

REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
October 21, 2015, 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>.

DISTRICT AWARD

NEXT RESOLUTION NO. 2019

CONSENT CALENDAR (Items 1 to 8)

(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. September 2, 2015 Workshop Board Meeting
- b. September 16, 2015 Regular Board Meeting
- c. September 16, 2015 MWDOC WFC Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee: September 8, 2015
- b. Administration & Finance Committee: September 9, 2015
- c. Public Affairs & Legislation Committee: September 15, 2015

- d. Executive Committee Meeting: September 17, 2015

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of September 30, 2015
b. MWDOC Disbursement Registers (September/October)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of August 31, 2015
d. PARS Monthly Statement (OPEB Trust)
e. Water Use Efficiency Projects Cash Flow

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the period ending August 31, 2015

Recommendation: Receive and file as presented.

5. CONSUMER DRIVEN HEALTH PLANS (CDHP) BENEFIT PLAN OFFERINGS FOR 2016

Recommendation: (1) Authorize the addition of the Anthem and Kaiser CDHP to the options available to eligible participants for health insurance; and, (2) Authorize the General Manager to notify the Joint Powers Insurance Authority of the District's intent to add the CDHP to its current benefit offerings; and (3) Authorize the implementation of a Health Savings Account (HSA) for participants enrolled in the CDHP; and, (4) make an annual contribution to the participant's Health Savings Account at the 1st payroll in 2016; and (5) authorize District contributions to the employee Health Savings Accounts as listed below;

Plan	Annual HSA contribution by District		
	Employee only	Employee +1	Family
Anthem	\$1,300	\$2,600	\$2,400
Kaiser	\$1,150	\$2,050	\$2,400

(7) Authorize the implementation of a limited purpose benefits plan for participants who elect the CDHP. Per IRS guidelines, participants in the CDHP may not have access to a traditional Flexible Spending Plan, therefore a "limited purpose" account would be offered to allow employees to voluntarily set funds aside on a pre-tax basis via payroll deductions for eligible dental and vision expenses.

6. APPROVE CONTRACT FOR WATER LOSS CONTROL TECHNICAL ASSISTANCE FOR MEMBER AGENCIES

Recommendation: (1) Authorize the General Manager to enter into a professional services contract, to be renewed annually for up to three years, with Water Systems Optimization, Inc. to (a) Provide technical assistance to member agencies for water loss control, water balances, component analysis, and leak detection (depending upon the number of agencies that participate in this Choice Program opportunity, this contract amount could range up to \$1,253,280 with all 28 member agencies participating), and (b) Initiate the establishment of an Orange County Water Loss Control Committee for member agencies as a MWDOC Core Program at an annual cost not to exceed \$55,000; and

(2) Authorize the General Manager to enter into Choice-based cost-sharing agreements with agencies wishing to access this technical assistance.

7. TRAVEL TO WASHINGTON DC TO COVER FEDERAL INITIATIVES

Recommendation: Receive and file.

8. TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES

Recommendation: Receive and file.

– End Consent Calendar –

ACTION CALENDAR

9-1 PUBLIC COMMENT LETTER ON CALIFORNIA WATERFIX PARTIALLY RECIRCULATED DRAFT EIR/SUPPLEMENTAL EIS

Recommendation: Authorize the General Manager to submit a formal comment letter on the BDCP/California WaterFix partially Recirculated Draft EIR/ Supplemental EIS.

9-2 SECONDARY ASSIGNMENT OF SURPLUS MET ALLOCATION

Recommendation: Authorize the General Manager to offer a MWDOC member agency or agencies a secondary assignment of currently unused water from the MET allocation to MWDOC up to 16 thousand acre-feet with appropriate conditions for payment of possible MET surcharges for allocation exceedances.

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

10. GENERAL MANAGER'S REPORT, OCTOBER 2015 (ORAL AND WRITTEN)

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

11. MWDOC GENERAL INFORMATION ITEMS

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

Recommendation: Receive and file as presented.

CLOSED SESSION

12. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Government Code Section 54957

Title: General Manager

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 (MWD OC)
WITH THE MWD OC MET DIRECTORS**
September 2, 2015

At 8:30 a.m. President Dick called to order the Workshop Board Meeting of the Board of Directors of Municipal Water District of Orange County (MWD OC) at the District facilities located in Fountain Valley. Mr. Dan Ferons led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWD OC DIRECTORS

Brett R. Barbre*
Larry Dick*
Joan Finnegan
Susan Hinman (via teleconference)
Wayne Osborne
Sat Tamaribuchi
Jeffrey M. Thomas

*Also MWD OC MET Directors

MWD OC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Secretary
Michelle Tuchman, Consultant
Richard Bell, Principal Engineer
Joe Berg, Water Use Efficiency Prog. Mgr.
Harvey De La Torre, Associate General Mgr.

OTHER MWD OC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

William Kahn
Mark Monin
Doug Reinhart
Steve LaMar
Peer Swan
Paul Cook
Paul Weghorst
Paul Shoenberger
Mike Markus
John Kennedy
Andrew Kanzler
Ray Miller
Thom Coughran
Charles Gibson
Dan Ferons
Rick Erkeneff
Dennis Erdman
Bill Green
Wayne Rayfield
Andy Brunhart
Gary Melton
Marc Marcantonio
Howard Johnson

El Toro Water District
El Toro Water District
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
City of San Clemente
City of San Juan Capistrano
City of San Juan Capistrano
Santa Margarita Water District
Santa Margarita Water District
South Coast Water District
South Coast Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District
Brady & Associates

Liz Mendelson
Jeff Kightlinger
Richard Gardner

San Diego County Water Authority
Metropolitan Water District of So. Cal.

TELECONFERENCE SITE

President Dick stated that Director Hinman would be attending the meeting via teleconference and that all agenda requirements pursuant to the Ralph M. Brown Act were complied with.

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 Dick inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting with General Manager Hunter responding no items were distributed.

No items were distributed.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

Director Chuck Gibson (Santa Margarita Water District) commented on his involvement with Region 10 and the ACWA Federal Affairs Committee, noting that discussions have been held regarding Waters of the U.S. issues (and their efforts to determine what constitutes water under the Corp's jurisdiction. He advised that it is a critical subject and encouraged all agencies to be involved in the discussions. He noted that Best, Best & Krieger offered to staff a Task Force on this matter and suggested the District appoint 1-2 representatives to such a Task Force. MWDOC MET Director McKenney concurred.

General Manager Hunter announced that public affairs consultant, Michelle Tuchman, would be completing her assignment with the District, and he introduced the new Public Affairs Manager, Jonathan Volzke, to the Board.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

DISCUSSION WITH JEFF KIGHTLINGER REGARDING METROPOLITAN WATER DISTRICT ISSUES

Mr. Jeff Kightlinger of Metropolitan Water District of Southern California (MET) provided an overview of current MET activities, including water sales trends, MET's Integrated Resources Plan (IRP) update, conservation activities, the California Water Fix, and Waters of the U.S.

Included in Mr. Kightlinger's overview, he advised that the MET service area responded to the Governor's Conservation Order, by exceeding the 25% reduction. He also advised that MET is working through its IRP update (required every five years) with the member agencies, and that it will be broken up into two phases, namely, goals/targets in the existing IRP, and highlighting/targeting policy issues that need change (e.g. implementation methodologies).

With respect to the California Water Fix, Mr. Kightlinger highlighted the fact that the State recirculated an environmental document designating a "Preferred Project" which was the Governor's proposal to build twin tunnels. He also provided an overview of the significant changes to the original document, including proceeding under Section 7 (rather than 10) of the Endangered Species Act, and advised that much of the information relates to regulatory/permitting issues. He noted that MET is in the process of reviewing the Preferred Project and will comment by the deadline of October 30th; a final environmental document is anticipated by the end of the year.

Mr. Kightlinger briefly touched on the Waters of the U.S., by noting that MET has been tracking this issue for a long time and will continue to provide comments through the Western Urban Water Coalition and working with regulatory agencies.

A question/answer period followed his presentation, with specific emphasis on the probability of the California Water Fix going to a vote, the water levels of Diamond Valley Lake (and whether projections are on-target at this point in the drought), the IRP and the Turf Removal Program and how MET will evaluate future projects, MET's role in Local Resources Projects and MET's role in producing new water (to build, not just provide subsidies), whether to promote an alternative to the California Water Fix (or Plan B), MET's role in desalination, and MET's core mission.

The Board thanked Mr. Kightlinger for his presentation, and received and filed the presentation.

ORANGE COUNTY'S DROUGHT PERFORMANCE REPORT

Mr. Harvey De La Torre reported on Orange County's performance under the State Board's mandatory reduction, highlighting that Orange County retail water agencies reported an aggregated water savings of 29% for the month of July 2015 (compared to July 2013 water usage), which exceeded Orange County's conservation target.

The Board received and filed the report.

STATUS ON METROPOLITAN'S 2015 INTEGRATED RESOURCES PLAN (IRP)

Assistant General Manager, Karl Seckel, provided an overview of Metropolitan's 2015 *Integrated Resources Plan (IRP) Preliminary Findings* which was presented to MET's IRP Board Committee on August 18 as a "First Step" in identifying the water supply reliability gaps using only existing supplies (what the current total water supplies could cover over the next 25 years if we did nothing more; relying only on existing and under construction projects: no Delta Fix, no additional local resource projects, and no additional active conservation measures).

His presentation included information regarding MET's key water supply projections over the next 25 years based on using only existing and under construction projects, and what the probability of a shortage occurring was under expected demands (gap analysis), and that this gap analysis revealed that the "do nothing" approach is not sustainable and the shortage probability and size will increase over time to further dependence on storage to help meet demands. Mr. Seckel advised that to help meet this supply gap, MET ran the shortage probability under the scenario of "what if we develop all of our 2010 IRP Targets," such as achieving the 20% reduction in GPCD as a region by 2020, developing 100 TAF of additional local resources, implementing near and long term Delta improvements (including the California Water Fix), and developing Dry-Year supply programs to ensure a full Colorado River Aqueduct. The results show the development of all of the 2010 IRP supply targets would dramatically mitigate shortages and provide enough supplies to meet future demands.

Mr. Seckel noted that MWDOC staff has the following observations/concerns: (1) is there a need to review demand projections, in light of the recent Governor's mandatory water restrictions, to determine the estimated demands over the short and long term? ; (2) how much do we rely on the near and long term Delta improvements?; (3) groundwater sustainability needs to be carefully evaluated, so we may better understand the need for MET water for the long term sustainability of groundwater basins; (4) developing and timing of Local Projects appear critical to the supply need; and (5) the need to assess the storage space in both local basins and in MET's various storage accounts, as well as the amount needed to refill them to protect against future dry periods

Following a brief discussion, the Board received and filed the report.

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

Director Hinman commented on Bay/Delta/State Water Project issues, referencing the State Water Resources Control Board's issuance of curtailment notices directing diverters in the Delta watershed to cease diversions. She requested staff provide information on this issue to her.

OTHER INPUT OR QUESTIONS ON MET ISSUES FROM MEMBER AGENCIES

No questions were raised.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

No inquiries were made.

CLOSED SESSION ITEMS

General Manager Hunter reported that the closed session items were not necessary.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:09 a.m.

Maribeth Goldsby
Board Secretary

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
September 16, 2015**

At 8:33 a.m. President Dick 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. President Dick led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick
Joan Finnegan (absent)
Susan Hinman
Wayne Osborne
Sat Tamaribuchi
Jeffery M. Thomas

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Heather Baez, Government Affairs Manager
Jonathan Volzke, Public Affairs Manager

ALSO PRESENT

Larry McKenney
William Kahn
Mark Monin
Bob Hill
John Kennedy
Ray Miller
Rick Erkeneff
Andy Brunhart
Gary Melton
Howard Johnson

MWDOC MET Director
El Toro Water District
El Toro Water District
El Toro Water District
Orange County Water District
City of San Juan Capistrano
South Coast Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Dick 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. Dick asked whether there were any comments on other items which would be heard at this time.

No comments were received.

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.)

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

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

No items were presented.

CONSENT CALENDAR

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

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (5-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Dick, Hinman, Osborne, and Tamaribuchi voted in favor. Directors Finnegan and Thomas were absent.

MINUTES

The following minutes were approved.

August 5, 2015 Workshop Board Meeting
August 19, 2015 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: (no August meeting)
Administration & Finance Committee Meeting: August 12, 2015
Public Affairs & Legislation Committee Meeting: August 10, 2015
Executive Committee Meeting: August 20, 2015

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of August 31, 2015
MWDOC Disbursement Registers (August/September)

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 July 30, 2015

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following item was received and filed as presented.

Preliminary Financial Report for Fiscal Year 2014-15 (Unaudited) (includes quarterly budget review)

DISTRICT CONFERENCES

- a. International Association of Emergency Managers 2015 Conference, November 14-18, 2015, Las Vegas

The Board authorized Kelly Hubbard's attendance at the International Association Emergency Manager's 63rd Annual Conference November 14-18, 2015 in Las Vegas.

CHANGE ORDER FOR FRASER COMMUNICATIONS/VALUE OF WATER CHOICE PROGRAMS

The Board approved a change order of \$61,020 for Fraser Communications to close out contracts related to the Value of Water/Drought messaging campaign.

END CONSENT CALENDAR

(Director Thomas arrived at 8:34 a.m.)

ACTION CALENDAR**APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR THE 2014 GRANT TRANSFER AGREEMENT WITH THE COUNTY OF ORANGE AS THE LOCAL ADMINISTRATOR OF HOMELAND SECURITY GRANT FUNDS**

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (6-0), the Board adopted RESOLUTION NO. 2018, authorizing Federal financial assistance provided by the Federal Department of Homeland Security, approving the execution of the 2014 Grant Transfer Agreement with the County of Orange as the Local Homeland Security (HLS) Grant Administrator, and approving the WEROC Program Manager and the General Manager as designated Authorized Agents for this grant. Said RESOLUTION NO. 2018 was adopted by the following roll call vote:

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

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE CONSIDERATION FOR 2016/17

President Dick advised that the MWDOC nominations for ACWA Committee representation were before the Board for consideration. Director Barbre stated that although the Administration & Finance Committee recommended both Heather Baez and Art Kidman to ACWA's State Legislative Committee, due to the limited representation on each Committee (from each Region), he would recommend MWDOC nominate Heather Baez (Government Affairs Manager) for this Committee. He advised that although he supports Mr. Kidman in his bid for this Committee, he believes another agency will be nominating him.

Director Thomas announced that due to the limited seats on each Committee from Region 10, he preferred to withdraw his nomination to the ACWA Finance Committee, suggesting that the Board support Director Mark Monin (El Toro Water District) in this capacity. It was noted that El Toro Water District would be nominating Mr. Monin for the Finance Committee later in September.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board nominated Linda Ackerman to the ACWA Federal Affairs Committee, Susan Hinman to the ACWA Local Government Committee, Larry McKenney to the ACWA Legal Affairs Committee and Business Development Committee, and Heather Baez to the ACWA State Legislative Committee, and directed staff to submit the completed Committee Consideration Forms by the September 30 deadline. Under separate communication, the Board asked staff to send a letter to the new ACWA Region 10 Chairman indicating that the Board would support the appointment of Art Kidman to the State Legislative Committee, and Mark Monin to the Finance Committee. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi & Thomas were in favor; Director Finnegan was absent.

ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD ELECTION (2016-17)

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board authorized President Dick, or his designee, to cast the District's vote as he deems fit. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi & Thomas were in favor; Director Finnegan was absent.

Director Hinman asked that Mr. Dick notify her as to how he voted.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, SEPTEMBER 2015

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

Responding to an inquiry by Director Osborne regarding Mesa Water's Ocean Desal Survey, Mr. Hunter advised that Mesa commissioned a survey on ocean desalination and whether proceeds from a new property tax could be used for the Huntington Beach desalination site. Following discussion, the Board requested a presentation on this item at the October Public Affairs & Legislation Committee 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 Osborne advised that he attended the MWDOC Board and Committee meetings, as well as the WACO meeting, and the Urban Water Institute Conference in San Diego.

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as a breakfast meeting with Mimi Walters, the Yorba Linda Water District Citizens Advisory Committee and Bond Workshop, the Brea City Council rate workshop, ISTAP meeting for the Huntington Beach/Poseidon project, the Placentia City Council meeting, and the WACO meeting.

Director Tamaribuchi noted his attendance at the MWDOC Board and Committee meetings (with the exception of the Planning & Operations and Administration & Finance Committees), as well as the WACO meeting, the Urban Water Institute conference, and a meeting with MET staff regarding the barrier projects along the Delta.

Director Thomas advised that he attended the Urban Water Institute conference, the Administration & Finance Committee meeting, a meeting with representatives from South County, a meeting with Mark Monin (ETWD), the ISDOC/WEROC emergency training, and a meeting with Paul Cook of IRWD.

Director Hinman noted that she attended the MWDOC Board and Committee meetings.

Director Dick wished staff members Rob Hunter, Hilary Chumpitazi and Pari Francisco a happy birthday. In addition to attending the MET meetings, he attended the ISDOC Planning Committee meetings, the WACO Planning Committee, and the Executive, Workshop Board, and Public Affairs & Legislation Committee meetings.

ADJOURNMENT

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

Respectfully submitted,

Maribeth Goldsby, Secretary

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WATER FACILITIES CORPORATION
September 16, 2015

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

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick
Joan Finnegan (absent)
Susan Hinman
Wayne Osborne
Sat Tamaribuchi
Jeffery M. Thomas

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Heather Baez, Government Affairs Manager
Jonathan Volzke, Public Affairs Manager

ALSO PRESENT

Larry McKenney
William Kahn
Mark Monin
Bob Hill
John Kennedy
Ray Miller
Rick Erkeneff
Andy Brunhart
Gary Melton
Howard Johnson

MWDOC MET Director
El Toro Water District
El Toro Water District
El Toro Water District
Orange County Water District
City of San Juan Capistrano
South Coast Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates

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 comments were received.

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.)

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 presented.

FINANCIAL REPORT

a. Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation

Upon MOTION by Director Dick, seconded by Director Barbre, and carried (6-0), the Board authorized the annual filing of the tax compliance reports as presented. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi & Thomas voted in favor; Director Finnegan was absent.

ANNUAL REORGANIZATION OF BOARD OFFICERS FOR THE MWDOC WATER FACILITIES CORPORATION

President Osborne announced that the Board would consider the annual reorganization of Board officers.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board appointed Wayne Osborne as MWDOC WFC President and Director Jeffery M. Thomas as MWDOC WFC Vice President to serve a one-year term. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi & Thomas voted in favor; Director Finnegan was absent.

ADJOURNMENT

There being no further business to come before the Board, MWDOC WFC President Osborne adjourned the meeting at 8:32 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
PLANNING & OPERATION COMMITTEE
September 8, 2015 - 8:45 a.m. to 9:50 a.m.
MWDOC Conference Room 101

P&O Committee:

Director Wayne Osborne, Chair
Director Brett Barbre
Director Susan Hinman (via telecon)

Staff:

Robert Hunter, Karl Seckel,
Harvey De La Torre, Katie Davanaugh,
Kevin Hostert, Jonathan Volzke

Also Present:

Liz Mendelson, San Diego Co. Water Authority
Linda Ackerman, MWDOC MET Director

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

TELECONFERENCE SITE

Director Hinman attended the meeting via telephone. All agenda requirements pursuant to the Ralph M. Brown Act were complied with.

PUBLIC PARTICIPATION

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

Item 5, MET Regional Recycled Water Program staff report was distributed.

ACTION ITEMS

**APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR THE
2014 GRANT TRANSFER AGREEMENT WITH THE COUNTY OF ORANGE AS
THE LOCAL ADMINISTRATOR OF HOMELAND SECURITY GRANT FUNDS**

Upon MOTION by Director Hinman, seconded by Director Barbre, and carried (3-0), the Committee recommended approval of the Resolution Designating authorized agents for the 2014 Grant Transfer Agreement with the County of Orange as the Local Administrator of Homeland Security Grant Funds. Directors Barbre, Hinman and Osborne all voted in favor.

Director Barbre called attention to several items on the California Governor's Office of Emergency Services FY 2014 Grant Assurances application, namely items 16, 26, and 30.

Director Osborne inquired whether staff would be attending the conferences associated with this grant transfer agreement and whether the grant included a provision to assist with conference fees. It was noted that grant fees for conference attendance by MWDOC staff are included. Mr. Hunter noted support for conference attendance by staff, while Director Osborne noted that he would prefer that only management staff attend these type of conferences.

DISCUSSION ITEMS

STATUS UPDATE ON THE OC WATER RELIABILITY STUDY – SEPTEMBER 2015

Mr. Seckel provided an overview of historical demands in Orange County since 1990, noting that the current demand remains rather flat. It is speculated that the current reduction in demand is primarily behavioral due to the drought and the Governor's mandatory water use reduction plan. Much of the reduction is a result of conservation efforts pertaining to outdoor irrigation. Discussion ensued on the long term savings of the turf removal program and whether the cost savings benefit will be realized in the long run, given the program cost in the incentives and rebates paid to participants.

Phase 1 of the OC Water Reliability Study objective is to estimate the difference in projected future demands and existing (planned supplies) and later on in Phase 2, reliability benefits and net present value reflecting costs will be evaluated.

Mr. Hunter noted that a workgroup has been meeting on a regular basis to determine which activities should be included in the study and that the consensus is that it is appropriate to estimate the supply gaps and projects that could fill the supply gaps, whether they are projects from MET or projects developed within Orange County. Director Osborne inquired when the results of the study efforts will be completed and requested that staff prepare a follow-up report including a timeline of future activities that are included in the study and further detail. Mr. Seckel noted that some difficulties have been encountered that have delayed the progress of the final report which include the level of demands and demand rebounds and whether they will rebound to pre-drought levels.

Discussion ensued on water demand forecasting including projected current conservation efforts with average weather and no drought restrictions and post conservation with average weather and no drought restriction.

STATUS ON METROPOLITAN'S 2015 INTEGRATED RESOURCES PLAN (IRP)

Mr. Seckel reviewed an IRP presentation that was provided at the September 2, 2015 Workshop Board meeting which illustrated state and federal average annual water supplies. The supply levels, whether the California fix is successful, range from 4.7 million acre feet to 5.3 million acre feet, which is significant. There are many factors that influence the supply levels.

INFORMATION ITEM

STATUS REPORTS

- a. Ongoing MWDOC Reliability and Engineering/Planning Projects
- b. WEROC
- c. Water Use Efficiency Projects
- d. Water Use Efficiency Programs Savings and Implementation Report

Mr. Seckel noted that the Urban Water Management Plans are anticipate to cost \$700,000 for 25 member agencies and this is a state mandated plan.

Mr. Seckel called attention to the water savings listed in the water use efficiency programs savings report, due to the turf removal program.

The status reports were received and filed.

REVIEW OF ISSUES RELATED TO CONSTRUCTION PROGRAMS, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, DISTRICT FACILITIES, and MEMBER-AGENCY RELATIONS

No items were presented.

ADJOURNMENT

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

**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

September 9, 2015 – 8:30 a.m. to 9:30 a.m.
MWDOC Conference Room 101

Committee Members:

Director Jeff Thomas, Chair
Director Joan Finnegan (absent)
Director Wayne Osborne

Staff:

Robert Hunter, Karl Seckel, Harvey De La Torre,
Maribeth Goldsby, Katie Davanaugh,
Cathy Harris, Jonathan Volzke

Also Present:

Director Susan Hinman (via telephone)
Director Brett Barbre
MET Director Linda Ackerman
MET Director Larry McKenney
Andrew Hamilton, Mesa Water

Director Thomas called the meeting to order at 8:30 a.m. Director Barbre sat on the Committee in the absence of Director Finnegan.

TELECONFERENCE SITE

Director Hinman attended the meeting via telephone. All agenda requirements pursuant to the Ralph M. Brown Act were complied with.

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

A write-up on the health insurance plans (Item 8) was distributed, along with the PARS statement (Item 1g).

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORT

- a. Revenue/Cash Receipt Report – August 2015
- b. Disbursement Approval Report for the month of September 2015
- c. Disbursement Ratification Report for the month of August 2015

- d. GM Approved Disbursement Report for the month of August 2015
- e. Water Use Efficiency Projects Cash Flow – August 31, 2015
- f. Consolidated Summary of Cash and Investment – July 2015
- g. OPEB Trust Fund monthly statement

Upon MOTION by Director Osborne, seconded by Director Thomas, and carried (3-0), the Committee recommended the Treasurer's Report for approval at the September 16, 2015 Board meeting. Directors Thomas, Osborne and Barbre all voted in favor.

FINANCIAL REPORT – Preliminary Financial Report for Fiscal Year 2014 (Unaudited)

Upon MOTION by Director Osborne, seconded by Director Thomas, and carried (3-0), the Committee recommended the Financial Report for approval at the September 16, 2015 Board meeting. Directors Thomas, Osborne and Barbre all voted in favor.

DISTRICT CONFERENCE – International Association of Emergency Managers 2015 Conference, Las Vegas, NV, November 14-18, 2015

Upon MOTION by Director Osborne, seconded by Director Thomas, and carried (3-0), the Committee recommended the Board authorize attendance at the International Association of Emergency Managers Conference. This item will be presented to the Board on September 16, 2015. Directors Thomas, Osborne and Barbre all voted in favor.

ACTION ITEMS

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE CONSIDERATION FOR 2016/17

The Committee reviewed the list of MWDOC directors and staff who have expressed interest in the ACWA Committee appointments and held discussion on the process for submitting requests to ACWA. Director Barbre expressed support for Art Kidman to participate on ACWA's State Legislative Committee. It was noted that MWDOC staff member Heather Baez has also expressed interest in sitting on the State Legislative Committee. Committee discussed the ramifications of submitting two names for the State Legislative Committee (with region representation limited), noting that the newly elected Region 10 Chair and Vice Chair will choose which the candidate (if any) from MWDOC to submit to the ACWA President. Staff reported that the consideration forms are due to ACWA by September 30th. Director McKinney expressed interest in participating on the Legal Affairs Committee (first choice) as well as the Business Development Committee (second choice). Upon general consent, the Committee recommended further discussion on this matter to September 16, 2015 Board meeting.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 BOARD ELECTION (2016-2017)

Larry McKenney stated that he would support the MWDOC Board voting for the Region 10 Nominating Committee's recommended slate of candidates which listed him as Region 10 Board member rather than Vice Chair (MWDOC nominated him for Vice Chair). He

referenced an ACWA Region 10 rule that states either the Chair or Vice Chair must be an elected official and that neither he nor Brian Brady (the current candidate for Chair) are elected.

Discussion ensued regarding the Region 10 nominating committee's recommended slate of candidates and whether the District should vote for the slate or independent candidates (due to MWDOC's nomination of Larry McKenney as Vice Chair). Director Barbre thought it prudent to authorize President Dick to cast the ballot as he sees fit; the Committee concurred.

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (3-0), the Committee recommended President Dick or his designee to cast the District's ballot as he sees fit at the MWDOC September 16, 2015 Board meeting. Directors Thomas, Osborne and Barbre all voted in favor.

CHANGE ORDER FOR FRASER COMMUNICATIONS VALUE OF WATER CHOICE PROGRAM

Mr. Hunter reported that this item was presented as a housekeeping item to approve a change order to close our contracts related to the Value of Water/Drought messaging campaign for work completed over the prior 6 months. The contract amendment included major revisions to video messaging in movie theaters and gas station pump tops. The work is now concluded. About half of the \$61,000 contract amendment will be reimbursed by member agencies who participated in the drought messaging.

Upon MOTION by Director Thomas, seconded by Director Osborne, and carried (2-0), the Committee recommended the Change Order for Fraser Communications be presented at the September 16, 2015 Board meeting. Director Barbre opposed. Director Osborne noted that he still opposes the Value of Water concept.

DISCUSSION ITEMS

POLICY DISCUSSION REGARDING DISTRICT INCENTIVE/REBATE PROGRAMS AND RELEASE OF INFORMATION FOR PUBLIC RECORDS ACT REQUESTS

Mr. Hunter noted that the concerns have been raised by the public and the Public Utilities Commission with regard to releasing personal information on individuals who have submitted applications for various water conservation rebate programs. The District has amended its forms to notify applicants that information contained in the applications may be disclosed pursuant to laws under a Public Records Act Request. The Committee also held discussion on the pending IRS ruling on whether rebates should be included as taxable income.

INFORMATION ITEMS

REPORT ON HEALTH INSURANCE PLANS

Mr. Hunter reported that Director Dick expressed interest in the high deductible plans and requested that the Board consider offering the plan to employees. It was noted that Director Dick was not in attendance at this meeting. A written staff report was presented to the committee which was briefly reviewed and included background information, features of the plan, implications of the "Cadillac tax" which is anticipated to take effect in 2018 or later, corresponding Health Savings Accounts and consideration of District contributions, current JPIA participation statistics and whether there would be a savings or cost to the District, depending on which participants switched to the high deductible plan.

The remainder of the informational reports were received and filed without comment or discussion

DISPOSAL OF FIXED ASSETS

MWDOC WATER FACILITIES CORPORATION ANNUAL MEETING

- a. 2015 Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation
- b. Annual Reorganization of Board Officers for the MWDOC Water Facilities Corporation

STATUS REPORT ON GENERAL MANAGER'S AUTHORITY CONTRACTS FOR FY 2014-15

MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFO

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

OTHER ITEMS

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

No information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:30 a.m.

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

Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE

September 15, 2015 8:30 a.m. to 9:25 a.m.

MWDOC Conference Room 101

Committee:

Director Brett Barbre, Chair
Director Sat Tamaribuchi
Director Susan Hinman

Staff:

Robert Hunter, Karl Seckel,
Harvey DeLaTorre, Heather Baez,
Tiffany Baca, Jonathan Volzke,
Pat Meszaros

Also Present:

MWDOC President, Larry Dick
MWDOC Director, Wayne Osborne
Linda Ackerman, MWDOC MET Director
Dick Ackerman, Ackerman Consulting
John Lewis, Lewis Consulting
Matt Holder, Lewis Consulting
Eric O'Donnell, Townsend Public Affairs
Sharon Gonsalves, TPA
Christopher Townsend, TPA
Casey Elliott, TPA
Jim Leach, Santa Margarita Water District
Peer Swan
Crystal Nettles, Orange County Water Dist.
Alicia Dunkin, Orange County Water Dist.
Liz Mendelsohn, San Diego County Water

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

PUBLIC PARTICIPATION

No items were presented.

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.

No items were presented.

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

No items were presented.

