

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
June 14, 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 – May 2017
 - b. Disbursement Approval Report for the month of June 2017
 - c. Disbursement Ratification Report for the month of May 2017
 - d. GM Approved Disbursement Report for the month of May 2017
 - e. Water Use Efficiency Projects Cash Flow – May 31, 2017
 - f. Consolidated Summary of Cash and Investment – April 2017
 - g. OPEB Trust Fund monthly statement
2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the Period ending April 30, 2017

ACTION ITEMS

3. RESERVE POLICY REVISION TO DAYS CASH
4. ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY AND GUIDELINES
5. ADOPT RESOLUTION ESTABLISHING THE EMPLOYER PAID MEMBER CONTRIBUTION AMOUNT TO CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)
6. 2017-2018 PAY STRUCTURE ADJUSTMENT

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.)

7. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
8. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

9. 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.

Item 1a

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

WATER REVENUES

Date	From	Description	Amount
05/01/17	Trabuco Canyon Water District	March 2017 Water deliveries	62,828.24
05/01/17	City of Seal Beach	March 2017 Water deliveries	7,403.61
05/01/17	City of La Palma	March 2017 Water deliveries	4,284.95
05/01/17	Serrano Water District	March 2017 Water deliveries	9,131.88
05/05/17	City of Brea	March 2017 Water deliveries	34,272.68
05/08/17	City of Buena Park	March 2017 Water deliveries	314,930.64
05/08/17	Santa Margarita Water District	March 2017 Water deliveries	1,007,671.03
05/10/17	City of Westminster	March 2017 Water deliveries	206,763.76
05/11/17	City of La Habra	March 2017 Water deliveries	7,827.31
05/11/17	Laguna Beach County Water District	March 2017 Water deliveries	84,450.17
05/12/17	South Coast Water District	March 2017 Water deliveries	341,669.96
05/12/17	East Orange County Water District	March 2017 Water deliveries	105,065.60
05/15/17	El Toro Water District	March 2017 Water deliveries	383,503.45
05/15/17	City of San Juan Capistrano	March 2017 Water deliveries	265,207.83
05/15/17	Irvine Ranch Water District	March 2017 Water deliveries	978,211.36
05/15/17	Moulton Niguel Water District	March 2017 Water deliveries	1,130,882.60
05/15/17	Yorba Linda Water District	March 2017 Water deliveries	397,157.36
05/15/17	Golden State Water Company	March 2017 Water deliveries	203,043.28
05/15/17	City of Orange	March 2017 Water deliveries	41,995.27
05/25/17	Serrano Water District	April 2017 Water deliveries	9,131.88
05/26/17	City of Fountain Valley	April 2017 Water deliveries	13,712.14
05/26/17	Trabuco Canyon Water District	April 2017 Water deliveries	23,658.45
05/30/17	City of Newport Beach	April 2017 Water deliveries	628,904.91

TOTAL REVENUES \$ 6,261,708.36

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

MISCELLANEOUS REVENUES

Date	From	Description	Amount
05/01/17	Paypal	3/30/17 Water Policy dinner	707.33
05/30/17	Stan Sprague	June 2017 Retiree Health insurance	234.00
05/08/17	Cathy Green	Movie tickets	102.00
05/15/17	Laura Loewen	Movie tickets	17.00
05/08/17	Mesa Water	4/17/17 First Aid/CPR/AED Training	225.00
05/30/17	US Bank	CAL Card rebate check	739.33
05/15/17	SDRMA	Reimbursement for Loss Prevention program	1,000.00
05/15/17	Santa Margarita Water District	March 2017 Smartimer rebate program	226.29
05/08/17	Mesa Water	March 2017 Smartimer rebate program	2,457.99
05/11/17	Irvine Ranch Water District	February 2017 Turf Removal rebate program	113,528.87
05/08/17	City of Orange	Feb-Mar 2017 Turf Removal rebate program	1,753.75
05/08/17	City of Newport Beach	March 2017 Turf Removal rebate program	111.00
05/10/17	City of Westminster	March 2017 Turf Removal rebate program	777.00
05/11/17	City of Fountain Valley	March 2017 Turf Removal rebate program	402.60
05/11/17	Irvine Ranch Water District	March 2017 Turf Removal rebate program	70,622.80
05/15/17	El Toro Water District	March 2017 Turf Removal rebate program	2,147.50
05/22/17	City of Buena Park	March 2017 Turf Removal rebate program	555.00
05/15/17	Moulton Niguel Water District	March 2017 Smartimer, Rotating Nozzle & Turf Removal rebate program	84,622.83
05/22/17	Moulton Niguel Water District	September 2016 So Cal Watersmart Residential rebate program	9,872.00
05/01/17	Trabuco Canyon Water District	February 2017 So Cal Watersmart Residential rebate program	700.00
05/22/17	Moulton Niguel Water District	March 2017 So Cal Watersmart Residential rebate program	11,200.00
05/23/17	Irvine Ranch Water District	March 2017 So Cal Watersmart Residential rebate program	23,432.61
05/26/17	City of San Clemente	March 2017 So Cal Watersmart Residential rebate program	1,625.00
05/26/17	El Toro Water District	March 2017 So Cal Watersmart Residential rebate program	45.00
05/26/17	Trabuco Canyon Water District	March 2017 So Cal Watersmart Residential rebate program	550.00
05/09/17	Bureau of Reclamation	Oct 16 - Mar 17 CA Friendly Technical Design Assistance	23,339.79
05/09/17	Bureau of Reclamation	Oct 16 - Mar 17 Comprehensive Landscape WUE	49,684.02
05/11/17	Irvine Ranch Water District	Oct-Dec 2016 Landscape Performance Certification program	5,400.00
05/01/17	El Toro Water District	Reimbursement of rebates paid in excess of eligibility	4,210.00
05/01/17	Golden State Water Company	Reimbursement of rebates paid in excess of eligibility	1,632.00
05/10/17	City of Westminster	Reimbursement of rebates paid in excess of eligibility	4,231.00
05/12/17	City of Huntington Beach	Reimbursement of rebates paid in excess of eligibility	161.00
05/01/17	City of La Palma	Addition to the Choice School program FY 16-17	946.22
05/26/17	City of Fountain Valley	FY 16-17 County Wide Communication choice program	3,269.14
05/11/17	City of Fountain Valley	Water Loss Control technical assistance - WSO, Inc.	34,092.00
05/01/17	Trabuco Canyon Water District	Water Loss Control technical assistance - WSO, Inc.	25,497.00

TOTAL MISCELLANEOUS REVENUES **\$ 480,117.07**

TOTAL REVENUES \$ 6,741,825.43


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard C. Ackerman	
1133	April 2017 Consulting for legal & regulatory matters	3,900.00
1136	May 2017 Consulting for legal & regulatory matters	1,175.00
	*** Total ***	5,075.00
	Aleshire & Wynder LLP	
42137	May 2017 Legal services	860.00
	*** Total ***	860.00
	Alliant Insurance Services, Inc.	
627647	7/1/17-7/1/18 Workers Comp insurance premium	18,484.99
	*** Total ***	18,484.99
	ALTA FoodCraft	
517050110	5/3/17 Coffee & tea supplies	177.44
	*** Total ***	177.44
	Awards & Trophies Co., Inc.	
16481	4 Trophies for Poster/Slogan contest winners	60.90
16415	40 Name plates for Poster/Slogan contest winners	152.25
	*** Total ***	213.15
	Best Best and Krieger LLP	
55401-APR17	April 2017 Legal services	11,117.55
795813	April 2017 State legislative advocacy services	8,195.84
	*** Total ***	19,313.39
	Blytheco LLC	
291963	4/21/17 Consulting and support for Human Resource Management System software	185.00
292273	5/15/17 Consulting and support for Human Resource Management System software	370.00
	*** Total ***	555.00
	CDW Government	
HZX4080	2 Dual monitor arms	220.09
	*** Total ***	220.09
	Consolidated Office Systems	
28911	Under cabinet light for D. Micalizzi	230.59
	*** Total ***	230.59
	CSU Fullerton ASC	
AR166549	4th Quarter FY 16/17 CDR Support	9,992.86
AR166607	Enrollment data for middle & high schools by MWDOC retail agency	845.45
	*** Total ***	10,838.31

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Dissinger Associates</i>	
AP-MWD 04/30/17	2016 Pension plan administrative fees	2,400.00
AP-MWD 05/31/17	May 2017 Pension plan distribution processing fee	50.00
	*** Total ***	2,450.00
	<i>Eagle Communications</i>	
716385	Relocate WEROC radios to new WEROC office	355.94
	*** Total ***	355.94
	<i>Finley & Cook PLLC</i>	
SI0022105	6/1/17-6/1/18 Annual maintenance & enhancements for Jet Reports	1,397.00
	*** Total ***	1,397.00
	<i>Fry's Electronics</i>	
21963911	5/22/17 Computer supplies	156.58
21986289	6/7/17 Computer supplies	43.49
	*** Total ***	200.07
	<i>Genisys Corporation</i>	
051459	Memory and hard drives for servers	731.35
	*** Total ***	731.35
	<i>Gladwell Governmental Services, Inc.</i>	
3709	5/18/17-5/19/17 Records management services	1,920.00
	*** Total ***	1,920.00
	<i>GovConnection, Inc.</i>	
54779933	Arcserve backup license and maintenance for 3 years	1,660.96
54775924	Cisco security software subscription for 3 years	2,230.87
	*** Total ***	3,891.83
	<i>Hashtag Pinpoint Corporation</i>	
1093	May 2017 Social media services for California WaterFix & EcoRestore outreach	5,000.00
1101	June 2017 Social media services for California WaterFix & EcoRestore outreach	5,000.00
	*** Total ***	10,000.00
	<i>Immersiv Media, Inc.</i>	
MWDOC 2017-021	April-June 2017 MWDOC website hosting & maintenance	525.00
	*** Total ***	525.00
	<i>James C. Barker, P.C.</i>	
105-0517	May 2017 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Karen's Detail Custom Frames</i>	
2917	Custom framing for 40 Poster/Slogan contest winners	1,155.08
2918	Custom framing of resolution for D. Man	120.68
	*** Total ***	1,275.76
	<i>Lewis Consulting Group, LLC</i>	
2017-127	May 2017 Consulting services	3,375.00
	*** Total ***	3,375.00
	<i>Edward G. Means III</i>	
MWDOC-1048	May 2017 Support for MET issues & guidance to Engineering staff	1,261.24
	*** Total ***	1,261.24
	<i>Norco Delivery Services</i>	
709333	4/28/17 Delivery charges for Board packets	116.85
709501	5/12/17 Delivery charges for Board packets	169.36
	*** Total ***	286.21
	<i>Office Solutions</i>	
I-01167501	Overhead cabinet & lateral file installed in D. Micalizzi's office	1,082.89
I-01168037	5/19/17 Office supplies	708.06
I-01168682	5/22/17 Office supplies	76.11
I-01176023	Cabinet for 101 conference room computer	342.56
I-01176067	6/6/17 Office supplies	41.31
	*** Total ***	2,250.93
	<i>Orange County Water District</i>	
17458	April 2017 50% share of WACO expense	227.96
17475	Final shared costs OCWD/MWDOC common area remodel	2,075.74
17472	April 2017 Postage, shared office & maintenance expense	6,281.27
	*** Total ***	8,584.97
	<i>Patricia Kennedy Inc.</i>	
21309	June 2017 Plant maintenance	214.00
	*** Total ***	214.00
	<i>Petrusse-Norris Painting, Inc.</i>	
17126	May 2017 Services to paint office 106	1,669.89
	*** Total ***	1,669.89
	<i>Public Relations Society of America</i>	
1875720-2017	4/1/17-3/31/18 National & Orange County chapter membership dues for J. Volzke	330.00
	*** Total ***	330.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Southern California Water Committee</i>	
27055	Education and Outreach program on Statewide Water Supply & Delta issues sponsorship	30,000.00
	*** Total ***	30,000.00
	<i>Staffing Network, LLC</i>	
95701435	5/8/17-5/14/17 Temporary help for scanning records and front desk coverage	1,060.80
95701819	5/15/17-5/21/17 Temporary help for scanning records and front desk coverage	1,060.80
95702551	5/22/17-5/28/17 Temporary help for scanning records and front desk coverage	1,060.80
	*** Total ***	3,182.40
	<i>Talent Assessment and Development, LLC</i>	
3109	May 2017 Consulting services	300.00
	*** Total ***	300.00
	<i>U. S. HealthWorks Medical Group</i>	
3118670-CA	5/3/17 Pre-employment exam	173.00
3125989-CA	5/6/17 Pre-employment exam	173.00
	*** Total ***	346.00
	<i>USAFact Inc.</i>	
7051315	5/3/17 Pre-employment background check	67.34
7052043	5/10/17 Pre-employment background check	68.48
	*** Total ***	135.82
	<i>Water Systems Optimization, Inc.</i>	
1166	May 2017 Water Loss Control program	3,645.00
	*** Total ***	3,645.00
	<i>Total Core Expenditures</i>	142,296.37

Choice Expenditures:

	<i>Bryton Printing Inc.</i>	
13577	Bill inserts for Water Use Efficiency programs	2,964.14
	*** Total ***	2,964.14
	<i>Discovery Science Center</i>	
DSOC/IV/000544	April 2017 for School program	17,119.28
	*** Total ***	17,119.28
	<i>Lithocraft Company</i>	
61983	210,000 Door hangers for Timer Rebate program	7,781.71
62061	30,000 Door hangers for Turf Removal and Landscape Design Assistance programs	2,977.14
	*** Total ***	10,758.85

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Orange County Water District	
17472	April 2017 Postage for Water Use Efficiency rebate programs	45.28
	*** Total ***	45.28
	Quick Signs & Graphics	
47195	8 Magnetic signs with MWDOC logo for inspection site visits	213.07
	*** Total ***	213.07
	Top Hat Productions	
92860	5/9/17 Lunch for Water Loss Control workgroup meeting	338.07
92854	5/4/17 Lunch for Water Use Efficiency workgroup meeting	448.72
	*** Total ***	786.79
	Total Choice Expenditures	31,887.41
Other Funds Expenditures:		
	EcoTech Services, Inc.	
880	4/26/17-5/25/17 8 Templates for Landscape Design program	12,000.00
	*** Total ***	12,000.00
	Impact Promotional Products	
JOB 2778	20 Turf Removal program lawn signs for South County agencies	414.03
	*** Total ***	414.03
	McCall's Meter Sales & Service	
29352	May 2017 Meter Accuracy Testing program for South Coast Water District	1,000.00
	*** Total ***	1,000.00
	Mega Maids Cleaning Service	
8703	May 2017 WEROC S. EOC cleaning services	75.00
8717	May 2017 WEROC N. EOC cleaning services	85.00
	*** Total ***	160.00
	Mission RCD	
2251	May 2017 Field verifications for Water Use Efficiency rebate programs	15,175.11
	*** Total ***	15,175.11
	Quality Fuel Trailer & Tank, Inc.	
524548	Diesel fuel trailer for City of Westminster	18,225.79
524549	Diesel fuel trailer for City of Huntington Beach	18,225.79
	*** Total ***	36,451.58
	Quick Signs & Graphics	
46962	25 Turf Removal program lawn signs for North County agencies	810.82
	*** Total ***	810.82

