MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
January 14, 2015, 8:30 a.m.
MWDOC Conference Room 101

Committee:
Director Thomas, Chairman
Director J. Finnegan
Director Osborne

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

Ex Officio Member: L. Dick

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

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

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

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

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
   a. Revenue/Cash Receipt Report – December 2014
   b. Disbursement Approval Report for the month of January 2015
   c. Disbursement Ratification Report for the month of December 2014
   d. GM Approved Disbursement Report for the month of December 2014
   e. Water Use Efficiency Projects Cash Flow – December 31, 2014
   f. Consolidated Summary of Cash and Investment – November 2014
   g. OPEB Trust Fund monthly statement

2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the period ending November 30, 2014

3. 2015 COLLABORATIVE SERVICES SUMMIT

ACTION ITEMS

4. RESTATEMENT OF DISTRICT MONEY PURCHASE PENSION PLAN AND TRUST AGREEMENT

5. BUREAU OF RECLAMATION WATERSMART GRANT RESOLUTION

6. AUTHORIZE THE GENERAL MANAGER TO DEVELOP A TEN-YEAR PURCHASE COMMITMENT WITH ORANGE COUNTY WATER DISTRICT; AND SIGN A PURCHASE ORDER WITH METROPOLITAN WATER DISTRICT

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

7. ACWA/JPIA EXECUTIVE COMMITTEE ELECTION

8. FY 2015-16 BUDGET PREPARATION SCHEDULE

9. CALPERS ANNUAL VALUATION REPORT AS OF JUNE 30, 2013

10. INTERNAL REVENUE SERVICE PAYROLL AUDIT (oral report)

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

12. DEPARTMENT ACTIVITIES REPORTS
    a. Administration
    b. Finance and Information Technology

OTHER ITEMS

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

CLOSED SESSION ITEMS

14. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
    Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of section 54956.9 (one case).

ADJOURNMENT

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

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

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
December 2014

WATER REVENUES

Date	From	Description	Amount
12/01/14	City of La Palma	October 2014 Water deliveries	4,633.28
12/04/14	City of San Juan Capistrano	October 2014 Water deliveries	495,862.63
12/05/14	City of Buena Park	October 2014 Water deliveries	474,167.94
12/05/14	South Coast Water District	October 2014 Water deliveries	546,866.75
12/05/14	Serrano Water District	October 2014 Water deliveries	21,995.27
12/05/14	City of San Clemente	October 2014 Water deliveries	790,803.23
12/08/14	City of Seal Beach	October 2014 Water deliveries	8,551.84
12/08/14	Trabuco Canyon Water District	October 2014 Water deliveries	13,398.66
12/09/14	El Toro Water District	October 2014 Water deliveries	745,180.33
12/09/14	City of Newport Beach	October 2014 Water deliveries	350,852.60
12/10/14	Laguna Beach County Water District	October 2014 Water deliveries	312,269.81
12/10/14	Santa Margarita Water District	October 2014 Water deliveries	2,488,451.75
12/10/14	City of Westminster	October 2014 Water deliveries	25,905.30
12/12/14	City of Fountain Valley	October 2014 Water deliveries	18,445.53
12/12/14	East Orange County Water District	October 2014 Water deliveries	478,009.38
12/12/14	Mesa Water	October 2014 Water deliveries	218,529.17
12/15/14	Orange County Water District	October 2014 Water deliveries	3,752,192.58
12/15/14	Irvine Ranch Water District	October 2014 Water deliveries	1,592,405.01
12/15/14	Santiago Aqueduct Commission	October 2014 Water deliveries	151,461.20
12/15/14	Yorba Linda Water District	October 2014 Water deliveries	1,246,412.91
12/15/14	Golden State Water Company	October 2014 Water deliveries	770,574.33
12/15/14	City of Orange	October 2014 Water deliveries	525,445.34
12/15/14	Moulton Niguel Water District	October 2014 Water deliveries	2,335,866.78
12/18/14	City of Garden Grove	November 2014 Water deliveries	888,869.84
12/19/14	City of Huntington Beach	November 2014 Water deliveries	941,813.01
12/22/14	City of San Juan Capistrano	November 2014 Water deliveries	390,188.02
12/26/14	City of Buena Park	November 2014 Water deliveries	312,277.48
12/26/14	City of Brea	November 2014 Water deliveries	253,923.66
12/26/14	City of Newport Beach	November 2014 Water deliveries	182,398.52
12/29/14	City of La Palma	November 2014 Water deliveries	5,731.98
		TOTAL REVENUES	**$ 20,343,484.13**

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
December 2014

MISCELLANEOUS REVENUES

Date	From	Description	Amount
12/31/14	Paypal	10/2/14 Water policy dinner registration	72.52
12/09/14	Austin Area Research Organization	Airfare and Accomodation reimbursement for R. Hunter speaking at AARO conference	451.49
12/12/14	Irvine Ranch Water District	August 2014 Landscape Performance Certification program	750.00
12/01/14	US Bank	CAL Card rebate check	162.76
12/10/14	Lee Jacobi	Jan-Dec 2015 Retiree medical premium	193.32
12/18/14	Susan Hunt	Partial January 2015 COBRA medical premium	382.03
12/23/14	Stan Sprague	December 2014 Retiree medical premium	259.97
12/23/14	Stan Sprague	January 2015 Retiree medical premium	212.59
12/04/14	2 Checks	Movie tickets	216.00
12/05/14	Katie Davanaugh	Movie tickets	32.00
12/08/14	Laura Loewen	Movie tickets	24.00
12/18/14	Maribeth Goldsby	Movie tickets	48.00
12/19/14	3 Checks	Movie tickets	200.00
12/23/14	Elizabeth Nam	Movie tickets	48.00
12/01/14	East Orange County Water District	Turf Removal signs and stakes	410.76
12/15/14	Mesa Water	Turf Removal signs and stakes	1,654.50
12/22/14	City of San Juan Capistrano	General rebates flier	827.81
12/09/14	City of Newport Beach	September 2014 Smart Timer rebate program	189.00
12/15/14	Moulton Niguel Water District	September 2014 Smart Timer rebate program	144.00
12/22/14	Irvine Ranch Water District	September 2014 Smart Timer rebate program	346.37
12/08/14	2 Checks	October 2014 Smart Timer rebate program	150.00
12/12/14	4 Checks	October 2014 Smart Timer rebate program	979.61
12/15/14	Mesa Water	October 2014 Smart Timer rebate program	84.98
12/19/14	City of Huntington Beach	October 2014 Smart Timer rebate program	279.09
12/01/14	City of La Habra	September 2014 Turf Removal rebate program	315.00
12/04/14	City of San Juan Capistrano	September 2014 Turf Removal rebate program	1,575.00
12/18/14	City of San Juan Capistrano	October 2014 Turf Removal rebate program	2,565.00
12/23/14	City of La Habra	October 2014 Turf Removal rebate program	525.00
12/23/14	Santa Margarita Water District	Jul-Sep 2014 Smart Timer & Turf Removal rebate program	4,898.01
12/19/14	City of Buena Park	September 2014 Smart Timer & Turf Removal rebate program	215.00
12/05/14	2 Checks	October 2014 Smart Timer & Turf Removal rebate program	5,330.74
12/09/14	Irvine Ranch Water District	October 2014 Smart Timer & Turf Removal rebate program	7,931.86
12/10/14	Laguna Beach County Water District	October 2014 Smart Timer & Turf Removal rebate program	3,237.00
12/12/14	2 Checks	October 2014 Smart Timer & Turf Removal rebate program	4,695.00
12/19/14	City of Buena Park	October 2014 Smart Timer & Turf Removal rebate program	595.00
12/23/14	Santa Margarita Water District	October 2014 Smart Timer & Turf Removal rebate program	668.60
12/29/14	Moulton Niguel Water District	October 2014 Smart Timer, Rotating Nozzle & Turf removal rebate program	15,327.78
12/02/14	Santa Margarita Water District	Jul-Sep 2014 So Cal Watersmart Residential rebate program	15,389.09
12/15/14	Moulton Niguel Water District	September 2014 So Cal Watersmart Residential rebate program	4,266.00
12/01/14	Golden State Water Company	October 2014 So Cal Watersmart Residential rebate program	2,785.10
12/08/14	2 Checks	October 2014 So Cal Watersmart Residential rebate program	3,423.00
12/09/14	Irvine Ranch Water District	October 2014 So Cal Watersmart Residential rebate program	46,089.73
12/23/14	Santa Margarita Water District	October 2014 So Cal Watersmart Residential rebate program	11,874.00
12/26/14	Irvine Ranch Water District	November 2014 So Cal Watersmart Commercial rebate program	78.00
12/23/14	Santa Margarita Water District	November 2014 So Cal Watersmart Residential rebate program	4,955.00
12/26/14	2 Checks	November 2014 So Cal Watersmart Residential rebate program	31,898.21
12/09/14	Irvine Ranch Water District	Oct-Sep 2014 Landscape Performance Certification program	1,500.00
12/05/14	City of Orange	FY 13-14 O & M Costs of the EOCF #2	14,872.15
12/09/14	City of Newport Beach	FY 13-14 O & M Costs of the EOCF #2	8,909.29
12/10/14	Laguna Beach County Water District	FY 13-14 O & M Costs of the EOCF #2	2,115.23
12/12/14	City of Huntington Beach	FY 13-14 O & M Costs of the EOCF #2	8,992.89
12/12/14	East Orange County Water District	FY 13-14 O & M Costs of the EOCF #2	18,431.90
12/12/14	South Coast Water District	FY 13-14 O & M Costs of the EOCF #2	1,128.12
12/19/14	City of San Clemente	FY 13-14 O & M Costs of the EOCF #2	1,269.14
12/19/14	Mesa Water	FY 13-14 O & M Costs of the EOCF #2	19,954.08
12/22/14	City of San Juan Capistrano	FY 13-14 O & M Costs of the EOCF #2	21,152.33

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
December 2014

MISCELLANEOUS REVENUES

Date	From	Description	Amount
12/04/14	City of Fountain Valley	FY 14-15 Choice Programs Billing Invoice	8,398.18
12/04/14	Mesa Water	FY 14-15 Choice Program - Value of Water	10,000.00
12/05/14	City of Brea	FY 14-15 Choice Program - Value of Water	7,000.00
12/05/14	Serrano Water District	FY 14-15 Choice Program - Value of Water	5,000.00
12/08/14	Trabuco Canyon Water District	FY 14-15 Choice Program - Value of Water	6,000.00
12/09/14	City of Newport Beach	FY 14-15 Choice Program - Value of Water	8,000.00
12/10/14	City of Orange	FY 14-15 Choice Program - Value of Water	12,000.00
12/10/14	Yorba Linda Water District	FY 14-15 Choice Program - Value of Water	9,000.00
12/11/14	City of Garden Grove	FY 14-15 Choice Program - Value of Water	14,000.00
12/12/14	City of Huntington Beach	FY 14-15 Choice Program - Value of Water	15,000.00
12/12/14	East Orange County Water District	FY 14-15 Choice Program - Value of Water	5,000.00
12/12/14	South Coast Water District	FY 14-15 Choice Program - Value of Water	7,000.00
12/19/14	City of Buena Park	FY 14-15 Choice Program - Value of Water	9,000.00
12/19/14	City of San Clemente	FY 14-15 Choice Program - Value of Water	8,000.00
12/23/14	City of La Habra	FY 14-15 Choice Program - Value of Water	8,000.00
12/23/14	Santa Margarita Water District	FY 14-15 Choice Program - Value of Water	13,000.00

TOTAL MISCELLANEOUS REVENUES	$ 419,479.28
TOTAL REVENUES	**$ 20,762,963.41**

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

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

Invoice#	Vendor / Description	Amount to Pay
Core Expenditures:		
	Richard Ackerman	
1055	December 2014 Legal consulting on water policy issues	1,337.50
	*** Total ***	1,337.50
	ACWA	
INV001350	Fall conference registration for Director Tamaribuchi	755.00
	*** Total ***	755.00
	ALTA FoodCraft	
514121325	12/12/14 Coffee & tea supplies	255.69
	*** Total ***	255.69
	Autumn Print Group	
1650	1,500 Window envelopes with logo	244.62
	*** Total ***	244.62
	Awards & Trophies Co., Inc.	
11793	Recognition plaque for Director Dewane	23.76
	*** Total ***	23.76
	CDW Government	
RJ47142	Annual subscription for Zscaler web security software and support	1,614.00
	*** Total ***	1,614.00
	Deluxe	
2032801247	100 1099MISC forms	27.64
2032800664	3,000 Blank check stock	217.76
	*** Total ***	245.40
	Demsey, Filliger & Associates, LLC	
2779	December 2014 Services for OPEB actuarial	3,000.00
	*** Total ***	3,000.00
	El Toro Water District	
2427	2015 Lease for South EOC space	1,000.00
	*** Total ***	1,000.00
	Ronald R. Gastelum	
DEC14	December 2014 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	GovConnection, Inc.	
52122437	50 Barracuda E-mail Security Service licenses	363.00
	*** Total ***	363.00

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

Invoice#	Vendor / Description	Amount to Pay
	Immersiv Media, Inc.	
-012(MWDOC 2014)	October-December 2014 Website hosting and maintenance service	525.00
-013(MWDOC 2014)	January-March 2015 Website hosting and maintenance service	525.00
	*** Total ***	1,050.00
	James C. Barker, P.C.	
105-1214	December 2014 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Lewis Consulting Group, LLC	
1393	December 2014 Professional services	3,562.50
	*** Total ***	3,562.50
	Norco Delivery Services	
668952	12/12/14 Delivery charges for Board packets	67.38
	*** Total ***	67.38
	Office Solutions	
I-00706397	12/5/14 Office supplies	32.38
I-00708067	12/9/14 Office supplies	99.66
I-00709151	12/11/14 Office supplies	21.59
I-00712024	12/18/14 Office supplies	64.80
I-00712773	12/19/14 Office supplies	11.87
I-00713042	12/19/14 Office supplies	42.12
	*** Total ***	272.42
	County of Orange	
R563	November 2014 General Election expense for Division 1	129,097.88
R564	November 2014 General Election expense for Division 5	143,439.09
	*** Total ***	272,536.97
	Orange County Business Council	
0006811-IN	2014 Annual membership renewal	1,500.00
	*** Total ***	1,500.00
	Orange County Fast Print, Inc.	
50440	Business cards for Director Tamaribuchi, K. Rojas, & D. Burke	162.00
	*** Total ***	162.00
	Orange County Water District	
14550	November 2014 50% of WACO expenses	216.00
14636	November 2014 Postage, shared office & maintenance expense	7,359.50
	*** Total ***	7,575.50

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

Invoice#	*Vendor / Description*	*Amount to Pay*
	Patricia Kennedy Inc.	
20083	December 2014 Plant maintenance	214.00
20126	January 2015 Plant maintenance	214.00
	*** Total ***	428.00
	Southern California Public Management Association	
2015	2015 Annual membership renewal	50.00
	*** Total ***	50.00
	SPS Data Communications	
00121411	Phone cable installation at front desk	225.00
	*** Total ***	225.00
	Staples Advantage	
8032417755	12/6/14 Office supplies	106.84
8032595889	12/20/14 Office supplies	52.00
	*** Total ***	158.84
	Top Hat Productions	
89803	12/18/14 Lunch for Managers' meeting	484.38
	*** Total ***	484.38
	Townsend Public Affairs, Inc.	
10500	December 2014 State legislative advocacy services	7,500.00
	*** Total ***	7,500.00
	Union Bank, N.A.	
896421	September-November 2014 Custodial Bank fees	625.00
	*** Total ***	625.00
	Vavrinek, Trine, Day & Co., LLP	
0110353-IN	November 2014 Services for F/Y 13-14 Financial Statement & Single audits	2,500.00
	*** Total ***	2,500.00
	Pauline D. Wennerstrom	
010215	January-March 2015 Retiree medical premium	846.45
	*** Total ***	846.45
	Total Core Expenditures	323,883.41

Choice Expenditures:

	Carollo	
0138608	September 2014 Services to prepare legal and plat for easement for Doheny Ocean Desal project	9,600.00
	*** Total ***	9,600.00

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

Invoice#	Vendor / Description	Amount to Pay
	Discovery Science Center	
113014MWDOC	November 2014 School program	20,184.64
	*** Total ***	20,184.64
	Total Choice Expenditures	29,784.64

Other Funds Expenditures:

Invoice#	Vendor / Description	Amount to Pay
	AquaFicient Consulting	
02-067	November 2014 Landscape Performance Certification program funded by IRWD & MET	1,500.00
	*** Total ***	1,500.00
	ConserVision Consulting, LLC	
LPCP-225	November 2014 Consulting services for Landscape Performance Certification program	6,094.00
	*** Total ***	6,094.00
	GovConnection, Inc.	
52048635	2 Voicestation 300 conference phones for WEROC	543.54
52048638	4 Desktop omputers for WEROC N. EOC	3,153.77
	*** Total ***	3,697.31
	Hotel Program	
Y613397	Al Stovall-DBA Stovall Best Westerns (Anaheim)	12,050.00
	*** Total ***	12,050.00
	Mission RCD	
1719	November 2014 Field verifications for Water Use Efficiency rebate programs	19,203.82
	*** Total ***	19,203.82
	Power Plus!	
S39816-552951	11/20/14 Generator service for N. EOC	375.46
	*** Total ***	375.46
	Spray to Drip Program	
S2D-MNWD-1025	A. Denny	444.32
S2D1065	J. Raub	350.00
S2D1002	L. Foto	128.08
S2D1114	J. Knox	175.00
S2D1046	L. Waddle	502.28
S2D1066	B. Ingalls	350.00
S2DC1010	Turtle Rock Summit Town Collection (Laguna Hills)	1,204.00
	*** Total ***	3,153.68

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

Invoice#	*Vendor / Description*	*Amount to Pay*
	Turf Removal Program	
TR5-BREA-015	M. Brass	3,441.00
TR5-BREA-022	S. Silber	4,446.00
TR5-BREA-026	M. Nienhouse	1,887.00
TR5W-BREA-1204	L. Muhovich	3,708.00
TR5W-BREA-1387	V. Wang	2,235.00
TR5W-BREA-1525	M. Masucci	5,211.00
TR5W-BREA-1856	J. Call	2,469.00
TR5W-BREA-1873	A. Koryta	1,200.00
TR5W-ETWD-120	R. Alden	896.00
TR5W-ETWD-1866	J. & C. Dubich	386.00
TR5W-ETWD-2952500	M. Martinez	820.00
TR5-FV-011	D. Masukawa	1,238.00
TR5-FV-012	L. Billmeyer	950.00
TR5W-FV-1012D	B. Carruthers	984.00
TR5W-FV-1030D	S. Hedges	1,430.00
TR5W-FV-1033	K. Nguyen	4,462.00
TR5W-FV-1128	F. Keleher	1,824.00
TR5W-FV-1174	E. Rothrock	2,458.00
TR5W-FV-1211	Huntington Beach Union High School District (Fountain Valley)	20,020.00
TR5W-FV-1245	F. Pagaza	4,182.00
TR5-GG-010	Garfield Developments, Ltd. (Garden Grove)	31,006.00
TR5-GG-012	K. Peterson	582.00
TR5-GG-022	B. Thompson	2,884.00
TR5-GSWC-044	H. Dooling	968.00
TR5-GSWC-055	P. Haney	1,826.00
TR5-GSWC-060	C. Hellebrand	4,624.00
TR5-GSWC-061	J. Wren	990.00
TR5-GSWC-063	Yorba Linda Knolls	27,878.00
TR5-GSWC-066	J. Ellen	1,182.00
TR5-GSWC-073	L. Lee	1,198.00
TR5-GSWC-076	H. Osmera	1,892.00
TR5-GSWC-081	M. J. Kilburg Trust	3,630.00
TR5W-GSWC-100	H. Zarandona	3,568.00
TR5W-GSWC-1097	V. Shrock	990.00
TR5W-GSWC-1222	W. Truhan	888.00
TR5W-GSWC-1474	D. Hein	4,360.00
TR5-HB-036	H. Miyashiro	2,980.00
TR5-HB-059	R. Crider	1,766.00
TR5-HB-062	D. Pryor	1,856.00
TR5-HB-063	D. Sturrock	600.00
TR5-HB-065	B. Shoun	1,076.00
TR5-HB-068	F. Boctor	4,036.00
TR5-HB-070	S. Tye	1,692.00
TR5-HB-078	R. Sugihara	856.00
TR5-HB-080	G. Wellander	1,780.00
TR5-HB-081	J. Harduvel	1,554.00
TR5-HB-087	B. Cracchiolo	1,206.00

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

Invoice#	*Vendor / Description*	*Amount to Pay*
TR5W-HB-1000D	R. Hornyak	506.00
TR5W-HB-1033D	S. Petrovich	1,000.00
TR5W-HB-1066D	P. Brown	1,044.00
TR5W-HB-1112	M. T. Broussard	1,350.00
TR5W-HB-1139	M. Koch	592.00
TR5W-HB-1185	S. Dailey	1,028.00
TR5W-HB-1197	D. Zdrazil	1,548.00
TR5W-HB-1207	B. Murphy	1,444.00
TR5W-HB-1233	M. Thompson	1,814.00
TR5W-HB-1246	A. Robinson	1,020.00
TR5W-HB-1253	R. Patel	2,740.00
TR5W-HB-1295	J. Clark	3,284.00
TR5W-HB-1317	T. Garwick	1,450.00
TR5W-HB-1397	P. Wyrick	1,382.00
TR5W-HB-1410	D. Sullivan	650.00
TR5W-HB-1481	C. Stephens	3,212.00
TR5W-HB-1509	S. Nishisaka	712.00
TR5W-HB-1524	D. Morel	2,288.00
TR5W-HB-1582	R. Malmquist	1,372.00
TR5W-HB-1807	M. Collins	244.00
TR5W-HB-1858	C. Oakley	1,002.00
TR4-IRWD-078	F. Ladjavardi	1,709.00
TR5-IRWD-180	K. Tran	816.00
TR5-IRWD-194	S. Kha	1,228.00
TR5-IRWD-195	C. Long	916.00
TR5-IRWD-209	T. Heinz	2,022.00
TR5-IRWD-222	J. Lam	874.00
TR5-IRWD-223	B. Ciano	2,040.00
TR5-IRWD-225	M. Sallus	3,448.00
TR5-IRWD-231	O. Roeung	2,140.00
TR5-IRWD-239	C. Conner	3,260.00
TR5-IRWD-246	G. Kang	2,020.00
TR5-IRWD-250	A. Vo	324.00
TR5-IRWD-252	F. Baik	720.00
TR5-IRWD-253	F. Jeng	1,474.00
TR5-IRWD-254	M. Menzies	738.00
TR5-IRWD-261	R. or M. Nestor	654.00
TR5-IRWD-265rvsd	T. Haldorsen	380.00
TR5-IRWD-266	M. Chabroux	1,262.00
TR5-IRWD-269	L. Schierberl	254.00
TR5-IRWD-270	P. Datar	228.00
TR5-IRWD-274	B. or A. Esposito	2,118.00
TR5-IRWD-276	J. Thomas	1,358.00
TR5-IRWD-278	T. Koch	1,560.00
TR5-IRWD-279	J. Pfeifer	710.00
TR5-IRWD-280	R. Oehlman	692.00
TR5-IRWD-282	R. Biedgoly	840.00
TR5-IRWD-283	C. Cheung	764.10

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

Invoice#	*Vendor / Description*	*Amount to Pay*
TR5-IRWD-285	A. Field	1,022.00
TR5-IRWD-286	F. May	2,244.00
TR5-IRWD-287	T. Hsieh	846.00
TR5-IRWD-289	D. Festa	1,426.00
TR5-IRWD-292	L. Sebastian	564.00
TR5-IRWD-303	E. Lowell	866.00
TR5W-IRWD-1021D	C. Clark	874.00
TR5W-IRWD-1090D	S. Domerego	1,380.00
TR5W-IRWD-1491	G. Mazur	744.00
TR5W-IRWD-1546	L. Kaufman	1,584.00
TR5W-IRWD-1604	B. Robinson	650.00
TR5W-IRWD-1644	J. Chun	998.00
TR5W-IRWD-1733	J. Martin	432.00
TR5W-IRWD-1768	J. Garcia	742.00
TR5W-IRWD-1779	G. McClelland	1,030.00
TR5W-IRWD-1850	P. Ponte	846.00
TR5W-IRWD-1902	B. Sun Yu	858.00
TR5W-IRWD-1912	L. Widrig	1,610.00
TR5W-IRWD-2942550	J. Zhou	558.00
TR5W-IRWD-2952009	S. McArthur	522.00
TR5-LB-014	P. Kluth	879.00
TR5-LB-017	Saint Mary's Episcopal Church (Laguna Beach)	3,567.00
TR5-LB-019	J. Ceithaml	1,029.00
TR5W-LB-1183	E. Ledger	2,430.00
TR5W-LH-1336	V. Schaeffler	1,848.00
TR5W-LH-1361	G. Rudd	1,046.00
TR5W-LP-1307	A. Rueda	963.65
TR5W-LP-1551	R. Pacion	1,210.00
TR5W-MESA-1178	L. McCormack	1,080.00
TR5W-MESA-1206	C. Stover	3,020.00
TR5W-MESA-1469	H. Rosner	3,910.00
TR5W-MESA-1585	B. Kushin	1,444.00
TR5W-MESA-1656	D. Hudgins	1,154.00
TR4-MN-053	J. Hohman	1,721.00
TR5-MNT-122	C. Gruer	2,830.00
TR5-MNT-124	C. Kokanoutranon	5,838.00
TR5-MNT-131	K. Slusarz	1,644.00
TR5-MNT-132	M. Wakefield	2,130.00
TR5-MNT-135	D. Marcigliano	1,627.50
TR5-MNT-136	J. McIlwain	1,204.00
TR5-MNT-142	Camden Park Service, Inc. (Aliso Viejo)	3,992.00
TR5-MNT-143	J. Borenstein	1,910.00
TR5-MNT-149	R. Burton	3,636.00
TR5-MNT-156	G. Macha	6,028.00
TR5-MNT-158	M. Zajac	5,756.00
TR5-MNT-159	J. Nutting	5,266.00
TR5-MNT-160	K. Julius	1,590.00
TR5-MNT-161	R. Panahi	5,500.00

Municipal Water District of Orange County
Disbursement Approval Report
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Invoice#	*Vendor / Description*	*Amount to Pay*
TR5-MNT-165	C. Axen	1,660.00
TR5-MNT-166	R. Revell	3,815.00
TR5-MNT-173	H. Cheshire	7,120.00
TR5W-MNT-1017	C. & T. Freeman	4,832.00
TR5W-MNT-1041D	M. Jennings	2,510.00
TR5W-MNT-1085	B. Masny	5,058.00
TR5W-MNT-1231	P. Gooding	2,080.00
TR5W-MNT-1241	C. James	4,429.50
TR5W-MNT-1267	S. Sabado	850.00
TR5W-MNT-1277	R. Gardner	3,840.00
TR5W-MNT-1325	J. Donley	5,354.00
TR5W-MNT-1394	S. Jones	4,225.00
TR5W-MNT-1405	D. Leonard	3,227.00
TR5W-MNT-1441	Tritz	3,000.00
TR5W-MNT-1492	C. Johnston	1,255.00
TR5W-MNT-1495	E. Schmuhl	2,240.00
TR5W-MNT-1496	W. Baird	3,665.00
TR5W-MNT-1544	S. Craig	1,985.00
TR5W-MNT-1581	J. Cooper	4,800.00
TR5W-MNT-159	J. Nutting	5,266.00
TR5W-MNT-1609	K. Eckman	4,100.00
TR5W-MNT-1613	J. Felderman	1,737.50
TR5W-MNT-1632	D. Faunce	4,110.00
TR5W-MNT-1637	S. Straka	3,765.00
TR5W-MNT-1652	C. Mansour	4,552.00
TR5W-MNT-1661	A. Gottdank	2,254.00
TR5W-MNT-1662	D. Amann	2,070.00
TR5W-MNT-1677	M. Miller	2,460.00
TR5W-MNT-1799	N. Phillips	1,569.00
TR5W-MNT-1813	R. Carrera	1,260.00
TR5W-MNT-1814	J. Kibbe	5,190.00
TR5-NWPT-005	J. Sukrau	3,464.00
TR5-NWPT-007	B. Trupp	650.00
TR5-O-038	R. Miller	1,746.00
TR5-O-041	G. Nicholas	1,114.00
TR5-O-043	D. Quinn	6,340.00
TR5-O-046	L. Laegault	1,946.00
TR5-O-053	Stadium Collection Association (Orange)	31,360.00
TR5-O-056	S. Skara	4,208.00
TR5W-O-1230	P. Lindsay	2,600.00
TR5W-O-1292	G. Sorensen	788.00
TR5W-O-1442	W. C. Barton Jr.	550.00
TR5W-O-1502	N. Halsey	3,456.00
TR5-SB-005	A. Lees	550.00
TR5-SB-006	J. Smith	650.00
TR5W-SB-1127D	P. Rudderow	304.00
TR5W-SB-1634	J. McCord	1,492.00
TR5-SC-041	P. Brown	1,758.00

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Disbursement Approval Report
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Invoice#	*Vendor / Description*	*Amount to Pay*
TR5-SC-044	F. Koeppe	1,386.00
TR5-SC-067	G. Quinn	850.00
TR5-SC-071	E. Wachter	1,062.00
TR5-SC-073	K. Smith	1,776.00
TR5W-SC-1126	K. Beauvais	394.00
TR5W-SC-1189	S. Sato	960.00
TR5W-SC-1869	G. Ceasar	904.00
TR5-SJC-030	G. Tucker	456.00
TR5-SJC-031	F. Hill	32,904.00
TR5-SJC-033	C. Hulse	1,178.00
TR5-SJC-035	M. Whatmore	510.00
TR5W-SJC-1194	B. Devaney	2,274.00
TR5W-SJC-1337	B. Langill	552.00
TR5-SM-067	D. Von Hartmann	1,408.00
TR5-SM-103	L. Kagy	1,002.00
TR5-SM-113	J. Green	2,000.00
TR5-SM-114	F. Grisenti	1,240.00
TR5-SM-121	K. Thome	1,310.00
TR5-SM-134	C. Kimball	1,516.00
TR5-SM-136	J. Marzich	1,532.00
TR5-SM-137	J. Shah	800.00
TR5-SM-139	L. Foto	622.00
TR5-SM-141	R. & M. Mayes	938.00
TR5-SM-147	D. Lochridge	2,280.00
TR5-SM-152	R. Chatard	796.00
TR5-SM-154	J. Tryon	3,034.00
TR5-SM-155	L. Wilson	1,974.00
TR5W-SM-1004D	M. Kovar	3,700.00
TR5W-SM-1014	D. Hunnicutt	2,054.00
TR5W-SM-1015D	R. Rackemann	480.00
TR5W-SM-1025	E. Sheehan	1,372.00
TR5W-SM-1056D	H. Badger	1,044.00
TR5W-SM-1059D	S. & S. Ohrnstein	600.00
TR5W-SM-1075D	R. Convertini	458.00
TR5W-SM-1132	L. Coles	1,050.00
TR5W-SM-1135	B. Hammontree	772.00
TR5W-SM-1154	W. Verna	3,374.00
TR5W-SM-1240	P. Walters	628.00
TR5W-SM-1267	R. Jump	742.00
TR5W-SM-1307	P. Omran	3,024.00
TR5W-SM-1312	A. Sahelian	1,606.00
TR5W-SM-1354	M. Davis	2,038.00
TR5W-SM-1386	A. Wensman	2,590.00
TR5W-SM-1416	R. Louvar	508.00
TR5W-SM-1422	G. Tickell	1,028.00
TR5W-SM-1465	T. Trout	576.00
TR5W-SM-1479	J. Sommerfeldt	1,968.00
TR5W-SM-1558	K. Ells	1,230.00

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Invoice#	Vendor / Description	Amount to Pay
TR5W-SM-1570	T. Hooper	516.00
TR5W-SM-1583	G. Ward	356.00
TR5W-SM-1716	W. Eubank	1,760.00
TR5W-SM-1853	M. Dobrota	450.00
TR5W-SM-1909	D. Haggard	664.00
TR5W-SM-2106	D. Griffith	870.00
TR5W-SM-2912508	J. Evans	2,970.00
TR5W-SM-2922519	A. Ho	588.00
TR5-SOCO-060	Antigua at Monarch Beach HOA (Dana Point)	720.00
TR5W-SOCO-1409	F. Ortiez	3,750.00
TR5W-SOCO-142	M. Richardson	1,208.00
TR5W-SOCO-1444	R. Thacker	2,090.00
TR5W-SOCO-1619	J. Pettross	826.00
TR5W-SOCO-1622	C. Rokicki	1,744.00
TR5W-SOCO-1713	V. Ryan	332.00
TR5W-SOCO-1859	M. Abdelmalek	1,164.00
TR5W-SOCO-1879	L. Gennaro	1,272.00
TR5W-SOCO-1886	M. Wallace	1,600.00
TR5-SWD-002	D. Bodourian	5,122.00
TR5W-SWD-1351	S. Gulsvig	2,022.00
TR5W-SWD-1489	D. Armstrong	2,160.00
TR5W-SWD-1822	F. Halaseh	7,758.00
TR5W-SWD-1829	R. Read	972.00
TR5W-TC-1536	J. Chapman	900.00
TR5-TUST-005	B. Gruber	1,714.00
TR5-TUST-008	J. Ehrick	858.00
TR5-TUST-1075	J. Nerell	2,234.00
TR5W-TUST-1044D	P. Richardson	4,624.00
TR5W-TUST-1074	A. Dove	5,386.00
TR5W-TUST-1498	K. Conner	2,546.00
TR5W-TUST-1507	L. Bach	828.00
TR5-WEST-005	M. Rosenthal	476.00
TR5-WEST-007	S. Smith	1,268.00
TR5W-WEST-1153	D. Bui	1,472.00
TR5W-WEST-1376	C. Alu	1,274.00
TR5W-WEST-1720	M. Fuchs	1,064.00
TR5-YLWD-002	D. Craig & S. Fox	5,952.00
TR5-YLWD-017	J. Hellebrand	2,404.00
TR5-YLWD-024	San Lorenzo Comm. Assoc. (Yorba Linda)	14,594.00
TR5-YLWD-025	A. Noppe	3,982.00
TR5-YLWD-026	D. Perry	928.00
TR5-YLWD-027	L. Botta	1,956.00
TR5-YLWD-033	P. Pepin	2,360.00
TR5-YLWD-037	A. Patton	4,812.00
TR5-YLWD-040	D. Lash	512.00
TR5W-YLWD-1031	C. Skokan	1,128.00
TR5W-YLWD-1081	L. Casanas	1,724.00
TR5W-YLWD-115	L. Hall	786.00

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Invoice#	Vendor / Description	Amount to Pay
TR5W-YLWD-1358	R. Street	1,320.00
TR5W-YLWD-1358	V. MacMath	7,586.00
TR5W-YLWD-1791	D. Burck	814.00
TR5W-YLWD-1892	D. Kim	2,598.00
	*** Total ***	713,164.25
	Total Other Funds Expenditures	759,238.52
	Total Expenditures	1,112,906.57

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of December 2014

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Expenditures:				
126735	*12/8/14*	*TIMEWA*	*Time Warner Cable*	
		5210-DEC14	December 2014 Telephone and internet expense	932.74
			***Total ***	932.74
126736	*12/8/14*	*VERIZO*	*Verizon Wireless*	
		9736021718	November 2014 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
	12/15/14	*ACKEEX*	*Linda Ackerman*	
126737		113014	November 2014 Business expense	31.36
126738		NOV2014	November 2014 MET Director's compensation	2,443.30
			***Total ***	2,474.66
126742	*12/15/14*	*BACATI*	*Tiffany Baca*	
		111314	October-November 2014 Business expense	95.16
			***Total ***	95.16
126743	*12/15/14*	*BELLRI*	*Richard Bell*	
		103114	October 2014 Business expense	737.40
			***Total ***	737.40
126744	*12/15/14*	*BURKED*	*Darcy M. Burke*	
		112114	November 2014 Business expense	165.91
			***Total ***	165.91
126745	*12/15/14*	*C3OFFI*	*C3 Office Solutions LLC*	
		INV32556	December 2014 Canon copier maintenance	238.39
			***Total ***	238.39
126748	*12/15/14*	*CLARKW*	*Wayne Clark*	
		113014	November 2014 Business expense	84.00
			***Total ***	84.00
126749	*12/15/14*	*DELAGE*	*De Lage Landen Public Finance*	
		43513691	December 2014 Canon copier lease	509.00
			***Total ***	509.00
126750	*12/15/14*	*DOSREI*	*Denise Dos Reis*	
		103114	October 2014 Business expense	25.76
			***Total ***	25.76
126751	*12/15/14*	*NAMELI*	*Elizabeth Nam*	
		120214	November-December 2014 Business expense	39.92
			***Total ***	39.92

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of December 2014

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
126754	*12/15/14*	*FAHLBE*	*Beth Fahl*	
		113014	November 2014 Business expense	17.50
			***Total ***	17.50
126757	*12/15/14*	*IRONMO*	*Iron Mountain*	
		KZA5651	December 2014 Storage/retrieval of archived documents	582.37
			***Total ***	582.37
126758	*12/15/14*	*HOSTER*	*Kevin Hostert*	
		112114	October 2014 Business expense	22.40
			***Total ***	22.40
126765	*12/15/14*	*RAMIRE*	*Sergio Ramirez*	
		111514	October-November 2014 Business expense	42.56
			***Total ***	42.56
126766	*12/15/14*	*FRANKS*	*Sarah Franks*	
		112514	November 2014 Business expense	117.91
			***Total ***	117.91
126767	*12/15/14*	*SECKEL*	*Karl Seckel*	
		110714	September-November 2014 Business expense	76.60
			***Total ***	76.60
126768	*12/15/14*	*STAPLC*	*Staples Credit Plan*	
		4362-DEC14	11/7/14 Computer supplies	43.19
			***Total ***	43.19
ACH001231	*12/15/14*	*BARBCO*	*Brett Barbre*	
		NOV2014	November 2014 MET Director's compensation	2,443.30
			***Total ***	2,443.30
ACH001232	*12/15/14*	*BERGJO*	*Joseph Berg*	
		113014	November 2014 Business expense	372.39
			***Total ***	372.39
	12/15/14	*DICKCO*	*Larry Dick*	
ACH001235		NOV2014	November 2014 MET Director's compensation	2,198.97
ACH001236		113014	November 2014 Business expense	166.32
			***Total ***	2,198.97
ACH001238	*12/15/14*	*FINNEG*	*Joan Finnegan*	
		113014	November 2014 Business expense	93.08
			***Total ***	93.08

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of December 2014

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH001240	*12/15/14*	*CHUMPI*	*Hilary Chumpitazi*	
		103114	October 2014 Business expense	15.34
			***Total ***	15.34
ACH001241	*12/15/14*	*HINMAN*	*Susan Hinman*	
		113014	November 2014 Business expense	398.03
			***Total ***	398.03
ACH001242	*12/15/14*	*MCKECO*	*Larry B. McKenney*	
		NOV2014	November 2014 MET Director's compensation	2,198.97
			***Total ***	2,198.97
ACH001251	*12/15/14*	*THOMAS*	*Jeffery Thomas*	
		113014	November 2014 Business expense	100.85
			***Total ***	100.85
126946	*12/19/14*	*USBANK*	*U.S. Bank*	
		NOV14	10/22/14-11/24/14 Cal Card charges	8,598.25
			***Total ***	8,598.25
			(See attached sheet for details)	
126951	*12/29/14*	*BELLRI*	*Richard Bell*	
		113014	November 2014 Business expense	106.87
			***Total ***	106.87
126952	*12/29/14*	*ROBERT*	*Bryce Roberto*	
		121814	November-December 2014 Business expense	200.48
			***Total ***	200.48
126954	*12/29/14*	*DINHPA*	*Patrick Dinh*	
		122114	December 2014 Business expense	33.60
			***Total ***	33.60
126955	*12/29/14*	*GUNAWA*	*Lina Gunawan*	
		121914	December 2014 Business expense	33.94
			***Total ***	33.94
126956	*12/29/14*	*HEDGES*	*Steve Hedges*	
		121914	October-December 2014 Business expense	116.48
			***Total ***	116.48
126960	*12/29/14*	*TIMEWA*	*Time Warner Cable*	
		3564-DEC14	December 2014 Telephone expense for 4 analog fax lines	137.93
			***Total ***	137.93

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of December 2014

Check #	*Date*	*Vendor # Invoice/CM #*	*Name / Description*	*Net Amount*
ACH001256	*12/29/14*	*BURKED*	*Darcy M. Burke*	
		121614	December 2014 Business expense	834.10
			***Total ***	834.10
ACH001257	*12/29/14*	*DELATO*	*Harvey De La Torre*	
		121214	December 2014 Business expense	286.65
			***Total ***	286.65
ACH001259	*12/29/14*	*HUNTER*	*Robert J. Hunter*	
		120214	November-December 2014 Business expense	40.94
			***Total ***	40.94
			Total Core Disbursements	24,536.81

Choice Expenditures:

Check #	*Date*	*Vendor # Invoice/CM #*	*Name / Description*	*Net Amount*
ACH001232	*12/15/14*	*BERGJO*	*Joseph Berg*	
		113014	November 2014 Business expense	219.86
			***Total ***	219.86
126959	*12/29/14*	*SDGE*	*SDGE*	
		49159257768-	11/18/14-12/18/14 Electrical service Doheny Ocean Desal project	178.18
			***Total ***	178.18
			Total Choice Disbursements	398.04

Other Funds Expenditures:

Check #	*Date*	*Vendor # Invoice/CM #*	*Name / Description*	*Net Amount*
126733	*12/8/14*	*ATTEOC*	*AT&T*	
		4492-NOV14	November 2014 S. EOC telephone expense	229.40
		8200-NOV14	November 2014 N. EOC telephone expense	164.15
		0532-NOV14	November 2014 N. EOC dedicated phone line	55.75
			***Total ***	449.30
126760	*12/15/14*	*PARSON*	*Lisa Parson*	
		112614	November 2014 Business expense	79.68
			***Total ***	79.68
126946	*12/19/14*	*USBANK*	*U.S. Bank*	
		NOV14	10/22/14-11/24/14 Cal Card charges	559.22
			***Total ***	559.22
			(See attached sheet for details)	

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of December 2014

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
126948	*12/19/14*	*ATTUVEOC*	*AT&T*	
		8599-NOV14	November 2014 U-verse internet service for N. EOC	63.75
			***Total ***	63.75
126949	*12/23/14*	*PARSON*	*Lisa Parson*	
		122314	December 2014 Business expense	24.64
			***Total ***	24.64
126953	*12/29/14*	*CATALI*	*Catalina Island Conservancy*	
		10837	December 2014 WEROC radio repeater site lease	1,484.32
			***Total ***	1,484.32
ACH001261	*12/29/14*	*SANTAM*	*Santa Margarita Water District*	
		OCT2014	October 2014 SCP Operation surcharge	30,896.99
			***Total ***	30,896.99
ACH001263	*12/29/14*	*SPRINT*	*Sprint*	
		320982721-124	December 2014 WEROC cell phone expense	41.91
			***Total ***	41.91
WIRE-123014	*12/30/14*	*METWAT*	*Metropolitan Water District*	
		8176	October 2014 Water deliveries	19,146,843.09
			***Total ***	19,146,843.09
			Total Other Funds Disbursements	19,180,442.90
			Total Disbursements	19,205,377.75

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: October 22, 2014
Payment Date: November 26, 2014

Date	Description	Amount	

Karl's Card

10/21/14	Lunch for PAW workshop on 10/21/14	$ 133.92	
10/23/14	Southern California Water Committee Annual dinner in Universal City, CA on Oct. 23, 2014 - Accommodations for H. Baez	264.62	
10/27/14	National Water Research Institute Clarke Prize conference in Huntington Beach, CA on Nov. 7, 2014 - Registration for R. Bell	125.00	
10/28/14	Legislative activities in Sacramento, CA from Oct. 28-30, 2014 - Accommodations for Director Barbre	234.40	1
10/31/14	Office supplies from Costco	298.25	
10/31/14	Legislative activities in Washington, DC from Nov. 20-21, 2014 - Airfare for R. Hunter	421.00	
11/06/14	Breakfast for WEROC training on 11/5/14	159.22	
11/05/14	Lunch for WEROC training on 11/5/14	250.00	
11/06/14	California Society of Municipal Finance Officers meeting in Aliso Viejo, CA on Dec. 18, 2014 - Registration for H. Chumpitazi	30.00	
11/09/14	Monthly license fee for Adobe Creative Cloud software	119.97	
11/11/14	UPS delivery charges for Board & Committee packets on Nov. 7, 2014	7.17	
11/12/14	National Water Research Institute Clarke Prize conference in Huntington Beach, CA on Nov. 7, 2014 - Registration for K. Seckel	125.00	
11/13/14	Staff development lunch	343.73	
11/15/14	FedEx delivery charges for California Department of Parks & Recreation on Nov. 13, 2014	22.97	
11/13/14	Legislative activities in Washington, DC from Nov. 20-21, 2014 - Airfare for R. Hunter	287.00	
11/18/14	California Emergency Services Association 2015 membership for K. Hubbard	75.00	
11/18/14	California Emergency Services Association 2015 membership for L. Parson	75.00	
11/18/14	UPS delivery charges for Board & Committee packets on Nov. 14, 2014	7.17	
11/19/14	FedEx delivery charges for California Department of Parks & Recreation on Nov. 17, 2014	22.17	
11/19/14	Table linen rental for Director Clark's Retirement luncheon on Nov. 19, 2014	250.40	2
11/19/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Registration for Director Tamaribuchi	445.00	
11/18/14	Food for Director Clark's Retirement luncheon on Nov. 19, 2014	393.12	3
11/20/14	OneStop! employment advertising for Public Affairs Intern position	165.00	
11/19/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Accommodations deposit for Director Tamaribuchi	173.60	
11/21/14	Legislative activities in Washington, DC from Nov. 20-21, 2014 - Accommodations for H. Baez	718.14	
11/21/14	Legislative activities in Washington, DC from Nov. 20-21, 2014 - Accommodations for R. Hunter	736.43	
11/21/14	Regal movie tickets for employee purchase	408.00	

Cal Card Statement Detail
Statement Date: October 22, 2014
Payment Date: November 26, 2014

Date	Description	Amount
Karl's Card		
11/22/14	Legislative activities in Washington, DC from Nov. 20-21, 2014 - Accommodations for Director Barbre	1,341.77 $\boxed{4}$
	Total	**$ 7,633.05**

$\boxed{1}$ Director Barbre has reimbursed MWDOC $55.40

$\boxed{2}$ Urban Water Institute has reimbursed MWDOC for $125.20

$\boxed{3}$ Urban Water Institute has reimbursed MWDOC for $196.56

$\boxed{4}$ Director Barbre has reimbursed MWDOC for $568.91

Cal Card Statement Detail
Statement Date: November 24, 2014
Payment Date: December 19, 2014

Date	Description	Amount
Rob's Card		
10/22/14-11/24/14	Meals for R. Hunter's meetings on various dates	$ 386.31
10/29/14	Association of California Cities–Orange County - Analyzing the Results of the 2014 Election dinner in Costa Mesa, CA on Nov. 13, 2014 - Registration for Director Dick & R. Hunter	160.00
11/06/14	Food for Elected Officials meeting on Nov. 6, 2014	651.33
11/17/14	Austin Area Research Organization conference in Austin, TX on Nov. 17, 2014 - Accommodations for R. Hunter	144.90 [1]
11/19/14-11/21/14	Legislative activities in Washington, DC from Nov. 20-21, 2014 - Meals, parking & transportation for R. Hunter & H. Baez	181.88
	Total	**$ 1,524.42**

[1] The Austin Area Research Organization has reimbursed MWDOC for $144.90

Municipal Water District of Orange County
GM Approved Disbursement Report [1]
For the month of December 2014

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Expenditures:				
ACH001262	12/29/14	SPECIAL	*Special Dist. Risk Mgmt. Auth.*	
		49687	January-March 2015 Workers' compensation insurance premium	3,816.00
			***Total ***	3,816.00
			Total Core Disbursements	3,816.00
Choice Expenditures:				
			Total Choice Disbursements	0.00
Other Funds Expenditures:				
ACH001262	12/29/14	SPECIAL	*Special Dist. Risk Mgmt. Auth.*	
		49687	January-March 2015 Workers' compensation insurance premium	172.00
			***Total ***	172.00
			Total Other Funds Disbursements	172.00
			Total Disbursements	3,988.00

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
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 12/31/14

	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	TOTALS
Cash - Beginning Balance	$ 219,916.10	$ 150,103.91	$ 117,766.90	$ (72,152.50)	$ (515,391.87)	$ (1,608,304.88)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	
REVENUES:													
BUREC					160,398.14								$ 160,398.14
City of Brea	3,448.00	328.00	69.00	2,812.00	1,164.00	663.00							$ 8,484.00
City of Buena Park						810.00							$ 810.00
City of Fountain Valley				75.00									$ 75.00
City of Fullerton	75.00	75.00	346.30	955.93	468.30	150.00							$ 2,070.53
City of Garden Grove		255.00	810.00	292.68	1,755.00	2,715.26							$ 5,827.94
City of Huntington Beach				433.85	75.00	279.09							$ 787.94
City of La Habra		105.00		105.00		840.00							$ 1,050.00
City of San Clemente	600.00	1,965.00	2,145.00	1,449.98	3,575.29	4,695.00							$ 14,430.27
City of San Juan Capistrano	105.00	735.00		1,470.00		4,140.00							$ 6,450.00
City of Santa Ana		157.68			369.00								$ 526.68
City of Tustin				225.00									$ 225.00
City of Newport Beach					300.00	189.00							$ 489.00
City of Orange	630.00	1,050.00	1,020.00	1,655.49	3,228.00	2,615.48							$ 10,198.97
City of Westminster		19.97		34.44									$ 54.41
El Toro Water District	2,703.99	2,717.00	1,576.00	6,802.99	2,996.79	3,048.00							$ 19,844.77
East Orange County Water District						91.61							$ 91.61
Golden State Water Company	2,671.00	3,493.93	3,350.00	2,589.58	6,447.10	4,170.10							$ 22,721.71
Irvine Ranch Water District	65,383.05	28,904.47	41,340.19	47,252.20	47,503.28	87,209.17							$ 317,592.36
Laguna Beach County Water District	328.00	1,130.00		885.00		3,237.00							$ 5,580.00
Mesa Water District		225.00	75.00	225.00	225.00	84.98							$ 834.98
Metropolitan Water District		142,191.56	1,183.00	11,158.91		241,505.68							$ 396,039.15
Moulton Niguel Water District			789.98	144.00		19,737.78							$ 20,671.76
Santa Margarita Water District	1,092.20	4,782.20			5,299.96	37,784.70							$ 48,959.06
South Coast Water District	75.00	225.00		150.00	75.00	75.00							$ 600.00
Trabuco Canyon Water District					100.00	525.00							$ 625.00
Yorba Linda Water District			213.00	351.00	645.00								$ 1,209.00
Miscellaneous Revenues													
Miscellaneous	5,950.50			1,861.01									7,811.51
Interest Revenue	171.77			81.72									253.49
Total Revenues	83,233.51	188,359.81	52,917.47	81,010.78	234,624.86	414,565.85	-	-	-	-	-	-	$1,054,712.28
EXPENDITURES:													
Aquaficient	1,500.00	1,500.00		3,000.00	1,500.00	1,500.00							9,000.00
Conservision Consulting, LLC	7,544.25	7,411.50		13,663.25	7,089.75								35,708.75
City of Newport Beach	2,968.00												2,968.00
Executive Information Systems		584.00											584.00
Hotel Program			5,151.92	27,674.40									32,826.32
Immersive Media					839.99								839.99
Industrial Program						94,197.34							94,197.34
Irvine Ranch Water District	16,250.00												16,250.00
Metropolitan Water District	7,988.20				56,442.29								64,430.49
MESA	2,119.50												2,119.50
Mission RCD	6,485.80	12,988.02	14,006.16	30,794.12	37,228.41	30,993.55							132,496.06
Quick Signs				1,973.27	1,517.65	63.50							3,554.42
Spray to Drip program		975.00	10,100.26	2,852.56	3,471.96	8,243.91							25,643.69
Survey Gizmo				675.00									675.00
Turf Removal	108,189.95	183,408.30	197,345.22	442,202.55	1,218,032.82	416,787.48							2,565,966.32
URS		12,580.00		1,415.00	1,415.00	2,765.00							18,175.00
Waterwise Consulting		1,250.00	1,250.00										2,500.00
Miscellaneous Expenses													
Interest Expense													-
Salary & Benefit			14,983.31										14,983.31
Total Expenditures	153,045.70	220,696.82	242,836.87	524,250.15	1,327,537.87	554,550.78	-	-	-	-	-	-	$3,022,918.19
Cash - Ending Balance	$ 150,103.91	$ 117,766.90	$ (72,152.50)	$ (515,391.87)	$(1,608,304.88)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	$ (1,748,289.81)	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
November 30, 2014

Street Address:
18700 Ward Street
Fountain Valley, California 92708

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

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

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	17.42%
Grant & Project Cash Flow	1,000,000	7.76%
Building Repair	239,491	1.86%
Total Designated Reserves	3,482,913	27.04%
General Fund	5,844,086	45.37%
Water Fund	4,786,693	37.16%
Conservation Fund	(1,608,305)	(12.49)%
Desalination Feasibility Study Fund	222,385	1.73%
WEROC Fund	150,937	1.17%
Trustee Activities	2,609	0.02%
Total	**$12,881,318**	**100.00%**

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	11.86%	$1,528,071	$1,528,071
Short-term investment			
• LAIF	22.37%	$2,881,473	$2,881,473
• OCIP	41.68%	5,369,361	5,369,361
Long-term investment			
• Misc. Securities	15.55%	2,002,413	2,038,428
• Certificates of Deposit	8.54%	1,100,000	1,096,700
Total	**100.00%**	**$12,881,318**	**$12,914,033**

The average number of days to maturity/call as of November 30, 2014 equaled 162 and the average yield to maturity is 0.950%. During the month, the District's average daily balance was $22,227,841.71. 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 November 2014.

