REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
January 21, 2015, 8:30 a.m.

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

NEXT RESOLUTION NO. 2000

CONSENT CALENDAR (Items 1 to 8)

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

1. MINUTES

a. December 3 , 2014 Adjourned Workshop Board Meeting
b. December 17, 2014 Regular Board Meeting
c. January 3, 2015 Special Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

a. Planning & Operations Committee: December 1, 2014
b. Administration & Finance Committee: December 10, 2014
c. Public Affairs & Legislation Committee: December 15, 2014
d. Executive Committee Meeting: December 18, 2014

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

a. MWDOC Revenue/Cash Receipt Register as of December 31, 2014
b. MWDOC Disbursement Registers (December/January)

Recommendation: Ratify and approve as presented.

c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of November 30, 2014
d. PARS Monthly Statement (OPEB Trust)
e. Water Use Efficiency Projects Cash Flow

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

a. Combined Financial Statements and Budget Comparative for the period ending November 30, 2014

Recommendation: Receive and file as presented.

5. DISTRICT CONFERENCE

a. LAFCO's Collaborative Services Summit, February 26, 2015

Recommendation: Authorize attendance by Directors and such members of District staff as approved by the General Manager.

6. DOHENY OCEAN DESALINATION PROJECT BASELINE ENVIRONMENTAL MONITORING AGREEMENT WITH SCWD/LBCWD

Recommendation: Authorize the General Manager to enter into an updated professional service agreement with Chambers Group, in association with Merkel & Associates in an amount of $153,346 and enter into a reimbursement agreement with South Coast Water District to fully fund this work, including MWDOC staff time estimated at $6,000.

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7. INCREASE AUTHORIZATION FOR CDM-SMITH FOR THE ORANGE COUNTY WATER RELIABILITY STUDY

Recommendation: Authorize staff to supplement the cost authorization for the OC Water Reliability Study by $24,000, increasing the total consultant scope of work for CDM-Smith to $221,240.

8. 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

Recommendation: Authorize the MWDOC General Manager and General Counsel to 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; OR, in the event a purchase commitment with OCWD does not occur, authorize the 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.

– **End Consent Calendar –**

ACTION CALENDAR

9-1 REORGANIZATION OF THE MWDOC BOARD OF DIRECTORS; ELECTION OF PRESIDENT AND VICE PRESIDENT RES. NOS. _____& _____

Recommendation: Nominate, and by Resolution(s), elect the President and Vice President of the Board.

9-2 APPOINTMENT OF SECRETARY, TREASURER(S), AND LEGAL COUNSEL RES. NO. _____

Recommendation: Adopt Resolution(s) appointing the Board Secretary, Treasurer, and Legal Counsel.

9-3 RESTATEMENT OF DISTRICT MONEY PURCHASE PENSION PLAN AND TRUST AGREEMENT RES. NO. _____

Recommendation: Adopt Resolution approving the restatement of the District's Money Purchase Pension Plan and Trust Agreement as presented.

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9-4 BUREAU OF RECLAMATION WATERSMART GRANT RESOLUTION RES. NO. _____

Recommendation: Adopt 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.

9-5 EXTENSION OF STATE LEGISLATIVE ADVOCACY CONTRACT WITH JAMES C. BARKER

Recommendation: Extend the federal advocacy contract with James C. Barker, P.C. for one year.

9-6 MWDOC'S LEGISLATIVE PRIORITY PRINCIPLES

Recommendation: The Public Affairs & Legislation Committee will review this item on January 19, 2015 and make a recommendation to the Board.

9-7 ISDOC EXECUTIVE COMMITTEE ELECTION FOR 3RD VICE PRESIDENT

Recommendation: Authorize the appropriate Board Member or alternate to vote on behalf of MWDOC at the January 29, 2015 ISDOC Quarterly Meeting

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

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

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

11. MWDOC GENERAL INFORMATION ITEMS

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

Recommendation: Receive and file as presented.

CLOSED SESSION ITEMS

12. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

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

ITEM NO. 1a

MINUTES OF THE WORKSHOP BOARD MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
December 3, 2014

The Workshop Meeting of the Board of Directors of the Municipal Water District of Orange County (MWDOC) scheduled for Wednesday, December 3, 2014 at 8:30 a.m., at the offices of the District, 18700 Ward Street, Fountain Valley, California, was canceled due to lack of a quorum. A Notice of Cancellation was thereon duly posted.

APPROVED:

_____
Maribeth Goldsby, District Secretary

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
December 17, 2014

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

MWDOC DIRECTORS	**STAFF**
Brett R. Barbre	Robert Hunter, General Manager
Larry Dick (arr. at 8:40 a.m.)	Karl Seckel, Assistant General Manager
Joan Finnegan (absent)	Russ Behrens, Legal Counsel
Susan Hinman	Maribeth Goldsby, Board Secretary
Wayne Osborne	Harvey De La Torre, Prin. Water Res. Planner
Sat Tamaribuchi	Cathy Harris, Administrative Services Manager
Jeffery M. Thomas	Heather Baez, Governmental Affairs Manager
	Darcy Burke, Director of Public Affairs

ALSO PRESENT	
Isabelle Safie	Best, Best & Krieger
Linda Ackerman	MWDOC MET Director
Larry McKenney	MWDOC MET Director
William Kahn	El Toro Water District
Ken Vecchiarelli	Golden State Water Company
Doug Reinhart	Irvine Ranch Water District
Paul Weghorst	Irvine Ranch Water District
Ray Miller	City of San Juan Capistrano
Chuck Gibson	Santa Margarita Water District
Rick Erkeneff	South Coast Water District
Andy Brunhart	South Coast Water District
Bill Green	South Coast Water District
Gary Melton	Yorba Linda Water District
Heather Stratman	Townsend Public Affairs
Betsy Eglash	Brady & Associates

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

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a

two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present, a unanimous vote.)

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING
Vice President Osborne inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

Mr. Hunter advised that the write ups from the Public Affairs & Legislation Committee were revised to reflect the Committee's recommendation and distributed at the meeting.

EMPLOYEE SERVICE AWARDS

No service awards were presented.

CONSENT CALENDAR

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

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

MINUTES

The following minutes were approved.

November 5, 2014 Workshop Board Meeting
November 6, 2014 Special Board Meeting
November 19, 2014 Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: November 3, 2014
Administration & Finance Committee Meeting: November 12, 2014
Public Affairs & Legislation Committee Meeting: November 10, 2014
Executive Committee Meeting: November 20, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of November 30, 2014
MWDOC Disbursement Registers (November/December)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of October 31, 2014

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending October 31, 2014

Audit Report for Fiscal Year 2013-14

NOVEMBER 2014 ELECTION CERTIFICATES

The Board received and filed the Certificates of Election for Satoru "Sat" Tamaribuchi (Division 5) and Brett Barbre (Division 1), and the Certificate of Appointment in Lieu of Election for Larry Dick (Division 2).

DISTRICT CONFERENCE

The Board authorized attendance by Directors and such members of District staff as approved by the General Manager, at the following conference:

California Special Districts Association "Introduction to Good Governance Principles," January 22, 2015 at MWDOC

TRAVEL TO WASHINGTON DC IN 2015 TO COVER FEDERAL INITIATIVES

The Board received and filed the report regarding the outlined travel to Washington, DC in 2015 to cover Federal initiatives.

END CONSENT CALENDAR

(President Dick arrived at 8:40 a.m. and assumed the role as Chair of the meeting.)

ACTION CALENDAR

APPROVAL OF REVISED PERSONNEL MANUAL

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board approved the revisions to the Personnel Manual as presented. Directors Barbre, Dick, Hinman, Osborne, Tamarabuchi and Thomas voted in favor. Director Finnegan was absent.

RENEWAL OF LONG-TERM DISABILITY, LIFE INSURANCE AND EMPLOYEE ASSISTANCE PROGRAM PLANS

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board (1) authorized the change in the District's Life Insurance Program to National Joint Power Alliance (NJPA) which is a pooled product for through Sun Life, as proposed by Alliant (broker); (2) authorized the change in the District's Employee Assistance Program to NJPA (from ACWA's MHN plan), effective 3/1/15; (3) authorized the change in the Long-Term Disability program carrier to Lincoln National, as proposed by WSP (broker); (4) authorized the General Manager to execute the required membership agreement with National Joint Power Alliance (NJPA) with an effective date of January 1, 2015 for the life insurance, and an effective date for the Employee Assistance Program to March 1, 2015; and (5) authorized staff to send the notice to ACWA/JPIA of the District's intent to terminate its participation in the Employee Assistance Program (EAP), effective February 28, 2015. Directors Barbre, Dick, Hinman, Osborne, Tamarabuchi and Thomas voted in favor. Director Finnegan was absent.

AMENDMENT TO THE MWDOC MONEY PURCHASE PENSION PLAN

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board adopted RESOLUTION NO. 1999 amending the District's Money Purchase Pension Plan as presented, by the following roll call vote:

AYES: Directors Barbre, Dick, Hinman, Osborne, Tamarabuchi and Thomas
NOES:None
ABSENT: Director Finnegan
ABSTAIN: None

EXTENSION OF STATE LEGISLATIVE ADVOCACY CONTRACT WITH TOWNSEND PUBLIC AFFAIRS, INC.

President Dick advised that the Public Affairs & Legislation Committee reviewed this item and recommended that the Board approve an extension to the Townsend Public Affairs (TPA) contract through 2015, at the rate of $7500 per month through June 30, 2015 and that the Board determine an increase to that rate during the 2015/16 budget preparation process. He advised that although TPA is requesting an increase to $8500 per month with this contract extension, the FY 2014/15 budget is for $7500 per month.

Director Osborne made a MOTION to approve the extension to the TPA contract for 2015, at the rate of $7500 per month through June 30, 2015, and the rate of $8500 per month for the period July 1, 2015-December 31, 2015. Director Hinman seconded the MOTION.

Discussion ensued regarding whether to approve an increase prior to adopting the budget, and Director Barbre suggested the Board approve the contract extension through December 31, 2015 at the rate of $7500 per month, but direct staff to include an augmentation of $1000 per month during the FY 2015/16 budget process, with the Board to reconsider the extension in July (with the new amount). Director Osborne agreed to amend his MOTION.

Upon MOTION by Director Osborne, seconded by Director Hinman, and carried (5-1), the Board approved extending the contract with Townsend Public Affairs through December 31, 2015 at the rate of $7500 per month, and directed staff to include an additional $1000 (per month) to the TPA budget during the FY 2015/16 budget process for consideration by the Board. This item will return to the Board for consideration in July 2015. Directors Barbre, Dick, Osborne, Tamarabuchi and Thomas voted in favor. Director Hinman voted in opposition, and Director Finnegan was absent.

EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP

Upon MOTION by Director Osborne, seconded by Director Hinman, and carried (6-0), the Board approved the one-year extension of the contract with Lewis Consulting Group for specialized services.

ANNUAL REVIEW OF LEGISLATIVE POLICY PRINCIPLES

President Dick reported that the Public Affairs & Legislation Committee suggested this item be deferred until January 2015. Director Barbre commented that the principles were broad enough and could be changed at any time; he commended Ms. Baez on her efforts. Following discussion, the Board deferred further discussion on this item until January.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, DECEMBER 2014

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

Mr. Hunter highlighted that the MET Board approved Water Supply Allocation Plan, and that MWDOC was working with OCWD regarding the Purchase Order System.

President Dick commended all of the MWDOC MET Directors, as well as staff for their efforts with the Water Supply Allocation Plan.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

BOARD OF DIRECTORS

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

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as a legislative trip to Washington, DC (as well as Mr. Barker's daughter's funeral), the quarterly meeting with OCWD and Yorba Linda Water District (YLWD), the YLWD Board meeting, a meeting with the Ad Hoc Committee re the Administrative Code, the Brea City Council swearing-in ceremony, and a Colorado River Aqueduct inspection trip. Mr. Barbre also attended the Colorado River Water Users Association conference. He commended both Rob Hunter and Harvey De La Torre on their efforts with respect to MET's Water Supply Allocation Plan.

Director Osborne noted his attendance at the MWDOC Board and Committee meetings, the WACO meeting, the ACWA conference (which included a sexual harassment training).

Director Tamaribuchi reported that he attended the ACWA Conference, the Colorado River Water Users Association Conference, and MWDOC's PAL meeting since becoming a Director.

Director Thomas reported on attending the Administration & Finance Committee meeting, the Board meeting, the Executive Committee meeting, and the ACWA conference.

Director Hinman advised that she attended the MWDOC Board and Committee meetings, as well as the Laguna Hills High School ribbon cutting ceremony for its turf program. Director Hinman noted that she also attended the ACWA Conference (including the Local Government Committee meeting), the South Coast Water District Board meeting wherein she presented plaques to those directors retiring, a tour of the Dana Point Desalination facility, the San Juan Basin Authority meeting, a briefing with Moulton Niguel Water District staff regarding their Water Reliability Study, and the WACO meeting.

Director Dick reported on attending the MWDOC and MET regular meetings, as well as the OC Taxpayers Association meeting, the South Orange County Chamber of Commerce meeting, the Serrano Water District Board meeting, the Urban Water Institute planning meetings, the ACWA conference, a meeting with UGMO (regarding soil moisture sensors), the WACO Planning and WACO meetings, the Association of Corporate Growth meeting. Mr. Dick advised that he would be meeting with Senator Huff later in the week regarding the Bay Delta.

Director Osborne referenced a recent article in the *LA Times* regarding water reliability and asked staff to obtain more information on the information referenced in the article.

CLOSED SESSION

At 9:17 a.m., Legal Counsel Behrens announced that the Board would adjourn to closed session for the following matter:

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

RECONVENE

At 10:43 a.m., the Board reconvened and announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 10:44 a.m.

Respectfully submitted,

_____
Maribeth Goldsby, Secretary

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
January 3, 2015

At 9:05 a.m., President Dick called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors Board Room at the Westin Hotel, 686 Anton Blvd., Executive Board Room, 3rd Floor, Costa Mesa, California.

MWDOC DIRECTORS
Brett R. Barbre
Larry Dick
Joan Finnegan
Susan Hinman
Wayne Osborne
Sat Tamaribuchi
Jeffery M. Thomas

STAFF PRESENT
Robert Hunter, General Manager

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ALSO PRESENT

No members of the public were present.

PUBLIC COMMENTS

No public comments were received.

CLOSED SESSIONS ITEM

At 9:07 a.m., the Board adjourned to closed session pursuant to Government Code Section 54957 to conduct the performance evaluation of the General Manager.

RECONVENE
ANNOUNCEMENTS FROM CLOSED SESSION

The Board reconvened from closed session at 2:42 p.m., and President Dick announced that no reportable action was taken in closed session.

ADJOURNMENT

At 2:43 p.m., President Dick adjourned the special meeting.

Respectfully submitted,

_____
Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PLANNING & OPERATIONS (P&O) COMMITTEE
January 5, 2015 - 8:30 a.m. to 9:26a.m.
MWDOC Conference Room 101

P&O Committee:
Director Wayne Osborne, Chair
Director Brett Barbre
Director Susan Hinman

Staff:
Rob Hunter, Karl Seckel, Richard Bell,
Harvey De La Torre, Kelly Hubbard,
Kevin Hostert, Joe Berg, Pat Meszaros

Also Present:
President Larry Dick
Director Joan Finnegan
MWDOC MET Director Linda Ackerman
MWDOC MET Director Larry McKenney
William Kahn, El Toro Water District
Paul Weghorst, Irvine Ranch Water District
Liz Mendelsohn, San Diego County Water Auth
Nate Getz, Xylem Dewatering Solutions

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

PUBLIC PARTICIPATION

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

Mr. Hunter reported that an additional handout for Item No. 1 was emailed to the Board on January 2, 2015 and that an additional handout for Item No. 2 was distributed to the Board at the meeting; both items were posted to the District's website.

ACTION ITEMS

INCREASE AUTHORIZATION FOR CDM-SMITH FOR THE ORANGE COUNTY WATER RELIABILITY STUDY

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the Committee recommended the Board approve the increase authorization for CDM-Smith for

the Orange County Water Reliability Study. Committee members Osborne, Barbre, and Hinman voted in favor.

DOHENY OCEAN DESALINATION PROJECT – BASELINE ENVIRONMENTAL MONITORING/AGREEMENT WITH SCWD/LBCWD

Director Hinman noted that this item will go to the SCWD Board on January 15 and she's pleased that we're moving forward on this environmental work. Director Osborne inquired whether this environmental monitoring work would suffice should the project be upgraded to a 15 mgd facility to which Mr. Seckel responded that it would. He further reported that SCWD and LBCWD are still discussing how to approach the financing. It's his understanding that LBCWD doesn't have money in the budget this year to take this on so SCWD will pay the entire amount and make arrangements for LBCWD to pay their share next year. Therefore, the agreement would be with SCWD only.

Director Hinman inquired whether there's a due date for the project. Mr. Seckel responded that it will be completed a year from now, January 2016. Further, following a recent meeting with Andy Brunhart and consultants involved in the project, he stated that he feels comfortable that Cathrene Glick of G3 Soils will be able to pull the information together and complete the work by next January.

Upon MOTION by Director Hinman, seconded by Director Barbre, and carried (3-0), the Committee recommended the Board approve the agreement with SCWD for baseline environmental monitoring. Committee members Osborne, Barbre, and Hinman voted in favor.

MWDOC'S COMMENT LETTER ON CLEAN ENERGY CAPITAL (CEC) REPORT ON THE POSEIDON HUNTINGTON BEACH PROJECT

Mr. Seckel reported that on December 10, the OCWD Water Issues Committee meeting and the GW Producers' meeting would be a combined workshop on the Clean Energy Capital (CEC) Report. Further, the OCWD Board will consider this issue at its January meeting. Director Osborne commented on the good job by IRWD on their comments.

INFORMATION ITEMS

DOHENY OCEAN DESALINATION PROJECT STATE PARKS LEASE AND UPDATE ON THE FOUNDATIONAL ACTION PROGRAM

Mr. Seckel stated that the prior lease with State Parks expired on May 31, 2014. The new lease (to be executed by February 1, 2015) will extend the term for five years.

The MET Foundational Action Program work with South Coast Water District is proceeding. Draft reports for Tasks 1 and 2 under SCWD's "Overcoming Barriers to Slant Well Seawater Desalination" have been received from Geoscience and are under review.

SJBA Foundational Action Program, “Groundwater and Desalination Optimization Program” effort is underway and due to be completed in a year. Staff opines that completion of both of these efforts will likely allow a regional project to move forward in a few years.

WEROC EXERCISE ROLLING THUNDER AFTER ACTION/ CORRECTIVE ACTION REPORT

Ms. Hubbard reported that this exercise involved multiple agencies operating with the same simulated disaster scenario. MET, MET member agencies, WEROC agencies and WEROC EOC facilitated role play that would encourage and improve collaboration and communication between these agencies, as they would need to coordinate in a real event.

STATUS REPORTS

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

Reports were received and filed.

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

No items were presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 10:10 a.m.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE (A&F) COMMITTEE
December 10, 2014 – 8:35 a.m. to 9:22 a.m.
MWDOC Conference Room 101

Committee Members:
Director Jeff Thomas, Chair
Director Joan Finnegan
Director Wayne Osborne

Staff:
Robert Hunter, Cathy Harris, Hilary Chumpitazi, Katie Davanaugh, Darcy Burke

Also Present:
Director Brett Barbre
Director Larry Dick
Director Susan Hinman
Director Sat Tamaribuchi
Met Director, Larry McKenney
Roger Alfaro - Vavrinek, Trine, Day & Co.
Jessica Anderson - Vavrinek, Trine, Day & Co.

Director Osborne called the meeting to order at 8:30 a.m. Noting that Director Thomas was not yet present, Director Dick acted as Committee member.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were presented.

PROPOSED BOARD CONSENT CALENDAR ITEMS-ACTION

TREASURER'S REPORT

a. Revenue/Cash Receipt Report – November 2014
b. Disbursement Approval Report for the month of December 2014
c. Disbursement Ratification Report for the month of November 2014
d. GM Approved Disbursement Report for the month of November 2014
e. Water Use Efficiency Projects Cash Flow – November 30, 2014
f. Consolidated Summary of Cash and Investment – October 2014
g. OPEB Trust Fund monthly statement

(At 8:39 a.m. Director Thomas arrived and chaired the Committee meeting.)

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Treasurer's Report for approval at the December 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor.

The Committee reviewed the Treasurer's report and made general comments on a couple items on the disbursement register, including the high cost of the annual ACWA membership dues, the variation of flight costs for travel, the use of the District credit cards, disbursements made in connection to the turf removal / rebate program and the certification and verification process for the turf program.

