6/17	OFFICE1 AR159564	Office 1 March-May 2017 Ricoh printer reproduction costs ***Total ***	1,018.58 1,018.58
136975	7/6/17	SPECTB 5210-JUL17	Spectrum Business July 2017 Telephone and Internet expense ***Total ***	1,098.04 1,098.04
136976	7/6/17	VERIZO 9788074288	Verizon Wireless June 2017 4G Mobile broadband unlimited service ***Total ***	114.03 114.03
136986	7/14/17	HOMED1 7785-JUN17	Home Depot Credit Services 6/12/17 Supplies for computer room ***Total ***	8.03 8.03
136995	7/14/17	RAESAR 062817	Sarah Rae May-June 2017 Business expense ***Total ***	131.82 131.82
136996	7/14/17	SPECTB 0343564070117	Spectrum Business July 2017 Telephone expense for 3 analog fax lines ***Total ***	106.55 106.55
136999	7/14/17	WAITER 063017	Rachel Waite May-June 2017 Business expense ***Total ***	112.25 112.25
ACH002644	7/14/17	ACKEEX 063017	Linda Ackerman June 2017 Business expense ***Total ***	74.90 74.90
ACH002647	7/14/17	BAEZHE 063017	Heather Baez June 2017 Business expense ***Total ***	270.39 270.39
ACH002648	7/14/17	BARBRE 063017	Brett Barbre June 2017 Business expense ***Total ***	97.68 97.68
ACH002649	7/14/17	BERGIO 063017	Joseph Berg June 2017 Business expense ***Total ***	40.00 40.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of July 2017**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002655	7/14/17	CHUMPI	Hilary Chumpitazi	
		063017	June 2017 Business expense	30.22
			***Total ***	30.22
ACH002656	7/14/17	CONWAY	Matthew Conway	
		063017	June 2017 Business expense	65.17
			***Total ***	65.17
ACH002657	7/14/17	DICKEX	Larry Dick	
		063017	June 2017 Business expense	145.02
			***Total ***	145.02
ACH002661	7/14/17	FAHLBE	Beth Fahl	
		063017	June 2017 Business expense	171.06
			***Total ***	171.06
ACH002662	7/14/17	FINNEG	Joan Finnegan	
		063017	June 2017 Business expense	122.44
			***Total ***	122.44
ACH002663	7/14/17	HOSTER	Kevin Hostert	
		063017	June 2017 Business expense	105.45
			***Total ***	105.45
ACH002665	7/14/17	HUBBAR	Kelly Hubbard	
		053117	May 2017 Business expense	233.01
			***Total ***	233.01
		SCHNEI	Megan Yoo Schneider	
ACH002678	7/14/17	063017	June 2017 Business expense	365.97
ACH002679	7/14/17	053117	May 2017 Business expense	329.59
			***Total ***	695.56
ACH002681	7/14/17	TAMARI	Satoru Tamaribuchi	
		063017	June 2017 Business expense	124.66
			***Total ***	124.66
ACH002682	7/14/17	THOMAS	Jeffery Thomas	
		063017	June 2017 Business expense	124.67
			***Total ***	124.67
WIRE-170725	7/16/98	WAGEWO	Wageworks	
		INV196765	June 2017 Cafeteria plan administration	181.25
			***Total ***	181.25

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of July 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
137059	7/31/17	IRONMO	Iron Mountain	
		NZV1519	June 2017 Archived document withdrawal fees	2,369.59
		NZV1519A	July 2017 Archived document storage	193.34
			***Total ***	2,562.93
137064	7/31/17	STALVE	Jeff Stalvey	
		071917	July 2017 Business expense	17.23
			***Total ***	17.23
137066	7/31/17	USBANK	U.S. Bank	
		4140/5443-JUN17	5/24/17-6/22/17 Cal Card charges	16,841.22
		4140/5443-JUN17A	6/23/17-6/24/17 Cal Card charges	12,464.81
			***Total ***	29,306.03
			(See attached sheet for details)	
ACH002684	7/31/17	BACATI	Tiffany Baca	
		061517	June 2017 Business expense	33.31
			***Total ***	33.31
ACH002685	7/31/17	BUSSLI	Charles Busslinger	
		063017	June 2017 Business expense	53.19
			***Total ***	53.19
ACH002687	7/31/17	DELATO	Harvey De La Torre	
		061317	June 2017 Business expense	80.67
			***Total ***	80.67
ACH002688	7/31/17	DINHPA	Patrick Dinh	
		073117	July 2017 Business expense	13.91
			***Total ***	13.91
Total Core Disbursements				37,138.05

Choice Disbursements:

Total Choice Disbursements

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of July 2017**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Other Funds Disbursements:				
136973	7/6/17	ATTEOC	AT&T	
		4492-JUN17	June 2017 WEROC S. EOC telephone expense	253.17
		8200-JUN17	June 2017 WEROC N. EOC telephone expense	188.59
		0532-JUN17	June 2017 WEROC N. EOC telephone expense	81.40
			***Total ***	523.16
136976	7/6/17	VERIZO	Verizon Wireless	
		9788074288	June 2017 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
136977	7/14/17	ATTUVEOC	AT&T	
		8599-JUL17	July 2017 U-verse internet service for WEROC N. EOC	60.00
			***Total ***	60.00
137001	7/14/17	WESTNP	Western National Property Management	
		TW063017	Multi-Family HET Direct Install program for Tamarack Woods (Brea)	4,725.00
		063017BLV1	Multi-Family HET Direct Install program for Buena La Vista 1 (Buena Park)	4,200.00
		063017FV	Multi-Family HET Direct Install program for Fairway Village (Buena Park)	2,400.00
		063017BLV2	Multi-Family HET Direct Install program for Buena La Vista 2 (Buena Park)	3,300.00
		063017CM	Multi-Family HET Direct Install program for Casa Madrid (La Habra)	3,150.00
		063017CA	Multi-Family HET Direct Install program for Castilian Apartments (Tustin)	2,100.00
		063017HA	Multi-Family HET Direct Install program for Hollybrook Apartments (Westminster)	5,550.00
		063017LVV	Multi-Family HET Direct Install program for La Veta Vista (Orange)	825.00
		063017PCA	Multi-Family HET Direct Install program for Park City Apartments (Orange)	3,000.00
		063017C	Multi-Family HET Direct Install program for Cordova (Tustin)	450.00
		063017PM	Multi-Family HET Direct Install program for Playa Mediterranean (Huntington Beach)	1,350.00
		063017RV	Multi-Family HET Direct Install program for Ridgewood Village (Orange)	11,025.00
		063017MAH	Multi-Family HET Direct Install program for Monrovia Apartment Homes(Costa Mesa)	1,275.00
		063017HH	Multi-Family HET Direct Install program for Huntington Highlander (Huntington Beach)	7,950.00
			***Total ***	51,300.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of July 2017**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002649	7/14/17	BERGJO	Joseph Berg	
		063017	June 2017 Business expense	4.50
			***Total ***	4.50
		HUBBAR	Kelly Hubbard	
ACH002664	7/14/17	063017	June 2017 Business expense	162.48
ACH002665	7/14/17	053117	May 2017 Business expense	298.71
			***Total ***	461.19
ACH002669	7/14/17	MESAWA	Mesa Water	
		MAY2017	May 2017 Credit for Local Resources program	50,721.35
			***Total ***	50,721.35
ACH002680	7/14/17	SOTOFR	Francisco Soto	
		053117	May 2017 Business expense	37.34
			***Total ***	37.34
		TURFRP	Turf Removal Program	
137003	7/26/17	TR10-R-SC-4373-4297	P. Stier	2,000.00
137004	7/26/17	TR10-R-IRWD-7284-7212	R. Gamboa	868.00
137005	7/26/17	TR10-R-YLWD-7285-7213	B. Callicott	1,000.00
137006	7/26/17	TR10-R-SC-7293-7230	J. Valencia	2,000.00
137007	7/26/17	TR10-R-SOCO-7350-7303	R. Barry	330.00
137008	7/26/17	TR10-R-BP-7409-7361	R. Garcia	1,000.00
137009	7/26/17	TR10-R-SC-7472-7435	J. Miller	2,000.00
137010	7/26/17	TR10-R-TC-7598-7560	J. Cherney	267.00
137011	7/26/17	TR10-R-SC-7665-7627	G. Jacobson	2,000.00
137012	7/26/17	TR10-R-MNT-7787-7744	M. Vrabel	1,952.00
137013	7/26/17	TR10-R-TC-7902-7867	E. Berecz	501.00
137014	7/26/17	TR10-R-MNT-7921-7885	S. Lange	4,406.00
137015	7/26/17	TR8A-R-IRWD-7995-7959	D. Covell	1,762.00
137016	7/26/17	TR10-R-SM-8017-7979	R. Scrimger	1,000.00
137017	7/26/17	TR10-R-SM-9102-9064	S. Rodriguez	410.00
137018	7/26/17	TR10-R-SC-12161-12116	R. Lus	2,000.00
137019	7/26/17	TR10-R-YLWD-12191-12145	C. Lin	1,000.00
137020	7/26/17	TR10-R-MNT-12257-12211	T. Ogar	956.00
137021	7/26/17	TR10-R-IRWD-12308-12263	R. Zamanian	1,067.15
137022	7/26/17	TR8A-R-IRWD-13296-13251	Y. Wang	1,916.00
137023	7/26/17	TR10-R-IRWD-13320-13271	J. Gillespie	622.00
137024	7/26/17	TR10-R-MNT-13348-13297	J. Chevallier	722.00
137025	7/26/17	TR10-R-IRWD-13356-13305	D. Stuckey	1,860.00
137026	7/26/17	TR10-R-IRWD-13358-13307	M. Chang	460.00
137027	7/26/17	TR10-R-MNT-13373-13323	K. Tiber	1,252.00
137028	7/26/17	TR10-R-SM-13381-13331	S. Harris	647.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of July 2017**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137029	7/26/17	TR10-R-IRWD-13428-13378	H. Elali	599.00
137030	7/26/17	TR10-R-SOCO-13436-13386	J. Gillespie	360.00
137031	7/26/17	TR10-R-O-13460-13407	P. Nguyen	1,000.00
137032	7/26/17	TR10-R-YLWD-13469-13416	T. Carlos	1,000.00
137033	7/26/17	TR10-R-IRWD-13470-13417	S. Ruiz	260.00
137034	7/26/17	TR10-R-IRWD-13477-13424	E. Tung	1,650.00
137035	7/26/17	TR10-R-MNT-13488-13435	M. Genin	838.00
137036	7/26/17	TR10-R-YLWD-13489-13437	J. Vande Kappelle	323.00
137038	7/26/17	TR10-R-MNT-13494-13443	J. Madland	1,220.00
137039	7/26/17	TR10-R-SC-13503-13450	S. Coffey	742.00
137040	7/26/17	TR10-R-IRWD-13507-13454	R. Montemayor	1,844.00
137041	7/26/17	TR10-R-LH-13511-13458	A. Chauhan	501.00
137042	7/26/17	TR10-R-SM-13531-13476	H. Ouyang	837.00
137043	7/26/17	TR10-R-SM-13532-13478	E. Popkowski	1,000.00
137044	7/26/17	TR10-R-SC-13533-13479	F. Dillon	2,000.00
137045	7/26/17	TR10-R-SM-13544-13489	R. Caporuscio	357.00
137046	7/26/17	TR10-R-SOCO-13553-13498	M. Ross	298.00
137047	7/26/17	TR10-R-IRWD-13571-13516	S. Fahrney	1,258.00
137048	7/26/17	TR10-R-MNT-14565-14510	D. Ewing	1,902.00
137049	7/26/17	TR10-R-IRWD-14578-14527	R. Bee	624.00
137050	7/26/17	TR10-R-SM-15562-15507	A. Chen	342.00
137051	7/26/17	TR10-R-SM-15571-15516	C. Fletcher	424.00
137052	7/26/17	TR10-R-SM-15573-15518	M. Golas	384.00
137053	7/26/17	TR10-R-IRWD-16582-16526	J. Anderson	2,000.00
137054	7/26/17	TR10-R-IRWD-17575-17521	P. Godding	2,000.00
137055	7/26/17	TR10-R-SM-17633-17581	G. Gosper	778.00
137056	7/26/17	TR10-R-ETWD-17635-17584	J. Topalian	1,468.00
137057	7/26/17	TR10-R-IRWD-13490-13439B	S. Hsu	854.00
			***Total ***	60,861.15
137058	7/31/17	CATALI 0014455	Catalina Island Conservancy July 2017 WEROC radio repeater site lease	1,718.29
			***Total ***	1,718.29
137062	7/31/17	SANTI1 MAY2017	Santiago Aqueduct Commission May 2017 SAC Pipeline operation surcharge	5,086.59
			***Total ***	5,086.59
137066	7/31/17	USBANK 4140-JUN17	U.S. Bank 5/22/17-6/22/17 Cal Card charges	1,367.97
			***Total ***	1,367.97
			(See attached sheet for details)	
ACH002697	7/31/17	SANTAM MAY2017	Santa Margarita Water District May 2017 SCP Pipeline operation surcharge	26,927.11
			***Total ***	26,927.11

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of July 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH002699	7/31/17	SOTOFR 063017	Francisco Soto June 2017 Business expense	102.44
			***Total ***	102.44
WIRE-170731	7/31/17	METWAT 9044	Metropolitan Water District May 2017 Water deliveries	15,848,430.30
			***Total ***	15,848,430.30
Total Other Funds Disbursements				<u>16,047,639.40</u>
Total Disbursements				<u><u>16,084,777.45</u></u>

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: June 22, 2017
Payment Date: July 31, 2017

Date	Description	Amount
<u>K. Seckel Card</u>		
05/22/17	Lunch for MET Directors' meeting	\$ 191.68
05/22/17	Balloons for Poster Contest awards ceremony	31.18
05/22/17	Association of Metropolitan Water Agencies Board of Directors meeting in Philadelphia, PA from Jun. 11-12, 2017 - Airfare for R. Hunter	1,169.17
05/23/17	Brown and Caldwell job posting for Administrative Assistant position	200.00
05/23/17	Brown and Caldwell job posting for Database Coordinator position	200.00
05/24/17	WaterSmart Innovations conference in Las Vegas, NV from Oct. 3-6, 2017 - Registration for M. Conway	415.00
05/24/17	Urban Water Institute conference in San Diego, CA from Aug. 16-18, 2017 - Registration for R. Hunter	475.00
05/24/17	Water District Jobs job posting for Database Coordinator and Administrative Assistant positions	290.00
05/24/17	WaterSmart Innovations conference in Las Vegas, NV from Oct. 3-6, 2017 - Accommodations deposit for J. Berg	96.05
05/24/17	WaterSmart Innovations conference in Las Vegas, NV from Oct. 3-6, 2017 - Accommodations deposit for M. Conway	96.05
05/24/17	4/25/17-5/24/17 Monthly web hosting service for new MWDOC website	45.65
05/25/17	Dell laptop with 3 year protection plan	1,845.98
05/25/17	Dell laptop carrying case	33.99
05/25/17	WaterSmart Innovations conference in Las Vegas, NV from Oct. 3-6, 2017 - Airfare for M. Conway	157.96
05/25/17	WaterSmart Innovations conference in Las Vegas, NV from Oct. 3-6, 2017 - Airfare for J. Berg	198.96
05/26/17	Flowers for MWDOC Director	80.81
05/30/17	Window shades installation for Office 108	435.00
05/30/17	South Orange County Economic Coalition State of South County lunch in Mission Viejo, CA on Jun. 23, 2017 - Registration for J. Volzke	60.00
05/31/17	Urban Water Institute conference in San Diego, CA from Aug. 16-18, 2017 - Registration for Director Thomas	475.00
06/01/17	Urban Water Institute conference in San Diego, CA from Aug. 16-18, 2017 - Accommodations deposit for Director Thomas	246.81
06/01/17	Urban Water Institute conference in San Diego, CA from Aug. 16-18, 2017 - Accommodations deposit for R. Hunter	246.81
06/01/17	California Water Efficiency Partnership Peer-To-Peer conference in San Diego, CA from May 31-Jun. 1, 2017 - Hotel parking for M. Conway	10.00
06/01/17	California Water Efficiency Partnership Peer-To-Peer conference in San Diego, CA from May 31-Jun. 1, 2017 - Hotel meals for S. Hedges	56.00
06/01/17	California Water Efficiency Partnership Peer-To-Peer conference in San Diego, CA from May 31-Jun. 1, 2017 - Hotel parking for R. Waite	10.00

Cal Card Statement Detail
Statement Date: June 22, 2017
Payment Date: July 31, 2017

