

REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
18700 Ward Street, Board Room, Fountain Valley, California  
February 17, 2016, 8:30 a.m.

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**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. 2025**

**CONSENT CALENDAR (Items 1 to 9)**

(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. January 6, 2016 Workshop Board Meeting
- b. January 9, 2016 Special Board Meeting
- c. January 13, 2016 Special Board Meeting
- d. January 20, 2016 Regular Board Meeting

*Recommendation: Approve as presented.*

**2. COMMITTEE MEETING REPORTS**

- a. Planning & Operations Committee: January 4, 2016

- b. Administration & Finance Committee: January 13, 2016
- c. Public Affairs & Legislation Committee: January 18, 2016
- d. Executive Committee Meeting: January 21, 2016
- e. MWDOC/OCWD Joint Planning Committee Meeting: January 27, 2016

*Recommendation: Receive and file as presented.*

**3. TREASURER'S REPORTS**

- a. MWDOC Revenue/Cash Receipt Register as of January 31, 2016
- b. MWDOC Disbursement Registers (January/February)

*Recommendation: Ratify and approve as presented.*

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

*Recommendation: Receive and file as presented.*

**4. FINANCIAL REPORT**

- a. Combined Financial Statements and Budget Comparative for the period ending December 31, 2016
- b. Quarterly Budget Report

*Recommendation: Receive and file as presented.*

**5. APPROVAL OF HOMELAND SECURITY GRANT PROJECT TO PURCHASE FUEL TRAILERS AND GENERATOR QUICK CONNECTIONS**

*Recommendation: Approve staff to proceed with the Homeland Security Grant projects to purchase fuel trailers and generator quick connections. Staff will come back to the Board for any purchase award greater than \$25,000.*

**6. AUTHORIZATION OF PHASE 2 SCOPE OF WORK FOR CDM-SMITH**

*Recommendation: Authorize the General Manager to increase the CDM-Smith Scope of Work by \$131,080, as outlined in the attached DRAFT Scope of Work. This would bring the CDM Authorization to \$425,275 since the beginning of this effort.*

**7. STANDING COMMITTEE AND AD HOC COMMITTEE APPOINTMENTS FOR 2016; SCHEDULE OF COMMITTEE MEETING DATES FOR 2016**

*Recommendation: (1) Ratify the list of Standing Committee and Ad Hoc Committee appointments as presented; and (2) ratify the Committee meeting dates/times for 2016.*



**8. 2015-2016 VALUE OF WATER CHOICE COMMUNICATIONS PLAN**

*Recommendation:* Approve the Orange County Register contract.

**9. 2015-2016 CONSUMER CONFIDENCE REPORTS**

*Recommendation:* Approve the contracting with Stetson Engineering at a cost not to exceed \$35,000 for preparation of the Consumer Confidence Reports for 2016.

– End Consent Calendar –

**ACTION CALENDAR****10-1 ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2016**

**RES. NO. \_\_\_\_\_**

*Recommendation:* (1) Ratify the appointment of representatives and alternates to Associations and Commissions as presented by the President of the Board; and (2) adopt Resolution approving the appointment of one representative and an alternate to the Santiago Aqueduct Commission (SAC), for submission to SAC.

**10-2 APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR 2015-2018 FY GRANT TRANSFER AGREEMENTS FOR HOMELAND SECURITY GRANTS**

**RES. NO. \_\_\_\_\_**

*Recommendation:* Adopt Resolution approving the execution of the 2015 Grant Transfer Agreement with the City of Santa Ana as the Local Urban Area Security Initiative (UASI) Administrator. Staff also recommends the Board give approval to the WEROC Program Manager and the General Manager as designated Authorized Agents for FY 2015-2018 Homeland Security Grants and authority to execute any subsequent agreements related to the Homeland Security Grants. Staff will come back to the Board for a purchase award in the event the award is greater than \$25,000.

**10-3 RESTATEMENT OF MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN AND SUBMISSION TO INTERNAL REVENUE SERVICE**

**RES. NO. \_\_\_\_\_**

*Recommendation:* (1) Adopt Resolution approving the restatement of the Municipal Water District of Orange County Money Purchase Pension Plan ("Plan"), effective January 1, 2016; (2) Authorize the General Manager to execute the restated Plan document;

*(3) Authorize the General Manager to give power of attorney to and instruct Best, Best & Krieger LLP ("BBK") to submit the Plan to the Internal Revenue Service ("IRS") for a determination regarding the Plan's qualified status and pay the required amounts for the filing; and (4) Authorize the General Manager to give power of attorney to and instruct BBK to submit an application under the IRS' voluntary correction program to correct certain required amendments and pay the required amounts for the filing.*

**10-4 AUTHORIZE ATTENDANCE AT CALIFORNIA SPECIAL DISTRICTS ASSOCIATION LEGISLATIVE DAYS, MAY 17-18, 2016, SACRAMENTO**

*Recommendation: Authorize attendance for one staff member and one Board member to attend CSDA's Legislative Days on May 17-18, 2016.*

**10-5 SB 163 (HERTZBERG) – WASTEWATER TREATMENT, RECYLED WATER**

*Recommendation: Adopt a "Support if Amended" position on SB 163 (Hertzberg) asking the author to amend the bill into a study.*

**10-6 AB 1713 (EGGMAN) – SACRAMENTO SAN JOAQUIN DELTA, PERIPHERAL CANAL**

*Recommendation: Vote to "Oppose" AB 1713 (Eggman), sign on to Metropolitan Water District's coalition letter, and send a separate letter to the author and members of the Orange County delegation indicating our opposition.*

**10-7 SB 814 (HILL) – DROUGHT: EXCESSIVE WATER USE: URBAN RETAIL WATER SUPPLIERS**

*Recommendation: Vote to adopt an "Oppose unless Amended" position on SB 814 (Hill).*

**10-8 RESOLUTION FOR EAST ORANGE COUNTY WATER DISTRICT DIRECTOR WILLIAM VANDERWERFF RES. NO. \_\_\_\_\_**

*Recommendation: Adopt a Resolution honoring Director William Vanderwerff for his service to the OC water community.*

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

**11. GENERAL MANAGER'S REPORT, FEBRUARY 2016 (ORAL AND WRITTEN)**

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

**12. 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.*

**ADJOURNMENT**

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

**MINUTES OF THE WORKSHOP BOARD MEETING  
OF THE BOARD OF DIRECTORS OF  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)  
WITH THE MWDOC MET DIRECTORS**  
January 6, 2016

At 8:30 a.m. President Dick called to order the Workshop Board Meeting of the Board of Directors of Municipal Water District of Orange County (MWDOC) at the District facilities located in Fountain Valley. Emerald Bay Service District General Manager Mike Dunbar led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Brett R. Barbre\*  
Larry Dick\*  
Joan Finnegan  
Susan Hinman  
Wayne Osborne  
Sat Tamaribuchi  
Jeffrey M. Thomas

**MWDOC STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Joe Byrne, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Harvey De La Torre, Associate General Mgr.  
Kevin Hostert, Water Resources Analyst  
Jonathan Volzke, Public Affairs Manager  
Joe Berg, Director of Water Use Efficiency  
Melissa Baum-Haley, Sr. Water Resource Analyst

\*Also MWDOC MET Directors

**OTHER MWDOC MET DIRECTORS**

Larry McKenney  
Linda Ackerman

**OTHERS PRESENT**

William Kahn  
Mark Monin  
Mike Dunbar  
Steve LaMar  
Doug Reinhart  
Peer Swan  
Paul Weghorst  
Paul Shoenberger  
Mike Markus  
John Kennedy  
Dennis Erdman  
Rick Erkeneff  
Bill Green  
Andy Brunhart  
Gary Melton  
Kelly Rowe  
Liz Mendelson  
Richard Eglash

El Toro Water District  
El Toro Water District  
Emerald Bay Service District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Mesa Water District  
Orange County Water District  
Orange County Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District  
Water Resources Consultant  
San Diego County Water Authority  
Brady & Associates

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

No items were presented.

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

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

No items were distributed.

**PUBLIC PARTICIPATION/PUBLIC COMMENTS**

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

No comments were received.

**PRESENTATION/DISCUSSION/INFORMATION ITEMS**

**ORANGE COUNTY'S DROUGHT PERFORMANCE – OCTOBER REPORT**

Mr. Harvey De La Torre reported on Orange County's performance under the State Board's mandatory reduction, highlighting that Orange County retail water agencies reported an aggregated water savings of approximately 24% for the month of October 2015 (compared to October 2013 water usage), which exceeded Orange County's conservation target of 22%. Mr. De La Torre also provided information on MET's water storage levels, Orange County's water savings in October and November (along with historical water use information), precipitation levels and forecasts of a possible wet "El Nino" year.

Discussion ensued regarding storage levels in Lake Mead, Diamond Valley Lake, and Lake Powell, allocations (15% from MET and 22% from the State), and the status of surplus water (and how much of that surplus OCWD has taken).

OCWD General Manager Mike Markus fielded questions regarding the groundwater basin, including overdraft amounts, the sea water intrusion barrier, and ways to raise the basin levels.

Mr. Markus noted that OCWD submitted a request to the MWDOC MET Directors asking for them to pursue reinstatement of MET's In Lieu Program. Mr. Hunter advised that a meeting would be held with MET staff regarding this issue, noting that it is important to identify what benefits would be derived by MET if the program were reinstated.

The Board received and filed the report.

**MET'S WATER STORAGE STRATEGY FOR 2016**

Mr. De La Torre reviewed MET's storage strategy for 2016 with the Board, noting that the strategy is to correct imbalances in MET's current storage portfolio. Mr. De La Torre advised that currently one-third of MET's storage is surface, two-thirds is groundwater, and that MET's goal is to increase surface storage (focusing on the State Water Project storage first). Following a brief discussion regarding the State Water Project and subsequent Table A restrictions, the Board received and filed the report.

**METROPOLITAN'S 2015 INTEGRATED RESOURCES PLAN (IRP) – PHASE 2**

Mr. De La Torre provided an overview of MET's IRP update, which will go before the MET Board for action in January. He advised that the update involved a year long process of updating regional data on water supplies and demands, revisions to resource development targets through the year 2040, as well as considering potential risks and challenges impacting the region's water supply reliability.

Mr. De La Torre advised that a number of policy issues and questions remain, such as how (and in what manner) MET creates the diversified portfolio (as identified in the IRP), as well as other policy questions, which necessitate the development of Phase 2 of the IRP process. He provided an overview of Phase 2 (the policy process), with specific emphasis on regional and retail water supply reliability, MET's conservation program and approach to the program, local resources development and MET's regional role, storage management goals and operational framework, and MET's approach to transfers and exchanges.

Following discussion regarding transfers, system reliability (Delta levee and potential for breaks), and the future of conservation rebate programs, the Board received and filed the report as presented.

**MWD ITEMS CRITICAL TO ORANGE COUNTY**

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

The Board received and filed the information as presented.

**OTHER INPUT OR QUESTIONS ON MET ISSUES FROM MEMBER AGENCIES**

ETWD Director William Kahn, asked whether MWDOC received the regulatory engineering report on why the Two Gates project (Bay Delta) was not feasible. Staff noted that it was requested and received (from MET), and would be distributed to those interested.

**METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS**

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

No new information was presented.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 9:30 a.m.

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Maribeth Goldsby  
Board Secretary

MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
January 9, 2016

At 9:18 a.m., President Dick called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors at the Westin Hotel, 686 Anton Blvd., Executive Board Room, 3<sup>rd</sup> Floor, Costa Mesa, California.

**MWDOC DIRECTORS**

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

**STAFF PRESENT**

Robert Hunter, General Manager

**ALSO PRESENT**

No members of the public were present.

**PUBLIC COMMENTS**

No public comments were received.

**CLOSED SESSIONS ITEM**

At 9:20 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 4:14 p.m., and President Dick announced that no reportable action was taken in closed session.

**ADJOURNMENT**

At 4:15 p.m., President Dick adjourned the special meeting.

**Respectfully submitted,**

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Maribeth Goldsby, Secretary



MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
January 13, 2016

At 10:05 a.m., President Dick called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors, Conference Room 101, at the District facilities, 18700 Ward Street, Fountain Valley, 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  
Joe Byrne, Legal Counsel

**ALSO PRESENT**

No members of the public were present.

**PUBLIC COMMENTS**

No public comments were made.

**CLOSED SESSION ITEM**

At 10:06 a.m., the Board adjourned to closed session pursuant to Government Code Section 54956.9(d)(4) for a conference with legal counsel regarding anticipated litigation (one case).

**ANNOUNCEMENTS FROM CLOSED SESSION**

The Board reconvened in open session at 10:55 a.m., and Legal Counsel Byrne 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 10:56 a.m.

**Respectfully submitted,**

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Maribeth Goldsby, Secretary

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
January 20, 2016**

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

**MWDOC DIRECTORS**

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

**STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Joe Byrne, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Cathy Harris, Admin. Services Manager  
Jonathan Volzke, Public Affairs Manager  
Laura Loewen, Public Affairs Assistant

**ALSO PRESENT**

Larry McKenney  
Linda Ackerman  
William Kahn  
Paul Shoenberger  
John Kennedy  
Saundra Jacobs  
Dennis Erdman  
Andy Brunhart  
Gary Melton  
Marc Marcantonio  
Kelly Rowe  
Richard Eglash

MWDOC MET Director  
MWDOC MET Director  
El Toro Water District  
Mesa Water District  
Orange County Water District  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District  
Yorba Linda Water District  
Water Resources Consultant  
Brady & Associates

**PUBLIC PARTICIPATION/PUBLIC COMMENT**

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

No public comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

No items were added to the agenda.

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

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

No items were distributed.

## **CONSENT CALENDAR**

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

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

## **MINUTES**

The following minutes were approved.

November 4, 2015 Workshop Board Meeting (revised)  
December 2, 2015 Adjourned Workshop Board Meeting  
December 16, 2015 Regular Board Meeting

## **COMMITTEE MEETING REPORTS**

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

Planning & Operations Committee Meeting: December 14, 2015  
Administration & Finance Committee Meeting: December 9, 2015  
Public Affairs & Legislation Committee Meeting: December 21, 2015  
Executive Committee Meeting: December 17, 2015

## **TREASURER'S REPORTS**

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of December 31, 2015  
MWDOC Disbursement Registers (December/January)

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 November 30, 2015  
  
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 November 30, 2015

## **MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE**

The Board approved the MWDOC Legislative Policy Principles annual update, as presented.

## **TRI-COUNTY FUNDING AREA COORDINATING COMMITTEE (TCFACC) 2<sup>ND</sup> AMENDMENT FOR SHARING OF FUNDS WITHIN THE SAN DIEGO FUNDING AREA BY THE SOUTH ORANGE COUNTY IRWMP FOR PROPOSITION 1**

The Board authorized the President of the Board to execute the Second Amendment to Memorandum of Understanding for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area, as presented. Approval of the Amendment will provide for approximately \$6.5 million in IRWMP Funding for the South Orange County IRWMP.

## **RATIFY LARRY MCKENNEY'S PARTICIPATION ON THE ACWA LOCAL GOVERNMENT COMMITTEE**

The Board ratified Director Larry McKenney's appointment as Chair of the ACWA Local Government Committee, and directed staff to submit the ACWA Committee Consideration form to ACWA.

## **TRAVEL TO WASHINGTON DC TO COVER FEDERAL INITIATIVES**

The Board received and filed the report as presented.

## **TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES**

The Board received and filed the report as presented.

## **END CONSENT CALENDAR**

## **ACTION CALENDAR**

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

President Dick announced that the Reorganization of the MWDOC Board officers was before the Board for consideration.

Upon MOTION by Director Finnegan, seconded by Director Barbre, and carried (7-0), the Board adopted RESOLUTION NO. 2021 electing Wayne Osborne as President, by the following roll call vote:

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

President Osborne assumed chairmanship of the remainder of the meeting. Director Dick expressed his appreciation to the Board for allowing him to serve as President for two years.

Upon MOTION by Director Thomas, seconded by Director Tamaribuchi, and carried (7-0), the Board adopted RESOLUTION NO. 2022 electing Brett Barbre as Vice President, by the following roll call vote:

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

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

President Osborne announced that the proposal to appoint the District's Secretary, Treasurer(s), and Legal Counsel was before the Board for consideration. Director Barbre, suggested that the firm (Best, Best, & Krieger) be appointed as Legal Counsel, with the point of contact, Joe Byrne.

Upon MOTION by Director Hinman, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 2023 appointing Maribeth Goldsby as Board Secretary, Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, Mary Snow as Alternate Deputy Treasurer, Jeff Stalvey as Alternate Deputy Treasurer, Lina Gunawan as Alternate Deputy Treasurer, and Best, Best & Krieger and Joe Byrne as Legal Counsel, by the following roll call vote:

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

#### **ADOPTION OF RESOLUTION FOR THE DESIGNATION OF APPLICANT AGENT RESOLUTION (CAL OES 130) FOR DISASTER RESPONSE REIMBURSEMENT**

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (7-0), the Board adopted RESOLUTION NO. 2024 designating the General Manager, Assistant General Manager and the WEROC Emergency Manager as authorized agents of the Municipal Water District of Orange County for Cal OES (State of California Governor's Office of Emergency Services) and

FEMA (Federal Emergency Management Agency) public assistance grants. Said RESOLUTION NO. 2024 was adopted by the following roll call vote:

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

## **INFORMATION CALENDAR**

### **GENERAL MANAGER'S REPORT, JANUARY 2016**

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

Mr. Hunter announced that Felicia Marcus would be the featured speaker at the upcoming Water Policy dinner to be held January 22, 2016 at the Westin; he encouraged all to attend. He noted that the evening would be structured as a question/answer period, and Mr. Osborne suggested that questions be submitted (to Tiffany Baca) ahead of time.

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 Hinman reported on attending all MWDOC Board and Committee meetings, a Special Board meeting, the San Juan Basin Authority meeting (January 12), the memorial for Bruce Shearer of Laguna Beach County Water District (January 17), the South Coast Water District Finance Committee meeting, the WACO meeting, and the Women in Water meeting featuring Lisa Bartlett as speaker. She advised she would be attending the upcoming South Orange County Recycled Water Summit, the MWDOC Water Policy dinner, and the OCWA luncheon (later in the day). She suggested the meeting adjourn in memory of Bruce Shearer.

Director Thomas stated that he attended the MWDOC Board meetings, the Special Board meeting, the Public Affairs & Legislation Committee meeting, the Administration & Finance Committee meeting, the East Orange County Water District meeting, and three planning meetings for the OC Water Summit. He noted that he would also be attending the South Orange County Recycled Water Summit.

Director Tamaribuchi noted his attendance at all the MWDOC Committee and Board meetings (with the exception of the Planning & Operations Committee meeting), and the OCBC Infrastructure Committee meeting.

In addition to attending the MWDOC and MET meetings, Director Dick advised he attended a meeting with Mr. Hunter, Brian Thomas, and Fidencio (Feedy) Mares, two Urban Water Institute planning meetings, a meeting with Mayor Mills (Villa Park), and the WACO and WACO Planning meetings.

Director Finnegan noted her attendance at the Administration & Finance, Planning & Operations, and Public Affairs & Legislation Committee meetings, as well as the Board meetings, including the Special Board meeting, and the ISDOC Executive Committee meeting. She noted that the next ISDOC luncheon would be held on January 28<sup>th</sup> and encouraged all to attend. She congratulated both Directors Osborne and Barbre on their elections to President/Vice President.

Director Barbre reported on attending most of the MWDOC and MET regular and meetings, as well as the Colorado River Water Users Association conference, a MET/Palo Verde dinner with Craig Elmore, a meeting with Brenda Berman (MET) regarding inspection trip planning, the WACO meeting, a planning meeting with Heather Baez for the congressional luncheon (to be held in Washington, DC), a legislative trip to Washington, DC, and the Special Board meeting regarding the General Manager's performance evaluation. Mr. Barbre also reported on his legislative activities, noting he attended a meeting with Brad Hiltsher on MET legislative issues, a meeting with Brad Hiltsher, Jim Barker, Thane Young, and Drew Tatum, and a meeting with Jason Larrabee of Congressman Denham's office. He announced that he submitted a list of legislative names of people he met with during his Washington DC legislative/lobbying trip (to Secretary Goldsby), and asked that both the General Manager's Report and the Public Affairs & Legislative Report be revised to correctly reflect these names.

Director Osborne reported on attending the Board and Committee meetings, as well as the OC Water Summit planning meetings, and the WACO meeting.

## **ADJOURNMENT**

There being no further business to come before the Board, President Osborne adjourned the meeting at 8:51 a.m., in memory of Bruce Shearer of Laguna Beach County Water District.

Respectfully submitted,

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Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Jointly with the  
**PLANNING & OPERATION COMMITTEE**  
December 14, 2016 - 8:30 a.m. to 8:50 a.m.  
MWDOC Conference Room 101

**P&O Committee:**

Director Wayne Osborne  
Director Brett Barbre  
Director Susan Hinman

**Staff:**

Robert Hunter, Karl Seckel, Kelly Hubbard,  
Harvey De La Torre, Katie Davanaugh,  
Jonathan Volzke, Joe Berg, Hilary Chumpitazi

**Also Present:**

Director Joan Finnegan  
Director Larry Dick  
Linda Ackerman, MWDOC MET Director  
Paul Weghorst, Irvine Ranch Water District

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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**

No Items were distributed.

**ACTION ITEMS**

**ADOPTION OF RESOLUTION FOR THE DESIGNATION OF APPLICANT AGENT  
RESOLUTION (CAL OES 130) FOR DISASTER RESPONSE REIMBURSEMENT**

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the Committee recommended approval of the Resolution for the Designation of Applicant Agent (CAL OES 130) for disaster response reimbursement at the January 20, 2016 Board meeting. Directors Osborne, Barbre and Hinman all voted in favor.

Director Osborne inquired who the reimbursement recipient would be with Ms. Hubbard responding that this would be to allow the MWDOC General Manager, Assistant General Manager and WEROC Emergency Manager to apply for reimbursement in the event of emergency response efforts by MWDOC were required.



**TRI-COUNTY FUNDING AREA COORDINATING COMMITTEE (TCFACC) 2<sup>ND</sup>  
AMENDMENT FOR SHARING OF FUNDS WITHIN THE SAN DIEGO FUNDING  
AREA BY THE SOUTH ORANGE COUNTY IRWMP FOR PROPOSITION 1**

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the Committee recommended approval of the Amendment for Sharing of Funds within the San Diego Funding Area by the South Orange County IRWMP for Proposition 1. Directors Osborne, Barbre and Hinman all voted in favor.

Director Hinman noted an anticipated increase in population in the Santa Margarita area with Mr. Seckel responding that the study did not include projections beyond the one-time study period for Proposition 1 funding. She expressed concern for agencies within her District boundaries with Mr. Seckel responding that south county agencies in that region have not expressed concern.

**DISCUSSION ITEMS**

**STATUS UPDATE ON THE OC WATER RELIABILITY STUDY**

Mr. Seckel noted that upcoming meetings are scheduled for January 4<sup>th</sup> and 21<sup>st</sup> to continue workshop discussions. The Committee reviewed the meeting schedule and listing of topics to be covered during those meetings. Director Hinman inquired which topic in the previous meetings were most important with Mr. Seckel noting that significant discussion was held on the California Water Fix and emergency provisions and emergency response efforts along with fuel trailer use and storage.

**INFORMATION ITEMS**

**STATUS REPORTS**

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

Susan Hinman inquired about the status of the Doheny Desal project moving forward. Mr. Hunter reported that the South Coast Water District will move forward with the project and no other agencies will be participating and the test well will be removed.

Mr. Seckel noted that work with the Orange County Reliability Study continues.

Susan Hinman requested a presentation on the Urban Water Management Plan, when timing is appropriate.

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

Mr. Volkze reported that the Value of Water campaign will be launched, where participating member agencies will be placing an editorial page in the Orange County register, noting articles of interest to increase water awareness.

**ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 8:50 a.m.

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
Jointly with the **ADMINISTRATION & FINANCE (A&F) COMMITTEE**  
January 13, 2016 – 8:30 a.m. to 10:00 a.m.  
MWDOC Conference Room 101

**Committee Members:**

Director Jeff Thomas, Chair  
Director Joan Finnegan  
Director Wayne Osborne

**Staff:**

Rob Hunter, Karl Seckel, Harvey De La Torre,  
Cathy Harris, Joe Berg, Melissa Baum-Haley,  
Andrew Kanzler, Joe Berg, Katie Davanaugh,  
Hilary Chumpitazi

**Also Present:**

Director Susan Hinman  
Director Brett Barbre  
Director Sat Tamaribuchi  
Director Larry Dick  
Larry McKenney, MWDOC MET Director  
Andrew Hamilton, Mesa Water  
Liz Mendelson, San Diego County Water Authority  
Joe Byrne, MWDOC legal counsel (BBK)  
Mark Monin, El Toro Water District  
Doug Reinhardt, Irvine Ranch Water District  
Sanjay Gaur, Raftelis Consulting  
Steve Gagnon, Raftelis Consulting

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

**PUBLIC COMMENTS**

Mr. Berg introduced Andrew Kanzler who joined the District as a Water Use Efficiency Program Coordinator and is a landscape architect by training and also teaches a sustainability course through Cal Poly Pomona.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

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

No items were distributed.

**PRESENTATION**

**PRESENTATION BY RAFTELIS REGARDING RATE STUDY KICKOFF**

Mr. Sanjay Gaur, introduced himself, as well as Steve Gagnon, from Raftelis, who will be conducting the District's Rate Study. Messrs. Gaur and Gagnon reviewed the Raftelis objectives, rate study process, proposed schedule and topics, guiding principles, rate

calculation and cost of service process, rate workshop timeline and review of MWDOC's services and benefits to its member agencies, Mr. Gagnon reviewed the guiding principles which includes 1) fairness/equity, 2) legal compliance, 3) maintaining revenue stability, 4) minimizing administrative complexity, as reviewed and placed in order of priority by the Committee. MWDOC's legal counsel will be included in the review process. The "core vs choice" aspect of the agreement with member agencies will be taken into consideration during this process as well. Mr. Hunter pointed out that the purpose of the study is to make sure the rates are legal, and to review equity among the member agencies, noting that the rates may or may not change. The purpose of the study is not intended to change rates. Relative to the cost of service, Raftelis will conduct a thorough review and assessment of core and choice services to determine if the benefits of each program are appropriately aligned to the rate(s) that they propose, taking into consideration, number of meters by agency, population, water use, number of hydraulically equivalent meters by agency, Metropolitan's rates, value of MWDOC's services and other factors. A series of rate workshops will be held to discuss present rates and rate impacts.

The Committee held discussion about messaging and how to best relay the final report to the member agency managers and elected officials. Mr. Hunter noted that the elected officials meetings is scheduled for spring 2016 at which time the Raftelis report will be discussed to determine the impact to member agencies.

Mr. Gaur welcomed input from the Board members during the Rate Study process.

### **PROPOSED BOARD CONSENT CALENDAR ITEMS**

#### **TREASURER'S REPORT**

- a. Revenue/Cash Receipt Report – December 2015
- b. Disbursement Approval Report for the month of January 2016
- c. Disbursement Ratification Report for the month of December 2015
- d. GM Approved Disbursement Report for the month of December 2015
- e. Water Use Efficiency Projects Cash Flow – December 31, 2015
- f. Consolidated Summary of Cash and Investment – November 2015
- g. OPEB Trust Fund monthly statement

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Treasurer's Report for approval at the January 20, 2016 Board meeting. Directors Thomas, Finnegan and Osborne all voted in favor.

Attention was called to the election expense, noting that four seats will be open in November for election.

#### **FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the period ending November 30, 2015**

Upon MOTION by Director Osborne, seconded by Director Thomas, and carried (3-0), the Committee recommended the Financial Report for approval at the January 20, 2016 Board meeting. Directors Thomas, Finnegan and Osborne all voted in favor.

**ACTION ITEM****RATIFY LARRY MCKENNEY'S PARTICIPATION ON THE ACWA LOCAL GOVERNMENT COMMITTEE**

Upon MOTION by Director Finnegan, seconded by Director Thomas, and carried (3-0), the Committee recommended the Larry McKenney's Participation on the ACWA Local Government Committee for approval at the January 20, 2016 Board meeting. Directors Thomas, Finnegan and Osborne all voted in favor.

It was noted that MWDOC staff member Heather Baez was not appointed to the ACWA State Legislative Committee.

**INFORMATION ITEMS****FY 2016-17 BUDGET SCHEDULE**

Director Thomas noted that the schedule was a very helpful resource.

**CALPERS ANNUAL VALUATION**

The Committee held discussion on the plan's unfunded liability and projected employer contribution rates, as well as the District's other post-employment benefits (OPEB) liability, noting that the District currently has a trust account set up so that the OPEB liability is fully funded in the near future. Discussion was also held on whether there was a benefit to make additional contributions to bring the current funding level higher for CalPERS. Director Barbre recommended maintaining the minimum annual requirement as he does not believe there is a benefit to made additional contributions.

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

It was noted that the recent rain has slightly improved the water supply numbers, bringing them to just above average. The January rain in Orange County will be reported in next month's report. The rain in northern California has certainly improved the snow pack levels. Director Tamaribuchi requested that report on Lake Mead levels (page 108 of 114) be updated.

**DEPARTMENT ACTIVITIES REPORTS**

- a. Administration
- b. Finance and Information Technology

The reports were received and filed without discussion.

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

Mr. Hunter reported that the District will be issuing W-9's to turf removal rebate applicants.

**ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 10:00 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**

January 18, 2016 - 8:30 a.m. to 10:05 a.m.

MWDOC Conference Room 101

**Committee:**

Director Brett Barbre, Chair  
Director Sat Tamaribuchi  
Director Susan Hinman

**Staff:**

Robert Hunter, Karl Seckel, Heather Baez,  
Tiffany Baca, Laura Loewen, Jonathan Volzke,  
Pat Meszaros

**Also Present:**

Larry Dick, MWDOC President  
Wayne Osborne, MWDOC Director  
Joan Finnegan, MWDOC Director  
Jeff Thomas, MWDOC Director  
Linda Ackerman, MWDOC MET Director  
Larry McKenney, MWDOC MET Director  
Dick Ackerman, Ackerman Consulting  
John Lewis, Lewis Consulting  
Matt Holder, Lewis Consulting  
Syrus Devers, BBK  
Steve LaMar, IRWD  
Jim Leach, SMWD  
Zeshaan Youmus, Discovery Cube  
Christine Compton, IRWD

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

**PUBLIC PARTICIPATION**

No items were presented.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

Determine need and take action to agendize items(s) which arose subsequent to the posting of the Agenda.

No items were presented.

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

No items were presented.

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

Director Hinman inquired about the drought bill and the “staffer error” that Mr. Barker alluded to in his report. Director Barbre responded that the negotiated deal between the CA House Republicans and Senator Feinstein was prepared for the Appropriations Committee in order to be inserted into the “must pass” Omnibus Bill when an Appropriations Committee staffer inadvertently labeled it the McCarthy/Feinstein bill. Senator Feinstein took offense to that labeling because she had not yet discussed it with Senator Boxer and the House Democrats. Director Barbre noted that with regard to the IRS Tax implications on water conservation programs, including the turf removal program, Senator Feinstein never produced any language that could have been utilized to fix this. In February, the House has one more shot. Mr. Hunter noted that we will be sending W9s by month end to our turf removal program participants.

**b. State Legislative Report (BBK)**

Mr. Syrus Devers of BBK began by stating that he had included in his report two bills of interest, SB163 (Hertzberg) and SB 814 (Hill), and would provide an analysis and recommendation in his next report, if the Board so desires. For SB 814, Mr. Devers would like the Board’s direction on what actions would be appropriate for MWDOC to take in its representative role for its member agencies.

Mr. Devers announced a speakership change--Anthony Rendon was elected to become the next Speaker on March 7. It’s been a cooperative transition and has been in the works for four months.

Because a MWDOC member agency is involved, Mr. Devers reported that there is an Assembly Select Committee on Water Consumption and Alternative Sources on January 20 to consider options for water reuse and recycling. OCWD, MET and San Diego are on the same panel and will be presenting at that meeting.

The deadline to get bills introduced is February 19. Since Mr. Devers prepared his report, 32 new bills were introduced that touch on water which means that we’ll be tracking a lot of bills this year.

A lot of the buzz in Sacramento has been on the budget. Mr. Devers stated that the main feature of the Governor’s budget concerns allocation of \$533 million Prop 1 funds.

Lastly, Mr. Devers reported that on Friday, January 15, the State Board released its revised draft emergency regulations which extend the current regulations to October 2016. As proposed, the draft regulation would allow urban water suppliers that qualify to apply for an adjustment of no more than 8% to their individual state-imposed conservation target. The climate adjustment, where applicable, could reduce a supplier’s target by up to 4% for suppliers located in warmer regions of the state. The number one issue is that the State Board



is not acknowledging the significant investments made in various supply sources and in water use efficiency.

Discussion ensued on the Hertzberg bill and Director Barbre stated that the Committee is in favor of receiving an analysis and recommendation in order to take a position on Hertzberg's bill.

**c. County Legislative Report (Lewis)**

Mr. John Lewis noted that there's been a changing of the guard at the County of Orange, Board of Supervisors, with Lisa Bartlett becoming the new Board chair. More interesting is that Michelle Steele is the Vice Chairman. This will be a really important year for her because she has not yet gained the confidence of the majority of her colleagues and it will be interesting to see if this will follow the normal succession plan with her stepping up to the Chairman position. John Moorlach might get challenged by Don Wagner, although there's been a huge move afoot by people who don't like Todd Spitzer to lobby Don Wagner to switch races and challenge Todd Spitzer instead. As part of that strategy, people who don't like Todd Spitzer are rushing out early endorsements for John Moorlach. OC Taxpayers Association endorsed John Moorlach. With regard to County Board appointments, Director Dick would like an interim report from Mr. Lewis rather than waiting for next month.

In other news, Mr. Lewis reported that Anaheim's City Council voted to go along with the Mayor's proposal, the adoption of the district maps in Anaheim put forth by panel of judges. Also, the Council switched positions to allow the most Hispanic district in Anaheim to hold their election in 2016 instead of 2018. There was a lot of community uproar on this issue.

**d. Legal and Regulatory Report (Ackerman)**

Mr. Dick Ackerman reported that the new Speaker, Anthony Rendon, has a good relationship with CAL State Fullerton as he got his undergraduate degree there. This will be helpful for Orange County. Lastly, Mr. Ackerman reported that the public works coalition will be starting up again this month or next for CEQA Reform and we will continue to push on that.

**SOUTHERN CALIFORNIA WATER ISSUES CONGRESSIONAL  
DELEGATION BRIEFING LUNCHEON (DC)**

Ms. Heather Baez reported that we're on schedule and that she and Director Barbre secured a new room for the luncheon—it's still in the basement but in a much better location. It's well laid out for our needs—reception tables, a coatroom, and benches along the wall for those who choose to go in and out. We have secured Chairman Record as MC for the event and we've talked to quite a few offices to encourage their attendance. Director Barbre stated that last Friday, he had lunch with Washington reps from our partners in the D.C. luncheon and they've pledged to deliver their members and staffs.

**ACTION ITEMS****TRAVEL TO WASHINGTON, DC TO COVER FEDERAL INITIATIVES**

Upon general consent, the Committee recommended this item be presented to the Board for approval on January 20, 2016.

**TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES**

Upon general consent, the Committee recommended this item be presented to the Board for approval on January 20, 2016.

**INFORMATION ITEMS****UPDATE ON THE TRANSFER OF ORANGE COUNTY SANITATION DISTRICT AREA 7**

The report was received and filed.

**UPDATE ON POTENTIAL CONSOLIDATION OF SAN JUAN CAPISTRANO UTILITIES**

Director Hinman asked that staff let her know who the City chooses for a consultant.

**UPDATE ON WATER SUMMIT (MAY 20, 2016)**

Director Dick asked that legal counsel check and get back with us regarding gifts of public funds with regard to the two complimentary tickets each city will receive. Mr. Hunter noted that it is important enough to get that audience to the Summit even if we fund it. Director Hinman asked for clarification of "Death of a Water District" to which Mr. Volzke responded that it's a book written by an interim general manager of a public utility district which raised its rates dramatically and the consequences of that action and lessons learned.

**PUBLIC AFFAIRS ACTIVITIES REPORT  
UPDATE ON 2016 HIGH SCHOOL PROGRAM**

The reports were received and filed.

**OTHER ITEMS****REVIEW ISSUES RELATED TO LEGISLATION, OUTREACH, PUBLIC INFORMATION ISSUES, AND MET**

Mr. Hunter reported that he accompanied Director McKenney on a State Water Project trip over the weekend with members of the Orange County Grand Jury who focused quickly on one issue—there are so few people who live in the Delta—how are they so effective? How does northern California do such a good job? Mr. Hunter stated that it's because they focus their politicians and we need to motivate the entire delegation from Southern California. Mr. Hunter reported that in MWDOC's budget this year, there will be a much more focused plan for

public/governmental affairs on how we will drive this issue.

Mr. Seckel announced that Mr. Roger Patterson of MET will present at WACO on February 5 to address these issues. Mr. Seckel is preparing a list of questions which we'd like answered.

### **ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 10:05 a.m.

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
jointly with the  
**EXECUTIVE COMMITTEE**  
January 21, 2016, 8:30 a.m. to 9:35 a.m.  
Conference Room 102

**Committee:**

Director Osborne, President  
Director Barbre, Vice President  
Director Dick

**Staff:**

R. Hunter, M. Goldsby

**Also Present:**

Director Tamaribuchi  
Director Hinman  
Director Finnegan  
Liz Mendelson, SDCWA

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

**PUBLIC PARTICIPATION**

No public comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

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

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

**EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS**

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

a. MWDOC/OCWD Joint Planning Committee

Committee discussed the status of the OC Water Summit, the status of allocations, and whether there is potential for MET to reestablish its In Lieu Program.

b. Planning & Operations Committee

Discussion was held regarding the proposed fuel trailers (WEROC grant), and the emergency drought regulations.

c. Administration & Finance Committee

No new information was added to the agenda.

d. Public Affairs & Legislation Committee

The Committee discussed the directories prepared by MWDOC and ISDOC, as well as SB 143 (Hertzberg), and the High School Program. Director Dick asked that staff provide a detailed explanation/description on how the high school program is implemented at the next Public Affairs & Legislation Committee meeting.

e. Executive Committee

No new items were added to the agenda.

### **DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE**

No new information was presented.

### **MEMBER AGENCY RELATIONS**

Mr. Hunter advised that the next meeting with the South County agencies would be February 16, 2016 and that it will be noticed as a Board meeting so that all Board members may attend. It was noted that the agenda for this meeting would be distributed to the Board once finalized.

Mr. Hunter noted that the next Elected Officials Forum would be held on Thursday, April 7, 2016.

Director Barbre commented on water rates issues relating to Proposition 218, noting that Kelly Salt from Best, Best & Krieger is an expert in the field; he suggested member agencies contact her if help is needed. Discussion ensued regarding lawsuits involving Yorba Linda Water District's rates, and a comparison with lawsuits involving San Juan Capistrano and San Clemente.

(Director Dick left the meeting at 9:30 a.m.)

### **GENERAL MANAGER'S REPORTS**

Mr. Hunter reported that pursuant to the Board's request to have the District's property appraised every three years, the recent appraisal valued the building at \$1.290 million (as compared to the last appraisal of \$835,000). Mr. Hunter advised that staff is evaluating alternatives for reconfiguring the office for the most effective use of space.

### **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 9:35 a.m.

**MEETING REPORT**

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

January 27, 2016 - 8:30 a.m.  
MWDOC Conference Room 101

**MWDOC DIRECTORS**

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

**OCWD DIRECTORS**

Shawn Dewane  
Phil Anthony  
Roger Yoh (absent)  
Dina Nguyen  
Denis Bilodeau  
Roman Reyna (absent)  
Jan Flory (absent)  
Harry Sidhu (absent)  
Steve Sheldon  
Cathy Green

**MWDOC STAFF**

Rob Hunter  
Karl Seckel  
Pat Meszaros  
Harvey De La Torre  
Kevin Hostert  
Cathy Harris  
Melissa Baum-Haley

**OCWD STAFF**

Mike Markus  
John Kennedy

**ALSO PRESENT**

Peer Swan  
Paul Cook  
Paul Weghorst  
Paul Shoenberger  
Liz Mendelson Goossens  
Merle Moshieri  
Debbie Cook  
Kelly Rowe

Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Mesa Water District  
San Diego County Water Authority  
R4R9

Water Resources Consultant

MWDOC President Wayne Osborne chaired the meeting.

**PUBLIC COMMENTS**

No public comments were received.

**ORANGE COUNTY WATER SUMMIT**

Mr. Hunter reported that the MWDOC/OCWD ad hoc committee has been meeting. The hotel contract with the Westin Hotel will be finalized tomorrow. We've had contacts with A/V companies and contacts with authors. One is the author of "Let There Be Water," the

Israeli water turn-around story and the second is “Death of a Water Utility,” a short story about a small California water utility which got into deep financial problems. Design materials and invitations are in progress.

### **IMPORTED WATER ISSUES – MWD WATER SUPPLY UPDATE AND ALLOCATION**

MWDOC Associate General Manager Harvey De La Torre updated the Boards regarding MET’s water supply. The presentation illustrated Orange County’s performance under the drought restrictions (we’re at 24% presently), allocation levels, average monthly water savings for the area, and precipitation data (we’ve exceeded 2013-14). Snowpack is better than precipitation but still at average. He provided an overview of El Nino conditions and stated that the El Nino effect is expected later—in February/March.

Considerable discussion ensued on the conditions of key reservoirs with particular emphasis on San Luis Reservoir. Director Osborne inquired whether we are storing water in San Luis Reservoir to which Director Barbre responded that Mr. Roger Patterson of MET reported yesterday that MET lost 160,000 acre feet this year because of fisheries’ decisions that could have been put in San Luis Reservoir. Also, that in February, the Colorado River will be shut down and we will have no imported water coming in from CRA or SWP so we’re trying to keep Lake Mathews full. Director Barbre also stated that the CRA is shut down every year in February for maintenance and that it continues to operate flawlessly because we spend so much time and money on that system. Should there be an emergency, the pumps could be started up again in 24 hours.

### **GROUNDWATER ISSUES**

OCWD General Manager Mike Markus reported that they just received engineering reports that, as of July 2015, the overdraft in the groundwater basin is 381,000 acre feet which is what they projected. This year they are projecting an additional 10,000 acre feet if everything remains the same. This winter, they’ve been able to work with the Army Corps of Engineers on a feasibility study to gain additional storage. The study, which would provide the basis for longer term variances, should be completed in October 2017. They were successful to get a minor deviation for additional storage this winter. There was only one significant storm and they captured about 8,000 additional acre feet. Mr. Markus then referred to the handout which is put out on the Corps website and shows water levels. All basins are filled with the exception of Kramer and Santiago. President Cathy Green and Mr. Markus met at Prado last week with Major General Jackson, Brigadier General Toy, and General Briggs of the Army Corps of Engineers, Congressman Ken Calvert, Bureau of Reclamation Supervisor Bill Steele, and representatives from Fish & Wildlife and Flood Control Districts. They were able to pitch their study to the Congressman and the Corps officials.

### **MWDOC ORANGE COUNTY WATER RELIABILITY STUDY**

MWDOC Assistant General Manager Karl Seckel, presented information on the OC Water Reliability Study and interim Phase 1 results. Since his update to this Committee in October, Mr. Seckel reported that Phase 1 has been completed. In December, we circulated technical memoranda and held four workshops with good attendance at all of them. It’s a collaborative process with 20 agencies attending the 3-hour workshops. He



stated that there's a revised scope of work for Phase 2 so we're moving ahead. The Phase 1 GAP analysis assumed no new projects. The purpose of Phase 2 is to start adding those projects in, which may be MET, MWDOC or OC projects. MET rates will be looked at in Phase 2 with and without a CA fix. Through the workgroup process, we will look at MET and MET member agency projects to see how they affect overall reliability.

Mr. Seckel discussed South OC demands and supplies; six scenarios for OC Modeling (1a, 2a, 3a, (with no WaterFix), and 1b, 2b, 3b (with WaterFix) and the Supply GAP findings in graph format. He discussed the Phase 2 approach which will add likely MET and MET member agency IRP projects; re-run OC Model scenario 2 and examine resulting GAPS; structure potential OC Projects into portfolios to demonstrate how GAPS could be met; outline relative cost effectiveness of portfolios; and assist agencies in the decision-making process. Mr. Seckel noted that Phase 2 will improve understanding of our imported reliability and how local projects relate to our overall reliability; economic information on the costs of reliability, both through MET rates and local investments; technical, financial and qualitative information for decision-makers; and a model that can be used to test and analyze additional issues as they arise.

### **BUILDING IMPROVEMENTS REPAIR STATUS**

Mr. Markus announced that the building renovations will begin in mid-February. Foyer/reception area/restrooms in foyer and MWDOC restrooms will begin February 12 and complete mid-March. Boardroom/C3/Other Restrooms in MWDOC building to start March 17 until April 5. The Contractor will be working nights and some weekends. We have a good contractor who's worked for us before.

### **MET LA COUNTY INDIRECT POTABLE REUSE PROJECT**

Mr. Hunter reported that MET's Board authorized \$14 million for a pilot plant in Carson which will run for the next 12--18 months and approved as well a financial business plan analysis.

### **MWD IN-LIEU STORAGE PROGRAM**

### **CHANGING THE MWD WATER SUPPLY ALLOCATION PLAN FOR UNTREATED FULL SERVICE WATER**

Mr. Hunter reported that we've had a series of meetings—OCWD/MWDOC/MET; MWDOC/3 Cities; OCWD/3 Cities—and all parties are working together well and have developed some strategies to move this forward. Mr. Markus agreed with Mr. Hunter and noted that it will take some time. He also reiterated that our goal in this is that during allocation, water sold to groundwater basins wouldn't be subject to different rules.

### **NEXT COMMITTEE MEETING**

April 27, 2016

**2016 MEETING DATES** - April 27, 2016  
July 27, 2016  
October 26, 2016

**OTHER**

Mr. Hunter stated that MET's 2-year budget schedule is beginning and they will release the preliminary budget next week. We continue to hear the range of 3 to 5%. MWDOC is looking at its rate structure and we kicked off this effort with Raftelis at the last managers' meeting. We're looking at equity issues and whether the rates are fair.

Mr. Hunter informed the Boards that Mr. Gary Breaux, CFO of MET, will be speaking at MWDOC's Joint Workshop with MET Directors on February 3.

There being no further business to come before the Committee, the meeting adjourned at 9:34 a.m.