FINANCIAL REPORT

a. Combined Financial Statements and Budget comparative for the period ending October 31, 2014
b. Audit Report for FY 2013-14

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Financial Report for approval at the December 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor.

Director Barbre requested that the Board have a formal discussion pertaining to the meter connection certification and review process, as it pertains to the "North/South Agreement". Mr. Hunter responded that it would be prudent to include that conversation during the budget process and that the agreement specifies the fixed charge is based on the number of retail accounts, not number of connections. Mr. Hunter also noted that a rate study will be conducted in 2015 to determine what the proper basis should be.

Ms. Chumpitazi introduced the auditors Roger Alfaro and Jessica Anderson from Vavrinek, Trine, Day & Co. who noted that they did not encounter any problems during the audit process.

Director Barbre noted that the audit report reflected that the Orange County Investment Pool is listed as not rated. Ms. Anderson responded that there are some funds within the pool that are not rated. Mr. Alfaro responded that they will revise the language in the footnotes of the report for clarification.

Director Barbre also inquired when the next valuation will be completed for the Other Post Retirement Benefits (OPEB) liability with Ms. Chumpitazi responding in June 2015. He also requested that the Board determine whether election expenses not utilized during non-election or non-contested years should be put towards the OPEB liability. Mr. Hunter responded that this topic will be returned upon completion of the new valuation.

DISTRICT CONFERENCES – CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) "INTRODUCTION TO GOOD GOVERNANCE PRINCIPLES" JANUARY 22, 2015

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the CSDA Conference for approval at the December 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor.

It was noted that the conference will be held at the MWDOC District offices.

ACTION ITEMS

APPROVAL OF REVISED PERSONNEL MANUAL

Upon MOTION by Director Joan Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the Revisions to the Personnel Manual for approval at the December 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor.

Director Barbre requested that any grievances be referred to the Executive Committee, rather than the Administration & Finance Committee.

Ms. Harris reported that this item was reviewed in November and the manual was subsequently reviewed by legal counsel. New mandates in July 2015 will provide for sick leave benefits for part time employees and this will be accounted for during the budget process.

Director Barbre inquired as to whether the District can prohibit medical marijuana in the work place. Ms. Harris responded that Legal Counsel advised that currently employers can prohibit medical marijuana in the workplace and included the recommended language.

Mr. Hunter reported that the IRS will be conducting an audit of payroll records in January 2015.

RENEWAL OF LONG TERM DISABILITY, LIFE INSURANCE AND EMPLOYEE ASSISTANCE PROGRAM (EAP) PLANS

Upon MOTION by Director Joan Finnegan, seconded by Director Thomas, and carried (3-0), the Committee recommended the Renewal of Long Term Disability, Life Insurance and EAP plans for approval at the December 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor.

Ms. Harris noted that staff solicited proposals for life and long term disability insurance to Alliance Insurance and WSP Benefits. Staff reviewed and compared benefits, cost and other factors and based on cost savings, the recommendation is to move the life insurance to the Alliance carrier, keep the long term with broker WSP and move the Employee Assistance Program to Alliant through Sun Life.

AMENDMENT TO THE MWDOC MONEY PURCHASE PENSION PLAN

Upon MOTION by Director Joan Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the Amendment to the Money Purchase Pension Plan for approval at the December 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor.

It was reported that this plan is needed for compliance with the General Manager's employment contract and that Mr. Hunter is required to make a matching contribution to the plan.

INFORMATION ITEMS

2015 FLEXIBLE BENEFITS SPENDING PLAN UPDATE

The Committee acknowledged the 2015 plan updates and expressed support for implementing the debit card within the plan.

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

DEPARTMENT ACTIVITIES REPORTS

a. Administration
b. Finance and Information Technology

The informational reports were received and filed.

OTHER ITEMS

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

No items were presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:22 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE
December 15, 2014 8:35 a.m. to 10:35 a.m.
MWDOC Conference Room 101

Committee:
Director Brett Barbre, Chair (absent)
Director Sat Tamaribuchi
Director Susan Hinman

Staff:
Robert Hunter, Karl, Seckel, Darcy Burke, Katie Davanaugh, Heather Baez, Jessica Ouwerkerk, Harvey DeLaTorre, Tiffany Baca,

Also Present:
MWDOC Director Wayne Osborne
MWDOC Director Larry Dick
MWDOC Director Joan Finnegan
Larry McKenney, MWDOC MET Director
Linda Ackerman, MWDOC MET Director
Dick Ackerman
John Lewis, Lewis Consulting
Matt Holder, Lewis Consulting
Ian Delzer, Townsend Public Affairs (TPA)
Chris Townsend, TPA
Heather Stratman, TPA
Jim Leach, Santa Margarita Water District

In the absence of Director Barbre, President Dick chaired the meeting and called it to order at 8:30 a.m.

PUBLIC PARTICIPATION

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were presented.

DISCUSSION ITEMS

LEGISLATIVE ACTIVITIES

a. State Legislative Report (Townsend)

Heather Stratman noted that the legislature reconvened on December 1st and then immediately adjourned. The new legislative session will start on January 5, 2015 with 2500 new bills anticipated to be introduced, many by the end of February. Due to the passage of Proposition 1, $4.5 billion dollars will begin to become available due to the passage of the water bond. It is anticipated to take approximately 10 years to spend all those funds. Formal committee meetings will begin in March, with a lot of focus on water issues throughout the state. The larger projects pertaining to water include water storage, regional water security, clean and safe drinking water, water recycling, groundwater sustainability, watershed protection and restoration and flood management.

Discussion was held on the criteria for water storage projects, which include very specific guidelines which are outlined through the 2001 Record of Decision made by the Department of Water Resources. It was noted that $2.7 billion will be allocated for water storage. Ms. Stratman will provide a copy of the Record of Decision to staff and Committee members.

Discussion was also held on funds that are available to the Santa Ana Region (which includes the Santa Ana Watershed project Authority) and was noted as $63 million. Ms. Stratman noted that the funds are not automatically 'allocated' or given to SAWPA.

b. County Legislative Report (Lewis)

Mr. Holder noted the reorganization of the Orange County Board of Supervisors, which began earlier this month. A new LAFCO Board will also be assembled as a result of the election.

c. Legal and Regulatory Report (Ackerman)

Mr. Ackerman noted the environmental impacts from both natural and artificial Christmas trees, due to the holiday season and recent debates. Also noted was the recent settlement between the City of Los Angeles and Owens Valley. Water savings with that case are expected to be 3 billion gallons per year.

ORANGE COUNTY WATER HERO MOBILE APP

Ms. Burke noted that the Water Hero Program was initiated as a coordinated effort with Orange County Water District that began in 2007. She then provided an overview of the elements and details of the app which include games, videos, a water savings library and pledge opportunities for the users, as well as integration with other social media programs. Beta testing will begin in February with roll-out anticipated in May 2015. The program targets children from kindergarten through middle school and will tie into the website so that staff can track number of users, which elements are more successful, etc.

Discussion was held on potential opportunities that might be available with Discovery Science Center (DSC) who has hosted the MWDOC education program for the past 10 years. Ms. Ouwerkerk noted that a "launch" party was discussed as being held at DSC but details have not been finalized. Director Dick suggested that DSC take responsibility of the 'app' as part of the education program to save on staff resources. Additional discussion was held regarding conversations staff had with DSC to develop electronic "Ricky the Raindrop" booklets with DSC indicated they were not interested. Director Dick expressed

concern with DSC's lack of interest in developing an e-book for the Ricky Raindrop program and lack of interest in assisting with developing the Water Hero app. Discussion was held on additional concerns with DSC and lack of interest in developing and expanding the education program, as well as the lack of response to recent inquiries from staff and Director Hinman. Ms. Burke reported that the school program is anticipated to reach budgeted expenses this year.

Director Hinman noted the importance of continuing efforts to support the education program, especially with new technology. It was noted that Disney also has a "water app" for children called "where's my water" which includes an alligator as the main character. Ms. Baca then reviewed the process which was held with the application developer, noting different levels of interaction and involvement with the children, depending on age group.

Ms. Burke reported that MWDOC spent $7,500 last year and Orange County Water District will spend $20,000 this year to launch the program, noting that OCWD did not contribute funds last year. Ms. Burke also noted that MWDOC and OCWD are 50/50 partners on developing and implementing the application. The app will be marketed through MWDOC and OCWD efforts, with hopes of reaching 10,000 children the first year. Ms. Burke will budget an additional $7,500 for the next fiscal year, noting that she expects MWDOC's total cost to be near $18K, which will be a close match to OCWD's $20K contribution.

ACTION ITEMS

EXTENSION OF STATE LEGISLATIVE ADVOCACY CONTRACT WITH TOWNSEND PUBLIC AFFAIRS, INC.

Mr. Hunter reported that staff recommends renewing this contract (which is currently on a calendar year) for an additional six months without an increase, as it was not budgeted.

Mr. Townsend responded that Casey Elliott and Heather Stratman travel to Sacramento on MWDOC's behalf. He noted the difficulty in the budgetary process as it is not synchronized with the legislative session. He noted that 2015 is anticipated to be a very big legislative year with Proposition 1, ocean desalination, the Bay Delta Conservation Plan, representation at meetings and other activities.

Mr. Hunter noted the expanded scope of services needed in 2015 and suggested approval of the contract, with further discussion at the December board meeting.

Upon MOTION by Director Hinman, seconded by Director Tamaribuchi, and carried (3-0), the Committee recommend approving the extension of the Townsend Public Affairs contract through 2015 at $7,500 per month through the end of the 2014/15 fiscal year. The rate beginning on July 1, 2015 will be determined during the 2015/16 budget process.

EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP

Upon MOTION by Director Hinman, seconded by Director Tamaribuchi, and carried (3-0), the Lewis Contract Renewal was referred to the December 17, 2014 Board meeting for approval. Directors Dick, Hinman and Tamaribuchi voted in favor.

TRAVEL TO WASHINGTON DC IN 2015 TO COVER FEDERAL INITIATIVES

Upon MOTION by Director Hinman, seconded by Director Tamaribuchi, and carried (3-0), the Travel to Washington DC for Federal Initiatives was referred to the December 17, 2014 Board meeting for approval. Directors Dick, Hinman and Tamaribuchi voted in favor.

Ms. Baez provided a brief overview of activates and conversations held with legislators during the recent November 20-21, 2015 visit. It was noted that Ms. Baez, Mr. Hunter and Director Barbre attended.

ANNUAL REVIEW OF LEGISLATIVE POLICY PRINCIPLES

Ms. Baez noted that the updates to the annual policy principles were added in italics and were not significant. She met with Santa Margarita Water District, Irvine Ranch, and Mesa and requested input, and the principles were also sent to MWDOC staff and Metropolitan for consideration. Director Tamaribuchi suggested that they also be sent to the Cities of Santa Ana, Fullerton and Anaheim to achieve a county-wide collaborative approach.

Discussion was held on whether cost effective standards should be implemented for the water use efficiency policy principles and it was determined that water savings was the intended meaning, as measuring cost is a different component. Mr. Seckel noted that all programs are evaluated under CUCC MOU standards prior to implementation.

Under the “Governance” item, Director Dick recommended adding the language to include “ … without first considering funding…”.

Under the “Metropolitan Water District of Southern California”, General Manager Hunt recommended adding item “2) oppose legislation that restricts Metropolitan’s rate making ability.”

Under the “Water Infrastructure Financing”, General Manager Hunt recommended adding item “2) oppose legislation that reduces the total available water infrastructure funding available through WIFIA, Grants or other programs.”

Under the “Water Use Efficiency”, Director Tamaribuchi recommended striking the word “connections” from item 7.

Staff will make the recommended changes and return the item to the January PAL meeting.

INFORMATION ITEMS

VALUE OF WATER COMMUNICATIONS CHOICE PROGRAM

Director Hinman requested information specific to the City of San Clemente, relative to this program. Staff will follow-up.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) WASHINGTON, DC LUNCHEON AND SACRAMENTO RECEPTION

The Committee noted support for attendance and participation for this event, noting the importance of communicating the concerns with the Bay Delta Conservation Plan and the seriousness of the drought within California.

MET LEGISLATIVE STRATEGIES FOR 2015

This item was deferred to the January 2015 PAL meeting.

DROUGHT OUTREACH

The report was received and filed.

8TH ANNUAL ORANGE COUNTY WATER SUMMIT (MAY 15, 2015)

Director Dick expressed support for finding a venue within the MWDOC service area.

SCHOOL PROGRAM PARTICIPATION REPORT

The report was received and filed.

PUBLIC AFFAIRS ACTIVITIES REPORT

Director Dick noted an article written by Ms. Burke that was not included in this report.

OTHER ITEMS

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

No items were presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 10:35 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
December 18, 2014, 8:30 a.m. to 9:30 a.m.
Conference Room 102

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

Staff:
R. Hunter, M. Goldsby

Also Present:
Director Thomas
Director Hinman
Director Barbre
Betty Olson, Santa Margarita WD
Chuck Gibson, Santa Margarita WD

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

PUBLIC PARTICIPATION

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

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

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

Staff reported on the OC Water Reliability Study, noting that work sessions are being scheduled. It was noted that MWDOC's Allocation Plan would be a topic of discussion now that MET has approved its Water Supply Allocation Plan.

MEMBER AGENCY RELATIONS

Director Hinman requested an update on the San Juan Basin Authority meeting at an upcoming meeting.

General Manager Hunter advised that he would be sending a notice to the member agencies (in compliance with the terms of the Settlement Agreement) notifying them that the budget process has begun.

EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS

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

a. Planning & Operations Committee

No new items were added to the agenda.

b. Workshop Board Meeting

No new items were added to the agenda.

c. Administration & Finance Committee

No new items were added to the agenda.

d. Public Affairs & Legislation (PAL) Committee

No new items were added to the agenda.

e. MWDOC/OCWD Joint Planning Committee

Discussion ensued regarding the OC Water Summit and Director Dick asked that the OCWD President be notified that all Summit meetings include representation by a MWDOC Director. The Committee requested staff arrange a workshop type discussion at a future meeting (after the Summit) to review the pros/cons of the Summit and its future direction.

Considerable discussion ensued regarding the ACWA luncheon reception, its format, and the need to convey the importance of the Bay Delta Conservation Plan. The Committee discussed the need to educate the member agencies regarding the BDCP, and how a universal message can be conveyed to legislators (along with each agencies local project). SMWD Director Olson commented that she would share the information with the South County agencies. It was noted that Director Tamaribuchi would attend the event with Director Barbre.

GENERAL MANAGER'S REPORTS

No new information was presented.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

No new information was presented.

ADJOURNMENT

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

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
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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:

	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
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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

Municipal Water District of Orange County
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

Municipal Water District of Orange County
Disbursement Approval Report
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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

Municipal Water District of Orange County
Disbursement Approval Report
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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:

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:

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 [4]
	Total	**$ 7,633.05**

[1] Director Barbre has reimbursed MWDOC $55.40
[2] Urban Water Institute has reimbursed MWDOC for $125.20
[3] Urban Water Institute has reimbursed MWDOC for $196.56
[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 49687	***Special Dist. Risk Mgmt. Auth.*** 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 49687	***Special Dist. Risk Mgmt. Auth.*** 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

Street Address:
18700 Ward Street
Fountain Valley, California 92708

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

(714) 963-3058
Fax: (714) 964-9389
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Larry D. Dick
President

Wayne S. Osborne
Vice President

Brett R. Barbre
Director

Sat Tamaribuchi
Director

Joan C. Finnegan
Director

Susan Hinman
Director

Jeffery M. Thomas
Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

City of Brea
City of Buena Park
East Orange County Water District
El Toro Water District
Emerald Bay Service District
City of Fountain Valley
City of Garden Grove
Golden State Water Co.
City of Huntington Beach
Irvine Ranch Water District
Laguna Beach County Water District
City of La Habra
City of La Palma
Mesa Water District
Moulton Niguel Water District
City of Newport Beach
City of Orange
Orange County Water District
City of San Clemente
City of San Juan Capistrano
Santa Margarita Water District
City of Seal Beach
Serrano Water District
South Coast Water District
Trabuco Canyon Water District
City of Tustin
City of Westminster
Yorba Linda Water District

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

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

O:\Finance\A&F COMM\FY 14-15\Cash & Investment\Tracker November 2014 report 1/5/2015

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

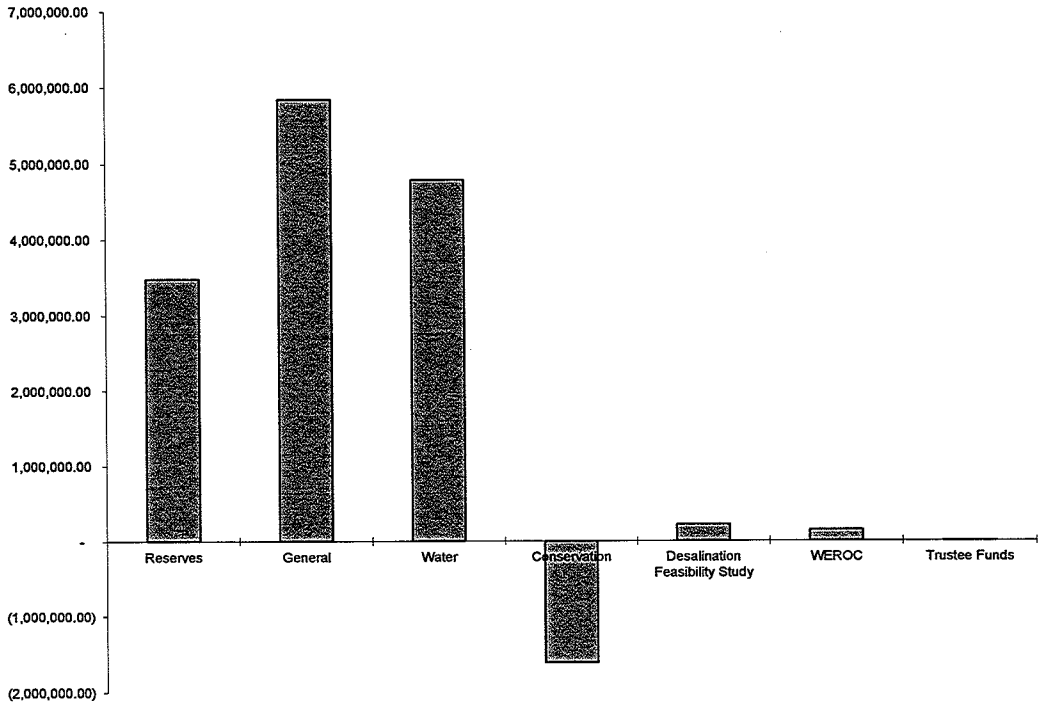
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
November 30, 2014

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%**



PUBLIC AGENCY RETIREMENT SERVICES PARS

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

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

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

ASSETS	**Amount**
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	

Item No. 5

CONSENT CALENDAR 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: **OC LAFCO's 2015 COLLABORATIVE SERVICES SUMMIT**

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation. UPDATE: Subsequent to the A&F Committee meeting, the meeting location was established (Costa Mesa Country Club).

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, at the Costa Mesa Country Club, 1701 Golf Course Drive, Costa Mesa. 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):			

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
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Item No. 6

CONSENT CALENDAR ITEM

January 21, 2015

TO: **Planning and Operations Committee**
(Directors Osborne, Barbre, Hinman)

FROM: **Robert Hunter, General Manager**

Staff Contact: K. Seckel/R.Bell

SUBJECT: **Doheny Ocean Desalination Project Baseline Environmental Monitoring Agreement with SCWD/LBCWD**

STAFF RECOMMENDATION

Staff recommends that the Board of Directors authorize the General Manager to enter into an updated professional service agreement with Chambers Group, in association with Merkel & Associates in an amount of $153,346 and enter into a reimbursement agreement with South Coast Water District to fully fund this work, including MWDOC staff time estimated at $6,000. Last year we entered into an agreement with SCWD/LBCWD for the MET Foundational Action Funding Program work on "Application of Slant Well Technology" and would use a similar agreement for this work.

SCWD will be the project manager and MWDOC will provide contract administration, oversight and project support. This work was previously considered and awarded by the Board on April 20, 2011 upon concurrence of the Project Participants Committee, however, the work under this prior award was not initiated at that time due to funding considerations in the Phase 3 work. The Chambers Group/Merkel Associates updated proposal is attached.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

Budgeted (Y/N): N	Budgeted amount: n/a
Action item amount: $160,000	Line item:
Fiscal Impact (explain if unbudgeted): No fiscal impact on MWDOC. Work to be fully funded by South Coast Water District including staff time. South Coast and LBCWD are discussing joint participation for this work.	