Date	Description	Amount
06/01/17	South Orange County Economic Coalition State of South County lunch in Mission Viejo, CA on Jun. 23, 2017 - Registration for Director Thomas	60.00
06/05/17	Association of California Cities, Orange County Summer reception in Newport Beach, CA on Jul. 13, 2017 - Registration for H. Baez	35.00
06/05/17	Association of California Cities, Orange County Washington DC Federal Advocacy trip in Washington, DC from Sep. 24-26, 2017 - Registration for H. Baez	1,115.00
06/05/17	UPS delivery charges for Board packets on May 31, 2017	53.89
06/05/17	WaterSmart Innovations conference in Las Vegas, NV from Oct. 3-6, 2017 - Registration for J. Berg	285.00
06/05/17	Legislative activities in Sacramento, CA on Jun. 30, 2017 - Airfare for H. Baez	389.95
06/05/17	Legislative activities in Sacramento, CA on Aug. 25, 2017 - Airfare for H. Baez	531.95
06/06/17	4 Widescreen LCD monitors	555.60
06/06/17	Seagate hard drive	90.00 ¹
06/06/17	California Emergency Services Association Training and Annual conference in Fish Camp, CA from Oct. 9-12, 2017 - Registration for F. Soto	797.43
06/06/17	California Emergency Services Association Training and Annual conference in Fish Camp, CA from Oct. 8-12, 2017 - Accommodations deposit for F. Soto	172.05
06/06/17	California Emergency Services Association Training and Annual conference in Fish Camp, CA on Oct. 7, 2017 - Accommodations for F. Soto	398.49 ²
06/06/17	California Water Efficiency Partnership meeting in Sacramento, CA from Jun. 14, 2017 - Airfare for J. Berg	473.96
06/06/17	California Council for Environmental & Economic Balance Water Chemistry and Wastewater meeting in Sacramento, CA on Jun. 9, 2017 - Airfare for K. Seckel	513.95
06/08/17	Monthly subscription for artwork conversion tool	7.95
06/09/17	Food for staff development meeting	30.98
06/09/17	Canon high quality digital camera with lens and accessories	1,363.47
06/10/17	OneStop job posting for Public Affairs Intern position	165.00
06/11/17	Canon zoom lens for digital camera	699.99
06/11/17	CamelBak water pack replacement parts	30.97
06/11/17	2 UV protection filters for digital camera	24.79
06/11/17	9 Telephone cord detanglers	44.91
06/12/17	7 Toner cartridges	332.01
06/12/17	UPS delivery charges for Board packets on Jun. 2, 2017	52.96
06/13/17	OneStop job posting for Water Use Efficiency Intern position	58.00

Cal Card Statement Detail
Statement Date: June 22, 2017
Payment Date: July 31, 2017

Date	Description	Amount
06/13/17	Association of Metropolitan Water Agencies Board of Directors meeting in Philadelphia, PA from Jun. 11-12, 2017 - Accommodations for R. Hunter	650.11
06/14/17	2 Dual monitor stands	282.72
06/15/17	Lunch for Management retreat	260.50
06/15/17	Hitachi internal hard drive	86.99
06/15/17	20 Vacuum insulated stainless steel water bottles for OC Water Summit speaker gifts	480.00
06/19/17	UPS delivery charges for Board packets on Jun. 9, 2017	60.24
06/20/17	Urban Water Institute conference in San Diego, CA from Aug. 16-18, 2017 - Registration for M. Baum-Haley	475.00
06/20/17	Lunch for Administration training meeting	62.00
06/21/17	Certificate paper for employee recognition	39.98
Total		\$ 17,747.94

- ① Hard drive returned, credit received on 6/29/17
 ② Tenaya Lodge 10/7/17 reservation canceled, credit received on 7/31/17.

R. Hunter Card

05/24/17-06/22/17	Meals for R. Hunter's meetings	\$ 288.11
06/11/17	Association of Metropolitan Water Agencies Board of Directors meeting in Philadelphia, PA from Jun. 11-12, 2017 - Meal, transportation and parking for R. Hunter	173.14
Total		\$ 461.25

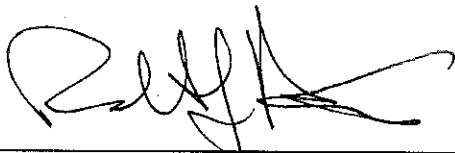
Cal Card Statement Detail
Statement Date: July 24, 2017
Payment Date: July 31, 2017

Date	Description	Amount
<u>K. Seckel Card</u>		
06/23/17	1,000 Sunglasses for promotional giveaways	\$ 2,960.10 [1]
06/24/17	Deposit on 1,200 custom printed bags for promotional giveaways	1,487.71 [1]
	Total	<u>\$ 4,447.81</u>
<u>R. Hunter Card</u>		
06/21/17	50 Boxes of carpet for MWDOC office refurbishment	\$ 8,017.00 [1]
	Total	<u>\$ 8,017.00</u>

[1] Items expensed into June 2017 from July 24, 2017 credit card statements

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of July 2017

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
137063	7/31/17	STAFFI 95705282	Staffing Network, LLC 6/19/17-6/30/17 Temporary help for scanning records and front desk coverage ***Total ***	848.64 848.64
Total Core Disbursements				<u>848.64</u>
Choice Disbursements:				
Total Choice Disbursements				<u>-</u>
Other Funds Disbursements:				
Total Other Funds Disbursements				<u>-</u>
Total Disbursements				<u><u>848.64</u></u>



Robert J. Hunter, General Manager



Hilary Chumtazi, Treasurer

(1) For disbursements that did not make the cut-off of previous month's Disbursement Approval report.
Disbursements are approved by GM for payment and need A & F Committee ratification.

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 7/31/17

Cash - Beginning Balance	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	TOTALS
\$	(72,844.07)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	
REVENUES:													
BUREC													\$ -
City of Brea													-
City of Buena Park													-
City of Fountain Valley	333.00												333.00
City of Fullerton													-
City of Garden Grove													-
City of Huntington Beach	264.00												264.00
City of La Habra													-
City of San Clemente	1,304.96												1,304.96
City of San Juan Capistrano													-
City of Tustin													-
City of Newport Beach	406.31												406.31
City of Orange	444.00												444.00
City of Westminster													-
Department of Water Resources													-
El Toro Water District	3,093.98												3,093.98
Golden State Water Company													-
Irvine Ranch Water District	38,717.96												38,717.96
Laguna Beach County Water District	85.00												85.00
Mesa Water District													-
Metropolitan Water District													-
Moulton Niguel Water District	37,634.08												37,634.08
Orange County Water District													-
Santa Margarita Water District	57.32												57.32
Serrano Water District													-
Tabuco Canyon Water District	201.00												201.00
Yorba Linda Water District													-
Miscellaneous Revenues													
Interest Revenue													-
Total Revenues	82,541.61	-	-	-	-	-	-	-	-	-	-	-	\$ 82,541.61
EXPENDITURES:													
Ecotech	900.00												900.00
Golden State Water Company	80.00												80.00
Laguna Beach CWD	480.00												480.00
Metropolitan Water District	29,129.40												29,129.40
Mission RCD													-
SMWD, SCWD													-
Santa Margarita Water District	255.00												255.00
Spray to Drip program													-
Turf Removal	60,861.15												60,861.15
Western National Property Management	51,300.00												51,300.00
Miscellaneous Expenses													
Interest Expense													-
Salaries & Benefit													-
Total Expenditures	143,005.55	-	-	-	-	-	-	-	-	-	-	-	\$ 143,005.55
Cash - Ending Balance	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	\$ (133,308.01)	



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

June 30, 2017

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

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Wayne S. Osborne
President

Brett R. Barbre
Vice President

Larry D. Dick
Director

Joan C. Finnegan
Director

Megan Yoo Schneider
Director

Sat Tamaribuchi
Director

Jeffery M. Thomas
Director

Robert J. Hunter
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 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	\$2,715,630	27.56%
Grant & Project Cash Flow	1,500,000	15.22%
Election Expense	475,000	4.82%
Building Repair	350,407	3.56%
OPEB	209,006	2.12%
Total Designated Reserves	5,250,043	53.28%
General Fund	3,039,523	30.86%
Water Fund	1,629,947	16.54%
Conservation Fund	(72,844)	(0.74%)
Desalination Feasibility Study Fund	(145,521)	(1.48%)
WEROC Fund	159,722	1.62%
WEROC Fuel Trailers	(36,452)	(0.37%)
Trustee Activities	28,108	0.29%
Total	\$9,852,526	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	3.56%	\$350,813	\$350,813
Short-term investment			
• LAIF	8.72%	\$858,905	\$858,905
• OCIP	57.25%	5,640,483	5,640,483
Long-term investment			
• Corporate Bond	7.63%	752,325	754,418
• Certificates of Deposit	22.84%	2,250,000	2,258,570
Total	100.00%	\$9,852,526	\$9,863,189

The average number of days to maturity/call as of June 30, 2017 equaled 177 and the average yield to maturity is 1.301%. During the month, the District's average daily balance was \$16,185,255.60. 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 June 2017.

The \$10,663 difference between the book value and the market value on June 30, 2017 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 until 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.

Robert J. Hunter
General Manager

Hilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



Portfolio Management - Portfolio Summary June 30, 2017

6/30/2017	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	2,250,000.00	2,258,570.00	2,250,000.00	23.69	403	1.726
Corporate Bond	750,000.00	754,417.50	752,324.71	7.90	1,023	2.238
Local Agency Investment Funds	858,904.81	858,904.81	858,904.81	9.04	1	0.973
Orange County Investment Pool	5,640,483.20	5,640,483.20	5,640,483.20	59.38	1	1.057
Total Investments	9,499,388.01	9,512,375.51	9,501,712.72	100.01	177	1.301
Cash						
Cash	350,813.43	350,813.43	350,813.43		1	0.00
Total Cash and Investments	9,850,201.44	9,863,188.94	9,852,526.15		177	1.301

Total Earnings	Month Ending June	Fiscal Year to Date
Current Year	15,187.78	186,608.00
Average Daily Balance	16,185,255.60	
Effective Rate of Return	1.301%	

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 expenditure. The source for the market values are from Union Bank.


Robert J. Hunter, General Manager

8-3-17

Date


Hilary Chumplitazi, Treasurer

8/3/2017

Date

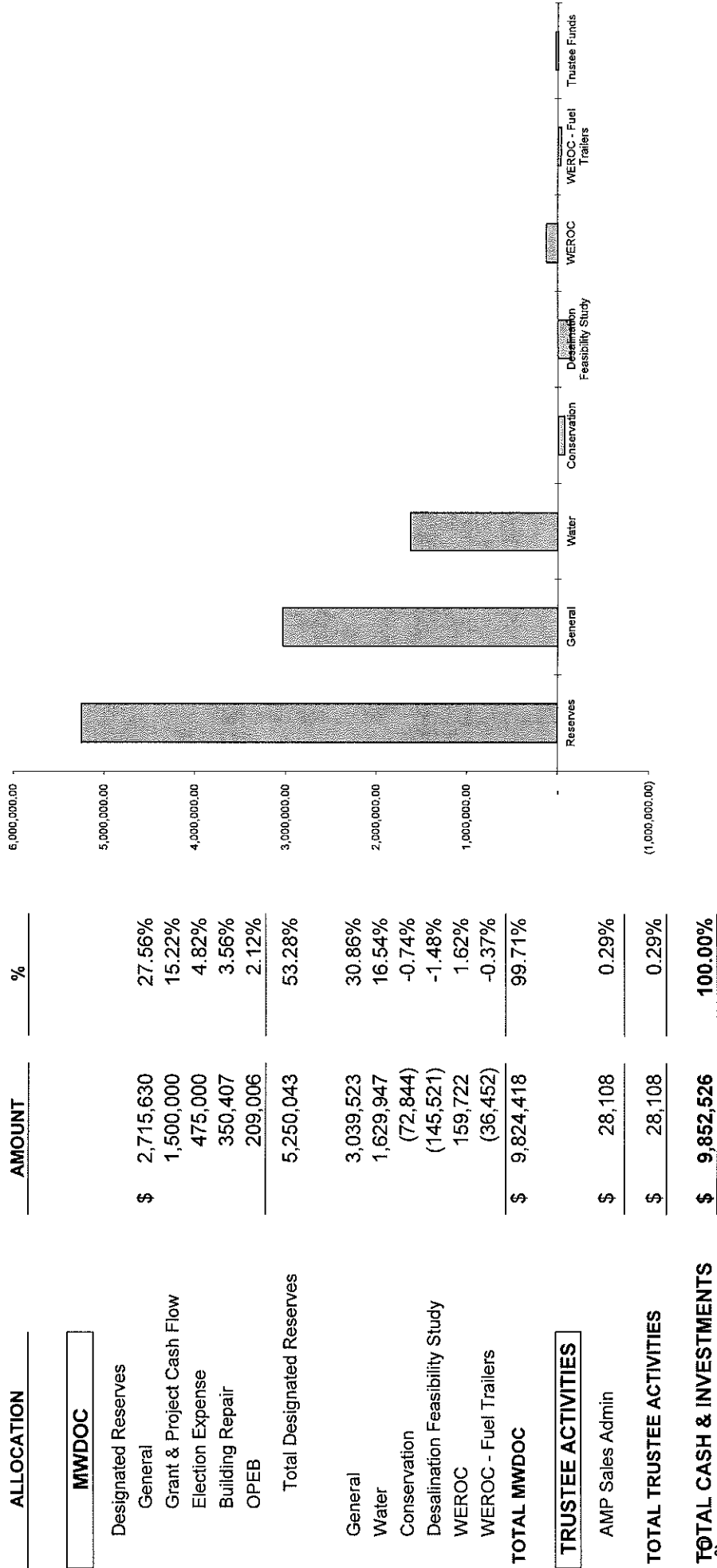
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
June 30, 2017

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
Ally Bank	02006LFV0	7/23/2014	250,000.00	250,022.50	250,000.00	1.150	1.150	24	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	250,362.50	250,000.00	1.450	1.450	213	1/29/2018
Barclays Bank	06740KJP3	9/24/2015	250,000.00	252,037.50	250,000.00	1.900	1.900	815	9/23/2019
Capital One Bank	140420TY6	8/5/2015	250,000.00	250,580.00	250,000.00	1.700	1.700	402	8/6/2018
Capital One Natl Assn	14042E6C9	9/2/2015	250,000.00	252,307.50	250,000.00	1.950	1.950	795	9/3/2019
Discover Bank	2546712Y5	7/23/2014	250,000.00	250,507.50	250,000.00	1.600	1.600	388	7/23/2018
Goldman Sachs Bank	36163FJC8	7/25/2014	250,000.00	250,022.50	250,000.00	1.200	1.200	25	7/25/2017
HSBC Bank	40434AK65	1/21/2016	250,000.00	250,595.00	250,000.00	1.550	2.534	205	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	252,135.00	250,000.00	2.050	2.050	760	7/30/2019
Sub Total			2,250,000.00	2,258,570.00	2,250,000.00	1.617	1.726	403	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	501,550.00	501,193.26	2.250	2.152	906	1/23/2020
Wells Fargo	94974BGR5	1/13/2016	250,000.00	252,867.50	251,131.45	2.550	2.409	1,256	12/7/2020
Sub Total			750,000.00	754,417.50	752,324.71	2.350	2.238	1,023	
Total Investments			3,000,000.00	3,012,987.50	3,002,324.71	1.800	1.854	558	
Total Earnings									
Current Year			4,344.28		53,801.84				

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
June 30, 2017

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	858,904.81	858,904.81	858,904.81	0.973	0.973	1	N/A
Sub Total			858,904.81	858,904.81	858,904.81	0.973	0.973	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	5,640,483.20	5,640,483.20	5,640,483.20	1.057	1.057	1	N/A
Sub Total			5,640,483.20	5,640,483.20	5,640,483.20	1.057	1.057	1	
Total Investments			6,499,388.01	6,499,388.01	6,499,388.01	1.046	1.046		
Cash									
Bank of America Cash	CASH0547	7/1/2011	350,313.43	350,313.43	350,313.43	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2011	500.00	500.00	500.00	0.000	0.000	1	N/A
Total Cash			350,813.43	350,813.43	350,813.43	0.000	0.000	1	
Total Cash and Investments			6,850,201.44	6,850,201.44	6,850,201.44	1.046	1.046	1	
Total Earnings									
Current Year			10,843.50		Fiscal Year To Date				
					132,806.16				

**Municipal Water District of Orange County
Cash and Investments at June 30, 2017**



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

**UNAUDITED DRAFT
COMBINED FINANCIAL STATEMENTS**

AND

BUDGET COMPARATIVE

JULY 1, 2016 THRU JUNE 30, 2017

**THE FOLLOWING IS SUBJECT TO CHANGE AND ACTUALS ARE
DEFERRED TO THE AUDITED ANNUAL REPORT
TO BE PRESENTED ON NOVEMBER 8, 2017**