**Municipal Water District of Orange County  
REVENUE / CASH RECEIPT REPORT  
January 2016**

**WATER REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
01/08/16	City of San Clemente	November 2015 Water deliveries	527,379.73
01/11/16	City of Seal Beach	November 2015 Water deliveries	10,559.73
01/11/16	El Toro Water District	November 2015 Water deliveries	537,423.92
01/11/16	South Coast Water District	November 2015 Water deliveries	399,051.05
01/12/16	East Orange County Water District	November 2015 Water deliveries	303,842.67
01/12/16	City of Garden Grove	November 2015 Water deliveries	556,027.58
01/13/16	Santiago Aqueduct Commission	November 2015 Water deliveries	115,236.00
01/13/16	City of Westminster	November 2015 Water deliveries	185,959.63
01/14/16	Laguna Beach County Water District	November 2015 Water deliveries	283,782.04
01/14/16	City of Orange	November 2015 Water deliveries	384,129.12
01/15/16	Santa Margarita Water District	November 2015 Water deliveries	1,841,546.37
01/15/16	Orange County Water District	November 2015 Water deliveries	3,308,646.57
01/15/16	Trabuco Canyon Water District	November 2015 Water deliveries	18,155.68
01/15/16	City of Newport Beach	November 2015 Water deliveries	224,310.96
01/15/16	Irvine Ranch Water District	November 2015 Water deliveries	752,359.35
01/15/16	Moulton Niguel Water District	November 2015 Water deliveries	1,919,931.07
01/15/16	Yorba Linda Water District	November 2015 Water deliveries	546,348.60
01/15/16	Golden State Water Company	November 2015 Water deliveries	344,660.48
01/15/16	Mesa Water	November 2015 Water deliveries	53,753.60
01/25/16	City of San Juan Capistrano	December 2015 Water deliveries	271,492.95
01/29/16	Trabuco Canyon Water District	December 2015 Water deliveries	18,155.68
01/29/16	City of Huntington Beach	December 2015 Water deliveries	192,427.90
01/29/16	City of San Clemente	December 2015 Water deliveries	498,232.40
01/29/16	City of Brea	December 2015 Water deliveries	86,325.91

**TOTAL REVENUES \$ 13,379,738.99**

**Municipal Water District of Orange County**  
**REVENUE / CASH RECEIPT REPORT**  
**January 2016**

**MISCELLANEOUS REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
01/11/16	Best, Best & Krieger	1/22/16 Water Policy dinner	80.00
01/19/16	Buena Park	1/22/16 Water Policy dinner	320.00
01/19/16	Seal Beach	1/22/16 Water Policy dinner	160.00
01/21/16	Cucamonga Valley Water District	1/22/16 Water Policy dinner	80.00
01/25/16	Cash	1/22/16 Water Policy dinner	260.00
01/25/16	5 Checks	1/22/16 Water Policy dinner	485.00
01/25/16	Joey Soto	1/22/16 Water Policy dinner	80.00
01/25/16	Laguna Beach County Water District	1/22/16 Water Policy dinner	640.00
01/27/16	Lewis Consulting	1/22/16 Water Policy dinner	90.00
01/27/16	City of Laguna Woods	1/22/16 Water policy dinner	80.00
01/27/16	Santa Margarita Water District	1/22/16 Water policy dinner	640.00
01/28/16	Paypal	1/22/16 Water Policy dinner	4,969.53
01/28/16	Paypal	ISDOC Registrations	392.66
01/19/16	Joan Finnegan	Oct-Dec 2015 Director's Insurance contribution	330.00
01/19/16	Susan Hinman	Oct-Dec 2015 Director's Insurance contribution	320.73
01/04/16	Phil Letrong	Jan-Mar 2016 Retiree insurance premium	87.57
01/21/16	Judy Pfister	Jan-Mar 2016 Retiree insurance premium	103.05
01/21/16	Lee Jacobi	Jan-Dec 2016 Retiree insurance premium	350.28
01/11/16	3 Checks	Movie tickets	272.00
01/25/16	Judy Rae Karlsen	Movie tickets	17.00
01/29/16	County of Orange	Reimbursement for CESA Annual Training & Conference - Kelly Hubbard and Brandon Stock	3,535.25
01/25/16	City of Fountain Valley	Disaster Cost Recovery Training registration	125.00
01/29/16	Darcy Burke	February 2016 COBRA Insurance premium	1,293.82
01/07/16	Bureau of Reclamation	Final Report Water Efficient Site Certification and Smart Timer rebate program	51,543.38
01/19/16	City of Buena Park	FY 15-16 Choice Programs Billing Invoice	27,425.89
01/21/16	Irvine Ranch Water District	FY 15-16 Choice Programs Billing Invoice	164,499.90
01/22/16	City of Tustin	FY 15-16 Choice Programs Billing Invoice	32,778.91
01/29/16	City of Huntington Beach	FY 15-16 Choice Programs Billing Invoice	87,352.56
01/27/16	Irvine Ranch Water District	Jul-Aug 2015 Smart Timer rebate program	2,367.16
01/04/16	El Toro Water District	November 2015 Smart Timer rebate program	75.00
01/08/16	City of Huntington Beach	November 2015 Smart Timer rebate program	234.98
01/11/16	City of Orange	November 2015 Smart Timer rebate program	4,721.79
01/11/16	Serrano Water District	November 2015 Smart Timer rebate program	19.96
01/13/16	City of Westminster	November 2015 Smart Timer rebate program	75.00
01/15/16	City of Fullerton	November 2015 Smart Timer rebate program	70.92
01/15/16	Trabuco Canyon Water District	November 2015 Smart Timer rebate program	75.00
01/19/16	City of Fountain Valley	November 2015 Smart Timer rebate program	75.00
01/19/16	South Coast Water District	November 2015 Smart Timer rebate program	150.00
01/25/16	Mesa Water	November 2015 Smart Timer rebate program	756.24
01/12/16	City of Newport Beach	September 2015 Turf Removal rebate program	2,004.36
01/04/16	Golden State Water Company	October 2015 Turf Removal rebate program	3,885.00
01/14/16	City of Garden Grove	October 2015 Turf Removal rebate program	1,778.48
01/21/16	Irvine Ranch Water District	October 2015 Turf Removal rebate program	4,749.52
01/07/16	Laguna Beach County Water District	November 2015 Turf Removal rebate program	10,556.64
01/21/16	City of La Habra	November 2015 Turf Removal rebate program	194.00
01/25/16	City of San Juan Capistrano	November 2015 Turf Removal rebate program	1,978.22
01/22/16	City of San Clemente	June 2015 Smart Timer and Turf Removal rebate program	4,353.25
01/12/16	City of Newport Beach	August 2015 Smart Timer and Turf Removal rebate program	4,456.23
01/04/16	Golden State Water Company	November 2015 Smart Timer and Turf Removal rebate program	5,386.40
01/14/16	City of Garden Grove	November 2015 Smart Timer and Turf Removal rebate program	1,653.30
01/15/16	City of Brea	November 2015 Smart Timer and Turf Removal rebate program	1,120.00
01/19/16	City of Buena Park	November 2015 Smart Timer and Turf Removal rebate program	1,508.00
01/19/16	Yorba Linda Water District	November 2015 Smart Timer and Turf Removal rebate program	1,066.93
01/29/16	City of Tustin	November 2015 Smart Timer and Turf Removal rebate program	12,815.67
01/21/16	Santa Margarita Water District	November 2015 Smart Timer and Rotating Nozzle rebate program	1,321.43
01/11/16	Moulton Niguel Water District	November 2015 Smart Timer, Rotating Nozzle & Turf Removal rebate program	194,700.53

**Municipal Water District of Orange County**  
**REVENUE / CASH RECEIPT REPORT**  
**January 2016**

**MISCELLANEOUS REVENUES**

Date	From	Description	Amount
01/19/16	Moulton Niguel Water District	July 2015 So Cal Watersmart Residential rebate program	62,265.00
01/21/16	Irvine Ranch Water District	Sep-Oct 2015 So Cal Watersmart Residential rebate program	125,902.74
01/19/16	El Toro Water District	November 2015 So Cal Watersmart Residential rebate program	200.00
01/25/16	Golden State Water Company	November 2015 So Cal Watersmart Residential rebate program	550.00
01/25/16	Moulton Niguel Water District	November 2015 So Cal Watersmart Residential rebate program	14,380.95
01/27/16	Irvine Ranch Water District	November 2015 So Cal Watersmart Residential rebate program	14,236.40
01/27/16	Santa Margarita Water District	November 2015 So Cal Watersmart Residential rebate program	2,950.00
01/29/16	Trabuco Canyon Water District	November 2015 So Cal Watersmart Residential rebate program	750.00
01/13/16	Irvine Ranch Water District	November 2015 So Cal Watersmart Commercial rebate program	53,600.00
01/13/16	Irvine Ranch Water District	October 2015 Landscape Performance Certification program	900.00
01/11/16	Department of Water Resources	May-Jul 2015 OWOW Invoice #4	4,226.25
01/25/16	City of Fountain Valley	2015 Urban Water Management Plan Contract - Arcadis	42,370.00
01/22/16	City of Fullerton	WEROC Funding for FY 2015-2016	10,777.00
01/25/16	Orange County Sanitation District	WEROC Funding for FY 2015-2016	27,795.00
01/25/16	SOCWA	WEROC Funding for FY 2015-2016	10,777.00
01/27/16	Orange County Water District	WEROC Funding for FY 2015-2016	70,904.00

TOTAL MISCELLANEOUS REVENUES \$ 1,083,045.88

TOTAL REVENUES \$ 14,462,784.87



Robert J. Hunter, General Manager



Hilary Chumplitazi, Treasurer

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of February 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Core Expenditures:</b>		
	<b>Richard Ackerman</b>	
1094	January 2016 Legal consulting on water policy issues	1,800.00
	*** Total ***	1,800.00
	<b>Aleshire &amp; Wynder LLP</b>	
36202	January 2016 Legal services	519.79
	*** Total ***	519.79
	<b>ALTA FoodCraft</b>	
515121915	12/28/15 Coffee & tea supplies	316.26
	*** Total ***	316.26
	<b>Arcadis US, Inc.</b>	
0763834	December 2015 Services for development of Urban Water Management plan	64,453.16
	*** Total ***	64,453.16
	<b>Awards &amp; Trophies</b>	
13923	Etching for 1/22/16 Water Policy Dinner speaker gift	30.00
	*** Total ***	30.00
	<b>Best Best and Krieger LLP</b>	
55401-DEC15	11/24/15-12/31/15 Legal services	14,266.18
	*** Total ***	14,266.18
	<b>California Special District Association</b>	
352-2016	2016 Annual membership renewal	6,089.00
	*** Total ***	6,089.00
	<b>Carl Markham Signs &amp; Graphics</b>	
14-178	Re-letter 6 plaques	103.36
	*** Total ***	103.36
	<b>CDM Smith</b>	
80544523/13	11/29/15-1/2/16 Engineering services for Water Reliability Investigation	24,049.50
	*** Total ***	24,049.50
	<b>CommunicationsLAB</b>	
10233_16	Videography services for 1/22/16 Water Policy Dinner	1,135.00
	*** Total ***	1,135.00
	<b>CSU Fullerton ASC</b>	
AR164894	3rd Quarter FY 15/16 CDR Support	9,934.88
	*** Total ***	9,934.88

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of February 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Finley &amp; Cook</i></b>	
SI0013535	January 2016 Software enhancement services	555.00
	*** Total ***	555.00
	<b><i>Immersiv Media, Inc.</i></b>	
-017(MWDOC2015)	January-March 2016 Website hosting and maintenance	525.00
	*** Total ***	525.00
	<b><i>Independent Special Dist of OC</i></b>	
2016	2016 Annual membership renewal	200.00
012816-JAN16	January 2016 PayPal receipts for 1/28/16 meeting	392.66
012816	1/28/16 Meeting registration for Directors Barbre, Finnegan and Osborne	51.00
	*** Total ***	643.66
	<b><i>James C. Barker, P.C.</i></b>	
105-0116	January 2016 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<b><i>Lewis Consulting Group, LLC</i></b>	
2016-105	January 2016 Consulting services	4,312.50
	*** Total ***	4,312.50
	<b><i>Edward G. Means III</i></b>	
MWDOC-1035	December 2015-January 2016 Support on MET issues and strategic guidance to Engineering department	312.50
	*** Total ***	312.50
	<b><i>Office Solutions</i></b>	
I-00890000	1/11/16 Office supplies	774.99
I-00892214	1/14/16 Office supplies	6.48
I-00894650	1/14/16 Office supplies	70.19
I-00893627	1/15/16 Office supplies	119.05
I-00897567	1/22/16 Office supplies	78.36
I-00901946	1/29/16 Office supplies	596.05
I-00903690	2/3/16 Office supplies	513.00
	*** Total ***	2,158.12
	<b><i>Orange County Fast Print</i></b>	
52235	1,000 Business card printed M. Baum-Haley and A. Kanzler	108.00
52250	1,000 Business card printed Directors Dick and Osborne	108.00
	*** Total ***	216.00
	<b><i>Orange County Water District</i></b>	
15838	December 2015 50% of WACO expenses	230.49
15867	December 2015 Postage, shared office and maintenance expense	8,436.49
	*** Total ***	8,666.98

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of February 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Patricia Kennedy Inc.</i></b>	
20699	February 2016 Plant maintenance	214.00
	*** Total ***	214.00
	<b><i>Petty Cash</i></b>	
0131/16	November 2015-January 2016 Petty Cash reimbursement	164.94
	*** Total ***	164.94
	<b><i>Raftelis Financial Consultants</i></b>	
OCCA1512-01.	December 2015 Services for Rate Study	2,900.00
	*** Total ***	2,900.00
	<b><i>Top Hat Productions</i></b>	
91280	1/21/2016 Lunch for Managers' Reliability Workgroup meeting	451.98
	*** Total ***	451.98
	<b><i>The Westin South Coast Plaza</i></b>	
18553-010916	1/9/16 Special offsite Board meeting facility and food	1,900.48
MA22AA-012216	1/22/16 Water Policy Dinner banquet facilities	15,994.19
	*** Total ***	17,894.67
	<b><i>Total Core Expenditures</i></b>	<hr/> 169,712.48

***Choice Expenditures:***

	<b><i>Chambers Group Inc.</i></b>	
30403	December 2015 Baseline environmental monitoring for Doheny Ocean Desal project	2,742.75
30469	January 2016 Baseline environmental monitoring for Doheny Ocean Desal project	9,073.50
	*** Total ***	11,816.25
	<b><i>Orange County Dept. of Education</i></b>	
94JI2436	August-December 2015 Water Education High School program	40,000.00
	*** Total ***	40,000.00
	<b><i>Orange County Register</i></b>	
0061990003-DEC15	December 2015 Value of Water page for 2 weeks	12,000.00
	*** Total ***	12,000.00
	<b><i>Top Hat Productions</i></b>	
91321	2/4/16 Lunch for Water Use Efficiency Workgroup meeting	532.44
	*** Total ***	532.44
	<b><i>Total Choice Expenditures</i></b>	<hr/> 64,348.69



**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of February 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Other Funds Expenditures:</b>		
	<b><i>AquaFicient Consulting</i></b>	
03-004	November 2015 Landscape Performance Certification program funded by IRWD & MET	1,800.00
	*** Total ***	1,800.00
	<b><i>El Toro Water District</i></b>	
ETWD-006-009	June-September 2015 United Mutual-Laguna Woods Village Toilet Replacement program-727 HETs	62,993.38
	*** Total ***	62,993.38
	<b><i>Laguna Beach County Water District</i></b>	
LB151601	September 2015-January 2016 Rain Barrel Distribution program	4,500.00
	*** Total ***	4,500.00
	<b><i>Mission RCD</i></b>	
1922	December 2015 Field verifications for Water Use Efficiency rebate programs	30,035.04
	*** Total ***	30,035.04
	<b><i>Raymond Riordan</i></b>	
011916	March 2014-June 2015 Reimbursement for CalWARN web hosting	450.00
	*** Total ***	450.00
	<b><i>Total Other Funds Expenditures</i></b>	<hr/> 99,778.42
	<b><i>Total Expenditures</i></b>	<hr/> <hr/> 333,839.59

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of January 2016**

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
<b>Core Disbursements:</b>				
<b>131324</b>	<b>1/12/16</b>	<b>TIMEWA</b>	<b>Time Warner Cable</b>	
		5210-JAN16	January 2016 Telephone and internet expense	1,280.33
		3564-JAN16	January 2016 Telephone expense for 4 analog fax lines	143.30
			***Total ***	1,423.63
<b>131325</b>	<b>1/12/16</b>	<b>VERIZO</b>	<b>Verizon Wireless</b>	
		9757762667	December 2015 4G Mobile broadband unlimited service	76.02
			***Total ***	76.02
<b>131326</b>	<b>1/15/16</b>	<b>ACKEEX</b>	<b>Linda Ackerman</b>	
		123115	December 2015 Business expense	32.20
			***Total ***	32.20
<b>131329</b>	<b>1/15/16</b>	<b>C3OFFI</b>	<b>C3 Office Solutions LLC</b>	
		INV46190	January 2016 Canon copier maintenance	262.13
			***Total ***	262.13
<b>131331</b>	<b>1/15/16</b>	<b>DELAGE</b>	<b>De Lage Landen Public Finance</b>	
		48312752	January 2016 Canon copier lease	509.00
			***Total ***	509.00
<b>131333</b>	<b>1/15/16</b>	<b>HOMED1</b>	<b>Home Depot Credit Services</b>	
		7785-DEC15	12/18/15 Office supplies	87.48
			***Total ***	87.48
<b>131335</b>	<b>1/15/16</b>	<b>IRONMO</b>	<b>Iron Mountain</b>	
		MDP5423	January 2016 Storage/retrieval of archived document	447.31
			***Total ***	447.31
<b>131336</b>	<b>1/15/16</b>	<b>LYONKE</b>	<b>Keith Lyon</b>	
		123115	November 2015 Business expense	29.79
			***Total ***	29.79
<b>131338</b>	<b>1/15/16</b>	<b>OSBORN</b>	<b>Wayne S. Osborne</b>	
		123115	December 2015 Business expense	221.20
			***Total ***	221.20
<b>131349</b>	<b>1/15/16</b>	<b>TAMARI</b>	<b>Satoru Tamaribuchi</b>	
		123115	December 2015 Business expense	235.79
			***Total ***	235.79
<b>131352</b>	<b>1/15/16</b>	<b>VOLZKE</b>	<b>Jonathan Volzke</b>	
		122115	November-December 2015 Business expense	159.41
			***Total ***	159.41

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of January 2016**

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
<b>ACH001819</b>	<b>1/15/16</b>	<b>BERGJO</b>	<b>Joseph Berg</b>	
		123115	December 2015 Business expense	83.07
			***Total ***	83.07
<b>ACH001820</b>	<b>1/15/16</b>	<b>CHUMPI</b>	<b>Hilary Chumpitazi</b>	
		123115	December 2015 Business expense	132.78
			***Total ***	132.78
<b>ACH001821</b>	<b>1/15/16</b>	<b>DICKEX</b>	<b>Larry Dick</b>	
		123115	December 2015 Business expense	111.58
			***Total ***	111.58
<b>ACH001823</b>	<b>1/15/16</b>	<b>FINNEG</b>	<b>Joan Finnegan</b>	
		123115	December 2015 Business expense	66.70
			***Total ***	66.70
<b>ACH001826</b>	<b>1/15/16</b>	<b>HINMAN</b>	<b>Susan Hinman</b>	
		123115	December 2015 Business expense	326.92
			***Total ***	326.92
<b>131888</b>	<b>1/29/16</b>	<b>C3OFFI</b>	<b>C3 Office Solutions LLC</b>	
		INV46353	Canon staple cartridge type G1	169.84
			***Total ***	169.84
<b>131897</b>	<b>1/29/16</b>	<b>USBANK</b>	<b>U.S. Bank</b>	
		5783/6533-DEC15	11/23/15-12/22/15 Cal Card charges	6,843.70
			***Total ***	6,843.70
			(See attached sheet for details)	
<b>ACH001840</b>	<b>1/29/16</b>	<b>BACATI</b>	<b>Tiffany Baca</b>	
		011616	December 2015-January 2016 Business expense	174.65
			***Total ***	174.65
<b>ACH001843</b>	<b>1/29/16</b>	<b>LOEWEN</b>	<b>Laura Loewen</b>	
		010616	January 2016 Business expense	15.66
			***Total ***	15.66
<b>ACH001845</b>	<b>1/29/16</b>	<b>THOMAS</b>	<b>Jeffery Thomas</b>	
		123115	December 2015 Business expense	195.50
			***Total ***	195.50
<b>Total Core Disbursements</b>				<b>11,604.36</b>

**Municipal Water District of Orange County**  
**Disbursement Ratification Report**  
**For the month of January 2016**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
<b>Choice Disbursements:</b>				
131896	1/29/16	SDGE 49159257768-JAN16	<b>San Diego Gas and Electric</b> 12/20/15-1/20/16 Electrical service for Doheny Ocean Desal project ***Total ***	202.49    202.49
131897	1/29/16	USBANK 5783-DEC15	<b>U.S. Bank</b> 11/24/15-12/22/15 Cal Card charges ***Total *** (See attached sheet for details)	104.16  104.16
<b>Total Choice Disbursements</b>				<b>306.65</b>
<b>Other Funds Disbursements:</b>				
131323	1/12/16	ATTEOC 8200-DEC15 4492-DEC15 0532-DEC15	<b>AT&amp;T</b> December 2015 WEROC N. EOC telephone expense December 2015 WEROC S. EOC telephone expense December 2015 WEROC N. EOC dedicated phone line ***Total ***	179.46 244.84 64.19 488.49
131328	1/15/16	ATTUVEOC 8599-JAN16	<b>AT&amp;T</b> January 2016 WEROC N. EOC U-verse internet service ***Total ***	45.00 45.00
131340	1/15/16	DRIPPR S2D-IRWD-3810	<b>Spray to Drip Program</b> J. Long	350.00
131341	1/15/16	S2D-MNWD-3717	D. McElhaney	454.80
131342	1/15/16	S2D-MNWD-3082	D. Fletcher	681.40
131343	1/15/16	S2D-MNWD-3791	M. Shore	175.60
131344	1/15/16	S2D-SMWD-3749	S. Day	186.18
131345	1/15/16	S2D-SMWD-3786	C. Hammer	135.97
131346	1/15/16	S2DC-NBCH-2030	St. Michael's All Angels Church (Corona Del Mar)	7,644.65
131347	1/15/16	S2DC-SCWD-4261	Lantern Bay Villas (Dana Point) ***Total ***	719.70 10,348.30
ACH001819	1/15/16	BERGJO 123115	<b>Joseph Berg</b> December 2015 Business expense ***Total ***	4.50 4.50
ACH001837	1/15/16	STOCKB 123115	<b>Brandon Stock</b> December 2015 Business expense ***Total ***	94.24 94.24

**Municipal Water District of Orange County**  
**Disbursement Ratification Report**  
**For the month of January 2016**

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
	<b>1/20/16</b>	<b>TURFRP</b>	<b>Turf Removal Program</b>	
131354		TR5W-LH-4071	K. La Counte	628.00
131355		TR5W-ETWD-4030	D. Hewko	920.00
131356		TR6-YLWD-6504-20401	J. LaCommare	1,004.00
131357		TR5W-GSWC-4596	J. Jung	912.00
131358		TR5W-MNT-5459	M. Shiang	7,285.00
131359		TR5W-MNT-4259	J. Chevallier	2,400.00
131360		TR6-SC-7614-2919	S. Parker	1,416.00
131361		TR5W-MNT-5966	P. Brown	5,240.00
131362		TR5W-MNT-4543	Ventana at Tustin Ranch HOA (Tustin Ranch)	5,730.00
131363		TR5W-GSWC-5447	F. O'Reilly	6,854.00
131364		TR6-SWD-8744-18131	W. Berberich	640.00
			***Total ***	33,029.00
	<b>1/21/16</b>	<b>TURFRP</b>	<b>Turf Removal Program</b>	
131365		TR5W-BREA-5350	P. Stewart	3,370.00
131366		TR5W-BREA-5900	S. Stephens	1,546.00
131367		TR6-BREA-6507-301	P. Lo	1,156.00
131368		TR6-BREA-8753-280	N. Farris	940.00
131369		TR5W-BP-4179	S. Porteneuve	1,855.14
131370		TR5W-BP-4732	H. Pooni	6,144.00
131371		TR5-FV-026	M. Lacy	2,742.00
131372		TR6-FV-8885-10417	T. Nguyen	1,188.00
131373		TR5W-GG-3471	D. Blair	3,040.17
131374		TR5W-GG-6054	R. Arens	3,450.00
131375		TR6-GG-8064-12542	H. Bui	1,780.00
131376		TR5W-HB-5518	J. Lane	396.00
131377		TR6-HB-7589-214	S. Stephan	780.00
131378		TR6-HB-8670-7615	S. White	1,376.00
131379		TR6-LH-6567-311	R. Poppin	2,864.00
131380		TR5-O-087	R. Kent	1,940.00
131381		TR5-O-092	E. Archibald	1,476.00
131382		TR5-O-094	J. Munger	2,514.00
131383		TR5W-O-3515	L. Bishop	4,100.00
131384		TR5W-O-4087	W. Alvord	920.00
131385		TR5W-O-4479	B. Tanner	880.00
131386		TR5W-O-4536	K. Meredith	2,794.00
131387		TR5W-O-5286	D. Hershfield	2,258.00
131388		TR5W-O-5285	C. Brant	2,824.00
131389		TR5W-O-5501	F. or L. Ramirez	6,848.00
131390		TR5W-O-5969	D. Helsel	2,248.00
131391		TR6-O--16780	R. Glaze	1,558.00
131392		TR6-O-8112-2315	R. MacDonald	830.00
131393		TR5W-SC-4485	F. Tavassol Kashani	1,708.00
131394		TR5W-SC-6011	P. Onken	534.00
131395		TR6-SB-6199-4564	S. Torbati	760.00
131396		TR6-SB-6508-3560	K. Tran	3,560.00
131397		TR5W-TUST-4609	L. Do	4,102.00
131398		TR6-TUST-6595-1201	B. Tran	4,554.00

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131399	1/21/16	TR6-TUST-8695-310	M. Demoratz	7,683.00
131400		TR5W-WEST-5927	J. Hill	872.00
131401		TR6-WEST-8956-5111	B. Boden	3,380.00
131402		TR5W-GSWC-4013	J. Tuchscher	1,488.00
131403		TR6-GSWC-6919-12061	G. Conlisk	226.34
131404		TR6-GSWC-7169-9879	V. Wendelstadt	756.00
131405		TR6-GSWC-8294-10455	I. Clark	2,466.00
131406		TR5W-IRWD-4042D	UC Regents (Irvine)	21,000.00
131407		TR5W-IRWD-4771	UC Regents (Irvine)	68,023.00
131408		TR5W-IRWD-4571	J. Wilkinson	1,600.00
131409		TR5W-IRWD-4949	W. Cuevas	1,168.00
131410		TR5W-IRWD-5252	C. Courtney	4,438.00
131411		TR5W-IRWD-5484	M. Pickrel	1,006.00
131412		TR5W-IRWD-5677	N. Iriye	1,240.00
131413		TR6-IRWD-7733-24836	J. Mucha	2,022.00
131414		TR6-IRWD-8723-13	M. Neben	914.00
131415		TR6-IRWD-8764-6	B. Chang	652.00
131416		TR6-IRWD-8856-25311	R. Ferrer	2,422.00
131417		TR6-IRWD-9104-22025	P. Olson	2,552.00
131418		TR5-LB-031	H. Reiss	1,974.00
131419		TR5W-BREA-3857B	C. Thorum	219.47
131420		TR5W-LB-5034	T. Dearing	1,868.99
131421		TR6-LB-6704-229	J. Herdman	1,728.00
131422		TR5W-MNT-3567	MCM LLC (Laguna Niguel)	61,390.00
131423		TR5-MNT-247	J. DiMaria	12,050.00
131424		TR5-MNT-251	W. and M. McGinley	8,960.00
131425		TR5-MNT-263	G. Hicks	6,310.00
131426		TR5W-MNT-3850	R. Covarrubias	6,356.00
131427		TR5W-MNT-4034	S. Azarkia	6,372.50
131428		TR5W-MNT-4045	B. Nickell	1,560.00
131429		TR5W-MNT-4047D	T. Rakow	2,120.00
131430		TR5W-MNT-4198	Z. Foster	3,885.00
131431		TR5W-MNT-4603	K. Chelf	16,590.00
131432		TR5W-MNT-5001	H. Ortiz	3,923.50
131433		TR5W-MNT-5118	B. Farahmand	1,520.00
131434		TR5W-MNT-5652	D. Upton	9,615.00
131435		TR5W-MNT-5683	T. Chow	7,990.00
131436		TR5W-MNT-5749	D. Lockwood	3,700.00
131437		TR5W-MNT-5910	N. Kneizeh	2,576.00
131438		TR5W-MNT-5992	R. Meissner	2,950.00
131439		TR6-MNT-6121-29422	J. Lovegreen	3,900.00
131440		TR6-MNT-6155-25122	J. Portnoff Tullis	17,073.00
131441		TR6-MNT-6225-24311	R. Parada	1,295.00
131442		TR6-MNT-6392-3	G. Maeda	1,380.00
131443		TR6-MNT-6802-24002	K. O'Reilly	5,810.00
131444		TR6-MNT-6910-18	M. Dejong	2,055.00
131445		TR6-MNT-7047-24801	H. Abrams	5,180.00
131446		TR6-MNT-7343-25362	G. Hopkins	4,825.00
131447		TR6-MNT-8974-26402	B. Knudson	1,655.00

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131448	1/21/16	TR6-SM-6242-11	L.F. Maintenance Corp (Rancho Santa Margarita)	4,200.00
131449		TR6-SM-7572-28	Coto De Caza Terrace HOA (Coto De Caza)	6,729.00
131450		TR6-SM-7580-20	Coto De Caza Terrace HOA (Coto De Caza)	6,020.00
131451		TR6-SM-7584-2	Coto De Caza Terrace HOA (Coto De Caza)	10,500.00
131452		TR6-SM-7590-2	Coto De Caza Terrace HOA (Coto De Caza)	3,794.00
131453		TR5W-SM-4008	N. Douglass	2,876.00
131454		TR5W-SM-4963	R. Lieber	1,366.00
131455		TR6-SM-10372-17	C. Barrie	560.00
131456		TR6-SM-10564-38	B. Bieker	1,278.00
131457		TR6-SM-6313-26	G. Sherman	774.00
131458		TR6-SM-6337-68	B. Constable	1,060.00
131459		TR6-SM-7490-2	A. Butler	3,416.00
131460		TR6-SM-7980-15	J. Kim	2,464.00
131461		TR6-SM-9190-22	D. Vyas	2,410.00
131462		TR6-SM-9351-1	G. Addy	2,302.00
131463		TR6-SM-9666-10	J. Lindblad	2,472.00
131464		TR6-SM-9683-43	S. Spellman	454.00
131465		TR5W-TC-4071	C. Dodge	2,400.00
131466		TR5W-TC-4730	M. Cordova	1,205.64
131467		TR6-TC-7592-32692	R. Hatter	1,450.00
131468		TR6-TC-9625-32831	M. Rode	2,240.00
131469		TR5W-YLWD-4050	D. Harvey	806.00
131470		TR5W-YLWD-5920	L. Tamres	6,000.00
131471		TR5W-YLWD-4760	R. Baudisch	6,574.00
131472		TR6-YLWD-10075-17480	G. DeLand	1,170.00
131473		TR6-YLWD-6092-20320	A. Hurly	5,926.00
131474		TR6-YLWD-7256-3475	W. Amend	318.50
131475		TR6-YLWD-7411-5690	J. Brewer	1,926.88
131476		TR6-YLWD-7925-27160	T. Copenhaver	2,378.00
131477		TR6-YLWD-8581-4751	D. Gilmour	4,320.00
131478		TR5W-BREA-3340	Suzuki Motor of America (Brea)	597,520.00
131479		TR6-BREA-9792-226	D. Hole	3,324.00
131480		TR5W-BP-5021	G. Shroff	600.00
131481		TR5W-BP-5360	R. StPaul	1,222.87
131482		TR5W-GSWC-3198	G. Bickel	1,090.00
131483		TR5W-GSWC-5619	M. Lewis	1,800.00
131484		TR5W-GSWC-5671	W. Mackay	1,624.23
131485		TR6-GSWC-8551-8198	B. Villa	2,662.00
131486		TR5W-GG-5861	J. Michael	358.00
131487		TR6-GG-8098-13151	B. Dorr	2,214.00
131488		TR6-HB-6485-21081	J. Hamilton	820.00
131489		TR6-TC-6423-9060	Robinson Ranch Community Association (Irvine)	10,000.00
131490		TR5W-LP-4475	M. Miller	572.00
131491		TR5W-O-4112	Technical Screen Printing Inc. (Orange)	1,338.00
131492		TR5-O-085	C. Summo	1,722.00
131493		TR5W-O-5740	M. Huizar	2,110.00
131494		TR6-O-8105-4644	M. Rowe	1,062.00
131495		TR6-SC-10172-319	T. Lee	552.00
131496		TR5W-TUST-4236	R. McPherson	3,447.00

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131497	1/21/16	TR5W-TUST-4540	B. Greenberg	7,984.00
131498		TR6-TUST-9789-14921	S. Lawson	2,478.00
131499		TR5W-WEST-5892	H. Huynh	6,000.00
131500		TR5W-IRWD-5550	K. Batey	1,210.00
131501		TR5W-IRWD-5901	H. Hotchkiss	858.00
131502		TR6-IRWD-10310-12835	K. Musitelli	680.00
131503		TR6-IRWD-10503-24861	J. Richert	782.00
131504		TR6-IRWD-10637-2202	A. Peters	1,684.00
131505		TR6-IRWD-7306-1	D. Verdecia	2,727.00
131506		TR6-IRWD-8420-2933	F. Foroutan	660.00
131507		TR6-IRWD-8726-11680	P. Tan	944.00
131508		TR6-LB-10226-737	F. Burch	900.00
131509		TR5W-MNT-4979	City of Laguna Niguel	73,060.00
131510		TR6-MNT-10439-24000	General Service Administration (Laguna Niguel)	54,982.00
131511		TR5W-MNT-4413	P. Scofield	11,897.00
131512		TR5W-MNT-4446	K. Hans	2,352.00
131513		TR5W-MNT-5143	J. Buckley	1,540.00
131514		TR6-MNT-10306-26371	D. Duke	2,710.00
131515		TR6-MNT-6963-35	M. Nelson	2,285.00
131516		TR6-MNT-7454-24101	W. Chattleton	1,556.00
131517		TR6-MNT-7694-29491	M. Bernstein	2,755.00
131518		TR6-MNT-9158-9	S. Baillargeon	1,670.00
131519		TR5-SM-211	D. Boyd	1,354.00
131520		TR5-SM-215	A. Carter	594.00
131521		TR5W-SM-3329	Three Vines Neighborhood Corporation (Ladera Ranch)	13,580.00
131522		TR5W-SM-4793	L. Perko	3,554.00
131523		TR5W-SM-5777	B. Coleman	922.00
131524		TR5W-SM-6028	G. Wodark	1,100.00
131525		TR5W-SM-6255-2	G. Torres	6,000.00
131526		TR6-SM-9488-27575	J. Farber	1,750.00
131527		TR6-SM-9612-5	C. McGrew	524.00
131528		TR6-SM-9634-31981	C. Mcmillan Tol	1,502.00
131529		TR6-SWD-6782-18362	H. Selway	6,000.00
131530		TR5W-SOCO-5169	G. Wall	2,380.00
131531		TR6-SOCO-7322-22902	M. Joyce	1,752.00
131532		TR6-YLWD-7729-5352	D. Smith	2,780.00
131533		TR6-YLWD-8946-1701	E. Farrell	1,516.00
131534		TR6-YLWD-9547-5967	W. Culver	904.00
131535		TR6-SWD-8627-9650	Martinique Maintenance HOA (Villa Park)	4,403.00
131536		TR5W-MESA-3295	N. Batarseh	1,704.00
131537		TR5W-MESA-3777	R. Lee	3,798.00
131538		TR5W-MESA-4136	S. Martin	1,254.00
131539		TR6-MESA-6849-3116	D. Thompson	1,360.00
131540		TR5W-BREA-5593	R. Franz	2,200.00
131541		TR5W-BP-5071	B. Owens	5,356.00
131542		TR5W-FV-5489	A. Plotkin	2,062.00
131543		TR6-FV-9819-9791	A. Petit	3,764.00
131544		TR5W-GG-4923	C. and V. Rocke	1,280.00
131545		TR6-GG-6737-13112	M. Pham	5,330.00



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131546	1/21/16	TR6-HB-6609-7846	M. McAllister	825.00
131547		TR6-HB-6616-7923	M. McAllister	1,665.00
131548		TR6-HB-8165-19545	G. Lieberman	1,536.00
131549		TR6-HB-9571-6271	M. Buksa	1,402.00
131550		TR6-LH-7830-731	T. Ward	1,650.00
131551		TR6-NWPT-8245-235	J. Greene	1,126.00
131552		TR5W-O-4088	W. Bassett	2,512.00
131553		TR5W-O-4232	L. Kay	2,476.00
131554		TR5W-O-4877	B. Sargeant	1,096.00
131555		TR6-O-8756-1026	S. Vit	2,228.00
131556		TR5W-SC-4914	J. Churko	678.00
131557		TR6-SC-9304-140	T. Dean	576.00
131558		TR6-SJC-9877-32005	San Juan Hills East Block 1 HOA (San Juan Capistrano)	6,410.00
131559		TR6-SJC-8038-25501	A. Jones	1,098.00
131560		TR6-WEST-7768-5342	B. Curtis	1,672.00
131561		TR5W-GSWC-4093	A. Kylmanen	2,658.00
131562		TR5W-GSWC-4126	L. Itano	1,064.00
131563		TR5W-GSWC-5821	L. Oakes	1,184.00
131564		TR6-GSWC-10531-2107	J. Morris	1,218.00
131565		TR6-GSWC-6395-3212	R. Finkle	2,970.00
131566		TR6-GSWC-7086-6125	P. Jay	710.00
131567		TR6-GSWC-7407-11161	H. Rosenberg	2,302.00
131568		TR6-GSWC-7576-2219	L. Pritchett	1,742.00
131569		TR6-GSWC-8134-9931	D. Turner	1,646.00
131570		TR6-GSWC-8389-2008	A. Hwang	2,790.00
131571		TR6-GSWC-9244-1036	S. Hernandez	2,044.00
131572		TR6-GSWC-9747-1740	P. Tohill	3,166.00
131573		TR6-IRWD-9112-22541	N. Schaefer	1,564.00
131574		TR5W-LB-5320	N. Brox	4,863.00
131575		TR6-MESA-8138-458	S. Nguyen	2,990.00
131576		TR6-MESA-8984-3120	C. Wright	2,868.00
131577		TR6-MNT-8796-1	City of Mission Viejo	4,570.50
131578		TR6-MNT-8799-1	City of Mission Viejo	2,716.00
131579		TR5W-MNT-4002	R. Ito	1,057.00
131580		TR5W-MNT-4652	J. Gallin	1,764.00
131581		TR5W-MNT-4701	B. Harris	3,361.00
131582		TR5W-MNT-5223	S. Kingslien	9,869.00
131583		TR6-MNT-7712-28851	B. Sehler	5,140.00
131584		TR6-MNT-7983-23	M. Winger	490.00
131585		TR6-MNT-8015-21	K. Rudel	655.00
131586		TR6-MNT-8759-25092	T. Lyon	3,935.00
131587		TR5W-SM-4782	D. Trojan	1,062.00
131588		TR5W-SM-5338	K. Volpe	1,452.00
131589		TR5W-SM-5993	J. Scott	804.00
131590		TR6-SM-6853-25171	L. Habibabadi	1,838.00
131591		TR6-SM-9709-19	C. Scanlon	1,444.00
131592		TR6-SM-9934-77	T. Gibbs	1,122.00
131593		TR5W-SOCO-5294	D. Bellavia	1,894.00
131594		TR6-SOCO-7743-33312	P. Gillon	1,644.00

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131595	1/21/16	TR6-SOCO-9354-33891	V. Germann	984.00
131596		TR5W-YLWD-5915	M. Stewart	2,246.00
131597		TR6-YLWD-7603-4131	T. Miles	584.00
			***Total ***	1,505,000.73
	1/26/16	<b>TURFRP</b>	<b>Turf Removal Program</b>	
131598		TR6-BREA-9523-932	L. Tasselli	1,978.00
131599		TR5-BREA-036	K. Palmer	2,232.00
131600		TR6-BREA-8336-712	D. Cooper	2,400.00
131601		TR6-BREA-9370-1365	M. Cookman	2,448.00
131602		TR6-BREA-10347-1250	L. Brew	2,500.00
131603		TR6-BREA-7605-812	J. Amster	2,398.00
131604		TR5-HB-130	D. Nguyen	280.00
131605		TR5W-HB-3369	J. Vertican	10,042.00
131606		TR5W-HB-4207	D. Merrill	4,840.00
131607		TR5W-HB-5187	D. Saylor	563.91
131608		TR5W-HB-5811	D. Penso	500.00
131609		TR6-HB-10363-7221	D. Keller	2,974.00
131610		TR6-HB-10377-16351	B. Ngo	1,214.00
131611		TR6-HB-6578-8811	M. Currie	4,472.00
131612		TR6-HB-6676-6521	C. Verity	3,000.00
131613		TR6-HB-7845-10121	F. Escobar	4,942.00
131614		TR6-HB-8114-6121	D. Cappetta	2,118.00
131615		TR6-HB-8575-14952	A. Luhrsen	3,158.00
131616		TR6-HB-8808-17471	K. Shimmel	1,618.00
131617		TR6-HB-9558-10131	J. Carter	1,196.00
131618		TR6-LP-7961-8021	D. Chavarin	1,356.00
131619		TR6-LP-7964-8002	L. Ricarte	3,202.00
131620		TR5W-O-4059	T. Phung	146.00
131621		TR5W-O-4113	R. Koenig	2,174.00
131622		TR5W-O-4396	S. Chabay	4,182.00
131623		TR5W-O-4839	R. Gresenz	1,120.00
131624		TR6-O-6975-2144	R. Clem	1,982.00
131625		TR6-O-8188-169	R. Byers	1,600.00
131626		TR6-O-8192-2643	C. Underwood	2,952.00
131627		TR5-SC-118	T. Csenar	2,408.00
131628		TR6-SC-7370-156	E. Oxford	1,330.00
131629		TR5-SJC-062	M. Mayes	2,638.00
131630		TR5W-SJC-5348	R. Ross	3,878.00
131631		TR6-SJC-9040-31681	K. Bertuzzi	3,150.00
131632		TR6-SB-7451-625	M. Berro	900.00
131633		TR6-SB-7546-1120	P. Kearney	3,436.00
131634		TR6-TUST-6547-14292	T. Barbee	2,478.00
131635		TR6-TUST-7461-440	E. Thrash	6,081.00
131636		TR6-TUST-9152-13451	G. Bray	5,823.00
131637		TR6-WEST-7105-9932	N. Nguyen	1,092.00
131638		TR5W-ETWD-5843	B. McKinstry	2,362.00
131639		TR5W-GSWC-4580	C. Cano	2,754.00
131640		TR6-GSWC-6535-6097	N. McGill	964.00

**Municipal Water District of Orange County  
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<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
131641	1/26/16	TR6-GSWC-7319-4291	N. Carpenter	1,046.00
131642		TR6-GSWC-8486-10431	T. Chou	5,512.00
131643		TR5W-IRWD-3162	D. Look	1,500.00
131644		TR5W-IRWD-4220	J. Gargus	738.00
131645		TR5W-IRWD-4809	K. Hassenplug	594.00
131646		TR5W-IRWD-5490	L. Spencer	1,856.00
131647		TR5W-IRWD-5686	K. Maier	1,658.00
131648		TR5W-IRWD-5938	S. Riggs	2,302.00
131649		TR6-IRWD-10065-108	L. Black	706.00
131650		TR6-IRWD-10645-2351	M. Mai	2,298.00
131651		TR6-IRWD-6139-25212	D. Gilbert	1,320.00
131652		TR6-IRWD-6345-9	A. Lang	2,398.00
131653		TR6-IRWD-7213-10	M. Tang	589.91
131654		TR6-IRWD-7573-260	J. Megonigal	1,320.00
131655		TR6-IRWD-8439-17	B. Bhattacharyya	2,586.00
131656		TR6-IRWD-8522-21555	B. Roa	1,168.00
131657		TR6-IRWD-8604-28392	M. Rosenthal	1,048.00
131658		TR6-IRWD-9129-22881	J. Owyang	2,760.00
131659		TR6-IRWD-9861-21431	B. Corlett	1,048.00
131660		TR7-IRWD-11157-22232	J. Hetrick	896.00
131661		TR7-IRWD-11298-15305	B. Evans	844.00
131662		TR6-LB-6477-20481	P. Curran	1,962.00
131663		TR6-LB-7453-1197	M. Marquez	1,620.00
131664		TR6-MESA-8845-2256	G. McIlroy	2,624.00
131665		TR5W-MNT-3672	Nellie Gail Ranch HOA (Laguna Hills)	15,100.00
131666		TR5W-MNT-3674	Nellie Gail Ranch HOA (Laguna Hills)	11,500.00
131667		TR5W-MNT-4943	Vista Del Cerro HOA (Laguna Niguel)	17,000.00
131668		TR5-MNT-203	T. Schowalter	2,751.00
131669		TR5-MNT-240	N. Keck	5,745.00
131670		TR5-MNT-244	S. Ross	2,647.71
131671		TR5W-MNT-4524	S. Stickney	6,344.50
131672		TR5W-MNT-4664	S. Rogalla	2,710.00
131673		TR5W-MNT-4802	K. Fujimoto	3,265.00
131674		TR5W-MNT-5727	H. Tran	2,375.00
131675		TR5W-MNT-5876	B. Moghadasi	2,313.46
131676		TR6-MNT-10582-24285	D. Ledesma	4,015.00
131677		TR6-MNT-6197-24935	E. Turlik	519.82
131678		TR6-MNT-6236-22781	A. Bruno	2,145.00
131679		TR6-MNT-6715-12	L. Soriano	1,026.09
131680		TR6-MNT-7291-31932	D. Schlotterbeck	2,973.50
131681		TR6-MNT-7297-27002	R. Lloyd	2,925.00
131682		TR6-MNT-7914-27086	R. Spinello	4,200.00
131683		TR6-MNT-8194-25747	M. Brueggeman	3,069.50
131684		TR6-MNT-8897-25442	D. Usher	4,675.00
131685		TR5W-SM-5164	The Goddard School (Ladera Ranch)	1,402.00
131686		TR5W-SM-3885	E. Moscoso	1,428.00
131687		TR5W-SM-5759	P. Worne	5,220.00
131688		TR5W-SM-5942	L. Soto	1,032.00
131689		TR6-SM-10110-11	A. Vancura	2,070.00

**Municipal Water District of Orange County  
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<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
131690	1/26/16	TR6-SM-10180-25272	K. Feil	1,948.00
131691		TR6-SM-10407-26691	D. Karpf	1,020.00
131692		TR6-SM-10554-8	L. Russo	930.00
131693		TR6-SM-10572-22	R. Ezquerro	618.00
131694		TR6-SM-6131-21	C. James	674.00
131695		TR6-SM-6796-22676	G. Le-Ta	960.00
131696		TR6-SM-7209-21622	C. Rios	672.00
131697		TR6-SM-7214-29	S. Warther	1,222.00
131698		TR6-SM-7395-19	B. McIntee	2,786.00
131699		TR6-SM-7598-47	J. Groseclose	694.00
131700		TR6-SM-7822-21011	S. Chen	1,372.00
131701		TR6-SM-8235-28	J. Empleo	746.00
131702		TR6-SM-8903-14	C. McDaniel	1,938.00
131703		TR6-SM-9318-26601	S. Akesson	1,102.00
131704		TR6-SWD-7805-19201	R. Fontanesi	708.00
131705		TR5-SOCO-113	M. Emery	1,238.00
131706		TR5W-SOCO-4507	G. Hill	1,218.00
131707		TR5W-SOCO-5581	J. Barich	826.00
131708		TR6-SOCO-6641-5	A. Albertson	2,522.00
131709		TR6-SOCO-7727-26282	C. Wilinski	4,826.00
131710		TR6-SOCO-7867-33212	S. Oshita	1,310.00
131711		TR6-SOCO-7882-126	S. Gex	2,432.00
131712		TR6-TC-9482-00	Robinson Ranch Community Association (Trabuco Canyon)	11,308.00
131713		TR6-TC-9517-31901	R. Bycraft	5,976.00
131714		TR5W-YLWD-3524	T. Tonelli	44,816.00
131715		TR5W-YLWD-4057	M. Scott	4,340.00
131716		TR5W-YLWD-4233	J. Dominici	2,060.00
131717		TR5W-YLWD-5416	D. Fischer	1,296.00
131718		TR5-YLWD-056	J. Vierra	3,828.00
131719		TR5-YLWD-059	T. Gilmer	3,358.00
131720		TR6-YLWD-6914-5922	M. Mayeda	3,976.00
131721		TR6-YLWD-8102-17293	B. Carpenter	606.00
131722		TR6-YLWD-9211-20660	W. Hemmerling	1,494.00
131723		TR6-YLWD-9311-5118	A. Liu	2,316.00
131724		TR6-YLWD-9361-5410	T. McHatton	1,490.00
131725		TR6-YLWD-9708-17452	T. Fellenz	2,618.00
131726		TR6-GG-6688-12061	H. Dudley	2,286.00
131727		TR6-GG-7304-11212	D. Bensen	3,366.00
131728		TR6-GG-8331-5342	Y. Miller	2,078.00
131729		TR6-GG-8577-11572	L. Pham	3,358.00
131730		TR6-GG-9030-11782	L. Pham	3,220.00
131731		TR6-GG-9144-12232	W. Nguyen	2,094.00
131732		TR6-GG-9707-10022	J. McQuade	4,836.00
131733		TR6-GG-7153-9022	M. Gaither	1,032.00
131734		TR5-O-079	W. Reimer (Re-issue for lost check)	1,404.00
131735		TR6-GG-7547-10071	F. Valdez	3,574.00
131736		TR6-BREA-8865-2643	V. Cheng	1,600.00
131737		TR6-BREA-10319-525	D. Long	1,344.00
131738		TR5W-BREA-4178	K. McLaughlin	2,268.00

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131739	1/26/16	TR6-BREA-10374-150	M. Gallo	762.00
131740		TR6-BREA-9428-948	E. Prartnadi	1,600.00
131741		TR6-FV-6866-9869	A. Warloe	2,390.00
131742		TR6-FV-8078-18950	J. Lin	798.00
131743		TR6-FV-9177-11452	S. Nguyen	1,142.00
131744		TR6-FV-9989-9156	D. Araki	1,344.00
131745		TR5-GG-045	J. Freer	1,046.66
131746		TR5W-GG-5214	J. Fast	5,826.84
131747		TR6-GG-8370-6532	J. Castro	1,546.00
131748		TR6-HB-6870-4132	J. Floro	1,748.00
131749		TR6-NWPT-10025-1935	M. Glover	1,000.00
131750		TR6-NWPT-10221-1901	R. Hyson	2,420.00
131751		TR6-NWPT-10478-3900	E. Rhodes	2,482.00
131752		TR6-NWPT-6166-1218	A. Barbour	1,234.00
131753		TR6-NWPT-6217-1212	B. Chaitin	1,900.00
131754		TR6-NWPT-9793-1836	N. Nelson	4,934.00
131755		TR6-NWPT-9831-28	D. Morrow	2,118.00
131756		TR6-O-8149-1783	South Coast Bobcat (Orange)	8,238.00
131757		TR5W-O-4070	P. Jackson	4,156.00
131758		TR5W-O-4086	D. Grabill	442.00
131759		TR5W-O-5649	C. Goldsmith	1,012.00
131760		TR6-O-6249-711	D. Yuan	2,828.00
131761		TR6-O-6335-1035	L. Nicolosi	816.00
131762		TR6-O-7207-8051	A. Shah	400.00
131763		TR6-O-7362-591	D. Cox	2,380.00
131764		TR6-O-8387-1081	G. Pierce	814.00
131765		TR6-O-8444-207	K. Liu	720.00
131766		TR6-O-8661-739	D. Fishel	6,000.00
131767		TR6-O-9643-2167	L. Zittel	1,114.00
131768		TR5W-SC-4466	K. Sandnes	2,008.00
131769		TR5W-SC-4716	C. Jenkins	2,308.00
131770		TR5W-SC-4876	W. Lincoln	1,544.00
131771		TR5W-SC-5582	G. Griffith	1,116.00
131772		TR6-SC-6661-2848	R. De Jong	2,140.00
131773		TR6-SC-7515-2117	S. Fink	792.00
131774		TR6-SC-7808-5403	J. Knights	786.00
131775		TR6-SC-7823-15	D. Heil	4,836.00
131776		TR6-SC-7873-203	E. Duran	1,148.00
131777		TR6-SC-7927-326	S. Reenders	574.00
131778		TR6-SC-9374-601	W. Holmes	1,282.00
131779		TR6-SC-9652-700	A. Smith	1,539.63
131780		TR6-SC-9873-2900	L. Humphrey	1,260.00
131781		TR5W-SJC-4145	G. Clark	2,508.00
131782		TR6-SJC-8743-31281	D. Vahid	6,000.00
131783		TR6-SJC-9930-28402	W. Schmitt	6,000.00
131784		TR6-SB-6390-4201	J. McKinney	1,000.00
131785		TR6-TUST-10109-14821	S. Bates	2,472.00
131786		TR6-WEST-9278-8852	M. Snapp	956.00
131787		TR6-WEST-9885-7771	C. Cruz	2,700.84

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131788	1/26/16	TR5W-EOCWD-5806	M. Fernandez Jr.	3,733.72
131789		TR6-ETWD-7848-23382	R. Pfeifer	1,578.00
131790		TR5-GSWC-117	C. Walker	1,176.00
131791		TR5W-GSWC-4476	W. Clark	2,966.07
131792		TR5W-GSWC-4586	M. Widdoss	1,008.00
131793		TR5W-GSWC-4589	L. Lee	1,642.00
131794		TR5W-GSWC-5323	G. Le	1,200.00
131795		TR5W-GSWC-5685	T. Frakas	1,830.00
131796		TR5W-GSWC-5758	B. Canon	6,000.00
131797		TR5W-GSWC-5765	J. Ferris IV	2,382.10
131798		TR6-GSWC-10099-11271	D. Thompson	3,586.00
131799		TR6-GSWC-5998-11121	P. Oldham	3,296.00
131800		TR6-GSWC-6273-101	S. Denison	3,516.00
131801		TR6-GSWC-6949-10566	D. Champion	4,878.00
131802		TR6-GSWC-7104-1513	J. Blossom	4,372.00
131803		TR6-GSWC-8199-10755	S. Noh	844.00
131804		TR5W-IRWD-4371	Oak Creek Golf Club (Irvine)	20,079.48
131805		TR5W-IRWD-3880	G. Stevenson	1,194.00
131806		TR5W-IRWD-4866	B. Gilmour	1,020.00
131807		TR5W-IRWD-5268	P. Salehi	728.00
131808		TR5W-IRWD-5308	R. Ramos	1,144.00
131809		TR5W-IRWD-5343	J. Owens	810.00
131810		TR6-IRWD-10240-3	L. Kaufman	374.00
131811		TR6-IRWD-10261-1	G. Molina	1,218.00
131812		TR6-IRWD-7060-21501	M. Beucier	2,392.00
131813		TR6-IRWD-7289-27	S. Grewal	1,804.00
131814		TR6-IRWD-7484-19452	A. Thorlakson	1,262.00
131815		TR6-IRWD-7728-8	J. Flagge	698.00
131816		TR6-IRWD-7843-3	C. Cheung	476.00
131817		TR6-IRWD-7858-64	H. Le	492.00
131818		TR6-IRWD-7950-14821	A. Lin	1,690.00
131819		TR6-IRWD-8403-2538	P. Loubet	710.00
131820		TR6-IRWD-8574-9	T. Patel	1,962.00
131821		TR6-IRWD-9176-14	J. Andikian	798.00
131822		TR7-IRWD-11387-12843	S. Foreman	292.00
131823		TR7-IRWD-11587-22412	J. Hetrick	800.00
131824		TR7-IRWD-11648-19	E. Mulya	398.00
131825		TR7-IRWD-11651-21182	D. Do	3,486.00
131826		TR5W-LB-4239	B. Cosgrove	1,701.00
131827		TR6-LB-7542-1048	G. Kawand	4,275.00
131828		TR6-LB-8081-969	D. Braham	1,422.00
131829		TR5W-MESA-4421	H. Lu	576.00
131830		TR5W-MESA-4486	M. Villelli	1,846.00
131831		TR5W-MESA-4954	T. Tipton	2,794.00
131832		TR6-MESA-10402-3210	S. Akerstrom	2,080.00
131833		TR5-MNT-255	M. Donatelli	5,696.00
131834		TR5-MNT-259	H. Arami	5,235.00
131835		TR5-MNT-260	P. Sampson	3,315.00
131836		TR5W-MNT-3691	G. Bray	5,958.50