DISCUSSION ITEMS**LEGISLATIVE ACTIVITIES****a. Federal Legislative Report (Barker)**

The report was received and filed.

b. State Legislative Report (Townsend)

Mr. Eric O'Donnell introduced Ms. Sharon Gonsalves who was previously with the State Legislature for ten years. She assisted Assemblywoman Diane Harkey and now looks forward to being part of the Townsend team. Mr. O'Donnell stated that the legislature ended on September 11 and a lot of hot topics came up including medical marijuana, physician assisted suicide, Redevelopment Agencies and others. Director Hinman inquired about Mr. Gerald Meral's initiative specifically the definition of desalination which stipulates removal of salt from groundwater sources only. Via telephone, Mr. Casey Elliott responded that Mr. Meral's proposal has a definite environmental conservation slant and hasn't been vetted with the legislature. Mr. Seckel stated that this is a continuation of splitting the definition of desalination between coastal sources (perceived as being more financially able to afford desalination) vs. spreading the money throughout the state. Mr. Elliott stated that it is partially due to making sure that the money can go as far as possible, both geographically and by the number of projects, since there are a limited number of desalination projects due to the \$5 million cap.

Director Barbre asked Ms. Baez to share what was happening since she was in Sacramento last week. Ms. Baez stated that the big issue was the passage of SB 32, the California Global Warming Solutions Act of 2006. She remarked that there is a lot of uncertainty due to leadership changes. Ms. Baez further stated that there were few water issues, a couple of "gut and amends" and Hertzberg's SB 163, limitation on the amount of wastewater that can be sent to the ocean, which is a 2 year bill we will watch next year. SB 101 passed--it's a trailer bill that went out on the last day of session and includes \$19 million for local agencies to implement water efficiency programs or projects that reduce greenhouse emissions and water energy use. Mr. Hunter stated that word is this is an NRDC bill so it's likely to have some legs and also likely that we will end up with a schedule of reductions.

Mr. Elliott discussed SB 163 (Hertzberg) and TPA's concern regarding the provision of meeting 50% and 100% thresholds on reducing wastewater being discharged to the ocean and, if unable to meet, would prohibit you from accessing state funds and grant funds. This bill would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow for beneficial purposes by January 1, 2026. This bill would prohibit the discharge of treated wastewater through ocean outfalls, except as backup discharge and would require a wastewater treatment facility to achieve 100% reuse of the facility's actual annual flow for beneficial purposes by January 1, 2036. Mr. Elliott stated further that a lot of items that the Legislature had prioritized they couldn't come together on. On September 3, the Assembly Democratic Caucus voted to select Assemblyman Anthony Rendon as their next Speaker. Mr. Rendon will be installed in time for budget and primary election. Mr. Rendon is very familiar with water issues. His

lead water staffer is Al France who handled water issues for Assembly Member Solorio.

c. County Legislative Report

Senator John Lewis stated that his report includes a little article about El Nino. There was a headline on Sunday releasing information on a recent poll which partly dealt with water issues. USC Dornside College together with the *LA Times* conducted a poll of 1500 registered voters statewide. There was a 2.8% margin of error so a very reliable survey which spent a fair amount of time talking about water. The survey asked people whether they thought the water situation in California warranted being called a "crisis" to which 57% responded yes. Asked what impact the water situation has on you personally, 35% of respondents stated a major impact and 55% a minor impact. Asked people to list major reasons for causing drought, 74% replied not enough snow and rain. When asked potential strategies they favor to combat drought, the most popular (77%) was recycling more water. Others were capturing stormwater (76%), desal (52%) and building new dams (40%). And finally, asked if State government should impose fines as high as \$10,000 for water conservation rules, 49% responded they should be able to; 44% they should not. There were some interesting cross tabulations between views of Hispanics and Caucasians.

d. Legal and Regulatory Report (Ackerman)

Senator Dick Ackerman commented on Rendon coming in as the new speaker and the fact that he's a CAL State Fullerton graduate who has been meeting on education issues over the years. He also reported on more consequences of the drought – *LA Times* article reported that as a result of less water running through the pipes, solids are not being washed through the system causing backups and leaks. We'll see a lot more of that in the future. Director Barbre mentioned that as he was coming down Jamboree today, he noticed a lot of flooding and, apparently, they haven't cleaned out the storm drains yet. Hopefully this early rain will be incentive for them to get them cleaned out.

e. MWDOC Legislative Matrix

The report was received and filed.

f. Metropolitan Legislative Matrix

The report was received and filed.

**CALIFORNIA WATERFIX PARTIALLY RECIRCULATED
DRAFT EIR/SUPPLEMENTAL EIS**

Mr. Seckel reported that previously our Board supported the BDCP and this CA Water Fix updates information and provides additional technical data. The other major change is that the lead agencies separated the CA Fix from the HCP/NCCP issues and changed it from Section 10 to Section 7 permitting process. Staff is recommending that the Board take a support position on this. Technical support on this review was provided by Mr. Ken

Weinberg who has participated in statewide discussions on the issue and, if the Board is interested, we could have him attend the October board meeting. Our agencies reviewed this issue and would prefer a shorter version of the comment letter. Comments are due by October 30. Director Barbre would like us to place the comment letter on the agenda for the Elected Officials Forum.

INFORMATION ITEMS

PUBLIC AFFAIRS ACTIVITIES REPORT

STATUS REPORT ON ELEMENTARY SCHOL PROGRAM FOR 2015-2016

STATUS REPORT ON HIGH SCHOOL PROGRAM FOR 2015-16

Director Barbre commented that the program does not include a discussion of supply, "where our water comes from," desalination, storage, Delta fix, etc. Mr. Hunter pointed out that supply and "where our water comes from" is covered in the program and further that staff is overseeing the curriculum closely. Director Hinman encouraged board members to observe an education class to see the interaction between the students and the instructor. She also raised concerns about the number of bookings. Mr. Hunter stated that we will monitor both the bookings and the actual attendance.

PUBLIC AFFAIRS ACTIVITIES REPORT

The report was received and filed.

OTHER ITEMS

REVIEW ISSUES RELATED TO LEGISLATION, OUTREACH, PUBLIC INFORMATION ISSUES, AND MET

No items were presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:25 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
September 17, 2015, 8:30 a.m. to 9:50 a.m.
Conference Room 102

Committee:

Director Dick, President
Director Osborne, Vice President
Director Finnegan (absent)

Staff:

R. Hunter, M. Goldsby

Also Present:

Director Barbre
Director Tamaribuchi
Director Hinman

At 8:30 a.m., President Dick 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 October Committee meetings.

EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS

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

a. Workshop Board Meeting

Discussion ensued regarding the California Water Fix, how to ensure a water source in the future, and how MET's Integrated Resources Plan and MWDOC's Reliability Study will address this issue. Director Tamaribuchi asked for a more concrete schedule for the California Fix (with a breakdown of the timeline). Staff agreed to obtain the timeline from Mr. Steve Arakawa (MET) and advised that due to the size of the project delays to the timeline should be expected. Mr. Tamaribuchi asked that this topic be added to the OC Water Summit.

The Committee asked that Ms. Debra Man present on the Regional Water Recycling Program at the November Workshop Board meeting.

(Director Thomas arrived at 9:00 am).

b. Planning & Operations Committee

No new information was added.

c. Administration & Finance Committee

No new information was added.

d. Public Affairs & Legislation (PAL) Committee

Discussion was held regarding the School Program, and Mr. Tamaribuchi suggested adding Delta issues to the high school program.

Discussion was also held regarding the East Orange County WD/LAFCO issue, the background of the proposal and EOCWD's application.

e. MWDOC/OCWD Joint Planning Committee

No new items were added to the agenda.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

President Dick advised that the General Manager's performance evaluation was due in September. He commented that the process adopted by the Board was cumbersome and problematic and he suggested it be simplified. Following discussion, the Committee recommended the evaluation form be limited to 3-5 issues/questions, that the performance evaluation be held in closed session in October and/or November, that President Dick, the General Manager, and Cathy Harris work to simplify the form prior to distributing it to the Directors, that comparative salary information be distributed to the Board, and that Mr. Hunter's goals which were provided to him in January be distributed to the Board prior to the evaluation. The Committee discussed possibly holding quarterly meetings with the General Manager regarding his evaluation.

MEMBER AGENCY RELATIONS

No new information was presented.

GENERAL MANAGER'S REPORTS

No new information was presented.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

No new information was presented, however Director Hinman asked for a copy of the presentation made at the recent WACO meeting.

ADJOURNMENT

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

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2015

WATER REVENUES

Date	From	Description	Amount
09/08/15	City of La Palma	July 2015 Water deliveries	69,823.16
09/08/15	City of Newport Beach	July 2015 Water deliveries	102,751.86
09/08/15	South Coast Water District	July 2015 Water deliveries	456,891.59
09/09/15	City of Westminster	July 2015 Water deliveries	213,897.23
09/09/15	City of Garden Grove	July 2015 Water deliveries	320,885.08
09/11/15	Laguna Beach County Water District	July 2015 Water deliveries	284,058.94
09/11/15	Santiago Aqueduct Commission	July 2015 Water deliveries	94,244.60
09/11/15	Mesa Water	July 2015 Water deliveries	33,355.30
09/14/15	El Toro Water District	July 2015 Water deliveries	720,828.22
09/14/15	Santa Margarita Water District	July 2015 Water deliveries	2,182,993.68
09/14/15	Trabuco Canyon Water District	July 2015 Water deliveries	18,155.68
09/14/15	City of Orange	July 2015 Water deliveries	716,501.42
09/15/15	East Orange County Water District	July 2015 Water deliveries	196,220.87
09/15/15	Orange County Water District	July 2015 Water deliveries	1,933,812.67
09/15/15	Moulton Niguel Water District	July 2015 Water deliveries	2,108,307.27
09/15/15	Yorba Linda Water District	July 2015 Water deliveries	505,275.70
09/15/15	Golden State Water Company	July 2015 Water deliveries	289,845.28
09/25/15	City of Fountain Valley	August 2015 Water deliveries	191,495.76
09/25/15	City of La Habra	August 2015 Water deliveries	11,791.79
09/25/15	City of Huntington Beach	August 2015 Water deliveries	827,544.20

TOTAL REVENUES **\$ 11,278,680.30**

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2015

MISCELLANEOUS REVENUES

Date	From	Description	Amount
09/03/15	State of California	1997/1998 Brown Act state mandated cost	1,531.00
09/03/15	State of California	1998/1999 Brown Act state mandated cost	1,275.00
09/03/15	State of California	1999/2000 Brown Act state mandated cost	1,470.00
09/03/15	State of California	2000/2001 Brown Act state mandated cost	1,509.00
09/03/15	State of California	2001/2002 Brown Act state mandated cost	4,467.00
09/03/15	Poseidon Resources (Surfside) LLC	7/29/15 Water Policy Dinner-registration for 8	640.00
09/18/15	Edison International	7/29/15 Water Policy Dinner-registration for 2	160.00
09/28/15	Trabuco Canyon Water District	7/29/15 Water Policy dinner-J. Haselton	80.00
09/29/15	Paypal	7/29/15 Water Policy Dinner	77.38
09/25/15	City of Brea	July 2015 SmarTimer & Turf Removal rebate program	389.42
09/28/15	City of Buena Park	July 2015 Turf Removal rebate program	846.00
09/28/15	City of Garden Grove	July 2015 Turf Removal rebate program	2,914.00
09/18/15	City of Huntington Beach	July 2015 SmarTimer rebate program	294.00
09/25/15	City of La Habra	July 2015 Turf Removal rebate program	2,451.89
09/21/15	City of Newport Beach	June 2015 SmarTimer & Turf Removal rebate program	3,264.97
09/14/15	City of Orange	June 2015 SmarTimer & Turf Removal rebate program	14,879.13
09/25/15	City of San Clemente	July 2015 SmarTimer & Turf Removal rebate program	9,588.07
09/25/15	City of San Clemente	2015 Urban Water Management Plan Contract-Arcadis	34,910.00
09/28/15	City of Santa Ana	July 2015 SmarTimer rebate program	150.00
09/23/15	City of Westminster	July 2015 SmarTimer rebate program	75.00
09/23/15	City of Westminster	2015 Urban Water Management Plan Contract-Arcadis	44,570.00
09/18/15	Department of Water Resources	Jan-Mar 2015 CLWUE program Rpt#2	98.82
09/18/15	Department of Water Resources	Jan-Mar 2015 CLWUE program Rpt#2	1,159.85
09/18/15	Department of Water Resources	Jan-Mar 2015 CLWUE program Rpt#2	566.03
09/18/15	Los Angeles County	Disaster Cost Recovery Training 2 registrations	360.00
09/11/15	Laguna Niguel	Disaster Cost Recovery Training	180.00
09/21/15	El Toro Water District	July 2015 SmarTimer/Rotating Nozzle rebate program	237.65
09/21/15	El Toro Water District	July 2015 So Cal Watersmart rebate program	1,778.96
09/28/15	El Toro Water District	2015 Urban Water Management Plan Contract-Arcadis	41,220.00
09/28/15	SDRMA	FY 14/15 Workers Comp insurance audit adjustment	180.30
09/11/15	SDRMA	FY 14/15 Worker's comp premium audit refund	445.78
09/21/15	Golden State Water Company	July 2015 SmarTimer/Turf Removal rebate program	10,078.56
09/28/15	Golden State Water Company	July 2015 So Cal Watersmart rebate program	2,168.05
09/30/15	Irvine Ranch Water District	July 2015 So Cal Watersmart rebate program	43,139.41
09/28/15	Laguna Beach County Water District	July 2015 SmarTimer/Turf Removal rebate program	1,259.00
09/21/15	Mesa Water	July 2015 SmarTimer rebate program	150.00
09/21/15	Moulton Niguel Water District	July 2015 SmarTimer/Turf Removal/Rotating nozzle	3,654.58
09/11/15	3 Checks	Movie tickets	40.00
09/18/15	K. Davanaugh	Movie tickets	24.00
09/14/15	N. Nguyen	Movie tickets	120.00
09/30/15	C. Harris	Movie tickets	96.00
09/30/15	Phil Letrong	Oct-Dec 2015 retiree medical insurance	48.33
09/18/15	Judy Pfister	October 2015 Retiree medical insurance	34.71
09/18/15	Stan Sprague	October 2015 Retiree medical insurance	212.59
09/30/15	Jeffrey Thomas	Pension Reimbursement	15,896.57
09/30/15	Santa Margarita Water District	June 2015 SmarTimer rebate program	458.43
09/21/15	South Coast Water District	2015 Urban Water Management Plan Contract-Arcadis	44,220.00
09/14/15	Trabuco Canyon Water District	Late penalty for June 2015 water deliveries	173.98
09/28/15	Trabuco Canyon Water District	July 2015 SmarTimer rebate program	300.00
09/28/15	Trabuco Canyon Water District	2015 Urban Water Management Plan Contract-Arcadis	41,220.00
09/03/15	Yorba Linda Water District	June 2015 SmarTimer rebate program	225.00
09/28/15	Yorba Linda Water District	July 2015 SmarTimer rebate program	292.75

TOTAL MISCELLANEOUS REVENUES \$ 335,581.21
TOTAL REVENUES \$ 11,614,261.51



Robert J. Hunter, General Manager



Hilary Chumitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2015**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard Ackerman	
1082	September 2015 Legal consulting on water policy issues	1,650.00
	*** Total ***	1,650.00
	Aleshire & Wynder LLP	
34413	July-August 2015 Legal services	5,966.12
	*** Total ***	5,966.12
	ALTA FoodCraft	
515090544	9/2/15 Coffee & tea supplies	264.43
515092025	9/30/15 Coffee & tea supplies	254.52
	*** Total ***	518.95
	Awards & Trophies Co., Inc.	
13274	Name plate for J. Volzke	15.88
	*** Total ***	15.88
	Best Best and Krieger LLP	
55401-AUG15	August 2015 Legal services	16,482.74
	*** Total ***	16,482.74
	CDM Smith	
80535041/9	August 2015 Engineering services for Water Reliability Investigation	16,205.50
	*** Total ***	16,205.50
	CDW Government	
ZM04223	Web security software renewal for 35 licenses	1,654.00
	*** Total ***	1,654.00
	Constant Contact Inc.	
XR8WAECAB27315	October 2015-September 2016 E-mail marketing software	2,478.00
	*** Total ***	2,478.00
	Hunter T. Cook	
100415	August 2015-October 2015 Coastal retiree health benefit	1,364.76
	*** Total ***	1,364.76
	Costco Wholesale	
7345-2015	2015 Annual membership renewal	110.00
	*** Total ***	110.00
	Dell Marketing L.P.	
XJRX7R5W8	2 OptiPlex 9020 MT BTX computers	1,750.03
	*** Total ***	1,750.03

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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Dissinger Associates</i>	
093015	September 2015 Pension plan distribution processing fee	100.00
	*** Total ***	100.00
	<i>Fry's Electronics</i>	
21060549	10/7/15 Computer supplies	62.60
	*** Total ***	62.60
	<i>GovConnection, Inc.</i>	
53063093	1 iPad Air with AppleCare service plan	747.48
	*** Total ***	747.48
	<i>Immersiv Media, Inc.</i>	
-016(MWDOC2015)	October-December 2015 Website hosting and maintenance	525.00
	*** Total ***	525.00
	<i>James C. Barker, P.C.</i>	
105-0915	September 2015 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<i>Lewis Consulting Group, LLC</i>	
1433	September 2015 Consulting services	3,687.50
	*** Total ***	3,687.50
	<i>The Martinet Group, LLC</i>	
2015-08-01	August 2015 Disaster Finance and Cost Recovery training	6,000.00
	*** Total ***	6,000.00
	<i>Edward G. Means III</i>	
MWDOC-1032	September 2015 Support on MET issues & strategic guidance to Engineering department	1,000.00
	*** Total ***	1,000.00
	<i>Norco Delivery Services</i>	
690191	9/4/15 Delivery charges for Board packets	116.85
690635	9/18/15 Delivery charges for Board packets	23.37
	*** Total ***	140.22

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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Office Solutions	
I-00827709	9/9/15 Office supplies-2 wireless headsets	378.00
I-00827843	9/9/15 Office supplies	40.04
I-00828487	9/10/15 Office supplies	155.26
I-00829753	9/11/15 Office supplies	530.40
I-00831836	9/16/15 Office supplies	72.69
I-00829469	9/11/15 Office supplies-5,000 envelopes	529.90
I-00837200	9/28/15 Office supplies	552.80
	*** Total ***	2,259.09
	Orange County Business Council	
0007362-IN	2015 Annual membership renewal	5,000.00
	*** Total ***	5,000.00
	Orange County Water District	
15454	August 2015 50% of WACO expenses	232.49
15494	August 2015 Postage, shared office & maintenance expense	4,017.78
	*** Total ***	4,250.27
	Jessica H. Ouwerkerk	
MWDOC-003	August 2015 Consulting services for Public Affairs department	356.25
MWDOC-004	September 2015 Consulting Services for Public Affairs department	71.25
	*** Total ***	427.50
	Patricia Kennedy Inc.	
20534	October 2015 Plant maintenance	214.00
	*** Total ***	214.00
	PDC Interiors	
2365A-15	Balance for window coverings for refurbished offices	1,317.50
	*** Total ***	1,317.50
	So. Cal. Water Committee	
26679	July 2015-June 2016 Annual membership	850.00
	*** Total ***	850.00
	Top Hat Productions	
90841	9/17/15 Lunch for Managers' meeting	435.78
	*** Total ***	435.78
	Townsend Public Affairs, Inc.	
11044	August 2015 State legislative advocacy services	7,500.00
11143	July-August 2015 State legislative advocacy services	1,000.00
11106	September 2015 State legislative advocacy services	8,000.00
	*** Total ***	16,500.00

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	Michelle Tuchman	
092215	September 2015 Services for guidance to the Public Affairs department	5,400.00
	*** Total ***	5,400.00
	Union Bank, N.A.	
941219	June-August 2015 Custodial bank fees	625.00
	*** Total ***	625.00
	USAFact Inc.	
2444260-IN	6/18/15 New hire background inquiry	53.64
	*** Total ***	53.64
	U. S. HealthWorks Medical Group	
2765781-CA	8/25/15 Pre-employment exam	160.00
2775680-CA	8/27/15 Pre-employment exam	28.00
	*** Total ***	188.00
	Vavrinek, Trine, Day & Co., LLP	
0117185-IN	August Services for FY14/15 Financial Statement audit	6,300.00
	*** Total ***	6,300.00
	Ken Weinberg	
10004	8/30/15-9/25/15 Services to review California Bay Delta Fix documents and preparation of comment letter.	5,985.00
	*** Total ***	5,985.00
	Total Core Expenditures	<hr/> 118,264.56

Choice Expenditures:

	Autumn Print Group	
1727	20 Lawn signs for Turf Removal program	907.20
	*** Total ***	907.20
	Bryton	
12087	Bill inserts printed for Water Use Efficiency programs	3,609.94
	*** Total ***	3,609.94
	Chambers Group Inc.	
30182	August-September 2015 Baseline environmental monitoring for Doheny Ocean Desal project	26,981.70
	*** Total ***	26,981.70

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	Jessica H. Ouwerkerk	
MWDOC-003	August 2015 Consulting Services for Water Use Efficiency department	3,776.25
MWDOC-004	September 2015 Consulting Services for Water Use Efficiency department	4,393.75
	*** Total ***	8,170.00
	Top Hat Productions	
90799	9/2/15 Lunch for Water Use Efficiency Workgroup meeting	467.91
	*** Total ***	467.91
	Total Choice Expenditures	<u>40,136.75</u>
Other Funds Expenditures:		
	AquaFicient Consulting	
03-001	August 2015 Landscape Performance Certification program funded by IRWD & MET	1,800.00
	*** Total ***	1,800.00
	Autumn Print Group	
1736	4 Lawn signs for Public Spaces program	207.36
	*** Total ***	207.36
	ConserVision Consulting, LLC	
LPCP-234	August 2015 Consulting services for Landscape Performance Certification program	7,508.25
	*** Total ***	7,508.25
	Eagle Communications	
713822	August 2015 Services for WEROC partner agency inspections	5,859.00
	*** Total ***	5,859.00
	Mission RCD	
1818	August 2015 Field verifications for Water Use Efficiency rebate programs	41,311.01
	*** Total ***	41,311.01
	Public Spaces Program	
LF100715	City of Lake Forest	55,939.00
	*** Total ***	55,939.00
	Signs by Ron	
10343	1 Sign for WEROC S. EOC gate	63.60
	*** Total ***	63.60

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<i>Spray to Drip Program</i>		
S2D-LBCWD-3701	S. Levitta	335.30
S2D-SJCP-3048	C. Small	350.00
S2D-SCWD-3720	D. Gullo	525.00
S2D-TSTN-1047	W. Twomey	350.00
S2D-SMWD-3115	S. Gonsowski	350.00
S2D-SMWD-3119	S. Chen	525.00
S2D-SMWD-3046	P. Madro	525.00
S2D-SMWD-3052	J. Casabianca	292.27
S2D-SMWD-3504	M. McTiernan	446.94
S2D-SMWD-3060	D. Rocha	163.15
S2DC-BREA-2013	2929 Imperial LLC (Brea)	1,560.00
S2DC-IRWD-1006	City of Lake Forest	6,000.00
S2DC-ETWD-2009	City of Lake Forest	4,200.00
	*** Total ***	15,622.66
<i>Survey Gizmo</i>		
596288	Annual subscription for online application & database	675.00
	*** Total ***	675.00
<i>Turf Removal Program</i>		
TR5W-BREA-3857	C. Thorum	2,424.00
TR6-BREA-6220-990	D. Daucher	2,010.00
TR6-BREA-7392-785	J. Gomez	1,596.00
TR5W-EOCWD-5645	C. Marestaing	4,680.00
TR6-EOCWD-9509-19681	Y. Shiuey	1,200.00
TR5-ET-019	Golden Rain Foundation (Laguna Woods)	23,974.00
TR5-ET-029	E. Taintor	1,908.00
TR5W-ETWD-3714	City of Lake Forest	5,720.00
TR5W-ETWD-4575	C. Stocking	1,394.00
TR5W-ETWD-5432	E. Bucur	1,872.00
TR5W-ETWD-5492	S. Whalen	4,884.00
TR5W-ETWD-5538	M. Owens	1,794.00
TR6-ETWD-6293-24481	W. Klausner	2,052.00
TR6-ETWD-6401-22752	S. Randall	1,834.00
TR6-ETWD-7406-27206	G. Mayer	1,946.00
TR5-FV-023	L. Courier	1,156.00
TR5W-FV-4786	P. Benfield	550.00
TR5W-FV-5121	J. Carter	682.00
TR5W-FV-5626	G. Diehm	216.00
TR5W-GG-3585	T. Song	5,495.69
TR5W-GSWC-3451	R. Cruz	3,948.00
TR5W-GSWC-4118	H. Vu	2,688.00
TR5W-GSWC-4408	P. McCune	1,348.00
TR5-HB-125	V. Lee	1,872.00
TR5-HB-128	J. Janda	692.00
TR5-HB-133	G. Fullerton	514.00

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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-HB-1614	H. North	384.00
TR5W-HB-3433	G. Clifford	6,016.00
TR5W-HB-3647	R. Salim	1,948.00
TR5W-HB-3827	M. Baggetta	1,396.00
TR5W-HB-3858	K. Randolph	3,020.00
TR5W-HB-4015	J. Loudon	1,014.00
TR5W-HB-4079	L. Rossi	2,680.00
TR5W-HB-4125	S. Okimura	6,236.00
TR5W-HB-4226	N. Ferguson	5,542.00
TR5W-HB-4234	J. Zaejian	1,000.00
TR5W-HB-4248	M. Nelson	1,008.00
TR5W-HB-4251	J. Fields	1,548.00
TR5W-HB-4319	J. Del Monaco	1,060.00
TR5W-HB-4329	S. Liechty	2,796.00
TR5W-HB-4497	M. Mio	1,348.00
TR5W-HB-4634	Silveira Family Company (Huntington Beach)	768.00
TR5W-HB-4848	L. Lummer-Sigmon	4,234.00
TR5W-HB-4935	K. O'Connell	1,768.00
TR5W-HB-4970	M. Baer	870.00
TR5W-HB-5816	S. Pollack	1,820.00
TR6-HB-6323-21131	D. Charlton	1,828.00
TR6-HB-6565-16622	D. Pallaziol	3,692.00
TR6-HB-6584-18221	C. Bradford	1,128.00
TR6-HB-6610-413	J. Harris	260.00
TR6-HB-7245-20441	C. Eing	1,720.00
TR6-HB-8342-420	K. Blake	802.00
TR5-IRWD-227	Parker Hannifin (Irvine)	28,960.00
TR5-IRWD-268	T. Seto	1,496.00
TR5-IRWD-330	Lexington at Northwood HOA (Irvine)	6,314.00
TR5-IRWD-338	T. Ferrara	940.00
TR5-IRWD-343	G. Manulkin	20,056.00
TR5W-IRWD-1825	N. Warne-McGraw	1,456.00
TR5W-IRWD-2283	Marsh	744,000.00
TR5W-IRWD-3037	Travilla HOA (Tustin)	6,516.00
TR5W-IRWD-3125	H. Cao	218.00
TR5W-IRWD-3251	A. Mao	616.00
TR5W-IRWD-3282	Old Trabuco Highlands (Lake Forest)	11,700.00
TR5W-IRWD-3413	J. Gregorio	2,188.00
TR5W-IRWD-3483	M. Zhu	366.00
TR5W-IRWD-3505	S. Sidhu	776.00
TR5W-IRWD-3534	J. Nguyen	1,660.23
TR5W-IRWD-3624	D. Chia	1,830.00
TR5W-IRWD-3659	A. Thomas	1,318.00
TR5W-IRWD-3713	City of Lake Forest	87,970.24
TR5W-IRWD-3770	Lakeside Park HOA (Lake Forest)	4,744.00
TR5W-IRWD-3771	Lakeside Park HOA (Lake Forest)	14,210.00
TR5W-IRWD-3773	Lakeside Park HOA (Lake Forest)	1,512.00

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TR5W-IRWD-3774	Lakeside Park HOA (Lake Forest)	14,514.00
TR5W-IRWD-3775	Lakeside Park HOA (Lake Forest)	14,166.00
TR5W-IRWD-3791	Lakeside Park HOA (Lake Forest)	27,146.00
TR5W-IRWD-3792	Lakeside Park HOA (Lake Forest)	11,356.00
TR5W-IRWD-3793	Lakeside Park HOA (Lake Forest)	17,226.00
TR5W-IRWD-3794	Lakeside Park HOA (Lake Forest)	22,566.00
TR5W-IRWD-3795	Lakeside Park HOA (Lake Forest)	17,518.00
TR5W-IRWD-3796	Lakeside Park HOA (Lake Forest)	5,112.00
TR5W-IRWD-4002	R. Lauzon-Leibson	924.00
TR5W-IRWD-4013	L. Enochs	11,124.00
TR5W-IRWD-4014D	C. Romeo	1,246.00
TR5W-IRWD-4054	P. Venkatesan	906.00
TR5W-IRWD-4058	D. Espinosa	1,792.00
TR5W-IRWD-4122	M. Pang	504.00
TR5W-IRWD-4123	Madrid at Tustin HOA (Tustin)	1,610.00
TR5W-IRWD-4184	P. Thompson	980.00
TR5W-IRWD-4210	Woodside Irvine HOA (Irvine)	58,718.00
TR5W-IRWD-4216	Woodside Irvine HOA (Irvine)	4,338.00
TR5W-IRWD-4217	Woodside Irvine HOA (Irvine)	6,278.00
TR5W-IRWD-4219	Woodside Irvine HOA (Irvine)	3,100.00
TR5W-IRWD-4267	G. Oglesby	340.00
TR5W-IRWD-4288	J. Cable	3,336.00
TR5W-IRWD-4301	J. Shaw	1,468.00
TR5W-IRWD-4315	C. Gibney	1,930.00
TR5W-IRWD-4328	M. Hodges	510.00
TR5W-IRWD-4341	R. Johnston	620.00
TR5W-IRWD-4381	E. Turner	1,022.00
TR5W-IRWD-4383	R. Garcia	768.00
TR5W-IRWD-4503	M. Cahalan	1,256.00
TR5W-IRWD-4556	S. Belardi	1,428.00
TR5W-IRWD-4630	D. Carroll	546.00
TR5W-IRWD-4687	S. Sawal	1,712.00
TR5W-IRWD-4702	Corte Villa HOA (Tustin)	19,650.00
TR5W-IRWD-4737	M. Kasal	1,366.95
TR5W-IRWD-4814	P. Bellas	1,710.00
TR5W-IRWD-4815	R. Lefton	1,684.00
TR5W-IRWD-4847	P. Kumar	1,674.00
TR5W-IRWD-4858	J. Daly	842.00
TR5W-IRWD-4880	D. Kramer	918.00
TR5W-IRWD-4961	M. Kennedy	1,258.00
TR5W-IRWD-5020	C. Garden	506.00
TR5W-IRWD-5038	K. Juniper	382.00
TR5W-IRWD-5069	J. Vermes	1,038.00
TR5W-IRWD-5167	P. Schaffer	630.00
TR5W-IRWD-5585	B. Freeze	620.00
TR5W-IRWD-5734	R. LaPorte	1,522.00
TR6-IRWD--18	N. Goeres	2,535.00