**Municipal Water District of Orange County
Combined Balance Sheet
As of June 30, 2017**

<u>ASSETS</u>	Amount
Cash in Bank	350,813.43
Investments	9,501,712.72
Accounts Receivable	34,297,839.82
Accounts Receivable - Other	14,768.99
Accrued Interest Receivable	34,258.92
Prepays/Deposits	181,995.62
Leasehold Improvements	3,415,059.92
Furniture, Fixtures & Equipment	447,719.37
Less: Accum Depreciation	(2,659,673.21)
Net OPEB Asset	117,085.00
	<hr/>
TOTAL ASSETS	\$45,701,580.58
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	33,646,055.34
Accounts Payable - Other	470.74
Accrued Salaries and Benefits Payable	399,421.66
Other Liabilities	527,331.87
Unearned Revenue	2,073,628.49
Total Liabilities	36,646,908.10
	<hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	970,946.32
Total Restricted Fund Balances	970,946.32
	<hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,832,714.74
Grant & Project Cash Flow	1,500,000.00
Election Expense	475,000.00
Building Repair	350,407.45
OPEB	209,006.00
Total Designated Reserves	5,367,128.19
	<hr/>
GENERAL FUND	2,244,103.41
WEROC	101,241.62
Total Unrestricted Fund Balances	7,712,473.22
	<hr/>
Excess Revenue over Expenditures	
Operating Fund	873,294.29
Other Funds	(502,041.35)
Total Fund Balance	9,054,672.48
	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$45,701,580.58
	<hr/>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2016 thru June 2017

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	6,786,864.75	6,786,865.00	100.00%	0.00	0.25
Ground Water Customer Charge	0.00	392,666.00	392,666.00	100.00%	0.00	0.00
Water rate revenues	0.00	7,179,530.75	7,179,531.00	100.00%	0.00	0.25
Interest Revenue	14,148.55	182,622.66	123,000.00	148.47%	0.00	(59,622.66)
Subtotal	14,148.55	7,362,153.41	7,302,531.00	100.82%	0.00	(59,622.41)
Choice Programs	8,247.74	1,301,047.75	1,494,789.00	87.04%	0.00	193,741.25
Choice Prior Year Carry Over	0.00	0.00	44,416.00	0.00%	0.00	44,416.00
Miscellaneous Income	0.00	51,256.33	3,000.00	1708.54%	0.00	(48,256.33)
School Contracts	15,151.25	82,962.38	70,000.00	118.52%	0.00	(12,962.38)
Transfer-In From Reserve	0.00	0.00	535,873.00	0.00%	0.00	535,873.00
Subtotal	23,398.99	1,435,266.46	2,148,078.00	66.82%	0.00	712,811.54
TOTAL REVENUES	37,547.54	8,797,419.87	9,450,609.00	93.09%	0.00	653,189.13

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2016 thru June 2017

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	271,650.42	3,147,092.62	3,437,120.00	91.56%	0.00	290,027.38
Salaries & Wages - Grant Recovery	(34,576.27)	(63,694.77)	(31,600.00)	201.57%	0.00	32,094.77
Salaries & Wages - Recovery	819.00	(16,161.60)	0.00	0.00%	0.00	16,161.60
Directors' Compensation	19,233.80	213,457.10	231,937.00	92.03%	0.00	18,479.90
MWD Representation	11,314.00	124,292.16	132,535.00	93.78%	0.00	8,242.84
Employee Benefits	75,585.69	909,558.07	968,160.00	93.95%	0.00	58,601.93
OPEB Annual Contribution	0.00	400,000.00	105,249.00	380.05%	0.00	(294,751.00)
Employee Benefits - Grant Recovery	(9,250.48)	(16,210.59)	0.00	0.00%	0.00	16,210.59
Employee Benefits - Recovery	156.00	(3,078.40)	0.00	0.00%	0.00	3,078.40
Director's Benefits	6,861.60	70,200.35	66,297.00	105.89%	0.00	(3,903.35)
Health Ins \$'s for Retirees	4,206.76	36,768.43	50,326.00	73.06%	0.00	13,557.57
Training Expense	0.00	6,544.00	12,000.00	54.53%	0.00	5,456.00
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	1,577.94	18,252.39	0.00	0.00%	1,747.61	(20,000.00)
Personnel Expenses	347,578.46	4,827,019.76	4,977,024.00	96.99%	1,747.61	148,256.63
Engineering Expense	9,705.24	107,753.68	405,000.00	26.61%	106,438.52	190,807.80
Legal Expense	11,709.69	170,645.12	320,000.00	53.33%	29,689.45	119,665.43
Audit Expense	0.00	18,437.00	24,000.00	76.82%	0.00	5,563.00
Professional Services	157,261.09	1,017,898.87	1,504,497.00	67.66%	129,906.23	356,691.90
Professional Fees	178,676.02	1,314,734.67	2,253,497.00	58.34%	266,034.20	672,728.13
Conference-Staff	1,745.00	16,270.82	22,125.00	73.54%	0.00	5,854.18
Conference-Directors	569.00	12,827.00	10,725.00	119.60%	0.00	(2,102.00)
Travel & Accom.-Staff	5,329.33	45,083.50	71,130.00	63.38%	785.96	25,260.54
Travel & Accom.-Directors	362.99	21,924.93	38,250.00	57.32%	0.00	16,325.07
Travel & Conference	8,006.32	96,106.25	142,230.00	67.57%	785.96	45,337.79
Membership/Sponsorship	1,200.00	126,676.51	134,458.00	94.21%	0.00	7,781.49
CDR Support	0.00	39,971.50	39,972.00	100.00%	0.00	0.50
Dues & Memberships	1,200.00	166,648.01	174,430.00	95.54%	0.00	7,781.99
Business Expense	461.17	5,569.71	6,000.00	92.83%	0.00	430.29
Maintenance Office	10,864.48	91,392.75	123,185.00	74.19%	1,632.00	30,160.25
Building Repair & Maintenance	678.50	10,701.65	11,000.00	97.29%	0.00	298.35
Storage Rental & Equipment Lease	186.58	7,228.06	7,000.00	103.26%	739.74	(967.80)
Office Supplies	5,720.72	38,307.88	38,280.00	100.07%	291.52	(319.40)
Postage/Mail Delivery	748.68	11,309.90	11,400.00	99.21%	0.00	90.10
Subscriptions & Books	0.00	932.31	2,000.00	46.62%	0.00	1,067.69
Reproduction Expense	21,054.14	29,251.29	36,225.00	80.75%	8,539.59	(1,565.88)
Maintenance-Computers	965.05	8,310.95	10,000.00	83.11%	585.34	1,103.71
Software Purchase	850.00	26,510.40	31,300.00	84.70%	0.00	4,789.60
Software Support	2,960.39	39,364.85	46,000.00	85.58%	0.00	6,635.15
Computers and Equipment	5,106.76	31,233.68	32,500.00	96.10%	0.00	1,266.32
Automotive Expense	2,052.77	18,367.05	13,828.00	132.83%	0.00	(4,539.05)
Toll Road Charges	141.63	928.89	1,100.00	84.44%	0.00	171.11
Insurance Expense	8,786.21	107,541.00	90,000.00	119.49%	0.00	(17,541.00)
Utilities - Telephone	1,096.29	19,714.61	19,200.00	102.68%	0.00	(514.61)
Bank Fees	979.73	11,702.11	10,500.00	111.45%	0.00	(1,202.11)
Miscellaneous Expense	5,276.04	67,965.48	114,020.00	59.61%	0.00	46,054.52
MWDOC's Contrb. To WEROC	12,532.50	150,390.00	150,390.00	100.00%	0.00	0.00
Depreciation Expense	425.35	5,833.06	0.00	0.00%	0.00	(5,833.06)
Other Expenses	80,886.99	682,555.63	753,928.00	90.53%	11,788.19	59,584.18
Election Expense	0.00	521,577.61	592,000.00	88.10%	0.00	70,422.39
MWDOC's Building Expense	24,202.00	292,684.60	495,000.00	59.13%	37,917.29	164,398.11
Capital Acquisition	0.00	22,799.05	62,500.00	36.48%	0.00	39,700.95
TOTAL EXPENSES	640,549.79	7,924,125.58	9,450,609.00	83.85%	318,273.25	1,208,210.17
NET INCOME (LOSS)	(603,002.25)	873,294.29	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July 2016 thru June 2017

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	15,932,069.30	134,827,541.10	121,881,702.00	110.62%	(12,945,839.10)
Readiness to Serve Charge	866,439.80	11,532,284.64	12,674,093.00	90.99%	1,141,808.36
Capacity Charge CCF	295,400.00	4,187,295.00	4,829,790.00	86.70%	642,495.00
SCP/SAC Pipeline Surcharge	33,589.29	329,996.76	365,000.00	90.41%	35,003.24
Interest	860.97	8,534.69	4,800.00	177.81%	(3,734.69)
TOTAL WATER REVENUES	17,128,359.36	150,885,652.19	139,755,385.00	107.96%	(11,130,267.19)
<u>WATER PURCHASES</u>					
Water Sales	15,932,069.30	134,827,541.10	121,881,702.00	110.62%	(12,945,839.10)
Readiness to Serve Charge	866,439.80	11,532,284.64	12,674,093.00	90.99%	1,141,808.36
Capacity Charge CCF	295,400.00	4,187,295.00	4,829,790.00	86.70%	642,495.00
SCP/SAC Pipeline Surcharge	33,589.29	329,996.76	365,000.00	90.41%	35,003.24
TOTAL WATER PURCHASES	17,127,498.39	150,877,117.50	139,750,585.00	107.96%	(11,126,532.50)
EXCESS OF REVENUE OVER EXPENDITURES	860.97	8,534.69	4,800.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July 2016 thru June 2017

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	10,911.95	118,900.00	9.18%
Expenses	10,859.26	118,900.00	9.13%
Excess of Revenues over Expenditures	52.69	0.00	
Industrial Water Use Reduction			
Revenues	95,009.98	91,236.00	104.14%
Expenses	49,512.00	91,236.00	54.27%
Excess of Revenues over Expenditures	45,497.98	0.00	
Spray To Drip Conversion			
Revenues	7,322.33	468,552.34	1.56%
Expenses	9,423.36	468,552.34	2.01%
Excess of Revenues over Expenditures	(2,101.03)	0.00	
Water Smart Landscape for Public Property			
Revenues	0.00	168,588.80	0.00%
Expenses	0.00	168,588.80	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Member Agency Administered Passthru			
Revenues	171,610.00	150,000.00	114.41%
Expenses	171,610.00	150,000.00	114.41%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	45,294.80	205,000.00	22.10%
Expenses	45,374.80	205,000.00	22.13%
Excess of Revenues over Expenditures	(80.00)	0.00	
HECW Rebate Program			
Revenues	326,232.89	432,000.00	75.52%
Expenses	326,164.89	432,000.00	75.50%
Excess of Revenues over Expenditures	68.00	0.00	
CII Rebate Program			
Revenues	346,140.00	325,000.00	106.50%
Expenses	395,290.00	325,000.00	121.63%
Excess of Revenues over Expenditures	(49,150.00)	0.00	
Large Landscape Survey			
Revenues	440.30	30,000.00	1.47%
Expenses	817.80	30,000.00	2.73%
Excess of Revenues over Expenditures	(377.50)	0.00	

Municipal Water District of Orange County
WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)
From July 2016 thru June 2017

	Year to Date Actual	Annual Budget	% Used
Indoor-Outdoor Survey			
Revenues	17.20	3,500.00	0.49%
Expenses	14.06	3,500.00	0.40%
Excess of Revenues over Expenditures	3.14	0.00	
Turf Removal Program			
Revenues	1,590,165.11	1,750,000.00	90.87%
Expenses	1,509,892.01	1,750,000.00	86.28%
Excess of Revenues over Expenditures	80,273.10	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	265,850.84	399,751.00	66.50%
Expenses	384,187.87	399,751.00	96.11%
Excess of Revenues over Expenditures	(118,337.03)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	121,210.00	0.00%
Expenses	104,896.24	121,210.00	86.54%
Excess of Revenues over Expenditures	(104,896.24)	0.00	
WUE Projects			
Revenues	2,858,995.40	4,263,738.14	67.05%
Expenses	3,008,042.29	4,263,738.14	70.55%
Excess of Revenues over Expenditures	(149,046.89)	0.00	
WEROC			
Revenues	305,083.79	300,780.00	101.43%
Expenses	254,349.70	293,780.00	86.58%
Excess of Revenues over Expenditures	50,734.09	7,000.00	
WEROC - Fuel Trailers			
Revenues	145,475.37	146,140.80	99.54%
Expenses	145,475.37	146,140.80	99.54%
Excess of Revenues over Expenditures	0.00	0.00	



ACTION ITEM
August 16, 2017

TO: Board of Directors

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

Robert Hunter
General Manager

SUBJECT: Authorization for the General Manager to enter into Contract with
Best Best & Krieger for Legal Services

STAFF RECOMMENDATION

The Staff recommends that the Administration & Finance (A&F) Committee recommend to the Board of Directors that they authorize the General Manager to enter into a contact with Best Best & Krieger (BB&K) for legal services in conformance with their written proposal, interview and subsequent concessions. BB&K was unanimously selected by the evaluation committee consisting of three directors and four staff.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee meeting)

DETAILED REPORT

A Request For Proposals (RFP) and Firm Qualifications to provide comprehensive legal services was issued on May 30, 2017 by posting on MWDOC's website and emailing to 24 law firms with known and extensive water utility experience. The term of the contract was for three years with two options for annual renewal (maximum total of five years).

The scope of work included but was not limited to:

Budgeted (Y/N): Yes	Budgeted amount: \$250,000	Core ✓	Choice __
Action item amount: n/a		Line item: Exhibit A2: Legal Expenses - General	
Fiscal Impact (explain if unbudgeted): NA			

1. Advise the Board of Directors, General Manager and District staff on, and provide legal services related to, matters of law and equity of importance to public water agencies and the areas listed in but not limited to those identified in this RFP;
2. Physically attend all Board meetings (typically two per month) and, when requested, committee meetings. Review draft agendas for information regarding these meetings;
3. Attend and participate in other meetings as requested by the District. At the District's discretion, telephonic participation may be acceptable;
4. Promptly return all phone calls and emails from the Board of Directors and District staff.
5. Advise the District on the commencement or defense of litigation to protect MWDOC's interests;
6. Advise the District on litigation involving the Metropolitan Water District of Southern California, MET Member Agencies and MWDOC Member Agencies;
7. Research and interpret laws, court decisions and other authorities in order to provide legal opinions to advise the District on legal matters pertaining to the District and its activities;
8. Review and analyze proposed or enacted State and federal legislation and/or regulations and judicial decisions, which could affect the District. Suggest actions to affect the outcome of those proposals or, once implemented, changes needed in District policies, procedures and operations to ensure compliance;
9. Research and submit legal opinions on various matters, as requested by the District;
10. Provide consultation on and prepare required legal notices, as requested;
11. Prepare and/or review ordinances, resolutions, contracts, joint powers agreements, water transfer / exchange agreements, and other agreements considered by the District;
12. In consultation with the General Manager or his designee, coordinate and prioritize the District's legal needs.
13. Develop and facilitate implementation of a proactive legal strategy to better position the District to meet its legal, regulatory and policy objectives;
14. Implement a plan to ensure institutional knowledge continuity and succession planning for the District's legal resources;
15. Quickly obtain a heightened familiarity with the District's legal needs and day-to-day operations;

The RFP specified that the proposed legal team should have demonstrated experience including but not limited to the following areas as it relates to public water agencies:

- A. Laws and regulations governing California Water Districts including, but not limited to, the California Government Code, the Municipal Water District Act, California Health and Safety Code, California Water Code, California Water District Code, individual authorizing acts for MWDOC Member Agencies, Cortese-Knox-Hertzberg Local Government Reorganization Act, Fair Political

- Practices Commission regulations, Ralph M. Brown Act, Political Reform Act, Sustainable Groundwater Management Act, and Safe Drinking Water Act;
- B. Extensive knowledge and expertise in water and utility rate setting, Proposition 218, and Proposition 26;
 - C. Laws and regulations governing potable water, recycled water, surface water, groundwater, water rights, water transfers / exchanges, and water infrastructure;
 - D. Regulations and operating procedures of federal, state and regional regulatory agencies including, but not limited to, CalEPA, Department of Water Resources, Regional Water Quality Control Boards, South Coast Air Quality Management District, and State Water Resources Control Board;
 - E. Laws and regulations governing the public procurement process including the bidding, awarding, contracting, and construction of public works and improvements, and the California Labor and Public Contracting Codes;
 - F. Laws and regulations pertaining to the compliance with and enforcement of prevailing wage requirements;
 - G. Compliance with all health and safety regulations;
 - H. Knowledge of Federal and State budgeting process through which various funds and projects are authorized / appropriated and experience with Federal and State project grants or other funding agreements;
 - I. Environmental laws and regulations, and specific experience with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA);
 - J. Experience in claims processing and tort liability, both defense and prosecution;
 - K. Knowledge of insurance law and litigation;
 - L. Experience and expertise in labor and employment laws and policies, and workers compensation;
 - M. Understanding of the preparation, review, and the adoption process of ordinances and resolutions, and experience with public hearing and other special district board actions;
 - N. Real estate and property law including experience with easements, encroachment permits, licenses, rights-of-way, sales contracts, and other real property agreements and negotiations;
 - O. Experience reviewing current and developing / drafting proposed legislation and regulations;
 - P. Experience with the Public Records Act, including preparing requests as well as responses to requests;
 - Q. Other relevant areas pertaining to water districts not already listed including experience with joint powers authorities and public benefit corporations;
 - R. Knowledge about California water system and infrastructure and knowledge of the operating procedures of public water and sewer agencies;
 - S. Knowledge of State Water Project contracts and experience with water transfer / exchange transactions.
 - T. Knowledge related to issuance of municipal bonds and other debt instruments as well as relevant regulations pertaining to banking and investment of public agency funds; and

Proposals were due 31 days after the release of the RFP and eight proposals were submitted:

- Aleshire & Wynder
- AlvaradoSmith
- Best Best & Krieger
- Buchalter
- Churchwell White
- Gresham Savage Nolan & Tilden
- Kronick Moskowitz Tiedemann & Girard
- Olivarez Madruga Lemieux O'Neill

All firms were highly qualified and the proposals were responsive. All proposals were reviewed by a committee consisting of three directors and four staff members. Four firms were invited to interview. All seven evaluation committee members attended each of the four interviews.

