

REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
August 16, 2017, 8:30 a.m.

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

At this time, members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken. If the item is on the Consent Calendar, please inform the Board Secretary before action is taken on the Consent Calendar and the item will be removed for separate consideration.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

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>.

EMPLOYEE SERVICE AWARD

NEXT RESOLUTION NO. 2059

CONSENT CALENDAR (Items 1 to 7)

(All matters under the Consent Calendar will be approved by one motion unless a Board member requests separate action on a specific item)

1. MINUTES

- a. July 5, 2017 Workshop Board Meeting
- b. July 19, 2017 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee Meeting: July 3, 2017 (cancelled)
- b. Administration & Finance Committee: July 12, 2017
- c. Executive Committee Meeting: July 20, 2017
- d. MWDOC/OCWD Joint Planning Committee Meeting: July 26, 2017

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of July 31, 2017
- b. MWDOC Disbursement Registers (July/August)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of June 30, 2017
- d. PARS Monthly Statement (OPEB Trust)
- e. Water Use Efficiency Projects Cash Flow

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Draft Combined Financial Statements and Budget Comparative for the period ending June 30, 2017
- b. Quarterly Budget Review (deferred to FY 2016-17 Audited Annual Financials)

Recommendation: Receive and file as presented.

5. CONTRACT AUTHORIZATION FOR RAFTELIS FINANCIAL CONSULTANTS TO CONDUCT FIVE YEAR MONITORING OF THE BUDGET BASED TIERED RATE GRANT FROM DWR

Recommendation: Authorize the General Manager to enter into a contract with Raftelis Financial Consultants to carry out the five year monitoring work required as a condition of the DWR Grant, at a cost not to exceed \$41,721.

6. AUTHORIZATION FOR THE GENERAL MANAGER TO ENTER INTO CONTRACT WITH BEST BEST & KRIEGER FOR LEGAL SERVICES

Recommendation: Authorize the General Manager to enter into a contract with Best Best & Krieger (BB&K) for legal services in conformance with their written proposal, interview and subsequent concessions. BB&K was unanimously selected by the evaluation committee consisting of three directors and four staff.

7. AUTHORIZE ATTENDANCE AT COLORADO RIVER BOARD INSPECTION TRIP, AUGUST 28-31, 2017, COLORADO

Recommendation: Authorize travel for two staff members to attend, as Metropolitan's Member Agency Inspection Trip guests, a Colorado River Upper Basin Drought Contingency Plan Tour from August 28-31, 2017.

– End Consent Calendar –

ACTION ITEMS

8-1 ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE CONSIDERATION FOR 2018/19

Recommendation: Nominate Board members and staff to various ACWA Committees, and direct staff to submit the completed Committee Considerations Forms by the September 29 deadline.

8-2 REVIEW OF DISTRICT INVESTMENT POLICY & GUIDELINES

Recommendation: Adopt Resolution establishing the District's Investment Policy & Guidelines (incorporating the changes made by the Administration & Finance Committee), and authorize staff to include these changes/additions into the District's Administrative Code.

8-3 MASTER AGREEMENTS FOR SHARED PROGRAMS AND SERVICES WITH ANAHEIM, SANTA ANA, AND FULLERTON

Recommendation: Approve the 2017 version of the City of Anaheim Master Agreement and ratify the 2016 version of the Santa Ana Master Agreement and authorize staff to develop and execute a similar form of Master Agreement with the City of Fullerton.

INFORMATION CALENDAR (All matters under the Information Calendar will be Received/Filed as presented following any discussion that may occur)

9. GENERAL MANAGER'S REPORT, AUGUST 2017 (ORAL AND WRITTEN)

Recommendation: Receive and file report(s) as presented.

10. MWDOC GENERAL INFORMATION ITEMS

- a. Board of Directors - Reports re: Conferences and Meetings
- b. Requests for Future Agenda Topics

Recommendation: Receive and file as presented.

ADJOURNMENT

Note: 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 contacting 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.

**MINUTES OF THE WORKSHOP BOARD MEETING
OF THE BOARD OF DIRECTORS OF
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
WITH THE MWDOC MET DIRECTORS**

July 5, 2017

At 8:30 a.m. President Osborne called to order the Workshop Board Meeting of the Board of Directors of Municipal Water District of Orange County (MWDOC) at the District facilities located in Fountain Valley. MWDOC MET Director Brett Barbre led the Pledge of Allegiance and Recording Secretary Meszaros called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick* (absent)
Joan Finnegan
Wayne Osborne
Megan Yoo Schneider
Sat Tamaribuchi
Jeffery M. Thomas

MWDOC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Pat Meszaros, Recording Secretary
Harvey De La Torre, Associate General Mgr.
Melissa Baum-Haley, Sr. Water Resource Analyst
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Joe Berg, Director of Water Use Efficiency
Damon Micalizzi, Dir. Of Public Affairs
Jonathan Volzke, Public Affairs Manager
Chris Lingad, Water Resources Analyst
Bryce Roberto, Public Affairs Assistant

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

William Kahn
Mark Monin
Jose Vergara
Mike Dunbar
Brian Ragland
Steve LaMar
Doug Reinhart
Peer Swan
Paul Cook
Paul Weghorst
Paul Shoenberger
Mike Markus
John Kennedy
Adam Hutchinson
Jim Leach
Andy Brunhart
Brooke Jones
Al Nederhood
Ed Means
Samantha Waterman
Cathrene Glick

El Toro Water District
El Toro Water District
El Toro Water District
Emerald Bay Service District
City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water District
Orange County Water District
Orange County Water District
Orange County Water District
Santa Margarita Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District
Means Consulting
Cadiz, Inc.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present, a unanimous vote.)

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

President Osborne inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

General Manager Hunter responded that a memo from MET on the San Diego Lawsuit along with a two-page article from the San Diego Tribune and Mr. Arakawa's PowerPoint presentation on the California WaterFix were distributed to the Board this morning and copies made available to the public.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

President Osborne inquired whether any members of the public wished to comment on agenda items.

No comments were received.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Director Ackerman stated that MET is preparing three white papers on the California WaterFix which will be presented to the Board prior to their vote on the WaterFix in September. She also reported on the formation of a new Local Resources and Conservation Committee to evaluate MET's efforts in local resource development and water conservation going forward.

Director Barbre reported on his activities on MET's Finance & Insurance Committee, noting that MET's bond ratings are high, and that MET will be adopting its Investment Policy soon.

Director McKenney discussed the San Diego litigation and MET's appeals and the good news on the recent litigation. He also reported that MET's IRP Policy Principles are very general. The two things they were seeking were that the door be open to more creative thinking and also that the MET Board consider a full range of factors on LRP Projects.

SERIES OF DISCUSSIONS ON THE CALIFORNIA WATERFIX – PRESENTATION BY METROPOLITAN BAY-DELTA MANAGER STEVE ARAKAWA

Associate General Manager Harvey De La Torre introduced Steve Arakawa and noted that Jeff Kightlinger will be here at next month's Workshop meeting on August 2 to present on the California WaterFix. On August 30, Roger Patterson will be the featured speaker at the Water Policy Dinner and on September 6, Mr. Gary Breaux will present at the Workshop meeting.

Mr. Arakawa presented a California WaterFix Update and included key permits and environmental documents, biological opinions, State Water Resources Control Board hearings, and upcoming Metropolitan Committee and Board meetings. He discussed milestones and key decisions beginning in 2015 when the Bay-Delta Plan took a change of direction to focus on water conveyance and to separate the fisheries' issue. Another major milestone was when the biological opinions were completed and the State could then proceed to act on the EIR/EIS approval later in 2017.

Mr. Arakawa discussed the Delta Stewardship Council (DSC) whose role since 2009 has been to protect the Delta. DSC developed a Delta Plan in 2013 with amendments adopted June 22, 2017. DSC approved language for an updated plan and the amended language concludes that dual conveyance makes the most sense. The biological opinions indicated the plan would not jeopardize fish listed which allowed DWR and SWC to move forward.

Mr. Arakawa then discussed the State Water Resources Control Board's hearings and stated that Southern California can make a major impact in that process by having strong, credible representatives.

Lastly, he discussed the timeline for MET's California WaterFix Board Review. The California WaterFix was discussed at the Special Committee on Bay-Delta Water Planning and Stewardship on July 10, will be presented again on July 25 and August 14, and the last time at the Board Workshop on August 22. On September 12, it will go to MET's Board for action.

The Board received and filed the report.

METROPOLITAN CYCLIC STORAGE AGREEMENT

Associate General Manager Harvey De La Torre updated the Board on MET's Cyclic Storage Agreement noting that 2017 was the wettest year on record resulting in a surplus— MET has 1.28 MAF to store. MET is also working with other partners to make storage deals—Bureau of Reclamation, Central Valley banking partners to modify their storage agreements and to maximize all of its in-region reservoirs, i.e., Diamond Valley Lake.

There was then discussion on the meetings with MET, MWDOC and OCWD to work out the details of the Cyclic Storage Agreement and it was noted that it's a one-time program offered to our member agencies in 2017 and is a cost-effective opportunity to increase local storage.

Mr. Markus stated that OCWD feels it is an attractive program and they are interested in participating. He stated that OCWD is currently taking 155 cfs from OC-28 and they'd like to take from OC-59 but can't due to Quaggas. Mr. Markus said that they have been looking at in-lieu for years as it is the best way to put water in the basin. OCWD would like to extend the program beyond the end of the year and desire to take up to 100,000 af through the Cyclic Storage Agreement. They are waiting for MET's Board approval now. It will go to the OCWD board on July 19 and will have the support of Producers to do as much in-lieu as possible.

There was then discussion that getting the Cyclic Agreement approved is an urgent matter and member agencies would appreciate our expediting the process in any way we can. Mr. Hunter stated that the agreement will be negotiated before our next Board meeting, where it will be considered.

“MAKING CONSERVATION A CALIFORNIA WAY OF LIFE” – LEGISLATIVE UPDATE

Mr. Hunter reported that the good news is that the Brown Administration moved away from the trailer bill language and is now prepared to move the proposed language through the policy committee process. AB 1323 (Weber), AB 1654 and AB 1668 (Friedman) are set to be heard on July 11 along with AB 869 (Rubio) and AB 1000 (Friedman), both indirectly related to *Making Conservation a California Way of Life*. He stated further that staff will report on that hearing's outcome at the PAL Committee meeting. Director Tamaribuchi stated that we should try to be involved in the standard setting process as he is concerned that the State Board is able to declare an emergency situation after only two subnormal months, which is a frequent occurrence.

The Board received and filed the report as presented.

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects
- g. East Orange County Feeder No. 2
- h. South County Projects

The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding May MET Board Meetings
- b. Review Items of significance for the Upcoming MET Board and Committee Agendas

No new information was presented; the information was received and filed.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:17 a.m.

Maribeth Goldsby
Board Secretary

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
July 19, 2017**

At 8:30 a.m., President Osborne called to order the Regular Meeting of the Municipal Water District of Orange County in the Board Room at the District facilities located in Fountain Valley. Director Tamaribuchi led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick
Joan Finnegan
Wayne Osborne
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Manager
Heather Baez, Governmental Affairs Manager
Jonathan Volzke, Public Affairs Manager
Joe Berg, Dir. Of Water Use Eff. Programs
Kevin Hostert, Water Resources Analyst
Steve Hedges, WUE Programs Supervisor
Tiffany Baca, Public Affairs Supervisor

ALSO PRESENT

Doug Reinhart
Jim Atkinson
John Kennedy
Mike Markus
Chuck Gibson
Justin McCusker
Dan Ferons
Jim Leach
Al Nederhood
Brooke Jones
Marc Marcantonio
Christine Carson
Kelly Rowe
Stephanie Pacheco

Irvine Ranch Water District
Mesa Water
Orange County Water District
Orange County Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
Yorba Linda Water District
Yorba Linda Water District
Yorba Linda Water District
Aleshire & Wynder
Water Resource Consultant

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Osborne announced members of the public wishing to comment on agenda items could do so after the item has been discussed by the Board and requested members of the public identify themselves when called on. Mr. Osborne asked whether there were any comments on other items which would be heard at this time.

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

President Osborne inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

No items were distributed.

EMPLOYEE SERVICE AWARD

President Osborne, along with General Manager Hunter, presented an award to Steve Hedges for twenty years of service to the District.

CONSENT CALENDAR

President Osborne stated all matters under the Consent Calendar would be approved by one MOTION unless a Director wished to consider an item separately.

Director Barbre pulled items 1(b) (June 21, 2017 Regular Board meeting minutes), 2(c) (June 19, 2017 Public Affairs & Legislation Committee meeting report), and 2(d) (June 22, 2017 Executive Committee meeting report) from the Consent Calendar for further discussion.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board approved the balance of Consent Calendar items as follows. Directors Barbre, Dick, Finnegan, Osborne, Tamaribuchi, Thomas, and Yoo Schneider all voted in favor.

MINUTES

The following minutes were approved.

June 7, 2017 Workshop Board Meeting

COMMITTEE MEETING REPORTS

The following Committee Meeting reports were received and filed as presented.

Planning & Operations Committee Meeting: May 1, 2017
Administration & Finance Committee Meeting: May 10, 2017

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of June 30, 2017
MWDOC Disbursement Registers (June/July)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of May 31, 2017

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending May 31, 2017

END CONSENT CALENDAR

ITEMS PULLED FROM CONSENT CALENDAR FOR FURTHER DISCUSSION

JUNE 21, 2017 REGULAR BOARD MEETING MINUTES

Director Barbre referenced the Investment Policy & Guidelines (Policy) that was adopted by the Board in June, and, due to his absence at the meeting, he requested this Policy return to the Administration & Finance Committee in August for additional review; the Board generally concurred. Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board approved the June 21, 2017 Regular Board meeting minutes. Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor.

JUNE 19, 2017 PUBLIC AFFAIRS & LEGISLATION COMMITTEE MEETING MINUTES

No discussion was held. Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board received and filed the June 19, 2017 Public Affairs & Legislation Committee meeting minutes. Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor.

JUNE 22, 2017 EXECUTIVE COMMITTEE MEETING MINUTES

Director Barbre highlighted the Executive Committee discussion wherein President Osborne advised that he would be recommending the Board extend the General Manager's contract for an additional three years (beyond the one-year remaining on the contract), and requested this discussion return to the Executive Committee for further review and to establish a schedule for the General Manager's performance evaluation; the Board generally concurred. President Osborne advised that the performance evaluation was scheduled for September. Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board received and filed the June 22, 2017 Executive Committee meeting minutes. Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor.

ACTION CALENDAR**CORRECTED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 17-18**

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 2057 setting forth rates and charges to be effective July 1, 2017 and January 1, 2018, as identified for Fiscal Year 2017-18; and supersedes MWDOC Water Rate Resolution No. 2051 adopted May 17, 2017. This Resolution is adopted as a result of Metropolitan Water District correcting its Readiness-To-Serve Charge for 2017-18. Said RESOLUTION NO. 2057 was adopted by the following roll call vote:

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

ADOPT LEGISLATIVE POSITIONS – AB 1000 (FRIEDMAN) – WATER CONVEYANCE: USE OF FACILITY WITH UNUSED CAPACITY

Director Chuck Gibson (Santa Margarita Water District) thanked the Board for their support in opposing this legislation, noting the legislation would set a bad precedent.

Upon MOTION by Director Thomas, seconded by Directors Finnegan and Tamaribuchi, and carried (6-0), the Board adopted an oppose position on AB 1000 (Friedman). Directors Dick, Finnegan, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Director Barbre abstained from voting.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2017 BOARD OF DIRECTORS ELECTION – SOUTHERN NETWORK REGION, SEAT C

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (7-0), the Board authorized President Osborne, or his designee, to cast the District's ballot for the CSDA Board of Directors Southern Network, "Seat C." Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor.

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) BOARD OF DIRECTORS ELECTION 2017

Following discussion regarding the candidates and whether to defer action on this item, upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board adopted RESOLUTION NO. 2058 supporting Mike Scheafer in his candidacy for the SDRMA election, and authorized staff to submit the ballot no later than August 29, 2017. Said RESOLUTION NO. 2058 was adopted by the following roll call vote:

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

ABSENT: None
ABSTAIN: None

AUTHORIZE THE GENERAL MANAGER TO ENTER INTO METROPOLITAN (MET) CYCLIC AGREEMENT(S)

President Osborne stated that the proposal to authorize the General Manager to enter into MET Cyclic Agreement(s) with MET, Orange County Water District, and potentially the cities of Anaheim, Santa Ana, and Fullerton was before the Board for consideration.

Director Barbre highlighted the efforts of staff and the MET Directors to get this approved by the MET Board and is of great benefit to Orange County.

Director Thomas commended staff and the MET Directors for their efforts in getting this approved.

General Manager Hunter advised that the item is broadly framed to get the Agreement(s) in place right away to ensure water can be delivered into the groundwater basin as soon as possible. He is asking permission for staff to enter the Agreement(s) under the terms of the MET Board program that was approved on July 11, 2017 and that the specific details of the Agreement(s) will be ironed out with OCWD and MET. He noted that OCWD will consider a similar appropriate action later in the day. He advised that legal counsels (both MWDOC and MET) are working on the sub-agreement(s) with the Cities of Santa Ana, Anaheim, and Fullerton (billing processes, etc.)

OCWD General Manager Mike Markus thanked the Board, the MET Directors and MWDOC staff for their efforts in obtaining the MET Board's approval.

Upon MOTION by Director Barbre, seconded by Director Dick, and carried, (7-0), the Board authorized the General Manager to enter into Cyclic Agreement(s) with the Metropolitan Water District, Orange County Water District, and potentially the cities of Anaheim, Fullerton, and Santa Ana, implementing a one-time Metropolitan In-Lieu Program, as adopted by the MET Board on July 11, 2017. Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, Tamaribuchi, and Thomas voted in favor.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, JULY 2017

General Manager Hunter advised that the General Manager's report was included in the Board packet.

Director Barbre highlighted a recent article wherein the people of Owens Valley are attempting to use eminent domain to shut down the LA Aqueduct, noting that it would be prudent for some type of legal analysis outlining any impacts or legal challenges; he suggested using Syrus Devers (BBK) as part of his advocacy contract. Legal Counsel Byrne responded that his understanding is that it is limited to a small amount of land and that he doesn't anticipate it would impact water rights, but would be happy to take a closer look.

Discussion ensued regarding how much time/effort should be placed on this issue, and it was generally agreed that legal counsel (Mr. Byrne working with Syrus Devers) would prepare a limited analysis on how this may affect the region, and that MET Director McKenney would then review this analysis with MET legal counsel.

Director Barbre thanked staff for sending the weekly AMWA briefings to the Board.