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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR6-IRWD-6205-6	W. Wang	388.00
TR6-IRWD-7496-22891	T. Stearns	736.00
TR6-IRWD-7928-26182	J. Gillett	1,594.00
TR5W-LH-3006	N. Morales	3,560.00
TR6-LP-6995-8032	D. Exter	1,000.00
TR5-MESA-074	N. Nguyen	800.00
TR5-MESA-076	D. Penfil	4,310.00
TR5W-MESA-2573	M. Longeuay	1,518.00
TR5W-MESA-3485	T. English	2,594.00
TR5W-MESA-3721	C. Markert	2,178.00
TR5W-MESA-4003D	R. Groves	812.00
TR5W-MESA-4927	J. Normandin	1,960.00
TR5-MNT-171	J. Skorheim	5,117.50
TR5-MNT-190	Capri HOA (Laguna Niguel)	65,170.91
TR5-MNT-222	C. Dumbadse	615.00
TR5-MNT-230	T. Morgon	1,602.54
TR5W-MNT-1263	S. Shaffie	1,722.00
TR5W-MNT-2488	Seagate Colony HOA (Aliso Viejo)	210,413.50
TR5W-MNT-2622	J. Gulini	1,463.00
TR5W-MNT-3082512	Ridgefield Homeowners Association (Laguna Hills)	42,721.00
TR5W-MNT-3339	K. Rosa	1,181.00
TR5W-MNT-3454	R. Thomas	1,855.00
TR5W-MNT-3523	S. Brecko	6,804.00
TR5W-MNT-3637	B. Rossiter	6,720.00
TR5W-MNT-3779	B. Holstein	2,768.50
TR5W-MNT-3789	J. Champlin	7,160.00
TR5W-MNT-4048	R. Grenier	4,870.00
TR5W-MNT-4189	M. Fitzgerald	5,285.00
TR5W-MNT-4223	M. Scott	9,570.00
TR5W-MNT-4304	S. Borrit-Hansen	1,393.00
TR5W-MNT-4322	G. McDowell	2,380.00
TR5W-MNT-4325	T. Nguyen	2,729.00
TR5W-MNT-4426	A. Wu	3,122.00
TR5W-MNT-4427	D. Paulson	6,973.50
TR5W-MNT-4607	R. Bruce	1,470.00
TR5W-MNT-4675	F. Jalalian	2,124.50
TR5W-MNT-4926	J. Dickinson	329.56
TR5W-MNT-5225	E. Hauschka	450.00
TR5W-NWPT-3461	North Bluff Villa Community Association (Newport Beach)	8,986.00
TR5-O-082	H. Lynn	2,376.00
TR5W-O-4352	E. Means	3,166.00
TR6-SB-6582-835	M. Goldsmith	1,200.00
TR6-SB-7326-4648	C. Palmer	800.00
TR5-SC-109	M. Redfield	696.00
TR5W-SC-3463	M. Klasna	2,316.00
TR5W-SC-3799	S. Fauchier	958.00
TR5W-SC-4007	A. Zintsmaster	1,928.00

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TR5W-SC-4747	H. Johnson	1,428.00
TR5W-SC-5152	K. Stephenson	490.00
TR6-SC-6555-2057	F. Olsen	580.00
TR5-SJC-061	T. Ury	824.00
TR5W-SJC-4091	S. Telepman	2,898.00
TR5-SM-178	Marbella Maintenance (Rancho Santa Margarita)	4,183.00
TR5W-SM-3754	E. Davis	4,142.00
TR5W-SM-3820	R. & M. Holtman	2,872.00
TR5W-SM-4019	C. Cassidy	1,708.00
TR5W-SM-4036	B. Sahajevs	872.00
TR5W-SM-4240D	C. Boncich	804.00
TR5W-SM-4365	B. Feuchter	7,538.00
TR5W-SM-4375	J. Ittel	1,478.00
TR5W-SM-4442	S. Newnum	1,580.00
TR5W-SM-4480	J. Dombrower	810.00
TR5W-SM-4498	D. Rocha	638.00
TR5W-SM-4530	J. Ishii	1,156.00
TR5W-SM-4632	S. Jonnaert	1,996.24
TR5W-SM-4698	A. Bezuidenhout	796.00
TR5W-SM-4715	J. Valley	662.00
TR5W-SM-5604	R. Gloss	5,210.00
TR5W-SM-5695	N. Brekke	2,912.00
TR5W-SM-5739	C. Yang	3,368.00
TR5W-SM-5839	B. Kelly	2,368.00
TR6-SM-5885-20	A. Burton	1,586.00
TR6-SM-6571-2	G. Springer	1,680.00
TR6-SM-6790-25075	P. Veravanich	1,034.00
TR6-SM-7234-60	A. Peterson	688.00
TR6-SM-7383-6	J. Keenan	2,394.00
TR6-SM-7734-22442	B. Way	944.00
TR6-SM-7968-9	K. Fawcett	1,946.00
TR6-SM-8040-50	R. White	294.00
TR6-SM-9797-22	M. Stanitsas	460.00
TR5-SOCO-083	R. Restadius	4,140.00
TR5-SOCO-085	K. Luna	962.00
TR5-SOCO-090	E. Rosemann	834.00
TR5-SOCO-091	B. Ledwin	1,014.00
TR5-SOCO-100	W. Tally	3,236.00
TR5-SOCO-102	D. O'Hearn	732.00
TR5-SOCO-109	M. Ehrhart	2,690.00
TR5W-SOCO-3855	J. Walsh	600.00
TR5W-SOCO-4080	J. Percival	2,208.00
TR5W-SOCO-4105	J. Juric	1,882.00
TR5W-SOCO-4193	A. Rubalcava	828.00
TR5W-SOCO-4363	L. Zaccaro	1,166.00
TR5W-SOCO-4593	T. Merrick	1,216.00
TR5W-SOCO-5074	S. Pebley	1,208.00

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TR5W-SOCO-5796	J. Bhatt	1,838.00
TR5W-SOCO-5826	K. Abarca	1,270.00
TR5W-SOCO-5867	B. Smith	5,880.00
TR6-SOCO-8230-33211	R. Bemoll	1,426.00
TR5-SWD-010	M. Stephens	6,116.00
TR5W-SWD-4862	E. Calvin	2,232.00
TR5W-SWD-5048	R. Grant	4,624.00
TR5W-SWD-5481	J. Kim	3,024.00
TR6-SWD-7333-18622	F. Robitaille	980.00
TR5-TC-007	Rancho Cielo HOA (Trabuco Canyon)	33,928.00
TR5W-TC-5507	R. Starr	1,203.75
TR6-TC-9110-32962	H. Michalski	1,526.00
TR5-TUST-023	M. Holm	1,934.00
TR5W-TUST-4046	C. Cowdell	3,866.00
TR5W-TUST-4688D	S. Park	2,392.00
TR5W-TUST-4955	R. Le	1,546.00
TR6-TUST-7575-14232	Irvine Ranch Water District (Tustin)	3,400.00
TR5W-WEST-4463	D. Case	1,484.00
TR6-WEST-6596-5371	C. Whitaker	658.00
TR5W-YLWD-2678	T. Schennum	374.00
TR5W-YLWD-3677	S. Schwartz	2,220.00
TR5W-YLWD-4014D	J. Santos	6,690.00
TR5W-YLWD-4018	M. Van Berkel	3,588.00
TR5W-YLWD-4419	T. Livdahl	4,316.00
TR5W-YLWD-4483	T. Proctor	1,166.00
TR5W-YLWD-5006	D. Nguyen	2,150.00
TR5W-YLWD-5156	T. Cuculic	952.00
TR5W-YLWD-5202	S. Grandey	3,164.00
TR5W-YLWD-5665	J. Newell	6,000.00
TR5-YLWD-063	R. Nicholl	5,990.00
	*** Total ***	1,986,457.61
	Total Other Funds Expenditures	2,115,443.49
	Total Expenditures	2,273,844.80

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2015**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
129753	9/4/15	TIMEWA 5210-SEP15	Time Warner Cable September 2015 Telephone and internet expense	1,570.32
			***Total ***	1,570.32
129755	9/4/15	VERIZO 9751192087	Verizon Wireless August 2015 4G Mobile broadband unlimited service	126.35
			***Total ***	126.35
129756	9/15/15	ACKEEX 083115	Linda Ackerman August 2015 Business Expense	48.30
			***Total ***	48.30
129761	9/15/15	DELAGE 46796724	De Lage Landen Public Finance September 2015 Canon copier lease	509.00
			***Total ***	509.00
129764	9/15/15	IRONMO LVB5698	Iron Mountain September 2015 Storage/retrieval of archived document	454.94
			***Total ***	454.94
129766	9/15/15	LYONKE 083115	Keith Lyon July 2015 Business expense	64.69
			***Total ***	64.69
129769	9/15/15	OSBORN 083115	Wayne S. Osborne August 2015 Business expense	110.40
			***Total ***	110.40
129774	9/15/15	TIMEWA 3564-SEP15	Time Warner Cable September 2015 Telephone expense for 4 analog fax lines	141.89
			***Total ***	141.89
ACH001643	9/15/15	BACATI 083115	Tiffany Baca July-August 2015 Business expense	351.45
			***Total ***	351.45
ACH001644	9/15/15	BARBRE 083115	Brett Barbre August 2015 Business expense	199.53
			***Total ***	199.53

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2015**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH001648	9/15/15	DICKEX 083115	Larry Dick August 2015 Business Expense ***Total ***	100.65 100.65
ACH001670	9/15/15	THOMAS 083115	Jeffery Thomas August 2015 Business Expense ***Total ***	180.55 180.55
130022	9/30/15	C3OFFI INV41794	C3 Office Solutions LLC September 2015 Canon copier maintenance ***Total ***	336.73 336.73
130026	9/30/15	DINHPA 083115	Patrick Dinh August 2015 Business expense ***Total ***	23.00 23.00
130033	9/30/15	TAMARI 083115	Satoru Tamaribuchi August 2015 Business expense ***Total ***	236.46 236.46
130034	9/30/15	THOMAST 083115	Trevor Thomas August 2015 Business expense ***Total ***	26.11 26.11
130035	9/30/15	USBANK 5783/6533-AUG15	U.S. Bank 7/22/15-8/24/15 Cal Card charges ***Total *** (See attached sheet for details)	10,369.96 10,369.96
ACH001676	9/30/15	BERGJO 083015	Joseph Berg August 2015 Business expense ***Total ***	247.91 247.91
ACH001677	9/30/15	CHUMPI 083015	Hilary Chumpitazi July-August 2015 Business expense ***Total ***	29.90 29.90
ACH001679	9/30/15	HINMAN 083015	Susan Hinman August 2015 Business expense ***Total ***	120.32 120.32
Total Core Disbursements				15,248.46

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2015**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Choice Disbursements:				
130032	9/30/15	SDGE 7768-SEP15	San Diego Gas and Electric 8/19/15-9/20/15 Electrical service for Doheny Ocean Desal project ***Total ***	304.72 304.72
130035	9/30/15	USBANK 5783-AUG15	U.S. Bank 7/21/15-8/24/15 Cal Card charges ***Total *** (See attached sheet for details)	341.71 341.71
Total Choice Disbursements				646.43
Other Funds Disbursements:				
129778	9/15/15	ATTUVEOC 8599-SEP15	AT&T September 2015 U-verse internet service for WEORC N. EOC ***Total ***	45.00 45.00
ACH001651	9/15/15	HUBBAR 083115	Kelly Hubbard August 2015 Business expense ***Total ***	156.12 156.12
ACH001669	9/15/15	STOCKB 083115	Brandon Stock August 2015 Business expense ***Total ***	395.51 395.51
130020	9/30/15	ATTEOC 4492-SEP15 8200-SEP15 0532-SEP15	AT&T September 2015 WEROC S. EOC telephone expense September 2015 WEROC N. EOC telephone expense September 2015 WEROC N. EOC dedicated phone line ***Total ***	243.02 177.57 63.44 484.03
130023	9/30/15	CATALI 0011859	Catalina Island Conservancy September 2015 WEROC radio repeater site lease ***Total ***	1,558.54 1,558.54
130035	9/30/15	USBANK 5783-AUG15	U.S. Bank 7/21/15-8/24/15 Cal Card charges ***Total *** (See attached sheet for details)	3,765.70 3,765.70

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2015**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH001684	9/30/15	SANTAM JUL2015	Santa Margarita Water District July 2015 SCP Operation surcharge ***Total ***	 26,810.72 26,810.72
ACH001685	9/30/15	SPRINT 320982721-133	Sprint September 2015 WEROC cell phone expense ***Total ***	 43.08 43.08
WIRE150915	9/30/15	METWAT 8428	Metropolitan Water District July 2015 Water deliveries ***Total ***	 12,884,452.00 12,884,452.00
Total Other Funds Disbursements				12,917,710.70
Total Disbursements				12,933,605.59

Robert J. Hunter, General Manager

Hilary Chumbitazi, Treasurer

Cal Card Statement Detail
Statement Date: August 24, 2015
Payment Date: September 30, 2015

Date	Description	Amount
<u>K. Seckel Card</u>		
07/21/15	Capitol Seminars Lobbying 201 in Sacramento, CA on July 30, 2015 - Airfare for H. Baez	\$ 482.00
07/21/15	ACWA State Legislative Committee meeting in Sacramento, CA on Aug. 28, 2015 - Airfare for H. Baez	462.00
07/22/15	Lunch for Orange County MET managers meeting	230.55
07/22/15	ACWA Region 10 program in Carlsbad, CA on August 14, 2015 - Registration for Director Thomas	50.00
07/23/15	CalDesal Annual conference in Ontario, CA from Oct. 1-2, 2015 - Registration for K. Seckel	225.00
07/24/15	Association of Metropolitan Water Agencies Executive Management conference in Savannah, GA from Oct. 11-14, 2015 - Registration for R. Hunter	795.00
07/26/15	Computer supplies	40.62
07/27/15	International Association of Emergency Managers USA Annual conference in Las Vegas, NV from Nov. 14-18, 2015 - Registration for K. Hubbard	595.00
07/27/15	International Association of Emergency Managers USA Annual conference in Las Vegas, NV from Nov. 14-18, 2015 - Accommodations for K. Hubbard	912.32
07/29/15	Final payment for Dell Latitude E5450 laptop computer	678.89
07/29/15	Staff development lunch	304.36
07/28/15	California Emergency Services Association Annual training & conference in South Lake Tahoe, CA from Sep. 28-Oct. 1, 2015 - Registration for K. Hubbard	625.00
07/29/15	6 Cisco Unified IP phones	1,188.00
08/01/15	FedEx delivery charges for Discovery Science Center on Jul. 29, 2015	15.31
07/31/15	Get well flowers for staff member	61.54
08/01/15	Capitol Seminars Lobbying 201 in Sacramento, CA on July 30, 2015 - Accommodations for H. Baez	188.45
07/31/15	Fee to boost posts on Facebook account	137.71
08/04/15	UPS delivery charges for Board & Committee packets on Jul. 31, 2015	5.95
08/04/15	Annual license fee for Adobe Creative Cloud software - 4 users	2,399.52
08/06/15	California Society of Municipal Finance Officers meeting in Irvine, CA on Aug. 20, 2015 - Registration for H. Chumpitazi	30.00
08/06/15	California Landscape Contractors Association sponsorship	1,200.00
08/08/15	California Emergency Services Association Annual training & conference in South Lake Tahoe, CA from Sep. 28-Oct. 1, 2015 - Registration for B. Stock	625.00

Cal Card Statement Detail
Statement Date: August 24, 2015
Payment Date: September 30, 2015

Date	Description	Amount
08/07/15	American Water Works Association Water Education seminar in Orange, CA on Aug. 12, 2015 - Registration for B. Stock	145.00
08/07/15	1 Samsung Galaxy tablet	202.98
08/10/15	FedEx delivery charges for Board & Committee packets on Aug. 5, 2015	32.32
08/09/15	Monthly license fee for Adobe Creative Cloud software	199.95 ¹
08/11/15	FedEx delivery charges for Board & Committee packets on Aug. 7, 2015	32.32
08/11/15	FY15/16 Membership renewal for Public Agency Risk Managers Association	150.00
08/11/15	UPS delivery charges for Board & Committee packets on Jul. 31, 2015 & Aug. 5, 2015	112.69
08/10/15	California Emergency Services Association Annual training & conference in South Lake Tahoe, CA from Sep. 28-Oct. 1, 2015 - Airfare for B. Stock	372.00
08/11/15	1 TV mount for WEROC S. EOC	43.99
08/18/15	UPS delivery charges for Board & Committee packets on Aug. 7, 2015	45.01
08/17/15	California Emergency Services Association Annual training & conference in South Lake Tahoe, CA from Sep. 28-Oct. 1, 2015 - Airfare for K. Hubbard	289.01
08/21/15	School program lunch meeting	204.00
08/22/15	Get well flowers for staff member	70.18
08/19/15	2 Emergency preparedness books for WEROC	147.50
Total		\$ 13,299.17


¹ Monthly Adobe Creative Cloud license canceled, received refund credit on 9/17/15

R. Hunter Card

07/23/15-08/24/15	Meals for R. Hunter's meetings on various dates	\$ 188.20
07/28/15	Urban Water Institute Annual Water conference in San Diego, CA from Aug. 26-28, 2015 - Registration for Director Osborne	475.00
08/15/15	MET Agricultural inspection trip from Aug. 14-15, 2015 - Parking for R. Hunter	40.00
08/20/15	Urban Water Institute Annual Water conference in San Diego, CA from Aug. 26-28, 2015 - Registration for Director Thomas	475.00
Total		\$ 1,178.20

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of September 2015

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
130021	9/30/15	AYALAS 091115	Sam Ayala September 2015 Atrium landscape maintenance	95.00
			***Total ***	95.00
			Total Core Disbursements	<u>95.00</u>
Choice Disbursements:				
			Total Choice Disbursements	<u>-</u>
Other Funds Disbursements:				
130027	9/30/15	EAGLEC 713696	Eagle Communications July 2015 Services for WEROC partner agency inspections	2,641.00
			***Total ***	2,641.00
			Total Other Funds Disbursements	<u>2,641.00</u>
			Total Disbursements	<u><u>2,736.00</u></u>


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, 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

August 30, 2015

Street Address:18700 Ward Street
Fountain Valley, California 92708**Mailing Address:**P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058

Fax: (714) 964-9389

www.mwdoc.comLarry D. Dick
PresidentWayne S. Osborne
Vice PresidentBrett R. Barbre
DirectorJoan C. Finnegan
DirectorSusan Hinman
DirectorSat Tamaribuchi
DirectorJeffery M. Thomas
DirectorRobert J. Hunter
General Manager**MEMBER AGENCIES**

City of Brea

City of Buena Park

East Orange County Water District

El Toro Water District

Emerald Bay Service District

City of Fountain Valley

City of Garden Grove

Golden State Water Co.

City of Huntington Beach

Irvine Ranch Water District

Laguna Beach County Water District

City of La Habra

City of La Palma

Mesa Water District

Moulton Niguel Water District

City of Newport Beach

City of Orange

Orange County Water District

City of San Clemente

City of San Juan Capistrano

Santa Margarita Water District

City of Seal Beach

Serrano Water District

South Coast Water District

Trabuco Canyon Water District

City of Tustin

City of Westminster

Yorba Linda Water District

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$2,243,422	13.02%
Grant & Project Cash Flow	1,000,000	5.80%
Building Repair	239,491	1.39%
Total Designated Reserves	3,482,913	20.21%
General Fund	7,937,921	46.07%
Water Fund	6,376,653	37.01%
Conservation Fund	(866,085)	(5.03%)
Desalination Feasibility Study Fund	222,385	1.29%
WEROC Fund	64,565	0.38%
Trustee Activities	12,459	0.07%
Total	\$17,230,811	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	2.18%	\$374,924	\$374,924
Short-term investment			
• LAIF	30.70%	\$5,290,121	\$5,290,121
• OCIP	49.12%	8,465,610	8,465,610
Long-term investment			
• Misc. Securities	7.26%	1,250,156	1,256,720
• Certificates of Deposit	9.29%	1,600,000	1,599,040
• Federal Agency Issues	1.45%	250,000	250,112
Total	100.00%	\$17,230,811	\$17,236,527

The average number of days to maturity/call as of August 30, 2015 equaled 96 and the average yield to maturity is 0.756%. During the month, the District's average daily balance was \$21,403,565.24. 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 August 2015.

The \$5,716 difference between the book value and the market value on August 30, 2015 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 August 31, 2015

8/31/2015	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,600,000.00	1,599,040.00	1,600,000.00	9.49	942	1.495
Federal Agency Issues - Step Up	250,000.00	250,112.50	250,000.00	1.48	24	1.609
Local Agency Investment Funds	5,290,121.39	5,290,121.39	5,290,121.39	31.38	1	0.330
Miscellaneous Securities - Coupon	1,250,000.00	1,256,720.00	1,250,155.96	7.42	79	3.206
Orange County Investment Pool	8,465,609.95	8,465,609.95	8,465,609.95	50.22	1	0.496
Total Investments	16,855,731.34	16,861,603.84	16,855,887.30	100.00%	96	0.756

Cash						
Passbook Checking	374,923.49	374,923.49	374,923.49		1	0.00
Total Cash and Investments	17,230,654.83	17,236,527.33	17,230,810.79		96	0.756

Total Earnings	Month Ending August	Fiscal Year to Date
Current Year	11,119.33	19,233.55
Average Daily Balance	21,403,565.24	
Effective Rate of Return	0.756%	

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

10-8-15

Date


Hilary Chumipitaji, Treasurer

10/8/15

Date

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
August 31, 2015

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Certificate of Deposit - Bank									
Ally Bank	02006LFV0	7/23/2014	250,000.00	249,867.50	250,000.00	1.150	1.150	693	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	249,897.50	250,000.00	1.450	1.450	882	1/29/2018
Capital One Bank	140420TY6	8/5/2015	250,000.00	249,457.50	250,000.00	1.700	1.700	1071	8/6/2018
Discover Bank	2546712Y5	7/23/2014	250,000.00	249,387.50	250,000.00	1.600	1.600	1057	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	249,860.00	250,000.00	1.200	1.200	694	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,290.00	100,000.00	1.050	1.050	511	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	250,280.00	250,000.00	2.050	2.050	1429	7/30/2019
Sub Total			1,600,000.00	1,599,040.00	1,600,000.00	1.495	1.495	942	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	250,000.00	250,004.42	3.700	3.000	1	9/1/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	504,425.00	500,197.89	3.125	3.007	133	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	502,295.00	499,953.65	3.450	3.508	63	11/2/2015
Sub Total			1,250,000.00	1,256,720.00	1,250,155.96	3.370	3.206	79	
Sub Total / Average									
Federal Home Ln Mtg Corp	3134G66U2	6/24/2015	250,000.00	250,112.50	250,000.00	0.750	1.609	24	9/24/2018
Sub Total			250,000.00	250,112.50	250,000.00	0.75	1.609	24	
Total Investments			3,100,000.00	3,105,872.50	3,100,155.96	2.191	2.194	520	

Total Earnings		Month Ending August	Fiscal Year To Date
Current Year		5,480.11	10,700.01

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
August 31, 2015

Investments	CUSIP/Tricker	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	5,290,121.39	5,290,121.39	5,290,121.39	0.330	0.330	1	N/A
Sub Total			5,290,121.39	5,290,121.39	5,290,121.39	0.330	0.330	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	8,465,609.95	8,465,609.95	8,465,609.95	0.496	0.496	1	N/A
Sub Total			8,465,609.95	8,465,609.95	8,465,609.95	0.496	0.496	1	
Total Investments			13,755,731.34	13,755,731.34	13,755,731.34	0.432	0.432		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	374,423.49	374,423.49	374,423.49	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			374,923.49	374,923.49	374,923.49	0.000	0.000	1	
Total Cash and Investments			14,130,654.83	14,130,654.83	14,130,654.83	0.432	0.432	1	
Total Earnings									
Current Year			5,639.22		Fiscal Year To Date				
					8,533.54				

**Municipal Water District of Orange County
Cash and Investments at August 31, 2015**

ALLOCATION	AMOUNT	%
MWDOC		
Designated Reserves		
General	\$ 2,243,422	13.02%
Grant & Project Cash Flow	1,000,000	5.80%
Building Repair	239,491	1.39%
Total Designated Reserves	3,482,913	20.21%
General	7,937,921	46.07%
Water	6,376,653	37.01%
Conservation	(866,085)	-5.03%
Desalination Feasibility Study	222,385	1.29%
WEROC	64,565	0.38%
TOTAL MWDOC	\$ 17,218,352	99.93%
TRUSTEE ACTIVITIES		
AMP Sales Admin	\$ 12,459	0.07%
TOTAL TRUSTEE ACTIVITIES	\$ 12,459	0.07%
TOTAL CASH & INVESTMENTS	\$ 17,230,811	100.00%



**Municipal Water Dist of Orange County
PARS OPEB Trust Program****Monthly Account Report for the Period
8/01/2015 to 8/31/2015**

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

Account Summary

Source	Beginning Balance as of 8/01/2015	Contributions	Earnings	Expenses*	Distributions	Transfers	Ending Balance as of 8/31/2015
Contributions	\$1,298,014.44	\$0.00	(\$41,951.36)	\$556.25	\$0.00	\$0.00	\$1,255,506.83
Totals	\$1,298,014.44	\$0.00	(\$41,951.36)	\$556.25	\$0.00	\$0.00	\$1,255,506.83

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

Annualized Return						Plan's Inception Date
1-Month	3-Month	1-Year	3-Years	5-Years	10-Years	
-3.23%	-3.33%	-0.23%	7.23%	-	-	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.