Based on those deliberations, the evaluation committee unanimously recommended Best Best & Krieger for the legal services contract.

Joseph Byrne was proposed as the primary attorney with Alisha Winterswyk as the alternate. The rate structure will continue at the current rates for three years with no CPI escalator. BB&K will also provide the Public Policy and Ethics subscription to MWDOC at no charge.



ACTION ITEM
August 16, 2017

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Heather Baez
Melissa Baum-Haley

**SUBJECT: AUTHORIZE STAFF ATTENDANCE ON A COLORADO RIVER BOARD
INSPECTION TRIP, AUGUST 28-31, 2017 - GRAND JUNCTION,
COLORADO**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize travel for two staff members to attend, as Metropolitan Member Agency Inspection Trip guests, a Colorado River Upper Basin Drought Contingency Plan Tour from August 28–31, 2017.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The Upper Basin Drought Contingency Plan Tour, hosted by the Colorado River Authority and Colorado River Board of California (CRB), is from August 28-31, 2017. This Upper Basin Inspection Trip will commence in Grand Junction, Colorado, and will visit sites in Colorado, Wyoming, and Utah.

As a member on the CRB, Metropolitan is offered a limited number of guests spots to attend this inspection trip. Tom Levy, the General Manager of the Colorado River Authority requested that CRB agencies invite staff to attend the tour. MWDOC staff, along with other MET member agencies staff, were encouraged by MET to attend as their guests. Two MWDOC staff have been invited as MET member agency representatives.

This inspection trip focuses on the Colorado River Drought Contingency Planning and will provide a tour within the Upper Basin of the Colorado River. Presentations will be given by

Budgeted (Y/N): No	Budgeted amount: \$0	Core _x_	Choice __
Action item amount: \$1,200	Line item: 12-7150		
Fiscal Impact (explain if unbudgeted): Although this specific inspection trip was not budgeted, the miscellaneous budget does provide \$2,500 for these types of unexpected opportunities.			

the Colorado River Board, U.S. Bureau of Reclamation, Colorado River Conservation District, Upper Colorado River Commission, and Upper Basin Weather Modification Groups. Tour sites include the Grand Valley pilot demand management program and weather modification, Flaming Gorge Dam, and Fontenelle Dam. This will provide MWDOC staff with a greater knowledge of Colorado River demand management, drought planning, and regional/federal policy issues. It also allows for relationship building through face-to-face interaction with Colorado River representatives of other participating agencies.

As invitees, the CRB will cover all costs except for flights to and from the tour starting and ending cities. Therefore, staff is requesting Board authorization for airfare, travel to/from the airport/hotel, and minor miscellaneous expenses for two MWDOC staff members. All other costs of the trip are covered.

Total Cost Estimate:	Travel	\$ 1,200.00
	Meals	\$ 00.00
	<u>Lodging</u>	<u>\$ 00.00</u>
		\$ 1,200.00

Attachment -- The Colorado River Authority draft itinerary.

Upper Basin Drought Contingency Plan Tour

Colorado River Authority
August 28-31, 2017



Monday, August 28

6:00 p.m. Reception at Courtyard Marriott Grand Junction

6:45 p.m. Dinner

Welcome and tour overview:

Chris Harris, Executive Director, Colorado River Board of California

Presentations from:

Colorado River Water Conservation District

Colorado Water Conservation Board

Bureau of Reclamation, Upper Colorado Region

Tuesday, August 29



- 8:00 a.m.** Depart hotel for tour of Grand Valley, including pilot demand management program and weather modification
- 11:30 a.m.** Lunch at tamarisk control site
- 12:00 p.m.** Depart Grand Junction for Dinosaur National Monument
- 3:00 p.m.** Arrive at Harper's Corner overlook of Yampa and Green rivers
- 3:30 p.m.** Depart Harper's Corner
- 5:15 p.m.** Arrive at Springhill Suites and Towneplace Suites in Vernal, Utah
- 6:00 p.m.** Reception at Townplace Suites
- 6:30 p.m.** Dinner

Presentations from:

- Upper Colorado River Commission
- Utah Weather Modification Group

Wednesday, August 30



- 8:00 a.m.** Depart hotel for Flaming Gorge Dam
- 9:15 a.m.** Tour of Flaming Gorge Dam
- 11:15 a.m.** Board rafts and depart for raft trip of Green River
- 12:00 p.m.** Lunch on river
- 3:15 p.m.** End rafting trip, depart for Green River, Wyoming
- 5:00 p.m.** Arrive at Green River Hampton Inn & Suites
- 5:30 p.m.** Depart for Expedition Island Park
- 5:45 p.m.** Reception at Expedition Island Park
- 6:30 p.m.** Dinner

Presentations from:

Wyoming State Engineer's Office

Wyoming Weather Modification Group

Thursday, August 31



- 8:00 a.m.** Depart hotel for Fontenelle Dam
- 9:00 a.m.** Tour of Fontenelle Dam
- 11:15 a.m.** Depart Fontenelle Dam
- 12:00 p.m.** Lunch at Fossil Butte National Monument
- 3:00 p.m.** Arrive at Salt Lake City International Airport



ACTION ITEM
August 16, 2017

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Maribeth Goldsby

**SUBJECT: ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE
CONSIDERATION FOR 2018/19**

STAFF RECOMMENDATION

Staff recommends the Board of Directors: Determine which directors would like to serve on Association of California Water Agencies (ACWA) committees for 2018/19, and direct staff to submit completed Committee Consideration Forms by the September 29 deadline.

COMMITTEE RECOMMENDATION

To be determined.

SUMMARY

The Association of California Water Agencies (ACWA) is seeking members to participate on its various committees for 2018/19. There are 12 committees for which members (directors and staff) may serve. All consideration forms require the signature of either the member agency general manager or board president before they are submitted to ACWA. The incoming ACWA Region Chairs and Vice Chairs will review the consideration forms by November 16th and send recommendations to the new ACWA President and Vice President by November 30th. ACWA will then send official appointment letters to new committee members by December 31st.

Currently MWDOC has MET Directors Ackerman and McKenney serving on the following ACWA Committees (both of them have expressed interest in continuing to serve on these Committees):

Federal Affairs Committee:	Linda Ackerman
Local Government Committee:	Larry McKenney (Chair)
Business Development Comm:	Larry McKenney
Legal Affairs Committee:	Larry McKenney

Budgeted (Y/N): Y	Budgeted amount:	Core X	Choice __
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted): MWDOC Director and staff participation is budgeted under the miscellaneous travel – cost centers 11/12-7150 and 7155; MET has historically paid expenses for Directors Ackerman and McKenney.			

It should be noted that Director Hinman served on the Local Government Committee until her retirement in 2016. It should also be noted that MET has historically paid the expenses for both Directors Ackerman and McKenney.

Additionally, the following staff members have indicated a desire to serve on various ACWA Committees:

Federal Affairs Committee	Heather Baez
State Legislative Committee	Heather Baez
Water Management Committee	Joe Berg
Communications Committee	Damon Micalizzi
Local Government Committee	Damon Micalizzi

Attached is a copy of the information received from ACWA.

PLEASE PRINT LEGIBLY

Agency Name (DO NOT use acronyms or abbreviations)	Phone
Municipal Water District of Orange County	714-593-5006
Agency Address	City, State & Zip
P.O. Box 20895	Fountain Valley, CA 92728

**BELOW PLEASE LIST ALL THOSE INTERESTED IN BEING ON ACWA COMMITTEES FOR YOUR AGENCY.
FOR ADDITIONAL RECOMMENDATIONS PLEASE FILL OUT ANOTHER FORM.**

**If an individual is not an agency employee or director, please indicate company affiliation.*

Name	Title/Company*	Email Address
Linda Ackerman	MWDOC/Metropolitan Director	lindaackerman@cox.net
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Federal Affairs Committee		
Name	Title/Company*	Email Address
Larry McKenney	MWDOC/Metropolitan Director	director.mckenney@gmail.com
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Local Government Committee	Legal Affairs	Business Development
Name	Title/Company*	Email Address
Heather Baez	Governmental Affairs Manager	hbaez@mwdoc.com
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Federal Affairs	State Legislative Committee	
Name	Title/Company*	Email Address
Joe Berg	Director of Water Use Efficiency	jberg@mwdoc.com
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Water Management Committee		
Name	Title/Company*	Email Address
Damon Micalizzi	Director of Public Affairs	dmicalizzi@mwdoc.com
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Communications	Local Government	
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice

Signature (Agency/District General Manager or Board President signature required)

Title

Date

QUESTIONS?

Contact Region and Member Services Specialist II
Ana Javaid at anaj@acwa.com or (916) 441-4545

910 K Street, Suite 100
Sacramento, CA 95814
www.acwa.com
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ACWA COMMITTEE COMPOSITION

COMMITTEE

STAFF LIAISONS

Business Development Committee – Standing/Unlimited

Meetings: 2 times a year

The Business Development Committee develops and recommends to the Board of Directors programs and activities to be provided or administered by the association that generate non-dues revenue and provide a service or benefit to association members.

Paula Currie

Director of Member Services and Events

paulac@acwa.com

Communications Committee – Standing/Limited (40 maximum)

Meetings: 4 times a year

The Communications Committee develops and recommends to the Board of Directors and staff best practices regarding communications and public affairs programs. The committee promotes sound public information and education programs and practices among member agencies. It also prepares and distributes materials for use by member agencies in their local outreach efforts and provides guidance to ACWA's Communications Department.

Lisa Lien-Mager

Director of Communications

lialm@acwa.com

Energy Committee – Standing/Unlimited

Meetings: 2 times a year

The Energy Committee develops and recommends to the Board of Directors, the State Legislative Committee and the Federal Affairs Committee policies and programs regarding the water-energy nexus.

Rebecca Franklin

Senior Regulatory Advocate

Rebeccaf@acwa.com

Federal Affairs Committee – Standing/Limited (5 Per Region)

Meetings: 2 times a year

The Federal Affairs Committee coordinates with other ACWA committees regarding input and recommendations on federal legislation and other issues before both Congress and the federal administrative branches.

David Reynolds

Director of Federal Affairs

[dlreyns@sso.org](mailto:dltreyns@sso.org)

Finance Committee – Standing/Limited (2 Per Region – 1 Region Chair or Vice Chair; 1 with financial experience)

Meetings: 4-5 times a year

The Finance Committee develops and recommends to the Board of Directors policies and procedures related to annual budgets, investment strategies, annual audits and auditor selection, dues formula and schedule, and other financial matters.

Fili Gonzales

Director of Finance & Business Services

filig@acwa.com

Groundwater Committee – Standing/Unlimited

Meetings: 4 times a year

The Groundwater Committee develops and recommends to the Board of Directors policies and programs regarding groundwater issues. The committee monitors state and federal regulations and legislation affecting the quality and management of groundwater, conducts studies and gathers data on groundwater issues, develops policies regarding groundwater management and coordinates with other committees on groundwater issues.

Dave Bolland

Director of State Regulatory Relations

daveb@acwa.com

Legal Affairs Committee – Standing/Limited (45 Maximum)

Meetings: 2-3 times a year

The Legal Affairs Committee acts on requests for assistance on legal matters of significance to ACWA member agencies. The committee reviews proposed ACWA bylaw revisions and works with staff to produce publications to assist member agencies in complying with state and federal laws. The committee also files amicus curiae filings on important cases, comments on proposed regulations and guidelines of state agencies such as the Fair Political Practices Commission and monitors and engages in water rights waters of interest to member agencies.

**The committee shall be composed of attorneys, each of whom shall be, or act as, counsel for a member of the Association.*

Whitnie Wiley
Senior Legislative
Advocate
whitniew@acwa.com

Local Government Committee – Standing/Limited (3 Per Region)

Meetings: 4 times a year

The Local Government Committee develops and recommends to the Board of Directors and the State Legislative Committee policies regarding local government matters affecting water agencies, including planning issues, local government organization, and finance. The committee also gathers and disseminates information on the value of special districts, and shares information promoting excellence in local government service delivery.

Wendy Ridderbusch
Director of State
Legislative Relations
wendyr@acwa.com

Membership Committee – Standing/unlimited

Meetings: 2 times a year

The Membership Committee develops and recommends to the Board of Directors policies regarding membership, eligibility and applications for membership. The committee also assists staff in developing membership recruitment and retention programs and reviews and makes recommendations to the Finance Committee regarding an equitable dues structure.

Tiffany Giammona
Member Services
Group Manager
tiffanyg@acwa.com

State Legislative Committee – Standing/Limited (4 Per Region)

Meetings: 10-12 times a year

The State Legislative Committee sets official state legislative policy positions on behalf of the association. The committee reviews relevant legislation, develops advocacy strategies and makes recommendations to the Board of Directors on ballot measures and other major statewide policy issues. The committee also works with staff on legislative amendments and provides direction on legislative matters.

Wendy Ridderbusch
Director of State
Legislative Relations
wendyr@acwa.com

Water Management Committee – Standing/Limited (4 Per Region)

Meetings: 4 times a year

The Water Management Committee develops and recommends to the Board of Directors policies and programs regarding water management. The committee reviews and recommends positions on legislation and regulations as requested by other committees. The committee also assists in gathering and disseminating information regarding agricultural and urban water management, water conservation and water use efficiency, development and use of water resources, wastewater treatment and water recycling and reuse.

Dave Bolland
Director of State
Regulatory Relations
daveb@acwa.com

Water Quality Committee – Standing/Unlimited

Meetings: 4 times a year

The Water Quality Committee develops and recommends to the Board of Directors, the State Legislative Committee and the Federal Affairs Committee policies and programs regarding water quality issues. The committee promotes cost-effective state and federal water quality regulations and provides a forum for members to work together to develop and present unified comments on water quality regulations. The committee also develops and recommends positions and testimony on water quality regulatory issues.