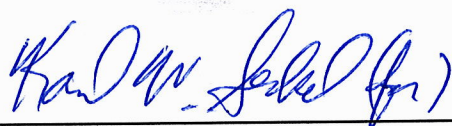


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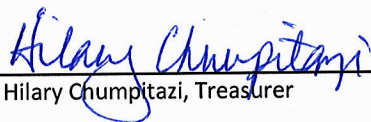
<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
131837	1/26/16	TR5W-MNT-4221	R. Hanson	4,068.50
131838		TR5W-MNT-5713	T. Enoch	5,223.00
131839		TR5W-MNT-5974	P. Lewandowski	1,347.50
131840		TR6-MNT-6288-25212	D. Winfrey	3,632.00
131841		TR6-MNT-6315-16	C. Schultz	3,027.50
131842		TR6-MNT-6624-44	D. Quinn	4,460.00
131843		TR6-MNT-6689-28691	E. Eklund	2,313.00
131844		TR6-MNT-6985-30	M. Asuncion	3,600.00
131845		TR6-MNT-7077-51	D. or K. Harvey	775.00
131846		TR6-MNT-7263-33	B. Lathan	3,930.00
131847		TR6-MNT-7312-25152	D. Becker	1,415.00
131848		TR6-MNT-7541-26641	J. Sellers	1,564.50
131849		TR6-MNT-7670-2	D. Griffith	1,525.00
131850		TR6-MNT-7769-25472	S. Cammarato	4,740.00
131851		TR6-MNT-7924-25061	J. Bourgeois	2,145.00
131852		TR6-MNT-8066-23881	G. Amaya	10,906.00
131853		TR6-MNT-8212-23992	C. Guy	5,000.00
131854		TR6-MNT-8281-25572	C. Logan	10,810.00
131855		TR6-MNT-8650-25022	J. Peters	3,680.00
131856		TR6-MNT-9346-26922	E. Hsu	6,810.00
131857		TR6-MNT-9395-23842	J. Macy	6,595.00
131858		TR6-MNT-9508-25682	A. Faigin	2,325.00
131859		TR6-SM-6437-22300	Canyon Estates Community Association (Mission Viejo)	367.50
131860		TR6-SM-6442-22300	Canyon Estates Community Association (Mission Viejo)	418.05
131861		TR5W-SM-4712	J. Buchanan	1,842.00
131862		TR5W-SM-4832	C. Weinberger	2,760.00
131863		TR5W-SM-5394	L. East	1,196.00
131864		TR5W-SM-5905	I. Teo	934.00
131865		TR6-SM-10168-22	C. Wilson	1,258.00
131866		TR6-SM-10259-27391	M. Alasandro	808.94
131867		TR6-SM-6093-23002	J. Knobel	3,792.00
131868		TR6-SM-7007-28121	P. Selzer	1,472.25
131869		TR6-SM-7932-22225	R. Pambrun	1,080.00
131870		TR6-SM-9723-21476	R. Scharlin Zinman	780.00
131871		TR6-SM-9865-19	C. Dunn	1,186.00
131872		TR5W-SWD-4565	M. Henderson	268.92
131873		TR6-SWD-8092-18391	D. Tracewell	5,406.00
131874		TR5W-SOCO-5505	J. Armstrong	3,984.00
131875		TR6-SOCO-7414-33642	L. Cook	1,990.00
131876		TR5W-YLWD-4872	J. Andrukaitis	1,476.00
131877		TR5W-YLWD-5693	S. Quesenberry	2,288.00
131878		TR6-YLWD-7232-4915	D. Gilbertson	854.00
131879		TR6-YLWD-7647-4985	P. Stotts	1,962.00
131880		TR6-YLWD-7896-4144	D. Finke	480.00
131881		TR6-YLWD-8514-18225	B. Wakamatsu	1,172.00
131882		TR6-YLWD-8720-4741	R. Kleinschmit	6,000.00
131883		TR6-YLWD-9563-5710	K. Jennings	1,628.00
131884		TR6-YLWD-9654-3520	R. Hunn	2,110.00
			***Total ***	781,753.90

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<b>131889</b>	<b>1/29/16</b>	<b>CATALI 0012335</b>	<b>Catalina Island Conservancy</b> January 2016 WEROC radio repeater site lease ***Total ***	 1,558.54 1,558.54
<b>131897</b>	<b>1/29/16</b>	<b>USBANK 5783-DEC15</b>	<b>U.S. Bank</b> 11/24/15-12/22/15 Cal Card charges ***Total *** (See attached sheet for details)	 75.00 75.00
<b>ACH001844</b>	<b>1/29/16</b>	<b>SANTAM NOV2015</b>	<b>Santa Margarita Water District</b> November 2015 SCP Operation Surcharge ***Total ***	 12,695.96 12,695.96
<b>WIRE-160129</b>	<b>1/29/16</b>	<b>METWAT 8540</b>	<b>Metropolitan Water District</b> November 2015 Water Deliveries ***Total ***	 11,269,547.86 11,269,547.86
<b>Total Other Funds Disbursements</b>				<b>13,614,641.52</b>
<b>Total Disbursements</b>				<b>13,626,552.53</b>



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer



**Cal Card Statement Detail**  
**Statement Date: December 22, 2015**  
**Payment Date: January 29, 2016**

Date	Description	Amount
<b><u>K. Seckel Card</u></b>		
11/24/15	UPS delivery charges for Board & Committee packets on 11/13/15	\$ 57.44
11/24/15	California Emergency Services Association membership renewal for K. Hubbard	75.00
11/25/15	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 10-12, 2016 - Accommodations deposit for Director Thomas	174.00
11/25/15	Chair, table and tablecloth rental for R. Bell retirement luncheon on Dec. 14, 2015	392.71
11/25/15	Lunch for Orange County MET Managers' meeting	228.00
11/25/15	1 Logitech rechargeable touchpad mouse	41.44
11/30/15	December 2015-November 2016 Subscription for GraphicStock downloads	49.00
11/30/15	Snacks for Orange County Reliability meeting	105.00
11/30/15	California Urban Water Conservation Council Quarterly Plenary meeting in Livermore, CA on Dec. 9, 2015 - Airfare for J. Berg	421.96
12/01/15	2 Transcend external hard drives	118.78
12/02/15	State Water Resources Control Board Emergency Regulation workshop in Sacramento, CA on Dec. 7, 2015 - Airfare for J. Berg	428.46
12/03/15	Federal Express delivery charges for J. Barker on Dec. 1, 2015	30.32
12/04/15	ACWA Fall conference in Indian Wells, CA from Dec. 1-4, 2015 - Accommodations for Director Osborne	743.75
12/04/15	ACWA Fall conference in Indian Wells, CA from Dec. 1-3, 2015 - Accommodations for R. Hunter	423.94
12/05/15	ACWA Fall conference in Indian Wells, CA from Dec. 1-4, 2015 - Accommodations for Director Hinman	643.47
12/05/15	ACWA Fall conference in Indian Wells, CA from Dec. 1-4, 2015 - Accommodations for H. Baez	635.91
12/05/15	ACWA Fall conference in Indian Wells, CA from Dec. 1-4, 2015 - Accommodations for Director Tamaribuchi	635.91
12/08/15	UPS delivery charges for Board & Committee packets on 12/4/15	5.95
12/08/15	Association of Metropolitan Water Agencies International Water & Climate Forum in Coronado, CA from Dec. 7-8, 2015 - Accommodations for R. Hunter	301.87
12/08/15	Legislative activities in Washington, DC from Jan. 13-15, 2015 - Airfare for H. Baez	480.61
12/09/15	ACWA Joint Power Insurance Authority Human Resources Group meeting in Rancho Cucamonga, CA on Jan. 26, 2016 - Registration for C. Harris	30.00
12/11/15	Final payment for 12/15/15 Staff holiday luncheon	509.93
12/15/15	UPS delivery charges for Board & Committee packets on 12/4/15 & 12/9/15	110.24
12/15/15	CRWUA Annual conference in Las Vegas, NV from Dec. 16-18, 2015 - Accommodations refund for R. Hunter	(193.76) <span style="border: 1px solid black; padding: 0 2px;">1</span>
12/17/15	California Society of Municipal Finance Officers membership for H. Chumpitazi	110.00

**Cal Card Statement Detail**  
**Statement Date: December 22, 2015**  
**Payment Date: January 29, 2016**

Date	Description	Amount
12/18/15	CRWUA Annual conference in Las Vegas, NV from Dec. 16-18, 2015 - Accommodations refund for Director Barbre	(123.48)
12/18/15	CRWUA Annual conference in Las Vegas, NV from Dec. 16-18, 2015 - Airfare refund for Director Barbre	(277.98) <sup>2</sup>
12/19/15	Google AdWords campaign to promote water conservation and rebates	104.16
<b>Total</b>		<b>\$ 6,262.63</b>

<sup>1</sup> Canceled hotel reservation

<sup>2</sup> Canceled return flight

**R. Hunter Card**

11/23/15-12/2/15	Meals for R. Hunter's meetings on various dates	\$ 285.23
11/24/15	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 10-12, 2016 - Registration for Director Thomas	475.00
<b>Total</b>		<b>\$ 760.23</b>

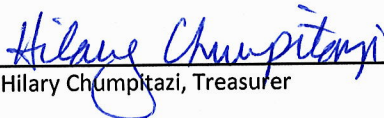
**Municipal Water District of Orange County**  
**GM Approved Disbursement Report <sup>(1)</sup>**  
**For the month of January 2016**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Disbursements:</b>				
<b>Total Core Disbursements</b>				_____ -
<b>Choice Disbursements:</b>				
<b>Total Choice Disbursements</b>				_____ -
<b>Other Funds Disbursements:</b>				
<b>Total Other Funds Disbursements</b>				_____ -
<b>Total Disbursements</b>				_____ -

**No items to report**



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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



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

December 31, 2015

**Street Address:**

18700 Ward Street  
Fountain Valley, California 92708

**Mailing Address:**

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

(714) 963-3058

Fax: (714) 964-9389

[www.mwdoc.com](http://www.mwdoc.com)

Wayne S. Osborne  
President

Brett R. Barbre  
Vice President

Larry D. Dick  
Director

Joan C. Finnegan  
Director

Susan Hinman  
Director

Sat Tamaribuchi  
Director

Jeffery M. Thomas  
Director

Robert J. Hunter  
General Manager

**MEMBER AGENCIES**

City of Brea

City of Buena Park

East Orange County Water District

El Toro Water District

Emerald Bay Service District

City of Fountain Valley

City of Garden Grove

Golden State Water Co.

City of Huntington Beach

Irvine Ranch Water District

Laguna Beach County Water District

City of La Habra

City of La Palma

Mesa Water District

Moulton Niguel Water District

City of Newport Beach

City of Orange

Orange County Water District

City of San Clemente

City of San Juan Capistrano

Santa Margarita Water District

City of Seal Beach

Serrano Water District

South Coast Water District

Trabuco Canyon Water District

City of Tustin

City of Westminster

Yorba Linda Water District

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$2,494,603	26.43%
Grant & Project Cash Flow	1,480,000	15.68%
Election Expense	215,463	2.28%
Building Repair	500,407	5.30%
Total Designated Reserves	4,690,473	49.69%
General Fund	6,301,962	66.79%
Water Fund	2,218,941	23.51%
Conservation Fund	(4,010,822)	(42.50%)
Desalination Feasibility Study Fund	222,385	2.36%
WEROC Fund	5,459	0.06%
Trustee Activities	8,620	0.09%
<b>Total</b>	<b>\$9,437,018</b>	<b>100.00%</b>

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	4.56%	\$429,859	\$429,859
Short-term investment			
• LAIF	1.67%	\$157,237	\$157,237
• OCIP	60.94%	5,749,905	5,749,905
Long-term investment			
• Misc. Securities	10.60%	1,000,017	992,060
• Certificates of Deposit	22.25%	2,100,000	2,095,303
<b>Total</b>	<b>100.00%</b>	<b>\$9,437,018</b>	<b>\$9,424,364</b>

The average number of days to maturity/call as of December 31, 2015 equaled 303 and the average yield to maturity is 0.990%. During the month, the District's average daily balance was \$16,806,098.66. 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 December 2015.

The (\$12,654) difference between the book value and the market value on December 31, 2015 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter  
General Manager

Hilary Chumpitazi  
Treasurer



# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



## Portfolio Management - Portfolio Summary December 31, 2015

12/31/2015	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	2,100,000.00	2,095,302.50	2,100,000.00	23.31	947	1.598
Local Agency Investment Funds	157,236.81	157,236.81	157,236.81	1.75	1	0.400
Miscellaneous Securities - Coupon	1,000,000.00	992,060.00	1,000,016.37	11.10	732	2.628
Orange County Investment Pool	5,749,905.32	5,749,905.32	5,749,905.32	63.84	1	0.499
<b>Total Investments</b>	<b>9,007,142.13</b>	<b>8,994,504.63</b>	<b>9,007,158.50</b>	<b>100.00%</b>	<b>303</b>	<b>0.990</b>
<b>Cash</b>						
Passbook Checking	429,859.03	429,859.03	429,859.03		1	0.00
<b>Total Cash and Investments</b>	<b>9,437,001.16</b>	<b>9,424,363.66</b>	<b>9,437,017.53</b>		<b>303</b>	<b>0.990</b>

Total Earnings	Month Ending December	Fiscal Year to Date
Current Year	10,073.94	61,582.91
Average Daily Balance	16,806,098.66	
Effective Rate of Return	0.990%	

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

*Robert J. Hunter* (Signature)

Robert J. Hunter, General Manager

Date

2-4-16

*Hilary Chumpitazi* (Signature)

Hilary Chumpitazi, Treasurer

Date

2/4/2016

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

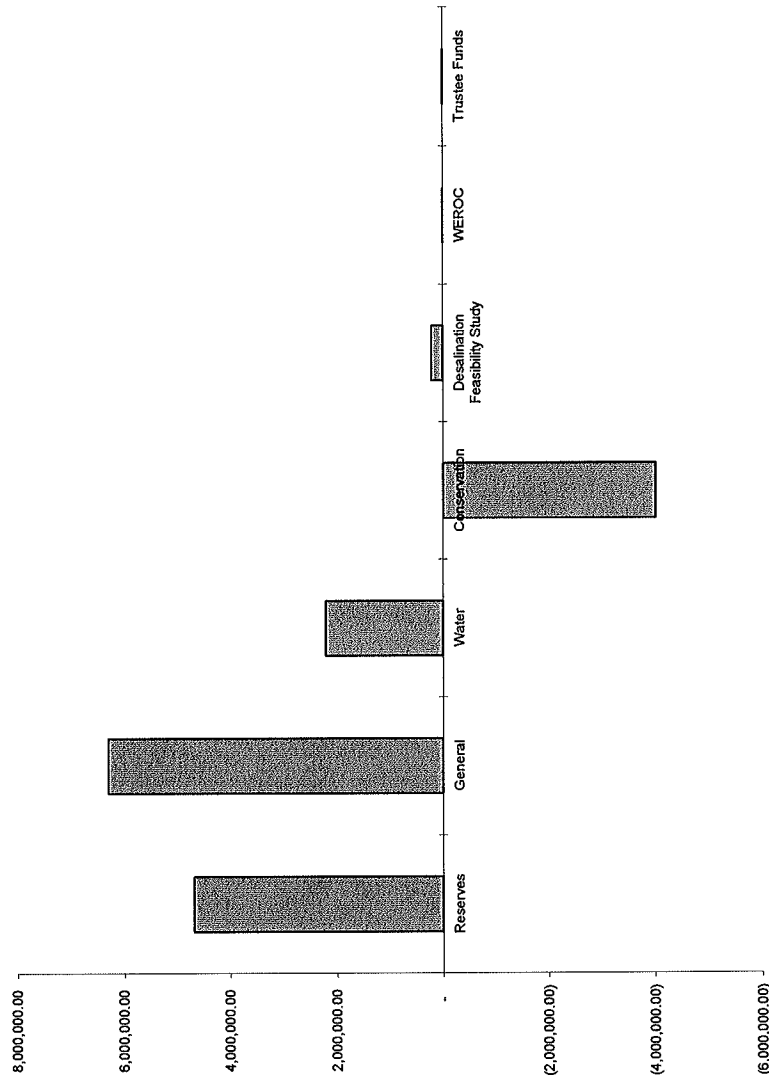
Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Certificate of Deposit - Bank</b>									
Ally Bank	02006LFV0	7/23/2014	250,000.00	249,512.50	250,000.00	1.150	1.150	571	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	249,280.00	250,000.00	1.450	1.450	760	1/29/2018
Barclays Bank	06740KJP3	9/24/2015	250,000.00	249,207.50	250,000.00	1.900	1.900	1362	9/23/2019
Capital One Bank	140420TY6	8/5/2015	250,000.00	249,062.50	250,000.00	1.700	1.700	949	8/6/2018
Capital One Natl Assn	14042E6C9	9/2/2015	250,000.00	249,802.50	250,000.00	1.950	1.950	1342	9/3/2019
Discover Bank	254671Y5	7/23/2014	250,000.00	248,985.00	250,000.00	1.600	1.600	935	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	249,505.00	250,000.00	1.200	1.200	572	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,115.00	100,000.00	1.050	1.050	389	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	249,832.50	250,000.00	2.050	2.050	1307	7/30/2019
<b>Sub Total</b>			<b>2,100,000.00</b>	<b>2,095,302.50</b>	<b>2,100,000.00</b>	<b>1.598</b>	<b>1.598</b>	<b>947</b>	
<b>Miscellaneous Securities - Coupon</b>									
JPMorgan Chase	46825HKA7	11/2/2015	500,000.00	491,890.00	500,000.00	2.250	2.250	1453	1/23/2020
MetLife Global	59217GAD1	2/25/2011	500,000.00	500,170.00	500,016.37	3.125	3.007	11	1/11/2016
<b>Sub Total</b>			<b>1,000,000.00</b>	<b>992,060.00</b>	<b>1,000,016.37</b>	<b>2.688</b>	<b>2.628</b>	<b>732</b>	
<b>Total Investments</b>			<b>3,100,000.00</b>	<b>3,087,362.50</b>	<b>3,100,016.37</b>	<b>1.949</b>	<b>1.93</b>	<b>878</b>	
<b>Total Earnings</b>									
Current Year		<b>Month Ending December</b>	<b>5,117.57</b>	<b>Fiscal Year To Date</b>	<b>28,436.40</b>				

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

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Local Agency Investment Funds</b>									
LAIF LGIP	LAIF	6/30/2010	157,236.81	157,236.81	157,236.81	0.400	0.400	1	N/A
<b>Sub Total</b>			<b>157,236.81</b>	<b>157,236.81</b>	<b>157,236.81</b>	<b>0.400</b>	<b>0.400</b>	<b>1</b>	
<b>Orange County Investment Pool</b>									
County of Orange LGIP	OCIP	6/29/2005	5,749,905.32	5,749,905.32	5,749,905.32	0.499	0.499	1	N/A
<b>Sub Total</b>			<b>5,749,905.32</b>	<b>5,749,905.32</b>	<b>5,749,905.32</b>	<b>0.499</b>	<b>0.499</b>	<b>1</b>	
<b>Total Investments</b>			<b>5,907,142.13</b>	<b>5,907,142.13</b>	<b>5,907,142.13</b>	<b>0.496</b>	<b>0.496</b>		
<b>Passbook Checking</b>									
Bank of America Cash	CASH0547	7/1/2011	429,359.03	429,359.03	429,359.03	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
<b>Total Cash</b>			<b>429,859.03</b>	<b>429,859.03</b>	<b>429,859.03</b>	<b>0.000</b>	<b>0.000</b>	<b>1</b>	
<b>Total Cash and Investments</b>			<b>6,337,001.16</b>	<b>6,337,001.16</b>	<b>6,337,001.16</b>	<b>0.496</b>	<b>0.496</b>	<b>1</b>	
<b>Total Earnings</b>									
Current Year		<b>Month Ending December</b>	<b>Fiscal Year To Date</b>						
		4,956.37	33,146.51						

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

ALLOCATION	AMOUNT	%
<b>MWDOC</b>		
Designated Reserves		
General	\$ 2,494,603	26.43%
Grant & Project Cash Flow	1,480,000	15.68%
Election Expense	215,463	2.28%
Building Repair	500,407	5.30%
Total Designated Reserves	4,690,473	49.69%
General	6,301,962	66.79%
Water	2,218,941	23.51%
Conservation	(4,010,822)	-42.50%
Desalination Feasibility Study	222,385	2.36%
WEROC	5,459	0.06%
<b>TOTAL MWDOC</b>	<b>\$ 9,428,398</b>	<b>99.91%</b>
<b>TRUSTEE ACTIVITIES</b>		
AMP Sales Admin	\$ 8,620	0.09%
<b>TOTAL TRUSTEE ACTIVITIES</b>	<b>\$ 8,620</b>	<b>0.09%</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>\$ 9,437,018</b>	<b>100.00%</b>





**Municipal Water Dist of Orange County  
PARS OPEB Trust Program****Monthly Account Report for the Period  
12/01/2015 to 12/31/2015**

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

**Account Summary**

Source	Beginning Balance as of 12/01/2015	Contributions	Earnings	Expenses*	Distributions	Transfers	Ending Balance as of 12/31/2015
Contributions	\$1,277,787.96	\$0.00	(\$19,493.70)	\$290.92	\$0.00	\$0.00	\$1,258,003.34
Totals	\$1,277,787.96	\$0.00	(\$19,493.70)	\$290.92	\$0.00	\$0.00	\$1,258,003.34

**Investment Selection**

Moderate HighMark PLUS

**Investment Objective**

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

**Investment Return**

Annualized Return						Plan's Inception Date
1-Month	3-Month	1-Year	3-Years	5-Years	10-Years	
-1.53%	2.24%	0.22%	6.11%	-	-	10/26/2011

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

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

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

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

Municipal Water District of Orange County  
WATER USE EFFICIENCY PROJECTS  
Cash Flow as of 11/30/15

	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	TOTALS
<b>Cash - Beginning Balance</b>	\$ (4,366,336.14)	\$ (4,150,715.21)	\$ (866,085.23)	\$ (2,898,017.49)	\$ (3,394,231.09)	\$ (3,796,564.33)	\$ (4,010,296.92)	\$ (3,896,826.05)	\$ (3,896,826.05)	\$ (3,896,826.05)	\$ (3,896,826.05)	\$ (3,896,826.05)	\$
<b>REVENUES:</b>													
BUREC													\$ 563,420.13
City of Brea	6,999.33	1,934.35	389.42	247.74	496,524.08	15,352.67	51,543.38						12,044.72
City of Buena Park	1,212.97	1,886.23	846.00	2,716.00	2,271.97	248.13	1,120.00						11,077.30
City of Fountain Valley		150.00			150.00	636.13	1,508.00						375.00
City of Fullerton		225.00		150.00	67.75		70.92						513.67
City of Garden Grove	1,995.00	1,650.00	2,914.00	4,224.00	2,770.81		3,431.78						16,985.59
City of Huntington Beach		325.66	294.00	211.54			234.98						1,066.18
City of La Habra	1,050.00	599.53	2,451.89	582.00	1,067.00	735.00	194.00						6,679.42
City of San Clemente	4,925.18		9,586.07	5,141.99	3,911.00	2,499.51	4,353.25						30,419.00
City of San Juan Capistrano	3,344.86	2,142.95		11,481.16	2,063.23	1,680.00	1,978.22						22,680.42
City of Santa Ana		75.00	150.00	75.00									300.00
City of Tustin		246.86		300.00		75.00	12,815.67						13,437.53
City of Newport Beach		840.00	3,264.97	4,096.04			6,460.59						14,661.60
City of Orange	4,297.93		14,879.13	5,622.50	6,713.19	3,417.89	4,721.79						39,652.43
City of Westminster			75.00				75.00						150.00
County of Orange													-
Department of Water Resources		649,130.64	1,824.70		1,568.28		4,226.25						656,749.87
East Orange County Water District													-
El Toro Water District	2,633.00	5,676.22	2,016.61	1,328.86	550.00	129.00	275.00						12,608.69
East Orange County Water District													-
Golden State Water Company	6,555.20	6,985.72	12,246.61	9,373.88	7,563.09	4,890.00	9,821.40						57,435.90
Irvine Ranch Water District	116,113.61	30,550.23	43,139.41	45,081.83	4,525.99	8,131.72	201,755.82						449,236.61
Laguna Beach County Water District	1,840.00	16,506.86	1,259.00	2,257.00	713.99	210.00	10,556.64						33,343.49
Mesa Water District		75.00	150.00				756.24						981.24
Metropolitan Water District	194,847.61	4,001,136.01	434,924.75	1,369,139.07	1,308,972.63	936,576.61	1,897,669.39						10,143,266.07
Moulton Niguel Water District	359,285.60	244,320.71	3,654.58	152,561.75	122,311.65	246,642.32	271,346.48						1,399,123.09
MWD/OC													-
Santa Margarita Water District		1,035.00	458.43	1,482.03	525.00	2,955.00	4,271.43						10,726.89
Serrano Water District		75.00		75.00			19.96						169.96
South Coast Water District				225.00			150.00						375.00
Trabuco Canyon Water District	800.00	1,072.37	300.00	1,175.00	406.25	1,431.73	825.00						6,010.35
Yorba Linda Water District	80.66		517.75	437.46		856.39	1,066.93						2,559.19
<b>Miscellaneous Revenues</b>													-
Miscellaneous							2,054.75						2,054.75
Interest Revenue													-
<b>Total Revenues</b>	<b>704,980.95</b>	<b>4,966,639.34</b>	<b>535,344.32</b>	<b>1,617,994.85</b>	<b>1,963,761.66</b>	<b>1,226,467.10</b>	<b>2,493,377.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 13,508,576.09</b>
<b>EXPENDITURES:</b>													
Aqueduct	1,500.00	1,500.00	1,500.00	1,800.00	1,800.00	1,800.00							\$ 9,900.00
Autumn Print Group				207.36									207.36
Awards & Trophies					28.74								28.74
Conservation Consulting, LLC	7,645.50	7,899.75	7,452.00	7,509.25	7,501.50	7,173.00	6,620.00						51,800.00
City of Newport Beach													-
El Toro WD	28,501.27												28,501.27
Enterprise Information Systems			2,160.00				13,012.50						2,160.00
Eco Landscape													2,160.00
Golden State Water Company	31,300.00				11,141.80	7,827.50							31,981.80
Hotel Program						11,539.17							31,300.00
Industrial Program					150,160.05								11,539.17
Irvine Ranch Water District													150,160.05
Karen's Detail Custom Frames		48.60											48.60
Laguna Beach CWD	26,036.00												26,036.00
Metropolitan Water District													-
MESA													-
Mission RCD	30,478.31	32,650.22	4,785.46	41,311.01	37,048.67	36,017.86	28,966.82						254,323.35
Public Spaces program			251,945.00	55,939.00	168,760.00								476,544.00
Santa Margarita Water District	10,813.50												10,813.50
South Coast Water District	90,048.00												90,048.00
Spray to Drip program	1,557.61		27,688.12	15,622.66	5,552.86	12,246.77	10,348.30						73,016.32
Survey Gizmo				675.00									675.00
Turf Removal	253,213.58	1,639,959.39	2,212,359.63	1,988,139.02	1,984,121.28	1,363,595.39	2,316,379.63						11,759,767.92
US Bank													-
UPS													-
Waterwise Consulting													-
<b>Miscellaneous Expenses</b>													
Interest Expense	3,817.57			2,996.15									6,813.72
Salary & Benefit	4,448.68		16,372.77				2,579.75						23,401.20
<b>Total Expenditures</b>	<b>489,380.02</b>	<b>1,682,009.36</b>	<b>2,567,276.58</b>	<b>2,114,193.45</b>	<b>2,366,114.90</b>	<b>1,440,199.69</b>	<b>2,379,907.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 13,039,086.00</b>
<b>Cash - Ending Balance</b>	<b>\$ (4,150,715.21)</b>	<b>\$ (866,085.23)</b>	<b>\$ (2,898,017.49)</b>	<b>\$ (3,394,231.09)</b>	<b>\$ (3,796,564.33)</b>	<b>\$ (4,010,296.92)</b>	<b>\$ (3,896,826.05)</b>	<b>\$ (3,896,826.05)</b>	<b>\$ (3,896,826.05)</b>	<b>\$ (3,896,826.05)</b>	<b>\$ (3,896,826.05)</b>	<b>\$ (3,896,826.05)</b>	<b>\$</b>

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

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

<b><u>ASSETS</u></b>	<b>Amount</b>
Cash in Bank	429,859.03
Investments	9,007,158.50
Accounts Receivable	24,462,443.75
Accounts Receivable - Other	1,307,662.90
Accrued Interest Receivable	30,232.75
Prepays/Deposits	535,627.38
Leasehold Improvements	3,026,974.08
Furniture, Fixtures & Equipment	436,910.44
Less: Accum Depreciation	(2,540,643.79)
Net OPEB Asset	92,806.00
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$36,789,031.04</b>
	<hr/>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
<b>Liabilities</b>	
Accounts Payable	20,062,989.06
Accounts Payable - Other	1,381.69
Accrued Salaries and Benefits Payable	334,993.89
OCWD Cup Balance Payable	904,371.30
Other Liabilities	1,499,744.57
Unearned Revenue	2,302,261.15
Total Liabilities	<hr/> 25,105,741.66 <hr/>
<b>Fund Balances</b>	
Restricted Fund Balances	
Water Fund - T2C	959,194.51
Total Restricted Fund Balances	<hr/> 959,194.51 <hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,587,408.51
Grant & Project Cash Flow	1,480,000.00
Election Expense	215,463.03
Building Repair	500,407.45
Total Designated Reserves	<hr/> 4,783,278.99 <hr/>
GENERAL FUND	1,307,553.79
WEROC	83,059.22
Total Unrestricted Fund Balances	<hr/> 6,173,892.00 <hr/>
Excess Revenue over Expenditures	
Operating Fund	4,934,616.65
Other Funds	(384,413.78)
Total Fund Balance	<hr/> 11,683,289.38 <hr/>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$36,789,031.04</b>
	<hr/>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>REVENUES</u></b>						
Retail Connection Charge	<u>0.00</u>	<u>6,686,659.70</u>	<u>6,687,322.00</u>	<u>99.99%</u>	<u>0.00</u>	<u>662.30</u>
Water rate revenues	0.00	6,686,659.70	6,687,322.00	99.99%	0.00	662.30
Interest Revenue	<u>11,521.47</u>	<u>67,021.58</u>	<u>117,675.00</u>	<u>56.95%</u>	<u>0.00</u>	<u>50,653.42</u>
Subtotal	<u>11,521.47</u>	<u>6,753,681.28</u>	<u>6,804,997.00</u>	<u>99.25%</u>	<u>0.00</u>	<u>51,315.72</u>
Choice Programs	0.00	1,340,182.62	1,302,619.00	102.88%	0.00	(37,563.62)
Choice Prior Year Carry Over	0.00	0.00	243,338.00	0.00%	0.00	243,338.00
Miscellaneous Income	28,392.07	136,338.46	3,000.00	4544.62%	0.00	(133,338.46)
School Contracts	31,455.70	31,455.70	70,000.00	44.94%	0.00	38,544.30
Delinquent Payment Penalty	0.00	173.98	0.00	0.00%	0.00	(173.98)
Transfer-Out To Reserve	<u>0.00</u>	<u>0.00</u>	<u>(64,424.00)</u>	<u>0.00%</u>	<u>0.00</u>	<u>(64,424.00)</u>
Subtotal	<u>59,847.77</u>	<u>1,508,150.76</u>	<u>1,554,533.00</u>	<u>97.02%</u>	<u>0.00</u>	<u>46,382.24</u>
<b>TOTAL REVENUES</b>	<u>71,369.24</u>	<u>8,261,832.04</u>	<u>8,359,530.00</u>	<u>98.83%</u>	<u>0.00</u>	<u>97,697.96</u>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>EXPENSES</u></b>						
Salaries & Wages	255,504.87	1,473,919.58	3,309,949.00	44.53%	0.00	1,836,029.42
Salaries & Wages - Grant Recovery	(2,131.89)	(18,618.66)	(23,500.00)	79.23%	0.00	(4,881.34)
Directors' Compensation	16,419.20	88,253.20	220,588.00	40.01%	0.00	132,334.80
MWD Representation	8,466.15	56,954.10	126,050.00	45.18%	0.00	69,095.90
Employee Benefits	64,691.90	389,503.45	863,069.00	45.13%	0.00	473,565.55
OPEB Annual Contribution	0.00	0.00	105,188.00	0.00%	0.00	105,188.00
Employee Benefits - Grant Recovery	(447.86)	(4,782.54)	0.00	0.00%	0.00	4,782.54
Director's Benefits	6,719.84	31,042.73	60,024.00	51.72%	0.00	28,981.27
Health Ins \$'s for Retirees	4,060.10	27,197.22	50,387.00	53.98%	0.00	23,189.78
Training Expense	30.00	1,844.68	18,000.00	10.25%	0.00	16,155.32
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	1,259.54	0.00	0.00%	0.00	(1,259.54)
Personnel Expenses	353,312.31	2,046,573.30	4,734,755.00	43.22%	0.00	2,688,181.70
Engineering Expense	33,049.50	178,107.73	300,000.00	59.37%	118,840.21	3,052.06
Legal Expense	20,798.90	92,232.66	355,000.00	25.98%	257,767.34	5,000.00
Audit Expense	0.00	20,600.00	23,000.00	89.57%	0.00	2,400.00
Professional Services	48,282.69	516,751.17	1,541,837.00	33.52%	518,338.57	506,747.26
Professional Fees	102,131.09	807,691.56	2,219,837.00	36.39%	894,946.12	517,199.32
Conference-Staff	0.00	6,296.78	19,450.00	32.37%	0.00	13,153.22
Conference-Directors	475.00	4,985.00	9,800.00	50.87%	0.00	4,815.00
Travel & Accom.-Staff	3,897.98	16,485.80	56,510.00	29.17%	0.00	40,024.20
Travel & Accom.-Directors	2,001.59	7,939.34	27,600.00	28.77%	0.00	19,660.66
Travel & Conference	6,374.57	35,706.92	113,360.00	31.50%	0.00	77,653.08
Membership/Sponsorship	160.00	84,885.20	103,961.00	81.65%	0.00	19,075.80
CDR Support	0.00	19,869.76	39,740.00	50.00%	19,869.74	0.50
Dues & Memberships	160.00	104,754.96	143,701.00	72.90%	19,869.74	19,076.30
Business Expense	517.68	2,696.73	6,800.00	39.66%	0.00	4,103.27
Maintenance Office	7,699.73	45,338.91	126,670.00	35.79%	64,388.72	16,942.37
Building Repair & Maintenance	658.85	5,093.21	11,000.00	46.30%	5,906.79	0.00
Storage Rental & Equipment Lease	1,044.22	6,022.86	19,000.00	31.70%	11,977.14	1,000.00
Office Supplies	2,114.11	16,863.17	29,400.00	57.36%	1,541.07	10,995.76
Postage/Mail Delivery	1,939.72	5,698.36	11,285.00	50.49%	0.00	5,586.64
Subscriptions & Books	0.00	185.82	2,060.00	9.02%	0.00	1,874.18
Reproduction Expense	(124.25)	1,305.22	70,010.00	1.86%	37.30	68,667.48
Maintenance-Computers	44.76	4,205.03	7,100.00	59.23%	2,137.16	757.81
Software Purchase	0.00	5,477.51	18,500.00	29.61%	0.00	13,022.49
Software Support	1,300.78	20,376.82	34,000.00	59.93%	0.00	13,623.18
Computers and Equipment	0.00	15,630.65	21,150.00	73.90%	0.00	5,519.35
Automotive Expense	1,609.18	7,816.82	13,500.00	57.90%	0.00	5,683.18
Toll Road Charges	58.70	288.87	1,275.00	22.66%	0.00	986.13
Insurance Expense	8,373.30	48,762.85	96,000.00	50.79%	0.00	47,237.15
Utilities - Telephone	1,599.63	9,151.83	15,650.00	58.48%	0.00	6,498.17
Bank Fees	771.16	4,903.03	17,900.00	27.39%	0.00	12,996.97
Miscellaneous Expense	7,231.38	29,184.18	98,770.00	29.55%	0.00	69,585.82
MWDOC's Contrb. To WEROC	11,817.25	70,903.50	141,807.00	50.00%	0.00	70,903.50
Depreciation Expense	1,000.37	6,002.13	0.00	0.00%	0.00	(6,002.13)
Other Expenses	47,656.57	305,907.50	741,877.00	41.23%	85,988.18	349,981.32
MWDOC's Building Expense	0.00	22,224.55	400,000.00	5.56%	2,975.00	374,800.45
Capital Acquisition	0.00	4,356.60	6,000.00	72.61%	0.00	1,643.40
<b>TOTAL EXPENSES</b>	<b>509,634.54</b>	<b>3,327,215.39</b>	<b>8,359,530.00</b>	<b>39.80%</b>	<b>1,003,779.04</b>	<b>4,028,535.57</b>
<b>NET INCOME (LOSS)</b>	<b>(438,265.30)</b>	<b>4,934,616.65</b>	<b>0.00</b>			

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

	<b>Month to Date</b>	<b>Year to Date</b>	<b>Annual Budget</b>	<b>% Used</b>	<b>Budget Remaining</b>
<b><u>WATER REVENUES</u></b>					
Water Sales	8,637,938.00	64,378,219.60	139,025,078.00	46.31%	74,646,858.40
Readiness to Serve Charge	1,100,435.75	6,602,614.50	13,214,277.00	49.97%	6,611,662.50
Capacity Charge CCF	368,705.00	2,212,230.00	4,424,460.00	50.00%	2,212,230.00
SCP Surcharge	10,162.80	126,655.16	380,000.00	33.33%	253,344.84
Interest	412.57	2,244.12	2,900.00	77.38%	655.88
<b>TOTAL WATER REVENUES</b>	<b>10,117,654.12</b>	<b>73,321,963.38</b>	<b>157,046,715.00</b>	<b>46.69%</b>	<b>83,724,751.62</b>
<b><u>WATER PURCHASES</u></b>					
Water Sales	8,637,938.00	64,378,219.60	139,025,078.00	46.31%	74,646,858.40
Readiness to Serve Charge	1,100,435.75	6,602,614.50	13,214,277.00	49.97%	6,611,662.50
Capacity Charge CCF	368,705.00	2,212,230.00	4,424,460.00	50.00%	2,212,230.00
SCP Surcharge	10,162.80	126,655.16	380,000.00	33.33%	253,344.84
<b>TOTAL WATER PURCHASES</b>	<b>10,117,241.55</b>	<b>73,319,719.26</b>	<b>157,043,815.00</b>	<b>46.69%</b>	<b>83,724,095.74</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>412.57</b>	<b>2,244.12</b>	<b>2,900.00</b>		

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

	Year to Date Actual	Annual Budget	% Used
<b>Landscape Performance Certification</b>			
Revenues	30,227.98	118,900.00	25.42%
Expenses	<u>49,075.00</u>	<u>118,900.00</u>	41.27%
Excess of Revenues over Expenditures	(18,847.02)	0.00	
<b>Industrial Water Use Reduction</b>			
Revenues	150,208.65	91,236.00	164.64%
Expenses	<u>150,237.39</u>	<u>91,236.00</u>	164.67%
Excess of Revenues over Expenditures	(28.74)	0.00	
<b>Spray To Drip Conversion</b>			
Revenues	55,078.65	57,109.58	96.44%
Expenses	<u>63,481.93</u>	<u>57,109.58</u>	111.16%
Excess of Revenues over Expenditures	(8,403.28)	0.00	
<b>Water Smart Landscape for Public Property</b>			
Revenues	0.00	137,871.04	0.00%
Expenses	<u>476,647.68</u>	<u>137,871.04</u>	345.72%
Excess of Revenues over Expenditures	(476,647.68)	0.00	
<b>Member Agency Administered Passthru</b>			
Revenues	62,993.38	627,000.00	10.05%
Expenses	<u>62,993.38</u>	<u>627,000.00</u>	10.05%
Excess of Revenues over Expenditures	0.00	0.00	
<b>ULFT Rebate Program</b>			
Revenues	250,436.04	658,000.00	38.06%
Expenses	<u>260,672.50</u>	<u>658,000.00</u>	39.62%
Excess of Revenues over Expenditures	(10,236.46)	0.00	
<b>HECW Rebate Program</b>			
Revenues	219,798.51	696,000.00	31.58%
Expenses	<u>220,719.33</u>	<u>696,000.00</u>	31.71%
Excess of Revenues over Expenditures	(920.82)	0.00	
<b>CII Rebate Program</b>			
Revenues	111,350.00	509,000.00	21.88%
Expenses	<u>61,100.00</u>	<u>509,000.00</u>	12.00%
Excess of Revenues over Expenditures	50,250.00	0.00	
<b>Large Landscape Survey</b>			
Revenues	16,570.96	85,000.00	19.50%
Expenses	<u>10,479.50</u>	<u>85,000.00</u>	12.33%
Excess of Revenues over Expenditures	6,091.46	0.00	
<b>Indoor-Outdoor Survey</b>			
Revenues	4,905.63	6,800.00	72.14%
Expenses	<u>3.74</u>	<u>6,800.00</u>	0.06%
Excess of Revenues over Expenditures	4,901.89	0.00	
<b>Turf Removal Program</b>			
Revenues	9,644,866.59	19,075,000.00	50.56%
Expenses	<u>9,602,878.97</u>	<u>19,075,000.00</u>	50.34%
Excess of Revenues over Expenditures	41,987.62	0.00	



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

	Year to Date Actual	Annual Budget	% Used
<b>Comprehensive Landscape (CLWUE)</b>			
Revenues	16,070.63	281,926.00	5.70%
Expenses	22,868.39	281,926.00	8.11%
Excess of Revenues over Expenditures	<u>(6,797.76)</u>	<u>0.00</u>	
<b>Home Certification and Rebate</b>			
Revenues	219,903.66	210,205.00	104.61%
Expenses	116,628.90	210,205.00	55.48%
Excess of Revenues over Expenditures	<u>103,274.76</u>	<u>0.00</u>	
<b>CII, Large Landscape, Performance (OWOW)</b>			
Revenues	11,624.03	138,725.00	8.38%
Expenses	67,374.01	138,725.00	48.57%
Excess of Revenues over Expenditures	<u>(55,749.98)</u>	<u>0.00</u>	
<b>CA Sprinkler Adjustment Subscription System</b>			
Revenues	5,086.28	34,432.50	14.77%
Expenses	31,981.80	34,432.50	92.88%
Excess of Revenues over Expenditures	<u>(26,895.52)</u>	<u>0.00</u>	
<b>Rotating Nozzle</b>			
Revenues	694.57	39,000.00	1.78%
Expenses	18,593.39	39,000.00	47.68%
Excess of Revenues over Expenditures	<u>(17,898.82)</u>	<u>0.00</u>	
<b>WUE Projects</b>			
Revenues	10,799,815.56	22,766,205.12	47.44%
Expenses	11,215,735.91	22,766,205.12	49.26%
Excess of Revenues over Expenditures	<u>(415,920.35)</u>	<u>0.00</u>	
<b>WEROC</b>			
Revenues	218,171.15	283,614.00	76.93%
Expenses	149,250.21	278,613.00	53.57%
Excess of Revenues over Expenditures	<u>68,920.94</u>	<u>5,001.00</u>	
<b>RPOI Distributions</b>			
Revenues	0.00	4,823.00	0.00%
Expenses	0.00	4,823.00	0.00%
Excess of Revenues over Expenditures	<u>0.00</u>	<u>0.00</u>	



## Memorandum

**DATE:** February 10, 2016

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

**FROM:** Robert Hunter

**SUBJECT:** Quarter ending December 2015 Financials Actual versus Budget

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The following reports are attached:

- Revenues and Expenditures Actual versus Budget for the General Fund
- Revenues and Expenditures Actual versus Budget Detailed Comparative Report for the General Fund
- Revenues and Expenditures Actual versus Budget for Water Funds
- Revenues and Expenditures Actual versus Budget for Other Funds
- Revenues and Expenditures Actual versus Budget for the Water Use Efficiency Projects

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget Summary Report  
Fiscal Year to Date ending December 2015 (Unaudited)  
( \$000 Omitted )  
General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail connection fees	6,687	6,687	100.0%
Subtotal	6,687	6,687	100.0%
Other Revenues:			
Interest income	67	118	57.0%
Choice Programs <sup>(1)</sup>	1,340	1,546	86.7%
School Contracts	31	70	44.9%
Other income <sup>(2)</sup>	137	3	4550.4%
Transfer to Reserve	0	(64)	0.0%
Subtotal	1,575	1,672	94.2%
<b>TOTAL REVENUES</b>	<b>8,262</b>	<b>8,360</b>	<b>98.8%</b>
<u>EXPENSES</u>			
Personal Expenses (incl. Dir.)	2,047	4,735	43.2%
Professional services	537	1,565	34.3%
Outside engineering	178	300	59.4%
Legal expense <sup>(3)</sup>	92	355	26.0%
Travel & Conference	36	113	31.5%
Dues and memberships <sup>(4)</sup>	105	144	72.9%
General & Admin expense	306	742	41.2%
Building Repair & Maintenance <sup>(5)</sup>	22	400	5.6%
Capital acquisition (not including building repairs) <sup>(6)</sup>	4	6	72.6%
<b>TOTAL EXPENSES</b>	<b>3,327</b>	<b>8,360</b>	<b>39.8%</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>4,935</b>		

RESERVE FUND

Beginning Balance	3,483
Nov 2015 - excess from FY 14-15 General Fund	1,207
Net OPEB Asset	93
<b>TOTAL RESERVE FUND</b>	<b>4,783</b>

(1) Choice programs billed in November, 2015 for fiscal year.

(2) Other Income from Open Meetings Act/Brown Act Reform and pension reimbursement.

(3) Legal expenses have been lower than anticipated due to less issues and our new BBK representative.

(4) Most Dues and Memberships are paid in the beginning of the fiscal year.

(5) Building Repair & Maintenance are in progress.

(6) Plotter purchased. Price less than quote.

Municipal Water District of Orange County  
Revenues and Expenditures Actual vs Budget Line Item Report  
Fiscal Year to Date ending December 2015 (Unaudited)  
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	6,686,660	6,687,322	99.99%
Water rate revenues	6,686,660	6,687,322	99.99%
Choice Programs	1,340,183	1,302,619	102.88%
Choice Prior Year Carry Over	0	243,338	0.00%
Interest Revenue	67,022	117,675	56.95%
Miscellaneous Income	136,512	3,000	4550.41%
School Contracts	31,456	70,000	44.94%
Transfer to Reserve	0	(64,424)	0.00%
Other revenues	1,575,172	1,672,208	94.20%
TOTAL REVENUES	8,261,832	8,359,530	98.83%

OPERATING EXPENSES			
Salaries & Wages	1,473,920	3,309,949	44.53%
less Recovery from Grants	(18,619)	(23,500)	79.23%
Directors' Compensation	88,253	220,588	40.01%
MWD Representation	56,954	126,050	45.18%
Employee Benefits	389,503	863,069	45.13%
less Recovery from Grants	(4,783)	0	0.00%
OPEB Annual Contribution	0	105,188	0.00%
Directors Benefits	31,043	60,024	51.72%
Health Insurances for Retirees	27,197	50,387	53.98%
Training Expense	1,845	18,000	10.25%
Tuition Reimbursement	0	5,000	0.00%
Temporary Help Expense	1,260	0	0.00%
Personnel Expenses	2,046,573	4,734,755	43.22%
Engineering Expense	178,108	300,000	59.37%
Legal Expense	92,233	355,000	25.98%
Audit Expense	20,600	23,000	89.57%
Professional Services	516,751	1,541,837	33.52%
Professional Fees	807,692	2,219,837	36.39%
Conference-Staff	6,297	19,450	32.37%
Conference-Directors	4,985	9,800	50.87%
Travel & Accom.-Staff	16,486	56,510	29.17%
Travel & Accom.-Directors	7,939	27,600	28.77%
Travel & Conference	35,707	113,360	31.50%
Membership/Sponsorship	84,885	103,961	81.65%
CDR Support	19,870	39,740	50.00%
Dues & Memberships	104,755	143,701	72.90%

Municipal Water District of Orange County  
Revenues and Expenditures Actual vs Budget Line Item Report  
Fiscal Year to Date ending December 2015 (Unaudited)  
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	2,697	6,800	39.66%
Maintenance Office	45,339	126,670	35.79%
Building Repair & Maintenance	5,093	11,000	46.30%
Storage Rental & Equipment Lease	6,023	19,000	31.70%
Office Supplies	16,863	29,400	57.36%
Postage/Mail Delivery	5,698	11,285	50.49%
Subscriptions & Books	186	2,060	9.02%
Reproduction Expense	1,305	70,010	1.86%
Maintenance-Computers	4,205	7,100	59.23%
Software Purchase	5,478	18,500	29.61%
Software Support	20,377	34,000	59.93%
Computers and Equipment	15,631	21,150	73.90%
Automotive Expense	7,817	13,500	57.90%
Toll Road Charges	289	1,275	22.66%
Insurance Expense	48,763	96,000	50.79%
Utilities - Telephone	9,152	15,650	58.48%
Bank Fees	4,903	17,900	27.39%
Miscellaneous Expense	29,184	98,770	29.55%
MWDOC's Contribution To WEROC	70,904	141,807	50.00%
Depreciation Expense	6,002	0	0.00%
MWDOC Building Expense	22,225	400,000	5.56%
Capital Acquisition	4,357	6,000	0.00%
Other Expenses	332,489	1,147,877	28.97%
TOTAL EXPENSES	3,327,216	8,359,530	39.80%
EXCESS OF REVENUES OVER EXPENSES	4,934,616	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Statement of Revenues and Expenditures  
Fiscal Year to Date ending December 2015 (Unaudited)  
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<b><u>Water Revenues</u></b>			
Water Sales	64,378,220	139,025,078	(74,646,858)
Ready to Serve Charge	6,602,615	13,214,277	(6,611,663)
Capacity Charge Flat Rate	2,212,230	4,424,460	(2,212,230)
SCP Surcharge	126,655	380,000	(253,345)
Interest	<u>2,244</u>	<u>2,900</u>	<u>(656)</u>
Total Water Revenues	<u>73,321,963</u>	<u>157,046,715</u>	<u>(83,724,752)</u>
 <b><u>Water Purchases</u></b>			
Water Sales	64,378,220	139,025,078	(74,646,858)
Ready to Serve Charge	6,602,615	13,214,277	(6,611,663)
Capacity Charge	2,212,230	4,424,460	(2,212,230)
SCP Surcharge	<u>126,655</u>	<u>380,000</u>	<u>(253,345)</u>
Total Water Purchases	<u>73,319,719</u>	<u>157,043,815</u>	<u>(83,724,096)</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>2,244</u>	 <u>2,900</u>	 <u>(656)</u>

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending December 2015 (Unaudited)  
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<b><u>WEROC</u></b>			
Revenues	218,171	283,614	(65,443)
Expenditures	149,250	278,613	(129,363)
Excess of Revenues over Expenditures	68,921	5,001	63,920
<b><u>WUE Projects (details on next page)</u></b>			
Revenues	10,799,816	22,766,205	(11,966,390)
Expenditures	11,215,736	22,766,205	(11,550,469)
Excess of Revenues over Expenditures	(415,920)	0	(415,920)
<b><u>RPOI Distribution</u></b>			
Revenues	0	4,823	(4,823)
Expenditures	0	4,823	(4,823)
Excess of Revenues over Expenditures	0	0	0

Footnote:

- 1) The excess of expense over revenue is waiting for reimbursement.
- 2) USBR (Federal) Grant is billed in October and April with funds being received one month later.
- 3) DWR is billed quarterly to county and takes a few months to a year to receive funds.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending December 2015 (Unaudited)  
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<b><u>Landscape Performance Certification</u></b>					
Revenues	30,228		118,900	25.42%	118,900
Expenditures	<u>49,075</u>		<u>118,900</u>	41.27%	<u>118,900</u>
Excess of Revenues over Expenditures	(18,847)	-62%	0		

Actual Variance: MET reporting is every two months. Difference will catch up.