The $32,715 difference between the book value and the market value on November 30, 2014 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

WATER: DO MORE WITH LESS

Portfolio Management - Portfolio Summary

November 30, 2014

11/30/2014	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,100,000.00	1,096,700.00	1,100,000.00	9.69	1201	1.459
Local Agency Investment Funds	2,881,472.86	2,881,472.86	2,881,472.86	25.39	1	0.261
Miscellaneous Securities - Coupon	2,000,000.00	2,038,427.50	2,002,413.00	17.62	258	3.346
Orange County Investment Pool	5,369,361.15	5,369,361.15	5,369,361.15	47.30	1	0.323
Total Investments	**11,350,834.01**	**11,385,961.51**	**11,353,247.01**	**100.00%**	**162**	**0.950**
Cash						
Passbook Checking	1,528,071.13	1,528,071.13	1,528,071.13		1	0.00
Total Cash and Investments	**12,878,905.14**	**12,914,032.64**	**12,881,318.14**		**162**	**0.950**

Total Earnings	Month Ending November	Fiscal Year to Date
Current Year	**10,910.56**	**54,535.52**
Average Daily Balance	**22,227,841.71**	
Effective Rate of Return	**0.950%**	

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 — Date: 1.5.15

Hilary Chumpitazi, Treasurer — Date: 01/05/2015

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MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
November 30, 2014

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	249,020.00	250,000.00	1.150	1.150	967	7/24/2017
Discover Bank	2546712Y5	7/23/2014	250,000.00	249,120.00	250,000.00	1.600	1.600	1331	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	249,012.50	250,000.00	1.200	1.200	968	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,040.00	100,000.00	1.050	1.050	785	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	249,507.50	250,000.00	2.050	2.050	1703	7/30/2019
Sub Total			**1,100,000.00**	**1,096,700.00**	**1,100,000.00**	**1.459**	**1.459**	**1201**	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	255,607.50	251,215.37	3.700	3.000	275	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	254,055.00	250,922.94	3.400	2.700	206	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	514,660.00	500,605.59	3.125	3.007	407	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	512,025.00	499,752.06	3.450	3.508	337	11/2/2015
UBS Financial Services	90261XFY3	6/10/2010	500,000.00	502,080.00	499,917.04	3.875	4.020	46	1/15/2015
Sub Total			**2,000,000.00**	**2,038,427.50**	**2,002,413.00**	**3.500**	**3.346**	**258**	
Total Investments			**3,100,000.00**	**3,135,127.50**	**3,102,413.00**	**2.776**	**2.677**	**592**	

Total Earnings	Month Ending November	Fiscal Year To Date
Current Year	6,722.62	33,703.94

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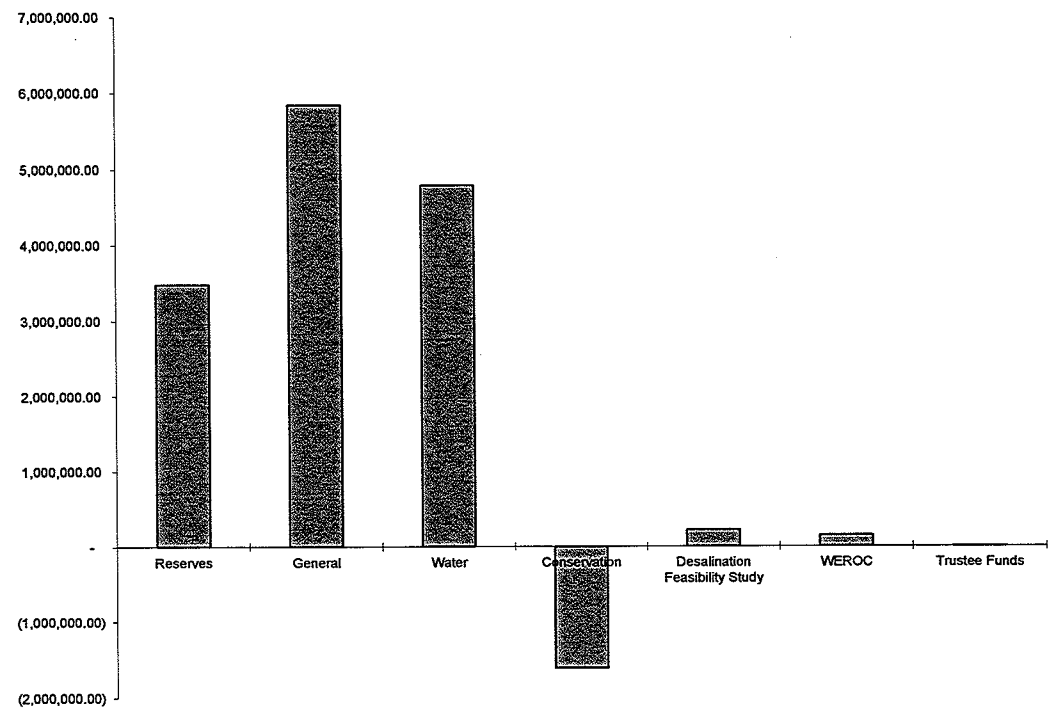
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
November 30, 2014

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	2,881,472.86	2,881,472.86	2,881,472.86	0.261	0.261	1	N/A
Sub Total			**2,881,472.86**	**2,881,472.86**	**2,881,472.86**	**0.261**	**0.261**	**1**	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	5,369,361.15	5,369,361.15	5,369,361.15	0.323	0.323	1	N/A
Sub Total			**5,369,361.15**	**5,369,361.15**	**5,369,361.15**	**0.323**	**0.323**	**1**	
Total Investments			**8,250,834.01**	**8,250,834.01**	**8,250,834.01**	**0.301**	**0.301**		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	1,527,571.13	1,527,571.13	1,527,571.13	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			**1,528,071.13**	**1,528,071.13**	**1,528,071.13**	**0.000**	**0.000**	**1**	
Total Cash and Investments			**9,778,905.14**	**9,778,905.14**	**9,778,905.14**	**0.301**	**0.301**	**1**	

Total Earnings	Month Ending November	Fiscal Year To Date
Current Year	4,187.94	20,831.58

Municipal Water District of Orange County
Cash and Investments at November 30, 2014

ALLOCATION	AMOUNT	%
MWDOC		
Designated Reserves		
General	$ 2,243,422	17.42%
Grant & Project Cash Flow	1,000,000	7.76%
Building Repair	239,491	1.86%
Total Designated Reserves	3,482,913	27.04%
General	5,844,086	45.37%
Water	4,786,693	37.16%
Conservation	(1,608,305)	-12.49%
Desalination Feasibility Study	222,385	1.73%
WEROC	150,937	1.17%
TOTAL MWDOC	$ 12,878,709	99.98%
TRUSTEE ACTIVITIES		
AMP Sales Admin	$ 2,609	0.02%
TOTAL TRUSTEE ACTIVITIES	$ 2,609	0.02%
TOTAL CASH & INVESTMENTS	$ 12,881,318	100.00%



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PUBLIC AGENCY RETIREMENT SERVICES **PARS**

Item 1g

MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program

Monthly Account Report for the Period
11/1/2014 to 11/30/2014

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

Account Summary

Source	Beginning Balance as of 11/1/2014	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 11/30/2014
Employer Contribution	$1,116,703.79	$0.00	$14,219.46	$555.45	$0.00	$0.00	$1,130,367.80
Totals	**$1,116,703.79**	**$0.00**	**$14,219.46**	**$555.45**	**$0.00**	**$0.00**	**$1,130,367.80**

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			
1-Month	**3-Months**	**1-Year**	**3-Years**	**5-Years**	**10-Years**	**Inception Date**
1.27%	0.67%	6.51%	10.71%	N/A	N/A	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.
Inception Date: Plan's inception date

Item 2

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

COMBINED FINANCIAL STATEMENTS

AND

BUDGET COMPARATIVE

JULY 1, 2014 THRU NOVEMBER 30, 2014

Municipal Water District of Orange County
Combined Balance Sheet
As of November 30, 2014

	Amount
ASSETS	
Cash in Bank	1,528,071.13
Investments	11,353,247.01
Accounts Receivable	34,245,224.83
Accounts Receivable - Other	1,816,278.12
Accrued Interest Receivable	33,367.60
Prepaids/Deposits	663,594.67
Leasehold Improvements	3,015,137.08
Furniture, Fixtures & Equipment	535,372.82
Less: Accum Depreciation	(2,501,318.74)
Net OPEB Asset	37,041.00
TOTAL ASSETS	$50,726,015.52
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	35,193,705.69
Accrued Salaries and Benefits Payable	263,514.79
Other Liabilities	2,663,781.94
Unearned Revenue	1,095,020.32
Total Liabilities	39,143,213.41
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	955,284.02
Total Restricted Fund Balances	955,284.02
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,280,462.66
Grant & Project Cash Flow	1,000,000.00
Building Repair	239,491.00
Total Designated Reserves	3,519,953.66
GENERAL FUND	1,441,435.43
WEROC	55,774.88
Total Unrestricted Fund Balances	5,017,163.97
Excess Revenue over Expenditures	
Operating Fund	5,491,504.10
Other Funds	118,850.02
Total Fund Balance	11,582,802.11
TOTAL LIABILITIES AND FUND BALANCES	$50,726,015.52

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru November 2014

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
REVENUES						
Retail Connection Charge	0.00	6,440,532.00	6,440,532.00	100.00%	0.00	0.00
Water Increment	7,134.90	65,262.48	103,564.00	63.02%	0.00	38,301.52
Water rate revenues	7,134.90	6,505,794.48	6,544,096.00	99.41%	0.00	38,301.52
Interest Revenue	10,878.73	53,590.20	138,000.00	38.83%	0.00	84,409.80
Subtotal	18,013.63	6,559,384.68	6,682,096.00	98.16%	0.00	122,711.32
Choice Programs	185,000.00	1,294,408.78	1,261,086.00	102.64%	0.00	(33,322.78)
Choice Prior Year Carry Over	0.00	94,000.00	94,000.00	100.00%	0.00	0.00
Miscellaneous Income	17,838.13	18,059.41	3,000.00	601.98%	0.00	(15,059.41)
School Contracts	11,036.72	30,644.22	70,000.00	43.78%	0.00	39,355.78
Transfer-Out To Reserve	0.00	0.00	(84,374.00)	0.00%	0.00	(84,374.00)
Subtotal	213,874.85	1,437,112.41	1,343,712.00	106.95%	0.00	(93,400.41)
TOTAL REVENUES	231,888.48	7,996,497.09	8,025,808.00	99.63%	0.00	29,310.91

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru November 2014

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
EXPENSES						
Salaries & Wages	226,191.33	1,232,944.73	2,995,855.00	41.16%	0.00	1,762,910.27
Salaries & Wages - Grant Recovery	0.00	(11,267.88)	(16,437.00)	68.55%	0.00	(5,169.12)
Directors' Compensation	13,926.81	69,389.72	210,342.00	32.99%	0.00	140,952.28
MWD Representation	9,284.54	37,382.49	120,197.00	31.10%	0.00	82,814.51
Employee Benefits	67,763.79	354,630.80	961,916.00	36.87%	0.00	607,285.20
OPEB Annual Contribution	0.00	0.00	133,331.00	0.00%	0.00	133,331.00
Employee Benefits - Grant Recovery	0.00	(2,885.99)	0.00	0.00%	0.00	2,885.99
Director's Benefits	7,349.14	34,375.69	119,356.00	28.80%	0.00	84,980.31
Health Ins $'s for Retirees	2,215.48	16,576.30	50,244.00	32.99%	0.00	33,667.70
Training Expense	295.00	2,437.00	18,000.00	13.54%	0.00	15,563.00
Tuition Reimbursement	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Personnel Expenses	327,026.09	1,733,582.86	4,598,804.00	37.70%	0.00	2,856,671.96
Engineering Expense	0.00	24,264.55	355,000.00	6.84%	43,388.22	287,347.23
Legal Expense	12,094.05	73,935.37	329,000.00	22.47%	265,064.63	(10,000.00)
Audit Expense	2,500.00	20,400.00	23,000.00	88.70%	725.00	1,875.00
Professional Services	61,688.48	284,818.71	1,133,200.00	25.13%	259,651.07	588,730.22
Professional Fees	76,282.53	403,418.63	1,840,200.00	21.92%	568,828.92	867,952.45
Conference-Staff	360.00	6,708.00	13,925.00	48.17%	0.00	7,217.00
Conference-Directors	505.00	3,263.00	8,650.00	37.72%	0.00	5,387.00
Travel & Accom.-Staff	2,986.92	11,604.42	38,300.00	30.30%	0.00	26,695.58
Travel & Accom.-Directors	1,304.64	3,969.97	29,600.00	13.41%	0.00	25,630.03
Travel & Conference	5,156.56	25,545.39	90,475.00	28.23%	0.00	64,929.61
Membership/Sponsorship	25,213.00	67,434.26	90,437.00	74.56%	0.00	23,002.74
CDR Support	9,990.25	19,980.50	39,961.00	50.00%	19,980.50	0.00
Dues & Memberships	35,203.25	87,414.76	130,398.00	67.04%	19,980.50	23,002.74
Business Expense	530.54	2,838.03	7,000.00	40.54%	0.00	4,161.97
Maintenance Office	7,029.19	42,352.48	120,768.00	35.07%	71,323.23	7,092.29
Building Repair & Maintenance	403.67	3,826.11	10,800.00	0.00%	6,973.89	0.00
Storage Rental & Equipment Lease	956.32	5,018.87	40,708.00	12.33%	10,689.13	25,000.00
Office Supplies	1,747.72	11,203.08	24,288.00	46.13%	1,982.91	11,102.01
Postage/Mail Delivery	688.80	3,742.54	11,100.00	33.72%	2,800.37	4,557.09
Subscriptions & Books	0.00	256.02	1,600.00	16.00%	0.00	1,343.98
Reproduction Expense	4,293.20	4,413.20	90,625.00	4.87%	7,745.30	78,466.50
Maintenance-Computers	752.44	2,322.60	6,000.00	38.71%	706.13	2,971.27
Software Purchase	119.97	12,422.91	25,515.00	48.69%	2,454.06	10,638.03
Software Support	991.07	13,970.49	28,869.00	48.39%	0.00	14,898.51
Computers and Equipment	0.00	5,926.62	9,300.00	63.73%	0.00	3,373.38
Automotive Expense	931.07	4,924.97	13,300.00	37.03%	0.00	8,375.03
Toll Road Charges	101.26	397.73	1,250.00	31.82%	0.00	852.27
Insurance Expense	6,721.16	43,240.04	97,000.00	44.58%	7,639.07	46,120.89
Utilities - Telephone	1,225.83	6,150.40	16,900.00	36.39%	0.00	10,749.60
Bank Fees	768.66	4,423.95	10,700.00	41.35%	0.00	6,276.05
Miscellaneous Expense	4,312.18	20,122.97	109,700.00	18.34%	0.00	89,577.03
MWDOC's Contrb. To WEROC	10,709.00	53,545.00	128,508.00	41.67%	0.00	74,963.00
Depreciation Expense	1,551.49	13,933.34	0.00	0.00%	0.00	(13,933.34)
Other Expenses	43,833.57	255,031.35	753,931.00	33.83%	112,314.09	386,585.56
Election Expense	0.00	0.00	444,000.00	0.00	0.00	444,000.00
MWDOC's Building Expense	0.00	0.00	168,000.00	0.00%	0.00	168,000.00
TOTAL EXPENSES	487,502.00	2,504,992.99	8,025,808.00	31.21%	701,123.51	4,819,691.50
NET INCOME (LOSS)	(255,613.52)	5,491,504.10	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru November 2014

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
WATER REVENUES					
Water Sales	14,381,775.50	88,671,826.20	163,874,103.00	54.11%	75,202,276.80
Readiness to Serve Charge	1,161,520.50	5,807,602.60	13,946,682.00	41.64%	8,139,079.40
Capacity Charge CCF	304,941.67	1,524,708.35	3,659,300.00	41.67%	2,134,591.65
SCP Surcharge	25,690.64	158,423.92	361,200.00	43.86%	202,776.08
Interest	253.06	1,173.31	4,275.00	27.45%	3,101.69
TOTAL WATER REVENUES	15,874,181.37	96,163,734.38	181,845,560.00	52.88%	85,681,825.62
WATER PURCHASES					
Water Sales	14,381,775.50	88,671,826.30	163,874,103.00	54.11%	75,202,276.70
Readiness to Serve Charge	1,161,520.50	5,807,602.50	13,946,682.00	41.64%	8,139,079.50
Capacity Charge CCF	304,941.67	1,524,708.35	3,659,300.00	41.67%	2,134,591.65
SCP Surcharge	25,690.64	158,423.92	361,200.00	43.86%	202,776.08
TOTAL WATER PURCHASES	15,873,928.31	96,162,561.07	181,841,285.00	52.88%	85,678,723.93
EXCESS OF REVENUE OVER EXPENDITURES	253.06	1,173.31	4,275.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru November 2014

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	21,731.45	116,000.00	18.73%
Expenses	36,554.50	116,000.00	31.51%
Excess of Revenues over Expenditures	(14,823.05)	0.00	
SmarTimer Program			
Revenues	87,214.44	50,467.00	172.81%
Expenses	78,332.08	50,467.00	155.21%
Excess of Revenues over Expenditures	8,882.36	0.00	
Industrial Water Use Reduction			
Revenues	1,415.00	113,980.00	1.24%
Expenses	5,610.90	113,980.00	4.92%
Excess of Revenues over Expenditures	(4,195.90)	0.00	
Spray To Drip Conversion			
Revenues	23,215.54	65,342.47	35.53%
Expenses	19,482.98	65,342.47	29.82%
Excess of Revenues over Expenditures	3,732.56	0.00	
Water Smart Landscape for Public Property			
Revenues	3,166.41	1,248,000.00	0.25%
Expenses	5,424.17	1,248,000.00	0.43%
Excess of Revenues over Expenditures	(2,257.76)	0.00	
Member Agency Administered Passthru			
Revenues	0.00	27,143.00	0.00%
Expenses	0.00	27,143.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	107,658.41	132,250.00	81.41%
Expenses	92,360.71	132,250.00	69.84%
Excess of Revenues over Expenditures	15,297.70	0.00	
HECW Rebate Program			
Revenues	214,710.00	403,000.00	53.28%
Expenses	191,793.32	403,000.00	47.59%
Excess of Revenues over Expenditures	22,916.68	0.00	
CII Rebate Program			
Revenues	978.00	159,250.00	0.61%
Expenses	78.00	159,250.00	0.05%
Excess of Revenues over Expenditures	900.00	0.00	
Large Landscape Survey			
Revenues	44,172.08	32,000.00	138.04%
Expenses	44,196.62	32,000.00	138.11%
Excess of Revenues over Expenditures	(24.54)	0.00	
Indoor-Outdoor Survey			
Revenues	2,929.88	5,200.00	56.34%
Expenses	0.00	5,200.00	0.00%
Excess of Revenues over Expenditures	2,929.88	0.00	
Turf Removal Program			
Revenues	2,164,612.07	725,000.00	298.57%
Expenses	2,202,420.90	725,000.00	303.78%
Excess of Revenues over Expenditures	(37,808.83)	0.00	

Municipal Water District of Orange County
WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)
From July thru November 2014

	Year to Date Actual	Annual Budget	% Used
Comprehensive Landscape (CLWUE)			
Revenues	7,156.00	258,690.00	2.77%
Expenses	14,022.31	258,690.00	5.42%
Excess of Revenues over Expenditures	(6,866.31)	0.00	
Home Certification and Rebate			
Revenues	6,856.00	248,050.00	2.76%
Expenses	16,298.47	248,050.00	6.57%
Excess of Revenues over Expenditures	(9,442.47)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	145,960.00	0.00%
Expenses	0.00	145,960.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WEROC			
Revenues	185,451.38	248,622.00	74.59%
Expenses	89,943.92	248,622.00	36.18%
Excess of Revenues over Expenditures	95,507.46	0.00	
WUE Projects			
Revenues	2,685,815.28	3,730,332.47	72.00%
Expenses	2,706,574.96	3,730,332.47	72.56%
Excess of Revenues over Expenditures	(20,759.68)	0.00	
RPOI Distributions			
Revenues	-	4,921.00	0.00%
Expenses	-	4,921.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Ocean Desalination			
Revenues	-	0.00	0.00%
Expenses	(2,045.46)	0.00	0.00%
Excess of Revenues over Expenditures	2,045.46	0.00	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

ACTION ITEM
January 21, 2015

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Patricia Meszaros

SUBJECT: **2015 COLLABORATIVE SERVICES SUMMIT**

STAFF RECOMMENDATION

Staff recommends that the Board approves attendance for Directors and staff, as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The 2015 Collaborative Services Summit will be hosted by Orange County LAFCO on Thursday, February 26, from 8:00 am to 12:00 pm, location to be determined. The Summit will provide a dynamic forum for local and regional leaders to connect and partner for innovative government, and hear and share about how collaborative service delivery can maximize public resources and create greater opportunities for cost savings and financial stability across jurisdictional boundaries.

The Summit will feature Ted Gaebler, former City Manager and an internationally-known authority on transforming governments from outdated bureaucratic organizations to flexible, customer focused organizations. Co-author of “Reinventing Government” and “Positive Outcomes; Raising the Bar on Government Reinvention”, Ted Gaebler worked with US Vice President, Al Gore, on President Clinton’s mandate to “reinvent government. There is no cost to attend.

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

Save the Date

Hosted by:
ORANGE COUNTY LAFCO

Date: Thursday, February 26, 2015

Time: 8 am - 12 pm

Location: ***MORE DETAILS COMING SOON***

Cost: *** ***FREE*** ***

2015 ORANGE COUNTY COLLABORATIVE SERVICES SUMMIT

OC LAFCO
partnering for innovative government
Est. 1963

2015 Orange County Collaborative Services Summit

ORANGE COUNTY
LOCAL AGENCY
FORMATION COMMISSION
2677 N. Main Street
Suite 1050
Santa Ana, CA 92705
714.834.2556
www.oclafco.org

Join us for a dynamic forum to connect local and regional leaders partnering for innovative government. Hear and share how collaborative services can maximize public resources and create greater opportunities for cost savings and financial stability across jurisdictional and local boundaries.

What to expect at the Summit …

- Success Stories
- Lessons Learned
- Proven Strategies
- Emerging Trends
- Networking

The Summit will feature Ted Gaebler, former City Manager and an internationally-known authority on transforming governments from outdated bureaucratic organizations to flexible, customer focused organizations. Co-author of "Reinventing Government" and "Positive Outcomes: Raising the Bar on Government Reinvention," Ted Gaebler worked with U.S. Vice President Al Gore on President Clinton's mandate to "reinvent government."

Item No. 4

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

ACTION ITEM
January 21, 2015

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Cathy Harris

SUBJECT: **RESTATEMENT OF DISTRICT MONEY PURCHASE PENSION PLAN AND TRUST AGREEMENT**

STAFF RECOMMENDATION

That the Board of Directors adopt the proposed resolution approving the restatement of the District's Money Purchase Pension Plan and Trust Agreement as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Attached is a proposed resolution, restated Money Purchase Pension Plan ("Plan") and restated Trust Agreement for consideration.

The proposed Plan includes the following changes:

1. It incorporates language required for qualified plans as a result of the Pension Protection Act of 2006, Heroes Earnings Assistance and Relief Tax Act of 2008, the Worker, Retiree, and Employer Recovery Act of 2008 and other regulatory related guidance.

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

2. It eliminates language that is inapplicable to governmental plans and has no effect on the current structure of the plan.

3. It incorporates the contribution provisions applicable to the General Manager (as previously adopted effective January 1, 2014), eliminates the 10.5%/13.5% contribution language as of January 1, 2015, and imposes a mandatory 7.5% contribution obligation on Directors.

4. It eliminates the graduated vesting and forfeiture language because the General Manager is fully vested in contributions made to the Plan, Directors are vested on any contributions they make to the plan, and former participants with balances in the plan have already become fully vested. Since vesting is no longer a concern, there is need to provide former participants that are rehired with a mechanism to avoid a forfeiture of unvested balances.

5. It eliminates any reference to a plan committee as described in Section 10.07 of the current plan document. Under Section 10.07, this Committee is the Plan Administrator with significant authority over the administration of the Plan. Further, the current plan requires that members of the Committee be formally appointed by the Board of Directors and that they serve until resignation or termination of employment. The preceding is inconsistent with the current ad hoc committee structure. The current committee structure is informal and serves in an advisory capacity rather than having decision-making authority over the operation of the Plan. As such, language regarding the existing committee is being excluded from the Plan. This will not preclude the Plan Administrator (MWDOC) from convening an informal committee to obtain input on investment options as it has done in the past.

The proposed Trust Agreement has been restated to clarify that the Board of Directors will serve as the trustee of the Plan. This will preclude the unintended creation of vacancies when a board member originally named in the Trust Agreement leaves his or her position of the Board of Directors.

The proposed restated Plan, Trust Agreement and Resolution have been prepared and approved by Legal Counsel.

RESOLUTION NO. _____

RESOLUTION APPROVING THE RESTATEMENT OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN, THE RESTATEMENT OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN TRUST AGREEMENT AND SUBMISSION TO IRS FOR FAVORABLE DETERMINATION LETTER

WHEREAS, the Municipal Water District of Orange County (“District”) previously established a qualified retirement plan known as the Municipal Water District of Orange County Money Purchase Pension Plan (the “Pension Plan”) for the benefit of certain employees;

WHEREAS, it is necessary at this time to retroactively amend and restate the Pension Plan document to bring it into compliance with the Pension Protection Act of 2006 (“PPA”), Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART”), Worker, Retiree, and Employer Recovery Act of 2008 (“WRERA”) and other regulatory related guidance.

WHEREAS, the District also wishes to further amend and restate the Pension Plan to eliminate contributions by the District on behalf of members of the Board of Directors (“Directors”) and to make other conforming changes.

WHEREAS, the Board of Directors serves as the Trustee of the Plan, but the Trust Agreement for the Pension Plan names the individuals comprising the Board of Directors as of December 30, 2008 which has resulted in vacancies once a named individual left his or her position on the Board of Directors and, as such, it is necessary that the Trust Agreement be amended and restated to clarify that the trustee of the Plan is the Board of Directors;

WHEREAS, Best, Best & Krieger LLP has prepared both a restated Pension Plan and Trust Agreement for review by the Board of Directors.

NOW, THEREFORE, be is resolved, determined and ordered by the Board of Directors of the Municipal Water District of Orange County as follows:

Section 1. That the above recitals are true and correct.

Section 2. That the members of the Board of Directors approve the restated Pension Plan heretofore considered and discussed.

Section 3. That the members of the Board of Directors approve the restated Trust Agreement heretofore considered and discussed.

Section 4. That the Board of Directors hereby authorizes the President and Vice President of the Board of Directors to duly execute the restated Pension Plan and Trust Agreement on behalf of the District.

<u>Section 5</u>. That the Board of Directors hereby authorizes the President and Vice President of the Board of Directors to duly execute the restated Trust Agreement on behalf of the Board of Directors in its capacity as Trustee of the Pension Plan.

<u>Section 6</u>. That the General Manager, or his or her designee, is hereby authorized to retain John D. Wahlin and Isabel C. Safie of Best Best & Krieger LLP as counsel, to give them an appropriate power of attorney, and to instruct them to take such action as shall be necessary to submit the Pension Plan for a determination letter request and secure a ruling from the Internal Revenue Service, that said Pension Plan is qualified under the Internal Revenue Code.

APPROVED, SIGNED AND ADOPTED on this ______ day of January, 2015 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

____

Maribeth Goldsby, District Secretary
Municipal Water District of Orange County

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

MONEY PURCHASE PENSION PLAN

INTRODUCTION

A. MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ("Employer") maintains the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN (the "Plan").

B. It is necessary for the Employer to amend and restate the Plan to comply with the Pension Protection Act of 2006 ("PPA") effective as of January 1, 2007, Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART") effective as of January 1, 2007, Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA") effective as of January 1, 2009, and other regulatory related guidance.

C. The Employer also wishes to amend and restate the Plan to eliminate contributions by the Employer on behalf of members of the Board of Directors of the Employer ("Directors") and to make other conforming changes.

D. Accordingly, the Employer hereby amends and restates the Plan effective January 1, 2015, except as otherwise indicated.

ARTICLE I
TITLE

This Plan shall be known as the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN.

ARTICLE II
GENERAL DEFINITIONS

For purposes of the Plan, the following words and phrases, when used herein, shall have the following meanings, unless their context clearly indicates otherwise or an Article specifically provides otherwise:

2.1 Account. "Account" or "Accounts" shall mean any of the individual accounts maintained by the Employer to record a Participant's interest in the Trust as specified in Article VII.

2.2 Administrator. "Administrator" shall mean the Employer, as described in Article V.

2.3 Annuity Contract. "Annuity Contract" shall refer to any annuity purchased from an insurance company selected by the Participant or Beneficiary.

2.4 Beneficiary. "Beneficiary" shall mean a person who will become entitled to receive benefits under the Plan upon the death of a Participant, as provided in Article X.

2.5 CalPERS. "CalPERS" shall refer to the California Public Employees' Retirement System created under the authority of the Public Employees' Retirement Law as provided under Section 20000 et. seq. of the California Government Code, as may be amended from time to time, and as administered by the CalPERS Board of Administration.

2.6 Code. "Code" shall mean the Internal Revenue Code of 1986, amendments thereto and Regulations issued thereunder.

2.7 Compensation. "Compensation" shall mean:

(a) a Participant's wages or salary paid by the Employer during the Plan Year within the meaning of Code Section 3401(a).

(b) For the purposes of applying the limitations under Code Section 415, "Compensation" paid or made available during the Plan Year shall also include differential wage payments under Code Section 3401(h), elective deferral contributions that are made by the Employer on behalf of the Participant under Code Section 402(g)(3), and any amount which is contributed or deferred by the Employer at the election of Employee and which is not includible in the gross of the income of the Participant by reason of Code Section 125, 132(f)(4), 457, 402(h) and 403(b). Effective for Plan Years beginning on or after January 1, 2006, "Compensation" shall also include any amount which is contributed or deferred by the Employer and which is includible in the gross income of the Participant under Code Section 402A.

(1) Excluded Compensation. Compensation shall not include the following:

(i) Employer contributions (other than elective contributions under Code Section 402(e)(3), Section 408(k)(6), Section 408(p)(2)(A)(i), or to a deferred compensation plan under Section 457(b) to the extent such contributions are not includible in the Participant's gross income for the tax year in which contributed, and any distributions (whether or not includible in gross income when distributed) from a deferred compensation plan);

(ii) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the employee and are not salary reduction amounts to a cafeteria plan under Code Section 125);

(iii) Any other items of similar remuneration.

(2) Post-Severance Employment. Effective for Plan Years beginning on or after July 1, 2007, “Compensation” shall also include any amount which is paid within two and one-half (2½) months following a Severance from Employment or by the end of the Plan Year in which the Severance from Employment occurs, including the following types of payments:

(i) Regular Pay. Compensation attributable to services performed by Employee during the Employee’s regular working hours as well as outside the Employee’s regular working hours (including overtime, commissions, bonuses, or other similar payments) and which would have been paid prior to the Employee’s Severance from Employment if the Employee had continued in employment with Employer.

(ii) Accrued Paid Leave. Amounts paid for unused accrued bona fide sick, vacation or other leave provided the Employee would have been able to use the leave prior to Severance from Employment.

(iii) Deferred Compensation. Compensation paid to the Employee pursuant to a nonqualified deferred compensation plan sponsored by the Employer and includible in the Employee’s gross income so long as the payment would have been made if the Employee had continue in employment with Employer.

Any payments not described above shall not be considered Compensation if paid after Severance from Employment, even if they are paid by the later of 2½ months after the date of Severance from Employment or the end of the Limitation Year that includes the date of Severance from Employment. Compensation shall not include any severance payments or salary continuation payments paid by the Employer due to military service or Disability.

Notwithstanding, the Compensation of any Participant in excess of the Compensation Limit for such Plan Year will not be included.

2.8 Compensation Limit. “Compensation Limit” shall mean the maximum amount of Compensation (as defined in Section 2.7 pursuant to Code Section 414(s) and the Regulations issued thereunder) that shall be taken into account for each Participant during each Plan Year for determining all benefits provided under the Plan, as provided herein. The annual Compensation Limit for each Participant for each Plan Year after January 1, 2007 shall be $225,000, as adjusted by the Commissioner of Internal Revenue for increases in the cost-of- living in accordance with Code Section 401(a)(17)(B). Annual Compensation means Compensation during the Plan Year or such other consecutive twelve (12) month period over which Compensation is otherwise determined under the Plan (the “determination period”). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year. If a determination period consists of fewer than twelve (12) months, the annual Compensation Limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve (12). If Compensation for any prior determination period is taken into account in determining a Participant's allocations for the current Plan Year, the Compensation for such prior determination period is subject to the applicable annual Compensation Limit in effect for that prior period.

2.9 Disability. "Disability" shall mean the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months as determined by the Administrator.

2.10 Employee. "Employee" shall mean any Director and the General Manager. The term "Employee" shall also include any employee or former employee of the Employer that has a balance remaining in the Trust as a result of their eligibility to participate prior to the Employer's entry into CalPERS. No other individual shall be eligible to participate in this Plan.

2.11 Employer. "Employer" shall mean the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY.

2.12 Employer Contribution. "Employer Contribution" shall mean contributions made by the Employer on behalf of a Participant which are allocated to a Participant's Account under the terms of this Plan.

2.13 Fund or Trust Fund. "Fund" or "Trust Fund" shall mean all monies, securities and assets held by the Trustee for the benefit of Participants of the Plan.

2.14 General Manager. "General Manager" shall refer to any person serving as the general manager of the Employer.

2.15 Limitation Year. "Limitation Year" shall mean, for the purposes of applying the limitations of Code Section 415, the consecutive twelve (12) month period adopted by the Employer beginning January 1 and ending December 31.

2.16 Normal Retirement Date. "Normal Retirement Date" for each Participant shall mean the later of the date on which the Participant reaches the age of 62 years or attains the fifth (5th) anniversary of participation in the Plan. Each Participant shall be entitled to retire on such date. In the event a Participant continues in active service after reaching his or her normal retirement age, he or she shall continue to participate in the Plan.

2.17 Participant. "Participant" shall mean an Employee or former Employee who has become eligible to acquire an interest in the Trust which has not become distributable and who has not waived his or her right of participation.

2.18 Plan. "Plan" shall mean the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN set forth herein, including all subsequent amendments or modifications.

2.19 Plan Year. "Plan Year" shall mean the twelve (12) consecutive month period adopted by the Employer commencing on January 1 of each year and ending on December 31.

2.20 Severance from Employment. "Severance from Employment" shall mean the Participant's cessation of employment from or by the Employer. An Employee shall be treated as having experienced a "deemed" Severance from Employment during a period of "qualified military service" (as described under Code Section 414(u).

2.21 Trust. "Trust" shall mean the Trust established pursuant to Article III and the accompanying Trust Agreement.

2.22 Trustee. "Trustee" shall mean the Trustee or the successors of such Trustee named under the Trust Agreement executed concurrently with the Plan pursuant to Article IV.

ARTICLE III
TRUSTEE AND TRUST FUND

Contributions under the Plan and all other assets of the Plan shall be held in Trust under a Trust Agreement between the Employer and the Trustee. The Trustee shall hold, invest and distribute the trust fund and the income and gains therefrom in accordance with the provisions of such Trust Agreement. The Trust Agreement, contained in a separate document, is hereby incorporated by reference.

ARTICLE IV
ADMINISTRATION

4.1 Administration of Plan. The Employer shall be the Administrator of the Plan with authority to control and manage its operation and administration. The Administrator shall make such rules, regulations, interpretations and computations and shall take such other action to administer the Plan as it may deem appropriate. The Administrator shall have absolute discretion in carrying out its responsibilities and its decisions shall be conclusive and binding on all parties.

4.2 Administrator's Powers. The Employer shall have all necessary and appropriate powers including, but not limited to, the following:

(a) to determine all questions relating to the interpretation, application and administration of the Plan, including questions as to eligibility to participate and claims submitted by a participant or individual;

(b) to maintain all necessary records for the administration of the Plan, other than those records maintained by the Trustee;

(c) to authorize and instruct the Trustee to make disbursements from the Trust to purchase life insurance in accordance with the provisions of the Trust Agreement;

(d) to delegate to others any of its rights, powers, duties and responsibilities;

(e) to direct the Trustee, in writing, from time to time, to retain, sell, exchange or lease any property of the trust estate, to invest trust funds, or to purchase for the Trust any property which it designates; and

(f) to establish a funding policy and method for the Plan.

4.3 Expenses and Compensation. The Employer shall not receive compensation for the administration of the Plan. Any expenses related to the administration and operation of the Plan shall be paid from Plan assets to the extent such expenses are not paid by the Employer. Expenses paid with Plan assets will generally be allocated among the Accounts of all Participants in the Plan during the Plan Year. These expenses will be allocated either proportionally based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. For expenses or costs which can be attributed to a Participant or specific group of Participants, such expense shall be charged directly to the account of the Participant incurring the expense. The Employer may establish a fee schedule for certain administrative transactions, including plan loans and lump sum distributions; however, any fee schedule adopted by the Employer shall be applied in a uniform and nondiscriminatory manner and will be disclosed to the Participants prior to any transaction subject to a fee.

4.4 Consultants. The Employer may employ such persons or organizations to render advice or to perform services with respect to the responsibilities of the Employer under the Plan which it, in its sole discretion, determines necessary and appropriate. Such persons or organizations shall have no discretionary authority or responsibility in the management, operation or administration of the Plan. Such persons or organizations may include, without limitation, actuaries, attorneys, accountants and benefit, financial and administrative consultants.

4.5 Fiduciary Duties. Any person to whom any fiduciary responsibilities with respect to the Plan may be allocated or delegated shall discharge his or her duties and responsibilities with respect to the Plan in accordance with the laws of the State of California.

4.6 Indemnification of Fiduciary. The Employer shall indemnify and hold harmless any persons to whom any of the Employer's fiduciary responsibilities under the Plan are allocated or delegated, from and against any and all liabilities, claims, demands, costs and expenses, including attorneys' fees, arising out of any alleged breach in the performance of their fiduciary duties under the Plan, other than such liabilities, claims, demands, costs and expenses as may result from the gross negligence or willful misconduct of such persons. The Employer, in its discretion, may conduct the defense of such person(s) in any proceeding to which this Section applies. In addition, the Employer may satisfy its obligations under this Section through the purchase of a policy or policies of insurance providing equivalent protection and coverage.

4.7 Use of Electronic Medium for Participant Notices and Elections.

(a) Definition of Electronic Medium. "Electronic medium" means an electronic method of communication system between the Plan Administrator, or its designated representative, and Recipient thereby allowing each party to send and receive notice and elections through the same medium. The only form of electronic communication permitted by the Plan shall be via electronic mail on the Employer's network or intranet, through an interactive website, or to a private e-mail address supplied by the Recipient for communication purposes. The electronic medium must be designed so that the information provided is no less understandable to the receiving party than a written paper document. The electronic medium shall be designed to alert the Recipient, at the time a notice is provided, to the significance of the information in the notice (including identification of the subject matter of the notice), and provide any instructions needed to access the notice, in a manner than is readily understandable. The electronic medium shall be designed to preclude any person, other than the appropriate individual, from making a participant election or accessing individual participant account information.

For purposes of this Section 4.7, "Recipient" shall mean an Employee, Participant, or other individual to the extent such individual has a vested interest in the Plan.

(b) Disclosure and Consent Requirements.

(1) Disclosure Statement. Prior to electronically transmitting any consent or notice to the Recipient, the Plan Administrator shall provide a statement which contains the following: (i) informs the Recipient of the right to receive a paper document of the notice or other Plan-related material either prior to or after giving consent to electronic transmission; (ii) informs the Recipient of the right to withdraw his or her consent at any time and the procedures for withdrawal, including any conditions, consequences, or fees arising from such withdrawal; (iii) describes the scope and duration of the consent as it related to various plan transactions; (iv) describes the procedures for updating Recipient

contact information; and (v) describes the hardware or software requirements needed to access and retain the notice.

(2) Consent. The Plan Administrator shall be exempt from the consent requirements of Section 101(c) of the Electronic Signatures in Global and National Commerce Act (E-SIGN) provided the electronic medium used to provide notices and Plan-related material is a medium that the Recipient has the effective ability to access and the Recipient is advised, each time a notice is transmitted, that he or she can request to receive the notice in paper form at no charge. The form of electronic medium utilized by this Plan shall be through an interactive website requiring the Recipient to register an e-mail address for communication purposes.

(3) Changes in Hardware or Software Requirements. In the event of any changes in the hardware or software requirements needed to access the electronic medium, the Plan Administrator, or its designated representative, shall provide a statement to each Recipient of the revised requirements and the right to withdraw consent to receive electronic delivery of Plan-related materials without consequence.

(c) Participant Elections. The Plan Administrator, or its designated representative, shall be permitted to electronically distribute participant elections by electronic medium. Each Recipient who is provided with enrollment or election information via electronic medium will also be informed by the Plan Administrator that he or she may receive a paper copy of the relevant documents upon request. A participant election will not be treated as being made available to an individual if such individual cannot effectively access the electronic medium for purposes of making the election. An election completed by a Recipient via electronic medium shall be deemed as being provided in written form so long as the following requirements are satisfied:

(i) The Recipient has a reasonable opportunity review, confirm, modify or rescind the terms of the election before the election becomes effective

(ii) The Recipient receives, within a reasonable time, a confirmation of the election either through written paper form or by electronic mail (e-mail).

(d) Timing and Content of Elections and Notices. The provisions of this Section 4.7 shall in no way affect or alter the timing or content requirements applicable to each individual notice or document.

ARTICLE V
ELIGIBILITY AND PARTICIPATION

5.1 Eligibility. Each Employee shall become eligible to participate in the Plan upon commencement of employment with the Employer.

5.2 Participation. An Employee who has become eligible to participate in the Plan shall become a Participant on the date on which the Employee satisfies the eligibility requirements of Section 5.1.

5.3 Accrual of Benefits. A Participant shall be entitled to his or her interest in the Employer Contributions under Section 6.1 for each Plan Year of employment.

5.4 Duration of Participation. A Participant's participation in the Plan continues until Severance from Employment. In the event an Employee whose participation has terminated is reemployed, he or she shall resume Participation on the date of the commencement of reemployment.

ARTICLE VI
CONTRIBUTIONS

6.1 Employer Contributions. Effective January 1, 2014, the Employer shall annually pay into the Trust, on behalf of the General Manager in accordance with the terms of a separate employment agreement between the General Manager and Employer, a contribution in an amount equal to the Employer's contribution rate to CalPERS up to 6.25%, of the General Manager's Excess Compensation for each Plan Year. For purposes of this Section 6.1, "Excess Compensation" shall mean that portion of the General Manager's base salary which exceeds the pensionable compensation limits established by California Government Code Section 7522.10(c) and subject to any regulations or opinions issued by the CalPERS Board of Administration and/or California Attorney General's Office.

6.2 Timing of Employer Contributions. Contributions made pursuant to Sections 6.1 shall be made no later thirty (30) days following the close of the Plan Year.