Rebecca Franklin
Senior Regulatory
Advocate
Rebeccaf@acwa.com

2017 ACWA Committee Appointment Process Timeline 2018-2019 Term

July 17:

COMMITTEE CONSIDERATION FORMS EMAILED

- Email packets sent to Agency General Managers and Board Presidents packets include:
 - List of agency staff and directors who currently serve on an ACWA Committee
 - Committee Composition
 - Committee Consideration Form
 - 2018-2019 Committee Timeline

July 24:

EMAIL NOTIFICATION TO CURRENT COMMITTEE MEMBERS

- Current committee members notified that committee process has began
- All current committee members **MUST** submit a Committee Consideration Form to be considered for reappointment

September 29: COMPLETED CONSIDERATION FORM DEADLINE

- All committee consideration forms **due by September 29**
- Any consideration forms submitted after September 29 will be added to the waiting list and considered after ACWA President makes the initial committee appointments for the term

October 27:

ACWA REGION CHAIR AND VICE CHAIR CONFERENCE CALL

- ACWA staff will hold a conference call with newly elected Region Chair and Vice Chairs to review 2018-2019 Committee recommendation process
- Consideration forms compiled and submitted to incoming Region Chair and Vice Chair

November 16: CHAIR AND VICE CHAIRS RECOMMENDATION DEADLINE

- No Region recommendations will be accepted after November 16

November 30: RECOMMENDATIONS GIVEN TO ACWA PRESIDENT

- Incoming ACWA President will receive Region Chair and Vice Chairs recommendations along with all consideration forms at ACWA Fall Conference

December 11: ACWA PRESIDENT APPOINTS MEMBERS OF COMMITTEES

- Incoming ACWA President submits all appointments to ACWA Staff

December 31: ACWA WILL NOTIFY COMMITTEE MEMBERS OF APPOINTMENTS

- Letters emailed to members who have been appointed to serve on a committee for the 2018-2019 term
- Letters emailed notifying those who were not appointed to a committee



DISCUSSION ITEM

August 9, 2017

**TO: Administration & Finance Committee
(Directors Thomas, Barbre, Finnegan)**

**FROM: Robert Hunter,
General Manager**

SUBJECT: REVIEW INVESTMENT POLICY AND GUIDELINES

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: Review and discuss the Investment Policy & Guideline as adopted by the Board on June 21, 2017.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Pursuant to the Administrative Code, the Board reviews the Investment Policy and Guidelines (Policy) on an annual basis (historically in May or June of each year). The Administration & Finance Committee reviewed the Policy on May 10, 2017, and again on June 14, 2017. It was referred by the Committee to the Board and the Board adopted Resolution No. 2055 (attached) on June 21, 2017.

Due to his absence at the June 21 Board meeting, Director Barbre (at the July 19, 2017 Board meeting), requested the Policy return to the Administration & Finance Committee for additional discussion/clarification.

Attachment – Resolution No. 2055

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

**RESOLUTION NO. 2055
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
INVESTMENT POLICY AND GUIDELINES**

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**RESOLUTION NO. 2055
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
INVESTMENT POLICY AND GUIDELINES
2017**

BE IT RESOLVED by the Board of Director of the Municipal Water District of Orange County that the following is the policy and guidelines of the District for investment of funds and rescinds prior Resolution No. 2032, dated May 18, 2016.

SECTION 2100 - PURPOSE

The purpose of this policy is to set forth the investment and operational policies for the management of the public funds of Municipal Water District of Orange County. These policies have been adopted by, and can be changed only by a majority vote of the Board of Directors.

These policies are designed to ensure the prudent management of public funds, the safety of principal, the availability of operating funds when needed, and an investment return competitive with those of comparable funds and financial market indexes.

A copy of this policy will be provided to all investment dealers and investment managers doing business with the Municipal Water District of Orange County. Receipt of this policy, including confirmation that it has been reviewed by persons dealing directly with the Municipal Water District of Orange County's account will be received prior to any organization providing investment services to the Municipal Water District of Orange County.

SECTION 2101 - STATUTORY AND DELEGATED AUTHORITY

Authority to manage the investment of surplus funds is derived from California Government Code Sections 53601, et seq. In accordance with Section 53607 of the Government Code of the State of California, the authority of the Board of Directors to invest public funds may be delegated to the Treasurer for a one-year period, which may be renewed annually.

The Municipal Water District of Orange County (MWDOC) Board of Directors has expressly delegated the investment authority of the Board of Directors to the Treasurer pursuant to Resolution No. 1166. By Resolution No. 1277, the Board of Directors created the office of Deputy Treasurer and delegated to the Deputy Treasurer the authority to direct investment of MWDOC funds under the circumstances set forth in said Resolution, and to make a monthly report of those transactions to the Board. The Board of Directors created the office of Alternate Deputy Treasurer by Resolution No. 1434 and specified circumstances under which the Alternate Deputy Treasurer would have authority to direct the investment of MWDOC funds.

No person may engage in an investment transaction on behalf of MWDOC unless he or she has been duly appointed by the Board of Directors to the office of Treasurer, Deputy Treasurer, or Alternate Deputy Treasurer, and subject to the limitations and conditions set forth in the Resolutions establishing those offices and the terms of this policy. Notwithstanding the foregoing, upon the occurrence of a vacancy in the office of Treasurer, the Board of Directors may appoint an Acting Treasurer, who shall have and exercise the authority delegated to the Treasurer until appointment of a successor Treasurer by the Board of Directors.

The delegations in Resolution Nos. 1277 and 1434 are renewed on the adoption of this Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish procedures and a system of internal controls to regulate the activities of subordinate officials. Within thirty (30) days of the identification of an exceedance of policy and/or guidelines the General Manager shall notify the Board of Directors.

SECTION 2102 - ORGANIZATION

The organizational structure of the investment functions of MWDOC shall consist of the Board of Directors, the Administration & Finance Committee, the Treasurer and Deputy Treasurers. The responsibilities of these groups are as follows:

Board of Directors - the elected body responsible for the administration and investment of the assets of MWDOC. The Board may acquire, hold, manage, purchase, sell, assign, trade, transfer and/or dispose of any security, evidence of debt, or other investment in which MWDOC's assets may be invested by law. To assist them in discharging their responsibilities, the Board shall appoint a Treasurer, Deputy Treasurers and custodians of assets.

Administration & Finance Committee - appointed by the Board to review transactions, performance and asset mix, monitor, recommend policy, and propose adjustments for Board approval.

Treasurer - responsible for the administration and the investment of the funds, subject to the policies and restrictions set by the Board. The Treasurer as investment officer of MWDOC is granted full authority and responsibility by the Board in the purchase, sale, assignment, exchange and transfer of securities and for the safe custody of security holdings, subject to Board policies, rules, regulations and directives consistent with regulatory and statutory limitations. The Treasurer is responsible for interpreting, administering and advising on legal requirements, investment policies and strategies; collecting income, preparation of reports. Also responsible for Deputy Treasurer, and investment staff compliance with this Investment Policy and guidelines.

Deputy Treasurers - act in the absence of the Treasurer as specified within the Resolution of appointment to fulfill the duties and responsibilities as assigned by the Treasurer.

SECTION 2103- INVESTMENT PHILOSOPHY

Except where specifically directed by the State Constitution, statutes or regulations, the general investment policies of MWDOC will be guided by the prudent investor standard ("Standard") set forth in California Government Code Section 53600.3. Under this Standard, those with investment responsibility for public funds are trustees and, as trustees, shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of MWDOC, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency.

This Standard shall be applied in the context of managing the overall investment portfolio. The investment officer, acting in accordance with written procedures and this investment policy and

exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

SECTION 2104 - SCOPE

It is intended that this Investment Policy cover all funds and investment activities of MWDOC. Any reference to the portfolio shall mean the collection of MWDOC securities held by the Treasurer. Those securities held in Trust or escrow by a third-party Trustee or escrow agent on behalf of MWDOC are invested under the Treasurer's direction in accordance with this Investment Policy and the terms of the specific escrow or trust agreements related to the funds.

MWDOC funds are divided into two categories, and the investment objectives and policies vary with the nature of the fund.

- Operating and Fiduciary Funds - These funds are to provide for the ordinary annual operating expenses of MWDOC (General Fund, Water Fund) and Funds to provide for trustee functions and expenditures (WFC, with the exception of the Debt Service Reserve) and other specified recurring and non-recurring purposes where MWDOC serves in a fiduciary role. These funds are considered "short-term" for investment purposes and will be invested to provide the safety and liquidity to meet all anticipated expenditures.
- Reserve funds – These funds are designated for contingencies or emergencies and may be used to supplement the other funds as necessary. These funds may be invested "longer-term" as defined in this Investment Policy.

SECTION 2105- INVESTMENT OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing MWDOC's funds, the primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of MWDOC. The third objective is to achieve a maximum return on invested funds (California Government Code Section 53600.5.). It is the policy of MWDOC to invest funds in a manner to obtain the highest yield possible while meeting the daily cash flow demands of MWDOC as long as investments meet the criteria established by this investment policy for safety and liquidity and conform to all laws governing the investment of MWDOC's funds.

Safety of Principal.

Safety of principal is the foremost objective of MWDOC. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. MWDOC shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of a security's issuer or backer. Interest rate risk is the risk that the market value of the MWDOC's portfolio will change due to an increase/decrease in general interest rates.

- 1) Credit risk will be mitigated by:
 - (a) Limiting investments to only the most creditworthy types of permissible investments as described in Section 2106;
 - (b) By pre-qualifying the financial institutions with which the Agency will do business; and
 - (c) By diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.
- 2) Interest rate risk will be mitigated by:
 - (a) Structuring the portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
 - (b) Investing primarily in shorter term securities.

Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained. An adequate percentage of the portfolio shall be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. Since cash requirements cannot always be anticipated, sufficient investments in securities with active secondary or resale markets shall be utilized.

Rates of Return

Yield on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the MWDOC's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

SECTION 2106- INVESTMENT POLICY GUIDELINES

MWDOC authorized investment types, amounts, maturities, and other characteristics are stated in the Government Code Section 53601 (as periodically amended), and with the following exceptions as noted below.

- Collective Investment Pools - Assets of any of the funds may be invested in collective investment pools run and managed by other public bodies and banks that are approved by the Board of Directors. However, no such investment shall be made in a pool where the investment objectives differ from the investment objectives listed in Section 2105 of this investment policy, nor should any investment be made in a fund that engages in market timing or anticipating interest rate changes or that uses derivatives or other securities other than as a hedge against interest rate risk. The investment shall not exceed 20% of portfolio in effect immediately after such investment and no more than 10% in one pool.
- Money Market Mutual Funds - Investment in shares of money market mutual funds may be made if the investments meet the same restrictions as those of collective investment pools.

In addition, purchase of these funds must not result in payment of a purchase premium or commission. These mutual funds must attain the highest ranking of two nationally recognized ratings services and the investment adviser must be registered with the Securities and Exchange Commission (SEC) as an investment adviser with not less than five years' experience managing market mutual funds with investment portfolios of greater than \$500 million. An investment shall not exceed 20% of portfolio in effect immediately after such investment.

- Cash Holdings - The portfolio will hold sufficient cash equivalent investments to ensure availability of sufficient funds to meet known obligations for the next three months. Idle cash will be invested to the fullest extent practicable in interest-bearing investments.
- Other permissible investments for the Operating and Fiduciary funds are:
 - Bank checking accounts, time deposits or certificates of deposit not to exceed the current Federal Deposit Insurance Corporation (FDIC) limit without being collateralized.
 - Negotiable Certificates of Deposit shall not exceed 30% of portfolio in effect immediately after such investment and no more than 5% in one issuer.
 - U.S. Treasury obligations.
 - U.S. Government Agency obligations and, U.S. Government Instrumentality obligations. May not invest more than 50% of portfolio from one issuer.
 - Prime Commercial Paper rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch. May not exceed 25% of portfolio in effect immediately after such investment and may purchase no more than 5% of the outstanding commercial paper of any single issuer. The maximum maturity for Commercial Paper is 270 days.
 - Prime Banker's Acceptances rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch shall not exceed 40% of portfolio in effect immediately after such investment and no more than 5% may be of any one commercial bank. The maximum maturity is 180 days.
 - Corporate Securities (Medium-Term Notes) with a rating of "A" or better by at least two nationally recognized rating services. Shall not exceed 30% of portfolio in effect immediately after such investment with no more than 5% in one issuer.
 - Loans with an agreement for the collateral to be repurchased by the borrower (Repurchase Agreements); the amount of such instruments will not exceed 20% of the market value of the portfolio with no more than 10% from one issuer. Maximum maturity is 1 year. U.S. Treasury and Agency securities are acceptable collateral with a market value of at least 102% of the value of the Repurchase Agreement. Prior to investment, a Master Repurchase Agreement will be signed with the qualified counterparty.
- Permissible investments for Reserve Funds are:
 - All investments permitted for the Operating and Fiduciary funds, except maturities may not exceed five years without Board approval prior to investment.
- Prohibited Investments and Investment Practices - The following are prohibited:
 - Purchases on margin or short sales.
 - "Derivative" securities of any type.

- Lending securities with an agreement to buy them back after a stated period of time (Reverse Repurchase Agreements).
 - Futures, Options and Margin Trading
 - In no instance shall a swap be used in speculation. Losses are only acceptable if the proposed swap or trade can clearly enhance quality or yield (value) over the life of the new security on a Total Return basis.
 - Investments are limited to maturities of five years or less without express authorization of the Board prior to the investment.
- Diversification - The investment portfolio will be diversified to avoid undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities.
 - Exemptions - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by the current policy.

SECTION 2107 - EXECUTION

The responsibility for the execution of security transactions shall rest with such qualified members of the investment staff as designated by the Board. The selection of the broker-dealer for a specific transaction shall be based on price and yield quotations. Every effort shall be made to obtain appropriate discounts on individual orders.

Security orders shall be placed on the basis of accepted investment practices. All security transactions, including for repurchase agreements, entered into by MWDOC shall be on a Delivery-vs.-Payment (DVP) basis, i.e. payment will be made upon receipt of the securities to the safekeeping or trust account or custodial facility. All securities shall be held in MWDOC's name pursuant to an agreement and all financial institutions are instructed to mail confirmation and safekeeping receipts directly to MWDOC within three business days after the trade.

Receipts for the confirmation of trades of authorized securities will include information on trade date, par value, maturity, interest rate, price, yield, settlement date, description of securities purchased, agency's name, amount due, and third party custodial information.

SECTION 2108 - PERSONAL CONDUCT

The Board of Directors of Municipal Water District of Orange County is acutely aware of the responsibilities the staff has in administering the investment assets of MWDOC.

Members of the Board of Directors, the Treasurer, Deputy Treasurers and members of the investment staff may not have a direct or indirect interest in the gains or profits of any investment made by MWDOC and may not receive any pay or emolument (profit arising from office or employment usually in the form of compensation or perquisites) for services other than as designated by MWDOC for compensation and authorized expenses.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall be governed in their personal investment activities by the codes of conduct established by the applicable state statutes, the Financial Industry Regulatory Authority

(FINRA), the Securities and Exchange Commission, and the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall refrain from any personal business activity that could conflict with the proper execution and management of the MWDOC investment program, or that could impair their ability to make impartial investment decisions.

SECTION 2109 - REPORTING

The Treasurer shall prepare an investment report monthly, including a management summary that provides the status of the current investment portfolio and transactions made over the last month. The Report shall be submitted within thirty (30) days following the quarter ended. The report should be provided to and reviewed by the General Manager, the Administration & Finance Committee and provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period;
- Average weighted yield to maturity of portfolio on MWDOC investments;
- Listing of investments by maturity date;
- Market values of current investments;
- Percentage of the total portfolio which each type of investment represents.

This investment policy shall be reviewed by the Administration and Finance Committee annually and as frequently as necessary, to enable the Treasurer to respond to changing economic and market conditions.

SECTION 2110 - GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

BROKER-DEALER: A person or firm acting as a principal in securities transaction as either a broker or a dealer depending on the transaction. Technically, a broker is only an agent who executes orders on behalf of clients, whereas a dealer acts as a principal and trades from the firm's own account. Transaction confirmations must disclose this information. Because most brokerage firms act as both brokers and principals, the term broker-dealer is commonly used to describe them.

CASH EQUIVALENTS (CE): Highly liquid and safe instruments or investments that can be converted into cash immediately. Examples include bank accounts, money market funds, and Treasury bills.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.*, S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security

“buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C) 3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TOTAL RETURN: A measure of performance, Total Return is the actual rate of return of an investment or a pool of investments, over a given evaluation period. Total Return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed-income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

BE IT FURTHER RESOLVED the investment policy shall be reviewed by the Administration and Finance Committee annually, and as frequently as necessary, to enable the Treasurer to respond to changing market conditions;

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

AYES:	Directors Dick, Finnegan, Osborne, Yoo Schneider, Tamaribuchi & Thomas
NOES:	None
ABSTAIN:	None
ABSENT:	Director Barbre

I certify the foregoing is a true, full and correct copy of Resolution No. 2055 adopted by the Board of Director of Municipal Water District of Orange County at its Regular meeting held on June 21, 2017.

Maribeth Goldsby, District Secretary
Municipal Water District of Orange County



DISCUSSION ITEM

August 9, 2017

TO: Board of Directors

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

Robert Hunter
General Manager

Staff: H. De La Torre

**SUBJECT: Alignment of MWDOC's MET Delegation's Actions with the Policies
and Positions of the MWDOC Board**

STAFF RECOMMENDATION

The Staff recommends that the Administration & Finance (A&F) Committee and the MWDOC Board of Directors discuss the various aspects and implications of this policy and practice issue and direct the staff and MWDOC MET delegation as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee meeting)

DETAILED REPORT

A detailed conversation occurred at the August 2, 2017 pre-caucus meeting of the MWDOC MET delegation dealing with the alignment and latitude of the delegation's voting positions at MET relative to stated or voted positions of the MWDOC Board of Directors. As a practice, the MWDOC Board has rarely given direct and specific voting instructions to the delegation. The implied enforcement mechanism for a MET Director acting counter to such instruction is removal from the director position. Under MWDOC's current Administrative Code the leader of MWDOC's MET delegation is the senior MWDOC director of the delegation. It is unclear as to who has the authority to direct the delegation's votes on specific items: the Delegation Leader, the Board

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

President, the Board of Directors, or some combination of the above under varying circumstances. The MET Directors function under dual obligations: (1) to operate and vote in the best interest of the citizens of MWDOC's service area and (2) to operate and vote in the best interest of the MET service area. Implied is the obligation to perform in the best interest of the State of California. These interests do not necessarily align on all occasions.