Budget Variance: No comment needed.

<b><u>Industrial Water Use Reduction</u></b>					
Revenues	150,209		91,236	164.64%	91,236
Expenditures	<u>150,237</u>		<u>91,236</u>	164.67%	<u>91,236</u>
Excess of Revenues over Expenditures	(29)	0%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

<b><u>Spray to Drip Conversion</u></b>					
Revenues	55,079		57,110	96.44%	57,110
Expenditures	<u>63,482</u>		<u>57,110</u>	111.16%	<u>57,110</u>
Excess of Revenues over Expenditures	(8,403)	-15%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

<b><u>Water Smart Landscape for Public Property</u></b>					
Revenues	0		137,871	0.00%	137,871
Expenditures	<u>476,648</u>		<u>137,871</u>	345.72%	<u>137,871</u>
Excess of Revenues over Expenditures	(476,648)	100%	0		

Actual Variance: Grantee (DWR) slow to pay invoices.

Budget Variance: Expenses ended up hitting all at once, rather than over several fiscal years.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending December 2015 (Unaudited)  
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<b><u>Member Agency Administered Pass thru</u></b>					
Revenues	62,993		627,000	10.05%	627,000
Expenditures	<u>62,993</u>		<u>627,000</u>	10.05%	<u>627,000</u>
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

**ULFT Rebate Program**

Revenues	250,436		658,000	38.06%	658,000
Expenditures	<u>260,673</u>		<u>658,000</u>	39.62%	<u>658,000</u>
Excess of Revenues over Expenditures	(10,236)	-4%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

**HECW Rebate Program**

Revenues	219,799		696,000	31.58%	696,000
Expenditures	<u>220,719</u>		<u>696,000</u>	31.71%	<u>696,000</u>
Excess of Revenues over Expenditures	(921)	0%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

**CII Rebate Program**

Revenues	111,350		509,000	21.88%	509,000
Expenditures	<u>61,100</u>		<u>509,000</u>	12.00%	<u>509,000</u>
Excess of Revenues over Expenditures	50,250	45%	0		

Actual Variance: Received pre-funding.

Budget Variance: Program just beginning.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending December 2015 (Unaudited)  
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<b><u>Large Landscape Survey</u></b>					
Revenues	16,571		85,000	19.50%	85,000
Expenditures	<u>10,480</u>		<u>85,000</u>	12.33%	<u>85,000</u>
Excess of Revenues over Expenditures	6,091	37%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

<b><u>Indoor-Outdoor Survey</u></b>					
Revenues	4,906		6,800	72.14%	6,800
Expenditures	<u>4</u>		<u>6,800</u>	0.06%	<u>6,800</u>
Excess of Revenues over Expenditures	4,902	100%	0		

Actual Variance: These funds are collected from MET and will be used at a later date for installation verification services.

Budget Variance: No comment needed.

<b><u>Turf Removal Program</u></b>					
Revenues	9,644,867		19,075,000	50.56%	19,075,000
Expenditures	<u>9,602,879</u>		<u>19,075,000</u>	50.34%	<u>19,075,000</u>
Excess of Revenues over Expenditures	41,988	0%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

<b><u>Comprehensive Landscape (CLWUE)</u></b>					
Revenues	16,071		281,926	5.70%	281,926
Expenditures	<u>22,868</u>		<u>281,926</u>	8.11%	<u>281,926</u>
Excess of Revenues over Expenditures	(6,798)	-42%	0		

Actual Variance: Expenditures out ahead of collecting revenues.

Budget Variance: No comment needed.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending December 2015 (Unaudited)  
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<b><u>Home Certification and Rebate</u></b>					
Revenues	219,904		210,205	104.61%	210,205
Expenditures	<u>116,629</u>		<u>210,205</u>	55.48%	<u>210,205</u>
Excess of Revenues over Expenditures	103,275	47%	0		

Actual Variance: Revenue request from Grants are submitted bi-annually in October and April.

Budget Variance: MET is slow to report numbers.

<b><u>CII, Large Landscape, Performance (OWOW)</u></b>					
Revenues	11,624		138,725	8.38%	138,725
Expenditures	<u>67,374</u>		<u>138,725</u>	48.57%	<u>138,725</u>
Excess of Revenues over Expenditures	(55,750)	-480%	0		

Actual Variance: Expenditures out ahead of collecting revenues.

Budget Variance: No comment needed.

<b><u>CA Sprinkler Adjustment Subscriptions System</u></b>					
Revenues	5,086		34,433	14.77%	34,433
Expenditures	<u>31,982</u>		<u>34,433</u>	92.88%	<u>34,433</u>
Excess of Revenues over Expenditures	(26,896)	-529%	0		

Actual Variance: Expenditures out ahead of collecting revenues.

Budget Variance: No comment needed.

<b><u>Rotating Nozzle</u></b>					
Revenues	695		39,000	1.78%	39,000
Expenditures	<u>18,593</u>		<u>39,000</u>	47.68%	<u>39,000</u>
Excess of Revenues over Expenditures	(17,899)	-2577%	0		

Actual Variance: Expenditures out ahead of collecting revenues.

Budget Variance: No comment needed.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.



## CONSENT CALENDAR ITEM

February 17, 2016

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Staff Contact: Kelly Hubbard  
WEROC Manager

**SUBJECT: Approval of Homeland Security Grant Project to Purchase Fuel Trailers and Generator Quick Connections**

### STAFF RECOMMENDATION

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Staff recommends that the Board of Directors approve staff to proceed with the Homeland Security Grant projects to purchase fuel trailers and generator quick connections. Staff will come back to the Board for any purchase award greater than \$25,000.

### COMMITTEE RECOMMENDATION

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Committee concurred with staff recommendation.

### DETAILED REPORT

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Following the 2011 Power Outage affecting large portions of Southern California, WEROC staff facilitated an after action meeting to review what worked well and what improvements or planning was needed to improve future responses to significant power outages. The biggest concerns identified were related to sharing portable generators and the distribution of fuel to equipment (mainly generators) that had been deployed in the field. Through the course of several meetings the concept of purchasing Diesel Fuel Trailers and Generator Quick Connections with grant funds was developed.

The Municipal Water District of Orange County (MWDOC) submitted for these projects in April 2014 and was recently approved for \$120,000 in FY 2015 Urban Area Security Initiative (UASI) grants. MWDOC was approved to purchase 10 fuel trailers (\$100,000) and

Budgeted (Y/N): No	Budgeted amount: \$0	Core ✓	Choice __
Action item amount: \$120,000 (grant reimbursement), Staff Administration & Legal Review		Line item: 8810 (Capital Requisition)	
Fiscal Impact (explain if unbudgeted): Full Grant Reimbursement for the equipment purchase. Staff time and legal review would be funded through the WEROC program.			

35 quick connectors (\$20,000). The fuel trailers are a straight forward competitive purchase process with several vendors having been identified. The generator cabling is a little more complicated because the project requires more background work on what Member Agencies have for emergency electrical connections (there are several varieties and phases), what is needed to facilitate the exchange of mutual aid generators, and how to write the technical specifications for the competitive purchase process.

### **Project Outreach**

In order to complete both projects WEROC staff has conducted a variety of outreach efforts to ensure we are purchasing the appropriate equipment, are aware of the regulations related to each project and that we are purchasing the best option to resolve each issue.

Staff sent a survey to MET Member Agencies, CalWARN (California Water and Wastewater Agency Response Network) signatories, and to Association of Metropolitan Water Agencies (AMWA). The survey asked for agencies who may have completed similar projects to provide input on what equipment specifications they utilized, what lessons they've learned through their project process and for any other insights they have that might assist with the success of our projects. Those survey responses were asked to be sent in by January 29<sup>th</sup> and hopefully will provide staff additional information.

Already, staff has reached out to various experts at our Member Agencies and in various related fields throughout this process for technical assistance and preferences for various aspects of each project. Outreach has included work with the California State Energy Commission, South Coast AQMD, various fuel and trailer providers, generator supply and repair providers, ACWA JPIA and others. As WEROC staff have moved towards the actual purchase process, the staff at South Coast Water District have agreed to assist with identifying fuel trailer regulations and staff at Moulton Niguel Water District have agreed to assist with writing the technical specifications for the generator quick connections. As these concepts are finalized they will be shared with interested Member Agencies for feedback and revision.

### **Fuel Trailer Project Details**

The fuel trailers will be 500 gallon diesel fuel trailers on a chassis that will hold up to off-road conditions and that has its own power source for fueling. Additionally, the trailer will have a suction pump on it in order to fill the fuel trailer from underground fuel tanks even when the power is out. MWDOC will be purchasing the equipment with the intention of the fuel trailers being transferred to WEROC Member Agencies.

The Agreement for Transfer of Equipment for the Fuel Trailers is very similar to the transfer agreement utilized for the Potable Water Trailers. Legal Counsel identified very few changes in the agreement from the Potable Drinking Water Trailer. Please find attached the Agreement for Transfer of Equipment (Diesel Fuel Trailer) for your information.

Key concepts for this agreement are:

- Transfer of ownership and all required costs associated.
- Trailers must be available for mutual aid purposes.
- Agency must track the maintenance and use of equipment; as well as keep the trailer in working order per its original operational intent.
- Agency must store the trailer at a secure site.
- Agency will maintain the following for the legal operation of the fuel trailer:

- California Department of Motor Vehicles Trailer Registration
- Agency will maintain in working order at least 2 vehicles per trailer received capable of towing the trailer when full.
- Agency will have in its employ at least 2 employees with CA Driver's Licenses with Hazmat endorsements in good standing.

Member Agencies were asked to submit an Application of Interest to the WEROC Manager by Friday, February 5<sup>th</sup> for the Fuel Trailers. At the time of this report, the following agencies have indicated that they are interested in receiving trailers:

- City of Huntington Beach
- Irvine Ranch Water District
- Moulton Niguel Water District
- South Coast Water District
- Yorba Linda Water District

Following February 5, Member Agencies will be selected to receive the trailers based on their ability to meet the project and grant requirements and for the purchase of geographic disbursement. Agencies selected will receive the Agreement for Transfer of Equipment and a sample staff report for Board/Counsel approval. It is estimated that all Transfer Agreements will take approximately 4 months to complete.

Staff plans to start the competitive purchase process for the fuel trailers by March 2016 and estimates that the recommended vendor for purchase will be brought back to the Board for approval in May 2016.

### **Generator Quick Connection Project Details**

The generator quick connection project is more complicated because it requires more background work on what Member Agencies have for emergency electrical connections, what they need to facilitate the exchange of mutual aid generators, and how to write the technical specifications for the competitive purchase process. WEROC staff will utilize the information received from the OC Fuel and Generator Reliability Study that was completed by a majority of the WEROC Member Agencies. Staff may need to ask some additional follow-up questions of member agencies. Additionally, Moulton Niguel Water District is working on an emergency power supply project internally and they have offered to assist WEROC staff in developing the technical specifications needed for the competitive purchase process.

Although staff plans to primarily focus on the fuel trailers first and work on the generator project as time allows, both projects will continue to move forward at the same time. Once the Generator Quick Connect technical specifications are clarified a similar purchasing process as the one noted above for the fuel trailers will be conducted.

Attached: Agreement for Transfer of Equipment for Fuel Trailers

AGREEMENT FOR TRANSFER  
OF EQUIPMENT (FUEL TRAILERS AND EQUIPMENT)  
FOR FY2015 URBAN AREAS SECURITY INITIATIVE (UASI)

THIS AGREEMENT is entered into this \_\_\_\_ day of November, 2015 (dated for identification purposes only) by and between the Municipal Water District of Orange County, a municipal water district ("MWDOC") and \_\_\_\_\_, a \_\_\_\_\_ ("RECIPIENT"), also referred to collectively as "Parties" and individually as "Party."

WHEREAS, the City of Santa Ana ("CITY"), acting through its Police Department, in its capacity as a Core City of the MWDOC/Santa Ana Urban Area under the FY2015 Urban Areas Security Initiative, has applied for, received and accepted a grant entitled "FY2015 Urban Areas Security Initiative" ("UASI") from the federal Department of Homeland Security, Federal Emergency Management Agency ("FEMA"), through the State of California Emergency Management Agency ("Cal EMA") to enhance countywide emergency preparedness (the "GRANT"); and

WHEREAS, MWDOC, acting through the Water Emergency Response Organization of Orange County ("WEROC"), is eligible to receive financial assistance under the GRANT in its capacity as the Sub-Recipient under the agreement between MWDOC and the CITY entitled "Agreement for Transfer or Purchase of Equipment/Services or For Reimbursement of Training Costs For FY2015 Urban Areas Security Initiative (UASI)" ("GRANT AGREEMENT"), a copy of which is attached hereto as Attachment A and incorporated herein by this reference; and

WHEREAS, the terms of the GRANT AGREEMENT require that MWDOC use certain GRANT funds to purchase authorized equipment, exercises, services or training that will be

transferred to sub-recipients, including RECIPIENT, to be used for GRANT purposes in a manner consistent with the GRANT, as set forth in the FY 2015 Urban Areas Security Initiative Grant Program City of Santa Ana UASI Sub-Recipient Grant Guide Standard Operating Procedures, Policies and Forms ("GRANT GUIDELINES"), a copy of which is attached hereto as Attachment B and incorporated herein by this reference; and

WHEREAS, RECIPIENT desires to acquire FUEL TRAILERS and EQUIPMENT ("TRAILER") as conditioned herein and authorized by the GRANT.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1) As more specifically set forth herein, MWDOC shall purchase and transfer to RECIPIENT a TRAILER as specified in Attachment C, attached hereto and incorporated herein by this reference, in accordance with the GRANT GUIDELINES and the Cal EMA Fiscal Year (FY) 2015 Grant Assurances ("GRANT ASSURANCES"), a copy of which are a component of Attachment A and incorporated herein by this reference. When purchasing the TRAILER, MWDOC shall comply with its purchasing and bidding procedures and applicable state laws and shall meet federal procurement requirements for the GRANT as set forth in 2 Code of Federal Regulations ("CFR") Part 225 "Cost principles for State, Local, and Indian Tribal Governments" and 44 CFR Part 13 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments." Further, as required by FEMA and established by the Office of Federal Procurement Policy in the Office of Management and Budget, this AGREEMENT includes the FEMA Required Provisions specified in Attachment D, attached hereto and incorporated herein by this reference.

2) Within ten (10) days of receiving the TRAILER, RECIPIENT shall initiate action to transfer title, ownership and financial responsibility of the TRAILER from MWDOC to RECIPIENT pursuant to applicable California Department of Motor Vehicles procedures.

3) Throughout its useful life, RECIPIENT shall use the TRAILER acquired with GRANT funds only for those purposes permitted under the terms of the GRANT



AGREEMENT, and shall make the TRAILER available for mutual aid response to other governmental entities to the maximum extent practicable and when not in use by the RECIPIENT.

4) Care of the TRAILER. Once in RECIPIENT's possession and control, RECIPIENT shall exercise due care to preserve and safeguard the TRAILER from undue wear, damage or destruction and shall provide such regular maintenance, service and repairs for the TRAILER as are reasonable and consistent with responsible ownership. These shall include, without limitation, maintenance, service and repairs recommended by any warranty or owner's manual to keep the TRAILER continually in good working order. Such maintenance and servicing shall be the sole responsibility of RECIPIENT, which shall assume full joint and several responsibility for maintenance and repair of the equipment throughout the life of the TRAILER. RECIPIENT's exercise of due care as provided in this section shall include (1) the storage of the TRAILER at a secure facility, and (2) the provision of procedures, facilities and equipment to protect the TRAILER from theft, unauthorized use and vandalism.

a) At all times RECIPIENT has possession and control of the TRAILER as provided herein, it shall procure and maintain insurance against claims for injuries to persons or damage to property which may arise from or in connection with the TRAILER and package. The minimum scope and limits of insurance coverage shall be:

i) CGL coverage (ISO Occurrence Form No. CG 0001, or equivalent);  
\$1,000,000 per occurrence of Bodily Injury, Personal Injury and Property Damage, and \$2,000,000 Aggregate Total Bodily Injury and Property Damage.

ii) Automobile Liability, Any Auto (ISO Form No. CA 0001, or equivalent);  
\$1,000,000 for Bodily Injury and Property Damage, each accident.

b) The cost of such insurance shall be borne by the RECIPIENT. Proof of insurance acceptable to MWDOC shall be provided prior to delivery of TRAILER.

- c) As respects the liability insurance required herein, RECIPIENT may elect to (i) self-insure, (ii) provide coverage through a joint powers insurance authority (JPIA) duly formed under the laws of the State of California, or (iii) utilize a combination of self-insurance and JPIA coverage. Proof of self-insurance and/or JPIA coverage acceptable to MWDOC shall be provided prior to delivery of TRAILER.
- 5) In the event of loss, damage, disposal or theft of equipment, RECIPIENT shall notify WEROC and the CITY in writing as soon as practicable, and no later than 30 calendar days after discovery of same. RECIPIENT shall be responsible for all costs of repair. If the TRAILER is lost, stolen, or damaged beyond repair, the TRAILER shall be replaced by the RECIPIENT, at its sole cost, with equipment of like kind and capability, subject to approval by WEROC and the CITY. The RECIPIENT's liability for repair and replacement costs shall not be limited to insurance proceeds.
- 6) Permits. RECIPIENT shall obtain and maintain all permits, licenses, certificates or other authorizations (collectively PERMITS) necessary for storing, maintaining and operating the TRAILER as provided herein, and RECIPIENT shall pay any and all fees required for such PERMITS. RECIPIENT shall notify MWDOC immediately of any suspension, termination, lapse, non-renewal, or restriction, of PERMITS relative to the TRAILER. Necessary PERMITS include, without limitation:
  - a) California Department of Motor Vehicles TRAILER Registration
  - b) At least 2 California-licensed drivers with hazardous materials (HAZMAT) endorsements per TRAILER received
  - c) At least 2 vehicles of appropriate size and capacity to tow the TRAILER when full, per TRAILER received
  - d) All PERMITS required by State and Federal regulation, as they may change from time to time.
- 7) All equipment acquired or obtained with GRANT funds and transferred to RECIPIENT, including without limitation the TRAILER:

- a) Shall be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of WEROC and the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the Orange County Operational Area, when not in use by the RECIPIENT;
- b) Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan, when not in use by the RECIPIENT;
- c) Shall be subject to the following provisions in FEMA's "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments": 44 CFR 13.32 ("Equipment") and 13.33 ("Supplies") regarding title to, maintenance and use of, and disposition of equipment and supplies acquired under a federal grant.
- d) Shall be made available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by Cal EMA as awarding agency under the GRANT.
- e) Shall be added to the WebEOC Resource Manager system as a mutual aid resource that can be tracked, requested and deployed.
- f) Shall be recorded on a ledger maintained by RECIPIENT. The initial ledger shall be prepared by RECIPIENT and provided to MWDOC within 30 days of receiving the TRAILER and then biannually on a schedule set by MWDOC. The ledger, shall include: (a) description of the TRAILER, (b) manufacturer's model(s) and serial number(s), if any, (c) Federal Stock number, national stock number, or other identification number, if any; (d) the source of acquisition of the TRAILER, including the award number, (e) date of acquisition; (f) the per unit acquisition cost of the

TRAILER, (g) records showing maintenance procedures that been undertaken to keep the TRAILER in good running order, and (h) location and condition of TRAILER. Records constituting the ledger must be retained pursuant to 44 C.F.R. Part 13.42, and the Office of Grants & Training.

- g) Shall have an UASI Grant identification decal affixed to it in a location where, whenever practicable, it is readily visible, and RECIPIENT shall not remove or obscure the decal.
- 8) Shall have a physical inventory taken of the equipment, including the TRAILER, by RECIPIENT at least once every year, and the inventory results shall be reconciled by RECIPIENT against its equipment records. In addition, inventory shall be taken prior to any UASI, State or Federal monitor visits.
- 9) If the TRAILER acquired with GRANT funds becomes obsolete or unusable, RECIPIENT shall notify MWDOC of such condition. RECIPIENT shall transfer or dispose of the GRANT-funded TRAILER only in accordance with the instructions of MWDOC or the CITY in its capacity as the agency from which MWDOC received the GRANT funds.
- 10) RECIPIENT agrees to comply with and be fully bound by all applicable provisions of the GRANT and Attachments A through D to this Agreement.
- 11) In the event MWDOC, as the result of a grant audit or other occurrence, becomes responsible for reimbursing the CITY or FEMA some portion of the funding provided for the TRAILER, MWDOC will make every effort to minimize the amount of the TRAILER purchase for which funding will be disallowed. If TRAILER purchase costs remain unfunded despite their efforts MWDOC will look to the receiving agencies to cover these costs for the TRAILER(s) they receive.
- 12) Indemnification. Each of the Parties to this Agreement is a public entity. In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities, solely by reason of such entities being parties to an Agreement as defined by Section 895 of said Code, the Parties hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6

of said Code, will each assume the full liability imposed upon it or upon any of its directors, officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve this above-stated purpose, each Party indemnifies and holds harmless the other Party for liability that may be imposed on the other Party solely by virtue of Section 895.2. The provision of Section 2778 of the California Civil Code is made a part hereto as if fully set forth herein.

- 13) Public Records Act. MWDOC and RECIPIENT are public agencies subject to the California Public Records Act (Ca. Gov. Code, § 6250 et seq.) (Act). All requests for records related to this Agreement will be handled pursuant to the Act.
- 14) Conflict Of Interest. Under the provisions of the GRANT AGREEMENT, MWDOC and RECIPIENT are required to include the following Conflict of Interest provisions in this Agreement.
  - a) The RECIPIENT covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administrating any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
    - i) A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
    - ii) The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
    - iii) The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a

public officer, because such person would have a "financial or other interest" in the subcontract.

b) Definitions:

- i) The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.
- ii) The term "financial or other interest" includes but is not limited to:
  - (1) Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
  - (2) Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- c) The RECIPIENT further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- d) The RECIPIENT shall not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the RECIPIENT.
- e) Prior to obtaining MWDOC'S Approval of any subcontract, the RECIPIENT shall disclose to MWDOC any relationship, financial or otherwise, direct or indirect, of the RECIPIENT or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

- f) For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the RECIPIENT, State of California, and Federal regulations regarding conflict of interest.
  - g) The RECIPIENT warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
  - h) The RECIPIENT covenants that no member, officer or employee of RECIPIENT shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with the TRAILER during his/her tenure as such employee, member or officer or for one year thereafter.
- 15) Incorporation by Reference Of GRANT AGREEMENT. Pursuant to Section 7 of the GRANT AGREEMENT (Attachment A hereto), the terms of the GRANT AGREEMENT are hereby incorporated by reference and binding on the RECIPIENT.
- 16) Nondiscrimination and Affirmative Action. RECIPIENT shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this Agreement, RECIPIENT shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. RECIPIENT shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 C.F.R. Part 60).
- a) If required, RECIPIENT shall submit an Equal Employment Opportunity Plan ("EEOP") to the DOJ Office of Civil Rights ("OCR") in accordance with guidelines listed at <http://www.ojp.usdoj.gov/ocr/eeop.htm>.
  - b) Any subcontract entered into by RECIPIENT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this section.

- 17) No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by duly authorized representatives of MWDOC and RECIPIENT, and no oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.
- 18) RECIPIENT may not assign this Agreement in whole or in part without the express written consent of MWDOC.
- 19) For a period of three years after final delivery hereunder or until all claims related to this Agreement are finally settled, whichever is later, RECIPIENT shall preserve and maintain all documents, papers and records relevant to the TRAILER acquired in accordance with this Agreement. For the same period of time, RECIPIENT shall make said documents, papers and records available to MWDOC and the agency from which MWDOC received GRANT funds or their duly authorized representative(s), for examination, copying, or mechanical reproduction on or off the premises of RECIPIENT, upon request during usual working hours.
- 20) RECIPIENT shall provide to MWDOC all records and information requested by MWDOC for inclusion in quarterly reports and such other reports or records as MWDOC may be required to provide to the agency from which MWDOC received GRANT funds or other persons or agencies.
- 21) MWDOC may terminate this Agreement and be relieved of the delivery of any consideration to RECIPIENT if (a) RECIPIENT fails to perform any of the covenants contained in this Agreement, at the time and in the matter herein provided, or (b) MWDOC loses funding under the GRANT. If at any point WEROC/MWDOC or the CITY reasonably believes that RECIPIENT is in breach of this Agreement, MWDOC may send a Corrective Action Notification Letter to RECIPIENT identifying the breach and the corrective actions that are needed. If corrective actions are not taken within the time frame stated in the letter, further actions by MWDOC or the CITY may include repossession and reassignment of the TRAILER in cooperation with the City of Santa Ana UASI grant office, invoicing of the



CITY for costs attributable to breach of the Agreement, and denial of participation in future UASI grant projects.

22) RECIPIENT and its agents and employees and independent contractors shall act in an independent capacity in the performance of this Agreement, and shall not be considered officers, agents or employees of MWDOC or of the agency from which MWDOC received GRANT funds.

23) In the performance of this Agreement, RECIPIENT and its governing body, officers, agents and employees shall comply with by all applicable federal, state and local laws, including all applicable statutes, regulations, executive orders and ordinances.

IN WITNESS HEREOF, the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY and [INSERT AGENCY NAME] have executed this Agreement through their authorized representatives on the date first set forth above.

MUNICIPAL WATER DISTRICT  
OF ORANGE COUNTY

RECIPIENT  
[INSERT AGENCY NAME]

By: \_\_\_\_\_  
Rob Hunter  
General Manager

By: \_\_\_\_\_  
[INSERT NAME]  
[INSERT TITLE]



**CONSENT CALENDAR ITEM**

February 17, 2016

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Staff Contact: Karl Seckel

**SUBJECT: Authorization of Phase 2 Scope of Work for CDM-Smith**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors authorize the General Manager to increase the CDM-Smith Scope of Work by \$131,080, as outlined in the attached DRAFT Scope of Work. This would bring the CDM Authorization to \$425,275 since the beginning of this effort.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation, however when this item was presented to the P&O Committee, staff advised the Committee that MWDOC had given agencies additional time to comment on the scope of work and that a redlined version would be presented to the Board. The redlined comments included since the P&O Committee do not change the schedule or cost of the work to be completed, but the changes provide an improved description of some of the elements of work, especially with regard to how any final reporting might be accomplished to avoid the appearance of foregone decisions in any of the sub-regions of the County.

**SUMMARY**

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MWDOC, CDM-Smith and the water agencies in Orange County have been working through the OC Water Reliability Study issues and are ready to proceed to Phase 2. As a reminder, the Phase 1 Analyses were complete in November, the Technical Memoranda from CDM-Smith were distributed in December and the following meetings have taken place to get ready for Phase 2:

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: \$160,000	Core ✓	Choice __
<b>Action item amount: \$131,080</b>		Line item: Programs 21 & 23	
<b>Fiscal Impact (explain if unbudgeted):</b>			

- Nov 30 – Workshop Recap of Supply Reliability Phase 1 Analyses
- Dec 14 – Workshop on System Emergency Planning Issues
- Jan 4 – Workshop on Supply Reliability GAPS, Illustration of Strategies to Reduce the GAPS and Economic Methods for Understanding Strategies
- Jan 21 – Review and Input on Phase 2 Scope of Work – Decisions made at the January 4 meeting were incorporated into the CDM Scope of Work which was discussed in detail at this meeting.
- Upcoming meetings have been set for January 28 and February 18 to discuss the construct for how to structure the MET and MET Member Agency Project success for developing NEW projects under various MET IRP assumptions 1 through 5. These will then be run through the OC Model to estimate remaining GAPS. OC Project portfolios will be structured to fill the GAPS. At the Jan 28 meeting, discussions will be held on the approach to structure the left hand side of the chart below. The Feb 18 meeting will focus on filling the GAPS with portfolios of OC Projects.

Conceptual Scenarios for Development of Phase 2		
	January 28 Meeting Topic	February 18 Meeting Topic
	MET IRP & MET Member Agency Projects	OC Portfolio of Projects
1	<b><u>Fewer</u></b> MET & MET MA Projects	<b><u>Fewer</u></b> OC Projects to Fill GAP
2		
3		
4		
5	<b><u>More</u></b> MET & MET MA Projects	<b><u>More</u></b> OC Projects to Fill GAP

The meetings noted above have had very good attendance and participation from our agencies, averaging around 21 agencies in each meeting, including the Three Cities participation.

Remaining work to be completed in March and April will include updating the GAP analyses under the five scenarios above, using the local project information to evaluate the reliability improvement and costs. The Technical work on Phase 2 will be wrapped up in April with a “report” in May. The attached Scope of Work is listed as DRAFT; it was discussed with our agencies last week and we gave agencies until the end of this week to get comments submitted on the Scope. Staff will update the Scope and include any revisions with the

submittal to the Board. Issues were discussed at the last Workgroup meeting regarding the type of “report” to be issued at the conclusion of Phase 2. At issue is the local decision-making and how it might be influenced by what a “report” may include as part of a finding or conclusion. The local agencies want to ensure their positions and decisions do not get compromised by such a publication. We will have to work on the form and format of any “reports” issued, probably by using the various analyses as examples of how decisions in OC are influenced by what is going on elsewhere, thus demonstrating the implications of the work completed. A cornerstone of our process has been to bring the information forward in a form that is both relevant and useful for all agencies in the County. We would like to continue in that same manner in Phase 2.

Beginning in May and continuing for some time our expectations are that on-going discussions will occur regarding project evaluations and decisions in Orange County. The CDM-Smith Scope of Work includes time and effort for assistance with outreach and on-going workshop type of meetings, including any potential additional modeling runs or evaluations that may need to be made. Staff intentions are to remain engaged in this process to assist with local agency decisions.

Attached is the CDM-Smith DRAFT Scope of Work.



To: Karl Seckel, MWDOC

From: Dan Rodrigo, CDM Smith

Date: ~~February 9, 2016~~

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## **REVISED** Proposed Scope of Work for Phase 2 of Orange County Reliability Study

The Orange County Reliability Study (OC Study) was initiated by the Municipal Water District of Orange County (MWDOC) to evaluate existing and future water supply and system reliability for Orange County water agencies and to understand the Metropolitan Water District of Southern California's (MET's) influence on reliability in OC. The intent of the study is to provide information on costs and benefits of increasing supply reliability through a combination of Orange County local projects and advocacy for MET improvements in imported water supply reliability.

### **Phase 1 Overview**

Phase 1 of the OC Study was completed in November 2015, and provided the following:

- Access to information and suggestions from all agencies during 13 Workgroup Meetings held over the past year.
- Development of three planning scenarios, developed by the Workgroup, (both with and without the California WaterFix, yielding six scenarios in total).
- Forecast of water demands and conservation (passive, historical active and future potential active) for Brea/La Habra, OCWD Basin, South County, and total OC County areas.
- Assessment of MET supply reliability under various planning scenarios, including two climate scenarios for the Colorado River and State Water Project watersheds.
- Assessment of existing Orange County water supplies, including OCWD basin supplies and impacts of two climate scenarios for the Santa Ana River watershed.
- Developed a range of "gaps" between projected water demands and existing imported and local water supplies for Orange County, Brea/La Habra, OCWD Basin and South County areas under six Scenarios assuming NO NEW projects at the MET level and only assuming expansion of recycled water projects in OC, including the GWRS Phase 3 start up in 2022 for NEW OC Projects.

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## Scope of Work for Phase 2 of Orange County Reliability Study

February 9, 2016

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- Developed a summary of NEW local water supply options for Orange County.
- Summary of MWDOC evaluations on emergency needs for outages and seismic risks.

Two technical memorandums were prepared by CDM Smith: Technical Memorandum #1 (TM#1) summarizing the results of the demand forecast and supply GAP; and Technical Memorandum #2 (TM#2) detailing the development of the OC Reliability Model. Phase 1 was developed with input and direction from an OC Water Agency Workgroup that met 13 times in the course of the study.

A Phase 1 Extension was initiated in November 2015 and ended in January 2016 to communicate the results of Phase 1 to a wider audience of Orange County water agencies and to allow a greater discussion of the results and implications of the Phase 1 work before scoping and starting on Phase 2. Four workshops were held during this extension phase, with the last workshop occurring on January 21, 2016. The purpose of the last workshop was to address comments on the Phase 1 Technical Memoranda and to provide review and input on the proposed Scope of Work for Phase 2.

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Funding was also allocated to the Phase 1 Extension to begin building the financial model for the Phase 2 evaluation of portfolios to address the supply and system gaps.

## Phase 2 Scope of Work

The purpose of Phase 2 is to demonstrate how the supply and system gaps (estimated during Phase 1) could be met with new supply projects, either implemented by MET, the MET member agencies or OC. This process would evaluate how implementation of MET and MET member agency projects would impact OC gaps and provide OC agencies with an understanding of the remaining supply and system gaps. Information developed in the process would be used by agencies in their evaluation of projects or portfolios. The overall study effort will proceed in such a manner to demonstrate key aspects and implications of local decision-making by testing several portfolios of projects. In addition, the relative cost implications of portfolios will be assessed. The outcome of Phase 2 will not be to recommend a specific portfolio for implementation, but rather to present several possible portfolios and cost implications and a range of supply risks that OC agencies can use for their own, local decision-making. The Phase 2 results may also facilitate partnerships and mutual agreements between OC agencies to improve supply and system reliability.

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### Task 1. Develop Finalized List of OC Supply Projects

During Phase 1, a list of OC water supply/system improvement projects were drafted. For each project, the list includes location of project, supply yield, attributes of the project, and in some cases capital and O&M costs. However, many of these projects still need cost estimates. MWDOC will take the lead in working with OC agencies to get as much cost information as possible for these projects. CDM Smith will then use professional engineering judgement, along with existing studies and reports, to develop cost estimates for those projects that do not have agency-specified costs. The cost estimates developed by CDM Smith will be very high-level to develop relative cost implications. OC agencies will then review CDM Smith's cost estimates for their projects before they are used.

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## Scope of Work for Phase 2 of Orange County Reliability Study

February 9, 2016

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One of the projects to be included is additional, more aggressive, active Water Use Efficiency (WUE) implementation by OC agencies. The demand projections developed in Phase 1 included WUE levels consistent with 2013 levels by each agency in the county via a model calibration process based on data submitted by each agency. Further levels of WUE were estimated based on (1) future compliance with the State Mandatory Water Efficiency Landscape Ordinance (MWELo) for future commercial and residential development, (2) continued WUE at historical levels as has occurred under the joint programs carried out in the county between MWDOC and the retail agencies, and (3) more aggressive landscape irrigation efficiency by targeting 20% of existing turf removal countywide. The third portion of the WUE projections will be carried forth as a part of a number of the portfolios in the Phase 2 evaluation. Again, these will be presented in such a way to demonstrate and allow agencies to understand the cost and reliability implications of these types of investments.

Another issue identified with development of WUE projects, is the potential impact on revenue for any of the retail agencies. This will vary in accordance with the rate structure in place at the retail agency and will range significantly from agency to agency from zero impact to a very severe impact on operating revenue needed for the retail operations. It was suggested that this impact be EXCLUDED from the portfolio analyses. This would be appropriate for agencies who have fixed costs covered by fixed revenue and variable costs covered by variable revenue. At least two additional levels of cost implications will be identified based on two representative mixes of the percent of fixed costs supported by variable revenue exhibited by retail agencies in OC. This will be developed in conjunction with the Workgroup.

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### Task 2. Develop Imported and OC Portfolios of Options

During the third Phase 1 Extension Workshop, it was agreed that Planning Scenario 2 (moderate climate scenario) would be used as the basis for developing an assessment of portfolios. Working closely with the OC Agency Workgroup, approximately 5 portfolios of different combinations of new OC supply options will be defined. The portfolios will be assembled around assumptions regarding MET reliability.

At one extreme, a portfolio will be developed assuming that additional projects will be developed at the MET and MET Member Agency level (including the California WaterFix), thus improving imported water reliability. For this portfolio, it is not expected that there would be a significant amount of OC supply projects needed as the supply gap estimated in Phase 1 for this scenario was relatively small. However, there may be a need for some moderate/larger investments for South County for system reliability needs.

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At the other extreme, a portfolio will be developed assuming that fewer projects will be developed at the MET and MET Member Agency level, thus resulting in a lower imported water reliability. For this portfolio, it is expected that there would be a significant need for new OC water supply and system reliability projects.

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In the middle of these extremes, two to three portfolios would be developed assuming a range of MET reliability improvements will be implemented, with OC water supply and system reliability projects filling in any remaining needs. This task may be the most important part of the study in that it will result in the demonstration of how investment decisions at the MET and MET Member Agency level will impact the reliability gaps in OC. Another aspect of this task is to provide a clear basis of advocacy for projects at the MET and MET Member Agency level for projects that benefit OC. Part of this exercise will examine the resulting MET water rates under various levels of investment by MET either directly or via incentives to stimulate projects by others.

### Task 3. Test Reliability of Portfolios

The portfolios will be tested in terms of supply and system reliability using the OC WEAP model that was developed and utilized in Phase 1. The supply reliability assessment will be presented in terms of how the portfolios reduce water potential shortages both in terms of magnitude and frequency.

System reliability will be assessed using a simple spreadsheet tool comparing max day water demands under selected demand scenarios (in CFS) and 60 day outages of imported water supplies (also in CFS) combined with 7 day outages of the electrical grid. Assessment of groundwater well system reliability will also be compared.

### Task 4. Evaluate Relative Cost Implications and Benefits of Portfolios

A spreadsheet tool will be created to estimate the overall lifecycle costs from 2015-2040 for the portfolios using several well-established financial metrics. The purpose of the financial analyses will be to demonstrate the cost implications of what could happen at the regional imported level and the local level under the portfolios from Task 2:

- Levelized Unit Cost – which is the present value of all capital and O&M costs for the portfolios, divided by the present value of water supply that is beneficially used. Beneficially used water supply is that which is tied to reducing a specific frequency and magnitude of water shortages. This metric will be vital in evaluating base-loaded vs. storage/or call-when-needed water supplies. Base-loaded supplies produce water each and every year, regardless of need; whereas storage/call-when-needed water supplies produce water only during times of need.
- Net Present Value Cost – representing the difference between total lifecycle cost of the portfolios and the cost of status quo. The status quo will be evaluated in terms of projected MET costs plus the cost of water shortages. The cost of shortages will be assessed using the cost of emergency supplies from MET under their Water Supply Allocation Plan (WSAP), which results in imported water costs of approximately three times the cost of MET water for water needed if an agency cannot meet demands within the allocation provided by MET.

In addition, under this evaluation, the cost of MET imported water will be developed under each of the scenarios developed under Task 2, including one assuming the California WaterFix will proceed

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forward and another set of projections assuming it will NOT proceed forward, but that MET's reliability will have to be secured via higher priced local supplies, ocean desalination or transfers from the Central Valley.

The "order of timing implementation" for projects within a portfolio can influence how cost-effective the portfolio will be in the analysis. The Phase 2 analysis will assume that project implementation order within a portfolio, will first be by the time when the project could be implemented, and next by the overall cost per AF of the project (includes capital and O&M; lower costs are brought on sooner) and then once decisions on projects have been made, they will be operated in accordance with the magnitude of the O&M costs, excluding the capital cost (lowest operating expense projects will be sooner).

In addition to evaluating the relative cost of the portfolios, a qualitative assessment of the benefits of the portfolios will be made. This qualitative benefit assessment will include the benefit of being highly reliable under both supply shortage and system outage conditions, having adequate supplies for planned growth, maintaining quality of life for residents and other justifications for local and regional investments.

Finally, the implications of various policy implications on cost and benefits of the portfolios will be assessed qualitatively to assist agencies in making decisions. These policy implications are divided into local, regional and state policy issues, as summarized below:

**Local Policy Issues:**

- Initially, OCWD basin investments are considered for the benefit of only the basin agencies as a baseline condition. In this manner, the use of storage in OC Basin for non-basin agencies must measure impacts from this baseline (meaning that no financial impacts will accrue to the basin agencies from any sharing concepts)
- Sharing of the basin benefits for development of "Extraordinary Supplies" under MET's WSAP will be evaluated, for both the basin and non-basin areas
- Sharing of the basin benefits for emergency supplies and drought supplies will also be considered under this framework
- Sharing unused MET allocation with OCWD for increased replenishment during periods of water allocations will also be evaluated
- What level of reliability should be incorporated into our planning process (this can vary by agency and by region of the county)?
- What is the cost of being fully reliable compared to allowing infrequent periods of demand curtailment during water shortage situations?

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- What is our level of comfort with MET and the MET member agencies being successful in implementation of their projects, specifically the California WaterFix and MET's Indirect Potable Reuse Project at the Carson Plant?

#### **Regional (MET) Policy Issues:**

- Drought allocation formula revisions to encourage local supply development
- Groundwater replenishment strategy/incentives to maximize local groundwater during normal, wet and dry years
- What will MET's NEW Goals be for the Local Resource Program solicitation of projects?
- What changes will MET propose for its role in the development of local projects?
- How much funding will MET put forth towards on-going WUE programs?
- Will MET be successful in seeking additional transfers and exchanges along the CRA and the SWP?
- Will MET be changing its rate structure to incentive certain elements of supply development and management?

#### **State Policy Issues:**

- Long-term Statewide policies regarding management of water during extreme droughts must not penalize agencies for locally supported water supply investments (e.g., statewide water restriction targets not crediting indirect potable reuse, desal and other investments)

### ***Task 5. Prepare TM#3 and Executive Report***

A Phase 2 Technical Memorandum (TM#3) will be prepared documenting Tasks 1-4. Following TM#3, a high-level Executive Report (approximately 10-12 pages) will be developed summarizing both Phase 1 and the implications from the reliability and cost information from Phase 2. This Executive Report will be developed to communicate the results to a wide range of audiences, both technical and non-technical. Our understanding is that whatever reporting comes out of the study will have to recognize the potential impacts it could have in the implications for different portions of the County and potentially on local projects that may be developed in different portions of the county. At the same time, the work being completed is important for decision-makers countywide to understand and there is a responsibility to provide an easy to understand set of implication of the work to be presented at the regional level. A presentation is being planned for the WACO meeting in May (request from the WACO Planning Committee). It is suggested that a volunteer

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panel of the member agencies provide input to MWDOC in putting together this effort so that it appropriately represents the various issues to the WACO audience.

### **Task 6. Prepare Presentations**

To support the dissemination of information for the OC Agency Workshops and other groups, CDM Smith will prepare PowerPoint presentations working closely with MWDOC.

### **Task 7. Attend Meetings and Provide On-Going Support**

The following meetings have been identified for this effort:

- OC Agency Workshop #1 – Develop assumptions for MET reliability that will feed into the portfolio development
- OC Agency Workshop #2 – Review cost assumptions for projects and provide input on draft portfolios
- OC Agency Workshop #3 – Review reliability performance of portfolios and review assumptions for cost implications
- OC Agency Workshop #4 – Review cost implications of portfolios and provide input on communication of OC Study results (Phases 1 and 2). Assist in developing input information for the WACO audience for the May 2016 meeting.

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In addition to these four identified meetings, four working meetings with MWDOC/OCWD staff, attendance at two Board/Committee meetings, and time for up to four additional workshops have been budgeted for this Phase 2, if needed. Also, to support additional meetings, time as been added to provide additional modeling support if needed.

### **Schedule and Budget**

It is anticipated that the technical portions of this effort will essentially take 3 months to complete Phase 2 (see Figure 1), with the recognition that on-going discussions and policy issues locally and at MET may take substantially longer to complete and may require additional modeling runs and discussions at key updated points for the various on-going activities in the future. We do not anticipate a “hard” finish of the study, but one that results in on-going discussions regarding upcoming investments in various parts of the County and at the MET regional level.

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Scope of Work for Phase 2 of Orange County Reliability Study

February 9, 2016

Page 8

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Figure 1. Schedule for Phase 2 of OC Reliability Study

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Task 1. Finalize Supply Project List								
Task 2. Develop Portfolios								
Task 3. Test Reliability of Portfolios								
Task 4. Evaluate Cost of Portfolios								
Task 5. TM#3 and Executive Report								
Task 6. Prepare Presentations								
Task 7. Meetings and On-Going Support								

# OC Agency Workshops

The budget for Phase 2 is \$131,080 (see Table 1), which includes as-needed services to support the project through the end of summer.

Table 1. Budget for Phase 2 of OC Reliability Study

Tasks	Labor Hours					Labor Dollars	Other Costs	Total Fee
	Project Manager	Senior Planner	Engineers	Admin	Total			
Task 1. Finalize Supply Project List	10	22	60	-	92	\$ 15,860	\$ -	\$ 15,860
Task 2. Develop Portfolios	16	8	12	-	36	\$ 7,460	\$ -	\$ 7,460
Task 3. Test Reliability of Portfolios	24	4	60	-	88	\$ 16,260	\$ -	\$ 16,260
Task 4. Evaluate Cost of Portfolios	32	16	40	-	88	\$ 17,400	\$ -	\$ 17,400
Task 5. Prepare TM#3 and Report	36	5	40	24	105	\$ 19,220	\$ 100	\$ 19,320
Task 6. Prepare Presentations	16	4	8	-	28	\$ 6,120	\$ -	\$ 6,120
Task 7. Meetings and On-Going Support	100	20	110	14	244	\$ 48,260	\$ 400	\$ 48,660
<b>Total</b>	<b>234</b>	<b>79</b>	<b>330</b>	<b>38</b>	<b>681</b>	<b>\$ 130,580</b>	<b>\$ 500</b>	<b>\$ 131,080</b>
<i>Billing Rate (\$/Hour)</i>	<i>\$260</i>	<i>\$180</i>	<i>\$155</i>	<i>\$115</i>				

Number of Meetings	
Technical (MWDOC & OCWD Staff)	4
OC Agency Workshops	4
Additional OC Agency Workshops (if need)	4
MWDOC/OCWD Board Meetings	2
<b>Total</b>	<b>14</b>

cc: Lanaya Voelz, CDM Smith

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## CONSENT CALENDAR ITEM

February 17, 2016

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

**FROM: Wayne Osborne, President**

**SUBJECT: STANDING COMMITTEE AND AD HOC COMMITTEE APPOINTMENTS FOR 2016; SCHEDULE OF COMMITTEE MEETING DATES FOR 2016**

### **PRESIDENT'S RECOMMENDATION**

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It is recommended that the Board of Directors: (1) ratify the list of Standing Committee and Ad Hoc Committee Appointments as presented by the President of the Board; and (2) ratify Committee meeting dates/times for 2016.

### **COMMITTEE RECOMMENDATION**

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Committee concurred with President Osborne's recommendations. Subsequent to the Committee meeting, Director Tamaribuchi asked that the March Public Affairs & Legislation Committee meeting be changed to Wednesday, March 23<sup>rd</sup>; all Committee members are available on that date, so the date has been changed on the master calendar.

### **SUMMARY**

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In accordance with the MWDOC Administrative Code, the Board of Directors shall consider the appointment of members of its Standing Committees by the end of February of each year. It also provides the Board shall review and establish Special Committees as appropriate. Members shall be appointed to Standing and Special Committees by the President of the Board and ratified by the Board of Directors. The current Standing Committees of the Board of Directors are:

- Administration & Finance Committee
- Planning & Operations Committee
- Public Affairs & Legislation Committee
- Executive Committee

- MWDOC/OCWD Joint Planning Committee (full Board)

Attached is President Osborne's slate of nominations to MWDOC Standing and Ad Hoc Committees, along with proposed meeting dates for the upcoming year.