SUMMARY

SCWD/LBCWD are proceeding with implementation of the 5 MGD Doheny Demonstration Ocean Desalination Project. In the interest of time, SCWD has requested MWDOC to contract for these services since a formal procurement process and award had been previously conducted by MWDOC and the Doheny Project Participants. SCWD will fund all work under this agreement, will serve as the project manager, and will fund MWDOC staff time to provide contract administration, oversight and project support. An agreement between MWDOC and SCWD would be entered into that would be similar to the approach taken with the MET Foundational Action Funding Program work. An estimated cost for this work is $160,000 which includes MWDOC staff time.

Chambers Group and Merkel & Associates have provided an updated proposal which is attached. Dr. Noel Davis is the project manager as before. The baseline environmental monitoring work for lower San Juan Creek and the seasonal coastal lagoon, is on the critical path for project implementation and is necessary to support the environmental documentation and permit applications for the Doheny Ocean Desalination Project.

SCWD/LBCWD are currently working on the MET Foundational Action Funding Program "Application of Slant Well Technology" and the baseline environmental monitoring work will be conducted concurrently to provide the following:

- Needed data and information for assessment of the coastal lagoon habitat for project impact evaluation for CEQA (and possibly NEPA) processing to be started later next year by SCWD/LBCWD and to support project permit applications.

- An improved understanding of the environmental issues relative to the project and groundwater production out of San Juan Basin.

The overall purpose of the recommended work is to (1) finalize the scope of work working with the resource agency personnel, some of whom have changed and (2) to collect baseline environmental information for lower San Juan Creek and its seasonal coastal lagoon to support the project CEQA impact evaluation and documentation and project permit applications.

The work will help to address several questions related to potential groundwater drawdown impacts on the lower reaches of San Juan Creek and its seasonal coastal lagoon from the proposed project and upstream groundwater development and management programs. It will also help to subsequently recommend a monitoring program to assess conditions and potential project impacts and any necessary project mitigation measures as well as assess habitat conditions for southern Steelhead and other species.

Staff previously worked on this effort during 2010 and 2011 and completed an updated and revised scope of work in 2013, working with the San Juan Basin Authority, Project Participants, City of Dana Point, State Parks, Trout Unlimited, National Marine Fishery Service, California Department of Fish and Wildlife, and US Fish and Wildlife Service,

State Parks, San Diego Regional Water Quality Control Board, Orange County Watersheds, U.S. EPA, and with the U.S. Bureau of Reclamation fishery staff to help outline and review the work elements. Since that time, some staff have changed and it is necessary to review the proposed scope of investigation with these agencies for their comments and concurrence to the scope. Opportunities for timely support funding from these agencies will be explored.

NWRI may be tasked to form an independent science advisory panel to review the consultants work as is being done under the MET Foundational Action Funding Program work. No budget is provided for NWRI at this time.

To solicit consultants for this work, staff previously prepared and issued a Request for Proposals (RFP). In preparation of the RFP scope of work, staff coordinated and received comments from National Marine Fishery Services, Trout Unlimited, State Parks and Orange County Watersheds. This information was incorporated into the draft RFP. Staff then circulated the draft RFP and received comments from staff from the San Juan Basin Authority (SJBA), the Project Participants, and the U.S. Bureau of Reclamation. The final RFP was issued on December 17, 2010 to 16 firms who specialized in this field. This list was based on an effort to include qualified firms known to MWDOC, the Project Participants, SJBA, Orange County Watersheds, State Parks, and others who might have an interest and qualifications in this specialized field.

The RFP and related project background was subsequently forwarded to the resource/regulatory agencies (National Oceanic and Atmospheric Association (NOAA), National Marine Fisheries Service (NMFS), United States Fish and Wildlife Service (USFWS), California Department of Fish and Game (CDFG) and State/Regional Water Boards), inviting their participation and potential funding support for this baseline environmental monitoring effort. Comments were received but no additional funding source was identified at that time.

MWDOC received six excellent written proposals on January 28, 2011. Staff from the Project Participants, SJBA, City of Dana Point, Orange County Watersheds, State Parks, the U.S. Bureau of Reclamation and George Sutherland representing Trout Unlimited, participated in the selection process. Proposals were received from six firms/teams: AECOM, Chambers Group, Coastal Environments, Michael Brandman Associates, MBC Applied Environmental, and Westin Solutions. The selection panel interviewed three teams: Chambers Group, MBC Applied Environmental and Westin Solutions. The interviews were held on March 10, 2011 and the panel recommended the selection and award of the contract to Chambers Group, in association with Merkel and Associates, in the amount of $140,694. The Project Participants Committee concurred with staff's recommendation to award the project and the MWDOC Board on April 20, 2011 awarded the contract to Chambers Group/Merkel & Associates.

One of the initial and key tasks to be performed after entering into the contract with Chambers Group/Merkel & Associates will be to meet with the regulatory agencies to discuss and refine the scope of work as appropriate and to determine their interest in potential funding and staff participation. Since the fisheries and environmental issues go beyond the Doheny Ocean Desalination Project, the work to be conducted under SCWD funding is focused on the project. However, there can be economies of scale in

undertaking baseline environmental monitoring and assessment work for the same area. Staff has been coordinating with George Sutherland, representative of Trout Unlimited over the past several years regarding southern Steelhead recovery planning for San Juan Creek. Trout Unlimited has been working with the resource agencies on the design and implementation of fish passages on Arroyo Trabuco and on habitat improvement for the seasonal coastal lagoon to improve the area for southern Steelhead refugia. To support staff in this baseline environmental monitoring effort and to facilitate coordination with the resource and regulatory agencies, the Board previously authorized staff to enter into an agreement with George Sutherland, representing Trout Unlimited in the amount of $10,000. This agreement was not entered into due to the deferred monitoring work and is NOT part of this award at this time.

It should be noted that South Coast WD and Laguna Beach CWD are discussing joint participation for this work; depending on how quickly those arrangements can be made, the funding agreement may be drafted to include LBCWD.

December 22, 2014

Mr. Richard Bell, P. E.
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

SUBJECT: LOWER SAN JUAN CREEK AND SEASONAL COASTAL LAGOON - BASELINE ENVIRONMENTAL MONITORING FOR DOHENY OCEAN DESALINATION PROJECT ENVIRONMENTAL ASSESSMENT

Dear Mr. Bell:

Based on input from the involved agencies and steelhead and lagoon experts, Chambers Group has updated the scope and costs for the Lower San Juan Creek and Seasonal Coastal Lagoon Baseline Environmental Monitoring Program. The scope and costs are presented below. This revised scope will be circulated to the resource agencies for comment.

SCOPE OF WORK

Task 1 Literature Review and Collection of Relevant Data from Other Investigations

During this task, relevant existing literature on habitat conditions in San Juan Creek Lagoon and Lower San Juan Creek will be compiled into an electronic database, reviewed, and summarized in a technical memorandum. Chambers Group has reviewed much of the available literature as part of its previous work on the Doheny Ocean Desalination Project. The available literature includes studies of the San Juan Creek watershed (San Juan and Trabuco Creeks Watershed Steelhead Recovery Plan by CDM for Trout Unlimited and the California Department of Fish and Wildlife and the U.S. Army Corps of Engineers San Juan Creek Watershed Management Plans. These documents provide an overview of the watershed with some information specific to Lower San Juan Creek and San Juan Creek Lagoon. In addition, a limited amount of biological and/or water and sediment quality sampling events in Lower San Juan Creek and San Juan Creek Lagoon provide specific information on parameters relevant to establishing an environmental baseline for the Doheny Ocean Desalination Project. For example, these studies include a tidewater goby survey in San Juan Creek Lagoon that included enumeration of all fish species collected and water quality measurements (Baskin, J.N. and T.R. Haglund 2006 Tidewater Goby Protocol Survey in San Juan Capistrano Creek Lagoon, Dana Point, Orange County, California), the Southern California Coastal Water Research Project (SCCWRP) Surface Water Ambient Monitoring Program (SWAMP) Report on the San Juan Hydrologic Unit (Mazor, R.D. and K. Schiff 2007) included a station in Lower San Juan Creek that was sampled for water chemistry, water toxicity, benthic invertebrates, and physical habitat assessment. In addition, Chambers Group mapped the vegetation in San Juan Creek Lagoon as part of the studies for the SOCOD project. The literature review will include the recent beach monitoring work by SCCWRP.

This task will also include development of criteria for San Juan Creek Lagoon to provide a rearing environment for juvenile steelhead. Studies on the restoration of the southern steelhead population in Topanga Creek (for example Dagit, R., K. Reagan and V. Tobias 2007 Topanga Creek Southern Steelhead Habitat Suitability and

Monitoring Study) will be used as a reference. In general, steelhead require relatively cool, unpolluted, well oxygenated water; refuge from predators; and an adequate source of food. The Resource Conservation District of the Santa Monica Mountains has developed a Habitat Suitability Index for Topanga Creek. Those parameters will be reviewed and discussed with NOAA Fisheries, Trout Unlimited, Rosi Dagit of the Resource Conservation District of the Santa Monica Mountains, and other knowledgeable parties to develop specific criteria that would need to be met for San Juan Creek Lagoon to provide good habitat for juvenile steelhead rearing in San Juan Creek Lagoon.

The deliverable from this task will be a Technical Memorandum that summarizes the existing literature on Lower San Juan Creek and San Juan Creek Lagoon and evaluates the current condition of the habitat based on this information. The Technical Memorandum also will review the literature on habitat needs for juvenile steelhead and will suggest specific criteria for San Juan Creek Lagoon to support summer rearing of juvenile steelhead.

Cost for Literature Review and Technical Memorandum $9,862

Personnel Noel Davis of Chambers Group

Schedule Technical Memorandum within 6 weeks of Notice to Proceed

2. Baseline Environmental Monitoring Monitoring

2 A. Characterization of the Physical Environment

Characterization of the physical environment will be done by Merkel & Associates, who recently performed a similar analysis for San Mateo Creek. Development of a firm understanding of the physical environment of the Lower San Juan Creek and lagoon system is critical to understanding the relationship between natural variability and project effects on biotic systems. To develop this understanding, the project team proposes a year-long field sampling program that is comprised of various point sampling events and continuous monitoring efforts. The program examines changes in the system over time using a combination of historic record reviews (photographic records, channel design plans, past topographic surveys), and direct measurements and observations (sediment characterization, water levels, sediment surface profiles, and water quality conditions).

If manifested as a surficial effect, the proposed groundwater extraction may result in reduction in surface water levels or changes in surface water salinity. These same physical conditions vary both naturally within the creek and lagoon and are affected by upstream basin extraction, diversions, return flows and management planning. It is important to develop a natural baseline before it is possible to explore potential effects of pumping, measured as deviations from the baseline. Understanding the baseline physical environment and its connection to the biological systems is also critical to understanding when a system is susceptible to potential stress and how that stress may be manifested. With this information, it will be possible to begin to consider potential need for and form of operational triggers that may affect extraction practices, timing, or volume.

It is expected that many of the present ongoing groundwater flow modeling investigations will aid in determining if and when coupling with surface water occurs as a result of extraction pumping. The

program proposed below is intended to supplement this macro-scale understanding of the basin and extraction area hydrology with a refined understanding of the baseline hydrologic and geomorphic interface to the reliant ecological communities.

Task 2A1: GIS Review and Analysis of Historic Aerial Photographs

Prior to initiation of field investigations, a review of historic data and aerial photographs collected for the Lower San Juan Creek and and its seasonal coastal lagoon will be performed. Aerial photographs, in particular, can provide a powerful tool for analysis of change in fluvial and geomorphic conditions. The project team is currently completing a similar effort for the Trestles Wetlands Natural Preserve. GIS analysis of aerial photographs has illustrated not only changes in the morphology and character of the San Mateo Creek Lagoon, but has illustrated the southerly migration and reduction in prominence of the point at Lowers surf break over time.

For the proposed work effort, the project team would collect available true vertical aerial images of San Juan Creek and Lagoon. Compiled photos will be scanned and imported into ESRI ArcGIS© software and georeferenced using stationary control points. A qualified GIS specialist will then delineate the lagoon boundaries, the extent of the lagoon sand bar, and other geomorphic features such as bars, channels, and holes within the project area. Using these data, it is possible to roughly quantify and compare changes in geomorphology over space and time.

Cost for GIS Review of Aerial Photographs $5,013

Personnel Merkel and Associates

Schedule Technical Memorandum within 2 months of Notice to Proceed

Task 2A2: Beach and Lagoon Profiling

The Lower San Juan Creek and Lagoon represents a dynamic system in which sediment transport, channel depth and location, and sand berm development are driven by seasonal and interannual variation in rainfall, air temperatures, and tidal cycles. In order to characterize an annual pattern of sediment accretion and erosion and channel movement, the study area would be surveyed two times during the study period: once in early spring immediately following winter storms and prior to rebuilding of a summer berm condition and once prior to the winter storm season.

The survey will be conducted from a fixed station and will include an axial survey of the creek from Stonehill Drive into the shallow surf zone. Stationing from Stonehill Drive downstream would be used, and elevations will be taken every 100 feet of channel length over the approximately 1 mile reach. Within the creek, the survey would follow the thalweg (flow line) of the channel. This process will provide horizontal and vertical positioning for the creek. In addition to the creek profile, two additional profiles would be added in the lagoon and across the beach berm (the berm typically forms and moves upstream over the summer) to better characterize this segment of the system. In addition to the axial surveys, several channel sections would be surveyed to characterize the elevations and variability within segments of the creek and lagoon. The same survey profiles and sections would be surveyed during both events in order to evaluate changes in surface morphology following the winter storm season.

A GIS grid model would be used to subtract the surveyed surfaces to compare change in the bottom elevations between survey events. This process will allow evaluation of accretion or erosion and sedimentation patterns. Data would be presented in reports both graphically and through summary statistics such as rates of accretion or erosion at the lagoon mouth and within the Lower San Juan Creek adjacent to Pacific Coast Highway (PCH). Storm flows periodically scour out the lower San Juan Creek channel below PCH. The depth of scour is tied to tide, depth of sediment, flow rate/duration and sediment load.

Because ground surface elevation and water surface elevation interact to determine depth of water in an aquatic environment, the results of the topographic survey investigations would be coupled for analyses with a continuous water level monitoring program (described below).

Cost for Beach and Lagoon Profiling **$15,315**

Personnel **Merkel and Associates**

Schedule Late April or Early May 2015

Task 2A3: Water Level, Ponded Area, and Water Quality Conditions

Task 2A3.1 Water Level

Water level monitoring is fundamental to understanding the factors influencing physical and biological structure of the lower San Juan Creek and its seasonal coastal lagoon. As an estuarine system with freshwater input and annually variable ocean influence, stream flows and, to a lesser extent, tides are the principal forces driving the hydrodynamics within the lagoon area. The accretion and erosion of the sand berm at the mouth of the lagoon has the greatest impact on oceanic influence, and seasonal rainfall patterns drive freshwater input and wash out of the berm. Water level monitoring provides a means of tracking these influences.

Water level would be measured continuously with self-contained, logging water level gauges deployed at three stations within the study area: Station 1 will be located within the lagoon along the main channel, Station 2 will be located just east of PCH, and Station 3 will be located between PCH and Stonehill Drive. A fourth station would be located within Dana Point Harbor to provide a tide control for the gauges within San Juan Creek and Lagoon. The stations would be positioned away from structures (such as bridges) that will cause localized hydraulic jumps during high creek flows or tidal intrusion. Final station locations may be adjusted based on security and ease of retrieval. A perforated PVC pipe with a locking cover cap would be installed below the normal water level at each station. Highly accurate well loggers would be deployed at the four stations, and a barometric pressure logger would be deployed nearby at a secure above-water location and used to correct the submerged pressure gauges for atmospheric pressure. The location and elevation of each monitoring station would be established by land survey at the time of completion of beach and lagoon profiling (described above). Data would be collected continuously at six-minute intervals for the entire year-long study period. Pressure gauges would be downloaded, serviced, calibrated, and reprogrammed every two months at a minimum; and an effort would be made to service units concurrently with other field monitoring work. At times of visits to the pressure gauges observations will be made of the extent of ponded water in the lagoon. Changes in water depth at each station over the study period would then be analyzed and charted.

Cost for Water Level Monitoring **$16,313**

Solving Environmental Challenges

Personnel **Merkel and Associates**

Schedule Data collected for one-year from Notice to Proceed

Task 2A3.2 Water Quality

Multiprobe water quality instruments (YSI or Hydrolab) would be deployed quarterly at water level monitoring stations within the study area. Units would be calibrated in accordance with manufacturer specifications and programmed to log temperature (°C), dissolved oxygen (DO)(mg/L), turbidity (NTU), salinity (ppt), and pH at 30-minute intervals for 30 days. The units would be mounted near water level pressure gauges.

At the time of deployment and retrieval, water quality readings would be collected with a separate, tended instrument next to the deployed unit for quality control purposes. In addition, at this time, the independent unit would be utilized to collect depth profile water quality data at each station. The unit would be lowered to 1 foot off the lagoon or channel bottom and collect temperature (°C), dissolved oxygen (DO)(mg/L), turbidity (NTU), and salinity (ppt) for 2 minutes. Then the unit would be raised in 1-foot increments with coincident data collected until it reaches the surface. This will provide water quality and, in particular, a salinity profile with depth. In most instances it is anticipated that the shallow nature of the water body will limit both the profile depth and variability of the water body; however, it is possible that a marine water pool will be found below freshwaters in the lagoon and, potentially, the lower creek areas.

Following data collection, the retrieved units would be placed in calibration solutions and rechecked for accuracy. A technician would download and transfer data to the project database for review and analysis. The data would be reviewed to detect and remove spurious data points that may have resulted from algal fouling of probes, signal decay from sediment loading or biotic activities, or that are out of the range of the capability of the unit. Accepted data would be plotted graphically, numerically analyzed, and reviewed to generate summary statistics.

Cost for Water Quality Monitoring **$19,395**

Personnel **Merkel and Associates**

Schedule Mid-May , August, November, February

Task 2B. Surface Water and Seasonal Coastal Lagoon Habitat Assessment

The project area for the surface water and habitat assessment will be the lower San Juan Creek and its seasonal coastal lagoon below the PCH Bridge and lower San Juan Creek just above the bridge to Stonehill Drive. Chambers Group proposes to do the surface water and seasonal coastal lagoon habitat assessments twice – once in the spring after the end of the winter high flow period and once in the late summer/early fall at the end of the dry season. These sampling periods will capture the conditions during the reproductive period for many species and during the period when the lagoon and lower creek are most likely to be stressed by high temperatures and low creek flows.

Task 2B1: Bank and Riparian Vegetation

Bank and riparian vegetation surveys will be done in the spring to assess the reproductive condition of the vegetation and in the early fall to assess the condition of the vegetation following the stressful period of high temperatures and no rainfall. A minimum of three 25-meter-long permanent transects will be established within the potential impact area in lower San Juan Creek and its seasonal coastal lagoon, and three transects will be established upstream above Stonehill Drive beyond the area of potential impact. This area is impacted to a far greater degree by SCWD Groundwater recovery plant well pumping. The point intercept method will be used to document percent cover of each species on the transect. Reproductive state and general condition of the vegetation will be documented with field notes and photographs.

Cost for Vegetation Monitoring $6,260

Personnel Heather Clayton of Chambers Group

Schedule Late- April or Early Man and September or Early October

Task 2B2: Essential Fish Habitat Assessment

Task2B.2.1. Habitat Assessment

An assessment of the physical suitability of the habitat of lower San Juan Creek and its seasonal coastal lagoon to support fish will be done in the late spring and early fall survey periods during the fish surveys. The project team will use a modified version of the physical habitat quality assessment protocol that is part of the California Department of Fish and Wildlife (CDFW) Stream Bioassessment Procedures. The physical habitat quality assessment scores a series of parameters that contribute to stream quality for fishes on a scale of 1 to 20, with 20 being optimal habitat and 0 being extremely poor. Some of the parameters (such as characteristics of riffles) in the CDFW Stream Bioassessment Procedures' physical habitat quality assessment apply primarily to upper watershed riffle/run habitat used for salmonid spawning. The physical habitat quality assessment for the lower San Juan Creek and its seasonal coastal lagoon monitoring will focus on parameters important to support juvenile steelhead rearing in the seasonal coastal lagoon and that are appropriate for the lagoon and lower creek. These parameters will include water depth, vegetation canopy cover, woody debris, boulders, number and depth of pools, and algae. Habitat will be assessed at three locations across the width of the estuary downstream from the bridge.