6.3 Employee Contributions.

(a) Mandatory Contributions. Effective January 1, 2015, a Director shall be required to make a contribution to the Plan equal to 7.5% of his or her Compensation as required under Code Section 3121(b)(7)(F) and Treasury Regulations Section 31.3121(b)(7)-2 in order for this Plan to be considered a retirement system with respect to said Director. The contribution shall be made through payroll deduction

(b) Employee Pick-Up Contributions. The General Manager may irrevocably elect to make annual contributions to the Plan at the same percentage of his or her Excess Compensation as is provided under Section 6.2. Such contribution shall be treated as an Employer Contribution for purposes of Code Section 414(h)(2). Once the preceding election has been made, the General Manager shall not be permitted to revoke such election.

ARTICLE VII
ALLOCATION TO PARTICIPANTS' ACCOUNTS

7.1 Participant Accounts.

(a) Employer Contribution Account. A separate Employer Contribution Account shall be established for each Participant and shall be credited annually with Employer Contributions under Section 6.1 and forfeitures, if any, allocated to the Participant.

(b) QVEC Account. A separate QVEC Account shall be maintained for any Participant for purposes of holding qualified voluntary employee contributions made by the Participant. Notwithstanding the preceding, qualified voluntary employee contributions are no longer permitted under the Plan.

(c) Employee Contribution Account. A separate Employee Contribution Account shall be maintained for any Participant for purposes of holding employee contributions made by the Participant under Section 6.3.

(d) Deductible Contribution Account. A separate Deductible Contribution Account shall be maintained for any Participant to hold any voluntary contributions that a Participant elected in prior years to have deductible, pursuant to the Code.

(e) Rollover Account. A separate Rollover Account shall be established and maintained for any Participant, which shall be credited with any rollovers or transfers to the Plan pursuant to Section 7.5.

7.2 Annual Valuation and Change in Value. The Trustee shall determine, as of the last day of each Plan Year and on such other dates as the Administrator shall determine, the fair market value of the net Trust assets. The Administrator shall allocate the profits to, or charge the losses against, the respective Accounts of the Participants in proportion to the balances of the Account as of the most recent valuation date.

7.3 Directed Accounts. The Employer may, in its discretion in a uniform and nondiscriminatory manner, permit Participants to direct the Trustee as to all or part of the investment of his or her Accounts, as provided in the Trust Agreement. Directed accounts shall be credited or charged with investment gains or losses of the assets in such accounts.

7.4 Interest in Trust Assets. Nothing herein contained shall be deemed to give any Participant any interest in any specific assets of the Trust and each Participant shall only have the right to receive payment at the time or times and upon the terms and conditions expressly set forth in the Plan.

7.5 Transfer From Other Qualified Plans; Rollover Contributions. The Plan will accept an Eligible Rollover Distribution (as defined in Section 10.8(c)) from another Eligible Retirement Plan on behalf of an Employee who is a Participant, pursuant to the following:

(a) Permissible Types of Rollover Contributions. The Plan shall accept an eligible rollover distribution from –

(1) a qualified plan and trust, as defined in Code Sections 401(a) or 403(a), excluding after-tax employee contributions;

(2) an annuity contract described in Code Section 403(b), excluding after-tax employee contributions;

(3) an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; and

(4) an individual retirement account that meets the requirements of Section 408(d)(3)(A)(ii), excluding an individual retirement account designated as a "Roth IRA" under Code Section 408A at the time of establishment.

(b) Requirements for Rollover Contribution. Such rollover or transfer must comply with the requirements of Code Section 402. The assets to be transferred must be accompanied by written representations, satisfactory to the Administrator, identifying the transferor plan, stating the name of the Employee, and providing such other information as the Administrator may require. The Administrator may require that certain assets be reduced to cash in order that the rollover or transfer be accepted by the Plan. However, in the event the Administrator accepts a rollover or transfer in kind from a plan under which the Employee was allowed to direct the investment of such amounts, the Administrator shall allow the Participant to continue to direct the investment of such rollover or transfer account.

In addition, the receipt of assets under this Section shall be subject to the following conditions:

(1) no transfer shall be in an amount less than One Hundred Dollars ($100);

(2) no amount may be transferred to the Plan without the prior approval of the Trustee. The Trustee shall act in a uniform, nondiscriminatory manner in this regard;

(3) all transfers shall be paid to the Trustee to hold in the Trust;

(4) a separate Account shall be established and maintained for each Participant who has made a transfer;

(5) the Participants' interest in the Account shall be fully vested and nonforfeitable;

(6) the amount held in the Account shall be paid to the Participant upon the Participant's request. Any distribution of such amounts shall be made in accordance with the applicable provisions of Article X;

(7) if it is determined that a Participant's transfer mistakenly failed to constitute an Eligible Rollover Distribution, the amount of such contribution shall be distributed to the Participant within a reasonable amount of time after the determination that the rollover is not valid.

(8) No Transfer of Benefit Options. If a direct rollover is received by the Administrator from another qualified plan, the Plan is not required to provide, with respect to amounts paid to it in such a direct rollover, the same optional forms of benefit that were provided under the transferor plan.

ARTICLE VIII
VESTING OF INTEREST

8.1 Vesting. The Participants' Accounts shall be fully vested and nonforfeitable at all times.

8.2 Forfeitures. Forfeitures shall be used for defraying reasonable expenses of administering the Plan. Any remaining forfeiture amounts not applied toward the payment of administrative expenses shall be applied toward the Employer contribution allocable under Section 6.1.

8.3 Lost Participants.

(a) Location of Lost Participant. The Employer shall take all necessary steps, upon the termination of participation, to ascertain the whereabouts of a lost Participant or Beneficiary whose benefit is payable.

(b) Mandatory Distribution. If the Account balance of a lost Participant or Beneficiary is $1,000.00 or more, and the Employer has exhausted its efforts to locate the missing Participant or Beneficiary, then the Administrator will distribute the entire Account via a direct rollover to an individual retirement plan designated by the Administrator.

(c) Forfeiture. If the Account balance of a lost Participant or Beneficiary is less than $1,000.00, and the Employer has exhausted its efforts to locate the missing Participant or Beneficiary and the Administrator has concluded that a Participant or Beneficiary cannot be located, the Participant's entire Account(s) shall be forfeited and allocated as provided in Section 8.2. In the event the lost Participant subsequently claims his or her benefit, the Participant's Account(s) shall be reinstated and distributed as provided in Article X.

ARTICLE IX
LIMITATION ON BENEFITS

9.1 Annual Additions. "Annual Additions" shall mean the sum for any Limitation Year of the following amounts allocated to a Participant's Accounts in all defined contribution plans maintained by the Employer:

(a) Employer Contributions;

(b) Forfeitures;

(c) Employee contributions; and

(d) Amounts allocated after March 31, 1984, to an individual medical account (as defined in Code Section 415(l)(2)) which is part of a pension or annuity plan maintained by the Employer.

(e) For the purposes of this paragraph, the term "Annual Additions" shall not include the following:

(1) Rollover contributions (as defined in Code Sections 402(c), 403(a)(4), 403(b)(8) and 408(d)(3));

(2) Employee contributions to a Simplified Employee Pension which are excludable from gross income under Code Section 408(k)(6).

9.2 Maximum Permissible Amount.

(a) Total Annual Additions. The amount of Annual Additions which may be contributed or allocated to a Participant's Accounts for any Limitation Year shall not exceed the lesser of:

(1) $40,000, as adjusted for increases in the cost of living under Code Section 415(d); or

(2) one hundred percent (100%) of the Participant's Compensation, as defined in Section 2.7(b), for the Limitation Year.

The Compensation Limit referred to in paragraph (2) above shall not apply to any contribution for medical benefits after Severance from Employment (within the meaning of Code Sections 401(h) or 419A(f)(2)) which is otherwise treated as an Annual Addition.

If the amount that would otherwise be contributed or allocated to the Participant's Accounts would cause the Annual Additions for the Limitation Year to exceed the maximum permissible amount, the amount contributed or allocated will be reduced so that the Annual Additions of the Limitation Year will equal the maximum permissible amount. For purposes of determining the total Annual Additions allocated to a Participant's Accounts during the Limitation Year, amounts or benefits provided to an Alternate Payee (as defined in Section 10.10) of the Participant shall be treated as if such allocations were allocated to the Participant's Account.

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive month period, the maximum permissible amount will not exceed the defined contribution dollar limitation multiplied by a fraction with a numerator that is equal to the number of months in the short limitation year and denominator of 12.

If the Plan is terminated as of a date other than the last day of the Plan Year, the Plan is deemed to have been amended to change its Limitation Period and the maximum permissible amount shall be prorated for the shortened period.

(b) Aggregation and Disaggregation of Other Defined Contribution Plans.

(1) Aggregating Plans. For purposes of applying the limitations of Section 9.2(a) for a Limitation Year, all qualified defined contribution plans (without regard to whether a plan has terminated) ever maintained by the Employer (or a "predecessor employer" as defined in subparagraph (i) below), including this Plan, shall be aggregated as one

(1) defined contribution plan. An annuity contract under Code Section 403(b) and a simplified employee pension plan under Code Section 408 shall be treated as a defined contribution plan maintained by the Employer.

(i) Predecessor Employer. A former Employer is a "predecessor employer" with respect to a Participant if the Employer maintains a plan under which the Participant had accrued a benefit during the course of employment with the former Employer and that benefit is provided under the Plan currently maintained by the "successor employer." An Employer is a successor employer with respect to a Participant if, under the facts and circumstances, the Employer represents a continuation of all or a portion of the trade or business of the former entity.

(ii) Mid-year Aggregation. Two or more defined contribution plans that are not required to be aggregated pursuant to Code Section 415(f) as of the first day of a Limitation Year shall not cause a Participant to fail to satisfy the requirements of Code Section 415 for the Limitation Year merely because the plans are aggregated later in the Limitation Year, provided that no Annual Additions are credited to such Participant after the date on which the plans are first required to be aggregated.

(2) Nonduplication of Benefits. If the Plan is aggregated with another defined contribution plan pursuant to this Section 9.2(b), a Participant's benefits are not counted more than once in determining the Participant's aggregate Annual Additions under Article IX.

9.3 Treatment of Excess Amounts. If the total Annual Additions that may be made with respect to any individual exceeds the limits of Code Section 415, or under any other limited facts and circumstances that the Commissioner of Internal Revenue finds justify the application of this Section, the excess amount will be corrected in accordance with the Employee Plans Compliance Resolution System as set forth in Revenue Procedure 2012-13 or any superseding guidance, including, but not limited to the preamble of the regulations issued under Code Section 415.

9.4 Special Rule for Short Limitation Year. In the event of a short Limitation Year because of an amendment changing the Limitation Year to a different twelve (12) consecutive month period, the maximum permissible amount shall not exceed the defined contribution dollar limitation multiplied by a fraction, the numerator of which is the number of months in the short Limitation Year and the denominator of which is twelve (12).

9.5 Special Rule for Make-Up Contributions Under USERRA. Any contributions allocated to the Accounts of a Participant who has served in qualified military service, as defined in the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), which is made and allocated to a Limitation Year but which is attributable to a prior Limitation Year shall not be taken into account in applying the limitations for the Limitation Year for which the contribution is made, but rather, shall be counted and subject to the limitations, for purposes of Code Section 415, for the Limitation Year to which the contributions relate.

ARTICLE X
DISTRIBUTION OF BENEFITS

10.1 Entitlement to Benefits. A Participant shall be entitled to a distribution of benefits under this Plan following his or her Severance from Employment. Benefits shall also be payable following the Participant's death in accordance with Section 10.5 or upon attainment of the Required Beginning Date under Section 10.7.

A Participant who is still employed on his or her Normal Retirement Date shall not be entitled to a distribution of benefits under this Plan until the Participant experiences a Severance from Employment. Such a Participant shall continue to participate in contributions under the Plan.

An Alternate Payee under a Domestic Relations Order shall be entitled to benefits under this Plan in accordance with Section 10.10.

10.2 Notification of Benefit Options. A Participant shall be furnished a notice not less than thirty (30) days, nor more than one hundred eighty (180) days (the "distribution election period"), prior to the first day of the first period for which an amount is paid. Such notice shall contain an explanation of the following:

(a) The right to defer the commencement of benefits until Normal Retirement Date, if applicable. The notice shall also describe the consequences of failing to defer receipt of the distribution and include a description indicating the investment options available under the Plan (including fees) that will be available if the Participant defers distribution.

(b) The form of benefits available under the Plan in accordance with Section 10.3.

(c) The option to elect a direct rollover to an Eligible Retirement Plan in accordance with Section 10.8.

(d) The mandatory income tax withholding provisions applicable if the distribution is not transferred to an Eligible Retirement Plan.

(e) The provisions under which the distribution will not be subject to tax if transferred to an Eligible Retirement Plan within sixty (60) days after the date on which the Participant received the distribution.

(f) The applicable rules on rollover and taxation of a lump sum distribution under Code Section 402(d) and (e).

10.3 Form of Retirement Benefit. If the vested amount credited to a Participant's Accounts is less than $5,000 as of the date of distribution, distribution shall be made in cash in one lump sum cash payment. However, if the Participant's vested balance is $5,000 or more, the Participant may select from among the following payment options:

(a) a single, lump sum cash payment;

(b) cash payments in monthly, quarterly, semi-annual or annual installments of substantially equal designated amounts or of a designated percentage of the value of the Participant's Account(s) payable over a fixed term not extending beyond the applicable life expectancy, as determined in accordance with the minimum distribution requirements of Code Section 401(a)(9), of the Participant or the Participant and a designated Beneficiary; or

(c) a joint and survivor annuity for the life of the Participant with a survivor annuity for the life the Participant's spouse which is fifty percent (50%) of the amount of the annuity which is payable during the joint lives of Participant and his or her spouse. An unmarried Participant's joint and survivor annuity is a single life annuity. This annuity shall be distributed to the Participant in the form of a nontransferable Annuity Contract meeting the requirements of this Plan and which is equal to the amount of benefit which can be purchased with the Participant's vested Accounts.

10.4 Timing of Distribution. Except as provided herein, the distribution of a Participant's Accounts shall begin as soon as administratively feasible following the Participant's Severance from Employment, but in no event, unless otherwise elected in writing by the Participant, later than the sixtieth (60th) day after the latest of the close of the Plan Year in which the Participant: (1) attains the earlier of age 65 or the Normal Retirement Date; (2) completes his or her tenth (10th) year of participation in the Plan; or (3) experiences a Severance from Employment.

(a) Consent to Distribution. Subject to the provisions of Section 10.4(c), distributions from the Plan shall only be made with the written consent of the Participant and his or her spouse, in accordance with paragraph (b) below. Written consent shall be given within the 180 days "distribution election period" ending on the first day of the first period for which an amount is paid and shall include an acknowledgment of the effect of such election. No consent under this Section 10.4 shall be valid unless the Participant has first received a notice which satisfies the requirements of Section 10.2.

(1) No Consent. The failure of a Participant to consent to a distribution while a benefit is immediately distributable shall be deemed an election to defer commencement of payment until the benefit is no longer immediately distributable.

(2) Waiver of 30-day period for distribution consent. The Plan may distribute a benefit less than 30 days after providing the Participant notice of the distribution option, if the Participant affirmatively elects a distribution. The Participant must be notified that the Participant has the opportunity to elect a distribution for at least 30 days after receiving the notice.

(b) Spousal Consent. The spouse's written consent to an election for distribution shall acknowledge the effect of the consent to that election and must be witnessed by a Plan representative or a notary public. A spouse's consent to an election for distribution cannot be revoked once made. A Participant who elected a form of benefit with his or her spouse's consent may not subsequently change the form of benefit without obtaining his or her spouse's consent. Spousal consent is not required if the Participant establishes to the satisfaction of the Administrator that: (i) he or she has no spouse; (ii) the spouse cannot be located; or (iii) other circumstances apply that make spousal consent unnecessary.

(c) Mandatory Distributions. In the event that a Participant fails to submit an election within the "distribution election period" specified in Section 10.2 and the value of the Participant's vested Accounts does not exceed One Thousand Dollars ($1,000) as of the date of distribution, no consent under this Section 10.4 will be required and the Participant shall receive a lump sum distribution of the entire vested portion of his or her Accounts.

10.5 Death Benefit.

(a) Form of Death Benefit. If the vested amount credited to a Participant's Accounts does not exceed $5,000 as of the date of distribution, the entire balance shall be distributed to the designated Beneficiary in one lump sum as soon as administratively feasible following the death of the Participant. If the vested balance of a Participant's Account exceeds $5,000 as of the date of distribution, the Beneficiary may elect to receive the distribution in either a lump sum or installments, provided the schedule of installments satisfies the minimum distribution requirements set forth in Section 10.7.

If the Participant dies after payments under a joint and survivor annuity have commenced, payments shall continue to the Beneficiary under the terms of the annuity.

(b) Rollovers to Surviving Spouse. If the designated Beneficiary is the surviving spouse of the Participant, the surviving spouse may also elect a direct rollover of the benefit to an Eligible Retirement Plan pursuant to Section 10.8. The Participant's Accounts shall be distributed, or begin to be distributed, to the surviving spouse on or before December 31 of the calendar year immediately following the calendar year in which the Participant died. However, if the surviving spouse is the sole designated Beneficiary of the Participant, distribution shall commence no later than December 31 of the calendar year immediately following the calendar year in which the Participant died or December 31 of the calendar year in which the Participant would have attained age seventy and one-half (70½).

(c) Timing of Election. The Participant's designated Beneficiary shall elect the method of distribution no later than September 30 of the calendar year following the year of the Participant's death. If the designated Beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth (5th) anniversary of the Participant's death.

(d) Direct Rollovers for Nonspouse Beneficiaries. Notwithstanding the foregoing, a designated Beneficiary who is not the surviving spouse of the deceased Participant may elect a direct rollover of the benefits at the time and in the manner prescribed by the Administrator. Any such distribution may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b) established for the purpose of receiving the distribution on behalf of the designated Beneficiary and treated as an inherited IRA within the meaning of Code Section 408(d)(3)(C). The Beneficiary must provide the Administrator with sufficient information to identify the status of the inherited IRA as well as the custodian of the funds to whom the direct transfer is to be made. Any distribution made in accordance with this provision shall be considered an "eligible rollover distribution" (as defined in Section 10.8) excludable from gross income for the year in which payment is made under Code Section 402(c)(1). If a Participant's designated Beneficiary is a trust, the trustee of such trust shall be permitted to elect a direct rollover to an individual retirement account in accordance with this subsection provided the beneficiaries of the trust otherwise satisfy the requirements to be designated beneficiaries within the meaning of Code Section 401(a)(9)(E) and the regulations issued thereunder.

10.6 In-Service Distributions. Any Participant may elect to withdraw all or a portion of his or her Voluntary Employee Contribution Account, QVEC Account or Rollover Account. No other types of in-service distributions are permitted and no more than one (1) in-service distribution shall be permitted in any single calendar year. In the event a Participant receives a distribution under this Section, the Participant shall continue to be eligible to participate in the Plan on the same basis as any other Employee. Any distribution made pursuant to this Section 10.6 shall be subject to the rules generally applicable to any other distribution permitted after Severance from Employment.

10.7 Minimum Distributions. Notwithstanding any other provisions of this Article, with respect to distributions occurring on or after January 1, 2003, the distribution of a Participant's Accounts shall meet the requirements of this Section, Code Section 401(a)(9) and the Regulations thereunder, and in accordance with the minimum distribution incidental benefit requirements of Code Section 401(a)(9)(G) and the Regulations issued thereunder. These minimum distributions shall be calculated each year by the Administrator and shall be distributed in accordance with this Section.

(a) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's Accounts will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(2) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's Accounts will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(ii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iii) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's Accounts will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iv) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 10.7(a)(2), other than Section 10.7(a)(2)(i), will apply as if the surviving spouse were the Participant.

For purposes of this Section 10.7(a)(2) and 10.7(c), unless Section 10.7(a)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 10.7(a)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 10.7(a)(2)(i). If distributions under an annuity purchased from an insurance Employer irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 10.7(a)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution. Unless the Participant's Accounts are distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with paragraphs (b) and (c) of this Section 10.7. If the Participant's Accounts are distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury Regulations issued thereunder.

(b) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

(i) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or

(ii) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (b) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

(c) Required Minimum Distributions After Participant's Death.

(1) Death on or After Date Distributions Begin. If the distribution of a Participant's interest has begun in accordance with Section 10.7(b)(1) and the Participant dies before the entire Account balance has been distributed, the remaining portion of the Account balance must be distributed at least as rapidly as under the distribution method used as of the date of the Participant's death. Thereafter, the applicable distribution period for distribution years after the year of the Participant's death shall be as provided under subparagraph (i) or (ii) below.

(i) Participant Survived By Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:

1. The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

2. If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

3. If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(ii) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin.

(i) Participant Survived By Designated Beneficiary. If the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in Section 10.7(c)(1).

(ii) No Designated Beneficiary. If the Participant dies before the date distribution begins and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's Accounts will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) Death of Surviving Spouse Before Distributions to Surviving Spouse are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 10.7(a)(2)(i), this Section 10.7(c)(2) will apply as if the surviving spouse were the Participant.

(d) Application of 5-Year Rule.

(1) Election by Participant or Beneficiary. A Participant or Beneficiary may elect on an individual basis whether the 5-year rule or the Life Expectancy rule in Sections 10.7(a)(2) and 10.7(c)(2) applies to distributions after the death of a Participant who has a Designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 10.7(a)(2), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor the Beneficiary makes an election under this paragraph, distributions will be made in accordance with Sections 10.7(a)(2) and Section 10.7(c)(2).

(2) Election By Current Beneficiary. A Designated Beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the Life Expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the Life Expectancy rule for all Distribution Calendar Years before 2004 are distributed by the earlier of December 31, 2003 or the end of the five (5) year period.

(e) Definitions.

(1) Designated Beneficiary. The individual who is designated as the Beneficiary under Section 11.8 of the Plan and is the

Designated Beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4 of the Treasury Regulations.

(2) Required Beginning Date. The "Required Beginning Date" of a Participant is April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70½ or the calendar year in which the Participant retires.

(3) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Section 10.7(a)(2). The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

(4) Life Expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(5) Participant's Account Balance. The account balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by the distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

(f) TEFRA Section 242(b)(2) Elections. Notwithstanding any other provisions of this Section 10.7, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

(g) Transition Rules.

(1) Plan Years Prior to 2001. Required minimum distributions for calendar years after 1984 and before 2001 were made in accordance with Code Section 401(a)(9) and the proposed regulations issued thereunder as published in the Federal Register on July 27, 1987.

(2) 2001 Plan Year. Required minimum distributions for calendar year 2001 were made in accordance with Code Section 401(a)(9) and the proposed regulations issued thereunder as published in the Federal Register on January 17, 2001.

(3) 2002 Plan Year. Required minimum distributions for calendar year 2002 were made in accordance with Code Section 401(a)(9) and the final and temporary regulations issued thereunder as published in the Federal Register on April 17, 2002, which are described in paragraph (a) through (f) of this Section 10.7.

(h) WRERA Elections for 2009 Calendar Year. Notwithstanding any other provisions of this Section 10.7, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs") and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or Life Expectancy) of the Participant, the joint lives (or joint Life Expectancy) of the Participant and the Participant's Designated Beneficiary, or for a period of at least 10 years, will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence. In addition, notwithstanding Section 10.8 of the Plan, and solely for purposes of applying the direct rollover provisions of the Plan, a direct rollover will include 2009 RMDs but only if paid with an additional amount that is an Eligible Rollover Distribution (as defined in Section 10.8(c)) without regard to Code Section 401(a)(9)(H).

10.8 Direct Rollovers. A Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution that is equal to at least $200.00 paid directly to an Eligible Retirement Plan specified by the Distributee. If an Eligible Rollover Distribution is less than $200.00, a Distributee may not make the election described herein to rollover a portion of the Eligible Rollover Distribution. The Distributee must provide the Administrator with sufficient information to identify the Eligible Retirement Plan as well as the trustee or custodian of the funds to whom the transfer is to be made.

For purposes of this Section, the following definitions shall apply:

(a) Distributee. A "Distributee" shall mean an Employee or former Employee. In addition, the Employee's or former

Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), shall be Distributees with regard to the interest of the spouse or former spouse. A Distributee shall also mean a Participant's non-spouse designated beneficiary, in which case, the distribution can only be transferred to a traditional or Roth IRA established on behalf of the non-spouse designated beneficiary for the purposes of receiving the distribution in accordance with Section 10.5(d).

(b) Eligible Retirement Plan. "Eligible Retirement Plan" shall mean an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b) or a qualified trust described in Code Section 401(a) that accepts the Distributee's Eligible Rollover Distribution.

"Eligible Retirement Plan" shall also mean an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state of political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. For distributions made after December 31, 2007, "Eligible Retirement Plan" shall also mean a Roth IRA described in Code Section 408A(b) provided such distribution is made by a direct trustee-to-trustee transfer and the receiving plan agrees to separately account for the amounts transferred.

(c) Eligible Rollover Distribution. An "Eligible Rollover Distribution" shall mean any distribution of all or any portion of the balance to the credit of the Distributee, except that it shall not include:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten (10) years or more; or

(2) any distribution required under Code Section 401(a)(9); or

(3) the portion of any distribution that is not includable in gross income of the Distributee; or

(4) any other distribution that is reasonably expected to total less than $200 during a year.

Notwithstanding the foregoing, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may only be transferred in a direct trustee-to-trustee transfer to an individual retirement account or annuity described in Code Section 408(a) or (b), or to a qualified defined contribution plan described in Code Sections 401(a) or 403(a), or to an annuity contract described in Code Section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(d) Rollovers to Roth IRA. Effective for distributions occurring after December 31, 2007, a Distributee may also elect to have any portion of an Eligible Rollover Distribution paid directly to a Roth IRA described in Code Section 408A provided the distribution requirements of Section 10.4 and this Section 10.8 have been satisfied. Any distribution made in accordance with this provision shall be considered a "qualified rollover contribution" and includable in the Distributee's gross income for the year in which payment is made under Code Section 408A(d)(3)(A).

10.9 Designation of Beneficiary. Each Participant shall designate a primary Beneficiary and a contingent Beneficiary to receive any death benefit under this Plan in accordance with this Section. The designation of a primary Beneficiary and a contingent Beneficiary may be changed from time to time by filing a new designation in writing with the Employer. This designation shall be made at the time and in the manner established by the Employer in accordance with Code Section 401(a)(9) and the Regulations issued thereunder.

(a) Primary Beneficiary. A primary Beneficiary's rights shall arise if the Participant dies before receiving all of his or her benefits.

(b) Contingent Beneficiary. The rights of a contingent Beneficiary shall arise if the primary Beneficiary predeceases the Participant, if the primary Beneficiary (who is not the Participant's surviving spouse) has not survived to receive all of the Participant's undistributed death benefits, or if the Participant's surviving spouse (who is the primary Beneficiary) has not survived to receive all of the Participant's undistributed death benefits and has not designated a contingent Beneficiary.

If the Participant's surviving spouse is the primary Beneficiary at the Participant's death, the Participant's surviving spouse may designate a contingent Beneficiary. Otherwise, if the primary Beneficiary is other than the Participant's surviving spouse and if the Participant specifically elects, the primary Beneficiary may designate a contingent Beneficiary. If the primary Beneficiary makes a designation of a contingent Beneficiary (as the surviving spouse of the Participant or pursuant to the election by the Participant permitting such a designation), the primary Beneficiary's designation of a contingent Beneficiary shall be controlling and shall supersede any designation of a contingent

Beneficiary by the Participant. In the event that a contingent Beneficiary has not been designated in accordance with Subsection (b) of this Section, then the designation of a contingent Beneficiary shall be made in accordance with Subsection (e) of this Section.

(c) Requirements of Spousal Consent. Each Participant for whom a spousal consent is required in accordance with this Section shall obtain the consent of his or her spouse in writing on the beneficiary designation form filed with the Employer. Any beneficiary designation made by a Participant at a time when no spousal consent was required and prior to the time benefit payments commence shall be void if spousal consent is required at the time benefit payments commence, unless spousal consent to that designation is obtained in accordance with this subsection.

The written consent of the Participant's spouse shall be obtained in the event the Participant's spouse has a community property interest in the Participant's Account and the Participant designates another individual or entity (rather than the spouse) as the sole primary Beneficiary.

(d) When Spousal Consent is Not Required. Generally, the consent of Participant's spouse to the Participant's beneficiary designation is required; however, no spousal consent is required if –

(1) the Participant designates his or her spouse as the sole primary Beneficiary; or

(2) the Participant establishes to the satisfaction of the Administrator that: (i) he or she has no spouse; (ii) the spouse cannot be located; or (iii) other circumstances apply that make spousal consent unnecessary.

(e) Designation of Beneficiary by Employer. If, on the death of a Participant, former Participant, or the death of the current Beneficiary following the death of the Participant, the Administrator does not have a valid Beneficiary designation on file, the Employer shall designate a Beneficiary in the following order of priority:

(1) surviving spouse or registered domestic partner under state law;

(2) surviving children, including adopted children, in equal shares;

(3) surviving parents, in equal shares;

(4) Participant's estate; provided, however, that irrespective of said order of priority, the Employer may designate the

Participant's estate or the trustee(s) of the trust(s) named as the Beneficiary of the residue of the Participant's probate estate as Beneficiary. The Employer's determination of the individuals or entities as Beneficiary shall be final.

10.10 Distribution under Domestic Relations Order. An "alternate payee" under a "domestic relations order" ("DRO") shall be entitled to benefits in accordance with the requirements of this Article, except that a distribution pursuant to a DRO will be permitted whether or not the affected Participant has experienced a Severance from Employment. For purposes of this Section, "domestic relations order," and "alternate payee" shall have the meanings set forth in Code Section 414(p).

10.11 Distribution in Cash or Kind. Whenever a distribution is to be made from the Plan, the Administrator may cause any distributions to be made in cash, in kind, or a combination thereof.

10.12 Rollovers Disregarded in Determining Value of Account Balance for Involuntary Distributions. For purposes of Sections 10.3, 10.4(a) and (c) and 10.5(a), the value of a Participant's Account balance shall be determined without regard to that portion of the Account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).

ARTICLE XI
AMENDMENT AND TERMINATION

11.1 Employer Reserves Right to Amend. The Employer reserves the right to amend the Plan, including retroactive amendments, provided that no such amendment or modification shall revert any part of the principal or interest of the Trust to the Employer; or shall divert any part of the assets of the Trust for purposes other than the exclusive benefit of Participants or their Beneficiaries who have an interest in the Plan or for the purpose of defraying the reasonable expenses for administering the Plan.

11.2 Employer's Discretion. The Employer has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the continuance of the Plan is not assumed as a contractual obligation by the Employer and the Employer is not under any obligation to continue its contributions or to maintain the Plan for any given length of time. The right is reserved by the Employer, in its sole and absolute discretion, to discontinue contributions or terminate the Plan, at any time, without any liability whatsoever for such discontinuance or termination.

11.3 Termination Events. The Plan and Trust shall terminate upon the delivery to the Trustee of a notice of termination executed by the Employer specifying the date as of which the Plan and Trust shall terminate. Termination of the Plan and

Trust shall also occur upon the adjudication of the Employer as bankrupt or the Employer's general assignment for the benefit of creditors.

11.4 Termination Procedure.

(a) Revaluation of Assets and Allocation. Upon the whole or partial termination of the Plan, the Trustee shall revalue the Trust assets as of the date of termination and, after satisfying Trust obligations, shall adjust all Participants' Accounts for such obligations and Trust profits or losses (whether or not such profits or losses have been realized) to the date of termination. The allocation to each individual Participants' Accounts of expenses, profits, or losses shall be in the proportion that the Account values of each individual Participant bears to the total Account values of all Participants.

(b) Distribution of Assets. Upon termination of the Plan in whole or in part, the Employer may direct the distribution of Participant Accounts to each Participant. Distribution may be made in a single lump sum payment, in cash or assets of the Trust, without the Participant's and spouse's consent.

ARTICLE XII
GENERAL PROVISIONS

12.1 Non-Reversion. No portion of the principal or income of the Trust from the Employer contributions shall be paid to or revert to the Employer or be used for a purpose other than for the exclusive benefit of the Participants and their Beneficiaries, except to defray reasonable expenses of the administration of the Plan; provided, however, that in the case of a contribution which is made by an Employer by a mistake of fact, the Trustee may return such contribution to the Employer within one (1) year after the payment of the contribution.

12.2 Type of Plan. The Plan is a governmental plan as defined in Code Section 414(d).

12.3 Nondiscrimination. Effective for the Plan Year beginning after August 17, 2006, governmental plans (within the meaning of Code Section 414(d)) maintained by a State or local government or political subdivisions thereof (or agency or instrumentality thereof) are exempt from the nondiscrimination and participation requirements of Code Sections 401(a)(3), 401(a)(4) and 401(a)(26).

12.4 Special Rules for Veterans. Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to "qualified military service" will be provided in accordance with Code Section 414(u). Effective for years beginning after December 31, 2008, an individual receiving from the Employer a differential wage payment, as defined in Code Section 3401(h)(2), shall be treated as an Employee of the Employer and the differential wage payments shall be treated as Compensation for purposes of determining vesting and benefit accrual. The Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

In addition, in the case of a Participant who becomes disabled or dies during qualified military service, as defined in the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), on or after January 1, 2007, the Participant or his or her designated Beneficiary shall be entitled to any additional benefits provided under the Plan as if the Participant had resumed employment with the Employer on the day preceding death or Disability and then terminated employment on the actual date of the death or Disability

12.5 Discharge of Employee. The adoption and maintenance of the Plan shall not be deemed to be a contract between the Employer and any Employee. Nothing herein contained shall be deemed to give any Employee the right to be retained in the employ of the Employer or to interfere with the right of the Employer to discharge any Employee at any time.

12.6 Consolidation With Other Plan. In the event the Plan and the Trust merge or consolidate with, or transfer the assets and liabilities to, any other qualified plan of deferred compensation, no Participant herein shall, solely on account of such consolidation or transfer, be entitled to a benefit on the day following such event which is less than the benefit to which he or she was entitled on the day preceding such event. For the purpose of this Section, the benefit to which a Participant is entitled shall be calculated and based upon the assumption that a Plan termination and distribution of assets occurred on the day as of which the amount of the Participant's entitlement is being determined.

12.7 The Plan. The Trust and the Plan are part of a single, integrated employee benefit system and shall be construed together. In the event of any conflict between the terms of these documents, such conflict shall be resolved first in favor of the Plan, and then the Trust.

12.8 Applicable Law. The Plan and Trust, including any administrative policies adopted by the Employer (collectively the "Plan Documents"), shall be construed, administered and governed under the Code; and to the extent any of the provisions of the Plan Documents are inconsistent with the Code, the provisions of the Code shall control. The Plan Documents shall also be construed, administered and governed by the laws of the State of California to the extent that the state law is not superseded or inconsistent with the Code. If, however, any provision is susceptible to more than one (1) interpretation, such interpretation shall be given thereto as is consistent with the Plan Document being a qualified plan and trust within the meaning of the Code.

12.9 Successors and Assigns. The Plan shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

12.10 Severability. If a court of competent jurisdiction shall find any provision of the Plan invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

12.11 Gender and Number. Words used in the masculine, feminine, or neuter gender shall each be deemed to refer to the other whenever the context so requires; and words used in the singular or plural number shall each be deemed to refer to the other whenever the context so requires.

12.12 Headings. Headings used in the Plan are inserted for convenience of reference only and any conflict between such headings and the text shall be resolved in favor of the text.

12.13 Counterparts. The Plan may be executed in an original and any number of counterparts by the Employer, each of which shall be deemed to be an original of one and the same instrument.

EXECUTION

IN WITNESS WHEREOF, the Employer has caused this Restated Plan document to be executed on _______________.

EMPLOYER

MUNICIPAL WATER DISTRICT OR ORANGE COUNTY

By: ______________________________

By: ______________________________

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER LLP

By: ________________________________

Attorneys for Employer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MONEY PURCHASE PENSION PLAN

RESTATED TRUST AGREEMENT

THIS RESTATED AGREEMENT ("Agreement") is made and entered into by and between MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, a California local government entity ("Employer"), and the BOARD OF DIRECTORS OF EMPLOYER, hereinafter referred to as Trustee, to be effective as of the date of adoption hereof.

RECITALS

WHEREAS, the Employer adopted the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN ("Plan"), effective ______________ and subsequently restated and amended on January ______, 2015, for the exclusive benefit of Employees of the Employer and their Beneficiaries.

WHEREAS, funds are from time to time contributed to the Trust to be maintained in trust for the benefit of the Employees and their Beneficiaries under the terms of the Plan.

WHEREAS, the Employer desires to restate the Trust Agreement established pursuant to the terms of the Plan in order to amend the Trust Agreement to change the manner in which the Trustee is appointed to more accurately reflect the tenure of a member of the Board of Directors of the Employer.

NOW, THEREFORE, it is mutually agreed that the following shall constitute the Trust Agreement:

A. The Trust Assets

(1) The Employer shall pay any Employer and Employee Contributions to the Trustee from time to time in accordance with the Plan. Employee Contributions hereinafter made and all investments thereof, together with all accumulations, accruals, earnings and income with respect thereto, shall be held by the Trustee in trust hereunder as the Trust Assets. The Trustee shall not be responsible for the administration of the Plan, maintaining any records of Participants' Accounts under the Plan, or the computation of or collection of Employer Contributions, but shall hold, invest, reinvest, manage and administer the Trust Assets as provided herein for the exclusive benefit of Participants, retired Participants and their Beneficiaries.

(2) Except as herein provided, the Trustee shall hold, invest, manage and administer the Trust Assets as a single fund known as the General Fund without identification of any part of the Trust Assets with or allocation of any part of the Trust Assets to any Participant or group of Participants or their Beneficiaries.

(3) In addition, the Trustee shall, if so instructed by the Employer and the respective Participants in accordance with the Plan, establish

separate Participant Investment Accounts for each such Participant. Each such account shall be invested and accounted for as a separate Fund of the Trust.

(5) Any income or other receipts with respect to Trust Assets in each Fund shall be credited to the Fund which contained the Trust Assets with respect to which the income or other receipt was received.

(6) The Employer shall instruct the Trustee in writing as to the Fund to be credited or charged, as the case may be, at the time that assets are transferred to the Trustee, at the time that the Employer instructs the Trustee as to a distribution or other payment and at any other time that a transfer between Funds is required or provided for under the terms of the Plan.

B. Investment.

(1) All investment of Trust Assets by the Trustee shall be as directed in writing by the Employer. The Employer shall be a "named fiduciary" and shall have the exclusive authority and responsibility to acquire, manage, administer and dispose of Trust Assets. The Employer shall have the responsibility for the investment of Trust Assets only in investments which do not violate Section 4975 of the Code, and the Trustee shall comply with proper written directions from the Employer which are in accordance with the Plan and are not contrary to the Code. Investments directed by the Employer shall not be in conflict with the "prohibited transactions" provisions of Section 4975 of the Code. The Employer, and not the Trustee, shall be responsible for insuring that the investments directed by the Employer are not in conflict with the "prohibited transaction" provisions of Section 4975 of the Code and are in accordance with the Plan. The Employer shall be the "administrator" within the meaning of Section 414(g) of the Code.

(2) As directed by the Employer, the Trustee shall purchase such securities or other property, or shall sell such securities or other property held as part of the Trust Assets, as may be specified in any such directions. The Trustee shall have no obligation whatsoever to seek or request any such direction from the Employer, nor shall the Trustee have any power or authority to dispose of any securities or property acquired pursuant to such direction unless directed by the Employer. Subject to the limitations set forth herein, the Trustee shall be under a duty to comply with any such direction when given, but shall have no responsibility in connection with any such purchase, retention or sale, other than compliance with such direction.

(3) The Trust Assets may be invested in savings accounts, certificates of deposit, stocks and bonds of corporations, any kind of investment fund for the investment of qualified benefit trusts, insurance policies on the lives of Participants or key employees of the Employer or in any other kind of reality or personality. The Trust Assets in each of the Funds and accounts described in Paragraph A shall be invested by the Trustee, as directed by the Employer and/or the Participant, in the types of investments permitted by the Plan.

(4) The Employer may in its discretion appoint an Investment Manager to acquire, manage and dispose of all or a specified portion of the Trust Assets. In such event, neither the Employer nor the Trustee shall be responsible for

directing the investment of such Trust Assets and the Trustee shall follow the instructions of the Investment Manager in investing such Trust Assets. The Trustee shall not be responsible for any losses or unfavorable results arising out of compliance with instructions from an Investment Manager. An Investment Manager is any person, firm or corporation who is a registered investment adviser under the Investment Advisers Act of 1940, a bank or insurance Employer and (a) who has the power to acquire, manage or dispose of Trust Assets, and (b) who acknowledges in writing his fiduciary responsibility to the Plan. In the event of the appointment of an Investment Manager, the limitations of the liability of the Trustee shall apply to the Trustee in its dealings with said Investment Manager.

C. Trustee's Powers.

Upon direction from the Employer, the Trustee shall have the power to:

(1) sell, transfer, mortgage, pledge, lease or otherwise dispose of, or grant options with respect to any securities or other property in the Trust at public or private sale, for cash or on credit, upon such conditions, at such prices and in such manner as the Employer shall direct, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(2) borrow from itself or any other lender to acquire any property authorized by this Agreement, giving its note as Trustee with such interest and security for the loan as may be appropriate and necessary and to enter into contracts for the purchase or sale of any property;

(3) vote upon any stocks, bonds or other securities held in the Trust, or otherwise consent to or request any action on the part of the issuer in person or by proxy;

(4) give general or specific proxies or powers of attorney with or without powers of substitution;

(5) consent to or otherwise participate in reorganizations, recapitalizations, consolidations, mergers and similar transactions with respect to any securities and to pay any assessments or charges in connection therewith;

(6) deposit such securities in any voting trust, or with any protective or like Employer, or with a trustee or with depositories designated thereby;

(7) sell or exercise any options, subscription rights and conversion privileges and to make any payments incidental thereto;

(8) sue, defend, compromise, arbitrate or settle any suit or legal proceeding or any claim, debt or obligation due to or from it as Trustee and to reduce the rate of interest on, extend or otherwise modify, or to foreclose upon default or otherwise enforce any such obligation; to bid in property on foreclosure or to take a

deed in lieu of foreclosure with or without paying consideration therefore and in connection therewith or to release the obligation on the bond secured by the mortgage;

(9) retain, acquire or otherwise deal in any of its own capital stock if it is so expressly directed by the Employer or in any stock for which it is registrar, transfer agent and the like;

(10) retain any of the Trust Assets in cash or deposit with itself as a bank or otherwise without liability for the payment of interest thereon or in property returning no income or slight income;

(11) perform all acts which the Trustee shall deem necessary and appropriate and exercise any and all powers and authority of the Trustee under this Agreement; and

(12) exercise any of the powers of an owner with respect to securities or other property comprising the Trust Assets. The Employer may authorize the Trustee to act on any matter or class of matters with respect to which direction or instruction to the Trustee by the Employer is called for hereunder without specific direction or other instruction from the Employer.

D. Nominees. The Trustee may register any securities or other property held by it hereunder in its own name or in the name of its nominees with or without the addition of words indicating that such securities are held in a fiduciary capacity, and may hold any securities in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Assets.

E. Records. The Trustee shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection by any person designated by the Employer at all reasonable times. The Trustee shall maintain such records, make such computations except as concerns Employer Contributions and perform such ministerial acts as the Employer may from time to time request.

F. Reports.

(1) Within ninety (90) days after each Anniversary Date or the removal or resignation of the Trustee, and as of any other date specified by the Employer, the Trustee shall file a report with the Employer. This report shall show for each of the Funds described in Paragraph A hereof all purchases, sales, receipts, disbursements, and other transactions effected by the Trustee during the year or period for which the report is filed, and shall contain an exact description, the cost as shown on the Trustee's books, and where readily ascertainable, the market value as of the end of such period of every item then held in the Trust and the amount and nature of every obligation owed by the Trust. For purposes of determining the market value of securities held by the Trustee, such securities shall be valued as of the close of business on such Anniversary Date or other date, or if securities shall not have been traded and reported on an established securities exchange or in the over-the-counter market on such date, then as of the close of business on the day first preceding such date on which such securities shall have been traded and reported.

(2) Notwithstanding any other provision of this Paragraph F, if the Trustee shall determine that the Trust Assets consist, in whole or in part, of property not traded freely on a recognized market, or that information necessary to ascertain the fair market value thereof is not readily available to the Trustee, the Trustee shall request the Employer to instruct the Trustee as to the value of such property for all purposes under the Plan and this Agreement, and the Employer shall comply with such request. The value placed upon such property by the Employer in its instructions to the Trustee shall be conclusive and binding upon all parties with an interest herein. If the Employer shall fail or refuse to instruct the Trustee as to the value of such property within a reasonable time after receipt of the Trustee's request to do so, the Trustee may engage a competent appraiser to fix the fair market value of such property for all purposes hereunder. The determination of any such appraiser as to the fair market value of such property shall be conclusive upon all interested parties, and the Trustee shall have no liability in connection therewith. The reasonable fees and expenses incurred for any such appraisal shall be deemed an expense of the Trustee and paid as provided in the Plan.

G. Distributions and Payments.

(1) The Trustee shall make distributions from the Trust at such times to or for the benefit of the person entitled thereto under the Plan as the Employer directs. Any undistributed part of a Participant's Plan Benefit shall be retained in the Trust until the Employer directs its distribution. Where distribution of any benefit is directed by the Employer, the Trustee shall comply with the instructions of the Employer and shall mail such distribution to the person entitled thereto at the address furnished it by the Employer. If a dispute arises as to who is entitled to or should receive any benefit or payment, the Trustee may withhold or cause to be withheld such payment until the dispute has been resolved.

(2) As directed by the Employer, the Trustee shall make payments out of the Trust Assets. Such directions or instructions need not specify the purpose of the payments so directed, and the Trustee shall not be responsible in any way respecting the purpose or propriety of such payments.

(3) No distribution or payment under this Agreement to any Participant or his Beneficiary under the Plan shall be subject in any manner to anticipation, sale, transfer, assignment, alienation or encumbrance, whether voluntary or involuntary, and no attempt so to anticipate, sell, transfer, assign, alienate or encumber the same shall be valid or recognized by the Trustee nor shall any such distribution or payment be in any way liable for or subject to the debts, contracts, liabilities or torts of any person entitled to such distribution or payment, except to such extent as may be required by law or expressly provided for in the Plan. If the Trustee is notified by the Employer that any such Participant or Beneficiary has been adjudicated bankrupt or has purported to anticipate, sell, transfer, assign, alienate or encumber any such distribution or payment, voluntarily or involuntarily, the Trustee shall, if so directed by the Employer, hold or apply such distribution or payment or any part thereof to or for the benefit of such Participant or Beneficiary in such manner as the Employer shall direct.

(4) In the event that any distribution or payment directed by the Employer shall be mailed by the Trustee to the person specified in such direction at the latest address of such person filed with the Employer, and shall be returned to the Trustee because such person cannot be located at such address, the Trustee shall promptly notify the Employer of such return. Upon the expiration of sixty (60) days after such notification, such direction shall become void and unless and until a further direction by the Employer is received by the Trustee with respect to such distribution or payment, the Trustee shall thereafter continue to administer the Trust as if such direction had not been made by the Employer. The Trustee shall not be obligated to search for or ascertain the whereabouts of any such person.

H. <u>Signatures</u>. All communications required hereunder from the Employer or the Employer to the Trustee shall be in writing signed by an officer of the Employer or a person authorized by the Employer to sign on its behalf. The Employer shall authorize one or more individuals to sign on its behalf all communications required hereunder between the Employer and the Trustee. The Employer and the Employer shall at all times keep the Trustee advised of the names and specimen signatures of all members of the Employer and the individuals authorized to sign on behalf of the Employer. The Trustee shall be fully protected in relying on any such communication and shall not be required to verify the accuracy or validity thereof.

I. <u>Expenses</u>. The Trustee and the Employer may employ suitable agents, investment advisors, accountants, consultants and counsel who may be counsel for the Employer. The expense incurred by the Trustee and the Employer in the performance of their duties hereunder and all other proper charges, expenses and disbursements of the Trustee or the Employer, including the Trustee's compensation, shall be paid by the Employer, provided that if the Employer is unable to pay the same, fails to do so or instructs the Trustee to pay same out of the Trust Assets, they may be charged to and paid out of the Trust Assets. Normal brokerage charges, commissions and taxes and other costs incident to the purchase and sale of securities which are included in the cost of securities purchased, or charged against the proceeds in the case of sales, shall be paid out of or charged against the Trust Assets. The Trustee shall be entitled to compensation as may be agreed upon in writing from time to time between the Employer and the Trustee.

J. <u>Liability of Trustee</u>.

(1) The Trustee shall not be liable for the making, retention or sale of any investment or reinvestment made by it as herein provided nor for any loss to or diminution of the Trust Assets nor any action it takes or refrains from taking at the direction of the Employer. The Trustee shall not be required to pay interest on any part of the Trust Assets which are held uninvested pursuant to the Employer's direction.