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Water Systems Optimization, Inc.</i>	
1166	May 2017 Water Loss Control program	27,419.32
	*** Total ***	27,419.32
	<i>Total Other Funds Expenditures</i>	<hr/> 93,430.86
	<i>Total Expenditures</i>	<hr/> <hr/> 267,614.64

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
136775	5/5/17	SPECTB 5210-MAY17	Spectrum Business May 2017 Telephone and internet expense ***Total ***	 2,208.80 2,208.80
136776	5/5/17	VERIZO 9784520171	Verizon Wireless April 2017 4G Mobile broadband unlimited service ***Total ***	 55.19 55.19
136787	5/15/17	IRONMO NUV3446	Iron Mountain May 2017 Archived document storage ***Total ***	 307.57 307.57
136793	5/15/17	SPECTB 3564-MAY17	Spectrum Business May 2017 Telephone expense for 3 analog fax lines ***Total ***	 107.19 107.19
136797	5/15/17	TAMARI 043017	Satoru Tamaribuchi April 2017 Business expense ***Total ***	 305.02 305.02
136799	5/15/17	VOLZKE 042817	Jonathan Volzke April 2017 Business expense ***Total ***	 56.08 56.08
ACH002536	5/15/17	ACKEEX 043017	Linda Ackerman April 2017 Business expense ***Total ***	 74.90 74.90
ACH002538	5/15/17	BAEZHE 042117	Heather Baez March-April 2017 Business expense ***Total ***	 191.76 191.76
ACH002539	5/15/17	BARBRE 033117	Brett Barbre March 2017 Business expense ***Total ***	 249.00 249.00
ACH002540	5/15/17	BAUMHA 042917	Melissa Baum-Haley March-April 2017 Business expense ***Total ***	 579.99 579.99
ACH002541	5/15/17	BERGJO 042817	Joseph Berg March-April 2017 Business expense ***Total ***	 1,047.07 1,047.07

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH002545	5/15/17	BUSSLI 043017	Charles Busslinger April 2017 Business expense ***Total ***	 146.53 146.53
ACH002546	5/15/17	DICKEX 043017	Larry Dick April 2017 Business expense ***Total ***	 172.31 172.31
ACH002550	5/15/17	FINNEG 043017	Joan Finnegan April 2017 Business expense ***Total ***	 91.94 91.94
ACH002552	5/15/17	HARRIS 042517	Cathleen M. Harris April 2017 Business expense ***Total ***	 331.28 331.28
ACH002556	5/15/17	HOSTER 050217	Kevin Hostert March-May 2017 Business expense ***Total ***	 187.26 187.26
ACH002558	5/15/17	LOEWEN 043017	Laura Loewen April 2017 Business expense ***Total ***	 100.87 100.87
ACH002560	5/15/17	CONWAY 043017	Matthew Conway April 2017 Business expense ***Total ***	 70.88 70.88
ACH002571	5/15/17	ROBERT 043017	Bryce Roberto April 2017 Business expense ***Total ***	 164.43 164.43
ACH002572	5/15/17	THOMAS 043017	Jeffery Thomas April 2017 Business expense ***Total ***	 140.17 140.17
136875	5/31/17	TAMARI 043017A	Satoru Tamaribuchi April 2017 Business expense ***Total ***	 464.98 464.98
136876	5/31/17	USBANK 4140/5443-APR17	U.S. Bank 3/22/17-4/24/17 Cal Card charges ***Total *** (See attached sheet for details)	 15,726.89 15,726.89

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002574	5/31/17	BAUMHA 022817	Melissa Baum-Haley February 2017 Business expense ***Total ***	 217.77 217.77
ACH002583	5/31/17	SCHNEI 043017	Megan Yoo Schneider April 2017 Business expense ***Total ***	 219.92 219.92
Total Core Disbursements				23,217.80

Choice Disbursements:

ACH002541	5/15/17	BERGIO 042817	Joseph Berg March-April 2017 Business expense ***Total ***	 107.69 107.69
136876	5/31/17	USBANK 4140-APR17	U.S. Bank Cal Card charges 3/22/17-4/24/17 ***Total *** (See attached sheet for details)	 109.22 109.22
Total Choice Disbursements				216.91

Other Funds Disbursements:

136774	5/5/17	ATTEOC 4492-APR17 8200-APR17 0532-APR17	AT&T April 2017 WEROC S. EOC telephone expense April 2017 WEROC N. EOC telephone expense April 2017 WEROC N. EOC dedicated phone line ***Total ***	 253.18 188.59 64.73 506.50
136776	5/5/17	VERIZO 9784520171	Verizon Wireless April 2017 4G Mobile broadband unlimited service ***Total ***	 38.01 38.01
136777	5/15/17	OCWD 17391	Orange County Water District March 2017 GWRS MET credit ***Total ***	 676,484.33 676,484.33
136779	5/15/17	ATTUVEOC 8599-MAY17	AT&T May 2017 U-verse internet service for WEROC N. EOC ***Total ***	 55.00 55.00

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002541	5/15/17	BERGJO	Joseph Berg	
		042817	March-April 2017 Business expense	4.50
			***Total ***	4.50
	5/15/17	HUBBAR	Kelly Hubbard	
ACH002553		033117	March 2017 Business expense	166.33
ACH002554		043017	April 2017 Business expense	99.00
			***Total ***	265.33
ACH002561	5/15/17	MESAWA	Mesa Water	
		9170	March 2017 Credit for Local Resources program	50,435.95
			***Total ***	50,435.95
136801	5/16/17	TURFRP	Turf Removal Program	
		TR8-R-IRWD-7420-7368	K. Chen (Re-issue)	476.00
			***Total ***	476.00
		DRIPPR	Spray to Drip Program	
136802	5/26/17	S2D-IRWD-4168	V. Pillai	175.00
136803	5/26/17	S2D-IRWD-4152	S. Lee	525.00
136804	5/26/17	S2D-LBCWD-8247	C. Rice	350.00
136805	5/26/17	S2D-LBCWD-8260	J. Morcos	525.00
136806	5/26/17	S2D-SEWD-4438	L. Bawkey	525.00
136807	5/26/17	S2D-SCWD-8245	C. Chang	350.00
			***Total ***	2,450.00
		TURFRP	Turf Removal Program	
136808	5/26/17	TR10-R-SOCO-13451-13399	M. Wieler	402.00
136809	5/26/17	TR10-R-SM-13450-13398	A. Hock	601.00
136810	5/26/17	TR10-R-O-4853-4775	E. Strickland	274.00
136811	5/26/17	TR10-R-YLWD-13390-13341	P. Norton	348.00
136812	5/26/17	TR10-R-SOCO-7426-7375	C. Chang	925.00
136813	5/26/17	TR10-R-SOCO-13332-13301	M. Linville	946.00
136814	5/26/17	TR10-R-SWD-7693-7651	J. Sommer	911.00
136815	5/26/17	TR8A-R-IRWD-8057-8021	G. Ponce	2,276.00
136816	5/26/17	TR10-R-MNT-12255-12209	P. Soteropoulos	2,760.00
136817	5/26/17	TR9A-R-MNT-12146-12103	C. Wurth	1,808.00
136818	5/26/17	TR10-R-O-7520-7481	M. Guebert	886.95
136819	5/26/17	TR10-R-IRWD-13401-13352	Y. Sun	842.00
136820	5/26/17	TR10-R-WEST-4720-4640	C. Duong	636.00
136821	5/26/17	TR10-C-MESA-4864-4790	L. Nguyen	1,167.00
136822	5/26/17	TR10-R-SOCO-4925-4848	S. Hahn	1,000.00
136823	5/26/17	TR10-R-SWD-7721-7678	L. Bawkey	1,000.00
136824	5/26/17	TR10-R-BREA-6266-6210	L. Anda	1,000.00

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
136825	5/26/17	TR10-R-YLWD-5163-5092	Y. Xia	913.00
136826	5/26/17	TR10-R-O-6263-6192	G. Stoup	1,000.00
136827	5/26/17	TR8-R-IRWD-7443-7402	A. Kenyon	668.16
136828	5/26/17	TR10-R-YLWD-12253-12207	J. Tran	676.00
136829	5/26/17	TR10-R-TUST-7421-7369	D. Pfeifer	539.00
136830	5/26/17	TR10-R-SB-7356-7309	D. Anderson White	1,000.00
136831	5/26/17	TR10-R-SOCO-7343-7296	R. Tilimon	390.00
136832	5/26/17	TR10-R-TC-12242-12197	Q. Zhou	1,000.00
136833	5/26/17	TR10-R-YLWD-7867-7833	D. Lee	1,000.00
136834	5/26/17	TR10-R-NWPT-12303-12259	M. Kavoossi	1,000.00
136835	5/26/17	TR10-R-MNT-13318-13269	Q. Vu	1,326.00
136836	5/26/17	TR10-R-MNT-12251-12205	L. Namy	996.00
136837	5/26/17	TR10-R-YLWD-12210-12167	D. Miller	274.00
136838	5/26/17	TR10-R-YLWD-7882-7849	D. Brokop	251.00
136839	5/26/17	TR9A-R-MNT-7955-7919	G. Sadri	1,514.00
136840	5/26/17	TR10-R-IRWD-13434-13384	J. Tesoriero	804.00
136841	5/26/17	TR10-R-SOCO-7923-7887	C. Malak	1,000.00
136842	5/26/17	TR10-R-WEST-7976-7941	J. Nguyen	875.00
136843	5/26/17	TR8A-R-IRWD-8010-7973	J. Pendse	1,722.00
136844	5/26/17	TR10-R-SOCO-8075-8040	G. Schoenau	1,000.00
136845	5/26/17	TR10-R-O-9105-9067	A. Truong	254.00
136846	5/26/17	TR8A-R-IRWD-12189-12143	K. Tran	2,548.00
136847	5/26/17	TR8A-R-IRWD-12190-12144	Z. Zhao	3,284.00
136848	5/26/17	TR8A-R-IRWD-9099-9061	L. Rauch	880.00
136849	5/26/17	TR8A-R-IRWD-11137-11095	S. Raskin	510.00
136850	5/26/17	TR10-R-NWPT-12158-12113	K. Strahl	53.00
136851	5/26/17	TR10-R-MNT-13433-13383	P. Dowling	2,678.00
136852	5/26/17	TR8A-R-IRWD-12234-12189	M. Entina	2,824.00
136853	5/26/17	TR8A-R-IRWD-12287-12239	A. Eltawil	1,464.00
136854	5/26/17	TR8A-R-IRWD-12279-12231	S. Broglin	1,020.00
136855	5/26/17	TR10-R-IRWD-13446-13396	A. Zucker	350.00
136856	5/26/17	TR10-R-BREA-12300-12255	L. Lau	560.00
136857	5/26/17	TR10-R-NWPT-12302-12258	R. Kavoossi	343.00
136858	5/26/17	TR10-R-MNT-13351-13300	M. Fees	1,082.00
136859	5/26/17	TR10-R-MNT-13370-13320	M. Naimi	1,626.00
136860	5/26/17	TR10-R-MNT-13426-13376	O. Nasiby	608.00
136861	5/26/17	TR10-R-IRWD-13378-13328	Y. Buck	504.00
136862	5/26/17	TR10-R-IRWD-13420-13370	D. Martinoff	948.00
136863	5/26/17	TR10-R-MNT-13380-13330	C. Le	684.00
136864	5/26/17	TR10-R-ETWD-13398-13349	R. Buck	2,000.00
136865	5/26/17	TR10-R-WEST-13408-13359	M. Tran	992.00
136866	5/26/17	TR10-R-IRWD-13432-13382	J. Costello	920.00
136867	5/26/17	TR9A-R-MNT-12184-12138-	J. Herrera	132.00
***Total ***				61,995.11

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
136869	5/31/17	ATTEOC	AT&T	
		4492-MAY17	May 2017 WEROC S. EOC telephone expense	253.18
		8200-MAY17	May 2017 WEROC N. EOC telephone expense	188.59
		0532-MAY17	May 2017 WEROC N. EOC dedicated phone line	53.60
			***Total ***	495.37
136870	5/31/17	CATALI	Catalina Island Conservancy	
		0014241	May 2017 WEROC radio repeater site lease	1,718.29
			***Total ***	1,718.29
136873	5/31/17	SANTI1	Santiago Aqueduct Commission	
		MAR2017	March 2017 SAC Pipeline operation surcharge	225.35
			***Total ***	225.35
136876	5/31/17	USBANK	U.S. Bank	
		4140-APR17	Cal Card charges 3/22/17-4/24/17	1,108.16
			***Total ***	1,108.16
			(See attached sheet for details)	
ACH002584	5/31/17	SANTAM	Santa Margarita Water District	
		MAR2017	March 2017 SCP Pipeline operation surcharge	23,731.35
			***Total ***	23,731.35
ACH002585	5/31/17	SOTOFR	Francisco Soto	
		051317	April-May 2017 Business expense	182.25
			***Total ***	182.25
WIRE-170531	5/31/17	METWAT	Metropolitan Water District	
		8988	March 2017 Water deliveries	7,291,324.42
			***Total ***	7,291,324.42
			Total Other Funds Disbursements	8,111,495.92
			Total Disbursements	8,134,930.63



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: April 24, 2017
Payment Date: May 31, 2017

Date	Description	Amount
<u>K. Seckel Card</u>		
03/22/17	MET Directors trip in Sacramento, CA from Mar. 28-29, 2017 - Airfare for Director Barbre refunded	\$ (535.88)
03/23/17	UPS delivery charges for Board packets on Mar. 10 & 15, 2017	115.57
03/24/17	MET Directors trip in Sacramento, CA from Mar. 28-29, 2017 - Accommodations for Director Barbre refunded	(389.91)
03/24/17	Table skirts for conference room tables	255.60
03/26/17	Minute book and refill pages	168.34
03/24/17	3/24/17-3/24/18 Web hosting service for new MWDOC website	1,320.00
03/27/17	Table skirt clips for conference room tables	40.00
03/27/17	Lunch for MET Directors' meeting	170.50
03/28/17	Office supplies from Costco	458.42
03/28/17	California Water Efficiency Partnership meeting in Sacramento, CA on Apr. 5, 2017 - Airfare for J. Berg	491.88
03/29/17	California Special Districts Association Governance Foundations training in Sacramento, CA from Mar. 27-28, 2017 - Accommodations for Director Schneider	135.46
03/29/17	California Landscape Contractors Association Model Water Efficient Landscape Ordinance workshop in Montclair, CA on Apr. 13, 2017 - Registration for M. Conway	115.00
03/30/17	FedEx delivery charges for Board of Supervisors on Mar. 28, 2017	16.69
03/29/17	Orange County Business Council Washington D.C. Advocacy trip in Washington, DC from May 1-3, 2017 - Airfare for Director Barbre	1,378.40 ¹
04/01/17	FedEx delivery charges for Board of Supervisors on Mar. 30, 2017	16.69
04/01/17	Lunch for Boy Scout Merit Badge clinic on Apr. 1, 2017	412.50
03/31/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Registration for M. Baum-Haley	699.00
03/31/17	2017 Pocket directory for the California Legislature	20.19
03/31/17	3/31/17-4/29/17 Subscription for Survey Monkey software	26.00
03/31/17	3/16/17-3/25/17 Facebook posts for Water Policy Dinner and Water Use Efficiency rebates	213.77
04/03/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Registration for K. Seckel partial refund for speaker	(139.80)
04/04/17	Association of California Cities, Orange County Housing Infrastructure tour in Orange County on Apr. 7, 2017 - Registrations for J. Berg & J. Volzke	90.00
04/03/17	California Water Efficiency Partnership meeting in Sacramento, CA on Apr. 11, 2017 - Airfare for J. Berg	417.96
04/05/17	FedEx delivery charges for Board of Supervisors on Apr. 3, 2017	16.69
04/04/17	Lunch for MET Directors' meeting	206.83