Task 2B. 2.2. Fish Sampling

Rosi Dagit will amend her Section 10 permit for endangered species take to include San Juan Creek and up to 3 people from Chambers Group. Fish will be sampled during the spring and fall survey periods using a minnow seine. Up to six sites will be sampled, depending on the amount of water in the estuary during the sampling. All fish collected will be identified, measured, and weighed. A voucher sample will be collected for each species identified so that identifications can be verified. The data will be checked in the field at the end of each day. Field data will be transferred to Excel spreadsheets. The analysis will include a table of the number of each species of fish collected at each station with size range and total weight.

Cost for Fish Survey and Habitat Assessment $24,444

Personnel **Rosi Daggitt, and Noel Davis, Paul Morrissey, and Lisa Louie of Chambers Group**

Schedule Late April to mid-May and Late September to Early October

Task 2B3: Nutrient Analysis

Water samples will be collected during the fish survey at each fish sampling site and analyzed for nutrients (Nitrate-N, Nitrite-N, Ammonia-N, orthophosphate) and turbidity.

Cost for Nutrient Analysis **$1,668**

Personnel Rosi Daggitt

Schedule **Late April to mid-May and Late September to Early October**

Task 2B4: Water Column Invertebrate Sampling

Invertebrates provide the base of the food chain for higher trophic levels such as fish and birds. In many cases, the benthic community also serves as an indication of sediment quality. Because of the variation in flows and salinity within San Juan Creek estuary, the benthic invertebrate community would be expected to respond to the seasonal variation in flows rather than sediment quality. Furthermore, steelhead smolts do not eat sediment-dwelling invertebrates. Therefore, water column and epibenthic invertebrates, the main food source for outmigrating smolts, will be sampled.

To characterize the pelagic and epibenthic invertebrate communities within Lower San Juan Creek and Lagoon, three stations will be established within the study area: Station 1 will be located within the lagoon along the main channel, Station 2 will be located just east of PCH, and Station 3 will be located between PCH and Stonehill Drive. These stations are the same as those proposed for the water quality monitoring program discussed above. Pelagic and epibenthic invertebrates would be sampled at each station twice during the study period: once in early spring following winter storm events, and once in later summer before the next seasonal rains.

At Station 1, within the lagoon, a minimum of three transects would be placed parallel to and within the dominant stream flow (for the lagoon this would be along the main channel). Two biologists would tow a plankton or hoop net with attached bridle along each transect for a determined length. Each replicate would include a surface water tow and a bottom substrate tow in order to capture any vertical stratification of organisms. At Stations 2 and 3, further upstream, a kick net or surber net would be deployed at a minimum of three locations. A biologist would place the net perpendicular to the active flow of the creek. A predetermined area of substrate located just upstream of the net would be disturbed by kicking or rubbing the substrate. Disturbed organisms would then flow downstream into the net or be scooped into the net by a second biologist.

Invertebrates from each replicate sample would be collected and preserved in a 10 percent buffered formalin/seawater solution and transferred to 70 percent ethanol for long-term preservation and subsequent taxonomic and biomass analysis. Following procedures employed in similar system characterization studies, such as conducted at Batiquitos Lagoon, Buena Vista Lagoon, and Bolsa Chica Wetlands, samples would be

sorted into major taxonomic groups. Abundance and wet weight would be determined and reported by group. By examining the changes in ratios and overall abundance or weight of the individual groups, this level of taxonomic reduction has generally proven appropriate to address seasonal and interstation variation, as well as to generally characterize the physical environment (e.g. freshwater or saltwater; high energy or low energy). This coarse level of taxonomy provides an economical and efficient means to explore many aspects of the invertebrate community and environmental stressors on the community; however, for questions regarding specific indicator species or refined community characterization, more detailed and costly taxonomic analyses are required. While the present budget and needs do not support the more detailed analyses at this time, samples collected and analyzed would be archived for future taxonomic study and analyses, should need for these additional data arise and funds become available.

In order to characterize the epibenthic macroinvertebrate community within lower San Juan Creek and its seasonal coastal lagoon, the by-catch captured by nets during fisheries studies would be identified and quantified. This approach allows for a larger sampling area at each station and less intrastation variability than observed with the use of small quadrat sampling, while retaining appropriate replication and the ability to calculate densities and biomass of organisms. This method is used regularly by the project team as a cost-effective means to sample large areas.

Cost for Invertebrate Survey **$11,032**

Personnel **Merkel and Associates**

Schedule **Late April to mid-May and Late September to Early October**

Task 3 QA/QC

All sampling equipment is checked and calibrated before every field survey. The leader of each field survey team will check that each sampling effort is following the specified procedures. Data are checked before leaving the field each day to make sure that no gaps in data collection, inadequate or otherwise unsatisfactory samples, or suspect results occur. Any work that may not meet requirements will be redone before leaving the field that day or will be redone the next day. Any transfer of samples from one entity to another will be accompanied by a chain of custody form.

Task 4 Data Management

All project data will initially be recorded in the field on hardcopy data sheets or tablets and then transferred in the office and laboratory to digital database files. Database queries will be used to extract summary information from the project database in preparation of tables and figures and for long-term trend analyses. In addition, this database will serve as the distributed format for nonspatial data. Hardcopies of the field data will be stored at a central, off-premises location. Digital files will also be backed up at an offsite location.

Data entry will follow a chain of custody protocol, with the field data recorder, data entry technician, and entry time documented as a part of the record. Samples will be checked for accuracy by a data entry technician and transferred to the computer database. A second data technician will be responsible for reviewing 50 percent of the data entered for each field sampling event. All summary data and analyses will be subsequently reviewed by the senior scientist. Once data is queried, it will be compared to raw data as a final course of

quality assurance. During the course of performing database queries, any odd records or missing data entries will generally become readily apparent through charting relationships or otherwise viewing data entries through a number of filtering steps. When this occurs, missing information will be traced back and recovered from the original data sheets prior to rerunning the query.

Spatial data will use ESRI ArcGIS® as a standard software format. All GIS-related data will be developed and maintained within the California State Plane Coordinate System (SPCS), based on the North American Datum 1983 (NAD 83), Zone 6, using the U.S. Survey foot as the standard unit of measure.

Sampling protocols, QA/QC manuals, and all data will ultimately be stored in Chambers Group's data management system. For data management, Chambers Group will use its exclusive software application, Bio Manager. Bio Manager is designed to track every aspect of environmental surveys, monitoring, and reporting; improve project management and communication; and provide immediate data access to all team members and decision-makers. Utilizing Bio Manager, all authorized members of the project team will interact with a secure, password protected web application. This real-time digital workspace is highly flexible and collaborative. All survey notes and photos, data, reports, correspondence, and QA/QC and sampling protocols will be stored in this web-based application.

Bio Manager will be helpful in:

- determining necessary protocols to follow before beginning work in the area;
- providing a continuous update of project status on a task/work related basis, and
- eliminating the need to track down project data such as permits, reports, documents, contracts, scheduled events, etc., associated with the project.

Cost for Data Management **$9,648**

Personnel **Chambers Group**

Schedule **Ongoing**

Task 5 Seasonal Coastal Lagoon Habitat Assessment

When all the field sampling and data analysis is completed, a final report will be prepared that describes the current condition of lower San Juan Creek and its seasonal coastal lagoon. The report will incorporate information obtained from the literature, historical aerial photographs, information on similar systems such as Topanga Creek Lagoon and San Mateo Creek Lagoon, as well as the information obtained from the baseline survey. The report will assess the value of the habitat in the project area as a southern California/lower creek habitat in general and as a potential steelhead rearing area. The report will be written so that the information can be incorporated easily into the environmental impact assessment for the Doheny Ocean Desalination Project. The draft report will be submitted for review. Comments on the draft report will be incorporated into the final report.

Cost for Habitat Assessment **$19,721**

Personnel **Chambers Group and Merkel and Associates**

Schedule **December 2015 through March 2016**

Task 6 Project Management and Progress Reports

Chambers Group will submit monthly progress reports to the SCWD/LBWD Project Manager and to MWDOC. In addition, Chambers Group's Project Manager will attend four meetings with the Project Manager to discuss the progress of the baseline environmental monitoring. Chambers Group's team will prepare a presentation on the monitoring program for the TAC and the project participants.

Cost for Project Management and Progress Reports **$14,675**

The total cost for this scope of work is **$153,346.** Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,

CHAMBERS GROUP, INC.

Noel Davis, Ph.D.
Project Manager

Solving Environmental Challenges

Item No. 7

CONSENT CALENDAR ITEM
January 21, 2015

TO: Board of Directors

FROM: **Planning & Operations Committee**
(Directors Osborne, Barbre, Hinman)

Robert Hunter
General Manager

Staff Contact: Karl Seckel/Richard Bell

SUBJECT: **Increase Authorization for CDM-Smith for the Orange County Water Reliability Study**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorizes staff to supplement the cost authorization for the OC Water Reliability Study by $24,000, increasing the total consultant scope of work for CDM-Smith to $221,240.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

In October, the Board authorized the General Manager to enter into a consulting agreement with CDM-Smith to provide technical assistance for the OC Water Reliability Study at a cost not to exceed $197,240. The scope of work had a pre-negotiated add-on for modeling work in the event MET was not able to share their updated IRP modeling with our consultant (this was considered to be a reasonable possibility and that is why the scope addition was pre-negotiated). Based on recent meetings with MET, we found out that MET has not yet completed their updated IRP modeling and that the official work will not be released until the summer or fall of this year. MET is not willing to conduct specific modeling at our request under our assumptions and therefore, additional work will be required of our consultant. MET did indicate they will be willing to share their modeling output at such time as they

Budgeted (Y/N): Yes	Budgeted amount: $340,000	Core X	Choice __
Action item amount: $24,000	Line item: 21-7010 $12,000 and 23-7010 $12,000		
Fiscal Impact (explain if unbudgeted): Sufficient funds were budgeted to accommodate the increase. With this approval, the total authorization will increase to $221,240 for CDM-Smith.			

complete the work and issue an "official update". MET also indicated they would be willing to work with us on their demand forecasts for Orange County based on updated work they are completing at this time in working towards their IRP update.

Based on the outcome of the meeting, CDM-Smith has noted that additional work will be required on their part to fill in the missing work by MET. The work they will be doing will, in effect, mimic the MET IRP modeling and allow us to test various assumptions for input into the Orange County work. The additional fee requested to complete the work is $24,000 and was included as an option in the original fee negotiation. There is sufficient budget to cover the additional work. The requirement for the additional work and the proposed fee adjustment was discussed at the December Workgroup meeting and there did not appear to be any questions from the group.

Status Update on OC Water Reliability Study

A number of kick off meetings have been held, data collection is underway and two full Workgroup meetings have been held.

Attached are the Powerpoints from the November and December Workgroup meetings. Provided below is the anticipated schedule of Future Workgroup meetings by topic.

Future Reliability Study Workgroup Meetings

Meeting No.	Anticipated Date	Proposed Meeting Topics
2	Jan	Review Draft Water Demand Analysis and Method for Forecasting
3	Feb	Review Reliability Scenarios and Possible Impacts
4	Mar	Present Demand Forecast with Sensitivity
5	Apr	Present Local Agency New/Potential Projects
6	May	Present and Discuss MET and OC Policies to Improve Reliability
7	Jun	Present Supply and System Gap Analysis
8	Jul	Present Example Portfolios of New/Potential Projects
9	Aug	Demonstrate that New/Potential Projects Improve Reliability
10	Oct	Review Draft Report

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Draft, Subject to Changes based on Data Availability from MET and Local Agencies

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MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

OC Reliability Study Workgroup

Orange County Water Reliability Study

Meeting # 1: Project Kick-Off

November 20, 2014

Meeting Agenda

1. Review Study Objectives and Scope Tasks
2. Discuss Water Demand Issues and Present Example
3. Discuss Definition of Reliability and Present Example
4. Duration of Drought and Seismic/Catastrophic Events
5. Information Needed from Local Agencies
6. Review Technical Meetings
7. Review Study Workgroup Meetings and Topics

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Study Purpose

Project Purpose:

To inform OC water agencies on water supply and system needs, and summarize local agency projects and programs to improve reliability to provide a consistent assessment. This information will be important to inform decision-makers as to the relative value and timing of moving ahead with key projects, such as Poseidon desalination.

Key Attributes:

- Improved methodology for water demands
- Agreed-upon definition and evaluation of supply and system reliability
- Summary of local agency supply and system improvement projects, using consistent data
- Decision making remains with local utilities

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

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Project Scope Tasks

1. Project Management
2. Projection of Demands
3. Existing Local Supplies
4. Imported Supplies Under Various Scenarios
5. Supply GAP
6. System GAP
7. Options for NEW Supplies
8. MET and OC Policy Issues

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

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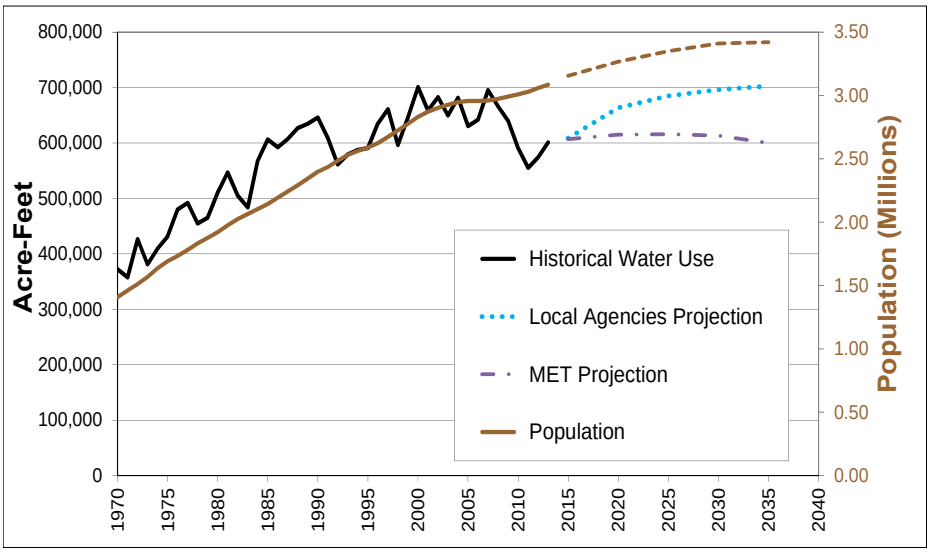
Water Demand Issue: Reconciling Projections

- Will demands bounce back from current lows?
- What is the reason between difference in MET vs local agency projections?
- Can we get these projections to be closer/more aligned?



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

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Changes in Water Use for MNWD

Variable	Calendar Year			
	2007	2010	2011	2012
Water Use (AFY)	44,613	34,387	34,275	35,696
Population	162,108	163,725	165,282	167,000
Unemployment Rate (%)	3.9	9.5	8.8	7.6
Drought Restrictions	No	Yes	Yes	No
Precipitation (inches)	6.5	23.2	7.7	8.6
Single-family Monthly Water Bill ($2000)	$18	$20	$25	$38

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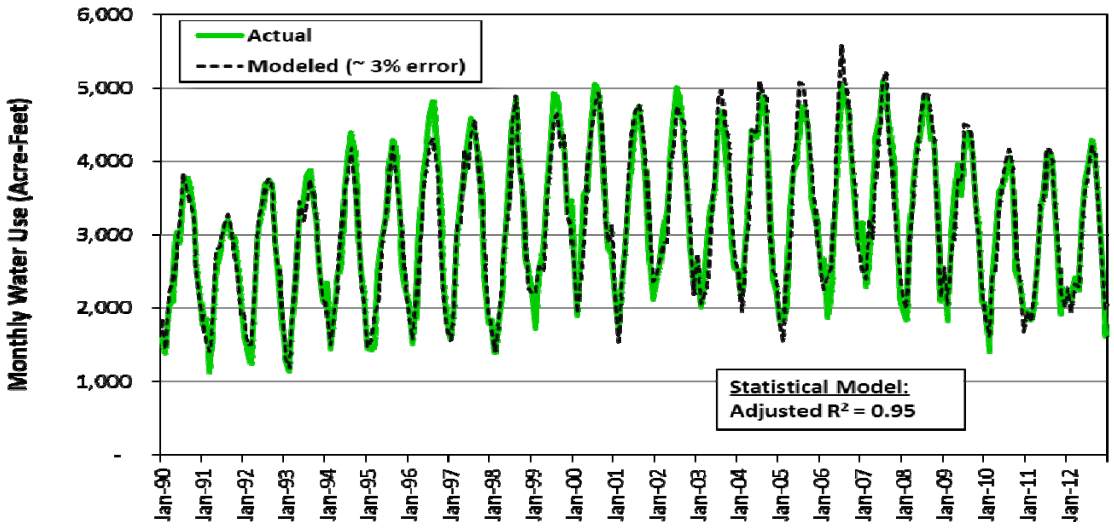
MNWD Water Demand Model

- Statistical model of monthly water use from 1990-2012
- Explanatory variables include:
  - Population
  - Weather (temperature and precipitation)
  - Economy (unemployment rate)
  - Drought restrictions
  - Price of water
  - Plumbing code (passive conservation)

7

MNWD Water Demand Model Performance



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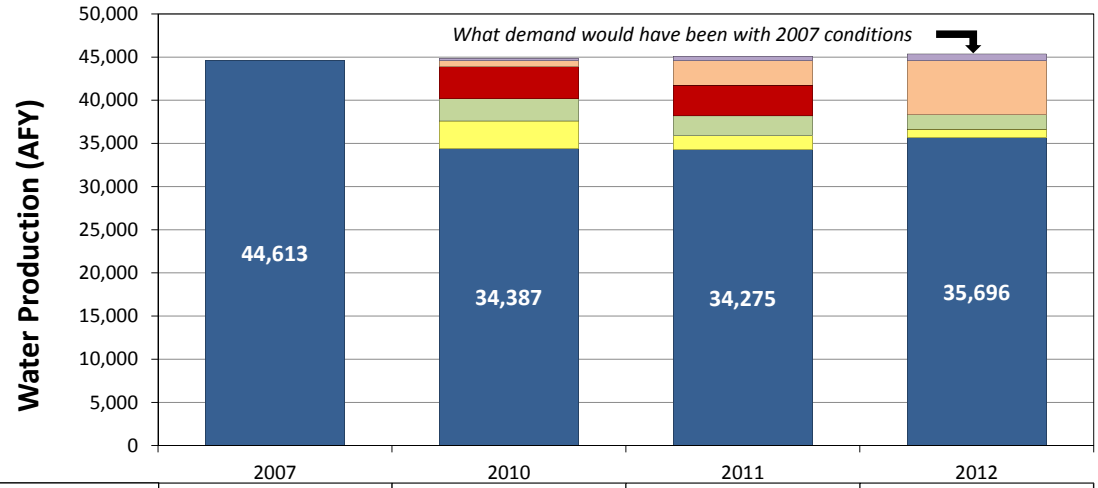
Water Demand Model Explains Variations in Water Use



Factors Reducing Demand (AFY)	2007	2010	2011
Code Savings*	223 (0.5%)	491 (1.1%)	758 (1.7%)
Price of Water	734 (1.6%)	2,887 (6.4%)	6,265 (13.1%)
Drought	3,691 (8.2%)	3,532 (7.8%)	0 (0.0%)
Economy	2,590 (5.8%)	2,252 (5.0%)	1,698 (3.7%)
Weather	3,211 (7.2%)	1,668 (3.7%)	955 (2.1%)
Total	10,449 (23.3%)	10,829 (24.0%)	9,676 (21.3%)

9 ** Includes efficiencies in water use from state plumbing codes and landscape ordinances since 2007*

MNWD Demand Forecast Methodology

Base Demand Sector Water Unit Use X **Socio-Economic Adjustment** X **Demographic Driver** = **Demand Sector Water Use**

For each sector (e.g., single-family), historical water sales are divided by a historical driver (e.g., homes). This represents a non-drought, normal economy, normal weather unit use.

A adjustment factor is estimated based on econometric studies that modifies the base unit use overtime:

- Price of Water unit use ↓
- Income unit use ↑
- Density unit use ↓
- Family Size unit use ↑

Future projections of demographics (single-family homes, multifamily homes, and total employment) that are provide by SCAG for MNWD's service area.