*Expenses are inclusive of Trust Administration, Trustee and Investment Management fees

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 9/30/15

Cash - Beginning Balance	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	TOTALS
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES:													
BUREC													\$ -
City of Brea	6,999.33	1,934.35	388.42										9,323.10
City of Buena Park	1,212.97	1,886.23	846.00										3,945.20
City of Fountain Valley		150.00											150.00
City of Fullerton	1,995.00	225.00											2,220.00
City of Garden Grove		1,650.00	2,914.00										6,559.00
City of Huntington Beach		325.66	294.00										619.66
City of La Habra	1,050.00	598.53	2,451.89										4,101.42
City of San Clemente	4,925.18		9,588.07										14,513.25
City of San Juan Capistrano	3,344.86	2,142.95											5,487.81
City of Santa Ana		75.00	150.00										225.00
City of Tustin		246.86											246.86
City of Newport Beach		840.00	3,264.97										4,104.97
City of Orange	4,297.93		14,879.13										19,177.06
City of Westminster			75.00										75.00
County of Orange													-
Department of Water Resources		649,130.64	1,824.70										650,955.34
East Orange County Water District													-
El Toro Water District	2,633.00	5,676.22	2,016.61										10,325.83
East Orange County Water District													-
Golden State Water Company	6,555.20	6,985.72	12,246.61										25,787.53
Irvine Ranch Water District	116,113.61	30,550.23	43,139.41										189,803.25
Laguna Beach County Water District	1,840.00	16,506.86	1,259.00										19,605.86
Mesa Water District		75.00	150.00										225.00
Metropolitan Water District	194,847.61	4,001,136.01	434,924.75										4,530,908.37
Moulton Niguel Water District	355,285.60	244,320.71	3,654.58										606,260.89
MWD OC													-
Santa Margarita Water District		1,035.00	458.43										1,493.43
Serrano Water District		75.00											75.00
South Coast Water District													-
Trabuco Canyon Water District	800.00	1,072.37	300.00										2,172.37
Yorba Linda Water District	80.66		517.75										598.41
Miscellaneous Revenues													
Miscellaneous													-
Interest Revenue													-
Total Revenues	704,980.95	4,966,639.34	535,344.32	-	-	-	-	-	-	-	-	-	\$ 6,206,964.61
EXPENDITURES:													
Aquifer	1,500.00	1,500.00	1,500.00										4,500.00
Autumn Print Group													-
Conservation Consulting, LLC	7,645.50	7,899.75	7,452.00										22,997.25
City of Newport Beach													-
El Toro WD	28,501.27												28,501.27
Enterprise Information Systems			2,160.00										2,160.00
Golden State Water Company	31,300.00												31,300.00
Irvine Ranch Water District													-
Karen's Detail Custom Frames			48.60										48.60
Laguna Beach CWD	26,036.00												26,036.00
Metropolitan Water District													-
MESA													-
Mission RCD	30,478.31	32,650.22	47,850.46										110,978.99
Public Spaces program													-
Santa Margarita Water District	10,813.50		251,845.00										251,845.00
South Coast Water District	90,048.00												90,048.00
Spray to Drip program	1,557.61		27,688.12										29,245.73
Survey Gzmo													-
Turf Removal	253,213.68	1,639,959.39	2,212,359.63										4,105,532.60
US Bank													-
URS													-
Waterwise Consulting													-
Miscellaneous Expenses													
Interest Expense	3,817.57												3,817.57
Salary & Benefit	4,448.68												4,448.68
Total Expenditures	489,360.02	1,682,009.36	2,550,903.81	-	-	-	-	-	-	-	-	-	\$ 4,722,273.19
Cash - Ending Balance	\$ (4,150,715.21)	\$ (866,085.23)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)	\$ (2,881,644.72)

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2015 THRU AUGUST 31, 2015

**Municipal Water District of Orange County
Combined Balance Sheet
As of August 31, 2015**

<u>ASSETS</u>	Amount
Cash in Bank	374,923.49
Investments	16,855,887.30
Accounts Receivable	25,008,869.87
Accounts Receivable - Other	199,513.18
Accrued Interest Receivable	22,802.47
Prepays/Deposits	592,875.81
Leasehold Improvements	3,026,974.08
Furniture, Fixtures & Equipment	436,910.44
Less: Accum Depreciation	(2,536,642.37)
Net OPEB Asset	92,806.00
	<hr/>
TOTAL ASSETS	\$44,074,920.27
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	25,701,916.60
Accounts Payable - Other	1,220.64
Accrued Salaries and Benefits Payable	345,058.81
Other Liabilities	2,964,406.53
Unearned Revenue	2,302,261.15
Total Liabilities	<hr/> 31,314,863.73 <hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	957,552.43
Total Restricted Fund Balances	<hr/> 957,552.43 <hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,336,227.66
Grant & Project Cash Flow	1,000,000.00
Building Repair	239,491.00
Total Designated Reserves	<hr/> 3,575,718.66 <hr/>
GENERAL FUND	2,515,114.12
WEROC	83,059.22
Total Unrestricted Fund Balances	<hr/> 6,173,892.00 <hr/>
Excess Revenue over Expenditures	
Operating Fund	5,660,000.96
Other Funds	(31,388.84)
Total Fund Balance	<hr/> 12,760,056.55 <hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$44,074,920.27
	<hr/>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru August 2015

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	6,686,659.70	6,687,322.00	99.99%	0.00	662.30
Water rate revenues	0.00	6,686,659.70	6,687,322.00	99.99%	0.00	662.30
Interest Revenue	11,934.15	21,074.87	117,675.00	17.91%	0.00	96,600.13
Subtotal	11,934.15	6,707,734.57	6,804,997.00	98.57%	0.00	97,262.43
Choice Programs	0.00	0.00	1,302,619.00	0.00%	0.00	1,302,619.00
Choice Prior Year Carry Over	0.00	0.00	243,338.00	0.00%	0.00	243,338.00
Miscellaneous Income	45,552.05	45,552.05	3,000.00	1518.40%	0.00	(42,552.05)
School Contracts	0.00	0.00	70,000.00	0.00%	0.00	70,000.00
Delinquent Payment Penalty	173.98	173.98	0.00		0.00	(173.98)
Transfer-Out To Reserve	0.00	0.00	(64,424.00)	0.00%	0.00	(64,424.00)
Subtotal	45,726.03	45,726.03	1,554,533.00	2.94%	0.00	1,508,806.97
TOTAL REVENUES	57,660.18	6,753,460.60	8,359,530.00	80.79%	0.00	1,606,069.40

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru August 2015

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	309,948.02	495,082.18	3,309,949.00	14.96%	0.00	2,814,866.82
Salaries & Wages - Grant Recovery	0.00	(3,425.48)	(23,500.00)	14.58%	0.00	(20,074.52)
Directors' Compensation	15,393.00	29,759.80	220,588.00	13.49%	0.00	190,828.20
MWD Representation	8,209.60	18,471.60	126,050.00	14.65%	0.00	107,578.40
Employee Benefits	61,957.99	123,323.68	863,069.00	14.29%	0.00	739,745.32
OPEB Annual Contribution	0.00	0.00	105,188.00	0.00%	0.00	105,188.00
Employee Benefits - Grant Recovery	0.00	(1,023.20)	0.00	0.00%	0.00	1,023.20
Director's Benefits	4,897.98	9,863.53	60,024.00	16.43%	0.00	50,160.47
Health Ins \$'s for Retirees	2,671.88	6,815.62	50,387.00	13.53%	0.00	43,571.38
Training Expense	0.00	0.00	18,000.00	0.00%	1,397.50	16,602.50
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	403,078.47	678,867.73	4,734,755.00	14.34%	1,397.50	4,054,489.77
Engineering Expense	0.00	28,992.23	300,000.00	9.66%	122,658.21	148,349.56
Legal Expense	22,448.86	38,090.39	355,000.00	10.73%	301,909.61	15,000.00
Audit Expense	6,300.00	12,300.00	23,000.00	53.48%	6,137.00	4,563.00
Professional Services	49,591.81	157,552.14	1,541,837.00	10.22%	379,496.57	1,004,788.29
Professional Fees	78,340.67	236,934.76	2,219,837.00	10.67%	810,201.39	1,172,700.85
Conference-Staff	1,060.00	1,310.00	19,450.00	6.74%	0.00	18,140.00
Conference-Directors	1,000.00	2,996.00	9,800.00	30.57%	0.00	6,804.00
Travel & Accom.-Staff	1,371.98	3,037.42	56,510.00	5.38%	0.00	53,472.58
Travel & Accom.-Directors	0.00	567.27	27,600.00	2.06%	0.00	27,032.73
Travel & Conference	3,431.98	7,910.69	113,360.00	6.98%	0.00	105,449.31
Membership/Sponsorship	6,350.00	43,502.26	103,961.00	41.84%	0.00	60,458.74
CDR Support	9,934.88	9,934.88	39,740.00	25.00%	29,804.62	0.50
Dues & Memberships	16,284.88	53,437.14	143,701.00	37.19%	29,804.62	60,459.24
Business Expense	418.75	899.19	6,800.00	13.22%	0.00	5,900.81
Maintenance Office	3,648.36	11,961.34	126,670.00	9.44%	97,058.66	17,650.00
Building Repair & Maintenance	507.64	1,456.91	11,000.00	13.24%	9,543.09	0.00
Storage Rental & Equipment Lease	963.94	1,927.88	19,000.00	10.15%	16,072.12	1,000.00
Office Supplies	2,697.72	5,898.60	29,400.00	20.06%	2,953.34	20,548.06
Postage/Mail Delivery	558.26	1,371.96	11,285.00	12.16%	1,707.97	8,205.07
Subscriptions & Books	0.00	0.00	2,060.00	0.00%	0.00	2,060.00
Reproduction Expense	49.50	140.11	70,010.00	0.20%	1,000.00	68,869.89
Maintenance-Computers	564.07	1,311.55	7,100.00	18.47%	2,199.76	3,588.69
Software Purchase	2,399.52	2,519.49	18,500.00	13.62%	0.00	15,980.51
Software Support	10,315.92	15,173.70	34,000.00	44.63%	0.00	18,826.30
Computers and Equipment	10,712.11	13,571.32	21,150.00	64.17%	0.00	7,578.68
Automotive Expense	1,069.25	2,076.31	13,500.00	15.38%	0.00	11,423.69
Toll Road Charges	20.18	39.62	1,275.00	3.11%	0.00	1,235.38
Insurance Expense	8,089.68	16,179.36	96,000.00	16.85%	0.00	79,820.64
Utilities - Telephone	1,283.76	2,501.50	15,650.00	15.98%	0.00	13,148.50
Bank Fees	871.85	1,696.56	17,900.00	9.48%	0.00	16,203.44
Miscellaneous Expense	4,873.26	6,906.22	98,770.00	6.99%	0.00	91,863.78
MWDOC's Contrb. To WEROC	11,817.25	23,634.50	141,807.00	16.67%	0.00	118,172.50
Depreciation Expense	1,000.37	2,000.71	0.00	0.00%	0.00	(2,000.71)
Other Expenses	61,861.39	111,266.83	741,877.00	15.00%	130,534.94	500,075.23
MWDOC's Building Expense	0.00	5,042.50	400,000.00	1.26%	7,437.50	387,520.00
Capital Acquisition	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
TOTAL EXPENSES	562,997.39	1,093,459.65	8,359,530.00	13.08%	979,375.95	6,286,694.40
NET INCOME (LOSS)	(505,337.21)	5,660,000.95	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru August 2015

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	12,292,640.50	24,142,876.50	139,025,078.00	17.37%	114,882,201.50
Readiness to Serve Charge	1,100,435.75	2,200,871.50	13,214,277.00	16.66%	11,013,405.50
Capacity Charge CCF	368,705.00	737,410.00	4,424,460.00	16.67%	3,687,050.00
SCP Surcharge	28,192.08	55,002.80	380,000.00	14.47%	324,997.20
Interest	306.14	602.04	2,900.00	20.76%	2,297.96
TOTAL WATER REVENUES	13,790,279.47	27,136,762.84	157,046,715.00	17.28%	129,909,952.16
<u>WATER PURCHASES</u>					
Water Sales	12,292,640.50	24,142,876.50	139,025,078.00	17.37%	114,882,201.50
Readiness to Serve Charge	1,100,435.75	2,200,871.50	13,214,277.00	16.66%	11,013,405.50
Capacity Charge CCF	368,705.00	737,410.00	4,424,460.00	16.67%	3,687,050.00
SCP Surcharge	28,192.08	55,002.80	380,000.00	14.47%	324,997.20
TOTAL WATER PURCHASES	13,789,973.33	27,136,160.80	157,043,815.00	17.28%	129,907,654.20
EXCESS OF REVENUE OVER EXPENDITURES	306.14	602.04	2,900.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru August 2015

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	5,659.60	118,900.00	4.76%
Expenses	<u>9,780.00</u>	<u>118,900.00</u>	8.23%
Excess of Revenues over Expenditures	(4,120.40)	0.00	
SmarTimer Program			
Revenues	226.63	0.00	0.00%
Expenses	<u>0.00</u>	<u>0.00</u>	0.00%
Excess of Revenues over Expenditures	226.63	0.00	
Industrial Water Use Reduction			
Revenues	0.00	91,236.00	0.00%
Expenses	<u>48.60</u>	<u>91,236.00</u>	0.05%
Excess of Revenues over Expenditures	(48.60)	0.00	
Spray To Drip Conversion			
Revenues	0.00	57,109.58	0.00%
Expenses	<u>1,657.00</u>	<u>57,109.58</u>	2.90%
Excess of Revenues over Expenditures	(1,657.00)	0.00	
Water Smart Landscape for Public Property			
Revenues	0.00	137,871.04	0.00%
Expenses	<u>0.00</u>	<u>137,871.04</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Member Agency Administered Passthru			
Revenues	0.00	627,000.00	0.00%
Expenses	<u>0.00</u>	<u>627,000.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	106,089.34	658,000.00	16.12%
Expenses	<u>113,914.16</u>	<u>658,000.00</u>	17.31%
Excess of Revenues over Expenditures	(7,824.82)	0.00	
HECW Rebate Program			
Revenues	87,138.51	696,000.00	12.52%
Expenses	<u>82,091.80</u>	<u>696,000.00</u>	11.79%
Excess of Revenues over Expenditures	5,046.71	0.00	
CII Rebate Program			
Revenues	10,650.00	509,000.00	2.09%
Expenses	<u>0.00</u>	<u>509,000.00</u>	0.00%
Excess of Revenues over Expenditures	10,650.00	0.00	
Large Landscape Survey			
Revenues	1,891.78	85,000.00	2.23%
Expenses	<u>0.00</u>	<u>85,000.00</u>	0.00%
Excess of Revenues over Expenditures	1,891.78	0.00	
Indoor-Outdoor Survey			
Revenues	939.63	6,800.00	13.82%
Expenses	<u>0.00</u>	<u>6,800.00</u>	0.00%
Excess of Revenues over Expenditures	939.63	0.00	
Turf Removal Program			
Revenues	1,969,771.38	19,075,000.00	10.33%
Expenses	<u>1,938,803.74</u>	<u>19,075,000.00</u>	10.16%
Excess of Revenues over Expenditures	30,967.64	0.00	

Municipal Water District of Orange County
WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)
From July thru August 2015

	Year to Date Actual	Annual Budget	% Used
Comprehensive Landscape (CLWUE)			
Revenues	4,816.71	281,926.00	1.71%
Expenses	6,309.76	281,926.00	2.24%
Excess of Revenues over Expenditures	(1,493.05)	0.00	
Home Certification and Rebate			
Revenues	7,349.30	210,205.00	3.50%
Expenses	22,454.65	210,205.00	10.68%
Excess of Revenues over Expenditures	(15,105.35)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	4,448.68	138,725.00	3.21%
Expenses	7,107.88	138,725.00	5.12%
Excess of Revenues over Expenditures	(2,659.20)	0.00	
WEROC			
Revenues	23,634.50	283,614.00	8.33%
Expenses	49,561.18	278,613.00	17.79%
Excess of Revenues over Expenditures	(25,926.68)	5,001.00	
WUE Projects			
Revenues	2,198,981.56	22,692,772.62	9.69%
Expenses	2,182,167.59	22,692,772.62	9.62%
Excess of Revenues over Expenditures	16,813.97	0.00	
RPOI Distributions			
Revenues	0.00	4,823.00	0.00%
Expenses	0.00	4,823.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	



CONSENT CALENDAR ITEM

October 21, 2015

TO: Administration & Finance Committee

FROM: Robert Hunter, General Manager

Staff Contacts: Cathy Harris, Administrative Services Manager
Katie Davanaugh, Sr. Executive Assistant

SUBJECT: Consumer Driven Health Plans (CDHP) Benefit Plan Offerings for 2016

STAFF RECOMMENDATION

It is recommended the Board of Directors:

- 1) Authorize the addition of the Anthem and Kaiser CDHP to the options available to eligible participants for health insurance; and
- 2) Authorize the General Manager to notify the Joint Powers Insurance Authority of the District's intent to add the CDHP to its current benefit offerings;
- 3) Authorize the implementation of a Health Savings Account (HSA) for participants enrolled in the CDHP;
- 4) Determine the frequency of contributions to the participant's Health Savings Account (e.g., annual, semi-annual, monthly); and
- 5) Authorize District contributions to the employee Health Savings Accounts as listed in **Table 1**; and
- 6) Authorize the implementation of a limited purpose benefits plan for participants who elect the CDHP. Per IRS guidelines, participants in the CDHP may not have access to a traditional Flexible Spending Plan, therefore a "limited purpose" account would be offered to allow employees to voluntarily set funds aside on a pre-tax basis via payroll deductions for eligible dental and vision expenses.

COMMITTEE RECOMMENDATION

Committee discussed and suggested the following (bold items are changes to staff recommendation)

- 1) Authorize the addition of the Anthem and Kaiser CDHP to the options available to eligible participants for health insurance; and,
- 2) the General Manager to notify the Joint Powers Insurance Authority of the District's intent to add the CDHP to its current benefit offerings; and
- 3) the implementation of a Health Savings Account (HSA) for participants enrolled in the CDHP; and,
- 4) ***it is recommended that the District make an annual contribution to the participant's Health Savings Account at the 1st payroll in 2016; and***

Budgeted (Y/N): N	Budgeted amount: 0	Core <u>X</u>	Choice
Action item amount: 0	Line item:		
Fiscal Impact (explain if unbudgeted): Fiscal impact unknown at this time however will be identified after open enrollment.			

5) District contributions to the employee Health Savings Accounts as listed below;

Plan	<u>Annual</u> HSA contribution by District		
	Employee only	Employee +1	Family
Anthem	\$1,300	\$2,600	\$2,400
Kaiser	\$1,150	\$2,050	\$2,400

- 6) the implementation of a limited purpose benefits plan for participants who elect the CDHP. Per IRS guidelines, participants in the CDHP may not have access to a traditional Flexible Spending Plan, therefore a "limited purpose" account would be offered to allow employees to voluntarily set funds aside on a pre-tax basis via payroll deductions for eligible dental and vision expenses.

DETAILED REPORT

Background:

As follow-up to the information presented at the September 9, 2015 Administration & Finance Committee and discussion at the September 17th Executive Committee, the District proposes to offer participation in two account based health plans (Anthem and Kaiser) to the array of health insurance plans currently available to employees and directors. Information was provided to employees at the recent staff meeting held on September 24th, and a detailed presentation was also provided to staff by JPIA staff on October 8th to review plan features and benefits, and solicit participation.

Retirees can sign up for the High Deductible Plan but if they have Medicare, they can't contribute to the HSA. If they are a pre-65 retiree with Medicare, they can contribute to a HSA. If they contribute on a post-tax basis, they can get the pre-tax benefit when they file their taxes.

JPIA has formulated Health Savings Account (HSA) contributions to maximize interest in participation and potential cost savings to the District and makes the following recommendations:

Plan	<u>Suggested Annual</u> HSA contribution by District		
	Employee only	Employee +1	Family
Anthem	\$1,300	\$2,600	\$2,400
Kaiser	\$1,150	\$2,050	\$2,400

The District contributions to the HSA could be made 1) annually (at the beginning of 2016), 2) semi-annually, or 3) monthly. JPIA recommends making the contributions at the beginning of the first plan year in order to encourage participation to minimize exposure to

the participant during the transition to the CDHP. Thereafter, contributions could be made at a frequency as determined by the General Manager.

With the contributions listed above, the following premium savings or (cost) to the District would be realized, per enrollment in the Consumer Directed Health Plans:

Plan	Annual Savings(Cost) to District per Enrollee		
	Employee only	Employee +1	Family
HMO	(849.42)	(2,075.46)	(1,728.19)
PPO	254.77	233.13	1,414.37
Kaiser	7.54	7.85	511.87

Additional costs will be incurred to set up a separate limited flexible spending account (approx. \$3-\$7 per month, per enrollee) for administration of the account.

There is also a potential cost to single employees. The new plan would become the lowest cost plan and thus sets the cost bar for employees in the "single" category. For these employees who do not elect the CDHP, premiums would increase by approximately \$10.00 per month.

Cadillac Tax

Starting in 2018, the Patient Protection and Affordable Care Act will impose an annual 40% excise tax (also known as the Cadillac Tax) on health insurance plans with annual premiums exceeding \$10,200 for individuals, or \$27,500 for a family, to be paid by the insureds. The tax is not imposed on the total cost of the plan, but only the value exceeding the maximum values listed above, which, after 2018, will be adjusted for inflation annually. These costs include any part of a person's income allocated to flexible spending accounts, health reimbursement accounts, and health savings accounts. The tax is intended to reduce overall health care costs; and address the unequal tax benefit of excluding employer-based health insurance coverage from taxes.

Open Enrollment

1. Due to the addition of the CDHP's and the required Board action, the Open Enrollment period will be October 26 – November 13. Any changes to plan elections must be made during this time.



CONSENT CALENDAR ITEM

October 21, 2015

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: J. Berg, Director of Water Use Efficiency
K. Seckel, Assistant General Manager/District Engineer

SUBJECT: Distribution System Water Loss Control Technical Assistance for Member Agencies

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to:

1. Enter into a professional services contract, to be renewed annually for up to three years, with Water Systems Optimization, Inc. to:
 - a. Provide technical assistance to member agencies for water loss control, water balances, component analysis, and leak detection (depending upon the number of agencies that participate in this Choice Program opportunity, this contract amount could range up to \$1,253,280 with all 28 member agencies participating), and
 - b. Initiate the establishment of an Orange County Water Loss Control Committee for member agencies as a MWDOC Core Program at an annual cost not to exceed \$55,000.
2. Authorize the General Manager to enter into Choice-based cost-sharing agreements with agencies wishing to access this technical assistance.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

Budgeted (Y/N): No	Budgeted amount: NA	Core <u>X</u>	Choice <u>X</u>
Action item amount: \$55,000 (core) and a maximum of \$1,253,280 (choice)	Line item:		
Fiscal Impact (explain if unbudgeted): The Water Loss Control Committee component of Task 1 is proposed to be funded by MWDOC as a Core activity. This will be funded through a combination of funds budgeted in Engineering and Water Use Efficiency. Tasks 2-5 are proposed to be funded as a Choice activity by participating member agencies.			

SUMMARY

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

The IWA/AWWA Water Audit Method is effective because it features sound, consistent definitions for the major forms of water consumption and water loss encountered in drinking water utilities. It also features a set of rational performance indicators that evaluate utilities on system-specific attributes such as the average pressure in the distribution system and total length of water mains. The format of the water balance of this method is given in **Table 1**.

Table 1: AWWA/IWA Water Balance
(all data in volume for the period of reference, typically one year)

System Input Volume (corrected for known errors)	Authorized Consumption	Billed Authorized Consumption	Billed Metered Consumption (including water exported)	Revenue Water
			Billed Unmetered Consumption	
		Unbilled Authorized Consumption	Unbilled Metered Consumption	
			Unbilled Unmetered Consumption	
	Water Losses	Apparent Losses	Unauthorized Consumption	Non-Revenue Water (NRW)
			Customer Metering Inaccuracies	
			Systematic Data Handling Errors	
		Real Losses	Leakage on Transmission and Distribution Mains	
			Leakage and Overflows at Utility's Storage Tanks	
Leakage on Service Connections up to point of Customer metering				

The performance indicators, shown in **Table 2**, allow water utilities to make a meaningful assessment of their water loss standing, benchmark themselves with other water utilities, and set performance targets. The water audit tells us how much of each type of loss occurs and how much it is costing the water utility. The key concept around this method is that all water is quantified – via measurement or estimate – as either a form of beneficial consumption or as wasteful loss. A cost is placed on each volume component in order to assess its financial impact to the water utility.

Additionally, this legislative cycle SB 555 (Wolk) is on the Governor's desk to be signed into law requiring water agencies to submit a validated distribution system water balance to DWR annually; by October 1, 2017. While "validated" has not yet been defined, DWR is indicating that a technical expert must be used to confirm the basis of all data used in the water balance and to characterize the quality of the data in the water balance. This effort will allow member agencies to be ahead of the curve in responding to this legislation.

Table 2: Performance Indicators for Non-revenue Water and Water Loss

Performance Indicator	Function	Comments
Volume of Non-revenue water as a percentage of system input volume	Financial - Non-revenue water by volume	Can be calculated from a simple water balance; good only as a general financial indicator
Volume of Non-revenue water as a percentage of the annual cost of running the water system	Financial - Non-revenue water by cost	Allows different unit costs for Non-revenue water components
Volume of Apparent Losses per service connection per day	Operational - Apparent Losses	Basic but meaningful indicator once the volume of apparent losses has been calculated or estimated
Real Losses as a percentage of system input volume	Inefficiency of use of water resources	Unsuitable for assessing efficiency of management of distribution systems
Normalized Real Losses - Gallons/service connection/day when the system is pressurized	Operational: Real Losses	Good operational performance indicator for target-setting for real loss reduction
Unavoidable Annual Real Losses (UARL)	$\text{UARL (gallons/day)} = (5.41L_m + 0.15N_c + 7.5L_p) \times P$ <p>where</p> <p>L_m = length of water mains, miles</p> <p>N_c = number of service connections</p> <p>L_p = total length of private pipe, miles = $N_c \times$ average distance from curbstop to customer meter</p> <p>P = average pressure in the system, psi</p>	<p>A theoretical reference value representing the technical low limit of leakage that could be achieved if all of today's best technology could be successfully applied. A key variable in the calculation of the Infrastructure Leakage Index (ILI)</p> <p>It is not necessary that systems set this level as a target unless water is unusually expensive, scarce or both</p>
Infrastructure Leakage Index (ILI)	Operational: Real Losses	Ratio of Current Annual Real Losses (CARL) to Unavoidable Annual Real Losses (UARL); good for operational benchmarking for real loss control.

DETAILED REPORT

Few agencies in Orange County have performed a distribution system water balance using the American Water Works Association/International Water Association (AWWA/IWA) methodology. As a result, staff is offering agencies training and technical assistance to introduce them to the methodology and to provide access to technical experts in the field of water loss control. Training and technical assistance includes the following:

Training -

Training is being provided in the form of workshops to introduce staff to the AWWA/IWA Water Audit Methodology and free water balance software. An introductory workshop was

held August 18, hosted by the City of Huntington Beach. This workshop was sponsored by MWDOC, Southern California Edison, and Cal-Nevada AWWA. More than 30 Orange County retail water agency staff participated in this training. A second, more advanced, workshop is scheduled for January 12 and will be hosted by MWDOC. This workshop will be sponsored by DWR and the California Urban Water Conservation Council (CUWCC). Additional training workshops will be scheduled as needed.

Technical Assistance -

Technical assistance will include one-on-one access to a consultant specializing in water loss control practices. This consultant will work closely with participating retail agencies to establish a Water Loss Control Committee, gather all data needed to complete the AWWA/IWA water balance, complete a real- and apparent-loss component analysis, and then move into leak detection, if determined to be needed. The consultant will work closely with each agency to ensure data integrity is maintained and, where data weaknesses exist, establish controls to improve the data over time. This technical assistance will be graduated depending on each agency's needs, starting with the simple water balance then moving on to real-and apparent-loss component analysis and finally, if needed, leak detection in the field.

Through this three-year effort, it is our intent to build retail agency capability to perform the system audits and water balance on their own while utilizing Performance Indicators to ensure they are within industry standards. As such, the technical assistance will be in the form of "coaching" and "assisting" agencies through the process of data collection and use of the water balance software on their own systems. It is not our intent for the Consultant to collect data and populate the water balance software themselves.

This assistance will be provided using the Choice-based cost-sharing framework for agencies who opt-in to this service. On September 4, 2015, staff released a Request for Proposals (RFP) to 13 consultants with expertise in water loss control. The RFP contained five tasks, as detailed in Exhibit A. The RFP provided for up to three years of technical assistance for retail agencies, to be renewed annually. Proposals were due on October 2, 2015, and a total of four proposals were received. A Proposal Evaluation Committee (Committee) comprised of two MWDOC staff members and two retail agency staff members* was formed to review the proposals. The Committee considered the five selection criteria listed in Table 3. Each criteria was assigned a weighting factor by the Committee, also listed in Table 3, based on the relative importance of each criterion. Each Committee member then assigned a score from 0 to 10 for each criterion. These scores were then multiplied by the weighting factor. The highest possible score is 1,000.

Table 3	
Consultant Selection Criteria and Criteria Weighting	
Selection Criteria	Criteria Weighting Factor
1. Scope of Work and Methodology	25
2. Team Experience and Capabilities	20
3. References	20
4. Schedule	15
5. Proposed budget	20

Aqua Metric limited their proposal to Task 4: Locate and Quantify Leakage. As a result, the Committee assigned a relatively low score. The other three consultants were more responsive to the RFP and Scope of work and were therefore assigned more competitive scores. The Committee found Water Systems Optimization, Inc. (WSO) to meet the selection criteria most comprehensively, including the lowest hourly rates of compensation for the project team. The average Committee member scores of the four proposals are provided in Table 4. For these reasons, the Committee recommends WSO provide the Water Loss Control technical assistance.

Table 4 Proposal Evaluation Results	
Consultant	Average Committee Member Score
Aqua Metric	96
Black & Veatch	703
M.E. Simpson Co, Inc.	749
Water Systems Optimization, Inc.	879

The RFP asked consultants to provide low and high cost estimates for each task to account for the varying levels of technical assistance they thought agencies needed. For example, the low cost estimate would be for an agency that is already familiar with the methodology and has a comprehensive data set and the high cost estimate would be for an agency that is not familiar with the methodology and lacks a comprehensive data set. The task by task cost ranges provide by WSO are provided in Table 5. Agencies will be able to pick and choose the tasks that meet their needs and will also be able to choose a low or high level of technical assistance within each task. This approach allows for maximum flexibility for agencies to customize the level of technical assistance they need.

Table 5 Estimated Cost Ranges for Water Loss Control Task		
Tasks:	WSO Estimated Cost Range	
	Low	High
Task 1 – Project Administration, Reporting, and Water Loss Control Committee Coordination	\$4,581	\$4,581
Task 2 - Technical Assistance for Preparation of “Top-Down” Distribution System Water Audits	\$3,560	\$6,620
Task 3 – Component Analysis: Volume and Value of Real and Apparent Losses	\$17,600	\$29,700
Task 4 – Locate and Quantify Leaks	25 – 50 miles = \$400/mile 50 – 100 miles = \$350/mile 101+ miles = \$300/mile	
Task 5 – Report Preparation	\$4,200	\$8,400

Staff proposes Task 1: Project Administration, Reporting and Water Loss Control Committee Coordination be implemented as a Core activity funded by MWDOC on behalf of all member agencies. This allows agencies that do not access the technical assistance in Tasks 2 – 4 (Distribution System Water Audits, Component Analysis, and Locate and

Quantify Leaks) to participate in and benefit from the establishment of an Orange County Water Loss Control Committee.

Member agencies who choose to access Tasks 2 – 5 would pay for this technical assistance using the Choice Program framework. The cost range is \$25,360 to \$44,760 excluding Task 4: Locate and Quantified Leaks. It's important to note that most agencies will not participate in all task and will therefore have a lower cost than the range provided above.

For purposes of a Board Authorization, staff has estimated a total maximum member agency choice cost of \$1,253,280 which assumes all 28 agencies will participate at the high level of technical assistance. It is not likely all agencies will participate and it is not likely they will all participate at the high level of technical assistance which will result in a lower overall cost. Staff will provide the Board with periodic updates as to how many agencies participate and at what level of technical assistance.

To date, several member agencies have expressed an interest in accessing this technical assistance. Should additional agencies including the cities of Anaheim, Fullerton and Santa Ana request participation, staff will provide updates to the Board. Agencies who have expressed interest include:

1. East Orange County Water District
2. Fountain Valley, City of
3. Garden Grove, City of
4. Golden State Water Company
5. Huntington Beach, City of
6. Irvine Ranch Water District*
7. Laguna Beach County Water District
8. Mesa Water*
9. Newport Beach, City of
10. South Coast Water District
11. Trabuco Canyon Water District
12. Tustin, City of
13. Yorba Linda Water District

* = agencies who participated on the Proposal Evaluation Committee.

MWDOC staff will provide project management assistance for this effort including completing the RFP process, selecting, hiring and managing the Consultant, contract management, scheduling meetings, and coordinating the Water Loss Control Committee.

Staff recommends the Board of Directors authorize the General Manager to:

1. Enter into a professional services contracts for up to three years with Water Systems Optimization, Inc. to:
 - a. Provide technical assistance to member agencies for water loss control, water balances, component analysis, and leak detection (depending on the number of agencies that participate in this Choice Program opportunity, this contract amount could range up to \$1,253,280 with all 28 member agencies participating), and

- b. Initiate the establishment of an Orange County Water Loss Control Committee for member agencies as a MWDOC Core Program at an annual cost not to exceed \$55,000.
2. Authorize the General Manager to enter into Choice-based cost-sharing agreements with agencies wishing to access this technical assistance.

Exhibit A
Water Loss Control Technical Assistance for Member Agencies
Request for Proposal Tasks:

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

Consultant will provide administrative services to oversee the day to day implementation of the Orange County Water Loss Control Program. This will include scheduling and tracking technical assistance appointments for participating retail agencies and providing monthly progress reporting by task to support monthly invoicing for work completed. Project administration will also include coordination of an OC Water Loss Control Committee that will include a combination of in-person and webinar type of meetings to enhance participation. The consulting budget shall assume the Water Loss Control Committee will meet six times during project term for the purpose of networking and problem solving.

Task 2 - Technical Assistance for Preparation of “Top-Down” Distribution System Water Audits

The initial Water System Audit for each Participating Agency will identify the nature and volumes of water into and out of each retail water system. This initial desktop process will rely on information from existing records, procedures, data, and other system information. It will include a preliminary assessment of apparent and real water losses and will provide insight to the quality and availability of water supply and consumption data used in the audit. The Consultant shall provide information and coaching on use of the various software tools to each Participating Agency. It is anticipated that this effort will help to identify data components that require further validation. Data validation recommendations will be needed to continually improve data validation from year to year so that well-informed, economic-based decisions can be made by year two or three. Direction and advice shall be provided to each participant regarding how to best improve their data process to position them for improving audits in subsequent years.