**2016**  
**STANDING COMMITTEE APPOINTMENTS**  
Municipal Water District of Orange County

<b>STANDING COMMITTEE</b>	<b>MEMBERS</b>	<b>COMMITTEE DATE</b> (Attached is List of Exact Dates for 2016)
<b>Executive Committee</b> (President, Vice President and Immediate Past President)	W. Osborne, Chair B. Barbre L. Dick	Thursday following Regular Board meeting 8:30 a.m.
<b>Administration &amp; Finance Committee</b>	J. Thomas, Chair B. Barbre J. Finnegan	2 <sup>nd</sup> Wednesday 8:30 a.m.
<b>Planning &amp; Operations Committee</b>	L. Dick, Chair S. Hinman J. Finnegan	1 <sup>st</sup> Monday 8:30 a.m.
<b>Public Affairs &amp; Legislation Committee</b>	S. Tamaribuchi, Chair S. Hinman B. Barbre	3 <sup>rd</sup> Monday 8:30 a.m.
<b>MWDOC/OCWD Joint Planning Committee</b>	All MWDOC Directors	4 <sup>th</sup> Wednesday 8:30 a.m.
<b>AD HOC COMMITTEES</b>	<b>Members</b>	<b>Alternates</b>
<b>Ad Hoc Committee on Water Policy Forum</b>	B. Barbre L. Dick	
<b>Ad Hoc Committee on Member Agency Relations</b>	J. Thomas S. Hinman S. Tamaribuchi	
<b>Ad Hoc Committee Re Water Summit</b>	J. Thomas W. Osborne S. Tamaribuchi	
<b>Ad Hoc Committee on MWDOC/OCWD Building Issues</b>	B. Barbre S. Tamaribuchi	
<b>Ad Hoc Committee on Desalination</b>	S. Hinman J. Finnegan W. Osborne	

**STANDING COMMITTEE DATES FOR 2016  
(Through February 2017)**

**Planning & Operations Committee**

*This Committee generally meets the first Monday of each month at 8:30 a.m. An \* indicates those months requiring a change in the meeting date and/or time (due to holiday or conflict)*

Monday	March 14, 2016	8:30 a.m. (Second Monday due to conflict with MET)
Monday	April 4, 2016	8:30 a.m.
Monday	May 2, 2016	8:30 a.m.
Monday	June 6, 2016	8:30 a.m.
*Tuesday	July 5, 2016	8:30 a.m. (Meets on Tuesday due to holiday)
Monday	August 1, 2016	8:30 a.m.
*Tuesday	September 6, 2016	8:30 a.m. (Meets on Tuesday due to holiday)
Monday	October 3, 2016	8:30 a.m.
Monday	November 14, 2016	8:30 a.m.
Monday	December 5, 2016	8:30 a.m.
*Tuesday	January 3, 2017	8:30 a.m. (Meets on Tuesday due to holiday)
Monday	February 6, 2017	8:30 a.m.

**Administration & Finance Committee**

*This Committee generally meets the second Wednesday of each month at 8:30 a.m. An \* indicates those months requiring a change in the meeting date (due to holiday or conflict)*

Wednesday	March 9, 2016	8:30 a.m.
Wednesday	April 13, 2016	8:30 a.m.
Wednesday	May 11, 2016	8:30 a.m.
Wednesday	June 8, 2016	8:30 a.m.
Wednesday	July 13, 2016	8:30 a.m.
Wednesday	August 10, 2016	8:30 a.m.
Wednesday	September 14, 2016	8:30 a.m.
Wednesday	October 12, 2016	8:30 a.m.
Wednesday	November 9, 2016	8:30 a.m.
Wednesday	December 14, 2016	8:30 a.m.
Wednesday	January 11, 2017	8:30 a.m.
Wednesday	February 8, 2017	8:30 a.m.

**Public Affairs & Legislation Committee**

*This Committee generally meets the third Monday of each month at 8:30 a.m. An \* indicates those months requiring a change in the meeting date (due to holiday or conflict)*

*Wednesday	March 23, 2016	8:30 a.m. (Wednesday due to conflict)
Monday	April 18, 2016	8:30 a.m.
Monday	May 16, 2016	8:30 a.m.
Monday	June 20, 2016	8:30 a.m.
Monday	July 18, 2016	8:30 a.m.
*Monday	August 8, 2016	8:30 a.m. (2nd Monday due to MET conflict)
Monday	September 19, 2016	8:30 a.m.
Monday	October 17, 2016	8:30 a.m.

Monday	November 21, 2016	8:30 a.m.
Monday	December 19, 2016	8:30 a.m.
Monday	January 16, 2017	8:30 a.m.
*Tuesday	February 21, 2017	8:30 a.m. (Tuesday due to holiday)

### **Executive Committee**

*This Committee generally meets the Thursday following the Regular Board Meeting at 8:30 a.m.; the Regular Board meeting is held the third Wednesday of each month at 8:30 a.m. An \* indicates those months requiring a change in the meeting date (due to holiday or conflict)*

Thursday	March 17, 2016	8:30 a.m.
Thursday	April 21, 2016	8:30 a.m.
Thursday	May 19, 2016	8:30 a.m.
Thursday	June 16, 2016	8:30 a.m.
Thursday	July 21, 2016	8:30 a.m.
Thursday	August 18, 2016	8:30 a.m.
Thursday	September 22, 2016	8:30 a.m.
Thursday	October 20, 2016	8:30 a.m.
Thursday	November 17, 2016	8:30 a.m.
*Tuesday	December 20, 2016	8:30 a.m. (Meets Tuesday due to holidays)
Thursday	January 19, 2017	8:30 a.m.
Thursday	February 16, 2017	8:30 a.m.

### **MWDOC/OCWD Joint Planning Committee Meetings**

*This Committee generally meets the fourth Wednesday of each month at 8:30 a.m. An \* indicates those months requiring a change in the meeting date (due to holiday or conflict)*

Wednesday	April 27, 2016	8:30 a.m.
Wednesday	July 27, 2016	8:30 a.m.
Wednesday	October 26, 2016	8:30 a.m.
Wednesday	January 25, 2017	8:30 a.m.

### **MWDOC Elected Officials Forums**

*These meetings are held twice a year (April/November); historically on the first Thursday of the month*

Thursday	April 7, 2016	6:00 p.m.
Thursday	November 3, 2016	6:00 p.m.

By Resolution, the Board established its Board meeting dates as the first and third Wednesdays of each month at 8:30 a.m.

### ***Proposed Canceled Board Meeting Dates Due to Conflicts with ACWA***

May 4, 2016 Workshop Board Meeting with MET Directors





## CONSENT CALENDAR ITEM

February 17, 2016

**TO:** Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Jonathan Volzke

**SUBJECT: 2015-16 Value of Water CHOICE Communications Plan and Contract with the Orange County Register**

### STAFF RECOMMENDATION

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Staff recommends the Board of Directors approve the Orange County Register contract.

### COMMITTEE RECOMMENDATION

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Committee concurred with staff recommendation.

### DETAILED REPORT

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The Value of Water Communications Plan is an annual CHOICE program funded by participating agencies.

The program has been presented in meetings of the Public Affairs and Legislative Committee, as well as in the General Manager's Report to Directors. The general program and choice budget were approved in this year's budget. However, specific program components and contracts were modified in conjunction with the Member Agencies in response to the drought conditions and subsequent to the annual budget approval.

This year's CHOICE communications program is built around a series of full page, color advertorial stories placed in the Orange County Register Local section each Sunday – the day of the paper's highest readership. The Register has a Sunday circulation of 311,000, which accounts for a readership of 777,500.

Budgeted (Y/N): Yes	Budgeted amount: \$195,000	Core	Choice _X
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted): Within projected budget			

Nineteen agencies joined the program this year. (See attached list for all participating agencies.) The agency contributions total \$175,000

Working with participating agencies, MWDOC has developed a list of subjects that will be covered in the weekly pages. The Register's "custom content" team writes the story and lays out the page, with MWDOC having final approval.

The page also includes a calendar of public events hosted by participating agencies and a weekly "featurette" on one of the participating districts.

The series began with "Where OC Gets Its Water" and since has provided participating agencies an opportunity to showcase their conservation efforts. Future planned pages include explanations of the intricacies – and legalities – of storm water capture, rate-setting and the California WaterFix.

The information is also being used on social media and is posted on the OC Register's website under its "Knowledge Café."

The \$195,000 approved budget was a "not to exceed amount," based on payments from participating agencies. That amount would have covered each week from the start of the program in December to the end of this fiscal year. However, agency participation at \$175,000 will fall short of that goal, ending the program in May.

The amount covers the cost of the page and MWDOC administration costs.

The participation levels were set for each agency based on the size of the agency. It did not increase from the previous year's program.

The agreement with the Orange County Register is attached.

Nov. 18, 2015

**MEMORANDUM OF UNDERSTANDING (MOU) between:**

A consortium of Orange County-based water districts (Consortium) led by the Municipal Water District of Orange County, and Freedom Custom Content (Freedom CC), a division of Freedom Communications, concerning a comprehensive content marketing campaign in print and online focused on the Value of Water and benefits and strategies to use water efficiently.

**CAMPAIGN RATIONALE:**

Potable water travels hundreds of miles to reach Orange County, and many consumers are unaware of the infrastructure required to ensure the reliable delivery of safe, clean water. Additionally, studies show that Orange County residents generally are unaware of the key elements of the state's water infrastructure, such as the Colorado River Aqueduct and California Delta, and the importance of those systems to Orange County.

Orange County water agencies, who for years were satisfied to remain "the silent service," have also learned that customers and stakeholders are generally unaware of the coordination between agencies, the ongoing investment in water infrastructure, the study of future reliability needs and the long-term planning engaged by the water industry.

In addition to these issues, Orange County and much of California is now entering the fifth year of a record drought that has parched the region and triggered unprecedented mandatory reductions in commercial and consumer. A content marketing campaign in the Orange County Register—print and online—will help tell the vital importance of changing our mindset, lifestyle and daily habits when it comes to water by conveying to residents the true "Value of Water."

**CAMPAIGN EXECUTION:**

Freedom CC has the capabilities and experience to deliver this custom content marketing campaign that will be published on Freedom Communications' channels and ultimately repurposed across a variety of third-party channels identified by the consortium of water districts sponsoring this public service campaign. Functioning as an independent business unit, Freedom Custom Content is comprised of veteran writers, editors and designers who are not affiliated with Freedom News Group, the news gathering arm of Freedom Communications. The following outline details the specific services provided by Freedom CC for the "Water Wise Lifestyle" campaign.

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625 N Grand Ave, Santa Ana, CA 92701  
Heidi Frincke  
714-796-7818

**FREEDOM CC AGREES TO:**

- Up to 30 custom, full-page narrative ads for newsprint to be published in the Orange County Register (OCR). The campaign will start on Dec.13, 2015 and will publish through July 1, 2016. A specific publication and production calendar will be submitted and approved before the campaign is launched. **Maxium insertions for the campaign: 30.**
- All full-page ads will be in color and will appear in the Sunday Local section of the OCR (section placement TBD).
- All content appearing in "Water Wise Lifestyle" campaign will be published on ocregister.com in the digital library known as the "Knowledge Café." Each narrative will be optimized for search and will include links. (Note: Options are available for additional digital marketing through Digital Freedom, a propriety product offered to Freedom clients exclusively.)
- Custom-design all narrative ads with the Municipal Water District of Orange County and/or its designated representatives having full approval before any modules are published.
- Incorporate marketing messages in a designated branding bar in each narrative.
- Report, write, edit and revise content for narratives. Municipal Water District of Orange County and participating member agencies will assist with content narratives for this program. Note: Freedom CC must approve any content submitted by the Municipal Water District of Orange County. The Municipal Water District of Orange County has final approval for all narratives prior to publication.
- Supply photography, graphics and other visual elements as needed for narrative ads.
- Provide narrative ads upon request to the Municipal Water District of Orange County in various formats for repurposing across their communication and marketing platforms.

**THE Municipal Water District of Orange County AGREES TO:**

- Place up to 30 full-page insertions in OCR.
- Make key specialists, experts, contractors or collaborators available for interviews to assist Freedom CC report and complete individual narratives.
- Supply existing photography, graphics and other visual elements as needed for the narrative ads.
- Deliver content and/or messaging for the "branding bar" on each narrative ad. The branding bar content can change week-to-week.
- Approve final narratives by mutually agreed-upon deadlines.

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625 N Grand Ave, Santa Ana, CA 92701  
Heidi Frincke  
714-796-7818

- Label each narrative with a "sponsor" whether it is the Municipal Water District of Orange County or a third-party. Any sponsor other than the Municipal Water District of Orange County or a related entity must be pre-approved by Freedom CC.
- The Municipal Water District of Orange County will work with Freedom CC to select topics for each content module and identify the raw material or expert for each topic. The two entities will work as much as possible in four-week increments with Freedom CC coordinating all elements and the execution of this campaign.


**CAMPAIGN INVESTMENT:**

The total investment of this campaign in OCR print and online at ocregister.com as outlined in this agreement is up to \$195,000, or \$6,500 per week, with the option to renew at the same rate. As a bonus, Freedom CC will place the same full-page advertisement in the community weekly paper that corresponds with sponsoring water district for that week. For example: If El Toro Water District is the primary sponsor of advertisement in OCR that content ad with their branding message then will be published in Saddleback Valley News weekly that week. Total value of the 30 additional full pages that will appear in a dozen weeklies is \$30,000.


The Municipal Water District of Orange County and/or Freedom CC will have the right to cancel this agreement, at any time and for any reason, with 30 days written notice via U.S. mail or e-mail. Payment schedule for this campaign is to be determined and agreed upon by both parties. This is a binding agreement and it may be amended only with mutual written consent of the two parties.

We look forward to build a strong working partnership.

THE ORANGE COUNTY REGISTER- ROP	RETAIL RATES	RETAIL RATES	WATER CONSORTIUM
Ad size:	Daily	Sunday	Daily/Sunday
Full Page 4 Color	\$15,221.00	\$17,713.00	\$7,000.00
Half Page 4Color	\$7,433.75	\$8,650.90	\$5,500.00

  
 Robert Hunter, General Manager  
 Municipal Water District of Orange County

12-11-15  
 Date

  
 Natalie Rubalcava, Director of Sales Strategy and Development  
 Freedom Communications

12-23-15  
 Date

625 N Grand Ave, Santa Ana, CA 92701  
 Heidi Frincke  
 714-796-7818

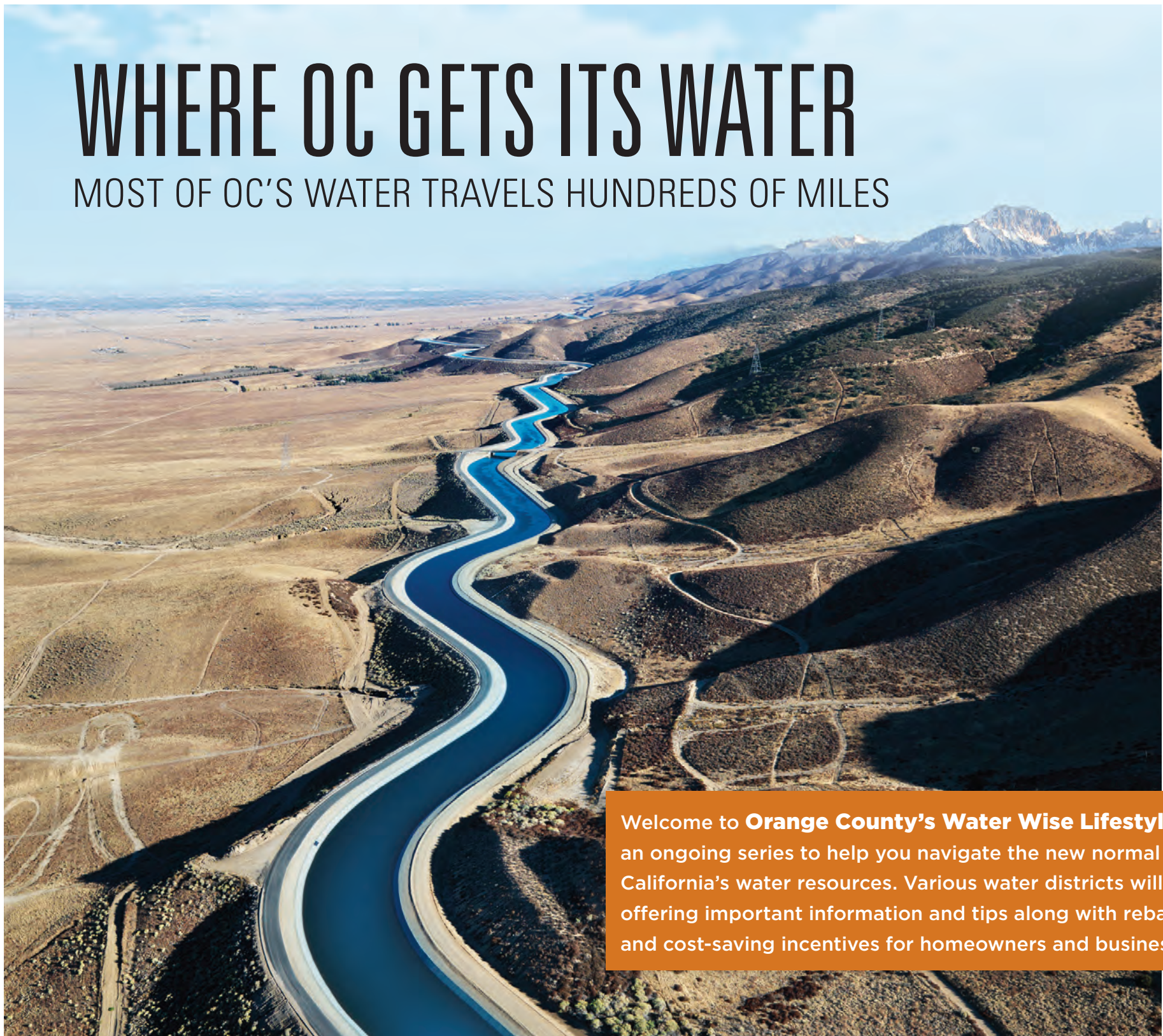
<b><u>Publication Date</u></b>	<b><u>UPDATED Main Story</u></b>	<b><u>Water District Featured</u></b>
12/20/15	Where Does OC Get its Water?	
12/27/15	Will El Nino End the Drought? What it Means to OC	
1/3/16	New Years Resolutions on Saving Water	Huntington Beach
1/10/16	How OC Water Districts Preparing for El Nino	Buena Park
1/17/16	Year in Review: How OC Responded to Drought	Trabuco Canyon
1/24/16	How OC Responded to Drought, p 2	Brea
1/31/16	Dinner with Felicia Marcus; New Regs	No profile
02/07/16	OC Businesses Handling the Drought	San Clemente
02/14/16	Beyond the Hype - How water rates are set why they vary	
02/21/16	OC Reliability Study	
02/28/16	California Water Fix/Importance to OC	
3/6/16	Water Recycling/Reuse	
3/13/16	Stormwater Capture/Runoff Capture - Why does water run to ocean?	
3/20/16	Desalination - Will it happen in OC?	
3/27/16	How Development Continues in the Drought	
4/3/16	Educating Children - School Programs and more	
4/20/16		
4/27/16		
5/1/16	Weather Stations and more - high tech	
5/8/16		
5/15/16	OC Water Summit	
5/23/15		
5/30/16		

Agency	Contact	email	phone	advertising Paid
Brea	Chris Reimer	<a href="mailto:Chrisr@cityofbrea.net">Chrisr@cityofbrea.net</a>	714.990.7600	7,000
Buena Park	Francisco Gutierrez	<a href="mailto:fgutierrez@buenapark.com">fgutierrez@buenapark.com</a>	714.562.3500	9,000
East OC Water District	Lisa Ohlund	<a href="mailto:loh lind@eocwd.com">loh lind@eocwd.com</a>	714.538.5815	5,000
El Toro Water District	Sherri Seitz	<a href="mailto:sseitz@etwd.com">sseitz@etwd.com</a>	949.837.7050 x239	7,000
Fountain Valley	Betsy Eglash		(714) 593-4603	8,000
Garden Grove	Cel Pasillas		(714) 741-5000 x5276	14,000
Huntington Beach	Sylvia Franklin	<a href="mailto:sfranklin@surfcity-hb.org">sfranklin@surfcity-hb.org</a>	(714) 374-1503	15,000
Irvine Ranch WD	Beth Beeman	<a href="mailto:Beeman@irwd.com">Beeman@irwd.com</a>	(949) 453-5320	15,000
La Habra	Steve Garcia	<a href="mailto:steve_garcia@lahabracity.org">steve_garcia@lahabracity.org</a>	(562) 383-5175	8,000
Newport Beach	George Murdoch	<a href="mailto:gmurdoch@newportbeach.ca.gov">gmurdoch@newportbeach.ca.gov</a>	(949) 644-3011	8,000
City of Orange	Jose Diaz	<a href="mailto:jdiaz@cityoforange.org">jdiaz@cityoforange.org</a>	(714) 288-2475	12,000
San Clemente				8,000
Santa Margarita Water District	Jim Leach	<a href="mailto:jiml@smwd.com">jiml@smwd.com</a>	(949) 459-6601	13,000
Seal Beach	Luis Estavez		(562) 431-2527 x 1433	6,000
Serrano Water District	Jerry Vilander	<a href="mailto:jerryvilander@gmail.com">jerryvilander@gmail.com</a>	(714) 538-0079	5,000
South Coast Water District	Andy Brunhart	<a href="mailto:abrunhart@scwd.org">abrunhart@scwd.org</a>	(949) 499-4555 x3160	7,000
Trabuco Canyon	Hector Ruiz	<a href="mailto:hruiz@tcwd.ca.gov">hruiz@tcwd.ca.gov</a>	(949) 573-0277	6,000
Tustin	Art Valenzuela	<a href="mailto:AValenzuela@tustinca.org">AValenzuela@tustinca.org</a>	714-573-3382	8,000
Yorba Linda	Damon Micalizzi	<a href="mailto:dmicalizzi@ylwd.com">dmicalizzi@ylwd.com</a>	(714) 701-3033	9,000
OC Storm Water	Justin Glover	<a href="mailto:justin@communicationslab.com">justin@communicationslab.com</a>	(949) 215-5539	5,000
				175,000



# WHERE OC GETS ITS WATER

MOST OF OC'S WATER TRAVELS HUNDREDS OF MILES



Welcome to **Orange County's Water Wise Lifestyle**, an ongoing series to help you navigate the new normal of California's water resources. Various water districts will be offering important information and tips along with rebates and cost-saving incentives for homeowners and businesses.

BY CATHI DOUGLAS

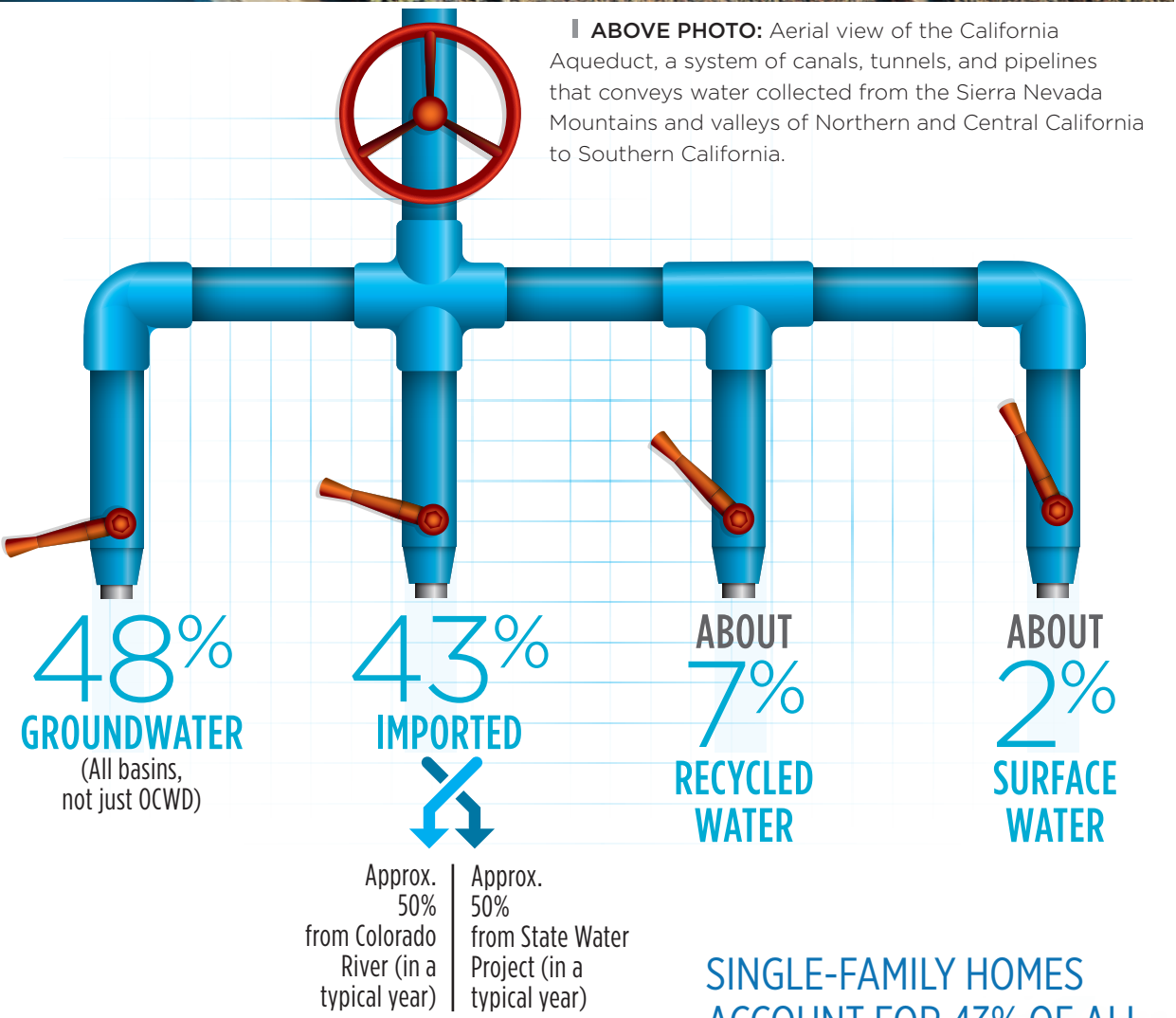
**R**egardless of predictions of a series of heavy El Niño storms this winter, Orange County's water shortage won't end, water officials say. That's because the water delivery system is complex. Some 43 percent of OC's water is imported – half from the Sierra Nevada via the California Aqueduct and the other half from the Colorado River. The water that is not imported comes from the county's system of groundwater basins, except in South County, which relies solely on imported and recycled water. OC has reached the current limit of its portion of the imported water supply, a supply that has become strained because of years of drought. Thus, more than 25 million Southern California residents – who are already conserving – must learn to use less water; it's the new normal.

"We distribute imported water through 800 miles of pipeline and through five of the largest treatment plants in the world," says Bob Muir, press officer for the Metropolitan Water District of Southern California. "We remain concerned about the drought. You can't always rely on weather predictions when you plan for water reliability." Muir notes that the MWD has been draining its reserves and is poised to take advantage of El Niño storms.

Understanding Orange County's complicated water supply, including where it comes from and how it's treated once it arrives here, provides context for those struggling to cut back on water use.

After the State Water Project – the world's longest aqueduct system – transports water 700 miles from Northern California and the Colorado River Aqueduct brings additional water 242 miles through deserts and over mountain ranges, the MWD uses a sophisticated treatment process to ensure its safety.

"We bring fully treated water ready to drink and untreated water in different pipelines to be used for irrigation, replenishing the groundwater supply, and for other industrial uses," explains Rob Hunter, general manager of the Municipal Water District of Orange County. Before it comes out of our faucets, Hunter notes, imported water goes through high-tech treatment plants that remove



any solids, aerate, chlorinate, oxygenate and filter it to make sure it's safe.

Some OC residents are dependent upon groundwater from basins managed by the Orange County Water District. Groundwater receives different treatment and is disinfected before it is provided to customers. South Orange County residents depend in large part on imported and recycled water, as the major groundwater basin is beneath the northern part of the county.

"Thousands of miles of pipes beneath Orange County deliver water to residents," Hunter says. "When people pay their bill, they forget all the things that go into it – treatment, pipes and 24-hour service seven days a week. What we all pay for is the service: clean safe drinking water delivered 24-7 for our homes, businesses and fire safety.

"All of those things, including maintaining and building the infrastructure, require a highly skilled workforce and a continuous investment."

OC residents have cut water use by 26 percent compared to 2013 usage. "We are making huge strides in using water wisely and cutting our use," Muir says. "Homeowners installing ultra-low-flush and high-efficiency toilets and investing in high-efficiency washers, and businesses using more efficient cooling towers, will drive OC's collective efforts to drive down water use."

**SINGLE-FAMILY HOMES ACCOUNT FOR 43% OF ALL WATER USED IN OC. HERE'S HOW WE USE IT**





Welcome to **Orange County's Water Wise Lifestyle**, an ongoing series to help you navigate the new normal of California's water resources. Various water districts will be offering important information and tips along with rebates and cost-saving incentives for homeowners and businesses.

# STORMY WEATHER

## WHY ONE EL NIÑO WON'T END THE DROUGHT

BY CATHI DOUGLAS

Even if Orange County receives the strongest, wettest El Niño storms on record this winter as forecasters predict, experts warn that heavy rain in Southern California without significant snowfall in the High Sierras will not be enough to end the state's historic drought.

Worse yet, even if El Niño brings heavy rain and snowfall in the coming months, drought conditions may return next year. In fact, the Association of California Water Agencies warns that Californians may be facing a "new normal" of extreme droughts and floods due to climate change.

More immediately, to alleviate our state's current drought, water experts say that this year's precipitation would need to be about 120 percent of average, or about 60 inches in key Northern California watersheds. Orange County gets about 48 percent of its water from local aquifers, but 43 percent travels hundreds of miles through pipes and aqueducts to get here. The drought is so severe that California would need about three El Niño-type winters of heavy snow and rain to replenish its depleted water storage resources.

"The sources of our water in Northern California and the Colorado region are not as likely to receive above-normal precipitation this winter based on current forecasts," explains Alex Tardy, a meteorologist with the National Weather Service in San Diego. "Even if there's an abundance of rain in our region, El Niño typically affects Southern California and Arizona. Reservoirs and groundwater take a long time to replenish."

Nearly five years of drought have reduced the state's key reservoirs to about one-third of their capacity or less, Tardy noted, with groundwater levels down as much as 100 feet in some areas. Snowpack levels at the end of last winter were only 5 percent of average and the lowest in 500 years. Experts say recovery of both reservoirs and groundwater will be a multi-year process.

"We're going to make a big dent in the drought, but it's more complicated initially," Tardy says. "The long-running

drought has had a long-term impact and it will be a slow recovery. " It won't be until May when, using sensors, satellites and other methods, scientists will be able to determine if the drought is over. The State Water Resources Control Board, however, is expected to implement new water-conservation mandates in January, meaning local districts will continue to ask customers to cut back water use – regardless of the weather.

At the same time, torrential rainfall could trigger flooding, mudslides and debris flows, especially in areas affected by wildfires, and those instances could potentially affect water supply sources. Water agencies are working to prevent that and protect critical supply resources.

In light of the unpredictability of the upcoming winter weather, Governor Brown has announced that restrictions on water use should continue into next summer. Every year, Californians use 6 million acre-feet more water than our rivers and aquifers can sustainably provide. One million acre-feet is enough to supply approximately 2 million families with water for one year.

"We're not sure if the last six months represent a new weather pattern," says Nicole Stanfield, Santa Margarita Water District public information manager. SMWD, OC's second largest with 155,000 customers in Mission Viejo, Rancho Santa Margarita, Coto de Caza, Las Flores, Ladera Ranch and Talega, imports 100 percent of its drinking water from the Colorado River Aqueduct and State Water Project.

"With a deficit of four years, it's unlikely that one rainy season will make a difference," Stanfield says. The district restricts outdoor watering to once a week and urges consumers to reduce both indoor and outdoor use. Most OC water agencies have similar restrictions on outdoor irrigation.

Such conservation measures remain vital, experts say, as OC heads into what may be "the new normal" – even with a record El Niño. ■

Visit [www.ocregister.com/sections/knowledge-cafe/](http://www.ocregister.com/sections/knowledge-cafe/) to read more Waterwise Lifestyle

### DISTRICT PROFILE

**THE MISSION OF THE EL TORO WATER DISTRICT** is to provide its customers a safe, adequate and reliable supply of water and wastewater service in an environmentally and economically responsible way.

The El Toro Water District (ETWD) was formed in 1960 when the total population of the District was only 125 people. Today, ETWD serves more than 50,000 people in southern Orange County, including all of the city of Laguna Woods, and portions of the cities of Laguna Hills, Mission Viejo, Lake Forest and Aliso Viejo.

A five-member Board of Directors governs the district, with the Board's policies administered and implemented by General Manager Robert (Bob) R. Hill, and a staff of 57 employees.

A pioneer in water recycling, ETWD built and maintains the El Toro Reservoir, a 275-million gallon recycled water storage facility. In 2012, the District began a comprehensive multi-phase Recycled Water Expansion Project that will increase the amount of recycled water produced for local irrigation. The project is estimated to be completed in mid-2016. By producing more recycled water, the District will save precious imported drinking water for household consumption and sanitary uses. **ETWD.com**



### CALENDAR OF EVENTS

#### JANUARY 2 | 9 A.M.

Roger's Gardens in Corona del Mar hosts **MY EDIBLE GARDEN WITH WELL-KNOWN HORTICULTURIST, DAVID RIZZO**. He will discuss everything edible, including vegetables, herbs, fruits, berries and more. Emphasis this month will be on planting appropriate cool season vegetables and herbs, dormant disease control and pruning of deciduous fruit trees, care of citrus trees, and pruning of berries and grapes. The free hour-long workshop starts at 9 a.m. at Roger's Gardens, 2301 San Joaquin Hills Road, Corona del Mar. See <http://rogersgardens.com> for more information.

#### JANUARY 13 | 6 P.M.

Irvine Ranch Water District holds a workshop on **HOW TO PREPARE YOUR LANDSCAPE FOR SPRING AND SUMMER**. The workshop begins at 6 p.m., at IRWD's Multi-Purpose Room, 15600 Sand Canyon Avenue. See [www.irwd.com](http://www.irwd.com) for more info.

#### JANUARY 16 | 8 A.M.

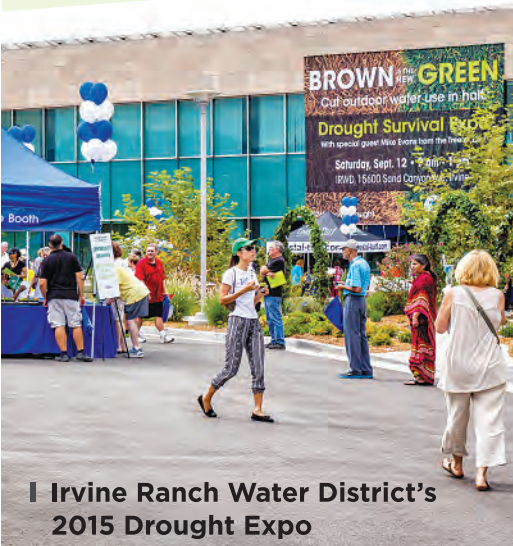
Irvine Ranch Water District hosts a **RAINWATER HARVESTING WORKSHOP AND REBATE EVENT** from 8 a.m. to noon at Home Depot in Lake Forest, at 20021 Lake Forest Road. See [www.irwd.com](http://www.irwd.com) for more information.

#### JANUARY 22 | 10 A.M.

Santa Margarita Water District holds a **RECYCLED WATER SUMMIT** from 10 a.m. to 1 p.m. The event is at the Rancho Santa Margarita Bell Tower, 22232 El Paseo. See [www.smwd.com](http://www.smwd.com) for more information.

#### JANUARY 22 | 5:30 P.M.

The Municipal Water District of Orange County hosts a **"WATER POLICY DINNER"** featuring Felicia Marcus, chairwoman of the California Water Resources Board, at 5:30 p.m. See [www.mwdoc.com](http://www.mwdoc.com) for more information.



Irvine Ranch Water District's 2015 Drought Expo



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# 10 WATER WISE RESOLUTIONS FOR 2016

BY CATHI DOUGLAS

**S**aving water all year long, no matter how much it rains here and snows in the mountains this El Niño winter, is part of the new normal for a water-wise lifestyle in Orange County. Here are 10 top ways to save water in the New Year.

## 1. KNOW WHERE YOUR WATER IS WASTED

Some 50-70 percent of residential water use in Orange County occurs outside of the house, and 60 percent of outdoor watering is over-watering. If we do the math, it's clear that the best way to save water is to limit outdoor water waste.

## 2. DON'T WATER WHEN IT RAINS!

It seems obvious, but we've all seen sprinklers running during downpours or in the hours after a storm. You can get rebates on soil moisture controllers at [ocwatersmart.com](http://ocwatersmart.com). Soil moisture sensor controllers are placed in the root zones of landscapes to determine if and how long to water. They are available as stand-alone controllers or add-on devices to existing controllers. They have been shown to reduce outdoor water use by up to 70 percent without sacrificing the quality or health of your landscape.

## 3. WATER LESS IN WINTER!

Set your sprinklers for one watering a week in the morning, and water in short bursts. Watering at dawn reduces the chance of evaporation in the hot afternoon sun, and watering in short bursts allows water to better soak into the ground. Or use the information at [bewaterwise.com/calculator](http://bewaterwise.com/calculator). Cut down on waste by requesting a weekly or monthly email with the irrigation setting specific to your ZIP code. Sign up at [csans.net](http://csans.net)

## 4. SHORTEN YOUR SHOWERS

Even a one- or two-minute reduction can save up to 700 gallons per month, for a family of four. Save up to 200 to 300 gallons per month by using a bucket or watering can to capture what you waste while waiting for the shower or sink water to warm up, and use it on house-plants or in your garden.

## 5. USE A BROOM AND A BUCKET, NOT A HOSE

Using a broom instead of a hose to clean driveways and sidewalks can conserve 150 gallons or more each time. Don't run the hose while washing your car. Use a bucket of water and a quick hose rinse - with an automatic shutoff nozzle on the hose - at the end, which saves 150 gallons each time. For a two-car family, that adds up to 1,200 gallons a month. And remember, your water agency might have prohibitions on certain outdoor water uses, so check their website.

## 6. WATER THE GREEN, NOT THE GUTTER

Adjust your sprinklers so that water lands on your lawn or garden where it belongs - and only there. That can save 500 gallons per month. Check for broken or clogged sprinkler heads. Also, ensure that nozzles are directed toward your plants and not at a sidewalk or driveway. Even better: upgrade your sprinklers to a high-efficiency irrigation system. Rebates are available at [ocwatersmart.com](http://ocwatersmart.com).

## 7. PLANT A CALIFORNIA NATIVE GARDEN

Replacing high-maintenance, extra-thirsty traditional yards and lawns with California friendly plants can reduce a home's water consumption by 60 percent. Native gardens require less maintenance, don't need chemical fertilizers and attract butterflies and hummingbirds! The Irvine Ranch and Santa Margarita water districts each have demonstration gardens at their headquarters. Visit [irwd.com](http://irwd.com) and [smwd.com](http://smwd.com) for details. For a great plant database for OC residents visit [OCplants.org](http://OCplants.org).

## 8. DON'T WASTE THE RAIN

One of the keys to a successful, drought-resistant garden is keeping more of the welcome rainwater we've received recently in the garden, where it can do the most good. That way you'll need to irrigate less and can conserve more. A swale is a low area in the yard designed to slow, spread, and sink rainwater into the soil. Consider using water barrels to capture rain from your roof for use on your landscaping. Rebates for rain barrels are available at [ocwatersmart.com](http://ocwatersmart.com).

## 9. UPGRADE YOUR APPLIANCES & FIXTURES

Choose a WaterSense labeled high-efficiency clothes washers, toilets, and showerheads to save more than 20% from conventional appliances. Rebates for these are available too! You could save hundreds of gallons of water each year.

## 10. LOCATE THE LEAKS

Don't let minor water leaks in your home go unfixed. You can save 20 gallons of water per day for every minor leak fixed, and a leaky toilet wastes up to 200 gallons of water per day. Check for and repair leaks in all toilets, faucets and showerheads. Older toilets can be major water hogs. Upgrade to a newer, more-efficient model. Rebates for new toilets are available at [ocwatersmart.com](http://ocwatersmart.com).

*Following these 10 Water Wise resolutions in 2016 will not only help you save water, but also learn to adjust to the state's "new normal" of extended dry periods with occasional bouts of wet winter. They're resolutions California can't afford to break. ■*

Learn More about the Water Wise Lifestyle at the OC Register's Knowledge Café: [ocregister.com/sections/knowledge-café](http://ocregister.com/sections/knowledge-café).

## DISTRICT PROFILE

**THE CITY OF HUNTINGTON BEACH** has owned and operated its own water utility since 1964, when the city purchased the system from the Southern California Water Company. Since that time, the city and the water system have grown to service a population of more than 200,000 residents. Today, city employees run the Utilities Division's five distinct sections: administration, quality, production, distribution and meters. For more information on the city's water quality, please see the city's 2015 Water Quality Report at [huntingtonbeachca.gov/files/users/public\\_works/huntington-beach-water-quality-report-2015.pdf](http://huntingtonbeachca.gov/files/users/public_works/huntington-beach-water-quality-report-2015.pdf).

The Water Division, led by the City Council, also takes an active role in local and regional water issues. The city is a member agency of the Orange County Water District, which taps OCs major aquifer for drinking water, and of the Municipal Water District of Orange County, which provides drinking water from the Colorado River and the State Water Project via the Metropolitan Water District of Southern California.

See more at [huntingtonbeachca.gov/government/departments/public\\_works/utilities](http://huntingtonbeachca.gov/government/departments/public_works/utilities).



## CALENDAR OF EVENTS

### JANUARY 13 | 6 P.M.

Irvine Ranch Water District holds a workshop on **HOW TO PREPARE YOUR LANDSCAPE FOR SPRING AND SUMMER**. The workshop begins at 6 p.m., at IRWD's Multi-Purpose Room, 15600 Sand Canyon Avenue. See [irwd.com](http://irwd.com) for more info.

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### JANUARY 23 | 8 A.M.

Irvine Ranch Water District hosts a **"RAINWATER HARVESTING WORKSHOP AND REBATE EVENT"** from 8 a.m. to noon at Home Depot in Irvine, 6200 Irvine Boulevard.



## FIND INSPIRATION CLOSE TO HOME



There are natural places and outdoor spaces throughout Orange County to be inspired by and to collect ideas for planting a drought-tolerant garden.

### HERE ARE A FEW:

- Bolsa Chica Conservancy  
Huntington Beach
- Coastkeeper Garden at Santiago Canyon College | Orange
- Laguna Coast Wilderness Park  
Laguna Beach
- Mile Square Park | Fountain Valley
- Newport Beach Civic Center Park  
Newport Beach
- Riley Wilderness Park Butterfly Garden  
San Juan Capistrano
- Sherman Gardens | Corona del Mar
- Shipley Nature Preserve  
Huntington Beach
- Santiago Park Nature Reserve  
Santa Ana
- Vista Park | Fullerton

The **Irvine Ranch Water District** and **Santa Margarita Water District** also have demonstration gardens that show a variety of colorful California-friendly plants that would work in your yard. See [irwd.com](http://irwd.com) and [smwd.com](http://smwd.com) for details.

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# PREPARING FOR EL NIÑO

## OC'S WATER DISTRICTS AND CITIES ARE FOCUSED ON SAFETY, INFRASTRUCTURE AND ENSURING H<sub>2</sub>O DELIVERY DURING THE STORMS

Welcome to **Orange County's Water Wise Lifestyle**, an ongoing series to help you navigate the new normal of California's water resources. Various water districts will be offering important information and tips along with rebates and cost-saving incentives for homeowners and businesses.

BY CATHI DOUGLAS

**E**l Niño storms have arrived as predicted with the dawn of 2016, and a comprehensive network of Orange County cities, water districts, county agencies and other public organizations have launched coordinated response efforts based on long-range emergency planning initiated last fall.

The Water Emergency Response Organization of Orange County began countywide strategy planning in September to discuss California's ongoing drought and preparations for El Niño's impact on the county, says Kelly Hubbard, emergency manager with the Municipal Water District of Orange County and WEROC program manager.

"We started thinking about the drought and how water will flow and what that will mean for us," Hubbard says. "We continue to inform customers that just because it's raining the drought isn't over. We always communicate the safety message. You can float away in your vehicle in just a few inches of water."

WEROC has been working with its 35 member agencies to ensure public facilities such as water pumping stations are clear of debris, protected with strategically placed sandbags and that mudslides don't wash away water pipelines. Hubbard says the group studied the 2010-11 storm season, the last time Orange County experienced significant storms, for lessons to help prevent or mitigate issues during this season's El Niño.

OC Public Works – which has 130 sensors at more than 80 Orange County locations that track storms in real time – leads a countywide maintenance program year-round to ensure 350 miles of county roads and 380 miles of flood channels are clear of debris. The agency monitors National Weather Service forecasts and inspects flood facilities and roads prior to El Niño storms. This winter, heightened focus is on the Silverado Canyon area, which experienced a September 2014 fire that left steep hillsides vulnerable to mudslides and debris flow during heavy rainfall. The agency stationed workers and equipment in the area to quickly clear any debris.

Water districts and cities throughout Orange County, such as the South Coast Water District, are prepared to implement, if necessary, their

incident command systems to respond to and manage disruptions, says Sonja Morgan, SCWD public information officer. South Coast provides water, recycled water and wastewater services to residents and businesses in Dana Point, South Laguna, and areas of San Clemente and San Juan Capistrano. The district's website, [scwd.org](http://scwd.org), offers customers emergency preparedness information, safety tips and actions they should take in the event of a disaster such as El Niño or earthquakes. SCWD has also added an "El Niño Resource Guide" to its website.

SCWD's website recommends that residents assemble home disaster kits including water (at least one gallon per family member per day), food and medical supplies to last for at least three days. In addition, an emergency communications plan should be in place in case family members are separated. The website offers wallet-sized information cards to help customers start the process.

Countywide, El Niño preparedness means increased, ongoing coordination between multiple agencies, including non-profit organizations, community groups, fire officials and law enforcement, to ensure officials work hand-in-hand on emergency planning and storm response. Such actions must be tailored to meet the unique geographical needs of each community – whether it's a coastal city, a rural area, or a relatively flat neighborhood.

Jim Auger, utilities manager for the city of Newport Beach, noted that the city is unique because of the tidal valves it monitors on the coastline, which must be closed during high tides and then opened in a short time by city crews to avoid flooding in the Balboa Island and peninsula areas.

Auger noted that Newport Beach already experienced extreme high tides at Thanksgiving and Christmas, which are expected to continue throughout the winter storm season. "With high tides and rain simultaneously, we must watch the weather carefully," Auger says. "This winter isn't any different than what we experience every year, but we'll have more rain and we'll be dealing with it on a daily basis."

To learn more about Water Emergency Response Organization of Orange County, see [mwdoc.com/weroc](http://mwdoc.com/weroc). ■

### As El Niño storms begin

to drench Orange County, residents are urged to sign up for AlertOC, a mass notification system designed to keep residents and businesses informed of emergencies and certain community events. By registering with AlertOC, time-sensitive voice messages from the County or City in which you live or work may be sent to your home, cell or business phone. Text messages may also be sent to cell phones, e-mail accounts and hearing impaired receiving devices. **Sign up at [alertoc.org](http://alertoc.org)**

Orange County agencies have also created a website with information about El Niño, the county's response current conditions and steps residents can take to be prepared. **See more information at [ocelnino.com](http://ocelnino.com)** ■

## CALENDAR OF EVENTS

### JANUARY 13

Irvine Ranch Water District holds a **WINTER GARDENING WORKSHOP** on how to prepare your landscape for Spring and Summer. Topics include plants, pruning, soils, inspecting your sprinkler system and overall landscape care. The workshop is from 6 p.m. to 8 p.m., at IRWD's Multi-Purpose Room, 15600 Sand Canyon Avenue.

Irvine Ranch Water District hosts a **RAINWATER HARVESTING WORKSHOP AND RAIN BARREL/ NIAGARA STEALTH TOILET SALE & REBATE EVENT** from 8 a.m. to noon at Home Depot in Lake Forest, at 20021 Lake Forest Road. See [rightscapenow.com/events](http://rightscapenow.com/events). com for more information.

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#### WATER PARTNER PROFILE: BUENA PARK

Known as the "center of the Southland," Buena Park is a 10-mile-square city of about 81,000 residents with a distinct heritage. Its main claim to fame is as home to the popular Entertainment Zone, with attractions such as Knott's Berry Farm, Medieval Times Dinner and Tournament, Knott's Soak City U.S.A. and the Pirates Dinner Adventure. Water for Buena Park residents and businesses is provided by the Metropolitan Water District and the city.

Buena Park Public Works prepared early for El Niño storms, says Francisco Gutierrez, associate engineer, by patrolling the city's storm drains to clear blockages and other potential problems, cleaning catch basins and trimming mature trees to protect power and phone lines. Pallets of sandbags were provided at the City Yard for property owners, who can take up to 10 bags to protect their properties. **Learn more at [buenapark.com](http://buenapark.com)**.



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# RISING TO THE TOP

ORANGE COUNTY CITIES AND WATER AGENCIES HAVE WORKED WITH CUSTOMERS TO **MEET THE GOVERNOR’S CALL TO USE LESS WATER.**



Welcome to **Orange County’s Water Wise Lifestyle**, an ongoing series to help you navigate the new normal of California’s water resources. Various water districts will be offering important information and tips along with rebates and cost-saving incentives for homeowners and businesses.

**I**n fact, Orange County cities and water districts implemented a number of innovative measures to conserve water. Some highlights among many the countywide efforts include:

> In **GARDEN GROVE**, water conservation efforts became the norm even before the drought began, said Cel Pasillas, water quality supervisor. Garden Grove redesigned many city medians with drought-tolerant plants and water-efficient irrigation controllers, and the city continues to apply for additional grants to expand these median projects. Watering of existing median turf areas has been discontinued. Garden Grove participates in MWDOC’s Water Conservation Rebate Programs, which provide residential and commercial customers with financial incentives for using water-saving devices. Public outreach efforts include presenting conservation information to the City Council and various Neighborhood Watch groups, and participating in well-attended city events to answer conservation inquiries and offer educational materials. Garden Grove passed a resolution in conjunction with the state mandates to regulate outdoor watering to twice weekly.

> In response to Governor Brown’s emergency drought regulations, **BUENA PARK** developed an aggressive outreach and education campaign to help engage the community to work together to conserve water. The Buena Park City Council led the way by making some hard decisions on tough cuts on outdoor irrigation at key city facilities, said Francisco Gutierrez, associate engineer. Staff was redirected to educate the community with a “Stop, Knock, Talk” campaign about the importance of the city’s conservation efforts. “The community responded extremely well and I am pleased to say we are on track to meet the state-mandated reduction target of 20 percent,” Utilities Manager Mike Grisso said. “If I had to narrow down the key to Buena Park’s success, I would circle back to the direction from our City Council and city manager in steering this response into an opportunity to engage and educate our customers, instead of a purely compliance-based response.” In the short term, Public Works staff is meeting with businesses and residents encouraging adoption of water-saving strategies. For the long-term, the city is developing water-reclamation opportunities for parks and public spaces.

> **EL TORO** Water District responded to the drought by implementing several measures, including an ordinance declaring a Level 1 Water Alert. “This level reduced the number of days customers could water to three days per week during the summer months and one day per week during the winter months,” said Sherri Seitz, public relations administrator. An accelerated recycled water project allowed El Toro Water District to increase treatment and delivery of recycled water for irrigation purposes to 1,400-acre-feet per year, and an on-site retrofit conversion process decreased overall potable water usage by 26 percent, meeting the state-mandated reduction.

> “Our most recent water production number is from the December period,” noted Jerry Vilander, general manager of the Serrano Water District in **VILLA PARK**. “December was a major milestone for our consumers – they achieved 37.5 percent water savings that month.” The district’s cumulative conservation target set by the state to be met by February 28 is 36 percent, Vilander noted. “Serrano is on track to far exceed that target.”