Cal Card Statement Detail
Statement Date: April 24, 2017
Payment Date: May 31, 2017

Date	Description	Amount
04/05/17	California Emergency Services Association Annual membership for F. Soto	110.00
04/05/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Registration for H. Baez	555.00
04/04/17	ACWA Spring conference in Monterey, CA from May 9-11, 2017 - Accommodation for K. Hubbard	427.16
04/04/17	ACWA Spring conference in Monterey, CA from May 9-11, 2017 - Accommodations for H. Baez	427.16
04/04/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Accommodations for M. Baum-Haley	691.02
04/06/17	American Water Works Association CA-NV Section Spring conference in Anaheim, CA from Apr. 10-13, 2017 - Registration for F. Soto	545.00
04/06/17	Computer supplies	279.80
04/07/17	Legislative activities in Washington, DC from Feb.28 - Mar. 2, 2017 - Accommodations for Director Barbre partial refund	(42.30)
04/10/17	UPS delivery charges for Board packets on Apr. 7, 2017	7.28
04/11/17	Brown and Caldwell job posting for Water Resources Analyst position	100.00
04/12/17	Rental of tables, chairs & linens for K. Lyon retirement lunch	375.23
04/12/17	Orange County Business Council Washington D.C. Advocacy trip in Washington, DC from May 1-3, 2017 - Registration for Director Barbre	1,785.00
04/13/17	5 Year domain name registration for ocweroc.com	72.85
04/14/17	Food for Staff development meeting	29.98
04/13/17	Environmental Leaders meeting in Sacramento, CA on May 2, 2017 - Airfare for R. Hunter	335.96
04/13/17	Environmental Leaders meeting in Sacramento, CA on May 2, 2017 - Airfare for Director Tamaribuchi	335.96
04/13/17	Environmental Leaders meeting in Sacramento, CA on May 2, 2017 - Airfare for K. Seckel	335.96
04/13/17	Department of Water Resources Water Loss Control meeting in Sacramento, CA from Apr. 17-18, 2017 - Airfare for J. Berg	491.96
04/17/17	UPS delivery charges for Board packets on Apr. 7 & 12, 2017	123.88
04/17/17	Lunch for CPR training class	210.45
04/17/17	Environmental Leaders meeting in Sacramento, CA on May 2, 2017 - Airfare for Garry Brown	351.96
04/18/17	Legislative activities in Sacramento, CA on Apr. 21, 2017 - Airfare date change for H. Baez	86.05
04/19/17	California Water Efficiency Partnership meeting in Sacramento, CA from Apr. 27-28, 2017 - Airfare for J. Berg	454.96
04/20/17	Legislative activities in Washington, DC from Apr. 19-21, 2017 - Accommodations for Director Barbre	1,036.68 2

Cal Card Statement Detail
Statement Date: April 24, 2017
Payment Date: May 31, 2017

Date	Description	Amount
04/20/17	Legislative activities in Sacramento, CA on May 19, 2017 - Airfare for H. Baez	372.36
04/20/17	California Special Districts Association Legislative Days in Sacramento, CA from May 16-17, 2017 - Airfare for H. Baez	491.96
Total		<u>15,711.22</u>

- 1 Director Barbre reimbursed MWDOC \$350.00
- 2 Director Barbre reimbursed MWDOC \$202.41

R. Hunter Card

3/22/17-4/24/17	Meals for R. Hunter's meetings	\$ 201.89
03/22/17	California Special Districts Association Legislative Days in Sacramento, CA from May 16-17, 2017 - Registration for H. Baez	175.00
03/23/17	California Environmental Dialogue Longview Committee meeting in Sonoma, CA from Apr. 12-13, 2017 - Accommodations for R. Hunter	461.66
03/23/17	Lunch for Public Affairs workshop	312.50
03/31/17	California Environmental Dialogue meeting in San Francisco, CA on Mar. 31, 2017 - Transportation & parking for R. Hunter	38.00
04/14/17	California Environmental Dialogue Longview Committee meeting in Sonoma, CA from Apr. 12-14, 2017 - Parking for R. Hunter	44.00
Total		<u>1,233.05</u>

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
136868	5/26/17	FRANKP MWDOC5-11-17-003 MWDOC5-11-17-004	Frank Pitman Designs, Inc. Carpet for hallway & office 108 refurbishment Coping for hallway & office 108 refurbishment ***Total ***	1,887.37 454.04 2,341.41
136874	5/31/17	STAFFI 95700754	Staffing Network, LLC 5/1/17-5/7/17 Temporary help for scanning records and front desk coverage ***Total ***	808.86 808.86
ACH002573	5/31/17	ACWAJP FA-0230320-17	ACWA Joint Powers 4/1/17- 4/1/18 Annual fidelity insurance premium ***Total ***	1,938.00 1,938.00
Total Core Disbursements				5,088.27
Choice Disbursements:				
Total Choice Disbursements				0.00
Other Funds Disbursements:				
Total Other Funds Disbursements				0.00
Total Disbursements				5,088.27


 Robert J. Hunter, General Manager


 Hilary Chumplitazi, 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 5/31/17

	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	TOTALS
Cash - Beginning Balance	\$ (2,257,237.25)	\$ (3,224,747.37)	\$ (2,270,840.96)	\$ (400,006.46)	\$ (100,015.28)	\$ (92,342.95)	\$ 32,509.77	\$ 36,819.09	\$ (32,876.53)	\$ 88,459.08	\$ (40,451.25)	\$ 126,923.60	
REVENUES:													
BUREC				36,748.36		95,010.00					73,023.81		\$ 204,782.17
City of Brea	339.97		144.99		294.99								779.95
City of Buena Park	332.10	111.00		222.00	111.00	111.00	333.00				555.00		1,775.10
City of Fountain Valley										777.00	402.60		1,179.60
City of Fullerton		75.00											75.00
City of Garden Grove			222.00	666.00		777.00							1,665.00
City of Huntington Beach	640.85	49.99	519.99	117.96	557.99		1,116.13				161.00		3,163.91
City of La Habra	111.00		111.00								222.00		222.00
City of San Clemente					1,110.00			125.00		725.00	1,625.00		3,696.00
City of San Juan Capistrano				402.70									1,049.58
City of Tustin	11,583.00	25,459.59	111.00		3,371.00				376.05	333.00	111.00		40,413.59
City of Newport Beach	450.00		238.99		375.99	7,516.00			1,665.00		1,753.75		9,401.03
City of Orange	2,869.43	333.00		291.00		111.00	111.00			888.00	5,008.00		7,134.18
City of Westminster													5,896.00
County of Orange				25,297.04									25,297.04
Department of Water Resources		40,479.67				3,777.75	1,697.75			2,072.16			48,027.33
El Toro Water District	75.00	75.00		2,552.00	366.99			15.00	625.00	7,020.10	6,402.50		17,206.59
Golden State Water Company	1,980.00		75.00								1,632.00		3,737.00
Irvine Ranch Water District	93,764.10	542,331.88	132,095.59	309,490.34	45,597.19	32,010.98	13,500.00	56,012.38	35,922.83	47,207.00	212,984.28		1,520,916.57
Laguna Beach County Water District	1,110.00	1,041.00		396.00					15.00				2,577.00
Mesa Water District	1,127.37		80.00	209.99	149.99		1,050.00				2,457.99		5,075.34
Metropolitan Water District			1,934,765.85	28,195.82		70,484.98			158,687.96				2,192,134.61
Moulton Niguel Water District	459,396.32	663,295.61	17,279.42	102,026.49	96,834.06	4,400.00	104,764.64	35,654.00	90,041.00	37,604.79	105,694.83		1,736,991.16
Orange County Water District									2,247.70				2,247.70
Santa Margarita Water District	6,821.55	3,703.49	10,737.34	8,062.96		4,215.84	1,693.97	12,326.00			226.29		47,787.44
Serrano Water District	75.00												75.00
Trabuco Canyon Water District	475.00	150.00	200.00	100.00	100.00	100.00	200.00		300.00		1,250.00		2,875.00
Yorba Linda Water District						596.00							596.00
Miscellaneous Revenues													
Interest Revenue		103.68		884.00						105.08			1,092.76
Total Revenues	580,811.69	1,297,325.91	2,097,100.17	515,712.66	149,294.08	219,110.55	124,466.49	104,132.38	289,880.54	96,747.13	413,288.05	-	\$ 5,887,869.65
EXPENDITURES:													
Aquaficient	5,400.00					5,400.00				5,400.00			\$ 16,200.00
Bryton Printing													2,500.00
Conservation Consulting, LLC				28,894.25									28,894.25
DeLorenzo International										26,550.00			26,550.00
Ecolich											15,000.00		15,000.00
Golden State Water Company					100.00								100.00
Laguna Beach CWD						240.00		560.00		320.00			1,120.00
Metropolitan Water District	229,162.49	111,028.73			19,364.33		13,053.16			77,512.94	149,713.12		598,834.77
Mission RCD	18,300.13	14,225.68	38,367.35		8,770.78	24,081.46		9,322.50	28,525.40	37,724.84	16,754.97		196,073.11
Regents UCI Medical								18,684.00					18,684.00
Spray to Drip program											2,450.00		2,450.00
Surfco Gizmo					675.00								675.00
Turfgrass Removal	1,287,489.27	214,655.09	175,786.98	179,854.83	110,111.64	57,547.37	102,895.83	140,776.50	110,756.26	78,149.68	61,995.11		2,520,018.56
UCI Medical									6,500.00				6,500.00
Miscellaneous Expenses													
Intellect Expense	7,579.92			5,087.40			178.18						12,845.50
Salaf & Benefit	390.00		12,111.34	1,885.00		6,989.00	4,030.00	4,485.00	22,763.27				56,163.61
Total Expenditures	1,548,321.81	343,419.50	226,265.67	215,721.48	141,621.75	94,257.83	120,157.17	173,828.00	168,544.93	225,657.46	245,913.20	-	\$ 3,503,708.80
Cash - Ending Balance	\$ (3,224,747.37)	\$ (2,270,840.96)	\$ (400,006.46)	\$ (100,015.28)	\$ (92,342.95)	\$ 32,509.77	\$ 36,819.09	\$ (32,876.53)	\$ 88,459.08	\$ (40,451.25)	\$ 126,923.60	\$ 126,923.60	



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

April 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

www.mwdoc.comWayne S. Osborne
PresidentBrett R. Barbre
Vice PresidentLarry D. Dick
DirectorJoan C. Finnegan
DirectorMegan Yoo Schneider
DirectorSat Tamaribuchi
DirectorJeffery M. Thomas
DirectorRobert 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	21.26%
Grant & Project Cash Flow	1,500,000	11.74%
Election Expense	475,000	3.72%
Building Repair	350,407	2.74%
OPEB	209,006	1.64%
Total Designated Reserves	5,250,043	41.10%
General Fund	4,325,643	33.86%
Water Fund	3,274,586	25.63%
Conservation Fund	(40,581)	(0.32%)
Desalination Feasibility Study Fund	(243,156)	(1.90%)
WEROC Fund	179,549	1.41%
Trustee Activities	28,108	0.22%
Total	\$12,774,192	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.75%	\$96,066	\$96,066
Short-term investment			
• LAIF	22.73%	\$2,903,905	\$2,903,905
• OCIP	53.01%	6,771,764	6,771,764
Long-term investment			
• Corporate Bond	5.89%	752,457	754,450
• Certificates of Deposit	17.62%	2,250,000	2,261,920
Total	100.00%	\$12,774,192	\$12,788,105

The average number of days to maturity/call as of April 30, 2017 equaled 147 and the average yield to maturity is 1.103%. During the month, the District's average daily balance was \$14,092,081.55. 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 April 2017.

The \$13,913 difference between the book value and the market value on April 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



WATER: DO MORE WITH LESS

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary

April 30, 2017

4/30/2017	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	2,250,000.00	2,261,920.00	2,250,000.00	17.75	464	1.726
Corporate Bond	750,000.00	754,450.00	752,457.35	5.92	1,084	2.238
Local Agency Investment Funds	2,903,904.81	2,903,904.81	2,903,904.81	22.91	1	0.884
Orange County Investment Pool	6,771,764.29	6,771,764.29	6,771,764.29	53.42	1	0.864
Total Investments	12,675,669.10	12,692,039.10	12,678,126.45	100.00	147	1.103

Cash						
Cash	96,065.97	96,065.97	96,065.97		1	0.00
Total Cash and Investments	12,771,735.07	12,788,105.07	12,774,192.42		147	1.103

Total Earnings	Month Ending April	Fiscal Year to Date
Current Year	11,846.83	157,370.57
Average Daily Balance	14,092,081.55	
Effective Rate of Return	1.103%	

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 (Signature)

Robert J. Hunter, General Manager

Date

6-7-17

Hilary Chumipitazi (Signature)