The pre-caucus conversation evolved from a specific case to generic principles. The specific example involves a federal resolution for which MWDOC's Board adopted a Support position and for which MET is considering an Oppose unless Amended position. The specific question was whether the MWDOC MET delegation could cast any vote other than Support given the formal Support position of the MWDOC Board.

The generic discussion focused on what latitude the MET delegation has to meet their dual obligations: what is the balance between political practicality and specific MWDOC Board positions. How much discretion does the MWDOC MET delegation have to vote their conscience regardless of the MWDOC Board position?

In the example of the specific case, what are the restrictions, if any, on the delegation's actions and votes for the legislative position? Are they restricted to only an Oppose position? Is it appropriate to argue for a Watch position as the best political practicality that can be achieved? Could the delegation appropriately exercise a degree of autonomy and vote a support position if new information or circumstances supported that decision?

Lastly, there was a discussion as to the value of a unified voting position of the MWDOC MET delegation and as to who has the authority and makes the decision as to what the delegation position is and when it was important that the delegation have a unified position. Are those positions and instances determined by the MWDOC Board, the MWDOC President, the Delegation Leader, or the majority opinion of the MWDOC MET Directors? A alternative could be that no one has the authority to direct the votes of the individual MWDOC MET Directors.

The MWDOC MET delegation asked that this discussion be agendaized for this specific A&F committee meeting and that views and guidance be expressed by the committee and directors.

Municipal Water District of Orange County
Semi-Annual Comparison for Overtime Hours Worked
for the Six-month periods ending June 2017 and 2016

Employee	1/1/17 - 6/30/17		1/1/16 - 6/30/16	
	Hours Worked	Dollar Equivalent ⁽¹⁾	Hours Worked	Dollar Equivalent ⁽¹⁾
Conway, Matthew	17.50		0.00	
Dinh, Patrick	7.00		0.00	
Fahl, Beth	0.00		12.75	
Francisco, Pari	0.50		0.00	
Goldsby, Maribeth	10.00		0.00	
Gunawan, Lina	0.00		2.00	
Kanzler, Andrew	0.00		46.50	
Loewen, Laura	23.75		25.00	
Roberto, Bryce	26.75		0.00	
Snow, Mary	7.00		0.00	
Soto, Francisco	11.75		0.00	
TOTAL	104.25	\$5,327	86.25	\$4,579

(1) Dollar equivalent calculated at 1.5 x hourly rate

**Municipal Water District of Orange County
Director's Activity Report
Reporting Period from 07/01/16 to 06/30/17**

Activity Description	MWDOC Directors						MET Director's				Director's			
	Thomas	Barbre	Dick	Finnegan	Yoo Schneider	Osborne	Tamaribuchi	Subtotal	Barbre	Ackerman	McKenney	Dick	Subtotal	Total
Per Diem (1)														
MWDOC Committee & Board mtg	26,256	24,177	25,077	17,620	9,988	21,513	18,038	142,669	-	3,706	4,868	1,125	9,699	152,368
MET Committee & Board mtg	-	3,076	2,792	-	-	-	-	5,868	11,943	9,384	11,392	9,734	42,453	48,321
Meetings with Member Agencies	1,972	10,126	1,530	2,339	3,083	-	2,067	21,117					-	21,117
Other Misc meetings & activities	26,583	13,303	18,188	6,044	8,153	9,156	14,129	95,555	21,468	16,533	17,306	19,172	74,479	170,035
Subtotal-Per Diem	54,811	50,682	47,587	26,003	21,224	30,669	34,234	265,210	33,411	29,623	33,566	30,031	126,631	391,841
Travel, Conferences & Misc. (2)														
ACWA	2,003	133	-	-	2,819	699	5,768	11,422		29	818		847	12,269
CCEEB	-	-	-	-	-	-	3,187	3,187		-	-		-	3,187
OCBC	-	2,911	-	-	-	-	1,703	4,614		-	-		-	4,614
CRWUA	1,322	1,388	-	-	-	-	-	2,710		-	-		-	2,710
CSDA	-	-	-	-	507	-	-	507		-	-		-	507
Legislative Activities in Sacramento	-	505	-	-	-	-	-	505		-	-		-	505
Washington DC Legislative Trips	1,069	4,848	-	-	-	-	-	5,917		-	-		-	5,917
ISDOC	34	51	34	17	-	51	17	204		-	-		-	204
OCWA	40	-	-	-	-	-	-	40		-	-		-	40
Urban Water Institute	1,376	-	68	-	-	753	722	2,919		-	-		-	2,919
So Cal Water Committee	-	-	-	-	-	-	270	270		-	-		-	270
Other Travel Expenses	260	-	-	-	251	-	1,042	1,553		-	-		-	1,553
Mileage	1,841	2,735	1,801	682	1,631	-	1,179	9,869		752	-		752	10,621
Toll Charges	-	-	-	-	352	-	18	370		-	-		-	370
Printer/Computer supplies	-	-	-	59	-	-	-	59		-	-		-	59
Telephone/Fax/Cable	321	-	-	564	-	-	-	885		-	-		-	885
Subtotal-Travel, Conferences & Misc.	8,266	12,571	1,903	1,322	5,560	1,503	13,906	45,031	-	781	818	-	1,599	46,630
Total	63,077	63,253	49,490	27,325	26,784	32,171	48,140	310,241	33,411	30,404	34,384	30,031	128,230	438,471

(1) Per Diem for Directors includes benefits

(2) Includes conference registration, travel, lodging, meals, transportation, mileage and other miscellaneous related costs; does not include Per Diem.

8/3/2017

**Administration Activities Report
July 7, 2017 to August 3, 2017**

Activity	Summary
Administration/Board	<ul style="list-style-type: none"> • Maribeth has been scheduling meetings for Rob Hunter and other various meetings of the Board members. • Maribeth has been assisting Rob/Karl with various write ups and follow-up for the Committees and Board. • Maribeth continues to send the Water Supply Reports to the member agencies. • Maribeth responded to three Public Records Act requests • Maribeth has been assisting management staff with District policy and procedures. • Maribeth compiled and submitted the package to the Special District Leadership Foundation regarding the District of Distinction application • Maribeth continues to review District Agreements for appropriate procedures/processes • Maribeth developed the draft Contracts Manual and has been working with legal counsel for finalization • Pat has been scheduling meetings for Rob, Karl, and Harvey, MET Directors' luncheon meeting, OC MET Managers, MWDOC Managers and ordering lunches for several meetings. • Pat proofed documents for Public Affairs. • Pat registered staff and board members for conferences and events; scheduled travel for AMWA, CCEEB; ACC-OC Advocacy; ACWA State Leg. Comm.; DC legislative initiatives, ACWA Federal Affairs Committee; CUWCC; and other misc. travel and/or workshops, which includes preparation of purchase requisitions and back-up. • Pat acted as recording secretary at the July 5 Board Workshop meeting and prepared minutes.
MWDOC/OCWD Joint Administration	<ul style="list-style-type: none"> • No information to report.
Health Benefits	<ul style="list-style-type: none"> • Katie is researching options for flu shots for early fall. • Health benefits information for 2018 should be available from ACWA at the end of August.
Records Management	<ul style="list-style-type: none"> • The boxes and documents remaining in the library and vault are being reviewed and purged/scanned as needed. • The next meeting with the Records Management Consultant is scheduled for August 28 to review next phase of work and wrap-up any remaining items from FY 2016-17. She will also assist with cleanup of some offices.
CalPERS	No information to report.
Agency Inquiries	<ul style="list-style-type: none"> • Responded to South Coast Water District regarding employee participation in 401 (a) Plans.

Recruitment /Departures	<ul style="list-style-type: none"> Recruitment efforts are underway for the following positions: <ul style="list-style-type: none"> Water Use Efficiency Intern Full-time Database Coordinator position Massis Agop was hired as a WUE intern and started on July 19th. Masis is a third-year undergraduate student at the University of California, Irvine studying Earth System Science, focusing on sustainability - specifically food and water sustainability. His other passions include exploring geophysics/geology and hydrology. Job description/flyer for the Public Affairs Assistant position is currently under review. Pre-employment screening/background process is currently underway for the part-time Administrative Assistant and Public Affairs intern position. WUE Intern Jessica Lieu has resigned from her intern position as of August 10th.
Other	
Projects and Activities	<ul style="list-style-type: none"> Cathy is developing an RFP for space planning design work for the renovation of various conference rooms and work spaces. Katie (and WUE staff) met with the contractor on August 1st to review project expectations and conduct a walk-through of the atrium. It is anticipated that the work will be completed by October 1st. The RFP for a classification and compensation study was sent out on July 31st. The study will be completed in spring 2018. Cathy obtained quotes on the installation of glass doors for the lobby area. Cathy is coordinating with the contractor on the final work to be completed and on establishing a date for work to begin. Cathy participated in meetings for the selection of District legal counsel held on July 14th and July 24th. Cathy participated in Public Affairs intern interviews on July 17, 18 and 25. Cathy, Katie and Maribeth participated in Administrative Assistant telephone interviews July 20, 21 and August 1. Cathy and Katie and Maribeth participated in Database Coordinator interviews on July 25 and August 2. Cathy is coordinating with the Board President on preparing for the General Manager's evaluation process in accordance with District guidelines.

**INFORMATION ITEM****August 9, 2017**

TO: **Administration & Finance Committee**
(Directors Thomas, Barbre, Finnegan)

FROM: Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

SUBJECT: **Finance and IT Pending Items Report**

SUMMARY

The following list details the status of special projects that are in-progress or to be completed during FY 2017-18.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Government Compensation in California Report 2017	0%	03-30-18	Not Started
State Controller Report preparation FY16-17	0%	11-30-17	Not Started
State Tax filing for Water Facilities FY16-17	0%	11-30-17	Not Started
Fiscal Year 2016/17 Annual Audit by Vazquez CPA	50%	11-02-17	Final Audit – week of September 18th
Annual Financial Statement Report FY16-17	0%	11-02-17	Not Started
Preparation of documents for FY18-19 budget process.	0%	5-31-18	Not Started
Working with Davis Farr to write our grant policy to comply with audit guidelines	90%	07-31-17	In Review
2017 W-9 collection for water rebates. Currently holding 1 June and 4 July rebate checks, awaiting a completed W-9 form	On-going	On-going	In Progress

<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and implement 2 UPS units for IT Server room.	30%	09/30/17	In Progress
Purchase and upgrade DATA Server.	10%	12/31/17	In Progress
Purchase and implement Intrusion detection and prevention for District Network.	0%	6/30/17	Not Started
Purchase and implement 2 Cisco Power Over Ethernet switches and Cisco Router into existing Network.	10%	3/31/17	In Progress
Implement Backups and Disaster Recovery for VOIP telephone System.	0%	3/31/17	Not Started

Description	% of Completion	Estimated Completion date	Status
<u>FY 2017-18 Completed Special Tasks</u>			
<u>Finance</u>			
<u>Information Technology</u>			



INFORMATION ITEM

August 9, 2017

TO: **Administration & Finance Committee**
(Directors Thomas, Osborne, Finnegan)

FROM: Robert Hunter, General Manager

Staff Contact: Kevin Hostert

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

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file this information.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

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

Fig. 1 OC Water Usage, Monthly by Supply OCWD Groundwater water was the main supply in June.

Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in June 2017 was slightly below average compared to the last 5 years but was higher than in June of 2015 and 2016. We are seeing a slight increase in overall water usage compared to the historical lows of the 2015-16 Fiscal Year. In June 2016, all water conservation became voluntary for MWDOC agencies.

Fig. 3 Historical OC Water Consumption OC water consumption is projected to be 524,000 AF in FY 2016-17 (*this includes ~15 TAF of agricultural usage and non-retail water agency usage*). This is about 32,000 AF more than FY 2015-16 and is about 47,000 AF less than FY 2014-15. Water usage per person is projected to be slightly higher than in FY 2016-17 for Orange County at 147 gallons per day (This includes recycled water). Although OC population has increased 20% over the past two decades, water usage has not increased, on

Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u> </u>
Action item amount: N/A	Line item:		
Fiscal Impact (explain if unbudgeted):			

average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts.

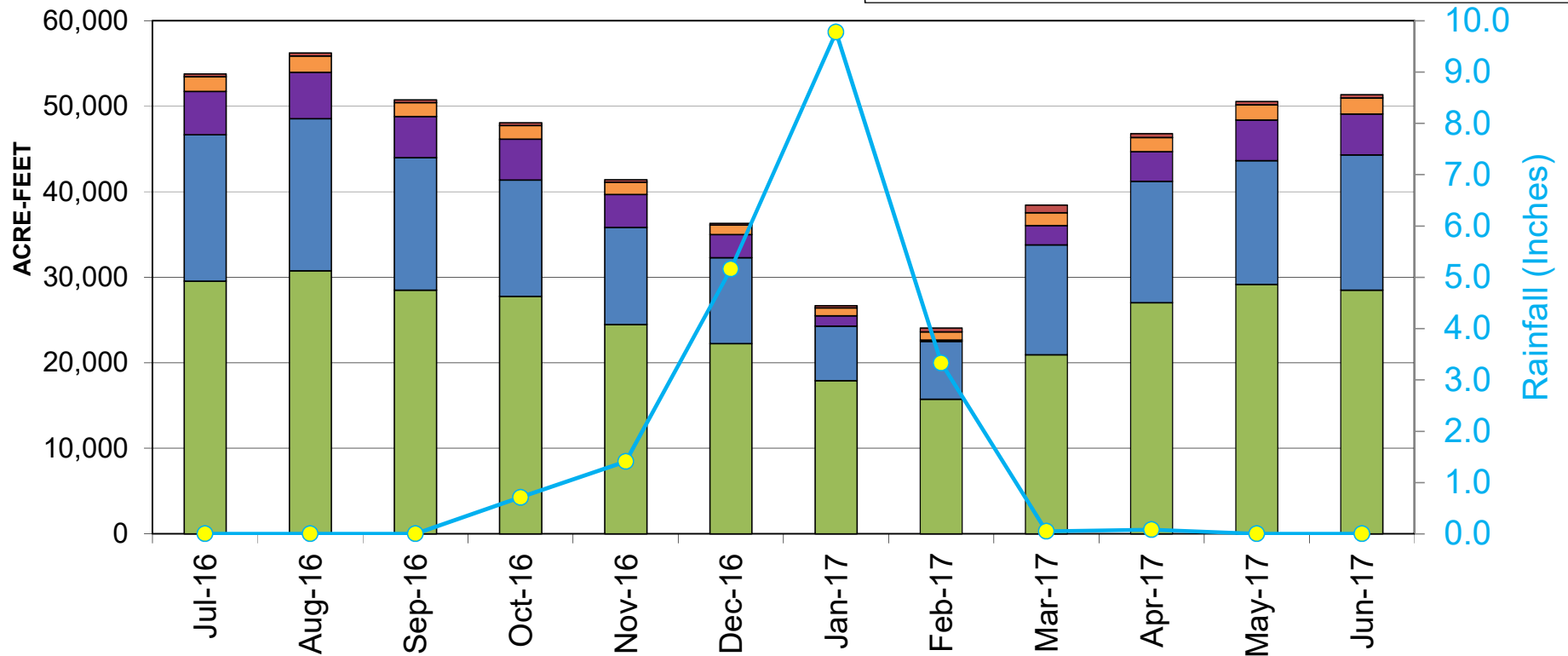
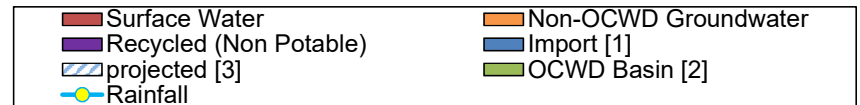
MWDOC “Firm” Water Purchases, 2016 “Firm” water above the Tier 1 limit will be charged at the higher Tier 2 rate. Tier 2 purchases are zero in 2017.

Water Supply Information Includes data on Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data have implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is Oct. 1st through Sept. 30th.