> Andrew Brunhart, general manager of **SOUTH COAST** Water District, said the district’s multi-faceted Conservation Program, including three recent Water Saver of the Month awards and completion of a major extension of the recycled water system, has resulted in a cumulative reduction, June through December 2015, of 28.6 percent.

> “For the short term, Public Works staff is meeting personally with businesses and residents encouraging adoption of water-saving strategies,” noted the city of **BREA**’s Chris Reimer, senior management analyst. “For the long term, our organization is developing some water reclamation opportunities for parks and public spaces.”

> **EAST ORANGE COUNTY** Water District has been meeting the state’s 36 percent water reduction mandate, “thanks to an extensive community outreach and education campaign by the District and the cooperation and commitment of our customers to strict water conservation at their homes,” said General Manager Lisa Ohlund. The District hosted neighborhood meetings, mailed letters and distributed door hangers with information about the drought and the water reduction mandate. Its field staff provided courtesy home water system and landscape audits and consultations, including personal irrigation timer resets. Water budgets were assigned in 2010, before the current drought, which gave the District the ability to apply the 36% cutback equitably. Customers who had conserved for years, got credit for that conservation. Water bills included monthly updates on customer usage and offered suggestions to help them stay within their water budgets. The District also increased its use of social media, earned media in local newspapers and print advertising to increase awareness and ensure customers understood why enhanced conservation was being required. “We believe that we will achieve our goal of complying with the state mandate,” said Ohlund. “We truly appreciate our customers and all that they have done – and continue to do – to conserve our precious water resources.” ■

**Learn More about the Water Wise Lifestyle at the OC Register’s Knowledge Café:**  
[ocregister.com/sections/knowledge-café](http://ocregister.com/sections/knowledge-café)



## WATER PARTNER PROFILE: CITY OF BREA

The city of Brea provides water for more than 40,000 residents, as well as hundreds of businesses. In addition, the city provides water for two county regional parks, a county landfill and a power generating facility. Distribution of water throughout varied topographic areas in Brea is challenging with a busy urban hub, expansive industrial tracts and housing located along hillsides and into a steep canyon.

Maintenance of the system includes more than 197 miles of water lines, seven reservoirs and multiple pumping stations to maintain correct water pressure. Brea’s focus is on maintaining all of its assets through a planned capital repair and replacement program. It is key that the city not

avoid needed improvements even in the current state of water emergency. With significant reductions in use, lower revenues become an added difficulty.

As drought conditions persist, Brea actively promotes Water Use Efficiency programs to help residents and businesses reduce their consumption and save on costs. Likewise, Brea parks and public facilities will keep making additional cutbacks and doing retrofits and landscaping projects to realize conservation goals. Looking ahead, even more efficiencies are anticipated to become the norm as the community continues to grow. [ci.brea.ca.us](http://ci.brea.ca.us)

## CALENDAR OF EVENTS

### FEBRUARY 3

Irvine Ranch Water district holds a **RIGHTSCAPE WORKSHOP ON PLANT SELECTION AND LANDSCAPE FEATURES**. Learn how to select the right plants for the right location, edible gardening and landscape features for water harvesting. The workshop is from 6 to 8.p.m. at IRWD’s Multi-Purpose Room, 15600 Sand Canyon Ave. For more info and to sign up visit [rightscapenow.com/events](http://rightscapenow.com/events)

### FEBRUARY 6

The UC Cooperative Education Master Gardeners program introduces Saturdays@SouthCoastREC, a family-friendly adventure series for those interested in learning about **GARDENING AND FOOD PRESERVATION**. The events begin at 9 a.m. at South Coast Research and Extension Center, 7601 Irvine Blvd, Irvine.

The admission fee is \$5 per person or \$10 per family of two or more. Parking is free. See [uccemg.com/?story=1798](http://uccemg.com/?story=1798) for more info.

### FEBRUARY 17

Irvine Ranch Water District holds a RightScape Workshop on **DRIP IRRIGATION MADE EASY**. Learn how to convert your existing sprinkler system into drip irrigation. The workshop is from 6 to 8.p.m. at IRWD’s Multi-Purpose Room, 15600 Sand Canyon Ave. For more info and to sign up visit [rightscapenow.com/events](http://rightscapenow.com/events)

### FEBRUARY 24

Irvine Ranch Water district holds a RightScape Workshop on **SOIL, WATER AND PLANT RELATIONSHIPS**. Learn how to build up your soil, composting, plant development and proper watering. The workshop is from 6 to 8.p.m. at IRWD’s Multi-Purpose Room, 15600 Sand Canyon Ave. For more info and to sign up visit [rightscapenow.com/events](http://rightscapenow.com/events)







# MEETING THE CHALLENGE

THE GOVERNOR CALLED FOR ORANGE COUNTY TO REDUCE WATER USE BY 22% COMPARED TO 2013.

SO FAR, OC IS NOT ONLY MEETING THE CHALLENGE, BUT BEATING IT WITH A 24% REDUCTION.

Welcome to **Orange County's Water Wise Lifestyle**, an ongoing series to help you navigate the new normal of California's water resources. Various water districts will be offering important information and tips along with rebates and cost-saving incentives for homeowners and businesses.

Locally, Orange County cities and water districts implemented a number of innovative measures to conserve water. Some highlights among the countywide efforts include:

> In the city of **SAN CLEMENTE**, the "Around Town" television program, hosted by the then-mayor pro tem, aired on the local government access channel, website and Facebook page, said Laura Ferguson, public information officer. In the program, city officials visited residents' homes to highlight outstanding water-saving landscape transformations they implemented using the turf-removal rebate program. The program also featured the city's recycled water expansion project and offered water-wise tips for viewers. Information is available at [youtube.com/watch?v=4fveYKQxU8g](https://www.youtube.com/watch?v=4fveYKQxU8g)&feature=youtu.be

> The **IRVINE RANCH WATER DISTRICT** showed customers a real-life example of how to conserve water, said Beth Beeman, director of public affairs. The district's Drought Tolerant Demonstration Garden features more than 80 different types of drought-tolerant plants. At 15600 Sand Canyon Ave. in Irvine, the garden shows visitors new ways to design their yards using water-efficient landscaping that utilizes drought-friendly plants. A free brochure describes the plants, and on-site signs provide information on water-wise irrigation techniques and daily watering schedules. More information is at [RightScapeNow.com](http://RightScapeNow.com)

> "We've been pretty aggressive with messaging to our customers to let them know the seriousness of the drought and the effects of the state regulations on our agency," said Damon Micalizzi, public affairs manager of the **YORBA LINDA WATER DISTRICT**. "We've mailed several newsletters, placed signage throughout the district, utilized electronic signs to alert people to changes in watering days, implemented a state-mandated administrative penalty system and hired part-time conservation representatives to help those who aren't doing everything they can do to save water." Staff members have been reassigned to full-time leak detection. In addition to finding leaks in the distribution system, the team has discovered nearly 100 undetected leaks on the customers' side of the meter, resulting in huge water savings and saving these customers thousands on water bills.

> In the city of **FOUNTAIN VALLEY**, a water portal allows customers to log in and monitor their daily, weekly and monthly water usage, said Betsy Eglash, public works management analyst. The portal offers water conservation tips and information about the use of California-friendly plants in landscaping. The district was the first water agency to convert all its meters to a system that delivers real-time usage, allowing it to investigate leaks and high usage within days, Eglash said.

> The **TRABUCO CANYON WATER DISTRICT** has continued to meet and exceed its conservation targets by implementing a community-based approach to customize watering schedules for each of the communities it serves. General Manager Hector Ruiz said the district reached out to its homeowners associations and residents to provide drought information tailored for their communities.

> In the city of **TUSTIN**, residents and businesses saved 28 percent of their water usage, said Art Valenzuela, water services manager. Customers saved 833,326,300 gallons in 2015, which equals 2,283,085 gallons per day. "Our message to customers was that, with the recent rains, they should try their best to reduce outdoor irrigation. Most plants are dormant. They just don't need it!"

> The **SANTA MARGARITA WATER DISTRICT** created a partnership with its stakeholders to achieve the governor's 24-percent reduction mandate, noted Jim Leach, external affairs director. "We recognized that many people simply didn't realize how much water they used, so we went to grocery stores and bagel shops and the car wash and invited them to play 'Guess Your Gallons,'" Leach said. "Folks wrote down their guess, along with their address, and we used wireless computers with special software to tell them what the actual number was. If they came close, we gave them a gift certificate to whatever business we were at." Most of the time, Leach noted, residents "were way, way off. It gave us a great opportunity to discuss their water use with them, and provide information on how they could become more water-efficient." ■

LOOK FOR MORE STORIES OF OC WATER AGENCIES' EFFORTS NEXT WEEK

Learn More about the Water Wise Lifestyle at the OC Register's Knowledge Café: [ocregister.com/sections/knowledge-café](http://ocregister.com/sections/knowledge-café)

## WATER PARTNER PROFILE: TRABUCO CANYON WATER DISTRICT



Established in 1962, the Trabuco Canyon Water District was formerly known as the Santa Ana Mountains County Water District. Its service area is 16 square miles, nestled next to the Cleveland National Forest, serving about 13,175 residents in some of Orange County's highest elevations, including areas in the cities of Rancho Santa Margarita, Lake Forest, Mission Viejo, O'Neill Regional Park and other unincorporated areas.

The district offers full service, including water treatment, wastewater treatment, recycled water and urban water runoff collection. Its own water-filtration facility treats imported water from the Colorado River. Another treatment facility treats seasonal local groundwater supplies. It operates a recycled water treatment facility which recycles 100 percent of the wastewater produced in its service area. This recycled water is supplemented with the water collected and stored in Dove Lake by way of three urban water runoff collection facilities.

## CALENDAR OF EVENTS

### JANUARY 22

Santa Margarita Water District holds a **RECYCLED WATER SUMMIT** from 10 a.m. to 1 p.m. The event is at the Rancho Santa Margarita Bell Tower, 22232 El Paseo. See [smwd.com](http://smwd.com) for more information.

The Municipal Water District of Orange County hosts a **WATER POLICY DINNER** featuring Felicia Marcus, chairwoman of the California Water Resources Board, at 5:30 p.m. See [mwdoc.com](http://mwdoc.com) for more information.

### JANUARY 23

Irvine Ranch Water District hosts a **RAINWATER HARVESTING WORKSHOP AND RAIN BARREL/NIAGARA STEALTH TOILET SALE & REBATE EVENT** from 8 a.m. to noon at Home Depot in Irvine, 6200 Irvine Blvd. See [rightscapenow.com/events](http://rightscapenow.com/events) for more information.

The Buena Park Public Works Department is hosting a **RAIN WATER HARVESTING WORKSHOP** from 9 to 10 a.m. on Jan. 23 in the council chambers at City Hall, 6650 Beach Blvd. The workshop will focus on the use of rain barrels and other water conservation techniques. Also, there are rebates for rain barrels at [ocwatersmart.com](http://ocwatersmart.com)

### FEBRUARY 3

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# OC READIES FOR ADDITIONAL CONSERVATION MANDATES

## STATE WATER BOARD CHAIR FACES OC LEADERS AT FORUM

Even as OC readies for a rainy El Nino winter, water leaders are girding themselves – and their customers – for another round of state-wide mandatory conservation measures.

Speaking before several hundred attendees at the Water Policy Forum earlier this month, State Water Resources Board Chair Felicia Marcus said she was impressed by the performance of Orange County water agencies and their customers in meeting existing mandatory state water conservation measures.

Marcus's participation in the forum's question-and-answer session with **Larry D. Dick, a director of the Municipal Water District of Orange County**, came as the State Water Board prepares on February 2 to consider a resolution to extend the existing emergency regulations as ordered by Governor Edmund G. Brown Jr.

The proposed regulations make some concessions to water districts – such as allowing credit for population growth since the baseline year of 2013, and credit to agencies in Central and North OC that benefit from recycled water pumped into the county's primary aquifer. But districts can only get a maximum of an 8 percent credit toward the conservation mandates, which go as high as 36 percent in OC.

A coalition of Orange County agencies – including MWDOC, Irvine Ranch, Yorba Linda, Santa Margarita, Moulton Niguel and Orange County water districts – has worked to soften the regulations.

Despite the pushback from water districts state-wide, Marcus said she believed the governor made the right decision to order the mandatory conservation steps – even though they had “unintended consequences” on water district budgets.

FOLLOWING ARE SOME HIGHLIGHTS FROM THE JANUARY 22 WATER POLICY FORUM:

**MWDOC: What would lift the state's conservation efforts?**

**Marcus:** There is a certain level at which the governor will withdraw the drought proclamation. Different parts of the state may be in different situations; we'll see where we are in two months [after the rainy season] and figure out how to do something appropriate. Just last week we got appreciable run-off and snow in the Sierras. Our reservoirs are still below average; snowpack is above average, so we'll keep an eye on things. It ain't over 'til it's over.

**MWDOC: Should there be better monitoring of California's snowpack?**

**Marcus:** We have a good measurement to monitor the snowpack. But our groundwater is tremendous-



“I am impressed by the performance of Orange County water agencies and their customers in meeting existing mandatory state water conservation measures.”

**Felicia Marcus**  
STATE WATER RESOURCES BOARD CHAIR

ly depleted and it will take a number of years to restore. The long-term water situation is based on a combination of reservoir water and snowpack. We are still in a very deep hole and it's better to be safe than sorry. Many people are mad at us when we have rain or snow [and still require water-saving measures.] So someone – the governor – had to make the choice to mandate water conservation. If in April we are at 100-plus percent with the snowpack and the reservoirs are higher than average, we'll be having a different conversation.

**MWDOC: There's a lot of frustration among water districts that they don't get credit for past projects that developed new sources of water or boosted conservation. Will adjustments encourage conservation incentives in the future?**  
**Marcus:** I'm inclined to support staff recommenda-

tions to give credits because of the extent of local investments. But during a three- to four-year drought cycle, those accomplishments are drowned out. The State Water Board approach is focused on the demand side. Perhaps there should be a more balanced approach between supply and demand? When we tried the first round of drought contingency plans they didn't work well and we had to set more baseline standards. The answer is in coming up with a measure that folks can meet and to determine how the state can work with everyone on a general process to tune up the standards.

**MWDOC: Will the districts that exceeded their conservation mandates be able to roll their savings forward?**

**Marcus:** We haven't talked about that. I like the cumulative approach. I've had trouble with headlines that say agencies didn't make their goals in a month. The fact that people are saving 20 percent in the winter is amazing – that means they're saving water indoors. Please, don't put the kettle on for your tea. Bathe. Shower – take a short shower. I think people have done amazingly well.

*Marcus did imply some level of regulation will continue, even after the drought ends.*

“It would be a mistake to toss the whole thing out and say “phew,” she said. “I want us out of the emergency regulation area – we stepped in during the emergency because we had certain tools and we've had this season to think about it. Having a healthy snowpack and healthy reservoirs gives us breathing room to not wait for the next drought but to get in gear and get input on where we want to go next.” ■

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### WATER PARTNER PROFILE: EAST ORANGE COUNTY WATER DISTRICT



East Orange County Water District was founded in 1961 and prides itself on providing high-quality, reliable water to its customers and holding the line on expenses. Within its 10-square-mile service area, the district provides retail water service to approximately 1,200 customers in the unincorporated Orange County communities of East Orange and North Tustin, including Cowan Heights, Panorama Heights and Santa Ana Heights, as well as wholesale water service to approximately 100,000 customers via the cities of Orange and Tustin, the Irvine Ranch Water District and Golden State Water Company.

East Orange County Water District has an excellent record of cost controls, customer service and water quality. It is debt-free and uses debt only when needed for projects that have inter-generational benefits. The district also follows a “pay-as-you-go” financing model for all other capital expenditures and its leaders are proud to have no unfunded pension liabilities, no post-employment benefits and no lavish employment perks.

East Orange County Water District has been meeting the state's 36 percent water reduction mandate, “thanks to an extensive community outreach and education campaign by the district and the cooperation and commitment of our customers to strict water conservation at their homes,” said General Manager Lisa Ohlund. “We believe that we will achieve our goal of complying with the state mandate. We truly appreciate our customers and all that they have done – and continue to do – to conserve our precious water resources.” [eocwd.com](http://eocwd.com)

## PROPOSED NEW STANDARDS

### Agency Conservation Standards and ER Adjustments

AGENCY	ORIGINAL STANDARD	SUSTAINABLE SUPPLY CREDIT	REVISED STANDARD
ANAHEIM	20%	7%	13%
BREA	24%	--	24%*
BUENA PARK	20%	7%	13%
EL TORO WD	24%	--	24%
EOCWD	36%	7%	29%
FOUNTAIN VALLEY	20%	7%	13%
FULLERTON	28%	7%	21%
GARDEN GROVE	20%	7%	13%
GOLDEN STATE – COWAN HEIGHTS	36%	7%	29%
GOLDEN STATE – PLACENTIA	24%	7%	17%
GOLDEN STATE – WEST ORANGE	16%	7%	9%
HUNTINGTON BEACH	20%	7%	23%

AGENCY	ORIGINAL STANDARD	SUSTAINABLE SUPPLY CREDIT	REVISED STANDARD
IRVINE RANCH WD	16%	7%	9%*
LA HABRA	28%	--	28%
LA PALMA	20%	7%	13%
LAGUNA BEACH CWD	24%	--	24%
MESA WATER	20%	10%	12%**
MOULTON NIGUEL WD	20%	--	20%
NEWPORT BEACH	28%	7%	21%
ORANGE	28%	7%	21%
SAN CLEMENTE	24%	--	24%
SAN JUAN CAPISTRANO	28%	--	28%
SANTA ANA	12%	7%	8%***
SANTA MARGARITA WD	24%	--	24%*
SEAL BEACH	8%	7%	8%***
SERRANO	36%	7%	29%
SOUTH COAST WD	24%	--	24%
TRABUCO CANYON WD	28%	--	28%
TUSTIN	28%	7%	21%
WESTMINSTER	20%	7%	13%
YORBA LINDA WD	36%	6%	30%

\* AGENCIES MAY BE ELIGIBLE FOR EITHER A GROWTH OR CLIMATE ADJUSTMENT  
\*\* CONSTRAINED BY CAP OF 8%      \*\*\* CONSTRAINED BY FLOOR OF 8%

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**CONSENT CALENDAR ITEM**

February 17, 2016

**TO:** Board of Directors**FROM:** **Administration and Finance Committee**  
(Directors Thomas, Finnegan and Osborne)

Robert Hunter, General Manager

Staff Contact: Jonathan Volzke

**SUBJECT: 2015-16 Consumer Confidence Reports****STAFF RECOMMENDATION**

Staff recommends the Board of Directors approve the contracting with Stetson Engineering at a cost not to exceed \$35,000 for preparation of the Consumer Confidence Reports for 2016.

**COMMITTEE RECOMMENDATION**

Committee concurred with staff recommendation.

**DETAILED REPORT**

Stetson Engineering has compiled the technical data used in the Consumer Confidence Reports (CCR) for MWDOC member agencies for several years. The most recent contract with Stetson expired in July, 2015.

Stetson has agreed to perform this year's work with no price increase over the previous contract and can perform the work within the legally required timeframe.

In addition to member agencies, Fullerton has worked with Stetson through MWDOC in the past. The City of Santa Ana this year has indicated it will also do so. Those cities pay \$1,600 for the services based on their estimated pro-ratio of the costs.

A request for proposals for the data collection/preparation for the CCRS will be issued for the next report cycle.

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: \$35,000	Core X	Choice _
<b>Action item amount: \$35,000</b>	Line item: 02-32-2040		
<b>Fiscal Impact (explain if unbudgeted):</b> Within projected budget			



**ACTION ITEM**  
February 17, 2016

**TO:** Board of Directors  
**FROM:** Wayne Osborne, President  
**SUBJECT:** ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2016

**PRESIDENT'S RECOMMENDATION**

---

It is recommended that the Board of Directors:

1. Ratify the appointment of Representatives and Alternates to Associations as presented by the President of the Board; and
2. Adopt proposed Resolution approving the appointment of one Representative and an Alternate to the Santiago Aqueduct Commission (SAC), for submission to SAC.

**COMMITTEE RECOMMENDATION**

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The Committee concurred with Director Osborne's recommendations, however recommended that the Board review the value of the District's participation in the NWRA Municipal Caucus during the 2016/17 budget process. Please note that MET pays Ms. Ackerman's expenses for her involvement in NWRA Municipal Caucus.

**DETAILED REPORT**

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In accordance with Board policy, the appointment of MWDOC Board Representatives to outside associations are to be considered by the end of February of each year. The policy provides that appointments shall be ratified by the Board of Directors, as presented by the President of the Board.

Attached are President Osborne's recommendations for Association and Commission appointments for 2016.

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



<b>2016</b> <b>AGENCY REPRESENTATIVES' APPOINTMENTS</b> <b>Municipal Water District of Orange County</b>		
<b>Association/Commission</b>	<b>Members</b>	<b>Normal Meeting Times</b>
<b>Santiago Aqueduct Commission</b>	Rep.: J. Thomas Alt: K. Seckel	Quarterly; 3 <sup>rd</sup> Thurs. at 8:30 a.m.
<b>Water Advisory Committee of Orange County (WACO) Planning Committee</b>  <i>Staff Support: H. Baez</i>	Rep: L. Dick S. Hinman J. Finnegan	3 <sup>rd</sup> Tuesday 7:30 am
<b>Independent Special Districts of OC (ISDOC)</b>  <i>Staff Support: H. Baez</i>	Rep: L. Dick J. Finnegan W. Osborne	1 <sup>st</sup> Tues 7:30 am
<b>NWRA Municipal Caucus</b>  <i>Staff Support: H. Baez</i>	Rep: L. Ackerman	
<b>Southern California Water Committee</b>  <i>Staff Support: H. Baez/R. Hunter</i>	Reps: S. Hinman S. Tamaribuchi L. Dick	
<b>Orange County Business Council</b> <i>www.ocbc.org</i> Legislative  <i>Staff Support: H. Baez</i>  Infrastructure  <i>Staff Support: H. Baez/R. Hunter</i>	Reps: L. Dick S. Tamaribuchi  Reps: S. Tamaribuchi L. Dick	2/5/16 9:30 am 4/1/16 9:30 am 5/6/16 9:30 am 6/3/16 9:30 am 8/5/16 9:30 am  2/9/16 7:30 am 3/8/16 7:30 am 4/12/16 7:30 am 5/10/16 7:30 am 6/14/16 7:30 am
<b>California Special Districts Association</b>	Rep: J. Finnegan Alt: L. Dick	

<b>Colorado River Water Users Association</b> <i>Staff Support: H. DeLaTorre</i>	MWDOC Board of Directors	Annually in Dec.
<b>Center for Demographic Research Oversight Committee</b> <i>Staff Support: K. Seckel</i>	Rep: J. Finnegan Alt: B. Barbre	
<b>ACWA Joint Powers Insurance Authority</b> <i>Staff Support: C. Harris</i>	Rep: J. Finnegan Alt: L. Dick	
<b>ACWA Federal Affairs Committee</b> <i>Staff Support: H. Baez</i>	Rep: L. Ackerman	
<b>ACWA Local Government Committee</b> <i>Staff Support: H. Baez</i>	Reps: S. Hinman L. McKenney	
<b>ACWA Region 10</b> <i>Staff Support: H. Baez</i>	All Directors Eligible to Attend	
<b>Orange County Council of Governments</b>	Rep: J. Finnegan Alt: S. Hinman	4 <sup>th</sup> Thurs. at 10:30 am (no meetings, July and December; November is 3 <sup>rd</sup> Thurs.)
<b>Orange County Operational Area Executive Board</b> <i>Representative Appointed by ISDOC</i> <i>Staff Support: K. Hubbard</i>	Rep: K. Hubbard Alt: S. Hinman J. Finnegan	Quarterly, 2:45 pm (normally Wed)
<b>CALDesal</b> <i>Staff Support: K. Seckel</i>	Rep: K. Seckel Alt: W. Osborne S. Hinman B. Barbre	
<b>South Orange County Economic Coalition</b>	Rep: J. Thomas Alt: S. Hinman	
<b>South Orange County Watershed Management Area Executive Committee</b> <i>Staff Support: K. Seckel J. Berg</i>	Rep: S. Hinman Alt: J. Thomas	
<b>Association of California Cities; Orange County</b>	Rep: W. Osborne	

**RESOLUTION NO. \_\_\_\_\_**  
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

**RE: DESIGNATION OF MEMBER AND**  
**ALTERNATES TO SANTIAGO AQUEDUCT COMMISSION**

**2016**

WHEREAS, the Santiago Aqueduct Commission (SAC) was formed to manage and operate the Santiago Aqueduct system; and

WHEREAS, the SAC consists of six (6) members, one member each of the governing bodies from El Toro Water District, Irvine Ranch Water District, Trabuco Canyon Water District, Santa Margarita Water District, Moulton Niguel Water District and Municipal Water District of Orange County (MWDOC); and

WHEREAS, it is understood that MWDOC represents itself and East Orange County Water District, County of Orange and the Irvine Company; and

WHEREAS, under the provisions of the Santiago Aqueduct Commission Joint Powers Agreement, MWDOC has the right to designate one member to the SAC and a first and second alternate to serve in the absence of the regular member.

NOW, THEREFORE, BE IT RESOLVED that MWDOC hereby designates Jeffery Thomas as the member, and Karl Seckel as alternate to the Santiago Aqueduct Commission, to assume their positions upon taking the oath of office.

Said Resolution was adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2016 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 \_\_\_\_\_.

\_\_\_\_\_  
Maribeth Goldsby, Secretary  
Municipal Water District of Orange County



**ACTION ITEM**

February 17, 2016

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Staff Contact: Kelly Hubbard  
WEROC Manager

**SUBJECT: Approval of Resolution Designating Authorized Agents for 2015-2018 FY Grant Transfer Agreements for Homeland Security Grants**

**STAFF RECOMMENDATION**

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Staff recommends that the Board of Directors adopt Resolution approving the execution of the 2015 Grant Transfer Agreement with the City of Santa Ana as the Local Urban Area Security Initiative (UASI) Administrator. Staff also recommends the Board give approval to the WEROC Program Manager and the General Manager as designated Authorized Agents for FY 2015-2018 Homeland Security Grants and authority to execute any subsequent agreements related to the Homeland Security Grants. Staff will come back to the Board for a purchase award in the event the award is greater than \$25,000.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

**DETAILED REPORT**

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In Orange County all UASI funds are administered through either Santa Ana or Anaheim as part of the Anaheim/Santa Ana Urban Area (ASAUUA) and additional Homeland Security Grants are administered by the County of Orange. The Municipal Water District of Orange County (MWDOC) and the Water Emergency Response Organization of Orange County (WEROC) has been awarded 2015 Homeland Security Grants Funds for two projects at this time. More information is provided about these projects in the subsequent staff report.

<b>Budgeted (Y/N): No</b>	Budgeted amount: \$0	Core ✓	Choice __
<b>Action item amount: \$0</b>		Line item: 8810 (Capital Requisition)	
<b>Fiscal Impact (explain if unbudgeted):</b> This is a request to approve participation in Homeland Security Grant Programs for 3 fiscal years. Actual projects over \$25,000 will be brought back to the Board for review and approval.			

In order to receive the awarded 2015 UASI grant funds and future Homeland Security Grant funds, the District must designate by resolution at least one authorized agent. Authorized agents execute for and on behalf of MWDOC any actions necessary for obtaining UASI or Homeland Security grant funds and implementing projects. Staff recommends that the board approve two authorized agents by title – the General Manager and the WEROC Program Manager. The recommendation to designate two authorized agents by title is to allow the greatest flexibility in the grant funding management.

The Board has taken similar action in regards to Homeland Security Funds and Urban Areas Security Initiative (UASI) funds. Attached is the 2015 UASI grant agreement. Additionally, attached is a resolution approving the authorized agents for a 3 year period for all 3 granting agencies within the county. The provisions of this grant agreement are the same as those grant agreements already signed for in the 2012 Urban Area Security Initiative Grant awarded for the 15 water trailers. By signing this agreement, the district would also be eligible for other grants opportunities throughout the 2015 UASI Grant cycle, should a project present itself as a good opportunity that may meet national homeland security goals.

A summary of Homeland Security related funds received to date and proposed are noted below:

<b>Funds Received</b>	<b>Grant Year</b>	<b>Amount</b>
Hazard Mitigation Plan	2005	\$168,053
EOC Remodel & Mapping	2009	\$76,290
Trainings & Conferences	2010-2014	\$20,279
Water Trailers	2011	\$497,304
<b>TOTAL Received</b>		<b>\$761,926</b>

<b>Funds Approved</b>	<b>Grant Year</b>	<b>Amount</b>
Generator Cabling & Connections	2015	\$20,000
Fuel Delivery Trailers	2015	\$100,000
Training & Conferences*	2014	\$4,567
<b>TOTAL Proposed</b>		<b>\$124,567</b>

\*Already submitted for reimbursement; awaiting payment.

### **Attachments**

1. UASI FY 2015 Transfer Agreement
2. Resolution to designate two authorized agents

AGREEMENT

SUB-RECIPIENT: MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

City Contract Number \_\_\_\_\_

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## EXHIBITS

Exhibit A	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
Exhibit B	Certification Regarding Lobbying
Exhibit C	Grant Assurances



AGREEMENT FOR TRANSFER OR PURCHASE OF EQUIPMENT/SERVICES OR FOR  
REIMBURSEMENT OF TRAINING COSTS  
FOR FY2015 URBAN AREAS SECURITY INITIATIVE (UASI)

BETWEEN  
THE CITY OF SANTA ANA  
AND MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

THIS AGREEMENT is made and entered into this 18<sup>th</sup> day of November, 2015, by and between the CITY OF SANTA ANA, a municipal corporation (the "CITY"), and MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (the "SUB-RECIPIENT" or "Contractor").

W I T N E S S E T H

WHEREAS, CITY, acting through the Santa Ana Police Department in its capacity as a Core City for the Anaheim/Santa Ana Urban Area under the FY15 Urban Areas Security Initiative, has applied for, received and accepted a grant entitled "FY 2015 Urban Areas Security Initiative" from the federal Department Of Homeland Security(DHS) Federal Emergency Management Agency (FEMA), through the State of California Governor's Office of Emergency Services (CalOES), to enhance countywide emergency preparedness (the "grant"), as set forth in the grant guidelines and assurances that are incorporated to this Agreement by reference and located at:

"U.S. Department of Homeland Security "Fiscal Year 2015 Homeland Security Grant Program (HSGP) Notice of Funding Opportunity (NOFO)"

[http://www.fema.gov/media-library-data/1429291822887-7f203c9296fde6160b727475532c7796/FY2015HSGP\\_NOFO\\_v3.pdf](http://www.fema.gov/media-library-data/1429291822887-7f203c9296fde6160b727475532c7796/FY2015HSGP_NOFO_v3.pdf)

California Governor's Office of Emergency Services "FY2015 Homeland Security Grant Program: California Supplement to Federal Program Guidance and Application Kit"

<http://www.caloes.ca.gov/GrantsManagementSite/Documents/FY%202015-%20HSGP%20State%20Guidance.pdf>

Copies of the grant guidelines shall be retained in the Anaheim/Santa Ana Grant Office.

WHEREAS, this financial assistance is administered by the CITY OF SANTA ANA ("CITY") and is overseen by the California Governor's Office of Emergency Services ("Cal-OES"); and

WHEREAS, this financial assistance is being provided to address the unique equipment, training, planning, and exercise needs of large urban areas, and to assist them in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the Anaheim/Santa Ana Urban Area ("ASUA") consists of 34 cities in Orange County, including the City of Santa Ana and the City of Anaheim, the County of Orange, including the unincorporated area of the County of Orange, Santa Ana Unified School District Police, California State University, Fullerton, University of California, Irvine, Municipal Water District of Orange County, and the Orange County Fire Authority; and

WHEREAS, the Office of Grants Management ("OGM") awarded a FY15 UASI Grant of \$4,400,000 ("Grant Funds") to the CITY OF SANTA ANA, as a Core City, for use in the ASUA; and

WHEREAS, the CITY has designated the Chief of Police, or his designee and the Santa Ana Police Department, Homeland Security Division ("UASI Grant Office") to provide for terrorism prevention and emergency preparedness; and

WHEREAS, the UASI Grant Office now wishes to distribute FY15 UASI Grant Funds throughout the ASUA, as further detailed in this Agreement ("Agreement") to MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ("SUB-RECIPIENT") and others;

WHEREAS, the CITY and SUB-RECIPIENT are desirous of executing this Agreement as authorized by the City Council and the City Manager which authorizes the CITY to prepare and execute the Agreement.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

I  
INTRODUCTION

§101. Parties to the Agreement

The parties to this Agreement are:

- A. The CITY, a municipal corporation, having its principal office at 20 Civic Center Plaza, Santa Ana, CA 92702; and
- B. MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, a municipal corporation, P.O. Box 20895, Fountain Valley, CA 92708-4736

§102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- 1. The representative of the CITY OF SANTA ANA shall be, unless otherwise stated in the Agreement:

Kenneth Gominsky, Jr., Commander  
Santa Ana Police Department  
Homeland Security Division  
60 Civic Center Plaza  
Santa Ana, CA 92702  
Phone: (714) 245-8040  
Fax: (714) 245-8098  
kgominsky@santa-ana.org

- 2. The representative of MUNICIPAL WATER DISTRICT OF ORANGE COUNTY shall be:

Kelly Hubbard, Program Manager  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
P.O. Box 20895, Fountain Valley, CA 92708-4736  
Phone: (714) 593-5010  
E-mail: khubbard@mwdoc.com

- B. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.
- C. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

SUB-RECIPIENT is acting hereunder as an independent party, and not as an agent or employee of the CITY OF SANTA ANA. No employee of SUB-RECIPIENT is, or shall be an employee of the CITY OF SANTA ANA by virtue of this Agreement, and SUB-RECIPIENT shall so inform each employee organization and each employee who is hired or retained under this Agreement. SUB-RECIPIENT shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY OF SANTA ANA.

§104. Conditions Precedent to Execution of This Agreement

SUB-RECIPIENT shall provide copies of the following documents to the CITY OF SANTA ANA, unless otherwise exempted.

- A. Grant Assurances in accordance with section 415C of this Agreement attached hereto as Exhibit C and made part hereof.
- B. Certifications Regarding Ineligibility, Suspension and Debarment as required by Executive Order 12549 in accordance with Section 415A12 of this Agreement and attached hereto as Exhibit A and made a part hereof.
- C. Certifications and Disclosures Regarding Lobbying in accordance with Section 415C of this Agreement and attached hereto as Exhibit B and made a part hereof. SUB-RECIPIENT shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by SUB-RECIPIENT.

## II TERM AND SERVICES TO BE PROVIDED

### §201. Time of Performance

The term of this Agreement shall commence on November, 18, 2015 and end on April 30, 2018 or upon the final disbursement of all of the Grant Amount (as defined in Section 301) and any additional period of time as is required to complete any necessary close out activities. Said term is subject to the provisions herein.

### §202. Use of Grant Funds

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds and in accordance with grant guidelines set forth above; or, b) reimburse SUB-RECIPIENT for purchase of authorized equipment, exercises, services or training upon receiving prior written approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, services, exercises and training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Santa Ana Grant Coordinator and it will be provided.
- B. SUB-RECIPIENT shall provide any reports requested by the CITY regarding the performance of the Agreement. Reports shall be in the form requested by the CITY, and shall be provided in a timely manner.
- C. The Authorized Equipment List (AEL) is a list of the allowable equipment which may be purchased pursuant to this Agreement and is located at [http://www.fema.gov/media-library-data/20130726-1825-25045-7138/fema\\_preparedness\\_grants\\_authorized\\_equipment\\_list.pdf](http://www.fema.gov/media-library-data/20130726-1825-25045-7138/fema_preparedness_grants_authorized_equipment_list.pdf), and incorporated to this Agreement by reference. A copy of the AEL shall be retained in the Anaheim/Santa Ana Grant Office. Unless otherwise stated in program guidance any equipment acquired pursuant to this Agreement shall meet all mandatory regulations and/or DHS-adopted standards to be eligible for purchase using grant funds. SUB-RECIPIENT shall provide the CITY a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet the minimum federal requirements. Federal procurement requirements for the FY 15 UASI Grant can be found at 2 Code of Federal Regulations (CFR) Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

Any equipment acquired or obtained with Grant Funds:

1. Shall be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;
2. Shall be consistent with needs as identified in the National Priorities and Core Capabilities, the State Homeland Security Strategy and the Anaheim/Santa Ana Urban Area and Orange County Operational Area Homeland Security Grants Strategy; and deployed in conformance with those plans;
3. Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan;
4. Shall be subject to the requirements of Title 2 CFR Part 200.313 and 200.314. For the purposes of this subsection, "Equipment" is defined as nonexpendable property that is not consumed or does not lose its identity by being incorporated into another item of equipment, which costs \$5,000 or more per unit, or is expected to have a useful life of one (1) year or more.;
5. Shall be used by SUB-RECIPIENT in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer useful for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.
6. Shall be made available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency.
7. Shall be recorded on a ledger. This record must be updated bi-annually and forwarded to the City. The record shall include: (a) description of the item of Equipment, (b) a serial number or other identification number, (c) the source of funding for the property (including the FAIN), (d) who holds the title, (e) the acquisition date, (f) the cost of the property, (g) percentage of Federal participation in the project costs for the Federal award under which the property was

acquired, (h) location, (i) use and condition of Equipment, and (j) ultimate disposition data including the date of disposal and sale price of the property. Records must be retained pursuant to 2 CFR Part 200.313.

8. All equipment obtained under this Agreement shall have an ASAUA identification decal affixed to it, and, when practical, shall be affixed where it is readily visible.
  9. A physical inventory of the Equipment shall be taken and the results reconciled with the Equipment records at least once every two years. Inventory shall also be taken prior to any UASI, State or Federal monitor visits.
  10. SUB-RECIPIENT shall exercise due care to preserve and safeguard equipment acquired with grant funds from damage or destruction and shall provide regular maintenance and such repairs for said equipment as necessary, in order to keep said equipment continually in good working order. Such maintenance and servicing shall be the sole responsibility of SUB-RECIPIENT, who shall assume full responsibility for maintenance and repair of the equipment throughout the life of said equipment.
- D. Any training paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2015 Homeland Security Grant Program, as set forth above. All training expenses must be pre-authorized by Cal-OES at <http://www.firstrespondertraining.gov/admin>. A catalogue of Grantor approved and sponsored training courses is available at [http://www.firstrespondertraining.gov/odp\\_webforms](http://www.firstrespondertraining.gov/odp_webforms).
- E. Any exercise paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2015 Homeland Security Grant Program, as set forth above. Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <http://hseep.dhs.gov>.
- F. Any planning paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2015 Homeland Security Grant Program, as set forth above.
- G. Any organizational activities paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2015 Homeland Security Grant Program, as set forth above.

### III PAYMENT

#### §301. Payment of Grant Funds and Method of Payment

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds; or, b) reimburse SUB-RECIPIENT for the purchase of authorized equipment, exercises, services or training upon receiving prior written approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, exercises, services or training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Santa Ana Grant Coordinator and it will be provided. Funds may be used for planning, exercises, organizational and training activities, and the purchase of equipment as described in Section 202 above.
- B. SUB-RECIPIENT shall provide quarterly invoices to the CITY requesting payment and all supporting documentation. Each reimbursement request shall be accompanied by the Reimbursement Request for Grant Expenditures detailing the expenditures made by SUB-RECIPIENT as authorized by Section 202 above. Each reimbursement request shall be submitted to the Santa Ana UASI Grant Office. For equipment for which SUB-RECIPIENT is requesting reimbursement, all appropriate back-up documentation must be attached to the reimbursement form, including invoices, proof of payment, packing slips, and Equipment Reimbursement Worksheet. For training reimbursements, SUB-RECIPIENT must include a copy of any certificates issued or a copy of the class roster verifying training attendees, proof that a CalOES tracking number has been assigned to the course, timesheets and payroll registers for all training attendees, receipts for travel expenses related to the training, and Training Reimbursement Worksheet. For regional project reimbursements, SUB-RECIPIENT must include approval from the lead agency for all submitted invoices.
- C. Payment of final invoice shall be withheld by the CITY until the SUB-RECIPIENT has turned in all supporting documentation and completed the requirements of this Agreement.
- D. It is understood that the CITY makes no commitment to fund this Agreement beyond the terms set forth herein.
- E. Funding for all periods of this Agreement is subject to the continuing availability to the CITY of federal funds for this program. The Agreement may be terminated immediately upon written notice to SUB-RECIPIENT of a loss or reduction of federal grant funds.



#### IV STANDARD PROVISIONS

##### §401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. The word "Sub-recipient" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Sub-recipient as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

##### §402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY. This Agreement shall be enforced and interpreted under the laws of the State of California and the CITY.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

##### §403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only by a written instrument executed by both parties hereto.

##### §404. Excusable Delays

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension.

Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine

restrictions; strikes, freight embargoes or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§405. Breach

Except for excusable delays, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§406. Prohibition Against Assignment or Delegation

SUB-RECIPIENT may not, unless it has first obtained the written permission of the CITY:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§407. Permits

SUB-RECIPIENT and its officers, agents and employees shall obtain and maintain all permits and licenses necessary for SUB-RECIPIENT performance hereunder and shall pay any fees required therefore. SUB-RECIPIENT further certifies to immediately notify the CITY of any suspension, termination, lapses, non renewals or restrictions of licenses, certificates, or other documents.

§408. Nondiscrimination and Affirmative Action

SUB-RECIPIENT shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this Agreement, SUB-RECIPIENT shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, gender, gender identity, gender expression, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status, pregnancy, denial of medical and family care leave, pregnancy disability leave, or medical condition. SUB-RECIPIENT shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

SUB-RECIPIENT shall comply with California Public Contract Code §10295.3, which addresses discrimination based on domestic partnerships. If required, SUB-RECIPIENT shall submit an Equal Employment Opportunity

Plan ("EEOP") to the DOJ Office of Civil Rights ("OCR") in accordance with guidelines listed at <http://www.ojp.usdoj.gov/ocr/eeop.htm>,

Any subcontract entered into by the SUB-RECIPIENT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this § 408.

#### §409. Bonds

SUB-RECIPIENT must purchase a performance bond for any equipment item over \$250,000 or any vehicle (including aircraft or watercraft) financed with homeland security funds. SUB-RECIPIENT must provide a copy of performance bond to CITY no later than the time of reimbursement.

#### §410. Indemnification

Each of the parties to this Agreement is a public entity. In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities, solely by reason of such entities being parties to an Agreement as defined by Section 895 of said Code, the parties hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above-stated purpose, each party indemnifies and holds harmless the other party solely by virtue of said Section 895.2. The provision of Section 2778 of the California Civil Code is made a part hereto as if fully set forth herein. SUB-RECIPIENT certifies that it has adequate self-insured retention of funds to meet any obligation arising from this Agreement.

#### §411. Conflict of Interest

- A. SUB-RECIPIENT covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
  2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
  3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such

person would have a "financial or other interest" in the subcontract.

**B. Definitions:**

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father in law, mother in law, brother in law, sister in law, son in law, daughter in law.
2. The term "financial or other interest" includes but is not limited to:
  - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
  - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- C. The SUB-RECIPIENT further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- D. The SUB-RECIPIENT shall not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Contractor.
- E. Prior to obtaining the CITY'S approval of any subcontract, the SUB-RECIPIENT shall disclose to the CITY any relationship, financial or otherwise, direct or indirect, of the SUB-RECIPIENT or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
- F. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the SUB-RECIPIENT, State of California, and Federal regulations regarding conflict of interest.
- G. The SUB-RECIPIENT warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- H. The SUB-RECIPIENT covenants that no member, officer or employee of SUB-RECIPIENT shall have interest, direct or indirect, in any contract or

subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.

- I. The SUB-RECIPIENT shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "SUB-RECIPIENT" and "sub subcontractor" for "Subcontractor".

#### §412. Restriction on Disclosures

Any reports, analysis, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250, et seq.).

#### §413. Statutes and Regulations Applicable To All Grant Contracts

- A. SUB-RECIPIENT shall comply with all applicable requirements of state, federal, county and SUB-RECIPIENT laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. SUB-RECIPIENT shall comply with state and federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. SUB-RECIPIENT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Office of Management and Budget (OMB)

SUB-RECIPIENT shall comply with 2 Code of Federal Regulation (CFR) Part 200 (Uniform Administrative, Cost Principles, and Audit Requirements for Federal Awards).

2. Single Audit Act

If Federal funds are used in the performance of this Agreement, SUB-RECIPIENT shall adhere to the rules and regulations of the Single Audit Act, 31 USC Sec. 7501 et seq.; Title 2 Code of Federal Regulations, Part 200, Subpart F Audit Requirements; and any administrative regulation or field memos implementing the Act. When reporting under on the FY15 UASI Grant Program under the Single Audit Act, SUB-RECIPIENT shall use Catalog of Federal Domestic Assistance (CFDA) Program Number 97.067 "Homeland Security Grant Program"; Grant Identification Number 2015-00078; and identify the CITY OF SANTA ANA as the Pass-Through.

3. Americans with Disabilities Act

SUB-RECIPIENT hereby certifies that it will comply with the Americans with Disabilities Act, 42 USC §§ 12101, et seq., and its implementing regulations. SUB-RECIPIENT will provide reasonable

accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. SUB-RECIPIENT will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the SUB-RECIPIENT, relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

If this Agreement provides for more than \$100,000 in grant funds or more than \$150,000 in loan funds, SUB-RECIPIENT shall submit to the CITY a Certification Regarding Lobbying and a Disclosure Form, if required, in accordance with 31 USC §1352. A copy of the Certificate is attached hereto as Exhibit B. No funds will be released to SUB-RECIPIENT until the Certification is filed.

SUB-RECIPIENT shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by SUB-RECIPIENT. SUB-RECIPIENT shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

5. Records Inspection

In accordance with 2 CFR §200.336, at any time during normal business hours and as often as the CITY, the U.S. Comptroller General, and/or the Auditor General of the State of California may deem necessary, SUB-RECIPIENT shall make available for examination all of its records with respect to all matters covered by this Agreement. The CITY, the U.S. Comptroller General and/or the Auditor General of the State of California shall have the authority to audit, examine and make excerpts or transcripts from records, including SUB-RECIPIENT'S invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

SUB-RECIPIENT agrees to provide any reports requested by the CITY regarding performance of the Agreement.

6. Records Maintenance

Records, in their original form, shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records shall be retained for a period of three (3) years after the date of submission of the final expenditure report by the CITY and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The CITY may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Orange unless authorization to remove them is granted in writing by the CITY.

7. Subcontracts and Procurement

SUB-RECIPIENT shall comply with the federal and SUB-RECIPIENT standards in the award of any subcontracts. For purposes of this Agreement, subcontracts shall include but not be limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

SUB-RECIPIENT shall ensure that the terms of this Agreement with the CITY are incorporated into all Subcontractor Agreements. The SUB-RECIPIENT shall submit all Subcontractor Agreements to the CITY for review prior to the release of any funds to the subcontractor. The SUB-RECIPIENT shall withhold funds to any subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor Agreement.

8. Labor

SUB-RECIPIENT shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements, and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

SUB-RECIPIENT shall comply with the Federal Fair Labor Standards Act (29 USC §201) regarding wages and hours of employment. None of the funds shall be used to promote or deter Union/labor organizing

activities. CA Gov't Code Sec. 16645, et seq.

9. Civil Rights

SUB-RECIPIENT shall comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) The Age Discrimination act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601, et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) which may apply to the application; and (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. Environmental

SUB-RECIPIENT shall comply, or has already complied, with the requirements of Titles II and III of the Uniform relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

SUB-RECIPIENT shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO



11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451, et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401, et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

SUB-RECIPIENT shall comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271, et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

SUB-RECIPIENT shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801, et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

SUB-RECIPIENT shall comply with the Federal Water Pollution Control Act (33 U.S.C. 1251-1387) which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

SUB-RECIPIENT shall comply with the Federal Clean Water Act (CWA) (33 U.S.C §1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.

SUB-RECIPIENT shall ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, SUB-RECIPIENT ensures that it is in compliance with the California Environmental Quality Act (CEQA), Public Resources Code §21000, et seq. and is not impacting the environment negatively.

SUB-RECIPIENT shall comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

11. Preservation

SUB-RECIPIENT shall comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1, et seq.).

12. Suspension and Debarment

SUB-RECIPIENT shall comply with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and SUB-RECIPIENT shall submit a Certification Regarding Debarment required by Executive Order 12549 and any amendment thereto. Said Certification shall be submitted to the CITY concurrent with the execution of this Agreement and shall certify that neither SUB-RECIPIENT nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department head or agency. SUB-RECIPIENT shall require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors shall certify accordingly.

As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, SUB-RECIPIENT will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government.

13. Drug-Free Workplace

SUB-RECIPIENT shall comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, 44 CFR Part 67; the California Drug-Free Workplace Act of 1990, CA Gov't Code §§ 8350-8357.

14. Financial Management

SUB-RECIPIENT will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

15. Reporting – Accountability

SUB-RECIPIENT agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (2 CFR Chapter 1, Part 170), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR part 25 Financial Assistance Use of

Universal Identifier and Central Contractor Registration and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

SUB-RECIPIENT must also comply with statutory requirements for whistleblower protections at 10 U.S.C. §2409, 41 U.S.C. §4712, and 10 U.S.C. §2324, 41 U.S.C. §4304 and §4310 and 31 U.S.C. §6101 et seq.

16. Human Trafficking

SUB-RECIPIENT will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. §7104) which prohibits grant award recipients or a subrecipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

17. Freedom of Information Act

SUB-RECIPIENT acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities which is under Federal control is subject to the Freedom of Information Act (FOIA), 5 U.S.C. §552. SUB-RECIPIENT should also consult State and local laws and regulations regarding the release of information, which should be considered when reporting sensitive matters in the grant application, needs assessment and strategic planning process.

B. Statutes and Regulations Applicable To This Particular Grant

SUB-RECIPIENT shall comply with all applicable requirements of state and federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. SUB-RECIPIENT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Title 2 Code of Federal Regulations (CFR) Part 200; EO 12372; Department of Justice (DOJ) Office of Judicial Programs (OJP) Office of the Comptroller, U.S. Department of Homeland Security, Preparedness Directorate Financial Management Guide; U.S. Department of Homeland Security, Office of Grants and Training, FY 2015 Homeland Security Grant Program –Notice of Funding Opportunity; ODP WMD Training Course Catalogue; and DOJ Office

for Civil Rights.

Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, § 8607.1(e) and CCR Title 19, §§ 2445-2448.

Provisions of 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services; Part 38, Equal Treatment of Faith-based Organizations; Part 42, Nondiscrimination/Equal employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government- Wide Requirements for a Drug Free Workplace (grants).

## 2. Travel Expenses

SUB-RECIPIENT as provided herein may be compensated for SUB-RECIPIENT'S reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Travel including in-State and out-of-State travel shall not be reimbursed without prior written authorization from the UASI Grant Office.