General Manager Hunter announced that Mr. Jeff Kightlinger would speak on the WaterFix at the August 2, 2017 Workshop Board meeting, that Mr. Roger Patterson would be the featured speaker at the Water Policy Dinner on August 30, 2017 (regarding the WaterFix), and that the MET Board will consider a vote in support of the WaterFix at the September 12, 2017 MET Board meeting.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

BOARD OF DIRECTORS

The Board members each reported on their attendance at the regular (and special) MWDOC Board and Committee meetings. In addition to these meetings, the following reports were made on conferences and meetings attended on behalf of the District.

Director Yoo Schneider reported that she attended the Administration & Finance Committee and Public Affairs & Legislation Committee meetings, the Workshop and Regular Board meetings, the South Coast Water District Board meeting, the South Orange County Economic Coalition event, the WACO meeting, the Association of California Cities Orange County (ACCOC) event, and the San Juan Capistrano Utilities Commission meeting. She also reported that she attended meetings with Santa Margarita Water District, Emerald Bay Services District, Laguna Beach County Water District, the City of San Juan Capistrano, and El Toro Water District, as well as meetings with Director Tamaribuchi, Mary Jane Foley, Dick Ackerman, and Larry McKenney.

Director Thomas advised that he attended the Administration & Finance Committee and Public Affairs & Legislation Committee meetings, the Association of California Cities Orange County (ACCOC) event, the South Orange County Economic Coalition event, the OC Water Summit planning meetings, the Irvine Chamber of Commerce meeting, the MET meeting(s), and the evaluation meeting regarding the Legal RFP.

Director Tamaribuchi noted he attended all of the regularly scheduled MWDOC Board and Committee meetings, the South Orange County Economic Coalition event, two environmental meetings, the ISDOC luncheon, the WACO meeting, the OCBC Infrastructure meeting, and the CCEEB meeting to discuss possible endorsement of the WaterFix. He highlighted the presentation on smart transportation at the OCBC Infrastructure meeting, noting a presentation

Director Barbre reported on his attendance at meetings for the months of May, June and July (due to his absence in June). In his capacity as a MET Director he attended the following meetings for May: a meeting with Gary Breaux, a meeting with Chairman Record, the MWDOC

MET Director luncheon, and the MET fourth Tuesday Committee day. For June he attended the MWDOC MET Director Caucus, the Inland Empire Caucus, the MET Board and Committee days, a meeting with Gary Breaux and June Skillman, and the fourth Tuesday Committee day. For July he attended the MWDOC MET Director Caucus, the Inland Empire Caucus, the MET Board and Committee days, and he attended the City Council meetings for La Habra and La Palma to encourage those councils to adopt resolutions in support of the California WaterFix. In his capacity as MWDOC Director, Director Barbre reported on attending the following meetings for May: the Executive Committee meeting, the Poster/Slogan contest awards ceremony, the YLWD/OCWD/MWDOC meeting, and the OC Water Summit planning meeting. For June he attended the Administration & Finance and Planning & Operations Committee meetings, the WACO meeting, the Workskop Board meeting, the YLWD Workshop, the YLWD/City of Yorba Linda meeting, the OC Water Summit, the ISDOC luncheon, as well as hosting a private tour of the Diemer Filtration Plant. For July he attended: the Public Affairs & Legislation and Administration & Finance Committee meetings, Workshop Board meeting, the YLWD Board meeting, the evaluation meeting regarding the Legal RFP, and a legislative trip to Washington, DC.

Director Finnegan advised that she attended the Public Affairs & Legislation, Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the ISDOC Executive Committee meeting. Director Finnegan announced that due to Mesa Water Director Ethan Temianka submitted his resignation from the Board, Mesa will be seeking candidates to fill the vacancy; anyone interested should contact Mesa Water.

Director Dick stated he attended the following meetings: the Executive, Administration & Finance, and Planning & Operations Committee meetings, the MET Board and Committee meetings, MWDOC MET Director meeting, a meeting with Don Galleano and Chairman Record, a meeting with Feedy Mares, the WACO Planning Committee meeting, and the Serrano Water District Board meeting.

Director Osborne advised that he attended the Workshop and Regular Board meetings, the Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings (the July Planning & Operations Committee was cancelled), the ISDOC luncheon (6/29), the WACO meeting (7/7), the OC Water Summit planning meeting (noting a tentative date set for June 1, 2018), the evaluation meeting regarding the Legal RFP (7/14), and the Fountain Valley City Council meeting (7/18).

CLOSED SESSION

At 9:28 a.m., Legal Counsel Byrne announced that the Board would adjourn to closed session on the following matters:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (2) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California in 2017 to be effective January 1, 2018, et al., Los Angeles Superior Court, Case No. BS 169881.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 13, 2010, et al., former Los Angeles Superior Court, Case No. BS 126888, transferred on October 21, 2010, to San Francisco Superior Court, Case No. CPF-10-510830. [Court of Appeal No. A146901]

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2012 to be Effective January 1, 2013 and January 1, 2014; and Does 1-10, et al., former Los Angeles Superior Court, Case No. BS137830, transferred on August 23, 2012, to San Francisco Superior Court, Case No. CPF-12-512466. [Court of Appeal No. A148266]

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water of Southern California on April 8, 2014, et al., former Los Angeles Superior Court, Case No. BC547139, transferred on December 2, 2014, to San Francisco Superior Court, Case No. CPF-14-514004.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California in April 2016, et al., former Los Angeles Superior Court, Case No. No. BS161729, transferred to San Francisco Superior Court.

RECONVENE

The Board reconvened at 10:24 a.m., and President Osborne announced that the Board authorized the legal firm of Aleshire & Wynder to proceed with its existing review of the above litigation matters.

ADJOURNMENT

There being no further business to come before the Board, President Osborne adjourned the meeting at 10:25 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Jointly with the **ADMINISTRATION & FINANCE (A&F) COMMITTEE**

July 12, 2017 – 8:30 a.m. to 8:55 a.m.

MWDOC Conference Room 101

Committee Members:

Director Jeff Thomas, Chair
Director Joan Finnegan
Director Brett Barbre

Staff:

Robert Hunter, Harvey DeLaTorre,
Katie Davanaugh, Cathy Harris, Joe Berg,
Pari Francisco, Damon Micalizzi,
Hilary Chumpitazi

Also Present:

Director Wayne Osborne
Director Larry Dick
Director Sat Tamaribuchi
Director Megan Yoo Schneider (8:50 a.m.)
Debbie Cook

Director Thomas called the meeting to order at 8:30 a.m.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

No items were distributed.

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORT

- a. Revenue/Cash Receipt Report – June 2017
- b. Disbursement Approval Report for the month of July 2017
- c. Disbursement Ratification Report for the month of June 2017
- d. GM Approved Disbursement Report for the month of June 2017
- e. Water Use Efficiency Projects Cash Flow – June 30, 2017
- f. Consolidated Summary of Cash and Investment – May 2017
- g. OPEB Trust Fund monthly statement

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Treasurer's Report for approval at the July 19, 2017 Board meeting. Directors Barbre, Finnegan and Thomas all voted in favor.

FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the Period ending May 31, 2017

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Financial Report for approval at the July 19, 2017 Board meeting. Directors Barbre, Finnegan and Thomas all voted in favor.

ACTION ITEMS

CORRECTED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2017-18

It was noted that this was a housekeeping item only, no material changes were made to the originally approved rate resolution.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (3-0), the Committee recommended approval of the Corrected MWDOC Water Rate Resolution for Fiscal Year 2017-18 at the July 19, 2017 Board meeting. Directors Barbre, Finnegan and Thomas all voted in favor.

INFORMATION ITEMS

FY 2017-18 CHOICE PROGRAM UPDATE

The report was received and filed.

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

Cathy Harris provided an overview of accomplishments within the Records Management program over the past year, noting a significant reduction in paper within the office as well as a substantial reduction in the number of boxes in storage.

MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

The report was received and filed.

OTHER ITEMS

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

No new information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 8:55 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
July 20, 2017, 8:30 a.m. to 9:50 a.m.
Conference Room 102

Committee:

Director Osborne, President
Director Barbre, Vice President
Director Dick

Staff:

R. Hunter (absent), M. Goldsby
K. Seckel

Also Present:

Director Yoo Schneider
Director Finnegan
Director Thomas
Stephanie Pacheco

At 8:30 a.m., President Osborne called the meeting to order.

PUBLIC PARTICIPATION

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

At the beginning of the meeting, Staff distributed the draft agendas for the upcoming meetings.

EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS

The Committee reviewed and discussed the draft agendas for each of the meetings and made revisions/additions as noted below.

Director Dick asked that a discussion regarding MWDOC/MET Director liability insurance coverage be added to an upcoming agenda. He highlighted MET's Ethics Office activities, noting that two investigations initiated by the Ethics Office lasted 18 months and were found meritless. He stated that these two individuals were required to secure private legal counsel (at their own expense) and he suggested a MWDOC Committee discuss the issue. The Committee recommended it be added to the Administration & Finance Committee.

a. MWDOC/OCWD Joint Planning Committee

No new items were added to the agenda.

b. Workshop Board meeting

Discussion ensued regarding the issues Mr. Kightlinger will address at the meeting during his presentation (regarding the California WaterFix), and the current status of support for the WaterFix (regional and state-wide).

The Committee suggested that Mr. Kightlinger address the vacancy brought by Debra Man's retirement and his plans to fill that position.

a. Planning & Operations Committee

Assistant General Manager Karl Seckel highlighted MET's discussions regarding metering, noting that depending on how the staff meeting (MWDOC and MET) goes, this issue may be agendized.

Pursuant to discussion held later during the meeting, a presentation regarding the District's Water Loss Control Program was added to the agenda.

b. Administration & Finance Committee

It was noted that a discussion regarding Director insurance would be added to the agenda.

c. Public Affairs & Legislation Committee

The Committee discussed the Program Goals for MWDOC's Federal Advocacy Program, and it was suggested that President appoint an ad hoc committee to develop the goals for the Committee/Board. Following discussion, it was recommended this idea be presented to the Public Affairs & Legislation Committee for discussion. President Osborne asked that the materials developed by Director Barbre be included in the packet.

Director Barbre requested a presentation on the Association of Metropolitan Water Agencies (AMWA) be added to the PAL agenda. He also asked that a presentation from the National Water Research Institute (NWRI) be added to a future PAL agenda.

Discussion ensued regarding Director Tamaribuchi's involvement with California Council for Economic and Environmental Balance (CCEEB), with Mr. Seckel advising that his efforts are focused on obtaining support for the California WaterFix.

d. Executive Committee

Director Barbre referenced the San Diego County Water Authority's public relations campaign and requested an update at the August Executive Committee meeting.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

Discussion ensued regarding pipe leaks and other areas of potential water loss and it was suggested a presentation regarding the District's Water Loss Control Program be made at the Planning & Operations Committee meeting. It was noted that this may be a potential presentation for an upcoming WACO meeting also.

MEMBER AGENCY RELATIONS

Mr. Seckel reported that Santa Margarita Water District would be hosting a South Orange County Water Reliability Summit on August 15, 2017 at 10:30 a.m., at the Norman P. Murray Center in Mission Viejo.

GENERAL MANAGER'S REPORTS

The Committee discussed the upcoming performance evaluation of the General Manager with President Osborne noting that evaluation forms will be distributed (via Cathy Harris) to the Board and the Board will then meet to discuss Mr. Hunter's performance.

The Committee also discussed the recent staff turn-over in various other water districts and requested an update on how those agencies are proceeding with filling the vacancies.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

A brief discussion was held regarding the SOCWA audit and MNWD lawsuit.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:50 a.m.

MEETING REPORT

**JOINT PLANNING COMMITTEE WITH BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY and
ORANGE COUNTY WATER DISTRICT**

July 26, 2017 - 8:30 a.m. – 9:00 a.m.

MWDOC Conference Room 101

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick
Joan C. Finnegan
Wayne Osborne
Megan Yoo Schneider
Satoru Tamaribuchi
Jeffery M. Thomas (absent)

OCWD DIRECTORS

Cathy Green
Phil Anthony
Roger Yoh (absent)
Dina Nguyen (absent)
Denis Bilodeau (absent)
Shawn Dewane (absent)
Vicente Sarmiento (absent)
James Vanderbilt (absent)
Bruce Whitaker (absent)
Steve Sheldon (absent)

MWDOC STAFF

Rob Hunter
Karl Seckel
Katie Davanaugh
Harvey De La Torre
Melissa Baum-Haley
Damon Micalizzi

OCWD STAFF

John Kennedy
Adam Hutchinson

ALSO PRESENT

Linda Ackerman
Peer Swan
John Earl
Debbie Cook
Jim Atkinson
Jim Fisch
Al Nederhood
Don Froelich
Liz Mendelson
Kelly Rowe
Stephanie Pacheco

MWDOC MET Director
Irvine Ranch Water District

Mesa Water
Mesa Water
Yorba Linda Water District
Moulton Niguel Water District
San Diego County Water Authority
Water Resources Consultant
Fountain Valley resident

OCWD Director Cathy Green chaired the meeting.

PUBLIC COMMENTS

No public comments were received.

MWD CYCLIC AGREEMENT

- a. **Agreement status**
- b. **Water purchase plan**
- c. **Estimated June 30, 2018 groundwater basin accumulated overdraft**

MWDOC Associate General Manager Harvey De La Torre noted that Metropolitan Water District approved providing a credit of up to \$225 per acre-foot for in-lieu deliveries in FY 2017/2018, within the Cyclic Agreement. MWDOC, OCWD and participating agencies are working together to work out logistics of the credit.

CALIFORNIA WATER FIX PROJECT MWDOC/MWD MEETING SCHEDULE

MWDOC Associate General Manager Harvey De La Torre noted that Metropolitan has been preparing to take a position on the CA Water Fix in September. MET has held several informational workshops in preparation of the Board's vote. They also plan to release a white paper on cost allocation financing of the project in August.

UPDATE ON THE GWRS FINAL EXPANSION PROJECT

OCWD Executive Director of Engineering and Water Resources John Kennedy noted that Black and Veatch has been selected for the design contract for the GWRS Expansion project. OCWD anticipates that a contractor should be in place in about 2 years to start the work on the expansion. The expansion will increase the yield from 100 million to 130 million gallons per day.

OCWD applied for, and was selected by the EPA, to receive a WIFIA loan which will assist with financing this project.

POSEIDON HUNTINGTON BEACH DESALINATION PROJECT UPDATE

The State Lands Commission permit will be presented for renewal on October 19th.

NEXT COMMITTEE MEETING

Director Green advised that the next meeting would be held on October 25, 2017.

ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 9:00 a.m.

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

WATER REVENUES

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

TOTAL REVENUES \$ 16,007,856.09

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

MISCELLANEOUS REVENUES

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

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

MISCELLANEOUS REVENUES

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



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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

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

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

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

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

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

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

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

Choice Expenditures:

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

Other Funds Expenditures:

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

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

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

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

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

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

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

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

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

Choice Disbursements:

Total Choice Disbursements

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

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

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

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

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

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

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

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



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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

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

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

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

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

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

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

R. Hunter Card

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

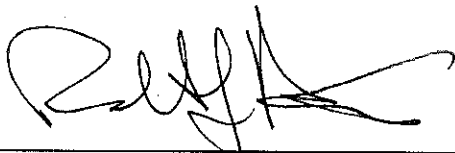
Cal Card Statement Detail
Statement Date: July 24, 2017
Payment Date: July 31, 2017

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

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

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

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



Robert J. Hunter, General Manager



Hilary Chumtazi, Treasurer

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



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

June 30, 2017

Street Address:

18700 Ward Street
Fountain Valley, California 92708

Mailing Address:

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

(714) 963-3058

Fax: (714) 964-9389

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Wayne S. Osborne
President

Brett R. Barbre
Vice President

Larry D. Dick
Director

Joan C. Finnegan
Director

Megan Yoo Schneider
Director

Sat Tamaribuchi
Director

Jeffery M. Thomas
Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

City of Brea

City of Buena Park

East Orange County Water District

El Toro Water District

Emerald Bay Service District

City of Fountain Valley

City of Garden Grove

Golden State Water Co.

City of Huntington Beach

Irvine Ranch Water District

Laguna Beach County Water District

City of La Habra

City of La Palma

Mesa Water District

Moulton Niguel Water District

City of Newport Beach

City of Orange

Orange County Water District

City of San Clemente

City of San Juan Capistrano

Santa Margarita Water District

City of Seal Beach

Serrano Water District

South Coast Water District

Trabuco Canyon Water District

City of Tustin

City of Westminster

Yorba Linda Water District

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

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

The funds are invested as follows:

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

The average number of days to maturity/call as of June 30, 2017 equaled 177 and the average yield to maturity is 1.301%. During the month, the District's average daily balance was \$16,185,255.60. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of June 2017.