- Orange County’s accumulated rainfall through July was well above average for this period. Orange County has had below average rainfall for the past 5 hydrologic years.
- Northern California accumulated precipitation through July was around 192% of normal for this period. June 2017 rainfall was average for that month and the region is seeing the wettest water year on record. The Northern California snowpack is 195% of normal as of May 26th. The State of California was in a declared Drought Emergency that started January 2014 and just recently ended in April of 2017. As of late April, drought conditions have improved significantly and only 8% of California is still suffering from moderate or severe drought. The State Water Project Contractors Table A Allocation has increased to 85% as of the end of April.
- Colorado River Basin accumulated precipitation through June was 111% average for this period. The Upper Colorado Basin snowpack was 152% of normal as of May 22nd. This follows five below-average hydrologic years; the Colorado River Basin is in the recovery of a long-term drought. Lake Mead and Lake Powell combined have about 67% of their average storage volume for this time of year. If Lake Mead’s level falls below a “trigger” limit 1,075 ft. at the end of a calendar year, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries to the Lower Basin states. As of late July, Lake Mead levels were 4.5’ above the “trigger” limit. The USBR predicts that the end of 2017 or the end of 2018 will not hit the “trigger” level.



Fig. 1A OC Water Usage, Monthly by Supply with projection to end of fiscal year



- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.
- [2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '16-17 is 75%.
- [3] MWDOC's estimate of monthly demand is based on the projected FY 15-16 "Retail" water demand and historical monthly demand patterns.
- [4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



Fig. 1B O.C. Historical Water Usage

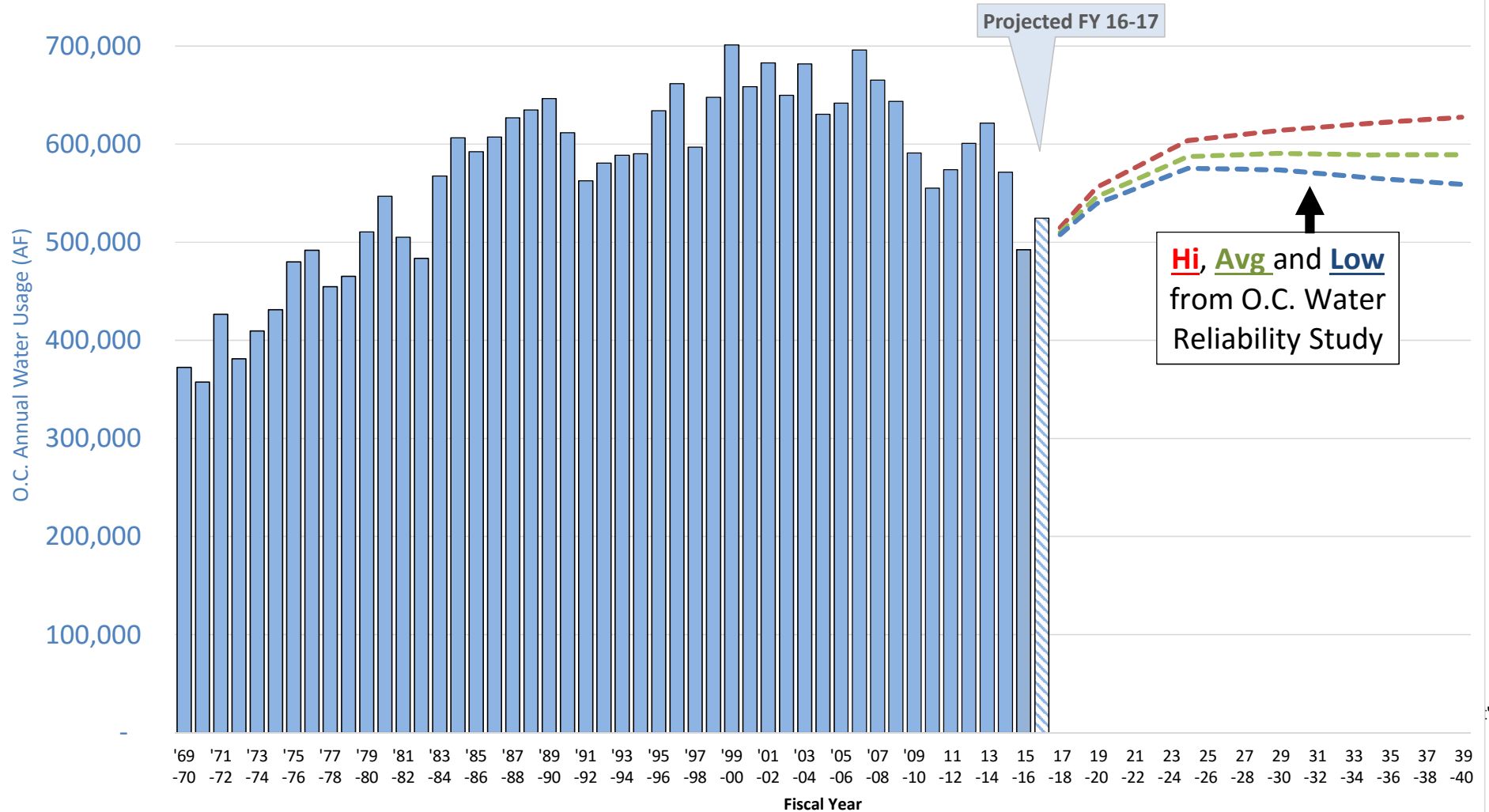
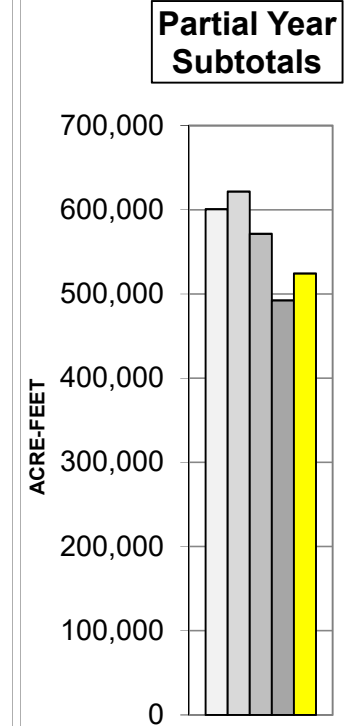
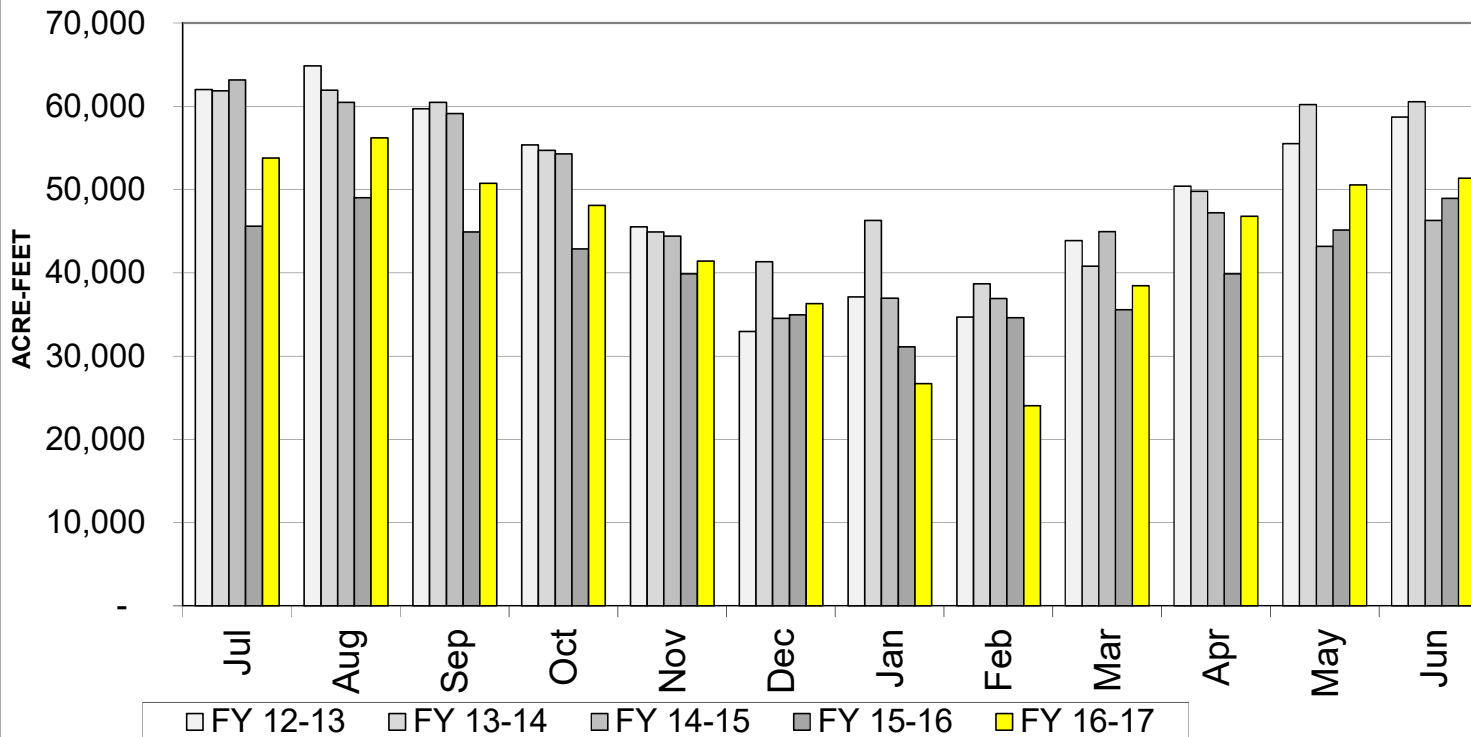


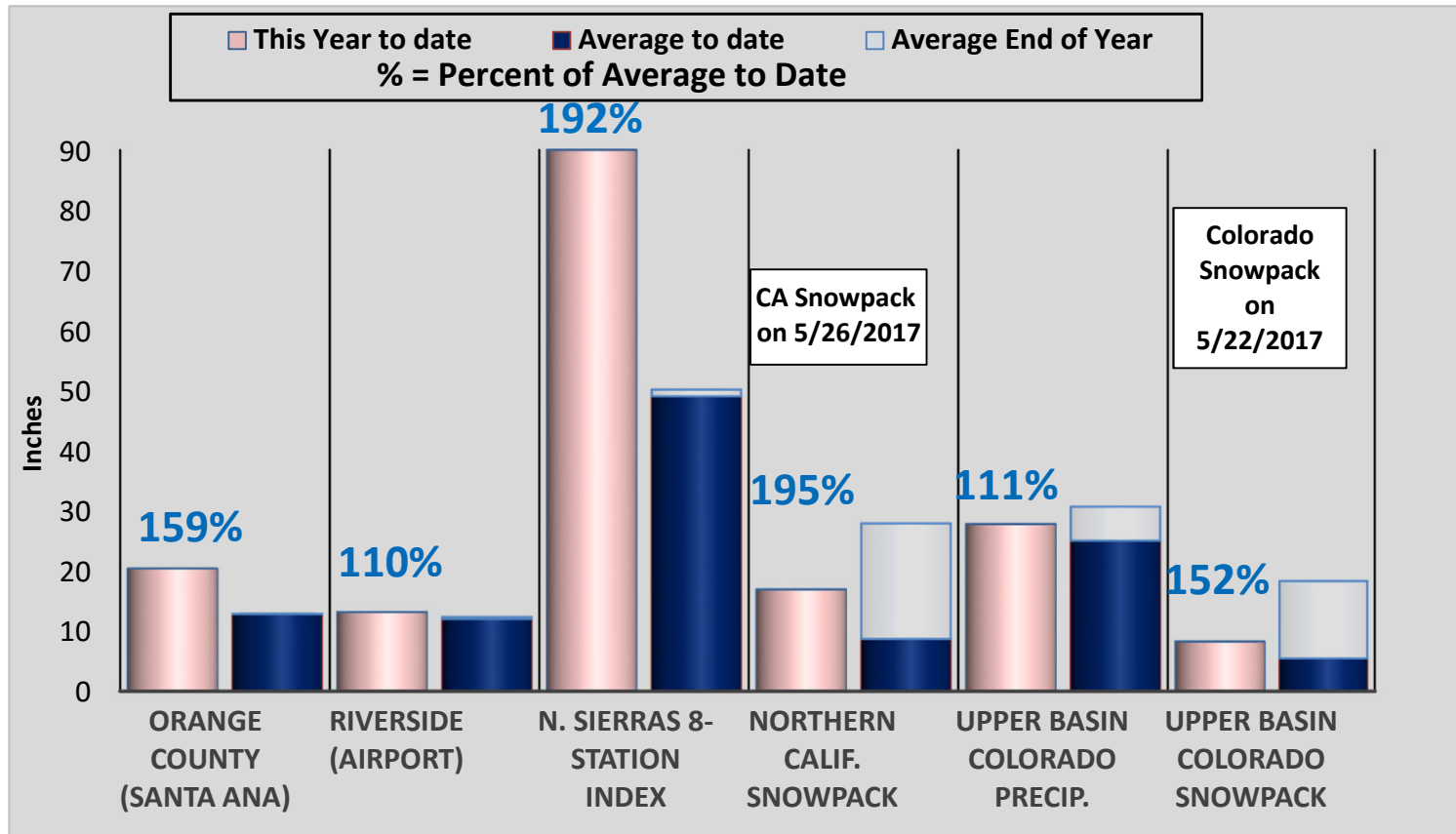


Fig. 2A OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years



[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.) Recent months numbers include some estimation.

Accumulated Precipitation for the Oct.-Sep. water year, through July 2017

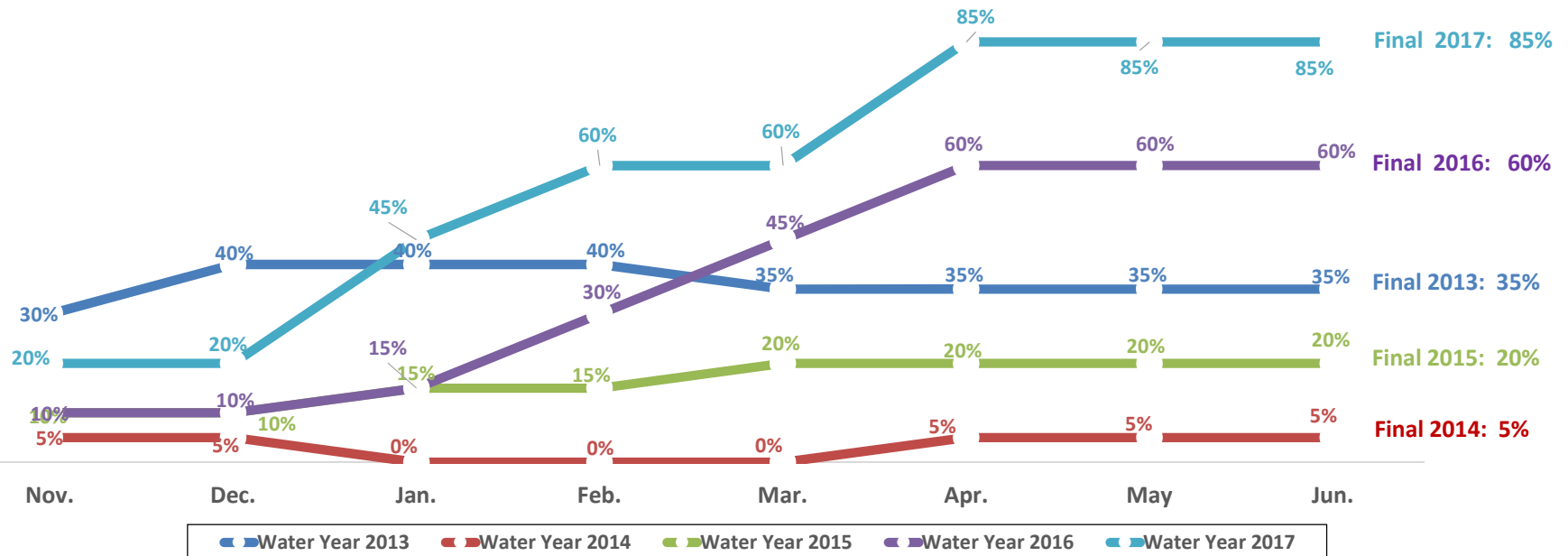


* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.