(2) Neither the Trustee nor any other person shall be under any duty to question any direction received from the Employer, or to review any securities or other property, or to make any suggestions to the Employer in connection therewith; and the Trustee shall as promptly as possible comply with any direction given by the Employer hereunder. The Trustee shall not be liable in any manner and for any reason for the making or retention of any investment pursuant to such direction nor shall the

Trustee be liable for its failure to invest any or all of the Trust Assets in the absence of such written direction.

K. Amendment and Termination.

(1)The Employer shall have the right at any time, by an instrument in writing, duly executed and acknowledged and delivered to the Trustee, to modify, alter or amend this Agreement, in whole or in part, and to terminate the Trust in accordance with the express provisions of the Plan. The Employer shall have the right in said manner to amend this Agreement retroactively to its effective date in order initially to meet the requirements of Section 401(a) of the Code, and to terminate this Agreement in the event of failure of the Internal Revenue Service, after application initially, to determine that the Plan and the Trust meet the requirements of Section 401(a) of the Code. In no event, however, shall the duties, powers or liabilities of the Trustee hereunder be increased without its prior written consent.

(2) It is intended that this Trust and the Plan referred to herein, constitute a qualified trust under Section 401(a) of the Code.

L. Irrevocability. Except as provided herein, this Trust is declared to be irrevocable and at no time shall any part of the Trust Assets revert to or be recoverable by the Employer or be used for or be diverted to purposes other than for the exclusive benefit of Participants or retired or terminated Participants and their Beneficiaries. However, the Employer may, by notice in writing to the Trustee, direct that all or part of the Trust Assets be transferred to a successor trustee or trustees under a trust instrument which is for the exclusive benefit of such Participants and their Beneficiaries and meets the requirements of Section 401(a) of the Code, and thereupon the Trust Assets or any part thereof, together with any outstanding loans and accrued interest attributable thereto shall be paid over, transferred or assigned to said trustee or trustees free from the Trust created hereunder; provided, however, that no part of the Trust Assets may be used to pay premiums or contributions of the Employer under any other plan maintained by it for the benefit of its employees.

M. Composition of Trustee. The Board of Directors of the Employer shall serve as the Trustee of the Plan. For this purpose, members of the Board of Directors shall act collectively as the Trustee of the Plan. Any change in the composition of the Board of Directors shall automatically change the composition of the Board of Directors for purposes of its role as Trustee of the Plan. As such, no appointment or acceptance to the role of Trustee shall be required from any member of the Board of Directors.

N. Definitions. The definitions of certain words in the Plan shall apply to this
Agreement where applicable. Masculine pronouns refer to women as well as to men, and the singular includes the plural.

O. Miscellaneous.

(1) The Trustee and the Employer shall within the time required by law file all reports, statements and forms required by applicable state and federal law and regulations. If this Trust and the Plan referred to herein, after initially qualifying as a tax exempt Trust under Section 401(a) of the Code, shall thereafter cease to be a qualified trust by reason of some act or omission on the part of the Employer, the Employer agrees to indemnify Trustee and hold Trustee harmless against any liability it may incur for Federal Estate or other taxes as a result of payments made from the Trust to Beneficiaries of deceased Participants after it ceases to be a qualified trust.

(2) In the event that any provision of the Plan or this Agreement is held to be illegal or invalid for any reason, such determination shall not affect the remaining provisions which shall be construed and enforced as if the illegal or invalid provisions had never been included.

P. Acceptance. The Trustee hereby accepts this Trust and agrees to hold the Trust Assets existing on the date of this Agreement and all additions and accretions thereto subject to all the terms and conditions of this Agreement which shall be interpreted and construed under the laws of the United States and the State of California.

Q. Construction. This Trust shall be construed, administered, and governed in all respects under applicable law, and to the extent that federal law is inapplicable, under the laws of the State of California; provided, however, that if any provision is susceptible to more than one interpretation, such interpretation shall be given thereto as is consistent with this Plan being an employees' plan within the meaning of Section 401 of the Code. If any provision of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

R. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, the Employer and the Trustee have caused this Agreement to be executed in duplicate this ____ day of January, 2015.

EMPLOYER

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

By: ________________________________

By: ________________________________

TRUSTEE:

BOARD OF DIRECTORS OF MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

By: ________________________________

By: ________________________________

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER LLP

By:________________________________
Attorneys for Employer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Item No. 5

ACTION ITEM
January 21, 2015

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: J. Berg
WUE Programs Manager

SUBJECT: **Bureau of Reclamation WaterSMART Grant Resolution**

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt the proposed resolution in support of MWDOC's 2015 WaterSMART: Water and Energy Efficiency grant application to be submitted to the Bureau of Reclamation by January 23, 2015.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In October 2014, the Bureau of Reclamation released its "WaterSMART: Water and Energy Efficiency Grants for FY2015" Funding Opportunity Announcement (FOA). The objective of this announcement is to invite proposals to leverage investments and resources by cost sharing with Reclamation on projects that save water, improve energy efficiency, address endangered species and other environmental issues, and facilitate water transfers to new uses. A total of $19 million is available for project awards within the 17 western states. The Bureau has established two funding groups: Group 1 includes projects that will be awarded up to $300,000 each; and Group 2 includes projects that will be awarded up to $1 million each.

Staff will be submitting an application for a Water Smart Landscape Project: Comprehensive Landscape Water Use Efficiency Program. The FOA requires all applications to include an official Board Resolution supporting the grant application. The proposed Resolution containing the required content is attached for your consideration.

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

RESOLUTION NO ______
RESOLUTION OF THE BOARD OF DIRECTORS OF MUNICIPAL WATER DISTRICT OF ORANGE COUNTY SUPPORTING A BUREAU OF RECLAMATION 2015 WATER SMART: WATER AND ENERGY EFFICIENCY GRANT APPLICATION

WHEREAS, the Municipal Water District of Orange County submitted an application to the Bureau of Reclamation for funding for an Water Smart Landscape Program: Comprehensive Landscape Water Use Efficiency Program to improve urban landscape water use efficiency in the Municipal Water District of Orange County service area,

WHEREAS, the Municipal Water District of Orange County is committed to developing and implementing a comprehensive water use efficiency program designed to meet our local water supply reliability goals, comply with the Best Management Practices for urban water conservation in California, and exceed the Governor's call for a 20% reduction in urban per capita water use by 2020,

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County Board of Directors designates Robert J. Hunter, General Manager, as the official who has reviewed and supports the application submittal and the legal authority to enter into an agreement on behalf of the District, and designates Joseph M. Berg, Water Use Efficiency Programs Manager, as the District's representative to sign the progress reports and approve reimbursement claims.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Municipal Water District of Orange County Board of Directors assures its capability to provide the amount of funding and in-kind contributions specified in the funding plan.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Municipal Water District of Orange County will work with Reclamation to meet established deadlines for entering into a cooperative agreement.

Said Resolution was adopted on January 21, 2015, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

I HEREBY CERTIFY the foregoing is a full, true, and correct copy of Resolution No. ____ adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on January 21, 2015.

____
Maribeth Goldsby, Secretary
Municipal Water District of Orange County

Item No. 6

ACTION ITEM
January 14, 2015

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Harvey De La Torre

SUBJECT: **AUTHORIZE THE GENERAL MANAGER TO DEVELOP A TEN-YEAR PURCHASE COMMITMENT WITH ORANGE COUNTY WATER DISTRICT; AND SIGN A PURCHASE ORDER WITH METROPOLITAN WATER DISTRICT**

STAFF RECOMMENDATION

Authorize the MWDOC General Manager and General Counsel to (1) develop and enter into a ten-year purchase commitment with Orange County Water District (OCWD); and sign a new ten-year Purchase Order with Metropolitan which will increase our Tier 1 maximum to 321,635 AFY and Purchase Order Commitment to 214,423 AFY (As shown in Attachment A).

If a purchase commitment with OCWD does not occur, (2) the MWDOC Board authorizes the MWDOC General Manager and General Counsel to sign a ten-year Purchase Order with Metropolitan which maintains our existing Tier 1 maximum of 280,592 AFY and Purchase Order Commitment of 148,616 AFY (As shown in Attachment B).

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

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

REPORT

On November 2014, the Metropolitan Board approved terms for member agencies to sign a new ten-year Purchase Order (PO), effective January 1, 2015 to December 31, 2025. As part of the new terms, member agencies can select between retaining their current PO Tier 1 maximum amount and existing commitment level **OR** seek a new updated PO which increases both the Tier 1 maximum amount and commitment level. Below are MWDOC's terms for both options:

	"Current" Purchase Order	**Optional Updated "New" Purchase Order**	**Difference**
Base Year Amount[1]	311,769 AF	357,372 AF	+45,603 AF
Tier 1 Maximum (90% of the Base)	280,592 AF	321,635 AF	+41,043 AF
Purchase Order Commitment (60% of the Base)	148,616 AF[2]	214,423 AF	+65,807 AF

[1] "Current Base" is the highest purchases of imported water from the FY 1990 to 2002 and the "Update Base" is the highest purchases of imported water from FY 2003 to 2014
[2] The "Current" Purchase Order Commitment amount is tied to 60% of the Original Base Year of 247,693 AF. The Base Year Amount increased to 311,769 AF when MWD discontinued both the Interim Water Agricultural Program and the Replenishment Program and shifted these interruptible sales to firm full service sales.

Last month, staff indicated to the MWDOC Board that it was recommended to have MWDOC select the PO with the Current Tier 1 Maximum and Purchase Order Commitment level, unless OCWD plans to make large purchases of imported water on a consistent basis over the next ten year to avoid possible Tier 2 purchases.

Through our discussions with OCWD staff these past weeks, we have come to the understanding that they plan to purchase approximately 65,000 AF per year; and believe the higher Tier 1 Maximum amount would provide them more flexibility in meeting their recharge needs. However, in selecting the higher PO MWDOC would be committed to purchase on average 214,423 AFY over the ten-year period. Due to recent increases in the Basin Pumping Percentage (BPP), the 20% by 2020 state requirement, and further local resource development and water use efficiency efforts in the county, MWDOC would need a guarantee from OCWD that they would purchase enough imported water over the next ten-years to help us meet the new increase PO commitment amount. For in the last six years, MWDOC's actual total imported water sales have only exceed the 214,423 AF level twice. Therefore, to mitigate the risk of not meeting the new increase PO commitment amount MWDOC would need to have a purchase commitment with OCWD.

The key provisions of a purchase commitment with OCWD would include:

- An effective date of January 1, 2015 thru December 31, 2024

- OCWD will commit to purchase imported water over the ten year period to ensure MWDOC meets its new purchase order commitment of 2,144,230 AF (214,423 AF x 10 years) at the end of the term
- OCWD will not be obligated to purchase more than 650,000 AF over the ten-year term
- If at the end of the ten-year term, MWDOC does not meet the purchase order commitment of 2,144,230 AF, OCWD will pay the unmet commitment amount – not to exceed the total ten-year obligation of 650,000 AF
- If MWDOC meets the total ten-year purchase commitment of 2,144,230 AF without OCWD purchasing the full 650,000 AF, then OCWD is not obligated to purchase the remaining balance of their commitment

An agreement between OCWD would provide them with the flexibility to make large purchases of imported water without incurring Tier 2 charges while ensuring MWDOC will meet its new purchase commitment with MWD at the end of the ten-year period. **Therefore, we recommend the Board authorizes the MWDOC General Manager and General Counsel to develop and enter into a ten-year purchase commitment with OCWD; and sign a new ten-year Purchase Order with MWD which will increase our Tier 1 maximum to 321,635 AFY and Purchase Order Commitment to 214,423 AFY (As shown in Attachment A).**

If a purchase commitment with OCWD does not occur, the MWDOC Board authorizes the MWDOC General Manager and General Counsel to sign a ten-year Purchase Order with MWD retaining our existing Tier 1 maximum of 280,592 AFY and a Purchase Order Commitment of 148,616 AFY (As shown in Attachment B).

Attachments:

- Attachment A – New Ten-Year Purchase Order with MWD and MWDOC with a Tier 1 maximum of 321,635 AFY and a Purchase Order Commitment of 214,423 AFY

- Attachment B - New Ten-Year Purchase Order with MWD and MWDOC retaining our existing Tier 1 maximum of 280,592 AFY and a Purchase Order Commitment of 148,616 AFY

- MWDOC General Manager’s letter to OCWD’s General Manager on Purchase Commitment Terms, January 6, 2015

PURCHASE ORDER FOR SYSTEM WATER TO BE PROVIDED BY THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

PURCHASER: MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	**TERM** 10 years: January 1, 2015 – December 31, 2024
INITIAL BASE PERIOD DEMAND: 357,372 acre-feet	**EFFECTIVE DATE:** January 1, 2015
INITIAL TIER 1 MAXIMUM—Annual Average: 321,635 acre-feet	**INITIAL TIER 1 MAXIMUM—Cumulative:** 3,216,350 acre-feet
PURCHASE ORDER COMMITMENT—Annual Average: 214,423 acre-feet	**PURCHASE ORDER COMMITMENT—Cumulative:** 2,144,230 acre-feet

Definitions of capitalized terms used in this Purchase Order are provided in Attachment 1. Terms used in this Purchase Order and not defined in Attachment 1 are defined in Metropolitan's Administrative Code.

COMMITMENT TO PURCHASE:

In consideration of Purchaser's commitment to purchase System Water pursuant to this Purchase Order, Metropolitan agrees to sell such System Water to Purchaser during the Term at the Tier 1 Supply Rate in an amount up to the Tier 1 Maximum—Cumulative. All System Water sold to Purchaser during the Term in an amount greater than the Tier 1 Maximum—Cumulative shall be sold to the Purchaser at the Tier 2 Supply Rate. In connection with the purchase of System Water, the Purchaser also agrees to pay all other applicable rates and charges, as established by Metropolitan from time to time. The rates and charges applicable to System Water as of the Effective Date are shown in Attachment 2.

If Purchaser's applicable System Water purchases during the Term exceed Purchaser's Tier 1 Maximum, Purchaser may elect to:

a.) Subject to the provisions of paragraph c) below, pay any Tier 2 Supply Rate obligations at the end of the Term, in an amount equal to the difference between the Purchaser's applicable System Water purchases and the Tier 1 Maximum—Cumulative during the Term times the average of the Tier 2 Supply Rate in effect during the Term; or,

b.) Pay any Tier 2 Supply Rate obligations annually as purchases are incurred, in an amount equal to the difference between the Purchaser's applicable annual System Water purchases and the Tier 1 Maximum—Annual times the Tier 2 Supply Rate in effect during the calendar year. A true-up at the end of the Term will be performed to ensure that the Purchaser has received all Tier 1 Maximum—Cumulative purchases allowed by the Purchase Order.

c.) If, after the end of the first five years, Purchaser has accrued a cumulative Tier 2 Supply Rate obligation, Purchaser may elect to pay the initial five year cumulative Tier 2 Supply Rate obligation (i) in full at the end of year five of the Term, (ii) amortize it in five equal installments over the remaining five calendar years of the Term, or (iii) pay it at the end of the Term. Commencing in year 6 of the Term, Purchaser shall pay any additional Tier 2 Supply Rate obligation annually.

Purchaser agrees to purchase System Water from Metropolitan during the Term in an amount not less than the Purchase Order Commitment. If Purchaser's applicable System Water purchases during the Term are less than the Purchase Order Commitment, each acre-foot of unmet commitment will be reduced by the amount of production from a local resource project, measured in acre-feet, that commences operation on or after January 1, 2014. A local resource project includes any project type as approved by the Board.

Purchaser agrees to pay Metropolitan an amount equal to the difference between the sum total in acre-feet of water of the Purchase Order Commitment (minus the amount reduced by the amount of production from a local resource project) and the sum total in acre-feet of water of Purchaser's applicable System Water purchases during the Term, times the average of the Tier 1 Supply Rate in effect during the Term.

Purchaser agrees to pay all amounts owing to Metropolitan, whether to satisfy a Purchase Order Commitment or a Tier 2 Supply Rate obligation, within the next regular billing cycle following the reconciliation of all certifications for special programs that the Purchaser may participate in. The Purchaser may elect to pay such amount in twelve equal monthly payments over the course of the next twelve months beginning with the first regular billing cycle following the reconciliation of all outstanding certifications for special programs. If the Purchaser elects to pay such amount over the course of the next twelve months following the regular billing cycle any outstanding balance shall bear interest at Metropolitan's then current investment portfolio average yield. All other amounts payable under this Purchase Order shall be billed and paid in accordance with the Administrative Code.

WATER SERVICE:

Conditions of water service by Metropolitan to the Purchaser, including but not limited to (i) delivery points, (ii) water delivery schedules, and (iii) water quality, will be determined in accordance with Chapter 5 (Section 4500 through 4514, inclusive, as applicable) of Metropolitan's Administrative Code.

In accordance with its Administrative Code, Metropolitan shall use its reasonable best efforts to supply System Water in the quantities requested by the Purchaser, but is not obligated to dedicate any portion of System capacity for the conveyance, distribution, storage or treatment of System Water for the benefit of the Purchaser or any other member agency. Metropolitan shall use its reasonable best efforts to deliver the System Water when needed by the Purchaser during the Term; provided however, there shall be no default under this Purchase Order if Metropolitan fails to deliver water to the Purchaser in accordance with any such schedule of deliveries during the Term.

By execution of this Purchase Order, the Purchaser recognizes and agrees that it acquires no interest in or to any portion of the System or any other Metropolitan facilities or supplies, or any right to receive water delivered through the System, excepting the right to purchase up to Purchaser's Tier 1 Maximum—Cumulative at the Tier 1 Supply Rate provided that System Water is available. This Purchase Order governs pricing of the System Water delivered to the Purchaser pursuant to this Purchase Order and does not confer any entitlement to receive System Water.

System Water provided to the Purchaser under the terms of this Purchase Order shall be subject to reduction in accordance with the shortage allocation provisions of the Water Surplus and Drought Management Plan (the "WSDM Plan") or other such policies and principles governing the allocation of System Water as adopted by the Board.

In the event that Metropolitan's Board or General Manager determines to reduce, interrupt or suspend deliveries of System Water, any outstanding balance of the Purchase Order Commitment at the end of the Term shall be reduced by the Purchase Order Commitment—Annual Average for each and every fiscal or calendar year that a reduction, interruption or suspension occurred.

MISCELLANEOUS:

This Purchase Order will be interpreted, governed and enforced in accordance with the laws of the State of California.

This Purchase Order will apply to and bind the successors and assigns of the Purchaser and Metropolitan.

No assignment or transfer of the rights of the Purchaser under this Purchase Order will be valid and effective against Metropolitan or the Purchaser without the prior written consent of Metropolitan and the Purchaser.

If at any time during the Term, by reason of error in computation or other causes, there is an overpayment or underpayment to Metropolitan by the Purchaser of the charges provided for under this Purchase Order, which overpayment or underpayment is not accounted for and corrected in the annual re-determination or reconciliation of said charges, the amount of such overpayment or underpayment shall be credited or debited, as the case may be, to the Purchaser. Metropolitan will notify the Purchaser in writing regarding the amount of such credit or debit, as the case may be. In no case will credits or debits for charges provided for under this Purchase Order be administered beyond the limit for billing adjustments as specified in Metropolitan's Administrative Code.

IN WITNESS WHEREOF, this Purchase Order is executed by the duly authorized officers of the Metropolitan Water District of Southern California and Municipal Water District of Orange County, as of December __, 2014.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
By: ______________________________ Jeffrey Kightlinger General Manager	By: ______________________________ [Title] ______________________________

APPROVED AS TO FORM AND CONTENT:

______________________________ General Counsel	______________________________ General Counsel
By: ______________________________	By: ______________________________

Attachment 1
Purchase Order for System Water
DEFINITIONS

"Act" means the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and supplemented from time to time.

"**Demand**" means the Purchaser's purchases of System Water supplies, including full service, seasonal shift, Conjunctive Use Program, Surface Storage Operating Agreement water, Recharge and Recovery Operating Agreement water, or any other water program deemed to be a purchase of System Water.

"**Effective Date**" means the effective date of this Purchase Order as specified above.

"Metropolitan" means The Metropolitan Water District of Southern California.

"Purchase Order Commitment" means:

i). if the Purchaser elects option a) under the Base Period Demand as defined in section 4122 of the Administrative Code, then 60% of the Purchaser's Initial Base Firm Demand times 10; or

ii). if the Purchaser elects option b) under the Base Period Demand, then 60% of the Purchaser's highest fiscal year Demand during the period from fiscal year 2002/03 through fiscal year 2013/14, times 10.

"Purchase Order" means this Purchase Order for System Water.

"Purchaser" means the member public agency specified above, a duly organized [city/water district/county water authority] of the State of California.

"System" means the properties, works and facilities operated and/or financed by Metropolitan necessary for the supply, development, storage, conveyance, distribution, treatment or sale of water.

"System Water" means water supplies developed by Metropolitan and delivered to the Purchaser through the System or other means (e.g. conjunctive use storage).

"Term" means the term of this Purchase Order as specified above.

"Tier 1 Maximum—Annual" means an amount equal to 90% of the Base Period Demand.

"Tier 1 Maximum—Cumulative" means an amount equal to the sum of the Tier 1 Maximum—Annual amounts during the Term.

"Tier 1 Supply Rate" means Metropolitan's per-acre-foot Tier 1 Supply Rate, as determined from time to time by Metropolitan's Board of Directors. The Tier 1 Rate effective January 1, 2015, is $158/AF.

“Tier 2 Supply Rate” means Metropolitan’s per-acre-foot Tier 2 Supply Rate, as determined from time to time by Metropolitan’s Board of Directors. The Tier 2 Rate effective January 1, 2015, is $290/AF.

“Water Surplus and Drought Management Plan (WSDM)” means Metropolitan’s policy and procedures for managing supplies and drought conditions as adopted by the Board from time to time.

Attachment 2
Purchase Order for System Water
RATES AND CHARGES

	Effective January 1, 2015	Effective January 1, 2016
Tier 1 Supply Rate ($/AF)	$158	$156
Tier 2 Supply Rate ($/AF)	$290	$290
System Access Rate ($/AF)	$257	$259
System Power Rate ($/AF)	$126	$138
Water Stewardship Rate ($/AF)	$41	$41
Full Service Untreated Rate ($/AF):		
Tier 1	$582	$594
Tier 2	$714	$728
Treatment Surcharge ($/AF)	$341	$348
Full Service Treated Rate ($/AF):		
Tier 1	$923	$942
Tier 2	$1,055	$1,076
Readiness-to-Serve Charge ($ millions)	$158	$153
Capacity Charge ($/cfs)	$11,100	$10,900

PURCHASE ORDER FOR SYSTEM WATER TO BE PROVIDED BY THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

PURCHASER: MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	**TERM** 10 years: January 1, 2015 – December 31, 2024
INITIAL BASE PERIOD DEMAND: 311,769 acre-feet	**EFFECTIVE DATE:** January 1, 2015
INITIAL TIER 1 MAXIMUM—Annual Average: 280,592 acre-feet	**INITIAL TIER 1 MAXIMUM—Cumulative:** 2,805,920 acre-feet
PURCHASE ORDER COMMITMENT—Annual Average: 148,616 acre-feet	**PURCHASE ORDER COMMITMENT—Cumulative:** 1,486,160 acre-feet

Definitions of capitalized terms used in this Purchase Order are provided in Attachment 1. Terms used in this Purchase Order and not defined in Attachment 1 are defined in Metropolitan's Administrative Code.

COMMITMENT TO PURCHASE:

In consideration of Purchaser's commitment to purchase System Water pursuant to this Purchase Order, Metropolitan agrees to sell such System Water to Purchaser during the Term at the Tier 1 Supply Rate in an amount up to the Tier 1 Maximum—Cumulative. All System Water sold to Purchaser during the Term in an amount greater than the Tier 1 Maximum—Cumulative shall be sold to the Purchaser at the Tier 2 Supply Rate. In connection with the purchase of System Water, the Purchaser also agrees to pay all other applicable rates and charges, as established by Metropolitan from time to time. The rates and charges applicable to System Water as of the Effective Date are shown in Attachment 2.

If Purchaser's applicable System Water purchases during the Term exceed Purchaser's Tier 1 Maximum, Purchaser may elect to:

a.) Subject to the provisions of paragraph c) below, pay any Tier 2 Supply Rate obligations at the end of the Term, in an amount equal to the difference between the Purchaser's applicable System Water purchases and the Tier 1 Maximum—Cumulative during the Term times the average of the Tier 2 Supply Rate in effect during the Term; or,

b.) Pay any Tier 2 Supply Rate obligations annually as purchases are incurred, in an amount equal to the difference between the Purchaser's applicable annual System Water purchases and the Tier 1 Maximum—Annual times the Tier 2 Supply Rate in effect during the calendar year. A true-up at the end of the Term will be performed to ensure that the Purchaser has received all Tier 1 Maximum—Cumulative purchases allowed by the Purchase Order.

c.) If, after the end of the first five years, Purchaser has accrued a cumulative Tier 2 Supply Rate obligation, Purchaser may elect to pay the initial five year cumulative Tier 2 Supply Rate obligation (i) in full at the end of year five of the Term, (ii) amortize it in five equal installments over the remaining five calendar years of the Term, or (iii) pay it at the end of the Term. Commencing in year 6 of the Term, Purchaser shall pay any additional Tier 2 Supply Rate obligation annually.

Purchaser agrees to purchase System Water from Metropolitan during the Term in an amount not less than the Purchase Order Commitment. If Purchaser's applicable System Water purchases during the Term are less than the Purchase Order Commitment, each acre-foot of unmet commitment will be reduced by the amount of production from a local resource project, measured in acre-feet, that commences operation on or after January 1, 2014. A local resource project includes any project type as approved by the Board.

Purchaser agrees to pay Metropolitan an amount equal to the difference between the sum total in acre-feet of water of the Purchase Order Commitment (minus the amount reduced by the amount of production from a local resource project) and the sum total in acre-feet of water of Purchaser's applicable System Water purchases during the Term, times the average of the Tier 1 Supply Rate in effect during the Term.

Purchaser agrees to pay all amounts owing to Metropolitan, whether to satisfy a Purchase Order Commitment or a Tier 2 Supply Rate obligation, within the next regular billing cycle following the reconciliation of all certifications for special programs that the Purchaser may participate in. The Purchaser may elect to pay such amount in twelve equal monthly payments over the course of the next twelve months beginning with the first regular billing cycle following the reconciliation of all outstanding certifications for special programs. If the Purchaser elects to pay such amount over the course of the next twelve months following the regular billing cycle any outstanding balance shall bear interest at Metropolitan's then current investment portfolio average yield. All other amounts payable under this Purchase Order shall be billed and paid in accordance with the Administrative Code.

WATER SERVICE:

Conditions of water service by Metropolitan to the Purchaser, including but not limited to (i) delivery points, (ii) water delivery schedules, and (iii) water quality, will be determined in accordance with Chapter 5 (Section 4500 through 4514, inclusive, as applicable) of Metropolitan's Administrative Code.

In accordance with its Administrative Code, Metropolitan shall use its reasonable best efforts to supply System Water in the quantities requested by the Purchaser, but is not obligated to dedicate any portion of System capacity for the conveyance, distribution, storage or treatment of System Water for the benefit of the Purchaser or any other member agency. Metropolitan shall use its reasonable best efforts to deliver the System Water when needed by the Purchaser during the Term; provided however, there shall be no default under this Purchase Order if Metropolitan fails to deliver water to the Purchaser in accordance with any such schedule of deliveries during the Term.

By execution of this Purchase Order, the Purchaser recognizes and agrees that it acquires no interest in or to any portion of the System or any other Metropolitan facilities or supplies, or any right to receive water delivered through the System, excepting the right to purchase up to Purchaser's Tier 1 Maximum—Cumulative at the Tier 1 Supply Rate provided that System Water is available. This Purchase Order governs pricing of the System Water delivered to the Purchaser pursuant to this Purchase Order and does not confer any entitlement to receive System Water.

System Water provided to the Purchaser under the terms of this Purchase Order shall be subject to reduction in accordance with the shortage allocation provisions of the Water Surplus and Drought Management Plan (the “WSDM Plan”) or other such policies and principles governing the allocation of System Water as adopted by the Board.

In the event that Metropolitan's Board or General Manager determines to reduce, interrupt or suspend deliveries of System Water, any outstanding balance of the Purchase Order Commitment at the end of the Term shall be reduced by the Purchase Order Commitment—Annual Average for each and every fiscal or calendar year that a reduction, interruption or suspension occurred.

MISCELLANEOUS:

This Purchase Order will be interpreted, governed and enforced in accordance with the laws of the State of California.

This Purchase Order will apply to and bind the successors and assigns of the Purchaser and Metropolitan.

No assignment or transfer of the rights of the Purchaser under this Purchase Order will be valid and effective against Metropolitan or the Purchaser without the prior written consent of Metropolitan and the Purchaser.

If at any time during the Term, by reason of error in computation or other causes, there is an overpayment or underpayment to Metropolitan by the Purchaser of the charges provided for under this Purchase Order, which overpayment or underpayment is not accounted for and corrected in the annual re-determination or reconciliation of said charges, the amount of such overpayment or underpayment shall be credited or debited, as the case may be, to the Purchaser. Metropolitan will notify the Purchaser in writing regarding the amount of such credit or debit, as the case may be. In no case will credits or debits for charges provided for under this Purchase Order be administered beyond the limit for billing adjustments as specified in Metropolitan's Administrative Code.

IN WITNESS WHEREOF, this Purchase Order is executed by the duly authorized officers of the Metropolitan Water District of Southern California and Municipal Water District of Orange County, as of December __, 2014.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: ______________________________
Jeffrey Kightlinger
General Manager

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

By: ______________________________

[Title] ______________________________

APPROVED AS TO FORM AND CONTENT:

____
General Counsel

By: ______________________________

____
General Counsel

By: ______________________________

Attachment 1
Purchase Order for System Water
DEFINITIONS

“Act” means the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and supplemented from time to time.

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“Metropolitan” means The Metropolitan Water District of Southern California.

“Purchase Order Commitment” means:

i). if the Purchaser elects option a) under the Base Period Demand as defined in section 4122 of the Administrative Code, then 60% of the Purchaser’s Initial Base Firm Demand times 10; or

ii). if the Purchaser elects option b) under the Base Period Demand, then 60% of the Purchaser’s highest fiscal year Demand during the period from fiscal year 2002/03 through fiscal year 2013/14, times 10.

“Purchase Order” means this Purchase Order for System Water.

“Purchaser” means the member public agency specified above, a duly organized [city/water district/county water authority] of the State of California.

“System” means the properties, works and facilities operated and/or financed by Metropolitan necessary for the supply, development, storage, conveyance, distribution, treatment or sale of water.

“System Water” means water supplies developed by Metropolitan and delivered to the Purchaser through the System or other means (e.g. conjunctive use storage).

“Term” means the term of this Purchase Order as specified above.

“Tier 1 Maximum—Annual” means an amount equal to 90% of the Base Period Demand.

“Tier 1 Maximum—Cumulative” means an amount equal to the sum of the Tier 1 Maximum—Annual amounts during the Term.

“Tier 1 Supply Rate” means Metropolitan’s per-acre-foot Tier 1 Supply Rate, as determined from time to time by Metropolitan’s Board of Directors. The Tier 1 Rate effective January 1, 2015, is $158/AF.

“Tier 2 Supply Rate” means Metropolitan’s per-acre-foot Tier 2 Supply Rate, as determined from time to time by Metropolitan’s Board of Directors. The Tier 2 Rate effective January 1, 2015, is $290/AF.

“Water Surplus and Drought Management Plan (WSDM)” means Metropolitan’s policy and procedures for managing supplies and drought conditions as adopted by the Board from time to time.

Attachment 2
Purchase Order for System Water
RATES AND CHARGES

	Effective January 1, 2015	Effective January 1, 2016
Tier 1 Supply Rate ($/AF)	$158	$156
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Tier 1	$582	$594
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Treatment Surcharge ($/AF)	$341	$348
Full Service Treated Rate ($/AF):		
Tier 1	$923	$942
Tier 2	$1,055	$1,076
Readiness-to-Serve Charge ($ millions)	$158	$153
Capacity Charge ($/cfs)	$11,100	$10,900

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Street Address:
18700 Ward Street
Fountain Valley, California 92708

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

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

January 6, 2015

Michael Markus
General Manager
Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708

Dear Mr. Markus:

SUBJECT: MWDOC and OCWD 10-Year Minimum Purchase Commitment

Per our meeting last week, you have indicated OCWD's interest in proceeding with signing a 10-year Minimum Purchase Commitment with MWDOC which would enable us to select the higher updated ten-year Purchase Order (PO) with Metropolitan (MWD). This higher PO will provide MWDOC with an additional 41,043 Acre-Feet (AF) of Tier 1 purchasing capacity per year, which should accommodate OCWD's planning estimates of purchasing on average 65,000 AF of imported water per year over the next decade and help avoid any Tier 2 charges.

However, selecting the higher PO with MWD will also increase our annual purchase commitment from 148,616 AF to 214,423 AF; and according to our total imported purchases for the last six years, we have only exceeded the 214,423 AF level twice. Therefore, a 10-year Minimum Purchase Commitment with OCWD is necessary to ensure we meet our new purchase commitment amount.

Based on our discussions, the key provisions of a minimum purchase commitment would include:

- An effective date of January 1, 2015 thru December 31, 2024
- OCWD will commit to purchase imported water over the ten year period to ensure MWDOC meets its new purchase order commitment of 2,144,230 AF (214,423 AF x 10 years) at the end of the term
- OCWD will not be obligated to purchase more than 650,000 AF over the ten-year term
- If, at the end of the ten-year term, MWDOC does not meet the purchase order commitment of 2,144,230 AF, OCWD will pay the unmet commitment amount – not to exceed the total ten-year obligation of 650,000 AF

- If MWDOC meets the total ten-year purchase commitment of 2,144,230 AF without OCWD purchasing the full 650,000 AF, then OCWD is not obligated to purchase the remaining balance of their commitment

We believe such a minimum purchase commitment between MWDOC and OCWD would provide your agency with the flexibility to make large purchases of imported water in a given year without incurring Tier 2 charges while ensuring MWDOC will meet its new purchase commitment with MWD at the end of the ten-year period. As such, we are preparing a contract document in-line with these terms.

If you have any questions, please do not hesitate to contact me at (714) 593-5026.

Sincerely,

Robert J. Hunter
General Manager

cc: Larry Dick, MWDOC Board President
Kathy Green, OCWD Board President
Jeffery Thomas, Chair of MWDOC's Administrative and Finance Committee
Shawn Dewane, Chair of OCWD's Administrative and Finance Committee
John Kennedy, OCWD Executive Director of Engineering and Local Resources
Harvey De La Torre, MWDOC Principal Water Resource Planner

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Item No. 7

INFORMATION ITEM
January 14, 2015

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

FROM: **Robert Hunter, General Manager** Staff Contact: Maribeth Goldsby

SUBJECT: **ACWA/JPIA EXECUTIVE COMMITTEE ELECTION**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: receive and file the report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) will conduct an Executive Committee election during its Board of Directors meeting on May 4, 2015 at the spring conference in Sacramento, The election will fill five Executive Committee member positions; four are for a four-year term each, and one position is for two years (the remainder of its current term).

Candidates for the election must be elected or appointed directors of the JPIA member that they represent and must have been appointed by that member to be on the JPIA's Board of Directors. Further, the candidates for the election must also be representatives of JPIA members that participate in **all four** of the JPIA's programs: liability, property, worker's compensation, and employee benefits. *As a result of MWDOC's withdrawal from the JPIA worker's compensation program, MWDOC Directors are not eligible for nomination to the Executive Committee.*

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

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS
INSURANCE AUTHORITY
P.O. Box 619082, Roseville, CA 95661-9082

e-letter

To: JPIA Directors, Alternates, and Others

From: Sylvia Robinson, Publications & Web Editor

Date: January 7, 2015

Subject: 2015 Executive Committee Election Notice

Notice is hereby given that there will be an Executive Committee election during the JPIA's Board of Directors' meeting to be held on May 4, 2015, at the spring conference in Sacramento, California.

This election will fill five Executive Committee member positions. Four are for a four-year term each and one position is for two years, the remainder of its current term.

The current incumbents are E.G. "Jerry" Gladbach, Castaic Lake WA; David Hodgin, Scotts Valley WD; and W.D. "Bill" Knutson, Yuima Municipal WD.

Candidates for the election must be elected or appointed directors of the JPIA member that they represent and must have been appointed by that member to be on the JPIA's Board of Directors. Further, candidates for the election must also be representatives of JPIA members that participate in all four of the JPIA's Programs: Liability, Property, Workers' Compensation, and Employee Benefits.

The candidates must also each receive concurring in nomination resolutions from **three** other JPIA members. However, JPIA members may ***concur*** in the nomination of as many candidates as they wish. When asking other JPIA members to concur in a nomination, it would be helpful to them to include some information about the Director and his/her background.

The submission of the nominating resolution, the three concurring in nomination resolutions, and the candidate's statement of qualifications is the sole responsibility of the nominating member. These nominations must reach the JPIA by the close of business (4:30 pm) on **Friday, March 20, 2015**. Nominations may be mailed to the attention of Sylvia Robinson at the JPIA: P. O. Box 619082, Roseville, CA 95661-9082.

Final notice of the qualified candidates will be included as part of the Board of Directors' meeting packet, which will be mailed on or before April 20, 2015, to those who request a meeting packet.

Use this link to find copies of this notice, the nominating procedures, and sample resolutions on the JPIA's website.

ACWA Joint Powers Insurance Authority
Nomination Procedures

Approximately 120 Days before Election (January 7, 2015)

All ACWA/JPIA Directors and Member Districts are to be notified of:

A) Date and place of Election;
B) Executive Committee positions and terms of office to be filled by Election;
C) Incumbent office holders; and
D) Nomination Procedures.

120 to 45 Days before Election (January 7 – March 20, 2015)

A) A district may place into nomination its member of the Board of Directors of ACWA/JPIA with the concurrence of three districts, then members of the ACWA/JPIA, in addition to the nominating district.
B) Sample resolutions are available on the ACWA/JPIA website.
C) The **district is solely responsible** for timely submission of the nominating resolution and the three additional concurring in nomination resolutions of its candidate for office.

45 Days before Election (March 20, 2015)

A) Deadline and location for receiving the nominating and concurring in nomination resolutions in the ACWA/JPIA office:

Friday – March 20, 2015 – 4:30 p.m.

Sylvia Robinson
Publications & Web Editor
ACWA/Joint Powers Insurance Authority
P. O. Box 619082
Roseville, CA 95661-9082
(srobinson@acwajpia.com)

B) Candidates' statement of qualifications must be submitted, if desired, with the nominating resolutions. The statement of qualifications must be submitted on one side of an 8½ x 11" sheet of paper suitable for reproduction and distribution to all districts (MSWord or PDF documents preferred).

14 Days before Election (April 20, 2015)

Final notice of the upcoming Election of Executive Committee members will be included as part of the Board of Directors' meeting packet. Final notice shall include:

A) Date, Time, and Place of Election;
B) Name and District of all qualified candidates;
C) Candidate's statement of qualifications (if received); and
D) Election Procedures and Rules.

MWDOC FY 2015-16
Budget Preparation Schedule

December 2014
- Notification to Member Agencies of start of budget process and solicitation of input.

January 2015
- MWDOC staff begins preparation of budget hours and costs on program and line-item basis.
- Review of five month actuals and fiscal year year-end projections.
- Review budget adjustments for current fiscal year.
- Preparation of DRAFT Conceptual Budget (review changes in budget for upcoming fiscal year).

February 2015
- Review budget issues with A&F Committee for feedback.
- Review budget issues with Member Agencies for feedback.
- Publish Official First Draft of Budget on or before March 1.

March 2015
- Publish Official First Draft of Budget on or before March 1.
- Review Full Draft Budget with A&F Committee.
- Formally request comments from all Member Agencies.
- Member Agencies' preliminary indication of participation in CHOICE Services.
- DRAFT information completed on prior year WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities.
- Member Agencies confirm participation in CHOICE Services by March 15 (staff suggestion is to move this date to the end of April, allowing time for the Elected Officials meeting).

April 2015
- FINAL information completed on prior year WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities.
- Member Agencies' submit Formal Comments about the Budget before April 15.
- Review Final Draft Budget and MWDOC's rates with Member Agencies.
- Conduct meeting with Elected Officials from Member Agencies to discuss budget and other topics before the end of April.
- Member Agencies confirm CHOICE Participation.

May 2015
- Final Draft Budget and Rates presented to A&F Committee.
- Member Agencies' Formal Comments presented to A&F Committee.
- Board approval of FY2015-16 Budget and Rates.
- If needed, the budget and rates can carry-over into June.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Item No. 9

INFORMATION ITEM
January 14, 2015

TO:	**Administration & Finance Committee** **(Directors Thomas, Finnegan & Osborne)**
FROM:	**Robert Hunter,** **General Manager** **Staff Contact: Cathy Harris, Admin. Services Mgr./Hilary Chumpitazi, Accounting Manager**
SUBJECT:	**CALPERS Annual Valuation Report as of June 30, 2013**

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file the information as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Attached for your information is the CalPERS Annual Valuation Report as of June 30, 2013. The report includes the following information:

- MWDOC's total PERS obligation (for Classic PERS Members) effective July 1, 2015 will be 17.514% (last year's rate was 18.522%).
- The District's contribution amount less the employee contribution will be 13.514% for Fiscal Year 2015-2016. Attachment 1 shows MWDOC's contribution rates from 2004 through 2015-2016.
- The District's contribution amount (for PEPRA Members) effective July 1, 2015, will be 6.237% (the 6.25% rate has been in effect since January 2013)
- MWDOC's current plan obligation as of June 30, 2013 is $7,189,485 and is 81.3% funded.

CalPERS has implemented the following changes since the prior year's valuation:

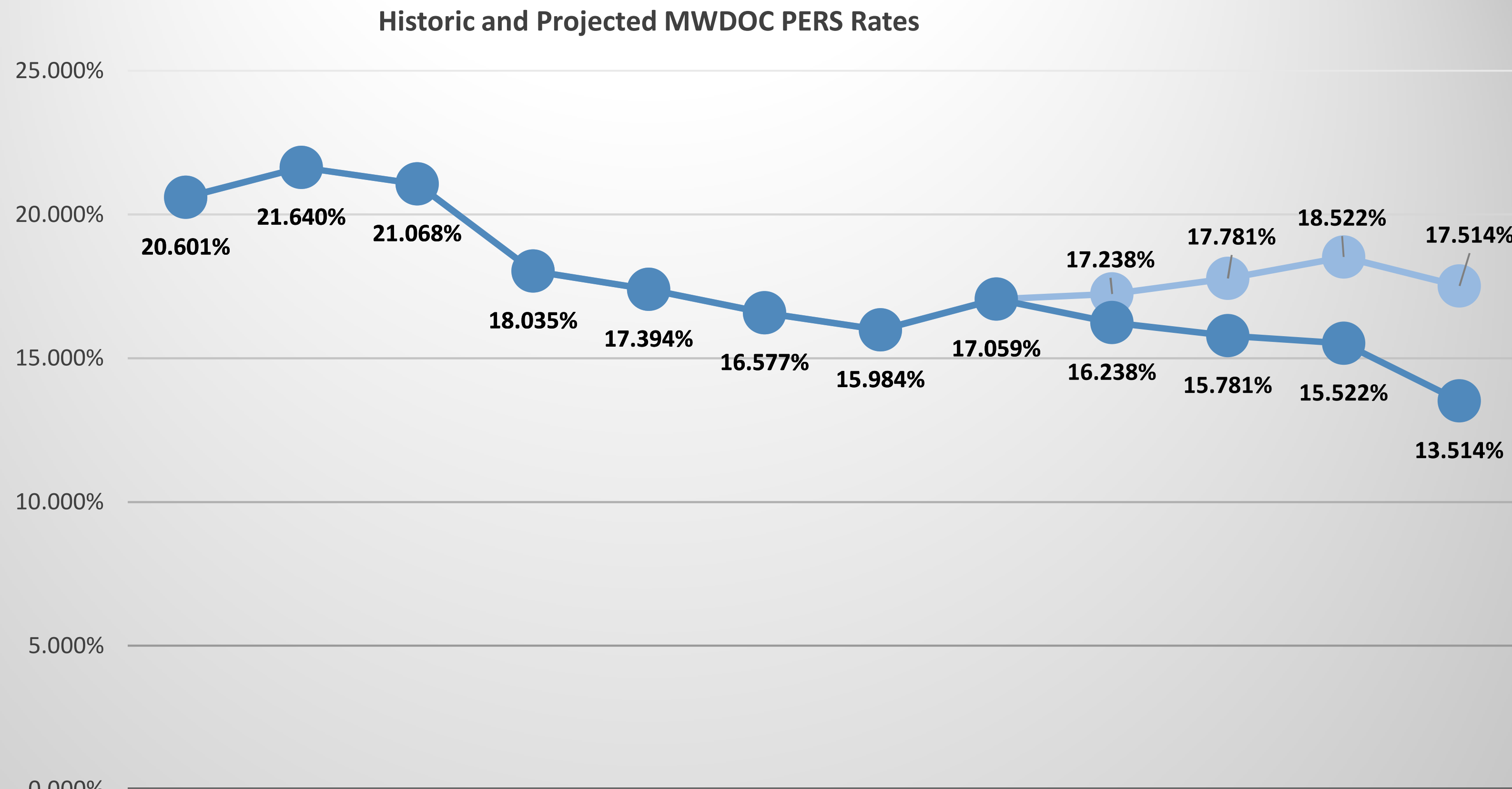
- CalPERS transition to the new amortization and smoothing policy. The new policy will utilize an amortization and smoothing policy that will account for all gains and

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

losses over a fixed 30-year period with rate increases/decreases spread over a 5-year period.

- All pooled plans were combined into two active pools, one for miscellaneous groups and one for safety groups.
- Beginning with FY 2015/16, CalPERS will collect employer contributions toward the employers' unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. Employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund payments.
- The impact of the PEPRA changes are included in June 30, 2013 valuation for the 2015-16 rates.
- The pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by the plan's individual payroll. This will allow employers to monitor their own unfunded liability and pay it down sooner if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.
- The CalPERS Board adopted a policy that continues to support a discount rate assumption of 7.5 percent.
- The CalPERS Board approved several changes to its demographic assumptions, with the most significant one being mortality improvement, to acknowledge greater life expectancies. New actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp up/ramp-down in accordance with CalPERS Board Policy.

This information is being provided for receive and file.



	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total PERS Obligation	20.601%	21.640%	21.068%	18.035%	17.394%	16.577%	15.984%	17.059%	17.238%	17.781%	18.522%	17.514%
District Contribution Rate	20.601%	21.640%	21.068%	18.035%	17.394%	16.577%	15.984%	17.059%	16.238%	15.781%	15.522%	13.514%

Total PERS Obligation District Contribution Rate

CalPERS Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
TTY: (877) 249-7442
(888) CalPERS (or 888-225-7377) phone
(916) 795-2744 fax www.calpers.ca.gov

November 2014

Business Partner Name: Municipal Water District of Orange County
CalPERS ID: 6497938438
Rate Plan Name: PEPRA MISCELLANEOUS
Rate Plan Identifier: 26684

Re: Fiscal Year 2015-2016 Employer and Employee Contribution Rate

Dear Business Partner:

The purpose of this letter is to inform you of your employer and employee contribution rate beyond June 30, 2015.

The current contribution rate for the above named rate plan is **6.250%** of payroll for the employer and **6.250%** for the employee. For the fiscal year 2015-2016, the contribution rate will change to **6.237%** of payroll for the employer and **6.250%** for the employee.

Below is a comparison of changes to your plan's contribution rate:

	Fiscal Year 2014-2015	**Fiscal Year 2015-2016**
Plan's Net Employer Normal Cost	**6.250%**	**6.237%**
Plan's Surcharges for Class 1 Benefits	**0.000%**	**0.000%**
Total Employer Rate	**6.250%**	**6.237%**
Employee Contribution	**6.250%**	**6.250%**

If you should have any further questions, please call the CalPERS Customer Contact Center at
(888) CalPERS (or 888-225-7377).

KERRY J. WORGAN, MAAA, FSA, FCIA
Senior Pension Actuary, CalPERS

California Public Employees' Retirement System
Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
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October 2014

MISCELLANEOUS PLAN OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (CalPERS ID: 6497938438)
Annual Valuation Report as of June 30, 2013

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2013 actuarial valuation report of your pension plan. Because this plan is in a risk pool and the CalPERS Board approved structural changes to risk pooling on May 21, 2014 you will notice some changes between your last actuarial report and this one. An overview of the changes to pooling is provided below and we urge you to carefully review the information provided in this report.

Because this plan is in a risk pool, the following valuation report has been separated into two Sections:

- Section 1 contains specific information for your plan, including the development of your pooled employer contributions and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to your plan, as of June 30, 2013.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov) then select in order "Employers", "Actuarial, Risk Pooling & GASB 27 Information", "Risk Pooling", "Risk Pool Annual Valuation Reports", then select the appropriate pool report.