SUB-RECIPIENT'S travel and per diem reimbursement costs shall be reimbursed based on the SUB-RECIPIENT'S travel policies and procedures. If SUB-RECIPIENT does not have established travel policies and procedures, SUB-RECIPIENT'S reimbursement rates shall not exceed the amounts established under 5 U.S.C 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter must apply to travel under federal awards (48 CFR 31.205-46(a)).

3. Personally Identifiable Information

SUB-RECIPIENT collecting Personally Identifiable Information (PII) must have a publically-available policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate

4. Hotel and Motel Fire Safety Act of 1990

SUB-RECIPIENT must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with Section 6 of the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225a.

5. Terrorist Financing E.O. 13224

SUB-RECIPIENT must comply with U.S. Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism.

6. USA Patriot Act of 2001

SUB-RECIPIENT must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act), which amends 18 U.S.C. §§175-175c.

7. Noncompliance

SUB-RECIPIENT understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds, and repayment by SUB-RECIPIENT to CITY of any unlawful expenditures.

C. Compliance With Grant Assurances

To obtain the Grant Funds, the Grantor required an authorized representative of the CITY to sign certain promises regarding the way the Grant Funds would be spent ("Grant Assurances"), attached hereto as Exhibit C. By signing these Grant Assurances, the CITY became liable to the Grantor for any funds that are used in violation of the grant requirements. SUB-RECIPIENT shall be liable to the Grantor for any funds the Grantor determines SUB-RECIPIENT used in violation of these Grant Assurances. SUB-RECIPIENT shall indemnify and hold harmless the CITY for any sums the Grantor determines SUB-RECIPIENT used in violation of the Grant Assurances.

#### §414. Federal, State and Local Taxes

Federal, State and local taxes shall be the responsibility of SUB-RECIPIENT as an independent party and not as a CITY employee.

#### §415. Inventions, Patents and Copyrights

##### A. Reporting Procedure for Inventions

If any project produces any invention or discovery (Invention) patentable or otherwise under title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the SUB-RECIPIENT shall report the fact and disclose the Invention promptly and fully to the CITY. The CITY shall report the fact and disclose the Invention to the Grantor. Unless there is a prior agreement between the CITY and the Grantor, the Grantor shall determine whether to seek protection on the Invention. The Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of title 35 U.S.C. Sections 200, et seq. (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983; and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp., p. 262). SUB-RECIPIENT

hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

##### B. Rights to Use Inventions

CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

##### C. Copyright Policy

1. Unless otherwise provided by the terms of the Grantor or of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the author or the CITY, at the CITY'S discretion, may copyright the Material. If the CITY declines to copyright the Material, the CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.
2. The Grantor shall have an unencumbered right, and a non-exclusive,

irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.

3. SUB-RECIPIENT shall comply with 24 CFR 85.34.

D. Rights to Data

The Grantor and the CITY shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404(f)(2) instead of unlimited rights. (48 CFR 27.404(a)).

E. Obligations Binding on Subcontractors

SUB-RECIPIENT shall require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

§416. Minority, Women, And Other Business Enterprise Outreach Program

It is the policy of the CITY to provide minority business enterprises (MBEs), women business enterprises (WBEs) and all other business enterprises an equal opportunity to participate in the performance of all SUB-RECIPIENT contracts, including procurement, construction and personal services. This policy applies to all Contractors and Sub-Contractors.

V  
DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should SUB-RECIPIENT fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the CITY reserves the right to terminate the Agreement, reserving all rights under state and federal law.

§502. Amendments

Any change in the terms of this Agreement, including changes in the services to be performed by SUB-RECIPIENT and any increase or decrease in the amount of compensation which are agreed to by the CITY and SUB-RECIPIENT shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

SUB-RECIPIENT agrees to comply with all future CITY Directives, or any rules, amendments or requirements promulgated by the CITY affecting this Agreement.



VI  
ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty-five (26) pages and three (3) Exhibits which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City and MUNICIPAL WATER DISTRICT OF ORANGE COUNTY have caused this Agreement to be executed by their duly authorized representatives on the date first set forth above.

ATTEST:

CITY OF SANTA ANA, a municipal Corporation of the State of California

By: \_\_\_\_\_  
Maria D. Huizar  
Clerk of the Council

By: \_\_\_\_\_  
David Cavazos  
City Manager

RECOMMENDED FOR APPROVAL:

By: \_\_\_\_\_  
Carlos Rojas  
Chief of Police

SUB-RECIPIENT  
MUNICIPAL WATER DISTRICT OF  
ORANGE COUNTY

APPROVED AS TO FORM:

By: \_\_\_\_\_

Printed Name \_\_\_\_\_

By: \_\_\_\_\_  
Laura Rossini  
Senior Assistant City Attorney

Title \_\_\_\_\_

APPROVED AS TO FORM

By: \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

**EXHIBIT A**  
**CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER  
RESPONSIBILITY MATTERS**

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under the applicable CFR covering New Restrictions on Government-wide Debarment and Suspension (Nonprocurement). The certification shall be treated as a material representation of fact upon which reliance will be placed when the Agency determines to award the covered transaction or cooperative agreement.

As required by Executive Order 12549, Debarment and Suspension, and implemented under the applicable CFR, for prospective participants in covered transactions, as defined in the applicable CFR

A. The applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal State or local) with commission of any of these offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

\_\_\_\_\_  
Authorized Agent Signature

Address: \_\_\_\_\_

\_\_\_\_\_  
Printed or Typed Name

\_\_\_\_\_  
Title

## **INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to whom this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**EXHIBIT B**  
**CERTIFICATION REGARDING LOBBYING**  
**Certification for Contracts, Grants, Loans**  
**and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\_\_\_\_\_  
AGREEMENT NUMBER

\_\_\_\_\_  
CONTRACTOR/BORROWER/AGENCY

\_\_\_\_\_  
NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

**EXHIBIT C**  
**California Governor's Office of Emergency Services**  
**FY 2015 Grant Assurances**  
(For All Cal OES Federal Grant Programs)

Name of Applicant: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

**As the duly authorized representative of the Applicant, I hereby certify** that the Applicant has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application, within prescribed timelines.

**I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:**

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) California Supplement to the NOFO; and
- (d) Federal and State Grant Program Guidelines.

**Federal Regulations**

Government cost principles, uniform administrative requirements and audit requirements for federal grant programs are housed in Title 2, Part 200 of the Code of Federal Regulations (CFR) and in updates issued by the Office of Management and Budget (OMB) on <http://www.whitehouse.gov/omb/>.

**Significant state and federal grant award requirements (some of which appear in the documents listed above) are called out below. The Applicant hereby agrees to comply with the following:**

**1. Proof of Authority**

The Applicant will obtain written authorization from the city council, governing board or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board or authorized body agree:

- (a) To provide all matching funds required for said project and that any cash match will be appropriated as required.
- (b) That any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board or authorized body.
- (c) That grant funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body.
- (d) That the official executing this agreement is, in fact, authorized to do so.

This Proof of Authority must be maintained on file and readily available upon demand.

**2. Period of Performance**

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

**3. Lobbying and Political Activities**

As required by Section 1352, Title 31 of the U.S. Code (U.S.C.), for persons entering into a contract, grant, loan or cooperative agreement from an agency or requests or receives

from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and §§7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

Finally, the Applicant agrees that Federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the Federal awarding agency.

#### **4. Debarment and Suspension**

As required by Executive Orders (EO) 12549 and 12689, and 2 CFR §200.212 and codified in 2 CFR Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government. The Applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (Federal, State, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

#### **5. Non-Discrimination and Equal Employment Opportunity**

The Applicant will comply with all Federal statutes relating to non-discrimination. These include, but are not limited to, the following:

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. §2000d et. seq.) which prohibits discrimination on the basis of race, color or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;
- (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA (42 U.S.C. 12101, et seq.);
- (e) Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
- (f) Drug Abuse Office and Treatment Act of 1972) (P.L. 92-255), as amended (P.L. 96-181), relating to nondiscrimination on the basis of Treatment or recovery from drug abuse;
- (g) Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
- (h) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records;
- (i) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
- (j) EO 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin;
- (k) EO 11375, which bans discrimination on the basis of sex in hiring and employment in both the United States federal workforce and on the part of government contractors;
- (l) California Public Contract Code §10295.3, which addresses discrimination based on domestic partnerships;
- (m) Any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and
- (n) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (n), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code sections 12940, 12945, 12945.2) and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.



## **6. Drug-Free Workplace**

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.), the Applicant certifies that it will or will continue to provide a drug-free workplace and a drug-free awareness program as outlined in the Act.

## **7. Environmental Standards**

The Applicant will comply with State and Federal environmental standards which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§21000-21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§15000-15387);
- (c) Federal Clean Water Act (CWA) (33 U.S.C. §1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.
- (d) Institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Orders (EO) on the Environmental Justice Act (EO 12898) and Environmental Quality (EO 11514);
- (e) Notification of Environmental Protection Agency (EPA) violating facilities pursuant to EO 11738;
- (f) Protection of wetlands pursuant to EO 11990;
- (g) Evaluation of flood hazards in floodplains in accordance with EO 11988;
- (h) Assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §1451 et seq.);
- (i) Conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §7401 et seq.);
- (j) Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523);
- (k) Protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205);
- (l) Wild and Scenic Rivers Act of 1968 (16 U.S.C. §1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

Finally, the Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to §13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) finally determined to be in violation of federal law relating to air or water pollution.

## **8. Audits**

For subrecipients expending \$750,000 or more in Federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

## **9. Access to Records**

In accordance with 2 CFR §200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award. The Applicant will require any subrecipients,

contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

#### **10. Conflict of Interest**

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

#### **11. Financial Management**

##### **False Claims for Payment**

The Applicant will comply with 31 U.S.C §3729 which sets forth that no subgrantee, recipient or subrecipient shall submit a false claim for payment, reimbursement or advance.

#### **12. Reporting - Accountability**

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (2 CFR Chapter 1, Part 170), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. §2409, 41 U.S.C. §4712, and 10 U.S.C. §2324, 41 U.S.C. §4304 and §4310 and 31 U.S.C. §6101 et seq.

#### **13. Human Trafficking**

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. §7104) which prohibits grant award recipients or a subrecipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

#### **14. Labor Standards**

The Applicant will comply with the following federal labor standards:

- (a) Comply with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. §3145 and 18 U.S.C. §874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction contracts or subcontracts.
- (b) Comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.

#### **15. Worker's Compensation**

The Applicant must comply with provisions which require every employer to be insured against liability for Worker's Compensation before commencing performance of the work of this Agreement, as per California Labor Code §3700.

## **16. Property-Related**

If applicable to the type of project funded by this Federal award, the Applicant will:

- (a) Comply the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchase.
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- (c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §469a-1 et seq.).
- (d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

## **17. Certifications Applicable Only to Federally-Funded Construction Projects**

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications.
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

## **18. Freedom of Information Act**

The Applicant acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities which is under Federal control is subject to the Freedom of Information Act (FOIA), 5 U.S.C. §552. The Applicant should also consult its own State and local laws and regulations regarding the release of information, which should be considered when reporting sensitive matters in the grant application, needs assessment and strategic planning process.

## **19. California Public Records Act**

The Applicant acknowledges that all information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities may be subject to the California Public Records Act (California Government Code §§6250-6276.48), which requires inspection and/or disclosure of governmental records to the public upon request, unless exempted by law.

## **HOMELAND SECURITY GRANT PROGRAM - PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS**

### **20. Personally Identifiable Information**

Subrecipients collecting Personally Identifiable Information (PII) must have a publically-available policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate.

### **21. Disposition of Equipment**

When original or replacement equipment acquired under this award is no longer needed for the original project or program or for other activities currently or previously supported by the Department of Homeland Security/Federal Emergency Management Agency, subrecipients must request instructions from Cal OES on proper disposition of equipment.

### **22. Reporting Accusations and Findings of Discrimination**

If, during the past three years, the subrecipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the subrecipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to Cal OES for reporting to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties.

If any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion or familial status against the subrecipient, or the subrecipient settles a case or matter alleging such discrimination, subrecipients must forward a copy of the complaint and findings to Cal OES for forwarding to the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.

### **23. Acknowledgement of Federal Funding from DHS and Use of DHS Seal, Logo and Flags**

All subrecipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

All subrecipients must obtain DHS's approval prior to using DHS seal(s), Logos, crests or reproductions of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

### **24. Copyright**

All subrecipients must affix the applicable copyright notices of 17 U.S.C. §§401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards, unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations).

### **25. Energy Policy and Conservation Act**

All subrecipients must comply with the requirements of 42 U.S.C. §6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issues in compliance with this Act.

### **26. Hotel and Motel Fire Safety Act of 1990**

All subrecipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds complies with Section 6 of the fire prevention

and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225a.

**27. Terrorist Financing E.O. 13224**

All subrecipients must comply with U.S. Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of subrecipients to ensure compliance with the E.O. and laws.

**28. USA Patriot Act of 2001**

All subrecipients must comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act), which amends 18 U.S.C. §§175-175c.

**IMPORTANT**

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers, including contracts under grants and cooperative agreements and subcontracts.

The undersigned represents that he/she is authorized by the above named applicant to enter into this agreement for and on behalf of the said applicant.

Signature of Authorized Agent: \_\_\_\_\_

Printed Name of Authorized Agent: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

**RESOLUTION NO. \_\_\_\_\_**

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
WATER EMERGENCY RESPONSE ORGANIZATION OF ORANGE COUNTY  
(WEROC)  
AUTHORIZATION FOR FEDERAL FINANCIAL ASSISTANCE  
PROVIDED BY THE FEDERAL DEPARTMENT OF HOMELAND SECURITY**

WHEREAS, The Municipal Water District of Orange County (MWDOC) manages the Water Emergency Response Organization of Orange County (WEROC) Program on behalf of the organization's 35 signatories.

WHEREAS, WEROC has been designated by the County of Orange as the water and wastewater Operational Area coordination entity for the purpose of assisting the county's water and wastewater utilities with disaster preparedness, prevention, response, recovery, and mitigation.

WHEREAS, MWDOC desires to keep the WEROC emergency operations centers, communications equipment and other such supplies in good working order and to date with the current technological abilities of the Operational Area.

WHEREAS, MWDOC also desires to keep its program and volunteer staff trained in current emergency management practices and required levels of training according to the National Incident Management System and the California State Emergency Management System.

WHEREAS, MWDOC also desires to ensure eligibility for project and training funding that may become available throughout the year.

WHEREAS, MWDOC has and will continue to submit grant applications to the Homeland Security Grant Program to continue to enhance the capabilities of the WEROC program, its staff and its member agencies.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County that the Water Emergency Response Organization of Orange County (WEROC) Program Manager, or the MWDOC General Manager, is hereby authorized to execute for and on behalf of the Municipal Water District of Orange County, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal financial assistance provided by the federal Department of Homeland Security and sub-granted through the County of Orange or the Cities of Anaheim and Santa Ana as the Administrators for Fiscal Year grants 2015-2018.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

I hereby certify that the foregoing is a true and correct copy of Resolution No. \_\_\_\_ adopted by the Board of Directors of Water District at its meeting held on.

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MARIBETH GOLDSBY  
District Secretary  
Municipal Water District of Orange County



**ACTION ITEM**  
February 17, 2016

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** Cathleen M. Harris, Administrative Service Manager

**SUBJECT: Restatement of Municipal Water District of Orange County Money  
Purchase Pension Plan and Submission to Internal Revenue Service**

**STAFF RECOMMENDATION**

---

It is recommended that the Board of Directors:

1. Adopt Resolution approving the restatement of the Municipal Water District of Orange County Money Purchase Pension Plan ("Plan"), effective January 1, 2016.
2. Authorize the General Manager to execute the restated Plan document.
3. Authorize the General Manager to give power of attorney to and instruct Best, Best & Krieger LLP ("BBK") to submit the Plan to the Internal Revenue Service ("IRS") for a determination regarding the Plan's qualified status and pay the required amounts for the filing.
4. Authorize the General Manager to give power of attorney to and instruct BBK to submit an application under the IRS' voluntary correction program to correct certain required amendments and pay the required amounts for the filing.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

Budgeted (Y/N): No	Budgeted amount:	Core X	Choice __
Action item amount: \$3,250		Line item: 2000-13-7040	
Fiscal Impact (explain if unbudgeted): There are specific funds in the above referenced cost item to cover this expense.			



## DETAILED REPORT

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The IRS maintains a determination letter program in order to provide retirement plan sponsors assurances that their plans are deemed qualified by the IRS. MWDOC previously obtained a determination letter for the Municipal Water District of Orange County Money Purchase Pension Plan ("Plan") from the IRS, 18 years ago, dated February 27, 1998. While getting a determination letter is not required for a governmental plan, BBK recommended getting an updated determination letter as a good practice given the Board's fiduciary duty to maintain the plan in good standing. Another reason for BBK's recommendation was the fact that the IRS would be discontinuing the regular determination letter process after 2016. This means that a plan receiving the determination letter would remain in good standing indefinitely unless a compliance error occurred subsequently.

In the course of preparing and reviewing the Plan for submission for a determination letter, BBK discovered that the 2001 and 2003 amendments had been adopted after the required deadlines established by the IRS. As a result, a voluntary correction program ("VCP") application must be filed concurrently with the determination letter request to correct the amendments.

Based on Legal Counsel's review and advice, staff recommends the Board authorize the General Manager to direct BBK to file the determination letter and VCP applications with the IRS concurrently.

In addition, the IRS requires that retirement plans be restated as part of the determination letter application even when filed concurrently with a VCP application. As such, staff recommends the Board of Directors approve the restatement of the Plan effective January 1, 2016 and authorize the General Manager to execute the restated Plan. The total filing fees for a determination letter filing and the VCP application are \$3,250.

A copy of the restated Plan along with a redline showing the changes is enclosed. Those highlighted in yellow represent changes consistent with the Public Employees' Pension Reform Act of 2013, changes highlighted in green represent changes required connection with the determination letter process, and changes highlighted in blue represent amendments approved by the Board since the last restatement which have been incorporated into the new restated Plan.

## RESOLUTION NO. \_\_\_\_\_

**RESOLUTION APPROVING THE RESTATEMENT OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY  
PURCHASE PENSION PLAN, SUBMISSION OF THE RESTATED  
PENSION PLAN TO THE IRS FOR A DETERMINATION OF  
QUALIFIED STATUS, AND SUBMISSION TO THE IRS UNDER THE  
VOLUNTARY CORRECTION PROGRAM**

**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; and

**WHEREAS**, it is necessary at this time to amend the Pension Plan to comply with the California Public Employee’s Pension Reform Act and other federal regulatory changes; and

**WHEREAS**, it is necessary to restate the Pension Plan in its entirety in connection with submission of the Pension Plan to the Internal Revenue Service (“IRS”) for a determination regarding the Pension Plan’s qualified status under Section 401(a) of the Internal Revenue Code; and

**WHEREAS**, Best, Best & Krieger LLP (“BBK”) has prepared a restated plan document, effective January 1, 2016, for review by the Board of Directors; and

**WHEREAS**, BBK has prepared an application for a determination regarding the Pension Plan’s qualified status under Section 401(a) of the Internal Revenue Code for review by District staff; and

**WHEREAS**, in the course of its review of the Pension Plan, BBK discovered that certain amendments to the Pension Plan in 2001 and 2003 were adopted late resulting in a qualification failure under Section 401(a) of the Internal Revenue Code; however, the foregoing may be corrected by filing an application under the voluntary correction program of the IRS’ Employee Plans Compliance Resolution System; and

**WHEREAS**, BBK has prepared an application under the voluntary correction program for review by District staff.

**NOW, THEREFORE**, be it 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 Board of Directors hereby approves the restated Pension Plan heretofore considered and discussed.
- Section 3.** That the District hereby authorizes the General Manager, or his or her designee, to duly execute the restated Pension Plan on behalf of the District.

**Section 4.** That the General Manager, or his or her designee, is hereby authorized to give BBK 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 the Pension Plan is qualified under Section 401(a) of the Internal Revenue Code.

**Section 5.** That the General Manager, or his or her designee, is hereby authorized to give BBK an appropriate power of attorney, and to instruct them to take such action as shall be necessary to submit the Pension Plan for correction under the voluntary correction program and secure a compliance statement from the Internal Revenue Service.

**APPROVED, SIGNED AND ADOPTED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2016 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**

[Restated Effective January 1, 2016](#)

[Prepared by Best Best & Krieger LLP](#)

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## 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,~~ incorporate previously adopted amendments and to comply with the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”) 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.—~~

~~DC.~~ Accordingly, the Employer hereby amends and restates the Plan effective January 1, ~~2015~~2016, 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 ~~IV~~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) ~~“Compensation” or any Participant who is not a New Member shall mean~~ a Participant’s wages or salary paid by the Employer during the Plan Year within the meaning of Code Section 3401(a).

(1) ~~(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.

(2) ~~(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.

(3) ~~(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.

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

(b) "Compensation" for any Participant who is a New Member shall mean "Pensionable Compensation," as defined in California Government Code Section 7522.34. "Pensionable Compensation" means the normal monthly rate of pay or base pay of the Employee paid in cash to similarly situated Employees of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to

publicly available pay schedules. "Pensionable Compensation" shall not include the following:

(1) Compensation previously provided in kind to the Employee, or paid directly to a third party other than the Plan for the Employee's benefit and that was converted to and received by the Employee in the form of a cash payment.

(2) One-time or ad hoc payments.

(3) Severance or other payment granted or awarded to an Employee in connection with or in anticipation of separation from employment, but received while the Employee is employed.

(4) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.

(5) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(6) Any Employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.

(7) Overtime compensation.

(8) Employer contributions to deferred compensation or defined contribution plans.

(9) Bonuses.

(10) Any amounts the Board of Directors of the Employer determines: (1) were paid to increase the Employee's retirement; (2) are inconsistent with PEPRA's definition of "Pensionable Compensation"; or (3) should not be considered "Pensionable Compensation."

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 ~~2016~~ shall be ~~\$225,000~~ \$265,000, 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 New Member. "New Member" shall mean either of the following:

(a) An individual who becomes a Participant in the Plan for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date.

(b) An individual who becomes a Participant in the Plan for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under Section 7522.02(c) of the California Government Code.

2.17 ~~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.

2.18 ~~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.

2.19 PEPRA. “PEPRA” shall mean the California Public Employees’ Pension Reform Act of 2013.

2.20 ~~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.

2.21 ~~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.

2.22 ~~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).

2.23 Spouse. “Spouse” shall mean the person to whom the Participant is legally married under applicable law.

2.24 ~~2.21~~ Trust. “Trust” shall mean the Trust established pursuant to Article III and the accompanying Trust Agreement.

2.25 ~~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~~III.

### 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.

5.5 Employment after Retirement. A former Participant receiving a benefit from the Plan may not be reemployed by the Employer without reinstatement from retirement and suspension of benefit payments, unless an exception under California Government Code Section 7522.56 applies.

## 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.

8.4 Forfeiture for Felony Conviction.

(a) Any Participant who is convicted of a felony under state or federal law for:

(1) conduct arising out of his or her official duties, in the pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, or

(2) conduct committed within the scope of his or her official duties involving contact with children

shall forfeit all rights and benefits in this Plan which accrued from the date of commission of the felony to the date of conviction, and shall not

accrue further benefits in this Plan effective on the date of conviction, as provided in California Government Code Sections 7522.72 and 7522.7.

(b) Contributions made to the Plan by the convicted Participant on or after the earliest date of the commission of any felony described above shall be returned, without interest, to the Participant upon separation from employment, death, or retirement unless otherwise ordered by a court or determined by the Administrator.

## 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~~ **\$53,000 (the limit for 2016)**, 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 addition, any Participant who has attained the age of sixty-two (62) may elect to receive all or a portion of his or her Account provided the Participant is fully vested in his or her Accounts. A Participant shall be limited to only one in-service distribution ~~shall be permitted in a single calendar~~ during each Plan Year. In the event a Participant receives a distribution ~~under~~ pursuant to 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 of Employment~~ shall be made in a manner consistent with the provisions of this Article.

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~~10.9 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 or 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 LOANS TO PARTICIPANTS

11.1 Loans. The Employer shall be authorized to direct the Trustee to make loans to Participants and their Beneficiaries as a result of a completed loan application duly filed and approved by the Administrator or its designee.

11.2 Loan Procedures. Loans shall be made in accordance with procedures implemented by the Administrator, or its designee, in accordance with the Code and Regulations thereunder.

11.3 Limitations. No loan to any Participant or Beneficiary can be made to the extent that such loan when added to the outstanding balance of all other loans to the Participant or Beneficiary would exceed the lesser of (a) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made, or (b) one-half the present value of the nonforfeitable accrued benefit of the Participant or, if greater, the total accrued benefit up to \$10,000. For the purpose of the above limitation, all loans from all plans of the Employer and other members of a group of employers described in Sections 414(b), 414(c) and 414(m) of the Code are aggregated. Furthermore, any loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less than quarterly, over a period not extending beyond five years from the date of the loan, unless such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Participant. An assignment or pledge of any portion of the Participant's interests in the Plan and a loan, pledge or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan under this Section.

11.4 Special Rule for Veterans. Effective December 12, 1994, the suspension of an Employee's obligation to repay a plan loan for the period during which the Employee is performing military service (as described in Section 414(u)(4) of the Code) will not disqualify the Plan from satisfying the prohibited transaction exemption for plan loans.

## ARTICLE XII AMENDMENT AND TERMINATION

12.1 ~~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.

12.2     ~~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.

12.3     ~~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.

12.4     ~~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 XIII~~ARTICLE XII~~  
GENERAL PROVISIONS

13.1     ~~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.



13.2     ~~12.2~~ Type of Plan. The Plan is a governmental plan as defined in Code Section 414(d).

13.3     ~~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).

13.4     ~~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.

13.5     ~~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.

13.6     ~~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.

13.7     ~~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.

13.8     ~~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.

13.9     ~~12.9~~ Successors and Assigns.     The Plan shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

13.10     ~~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.

13.11     ~~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.

13.12     ~~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.

13.13     ~~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.

*[SIGNATURES ON FOLLOWING PAGE]*

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

<b>Summary report:</b> <b>Litéra® Change-Pro 7.5.0.135 Document comparison done on 12/2/2015</b> <b>5:40:57 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://iManage/iManage/9138443/1	
<b>Modified DMS:</b> iw://iManage/iManage/22278774/1	
<b>Changes:</b>	
Add	219
Delete	50
Move From	1
Move To	1
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	271



**ACTION ITEM**  
February 17, 2016

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: AUTHORIZE ATTENDANCE AT CALIFORNIA SPECIAL DISTRICTS  
ASSOCIATION LEGISLATIVE DAYS, MAY 17-18, 2016 - SACRAMENTO**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors authorize attendance for one staff member and one Board member to attend CSDA's Legislative Days on May 17-18, 2016.

**COMMITTEE RECOMMENDATION**

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The Public Affairs & Legislation Committee will review this item on February 16, 2016 and make a recommendation to the Board.

**DETAILED REPORT**

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From CSDA's website:

Gain the edge on policy changes impacting your agency at the 2016 Special Districts Legislative Days, an interactive and informative two-day legislative conference in our State's Capitol. Representatives from all types of districts attend Legislative Days to exchange ideas with California's top decision-makers and discuss priority legislative issues at pre-arranged Capitol office visits and a private reception.

Hear directly from state leadership on hot topics affecting local services and infrastructure.

Budgeted (Y/N): No		Core <u>X</u>	Choice <u>  </u>
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted): \$175 registration, plus \$650/travel costs for each attendee.			

Get your questions answered at issue-focused, industry-specific roundtable sessions. Explore how decisions are really made in the Capitol and help shape their outcome.

The legislative conference is held at the Sacramento Convention Center and includes panel discussions, roundtable discussions, and a luncheon keynote speaker.

Cost:

Early-On or Before 04/15/16: \$175 CSDA Member, \$265 Non-Member

Regular-After 04/15/16: \$225 CSDA Member, \$340 Non-Member



**ACTION ITEM**  
February 17, 2016

**TO:** Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Heather Baez

**SUBJECT: SB 163 (Hertzberg) – Wastewater Treatment, Recycled Water**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors vote to adopt a “Support if Amended” position on SB 163 (Hertzberg), asking the author to amend the bill into a study.

**COMMITTEE RECOMMENDATION**

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The Public Affairs & Legislation Committee will review this item on February 16, 2016 and make a recommendation to the Board.

**SUMMARY**

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SB 163 would declare that the discharge of treated water through ocean outfalls constitutes a waste and unreasonable use of water, and would require wastewater facilities to phase out this practice over the next two decades before achieving 100% reuse by 2036 and eliminating discharge through ocean outfalls.

In declaring the discharge of treated wastewater through ocean outfalls a waste and unreasonable use of water, this bill would require a NPDES permit holder (permit holder) authorized for the discharge of wastewater through an ocean outfall as of January 1, 2016, to submit a compliance plan to meet the following provisions to the executive director of the Water Board by 1/1/2020:

1) Achieve 50% reuse of the facility’s actual annual flow for beneficial purposes by January 1, 2026. (For all purposes of this measure, “actual annual flow” is defined the annual average flow of treated wastewater discharging through a facility’s ocean outfall as determined by the Water Board using monitoring data available for calendar years 2009 to 2014.)

<b>Budgeted (Y/N):</b> n/a	Budgeted amount:	Core x	Choice __
<b>Fiscal Impact (explain if unbudgeted):</b>			

2) Eliminate all discharge of treated wastewater through ocean outfalls, except as backup discharge (i.e. during storms or wet periods when there is little demand for reclaimed water), by 1/1/2036.

3) Achieve 100% reuse of the facility's actual annual flow for beneficial purposes by 1/1/2036.

## **ARGUMENTS IN SUPPORT**

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While the underlying policy of this bill is laudable, issues such as cost, feasibility, or barriers to direct potable reuse need to be resolved before a state-imposed mandate may even be considered. Nonetheless, Sen. Hertzberg has gone out of his way to signal that he wants to work cooperatively with stakeholders. The Cal. Assoc. of Sanitation Agencies (CASA) is drafting a letter of concern that asks the author to start with a new bill to allow for more negotiation, and to convene a taskforce.

Senator Hertzberg continues to meet with stakeholders and has not amended the bills since the initial gut & amend in September. The bill could still be taken in another direction.

## **COMMENTS**

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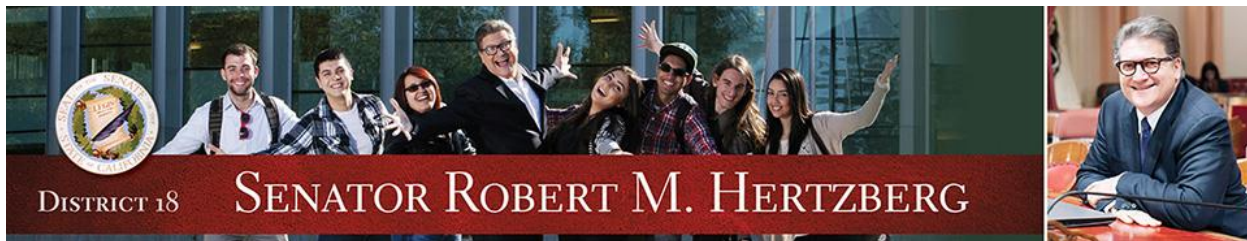
ACWA supports the robust development of water reuse projects as part of a comprehensive framework to secure California's water reliability. However, ACWA maintains that this objective would be met most effectively through independent initiatives at the local level, not a top-down statewide-driven approach. WaterReuse California has identified and communicated a number of regulatory, financial, and public acceptance barriers to the author, including a lack of statewide regulations for surface water augmentation and direct potable reuse and the infeasibility of expanding non-potable "purple pipe" projects to accommodate the volume of water this measure aims to incorporate. Moreover, this measure would impose enormous costs on wastewater facilities while offering no monetary support. The advancements and expansions to water treatment plants this bill would require would necessitate billions of dollars in spending at the local level. (ACWA State Legislative Committee took a "Not Favor" position on SB 163 at the January 22, 2016 meeting.)

## **DETAILED REPORT**

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The full text of SB 163 is attached.





## Senate Bill 163 – Recycled Water Supply

### SUMMARY

Senate Bill 163 declares that dumping treated wastewater into the ocean is an unreasonable use of water in the state of California. The bill sets timelines for sanitation facilities to meet standards for 50 percent beneficial reuse by 2026 and 100 percent reuse of treated water by 2036. The reuse standards would allow for backup discharges from treatment facilities for purposes such as irrigating crops, groundwater recharge, sea water barriers and watering public lands.

### ISSUE

Over the last several years, California has watched as water supplies have dwindled with less snow and fewer significant rain events. The severe drought conditions that grip more than 90 percent of the state have brought the issue of water conservation to the forefront of political discussions and policymaking.

However, we in California continue to let millions of gallons of treated wastewater – water that is useable and valuable – pour into the ocean every day. It is estimated that the state of California lets more than 1.5 billion gallons of treated fresh water go out to the ocean per day. The Los Angeles area alone is responsible for some 650 million gallons per day going out to the ocean. Even in a drought, we are letting enormous quantities of highly treated fresh water flow into the ocean.

We know that as climate change continues to shape California's landscape, water will become an increasingly precious resource. This state must look beyond the current drought and address the totality of California's fresh water situation. By prohibiting treated wastewater from being dumped into the ocean and instead encouraging its use for irrigating public land or groundwater recharge, California can more wisely use every gallon of this state's precious fresh water.

In 2013, the California State Water Resources Control Board adopted objectives for water recycling across the state. The Board established a mandate to increase the use of recycled water by 200,000 acre-feet per year by 2020 and to substitute "as much recycled water for potable water as possible by 2030." Senate Bill 163 sets a course for California's future and for a sustainable water supply for the state.

### SB 163 (HERTZBERG)

This bill would require wastewater treatment facilities to reuse 50 percent of treated wastewater for beneficial purposes by 2026 and 100 percent of treated wastewater by 2036. It allows the federal National Pollutant Discharge Elimination System (NPDES) permit holders to apply to the state water board for partial exemptions from the reuse requirements provided they have a detailed plan, including infrastructure needs and financing, for meeting the reuse requirements in the future.

AMENDED IN ASSEMBLY SEPTEMBER 3, 2015

AMENDED IN SENATE JUNE 2, 2015

**SENATE BILL**

**No. 163**

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**Introduced by Senator Hertzberg**

February 4, 2015

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~~An act to add Section 3000.5 to the Elections Code, relating to elections. An act to add Section 13557.5 to the Water Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 163, as amended, Hertzberg. ~~Elections: vote by mail ballot.~~  
*Wastewater treatment: recycled water.*

*The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. Existing law declares that the use of potable domestic water for certain nonpotable uses is a waste or an unreasonable use of water if recycled water is available, as determined by the State Water Resources Control Board, and other requirements are met.*

*Under existing law, the state board and the 9 California regional water quality control boards prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system (NPDES) permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act.*

*This bill would declare that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill's provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle this water for further beneficial use. This bill,*

*on or before January 1, 2026, would require a wastewater treatment facility discharging through an ocean outfall to achieve at least 50% reuse of the facility's actual annual flow, as defined, for beneficial purposes. This bill, on and after January 1, 2036, would prohibit the discharge of treated wastewater through ocean outfalls, except as backup discharge, as defined, and would require a wastewater treatment facility to achieve 100% reuse of the facility's actual annual flow for beneficial purposes. This bill, on and after January 1, 2022, would authorize a NPDES permit holder subject to these requirements to petition the state board for a partial exemption to the above-described requirements. This bill would require the state board to determine, after notice and opportunity for comment, whether the petition demonstrates that the NPDES permit holder cannot comply with these reuse requirements and would provide that an exemption from these reuse requirements is valid for a period of no more than 5 years, at which point the NPDES permit holder is required to reapply for an exemption or comply with these reuse requirements. This bill would prohibit a NPDES permit holder subject to these provisions from being eligible for state grants or loans if they receive a partial exemption to these reuse requirements, unless the state grant or loan is solely for the purpose of achieving compliance with these reuse requirements.*

*This bill would require a holder of a NPDES permit authorizing the discharge of wastewater through an ocean outfall as of January 1, 2016, to submit, on or before July 1, 2020, a prescribed plan to meet these provisions, directly or by contract, to the executive director of the state board and would require the plan to be updated on or before January 1, 2024. This bill, on or before January 1, 2017, and by January 1 every 5 years thereafter, would require the holder of a NPDES permit authorizing the discharge of wastewater through an ocean outfall to submit a report to the executive director of the state board summarizing the actions accomplished to date and the actions remaining and proposed to meet the requirements of these provisions. This bill would require the state board to submit a report to the Governor and the Legislature on the implementation of these provisions on or before July 1, 2021, and by July 1 every 5 years thereafter.*

~~Existing law requires the vote by mail ballot to be available to any registered voter and requires an application for a vote by mail voter's ballot to be made in writing to the elections official having jurisdiction over the election between certain days before the election.~~

~~This bill would establish, until January 1, 2019, a vote by mail pilot program in the County of Los Angeles for statewide elections. The bill would require, as part of the pilot program, that the county elections official issue a vote by mail ballot to each registered voter for a qualifying election. The bill would also require the elections official, among other things, to engage in voter education efforts to increase voter awareness of the pilot program and to report on the voter turnout for qualifying elections to the Secretary of State and the Legislature on or before December 31, 2018.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~yes~~-no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. The Legislature finds and declares all of the*
- 2     *following:*
- 3     *(a) Severe drought conditions have persisted for the last three*
- 4     *years in California, and 2013 was the state's driest calendar year*
- 5     *on record.*
- 6     *(b) California's water supplies have dipped to alarmingly low*
- 7     *levels indicated by the very limited snowpack in the Sierra Nevada*
- 8     *Mountains, declining water levels in the state's largest water*
- 9     *reservoirs, reduced surface water flows in major river systems,*
- 10    *and historically low groundwater levels. These water supplies*
- 11    *continue to be severely depleted despite a limited amount of winter*
- 12    *precipitation in 2014.*
- 13    *(c) The duration of the drought is unknown, but based on the*
- 14    *projected impact of climate change on California's snowpack,*
- 15    *extremely dry conditions will likely continue beyond this year and*
- 16    *occur more regularly in the future.*
- 17    *(d) Continuous severe drought conditions present urgent*
- 18    *challenges across the state, including, but not limited to, water*
- 19    *shortages in communities and for agricultural production,*

1 *increased risk of wildfires, degraded habitat for fish and wildlife,*  
2 *and threat of saltwater contamination in large fresh water supplies.*

3 *(e) Water reuse is one of the most efficient and cost-effective*  
4 *ways to improve the drought resilience of California communities.*

5 *(f) The State Water Resources Control Board has established*  
6 *goals of recycling 1,500,000 acre-feet of wastewater by 2020 and*  
7 *2,500,000 acre-feet of wastewater by 2030. However, California*  
8 *is not on track to meet the board's goals.*

9 *(g) The discharge of treated wastewater from ocean outfalls*  
10 *constitutes waste and unreasonable use of water within the*  
11 *meaning of Section 2 of Article X of the California Constitution,*  
12 *in light of the opportunities to recycle this water for further*  
13 *beneficial use.*

14 *(h) By prohibiting ocean discharges from wastewater treatment*  
15 *plants, California could dramatically accelerate the adoption of*  
16 *water recycling and thus increase water supply available for*  
17 *beneficial use.*

18 *(i) Water recycling can reduce California's dependence on*  
19 *diversions from surface rivers and streams that are subject to*  
20 *variable climate and regulatory conditions.*

21 *(j) In addition to water supply benefits, requiring water recycling*  
22 *for further beneficial use eliminates ocean wastewater discharges,*  
23 *decreasing pollutant loadings to ocean waters and improving*  
24 *coastal water quality, thereby benefitting the aquatic environment*  
25 *and local economies that depend on those coastal resources.*

26 *SEC. 2. Section 13557.5 is added to the Water Code, to read:*

27 *13557.5. (a) The Legislature hereby finds and declares that*  
28 *the discharge of treated wastewater from ocean outfalls, except*  
29 *in compliance with the provisions of this section, is a waste and*  
30 *unreasonable use of water within the meaning of Section 2 of*  
31 *Article X of the California Constitution in light of the cost-effective*  
32 *opportunities to recycle this water for further beneficial use,*  
33 *including both potable and nonpotable uses.*

34 *(b) On or before January 1, 2026, each wastewater treatment*  
35 *facility that discharges through an ocean outfall shall achieve at*  
36 *least 50 percent reuse of the facility's actual annual flow for*  
37 *beneficial purposes.*

38 *(c) On and after January 1, 2036:*

39 *(1) A wastewater treatment facility shall not discharge treated*  
40 *wastewater through ocean outfalls, except as a backup discharge.*

1 A backup discharge may occur only during periods of reduced  
2 demand for reclaimed water in the reuse system, such as a period  
3 of wet weather.

4 (2) Each wastewater treatment facility shall achieve 100 percent  
5 reuse of the facility's actual annual flow for further beneficial use.

6 (d) (1) A holder of a NPDES permit authorizing the discharge  
7 of wastewater through an ocean outfall as of January 1, 2016,  
8 shall submit, on or before July 1, 2020, a plan to meet the  
9 requirements of this section, directly or by contract, to the executive  
10 director of the state board that contains all of the following:

11 (A) An identification of all land acquisition and facilities  
12 necessary to provide for treatment, transport, and reuse of treated  
13 wastewater.

14 (B) An analysis of the costs to meet the requirements of this  
15 section.

16 (C) A financing plan for meeting the requirements of this section,  
17 including identifying any actions necessary to implement the  
18 financing plan, such as bond issuance or other borrowing,  
19 assessments, rate increases, fees, charges, or other financing  
20 mechanisms.

21 (D) A detailed schedule for the completion of all necessary  
22 actions.

23 (E) Supporting data and other documentation accompanying  
24 the plan.

25 (2) On or before January 1, 2024, the plan described in  
26 paragraph (1) shall be updated and submitted to the executive  
27 director of the state board by the permit holder to include any  
28 refinements or changes in the costs, actions, or financing necessary  
29 to achieve full recycling of all wastewater and thereby eliminate  
30 the ocean outfall discharge in accordance with this section or a  
31 written statement that the plan is current and accurate.

32 (e) On or before January 1, 2017, and by January 1 every five  
33 years thereafter, the holder of a NPDES permit authorizing the  
34 discharge of wastewater through an ocean outfall shall submit to  
35 the executive director of the state board a report summarizing the  
36 actions accomplished to date and the actions remaining and  
37 proposed to meet the requirements of this section. The report shall  
38 include progress toward meeting the deadlines set forth in  
39 subdivisions (b) to (d), inclusive, and specifically include the  
40 detailed schedule for, and status of, the following:

- 1 (1) *Evaluation of reuse and disposal options.*
- 2 (2) *Preparation of preliminary design reports.*
- 3 (3) *Preparation and submission of permit applications.*
- 4 (4) *Construction initiation.*
- 5 (5) *Construction progress milestones.*
- 6 (6) *Construction completion.*
- 7 (7) *Initiation of operation.*
- 8 (8) *Continuing operation and maintenance.*

9 (f) (1) *On or before July 1, 2021, and by July 1 every five years*  
10 *thereafter, the state board shall submit a report to the Governor*  
11 *and the Legislature on the implementation of this section. The*  
12 *report shall summarize the progress up to date, including the*  
13 *increased amount of reclaimed water provided and potable water*  
14 *offsets achieved, and shall identify any obstacles to continued*  
15 *progress, including all instances of substantial noncompliance.*

16 (2) *A report to be submitted pursuant to paragraph (1) shall be*  
17 *submitted in compliance with Section 9795 of the Government*  
18 *Code.*

19 (g) (1) *On and after January 1, 2022, a NPDES permitholder*  
20 *subject to the requirements of this section, may petition the state*  
21 *board for a partial exemption to the requirements of this section.*  
22 *The petition shall include the information required in subdivisions*  
23 *(d) and (e), and shall demonstrate that the NPDES permitholder*  
24 *cannot comply with the requirements of this section for one of the*  
25 *following reasons:*

26 (A) *The state board has failed to adopt regulations that approve*  
27 *the indirect potable reuse of wastewater.*

28 (B) *Upgrading the wastewater treatment plant to achieve*  
29 *recycled water standards produces recycled water that costs more*  
30 *than twice the cost per-acre foot as compared with other new*  
31 *surface and groundwater supplies.*

32 (C) *The wastewater treatment plant has achieved water quality*  
33 *standards for recycled water, but there is not sufficient demand*  
34 *for this water within the region.*

35 (2) *The state board shall determine, after notice and opportunity*  
36 *for comment, whether the petition demonstrates that the NPDES*  
37 *permitholder cannot comply with the requirements of this section*  
38 *pursuant to paragraph (1). If the state board approves the partial*  
39 *exemption to the requirements of this section, that exemption shall*  
40 *be valid for a period of no more than five years, at which point*

1 *the NPDES permit holder shall reapply for an exemption or comply*  
2 *with the requirements of this section.*

3 *(3) A NPDES permit holder subject to the requirements of this*  
4 *section shall not be eligible for state grants or loans if they receive*  
5 *a partial exemption to the requirements of this section pursuant*  
6 *to this subdivision, unless the state grant or loan is solely for the*  
7 *purpose of achieving compliance with the requirements of this*  
8 *section.*

9 *(h) As used in this section:*

10 *(1) "Actual annual flow" means the annual average flow of*  
11 *treated wastewater discharging through a facility's ocean outfall*  
12 *as determined by the state board using monitoring data available*  
13 *for calendar years 2009 to 2014, inclusive.*

14 *(2) "Backup discharge" means a surface water discharge that*  
15 *occurs as part of a functioning reuse system that has been*  
16 *permitted in accordance with the rules of the state board and that*  
17 *provides reclaimed water for irrigation or public access areas,*  
18 *residential properties, edible food crops, sea water barrier*  
19 *injection to protect groundwater resources, groundwater*  
20 *replenishment, industrial cooling, or other acceptable reuse*  
21 *purposes. "Backup discharge" may also include releases to the*  
22 *ocean on an emergency basis, as approved by a regional board,*  
23 *for a duration not to exceed 90 days and only in the quantities as*  
24 *are necessary in the event of a storm or other cause that impedes*  
25 *groundwater replenishment.*

26 ~~SECTION 1. Section 3000.5 is added to the Elections Code,~~  
27 ~~to read:~~

28 ~~3000.5. (a) A vote by mail pilot program shall be established~~  
29 ~~in the County of Los Angeles for any statewide election held~~  
30 ~~between January 1, 2017, and December 31, 2018, inclusive.~~

31 ~~(b) Notwithstanding Section 3001, the elections official for the~~  
32 ~~County of Los Angeles, in conjunction with the Secretary of State,~~  
33 ~~shall issue a vote by mail ballot to each registered voter in that~~  
34 ~~county for any statewide election held during the period specified~~  
35 ~~in subdivision (a).~~

36 ~~(c) Notwithstanding any other law, each of the following shall~~  
37 ~~apply to the vote by mail pilot program with respect to a statewide~~  
38 ~~election held during the period specified in subdivision (a):~~



1     ~~(1) The elections official is authorized to mail the vote by mail~~  
 2     ~~ballots together with other election materials issued by the county~~  
 3     ~~to reduce overall mailing expenses.~~

4     ~~(2) The elections official shall consider reducing or consolidating~~  
 5     ~~precincts in anticipation of a reduction in the number of voters~~  
 6     ~~who vote at precinct polling places, subject to the requirements of~~  
 7     ~~Sections 12223 and 12241.~~

8     ~~(3) The elections official is deemed to comply with the~~  
 9     ~~requirements of Section 14102 if the number of official ballots~~  
 10    ~~provided to each precinct is not less than 50 percent of registered~~  
 11    ~~voters in the precinct.~~

12    ~~(4) The elections official shall engage in voter education efforts~~  
 13    ~~to increase voter awareness of the vote by mail pilot program. As~~  
 14    ~~part of the voter education efforts, voters shall be encouraged, if~~  
 15    ~~they intend to vote at a polling place, to bring their vote by mail~~  
 16    ~~ballot to the polling place to streamline their voting process.~~

17    ~~(5) In addition to any other reporting requirements required by~~  
 18    ~~law, the elections official shall report on the voter turnout for the~~  
 19    ~~County of Los Angeles for any qualifying statewide election~~  
 20    ~~described in subdivision (a) to the Secretary of State and to the~~  
 21    ~~Legislature, in the manner provided by Section 9795 of the~~  
 22    ~~Government Code, on or before December 31, 2018.~~

23    ~~(d) This section shall remain in effect only until January 1, 2019,~~  
 24    ~~and as of that date is repealed, unless a later enacted statute, that~~  
 25    ~~is enacted before January 1, 2019, deletes or extends that date.~~

26    ~~SEC. 2. If the Commission on State Mandates determines that~~  
 27    ~~this act contains costs mandated by the state, reimbursement to~~  
 28    ~~local agencies and school districts for those costs shall be made~~  
 29    ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
 30    ~~4 of Title 2 of the Government Code.~~



**ACTION ITEM**  
February 17, 2016

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: AB 1713 (Eggman) – Sacramento San Joaquin Delta, Peripheral Canal**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors vote to oppose AB 1713 (Eggman), sign on to Metropolitan Water District's coalition letter, and send a separate letter to the author and members of the Orange County delegation indicating our opposition.

**COMMITTEE RECOMMENDATION**

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The Public Affairs & Legislation Committee will review this item on February 16, 2016 and make a recommendation to the Board.

**SUMMARY**

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AB 1713 would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017, and would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.

**ARGUMENTS IN SUPPORT**

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According to the author's office, "California's taxpayers and ratepayers should have the opportunity to weigh in on whether to commit billions of dollars to a project that economists say isn't a good investment, scientists say is a disaster for the Delta's ecosystem, and the

<b>Budgeted (Y/N):</b> n/a	Budgeted amount:	Core x	Choice __
<b>Fiscal Impact (explain if unbudgeted):</b>			

water exporters' own studies show will not produce a single drop of new water supply. "The proposed tunnels are the most expensive, most controversial water project proposed in half a century with the potential to permanently destroy the Delta's ecosystem and community. Californians have the right to look at the facts and decide whether the tunnels are good for California, or whether we should drop this plan once and for all."

## **ARGUMENTS IN OPPOSITION**

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### WaterFix process to make progress happen.

- State and federal agencies have been working toward a plan for 10 years
- Water agencies like Metropolitan have spent nearly a quarter billion dollars on planning
- This is the last year of the Obama Administration
- California WaterFix must come together this year

### Reliable water from the Delta is essential for making the statewide water system work.

- The Delta is the bottleneck in our statewide water system
- Southern California must be able to capture water from Northern California in wet periods to prepare for drought
- High quality water from the north is essential to making local projects like recycling work year in and year out
- We fully support more conservation and more local supplies
- But we must take action on all fronts to prepare for our water future

### Some legislators are now trying to thwart water progress in California. The ballot box is not for designing California infrastructure.