Hilary Chumipitazi, Treasurer

Date

6/1/2017

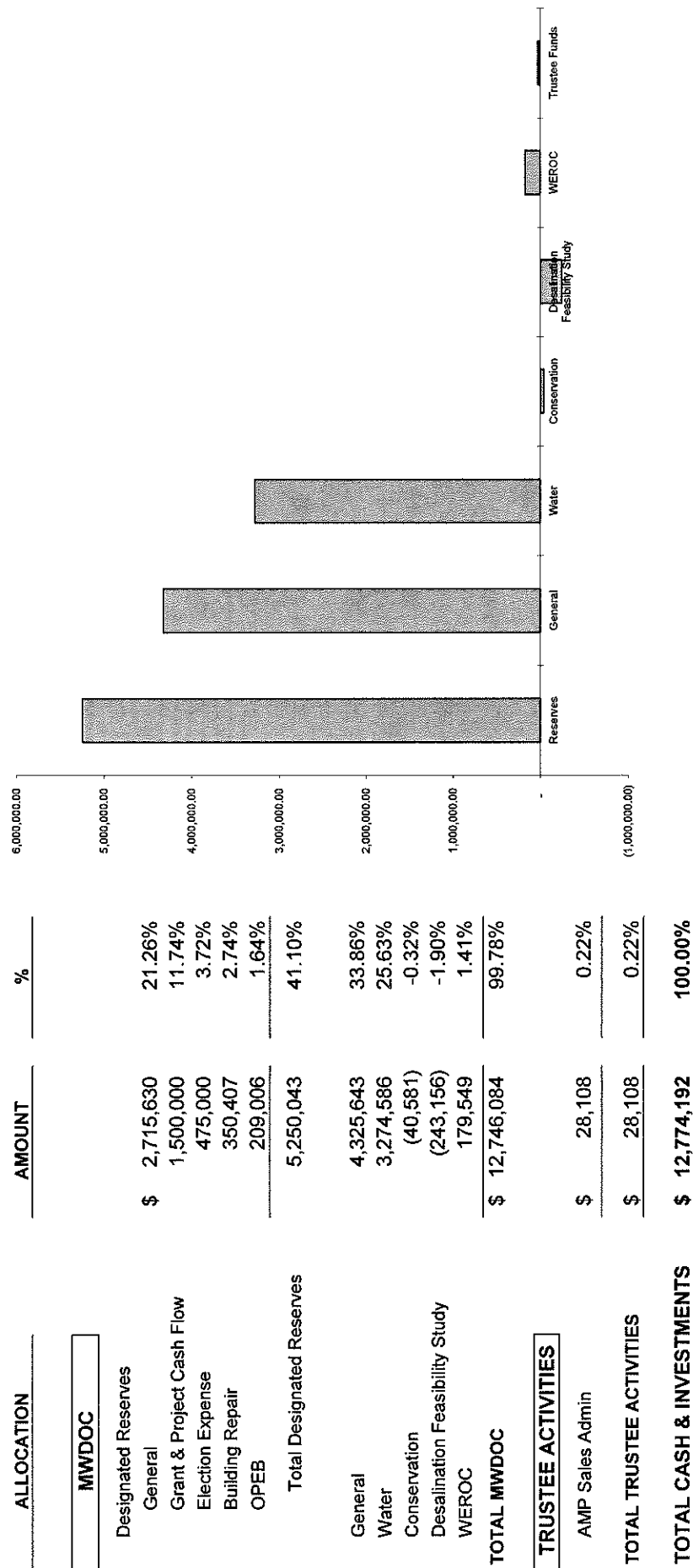
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
April 30, 2017

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	250,200.00	250,000.00	1.150	1.150	85	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	250,845.00	250,000.00	1.450	1.450	274	1/29/2018
Barclays Bank	06740KJP3	9/24/2015	250,000.00	252,297.50	250,000.00	1.900	1.900	876	9/23/2019
Capital One Bank	140420TY6	8/5/2015	250,000.00	251,080.00	250,000.00	1.700	1.700	463	8/6/2018
Capital One Natl Assn	14042E6C9	9/2/2015	250,000.00	252,622.50	250,000.00	1.950	1.950	856	9/3/2019
Discover Bank	2546712Y5	7/23/2014	250,000.00	251,000.00	250,000.00	1.600	1.600	449	7/23/2018
Goldman Sachs Bank	36163FJC8	7/25/2014	250,000.00	250,202.50	250,000.00	1.200	1.200	86	7/25/2017
HSBC Bank	40434AK65	1/21/2016	250,000.00	251,170.00	250,000.00	1.550	2.534	266	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	252,502.50	250,000.00	2.050	2.050	821	7/30/2019
Sub Total			2,250,000.00	2,261,920.00	2,250,000.00	1.617	1.726	464	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	502,060.00	501,270.95	2.250	2.152	967	1/23/2020
Wells Fargo	94974BGR5	1/13/2016	250,000.00	252,390.00	251,186.40	2.550	2.409	1,317	12/7/2020
Sub Total			750,000.00	754,450.00	752,457.35	2.350	2.238	1,084	
Total Investments			3,000,000.00	3,016,370.00	3,002,457.35	1.800	1.854	619	
Total Earnings									
Current Year			4,344.27		44,917.85				

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
April 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	2,903,904.81	2,903,904.81	2,903,904.81	0.884	0.884	1	N/A
Sub Total			2,903,904.81	2,903,904.81	2,903,904.81	0.884	0.884	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	6,771,764.29	6,771,764.29	6,771,764.29	0.864	0.864	1	N/A
Sub Total			6,771,764.29	6,771,764.29	6,771,764.29	0.864	0.864	1	
Total Investments			9,675,669.10	9,675,669.10	9,675,669.10	0.870	0.870		
Cash									
Bank of America Cash	CASH0547	7/1/2011	95,565.97	95,565.97	95,565.97	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			96,065.97	96,065.97	96,065.97	0.000	0.000	1	
Total Cash and Investments			9,771,735.07	9,771,735.07	9,771,735.07	0.870	0.870	1	
Total Earnings									
Current Year			Month Ending April	Fiscal Year To Date					
			7,502.56	112,452.72					

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



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program**Monthly Account Report for the Period**
4/1/2017 to 4/30/2017Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 4/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 4/30/2017
OPEB	\$1,908,181.79	\$0.00	\$23,175.48	\$397.54	\$0.00	\$0.00	\$1,930,959.73
Totals	\$1,908,181.79	\$0.00	\$23,175.48	\$397.54	\$0.00	\$0.00	\$1,930,959.73

Investment Selection**Moderate HighMark PLUS****Investment Objective**

The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Investment Return

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
1.21%	3.47%	10.01%	4.99%	6.72%	-	10/26/2011

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2016 THRU APRIL 30, 2017

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

<u>ASSETS</u>	Amount
Cash in Bank	96,065.97
Investments	12,678,126.45
Accounts Receivable	18,053,651.44
Accounts Receivable - Other	57,553.69
Accrued Interest Receivable	21,795.26
Prepays/Deposits	500,483.29
Leasehold Improvements	3,415,059.92
Furniture, Fixtures & Equipment	447,719.37
Less: Accum Depreciation	(2,658,822.51)
Net OPEB Asset	117,085.00
TOTAL ASSETS	<u>\$32,728,717.88</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	19,148,093.89
Accounts Payable - Other	333.91
Accrued Salaries and Benefits Payable	336,764.14
Other Liabilities	845,743.19
Unearned Revenue	2,076,778.49
Total Liabilities	<u>22,407,713.62</u>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	969,113.59
Total Restricted Fund Balances	<u>969,113.59</u>
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	<u>5,367,128.19</u>
GENERAL FUND	2,244,103.41
WEROC	101,241.62
Total Unrestricted Fund Balances	<u>7,712,473.22</u>
Excess Revenue over Expenditures	
Operating Fund	2,044,537.09
Other Funds	(405,119.64)
Total Fund Balance	<u>10,321,004.26</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$32,728,717.88</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2016 thru April 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	11,039.79	155,615.85	123,000.00	126.52%	0.00	(32,615.85)
Subtotal	11,039.79	7,335,146.60	7,302,531.00	100.45%	0.00	(32,615.60)
Choice Programs	2,041.02	1,292,800.01	1,494,789.00	86.49%	0.00	201,988.99
Choice Prior Year Carry Over	0.00	0.00	44,416.00	0.00%	0.00	44,416.00
Miscellaneous Income	0.00	49,517.00	3,000.00	1650.57%	0.00	(46,517.00)
School Contracts	1,814.24	64,432.89	70,000.00	92.05%	0.00	5,567.11
Transfer-In From Reserve	0.00	0.00	535,873.00	0.00%	0.00	535,873.00
Subtotal	3,855.26	1,406,749.90	2,148,078.00	65.49%	0.00	741,328.10
TOTAL REVENUES	14,895.05	8,741,896.50	9,450,609.00	92.50%	0.00	708,712.50

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	265,115.92	2,596,603.39	3,437,120.00	75.55%	0.00	840,516.61
Salaries & Wages - Grant Recovery	0.00	(29,118.50)	(31,600.00)	92.15%	0.00	(2,481.50)
Salaries & Wages - Recovery	(109.20)	(16,980.60)	0.00	0.00%	0.00	16,980.60
Directors' Compensation	18,668.10	175,555.20	231,937.00	75.69%	0.00	56,381.80
MWD Representation	11,314.00	103,644.11	132,535.00	78.20%	0.00	28,890.89
Employee Benefits	79,758.30	758,221.12	968,160.00	78.32%	0.00	209,938.88
OPEB Annual Contribution	0.00	400,000.00	105,249.00	380.05%	0.00	(294,751.00)
Employee Benefits - Grant Recovery	0.00	(6,960.11)	0.00	0.00%	0.00	6,960.11
Employee Benefits - Recovery	(20.80)	(3,234.40)	0.00	0.00%	0.00	3,234.40
Director's Benefits	6,557.65	56,834.71	66,297.00	85.73%	0.00	9,462.29
Health Ins \$'s for Retirees	4,081.86	29,264.91	50,326.00	58.15%	0.00	21,061.09
Training Expense	0.00	5,379.00	12,000.00	44.83%	0.00	6,621.00
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	1,737.06	15,401.49	0.00	0.00%	4,598.51	(20,000.00)
Personnel Expenses	387,102.89	4,084,610.32	4,977,024.00	82.07%	4,598.51	887,815.17
Engineering Expense	1,011.77	95,941.75	405,000.00	23.69%	112,643.37	196,414.88
Legal Expense	13,081.45	139,397.98	320,000.00	43.56%	180,602.02	0.00
Audit Expense	0.00	18,437.00	24,000.00	76.82%	0.00	5,563.00
Professional Services	207,626.59	770,056.51	1,504,497.00	51.18%	263,026.37	471,414.12
Professional Fees	221,719.81	1,023,833.24	2,253,497.00	45.43%	556,271.76	673,392.00
Conference-Staff	1,809.20	13,587.33	22,125.00	61.41%	0.00	8,537.67
Conference-Directors	1,785.00	12,258.00	10,725.00	114.29%	0.00	(1,533.00)
Travel & Accom.-Staff	6,506.35	36,413.14	71,130.00	51.19%	0.00	34,716.86
Travel & Accom.-Directors	3,071.17	20,149.03	38,250.00	52.68%	0.00	18,100.97
Travel & Conference	13,171.72	82,407.50	142,230.00	57.94%	0.00	59,822.50
Membership/Sponsorship	160.00	125,096.51	134,458.00	93.04%	0.00	9,361.49
CDR Support	0.00	29,978.64	39,972.00	75.00%	9,992.86	0.50
Dues & Memberships	160.00	155,075.15	174,430.00	88.90%	9,992.86	9,361.99
Business Expense	398.57	4,127.65	6,000.00	68.79%	0.00	1,872.35
Maintenance Office	5,596.28	72,821.28	123,185.00	59.12%	46,643.72	3,720.00
Building Repair & Maintenance	717.66	9,270.95	11,000.00	84.28%	1,986.55	(257.50)
Storage Rental & Equipment Lease	1,275.37	6,733.91	7,000.00	96.20%	1,233.89	(967.80)
Office Supplies	3,379.49	28,899.35	38,280.00	75.49%	540.86	8,839.79
Postage/Mail Delivery	636.20	10,002.24	11,400.00	87.74%	899.54	498.22
Subscriptions & Books	211.45	932.31	2,000.00	46.62%	0.00	1,067.69
Reproduction Expense	0.00	3,799.72	36,225.00	10.49%	6,598.07	25,827.21
Maintenance-Computers	930.75	6,457.97	10,000.00	64.58%	888.87	2,653.16
Software Purchase	(277.50)	23,709.80	31,300.00	75.75%	0.00	7,590.20
Software Support	1,300.78	34,548.68	46,000.00	75.11%	0.00	11,451.32
Computers and Equipment	0.00	26,126.92	32,500.00	80.39%	0.00	6,373.08
Automotive Expense	1,723.19	14,974.67	13,828.00	108.29%	0.00	(1,146.67)
Toll Road Charges	59.19	718.97	1,100.00	65.36%	0.00	381.03
Insurance Expense	9,405.21	89,968.58	90,000.00	99.97%	0.00	31.42
Utilities - Telephone	1,581.79	16,063.51	19,200.00	83.66%	0.00	3,136.49
Bank Fees	882.51	9,846.79	10,500.00	93.78%	0.00	653.21
Miscellaneous Expense	4,125.38	55,869.37	114,020.00	49.00%	0.00	58,150.63
MWDOC's Contrb. To WEROC	12,532.50	125,325.00	150,390.00	83.33%	0.00	25,065.00
Depreciation Expense	425.35	4,982.36	0.00	0.00%	0.00	(4,982.36)
Other Expenses	44,904.17	545,180.03	753,928.00	72.31%	58,791.50	149,956.47
Election Expense	0.00	521,577.61	592,000.00	88.10%	0.00	70,422.39
MWDOC's Building Expense	609.34	261,876.51	495,000.00	52.90%	14,447.48	218,676.01
Capital Acquisition	0.00	22,799.05	62,500.00	36.48%	0.00	39,700.95
TOTAL EXPENSES	667,667.93	6,697,359.41	9,450,609.00	70.87%	644,102.11	2,109,147.48
NET INCOME (LOSS)	(652,772.88)	2,044,537.09	0.00			

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	8,715,142.20	104,238,010.70	121,881,702.00	85.52%	17,643,691.30
Readiness to Serve Charge	866,439.80	9,799,405.04	12,674,093.00	77.32%	2,874,687.96
Capacity Charge CCF	295,400.00	3,596,495.00	4,829,790.00	74.46%	1,233,295.00
SCP/SAC Pipeline Surcharge	31,272.30	264,393.77	365,000.00	72.44%	100,606.23
Interest	713.85	6,701.96	4,800.00	139.62%	(1,901.96)
TOTAL WATER REVENUES	9,908,968.15	117,905,006.47	139,755,385.00	84.37%	21,850,378.53
<u>WATER PURCHASES</u>					
Water Sales	8,715,142.20	104,238,010.70	121,881,702.00	85.52%	17,643,691.30
Readiness to Serve Charge	866,439.80	9,799,405.04	12,674,093.00	77.32%	2,874,687.96
Capacity Charge CCF	295,400.00	3,596,495.00	4,829,790.00	74.46%	1,233,295.00
SCP/SAC Pipeline Surcharge	31,272.30	264,393.77	365,000.00	72.44%	100,606.23
TOTAL WATER PURCHASES	9,908,254.30	117,898,304.51	139,750,585.00	84.36%	21,852,280.49
EXCESS OF REVENUE OVER EXPENDITURES	713.85	6,701.96	4,800.00		