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Base Water Unit Use (normal conditions)

Single-Family Residential *
= 420 gallons/day per home

Multifamily Residential *
= 390 gallons/day per home

Commercial *
= 125 gallons/day per employee

* MNWD's irrigation and recycled water accounts are rolled up into each of these categories based on billing data

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Socioeconomic Assumptions

Family Size: Increases from 2.66 to 2.73 by 2035
Results in 1.4% increase in residential water unit use

Housing Density: Increases 6% by 2035
Results in 3% decrease in residential water unit use

Household Income: Increases 1% per year (4% nominal)
Results in 7% increase in residential water unit use

Water Rate Structure Change: Budget Based
Results in 8% decrease in residential & commercial water unit use

Price of Water: Increases 2% per year (5% nominal)
Results in 3% decrease in residential & commercial water unit use

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Projected Demographics for MNWD

Calendar Year	Population	Single-Family Households	Multifamily Households	Total Employment
2010	164,755	46,800	15,022	67,470
2015	167,260	47,121	15,517	69,499
2020	167,892	47,185	15,568	71,138
2025	169,571	47,249	15,586	72,105
2030	171,250	47,255	15,881	72,378
2035	172,929	47,273	15,967	72,629
Growth	**5.0%**	**1.0%**	**6.3%**	**7.6%**

Projected by SCAG (RTP Series 12) for MNWD's service area

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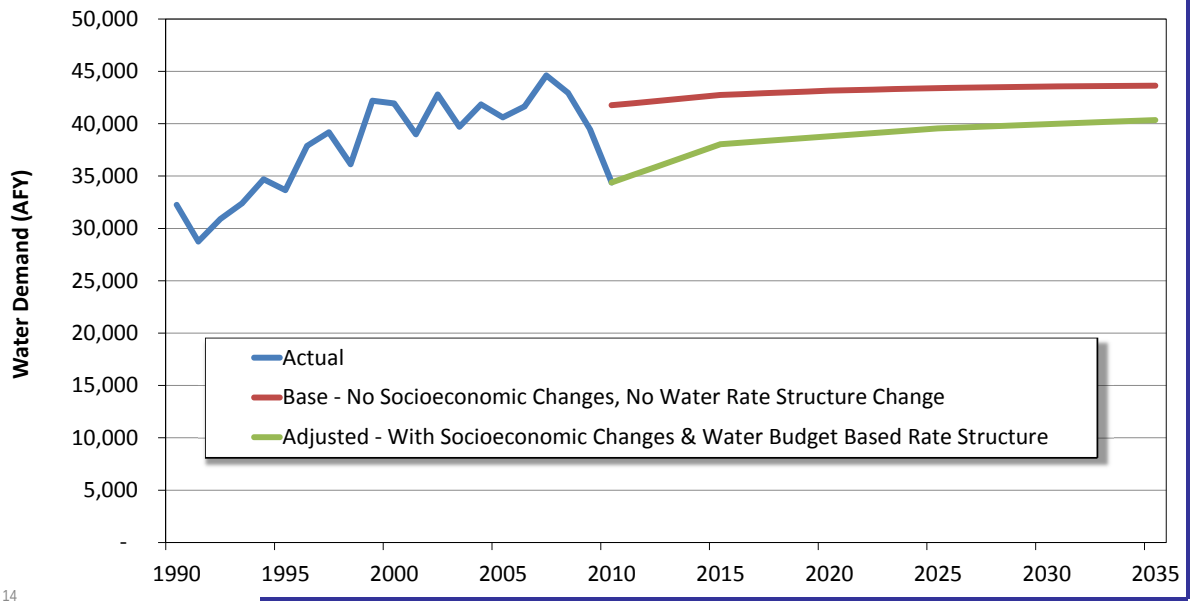
MNWD Water Demand Forecast



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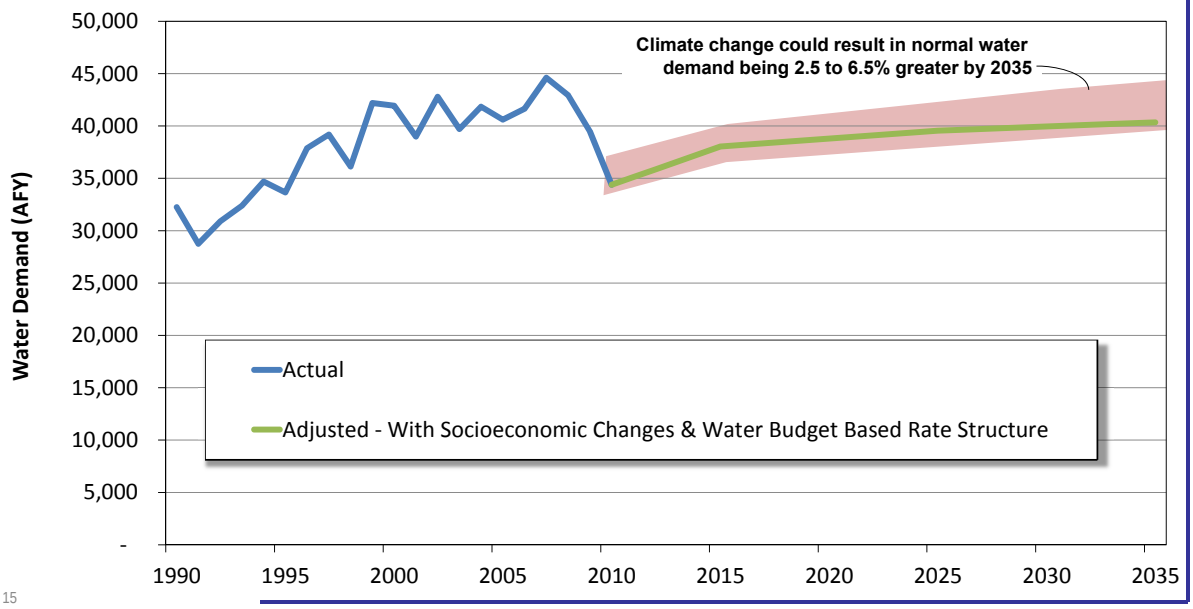
MNWD Water Demand Forecast



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Definition of Reliability

	Supply Reliability	System Reliability
Definition	Availability of water supply under different hydrologic conditions, typically measured in terms of frequency, duration and magnitude of shortages.	Ability to deliver imported water under outages of key facilities, caused by seismic events, facility failures, or other catastrophic events.
Factors Impacting	• BDCP implementation (SWP) • Oversubscribed Colorado River (CRA) • Climate change (SWP, CRA, local supplies) • Success of conservation and local supply development	• Seismic risks to MET's Diemer WTP • Seismic risks to So. OC imported water pipelines • Seismic and storm risk to Delta levees • Seismic risks to Edmonston Pumps
Implications to Orange County	Portions of OC are better off than others because of OC Basin. There is a potential that prolonged droughts (esp. under climate change) can result in shortages to both basin and non-basin areas.	So. OC is extremely vulnerable to local seismic risks due to single point of delivery for treated imported water. All of OC vulnerable for Delta and Edmonston risks.

Duration of Supply/System Reliability Events

Reliability Event	Duration
Droughts	One to 5 Years (historic hydrology) One to 10? Years (climate change?)
So. OC Imported Pipeline Failures	7 to 14 Days
Diemer WTP Failure	30 to 60 Days
Delta Levee Failure	1 to 2 Years
Edmonston Pumping Plant	TBD

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Local Agency Data Needs

1. CY and FY 2013/14 Water Demands by Sector (needed for 2015 UWMP)
2. Demand and Supply Projections through 2035 (also needed for 2015 UWMP)
3. Response to MWDOC survey on Generators, Fueling and Operations during emergency events
4. Local Agency New/Potential Projects (project form will be sent in a few weeks)

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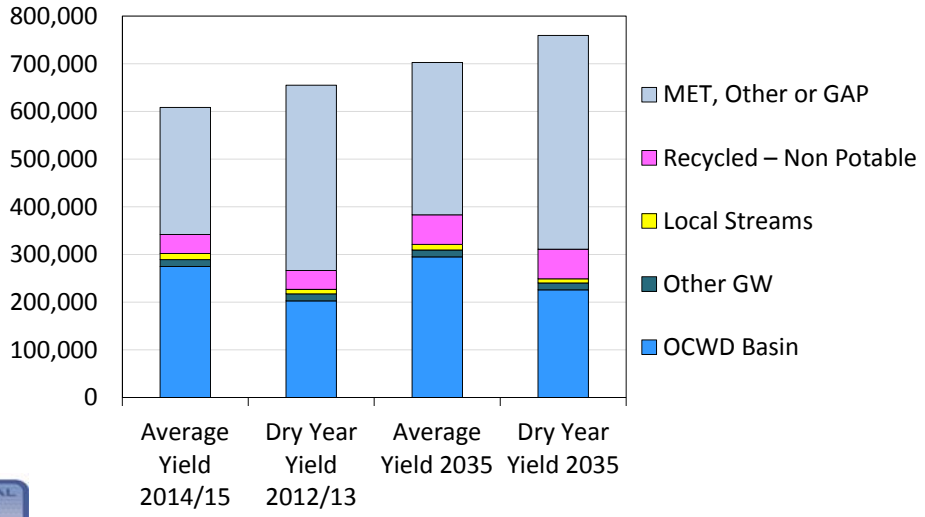
OC Water Demands & Supplies



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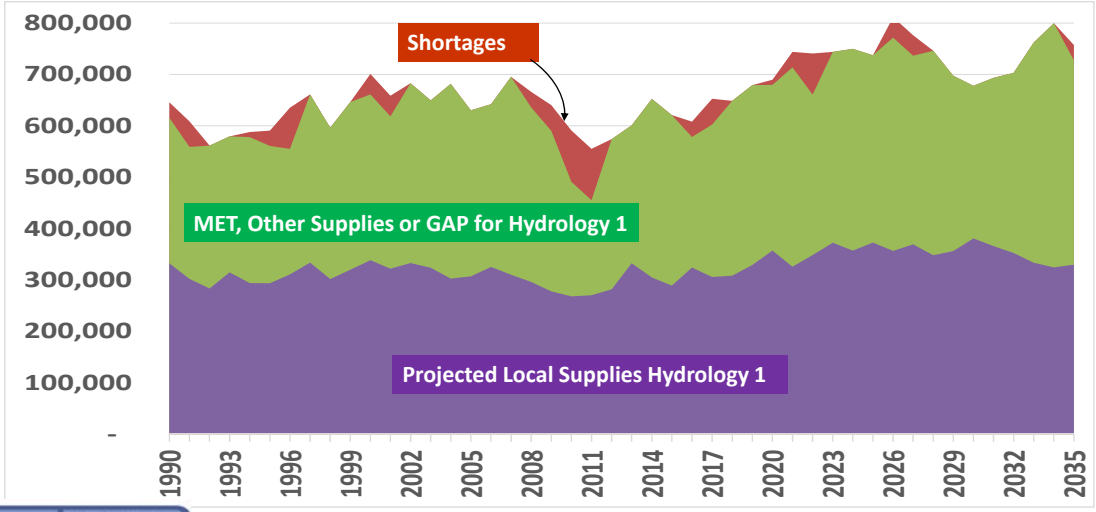
Illustrative Example of Supply Reliability



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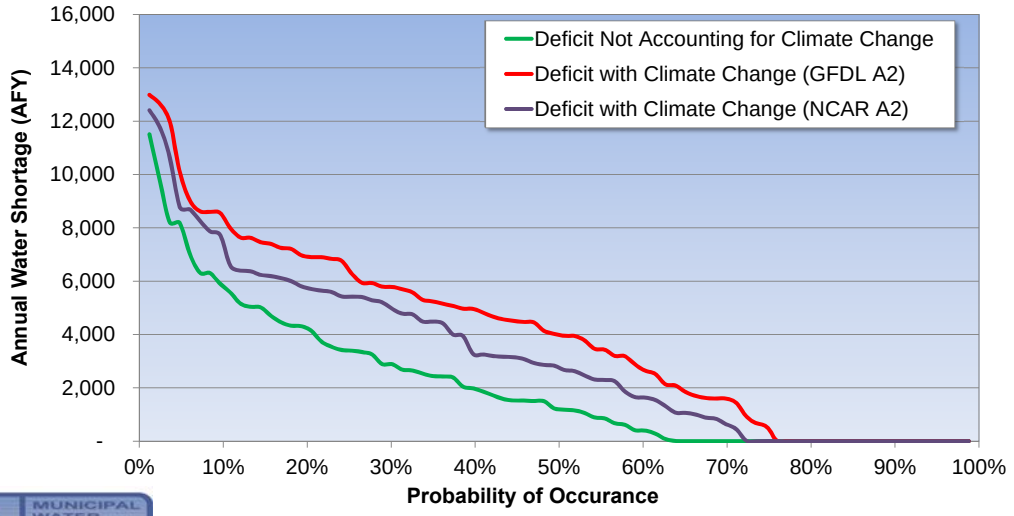
MNWD's Supply Reliability Analysis in 2035



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MNWD's System Reliability Scenarios

Delta Levee Risk

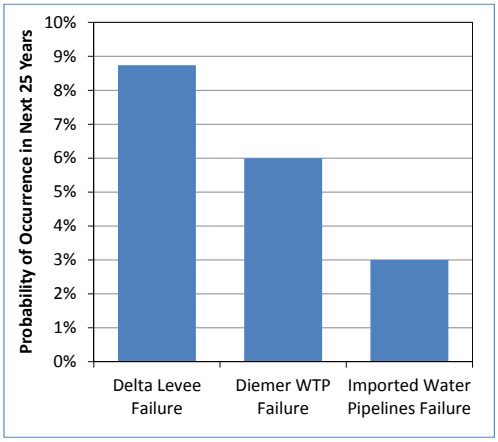
- The risk of deliveries being disrupted more than 6 months (MWD has storage for 6 month outage)

Diemer Water Treatment Plant

- The risk of a complete shut-down of plant for 30-60 days

Imported Water Pipelines

- The risk of both regional treated water pipelines breaking for 7-14 days



Source: California DWR and CDM Smith's use of EZ-FRISK earthquake ground motion software

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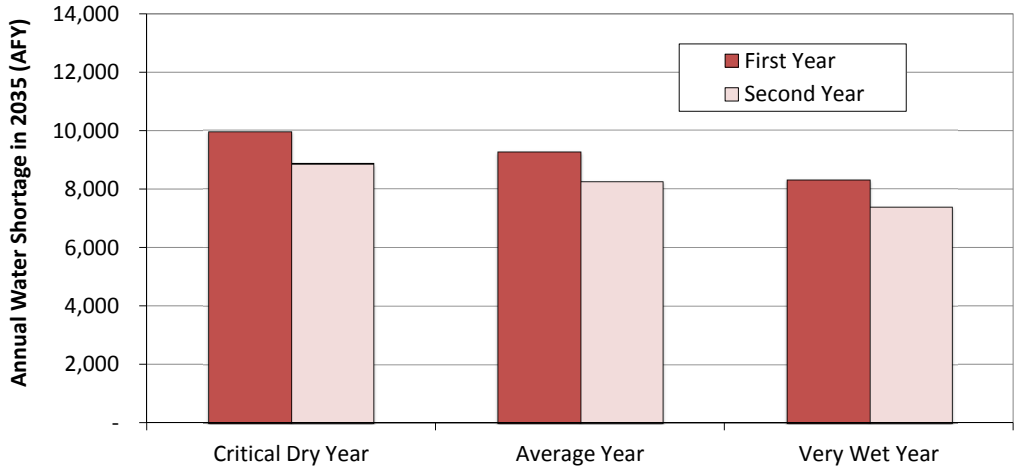
MNWD's Projected Shortages Under Delta Levee Failure



Based on California DWR Report: Delta Risk Management Strategy (2009)

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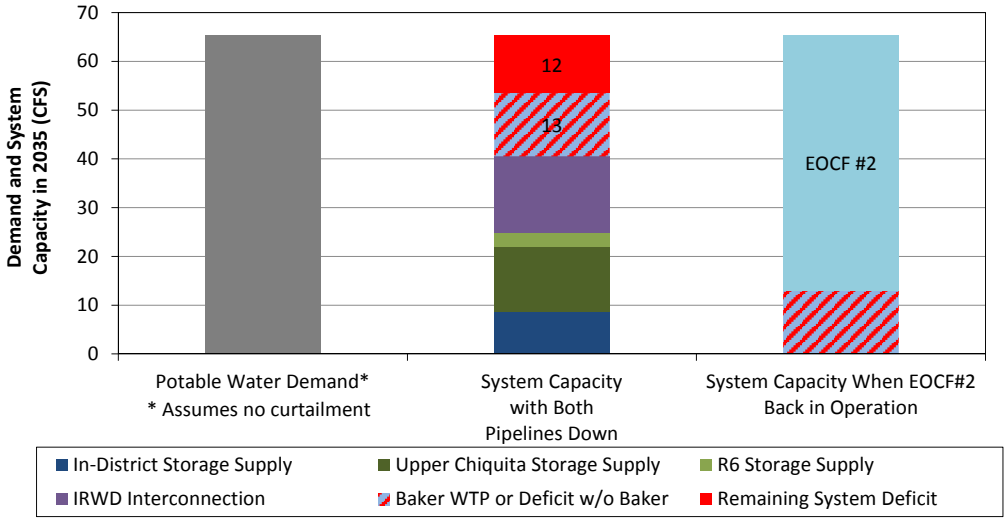
MNWD's Projected System Reliability in 2035



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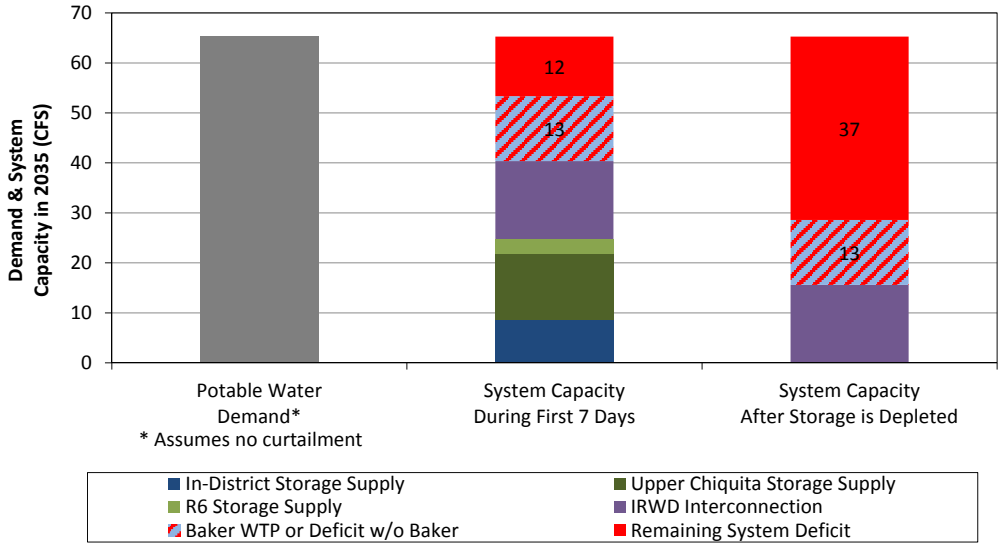
MNWD's Projected System Reliability in 2035



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Summary of Technical Meetings

1. MWDOC staff kick-off (already held)
2. OCWD/MWDOC staff kick-off (already held)
3. MET meeting on supply reliability (scheduled on Nov 26)
4. SMWD for SJBA, Cadiz and South County Recycling
5. IRWD for expansion of the Regional Interconnections and for Strand Ranch
6. OCSD for update on availability of wastewater
7. Cal Domestic Water Company to discuss groundwater in Brea and La Habra areas
8. Others, as needed

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Future Reliability Study Workgroup Meetings

Meeting No.	Anticipated Date	Proposed Meeting Topics
2	Jan	Review Draft Water Demand Analysis and Method for Forecasting
3	Feb	Review Reliability Scenarios and Possible Impacts
4	Mar	Present Demand Forecast with Sensitivity
5	Apr	Present Local Agency New/Potential Projects
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8	Jul	Present Example Portfolios of New/Potential Projects
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10	Oct	Review Draft Report

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Draft, Subject to Changes based on Data Availability from MET and Local Agencies

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MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

OC Reliability Study Workgroup

Orange County Water Reliability Study

Meeting # 1: Project Kick-Off

November 20, 2014

OC Water Reliability Study Workgroup Meeting #2 Policy Issues

December 18, 2014

Municipal Water District of Orange County

1

Agenda

- Presentations from Local Agencies on Demand Forecasts and Trends
- Information Updates from Local Agencies
- Summary of Recent Meetings with MET
- Request for Scope Augmentation for CDM Smith to Develop "Shadow" MET IRP Model
- Start Discussions on Policy Issues
- Next Steps

2

Local Agency Demand Forecasts

- Presentations by Anaheim and IRWD on recent work on updating demand projections
  - Methodology
  - Forecast of impact of WUE efforts
  - Trends identified

3

Information from Agencies

- MWDOC (Kevin Hostert) Agency Surveys
  - 2013-14 Billing Data by Sector
  - 5 and 25 Year Projections, including Existing Projects Production Forecast
  - NEW Project Survey
  - Generator and Operating Information for Agencies during emergency situations

Would like information in by December 31;
if you have questions or need help,
call or email Kevin Hostert
714-593-5034 or khostert@mwdoc.com

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Recent Meetings with MET

- Summary of Recent Meetings with MET
  - MET IRP Modeling – not available until summer 2015 or later
  - DWR SWP & Climate modeling
    - 2013 Water Reliability Forecast for SWP coming out soon – based on Wanger & Climate Change
    - 2015 Water Reliability Forecast for SWP coming out in April 2015 – will include impacts of Biops & Climate Change
  - MET Demand forecasts
    - Not available until summer 2015 or later
    - MET will work with us to calibrate OC demands for our study purposes
- Request for Scope Augmentation for CDM to prepare shadow MET IRP Model
  - Allows us to test scenarios other than those used by MET

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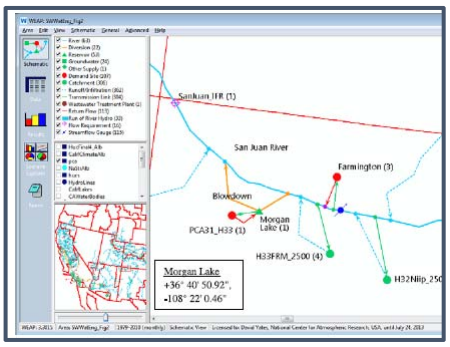
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Scope Augmentation: Prepare Shadow IRP Model

- Use Calibrated WEAP-SW model, developed by Dr. David Yates, for Water-Energy Study of Southwest U.S. to derive Delta exports and Colorado River Deliveries to MET under current and climate changed-conditions
- Develop a MET-OC WEAP to add MET's storage and transfer programs, and allocate supplies to OC
- Model supply GAP for OC based on imported water availability, SAR supplies, and other local water supplies

Scope Augmentation Fee = $24,000



Water Evaluation and Planning (WEAP) is a water planning model developed by SEI and has been used by CA DWR, MWD, and others to simulate water supply operations and reliability. It can be customized to represent local, state and multi-state regions.