To assist Consultant in understanding the range of retail water agencies in Orange County, the following tables (data is 2011-12) are attached at the end of the RFP:

- Potable Water System Facilities Summary by retail water agency
- Number of Water Services and Sales by Service Type by retail water agency, and
- Non-Revenue Water by retail agency

Consultant to provide technical assistance Participating Agencies desiring a higher level of investigation into Real and Apparent Losses occurring in their systems. It is anticipated that up to five agencies will participate in Task 3. Real losses are attributed to leakage in transmission and distribution mains, leakage and overflows at utility storage tanks, and leakage on service connections. Apparent losses are attributed to unauthorized consumption, metering inaccuracies and data handling errors.

Task 3-A: Real Losses

This assistance will focus on establishing methods and data requirements to quantify background leakage, unreported leakage, and reported leakage. This task will allow an agency to better understand these components. Real losses include water that has been

extracted from a water resource source, treated, energized, and transported a distance before being lost. Thus the valuation of these losses is typically the sum of these components, or it can include the cost of the next higher source of water that might not have been needed except for the volume of loss. This task will not go all the way through development of a Real Loss Control Strategy, but will allow an agency to better understand the components and costs for completing such an evaluation down the road.

Task 3–B: Apparent Losses

This assistance will focus on establishing methods and data requirements to quantify customer metering inaccuracies, systematic data handling errors, and unauthorized consumption. This process is intended to identify the nature, quantity, and estimated cost impacts of the three apparent loss components.

This task will allow an agency to better understand these components and the value of the water lost compared to the cost of developing an Apparent Loss Control Strategy. Apparent losses represent water supplies that are not paid for or non-revenue water. These losses are typically valued at the prevailing retail rate. This task will not go completely through development of a Real Loss Control Strategy, but will allow an agency to better understand the components of its real loss volume and will provide a preliminary economic evaluation of real loss intervention strategies and their priority ranking.

Task 4 – Locate and Quantify Leakage

Using standard Acoustic Leak Detection Techniques, the Consultant will survey the selected distribution systems for leakage. The Consultant shall implement a Comprehensive Survey. This survey method listens to all available fittings on the mains and service connections. Geophones are used to sound above the mains in case contact points are far apart. Once a leak sound is detected, a geophone and leak noise correlators can be used for pinpointing the leak. Acoustic techniques should be used to pinpoint the locations of leaks within the system. Flow measurement techniques may be used to estimate the volume of leakage. Between three and five agencies are anticipated to participate in this task. Agencies may choose to have their entire system surveyed or portions of their system suspected to have leaks.

Task 5 – Report Preparation

The Consultant shall prepare a summary report to document the entire process and the outcome of all Participating Agencies and shall include a set of recommendation for the subsequent year of work.

**CONSENT CALENDAR ITEM**

October 21, 2015

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, and Tamaribuchi)

Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: TRAVEL TO WASHINGTON D.C. TO COVER FEDERAL INITIATIVES**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receives and files the report.

DETAILED REPORT

For the first quarter of fiscal year 2015-2016, one trip occurred:

- September (Director Barbre)

The meetings and discussions have revolved around what Congress and the various Committees will do with respect to California specific drought legislation, earmarking of projects and/or how to deal with the prohibition on earmarking as well as implementation of WIFIA, and drought and other water related legislation.

This trip was especially timely as Senator Feinstein's drought legislation, S. 1894 was heard in the Senate Energy and Natural Resources Committee and Congressman David Valadao provided testimony on his House approved drought bill, H.R. 2898.

FISCAL IMPACT

The following is budgeted for fiscal year 2015/2016:

Washington Legislative Advocacy - \$11,000

Budgeted (Y/N): Yes	Budgeted amount: \$11,000; 2014-2015 Fiscal year expenditure	Core <u>X</u>	Choice <u> </u>
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted): Within projected budget			

- Total cost estimate for this quarter:
September - \$700

Projecting out for 2nd Quarter of fiscal year 2015/2016

- One trip has been scheduled by Director Barbre & staff
November - \$1400

**CONSENT CALENDAR ITEM**

October 21, 2015

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, and Tamaribuchi)

Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES**STAFF RECOMMENDATION**

Staff recommends the Board of Directors receives and files the report.

DETAILED REPORT

For the first quarter of fiscal year 2015-2016, four trips have been taken:

- July (Heather Baez)
- August – (Heather Baez)
- September – (2 trips, Heather Baez)

The majority of the Sacramento travel revolves around ACWA's State Legislative Committee (SLC) which is comprised of 40 members (four members from each of our 10 geographic regions) and recommends official state legislative policy positions on behalf of the Association. Committee members review relevant introduced and amended legislation, develop positions and provide recommendations to the Board of Directors regarding ballot measures and other major statewide policy issues. This allows MWDOC to be more engaged at the state level as well as within our own region.

The State Legislative Committee meeting typically runs two hours, and staff uses the remainder of the day to meet with legislative and committee staff.

Budgeted (Y/N): Yes	Budgeted amount: Sacramento Legislative Advocacy - \$5,000 – 12 trips;	Core <u>X</u>	Choice __
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted): Currently travel is within budget but expected to go over budget due to a change in Southwest Airlines Orange County flight schedule.			

Meetings with members of the Orange County delegation, committee staff and other involved parties focus on these goals.

SUMMARY OF JULY, AUGUST & SEPTEMBER TRIPS

In the first quarter of fiscal year 2015/16, Heather traveled to Sacramento on:

July 17 and August 28 for ACWA State Legislative Committee & other related legislative meetings; September 10-11 shadowing Kathy Cole of Metropolitan on the last two days of the legislative session; and on September 17th for ACWA Federal Affairs Committee. The August and September trips focused heavily on issues that remained outstanding as the legislative session moved to a close. Specifically, a potential public goods charge and conservation based rates. Both of these issues are expected to be active in 2016.

FISCAL IMPACT

The following is budgeted for fiscal year 2015/2016:

Sacramento Legislative Advocacy (12 trips) - \$5,000 for staff.

- 4 trips have been taken so far this fiscal year (July, August & September)
- Total cost estimate for this quarter:
 - July - \$500
 - August - \$500
 - September – \$1300

Projecting out for 2nd Quarter of fiscal year 2015/2016

- Upcoming trips:
 - None

We are projected to be slightly over budget for this fiscal year. Southwest Airlines has changed its flight schedule for Friday mornings. The first flight out of Orange County no longer leaves early enough to arrive for ACWA's morning meetings and require an overnight stay in order to not be late and secure a seat in the over-crowded meeting room. It is possible that the flight times will change and these can return to one-day trips.



ACTION ITEM
October 21, 2015

TO: **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, Tamaribuchi)

FROM: Robert Hunter Staff Contacts: Karl Seckel, Harvey De La Torre,
General Manager Heather Baez

SUBJECT: **Public Comment Letter on California WaterFix Partially Recirculated
Draft EIR/Supplemental EIS**

STAFF RECOMMENDATION

Staff recommends the Board authorize the General Manager to submit a formal comment letter on the BDCP/California WaterFix partially Recirculated Draft EIR/ Supplemental EIS.

COMMITTEE RECOMMENDATION

Committee will review this item on October 19, 2015 and make a recommendation to the Board.

SUMMARY

Earlier this year the State and Federal lead agencies for the Bay Delta Conservation Plan (BDCP) announced the proposal of a modified sub-alternative to the previously proposed BDCP preferred Alternative 4. The BDCP Alternative 4 consisted of a new north Delta diversion with 3 new intakes and dual tunnels capable of conveying 9000 cfs of water supply and approximately 150,000 acres of habitat restoration and enhancement. The new Alternative 4A includes the conveyance facilities proposed under the BDCP's Alternative 4 but does not include the elements of a habitat conservation plan. It also takes a different regulatory approach for gaining necessary permits and authorizations for implementation under the Federal Endangered Species Act (ESA) and the California Endangered Species Act (CESA). On July 15, 2015, the BDCP Lead Agencies released a partially Recirculated Draft EIR /Supplemental EIS (RDEIR/SEIS) that analyzed the change in permitting, physical modifications made to the proposed water conveyance facilities and additional analysis

Budgeted (Y/N):	Budgeted amount: n/a	Core ✓	Choice __
Action item amount: \$0	Line item: n/a		
Fiscal Impact (explain if unbudgeted): Staff & consultant time			

conducted on the environmental effects of certain specific aspects of project implementation. The Public Comment period on the RDEIR/SEIS expires October 30, 2015. Staff has reviewed the RDEIR/SEIS in light of MWDOC's original comment letter submitted in July 24, 2014 on the BDCP Draft EIR/EIS released December 2013. The proposed comment letter (**Attachment A**) is consistent with the original July 24, 2014 comment letter and reflects MWDOC's stated support for the previous BDCP Alternative 4 and achievement of the legislatively mandated co-equal goals of eco system restoration and water supply reliability.

REPORT

Revised and Recirculated DEIR/SEIS

On April 30, 2015 the Federal and State Lead Agencies for the BDCP announced that substantive changes had been made to the Draft BDCP EIR/EIS released for public review in December 2013. The modified Preferred Alternative 4A water supply conveyance facilities remain essentially unchanged from the BDCP DEIR/EIS and continue to consist of new north Delta intakes and the dual tunnels capable of conveying 9000 cfs of water supply to the State Water Project (SWP) and Central Valley Project (CVP). As reported at the September PAL Committee meeting, substantive changes to the BDCP were a result of several factors. Additional data became available which allowed for more precise modeling and analysis of BDCP operations, such as Delta outflow criteria (X2) and the effects on water quality of a new north Delta diversion point. Additionally, physical modifications were made to the water conveyance facilities including changes in intake configuration, alignment of the dual tunnels and consolidation of pumping facilities at a single location in the south Delta near the existing Clifton Court Forebay. Many of these changes were in response to comments received during the public review of the December 2013 DEIR/EIS and have improved the effects analyses and resulted in an overall strengthening of the environmental document. For instance, changes made to the water conveyance facilities have reduced the physical footprint of the project and thus the impacts and are responsive to concerns raised by in Delta communities and address issues raised regarding compatibility with existing land use.

The two most significant changes made in the BDCP are the delinking of the water supply conveyance facilities from the environmental restoration efforts and the change in Endangered Species Act (ESA) permitting. The BDCP was a joint Habitat Conservation Plan/ Natural Communities Conservation Plan under Section 10 of the federal ESA and the California's Natural Communities Conservation Planning Act that would allow the SWP and CVP to operate under 50 year federal and state ESA permits. The BDCP contained 23 Conservation Measures (CMs), including the water supply conveyance facilities, when implemented in their entirety would achieve the co-equal goals set by the legislature of water supply reliability and environmental restoration in the Bay Delta. The lead agencies now propose to meet the co-equal goals through the construction and operation of water supply conveyance facilities as part of California WaterFix and environmental restoration through a separate effort identified as EcoRestore. ESA compliance would be achieved through the more standard Section 7 consultation under federal law and through CESA Section 2081(b).

Under the California Environmental Quality Act and the federal National Environmental Policy Act (CEQA/NEPA) when substantive changes are made to a proposed project or significant new information becomes available following public review of the environmental document but prior to certification of a Final EIR/EIS then a new public review is required. The recirculated document is limited to only those chapters and modifications made to the original DEIR/EIS.

Focus of MWDOC RDEIR/SEIS Public Comment Letter

At the September 15, 2015 PAL Committee meeting staff reported on the status of its review of the RDEIR/SEIS and the recommended focus of a MWDOC formal public comment letter. Staff has prepared a draft comment letter (Attachment A) for Board consideration and submission to the lead agencies. Public comments are due by October 30, 2015. As noted by staff in the September report to the Committee, MWDOC submitted its formal comments on the Draft BDCP, DEIR/EIS on July 24, 2014. In the proposed comment letter on the RDEIR/SEIS staff has taken into consideration the comments made by MWDOC in its July 2014 letter to the BDCP lead agencies. Attachment B provides a summary of key comments made in the July 2014 comment letter and whether they were affected by the RDEIR/SEIS.

Staff has included the following key issue areas in the comment letter in line with MWDOC's responsibility as a regional water supplier dependent on stable and reliable SWP supplies:

- **MWDOC supports the water supply facilities as described in the Modified Proposed Alternative 4A**
 - New intakes in the northern Delta
 - twin-tunnel conveyance system
 - water quality improvements in SWP supplies to promote local supply development
- **MWDOC continues to support sound science and adaptive management as key strategies in enhancing the reliability of State Water Project operations**
- **Preferred Alternative 4A is a significant investment by water supply agencies and their ratepayers that requires greater certainty in regulatory assurances and participative management**
- **Improve real-time monitoring to protect both threatened natural fisheries and water supply reliability**
- **Water Supply Reliability**
 - Consistent ability to capture wet-period supplies in a range of year types
 - Additional information on supply yield, operating criteria and the benefits of real-time operations in contributing to that increased yield
 - Discussion in the No Action Alternative of the likelihood and future effects on SWP operations of further fish protection restrictions, i.e.: high outflow operating

criteria, and its effect on water supply yield and water quality

- **Change in Regulatory Approach**

- Involvement of the permit holders and water contractors in operational decisions.
- MOU for Adaptive Management and reliance on collaborative science
- Incorporate the ESA “No Surprises” rule
- Regulatory assurances similar to *Safe Harbor Agreements* for listed species and *Candidate Conservation Agreements with Assurances* for potentially listed species

- **Habitat and Mitigation**

- Clear explanation of how the 16,000 acres was derived
- Rationale why it is the financial responsibility of water supply contractors

September 15, 2015 PAL Committee Discussion

At the September PAL Committee meeting, Board members asked questions regarding schedule for implementation of WaterFix and what steps were being taken to enhance SWP reliability during the period prior to implementation of the new water supply conveyance facilities. At this time there is not an official schedule for implementation of WaterFix. According to Metropolitan staff, the State anticipates completing the planning process by late spring 2016. That would include completion of the CEQA/NEPA process and obtaining permit decisions under Section 7 of the federal ESA and Section 2081 under the state’s CESA. Following those actions, it may take a year or more for a water right permit for the additional point of diversion to be issued by the State Water Resources Control Board (SWRCB). As noted in the BDCP December 2013 DEIR/EIS, construction would take approximately 10 years which would result in operations commencing about 2030.

DWR, Bureau of Reclamation and the water contractors are currently focusing on efforts to develop a detailed and comprehensive science program that would provide a firm basis for water supply operations, both with the existing project and its associated biological opinion, and for the new conveyance facilities when they are operational. As noted above, incorporating real time monitoring that leads to science based operational decisions and allows for more flexibility in operations enhances both fishery protection and water supply reliability. The water suppliers are currently pursuing this approach with the state and federal fishery agencies through a formal agreement.

In regard to the use of fish barriers, the existing Biological Opinion for SWP and CVP operations as well as the proposed WaterFix provides for the use of fish barriers and other physical features to improve fishery migration. Those strategies will continue to be pursued during the interim period prior to WaterFix implementation. DWR and the Bureau of Reclamation are currently testing water current and other non-physical barrier approaches (sound, light) to help with salmon behavior by keeping the fish moving toward areas that would avoid impacts due to predation from other fish. If successful these and other efforts will be employed to protect fisheries and contribute to better reliability in SWP operations.

Next Steps

If authorized by the Board, staff will submit the formal comment letter on the RDEIR/SEIS prior to the October 30, 2015 close of the CEQA/NEPA public comment period. When the Final EIR/EIS is released by the lead agencies staff will return to the Board to report on how MWDOC's comments were addressed in the final document and other responses to comments. Staff will also periodically update the Committee and the Board on the status of California WaterFix and EcoRestore.

Attachments:

1. DRAFT MWDOC Letter on the EIR/EIS
2. Short version letter for our Member Agencies (previously distributed)
3. July 24, 2014 MWDOC letter on BDCP (to be attached to the final letter on the California Fix

October 21, 2015

BDCP/California WaterFix
Comments
P.O. Box 1919
Sacramento, CA 95812

Dear BDCP/California WaterFix:

**Subject: Recirculated Draft Environmental Impact Report/Supplemental Draft
Environmental Impact Statement (RDEIR/SDEIS)**

The Municipal Water District of Orange County (MWDOC) is pleased to submit comments on the partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) for the Bay Delta Conservation Plan/ California WaterFix released on July 10, 2015. Please note that on July 24, 2014 MWDOC submitted its formal comments on the BDCP Draft EIR/EIS and has attached that document to this letter as part of the official CEQA/NEPA record.

The Municipal Water District of Orange County (MWDOC) is a wholesale water supplier and resource-planning agency governed by a publicly elected seven-member Board of Directors. MWDOC is the third largest member agency of the Metropolitan Water District of Southern California (Metropolitan). Its service area covers all of Orange County with the exception of the three original Metropolitan member cities of Anaheim, Fullerton, and Santa Ana. MWDOC and the "Three Cities" coordinate water management planning. MWDOC serves Orange County through 27 cities and water agencies and one investor owned utility, including the Orange County Water District who manages the Lower Santa Ana River Groundwater Basin.

Orange County has a population of 3.1 million people, approximately eight percent of California's entire population, and an economy with a gross domestic product of over \$200 billion or 10 percent of the state's overall economy of \$2 trillion. Orange County's share of California's non-farm businesses was about 10 percent in 2011. In addition, Orange County is a major regional employment, higher education and tourism center.

MWDOC's mission is "to provide reliable, high-quality water supplies from Metropolitan and other sources to meet the present and future needs [of Orange County] at an equitable and economical cost, and to promote water use efficiency for all of Orange County." This mission is implemented through coordinated water management and planning with appropriate investments in water use efficiency, water supply development, system reliability improvements and emergency preparedness. Our mission is supported by collaboration with our member agencies and through public outreach, water education, and legislative advocacy. MWDOC strongly supports the state and federal effort under the BDCP/California WaterFix to enhance the reliability of State Water Project (SWP) supplies and bring stability to Delta exports over the long term. Orange County remains dependent on imported water to meet approximately 45 percent of our average annual demand, with the SWP deliveries from the Delta meeting approximately half of those needs. Orange County is an acknowledged national leader in water recycling and reuse and leads the Metropolitan service area in the development of highly reliable drought proof supplies and has a long history of aggressive implementation of water conservation. Despite the extensive diversification of Orange County's water supply portfolio we specifically rely on the SWP to support groundwater conjunctive use programs and large scale water recycling programs - it is an essential part of our regional and local water reliability strategy. We have seen very clearly the vital role storage reserves and reliable local water supplies have played in this current unprecedented four-year drought. It will be even more important in the future as California copes with climate change and the potential for seismic and other emergencies.

General Comments

1. MWDOC supports the water supply facilities as described in the Modified Proposed Alternative 4A.

- New intakes in the northern Delta on the Sacramento River would provide the ability to capture increased flow in wet and normal years and address reverse-flow conditions in the southern Delta that are a result of relying solely on the operation of the existing south delta pumping.
- The proposed twin-tunnel conveyance system would not only enhance water supply reliability and provide much needed stability to State Water Project deliveries it would also protect the people and economy of California from long-term catastrophic threats such as seismic events and adapt the state's backbone water supply system to deal with the anticipated effects of climate change and sea level rise.
- Expected water quality improvements in SWP supplies from the new water facilities described in Alternative 4A will result in reduced salinity, total organic carbon and bromide providing water quality benefits to consumers and promoting water recycling and reuse in Orange County and Southern California and improving the salinity balance in groundwater basins accessing this water. The latter issues are key to the successful implementation the Governor's Water Action Plan.

- Proposed project modifications identified in the RDEIR/SEIS, to consolidate intake pumping into a single facility in the southern Delta on SWP property near Clifton Court Forebay further reduces the physical footprint of the Project and is responsive to concerns expressed by Delta communities and compatible with existing land use activities.
2. **MWDOC continues to support sound science and adaptive management as key strategies in enhancing the reliability of State Water Project operations and also supports efforts to improve real-time monitoring to protect both threatened natural fisheries and water supply reliability.**
 3. **Implementation of Alternative 4A requires a significant investment by water supply agencies and their ratepayers. That investment continues to require greater certainty in regulatory assurances and participative management inclusive of the water supply contractors.**
 - The RDEIR/SEIS proposes a significant change in the approach to permitting and achievement of the legislatively mandated co-equal goals of eco system restoration and water supply reliability. MWDOC still believes its ratepayer's investment requires that the Final Plan address the issues of regulatory assurances and greater certainty of SWP deliveries.

MWDOC offers the following additional, more specific, comments on the RDEIR/SEIS:

Water Supply Reliability. The primary reliability benefit of a north delta diversion is the ability to capture increased flow in wet and normal years when compared to the existing south delta pumps only. Capturing this increased flow in those years is critical to the foundation of Southern California's dry year strategy, reliable local supplies and storage. The current four year drought and the previous 2008-2010 drought clearly demonstrated the importance of investments made by Metropolitan in storage. It also highlighted the value of groundwater basins in Orange County and elsewhere in the Metropolitan service area as a storage asset that could reduce the demand for imported supplies in dry years. Being able to maintain high levels of storage in Metropolitan's system and in conjunctive use groundwater basins of its member agencies is dependent on maximizing SWP supplies during those wet and normal years when the system is much less stressed. The Final EIR/EIS should provide additional information on yield, operating criteria and the benefits of real-time operations in contributing to increasing the amount of water supply yield. This is critical information needed in planning to optimize all storage assets in southern California and enhance reliability during the inevitable prolonged dry periods that will occur. The Final EIR/EIS should also include a discussion in the No Action Alternative of the likelihood and future effects on SWP operations of further fish protection restrictions, i.e.: high outflow operating criteria, and its effect on water supply yield and water quality in the absence of implementation of the Preferred Alternative.

Change in Regulatory Approach. An important factor in the BDCP and its achievement of the co-equal goals was that it sought to provide more stable and reliable SWP supplies through obtaining a 50 year permit for water supply operations under Section 10 of the ESA and the Natural Communities Conservation Planning Act (NCCPA) under CESA. The change in permitting approach through ESA Section 7 and CESA Section 2081(b) is a more standard permitting path but one that contains less certainty and assurances on future requirements. A final plan should include formalized agreements between the permitting agencies and the permit holders that provides a participatory role for the involvement of the permit holders and water contractors in operational decisions. This formal agreement can take the form of an MOU identified in RDEIR/SEIS and include the Adaptive Management approach of the BDCP and the reliance on collaborative science to adjust to actual conditions and make operational decisions jointly with the permit holders. The final plan should include an MOU or other form of agreement that seeks to incorporate the “No Surprises” rule and regulatory assurances that are similar to those contained in *Safe Harbor Agreements* for listed species and *Candidate Conservation Agreements with Assurances* for currently unlisted species. These arrangements are regularly used with landowners as a means to better manage lands for habitat conservation and species protection. MWDOC strongly believes that the final plan should include these formal mechanisms that provide assurances, guarantees and participative management that reflect the intent of the BDCP and can be obtained under ESA Section 7 and CESA Section 2081(b).

Habitat and Mitigation. Under the BDCP water conveyance facilities and habitat enhancement and restoration were linked in the same permitting process. Under the modifications of the permitting process contained in the RDEIR/SEIS they have been delinked and the total amount of habitat acreage has been significantly reduced. While overall habitat acreage has been reduced the amount of habitat and mitigation related to construction of the water conveyance facilities under the modified Preferred Alternative 4A has substantially increased from the amount identified under the BDCP. Under the BDCP, mitigation for direct impacts of the water conveyance facilities was significantly less than the 16,000 acres identified in Alternative 4A. Under the BDCP, water conveyance facilities (CM1) had cost responsibility for a share of habitat mitigation occurring under several of the other conservation measures (CMs 2-22). It was understood that the basis of the quantification of acreage for habitat enhancement assigned to the water suppliers was linked to the physical impacts resulting from the construction of the water conveyance facilities under CM1. Preferred Alternative 4A has a smaller construction footprint than was contemplated in the BDCP DEIR/EIS yet the amount of mitigation acreage has substantially increased. The final EIR/EIS should provide a clear explanation of how the 16,000 acres was arrived at, specifically detailing in easily understood table(s), the direct and indirect impacts associated with water conveyance facilities and how the total mitigation acreage was derived. If the mitigation acreage is in excess of the physical impacts of the Project then the Final Plan should indicate the rationale as to why it is the financial responsibility of the water supply contractors.

Thank you for your time and consideration of these comments. MWDOC looks forward to a Final Plan and Final EIR/EIS being released by the Lead Agencies that addresses our comments. If you should have any questions please do not hesitate to call me at (714) 593-5026.

Sincerely,

Robert J. Hunter
General Manager

DRAFT – Short Letter Version

BDCP/California WaterFix
P.O. Box 1919
Sacramento, CA 95812

Attention: BDCP/California WaterFix Comments

RE: Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS)

Dear BDCP/California WaterFix:

(Agency Name) is submitting the following comments on the partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) for the Bay Delta Conservation Plan/ California WaterFix released on July 10, 2015.

(Agency Name) is a local governmental entity that relies upon the State Water Project (SWP) to reliably meet the water needs of its residents and businesses. (Agency Name) strongly supports the state and federal effort under the BDCP/California Water Fix to enhance the reliability and quality of SWP supplies that bring stability to Delta exports over the long term. The SWP is a foundational element of southern California's water supply portfolio and in conjunction with storage is the cornerstone of the Metropolitan Water District's dry year reliability for over 18 million people in six California counties. The SWP supplies also help the long-term salt imbalance for groundwater basins and makes water recycling more feasible. The SWP is an essential part of our regional and local water reliability strategy.

(Agency Name) supports the water supply facilities as described in the Modified Proposed Alternative 4A and offers the following comments on the RDEIR/SEIS:

- **Water Supply Reliability.** The Final EIR/EIS should provide additional information on water supply yield during each type of water year (normal, dry and wet) so that the water reliability benefits can be better understood and all storage assets in southern California optimized to enhance reliability during the inevitable dry periods.
- **Endangered Species Act Permitting.** The change in regulatory approach for Endangered Species Act compliance from the BDCP's HCP/NCCP to a Section 7 consultation is a significant change to achieve more regulatory certainty. We strongly urge the lead agencies and the permitting agencies to incorporate adaptive management and participative governance in operational decisions into the Final EIR/EIS and supporting agreements to ensure consistent delivery of SWP supplies.
- **Habitat Mitigation.** The amount of mitigation acreage under the modified Preferred Alternative has significantly increased. There is no clear description of how the amount of acreage was determined or why it has become the responsibility of the water supply facilities. The Final EIR/EIS should provide a detailed explanation and nexus between the proposed mitigation acreage for Alternative 4A and why water suppliers and ultimately water ratepayers will shoulder those costs.

Thank you for the opportunity to submit comments on the RDEIR/SEIS.

Sincerely



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July 24, 2014

Via Email: BDCP.comments@noaa.gov

BDCP Comments
Ryan Wulff, National Marine Fisheries Services
650 Capitol Mall, Suite 5-100
Sacramento, CA 95814

Dear Mr. Wulff,

Subject: Comments of the Municipal Water District of Orange County on the Draft Public Review Bay-Delta Conservation Plan (BDCP), Draft Environmental Impact Report/Environmental Impact Statement, and Draft Implementing Agreement

SUMMARY OVERVIEW

The main points covered in this comment letter are:

1. MWDOC strongly supports the BDCP Preferred Alternative (No. 4) and opposes the No Action Alternative: It is critical to the state's economy and environment that both the State and federal government expeditiously follow through with the decision for adopting and implementing the BDCP.
2. Co-Equal Goals: The BDCP must be implemented in a manner consistent with the co-equal goals adopted by the State. Preferred Alternative (No. 4) is consistent with the Delta Reform Act of 2009's co-equal goals.
3. New Facilities and In-Delta Operational Flexibility: The modernization of the Delta conveyance system is essential in order for habitat restoration and conservation to have its intended effect; Preferred Alternative (No. 4), which incorporates the 9,000 cubic feet per second (cfs) three intake, twin tunnel conveyance system, provides the best balance between operational flexibility and modernizing the conveyance system for environmental benefit and water supply reliability.

4. Reduced Future Reliance: The 2009 Delta legislation called for water agencies to reduce future reliance on the Delta, not to become 100 percent “self-reliant”. While efforts in these areas will continue, it is important to note that “reduced reliance” does not equate to and was never intended to require a move to 100 percent “self-reliance” and the notion of co-equal goals was never intended to result in a future with significant reduction in exports from levels achieved before the 2008 bio-opinions.
5. Plan Implementation and Regulatory Assurance: The BDCP must provide the needed implementation and regulatory structure and assurances to help achieve the co-equal goals.
 - a. To us, this means that it is virtually impossible to predict the outcome of the BDCP habitat restoration efforts and endangered species population dynamics, and such a standard should not be required in the DEIR/DEIS.
 - b. Furthermore, this means that changed circumstances under the operation of the BDCP, including the potential for new species listing, be incorporated in such a manner to result in a minimum impact on future water supply exports.
 - c. At this time, the Implementing Agreement, whose purpose is to establish the obligations of the parties toward implementation of the plan, has not been advanced for public review. We would request that the agreement be circulated for public comment.
6. Cost Allocation: MWDOC supports the “beneficiary pays principle” in cost allocation for all responsible parties and beneficiaries.
7. Economy, Environment and Water Management: The State Water Project (SWP) is critically important to the Orange County economy, environment and water management. Implementation of the BDCP is critical to Orange County’s future.
 - a. Orange County has invested heavily to diversify our water portfolio but the SWP remains a critical source of low salinity water supply that is currently unacceptably jeopardized by the unsustainability of the current Bay-Delta system.
 - b. Orange County relies on the SWP to support groundwater conjunctive use programs and water recycling programs - it is an essential part of our water reliability strategy that sustains our citizens and businesses.

- c. We support the 9,000 cfs twin tunnel Preferred Alternative (No. 4) provided reasonable assurances are included regarding governance and future decision-making in the process. We strongly advocate for a seat at the table for the water Permittees in the various oversight groups. The investment and decision-making must be structured to achieve a positive outcome for both the SWP and Permittees and the ecosystem restoration in a collaborative, partnership manner.

Detailed comments follow:

INTRODUCTION OF FULL COMMENTS

The Municipal Water District of Orange County (MWDOC) is pleased to submit comments on the Draft Bay Delta Conservation Plan (BDCP) and Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS).

Please note that our comments on the BDCP and Draft EIR/EIS interchangeably use the terminology “BDCP”, “BDCP process”, “the Bay-Delta Fix” and the “decision-making process” to reflect the entire suite of efforts and decisions in a comprehensive manner.