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

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	10,911.95	118,900.00	9.18%
Expenses	<u>10,812.45</u>	<u>118,900.00</u>	9.09%
Excess of Revenues over Expenditures	99.50	0.00	
Industrial Water Use Reduction			
Revenues	95,009.98	91,236.00	104.14%
Expenses	<u>49,512.00</u>	<u>91,236.00</u>	54.27%
Excess of Revenues over Expenditures	45,497.98	0.00	
Spray To Drip Conversion			
Revenues	675.00	468,552.34	0.14%
Expenses	<u>681.52</u>	<u>468,552.34</u>	0.15%
Excess of Revenues over Expenditures	(6.52)	0.00	
Water Smart Landscape for Public Property			
Revenues	0.00	168,588.80	0.00%
Expenses	<u>0.00</u>	<u>168,588.80</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Member Agency Administered Passthru			
Revenues	1,120.00	150,000.00	0.75%
Expenses	<u>1,120.00</u>	<u>150,000.00</u>	0.75%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	39,530.60	205,000.00	19.28%
Expenses	<u>39,530.60</u>	<u>205,000.00</u>	19.28%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	289,950.43	432,000.00	67.12%
Expenses	<u>289,973.53</u>	<u>432,000.00</u>	67.12%
Excess of Revenues over Expenditures	(23.10)	0.00	
CII Rebate Program			
Revenues	225,690.00	325,000.00	69.44%
Expenses	<u>274,840.00</u>	<u>325,000.00</u>	84.57%
Excess of Revenues over Expenditures	(49,150.00)	0.00	
Large Landscape Survey			
Revenues	440.30	30,000.00	1.47%
Expenses	<u>383.87</u>	<u>30,000.00</u>	1.28%
Excess of Revenues over Expenditures	56.43	0.00	

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

	Year to Date Actual	Annual Budget	% Used
Indoor-Outdoor Survey			
Revenues	3.28	3,500.00	0.09%
Expenses	14.06	3,500.00	0.40%
Excess of Revenues over Expenditures	(10.78)	0.00	
Turf Removal Program			
Revenues	1,462,429.80	1,750,000.00	83.57%
Expenses	1,314,945.97	1,750,000.00	75.14%
Excess of Revenues over Expenditures	147,483.83	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	229,650.13	399,751.00	57.45%
Expenses	293,765.77	399,751.00	73.49%
Excess of Revenues over Expenditures	(64,115.64)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	121,210.00	0.00%
Expenses	53,221.24	121,210.00	43.91%
Excess of Revenues over Expenditures	(53,221.24)	0.00	
WUE Projects			
Revenues	2,355,411.47	4,263,738.14	55.24%
Expenses	2,328,801.01	4,263,738.14	54.62%
Excess of Revenues over Expenditures	26,610.46	0.00	
WEROC			
Revenues	280,018.79	300,780.00	93.10%
Expenses	204,640.35	293,780.00	69.66%
Excess of Revenues over Expenditures	75,378.44	7,000.00	
WEROC - Fuel Trailers			
Revenues	109,023.79	146,140.80	74.60%
Expenses	109,023.79	146,140.80	74.60%
Excess of Revenues over Expenditures	0.00	0.00	



ACTION ITEM
June 21, 2017

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: Reserve Policy Revision to Days Cash

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Approve revisions to District's Reserve Policy and authorize staff to incorporate the reserve policy revisions into the District's Administrative Code.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The A&F Committee reviewed the PFM report and discussed the reserve policy. The Executive Committee directed that the administrative change to days operating expense be presented. Therefore we have made the attached suggested modifications to the code.

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

§2009 RESERVE POLICY –

The MWDOC Reserve Policy categorizes the reserves as follows:

Unrestricted Reserves

- General ~~District~~Operations
- Grant & Project Cash Flow
- Election Expense
- Building ~~Expense~~Repair

Restricted Reserves

- OPEB Reserves
- Tier 2 Contingency Fund

WEROC Reserves

- Operational Reserve
- Capital Reserve

Reserve Fund Targets in Days Cash on Hand

Working Capital Reserve

(General Operations, plus Grant & Project Cash Flow): 90-180 days

Building Repair: 10-15 days

Tier 2 Contingency Fund 40 days

The Election Expense and OPEB are designated and are maintained separately to cover specific liabilities.

Unrestricted Reserves

General ~~District~~ Operations Reserves:

Depending upon end of year cash flow, grant payments and other factors influencing the District's cash balance the General District Reserve should be set at \$1.85 million as of July 1, 2010 and should increase by the inflation rate each year.

Grant & Project Cash Flow:

In the past, trailing payments for District funds advanced for water use efficiency payments from MET and Federal and State grants payments have increased. The reserve should be replenished from trailing grant payments as they occur, and from rates if needed. Cash flow reserves should be set at \$1.00 million and said amount shall be reviewed from time to time for appropriateness based on the District's current operational needs.

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Election Expense:

MWDOC's election reserve shall be managed to fund seven elections every four years. Based on ~~previous~~the year 2016 election costs we have determined that \$1.0422 million (or \$14874,000 per division) is sufficient to cover seven elections. This requires that \$260304,000 be contributed to the election reserve annually. These estimates will be updated annually as part of the budget process. In the event the election funds are not fully utilized, the Board may consider other uses that would lower the long-term costs of the District.

Building ExpenseRepair:

MWDOC Building Reserves should be kept at a minimum of \$350,000 and adjusted from time to time to reflect the improvement needs of the office facility.

Restricted Reserves

OPEB Reserve:

Staff examined the demographics of MWDOC's OPEB liability and estimated that the bulk of the liability will occur by 2023 as long term MWDOC employees who had access to lifetime medical coverage retire. The Board requested staff to ~~increase the annual contributions toward fulfilling~~fully fund the OPEB liability ~~in 2016 by 2023 or sooner~~. The Actuarial recommendation is to fund between 85%-95% and put the remaining amount in a reserve fund, as to not overfund the OPEB trust. This recommendation was implemented in September 2016 with the reserve balance of \$209,006 to equal our current Unfunded Liability. At the end of each fiscal year, the Board may determine additional contributions to the OPEB reserves from any of the reserve accounts. This reserve will be re-evaluated every two years beginning in 2018 after each actuarial and funds may be transferred to the OPEB trust to stay within the funding range.

Tier 2 Contingency Fund:

MWDOC has established the Tier Two Contingency fund to pay the difference between MET's Tier One and Tier Two water rates, in the event MWDOC's water purchases from MET exceed the Tier One block of allowable purchases. From time to time it may be necessary to increase the level of funds, or to reduce the level of funds being held by MWDOC. The MWDOC Board established the minimum fund target at approximately 40 days or \$1,000,000, due to the diminished likelihood of purchasing MET water above the Tier 1 limit.

WEROC Reserves

WEROC reserves fluctuate on an as needed basis with Operational Reserve being held for unforeseen expenses and a Capital Reserve to enhance infrastructure and emergency systems. Both reserves are approved by the MWDOC Board and the WEROC contracted contributors.

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M-4/19/06; M-6/16/10; 6/1/11; M-6/17/15



ACTION ITEM
June 21, 2017

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Hilary Chumpitazi

SUBJECT: Annual Review of District Investment Policy and Guidelines

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Adopt a Resolution establishing the District's Investment Policy and Guidelines, and that the Resolution and Investment Policy and Guidelines be incorporated into the District's Administrative Code.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

MWDOC's Administrative Code requires an annual review of this policy. In May 2016, the Board adopted Resolution No. 2032, establishing the District's Investment Policy and Guidelines.

Staff compared the state and county investment diversification and maturity restrictions as well as referred to the Government Code Section 53601 and recommends the following proposed changes and clarifications:

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

Under Section 2106 Investment Policy Guidelines

1. *Collective Investment Pools* -- added investment shall not exceed 20% of portfolio in effect immediately after such investment and no more than 10% in one pool.
2. *Money Market Mutual Funds* – added investment shall not exceed 20% of portfolio in effect immediately after such investment.
3. Change name from Negotiated certificates of deposit to *Negotiable Certificates of Deposit* and investment percentage from 20% to 30% of portfolio. Added clarifying verbiage no more than 5% in one issuer.
4. Clarification of *U.S. Government Agency obligations* and, *U.S. Government Instrumentality obligations*, we may not invest more than 50% of portfolio from one issuer.
5. Clarification of the *Prime Commercial Paper*, 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.
6. Clarification of the *Prime Banker's Acceptances*, 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.
7. Change *Corporate Securities* investment percentage from 20% to 30% of the portfolio and added no more than 5% can be invested in one issuer.
8. Change *Repurchase Agreements* investment percentage from 10% to 20% of the portfolio and added with no more than 10% from one issuer and maximum maturity is 1 year.
9. Removed Corporate Securities paragraph under *Permissible investments for Reserve Funds* as the percentages should be the same as above.

The above proposed changes are the most conservative and in line with the Local Agency Investment Guidelines (LAIG), the Orange County Treasurer, and Government Code Section 53601. In addition, from our last audit our auditors noted in the 2016 SAS 114 Letter that our actual investments were higher than the percent stated in our investment policy, "The District's Reserve Funds portfolio includes negotiable certificates of deposit totaling 23.95% of the Reserve Fund".

Under Section 2110 Glossary

10. *Comprehensive Annual Financial Report (CAFR)*, staff recommends removing the following, "The official annual report of MWDOC", as we do not file a CAFR.

RESOLUTION NO. 20~~XX~~32
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
INVESTMENT POLICY AND GUIDELINES

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RESOLUTION NO. 20~~XX~~32
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
INVESTMENT POLICY AND GUIDELINES
201~~7~~6

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. ~~1942~~, dated ~~October~~May, ~~178~~, 201~~26~~.

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.

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 reoccurring and non-reoccurring 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~~ (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. 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 ~~described in Section 2105~~. 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~~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~~ ~~e~~Certificates of ~~d~~Deposit shall not exceed 230% 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 (shall not exceed 20% of portfolio in effect immediately after such investment). 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. (shall not exceed 20% of portfolio in effect immediately after such investment).
 - ~~Corporate Securities (Medium-Term Notes) with a rating of "A" or better by at least two nationally recognized rating services. (s) 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 240% 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.

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- ~~Corporate Securities with a rating of "A" or better by at least two nationally recognized rating service (shall not exceed 20% of portfolio in effect immediately after such 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~~-(~~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. Therefore, the integrity of the staff and all others involved in making investment decisions must be unquestioned.

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): ~~The official annual report of MWDQC.~~ 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 Barbre, Finnegan, Hinman, Osborne, Tamaribuchi & Thomas
NOES:	None
ABSTAIN:	None
ABSENT:	Director Dick

I certify the foregoing is a true, full and correct copy of Resolution No. ~~2032XX~~ adopted by the Board of Director of Municipal Water District of Orange County at its Regular meeting held on ~~May~~June ~~12~~18, 2017~~6~~.

Maribeth Goldsby, District Secretary
Municipal Water District of Orange County

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ADMINISTRATIVE CODE**

INVESTMENT POLICY AND GUIDELINES	§2100-§2109
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§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.

§2101 STATUTORY AND DELEGATED AUTHORITY TO INVEST FUNDS

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.

§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.

§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.

§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 reoccurring and non-reoccurring 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.

§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.

§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. 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 ~~described in Section 2105~~. 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 ~~230%~~ 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. ~~(shall not exceed 20% of portfolio in effect immediately after such investment).~~
- 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. ~~(shall not exceed 20% of portfolio in effect immediately after such investment).~~
- 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 ~~420% percent~~ 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.
- ~~Corporate Securities with a rating of "A" or better by at least two nationally recognized rating service (shall not exceed 20% of portfolio in effect immediately after such 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

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(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.

§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.

§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. Therefore, the integrity of the staff and all others involved in making investment decisions must be unquestioned.

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.

§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.

§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): ~~The official annual report of MWDOC.~~ 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.

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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.

R1166 - 3/23/83; R1277 - 12/18/85; R1345 - 3/2/88; R1398 - 11/1/89; R1429 - 1/16/91; R1434 - 4/3/91; R1460 - 4/1/92; R1483 - 3/17/93; R1503 - 2/16/94; R1508 - 3/16/94; R1538 - 4/19/95; R1541 - 5/17/95; R1560 - 5/15/96; R1566; - 10/16/96; Motion - 11/25/96; R1584 - 5/21/97; R1694 - 4/17/02; R1718 - 6/18/03; R1736 - 5/19/04; R1880 - 5/19/10; R1907 - 5/18/11; R1942 - 10/17/12; M-6/17/15

**Municipal Water District of Orange County
Investment Policy Diversification and Limits**

Investment Type	Diversification Limit			Investment Percentage Limits by Issuer			Maximum Maturity		
	State	County	MWDOC	State	County	MWDOC	State	County	MWDOC
U.S. Treasuries	100%	100%	100%	100%	100%	100%	5 years	5 years	5 years
U.S. Government Agencies	100%	100%	100%	100%	50%	50%	5 years	5 years	5 years
Medium-Term Notes (Corporate Securities)	30%	30%	30%	100%	5%	5%	5 years	3 years	5 years
Bankers' Acceptance	40%	40%	40%	30%	5%	5%	180 Days	180 Days	180 Days
Commercial Paper	40%	40%	25% ¹	10%	5%	5%	270 Days	270 Days	270 Days
Negotiable Certificates of Deposit	30%	30%	30%	100%	5%	5%	5 years	3 years	5 years
Repurchase Agreements	100%	20%	20%	100%	10%	10%	1 year	1 year	1 year
Money Market Mutual Funds	20%	20%	20%	100%	20%	20%	N/A	N/A	N/A
Collective Investment Pools	100%	20%	20%	100%	10%	10%	N/A	N/A	N/A

1- Per Government Code Section 53601, Local agencies may invest no more than 25% of their moneys in eligible commercial paper



ACTION ITEM
June 21, 2017

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Cathleen Harris, Administrative Services Manager

SUBJECT: ADOPT RESOLUTION ESTABLISHING THE EMPLOYER PAID MEMBER CONTRIBUTION AMOUNT TO CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)

STAFF RECOMMENDATION

It is recommended that the Board of Directors adopt the attached Resolution establishing the employer paid member contribution amount of 1% to CALPERS, and submit the Resolution to CalPERS for its records.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Section 20691 of the California Government Code permits a contracting public Agency to pay all or a portion of the required employee contribution to CalPERS. The Employer Paid Member Contribution (EPMC) amounts are determined by the Board annually during the budget process and become effective July 1 of each year.

The proposed 2017/2018 Budget includes an additional 1% CalPERS Employee Contribution, effective July 1, 2017. The total Employee Contribution to CalPERS for 2017/18 will be 6%. This requires that a Resolution be adopted by the Board establishing MWDOC's Employer Paid Member Contribution amount of 1%.

Staff recommends the Board of Directors adopt the attached Resolution establishing the employer paid member contribution amount to CalPERS, and submit the Resolution to CalPERS for its records.

Budgeted (Y/N): Y	Budgeted amount: Included in salaries and wages	Core <input checked="" type="checkbox"/> X <input type="checkbox"/>	Choice <input type="checkbox"/>
Action item amount:		Line item: 2000-19-6010	
Fiscal Impact (explain if unbudgeted):			

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ESTABLISHING THE
EMPLOYER PAID MEMBER CONTRIBUTION AMOUNT**

WHEREAS, the Board of Directors of the Municipal Water District of Orange County (MWDOC) has the authority to implement Government Code Section 20691;

WHEREAS, the Board of Directors of the Municipal Water District of Orange County has a written agreement which specifically provides for the normal member contributions to be paid by the employer;

WHEREAS, one of the steps in the procedures to implement section 20691 is the adoption by the Board of Directors of the Municipal Water District of Orange County of a Resolution to commence said Employer Paid Member Contributions (EPMC);

WHEREAS, the Board of Directors of the Municipal Water District of Orange County has identified the following conditions for the purpose of its election to pay Employer Paid Member Contributions:

- This benefit shall apply to all Classic Members hired prior to March 1, 2013 (Miscellaneous Group) employees eligible to participate in CalPERS, in accordance with the District's Personnel Manual.
- This benefit shall consist of paying 1% of the normal member contribution as the Employer Paid Member Contribution (EPMC).
- The effective date of this Resolution shall be July 1, 2017.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Municipal Water District of Orange County elects to pay the Employer Paid Member Contribution Amount, as set forth above.