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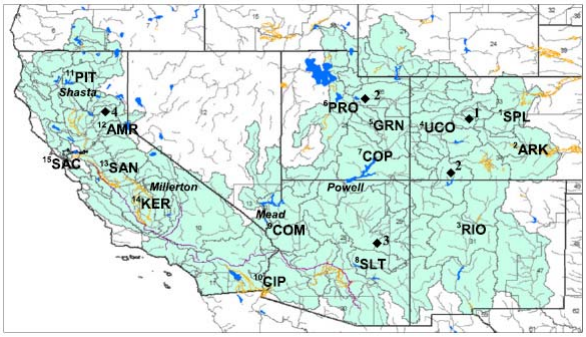
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

WEAP-SW Model

- Represents the water supply and demands of more than 60 major river basins throughout Arizona, California, Colorado, Nevada, New Mexico, Wyoming, and Utah.
- Spatially based, capable of calculating changes in the hydrologic cycle, including changes in climate conditions and human interventions such as reservoirs, canals and tunnels, irrigation systems, urban water system, and hydropower facilities.
- Can incorporate scenarios of extended droughts (both observed as well as synthetic) on supply reliability
- Models Delta exports and Colorado River supplies to MET system



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Policies Issues (start dialogue)

- Policy Issues from the Scope of Work
  - Identifying and valuing benefits of Local Projects
    - Supply
    - System
    - Extraordinary Supply
    - Regional Benefits vs Local Benefits
    - Carry-Over Storage for Droughts
  - Water Supply and Drought Management Plan and how NEW Projects are accounted for during drought allocations
    - Preferential Rights
    - Share the Pain Model
    - Others
  - MWD as the regional provider (they build large local projects)
  - Level and Extent of MWD Storage for Managing Supplies

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Policy Issues (start dialogue)

- Incentives provided by MWD
- Extended Drought Planning Criteria
- Contingency Targets for Planning Purposes
- Sharing of supplies within OC
- SAR water policy issues
- Storage of MWD water by Member Agencies outside of MWD
- Introduction of Local water into the MET system
- Availability of water for groundwater replenishment
- Others???

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Today's Policy Discussion

- Benefits of Local Projects using two examples just for illustration purposes
  - Ocean Desal Project
  - Central Valley Transfer

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Types of Benefits of a Local Project

- Supply Benefit
- System Benefit
- Extraordinary Supply Benefit
- Carry-Over Storage – provides extra water in storage for future use
- Others???
- To Whom do these benefits accrue?

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Example - Ocean Desalination Project

- Supply Benefit = Annual production out of facility 10 years out of 10 years to local area; lowers annual demand on MET, resulting in higher reliability for MET service area every year
- System Benefit = Peak capacity out of facility when needed for emergency response; diversifies location of OC supply sources - may improve resiliency
- Extraordinary Supply Benefit = NEW supply when we are under a water supply allocation plan by MET – would only occur if the plant comes on line after the base years used for allocation purposes
- Extra water in storage – lower demand on MET allows more water to be placed in MET storage accounts
- Water Quality, others???

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Example – Central Valley Water Transfer

- Supply Benefit = Occurs only in years when water is utilized/needed
- System Benefit = NONE
- Extraordinary Supply Benefit = YES, when we are under a water supply allocation plan by MET
- Extra water in storage – NONE
- Water quality, others???
- The benefits accrue directly to the user of the water

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Normal & Drought Year Ops

Supply Sources	Case 1 Before Projects	Case 2 With Base Loaded Ocean Desal	Case 3 Drought Year with CV Transfer	Case 4 Drought Year with Ocean Desal & CV Transfer
	Normal	Normal	Drought	Drought
MET	5,000	4,000	4,000	3,000
Normal Local	5,000	5,000	5,000	5,000
Ocean Desal	na	1,000	na	1,000
CV Transfer	na	na	1,000	1,000
Total Demands	10,000	10,000	10,000	10,000

Comments
Reduced demand on MET increases reliability to MET service area
Ability for MET to store 1,000 to 2,000 AF of water per year compared to Case 1
Reduced Sale by MET impacts their finances
Local Benefit of increased supply - MET service area neutral

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Upcoming Next Steps

- Collect and Compile Data from Agencies Survey
- Upcoming Meetings to Collect Data:
  - Cal Domestic, Brea and La Habra Groundwater
  - SMWD, Cadiz and SJBA
  - IRWD, Strand Ranch
- Develop OC Statistical Model of Water Production
- Work with MET on Demand Forecasts
- Identify and Value Benefits of Local Projects
- Preparation of MET IRP Shadow Model for GAP

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Item No. 8

CONSENT CALENDAR 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 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); OR

In the event a purchase commitment with OCWD does not occur, authorize 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 concurred with staff recommendation. The OCWD Water Issues Committee recommended the increased Purchase Order; this item will go to the OCWD Board on January 21st.

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

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.

"**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.

"**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.

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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	$156
Tier 2 Supply Rate ($/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

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

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Larry D. Dick
President

Wayne S. Osborne
Vice President

Brett R. Barbre
Director

Sat Tamaribuchi
Director

Joan C. Finnegan
Director

Susan Hinman
Director

Jeffery M. Thomas
Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

City of Brea
City of Buena Park
East Orange County Water District
El Toro Water District
Emerald Bay Service District
City of Fountain Valley
City of Garden Grove
Golden State Water Co.
City of Huntington Beach
Irvine Ranch Water District
Laguna Beach County Water District
City of La Habra
City of La Palma
Mesa Water District
Moulton Niguel Water District
City of Newport Beach
City of Orange
Orange County Water District
City of San Clemente
City of San Juan Capistrano
Santa Margarita Water District
City of Seal Beach
Serrano Water District
South Coast Water District
Trabuco Canyon Water District
City of Tustin
City of Westminster
Yorba Linda Water District

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

Item No. 9-1

ACTION ITEM

January 21, 2015

TO: Board of Directors

FROM: **Robert Hunter**
General Manager

SUBJECT: **REORGANIZATION OF THE MWDOC BOARD OF DIRECTORS; ELECTION OF PRESIDENT AND VICE PRESIDENT**

RECOMMENDATION

It is recommended the Board of Directors nominate and by resolution(s) elect the President and Vice President of the Board.

Res. Nos. _____ & _____

SUMMARY

In accordance with MWDOC's Administrative Code, the President and Vice President of the Board of Directors shall serve a one-year term and shall be elected to such term by the members of the Board at its first regular meeting in January of each year. Nominations will be taken from the floor and a roll call vote shall be taken.

Attached are the proposed resolutions for the election of the President and Vice President of the Board.

Administrative Code Sections 1303-1304 outline the duties of the President and Vice President (as follows):

§1303 DUTIES AND POWERS OF PRESIDENT
The President of the Board of Directors shall be the presiding officer and shall preserve order and decorum at all MWDOC meetings. In the absence of the President, Vice President shall act as President. In the absence of the President and Vice President, the Secretary acts as President until the Board selects one of its members President Pro Tempore, who shall have all of the powers of the President during the continuance of the meeting as well as during the absence of the President.

§1304 DUTIES AND POWERS OF VICE PRESIDENT
In the absence or disability of the President, the Vice President shall perform all of the duties of the President.

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

RESOLUTION NO._____

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

RE: ELECTION OF THE PRESIDENT
OF THE BOARD
2015

BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County, in accordance with Resolution No. 1231 and Administrative Code Section 1301, that at its first meeting in the month of January of each year, the Board shall elect one of its members President; and

BE IT FURTHER RESOLVED that the Board of Directors has prescribed the use of nominations from the floor and a roll call vote as its method of electing the President of the Board, as set forth in Roberts Rules of Order (newly revised).

THEREFORE BE IT RESOLVED by the Board of Directors of Municipal Water District of Orange County that in accordance with the procedures set forth above, _____ **be and is hereby elected President** of the Board of Directors of Municipal Water District of Orange County, effective January 21, 2015, for a one-year term of office.

Adopted and approved this 21st day of January 2015, by the following roll call vote:

AYES:
NOES:
ABSENT:
PRESENT:

_____
Maribeth Goldsby, District Secretary
Municipal Water District of Orange County

RESOLUTION NO._____

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

RE: ELECTION OF THE VICE PRESIDENT
OF THE BOARD
2015

BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County, in accordance with Resolution Nos. 1231 and 1756 and Administrative Code Section 1301, that at its first meeting in the month of January of each year, the Board shall elect a member of the Board to the office of Vice President, to serve a one year term, until a successor is elected; and

BE IT FURTHER RESOLVED that the Board of Directors has prescribed the use of nominations from the floor and a roll call vote as its method of electing the President and Vice President of the Board, as set forth in Roberts Rules of Order (newly revised).

THEREFORE BE IT FURTHER RESOLVED by the Board of Directors of Municipal Water District of Orange County that in accordance with the procedures set forth above, _____ **be and is hereby elected Vice President** of the Board of Directors of Municipal Water District of Orange County, effective January 21, 2015, for a one-year term of office.

Adopted and approved this 21st day of January 2015, by the following roll call vote:

AYES:
NOES:
ABSENT:
PRESENT:

_____
Maribeth Goldsby, District Secretary
Municipal Water District of Orange County

Item No. 9-2

ACTION ITEM
January 21, 2015

TO: Board of Directors

FROM: **Robert Hunter, General Manager**

SUBJECT: **APPOINTMENT OF SECRETARY, TREASURER(S), AND LEGAL COUNSEL**

STAFF RECOMMENDATION

It is recommended the Board of Directors: Adopt Resolution(s) appointing the Board Secretary, Treasurer(s), and Legal Counsel.

SUMMARY

In May 2005, the MWDOC Board of Directors adopted a policy which states that at its first regular meeting in January, the Board shall appoint the Secretary, Treasurer and Legal Counsel. An excerpt from Administrative Code Section 1301 is as follows:

> The Board shall appoint, by majority vote, at its pleasure, a Secretary, Treasurer, Legal Counsel, General Manager and Auditor and shall define their duties and fix their compensation. At its first regular meeting in January of each year, the Board shall appoint the Secretary, Treasurer, and Legal Counsel. The Board may also appoint a Deputy Secretary and Deputy Treasurer.

The current incumbents are:

Maribeth Goldsby	Board Secretary
Hilary Chumpitazi	Treasurer
Robert Hunter	Deputy Treasurer
Mary Snow	Alternate Deputy Treasurer
Jeff Stalvey	Alternate Deputy Treasurer
Lina Gunawan	Alternate Deputy Treasurer
Russell G. Behrens	Legal Counsel

Attached is a copy of the proposed Resolution. Note that separate resolutions may also be adopted.

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

Following are the Administrative Code Sections outlining the duties of the Secretary, Treasurer, and Legal Counsel.

§1305 DUTIES OF SECRETARY

The Secretary shall post all notices and agendas required by law, shall keep a record of all proceedings had at meetings of the Board, and shall be custodian of the MWDOC Seal and all documents pertaining to MWDOC affairs. In accordance with California Code of Regulations, Title 2, Section 18227, the Secretary shall serve as filing officer or filing official, responsible for receiving, forwarding or retaining statements of economic interest or campaign statements. The Secretary, in addition to the duties imposed by law, shall perform such duties as may be assigned by the Board. The Board may appoint one or more Deputy Secretaries. Under the direction of the Board and the Secretary, each such Deputy Secretary shall assist the Secretary in performance of the Secretary's duties, and shall perform such other duties as provided by the Board.

§1306 DUTIES OF TREASURER

The Treasurer and/or such other persons as may be authorized by the Board, shall invest and monitor MWDOC funds and draw checks or warrants to pay demands when such demands have been audited and approved in the manner prescribed by the Board. The Board may appoint one or more Deputy Treasurers or Alternate Deputy Treasurers who shall perform the duties of the Treasurer in the absence of the Treasurer.

§1308 DUTIES OF LEGAL COUNSEL

The Legal Counsel shall be the legal adviser of MWDOC and shall perform such duties as may be prescribed by the Board. The Legal Counsel shall serve at the pleasure of the Board, and shall be compensated for services as determined by the Board.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY APPOINTING DISTRICT SECRETARY, TREASURER, DEPUTY TREASURERS, ALTERNATE DEPUTY TREASURER, AND LEGAL COUNSEL

WHEREAS, pursuant to Administrative Code Section 1031, the Board shall appoint the Secretary, Treasurer, Deputy Treasurer, and Legal Counsel on an annual basis (at the first regular meeting in January); and

WHEREAS, the Director of Finance has historically served as Treasurer, and, due to the vacancy in that position, a Treasurer will be appointed at a later date; and

NOW, THEREFORE, BE IT RESOLVED as follows:

_____is hereby appointed as Secretary of the Board of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____is hereby appointed as Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____is hereby appointed as Deputy Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____is hereby appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____is hereby appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____is hereby appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board; and

_____ of _____, is hereby appointed as Legal Counsel of the Municipal Water District of Orange County effective immediately, the term of office to be at the pleasure of the Board.

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

AYES:
NOES:
ABSTAIN:
ABSENT:

I HEREBY CERTIFY that 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 of January 21, 2015.

_____
Secretary
Municipal Water District of Orange County

Item No. 9-3

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 concurred with staff recommendation.

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.

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

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

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.

Section 5. 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.

Section 6. 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. Signatures. 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. Expenses. 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. Liability of Trustee.

(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

Item No. 9-4

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 concurred with staff recommendation.

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

ACTION ITEM
January 21, 2015

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: **EXTENSION OF FEDERAL LEGISLATIVE ADVOCACY CONTRACT WITH JAMES C. BARKER, P.C.**

STAFF RECOMMENDATION

Staff recommends the Board of Directors extend the federal advocacy contract with James C. Barker, P.C. for one year.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will meet on January 19, 2015 and make a recommendation to the Board.

DETAILED REPORT

James C. Barker has provided federal legislative advocacy services to the Municipal Water District of Orange County since 2003. His primary objectives during this time have been to provide strategic direction for our Washington based activities and secure federal funding assistance for the District's water reliability efforts, ocean water desalination and the Smart Irrigation Controller program. In addition, Mr. Barker has been instrumental in helping secure a loan program that may be very useful to MWDOC or its Member Agencies.

Additionally, Mr. Barker works closely with staff in developing the District's funding request strategies and also serves as its "on the ground" representation in meetings with committee

Budgeted (Y/N): Yes	Budgeted amount: $96,000; Calendar year expenditure + expenses	Core X__	Choice __
Action item amount: $96,000; $48,000 for FY 2014/2015 + expenses and $48,000 for FY 2015/2016 + expenses	Line item: 31-7040		
Fiscal Impact (explain if unbudgeted):			

staff, Members of Congress, Congressional personal staff, administration and department officials, and others. Mr. Barker is also responsible for recommending and scheduling meetings for District directors/staff with Congressional members and these other Representatives throughout the Congressional session.

Mr. Barker will continue working with MWDOC to identify priorities and opportunities as well as implement strategies for securing funding support in the FY 2016 federal budget, seeking federal grant related opportunities and seek federal authorizations for various MWDOC projects. The priorities outlined below represent the scope of work upon which Mr. Barker's contract with the District would be extended for the 2015 calendar year.

- **Seek funding towards the South Orange Coastal Ocean Desalination Project Bill for Federal Funding.**

MWDOC has received $875,000 in federal funding appropriations to date, plus federal grants from the Bureau of Reclamation and Environmental Protection Agency in excess of $500,000.

In addition to these appropriated funds, Mr. Barker was instrumental in assisting MWDOC to encourage Senator Boxer and Senator Feinstein to include money for California Water Infrastructure Legislative Authorization in the Water Resources and Development Act (WRDA Bill). One of our continued strategies for 2015 will be to seek funds out of this account.

****Another strategy for 2015 (FY 2016) will be to explore amending the WIFIA Financing Program.**

MWDOC was significantly involved in helping pass the WIFIA loan provision in the recently passed 2014 WRRDA Legislation. As a result of this legislation, with the assistance of a WIFIA Loan, MWDOC, or its Member Agencies, could save approximately $18 million in interest charges on a $200 Million Dollar water project.

In 2015, Mr. Barker plans to continue to improve the WIFIA Loan Program and will determine if the WIFIA provision can be amended to allow for the use of WIFIA loans *in combination with traditional tax free municipal bond financing*. If this provision were to pass, it would save MWDOC, or it's Member Agencies, millions of more dollars over the life of a thirty or thirty five year loan. This strategy seems credible because the transportation community has a *TIFIA Loan program that does allow for traditional tax free municipal bond financing.* We would try and have the WIFIA Program "mirror" the TIFIA Program.

As MWDOC continues its work with the Congress, we will emphasize the critical nature of California's Water Supply situation and how this Ocean Water Desalination Project will provide a NEW source of water in an environmentally sensitive manner and it could have technology applications in many coastal areas of the United States. There will be coordination between the District and members of the Orange County Congressional Delegation and Senators Boxer and Feinstein to ensure support for the request.
.
Among the critical strategies to be advanced by Mr. Barker will be to continue to advance the implementation of a competitive grant system by the Army Corps of Engineers, the EPA and the Bureau of Reclamation.

Army Corps Specific:
Importantly, Senator Boxer, the Ranking Member of the Senate Environment and Public Works Committee, may be reviewing their passage of the WRRDA bill last year and may consider the passage of a technical corrections bill or begin a file for the next WRRDA bill that may be considered in an upcoming session. Mr. Barker, along with Director Barbre, were instrumental in working with the Senator's staff and the Committee and advancing the inclusion of WIFIA legislative language into the WRRDA Bill that became law during 2014.

Bureau of Reclamation Specific:
The Bureau of Reclamation has developed a "Water SMART" Water and Energy Efficiency Grant program and opportunities for funding opportunity are now available. The Bureau of Reclamation is seeking proposals from states, Indian tribes, irrigation districts, water districts and other organizations with water or power delivery authority to partner with Reclamation on projects that increase water conservation or result in other improvements that address water supply sustainability in the West. MWDOC and the South Orange Coastal Ocean Desalination project should qualify.

Mr. Barker will continue to monitor such grant opportunities for which MWDOC may be eligible.