Your 2013 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary, whose signature appears in the Actuarial Certification Section on page 1, is available to discuss your report with you after October 31, 2014.

Future Contribution Rates

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2015-16	8.512%		$ 52,033
2016-17 (projected)	8.9%		$ 63,940

The exhibit above displays the Minimum Employer Contributions, before any cost sharing, for 2015-16 along with estimates of the contributions for 2016-17. The estimated contributions for 2016-17 are based on a projection of the most recent information we have available, including an estimated 18.0 percent investment return for fiscal 2013-14, the impact of the new amortization methods adopted by the CalPERS Board in April 2013 that will impact employer rates for the first time in 2015-16 and new actuarial assumptions adopted by the CalPERS Board in February 2014 that will impact rates for the first time in 2016-17. These new demographic assumptions include a 20-year projected improvement in mortality.

A projection of employer contributions beyond 2016-17 can be found in the Risk Analysis Section of this report, "Analysis of Future Investment Return Scenarios", under a variety of investment return scenarios. Please disregard any projections provided to you in the past. Member contributions, other than cost sharing (whether paid by the employer or the employee), are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimate for 2016-17 also assumes that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is a very important assumption because these gains and losses do occur and can have a significant effect on your contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contribution rate by one or two percent of payroll or even more in some less common circumstances. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. Your actual employer contributions for 2016-17 will be provided in next year's valuation report.

Changes since the Prior Year's Valuation

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The impact of this new actuarial methodology is reflected in the *"Analysis of Future Investment Return Scenarios"* subsection of the *"Risk Analysis"* section of your report.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members PEPRA also effectively closed all existing active risk pools to new employees. As such it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payroll would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues the CalPERS Board of Administration approved at their May 21, 2014 meeting structural changes to the risk pools. All pooled plans will be combined into two active pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the pools this way the payroll of the risk pools and the employers within the pools can once again be expected to increase at the assumed 3 percent annual growth. However two important changes are being made which will affect employers.

1. Beginning with FY 2015-16 CalPERS will collect employer contributions toward your unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund

payments the plan's normal cost contribution will continue to be collected as a percentage of payroll.

2. The pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by plan individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. The impact of the PEPRA changes are included in the rates and the benefit provision listings of the June 30, 2013 valuation for the 2015-16 rates. For more information on PEPRA, please refer to the CalPERS website.

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy.

Besides the above noted changes, there may also be changes specific to your plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the *"Highlights and Executive Summary"* section and in Appendix A, *"Statement of Actuarial Data, Methods and Assumptions"* of your section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their result, we ask that, you wait until after October 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (888**-225-7377**).

Sincerely,

ALAN MILLIGAN
Chief Actuary

ACTUARIAL VALUATION
as of June 30, 2013

for the
MISCELLANEOUS PLAN
of the
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
(CalPERS ID: 6497938438)

REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2015 - June 30, 2016

TABLE OF CONTENTS

Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Specific Information for the MISCELLANEOUS PLAN of the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

(CalPERS ID: 6497938438)
(Rate Plan: 4054)

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2013 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2013 provided by employers participating in the SAFETY risk pool to which your plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the Pool Actuary has certified that, in their opinion, the valuation of the Risk Pool containing your MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the Risk Pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for your plan, it is my opinion as your Plan Actuary that the Side Fund and other Unfunded Accrued Liability bases as of June 30, 2013 and employer contribution rate as of July 1, 2015, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

KERRY J. WORGAN, MAAA, FSA, FCIA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED CONTRIBUTIONS**

Introduction

This report presents the results of the June 30, 2013 actuarial valuation of the MISCELLANEOUS PLAN of the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY of the California Public Employees' Retirement System (CalPERS). This actuarial valuation was used to set the 2015-16 required employer contribution rates.

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The impact of this new actuarial methodology is reflected in the *"Analysis of Future Investment Return Scenarios"* subsection of the *"Risk Analysis"* section of your report.

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members PEPRA also effectively closed all existing active risk pools to new employees. As such it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payroll would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues the CalPERS Board of Administration approved at their May 21, 2014 meeting structural changes to the risk pools. All pooled plans will be combined into two active pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the pools this way the payroll of the risk pools and the employers within the pools can once again be expected to increase at the assumed 3 percent annual growth. However two important changes are being made which will affect employers.

1. Beginning with FY 2015-16 CalPERS will collect employer contributions toward your unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund payments the plan's normal cost contribution will continue to be collected as a percentage of payroll.
2. The pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by the plan's individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

The impact of most of the PEPRA changes will first show up in the rates and the benefit provision listings of the June 30, 2013 valuation that sets the contribution rates for the 2015-16 fiscal year. For more detailed information on changes due to PEPRA, please refer to the CalPERS website.

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns (see Appendix). The adopted asset allocation is expected to have a long- term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy.

Purpose of Section 1

This section 1 report for the MISCELLANEOUS PLAN of the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY of the California Public Employees' Retirement System (CalPERS) was prepared by the Plan Actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2013;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2015 through June 30, 2016;
- Provide actuarial information as of June 30, 2013 to the CalPERS Board of Administration and other interested parties; and
- Provide pension information as of June 30, 2013 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27 for a Cost Sharing Multiple Employer Defined Benefit Pension Plan.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 12.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

Required Employer Contribution

Actuarially Determined Employer Contributions:		**Fiscal Year 2014-15**[1]		**Fiscal Year 2015-16**
Employer Contributions (in Projected Dollars)				
Plan's Employer Normal Cost	$	227,825	$	207,966
Plan's Payment on Amortization Bases		93,413		52,033[2]
Surcharge for Class 1 Benefits[3]				
a) FAC 1		14,268		13,227
Phase out of Normal Cost Difference[4]		0		0
Amortization of Side Fund		0		0
Total Employer Contribution	$	335,506	$	273,226
Projected Payroll for the Contribution Fiscal Year	$	2,911,874	$	2,598,601
Required Employer Contributions (Percentage of Payroll)				
Plan's Net Employer Normal Cost		7.824%		8.003%
Plan's Payment on Amortization Bases		3.208%		2.002%[2]
Surcharge for Class 1 Benefits[3]				
a) FAC 1		0.490%		0.509%
Phase out of Normal Cost Difference[4]		0.000%		0.000%
Amortization of Side Fund		0.000%		0.000%
Total Employer Contribution Rate		11.522%		10.514%

Required Employer Contribution for FY 2015-16		
Employer Contribution Rate[5]		**8.512%**
***Plus* Monthly Employer Dollar UAL Payment**[6]	**$**	**4,336**
Annual Lump Sum Prepayment Option	**$**	**50,185**

*For FY 2015-16 the total minimum required employer contribution is the **sum** of the Plan's Employer Contribution Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (in dollars). Whereas in prior years it was possible to prepay total employer contributions for the fiscal year, beginning with FY 2015-16 and beyond, only the UAL portion of the employer contribution can be prepaid.*

[1] The results shown for FY 2014-15 reflect the prior year valuation and do not reflect any lump sum payment, side fund payoff or rate adjustment made after annual valuation report is completed.

[2] For FY 2015-16 the Plan's Payment on Amortization Bases reflects the sum of all UAL amortization bases including the Plan's Side Fund (where applicable).

[3] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[4] Risk pooling was implemented for most plans as of June 30, 2003. The normal cost difference was scheduled to be phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year.

[5] The minimum employer contribution under PEPRA is the greater of the required employer contribution or the total employer normal cost.

[6] The Plan's Payment on Amortization Bases Contribution amount for FY 2015-16 will be billed as a level dollar amount monthly over the course of the year. Late payments will accrue interest at an annual rate of 7.5 percent. Lump sum payments may be made through my|CalPERS. Plan Normal Cost contributions will be made as part of the payroll reporting process. As a percentage of payroll your UAL contribution is 2.002 percent.

Plan's Funded Status

	June 30, 2012	June 30, 2013
1. Present Value of Projected Benefits (PVB)	$ 9,426,480	$ 10,043,959
2. Entry Age Normal Accrued Liability	6,273,252	7,189,485
3. Plan's Market Value of Assets (MVA)	4,841,500	5,842,865
4. Unfunded Liability [(2) - (3)]	1,431,752	1,346,620
5. Funded Ratio [(3) / (2)]	77.2%	81.3%

Projected Contributions

The contribution rate and amount shown below is an estimate for the employer contribution for fiscal year 2016-17. The estimated contribution is based on a projection of the most recent information we have available, including an estimate of the investment return for fiscal year 2013-14, namely 18.0 percent. It also reflects implementation of the direct rate smoothing method and the impact of new actuarial assumptions.

Projected Employer Contribution Rate:	8.9%
Projected Plan UAL Contribution	$ 63,940

The estimate also assumes that there are no liability gains or losses among the plans in your risk pool, that your plan has no new amendments in the next year, and that your plan's and your risk pool's payrolls both increase exactly 3.0 percent in the 2013-14 fiscal year. Therefore, the projected employer contribution for 2016-17 is strictly an estimate. Your actual rate for 2016-17 will be provided in next year's valuation report. A more detailed analysis of your projected employer contributions over the next five years can be found in the "Risk Analysis" section of this report.

ASSETS AND LIABILITIES

- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S UAL**
- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA**
- **SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES**
- **ALTERNATIVE AMORTIZATION SCHEDULES**
- **FUNDING HISTORY**
- **PLAN'S TOTAL NORMAL COST RATE**

Development of the Plan's Share of Pool's Unfunded Accrued Liability

It is the policy of the CalPERS to ensure equity within the risk pools by allocating the pool's unfunded accrued liability in a manner that treats each employer fairly and that maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. Commencing with the June 30, 2013 actuarial valuations and for purposes of allocating the pool's unfunded accrued liability to all the individual plans within the pool, an individual plan's total unfunded accrued liability (Preliminary Plan UAL) on a specific valuation date will be set equal to the sum of the outstanding unamortized balances on the valuation date for the following:

a) Side Fund
b) Plan's share of Pool UAL due to benefit changes (including golden handshakes) provided to the members of that plan
c) Plan's share of the Pool UAL created before the valuation date for reasons other than benefit changes

1.	Plan's Accrued Liability	$	7,189,485
2.	Plan's Side Fund		0
3.	Increase in Plan's AL for amendments in FY 2012-13		0
4.	Pool's Accrued Liability	$	4,434,848,248
5.	Sum of Pool's Individual Plan Side Funds		108,339,918
6.	Increase in Pool's AL for amendments in FY 2012-13		409,907
7.	Pre-2013 Pool's UAL	$	371,706,237
8.	Plan's Share of Pre-2013 Pool's UAL [(1)-(2)-(3)]/[(4)–(5)-(6)] * (7)	$	**617,734**
9.	Pool's 2013 Investment & Asset (Gain)/Loss		442,846,571
10.	Pool's 2013 Other (Gain)/Loss		(4,364,079)
11.	Plan's Share of Pool's Asset (Gain)/Loss [(1)-(2)-(3)]/[(4)–(5)-(6)] * (9)		735,961
12.	Plan's Share of Pool's Other (Gain)/Loss [(1)]/[(4)] * (10)		(7,075)
13.	Plan's UAL as of 6/30/2013 [(2)+(8)+(11)+(12)]	$	**1,346,620**

Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	$	7,189,485
2.	Plan's UAL	$	1,346,620
3.	Plan's Share of Pool's MVA (1)-(2)	$	**5,842,865**

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the Valuation Date and the Contribution Fiscal Year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date; June 30, 2013.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date; fiscal year 2015-16.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and due to the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Liability is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The Unfunded Liability is rolled forward each year by subtracting the expected Payment on the Unfunded Liability for the fiscal year and adjusting for interest. The Expected Payment on the Unfunded Liability for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution Rate for the first fiscal year is determined by the actuarial valuation two years ago and the rate for the second year is from the actuarial valuation one year ago. The Normal Cost Rate for each of the two fiscal years is assumed to be the same as the rate determined by the current valuation. All expected dollar amounts, with the exception of the Side Fund base, are determined by multiplying the rate by the expected payroll for the applicable fiscal year, based on payroll as of the valuation date.

							Amounts for Fiscal 2015-16		
Reason for Base	**Date Established**	**Amortization Period**	**Balance 6/30/13**	**Expected Payment 2013-14**	**Balance 6/30/14**	**Expected Payment 2014-15**	**Balance 6/30/15**	**Scheduled Payment for 2015-16**	**Payment as Percentage of Payroll**
SIDE FUND	06/30/13	2	$0	$0	$0	$0	$0	$0	0.000%
SHARE OF PRE-2013 POOL UAL	06/30/13	22	$617,734	$55,208	$606,823	$84,717	$564,498	$40,186	1.546%
ASSET (GAIN)/LOSS	06/30/13	30	$735,961	$0	$791,158	$0	$850,495	$11,962	0.460%
NON-ASSET (GAIN)/LOSS	06/30/13	30	$(7,075)	$0	$(7,606)	$0	$(8,176)	$(115)	(0.004%)
TOTAL			**$1,346,620**	**$55,208**	**$1,390,375**	**$84,717**	**$1,406,817**	**$52,033**	**2.002%**

Commencing with the June 30, 2013 actuarial valuations, the side fund will be treated as a liability as opposed to an asset. Prior to June 30, 2013, a positive side fund conveyed that a public agency had a surplus when risk pooling began June 30, 2003. Conversely, a negative side fund signified that a public agency had an unfunded liability that required elimination through an amortization payment schedule. After June 30, 2013 a positive side fund will signify that an agency has an unfunded liability while a negative side fund will indicate a surplus asset. The amortization schedule will remain unchanged, with the exception that a plan with a negative side fund may have its amortization period extended at the discretion of the plan actuary.

Your plan's allocated share of the risk's pool's unfunded accrued liability is based on your plan's accrued liability and is amortized over the average amortization period of the combined existing amortization bases prior to June 30, 2013. The payments on this base for Fiscal Year 2013-14 and 2014-15 are allocated by your plan's payroll.

The (gain)/loss base is your plan's allocated share of the risk pool's asset gain/loss for the Fiscal Year 2012-13, the change in unfunded accrued liability due to direct rate smoothing and your plan's allocated share of the risk pool's other liability gains and losses for fiscal year 2012-13. This base will be amortized according to Board policy over 30 years with a 5-year ramp-up.

Alternate Amortization Schedules

The amortization schedule shown on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze your current amortization schedule and illustrate the advantages of accelerating unfunded liability payments towards your plan's unfunded liability of $1,406,817 as of June 30, 2015, which will require total payments of $3,652,088.

Shown below are the level rate payments required to amortize your plan's unfunded liability assuming a fresh start over the various periods noted. Note that the payments under each scenario would increase by 3 percent for each year into the future.

Level Rate

Period	2015-16 Payment	Total Payments	Total Interest	Savings
25	$ 92,983	$ 3,390,092	$ 1,983,275	$ 261,996
20	$ 106,222	$ 2,854,225	$ 1,447,408	$ 797,863

Current CalPERS Board policy calls for lump sum contributions in excess of the required employer contribution shall first be used to eliminate the side fund, if applicable, and then the plan's share of the pool's unfunded accrued liability.

Please contact your plan actuary before making such a payment to ensure that the payment is applied correctly.

Funding History

The Funding History below shows the actuarial accrued liability, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	$ 5,636,322	$ 4,612,177	$ 1,024,145	81.8%	$ 2,665,451
06/30/2012	6,273,252	4,841,500	1,431,752	77.2%	2,664,777
06/30/2013	7,189,485	5,842,865	1,346,620	81.3%	2,378,088

Plan's Total Normal Cost Rate

The Public Employees' Pension Reform Act of 2013 requires that new employees pay at least 50 percent of the total annual normal cost and that current employees approach the same goal through collective bargaining. Please refer to the CalPERS website for more details.

Shown below are the total annual normal cost rates for your plan.

	Fiscal Year 2014-15	Fiscal Year 2015-16
Plan's Net Total Normal Cost Rate for 2% @ 55	14.711%	14.894%
Surcharge for Class 1 Benefits		
a) FAC 1	0.490%	0.509%
Plan's Total Normal Cost Rate	15.201%	15.403%

RISK ANALYSIS

- **VOLATILITY RATIOS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **HYPOTHETICAL TERMINATION LIABILITY**

Volatility Ratios

The actuarial calculations supplied in this communication are based on a number of assumptions about very long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from one year to the next. Therefore, the rates will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset to payroll ratios produce more volatile employer rates due to investment return. For example, a plan with an asset to payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset to payroll ratio of 4. Below we have shown your asset volatility ratio, a measure of the plan's current rate volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability to payroll ratios produce more volatile employer rates due to investment return and changes in liability. For example, a plan with a liability to payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability to payroll ratio of 4. The liability volatility ratio is also included in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility and the asset volatility ratio, described above, will tend to move closer to this ratio as the plan matures.

Rate Volatility		**As of June 30, 2013**
1. Market Value of Assets	$	5,842,865
2. Payroll		2,378,088
3. Asset Volatility Ratio (AVR = 1. / 2.)		2.5
4. Accrued Liability	$	7,189,485
5. Liability Volatility Ratio (LVR = 4. / 2.)		3.0

Projected Employer Contributions

The estimated rate for 2016-17 is based on a projection of the most recent information we have available, including an estimated 18.0 percent investment return for fiscal 2013-14, the impact of the new smoothing methods adopted by the CalPERS Board in April 2013 that will impact employer rates for the first time in 2015-16 and new actuarial assumptions adopted by the CalPERS Board in February 2014. These new demographic assumptions include a 20-year projected improvement in mortality. A complete listing of the new demographic assumptions to be implemented with the June 30, 2014 annual actuarial valuation and incorporated in the projected rates for FY 2016-17 and beyond can be found on the CalPERS website at: http://www.calpers.ca.gov /eip-docs/about/pubs/employer/actuarial-assumptions.xls

The table below shows projected employer contribution rates (before cost sharing) for the next five Fiscal Years, ***assuming CalPERS earns 18.0% for fiscal year 2013-14 and 7.50 percent every fiscal year thereafter***, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2016-17.

	New Rate	Projected Future Employer Contribution Rates				
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Normal Cost %:	8.512%	8.9%	8.9%	8.9%	8.9%	8.9%
UAL $	$ 52,033	$ 63,940	$ 76,514	$ 89,784	$ 103,783	$ 104,805

Analysis of Future Investment Return Scenarios

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long- term blended return that continues to support a discount rate assumption of 7.5 percent. The newly adopted asset allocation has a lower expected investment volatility that will result in better risk characteristics than an equivalent margin for adverse deviation. The current asset allocation has an expected standard deviation of 12.45 percent while the newly adopted asset allocation has a lower expected standard deviation of 11.76 percent.

The investment return for fiscal year 2013-14 was announced July 14, 2014. The investment return in fiscal year 2013-14 is 18.42 percent before administrative expenses. This year, there will be no adjustment for real estate and private equities. For purposes of projecting future employer rates, we are assuming a 18.0 percent investment return for fiscal year 2013-14.

The investment return realized during a fiscal year first affects the contribution rate for the fiscal year 2 years later. Specifically, the investment return for 2013-14 will first be reflected in the June 30, 2014 actuarial valuation that will be used to set the 2016-17 employer contribution rates, the 2014-15 investment return will first be reflected in the June 30, 2015 actuarial valuation that will be used to set the 2017-18 employer contribution rates and so forth.

Based on a 18.0 percent investment return for fiscal year 2013-14, the April 17, 2013 CalPERS Board-approved amortization and rate smoothing method change, the February 18, 2014 new demographic assumptions including 20-year mortality improvement using Scale BB and assuming that all other actuarial assumptions will be realized, and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2016-17, the effect on the 2016-17 Employer Rate is as follows:

	Estimated 2016-17 Employer Contribution	Estimated Increase in Employer Contribution between 2015-16 and 2016-17
Normal Cost %:	8.9%	0.4%
UAL $	$ 63,940	$ 11,907

As part of this report, a sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2014-15, 2015-16 and 2016-17 on the 2017-18, 2018-19 and 2019-20 employer rates. Once again, the projected rate increases assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is what one would expect if the markets were to give us a 5th percentile return from July 1, 2014 through June 30, 2017. The 5th percentile return corresponds to a -3.8 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- The second scenario is what one would expect if the markets were to give us a 25th percentile return from July 1, 2014 through June 30, 2017. The 25th percentile return corresponds to a 2.8 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- The third scenario assumed the return for 2014-15, 2015-16, 2016-17 would be our assumed 7.5 percent investment return which represents about a 49th percentile event.
- The fourth scenario is what one would expect if the markets were to give us a 75th percentile return from July 1, 2014 through June 30, 2017. The 75th percentile return corresponds to a 12.0 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.
- Finally, the last scenario is what one would expect if the markets were to give us a 95th percentile return from July 1, 2014 through June 30, 2017. The 95th percentile return corresponds to a 18.9 percent return for each of the 2014-15, 2015-16 and 2016-17 fiscal years.

The table below shows the estimated projected contribution rates and the estimated increases for your plan under the five different scenarios.

2014-17 Investment Return Scenario	**Estimated Employer UAL Contribution**			**Estimated Total Change in Employer UAL Contribution between 2016-17 and 2019-20**
	2017-18	**2018-19**	**2019-20**	
-3.8% (5th percentile)	$ 88,889	$ 127,042	$ 178,608	$ 114,668
2.8% (25th percentile)	$ 81,661	$ 105,622	$ 136,279	$ 72,339
7.5%	$ 76,514	$ 89,784	$ 103,783	$ 39,843
12.0%(75th percentile)	$ 71,585	$ 74,165	$ 0	$ (63,940)
18.9%(95th percentile)	$ 64,025	$ 0	$ 0	$ (63,940)

In addition to the UAL Contribution amounts shown above the estimated employer normal cost of 8.9% of payroll will also be payable in each of the fiscal years shown above. The projected plan normal cost is expected to remain relatively stable over this time period.

Analysis of Discount Rate Sensitivity

The following analysis looks at the 2015-16 employer contributions under two different discount rate scenarios. Shown below are the employer contributions assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis gives an indication of the potential required employer contribution rates if the PERF were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to the employer contributions.

2015-16 Employer Contribution			
As of June 30, 2013	**6.50% Discount Rate (-1%)**	**7.50% Discount Rate (assumed rate)**	**8.50% Discount Rate (+1%)**
Plan's Employer Normal Cost	12.0%	8.5%	5.8%
Accrued Liability	$ 8,211,007	$ 7,189,485	$ 6,348,993
Unfunded Accrued Liability	$ 2,368,142	$ 1,346,620	$ 506,128

Hypothetical Termination Liability

Below is an estimate of the financial position of your plan if you had terminated your contract with CalPERS as of June 30, 2013 using the discount rates shown below. Your plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For this hypothetical termination liability both compensation and service is frozen as of the valuation date and no future pay increases or service accruals are included. In December 2012, the CalPERS Board adopted a more conservative investment policy and asset allocation strategy for the Terminated Agency Pool. Since the Terminated Agency Pool has limited funding sources, expected benefit payments are secured by risk-free assets. With this change, CalPERS increased benefit security for members while limiting its funding risk. This asset allocation has a lower expected rate of return than the PERF. Consequently, the lower discount rate for the Terminated Agency pool results in higher liabilities for terminated plans.

In order to terminate your plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow your plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of your plan liabilities. CalPERS advises you to consult with your plan actuary before beginning this process.

Valuation Date	Hypothetical Termination Liability[1]	Market Value of Assets (MVA)	Unfunded Termination Liability	Termination Funded Ratio	Termination Liability Discount Rate[2]
06/30/2011	$ 7,326,015	$ 4,612,177	$ 2,713,838	63.0%	$ 4.82%
06/30/2012	10,159,300	4,841,500	5,317,800	47.7%	2.98%
06/30/2013	10,589,414	5,842,865	4,746,549	55.2%	3.72%

[1] The hypothetical liabilities calculated above include a 7 percent mortality load contingency in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in appendix A.

[2] The discount rate assumption used for termination valuations is a weighted average of the 10 and 30-year US Treasury yields in effect on the valuation date that equal the duration of the pension liabilities. For purposes of this hypothetical termination liability estimate, the discount rate used, is the yield on the 30-year US Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS). Note that as of June 30, 2014 the 30-year STRIPS rate is 3.55 percent.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2012	June 30, 2013
Projected Payroll for Contribution Purposes	$ 2,911,874	$ 2,598,601
Number of Members		
Active	30	27
Transferred	8	9
Separated	11	11
Retired	6	7

List of Class 1 Benefit Provisions

- One Year Final Compensation

Information for Compliance with GASB Statement No. 27 for Cost-Sharing Multiple-Employer Defined Benefit Plan

Disclosure under GASB 27 follows. However, note that effective for financial statements for fiscal years beginning after June 15, 2014, GASB 68 replaces GASB 27. Disclosure required under GASB 68 will require additional reporting. CalPERS is intending to provide GASB 68 disclosure information upon request for an additional fee. We urge you to start discussions with your auditors on how to implement GASB 68.

Your plan is part of the Miscellaneous Risk Pool, a cost-sharing multiple-employer defined benefit plan. Under GASB 27, an employer should recognize annual pension expenditures/expense equal to its contractually required contributions to the plan. Pension liabilities and assets result from the difference between contributions required and contributions made. The contractually required contribution for the period July 1, 2015 to June 30, 2016 has been determined by an actuarial valuation of the plan as of June 30, 2013. Your unadjusted contribution for the indicated period is a normal cost contribution of 8.512 percent of payroll and an unfunded accrued liability dollar amount of $52,033. In order to calculate the dollar value of the contractually required contributions for inclusion in financial statements prepared as of June 30, 2016, this normal cost contribution rate, less any employee cost sharing, and as modified by any subsequent financing changes or contract amendments for the year, would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2015 to June 30, 2016 combined with the UAL amount of $52,033. However, if this contribution is fully prepaid in a lump sum, then the dollar value of contractually required contributions is equal to the lump sum prepayment. The employer and the employer's auditor are responsible for determining the contractually required contributions. Further, the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years is to be disclosed under GASB 27.

A summary of principal assumptions and methods used to determine the contractually required contributions is shown below for the cost-sharing multiple-employer defined benefit plan.

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions	
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Complete information on assumptions and methods is provided in Appendix A of the Section 2 report. Appendix B of the Section 2 report contains a description of benefits included in the Risk Pool Actuarial Valuation.

A Schedule of Funding for the Risk Pool's actuarial value of assets, accrued liability, their relationship, and the relationship of the unfunded liability (UL) to payroll for the risk pool(s) to which your plan belongs can be found in Section 2 of the report.

PLAN'S MAJOR BENEFIT OPTIONS

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package		
Benefit Provision	Receiving	Active Misc	
Benefit Formula		2.0% @ 55	
Social Security Coverage		no	
Full/Modified		full	
Final Average Compensation Period		12 mos.	
Sick Leave Credit		yes	
Non-Industrial Disability		standard	
Industrial Disability		no	
Pre-Retirement Death Benefits			
Optional Settlement 2W		yes	
1959 Survivor Benefit Level		level 4	
Special		no	
Alternate (firefighters)		no	
Post-Retirement Death Benefits			
Lump Sum	$500	$500	
Survivor Allowance (PRSA)	no	no	
COLA	2%	2%	

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) then selecting:

- **Employers**
- **Actuarial & GASB 27 Information**
- **Risk Pooling**
- **Risk Pool Annual Valuation Report**

Section 2

ACTUARIAL VALUATION
as of June 30, 2013

for CalPERS

MISCELLANEOUS RISK POOL

REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2015 – June 30, 2016

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Risk Pool Valuation Job ID: 10101

ACTUARIAL CERTIFICATION

To the best of our knowledge, this **Section 2** report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the **newly joined** Miscellaneous Risk Pools. This valuation is based on the member and financial data as of June 30, 2013 provided by the various CalPERS databases and the benefits under this Risk Pool with CalPERS as of the date this report was produced. In the opinion of the actuaries whose signatures appear below the valuation has been performed in accordance with generally accepted actuarial principles, in accordance with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for this risk pool, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

The undersigned are CalPERS staff actuaries who are members of the American Academy of Actuaries and the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

[redacted]

SHELLY CHU, ASA, MAAA
Senior Pension Actuary, CalPERS
Risk Pool Actuary

[redacted]

KELLY STURM, ASA, MAAA
Senior Pension Actuary, CalPERS
Risk Pool Reviewing Actuary

[redacted]

FRITZIE ARCHULETA, ASA, MAAA
Senior Pension Actuary, CalPERS
Risk Pool Reviewing Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **PURPOSE OF SECTION 2**
- **RISK POOL'S REQUIRED EMPLOYER CONTRIBUTION**
- **DEVELOPMENT OF RISK POOL'S EMPLOYER NORMAL COST BY BENEFIT FORMULA**
- **FUNDED STATUS OF THE RISK POOL**
- **COST**
- **CHANGES SINCE THE PRIOR YEAR'S VALUATION**
- **SUBSEQUENT EVENTS**

Purpose of Section 2

This Actuarial Valuation for the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS) was performed by CalPERS' staff actuaries using data as of June 30, 2013 in order to:

- Set forth the assets and accrued liabilities of this risk pool as of June 30, 2013
- Determine the required contributions to the risk pool for the fiscal year July 1, 2015 through June 30, 2016
- Provide actuarial information as of June 30, 2013 to the CalPERS Board of Administration and other interested parties

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Risk Pool's Required Employer Contribution

			Fiscal Year 2015-16
1) Contribution in Projected Dollars			
a)	Total Risk Pool's Normal Cost	$	349,701,728
b)	Employee Contribution		153,381,565
c)	Risk Pool's Employer Normal Cost [(1a) – (1b)]	$	196,320,163
d)	Payment on Risk Pool's Amortization Bases		160,711,302
e)	Total Required Employer Contribution* [(1c)+(1d)]	$	357,031,465
	* Total may not add up due to rounding		
2) Normal Cost Contribution as a Percentage of Projected Pay			
a)	Total Risk Pool's Normal Cost		16.758%
b)	Employee Contribution		7.350%
c)	Risk Pool's Employer Normal Cost [(2a) – (2b)]		9.408%

Development of Risk Pool's Employer Normal Cost by Benefit Formula

Benefit Formula	2% at 62	2% at 60	2% at 55	2.5% at 55	2.7% at 55	3% at 60
Normal Cost Contribution as Percentage of Projected Payroll for Fiscal Year 2015-16						
1) Total Employer Normal Cost Base Benefit	6.179%	6.179%	6.179%	6.179%	6.179%	6.179%
2) Class 0 Benefit	0.000%	0.530%	1.824%	2.888%	4.119%	4.886%
3) Class 1 Benefits	0.167%	0.240%	0.610%	0.773%	0.899%	1.193%
4) Expected Employee Contribution	6.308%	6.880%	6.891%	7.942%	7.947%	7.762%
5) Total Normal Cost Contribution [(1)+(2)+(3)+(4)]	12.654%	13.829%	15.504%	17.782%	19.144%	20.020%
6) Employer Normal Cost [(5)-(4)]	6.346%	6.949%	8.613%	9.840%	11.197%	12.258%

The normal costs shown above are averages for the benefit formula listed.

Funded Status of the Risk Pool

		June 30, 2013
1.	Present Value of Projected Benefits	$ 14,197,513,753
2.	Entry Age Normal Accrued Liability	$ 11,805,627,557
3.	Market Value of Assets (MVA)	$ 9,093,458,815
4.	Unfunded Liability (MVA Basis) [(2) – (3)]	$ 2,712,168,742
5.	Funded Ratio (MVA Basis) [(3) / (2)]	77.0%

The funded status shown above is the average for all plans in the risk pool. The funded status of your plan can be found in Section 1.

Cost

Actuarial Cost Estimates in General

What will this plan or risk pool cost? Unfortunately, there is no simple answer. There are two major reasons for the complexity of the answer:

First, all actuarial calculations, including those in this report, are based on a number of assumptions about the future. These assumptions can be divided into two categories.

- Demographic assumptions include the percentage of employees that will terminate, die, become disabled, and retire in each future year.
- Economic assumptions include future salary increases for each active employee, and the assumption with the greatest impact, future asset returns at CalPERS for each year into the future until the last dollar is paid to current members of your plan.

While CalPERS has set these assumptions as our best estimate of the real future of your plan, it must be understood that these assumptions are very long term predictors and will surely not be realized in any one year. For example, while the asset earnings at CalPERS have averaged more than the assumed return of 7.5 percent over the past twenty year period ending June 30, 2013, returns for each fiscal year ranged from -24 percent to +21.7 percent.

Second, the very nature of actuarial funding produces the answer to the question of plan or risk pool cost as the sum of two separate pieces:

- The Normal Cost (i.e., the future annual premiums in the absence of surplus or unfunded liability) expressed as a percentage of total active payroll, and
- The Past Service Cost or Accrued Liability (i.e., representing the current value of the benefit for all credited past service of current members) which is expressed as a lump sum dollar amount.

Changes since the Prior Year's Valuation

Actuarial Methods and Assumptions

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The new amortization and smoothing policy is used in this valuation.

A change in the calculation of termination with vested benefits liability was made this year to better reflect the retirement experience. After termination with vested benefits, a miscellaneous member is assumed to retire at age 59 and a safety member at age 54 rather than at earliest retirement age. The higher benefit factors at these ages results in a higher liability and an increase in normal cost.

Public Employees' Pension Reform Act of 2013 (PEPRA)

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members, PEPRA also effectively closed all existing active risk pools to new employees. As such, it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payrolls would lead to the underfunding of the plans. In addition the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore, the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

In order to address these issues the CalPERS Board of Administration approved at their May 21, 2014 meeting structural changes to the risk pools. All pooled plans will be combined into two active risk pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the risk pools this way the payroll of the risk pools and the employers within the risk pools can once again be expected to increase at the assumed 3 percent annual growth. This change will allow the continuation of current level percent of payroll amortization schedule. However, two important changes are being made which will affect employers.

Beginning with FY 2015-16, CalPERS will collect employer contributions toward your unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund payments, the plan's normal cost contribution will continue to be collected as a percentage of payroll.

The risk pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by the plan's individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

The impact of most of the PEPRA changes will first show up in the rates and the benefit provision listings of the June 30, 2013 valuation that sets the contribution rates for the 2015-16 fiscal year. For more detailed information on changes due to PEPRA, please refer to the CalPERS website.

Subsequent Events

Actuarial Methods and Assumptions

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns (see Appendix). The adopted asset allocation is expected to have a long- term blended return that continues to support a discount rate assumption of 7.5 percent.

The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy. The impacts of assumption changes for your plan are included in the "Projected Rates" subsection of the "Risk Analysis" discussion in Section 1 of your actuarial valuation report.

ASSETS

- **RISK POOL'S MARKET VALUE OF ASSETS**
- **ASSET ALLOCATION**
- **CALPERS HISTORY OF INVESTMENT RETURNS**

Risk Pool's Market Value of Assets

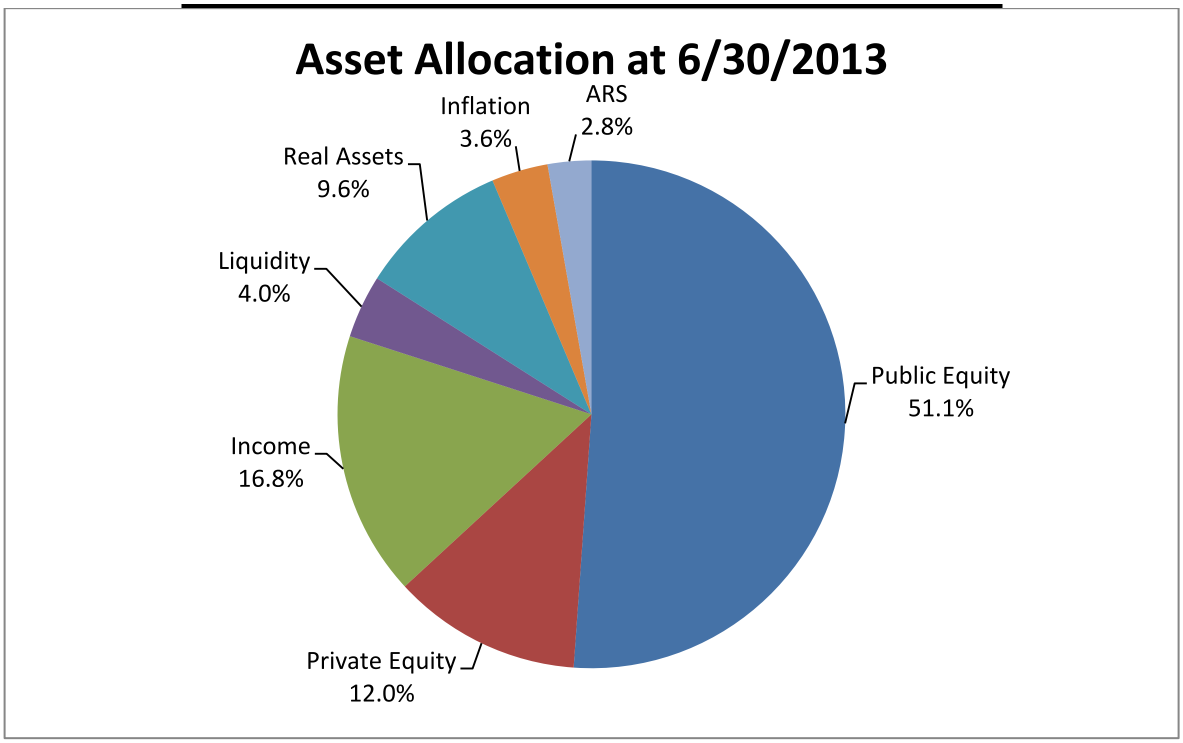
Market Value of Assets as of June 30, 2013 Including Receivables	$	9,093,458,815

Asset Allocation

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges, and manages those asset class allocations within their policy ranges. CalPERS recognizes that over 90 percent of the variation in investment returns of a well-diversified pool of assets can typically be attributed to asset allocation decisions. On February 19, 2014 the CalPERS Board of Administration adopted changes to the current asset allocation as shown in the Policy Target Allocation below expressed as percentage of total assets. The asset allocation has an expected long term blended rate of return of 7.5%.

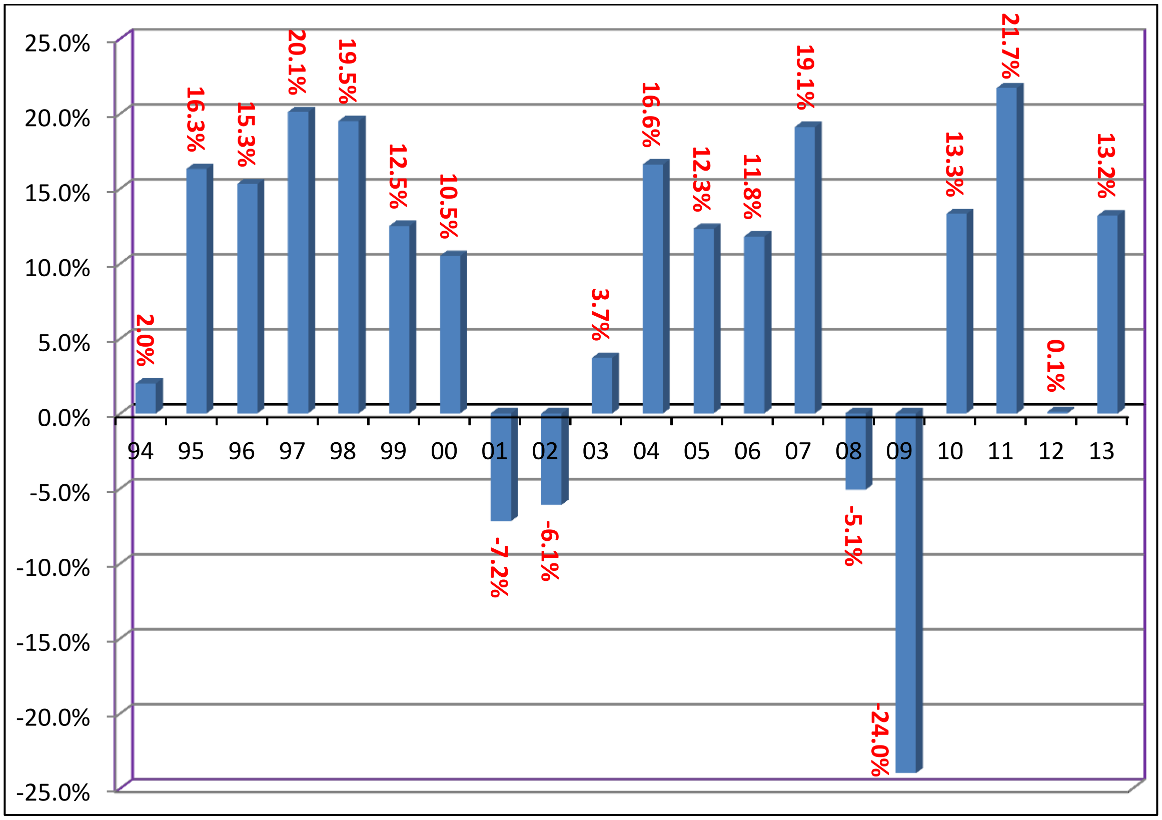
The asset allocation and market value of assets shown below reflect the values of the Public Employees Retirement Fund (PERF) in its entirety as of June 30, 2013. The assets for the risk pool are part of the Public Employees Retirement Fund (PERF) and are invested accordingly.

(A) Asset Class	(B) Market Value ($ Billion)	(C) Policy Target Allocation
1) Public Equity	133.4	47.0%
2) Private Equity	31.4	12.0%
3) Fixed Income	43.9	19.0%
4) Cash Equivalents	10.5	4.0%
5) Real Assets	25.2	11.0%
6) Inflation Assets	9.4	3.0%
7) Absolute Return Strategy (ARS)	7.2	0.0%
Total Fund	**$261.0**	**100.0%**



CalPERS History of Investment Returns

The following is a chart with the 20-year historical annual returns of the Public Employees Retirement Fund for each fiscal year ending on June 30. Beginning in 2002, the figures are reported as gross of fees.



The table below shows historical geometric mean annual returns of the Public Employees Retirement Fund for each fiscal year ending on June 30, 2013, (figures are reported as gross of fees). The geometric mean rate of return is the average rate per period compounded over multiple periods. It should be recognized that in any given year the rate of return is volatile. Although the expected rate of return on the recently adopted new asset allocation is 7.5 percent the portfolio has an expected volatility of 11.76 percent per year. Consequently when looking at investment returns it is more instructive to look at returns over longer time horizons.

History of CalPERS Geometric Mean Rates of Return and Volatilities					
	1 year	**5 year**	**10 year**	**20 year**	**30 year**
Geometric Return	13.2%	3.5%	7.0%	7.6%	9.4%
Volatility	–	17.9%	13.9%	11.8%	11.6%

LIABILITIES AND RATES

- **DEVELOPMENT OF RISK POOL'S ACCRUED AND UNFUNDED LIABILITIES**
- **DEVELOPMENT OF RISK POOL'S ANNUAL REQUIRED BASE CONTRIBUTION**
- **RISK POOL'S CONTRIBUTION HISTORY**
- **FUNDING HISTORY**

Development of Risk Pool's Accrued and Unfunded Liabilities

1.	Present Value of Projected Benefits		**June 30, 2013**
	a) Active Members	$	7,105,486,840
	b) Transferred Members		881,896,195
	c) Separated Members		392,962,999
	d) Members and Beneficiaries Receiving Payments		5,817,167,719
	e) Total	$	14,197,513,753
2.	Present Value of Future Employer Normal Costs	$	1,291,890,320
3.	Present Value of Future Employee Contributions	$	1,099,999,303
4.	Entry Age Normal Accrued Liability		
	a) Active Members [(1a) - (2) - (3)]	$	4,713,600,644
	b) Transferred Members (1b)		881,896,195
	c) Separated Members (1c)		392,962,999
	d) Members and Beneficiaries Receiving Payments (1d)		5,817,167,719
	e) Total	$	11,805,627,557
5.	Market Value of Assets (MVA) Including Receivables	$	9,093,458,815
6.	Unfunded Accrued Liability (MVA Basis) [(4e) - (5)]		2,712,168,742
7.	Funded Ratio (MVA Basis) [(5) / (4e)]		77.0%

Development of Risk Pool's Annual Required Base Contribution

				Fiscal Year 2015-16
1.	**Contribution in Projected Dollars**			
	a)	Total Normal Cost	$	349,701,728
	b)	Employee Contribution		153,381,565
	c)	Risk Pool's Employer Normal Cost [(1a) - (1b)]		196,320,163
	d)	Payment on Risk Pool's Amortization Bases		160,711,302
	e)	Total Required Employer Contributions [(1c) + (1d)]	$	357,031,465
2.	**Annual Covered Payroll as of Valuation Date**		$	1,909,639,449
3.	**Projected Payroll for Contribution Fiscal Year**		$	2,086,714,587
4.	**Normal Cost Contribution as a % of Projected Pay**			
	a)	Total Normal Cost [(1a) / (3)]		16.758%
	b)	Employee Contribution [(1b) / (3)]		7.350%
	c)	Risk Pool's Employer Normal Cost [(1c) / (3)]		9.408%

Risk Pool's Contribution History

Fiscal Date	Total Employer Normal Cost	Payment on Risk Pool's Amortization Bases	Total Employer Contribution
06/30/2013	$196,320,163	$160,711,302	$357,031,465

Funding History

Valuation Date	Accrued Liabilities (AL)	Market Value of Assets (MVA)	Unfunded Liabilities (UL)	Funded Ratio (MVA/AL)	Annual Covered Payroll	UL As a % of Payroll
06/30/2013	$ 11,805,627,557	$ 9,093,458,815	$ 2,712,168,742	77.0%	$ 1,909,639,449	142.0%

Information shown here is for compliance with GASB No. 27 for a cost-sharing multiple-employer defined benefit plan.

However, note that beginning next year, GASB 68 will supersede GASB 27. Disclosure required under GASB 68 will require additional reporting which CalPERS intends to provide for an additional cost.

APPENDICES

- **APPENDIX A - ACTUARIAL METHODS AND ASSUMPTIONS**
- **APPENDIX B – PRINCIPAL PLAN PROVISIONS**
- **APPENDIX C – CLASSIFICATION OF OPTIONAL BENEFITS**
- **APPENDIX D – SUMMARY OF AMORTIZATION BASES UNDER PRIOR RISK POOL STRUCTURE**
- **APPENDIX E - PARTICIPANT DATA**
- **APPENDIX F - GLOSSARY OF ACTUARIAL TERMS**

APPENDIX A

ACTUARIAL METHODS AND ASSUMPTIONS

- **ACTUARIAL DATA**
- **ACTUARIAL METHODS**
- **ACTUARIAL ASSUMPTIONS**
- **MISCELLANEOUS**

Actuarial Data

As stated in the Actuarial Certification, the data, which serves as the basis of this valuation, has been obtained from the various CalPERS databases. We have reviewed the valuation data and believe that it is reasonable and appropriate in aggregate. We are unaware of any potential data issues that would have a material effect on the results of this valuation, except that data does not always contain the latest salary information for former members now in reciprocal systems and does not recognize the potential for unusually large salary deviation in certain cases such as elected officials. Therefore, salary information in these cases may not be accurate. These situations are relatively infrequent, however, and when they do occur, they generally do not have a material impact on the employer contribution rates.

Actuarial Methods

Funding Method

The actuarial funding method used for the Retirement Program is the Entry Age Normal Cost Method. Under this method, projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost.

The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the actuarial value of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payrolls. Commencing with the June 30, 2013 valuation all new gains or losses are tracked and amortized over a fixed 30-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than golden handshakes), changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake will be amortized over a period of 5-years. If a plan's accrued liability exceeds the market value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability. An exception has been made for the change in asset value from actuarial to market value in this valuation. The CalPERS Board approved a 30-year amortization with a 5-year ramp-up/ramp-down for only this change in method.

Additional contributions will be required for any plan or risk pool if their cash flows hamper adequate funding progress by preventing the expected funded status on a market value of assets basis to either:

- Increase by at least 15 percent by June 30, 2043; or
- Reach a level of 75 percent funded by June 30, 2043

The necessary additional contribution will be obtained by changing the amortization period of the gains and losses, except for those occurring in the fiscal years 2008-2009, 2009-2010, and 2010-2011 to a period, which will result in the satisfaction of the above criteria. CalPERS actuaries will reassess the criteria above when performing each future valuation to determine whether or not additional contributions are necessary.