Said Resolution was adopted and approved this 21st day of June 2017, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County



ACTION ITEM
June 21, 2017

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Cathy Harris, Administrative Services Manager

SUBJECT: **2017/2018 PAY STRUCTURE ADJUSTMENT**

STAFF RECOMMENDATION

It is recommended that the Board of Directors approve a 2% Pay Structure Adjustment to the District Salary Ranges, as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In accordance with District Policy, in Spring of each year, Human Resources conducts a planned pay structure adjustment survey of the direct labor market agencies to determine the percentage adjustment for the salary ranges for the upcoming fiscal year, effective July 1. This is an adjustment of salary ranges only and not individual salaries.

The justification for this recommendation is to keep the salary ranges consistent with the market and avoid falling behind. Without this annual adjustment a significant gap can develop and requires a significant adjustment to the pay structure during the Total Compensation Assessment, which is performed every three years.

Based on the survey data (Table 1), the average Cost of Living Adjustment increase for 2017/18 is 2.24% and the average merit amount is 4.11% with the average cola/merit combined being 5.16%. In addition, the average Consumer Price Index rate for Urban

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

Consumers for Los Angeles/Riverside and Orange County for the period of April 2016 to April 2017 is 1.98%. Therefore, staff is recommending the Board of Directors approve a 2.0% Pay Structure Adjustment to the District Salary Ranges only, as presented (Table 2), effective July 1, 2017. A 4% Merit Pool is included in the 2017/18 MWDOC budget.

In accordance with District Policy, a comprehensive compensation and benefits survey is to be conducted every three years to evaluate the market practices and job grading. The next comprehensive salary and benefits survey will be initiated in November of 2017 for completion in spring of 2018.

Staff is recommending the Board approve the proposed recommendations as presented.

Table 1

MERIT/COLA Direct Labor Market Agency Survey

	2017/18		
Agencies	COLA	MERIT	TOTAL
City of City of Brea	2.75%	3.00%	5.75%
Eastern Municipal Water District	1.90%	5.00%	6.90%
El Toro	1.50%	3.00%	4.50%
Inland Empire Utilities	3.50%	5.00%	8.50%
IRWD	TBD	3.00%	3.00%
Laguna Beach County Water District	3.00%	2.50%	5.50%
Las Virgenes	2.00%	2.00%	4.00%
Mesa Water District	TBD	5.00%	5.00%
Moulton Niguel WD	2.00%	5.00%	7.00%
Orange County Sanitation District	NC	2.50%	2.50%
Orange County Water District	TBD	3.00%	3.00%
San Diego County Water Authority	TBD	5.00%	5.00%
SMWD	TBD	5.00%	5.00%
South Coast Water District	TBD	5.00%	5.00%
Three Valleys Municipal Water District	1.48%	5.00%	6.48%
Walnut Valley Water District	TBD	5.00%	5.00%
Central Basin Municipal Water District	NC	4.00%	4.00%
Western Municipal Water District	TBD	5.00%	5.00%
Yorba Linda Water District	2.00%	5.00%	7.00%
AVERAGES	2.24%	4.11%	5.16%
TBD = Waiting to make determination on amount			
NC= No Cola			
	COLA	MERIT	TOTAL
Metropolitan Water Dist. Of So. Cal	NR	NR	0.00%
	COLA	MERIT	TOTAL
MWDOC	NC	4.00%	4.00%
Pls. Note 5% is included in the MWDOC Budget with 1% designated as PERS offset for increase to Employee Contribution rate			
No Response:			
City of Fountain Valley			
City of San Clemente			
Santa Ana Watershed Project Authority			
City of Tustin			
MET			

Table 2

MWDOC PAY STRUCTURE - EFFECTIVE JULY 2017 (2.0% COLA adjustment)								
Pay Grade	Exempt / Non-Exempt	Job Classification	Payment Schedule	Range Minimum	25th Percentile	Range Midpoint	75th Percentile	Range Maximum
R1	NE	Office Assistant	Annual	\$33,194	\$36,080	\$38,989	\$41,897	\$44,806
R1			Monthly	\$2,766	\$3,007	\$3,249	\$3,491	\$3,734
R1			Hourly	\$15.96	\$17.35	\$18.74	\$20.14	\$21.54
R2	NE	Open	Annual	\$39,810	\$43,296	\$46,782	\$50,268	\$53,754
R2			Monthly	\$3,318	\$3,608	\$3,898	\$4,189	\$4,479
R2			Hourly	\$19.14	\$20.82	\$22.49	\$24.17	\$25.84
R3	NE	Office Specialist	Annual	\$42,808	\$46,560	\$50,290	\$54,042	\$57,795
R3			Monthly	\$3,567	\$3,880	\$4,191	\$4,504	\$4,816
R3			Hourly	\$20.58	\$22.38	\$24.18	\$25.98	\$27.79
R4	NE	Accounting Technician	Annual	\$46,027	\$50,046	\$54,064	\$58,105	\$62,124
R4			Monthly	\$3,836	\$4,170	\$4,505	\$4,842	\$5,177
R4			Hourly	\$22.13	\$24.06	\$25.99	\$27.94	\$29.87
R5	NE	Administrative Assistant	Annual	\$49,468	\$53,798	\$58,128	\$62,457	\$66,787
R5	NE		Monthly	\$4,122	\$4,483	\$4,844	\$5,205	\$5,566
R5			Hourly	\$23.78	\$25.86	\$27.95	\$30.03	\$32.11
R6	NE	Sr. Admin Assistant	Annual	\$53,176	\$57,839	\$62,479	\$67,142	\$71,783
R6	NE	Public Affairs Assist	Monthly	\$4,431	\$4,820	\$5,207	\$5,595	\$5,982
R6			Hourly	\$25.57	\$27.81	\$30.04	\$32.28	\$34.51
R7			Annual	\$57,173	\$62,169	\$67,164	\$72,182	\$77,178
R7	NE	Records Coordinator	Monthly	\$4,764	\$5,181	\$5,597	\$6,015	\$6,431
R7			Hourly	\$27.49	\$29.89	\$32.29	\$34.70	\$37.10

MWDOC PAY STRUCTURE - EFFECTIVE JULY 2017 (2.0% COLA adjustment)

Pay Grade	Exempt / Non-Exempt	Job Classification	Payment Schedule	Range Minimum	25th Percentile	Range Midpoint	75th Percentile	Range Maximum
R8	NE	Public Affairs Coordinator	Annual	\$61,458	\$66,831	\$72,204	\$77,578	\$82,973
R8	NE	Accountant	Monthly	\$5,122	\$5,569	\$6,017	\$6,465	\$6,914
R8	NE	WEROC Programs Coordinator	Hourly	\$29.55	\$32.13	\$34.71	\$37.30	\$39.89
R9	NE	WUE Analyst	Annual	\$66,054	\$71,849	\$77,622	\$83,417	\$89,190
R9	NE	Executive Assistant	Monthly	\$5,505	\$5,987	\$6,468	\$6,951	\$7,432
R9	NE	Associate Water Resources Analyst	Hourly	\$31.75	\$34.55	\$37.32	\$40.11	\$42.88
R10	NE	Public Affairs Specialist	Annual	\$71,028	\$77,222	\$83,439	\$89,656	\$95,873
R10	NE	Sr. Accountant	Monthly	\$5,919	\$6,435	\$6,953	\$7,471	\$7,989
R10	NE	WUE Program Coordinator	Hourly	\$34.15	\$37.13	\$40.11	\$43.10	\$46.09
R10	NE	WEROC Programs Specialist						
R10	NE	Sr. Executive Assistant						
R11	E	Public Affairs Supervisor	Annual	\$76,356	\$83,017	\$89,700	\$96,384	\$103,067
R11	E	Water Resources Analyst	Monthly	\$6,363	\$6,918	\$7,475	\$8,032	\$8,589
R11			Hourly	\$36.71	\$39.91	\$43.13	\$46.34	\$49.55
R12	E	Financial Analyst/Database Analyst	Annual	\$82,063	\$89,256	\$96,428	\$103,622	\$110,793
R12	NE	Network Systems Engineer	Monthly	\$6,839	\$7,438	\$8,036	\$8,635	\$9,233
R12	NE	WUE Program Specialist	Hourly	\$39.45	\$42.92	\$46.36	\$49.82	\$53.27
R12	NE	Sr. Exec. Assist to the Board						
R13	E	Accounting Supervisor	Annual	\$88,235	\$95,939	\$103,666	\$111,393	\$119,097
R13	E	Public Affairs Manager	Monthly	\$7,353	\$7,995	\$8,639	\$9,283	\$9,925
R13	E	Sr. Water Resources Analyst	Hourly	\$42.42	\$46.12	\$49.84	\$53.55	\$57.26

MWDOC PAY STRUCTURE - EFFECTIVE JULY 2017 (2.0% COLA adjustment)

Pay Grade	Exempt / Non-Exempt	Job Classification	Payment Schedule	Range Minimum	25th Percentile	Range Midpoint	75th Percentile	Range Maximum
R14	E	WUE Program Supervisor	Annual	\$94,852	\$103,133	\$111,437	\$119,741	\$128,045
R14	E	WEROC Programs Manager	Monthly	\$7,904	\$8,594	\$9,286	\$9,978	\$10,670
R14	E	Sr. Financial Analyst/Database Analyst	Hourly	\$45.60	\$49.58	\$53.58	\$57.57	\$61.56
R15	E	Sr. Engineer	Annual	\$101,957	\$110,882	\$119,808	\$128,711	\$137,637
R15	E	Accounting Manager	Monthly	\$8,496	\$9,240	\$9,984	\$10,726	\$11,470
R15	E	Governmental Affairs Manager	Hourly	\$49.02	\$53.31	\$57.60	\$61.88	\$66.17
R16	E	Principal Water Resources Analyst	Annual	\$109,594	\$119,186	\$128,778	\$138,370	\$147,961
R16	E	Administrative Services Manager	Monthly	\$9,133	\$9,932	\$10,731	\$11,531	\$12,330
R16	E	WUE Program Manager	Hourly	\$52.69	\$57.30	\$61.91	\$66.52	\$71.14
R17	E	Principal Engineer	Annual	\$117,832	\$128,134	\$138,436	\$148,761	\$159,063
R17	E	Principal Water Resources Planner	Monthly	\$9,819	\$10,678	\$11,536	\$12,397	\$13,255
R17			Hourly	\$56.65	\$61.60	\$66.56	\$71.52	\$76.47
R18	E	Director of Public Affairs	Annual	\$126,669	\$137,748	\$148,827	\$159,907	\$170,986
R18	E	Director of Water Use Efficiency	Monthly	\$10,556	\$11,479	\$12,402	\$13,326	\$14,249
R18			Hourly	\$60.90	\$66.22	\$71.55	\$76.88	\$82.20
R19	E	Director of Finance/IS	Annual	\$136,171	\$148,072	\$159,995	\$171,896	\$183,819
R19	E	Associate General Manager	Monthly	\$11,348	\$12,339	\$13,333	\$14,325	\$15,318
R19			Hourly	\$65.47	\$71.19	\$76.92	\$82.64	\$88.37

MWDOC PAY STRUCTURE - EFFECTIVE JULY 2017 (2.0% COLA adjustment)								
Pay Grade	Exempt / Non-Exempt	Job Classification	Payment Schedule	Range Minimum	25th Percentile	Range Midpoint	75th Percentile	Range Maximum
R20			Annual	\$146,363	\$159,174	\$171,985	\$184,796	\$197,607
R20	E	Open	Monthly	\$12,197	\$13,264	\$14,332	\$15,400	\$16,467
R20			Hourly	\$70.37	\$76.53	\$82.69	\$88.84	\$95.00
R21	E	Assistant General Manager	Annual	\$154,067	\$169,476	\$184,885	\$200,294	\$215,703
R21			Monthly	\$12,839	\$14,123	\$15,407	\$16,691	\$17,975
R21			Hourly	\$74.07	\$81.48	\$88.89	\$96.30	\$103.70
GM	E	General Manager (10.19.16)	Annual	\$264,160				\$264,160
MWDOC INTERN PAY STRUCTURE								
Pay Grade	Exempt / Non-Exempt	Job Classification	Payment Schedule	Range Minimum	25th Percentile	Range Midpoint	75th Percentile	Range Maximum
INT	NE	Student Intern	Hourly	13.78	15.49	17.19	18.90	20.60

Number of Grades = 21 + GM

Range Spread = 35% for Ranges 1 - 20

Range Spread = 40% for Range 21

Grade Differential between Ranges 2-20 = approximately 7.5% after R2

Grade Differential between Ranges 20-21 = approximately 9%

Annual and Monthly amounts are based on a 40-hour work week

If you have questions on the pay structure or classifications, Please contact Human Resources at 714.963.3058

Administration Activities Report
May 5, 2017 to June 9, 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 two Public Records Act requests and is working with staff and legal counsel and will respond to two other Public Records Act requests. • Maribeth has been assisting management staff with District policy and procedures. • 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 proclamations for Public Affairs. • Pat registered staff and board members for conferences and events; scheduled travel for AWWA, CCEEB; ACC-OC Advocacy; ACWA State Leg. Comm.; ACWA Spring Conf., DC legislative initiatives, ACWA Federal Affairs Committee; SWRCB on emergency regs, CUWCC; and other misc. travel and/or workshops, which includes preparation of purchase requisitions and back-up. • Pat proofed, formatted and added electronic signatures to letters to legislators on support positions. • Pat prepared the managers' packet in PDF format and uploaded it to the MWDOC website. • Pat researched and located a venue for a management retreat.
MWDOC/OCWD Joint Administration	<ul style="list-style-type: none"> • The security gate at the entrance is now manned by Securitas. Parking permits were issued to all MWDOC staff and Directors.
Health Benefits	<ul style="list-style-type: none"> • No information to report.
Records Management	<ul style="list-style-type: none"> • 120 boxes were permanently withdrawn from Iron Mountain last month and have all been purged. Another batch of 122 boxes has been permanently withdrawn from Iron Mountain, most of which will be purged as well. • The strike team is verifying that all of the agreements are in Laserfiche. Once that is complete, the vast majority of the paper copies will be purged from the vault and at least four more filing cabinets will be removed. • Meetings were held with all departments on May 18 and 19 to review records management activities, as well as policies and procedures. Every department is making good progress on organizing their files in the O drive. • The strike team continues to scan documents stored in the vault. • The consultant will meet individually with several staff members in July to assist with determining disposition of "paper" files within offices.