The \$10,663 difference between the book value and the market value on June 30, 2017 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter
General Manager

Hilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



Portfolio Management - Portfolio Summary June 30, 2017

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

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

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


Robert J. Hunter, General Manager

8-3-17
Date


Hilary Chumpitazi, Treasurer

8/3/2017
Date

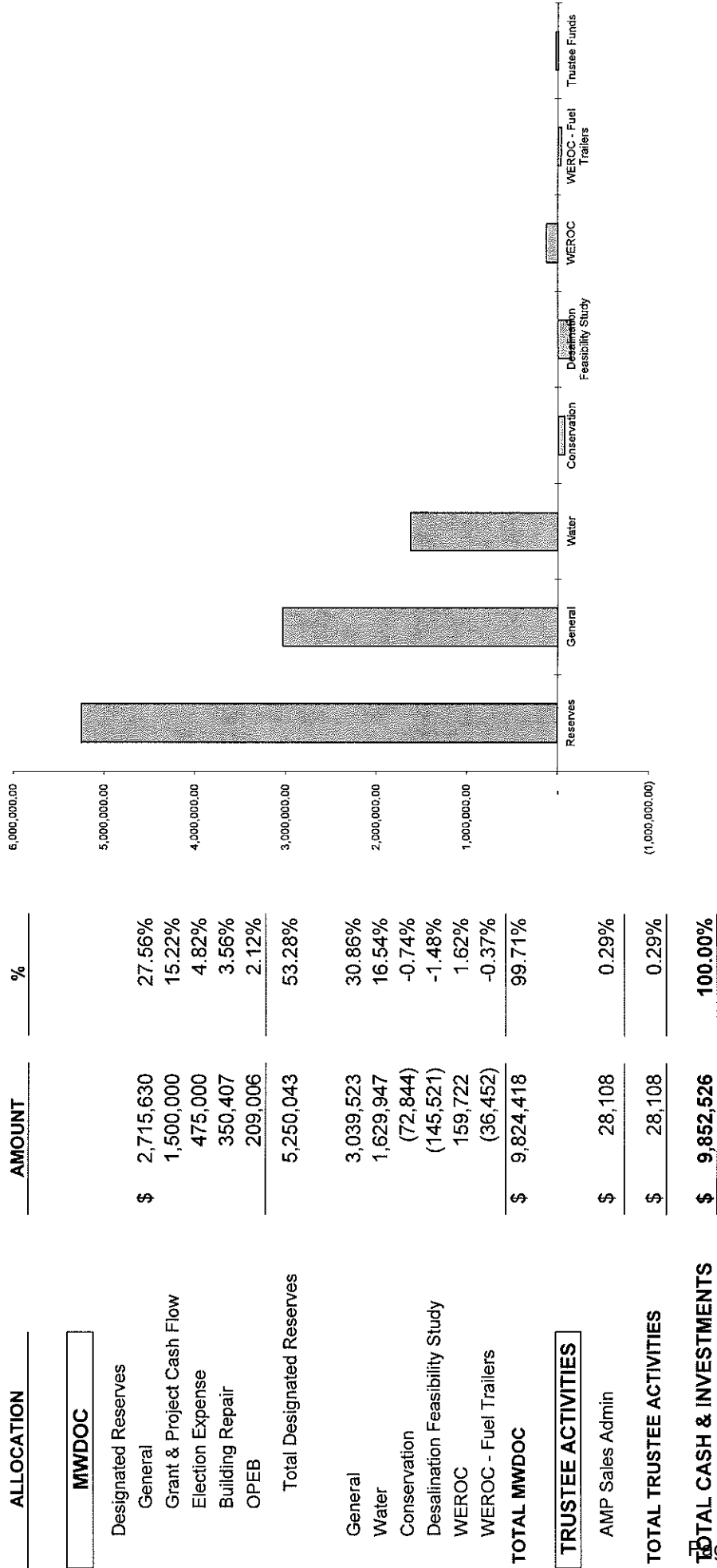
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
June 30, 2017

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

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

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

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





MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program

Monthly Account Report for the Period
6/1/2017 to 6/30/2017

Rob Hunter
 General Manager
 Municipal Water Dist of Orange County
 18700 Ward Street
 Fountain Valley, CA 92708

Account Summary

Source	Beginning Balance as of 6/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 6/30/2017
OPEB	\$1,952,896.55	\$0.00	\$8,336.59	\$866.35	\$0.00	\$0.00	\$1,960,366.79
Totals	\$1,952,896.55	\$0.00	\$8,336.59	\$866.35	\$0.00	\$0.00	\$1,960,366.79

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	
0.43%	2.90%	10.66%	4.61%	7.50%	-	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 DIST OF ORANGE COUNTY
PARS OPEB Trust Program**Account Report for the Period**
7/1/2016 to 6/30/2017Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708***Account Summary***

Source	Beginning Balance as of 7/1/2016	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 6/30/2017
OPEB	\$1,393,326.72	\$400,000.00	\$176,401.58	\$9,361.51	\$0.00	\$0.00	\$1,960,366.79
Totals	\$1,393,326.72	\$400,000.00	\$176,401.58	\$9,361.51	\$0.00	\$0.00	\$1,960,366.79

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	
0.43%	2.90%	10.66%	4.61%	7.50%	-	10/26/2011

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

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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

PARS DIVERSIFIED PORTFOLIOS MODERATE

Q2 2017

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

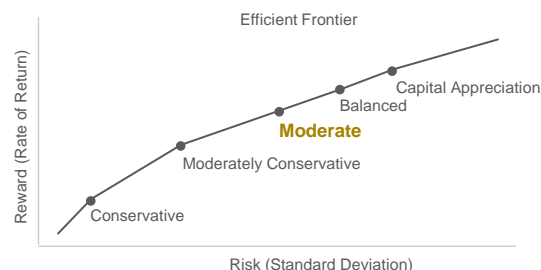
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide 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.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	50%
Fixed Income	40 - 60%	45%	47%
Cash	0 - 20%	5%	3%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)

Current Quarter*	2.83%
Blended Benchmark**	2.30%
Year To Date	6.65%
Blended Benchmark	5.57%
1 Year	10.54%
Blended Benchmark	9.23%
3 Year	4.60%
Blended Benchmark	4.92%
5 Year	7.27%
Blended Benchmark	7.47%
10 Year	4.92%
Blended Benchmark	5.16%

Index Plus (Passive)

Current Quarter*	2.44%
Blended Benchmark**	2.30%
Year To Date	5.60%
Blended Benchmark	5.57%
1 Year	8.90%
Blended Benchmark	9.23%
3 Year	4.47%
Blended Benchmark	4.92%
5 Year	7.12%
Blended Benchmark	7.47%
10 Year	5.00%
Blended Benchmark	5.16%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM FREE, 6% MSCI EAFE, 33.50% BC US Agg, 10% ML 1-3 Yr US Corp/Gov't, 1.50% US High Yield Master II, 1.75% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE, 15% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 50% S&P 500, 15% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.44%

Index Plus (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%

PORTFOLIO FACTS

HighMark Plus (Active)

Inception Data	10/2004
No of Funds in Portfolio	19

Index Plus (Passive)

Inception Data	05/2006
No of Funds in Portfolio	13

HOLDINGS

HighMark Plus (Active)

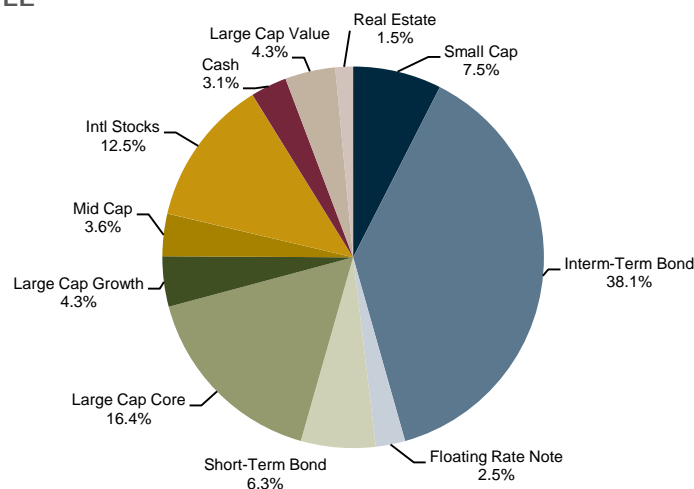
COLUMBIA CONTRARIAN CORE-Z
VANGUARD GROWTH & INCOME-ADM
DODGE & COX STOCK FUND
HARBOR CAPITAL APPRECIATION-RET
T ROWE PR GROWTH STOCK-I
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
UNDISC MGRS BEHAV VAL-L
T ROWE PR NEW HORIZONS-I
NATIONW BAILRD INT EQ-INST
DODGE & COX INTL STOCK FUND
MFS INTL GROWTH-I
HRTFRD SCHR EM MRKT EQ-Y
VANGUARD S/T INVEST GR-ADM
PIMCO TOTAL RETURN FUND-INST
PRUDENTIAL TOTAL RETRN BND-Q
NATIONW HIGHMARK BND-INS SRV
EATON VAN FL RT & HI INC-INS
FIRST AM GOV OBLIG-Z

Index Plus (Passive)

ISHARES CORE S&P 500 ETF
ISHARES S&P 500 VALUE ETF
ISHARES S&P 500 GROWTH ETF
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
ISHARES RUSSELL 2000 VALUE E
ISHARES RUSSELL 2000 GROWTH
ISHARES MSCI EAFE ETF
VANGUARD FTSE EMERGING MARKE
VANGUARD S/T INVEST GR-ADM
ISHARES CORE U.S. AGGREGATE
POWERSHARES SENIOR LOAN
FIRST AM GOV OBLIG-Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderate active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of June 30, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

www.highmarkcapital.com

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$15.6 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee

Number of Members: 16
Average Years of Experience: 26
Average Tenure (Years): 13

Manager Review Group

Number of Members: 8
Average Years of Experience: 19
Average Tenure (Years): 7

Item No. 3e

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

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

**UNAUDITED DRAFT
COMBINED FINANCIAL STATEMENTS**

AND

BUDGET COMPARATIVE

JULY 1, 2016 THRU JUNE 30, 2017

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

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

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

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

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

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

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

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

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

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

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

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

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



CONSENT CALENDAR ITEM

August 16, 2017

TO: Planning & Operations Committee
(Directors Dick, Finnegan & Yoo Schneider)

FROM: Robert Hunter, General Manager

Staff Contact: Karl Seckel

**SUBJECT: Contract Authorization for Raftelis Financial Consultants to Conduct
Five Year Monitoring of the Budget Based Tiered Rate Grant from DWR**

STAFF RECOMMENDATION

Staff recommends the Board authorize the General Manager to enter into a Contract with Raftelis Financial Consultants to carry out the five year monitoring work required as a condition of the DWR Grant at a cost not to exceed \$41,721.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

In July 2008, DWR advertised for Grants to deal with Urban Drought Assistance. MWDOC was able to partner with a number of its agencies and utilized the assistance of Raftelis Financial Consultants to submit a grant application. MWDOC was awarded a \$685,000 grant to assist a number of its agencies to examine and implement budget based tiered rates. The project involved MWDOC assisting 13 of its agencies with various aspects of implementing budget based tiered rates (irrigable area mapping, rate study development, billing system modifications, outreach, etc). The original proposal made to DWR included

Budgeted (Y/N): Yes	Budgeted amount: \$41,721	Core ____	Choice <input checked="" type="checkbox"/>
Action item amount: \$41,721		Line item: 02-21-7010	
Fiscal Impact (explain if unbudgeted) The total grant funds brought in were \$685,000 with \$165,430 of the grant funds retained by MWDOC to cover the staff costs of Karl Seckel and Joe Berg to manage the grant and prepare the report and to cover the costs for Raftelis Financial Consultants to prepare the five year monitoring.			

total project costs for all agencies of \$2,390,695 and local costs of \$1,640,695 (71%). The difference was made up of DWR funds from the grant in the amount of \$685,000. The MWDOC Board authorized the General Manager to enter into an Agreement with DWR in November 2008 and various consultants.

The Final Grant Report documenting the project was completed and submitted to DWR in March 2015. The terms of the DWR Grant include five years of monitoring to document results following completion of the grant. We are at the point in time since the implementing agencies began utilizing Budget Based Tiered Rate in 2011 and 2012. The monitoring will be aimed directly at the three agencies who proceeded to implement Budget Based Tiered Rates in some format. This includes:

- MNWD
- ETWD
- EOCWD

In May 2017, MWDOC called together the Grant Participants and Raftelis Financial Consultants to discuss various approaches to meet the monitoring requirements of the Grant. The three Participants concurred with the evaluation procedure and indicated they could supply the necessary data to Raftelis. Raftelis put together the attached proposal to conduct the work. Funds brought into the Grant by MWDOC are sufficient to cover the costs of the follow-up work. Raftelis was originally scheduled to complete the monitoring work under their original authorization, but since so much time has passed since the original authorization, staff has brought the work back to seek an updated Board approval. Staff recommends award of the monitoring contract to Raftelis in the amount not to exceed \$41,721.

The Raftelis scope of work is attached.



June 30, 2017

Karl Seckel
Assistant Manager/District Engineer
Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92728

Subject: Proposal to Conduct Water Budget Evaluation for DWR Grant

Dear Mr. Seckler:

Raftelis Financial Consultants, Inc. (RFC) is pleased to submit this letter proposal to assist the Municipal Water District of Orange County (MWDOC) in conducting a five-year evaluation of the impacts of adopting budget-based tiered rates (BBTRs) in Orange County.

Three agencies—El Toro Water District (ETWD), Moulton Niguel Water District (MNWD), and East Orange County Water District (EOCWD)—are identified as Grant Participants and will be evaluated in terms of the savings in household water consumption that can be attributed to BBTR adoption. This study will satisfy the requirements of the DWR grant, which requires a quantitative evaluation of five years' worth of water demand savings for agencies implementing BBTRs as part of the grant. The methodology and scope of services presented in this proposal will provide robust estimates of the water savings occurring as a result of BBTR adoption, while controlling for other factors affecting household water demand.

Scope of Services

Task 1 – Kick-off Meeting & Methodology Discussion

- 1.1.** RFC and MWDOC will organize a meeting with the Grant Participants to review the grant requirements, discuss approaches to the evaluation work completed to this point, and decide on a recommended approach for meeting the reporting requirements of the grant by accurately estimating the savings occurring from BBTR adoption in OC.

Deliverables: *Meeting Minutes & Notes on Methodological Approaches*

Meetings: *One (1) in-person kickoff meeting*

Task 2 – Data Collection & Processing

2.1. RFC will submit data requests to El Toro Water District (ETWD), Moulton Niguel Water District (MNWD) and East Orange County Water District (EOCWD), as well as MWDOC to secure necessary data from the Center for Demographic Research. We will request account-level water budget data for the years 2007-2016, including the following variables:

- *Household water consumption*
- *Month of BBTR adoption*
- *Household size*
- *Irrigated area*
- *Evapotranspiration (ET) and evapotranspiration adjustment factors (ETAFs)*
- *Real price of water (average or marginal)*
- *Education*
- *Household income*
- *Read dates*

We will also request the following information at the agency or municipality level:

- *Conservation ordinances*
- *Previous rate structure(s)*
- *Weather data (e.g., precipitation)*

2.2. RFC will work with Moulton Niguel Water District (MNWD) to review the work previously completed by UC Riverside, including the quantitative approach, programming code, and interpretation of results.

2.3. RFC will carry out all necessary data processing and management to prepare the provided data for use in the study. This subtask may include processes such as normalization, filtering, resampling, outlier analysis, smoothing, and calculation of summary statistics.

Deliverables: *None*

Meetings: *Up to three (3) web meetings to discuss data collected and any relevant issues*

Task 3 – Initial Programming & Model Estimation

- 3.1.** RFC will estimate demand models using a methodology adapted from the 2016 UC Riverside approach for the MNWD evaluation study and other related, publicly-available studies. The main aim of this approach is to estimate household water demand in a comprehensive, predictive statistical model, using data from before BBTRs were adopted. The predicted values of the model for months after BBTR adoption will then be compared with actual water consumption data to estimate the impact of BBTRs on water demand. This process will be carried out for both ETWD, MNWD and EOCWD using the provided data.
- 3.2.** RFC will carry out sensitivity analysis to evaluate the degree to which the results might change in response to alternative model configurations, smoothing or filtering of the source data, the inclusion or exclusion of control variables, and other methodology adjustments. Sensitivity analysis will help to confirm that the selected method is appropriate for evaluating the variables of interest, and whether the overall results are robust despite certain changes in approach.

Deliverables: *None*

Meetings: *None*

Task 4 – Development & Review of Results

- 4.1.** RFC will review the preliminary results of the model estimations, working with MWDOC and the participating agencies to develop a nuanced understanding and interpretation of the model results in the context of the original purpose of the DWR grant. Results for ETWD, MNWD and EOCWD will be compared with the results of the previous MNWD study to identify any commonalities, differences, and possible explanations for both.
- 4.2.** Following discussions with the working group, RFC will finalize the results of our quantitative analysis and produce summaries, figures, and tables for presentation of the results to the working group and, ultimately, to DWR.

Deliverables: *Preliminary estimation results, including graphical representations*

Meetings: *Two (2) in-person meetings to review results & interpretations*

Task 5 – Report Development

- 5.1.** RFC will compose a Draft Report that includes (1) an Executive Summary; (2) background information regarding the DWR grant and the factors leading to the development of BBTRs in Orange County; (3) the data and methods employed in our evaluation, with a detailed description of all variables and analytical approaches, (4) results of our differential demand analysis for ETWD, MNWD and EOCWD, along with a summary of the prior MNWD results; and (5) discussions, conclusions and implications of the work including recommendations for future research.
- 5.2.** RFC will present the Draft Report to the working group and receive comments, questions, and feedback from all agencies.
- 5.3.** RFC will incorporate feedback from the working group into a Final Report which will be submitted to DWR in conjunction with the grant requirement.

Deliverables: *Draft Report, Final Report*

Meetings: *One (1) web meeting to review Draft Report*

Task 6 – Public Outreach & Stakeholder Engagement

- 6.1.** If desired, RFC will be available to communicate the results of the study to DWR, stakeholders, and the general public in either public or private meetings. We are also available to present the analytical approaches and results of this study at conferences or in other contexts.

Deliverables: *As needed/Optional*

Meetings: *Up to one (1) in-person meeting to present results*

Evaluation Study Proposal
Municipal Water District of Orange County

Project Fees

RFC will complete the above scope of services for a not-to-exceed amount of **\$45,567** (as shown in the table below). RFC will invoice MWDOC monthly, based on time and materials.

MWDOC Water Budget Evaluation Study								
Proposed Hours & Fees								
Task	Task Descriptions	# of Meetings						Total Fees & Expenses
		WM	FM	SG	KH	Admin	Total	
HOURLY RATES				\$280	\$150	\$75		
1	Kick-off Meeting & Methodology Discussion		1	10	24		34	\$6,987
2	Data Collection & Processing	3		8	64		72	\$12,560
3	Initial Programming & Model Estimation				48		48	\$7,680
4	Development & Review of Results		2	16	20		36	\$8,334
5	Report Development	1		8	24		32	\$6,160
6	Public Outreach (Optional)		1	8	8		16	\$3,847
TOTAL ESTIMATED MEETINGS / HOURS		4	4	50	188	0	238	
PROFESSIONAL FEES				\$14,000	\$28,200	\$0	\$42,200	
WM - Web meeting FM - Face-to-face meeting SG - Sanjay Gaur KH - Karter Harmon		Total Fees						\$42,200
		Total Expenses						\$3,367
		TOTAL FEES & EXPENSES						\$45,567
		TOTAL FEES & EXPENSES (Without Optional Task 6)						\$41,721

Evaluation Study Proposal
Municipal Water District of Orange County

We are delighted to have this opportunity to provide assistance to the Municipal Water District of Orange County. If you agree with the proposed fees and expenses documented in this proposal, please sign in the space on the following page and return one copy for our files. Please call me at (213) 327-4405 if you have any questions.

Sincerely yours,

RAFTELIS FINANCIAL CONSULTANTS, INC.



Sanjay Gaur

Vice President

We accept the terms of this engagement letter:

_____	_____
Signature	Name of authorized agent
_____	_____
Date	Title



CONSENT CALENDAR ITEM

August 16, 2017

TO: Board of Directors

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

Robert Hunter
General Manager

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

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

The scope of work included but was not limited to:

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

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

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

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

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

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

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

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

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

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



CONSENT CALENDAR ITEM

August 16, 2017

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Heather Baez
Melissa Baum-Haley

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

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

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

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

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

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

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

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

Attachment -- The Colorado River Authority draft itinerary.