- AB 1713 by Assembly Member Susan Eggman, and co-authored by eight members of the Assembly and Senate, is being advanced by legislators long opposed to modernizing the Delta water system
- They are now seeking to impose new road blocks at the eleventh hour
- AB 1713 is the wrong approach
- We very much support the Legislature providing policy direction
- The Legislature did so in the 2009 with the passage of a historic water package which formalized an approach to reform the Delta through a robust public process
- AB 1713 is an attempt to carve out pieces of that approach and subject the new Delta improvements to another public vote to appease opponents who are steadfast in their opposition to improvements to the backbone water infrastructure that runs our statewide economy
- AB 1713 creates a double standard for a single important infrastructure project

## COMMENTS

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Principal coauthors:

Assembly Members Catherine Baker (R-Dublin), Susan Bonilla (D-Concord), Ken Cooley (D-Rancho Cordova), Jim Frazier (D-Oakley), Kevin McCarty (D-Sacramento), and Kristin Olsen (R-Modesto).

Principal coauthor: Senator Lois Wolk (D-Davis)

The Metropolitan Water District of Southern California is crafting a coalition letter on behalf of all Southern California water districts. The letter is still being revised at this time. To date, the following MWDOC member agencies have agreed to sign on: East Orange County Water District, Mesa Water District & Yorba Linda Water District.

## DETAILED REPORT

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The full text of AB 1713 is attached.

**ASSEMBLY BILL**

**No. 1713**

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**Introduced by Assembly Member Eggman**  
**(Principal coauthors: Assembly Members Baker, Bonilla, Cooley,**  
**Cooper, Frazier, McCarty, and Olsen)**  
(Principal coauthor: Senator Wolk)

January 26, 2016

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An act to add Chapter 1.5 (commencing with Section 115) to Division 1 of the Water Code, relating to the Sacramento-San Joaquin Delta.

LEGISLATIVE COUNSEL'S DIGEST

AB 1713, as introduced, Eggman. Sacramento-San Joaquin Delta: peripheral canal.

Existing law requires various state agencies to administer programs relating to water supply, water quality, and flood management in the Sacramento-San Joaquin Delta.

The bill would prohibit the construction of a peripheral canal, as defined, unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017, and would require the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Chapter 1.5 (commencing with Section 115) is  
2     added to Division 1 of the Water Code, to read:

## CHAPTER 1.5. PERIPHERAL CANAL

115. As used in this chapter, the following terms have the following meanings:

(a) "Delta" means the Sacramento-San Joaquin Delta, as defined in Section 12220.

(b) "Peripheral canal" means a facility or structure that conveys water directly from a diversion point in the Sacramento River to pumping facilities of the State Water Project or the federal Central Valley Project south of the Delta.

116. (a) Notwithstanding any other law, a peripheral canal shall not be constructed unless expressly authorized by an initiative voted on by the voters of California on or after January 1, 2017.

(b) If an initiative described in subdivision (a) is placed on the ballot, prior to the election, the Legislative Analyst's Office shall complete an economic feasibility analysis that includes both of the following:

(1) The total cost of the project.

(2) Expected impacts of the project on taxpayers, water ratepayers, and the General Fund.

117. Notwithstanding any other law, the construction and operation of a peripheral canal shall not diminish or otherwise negatively affect the water supply, water rights, or water quality for water users within the Delta watershed.



**ACTION ITEM**  
February 17, 2016

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: SB 814 (Hill) – Drought: excessive water use: urban retail water suppliers.**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors vote to adopt an “Oppose unless Amended” position on SB 814 (Hill).

**COMMITTEE RECOMMENDATION**

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The Public Affairs & Legislation Committee will review this item on February 16, 2016 and make a recommendation to the Board.

**SUMMARY**

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SB 814 would require each urban retail water supplier to establish a local definition of excessive water use. This bill would prohibit excessive water use under the local definition by a residential customer and would make a violation of this prohibition an infraction punishable by a fine of at least \$500 per 100 cubic feet of water used above the excessive water use definition in a billing cycle. It would provide that these provisions apply when emergency regulations based on drought are in effect.

In addition, SB 814 would require information about residential customers that violate the prohibition on excessive water use to be made available under the CPRA upon request.

It would also require each urban retail water supplier to establish a process for nonpayment through a fine that is consistent with the water supplier’s existing process for nonpayment of

<b>Budgeted (Y/N):</b> n/a	Budgeted amount:	Core x	Choice __
<b>Fiscal Impact (explain if unbudgeted):</b>			

a water bill. This bill would state that a water user with a demonstrable water leak, and where a fix to the leak is underway, is not to be charged for a violation of the excessive water use definition.

## **ARGUMENTS IN SUPPORT**

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According to the author's office, "SB 814 is about making sure all Californians share in the efforts to conserve water during California's worst drought in recorded history." This bill idea was submitted by a resident of San Mateo as a part of Senator Jerry Hill's annual "Oughta Be a Law...Or Not" contest. The resident was inspired to submit their idea after reading news stories of some California households using 20 times the average daily household water use during the drought, including a retired oil executive, a venture capitalist, and a Major League Baseball team executive.

The author's attempts to preserve retail water supplier's individual authority to establish an excessive use definition that considers local factors. Though not limited to the following, urban retail water suppliers would be required to consider: 1) average daily use; 2) full-time occupancy of households; 3) amount of landscaped land on a property; 4) rate of evapotranspiration; and 5) seasonal weather changes when setting their excessive use definition.

SB 814 could provide more flexibility in establishing an excessive use ordinance through legislative means like those proposed in this bill, than should a similar idea be introduced by a regulatory agency to address the problem.

## **ARGUMENTS IN OPPOSITION**

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Some water agencies have already implemented water conservation measures similar to what this bill would mandate. EBMUD adopted a penalty for customers who use more than four times the average household water use in a billing cycle, charging \$2 per unit over the threshold.

As this bill would require the creation of a new local ordinance, existing law, under the California Public Records Act (CPRA), would require that the name, utility usage data, and home address of a customer who violates the ordinance be available to the public which could be a privacy and/or safety risk. The author's proposed amendment to the CPRA is unnecessary. However, Hill's office is proposing to state this requirement explicitly through an amendment to the Public Records Act to prevent alternative interpretations of existing law.

## **COMMENTS**

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ACWA's State Legislative Committee adopted an "Oppose Unless Amended" position on January 22, 2016.

Some Southern California ACWA members favor the concept in this bill as a tool to address a high-profile problem. Other ACWA members are opposed to the State mandating a tool



that could stress the relationship between a customer and their water supplier and potentially target low-income customers who cannot afford to repair water leaks.

ACWA staff has identified a lack of clarity in the bill around an implementation timeline. The bill states that urban retail water suppliers would be required to have an active excessive use definition only during a declared state of emergency, but does not provide a more specific date for implementation from the time at which an emergency is declared, nor a sunset date. Senator Hill's office has expressed an eagerness to work with ACWA staff on necessary amendments to the bill, including the issue of an implementation timeline.

## **DETAILED REPORT**

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The full text of SB 814 is attached.



## Senator Jerry Hill, 13<sup>th</sup> Senate District

### SB 814 – Reducing Excessive Water Use – Factsheet

#### IN BRIEF

SB 814 is about making sure all Californians share in the efforts to conserve water during California's worst drought in recorded history.

#### THE PROBLEM

Under the State Water Resources Control Board's (the "Board") emergency regulations, water use restrictions may vary slightly among the 411 water supplier territories throughout the state. But in general, residential water users can be – and are – fined \$500 a day for the following:

- Using a hose to wash a car without an automatic shutoff valve
- Washing down a driveway or sidewalk
- Watering outdoor landscaped areas within 48 hours of it raining
- Watering outdoor landscapes on the wrong day or during the wrong period of the day, as established by local rules

However, while \$500 fines can be assessed for these infractions, residential water users in California that use an excessive amount of water are not subject to any fines. The great majority of Californians are making sacrifices to conserve water and meet the mandatory statewide water conservation goal of 25%, but there is a segment of residential water users appear to be using as much water as they want, whenever they want. This is a clear inequity in California's efforts to conserve water during the state's worst drought in recorded history.

It's unknown how many residential water users have been fined, but according to data collected by the Board, between June and November 2015, water suppliers issued at least 5,500 penalties for water waste or not meeting conservation goals. This number also includes drought surcharges. The only known water supplier that assesses penalties on excessive water users is East Bay MUD because the state currently doesn't compel water suppliers to have an excessive water use policy.

In the face of such a severe drought, all Californians should have to cut back water use. By not publicly identifying and taking enforcement actions against excessive water users, the state's water suppliers aren't meeting Governor Brown's 2014 Executive Order to "bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water."

#### BACKGROUND

California is experiencing the worst drought in modern history. According to the Public Policy Institute of California, "the three-year period between fall 2011 and fall 2014 was the driest since recordkeeping began in 1895." In response, in April 2015, Governor Brown declared a state of emergency, requiring a 25% reduction of water use statewide. To meet this goal, the State Water Resources Control Board issued emergency regulations in May 2015. The regulations require each individual water supplier to reduce its water use by varying water conservation rates, ranging from 4% to 36%. Each of the state's 411 water suppliers must report monthly conservation data enforcement statistics to the Board every month. Any water supplier that doesn't meet its established conservation threshold can be fined by the Board up to \$500 per day.

Under the Board's emergency drought regulations, residential water users are prohibited to hose down driveways, to cause water runoff, to use hoses without shutoff nozzles, and more. Any person who breaks these rules can result in a fine of up to \$500 per day, assessed by the local water supplier. In addition, the California Public Utilities Commission (CPUC) oversees Investor Owned Utility (IOU) water suppliers, which deliver water to about 16% of the state. The CPUC has ordered all IOU water suppliers to implement similar measures to comply with the 25% water reduction mandate.

The Board's emergency regulations don't preclude a local water supplier from adopting more stringent conservation measures and local suppliers retain overall enforcement discretion in enforcing the emergency regulations to conserve water. It's up to each local water supplier to decide if and when to issue fines. The Board has encouraged water suppliers to

develop their own progressive enforcement practices to promote conservation.

The \$500 fines are typically assessed on average residential water users, people living in households that use about 11,700 (based on the Board's reported average daily household use for September 2015 of 97 gallons per day) gallons per month. At the same time, excessive water users – households that in some cases are using more than 80,000 gallons per month, or 8 times as much as average user – are not fined for their unreasonable and wasteful use of water. Although it's not known exactly how many excessive water users there are across the state, the Center for Investigative Reporting, in its reporting, has been able to determine that there at least 365 households in the state that use over 1 million gallons of water a year.

According to the data collected by the Center for Investigative Reporting, in Los Angeles alone, at least 92 households used 4.2 million gallons in one year, an amount that could supply enough water for at least 30 families. At least 73 households used more than 3 million gallons in a year and 14 households used more than 6 million gallons in a year. One household used over 12 million gallons in one year. While current law shields the identity of these excessive water users, protecting them from the state's and local water supplier's efforts to encourage people to use less water, it's known that most are located in affluent areas such as Beverly Hills and Brentwood in Los Angeles, La Jolla in San Diego, and Lafayette and Danville in the Bay Area.

Most water suppliers and their residents have been able to meet their established water conservation goals and as a result, the 25% statewide water use reduction goal has been met for four straight months. But while the state has so far achieved its conservation goal, only one local water supplier – the East Bay Municipal Utility District (EBMUD) – has established a policy to go after excessive water users. EBMUD has identified over 1,000 homes that meet their definition of excessive water use, which is about 1,000 gallons per day, four times the average use EBMUD's service area. EBMUD imposes fines for exceeding the limit and, in accordance with existing law, also publicly discloses who the excessive users are. The highest excessive use residential water user in EBMUD's service territory used over 11,000 gallons a day.

The policy seems to be working. According to EBMUD, 2/3 of homes initially identified as excessive users have since cut their water use by about 20%. In some instances, the identification of excessive users helped those users identify leaks that were previously undetected. EBMUD noted that other factors, such as cooler weather, may have contributed to the water use reduction.

## **THE SOLUTION**

During the worst drought in recorded history, SB 814 is intended to prevent the unreasonable use or the waste of water to protect water resources in the interest of the people and for the public welfare. SB 814 will require both public and private urban retail water suppliers – agencies that directly provide potable municipal water to more than 3,000 users – to levy fines against excessive water users. Specifically:

- The bill prohibits excessive water use and requires water suppliers to assess a penalty of at least \$500 on residential water customers for every hundred cubic feet (748 gallons) used above the excessive use definition.
- Urban retail water suppliers will be required to establish an ordinance or rule (or amend an existing ordinance or rule), to create a definition of excessive use based on local conditions, including, but not limited to, average daily water use, full-time occupancy of residences, amount of landscaped land on a property, the evapotranspiration rate, and seasonal changes in the weather.
- The fines will be assessed on a residential customer's regular bill. Each water supplier will be required to have a process for non-payment that must be consistent with each water supplier's existing process for customer non-payment, including, but not limited to, past due penalties, discontinuing water service, or placing a lien on a customer's property.
- Every water supplier will be required to have an appeal process for assessed fines. In order to be considered for an appeal, a customer must demonstrate that their use of water did not violate the excessive use ordinance or rule, or that there was a demonstrable leak, that the water was used for a bona fide medical reason, or for any other reasons that a water supplier might decide are

reasonable considerations for the basis of an appeal.

- Users who are deemed to be using water to excess will have their usage information publicly disclosed by their water supplier, consistent with the state's efforts to identify people who violate water conservation rules.
- The bill will only take effect when the Governor has declared a state of emergency based on drought conditions.

## **SUPPORT**

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## **FOR MORE INFORMATION**

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Patrick Welch – 651-4013 – [patrick.welch@sen.ca.gov](mailto:patrick.welch@sen.ca.gov)

**Introduced by Senator Hill**

January 4, 2016

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An act to amend Section 6254.16 of the Government Code, and to add Chapter 3.3 (commencing with Section 365) to Division 1 of the Water Code, relating to water.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 814, as introduced, Hill. Drought: excessive water use: urban retail water suppliers.

The California Constitution requires the reasonable and beneficial use of water. Existing law requires the Department of Water Resources and the State Water Resources Control Board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state. Existing law authorizes any public entity, as defined, that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity to, by ordinance or resolution, adopt and enforce a water conservation program to reduce the quantity of water used for the purpose of conserving the water supplies of the public entity. Existing law provides that a violation of a requirement of a water conservation program is a misdemeanor punishable by imprisonment in the county jail for not more than 30 days, or by fine not exceeding \$1,000, or both.

This bill would declare that excessive water use, as defined by each urban retail water supplier, is a waste or unreasonable use of water. This bill would prohibit excessive water use by a residential customer and would make a violation of this prohibition an infraction punishable by a fine of at least \$500 per 100 cubic feet of water used above the

excessive water use definition in a billing cycle. By creating a new infraction, this bill would impose a state-mandated local program.

This bill would provide that these provisions apply only during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.

The California Public Records Act requires that public records, as defined, be open to inspection at all times during the hours of a state or local agency and that every person has a right to inspect any public record, with specified exceptions. Existing law prohibits the act from being construed to require the disclosure of certain information concerning utility customers of local agencies, with specified exceptions.

This bill would require certain information about residential customers that violate the prohibition on excessive water use to be made available under the act upon request. By increasing the duties of local officials, the bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings if that enactment contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 6254.16 of the Government Code is
- 2 amended to read:
- 3 6254.16. Nothing in this chapter shall be construed to require
- 4 the disclosure of the name, credit history, utility usage data, home
- 5 address, or telephone number of utility customers of local agencies,
- 6 except that disclosure of name, utility usage data, and the home

1 address of utility customers of local agencies shall be made  
2 available upon request as follows:

3 (a) To an agent or authorized family member of the person to  
4 whom the information pertains.

5 (b) To an officer or employee of another governmental agency  
6 when necessary for the performance of its official duties.

7 (c) Upon court order or the request of a law enforcement agency  
8 relative to an ongoing investigation.

9 (d) Upon determination by the local agency that the utility  
10 customer who is the subject of the request has used utility services  
11 in a manner inconsistent with applicable local utility usage policies.

12 (e) Upon determination by the local agency that the utility  
13 customer who is the subject of the request is an elected or appointed  
14 official with authority to determine the utility usage policies of the  
15 local agency, provided that the home address of an appointed  
16 official shall not be disclosed without his or her consent.

17 (f) Upon determination by the local agency that the public  
18 interest in disclosure of the information clearly outweighs the  
19 public interest in nondisclosure.

20 (g) *Regarding residential customers that violate the prohibition*  
21 *on excessive water use described in Section 367 of the Water Code.*

22 SEC. 2. Chapter 3.3 (commencing with Section 365) is added  
23 to Division 1 of the Water Code, to read:

24  
25 CHAPTER 3.3. EXCESSIVE RESIDENTIAL WATER USE DURING  
26 DROUGHT  
27

28 365. (a) The Legislature finds and declares that this chapter  
29 is in furtherance of Section 2 of Article X of the California  
30 Constitution as intended to prevent the unreasonable use or the  
31 waste of water and to protect water resources in the interest of the  
32 people and for the public welfare.

33 (b) For the purposes of this chapter, “urban retail water supplier”  
34 has the same meaning as provided in Section 10608.12.

35 366. (a) (1) Each urban retail water supplier shall establish a  
36 definition of excessive water use by a customer of the urban retail  
37 water supplier that considers, but is not necessarily limited to  
38 addressing, all of the following factors:

39 (A) Average daily use.

40 (B) Full-time occupancy of households.

1 (C) Amount of landscaped land on a property.

2 (D) Rate of evapotranspiration.

3 (2) An urban retail water supplier may also consider seasonal  
4 weather changes when establishing a definition of excessive water  
5 use by a customer of the urban retail water supplier.

6 (b) An urban retail water supplier shall define and measure  
7 excessive water use in terms of hundreds of cubic feet of water  
8 used during the water supplier's regular billing cycle.

9 (c) An urban retail water supplier shall adopt the definition of  
10 excessive water use and make any other changes necessary to  
11 implement this chapter by adopting a new rule or ordinance or by  
12 amending an existing rule or ordinance relating to drought or water  
13 conservation.

14 367. (a) Excessive water use is a waste or unreasonable use  
15 of water.

16 (b) Excessive water use by a residential customer is prohibited.

17 (c) A violation of subdivision (b) is an infraction punishable by  
18 a fine of at least five hundred dollars (\$500) per hundred cubic  
19 feet of water used above the excessive water use definition in a  
20 billing cycle. Any fine imposed pursuant to this subdivision shall  
21 be added to the customer's water bill and is due and payable with  
22 that water bill. Each urban retail water supplier shall have a process  
23 for nonpayment of the fine, which shall be consistent with the  
24 water supplier's existing process for nonpayment of a water bill.  
25 That process may include, but is not necessarily limited to, the  
26 imposition of nonpayment penalties, interruption of water service,  
27 and placing of a lien on the customer's real property.

28 (d) A violation of subdivision (b) where a demonstrable water  
29 leak at the residence occurred and a fix to that leak is underway  
30 shall not be punishable pursuant to subdivision (c). Other  
31 reasonable justifications for excessive water use shall be considered  
32 consistent with subdivision (e).

33 (e) (1) An urban retail water supplier shall establish a process  
34 for the appeal of a violation of subdivision (b) whereby the  
35 customer may contest the imposition of any fine or penalty for  
36 excessive water use.

37 (2) As part of the appeal process, the customer shall be provided  
38 with an opportunity to provide evidence of a bona fide reason for  
39 the excessive water use, including evidence of a water leak meeting



1 the requirements of subdivision (d), a medical reason, or any other  
2 reasonable justification for the water use.

3 368. This chapter applies only during a period for which the  
4 Governor has issued a proclamation of a state of emergency under  
5 the California Emergency Services Act (Chapter 7 (commencing  
6 with Section 8550) of Division 1 of Title 2 of the Government  
7 Code) based on drought conditions.

8 SEC. 3. The Legislature finds and declares that Section 1 of  
9 this act, which amends Section 6254.16 of the Government Code,  
10 furthers, within the meaning of paragraph (7) of subdivision (b)  
11 of Section 3 of Article I of the California Constitution, the purposes  
12 of that constitutional section as it relates to the right of public  
13 access to the meetings of local public bodies or the writings of  
14 local public officials and local agencies. Pursuant to paragraph (7)  
15 of subdivision (b) of Section 3 of Article I of the California  
16 Constitution, the Legislature makes the following findings:

17 The Legislature finds that it is in the public's interest to be made  
18 aware of excessive water use during a drought in order to help  
19 prevent the unreasonable use or waste of water to protect water  
20 resources in the interest of the people and for the public welfare.

21 SEC. 4. No reimbursement is required by this act pursuant to  
22 Section 6 of Article XIII B of the California Constitution because  
23 the costs that may be incurred by a local agency or school district  
24 under this act would result from a legislative mandate that is within  
25 the scope of paragraph (7) of subdivision (b) of Section 3 of Article  
26 I of the California Constitution or because the costs that may be  
27 incurred by a local agency or school district will be incurred  
28 because this act creates a new crime or infraction, eliminates a  
29 crime or infraction, or changes the penalty for a crime or infraction,  
30 within the meaning of Section 17556 of the Government Code, or  
31 changes the definition of a crime within the meaning of Section 6  
32 of Article XIII B of the California Constitution.



**ACTION ITEM**  
February 17, 2016

**TO:** Board of Directors

**FROM:** **Public Affairs Legislative Committee**  
(Directors Barbre, Tamaribuchi and Hinman)

Robert Hunter  
General Manager

Staff Contact: Jonathan Volzke

**SUBJECT:** **Resolution for East Orange County Water District Director William Vanderwerff**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors adopt a resolution honoring Director William Vanderwerff for his service to the OC water community.

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**DETAILED REPORT**

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After 33 years, William Vanderwerff has retired from the Board of Directors of the East Orange County Water District.

Director Vanderwerff served many terms as President during his tenure.

Among the most significant and long-lasting contributions Director Vanderwerff made to East Orange County Water District was his leadership in the acquisition, rehabilitation and sustainable financing of the District's Retail Zone operations and maintenance and capital requirements. District officials credit him with helping take the fragile and financially stressed Retail Zone to robust reliability with over \$2.2 million in reserve funds.

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

RESOLUTION NO. \_\_\_\_  
RESOLUTION OF THE BOARD OF DIRECTORS  
OF MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
EXPRESSING APPRECIATION FOR THE DEDICATED PUBLIC SERVICE OF  
**WILLIAM L. VANDERWERFF**

AS A MEMBER OF THE EAST ORANGE COUNTY WATER DISTRICT BOARD OF DIRECTORS

**WHEREAS**, WILLIAM L. VANDERWERFF was appointed to the Board of Directors of the East Orange County Water District on July 21, 1983; and

**WHEREAS**, following his initial appointment, WILLIAM L. VANDERWERFF was subsequently elected and reelected to that office for succeeding four-year terms through and including the election of November 6, 2012; and

**WHEREAS**, WILLIAM L. VANDERWERFF was also elected by his board colleagues on January 17, 1991 to serve the first of many terms as President of the East Orange County Water District Board of Directors; and

**WHEREAS**, in his role as president, WILLIAM L. VANDERWERFF provided consistency, leadership and direction on key policy matters, including fiscal and investment strategies, water supply management and planning, and the development, maintenance, operation and replacement of essential facilities for East Orange County Water District's Wholesale and Retail Zones; and

**WHEREAS**, WILLIAM L. VANDERWERFF also provided East Orange County Water District's Wholesale and Retail Zone customers with immeasurable benefits over the years thanks to his extensive knowledge of the District's systems and his commitment to ensuring the District operated in an efficient, cost-effective, fiscally disciplined manner, and maintained a culture of excellent customer service, public transparency, accessibility and accountability; and

**WHEREAS**, among the most significant and long-lasting contributions WILLIAM L. VANDERWERFF made to East Orange County Water District was his vision and leadership in the acquisition, rehabilitation and sustainable financing of the District's Retail Zone operations, maintenance and capital requirements; helping take the fragile and financially stressed Retail Zone to robust reliability with over \$2.2 million in reserve funds; and

**WHEREAS**, WILLIAM L. VANDERWERFF determined that December 31, 2015 was the right time to retire from the East Orange County Water District Board of Directors and bring to a close nearly 33 years of dedicated, professional, and outstanding service to the District, its customers and the communities that it serves.

**NOW, THEREFORE, BE IT RESOLVED** that Municipal Water District of Orange County expresses its deepest appreciation to WILLIAM L. VANDERWERFF for his exemplary service to East Orange County Water District and his efforts to ensure water reliability, sustainability, and affordability.

**AND, BE IT FURTHER RESOLVED**, that Municipal Water District of Orange County appreciates the positive, productive and long-standing relationship it has enjoyed with WILLIAM L. VANDERWERFF over the years and wishes him health, happiness and satisfaction in retirement and in all of his future endeavors.

ADOPTED, SIGNED AND APPROVED this \_\_ day of \_\_\_\_\_, 2016.

# GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES FEBRUARY 2016

<b>Managers' Meeting</b>	<p>MWDOC held its Managers' meeting on January 21 at the City of Santa Ana, Public Works' Office. In attendance were Andy Brunhart (SCWD); Howard Johnson (Brady); Brian Ragland (Huntington Beach); Brian Korcok (Fullerton); David Spitz and Darrick Escobedo (Seal Beach); Oliver Pacifico (SWRCB-DDW); Al Shaikh (Anaheim); Scott Miller and Becky Rodstiem (Westminster); Dennis Cafferty (ETWD); Marc Marcantonio and Steve Conklin (YLWD); Nabil Saba (Santa Ana); Matt Collings (MNWD); Steffen Catron (Newport Beach); Art Valenzuela (Tustin); Hector Ruiz (TCWD); Eric Bauman (San Juan Capistrano); Jose Diaz (Orange); Ken Vecchiarelli and Stan Yarbrough (GSWC); Eva Plajzer (MNWD); Robert Bermudez and Soon Kim (Garden Grove); Dave Rebensdorf (San Clemente); Lisa Ohlund (EOCWD); Paul Cook and Paul Weghorst (IRWD); Mike Markus, John Kennedy and Adam Hutchinson (OCWD); Dan Ferons (SMWD); Dan Rodrigo (CDM) and Karl Seckel; Harvey De La Torre; Jonathan Volzke; Joe Berg; Keith Lyon; Kevin Hostert; Kelly Hubbard; Melissa Baum-Haley and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> <li>1. MWDOC Rate Study – presentation by Raftelis</li> <li>2. Portable Diesel Fuel Trailer Participant Request for Commitment</li> <li>3. SWRCB Water Use Regulations – Update</li> <li>4. MET's Budget Preparation</li> <li>5. MWDOC's Budget Preparation</li> </ol> <p>The next meeting is scheduled for Thursday, February 18.</p>
<b>Poseidon Huntington Beach</b>	<p>Karl and I met with Jeff Kightlinger, Debra Man, Deven Upadhyay, and Bob Harding of MET, John Kennedy and Mike Markus of OCWD, and Scott Maloni of Poseidon. The purpose of the meeting was to provide a briefing to MET on the OCWD integration study and progress being made by Poseidon with the Coastal Commission with an anticipated meeting in May regarding their permit. Scott Maloni reported that a majority interest in Poseidon had been purchased by Brookfield Infrastructure Partners out of Canada. Additional discussion included MET concerns relating to integration issues such as stranded assets, peaking on their system, water quality issues, and constraining MET operations.</p>

<b>MET ITEMS CRITICAL TO ORANGE COUNTY</b>	
<b>MET's Water Supply Conditions</b>	<p>Orange County residents and businesses continue their water savings efforts as we enter the winter months. For November, the County showed a 15.58% monthly reduction (compared to November 2013 usage) and a cumulative savings of 24.65%, which is 2.65% beyond the 22% savings goal for the County. For the first time, the retail water savings achieved in November were below the monthly savings target. The retail agencies predicted this would occur during winter months as a result of seasonally appropriate lessening of irrigation need, and, therefore, a reduction in the potential for outdoor water savings. For this reason, during winter months, the overall water savings potential is hardened.</p> <p>At the end of January, the California Department of Water Resources (DWR) increased the State Water Contractor's "Table A" deliveries for 2016 from 10% to 15% as a result of slightly above average precipitation and snowpack levels in the Northern Sierra Mountains. This will increase MET's State Water Project (SWP) water deliveries by approximately 100,000 acre-feet (AF). DWR Director Mark Cowin stated that, "our modest increase underscores the fact that we still have a critical water shortage after four-plus years of drought that we don't know when will end. One look at our low reservoirs tells us that we need a lot more wet weather before summer."</p>
<b>MET's Finance and Rate Issues</b>	<p><b><u>MET Financial Report</u></b></p> <p>MET staff reported that total water sales are projected to be 116,000 AF less than the budget estimates of 1.75 million acre-feet (MAF). This is roughly a 12% reduction and could result in MET's water sales totaling 1.55 MAF by the end of the fiscal year. However, December was the first month where imported water sales were higher than the budgeted monthly projection. This increase was mainly due to a surge in groundwater recharge purchases.</p> <p>MET plans to start their Biennial Budget Workshops this month. Along with water sales assumptions and projected revenues, there will be discussion on MET's future expenditures and the resultant impact on water rates. MET's CFO Gary Breaux will present on MET's proposed FY 2016/17 and FY 2017/18 Biennial Budget at the February 3 MWDOC Board Workshop.</p>
<b>Colorado River Issues</b>	<p><b><u>Colorado River Drought Response MOU</u></b></p> <p>In 2014, Southern Nevada Water Authority (SNWA), Central Arizona</p>

<b>Colorado River Issues (Continued)</b>	<p>Project (CAP), the U.S. Bureau of Reclamation (Reclamation), and MET entered into a memorandum of understanding for pilot drought response actions on the Lower Colorado River. The agencies agreed to use best efforts to implement actions that would slow the decline in Lake Mead. At the Colorado River Basin States meeting that adjourned on December 15, the agencies provided a summary of the activities completed to date that have benefited Lake Mead in 2014 and 2015:</p> <ul style="list-style-type: none"> <li>• SNWA reported that it left a total of 12,500 AF of Nevada's water in Lake Mead that would otherwise have been banked off-stream;</li> <li>• CAP reported that it left a total of 215,000 AF of water in Lake Mead under its recently developed Intentionally Created Surplus (ICS) program and Arizona water that it could have banked but chose to leave in Lake Mead;</li> <li>• MET reported that it implemented actions to reduce its planned draw on ICS by 58,000 AF by reaching agreement to store conserved water from Imperial Irrigation District and funding conservation within MET's service area to reduce its demand on Colorado River water.</li> </ul> <p>Collectively, the actions above have significantly reduced the likelihood of a first ever shortage declaration on the Colorado River in 2017.</p> <p><b><u>Colorado River Basin Study Next Steps Process to Enter Second Phase</u></b></p> <p>In May 2015, Reclamation, with assistance from the Colorado River Basin States, issued the Moving Forward Phase I Report as a follow-up to the 2013 Colorado River Basin Supply and Demand Study. The Phase I report included a refined analysis of the potential for increased urban conservation, agricultural conservation and transfers, and environmental and other non-consumptive flows. In December, Reclamation notified the Colorado River Basin States of its intention to begin the Moving Forward Phase II process in early 2016, which will include selection and implementation of pilot projects for the actions that were studied in the Phase I report. A kickoff meeting to develop a process for completing Phase II will be held in the coming months.</p>
<b>Bay Delta/State Water Project Issues</b>	<p><b><u>Bay Delta Conservation Plan/California WaterFix</u></b></p> <p>DWR continues to process the comments received on the Bay Delta Conservation Plan/California WaterFix Partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) in preparation for the Response to Comments and Final EIR/EIS, anticipated in mid-2016. MET staff continues to monitor the environmental review process and work with DWR and the other participating State Water Project (SWP) and Central Valley Project (CVP) public water agencies.</p>

<b>Bay Delta/State Water Project Issues (Continued)</b>	<p><b><u>State Water Resources Control Board (SWRCB)</u></b></p> <p>The State Water Resources Control Board (SWRCB) set a public hearing date of April 7, 2016 to consider the petition requesting changes in the point of diversion for the SWP and CVP as part of the California WaterFix Project.</p> <p><b><u>Delta Flood Emergency Management Plan</u></b></p> <p>DWR has reported that the final Delta Flood Emergency Management Plan (DFEMP) will include a recently revised Emergency Response Tool (ERT) that provides forecasted emergency response logistics, as well as incorporates coordinated comments from state, federal and local agencies. The DFEMP will assess ERT generated timelines for emergency freshwater pathway development in the event of multiple island failures under historical hydrologic conditions, as well as demonstrate its real time forecasting capabilities. The DFEMP is expected to be finalized in early 2016.</p> <p>In mid-December, DWR advertised a construction contract for major facilities improvements at their Stockton and Rio Vista materials storage and transfer sites. At Stockton, the work will include existing warehouse improvements, new warehouses, waterside loading and unloading facilities, boat slips, roadway improvements, and the transfer of a portion of rock stockpiles from their temporary storage site at the Port of Stockton. At Rio Vista, the work will consist of additional all-weather roadway access to new and existing rock storage sites and the transfer of a portion of rock stockpiles to Rio Vista from the Port of Stockton. This contract work would be completed in late 2016.</p> <p>DWR reports that a recent contract to remove the drought salinity control barrier from the west False River site has placed an additional 115,000 tons of rock at the Rio Vista storage site. Together with this rock, there is a total of 365,000 tons of rock storage at Stockton and Rio Vista, which is sufficient to close several levee breaches to support formation of the emergency freshwater pathway in the event of a multiple-island failure. DWR plans a contract in 2017 to purchase large sheet piles as a redundant method to close levee breaches and perform additional warehouse renovation.</p>
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## ENGINEERING & PLANNING

<b>Doheny Desal Project</b>	<p>South Coast Water District and its consulting team are continuing to pursue the Doheny Desal Project. Major items scheduled over the next year include:</p> <ul style="list-style-type: none"> <li>• Historical Doc Summary</li> <li>• Environmental &amp; Permitting Roadmap</li> <li>• Brine Outfall Analysis</li> <li>• Preliminary Design Report and Cost Estimate</li> <li>• EIR Process</li> <li>• Environmental Permitting Approvals &amp; Hearings</li> <li>• Public Outreach</li> <li>• Project Funding</li> <li>• Project Delivery Method</li> <li>• Economic Analysis</li> </ul> <p>Key among those, probably for the April/May timeframe, will be the updated cost estimate and the economic analysis.</p> <p>In San Clemente, Karl and Andy Brunhart met with Julie Tobin and Rick Haydon of State Parks to brief them on the following:</p> <ol style="list-style-type: none"> <li>1. Process and schedule for development of the Doheny Desal 5 MGD project. This meeting initiated the process for the start of right-of-way acquisition by South Coast for their project. Within the next two months, Karl and Andy will visit with the State Parks Headquarters in Sacramento to continue the discussions.</li> <li>2. Process and schedule for decommissioning of the existing slant well, associated piping, the mobile test facility and restoration of the site. MWDOC will be in charge of engineering and construction for the decommissioning work.</li> </ol>
<b>Poseidon Resources Ocean Desalination Project in Huntington Beach</b>	<p>OCWD has continued work on evaluating where the product water produced from the Poseidon Project would be utilized, either for the seawater barrier operations, injection or replenishment in the ground-water basin, for direct delivery to other agencies or some combination thereof. OCWD held a February 3 workshop on this issue which</p>

<b>Poseidon Resources Ocean Desalination Project in Huntington Beach (Continued)</b>	included extensive discussions on eight alternative distribution options, including costs. OCWD's Board directed staff to drop the three highest cost alternatives and continue with additional details for a March workshop. The Board also raised questions on the demand projections provided by MWDOC from the O.C. Water Reliability Study Workgroup, as they influence the overall amount of water needed within the basin.
<b>South County Recycling Summit</b>	At SMWD, Director Susan Hinman, MET Director Linda Ackerman, Karl, Jonathan, Joe and I attended the South County Recycling Summit. I provided a presentation on regional support issues relative to development of water recycling projects, highlighting the amount of funding brought in for various projects. The purpose of the meeting was to focus on issues associated with developing additional recycling projects in South County (financial, regulatory/permitting, planning, public acceptance, etc). Approximately \$500 M is planned by all agencies combined to extend purple pipe systems, construct storage and to use recycled water for groundwater replenishment purposes. Jeff Mosher from NWRI discussed the upcoming regulations being developed for Direct Potable Reuse. The overall effort was very well received and was attended by OC Supervisor Lisa Bartlett and SWRCB Chair Felicia Marcus, as well as many other elected officials and staff.
<b>OCWA Luncheon</b>	In January at the Orange County Water Association luncheon, Karl presented on the O.C. Water Reliability Study. Directors Susan Hinman and Sat Tamaribuchi supported Karl in this effort.
<b>MET/MWDOC/OCWD</b>	Karl, Harvey and I met with Mike Markus, John Kennedy and Adam Hutchison of OCWD and Deven Upadhyay of MET to discuss various issues regarding groundwater replenishment deliveries, allocations and potential programs.
<b>OC-70 Metering Issue</b>	Along with Bill Everest of EOCWD, Keith and Kevin witnessed the MET calibration of the OC-70 meter. MET meters are typically calibrated every 6 months, and this was a normal calibration that did not require any adjustments. Work is continuing with MET related to checking and testing the OC-70 meter.
<b>OCWD Producers Meeting</b>	When Keith, Kevin & Melissa attended the February Producers meeting, agenda discussion included: County of Orange well discharge permits; Distribution of Poseidon Water; SWRCB Emergency Drought Regulations status; FY16/17 Budget Schedule; Future MET rates; OCWD DWR boundary modification request; GW Remediation Projects update; and OCSD's Monthly Flow report.
<b>MET Planned Lower Feeder Shutdown</b>	Details of the shutdown and schedule were reviewed when Keith and Kevin attended MET's shutdown coordination meeting in Anaheim, During the last week in February, MET will shut down the Lake

<b>MET Planned Lower Feeder Shutdown (Continued)</b>	Mathews Outlet Facilities, the untreated portion of the Lower Feeder, and the Upper Feeder. Affected agencies within OC have been notified and are ready to deal with the shutdown, and no negative impacts to retail customers are anticipated. During the shutdowns, SWP water will be supplied from the Diemer and Weymouth treatment plants, which is lower in TDS, but a little higher in THMs compared to CRA water. The MWDOC agencies have been notified of the planned water quality changes.
<b>EMERGENCY PREPAREDNESS</b>	
<b>Coordination with Member Agencies</b>	<p>Kevin Hostert, Brandon Stock and Kelly Hubbard met with Trabuco Canyon Water District staff to discuss a FEMA Public Assistance project they are working on that will enhance the protection of a drinking water line that has had damage in past significant rain storms. MWDOC staff also received a tour of Trabuco's water treatment facility and other areas of concern within the Trabuco service area that could have impacts during large rain storms.</p> <p>Kelly provided Member Agency and WEROC EOC Staff with a WebEOC training as a refresher on how the system works and what is expected of each agency during an emergency event within the County.</p> <p>Moulton Niguel Water District had a complex water line break on January 5 that was further complicated by rain storms. Kelly was asked to meet with MNWD staff to discuss the design and purchase of a Mobile Command Post. Kelly provided insight from other agencies who already have field command posts and considerations learned from other disasters.</p> <p>WEROC, in coordination with El Toro Water District, hosted a second Department of Water Resources Flood Fight Training. The class is a full day training with a classroom component on protection of infrastructure techniques and then a field component on how to best create protection barriers.</p> <p>Brandon provided each agency with an individual assessment from the WEROC Radio Assessment performed by Eagle Communications, along with any recommended repairs or suggested equipment replacements.</p>

<b>Coordination with the County of Orange</b>	<p><i>On-Going: The Orange County Fire Authority (OCFA) received grant funding to develop 20 Wildland Urban Interface (WUI) Fire Response Plans. WEROC was able to ensure 100% water utility participation in the first 20 WUI Plans that were developed. OCFA has received additional grant funds to continue their planning efforts. An additional 10 plans have received funding, with 10 more plans awaiting funding. This effort has had a significant positive impact on the relationships between our Member Agencies and the Fire Agencies that serve the same area. All parties involved have been very happy with the planning outcomes.</i></p> <p>The Orange County Operational Area Emergency Operations Center (EOC) was activated on Tuesday, January 5 to Thursday January 7 due to anticipated rain. The OA EOC requested WEROC representation at the EOC for coordination purposes. Kelly and Brandon provided staffing on Tuesday and Wednesday during split shifts that covered the EOC from 7 am until 9 pm each day. Staff provided support to Moulton Niguel Water District for their potable water line break, to Irvine Ranch Water District to coordinate information on San Diego River flows, and to other areas of the response as needed. Although this was not a significant response in terms of damage or impacts to the water utilities or the county overall, any activation of the EOC is a great learning experience. Kelly participated in the County's After Action Meeting and provided some recommendations for future responses.</p>
<b>Coordination with Outside Agencies</b>	<p>In Sacramento, Kelly attended the California Emergency Services Association (CESA) State Board Meeting as the outgoing Treasurer and incoming Vice President of the Board. The meetings are quarterly and offer Kelly an opportunity to meet with the State California Office of Emergency Services Director, Deputy Director and their staff to hear about what is occurring in emergency management within the State and nationally.</p>
<b>WEROC Emergency Operations Center (EOC) Readiness</b>	<p>Staff participated in the OC Operational Area Radio Test and the MET Radio Test, as well as conducted the WEROC Radio Test on January 26.</p> <p>Brandon, Kelly and Karl met to work on a strategic plan for the WEROC program that includes EOC maintenance, long term emergency planning and a Training and Exercise program for WEROC EOC Staff and WEROC Member Agencies.</p>

## WATER USE EFFICIENCY

<b>Distribution System Water Audits</b>	<p>On January 12, MWDOC hosted a Distribution System Water Audit workshop in partnership with the California Urban Water Conservation Council. More than 25 water agencies were in attendance. The workshop focused on the American Water Works Association's water audit methodology and the importance of accurate data collection. Another workshop is scheduled for March 30, 2016.</p> <p>On February 2, Joe Berg hosted the first Water Loss Control Workgroup meeting for Orange County. More than 32 representatives from 23 Orange County water agencies attended this meeting. Bernard Adebyao-Lge from Southern California Edison (SCE) also attended to share SCE's interest in assisting agencies to improve water loss control and, therefore, energy savings. The agenda included a regulatory overview, case studies from Yorba Linda Water District and Moulton Niguel Water District, a summary of our technical assistance offering, and an associated timeline. The next workgroup meeting is scheduled for March 1, 2016 at MWDOC.</p>
<b>Ronald McDonald House of Orange</b>	<p>On January 14, Joe met with Susan Kenney and Katie Russell of the Ronald McDonald House of Orange (RMHO) and John Thornton with Hunt Thornton Resource Strategies to review RMHO's water use and make recommendations for improved water use efficiency. Several efficiency recommendations were identified, such as turf removal and plumbing fixture replacements. RMHO has submitted a rebate application for removal of approximately 2,300 square feet of turf grass.</p>
<b>Met's Water Use Efficiency Workgroup Meeting</b>	<p>On January 21, Beth Fahl attended MET's WUE Workgroup meeting where about 30 member agency staff participated. Topics included:</p> <ul style="list-style-type: none"> <li>• Metropolitan Updates <ul style="list-style-type: none"> <li>○ Regional Program Activity</li> <li>○ W9s and 1099s</li> <li>○ Public Records Act</li> <li>○ Federal Grants</li> <li>○ Requests for Proposals Update</li> <li>○ New Database format and test runs</li> </ul> </li> <li>• Water Supply Update</li> <li>• Outreach Update</li> <li>• Member Agency Roundtable</li> </ul> <p>The next meeting is scheduled for February 18, 2016 at MET.</p>

<b>California Urban Water Conservation Council</b>	In Sacramento at California Urban Water Conservation Council's (CUWCC's) office on February 3, Joe chaired the Governance and Finance Committees. The purpose of the meetings was to conduct general business for the CUWCC. The next meeting is scheduled for April 2016 in Sacramento.
<b>PUBLIC/GOVERNMENT AFFAIRS</b>	
<b>Member Agency Relations</b>	<p>The Public Affairs team planned a Public Affairs Workgroup meeting for member agencies for February 18.</p> <p>On January 27, Jonathan Volzke and Tiffany Baca attended the quarterly MET PIO meeting. A report of the meeting was sent to member agencies.</p> <p>Jonathan and Laura Loewen attended the quarterly MET Education meeting. A report of the meeting highlights was sent to member agencies.</p> <p>On February 10, Jonathan addressed Mesa Water's Water Utilities Issues Group, a public series of workshops. He spoke on MWDOC's role on water delivery.</p> <p>Jonathan organized the kick off meeting for the Consumer Confidence Reports after holding prep meetings with OCWD and the contractor.</p> <p>Laura attended the WUE Coordinators Meeting and gave a report on the Value of Water campaign and the OC Garden Friendly events.</p> <p>Laura sent out flyers for the Water Awareness Poster &amp; Slogan Contest and the Photography &amp; Digital Contest to Orange County schools, libraries and after-school programs.</p> <p>Tiffany met with Stacy Spencer, MET Inspection Trip Coordinator, to discuss the upcoming MET MA coordinators meeting, and to provide an overview of materials provided by MWDOC on the agency's Inspection Trip Program.</p> <p>Tiffany accompanied Director McKenney and members of the OC Grand Jury and myself on an inspection trip of the State Water Project, January 15-16.</p>

<b>Member Agency Relations (Continued)</b>	<p>On February 2 and 3, Tiffany accompanied Director Dick and Central Valley Farm representatives on a MET hosted Orange County and southern California water resources inspection trip.</p> <p>Tiffany and Bryce are currently working on trip logistics, guest and Director needs for the following inspection trips:</p> <ol style="list-style-type: none"> <li>1. February 19-21, Director Barbre/Director Faessel (Anaheim) shared SWP trip</li> <li>2. March 11-13, Director Barbre CRA/Hoover trip</li> <li>3. March 18, Director Dick Edmonston trip</li> </ol> <p>Heather met with Jim Leach at SMWD to discuss federal programs and how to coordinate possible federal appropriations and federal grant opportunities.</p>
<b>Community Relations</b>	<p>On January 29, Jonathan discussed outreach lessons learned during mandatory water restrictions on a panel hosted by the Public Relations Society of America, OC Chapter.</p> <p>On January 22, MWDOC hosted a Water Policy Forum &amp; Dinner featuring guest speaker Felicia Marcus, Chair of the State Water Resources Control Board. 185 guests attended the event. The Public Affairs Team coordinated the event including hotel and speaker logistics, registration, and guest and reserved table needs. Several email invitations were developed and emailed to potential attendees, and a post-event survey was distributed following the event. Graphic materials such as programs and table tents were created by staff. A new speaker gift was developed, an etched "OC Tap Water" bottle was presented to the speaker at the conclusion of the event. Jonathan, Tiffany, Bryce, Laura, Heather, Kelly, Beth, Melissa and Mary staffed the event.</p> <p>On February 4, Tiffany met with Shannon Cervantez with the Great Wolf Lodge to discuss future event hosting opportunities, a tour of the recycling system for interested Board members, inspection trip opportunities for GWL executive staff, and mascot partnering opportunities.</p>
<b>Education</b>	<p>Jonathan and Laura met with the education team from Discovery Science Center to get updates on the school program.</p> <p>Jonathan and Laura met with the education teams from the Inside the Outdoors program and The Ecology Center to get updates on the program.</p>

<b>Education (Continued)</b>	<p>Jonathan and Laura attended the quarterly MET Education meeting.</p> <p>Jonathan and Laura met with a representative from the Boy Scouts to discuss the potential of a partnership between the agencies.</p> <p>Jonathan, Tiffany and Laura met with Director Tamaribuchi and MET officials Dee Zinke and Sue Simms and the education team on potential ways of expanding the high school program and other possibilities.</p> <p>At MET, Jonathan and Laura met with the MET education team and the MWDOC high school contractors to further develop the partnership and find avenues on which to collaborate.</p>
<b>Media Relations</b>	<p>Jonathan worked with the LA Times on a story about the then-proposed second round of the mandatory conservation regulations.</p> <p>Jonathan worked with the OC Register to ensure my comments were included in a January 5 story on cities missing the November conservation targets.</p>
<b>Special Projects</b>	<p><u>Orange County Water Summit</u></p> <ul style="list-style-type: none"> <li>• An OC Water Summit Committee meeting was held on February 8. Director Osborne and Jonathan and Tiffany attended.</li> <li>• Tiffany has been working with the South Coast Westin to finalize hotel/food and AV estimates for the 2016 OC Water Summit.</li> <li>• Tiffany prepared two design layouts for the 2016 OC Water Summit suite and presented them to the Committee for review.</li> <li>• Jonathan and Tiffany met with OCWD staff on February 9 and February 16 to continue to work through checklist items and program structure for the OC Water Summit.</li> </ul> <p>Jonathan attended the OC Garden Friendly program with OC Stormwater.</p> <p>Laura attended the OC Garden Friendly Steering Committee meeting.</p> <p>Jonathan worked with Karl to prepare a one-page summary of the OC Water Reliability Study.</p> <p>Jonathan and Laura worked with the OC Register and participating agencies to produce four full-page Register stories on the Value of Water as part of the CHOICE program. The pages run in the Local section on Sundays.</p>



<b>Special Projects (Continued)</b>	<p>Laura continued updating the Orange County Cities &amp; Water Agencies Directory for 2016.</p> <p>Bryce reviewed and organized Orange County schools into the correct Director Divisions for the Water Awareness Poster-Slogan and Photography &amp; Digital Arts contests.</p> <p>Tiffany and Laura conducted a walk-through of the Discovery Cube's expanded space for the <i>Annual Water Awareness Contest Awards Ceremony</i> which will be held in June.</p> <p>In San Diego on February 2 and 3, Bryce Roberto and Laura attended FEMA Public Information All-Hazards Incident training.</p> <p>Tiffany and Bryce updated several pages on the MWDOC website.</p> <p>Heather sent out reminders for the ISDOC Quarterly Luncheon featuring County CEO, Frank Kim, and highlighted member agency El Toro Water District. She also staffed the event by coordinating registration materials, writing talking points, and updating social media.</p> <p>Heather Baez participated in the Southern California Water Committee Legislative Task Force conference call.</p> <p>Heather and Kelly attended a professional development training class hosted by OCSD on Delegation, Goal Setting and Accountability.</p> <p>Heather staffed the monthly WACO meeting featuring guest speaker, Tim Quinn, Executive Director of ACWA.</p> <p>Heather worked with CSDA to hold their Prop 210 rate setting workshop in the MWDOC/OCWD Board Room. She also helped staff registration and set up the speaker's presentations.</p>
<b>Legislative Affairs</b>	<p>Heather continues to meet weekly with staffs of Inland Empire Utilities Agency, Eastern Municipal Water District &amp; Western Municipal Water District about the upcoming Congressional Delegation Briefing Luncheon.</p> <p>Heather attended the ACWA State Legislative Committee in Sacramento.</p>

<b>Legislative Affairs (Continued)</b>	<p>Heather &amp; Syrus Devers of BB&amp;K met with Assembly Parks &amp; Wildlife Committee consultant, Ryan Ojakian.</p> <p>Also while in Sacramento, Heather &amp; Syrus met with MET's Kathy Cole.</p> <p>Heather participated in MET's member agency's legislative conference call.</p> <p>Tiffany met with Michelle Schuetz with Assembly Member Travis Allen's office to discuss inspection trip opportunities for 2016-17.</p>
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pat meszaros  
2/11/16

**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