	<ul style="list-style-type: none"> A final report will be provided to the Board in July/August timeframe on completed activities, as well as planned activities for the 2017-18 fiscal year.
CalPERS	No information to report.
Agency Inquiries	<p>Staff provided the following information to agencies:</p> <ul style="list-style-type: none"> Moulton Niguel Water District regarding sick leave and Workers Compensation. Santa Margarita Water District regarding COLA/Merit increases.
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 Part-time Administrative Assistant position Public Affairs Intern Ivan Flores, Public Affairs Intern, will be leaving the District on June 9 to pursue a part-time position with the City of Santa Ana's Planning Department.
Other	
Projects and Activities	<ul style="list-style-type: none"> Cathy participated in the Water Use Efficiency Intern interviews on June 9th. Cathy is developing an RFP for space planning design work for the renovation of various conference rooms and work spaces. An RFP was prepared and submitted for the atrium renovation. It is anticipated that a contract, within the General Manager's authority, will be signed within the next couple of weeks and that work will commence in July. Katie and Cathy are working on a draft RFP for a classification and compensation study which will be sent out in July. The study will be completed in spring 2018. Cathy is coordinating with Tiffany and Bryce on the installation of the Lobby displays. Cathy is seeking quotes on the installation of glass doors for the lobby area. Staff performance review process is underway. Renovation of Keith Lyon's office is underway. An All-Staff Meeting was held on May 25th. Cathy participated in the quarterly HR Managers meeting on June 1 at Yorba Linda Water District. The District received a \$1,000 incentive payment from SDRMA for participation in their Loss Prevention Program. The payment was used to offset a recent CPR/First Aid/AED training course that the District sponsored in April. The District's Worker's Compensation Insurance was renewed with SDRMA for the period July 1, 2017-July 1, 2018. Rates have remained the same for the last three years.



INFORMATION ITEM

June 14, 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 2016-17.

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
Preparation of documents for FY17-18 budget process.	100%	5-31-17	Completed
2017 W-9 collection for water rebates. Currently holding 2 May rebate checks, awaiting a completed W-9.	On-going	On-going	In Progress
RFP for Financial Consultant to assist with GASB 68 continued implementation, finances and annual financials.	100%	05-17-17	Completed
RFP for new Auditors. Existing auditors have served us for 5 years.	100%	05-17-17	Completed

<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Description	% of Completion	Estimated Completion date	Status
<u>FY 2016-17 Completed Special Tasks</u>			

<u>Finance</u>			
Government Compensation in California Report 2016	100%	3/30/17	Completed
FY2015-16 Annual Audit by Vavrinek, Trine, Day & Company	100%	10-19-16	Completed
Annual Financial Statement Report FY2015-16	100%	10-19-16	Completed
State Controller Report preparation FY15-16	100%	1/15/2017	Completed
Prepare and file 2016 1099's. Mailed 3,834 1099-MISC forms. 104 W-9's were not submitted. Filed 3,723 1099's with IRS electronically on March 29 th .	100%	03-31-17	Completed
<u>Information Technology</u>			
Upgrade Server software for Data Server.	100%	3/31/17	Completed
Upgrade and deploy new Backup software with Cloud backup.	100%	3/31/17	Completed
Upgrade District Firewall.	100%	6/30/17	Completed
Upgrade HR ABRA Server (software)	100%	3/31/17	Completed
Upgrade and Migrate Record Management Server to Storage Area Network (SAN) Box, purchase new scanners.	100%	3/31/17	Completed
Upgrade computers and monitors for Staff.	100%	3/31/17	Completed
Purchase and install enclosed Server Racks.	100%	3/31/17	Completed



INFORMATION ITEM

June 14, 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 April.

Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in April 2017 was below average compared to the last 5 years but was higher than in April of 2016. Lower usage can be associated with the large amounts of rainfall that occurred in the previous month and the outfall of the SWRCB's mandatory restrictions that were set in June of 2015. In June 2016, all water conservation became voluntary for MWDOC agencies.

Fig. 3 Historical OC Water Consumption OC water consumption is projected to be 514,000 AF in FY 2016-17 (*this includes ~15 TAF of agricultural usage and non-retail water agency usage*). This is about 21,000 AF more than FY 2015-16 and is about 49,000 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 144 gallons per day (This includes recycled water). Although OC population has increased 20% over the past two decades, water usage has not increased, on

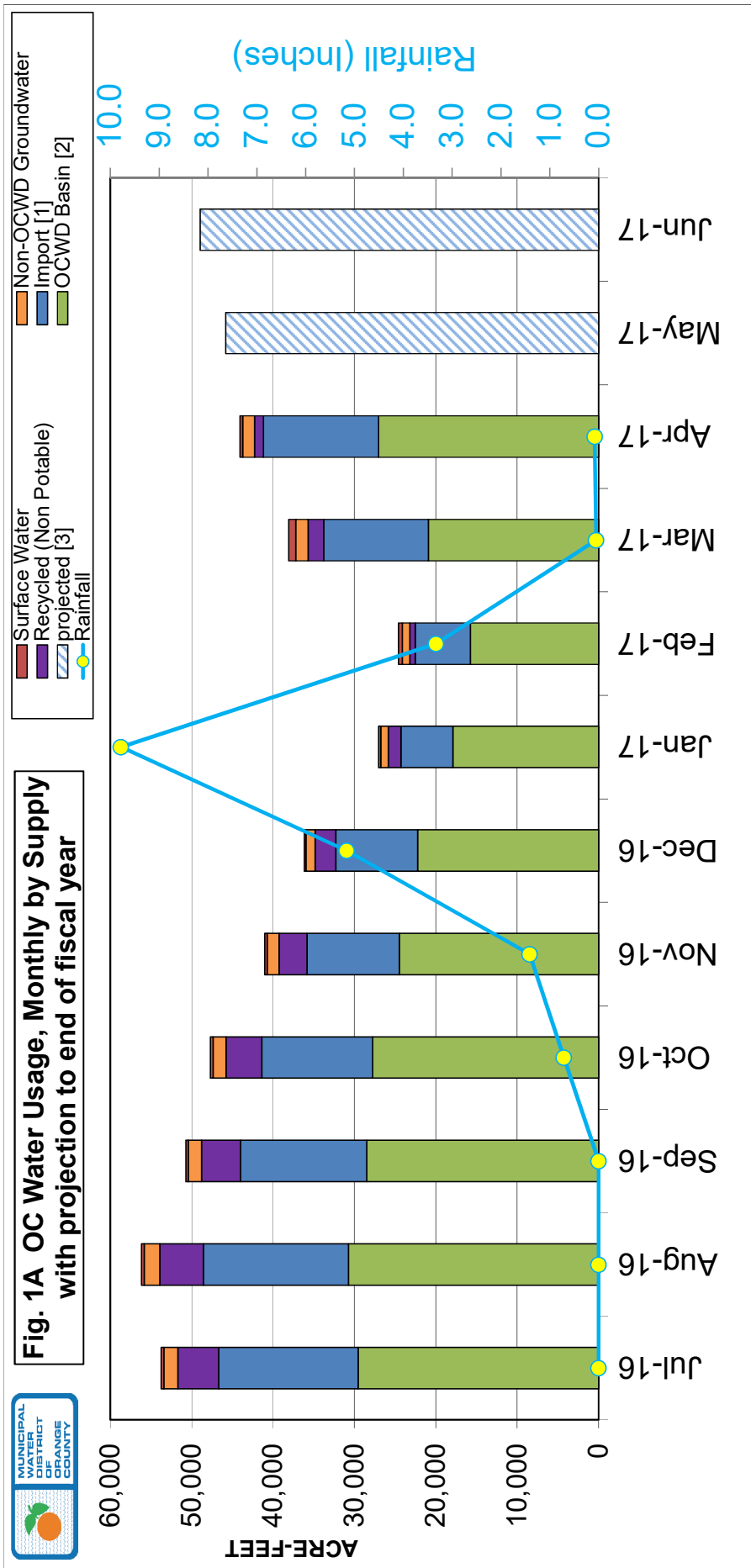
Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u> </u>
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted):			

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 has 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 May 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 May was around 196% of normal for this period. May 2017 rainfall was below average for that month but 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 May was 119% 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 65% 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 for the Lower Basin states. As of late May Lake Mead levels were 10’ above the “trigger” limit. The USBR predicts that the end of 2017 or the end of 2018 will not hit the “trigger” level.



[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 '15-16 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

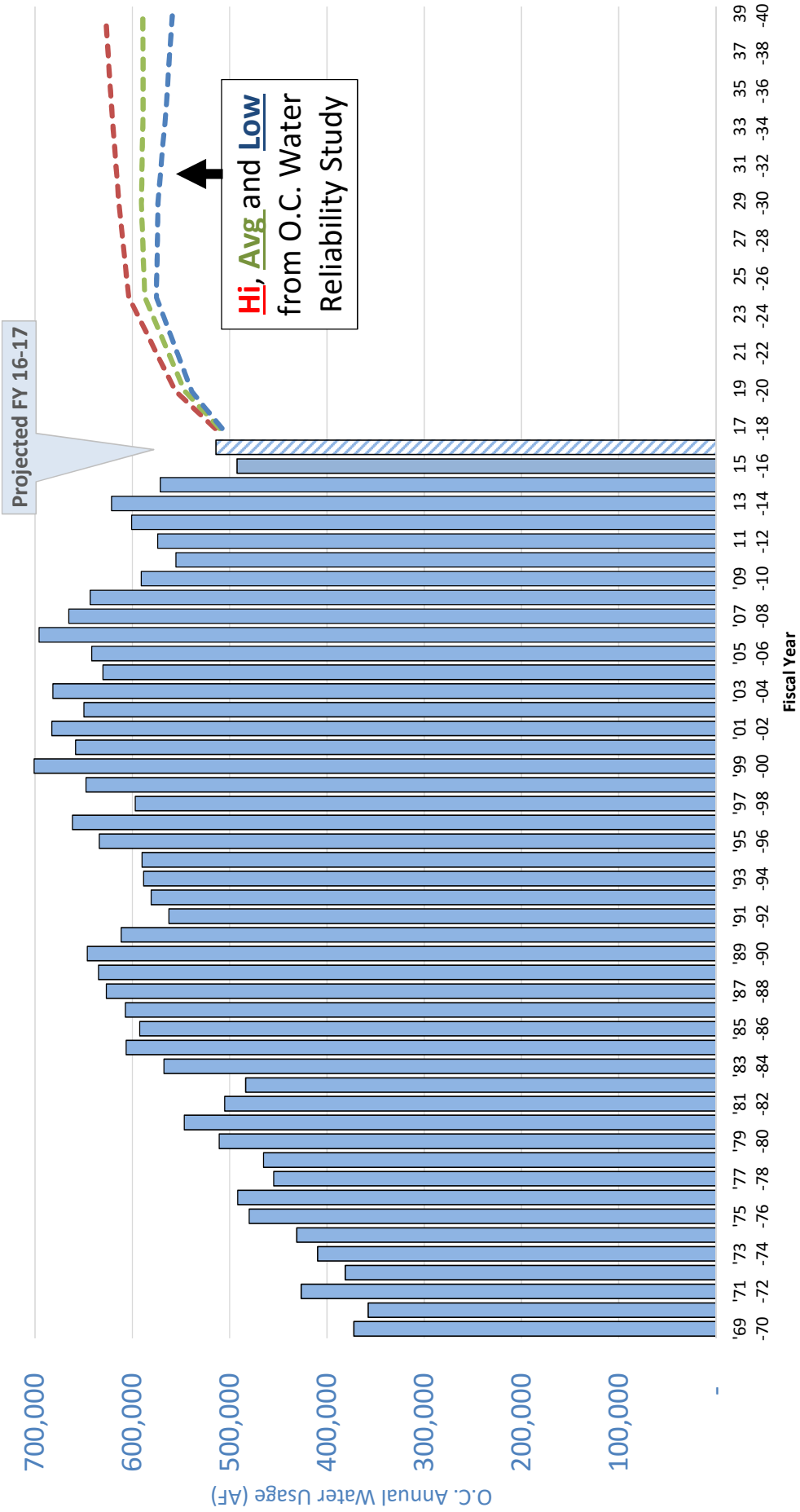
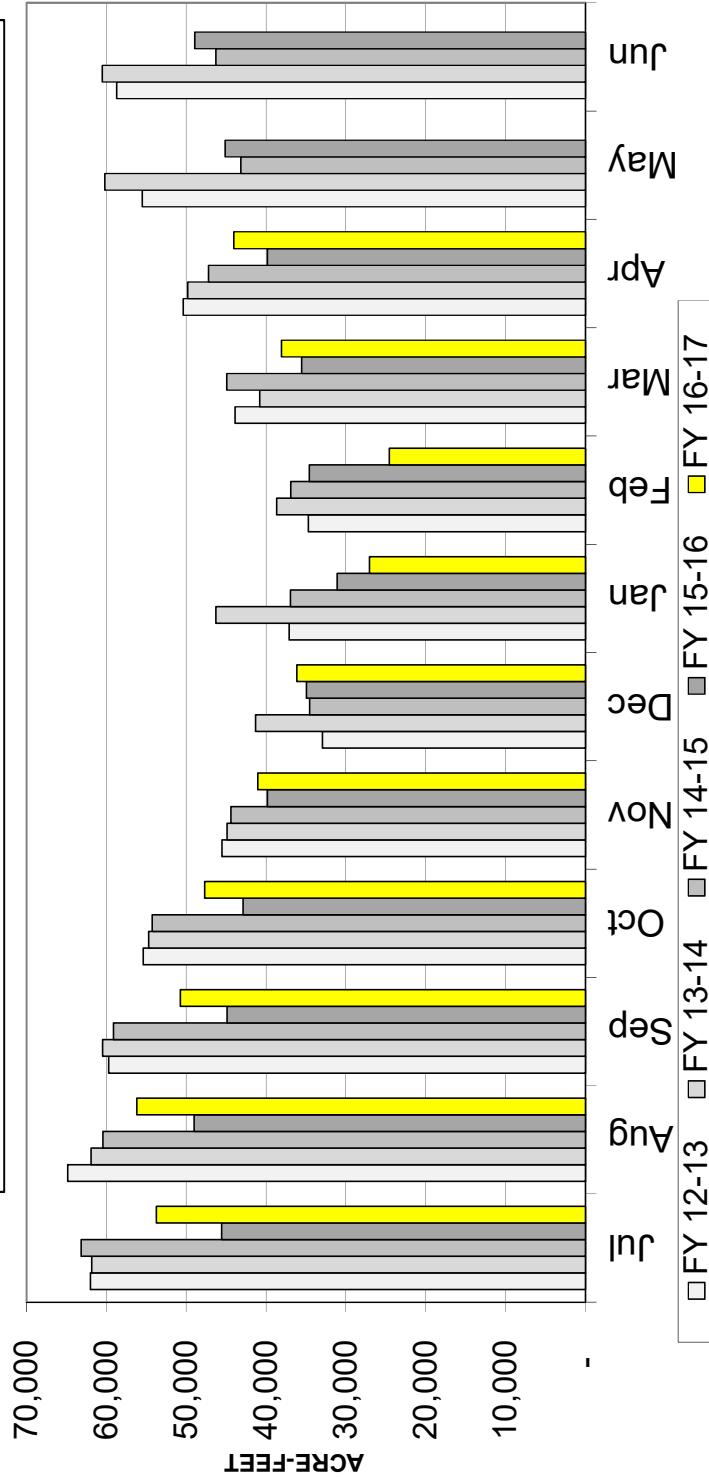
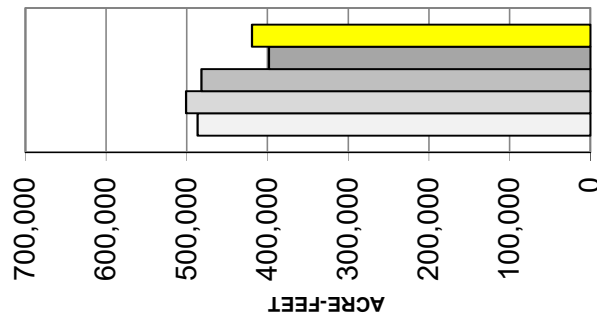