The Municipal Water District of Orange County (MWDOC) is a wholesale water supplier and resource-planning agency governed by a publicly elected seven-member Board of Directors. MWDOC is the third largest member agency of Metropolitan Water District of Southern California (MET). Its service area covers all of Orange County with the exception of the three original MET member cities of Anaheim, Fullerton, and Santa Ana. MWDOC and the “Three Cities” coordinate water management planning. MWDOC serves Orange County through 27 cities and water agencies and one investor owned utility, including the Orange County Water District who manages the Lower Santa Ana River Groundwater Basin.

MWDOC’s mission is “to provide reliable, high-quality supplies [of water] from Metropolitan and other sources to meet the present and future needs [of Orange County] at an equitable and economical cost, and to promote water use efficiency for all of Orange County.” This mission is implemented through coordinated water management and planning with appropriate investments in water use efficiency, water supply development, system reliability improvements and emergency preparedness. Our mission is supported by collaboration with our member agencies and through public outreach, water education, and legislative advocacy.

MWDOC strongly supports the BDCP Preferred Alternative (No. 4) and opposes the No Action Alternative: It is critical to the state's economy and environment that both the State and federal Government expeditiously follow through with the decision for adopting and implementing the BDCP.

MWDOC strongly supports the BDCP Preferred Alternative (No. 4) with the expectation that the State and federal government will move steadily forward with its adoption by issuing the Record of Decision and Notice of Determination by the end of this year, and by implementing the Preferred Alternative in accordance with the BDCP schedule.

We compliment the State and federal agencies and stakeholders in developing a thorough, comprehensive and balanced BDCP Preferred Alternative that will help achieve the co-equal goals of ecosystem restoration and water supply reliability. It is vital that the State of California and Federal Government follow through with this tremendous effort in collaborative planning as it is a once in a lifetime opportunity to resolve the long-standing Delta problems, and the cost of no action is too high. Our expectations are that the approximate \$25 billion investment to implement and carry out the BDCP will result in greater certainty in California's water supply reliability, will make measurable improvements in water quality, and will restore significant environmental values in the Delta. The Preferred Alternative appropriately achieves the proper balance between the environmental needs of the Delta watershed with the water supply reliability needs of the entire State of California.

In spite of the world-class efforts of Orange County to provide greater water supply certainty for eight percent of California's population and the \$200 billion economy they represent, Orange County remains dependent on imported water to meet approximately 45 percent of our average annual demand, with the SWP deliveries from the Delta meeting approximately half of those needs. The Delta ecosystem and water supply conveyance problems have long been recognized, and have remained in a continuing state of degradation, conflict, and stalemate. Many years and hundreds of millions of dollars have been spent on study efforts while the delta system continues to be used for water conveyance in a manner for which it was not intended. The longer it takes to begin the resolution, the more expensive it will become. This stalemate has been punctuated by droughts, floods, economic losses, environmental degradation and litigation every decade since the construction of the SWP in the 1960's. We can no longer delay action in the Delta, and urge the State and federal government to quickly move forward with the Preferred Alternative. Failing to act and move forward is not an acceptable alternative.

MWDOC also supports the proposed governance and implementation structure for the BDCP, as the large-scale Habitat Conservation Plan and Natural Community Conservation Plan (HCP/NCCP) to be formed under federal and state Endangered Species Act (ESA). Using the HCP/NCCP governance structure proposal will ensure that

all of the project's environmental and water supply reliability goals and objectives are realized.

The bottom line is that the BDCP Preferred Alternative (No. 4) offers the best solution to achieve greater supply certainty and the governance structure to provide necessary regulatory assurances. Moreover, it provides for a sustainable and balanced solution to achieve the State's policy of co-equal goals.

COMMENTS ON THE DRAFT BDCP AND DEIR/DEIS

Co-Equal Goals: *The BDCP must be implemented in a manner consistent with the State policy of co-equal goals. Preferred Alternative (No. 4) is consistent with the Delta Reform Act of 2009's co-equal goals.*

The BDCP and Preferred Alternative (No. 4) should be adopted and implemented because they comply with State law and the Sacramento-San Joaquin Delta Reform Act of 2009. The Delta Reform Act establishes one of the basic state goals for the Delta as seeking to:

“Achieve the two coequal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place.” Ref: California Public Resources Code Section 29702(a).

The BDCP and the Preferred Alternative balance the co-equal goals established by the Legislature in the Delta Reform Act by proposing to improve 145,000 acres of Delta habitat and permitting new conveyance facilities which will provide operational flexibility and will improve water supply reliability from the Delta.

While some critics of the BDCP have claimed that the plan unduly favors water supply interests and will permit State Water Contractors to export more water than is currently allowed, the BDCP and the Preferred Alternative do not provide a greater amount of water for export. The BDCP estimates that the average water supplies available for export will be 4.7 million acre-feet (MAF) to 5.6 MAF per year. This is the same average currently permitted for export through the Delta today.

The Delta Reform Act of 2009 established the State policy of co-equal goals to provide a more reliable water supply and to protect, restore and enhance the Delta ecosystem. Orange County's primary interests in the successful implementation of the BDCP are:

1. Restoration of SWP supply to pre-2008 capabilities before imposition of the 2008 Delta smelt and salmon/steelhead biological opinions,
2. Assurances that the BDCP will provide greater supply certainty into the future without further significant mandated reductions in exports due to endangered species issues without a fair and balanced procedure, and
3. Protection of the export supply from both catastrophic outages to the Delta levee system from earthquakes and floods and from long-term sea level rise.

While the project will not expand average annual exports, it will provide certainty in the water supply, protect export supplies from catastrophic outages, and allow for a "big gulp, little sip" approach to beneficiaries. Construction of a new north Delta intake for the SWP and Central Valley Project (CVP), a significant investment for beneficiaries, would protect this critical supply from earthquake, flood and seawater intrusion risks. It also would restore a greater level of export supply certainty and reliability by providing operational flexibility that will minimize environmentally damaging south Delta diversions and reverse flows. The "big gulp, little sip" approach will allow for greater exports when excess river flows would normally discharge to the ocean and smaller, but consistent and predetermined export levels when Delta flows at normal or lower than normal levels. This approach makes sense and helps mitigate the impact of the 2008 opinions, but not at the expense of the environment.

New Facilities and In-Delta Operational Flexibility: *The modernization of the Delta conveyance system is essential in order for habitat restoration and conservation to have its intended effect; Preferred Alternative (No. 4), which incorporates the 9,000 cfs three intake, twin tunnel conveyance system, provides the best balance between operational flexibility and modernizing the conveyance system for environmental benefit and water supply reliability.*

The 9,000 cfs three intake, twin tunnel conveyance system will add a new point of diversion in the north Delta area which will provide operational flexibility in how water is conveyed across the Delta. This will mitigate entrainment of fish under the current south Delta operations and will significantly curtail reverse flows. In addition, an improved conveyance system will allow the Delta to operate more naturally by minimizing conflicts between fish and water operations. This will better enable conveyance of high flows while minimizing fishery impacts. The project would substantially reduce the take of endangered species and would protect exports from earthquake, flood and sea level rise into the future. We strongly support this foundational conservation element of the BDCP, and believe that the Proposed Alternative (No. 4) proposes the best option for modernization of the conveyance system.

Proposed Alternative (No. 4) provides the best option for operational flexibility, and will allow for the "big gulp, little sip" approach. Southern California has made significant investment in water storage and conveyance facilities, such as the Diamond Valley Reservoir, Inland Feeder and groundwater storage facilities, to allow conjunctive use storage during periods of high flows in the system. Implementation of the Preferred Alternative (No. 4) will enable a more efficient and protective location for diversion of high flows for downstream storage and subsequent dry period use than the current system can provide.

The three proposed screened intakes in the northern Delta and proposed twin tunnels, combined with the enlarged and improved SWP Clifton Court forebay intake in the southern Delta, will provide the necessary flexibility to greatly reduce conflicts between fish and water operations. Reliance solely on the existing system is not sustainable and would cause significant long-term harm to the fishery as well as adverse impacts on SWP deliveries, as has occurred since 2008. The screened intakes proposed by BDCP in the northern Delta will significantly mitigate reverse flows and south Delta diversion impacts. The Preferred Alternative (No. 4) will enable a more natural flow pattern through the Delta estuary.

The existing system is vulnerable to future sea level rise. Salinity intrusion, especially during extended dry periods, will worsen with sea level rise. With sea level rise, the ability of the existing system to meet the co-equal goals will be increasingly difficult. The Preferred Alternative (No. 4) system will help mitigate future salinity risks to water supply. In addition, the projected change in precipitation patterns to increasing rain and decreasing snow will limit the time availability windows for diversion and capture of available river flows. This change will require increased diversion rates and storage during periods when higher flows occur. This should be a recognized benefit of the BDCP and placed within its climate adaption strategy.

The Preferred Alternative (No. 4) should also provide facility protection from major flood events, up to a 200-year storm event. This will require establishing protective elevations at the Clifton Court Forebay as well as providing similar levels of protection at the recommended new north Delta diversion facilities. 200-year storm protection should be included in the BDCP.

The 9,000 cfs three intake, twin tunnel conveyance system would also protect the critical SWP and CVP supplies if massive Delta island levee failures should occur in the future from a major earthquake. The body of independent scientific evidence of the seismic risks in the Delta is growing. The best available science and engineering analysis of the Delta levee system has found that a major earthquake in the region would likely cause massive soil liquefaction, and failure of numerous levees resulting in relatively rapid seawater intrusion into Delta waterways and saltwater flooding of many islands. Under this scenario, SWP and CVP deliveries would be interrupted and

significantly curtailed for up to three years resulting in severe economic damage to the state. The best available temporary solution would be a patchwork levee “pathway” that could only deliver a fraction of traditional supplies in the best-case scenario.

Seismic preparedness is crucial for this vulnerable segment of the statewide water delivery system, especially in the intervening years prior to completion of the tunnel system. The new northern Delta intakes and twin tunnels will protect future SWP deliveries and the economy of the state– providing a valuable insurance policy to improve the reliability of the system from natural disasters. Delays in implementation of the BDCP should be avoided and the project implementation should be expedited. Approvals should not be unreasonably withheld.

Reduced Future Reliance: *The 2009 Delta Legislation called for water agencies to reduce future reliance on the Delta, not to become 100 percent “self-reliant”. The 2009 water package called for both reduced reliance and construction of improvements in the Delta.*

As part of the 2009 Delta legislation, water agencies are required to reduce their future dependence on the Delta. Over the past several years, agencies have worked to improve water use efficiency, develop alternative local supplies, and reduce their dependence on the Delta by changing the timing of water exports. These efforts are in compliance with California’s policy “to reduce reliance on the Delta in meeting California’s future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency.” Ref: California Water Code Section 85021.

While efforts in these areas will continue, it is important to note that “reduced reliance” does not equate to and was never intended to require a move to 100 percent “self reliance.” The 2009 Delta legislation did not intend or envision reduction or elimination in water exports from the Delta, but balanced the need for all of California to use its water resources wisely, and to reduce future pressures on the Delta ecosystem from future population and economic growth in the State.

We have grown concerned over references to “self-reliance” as this is markedly different than “reduced future reliance,” which was the intent of the law. The concept of “self-reliance” is troubling as the notion of co-equal goals was never intended to result in a future with significant reduction in exports from levels achieved before the 2008 bio-opinions. We would question whether this line of reasoning seeks to establish the pretext for ever-declining yields out of the SWP and ever increasing unit costs, further stranding imported supply investments onto our ratepayers and fundamentally damaging our ability to continue to optimize our local resources (i.e. salt management in recycled water and groundwater basins).

It is our considered opinion that both improvement in supply that should be expected from the BDCP implementation and new local resource developments are necessary, as well as other longer-term federal/multi-state supply and conservation projects if we are to secure and improve our water and economic future for the benefit of a growing population.

The recently released California Water Action Plan promotes increasing self-reliance through several measures, including providing a more reliable water supply that protects export supplies from catastrophic outages from earthquakes, major floods and rising sea levels. The California Water Action Plan focus highlights the importance of the BDCP to improve operational flexibility, protect water supplies and water quality, and restore the Delta ecosystem within a stable regulatory framework. It also goes on to state that as the Delta ecosystem improves in response to the implementation of the BDCP conservation measures, water operations would become more reliable, offering more secure water supplies. These are laudable goals of the BDCP, including restoration of export water supplies to levels that were realized before the 2008 biological opinions.

It is now time for the State and federal government to achieve the 2009 legislation's co-equal goals of improving water supply reliability and ecosystem function by implementing the BDCP.

Plan Implementation and Regulatory Assurance: *The BDCP must provide the needed implementation and regulatory structure and assurances to achieve the co-equal goals as established by the State. MWDOC submits the following comments related to plan implementation, governance and assurances.*

Regulatory Assurances

It is important to establish a more stable regulatory environment, which is one of the key goals of the BDCP. The BDCP offers a clear choice between a stable future and today's ineffective and adversarial species-by-species approach to regulation and ESA enforcement under Section 7 of the ESA. Under the BDCP, ESA regulations and provisions of the HCP/NCCP would provide for regulatory and economic assurances, and greater certainty for public water supply and fish and wildlife agencies. The core Adaptive Management and Monitoring program is encouraged and should help to realize achievement of the co-equal goals. It is virtually impossible to ascertain and predict with any precision the outcome of the BDCP habitat restoration efforts and endangered species population dynamics, and such a standard should not be required in the DEIR/DEIS.

The BDCP must provide regulatory assurances commensurate with the significant investment to be made in both improved habitat and facilities. We generally concur

with BDCP Chapter 6 Plan Implementation structure and process. It is important that under the operation of the BDCP the identified changed circumstances, including the potential for new species listing, be incorporated within the BDCP with minimum impact on future water supply exports.

Further, it is likely that unforeseen circumstances will be caused by factors other than water diversions. The plan recognizes this under Section 6.4.1 which states "... if unforeseen circumstances occur that adversely affect species covered by an HCP or NCCP, the fish and wildlife agencies will not require additional land, water or financial compensation or impose additional restrictions on the use of land, water or other natural resources." These provisions must be retained to assure fairness in the process.

Balancing and Proportionality

In the discussion of Alternatives 4, 7 and 8 in DEIR/EIS Chapter 31 (starting at line 42, pg 31-7 and ending at line 32 on pg 31-8), the rationale for the Preferred Alternative (No. 4) is provided in terms of its balancing and proportionality between upstream salmonids, in-Delta species, and export area economy and environmental needs. In addition, the incidental take limits (ITL) should be set in some proportion to the population size of the listed species and should be adjusted accordingly based on population dynamics.

This section further indicates that Preferred Alternative (No. 4) would be subject to the "scientific decision tree" mechanism to "...ensure minimization of adverse environmental effects to water exports in response to changing conditions and evolving scientific information." It is our understanding that the scientific decision tree analysis process would apply only to the Delta smelt (fall outflow issue from 2008 USFWS Biological Opinion "Reasonable and Prudent Alternative") and Longfin smelt (spring outflow operations effects) (CM1). We would hope that improved data collection of the presence and abundance of these fish be monitored over a reasonable habitat range rather than be limited to historical sampling points and procedures. We also recommend that flow changes must also be based on balancing and proportionality to the maximum extent practicable between upstream salmonids, in-Delta, and export area economy and environmental needs.

Sound Science

Sound science is critical to the success of the BDCP. We strongly support the inclusion of independent scientific investigation and research to be included in the BDCP process. The current process of reliance on agency staffs and consultants, the Delta Science Program, and independent science review panels, is very good, but it can further benefit from the inclusion of scientific investigations by researchers not part of these groups. We are also concerned that the models being used for the effects analyses may not fully consider all elements of the BDCP, as the models have recognized limitations and would

likely underestimate the benefits of the BDCP. Outside expert opinions and independent research can only help the process and the process should be open to the inclusion of new scientific data and findings.

We note on page pg 31-8 the statement “Although Alternatives 7 and 8 do not include operations based on the (scientific) decision tree concept, these two alternatives would include greater levels of guaranteed spring and fall Delta outflows, which have demonstrated strong correlations with increased abundances of Delta and Longfin smelt.” We disagree with this assertion and do not believe this has been supported at an accepted scientific level. This statement should be clarified for each species where it occurs in the BDCP and DEIR/EIS. Only necessary outflows for migrating fish should be required.

***Habitat Conservation Plan (HCP)/Natural Community Conservation Plan (NCCP)
Structure and Governance***

Establishing an HCP/NCCP in the Delta is the best vehicle for achieving the Delta’s co-equal goals, and providing assurances that both environmental protection and water supply reliability will be achieved.

It is important that the BDCP is being developed as a 50-year habitat conservation plan with the co-equal goals of restoring the Delta ecosystem and securing California water supplies. A habitat conservation plan is a proper vehicle for reaching these co-equal goals because it will bring the interested parties to the same table, and establish clear operating rules and conservation measures for the 50-year term proposed in the BDCP and its associated EIR/EIS. It is also important to note that the 50-year term proposed meets the objective declared by the Legislature in Water Code Section 85020, which requires that the water and environmental resources of the Delta be managed over the long term.

There must be a strong voice for participating public water agencies in the BDCP process. There are good examples of multiple Permittee interests working collaboratively with resource agencies in southern California on Federal HCPs and State NCCP implementation. For example, the Metropolitan Water District of Southern California (MET) has Permittee status as part of a multi-state, multi-species HCP on the Colorado River because southern California’s water supply reliability is tied to the success of the plan.

In Orange County, agencies have successfully implemented HCP/NCCPs incorporating assurances and representation for all participants. For example, in Orange County both the Santa Margarita Water District and Irvine Ranch Water District are participants in HCP/NCCP processes.

As one of the first communities in California to implement a HCP/NCCP, Orange County and the Central/Coastal HCP/NCCP demonstrated how the private and public sectors, including water agencies, can successfully partner with the resource agencies to allow for a holistic and broad-based ecosystem approach to habitat conservation and ecological protection while allowing for appropriate development and urban planning. The Central/Coastal HCP/NCCP in Orange County has demonstrated how substantial amounts of habitat can be conserved and restored based on an ecosystem approach, which better protects biological diversity and improves habitat for species of concern. Ultimately, the use of a similar HCP/NCCP, as proposed in the BDCP, will provide better ecosystem protection and restoration outcomes in the Delta.

Orange County's Central/Coastal HCP/NCCP is also a prime example of how HCP/NCCPs ensure that the habitat protection and other operating parameters agreed to in an HCP/NCCP are binding on all of the parties involved. Like the process proposed in the BDCP and the long-term 50-year permit discussed in its associated documents, the Central/Coastal HCP/NCCP is a long-term agreement with a permit in effect until 2071.

As the coordinating entity for the management of the 37,000-acre reserve system under the Central/Coastal HCP/NCCP, the Nature Reserve of Orange County serves the important role of working to implement the HCP/NCCP on behalf of its signatories. Its role is to ensure that the agreed upon natural communities and species are protected, and that the permit requirements for the reserve are met. After more than a decade, the Nature Reserve of Orange County has continued to bring all of the interested parties to the same table to ensure that the agreement reached in the HCP/NCCP is respected. We believe that the BDCP HCP/NCCP can do the same for the interests in the Delta.

Authorized Entity Group

Permittees, such as water providers, must have a strong voice in the governance of the BDCP because water providers have a huge vested interest in the success of the effort as they are directly affected by the risk to water supply by its failure. Permittees are currently envisioned as key members of the "Authorized Entity Group" which, according to the BDCP documents, "will provide input and guidance on general policy and program-related matters, monitor and assess the effectiveness of the Implementation Office in implementing the Plan and foster and maintain collaborative and constructive relationships with fish and wildlife agencies, other public agencies, stakeholders, local governments and interested parties." This is good and effective governance and these provisions must be retained in the final plan.

Permit Oversight Group

Our understanding is that the Permit Oversight Group, consisting of representatives of state and federal fish and wildlife agencies, will ensure "that the BDCP is being properly implemented." This group has "final decision-making about real-time operations." The

Permit Oversight Group is apparently empowered to shut down the water exports and change the permits without Permittee recourse. We believe this is flawed and inconsistent with meeting the co-equal goals.

In early administrative draft versions of the plan that were available to the public, there was an appeals process that would enable decisions to be reviewed by the Secretary of the Interior and Secretary of Commerce. We believe this appeals step is critical, as Orange County and others across the state substantially depend on the SWP for their water supply. This change from earlier drafts would impose an unacceptable veto power without adequate recourse. The appeals process must be provided as before. Our concern is best alleviated via a balanced process including the ability for appeals. The process must avoid the more rigid and case-by-case Section 7 consultation approach that we have experienced and the uncertainty it can create.

The investment is too great to be vulnerable to unilateral actions driven solely by regulators without allowing the functioning of the BDCP plan to achieve the co-equal goals. As currently written, this provision appears to undermine the BDCP, and it needs to be revised along the lines as described.

Salinity Control

Before the construction of the CVP and SWP reservoirs, salinity intrusion far into the Delta was a common occurrence during very dry years. Since the construction of Shasta and Oroville Reservoirs and with the 1978 SWRCB D-1485 water quality control decision, the CVP and SWP have provided broad salinity control benefits to the Delta that have helped to protect in-Delta agriculture and domestic uses as well as export water quality, even as San Joaquin River flows were depleted by upstream diversion. We concur that salinity control is an important component of the BDCP. We also note that natural variability must be recognized within the BDCP and some relaxation of salinity control objectives must be allowed during severe droughts.

In addition, with future sea level rise, the BDCP needs to provide for a gradual relaxation of the X2 salinity control point, as releasing more and more stored water, which is made possible by both the CVP and SWP, will cause increasingly greater shortages in water supply at increasingly greater economic impact to the state. The estuary would be expected to shift upstream with sea level rise and this should be accounted for in the 50-year permit period. The BDCP must recognize that the existing Delta agricultural areas may require some form of land use conversion into the future.

Recognize Need for Additional Upstream Storage

While not part of the BDCP plan, additional storage north and south of the Delta will be critical concurrent with improvements in conveyance to enable the capture of high flows during wet periods for subsequent use. Additional storage will be especially important during periods of prolonged drought. Such facilities would be of statewide and national benefit, and both the State and federal government should financially contribute to their development. The BDCP should recognize the need for additional upstream and downstream surface storage to realize the full benefits of Preferred Alternative (No. 4). We support the development of future storage projects as stand-alone projects outside of the BDCP Plan to help with meeting the co-equal goals.

Scientific Decision Tree and Project Yield

The BDCP holds the potential to stabilize SWP and CVP annual deliveries to between a range of 4.7 to 5.6 MAF (Prior 20-year average deliveries were 5.2 MAF) and to stabilize them within this range over the 50-year permit period, but this depends upon the future outcome of "Scientific Decision Tree" studies that will refine future spring and fall outflows. The BDCP indicates that without the BDCP the Delta will continue in ecosystem decline, future deliveries would be reduced between 3.4 to 3.9 MAF as the result of new listings, higher requirements for outflows during wet and above-normal precipitation years would be required, and using fixed limits on take rather than proportionate take based on actual population size and dynamics would be likely.

The Decision Tree process is critical; water agencies require a seat at the table to represent the water supply and economic interests of the public that we, as public agencies, serve. Further, the water agencies have a high level of interest in ensuring that adaptability will result in regulatory agencies working collaboratively with the Permittees as provided for under the state and federal ESA laws for habitat and natural community conservation plans. It is important to ensure that the process is not skewed and has not established pre-determined outflows and compliance locations.

Plan Implementation and Regulatory Assurance: *The BDCP must provide the needed implementation and regulatory structure and assurances to help achieve the co-equal goals. MWDOC submits the following comments related to plan implementation, governance and assurances.*

The BDCP and the 9,000 cfs three intake, twin tunnel conveyance system would significantly improve export water quality by reducing total dissolved solids (TDS), bromide, dissolved organic carbon (DOC) and other contaminants that currently impact the south Delta. This is especially important for Orange County for a broad range of water management purposes. It is our understanding, that future SWP deliveries under the Preferred Alternative (No. 4) would realize a reduction in concentrations, on average, of approximately 20 percent from existing conditions. Reductions in TDS,

bromide and DOC will help to sustain Orange County's groundwater basins, enhance recycling usage, and reduce treatment and consumer costs. Improving source water quality is an important value of the BDCP.

Reductions in DOC and bromide in SWP water will lower disinfection by-product formation in public water systems. Compliance with these U.S. Environmental Protection Agency and California Department of Public Health regulated compounds requires expensive water treatment to meet public health requirements. Reducing DOC levels will also reduce chemical and energy usage in ozone or chlorine based disinfection processes saving the ratepayer money and reducing environmental impact.

Further, given the high TDS and hardness levels in Colorado River water, lower TDS and softer SWP water is essential to help manage the long-term salt balance in southern California and Orange County groundwater basins, thereby, minimizing treatment costs, reducing penalty costs to consumers, and lowering the cost of recycled water projects. Lower TDS source water helps many of the elements of our Southern California reliability strategy, as well as achieving compliance with Regional Water Quality Control Board Basin Plan objectives and discharge limitations.

Water Quality Improvements and Regional Compliance with Section 85021

The Water Code directs that "Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts", reference California Water Code Section 85021. Orange County and Southern California have complied with the California Water Code by taking great strides to improve its regional self-reliance, but the BDCP and a reliable supply of imported water is still needed.

Many of the opponents of the proposed BDCP process state that development of local supplies, water reuse, conservation and water use efficiency can take the place of the supply and reliability projects proposed in the BDCP. The reality is that the solution to California's water problems requires action on all of these fronts in addition to the BDCP. While California should continue to develop local supplies, improve water reuse, and move towards greater water use efficiency and conservation, those efforts would be hampered without the BDCP Preferred Alternative (No. 4) and the water quality improvements which will be obtained as a result of those projects and changes in operations.

Expected water quality improvements in SWP supplies from the BDCP in reduced salinity, total organic carbon and bromide would result in water quality benefits and would promote water recycling and reuse. A reduction at the source means that these water quality challenges are less of a problem once the water is recycled, and would

allow for better quality in the recycled water produced in Orange County and Southern California. A better quality recycled water will allow water to be used for a greater number of cycles.

Orange County's future depends on high quality, reliable and affordable imported water supplies. If we do not have the expected high quality and reliable supply from the SWP that would be made possible by the BDCP, it would seriously jeopardize groundwater basin management and expanded local recycling projects, many of which may not be economically feasible without the high quality water received from the SWP. Moreover, a high quality SWP supply also supports long-term economic management and protection of groundwater basins from salinization and reduces overall consumer penalty costs from corrosion and scaling.

Cost Allocation: *MWDOC supports the "beneficiary pays principle" in cost allocation for all responsible parties and beneficiaries*

All beneficiaries and responsible parties of the BDCP must contribute to the solution, including any diverter of water from the system (north or south of the Delta). Moreover, in-Delta interests have been significant contributors to the modification of habitat, continue to discharge pollutants into the waterways, have caused the subsidence of the Delta islands and need for ever higher and unstable levees that risk both habitat and exports, and have benefited from operations of the projects. Accordingly, these interests have a moral and financial responsibility to directly participate in any solutions as do other responsible parties. Where habitat is to be created by modifying or restoring Delta islands to a more natural state, the in-Delta interests should work collaboratively to facilitate such actions.

Further, any recipient of water should pay the cost of water conveyance improvements in line with the proportion of overall water supplies they receive. Economic values associated with end uses of the water should have no bearing on the cost allocation of the BDCP; it is solely a matter of paying one's share of the cost of development of the water supply.

Furthermore, all Californians will benefit from a solution in the Delta through the improved habitat and reliable water supply that will be created; a stronger overall economy benefits everyone. Consequently, the State and federal government should step up to fund the costs of environmental and habitat improvements as well as providing funding support for flood control, levee improvements, fisheries, invasive species control and other programs within their jurisdictions.

Economy, Environment and Water Management: *The State Water Project is critically important to the Orange County economy, environment and water management.*

Economic Impacts

The BDCP and DEIR/DEIS "No Project Alternative" analysis should include an evaluation of the economic impact of not strengthening California's water supply and the impact that "no action" has on the state's economic hubs as part of its overall evaluation. The BDCP evaluates the economic impact of the project's potential for growth inducement; however, it does not adequately take into account the economic impact of failing to secure water reliability for the state's economic centers. MWDOC urges inclusion of these impacts.

The economy of California is largely driven by economic activity in the San Francisco Bay Area and Southern California. To put the economic contributions of these areas in perspective it is important to note that Los Angeles and Orange counties contribute roughly \$766 billion to California's gross state product (GSP). The Bay Area contributes \$534 billion, and San Diego County contributes \$177 billion. These three areas alone comprise nearly 75% of the state's \$2 trillion GSP.

Orange County has a population of 3.1 million people, approximately eight percent of California's entire population, and an economy with a gross domestic product of about \$200 billion or 10 percent of the state's overall economy of \$2 trillion. Orange County's share of California's non-farm businesses was about 10 percent in 2011, and in 2007 Orange County accounted for \$49 billion (10 percent) of California's manufacturer's shipments and \$98 billion (16 percent) of California's merchant wholesaler sales. In addition, Orange County is a major regional employment, higher education and tourism center.

Orange County is an economic powerhouse for the state; the lifeblood of any economy is a reliable and secure water supply. MWDOC's 2010 Urban Water Management Plan indicates water demand for municipal and industrial use is expected to increase from approximately 485,000 acre-feet per year (AFY) to nearly 568,000 AFY by 2035. For all of Orange County, the total demand of 627,000 AFY is expected to increase to 726,000 AFY by 2035. Regional and local innovative programs and investments in water use efficiency have saved an estimated 75,000 AFY to date in the county.

The San Francisco Bay Area and Southern California depend heavily on the Bay-Delta with nearly one third of their water supplies coming from Delta exports, and the economic vitality of these areas is dependent upon a secure and reliable water supply. The bottom line is that a dependable water supply is essential to business operations and expansion that will continue to strengthen our state's economy and increase employment. The BDCP should take into account the economic cost of not providing a secure and dependable water supply in its economic impacts analysis. Given the importance of Southern California and the Bay Area to California's economy, the cost of

no BDCP, without the Preferred Alternative (No. 4), would be extremely large and would greatly exceed any economic benefits of other alternatives that were considered.

It is also noteworthy that the Delta is a key water supply for 25 million California residents, largely located in the economic centers discussed above. The risk of a large earthquake in Northern California causing severe damage to the Delta grows greater with each day a comprehensive Delta solution is not implemented. If the State and federal government do not move forward on the BDCP, we are risking great environmental damage, a loss of substantial water supply to more than two-thirds of California's residents and businesses, and associated economic losses into the future.

We also risk severe and possibly permanent damage to our State's agricultural economy. The water from the Delta supports more than 5 million acres of California agriculture. These 5 million acres represents more than 80 percent of the United States' food production and more than 500,000 jobs. Loss of water as a result of failure in the Delta will mean California's agriculture will lose an essential water supply.