An exception to the funding rules above is used whenever the application of such rules results in inconsistencies. In these cases, a "fresh start" approach is used. This simply means that the current unfunded actuarial liability is projected and amortized over a set number of years. As mentioned above, if the annual contribution on the total unfunded liability was less than the amount produced by a 30-year amortization of the unfunded liability, the plan actuary would implement a 30-year fresh start. However, in the case of a 30-year fresh start, just the unfunded liability not already in the (gain)/loss base (which is already amortized over 30 years), will go into the new fresh start base. In addition, a fresh start is needed in the following situations:

1) When a positive payment would be required on a negative unfunded actuarial liability (or conversely a negative payment on a positive unfunded actuarial liability); or

2) When there are excess assets, rather than an unfunded liability. In this situation, a 30-year fresh start is used, unless a longer fresh start is needed to avoid a negative total rate.

It should be noted that the actuary may choose to use a fresh start under other circumstances. In all cases, the fresh start period is set by the actuary at what is deemed appropriate; however, the period will not be less than five years, nor greater than 30 years.

Asset Valuation Method

It is the policy of the CalPERS Board of Administration to use professionally accepted amortization methods to eliminate unfunded accrued liabilities or surpluses in a manner that maintains benefit security for the members of the System while minimizing substantial variations in employer contribution rates. On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuations that set the 2015-16 rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. CalPERS will no longer use an actuarial value of assets and will use the market value of assets. This direct rate smoothing method is equivalent to a method using a 5-year asset smoothing period with no asset corridor and a 25-year amortization period for gains and losses. The change in asset value will also be amortized over 30 years with a 5-year ramp-up/ramp-down.

Actuarial Assumptions

In 2014 CalPERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014 the CalPERS Board of Administration adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. The Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these is mortality improvement to acknowledge the greater life expectancies we are seeing in our membership and expected continued improvements. The new actuarial assumptions will be used to set the FY 2016-17 contribution rates for public agency employers. The increase in liability due to new actuarial assumptions will be calculated in the 2014 actuarial valuation and will be amortized over a 20-year period with a 5-year ramp-up/ramp-down in accordance with Board policy. For more details, please refer to the experience study report that can be found at the following link: http://www.calpers.ca.gov/eip-docs/about/pubs/employer/2014-experience-study.pdf

Economic Assumptions

Discount Rate

7.5 percent compounded annually (net of expenses). This assumption is used for all plans.

Termination Liability Discount Rate

The discount rate used for termination valuation is a weighted average of the 10 and 30-year US Treasury yields in effect on the valuation date that equal the duration of the pension liabilities. For purposes of this hypothetical termination liability estimate, the discount rate used, 3.72 percent is the yield on the 30-year US Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS) as of June 30, 2013. Please note, as of June 30, 2014 the 30-year STRIPS yield was 3.55 percent.

Salary Growth

Annual increases vary by category, entry age, and duration of service. A sample of assumed increases are shown below.

Public Agency Miscellaneous

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1420	0.1240	0.0980
1	0.1190	0.1050	0.0850
2	0.1010	0.0910	0.0750
3	0.0880	0.0800	0.0670
4	0.0780	0.0710	0.0610
5	0.0700	0.0650	0.0560
10	0.0480	0.0460	0.0410
15	0.0430	0.0410	0.0360
20	0.0390	0.0370	0.0330
25	0.0360	0.0360	0.0330
30	0.0360	0.0360	0.0330

Salary Growth (continued)

Public Agency Fire

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1050	0.1050	0.1020
1	0.0950	0.0940	0.0850
2	0.0870	0.0830	0.0700
3	0.0800	0.0750	0.0600
4	0.0740	0.0680	0.0510
5	0.0690	0.0620	0.0450
10	0.0510	0.0460	0.0350
15	0.0410	0.0390	0.0340
20	0.0370	0.0360	0.0330
25	0.0350	0.0350	0.0330
30	0.0350	0.0350	0.0330

Public Agency Police

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1090	0.1090	0.1090
1	0.0930	0.0930	0.0930
2	0.0810	0.0810	0.0780
3	0.0720	0.0700	0.0640
4	0.0650	0.0610	0.0550
5	0.0590	0.0550	0.0480
10	0.0450	0.0420	0.0340
15	0.0410	0.0390	0.0330
20	0.0370	0.0360	0.0330
25	0.0350	0.0340	0.0330
30	0.0350	0.0340	0.0330

Public Agency County Peace Officers

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1290	0.1290	0.1290
1	0.1090	0.1060	0.1030
2	0.0940	0.0890	0.0840
3	0.0820	0.0770	0.0710
4	0.0730	0.0670	0.0610
5	0.0660	0.0600	0.0530
10	0.0460	0.0420	0.0380
15	0.0410	0.0380	0.0360
20	0.0370	0.0360	0.0340
25	0.0350	0.0340	0.0330
30	0.0350	0.0340	0.0330

Schools

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1080	0.0960	0.0820
1	0.0940	0.0850	0.0740
2	0.0840	0.0770	0.0670
3	0.0750	0.0700	0.0620
4	0.0690	0.0640	0.0570
5	0.0630	0.0600	0.0530
10	0.0450	0.0440	0.0410
15	0.0390	0.0380	0.0350
20	0.0360	0.0350	0.0320
25	0.0340	0.0340	0.0320
30	0.0340	0.0340	0.0320

- The Miscellaneous salary scale is used for Local Prosecutors.
- The Police salary scale is used for Other Safety, Local Sheriff, and School Police.

Overall Payroll Growth

3.00 percent compounded annually (used in projecting the payroll over which the unfunded liability is amortized). This assumption is used for all plans.

Inflation

2.75 percent compounded annually. This assumption is used for all plans.

Non-valued Potential Additional Liabilities

The potential liability loss for a cost-of-living increase exceeding the 2.75 percent inflation assumption, and any potential liability loss from future member service purchases are not reflected in the valuation.

Miscellaneous Loading Factors

Credit for Unused Sick Leave

Total years of service is increased by 1 percent for those plans that have accepted the provision providing Credit for Unused Sick Leave.

Conversion of Employer Paid Member Contributions (EPMC)

Total years of service is increased by the Employee Contribution Rate for those plans with the provision providing for the Conversion of Employer Paid Member Contributions (EPMC) during the final compensation period.

Norris Decision (Best Factors)

Employees hired prior to July 1, 1982 have projected benefit amounts increased in order to reflect the use of "Best Factors" in the calculation of optional benefit forms. This is due to a 1983 Supreme Court decision, known as the Norris decision, which required males and females to be treated equally in the determination of benefit amounts. Consequently, anyone already employed at that time is given the best possible conversion factor when optional benefits are determined. No loading is necessary for employees hired after July 1, 1982.

Termination Liability

The termination liabilities include a 7 percent contingency load. This load is for unforeseen improvements in mortality.

Demographic Assumptions

Pre-Retirement Mortality

Non-Industrial Death Rates vary by age and gender. Industrial Death rates vary by age. See sample rates in table below. The non-industrial death rates are used for all plans. The industrial death rates are used for Safety Plans (except for Local Prosecutor safety members where the corresponding Miscellaneous Plan does not have the Industrial Death Benefit).

	Non-Industrial Death (Not Job-Related)		Industrial Death (Job-Related)
Age	Male	Female	Male and Female
20	0.00047	0.00016	0.00003
25	0.00050	0.00026	0.00007
30	0.00053	0.00036	0.00010
35	0.00067	0.00046	0.00012
40	0.00087	0.00065	0.00013
45	0.00120	0.00093	0.00014
50	0.00176	0.00126	0.00015
55	0.00260	0.00176	0.00016
60	0.00395	0.00266	0.00017
65	0.00608	0.00419	0.00018
70	0.00914	0.00649	0.00019
75	0.01220	0.00878	0.00020
80	0.01527	0.01108	0.00021

Miscellaneous Plans usually have Industrial Death rates set to zero unless the agency has specifically contracted for Industrial Death benefits. If so, each Non-Industrial Death rate shown above will be split into two components; 99 percent will become the Non-Industrial Death rate and 1 percent will become the Industrial Death rate.

Post-Retirement Mortality

Rates vary by age, type of retirement and gender. See sample rates in table below. These rates are used for all plans.

	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
Age	Male	Female	Male	Female	Male	Female
50	0.00239	0.00125	0.01632	0.01245	0.00443	0.00356
55	0.00474	0.00243	0.01936	0.01580	0.00563	0.00546
60	0.00720	0.00431	0.02293	0.01628	0.00777	0.00798
65	0.01069	0.00775	0.03174	0.01969	0.01388	0.01184
70	0.01675	0.01244	0.03870	0.03019	0.02236	0.01716
75	0.03080	0.02071	0.06001	0.03915	0.03585	0.02665
80	0.05270	0.03749	0.08388	0.05555	0.06926	0.04528
85	0.09775	0.07005	0.14035	0.09577	0.11799	0.08017
90	0.16747	0.12404	0.21554	0.14949	0.16575	0.13775
95	0.25659	0.21556	0.31025	0.23055	0.26108	0.23331
100	0.34551	0.31876	0.45905	0.37662	0.40918	0.35165
105	0.58527	0.56093	0.67923	0.61523	0.64127	0.60135
110	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

The mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

On February 19, 2014 the CalPERS Board adopted new recommended demographic assumption based on the most recent CalPERS Experience Study. These new actuarial assumptions will be implemented for the first time in the June 30, 2014 valuation. For purposes of the post-retirement mortality rates, the revised rates include 20 years of projected on-going mortality improvement using Scale BB published by the Society of Actuaries.

Marital Status

For active members, a percentage who are married upon retirement is assumed according to member category as shown in the following table.

Member Category	Percent Married
Miscellaneous Member	85%
Local Police	90%
Local Fire	90%
Other Local Safety	90%
School Police	90%

Age of Spouse

It is assumed that female spouses are 3 years younger than male spouses. This assumption is used for all plans.

Terminated Members

It is assumed that terminated members refund immediately if non-vested. Terminated members who are vested are assumed to follow the same service retirement pattern as active members but with a load to reflect the expected higher rates of retirement, especially at lower ages. The following table shows the load factors that are applied to the service retirement assumption for active members to obtain the service retirement pattern for separated vested members:

Age	Load Factor
50	450%
51	250%
52 through 56	200%
57 through 60	150%
61 through 64	125%
65 and above	100% (no change)

Termination with Refund

Rates vary by entry age and service for Miscellaneous Plans. Rates vary by service for Safety Plans. See sample rates in tables below.

Public Agency Miscellaneous

Duration of Service	Entry Age 20	Entry Age 25	Entry Age 30	Entry Age 35	Entry Age 40	Entry Age 45
0	0.1742	0.1674	0.1606	0.1537	0.1468	0.1400
1	0.1545	0.1477	0.1409	0.1339	0.1271	0.1203
2	0.1348	0.1280	0.1212	0.1142	0.1074	0.1006
3	0.1151	0.1083	0.1015	0.0945	0.0877	0.0809
4	0.0954	0.0886	0.0818	0.0748	0.0680	0.0612
5	0.0212	0.0193	0.0174	0.0155	0.0136	0.0116
10	0.0138	0.0121	0.0104	0.0088	0.0071	0.0055
15	0.0060	0.0051	0.0042	0.0032	0.0023	0.0014
20	0.0037	0.0029	0.0021	0.0013	0.0005	0.0001
25	0.0017	0.0011	0.0005	0.0001	0.0001	0.0001
30	0.0005	0.0001	0.0001	0.0001	0.0001	0.0001
35	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001

Public Agency Safety

Duration of Service	Fire	Police	County Peace Officer
0	0.0710	0.1013	0.0997
1	0.0554	0.0636	0.0782
2	0.0398	0.0271	0.0566
3	0.0242	0.0258	0.0437
4	0.0218	0.0245	0.0414
5	0.0029	0.0086	0.0145
10	0.0009	0.0053	0.0089
15	0.0006	0.0027	0.0045
20	0.0005	0.0017	0.0020
25	0.0003	0.0012	0.0009
30	0.0003	0.0009	0.0006
35	0.0003	0.0009	0.0006

The Police Termination and Refund rates are also used for Public Agency Local Prosecutors, Other Safety, Local Sheriff and School Police.

Schools

Duration of Service	Entry Age 20	Entry Age 25	Entry Age 30	Entry Age 35	Entry Age 40	Entry Age 45
0	0.1730	0.1627	0.1525	0.1422	0.1319	0.1217
1	0.1585	0.1482	0.1379	0.1277	0.1174	0.1071
2	0.1440	0.1336	0.1234	0.1131	0.1028	0.0926
3	0.1295	0.1192	0.1089	0.0987	0.0884	0.0781
4	0.1149	0.1046	0.0944	0.0841	0.0738	0.0636
5	0.0278	0.0249	0.0221	0.0192	0.0164	0.0135
10	0.0172	0.0147	0.0122	0.0098	0.0074	0.0049
15	0.0115	0.0094	0.0074	0.0053	0.0032	0.0011
20	0.0073	0.0055	0.0038	0.0020	0.0002	0.0002
25	0.0037	0.0023	0.0010	0.0002	0.0002	0.0002
30	0.0015	0.0003	0.0002	0.0002	0.0002	0.0002
35	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002

Termination with Vested Benefits

Rates vary by entry age and service for Miscellaneous Plans. Rates vary by service for Safety Plans. See sample rates in tables below.

Public Agency Miscellaneous

Duration of Service	Entry Age 20	Entry Age 25	Entry Age 30	Entry Age 35	Entry Age 40
5	0.0656	0.0597	0.0537	0.0477	0.0418
10	0.0530	0.0466	0.0403	0.0339	0.0000
15	0.0443	0.0373	0.0305	0.0000	0.0000
20	0.0333	0.0261	0.0000	0.0000	0.0000
25	0.0212	0.0000	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0000	0.0000	0.0000	0.0000	0.0000

Public Agency Safety

Duration of Service	Fire	Police	County Peace Officer
5	0.0162	0.0163	0.0265
10	0.0061	0.0126	0.0204
15	0.0058	0.0082	0.0130
20	0.0053	0.0065	0.0074
25	0.0047	0.0058	0.0043
30	0.0045	0.0056	0.0030
35	0.0000	0.0000	0.0000

- When a member is eligible to retire, the termination with vested benefits probability is set to zero.
- After termination with vested benefits, a miscellaneous member is assumed to retire at age 59 and a safety member at age 54.
- The Police Termination with vested benefits rates are also used for Public Agency Local Prosecutors, Other Safety, Local Sheriff and School Police.

Schools

Duration of Service	Entry Age 20	Entry Age 25	Entry Age 30	Entry Age 35	Entry Age 40
5	0.0816	0.0733	0.0649	0.0566	0.0482
10	0.0629	0.0540	0.0450	0.0359	0.0000
15	0.0537	0.0440	0.0344	0.0000	0.0000
20	0.0420	0.0317	0.0000	0.0000	0.0000
25	0.0291	0.0000	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0000	0.0000	0.0000	0.0000	0.0000

Non-Industrial (Not Job-Related) Disability

Rates vary by age and gender for Miscellaneous Plans. Rates vary by age and category for Safety Plans.

	Miscellaneous		Fire	Police	County Peace Officer	Schools	
Age	Male	Female	Male and Female	Male and Female	Male and Female	Male	Female
20	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
25	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
30	0.0002	0.0002	0.0001	0.0002	0.0001	0.0002	0.0001
35	0.0006	0.0009	0.0001	0.0003	0.0004	0.0006	0.0004
40	0.0015	0.0016	0.0001	0.0004	0.0007	0.0014	0.0009
45	0.0025	0.0024	0.0002	0.0005	0.0013	0.0028	0.0017
50	0.0033	0.0031	0.0005	0.0008	0.0018	0.0044	0.0030
55	0.0037	0.0031	0.0010	0.0013	0.0010	0.0049	0.0034
60	0.0038	0.0025	0.0015	0.0020	0.0006	0.0043	0.0024

- The Miscellaneous Non-Industrial Disability rates are used for Local Prosecutors.
- The Police Non-Industrial Disability rates are also used for Other Safety, Local Sheriff and School Police.

Industrial (Job-Related) Disability

Rates vary by age and category.

Age	Fire	Police	County Peace Officer
20	0.0002	0.0007	0.0003
25	0.0012	0.0032	0.0015
30	0.0025	0.0064	0.0031
35	0.0037	0.0097	0.0046
40	0.0049	0.0129	0.0063
45	0.0061	0.0161	0.0078
50	0.0074	0.0192	0.0101
55	0.0721	0.0668	0.0173
60	0.0721	0.0668	0.0173

- The Police Industrial Disability rates are also used for Local Sheriff and Other Safety.
- Fifty Percent of the Police Industrial Disability rates are used for School Police.
- One Percent of the Police Industrial Disability rates are used for Local Prosecutors.
- Normally, rates are zero for Miscellaneous Plans unless the agency has specifically contracted for Industrial Disability benefits. If so, each miscellaneous non-industrial disability rate will be split into two components: 50 percent will become the Non-Industrial Disability rate and 50 percent will become the Industrial Disability rate.

Service Retirement

Retirement rates vary by age, service, and formula, except for the safety ½ @ 55 and 2% @ 55 formulas, where retirement rates vary by age only.

Service Retirement

Public Agency Miscellaneous 1.5% @ 65

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.008	0.011	0.013	0.015	0.017	0.019
51	0.007	0.010	0.012	0.013	0.015	0.017
52	0.010	0.014	0.017	0.019	0.021	0.024
53	0.008	0.012	0.015	0.017	0.019	0.022
54	0.012	0.016	0.019	0.022	0.025	0.028
55	0.018	0.025	0.031	0.035	0.038	0.043
56	0.015	0.021	0.025	0.029	0.032	0.036
57	0.020	0.028	0.033	0.038	0.043	0.048
58	0.024	0.033	0.040	0.046	0.052	0.058
59	0.028	0.039	0.048	0.054	0.060	0.067
60	0.049	0.069	0.083	0.094	0.105	0.118
61	0.062	0.087	0.106	0.120	0.133	0.150
62	0.104	0.146	0.177	0.200	0.223	0.251
63	0.099	0.139	0.169	0.191	0.213	0.239
64	0.097	0.136	0.165	0.186	0.209	0.233
65	0.140	0.197	0.240	0.271	0.302	0.339
66	0.092	0.130	0.157	0.177	0.198	0.222
67	0.129	0.181	0.220	0.249	0.277	0.311
68	0.092	0.129	0.156	0.177	0.197	0.221
69	0.092	0.130	0.158	0.178	0.199	0.224
70	0.103	0.144	0.175	0.198	0.221	0.248

Public Agency Miscellaneous 2% @ 60

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.011	0.015	0.018	0.021	0.023	0.026
51	0.009	0.013	0.016	0.018	0.020	0.023
52	0.013	0.018	0.022	0.025	0.028	0.031
53	0.011	0.016	0.019	0.022	0.025	0.028
54	0.015	0.021	0.025	0.028	0.032	0.036
55	0.023	0.032	0.039	0.044	0.049	0.055
56	0.019	0.027	0.032	0.037	0.041	0.046
57	0.025	0.035	0.042	0.048	0.054	0.060
58	0.030	0.042	0.051	0.058	0.065	0.073
59	0.035	0.049	0.060	0.068	0.076	0.085
60	0.062	0.087	0.105	0.119	0.133	0.149
61	0.079	0.110	0.134	0.152	0.169	0.190
62	0.132	0.186	0.225	0.255	0.284	0.319
63	0.126	0.178	0.216	0.244	0.272	0.305
64	0.122	0.171	0.207	0.234	0.262	0.293
65	0.173	0.243	0.296	0.334	0.373	0.418
66	0.114	0.160	0.194	0.219	0.245	0.274
67	0.159	0.223	0.271	0.307	0.342	0.384
68	0.113	0.159	0.193	0.218	0.243	0.273
69	0.114	0.161	0.195	0.220	0.246	0.276
70	0.127	0.178	0.216	0.244	0.273	0.306

Service Retirement

Public Agency Miscellaneous 2% @ 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.015	0.020	0.024	0.029	0.033	0.039
51	0.013	0.016	0.020	0.024	0.027	0.033
52	0.014	0.018	0.022	0.027	0.030	0.036
53	0.017	0.022	0.027	0.032	0.037	0.043
54	0.027	0.034	0.041	0.049	0.056	0.067
55	0.050	0.064	0.078	0.094	0.107	0.127
56	0.045	0.057	0.069	0.083	0.095	0.113
57	0.048	0.061	0.074	0.090	0.102	0.122
58	0.052	0.066	0.080	0.097	0.110	0.131
59	0.060	0.076	0.092	0.111	0.127	0.151
60	0.072	0.092	0.112	0.134	0.153	0.182
61	0.089	0.113	0.137	0.165	0.188	0.224
62	0.128	0.162	0.197	0.237	0.270	0.322
63	0.129	0.164	0.199	0.239	0.273	0.325
64	0.116	0.148	0.180	0.216	0.247	0.294
65	0.174	0.221	0.269	0.323	0.369	0.439
66	0.135	0.171	0.208	0.250	0.285	0.340
67	0.133	0.169	0.206	0.247	0.282	0.336
68	0.118	0.150	0.182	0.219	0.250	0.297
69	0.116	0.147	0.179	0.215	0.246	0.293
70	0.138	0.176	0.214	0.257	0.293	0.349

Public Agency Miscellaneous 2.5% @ 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.026	0.033	0.040	0.048	0.055	0.062
51	0.021	0.026	0.032	0.038	0.043	0.049
52	0.021	0.026	0.032	0.038	0.043	0.049
53	0.026	0.033	0.040	0.048	0.055	0.062
54	0.043	0.054	0.066	0.078	0.089	0.101
55	0.088	0.112	0.136	0.160	0.184	0.208
56	0.055	0.070	0.085	0.100	0.115	0.130
57	0.061	0.077	0.094	0.110	0.127	0.143
58	0.072	0.091	0.111	0.130	0.150	0.169
59	0.083	0.105	0.128	0.150	0.173	0.195
60	0.088	0.112	0.136	0.160	0.184	0.208
61	0.083	0.105	0.128	0.150	0.173	0.195
62	0.121	0.154	0.187	0.220	0.253	0.286
63	0.105	0.133	0.162	0.190	0.219	0.247
64	0.105	0.133	0.162	0.190	0.219	0.247
65	0.143	0.182	0.221	0.260	0.299	0.338
66	0.105	0.133	0.162	0.190	0.219	0.247
67	0.105	0.133	0.162	0.190	0.219	0.247
68	0.105	0.133	0.162	0.190	0.219	0.247
69	0.105	0.133	0.162	0.190	0.219	0.247
70	0.125	0.160	0.194	0.228	0.262	0.296

Service Retirement

Public Agency Miscellaneous 2.7% @ 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.028	0.035	0.043	0.050	0.058	0.065
51	0.022	0.028	0.034	0.040	0.046	0.052
52	0.022	0.028	0.034	0.040	0.046	0.052
53	0.028	0.035	0.043	0.050	0.058	0.065
54	0.044	0.056	0.068	0.080	0.092	0.104
55	0.091	0.116	0.140	0.165	0.190	0.215
56	0.061	0.077	0.094	0.110	0.127	0.143
57	0.063	0.081	0.098	0.115	0.132	0.150
58	0.074	0.095	0.115	0.135	0.155	0.176
59	0.083	0.105	0.128	0.150	0.173	0.195
60	0.088	0.112	0.136	0.160	0.184	0.208
61	0.085	0.109	0.132	0.155	0.178	0.202
62	0.124	0.158	0.191	0.225	0.259	0.293
63	0.107	0.137	0.166	0.195	0.224	0.254
64	0.107	0.137	0.166	0.195	0.224	0.254
65	0.146	0.186	0.225	0.265	0.305	0.345
66	0.107	0.137	0.166	0.195	0.224	0.254
67	0.107	0.137	0.166	0.195	0.224	0.254
68	0.107	0.137	0.166	0.195	0.224	0.254
69	0.107	0.137	0.166	0.195	0.224	0.254
70	0.129	0.164	0.199	0.234	0.269	0.304

Public Agency Miscellaneous 3% @ 60

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.026	0.033	0.040	0.048	0.055	0.062
51	0.021	0.026	0.032	0.038	0.043	0.049
52	0.019	0.025	0.030	0.035	0.040	0.046
53	0.025	0.032	0.038	0.045	0.052	0.059
54	0.039	0.049	0.060	0.070	0.081	0.091
55	0.083	0.105	0.128	0.150	0.173	0.195
56	0.055	0.070	0.085	0.100	0.115	0.130
57	0.061	0.077	0.094	0.110	0.127	0.143
58	0.072	0.091	0.111	0.130	0.150	0.169
59	0.080	0.102	0.123	0.145	0.167	0.189
60	0.094	0.119	0.145	0.170	0.196	0.221
61	0.088	0.112	0.136	0.160	0.184	0.208
62	0.127	0.161	0.196	0.230	0.265	0.299
63	0.110	0.140	0.170	0.200	0.230	0.260
64	0.110	0.140	0.170	0.200	0.230	0.260
65	0.149	0.189	0.230	0.270	0.311	0.351
66	0.110	0.140	0.170	0.200	0.230	0.260
67	0.110	0.140	0.170	0.200	0.230	0.260
68	0.110	0.140	0.170	0.200	0.230	0.260
69	0.110	0.140	0.170	0.200	0.230	0.260
70	0.132	0.168	0.204	0.240	0.276	0.312

Service Retirement

Public Agency Miscellaneous 2% @ 62

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
51	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
52	0.0103	0.0132	0.0160	0.0188	0.0216	0.0244
53	0.0131	0.0167	0.0202	0.0238	0.0273	0.0309
54	0.0213	0.0272	0.0330	0.0388	0.0446	0.0504
55	0.0440	0.0560	0.0680	0.0800	0.0920	0.1040
56	0.0303	0.0385	0.0468	0.0550	0.0633	0.0715
57	0.0363	0.0462	0.0561	0.0660	0.0759	0.0858
58	0.00465	0.0592	0.0718	0.0845	0.0972	0.1099
59	0.0578	0.0735	0.0893	0.1050	0.1208	0.1365
60	0.0616	0.0784	0.0952	0.1120	0.1288	0.1456
61	0.0888	0.0788	0.0956	0.1125	0.1294	0.1463
62	0.0941	0.1232	0.1496	0.1760	0.2024	0.2288
63	0.1287	0.1131	0.1373	0.1615	0.1857	0.2100
64	0.1045	0.1197	0.1454	0.1710	0.1967	0.2223
65	0.1045	0.1638	0.1989	0.2340	0.2691	0.3042
66	0.1045	0.1330	0.1615	0.1900	0.2185	0.2470
67	0.1045	0.1330	0.1615	0.1900	0.2185	0.2470
68	0.1045	0.1330	0.1615	0.1900	0.2185	0.2470
69	0.1045	0.1330	0.1615	0.1900	0.2185	0.2470
70	0.1254	0.1596	0.1938	0.2280	0.2622	0.9640

Service Retirement

Public Agency Fire ½ @ 55 and 2% @ 55

Age	Rate	Age	Rate
50	0.01588	56	0.11079
51	0.00000	57	0.00000
52	0.03442	58	0.09499
53	0.01990	59	0.04409
54	0.04132	60	1.00000
55	0.07513		

Public Agency Police ½ @ 55 and 2% @ 55

Age	Rate	Age	Rate
50	0.02552	56	0.06921
51	0.00000	57	0.05113
52	0.01637	58	0.07241
53	0.02717	59	0.07043
54	0.00949	60	1.00000
55	0.16674		

Service Retirement

Public Agency Police 2% @ 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.014	0.014	0.014	0.014	0.025	0.045
51	0.012	0.012	0.012	0.012	0.023	0.040
52	0.026	0.026	0.026	0.026	0.048	0.086
53	0.052	0.052	0.052	0.052	0.096	0.171
54	0.070	0.070	0.070	0.070	0.128	0.227
55	0.090	0.090	0.090	0.090	0.165	0.293
56	0.064	0.064	0.064	0.064	0.117	0.208
57	0.071	0.071	0.071	0.071	0.130	0.232
58	0.063	0.063	0.063	0.063	0.115	0.205
59	0.140	0.140	0.140	0.140	0.174	0.254
60	0.140	0.140	0.140	0.140	0.172	0.251
61	0.140	0.140	0.140	0.140	0.172	0.251
62	0.140	0.140	0.140	0.140	0.172	0.251
63	0.140	0.140	0.140	0.140	0.172	0.251
64	0.140	0.140	0.140	0.140	0.172	0.251
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to Local Prosecutors, Local Sheriff, School Police and Other Safety.

Service Retirement

Public Agency Fire 2% @ 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.007	0.007	0.007	0.007	0.010	0.015
51	0.008	0.008	0.008	0.008	0.013	0.019
52	0.017	0.017	0.017	0.017	0.027	0.040
53	0.047	0.047	0.047	0.047	0.072	0.107
54	0.064	0.064	0.064	0.064	0.098	0.147
55	0.087	0.087	0.087	0.087	0.134	0.200
56	0.078	0.078	0.078	0.078	0.120	0.180
57	0.090	0.090	0.090	0.090	0.139	0.208
58	0.079	0.079	0.079	0.079	0.122	0.182
59	0.073	0.073	0.073	0.073	0.112	0.168
60	0.114	0.114	0.114	0.114	0.175	0.262
61	0.114	0.114	0.114	0.114	0.175	0.262
62	0.114	0.114	0.114	0.114	0.175	0.262
63	0.114	0.114	0.114	0.114	0.175	0.262
64	0.114	0.114	0.114	0.114	0.175	0.262
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement

Public Agency Police 3% @ 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.019	0.019	0.019	0.019	0.040	0.060
51	0.024	0.024	0.024	0.024	0.049	0.074
52	0.024	0.024	0.024	0.024	0.051	0.077
53	0.059	0.059	0.059	0.059	0.121	0.183
54	0.069	0.069	0.069	0.069	0.142	0.215
55	0.116	0.116	0.116	0.116	0.240	0.363
56	0.076	0.076	0.076	0.076	0.156	0.236
57	0.058	0.058	0.058	0.058	0.120	0.181
58	0.076	0.076	0.076	0.076	0.157	0.237
59	0.094	0.094	0.094	0.094	0.193	0.292
60	0.141	0.141	0.141	0.141	0.290	0.438
61	0.094	0.094	0.094	0.094	0.193	0.292
62	0.118	0.118	0.118	0.118	0.241	0.365
63	0.094	0.094	0.094	0.094	0.193	0.292
64	0.094	0.094	0.094	0.094	0.193	0.292
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to Local Prosecutors, Local Sheriff, School Police and Other Safety.

Service Retirement

Public Agency Fire 3% @ 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.012	0.012	0.012	0.018	0.028	0.033
51	0.008	0.008	0.008	0.012	0.019	0.022
52	0.018	0.018	0.018	0.027	0.042	0.050
53	0.043	0.043	0.043	0.062	0.098	0.114
54	0.057	0.057	0.057	0.083	0.131	0.152
55	0.092	0.092	0.092	0.134	0.211	0.246
56	0.081	0.081	0.081	0.118	0.187	0.218
57	0.100	0.100	0.100	0.146	0.230	0.268
58	0.081	0.081	0.081	0.119	0.187	0.219
59	0.078	0.078	0.078	0.113	0.178	0.208
60	0.117	0.117	0.117	0.170	0.267	0.312
61	0.078	0.078	0.078	0.113	0.178	0.208
62	0.098	0.098	0.098	0.141	0.223	0.260
63	0.078	0.078	0.078	0.113	0.178	0.208
64	0.078	0.078	0.078	0.113	0.178	0.208
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement

Public Agency Police 2% @ 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.0110	0.0110	0.0110	0.0110	0.0202	0.0361
51	0.0086	0.0086	0.0086	0.0086	0.0158	0.0281
52	0.0183	0.0183	0.0183	0.0183	0.0336	0.0599
53	0.0366	0.0366	0.0366	0.0366	0.0670	0.1194
54	0.0488	0.0488	0.0488	0.0488	0.0893	0.1592
55	0.0629	0.0629	0.0629	0.0629	0.1152	0.2052
56	0.0447	0.0447	0.0447	0.0447	0.0816	0.1455
57	0.0640	0.0640	0.0640	0.0640	0.1170	0.2086
58	0.0471	0.0471	0.0471	0.0471	0.0862	0.1537
59	0.1047	0.1047	0.1047	0.1047	0.1301	0.1908
60	0.1047	0.1047	0.1047	0.1047	0.1289	0.1880
61	0.1047	0.1047	0.1047	0.1047	0.1289	0.1880
62	0.1047	0.1047	0.1047	0.1047	0.1289	0.1880
63	0.1047	0.1047	0.1047	0.1047	0.1289	0.1880
64	0.1047	0.1047	0.1047	0.1047	0.1289	0.1880
65	1.0000	1.0000	1.0000	1.0000	1.0000	1.000

- These rates also apply to Local Prosecutors, Local Sheriff, School Police and Other Safety.

Service Retirement

Public Agency Fire 2% @ 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.0052	0.0052	0.0052	0.0052	0.0081	0.0121
51	0.0057	0.0057	0.0057	0.0057	0.0088	0.0131
52	0.0121	0.0121	0.0121	0.0121	0.0187	0.0280
53	0.0326	0.0326	0.0326	0.0326	0.0501	0.0750
54	0.0447	0.0447	0.0447	0.0447	0.0688	0.1030
55	0.0608	0.0608	0.0608	0.0608	0.0935	01400
56	0.0545	0.0545	0.0545	0.0545	0.0840	0.1257
57	0.0811	0.0811	0.0811	0.0811	0.01248	0.1869
58	0.0593	0.0593	0.0593	0.0593	0.0913	0.1366
59	0.0547	0.0547	0.0547	0.0547	0.0842	0.1261
60	0.0851	0.0851	0.0851	0.0851	0.1310	0.1961
61	0.0852	0.0852	0.0852	0.0852	0.1312	0.1964
62	0.0852	0.0852	0.0852	0.0852	0.1312	0.1964
63	0.0852	0.0852	0.0852	0.0852	0.1312	0.1964
64	0.0852	0.0852	0.0852	0.0852	0.1312	0.1964
65	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Service Retirement

Public Agency Police 2.5% @ 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.0138	0.0138	0.0138	0.0138	0.0253	0.0451
51	0.0117	0.0117	0.0117	0.0117	0.0215	0.0382
52	0.0249	0.0249	0.0249	0.0249	0.0456	0.0812
53	0.0471	0.0471	0.0471	0.0471	0.0861	0.1535
54	0.0627	0.0627	0.0627	0.0627	0.1148	0.2047
55	0.0764	0.0764	0.0764	0.0764	0.1398	0.2492
56	0.0542	0.0542	0.0542	0.0542	0.0991	0.1767
57	0.0711	0.0711	0.0711	0.0711	0.1300	0.2318
58	0.0565	0.0565	0.0565	0.0565	0.1034	0.1844
59	0.1256	0.1256	0.1256	0.1256	0.1562	0.2290
60	0.1256	0.1256	0.1256	0.1256	0.1547	0.2255
61	0.1256	0.1256	0.1256	0.1256	0.1547	0.2255
62	0.1256	0.1256	0.1256	0.1256	0.1547	0.2255
63	0.1256	0.1256	0.1256	0.1256	0.1547	0.2255
64	0.1256	0.1256	0.1256	0.1256	0.1547	0.2255
65	1.0000	1.0000	1.0000	1.0000	1.0000	1.000

- These rates also apply to Local Prosecutors, Local Sheriff, School Police and Other Safety.

Service Retirement

Public Agency Fire 2.5% @ 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.0065	0.0065	0.0065	0.0065	0.0101	0.0151
51	0.0077	0.0077	0.0077	0.0077	0.0119	0.0178
52	0.0164	0.0164	0.0164	0.0164	0.0254	0.0380
53	0.0419	0.0419	0.0419	0.0419	0.0644	0.0965
54	0.0574	0.0574	0.0574	0.0574	0.0885	0.1324
55	0.0738	0.0738	0.0738	0.0738	0.1136	01700
56	0.0662	0.0662	0.0662	0.0662	0.1020	0.2077
57	0.0901	0.0901	0.0901	0.0901	0.1387	0.1639
58	0.0711	0.0711	0.0711	0.0711	0.1095	0.1513
59	0.0656	0.0656	0.0656	0.0656	0.1011	0.2354
60	0.1022	0.1022	0.1022	0.1022	0.1572	0.2356
61	0.1022	0.1022	0.1022	0.1022	0.1574	0.2356
62	0.1022	0.1022	0.1022	0.1022	0.1574	0.2356
63	0.1022	0.1022	0.1022	0.1022	0.1574	0.2356
64	0.1022	0.1022	0.1022	0.1022	0.1574	0.2356
65	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Service Retirement

Public Agency Police 2.7% @ 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.0138	0.0138	0.0138	0.0138	0.0253	0.0451
51	0.0123	0.0123	0.0123	0.0123	0.0226	0.0402
52	0.0249	0.0249	0.0249	0.0249	0.0456	0.0812
53	0.0497	0.0497	0.0497	0.0497	0.0909	0.1621
54	0.0662	0.0662	0.0662	0.0662	0.1211	0.2160
55	0.0854	0.0854	0.0854	0.0854	0.1563	0.2785
56	0.0606	0.0606	0.0606	0.0606	0.1108	0.1975
57	0.0711	0.0711	0.0711	0.0711	0.1300	0.2318
58	0.0628	0.0628	0.0628	0.0628	0.1149	0.2049
59	0.1396	0.1396	0.1396	0.1396	0.1735	0.2544
60	0.1396	0.1396	0.1396	0.1396	0.1719	0.2506
61	0.1396	0.1396	0.1396	0.1396	0.1719	0.2506
62	0.1396	0.1396	0.1396	0.1396	0.1719	0.2506
63	0.1396	0.1396	0.1396	0.1396	0.1719	0.2506
64	0.1396	0.1396	0.1396	0.1396	0.1719	0.2506
65	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

- These rates also apply to Local Prosecutors, Local Sheriff, School Police and Other Safety.

Service Retirement

Public Agency Fire 2.7% @ 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.0065	0.0065	0.0065	0.0065	0.0101	0.0151
51	0.0081	0.0081	0.0081	0.0081	0.0125	0.0187
52	0.0164	0.0164	0.0164	0.0164	0.0254	0.0380
53	0.0442	0.0442	0.0442	0.0442	0.0680	0.1018
54	0.0606	0.0606	0.0606	0.0606	0.0934	0.1397
55	0.0825	0.0825	0.0825	0.0825	0.1269	01900
56	0.0740	0.0740	0.0740	0.0740	0.1140	0.1706
57	0.0901	0.0901	0.0901	0.0901	0.1387	0.2077
58	0.0790	0.0790	0.0790	0.0790	0.1217	0.1821
59	0.0729	0.0729	0.0729	0.0729	0.1123	0.1681
60	0.1135	0.1135	0.1135	0.1135	0.1747	0.2615
61	0.1136	0.1136	0.1136	0.1136	0.1749	0.2618
62	0.1136	0.1136	0.1136	0.1136	0.1749	0.2618
63	0.1136	0.1136	0.1136	0.1136	0.1749	0.2618
64	0.1136	0.1136	0.1136	0.1136	0.1749	0.2618
65	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Service Retirement

Schools 2% @ 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.005	0.009	0.013	0.015	0.016	0.018
51	0.005	0.010	0.014	0.017	0.019	0.021
52	0.006	0.012	0.017	0.020	0.022	0.025
53	0.007	0.014	0.019	0.023	0.026	0.029
54	0.012	0.024	0.033	0.039	0.044	0.049
55	0.024	0.048	0.067	0.079	0.088	0.099
56	0.020	0.039	0.055	0.065	0.072	0.081
57	0.021	0.042	0.059	0.070	0.078	0.087
58	0.025	0.050	0.070	0.083	0.092	0.103
59	0.029	0.057	0.080	0.095	0.105	0.118
60	0.037	0.073	0.102	0.121	0.134	0.150
61	0.046	0.090	0.126	0.149	0.166	0.186
62	0.076	0.151	0.212	0.250	0.278	0.311
63	0.069	0.136	0.191	0.225	0.251	0.281
64	0.067	0.133	0.185	0.219	0.244	0.273
65	0.091	0.180	0.251	0.297	0.331	0.370
66	0.072	0.143	0.200	0.237	0.264	0.295
67	0.067	0.132	0.185	0.218	0.243	0.272
68	0.060	0.118	0.165	0.195	0.217	0.243
69	0.067	0.133	0.187	0.220	0.246	0.275
70	0.066	0.131	0.183	0.216	0.241	0.270

Miscellaneous

Superfunded Status

Prior to enactment of the Public Employees’ Pension Reform Act (PEPRA) that became effective January 1, 2013, a plan in superfunded status (actuarial value of assets exceeding present value of benefits) would normally pay a zero employer contribution rate while also being permitted to use its superfunded assets to pay its employees’ normal member contributions.

However, Section 7522.52(a) of PEPRA states, “In any fiscal year a public employer’s contribution to a defined benefit plan, in combination with employee contributions to that defined benefit plan, shall not be less than the total normal cost rate…” This means that not only must employers pay their employer normal cost regardless of plan surplus, but also, employers may no longer use superfunded assets to pay employee normal member contributions.

Internal Revenue Code Section 415

The limitations on benefits imposed by Internal Revenue Code Section 415 are taken into account in this valuation. Each year the impact of any changes in this limitation since the prior valuation is included and amortized as part of the actuarial gain or loss base. This results in lower contributions for those employers contributing to the Replacement Benefit Fund and protects CalPERS from prefunding expected benefits in excess of limits imposed by federal tax law.

Internal Revenue Code Section 401(a)(17)

The limitations on compensation imposed by Internal Revenue Code Section 401(a)(17) are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation since the prior valuation is included and amortized as part of the actuarial gain or loss base.

PEPRA Assumptions

The Public Employees' Pension Reform Act of 2013 (PEPRA) mandated new benefit formulas and new member contributions for new members (as defined by PEPRA) hired after January 1, 2013. For non-pooled plans, these new members will first be reflected in the June 30, 2013 non-pooled plan valuations. New members in pooled plans will first be reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in November 2012 in response to the passage of PEPRA, also beginning with the June 30, 2013 valuation. Different assumptions for these new PEPRA members are disclosed above.

APPENDIX B

PRINCIPAL PLAN PROVISIONS

The following is a description of the principal plan provisions used in calculating costs and liabilities. We have indicated whether a plan provision is standard or optional. Standard benefits are applicable to all members while optional benefits vary among employers. Optional benefits that apply to a single period of time, such as Golden Handshakes, have not been included. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

PEPRA Benefit Changes

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members are reflected in your June 30, 2013 actuarial valuation. Members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013 valuation.

Service Retirement

Eligibility
A classic CalPERS member or PEPRA Safety member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of service. PEPRA miscellaneous members become eligible for Service Retirement upon attainment of age 52 with at least 5 years of service.

Benefit
The Service Retirement benefit is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation.*

- The *benefit factor* depends on the benefit formula specified in your agency's contract. The table below shows the factors for each of the available formulas. Factors vary by the member's age at retirement. Listed are the factors for retirement at whole year ages:

<u>Miscellaneous Plan Formulas</u>

Retirement Age	1.5% at 65	2% at 60	2% at 55	2.5% at 55	2.7% at 55	3% at 60	PEPRA 2% at 62
50	0.5000%	1.092%	1.426%	2.000%	2.000%	2.000%	N/A
51	0.5667%	1.156%	1.522%	2.100%	2.140%	2.100%	N/A
52	0.6334%	1.224%	1.628%	2.200%	2.280%	2.200%	1.000%
53	0.7000%	1.296%	1.742%	2.300%	2.420%	2.300%	1.100%
54	0.7667%	1.376%	1.866%	2.400%	2.560%	2.400%	1.200%
55	0.8334%	1.460%	2.000%	2.500%	2.700%	2.500%	1.300%
56	0.9000%	1.552%	2.052%	2.500%	2.700%	2.600%	1.400%
57	0.9667%	1.650%	2.104%	2.500%	2.700%	2.700%	1.500%
58	1.0334%	1.758%	2.156%	2.500%	2.700%	2.800%	1.600%
59	1.1000%	1.874%	2.210%	2.500%	2.700%	2.900%	1.700%
60	1.1667%	2.000%	2.262%	2.500%	2.700%	3.000%	1.800%
61	1.2334%	2.134%	2.314%	2.500%	2.700%	3.000%	1.900%
62	1.3000%	2.272%	2.366%	2.500%	2.700%	3.000%	2.000%

63	1.3667%	2.418%	2.418%	2.500%	2.700%	3.000%	2.100%
64	1.4334%	2.418%	2.418%	2.500%	2.700%	3.000%	2.200%
65	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.300%
66	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.400%
67 & up	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.500%

Safety Plan Formulas

Retirement Age	½ at 55 *	2% at 55	2% at 50	3% at 55	3% at 50
50	1.783%	1.426%	2.000%	2.400%	3.000%
51	1.903%	1.522%	2.140%	2.520%	3.000%
52	2.035%	1.628%	2.280%	2.640%	3.000%
53	2.178%	1.742%	2.420%	2.760%	3.000%
54	2.333%	1.866%	2.560%	2.880%	3.000%
55 & Up	2.500%	2.000%	2.700%	3.000%	3.000%

* For this formula, the benefit factor also varies by entry age. The factors shown are for members with an entry age of 35 or greater. If entry age is less than 35, then the age 55 benefit factor is 50 percent divided by the difference between age 55 and entry age. The benefit factor for ages prior to age 55 is the same proportion of the age 55 benefit factor as in the above table.

PEPRA Safety Plan Formulas

Retirement Age	2% at 57	2.5% at 57	2.7% at 57
50	1.426%	2.000%	2.000%
51	1.508%	2.071%	2.100%
52	1.590%	2.143%	2.200%
53	1.672%	2.214%	2.300%
54	1.754%	2.286%	2.400%
55	1.836%	2.357%	2.500%
56	1.918%	2.429%	2.600%
57 & Up	2.000%	2.500%	2.700%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. An agency may contract for an optional benefit where any unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave.

- The *final compensation* is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The standard benefit is 36 months. Employers have the option of providing a final compensation equal to the highest 12 consecutive months. Final compensation must be defined by the highest 36 consecutive months' pay under the 1.5% at 65 formula. PEPRA members have a cap on the annual salary that can be used to calculate final compensation for all new members based on the Social Security Contribution and Benefit Base. For employees that participate in

Social Security this cap is $113,700 for 2013 and for those employees that do not participate in social security the cap for 2013 is $136,440, the equivalent of 120 percent of the 2013 Contribution and Benefit Base. Adjustments to the caps are permitted annually based on changes to the CPI for All Urban Consumers.

- Employees must be covered by Social Security with the 1.5% at 65 formula. Social Security is optional for all other benefit formulas. For employees covered by Social Security, the Modified formula is the standard benefit. Under this type of formula, the final compensation is offset by $133.33 (or by one third if the final compensation is less than $400). Employers may contract for the Full benefit with Social Security that will eliminate the offset applicable to the final compensation. For employees not covered by Social Security, the Full benefit is paid with no offsets. Auxiliary organizations of the CSUC system may elect reduced contribution rates, in which case the offset is $317 if members are not covered by Social Security or $513 if members are covered by Social Security.

- The Miscellaneous Service Retirement benefit is not capped. The Safety Service Retirement benefit is capped at 90 percent of final compensation.

Vested Deferred Retirement

Eligibility for Deferred Status
A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

Eligibility to Start Receiving Benefits
The CalPERS classic members and Safety PEPRA members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50 (55 for employees hired into a 1.5% @ 65 plan). PEPRA Miscellaneous members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 52.

Benefit
The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

Non-Industrial (Non-Job Related) Disability Retirement

Eligibility
A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury, which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively employed by any CalPERS employer at the time of disability in order to be eligible for this benefit.

Standard Benefit
The standard Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by *service*, which is determined as follows:

- *Service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or

- *Service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3 percent of Final Compensation.

Improved Benefit
Employers have the option of providing the improved Non-Industrial Disability Retirement benefit. This benefit provides a monthly allowance equal to 30 percent of final compensation for the first 5 years of service, plus 1 percent for each additional year of service to a maximum of 50 percent of final compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

Industrial (Job Related) Disability Retirement

All safety members have this benefit. For miscellaneous members, employers have the option of providing this benefit. An employer may choose to provide the increased benefit option or the improved benefit option.

Eligibility
An employee is eligible for Industrial Disability Retirement if he or she becomes disabled while working, where disabled means the member is unable to perform the duties of the job because of a work-related illness or injury, which is, expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described below.

Standard Benefit
The standard Industrial Disability Retirement benefit is a monthly allowance equal to 50 percent of final compensation.

Increased Benefit (75 percent of Final Compensation)
The increased Industrial Disability Retirement benefit is a monthly allowance equal to 75 percent final compensation for total disability.

Improved Benefit (50 percent to 90 percent of Final Compensation)
The improved Industrial Disability Retirement benefit is a monthly allowance equal to the Workman's Compensation Appeals Board permanent disability rate percentage (if 50 percent or greater, with a maximum of 90 percent) times the final compensation.

For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return of accumulated member contributions with respect to employment in this group. With the standard or increased benefit, a member may also choose to receive the annuitization of the accumulated member contributions.

If a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit.