- **Provide assistance to other Orange County entities in helping their projects to**
  - Poseidon Huntington Beach Ocean Desalination Project
  - Title XVI Projects
  - North Orange County Water Recycling Project
  - Other

Seek Federal Funds for the Smart Irrigation Controller Program.
Mr. Barker was instrumental in developing a program to receive funds through the U.S. Department of Agriculture's Natural Resources Conservation Service to support this program. To date, MWDOC has received approximately $650,000 in federal funding with approximately $4.6 million being spent on this program. Mr. Barker is significantly involved in trying to develop a competitive grant program so that these funds can continue to flow to MWDOC. Additional funding would allow further expansion of the program and cover ongoing program management expenses.

**** Drought Related Activities—**
Mr. Barker will continue to monitor efforts and provide assistance in Washington to provide drought relief legislation to the State of California and the Western United States. At the end of last year's session, drought legislation was unable to be passed due to a variety of factors, including the inclusion of other Western States issues in the final package.

Item No. 9-6

ACTION ITEM
January 21, 2015

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

FROM: **Robert Hunter**
General Manager

Staff Contact: Heather Baez

SUBJECT: **ANNUAL REVIEW OF LEGISLATIVE POLICY PRINCIPLES**

STAFF RECOMMENDATION

Staff recommends the Public Affairs & Legislation Committee review and discuss the updated legislative policy principles and direct staff as appropriate.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on January 19, 2015 and make a recommendation to the Board.

DETAILED REPORT

At the December 2014 PAL Committee meeting, the Legislative Policy Principles were discussed and changes and suggestions were made by committee members. However, no formal action was taken. Below you will find last month's write-up (for information purposes only) along with the newly updated policy principles that incorporated comments from last month.

In September 2012, the Municipal Water District of Orange County Board of Directors adopted legislative policies principles. They were reviewed again in March 2014 (discussion only). The purpose of these principles is to assist District staff and its legislative advocates in the evaluation of legislation that may impact the District, its member agencies, the interests of Orange County, the Metropolitan Water District of Southern California and/ or its member agencies. The principles establish guidelines to allow the District to respond to certain types of legislation in a timely manner while issues that are not clear or have complicated implications will be presented to the Board for further guidance.

Budgeted (Y/N): n/a	Budgeted amount: None	Core ✓	Choice __
Action item amount: n/a	Line item: n/a		
Fiscal Impact (explain if unbudgeted):			

Changes are shown as follows:

Additions are *italicized*
Deletions are ~~crossed through~~
December PAL Committee changes are *underlined and italicized*

IMPORTED WATER SUPPLY

It is MWDOC's policy to support legislation that:

1) Ensures the development of a long- term state water plan that balances California's competing water needs and results in a reliable supply of high- quality water for Orange County.

2) Facilitates the implementation of the Bay Delta Conservation Plan, the co- equal goals of reliable water supply and ecosystem restoration, and related policies that provide long term, comprehensive solutions for the San Francisco Bay/Sacramento-San Joaquin River Delta that:

a) Provides reliable water supplies to meet California's short- and long- term needs;

b) Improves the ability to transport water across the Delta either for, or in supplement to, State Water Project deliveries;

c) Improves the quality of water delivered from the Delta;

d) Enhances the Bay-Delta's ecological health in a balanced manner that takes into account all factors that have contributed to its degradation;

e) Encourages cost-effective water-use- efficiency measures;

f) Employs sound scientific research and evaluation to advance the co-equal goals of improved water supply and ecosystem sustainability.

3) Funds a long-term, *comprehensive* Bay-Delta solution in a manner that equitably apportions costs to all beneficiaries.

4) Seeks to keep BDCP on schedule and prudently expedites the approval process for projects that will improve water reliability and security.

5) Provides funding for Colorado River water quality and supply management efforts.

6) Provides conveyance and storage facilities that are cost-effective for MWDOC and its member agencies, while improving the reliability and quality of the water supply.

7) Authorizes and appropriates the federal share of funding for the long-term Bay Delta solution.

8) Authorizes and appropriates the ongoing state share of funding for the long-term Bay Delta solution.

It is MWDOC's policy to oppose legislation that:

1) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/ or quality of such water.

2) Imposes water user fees to fund Bay Delta ecosystem restoration and other public purpose, non-water supply improvements in the Delta region.

LOCAL WATER RESOURCES

It is MWDOC's policy to support legislation that:

1) Provides funding for, *and authorizes and/or facilitates the expanded use of,* water recycling, *potable reuse, conservation,* groundwater recovery and recharge, storage, brackish and ocean water desalination and surface water development projects.

2) Recognizes that recycled water is a resource and should be permitted and managed as such.

~~3) Authorizes and/ or facilitates expanded use of local water resources including water recycling and brackish groundwater.~~

3) Authorizes local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.

4) Reduces regulatory burdens on water recycling and brackish and ocean water desalination projects.

5) Supports ecosystem restoration, increased stormwater capture and sediment management activities at Prado Dam.

6) Recognizes and supports the development of ocean desalination as a critical new water supply for the state and Orange County, specifically.

7) Authorizes, promotes, and provides incentives for indirect and direct potable reuse projects.

8) Recognizes that the reliability of supplies to the end user is the primary goal of water suppliers.

It is MWDOC's policy to oppose legislation that:

1) Restricts a local governmental agency's ability to develop their local resources in a manner that is cost-effective, environmentally sensitive, and protective of public health.

2) Imposes barriers to the safe application of recycled water and continues to define recycled water as a waste.

3) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/ or quality of such water.

4) Restricts or limits a local governmental agency's ability to establish local priorities for water resources planning decisions.

WATER USE EFFICIENCY

It is MWDOC's policy to support legislation that:

1) ~~Requires the installation and use of retail water meters and billing based on a volumetric use.~~

1) Furthers the statewide goal of a 20% reduction in per capita water use by 2020 as set forth in SBx7-7, enacted in November 2009.

2) Would allow flexibility and options for compliance in achieving statewide water reduction goals.

3) ~~Sets cost-effective~~ *Seeks to improve water* efficiency standards for water-using devices.

4) Provides loans and grants to fund incentives for water conserving devices or practices.

5) Advances and ensures accurate reporting of the implementation of water efficiency measures of the Best Management Practices (BMPs) for the California Urban Water Conservation Council's Memorandum of Understanding.

6) Increases landscape water use efficiency and promotes Commercial, Institutional and Industrial (CII) water use efficiency programs.

7) Requires individual metering ~~connections~~ to be built in new construction of multiple unit commercial or residential buildings.

8) Encourages stakeholders to investigate and develop statewide landscape water conservation standards and regulations.

9) Provides incentives, funding, and other assistance where needed to facilitate market transformation and gain wider implementation of water-efficient indoor and outdoor technologies and practices.

10) Provides incentives, funding, and other assistance where needed to facilitate water use efficiency partnerships with the energy efficiency sector.

11) Recognizes past investments in water use efficiency measures, especially from the demand hardening perspective.

It is MWDOC's policy to oppose legislation that:

1) Fails to ensure balance in the implementation of water efficiency practices and requirements for both urban and agricultural use.

2) Would repeal cost-effective efficiency standards for water-using devices.

WATER QUALITY

It is MWDOC's policy to support:

1) Legislation that protects the quality of surface water and groundwater.

2) Funding that helps agencies meet state and federal water quality standards.

3) The establishment and/ or implementation of standards for water-borne contaminants based on sound science and with consideration for cost-effectiveness.

It is MWDOC's policy to oppose:

1) Legislation that could compromise the quality of surface water and groundwater supplies.

2) Legislation that establishes and/ or implements standards for water-borne contaminants without regard for sound science or consideration for cost effectiveness.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MET)

It is MWDOC's policy to support legislation that:

1) Implements a rate structure that is consistent with MWDOC board-adopted policy.

It is MWDOC's policy to oppose legislation that:

1) Compromises the existing governance structure and the representation of member agencies on the Metropolitan Water District Board of Directors.

2) Would restrict MET's rate-making ability.

WATER TRANSFERS

It is MWDOC's policy to support legislation that:

1) Encourages and facilitates voluntary water transfers.

2) Provides appropriate protection or mitigation for impacts on the environment, aquifers, water-rights holders and third- parties to the transfer including those with interests in the facilities being used.

3) Legislation that encourages transfers which augment existing water supplies, especially in dry years.

It is MWDOC's policy to oppose legislation that:

1) Undermines the operations and maintenance of the conveyance system.

2) Interferes with the financial integrity of a water utility and compromises water quality.

3) Increases regulatory or procedural barriers to water transfers at the local or state level.

WATER INFRASTRUCTURE FINANCING

It is MWDOC's policy to support legislation that:

1) Employs a "beneficiary pays" principle that establishes a clear nexus between the cost paid to the direct benefit received. Likewise, those who do not benefit from a particular project or program should not be required to pay for them.

2) Establishes grants or other funding opportunities for local and regional water infrastructure projects.

3) Considers local investments made in infrastructure, programs, mitigation and restoration in determining appropriate cost shares for water infrastructure investments.

4) Would reduce the cost of financing water infrastructure planning and construction, such as tax-credit financing, tax-exempt municipal bonds, Water Resources Development Act (WRDA), Water Infrastructure Finance Innovation Act (WIFIA), the Environmental Infrastructure Accounts and other funding mechanisms.

It is MWDOC's policy to oppose legislation that:

1) Establishes a fee or tax that does not result in a clear benefit to the District, its member agencies, and their customers.

2) Would reduce the total available water infrastructure financing measures such as WIFIA, state-revolving funds, and others.

ENERGY

It is MWDOC's policy to support legislation that:

1) Facilitates the development and expansion of clean, renewable energy in California, including hydropower.

2) Supports water supply reliability as the primary focus of water agencies and energy intensity of water supplies as a secondary factor.

3) Recognizes the role and value of the water industry investment in water use efficiency and therefore recognizes WUE efforts towards greenhouse gas reduction, including funding such activities.

4) Recognizes hydroelectric power as a clean, renewable energy source and that its generation and use meets the greenhouse gas emission reduction compliance requirements called for in the Global Warming Solutions Act of 2006 (AB 32).

It is MWDOC's policy to oppose legislation that:

1) Grants preferential consideration to certain types of clean, renewable energy projects over others, resulting in those preferred projects receiving advantages for state funding, project permitting, and regulatory compliance.

FISCAL POLICY

It is MWDOC's policy to support legislation that:

1) Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.

It is MWDOC's policy to oppose legislation that:

1) Is inconsistent with the District's current investment policies and practices.

2) Pre-empts the District's ability to impose or change water rates, fees, or assessments.

3) Impairs the District's ability to maintain levels of reserve funds that it deems necessary and appropriate.

4) Impairs the District's ability to provide services to its member agencies and ensure full cost recovery.

5) Makes any unilateral reallocation of District revenues, or those of its member agencies, by the state unless the state takes compensatory measures to restore those funds.

6) Would impose mandated costs or regulatory constraints on the District or its member agencies without reimbursement.

GOVERNANCE

It is MWDOC's policy to support legislation that:

1) Advances good government practices and public transparency measures in a manner that do not take a " one-size fits all" approach, respects local government control, and facilitates technological efficiencies to meet state reporting and disclosure requirements.

It is MWDOC's policy to oppose legislation that:

1) Advances local government reform measures by imposing unnecessarily broad burdens upon all local governments, particularly when there is no demonstration of rampant and wide-spread violations of the public trust.

2) Shifts state programs, responsibilities and costs to local governments without *first considering* funding to support the shift.

3) Seeks to limit or rescind local control.

4) Reduces or diminishes the authority of the District to govern its affairs.

5) Imposes new costs on the District and the ratepayers absent a clear and necessary benefit.

6) Resolves state budget shortfalls through shifts in the allocation of property tax revenue or through fees for which there is no direct nexus to benefits received.

PUBLIC EMPLOYEE PENSION REFORM

It is MWDOC's policy to support legislation that:

1) Seeks to contain or reform public employee pension and other post-employment benefit (OPEB) cost obligations that are borne by public agencies via taxpayers and ratepayers.

Item No. 9-7

ACTION ITEM
January 21, 2015

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

FROM: **Robert Hunter**
General Manager

Staff Contact: Heather Baez

SUBJECT: **ISDOC EXECUTIVE COMMITTEE ELECTION FOR 3RD VICE PRESIDENT**

STAFF RECOMMENDATION

Staff recommends the Board of Directors discuss the ISDOC 3rd Vice President vacancy and authorize the appropriate Board Member or alternate to vote on behalf of MWDOC at the January 29, 2015 ISDOC Quarterly Meeting.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on January 19, 2015 and make a recommendation to the Board.

DETAILED REPORT

In October 2014, the Independent Special Districts of Orange County (ISDOC) held its regular election of officers. The successful candidates were as follows:

President – Mike Scheafer, Costa Mesa Sanitary District
1st Vice President – Bob Moore, South Coast Water District
2nd Vice President – Jim Fisler, Mesa Water District
3rd Vice President – Saundra Jacobs, Santa Margarita Water District
Secretary – Leslie Keane, Orange County Cemetery District
Treasurer – Joan Finnegan, Municipal Water District Orange County

The ISDOC bylaws require that each officer must hold an elected position for a Special District in order to have a seat on the Executive Board. Bob Moore was not a victor in the November 2014 election, and is thereby ineligible to serve on the ISDOC Executive Committee. Jake Vollebregt of Best, Best & Krieger advised the ISDOC Executive

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

Committee that ISDOC could solicit candidates for the vacancy of 1st Vice President, or the 2nd and 3rd Vice Presidents could move up one slot, making the 3rd Vice President position the vacant position. After both the 2nd and 3rd Vice Presidents indicated they would like to move up, the ISDOC Executive Committee voted unanimously to issue a notice of vacancy and solicitation for nomination of the 3rd VP position to all ISDOC members.

Nominations will be accepted before and at the January Quarterly Membership Meeting. Nominations must be accompanied by a resolution from the nominee's Board supporting his/her candidacy.

The election to fill the 3rd Vice President position will be conducted at the January 29, 2015 Membership Meeting.

MWDOC needs to authorize a member of its Board to vote for this position at the January 29, 2015 meeting. The President of the Board does not require a resolution to vote on MWDOC's behalf, however, if another Board Member is sent in his/her place, they will need to bring an authorizing resolution.

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES JANUARY 2015

Managers' Meeting	MWDOC held its Member Agency Managers' meeting in Fountain Valley on Thursday, December 18. In attendance were Marc Marcantonio and Steve Conklin (YLWD); Paul Weghorst and Fiona Sanchez (IRWD); Karyn Igar (Mesa); Joone Lopez, Matt Collings and Drew Atwater (MNWD); Eric Bauman and Keith Van Der Maaten (San Juan Capistrano); Jose Diaz (Orange); Dan Ferons (SMWD); Brian Ragland and Chris Davis (Huntington Beach); Andy Brunhart (SCWD); Cel Pacillas (Garden Grove); Dave Rebensdorf and Andrew Kanzler (San Clemente); Howard Johnson (Brady); George Murdoch (Newport); Jerry Vilander (SWD); Art Valenzuela (Tustin); Renae Hinchey and Chris Regan (LBCWD); Michael Grisso (Buena Park); Hector Ruiz (TCWD); Bob Hill and Mike Grandy (ETWD); J. Volzke (SMWD); Mark Sprague (Fountain Valley); Ken Vecchiarelli (GSWC); Lisa Ohlund (EOCWD); John Kennedy (OCWD); and Karl Seckel; Harvey De La Torre; Joe Berg; Jessica Ouwerkerk; Kevin Hostert; Richard Bell; Keith Lyon and myself of staff. The agenda included the following: 1. Rob Hunter notified the Managers that MWDOC is starting the budget development process for FY2015-16. 2. The need for the Fall Elected Officials' Forum was discussed with the managers; no decisions were made. 3. Rob Hunter reported that the last financial audit of MWDOC recommended that MWDOC develop a method to verify the agencies reported number of Retail Meters 4. State Water Board Emergency Drought Water Usage Restrictions update 5. Sat Tamaribuchi is the new MWDOC Division 5 Director 6. Linda Ackerman was re-appointed to the Santa Ana Regional Water Quality Control Board The next meeting is scheduled for Thursday, January 22.
2014 CRWUA Annual Conference	In Las Vegas, Directors Sat Tamaribuchi and Brett Barbre, and Harvey, Darcy and I attended the Colorado River Water Users Association Conference: Challenged but Unbroken: Sustaining the Colorado River.
Orange County Grand Jury	Darcy, Karl and I prepared and sent a packet of information to the Orange County Grand Jury per their request.

MET ITEMS CRITICAL TO ORANGE COUNTY

MWD's Finance and Rate Issues	**<u>MWD Financial Report</u>** At last month's Metropolitan (MET) Finance and Insurance Committee, MET staff reported water deliveries through November were 47.4 TAF higher than budgeted and 33.9 TAF higher than the five-year average. This is mainly due to increased untreated water sales. This results in water sales generating $28.4 million higher than budgeted estimates. In January, MET staff plans to provide a six-month review as well as projections for the year. **<u>Other Post-Employment Benefits (OPEB) update by CalPERS for MET</u>** John Swedensky of CalPERS presented an updated regarding MET's OPEB trust under CalPERS. Based on a June 30, 2013 Actuarial report, MET's OPEB accrued Liability total is over $315 million with an Annual Required Contribution (ARC) of $29,457,000. Mr. Swedensky reported that as of Nov. 30, MET's OPEB assets total $174 million which is made up of $170 million in contributions and $4 million in investment earnings (4.4% rate of return). The contributions the Board has made these past years places the OPEB trust at a 51% funded level; which is considered a very well-funded position.
Colorado River Issues	**<u>Three State Agreement to stabilize Lake Mead</u>** At the 2014 Colorado River Water Users Association Conference, water agency officials from Arizona, California, and Nevada signed an agreement to jointly add as much as three million AF of water into Lake Mead by the year 2020, mostly through water conservation efforts and water management actions to maintain water in the Lake. The objective is to reduce further draws on Lake Mead that would trigger shortages to the lower Colorado River Basin States, in particular Arizona and Nevada. The three million AF would add close to 30 feet to the Lake which is already at a historic low level. The Bureau of Reclamation stated that if such cooperation among the Colorado River Basin States to stabilize Lake Mead does not occur, shortages could happen as soon as spring of 2016. In preparation for declining levels of Lake Mead, Southern Nevada Water Authority just completed a three-mile, $817 million tunnel into the lower reaches of Lake Mead to give SNWA a more steady flow of water.

Colorado River Issues (Continued)	**<u>Imperial Irrigation District Files Water Right Modification Petition to State Water Board</u>** On November 18, Imperial Irrigation District (IID) filed a petition to the State Water Resources Control Board (State Board) to modify Water Rights Order 2002-0013, which gave approval for the transfer of water from IID to San Diego County Water Authority and Coachella Valley Water District. The existing Water Rights Order is conditioned in part on the requirement for IID to fallow land to create conserved water to be delivered to the Salton Sea on an annual schedule to offset the reduction in agricultural drainage flowing into the Sea resulting from the transfers. These Salton Sea mitigation deliveries are to continue from 2003 through 2017, which was considered to be sufficient time for the state of California to study whether restoration of the Salton Sea is feasible and to develop and implement a restoration plan. In its petition, IID notes that the state has done little towards developing a restoration plan, and asserts that without such a plan in place, the residents of the Imperial Valley face increased dust exposure due to the seabed that will become exposed as the Sea begins to recede in 2018. IID's petition also cites a recent report by the Pacific Institute that estimates that inaction at the Salton Sea could cost up to $70 billion over the life of the transfers. IID seeks to have the State Board require the Quantification Settlement Agreement parties, to meet with the state of California and other stakeholders to work together to identify a feasible restoration plan and funding mechanism that would address primarily air quality and habitat development on the shoreline. The petition further seeks to condition the continuation of transfers under the Water Rights Order on the state implementing a restoration plan for the Salton Sea. MET staff is reviewing the petition and will provide a more detailed report to the MET Board at a future meeting.
Bay Delta/State Water Project Issues	**<u>Bay Delta Conservation Plan</u>** On December 19, Governor Brown and federal administrators announced several significant changes to the water conveyance portion of the proposed Bay-Delta Conservation Plan. These changes were pursued over the past year in an effort to respond to the concerns of Delta landowners and area stakeholders, they include: • The elimination of **<u>three</u>** pumping plants on the east bank of the Sacramento River between Hood and Walnut Grove. • Minimize activity on Staten Island, which provides important sandhill crane habitat, by removing tunnel launch facilities, large reusable tunnel material storage areas, a barge landing site, and high-voltage power lines.