That loss of water will result in millions of acres of unproductive land and a loss of jobs in communities which have already suffered great losses as a result of our most recent economic downturn and during the current severe drought. Without implementing the comprehensive environmental and conveyance solution proposed by the BDCP, we risk permanent damage to California's \$44.7 billion agriculture industry.

The development of a secure and reliable water supply for the citizens of California is important to the economic vitality of our state. The BDCP will provide stability in California's water infrastructure by providing a process that can result in a more dependable, high quality SWP water supply.

Orange County Environment and Water Management

The recent droughts of 1977-78, 1987-92, 1999-00, 2007-08 and the current drought demonstrate the precarious nature of the federal, state, regional and local water supply systems serving California. Throughout the state, the current acute drought, natural climate variability and climate change, agricultural cutbacks due to lack of water and continuing groundwater overdraft, increasing population and need for an ever growing economy, have brought to the light that water supply solutions and challenges are looming larger and more complex. This has led many to an increasing recognition that we have entered an era of uncertainty and potential era of water scarcity if we do not plan for the future.

Recent droughts and a greater understanding of climate change impacts have demonstrated that supply uncertainty and variability pose great risks to our economy and the natural environment. We remain confident that we have the combined ability

to help solve these long-term problems. One key part of this solution is to fix the “broken Delta” through the program developed and recommended in the BDCP.

MWDOC and its member agencies have made significant investments in local resources and water management. Orange County water agencies are recognized leaders in water use efficiency, storm water conservation, groundwater basin management, wastewater management, water recycling and reuse, and advanced water treatment technologies. In north Orange County, the Orange County Water District is recognized as a world leader in indirect water recycling through their award winning Groundwater Replenishment System, a project that now recycles 72,000 AFY, is under construction to be expanded to recycle 100,000 AFY with plans to recycle up to 130,000 AFY in the near future. These programs with imported water enable OCWD groundwater producers to meet about 70% of their water supply needs from the groundwater production. Conjunctive use of the basin with imported water and its utilization remains dependent on the availability of high quality imported water that can be replenished during wet periods.

Through innovative, multi-agency approaches, MWDOC and its agencies develop, implement, and evaluate water use efficiency programs that provide multiple benefits, including improved irrigation efficiency, increased utilization of California Friendly landscapes, and pollution prevention through programs that help to reduce dry weather urban runoff. Our programs include educational classes on water-wise landscaping, irrigation performance reporting, water use surveys for hotels and industrial customers, and consumer incentives for water-efficient devices. To evaluate the effectiveness of such devices, MWDOC conducts studies to monitor water savings and urban runoff reduction.

Through these efforts, Orange County’s water use today is less than it was in 1990 even with population growth of 683,000 and jobs growth of 204,000 respectively. Overall, MWDOC has documented conservation of about 75,000 AF per year (active and passive). Despite these efforts, Orange County is still reliant on purchases of imported water from MET to meet about 45 percent of our current needs. About one-half this need is met from the SWP.

South Orange County is much more reliant on imported water, having few local resources other than water recycling and a few small groundwater basins that are nearly fully developed. Regional recycling planning is underway to evaluate how best to maximize the use of recycled water in South Orange County. In addition, studies are underway for evaluating the feasibility of augmenting the groundwater supply from the San Juan Creek alluvial basin through replenishment with recycled water. The southern portion of Orange County despite its best efforts remains heavily dependent upon the Delta.

A number of retail agencies in south Orange County are recognized leaders in water use efficiency and conservation based rate structures, water recycling, and water reliability projects. For example, Irvine Ranch Water District, Moulton Niguel Water District, El Toro Water District, Santa Margarita Water District, Trabuco Canyon Water District and the cities of San Juan Capistrano and San Clemente are recognized leaders in water recycling and management through the use of dual distribution systems and community planning.

Orange County ratepayers have invested heavily in local resources in past years both directly and through MET. These investments through MET water supply purchases helped fund the \$2 billion Diamond Valley Reservoir and \$1 billion Inland Feeder that allow SWP deliveries during wet periods to be delivered into storage Southern California reservoirs. In addition, at least \$1 billion in local recycling and groundwater recovery projects have been made, including water use efficiency and conjunctive use since 1991. Combined, these investments provide the ability to efficiently use existing supplies, develop additional local supplies, and to store water in wet years for subsequent dry year use.

Orange County is also exploring ocean desalination, another potential local supply. It is also a key feature of planning in Orange County with the innovative subsurface intake system being examined for the planned 15 million gallon per day Doheny Ocean Desalination Project in Dana Point and permitting of the 50 million gallon per day Poseidon Resources desalination plant in Huntington Beach.

Despite all of these efforts and investments, Orange County will continue to be dependent upon imported water. Completion and successful implementation of the BDCP is paramount to achieving the reliability that supports water management in Southern California. These local investments have helped meet the water needs of a growing productive population and reduced the otherwise growing pressure on water imports - our agencies should not be "penalized" by additional mandated investments that do not recognize and account for investments that have already been made.

COMMENTS ON THE DRAFT IMPLEMENTING AGREEMENT

The "Implementing Agreement" is necessary to provide a contractual, legally-binding agreement that spells out the commitments and assurances as well as the terms and conditions for on-going implementation of the BDCP. Given the high level of BDCP investment, the water community needs reasonable certainty regarding the expected amount of water supply to be restored that was lost as a result of the 2008 biological opinions.

It should be clearly recognized in the implementation structure and agreement decision-making process that the new, screened North Delta intake system will not only

greatly improve salinity control and water supply reliability from catastrophic levee failure and future sea level rise, but will avoid entrainment losses of fish as well as minimizing impingement losses from current south Delta diversions. In addition, the new intake system will provide much needed operational flexibility that will enable significant protections to endangered species as well as maintaining environmental and water quality benefits to the south Delta that are provided by the SWP and CVP. These benefits will be made possible through the ability to curtail south Delta endangered species take by changing the timing and diversion rate by use of the new North Delta intake system.

Currently, endangered species take by the existing south Delta unscreened forebay diversion operations are controlled by reducing exports. The BDCP will provide a physical means to minimize south Delta diversions. In addition, the added operational flexibility will result in greatly reduced reverse flows and related, improved south Delta water quality, and improved export water quality. The implementing agreement needs to recognize these benefits to allow export diversions to be restored.

Following are our specific comments on the Draft Implementing Agreement.

Comments In Support of Current Language (Areas where we agree with current Implementing Agreement provisions that should not be changed in ways that would weaken protections to water exports)

- **Permit Oversight Group Members.** It is appropriate that the state and federal fish and wildlife agency members of the Permit Oversight Group be either the named directors or administrators or designees that are duly authorized to exercise their authority. Delegation to staff members without such authority would lead to inefficiencies and decision-making gridlock.
- **Real Time Operations Purpose.** The stated purpose of Real Time Operations of “maximizing conservation benefits to covered fish species and maximizing water supplies” is appropriate. This reflects a fundamental purpose of the BDCP of restoring and protecting water supplies, and acknowledges that real time operations is a tool that can benefit water supply as well as fish species.
- **Real Time Operations Ultimate Decision.** In the event of disagreement among agency directors over a proposed Real Time Operations adjustment, it is appropriate that the adjustment will not be made.
- **Adaptive Management Team Membership.** Given the SWP and CVP Contractors’ extensive responsibility in funding and implementing the Plan, it is fully appropriate that one SWP Contractor and one CVP Contractor be designated as voting members of the Adaptive Management Team.

- Funding from the State of California and the United States. Consistent with the Planning Agreement and in recognition that the BDCP is a comprehensive and ambitious plan that provides significant benefits to the public generally, the Implementing Agreement appropriately provides that the State of California and the United States will be responsible for funding the Plan where not otherwise funded by the Authorized Entities.
- Regulatory Assurances. The Implementing Agreement appropriately includes provisions that provide the Permittees with No Surprises and other assurances and protections, consistent with Endangered Species Act (ESA) and Natural Communities Conservation Planning Act (NCCPA) law and regulation.
- Assurances Provided to Reclamation. Given Reclamation's integral role in the BDCP and in coordinated CVP/SWP operations, the assurances provided to Reclamation against additional expenditures of resources, to the maximum extent possible, are appropriate.

Comments Seeking Changes

- Ultimate Decision Making Authority and Signatories to the Implementing Agreement (Page 1). It is not clear who will be obligating the commitments of the United States and the State of California that are beyond those of the Authorized Entities. It is recommended that the Secretary of the Interior and the Governor sign the agreement to help ensure that those commitments will be met. As stated in Section 1.0 of the Implementing Agreement, the level of agency signatory has not been determined and will be considered further. Staff suggests that the Governor, Secretary of the Interior, and the Secretary of Commerce should be the signatories for the California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, and the National Marine Fisheries Service, respectively. By having the Governor and the Secretaries sign on behalf these state and federal agencies, it helps ensure that the United States government and the State of California live up to their obligations under the Implementing Agreement. As for the Authorized Entities (Department of Water Resources and State Water Project/Central Valley Project Contractors), it is more clear as who has the ability to legally bind these entities. At minimum, when conflicts arise, decision-making must be moved to the highest levels possible.
- Covered Species (Page 7). Sections 3.20 and 8.5.1 of the Implementing Agreement define "Covered Species" listed in Exhibit "A". Since those species listed in Exhibit "A" link directly to the species for which the Permittees have been given "no surprises" protection, Exhibit "A" is important to understand the risk being undertaken by the Permittees. Exhibit "A" was not attached to the

Implementing Agreement and should be released for review before the parties enter into the agreement. Listing of all known species is critically important to provide broad coverage.

Furthermore, amended language is needed to allow incorporation of currently unknown native species as "Covered Species" where restoration activities are shown to provide a benefit without going through the full amendment process. It is critical that the listing of "Covered Species" is as broad as possible based on current science and is sufficiently flexible to assure an efficient process.

- Unforeseen Circumstances (Page 10). Section 3.51 of the Implementing Agreement defines "Unforeseen Circumstances" as those "changes in circumstances affecting a Covered Species or geographic area covered by the BDCP that could not reasonably have been anticipated by the Permittees, USFWS, or NMFS at the time of the BDCP's negotiation and development, and that result in a substantial and adverse change in the status of a Covered Species."

Since the reasonably foreseeable changes in circumstance have been included in the BDCP, the definition should be modified to state that unforeseen circumstances are those "changes in circumstances affecting a Covered Species or geographic area covered by the BDCP that could not reasonably have been anticipated by the Permittees, USFWS, or NMFS at the time of the BDCP's negotiation and development, and were therefore not included in the BDCP, and that result in a substantial and adverse change in the status of a Covered Species."

- Bureau of Reclamation's Role (Page 15). The Bureau of Reclamation is not a party to the Implementing Agreement. Section 5.0 of the outlines the role of the Bureau of Reclamation. It states that the Bureau will enter into a Memorandum, or similar agreement, with the Parties of the Implementing Agreement outlining the Bureau's roles and responsibilities. This memorandum or similar agreement should be attached to the Implementing Agreement as an exhibit and incorporated by reference into the Implementing Agreement, and this section should be changed to reference that exhibit.
- Take Authorizations (Page 19). Section 8.2: Other Authorized Entities - Section 8.2 recognizes that certain third parties may seek take authorizations under the BDCP for ongoing operation of water diversions that are not associated with the SWP or CVP. These parties will be considered Other Authorized Entities. A sentence should be added clarifying that SWP/CVP Contractors shall not be held liable or be asked to take actions by USFWS, NMFS or CDFW as a result of Other Authorized Entities violating the terms and conditions of any take authorization issued by the Department of Water Resources. Also, the section references

Exhibit C. Exhibit C has not been released, and should be released prior for review to finalization of the Implementing Agreement.

Implementation and Conservation Measures Definitions - The definition of "Implementation" is not provided under the Definition section. It should be noted that it includes construction and operation/maintenance over the 50 year term of the permit. The definition of "Conservation Measures" should be more clearly defined that their implementation means that they meet the "maximum extent practicable" test.

- Neutrality of Permitting and Decision Tree Outcomes (Page 24). The provision related to Decision Tree Outcomes includes a reference to permit terms and conditions including the operational and flow criteria related to the high-outflow scenario. All Decision Tree outcomes should be described at an equal level of detail and fully evaluated with sound science before a decision is made. The high outflow scenarios should not be predisposed as being the permitted outcomes to be included as permit terms and conditions. Refer to MWDOP's BDCP comment letter which raises this issue under "Balancing and Proportionality" and its importance with regard to the issue of outflows and an expanded monitoring program over a reasonable habitat range compared to the historical narrow and limited monitoring program that in all likelihood has understated the Delta and Longfin Smelt populations as well as the effect of other stressors. Improved scientific understanding of the stressors impacting the smelt population is needed.
- Real-Time Operations Adjustments (Page 27-29). Real time operations decisions should not compromise the discretion of the Project Operators to maximize water supply benefits provided the requirements of BDCP are being met. Where exports are reduced due to real time adjustments, they should be made up later in the year through additional exports, so as to remain neutral. Given the SWP and CVP Contractors' vested interest and expertise in water operations, one SWP Contractor and one CVP Contractor should serve as voting (not non-voting) members on the Real Time Operations Team.
- Adaptive Management (Page 29-30). It is not clear how the limits for non-flow actions of Adaptive Management will be defined. A monetary cap for non-flow Adaptive Management Actions needs to be established. For water operations, the Implementing Agreement lists four resources sources and their priority of use. These sources are not defined and specifics on how they would be used and managed are not provided.

- Reserve System Lands and Funding (Page 42). The maintenance requirements/costs for the tunnels have not yet been finalized. Before implementation is begun, the cost and cost allocation for the Preferred Alternative (Alt. No. 4) should be fully understood. The final costs and performance objectives of the conveyance system must be reflected in contractual agreements to provide certainty that investments in the conveyance facilities result in adequate returns for State and Federal water contractors. This comment should also be addressed as it relates to the amount and who funds the non-wasting endowment required in Section 11.4.1.
- Changed Circumstances (Page 44). As the Implementing Agreement states, "Ecological conditions in the Delta are likely to change as the result of future events and circumstances that may occur during the course of the implementation of the BDCP." Section 12.0 should include a "no surprises" statement guaranteeing Permittees that the Fish and Wildlife Agencies will not require the permit holder to provide any additional land, water, or financial compensation nor impose additional restrictions on the use of land, water or other natural resource without the Permittee consent provided the Implementation Office acts as required in Section 12.1.

Also there does not appear to be a division of responsibility between the Authorized Entities and the State and federal governments for implementing responses to Changed Circumstances. This should be addressed.

Contributions for a changed circumstance action for any particular Conservation Measure should be on a pro-rata basis according to the overall funding for that measure.

- Inadequate Funding and Rough Proportionality (Page 47). Section 13.2 Inadequate Funding references the requirement for rough proportionality and permit suspension and revocation. This section needs to be revised as discussed below.
 - Timing - The Implementing Agreement provides only 45 days to regain rough proportionality or develop an acceptable plan to do so. Given the scope and complexity of the BDCP, this timeframe is unreasonably short and unrealistic.
 - Suspension and Revocation Standard - No metric is provided for when a failure of rough proportionality would trigger a partial suspension or revocation of the Permits. Consistent with the shortfall in funding provision, a failure to maintain rough proportionality due to a shortfall in state or federal funding should not be a basis for partial suspension or

revocation of the permits provided the Permittees are fully meeting their obligations.

- Minimal Effect – Consistent with “no surprises” assurances, the Implementing Agreement should provide that as long as the Permittees are fully meeting their obligations, the permits may not be revoked or suspended. At a minimum, the meaning of “more than a minimal effect” needs to be defined in order to protect the Permittees’ from backstopping the obligations of the state and federal government.
- Funding Shortfalls - Section 13.2 states that “In the event of a shortfall in State or federal funding, a Fish and Wildlife Agency(ies) shall not suspend or revoke the State and/or Federal Permits or invalidate Reclamation’s take statement if the shortfall in funding is determined to be likely to have no more than a minimal effect on the capacity of the Plan to advance the biological goals and objectives.” This language allows the Permittee’s permits to be revoked as a result of something outside of their control – this needs to be changed to protect the Permittees. Also the funding obligations of California and the United States are lumped together. The funding split between California and the United States needs to be identified.
- Authority of the Fish and Wildlife Agencies (Page 74-78). The Fish and Wildlife Agencies maintain too much authority in decision-making with respect to Plan implementation based on their defined roles in the Permit Oversight Group and Adaptive Management Team. The proper role for the Fish and Wildlife Agencies with respect to Plan Implementation is advisory and to insure overall compliance with permit requirements.
- Miscellaneous Provisions (Page 88 -93). The following provisions should be included in this section.
 - Provision Needed Regarding Inconsistent Permits by State Board/Others - An “off-ramp” provision should be provided in the event permits inconsistent with the BDCP are ultimately issued by the State Water Board or others (e.g., USACOE).
 - Provision Needed Regarding Consistent Positions in Other Regulatory Proceedings - A provision is needed wherein the Parties agree not take positions inconsistent with the BDCP in other documents and proceedings such as under NEPA, CEQA, Clean Water Act, Porter-Cologne Water Quality Control Act, and California Water Code.

- Miscellaneous Comments

On page 45, the second paragraph under Section 13.0 indicates that the Permittees agree to provide such funds as may be necessary to carry out their obligations under the BDCP. This indicates an unlimited funding commitment and this is incorrect and should be clarified as noted under Section 13.1 of the Implementing Agreement.

On page 64, Stakeholders Council should also include at least one representative from southern California in addition to Metropolitan Water District of Southern California.

Summary: Implementation of the BDCP is critical to Orange County's future

- Orange County has invested heavily to diversify our water portfolio but the SWP is a critical source of low salinity water supply that is currently unacceptably jeopardized by the unsustainability of the current Bay-Delta system.
- Orange County relies on the SWP to support groundwater conjunctive use programs and water recycling programs - it is an essential part of our water reliability strategy that sustains our citizens and businesses.
- It is time to adopt and move the BDCP to implementation in order that we can achieve the co-equal goals of a reliable water supply for California and ecosystem restoration for the Delta.
- The 9,000 cfs twin tunnel BDCP Preferred Alternative (No. 4) will improve export water supply operations, reliability and water quality from the Delta in a manner that is protective of endangered species in the Delta.
- We support the 9,000 cfs twin tunnel Preferred Alternative (No. 4) provided reasonable assurances are included regarding governance and future decision-making in the process. We strongly advocate for a seat at the table for the water Permittees in the various oversight groups. The investment and decision-making must be structured to achieve a positive outcome for both the SWP and Permittees and the ecosystem restoration in a collaborative, partnership manner.

Mr. Ryan Wulff
Page 28
July 24, 2014

Thank you for your time and consideration of these comments. If you should have any questions please do not hesitate to call me at (714) 593-5026.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert J. Hunter", with a stylized, flowing script.

Robert J. Hunter
General Manager



ACTION ITEM
October 21, 2015

TO: Board of Directors

FROM: Robert Hunter, General Manager

SUBJECT: SECONDARY ASSIGNMENT OF SURPLUS MET ALLOCATION

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to offer a MWDOC member agency or agencies a secondary assignment of currently unused water from the Metropolitan Water District of Southern California (MET) allocation to MWDOC up to 16 thousand acre feet with appropriate conditions for payment of possible MET surcharges for allocation exceedances.

COMMITTEE RECOMMENDATION

This Item did not go through a committee and therefore does not have a committee recommendation.

SUMMARY

Data for the first three months of the current MET allocation (July – September) indicate that the combined conservation efforts of the MWDOC Member Agencies (MAs) have yielded imported water use that is approximately 27 thousand acre feet (TAF) less than the recalculated allocation to MWDOC. Approximately 6.5 TAF of that amount has been utilized by OCWD this fiscal year before they declined their groundwater allocation. The balance of 20.5 TAF has not been used. It is likely that approximately another 5 TAF will be available from October demand levels. Unused allocation amounts beyond that are speculative. Staff recommends that 6.5 TAF be assigned to OCWD to cover the deliveries to date, 10 TAF be held in reserve and 10.5 TAF be reassigned to interested MWDOC MAs. The purpose of the reserve is to mitigate the risk of potential surcharges for any year-end exceedance of the MWDOC allocation. This exceedance could be caused by increases in water demands for the remainder of the fiscal year along with the secondary assignment of the 17 TAF. Staff believes that the probability of surcharges is small and further reduced by the reserve.

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

However, if a surcharge was assessed it would be prorated among any Member Agency exceeding their allocation and any agency taking the secondary assignment of water.

DETAILED REPORT

The MET Board of Directors implemented a Level 3 allocation for fiscal year 2015-16 which began on July 1, 2015. The Level 3 allocation roughly translates to a 15% reduction in imported water use. In addition, the State Water Resources Control Board, in response to the Governor's emergency drought declaration, implemented emergency regulations that call for a statewide 25% reduction in use. Compliance with the emergency regulations by MWDOC MAs has led to underutilization of the water allocated by MET. For the first quarter of the fiscal year (July – September) this lower demand has produced a surplus of approximately 27 TAF (see attached figure). Current trends for October indicate that an additional 5-6 TAF may be available by the end of October. It is uncertain what future conservation performance will be through the end of the fiscal year. It is possible that water use could increase and that no future surpluses are generated. It is also possible that demand would increase to the degree that MWDOC would need the current surpluses to stay within the allocation cap and avoid surcharges. However, staff believes that the latter case is unlikely but represents a potential risk.

The MET allocation is for Municipal & Industrial (M&I) as opposed to groundwater replenishment (GW) uses. A separate GW allocation was made available to Orange County Water District (OCWD) who declined the offer but did elect to increase the Basin Production Percentage (BPP) to 75%. As the calculation of the MET allocation incorporates the amount of local water production, this change in BPP has resulted in a recalculation of the MET allocation. This recalculated allocation is the basis for the surplus projections in this memo. At the end of the fiscal year, actual demand and local production numbers are used to determine compliance and the application of any surcharges. Within MWDOC, we pool all the imported water use among our MAs to determine compliance. If MWDOC as a whole is below our allocated amount then there is no surcharge from MET and no surcharge is assessed any individual MA that may have exceeded their individual allocation. Since OCWD did not accept their GW allocation they currently have no allocated MET water. However prior to declining the GW allocation, 6,481.1 AF were delivered to OCWD for replenishment. This amount will be included in MET's yearend calculation of total MWDOC deliveries but is currently outside the amount of water allocated to MWDOC MAs.

In past allocations when there was a surplus of available water towards the end of the fiscal year, MWDOC has made that surplus available to OCWD to use as replenishment water. This offer was typically made late in the fiscal year when there was a very limited risk that changes in the water demand from the MAs would cause a MET surcharge to MWDOC. This risk was further mitigated by maintaining a reserve to buffer minor changes. The ability of OCWD to utilize this water is impacted by precipitation patterns. If there is above normal precipitation this winter from the anticipated El Nino weather pattern, the ability for OCWD to use this water will be compromised. Therefore, it is the intention of MWDOC to assign a reasonable amount of surplus water to OCWD this fall to facilitate the early use of the water before the anticipated winter storms. If this decision is delayed until late in the fiscal year there is a distinct possibility that the surplus water could not be utilized by OCWD before the

end of the fiscal year, Orange County would not receive the full benefits of the allocation and MET would not realize the sale of the allocated water.

There is also the possibility that other MWDOC MAs might want to purchase some of the surplus allocation. Therefore, we have asked all MA General Managers if their agency has an interest in utilizing the surplus. We have also asked the GMs whether their agencies are opposed to this secondary assignment of already allocated water and the real but believed minor risk for surcharges. At the time of the posting of this meeting package, the responses from all MAs was not complete.

In order to fully utilize the MWDOC allocation, staff recommends that the current surplus of 27 TAF be portioned into the following components:

1. 6.5 TAF be assigned to OCWD to cover the water already delivered to them at the beginning of the fiscal year
2. 10 TAF be held in reserve to mitigate the risk of exceeding our MET allocation and incurring surcharges
3. 10.5 TAF be made immediately available for purchase by OCWD or other MAs depending upon interest
4. Actual imported water use will be monitored on a monthly basis and reported to the MWDOC Board of Directors
5. Additional secondary assignments will be made periodically as appropriate
6. Those agencies accepting the secondary assignment of allocated water will do so with the understanding that their total amount of assigned water will be included in the proration of any surcharges assessed by MET to MWDOC.

MWDOC 2015-16 Water Supply Allocation Tracking

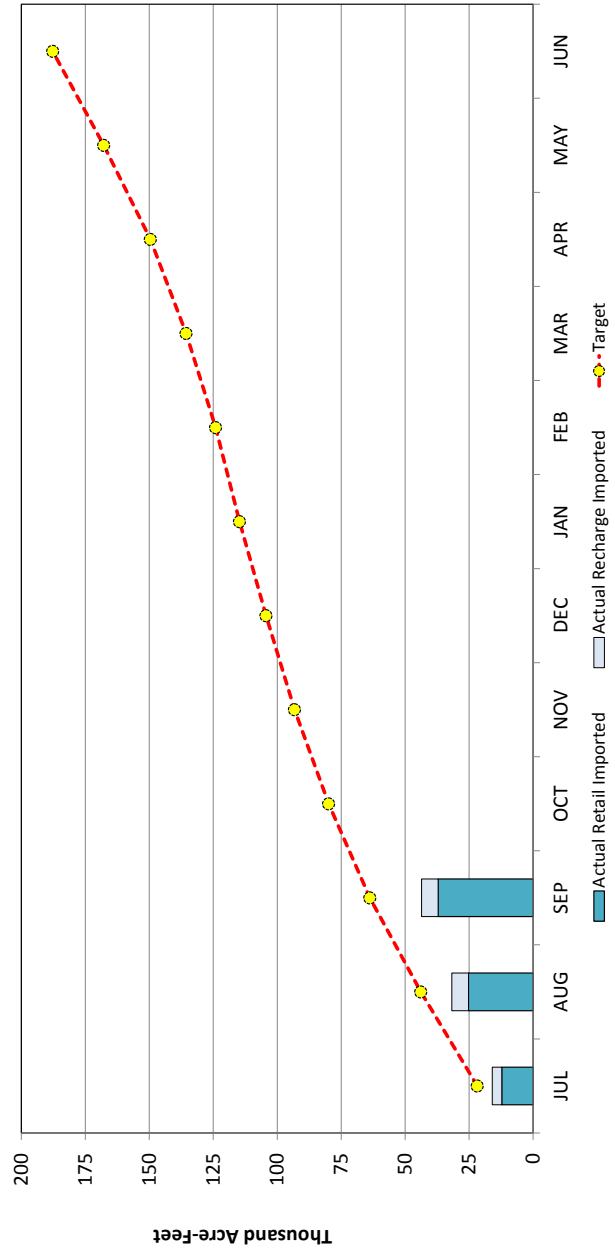
Monthly Imported vs. Target (AF)

Monthly Imported vs. Target (AF)													
	Acre Feet			Goal Not Achieved				Acre Feet					Goal Achieved
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
Monthly Target	21,790	22,082	19,940	16,055	13,358	11,123	10,359	9,371	11,510	13,953	18,237	19,954	
Actual Recharge Imported	3,713	2,766	-									6,479	
Actual Retail Imported	12,238	13,024	11,851									37,113	
Comparison to Target	-44%	-41%	-41%									-80%	

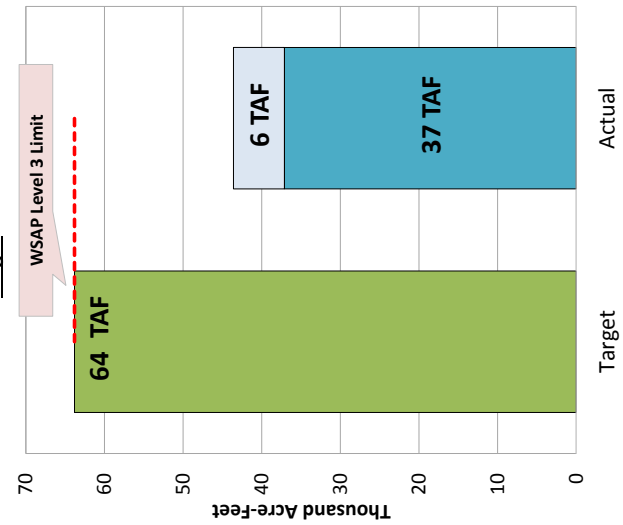
Cumulative Imported vs. Target (TAF)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total	Variance
Target	22	44	64										64	
Actual Recharge Imported	4	6	6										6	(20)
Actual Retail Imported	12	25	37										37	
Comparison to Target	-43.8%	-42.4%	-41.8%										-71.9%	

Cumulative Imported Water Usage vs. Allocation Target



YTD Imported Water Usage Vs. Allocation Target



GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES OCTOBER 2015

Managers' Meeting	<p>MWDOC held its Member Agency Managers' meeting in Fountain Valley on Thursday, September 17. In attendance were Howard Johnson (Brady); Andy Brunhart and Rick Shintaku (SCWD); David Spitz (Seal Beach); Mike Dunbar (EBSD); Steve Conklin (YLWD); Hector Ruiz (TCWD); Don Bunts (SMWD); Jose Diaz (Orange); Art Valenzuela (Tustin); Mark Sprague (Fountain Valley); Matt Collings (MNWD); Brian Ragland (Huntington Beach); Lisa Ohlund (EOCWD); Phil Lauri (Mesa); Paul Cook and Paul Weghorst (IRWD); Dan Ferons (SMWD); Eric Bauman (San Juan Capistrano); Dave Rebensdorf (San Clemente); Scott Miller (Westminster); John Kennedy (OCWD); and Karl Seckel; Harvey De La Torre; Joe Berg; Melissa Baum-Haley; Jonathan Volzke; Richard Bell; Keith Lyon and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> 1. Introduction of Jonathan Volzke, Public Affairs Manager 2. Options for County-wide Outreach Plan (Choice Communication Program) 3. Future of SWRCB Water-use Regulations 4. MWDOC Drought Allocation and State Water Use Tracking 5. Public Records Requests 6. Potential MET IPR Project 7. MET's IRP Update <p>The next meeting is scheduled for October 15.</p>
MET's Water Supply Allocation Plan	<p>Karl, Harvey and I participated in discussions with OCWD and the Three Cities regarding the allocation process for water under MET's Water Supply Allocation Plan.</p>
USGS	<p>Karl, Kelly and I met with Dr. Lucy Jones of the United States Geological Survey on September 23. Dr. Jones' emphasis for enhancing community earthquake resilience is to focus on policies that can support better building standards and concepts to enhance water infrastructure reliability. The meeting was a first opportunity to develop ideas on how MWDOC could support Dr. Jones' efforts, as well as how she could support MWDOC's planning efforts. For example, Dr. Jones agreed to review and coordinate regarding issues raised in the MWDOC Water Reliability Study Seismic Evaluation Plan.</p>

MET ITEMS CRITICAL TO ORANGE COUNTY

MET's Finance and Rate Issues

MET Financial Report

At Metropolitan's (MET) September Finance and Insurance Committee, MET staff reported that water sales for the first two months of the fiscal year ending in August totaled 308,200 AF; or 98,300 AF (24%) lower than budget estimates. It is estimated that it will lower projected sales revenues by as much as \$77 million. These lower water sales are a result of the Governor's mandatory conservation targets. MET estimates that by the end of September, water sales will be 150,000 AF less than budgeted, which could bring water sales to 1.6 million AF for the year. MET has not seen water sales drop to 1.6 MAF since the wet year of 2011.