Upper Basin Drought Contingency Plan Tour

Colorado River Authority

August 28-31, 2017



Monday, August 28

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

6:45 p.m. Dinner

Welcome and tour overview:

Chris Harris, Executive Director, Colorado River Board of California

Presentations from:

Colorado River Water Conservation District

Colorado Water Conservation Board

Bureau of Reclamation, Upper Colorado Region

Tuesday, August 29



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

Presentations from:

- Upper Colorado River Commission
- Utah Weather Modification Group

Wednesday, August 30



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

Presentations from:

Wyoming State Engineer's Office

Wyoming Weather Modification Group

Thursday, August 31



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



ACTION ITEM
August 16, 2017

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Maribeth Goldsby

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

The Committee recommended the Board nominate MET Director Ackerman to the Federal Affairs Committee, MET Director McKenney to the Local Government, Business Development, and Legal Affairs Committees, Heather Baez to the Federal Affairs and State Legislative Committees, Joe Berg to the Water Management Committee, and Damon Micalizzi to the Communications and Local Government Committees.

It should be noted that subsequent to the meeting, Director Barbre requested he be nominated to the Federal Affairs Committee.

SUMMARY

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

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

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

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

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

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

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

Attached is a copy of the information received from ACWA.

PLEASE PRINT LEGIBLY

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

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

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

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

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

Title

Date

QUESTIONS?

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

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

COMMITTEE

STAFF LIAISONS

Business Development Committee – Standing/Unlimited

Meetings: 2 times a year

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

Paula Currie

Director of Member Services and Events

paulac@acwa.com

Communications Committee – Standing/Limited (40 maximum)

Meetings: 4 times a year

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

Lisa Lien-Mager

Director of Communications

lialm@acwa.com

Energy Committee – Standing/Unlimited

Meetings: 2 times a year

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

Rebecca Franklin

Senior Regulatory Advocate

Rebeccaf@acwa.com

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

Meetings: 2 times a year

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

David Reynolds

Director of Federal Affairs

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

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

Meetings: 4-5 times a year

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

Fili Gonzales

Director of Finance & Business Services

filig@acwa.com

Groundwater Committee – Standing/Unlimited

Meetings: 4 times a year

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

Dave Bolland

Director of State Regulatory Relations

daveb@acwa.com

Legal Affairs Committee – Standing/Limited (45 Maximum)

Meetings: 2-3 times a year

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

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

Whitnie Wiley
Senior Legislative
Advocate
whitniew@acwa.com

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

Meetings: 4 times a year

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

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

Membership Committee – Standing/unlimited

Meetings: 2 times a year

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

Tiffany Giammona
Member Services
Group Manager
tiffanyg@acwa.com

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

Meetings: 10-12 times a year

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

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

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

Meetings: 4 times a year

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

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

Water Quality Committee – Standing/Unlimited

Meetings: 4 times a year

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

Rebecca Franklin
Senior Regulatory
Advocate
Rebeccaf@acwa.com

2017 ACWA Committee Appointment Process Timeline 2018-2019 Term

July 17:

COMMITTEE CONSIDERATION FORMS EMAILED

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

July 24:

EMAIL NOTIFICATION TO CURRENT COMMITTEE MEMBERS

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

September 29: COMPLETED CONSIDERATION FORM DEADLINE

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

October 27:

ACWA REGION CHAIR AND VICE CHAIR CONFERENCE CALL

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

November 16: CHAIR AND VICE CHAIRS RECOMMENDATION DEADLINE

- No Region recommendations will be accepted after November 16

November 30: RECOMMENDATIONS GIVEN TO ACWA PRESIDENT

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

December 11: ACWA PRESIDENT APPOINTS MEMBERS OF COMMITTEES

- Incoming ACWA President submits all appointments to ACWA Staff

December 31: ACWA WILL NOTIFY COMMITTEE MEMBERS OF APPOINTMENTS

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



ACTION ITEM
August 16, 2017

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

FROM: Robert Hunter,
General Manager

SUBJECT: REVIEW INVESTMENT POLICY AND GUIDELINES

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee reviewed the Policy and recommended changes be made to Section 2101 (Statutory and Delegated Authority to Invest Funds), and Section 2109 (Reporting), as well as the addition of Section 2101.5 (Compliance Exceptions Reporting) and adopt a Resolution incorporating these changes to the District's Investment Policy and Guidelines, and authorizing staff to include these changes/additions into the District's Administrative Code.

DETAILED REPORT

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

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

Attachment – Draft Resolution

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

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

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

BE IT RESOLVED by the Board of Director of the Municipal Water District of Orange County that the following is the policy and guidelines of the District for investment of funds and rescinds prior Resolution No. 205532, dated ~~June 21, 2017~~ ~~May 18, 2016~~.

SECTION 2100 - PURPOSE

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

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

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

SECTION 2101 - STATUTORY AND DELEGATED AUTHORITY

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

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

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

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

SECTION 2101.5 – COMPLIANCE EXCEPTIONS REPORTING

~~Any compliance exceptions with the Investment Policy and Guidelines (IPG) will be reported within 72 hours to the General Manager, Board President, and the Chair of the Administration & Finance Committee. At the time of reporting, a recommended resolution to the matter shall be included. Notification shall also be included in the monthly Treasurer's Report to the Board of Directors with the resolution noted.~~

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SECTION 2102 - ORGANIZATION

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

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

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

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

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

SECTION 2103- INVESTMENT PHILOSOPHY

Except where specifically directed by the State Constitution, statutes or regulations, the general investment policies of MWDOC will be guided by the prudent investor standard ("Standard") set forth in California Government Code Section 53600.3. Under this Standard, those with investment responsibility for public funds are trustees and, as trustees, shall act with care, skill,

prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of MWDOC, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency.

This Standard shall be applied in the context of managing the overall investment portfolio. The investment officer, acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

SECTION 2104 - SCOPE

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

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

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

SECTION 2105- INVESTMENT OBJECTIVES

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

Safety of Principal.

Safety of principal is the foremost objective of MWDOC. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities.

MWDOC shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of a security's issuer or backer. Interest rate risk is the risk that the market value of the MWDOC's portfolio will change due to an increase/decrease in general interest rates.

1) Credit risk will be mitigated by:

- (a) Limiting investments to only the most creditworthy types of permissible investments as described in Section 2106;
- (b) By pre-qualifying the financial institutions with which the Agency will do business; and
- (c) By diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.

2) Interest rate risk will be mitigated by:

- (a) Structuring the portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
- (b) Investing primarily in shorter term securities.

Liquidity

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

Rates of Return

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

SECTION 2106- INVESTMENT POLICY GUIDELINES

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

- Collective Investment Pools - Assets of any of the funds may be invested in collective investment pools run and managed by other public bodies and banks that are approved by the Board of Directors. However, no such investment shall be made in a pool where the investment objectives differ from the investment objectives listed in Section 2105 of this investment policy, nor should any investment be made in a fund that engages in market

timing or anticipating interest rate changes or that uses derivatives or other securities other than as a hedge against interest rate risk. The investment shall not exceed 20% of portfolio in effect immediately after such investment and no more than 10% in one pool.

- Money Market Mutual Funds - Investment in shares of money market mutual funds may be made if the investments meet the same restrictions as those of collective investment pools. In addition, purchase of these funds must not result in payment of a purchase premium or commission. These mutual funds must attain the highest ranking of two nationally recognized ratings services and the investment adviser must be registered with the Securities and Exchange Commission (SEC) as an investment adviser with not less than five years' experience managing market mutual funds with investment portfolios of greater than \$500 million. An investment shall not exceed 20% of portfolio in effect immediately after such investment.
- Cash Holdings - The portfolio will hold sufficient cash equivalent investments to ensure availability of sufficient funds to meet known obligations for the next three months. Idle cash will be invested to the fullest extent practicable in interest-bearing investments.
- Other permissible investments for the Operating and Fiduciary funds are:
 - Bank checking accounts, time deposits or certificates of deposit not to exceed the current Federal Deposit Insurance Corporation (FDIC) limit without being collateralized.
 - Negotiable Certificates of Deposit shall not exceed 30% of portfolio in effect immediately after such investment and no more than 5% in one issuer.
 - U.S. Treasury obligations.
 - U.S. Government Agency obligations and, U.S. Government Instrumentality obligations. May not invest more than 50% of portfolio from one issuer.
 - Prime Commercial Paper rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch. May not exceed 25% of portfolio in effect immediately after such investment and may purchase no more than 5% of the outstanding commercial paper of any single issuer. The maximum maturity for Commercial Paper is 270 days.
 - Prime Banker's Acceptances rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch shall not exceed 40% of portfolio in effect immediately after such investment and no more than 5% may be of any one commercial bank. The maximum maturity is 180 days.
 - Corporate Securities (Medium-Term Notes) with a rating of "A" or better by at least two nationally recognized rating services. Shall not exceed 30% of portfolio in effect immediately after such investment with no more than 5% in one issuer.
 - Loans with an agreement for the collateral to be repurchased by the borrower (Repurchase Agreements); the amount of such instruments will not exceed 20% of the market value of the portfolio with no more than 10% from one issuer. Maximum maturity is 1 year. U.S. Treasury and Agency securities are acceptable collateral with a market value of at least 102% of the value of the Repurchase Agreement. Prior to investment, a Master Repurchase Agreement will be signed with the qualified counterparty.
- Permissible investments for Reserve Funds are:
 - All investments permitted for the Operating and Fiduciary funds, except maturities may not exceed five years without Board approval prior to investment.

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

SECTION 2107 - EXECUTION

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

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

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

SECTION 2108 - PERSONAL CONDUCT

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

Members of the Board of Directors, the Treasurer, Deputy Treasurers and members of the investment staff may not have a direct or indirect interest in the gains or profits of any investment made by MWDOC and may not receive any pay or emolument (profit arising from

office or employment usually in the form of compensation or perquisites) for services other than as designated by MWDOC for compensation and authorized expenses.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall be governed in their personal investment activities by the codes of conduct established by the applicable state statutes, the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission, and the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research.

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

SECTION 2109 - REPORTING

The Treasurer shall prepare an investment report monthly, including a management summary that provides the status of the current investment portfolio and transactions made over the last month. The Report shall be submitted within ~~two months~~~~thirty~~~~forty-five (45) days~~~~(30) days~~ following the ~~month~~~~quarter~~ ended. The report should be provided to and reviewed by the General Manager, the Administration & Finance Committee and provided to the Board of Directors. The report will include the following:

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

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

SECTION 2110 - GLOSSARY

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

ASKED: The price at which securities are offered.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value

of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

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

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AYES:

NOES:

ABSTAIN:

ABSENT:

I certify the foregoing is a true, full and correct copy of Resolution No. _____ adopted by the Board of Director of Municipal Water District of Orange County at its Regular meeting held on August 16, 2017.

Maribeth Goldsby, District Secretary
Municipal Water District of Orange County



ACTION ITEM

August 16, 2017

TO: Planning & Operations Committee
(Directors Dick, Tamaribuchi & Yoo Schneider)

FROM: Robert Hunter
General Manager

Staff Contact: Karl Seckel

**SUBJECT: MASTER AGREEMENTS FOR SHARED PROGRAMS AND SERVICES
WITH ANAHEIM, SANTA ANA AND FULLERTON**

STAFF RECOMMENDATION

Staff recommends the Board approve the 2017 version of the City of Anaheim Master Agreement and ratify the 2016 version of the Santa Ana Master Agreement and authorize staff to develop and execute a similar form of Master Agreement with the City of Fullerton.

COMMITTEE RECOMMENDATION

Committee requested staff and Legal Council to consider the need to add a provision to protect MWDOC with respect to any Intellectual Property issues that might arise. Staff discussed this with Legal Counsel. In our discussions we noted that the Agreement with Santa Ana has been in place since September of 2016 and that the City of Anaheim is set to approve the same form of Agreement as provided to our P&O Committee on Tuesday August 15. Legal Counsel reviewed the proposed Anaheim Agreement to determine the potential need for Intellectual Property language. He did not believe that Intellectual Property language is necessary for the WUE portions of the contract or the other “defined provisions” of the contracts as they are currently drafted. If Intellectual Property issues arise in connection to future shared services agreements, provisions can be included at that time. Legal Counsel’s conclusion was that given where we are in the process, he would recommend that we proceed with the agreements as they are currently drafted.

Budgeted (Y/N): Yes	Budgeted amount: As a cost recovery	Core ✓	Choice ✓
Action item amount: Variable		Line item:	
Fiscal Impact (explain if unbudgeted): These agreements allow for streamlining of participation by the Three Cities over the typical course of five years, with the potential for extensions if the funding commitment has not been exhausted.			

SUMMARY

MWDOC works closely with the cities of Anaheim, Fullerton and Santa Ana in various activities and has found it to be beneficial to pursue joint funding of many of these activities over the years. In 2013, staff and legal counsel developed the first “master” Agreement for Shared Programs and Services with the City of Anaheim and the MWDOC Board took an action approving the agreement. Having such a “master” Agreement in place has streamlined participation, billing and invoices for the services between the two agencies. The Anaheim Agreement worked out so well, staff and legal counsel developed a “master” Agreement with the City of Santa Ana in 2016. A discussion item was taken to the Board regarding the Santa Ana Agreement but a specific authorization by the Board was not requested since the agreement was similar in nature to the Anaheim Agreement. Staff discussed this with Legal Counsel who suggested the appropriate action was for the Board to ratify the Santa Ana Agreement.

In addition, the original term of the Anaheim Agreement was up and an updated form of Agreement was just prepared. Staff recommends the Board authorize staff to enter into the updated 2017 version of the Anaheim Master Agreement. In addition, staff anticipates entering into a Master Agreement with the City of Fullerton. Staff is requesting authorization to do so as long as the form of agreement is similar to those provided in this action item for Anaheim and Santa Ana. As we progress over time, there will always be slight changes in the agreements so the exact form will likely change to some degree for each version prepared.

Key aspects of the Master Agreements are:

- The Master Agreements cover participation by the Three Cities in Water Use Efficiency Programs, WEROC, School Programs, mutual study efforts (can include the Urban Water Management Plans) and other efforts as mutually agreed upon.
- A key provision is that either the Three Cities or MWDOC may terminate the Agreements in its entirety at any time upon thirty (30) days written notice to the other Party; termination prior to the ending term of the agreement requires a reconciliation process for any funds committed up to the point of termination.

Attached is a copy of the 2016 Santa Ana Master Agreement and the City of Anaheim 2017 Master Agreement.

MWDOC/ANAHEIM AGREEMENT FOR SHARED PROGRAMS AND SERVICES

THIS AGREEMENT (the "Agreement") is made as of _____ 2017, by and between the Municipal Water District of Orange County ("MWDOC") and the City of Anaheim ("City") to provide for participation by the City in various programs and services administered by MWDOC, as described herein. The City and MWDOC are referred to jointly as "Parties" and individually as "Party."

RECITALS

WHEREAS, the Parties are both member agencies of the Metropolitan Water District of Southern California ("Metropolitan") and have many common interests related to water activities, programs and organizations within Orange County; and

WHEREAS, the Parties share many water planning characteristics, including location, climate history, demographics, water sources, water supplies and demand management measures; and

WHEREAS, the Parties share a long and successful history of collaborating on water resource activities, planning analysis and reports, water use efficiency programs, and other joint efforts; and

WHEREAS, the Parties desire to cooperate and pool resources to obtain economies of scale on joint studies and programs, share information developed independently, simplify the process of implementing water use efficiency measures, and maximize grant funding for all of these activities; and

WHEREAS, the Parties have prepared this Agreement to address the common goal of consolidating and streamlining the contracting procedures required for MWDOC's administration of, and the City's participation in, the programs and services referenced herein;

NOW, THEREFORE, the Parties agree as follows:

1. Water Use Efficiency Programs ("WUE Programs")

1.1 Notice Procedures

1.1.1 Subject to the limitations set forth in this section, the Parties shall work together to make WUE Programs available to water users throughout the City's water service area. In general, the City will have access to the same "choice" WUE Programs that are currently available to MWDOC member agencies. Within thirty (30) days of the Effective Date, MWDOC shall send a written notice to the City listing all available WUE Programs and the requirements for each along with enrollment forms for participation in those WUE Programs. This written notice shall contain the estimated costs of the WUE Program as well as that program's specific requirements and terms and conditions. Thereafter, MWDOC shall provide a written notice with this information for every upcoming fiscal year at the time of MWDOC's budget preparation or within thirty (30) days of new information being made available to MWDOC by Metropolitan. The notices to be provided by MWDOC shall be referred herein as

the WUE Program Notice. MWDOC shall also provide the City with any other information or documents, which are required for participation in WUE Programs or reasonably requested by the City in connection with WUE Programs. For each fiscal year, the City shall review the WUE Program Notice and choose the WUE Programs and the level of its participation that the City deems beneficial. In connection with the foregoing, the City will notify MWDOC in writing by indicating in the WUE Program Notice the level of the City's participation in any WUE Program for each fiscal year ("WUE Participation Notice").

1.1.2 If a new WUE Program is introduced or a material amendment is made to an existing WUE Program during a fiscal year, MWDOC shall provide the City with a written notice thereof ("Amended WUE Program Notice") as soon as reasonably possible prior to the date the new program or amendment is scheduled to commence. This Amended WUE Program Notice shall contain the program's specific requirements and terms and conditions and any costs that may be ascertainable at such time. Within thirty (30) days of receiving the Amended WUE Program Notice, the City will notify MWDOC in writing whether the City will participate in the new or amended WUE Program and the level of its participation ("Amended WUE Participation Notice").

1.1.3 Except to the extent of the elections made in the WUE Participation Notice and the Amended WUE Participation Notice, the City shall have no obligation to participate in any WUE Program, including, but not limited to, any obligation to provide financial contribution to such program.

1.1.4 The City understands that specific requirements and terms of conditions may apply to each WUE Program that the City chooses to participate in and agreeing to such requirements and terms and conditions is a prerequisite to the City's participation in such WUE Programs. In connection with the foregoing, MWDOC shall provide the City with all applicable specific requirements and terms and conditions in a WUE Program Notice or Amended WUE Program Notice.

1.1.5 The City understands that by entering into this Agreement it agrees to pay MWDOC for its proportionate share of MWDOC's costs for administering MWDOC's WUE Program based on and to the extent of the City's level of participation as more particularly described in Section 1.8. If the City elects to participate in any or all MWDOC WUE Programs, MWDOC will invoice the City for such costs as described in Section 1.8.

1.1.6 The City is responsible for monitoring its level of participation in any WUE Program and is responsible for payment of all funding contributions required of the City by the WUE Program as authorized by a WUE Participation Notice or Amended WUE Participation Notice. In connection therewith, MWDOC is not responsible for any of the City's required payments or funding contributions even if they are above any cost estimate or the City's budgeted amounts authorized by a WUE Program Notice or Amended WUE Program Notice.