Bay Delta/State Water Project Issues (Continued)	• Increase use of property owned by the California Department of Water Resources (DWR). • Eliminate the need for additional permanent power lines to the intake locations in the north Delta, including near Stone Lakes National Wildlife Refuge. • Eliminate impacts on Italian Slough (near Clifton Court Forebay) by removing an underground siphon. • Reduce power requirements. • Allow water to flow from the Sacramento River entirely by gravity at certain river stages. • Reduce tunnel operation and maintenance costs. The roughly 87-acre footprint of each intake would not change, but the two story 46,000 sq. ft. building would no longer be needed to house the pumping plants; including no permanent transmission lines, substations, and surge shafts. Therefore, the plan now calls for the water to enter the three intakes by gravity flow. DWR believes such changes would minimize potential disruption and dislocation of Delta residents. These changes to the proposed conveyance system will be available for formal public review and comment in a partially recirculated draft BDCP and EIR/EIS until July 29.
ENGINEERING & PLANNING	
Baker Treatment Plant	MWDOC has been asked to help secure MET's concurrence on the quality of water being introduced into the South County Pipeline (SCP). MWDOC and MET have exchanged agreements and continue working on this issue. It is important to get it finalized by the end of January to allow the actual construction tie-in of the new pipeline to the SCP to be made during a February 2015 shutdown.
Doheny Desalination Project	Work is continuing on the Foundational Action Program Studies for both the Doheny Desal and the SJBA. It is expected that the new information developed will provide an impetus for the project to move forward. South Coast Water District has requested assistance from MWDOC in following up on baseline environmental monitoring work that was previously scoped out but not funded; South Coast desires to proceed with this work to collect the necessary data to complete the CEQA work for a 5 mgd demonstration project.

<table>
<tr><td>Poseidon Resources Project in Huntington Beach</td><td>On January 7, OCWD's Board voted 9 to 1 to begin negotiating a term sheet with Poseidon Resources to purchase 50 million gallons of water a day (56,000 acre-feet annually) created by the proposed Huntington Beach Ocean Desalination Plant. The Board will appoint a citizens' advisory committee to ensure the public is provided ample opportunity to provide input.</td></tr>
<tr><td>Orange County Water Reliability Study</td><td>Kick-off meetings have been held with MWDOC, OCWD, MET and two meetings have occurred with the full Workgroup. Provided below is the anticipated schedule of Future Workgroup meetings by topic.

Future Reliability Study Workgroup Meetings
<table>
<tr><th>Meeting No.</th><th>Anticipated Date</th><th>Proposed Meeting Topics</th></tr>
<tr><td>2</td><td>Jan</td><td>Background Topics</td></tr>
<tr><td>3</td><td>Feb</td><td>Review Demand Forecast & Reliability Scenarios</td></tr>
<tr><td>4</td><td>Mar</td><td>Present Demand Forecast with Sensitivity</td></tr>
<tr><td>5</td><td>Apr</td><td>Present Local Agency New/Potential Projects</td></tr>
<tr><td>6</td><td>May</td><td>Present and Discuss MET and OC Policies to Improve Reliability</td></tr>
<tr><td>7</td><td>Jun</td><td>Present Supply and System Gap Analysis</td></tr>
<tr><td>8</td><td>Jul</td><td>Present Example Portfolios of New/Potential Projects</td></tr>
<tr><td>9</td><td>Aug</td><td>Demonstrate that New/Potential Projects Improve Reliability</td></tr>
<tr><td>10</td><td>Oct</td><td>Review Draft Report</td></tr>
</table>
Draft, Subject to Changes based on
Data Availability from MET and Local Agencies</td></tr>
<tr><td>SOC IRWMP</td><td>Karl participated in the South Orange County IRWMP Management Group discussions on:

• Water supplies, including recycled supplies, stormwater capture and groundwater quality
• Flood
• Water Use Efficiency
• Watershed Management
• Water Quality

Based on the discussions, the IRWMP Steering Group will be meeting to provide input as to particular directions for the IRWMP group to consider.</td></tr>
<tr><td>CalDesal</td><td>During the ACWA Conference, Karl participated in the CalDesal meeting where the membership reappointed the existing Board (including Karl) for another two years. Other discussions included agreement between CalDesal and WateReuse as to a joint letter recommending to DWR a cost-sharing of the</td></tr>
</table>

CalDesal (Continued)	Chapter 9 Water Bond Recycling funds of $725 M, with $525 M to recycling and $200 M to desalination, including ocean desalination. CalDesal is awaiting the outcome of the SWRCB Ocean Plan Amendments in the first or second quarter of 2015.
San Juan Basin Authority	The San Juan Basin Authority (SJBA) met in December and hired a Program Manager from among four firms responding to their RFP. Cathrene Glick from G3 Soil Works was hired to work in partnership with SJBA and its member agencies to develop a strategy for implementation of the San Juan Basin Authority Project under the Groundwater Management Plan (GWMP). The GWMP involves an adaptive management approach to annually determine the amount of water available for use from the groundwater basin and to identify opportuni-ies for recharging the basin through stormwater and/or other sources of water, including recycled water, to cost effectively maximize the production of water for the benefit of the member agencies; the project also includes an ocean water component and a seawater intrusion component. Ms. Glick and G3 Soil Works will be requested to: • Provide SJBA with information and advice on environmental, engineering and financial issues that may impact the Project and/or that will, in Consultant's view, be required. • Identify contentious, costly or long lead time issues likely to be involved in the Project and recommend alternative strategies to deal with those issues. • Identify all procedural tasks and supporting activities that will be necessary to complete the Project as soon as possible and establish a likely timeline for said completion including development of requests for proposals for engineering, geotechnical and environmental services. • Identify required resources for meeting the deadlines and associated activities identified in the Project schedule. Identify any potential funding sources that may be available to support implementation of the project. • Develop and implement a work plan to be presented for approval by the SJBA's Technical Advisory Committee and ultimately the Board of Directors. • Attend monthly meetings of the SJBA Board of Directors to report progress and answer questions, prepare the noticing, scheduling and conduct of all required public hearings/meetings required for the development of the project. • Perform studies and/or conduct assessments that are either required for, or support, the Project as determined by the SJBA.

San Juan Basin Authority (Continued)	The other item that is continuing is monitoring of the basin water levels and water quality constituents every two weeks to gain a better understanding of changes in the basin. The recent rain events have resulted in an increase in water levels, but the decreased pumping by both South Coast WD and the City of San Juan Capistrano have not yet been reestablished. A decision on the amount of pumping will occur based on the continued monitoring. MWDOC has an upcoming meeting with the SJBA staff to discuss progress on the Foundational Action Plan and to determine if there are other areas where MWDOC can lend assistance.
IRWD Drought Allocation Data	IRWD's baseline water production data for the Drought Allocation base years was discussed when Kevin and Keith met with Mike Hoolihan, Fiona Sanchez and Kellie Welch from IRWD. Discussion also included updates about potential future local and imported water production.
EOCWD Water Issues	When Kevin and Keith met with Lisa Ohlund, Jerry Mendzer, Nicole Hopp, and Bill Everest from EOCWD, discussion included 1) drought allocation data; 2) Water Reliability Study; and 3) OC-70 metering issues. EOCWD has observed over many years that the sum of their wholesale meters has been different than the MET OC-70 meter by 4-6%. After compiling metering data, a meeting to review the issue will likely be scheduled with MET.
OCWD Producers Meeting	The January Producers meeting agenda included: updates about the Poseidon Project; FY14/15 Basin Status and BPP; FY15/16 BPP & RA estimates; the MWDOC Purchase Order for Recharge water; OCWD's 10KAF purchase from the CUP account; 2015 IRWD Recycling Legislation; North and South Basin Groundwater Clean-up lawsuits; Santa Ana's Well 32 BEA Exemption Agreement; Prado Sediment Removal Demo Project; and Prop 1 Strategy. Harvey, Kevin, Keith and I attended.
Potential Impact of CPTP in MET Drought Allocations	When Keith met with Michael Moore and Rick Shintaku from Anaheim and John Kennedy from OCWD, discussion focused on whether or not there is a negative impact to Anaheim's MET Drought Allocation due to past participation in OCWD's CPTP (Coastal Pumping Transfer Program). The next step will be to review Anaheim's data analysis..
EMERGENCY PREPAREDNESS	
General Activities	Kelly Hubbard led the California Emergency Services Association (CESA), Southern Chapter Board Annual Planning Workshop on December 3. This half day workshop is for the Board to set the

General Activities (Continued)	goals and activities for the coming year. CESA has been has been in transition for 2 years moving into a state focused association with more of the planning being handled at the state level instead of at each chapter. As the incoming Southern Chapter President, Kelly worked with the board to identify each Member's purpose and beliefs for the organization which will be used to develop a focus and plan for Southern Chapter activities.
Member Agency Coordination	On December 9, Lisa Parson and Kelly met with Metropolitan staff (Bart Garcia, Ian White, and Lorraine Aoys) to discuss suggestions for the MET Member Agency Operational Plan and communication lessons learned from the November 5 exercise. It was a very productive meeting in which the group identified areas of improve-ment and potential solutions through policy, procedures and training. A tour of the Met EOC and Eagle Rock Operations Center was provided. Kelly provided ICS/NIMS 100/700 and SEMS training to approximately 50 staff from various agencies. She also provided a presentation to WACO on Friday, December 12, titled Water Reliability and Disaster Response.
Coordination with the County of Orange	Kelly & Lisa attended the Orange County Emergency Management Organization monthly meeting in Downtown Disney. The annual Holiday meeting includes the regular business of the organization, as well as annual awards of outstanding achievements in Emergency Management within Orange County as nominated by our peers.
Coordination with Outside Agencies	Kelly participated in the Cal WARN State Steering Comm. conference call. Kelly provided the ISDOC Executive Committee a report on the most recent OA Executive Board meeting, at which Kelly is the voting member for ISDOC.
WEROC Emergency Operations Center (EOC) Readiness	WEROC successfully participated in the MARS radio test for December. As continued follow-up on the November 5 Rolling Thunder Exercise, Lisa and Kelly spent a significant part of the month on reviewing the lessons learned, clarifying corrective actions and creating an action plan for those improvements. Some of the steps already taken include: • Prepared a financial estimate for the supplies and upgrades needed for the WEROC EOCs in 2015. • Completed certificates of completion for all participants in the Nov 5th Rolling Thunder Exercise. • Created a G-drive account and uploaded shareable documents for EOC staff. • Created training presentations for In Case of Crisis and the Google suite of products. Lisa completed revisions to several aspects of the 4 plans within the In Case of Crisis phone application.

WATER USE EFFICIENCY	
State Water Resources Control Board Public Hearing	On December 17, Joe Berg attended the State Water Resources Control Board (SWRCB) public hearing on drought response activities. This meeting was hosted by MET and its purpose was to gather ideas on what more the SWRCB could do to respond to the drought. Two panels provided presentations and ideas for improved drought response. Joe submitted several ideas, which were developed with input from the member agencies, to the SWRCB for consideration. The SWRCB will consider those ideas at a future meeting to be held in advance of the April expiration of the existing Emergency Regulation.

South Orange County Watershed Management Area Meeting	On January 12, Joe and Karl participated in the South Orange County Watershed Management Area Management Committee Meeting. This meeting was hosted by the City of Laguna Hills where more than 20 city and water agency representatives from throughout south Orange County participated Agenda items included:
	
	• Prop 50 and 84 Project Proponent Reports
	• Subcommittee Reports from:
	  o Water Use Efficiency – Joe Berg
	  o Water Supply and Reliability – Karl Seckel
	  o Water Quality – Carlos Castellanos
	  o Flood Management – Penny Lew
	  o Habitat Restoration – Nancy Palmer
	• Steering Committee Report
	• 2015 – 2017 Work Plan and Budget
	
	The next meeting is scheduled for March 12.

Department of Water Resources Urban Stakeholder Meeting	In Sacramento and hosted by ACWA on January 13, Joe participated in the Department of Water Resources Urban Stakeholder Meeting. The meeting focused on developing 20% by 2020 adjustment methodologies for economic growth, weather, and vacation communities. These methodologies will be used by agencies in their 2015 urban water management plan reporting of compliance with 20% by 2020.

PUBLIC/GOVERNMENT AFFAIRS

Member Agency Relations	Darcy and Tiffany continue to work with MET on this year's inspection trip season. They toured Jet Propulsion Laboratory (JPL) with Al Mendez of MET. Following the tour, they met with JPL staff regarding the facility being part of Director Dick's Weymouth Tour sometime this year. The tour is planned for WACO participants. The next scheduled trip is January 23 – 24, a Colorado River Aqueduct event hosted by Director Barbre and accompanied by Darcy. Director Ackerman met with Tiffany and Rosa Castro, inspection trip specialist with MET, to discuss itinerary, trip logistics and guest list options for her February 6-7 Colorado River Aqueduct (CRA) trip. Director Barbre met with Tiffany and Al Mendez, inspection trip specialist with MET, to discuss itinerary, trip logistics and guest list options for his January 23-24 CRA trip. Tiffany and Bryce have created confirmation electronic and print materials for Director Ackerman's and Barbre's CRA trips and Director McKenney's State Water Project trip scheduled for February 20 and 21. Tiffany is currently accepting reservations, and managing guest and Director needs for these three trips. On January 6, Jessica and Darcy hosted a Public Affairs Workgroup meeting focused on three different drought messaging scenarios. Darcy, Jessica and Tiffany participated. On January 13, Darcy and Jessica hosted a meeting for staff of agencies participating in the Value of Water communications program. Creative material development, results of the needs assessment survey, and planned outreach materials were discussed. Darcy and Jessica are participating in the January 15 MET PIO meeting.

Member Agency Relations (Continued)	Tiffany is continuing to work with Immersiv Media on the beta phase of the OC Water Hero Program phone app. Darcy is working with Stetson Consulting to finalize an agreement for this year's Water Quality, Consumer Confidence Reports. In addition to the technical support MWDOC provides, participating agencies in the Value of Water Choice Program will also be able to utilize an electronic version for posting and distribution. Darcy and Jessica met with Renee Fraser and staff regarding the creative materials, Public Service Announcement, and timeline for implementation of the Value of Water Choice Program. Jessica participated in the December 18 member agency managers meeting that focused on the water supply allocation plan. Jessica developed and distributed surveys to gauge the member agencies' satisfaction with the Member Agency Managers' meetings, Public Affairs Workgroup meetings, and WUE Coordinators' meetings. Results will be used to refine the meetings and ensure they meet the needs of member agency staff. Jessica provided City of Brea staff with water use efficiency infographics and flyers. Jessica distributed Water Smart Home program flyers to LBCWD. Heather met with David Cordero on behalf of East Orange County Water District to discuss potential legislative proposals. Heather met with Jim Leach from SMWD to discuss legislative priorities and the upcoming legislative session.
Community Relations	Darcy and Jessica met with Anaheim Public Utilities staff regarding a water use efficiency event for the general public, to be held later this year. This was the initial planning meeting, and it is their hope to duplicate a similar event they hosted a few years back for their energy department. The event will be held on a Saturday and all water utilities as well as city water departments in Orange County will be invited to participate. Darcy and Heather participated in the WACO planning meeting and provided staff support to the January 9 meeting. Heather provided the group with a legislative update.

Community Relations (Continued)	Jessica is designing an infographic focusing on Orange County's efforts to save water within the past month, year, and beyond. Heather coordinated legislative certificates to be presented to outgoing ISDOC President, Rich Freschi, at the January 29 luncheon. Heather staffed the ISDOC Executive Board Committee and is working with Matt Holder to secure a speaker for their Quarterly Meeting on January 29.
Education	On December 16, Jessica and Darcy met with Adrian Hightower, Metropolitan's new Education Programs Unit Manager, to discuss MWDOC's and Metropolitan's water education programs. On January 5, Director Hinman and Jessica met with staff of Discovery Science Center to discuss the Water Education School Program. The bookings process, curriculum alignment, and other program elements were discussed. Jessica is coordinating three local high schools' participation in the 2015 Solar Cup Program with MET and the two local water agencies that are providing the funding (City of Huntington Beach and LBCWD).
Media Relations	January 9, 2015: ***California News*** posted an online article about the OCWD Board's decision to move forward with negotiations with Poseidon on the Huntington Beach Ocean Desalination Facility. MWDOC was referenced. January 9, 2015: ***Fullerton Rag*** posted an online article about OCWD Director Jan Flory's lone vote against proceeding with negotiations with Poseidon. MWDOC was referenced. January 7, 2015: ***OC Register*** ran an article on upcoming trends in Lake Forest and Laguna Hills. MWDOC was mentioned with respect to a recent turf removal project at Laguna Hills High School.
Special Projects	Darcy is continuing to work with a variety of stakeholders on the validation process for Recycled Water Operator Certification for California Nevada Section American Water Works Association. Darcy and Jessica are working on the 2014 annual report which will provide an online overview of MWDOC's past year, milestones and financial health.

Special Projects (Continued)	Director Thomas and Darcy are working on the 2015 Orange County Water Summit. They had a meeting with Co-Chairman, Director Sheldon and Eleanor Torres of OCWD on December 22. Based on the outcome of the meeting, a revised program has been drafted and a schedule of committee meetings developed. The next Summit Committee meeting is January 20. Jessica and Tiffany interviewed 3 candidates for a Public Affairs intern position. Jessica created MWDOC's holiday e-card and distributed it to the nearly 10,000 contacts in our database. Jessica is taking the lead on coordinating the February 5 Water Policy Forum & Dinner. Darcy secured guest speaker Dr. Lucy Jones. Jessica developed and distributed an email invitation, a legislative staffers invitation, and a reserved table invitation. Tiffany and Bryce are creating print invitations including a standard invitation, a sponsorship table invite, and a legislative staffers invitation. Tiffany has begun taking reservations and assisting reserved table attendees with registration for the event. Tiffany has created a print invitation for both the annual Poster Slogan Contest, and the Digital Arts Contest. Tiffany and Bryce have begun calendaring upcoming milestones for this event and will continue to work on a variety of elements leading up to the Awards Ceremony in May 2015.
Water-Use Efficiency Marketing	Jessica met with staff of the OC Stormwater Program and UC Cooperative Extension to brainstorm additional ideas for water use efficiency "how-to" videos. The Program has funding for development of additional videos following the success of the first two "how-to" videos, which focused on Cycle & Soak and Irrigation System Troubleshooting. The next 3 videos proposed are Turf Removal, OC Garden Friendly Plants, and Drip Irrigation Conversion. Jessica is working with a graphic designer to develop a water use efficiency bill insert promoting rotating nozzles, smart timers, high efficiency clothes washers and toilets. Jessica continues to work with Water Use Efficiency (WUE) staff on the WUE Master Plan Annual Update which has been designed and laid out, and is awaiting some final text.

Legislative Affairs	Heather participated in a conference call with TPA to outline goals for the next two months. In Sacramento at the State Capitol, Heather participated in the CEQA Stakeholder Meeting hosted by the Senate Judiciary and Natural Resources & Water Committees. The talks were promising and the parties involved all felt like there is an opportunity to reach consensus and believe that "something" will get done this year. Both committees said they are committed to the process. The most common themes were bringing the CEQA documents into the 21st (someone joked 20th) Century and putting everything online; and expediting production without overburdening costs. To review and finalize materials (invitation, posters, program, and briefing book) for the Washington D.C. briefing and luncheon to be held on February 25, 2015 during the ACWA Conference in D.C., Heather met with the Government Affairs managers from Eastern Municipal Water District, Inland Empire Utilities Agency and Western Municipal Water District. Tiffany and Bryce are working with Heather to provide all materials for the luncheon (invitation, posters, program, and briefing book). Heather met with and provided an update to Assemblywoman Young Kim's District Director, Kristy MacDougal. Heather monitored and provided a summary of the Governor's Budget which was released on Friday, January 9, 2015. Heather attended the Water Planning & Stewardship Committee and the Communications & Legislation Committee at MET. She also participated in MET's Legislative Coordinators' briefing.

Legislative Affairs (Continued)	Heather coordinated with Glen Farrell, Government Relations Manager for San Diego County Water Authority, to go over their legislative proposals for the 2015 legislative year. One relates to Urban Management Water Plans, specifically changing the submittal years to account for census information. In Sacramento, Heather attended and participated in ACWA's State Legislative Committee meeting. Heather met with Assemblyman Bill Brough and provided a status update on the Doheny Desalination Project. Heather monitored the Governor's State of the State address and prepared a summary for me.

pat meszaros
01/15/14

ITEM NO. 11

INFORMATION CALENDAR

MWDOC GENERAL INFORMATION ITEMS

MWDOC BOARD OF DIRECTORS

- Brett R. Barbre
- Larry D. Dick
- Wayne Osborne
- Joan Finnegan
- Sat Tamaribuchi
- Jeffery M. Thomas
- Susan Hinman

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