Post-Retirement Death Benefit

Standard Lump Sum Payment
Upon the death of a retiree, a one-time lump sum payment of $500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Improved Lump Sum Payment
Employers have the option of providing an improved lump sum death benefit of $600, $2,000, $3,000, $4,000 or $5,000.

Form of Payment for Retirement Allowance

Standard Form of Payment
Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. Such reduction takes into account the amount to be provided to the beneficiary and the probable duration of payments (based on the ages of the member and beneficiary) made subsequent to the member's death.

Improved Form of Payment (Post Retirement Survivor Allowance)
Employers have the option to contract for the post retirement survivor allowance.

For retirement allowances with respect to service subject to the modified formula, 25 percent of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. For retirement allowances with respect to service subject to the full or supplemental formula, 50 percent of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. This additional benefit is often referred to as post retirement survivor allowance (PRSA) or simply as survivor continuance.

In other words, 25 percent or 50 percent of the allowance, the continuance portion, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime. This benefit will not be discontinued in the event the spouse remarries.

The remaining 75 percent or 50 percent of the retirement allowance, which may be referred to as the option portion of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this option portion to be paid to any designated beneficiary after the retiree's death. Benefit options applicable to the option portion are the same as those offered with the standard form. The reduction is calculated in the same manner but is applied only to the option portion.

Pre-Retirement Death Benefits

Basic Death Benefit

This is a standard benefit.

Eligibility
An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this Basic Death benefit.

Benefit
The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

1957 Survivor Benefit

This is a standard benefit.

Eligibility

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50 for Classic and Safety PEPRA members and age 52 for Miscellaneous PEPRA members, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. An eligible survivor means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this 1957 Survivor benefit.

Benefit

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. The total amount paid will be at least equal to the Basic Death benefit.

Optional Settlement 2W Death Benefit

This is an optional benefit.

Eligibility

An employee's *eligible survivor* may receive the Optional Settlement 2W Death benefit if the member dies while actively employed, has attained at least age 50 for Classic and Safety PEPRA members and age 52 for Miscellaneous PEPRA members, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this Optional Settlement 2W Death benefit.

Benefit

The Optional Settlement 2W Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2W. (A retiree who elects Optional Settlement 2W receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives, at which time it is continued to any unmarried children under age 18, if applicable. The total amount paid will be at least equal to the Basic Death Benefit.

Special Death Benefit

This is a standard benefit for safety members. An employer may elect to provide this benefit for miscellaneous members.

Eligibility

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

Benefit
The Special Death benefit is a monthly allowance equal to 50 percent of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death at which time the allowance is continued to any unmarried children under age 22. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

1.	if 1 eligible child:	12.5 percent of final compensation
2.	if 2 eligible children:	20.0 percent of final compensation
3.	if 3 or more eligible children:	25.0 percent of final compensation

Alternate Death Benefit for Local Fire Members

This is an optional benefit available only to local fire members.

Eligibility
An employee's *eligible survivor(s)* may receive the Alternate Death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 18.

Benefit
The Alternate Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2W. (A retiree who elects Optional Settlement 2W receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) If the member has not yet attained age 50, the benefit is equal to that which would be payable if the member had retired at age 50, based on service credited at the time of death. The allowance is payable as long as the surviving spouse lives, at which time it is continued to any unmarried children under age 18, if applicable. The total amount paid will be at least equal to the Basic Death Benefit.

Cost-of-Living Adjustments (COLA)

Standard Benefit
Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Improved Benefit
Employers have the option of providing any of these improved cost-of-living adjustments by contracting for any one of these Class 1 optional benefits. An improved COLA is not available in conjunction with the 1.5% at 65 formula.

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by either 3 percent, 4 percent or 5 percent. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

Purchasing Power Protection Allowance (PPPA)

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 80 percent of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan.

Employee Contributions

Each employee contributes toward his or her retirement based upon the retirement formula. The standard employee contribution is as described below.

The percent contributed below the monthly compensation breakpoint is 0 percent.
The monthly compensation breakpoint is $0 for full and supplemental formula members and $133.33 for employees covered by the modified formula.
The percent contributed above the monthly compensation breakpoint depends upon the benefit formula, as shown in the table below.

Benefit Formula	**Percent Contributed above the Breakpoint**
Miscellaneous, 1.5% at 65	2%
Miscellaneous, 2% at 60	7%
Miscellaneous, 2% at 55	7%
Miscellaneous, 2.5% at 55	8%
Miscellaneous, 2.7% at 55	8%
Miscellaneous, 3% at 60	8%
Miscellaneous, 2% at 62	50% of the Total Normal Cost
Safety, 1/2 at 55	Varies by entry age
Safety, 2% at 55	7%
Safety, 2% at 50	9%
Safety, 3% at 55	9%
Safety, 3% at 50	9%
Safety, 2% at 57	50% of the Total Normal Cost
Safety, 2.5% at 57	50% of the Total Normal Cost
Safety, 2.7% at 57	50% of the Total Normal Cost

The employer may choose to "pick-up" these contributions for the employees (Employer Paid Member Contributions or EPMC). EPMC is prohibited for new PEPRA members.

An employer may also include Employee Cost Sharing in the contract, where employees agree to share the cost of the employer contribution with or without a change in benefit. These contributions are paid in addition to the member contribution.

Auxiliary organizations of the CSUC system may elect reduced contribution rates, in which case the offset is $317 and the contribution rate is 6 percent if members are not covered by Social Security. If members are covered by Social Security, the offset is $513 and the contribution rate is 5 percent.

Refund of Employee Contributions

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6 percent interest.

1959 Survivor Benefit

This is a pre-retirement death benefit available only to members not covered by Social Security. Any agency joining CalPERS subsequent to 1993 was required to provide this benefit if the members were not covered by Social Security. The benefit is optional for agencies joining CalPERS prior to 1994. Levels 1, 2 and 3 are now closed. Any new agency or any agency wishing to add this benefit or increase the current level must choose the 4th or Indexed Level.

This benefit is not included in the results presented in this valuation. More information on this benefit is available on the CalPERS website at www.calpers.ca.gov.

APPENDIX C

CLASSIFICATION OF OPTIONAL BENEFITS

Classification of Optional Benefits

Below is the list of the available optional benefit provisions and their initial classification upon establishment of risk pools. When new benefits become available as a result of legislation, the Chief Actuary will determine their classification in accordance with the criteria established in the Board policy.

Class 0

Class 0 benefit surcharge is the increase in normal cost for a given benefit formula above the baseline PEPRA 2% at 57 benefit formula.

Class 1

Class 1 benefits have been identified to be additional benefits which have a significant, ongoing effect on the total plan cost. In some cases, a Class 1 benefit may be an alternate benefit formula. These benefits vary by employer across the risk pool. Agencies contracting for a Class 1 benefit will be responsible for the past service liability associated with such benefit and will be required to pay a surcharge established by the actuary to cover the ongoing cost (normal cost) of the Class 1 benefit.

The table below shows the list of Class 0 and Class 1 benefits and their applicable surcharge for each benefit formula in the Miscellaneous Risk Pool.

Optional Benefit	2% at 62	2% at 60	2% at 55	2.5% at 55	2.7% at 55	3% at 60
Class 0 Benefit	0.000%	0.530%	1.824%	2.888%	4.119%	4.886%
One Year Final Compensation	N/A	0.454%	0.509%	0.604%	0.660%	0.653%
EPMC by contract, 7%	N/A	0.850%	0.932%	1.077%	1.097%	1.178%
EPMC by contract, 8%	N/A	0.971%	1.065%	1.230%	1.305%	1.346%
25% PRSA	0.743%	0.801%	0.841%	0.941%	1.034%	1.046%
50% PRSA	0.743%	0.801%	0.841%	0.941%	1.034%	1.046%
3% Annual COLA	0.737%	0.821%	0.942%	1.124%	1.251%	1.231%
4% Annual COLA	0.737%	0.821%	0.942%	1.124%	1.251%	1.231%
5% Annual COLA	0.737%	0.821%	0.942%	1.124%	1.251%	1.231%
IDR For Local Miscellaneous Members	0.473%	0.474%	0.476%	0.461%	0.520%	0.461%
Increased IDR Allowance to 75% of Compensation	0.833%	0.833%	0.832%	0.814%	0.830%	0.807%
Employee Cost Sharing	varies	varies	varies	varies	varies	varies
Employee Contribution Rate for CSUC Auxiliary Organizations Reduced to State Member Level - Covered by Social Security	N/A	2.000%	2.000%	2.000%	2.000%	2.000%
Employee Contribution Rate for CSUC Auxiliary Organizations Reduced to State Member Level - Not Covered by Social Security	N/A	1.000%	1.000%	1.000%	1.000%	1.000%
1.5%@65	N/A	(1.010%)	N/A	N/A	N/A	N/A

For employers contracting for more than one Class 1 benefit, the surcharges listed in this table will be added together

Employee cost sharing had been eliminated as a surcharge from some of the June 30, 2010 valuations and from all of the June 30, 2011 and later valuations. It is now shown on my|CalPERS as a rate adjustment.

Class 2

Class 2 benefits have been identified to be the ancillary benefits providing one-time increases in benefits. These benefits vary by employer across the risk pool. Agencies contracting for a Class 2 benefit will be responsible for the past service liability associated with such benefit.

The following benefits shall be classified as Class 2:

- One-time 1% to 6% Ad Hoc COLA Increases for members who retired or died prior to January 1, 1998 (Section 21328)
- "Golden Handshakes" – Section 20903 Two Years Additional Service Credit
- Credit for Prior Service Paid for by the Employer
- Military Service Credit (Section 20996)
- Credit for Local Retirement System Service for Employees of Agencies Contracted on a Prospective basis (Section 20530.1)
- Prior Service Credit for Employees of an Assumed Agency Function (Section 20936)
- Limit Prior Service to Members Employed on Contract Date (Section 20938)
- Public Service Credit for Limited Prior Service (Section 21031)
- Public Service Credit for Employees of an Assumed Agency or Function (Section 21025)

Class 3

Class 3 benefits have been identified to be additional benefits which have a minimal effect on the total plan cost. Class 3 benefits may vary by rate plan within each risk pool. However, the employer contribution rate will not vary within the risk pool due to the Class 3 benefits.

The following benefits shall be classified as Class 3:

- Full formula plus social security
- Post Retirement Lump Sum Death Benefit
- $600 lump sum retired death benefit (Section 21622)
- $2,000 lump sum retired death benefit (Section 21623.5)
- $3,000 lump sum retired death benefit (Section 21623.5)
- $4,000 lump sum retired death benefit (Section 21623.5)
- $5,000 lump sum retired death benefit (Section 21623.5)
- Improved non-industrial disability allowance (Section 21427)
- Special death benefit for local safety members (Section 21540.5)
- Service Credit Purchased by Member
- Partial Service Retirement (Section 21118)
- Optional Membership for Part Time Employees (Section 20325)
- Extension of Reciprocity Rights for Elective Officers (Section 20356)
- Removal of Contract Exclusions Prospectively Only (Section 20503)
- Alternate Death Benefit for Local Fire Members credited with 20 or more years of service (Section 21547.7)

APPENDIX D

SUMMARY OF AMORTIZATION BASES UNDER PRIOR RISK POOL STRUCTURE

Summary of Amortization Bases Under Prior Risk Pool Structure

At the CalPERS Board of Administration meeting in May, 2014 the Board adopted changes to the existing risk pooling structure and a new policy for allocating the risk pool's unfunded accrued liability. These policy changes were necessary to ensure the proper funding of the risk pools after passage of the Public Employees' Pension Reform Act of 2013 (PEPRA). The changes ensure equity within the risk pools by allocating the risk pool's unfunded accrued liability in a manner that treats each employer fairly and that maintains benefit security for the members of the System while minimizing substantial variations in employer contributions.

Shown below are the Pre-2013 Risk Pool's UALs used in allocating liability on a proportional basis to each individual risk pooled plan. The allocation of your plan's share of the UAL is developed in Section 1 of your report. More detail on the CalPERS Board's actuarial policies regarding changes to risk pooling can be found at the CalPERS website http://www.calpers.ca.gov/index.jsp?bc=/about/board/actuarial-policies.xml

Pre-2013 Miscellaneous 2.0% at 62 Risk Pool

			June 30, 2013
1.	Accrued Liabilities	$	1,063,294
2.	Side Funds and Amendments		-
3.	Payroll		48,743,702

Reason for Base	Date Established	Amortization Period	Balance 6/30/13	Expected Payment 2013-2014	Balance 6/30/14	Expected Payment 2014-2015	Balance 6/30/15	Scheduled Payment for 2015–2016
(GAIN)/LOSS	06/30/2013	30	(363,303)	-	(390,551)	-	(419,842)	(5,905)
TOTAL			**(363,303)**	**-**	**(390,551)**	**-**	**(419,842)**	**(5,905)**

Pre-2013 Miscellaneous 2.0% at 60 Risk Pool

			June 30, 2013
1.	Accrued Liabilities	$	798,282,602
2.	Side Funds and Amendments		(13,531,120)
3.	Payroll		223,990,047

Reason for Base	Date Established	Amortization Period	Balance 6/30/13	Expected Payment 2013-2014	Balance 6/30/14	Expected Payment 2014-2015	Balance 6/30/15	Scheduled Payment for 2015–2016
SHARE OF PRE-2013 POOL'S UAL	06/30/2013	18	38,656,564	2,040,348	39,440,327	3,081,966	39,202,900	3,169,349
ASSET (GAIN)/LOSS	06/30/2013	30	87,757,387	-	94,339,191	-	101,414,630	1,426,400
NON-ASSET (GAIN)/LOSS	06/30/2013	30	898,610	-	966,006	-	1,038,456	14,606
TOTAL			**127,312,561**	**2,040,348**	**134,745,524**	**3,081,966**	**141,655,986**	**4,610,355**

Pre-2013 Miscellaneous 2.0% at 55 Risk Pool

			June 30, 2013
1.	Accrued Liabilities	$	4,434,848,248
2.	Side Funds and Amendments		108,749,825
3.	Payroll		744,915,865

Reason for Base	Date Established	Amortization Period	Balance 6/30/13	Expected Payment 2013-2014	Balance 6/30/14	Expected Payment 2014-2015	Balance 6/30/15	Scheduled Payment for 2015–2016
SHARE OF PRE-2013 POOL'S UAL	06/30/2013	22	371,706,237	17,293,436	381,653,988	26,537,022	382,763,866	27,248,644
ASSET (GAIN)/LOSS	06/30/2013	30	442,846,571	-	476,060,064	-	511,764,569	7,197,987
NON-ASSET (GAIN)/LOSS	06/30/2013	30	(4,364,079)	-	(4,691,385)	-	(5,043,239)	(70,933)
TOTAL			**810,188,729**	**17,293,436**	**853,022,667**	**26,537,022**	**889,485,196**	**34,375,698**

Pre-2013 Miscellaneous 2.5% at 55 Risk Pool

			June 30, 2013
1.	Accrued Liabilities	$	2,389,797,201
2.	Side Funds and Amendments		84,538,467
3.	Payroll		325,503,255

Reason for Base	Date Established	Amortization Period	Balance 6/30/13	Expected Payment 2013-2014	Balance 6/30/14	Expected Payment 2014-2015	Balance 6/30/15	Scheduled Payment for 2015–2016
SHARE OF PRE-2013 POOL'S UAL	06/30/2013	21	319,504,744	17,573,392	325,247,117	23,126,761	325,662,315	23,850,771
ASSET (GAIN)/LOSS	06/30/2013	30	231,453,080	-	248,812,061	-	267,472,966	3,762,017
NON-ASSET (GAIN)/LOSS	06/30/2013	30	(2,213,098)	-	(2,379,080)	-	(2,557,511)	(35,971)
TOTAL			**548,744,726**	**17,573,392**	**571,680,098**	**23,126,761**	**590,577,770**	**27,576,817**

Pre-2013 Miscellaneous 2.7% at 55 Risk Pool

			June 30, 2013
1.	Accrued Liabilities	$	2,858,732,321
2.	Side Funds and Amendments		111,918,929
3.	Payroll		406,940,099

Reason for Base	Date Established	Amortization Period	Balance 6/30/13	Expected Payment 2013-2014	Balance 6/30/14	Expected Payment 2014-2015	Balance 6/30/15	Scheduled Payment for 2015–2016
SHARE OF PRE-2013 POOL'S UAL	06/30/2013	21	383,806,899	20,236,049	391,611,235	27,737,854	392,222,859	28,725,514
ASSET (GAIN)/LOSS	06/30/2013	30	254,938,544	-	274,058,935	-	294,613,355	4,143,747
NON-ASSET (GAIN)/LOSS	06/30/2013	30	1,004,755	-	1,080,112	-	1,161,120	16,331
TOTAL			**639,750,198**	**20,236,049**	**666,750,282**	**27,737,854**	**687,997,334**	**32,885,592**

Pre-2013 Miscellaneous 3.0% at 60 Risk Pool

			June 30, 2013
1.	Accrued Liabilities	$	1,149,488,509
2.	Side Funds and Amendments		40,940,096
3.	Payroll		149,246,052

Reason for Base	Date Established	Amorti-zation Period	Balance 6/30/13	Expected Payment 2013-2014	Balance 6/30/14	Expected Payment 2014-2015	Balance 6/30/15	Scheduled Payment for 2015–2016
SHARE OF PRE-2013 POOL'S UAL	06/30/2013	21	133,387,408	6,979,020	136,155,460	9,618,337	136,394,614	9,989,233
ASSET (GAIN)/LOSS	06/30/2013	30	102,935,378	-	110,655,531	-	118,954,696	1,673,102
NON-ASSET (GAIN)/LOSS	06/30/2013	30	(6,811,175)	-	(7,322,013)	-	(7,871,164)	(110,708)
TOTAL			**229,511,611**	**6,979,020**	**239,488,978**	**9,618,337**	**247,478,146**	**11,551,627**

Pre-2013 Inactive Agency Risk Pool

			June 30, 2013
1.	Accrued Liabilities	$	852,436,337
2.	Side Funds and Amendments		(4,579,822)
3.	Payroll		-

Reason for Base	Date Established	Amorti-zation Period	Balance 6/30/13	Expected Payment 2013-2014	Balance 6/30/14	Expected Payment 2014-2015	Balance 6/30/15	Scheduled Payment for 2015–2016
SHARE OF PRE-2013 POOL'S UAL	06/30/2013	24	94,820,185	4,905,216	96,845,862	8,351,316	95,450,472	8,382,126
ASSET (GAIN)/LOSS	06/30/2013	30	102,114,148	-	109,772,709	-	118,005,662	2,315,890
NON-ASSET (GAIN)/LOSS	06/30/2013	30	2,873,489	-	3,089,001	-	3,320,676	65,169
TOTAL			**199,807,822**	**4,905,216**	**209,707,572**	**8,351,316**	**216,776,810**	**10,763,185**

APPENDIX E

PARTICIPANT DATA

- **SOURCE OF THE PARTICIPANT DATA**
- **DATA VALIDATION TESTS AND ADJUSTMENTS**
- **SUMMARY OF VALUATION DATA**
- **ACTIVE MEMBERS**
- **TRANSFERRED AND TERMINATED MEMBERS**
- **RETIRED MEMBERS AND BENEFICIARIES**

Source of the Participant Data

The data was extracted from various databases within CalPERS and placed in a database by a series of extract programs. Included in this data are:

- Individual member and beneficiary information,
- Employment and payroll information,
- Accumulated contributions with interest,
- Service information,
- Benefit payment information,
- Information about the various organizations which contract with CalPERS, and
- Detailed information about the plan provisions applicable to each group of members.

Data Validation Tests and Adjustments

Once the information is extracted from the various computer systems into the database, update queries are then run against this data to correct for flaws found in the data. This part of the process is intended to validate the participant data for all CalPERS plans. The data is then checked for reasonableness and consistency with data from the prior valuation.

Checks on the data include:

- A reconciliation of the membership of the plans,
- Comparisons of various member statistics (average attained age, average entry age, average salary, etc.) for each plan with those from the prior year valuation,
- Comparisons of pension amounts for each retiree and beneficiary receiving payments with those from the prior year valuation,
- Checks for invalid ages and dates, and
- Reasonableness checks on various key data elements such as service and salary

As a result of the tests on the data, a number of adjustments were determined to be necessary. These included:

- Dates of hire and dates of entry were adjusted where necessary to be consistent with the service fields, the date of birth and each other.

Summary of Valuation Data

			June 30, 2013
1.	**Number of Plans in the Risk Pool**		1,764
2.	**Active Members**		
	a) Counts		29,196
	b) Average Attained Age		45.96
	c) Average Entry Age		36.44
	d) Average Years of Service		9.52
	e) Average Annual Covered Pay	$	65,408
	f) Annual Covered Payroll	$	1,909,639,449
	g) Projected Annual Payroll for Contribution Year	$	2,086,714,587
	h) Present Value of Future Payroll	$	14,999,028,486
3.	**Transferred Members**		13,017
4.	**Terminated Members**		17,325
5.	**Retired Members and Beneficiaries**		
	a) Counts*		26,606
	b) Average Annual Benefits*	$	18,320
6.	**Active to Retired Ratio** [(2a) / (5a)]		1.10

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values may not match those on pages E-5 and E-6 due to inclusion of community property settlements.

Active Members

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Distribution of Active Members by Age and Service

	Years of Service at Valuation Date							
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Total**	**Payroll**
15-24	630	20	0	0	0	0	650	20,913,167
25-29	1,562	577	12	0	0	0	2,151	94,364,653
30-34	1,568	1,397	319	15	0	0	3,299	180,155,375
35-39	1,235	1,343	686	167	12	0	3,443	211,667,630
40-44	1,089	1,296	725	346	120	18	3,594	241,877,386
45-49	1,035	1,305	841	483	324	180	4,168	301,954,420
50-54	1,103	1,240	948	577	505	495	4,868	360,009,210
55-59	783	1,007	796	455	393	503	3,937	287,710,984
60-64	408	585	453	291	210	268	2,215	156,847,761
65 and Over	174	249	190	109	75	74	871	54,138,864
Total	**9,587**	**9,019**	**4,970**	**2,443**	**1,639**	**1,538**	**29,196**	$ **1,909,639,449**

Distribution of Average Annual Salaries by Age and Service

Attained Age	**0-4**	**5-9**	**Years of Service at Valuation Date** **10-14**	**15-19**	**20-24**	**25+**	**Average Salary**
15-24	31,850	42,380	0	0	0	0	$32,174
25-29	41,630	49,724	53,973	0	0	0	43,870
30-34	50,259	57,790	61,508	66,331	0	0	54,609
35-39	57,814	62,055	64,872	68,355	84,156	0	61,478
40-44	61,821	66,303	71,162	75,944	77,320	82,059	67,300
45-49	68,978	70,580	72,866	77,892	78,294	78,811	72,446
50-54	66,221	71,389	74,388	80,397	80,582	82,511	73,954
55-59	67,139	71,132	70,643	76,673	83,598	78,606	73,079
60-64	64,164	67,599	70,966	72,792	78,504	79,506	70,812
65 and Over	51,682	65,050	57,110	71,104	69,517	69,373	62,157
Average	$**55,784**	$**65,145**	$**69,898**	$**76,347**	$**79,868**	$**79,640**	$**65,408**

Transferred and Terminated Members

Distribution of Transfers to Other CalPERS Plans by Age and Service

Attained Age	Years of Service at Valuation Date 0-4	5-9	10-14	15-19	20-24	25+	Total	Average Salary
15-24	49	1	0	0	0	0	50	43,151
25-29	418	27	2	0	0	0	447	54,338
30-34	961	122	7	0	0	0	1,090	66,072
35-39	1,151	233	39	4	0	0	1,427	72,739
40-44	1,377	305	96	20	4	0	1,802	80,033
45-49	1,588	472	151	61	12	2	2,286	86,410
50-54	1,772	552	192	86	31	5	2,638	86,526
55-59	1,253	443	159	69	21	8	1,953	84,597
60-64	654	216	98	26	5	8	1,007	85,281
65 and Over	228	56	20	7	4	2	317	81,481
Total	**9,451**	**2,427**	**764**	**273**	**77**	**25**	**13,017**	**80,602**

Distribution of Terminated Participants with Funds on Deposit by Age and Service

Attained Age	Years of Service at Valuation Date 0-4	5-9	10-14	15-19	20-24	25+	Total	Average Salary
15-24	249	1	0	0	0	0	250	26,636
25-29	1,197	56	0	0	0	0	1,253	33,511
30-34	1,980	191	14	0	0	0	2,185	37,411
35-39	1,917	267	44	6	0	0	2,234	41,999
40-44	1,928	367	93	32	4	0	2,424	44,462
45-49	1,847	477	153	61	30	7	2,575	48,853
50-54	1,768	514	179	74	26	7	2,568	49,123
55-59	1,419	363	94	49	11	6	1,942	45,567
60-64	989	193	62	20	4	6	1,274	42,436
65 and Over	510	78	16	8	4	4	620	36,346
Total	**13,804**	**2,507**	**655**	**250**	**79**	**30**	**17,325**	**43,234**

Retired Members and Beneficiaries

Distribution of Retirees and Beneficiaries by Age and Retirement Type*

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	0	0	0	1	0	29	30
30-34	0	6	0	0	0	13	19
35-39	0	14	9	0	0	11	34
40-44	0	24	20	1	1	28	74
45-49	3	69	48	4	0	28	152
50-54	781	143	53	16	1	71	1,065
55-59	3,232	222	81	28	1	113	3,677
60-64	5,099	265	74	42	1	195	5,676
65-69	5,502	196	48	31	2	301	6,080
70-74	3,275	159	37	30	0	349	3,850
75-79	1,977	88	6	12	0	367	2,450
80-84	1,286	62	3	6	0	429	1,786
85 and Over	1,118	41	4	17	0	533	1,713
Total	**22,273**	**1,289**	**383**	**188**	**6**	**2,467**	**26,606**

Distribution of Total Annual Amounts for Retirees and Beneficiaries by Age and Retirement Type*

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 30	$0	$0	$0	$18,397	$0	$5,767	$6,188
30-34	0	8,394	0	0	0	6,739	7,262
35-39	0	10,982	3,278	0	0	4,943	6,989
40-44	0	9,098	480	11,007	178	14,094	8,565
45-49	13,548	10,346	4,249	10,498	0	7,627	7,987
50-54	14,748	12,158	3,160	12,180	1,217	11,992	13,588
55-59	21,677	11,899	5,053	13,995	2,015	14,043	20,422
60-64	22,312	11,680	4,364	12,922	184	17,852	21,355
65-69	20,708	11,854	6,943	13,896	41	15,342	20,007
70-74	18,217	10,266	6,448	13,537	0	14,932	17,441
75-79	16,806	11,111	2,467	5,936	0	14,529	16,172
80-84	15,063	11,194	1,198	4,881	0	13,107	14,401
85 and Over	12,312	10,412	14,001	7,689	0	10,736	11,734
Total	**$19,546**	**$11,378**	**$4,671**	**$12,069**	**$613**	**$13,516**	**$18,320**

Retired Members and Beneficiaries (continued)

Distribution of Retirees and Beneficiaries by Years Retired and Retirement Type*

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Yrs	8,906	201	68	77	1	133	9,386
5-9	5,990	202	112	44	1	295	6,644
10-14	3,259	314	66	27	0	335	4,001
15-19	2,038	287	63	20	2	457	2,867
20-24	1,095	127	35	7	0	488	1,752
25-29	620	77	22	3	0	383	1,105
30 and Over	365	81	17	10	2	376	851
Total	**22,273**	**1,289**	**383**	**188**	**6**	**2,467**	**26,606**

Distribution of Total Annual Amounts for Retirees and Beneficiaries by Years Retired and Retirement Type*

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 5 Yrs	$22,980	$12,975	$3,728	$14,049	$178	$17,833	$22,478
5-9	20,680	13,211	5,076	13,343	14	15,912	19,927
10-14	16,581	11,220	4,766	11,412	0	16,619	15,934
15-19	14,387	11,101	6,587	7,544	1,616	15,541	14,014
20-24	13,040	9,475	2,900	8,210	0	14,245	12,896
25-29	10,588	10,394	4,173	7,436	0	10,588	10,438
30 and Over	7,150	8,354	2,594	6,131	126	6,919	7,043
Average	$**19,546**	$**11,378**	$**4,671**	$**12,069**	$**613**	$**13,516**	$**18,320**

Retired Members and Beneficiaries (continued)

Distribution of Retirees and Beneficiaries by Years Retired and Retirement Type
Annual Amounts do not Include PPPA Payments

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	$0	$0	$0	$18,397	$0	$167,241	$185,638
30-34	0	50,364	0	0	0	87,610	137,974
35-39	0	153,743	29,506	0	0	54,376	237,625
40-44	0	218,356	9,605	11,007	178	394,638	633,784
45-49	40,643	713,902	203,968	41,991	0	213,558	1,214,062
50-54	11,518,054	1,738,594	167,492	194,883	1,217	851,463	14,471,703
55-59	70,060,551	2,641,622	409,281	391,853	2,015	1,586,901	75,092,223
60-64	113,770,086	3,095,158	322,967	542,733	184	3,481,155	121,212,283
65-69	113,935,857	2,323,320	333,251	430,782	82	4,617,939	121,641,231
70-74	59,659,493	1,632,283	238,567	406,098	0	5,211,214	67,147,655
75-79	33,225,853	977,751	14,804	71,236	0	5,332,314	39,621,958
80-84	19,370,785	694,047	3,594	29,287	0	5,622,999	25,720,712
85 and Over	13,764,581	426,900	56,002	130,711	0	5,722,385	20,100,579
Total	**$435,345,903**	**$14,666,040**	**$1,789,037**	**$2,268,978**	**$3,676**	**$33,343,793**	**$487,417,427**

Distribution of Total Annual Amounts for Retirees and Beneficiaries by Years Retired and Retirement Type
Annual Amounts do not Include PPPA Payments

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Yrs	$204,658,895	$2,607,877	$253,535	$1,081,782	$178	$2,371,775	$210,974,042
5-9	123,874,723	2,668,707	568,559	587,103	14	4,694,028	132,393,134
10-14	54,037,174	3,522,940	314,565	308,130	0	5,567,352	63,750,161
15-19	29,321,630	3,186,130	414,971	150,870	3,232	7,102,297	40,179,130
20-24	14,279,006	1,203,359	101,489	57,472	0	6,951,796	22,593,122
25-29	6,564,645	800,341	91,815	22,309	0	4,055,117	11,534,227
30 and Over	2,609,830	676,686	44,103	61,312	252	2,601,428	5,993,611
Total	**$435,345,903**	**$14,666,040**	**$1,789,037**	**$2,268,978**	**$3,676**	**$33,343,793**	**$487,417,427**

APPENDIX F

GLOSSARY OF ACTUARIAL TERMS

Glossary of Actuarial Terms

Accrued Liability *(also called Actuarial Accrued Liability or Entry Age Normal Accrued Liability)*

The total dollars needed as of the valuation date to fund all benefits earned in the past for *current* members.

Actuarial Assumptions

Assumptions made about certain events that will affect pension costs. Assumptions generally can be broken down into two categories: demographic and economic. Demographic assumptions include mortality, disability and retirement rates. Economic assumptions include discount rate, salary growth and inflation.

Actuarial Methods

Procedures employed by actuaries to achieve certain funding goals of a pension plan. Actuarial methods include funding method, setting the length of time to fund the Accrued Liability and determining the Actuarial Value of Assets.

Actuarial Valuation

The determination, as of a valuation date, of the Normal Cost, Accrued liability, Actuarial Value of Assets and related actuarial present values for a pension plan. These valuations are performed annually or when an employer is contemplating a change to their plan provisions.

Actuarial Value of Assets

The Actuarial Value of Assets used for funding purposes is obtained through an asset smoothing technique where investment gains and losses are partially recognized in the year they are incurred, with the remainder recognized in subsequent years.

This method helps to dampen large fluctuations in the employer contribution rate.

Amortization Bases

Separate payment schedules for different portions of the Unfunded Liability. The total Unfunded Liability of a Risk Pool or non-pooled plan can be segregated by "cause", creating "bases" and each such base will be separately amortized and paid for over a specific period of time. This can be likened to a home mortgage that has 24 years of remaining payments and a second on that mortgage that has 10 years left. Each base or each mortgage note has its own terms (payment period, principal, etc.) but all bases are amortized using investment and payroll assumptions from the current valuation.

Generally in an actuarial valuation, the separate bases consist of changes in unfunded liabilities due to amendments, actuarial assumption changes, actuarial methodology changes, and gains and losses. Payment periods are determined by Board policy and vary based on the cause of the change.

Amortization Period

The number of years required to pay off an Amortization Base.

Annual Required Contributions (ARC)

The employer's periodic required annual contributions to a defined benefit pension plan, calculated in accordance with the plan assumptions. The ARC is determined by multiplying the employer contribution rate by the payroll reported to CalPERS for the applicable fiscal year. However, if this contribution is fully prepaid in a lump sum, then the dollar value of the ARC is equal to the Lump Sum Prepayment.

Class 0 Benefit Surcharge

Class 0 benefit surcharge is the increase in normal cost for a given benefit formula above the baseline PEPRA 2% at 57 benefit formula.

Class 1 Benefits

Class 1 benefits have been identified to be additional benefits which have a significant, ongoing effect on the total plan cost. In some cases, a Class 1 benefit may be an alternate benefit formula. These benefits vary by employer across the risk pool. Agencies contracting for a Class 1 benefit will be responsible for the past service liability associated with such benefit and will be required to pay a surcharge established by the actuary to cover the ongoing cost (normal cost) of the Class 1 benefit.

Class 2 Benefits

Class 2 benefits have been identified to be the ancillary benefits providing one-time increases in benefits. These benefits vary by employer across the risk pool. Agencies contracting for a Class 2 benefit will be responsible for the past service liability associated with such benefit.

Class 3 Benefits

Class 3 benefits have been identified to be additional benefits which have a minimal effect on the total plan cost. Class 3 benefits may vary by rate plan within each risk pool. However, the employer contribution rate will not vary within the risk pool due to the Class 3 benefits.

Classic member (under PEPRA)

A classic member is anyone in CALPERS not defined as a new member under PEPRA (see definition of new member below.)

Discount Rate

The actuarial assumption that was called "investment return" in earlier CalPERS reports or "actuarial interest rate" in Section 20014 of the California Public Employees' Retirement Law (PERL).

Entry Age

The earliest age at which a plan member begins to accrue benefits under a defined benefit pension plan or Risk Pool. In most cases, this is the same as the date of hire.

(The assumed retirement age less the entry age is the amount of time required to fund a member's total benefit. Generally, the older a member is at hire, the greater the Normal Cost. This is mainly because there is less time to earn investment income to fund the future benefits.)

Entry Age Normal Cost Method

An actuarial cost method designed to fund a member's total plan benefit over the course of his or her career. This method is designed to produce stable employer contributions in amounts that increase at the same rate as the employer's payroll (i.e. level % of payroll).

Fresh Start

A Fresh Start is the single amortization base created when multiple amortization bases are collapsed into one base and amortized over a new funding period.

Funded Status

A measure of how well funded a plan or risk pool is. Or equivalently, how "on track" a plan or risk pool is with respect to assets vs. accrued liabilities. A ratio greater than 100% means the plan or risk pool has more assets than liabilities and a ratio less than 100% means liabilities are greater than assets. A funded ratio based on the Actuarial Value of Assets indicates the progress toward fully funding the plan using the actuarial cost methods and assumptions. A funded ratio based on the Market Value of Assets indicates the short-term solvency of the plan.

GASB 27

Statement No. 27 of the Governmental Accounting Standards Board. The accounting standard governing a state or local governmental employer's accounting for pensions.

GASB 68

Statement No. 68 of the Governmental Accounting Standards Board. The accounting standard governing a state or local governmental employer's accounting and financial reporting for pensions. GASB 68 replaces GASB 27 effective for the first fiscal year beginning after June 15, 2014.

New member (under PEPRA)

A new member includes an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was not a member of another public retirement system prior to that date, and who is not subject to reciprocity with another public retirement system.

Normal Cost (also called Total Normal Cost)

The annual cost of service accrual for the upcoming fiscal year for active employees. The required employee contributions are part of the Total Normal Cost. The remaining portion, called the employer normal cost, includes surcharges for applicable class 1 benefits and should be viewed as the long term employer contribution rate.

Pension Actuary

A person who is responsible for the calculations necessary to properly fund a pension plan.

PEPRA

Public Employees' Pension Reform Act of 2013

Prepayment Contribution

A payment made by the employer to reduce or eliminate the year's required employer contribution.

Present Value of Benefits (PVB)

The total dollars needed as of the valuation date to fund all benefits earned in the past or expected to be earned in the future for *current* members.

Risk Pool

Using the benefit of the law of large numbers, a risk pool is a collection of employer plans for the purpose of sharing risk. If a pooled plan has active members at the time of valuation, it belongs to the risk pool composed of all other pooled plans with the same benefit formula. If a plan has no active members at the time of valuation, it belongs to the inactive risk pool.

Rolling Amortization Period

An amortization period that remains the same each year, rather than declining.

Side Fund

At the time a plan joined a risk pool, a Side Fund was created to account for the difference between the funded status of the risk pool and the funded status of the plan. The plan's Side Fund is amortized on an annual basis, with the discount rate net of, for active plans, the payroll growth rate assumption. The actuarial investment return assumption is currently 7.5%. Commencing with the June 30, 2013 actuarial valuations, the side fund will be treated as a liability as opposed to an asset. Prior to June 30, 2013, a positive side fund conveyed that a public agency had a surplus when risk pooling began June 30, 2003. Conversely, a negative side fund signified that a public agency had an unfunded liability that required elimination through an amortization payment schedule. After June 30, 2013 a positive side fund will signify that an agency has an unfunded liability while a negative side fund will indicate a surplus asset. Beginning with FY 2015-16 CalPERS will collect employer contributions towards the side fund as dollar amounts rather than as a contribution rate as a percent of payroll.

Superfunded

A condition existing when a plan's Actuarial Value of Assets exceeds its Present Value of Benefits. Prior to the passage of PEPRA, when this condition existed on a given valuation date for a given plan, employee contributions for the rate year covered by that valuation could be waived.

Unfunded Liability

When a plan or risk pool's Assets is less than its Accrued Liability, the difference is the plan or risk pool's Unfunded Liability of the Unfunded Liability is positive, the plan or risk pool will have to pay contributions exceeding the Normal Cost.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Item No. 11

INFORMATION ITEM
January 14, 2015

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

FROM: Robert Hunter, General Manager Staff Contact: Harvey De La Torre

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

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

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

Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in November 2014 was slightly above average compared to past usage.

Fig. 3 Historical OC Water Consumption OC water consumption of about 622,000 AF in FY 2013-14 was up about 3-½ % from FY 2012-13, but was still below the long-term average of about 630,000 AF/yr. Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts. High Temperature, precipitation and the economy all remain indicators to O.C. water consumption.

Fig. 4 MWDOC "Firm" Water Purchases, 2014 "Firm" water above the Tier 1 limit will be charged at the higher Tier 2 rate. Our current projection of Tier 2 purchases is zero in 2014.

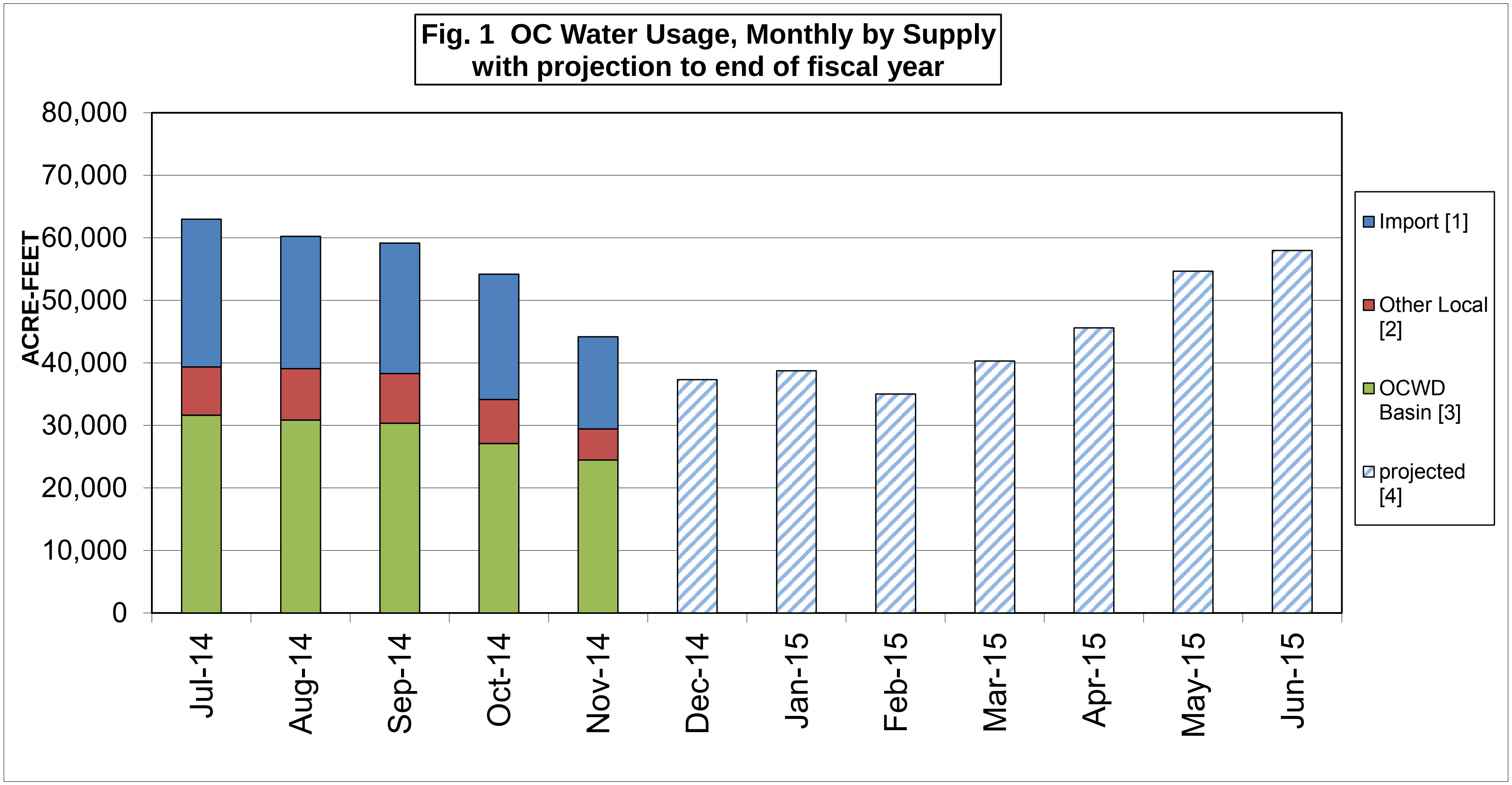
Budgeted (Y/N): N	Budgeted amount: N/A	Core X	Choice __
Action item amount: N/A	Line item:		
Fiscal Impact (explain if unbudgeted):			

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

- Orange County's accumulated rainfall through December was slightly above average for this period. This continues the impact of the previous two hydrologic years' below-normal rainfall in reducing those local supplies that are derived from local runoff.

- Northern California accumulated precipitation in November was around 129% of normal for this period. The Northern California snowpack was 53% of normal as of January 2nd, the date used for year-to-year comparison. This follows two below-average hydrologic years. The Governor has declared a Drought Emergency, and the State Water Project Contractors Table A Allocation is only 10% as of the end of November. This percentage will most likely remain similar in 2015.

- Colorado River Basin accumulated precipitation in December was a little 94% average for this period. The Upper Colorado Basin snowpack was 106% of average as of December 30th. However, this follows two below-average hydrologic years, and this watershed is in a long-term drought. Lake Mead and Lake Powell combined have about 60% of their average storage volume for this time of year. If Lake Mead's level falls below a "trigger" limit, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries for the Lower Basin states. The USBR predicts that the "trigger" limit could be reached as early as July 2015 and most likely in March 2016.



[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.

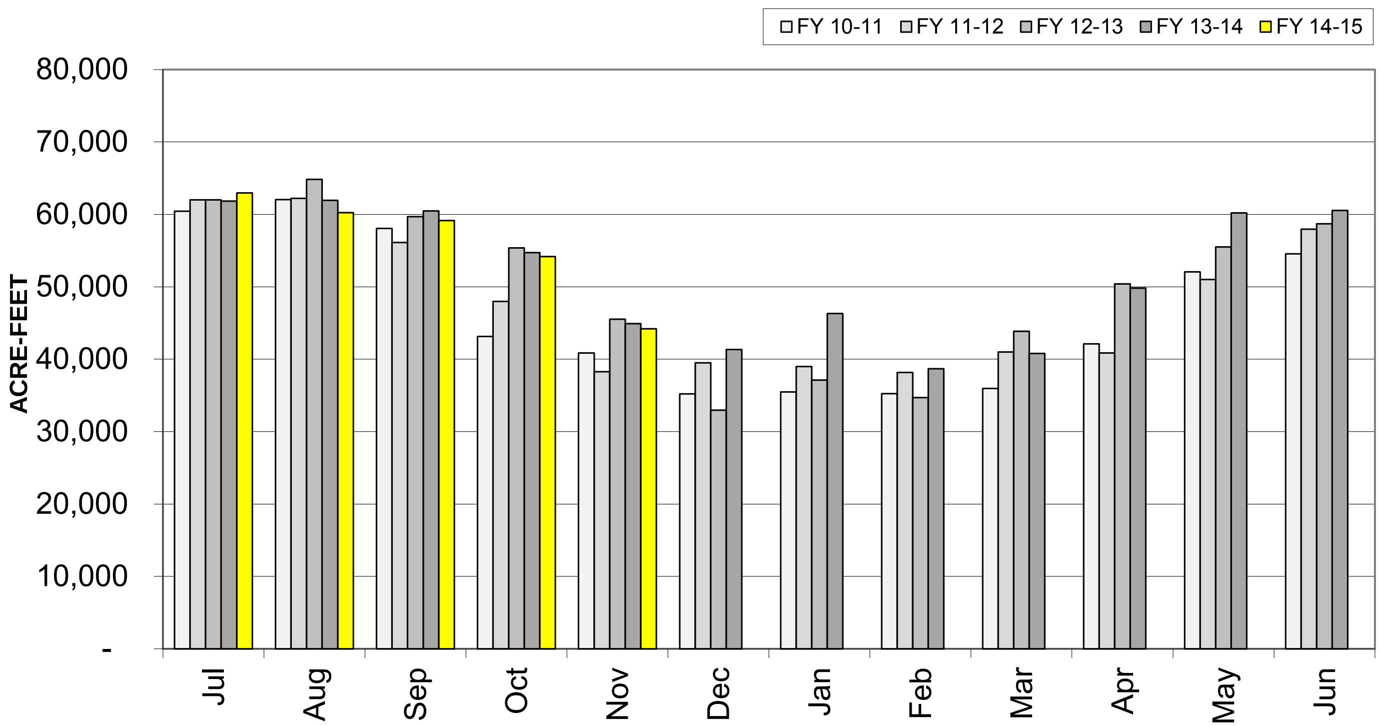
[2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are estimates until data collection is completed.

[3] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '14-15 is 72%.

[4] MWDOC's estimate of monthly demand is based on the projected FY 14-15"Retail" water demand and historical monthly demand patterns.

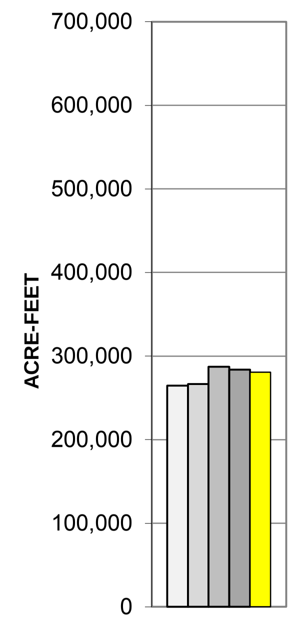
prepared by the Municipal Water District of Orange County
numbers are subject to change

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



Notes Allocations were in effect in FY 09-10 and FY 10-11 ending Apr-2011.