1.1.7 In the event a WUE Program is terminated early, City is responsible for payment of any funding contributions required by the WUE Program to the extent of applications initiated prior to the effective date of the termination. For purposes of the preceding sentence, an application is deemed initiated when an application has been received by Metropolitan's rebate vendor, EGIA, by MWDOC, or a reservation has been made within any of MWDOC's online application portals that is pursuant to any of the WUE Programs described within this Agreement.

1.1.8 Notwithstanding any other provision of this Agreement, MWDOC providing funds for any of the MWDOC WUE Programs is conditioned upon the availability of funds and MWDOC is under no obligation to provide funding to City for any WUE Program if MWDOC determines, in its own discretion, that such funding is exhausted, reduced, eliminated, or unavailable from any funding source, for any reason. In the event MWDOC determines funding for a WUE Program has been exhausted, reduced or unavailable, City may immediately terminate its participation in that affected WUE Program with written notice.

1.2 WUE Programs Availability

1.2.1 Subject to the limitations set forth herein, the Parties agree that the WUE Programs chosen by the City for participation in the City's WUE Participation Notice or Amended WUE Participation Notice, shall be made available throughout the City's water service area for the Term, without the need for a separate agreement between the Parties in addition to this Agreement.

1.2.2 MWDOC shall involve the City in the WUE Program marketing to occur within the City, and the City agrees to assist in the marketing of WUE Programs it participates in under this Agreement; provided, City may override any marketing efforts within its water service area which City deems contrary to its best interests. If any marketing efforts will extend to areas outside of the City's water service area, MWDOC will work with the City to address City's concerns. In those cases where MWDOC and City do not reach a mutually acceptable compromise, MWDOC will make all reasonable efforts to remove the City from such objectionable marketing efforts at the City's written request.

1.3 Grant Funding

1.3.1 Subject to any grant requirements and conditions, Grant funding obtained by MWDOC for WUE Programs may be made available to end water users within the City's water service area. In order for end water users within the City to be eligible to receive such grant funds from MWDOC, MWDOC will provide the City with the applicable grant terms and conditions and, if acceptable to the City, the City will provide MWDOC written notice of its acceptance of those terms and conditions. The administration of any MWDOC grant funding will be on a program by program basis, contingent upon the terms and conditions of each program.

1.4 MWDOC-Administered Programs.

1.4.1 From time to time, funding may be made available from Metropolitan for MWDOC to operate a customized local water conservation incentive program or programs ("MWDOC Administered" or "MAA Program") in its service area, with access to the Metropolitan Base Incentives for such. As City is also a Metropolitan member agency, in order for MWDOC to administer the MAA Program for City, City would be required to apply to Metropolitan separately for funding. If the City desires MWDOC to administer a MAA Program, City will provide MWDOC a WUE Participation Notice or an Amended WUE Participation Notice. In such cases, MWDOC will administer the MAA Program for City and invoice City for activity in City's service area. City will reimburse MWDOC for any activity and the City will also be responsible for seeking and securing reimbursement directly from Metropolitan. Specific terms and conditions will be provided by MWDOC to the City in the annual WUE Program Notice or an Amended WUE Program Notice.

1.5 Supplemental Funding

1.5.1 If the City elects to provide supplemental funding or enhanced incentives for a WUE Program provided under this Agreement, the City is responsible for tracking the use of and the remaining availability of such supplemental funds. MWDOC will assist in every reasonable way, but the ultimate responsibility for tracking all City funding is the responsibility of City and City is responsible for any overuse of City funding. Supplemental funding designations should be indicated in the WUE Participation Notice or Amended WUE Participation Notice. In the event any City provided funding for any WUE Program is exhausted, and the City does not elect to add additional funding or transfer available funding from another WUE Program, MWDOC will discontinue offering the additional rebate funding for that Program in the City's service area.

1.5.2 City may also choose to provide additional supplemental funding of its own to augment the Metropolitan Base Incentives offered through SoCal Water\$mart. City will coordinate any such supplemental funding directly with Metropolitan.

1.6 Installation Verification and Inspection

1.6.1 The City shall be responsible for conducting installation verifications/inspections of items and devices installed, distributed, and/or rebated pursuant to this Agreement to ensure compliance with program requirements, and/or for paying all costs associated with this verification/inspection. Installation verification/inspection measures shall conform with MWDOC's Inspection and Verification Procedures attached hereto as Exhibit A ("Inspection and Verification Procedures") and incorporated herein by reference.

1.6.2 In connection with any selected WUE Programs that require installation verifications/inspection and to ensure compliance with program requirements, the City may elect to (1) conduct its own installation verifications/inspections by either utilizing its in-house staff or contracting with a third party vendor of its choice; or (2) utilize MWDOC's installation

verification/inspection contractor to conduct the installation verification/ inspections. MWDOC shall invoice the City monthly for any such inspection costs incurred by MWDOC on behalf of the City. In addition to the direct costs to MWDOC, reasonable staff time and overhead attributable to the verification/inspection services may be invoiced to the City.

1.6.3 Notwithstanding any other provision in this Agreement, City understands and agrees that if City utilizes MWDOC's verification/inspection vendor that MWDOC is in no way liable or responsible for the acts or omissions of such vendor and makes no representations or warranties regarding the quality of such vendor's work. City's sole recourse as to any action, claims or damages arising out of the acts or omissions of MWDOC's verification/inspection vendor is with the vendor and not with MWDOC.

1.6.4 MWDOC reserves the right to conduct installation verification/inspection of items and devices within the City's service area that are installed in connection with a WUE Program covered by this Agreement.

1.6.5 In connection with any WUE Program covered by this Agreement, the City acknowledges that any item or device receiving funding from Metropolitan may be subject to an installation verification/inspection to be performed by Metropolitan, or its agent(s), at Metropolitan's discretion.

1.6.6 The City shall promptly refund to MWDOC any amounts paid under any WUE Program for installed or distributed items or devices, including any grant funds, in the event MWDOC or Metropolitan establishes via installation verification/inspection and/or audit that the program items or devices were not installed in compliance with the requirements set forth in the Inspection and Verification Procedures and this Agreement.

1.6.7 For this section 1.6, "items" and "devices" includes, but is not limited to, plumbing fixtures, irrigation devices, turf (removal and replacement), and any other items, devices or materials that are installed in connection with a WUE Program covered by this Agreement.

1.6.8 At the time this Agreement is made, both the Turf Removal Program and the Spray to Drip Rebate Program require inspection services from the City.

1.7 Program With Matching Contribution Requirement

1.7.1 From time to time, WUE Programs may be developed that require a matching contribution from the City in order for the City to participate in such WUE Programs.

1.7.2 The amount of local match funding required for a particular device will be determined by the availability of other funding, and the City's share of the local matching fund will be set forth in the WUE Program Notice or Amended WUE Program Notice.

1.8 WUE Program Cost Allocation and Invoicing

1.8.1 During its annual budget process, MWDOC shall allocate to the City a proportionate share of MWDOC's estimated WUE Program costs ("Choice Costs"). This share of MWDOC's estimated WUE Program costs shall be determined by dividing the total outside funding provided during the previous calendar year to WUE Program participants within the City's service area by the total outside funding provided during the previous calendar year to WUE Program participants within the service area of all MWDOC member agencies and other agency participants. That percentage is then applied to MWDOC's total WUE "choice" program budget, including personnel and overhead costs.

1.8.2 MWDOC shall invoice the City for Choice Costs, which do not include the WUE Program administration and funding costs described below in Section 1.8.4, no later than September 30 of each year, and the City shall pay the amount due within thirty (30) days of receipt of the invoice. MWDOC must be notified of any disputed invoice within thirty (30) days of receipt. An invoice template is shown in Exhibit B, which is attached hereto and incorporated by reference.

1.8.3 With regard to the Choice Costs referenced in Section 1.8.3 above, a reconciliation of actual WUE Program costs will be performed at the end of each year during MWDOC's budget process and any debts or credits will be reflected in the invoice sent to the City the following year.

1.8.4 MWDOC shall invoice the City on a monthly basis for supplemental funding or enhanced incentives pursuant to Section 1.5.1. These costs are separate from the Choice Costs.

2. Shared Consulting Services

The Parties shall continue to participate in and fund collective efforts in planning, research, policy development and other activities that require engagement of an outside consultant. MWDOC shall provide the City a copy of each consultant's proposal for review and comments. For each consultant so engaged, the City will notify MWDOC in writing if it elects to participate in the consulting services and the limit of its financial participation. The City shall have no obligation to pay for any consultant unless City has agreed to participate in writing and shall not be responsible for paying any costs above the City's identified limit.

2.1 Water Resource Planning

2.1.1 Subject to the first paragraph of this Section 2, the Parties may participate, without the need for an additional agreement, in joint activities and studies designed to ensure water supply and system reliability, including water reliability analyses, water supply and demand projections, master planning for water use efficiency, water system loss analysis and leak detection studies, preparation of urban water management plans and studies related to water transfers, water recycling, groundwater recovery, and water storage programs.

2.1.2 The Parties may participate, without the need for an additional agreement, in joint activities and studies related to system reliability efforts for emergency response.

2.1.3 The City shall have no obligation to pay for consultant unless City has agreed to participate as set forth in the first paragraph of this Section 2.

2.2 Award and Administration of Consultant Agreements

2.2.1 When programs or services administered by MWDOC require MWDOC to engage a consultant, MWDOC will use its standardized professional services agreement as a form and will modify it as required for each particular engagement. MWDOC will award the agreement pursuant to its own Administrative Code and procedures, except as noted in this Agreement.

2.2.2 For each professional services agreement, MWDOC will determine appropriate insurance requirements. When MWDOC requires a consultant's insurer to name MWDOC, its directors, officers, agents, employees, attorneys, consultants and volunteers as additional insureds, the same requirement will be made for the City and its Council, officers, agents, employees, attorneys, consultants and volunteers. Other protections in MWDOC's insurance requirements, including waiver of subrogation rights, will also be extended to the City when practicable.

2.2.3 MWDOC shall administer such professional services agreements and coordinate all aspects of the proposed work. MWDOC shall communicate with the City regularly and upon request regarding the status of the agreement and the work for each professional services agreement in which the City has elected to participate.

2.2.4 MWDOC shall invoice the City for the City's share of total costs anticipated for each professional services agreement in which the City has elected to participate, as contemplated in this Agreement. Such invoices shall be mailed by the 10th day of each month for the preceding month and shall be paid by the City within thirty (30) days. The City shall have no obligation to pay for consultant unless City has agreed to participate as set forth in the first paragraph of this Section 2.

2.2.5 MWDOC shall inform the City on a timely basis of any proposed extra work under any professional service agreement being administered by MWDOC that would result in an increase in the City's payment under this Agreement. MWDOC shall obtain input and written concurrence from the City and any other participating agencies prior to the authorization of extra work by the consultant. City shall not have any obligation to pay for any extra work unless the Public Utilities General Manager (General Manager) has provided to MWDOC a written notice of City's agreement for the performance of the extra work. MWDOC will be responsible for paying consultants directly.

2.3 Water Loss Control Technical Assistance

2.3.1 MWDOC has entered into a professional services agreement with Water Systems Optimization, Inc. ("WSO") for WSO to provide water loss control technical assistance to MWDOC's member agencies ("WSO Services") and such is also available to City. Attached as Exhibit C is a copy of such WSO Services agreement. If City elects to participate in the WSO Services, City shall provide written notice to MWDOC setting forth its maximum participation costs and if such notice is provided, City may utilize the WSO Services.

2.3.2 MWDOC has entered into technical services agreements with McCall's Meters, Inc. and with Westerly Meter Service Company to provide meter testing accuracy services ("Meter Testing Services"). Attached as Exhibit D are copies of such Meter Testing Services agreements. If City elects to participate in these services, City shall provide written notice to MWDOC setting forth its maximum participation costs and if such notice is provided, City may utilize the Meter Testing Services.

3. Elementary and High School Water Education Program ("School Education Programs"), and Water Emergency Response Organization of Orange County

3.1 School Programs. The Parties agree that the School Education Programs shall be made available in City's water service area for the Term of this Agreement, without the need for a separate agreement between the Parties in addition to this Agreement. The City shall have no obligations to participate in any School Education Programs unless the City has agreed in writing to participate. There are two School Education Programs: (a) program for students Grade 1 through Grade 6 ("Elementary School Education Program"); and (b) program for students Grade 9 through Grade 12 ("High School Education Program").

The Elementary School Education Program will provide grade-specific water education programs for students in Grade 1 through Grade 6 in private and public schools located in the City of Anaheim. MWDOC will provide a specific water awareness and efficiency curriculum that meets state teaching standards and is organized and conducted by MWDOC through trained educational specialists. Prior to the commencement of any Elementary School Education Program during the Term, MWDOC shall provide City a detailed description of the program and MWDOC shall not commence that program without City's prior written consent. Each new school year shall require a new program description. Compensation to MWDOC shall be paid at the rate of \$3.91 per student participating ("Student Participation Rate") in any program of the Elementary School Education Program during the 2016-17 school year. For every school year thereafter during the Term, the Student Participation Rate shall be adjusted, typically by about three percent (3%). Other adjustments may be requested if additional Anaheim schools ask to participate in the Elementary School Program after the start of a budget year, but no additional costs shall be incurred by City without City's prior written approval. MWDOC does not guarantee the number of schools and students that will participate in the Elementary School Education Program and such may be limited by the amount of funding available. The program description required above will provide a budget

and expected targets, and will require the written consent of both parties prior to implementation.

The High School Education Program will provide grade-specific water education programs for students in Grade 9 through Grade 12 in private and public schools located in the City of Anaheim in conjunction with a digital program and teachers' training program. MWDOC will provide a specific water issues awareness and water use efficiency curriculum that meets state teaching standards and is organized and conducted by MWDOC through trained educational specialists. Prior to the commencement of any High School Education Program during the Term, MWDOC shall provide City a detailed description of the program and MWDOC shall not commence that program without City's prior written consent. Each new school year shall require a new program description. Compensation to MWDOC shall be paid based on an agreed upon level of participation and the program structure. For Fiscal Year 2016-17, the participation rate is \$4,120.00 per participating High School ("High School Participation Rate"). For every school year thereafter during the Term, the High School Participation Rate shall be adjusted, typically by about three percent (3%). Other adjustments may be requested during the course of the program, but City shall not incur additional costs without City's prior written agreement. MWDOC does not guarantee the number of schools and students that will participate in the High School Education Program and such may be limited by the amount of funding available and the level of engagement at each High School. The cost for the digital program and teachers' education is \$41,200 in 2016-17 for the total program cost. The total cost is apportioned over all agencies participating, including the City, based on the percentage of high school students within the service area of the City compared to the total number of high school students in the program (all cities and water agencies participating). The City cost for this portion is \$5,967 for the 2016-17 school year. The program description required above will provide a budget and expected targets, and will require the written consent of both parties prior to implementation.

3.2 School Program Invoices. MWDOC shall submit invoices to City in January and June of each year for the Services provided in accordance with the Agreement. City agrees to pay MWDOC for undisputed invoices within a period of thirty (30) days after receipt of the submittal. Notwithstanding anything to the contrary in this Agreement, City acknowledges that it has been participating in MWDOC's School Education Programs during the 2016-17 fiscal year and agrees to pay for the costs associated with such as described and consistent with Section 3.1 up to City's total agreed upon level of participation, which is Thirty-Nine Thousand and One Hundred and Forty-Six Dollars (\$39,146.00).

3.3 School Program Insurance. Without limiting City's right to indemnification, it is agreed that MWDOC shall secure prior to commencing any School Education Programs on behalf of City, and maintain during that period of the Term in which City is participating in a School Education Program, insurance coverage as follows:

3.3.1 Worker's Compensation Insurance as required by California statutes.

3.3.2 Comprehensive General Liability Insurance, or Commercial General Liability Insurance, including coverage for Premises and Operations, Contractual Liability, Personal Injury Liability, Products/Completed Operations Liability, and Broad-Form Property Damage (if applicable), in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence form.

3.3.3 Comprehensive Automobile Liability coverage, including, as applicable, owned, non-owned and hired autos, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence form.

3.3.4 City's Risk Manager is hereby authorized to reduce the requirements set forth above in the event he or she determines that such reduction is in City's best interest.

3.3.5 Prior to commencing any School Education Programs on behalf of City, MWDOC shall deliver to City insurance certificates confirming the existence of the insurance required by this Agreement and the naming of the City of Anaheim as an additional insured.

3.3.6 In addition to any other remedies City may have if MWDOC fails to provide or maintain the insurance required by this Section, City may, at its sole option: (a) order MWDOC to stop work under this Agreement and/or withhold any payment(s) which become due to MWDOC hereunder until MWDOC demonstrates compliance with the requirements hereof; and/or (b) terminate this Agreement.

3.3.7 Exercise of any of the above remedies, however, is an alternative to other remedies City may have and is not the exclusive remedy for MWDOC's failure to maintain insurance or secure appropriate endorsements.

3.4 The Water Emergency Response Organization of Orange County ("WEROC")

3.4.1 City may participate, without the need for an additional agreement in WEROC operations. MWDOC provides the overall staff and support for WEROC and has historically allocated the costs for WEROC among MWDOC, Orange County Water District, the Cities of Anaheim, Fullerton and Santa Ana, the Orange County Sanitation District and the South Orange County Wastewater Authority. The purpose of WEROC is to assist water and wastewater services with preparedness and response coordination for mutual aid and other services and to represent water and wastewater entities at the Orange County Operational Area. In order to build the relationships needed for effective response, WEROC works with MWDOC member agencies, Metropolitan, the County Operational Area, the State Office of Emergency Services and other emergency response partners throughout the year to educate, network and train together. WEROC staff works with its member agencies and the City on emergency plans and standard operating procedure development, review of state and federal required trainings for grant eligibility, disaster readiness, disaster exercise development, grant identification and applications and response and recovery coordination. Lastly, WEROC staff maintains two emergency operation centers, its own response plans and the backbone of the WEROC radio communications system.

3.4.2 By executing this Agreement, City elects to participate in WEROC and MWDOC will charge City a percentage of WEROC's annual budget to the City to fund WEROC operations. The historical percentage allocated is 3.8% and is based on historical negotiations among the WEROC funding partners. The proposed program budget and funding agency charges will be submitted to City for budgetary consideration annually.

4. Term and Agreement Limit

4.1 This Agreement shall be effective immediately upon the Effective Date and shall continue through June 30, 2020 ("Initial Term"). The Parties may mutually agree in writing to extend this Agreement for two (2) additional one year terms (each, an "Extension Term") so long as the Parties agree to (1) the first extension on or before the expiration of the Initial Term; and (2) the second extension on or before the expiration of the first Extension Term. Further, the Extension Terms shall be on the same terms and conditions as the Initial Term. The Initial Term and each Extension Term shall be collectively referred herein as a "Term". The General Manager is authorized, on behalf of the City, to approve an Extension Term.