To evaluate the potential impact of decreased water sales and its impact on unrestricted reserves, MET staff put together the following financial table:

Projected Unrestricted Reserve Balance Scenarios for FY 2015/16

Water Sales	1.75 MAF (millions)	1.65 MAF (millions)	1.55 MAF (millions)	1.4 MAF (millions)
Beginning Unrestricted Reserves	\$476	\$476	\$476	\$476
Portion of \$260M PVID Land Purchase Funded from Unrestricted Reserves	(\$100)	(\$100)	(\$100)	(\$100)
Proposed Water Transfers	(\$44)	(\$44)	(\$44)	(\$44)
<i>Subtotal</i>	\$332	\$332	\$332	\$332
Impact of Sales lower than 1.75 MAF	\$0	(\$80)	(\$160)	(\$280)
Reduce Expenditures in Current Year	\$30	\$30	\$30	\$30
<i>Subtotal</i>	\$362	\$282	\$202	\$82
Debt Fund Capital Program	\$125	\$205	\$246	\$246
Projected Ending Unrestricted Reserves	\$487	\$487	\$448	\$328

MET's Water Supply Conditions	<p>In September, precipitation totaled 1.42 inches in Orange County (at Santa Ana Civic Center Gage #11), which is unusually high compared to the average of 0.19 inches. In fact, the recent storms in September provided more rain than the winter months of January and February 2014 combined. This may be an indicator of a strong El Niño occurring this year. According to historical temperature records, 2015 is trending very close to the 1997 El Niño year (known as a very strong El Niño that brought record rainfall to California). The National Weather Service is also projecting above average precipitation for Southern and parts of Central California.</p> <p>This unusually wet summer is providing a benefit to Southern California by slowing down the draw on local and regional storage. MET projects that if demands continue to be low, storage could end the year slightly below a 1.0 million AF (Note: MET storage levels were at 1.2 MAF January 1, 2015).</p>
Colorado River Issues	<p><u>Improved Water Supply Conditions on the Colorado River</u></p> <p>Following a wet spring and summer in the Colorado River Basin, the likelihood of a first-ever shortage declaration has been significantly reduced for the next few years. In early May, before the heavy rains in the Colorado Basin began, the Bureau of Reclamation (Reclamation) forecasted about a 50% chance of a shortage on the Colorado River in 2016, increasing to around a 75% chance in 2017. In August, Reclamation updated those projections following three wet months, and the outlook for a shortage in 2016 is now 0% and is approximately 18% for 2017. The much lower numbers provide increased opportunities for MET because as long as the Colorado River Basin stays out of shortages, MET is able to develop and potentially implement interstate and even international water management programs to help keep the Colorado River Aqueduct full.</p> <p><u>Interstate Agreement with Southern Nevada Water Authority</u></p> <p>In September, MET's Board authorized an amendment to the operational agreement with Southern Nevada Water Authority (SNWA) to allow MET access to additional Colorado River water during 2015. The agreement allows MET to pay SNWA \$44.375 million for 150,000 acre-feet (AF) of water apportioned that is currently not being used by SNWA. Upon SNWA's request, MET would return up to a total of 125,000 AF to SNWA in future years and SNWA would reimburse MET annually for an equivalent proportion of the amount paid by MET based on the amount of water returned and escalated to account for inflation.</p>

Colorado River Issues (Continued)	<p>This increase in supply will allow MET to deliver a full Colorado River Aqueduct this year, the most in more than 10 years. And it comes at a critical time when MET needs to replenish its water storage reserves.</p> <p><u>Bard Water District Discusses Potential Pilot Fallowing Program</u> On August 24, Bard Water District held a meeting with local farmers to discuss potential interest in a pilot fallowing program that could be implemented as early as next spring. The program being discussed is a one-or two-year seasonal fallowing program, where farmers would be compensated on a voluntary basis to not grow crops during the late-spring through early-fall period, when water use is highest and crop yields are lowest. The farmers asked many questions about a potential program and, if there is sufficient interest, MET will begin to negotiate an agreement with Bard Water District, with the goal of the agencies' respective boards considering the program later this year. Bard Water District is part of the Yuma Project Reservation Division, which has a priority 2 water right on the Colorado River. Under the terms of the Quantification Settlement Agreement, any reduction in use by Palo Verde Irrigation District or Bard Water District would accrue directly to MET.</p>
Bay Delta/State Water Project Issues	<p><u>Bay Delta Conservation Plan/California WaterFix</u> Two public meetings were held in late July 2015 to provide more information on the Bay Delta Conservation Plan/California WaterFix Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement and to accept public comments. The meetings held on July 28, 2015 in Sacramento and July 29, 2015 in Walnut Grove were organized using the same open house format as used in previous public meetings during public review periods. Informational exhibits and project team members were available throughout the meeting for one-on-one discussions to answer questions and provide the public with an opportunity for more in-depth understanding of the proposed project modifications, new alternatives, and environmental analysis. For those wishing to provide comments, a court reporter was available to capture verbal comments, and written comments were accepted. The public comment period concludes on October 30, 2015. MET staff is continuing its review of the revised environmental documents for consistency with adopted MET Board Policies and is working jointly with other State Water Project/Central Valley Project public water agencies to prepare comments. Staff's comments will focus on the following areas:</p>

Bay Delta/State Water Project Issues (Continued)	<ul style="list-style-type: none"> • Policy – consistency with Board principles & program goals • Technical – appropriate analysis for environmental resources • Legal – Recirculated EIR/S consistency with CEQA/NEPA requirements; does it address legal concerns in Public Draft • Record – providing evidentiary support to increase legal defensibility & ensure consideration of best available science <p><u>State Water Resources Control Board</u></p> <p>As reported previously, the State Water Resources Control Board (SWRCB) issued several curtailment notices directing water diverters in the Delta watershed to cease diversions. Multiple senior water right holders challenged the curtailment, raising issues that include proper due process, SWRCB jurisdiction, and water availability. The State Attorney General has requested consolidation or coordination of the cases and the Judicial Council is considering the request.</p>
ENGINEERING & PLANNING	
Doheny Desalination Project	<p>Groundwater modeling efforts under the Doheny Desal Foundational Action Program and the San Juan Basin Foundational Action Program are beginning to roll out. With the results starting to develop, MWDOC is now working with NWRI, South Coast Water District and San Juan Basin Authority (SJBA) to convene a Science Advisory Panel to review and comment on both the work being done by SJBA as well as the work being done by South Coast and Laguna Beach County Water Districts. The panel is expected to convene in November or December and complete their report by the end of the year. In discussions with NWRI and the agencies, it was noted that two panels may be used for this effort.</p>
Poseidon Resources Ocean Desalination Project in Huntington Beach	<p>OCWD has continued work on evaluating where the product water produced from the Poseidon Project would be utilized, either for the seawater barrier operations, injection or replenishment in the groundwater basin, for direct delivery to other agencies or some combination thereof. OCWD convened a meeting with MWDOC and the South County Agencies to discuss potential delivery amounts from the Poseidon Project.</p>
Orange County Water Reliability Study	<p>At the September meeting of the Workgroup, the discussion centered on Orange County Water Demands. Meetings are coming up on October 1 and 15 and November 5 to try to close out the Phase 1 Project.</p>

California WaterFix & EcoRestore	MWDOC has begun its review of the Recirculated EIR/EIS for the California Fix (previously called the BDCP) and will be providing comments by the close of comments, October 30, 2015. A shorter comment letter is being circulated to our agencies and a discussion is planned for MWDOC's PAL meeting on October 19 at 8:30.
Urban Water Management Plans	Harvey and Manny Alvarez of Arcadis met regarding development of MWDOC's UWMP and to discuss our agencies' progress. Kevin has been attending the meetings between our agencies and Arcadis. So far, all is proceeding well. We are awaiting input from MET regarding their UWMP. 24 other agencies are participating in the contract with Arcadis.
Santiago Aqueduct Commission	Karl attended the SAC meeting where the main topic of discussion was the Commission's response to the Grand Jury on Joint Powers Authorities, which is the type of entity the Commission is.
San Juan Basin Authority (SJBA)	Karl attended the San Juan Basin Authority meeting where major topics of discussion were the basin conditions, continued minor pumping by the City of San Juan Capistrano and work on the Foundational Action Plan activities. SJBA is proceeding with a Governance Study that is starting with an inventory of agreements and responsibilities.
ASCE 2015 Orange County Infrastructure Report Card Committee	Keith attended Committee meetings biweekly to develop the Water Section of the Report Card. Results of a questionnaire were summarized by Melissa for discussion by the Committee to help provide a grade for the Water Section. Details of the questionnaire responses were organized by Keith in a spreadsheet format for review by the Committee. With comments and edits provided by Karl and Harvey, SWP and CRA papers regarding infrastructure issues were developed by Keith and provided to the Committee for review and use in the Water Section Report Card. The goal is to complete the Water Section by the end of the calendar year.
MET's Integrated Resources Plan for 2015. IRP	<p>Karl and Harvey participated in Technical meetings regarding MET's IRP. MET plans on wrapping up the items and proceeding with the Policy Issues, which will likely include:</p> <ul style="list-style-type: none"> • Work with MET's Board on establishing IRP Targets. <ul style="list-style-type: none"> ○ Develop new 2015 IRP Targets • Tackle the policy issues associated with the IRP, which include: <ul style="list-style-type: none"> ○ Water for replenishment of groundwater basins ○ Water Supply Allocation Plan <ul style="list-style-type: none"> ▪ Basic methodology ▪ Credits for local projects ▪ Water for groundwater replenishment ○ MET participation in local projects <ul style="list-style-type: none"> ▪ Equity participation in regional projects (Regional Indirect Potable Reuse (IPR) Project) ▪ Continuation of LRP subsidy ▪ Reliability in SWP Only portion of MET system ○ Target & Funding for future WUE measures

Global Environmental Legacy Foundation	Karl met with representatives of Global Environmental Legacy Foundation, an organization that provides solutions for an increasingly polluted planet. They have a number of interesting treatment systems they are working on and wanted to introduce themselves and tour GWRS.
Cadiz Project	Karl is working with Dan Ferons of SMWD and Glen Boyd of MET to determine the terms and conditions for moving the Cadiz water into the Colorado River Aqueduct. MET just responded with a series of comments on the first submittal by SMWD. We anticipate a meeting in the near future to discuss the MET comments.
OCWD Producers Meetings	Karl, Keith & Kevin attended the October Producers meeting where agenda discussion included: BPP changed to 75% for FY15/16; MWDOC OC Water Reliability Study; Potential MET Indirect Potable Reuse Project; SWRCB Div. of Drinking Water PWS operating fees; Groundwater Remediation Projects update; OCSD Monthly Flow report; and that the US Circuit of Appeals upheld Fish & Wildlife Service expansion of Santa Ana Sucker habitat in the SAR upper watershed.
MET CUP Call for FY15/16	We received formal notification on September 4 that MET is calling for extraction from the CUP account for FY15/16 of the remaining 16,500 AF in the account. Because OCWD's Board changed the BPP from 70% to 75%, agencies' FY15/16 CUP Operating Plans were revised to reflect the new pumping baselines, which were submitted to MET, and to be ready to certify monthly CUP pumping.
EMERGENCY PREPAREDNESS	
General Activities	<p>In Norwalk on September 2, Brandon Stock attended the California Emergency Services Association (CESA) Southern Chapter Annual Meeting and Fall Program. The Fall Program included presentations from the State Water Resources Control Board Division of Drinking Water, the National Weather Service and Santa Barbara County Office of Emergency Management. The presentations focused on the extreme drought conditions, future actions and coordination.</p> <p>Brandon attended the NIMS All-Hazards Logistics Section Chief Course at the Operational Area EOC from September 14 to 18. The course provided emergency managers with a robust understanding of the duties, responsibilities, and capabilities of an effective Logistics Section Chief on an All-Hazards Incident Management Team.</p>

General Activities (Continued)	<p>Kelly Hubbard presented at WACO on September 4 with representatives from the FBI and Infragard on water security.</p> <p>In South Lake Tahoe September 28 to October 1, Brandon and Kelly attended the 2015 CESA Annual Training and Conference. Brandon attended a pre-conference training on Hazard Mitigation Planning. The OC Multi-Jurisdictional Multi-Hazard Mitigation Plan is scheduled to be updated starting in 2016. Kelly attended the California Office of Emergency Services (OES) Train-the-Trainer session. OES is proposing a new credentialing program for emergency managers that will involve an extensive amount of training for EOC staff. As a trainer for the State, Kelly will be able to provide this training to WEROC Member Agencies at a reduced cost and locally. Brandon and Kelly attended the keynote and breakout sessions on various topics of emergency management.</p>
Coordination with Member Agencies	<p>Kelly attended and provided input into an Orange County Water District Emergency Response Team (ERT) training and tabletop. The ERTs are individuals at OCWD who have been identified for taking a lead in responding to incidents on the OCWD property, including concepts such as evacuation, first aid, etc.</p>
Coordination with the County of Orange	<p>Brandon and Kelly attended the Orange County Emergency Management Organization (OCEMO) on September 3 at the Orange County Transportation Authority (OCTA) building in Santa Ana. Curt Burlingame presented on OCTA resources and the challenges of emergency transportation coordination. On August 31, Governor Brown signed executive order B34-15 to bolster California's preparedness and response to cyber-attacks. The order directs CalOES to establish the California Cybersecurity Integration Center (Cal-CSIC), which will be responsible for strengthening the State's cybersecurity. Under the order, Cal-CSIC will also establish a multi-agency Cyber Incident Response Team to serve as the State's primary unit to lead cyber threat detection, reporting, and response in coordination with public and private entities.</p> <p>Kelly attended the OCEMO Exercise Design meeting where the committee developed a plan for training and exercises for 2015 for county-wide training. WEROC is participating in this effort for the same reason - to bring more of the water utilities into the disaster exercises.</p> <p>Kelly attended the Operational Area Winter Weather Workshop, an annual workshop to prepare all coordinating partners for potential winter weather related events that may occur. Presentations were provided by the National Weather Service, Army Corp of Engineers, Orange County Public Works, OCWD and OCSD. Many of the WEROC Member Agencies attended and good contacts were made for response this winter.</p>

Coordination with Outside Agencies	<p>Within Kelly's role as the Region 1 California Water/Wastewater Agency Response Network (CalWARN) mutual aid coordinator, she coordinated potential resources for water utilities impacted by the Valley Fire in Lake County. On September 17 an Emergency Management Mutual Aid request was issued by the Lake County Operational Area EOC for three water related positions: Infrastructure Coordinator, Incident Management Team (IMT) Water Liaison, and a Field Water Utility Damage Assessment position. Kelly was asked to fulfill the role of the IMT Water Liaison, as one of the few individuals in the State with expertise and experience. Kelly responded to Lake County for 3 days. In her role, she was a liaison between the Operational Area EOC, the Fire Incident Commander, the local State Water Resource Control Board Division of Drinking Water (DDW) representative, and to the water utilities in the field. She was able to tour the fire area that was no longer actively burning to assist in the damage assessment process and to provide the local water utilities with information about the FEMA documentation process. She also worked with the Operational Area EOC to provide situational awareness, important safety information on infrastructure for areas that were being repopulated, and worked with the Public Information Officers to get critical water quality information out to the public. She worked directly with the Fire Incident Management Team to identify concerns with utilities in the field, to address their needs operationally and to facilitate the repopulation of communities. Throughout this process, Kelly worked with the DDW District Engineer to help coordinate concepts of disaster coordination, FEMA recovery processes and to help DDW continue the coordination after Kelly left. This opportunity provided lessons that will be brought back to Orange County for disaster planning with the water utilities, in particular concepts related to repopulation of evacuated areas and concepts that should be incorporated into water distribution planning. The Valley Fire in Lake County started on September 12 and, as of September 29, was 97% contained with just over 76,000 acres burned. Over 2,000 structures were destroyed including many water utility treatment facilities, pump stations, wells, administrative offices and other critical water and waste-water infrastructure. There were 16 water utilities within the fire burn area. Many of those utilities lost treatment, pressure and many of the homes that they served. Mutual aid was brought in following Kelly's departure to assist the utilities with restoring pressure and treatment. Kelly is developing training ideas that can facilitate future recovery efforts.</p>
WEROC EOC Readiness	<p>Brandon participated in the Operational Area Radio Test on September 8 from the South EOC. The radios were serviced in August by Eagle Communications, and the OA radio test was the first time the radios had been used following the assessment.</p>

WATER USE EFFICIENCY

MET's Program Advisory Committee	On October 1, Melissa, along with staff from LADWP, Western Municipal Water District, West Basin Municipal Water District, San Diego County Water Authority, Eastern Municipal Water District, and Inland Empire Utilities Agency, participated in MET's Project Advisory Committee (PAC). The purpose of the PAC is to develop refinements to MET's water use efficiency programs. Refinements discussed included establishment of regional rebates for drip irrigation, rain collection cisterns, multi-unit sub-metering, and pressure-regulated sprinklers.
Orange County Garden Friendly	On October 3 and 10, Melissa, along with Sarah Rae, Marey Gutierrez, Jonathan Volzke, and Laura Loewen, participated in Orange County Garden Friendly events held at the Home Depots in Orange and Brea. The events, hosted by MWDOC, County of Orange Stormwater, and the University of California Cooperative Extension, focus on the promotion of water saving and runoff reduction activities that residential end-users can easily implement with products and plants available at local retail outlets.
Water Smart Innovations Conference	<p>In Las Vegas from October 7-10, Joe and Melissa attended the Water Smart Innovations (WSI) Conference which included comprehensive professional sessions and panel discussions. Additionally, Melissa attended the Irrigation Association's Smart Water Application Technologies Session and presented during the technical sessions on Adaptive Management for MWDOC's Turf Removal Program Administration.</p> <p>During the WSI Conference, a luncheon featured the presentation of the WaterSense Partner of the Year Awards by the U.S. EPA's WaterSense Program. This year, MWDOC was a recipient of a 2015 WaterSense Excellence award for recognition of its "Sprinkler Spruce-up" activities and the Orange County Garden Friendly Program.</p>
Alliance for Water Efficiency	<p>On September 29, Melissa participated in an Alliance for Water Efficiency (AWE) conference call focused on landscape research. Specific discussion topics included:</p> <ul style="list-style-type: none"> • The Phase 1 Study of research conducted to date • The survey that AWE conducted to determine topics of interest to study • Two draft Requests for Proposals

Model Water Efficient Landscape Ordinance	On September 15 and 29 and October 13, MWDOC, in partnership with the Association of California Cities – Orange County (ACC-OC), hosted Orange County Model Water Efficient Landscape Ordinance Stakeholder Drafting Committee meetings. Approximately 12 city planners and water agency representatives, along with representatives from the ACC-OC, the Building Industry Association, and irrigation consultants, participated in the meeting. The committee completed its review of both the Orange County Model Ordinance and the Guidelines documents. The final template documents will be presented to the ACC-OC Board on October 21 and brought to the ACC-OC Water Committee Meeting on November 12.
California Urban Water Conservation Council (CUWCC)	<p>On September 16, Joe Berg and Melissa Baum Haley participated in the CUWCC's 3rd quarter plenary meeting held at Western Municipal Water District. Approximately 40 Council members from throughout the State participated. Items discussed included:</p> <ul style="list-style-type: none"> • Adoption of Consent Calendar • New Sustainable Landscape Materials <ul style="list-style-type: none"> ○ Turf Replacement Matrix (presentation by Melissa Baum-Haley) ○ Market Transformation Plan • Reclamation Grants Program • El Niño: What It Might Or Might Not Mean • “What If” Drought Response: What if it's another dry year? • Mining Data for Water Efficiency Program Insights • Council Officer and Board Nominations • Strategic Planning Update • Executive Director's Report
MET's Water Use Efficiency Meeting	<p>On September 17, Beth Fahl attended MET's Water Use Efficiency meeting where about 35 member agency staff participated. Meeting topics included:</p> <ul style="list-style-type: none"> • September MET Board Meeting • MET Outreach Campaign Update • MET Turf Removal Study • Current MET Conservation Programs • Member Agency Roundtable <p>The next meeting is scheduled for October 15, 2015 at MET.</p>
Association of California Water Agencies	On October 13, Joe participated in a water agency caucus webinar to get an update on the next steps for the State Water Resources Control Board's Emergency Drought Regulations. Dave Bolland convened

Association of California Water Agencies (Cont'd.)	feedback on credits for differences in climate, recycled water use, direct potable reuse, and growth. The Board will also be considering regional compliance options for areas that would like to work together to gain compliance. Joe volunteered to participate in two working groups established during this ACWA webinar to formulate recommendations for credits and regional compliance which will be presented to the State Board at the meeting on October 26.
City of Huntington Beach Sustainable Business Certification Program	<p>On October 13, Steve Hedges attended the Water and Pollution Prevention Stakeholder meeting for the City of Huntington Beach's Sustainable Business Certification Program. Meeting topics included:</p> <ul style="list-style-type: none"> • Introductions • EcoNomics, Inc. presentation of proposed Sustainable Business Certification Program • Objectives for Stakeholder Review of Proposed Criteria • Review Proposed Water Conservation and Pollution Prevention Criteria • Establish Primary Contact for Sustainable Business Certification Program

PUBLIC/GOVERNMENT AFFAIRS

Member Agency Relations	<p>Heather gave a presentation to Mesa Water District, wrapping up the 2015 legislative session and gave a preview of what to expect in 2016.</p> <p>Heather presented the draft update of MWDOC's Legislative Policy Principles to the member agency managers group. Feedback from the member agencies is due November 6.</p> <p>Tiffany is working with MET staff, MWDOC/MET Director Linda Ackerman and Fullerton/MET Director Peter Beard on an upcoming State Water Project trip, October 23-24. Tiffany is also working with MET staff, MWDOC/MET Director Larry McKenney and SDCWA/MET Director, Yen Tu, on an upcoming Colorado River/Hoover trip, November 13-14, and Director McKenney on an Edmonston trip, November 20. She met with MET staff and Director Brett Barbre for a planning meeting on October 14, and has been working with the OC Grand Jury on availability for a CRA trip scheduled for December 11-12. Bryce is sending out invitations, accepting reservations, and handling guest needs. Tiffany is managing itinerary, MET and Director needs for each of these trips.</p>
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Member Agency Relations (Continued)	<p>Tiffany, Jonathan and Heather accompanied MET Director McKenney and MET/LA Director Glen Duke on a State Water Project inspection trip on September 18-19.</p> <p>Tiffany and Jonathan accompanied Director Dick and MET/WMWD Director Don Galleano on a State Water Project/Agriculture inspection trip on October 9-10.</p> <p>On September 10, Jonathan and Tiffany participated in MET's PIO meeting. Information from this meeting was summarized in an update and sent to Public Affairs Workgroup participants.</p> <p>Tiffany, Jonathan and Bryce met with the Wyland Foundation to discuss future partnership opportunities including their National Mayor's Challenge for Water Conservation (Mayors nationwide will challenge their residents to conserve water, energy and other natural resources on behalf of their city through a series of informative, easy-to-use pledges online), their Clean Water Mobile Learning Experience (an affordable way for schools to increase student knowledge of the function of watersheds and the impact that communities have on these systems), and their Water is Life Art Challenge. Wyland has been invited to give a brief overview of these programs to the Public Affairs workgroup participants at the bimonthly PAW meeting on October 22.</p> <p>The Public Affairs Department provided handouts, giveaway items, education materials, program partnering assistance and social media assistance/content to several MWDOC Member Agencies.</p> <p>Jonathan is working with Karl on the presentation of the MWDOC OC Reliability Study for the November 5 Elected Officials' Forum.</p> <p>Jonathan and Bryce completed an e-Currents edition that featured accomplishments and first-person reports from several member agencies. The newsletter, the first since February, was sent to 27,000 recipients and had an above-average open rate of 37 percent.</p>
Community Relations	<p>Jonathan, Tiffany, Bryce and Marey implemented MWDOC's social media activities through Facebook, Twitter, Pinterest and Instagram during this period. MWDOC's Facebook page has 1,225 "likes."</p>

Community Relations (Continued)	<p>Tiffany and Bryce updated several pages on the MWDOC website.</p> <p>On September 28, Tiffany met with Bank of America program coordinators and OCWD to schedule a tour of GWRS for top level executives from across the US. The tour will take place on October 21, and I will give a "MWDOC 101" and water supply presentation.</p> <p>Heather attended the Manufactured Housing Educational Trust breakfast with Director Barbre, who was the guest speaker.</p> <p>Heather attended ACC-OC's City Leaders Reception at IRWD's San Joaquin Marsh Learning Center.</p> <p>Directors Larry Dick and Larry McKenney and Heather attended Orange County Sanitation District's "State of the District" presentation and breakfast.</p> <p>Bryce, Marey and Jonathan participated in five community events during this period, reaching 281 people. The events were held in the cities of Brea, Placentia, Seal Beach, and Orange; additionally an event was held at the OCTA Santa Ana headquarters.</p>
Education	<p>At MET on September 24, Jonathan participated in MET's Education Coordinators' meeting where he presented an update on the elementary school program and introduced the high school program.</p> <p>Jonathan met with and held a conference call with school program contractors to enhance information on imported water sources and ensure that information on the California Water Fix will be included in the high school presentations and assemblies/fairs.</p> <p>The elementary school program has reached 3,304 students, with an additional 26,092 students scheduled as of October 13.</p> <p>Tiffany has been working with MET and MWDOC member agencies to coordinate participating teams for the MET 2016 Solar Cup. Each MET member agency is allowed to sponsor three teams. Each team will either need to get funding from their individual member agencies, or will have to fund raise to participate. MWDOC's three sponsored teams are Laguna Beach High (LBCWD), Los Alamitos High (Golden State Water), and Coast High (Huntington Beach).</p>
Media Relations	<p>Public Affairs staff worked with the OC Register to include me in an October 1 story on the release of August efforts to meet State mandates. I complimented our member agencies and warned about the difficulty of achieving reduced water use in wet winter months. The story was also</p>

Media Relations (Continued)	<p>picked up in other publications.</p> <p>Director of Water Use Efficiency, Joe Berg, was quoted extensively in a September 20 story about who received turf rebates. This was the first story after the MWDOC release of rebate recipients.</p> <p>Jonathan coordinated my appearance on KCAA radio show, found on www.kcaaradio.com. I was interviewed on MWDOC's role during the drought, its support for member agencies, and my view of OC water infrastructure.</p> <p>Jonathan issued a news release after MWDOC staff was honored with an EPA WaterSense award in Las Vegas. The news release was posted to the ACWA homepage and Voice of OC, along with social-media channels.</p> <p>Jonathan invited Los Angeles Times drought reporter, Mr. Matt Stevens, to attend the October 22 PAW meeting to discuss media coverage/story pitches with PAW attendees. Mr. Stevens accepted the invitation.</p>
Special Projects	<p>Heather met with representatives from Eastern MWD, Western MWD and IEUA to begin working on our joint D.C. luncheon scheduled for February 24, 2016. They have established an internal timeline and deadlines and plan to meet again on October 29.</p> <p>Heather staffed the October WACO meeting featuring Assemblyman Matthew Harper and California Water Commission Chairman, Joe Byrne. She also secured them as guest speakers.</p> <p>Heather staffed the ISDOC Executive Committee meeting and sent out the invitation for the Quarterly Luncheon scheduled for Thursday, October 22. The guest speaker, Jeff Arbour, is the head of OC Waste & Recycling.</p> <p>Heather staffed the WACO Planning Meeting. Discussions for the January meeting and program are underway. The November program will focus on the potential El Nino; December's program will be a presentation on the O.C. Water Reliability Study.</p> <p>Marey completed the October cover images for MWDOC's social media pages and website.</p> <p>Tiffany has been working with Felicia Marcus's office and has confirmed her as a speaker for either a January or February Water Policy Dinner.</p>

Special Projects (Continued)	<p>Tiffany, Bryce and Marey are working on several updated briefing papers and transferring them into a new, modern, eye-catching template. Marey has also begun a new educational infographic for boil orders for WEROC.</p> <p>Jonathan, Tiffany and I participated in a walk-through at the Disneyland Hotel on October 2 for the 2016 OC Water Summit. The only two dates available in May/June at the Disney Grand Californian are May 27, and June 8. Both dates have been held and will be presented to the OC Water Summit planning committee for review.</p> <p>Jonathan participated in the panel interviews to hire the new Santa Margarita Water District Public Information Manager.</p> <p>Jonathan contacted member agencies that participated in the Value of Water program last year. He presented the OC Register special water page that would publish each week, and is working to build consensus among member agencies on the project, scheduled to begin in December.</p>
Legislative Affairs	<p>In Sacramento, Heather participated in ACWA's Federal Affairs Committee. The committee received an update on the El Dorado and King fires that were plaguing Northern California. The need for federal funding for drought response via the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund programs were reiterated. The committee also took action on various legislation.</p> <p>Heather met with Steve McCarthy, Policy Director for the Assembly Republican Caucus, and Water, Parks & Wildlife Committee consultant, Robert Spiegel, who is new to his position.</p> <p>In LA at MET, Heather attended MET's Communications & Legislation Committee. While there, she met with Kathy Cole and EJ Caldwell of West Basin MWD.</p> <p>Heather met with Nathan Purkis and Albert Napoli from MET to discuss ways our agencies can collaborate on regional interests.</p>

Legislative Affairs (Continued)	<p>Heather attended Assemblyman Matthew Harper's District Office Open House. While there, she networked with his staff, along with members of Congresswoman Mimi Walters' staff, Assemblywoman Young Kim's staff, and Senator Pat Bates's staff.</p> <p>Heather and Joe participated in an ACWA organized conference call regarding the possible extension of the SWRCB emergency regulations.</p> <p>In Laguna Hills, Heather attended Senator Pat Bates's District Office Open House.</p>
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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
- Susan Hinman