Partial Year Subtotals



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

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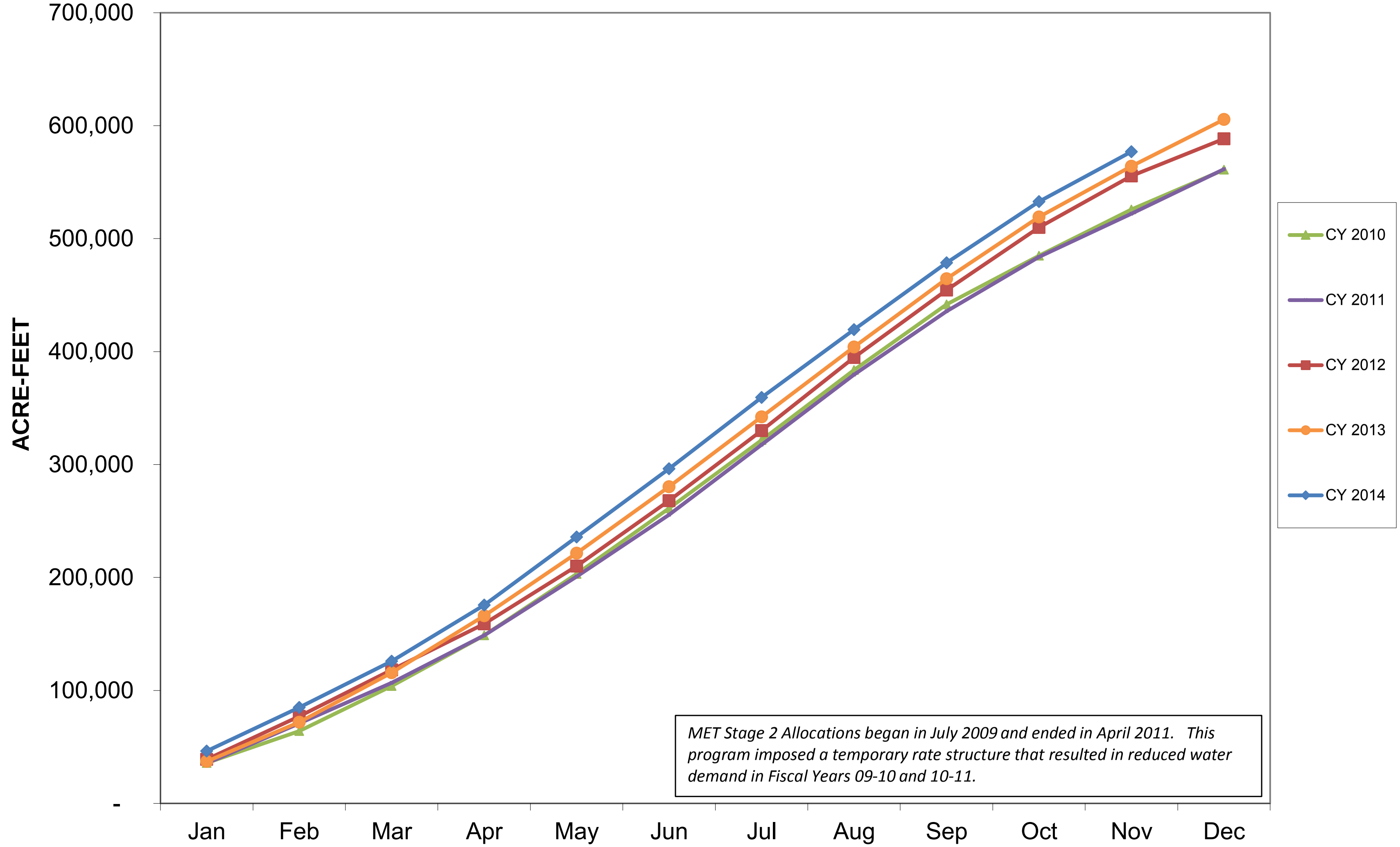
**numbers are subject to change*

Fig. 2B Orange County Cumulative Monthly Consumptive Water Usage [1]: present year compared to last 4 calendar years



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

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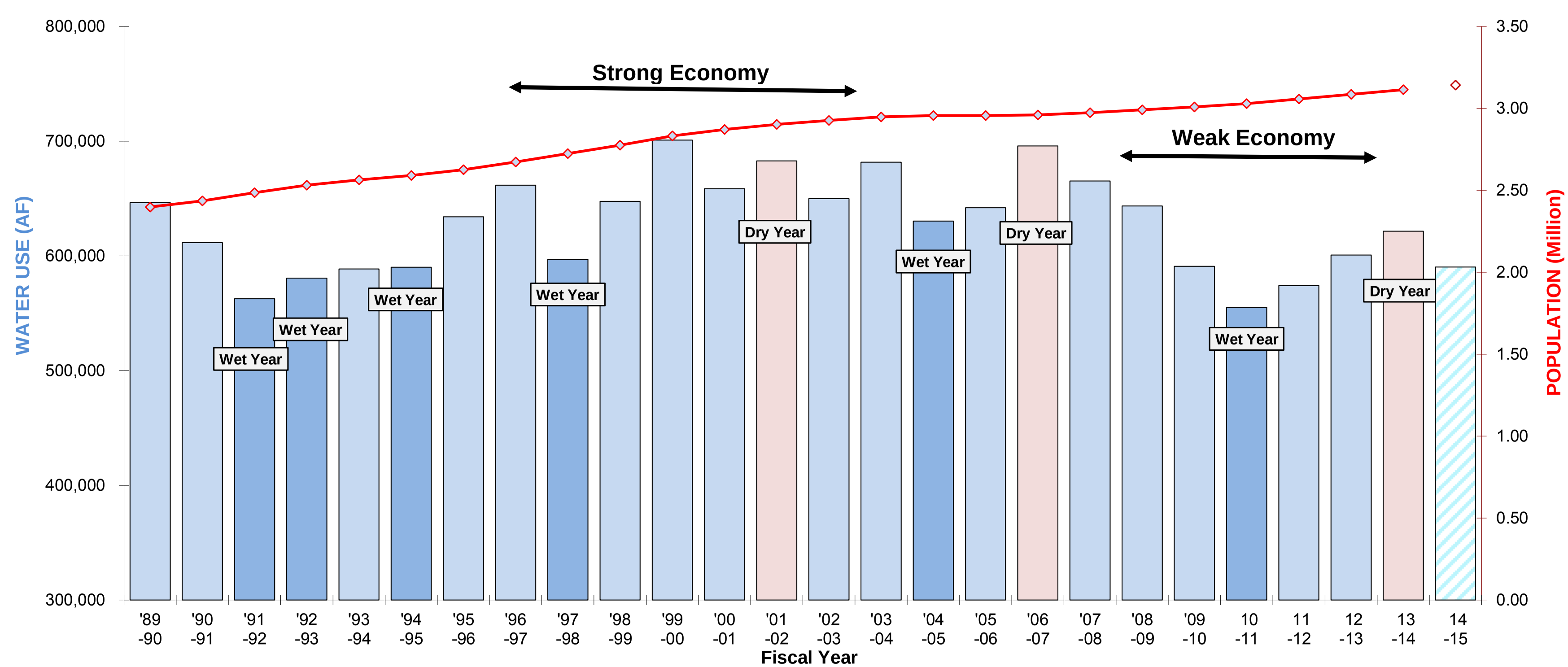
numbers are subject to change

Fig. 3A HISTORICAL WATER CONSUMPTION[1] AND POPULATION[2] IN OC



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.
[2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.
[3] Projection of FY 14-15 water use estimated by MWDOC based on partial-year data.
Projection of FY 14-15 population estimated by MWDOC continues historical trend.

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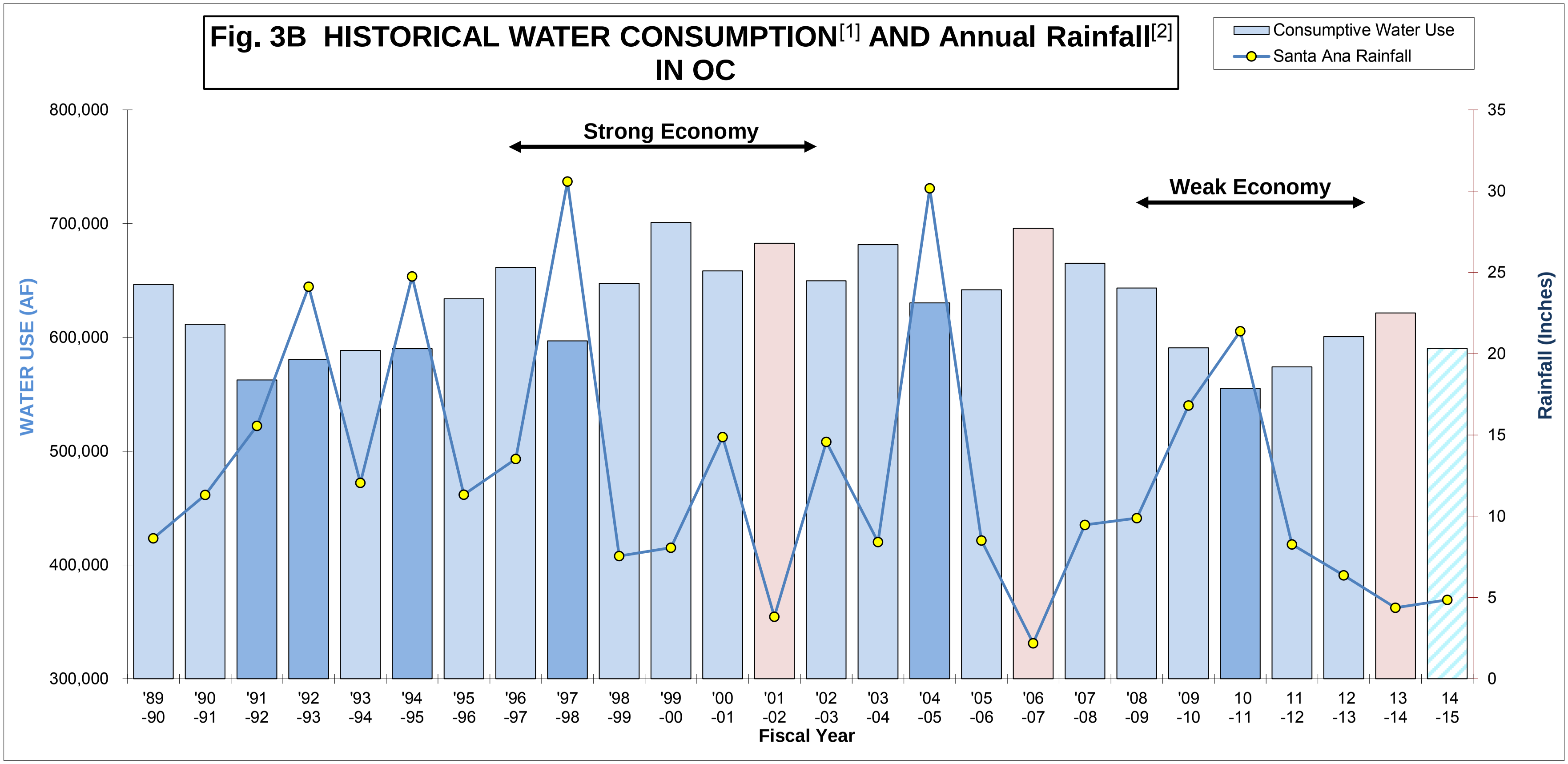

[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Rainfall data from Santa Ana Statin #121

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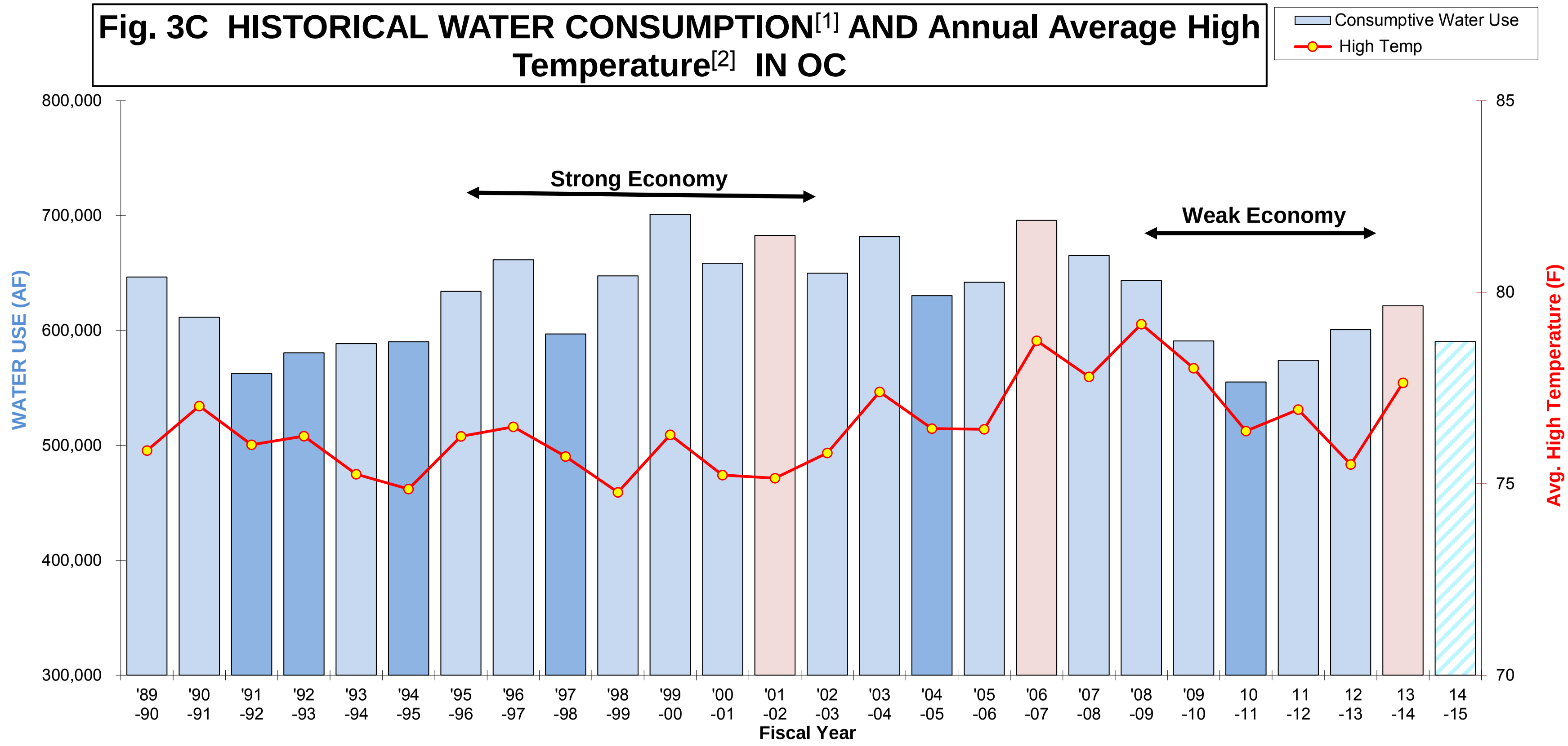
numbers are subject to change

Fig. 3C HISTORICAL WATER CONSUMPTION[1] AND Annual Average High Temperature[2] IN OC



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.
[2] Temperature data is from Santa Ana Fire Station, elevation 135'

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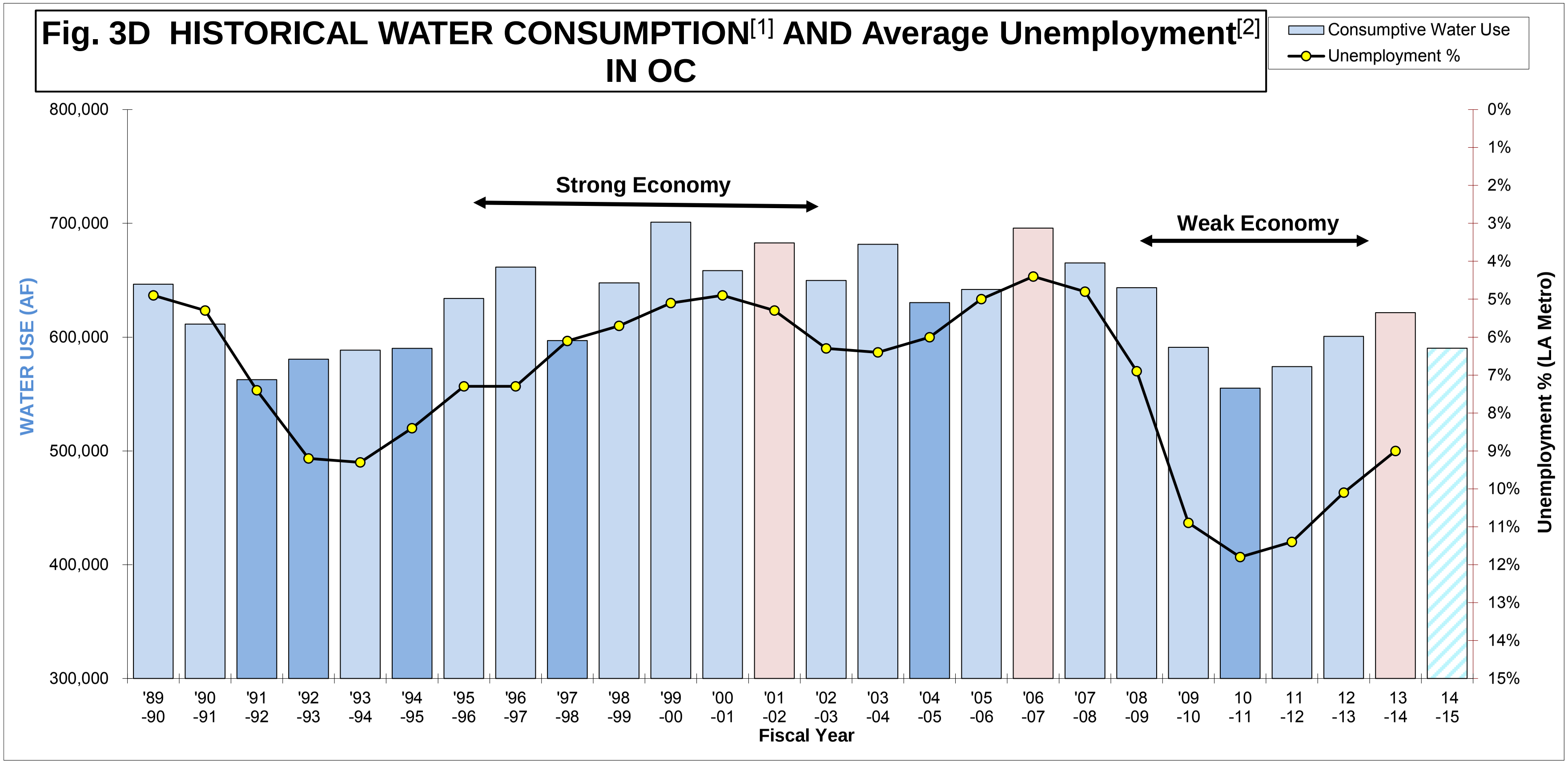

[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.
[2] Eployment Data source Burea of Labor Statistic for Long Beach-L.A.-Santa Ana Metro Area
http://www.bls.gov/lau/

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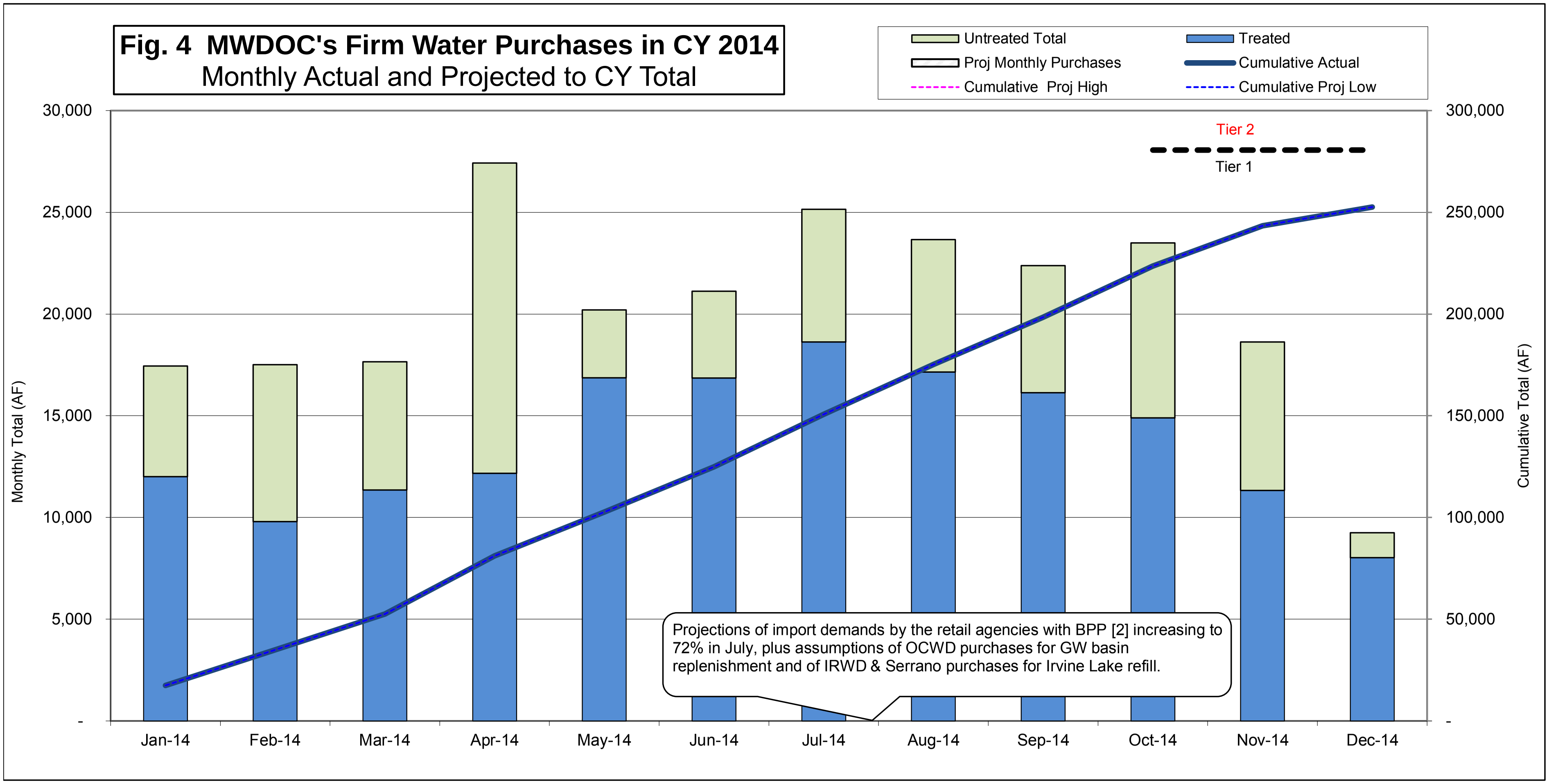
*numbers are subject to change



Notes

1. "Firm" includes Full Service (both Treated and Untreated) and Barrier water.

2. Basin Pumping Percentage (BPP) is the percentage of a retail water agency's total water demand that they are limited to pump from the OCWD-managed groundwater basin. BPP pertains to Basin agencies only. For example, if a Basin agency's total demand is 10,000 AF/yr and OCWD sets the BPP at 72%, then the agency is limited to 7,200 AF of groundwater that year. There may be certain exceptions and/or adjustments to that simple calculation. OCWD sets the BPP for the Basin agencies, usually as of July 1st. Import demands for Jan.-Jun. were with BPP of 70% for Basin agencies; for Jul.-Dec. they are projected with BPP of 72%.

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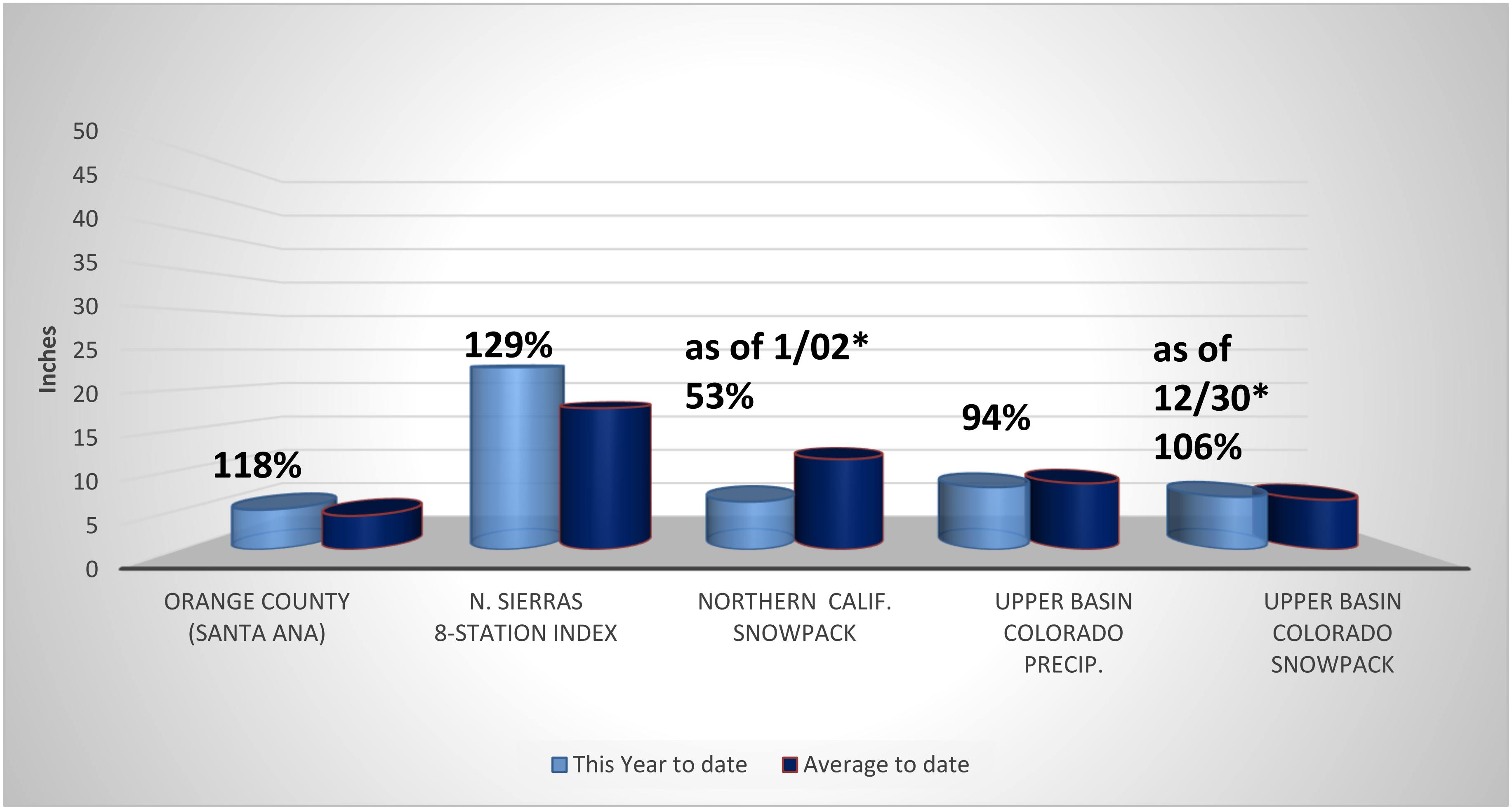
numbers are subject to change

printdate 1/5/2015

Accumulated Precipitation

for the Oct.-Sep. water year, through December 2014



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

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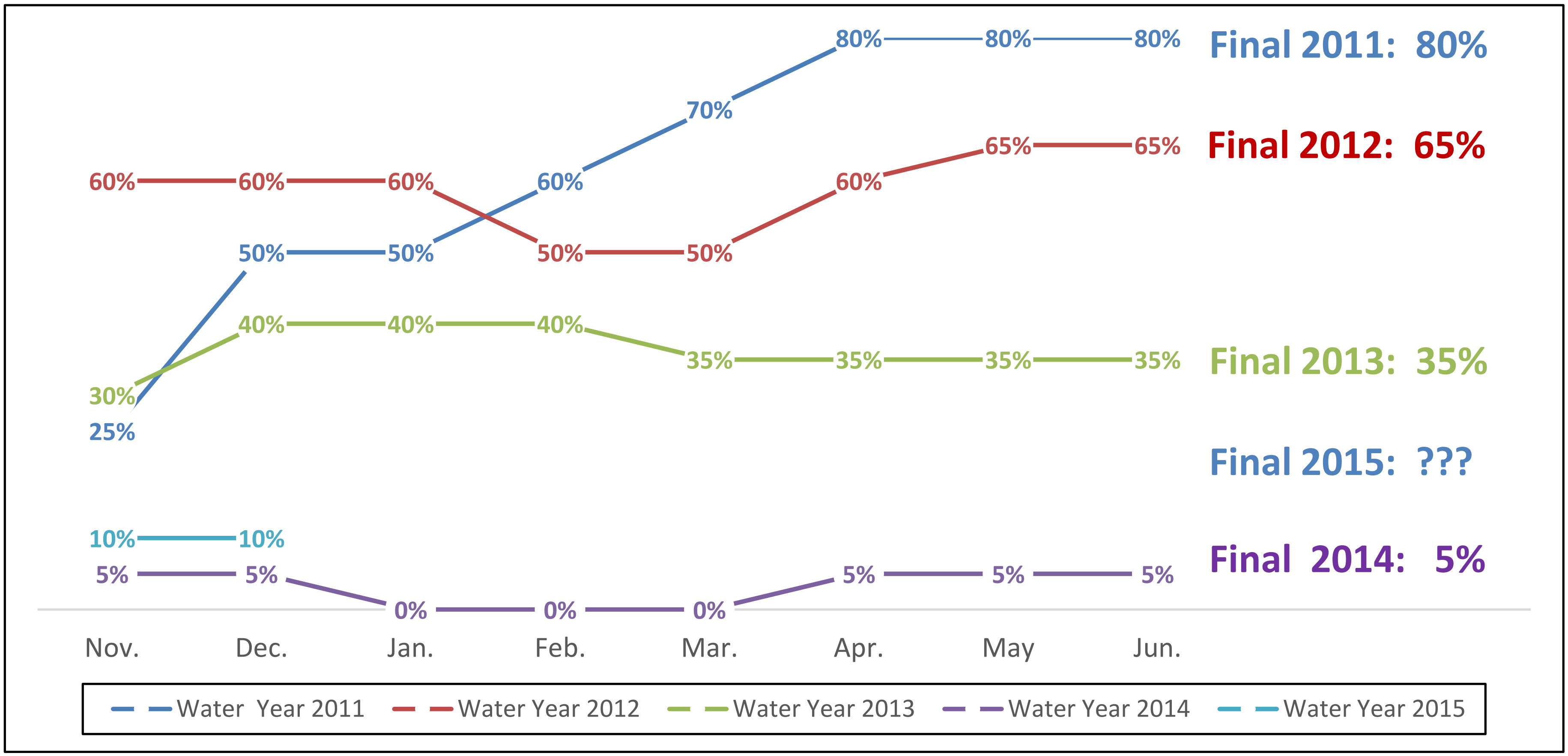
**numbers are subject to change*

SWP Table A Allocation

for State Water Project Contractors

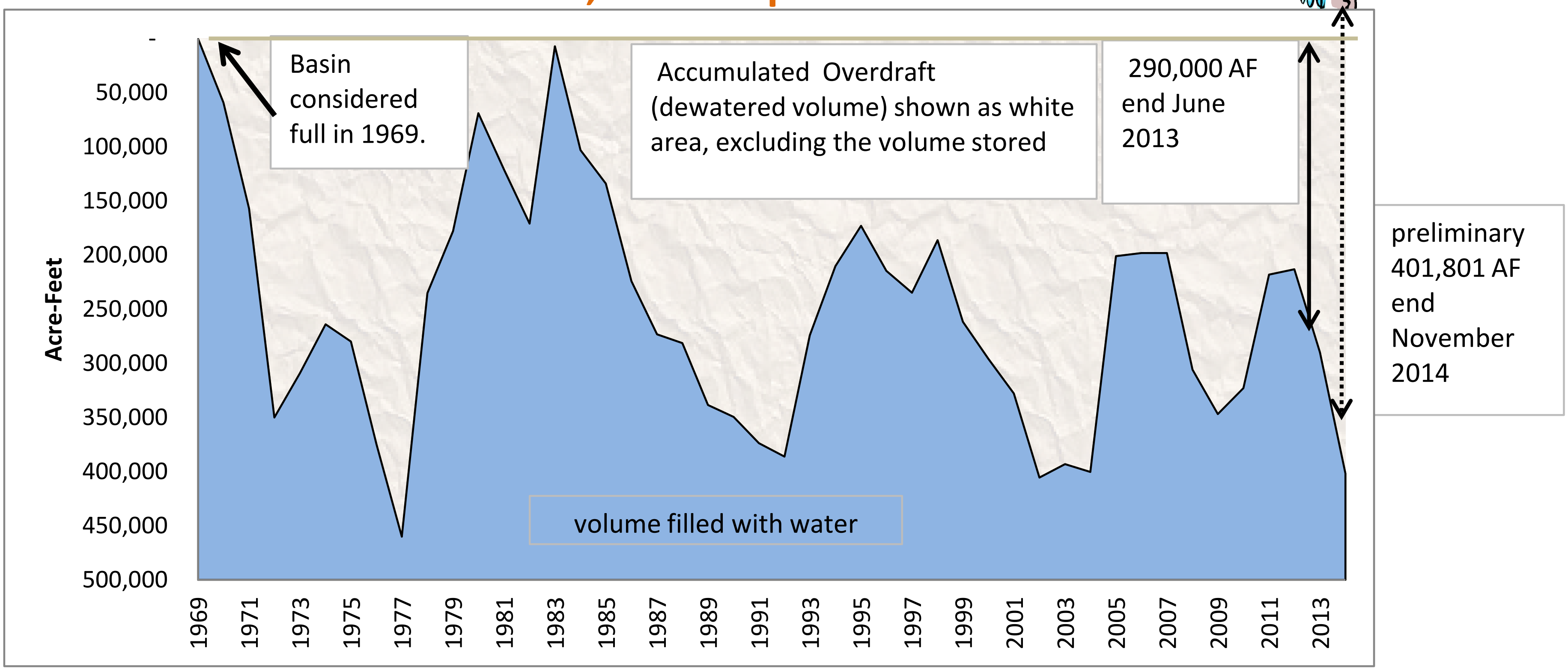


prepared by the Municipal Water District of Orange County

numbers are subject to change

OCWD Basin Accumulated Overdraft

Annual, 1969 to present



values as of September 30th

source: OCWD

prepared by the Municipal Water District of Orange County

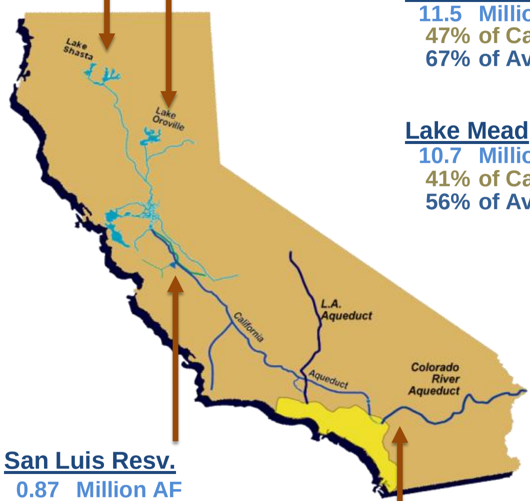
numbers are subject to change

California, Colorado R., and MET Reservoir Storage

as of End of December 2014

Lake Oroville
1.36 Million AF
39% of Capacity
62% of Average

Lake Shasta
1.898 Million AF
42% of Capacity
66% of Average

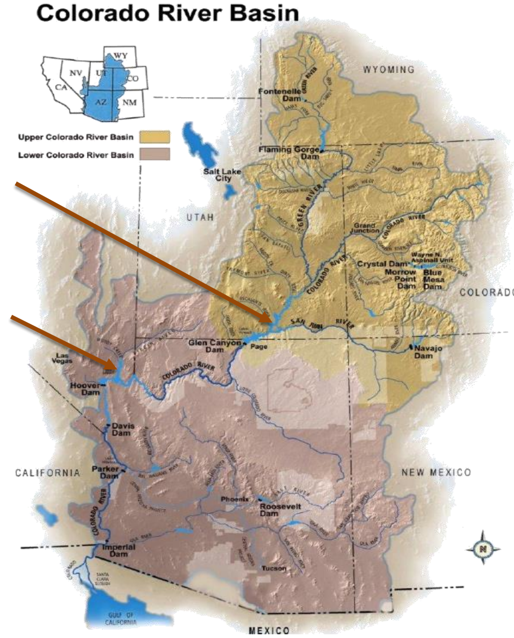


San Luis Resv.
0.87 Million AF
43% of Capacity
62% of Average

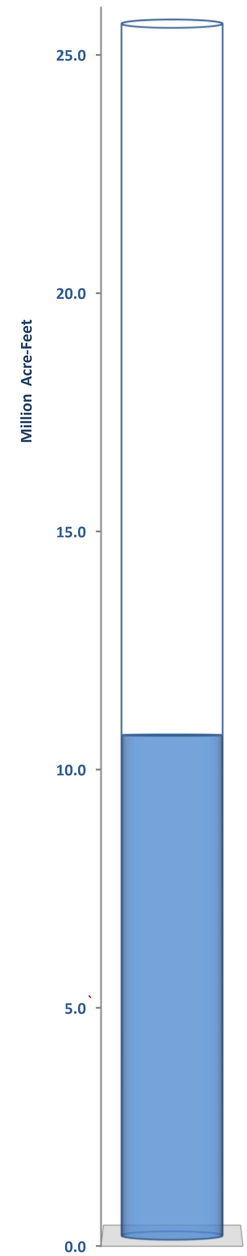
Diamond Valley Lake
0.39 Million AF
49% of Capacity

Lake Powell
11.5 Million AF
47% of Capacity
67% of Average

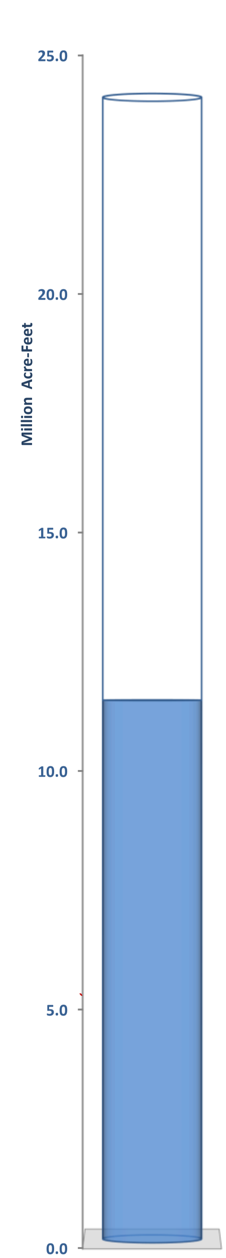
Lake Mead
10.7 Million AF
41% of Capacity
56% of Average



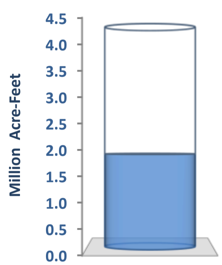
Lake Mead



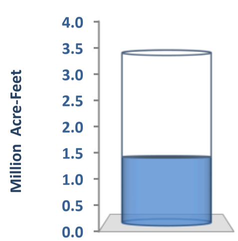
Lake Powell



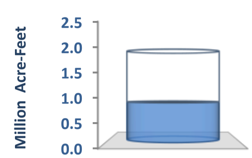
Lake Shasta



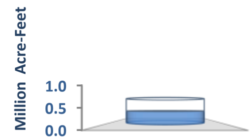
Lake Oroville



San Luis Resv.



Diamond Valley Lake



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

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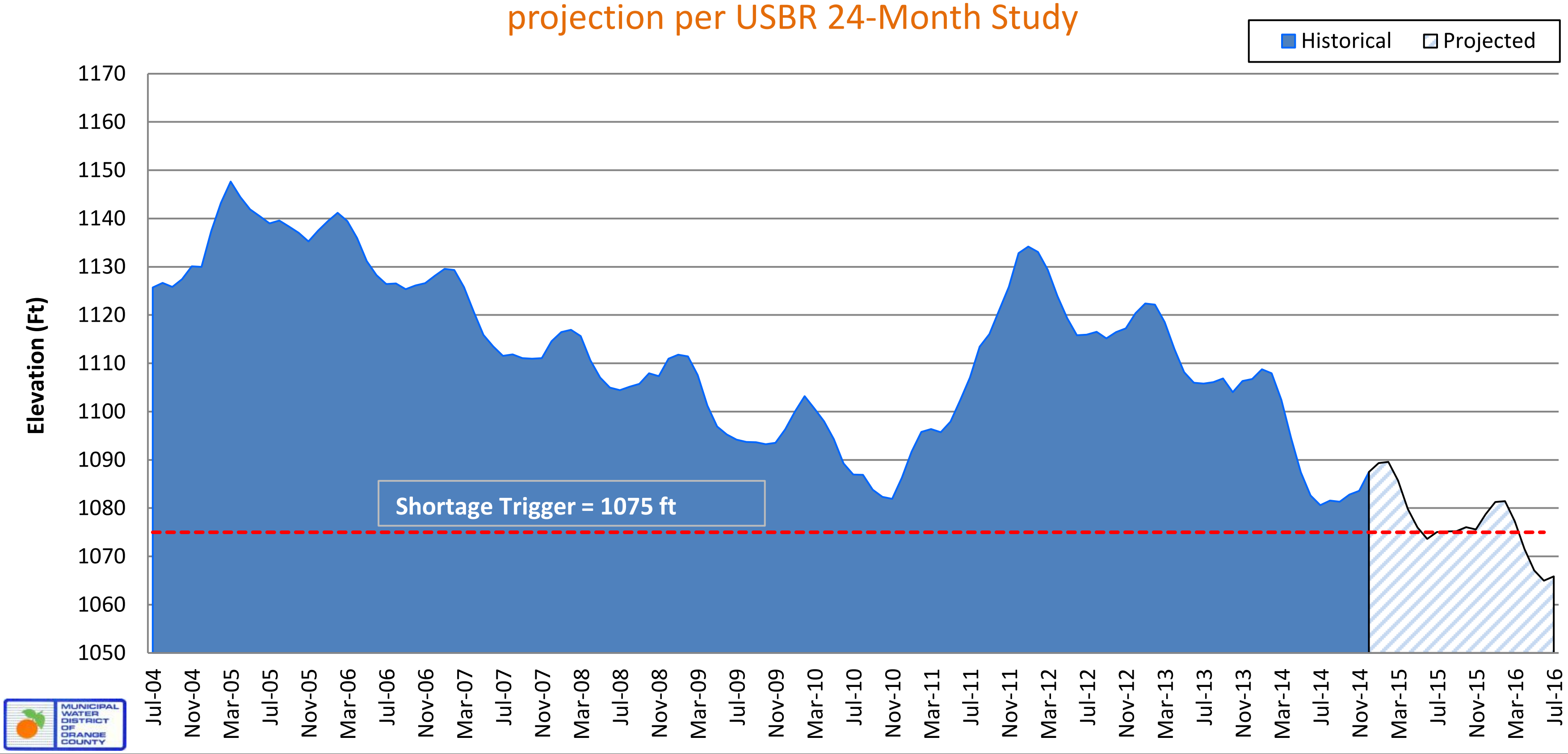
Lake Mead Levels: Historical and Projected

projection per USBR 24-Month Study



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Administration Activities Report
December 6, 2014 to January 8, 2015

Activity	**Summary**
Administration/Board	• Maribeth has been scheduling meetings for Rob Hunter and for various Ad Hoc Committees of the Board. • Maribeth has been assisting Rob/Karl with various write ups and follow-up for the Committees and Board, as well as research projects. • Maribeth is in the process of submitting changes to the District's Conflict of Interest Code to the Clerk of the Board. • Maribeth responded to one Public Records Request • Maribeth completed any necessary follow up subsequent to the recent election, including Oaths of Office and meeting with Director-Elect Tamaribuchi • Maribeth has been working with legal counsel and Karl on changes to the Admin Code • Pat has been scheduling meetings for Karl and Keith. • Pat proofed and formatted letters for Karl, Harvey and Darcy. • Pat received a brief training on front desk protocol to cover breaks during the holiday. • Pat is researching government rates for airline travel through the State of CA - Dept. of General Services. • Pat has been scheduling travel for ACWA and CRWUA Conferences and other misc. travel for CUWCC, CSDA Governance Workshop, which includes preparation of purchase requisitions and back-up. • Katie provided assistance on a mail merge to the member agencies.
MWDOC/OCWD Joint Administration	MWDOC and OCWD coordinated the phone coverage responsibilities due to holiday and vacation schedules.
Health Benefits	• The Flexible Spending Plan debit cards are in the process of being mailed to participants. All claims for the 2014 year must be submitted no later than 3/31/15.
Records Management	• Provided one-on-one Laserfiche training for staff members • Trained Melanie on scanning to Laserfiche, incoming mail procedure, and other admin duties • Continued to scan and/or purge records from Iron Mountain • Import new records into Laserfiche
CalPERS	Staff received the CalPERS valuation report ending June 30, 2013 and information is included in the committee packet.
Agency Inquiries	• Responded to an inquiry by Three Valleys Water District regarding Director compensation and benefits.

Recruitment /Departures	• Lisa Parson, WEROC Coordinator resigned as of 12/23. Recruitment is under way for the new WEROC Program Coordinator. • Recruitment is under way for a new Water Use Efficiency Intern, due to departure of Denise Dos Reis. • Recruitment is also underway for replacement of 2 Public Affairs interns. • Melissa Baum-Haley has returned from her maternity leave.
Other	
Projects and Activities	• Staff released the RFP to 9 consultants for the Compensation and Classification Study which is anticipated to be completed in early April 2015. • The holiday luncheon was held at Newport Landing on 12/17/14. • The newly revised Personnel Manual was distributed to staff and Board in late December. • The long term disability and life insurance policy renewals for 2015 have been completed, with a cost savings on both policies. • Katie is reviewing landscapers for atrium and wisteria clean-up and/or replacement. • Cathy has been working with Legal Counsel and the Pension Plan Representative to restate the Pension Plan to incorporate mandated changes and participant changes. Information is included in the committee packet.

Item No. 12b

INFORMATION ITEM

January 14, 2015

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

FROM: Robert J. Hunter, General Manager Staff Contact: Jeff Stalvey

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

SUMMARY

The following list details the status of special projects and department activities that are in-progress or to be completed during FY 2014-15.

Description	% of Completion	Estimated Completion date	Status
Finance			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Implementation of WUE Landscape Programs Database for Member Agencies.	**85%**	6/30/15	In Progress
$500k Bond Investment maturing. Will reinvest.	**25%**	01/15/15	In Progress
Preparation of documents for FY15-16 budget process.	**10%**	6/30/15	In Progress

Information Technology			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and upgrade MS Office 2013 for remain Desktop Computers	**90%**	3/31/2015	In Progress

Implement Web Security for District Network	**50%**	6/30/2015	In Progress
Purchase and upgrade Network Attach Storage for Offsite Backup.	**10%**	3/31/2015	In Progress
Purchase and upgrade 3 laptops for Staff.	**100%**	12/31/2014	Completed
Purchase and upgrade portable Projector.	**100%**	12/31/2014	Completed
Purchase and upgrade 4 Desktop Computers for WEROC NEOC (hardware and software).	**90%**	12/31/2014	In Progress
Implement and upgrade ACT software on a new Virtual Windows Server.	**100%**	12/31/2014	Completed

FY 2014-15 Completed Special Tasks

Description	% of Completion	Completion date	Status
Finance			
Upgrade Serenic ERP Software from version 5 to version 7	**100%**	7/31/14	Completed
Research additional Investment options for Reserves	**100%**	8/31/14	Invested $1,000,000 in four CD's; laddered terms. Approximate monthly gain of $970.
Investment in OCIP	**100%**	8/15/2014	Invested $3 million in OCIP from Retail Meter revenues. May need to transfer some back out in 6 months for operating expenses.
State Tax filing for Water Facilities	**100%**	9/30/14	Completed
Government Compensation in California report	**100%**	10/31/14	Completed
State Controller Report preparation	**100%**	10/31/14	Completed
Annual financial audit conducted by Vavrinek, Trine, Day & Company	**100%**	10/31/14	Completed

Description	% of Completion	Completion date	Status
Information Technology			
Upgrade existing Windows Server Operating Systems from 2003 and 2008 versions to 2012 version (software upgrade).	**100%**	6/30/14	Completed
Purchase and upgrade District Record Management Database Server (hardware and software).	**100%**	6/30/14	Completed
Purchase and upgrade Finance database Server (hardware and software) to run new version of Serenic application (64-bit).	**100%**	6/30/14	Completed

Purchase and upgrade 4 Desktop Computers for WEROC SEOC (hardware and software).	**100%**	09/30/14	Completed
Purchase and upgrade 2 Network Printers.	**100%**	10/31/14	Completed
Purchase and upgrade 5 Desktop Computers for Staff.	**100%**	10/31/14	Completed
Purchase and implement SmartDraw software for Public Affairs Dept.	**100%**	10/31/14	Completed
Purchase and replace Projection Screen in Conference Room 102	**100%**	10/31/14	Completed
Program auto voice respond for “Turf Removal Program” for WUE Department	**100%**	11/30/14	Completed