4.2 City's funding obligation for this Agreement shall not exceed Five Hundred Thousand Dollars (\$500,000.00) ("Agreement Limit") for all programs and services covered herein. The City is responsible for monitoring its costs pursuant to this Agreement and to the extent that it incurs obligations consistent with this Agreement that exceed the Agreement Limit, the City is responsible for paying such additional costs to MWDOC. If the City wishes to add or delete any programs, activities, or studies set forth in this Agreement, notice of such additions or deletions must be received by MWDOC prior to March 15th for the following fiscal year.

4.3 The City or MWDOC may terminate this Agreement in its entirety at any time upon thirty (30) days written notice to the other Party.

4.4 In the event either Party terminates this Agreement, any funds paid by the City in the year of termination for costs that had not yet been incurred by MWDOC as of the date of termination will be subject to reconciliation during MWDOC's budget process. At that time MWDOC will determine whether the funds will be credited or refunded to the City. Further, any costs incurred by MWDOC as of the date of termination that have not yet been invoiced to the City shall be invoiced by MWDOC promptly and paid by the City within thirty (30) days of invoice receipt.

5. Delivery of Notice

5.1 Except as expressly provided herein, all notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Party may provide in writing for this purpose:

- 5.2 If to MWDOC:
18700 Ward Street
Fountain Valley, CA 92708

Mailing Address: PO Box 20895
Fountain Valley, CA 92728
Phone: (714) 963-3058
Fax: (714) 964-9389
Attention: General Manager

- 5.3 If to City:
201 S. Anaheim Blvd. Suite 601
Anaheim, CA 92805
Attention: Michael Moore

5.3.1 Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

6. Accounting and General Manager Authorization

6.1 MWDOC shall keep a correct and current accounting of payroll costs, travel, subsistence, field and incidental expenses. MWDOC shall use recognized accounting methods in preparing such invoices and reports.

6.2 City reserves the right to request an audit of MWDOC records related to invoices prepared pursuant to this Agreement and to designate a representative(s) to examine any cost, revenue, payment, claim or any other records or procedures related to this Agreement. Any such audit(s) would be done at reasonable times with full cooperation from the MWDOC. If MWDOC fails to provide supporting documentation for any costs charged City to City's reasonable satisfaction, then MWDOC agrees to reimburse City for those disputed payments.

6.3 The right to audit shall be extended to three (3) years beyond the date of final payment, or longer if required by law. MWDOC agrees to retain all necessary records/documentation for the entire length of this audit period. Any required adjustments and/or payments resulting from the audit will be made within thirty (30) days of written notification to MWDOC.

6.4 The General Manager or his authorized designee is authorized to commit the City to any program or service covered by this Agreement as well as provide written notices on behalf of the City.

7. Independent Contractors

Any consultant engaged by MWDOC as contemplated in this Agreement will not be a party or third party beneficiary to this Agreement and will not be an employee or agent of MWDOC or the City, either as a result of this Agreement or as a result of any professional services agreement between MWDOC and the consultant. The professional services agreement between MWDOC and any consultant engaged by MWDOC as contemplated in this Agreement will specify that the consultant is an independent contractor. It is understood that these consultants may be required to enter into confidentiality agreements with the City in the event these consultants require information from the City to perform a service.

8. Indemnification

8.1 When WUE Programs provided in the City's water service area require participants to sign an application form that contains a release, waiver and/or indemnification, the application form shall specify that the release, waiver and/or indemnification covers both MWDOC and the City.

8.2 To the extent that MWDOC, including its staff or consultants, or the City, including its staff or consultants, performs any activities in connection with the programs or services provided as contemplated in this Agreement, each agrees to indemnify and hold the other harmless from any and all liability, claims, obligations, damages, and suits arising out of the activities it performs.

9. Jurisdiction and Venue

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

10. Joint Drafting

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

11. Severability

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

12. Other Invoice Payment.

City agrees to pay MWDOC in the amount of one thousand one hundred and eleven dollars and seventy-four cents (\$1,111.74) for water education as evidenced by MWDOC Invoice number 15559.

13. Effective Date.

The effective date of this Agreement shall be the latest date of execution hereinafter set forth opposite the names of the signators hereto ("Effective Date").

14. Entire Agreement

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

IN WITNESS WHEREOF, the Parties have executed this Agreement by and through their authorized officers.

1. MWDOC

Date _____

By: _____

Robert Hunter, General Manager
Municipal Water District of Orange County

Approved as to Form:

Date _____

By: _____

General Counsel

2. City of Anaheim

Date _____

By: _____

Dukku Lee,
Public Utilities General Manager

Approved as to Form:

Date _____

By: _____

Daniel A. Ballin,
Deputy City Attorney

Internal Use Only:

Program No. _____

Line Item: _____

Funding Year: _____

Contract Amt.: _____

Purchase Order #: _____

Exhibit “A”

Inspection and Verification Procedures

Exhibit "B"

Invoices

Exhibit "C"
WSO Services Agreement

Exhibit "D"
Meter Testing Services Agreement

FINAL 7-11-16

**MASTER AGREEMENT FOR PROGRAMS AND SERVICES
BETWEEN MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
AND THE CITY OF SANTA ANA**

THIS AGREEMENT (the "Agreement") is made as of Aug. 21, 2016 by and between the Municipal Water District of Orange County ("MWDOC") and the City of Santa Ana ("City") to provide for participation by the City in various programs and services administered by MWDOC, as described herein. The City and MWDOC are referred to jointly as "Parties" and individually as "Party." City Staff shall be defined as the City's Water Resources Manager or his designee. That role is currently filled by Nabil Saba, PE, City of Santa Ana Water Resources Manager.

RECITALS

WHEREAS, the Parties are both member agencies of the Metropolitan Water District of Southern California ("Metropolitan") and have many common interests related to water activities, programs and organizations within Orange County; and

WHEREAS, the Parties share many water planning characteristics, including location, climate history, demographics, water sources, water supplies and demand management measures; and

WHEREAS, the Parties share a long and successful history of collaborating on water resource activities, planning analyses and reports, water use efficiency programs, school education programs, emergency preparedness programs and other joint efforts; and

WHEREAS, the Parties desire to cooperate and pool resources to obtain economies of scale on joint studies and programs, share information developed independently, simplify the process of implementing water use efficiency measures, and maximize grant funding for all of these activities; and

WHEREAS, the Parties understand that all programs administered are done so that the ultimate decision to participate and seek a rebate is made by the end water user within the City; and

WHEREAS, the Parties have prepared this Agreement to address the common goal of consolidating and streamlining the contracting procedures required for MWDOC's administration of, and the City's participation in, the programs and services referenced herein;

NOW, THEREFORE, the Parties agree as follows:

1. OVERVIEW OF JOINT ACTIVITIES

- a) The Agreement shall cover those activities as can be agreed to between MWDOC and the City including the following:
 - Water Use Efficiency (WUE) Programs

- School Education Programs (Elementary and High School)
- Water Emergency Preparedness Activities including annual support of the Water Emergency Response Organization of Orange County (WEROC)
- Shared Consulting Agreements
- Water Resources Planning
- Strategic Services
- Water Loss Control Services
- Urban Water Management Plans

b) The provisions as described below shall apply to the above services.

2. WATER USE EFFICIENCY PROGRAMS ("WUE PROGRAMS")

- a) Subject to the limitations set forth in Sections 2 - 5, the Parties shall work together to make WUE Programs available to water users throughout the City's water service area. In general, the City will have access to the same "Choice" WUE Programs that are available to MWDOC's member agencies. Each year, as MWDOC's budget is developed, MWDOC shall provide notice to the City by submitting the WUE Program Participation cost estimate (budget) for the subsequent fiscal year (same as it provides to all of its member agencies) to allow the City to consider participation. City has the sole discretion to participate. MWDOC shall also provide City with any other information or documents which are required for participation in WUE Programs or reasonably requested by the City in connection with WUE Programs. For each fiscal year, the City shall review the WUE Program Participation cost estimate and choose the WUE Programs, the level of its participation, and funding levels that the City deems beneficial. In connection with the foregoing, the City will notify MWDOC via email regarding the City's financial participation in the upcoming fiscal year. Whenever NEW opportunities for WUE programs shall become available, MWDOC shall notify the City Staff and provide sufficient details and requirements for each, and estimated costs for City's review and decision regarding participation. The City Staff shall provide MWDOC an email confirmation regarding whether it intends to participate in the NEW opportunities and its level of participation.
- b) Except to the extent of the elections made in the WUE Participation Notification, the City shall have no obligation to participate in any WUE Program, including, but not limited to, any obligation to provide financial contribution to such program, unless elected to by the City Staff as outlined in Sections 2 - 5.

3. WUE PROGRAMS WITH NO MATCHING CONTRIBUTION REQUIREMENT

- a) Subject to the limitations set forth herein, the Parties agree that the WUE Programs chosen by the City for participation, with the exception of any WUE program that requires City funding, shall be made available throughout the City's water service area for the Term of this Agreement, without the need for a separate agreement between the Parties beyond this Agreement. City participation in any WUE program that requires City funding shall proceed only upon approval of the City, as provided herein.

- b) At the time this Agreement is made, the following WUE Programs are available to the City from MWDOC and they do not require local match funding from the City or any other contribution from the City. The City may voluntarily elect to provide, as described below, supplemental funding in order to enhance the level of incentive paid to the participant.

- Drought Response Turf Removal Program (SAWPA)
- Comprehensive CII Program (SAWPA)
- Comprehensive Landscape Program (USBR)
- Water Smart Landscape Program (aka - Landscape Performance Certification Program)

MWDOC will provide the City with support for these programs in the form of marketing materials and staff support. Grant funding obtained by MWDOC for WUE Programs will be made available to end water users within the City's water service area in the same manner it is made available to MWDOC member agencies.

- c) When required for any WUE Program, as determined by MWDOC and the program design, and subject to provisions in Sections 2 - 5, the City will be required to conduct pre- and post- installation verification inspections and will provide MWDOC with documentation showing inspection results. Personnel and equipment costs incurred by the City, if any, will not be reimbursed by MWDOC or any other third party. Such inspection obligations shall not exceed those levels or amounts set forth in the WUE Participation Notification, attached hereto as Exhibit A. If City has agreed to participate in any program that requires inspections, the City may, in the alternative to the foregoing, request in writing in response to the WUE Program Participation budget that MWDOC direct its inspection contractor to conduct pre- and post-installation verification inspections, at the City's cost, provided MWDOC provides City with an estimate for these costs and City Staff approves such costs. MWDOC shall invoice the City monthly for such inspection costs. In addition to the direct costs to MWDOC, reasonable staff time and overhead attributable to the inspection services may be invoiced to the City and the City is responsible for paying MWDOC for such.
- d) Should City request to add supplemental funding in order to increase incentive levels beyond the levels established, City may do so at its sole discretion by listing the per device and total funding amounts in its response to the WUE Program Participation budget. Submittal to MWDOC of the WUE Participation Notification document with changes by the 10th of the month will take effect by the first of the following month.

4. WUE PROGRAMS WITH MATCHING LOCAL CONTRIBUTION REQUIREMENT

- a) The Parties agree that MWDOC's WUE Programs that require a local contribution shall be made available throughout the City's water service area for the Term of this Agreement, without the need for a separate agreement between the Parties beyond this Agreement. Selection to participate by the City and the level of funding required for any MWDOC WUE

program device will be designated in the WUE Program Participation budget. Any changes, such as funding levels, program participation, and/or overall funding amounts, City wishes to make during the Term of this agreement will be made in response to the WUE Program Participation budget.

- b) The local contribution required under these Programs varies. The amount of local match funding required for any particular device will be determined by the availability of other funding, and the City's share of the local matching fund for each device installed shall be mutually agreed upon between the City and MWDOC prior to the commitment of City funds, which the City shall acknowledge by submitting a response to the WUE Program Participation budget.

5. WUE PROGRAM COST ALLOCATION AND INVOICING

- a) During its annual budget process, MWDOC shall allocate to the City a proportionate share of MWDOC's estimated WUE Program costs. This share is determined by calculating the percentage of total outside funding provided during the previous calendar year to WUE Program participants within the City's service area compared to the total of all outside funding under MWDOC's WUE Program. That percentage is then applied to MWDOC's total WUE "Choice" Program budget, including personnel and overhead costs. Based on the information provided, the City shall decide whether or not to participate and shall advise MWDOC. This allocation process is the same as the allocation process used to allocate costs to MWDOC's member agencies.
- b) For those programs included in the WUE Program Participation budget, MWDOC shall invoice the City for WUE Program costs no later than August 30 of each year, and the City shall pay the amount due within thirty (30) days of receipt of the invoice. MWDOC must be notified of any disputed invoice within 30 days of receipt.
- c) A reconciliation of actual WUE Program costs will be performed at the end of each year during MWDOC's budget process and reflected in the invoice sent to the City the following year.
- d) MWDOC shall invoice the City on a monthly basis for any local funding required, including the per device amounts, any inspection costs, and/or any provided supplemental funding, provided the City has agreed to participate in such programs. Such invoices shall be mailed by the 10th day of each month for the preceding month and shall be paid by the City within 30 days. The amount invoiced per device shall be determined by MWDOC and conveyed to City prior to City's participation. All funding amounts will be listed in the WUE Program Participation budget.

6. SCHOOL EDUCATION PROGRAMS (ELEMENTARY AND HIGH SCHOOL)

- a) MWDOC's School Education Programs are offered as a "Choice" program offering on a pay-for-service program manner for both MWDOC's member agencies and the Cities of Anaheim, Fullerton and Santa Ana. The programs and options are described below. Typically, these programs are structured and priced annually through MWDOC's

budgeting process. The School Education Program services offered by MWDOC and the City annually selects targets for both Elementary and the High School Programs. MWDOC and its contractors agree to attempt to fulfill the target amounts, but cannot guarantee such and will charge the City based on actual students and schools involved in the programs. For the School Programs, MWDOC will invoice for the total annual estimated costs and will provide a reconciliation at the year-end, based on the actual services provided.

b) Elementary School Grades 1-6

- i) Currently, the Elementary School Program is operated by the *Discovery Science Foundation* under contract with MWDOC and offers services based on the number of students desired by each of the member agencies. The program is offered to grades 1-6 with all students using the Keypad Program. The final billing is based on actual number of students that participate.

c) High School Program

Currently, the High School Program is being conducted by contract with MWDOC by *Inside the Outdoors*, a department of the Orange County Department of Education and is being conducted in partnership with *The Ecology Center*. The program offers two parts as follows:

- i) Basic Program - MWDOC structured the “digital portion” of the High School Program and the High School Teacher Training portion of the program, with costs allocated to member agencies and the City based on the High School Student Population count per water serving agency. This was done because the “digital” portion of the program involves development of a web-based program aimed at attracting and engaging high school students from all over the County and because the Teacher Training is open to all teachers in the County.
- ii) Specific Funding to a High School in the Member Agency Service Area - Agencies can elect to have at least one High School in their service area participate in the detailed program involving their entire student body. Agencies can opt in or out of this portion of the program if they do not want it offered for their service area.

7. THE WATER EMERGENCY RESPONSE ORGANIZATION OF ORANGE COUNTY (WEROC)

- a) The parties may participate, without the need for an additional agreement in WEROC operations. MWDOC provides the overall staff and support for WEROC and has historically allocated the costs for WEROC among MWDOC, Orange County Water District, the Cities of Anaheim, Fullerton and Santa Ana, the Orange County Sanitation District and the South Orange County Wastewater Authority. The purpose of WEROC is to assist water and wastewater services with preparedness and response coordination for mutual aid and other services and to represent water and wastewater entities at the Orange County Operational Area. In order to build the relationships needed for effective

response, WEROC works with member agencies, Metropolitan Water District of Southern California, the County Operational Area, the State Office of Emergency Services and other emergency response partners throughout the year to educate, network and train together. WEROC staff works with its member agencies (including the City) on emergency plans and standard operating procedure development, review of state and federal required trainings for grant eligibility, disaster readiness, disaster exercise development, grant identification and applications and response and recovery coordination. Lastly, WEROC staff maintains two emergency operation centers, its own response plans and the backbone of the WEROC radio communications system. In providing these services WEROC continues to lead the nation as a model for water and wastewater emergency coordination and response.

- b) MWDOC will charge a percentage of WEROC's annual budget to the City to fund WEROC operations. The historical percentage allocated is 3.80% and is based on historical negotiations among the WEROC funding partners. The proposed program budget and funding agency charges will be submitted to City for budgetary consideration annually.

8. SHARED CONSULTING SERVICES

- a) The Parties may participate, without the need for an additional agreement, in the planning, research, policy development, water resources planning, strategic processes and other activities that require engagement of an outside consultant. MWDOC shall provide the City a copy of each consultant's proposal for review and comments. For each consultant so engaged, the City will notify MWDOC if it elects to participate in the consulting services and the limit of its financial participation. These and other joint activities and studies related to water resources planning are basic and recurring functions for both MWDOC and the City, and the City's Water Resources Manager shall have discretion to authorize participation by the City in consulting contracts administered by MWDOC by giving written notice to MWDOC, provided the Agreement Limit (defined below) has not been reached.
- b) The City shall not have any obligation to pay for this consultant unless the City agrees to participate in the consultant's proposed costs.

9. AWARD AND ADMINISTRATION OF CONSULTANT AGREEMENTS

- a) When programs or services desired by the City and administered by MWDOC require MWDOC to engage a consultant, MWDOC will use its standardized professional services agreement as a form and will modify it as required for each particular engagement. MWDOC will award the agreement pursuant to its own Administrative Code and procedures, except as noted in this Agreement.
- b) For each professional services agreement, MWDOC will determine appropriate insurance requirements. When MWDOC requires a consultant's insurer to name MWDOC, its directors, officers, agents, employees, attorneys, consultants and volunteers as additional

insureds, the same requirement will be made for the City and its Council, officers, agents, employees, attorneys, consultants and volunteers. Other protections in MWDOC's insurance requirements, including waiver of subrogation rights, will also be extended to the City when practicable.

- c) MWDOC shall administer such professional services agreements and coordinate all aspects of the proposed work. MWDOC shall communicate with the City regularly and upon request regarding the status of the agreement and the work for each professional services agreement in which the City has elected to participate.
- d) MWDOC shall invoice the City for the City's share of total costs anticipated for each professional services agreement in which the City has elected to participate, as contemplated in this Agreement. The cost allocation among participants and the City will vary by project; the basis of the cost allocation and sharing to the City shall be provided and agreed upon prior to the initiation of the professional services agreement. MWDOC shall invoice the City for the full estimated cost of such services and shall provide a reconciliation at the end of each contract. Any invoices shall be mailed by the 10th day of each month for the preceding month and shall be paid by the City within 30 days.
- e) MWDOC shall inform the City on a timely basis of any proposed extra work under any professional service agreement being administered by MWDOC that would result in an increase in the City's payment under this Agreement. MWDOC shall seek input and written concurrence from the City and any other participating agencies prior to the authorization of extra work by the consultant. For the purpose of this section only, an e-mail from MWDOC staff to City staff, with an e-mail response from City staff, shall satisfy MWDOC's obligation to seek written concurrence.
- f) MWDOC will be responsible for all aspects of managing the consultant contract including making any payments required under the terms and conditions of the contract.