Fig. 2A OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years

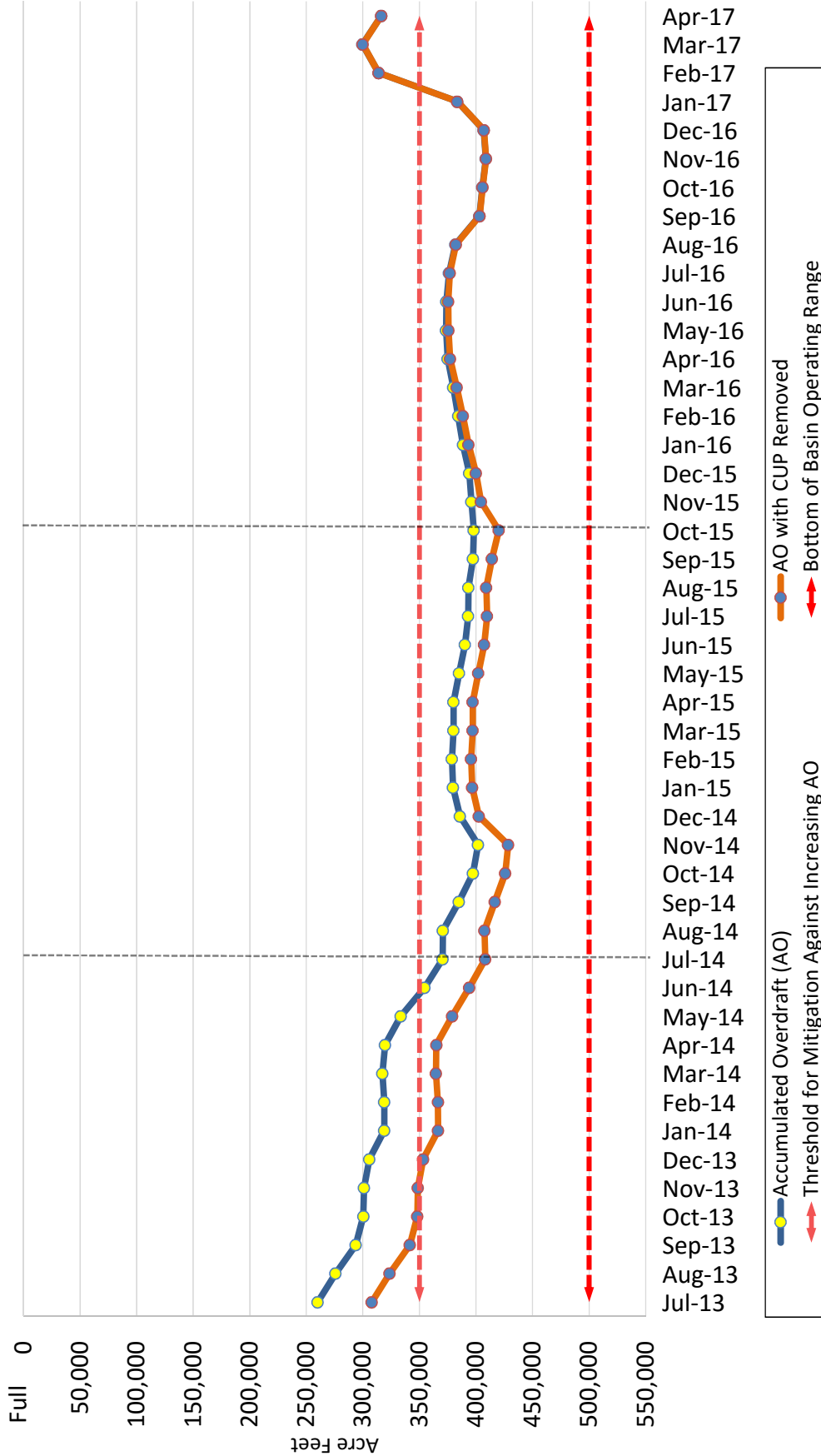


Partial Year Subtotals



[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 Overdraft of the OCWD Groundwater Basin as of April 2017

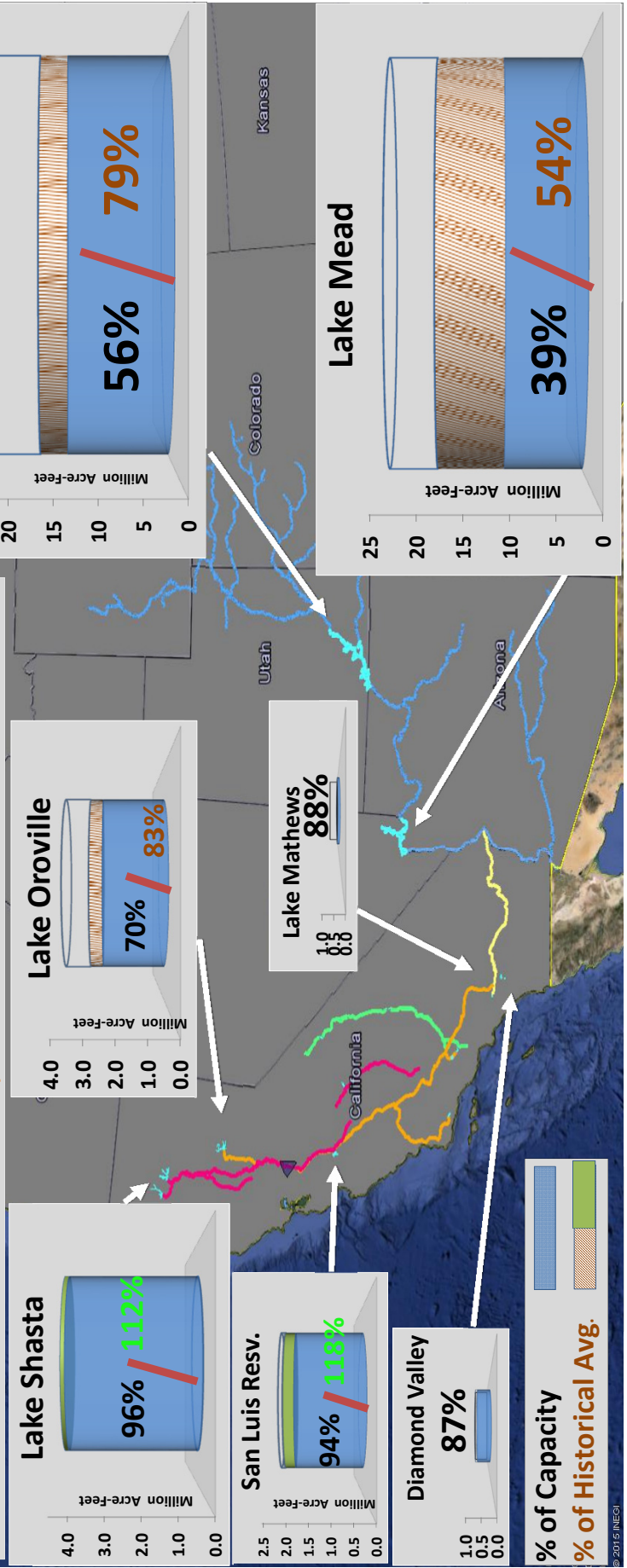


	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
AO (AF)	393,062	393,310	397,441	398,116	395,923	394,176	388,571	384,332	379,876	374,994	373,576	373,784
AO w/CUP removed (AF)	409,934	409,934	414,215	420,145	404,421	400,033	393,463	388,409	382,993	377,233	375,634	375,506
	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
AO (AF)	376,310	381,800	403,047	405,635	408,729	406,832	383,548	314,004	299,755	316,286		
AO w/CUP removed (AF)	376,864	382,340	403,223	405,811	408,906	407,009	383,548	314,004	299,931	316,462		



State Water Project, Colorado River, and MWD Reservoir Storage

as of May, 28th 2017

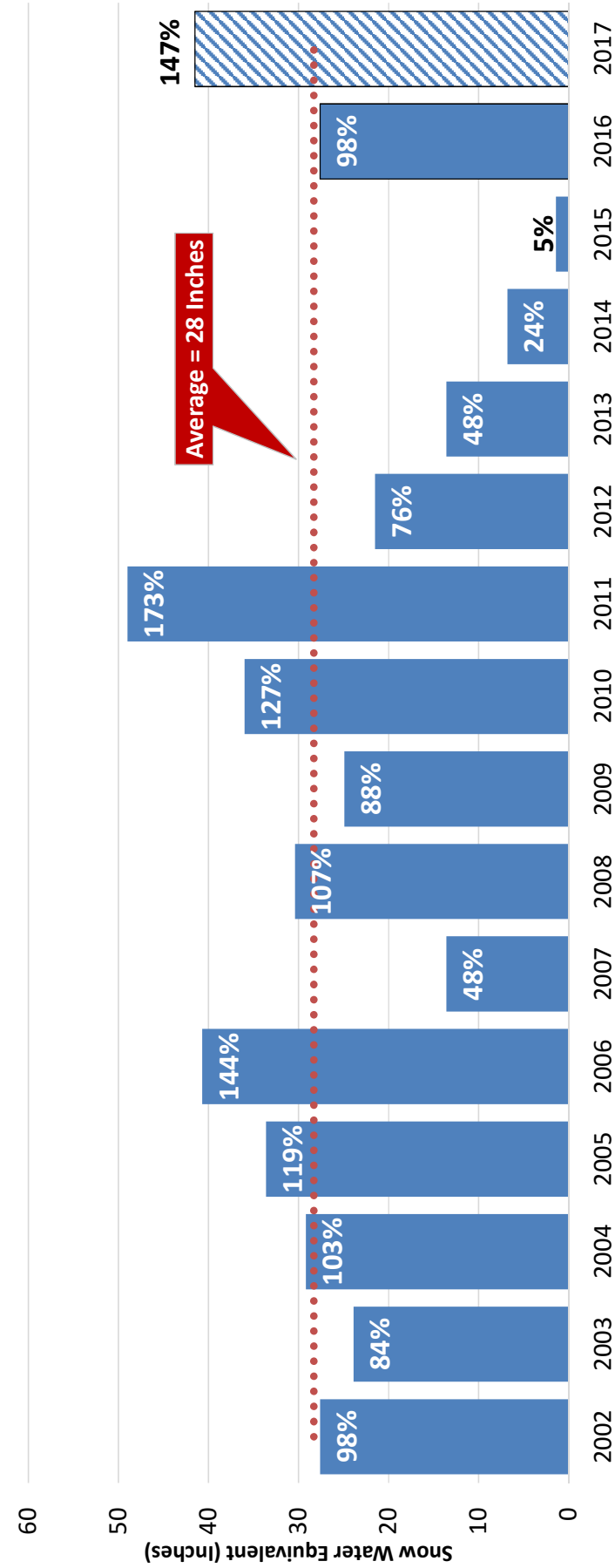


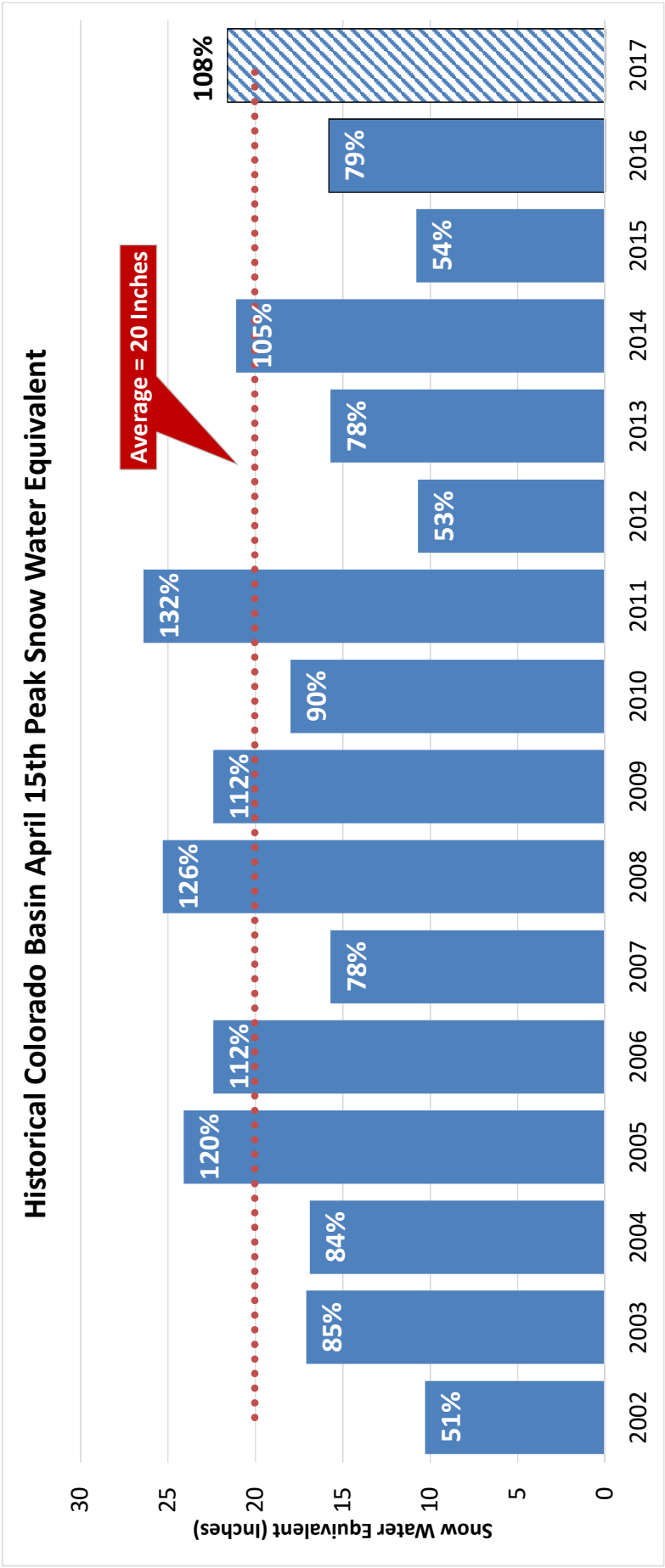
% of Capacity
% of Historical Avg.



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

Historical Northern California April 1st Peak Snow Water Equivalent







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