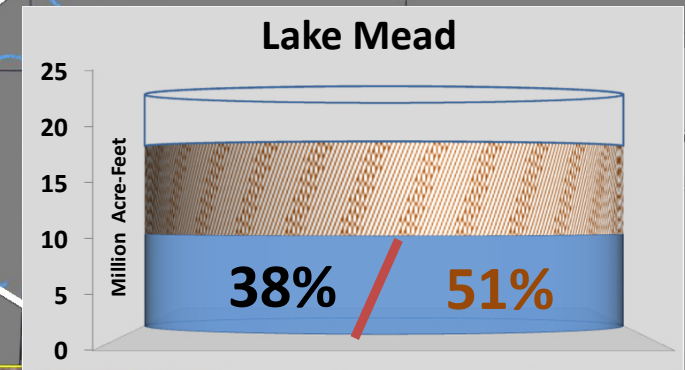
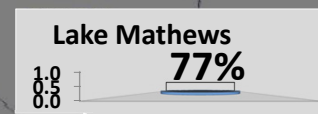
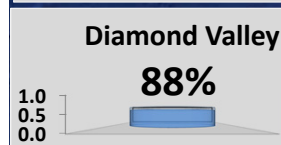
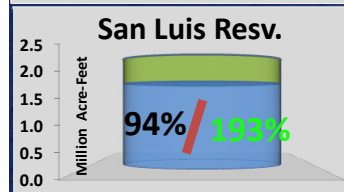
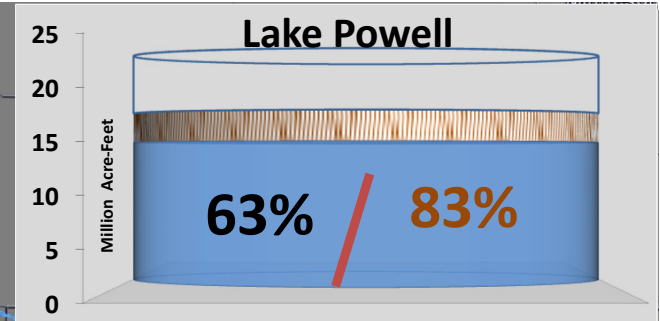
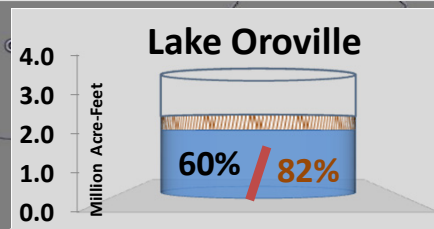
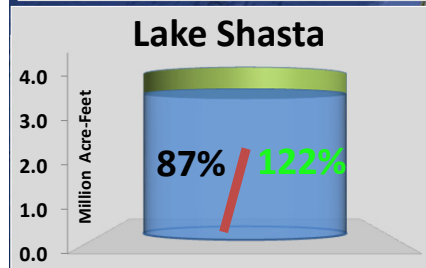
SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS



State Water Project, Colorado River, and MWD Reservoir Storage

as of July, 31st 2017

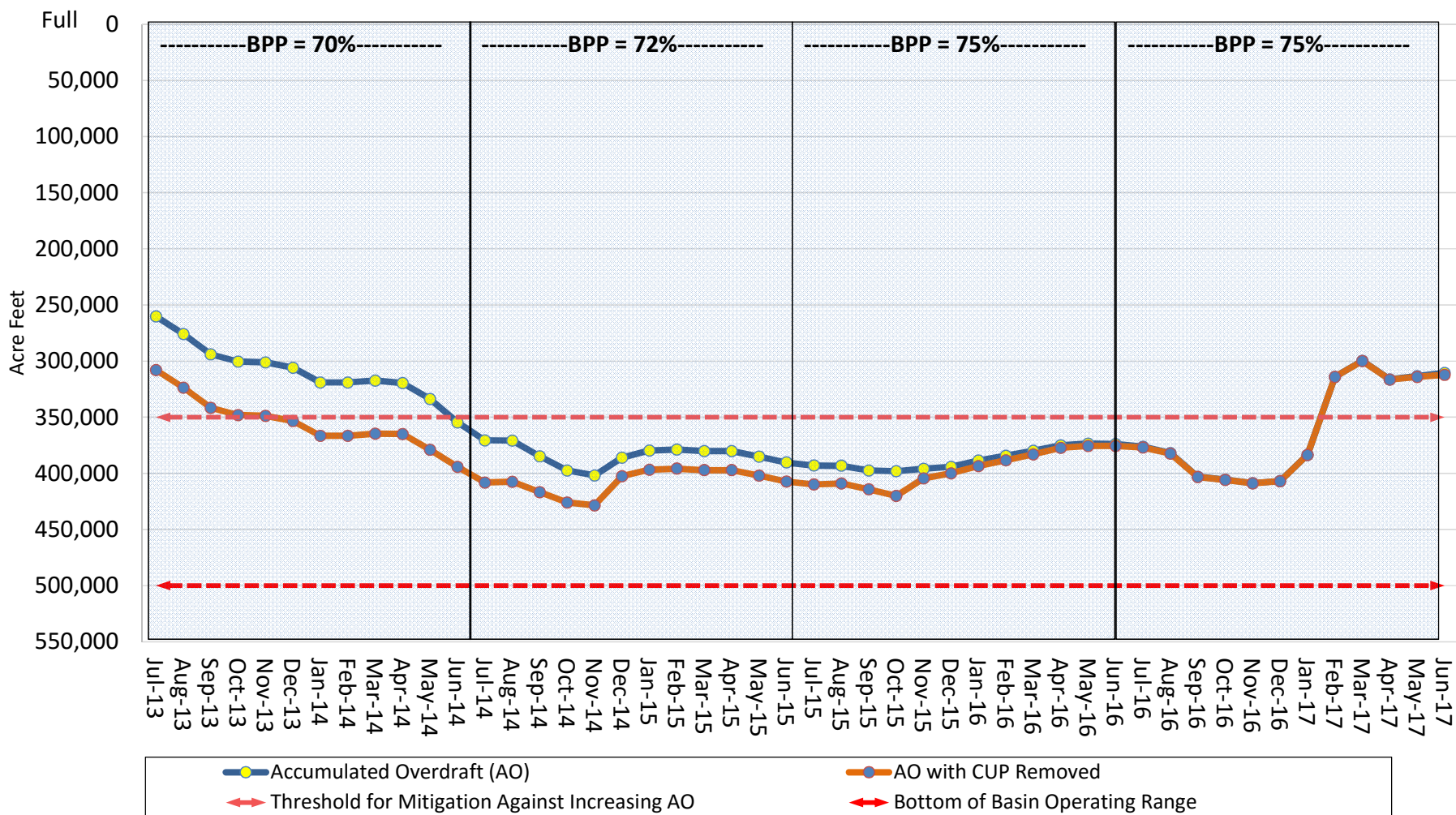


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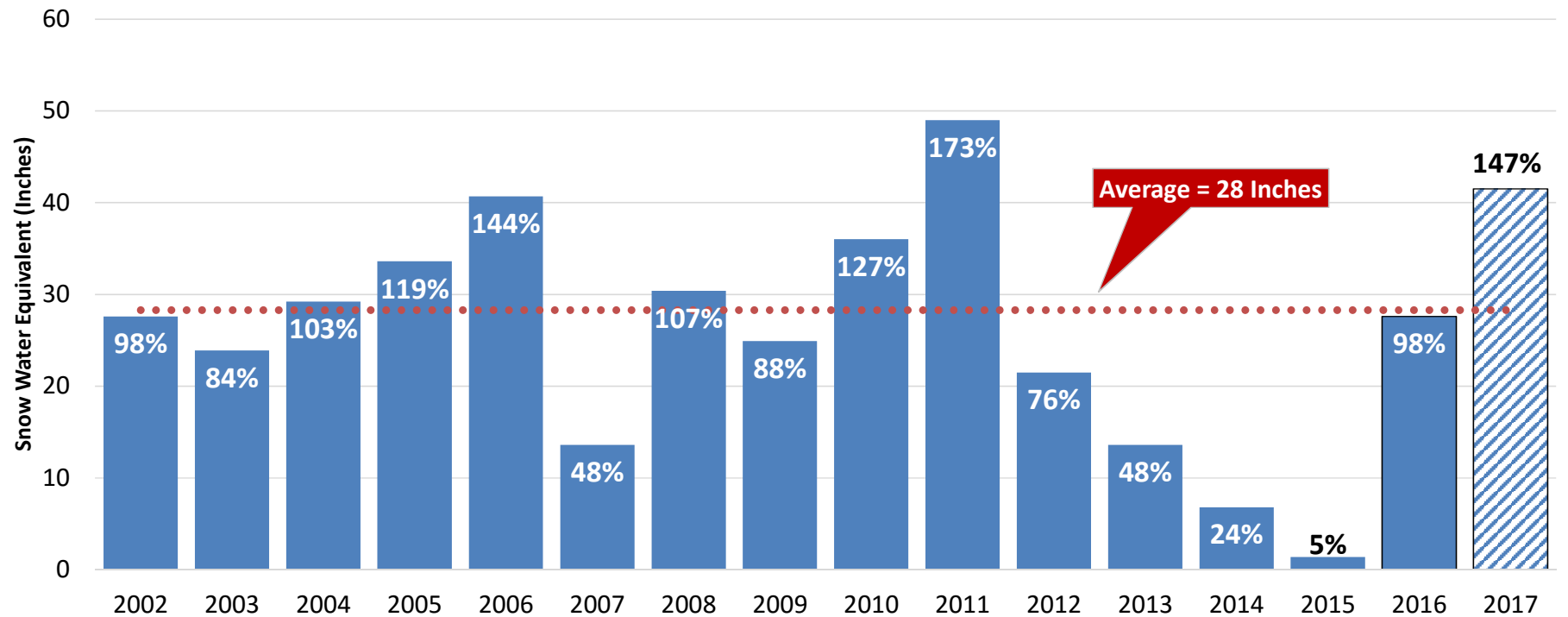


prepared by the Municipal Water District of Orange County
*Numbers are Subject to Change

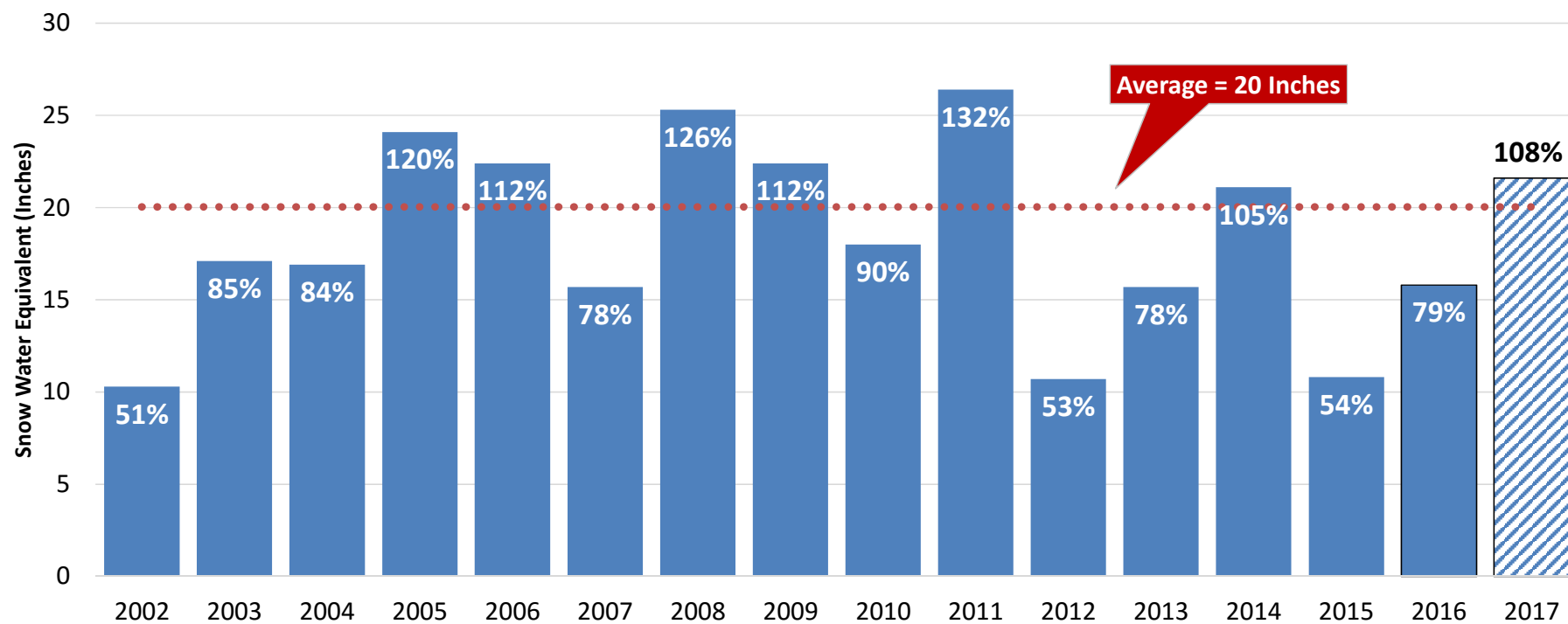
Accumulated Overdraft of the OCWD Groundwater Basin as of June 2017



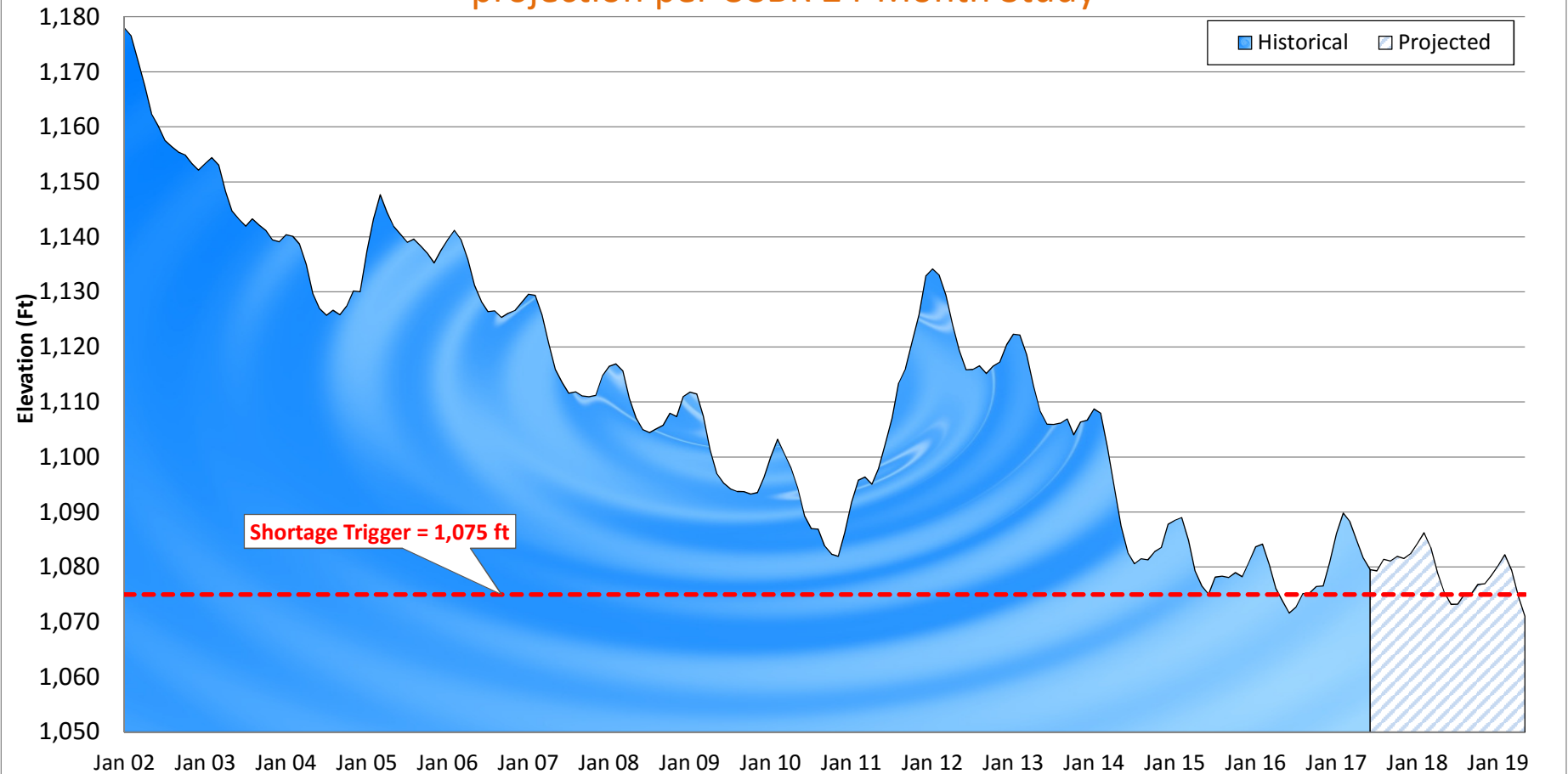
Historical Northern California April 1st Peak Snow Water Equivalent



Historical Colorado Basin April 15th Peak Snow Water Equivalent



Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study



Lake Powell Levels: Historical and Projected projection per USBR 24-Month Study