10. TERM

- a) This Agreement shall be effective immediately upon execution and shall continue through June 30, 2019 ("Expiration Date"). The Parties may mutually agree to renew this Agreement for an additional three years in writing made on or before the initial Expiration Date, said extension to be exercisable in writing by the City Manager and the City Attorney.
- b) This Agreement does not authorize the programs and services in excess of three hundred and thirty three thousand dollars (\$333,000) over the entire term of the agreement ("Agreement Limit"), as outlined below.
- c) If the City wishes to add any programs, activities, or studies set forth in this Agreement, notice of such additions can be given at any time acceptable to either Party. If the City wishes to delete any programs, activities, or studies set forth in this Agreement, notice of such deletions must be received by MWDOC prior to April 15th for the following fiscal year.
- d) The City or MWDOC may terminate this Agreement in its entirety at any time upon thirty

(30) days written notice to the other Party. In the event either Party terminates this Agreement, any funds paid by the City in the year of termination for costs that had not yet been incurred by MWDOC as of the date of termination will be subject to reconciliation during MWDOC's budget process. At that time MWDOC will determine whether the funds will be credited or refunded to the City. Further, any costs incurred by MWDOC as of the date of termination that have not yet been invoiced to the City shall be invoiced by MWDOC and promptly paid by the City within thirty (30) days. At the time of termination, the City shall remain obligated for any initiatives started that cannot be terminated without incurring costs. MWDOC and the City agree to work amicably to carry out any notice of termination.

11. LIMITATION OF FINANCIAL COMMITMENT BY THE CITY

- a) The financial limit by this agreement is outlined below. The below table provides the estimated current level of activities and projects out the future costs of these activities over the next five years, with future estimates of escalation. The limits provided below are for purposes of City Staff seeking authorization to carry-out these activities over a multiple year period and DO NOT imply any future commitment by the City to MWDOC. The City Staff will utilize this agreement, within their discretion and decision-making to engage on activities with MWDOC only as specifically outlined in this Agreement and only for the matters outlined in this Agreement. The City Staff has sole decision-making responsibility in determining whether or not to participate with MWDOC on any or none of the opportunities outlined in this Agreement.

Limitation of Cost of Services Over the Next Three Years		
Type of Service	Annual Estimate	Maximum Not to Exceed Over 3 Years
Water Use Efficiency (WUE) Programs	Varies	\$21,000
School Education Programs	\$70,000	\$210,000
Water Emergency Preparedness Organization of Orange County (WEROC)	\$15,000	\$45,000
Shared Consulting Agreements	Varies	\$45,000
Water Resources Planning	\$2,000	\$6,000
Strategic Services	\$2,000	\$6,000
Total		\$333,000

12. DELIVERY OF NOTICE

- a) Except as expressly provided herein, all notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Party may provide in writing for this purpose:

If to MWDOC:

Municipal Water District of Orange County
18700 Ward Street
Fountain Valley CA 92708
Phone: (714) 963-3058
Attention: General Manager, Rob Hunter
Email: Rhunter@mwdoc.com

If to City:

Public Works Agency
Water Resources Division
220 South Daisy Ave.
Santa Ana, CA 92702
Phone: (714) 647-3378
Attention: Water Resources Manager, Nabil Saba
Email: NSaba@santa-ana.org

- b) Such notice shall be deemed made when personally delivered or emailed and shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

13. ACCOUNTING

- a) Upon request of the City, MWDOC will provide copies of any specified consultant's agreements, invoices and MWDOC's related payment records.

14. INDEPENDENT CONTRACTORS

- a) Any consultant engaged by MWDOC as contemplated in this Agreement will not be a party or third party beneficiary to this Agreement and will not be an employee or agent of MWDOC or the City, either as a result of this Agreement or as a result of any professional services agreement between MWDOC and the consultant. The professional services agreement between MWDOC and any consultant engaged by MWDOC as contemplated in this Agreement will specify that the consultant is an independent contractor.

15. INDEMNIFICATION

- a) When WUE Programs provided in the City's water service area require participants to sign an application form that contains a release, waiver and/or indemnification, the application form shall specify that the release, waiver and/or indemnification covers both MWDOC and the City.
- b) To the extent that MWDOC, including its staff or consultants, or the City, including its staff or consultants, performs any activities in connection with the programs or services provided as contemplated in this Agreement, each agrees to indemnify and hold the other harmless from any and all liability, claims, obligations, damages, and suits arising out of the activities it performs.

16. JURISDICTION AND VENUE

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

17. JOINT DRAFTING

- a) All Parties have participated in the drafting of this Agreement. The Agreement may be signed in counterpart to facilitate processing.

18. SEVERABILITY

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

19. ENTIRE AGREEMENT

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

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement by and through their authorized officers.

Date: 9-7-16

By: [Signature]
Rob Hunter
General Manager
MWDOC

Date: AUG 25 2016

By: [Signature]
David Cavazos
City Manager
City of Santa Ana

Approved as to Form

Date: 9/7/16

By: [Signature]
Legal Counsel:
Best, Best & Krieger

Approved as to Form

Date: July 12, 2016

By: [Signature]
City Attorney

RECOMMENDED FOR APPROVAL:

[Signature]
Fred Mousavipour
Executive Director
Public Works Agency

ATTEST:

[Signature]
MARIA D. HUIZAR
CLERK OF THE COUNCIL

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES AUGUST 2017

Managers' Meeting	<p>MWDOC held its Managers' meeting on July 20, 2017 at its office in Fountain Valley. In attendance were Mike Grisso (Buena Park); Mike Dunbar (Emerald Bay); Mark Sprague (Fountain Valley); Brian Ragland (Huntington Beach); Paul Cook (IRWD); John Kennedy (OCWD)a; Dave Rebensdorf (San Clemente); Dan Ferons (SMWD); David Spitz (Seal Beach); Hector Ruiz (TCWD); Art Valenzuela (Tustin); Marc Marcantonio (YLWD); Drew Atwater (MNWD); and Karl Seckel; Harvey De La Torre; Joe Berg; Heather Baez; Melissa Baum-Haley; Kevin Hostert; Chris Lingad; Kelly Hubbard; and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> 1. Cyclic Program & In-Lieu 2. California WaterFix Presentation Series Update and ACWA Urban Long-term Conservation Policy Principles 3. MET Member Agency Metering Workgroup Update 4. Upcoming Public Outreach Campaigns (MWDOC & MET) 5. MWDOC's Readiness-to-Serve Corrections 6. Update to MWDOC's Capacity Charge <p>The next meeting is tentatively scheduled for August 17.</p>
CCEEB	<p>In Sacramento, Director Tamaribuchi and I attended a meeting of the CA Council for Environmental and Economic Balance (CCEEB) Water, Chemistry & Waste Project.</p>
Cyber Security	<p>Kelly and I attended a Cyber Meeting hosted by Senator Joe Dunn. The meeting was a preliminary discussion on what concepts of coordination could exist to help small to medium sized agencies (cities, schools, water districts, etc.) tackle the concept of cyber security from the standpoint of protection, planning and response. The group agreed that some possible solutions exist and agreed to meet again.</p>

MET ITEMS CRITICAL TO ORANGE COUNTY

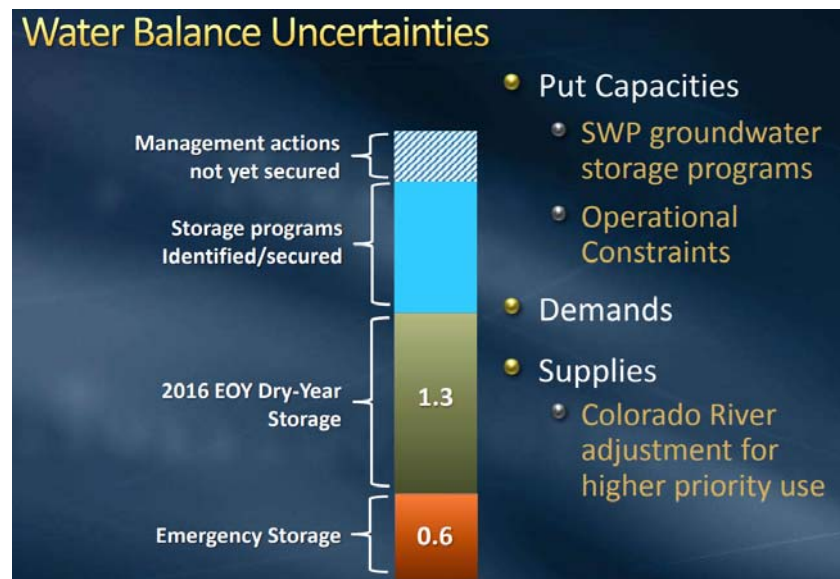
MET's Water Supply Condi- tions

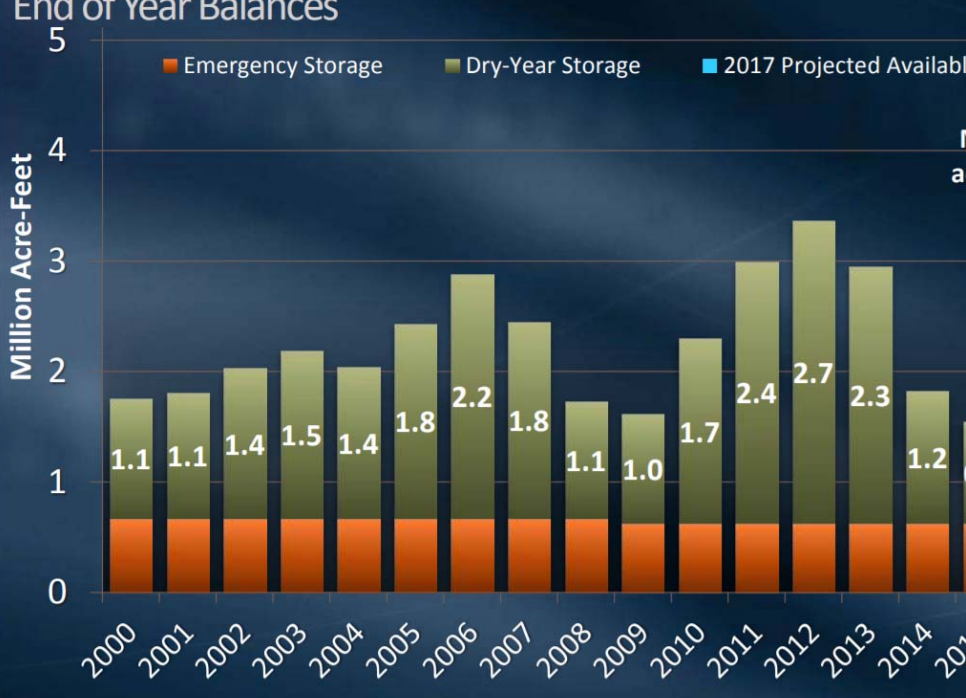
2017 Water Supply Balance

With the Department of Water Resources (DWR) setting the State Water Project (SWP) "Table A" allocation at 85%, MET will have approximately 1.624 million acre-feet (MAF) in SWP deliveries this water year. So far, MET has received approximately 124 TAF of Article 21 supplies through May. On the Colorado River system, there is an estimated 960 TAF.

MET is projecting that supplies will exceed demand levels in CY 2017. With a current demand trend of 1.47 MAF, Metropolitan is expected to increase their dry-year by 1.28 MAF. Based on this estimated recovery and a beginning dry-year storage balance of 1.3 MAF, this will bring MET's total dry year storage to 2.5 MAF.




































Limitations with recharging groundwater basins due to the "suspect" of quagga mussels and in order to secure all of the available imported water supplies for 2017, MET's Board approved last month a one year In-Lieu storage program. The purpose of the program is to store additional imported water locally that would have been lost if no action was taken.



MET's Water Supply Conditions (Continued)	<div>Reserves this Year</div> <div>End of Year Balances</div> <div><table><thead><tr><th>Year</th><th>Emergency Storage</th><th>Dry-Year Storage</th><th>2017 Projected Available</th></tr></thead><tbody><tr><td>2000</td><td>0.7</td><td>1.1</td><td></td></tr><tr><td>2001</td><td>0.7</td><td>1.1</td><td></td></tr><tr><td>2002</td><td>0.7</td><td>1.4</td><td></td></tr><tr><td>2003</td><td>0.7</td><td>1.5</td><td></td></tr><tr><td>2004</td><td>0.7</td><td>1.4</td><td></td></tr><tr><td>2005</td><td>0.7</td><td>1.8</td><td></td></tr><tr><td>2006</td><td>0.7</td><td>2.2</td><td></td></tr><tr><td>2007</td><td>0.7</td><td>1.8</td><td></td></tr><tr><td>2008</td><td>0.7</td><td>1.1</td><td></td></tr><tr><td>2009</td><td>0.7</td><td>1.0</td><td></td></tr><tr><td>2010</td><td>0.7</td><td>1.7</td><td></td></tr><tr><td>2011</td><td>0.7</td><td>2.4</td><td></td></tr><tr><td>2012</td><td>0.7</td><td>2.7</td><td></td></tr><tr><td>2013</td><td>0.7</td><td>2.3</td><td></td></tr><tr><td>2014</td><td>0.7</td><td>1.2</td><td></td></tr><tr><td>2015</td><td>0.7</td><td>1.2</td><td></td></tr><tr><td>2016</td><td>0.7</td><td>1.2</td><td></td></tr><tr><td>2017</td><td>0.7</td><td>1.2</td><td>1.2</td></tr></tbody></table></div>	Year	Emergency Storage	Dry-Year Storage	2017 Projected Available	2000	0.7	1.1		2001	0.7	1.1		2002	0.7	1.4		2003	0.7	1.5		2004	0.7	1.4		2005	0.7	1.8		2006	0.7	2.2		2007	0.7	1.8		2008	0.7	1.1		2009	0.7	1.0		2010	0.7	1.7		2011	0.7	2.4		2012	0.7	2.7		2013	0.7	2.3		2014	0.7	1.2		2015	0.7	1.2		2016	0.7	1.2		2017	0.7	1.2	1.2
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MET's Finance and Rate Issues	<div>MET Financial Report</div> <div>The financial portfolio performance report through June 30, 2017 resulted in a short-term portfolio with a market value of \$973.7 million or an increase of \$15.5 million. For the FY 2016-17, the year to date return of the short-term portfolio has outperformed the benchmark by 0.41%, and since inception it has outperformed the benchmark by 0.58%.</div> <div>The long-term portfolio ended the fiscal year with a market value of \$345.3 million or a decrease of \$0.6 million. For the FY 2016-17, while the long-term portfolio year to date return was -0.13%, it did outperform the benchmark by 0.04%, and since inception it has outperformed the benchmark by 0.48%.</div>																																																																												
Colorado River Issues	<div>Mexican Water Treaty Minute 32X</div> <div>In 2012, the United States and the Republic of Mexico signed Minute 319 which included:</div> <div><ul style="list-style-type: none">Establishment of reservoir triggers for sharing both shortage and surplus;Establishment of a program of Intentionally Created Mexican Allocation whereby Mexico could temporarily reduce its order of Colorado River water, allowing that water to be delivered to Mexico in the future;</div>																																																																												

Colorado River Issues (Continued)	<p>As with Minute 319, the implementation of Minute 32X will require a number of domestic implementing agreements to be executed by various parties within the U.S., including MET. On June 21, representatives of the domestic contracting parties met to continue development and negotiation of the implementing agreements. The implementing agreements include matters regarding funding, forbearance and delivery, as well as an agreement that would address additional reductions in water deliveries to Mexico in drought conditions in order to protect Lake Mead provided that the U.S. agencies agree to similar drought contingency reductions in a subsequent agreement.</p> <p><u>Salinity Control Forum Meeting</u></p> <p>The Colorado River Basin Salinity Control Forum held its semiannual meeting in Wyoming June 8 and 9. The Forum is an organization of the seven Colorado River Basin states that guides state and federal agency work to implement the Colorado River Basin Salinity Control Program. Currently, the Program controls 1.33 million tons of salt in places that would otherwise enter the Colorado River annually. MET holds one of the three Governor-appointed positions representing California on the Forum. At the June meeting, the Forum reviewed proposed changes to the Program's Triennial Review report and considered funding recommendations for 2017 Program-related salinity studies. The Triennial Review documents the Forum's work plan and salinity control goals for the next three years. The meeting included a status update on the Program activity, including the Paradox Valley Unit operated by the Bureau of Reclamation. The Paradox Valley injection well is the largest single salinity control project in the Program, but has been operating at a reduced capacity due to problems at the facility. The Forum is working with the Bureau of Reclamation to evaluate long-term options to replace the aging well. At the June meeting, the Forum appointed MET's Manager, Colorado River Resources Bill Hasencamp, to be its next Vice Chair.</p> <p><u>Study Shows Impacts of Warmer Temperatures on Colorado River</u></p> <p>The results of a recent study by Professor Brad Udall and Professor Jonathan Overpeck found that 1/3 of the reduction in flows into the Colorado River since the current drought began in 2000 was caused by increased temperatures in the Upper Basin. The remaining 2/3 was the result of low precipitation. The study found that the drought has been in part a temperature caused drought, rather than the common precipitation caused drought. In 2017, warm temperatures in the spring significantly reduced the forecast annual runoff into Lake Powell – from 145 % of average in March 2017 down to 116 % of average in June.</p>
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Bay Delta/State Water Project Issues	<p data-bbox="451 233 737 268"><u>California WaterFix</u></p> <p data-bbox="451 285 1390 611">On July 21, the California Department of Water Resources (DWR) certified the Final EIR, adopted Findings and a Statement of Overriding Considerations, adopted the Mitigation Monitoring and Reporting Program, approved the California WaterFix (alternative 4a), and filed the Notice of Determination (NOD) with the Governor's Office of Planning and Research for the California WaterFix project. The announcement followed the release of the federal biological opinions on June 26, that confirm the project is consistent with environmental and wildlife protection standards.</p> <p data-bbox="451 653 1406 867">The NOD and decision documents signed by Acting Director Messer approve WaterFix as the proposed project under the California Environmental Quality Act (CEQA). The project helps ensure stable water supplies for millions of Californians. CEQA requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.</p> <p data-bbox="451 909 1406 1123">DWR, which operates the State Water Project, screened more than 100 different proposals before analyzing 18 alternatives in depth in the final 50,000-page Environmental Impact Report (EIR) under CEQA. The combined public comment period on these environmental analyses lasted nearly a year. The project was refined several times to shrink its footprint, minimize impacts to Delta landowners, and make other changes.</p> <p data-bbox="451 1165 1398 1341">The CEQA certification, NOD, and decision documents put WaterFix a step closer to construction, which could begin as early as 2018. As both a modern and ambitious infrastructure project, WaterFix will require world-class engineering, efficient construction management, aggressive cost containment, and transparent business operations.</p> <p data-bbox="451 1383 1414 1598">In addition to the certification, DWR also filed a “validation action” with the Sacramento County Superior Court to affirm the department’s authority to, among other things, issue revenue bonds to finance the planning, design, construction and other capital costs of California WaterFix. A validation action is necessary to provide assurances to the financial community for the sale of the California WaterFix revenue bonds.</p> <p data-bbox="451 1640 1365 1780">Meantime, DWR and the Bureau of Reclamation have completed a substantial portion of the proceedings before the State Water Resources Control Board to change the point of diversion for the state and federal water projects to allow operation of the WaterFix.</p>
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Bay Delta/State Water Project Issues (Cont'd.)	<p>The CEQA certification, NOD, and decision documents are available at http://baydeltaconservationplan.com/NoticeofDetermination.aspx</p> <p><u>Next Steps</u></p> <p>Issuance of the California WaterFix NOD by DWR completes DWR’s compliance with the CEQA and clears a major milestone in planning the project. Several regulatory and permitting actions, as well as funding-related decisions still need to be completed before construction can begin. Initial Requests for Qualifications seeking prospective contractors will be publicized later this year.</p> <table><tr><th colspan="2">REGULATORY PROCESSES AND PERMITS</th><th>STATUS</th></tr><tr><td>1</td><td>ENDANGERED SPECIES ACT (ESA) SECTION 7 CONSULTATION</td><td></td></tr><tr><td>2</td><td>CALIFORNIA ENVIRONMENTAL QUALITY ACT / CEQA</td><td></td></tr><tr><td>3</td><td>CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW) 2081(B) PERMIT</td><td></td></tr><tr><td>4</td><td>CDFW LAKE AND STREAMBED ALTERATION AGREEMENT, SECTION 1602</td><td></td></tr><tr><td>5</td><td>SECTION 401 OF THE CLEAN WATER ACT – WATER QUALITY CERTIFICATION</td><td></td></tr><tr><td>6</td><td>U.S. ARMY CORPS OF ENGINEERS (USACE) SECTION 404 PERMIT</td><td></td></tr><tr><td>7</td><td>NATIONAL HISTORIC PRESERVATION ACT (NHPA) SECTION 106 COMPLIANCE</td><td></td></tr><tr><td>8</td><td>DELTA STEWARDSHIP COUNCIL</td><td></td></tr><tr><td>9</td><td>STATE WATER RESOURCES CONTROL BOARD (SWRCB) CHANGE PETITION</td><td></td></tr><tr><td>10</td><td>DESIGN & ENGINEERING</td><td></td></tr><tr><td>11</td><td>USACE SECTION 408 PERMIT</td><td></td></tr></table> <div> Complete  In Process</div>	REGULATORY PROCESSES AND PERMITS		STATUS	1	ENDANGERED SPECIES ACT (ESA) SECTION 7 CONSULTATION		2	CALIFORNIA ENVIRONMENTAL QUALITY ACT / CEQA		3	CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW) 2081(B) PERMIT		4	CDFW LAKE AND STREAMBED ALTERATION AGREEMENT, SECTION 1602		5	SECTION 401 OF THE CLEAN WATER ACT – WATER QUALITY CERTIFICATION		6	U.S. ARMY CORPS OF ENGINEERS (USACE) SECTION 404 PERMIT		7	NATIONAL HISTORIC PRESERVATION ACT (NHPA) SECTION 106 COMPLIANCE		8	DELTA STEWARDSHIP COUNCIL		9	STATE WATER RESOURCES CONTROL BOARD (SWRCB) CHANGE PETITION		10	DESIGN & ENGINEERING		11	USACE SECTION 408 PERMIT	
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Doheny Desalination Project	<p>South Coast WD’s Board approved a resolution in late June to submit an application for grant funding from the Department of Water Resources (Proposition 1 Water Desalination Grant Program) of up to \$10 million for the construction of the Doheny Ocean Desalination Project with the caveat that the application could be withdrawn if necessary. The application is due to DWR on September 1, 2017. Major effort on the EIR is currently on hold, pending results of updated Slant Well Modeling. The updated modeling is estimated to be completed by September 11, 2017. Pending results of the modeling, a 2nd Scoping Meeting is anticipated in September 2017 and completion of the EIR anticipated in June 2018.</p>																																				

Poseidon Resources	Poseidon is still working on the permitting process. The public review period for the Draft Supplemental Environmental Impact Report (EIR) was extended to July 27, 2017. Poseidon anticipates a decision by the State Lands Commission on October 19 and then will continue working their way towards the Santa Ana Regional Water Quality Control permit and then on to the California Coastal Commission, likely in the first half of 2018. OCWD is still working on the system integration concepts.
Orange County Reliability Study	CDM-Smith and MWDOC staff are in the process of completing follow-up work to the 2016 study. The work includes modeling of more recently available information, updating Colorado River assumptions, assessment of additional scenarios for the Huntington Beach Desalination Plant, and assessment of the value of new storage. The work is expected to be completed in the next few months.
MET Metering Work Group	The Meter Workgroup is re-evaluating technology and criteria for measuring and accounting for low system flows to provide member agencies more flexibility. The intent is to expand the flow measurement range to better account for low flows than the current metering system provides. Charles Busslinger and Chris Lingad participated in a workgroup meeting on July 26, 2017. The workgroup is continuing to develop design policy guidance to recognize newer technology (i.e. such as the additional precision provided by mag meters at lower flows) and revisiting MET Administrative Code Section 4504(b) limitation [a.k.a. 10:1 turndown] which currently requires member agencies to pay for flows that are less than 10% of maximum design capacity of the meter as if they received 10% flows. Any final recommendations would be brought to the MET Board for consideration at year end 2017 or early 2018
OC-28 Flow Metering Issue with MET	MWDOC, MET and OCWD have exchanged information and are continuing to discuss both the flow metering issues from June, July and August of last summer and the December 13 flow test conducted by MET. MWDOC and OCWD are still of the opinion that OCWD is owed an adjustment of water for metering problems and we are making progress on our position. Data is currently being reconfirmed to forward to MET's Auditor for consideration.
Service Connection CM-1 Cost Issues with MET	Laguna Beach CWD and Newport Beach are continuing to study alternative methods of delivery of the water to avoid complications with the CM-1 meter while providing sufficient year-round water flow in the lower portions of the OC Feeder to maintain high water quality. We are awaiting the outcome of the studies.
O.C. Integrated Regional Watershed Management	Charles Busslinger has been participating in weekly ad hoc committee meetings to develop the goals, objectives, and strategies for the North and Central IRWM Plan. The draft goals, objectives, and strategies will be presented to stakeholders for comments on August 29, 2017. The final draft plan is anticipated by the end of Summer 2017.

San Juan Basin Authority	Karl attended the San Juan Basin Authority Board Meeting on August 8, 2017. Monitoring data from the Adaptive Management Plan lends support to the existence of a sub-surface hydraulic barrier (rock formation) just north of Stonehill Drive which may allow for changes in how the basin is managed. Additional geotechnical investigation work is moving forward to define the extent of this barrier. South Coast Water District's Board will consider its level of participation in these geotechnical investigations at its August 10 meeting.
EMERGENCY PREPAREDNESS	
Coordination with WEROC Member Agencies	<p><i>WEROC Radio Replacement Update: Kelly Hubbard and Francisco Soto continue to work with member agencies, Motorola, and the Sheriff's Communications staff to implement the OC 800 MHz radio system for WEROC. Francisco is currently working with Motorola to sign a purchase agreement with MWDOC to commence work on the project.</i></p> <p>Local Hazard Mitigation Plan: Francisco worked with Michael Baker to mutually agree to the terms in the Consultant Agreement. The first of five monthly planning meetings was conducted on Wednesday, July 26, 2017 – it should be noted that 100% attendance of participating agencies was achieved for the kick-off meeting. The second planning meeting is scheduled to take place on August 30, 2017, and will focus on confirming the hazards identified in the first meeting and identifying each agency's current capabilities.</p> <p>Janine Schunk worked with our Member Agencies to update our IT contacts. This list is used to share IT and Cyber Security specific information with our member agencies.</p> <p>Janine uploaded an agreed upon "Water Utility Communication Protocol with Fire Agencies" into the Safety Center App for our member agencies. This protocol was discussed and worked out with all of the Fire Agencies that have dispatch centers within Orange County. This protocol largely applies to urban-wildland fires, however, Kelly is continuing to work with OCFA on enhancing communications for standard urban fires as well.</p> <p>Claris Strategies is rewriting IRWD's emergency operations plan. As part of the process, Claris is interviewing primary staff at IRWD who have a role in disaster response. Claris asked to interview Kelly as a component of the plan revision in order to incorporate WEROC appropriately into IRWD's plan. She was also able to provide several templates and documents that have been developed specifically for OC water utilities and response.</p>

Training and Programs	<p><i>Ongoing: WEROC is hosting a series of trainings related to a year-long training program intended to lead up to a full field and EOC exercise in spring 2018 based on an unknown contaminate in the water system.</i></p> <p>Update: Francisco developed a 2 hour training for the WEROC EOC staff based on the 9 hours of training provided to member agencies. The training provides an overview of the concepts and then discusses WEROC's role in that type of response. The training includes an overview of the Emergency Water Quality Sample Kit, Water Quality Notifications and Public Information" and the Determination of a Credible Threat" trainings. Kelly delivered the finished training product.</p>
Emergency Plans	<p>Francisco submitted the revised WEROC Emergency Operations Plan to Kelly. The update included a streamlined approach, update to current information, and the incorporation of corrective actions from previous WEROC training and exercises. Currently, Francisco is working on the hazard specific annexes. Once Kelly completes her review and the hazard specific annexes are completed, the plan will be brought to the Board for approval. EOC staff and member agencies will receive training on the revised plan and copies.</p>
Coordination with the County of Orange	<p>Francisco & Kelly attended the July Orange County Emergency Management Organization (OCMO) meeting at the Orange County Social Services Agency. Michelle Anderson from the Sheriff's Emergency Management Division presented on the County's plan maintenance process, and presented the group with a County Plans Revision Matrix that can assist jurisdictions when updating internal plans in conjunction with County Plans. The county maintains 32 various emergency plans and annexes. Some of the plans that are applicable to WEROC and our member agencies would be the Debris Management Plan, the Flood Annex, County & Operations Area Emergency Operations Plan, and the Power Outage Annex, among a few others. Additionally, Richard Steele from John Wayne Airport gave a presentation on the recent 405 plane crash.</p> <p><i>Operational Area Agreement Revision Working Group Updates: The OA is currently making revisions to the OA Emergency Management Agreement. The OA Agreement is signed by 114 government entities in Orange County and hasn't been updated since it was originally created in the late 90's. A key topic of discussion during this month's meeting was "Section 2.3: Orange County Emergency Management Organization." OCMO is the working body for emergency management within OC. Its purpose is to coordinate on the development of plans, procedures, and the training needed to ensure OC agencies are prepared for a disaster. The discussion was focused on the makeup of this group, its goals, governance, etc.</i></p>

Coordination with Outside Agencies	<p>Kelly was invited to take a Decommissioning Tour of SONGS. The tour was targeted to emergency managers and went into the various aspects of the decommissioning process, as well as possible emergency response procedures that remain in place. The emergency management group was invited back to do the internal containment area tour at a later date.</p> <p>Janine met with the cleaning company at the South and North EOC for facility cleanings.</p> <p>Janine also met with a door replacement company to receive quotes on new doors for the South EOC to meet current fire safety standards for safe exits of the facility.</p> <p>Charles and Kelly met with the Emergency Managers of Disneyland and the City of Anaheim. The meeting was to discuss various pros and cons on different EOC remodel concepts that have worked and not worked.</p> <p>Janine participated in the MARS monthly radio test.</p>
WATER USE EFFICIENCY	
MWDOC Water Education Program Advisory Committee (PAC)	<p>On July 12, MWDOC water use efficiency staff held a Water Education PAC meeting where four member agencies participated. The intent is to shape a robust education program for commercial landscape maintenance contractors, cities, and water district personnel. Agenda items included:</p> <ul style="list-style-type: none"> • Discussion on the Qualified Water Efficient Landscaper (QWEL) Training • Discussion on Program Refinements. Member agencies were given the opportunity to discuss any questions/concerns with the rebate programs. Synthetic turf was a long discussion so staff also brought the item to the WUE coordinators meeting.
MET's Water Use Efficiency Workgroup Meeting	<p>On July 20, Matthew Conway attended MET's WUE Workgroup meeting where about 30 member agencies participated. Agenda items included:</p> <ul style="list-style-type: none"> • New Book: So Cal Yard Transformation • Certified Blue Restaurant Program • Member Agency Roundtable • Metropolitan Updates • Future Meeting Items <p>The next Workgroup meeting is scheduled for July 20 at MET.</p>

Orange County Water Use Efficiency Coordinators Workgroup	<p>On August 3, Joe, Beth Fahl, Steve Hedges, Matthew Conway, Rachel Waite, and Jonathan Volzke hosted the Orange County Water Use Efficiency Coordinators Workgroup meeting at MWDOC where about 25 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> • MWDOC Updates • Agency Roundtable/Problem Solving • SWRCB Long Term Water Use Efficiency Regulations Update • Choice Invoices • Public Affairs & Program Marketing <ul style="list-style-type: none"> ○ Boy Scout Merit Badge Clinic – August 5th at SMWD ○ Water Policy Dinner – August 30, 2017 at Great Wolf Lodge ○ Coastal Cleanup – September 16, 2017 at HB State Beach, Tower ○ OC Water Summit – June 1, 2018 at the Grand Californian Hotel ○ Social Media Marketing <ul style="list-style-type: none"> ▪ Hashtag Media ▪ Request for Proposals ○ Whiteboard Videos/Magazine • MWDOC Landscape Education and Program Refinements Committee Update <ul style="list-style-type: none"> ○ Synthetic Turf • Metropolitan Update <ul style="list-style-type: none"> ○ MET's Peer Review of Conservation Programs • Water Use Efficiency Programs Update <ul style="list-style-type: none"> ○ Turf Removal Program Data Request ○ Landscape Design Assistance Program ○ Update on Electronic Signatures in Droplet ○ Update on Spray-to-Drip in Droplet • California Water Efficiency Partnership Update <p>The next meeting is scheduled for September 7 hosted by MWDOC.</p>
PUBLIC/GOVERNMENT AFFAIRS	
Member Agency Relations	<p>Public Affairs Staff participated in Westminster Safety Day with Ricki the Raindrop</p> <p>Heather provided an update on the Long Term Conservation legislation at the MWDOC Member Agency Managers' meeting.</p>

Member Agency Relations(Cont'd)	Heather assisted Stacy Taylor from Mesa Water District hosting Senator Moorlach and his staff to Mesa's Water Friendly Garden at the OC Fair.
Community Relations	<p>Public Affairs Staff hosted a Boy Scout merit badge clinic in partnership with Santa Margarita Water District. Staff from Water Use Efficiency also participated.</p> <p>Heather attended an event put on by the OC Fair Board with an update from the OC Fair CEO on this year's county fair and community outreach/participation.</p> <p>Heather attended the Legislative Karaoke Reception hosted by ACC-OC, OCAR and the South County Chamber.</p> <p>Heather attended the Garden Grove Chamber Legislative Affairs Committee meeting featuring guest speaker, Congressman J. Luis Correa.</p>
Education	Public Affairs Staff met with contractors and MET education staff to hone the core high school education offering and related video contest.
Media Relations	Public Affairs staff worked with the editor of a local website to quickly correct/remove inaccurate information regarding MWDOC's position on a local water project.
Special Projects	<p>Public Affairs staff:</p> <p>Worked with Rob and Karl on an expanded WaterFix/EcoRestore white paper for CCEEB.</p> <p>Is in the process of preparing a Water Policy Dinner featuring keynote speaker Roger Patterson.</p> <p>Finished the second whiteboard video, "Where OC Gets its Water," and distributed it to participating choice agencies.</p> <p>Finished the OC Water Magazine for participating choice agencies.</p> <p>Is currently working on itineraries, trip logistics, guest and Director requirements for the following inspection trips:</p> <ol style="list-style-type: none"> 1. September 8-9, Director McKenney, SWP 2. October 6, Director Barbre, Infrastructure 3. October 27-28, Director Ackerman, CRA <p>Met with LBCWD to discuss and tour potential Wyland Pocket Park locations (still pending location approval from the City).</p>

Special Projects (Cont'd.)	<p>Met with Admin staff to determine needs and criteria for a database coordinator position.</p> <p>Continue to meet with staff and the website developer to prepare mockups, provide extensive content and direction for the new MWDOC website.</p> <p>Coordinated second executive photo shoot with staff and Board members and worked with staff and Board to select proofs for editing.</p> <p>Continue to work with the hallway display contractors to provide content and direction.</p> <p>Heather staffed the ISDOC Executive Committee meeting.</p> <p>Heather staffed the WACO meeting featuring speaker Kelly Rowe on the Sespe groundwater aquifer.</p>
Legislative Affairs	<p>Heather and Melissa participated in the MET Legislative Coordinators' conference call.</p> <p>Heather and Melissa worked with Syrus Devers on MWDOC's response to Senator Hertzberg's request for feedback on the long term conservation legislation.</p> <p>Heather met with Jennifer Beall, District Director for Assemblyman Bill Brough.</p> <p>Heather attended a congressional reception featuring several Orange County members of Congress including: Issa, Royce, Rohrabacher, and Walters.</p> <p>Heather met with Jessica Witt, Director of Government and Community Relations for the County of Orange.</p> <p>Heather is working with Albert Napoli from MET on reaching out to elected officials within the Orange County delegation to get support letters for the California WaterFix and EcoRestore project.</p> <p>Heather participated in the SWRCB's public meeting in San Diego where they are seeking input on program scenarios being discussed to provide affordable drinking water to low-income Californians as mandated by AB 401 (2015).</p>

Water Summit	<p>Public Affairs staff:</p> <ul style="list-style-type: none">• Attended staff meetings with OCWD to discuss potential themes and speakers for the 2018 event.• The contract with Disney to hold the Summit at the Grand Californian on June 1 was also executed.
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pat meszaros
8/10/17

INFORMATION CALENDAR

**MWDOC GENERAL INFORMATION
ITEMS**

MWDOC BOARD OF DIRECTORS

- Brett R. Barbre
- Larry D. Dick
- Wayne Osborne
- Joan Finnegan
- Sat Tamaribuchi
- Jeffery M. Thomas
- Megan Yoo Schneider